

Governance Overview Statement

In this section of our Annual Report we detailed how our Board of Directors (“Board”) operates and explained the responsibilities we have as Directors. We further described our varying Board Committees and how they have operated to create value. We describe our efforts in generating meaningful relationships with stakeholders and ensure the integrity of all that we do.

Our Board provide leadership and strategic guidance to safeguard stakeholder value creation within a framework of prudent and effective controls. This makes it possible to assess and manage risk to ensure long-term sustainable development and growth. The Board has ultimate accountability and responsibility for the performance and affairs of the Company and ensures that the Group adheres to high standards of ethical behaviour, including the Group’s employees, shareholders, regulators, clients, suppliers, the environment and the communities in which it operates.

FRAMEWORKS APPLIED

1	2	3
Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”)	Securities Commission (“SC”) Malaysian Code on Corporate Governance (“MCCG”) 2017	Bank Negara Malaysia (“BNM”) Policy Document on Corporate Governance

› The Governance Overview Statement is to be read in conjunction with the Corporate Governance Report 2019, which is available online at ambankgroup.com



PRINCIPLE
A

BOARD LEADERSHIP & EFFECTIVENESS

This section provides an overview of the Board and how it and its Committees interlink. Details of the type of activity considered by the Board and also some of the core responsibilities for certain Directors are also explained.

In the Group Nomination and Remuneration Report, we reflect the elements of how the Board is made up, how we plan to ensure success in the future and how do we make sure on an annual basis that we are being held accountable to each other as Board members and also to our stakeholders.

ITS IMPORTANCE

An effective board does not place itself in a comfortable setting and it does not remain static. A dynamic board should constantly evolve in response to the environment in which it operates. Challenge as well as teamwork are essential features of the board. Diversity in board composition is an important driver of a board’s effectiveness, creating a breadth of perspective among directors.

PRINCIPLE
B

EFFECTIVE AUDIT & RISK MANAGEMENT

This section describes the work of the Audit and Examination Committee and Risk Management Committee and offers explanations on the numbers of new auditing and governance requirements.

It provides a narrative on how the Risk Management Committee helps the Group drive the implementation of risk frameworks, processes and the Group’s risk appetite and internal control.

ITS IMPORTANCE

From a risk perspective, diligent measured risk management structures and framework help to address risks and strategy. This includes overall management of all risks covering market risk management, credit and operational risk management.

PRINCIPLE
C

INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

This section provides an overview of how we communicate with stakeholders concerns and expectations.

ITS IMPORTANCE

An understanding of the importance of maintaining and fostering good meaningful relationship with our stakeholders plays a key role within our ecosystem. We recognise that stakeholders are affected in one way or another by our actions. In this regard, as stewards of the company, we take responsibility to improve our communication and relationship with our stakeholders.

Our Board Charter defines the roles, responsibilities and functions of the Board and Board Committees in accordance with the principles of good corporate governance. The Charter is reviewed periodically to ensure its adherence to the latest statutory and regulatory requirements, as well as the Group’s operational and business direction. The Charter was updated in September 2017 and is available on the Company’s corporate website at ambankgroup.com.

Governance Overview Statement

THE PROFILE

LIST OF BOARD MEMBERS

1 **TAN SRI AZMAN HASHIM**
Chairman
Non-Independent Non-Executive Director

2 **GRAHAM KENNEDY HODGES**
Non-Independent Non-Executive Director

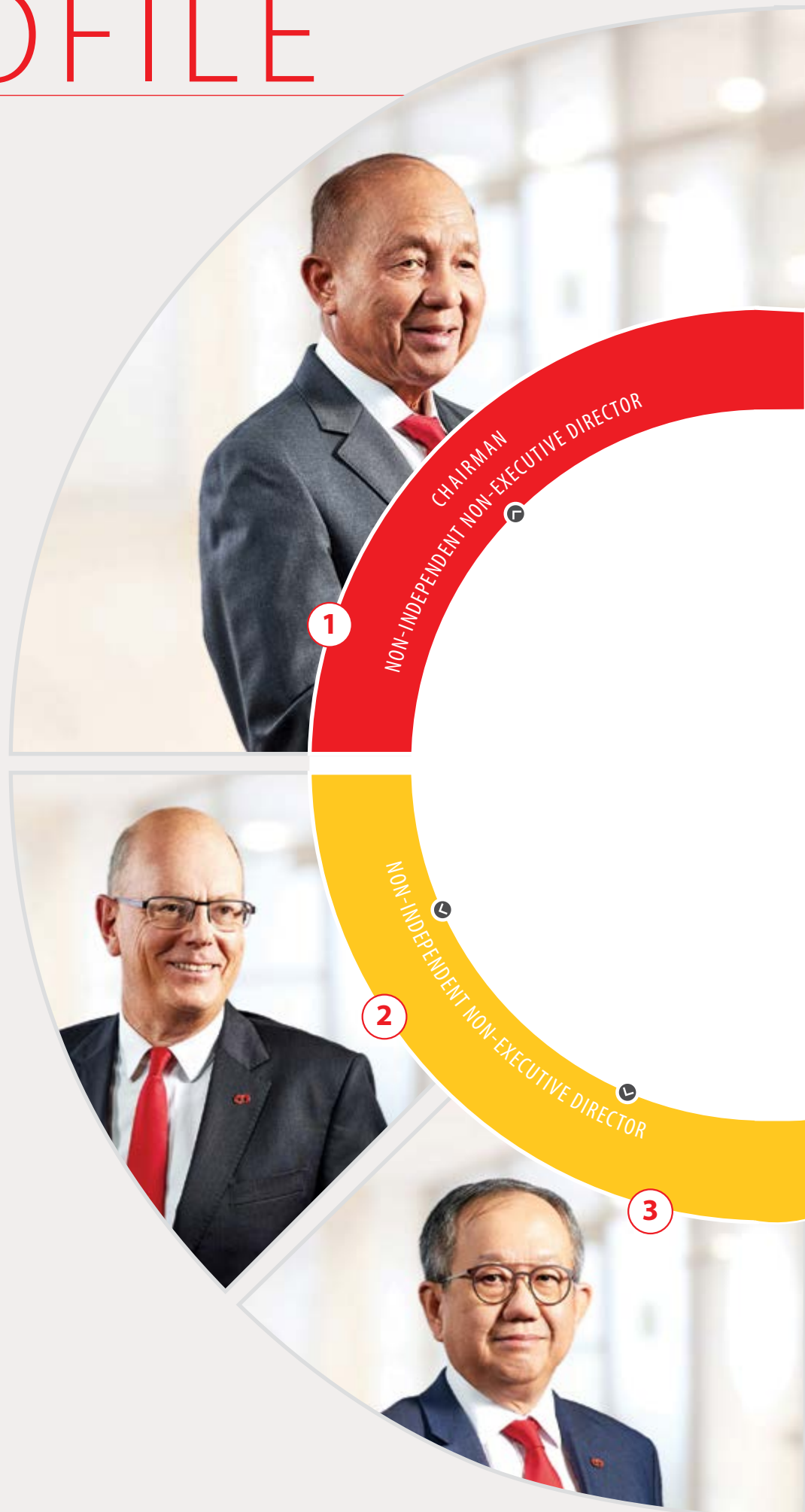
3 **SOO KIM WAI**
Non-Independent Non-Executive Director

4 **VOON SENG CHUAN**
Senior Independent Non-Executive Director

5 **DATUK SHIREEN ANN ZAHARAH BINTI MUHIUDEEN**
Independent Non-Executive Director

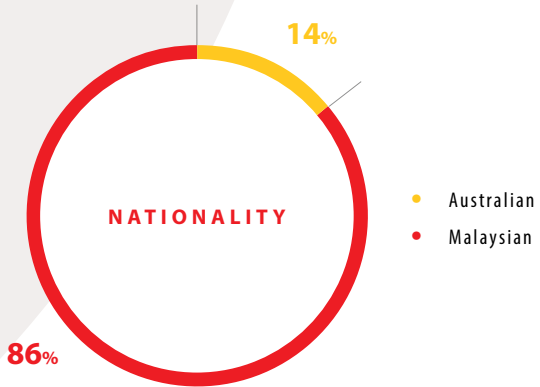
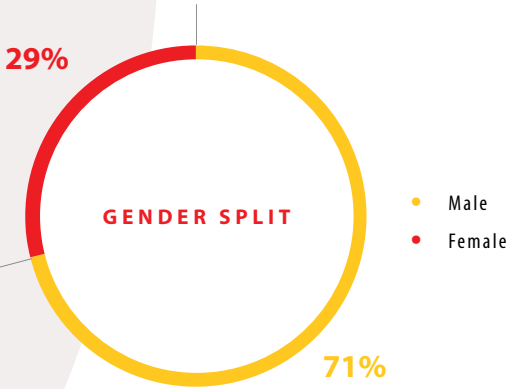
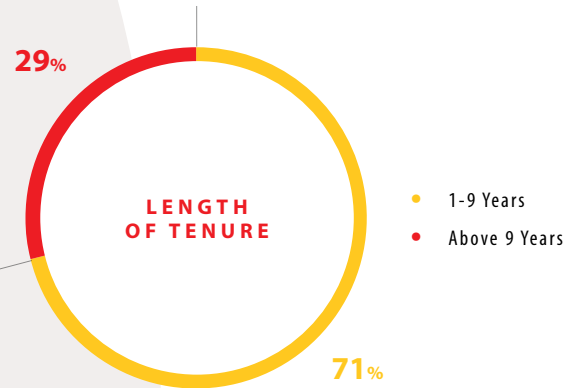
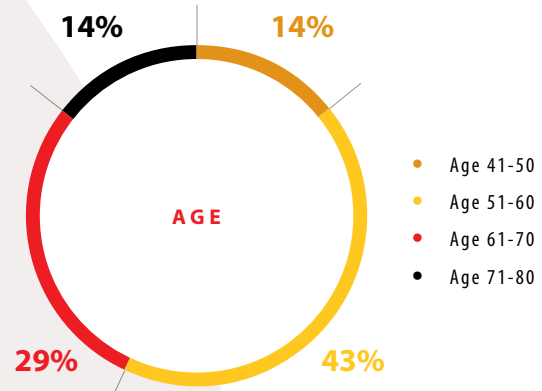
6 **SEOW YOO LIN**
Independent Non-Executive Director

7 **FARINA BINTI FARIKHULLAH KHAN**
Independent Non-Executive Director



Governance Overview Statement

OF OUR BOARD



A Committed Board

1

TAN SRI AZMAN HASHIM

Chairman
Non-Independent
Non-Executive Director

80
Age

Gender



28 Years

Length of Tenure as Director

15 August 1991

Date of Appointment

QUALIFICATION(S)

- Fellow Chartered Banker ("FCB")
- Chartered Accountant (FCPA)
- Fellow, Institute of Chartered Accountants
- Fellow, Institute of Chartered Secretaries and Administrators

DIRECTORSHIP(S) IN LISTED ISSUERS

None

EXPERIENCE

Tan Sri Azman Hashim has been in the banking industry since 1960 when he joined Bank Negara Malaysia. He practised as a Chartered Accountant in Azman Wong Salleh and Co. from 1964 to 1971. He was on the board of Malayan Banking Berhad from 1966 to 1980 and was its Executive Director from 1971 until 1980. He was the Executive Chairman of Kwong Yik Bank Berhad, a subsidiary of Malayan Banking Berhad, from 1980 until 1982 when he acquired AmInvestment Bank Berhad.

Tan Sri Azman is the Non-Independent Non-Executive Chairman of AmGeneral Holdings Berhad and AmInvestment Group Berhad, both of which are subsidiaries of the Company. He is also the Executive Chairman of Amcorp Group Berhad.

Tan Sri Azman is Chairman of the Asian Institute of Chartered Bankers, Asian Banking School Sdn Bhd, Malaysia South-South Corporation Berhad and Chairman Emeritus of Pacific Basin Economic Council ("PBEC"). He is also a Director of the Asian Institute of Finance Berhad and Chairman of its Executive Committee of Directors, Chairman of Malaysia Productivity Corporation (1998-2018) and the Malaysian Investment Banking Association (1982-2018).

He is the President of Malaysia South-South Association, Malaysia-Japan Economic Association, Malaysian Prison FRIENDS Club and a Member of the East Asia Business Council. He is also the Leader of the ASEAN Japanese Business Meeting (Malaysia Committee, Keizai Doyukai). He is the Pro-Chancellor of Open University of Malaysia and University Sabah Malaysia.

Tan Sri Azman is also involved in several charitable organisations as Chairman and Trustee of AmGroup Foundation and Perdana Leadership Foundation and Trustee for Yayasan Azman Hashim, Malaysian Liver Foundation, Yayasan Tuanku Najihah and Yayasan Canselor Open University Malaysia.

DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company except as follows: Being a director and substantial shareholder of Amcorp Group Berhad, which in turn is a substantial shareholder of AMMB Holdings Berhad ("AMMB"), and being a director of Clear Goal Sdn Bhd, his family company which is deemed a substantial shareholder of AMMB by virtue of its interest in Amcorp Group Berhad.

He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

A Committed Board



2

GRAHAM KENNEDY HODGES
Non-Independent
Non-Executive Director

64

Age



Gender



3 Years

Length of
Tenure as Director

30 June 2016

Date of Appointment

QUALIFICATION(S)

- Bachelor of Economics (Hons), Monash University, Australia

MEMBERSHIP OF BOARD COMMITTEES

- Member – Risk Management Committee
- Member – Group Nomination and Remuneration Committee

DIRECTORSHIP(S) IN LISTED ISSUERS

None

EXPERIENCE

Graham Kennedy Hodges was appointed the Deputy Chief Executive Officer of Australia and New Zealand Banking Group Limited (“ANZ”) in May 2009, and had stepped down from the role effective May 2018. Prior to that, he was the Chief Executive Officer and a director of ANZ National Bank Limited responsible for the running of ANZ Group’s New Zealand business.

Mr Hodges has held the position of Group Managing Director, Corporate and various other roles in Corporate and Business Banking. He joined ANZ in 1991 and was appointed Chief Economist in 1992, a post he held for three (3) years.

Before ANZ, Mr Hodges spent several years with the International Monetary Fund in Washington DC and nine (9) years in Commonwealth Treasury in Canberra.

Mr Hodges is an Independent Non-Executive Chairman of Regis Healthcare Limited, a healthcare company listed on the Australian Securities Exchange.

DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company except as follows: He is a board representative of Australia and New Zealand Banking Group Limited, which is deemed a substantial shareholder of AMMB by virtue of its interest in ANZ Funds Pty Ltd, a substantial shareholder of AMMB.

He has not been convicted for any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



3

SOO KIM WAI
Non-Independent
Non-Executive Director

58

Age



Gender



16 Years

Length of
Tenure as Director

4 October 2002

Date of Appointment

QUALIFICATION(S)

- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants
- Fellow, Certified Practising Accountant, Australia
- Fellow, Association of Chartered Certified Accountants, United Kingdom

MEMBERSHIP OF BOARD COMMITTEES

- Member – Group Nomination and Remuneration Committee
- Member – Group Information Technology Committee

DIRECTORSHIP(S) IN LISTED ISSUERS

- Director, RCE Capital Berhad
- Director, Amcorp Properties Berhad

EXPERIENCE

Soo Kim Wai is currently the Group Managing Director of Amcorp Group Berhad. He joined Amcorp Group Berhad in 1989 as Senior Manager, Finance, and has since held various positions before he was promoted to his current appointment. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for five (5) years with Deloitte KassimChan from 1980 to 1985.

Mr Soo sits on the board of some private limited companies and foreign companies. He is also a Board member of the British Malaysian Chamber of Commerce Berhad and serves as Non-Independent Non-Executive Chairman of AmREIT Managers Sdn Bhd, the Manager of AmFirst Real Estate Investment Trust. He is also the Non-Independent Non-Executive Chairman of AmREIT Holdings Sdn Bhd.

Mr Soo is also a Non-Independent Non-Executive Director of AmBank (M) Berhad, a wholly-owned subsidiary of the Company.

DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company except as follows: He is the Group Managing Director of Amcorp Group Berhad, which is a substantial shareholder of AMMB.

He has not been convicted for any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

A Committed Board



4

VOON SENG CHUAN

Senior Independent
Non-Executive Director

60

Age



Gender



4 Years

Length of
Tenure as Director

18 June 2015

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Science (Honours) in Mathematics, University of Malaya

➤ MEMBERSHIP OF BOARD COMMITTEES

- Chairman – Group Information Technology Committee
- Chairman – Group Nomination and Remuneration Committee
- Member – Audit and Examination Committee
- Member – Risk Management Committee

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

- Director, Mesiniaga Berhad

➤ EXPERIENCE

Voon Seng Chuan has been part of the Information Technology (“IT”) industry for about three decades. In April 2008, he joined the IBM Quarter Century Club reflecting his 25 years of service in IBM. He retired from IBM in March 2010.

In his 27 years of service with IBM, he held a number of roles delivering all aspects of IT products and services for clients in all industry segments in Malaysia and the Asia Pacific region. His last role in IBM prior to his retirement was Director for Mid-Market Segment in Asia Pacific.

From 2000 to 2006, Mr Voon was the Managing Director for IBM Malaysia and Brunei. Mr Voon responded to the Malaysian Government’s call to transform the nation into an international shared services and outsourcing hub by leading IBM’s investment in seven (7) regional centres/operations in Malaysia. In doing so, IBM is well positioned to transfer best practices and high-skilled expertise to the country. In 2013, Mr Voon was recognised with the “Outsourcing Leader of the Year” award by Outsourcing Malaysia. He was also a Council Member of PIKOM (National ICT Association of Malaysia) from 1994/1995 and 1999/2000.

Mr Voon is also an Independent Non-Executive Chairman of AmBank (M) Berhad, a wholly-owned subsidiary of the Company and an Independent Non-Executive Director of Silverlake Axis Ltd.

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



5

DATUK SHIREEN ANN ZAHARAH BINTI MUHIDEEN

Independent
Non-Executive Director

56

Age



Gender



3 Years

Length of
Tenure as Director

30 June 2016

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Science in Business Administration, University of Southern California, United States
- Master of Business Administration, Loyola Marymount University, United States

➤ MEMBERSHIP OF BOARD COMMITTEES

- Chairman – Risk Management Committee
- Member – Group Nomination and Remuneration Committee

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

- Chairman, Independent Non-Executive Director, Bursa Malaysia Berhad (Appointed on 1 March 2019)

Note:

The approved tenure of Datuk Shireen Muhiudeen by Bank Negara Malaysia will be expiring on 30 June 2019 and Datuk Shireen Muhiudeen has indicated that she will not be seeking for re-appointment to the Board of the Company.

➤ EXPERIENCE

On 11 February 2019, Datuk Shireen Muhiudeen was selected to join the 16-member Economic Action Council, which is chaired by the Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad. The Council’s objective is to stimulate economic growth, ensure fair distribution of wealth and improve the wellbeing of the people.

She has stepped down as Managing Director of Corston-Smith following her appointment as Non-Executive Chairman of Bursa Malaysia (Kuala Lumpur Stock Exchange), effective 1 March 2019. This appointment is by the Minister of Finance of Malaysia.

Datuk Shireen founded Corston-Smith Asset Management in 2007 after 12 years with the Malaysian arm of global insurance giant AIG Investment Corporation.

In June 2011, she was named as one of the 25 most influential women in the Asia-Pacific region for asset management by Asian Investor and in March 2014, she was honoured by Forbes Asia as one of the 50 Asia’s Power Businesswomen. In all, she has more than 31 years of focused fund management expertise and is an advocate for good governance, transparency, accountability, and greater representation of women in boardrooms.

➤ DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted for any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

A Committed Board

QUALIFICATION(S)

- Certified Public Accountant
- Master of Business Administration, International Management Centre, Buckingham, United Kingdom
- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Management

MEMBERSHIP OF BOARD COMMITTEES

- Chairman – Audit and Examination Committee
- Member – Group Information Technology Committee
- Member – Group Nomination and Remuneration Committee (Appointed on 27 November 2018)

DIRECTORSHIP(S) IN LISTED ISSUERS

- Director, Southern Steel Berhad
- Director, Hume Industries Berhad

EXPERIENCE

Seow Yoo Lin joined KPMG Malaysia in 1977 and qualified as a Certified Public Accountant in 1980. In 1983, he was seconded to KPMG United States to gain overseas experience, specialising in banking assignments. He returned in 1985 and was admitted as Partner in 1990.

He has been the audit partner on a wide range of companies including public listed companies and multinationals in banking and finance, manufacturing, trading and services. In addition, he held various leadership roles including those of Human Resource Partner, Partner in charge of Financial Services and a member of the KPMG Asia Pacific Board.

He was a member of Executive Committee of the Malaysian Institute of Certified Public Accountants from 2009 to 2011 and a Council member of the Malaysian Institute of Accountants from 2007 to 2011. He was the Managing Partner of KPMG Malaysia from 2007 to 2010. He retired from the firm in 2011.

Mr Seow is also an Independent Non-Executive Director of AmlInvestment Bank Berhad, a wholly-owned subsidiary of the Company.

DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted for any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



6

SEOW YOO LIN
Independent
Non-Executive Director

63
Age



Gender



3 Years

Length of
Tenure as Director

30 June 2016

Date of Appointment

QUALIFICATION(S)

- Bachelor of Commerce in Accounting, University of New South Wales, Australia
- Fellow, Institute of Chartered Accountants, Australia
- Advanced Management Program, Harvard Business School, United States of America

MEMBERSHIP OF BOARD COMMITTEES

- Member – Audit and Examination Committee
- Member – Group Nomination and Remuneration Committee

DIRECTORSHIP(S) IN LISTED ISSUERS

- Director, Petronas Gas Berhad
- Director, KLCC Property Holdings Berhad
- Director, Icon Offshore Berhad

EXPERIENCE

Farina binti Farikhullah Khan has over 20 years of working experience, predominantly in oil and gas industry. She started out her career in 1994 with Coopers & Lybrand, Australia as a Senior Associate for the Business Services unit for three (3) years.

In 1997, Farina returned to Malaysia to join Petroliam Nasional Berhad (“PETRONAS”) in the Corporate Planning and Development Division where she started as an executive and in the ensuing years until 2005, she held various positions including Senior Manager (Strategy and Portfolio) in Group Strategic Planning of PETRONAS.

She subsequently assumed the position of Chief Financial Officer of PETRONAS Carigali Sdn. Bhd., one of the largest subsidiaries of PETRONAS with operations in over 20 countries, from 2006 to 2010. She then served as the Chief Financial Officer at PETRONAS Exploration and Production Business, the largest arm of PETRONAS Business, from mid-2010 until 2013, where the business included both PETRONAS Carigali Group of Companies as well as the Petroleum Management Unit of PETRONAS.

Prior to leaving PETRONAS Group at the end of 2015 to pursue her other interests, Puan Farina was the Chief Financial Officer of PETRONAS Chemical Group Berhad, the largest listed entity of PETRONAS, for two (2) years.

She is also an Independent Non-Executive Director of AmBank Islamic Berhad, a wholly-owned subsidiary of the Company and an Independent Non-Executive Director of KLCC REIT Management Sdn Bhd, the Manager of KLCC Real Estate Investment Trust.

DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted for any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



7

FARINA BINTI FARIKHULLAH KHAN
Independent
Non-Executive Director

47
Age



Gender



More than 1 Year

Length of
Tenure as Director

8 August 2017

Date of Appointment

Profile of Company Secretary



KOID PHAIK GUNN

Group Company Secretary

53

Age



Gender



9 Years

Length of
Tenure as Secretary

9 March 2010

Date of Appointment

➤ QUALIFICATION(S)

- Fellow, Institute of Chartered Secretaries and Administrators ("ICSA")
- Bachelor of Law, University of London, United Kingdom

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ RESPONSIBILITIES

Koid Phaik Gunn is the Group Company Secretary of AmBank Group.

The Company Secretarial Department provides company secretarial services across AmBank Group, which includes banking and insurance entities, unit trusts and real estate investment trusts.

➤ EXPERIENCE

Koid Phaik Gunn has more than three decades of experience in corporate secretarial practice. Ms. Koid joined AmBank Group in 1993 as Company Secretary of AmSecurities Sdn Bhd, then the stockbroking arm of AmBank Group. In 2004, she moved to the Group Legal and Company Secretarial Department as Deputy Group Company Secretary. She has been the Group Company Secretary of AmBank Group since 2009. Prior to joining AmBank Group, Ms Koid was in company secretarial practice for nine (9) years.

➤ DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted of any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

An Effective Leadership



1

DATO' SULAIMAN BIN MOHD TAHIR

Group Chief Executive Officer
AmBank Group

Chief Executive Officer
AmBank (M) Berhad

56
Age



23 November 2015

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Accounting, RMIT University Australia
- Chartered Banker, Asian Institute of Chartered Banker

➤ RESPONSIBILITIES

Dato' Sulaiman bin Mohd Tahir, the Group Chief Executive Officer of AmBank Group, oversees the management of all businesses in the Group to ensure sustainable growth and long-term value creation for shareholders, customers, employees and other stakeholders of the Group.

Dato' Sulaiman helms AmBank Group's journey to become one of the top four banks in Malaysia by 2020 under the Group's Top 4 transformation agenda.

As a responsible employer with a workforce of more than 9,000 employees, the Group's diversified banking and financial services include Retail and Commercial Banking, Investment Banking, Islamic Banking, Corporate Banking, Transaction Banking, Global Markets, Life and General Insurance/Takaful Operations and Asset Management.

➤ EXPERIENCE

With a wealth of experience backed by more than three decades of spearheading growth in the Malaysian banking industry, Dato' Sulaiman has introduced a new paradigm at AmBank Group through transformational efforts premised on innovation. He is also a firm believer in building talent within the organisation and has institutionalized various talent development programmes in the Group such as LEAP (Leadership Enhancement and

Acceleration Programme), ELP (Emerging Leaders' Programme), BATMAN (Becoming a Talented Manager) and the AmGraduate programme.

Today, AmBank Group is an award-winning bank which delivers leading-edge banking solutions and enhanced customer experience as a result of its transformation.

Dato' Sulaiman started his career with an accounting firm, which later became PricewaterhouseCoopers, before joining the Bank of Commerce in 1987. Dato' Sulaiman has held various key positions in an ASEAN bank before joining AmBank Group.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



2

JAMIE LING

Group Chief Financial Officer
AmBank Group

50
Age



1 June 2017

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Arts (Honours) in Economics and Accounting, University of Newcastle Upon Tyne, United Kingdom
- Fellow, Institute of Chartered Accountants England and Wales, United Kingdom
- Member, Association of Chartered Certified Accountants
- Alumni, Executive Management Programmes of Templeton College, Oxford University, and INSEAD

➤ RESPONSIBILITIES

Jamie Ling, as the Group Chief Financial Officer, manages the full spectrum of AmBank Group's finance. He assumes the responsibility of overseeing the Group's financial strategy and implementation, as well as the Group's business strategy.

➤ EXPERIENCE

Jamie has garnered more than two decades of regional and international banking experience across Asia and Europe. His in-depth commercial and financial experience covers key roles held in treasury, finance, risk management, and sales in international banking institutions.

After being qualified as a Chartered Accountant in London, Jamie joined HSBC Bank's headquarters in London before moving into Standard Chartered Bank where he was responsible for leadership roles in Malaysia, the United Kingdom, and North East Asia. Jamie was the Regional Chief

Financial Officer of Standard Chartered Bank for Greater China and North East Asia, managing the finance function of offices in Hong Kong, Taiwan, China, South Korea, and Japan. He also served as a Board member and Finance Director of Standard Chartered (Hong Kong) Limited, where Hong Kong was the largest market of the group.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

An Effective Leadership



3

RAJA TEH MAIMUNAH RAJA ABDUL AZIZ

Managing Director
Wholesale Banking, AmBank Group

51
Age

Gender



7 February 2017

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Laws LLB (Honours), University of East London, United Kingdom
- Honorary Doctor of Law, University of East London, United Kingdom
- Chartered Banker, Asian Institute of Chartered Banker
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals

➤ CONCURRENT ROLES

- Advisor, Islamic Banking and Finance, World Islamic Economic Forum Foundation

➤ RESPONSIBILITIES

Raja Teh Maimunah holds the crucial role of spearheading the Group's Wholesale Banking division, where she leads the Wholesale Banking Client Coverage teams, Group Treasury and Markets, Transaction Banking, Corporate Banking, and Credit Administration in achieving leading market positions for the Group's Top 4 engines.

➤ EXPERIENCE

Raja Teh Maimunah carries more than 25 years' experience in the banking industry with previous roles covering investments, Islamic banking, and digital banking. Her expertise encompasses corporate and transaction banking,

equity and debt origination, equity sales, mergers and acquisitions, proprietary investments, initial and secondary public offerings, asset-based securitisation, debt restructuring, digital payment and collection solutions.

She began her career with KPMG Peat Marwick Consultants, before transitioning to the banking and finance industry. She was most recently the Managing Director and Chief Executive Officer of Hong Leong Islamic Bank, as well as the Chief Operating Officer of Digital Innovations & Transaction Banking of Hong Leong Bank Group. Some of the key roles she has held include Global Head, Islamic Markets of Bursa Malaysia Berhad; Chief Corporate Officer and Head, International Business, Corporate and Investment Banking, Kuwait Finance House (Malaysia); Senior Director, Bank Alkhair, Bahrain/Kuala Lumpur; Associate Director, CIMB Investment Bank; and Senior Vice President, Investment Banking, RHB Investment Bank.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted of any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



4

SEOHAN SOO

Chief Executive Officer
AmInvestment Bank Berhad

52
Age

Gender



1 July 2018

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Laws, University of Warwick, United Kingdom
- Master of Laws, University of Cambridge, United Kingdom
- Barrister-at-Laws of Lincoln's Inn, London, United Kingdom
- Advocate and Solicitor of the High Court of Malaya

➤ RESPONSIBILITIES

As the Chief Executive Officer of AmInvestment Bank, Seohan is responsible for stewarding the investment bank's full range of integrated solutions and services, encompassing equities, corporate finance, debt and sukuk markets, as well as fund management, private banking, and broking services. Seohan plays a crucial role in realising the Group's Top 4 market leadership for its core growth engines, namely Debt Capital Markets and Corporate Finance.

➤ EXPERIENCE

Seohan has more than 23 years of investment banking experience at both foreign and local investment banks. He has been instrumental in building AmBank's leadership in fixed income covering debt origination, structuring, distribution and treasury markets. Under his stewardship, the Capital Markets Group has been at the forefront of innovation in the bond and sukuk markets, spearheading major infrastructure development financing transactions such the MRT project, various power plants and tolled roads. AmInvestment Bank has been consistently ranked top three in the fixed income business and has garnered many awards conferred by, inter alia, The Asset, IFR Asia and RAM Ratings.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has any public sanction or penalty been imposed against him by any relevant regulatory bodies during the financial year ended 31 March 2019.

An Effective Leadership

➤ QUALIFICATION(S)

- Bachelor of Science (Honours), University of Malaya, Malaysia
- Certified Six Sigma Champion

➤ RESPONSIBILITIES

Jade Lee Gaik Suan oversees AmBank Group's Retail Banking division covering the operations, strategic growth, and development of 170 AmBank branches nationwide. Among the key focus of her portfolio include streamlining the efficiency and effectiveness of the Group's retail banking model, growing the Retail SME franchise, and introducing pioneering initiatives to enhance retail banking productivity and service improvements.

➤ EXPERIENCE

Jade Lee has comprehensive experience in the banking and financial services sector with more than three decades of hands-on work in wealth management, priority banking, retail product management, shared services, contact centre, credit cards, and sales management.

She was the Head, Regional Wealth Management and Segments at CIMB Bank, before joining AmBank Group, where she played a key role in driving the digitalisation of the bank's wealth solutions and financial planning services. She started her career with American Express Malaysia, before progressing

to lead teams and businesses in Standard Chartered Bank and RHB Bank. She was also instrumental in setting up a new shared services centre for Prudential Services Asia. She has in-depth and hands-on knowledge in growing businesses through product innovation and strategic expansion.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted of any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



5

JADE LEE GAIK SUAN

Managing Director
Retail Banking, AmBank Group

62
Age

Gender



1 December 2016

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Science, Business Administration, St. Cloud State University, United States of America

➤ RESPONSIBILITIES

Christopher Yap Huey Wen steers AmBank Group's Business Banking division with core focus on growing the Small- and Medium-Sized Enterprises ("SMEs") and Commercial Banking segments. He takes charge of strategy development and execution to expand the Group's presence and market share in the entrepreneurial and SME sector through market-responsive products, business efficiency solutions, and service excellence.

➤ EXPERIENCE

Christopher Yap holds more than two decades of financial services experience, with a major portion spent on commercial and SME segments. He began his career in trade services with Citibank Malaysia and was the Head of SME Banking at Alliance Bank where he was instrumental in growing the bank's SME business to a 25% share of the bank's revenue. Together with his team, they won the Best SME Bank award in Asia Pacific 2015 by The Asian Banker.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



6

CHRISTOPHER YAP HUEY WEN

Managing Director
Business Banking, AmBank Group

46
Age

Gender



2 February 2017

Date of Appointment

An Effective Leadership



7

EQHWAN MOKHZANEE MUHAMMAD

Chief Executive Officer
AmBank Islamic Berhad

43
Age



1 April 2015

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Economics (Hons), University of Cambridge, United Kingdom
- Master of Economics (Hons), University of Cambridge, United Kingdom
- Fellow, The Institute of Chartered Accountants in England and Wales ("ICAEW")
- Chartered Accountant, Malaysian Institute of Accountants ("MIA")
- Chartered Banker, Asian Institute of Chartered Bankers ("AICB")
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance ("CIIF")

➤ OTHERS

- Member, Industry Advisory Panel of Azman Hashim International Business School, University Technology Malaysia ("UTM")
- Professor of Practice, The International Centre for Education in Islamic Finance ("INCEIF")

➤ RESPONSIBILITIES

Eqhwan manages and oversees AmBank Islamic and is also responsible to chart its strategic direction.

➤ EXPERIENCE

Eqhwan has more than 20 years of corporate and financial services experience. He started his career with PricewaterhouseCoopers in London before joining the corporate advisory practice of PricewaterhouseCoopers in Kuala Lumpur.

Prior to joining AmBank Islamic, Eqhwan worked with local and foreign banks, and in the corporate sector, where he gained experience in inter alia business development, debt capital markets, corporate finance, corporate banking, financial advisory, real estate investment and international business. He has developed award-winning and innovative Islamic financial structures, and authored research papers on Islamic finance.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



8

DATUK ISWARAAN SUPPIAH

Group Chief Operation Officer
AmBank Group

55
Age



2 February 2017

Date of Appointment

➤ QUALIFICATION(S)

- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants
- Member, Financial Planning Association of Malaysia

➤ RESPONSIBILITIES

Datuk Iswaraan Suppiah is in charge of both Group Information Technology and Operation ("GIOD"); and the Digital Banking divisions, mandated to institutionalise digitalisation and information technology within the Group's operations. He oversees and ensures, among others, the effective rollout of the Group's digital blueprint, AmDigital.

➤ EXPERIENCE

Datuk Iswaraan Suppiah has comprehensive experience in banking operations, equity, audit, and information services. His three-decade career began in audit with the accountancy firm Arthur Anderson, before joining the Bank of Commerce in 1991. He joined CIMB Securities subsequently in 1994 where he held various roles in operations, equity risk, strategic risk, and compliance. He became the Executive Director of Operations, prior to moving to the parent company, CIMB Merchant Bank, in 2000.

Datuk Iswaraan was appointed to Group Chief Information and Operations Officer for CIMB Group, where he managed the bank's digital transformation, information system and banking operations across all businesses and geographies. His core emphasis centred on digitalising the bank through strategic application of technology and innovation.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

An Effective Leadership

➤ QUALIFICATION(S)

- Bachelor of Management (Honours), University of Science, Malaysia

➤ RESPONSIBILITIES

Faradina binti Mohammad Ghouse is responsible for overseeing the Group's compliance function and ensuring enterprise-wide compliance with all internal and external policies, legal frameworks, and regulations. Her role includes effective management of compliance risk and reinforce on-going efforts to uphold the highest standards of integrity across AmBank Group's businesses.

➤ EXPERIENCE

Faradina's 24 years of experience in the banking and financial services industry covers the Malaysian, regional, and global financial institutions encompassing the areas of anti-money laundering ("AML") operations, audit, securities and funds services, and trade operations. She began her career as a dealer representative with a stockbroking firm before joining Citibank Malaysia as a management associate. She then took on the role of Account Manager for Citigroup Securities and Funds services and later promoted to Head of Operations for

Securities and Funds Services and Trade Operations at the bank. Following that, she assumed the role of Audit Manager for Citigroup's Asia Pacific Audit and Risk Review division based in Singapore and after that accepted the role as Head of Operations for Citigroup's Aml Transactions Monitoring Regional Operations Hub in Kuala Lumpur.

Before joining AmBank Group, she was appointed as Global Head of Transactions Monitoring, Standards and Training for Citigroup AML Transaction Monitoring Operations.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted of any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



9

FARADINA BINTI MOHAMMAD GHOUSE

Group Chief Compliance Officer
AmBank Group

49
Age

Gender



15 March 2016

Date of Appointment

➤ QUALIFICATION(S)

- Master of Business and Finance, Rotterdam Erasmus University, Netherlands

➤ RESPONSIBILITIES

Jeroen Thijs is charged with strategising, monitoring, identifying, and enforcing the Group's risk management framework to safeguard the Group's financial, operational, market, and reputational integrity. He also plays the crucial role of supporting the Group's growth strategy and endeavours by ensuring sound risk practices and business outcomes are achieved.

➤ EXPERIENCE

Jeroen Thijs has worked across Asia and Europe in his over 27 years of experience in risk management, corporate banking, structured finance, and treasury functions. Having worked in Malaysia since 2009, he has garnered considerable exposure and insights into the Malaysian conventional and Islamic banking models and risk landscape.

Jeroen began his career as a credit analyst with Rabobank International in Singapore, before moving to senior roles with ABN AMRO Bank in Japan, Singapore, the Netherlands, and the United Kingdom. Prior to AmBank, he has held key roles in reputed banking institutions, including as Country Chief Risk Officer for OCBC Bank Malaysia and as Chief Risk Officer for Bank Islam Malaysia.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



10

JEROEN THIJS

Group Chief Risk Officer
AmBank Group

52
Age

Gender



1 January 2017

Date of Appointment

An Effective Leadership



11

PENELOPE GAN

Group Chief Human Resource Officer
AmBank Group

42
Age



1 March 2018

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Commerce, University of Melbourne, Australia

➤ RESPONSIBILITIES

Penelope Gan holds the important role of strategising, developing, and implementing AmBank Group's human capital management to meet the organisation's overall business objectives and transformation milestones. Some of the key aspects which fall under her purview include succession planning, talent management, change management, organisational and performance management, manpower training and development, as well as compensation.

She provides strategic counsel and leadership on human capital issues and defines plans to enhance the bank's human capital performance to the executive management team, shareholders, and the Board of Directors.

➤ EXPERIENCE

Penelope garnered more than two decades of experience covering the full spectrum of human resource function with a track record of leading organisational transformation and post-merger and acquisition (M&A) turnaround programmes.

She joined AmBank Group in October 2014 as the Head of Group Rewards and Performance Management to drive

market-competitive rewards and compensation practices. During this time, she introduced the myFlexBen programme, an enterprise benefits initiative based on corporate tie-ups. Her role expanded to Group Organisation Development in 2015 where she renewed the Group's talent and succession management with the introduction of Talent Councils and kickstarted accelerated talent development programmes, including BATMAN (Becoming a Talented Manager), ELP (Emerging Leaders' Programme), and LEAP (Leadership Enhancement and Acceleration Programme). Penelope is also one of the Group's identified talents, where she was appointed Deputy Group Chief Human Resource Officer in December 2016.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

She has not been convicted of any offences within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



12

SHAMSUL BAHROM BIN MOHAMED IBRAHIM

Group Chief Internal Auditor
AmBank Group

44
Age



25 September 2017

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Science (Honours) in Finance and Accounting, University of Salford, Manchester, United Kingdom
- Master of Business Administration, University of Strathclyde, Glasgow, Scotland
- Chartered Banker, Asian Institute of Chartered Bankers
- Certification for Bank Auditors ("CBA"), Asian Institute of Chartered Bankers
- Qualified Risk Auditor ("QRA"), Institute of Enterprise Risk Practitioners
- Member, Institute of Internal Auditors ("IIA"), Malaysia
- Member, Asian Institute of Chartered Bankers

➤ RESPONSIBILITIES

Shamsul Bahrom bin Mohamed Ibrahim is tasked with providing insights into AmBank Group's overall governance and controls, and the corresponding compliance culture within its business operations. As the Group Chief Internal Auditor, Shamsul facilitates Board and Management oversight by ensuring the effectiveness of the systems of internal control, including compliance with relevant laws and regulations as well as recommending the required risk mitigation measures.

➤ EXPERIENCE

Shamsul has over 20 years of internal auditing experience, having joined AmBank Group as an executive in 1999 and had rose through rank and file to lead the Group's Internal

Audit Division. Throughout the years, he has headed the audit teams for various business units within the Group. Prior to his current appointment, he was the Deputy Group Chief Internal Auditor and Portfolio Audit Head for Wholesale Banking, Markets, and Fund Management Division.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

An Effective Leadership

➤ QUALIFICATION(S)

- Bachelor's Degree, Bachelor of Business Science, University of Cape Town
- Bachelor's Degree, Postgraduate Diploma in Accounting, University of Cape Town
- South African Institute of Chartered Accountants ("SAICA")

➤ RESPONSIBILITIES

Derek is responsible for delivering the strategic growth, direction, distribution, and performance of the general insurance business of AmBank Group.

➤ EXPERIENCE

Derek holds more than 17 years of experience in the insurance and financial sector with previous tenures in South Africa, the United States, the United Kingdom, Australia, and Malaysia. Before his appointment as the Chief Executive Officer of AmGeneral Insurance, his extensive and proven hands-on knowledge in the insurance industry landed him the role of leading a large-scale transformation programme within the claims operation of Insurance Australia Group's ("IAG") Direct Insurance Division in Australia.

Derek's notable prior positions include Chief Financial Officer of a joint venture within IAG and the Head of Short Tail Claims for Direct Insurance, IAG, a member of the General Insurance Association of Malaysia (PIAM) Management Committee, as well as Chairman of the Claims Sub-Committee for PIAM.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



13

DEREK LLEWELLYN ROBERTS

Chief Executive Officer
AmGeneral Insurance Berhad

47
Age

Gender



17 September 2014

Date of Appointment

➤ QUALIFICATION(S)

- Bachelor of Arts in Political Science, Georgia State University, United States of America
- Master of Arts in International Relations, Georgia State University, United States of America

➤ RESPONSIBILITIES

Ramzi Albert Toubassy is responsible for shaping the transformational growth of the AmMetLife business in Malaysia to deliver sustainable profitability and shareholder return, while ensuring operational efficiency and product innovation in the highly competitive insurance industry in Malaysia.

➤ EXPERIENCE

Ramzi has wide-ranging expertise in the insurance industry with over 22 years of experience encompassing key roles in globally reputed insurance companies. He began his insurance career in 1996 with American International Group ("AIG"), before joining MetLife in 2012 and became the Head of Face-to-Face Distribution for the European, Middle Eastern, and African markets.

He also served in AIA for a period of eight years prior to joining MetLife, where he held key leadership roles including Deputy Chief Agency Officer in Hong Kong, Senior Assistant General Manager in Malaysia, Deputy General Manager and Director of Distribution in the Republic of Korea, and Chief Distribution Officer in Vietnam.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.



14

RAMZI ALBERT TOUBASSY

Chief Executive Officer
AmMetLife Insurance Berhad

51
Age

Gender



19 September 2014

Date of Appointment

An Effective Leadership



15

NOOR AZAM BIN MOHD YUSOF

Chief Executive Officer
AmMetLife Takaful Berhad

48

Age



Gender



1 July 2017

Date of Appointment

➤ QUALIFICATION(S)

- Master's in Business Administration, University of Technology MARA, Malaysia
- Bachelor of Science (Marketing), Northern Illinois University, United States of America

➤ RESPONSIBILITIES

Noor Azam bin Mohd Yusof is tasked with formulating and implementing strategic growth plans to enhance the penetration and distribution of AmMetLife Takaful products in key Shariah-driven markets in Malaysia.

➤ EXPERIENCE

Azam has accumulated more than two decades of experience in the Malaysian insurance and Takaful industry, encompassing senior leadership roles as an established Takaful operator. Prior to joining AmMetLife Takaful, he was the Head of Sales and Distribution for HSBC Amanah Takaful (M) Berhad where he spearheaded business development and the effective delivery of the company's sales and distribution strategy.

➤ DIRECTORSHIP(S) IN LISTED ISSUERS

None

➤ DECLARATION

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company.

He has not been convicted of any offences within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2019.

PRINCIPLE A

Leadership and Effectiveness

BOARD CONDUCT

The Board commits itself and its Directors to ethical, business and lawful conduct including proper use of authority and appropriate decorum when acting as Board members. Accordingly, all Directors shall apply ethical principles and standards of behaviour as set out in the Code of Conduct and Code of Ethics of the Group, and other applicable governance documentation approved by the Board setting out standards of ethical conduct and behaviour.

Both the Code of Conduct and Code of Ethics of the Group are available on the Company's corporate website at ambankgroup.com.

The Directors shall declare any conflict of interest they have in material transactions or material arrangements with the Company and shall not be present when the matter is being deliberated and decision being made at the Board and/or Board Committees meeting.

The Directors shall devote sufficient time to prepare for and attend Board and Board Committees meetings, and maintain a sound understanding of the business of the Company as well as relevant market and regulatory developments. This includes a commitment to on-going education.

Prior to accepting appointment(s) of directorship(s) in other companies, the Directors shall ensure that their appointment(s) in other companies are not in conflict with the Company's business and do not affect the discharge of their duties as Directors of the Company. The Directors shall notify the Chairman of the Board and the Company Secretary within 14 days of their new appointment(s) in other companies.

In addition to the above, all Directors of the Company have complied with the MMLR of Bursa Securities of not holding more than five directorships in listed issuers at any given time. This is to ensure the Directors do not have competing time commitments that may impair their ability to discharge their responsibilities effectively.

ROLES AND COMPOSITION**CHAIRMAN****TAN SRI AZMAN HASHIM**

The Chairman is primarily responsible for the leadership of the Board and ensuring its effectiveness. He ensures the Board upholds and promotes the highest standards of corporate governance, setting the Board's agenda and encouraging open, constructive debate of all agenda items for effective decision-making. He also ensures that shareholders' views are communicated to the Board.

SENIOR INDEPENDENT DIRECTOR**VOON SENG CHUAN**

The Senior Independent Director's role includes meeting regularly with the Chairman and the Group Chief Executive Officer to discuss specific issues, as well as being available to stakeholders generally and as an alternative communication channel. He also acts as a sounding board for the Chairman as well as an intermediary for other Directors.

GROUP CHIEF EXECUTIVE OFFICER**DATO' SULAIMAN MOHD TAHIR**

The Group Chief Executive Officer ("Group CEO") is responsible for the operational management of the business and for the development and implementation of the Group's strategy as agreed by the Board and Management. He is also the conduit between the Board and Management in ensuring the success of governance and management functions.

BOARD COMMITTEE CHAIRMEN**VOON SENG CHUAN****DATUK SHIREEN ANN ZAHARAH BINTI MUHIUDEEN****SEOW YOO LIN**

The Board Committee Chairmen are responsible for leading the members of the Board Committees and ensuring their effectiveness. They set the Board Committees' agendas, in consultation with the Group Company Secretary and Management and report to the Board on committee proceedings.

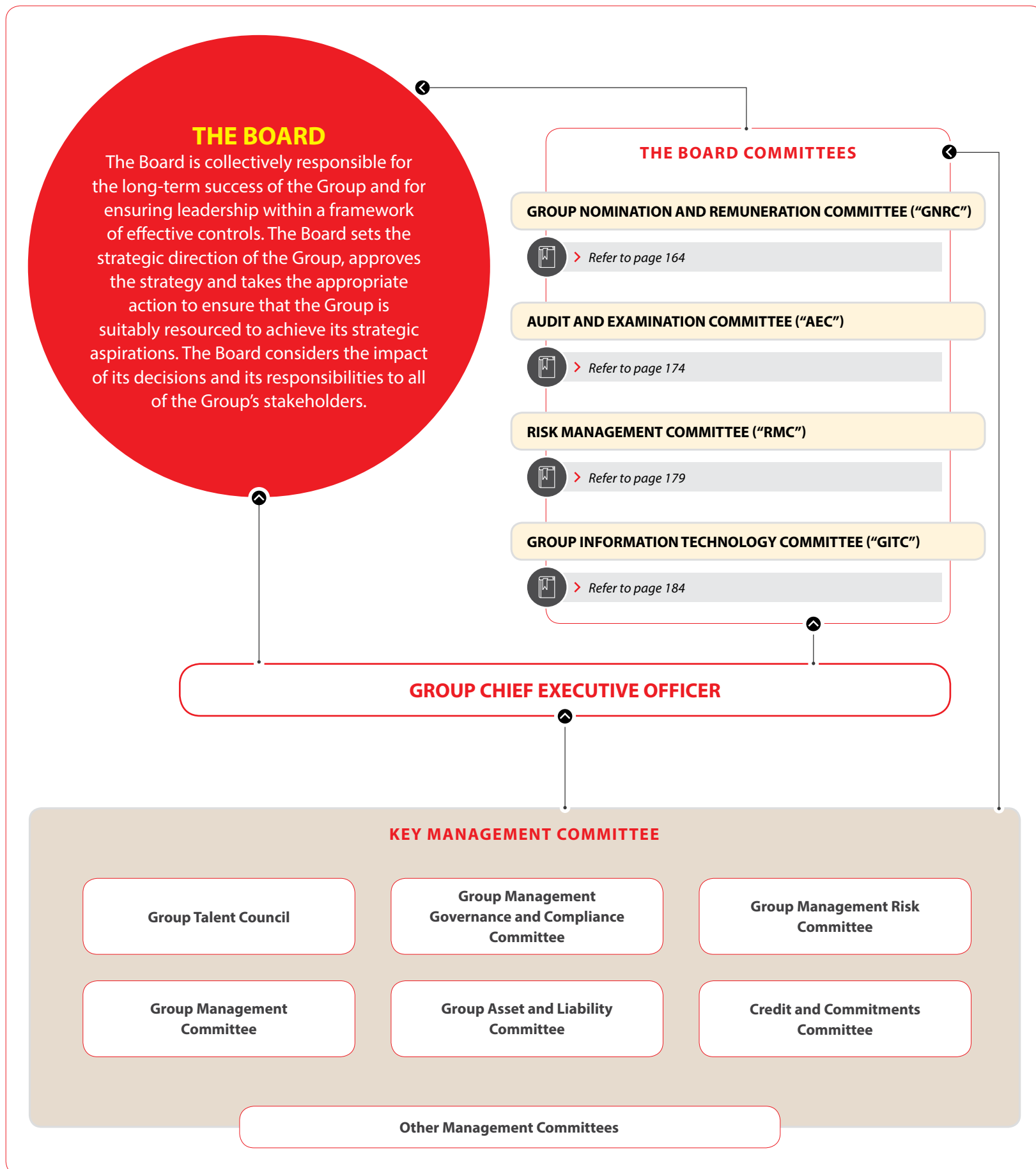
GROUP COMPANY SECRETARY**KOID PHAIK GUNN**

The Group Company Secretary acts as secretary to the Board and Board Committees, ensuring compliance with board procedures and advising on regulatory and governance matters. She is responsible, under the direction of the Chairmen of the Board and Board Committees, for ensuring the Board and Board Committees receive accurate, timely and clear information. The Group Company Secretary supports the Chairman of the Board in delivery of the corporate governance agenda and to facilitate, together with the Group Learning and Development Unit, director inductions and on-going trainings.

PRINCIPLE A

Leadership and Effectiveness

BOARD AND BOARD COMMITTEE STRUCTURE



PRINCIPLE A

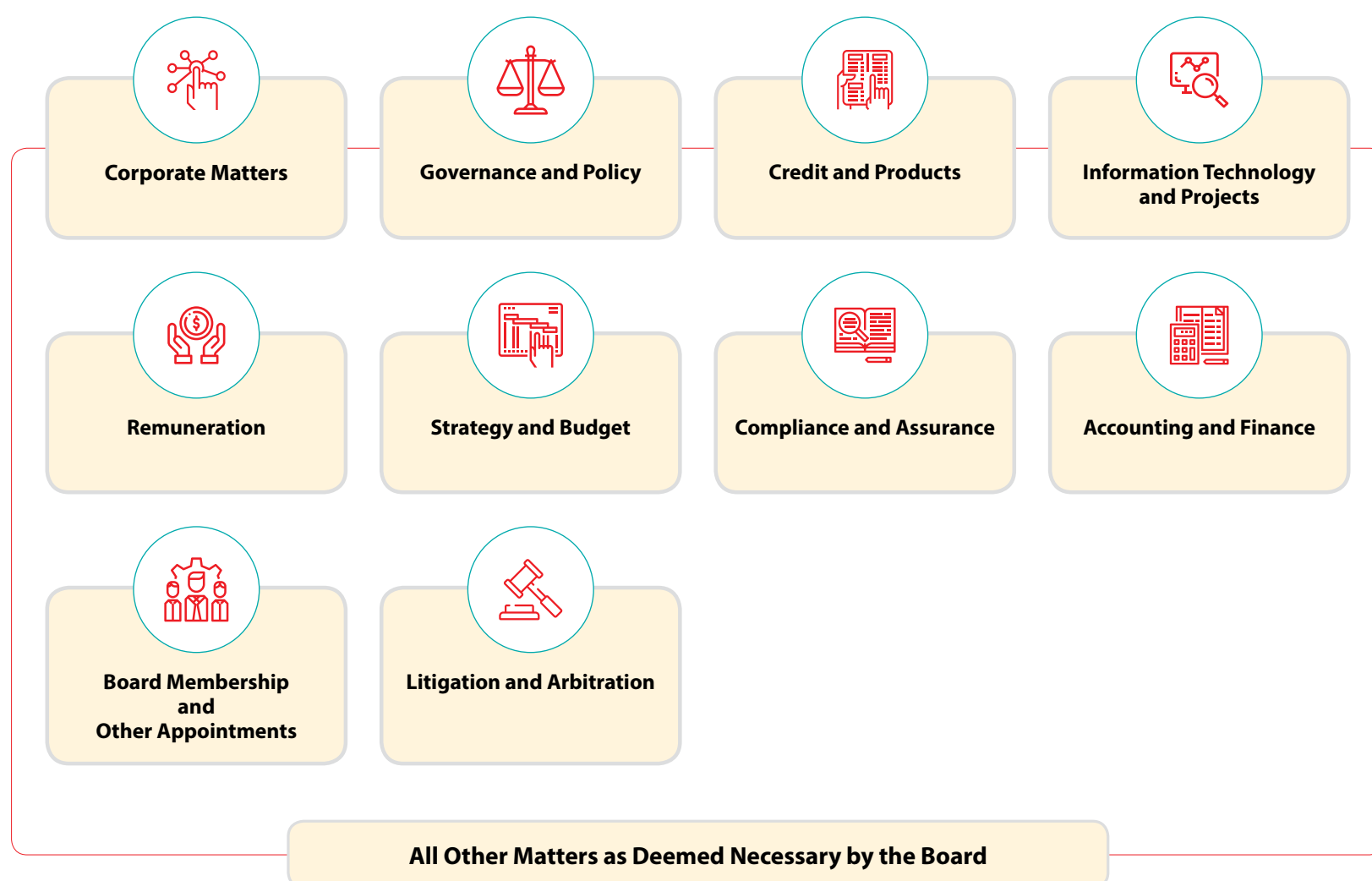
Leadership and Effectiveness

BOARD AND BOARD COMMITTEE STRUCTURE

Matters Reserved for the Decision of the Board

The Board discharges some of its responsibilities directly and delegates certain responsibilities to its committees to assist in carrying out its function of ensuring independent oversight and stewardship. The Board also delegates authority for the operational management of the Group's business to the Group Chief Executive Officer for further delegation by him in respect of matters that are necessary for the effective day-to-day running and management of the business. The Board holds the Group Chief Executive Officer accountable in discharging his delegated responsibilities.

A clear Schedule of Matters Reserved for the Board and terms of references for each of the Board Committees are reviewed periodically against industry best practice and corporate governance provisions and guidance. Below are the matters reserved for the Board:



PRINCIPLE A

Leadership and Effectiveness

Composition and Attendance

The calendar of meetings of the Board and Board Committees are drawn up and distributed to the Board in the quarter preceding the beginning of the new calendar year. This is to enable the members of the Board to meet the time commitment for the meetings. The Board meets 10 times per year with additional meetings being convened whenever necessary, to facilitate the discharge of their responsibilities. The Group Chief Executive Officer and the Chief Executive Officers of the subsidiaries are invited to attend on matters relating to their sphere of responsibility. Furthermore, Senior Management may also be invited to attend Board meetings to provide presentations and detailed explanations on matters to be tabled.

Directors are expected to attend at least 75% of total Board meetings in any applicable financial year and must not appoint another person to attend/participate in a board meeting on his or her behalf.

The quorum for Board meetings shall be a minimum of 50% of total Board members. During the financial year under review, there was at least 80% attendance of Board members at each of the Board meeting.

A meeting shall be conducted in person or via alternative means of attendance (i.e. telephone or video conference) as determined by the Board. Where permitted, alternative means of attendance must remain the exception rather than the norm. Directors are encouraged to attend the meeting in person.

The Board may from time to time and if deemed appropriate, consider and approve and/or recommend routine and administrative matters via circular resolution in writing.

The Directors' commitment to carry out their duties and responsibilities is affirmed by their attendance at the Board meetings held during the financial year ended 31 March 2019 ("FY2019") as set out below. A total of 11 Board meetings were held during FY2019:



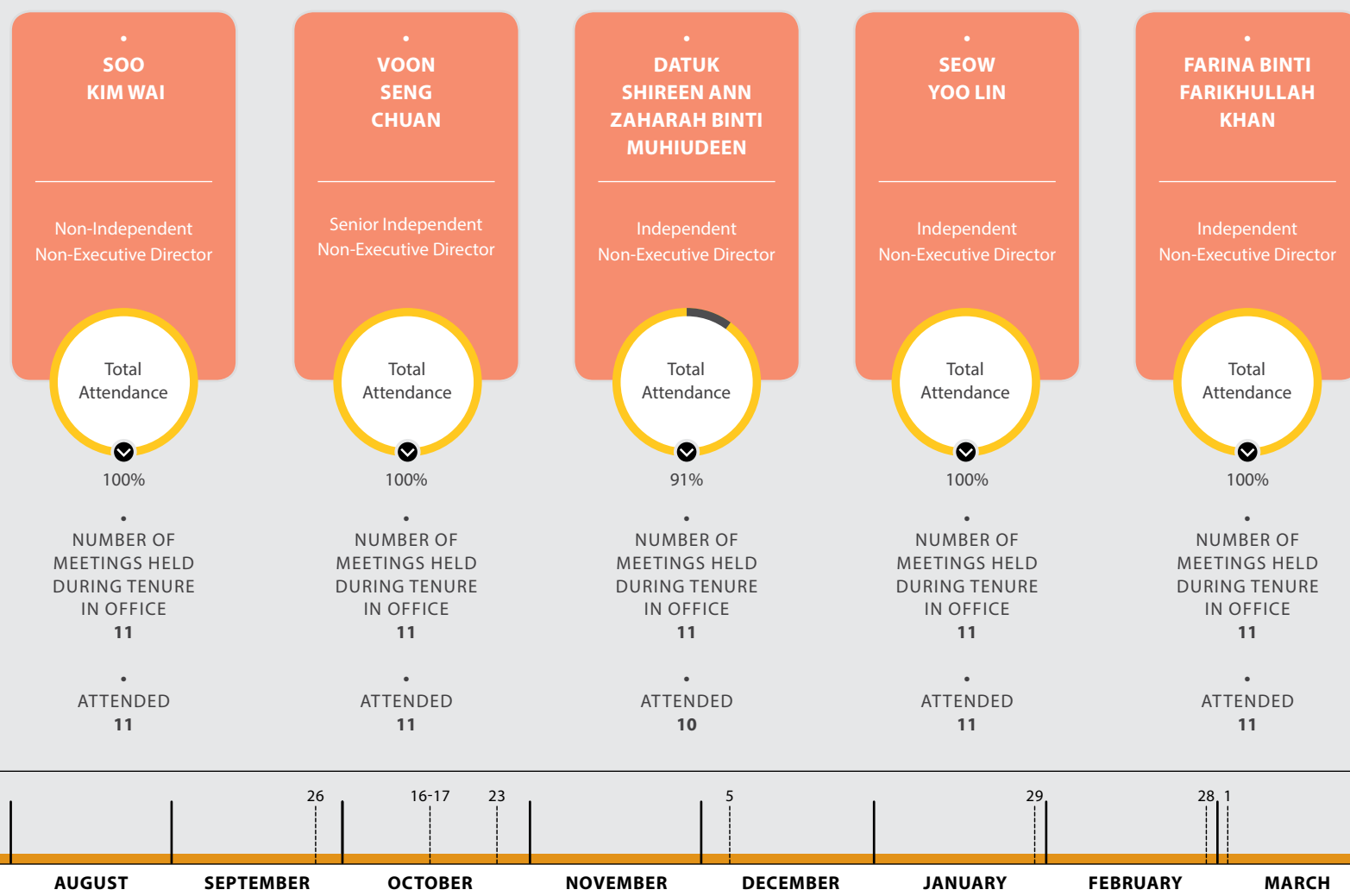
Board Meeting Focus during FY2019

Matters Reserved for the Board	Activity
Corporate Matters	1 Corporate Exercise i.e. Disposal of Non-Performing Loans
Strategy and Budget	1 Budget-Financial Year Ending 2020 2 The Group Strategy and Plans 3 Digital Budget 4 Sustainability Matters 5 Market Views and Consensus Forecast
Governance and Policy	1 No Gift Policy 2 Revised Related Party Transaction Policy 3 Revised Terms of References of Board Committees 4 Composite Risk Rating 5 Consecutive Leave Policy 6 Whistleblowing Protection Policy 7 Talent and Succession Management Policy 8 Consolidated Risk Report 9 Risk Stress Test 10 Talent and Succession Management Policy 11 Fit and Proper Criteria Policy 12 Trading in AmBank Shares Policy
Compliance and Assurance	1 Direction of Compliance 2 BNM Guidelines 3 Group Compliance Report 4 Update on regulatory guidelines/ requirements i.e. BNM Guidelines, Service tax implementation 5 Group Compliance Monitoring and Testing Plan
Accounting and Finance	1 Quarterly Financial Result 2 Audited Financial Statements 3 Capital Plan 4 Internal Capital Adequacy Assessment Process 5 Dividends 6 Net Stable Funding Ratio Plan 7 Board Forum

PRINCIPLE A

Leadership and Effectiveness

BOARD OF DIRECTORS



Matters Reserved	Activity
Information Technology and Projects	<ol style="list-style-type: none"> Regulatory Reporting Enhancement Programme Progress of the Group Digital Roadmap
Board Membership and Other Appointments	<ol style="list-style-type: none"> Appointment of Directors Change in Board Committees Composition Appointment of Key Management Personnel Summary Reports from Chairman of Board Committee Board Effectiveness Evaluation
Remuneration	<ol style="list-style-type: none"> Annual Salary Review Short-Term Incentive/Long-Term Incentive Establishment of Scheme Share Remuneration of Key Management Personnel Remuneration Framework for Non-Executive Directors
Any Other Matters as Deemed Necessary by the Board	<ol style="list-style-type: none"> Notification of Directorships Dealings by Principle Officers Business Operations Matters Letters from Regulators Litigation and Arbitration Amendments to the Constitution

PRINCIPLE A**Leadership and Effectiveness****On-going Professional Development**

The Board recognises the importance of ensuring that Directors are continuously being developed to acquire or enhance the requisite knowledge and skills to discharge their duties effectively.

As part of the programme, new Directors are being briefed on their disclosure obligations as a Director, the Company's Board Charter, Code of Conduct, Code of Ethics, the Constitution of the Company, the Board Committees' Terms of Reference, Schedule of Matters Reserved for the Board etc.

Apart from the Mandatory Accreditation Programme ("MAP") and the Financial Institutions Directors' Education ("FIDE") Programme, both accredited by the ICLIF Leadership and Governance Centre ("ICLIF"), all Directors appointed to the Board, have also attended other relevant training programmes, talks, seminars, dialogue sessions and focus group sessions organised by the regulatory authorities, the FIDE Forum (an alumni association for Financial Institutions Directors) and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Group.

The Board, together with the Board members of the subsidiaries of AMMB also attend Strategy and Budget Meetings to have an in-depth understanding and continuous engagement with Management pertaining to the Group's strategic

direction. In addition, the Directors are constantly updated on information relating to the Group's development and industry development through discussion at Board meetings with Senior Management team.

The Board will ensure that a structured Director Learning and Education programme is in place for its members. This programme shall ensure members have access to appropriate continuing education programme and are kept up to date with current business, industry, regulatory and legislative developments and trends that will affect the Group's business operations.

The GNRC will review the training and development needs of the Director on an annual basis, taking into consideration the Group's strategy for the next several years and the current combined skills on the Board. The Directors would suggest trainings which they think the Board requires i.e. Board Technology day.

The Group Learning and Development Unit undertakes the role to coordinate, organise and manage Directors' learning and development requirements together with the Group Company Secretarial Department. The Directors of the Company had attended the following training programmes, talks, seminars, dialogue sessions and focus group sessions during FY2019:

Name of Directors	Month/Year	Course Title
Tan Sri Azman Hashim	April 2018	5 th BNM-FIDE Forum Annual Dialogue with the Deputy Governor of Bank Negara Malaysia, Datuk Shaik Abdul Rasheed Abdul Ghaffour
		Board Technology Day - Blockchain and The Impact to Financial Services by Mr Paul Sin (Deloitte)
		Board Technology Day - Defining The Digital Bank by Mr Daragh O'Bryen ("NSEL")
		Briefing on Direction on Compliance ("DOC")
	May 2018	Asian Institute of Chartered Bankers's Graduation Ceremony - Delivered Opening Address as Chairman, Asian Institute of Chartered Bankers
		Briefing on Capital Rules under Financial Holding Company
	June 2018	22 nd Malaysian Banking Summit - "Reimagining Banking in a Digital and Disruptive World" - Delivered Opening Address as Chairman, Asian Institute of Chartered Bankers
	July 2018	Malaysia Productivity Corporation ("MPC") Launching of Productivity Report 2017/2018 "Driving Productivity of the Nation" - Delivered Welcome Address as Chairman MPC
	September 2018	Board Technology Day - Digital Banking by Mr Chris Skinner
	November 2018	36 th JAMECA-MAJECA Joint Conference & Malaysia Business Forum - Delivered Opening Address as President of Malaysia Japan Economic Association
		Post Budget 2019 Talk, "Doing Business in the New Malaysia" - Delivered Opening Speech as Chairman, AmBank Group
		Malaysia Productivity Corporation ("MPC") Annual Productivity & Innovation Conference and Exposition ("APIC") 2018 - Delivered Closing Address as Chairman MPC
		FIDE Forum Dialogue with Senior Officials BNM
December 2018	Basel Committee Banking Supervision ("BCBS") 239, Data Governance & Risk-Finance Alignment by PricewaterhouseCooper ("PwC")	
January 2019	43 rd Meeting of East Asia Business Council Meeting ("EACB") and related meetings representing Malaysia	
Graham Kennedy Hodges	April 2018	Board Technology Day - Blockchain and The Impact to Financial Services by Mr Paul Sin (Deloitte)
		Board Technology Day - Defining The Digital Bank by Mr Daragh O'Bryen ("NSEL")
	May 2018	Briefing on Capital Rules under Financial Holding Company
September 2018	Board Technology Day - Digital Banking by Mr Chris Skinner	
Soo Kim Wai	April 2018	Board Technology Day - Blockchain and The Impact to Financial Services by Mr Paul Sin (Deloitte)
		Board Technology Day - Defining The Digital Bank by Mr Daragh O'Bryen ("NSEL")
	June 2018	In Conversation With Stephen Hagger - Malaysia's Politics and Landscape - Credit Suisse
	July 2018	Mid-Year Outlook 2018 - Bank of Singapore
		Creating and Preserving Your Wealth with Bank of Singapore - Bank of Singapore
	August 2018	Tax Workshop - Capital Statement - Deloitte/Inland Revenue Board/Amcorp Group Training Department
		Winner and Losers: Asian equities amidst trade tensions and tariffs - J.P.Morgan
September 2018	Board Technology Day - Digital Banking by Mr Chris Skinner	

PRINCIPLE A

Leadership and Effectiveness

Name of Directors	Month/Year	Course Title
Soo Kim Wai	October 2018	MIA International Accountants Conference 2018 - Malaysian Institute of Accountants
	November 2018	Grosvenor Asia Pacific Breakfast Seminar - Grosvenor
		Post Budget 2019 Review - Amcorp Group In-House Training by BDO
	December 2018	BCBS 239, Data Governance & Risk-Finance Alignment by PwC
	January 2019	Dialogue with IRB - Special Voluntary Disclosure Programme - Deloitte
		JP Morgan Outlook 2019 - JP Morgan
	March 2019	New Investment Alternatives - ACCA
		Reading the Signs: The next financial crisis and potential impact on Asia - FIDE Forum
	Manager Spotlight Series: Deciphering the Digital Revolution - JP Morgan	
Voon Seng Chuan	April 2018	Board Technology Day - Blockchain and The Impact to Financial Services by Mr Paul Sin (Deloitte)
		Board Technology Day - Defining The Digital Bank by Mr Daragh O'Bryen ("NSEL")
		Briefing on DOC
	May 2018	Briefing on impact of the post General Election 14
		Capital Rules under Financial Services Company
	July 2018	FIDE Forum - Blockchain in Financial Services Industry
	August 2018	FIDE Elective Programme - Emerging Risks, the Future Board and Return on Compliance
		FIDE Elective Programme - Anti-Money Laundering/Counter Financing of Terrorism
	September 2018	FIDE Forum - IBM Think Malaysia
		SAL DCTx Conference - Digital Banking
	November 2018	Board Technology Day - Digital Banking by Mr Chris Skinner
		Budget 2019 - Doing Business in the New Malaysia
	December 2018	BNM-FIDE Forum Conversation with BNM Senior Officials
		BCBS 239, Data Governance & Risk-Finance Alignment by PwC
	March 2019	Cost of Funds by AmBank Management
		FIDE Focus Group Discussion
FIDE Forum - Reading the signs: The Next Financial Crisis and Its Potential Impact on Asia		
FIDE Forum - Digital Asset: Global Trends, Legal Requirements and Opportunities for FIs		
	BNM Annual Report/Financial Stability and Payments Systems Report 2018	
Datuk Shireen Ann Zaharah binti Muhiudeen	April 2018	Briefing on DOC
	May 2018	Briefing on Capital Rules under Financial Holding Company
	November 2018	Budget 2019 - Doing Business in the New Malaysia
Seow Yoo Lin	April 2018	Board Technology Day - Blockchain and The Impact to Financial Services by Mr Paul Sin (Deloitte)
		Board Technology Day - Defining The Digital Bank by Mr Daragh O'Bryen ("NSEL")
		Briefing on DOC
	May 2018	Briefing on Capital Rules under Financial Holding Company
	September 2018	Board Technology Day - Digital Banking by Mr Chris Skinner
	November 2018	2019 Budget: What You Need To Know: The Economy, Capital Market and You
		Induction: Board of Directors - AmInvestment Bank Berhad
	December 2018	BCBS 239, Data Governance & Risk-Finance Alignment by PwC
	January 2019	FIDE Workshop : Identify Your Next Board Talent
	March 2019	CMDP - Module 1: Directors as Gatekeepers of Market Participants
		CMDP - Module 2A: Business Challenges and Regulatory Expectations
CMDP - Module 2B: Business Challenges and Regulatory Expectations		
CMDP - Module 3: Risk Oversight and Compliance - Action Plan for Board of Directors		
	CMDP - Module 4: Current and Emerging Regulatory Issues in the Capital Market	
Farina binti Farikhullah Khan	April 2018	Board Technology Day - Blockchain and The Impact to Financial Services by Mr Paul Sin (Deloitte)
		Board Technology Day - Defining The Digital Bank by Mr Daragh O'Bryen ("NSEL")
		Briefing on DOC
	May 2018	Briefing on Capital Rules under Financial Holding Company
	September 2018	Board Technology Day - Digital Banking by Mr Chris Skinner
	November 2018	Islamic Finance for Board of Directors Programme
Budget 2019 - Doing Business in the New Malaysia		
December 2018	BCBS 239, Data Governance & Risk-Finance Alignment by PwC	

PRINCIPLE A

Leadership and Effectiveness

GROUP NOMINATION AND REMUNERATION REPORT



VOON SENG CHUAN
Chairman

The Group Nomination and Remuneration Committee ("GNRC" or "the Committee") is established as a committee of the Board at the holding company level. It is chaired by the Senior Independent Director and comprises entirely of Non-Executive Directors, a majority of whom are independent.

COMPOSITION AND MEETING ATTENDANCE

A total of seven meetings of the Company's GNRC were held during FY2019 and details of the meeting attendance are set out below:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Voon Seng Chuan (Chairman) (Senior Independent Non-Executive Director)	7	7	100
Graham Kennedy Hodges (Non-Independent Non-Executive Director)	7	7	100
Soo Kim Wai (Non-Independent Non-Executive Director)	7	7	100
Datuk Shireen Ann Zaharah binti Muhiudeen (Independent Non-Executive Director)	7	7	100
Farina binti Farikhullah Khan (Independent Non-Executive Director)	7	7	100
Seow Yoo Lin (Independent Non-Executive Director) (Appointed as member on 27 November 2018)	3	3	100

Changes to the composition of the GNRC during the financial year under review were as follows:

SEOW YOO LIN

Independent Non-Executive Director

Appointed as member on 27 November 2018 to represent AmlInvestment Bank Berhad.

ROLES AND RESPONSIBILITIES OF GNRC

The Committee is responsible for the following responsibilities and such other function as may be requested by the Board:

- Regular review of the overall Board's composition (i.e. size, skills, experience, diversity, etc) and Board balance
- Assess the performance & effectiveness of individual and collective members of the Board and Board Committees
- Recommend appointment of Directors to the Board and Board Committees & annual review of mix of skills, experience and competencies of the Board
- Oversee the implementation of AMMB Executives' Share Scheme ("ESS") in accordance with the By-Laws of the ESS
- Assess the annual performance of key management personnel against balanced scorecard and recommend the short and long-term incentives and rewards to the Board
- Recommend a formal & transparent procedure for developing the remuneration policy for Directors, key management personnel and staff to the Board



> The GNRC's detailed roles and responsibilities are set out in its Term of Reference, which is available on the Company's corporate website at ambankgroup.com

PRINCIPLE A

Leadership and Effectiveness

SUMMARY OF KEY ACTIVITIES OF GNRC

Board Matters	Management Matters
<ol style="list-style-type: none"> 1 Board Effectiveness Evaluation (“BEE”) for assessment year – assessed individual Directors, overall Board and its performance and effectiveness as a whole, and also reviewed the composition of the Board based on the required mix of skills, experience and other qualities of the Board; 2 Search for potential Director candidates to fill vacancy in the Board of the Company, AmBank (M) Berhad, AmBank Islamic Berhad, AmInvestment Bank Berhad and other subsidiaries which do not have Nomination and Remuneration Committee. Thereafter, assessed the suitability of new Director candidates based on their professional qualifications, experience, integrity and the skill set required by the respective Board; 3 Reviewed and assessed the performance of Directors who seek for re-appointment prior to the expiry of their tenure approved by BNM and re-election at the forthcoming Annual General Meeting (“AGM”); 4 Assessed Directors’ training needs to ensure all Directors receive appropriate continuous training; 5 Reviewed and recommended revisions to the allowances of Chairmen of all Board Committees and meeting allowances to reflect their increased level of responsibility and accountability; 6 Reviewed its Terms of Reference to ensure all the mandatory requirements under the MMLR of Bursa Securities and other relevant statutory regulations, as well as other corporate governance best practices are met; 7 Update on Board Gaps; and 8 Reviewed Group Nomination and Remuneration Report. 	<ol style="list-style-type: none"> 1 Reviewed and assessed C-Suites Scorecards; 2 Recommended annual salary review pool allocation for employees; 3 Reviewed and recommended the proposed change to employee benefits; 4 Reviewed and assessed the annual self-declaration of “Fit and Proper” criteria for Directors and key management personnel; 5 Reviewed the Group’s Talent Pool and C-Suite Succession; 6 Recommended the appointment renewal of key management personnel together with their remuneration; 7 Reviewed and recommended the establishment of a new ESS; and 8 Reviewed half-yearly KPI performance of key management personnel.

Minutes of all GNRC meetings were tabled to the Board for noting. In addition, the GNRC Chairman would also take the Board through the summary of key discussion and matters of significant concern discussed and highlighted at the GNRC meeting.

BOARD KNOWLEDGE, SKILLS AND EXPERIENCE

Performance Evaluation

The Group conducts an annual BEE exercise with the objective of assessing the performance of the Board as a whole, Board Committees and individual Directors.

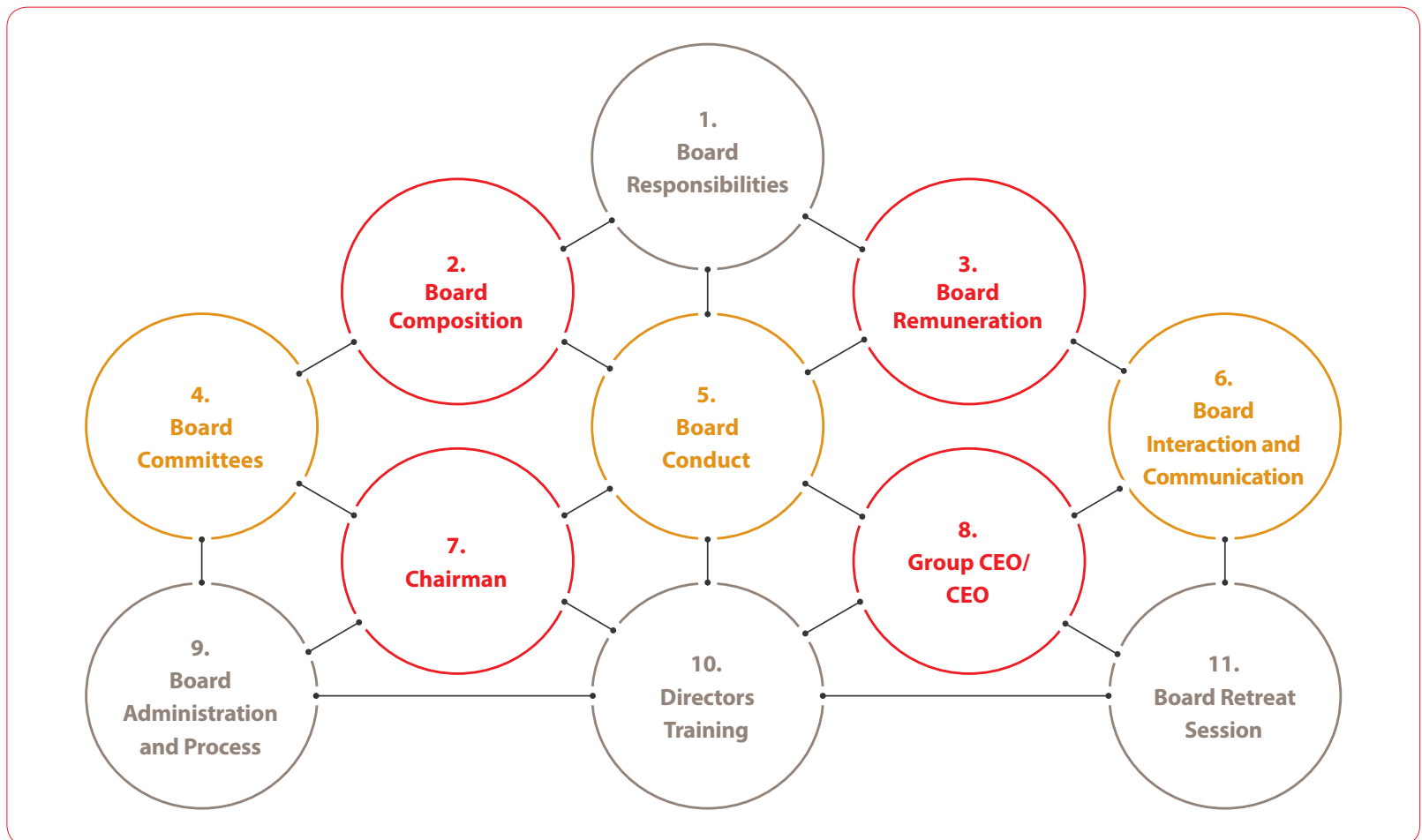
The Board and Board Committees were evaluated based on the expectation that they are expected to perform their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with duties and obligations imposed upon them under the law and guidelines issued by the regulatory authorities.

The results of the BEE form part of the basis for evaluation by the GNRC for the appointment and re-appointment of Directors.

To ensure the integrity, independence and objectivity of the evaluation process, the Board continues with its practice of engaging an external facilitator for the BEE for Year of Assessment 2019.

PRINCIPLE A**Leadership and Effectiveness****GROUP NOMINATION AND REMUNERATION REPORT****Board and Board Committee Effectiveness**

A robust and comprehensive assessment framework was used for the BEE exercise, encompassing the following areas:

**Directors' Self and Peer Evaluation**

The BEE exercise was a rigorous process involving a questionnaire based self-assessment exercise where Directors assessed the performance of the Board, Board Committees and individual Directors.

The assessment of individual Directors takes consideration of their contributions to the Board and their experience, competencies, integrity, commitment in meeting the requirements of the Group are assessed. This was followed by in-depth interviews with individual Directors and selected Senior Management to gain further insights and suggestions to enhance Board effectiveness.

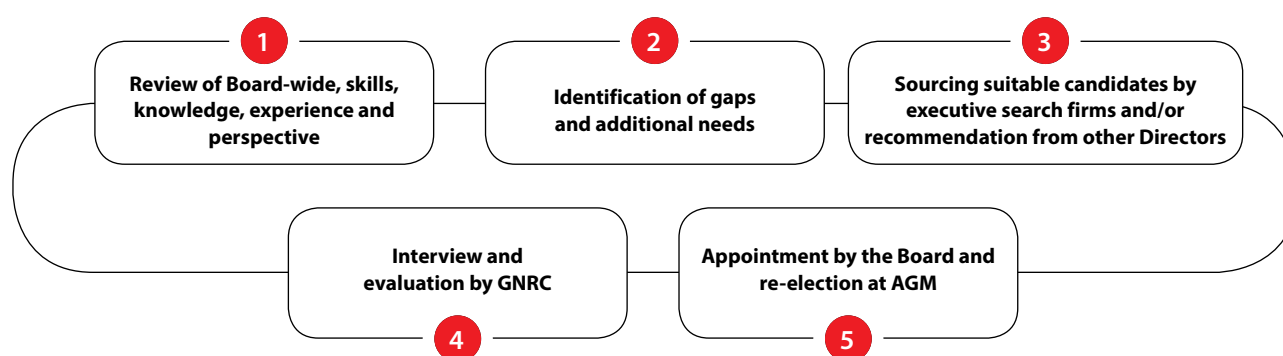
The results of the BEE exercise were presented to the GNRC in May 2019 and the Board in June 2019 to enable the Board to identify and put in place actions to address areas for improvement.

PRINCIPLE A

Leadership and Effectiveness

SELECTION AND APPOINTMENT OF DIRECTORS

Process on Selection of Directors



Appointment of New Directors

The policies and procedures for new appointments are as follows:

POLICIES

- a. The GNRC will establish the minimum requirements on the skills and core competencies of a Director based on the annual review of the required mix of skills, experience and core competencies within the Board as well as to ascertain the “Fit and Proper” criteria for each Director.
- b. When assessing a person to be nominated for election to the Board, the qualifications and skills to be considered by the GNRC, shall include, but are not limited to:
 - whether or not the person qualifies as a Director under applicable laws and regulations, including provisions of the MMLR of Bursa Securities;
 - whether or not the person meets the “Fit and Proper” criteria under BNM Guidelines;
 - whether or not the person is willing to serve as a Director and to commit the time necessary to perform the duties as a Director;
 - the contribution that the person can make to the Board and to the overall desired Board composition, taking into account the person’s business experience, education and such other factors as the Board may consider relevant; and
 - the character and integrity of the person.
- c. The GNRC may identify Director candidate(s) using executive search firms and/or via recommendation from other Directors.

PROCEDURES

- a. The GNRC will perform a preliminary assessment of potential candidate(s) based on referrals from executive search firms or other Directors and shortlist candidate(s) for interview.
- b. Once shortlisted, three members of the GNRC will interview the potential candidate(s) to assess the suitability in terms of technical expertise, experience and the behavioural and culture fit with the Board in addition to ascertain the candidates’ interest, availability and terms of appointment.
- c. Upon completion of interview, the interview results and the interviewers’ assessment of the candidate(s) will be tabled at the GNRC for further discussion and deliberation on the suitability of the candidate(s) for recommendation to the Board for appointment.
- d. Once potential Director candidate(s) are shortlisted for recommendation, the Company Secretary will conduct comprehensive reference checks, including checks on financial and character integrity, in line with regulatory requirements, on the candidate(s).
- e. Upon completion of reference checks, the GNRC will recommend the proposed candidate(s) to the Board of the respective entity.
- f. The Board will deliberate on the recommended candidate(s) and if deemed appropriate, will approve the appointment of the candidate(s).
- g. Upon approval by the Board, an application for the proposed appointment is submitted to BNM.
- h. Once approval from BNM is obtained, the candidate(s) has to complete the required statutory form.
- i. Upon appointment of the candidate(s), a letter of appointment shall be issued to the candidate(s).

PRINCIPLE A**Leadership and Effectiveness****GROUP NOMINATION AND REMUNERATION REPORT****Re-election and Re-appointment of Directors**

The Company's Constitution permits the Board to appoint a person to be a Director of the Company at any time, either to fill a casual vacancy or as an addition to the existing Directors, and in any case, the number of Directors shall not be less than three.

A candidate who is appointed as Director of the Company must seek re-election by shareholders at the next Annual General Meeting ("AGM") following his/her appointment. The Constitution of the Company further provides the rotation of Directors whereby one third or more of the Directors are to retire at every AGM of the Company and that all Directors must retire at least once in three years and shall be eligible for re-election.

Directors who are due for re-election at the forthcoming AGM and who had given their written consent to be re-appointed, are as set out in the Notice of AGM.

Directors who are due for re-election/re-appointment are also subject to the following policies and procedures:

POLICIES

- a. Retirement of Directors by rotation will follow the requirements as stipulated in the Constitution of the Company.
- b. Tenure of directorship will follow the requirement as stipulated in the Company's Board Charter and BNM Policy Document on Corporate Governance. Furthermore, the Group has in place a maximum tenure of nine years for all independent non-executive directors.

PROCEDURES

- a. The GNRC will assess the performance and contribution of each Director to the Board and Board Committees based on the results of the annual BEE and individual Director's self and peer assessment.
 - Whether or not an independent Director still qualifies as "independent" under applicable laws and regulations, including provisions of the MMLR of Bursa Securities.
- b. The GNRC will consider the current Directors in the same manner as other candidates, taking into consideration the Director's performance during his or her term, including consideration of the following factors:
 - Compliance with governing legislation, regulations or guidelines, particularly conflict of interest, confidentiality, "Fit and Proper" criteria and duty of care provisions; and
- c. Based on the assessment results, the GNRC will recommend the Directors seeking re-appointment/re-election to the Board, who will then recommend to the shareholders for approval at the AGM.
- d. For Directors seeking re-appointment pursuant to BNM-approved tenure, an application for the proposed re-appointment will be submitted to BNM for approval, upon approval by the Board.

Succession Planning

The Group has established programmes to identify employees with potential and nurture them through career development opportunities for Senior Management positions. The development programme is closely monitored and managed by the Group Talent Council ("GTC") comprising members of the Senior Management team within the Group. The GTC administers various programmes in accordance with the Board-approved Talent and Succession Management ("TSM") Policy and terms of reference.

During the year, the GNRC was entrusted by the Board to review the succession planning policy and process and the talent pipeline for Senior Management positions. The GNRC guides Management in refining the accelerated development approach to create a robust pool of qualified banking experts and supporting professionals. This includes pairing identified individuals with mentors and executive coaches, creating cross-functional training and exposure and formal learning and assignments.

PRINCIPLE A

Leadership and Effectiveness

In the event that there is no suitable internal candidate within the accelerated development time frame, the Group identifies external candidates.

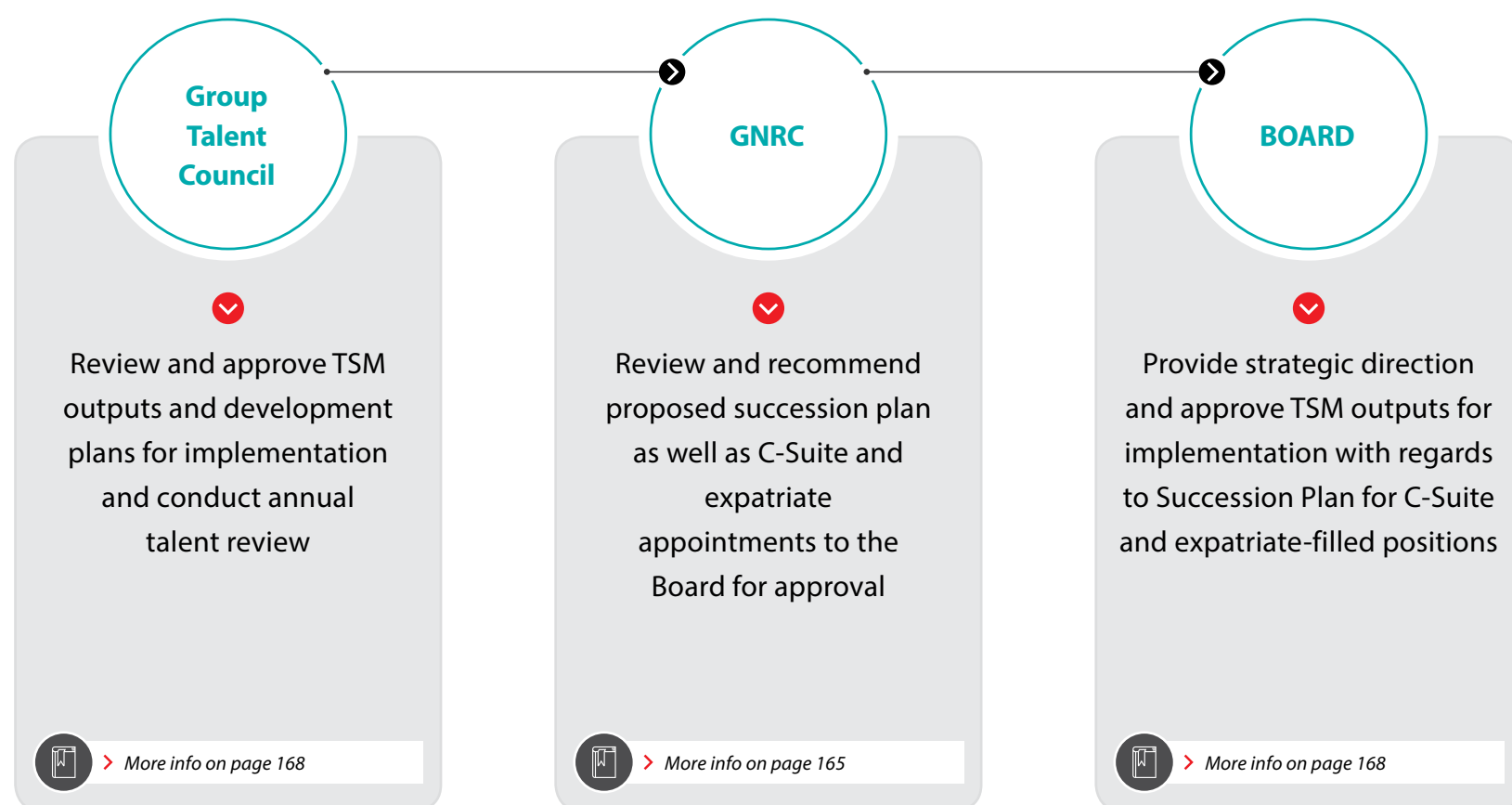
The GNRC closely monitors management positions and succession pipelines, including top management positions at the Group level and heads of subsidiaries, in particular the Chief Executive Officer and Chief Financial Officer, whose appointments are subject to the approval of BNM.

In addition to appointments, the GNRC reviews several areas including the reasons behind management-level and senior executive resignations, expatriate employee transfer of knowledge, manpower analysis and staffing requirements. These all go towards ensuring that the Group continues to be able to attract, motivate and retain the right talent pool.

The potential successor will be managed and his/her individual development plan will be tracked with structured interventions to build leadership and functional capability.

The Board has also entrusted the GNRC with the responsibility of reviewing the Board's succession plans for Directors, including recommending candidates for Non-Executive Director positions.

GOVERNANCE OF TALENT AND SUCCESSION MANAGEMENT ("TSM")



PRINCIPLE A

Leadership and Effectiveness

GROUP NOMINATION AND REMUNERATION REPORT

REMUNERATION

Director

The Directors are being paid Directors' fees, Board Committee allowance, meeting allowances, stipend, benefits-in-kind and directors and officers insurance coverage.

The remuneration structure of the Non-Executive Directors of the Company is laid out as follows:

Directors Fees (per annum)	Chairman	Deputy Chairman	Non-Executive Director
	RM210,000	RM210,000	RM200,000

Note: Directors' Fees are payable after shareholders' approval at the AGM.

Board Committee Allowance (per annum)	Chairman	Member
Audit and Examination Committee ("AEC")	RM40,000	RM20,000
Risk Management Committee ("RMC")	RM30,000	RM20,000
Group Nomination & Remuneration Committee ("GNRC")	RM30,000	RM20,000
Group Information Technology Committee ("GITC")	RM30,000	RM20,000

Meeting Allowance	Board	Board Committee	Other meeting
	RM2,500 per meeting	RM2,500 per meeting	RM2,500 per meeting

Allowance to the Chairman/Stipend (per annum)
Board
RM1,440,000

Benefits-in-kind

Medical (on claim basis) and any expenses incurred by the Directors in performing their duties.

Directors' and Officers' Liability Insurance

A combined and shared policy limited to RM200 million (or any other amount as approved by the Board at the Company from time to time) in aggregate during the policy period covers the Group's Directors in respect of any liabilities arising from any acts committed in their capacity as Directors and Officers of the Group. The Directors and Officers are required to contribute jointly towards a portion of the premium of the said policy.

The details on the aggregate of remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries ("subsidi") during FY2019 are as follows:

Name of Director	Salary and Bonus	Fee (RM'000)		Emoluments ¹ (RM'000)		Benefits-in-kind ² (RM'000)		Total (RM'000)
		AMMB	Subsi	AMMB	Subsi	AMMB	Subsi	
Tan Sri Azman Hashim	-	210	241	1,460	531	30	7	2,479
Graham Kennedy Hodges	-	200	-	86	-	1	-	287
Soo Kim Wai	-	200	37	82	27	20	-	366
Voon Seng Chuan	-	200	152	159	132	1	1	645
Datuk Shireen Ann Zaharah binti Muhiudeen	-	200	-	89	-	2	-	291
Seow Yoo Lin	-	200	69	106	29	2	-	406
Farina binti Farikhullah Khan	-	200	150	81	96	2	1	530

Notes:






¹ Emoluments comprised Board Committee allowance, meeting allowance and allowance to the Chairman of the Board.

² Benefits-in-kind comprised provision of medical claims and any expenses incurred by the Directors in performing their duties.

PRINCIPLE A

Leadership and Effectiveness

The remuneration of the following Directors who sit in other subsidiaries of the Group during FY2019 is disclosed under the subsidiaries column of the table on the previous page:

TAN SRI AZMAN HASHIM  Chairman of AMMB, AmBank (M) Berhad (retired on 1 January 2019) and AmInvestment Bank Berhad (retired on 1 January 2019)	SOO KIM WAI  Director of AMMB and AmBank (M) Berhad (appointed on 2 January 2019)	VOON SENG CHUAN  Director of AMMB and Chairman of AmBank (M) Berhad (appointed as Chairman on 1 January 2019)	SEOW YOO LIN  Director of AMMB and AmInvestment Bank Berhad (appointed on 15 October 2018)	FARINA BINTI FARIKHULLAH KHAN  Director of AMMB and AmBank Islamic Berhad
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The number of Directors of the Company whose total remunerations during the financial year fall within the following band are as follows:

Range of Remuneration	Number of Director	
	Executive	Non-Executive
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	-	2
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	-	1
RM400,001 – RM450,000	-	1
~ RM500,001 – RM550,000	-	1
~ RM600,001 – RM650,000	-	1
~ RM1,000,001 and above	-	1

Senior Management

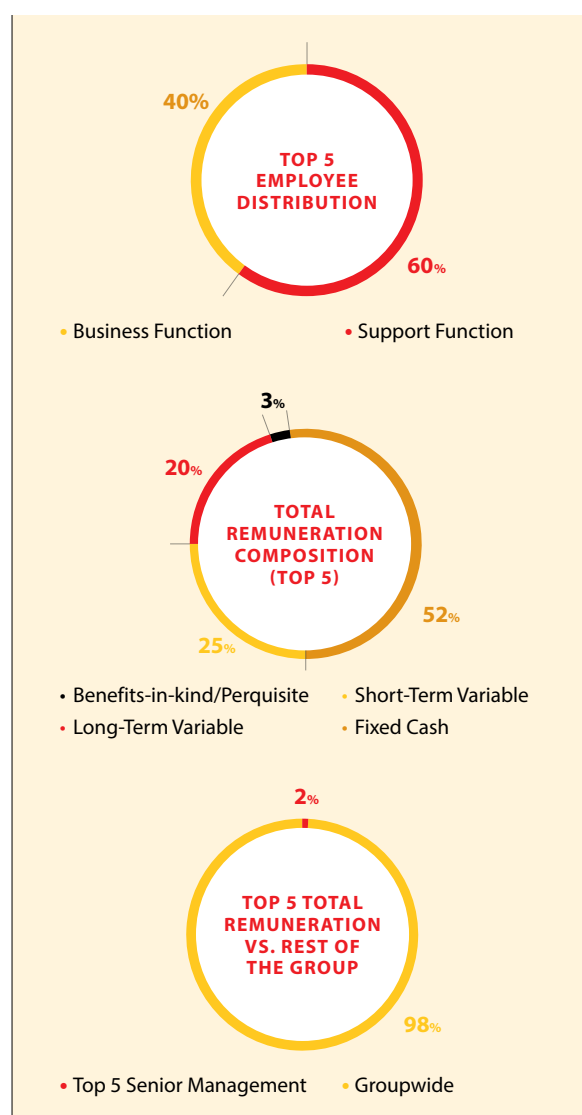
The number of Senior Management of the Company and its subsidiaries whose total remunerations during the financial year fall within the following band are as follows:

Range of Remuneration	Number of Senior Management
Less RM150,000	16
RM150,001 – RM200,000	4
RM200,001 – RM250,000	17
RM250,001 – RM300,000	22
RM300,001 – RM350,000	21
RM350,001 – RM400,000	31
RM400,001 – RM450,000	15
RM450,001 – RM500,000	38
RM500,001 – RM550,000	46
RM550,001 – RM600,000	23
RM600,001 – RM1,000,000	56
RM1,000,001 and above	22
Grand Total	311

THE GROUP REMUNERATION OBJECTIVES

The Group's remuneration practice, which is applicable to all divisions and subsidiaries within the Group, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns, taking into consideration risk management principles and standards set out by BNM Policy Document on Corporate Governance.

When formulating and periodically reviewing and refining the remuneration strategy, consideration is given to aligning our remuneration approach with the Group's medium to long-term strategic objective, culture and values in order to drive desired behaviours and achieve objectives set out in the balanced scorecard.

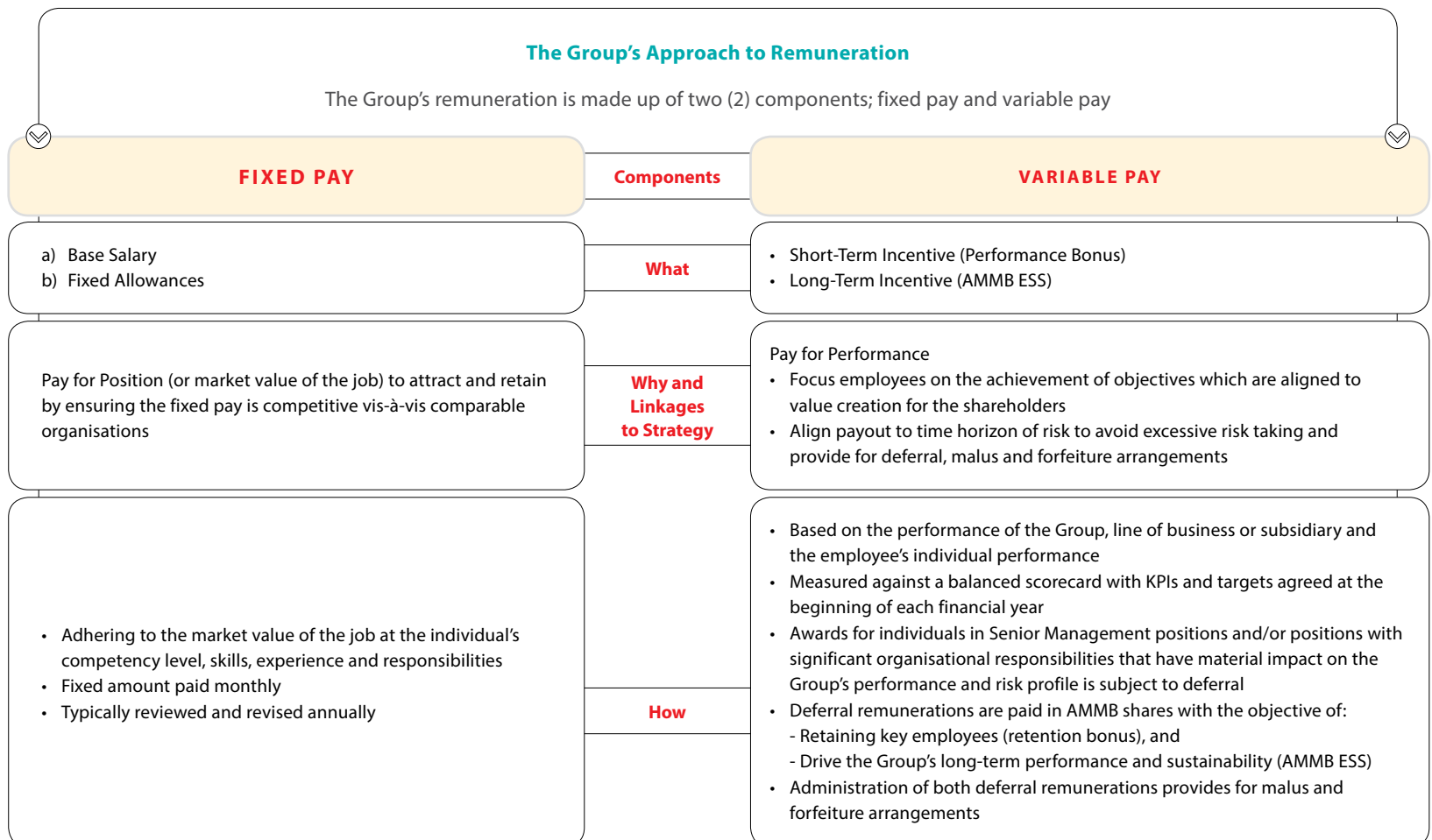
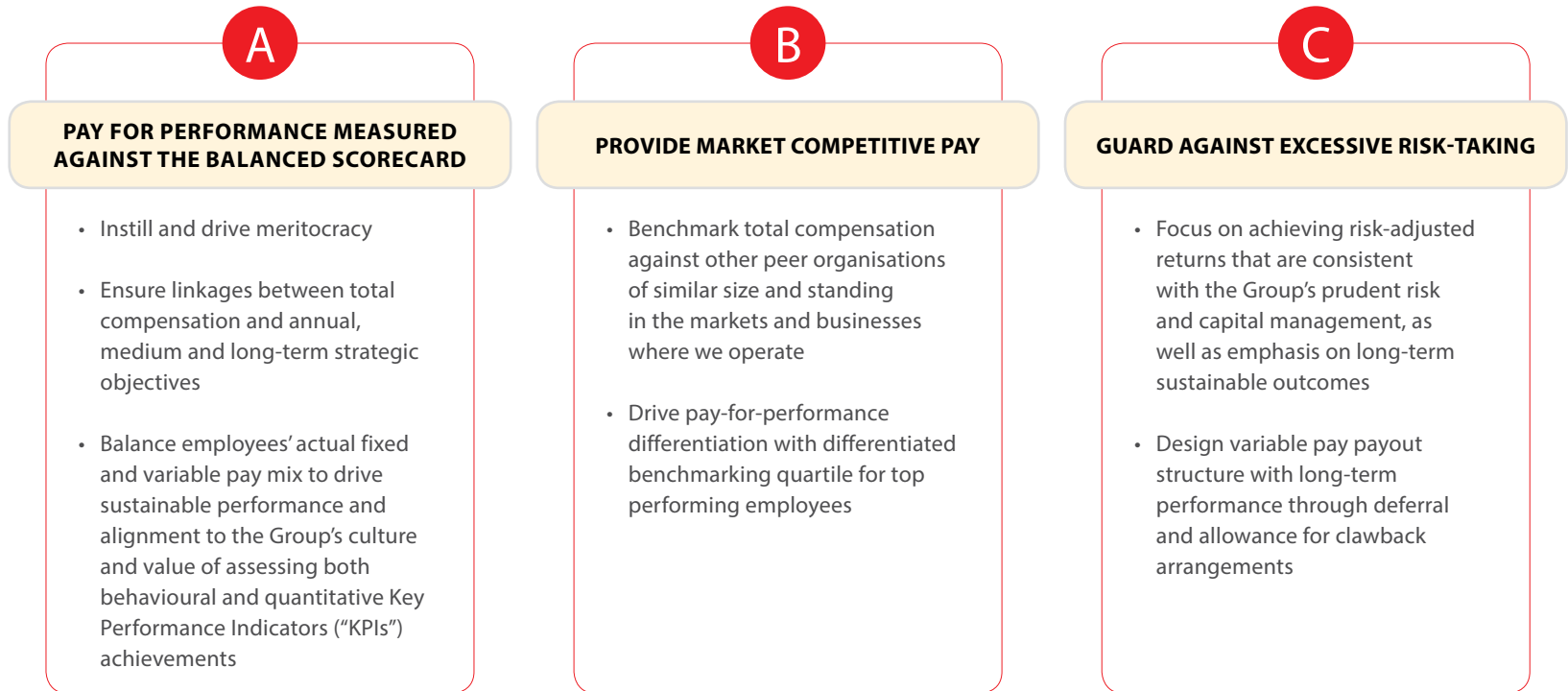


PRINCIPLE A

Leadership and Effectiveness

GROUP NOMINATION AND REMUNERATION REPORT

The following is the main thrusts of the Group's remuneration strategy:

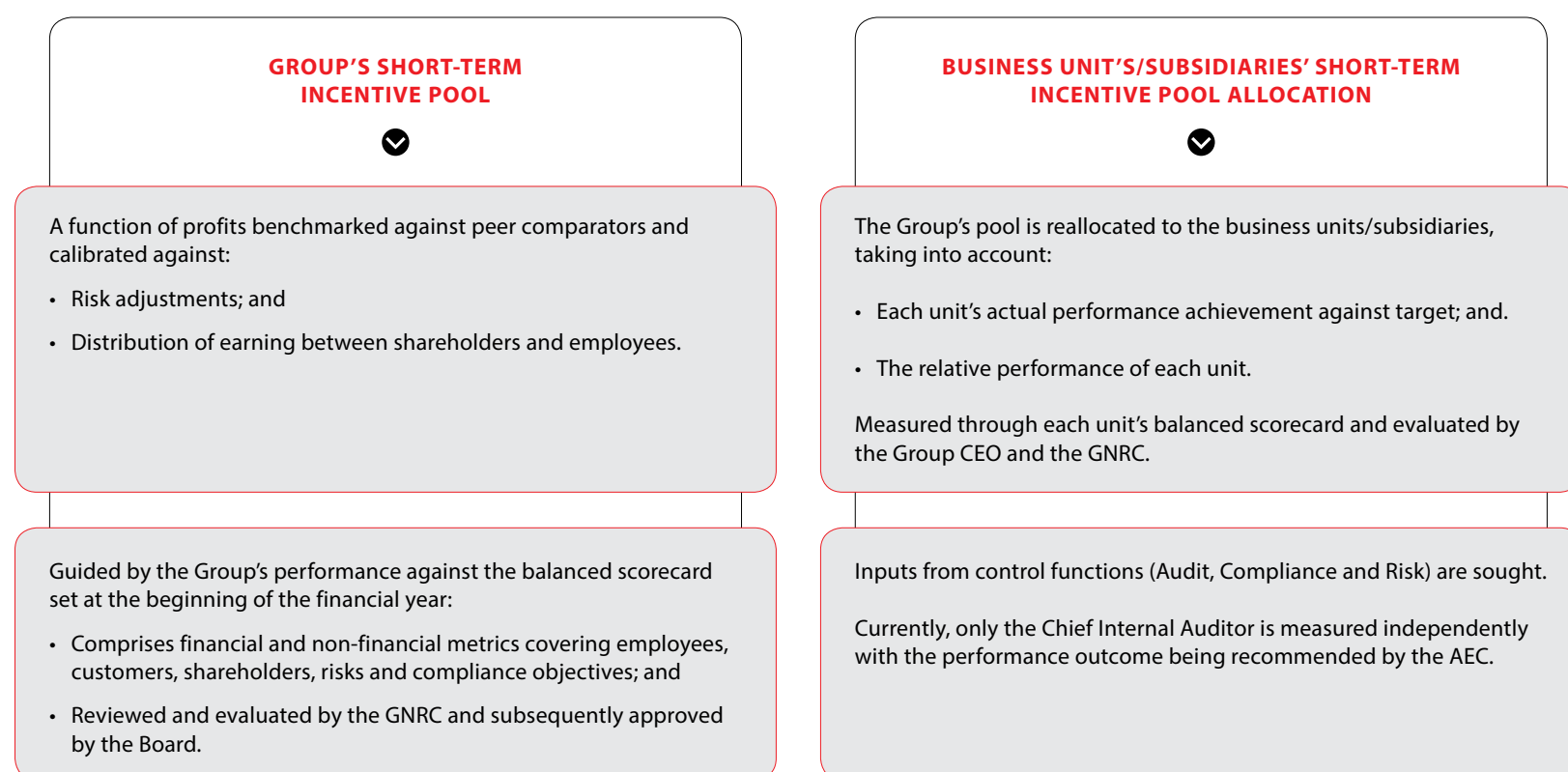


PRINCIPLE A

Leadership and Effectiveness

Determination of Short-Term Incentive (Performance Bonus) Pool and Individual Award

The following mechanics are used to derive the Group's short-term incentive pool and incentive pools for business units and/or subsidiaries:



Individual awards are based on the employee's performance, measured through a balanced scorecard that takes into account qualitative and quantitative objectives as set out in the individual's KPIs.

Sales employees are incentivised via respective sales incentive plans to promote the development of mutually beneficial long-term relationships with their customers, rather than short-term gains. As such, non-financial metrics such as customer satisfaction and fair dealing principles incorporated into their KPIs and with compliance as payout triggers.

Long-Term Incentive (AMMB ESS)

The AMMB ESS forms the Group's long-term compensation component that is forward looking with rewards based on the Group's future performance. The ESS allows for the following objectives to be met:

- Align long-term interest of senior management with those of shareholders;
- Retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- Attract potential employees with the relevant skills to contribute to the Group and to create value for shareholders; and
- Deliver compensation in a manner that drives the long-term performance of the Group.

The ESS is delivered in the form of performance shares which consist of two elements:

- Main Award, that vests over a period of three years, contingent on the Group meeting its long-term performance targets.
- Retention Award (deferred component of the Short-Term Incentives received), administered through the ESS plan vested in two equal instalments over a period of two years. No further performance condition applies.

Variable Pay Deferrals

Variable pay for individuals in Senior Management positions and/or positions with significant organisational responsibilities that have material impact on the Group's performance and risk profile is subject to deferral.

The deferral award is paid in the form of AMMB performance shares with the objective of:

- Retaining key employees (Retention Award); and
- Drive the Group's long-term performance and sustainability (Main ESS Award).

Malus of unvested awards will be triggered by material violation, negligent, willful misconduct and fraud and breach of compliance, Anti-Money Laundering and Counter Financing of Terrorism as outlined in the ESS By-Laws.

PRINCIPLE B

Accountability

AUDIT AND EXAMINATION COMMITTEE REPORT

SEOW YOO LIN
Chairman

The Audit and Examination Committee ("AEC" or "the Committee") comprises three members, all of whom are Independent Directors.

COMPOSITION AND MEETING ATTENDANCE

A total of six meetings of the Company's AEC were held during FY2019, and details of the meeting attendance are set out below:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Seow Yoo Lin (Chairman) (Independent Non-Executive Director)	6	6	100
Voon Seng Chuan (Senior Independent Non-Executive Director)	6	6	100
Farina binti Farikhullah Khan (Independent Non-Executive Director)	6	6	100

ROLES AND RESPONSIBILITIES OF AEC

The Committee's main functions and duties shall include, but are not limited to the following:



> The AEC's detailed roles and responsibilities are set out in its Terms of Reference, which is available on the Company's corporate website at ambankgroup.com

The Group Chief Financial Officer ("GCFO") and Group Chief Internal Auditor ("GCIA") and their representatives attended all the AEC meetings to present their respective financial and audit reports. In addition, the Group CEO and respective CEO of the subsidiaries or their representatives are permanent invitees to the respective AEC meetings and had attended all the meetings held in FY2019. As and when necessary, the AEC had also requested the attendance of relevant Management personnel at its meetings to brief the AEC on specific issues arising from the financial and audit reports.

The GCIA held private sessions with the respective AEC Chairmen prior to the AEC meetings to highlight key issues of concern that would be raised in the meetings.

PRINCIPLE B

Accountability

The AEC also held two private sessions in April 2018 and October 2018 with the external auditors, without the presence of Management and the GCIA, to be fully informed about significant matters related to the Group's and Company's audit and financial statements and deliberate on relevant issues, challenge management's assertions on the Group's and Company's financial and obtain feedback for improvements. In addition, the external auditors also attended AEC meetings to present their audit planning memorandum, memorandum of recommendations, the results of their limited review of half-year financial performance of the Group and the results of their review on the annual audited

financial statements of the Company and the Group. The AEC ensures that there is coordination between internal and external auditors when they carry out the audit activities.

Minutes of all the AEC meetings were tabled to the Board for noting. In addition, the AEC Chairman also conveyed matters of significant concern to the Board as and when such matters were highlighted by the external auditors and internal auditors.

SUMMARY OF KEY ACTIVITIES OF AEC

The AEC had, with the assistance of the respective AECs within the Group, carried out the following activities in discharging their roles and responsibilities throughout FY2019:

Annual Report

Reviewed and endorsed the Statement of Risk Management and Internal Control for the Board's approval and inclusion in the Annual Report.

Reviewed and endorsed the AEC Report for Board's approval and inclusion in the Annual Report.

Financial Reporting

Ensure compliance with salient regulatory requirements set out under the:

- | | |
|---|---|
| ① Companies Act 2016 | ⑤ Securities Commission Act 1993 |
| ② Financial Services Act 2013 | ⑥ MMLR of Bursa Securities |
| ③ Islamic Financial Services Act 2013 | ⑦ New Malaysian Financial Reporting Standard ("MFRS") applicable to the Group |
| ④ Capital Markets and Services Act 2007 | |

Reviewed the quarterly unaudited financial results and annual audited financial statements of the Company and the Group to ensure that the financial reporting and disclosure requirements, particularly relating to changes in accounting policies, as well as significant and unusual events or transactions are in compliance with the accounting standards before recommending the financial statements to the Board for approval.

Reviewed the Group's Basel II Pillar 3 Disclosures before recommending to the Board for approval.

Reviewed and deliberated on high level financial impact analysis on the Group arising from new accounting standards that will significantly impact the Group. For FY2019, the Committee had regular updates and discussion on impact due to implementation of MFRS 9.

PRINCIPLE B**Accountability****AUDIT AND EXAMINATION COMMITTEE REPORT****Internal Audit**

- ① Reviewed the adequacy and effectiveness of the system of internal controls, reporting and risk management to ensure there was a systematic methodology in identifying, assessing and mitigating risk areas.
- ② Deliberated and approved Group Internal Audit Department's ("GIAD") Annual Audit Plan ("AAP") for FY2019, including its resource needs, to ensure audit emphasis was placed on critical risk areas based on assessments of the risk levels of all the auditable areas.
- ③ Deliberated and approved revisions to GIAD's AAP during the course of the year to ensure it remained relevant, taking into account significant developments within the Group as well as requests from regulators and Management.
- ④ Reviewed and approved GIAD's co-sourcing arrangement with an external consultant for a highly technical mandatory review, with the aim of ensuring timely completion of the review, as well as transfer of technical know-how from the consultants to GIAD.
- ⑤ Deliberated on GIAD's audit reports and recommendations, and Management's responses, and directed Management to implement necessary timely remedial actions. Where necessary, separate presentations by Management were requested to provide justifications for significant audit issues raised.
- ⑥ Deliberated on internal investigation reports issued by GIAD and directed Management to take necessary remedial actions and consequence management.
- ⑦ Deliberated on mandatory review reports issued by GIAD for reviews required by Regulators, including ad-hoc requests.
- ⑧ Deliberated on the status of resolution of previous audit issues and the remedial actions taken by Management, including tracking and monitoring of timeline.
- ⑨ Reviewed Management's proposals for related party transactions and debts write-off and GIAD's verification reports on the proposals, prior to recommending the proposals to the Board.
- ⑩ After each AEC meeting, a summary of audit reports and key issues deliberated was tabled to the Board for noting and/or further deliberation.
- ⑪ Reviewed GIAD's progress in completing its planned assignments on a half-yearly basis.
- ⑫ Reviewed and assessed the GCIA's performance, KPI and approved his remuneration package.
- ⑬ Reviewed and approved GIAD's three-Year Strategic Roadmap which sets out GIAD's strategic initiatives and focus areas to be undertaken over a Three-year horizon, to take the internal audit function to the next level. The planned initiatives centered on 5 key focus areas, namely, *People, Processes, Technology, Realignment and Mandatory/Technical Reviews*.

External Audit

Reviewed and discussed the following with the external auditors:

- ① The Audit Planning Memorandum, scope of work for the year which included areas of emphasis and new areas, such as changes in laws and regulations, accounting standards, Information Technology systems, audit timeline and statutory audit fees; and
- ② The results of the audits, relevant audit reports and memorandum of recommendations (Management Letters) as well as Management's responses to the issues highlighted.

Reviewed and assessed, the suitability and independence of external auditors in accordance with BNM's Guidelines on External Auditors, and recommended their re-appointment and annual audit fees to the Board.

The criterion for appointment and annual assessment of the external auditors' independence and performance was based on the following:

- ① The professional conduct of external auditors;
- ② The level of knowledge, capabilities and experience of the external auditors;
- ③ The quality of previous audit or work done and level of engagement with the AEC and Management;
- ④ The adequacy in audit coverage, effective planning and conduct of audit, which were assessed to be adequate;
- ⑤ The timeliness of service deliverables;
- ⑥ The independence and objectivity of external auditors;
- ⑦ The audit partner must not have served for a continuous period of more than 5 years; and
- ⑧ An auditor who has been rotated off the audit may resume the role of engagement partner only after a lapse of five years from the last audit engagement.

Reviewed the written assurance provided by external auditors in respect of their independence.

Reviewed and approved the appointment of the external auditors for the provision of non-audit services to the Company and the Group. There is a Group policy for the appointment of the statutory auditor for provision of non-audit services where the criteria and threshold for fees are set out, to ensure the auditors' independence is not impeded. The professionalism, expertise, knowledge and relevant experience of external auditors, and any potential conflict of interest are also considered prior to the appointment.

Related Party Transactions

Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.

Reviewed quarterly reports on recurrent related party transactions of a revenue and trading nature.

Reviewed and deliberated on the draft Circular to Shareholders on Recurrent Related Party Transactions.

PRINCIPLE B

Accountability

Internal Audit Function

The Group has an in-house internal audit function which is carried out by GIAD and headed by the GCIA, Encik Shamsul Bahrom Mohamed Ibrahim. GIAD is independent from the activities or operations of other operating units within the Group and the GCIA reports directly to the Company's AEC and the AECs of the respective entities within the Group.

GIAD operates under an audit charter mandated by the AEC which gives it unrestricted access to review all activities within the Group. The internal audit function is conducted on an AmBank Group-wide basis to ensure consistency in the control environment and the application of policies and procedures.

GIAD focuses its efforts in accordance with the AAP approved by the respective AECs, which is prioritised based on a comprehensive risk assessment of all activities undertaken by the Group. This structured risk assessment approach ensures that all risk-rated areas are kept in view to ensure adequate audit coverage at appropriate audit frequency (e.g. higher risk auditable areas in each business units are audited more frequently). The risk-based audit plan is reviewed periodically, taking into account the changes and developments in the business and its operating environment.

Apart from the above, GIAD also performs investigations and ad-hoc reviews where there are improper, illegal and dishonest acts, or as and when requested by regulators or Management. In addition, GIAD participates actively in major system developments and project committees to advise on risk management and internal control matters.

The GCIA is also a permanent invitee for most Senior Management Committees, which enables GIAD to keep abreast of all the developments within the Group.

Overall, the main objective of the audit reviews are to assess the adequacy and effectiveness of risk management and systems of internal controls (including IT systems and infrastructure). These audit reviews assess the activities of the following functions:

- | | |
|------------------------------|---------------------------|
| ① Wholesale Banking | ② Investment Banking |
| ③ Retail Banking | ④ Business Banking |
| ⑤ Islamic Banking | ⑥ General Insurance |
| ⑦ Funds and Asset Management | ⑧ Group Support Functions |

All GIAD reports are submitted to the AECs of the respective entities for review and deliberation. The AECs review and deliberate on the control lapses highlighted by GIAD along with the audit recommendations as well as Management's responses and action plans to rectify these lapses.

All significant issues deliberated at the respective AECs are also reported to the AEC of the Company, for information.

In addition, there is an effective process in place to ensure prompt resolution of audit issues by Management. GIAD tables regular updates to the AECs on all significant audit issues until such audit issues are satisfactorily resolved.

In order to perform its functions effectively, auditors within GIAD are continuously being trained to equip themselves with the requisite knowledge and skills, particularly in areas relating to Islamic banking, credit operations, investment banking, markets, general insurance and regulatory matters.

The total costs incurred to maintain the internal audit function for FY2019 amounted to RM17.2 million (FY2018: RM16.3 million), comprising mainly personnel cost, travelling and accommodation expenses, and subsistence allowance. GIAD has a budgeted headcount of 105.

SUMMARY OF GIAD'S KEY ACTIVITIES

GIAD undertook the following activities during FY2019:

- ① Determined and risk assessed all areas of activities within the Group and established the AAP, which set out the audit roadmap for the year and key areas of audit focus and emphasis;
- ② Completed various audit assignments as set out in the AAP, to provide independent assessment and objective assurance on the adequacy and the effectiveness of risk and management controls over the business operations. This included a mandatory review completed under a co-sourcing arrangement with an external consultant, with the report tabled jointly to the respective AECs. Transfer of technical know-how was embedded as part of the co-sourcing arrangement, to ensure GIAD is able to perform similar reviews going forward;
- ③ Reports concluding results of the audits conducted along with detailed audit observations, audit recommendations to improve and enhance the existing system of internal controls and work procedures/processes, and management responses were prepared and issued to the auditees concerned, Senior Management and the respective AECs;
- ④ Conducted ad-hoc assignments and special reviews as directed by the AECs, requested by Management or regulators. Results of reviews undertaken were presented to the respective AECs for deliberation;
- ⑤ Conducted compliance reviews mandated by the regulators to assess the level of compliance by the business units. Non-compliances were duly highlighted to Management for prompt rectification;
- ⑥ Conducted investigations into activities and matters as directed by the AECs or requested by Management including whistleblower cases. The outcomes from the investigations were presented to the AEC concerned for deliberation;
- ⑦ Monitored, and validated the resolution of previous audit issues and reported on the status of key outstanding audit issues to the Management Committee and to the AEC concerned;
- ⑧ Provided independent and objective reviews on the adequacy and effectiveness of internal controls established to mitigate the risk exposures in the implementation of new projects undertaken by the business;
- ⑨ Participated in various Business Continuity Management exercises to gauge and assess the readiness of businesses/systems to resume operations within agreed timelines in the event of a disruption or disaster; and
- ⑩ Attended meetings held by Group Management Committee, Group Management Risk Committee, Group Information Technology Committee and Group Management Governance and Compliance Committee as an invitee to provide independent feedback on the risk management, control and governance aspects.

PRINCIPLE B

Accountability

SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

Messrs. Ernst & Young (“EY”) is the Company’s statutory external auditor and the auditor of the Group’s consolidated accounts for the preparation of this Annual Report. The external auditor performs independent audits in accordance with the approved standards on auditing in Malaysia, and reports directly to the AEC. The AEC additionally:

- ① Approves all non-audit services;
- ② Regularly reviews the independence of the external auditor;
- ③ Evaluates the effectiveness of the external auditor; and
- ④ Meets with the statutory external auditor at least twice a year, without the presence of Management.

The AEC engages in regular discussion with the senior audit partner from EY and acts as the key representative for overseeing the Group’s relationship with the external auditors. In compliance with the Malaysian Institute of Accountants By-Law (On Professional Ethics, Conduct and Practice), audit partners are rotated every five (5) years to ensure objectivity, independence and integrity of the audit opinions. The AEC undertakes annual independence assessment of the external auditors and the external auditors would also provide a written assurance to the AEC on their independence.

EY’s FY2019 Engagement Partner for the Company, Mr. Chan Hooi Lam has reached his 5-year term as the engagement partner and Encik Ahmad Qadri bin Jahubar Sathik has been appointed in April 2019 to head the audit of the Group, to replace Mr. Chan.

The statutory external auditor is re-appointed by the shareholders of the Company annually, based on the recommendation of the Board.

The statutory external auditor may not provide services that are perceived to be in conflict with its role. These include assisting in the preparation of the financial statements and sub-contracting of operational activities normally undertaken by Management, and engagements where the auditor may ultimately be required to express an opinion on its own work.

Specifically, the Group’s policy:

- ① Sets a threshold for fees of non-audit services by the external audit firm; and
- ② Requires permitted non-audit services to be approved by the AEC.

The AEC has reviewed the summary of the non-audit services provided by the external auditor in FY2019 and has confirmed that the provision of services is compatible with the general standard of independence for auditors.

During the financial year, the amount incurred by AMMB and by the Group in respect of audit fees and non-audit related fees for services rendered by EY are as follows:

	FY2019		FY2018	
	Company (RM’000)	Group (RM’000)	Company (RM’000)	Group (RM’000)
Audit Services	115	5,957	110	4,586
Regulatory Related Fees	215	2,501	29	1,596
Non-Audit Services	-	1,697	-	2,395
Total Fees	330	10,155	139	8,577

The Group’s non-audit services for FY2019 comprised the following assignments:

- a) Regulatory-related fees
 - ① Limited review for three-month period ended 30 June for the Company and banking subsidiaries;
 - ② Limited review for six-month period ended 30 September for the Company and banking subsidiaries;
 - ③ Limited review for a nine-month period ended 31 December for commercial banking subsidiaries;
 - ④ Review of BNM submission documents for AMMB and banking subsidiaries;
 - ⑤ Review of statutory returns and Risk-based Capital reporting forms for insurance subsidiary;
 - ⑥ Report on agreed-upon procedures in relation to submission to PIDM for commercial banking subsidiaries;
 - ⑦ Report on agreed-upon procedures in relation to submission to PIDM for insurance subsidiary;
 - ⑧ Report on agreed-upon procedures in relation to client asset requirements for AmInvestment Bank Berhad and certain subsidiaries;
 - ⑨ Review of Statement of Risk Management and Internal Control for the Company;
 - ⑩ Review of Offering Circular by AmBank (M) Berhad and BNM accounting advice in relation to Euro MTN Tier 2 Notes;
 - ⑪ BNM accounting advice on Tier 2 subordinated Notes and subordinated sukuk; and
 - ⑫ Review of Interim financial statements for financial period ended 30 June 2018 and comparative 30 June 2017 (the Company, AmBank (M) Berhad, AmBank Islamic Berhad, AmInvestment Bank Berhad, AmGeneral Insurance Berhad, AmFunds Management Berhad, AmIslamic Funds Management Berhad and three funds) in conjunction with proposed capital issuance of the Company and AmBank (M) Berhad.
- b) Other fees
 - ① Validation of credit risk models
 - ② Limited assurance engagement on AmBank BizRACE result
 - ③ MFRS 17 actuarial modelling training

Overall, the AEC was satisfied with the suitability of EY as external auditors of the Group based on the quality audit services provided based on the professional and experience staff assigned to perform the audit for the Group.

PRINCIPLE B Accountability

RISK MANAGEMENT COMMITTEE REPORT



DATUK SHIREEN ANN ZAHARAH BINTI MUHIUDEEN

Chairman

The Risk Management Committee ("RMC" or "the Committee") comprises three members, a majority of whom are Independent Directors and is chaired by an Independent Director. The Committee oversees the adequacy of risk management within the Group.

COMPOSITION AND MEETING ATTENDANCE

A total of seven meetings of the Company's RMC were held during FY2019 and details of the meeting attendance are set out below:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Datuk Shireen Ann Zaharah binti Muhiudeen <i>(Chairman)</i> <i>(Independent Non-Executive Director)</i>	7	6	86
Graham Kennedy Hodges <i>(Non-Independent Non-Executive Director)</i>	7	7	100
Voon Seng Chuan <i>(Senior Independent Non-Executive Director)</i>	7	7	100

ROLES AND RESPONSIBILITIES OF RMC

The responsibilities of the Committee include the review and evaluation of:



SUMMARY OF KEY ACTIVITIES OF RMC

Board Committee Matters	
<ul style="list-style-type: none"> 1 Reviewed quarterly provision analysis report. 2 Monitored and reviewed movement in macro provision on quarterly basis. 3 Enhanced and revised risk policy. 4 Conducted stress test analysis half yearly. 5 Reviewed the progress of on-going risk management activities to identify, evaluate, monitor and manage critical risks. 	<ul style="list-style-type: none"> 6 Reviewed risk direction and appetite for FY2019. 7 Reviewed emerging risks and their mitigations. 8 Reviewed major litigation, claims and/or issues that may have substantial financial impact. 9 Discussed and deliberated on the Group's arising from major/significant projects and business operations.

PRINCIPLE B**Accountability****RISK MANAGEMENT COMMITTEE REPORT****GROUP RISK MANAGEMENT**

AmBank Group embraces risk management as an integral part of the Group's business, operations and decision-making processes. Against the backdrop of a challenging economic environment where financial markets have become more volatile, it is critical for the Group to have a robust and effective risk management system to ensure continuous profitability and to achieve sustainable growth in shareholder value.

Risk Strategy

Our overall risk strategy is centred around the following initiatives:

- Enhancing risk governance.
- Upgrading risk infrastructure.
- Developing more comprehensive risk appetite strategy, execution and monitoring framework.
- Improving funding and liquidity risk management.
- Improving underlying asset quality and enhancing portfolio diversification.
- Materially lowering loan loss provisions.
- Developing robust risk/reward pricing models.
- Positioning AmBank Group for IRB status under Basel II.

Our Priorities in FY2020

Group Risk will continue to support the Group's business strategies while continuing to be vigilant:

- Rollout of AmBank Group Credit Pathway.
- Enhance monitoring and early warning tools for more effective credit management and portfolio asset quality monitoring.
- Enhance control on approval limit to commensurate with the nature of product (i.e. approval limit per application by product and exposure limit for system approval).
- Automation of credit underwriting for Retail SME – PG portfolio.
- Enhance liquidity risk management practices in line with regulatory and market developments.
- Further enhancing cyber security domains such as Cyber Incident Response and Crisis Management, Data Loss Prevention, Threat and Vulnerability Management and Network Protection.

Risk Governance

Our risk governance and culture is driven across the Group through the "Three Lines of Defence" framework, with the motto "Risk is Everyone's Responsibility". Supporting this framework are policies and procedures to enforce our core standards.

Key Highlights in FY2018/2019

- **Wholesale Credit Risk**
 - Issued the Non-Retail Credit Policy ("NRCP") following the new BNM Credit Risk Policy dated 22 January 2018. The NRCP sets out the high level credit principles to ensure that Non-Retail segment of AmBank has a consistent approach in managing credits.
 - Introduced the "Loss Estimate Thermometer" as input for strategic monitoring of sector limits.
 - Completed alignment of classified accounts to comply with the MFRS9 requirement.
 - Enhanced the management of classified account for Investment Banking ("IB") by issuing a dedicated guideline namely the Classified Account Management Guideline for IB.
 - Completed the Credit Pathway programme (5 full sessions) to guide credit officers in Wholesale Banking ("WB") and Business Banking ("BB") on how credit is assessed in AmBank Group.
- **Business Credit Risk ("BCR")**
 - Key achievements for the year include the implementation of portfolio management tools, including the implementation of Phase 1 and Phase 2 of the Behavioral Early Warning Trigger system and enhancements to MIS reporting which has enabled portfolio trends to be identified for more proactive management.
 - BCR is also a key member of the AmACE project which is undergoing pilot implementation.
- **Retail Credit Risk**
 - Comprehensive portfolio review and implementation of granular scoring cut-off by segments.
 - Implementation of test programme to encourage booking of better quality customer.
 - Enhanced monthly application and portfolio performance profiling monitoring.
- **Governance and Provisioning**
 - Basel II IRB programme – Organisation focusing on IRB-based ROCE (risk-based) lending assessment and direction.
 - MFRS 9 implementation – Infrastructure build of on-going MFRS9 model development and maintenance and analytics.
- **Investment Banking and Market Risk**
 - Enhanced liquidity stress testing methodologies and assessed intraday liquidity risk practices under stress scenario.
 - Continued automation of market risk monitoring and assessment tools to enhance coverage and increase efficiencies.
- **Group Operational Risk**
 - Operational incidents including frauds, operational lapses and regulatory breaches in FY2019 decreased by 38.3% from FY2018 while operational losses decreased by 96.4%.
 - Established an operational risk reporting and analytics section to implement and capitalise on data-driven risk management methodology.
 - Implemented new operational risk management tools and metrics to measure, report and control operational risk performance and framework adherence.
 - Established dedicated risk relationship managers to collaborate with the Business Units and Functional Lines stakeholders in managing operational risk.
- **Group Technology Risk**
 - In the second year of the three-year Cyber Security Maturity Improvement Programme to strengthen the Group's cyber security posture and the ability to protect the Group's information assets.
 - Further built on cyber security awareness through on-going education programmes for employees.
 - Enhanced the Group's Data Leakage Prevention ("DLP") monitoring controls.

PRINCIPLE B

Accountability

GROUP COMPLIANCE

AmBank Group has completed the third year of our Compliance Culture Transformation Journey. Our key focus was to strengthen the foundation of our Compliance Programme, ensuring an effective and sustainable framework and practice that will withstand the test of time.

Fundamental Approach

We continued to focus on our greatest asset; the human capital, honing the importance of adhering to the AmBank Group Code of Conduct and the criticality of embedding the Compliance DNA to drive the right behaviours.

Our programme emphasizes the concept of accountability in every action taken by the staff in the Bank's name. Tone from the top continues to reinforce a transparent and ethical business conduct, embedding self-regulation and ensuring "doing what is right" is at the top of the Group's agenda.

Our Code of Conduct is built based on the following principles:



Our Ethical Standards

AmBank Group employees must act ethically and with integrity. They must demonstrate commitment to hold the highest standard of ethics in all business dealings.



Conduct Ourselves Responsibly in the Best Interest of the Bank and of the Customers

AmBank Group employees must ensure that Customers' interests are at the forefront of all their dealings, avoiding all forms of conflict of interest, communicating accurately and professionally.

It is the responsibility of each individual employee to create a safe and respectable workplace in AmBank Group; safeguarding AmBank Group's assets including personal, confidential and proprietary information is a key priority for all employees.



Protecting Our Brand in the Market and Abide by the Letter and Spirit of the Law

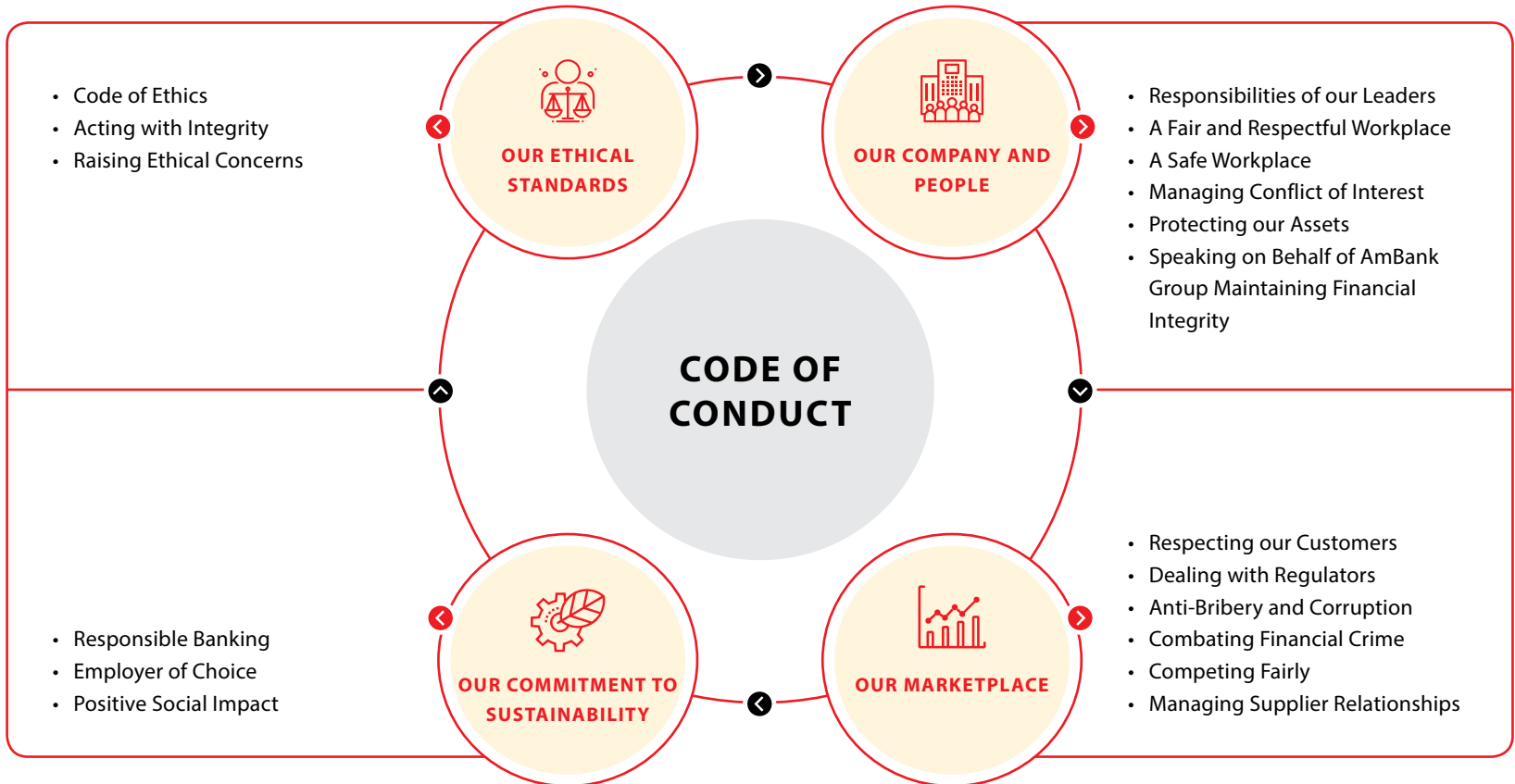
AmBank Group promotes fair and healthy competition in the market place and all employees are to ensure they do not engage in dealings that involve collaboration with competitors to set or control prices, rates, trade practices, market policies or to allocate customers.

AmBank Group employees must ensure their conduct adhere to all rules, regulations and law, protecting the AmBank brand at all times. Amongst others, this involves safeguarding AmBank Group from all forms of financial crime.



Creating a Sustainable Future Through Responsible Banking

The AmBank Group brand strives to build a sustainable future for our employees, customers, shareholders and the community. Having a positive impact on our communities and environment is a key driver to our business strategies and objectives.

PRINCIPLE B**Accountability****RISK MANAGEMENT COMMITTEE REPORT****Compliance Framework**

Our Compliance Framework strives to promote a culture of honesty and integrity, where customers are served applying the highest standards of professionalism within an environment that adheres to all applicable laws and regulations. To ensure effective management of the Compliance Framework, the Group invested in building a strong Compliance team capable of designing and managing the Compliance programme to be at par with international financial institutions.

Our policies and procedures have been redesigned and implemented, enhancing internal controls requirements and addressing the Group's risk appetite. Our Compliance training programmes are customised according to role and function, reviewed annually to ensure these remain up-to-date and relevant. The Group has invested further to strengthen its detective measures and reporting capabilities to ensure issues are identified with the correct root causes and corrective actions promptly and appropriately put in place. There is strong oversight by the Board in ensuring the Compliance Framework remains effective and current. The Framework is reviewed on an annual basis and approved by the Board.

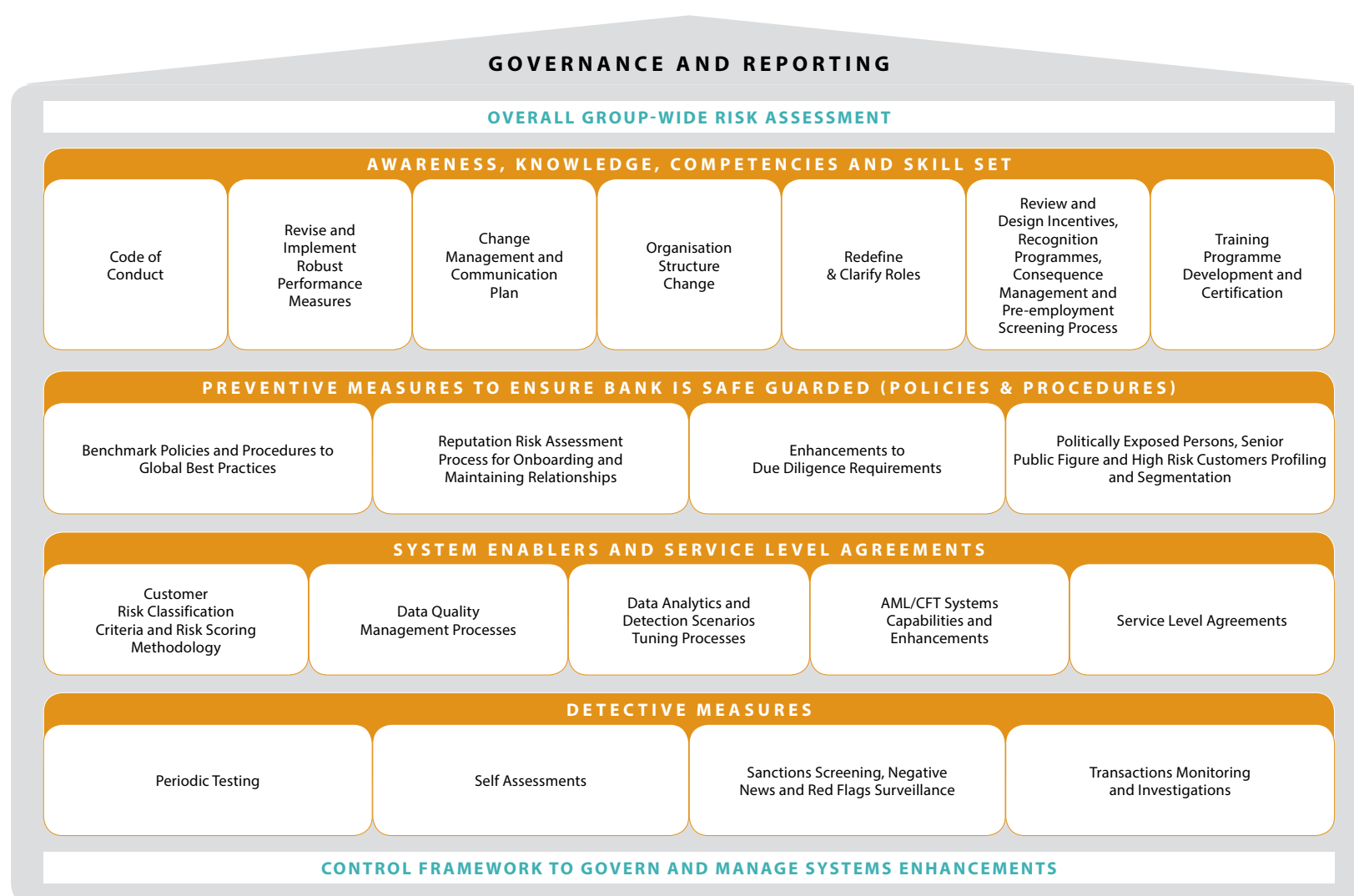
PRINCIPLE B

Accountability

Compliance Culture Transformation

In addition to Group-wide initiatives, AmBank Group has established a Compliance Culture Transformation Programme as a detailed action plan, and established a compliance framework based on this programme.

COMPLIANCE CULTURE TRANSFORMATION KEY ELEMENTS



Carrying Out Compliance Training

AmBank Group conducts comprehensive compliance training for all Executive Officers which includes the required regulatory external certification and those which develop subject matter expertise as well as functions as refreshers. Our training programmes are reviewed annually to ensure these remain current and that all requirements of the changing regulatory landscape and industry practices are appropriately incorporated.

Anti-Money Laundering and Combating The Financing of Terrorism (“AML/CFT”)

AmBank Group has established the Code of Ethics, which requires all employees to understand and comply with the letter and spirit of all applicable laws, rules and regulations. The Group has established the Anti-Money Laundering and Counter Terrorism Financing Policy that demonstrates its commitment to combat money laundering and terrorism financing. The company continues to enhance its Group-wide governance framework observing international regulatory trends and in line with global best practices.

During the year under review, the Group continued to invest in technology to enhance the AML/CFT transactions monitoring system, Know Your Customer Risk Rating Module and Data Quality Management.

Strengthening The Core

People are at the heart of the Compliance Culture Transformation Programme and as such, we continue to build strength within the organisation to ensure a robust succession plan is in place which will create momentum to sustain the drive for change within the transformation agenda.

Looking Forward

Our key priorities for the next phase will be to continue the development of our detective measures, namely the AML/CFT Transactions Monitoring, Risk Rating and KYC systems through investment in innovative technology. Our Culture Programme will be an on-going effort to drive the highest standards of professionalism in conduct and execution.

PRINCIPLE B

Accountability

GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT



VOON SENG CHUAN
Chairman

The Group Information Technology Committee ("GITC" or "the Committee") is established as a committee of the Board at the holding company level. The Committee comprises three members, majority of whom are Independent Non-Executive Director and is chaired by the Senior Independent Director. The Committee is responsible for providing governance for Information Technology ("IT") and to ensure that the overall strategic IT direction is aligned with the Group's business objectives and strategy.

COMPOSITION AND MEETING ATTENDANCE

A total of six meetings of the Company's GITC were held during FY2019, and details of the meeting attendance are set out below:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
Voon Seng Chuan (Chairman) (Senior Independent Non-Executive Director)	6	6	100
Soo Kim Wai (Non-Independent Non-Executive Director)	6	6	100
Seow Yoo Lin (Independent Non-Executive Director)	6	6	100

ROLES AND RESPONSIBILITIES OF GITC

The key responsibilities of the Committee include, amongst others, the following functions:

Provide oversight of the Group's long-term IT strategic plans, budgets and implementation

Provide strategic direction for IT development within the Group and ensuring that IT, digitalisation and technology-related innovation strategic plans are aligned and integrated with the Group's business objectives and strategy

Advise the Board on matters within the scope of GITC, as well as any major IT related issues that merit the attention of the Board

Review IT planning and strategy, including the financial, tactical and strategic benefits of proposed significant information technology-related projects and initiatives

Ensure the establishment of Group-wide IT policies, procedures and frameworks including IT security and IT risk management and e-banking services to ensure the effectiveness of internal control systems and the reliability of the management information systems

Responsible for overall oversight function on IT matters including ex-ante risk assessments on e-banking services

Review and approve deviations as allowed under BNM guidelines

Oversee the adequacy and utilisation of the Group's IT resources including computer hardware, software, personnel who are involved in the development, modification and maintenance of computer programme and related standard procedures

Establish key performance indicators and service level agreements in measuring and monitoring the overall performance, efficiency and effectiveness of IT services delivered or received by the Group

SUMMARY OF KEY ACTIVITIES OF GITC

Board Committee Matters

- | | |
|--|--|
| <ol style="list-style-type: none"> 1 Reviewed quarterly updates on IT Risk and Cyber Security 2 Monitored the resolutions of regulatory audit action items in relation to IT 3 Monitored the progress of the Group's Digital Roadmap and IT strategy 4 Reviewed and assessed IT projects i.e. Cash Management System, Retail Payment Platform and Regulatory Reporting Enhancement Programme | <ol style="list-style-type: none"> 5 Tracked the progress of the Group's Cyber Security readiness 6 Reviewed and assessed IT-related policy/guideline 7 Provided in-house training/briefing to Directors on IT-related matters, i.e. Blockchain and Digital Banking 8 Reviewed and assessed renewal of IT licenses and systems/solutions |
|--|--|



> Further details of the Group's Progress in Digital Transformation can be found on [page 89](#).

PRINCIPLE B Accountability

SHARIAH COMMITTEE REPORT

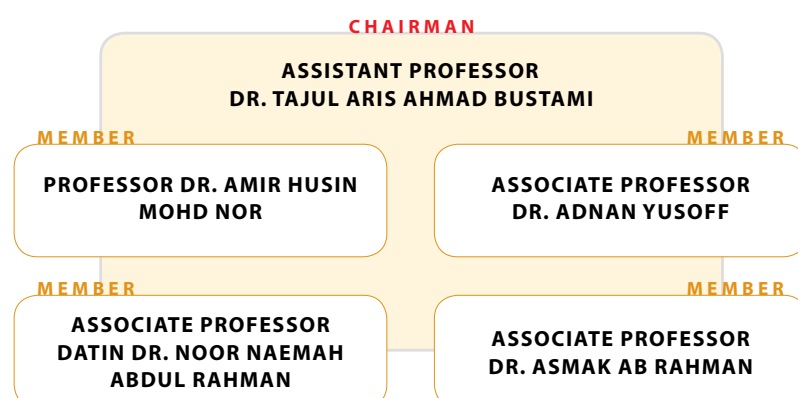
The Shariah Committee of AmBank Islamic Berhad (“the Bank”) has been established for purpose of advising the Bank and the Bank’s Board of Directors in ensuring that the Bank’s businesses, affairs and activities comply with Shariah principles. The requirement of establishing Shariah Committee has been set by the Islamic Financial Services Act 2013 (“IFSA”) and Bank Negara Malaysia (“BNM”)’s Shariah Governance Framework (“BNM SGF”) in order to ensure that all of the Islamic Financial Institutions’ operations and business activities are in accordance with Shariah.

AmInvestment Bank Berhad (“AmInvestment Bank”), as part of the banking group leverages on the Shariah Committee of the Bank for advice and guidance on Shariah in relation to Islamic capital markets. AmInvestment Bank may also engage the services of independent external Shariah adviser(s) as approved by Securities Commission Malaysia when necessary and will be on ad-hoc basis.

SHARIAH COMMITTEE MEMBERS

Shariah Committee comprises five distinguished Shariah scholars, who have the necessary Shariah qualification required by BNM. All the members have vast knowledge and experience in Islamic banking and finance spanning from nine to more than 14 years’ experience and are also members of the Association of Shariah Advisers in Islamic Finance (“ASAS”).

The Shariah Committee members and their profiles are as follow:



2

PROFESSOR DR. AMIR HUSIN MOHD NOR

Prof. Dr. Amir Husin Mohd Nor is currently a lecturer, Professor and Deputy Dean (Research and Innovation) at Faculty of Syariah and Law, Islamic Science University of Malaysia (“USIM”). He obtained his first degree (Honours) in Shariah from Academy of Islamic Studies, University of Malaya. He then successfully completed his Master in Law (LL.M) from University of London. Later, he achieved his Ph.D in Islamic Studies from University of Edinburgh. His areas of specialisation are Islamic Jurisprudence (Usul al-Fiqh) and Law. Previously, he has acted as Shariah Advisor for AmFamily Takaful Berhad (2011-2014). Currently also serving as Shariah Advisor for AmMetLife Takaful Berhad (2014-2020) and a Committee Member of Tabung Amanah Zakat Universiti Tenaga Nasional (“UNITEN”). He is a member of ASAS and has conducted several researches, produced a number of books, chapters in books and publications in journal articles and presented several papers at various events/conferences.



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ASSISTANT PROFESSOR DR. TAJUL ARIS AHMAD BUSTAMI Chairman (effective 1 April 2016)

Assistant Prof. Dr. Tajul Aris Ahmad Bustami is currently a lecturer and Assistant Professor at Department of Islamic Law, and also a Deputy Dean of Student Affairs & Alumni, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (“IIUM”). He received his first Degree in Law (LL. B (Hons) & LL. B (Shariah) (Hons)) (“IIUM”) and a Master degree in Law (LL.M) from University of London. He then successfully obtained a Diploma in Shariah Law and Practice (“DSLPL”) (Professional Post-Graduate Programme) (IIUM). Later, he received his Ph.D in Law at IIUM. His areas of specialisation are Islamic Banking Law and Takaful, Muslim Law of Succession & Waqf and Administration of Estates. Assistant Prof. Dr. Tajul Aris is currently serving as Shariah Committee for Small Medium Enterprise Development Bank Malaysia Berhad (“SME Bank”) (2018-2021). He is a member of The Association of Shariah Advisers in Islamic Finance Malaysia (“ASAS”) and has produced a number of books, chapters in books and publications in journal articles and presented several papers at various events/conferences.



3

ASSOCIATE PROFESSOR DATIN DR. NOOR NAEMAH ABDUL RAHMAN

Assoc. Prof. Datin Dr. Noor Naemah Abd. Rahman is currently a lecturer and Associate Professor as well as coordinator for Applied Science at the Islamic Studies Programme in Academy Islamic Studies, University of Malaya (“UM”). She obtained her first degree (Honours) in Shariah from University of Malaya, a Master degree in Shariah from University of Jordan and a Ph.D from UM. Her areas of specialisation are Islamic Jurisprudence (Usul al-Fiqh), Islamic Legal Maxim and fatwa. Datin Dr. Noor Naemah currently holds a post as Ahli Jawatankuasa Perundangan Hukum Syarak Wilayah Persekutuan (Sessions 2011-2013; 2014-2016 and 2016-2019) and Panel Pakar Syariah JAKIM (2017-2019). Previously, she acted as Shariah Advisor for AmFamily Takaful Berhad (2011-2014). Currently also serving as Shariah Advisor for AmMetLife Takaful Berhad (2014-2020). She is a member of ASAS and has conducted several researches, produced a number of books, chapters in books and publications in journal articles and presented several papers at various events/conferences.

PRINCIPLE B**Accountability****SHARIAH COMMITTEE REPORT****4****ASSOCIATE PROFESSOR DR. ADNAN YUSOFF**

Assoc. Prof. Dr. Adnan Yusoff is currently a lecturer and Associate Professor at UNITEN. He received his first degree in Shariah (Honours) from University Al-Azhar, Cairo, Egypt. Then he obtained a Master of Comparative Law ("MCL") from IIUM, and received his Ph.D in Islamic Muamalat from University of Malaysia ("UM"). His areas of specialisation are Islamic Commercial Law (Fiqh Muamalat), Islamic Jurisprudence (Usul al-Fiqh), Islamic Family Law (Fiqh Munakahat) and Islamic Criminal Law (Fiqh Jinayat). Previously, he acted as Director of Pusat Pengajian Islam dan Peradaban UNITEN (2010-2014), Director Tabung Amanah Zakat UNITEN (2014-2017) and Shariah Advisor for AmFamily Takaful Berhad (2011-2014). Currently also serving as Shariah Advisor for AmMetLife Takaful Berhad (2014-2020). He is also a registered Shariah Adviser with the Securities Commission ("SC"). He is a member of ASAS and has written and/or presented numerous articles/journals/papers.

5**ASSOCIATE PROFESSOR DR. ASMAK AB RAHMAN**

Assoc. Prof. Dr. Asmak Ab Rahman is currently a Senior Lecturer and Associate Professor at Department of Shariah and Economics, Academy of Islamic Studies, University of Malaya ("UM"). She received her first Degree (Honours) and Master in Shariah and subsequently a Ph.D in Islamic Economics from UM. Her areas of specialisation are Comparative Economic Development, Takaful, Islamic Banking, Islamic Economics and Economics of Waqf. Previously she acted as a Head of Department at Department of Shariah and Economics (Feb 2016 – Jan 2019), Shariah Advisor for Bank Islam Malaysia Berhad ("BIMB") (2005-2009), AIA AFG Takaful Berhad (Takaful)(2011-2013) and Committee Member for Association of Shariah Advisors in Islamic Finance ("ASAS") (Session 2012-2014). Currently also serving as Shariah Advisor for different industries i.e. BIMB Investment Management Berhad (2010-2019; Fund Management), SME Bank (2010-2019; Development Bank), Tabung Haji (2016-2020) and Hong Leong MSIG Takaful (2014-2019) and Perbadanan Usahawan Nasional Berhad ("PUNB")(2016-2019). She is also a registered Shariah Adviser with the Securities Commission ("SC"). She is a member of ASAS and has conducted several researches, produced a number of books, chapters in books and publications in journal articles and presented several papers at various events/conferences.

- iii. To contribute towards innovation in AmBank Islamic's products and services;
- iv. To review and endorse the Shariah policies and procedures of the Bank and to ensure that the contents do not contain any elements which are not in line with Shariah principles;
- v. To review and approve relevant documentations in relation to the Bank's products to ensure that the products are in compliance with Shariah principles;
- vi. To perform oversight on the works carried out by the Shariah Research and Advisory, and Shariah Review functions in order to ensure compliance with Shariah matters which form part of their duties in providing their assessment of Shariah compliance and assurance information in the Annual Report;
- vii. To assess the work carried out by Group Internal Audit relating to the Shariah Audit function, and the Shariah Risk Management function in order to ensure compliance with Shariah matters which form part of their duties in providing their assessment of Shariah compliance and assurance information in the Annual Report;
- viii. To provide advice and guidance on management of zakat fund, charity and other social programme or activities; and
- ix. To oversee strategies and initiatives implemented by key organs carrying out the Shariah functions including the Shariah Research and Advisory, Shariah Review, Shariah Audit and Shariah Risk Management functions.

SHARIAH OVERSIGHT COMMITTEE

The Shariah Oversight Committee is established as a sub-committee of the Shariah Committee to assist the Shariah Committee in discharging its responsibilities relating to the oversight from Shariah perspectives of the Shariah Review function. In addition, the Shariah Oversight Committee is to assess the work carried out by Group Internal Audit relating to the Shariah Audit function and Shariah Risk Unit relating to Shariah Risk Management function in order to ensure compliance with Shariah matters.

The main functions and duties of Shariah Oversight Committee shall include, but are not limited to the following:

- i. To determine and confirm actual and potential Shariah non-compliance incidents and endorse corresponding rectifications plans;
- ii. To recommend alternative ways to rectify issues identified through Shariah Audit, Shariah Review and Shariah Risk Management activities and other sources;
- iii. To provide advice on the recognition of income pursuant to Shariah non-compliance incidents and its disposal; and
- iv. To recommend possible implementation methods to improve the Bank's Shariah business activities in line with applicable statutes and guidelines/policies/circulars issued by relevant regulatory bodies.

FUNCTIONS AND DUTIES OF THE SHARIAH COMMITTEE

The Shariah Committee is responsible and accountable for all its decisions, views and opinions relating to Shariah matters. The main functions and duties of Shariah Committee shall include, but are not limited to the following:

- i. To advise the Board and the Bank on Shariah matters in order to ensure that the business operations of the Bank comply with Shariah principles at all times;
- ii. To assist in promoting Value-Based Intermediation ("VBI") culture and develop AmBank Islamic's capacities to support VBI mission;

PRINCIPLE B Accountability

MEETINGS AND ENGAGEMENT WITH BOARD OF DIRECTORS

A total of eight Shariah Committee meetings were held during the financial year ended 31 March 2019, which were mainly to discuss and deliberate on product proposals, issues and documentation. Shariah Oversight Committee also convened eight times to discuss on works carried out by Shariah Audit, Shariah Review and Shariah Risk Management and any reported potential Shariah related incidences.

The attendance of the Shariah Committee members at the meetings of the Shariah Committee and Shariah Oversight Committee is set out below:

Name of Shariah Committee Member	Shariah Committee		Shariah Oversight Committee	
	Held	Attended	Held	Attended
Assistant Professor Dr. Tajul Aris Ahmad Bustami	8	8	8	8
Professor Dr. Amir Husin Mohd Nor	8	7	8	7
Associate Professor Datin Dr. Noor Naemah Abdul Rahman	8	8	8	6
Associate Professor Dr. Adnan Yusoff	8	8	8	8
Associate Professor Dr. Asmak Ab Rahman	8	8	8	8

As part of the initiative for Shariah Committee to have active engagements with the Bank's Board of Directors, the following were planned and implemented:

- i. One session between Shariah Committee and member(s) of the Board; and
- ii. Representative of Shariah Committee attending two AEC meetings.

MAIN ACTIVITIES

Throughout the financial year, the Shariah Committee discussed and deliberated on various Shariah principles and the contracts relating to the products proposed by the Bank. The Shariah Committee also reviewed numerous legal documentation and Shariah policies and guidelines introduced by the Bank.

In addition, Shariah advisory services were also provided on many other aspects to the Bank, such as providing advice on issues arising from Islamic banking operations, zakat distribution and so on, in order to ensure compliance with applicable Shariah principles.

The Shariah Committee also noted and reviewed the following and was satisfied that each of the following had been done effectively during the financial year ended 31 March 2019, in compliance with Shariah:

1

All contracts, transactions and dealings entered into by the Bank and legal documents used by the Bank;

2

The allocation of profits and charging of losses relating to investment accounts;

3

All earnings that may have been realised from sources or by means prohibited by Shariah for purpose of disposal to charitable causes or in accordance with method approved by the Shariah Oversight Committee; and

4

The calculation and distribution of zakat.

Through Shariah Oversight Committee, the Shariah Committee discussed and deliberated on Shariah review and Shariah audit plans as well Shariah review and Shariah audit reports prepared by Shariah Review and Group Internal Audit teams respectively.

In matters relating to AmInvestment Bank, the Shariah Committee has reviewed a number of Sukuk structures and legal documentation for Sukuk issuance.

PRINCIPLE B**Accountability****SHARIAH COMMITTEE REPORT****PERFORMANCE ASSESSMENT**

Shariah Committee's performance assessment is conducted annually by the Board. The evaluation process will focus on competency, knowledge, contribution and overall effectiveness of the Shariah Committee members.

The assessment will also identify any relevant development areas or any relevant exposure needed by the Shariah Committee members for the Bank to provide.

CONTINUOUS TRAINING PROGRAMMES

As part of Shariah Committee's continuous development, the Bank has registered the Shariah Committee for a certification programme i.e. Certified Shariah Advisors ("CSA") under Association of Shariah Advisors in Islamic Finance ("ASAS") and it is currently ongoing for Level 1. The Level 1 CSA programmes attended by the Shariah Committee during the financial year were as follows:

- i. 19-20 September 2018 – Principle of Accounting & Finance
- ii. 11-12 December 2018 – Principles of Islamic Financial System
- iii. 15-16 January 2019 – Code of Ethics & Professional Conduct (Module 4)

Besides the certification programmes, the Shariah Committee members also attended various conferences and seminars including in-house briefing as follows:

- i. Muzakarah Cendekiawan Syariah Nusantara 2018 ke-12, organised by International Shari'ah Research Academy for Islamic Finance ("ISRA") held from 3-4 July 2018 at Duangjitt Resort & Spa, Phuket, Thailand.
- ii. Ijtima' ASAS 2018, organised by Association of Shariah Advisors in Islamic Finance ("ASAS") held on 18 July 2018 at Hotel Istana, Kuala Lumpur.
- iii. MFRS 9 – Classification & Measurement Briefing, organised by the Bank on 27 September 2018 at Menara AmBank.
- iv. Principle of Accounting & Finance (AmBank Islamic Balance Sheet), organised by the Bank on 4 October 2018 at Menara AmBank.
- v. Muzakarah Ahli Majlis Penasihat Syariah ("MPS") Institusi Kewangan di Malaysia Kali Ke-14, organised by Jabatan Kemajuan Islam Malaysia ("JAKIM") on 31 October 2018 at Dewan Serbaguna KPDNHEP, Putrajaya.
- vi. Liqa' ASAS 2019, organised by Association of Shariah Advisors for Islamic Finance Malaysia ("ASAS") on 18 March 2019 at Tamu Hotel & Suites Kuala Lumpur.

SHARIAH GOVERNANCE

The Bank adopted the Shariah Governance Framework ("SGF") issued by BNM by having four key Shariah functions. The Shariah Research and Advisory (including Shariah Legal), Shariah Risk Management and Shariah Review functions act as the second line of defence while the Shariah Audit function, which is part of the Group Internal Audit Department, acts as the third line of defence. By having this practice in place, the Bank is able to identify, monitor and mitigate any possible Shariah breaches. Shariah Governance structure of the Bank comprises the following:

- i. Board of Directors: Accountable and responsible for the overall oversight on the Shariah governance and Shariah compliance including the assessment, appointment and remuneration of the Shariah Committee members. The Board performs its oversight through various committees such as the AEC, RMC and the Shariah Committee.

- ii. Shariah Committee: Responsible and accountable on matters related to Shariah. This includes advising the Board and Management on Shariah matters and endorsing and validating Islamic banking, finance and capital market products and services, Shariah policies and the relevant documentation in relation to the Bank's Islamic finance and Islamic capital markets operations and business activities. Shariah Committee also provides advice and guidance on the management of zakat fund, charity and other social programmes or activities.

- iii. Shariah Oversight Committee: A sub-committee to the Shariah Committee, performs an oversight function on Islamic banking, finance and capital market products and services from Shariah perspective. In that regard, the Shariah Oversight Committee is responsible to oversee on Shariah aspects, the functions of Shariah Review, Shariah Risk Management and Shariah Audit. Shariah Oversight Committee also provides guidance and advice on matters pertaining to Shariah non-compliant incidences as well as treatment of Shariah non-compliant income (if any).

- iv. Management/CEO: Responsible to make reference to Shariah Committee or the external independent Shariah advisor and/or the Shariah Oversight Committee on Shariah matters and to take necessary measures for implementation. The Management/Chief Executive Officer of AmBank Islamic ("CEO") is also responsible in setting the infrastructure and providing the environment and adequate resources to support the Shariah governance structure. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate Shariah non-compliance risk.

- v. Shariah Research & Advisory: Accountable to the Shariah Committee and is responsible for providing day-to-day Shariah advisory on Islamic banking and finance, including Shariah legal aspects, conducting Shariah research, formulating Shariah policies and acting as Secretariat to the Shariah Committee and the Shariah Oversight Committee.

Shariah Research & Advisory consists of four functions: Shariah Secretariat and Coordination; Shariah Policy and Research; Shariah Advisory; and Shariah Legal.

- vi. The Shariah Risk Management: Accountable to the RMC. The Shariah Risk Management is a function to systematically identify, measure, monitor and control of Shariah non-compliance risks to mitigate any possible non-compliance events.

The Shariah Risk Management is executed through the three lines of defence in managing Shariah risk. The three lines of defence are:

- 1st – The Business Units and Functional Lines;
- 2nd – Shariah Risk Management, Shariah Review, Shariah Research and Advisory; and
- 3rd – Shariah Audit.

- vii. Shariah Review: Accountable to the Shariah Oversight Committee. The objective of the Shariah review function is to provide reasonable self-assurance for the Bank in its daily activities and operations thus to add value and improve the degree of Shariah awareness and compliance.

- viii. The Shariah Audit: Accountable to the AEC. A designated team within the Group Internal Audit Department is responsible to conduct independent assessment on the level of Shariah compliance of Islamic banking business and operations. The Shariah audit covers all activities particularly the operational components of the Bank (including functions outsourced to AmBank (M) Berhad or AmInvestment Bank Berhad) that are subjected to the risk of Shariah non-compliance including but not limited to products, operational processes, the technology supporting the operations, the people involved in key areas of risk, documentation and contracts, policies and procedures and other activities that require the adherence to Shariah principles.

PRINCIPLE C

Relationship with Stakeholders

**INVESTOR RELATIONS**

The investor relations landscape has evolved over the years and now forms an integral part of AmBank Group's corporate governance initiatives. At AmBank Group, we uphold regular and proactive communication with our shareholders and the wider investment community including investors, fund managers, equity and fixed-income analysts and credit rating agencies.

Shareholders engagement has taken a centre stage in recent years as shareholders are exerting more influence than ever on how Boards and Management teams operate. Additionally, the investment community is increasingly emphasising on long-term sustainability and value creation of the investee companies, on top of delivering satisfactory financial performance. We believe that effective shareholders engagement and investor relations can lead to improved strategy and policies formulation, more sustainable business practices, and promote greater transparency and accountability.

Our communications with the investment community is governed by our investor relations policy to ensure consistency, clarity, fairness and timeliness of information disseminated. We subscribe to the philosophy that good investor relations practices strengthen investors' confidence in us and allows them to make informed investment decisions.

We have a dedicated Investor Relations team ("IR team") to support our Group Chief Executive Officer and Group Chief Financial Officer in their investor engagement activities, focusing on achieving effective two-way communications and fostering relationships with the investment community in order to better understand their expectations and requirements.

ACHIEVEMENTS

Our commitment to excellence in investor relations was acknowledged by several awards locally and globally.

1

AmBank Group won two awards - **Asia's Best CFO, Investor Relations and Best Investor Relations Company** at the **Asian Excellence Award 2018** organised by Corporate Governance Asia in Hong Kong. The winners were selected based on dialogues and surveys conducted by Corporate Governance Asia with various fund managers and analysts within Asia.

2

We received **Certificate of Merit** at the **National Annual Corporate Report Awards ("NACRA") 2018**. For a third consecutive year, our annual report has been selected as a finalist. This is a testament of AmBank Group's commitment in delivering high standard of financial reporting and promoting good corporate governance.

3

At the **8th Malaysian Investor Relations Association ("MIRA") Award**, we were **nominated in 8 categories out of the 10 accolades** including one of the Top 5 finalists in the **Most Improved Service from IR** team category amongst all the public listed companies in Malaysia.

Annual General Meeting

AmBank Group's 27th AGM was held on 31 July 2018 at Sime Darby Convention Centre, Kuala Lumpur. Tan Sri Azman Hashim, Chairman of the Board took the chair and called the 27th AGM to order. Dato' Sulaiman Mohd Tahir, our Group CEO, gave a presentation to the shareholders covering the Group's strategic aspirations, business review and financial highlights for FY2018. He also shared the Group's market outlook and performance guidance for FY2019.

After the presentation, Dato' Sulaiman responded to the enquiries from the Minority Shareholder Watchdog Group ("MSWG"). During the "Question and Answer" session of the AGM, our shareholders were invited to post their questions and provide their feedback to the Board. Our Chairman of the Board, was instrumental in facilitating constructive discussions between the shareholders, the Board and the Senior Management of AmBank Group.

The 27th AGM presented an avenue for our shareholders to seek clarifications and gain insights into the operations and financial performance of the Group. Our external auditors, Messrs. Ernst & Young, were in attendance to answer shareholders' queries.

All the resolutions that were proposed for tabling at the 27th AGM were duly passed. We have made available the minutes of the AGM on our corporate website.

Analyst Briefings and Media Conferences

The Group's quarterly results announcements are conducted via teleconferencing to cater for the wide geographical spread of the investment community and our stakeholders. Live briefings and media conferences are held semi-annually to promote active stakeholders' engagement. The IR team continues to ensure the briefing materials (investor presentation, financial statements and media release) are disseminated on a timely manner to all relevant parties and readily accessible on the Group's corporate website immediately after the announcement is made on Bursa Malaysia.

PRINCIPLE C**Relationship with Stakeholders**

Details of our analyst briefings and media conferences on our quarterly results announcements are tabulated below:

Date	Results Announcement	Mode of Communication				
		Media Briefing	Analyst Briefing	Publication on IR Website		
			Tele-conference	Investor Presentation	Financial Statements	Media Release
21 August 2018	Q1 FY2019		√	√	√	√
22 November 2018	H1 FY2019	√	√*	√	√	√
21 February 2019	9M FY2019		√	√	√	√
28 May 2019	FY2019	√	√*	√	√	√

* Includes live briefing

INVESTOR AND ANALYST MEETINGS

We engage with the investment community regularly through various forms of meetings, including one-on-one meetings, group meetings, breakfast briefings and tele-conferences. The IR team analyses and monitor the Group's investors profile regularly including the investment styles and geographical locations to facilitate the planning of our investor relations engagement programme. This proactive approach has enabled us to reach out to investors more effectively and efficiently. As a result, there was an increase in the number of investor meetings conducted as well as analysts and fund managers meeting during the year. Our discussions generally revolve around the Group's financial and business performance, strategic directions and macroeconomic outlook.

During the year, we hosted two "breakfast chats" with the equity analysts. The sessions were well received by the analysts as it allowed them to have in-depth discussions with our Group Chief Executive Officer and Group Chief Financial Officer. From time to time, the IR team organises "thematic" or ad-hoc analyst briefings which provide additional insights on the Group's views and risk assessment outcomes in relation to certain market events.

Below is a summary of meetings held:

	FY2019		FY2018	
	Meetings	Attendees	Meetings	Attendees
One-on-One/Small Group Meetings	38	111	31	126
Tele-Conferences	10	51	8	73
Analyst Briefings	4	230	4	183
Breakfast Briefings	2	28	4	51
Conferences/Non-Deal Roadshows	40	92	11	23

CONFERENCES AND NON-DEAL ROADSHOWS

Our management representatives actively participate in conferences and non-deal roadshows ("NDR") organised by various research houses and equity brokers as means to deepen the engagement with our existing shareholders and broaden our reach to prospective investors.

Below is the list of conferences and non-deal roadshows that our Management representatives had participated in FY2019:

Date	Event	Location
7 - 8 June 2018	DBS Non-Deal Roadshow	Hong Kong
11 June 2018	DBS Non-Deal Roadshow	Singapore
3 October 2018	UBS Malaysia Corporate Day 2018	Singapore
6 December 2018	Citi ASEAN Top Picks 2018 Corporate Day	Kuala Lumpur
9 January 2019	J.P. Morgan ASEAN Banks 1x1 Forum	Singapore
10 January 2019	DBS Pulse of Asia Conference	Singapore
11 January 2019	Fixed Income Investor Presentation	Singapore

CREDIT RATING

The IR team plays a vital role to ensure continuous engagement with the rating agencies, namely RAM Ratings ("RAM"), Moody's Investors Services (Moody's) and Standard and Poor's ("S&P"). Credit rating agencies are given regular updates on the Group's financial performance focusing on asset quality, capital and liquidity. The Group received two credit rating upgrades during the financial year 2019, whereby AMMB Holdings Berhad's credit rating was upgraded by RAM to AA2 in December 2018 and Moody's upgraded AmBank (M) Berhad's credit rating to A3 in March 2019.

PRINCIPLE C

Relationship with Stakeholders

SUSTAINABILITY

Investors are increasingly placing more emphasis on sustainable and responsible business practices when evaluating their investment decisions. We recognised that sustainability is about managing risks and opportunities in a way that best balances the long-term needs of all our stakeholders – our customers, employees, suppliers, investors and community partners – as well as the wider community and the environment at large.

Our sustainability agenda aims to address the matters that we believe are the most material for our business and stakeholders, now and in the future. We also understand that this is an evolving agenda and seek to progressively embed the sustainability matters into our daily operations and business practices, while also anticipating and shaping the emerging social issues where we have the skills and experience to make a meaningful difference and drive business value. More on our sustainability practices can be found on pages 76 to 132.

CORPORATE WEBSITE

The Investor Relations section is available on the Group's corporate website at ambankgroup.com, which contains corporate governance and investor-related information on AmBank Group such as corporate profile, Board of Directors, annual reports, quarterly financial results, investor presentations, news releases, credit ratings, notices of AGM and Extraordinary General Meeting, etc. as well as our investor relations calendar.

The Group's financial results, material press releases, notices of dividends and other ad-hoc announcements are also available on the Bursa Malaysia's website. Investors and stakeholders can reach out to the AmBank Group IR team via email at ir@ambankgroup.com should they require further information or assistance on investor-related matters.

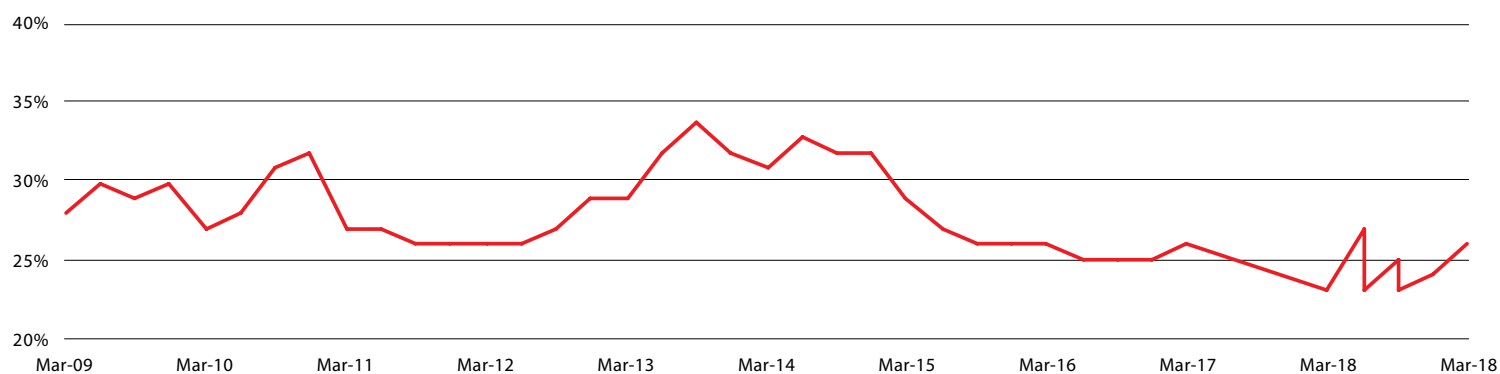
ANALYST COVERAGE

AmBank Group is presently covered by analysts from the following local and foreign research houses:

No.	Research House
1	Affin Hwang Capital
2	AllianceDBS Research
3	CIMB Investment Bank Berhad
4	Citi Investment Research
5	CLSA Securities Malaysia
6	Hong Leong Investment Bank
7	HSBC Ltd (Singapore)
8	JP Morgan Securities
9	KAF - Seagroatt & Campbell Securities
10	Kenanga Investment Bank

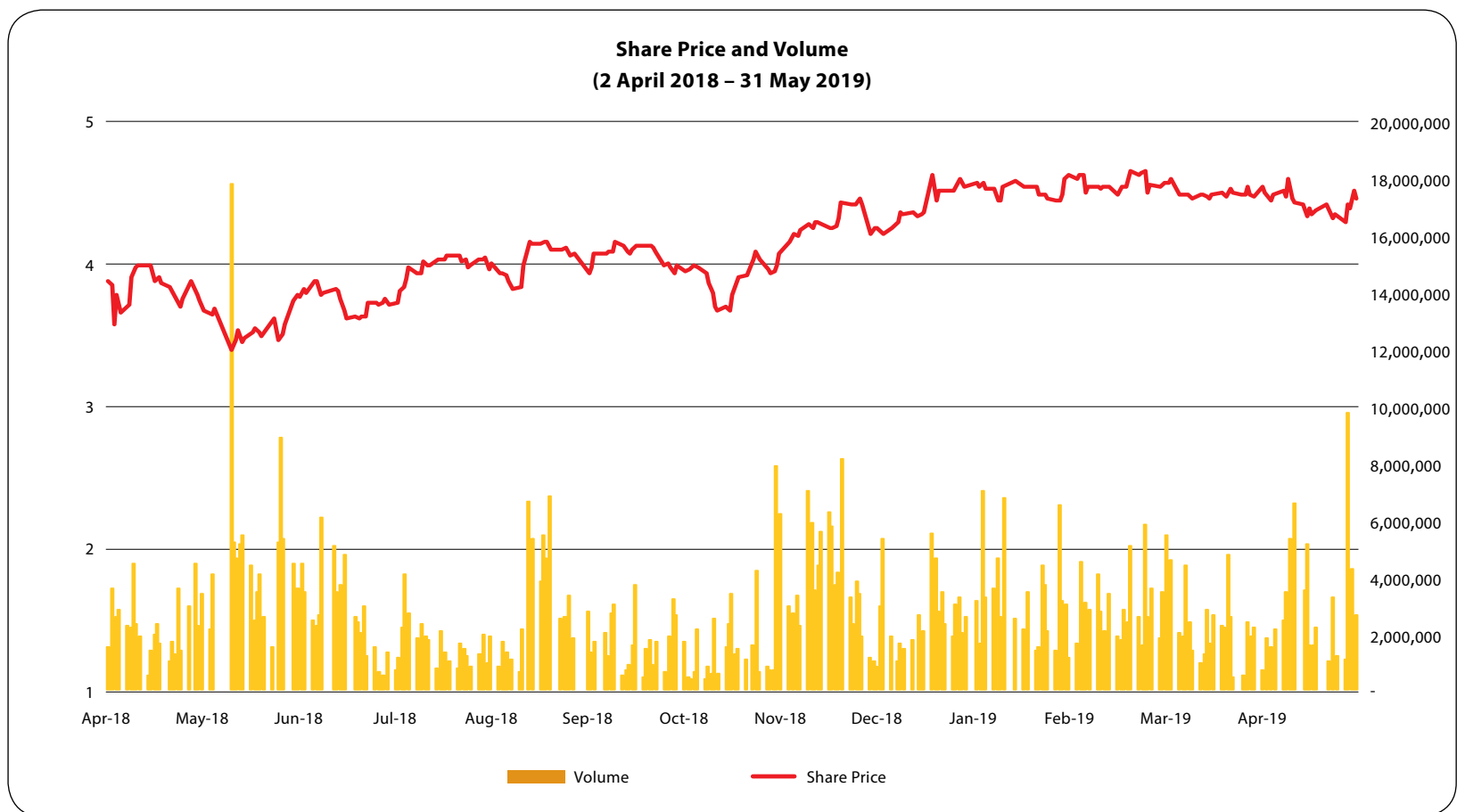
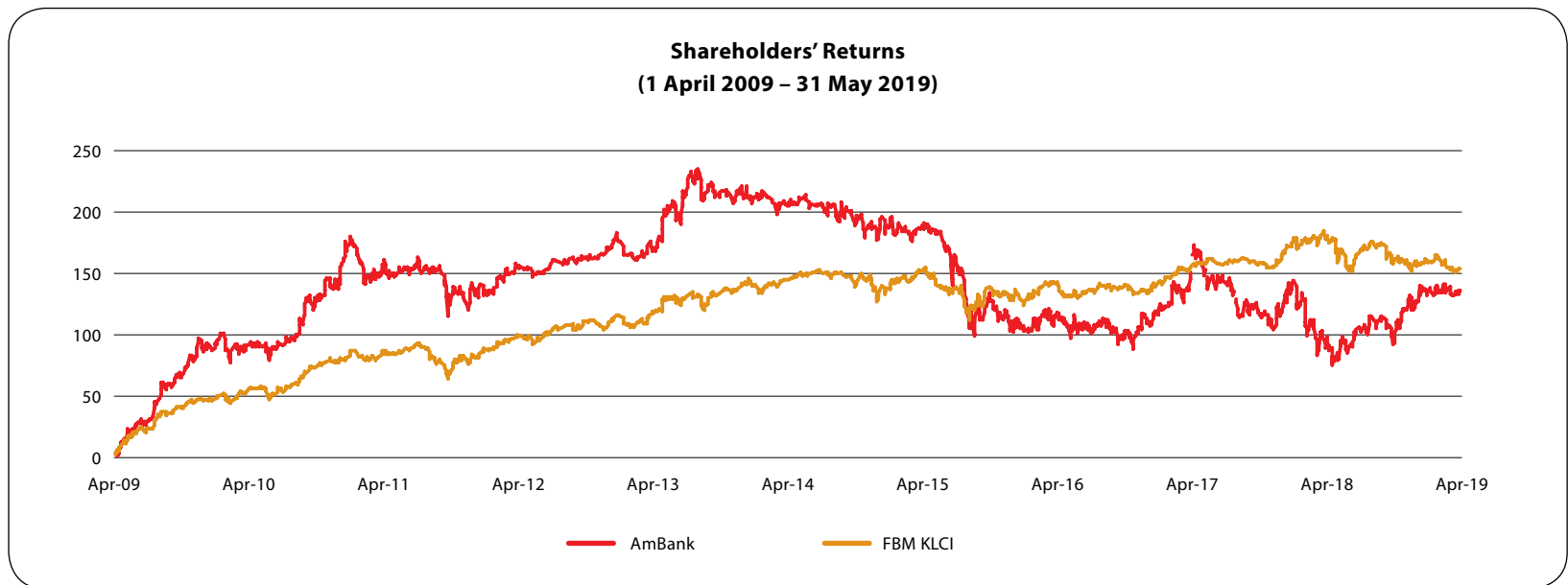
No.	Research House
11	Macquarie Capital Securities
12	Maybank Investment Bank
13	MIDF Amanah Investment Bank
14	Nomura Securities Malaysia
15	Public Investment Bank
16	RHB Research Institute
17	TA Securities
18	UOB Kay Hian

**Foreign Shareholding Analysis
(31 March 2009 – 31 March 2019)**



PRINCIPLE C

Relationship with Stakeholders



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board is required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the Group and its state of affairs, results and cash flows, at the end of the financial year. Following discussions with the statutory external auditors, the Directors consider that the appropriate accounting policies have been consistently applied and supported by reasonable as well as prudent judgments and estimates, and that all accounting standards which they consider applicable have been followed during the preparation of the financial statements.

The Board of Directors is responsible for ensuring that the Group keeps accounting records which are disclosed with reasonable accuracy, and for ensuring that the financial statements comply with the Companies Act 2016. The Board and Board Committees have the general responsibility for taking such steps to safeguard the assets of the Group.

Statement on Risk Management and Internal Control

The Board of Directors (“Board”) is responsible for the Group’s risk management and internal control system and for reviewing its adequacy and integrity. The Board has instituted an on-going process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This process is regularly reviewed by the Board and accords with the guidance on internal control, *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*.

In establishing and reviewing the risk management and internal control system, the Directors have considered the materiality of relevant risks, the likelihood of losses being incurred and the cost of control. Accordingly, the purpose of the risk management and internal control system is to manage and minimise rather than eliminate the risk of failure to achieve the policies and objectives of the Group and to provide reasonable but not absolute assurance against risk of material misstatement or losses.

The Board is assisted by the Risk Management Committee of the Board (“RMC”) to oversee the governance of risks within the Group and ensure that there is effective infrastructure in place i.e. (policies, frameworks, processes, resources and systems) to manage risk as well as Management activities in identifying, assessing, controlling and monitoring risks. The Board is also assisted by Audit and Examination Committee of the Board (“AEC”) to provide independent oversight of the Group’s financial reporting and internal control systems that facilitates appropriate checks and balances within the Group.

Periodic summary reports were provided by RMC and AEC to keep the Board informed of the Board Committee’s work, key deliberations and decisions on delegated matters.

The Management assists the Board in the implementation of the Board’s policies on risk management and internal control by identifying and evaluating the risks faced by the Group for consideration by the Board and designs, operates and monitors the system of risk management and internal control to mitigate and control the risks.

CONCLUSION

For the year under review, the Board has received the reports of the AEC and RMC. An annual assessment of the effectiveness of risk and internal control processes has been conducted and the Chief Risk Officer has provided assurance to the Chief Executive Officer and Chief Financial Officer. The Chief Executive Officer and Chief Financial Officer have then provided assurance to the Board that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and, up to the date of issuance of the financial statements, is adequate and effective to safeguard shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Group has adopted a coordinated and formalised approach to risk management and internal control, which is operationalised through the “Three Lines of Defense” concept. The Business Units form the first line of defense, Risk and Compliance form the second line of defense while Internal Audit forms the third line of defense. The key risk management and internal control processes are implemented via the following:

- The RMC of the Company and its major subsidiaries assist the Board in the oversight of the overall risk management structure. At Senior Management level, a number of management-level risk committees have been established to assist the Board to holistically manage the risks and businesses of the Group. These committees, namely the Group Management Committee, Group Management Risk Committee, Group Asset and Liability Committee, Group Management Governance and Compliance Committee, Credit and Commitments Committee and Watchlist and Classification Committee, address all classes of risk within Board delegated mandates: balance sheet risk, credit risk, legal risk, operational risk, market risk, Shariah risk, compliance risk, regulatory compliance risk, reputational risk, product risk and business and IT project risk.
- Risk management principles, policies, practices, methodologies and procedures are made available to appropriate staff in the Group. These are regularly updated to ensure they remain relevant and in compliance with regulatory requirements. The policies, methodologies and procedures are enhanced whenever required to meet the changes in operating environment and/ or for continuous improvement in risk management.
- The organisational structure is designed to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, corresponding to the business and operations activities’ needs. This includes the empowerment and setting of authority limits for proper segregation of duties.

Statement on Risk Management and Internal Control

- The AEC of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group's internal controls systems. The AEC reviews the Group's financial statements and reports issued by Group Internal Audit and the external auditors and follow up on corrective actions taken to address issues raised in the reports.
- The Shariah Committee is responsible and accountable on matters related to Shariah. These include advising the Board and Management on Shariah matters as well as endorsing and validating products and services, Shariah policies and the relevant documentation in relation to Islamic Banking operations. The Shariah Committee also provides advice and guidance on management of zakat fund, charity and other social programmes or activities.
- The Shariah Oversight Committee is established as a sub-committee of the Shariah Committee to assist the Shariah Committee in discharging its responsibilities relating to the oversight of the Shariah Review function. In addition, the Shariah Oversight Committee is to assess the work carried out by Group Internal Audit relating to the Shariah Audit function and Shariah Risk Unit relating to Shariah Risk Management function in order to ensure compliance with Shariah matters.
- Group Internal Audit conducts independent risk-based audits and provides assurance that the design and operation of the risk and control framework across the Group is effective. The AECs review the work of the Group Internal Audit Department, including reviewing its audit plans, progress, reports issued and status of resolution of key audit findings highlighted.
- The Group's focus is on achieving sustainable and profitable growth within its risk management framework. The Group's annual strategic business plans and budgets are prepared by the Group's business divisions and submitted to the Board for approval. Progress of the Group's business plans and performance achievements are rigorously tracked and reviewed against budget in monthly review meetings and specific taskforce set up for the purposes of monitoring our key focus areas allowing for timely responses and corrective actions to be taken to mitigate risks.
- The Group emphasises human resource development and training as it recognises the value of its staff in contributing to its growth. There are proper guidelines within the Group for staff recruitment, promotion and performance appraisals to promote a high performance culture by rewarding high performers and counseling poor performers. Our Short Term Incentive ("STI") and Long Term Incentive ("LTI") are used primarily to reward and encourage outstanding individuals for their contribution to value creation while protecting the shareholders' interest. Structured talent management and training programmes are developed to ensure staff are adequately trained and competent in discharging their responsibilities and to identify future leaders for succession planning.
- A Code of Ethics has been formulated to protect and enhance the Group's reputation for honesty and integrity. The Code of Ethics is based on the following principles: compliance with the law both in letter and in spirit, the Code and AmBank Group is policies and procedures; upholding the highest level of integrity and acting with honesty and professionalism; identifying and managing conflicts of interest responsibly; ensuring completeness and accuracy of underlying records, financial or otherwise; ensuring fair and equitable treatment to all; and ensuring confidentiality of information and transactions.
- The Code of Conduct, launched in March 2018, represents the Group's commitment to uphold, maintain and demonstrate a high level of integrity, professionalism and ethical conduct. The Code of Conduct provides a clear direction in conducting business and interacting with community, government and business partners as well as general workplace behaviour. The Code of Ethics above is a subset of the Code of Conduct. The Code of Conduct was established by the Board. The Board takes a leadership role in shaping and driving the governance of, and compliance with, policies and practices via key management committees, Group Risk, Group Legal, Group Compliance, Group Internal Audit, Group Information Services, Group Finance and Group Human Resource. The Code of Conduct was developed according to a value-based approach which consists of five key areas: Message from our Chairman and Group CEO, Ethical Standards, Company and People, Marketplace and Commitment to Sustainability.
- The Group has put in place a compliance framework to promote the safety and soundness of the Group by minimising financial, reputational and operational risks arising from regulatory non-compliance. The Group believes in and embraces a stronger compliance culture to reflect a corporate culture of high ethical standards and integrity where the Board and Senior Management lead by example. The Group continues to exercise and enhance its due diligence governance process and remains vigilant towards emerging risk as well as sensitive towards heightened regulatory surveillance and enforcement.
- Training is provided to employees of the Group on relevant legal and regulatory requirements governing its activities and guidance on implementation of internal controls to manage compliance risk.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Bursa Malaysia's Main Listing Requirements Paragraph 15.23, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was in accordance with Audit and Assurance Practice Guide 3: *Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants. This does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this statement is inconsistent with their understanding of the processes the Group had adopted in the review of the adequacy and integrity of the risk management and internal control system of the Group.

Additional Disclosures

(Pursuant to MMLR of Bursa Securities)

1. MATERIAL CONTRACTS

Save as disclosed below, there is no material contract entered into by the Group, involving the interest of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year:

- (a) Sale and Purchase Agreement dated 3 January 2019 between AmBank (M) Berhad, a 100% owned subsidiary of AMMB, and Aiqon Amanah Sdn Bhd in relation to the sale of conventional non-performing loans for a cash consideration of RM428.11 million. The transaction was completed on 22 February 2019 and the consideration was fully settled.
- (b) Sale and Purchase Agreement dated 3 January 2019 between AmBank Islamic Berhad, a 100% owned subsidiary of AMMB, and Aiqon Islamic Sdn Bhd in relation to the sale of Islamic non-performing financing for a cash consideration of RM125.80 million. The transaction was completed on 5 March 2019 and the consideration was fully settled.

The major shareholder of Aiqon Amanah and Aiqon Islamic, En. Ibrahim Hussain, is a person connected to Tan Sri Azman Hashim (the Chairman and major shareholder of AMMB) as he is Tan Sri Azman Hashim's son-in-law.

2. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During FY2019, the following issuances were made by the Group:

a) RM1,000.0 million Subordinated Notes (Tranche 6) issued on 15 November 2018 under the RM4.0 billion Tier 2 Subordinated Notes Programme by AmBank (M) Berhad;

b) RM500.0 million Subordinated Sukuk Murabahah (Tranche 7) issued on 18 October 2018 under the RM3.0 billion Subordinated Sukuk Murabahah Programme by AmBank Islamic Berhad.

The proceeds raised by AmBank (M) Berhad and AmBank Islamic Berhad have been utilised for working capital and general banking purposes.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Pursuant to paragraph 10.09(2)(b), Part E, Chapter 10 of the MMLR of Bursa Securities, the details of the recurrent related party transactions conducted with the Related Parties and their subsidiaries and associated companies, where applicable during FY2019 pursuant to the Shareholders' Mandate, are set out in the table below:

Related Parties	Nature of Transaction	Actual Value (RM'000)	Relationship with the Company
Amcorp Group Berhad	Provision of travelling arrangements	2,504	Companies in which a Director and major shareholder were deemed to have an interest
Australia and New Zealand Banking Group Limited ("ANZ")	Provision of technical services and business collaboration	-	
Modular Group [#]	Provision of electronic card technologies and services	477	

Note:

[#] Modular Group ceased to be a related party on 25 January 2019.