



**AmBank Group**



# Our Passion & Commitment Shine Out

The energised, moving rays of light featured on our cover depict AmBank Group's passion and commitment and our accelerating pace of growth with Malaysia.

With our 42 years of rich expertise, we at AmBank Group will remain steadfast and resilient in providing relevant financial solutions that will fit seamlessly into the daily lives of our fellow Malaysians.

Over the years, we have realigned ourselves and streamlined our operations better. We constantly strive to improve our products, solutions and services, leveraging on the power of digital technology in order to meet the growing needs of our customers and to stay competitive in today's financial landscape.

The moving speed lines and rays that burst outwards illustrate that AmBank Group is an agile and fast-moving organisation.

Our progressive services will empower individuals from all walks of life.





**Annual Report**



**Financial Report**



**Our Report**

The Annual Report of AMMB Holdings Berhad is our main report of the year. It provides our stakeholders with the information they need to understand our various businesses and operations. We also supplement this report with additional online disclosures during the year, including quarterly financial statements.

For the purposes of this report, we generally refer to AMMB Holdings as AmBank Group. Our financial year runs from 1 April until 31 March. In preparing our report, we were guided by the requirements of Malaysian statutory and reporting frameworks, including those of Bursa Malaysia.

**Corporate Section**

This is a detailed source of information about AmBank Group and gives an overview of the financial and non-financial milestones and achievements for our financial year. We include information on our businesses and performance and our approach to sustainability, governance and risk. We also lay out our strategy and our future goals. The format of our annual report is designed to be easy to read and to give stakeholders an overview of our operations.

**Financial Section**

This presents the full set of audited financial statements for AMMB Holdings Berhad.

These statements give our stakeholders a clear and full analysis of our financial affairs at the end of our financial year on 31 March 2017. They are prepared in accordance with Malaysian financial reporting standards with the engagement of external auditors.

**Online Version**

[ambankgroup.com](http://ambankgroup.com)



**26<sup>th</sup>**

**Annual General Meeting  
of AMMB Holdings  
Berhad**

Grand Ballroom  
First Floor, Sime Darby Convention Centre  
1A Jalan Bukit Kiara 1  
60000 Kuala Lumpur, Malaysia

Date: Monday, 31 July 2017  
Time: 10.00 a.m.

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Our Annual Report is printed on environmentally-friendly ICON White paper. This paper is certified chlorine-free and is completely recyclable and biodegradable. ICON White is made from pulp that is harvested from sustainable forests and is sourced from Japan.

# OUR PURPOSE



# OUR PURPOSE

We exist to help individuals and businesses in Malaysia  
**grow and win together**



We **focus on relationships** and are advisors and long term partners to our customers. **We help by being professional, reliable and fast**, and giving them the best service. By helping, we earn their trust.



**Externally we focus on building our customers into winners.** Internally we focus on performance, teamwork and collaboration to win in the market.



Our business is centered on leveraging domestic growth opportunities. **We will expand in Malaysia with Malaysian business.**



**We believe in growth**, for our customers, for our people and for our business. We **support and empower** our customers and our people to **achieve their aspirations.**



# OUR PRESENCE AND OPERATIONS

**We are a leading Malaysian bank**

AmBank Group is a leading Malaysian financial services group with 42 years of experience in supporting Malaysians in their economic development.

Total Assets

## RM134.8 billion

(at 31 March 2017)

Market Capitalisation

## RM14 billion

(at 31 March 2017)

### Geographical footprint

Across Malaysia, AmBank Group has 175 branches, 766 ATMs and a network of 13 regional offices.



Population Density



	Branches	ATM	Regional Offices
Perlis	1	3	
Kedah	6	24	1
Pulau Pinang	14	51	1
Perak	18	45	1
Selangor	38	221	2
Kuala Lumpur	23	105	3
Putrajaya	1	3	
Negeri Sembilan	7	38	
Melaka	6	34	1
Johor	21	81	1
Pahang	9	29	1
Terengganu	4	16	
Kelantan	2	16	
Sabah	9	40	1
Labuan	1	3	
Sarawak	15	57	1
<b>Total</b>	<b>175</b>	<b>766</b>	<b>13</b>

SME branches	AmBank Islamic branches	Weekend banking branches	ATMs @ 7-Eleven	Electronic banking centres	Internet & mobile banking	AmGeneral	AmMetlife	AmInvestment Bank	AmCard Services MBC
175 (140 Cluster Branches)	3	75	266	183	AmOnline AmGenie	29 branches 3 counters	15 branches 48 agencies	7 retail broking 6 corporate	25



## Our Strategic Priorities

FIRING UP NEW GROWTH ENGINES	ATTAIN MARKET LEADERSHIP IN KEY PRODUCTS	SETTING UP FOR SUCCESS	OPTIMISE CURRENT ENGINES
<p><b>Win in fast growing, underserved segments</b></p> <ul style="list-style-type: none"> <li>• SME</li> <li>• Mid Corp</li> <li>• Mass Affluent</li> <li>• Affluent</li> </ul>	<ul style="list-style-type: none"> <li>• Cards and Merchants</li> <li>• Transaction Banking</li> <li>• Markets</li> <li>• Wealth Management</li> </ul>	<p><b>Digital transformation – channels, processes, productivity, analytics</b></p> <p><b>Fully leverage distribution footprint, partnerships and new digital channels</b></p> <p><b>Break down organisational silos and focus on people, talent and culture</b></p> <p><b>Risk and compliance culture</b></p>	<p><b>Leverage strengths in corporate and investment banking</b></p> <p><b>Strengthen retail deposit franchise</b></p>

## Diverse Range of Financial Services

AmBank Group serves over 3 million individual and corporate customers. It provides services in wholesale banking, retail banking, investment banking and related financial services which include Islamic banking, underwriting of general insurance, stock and share broking, futures broking, investment advisory and management services in assets, real estate investment trust and unit trusts.

### WHOLESALE BANKING

See page 114

### RETAIL BANKING

See page 126

### BUSINESS BANKING

(a new division)

See page 128

### ISLAMIC BANKING

(Shariah-based financial solutions across the Group)

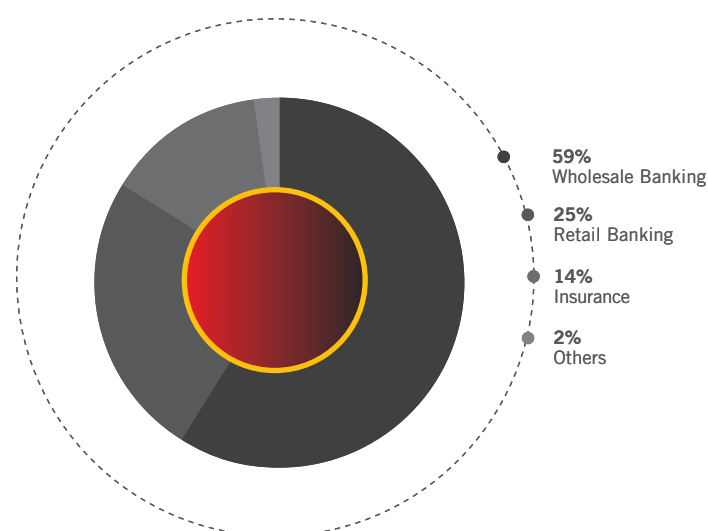
See page 129

### GENERAL INSURANCE, LIFE INSURANCE & FAMILY TAKAFUL

See page 132

## Contribution to Profits

### Divisional PAT Contribution (YoY)



# BUSINESS HIGHLIGHTS

for the year ended 31 March 2017

## TRACTION ON TOP 4 STRATEGY

The first year of our Top 4 Strategy is complete and we are on target to reach our aspiration to rise to a Top 4 bank in Malaysia by 2020



## NEW SME PLATFORM

We have started a new Business Banking division to focus on growth in our targeted area of small and medium-sized enterprise (SME) businesses



## PROJECT APEX

To improve our customer experience we are driving straight-through processing in retail banking and improved internal processes



## LEADERSHIP STRENGTH

To build our capacity and lead our transformation, we have invested in senior management and revived our Group talent council



## HOLISTIC BRANCH MODEL

Our new branch model is a one-stop centre catering to retail, SME and commercial customers in one location



## GROUP-WIDE COLLABORATION AND INDUSTRY PARTNERSHIP

Leveraging our insurance partners to grow on banca and drive strategic collaboration across industry key players as part of our digital ecosystem footprint




# FINANCIAL HIGHLIGHTS




CET 1 Capital Ratio  
**11.6%**

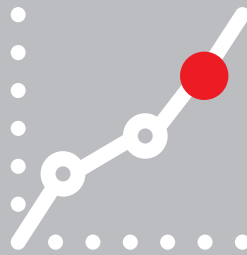
Dividend Payout Ratio  
**40%**





Return on Equity  
**8.5%**



Cost to Income Ratio  
**57.4%**



Profit After Tax and Minority Interests  
**RM1,324.6**  
million

Profit Before Provision  
**RM1,605.1**  
million

# KEY MESSAGES



- 12 Letter To Shareholders
- 14 Message From Group Chief Executive Officer





# LETTER TO SHAREHOLDERS

## **Dear Valued Shareholders,**

When I wrote to you twelve months ago, I said we were determined to make AmBank Group stronger in order to preserve and enhance market confidence. A year down the line, I can report that AmBank Group has made progress.

We have strengthened our leadership bench, we have traction on our Top 4 Strategy and we have made improvements in governance and compliance. Over the year, we also recorded a 1.7% increase in profit to RM1,324.6 million and we bolstered our performance across most areas of the Group.

These positive results came despite a volatile and changeable backdrop in the region and beyond. In particular, the Chinese economy was beset by structural changes, whilst the Indian economy was affected by a dip in consumption. Here in Malaysia, economic growth slowed to 4.2% from 5.0% a year earlier and the Malaysian ringgit fell to its lowest level against the US dollar since 1997.

## Dividend Increase

With such challenges around us I am pleased to propose, on behalf of the Board of Directors, an increase in dividend compared to last year. Our proposed final dividend of 12.6 sen per share will bring the total dividend for the 2016-2017 financial year to 17.6 sen per share.

This translates into a dividend payout ratio of 40%. It is an increase of four percentage points from the previous financial year and means we can make good on our dividend guidance to shareholders.

## Improving Performance

Over the past year, our management team has reorganised parts of our operations and realigned key performance indicators to allow for better focus in our strategic journey to reach Top 4 in Malaysian banks by 2020.

We have made good progress in the first year of this four-year journey and we already have traction in many areas, including an improved focus on customer service and our digital transformation, an increase in deposits and effective cross-selling of our services to our over 3 million customers.

Our senior management team has also invested heavily in leaders with proven industry experience and expertise in order to build our capabilities and lead our transformation.

We have also gone through a very intense process of improving our governance and compliance structure, and we are striving to have one of the best structures in the industry going forward. We need to ensure the idea of governance and compliance is firmly in the mindset of every member of staff and that AmBank Group is well equipped to adjust to the evolving regulatory landscape for financial institutions. As a priority, Group Compliance has been restructured and measures have been taken to strengthen policies, procedures, training, technology and systems.

Throughout the year, we have continued to develop our governance practices. We approved our revised Board Charter on 27 July 2016 and recently completed our annual independent Board Effectiveness Assessment. We have also widened the scope of our Statement on Corporate Governance in the Annual Report, in line with recent regulatory changes.

In terms of governance, we believe good corporate governance is the key to maintaining the trust that our investors and customers place in us. One of the most important aspects of my role as Chairman is to foster the right dynamics on the board so we have Directors with the right range and balance of skills and expertise.

## Changes to the Board of Directors

This year, we appointed three new Directors to the Board of Directors of AMMB Holdings Berhad:

- Graham Kennedy Hodges, non-independent non-executive director
- Datuk Shireen Ann Zaharah binti Muhiudeen, independent non-executive director
- Seow Yoo Lin, independent non-executive director

At the end of the financial year, Tun Mohammed Hanif bin Omar, who has been a non-independent non-executive director for more than 22 years, retired from the Board. I would like to extend my heartfelt gratitude to Tun Hanif for his guidance and insight over the years.

I would also like to thank Wasim Akhtar Saifi who was an independent and non-executive director and resigned in order to focus on his role as an independent and non-executive director of our subsidiary AmBank Islamic Berhad.

You can read more about our corporate governance on pages 180 to 225 of this Annual Report.

## Sustainability Statement

This year, we have also completed our first Sustainability Statement, identifying our material risks and opportunities in a formal process. This statement includes our corporate social responsibility and all areas of our business, grouped into three themes of responsible banking, employer of choice and positive societal impact.

This year's Sustainability Statement is the outcome of a materiality assessment of our environmental, economic and social risks and opportunities. It includes a new governance process for sustainability that sits with the Board and gives us more clarity and oversight in these areas. In time, we will fully integrate consideration of these areas into core business decisions.

You can read more about our Sustainability Statement on pages 140 to 175 of this Annual Report.

## Responsibility to Our Communities

Over the past year, we had a few appreciation nights for our customers in various parts of Malaysia. I found it very useful to meet up with some of our long term customers and remember how we have grown together. Back in the early days, our customers were starting out in plantations and timber. Now they have big property and construction companies. We grew with them and they grew with us, and it feels good to be part of it.

## Acknowledgment

I take this opportunity to thank all of our stakeholders, including our shareholders, our customers, our staff, our communities and our regulators, for your continued support over the year. I would like to make particular mention of our business partners, Australia and New Zealand Banking Group Limited (ANZ), Insurance Australia Group Limited (IAG) and MetLife International Holdings Inc. (MetLife).

I am grateful for the collaboration I have received from my fellow directors, our group chief executive officer and his team in discharging our respective responsibilities.

Together we can focus on what we do best, helping individuals and businesses in Malaysia grow and win together.



**TAN SRI AZMAN HASHIM**

Chairman, Non-Independent Non-Executive Director

Kuala Lumpur  
30 June 2017



## MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER

**“ DEAR VALUED SHAREHOLDERS,  
THE 2016-17 FINANCIAL YEAR WAS A  
CHALLENGING ECONOMIC PERIOD, BOTH  
IN MALAYSIA AND THE WIDER WORLD.  
AGAINST THIS BACKDROP, I AM PLEASED  
TO REPORT GOOD PROGRESS FROM  
AMBANK GROUP. ”**

We made positive strides forward this year and our profit after tax and minority interests (PATMI) for the year rose 1.7 percent to RM1,324.6 million. Our return on assets (ROA) held steady at 1.1 percent and return on equity (ROE) was marginally lower by 30 basis points at 8.5 percent. Our profit before provision (PBP) rose 5.5% to RM1,605.1 million, reversing a downward trend over recent years.



## Strategic Course is Set

I am particularly pleased to report that we have now completed the first year of our strategic journey to rise to a Top 4 bank in Malaysia by 2020 and we have achieved good momentum towards realising AmBank Group's ambitions. Last year's waves of disruption in global and local markets served to sharpen our focus on the task ahead.

Over the year, we have made sound progress in building up the foundations that will support our growth agenda, focusing on improving margins and strengthening our balance sheet for optimal returns to our shareholders.

A major part of any strategic plan is getting people to reorganise themselves, believe in the outcome we are working towards and do what is supposed to be done. That part was challenging in the beginning. But now we are seeing the results of our efforts and there is a feeling that change is a good thing, that we have set our ship on its new course.

## Passion and Commitment to AmBank Group

I have spent as much time as possible this year out in the field, visiting AmBank branches, offices and clients, and interacting with as many staff and customers as I can. I feel the passion and commitment to AmBank Group, to our 42 years of expertise in supporting Malaysians in their economic development and improved well-being.

I am humbled by the longevity of our AmBank Group customers, some of whom have been with us for all of our four decades, and have grown businesses from cradle to IPO. I am also delighted to see our customer base growing. Already our AmBank Signature Priority Banking customer base has increased six-fold from December 2016 to March 2017, and there is more to come.

We recently commissioned a pulse check on our brand health and the indicators in the wider market are encouraging. We have a positive upturn from consumers indicating an interest in banking with AmBank in the near future.

## Customers and Digital at the Core of Our Business

Customers are of course at the very core of our business. We thrive when we can integrate our financial services into the lives of our customers and our digital journey is at the forefront of that integration.

Over the past year we have focused on building the foundation pillars for our digital journey into the future, with infrastructure and application programming interface (API) readiness. We have optimised existing channels and customer touch point experiences to increase our customer base and cross-sell relevant services.

We are now accelerating the next phase of our digital capabilities with our Group-wide digital roadmap that focuses on integrating our services into the daily lives of our customers in an innovative and practical manner. We will continue to strengthen our digital positioning through partnerships and collaboration across various industries.

## Review of 2016-2017

From a global perspective, market conditions have been harsh this past year, with economic growth rates at their lowest level since the 2008 Global Financial crisis. The changing consumer landscape and the convergence of responses to digital disruptors affected many industries and generally increased competition in the market place.

Political surprises such as the United Kingdom's vote to withdraw from the European Union, and the result of the US presidential election heightened volatility. The oil and gas industry experienced a sharp decline with pricing in 2016 falling 70 percent lower than in 2014 as the markets faced an oversupply of oil.

Closer to home, the Malaysian ringgit fell to its lowest level against the US dollar since the Asian financial crisis of 1997-98. The US presidential election prompted a flow of funds into the United States and out of markets like Malaysia, causing volatility in Malaysian Government Securities yields.

The impact of the oil price decline hit export revenues and also led to a drop in government revenue. There were further challenges on the property front with excesses of supply in office space and shopping complexes. Overall, Malaysia's 2016 gross domestic product (GDP) growth came in at 4.2 percent, the lowest since 2008.

## More Technology, More Regulation in the Financial Industry

In the financial sector, two issues took on high levels of significance this past year. Firstly, we have seen increasing competition from Fintech (financial technology) companies operating in our traditional space. Whilst Fintech has the potential for more disruption, at the same time there are huge potential benefits from the new technologies and innovation coming into the marketplace.

We envisage that partnerships with key Fintech players will integrate into our digital roadmap and form an ecosystem for our AmBank Group customers across their day to day needs. In addition, big data analytics will help to capture new sources of business and drive internal efficiencies.

Secondly, there is a widening emphasis on compliance from government regulators. Worldwide, the financial industry is coming under closer scrutiny. At AmBank Group, we are investing strongly in our compliance culture and infrastructure as part of our strategic priority of 'setting up for success.'

We are integrating our compliance function as a strategic element of the business, working in partnership to operate within the framework prescribed by our regulators.

As a priority, our Compliance Department has been restructured, with the right subject matter expertise and skill sets to ensure independence. Further, measures have been taken to strengthen the key enablers of compliance, which includes policies, procedures, training, technology and systems.

# MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER

## Laser Focus on Top 4 Strategy

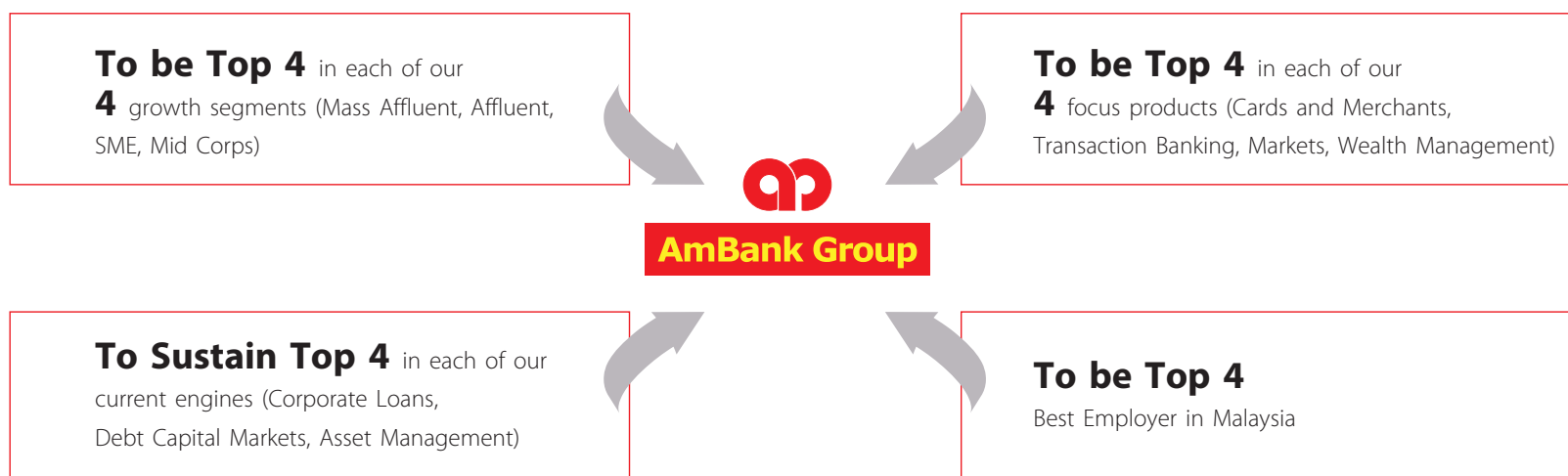
We started our strategic journey towards Top 4 in April 2016 after an intense seven-week period of analysis and consultation as to our future direction, involving our board, senior management and working groups of our business and support teams.

One year into our transformation journey, we already have traction in many areas, including digital transformation, increased deposits and cross-selling of services to over 3 million customers. We have also made appropriate and measured changes in emphasis to our management structure, business divisions and support services.

We are pleased with the initial progress and we are confident that the Group is well positioned to achieve our growth targets and progressively deliver optimal returns for our shareholders.

With our Top 4 Strategy, we aim to be among the top four banks in Malaysia by 2020 by focusing on 33 initiatives related to the following quadrants:

- Be among the top four in our four growth segments – mass affluent, affluent, SME and mid corporates;
- Be among the top four in our four key products – cards and merchants, transaction banking, markets and wealth management;
- Sustain top four position in each of our current engines – corporate loans, debt and capital markets and asset management; and
- Be among the top 4 employers in Malaysia.



## Strengthening Our Leadership

To build our capability and lead our transformation, we have invested this year in a new senior management team. We now have new leaders in wholesale banking, retail banking, business banking, information, operations & digital, risk and transformation. This complements the senior management changes we made the previous year in human resources, compliance and Islamic banking.

We have also revived our group talent council and departmental talent council to identify talent and provide opportunities for our people to excel and grow through coaching, grooming and mentoring.

## Reorganisation

With our Top 4 Strategy at the front of mind, we have started a new Business Banking division which comprises Enterprise Banking and Commercial Banking in order to focus on growth in our targeted area of small and medium-sized enterprise (SME) businesses. We have joined Group Operations, Group Information Systems and Digital Banking into one division. We have streamlined several functions in Group Risk and Retail Banking to provide more focus and rigour, and we have set up a Group Transformation Office to monitor our progress.

## Financial Performance

AmBank Group made progress against the backdrop of a challenging operating environment for the financial year ended 31 March 2017 (FY17). Our total income was up by 1.9% year on year (YoY) to RM3,765.6 million. We controlled our expenses, bringing them down by 0.6% YoY to RM2,160.5 million and profit (after tax and minority interests) for the year rose 1.7% YoY to RM1,324.6 million.

Net interest income (NII) was weaker in FY17 caused by margin compression in the second half of 2016 from the roll off of higher yield legacy retail loans. Our ongoing initiatives to improve our cost of funds alleviated that compression as our net interest margin (NIM) improved in the second half of FY17.

Non-interest income (NII) ended the year stronger with an annual growth of 11.9% underpinned by trading gains from debt capital market syndication and fixed income activities as well as gain on disposal of foreclosed property. We saw encouraging momentum in sustainable fee income especially in wealth management and bancassurance.

Our gross impaired loans (GIL) ratio improved to 1.86% from 1.94% driven by continued improvement in retail asset quality. Recoveries were stronger though net allowance write-back was marginally lower due to higher provisions on impaired wholesale loans.

Our expense growth was contained despite investments for growth and compliance as the Group took on a concerted effort in executing various cost savings initiatives. As a result, our cost-to-income ratio (CTI) improved by 1.4 percentage points to 57.4%.

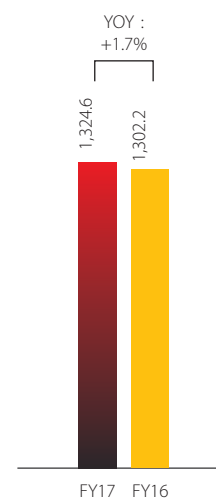
We registered the impact of our Top 4 strategy with a 3.5% growth in loans to RM91.0 billion. At the forefront of this growth were Mortgages which grew stronger at 20.5% YoY. SME and Mid Corporate loans, our target growth segments, also recorded encouraging growth at 17.4% and 2.1% respectively. Cards receivables base was up 7.6% with heightened acquisition of new cards and higher cards spending underpinned by enhanced value propositions.

Our deposits from customers increased 8.5% in the last quarter of FY17 supported by corporate and retail fixed deposits. On a YoY basis, deposits rose 4.1%. Current accounts and savings accounts (CASA) recorded an annual growth of 6.1% reflecting traction in cash management, payroll acquisition and retail SME.

**Profit Before Provision**



**Profit After Tax and Minority Interests**

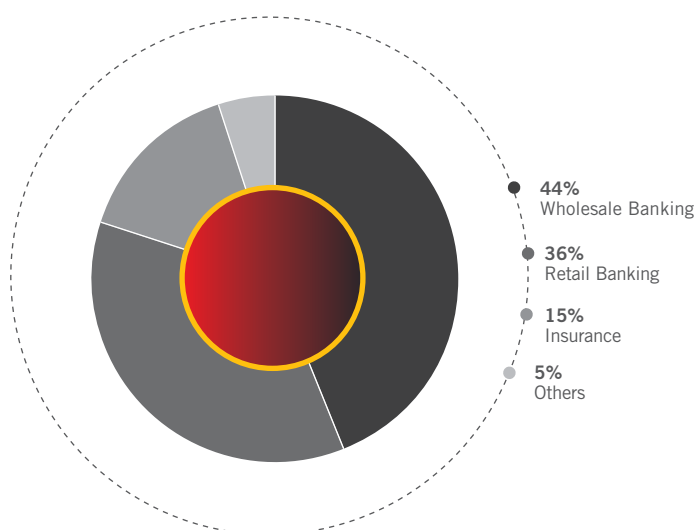


**Dividend**

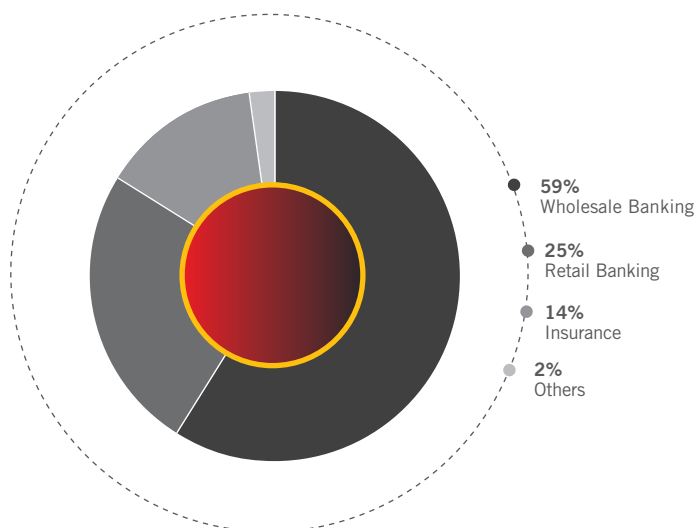


# MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER

**Divisional Income Contribution (YoY)**



**Divisional PAT Contribution (YoY)**



## Business Performance

Wholesale Banking did well in FY17, recording a total income expansion of 12.9% YoY. That growth was underpinned by capital market activities and stronger trading gains. We can expect more growth next year as we increase penetration on our full suite of services.

Retail Banking was impacted by margin compression and saw income fall 7.9% YoY. The Retail loan base grew 5.4% supported by robust growth in mortgage loans and cards. Next year, we expect to see stronger results as the benefits of this year's divisional restructuring become apparent. In Retail Banking, we have refined key performance indicators, given more clarity to the ownership of our channels, segments and products and redesigned our incentive schemes for branch managers and relationship managers.

Our Islamic Banking business continues to form an integral part of the Wholesale and Retail Banking divisions, with profit after taxation and zakat increasing by 6.4%, supported by higher trading income and net allowance written back. Going forward, we want to position AmBank Islamic as a value-based financial intermediary offering differentiated shariah-compliant financial solutions. We will be setting up a financial research and development team to drive innovation and create new products for our customers.

Our General Insurance business recorded a higher net earned premium of RM368.9 million. We are the no. 1 motor insurer in Malaysia. In preparation for the liberalisation of premium pricing for motor and fire insurance products slated for July 2017, we have developed a risk pricing model infrastructure and increased penetration to non-motor products.

As for our life assurance and Takaful businesses, we will continue to focus on customer-centricity and aspire to be the preferred life insurer in Malaysia. With our partner MetLife Inc., we will continue to drive our life insurance business by leveraging on our bank customer base moving forward.

## Malaysia's Outlook 2017-2018

So far in 2017, we have seen a pickup in Malaysia's economic growth. GDP for the year is expected to come in around 4.3% – 4.8% (2016: 4.2%) because of continued expansion in domestic activities and stronger exports on account of an improving global economy.

Consumer spending looks set to rise after recent pro-growth measures from the government and signs of consistent wage growth. Support for domestic investment activity will likely come from capital expenditure in the manufacturing sector and ongoing large-scale infrastructure projects.

We project that inflation will rise to around 3.0% – 4.0% in 2017 (2016: 2.1%) reflecting the impact of our weaker ringgit and higher commodity prices, especially on retail fuel prices.

In the banking system, we expect a modest growth in retail loans and an improvement in business loans which will push loans growth to between 5.0% and 6.0% in 2017. We think growth support is likely to come from mortgage loans for affordable homes and infrastructure loans.

## FY18 Targets

In the coming year, AmBank Group will maintain its laser-sharp focus on its Top 4 Strategy. We will be accelerating penetration into our targeted segments and expanding in areas where we are already strong. We will focus on growth of quality assets, our deposit mix, maximising fees and optimising & improving our risk-adjusted returns.

Our focus in FY18 is to further unleash the bank's potential, expand our share of our customer's wallet and increase our customer base through our digital proposition. We will also strengthen our SME and corporate portfolios.

We have created a new division called Business Banking to enhance our focus on the SME segment. We are very excited with the prospects of this new division. Business Banking comprises two lines of business:

- **Enterprise Banking** will drive programme lending and flow business such as foreign exchange and trade
- **Commercial Banking** will focus on liabilities and discretionary lending, along with ancillary solutions.

For our people, we will be investing further to nurture our internal talent and attract external talent where necessary. In the digital arena, our transformation initiatives will focus on unrivalled customer experience and internal efficiencies, creating a digitally enabled workforce and embedding innovation into our way of working. In compliance, we will continue to implement programmes to invest in our compliance culture and infrastructure.

## How we will do it: 'Run the bank better' and 'Change the bank'

### RUN THE BANK BETTER

*Unlock value across our footprint, capabilities, customer base and talent pool*  
**Drive efficiency and build momentum**

*Create new sources of competitive advantage through harnessing digital & analytics to take us to the next level*

### CHANGE THE BANK

# MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER



## Sustainability

Banks exist to support and sustain economic development and AmBank Group has a clear responsibility to play a positive role in the communities in which we operate. This year we have made some changes to the way we assess our wider risks and opportunities in our communities with our first Sustainability Statement.

We have built this formal assessment and sustainability process so that we can clearly identify and reshape our environmental, economic & social risks and opportunities. In this process, we have regrouped our most pressing areas of risk and opportunity into three key areas - responsible banking, employer of choice and positive societal impact. Over time, we will integrate these areas into our core business decisions and our reporting to shareholders and stakeholders.

At the centre of our inaugural Sustainability Statement is an assessment that identifies the material sustainability matters which are of significance to both our stakeholders and to AmBank this year. Going forward, we will conduct this materiality assessment on an annual basis. It is an important tool in identifying and evaluating concerns raised by our stakeholders in formulating our strategic plans to pursue sustainable business growth. The sustainability framework will also support AmBank in developing a longer term, more equitable and sustainable outlook.

## Awards

The RAM League Awards recognise accomplishment and leadership in the Malaysian bond and sukuk market. This year, we won five RAM Awards of Distinction, we were placed in the top 3 for bonds in Malaysia by Bloomberg and we won bond-related awards from MorningStar Malaysia and The Edge/Thomson Reuters Lipper.

In the Asset Triple A Asia Infrastructure Awards, we won Malaysia's best project finance bank and best transport deal. For the latest phase of the DUKE Highway in Kuala Lumpur, we won the Alpha Southeast Asia Best Wakalah Deal of the Year.

We also won the Asia Asset Management Award for Best Pension Fund Manager for the fourth year. At the Asset Triple A Islamic Finance Awards we were awarded best Islamic asset management house, Malaysia; best local currency sukuk and best loan syndication.

For the fifth year, we won the Best FX Bank for Corporates & Financial Institutions from Alpha Southeast Asia.

We won three e-payment excellence awards from MyClear, including outstanding contribution to JomPAY. We won another three awards from Visa, including highest payment volume growth in Visa Signature cards.

In recognition of our best practices in human resources, we were a winner of the HR Asia Best Company to Work For in Malaysia Award 2016.

### **New Group Chief Financial Officer**

Our new Group Chief Financial Officer with effect from 1 June 2017 is Jamie Ling. He is a Chartered Accountant and joins us with more than 20 years of commercial, financial and international banking experience across Asia and Europe.

I would like to make particular mention of Mandy Simpson, who was AmBank Group Chief Financial Officer for five years from 2012 and returned to Australia and New Zealand Banking Group Limited (ANZ) at the end of May 2017. She played a significant role in crafting the Top 4 Strategy and driving transformation efforts. With her exemplary leadership, she has built a strong team within Group Finance.

### **Thanks and Acknowledgments**

I express my gratitude to our Board of Directors for their support and trust through the challenging past 12 months. Their guidance and advice to the Group management team during the implementation phase of our Top 4 Strategy has been invaluable.

To our valued customers and shareholders, regulators and communities, thank you for your continued trust, loyalty and support.

We cherish the fact that our people are our most valuable asset. I would like to thank AmBankers for working hard and positively contributing to the Top 4 Strategy this year.

Thank you for your contributions and for focusing on what we do best, helping individuals and businesses in Malaysia grow and win together.



**SULAIMAN MOHD TAHIR**  
Group Chief Executive Officer

Kuala Lumpur  
30 June 2017

# Driving Economic Growth

We have banking solutions to support your growth. From your first bank account to your company's first loan, to your corporate IPO, we are here with you. We continue to provide seamless banking experience and solutions to our customers while they grow with us.





# ABOUT US



27	AmBank Group Corporate Profile
28	Our Milestones
32	Corporate Information
34	Group Corporate Structure
36	Strategic Business Entities





# AMBANK GROUP CORPORATE PROFILE

**AmBank Group is a leading Malaysian financial services group with 42 years of rich expertise in supporting Malaysians in their economic development. It has over three million customers and employs 11,000 people.**

The Group was listed on the Main Market of Bursa Malaysia in 1988. It is the sixth largest banking group by assets in Malaysia, with a market capitalisation of around RM14 billion and assets of RM134.8 billion as at 31 March 2017.

AmBank Group offers a wide range of both conventional and Islamic financial solutions and services, including wholesale banking, retail banking, investment banking, underwriting of general insurance, life assurance and takaful, stock and share broking, futures broking, investment advisory and management services in assets, real estate investment trust and unit trusts.

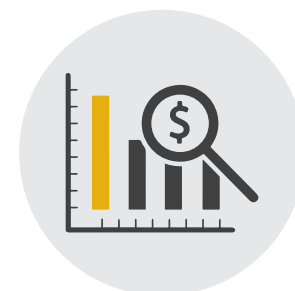
The Group's Purpose is to help individuals and businesses in Malaysia grow and win together.



Over  
**3 million** customers



Employs  
**11,000** people.



Market capitalisation of  
**RM14** billion



# OUR MILESTONES



**1976**

Set up as a joint venture between Malaysian and Arab interests



**1988**

Arab-Malaysian Merchant Bank Berhad is the first merchant bank to be listed on Bursa Malaysia



**2005**

Merger of AmBank & AmFinance



**1982**

Tan Sri Azman Hashim acquires 100% of the Group



**2001**

Acquired MBf Finance



→ **2007**  
Strategic partnership with ANZ



→ **2014**  
Strategic partnership with MetLife




→ **2006**  
Strategic partnership with IAG



→ **2012**  
Acquired Kurnia Insurance & MBf Cards



# OUR MILESTONES

- 1975**
- Arab-Malaysian Development Bank Berhad was incorporated on 5 August 1975 as a joint venture between Malaysian Industrial Development Finance Berhad with a 55.0% shareholding, Arab Investments for Asia (Kuwait) with a 33.0% shareholding, and the National Commercial Bank (Saudi Arabia) holding 12.0%
- 1977**
- The Group acquired a 70.0% shareholding in Malaysian Industrial Finance Company Limited, which was later renamed Arab-Malaysian Finance Berhad (AMFB)
- 1980**
- AMFB became the first private sector institution in Malaysia to issue public bonds – RM20.0 million 8.5% Guaranteed Bonds 1987, listed on the Kuala Lumpur Stock Exchange. The Bonds marked a new chapter in the history of private sector fund raising in the capital markets
- 1982**
- Tan Sri Azman Hashim acquired 100.0% shareholding in the Group
  - The Group acquired the remaining 30.0% shareholding of AMFB, making it a wholly-owned finance company subsidiary
- 1983**
- The Group was renamed Arab-Malaysian Merchant Bank Berhad (AMMB)
  - AMMB established a credit and leasing company, Arab-Malaysian Credit Berhad
- 1984**
- AMMB launched Malaysian Ventures Berhad to undertake private equity investments
  - AMMB arranged the first leveraged lease facility in the country for Sistem Televisyen Malaysia Berhad (TV3)
  - AMMB acquired Arab-Malaysian Insurance Berhad, a general insurance company formerly known as Teguh Insurance Company Sdn Bhd
- 1985**
- AMMB acquired Prima Assurance Berhad, a life insurance company
- 1986**
- AMMB acquired a stockbroking firm, Kris Securities Sdn Bhd, later renamed as AmSecurities Sdn Bhd
  - AMMB relocated its corporate headquarters to Jalan Raja Chulan, Kuala Lumpur
  - Antah Holdings Berhad and Tokai Bank Limited, Japan acquired 20.0% shareholding each in AMMB
  - AMMB launched Arab-Malaysian Unit Trusts Berhad to manage unit trust funds
- 1987**
- AMMB's two insurance companies merged to form Arab-Malaysian Eagle Assurance Berhad, holding composite insurance licences
  - AMMB sponsored the establishment of The Malaysia Fund Inc, a close-ended investment fund listed on the New York Stock Exchange, to invest in equities of Malaysian companies listed on the KLSE. The Malaysia Fund raised USD87.0 million
- 1988**
- AMMB became the first merchant bank to be listed on the Kuala Lumpur Stock Exchange
  - AMMB was appointed as Adviser to the Government to formulate the National Privatisation Masterplan
  - AMMB launched the first equity unit trust fund, Arab-Malaysian First Fund
- 1989**
- Arab-Malaysian Property Trust became the first property trust to be listed on the KLSE
- 1990**
- AMMB was appointed as Adviser and Managing Underwriter for the flotation of Telekom Malaysia Berhad
  - AMFB acquired First Malaysia Finance Berhad
- 1991**
- AMMB acquired a 49.0% equity stake in the holding company of Fraser Securities, Singapore
  - AMMB, in collaboration with Nikko Securities Co. Ltd. in Japan, sponsored the establishment of Malaysia Fund (Labuan), the first offshore unit trust fund in the Federal Territory of Labuan
  - Pursuant to a corporate restructuring scheme, AMMB Holdings Berhad became the holding company of the Arab-Malaysian Banking Group and assumed the listing status of AMMB
  - Arab-Malaysian Finance Berhad, the Group's finance company, was listed on the KLSE
- 1993**
- AMMB launched Tabung Ittikal Arab-Malaysian, the first Islamic Unit Trust Fund
  - AMMB acted as Manager and Arranger for the RM240.0 million Syndicated Credit Facility for the construction of Menara Kuala Lumpur
- 1994**
- AMMB ventured into commercial banking with the acquisition of the Malaysian operations of Security Pacific Asian Bank Limited from Bank of America (Asia) Limited. It started commercial banking operations as Arab-Malaysian Bank Berhad
- 1995**
- AMMB International (L) Ltd commenced offshore banking operations in Labuan, the first merchant bank to offer offshore banking services
  - AMMB Futures Sdn Bhd commenced futures broking business
- 1996**
- AMMB Holdings Berhad's annual report won the Overall Award for the Most Outstanding Annual Report for six consecutive years from 1991 to 1996 in the NACRA awards
  - Macquarie Bank Limited, Australia acquired 30.0% shareholding in each of AMMB Futures Sdn Bhd, AMMB Asset Management Sdn Bhd and Arab-Malaysian Unit Trusts Berhad
- 1997**
- AMMB Securities (HK) Limited commenced stock broking operations in Hong Kong
- 1998**
- AMFB acquired the assets and liabilities of Abrar Finance Berhad, in line with the Government's plan to consolidate the industry
- 2001**
- AMFB acquired MBf Finance Berhad
- 2002**
- Merger of Arab-Malaysian Finance Berhad and MBf Finance Berhad, following the vesting of the assets and liabilities of AMFB into MBf Finance. The latter changed its name to AmFinance Berhad. AMFB was converted into AMFB Holdings Berhad
  - 'Arab-Malaysian Banking Group' rebranded to 'AmBank Group' with new Group corporate colours of red, representing prosperity and good fortune and yellow representing commitment and unity



## 2003

- Bangunan AmFinance, now known as Menara AmBank on Jalan Yap Kwan Seng, Kuala Lumpur, was officially opened by the then Prime Minister, Tun Dr Mahathir Mohamad

## 2005

- Completed privatisation of AMFB Holdings Berhad
- AmInvestment Group Berhad, the Group's investment banking operations, listed on Bursa Malaysia
- AmBank and AmFinance merged to create AmBank (M) Berhad, the sixth largest domestic bank in the country

## 2006

- Am Private Equity, a private equity fund, was launched
- Insurance Australia Group Limited, Australia acquired 30.0% shareholding in AmAssurance Berhad
- Am ARA REIT Managers Sdn Bhd was incorporated with AIGB holding 70.0% equity and ARA Asset Management (Malaysia) Limited 30.0% to manage the AmFIRST REIT listing on Bursa Malaysia
- AmIslamic Bank commenced operations, with the vesting of the Islamic assets and liabilities of AmBank (M) Berhad into a separate subsidiary company

## 2007

- AmBank Group completed the integration of AmSecurities Sdn Bhd into AmInvestment Bank, which began operating as a fully-fledged investment bank offering both merchant banking and stockbroking services
- AmBank Group marks the entry of Australia and New Zealand Banking Group Limited (ANZ) as its strategic partner and major investor

## 2008

- Completed privatisation of AIGB, which became a wholly owned subsidiary of AMMB
- Established AmG Insurance Berhad to facilitate the separation of the composite insurance business of AmAssurance Berhad into general insurance and life insurance businesses
- Friends Provident PLC acquired a 30% stake in AmLife Insurance Berhad
- AmBank and ANZ entered into a technical services agreement to establish AmBank Group's foreign exchange, interest rate and commodities derivatives business
- IAG increased its stakeholding in AmG Insurance Berhad to 49.0% from 30.0%

## 2009

- AmIslamic Funds Management Sdn Bhd obtained a licence for Islamic funds management of offshore and domestic Islamic financial instruments for institutional and retail investors
- AmCapital (B) Sdn Bhd opened, bringing expertise in funds management, Islamic finance and investment advisory to Brunei Darussalam
- ANZ increased its shareholding in AmBank Group to 23.91% by converting its exchangeable bonds into new ordinary shares
- AmBank-MyKasih Community Programme was launched

## 2010

- AmBank (M) Berhad successfully issued RM1.42 billion senior notes under its newly established 30-year RM7.0 billion Senior Notes Issuance Programme, being the first financial institution to issue senior notes in Malaysia
- AmIslamic Bank successfully issued RM550.0 million Senior Sukuk under its newly established 30-year RM3.0 billion Senior Sukuk Musyarakah Programme

## 2011

- The Group continued to be recognised as an industry leader with awards including: Best Domestic Bond House in Malaysia from The Asset Triple A Country Awards 2010, Best Bond Group at The Edge-Lipper Malaysia Fund Awards, Five awards at the RAM League Awards 2011 for excellence in the bond markets, Best Chief Financial Officer for Investor Relations – Large Cap Award at the MIRA Inaugural Malaysia Investor Relations Awards, Best Asia Award at the Corporate Governance Asia Recognition Awards 2011

## 2012

- AmBank Group and ANZ signed a Business Principles Agreement to collaborate in areas of banking businesses including Islamic banking, transaction banking and wealth management across 27 countries, including Australia, China, Indonesia, Singapore and Vietnam
- AmSignature Priority Banking was launched, delivering personalised banking to the affluent segment in Malaysia
- AmFamily Takaful Berhad commenced Family Takaful business
- The Group's new corporate social responsibility platform AmKasih was launched
- AMMB Holdings Berhad changed its stock short name to AMBANK

- AmBank Group completed acquisition of Kurnia Insurans (Malaysia) Berhad, emerging as Malaysia's No. 1 motor insurer
- AmBank Group completed the acquisition of MBF Cards (M'sia) Sdn Bhd

## 2013

- Maiden issuance of Exchange Traded Bonds and Sukuk 'ETBS' on Bursa Malaysia by DanalInfra Nasional Berhad, creating new asset class on the Exchange, with AmInvestment Bank as one of the Lead Arrangers
- AmBank Group clinched the prestigious Bank of the Year in Malaysia 2013 award (The Banker Magazine) in recognition of the Group's strong management, sound business model and prudent risk management
- AmBanCS, the Group's new core banking system went live

## 2014

- AMMB Holdings Berhad's wholly-owned subsidiary, AMAB Holdings Sdn Bhd, and MetLife Inc.'s subsidiary, MetLife International Holdings Inc., entered into a share sale agreement which involved the sale of equity interest of AmLife Insurance Bhd and AmFamily Takaful Berhad. The signing was witnessed by Datuk Seri Najib Tun Razak, Prime Minister of Malaysia and Barack Obama, President of the United States of America
- AmBank Group unveiled the brand new logos of AmMetLife and AmMetLife Takaful, reflecting the new strategic partnership between AmBank Group and MetLife Inc

## 2015

- The 'AmIslamic Bank' brand was rebranded to 'AmBank Islamic'. The legal entity name was also changed from AmIslamic Bank Berhad to AmBank Islamic Berhad
- AmFIRST REIT announced the Proposed Acquisition of a three-storey MYDIN Hypermall in Pulau Pinang on 15 April 2015 for a total cash consideration of RM250 million

## 2016

- AmMetlife Insurance and AmMetlife Takaful moved their head office to Menara 1Sentrum
- AmBank Group launched its Top Four strategy to be one of Malaysia's leading banking groups by 2020

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

1. **Tan Sri Azman Hashim**  
Non-Independent Non-Executive Chairman
2. **Graham Kennedy Hodges**  
Non-Independent Non-Executive Director
3. **Suzette Margaret Corr**  
Non-Independent Non-Executive Director
4. **Soo Kim Wai**  
Non-Independent Non-Executive Director
5. **Dato' Rohana binti Tan Sri Mahmood**  
Senior Independent Non-Executive Director
6. **Dato' Seri Ahmad Johan bin Mohammad Raslan**  
Non-Independent Non-Executive Director
7. **Voon Seng Chuan**  
Independent Non-Executive Director
8. **Datuk Shireen Ann Zaharah binti Muhiudeen**  
Independent Non-Executive Director
9. **Seow Yoo Lin**  
Independent Non-Executive Director



## GROUP COMPANY SECRETARY

**Koid Phaik Gunn**  
MAICSA 7007433  
Chartered Secretary



## AUDIT AND EXAMINATION COMMITTEE OF DIRECTORS

1. **Seow Yoo Lin**  
(Chairman)  
Independent Non-Executive Director
2. **Soo Kim Wai**  
Non-Independent Non-Executive Director
3. **Voon Seng Chuan**  
Independent Non-Executive Director



## GROUP NOMINATION AND REMUNERATION COMMITTEE

1. **Dato' Rohana binti Tan Sri Mahmood**  
(Chairman)  
Senior Independent Non-Executive Director
2. **Suzette Margaret Corr**  
Non-Independent Non-Executive Director
3. **Soo Kim Wai**  
Non-Independent Non-Executive Director
4. **Voon Seng Chuan**  
Independent Non-Executive Director
5. **Datuk Shireen Ann Zaharah binti Muhiudeen**  
Independent Non-Executive Director



## RISK MANAGEMENT COMMITTEE OF DIRECTORS

1. **Datuk Shireen Ann Zaharah binti Muhiudeen**  
(Chairman)  
Independent Non-Executive Director
2. **Graham Kennedy Hodges**  
Non-Independent Non-Executive Director
3. **Voon Seng Chuan**  
Independent Non-Executive Director



## GOVERNANCE COMMITTEE

1. **Dato' Rohana binti Tan Sri Mahmood**  
(Chairman)  
Senior Independent Non-Executive Director
2. **Graham Kennedy Hodges**  
Non-Independent Non-Executive Director
3. **Soo Kim Wai**  
Non-Independent Non-Executive Director
4. **Dato' Seri Ahmad Johan bin Mohammad Raslan**  
Non-Independent Non-Executive Director



## REGISTERED OFFICE

22<sup>nd</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia  
Tel : +603-2036 2633  
Fax : +603-2032 1914



## REGISTRAR

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46, 47301 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7849 0777  
Fax : +603-7841 8151/8152  
Email : [ssr.helpdesk@symphony.com.my](mailto:ssr.helpdesk@symphony.com.my)



## AUDITORS

Messrs Ernst & Young  
Chartered Accountants



## PRINCIPAL BANKER

AmBank (M) Berhad



## GROUP INFORMATION TECHNOLOGY COMMITTEE

1. **Voon Seng Chuan**  
(Chairman)  
Independent Non-Executive Director
2. **Dato' Seri Ahmad Johan bin Mohammad Raslan**  
Non-Independent Non-Executive Director
3. **Seow Yoo Lin**  
Independent Non-Executive Director



## STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa  
Malaysia Securities Berhad  
Listing Date : 13 February 1992  
Stock Name : AMBANK  
Stock Code : 1015



## WEBSITE

[ambankgroup.com](http://ambankgroup.com)



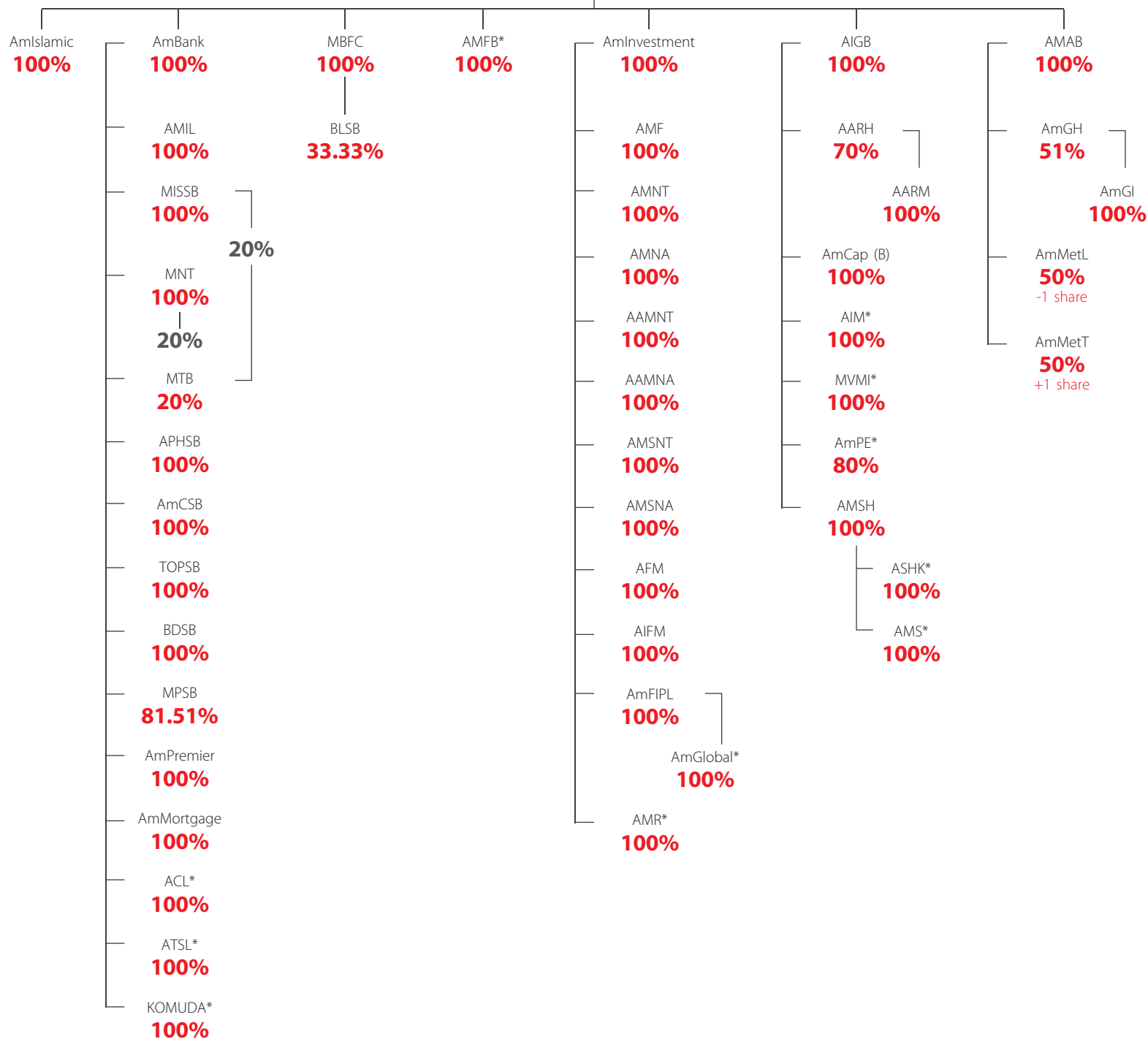
## INVESTOR RELATIONS

[ir@ambankgroup.com](mailto:ir@ambankgroup.com)

# GROUP CORPORATE STRUCTURE

as at 31 March 2017

## AMMB Holdings Berhad



\*In members' voluntary winding-up

Legend	Company	Principal Activities
<b>AMMB</b>	– AMMB Holdings Berhad	Investment holding
<b>AMFB</b>	– AMFB Holdings Berhad	Investment holding (In members' voluntary winding-up)
<b>AmIslamic</b>	– AmBank Islamic Berhad	Islamic banking
<b>AmBank</b>	– AmBank (M) Berhad	Commercial banking
AMIL	– AmLabuan Holdings (L) Ltd	Investment holding
AmCSB	– AmCard Services Berhad	Credit card-related services and asset financing agency
AmPremier	– AmPremier Capital Berhad	Issue of subordinated securities
AmMortgage	– AmMortgage One Berhad	Securitisation of mortgage loans
MTB	– MBf Trustees Berhad	Trustee services
MNT	– MBf Nominees (Tempatan) Sdn Bhd	Nominee services
MISSB	– MBf Information Services Sdn Bhd	Property investment
APHSB	– AmProperty Holdings Sdn Bhd	Property investment
BDSB	– Bougainvillaea Development Sdn Bhd	Property investment
MPSB	– Malco Properties Sdn Bhd	Dormant
TOPSB	– Teras Oak Pembangunan Sendirian Berhad	Dormant
ATSL	– AmTrade Services Limited	Dormant (In members' voluntary winding-up)
ACL	– AMBB Capital (L) Ltd.	Dormant (In members' voluntary winding-up)
KOMUDA	– Komuda Credit & Leasing Sdn Bhd	Dormant (In members' voluntary winding-up)
<b>AmInvestment</b>	– AmInvestment Bank Berhad	Investment banking
AMF	– AmFutures Sdn Bhd	Dormant
AFM	– AmFunds Management Berhad	Funds management including management of unit trusts and Private Retirement Schemes
AIFM	– AmIslamic Funds Management Sdn Bhd	Islamic fund management services and distribution of wholesale funds
AMNT	– AMMB Nominees (Tempatan) Sdn Bhd	Nominee services
AMNA	– AMMB Nominees (Asing) Sdn Bhd	Nominee services
AAMNT	– AM Nominees (Tempatan) Sdn Bhd	Nominee services
AAMNA	– AM Nominees (Asing) Sdn Bhd	Nominee services
AMSNT	– AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services
AMSNA	– AMSEC Nominees (Asing) Sdn Bhd	Nominee services
AmFIPL	– AmFraser International Pte Ltd	Investment holding
AmGlobal	– AmGlobal Investments Pte Ltd	Dormant (In members' voluntary winding-up)
AMR	– AmResearch Sdn Bhd	Dormant (In members' voluntary winding-up)
<b>AIGB</b>	– AmInvestment Group Berhad	Investment holding
AmCap (B)	– AmCapital (B) Sdn Bhd	Dormant
AARH	– Am ARA REIT Holdings Sdn Bhd	Investment holding
AARM	– Am ARA REIT Managers Sdn Bhd	Management of real estate investment trusts
AMSH	– AmSecurities Holding Sdn Bhd	Investment holding
ASHK	– AmSecurities (HK) Limited	Dormant (In members' voluntary winding-up)
AIM	– AmInvestment Management Sdn Bhd	Dormant (In members' voluntary winding-up)
AmPE	– AmPrivate Equity Sdn Bhd	Investment holding (In members' voluntary winding-up)
AMS	– AMSEC Holdings Sdn Bhd	Dormant (In members' voluntary winding-up)
MVMI	– Malaysian Ventures Management Incorporated Sdn Bhd	Dormant (In members' voluntary winding-up)
<b>AMAB</b>	– AMAB Holdings Sdn Bhd	Investment holding
AmGH	– AmGeneral Holdings Berhad	Investment holding
AmGI	– AmGeneral Insurance Berhad	General insurance
AmMetL	– AmMetLife Insurance Berhad	Life assurance
AmMetT	– AmMetLife Takaful Berhad	Family takaful
<b>MBFC</b>	– MBF Cards (M'sia) Sdn Bhd	Dormant
BLSB	– Bonuskad Loyalty Sdn Bhd	Managing customer loyalty schemes

# STRATEGIC BUSINESS ENTITIES



**AmBank Group**

## AMMB Holdings Berhad

AMMB Holdings Berhad is the holding company of AmBank Group and has been listed on the Main Market of Bursa Malaysia since 1988. It is the sixth largest banking group by assets in Malaysia, with a market capitalisation of around RM14 billion and assets of RM134.8 billion at 31 March 2017.

AmBank Group is one of Malaysia's premier financial solutions groups with 42 years of experience in supporting Malaysians in their economic development. AmBank Group offers a wide range of both conventional and Islamic financial solutions and services, including wholesale banking, retail banking, investment banking, underwriting of general insurance, life assurance and takaful, stock and share broking, futures broking, investment advisory and management services in assets, real estate investment trust and unit trusts.

The Group's purpose is to help individuals and businesses in Malaysia grow and win together.

The Australia and New Zealand Banking Group (ANZ) is the most substantial shareholder in the AmBank Group (holding 23.8%) and provides support in Board and senior management representations, risk and financial governance, products offering and new business developments.

In the general insurance business, the Group has partnered with Insurance Australia Group Ltd (IAG). In the life assurance and family takaful businesses, the Group has a partnership with MetLife International Holdings Inc (MetLife). The Group benefits in terms of expertise transfer from IAG and MetLife.



**AmBank**

## AmBank (M) Berhad

AmBank (M) Berhad (AmBank) is part of the AmBank Group and offers a comprehensive suite of financial products and services focused on retail banking and preferred segments in small business, SME, mid corp and corporate customers. Supported by a strong network of 175 branches, 183 electronic banking centres, 766 ATMS, a 24-hour contact centre and a digital banking system, access to AmBank's financial solutions and services is simple and convenient.



## AmInvestment Bank

### AmInvestment Bank Berhad

AmInvestment Bank Berhad (AmInvestment Bank), part of the AmBank Group, is a leading Malaysian investment bank with over 30 years of experience. It provides a full range of wholesale banking related products and services that include Corporate Finance, Equity Markets, Debt Markets, Islamic Capital Markets, and Markets & Private Banking.

AmInvestment Bank has an award-winning track record in the debt, equity and Islamic capital markets.

AmFunds Management Berhad (AmInvest) is the funds management business of AmBank Group and manages both conventional and Shariah-compliant funds. It is one of the leading fund management houses in Malaysia and has an award-winning track record spanning more than three decades. As at 31 March 2017, AmInvest has approximately RM37.2 billion assets under management.

AmInvest manages unit trust and wholesale funds, institutional mandates, exchange-traded funds and Private Retirement Scheme funds, encompassing both conventional and Shariah-compliant funds.



### AmMetLife Insurance Berhad

AmMetLife Insurance Berhad (AmMetLife) is a strategic partnership between AMMB Holdings Berhad (AmBank Group) and MetLife International Holdings, Inc. (MetLife). AmMetLife offers a comprehensive range of life assurance and wealth protection solutions distributed through a combination of AmBank and AmMetLife branch offices nationwide, in addition to the strength of its authorised life insurance agents nationwide.



## AmBank Islamic

### AmBank Islamic Berhad

AmBank Islamic Berhad (AmBank Islamic) is the Islamic banking arm of the AmBank Group. Since its beginnings as AmBank Group's Islamic banking division in 1993 and subsequently incorporated as an Islamic bank in 2006, AmBank Islamic has built a reputation in serving the banking needs of individuals, businesses and institutions.

AmBank Islamic's comprehensive range of Shariah-compliant retail and wholesale banking products and services (including treasury and trade solutions), and their delivery channels; continuously evolve in line with market changes. This dynamic approach supports the agenda to help individuals, businesses and institutions in Malaysia grow and win together.



## AmAssurance

### AmGeneral Insurance Berhad

AmGeneral Insurance Berhad (AmGeneral Insurance) is one of the largest motor and general insurance companies in Malaysia with over four million policy holders. It is backed by a strong partnership between AmBank Group and IAG Trading under its two trusted brands, AmAssurance and Kurnia.

AmGeneral Insurance generates business from a comprehensive range of general insurance solutions distributed through a network of 32 insurance branches servicing 7,000 agents and dealers, as well as through AmBank branches and customer touch points nationwide.



### AmMetLife Takaful Berhad

AmMetLife Takaful Berhad (AmMetLife Takaful) is a strategic partnership between AmBank Group and MetLife. The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group.

AmMetLife Takaful offers a comprehensive range of takaful solutions distributed by its authorised takaful agents and AmBank branches nationwide.

# LEADERSHIP



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# BOARD OF DIRECTORS

Standing from left

**SUZETTE MARGARET CORR**  
Non-Independent Non-Executive Director

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

**DATO' SERI AHMAD JOHAN BIN MOHAMMAD RASLAN**  
Non-Independent Non-Executive Director

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

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

**DATO' ROHANA BINTI TAN SRI MAHMOOD**  
Senior Independent Non-Executive Director

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

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

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



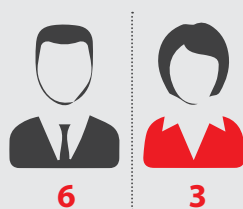
**Ethnicity**



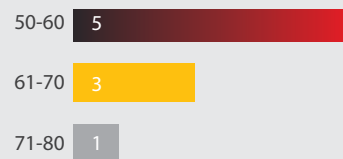
**Nationality**



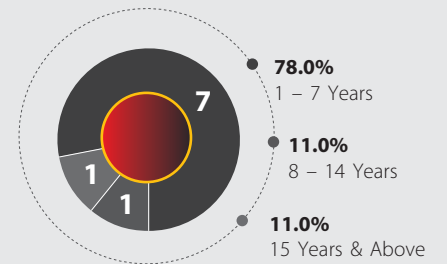
**Gender**



**Age Group**



**Length of Service**



# PROFILE OF DIRECTORS



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

**Nationality** : Malaysian  
**Gender | Age** : Male | 78  
**Date of Appointment** : 15 August 1991  
**Length of Tenure as Director** : 26 Years

#### Qualifications

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

#### Directorships

Chairman,  
 Non-Independent Non-Executive Director of the following  
 AmBank Group subsidiaries:

- AmBank (M) Berhad
- AmInvestment Bank Berhad
- AmGeneral Insurance Berhad
- AmMetLife Insurance Berhad
- AmGeneral Holdings Berhad
- AmInvestment Group Berhad

Executive Chairman, Amcorp Group Berhad

#### Relevant Expertise

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 Chairman of the Asian Institute of Finance Berhad, Asian Institute of Chartered Bankers, Asian Banking School Sdn Bhd, Malaysian Investment Banking Association, the Malaysia Productivity Corporation, Malaysia South-South Corporation Berhad and Chairman Emeritus of Pacific Basin Economic Council (PBEC).

He is the President of Malaysia South-South Association, Malaysia-Japan Economic Association, Malaysian Prison FRIENDS Club and a Member of the APEC Business Advisory Council and 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 a member of the Governing Body of Asian Productivity Organisation.

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. Tan Sri Azman is also the Founder and Council Member of Azman Hashim Family (L) Foundation and Azman Hashim Charitable (L) Foundation.

#### 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.*

*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 2017.*



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

**Nationality** : Australian  
**Gender | Age** : Male | 62  
**Date of Appointment** : 30 June 2016  
**Length of Tenure as Director** : 1 Year

#### Membership of Board Committees

Member of the Company's Risk Management Committee of Directors  
 Member of the Company's Governance Committee

#### Qualifications

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

#### Directorships

None

#### Relevant Expertise

Graham Kennedy Hodges is the Deputy Chief Executive Officer of Australia and New Zealand Banking Group (ANZ). Prior to that, he was 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.

#### 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 (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 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee

# PROFILE OF DIRECTORS



**SUZETTE MARGARET CORR**  
Non-Independent Non-Executive Director

**Nationality** : Australian  
**Gender | Age** : Female | 56  
**Date of Appointment** : 23 January 2015  
**Length of Tenure as Director** : 2 Years

#### Membership of Board Committees

Member of the Company's Group Nomination and Remuneration Committee

#### Qualifications

Bachelor of Commerce, University of Western Australia, Australia  
Master of Business Administration, University of Queensland, Australia

#### Directorships

None

#### Relevant Expertise

Suzette Margaret Corr is the General Manager Human Resources Institutional for Australia and New Zealand Banking Group (ANZ). She is an experienced human resources executive with demonstrated strengths in strategy and execution developed across a range of sectors, including Consulting and Financial Services.

#### Declaration

*She 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: She 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.*

*She has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee



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

**Nationality** : Malaysian  
**Gender | Age** : Male | 56  
**Date of Appointment** : 4 October 2002  
**Length of Tenure as Director** : 14 years

**Membership of Board Committees**

Member of the Company's Group Nomination and Remuneration Committee  
 Member of the Company's Audit and Examination Committee  
 Member of the Company's Governance Committee

**Qualifications**

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

**Directorships**

Director, RCE Capital Berhad  
 Director, Amcorp Properties Berhad  
 Director, Amcorp Group Berhad

**Relevant Expertise**

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 and serves as Chairman of Am ARA REIT Managers Sdn Bhd, the Manager of AmFirst Real Estate Investment Trust.

**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 (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 2017.*

**Committee Membership**

- **Audit and Examination Committee**
- **Risk Management Committee of Directors**
- **Group Nomination And Remuneration Committee**
- **Group Information Technology Committee**
- **Governance Committee**

# PROFILE OF DIRECTORS



**DATO' ROHANA BINTI TAN SRI MAHMOOD**  
Senior Independent Non-Executive Director

**Nationality** : Malaysian  
**Gender | Age** : Female | 63  
**Date of Appointment** : 8 July 2011  
**Length of Tenure as Director** : 5 Years

#### Membership of Board Committees

Chairman of the Company's Group Nomination and Remuneration Committee  
 Chairman of the Company's Governance Committee

#### Qualifications

Bachelor of Arts (Honours) in Politics, Essex University  
 United Kingdom  
 Master's degree in International Relations, Sussex University  
 United Kingdom

#### Directorships

Director, AmInvestment Bank Berhad, a subsidiary of the Company  
 Director, Sime Darby Berhad  
 Director, Sime Darby Property Berhad  
 Director, Paramount Corporation Berhad

#### Relevant Expertise

Dato' Rohana binti Tan Sri Mahmood is Chairman/Partner/Director and Founder of RM Capital Partners, a Malaysian private equity fund. She was chairman and co-founder of Ethos Capital, a Malaysian private equity fund 2007-2012.

Dato' Rohana is a member of Global Council of the Asia Society, New York and a member of APEC Business Advisory Council of Malaysia.

She is also the Chairman/Director and Founder of RMCP One Sdn Bhd. She sits on the board of various private companies including amongst others, Sime Darby Industrial Holdings Sdn Bhd, KDU University College Sdn Bhd, YIM Technology Resources Sdn Bhd and RM Capital Partners & Associates Sdn Bhd.

Dato' Rohana is the Chairman, Advisory Council and founding member of the Kuala Lumpur Business Club, an invitation-only networking and business development organisation limited to 100 members of Malaysia's leading corporate and business leaders. She is a Distinguished Fellow and board member of the Institute of Strategic and International Studies (ISIS) Malaysia. Prior to ISIS, Dato' Rohana was attached to the Ministry of Foreign Affairs Malaysia.

#### 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 (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee





**DATO' SERI AHMAD JOHAN BIN MOHAMMAD RASLAN**  
Non-Independent Non-Executive Director

**Nationality** : Malaysian  
**Gender | Age** : Male | 57  
**Date of Appointment** : 9 December 2014  
**Length of Tenure as Director** : 2 Years

#### Membership of Board Committees

Member of the Company's Group Information Technology Committee  
 Member of the Company's Governance Committee

#### Qualifications

Bachelor of Science (Honours) in Economics & Accountancy, University of Hull, United Kingdom  
 Fellow, Institute of Chartered Accountants in England & Wales  
 Member, Malaysian Institute of Certified Public Accountants  
 Member, Malaysian Institute of Accountants

#### Directorships

Director, Eco World International Berhad (Listed on the Main Market of Bursa Malaysia Securities Berhad on 3 April 2017)

#### Relevant Expertise

Dato' Seri Ahmad Johan bin Mohammad Raslan is a former Executive Chairman of PricewaterhouseCoopers Malaysia (PwC). He spent ten (10) years of his career in London, United Kingdom, and 20 years in Malaysia, working in the fields of assurance and advisory. He retired from PwC in 2012.

When his contract as Senior Adviser to the AmBank Group Chairman ended, Dato' Seri Johan was redesignated as a Non-Independent Non-Executive Director of the Company, effective 1 December 2016.

In addition to his assurance and advisory work, Dato' Seri Johan has frequently been consulted in matters concerning corporate governance. Dato' Seri Johan's past work for the Government of Malaysia has included memberships of the boards of Perbadanan Putrajaya (Putrajaya Corporation), The Retirement Fund Incorporated (KWAP), and the Chairmanship of the Financial Reporting Foundation. He is currently a member of the Financial Services Professional Board.

#### 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 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee

# PROFILE OF DIRECTORS



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

**Nationality** : Malaysian  
**Gender | Age** : Male | 58  
**Date of Appointment** : 18 June 2015  
**Length of Tenure as Director** : 2 Years

#### Membership of Board Committees

Chairman of the Company's Group Information Technology Committee  
 Member of the Company's Audit and Examination Committee  
 Member of the Company's Risk Management Committee of Directors  
 Member of the Company's Group Nomination and Remuneration Committee

#### Qualifications

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

#### Directorships

Director, AmBank (M) Berhad, a subsidiary of the Company  
 Director, Mesiniaga Berhad

#### Relevant Expertise

Voon Seng Chuan sits on the board of Silverlake International Ltd and Silverlake International (HK) Limited.

He has been part of the Information Technology (IT) industry for about three (3) 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.

#### 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 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee



**DATUK SHIREEN ANN ZAHARAH BINTI MUHJUDEEN**  
Independent Non-Executive Director

**Nationality** : Malaysian  
**Gender | Age** : Female | 54  
**Date of Appointment** : 30 June 2016  
**Length of Tenure as Director** : 1 Year

#### Membership of Board Committees

Chairman of the Company's Risk Management Committee of Directors  
 Member of the Company's Group Nomination and Remuneration Committee

#### Qualifications

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

#### Directorships

None

#### Relevant Expertise

Datuk Shireen Ann Zaharah binti Muhiudeen is the founder of Corston-Smith Asset Management. She set up Corston-Smith after 12 years with the global insurance company, AIG. In all, she has more than 29 years of focused fund management expertise. In recognition of her work in the industry, she was named one of the 25 most influential women in the Asia-Pacific region for asset management by Asian Investor, a regional publication, in June 2011 and in March 2014, she was honoured by Forbes Asia as one of the 50 Asia's Power Businesswomen 2014.

Datuk Shireen was a member of IFC's working group for the establishment of the Philippine Stock Exchange's Maharlika Board, a distinct trading board for companies with world-class corporate governance practices. She is currently a member of the International Advisory Panel for Labuan International Business and Financial Centre. She was an Independent Director and chaired the Governance Committee of a public listed company from 2011 to 2015. She was a director of a foreign bank from December 2013 to February 2016.

#### 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 (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee

# PROFILE OF DIRECTORS



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

**Nationality** : Malaysian  
**Gender | Age** : Male | 61  
**Date of Appointment** : 30 June 2016  
**Length of Tenure as Director** : 1 Year

#### Membership of Board Committees

Chairman of the Company's Audit and Examination Committee  
 Member of the Company's Group Information Technology Committee

#### Qualifications

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

#### Directorships

Director, Southern Steel Berhad  
 Director, Hume Industries Berhad  
 Director, Dolomite Corporation Berhad

#### Relevant Expertise

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 Resources 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.

#### 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 in 31 March 2017.*

#### Committee Membership

- Audit and Examination Committee
- Group Nomination And Remuneration Committee
- Governance Committee
- Risk Management Committee of Directors
- Group Information Technology Committee

# PROFILE OF COMPANY SECRETARY



**KOID PHAIK GUNN**  
Group Company Secretary

**Nationality** : Malaysian  
**Gender | Age** : Female | 51  
**Date of Appointment** : 2009  
**Length of Tenure as Director** : 8 Years

#### Qualifications

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

#### Directorships

None

#### Relevant Expertise

Koid Phaik Gunn is the named Company Secretary of AMMB Holdings Berhad. She has more than 30 years of experience in corporate secretarial practice.

Ms Koid joined AmBank Group in 1993 as Company Secretary to 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.

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

#### 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 (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*



*Standing from left, first row*

**UJI SHERINA  
ABDULLAH**  
Group Chief  
Human Resource Officer

**KOID PHAIK GUNN**  
Group Company Secretary

**EQHWAN  
MOKHZANEE  
MUHAMMAD**  
Chief Executive Officer  
AmBank Islamic Bhd

**DATO' SULAIMAN  
MOHD TAHIR**  
Group Chief Executive Officer

*Standing from left, second row*

**JADE LEE GAIK  
SUAN**  
Managing Director  
Retail Banking

**CHRISTOPHER  
YAP HUEY WEN**  
Managing Director  
Business Banking

*Third row*

**JEROEN THIJS**  
Group Chief Risk Officer

**DEREK  
LLEWELLYN  
ROBERTS**  
Chief Executive  
Officer AmGeneral  
Insurance Berhad



# SENIOR MANAGEMENT TEAM

*Standing from left, first row*

**DATUK ISWARAAN SUPPIAH**  
Group Chief  
Operations Officer

**RAJA TEH MAIMUNAH RAJA ABDUL AZIZ**  
Chief Executive Officer  
Aminvestment Bank  
Managing Director  
Wholesale Banking

**FARADINA MOHAMMAD GHOUSE**  
Group Chief  
Compliance Officer

**MANDY JEAN SIMPSON**  
Group Chief  
Financial Officer  
(Retired with effect  
1 June 2017)

**RAMZI ALBERT TOUBASSY**  
Chief Executive Officer  
AmMetLife Insurance  
Berhad

**THEIN KIM MON**  
Chief Internal Auditor

**JAMIE LING**  
Group Chief  
Financial Officer  
(Appointed with  
effect 1 June 2017)

*Standing from left, second row*

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# PROFILE OF GROUP SENIOR MANAGEMENT



**DATO' SULAIMAN BIN MOHD TAHIR**

#### **Position**

Group Chief Executive Officer  
AmBank Group  
Chief Executive Officer  
AmBank (M) Berhad

#### **Nationality**

Malaysian

#### **Gender | Age**

Male | 54

#### **Date of Appointment**

23 November 2015

#### **Qualifications**

Accounting Graduate from Royal Melbourne Institute of Technology, Australia

#### **Responsibilities**

Dato' Sulaiman bin Mohd Tahir is the Group Chief Executive Officer of AmBank Group and Chief Executive Officer of AmBank (M) Berhad ("AmBank") (a wholly-owned subsidiary of AMMB), the commercial banking arm of AmBank Group, a position he has held since November 2015.

As Group Chief Executive Officer of AmBank Group, he oversees the management of all businesses in the group to deliver sustainable long-term value for shareholders, customers, employees and other stakeholders of AmBank Group. These businesses include Retail and Commercial Banking, Investment Banking, Islamic Banking, Corporate Banking, Transaction Banking, Global Markets, Life & General Insurance/Takaful Operations and Asset Management, staffed by a workforce of more than 11,000. Dato' Sulaiman is currently leading the group in its journey to be amongst the top 4 banks in Malaysia by year 2020.

Dato' Sulaiman is also a Member of the Company's Nomination and Remuneration of Committee of Directors and Investment Committee of Directors.

#### **Working Experience**

Dato' Sulaiman has a wealth of experience backed by 30 years of managing and spearheading growth in consumer banking as well as in commercial and corporate banking in Malaysia.

He first served with the accounting firm now known as Pricewaterhouse before repositioning his career in banking in 1987 by joining the Bank of Commerce. Prior to joining AmBank Group, he has held many prominent positions at a leading ASEAN bank before his appointment as Chief Executive Officer/Executive Director of the Bank, where he led the development, management and performance of the bank's consumer banking business.

#### **Directorships in Public Companies and Listed Issuers**

AmMetLife Insurance Berhad  
AmMetLife Takaful Berhad  
AmGeneral Insurance Berhad  
AmGeneral Holdings Berhad  
AMAB Holdings Sdn Bhd

#### **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 2017.*

*He does not have any interest in the securities of AMMB Holdings Berhad or its subsidiaries, save for unexercised options granted under the company's Executives' Share Scheme.*





**JAMIE LING**

**Position**  
Group Chief Financial Officer  
AmBank Group  
(Appointed with effect 1 June 2017)

**Nationality**  
Malaysian

**Gender | Age**  
Male | 48

**Date of Appointment**  
1 June 2017

**Qualifications**

BA (Hons) in Economics and Accounting  
University of Newcastle Upon Tyne, United Kingdom  
Member, Institute of Chartered Accountants in England and Wales.  
Member, Association of Chartered Certified Accountants

**Responsibilities**

Jamie Ling is responsible for all aspects of finance in AmBank Group and takes a lead role in setting the Group's financial strategy and overall business strategy.

**Working Experience**

Jamie has over 20 years of commercial, financial and international banking experience across Asia and Europe, where he has held various roles in finance, treasury, risk management and sales.

He qualified as a chartered accountant in London, and moved into finance with HSBC, London. Thereafter, Jamie joined Standard Chartered Bank where he held various leadership roles in Malaysia, the United Kingdom, and North East Asia. Most recently, he was the Regional Chief Financial Officer for Greater China

and North East Asia at Standard Chartered Bank, overseeing finance functions for four major banking legal entities operating 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 is the largest market of the group.

**Directorships in Public Companies and 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 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 2017.*



**MANDY JEAN SIMPSON**

**Position**  
Group Chief Financial Officer  
AmBank Group  
(Retired with effect 1 June 2017)

**Nationality**  
New Zealand (CHK)

**Gender | Age**  
Female | 46

**Date of Appointment**  
16 May 2012

**Qualifications**

Bachelor of Commerce  
University of Canterbury, New Zealand  
Chartered Accountant  
Institute of Chartered Accountants, New Zealand

**Responsibilities**

Mandy Jean Simpson is responsible for all aspects of finance in AmBank Group and takes a lead role in setting the Group's financial strategy and overall business strategy. She is a secondee from the Australia and New Zealand Banking Group (ANZ).

**Working Experience**

Mandy has over 24 years of experience in the financial sector spanning New Zealand, the United Kingdom, Australia and Malaysia. She has held several senior finance and lead business roles, most recently with ANZ, where she was variously General Manager of Deposits, Head of Savings and Investments, Head of Strategy and Finance, Banking Products and Divisional Marketing, Managing Director of ANZ Bank (Samoa) Ltd. and Chief Financial Officer of Corporate and Small to Medium Enterprises. She joined AmBank Group in 2011 as Chief General Manager of Distribution and Transformation for Retail Banking.

Mandy was named Asia's Best CFO (Investor Relations) at the 5th Asian Excellence Recognition Awards 2015 and CFO of the Year, Financial Institutions, Malaysia at The Asset CFO/Treasurer of the Year Awards 2014.

**Directorships in Public Companies and 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 for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*

# PROFILE OF GROUP SENIOR MANAGEMENT



**Position**  
Chief Executive Officer  
AmInvestment Bank Berhad  
Managing Director  
Wholesale Banking  
AmBank Group

**Nationality**  
Malaysian

**Gender | Age**  
Female | 48

**Date of Appointment**  
7 February 2017

**RAJA TEH MAIMUNAH RAJA ABDUL AZIZ**

## Qualifications

Bachelor of Laws LLB (Hons)  
University of East London, United Kingdom  
Honorary Doctorate of Law  
University of East London, United Kingdom  
Advisor on Islamic Banking & Finance  
to the World Islamic Economic Forum Foundation  
Member of Malaysian Institute of Accountants  
Board Member of Islamic Banking and  
Finance Institute Malaysia  
Member, Social Impact Committee,  
Agensi Inovasi Malaysia

## Working Experience

Raja Teh Maimunah Raja Abdul Aziz has 23 years of experience in banking and finance, across all product groups of investment banking and Islamic banking including equity and debt origination, mergers and acquisition, private placements, proprietary investments, initial public offerings and secondary offerings, asset backed securitisation, debt and restructuring.

Prior to joining AmBank Group, Raja Teh Maimunah was the Managing Director/CEO of Hong Leong Islamic Bank. She started her career with KPMG Peat Marwick Consultants and then moved in to banking and finance. Among the senior positions she has held

are Global Head, Islamic Markets of Bursa Malaysia, Chief Corporate Officer & Head, International Business, Corporate & Investment Banking of Kuwait Finance House (Malaysia), Senior Director of Bank Alkhair, Bahrain/Kuala Lumpur, Associate Director at CIMB Investment Bank and Senior Vice President, Investment Banking of RHB Investment Bank.

Raja Teh Maimunah has received various awards and accolades including the 'Most Influential Brand Leader' from World Brand Congress in 2016 and 'Most Enterprising Islamic Bank Women CEO of the Year 2016' by Global Brands Magazine.

## Directorships in Public Companies and 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 for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*



**Position**  
Managing Director  
Retail Banking  
AmBank (M) Berhad

**Nationality**  
Malaysian

**Gender | Age**  
Female | 60

**Date of Appointment**  
1 December 2016

**JADE LEE GAIK SUAN**

## Qualifications

Bachelor of Science (Hons) University Malaya  
Certified Six Sigma Champion

## Working Experience

Jade Lee Gaik Suan has more than 30 years of financial sector experience across wealth management, priority banking & segments, retail product management, shared services, contact centre, credit cards and sales management.

Prior to joining AmBank Group, she was Head, Regional Wealth Management & Segments at CIMB Bank, where she was instrumental in driving the digitisation of wealth management services and holistic financial planning.

Jade started her career in American Express Malaysia. She went on to lead teams and businesses in Standard Chartered Bank and RHB Bank. At Prudential Services Asia, she set up a new shared services centre. She has considerable experience in growing businesses through product innovation and distribution expansion.

## Directorships in Public Companies and 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 for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*



**EQHWAN MOKHZANEE MUHAMMAD**

**Position**  
Chief Executive Officer  
AmBank Islamic Berhad

**Nationality**  
Malaysian

**Gender | Age**  
Male | 41

**Date of Appointment**  
1 April 2015

**Qualifications**

Bachelor of Economics (Hons),  
University of Cambridge, United Kingdom  
Master of Economics (Hons),  
University of Cambridge, United Kingdom  
Fellow, Institute of Chartered Accountants in  
England and Wales  
Chartered Accountant,  
Malaysian Institute of Accountants  
Chartered Banker,  
Asian Institute of Chartered Bankers

**Working Experience**

Eghwan Mokhzanee Muhammad has almost 20 years of corporate and financial services experience.

He started his career with PricewaterhouseCoopers in London and then joined the corporate advisory practice of PricewaterhouseCoopers in Kuala Lumpur. Prior to joining AmBank Islamic, Eghwan worked with local and foreign banks where he gained experience in inter alia business development, debt capital markets, corporate finance, treasury, 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.

Other than in banking, his experience includes corporate management, mergers and acquisitions, strategy development and operational start-ups both within and outside Malaysia.

**Directorships in Public Companies and 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 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 2017.*



**CHRISTOPHER YAP HUEY WEN**

**Position**  
Managing Director  
Business Banking  
AmBank Group

**Nationality**  
Malaysian

**Gender | Age**  
Male | 44

**Date of Appointment**  
2 February 2017

**Qualifications**

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

**Working Experience**

Christopher Huey Wen Yap has 20 years of experience in financial services, with specific focus on the commercial and small & medium-size enterprise (SME) segments. He oversees a new business grouping, comprising Enterprise Banking and Commercial Banking.

Christopher started his career in trade services at Citibank Malaysia. Prior to joining AmBank Group, he was Head of SME Banking for Alliance Bank, where he grew SME business to 25 percent of the bank's revenue. He and his team won the award for 'Best SME Bank in Asia Pacific 2015' from The Asian Banker.

**Directorships in Public Companies and 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 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 2017.*

# PROFILE OF GROUP SENIOR MANAGEMENT



**DEREK LLEWELLYN ROBERTS**

**Position**  
Chief Executive Officer  
AmGeneral Insurance Berhad

**Nationality**  
Australian

**Gender | Age**  
Male | 45

**Date of Appointment**  
17 September 2014

## Qualifications

Bachelor of Business Science,  
University of Cape Town, South Africa  
Qualified Chartered Accountant  
Member, South African Institute of  
Chartered Accountants

## Working Experience

Derek Llewellyn Roberts is responsible for the overall business growth, strategic direction and performance of the general insurance business of AmBank Group. He has over 16 years of professional experience in the insurance industry and financial sector in South Africa, United States, United Kingdom, Australia and Malaysia.

Before joining AmGeneral Insurance, Derek led a large transformational change programme within the claims operation of Insurance Australia Group's (IAG) Direct Insurance Division in Australia. Prior to that, Derek was Chief Financial Officer for a joint venture within IAG and Head of Short Tail Claims for Direct Insurance.

Derek is currently a Director of Insurance Services Malaysia Berhad, and a Member of the Management Committee and Chairman of the Motor Sub Committee for General Insurance Association of Malaysia (PIAM).

## Directorships in Public Companies and Listed

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 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 2017.*



**RAMZI ALBERT TOUBASSY**

**Position**  
Chief Executive Officer  
AmMetLife Insurance Berhad

**Nationality**  
CHK

**Gender | Age**  
Male | 49

**Date of Appointment**  
19 September 2014

## Qualifications

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

## Working Experience

Ramzi Albert Toubassy is responsible for executing a transformation strategy to achieve profitable growth and accelerate shareholder return and ensure the operational effectiveness of the AmMetLife business in Malaysia. He has accumulated over 21 years of experience in the insurance industry.

Ramzi started his career with American International Group (AIG) in 1996. He joined MetLife since 2012, and previously served as its Head of Face-to-Face Distribution for the Europe, Middle East and Africa region. Prior to joining MetLife, he was with AIA, where over a period of eight years, he held several key management roles including Deputy Chief Agency Officer in Hong Kong, Senior Assistant General Manager in Malaysia, Deputy General Manager & Director of Distribution in Korea, and Chief Distribution Officer in Vietnam.

## Directorships in Public Companies and Listed

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 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 2017.*



**DATUK ISWARAAN SUPPIAH**

**Position**  
Group Chief Operations Officer  
AmBank Group

**Nationality**  
Malaysian

**Gender | Age**  
Male | 53

**Date of Appointment**  
2 February 2017

**Qualifications**

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

**Working Experience**

Datuk Iswaraan Suppiah oversees a new division of Group Operations, Group Information Systems and Digital Banking for AmBank Group. He has 30 years of experience in banking, audit, operations and information services.

Datuk Iswaraan started his career in audit with the accountancy firm Arthur Anderson. He joined the Bank of Commerce in 1991 and moved to CIMB Securities in 1994 where he held various senior positions in operations, equity risk, strategic risk and compliance and finally held the position as Executive Director of Operations before moving to the parent company CIMB Merchant Bank in 2000. Prior to joining AmBank Group, Datuk Iswaraan was Group Chief Information and Operations Officer for CIMB Group. He led digital transformation, information technology and operations functions across all business and geographical markets and his key focus area was to digitise the bank by applying technology innovation.

**Directorships in Public Companies and 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 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 2017.*



**FARADINA BINTI MOHAMMAD GHOUSE**

**Position**  
Group Chief Compliance Officer  
AmBank Group

**Nationality**  
Malaysian

**Gender | Age**  
Female | 47

**Date of Appointment**  
15 March 2016

**Qualifications**

Bachelor of Management (Hons)  
University Science Malaysia

**Working Experience**

Faradina binti Mohammad Ghouse has 23 years of experience in the financial services industry, having served in Malaysian, regional and global positions in anti-money laundering operations, audit, securities & funds services and trade operations.

Faradina started her career in the stockbroking industry as a dealer representative. She joined Citibank Berhad in 1994 as a management associate and became Head of Operations for Securities & Funds Services and Trade Operations. Faradina also served as Audit Manager with Citigroup's Asia Pacific Audit and Risk Review division in Singapore. Prior to joining AmBank Group, she was the Global Head of Transactions Monitoring, Standards and Training for Citigroup's Anti-Money Laundering (AML) Operations. In this role, she set the operational procedures and standards for AML transactions review across all AML operations hubs for Citigroup.

**Directorships in Public companies and 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 for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*

# PROFILE OF GROUP SENIOR MANAGEMENT



**JEROEN PETRUS MARGARETHA MARIA THIJS**

**Position**  
Group Chief Risk Officer  
AmBank Group

**Nationality**  
Dutch

**Gender | Age**  
Male | 50

**Date of Appointment**  
1 January 2017

## Qualifications

Bachelor of Business & Finance  
Master of Business & Finance  
Rotterdam Erasmus University, Netherlands

## Working Experience

Jeroen Petrus Margaretha Maria Thijs has over 26 years of experience working mostly in Asia and Europe across risk management, corporate banking, structured finance and treasury. He has worked in Malaysia since 2009 and has wide exposure to the Malaysian business environment, financial service industry and risk landscape.

Jeroen started his career with Rabobank International in Singapore as a credit analyst and went on to hold senior positions with ABN AMRO Bank in financial services in Japan, Singapore, Netherlands and the United Kingdom. Prior to joining AmBank Group, he was Country Chief Risk Officer for OCBC Bank Malaysia. He served as Chief Risk Officer for Bank Islam Malaysia from 2009-2014. Jeroen has substantial hands-on experience with the Malaysia's Conventional and Islamic Banking models and risk management.

## Directorships in Public companies and 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 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 2017.*



**UJI SHERINA BINTI ABDULLAH**

**Position**  
Group Chief Human Resource Officer  
AmBank Group

**Nationality**  
Malaysian

**Gender | Age**  
Female | 56

**Date of Appointment**  
1 June 2015

## Qualifications

Associate in Occupational Studies Degree in Business Management, Central City Business Institute Syracuse, NY, USA

## Working Experience

Uji Sherina binti Abdullah has over 30 years of experience in Malaysian and multinational companies, including 22 years in the field of human resources, developing and leading human capital initiatives to complement corporate strategies.

Her expertise covers organisational development & talent management, leadership & succession planning, culture & team development and performance & rewards management.

Uji Sherina started her career in the telecommunications sector, before she found her vocation in human resource management. Prior to joining AmBank Group, Uji Sherina was Country Human Resource Director of HSBC Berhad. She was Country Human Resource Director of Citibank Berhad from 2004 to 2009.

## Directorships in Public Companies and 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 for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2017.*



**THEIN KIM MON**

**Position**  
Group Chief Internal Auditor  
AmBank Group

**Nationality**  
Malaysian

**Gender | Age**  
Male | 62

**Date of Appointment**  
1 July 2010

**Qualifications**

Chartered Banker  
Asian Institute of Chartered Bankers  
Chartered Accountant  
Institute of Chartered Accountants England and Wales  
Chartered Accountant  
Institute of Chartered Accountants Australia  
Chartered Member  
Institute of Internal Auditors Malaysia

**Working Experience**

Thein Kim Mon is responsible for providing independent audit and value-added assurance and consulting services to assist AmBank Group in realising its strategic objectives. He has over 41 years of experience in audit and risk management.

Prior to joining AmBank Group, Kim Mon spent 21 years with the Australia and New Zealand Banking Group (ANZ) where he held several key roles such as Chief Auditor in New Zealand and Regional Head of Audit, UK/Europe & Americas in London. Kim Mon began his career with Coopers & Lybrand (now PricewaterhouseCoopers) in London.

**Directorships in Public Companies and Listed**

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 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 2017.*

# GROUP ORGANISATION STRUCTURE



**Dato' Sulaiman Mohd Tahir**  
Group Chief Executive Officer

## LINE OF BUSINESSES



**Raja Teh Maimunah Raja Abdul Aziz**  
Chief Executive Officer  
AmInvestment Bank  
Managing Director  
Wholesale Banking



**Jade Lee Gaik Suan**  
Managing Director  
Retail Banking



**Christopher Yap Huey Wen**  
Managing Director  
Business Banking



**Eqhwan Mokhzanee Muhammad**  
Chief Executive Officer  
AmBank Islamic Bhd

## SUBSIDIARY



**Derek Llewellyn Roberts**  
Chief Executive Officer  
AmGeneral Insurance Berhad



### PARTNERSHIP



**Ramzi Albert Toubassy**  
Chief Executive Officer  
AmMetLife Insurance Berhad



**Vacant**  
Chief Executive Officer  
AmMetLife Takaful

### GROUP SHARED SERVICES



**Datuk Iswaraan Suppiah**  
Group Chief Operations Officer



**Jamie Ling**  
Group Chief Financial Officer  
(Appointed with effect  
1 June 2017)



**Mandy Jean Simpson**  
Group Chief Financial Officer  
(Retired with effect  
1 June 2017)



**Jeroen Thijs**  
Group Chief Risk Officer



**Uji Sherina Abdullah**  
Group Chief Human Resource Officer



**Faradina Mohammad Ghouse**  
Group Chief Compliance Officer



**Thein Kim Mon**  
Group Chief Internal Auditor



**Koid Phaik Gunn**  
Group Company Secretary

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# SHARIAH COMMITTEE

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Standing from left

**ASSOCIATE PROFESSOR DATIN DR. NOOR NAEMAH ABDUL RAHMAN**

**PROFESSOR DR. AMIR HUSIN MOHD NOR**

**ASSISTANT PROFESSOR DR. TAJUL ARIS AHMAD BUSTAMI – Chairman**

**ASSOCIATE PROFESSOR DR. ADNAN YUSOFF**

**DR. ASMAK AB RAHMAN**

# PROFILE OF SHARIAH COMMITTEE



**ASSISTANT PROFESSOR DR. TAJUL ARIS AHMAD BUSTAMI**

**Nationality** : Malaysian  
**Gender | Age** : Male | 47  
**Date of Appointment** : 1 July 2011  
**Length of Service** : 5 Years

## Qualifications

Bachelor of Law (Hons) LL.B  
 International Islamic University Malaysia  
 Bachelor of Law Shariah (Hons) LL.B\_S  
 International Islamic University Malaysia  
 Master of Laws LL.M  
 University of London, United Kingdom  
 Diploma in Shariah Law and Practice  
 International Islamic University Malaysia  
 Doctor of Philosophy (Ph.D) in Law  
 International Islamic University Malaysia  
 Member of Association of Shariah  
 Advisors in Islamic Finance Malaysia  
 (ASAS)

## Position

Chairman  
 Shariah Committee of AmBank Islamic  
 Berhad  
 A wholly owned subsidiary of AMMB  
 Holdings Berhad since 1 April 2016  
 Chairman  
 Shariah Oversight Committee  
 A sub-committee of the Shariah  
 Committee of AmBank Islamic Berhad

## Relevant Experience

Dr. Tajul Aris Ahmad Bustami is a lecturer and Assistant Professor, Department of Islamic Law, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia. His areas of specialisation are Islamic Banking Law and Takaful, Muslim Law of Succession & Waqf and Administration of Estates. He has written 12 books, contributed 7 chapters to other books, published 2 articles and presented 15 papers.

Dr. Tajul Aris has no family relationship with any director and/or major shareholder of AMMB Holdings Berhad. He has no conflict of interest with AMMB Holdings Berhad and neither has he been charged with any offences.

# PROFILE OF SHARIAH COMMITTEE



## PROFESSOR DR. AMIR HUSIN MOHD NOR

**Nationality** : Malaysian  
**Gender | Age** : Male | 51  
**Date of Appointment** : 1 April 2005  
**Length of Service** : 12 Years

### Qualifications

Bachelor of Shariah (Hons)  
 University of Malaya  
 Master of Laws LL.M  
 University of London, United Kingdom  
 Doctor of Philosophy (PhD) in Islamic Studies, University of Edinburgh

### Position

Member  
 Shariah Committee of AmBank Islamic Berhad  
 A wholly owned subsidiary of AMMB Holdings Berhad  
 Past Chairman of the Committee from 1 April 2005 – 31 March 2016

Member  
 Shariah Oversight Committee  
 A sub-committee of the Shariah Committee of AmBank Islamic Berhad

Member  
 Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)

### Relevant Experience

Professor Dr. Amir Husin Mohd Nor is a lecturer and Professor, Faculty of Syariah and Law, Islamic Science University of Malaysia (USIM). His areas of specialisation are Islamic Jurisprudence (Usul al-Fiqh) and Law.

He has served as Shariah Advisor for AmMetLife Takaful Berhad since 2014. Previously, he acted as Shariah Advisor for AmFamily Takaful Berhad (2011-2014). He is a Committee Member of Tabung Amanah Zakat UNITEN. Professor Dr. Amir Husin has written 14 books & chapters in books, completed 13 research papers and written 32 papers and contributions to journals.

Professor Dr. Amir Husin has no family relationship with any director and/or major shareholder of AMMB Holdings Berhad. He has no conflict of interest with AMMB Holdings Berhad and neither has he been charged with any offences.



## ASSOCIATE PROFESSOR DATIN DR. NOOR NAEMAH ABDUL RAHMAN

**Nationality** : Malaysian  
**Gender | Age** : Female | 54  
**Date of Appointment** : 1 April 2005  
**Length of Service** : 12 Years

### Qualifications

Bachelor of Shariah (Hons)  
 University of Malaya  
 Master of Shariah  
 University of Jordan  
 Doctor of Philosophy (Ph.D) in Shariah  
 University of Malaya

### Position

Member  
 Shariah Committee of AmBank Islamic Berhad  
 A wholly owned subsidiary of AMMB Holdings Berhad

Member  
 Shariah Oversight Committee  
 A sub-committee of the Shariah Committee of AmBank Islamic Berhad

Member  
 Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)

### Relevant Experience

Associate Professor Datin Dr. Noor Naemah Abdul Rahman is a lecturer, Associate Professor and coordinator for Applied Science in the Islamic Studies Program, Academy of Islamic Studies, University of Malaya. Her areas of specialisation are Islamic jurisprudence (Usul al-Fiqh) and Fatwa.

Datin Dr. Noor Naemah holds a post as Ahli Jawatankuasa Perundangan Hukum Syarak Wilayah Persekutuan (Session 2010-2013, 2011-2014, and 2014-2017). She also serves as Shariah

Advisor for AmMetLife Takaful Berhad since 2014. Previously, she acted as Shariah Advisor for AmFamily Takaful Berhad (2011-2014). She has written 14 books, contributed 11 chapters to other books, and completed 31 research projects, 48 presentations and 41 articles.

Datin Dr. Noor Naemah has no family relationship with any director and/or major shareholder of AMMB Holdings Berhad. She has no conflict of interest with AMMB Holdings Berhad and neither has she been charged with any offences.



**ASSOCIATE PROFESSOR DR. ADNAN YUSOFF**

**Nationality** : Malaysian  
**Gender | Age** : Male | 52  
**Date of Appointment** : 1 April 2005  
**Length of Service** : 12 Years

**Qualifications**

Bachelor of Shariah (Hons)  
 University Al-Azhar, Cairo, Egypt  
 Master of Comparative Laws  
 International Islamic University Malaysia  
 Doctor of Philosophy in Islamic Muamalat  
 University of Malaya

**Position**

Member  
 Shariah Committee of AmBank Islamic Berhad  
 A wholly owned subsidiary of AMMB Holdings Berhad  
  
 Member  
 Shariah Oversight Committee  
 A sub-committee of the Shariah Committee of AmBank Islamic Berhad

Member  
 Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)

**Relevant Experience**

Associate Professor Dr. Adnan Yusoff, is a Director of Tabung Amanah Zakat Universiti Tenaga Nasional (UNITEN), and lecturer and Associate Professor at UNITEN. 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).

Dr. Adnan also serves as Shariah Advisor for AmMetLife Takaful Berhad since 2014. He is a registered Shariah Advisor with the Securities Commission Malaysia. Previously, he acted as Shariah Advisor for AmFamily Takaful Berhad (2011-2014). He has written and presented about 30 articles and papers.

Dr. Adnan has no family relationship with any director and/or major shareholder of AMMB Holdings Berhad. He has no conflict of interest with AMMB Holdings Berhad and neither has he been charged with any offences.



**DR. ASMAK AB RAHMAN**

**Nationality** : Malaysian  
**Gender | Age** : Female | 43  
**Date of Appointment** : 1 July 2011  
**Length of Service** : 5 Years

**Qualifications**

Bachelor of Shariah  
 University of Malaya  
 Master of Shariah  
 University of Malaya  
 Doctor of Philosophy (Ph.D) in Islamic Economics  
 University of Malaya

**Position**

Member  
 Shariah Committee of AmBank Islamic Berhad  
 A wholly owned subsidiary of AMMB Holdings Berhad  
  
 Member  
 Shariah Oversight Committee  
 A sub-committee of the Shariah Committee of AmBank Islamic Berhad

Member  
 Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)

**Relevant Experience**

Dr. Asmak Ab Rahman is a Head of Department and a Senior Lecturer at the Department of Shariah and Economics, Academy of Islamic Studies, University of Malaya. Her areas of specialisation are Comparative Economic Development, Takaful, Islamic Banking, Islamic Economics and Economics of Waqf.

Dr. Asmak also serves as Shariah Advisor to SME Bank (2010-2017), Tabung Haji (2016-2017) and Hong Leong MSIG Takaful (2014-2017). She is a registered Shariah Adviser with the Securities Commission. Previously she acted as a

Shariah Advisor for Bank Islam Malaysia (2005-2009), AIA AFG Takaful (2011-2013) and BIMB Investment Management (2010-2013). She has written 5 books, contributed 14 chapters to other books and completed 38 research projects, presented 30 papers and made 54 journal submissions.

Dr. Asmak has no family relationship with any director and/or major shareholder of AMMB Holdings Berhad. She has no conflict of interest with AMMB Holdings Berhad and neither has she been charged with any offences.



8.5

**PIZZY DRINKS**

- Espresso
- Espresso Macchiato
- Espresso Lungo

**Espresso**

- Espresso
- Espresso Macchiato
- Espresso Lungo



A woman with long brown hair, wearing a black blazer, is shown in profile from the chest up, looking towards a menu board in a cafe. The menu board is black with a red illuminated section. In the background, there are shelves with coffee-making equipment and a sign with a large yellow letter 'A' on a blue background. The lighting is warm and indoor.

# Accelerating business aspirations

Small and medium-sized enterprises (SMEs) are the life blood of Malaysia and build the future of our nation. We are targeting SME growth so we can help you grow and manage your business.

# MANAGEMENT DISCUSSION AND ANALYSIS



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# ECONOMIC AND BANKING INDUSTRY REVIEW AND OUTLOOK

## Global Review

2016 was a year that witnessed fundamental shifts in political and social dynamics. Uncertainties on US monetary policy, volatility in global commodity prices and concerns over global growth created a dynamic and challenging environment. This was compounded by unexpected developments such as the UK's EU referendum (Brexit) and the outcome of the US presidential election. Still, the global output registered a stable growth in 2016.

The advanced economies registered favourable growth. This was supported by lower inventories and some pickup in manufacturing output. However, the output in a number of advanced economies, notably in the euro area remained below potential.

Growth in Asia moderated despite an improving trend in the second half of 2016, supported by the bottoming out of oil prices, higher external demand from the United States and the European Union, fiscal stimulus and a slight easing of financial conditions in some economies. In particular, the Chinese economy was beset by structural changes, whilst the Indian economy was affected by a dip in consumption induced by cash shortages and payment disruptions associated with the Indian government's currency note withdrawal and exchange initiative.

Growth in ASEAN-5 (Malaysia, Indonesia, Thailand, Philippines, Singapore) was healthy, buoyed by domestic activities and exports. Activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp contraction in tourism revenues. Russia's growth was slightly better than expected, in part reflecting firmer oil prices.

## Malaysian Review

The Malaysian economy maintained commendable growth despite challenging times, driven by domestic demand. Household spending was sustained by continued wage and employment growth, with an additional lift from targeted measures for low- and middle-income households. Investment activities continued to be anchored by the ongoing implementation of infrastructure projects and capital spending as well as pre-emptive policies introduced to support for a more sustainable growth.

The domestic economy benefited from prudent fiscal policies implemented over the year and both the economy and financial sector remained resilient to past and ongoing reforms and improvements. Hence, the economy grew a credible 4.2% in 2016.

During the year, domestic interest rates fell with interbank rates, retail lending rates and fixed deposit rates trending lower. Bank Negara Malaysia reduced the Statutory Reserve Requirement (SRR) in February 2016 by 50 basis points to 3.50% and thereafter lowered the Overnight Policy Rate (OPR) by 25 basis points to 3.00% in July 2016.

## Global Financial Markets

Volatility in the global financial markets remained high in 2016, reflecting increased risk factors. The UK's EU referendum (Brexit) in June resulted to a short-term spike in volatility as well as sharp repricing of global financial assets. Secondly, the outcome of the US presidential election led to another round of strong volatility from November onwards owing to growing expectations of pro-growth and inflationary economic policies which saw global portfolio investments flowing towards the US equity market. The stronger demand for US dollar assets led to the appreciation of the US dollar. Global portfolio rebalancing impact was most significant in the emerging markets which led to the sharp depreciation of many emerging market currencies.

## Malaysian Financial Markets

For Malaysia, these uncertainties led to reversal flow of portfolio. Still the domestic financial markets were orderly and supportive of domestic financial intermediation despite bouts of volatility. The yields on Malaysian Government Securities (MGS) were primarily driven by external factors with the 3-year, 5-year and 10-year MGS yields increased by 24, 23 and 4 basis points, respectively. The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) declined by 3.0% (2015: -3.9%) to close at 1641.73 points, amid higher market uncertainties and tepid investor sentiments.

Financial stability on the domestic front was maintained despite heightened financial market volatility as Malaysia was able to buffer owing to its depth of the domestic financial markets and strong domestic institutional investors. Overall domestic funding conditions were stable, with improvements in the distribution of liquidity across banks. Financial institutions remained well-capitalised and profitable.

While the ringgit was affected by the same external shocks that impacted regional currencies, the volatility of the ringgit exchange rate was exacerbated by speculative activities in the offshore non-deliverable forward (NDF) market. This was especially evident in November following the US presidential election result. Speculation in the NDF market resulted in a significant disconnect between the offshore and onshore pricing of the ringgit exchange rate. Hence, the Financial Markets Committee (FMC), in collaboration with Bank Negara Malaysia, introduced several measures.

For the whole year, the ringgit depreciated by 4.3% to end the year at RM4.486 against the US dollar. The local currency also fell against the euro (-0.7%), the Australian dollar (-3.4%) and the Japanese yen (-7.3%) but strengthened against the British pound (15.4%). Against regional currencies, the ringgit was broadly weaker.

## Global Outlook

Global growth is expected to improve modestly to around 3.3% in 2017, from 3.1% in 2016. This pick-up in global growth is underpinned by ongoing and projected fiscal initiatives, notably in China and the United States, with easier stance in the euro area and initiatives in other economies. In addition, positive signs of improving accelerating activities and rising consumer and business confidence in advanced economies and a number of emerging market economies have emerged.

Furthermore, the weak global trade in 2016 is envisaged to improve particularly in Asia in 2017, partly due to firmer commodity and oil prices. Meanwhile, headline inflation is rising in most countries as the result of higher energy prices. Still underlying inflation in advanced economies is anticipate to remain subdued and will pick up only slowly as the expansion gains traction, including more robust wage growth across the income distribution.

Inflation is easing in a number of emerging market economies as the effect of past exchange rate depreciations fades and the effect of monetary policy actions works through, but commodity importers are exposed to rising commodity prices.

While envisaging trade growth in 2017, it is likely to remain below pre-crisis growth rates, in part reflecting a slowdown or reversal of the expansion of global value chains. Underpinned by weak global trade and investment as well as widening productivity gaps, the gap in real incomes and income inequality will have some knock on effect on global growth. It impacts many households, particularly at the bottom of the distribution, and has in turn held back aggregate consumption growth. Besides, rising interest rates and oil prices will somewhat offset the upside on global growth although higher commodity prices will benefit some emerging market economies.

## Malaysian Outlook

The outlook of the Malaysian economy in 2017 will depend on global economic performance and continued support from domestic demand. With a moderate global growth projected for 2017 added to firmer commodity prices, there will be a boost to the domestic economy with positive spillovers through trade, investment and income channels.

Domestic activity will be spurred with investment activity from capital expenditure in the export-oriented industries, particularly in the manufacturing sector, continued roll-out of large-scale infrastructure projects, sustained private consumption from healthy wage growth and recent pro-growth Government measures. Although the Government continues with its fiscal consolidation program by reprioritising public spending and lowering expenditure on non-critical items, the public sector is still projected to contribute positively to growth through continued public investment in selected sectors. Hence, the economy is poised to grow a credible 4.3-4.8% in 2017.

During the year, inflation is projected to be on the uptrend driven by cost – push pressure from the pass-through impact of the increase in global oil prices on domestic retail fuel prices and cheaper currency. This cost-driven inflation, however, is not expected to cause significant spillovers into the broader price trends, given the stable domestic demand conditions.

Monetary policy will ensure stable growth continues amidst price stability in a challenging environment. Furthermore, the fiscal policy in 2017 will further strengthen the Government’s fiscal position while supporting growth and promoting economic inclusiveness.

Meanwhile, the risk of a potential disconnect between financial markets and fundamentals on the global front remains. It can result in market volatility, financial vulnerabilities and policy uncertainties. Vulnerabilities remain in some advanced economies from strong price increases. Risks to emerging market economies are high, including higher corporate debt, rising non-performing loans and vulnerability to external shocks. Such risks could derail the projected moderate global recovery including Malaysia’s growth.

## Financial Sector Outlook

Thus, Malaysia’s financial conditions are expected to remain challenging, especially for some businesses and households in 2017. Some deterioration in loan performance is likely, but is not expected to be broad-based given the generally strong asset quality of banks, stable labour market conditions and continued economic growth. The ongoing low interest rate environment will also increase challenges for life insurers. Stress tests conducted are expected to ensure resilience to severe macroeconomic and financial strains.

A key challenge to the banking landscape is to manage risk in the current volatile and uncertain environment. There is an essential need to continuously improve early warning systems and supervision to ensure they are more robust, and at the same time use macro prudential instruments appropriately and promote effective approaches to manage and resolve non-performing loans. Also important is maintaining governance and transparency.

Hence, the cost of rising regulation and compliance will remain. Following the 2008 Global Financial Crisis, regulation and compliance gained strong attention. Financial institutions are increasingly investing to meet the growing complex regulatory environment and this threatens to raise the cost of compliance overwhelmingly. Furthermore, financial institutions are under increasing pressure to find technological solutions and develop a winning digital strategy that maintains agility and awareness.

# OUR BUSINESS MODEL

## Our Key Assets as Input

- Providing superior customer experience at every customer touch point
- High-performing talented employees focused on our Top 4 Strategy
- Responsible leadership
- High levels of goodwill
- Longevity in the marketplace
- Strong strategic relationships and business partnerships
- A coordinated governance, compliance and risk management framework across the Group

## HOW WE CREATE VALUE FOR OUR SHAREHOLDERS, CUSTOMERS, PEOPLE, AND FOR MALAYSIA

### Increasing Value Where We Are Thriving

We continue to partner with our corporate customers in crafting their competitive edge in the local market. We support their financial needs, ranging from corporate loans to debt capital markets and asset management.

### Growing Underserved Segments

We help underserved market segments, such as small and mid-sized enterprises and mid-sized corporations, to grow faster. We are also building strength in our mass affluent and affluent retail customers.

### We Are Focused On Malaysia

As a Malaysian bank, we add value to our offerings to local businesses and global conglomerates by leveraging our insights and deep understanding of the local environment and the Malaysian way of doing business.

### Collaboration To Deliver Innovation And Convenience To Our Customers

We leverage and harness digital capabilities through collaborative partnerships with key industry players. This enables us to weave our financial services seamlessly into the daily lives of our customers.

### Continually Building Market Confidence

Our increased focus on compliance and governance boosts market confidence, as seen with our financials and brand reported positively by the media.

### Positive Societal Impact

We contribute back to our society through our corporate social responsibility outreach and our focus on sustainability. Our internal training programmes groom talent for our nation.

### What We Do

- Our business model is to facilitate our customers in the ever-evolving landscape and meet customer needs through delivering technology-enabled banking convenience and best-in-class services
- We provide products and services that cater for conventional and Islamic banking in retail banking, business banking, wholesale banking and insurance
- These products and services are offered through our multiple customer touch points
- We believe in listening intently and partnering with our customers to grow and prosper by delivering what they need

# MATERIAL MATTERS IMPACTING OUR STRATEGY

Material Matter	How We Respond	More Information
<p><b>Increasing Competition</b></p> <p>Competition in financial services in Malaysia is increasing, and new financial technology companies are entering the field</p>	<ul style="list-style-type: none"> <li>• Launch of our four year journey to become a Top 4 Malaysian bank by 2020</li> <li>• Focus on our four strategic targets for growth and consolidation</li> <li>• Everything we do ties back to our purpose to help individuals and businesses in Malaysia grow and win together</li> </ul>	<p>See GCEO's Message p14 See Our Strategy p78</p>
<p><b>Understanding Our Customers</b></p> <p>Customers are at the core of our business. We thrive when we integrate our financial services into the lives of our customers, by understanding their needs, circumstances and desired outcomes</p>	<ul style="list-style-type: none"> <li>• Set up a central Customer Care unit to manage all retail customer issues</li> <li>• Project APEX to improve the customer experience with improved processes</li> <li>• Group-wide digital roadmap to integrate and innovate services</li> </ul>	<p>See GCEO's Message p14 See Customer Experience p82 See Integrating Digital Technology p85</p>
<p><b>Evolving Regulatory Requirements</b></p> <p>In order to protect the financial services industry, government regulators have a widening emphasis on compliance and an increasingly rigorous regulatory framework</p>	<ul style="list-style-type: none"> <li>• Integration of our compliance function as a strategic element of the business</li> <li>• Compliance Department has been restructured to ensure independence</li> <li>• Measures taken to strengthen compliance policies, procedures, training, technology and systems</li> </ul>	<p>See GCEO's Message p14 See Group Compliance p222 See Sustainability Statement p140</p>
<p><b>Building Leadership and Talent</b></p> <p>We need motivated leaders and talent to build capacity, lead our transformation strategy and champion our values</p>	<ul style="list-style-type: none"> <li>• Ensure we have the right people and skills to drive our strategy</li> <li>• Revive our Group Talent Council</li> <li>• Emphasise our code of conduct, customer care, risk management and compliance</li> <li>• Identify mission critical positions and succession planning</li> </ul>	<p>See GCEO's Message p14 See Human Resources: People, Talent and Culture p83 See Corporate Governance p180</p>
<p><b>Innovation and Digital Transformation</b></p> <p>The changing digital landscape has a large impact on our customers' needs and is transforming the financial services industry</p>	<ul style="list-style-type: none"> <li>• New digital mobile platform, Mobile First</li> <li>• Focus on infrastructure and application programming interface (API) readiness</li> <li>• Partnerships with key financial technology players</li> <li>• Use of big data analytics to capture new sources of business and drive internal efficiencies</li> </ul>	<p>See GCEO's Message p14 See Integrating Digital Technology p85 See Sustainability Statement p140</p>
<p><b>Managing Our Sustainability</b></p> <p>The future sustainability of the Group depends on our management and anticipation of current and future environmental, economic and social risks and opportunities.</p>	<ul style="list-style-type: none"> <li>• Identify and group our sustainability matters into three themes of responsible banking, employer of choice and positive societal impact</li> <li>• Integrate environmental, economic and social factors into our business decisions</li> <li>• Fulfil our social responsibilities towards local communities</li> </ul>	<p>See GCEO's Message p14 See Sustainability Statement p140</p>

# KEY RISKS AND MITIGATION

The success of AmBank Group's strategy is supported by sound management of its risks.

## Risk Appetite

AmBank Group's risk appetite is set by the Board and integrated within the Group's strategic objectives. The risk appetite framework supports the principles of strong capitalisation, sound balance sheet and healthy earnings, protecting the Group's franchise and underpinning the continuous enhancement of an enterprise-wide risk culture.

## Material Risks

AmBank Group's activities involve the analysis, evaluation, acceptance and management of risks or combinations of risks. The material risks facing the Group and the approach to management of those risks are described below:

Type of Risk	How We Respond
<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>The risk of financial loss resulting from a counterparty failing to fulfil its obligations, or from a decrease in credit quality of a counterparty resulting in a loss in value.</li> <li>The Group has a robust credit management framework to manage credit risk. The framework is top down, being defined by credit principles and policies.</li> <li>The effectiveness of the credit risk management framework is assessed through various compliance and monitoring procedures.</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>The risk which stems from AmBank's trading and balance sheet activities being the risk to the Group's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations and from fluctuations in bond, commodity or equity prices.</li> <li>The Group has a comprehensive market risk management policy, to support its trading and balance sheet activities, incorporating an independent risk measurement approach to quantify the magnitude of market risk within the trading and balance sheet portfolios.</li> </ul>
<b>Liquidity and Funding Risk</b>	<ul style="list-style-type: none"> <li>The risk that AmBank Group is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that the Group has insufficient capacity to fund increases in assets.</li> <li>The Group's liquidity risk appetite is defined by the ability to meet a range of regulatory and internal liquidity metrics mandated by the Board.</li> </ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk and the risk of reputation loss, or damage arising from inadequate or failed internal processes, people and systems but excludes strategic risk.</li> <li>The objective of operational risk management is to ensure that risks are identified, assessed, measured, monitored and reported in a structured environment with appropriate governance oversight.</li> <li>The Group strives to ensure that residual risk exposures are being kept as low as reasonably practical based on sound risk/reward analyses.</li> </ul>
<b>Cyber Security Risk</b>	<ul style="list-style-type: none"> <li>The risk that may cause AmBank Group's data to be compromised, lost or stolen as a result of internal process failure or external cyber-attacks.</li> <li>This risk would threaten AmBank Group's reputation and may cause potential non-compliance with regulatory guidelines.</li> <li>The Group has an Information Technology Management Framework and is in the midst of enhancing it further to ensure that cyber security risk is robustly managed and controlled.</li> </ul>
<b>Compliance Risk</b>	<ul style="list-style-type: none"> <li>The probability and impact of an event that results in a failure to act in accordance with laws, regulations, industry standards and internal policies that apply to AmBank Group's businesses.</li> <li>The Group has a compliance framework that is aligned to key industry regulatory standards and benchmarks.</li> <li>The framework utilises the concept of a 'risk-based' approach to compliance management, enabling the compliance function to support divisions and businesses in taking a standardised approach in managing compliance matters.</li> </ul>

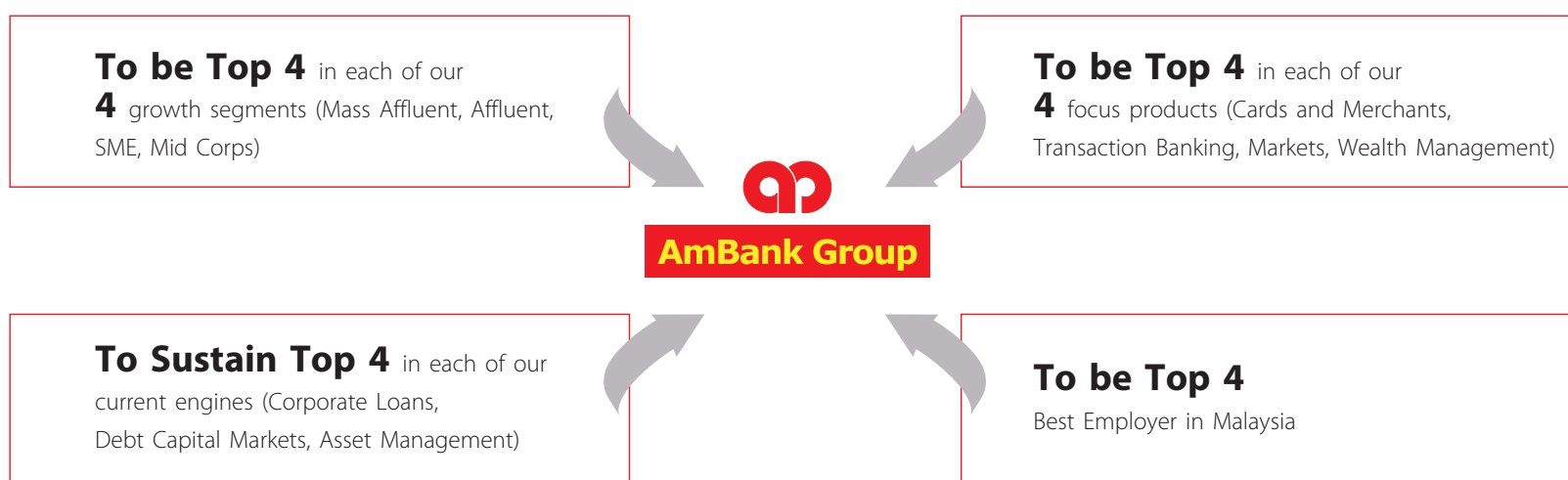
# OUR STRATEGY

## Top 4 Aspiration

In April 2016, after an intensive period of consultation and strategising, we unveiled our Top 4 Aspiration to become one of the top 4 banks in Malaysia by 2020.

We charted out 33 clusters of initiatives and the Group Strategic Transformation Office was set up to track overall progress, working closely with Retail Banking, Business Banking, Wholesale Banking, Islamic Banking as well as Group shared services and Group CEO's office.

An immediate strategic focus is to unlock latent values across the organisation for our existing customer base. Looking forward, we have adopted multiple strategies in order to target growth areas and under penetrated areas in the local market, and build our organisational capabilities with the right market and product mix. We will continue to expand our current key strengths and build up targeted business lines.



## Our Strategic Priorities

FIRING UP NEW GROWTH ENGINES	ATTAIN MARKET LEADERSHIP IN KEY PRODUCTS	SETTING UP FOR SUCCESS	OPTIMISE CURRENT ENGINES
<p><b>Win in fast growing, underserved segments</b></p> <ul style="list-style-type: none"> <li>• SME</li> <li>• Mid Corp</li> <li>• Mass Affluent</li> <li>• Affluent</li> </ul>	<ul style="list-style-type: none"> <li>• Cards and Merchants</li> <li>• Transaction Banking</li> <li>• Markets</li> <li>• Wealth Management</li> </ul>	<p><b>Digital transformation – channels, processes, productivity, analytics</b></p> <p><b>Fully leverage distribution footprint, partnerships and new digital channels</b></p> <p><b>Break down organisational silos and focus on people, talent and culture</b></p> <p><b>Risk and compliance culture</b></p>	<p><b>Leverage strengths in corporate and investment banking</b></p> <p><b>Strengthen retail deposit franchise</b></p>



## Executing The Plan

In our longer four-year journey towards our Top 4 Aspiration, the Group aims to:

- Gain market leadership in key products that continue to show potential. We are vigorously building up transaction banking and markets;
- Set up an integrated platform for credit cards and the merchant 360 ecosystem;
- Be the market leader with our advisory-led wealth management proposition;
- Better serve fast growing retail market segments. We intend to build prestige into our offerings and services for both the affluent and mass affluent markets with the latter as our sharper focus;
- Provide value-added services to Small and Medium-sized Enterprises (SMEs) and mid-sized corporations (Mid Corps) which are underserved, despite their key role in building Malaysia's economic future;
- Optimise our current engines of strength in corporate and investment;
- Strengthen our retail deposit franchise; and
- Utilise digital technology to bring ease of banking to the daily lives of our customers.

## How we will do it: 'Run the bank better' and 'Change the bank'

### RUN THE BANK BETTER

*Unlock value across our footprint, capabilities, customer base and talent pool*  
**Drive efficiency and build momentum**

*Create new **sources of competitive advantage** through harnessing digital & analytics to take us to the next level*

### CHANGE THE BANK

# OUR STRATEGY

We will implement our strategic growth plan under two streams of work, to improve existing systems and make changes where necessary, under our 'Run the bank better/Change the bank for the better' approach.

**Running the bank better** entails value creation across the business, prioritising on quick wins, monetising collaboration opportunities, improving funding cost, attracting top talent to build up capabilities and increasing efficiency by streamlining operations and improving distribution productivity.

**Change the bank** entails our increasing effort to elevate our product and service offerings in the market, delivering innovative solutions that matter to our customers given the changing financial landscape.

Our key focus is on driving performance as we look to improve revenue and productivity by running the bank better and changing the bank through new growth strategies. We will continually identify new growth opportunities to serve the market better whilst balancing strategies to ensure improvements are sustainable.



# FY17 KEY STRATEGIC OBJECTIVES AND ACHIEVEMENTS

ONE YEAR INTO OUR STRATEGIC JOURNEY TOWARDS TOP 4, WE HAVE GAINED TRACTION IN MANY AREAS. WE HAVE REALIGNED AMBANK GROUP'S KEY PERFORMANCE INDICATORS TO ALLOW FOR BETTER FOCUS. WE HAVE MADE APPROPRIATE AND MEASURED CHANGES TO OUR MANAGEMENT STRUCTURE, BUSINESS DIVISIONS AND SUPPORT SERVICES.

We have an improved focus on customer service and digital transformation, an increase in deposits and effective cross-selling of our services to our over 3 million customers.

Our senior management team has invested in leaders with proven industry experience and expertise in order to build our capabilities and lead our transformation. We have embarked on a journey of transformation in compliance to ensure AmBank Group is well equipped to adjust to the evolving regulatory landscape for financial institutions.

- Set up new Business Banking division to focus on Enterprise Banking and Commercial Banking
- Established Group Strategic Transformation Office
- Embarked on Project APEX to improve retail process and customer experience
- Centralised all retail customer queries and complaints in Customer Care initiative

- New Mobile First platform ready for roll out in second half of 2017
- Updated data centre capabilities with AmBank Group's Private Cloud
- Set up Retail, Wholesale, Credit, Wealth and Management Academies
- Re-launched our AmGraduate programme

## KEY MILESTONES IN FY17

- Entered into a RM475 million Portfolio Guarantee Scheme with Credit Guarantee Corporation for SME financing
- Launched Johor Affordable Homes Financing Scheme
- Refreshed holistic retail branch model and priority banking centres
- Signed up PTPTN as a JomPAY biller, and partnered with Advelsoft on JomPAY

- New PR1MA home end-financing scheme
- Appointed as agent for Amanah Saham Nasional Berhad (ASNB) funds.
- Launched AmBank Bonus Link co-branded Visa Card
- Completed Big Data proof of concept and plans for a digital innovation lab to leverage digital and analytics capabilities

# CUSTOMER EXPERIENCE

The trust and confidence of our customers is the key to AmBank Group's long term sustainability.

Over the years, our strategy at AmBank Group has been centered on building convenience for our customers and engaging customers with banking solutions to improve their experience. As the way our customers interact with us is changing, we are increasingly embracing digital banking, and the integration of our digital services into the daily lives of our customers.

We have identified customer satisfaction and turnaround time as one of three non-financial metrics to measure our progress in our Top 4 Strategy.

## Customer Care Touch Point

We introduced a new Customer Care initiative in January 2017 to improve our customer experience and centralise all customer queries and complaints in Retail Banking. This initiative means we now have one touch point for customers, with measured time periods to resolve and close off issues.

## Project APEX

Largely in response to our customers' feedback, we initiated Project APEX in September 2016 to drive improvements across four key areas and eleven processes in retail banking. In our five initial pilot branches, we reduced the overall account opening experience from an average of 45 minutes to less than 10 minutes. We are now rolling this out across all of our branches. We have also accelerated self-service migration, the rationalisation of branch reports, call deflection and cheque decentralisation processing.



## Enhancing Customer Experience

We have refreshed our branch model so that new branches are designed with a holistic customer journey in mind. Our latest branch in Plaza Shell, Kota Kinabalu was launched in November 2016 and was the first to adopt this design. It is a one stop centre which caters to retail customers (including AmBank Signature Priority Banking customers), SME and commercial customers. We will see more of such branch models in the future.

## Improving Internal Focus

We have refined key performance indicators in our Retail Banking framework, and given more clarity to the ownership of our channels, segments and products. We have also redesigned our incentive schemes for branch managers and relationship managers.

## Customer Surveys

In order to manage and monitor customer trust and confidence towards AmBank Group, we conduct customer feedback surveys to measure, manage and improve customer relationships. In seeking to understand our customers' behaviours and attitudes better, we are able to customise our products and services to meet the needs and expectations of our customers, thereby adding value to our customers.

We recently commissioned a pulse check on our brand health and the indicators in the wider market are encouraging. We have a positive upturn from consumers indicating an interest in banking with AmBank in the near future.

# HUMAN RESOURCES: PEOPLE, TALENT AND CULTURE

## Overview

AmBank Group's transformation journey entails rising to a top 4 employer in Malaysia by 2020. We have begun our journey to equip and empower our people to achieve their aspirations with the following agenda. In parallel, Human Resources (HR) solutions and processes have been developed and deployed to support the transformation.

The HR agenda was wide ranging, encompassing:

- Aligning organisation structures and reporting lines for greater clarity and accountability
- Developing C-Suite KPIs that drive results and promote collaboration to better serve our customers
- Embarking on a group-wide culture programme to empower and encourage the necessary conditions for individual and team ownership of high performance
- Enlarging and advancing talent pools to better serve customers
- Upgrading workforce capability via the set-up of the Retail, Wholesale, Credit, Wealth and Management Academies
- Developing requisite onboarding programmes at Board, C-Suite and employee level for better employee experience and effective assimilation into AmBank Group.
- Stepping up the recruitment of top talents into roles across the Group as well as hiring for future leader bench strength via the AmGraduate Programme.

## Towards Being Employer of Choice

### HR Awards

AmBank Group was awarded HR Asia Best Company to Work For in Malaysia 2016. We are encouraged by this outcome, based on HR Asia's independent survey gathering employee inputs and their levels of energy and engagement.

Increased presence and visibility in social media has generated desirable outcomes for our employer brand, particularly in providing easier access to careers and gathering employment insights. In particular, our LinkedIn followers increased four-fold, from 4,000 to 17,000 within FY17. AmBank Group also received the Employer Branding Award 2016 by the World HR Congress.

### Careers

We participated in 14 external career fairs in the financial year, ranging from campus fairs and notable public events to significant overseas recruitment drives. Our brand tagline 'Fly High With AmBank' earned us much attention and interest.

In November 2016, our inaugural internal career fair, Career Bazaar, brought together career opportunities from all across the AmBank Group under one roof. Over 200 employees visited the career booths manned by employees from business units and group functions, who marketed their respective career paths. A total of 829 job applications were lodged, providing a ready pool of resources to select and deploy within the group. This reflected the employee value proposition of growing across AmBank Group.

## Leadership and Talent

Our efforts to build our leadership bench strength and capability continued, with the inclusion of best in class learning approaches from reputable learning partners, business schools and management institutes with regional and global presence and track record.

### Enterprise Leadership Development

- Emerging Leaders programme is a leadership development programme. 70 employees across the group have completed this 18-month programme.
- Since its inception, the Management Development Programme has seen 27 high potential middle managers complete the programme. Another cohort of 20 participants will complete by August 2017.

### Management Development Academy

We designed our Management Development Academy to develop and build a sustainable bench strength of effective people managers across all levels in the group. A total of 140 employees from Executives to Executive Vice President commenced these programmes which run for a period of 12 to 18 months.

- Advance Leaders Programme
- Future Leaders Programme
- New Managers Programme
- Emerging Managers Programme

### Senior Management Offsite

AmBank Group held its Senior Management Meeting in February 2017 in Putrajaya. The team reviewed the AmBank Group strategy, the Group's financial results and our transformation thus far. Outdoor team learning activities cultivated and cemented new relationships, a practical demonstration of our corporate value of collaboration across the Group.

# HUMAN RESOURCES: PEOPLE, TALENT AND CULTURE

## Reinforcing Culture

### Code of Ethics

In our journey to making AmBank Group a place we can be proud to work, Group HR upgraded the Code of Ethics. It was launched on 19 May 2016.

The launch was officiated by Tan Sri Azman Hashim, Chairman of AmBank Group, Dato' Sulaiman Mohd Tahir, Group Chief Executive Officer of AmBank Group, members of the Senior Management and Department Heads across the Group. At the launch, Dato' Sulaiman spoke in detail on the six principles of the Code of Ethics.

As this code signifies the standards we uphold in guiding us to make decisions in our daily conduct of business, a complete programme consisting of e-learning and team town halls led by heads of departments was carried out to ensure a full cascade to employees. Please see page 86 for details on AmBank Group's Code of Ethics.



## Aligning Rewards with Performance

AmBank Group continued to emphasise the recognition of employees' contributions in 2016.

An independent yearly review of the Group's Total Reward Philosophy against the Financial Services industry was also carried out to ensure our competitiveness and alignment with industry practices.

Reward practices were reviewed to ensure greater adherence to differentiated variable pay approach based on performance as well as increasing the adoption of variable pay and performance linked incentives.

Related to this, efforts were placed on developing and aligning key performance indicators to drive performance with a view to increase collaboration between business units and to increase selling between retail banking and wholesale banking.

## Our Workforce

For details on the makeup of our workforce, please see our Sustainability Statement on page 162.

## Learning And Development

For details on our learning and development, please see our Sustainability Statement on page 165.

## Employee Experience

For details on our employee experience, please see our Sustainability Statement on page 164.

## Looking Ahead

Looking ahead our focus in FY18 will be:

- Driving a culture of compliance, with a group-wide project to review, develop and deploy plans to strengthen the practice of compliance.
- Increasing the pipeline of future leaders by recruiting talents into the AmGraduate programme.
- Initiatives in career management, talent development and in building succession throughout the group.
- Initiatives to enhance high performance culture.
- Implementing the results of a recent employee benefit review across AmBank Group to drive employer of choice attractiveness and supports the various workforce needs and priorities.
- Employee engagement activities to encourage mindfulness, engagement and wellness.

# INTEGRATING DIGITAL TECHNOLOGY

**AT AMBANK GROUP, WE ARE ALWAYS LOOKING AT INNOVATIVE WAYS OF GROWING OUR BUSINESS IN A SUSTAINABLE MANNER. THIS REQUIRES AN AGILE APPROACH TO DELIVERING INFORMATION TECHNOLOGY AND OPERATIONS SERVICES TO SUPPORT THE NEEDS OF AMBANK GROUP'S BUSINESS, SUCH AS ENHANCING THE BANK'S DIGITAL BANKING CAPABILITIES AND IMPROVING OPERATIONS PROCESS EFFICIENCY TO BETTER ENGAGE WITH CUSTOMERS.**

To enable AmBank Group to realise its Top 4 Strategy to become one of the top four Malaysian banks by 2020, we are focusing our resources on mobile and digital as the 'quantum leap' for improving our performance.

Technology is an opportunity to get there faster and we are fully leveraging the Group's investment in technology and its cooperation with partners to transform digital banking capabilities, particularly on mobile banking and digital analytics. We are exploring avenues to launch compelling digital value propositions to market more quickly by riding on existing technology assets and embracing iterative/agile delivery.

## Mobile First

We have invested substantially in a highly flexible and agile digital mobile banking platform, Mobile First, which is a simple, fast and secure intuitive banking experience.

Mobile First is designed to appeal to all customers across all segments. It is differentiated from existing online banking experiences and breaks through clutter by providing an ergonomic and easy to navigate user experience with well organised and personalised personal finance insights.

The initial launch in the second half of 2017 enables AmBank Group delight customers with better ergonomics in transaction flow. The platform will continue to add new and improved features that are relevant to customer behaviour frequently.



## Banking as a Service

We are committed to creating greater convenience and lifestyle integration for our customers by securely extending the ability to originate financial transactions that are digitally based on consent from the customer to trusted partners and Fintechs (financial technology companies).

To this end, we have instituted a strategic bank-as-a-service programme. With emerging technologies like Open Authorisation and Application Programme Interface (API) gateways, a whole new world of possibilities has opened up for re-imagining customer experience. One of the first initiatives we launched to extend banking into the customer ecosystem is an API that allows our car distributor partners to originate car financing right at the point of sale.

## AmCloud

AmBank Group's Private Cloud Capability has empowered us to modernise our infrastructure from a hotchpotch of costly, complex and difficult to maintain legacy systems. Our new software-defined data centre is highly efficient, agile and responsive to business needs. By the end of FY17, 60% of AmBank Group's current infrastructure needs were on this platform. Through automation and centralised management of AmBank Group's virtual infrastructure, we are now able to operate with fewer support staff as a result of automated provisioning and deployment capability. Our information technology (IT) administrators can troubleshoot Issues faster, spend less time in our data centres and focus more on critical issues.

## Driving AmBank Group further with Analytics

Advanced analytics allow banks to drive their customer journey further, increasing loyalty, revenue and profitability. We embarked on a Big Data analytics proof of concept to gain new insights from our customer data. We looked at card spending patterns and gained new insights into where, when and why our customers are spending their money. These insights allowed our business teams to champion new marketing strategies. To push AmBank Group into the next age of digital, we will look into data that is bigger and faster (real time analytics) to allow us to cross sell and upsell our products and services to our customers.

# CODE OF ETHICS AND BUSINESS CONDUCT

## COMPLIANT

We comply with the law both in letter and in spirit, this code and AmBank Group policies and procedures



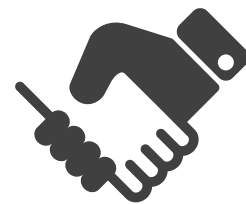
## RESPONSIBLE

We identify and manage conflicts of interest responsibly



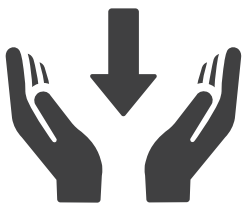
## ETHICAL

We uphold the highest level of integrity and act with honesty and professionalism



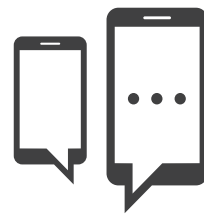
## ACCURATE

We ensure completeness and accuracy of underlying records, financial and otherwise



## TRUSTWORTHY

We ensure confidentiality of information and transactions



## EQUITABLE

We ensure fair and equitable treatment to all





# ENSURING SUSTAINABLE VALUE CREATION

## Our Sustainable Future

By identifying the existing processes and actions in our material sustainability matters and improving in these areas, AmBank Group can focus on what we do best, helping individuals and businesses in Malaysia grow and win together.

AmBank Group takes environmental, economic and social factors into account in offering sustainable products and services, and we integrate these factors into our business decisions.

We aspire to be an employer of choice and we focus on developing our employees and supporting their well-being so that we continue to attract, retain and reward appropriately.

We uphold our commitment to creating a positive societal impact by conducting our business activities with reduced environmental impact and by fulfilling our social responsibilities towards local communities.



## MATERIAL SUSTAINABILITY MATTERS

- Customer Satisfaction
- Ethics, Governance and Compliance
- Data Security, IT Infrastructure and Digital Transformation
- Responsible Sourcing and Procurement
- Financial Inclusion and Responsible Lending
- Responsible Marketing & Product and Service Management
- Employer of Choice
- Environmentally and Socially Responsible Investment
- Community Investment and Development
- Energy, Water and Waste Management

# GROUP FINANCIAL REVIEW BY GROUP CHIEF FINANCIAL OFFICER



**JAMIE LING**

Group Chief Financial Officer

We delivered a higher net profit of RM1,324.6 million in 2017, an increase of 1.7% from the year before, amidst challenging market conditions. The initiatives undertaken in our Top 4 four-year strategy, aimed at reshaping the Group, have gained traction. Loans and deposits recorded encouraging growth. The Group strengthened its balance sheet with a lower impaired loans ratio, a high liquidity coverage ratio and strong capital adequacy ratios.

## Key Highlights in FY17

- Net profit up 1.7% YoY underpinned by stronger non-interest income, improved asset quality and recoveries, with expenses being managed prudently
- Achieved profit before provisioning of RM1,605.1 million, growth of 5.5% YoY
- Recorded lower cost to income ratio YoY at 57.4%
- Group gross loans expanded by 3.5%, supported by growth in mortgage loans and trade financing
- Asset quality improved with a lowered impaired loans ratio of 1.86%. Compliance with regulatory guidelines on minimum levels of provisioning for loan loss resulted in the transfer of RM222.3 million to regulatory reserves
- Group deposits from customers grew 4.1%, contributed by increase in term deposits
- Capital adequacy remained resilient and strong with a Total Capital Ratio of 16.304%
- Total dividend payout ratio was 40%, an increase over the FY16 ratio of 36%

## FY17 PERFORMANCE REVIEW

The Group recorded a commendable performance in FY17 despite challenging times. Over the year, a few major and largely unexpected economic and political events impacted many economies worldwide. These events included falling commodity prices, the UK's EU referendum (Brexit) and the outcome of the US presidential election. In Malaysia, the impact was partly mitigated by monetary policies implemented by Bank Negara Malaysia (BNM) and a growth in domestic demand spurred by investment activities for ongoing infrastructure projects.

Against this background, the Group remained resilient and achieved a 5.5% growth in profit before provisioning of RM1,605.1 million, driven by higher non-interest income and on the back of an improved cost to income ratio of 57.4%. Loans grew 3.5% over last year, as proactive measures undertaken to manage asset quality resulted in higher recoveries and an improved impaired loans ratio. Our return on equity (ROE) stood at 8.5%. The total dividend payout ratio was 40% in FY17, an increase of four percentage points from the previous year.

### NET PROFIT

**RM1,324.6 million**

FY16: RM1,302.2 million

### COST TO INCOME RATIO

**57.4%**

FY16: 58.8%

### TOTAL CAPITAL RATIO

**16.304%**

FY16: 16.121%

### RETURN ON EQUITY

**8.5%**

FY16: 8.8%

### GROSS LOANS – GROWTH

**3.5%**

FY16: (0.08%)

### DEPOSITS – GROWTH

**4.1%**

FY16: (1.9%)



**WE DELIVERED A HIGHER NET PROFIT OF RM1,324.6 MILLION IN 2017, AN INCREASE OF 1.7% FROM THE YEAR BEFORE, AMIDST CHALLENGING MARKET CONDITIONS**

**Table 1**

All ratios expressed in %

Key Financial & Operating Indicators	FY17	FY16
Return on Equity	<b>8.5</b>	8.8
Net interest margin	<b>1.98</b>	2.02
Non-interest income to Income ratio	<b>39.1</b>	35.6
Cost to income ratio	<b>57.4</b>	58.8
<b>Asset Quality</b>		
Gross impaired loans ratio	<b>1.86</b>	1.94
Loan loss coverage*	<b>79.7</b>	81.2
Credit costs	<b>(0.2)</b>	(0.2)
<b>Capital adequacy (aggregated)**</b>		
Common Equity Tier 1 ratio	<b>11.563</b>	11.259
Total capital ratio	<b>16.304</b>	16.121

\* including regulatory reserve

\*\* after deducting proposed dividend

**Table 2**

Statements of Profit or Loss	FY17 RM'million	FY16 RM'million	YoY %
Net interest income	<b>1,564.6</b>	1,637.8	(4.5)
Net income from Islamic banking	<b>805.2</b>	805.8	(0.1)
Other operating income	<b>975.5</b>	870.4	12.1
Net income from insurance business	<b>383.6</b>	379.3	1.1
Share in results of associates and joint ventures	<b>36.6</b>	2.5	>100
Net operating income	<b>3,765.5</b>	3,695.8	1.9
Other Operating expenses	<b>(2,160.4)</b>	(2,174.3)	(0.6)
Operating profit	<b>1,605.1</b>	1,521.5	5.5
Write back for net impairment losses and provisions	<b>196.1</b>	209.5	(6.4)
Profit before taxation and zakat	<b>1,801.2</b>	1,731.0	4.1
Profit for the financial year	<b>1,408.8</b>	1,399.5	0.7
Profit attributable to equity holders (PATMI)	<b>1,324.6</b>	1,302.2	1.7
EPS - Basic (sen)	<b>44.1</b>	43.3	1.7

# GROUP FINANCIAL REVIEW BY CHIEF FINANCIAL OFFICER

## **Net profit of RM1,324.6 million underpinned by stronger non-interest income, improved asset quality and recoveries with expenses being managed prudently**

- Net operating income improved 1.9% to RM3,765.6 million, driven by higher non-interest income, marginal growth in income from insurance businesses and substantially improved results from the equity accounted investments. Non-interest income increased, contributed by corporate and commercial banking from gain on disposal of foreclosed property, wealth management and global markets. From our insurance subsidiary, the net earned premium was higher at RM383.6 million and we have strong market positioning as the number one motor insurer with 16.5% market share.
- Operating expenses incurred for projects and investments spend were contained; we achieved a cost to income ratio of 57.4%. As part of a cost management initiative in FY17, the Group established an operating expenditure task force to drive operational efficiencies further.
- Net allowance writebacks contributed to the improvement in Retail gross impaired loans, underpinned by strong recoveries and improvement in Retail asset quality resulting from a focus on preferred segments. Wholesale banking was impacted by impairments; these loans are well collateralised to cushion any further adverse impact from credit quality deterioration.
- For the Group's major income earning asset, gross loans grew by 3.5% supported by retail mortgage loans, cards and lending to SMEs and from wholesale SMEs and mid corporates (Mid Corp). Our Top 4 Strategy is already targeting SME and Mid Corp as two of our growth segments.
- Customer deposits grew 4.1% with CASA (current account and savings account) growth of 6.1% over last year. CASA growth was underpinned by Retail SME and payroll services/solutions, whilst the deposits base grew mainly from Wholesale fixed deposits. CASA composition was higher at 21.1% as compared to 20.7% at 31 March 2016.
- The Group's banking subsidiaries' liquidity coverage ratios are well above the minimum requirement set by BNM. The net loans, advances and financing to customer deposits ratio improve marginally to 95.5% from 95.7% as at 31 March 2016.
- The Group's capital ratios remain adequate with Common Equity Tier 1 (CET 1) capital ratio of 11.563% and Total Capital ratio of 16.304%. The Group has been progressively optimising its capital structure for Basel III financial holding company capital adequacy ratios reporting effective 1 January 2019.



# FY18 QUARTERLY RESULTS ANNOUNCEMENTS

The tentative dates for our FY18 results announcements are as follows:



**August** 2017

Q1FY18 Results Announcement



**November** 2017

H1FY18 Results Announcement



**February** 2018

9MFY18 Results Announcement



**May** 2018

FY18 Results Announcement

# FIVE-YEAR GROUP FINANCIAL SUMMARY

## Profit Before Tax and Zakat

(RM Million)



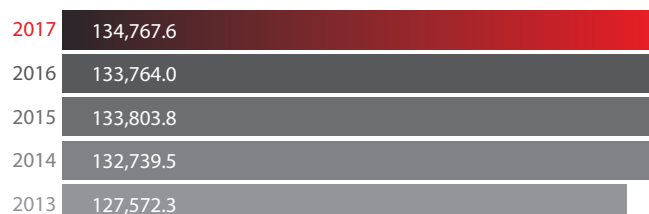
## Profit Attributable to Shareholders

(RM Million)



## Total Assets

(RM Million)



## Loans, Advances and Financing (Net)

(RM Million)



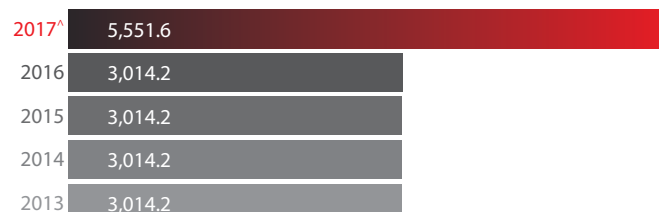
## Total Liabilities

(RM Million)



## Paid-up Share Capital

(RM Million)



## Shareholders' Equity

(RM Million)



<sup>^</sup> Paid-up share capital for 31 March 2017 is including share premium account

# FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED 31 MARCH				
	2017	2016	2015	2014 <sup>@</sup>	2013
<b>1. REVENUE (RM MILLION)</b>					
i. Operating revenue	<b>8,285.8</b>	8,416.0	9,142.5	9,606.0	8,705.9
ii. Profit before allowances for impairment on loans, advances and financing and tax	<b>1,627.7</b>	1,566.9	2,573.8	2,516.0	2,312.3
iii. Impairment writeback/(allowances) on loans, advances and financing	<b>173.5</b>	164.1	30.5	(67.8)	(173.3)
iv. Profit before tax and zakat	<b>1,801.2</b>	1,731.0	2,604.3	2,448.2	2,139.0
v. Profit attributable to shareholders	<b>1,324.6</b>	1,302.2	1,918.6	1,782.4	1,620.7
<b>2. BALANCE SHEET (RM MILLION)</b>					
<b>Assets</b>					
i. Total assets	<b>134,767.6</b>	133,764.0	133,803.8	132,739.5	127,572.3
ii. Loans, advances and financing (net)	<b>89,865.1</b>	86,513.3	86,173.8	87,170.6	82,586.3
<b>Liabilities and Shareholders' Equity</b>					
i. Total liabilities	<b>117,614.7</b>	117,644.6	118,296.4	118,645.1	114,630.9
ii. Customer deposits	<b>94,071.5</b>	90,358.6	92,130.0	89,698.9	84,830.0
iii. Adjusted customer deposits <sup>1</sup>	<b>104,811.6</b>	102,097.6	102,814.7	98,267.6	93,057.7
iv. Paid-up share capital*	<b>5,551.6</b>	3,014.2	3,014.2	3,014.2	3,014.2
v. Shareholders' equity	<b>16,027.1</b>	15,168.5	14,455.1	13,142.9	12,067.7
<b>Commitments and Contingencies</b>	<b>134,563.3</b>	125,037.1	116,765.1	103,478.9	102,467.5
<b>3. PER SHARE (SEN)</b>					
i. Basic net earnings	<b>44.1</b>	43.3	63.8	59.3	54.0
ii. Fully diluted net earnings	<b>44.0</b>	43.3	63.8	59.3	54.0
iii. Net assets	<b>531.7</b>	503.2	479.6	436.0	400.4
iv. Single tier/gross dividend	<b>17.6</b>	15.5	27.3	24.1	22.0
<b>4. FINANCIAL RATIOS (%)</b>					
i. Post-tax return on average shareholders' equity <sup>^</sup>	<b>8.5</b>	8.8	13.8	14.1	13.9
ii. Post-tax return on average total assets	<b>1.0</b>	1.1	1.6	1.5	1.4
iii. Net loans, advances and financing to customer deposits	<b>95.5</b>	95.7	93.5	97.2	97.4
iv. Adjusted net loans, advances and financing to customer deposits	<b>85.7</b>	84.7	83.8	88.7	88.7
v. Cost to income	<b>57.4</b>	58.8	45.7	45.8	47.9
<b>5. SHARE PRICE (RM)</b>					
i. High	<b>4.99</b>	6.50	7.34	8.08	6.80
ii. Low	<b>3.90</b>	4.27	6.16	6.44	6.13
iii. As at 31 March	<b>4.65</b>	4.60	6.36	7.18	6.55

1 Inclusive of recourse obligation on loans, advances and financing sold to Cagamas and term funding with original maturity of 3 years and above

\* Paid-up share capital for 31 March 2017 is including share premium account.

<sup>^</sup> Adjusted for non-controlling interests

<sup>@</sup> After adjusting for adoption of amendments to MFRS 132-Offsetting Financial Assets and Financial Liabilities that have been applied retrospectively for one financial year.

# PERFORMANCE SCORECARD

## Financial Indicators

### Return on Equity (ROE)



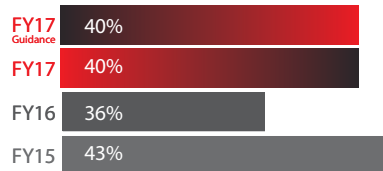
### PATMI



### Cost-to-Income (CTI) Ratio



### Dividend Payout



### CET 1<sup>1</sup>

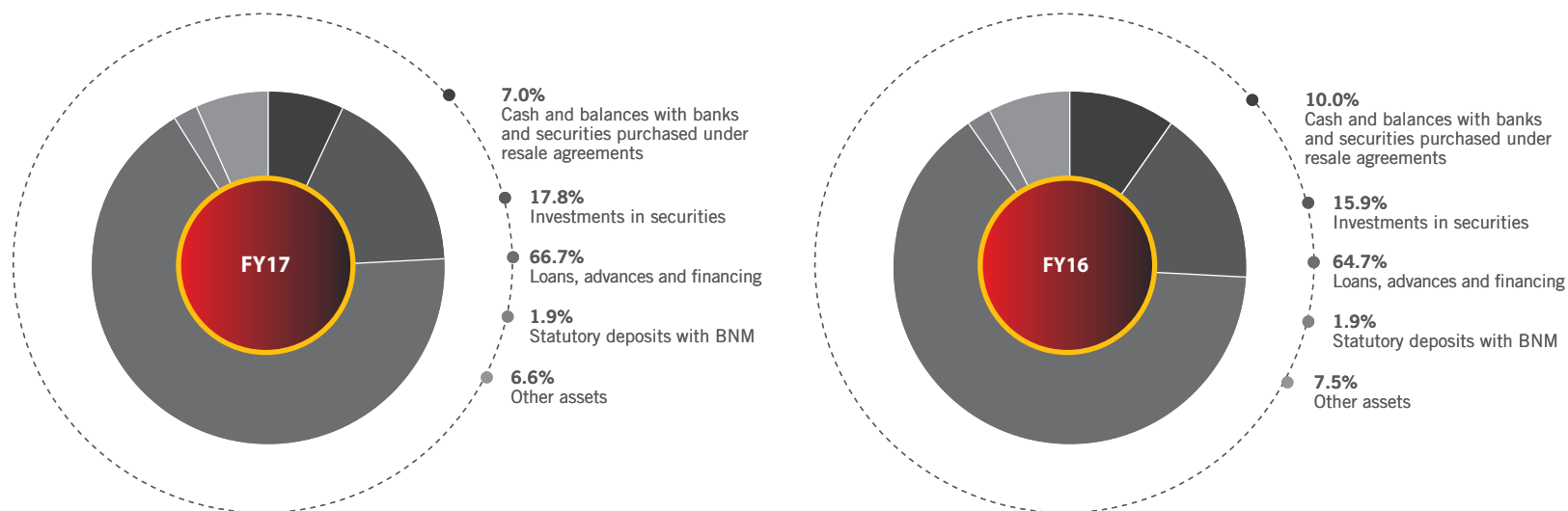


1. Based on Aggregated Banking Entities net of proposed dividend

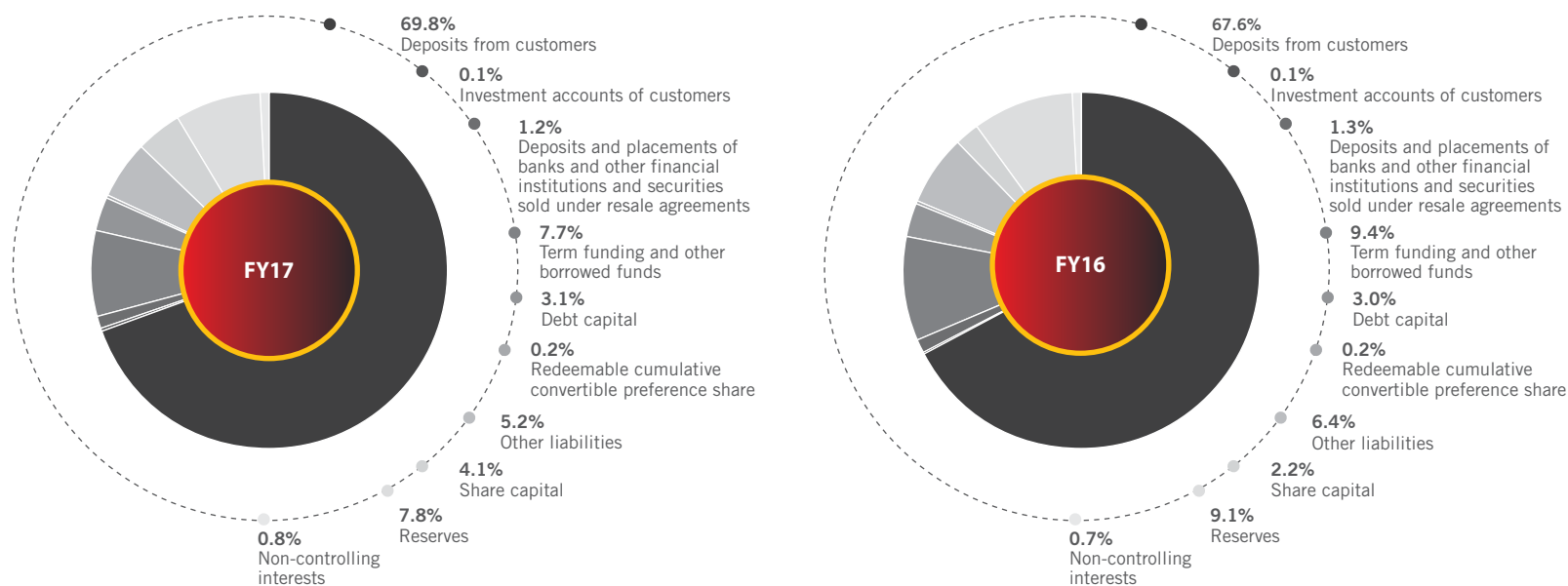


# SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

## Total Assets

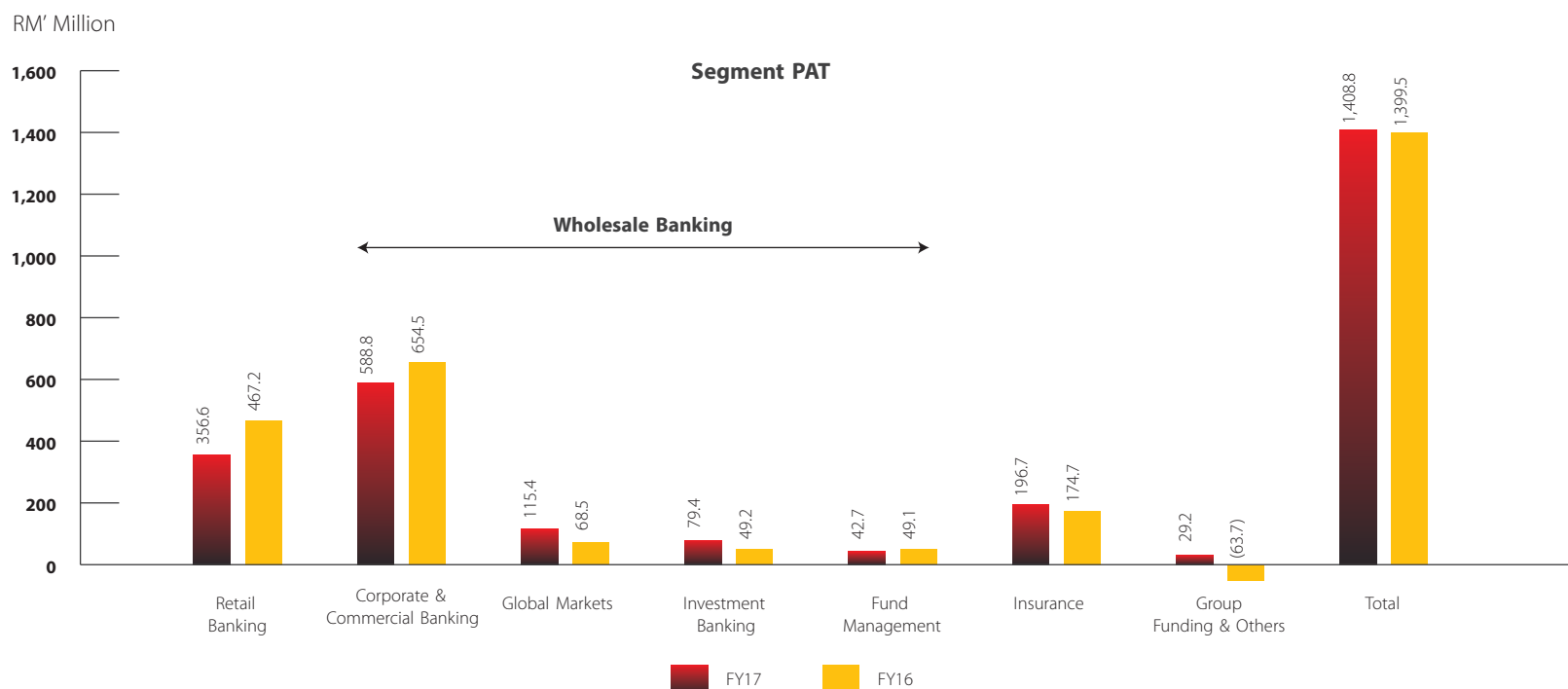


## Total Liabilities and Equity



# SEGMENTAL ANALYSIS

AmBank Group's businesses are grouped in the following business activities: Retail Banking, Wholesale Banking, Insurance and Group Funding and Others.



## Retail Banking

Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.

PAT fell by 23.7% year-on-year to RM356.6 million. The decline was largely attributable to margin compression despite higher loans growth in mortgages and lower net writeback in impairments, partly offset by lower expenses.

## Wholesale Banking

Wholesale Banking comprises Corporate and Commercial Banking, Global Markets, Investment Banking and Fund Management.

Corporate and Commercial Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients.

Global Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants.

Investment Banking offers investment banking solutions and services, encompassing capital markets (primary) activities, broking, private banking services, corporate advisory and fund raising services (equity and debt capital).

Fund Management comprises the asset and fund management services, offering a variety of investment solutions for various asset classes to retail, corporate and institutional clients.

Wholesale Banking's PAT rose RM5.0 million to RM826.3 million underpinned by higher trading income and strong recoveries.

## Insurance

Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household. It also offers life insurance and takaful products namely wealth protection/savings, health and medical protection and family takaful solutions provided through our joint venture operations.

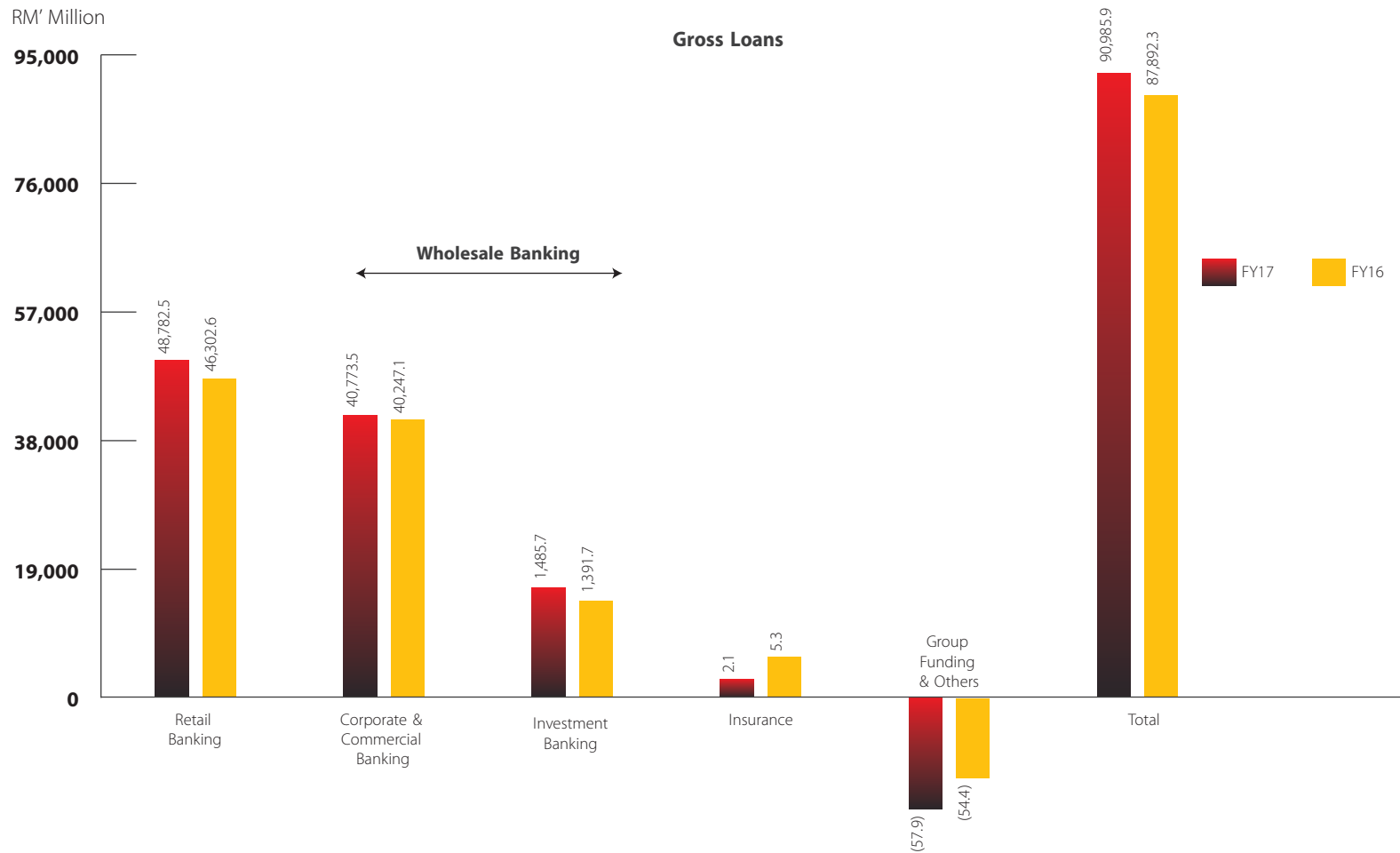
PAT from Insurance was up 12.6% to RM196.7 million in FY17.

General Insurance reported a PAT of RM169.6 million driven by sustained gross premium, improved historical claims experience and gain on disposal of properties, partly offset by higher expenses. After tax and non-controlling interests, General Insurance's contribution to the Group's net profit was RM86.5 million in FY17.

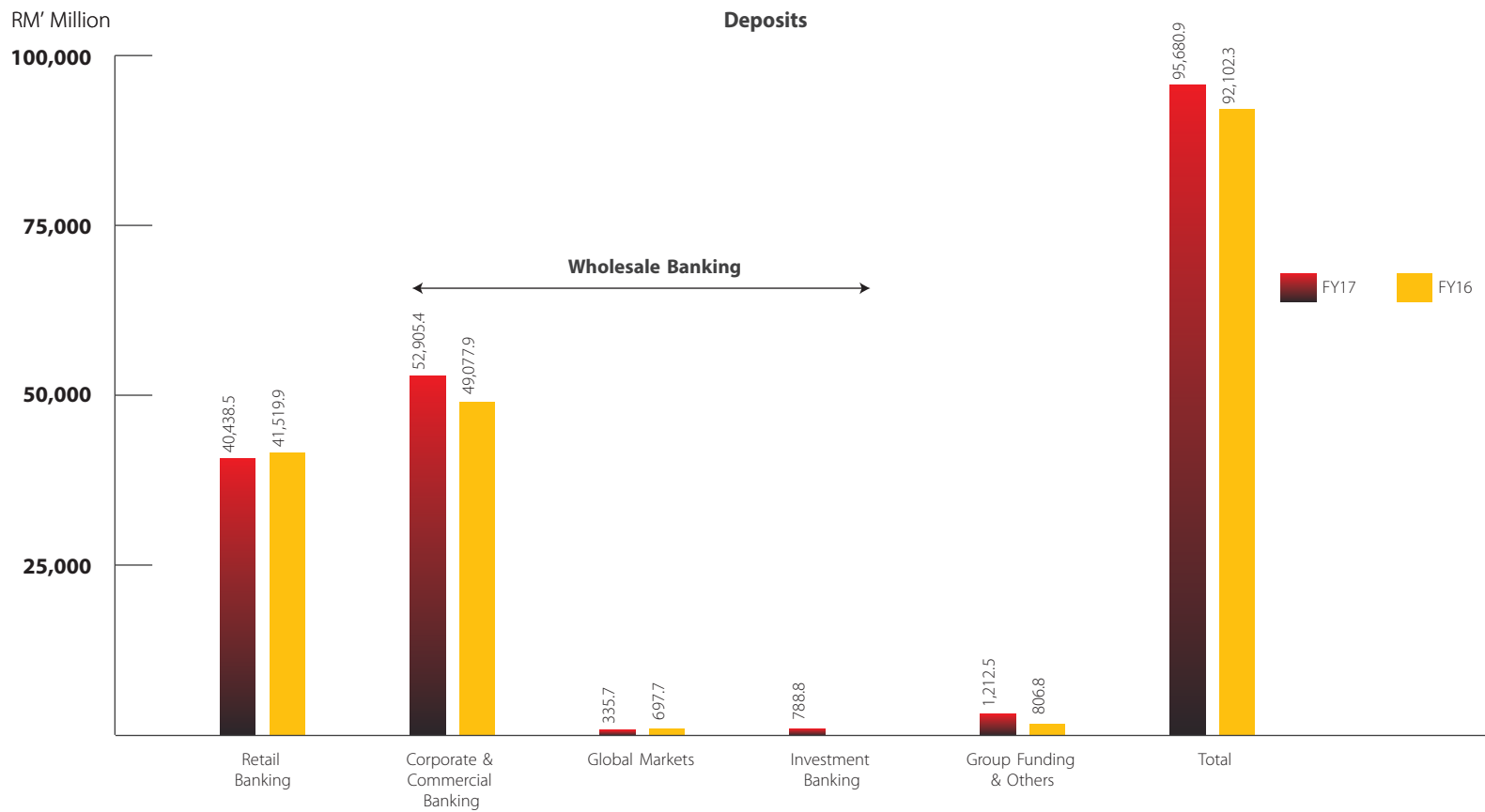
The joint ventures Life Insurance businesses turnaround and reported PAT of RM54.2 million lifted by revaluation of Life and Takaful insurance liabilities. Their equity accounting contribution to the Group net profit was RM27.1 million.

## Group Funding and Others

Group Funding and Others comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.



# SEGMENTAL ANALYSIS



# GROUP QUARTERLY FINANCIAL PERFORMANCE

All in RM million unless stated otherwise	2017			
	Q1	Q2	Q3	Q4
Operating revenue	2,062.9	2,099.8	1,977.9	2,145.2
Net interest income	392.3	373.4	394.7	404.2
Net income from Islamic banking	197.2	201.4	193.0	213.6
Net income from insurance business	142.2	84.1	83.3	74.0
Other operating income	214.9	284.4	162.0	314.2
Share in results of associates and joint ventures	4.6	11.0	20.4	0.6
Other operating expenses	(535.5)	(524.5)	(517.9)	(582.5)
Write-back of impairments and provisions	63.7	42.4	73.4	16.6
Profit before taxation and zakat	479.4	472.2	408.9	440.7
Profit attributable to shareholders	323.0	352.6	313.2	335.8
Basic earnings per share (sen)	10.8	11.7	10.4	11.2
Dividend per share (sen)	–	5.0	–	12.6

All in RM million unless stated otherwise	2016			
	Q1	Q2	Q3	Q4
Operating revenue	2,109.1	2,088.1	2,116.3	2,102.5
Net interest income	423.6	431.8	394.8	387.6
Net income from Islamic banking	206.9	200.1	208.4	190.4
Net income from insurance business	109.4	100.8	81.0	88.1
Other operating income	223.7	198.3	213.8	234.6
Share in results of associates and joint ventures	0.2	3.9	(5.4)	3.8
Other operating expenses	(487.3)	(499.5)	(566.9)	(620.6)
Write-back of impairments and provisions	5.9	65.6	80.1	57.9
Profit before taxation and zakat	482.4	501.0	405.8	341.8
Profit attributable to shareholders	339.5	382.5	300.2	280.0
Basic earnings per share (sen)	11.3	12.7	10.0	9.3
Dividend per share	–	5.0	–	10.5

# KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY17			FY16		
	Average Balance RM' million	Average Rate %	Interest Income/ Expense RM' million	Average Balance RM' million	Average Rate %	Interest Income/ Expense RM' million
<b>Interest earning assets</b>						
Short-term funds, deposits and placements with banks and other financial institutions	<b>7,418</b>	<b>2.58%</b>	<b>191</b>	12,031	2.77%	333
Financial assets held-for-trading	<b>6,200</b>	<b>3.56%</b>	<b>221</b>	4,629	3.95%	183
Financial investments available-for-sale	<b>8,759</b>	<b>3.67%</b>	<b>321</b>	10,049	3.30%	332
Financial investments held-to-maturity	<b>3,713</b>	<b>2.62%</b>	<b>97</b>	4,012	2.49%	100
Loans, advances and financing	<b>88,366</b>	<b>5.34%</b>	<b>4,723</b>	86,729	5.61%	4,861
<b>Interest bearing liabilities</b>						
Deposits from customers*	<b>87,118</b>	<b>3.07%</b>	<b>2,671</b>	90,023	3.20%	2,877
Deposits and placements of banks and other financial institutions	<b>2,233</b>	<b>3.79%</b>	<b>85</b>	2,637	2.60%	69
Recourse obligation on loans and financing sold to Cagamas Berhad	<b>3,639</b>	<b>3.88%</b>	<b>141</b>	2,922	3.59%	105
Term funding, debt capital and other borrowed funds	<b>12,374</b>	<b>4.60%</b>	<b>569</b>	13,394	4.49%	601

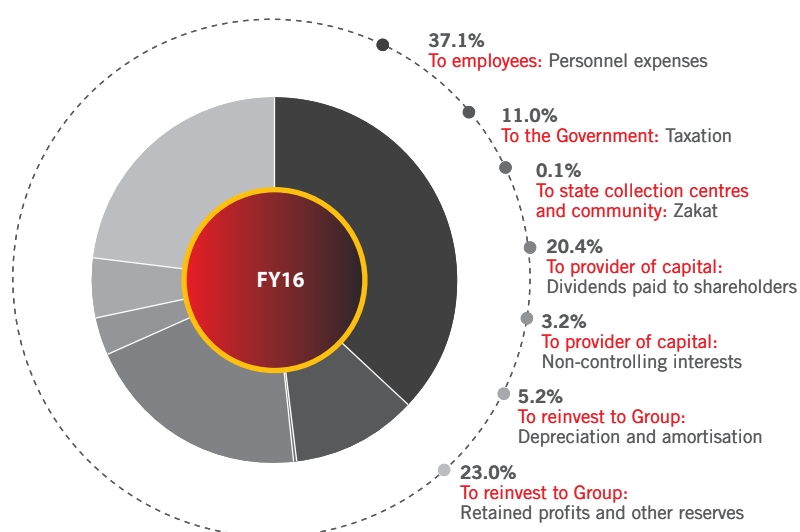
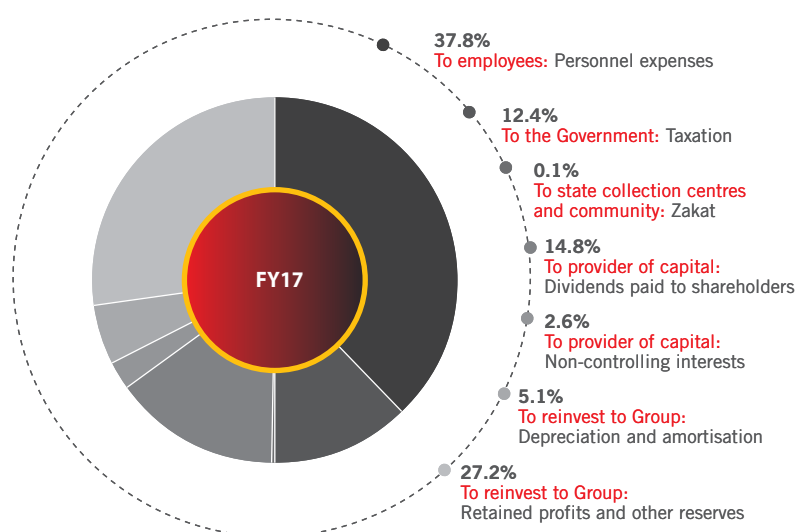
\* Deposits from customers includes Investment accounts of customers

# STATEMENT OF VALUE ADDED

Value Added	FY17 RM'million	FY16 RM'million
Net interest income	1,564.6	1,637.8
Net income from Islamic banking	805.2	805.8
Income from insurance business	1,437.6	1,447.8
Other operating income	975.5	870.4
Share in results of associates and joint ventures	36.6	2.5
Insurance claims and commissions	(1,054.0)	(1,068.5)
Other operating expenses	(805.7)	(907.8)
Writeback for impairment on loans, advances and financing	173.5	164.1
Other provisions – net impairment writeback	22.6	45.4
Value added available for distribution	3,155.9	2,997.5

# DISTRIBUTION OF VALUE ADDED

Distribution of Value Added	FY17 RM'million	FY16 RM'million
To employees: Personnel expenses	1,194.4	1,111.4
To the Government: Taxation	390.9	329.9
To state collection centres and community: Zakat	1.5	1.6
To providers of capital: Dividends paid to shareholders	467.2	611.9
Non-controlling interests	84.2	97.3
To reinvest to the Group: Depreciation and amortisation	160.3	155.1
Retained profits and other reserves	857.4	690.3
	<b>3,155.9</b>	<b>2,997.5</b>





# CAPITAL MANAGEMENT

AmBank Group's capital management focuses on the maintenance of a strong capital base whilst supporting the Group's strategic objectives and risk appetite. This means the Group maintains a healthy capital position by building an efficient capital structure in order to optimise return on capital and to provide sustainable returns to shareholders.

Effective capital management is essential to the sustainability of the Group and involves:

- (a) Always meeting regulatory capital requirements;
- (b) Supporting the Group's risk appetite, business growth and strategic objectives; and
- (c) Maintaining good credit ratings from local and international rating agencies.

The Group's regulated banking entities maintain a set of internal capital targets that provide an adequate buffer above the minimum regulatory requirements.

## Key Initiatives

The Group manages its capital position proactively by continuously building capital towards full implementation of Basel III requirements, whilst optimising capital use. Tools that are employed to achieve this include:

- (1) Liability management to address capital instruments that are no longer compliant with the new Basel III guidelines;
- (2) New Basel III instruments issuance;
- (3) Risk-weighted assets optimisation; and
- (4) Group-wide stress testing and impact assessment.

During the financial year, AMMB Holdings Berhad issued RM750 million Basel III Tier 2 Subordinated Notes for investment in capital instruments of its banking subsidiaries.

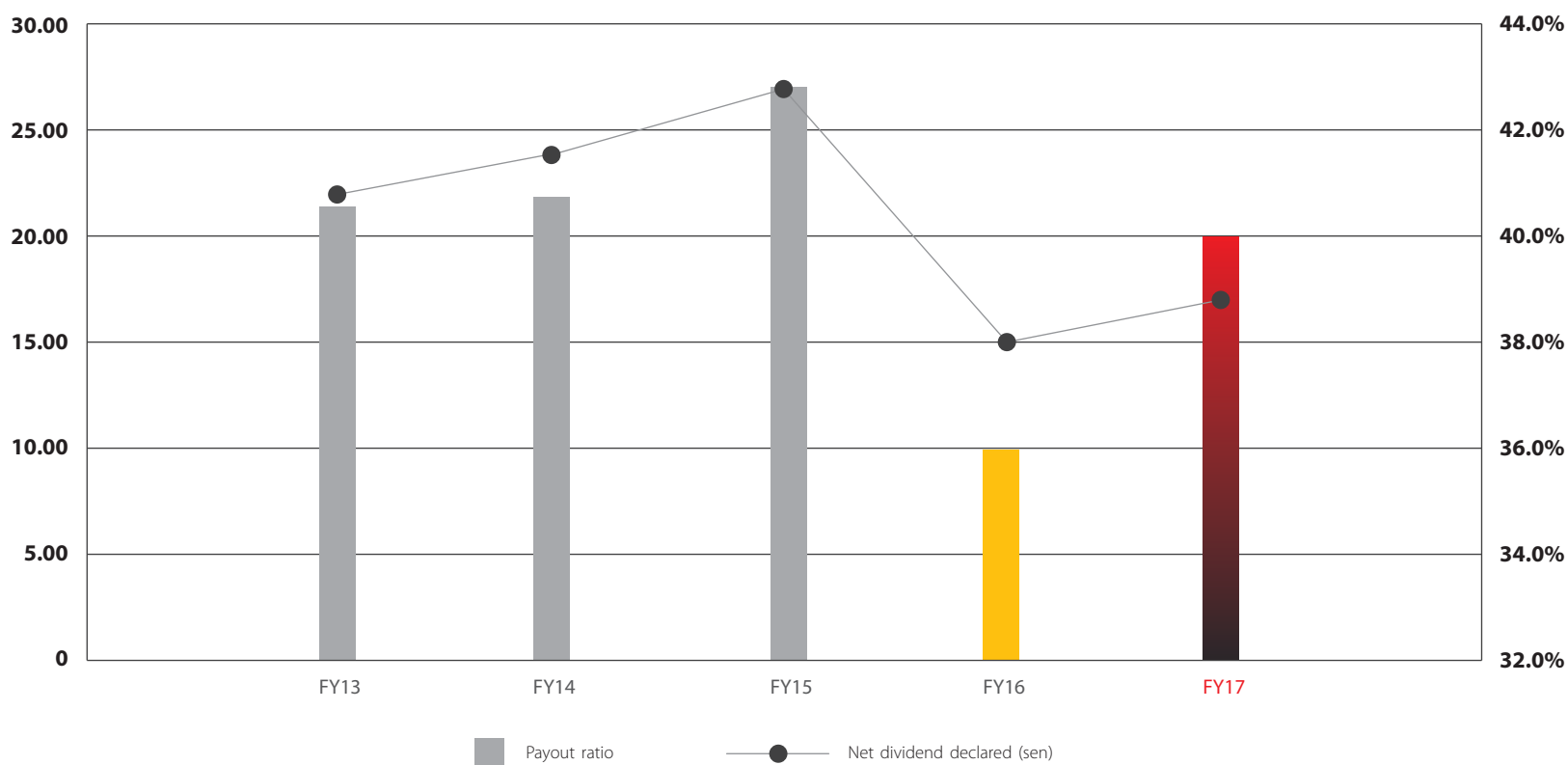
## Proposed Dividends

For the financial year ended 31 March 2017, the Board of Directors approved the payment of a final cash dividend payment of 12.6 sen per share, which together with the interim dividend paid of 5.0 sen per share amounts to total dividend of 17.6 sen per share. The total dividend payout ratio is 40% for FY17.

# DIVIDENDS FOR FY17

For the financial year ended 31 March 2017, an interim single tier dividend of 5.0 sen per ordinary share on 3,014,184,844 ordinary shares which amounted to RM150,709,243 was approved by the Board of Directors and paid out to shareholders on 22 December 2016. A final single tier dividend of 12.6 sen per ordinary share on 3,014,184,844 ordinary shares was approved by the Board of Directors on 8 May 2017 and Bank Negara Malaysia on 30 May 2017.

### Dividends for FY17



# CREDIT RATINGS

From a credit rating perspective, we believe in providing our stakeholders with an independent view of our banking subsidiaries as well as that of the Company. As such, we continue to maintain credit ratings with Moody's Investors Service, S&P Global Ratings and RAM Rating Services Berhad.

<p style="text-align: center;"><b>AMBANK (M) BERHAD</b></p> <p><b>Rating Agency</b> Moody's Investors Service</p> <hr/> <p><b>Rating Classification</b> Long-term foreign currency deposit rating Short-term foreign currency deposit rating Outlook</p> <hr/> <p><b>Ratings</b> Baa1 P-2 Stable</p>	<p style="text-align: center;"><b>AMBANK (M) BERHAD</b></p> <p><b>Rating Agency</b> S&amp;P Global Ratings</p> <hr/> <p><b>Rating Classification</b> Foreign long-term issuer credit rating Foreign short-term issuer credit rating Outlook</p> <hr/> <p><b>Ratings</b> BBB+ A-2 Stable</p>	<p style="text-align: center;"><b>AMBANK (M) BERHAD</b></p> <p><b>Rating Agency</b> RAM Rating Services Berhad</p> <hr/> <p><b>Rating Classification</b> Long-term financial institution rating Short-term financial institution rating Outlook</p> <hr/> <p><b>Ratings</b> AA2 P1 Stable</p>
<p style="text-align: center;"><b>AMINVESTMENT BANK BERHAD</b></p> <p><b>Rating Agency</b> RAM Rating Services Berhad</p> <hr/> <p><b>Rating Classification</b> Long-term financial institution rating Short-term financial institution rating Outlook</p> <hr/> <p><b>Ratings</b> AA2 P1 Stable</p>	<p style="text-align: center;"><b>AMBANK ISLAMIC BERHAD</b></p> <p><b>Rating Agency</b> RAM Rating Services Berhad</p> <hr/> <p><b>Rating Classification</b> Long-term financial institution rating Short-term financial institution rating Outlook</p> <hr/> <p><b>Ratings</b> AA2 P1 Stable</p>	<p style="text-align: center;"><b>AMMB HOLDINGS BERHAD</b></p> <p><b>Rating Agency</b> RAM Rating Services</p> <hr/> <p><b>Rating Classification</b> Long-term corporate credit rating Short-term corporate credit rating Outlook</p> <hr/> <p><b>Ratings</b> AA3 P1 Stable</p>

# BALANCE SHEET MANAGEMENT

BALANCE SHEET MANAGEMENT INVOLVES THE MANAGEMENT OF AMBANK GROUP'S STRUCTURAL FUNDING AND LIQUIDITY. IT ALSO MAINTAINS THE FUNDS TRANSFER PRICING (FTP) FRAMEWORK WHICH IS GOVERNED BY THE GROUP ASSET LIABILITY COMMITTEE (GALCO).

Structural funding and liquidity is managed by targeting a diversified funding base and avoiding concentrations by investor type, product, maturity, source or currency and implementing wholesale funding diversification and maturity concentration limits. In setting its funding diversification policy, the Group will take into consideration the cost/benefit trade-off to ensure optimum level of funding cost.

To sustain a robust funding profile and monitor the liquidity risk of the Group, we are guided by the Basel III liquidity framework, namely the Liquidity Coverage Ratio (LCR), with a primary focus of ensuring a sufficient buffer of liquid assets that could be easily converted into cash to meet the liquidity needs for up to 30 calendar days.

The FTP framework promotes a precise Group-wide allocation of funding costs to the business units by taking into account the interest rate and liquidity positions of the Group. The FTP mechanism is refined according to market conditions and relevant strategies approved by the management and it is guided to reflect regulatory principles.

To fund our businesses, a liquidity premium is charged to the business units based on the contractual tenor of the transactions. Business units that generate long-term, stable funding are incentivised in the form of liquidity credit. Presently the key deposit growth agenda remains to strengthen the deposit franchise, by focusing on lower cost current accounts and savings accounts (CASA), and gathering term deposits to build sufficient base to fund the loans growth.

In FY17, we saw  
excess coverage of  
**5%**

**RM94.1  
billion**  
Our core customer  
deposits increased  
in FY17

## Loan & Deposit Book Funding Structure FY17

Loans are the largest component of the Group's assets and are generally funded by core customer deposits. In FY17, we saw excess coverage of 5%, up from 4% in FY16, reflecting a healthy buffer in funding the loan book. Our core customer deposits increased by RM3.7 billion from RM90.4 billion in FY16 to RM94.1 billion in FY17, a 4% growth. We will continue to prioritise growth in core customer deposits, which are a stable and resilient source of funding. We have outlined plans to lower the cost of funding by growing CASA composition, increasing the contribution of deposits from retail and SME and optimising a stable funding mix.

# INVESTOR RELATIONS

Investor Relations plays a strategic role by maintaining effective two-way communication between AmBank Group and the broad investment community. A dedicated Investor Relations (“IR”) team supports the IR agenda by consistently and clearly representing the Group’s aspirations, strategies, prospects and performance messages. Additionally, the IR team is tasked with maximising opportunities for fair market valuation to enhance shareholders’ value and to bridge gaps between performance and shareholder expectations.

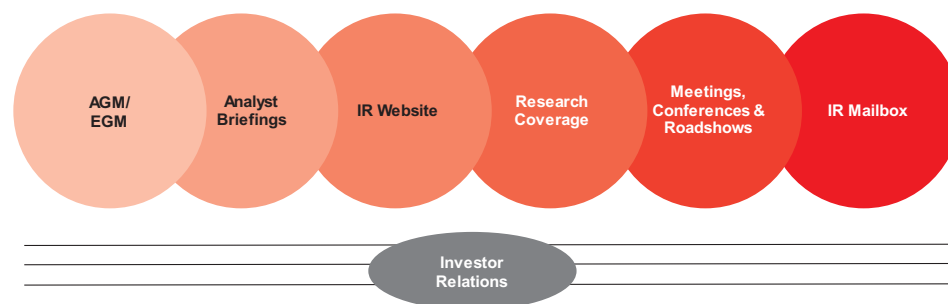
Investor Relations activities are led by:

1. **Dato’ Sulaiman bin Mohd Tahir**, Group Chief Executive Officer and Chief Executive Officer of AmBank (M) Berhad
2. **Jamie Ling**, Group Chief Financial Officer (Appointed with effect 1 June 2017)
3. **Ganesh Kumar Nadarajah**, Executive Vice President, Group Finance – Business Performance & Investor Relations



Please note that the employment contract for Mandy Jean Simpson, our former Group Chief Financial Officer, ended on 31 May 2017 and she has repatriated to Australia on another ANZ assignment.

The IR team communicates to the wider investment community through a variety of channels including analyst briefings, media conferences, one-on-one meetings, teleconferences, live webcasts, investor conferences, non deal roadshows and at the annual general meeting.



## Annual General Meeting

AMMB Holdings Berhad held its 25th Annual General Meeting (“AGM”) on 18 August 2016 in Kuala Lumpur, Malaysia.

Dato’ Sulaiman, our Group CEO took the opportunity to update our esteemed shareholders on the financial performance of AMMB Holdings Berhad for the financial year ended 31 March 2016 and unveiled the Group’s “Top 4” Aspiration that charts our strategic growth for the 4 year period of FY17 to FY20.

Dato’ Sulaiman responded to inquiries made by the Minority Shareholder Watchdog Group (“MSWG”) in relation to our 2016 Annual Report. Shareholders had the opportunity to seek clarification, share feedback and gain insights into the operations and financial results of the Group.

All the proposed resolutions were duly passed by the shareholders in the AGM.

## Analyst Briefings and Media Conferences

The IR team organises live analyst briefings and media conferences for our half year and full year results announcements. The live analyst briefings are held simultaneously with teleconferencing and live webcast facilities to cater for the wide geographical spread of the investment community and our stakeholders.

For the Group’s first and third quarter results announcements, the analyst briefings are conducted via teleconference and live webcast services. The IR team continues to ensure that the analyst presentations, financial statements and media releases are distributed via electronic communication (e-mail) to interested parties and are accessible on the Group’s IR website (<https://www.ambankgroup.com/eng/InvestorRelations/Pages/default.aspx>) immediately after the announcement is made on Bursa Malaysia. Replays of the briefings are accessible on the IR website for public viewing after each briefing. This is consistent with our practice to ensure fair dissemination, non-selective and equal access to material information by stakeholders.

# INVESTOR RELATIONS

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

Date	Event	MODE OF COMMUNICATION					
		Media Briefings	Analyst Briefings		Publications on AmBank Group's IR Website		
			Teleconferences	Webcasts	Investor Presentations	Financial Statements	Media Releases
22-Aug-16	Q1FY17 results		√	√	√	√	√
21-Nov-16	H1FY17 results	√	√*	√	√	√	√
24-Feb-17	9MFY17 results		√	√	√	√	√
31-May-17	FY17 results		√*	√	√	√	√

\* Includes live briefing



## Investor Meetings

In addition to our quarterly results announcements, we engage with the investment community regularly through one-on-one meetings, group meetings and via teleconferences.

In FY17, we conducted a total of 34 one-on-one meetings with 129 analysts and fund managers. The discussions were generally focused on the Group's financial and business performance, strategic direction and macroeconomic outlook.

Post the Q1FY17 results announcement, we hosted a breakfast chat to guide the analyst community on the Group's direction moving forward and commitment towards its "Top 4" Aspirations.

After the H1FY17 results announcement, we hosted a breakfast meeting with Fund Managers which was organised by a Research Firm. This provided an avenue for Dato' Sulaiman to share the Group's strategic progress and challenges.

## Conferences and Non Deal Roadshows

As part of our investor engagement programme to provide greater insights to existing and prospective investors, our management representatives participated in the following conferences and non deal roadshows:

Date	Event	Location
31 May – 3 June 2016	Deutsche Bank Non Deal Roadshow	London, Munich, Brussels, Rotterdam, The Hague
10 June 2016	AllianceDBS Non Deal Roadshow	Singapore
13 – 17 June 2016	Jefferies Non Deal Roadshow	New York, Boston, Chicago, San Francisco
21 June 2016	Macquarie ASEAN Banks Tour	Kuala Lumpur
23 November 2016	Maybank Breakfast Chat with Investors	Kuala Lumpur
24 November 2016	AllianceDBS Non Deal Roadshow	Singapore
28 November 2016	UBS Non Deal Roadshow	Boston
29 – 30 November 2016	UBS Global Emerging Markets One-on-One Conference	New York
1 – 5 December 2016	Deutsche Bank Non Deal Roadshow	London, Paris, Frankfurt
10 January 2017	Alliance Investment Bank Berhad Corporate Day	Kuala Lumpur
12 January 2017	Goldman Sachs NDR HK	Hong Kong
4 – 7 April 2017	UBS Malaysia Corporate Day, Singapore, Hong Kong	Singapore, Hong Kong

## Research Coverage

AmBank Group is presently covered by analysts from the following local and foreign research houses, a testament of the Group's long standing financial strength and relationship with the investment community:

No.	Research House	No.	Research House
1	Affin Hwang Capital	12	Kenanga Investment Bank
2	AllianceDBS Research	13	Maybank Investment Bank
3	CIMB Investment Bank Berhad	14	MIDF Amanah Investment Bank
4	Citi Investment Research	15	M&A Securities
5	CLSA Securities Malaysia	16	Nomura Securities Malaysia
6	Deutsche Bank	17	Public Investment Bank
7	Goldman Sachs (Singapore)	18	RHB Research Institute
8	Hong Leong Investment Bank	19	TA Securities
9	HSBC Ltd (Singapore)	20	UBS Securities Malaysia
10	JP Morgan Securities	21	UOB Kay Hian
11	KAF – Seagroatt & Campbell Securities		

# INVESTOR RELATIONS

## Shareholdings Analysis

With the diversified shareholdings base of the Group, better analytics of our shareholders and their demographics enable us to keep abreast of the changes and planning of our investor programmes.

Excluding the Australia and New Zealand Banking Group Limited ("ANZ"), the Group's foreign shareholding level was at 26% in FY17.

Foreign Shareholdings in AMMB Holdings Berhad (Excluding ANZ's shareholding)				
FY13	FY14	FY15	FY16	FY17
29%	31%	29%	26%	26%

### Foreign Shareholding (31 March 2008 – 31 March 2017)





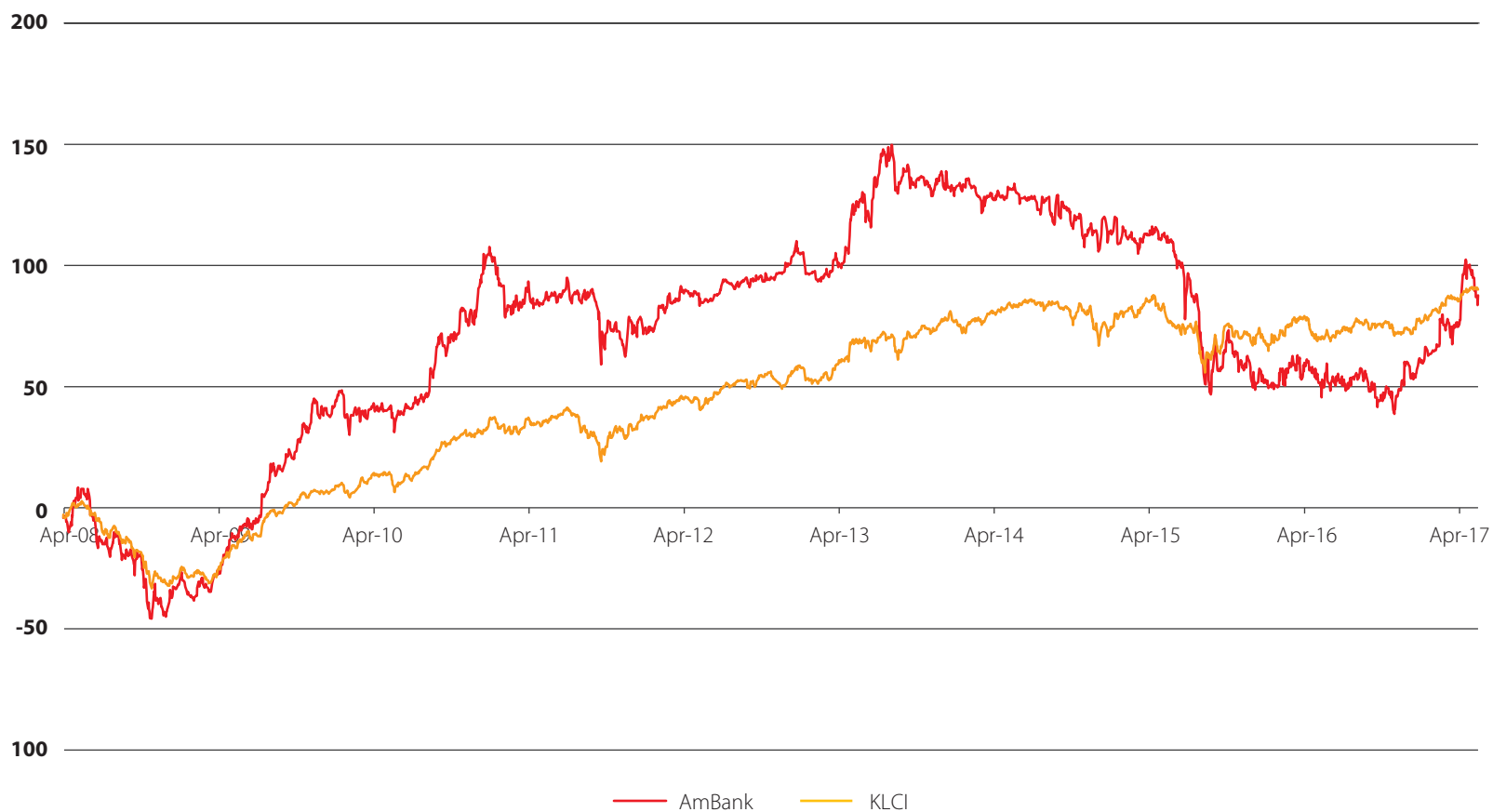
### AmBank Share Price and Volume (1 April 2016 – 31 May 2017)



Source: Bloomberg

# INVESTOR RELATIONS

## Shareholders' Returns (1 April 2008 – 31 May 2017)



Source: Bloomberg – includes forecast of final dividends.

### Investor and Analyst Services

The Group leverages on its corporate website at [ambankgroup.com](http://ambankgroup.com) as a platform to receive feedbacks or inquiries from all stakeholders. The IR team strives to ensure all information provided under the IR section of the website is up-to-date with the latest disclosures. For further details or inquiries, the IR team can be contacted via [ir@ambankgroup.com](mailto:ir@ambankgroup.com)

# FINANCIAL CALENDAR

## 2016

### 18 August

25<sup>th</sup> Annual General Meeting

### 22 August

Announcement of unaudited consolidated results for the financial first quarter ended 30 June 2016

### 9 September

Payment of final single tier dividend of 10.5% for the financial year ended 31 March 2016

### 21 November

Announcement of unaudited consolidated results for the financial half year ended 30 September 2016

### 22 December

Payment of interim single tier dividend of 5.0% for the financial year ended 31 March 2017

## 2017

### 24 February

Announcement of unaudited consolidated results for the financial third quarter ended 31 December 2016

### 31 May

Announcement of audited consolidated results for the financial year ended 31 March 2017

### 7 July

Notice of 26<sup>th</sup> Annual General Meeting

### 31 July

26<sup>th</sup> Annual General Meeting

# BUSINESS REVIEW

## WHOLESALE BANKING

**Raja Teh Maimunah Raja Abdul Aziz**

Chief Executive Officer  
AmInvestment Bank  
Managing Director  
Wholesale Banking



Total income  
**RM1,645.4 million**

### FY17 Highlights

Wholesale Banking did well in FY17, recording a total income expansion of 12.9% to RM1,645.4 million. That growth was underpinned by capital market activities and higher fixed income trading and gains from the disposal of foreclosed property. Our SME loans increased 10.2% through strategic tie-ups and the introduction of segment specific products. Transaction banking delivered higher income on the back of increased trade finance volume, enhanced cash management and JomPAY solutions. Our Debt Capital Market business continued to rank in the top 3 for overall bond and sukuk issuance in Malaysia.

### Priorities in FY18

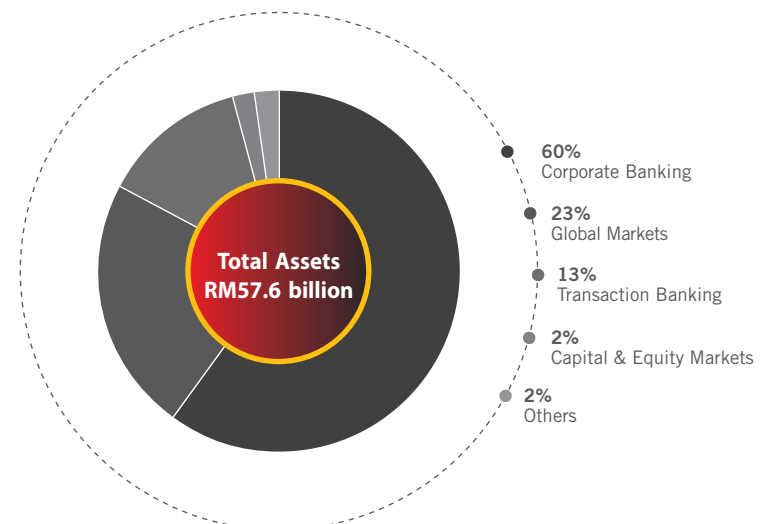
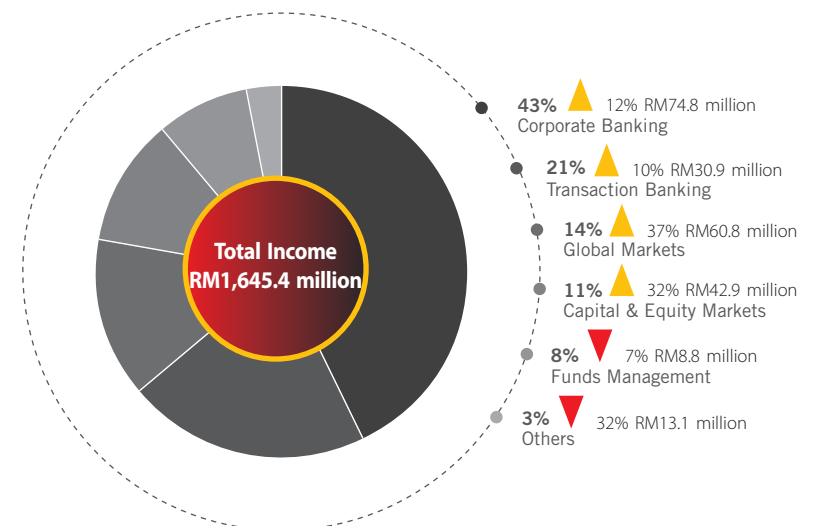
Strategic priorities for FY18 are improving profitability and growing our business by leveraging on analytics and innovative financial solutions. We will increase our focus on the mid corporate segment, enhance foreign exchange and transaction banking propositions across all customer segments and develop digital capabilities. Transaction banking will continue to play a pivotal role in our CASA and deposit growth strategy via enhanced cash management platforms, payroll and JomPAY solutions.

### What We Do

Wholesale Banking focuses on building and developing strong relationships with clients and provides wholesale banking services supported by a wide spectrum of commercial and investment banking products and services. We continually strive for excellence in offering innovative, quality and differentiated products and services.

### Wholesale Banking's income in key Segment

Total Income (YoY Movement) and Total Assets by Line of Business



## Corporate Finance

Corporate Finance provides an extensive range of corporate finance and advisory services comprising initial public offerings (IPO) mergers and acquisitions (M&A), take-overs, restructuring, issuance of equity and equity-linked instruments, valuations and independent advisory services.

## Capital Markets Group

Capital Markets provides customised financing solutions to our sovereign, corporate and institutional clients through fixed income, derivatives and credit solutions and advisory services.

## Global Markets

Global Markets covers all secondary market activities relating to treasury, including foreign exchange, rates, derivatives, commodities and fixed income offerings.

## Funds Management

Funds Management provides funds management services to institutional and retail investors.

## Transaction Banking

Transaction Banking offers business banking solutions for corporates to better manage their cash flow and trade financing.

## Private Banking

AmPrivate Banking services high net worth Malaysian clients with investment advisory, security dealing and fund management services.



## Corporate Finance

Our Corporate Finance Division service a diverse range of clients from various sectors including construction, infrastructure, financial institutions, plantations, property development and oil & gas. In spite of our diverse range, overall equity market transactions in Malaysia in FY17 were lower than in recent years, particularly in IPO and fund raising exercises.

AmInvestment Bank was involved in two of the six IPOs on the Main Market of Bursa Malaysia Securities Berhad in FY17. We were the Joint Underwriter for Eco World International Berhad and also for Serba Dinamik Berhad which raised RM2.6 billion and RM0.6 billion respectively.

On the M&A front, notable deals include acting as the Principal Adviser for IOI Properties Group Berhad's RM7.9 billion acquisition of land in Singapore, as well as take-over offers involving several Malaysian public listed companies, namely Aluminium Company of Malaysia Berhad, Ekowood International Berhad, Huat Lai Resources Berhad, JcbNext Berhad, ML Global Berhad and Wong Engineering Corporation Berhad. We were also the Co-Adviser for the RM1.1 billion disposal of a 40% equity interest in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd by Ekovest Berhad.

We acted as the Independent Adviser for the take-overs of GHL Systems Berhad, Mieco Chipboard Berhad as well as Shell Refining Company (Federation of Malaya) Berhad.

In terms of secondary fund raising deals, we acted as the Joint Principal Adviser, Joint Managing Underwriter and Joint Underwriter for Malaysia Building Society Berhad's rights issue (RM1.7 billion) as well as the Principal Adviser for IOI Properties Group Berhad's rights issue (RM1.5 billion).

Our commitment to delivering quality products and services through an in depth understanding of our clients' requirements awarded us the Best Secondary Deal for 2016 by Alpha Southeast Asia for the Malaysia Building Society Berhad's rights issue.

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

### Capital Markets Group

We continued to assert our leadership position in FY17 as a dominant capital markets player. Our track record of successfully executing deals in volatile and challenging market environments is a testament to our unwavering commitment to provide service of the highest quality to our clients.

We extended our top three position on the Bloomberg Underwriter Rankings for Ringgit-denominated corporate bonds/sukuk for the 14th consecutive year in 2016.

Islamic Markets were realigned under the Capital Markets Group as a dedicated unit responsible for providing Shariah advisory services for a wide range of Shariah-compliant financial and investment solutions. Islamic Markets Shariah advisory covers sukuk, Islamic financing syndication, equity-related offerings and Islamic structured finance. Sukuk represented 72% of total bonds completed in FY17.

### Corporate Bonds/Sukuk Market

Malaysian corporate bonds/sukuk issuances stood at RM77.9 billion in 2016 with Government-Guaranteed issuances totalling RM27.8 billion (comprising 35.6% of total issuance) to finance infrastructure projects. Other new corporate bonds/sukuk issuances in 2016 were made up of AAA-rated issuances (24.8%), followed by AA-rated issuances (25.0%), unrated issuances (11.6%) and A-rated issuances (3%).

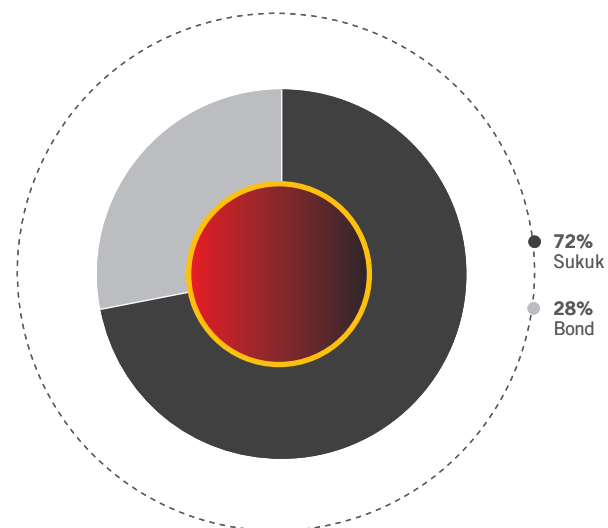
The Ringgit sukuk market made a comeback despite all the headwinds of 2016, closing at RM61.3 billion, 13.5% higher than the previous year (2015: RM54.0 billion). This was driven namely by Malaysia's economic pump-priming infrastructure-led projects. Sukuk issuances continued to denominate the overall domestic bond market, as reflected by the percentage of sukuk to total bonds issued, at 78% (2015: 69%).

Amongst the largest Sukuk issuance arranged and participated by AmInvestment Bank were the RM25.0 billion Sukuk Murabahah Programme by Lembaga Pembiayaan Perumahan Sektor Awam, RM8.0 billion Perbadanan Tabung Pendidikan Tinggi Nasional and RM3.65 billion Sukuk Wakalah by Lebuhraya DUKE Fasa 3 Sdn Bhd.

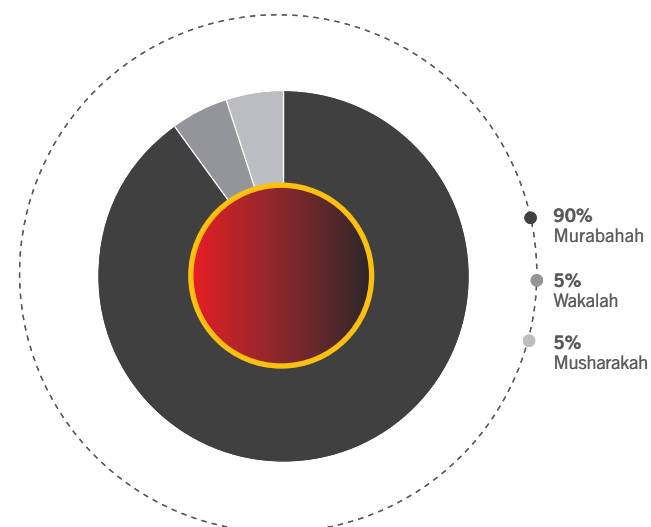
For 2017, we expect the same trend will continue and sukuk issuances are expected to remain at the RM65-70 billion level, based on the projected issuances in the pipeline, mainly from infrastructure, project finance and construction sectors as well as government-linked companies.

Unrated bond/sukuk issuances continued to gain momentum in the Malaysian market with the removal of mandatory rating requirement for tradable bonds/sukuk by the Securities Commission in January 2017. Drawing on our vast experience and expertise in syndication, the Capital Markets Group is committed to assisting our clients to capitalise on this opportunity and to developing private placement strategies with a diversified investor base.

### Bonds/Sukuk Arranged and Managed by AmInvestment Bank FYE2016



### New Sukuk Issuance FYE2016 by Shariah Principle



## AmlInvestment Bank's Leadership in the Corporate Bonds/Sukuk

During the year in review, AmlInvestment Bank won a number of prestigious awards for its innovation in Islamic structures such as the Islamic Issue of the Year for Southeast Asia (*Lebuhraya DUKE Fasa 3 Sdn Bhd*) by IFR Asia, the Commodity Murabahah Deal of the Year (*Al Dzahab Assets Bhd*) by IFN, and the Best Wakalah Deal of the Year in Southeast Asia (*Lebuhraya DUKE Fasa 3 Sdn Bhd*) by Alpha SEA. AmlInvestment Bank was also awarded the Project Finance Bank of the Year in Malaysia by The Asset Triple A Asia Infrastructure Awards 2016. Receiving this award in two consecutive years is a testimony to our capabilities in the project financing space.

## Loan Markets

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

We continued to extend our top 5 position on the Bloomberg Underwriter Rankings for Ringgit-denominated Malaysia Loans Mandated Arranger for the year 2016.

Growth was mainly driven by real estate financing, for example AmFIRST REIT, Setia Federal Hill, Kwasa UK Trio, Eco Ardence, IOI Properties, among others. Real estate linked financing made up 41% of the total market volume in Malaysian loan syndication markets in 2016.

The loan syndication business in Malaysia has showed signs of slowing down due to global market volatility and the on-going economic headwinds. Some borrowers delayed their projects or postponed fund raising exercises. Compared to the year before, Malaysian loan syndication market volume in 2016 dropped to USD12.2 billion, a 6% reduction in volume (2015: USD12.9 billion), of which 38% of total market volume constitutes refinancing of existing term loans.

For 2016, there was a significant increase in cross border transactions, with foreign currency denominated deals making up to 84% of the total loan syndication market volume, compared to 68% the previous year. We anticipate the trend of local borrowers raising sizable portions of syndicated loans in foreign currency due to offshore projects and lower funding cost will continue in 2017.

AmlInvestment Bank continues to gain recognition in the loan syndication market. It won the Best Transport Deal in Malaysia at The Asset Triple A Asia Infrastructure Awards 2016. The Best Transport Deal in Malaysia title was also awarded to AmlInvestment Bank for its capabilities in delivering quality results in providing integrated financing solutions to its sovereign, corporate and institutional clients.

Going forward, our Capital Markets Group will maintain its role as a key player in the bond, sukuk and loan/Islamic financing markets as well as exploring new opportunities for growth in production innovation in M&A financing, retail bonds/sukuk and socially responsible bonds/sukuk.

## Global Markets

Our Global Markets business model has undergone rapid transformation over the years to cope with the ever changing landscape. The continuous reinvention of our business model has yielded positive outcomes, especially since the 2008 Global Financial Crisis, where volatility is the only constant.

During the period under review, global rates and foreign exchange markets faced considerable volatility. Both the United Kingdom's vote to leave the European Union and the surprise result of the US election contributed to uncertainties. The USD-RM depreciated by 12% during the period under review. There was a huge outflow of foreign funds from the Malaysian bond market causing a fall in foreign ownership of Malaysian Government Bonds from a peak of 51.9% in Nov 2016 to less than 40% by March 2017.

The delicate balance between efficient usage of capital and profitability is the basis of our strategic initiatives. As a result, Global Markets' focus is to grow flow business while leveraging on our existing Fixed Income franchise. The division continued to leverage on our relationship within the Group to harness the synergies via the various strategic initiatives to grow flow business.

In addition to managing and building client relationships, our dedicated multi-product Sales team is also tasked to deliver product solutions across all asset classes. The Sales team is supported by a professional team of traders and an equally dedicated team from Business Management, where the support functions are being housed. The slew of awards by Global Markets is a testimony of this symbiotic and enriching relationship which exists internally within the division.

In FY17, we won Best FX Bank for Corporates & Financial Institutions for the 5th consecutive year from Alpha Southeast Asia Best Financial Institution Awards. We were top 3 in four categories in the Asia Money FX Poll – Best Domestic FC Providers. In The Asset Awards, we were top 5 in Local Currency Bond Individual Sales.

Going forward, Global Markets will continue to build on the momentum of our commercial and mid-market segments which have started to gain traction on account of our Top 4 strategic initiatives. The division will also focus on growing flow business through collaboration by leveraging on various distribution channels and relationships within the Group for effective cross-selling. Continuous emphasis is also placed to provide innovative solutions, from a conventional as well as Islamic perspective, with the ultimate aim of growing the AmBank brand.

## Funds Management

Our Funds Management Division provides conventional and Shariah-compliant funds management services to both institutional and retail investors, and specialises in global sukuk and Asian equities.

As at 31 March 2017, we managed 80 institutional mandates, 78 unit trust funds, 2 exchange traded funds and 10 Private Retirement Schemes (PRS) funds. Total assets under management increased 3% or RM1.0 billion to RM37.2 billion over the last financial year, led by Shariah-compliant inflows which grew 22% over the year to RM8.7 billion.

AmlInvest dominates the fixed income unit trust sector with the largest market share of 14.2%. In PRS funds, we improved our ranking from 6th to 5th position in terms of market share, at the end of the year.

We launched three funds during the year, in equity, close-ended fixed income and PRS. Promotions and campaigns throughout the year were targeted towards the retail segment and the PRS market.

As we continue to build on our funds management capabilities and expertise, our efforts have been validated and recognised with a total of 11 awards this year. Many were repeat wins. In terms of fund performance, AmDynamic Bond, a fixed income fund launched in 2003 was singled out under the Best Bond Ringgit – Malaysia Provident 10-year performance category at The Edge | Thomson Reuters Lipper Fund Awards 2017 and Best Malaysia Bond Fund at the Morningstar Malaysia Fund Awards 2017 respectively.

AmDynamic Bond, AmCommodities Equity and AmIncome Plus were honoured this year at the FundsSupermart.com Recommended Unit Trusts Awards 2016/17. For the fourth consecutive year, AmlInvest was named Malaysia's Best Pension Fund Manager and also received top honours as Malaysia's ETF Manager of the Year from Asia Asset Management (Hong Kong). The Asset Triple A ETF Awards 2016 also named us as the Best ETF Provider, Malaysia. World Finance (London) has acknowledged us as Malaysia's Investment Management Company of The Year for 6 years in a row now.

On the Islamic front, we were recognised as Malaysia's Best Asset Management House of the Year from The Asset (Hong Kong) for the second time and received recognition as Most Innovative Fund Manager 2016 at the Global Islamic Finance Awards 2016.

We realigned our department this year to serve our customers more efficiently and effectively. The exercise enabled us to continue striving for growth with a concentrated sales focus, backed by reinforced support in mid and back room.

We shall also continue to leverage on the momentum we have built in developing innovative Shariah compliant products and services. We also expect to grow our retail business because we have the largest number of institutional unit trust agents in the market and we have the Group's distribution channels.

## Transaction Banking

Transaction Banking offers business banking solutions that cater for corporate needs to better manage cash flow – both payables & receivables. Our solutions include our cash management platform via eAmBiz, online payroll via eAmPayDay & trade financing via AmTrade.

From our trade financing desk, we are focusing on Islamic offerings and launched our Over The Counter Bank Guarantee-*i* (OTCBG-*i*) this year. There will be more trade financing – *i* related offerings in 2017.

We are currently upgrading our eAmBiz cash management platform to keep abreast of the digital payment landscape. A mobile version will be launched to enable corporate customers to access account information and to perform transactions via mobile phone and tablet. We have also embarked on security token upgrades to ensure our internet banking access is safe and secure.

As part of our cash management offerings to corporates, we are actively engaged with MyClear to offer JomPAY. Through JomPAY, corporates now only need to deal with one bank to perform their collections from all participating banks in Malaysia. A single format of reporting and real time notification allows corporate customers to perform easy reconciliation in their back office. In 2016, we onboarded corporate and government agencies from the education segment, property maintenance, loan repayment and local councils. The JomPAY list will continue to expand in 2017 to utility companies and welfare agencies.

## Private Banking

AmPrivate Banking provides high net worth Malaysian clients with unique investment banking propositions via investment advisory, security dealing and fund management services, and executed using capital market, investment and banking products and services.

We complement AmBank's expertise and resources with customised solutions to meet our clients' investment needs. Products and services originated within the Group are channeled across to private banking clients, who may also choose from a suite of other investment providers under AmPrivate Banking's open architecture platform.

Our private bankers serve clients located throughout Malaysia, offering them access to domestic and foreign exposures in equities, bonds, currencies and alternatives. Complementing our private bankers' advisory services are in-house fund managers offering discretionary portfolio management.



## Notable Deals and Awards in Wholesale Banking

### NOTABLE IPOs FOR FY17



#### ECO WORLD INTERNATIONAL BERHAD

**RM2.6 billion**

Joint Underwriter  
April 2017



#### SERBA DINAMIK HOLDINGS BERHAD

**RM0.6 billion**

Joint Underwriter  
February 2017

### NOTABLE M&A DEALS FOR FY17



#### IOI PROPERTIES

#### IOI PROPERTIES GROUP BERHAD

**RM7.9 billion**

Principal Adviser

Acquisition of land in Republic of Singapore  
January 2017



#### EKOVEST BERHAD

**RM1.1 billion**

Co Adviser

Disposal of 40% equity interest in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd  
December 2016



#### ALUMINIUM COMPANY OF MALAYSIA BERHAD

**RM81 million**

Principal Adviser

Take-over Offer  
October 2016



#### EKOWOOD INTERNATIONAL BERHAD

**RM22 million**

Principal Adviser

Privatisation via Scheme of Arrangement  
February 2017



#### HUAT LAI RESOURCES BERHAD

**RM99 million**

Principal Adviser

Take-over Offer  
November 2016

#### JcbNext Berhad

#### JCBNEXT BERHAD

**RM104 million**

Principal Adviser

Take-over Offer  
December 2016



#### ML GLOBAL BERHAD

**RM35 million**

Principal Adviser

Take-over Offer  
May 2016



#### WONG ENGINEERING CORPORATION BERHAD

**RM53 million**

Principal Adviser

Take-over Offer  
September 2016

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**NOTABLE INDEPENDENT ADVISER ROLES FOR FY17**

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**SHELL REFINING COMPANY (FOM)  
BERHAD**

**RM576 million**

Independent Adviser

Take-over Offer

**January 2017**



**GHL SYSTEMS BERHAD**

**RM239 million**

Independent Adviser

Take-over Offer

**April 2017**



**MIECO CHIPBOARD BERHAD**

**RM82 million**

Independent Adviser

Take-over Offer

**October 2016**

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**NOTABLE FUND RAISING DEALS FOR FY17**

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**MALAYSIA BUILDING SOCIETY BERHAD**

**RM1.7 billion**

Joint Principal Adviser, Joint Managing  
Underwriter and Joint Underwriter

**June 2016**



**IOI PROPERTIES**

**IOI PROPERTIES GROUP BERHAD**

**RM1.5 billion**

Principal Adviser

**March 2017**

## Notable Deals and Awards in Capital Markets

### AMINVESTMENT BANK'S AWARDS AND ACCOLADES



#### IFR Asia Awards 2016

Islamic Issue of the Year, SEA  
*Lebuhraya DUKE Fasa 3 Sdn Bhd*



#### Alpha SEA Deal & Solution Awards 2016

Best Wakalah Deal of the Year, SEA  
*Lebuhraya DUKE Fasa 3 Sdn Bhd*



#### Alpha SEA Deal & Solution Awards 2016

Best Murabahah Deal of the Year, SEA  
*Al Dzahab Assets Bhd*



#### The Asset Triple A Asia Infrastructure Awards 2016

Project Finance Bank of the Year, Malaysia  
(2<sup>nd</sup> Consecutive Year)



#### The Asset Triple A Asia Infrastructure Awards 2016

Best Transport Deal of the Year, Malaysia  
(2<sup>nd</sup> Consecutive Year)  
*Penang Port (2016) & DanaInfra (2015)*



#### IFN Awards 2016

Regulatory Capital Deal of the Year  
*Mumtaz Rakyat Sukuk Berhad*



#### IFN Awards 2016

Commodity Murabahah Deal of the Year  
*Al Dzahab Assets Bhd*



#### Bloomberg Underwriter Rankings 2016

Malaysia Bonds – No. 3 with 17.7% market share  
Ringgit Sukuk – No. 4 with 17.5% market share  
RM Loan – No. 4 with 16.4% market share



#### Lead Manager Award 2016

No. 3 – by Programme Value

#### Lead Manager Awards 2016

Joint 1<sup>st</sup> – by Numbers of Issues

#### Lead Manager Awards (Sukuk) 2016

No. 3 – by Programme Value

#### Lead Manager Award (Sukuk) 2016

Joint 2<sup>nd</sup> – by Number of Issues

#### Lead Manager Awards X 2016

No. 3 – by Programme Value

# BUSINESS REVIEW

## WHOLESALE BANKING

The Capital Markets Group's key transactions are as highlighted below:

### Legend

**PA** Principal Adviser

**LA** Lead Arranger

**LM** Lead Manager

**SA** Shariah Adviser

**MLA** Mandated Lead Arranger/  
Bookrunner

**JLA** Joint Lead Arranger

**JLM** Joint Lead Manager

**JSA** Joint Shariah Advisers

## INFRASTRUCTURE & PROJECT FINANCING

### Lebuhraya DUKE Fasa 3 Sdn Bhd

**PA LA**  
**JLM JSA**

RM3.64 billion Sukuk Issuance

- Largest Ringgit-denominated greenfield tolled-road project financing (in nominal value) to date.
- Malaysia's first Sukuk issuance based on the Shariah principle of Wakalah Bi al-Istithmar to fund the development and construction of an expressway.
- Introduction of a Reimbursable Interest Assistance (RIA) facility of up to RM560 million by the Government of Malaysia.

### DanaInfra Nasional Berhad

**JLA JLM**

RM2.68 billion GG Sukuk issuance

- Securing optimal pricing for the 11<sup>th</sup> issuance despite the challenging market backdrop due to post Trump address to Congress in February 2017.
- RM2,105 million issuance with tenors of 5, 7, 10 and 15 years was completed via book-building mode while RM575.0 million issuance with tenors of 25 and 30 years was completed via private placement.

## GOVERNMENT HOUSING

### Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA")

**JLA JLM**

RM25.0 billion GG Sukuk Programmes

- LPPSA is the new statutory body established and is under the purview of MoF to undertake the provision of housing financing to civil servants previously conducted by Bahagian Pinjaman Perumahan.
- 3.76 times bid-to-cover ratio for the RM3.4 billion Sukuk issuance via bookbuilding.
- Tax remission enhanced the government-guaranteed Sukuk's attractiveness to investors, thereby achieving optimum pricing.

## EDUCATION

### Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN")

**JLA JLM**  
**JSA LM**

RM8.0 billion GG Sukuk Programme

- Established under the PTPTN Act 1997 to manage funds for tertiary education purposes, collect payments of financing and to provide and manage education savings schemes.
- First issuance well received by the market, receiving total orders of RM5.7 billion from 52 investors account with a final bid-to-cover ratio of 1.62 times.
- AmInvestment appointed as sole Lead Manager for the 2<sup>nd</sup> issuance of RM2.2 billion.

## ENERGY

### Sarawak Energy Berhad

JLM

RM1.5 billion Sukuk Issuance

- Fourth Sarawak Energy issuance under the Sukuk Musharakah Programme.
- Capitalised on market appetite for long-tenored papers – the Sukuk was oversubscribed by over 2 times with the majority of the interest focused on the longer tenored papers.

## CONGLOMERATE

### YTL Corporation Berhad

JLM

RM1.0 billion Medium Term Note (MTN) Issuance

- Second issuance under the MTN Programme.
- Issue tenors of 10 and 20 years – the latter of which is the standalone corporate issuance with the longest tenor year-to-date.
- Preliminary engagement and understanding of the client's financing requirements leading up to the issuance enabled a swift time to market.

## FINANCIAL INSTITUTIONS

### Affin Bank Berhad

JLM

RM6.0 billion Medium Term Note (MTN) Programme

- Programme has perpetual tenor and provides flexibility to issue both subordinated MTNs and senior MTNs.
- Superior credit profile demonstrated by 1.62 times bid-to-cover ratio for the inaugural issuance of subordinated MTNs.
- Marks the first bank capital issuance by Affin Bank and the first bank capital issuance in 2017.

### AMMB Holdings Berhad

PA LA LM

RM10.0 billion Basel III Tier 2 Sub Notes Programme

- Inaugural Basel III-compliant capital programme by AMMB Holdings, enabling it to meet BNM's capital requirements for financial holding companies from 2019.
- Issuances out of the programme to be used to capitalise the banking group by subscribing to capital issuances of its banking subsidiaries.

### Rantau Abang Capital Berhad

JLM

RM1.0 billion Sukuk Issuance

- A special-purpose vehicle established by Khazanah Nasional Berhad to raise onshore Ringgit-denominated financing.
- Inaugural Ringgit sukuk issuance in 2017.
- Strong investor interest with 2.0 times bid-to-cover ratio by 28 investors.

### AI-Dzahab Assets Berhad

JPA JLA JLM

RM900 million Asset-Backed Securitisation Programme

- Financing vehicle for the securitisation of Islamic personal financing receivables extended to civil servants and originated by RCE Marketing Sdn Bhd.
- Issuance in series in line with expected collections from the receivables pool, with tiered credit rating and overcollateralisation.

### OIL & GAS

#### Yinson TMC Sdn Bhd

PA LA

RM250.0 million Unrated Sukuk Issuance

LM SA

- Issuance by the Yinson TMC Sdn Bhd (a subsidiary of Yinson Holdings Berhad), the sixth largest floating, production, storage and offloading (“FPSO”) operator in the world.
- Refinancing existing Syndicated Term Loan of RM234.4 million and for general working capital.
- Repayment capability supported by free cash flow from the various FPSO projects and a corporate guarantee from the parent.

### TELECOMMUNICATION

#### Maxis Broadband Sdn Bhd

JLM

RM10.0 billion Unrated Sukuk Programme

- Maxis Broadband was established to streamline Maxis Berhad’s telecommunication operations into a single operating company.
- Issuance proceeds mainly utilised for spectrum fee payment(s).
- Appointed as sole Lead Manager for the RM500.0 million issuance and JLM for the RM2.45 billion issuance.

### ENTERTAINMENT/HOTELS

#### GENM Capital Berhad

JLM

RM2.6 billion Medium Term Note Issuance

- Inaugural 15-year issuance by GENM Capital – strong response by investors.
- Interest from offshore investors – underlines the strength of GENM’s credit quality.
- Considerable support from financial institutions, which subscribed up to 50% of the total issue size.

### WATER

#### Pengurusan Air SPV Berhad

JLM

RM1.45 billion GG Sukuk Issuance

- Final order book with bid to cover of 4.17 times.
- Diversified distribution with strong support from financial institutions and insurance/pension funds.
- Up to 8bps tighter pricing vis-à-vis other GG issuance priced in end May 2016.

### INFRASTRUCTURE

#### Ekovest Berhad

MLA

RM700.0 million Syndicated Term Loan Facility

- Involved from onset of transaction via our role as project adviser and legal documentation process as the Sole MLA for the transaction.
- Equity Loan to form part of Ekovest’s effective equity contribution for the proposed construction of the Setiawangsa-Pantai Expressway.
- Ekovest Berhad is one of the leading construction companies in Malaysia, involved in major civil engineering and building works including turnkey, project designing, project building and project management.

### EDUCATION

#### Perbadanan Tabung Pendidikan Tinggi Nasional

MLA

RM2.0 billion GG Synd Revolving Credit-i Facility

- For the provision of educational Shariah-compliant financing in accordance with the PTPTN Act and/or to refinance or redeem the Syndicated Revolving Credit-i Facility (“SRC-i”).
- The SRC-i is fully underwritten by Affin Islamic, AmBank Islamic, CIMB Islamic and Maybank Islamic.
- It will be paid via issuance of RM8.0 billion Sukuk Programme.

## SERVICES

### North Memorial Sdn Bhd

MLA

RM1.38 billion Multicurrency Facility Facilities

- To part finance the privatisation exercise of Nirvana Asia Ltd (“NAL”), which is listed on the Hong Kong Stock Exchange (“Privatisation”).
- On 8 July 2016, CVC Capital Partners (“CVC”), an established private equity firm, made an offer to buy out NAL for a total consideration of HKD\$8.1 billion (RM4.16 billion) through cash & shares to founder, Rightitan Sdn Bhd (42.7%), and its roll-over investor, Orchid Asia Group Mgmt (21.6%).
- The Privatisation aims to unlock the potential value of Nirvana group. The facility is funded by CIMB, AmBank, OCBC & Alliance.

## PROPERTY

### UDA Holdings Berhad (“UDA”)

MLA

RM500.0 million Syndicated Islamic Facilities

- To part-finance 8 property development projects undertaken by UDA’s subsidiaries in northern, central and southern regions of Peninsular Malaysia.
- A government project with strong internal rating and payment is supported by the sales proceeds of the units for sale.
- The facility is supported by corporate guarantees from the project developers and an undertaking from UDA to top up the shortfall in case of cost overrun.
- It is funded by Affin Islamic, AmBank Islamic, Bank Pembangunan and Kuwait Finance House (M) Bhd.

## REITs

### AmFIRST REIT

MLA

RM250.0 million Syndicated Term Loan Facility

- Financing for the acquisition of a freehold 3-storey hypermall building in Bukit Mertajam, Pulau Pinang (Mydin HyperMall).
- The proposed acquisition is meant to capitalise on the strong economic growth in Pulau Pinang’s retail segment and to provide a stable income stream for AmFIRST REIT.

### Wholesale Banking Global Markets Awards

#### Global Markets Awards Won in FY17



**Alpha Southeast Asia** has awarded AmBank for the 5th consecutive year at the 10th Annual Alpha Southeast Asia Best Financial Institution Awards 2016 ceremony in recognition for our ability to provide efficient and effective FX solutions and services to the needs of our wide-based customer segments.

- Best FX Bank for Corporates & Financial Institutions.



**Asia Money FX Poll – Best Domestic FX Providers (new category for 2016) Top 3 for:**

- Best Domestic Provider of FX Services
- Best for FX Options
- Best for FX Products and Services
- Best for FX Research & Market Coverage



**The Asset Awards:**

- No 5. in Local Currency Bond Individual Sales (Ho Su Farn)

## RETAIL BANKING

**Jade Lee Gaik Suan**  
 Managing Director  
 Retail Banking



Total income  
**RM1,364.9 million**

### FY17 Highlights

Retail Banking recorded a total income of RM1,364.9 million in FY17. This was 7.9% lower YoY impacted by margin compression. Our retail loan base grew 5.4% supported by robust growth in mortgages and cards. Retail CASA grew 7.7% from Retail SMEs and payroll accounts. Our targeted focus on credit cards saw cards in circulation up 10% YoY along with higher spending volumes. We continued to drive new cards issuance through innovative propositions such as the AmBank BonusLink Visa Card. We also strengthened our wealth management capabilities by becoming a distributor for Amanah Saham Nasional Berhad and Amanah Hartanah Bumiputra.

### Priorities for FY18

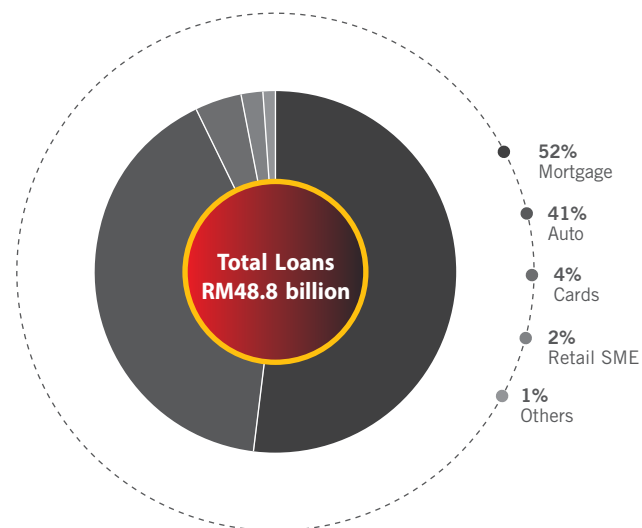
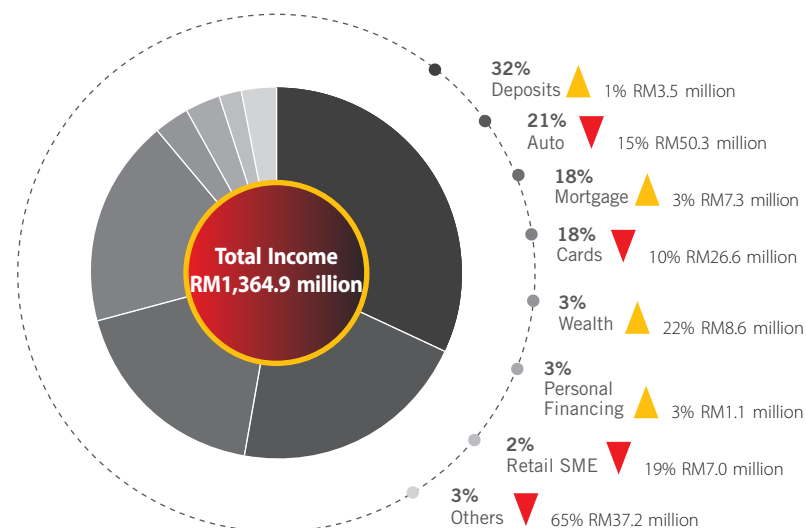
Retail Banking will continue to focus on growth in our mass affluent, affluent and retail SME segments, while strengthening our market positions in cards and wealth management. These propositions are supported by enhanced sales and distribution capabilities, including via leveraging on advanced customer data analytics and improved efficiency through process reengineering and digitalisation.

### What We Do

Retail Banking provides everyday banking to individual customers. Our comprehensive suite of financial solutions includes deposits, loans & financing, credit cards, wealth management and priority banking.

## RETAIL BANKING FOCUSING ON LOANS GROWTH IN NON-INTEREST INCOME TO MITIGATE MARGIN COMPANY

### Total Income (YoY Movement) and Loans by Line of Business





## Retail Banking

In Retail Banking, we have refined key performance indicators, given more clarity to the ownership of our channels, segments and products and redesigned our incentive schemes for branch managers and relationship managers. We were impacted by margin compression in FY17 and saw income fall 7.9% YoY. Our retail loan base grew 5.4% supported by robust growth in mortgage loans and cards. Next year, we expect to see stronger results as the benefits of our restructuring become apparent.

### Channels

Driven by improvements in channels and cross selling, our branch productivity improved. Our average branch sales performance growth from the third quarter to the fourth quarter of FY17 was about 70%, whilst our average branch YOY growth was 58%. Output from mobile sales doubled with 52% productivity improvement for our mortgage team. Our cards team registered a four-fold productivity improvement.

### Products

Our improved sales were supported by simple product innovations. In the last quarter of FY17, senior savers and other promotions garnered nearly RM3 billion in deposits. Our appointment in January 2017 as an agent for Amanah Saham Nasional Berhad unit trusts also resulted in AmBank taking RM198 million in the last quarter of FY17. Increased collaboration with AmMetLife saw our premiums grow 64% YoY.

### Segments

The re-launch of our AmBank Signature Priority Banking led to a six-fold increase in our customer base from December 2016 to March 2017. We now have around 50,000 priority customers, making us one of the Top 4 in the industry. With increased confidence and support from affluent customers, we are seeing increased product take up, and improved revenue.

### Costs

Our cost showed a YOY decline in spend from the rationalisation of excess terminals and premises, and the completion of the merger of MBF-branded cards into AmBank. We continued to modernise our infrastructure with the roll out of a new loan origination system, the replacement of old ATMs, and an ongoing upgrade of our debt collection system, customer management system, data science capabilities, customer on-boarding solutions and mobile banking.



## Customer Experience

In order to better serve our customers, we upgraded 2 of our 7 priority banking centres and re-energised our relationship managers and support team. We rolled out our new holistic branch model for enhanced customer experience in Sabah. We beta tested our new mobile banking application to replace AmGenie, and a new merchant portal. Straight through processing improvements from Project APEX meant we could reduce the overall account opening experience from an average of 45 minutes to less than 10 minutes. We upgraded our customer care, so all touch points are rolled into one centre that deals directly with customers to resolve and close off issues.

## Data Science

We now have a functional enterprise data warehouse, relevant analytical tools and a modest team of data specialists to support our digital sales enablement and customer experience initiatives.

## Management Team

We have a refreshed team of seasoned bankers to lead our product, segment & distribution initiatives, supported by a strong credit and collection operations, and data science.

## Looking Forward

In FY18, we expect to see stronger results as the benefits of our restructuring become apparent. We will continue to focus on growth in our mass affluent, affluent and retail SME segments, while strengthening our product market positions in cards and wealth management. These propositions are supported by enhanced sales and distribution capabilities, including leveraging on advanced customer data analytics and improved efficiency through process reengineering and digitalisation.

# BUSINESS REVIEW

## BUSINESS BANKING

### Christopher Yap Huey Wen

Managing Director  
Business Banking



In line with our Top 4 Strategy, we have created a new division called Business Banking to enhance our focus on the small and medium size enterprise (SME) segment. This is a key growth area for AmBank and is also in line with the government's strategic initiative to encourage entrepreneurs. Our Business Banking division started operations in April 2017 and comprises two focus areas:



### ENTERPRISE BANKING

Focuses on companies with a business turnover of less than RM50 million and primarily looks at working capital loans under programme lending which will drive flow business of FX and trade.



### COMMERCIAL BANKING

Focuses on companies with a business turnover of RM50 million to RM150 million and primarily looks at liabilities and discretionary lending along with ancillary solutions.

# ISLAMIC BANKING

**Eqhwan Mokhzanee Muhammad**

Chief Executive Officer  
AmBank Islamic Berhad



Profit after taxation and zakat  
**RM268.9 million**

## FY17 Highlights

AmBank Group's Islamic banking business constitutes AmBank Islamic Berhad (AmBank Islamic) and the Islamic banking business undertaken by AmInvestment Bank Berhad. We recorded a healthy combined profit after taxation and zakat of RM268.9 million in FY17. This was an increase of 6.4% over the previous financial year, supported by higher fees, and trading and investment income. The achievement is an attestation of our strategy to focus on profitable growth areas and non-funded income, and identify the niche market segments which have been under-penetrated.

## Priorities in FY18

AmBank Islamic will Intensify focus on small and medium enterprise (SME) and mid corp clients via transaction banking solutions, FX, vendor and contract financing. Given that auto financing is a major contributor towards our earnings, greater emphasis would be placed on the profitable customer segments within this sector.

We will continue to harness opportunities in the Islamic banking space to serve niche market segments. Target areas will include Islamic wealth management which entails the distribution of Islamic unit trusts and bancatakaful products, and term financing-i for investment in Amanah Saham Bumiputera (ASB) and ASB2, which are expected to diversify and further improve our earnings. These initiatives would be underpinned by strategies to procure low cost deposits to mitigate the impact of margin compression.

We are contemplating to widen our scope of business beyond credit intermediation. Whilst credit intermediation shall continue to remain our key earnings generator and source of funding, we would explore playing an investment intermediary role as well. This could be supported by the adoption of environmental, social and governance (ESG) parameters as one of the guiding principles in the conduct of our business.

## What We Do

As the primary Islamic banking arm of AmBank Group, AmBank Islamic offers a comprehensive range of Shariah-compliant retail and wholesale banking products and services, including treasury and trade solutions.

We recorded a healthy profit after taxation and zakat of RM255.7 million in FY17. This was an increase of approximately 10.0% over the previous financial year and constituted 18.1% of AmBank Group's profit after tax.

We continued to restructure our balance sheet by growing our auto financing portfolio in a selective manner and focusing on profitable growth for our wholesale banking portfolio. To create a more sustainable earnings stream, we continued to substantially grow our mortgage portfolio. In line with AmBank Group's strategy to address the issue of margin compression, we have placed more emphasis on wealth management, credit cards and transaction banking.

The gross impaired financing ratio improved from 2.18% to 1.78% for the financial years ended 31 March 2016 and 2017 respectively, reflecting the disciplined approach in credit risk management and collection processes.

To fund business growth and have an adequate buffer in light of the more challenging and complex economic environment ahead, AmBank Islamic raised RM250 million of Tier-II capital in FY17. Coupled with the growth in profitability, we managed to maintain a strong capital position, with total capital ratio and capital equity tier 1 ratio as at 31 March 2017 of 15.1% and 10.5% respectively.



# BUSINESS REVIEW

## ISLAMIC BANKING

### New Focus Areas

In line with AmBank Group's Top 4 Strategy, we focused on growing our SME portfolio. AmBank Islamic and Credit Guarantee Corporation Malaysia Berhad entered into portfolio guarantee agreements of up to RM375 million to facilitate the provision of financing to qualified SMEs which lack collateral. We also participated in SME Corporation's Shariah SME Financing Scheme, under which eligible SMEs could receive a 2% profit expense rebate. We also promoted our Islamic banking solutions to SMEs, via a series of pocket talks and in collaboration with partners such as Halal Industry Development Corporation and SME Corporation.

AmBank Islamic obtained an institutional unit trust adviser license from the Federation of Investment Managers Malaysia in FY17. This allowed us to enter into distribution agreements with unit trust management companies to augment our wealth management business by distributing Islamic unit trusts to diversify our range of products and boost fee income.

We introduced term financing-i for the provision of financing to eligible individuals to invest in ASB, a unit trust fund promoted by Amanah Saham Nasional Berhad (ASNB), a wholly-owned subsidiary of Permodalan Nasional Berhad (PNB), which is currently the largest unit trust institution in Malaysia.

Realising that one of the underserved areas is the provision of financing for affordable homes, AmBank Islamic and the State Government of Johor launched the Johor Affordable Home Financing Scheme in September 2016. The scheme was designed to assist home purchasers who actually qualify to secure financing, but are not approved by financial institutions because lower category of affordable homes may not be within the financial institutions' target market.

### Products and Services

We are committed to ensuring that the conduct of our business is consistent with Shariah requirements. In FY17, we conducted an exercise to migrate a number of our products to adopt the Shariah principle of *Tawarruq*; an arrangement that involves the sale of an asset to the purchaser on a deferred basis and subsequent sale of the asset to a third party on a cash basis to obtain cash, or vice versa.

Amongst the products that were launched adopting the *Tawarruq* principle were:

- Cash Line-i – a short-term facility made available through the current account-i for customers who require funds for working capital requirements, personal use or project/contract financing.
- Home/Property Financing-i – a financing facility for the purchase of properties where the profit is calculated based on variable rates. For the benefit of the customer, the profit rate is capped throughout the financing period, as per the requirement of the *Tawarruq* principle.
- Term Financing-i Secured by ASB – term financing facility with fixed payment period offered to eligible individuals for the purpose of investing in ASB unit trust fund.

As part of our strategy to focus on trade, we have simplified our processes for trade finance products such as accepted bills-i (AB-i), outward bills purchased-i (OBP-i), credit bills negotiation-i (CBN-i), foreign currency trade financing-i (FCTF-i) and trust receipt-i (TR-i). Over-the-counter bank guarantee-i (BG-i) was introduced to improve the turnaround time for the procurement of BG-i by customers. Further, the master terms & conditions for cash management and trade finance products were introduced.

We reviewed our existing products to ensure compliance with new policy documents issued by Bank Negara Malaysia (BNM) such as:

- *Wakalah* (agency)
- *Kafalah* (guarantee)
- *Hibah* (gift)
- *Qard* (benevolent loan)
- *Wadi'ah* (safe-keeping)
- *Ijarah* (lease)
- *Wa'd* (undertaking)

### Shariah Governance

We adopted BNM's Shariah Governance Framework (SGF) with 4 separate Shariah pillars namely Shariah Research, Shariah Review, Shariah Risk Management and Shariah Audit. In addition, AmBank Islamic set up a Shariah Legal Section under the Shariah Research & Advisory Department.

With the strengthening of the SGF, any lapses in controls or processes which could lead to Shariah Non Compliance (SNC) incidents were identified in a proactive manner. We enhanced controls to mitigate against potential SNC, including improvements in documentation and process flows, as well as manuals and guides. For FY17, no SNC incidents were recorded by AmBank Islamic.

## Senior Management Oversight

The oversight of our business and compliance aspects were conducted via AmBank Islamic's Heads of Department Forum and Oversight Forum. The Heads of Department Forum discussed strategic, financial performance, human resource, industry development, product, and other business and organisation matters. The Oversight Forum focused on Shariah, risk management, compliance, audit, liquidity, regulatory and other control issues.

## Capacity Building

We recruited new personnel to our management team including the Heads of Product Management Section and the Heads of Business Development Section for both our Retail Banking and Wholesale Banking Departments. We also continued our systematic and targeted training for Board members, Shariah Committee members, management and staff of AmBank Group who were involved in the Islamic banking business. This included nationwide engagements with relationships managers and training for Islamic banking champions of all 175 branches. Such internal education/awareness programmes were key to position Islamic banking as the preferred choice for customers.

## Brand Presence

AmBank Islamic continued to focus in strengthening our brand presence and promote greater awareness and knowledge of Islamic banking activities amongst the public through participation in various events namely:

- The 13<sup>th</sup> Kuala Lumpur Islamic Finance Forum (KLIFF) 2016
- Global Islamic Finance Forum 5.0 (GIFF) 2016
- The 19<sup>th</sup> SME Annual Showcase (SMIDEX 2016)
- Karnival Kewangan 2017 by BNM

## Corporate Social Responsibility

AmBank Islamic continued to serve the community through corporate social responsibility initiatives. We fulfilled our responsibilities through business zakat distribution of RM1.5 million, out of which RM414,000 was paid to state zakat collection centres whilst the balance of RM1.1 million was distributed to eligible recipients ranging from associations and charity homes throughout Malaysia, including Yayasan Pelajaran Mara (YPM). The distribution to YPM was for the ongoing Student Adoption Programme which was currently in its sixth year out of a 10-year programme.

## Business Outlook for FY18

Whilst we expect the Malaysian banking sector and economy to pick up momentum, there remain uncertainties and challenges arising from increasing competition, and internal and external developments.

AmBank Islamic set up a new Business Banking Department to facilitate a seamless interface with the Group's new Business Banking line of business in driving penetration into the SME segment. We will place greater emphasis on the profitable segments within the auto financing, corporates and trade businesses. In addition, the distribution of Islamic unit trusts and bancatakaful products, and term financing-i for investment in ASB and ASB2 are expected to diversify and further improve our earnings. Coupled with the procurement of low cost deposits, these new earnings drivers would help to mitigate the impact of margin compression.

Managing asset quality via prudent credit underwriting standards and proactive collection strategies will also be a key focus.

Given that adherence to Shariah norms and requirements is paramount, we will continuously review the effectiveness of our SGF, and ensure that our business and operations comply with Shariah requirements.

We will continue to promote capacity building in order to have the right skill set, optimal level of resources and proper succession. To ensure the sustainability of our business and operations, training on Islamic banking shall be provided in a systematic manner to ensure consistent and relevant delivery throughout AmBank Group. Training modules shall be tailored to ensure that the specific requirements of the business are met.

For the coming year, we shall continue the momentum in leveraging on the distinct value proposition offered by Islamic finance to add further value to AmBank Group. This strategy would entail further penetration into niche market segments which were hitherto under-penetrated by AmBank Group.

AmBank Islamic also aspires to introduce Islamic specific offerings over the medium term to enhance our prominence and strategic focus. To this end, we will embark on financial research and development (R&D) to drive product diversification. Major challenges such as customer acceptance, and whether the existing regulatory framework and enablers are equipped for the introduction of such distinct products, would need to be overcome.

## GENERAL INSURANCE

### Derek Llewellyn Roberts

Chief Executive Officer  
AmGeneral Insurance Berhad

Profit before tax  
**RM216.9 million**



### FY17 Highlights

We grew our motor insurance market share by 0.23% to 15.76% and improved our position as number one in the market. In overall general insurance market share, AmGeneral was number two, based on net premium in 2016. We recorded a net earned premium of RM1,437.6 million, down 0.7% YoY. Profit before tax of RM216.9 million was up 7.4% YoY while profit after tax of RM190.7 million was down 1.05% due to lower tax in FY16.

### Priorities in FY18

We have developed our risk pricing model infrastructure and increased penetration to non-motor products to prepare ourselves for the liberalisation of premium pricing for motor and fire insurance products beginning July 2017. We aim to lead in motor insurance and selected personal and commercial lines via competitive underwriting, innovative product offerings and digital transformation.

### What We Do

AmGeneral Insurance is one of the largest motor and general insurance companies in Malaysia with over four million policy holders. It is backed by a strong partnership between AmBank Group and IAG Trading and operates under two well known and trusted brands in the Malaysian market, AmAssurance and Kurnia. We generate business through a comprehensive range of general insurance solutions distributed through a network of 32 branches, 7,000 agents and dealers, and through AmBank's branches nationwide.

### Number One in Motor Insurance

We grew our motor insurance market share by 0.23% to 15.76% and improved our position as No.1 in the market, despite a year of slower growth in the general insurance industry. In overall general insurance market share, AmGeneral was No. 2 based on net premiums in 2016.

As part of our focus to grow our non-motor portfolio and enhance our support capability, we developed detailed reporting in a single view to enable targeted campaigns and performance tracking. This led to an increase in cross selling activities at both individual agent and distributor levels. We registered a non-motor gross written premium (GWP) growth of 6.3% for the financial year ended 31 March 2017.

We also strengthened and improved our renewal rates with the continued implementation of the Net Promoter Score (NPS) tool in line with our strategic initiative to build a customer oriented organisation. Multi-lingual short surveys are sent via short messaging service (SMS) link to customers at different touch point and the responses received provided valuable insight into customers' preferences which helps in better managing customers' expectations.

We extended our Agent Portal Services (APS) to brokers and partners with the launch of Partner Portal Services (PPS) and that enabled us to grow the broking segment further with three new PPS partners signed up. Increasing our digital capabilities has been key as AmGeneral continues to tap into opportunities to improve its support and services to agents and partners as well as enhance customer experience and being agile to meet the customers' changing demands.

FY17 was a challenging year for the general motor business as the economy and consumer sentiment remained weak. The second half of the year also marked the first phase of progressive liberalisation of motor and fire insurance for the general insurance industry.

In the face of all these changes and challenges, AmGeneral made significant progress, and continued to embrace change, innovation and find new avenues for further growth and opportunities, as we completed the second year of our three year strategic framework.

We successfully set up our critical requirements for market liberalisation to ensure smooth implementation and service delivery to customers. This included an innovative product, Enhanced Perfect Rider Plus, coupled with systems enhancement and embedding pricing capability and functions for more efficient process and issuance of policies.

Over the year, we embarked on a 7-month corporate awareness campaign with a series of newspaper articles featuring insights on AmGeneral's business, strategic direction, employee career development, customer experience and digitalisation plans. These articles reached a daily readership of 1.4 million in The Star and were subsequently featured in Bahasa Malaysia in the Harian Metro and in Mandarin Chinese in the Sin Chew and See Hua newspapers.

Kurnia launched a brand refresh campaign to crystallise customer confidence that Kurnia will always be there in your time of need. The campaign raised awareness of Kurnia's 24-hour auto assistance, towing services and other exclusive services for policyholders. AmAssurance launched its 'On Tour Truck' campaign to increase public awareness and knowledge on various AmAssurance products and services.

AmGeneral will continue to focus on segmentation at product portfolio level with an overlay of customer insights to determine product design and marketing strategy. This will be the core focus, in line with our groundwork for liberalisation where both system readiness and go-to-market strategy implementation will be crucial to navigate this change.



NET EARNED PREMIUM

**RM1,437.6 million**

PROFIT BEFORE TAX

**RM216.9 million**

GREW OUR MOTOR INSURANCE MARKET SHARE

**to 15.76%**

RECORDED NET EARNED PREMIUM OF RM1,437.6 MILLION

**▼ 0.7% YoY**

PROFIT BEFORE TAX OF RM216.9 MILLION

**▲ 7.4% YoY**

# BUSINESS REVIEW

## LIFE INSURANCE

### Ramzi Albert Toubassy

Chief Executive Officer  
AmMetLife Insurance Berhad



Robust growth in New Business  
**40%**

### FY17 Highlights

AmMetLife achieved a robust growth of 40% in New Business and 52% in Value of New Business.

### Priorities In FY18

- Focus on customer centricity following the implementation of the new policy administration system
- Delivering new products aligned to suit the lifestyle needs of Malaysians
- Professionalise and strengthen the Agency Force
- Optimise customer experience

### What We Do

AmMetLife is a strategic partnership between two well-known and trusted brands, AmBank Group and MetLife International Holdings. We offer a comprehensive range of life assurance and wealth protection solutions distributed through AmMetLife branch offices, AmBank branches and authorised life insurance agents nationwide.

### AmMetLife

We achieved an important milestone with the completion of our core system revitalisation project, AmReady. This enhanced and improved our IT infrastructure to further support all distribution channels.

We launched WealthSecure Smart in June 2016. This is a non-participating limited premium payment endowment plan with guaranteed cash payments payable every year, starting from the end of policy year one. With WealthSecure Smart, customers will be able to enjoy protection for 20 years with a premium payment term of only 5 years and at the same time receive guaranteed cash payments as long as their policy is in force.

In January 2017, we launched Protect20. This is a traditional non-participating term plan which provides 20 years coverage. Benefits are payable upon death or total and permanent disability. For our corporate clients, AmMetLife expanded the suite of employee benefits offerings to include outpatient, dental and maternity benefits. AmMetLife also ran two promotional consumer campaigns to increase awareness of investment-linked and participating endowment plans distributed by our agency distribution channel.

AmMetLife participated in the Karnival Kewangan in January 2017 in support of Bank Negara Malaysia's efforts to create awareness for greater financial literacy. This was a great opportunity to boost visibility of the AmMetLife brand and at the same time underline the need for regular financial health checks to better assess the level of protection needed.





# FAMILY TAKAFUL

AmMetLife Takaful Berhad

Gross contribution  
**RM52 million**

### FY17 Highlights

We reported a gross contribution of RM52 million in FY17 primarily contributed by credit related products. This was marginally down on the previous year due to lower advisory sales.

### Priorities in FY18

We plan to develop a direct e-Channel to complement existing channels. With our passion for the provision of excellent services, together with a deep and respectful knowledge of Shariah principles and values, we aim to be a customer-centric and modern takaful operator in Malaysia.

### What We Do

AmMetLife Takaful is a strategic partnership between two well-known and trusted brands, AmBank Group and MetLife International Holdings. We offer a comprehensive range of takaful solutions (advisory, group employee benefits and credit related) distributed by our authorised takaful agents and AmBank branches nationwide.

### Family Takaful

AmMetLife Takaful reported a gross contribution of RM52 million in FY17 primarily contributed by credit related products. This was marginally down on the previous year due to lower advisory sales. In addition, we discontinued the underwriting of new Group Hospitalisation and Surgical benefits coverage in FY17 due to highly competitive market conditions.

We successfully migrated to a new core certificate administration system, Integral Life, in FY17. This supports business growth, performance, maintainability and system stability. In October 2016, AmMetLife Takaful launched a refreshed web interface and a point-of-sale (Release 1) for our Agency Force and Bancatakaful partners to ease proposal submissions. The new web interface provides simpler navigation, better user experience and important customer information and represents our vision to be a modern Family Takaful provider in this digital era.

AmMetLife Takaful will implement a number of strategic initiatives to improve performance and market position. As part of our five-year business plan, the development of our direct e-Channel is in progress. This will be an innovative direct channel business which will promote simple term products via an online platform. Our e-Channel will complement existing distribution channels, Bancatakaful and Agency and is expected to generate consistent regular business over the next five years.





A photograph of a person's foot resting on a sandy beach, looking out at the ocean under a bright, clear sky. The sun is high in the sky, creating a bright, slightly overexposed area in the upper right. The ocean waves are visible in the distance.

# Providing seamless experiences

We are highly committed in providing the best financial services and solutions to our customers anytime, anywhere.

# SUSTAINABILITY STATEMENT



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# CHAIRMAN'S SUSTAINABILITY MESSAGE

“ **AMBANK GROUP IS A LEADING MALAYSIAN FINANCIAL SERVICES GROUP WITH OVER 40 YEARS OF HERITAGE IN SUPPORTING MALAYSIANS IN THEIR ECONOMIC DEVELOPMENT AND WELL-BEING.** ”

We are a major employer and a significant tax payer to the Government of Malaysia (Government) whilst concurrently supporting our communities.

Throughout our 42 years in business, we have been mindful of environmental, economic and social (EES) risks and opportunities in our business conduct.

This year, we are adopting a formal materiality assessment and governance process with regard to sustainability matters such that we clearly identify our material EES risks and opportunities. In presenting our first Sustainability Statement (Statement), we have identified several material sustainability matters and grouped them into three themes as follows:



***We are committed to being a responsible financial services group***



***We recognise the need to maintain an engaging and inclusive workplace that lets people achieve their aspirations***



***We contribute to a more sustainable future by considering carefully our business decisions, the environmental impacts of our activities and how we interact with our wider communities***

Our Sustainability Statement is determined after conducting assessments to identify the material sustainability matters which are of significance to both our stakeholders and AmBank Group.



The second part of this review goes into depth on the material sustainability matters identified and explains what we are currently doing in these areas in terms of policy, process and action.

I am pleased to report that the material sustainability matters assessed as being of significance this year underpin our strategy to be a top 4 Malaysian bank by the year 2020.

Going forward, we will conduct this sustainability assessment on an annual basis. It is an important tool for identifying and evaluating concerns raised by our stakeholders and formulating our plans for sustainable business growth.

A comprehensive and sustained integration of material sustainability matters will inevitably take time. Nonetheless, we have started to formally recognise the oversight by the board of directors (Board) over AmBank Group's sustainability framework. This will bring a greater focus on, and accountability for, sustainability.

By identifying the existing processes and actions in our material sustainability matters and improving in these areas, AmBank Group can focus on what we do best, helping individuals and businesses in Malaysia grow and win together.

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

Kuala Lumpur  
30 June 2017

# ABOUT THE SUSTAINABILITY STATEMENT



**THE OBJECTIVE OF OUR SUSTAINABILITY STATEMENT IS TO INFORM OUR STAKEHOLDERS ABOUT AMBANK GROUP'S MANAGEMENT AND ANTICIPATION OF CURRENT AND FUTURE EES RISKS AND OPPORTUNITIES.**

The Statement outlines our achievements and the way in which we identify and manage the issues considered most material to our businesses, both by us and our stakeholders. It has been prepared in accordance with the Sustainability Reporting Guide and Toolkits, issued by Bursa Malaysia Securities Berhad (Bursa Malaysia).

## **Sustainability Statement Structure**

The Statement comprises two sections. The first outlines how AmBank Group embeds sustainability in our business conduct via governance and risk management framework, our approach to the identification and prioritisation of material sustainability matters, and our engagement with stakeholders. The second details our management approach and our performance relevant to the material sustainability matters identified.

In addition to this Statement, our website, [ambankgroup.com](http://ambankgroup.com), also contains information about our corporate social responsibility and governance structures.

## **Sustainability Statement Scope**

The Statement covers AmBank Group's operations pertaining to its three main subsidiaries: AmBank (M) Berhad, AmBank Islamic Berhad and AmInvestment Bank Berhad, hereinafter AmBank or the Group for the purposes of the Sustainability Statement, for the financial year ended 31 March 2017 (FY17).

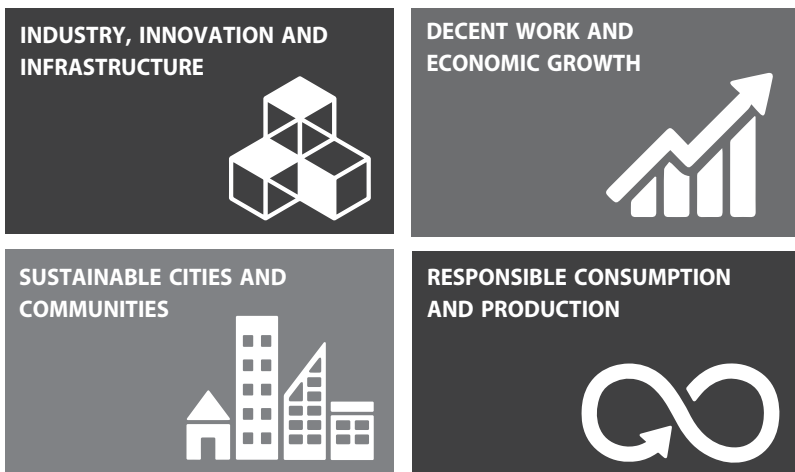
The three subsidiaries account for more than 80% of the Group's revenue, as well as most of the EES impacts.

# EMBEDDING SUSTAINABILITY

**FOR MANY YEARS, THE FINANCIAL SERVICES INDUSTRY HAS CONTRIBUTED TO SOCIETY THROUGH THE PROVISION OF CREDIT TO BOTH INDIVIDUALS AND CORPORATES, AS WELL AS THROUGH PARTICIPATING IN PRIVATE AND GOVERNMENT INITIATIVES.**

In line with the United Nations Sustainable Development Goals that were formally adopted in September 2015 and came into effect in January 2016, AmBank Group is striving to create a sustainable future for its employees, customers, and shareholders as well contributing towards a sustainable future for Malaysians.

Four of the sustainable development goals



are directly related to the ability of the Group to support improved economic well-being, which consequently increases the ability of families and the government to improve social outcomes.

As a responsible business, we take EES factors into account in offering sustainable products and services, and we integrate EES factors into our business decisions.

We aspire to be an employer of choice and we focus on developing our employees and supporting their well-being so that we continue to attract, retain and reward appropriately.

We uphold our commitment to creating a positive societal impact by conducting our business activities with reduced environmental impact and by fulfilling our social responsibilities towards local communities.

## Sustainability Governance

The establishment of the Sustainability Working Group (SWG) in 2017 marked a milestone in the implementation of a governance structure for AmBank Group's sustainability considerations and initiatives.

The Board works alongside the SWG in providing formal oversight of our corporate sustainability strategy and in ensuring that sustainability considerations are integrated into our decisions.

To ensure a broad representation of AmBank matters, the members of SWG are represented by Group Chief Executive Officer's Office, Group Finance, Group Human Resource, Group Corporate Communications and Marketing, Group Risk Management Department, Group Retail Banking, Group Business Banking, Group Wholesale Banking and Islamic Banking.

The Board is ultimately accountable for overseeing the management of material sustainability matters and is responsible for setting and embedding sustainability-related strategies into our business operations.

The SWG has the responsibility of developing AmBank Group's Sustainability Statement in line with the Amendments to the Listing Requirements of Bursa Malaysia.

The Board's Risk Management Committee of Directors assists in oversight by reviewing the Sustainability Statement prior to submission to the Board for approval. The Audit and Examination Committee of Directors and the Governance Committee also provide support in driving sustainability initiatives at Board level.





## Stakeholder Engagement

We have actively engaged a wide range of stakeholders via various channels throughout the year, to gauge their feedback and address their expectations.

In addition, we conducted an exercise to identify and prioritise a wide range of stakeholder groups. The SWG mapped AmBank Group's stakeholders by identifying the stakeholders with the highest level of influence and dependence on AmBank Group.

Customers, investors and shareholders, employees, government and regulators, community and the media were identified as the key stakeholders for AmBank.

Stakeholder Groups	Engagement Channels
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Online platforms (e.g. corporate website, social media, smartphone applications &amp; mobile messaging)</li> <li>• Customer satisfaction surveys</li> </ul>
<b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Analyst briefings</li> <li>• Investor presentations and meetings</li> <li>• Financial statements</li> <li>• Press releases</li> <li>• Conferences and roadshows</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Employee induction training</li> <li>• Employee engagement expo</li> <li>• Town hall meetings</li> <li>• AmBank Group internal publications (e.g. Scoop!, Berita)</li> <li>• Connected 2.0 Intranet portal</li> <li>• Learning and development programmes</li> <li>• Corporate volunteering programmes</li> <li>• Employee performance appraisals</li> <li>• Direct employee and electronic feedback (e.g. SpeakUp!)</li> <li>• Senior management visits to touch points (e.g. branches)</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Public partnerships (e.g. Credit Guarantee Corporation Malaysia Berhad (CGC), Zoo Negara)</li> <li>• One-on-one meetings</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Online platforms (e.g. social media &amp; smartphone applications)</li> <li>• Corporate volunteering programmes (e.g. community events, knowledge-sharing initiatives &amp; partnerships with non-governmental organisations)</li> <li>• Zakat contributions</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Press conferences and events</li> <li>• Media releases</li> <li>• Media interviews</li> </ul>

# EMBEDDING SUSTAINABILITY

## Materiality Assessment

Materiality assessment has become a strategic business tool to identify, review and prioritise our current material EES risks and opportunities as well as the emerging risks that affect business and stakeholders.

For FY17, AmBank Group has adopted a materiality assessment approach guided by the Sustainability Reporting Guide and Toolkits, issued by Bursa Malaysia. In identifying relevant sustainability matters, we have considered the operating environment and emerging risks associated with the financial services industry.

We have based our approach on internationally-recognised sustainability frameworks and industry-specific references such as the SDG Industry Matrix for Financial Services, the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and the Dow Jones Sustainability Index (DJSI). Engagements with the Group Chief Risk Officer also substantiated the internally-identified risks and opportunities faced by AmBank.

The material sustainability matters identified are presented in the table below:

Responsible Banking	Employer of Choice	Positive Societal Impact
<p><b><i>We are committed to being a responsible financial services group</i></b></p>	<p><b><i>We recognise the need to maintain an engaging and inclusive workplace that lets people achieve their aspirations</i></b></p>	<p><b><i>We contribute to a more sustainable future by considering carefully our business decisions, the environmental impacts of our activities and how we interact with our wider communities</i></b></p>
<ul style="list-style-type: none"> <li>• Customer Satisfaction               <ul style="list-style-type: none"> <li>Customer Feedback Survey</li> <li>Project APEX</li> <li>Enhancing Customer Experience</li> <li>Data Science</li> <li>Awards</li> <li>Training</li> </ul> </li> <li>• Ethics, Governance and Compliance               <ul style="list-style-type: none"> <li>Code of Ethics</li> <li>Whistle-blower Protection Policy</li> <li>Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Framework</li> <li>Trading in AmBank Shares Policy</li> <li>Group Compliance Policy and Framework</li> <li>Group Risk Appetite Framework</li> <li>Guidance and Training</li> <li>Shariah Compliance</li> </ul> </li> <li>• Data Security, IT Infrastructure and Digital Transformation               <ul style="list-style-type: none"> <li>Digital Transformation</li> <li>Data Security and IT Infrastructure</li> </ul> </li> <li>• Financial Inclusion and Responsible Lending               <ul style="list-style-type: none"> <li>Small and Medium-Sized Enterprises (SMEs)</li> <li>Affordable Home Financing</li> <li>Islamic Finance</li> </ul> </li> <li>• Responsible Sourcing and Procurement               <ul style="list-style-type: none"> <li>Sourcing Policy</li> <li>Strategic Sourcing</li> </ul> </li> <li>• Responsible Marketing, Product and Service Design               <ul style="list-style-type: none"> <li>Product and Service Governance</li> <li>Islamic Products &amp; Services</li> <li>Social Media</li> <li>Corporate Website Management</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Conducive and Inclusive Workplace               <ul style="list-style-type: none"> <li>Workplace Diversity</li> <li>Rewards and Recognition</li> <li>Employee Engagement</li> <li>Group Culture and Transformation</li> <li>Safety and Health</li> <li>Safety and Health Training</li> <li>Wellness Programme</li> </ul> </li> <li>• Human Capital Development               <ul style="list-style-type: none"> <li>Talent Attraction</li> <li>Talent Retention and Leadership Development</li> <li>Learning and Development</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Environmentally and Socially Responsible Investment               <ul style="list-style-type: none"> <li>Islamic Finance</li> </ul> </li> <li>• Community Investment and Development               <ul style="list-style-type: none"> <li>AmKasih</li> <li>Kelab AmBank Group</li> <li>Yayasan Arab-Malaysian</li> <li>Zakat Contributions</li> </ul> </li> <li>• Energy, Water and Waste Management               <ul style="list-style-type: none"> <li>Energy Management and Greenhouse Gas Emissions</li> <li>Energy Management</li> <li>Green Building</li> <li>Paper Usage</li> <li>Customer Statements</li> </ul> </li> </ul>

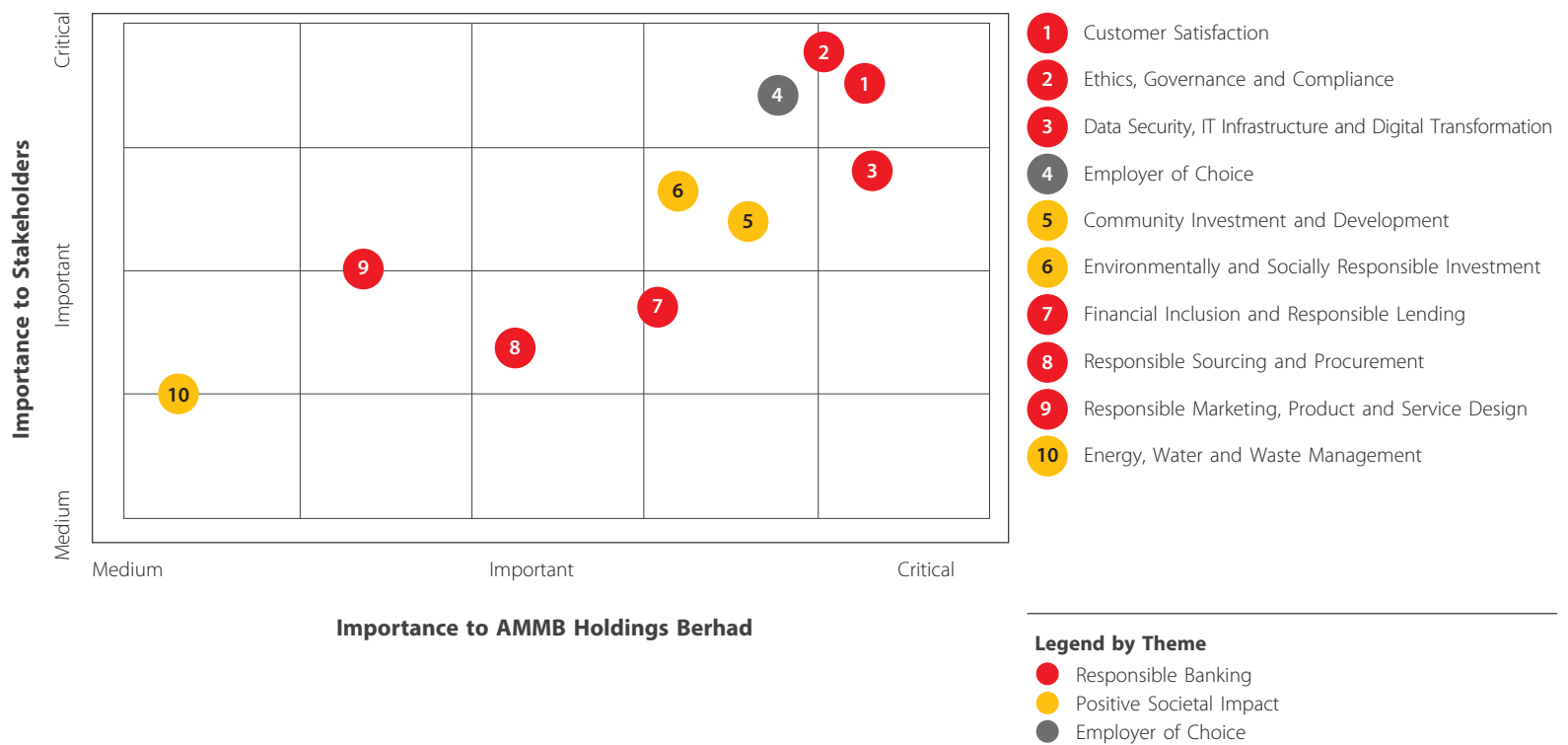
We conducted surveys with internal stakeholders to determine the level of importance they gave to the identified material sustainability matters. We engaged in particular with selected SWG members, selected members of senior management and selected members of the Board to conduct sustainability assessment exercises. These determined the level of impact of each of the material sustainability matters to the Group.

As this is our first year of reporting, we have only engaged with internal stakeholders. We are planning to engage directly with more stakeholder groups in the future to obtain additional feedback regarding material sustainability matters. AmBank is committed to transparency and disclosure and to dealing responsively with all stakeholders.

The outcome of our materiality assessment, as shown in the matrix below, was presented to and approved by the Board.

Details of our initiatives in managing the Group's material sustainability matters are discussed in the following section.

**Materiality Matrix of AMMB Holdings Berhad**




# EMBEDDING SUSTAINABILITY

## Supporting our Top 4 Aspiration

Most of the material sustainability matters we identified directly support our aspiration to be a Top 4 Malaysian bank by the year 2020. The targeted segments to reach the Top 4 or maintain the Top 4 status by the year 2020 are encapsulated as follows:


**1**

Be Top 4 in our four growth segments – mass affluent, affluent, SME and mid corporates




**2**

Be Top 4 in our four key products – cards & merchants, transaction banking & current account, markets & FX and wealth management;




**3**

Sustain Top 4 in our existing engines – corporate loans/financing, debt and capital markets and funds management; and



**4**

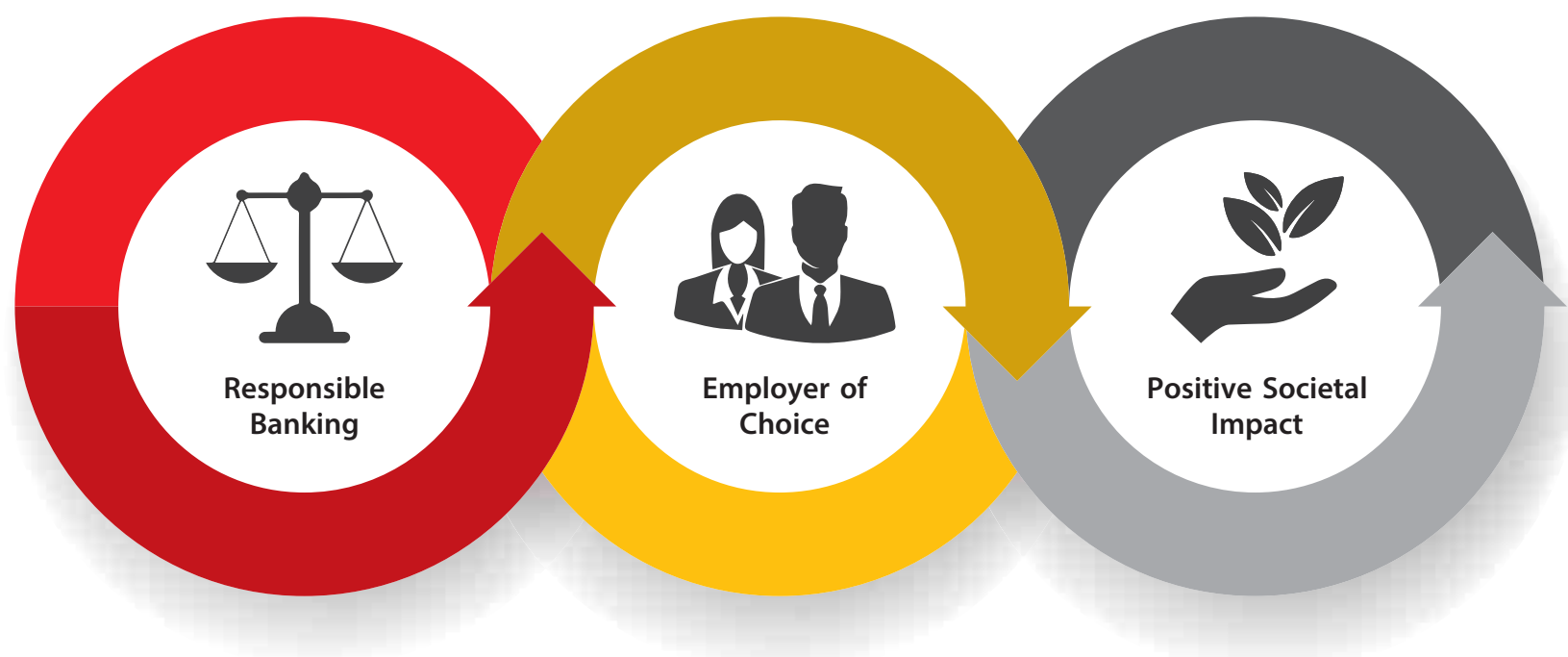
Be one of the Top 4 employers in Malaysia



Top 4 Aspirations relating to AmBank Group's material sustainability matters	1	2	3	4
	Top 4 in our growth segments	Top 4 in our key products	Sustain our Top 4 position in our existing engines	Top 4 employer in Malaysia
1. Customer Satisfaction	✓	✓	✓	
2. Ethics, Governance and Compliance	✓	✓	✓	✓
3. Data Security, IT Infrastructure and Digital Transformation	✓	✓	✓	
4. Employer of Choice				✓
5. Community Investment and Development	✓	✓	✓	✓

# MANAGING SUSTAINABILITY

IN OUR MATERIALITY ASSESSMENT APPROACH, WE IDENTIFIED THE MATERIAL SUSTAINABILITY MATTERS FOR AMBANK AND FURTHER CATEGORISED THESE INTO THE FOLLOWING THREE THEMES:



In this second section of the Sustainability Statement, we provide the details on the material sustainability matters that we identified. We lay out what AmBank is currently doing in these material sustainability matters in terms of policy, process and action.



# RESPONSIBLE BANKING

## WE ARE COMMITTED TO BEING A RESPONSIBLE FINANCIAL SERVICES GROUP

Meeting the expectations of our stakeholders in terms of trust, service delivery, accessibility and also adapting to change is essential for the sustainability of our business.

The following are the material sustainability matters grouped under Responsible Banking:

- *Customer Satisfaction*
- *Ethics, Governance and Compliance*
- *Data Security, IT Infrastructure and Digital Transformation*
- *Responsible Sourcing and Procurement*
- *Financial Inclusion and Responsible Lending*
- *Responsible Marketing, Product and Service Design*

### Customer Satisfaction

The trust and confidence of our customers is the key to AmBank Group's long term sustainability.

Over the years, our strategy has been centred on building convenience for customers and engaging customers with banking solutions to improve customer experience. As the way our customers interact with us is changing, we are increasingly embracing digital banking.

We have identified customer satisfaction and turnaround time as one of three non-financial metrics to measure our progress in our Top 4 Strategy.

In order to manage and monitor customer trust and confidence towards AmBank Group, we conduct customer feedback surveys to measure, manage and improve customer relationships.

In seeking to understand our customers' behaviours and attitudes better, we are able to customise our products and services to meet the needs and expectations of our customers, thereby adding value to our customers.

## Customer Feedback Survey

In December 2016, an independent survey by Ipsos Malaysia was carried out to measure the levels of customer satisfaction in retail banking in Malaysia. The findings indicated that customer attitudes towards AmBank Group placed us in sixth position amongst the local banks.

Customers chose AmBank as their main bank because of our suite of products and services, and accessibility to branches and self-serving machines (SSMs). AmBank's retention rate for customers indicated a positive trend due to promotions and offers given to customers. The emotional associations of our customers towards AmBank were relatively strong and focused on being trustworthy, caring, safe and secure. However, emotional associations were weak towards being youthful, innovative and progressive.

The Relationship Strength Index (RSI) for AmBank transaction banking was 6.23, with customers expressing general happiness with the services. This level of RSI was marginally behind the industry benchmark of 6.51. RSI a metric derived from six factors comprising overall satisfaction, competitive comparison, responsiveness, trust, value for money and likelihood to shift – price resistance.

We have taken several initiatives to improve our customer experience, predominantly through Project AmBank Process Excellence (APEX) which focuses on Group-wide process re-engineering and resource efficiency.

IN FY17, FIVE BRANCHES PILOTED CASA STRAIGHT THROUGH PROCESSING, REDUCING THE OVERALL ACCOUNT OPENING EXPERIENCE FROM AN AVERAGE OF 45 MINUTES TO LESS THAN 10 MINUTES.

## Project APEX

Largely in response to our customers' feedback, Project APEX was initiated in September 2016 to drive straight through processing and cost savings across four key areas and eleven processes in retail banking. The main objectives of Project APEX are to boost:

- Customer experience
- Enable straight through processes for retail banking
- Improve internal operation processes
- Better manage and control risk

Project APEX focuses on process re-engineering and boosting resource efficiency in order to provide seamless customer experience with the implementation of three key design principles. These are paperless operation processes, straight through processing to achieve faster turnaround time and better risk management and control.

The project is divided into two stages known as Wave 1 and Wave 2. Over the period of Wave 1, the initiatives taken to improve customer experience were self-service migration, the rationalisation of branch reports, call deflection and cheque decentralisation processing. Twelve branches have undertaken the cheque decentralisation process.

In the first quarter of 2017, Project APEX Wave 2 rolled out, involving simplification and improvement across four core areas i.e. Current Account and Savings Account (CASA) opening, branch teller functions, auto finance account opening and collections – paving the way towards paperless branches. CASA on-boarding was rolled out nationwide by May 2017.

### WAVE 1

- Self-service migrations
- Rationalisation of branch reports
- Call deflection
- Cheque decentralisation processing

### WAVE 2

- Current Account and Savings Account (CASA) on-boarding
- Bank teller transactions (on-going)
- Auto finance account opening (on-going)
- Collections

## Enhancing Customer Experience

### Retail Banking

We are refreshing our branch model, wherein our new branches are designed with a holistic customer journey in mind. The first branch to adopt this design was our branch in Plaza Shell Kota Kinabalu which was launched in November 2016. Recently, we launched our latest branch in Nu Sentral which adopted the same design. These are one stop centres which cater to retail customers (including priority banking customers), SME and commercial customers. We will see more of such branch models in the future.

We strive to better serve our customers by:

- Upgrading two of our seven priority banking centres and empowering the centre managers and support teams
- Upgrading older branches to be more customer-friendly
- Upgrading SSMs
- Launching a new mobile banking application to replace AmGenie
- Beta testing a new merchant portal in collaboration with a financial technology company (fintech)
- Simplified CASA opening

# RESPONSIBLE BANKING

AmBank continued to modernise its infrastructure with the roll out of a new loan origination system, upgrade of our debt collection system and customer management system.

LOAN ORIGINATING PROCESS RE-ENGINEERING – 414 EMPLOYEES WERE TRAINED TO DELIVER LOAN PROCESSING WITHIN IMPROVED PROCESSING TURNAROUND TIMES AS PART OF PROVIDING BETTER CUSTOMER EXPERIENCE.

## Transaction Banking

We are currently upgrading our corporate internet banking and cash management platform to leverage the current digital payment landscape.

A mobile version will be launched which enables corporate customers to access account information and perform transactions via mobile phone and tablet. We have also embarked on a security token upgrade to enhance the security of our internet banking access.

We are actively engaged with Malaysian Electronic Clearing Corporation Sdn Bhd (MyClear) to offer JomPAY. This is a payment solution for corporates to simplify the collection of recurring receivables. Through JomPAY, corporates would only need to deal with one bank to perform their collections via participating banks in Malaysia. A single format report and real time notification is provided to corporate customers for easy reconciliation at their back office.



**AmBank Group**  
**Malaysian e-Payments Excellence Awards**  
**(MEAA) 2017**

- 1. Outstanding Contribution to JomPAY Malaysian e-Payments Excellence Awards**
- 2. MyDebit Top Acquirer (First Place)**
- 3. Outstanding Contribution to MyDebit**

We have signed-up more than 50 JomPAY billers which include Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN), Indah Water Konsortium Sdn Bhd (IWK) and Perbadanan Islam Johor to facilitate several types of online payments such as student loan repayments, bill payments and to make waqaf contributions.

## Trade Financing and FX

Recognising that Shariah intrinsically supports trade and productive activities, we have simplified processes for Islamic trade finance products such as accepted bills-i (AB-i), outward bills purchased-i (OBP-i), credit bills negotiation-i (CBN-i), foreign currency trade financing-i (FCTF-i) and trust receipt-i (TR-i). We introduced master terms & conditions for cash management and trade finance products. Over-the-counter bank guarantee-i (BG-i) was introduced to improve the turnaround time for the procurement of BG-i by customers.



Alpha Southeast Asia awarded AmBank the Best FX Bank for Corporates & Financial Institutions for the 5th consecutive year in recognition for our ability to provide efficient and effective FX solutions and services to meet the needs of our wide-based customer segments.

## Islamic Banking

Education and awareness programmes are key to positioning Islamic banking as the ethical choice for customers. AmBank Islamic continued to conduct Islamic banking training via a systematic and targeted approach for Board members, Shariah Committee members, management and staff of the Group who are involved in Islamic banking business. A series of Islamic banking training sessions, nationwide engagements with relationship managers and Islamic banking champions of all our 175 branches were organised.

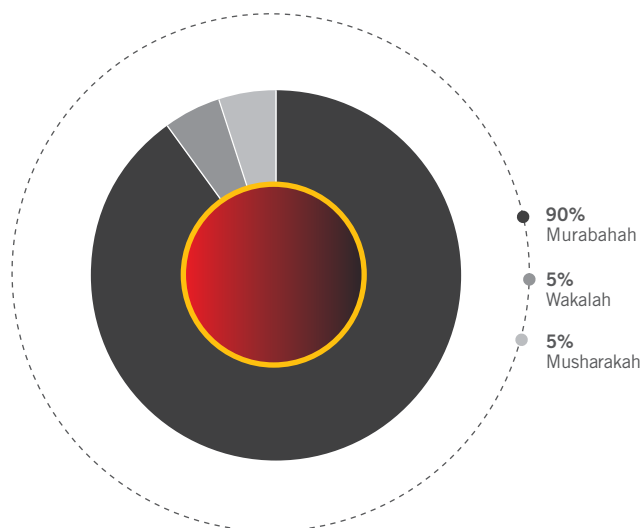
During the year, Islamic Markets has been realigned under the Capital Markets Group as a dedicated unit responsible for providing Shariah advisory services for a wide range of Shariah-compliant funding and investment solutions with strong emphasis on end-to-end Shariah-compliance for AmInvestment Bank's Islamic services and product offerings.

During the financial year, we continued to maintain a strong record, being the Top 3 in Bloomberg's Malaysian corporate bonds and sukuk league table. Further to which, we received Top 3 in the Lead Manager Awards (Sukuk) by RAM Ratings. We currently have a 27.5% market share for sukuk as at 31 March 2017.

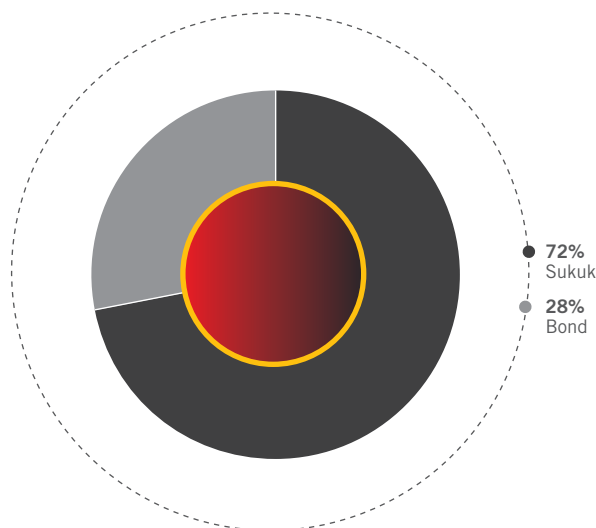
For FY18, we expect the same trend to continue and sukuk issuances are expected to remain at the RM65-RM70 billion level, based on the projected issuances in the pipeline from infrastructure, project finance and construction sectors, as well as government-linked companies.



### New Sukuk Issuance 2016 by Shariah Principle



### Bond Sukuk Arranged and Managed by AmlInvestment Bank 2016



### Data Science

We have an enterprise data warehouse, relevant analytical tools and a team of data specialists to support our digital sales enablement & customer experience initiatives.

### Awards

As a manifestation to our commitment towards providing value to our customers, we obtained the following awards during the year:

- IFN Awards 2016: Regulatory Capital Deal of the Year (*Mumtaz Rakyat Sukuk Berhad*)
- IFN Awards 2016: Commodity Murabahah Deal of the Year (*Al Dzahab Assets Berhad*)
- Alpha SEA Deal & Solution Awards 2016: Best Wakalah Deal of the Year, SEA (*Lebuhraya DUKE Fasa 3 Sdn Bhd*)
- Alpha SEA Deal & Solution Awards 2016: Best Murabaha Deal of the Year, SEA (*Al Dzahab Assets Berhad*)
- The Asset Triple A Asia - Infrastructure Awards 2016: Project Finance Bank of the Year, Malaysia (*2<sup>nd</sup> Consecutive Year*)
- The Asset Triple A Asia - Infrastructure Awards 2016: Best Transport Deal of the Year, Malaysia (*2<sup>nd</sup> Consecutive Year- Penang Port - 2016 & DanaInfra - 2015*)
- Best Secondary Deal for 2016 by Alpha Southeast Asia for being Joint Principal Adviser, Joint Managing Underwriter and Joint Underwriter for Malaysia Building Society Berhad's rights issue of RM1.7 billion.
- Bloomberg Underwriter Rankings 2016:
  - Malaysia Bonds No. 3 with 17.7% market share
  - MYR Loan No. 4 with 16.4% market share
  - Lead Manager Award 2016 No. 3 - by Programme Value
  - Lead Manager Awards 2016 - Joint 1<sup>st</sup> - by Numbers of Issues
  - Lead Manager Awards X 2016 - No 3 - by Programme Value

We have also been awarded with the



Asia Money FX Poll – Best Domestic FX Providers (new category for 2016) Top 3 for:

- Best Domestic Provider of FX Services
- Best for FX Options
- Best for FX Products and Services
- Best for FX Research & Market Coverage

# RESPONSIBLE BANKING

## Training

We place significant emphasis on training in respect of our products and services, customer engagement and process enhancement to ensure that our customers are satisfied with our products and services, and also the manner in which these are delivered.

Name of Training Programme	Description of Training	Number of participants trained
Role-based Training of Retail Banking	Developed and rolled out 22 programmes	6,873 participants nationwide with 83% of the classroom based training conducted by internal trainers
Coverage Learning Pathways of Wholesale Banking	Developed and rolled out 22 programmes	1,654 participants
Islamic Banking Champion	Rolled out 8 sessions to develop champions for each retail branch nationwide	134 participants
SME Ready Branches	Rolled out group's Top 4 Aspirations to ensure branches were SME segment ready	151 employees nationwide
Multi-Channel Switch Training	Developed, managed and delivered in-house	382 employees attended and were trained in the AmBank's ATM card/debit card system
Amanah Saham Nasional Berhad (ASNB) Training	Aimed to market and promote ASNB over the counter	1,189 employees nationwide with 13 Black Belt trainers for the system are now in place
Loan Originating Process Re-engineering	Aimed at delivering improved loans processing turnaround times in order to improve the customer experience	414 employees

## Ethics, Governance and Compliance

Ethics, governance and compliance are issues of the highest importance to our stakeholders. Given that ethical conduct, good governance and fair conduct is critical to building and maintaining trust and confidence as well as delivering transparent and responsible banking services, AmBank has embarked on several on-going cultural change initiatives across the Group.

The implications of not addressing these matters, especially in terms of regulatory non-compliance, are serious and could result in AmBank facing potential adverse implications from loss of reputation, or the erosion of trust and confidence from customers. These eventualities could affect the Group's ability to conduct business.

AmBank's Board is fully committed to ensuring that the Group maintains the highest standards in corporate governance, with a view to enhancing the value and protecting the interests of all stakeholders. The Board takes cognisance on the importance of continually developing our practice and instilling best in class corporate governance practices whilst delivering sustainable performance in line with corporate objectives.

Policies are regularly reviewed to ensure that they reflect any changes in legislative requirements, and include:

- Anti-Money Laundering and Counter-Terrorism Financing Framework
- Group Compliance Framework
- Code of Ethics
- Whistle-blowing Policy
- Policy of Conflict of Interest (incorporated in the Code of Ethics)
- Compliance Policy
- Record Management Policy
- Expense Management Policy
- Trading in AmBank Shares Policy
- Occupational Safety and Health Policy Statement
- Group Compliance Framework
- Sourcing Policy
- Shariah Governance Framework and Shariah related policies

## Code of Ethics

On 19 May 2016, a refreshed Code of Ethics took effect and was launched officially Group-wide. The Code of Ethics addresses issues of confidentiality, conflicts of interest, integrity in reporting, and the fair treatment of customers. The upgrade entailed making the Code of Ethics reader-friendly and accessible to all employees in the Group. The launch was officiated by Tan Sri Azman Hashim, AmBank Group Chairman, and attended by Dato' Sulaiman Mohd Tahir, AmBank Group Chief Executive, members of the senior management team and department heads across the Group.

All Group employees are required to comply with our Code of Ethics. It comprises six guiding principles that set the standards for the way we do business at AmBank:

- C** – Compliant
- R** – Responsible
- E** – Ethical
- A** – Accurate
- T** – Trustworthy
- E** – Equitable

The Code of Ethics provides a clear direction for conducting business, interacting with community, government and business partners, and general workplace behaviour. It has been cascaded to all employees through various methods and media, such as e-learning modules and physical workshops conducted by respective senior management to their team members. This is to ensure full understanding of the Code of Ethics and for proper embedding into the work culture of all businesses within the Group.

The Code of Ethics sets standards for the way we work at AmBank. We have high expectations of the work ethics embodied in AmBank's core values of principled, proactive, appreciative, connected and evolving. The Code of Ethics is supported by a number of more detailed policies that form part of the Group's policy framework.

## Whistle-blower Protection Policy

The Group actively encourages openness, integrity and accountability. Our Whistle-blower Protection Policy (WPP) provides an avenue for employees, suppliers, business partners and customers to voice grievances and raise concerns about malpractices involving the Group without fear of repercussions. On 1 April 2016, the Group launched a revised WPP, updating a 2012 policy.

One new key feature in the revised WPP is the assigning of the Group Chief Executive Officer, Group Chief Human Resource Officer and the Group Chief Compliance Officer as the Ombudspersons who are authorised to receive information from any employee, shareholder or external party who reasonably believes he/she may have evidence of improper conduct. These Ombudspersons are responsible for ensuring protection for the whistle-blower and that appropriate actions are taken.

The WPP entails ten principles governing whistle-blower protection with the aim to:

- Promote whistle-blowing in a positive manner
- Facilitate timely escalation of improper conduct confidentially
- Protect persons making such disclosures from detrimental action
- Investigate and manage disclosed or reported improper conduct
- Establish appropriate processes to ensure consistent and timely response
- Safeguard the organisation's commercial reputation

Confidentiality of all matters raised and the identity of the whistle-blower are protected under this scope.



# RESPONSIBLE BANKING

## Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Framework

Our Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) Policy establishes minimum standards, guiding and directing our Group-wide approach to detecting and deterring money laundering and terrorism financing activities. AmBank Group has taken several initiatives in its Group-level strategy in terms of Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) requirements.

On-going efforts in managing AML/CFT include conducting customer due diligence via tracking with enhanced monitoring scenarios for specific transaction typology, exploring a tailored review process for higher risk customer segments as well as establishing a more robust AML Programme.

DURING FY17, THERE WERE 23 AML RELATED INTERNAL AND E-TRAINING PROGRAMMES CONDUCTED, INVOLVING 4,168 PARTICIPANTS ACROSS THE GROUP.

Such transaction monitoring enables us to identify and respond to any potential money laundering or terrorism financing event. In ensuring adequacy in the incorporation of the Framework, staff records on AML/CFT training and employees' awareness of compliance matters are monitored.

## Trading in AmBank Shares Policy

The Group has in place a Trading in AmBank Shares Policy which sets out the responsibilities and trading procedures for directors and designated employees of the Group when trading in the Company's shares.

Directors and designated employees of the Group who have access to price-sensitive information relating to the Company's shares must not trade in the Company's shares until such time the information is publicly available.

Directors and designated employees of the Group who do not have access to price-sensitive information can deal in the Company's shares provided that the procedures set out in the Listing Requirements of Bursa Malaysia are adhered to. Notices on the closed period for trading in the Company's share are sent to the directors, principal officers and designated employees of the Group on a quarterly basis by the Group Company Secretary.

## Group Compliance Policy and Framework

AmBank Group has a Compliance Policy in place that sets out roles and responsibilities of the Board, senior management, business units, group shared services, Group Compliance and Group Internal Audit within the Group's Compliance Framework. Their role is to oversee the management of compliance risk with the aim of promoting the safety and security of the Group by minimising financial, reputational and operational risks arising from legal and regulatory non-compliance.

The senior management team is responsible for communicating the Group Compliance Framework to all AmBank Group employees and ensuring that appropriate remedial or disciplinary actions are taken for any non-compliance.

Across the Group, 21 remediation projects were identified, spanning across governance, process, compliance culture and technology. These key projects were initiated to address root cause and to formulate remedial actions.

Our measures included:

- Revision of manuals in transaction monitoring processes.
- Development and deployment of guides on the investigation approach to detecting early warnings, the escalation process and reporting.

Group Compliance is responsible for providing oversight on the dissemination of regulations and ensuring the implementation of regulatory requirements under the First Line of Defence in risk management and internal control. The effectiveness of implementation is assessed through risk-based review and testing.

In discharging its responsibilities, Group Compliance must give greater focus to areas where compliance risk is assessed to be high while preserving appropriate coverage of all compliance risks identified.

The operation of the Group Compliance Framework is supplemented via the issuance of Guidance Notes by Group Compliance:

- Group Risk Appetite Framework (GRAF)
- Management of New Regulations Guidance Note
- Compliance Monitoring & Reporting Guide
- Compliance Assessment Methodology Guide

## Group Risk Appetite Framework (GRAF)

AmBank Group has embedded a Group Risk Appetite Framework (GRAF) for Board controls on regulatory compliance. The objectives of GRAF are as follows:

- To manage regulatory compliance risk by setting a positive compliance culture and ensuring that the letter and spirit of regulatory requirements, applicable laws, rules and standards in the respective jurisdictions are complied with.
- To manage Shariah risk by ensuring operations, business, affairs and activities are in compliance with the rulings of Bank Negara Malaysia (BNM)'s Shariah Advisory Council (SAC) and AmBank Islamic's Shariah Committee.

The Board will be informed about reports pertaining to regulatory compliance as there will be zero tolerance towards non-compliance and breach of regulatory and statutory requirements.

Under the Compliance Assessment Methodology Guide, compliance assessments are carried out by the Compliance Assessment team under Group Compliance, in order to provide senior management and business with a degree of assurance that compliance risks are assessed and managed effectively and efficiently. Group Compliance conducts the following compliance assessments:

- Department Compliance Assessment – a routine compliance assessment to measure the department's adherence to applicable regulations.
- Thematic Assessment – conducted to assess a current or emerging risk relating to a theme and issue across a number of departments/units within the Group.

## Guidance and Training

Group Compliance is responsible for ensuring adequate training is provided to AmBank Group employees. Group-wide policies are regularly reviewed to ensure that adequate internal training programmes are in place to support relevant legal and regulatory requirements governing AmBank Group's activities. Guidance is provided on the implementation of internal controls to manage compliance risk. AmBank Group provides compliance training and awareness programmes to all staff through:

- Baseline training, which is mandatory via annual e-learning for all staff
- A compliance driven Train-the-Trainer programme
- Business driven training programmes where the training materials are subject to review and approval by Group Compliance

DURING FY17, THERE WERE 6,713 PARTICIPANTS FROM VARIOUS EMPLOYEE CATEGORIES WHO ATTENDED COMPLIANCE PROGRAMMES AND A TOTAL OF 29,148 TRAINING HOURS WERE LOGGED.

## Shariah Compliance

With regard to Shariah compliance, AmBank Islamic must comply with the rulings of BNM's SAC and AmBank Islamic's Shariah Committee.

AmBank Islamic's Shariah control function structure is guided by BNM's Shariah Governance Framework (SGF) which encompasses the following organs in safeguarding Shariah requirements:

- Board of Directors
- Shariah Committee
- Shariah Research
- Shariah Risk Management
- Shariah Review
- Shariah Audit

We have also put in place policies to govern the conduct of our business in ensuring Shariah compliance which include:

- Shariah Governance Policy
- Shariah Policy on Eligibility Criteria of Underlying Assets for Islamic Financing
- Shariah Policy on Purification of Shariah Non-Compliant Income

We have aligned the focus of our Shariah Review and Shariah Audit functions to the areas that have been identified by our Shariah Risk Management to have significant risk of Shariah Non-Compliance (SNC). Pursuant thereto, AmBank has enhanced controls to mitigate against potential SNC incidents, including improvements to documentation and process flows, as well as manuals and guides. For FY17, no SNC incidents were recorded by AmBank Islamic.

AmBank will continuously review the effectiveness of the SGF, and ensure that our Islamic banking business complies with Shariah requirements.

# RESPONSIBLE BANKING

## Data Security, IT Infrastructure and Digital Transformation

AmBank Group is always looking at innovative ways to grow our business in a sustainable manner. Doing so requires agility in delivering IT and Operations to support the needs of the business. In line with our Top 4 Strategy, we are focusing our efforts on enhancing the Group's performance via digitalisation and improvement of our existing IT infrastructure. We have also combined Group Information Systems, Group Operations and Digital Banking into one division for efficiency and speed to market.

### Digital Transformation

Digitalisation is recognised as the future, especially in today's technology driven financial services industry.

While AmBank Group has a broader digital agenda, our focus for FY17 was to respond to immediate consumer needs for more efficient online banking.

#### New Mobile Banking Platform

We have invested RM59 million on a highly flexible and agile digital mobile banking platform. We will be launching the first release of our mobile roadmap encompassing convenient and empowered banking to all our customers soon.

Our new mobile banking platform, Mobile First, is designed and anchored on three key principles, which are simple, fast and secure. The objectives are to:

- Appeal to consumers, cutting across all segments
- Differentiate from existing online banking experiences
- Break through clutter by providing an ergonomic and easy to navigate user experience with well organised and personalised personal finance insights

The initial launch in the second half of 2017 will include online fund transfers and bill payments. The platform will continue to add new and improved features that are relevant to customers on mobile. This is planned in our 24 month implementation roadmap for mobile banking.

#### Data Analytics

To facilitate the on-going digital transformation, we are investing in data analytics. Advanced analytics and 'Big Data' are allowing banks to drive their customers' journey by further increasing loyalty, revenue and profitability. With this in mind, we embarked on a first of its kind Big Data analytics POC (Proof of Concept) to gain new insights from our customer data. The journey into Data Analytics will continue in-house to build future capability.

To push AmBank Group into the next age of digitalisation, we will look into real time analytics to allow us to better cross sell and upsell our products and services to our customers. If digital is the engine, then data is the fuel.

## Re-imagining Customer Experience

With emerging technologies like Open Authorisation and Application Programme Interface (API) gateways, a whole range of possibilities have opened up for re-imagining customer experience. These enablers can be seamlessly embedded in the customer's ecosystem. One of the first initiatives we launched to extend banking in this manner is an API that allows our car distributor partners to originate car financing right at the point of sale.

Realising this potential, we have instituted a strategic bank-as-a-service programme. We are committed to creating greater convenience and lifestyle integration by securely extending access to customer information and the ability to originate financial transactions digitally based on consent from the customer to trusted partners and fintechs.

We are also actively participating in BNM's Financial Technology Initiatives by Financial Institutions where we are a working group member alongside other banks in Malaysia.

## Data Security and IT Infrastructure

Our Private Cloud Capability has empowered AmBank Group to modernise its IT infrastructure from one that was an amalgamation of legacy systems that were costly, complex and difficult to maintain, to a software-defined data centre that is highly efficient, agile and responsive to business needs. To date, 60% of AmBank Group's current infrastructure needs are on this platform.

As a result, the Group has been able to accelerate delivery of digital banking services, as part of its efforts to stay at the forefront of digital innovation. Through automation and centralised management of AmBank Group's virtual infrastructure, the Group's IT function is now able to operate with fewer support staff as a result of automated provisioning and deployment capability. Technology has enabled our IT administrators to be more productive – they can troubleshoot issues faster, spend less time in the data centres and focus more on critical issues.

Keeping critical systems up and running is imperative for financial institutions. AmBank Group is now able to trigger recovery across data centres without the need for IT administrators to manually kick start the Data Recovery (DR) process, resulting in less human error and enhanced recovery. Virtualisation has enabled AmBank Group to achieve business continuity and reduce its Recovery Time Objective (RTO). In addition, it has enabled full visibility of its DR capabilities to auditors, paving the way for a smoother auditing process.

The move to a virtual infrastructure with a smaller hardware footprint has helped AmBank Group reduce its utility costs as well. Costs have reduced to a third, partly through the elimination of inefficient services and the use of advanced IT components.

Over the past year, the Group has strengthened its network infrastructure with the implementation of the multi-tiered and multi-zoned network architecture in its Tier-3 Disaster Recovery Data Centre to make it equivalent to the production data centre. The Group has continued to strengthen protection of its information assets with further implementation of multi-factor authentication for its applications and full disk encryption of all PCs in addition to the encryption of laptops and tape media which are already in place.

With an increased focus on cyber security in the IT sector, the Group engaged an independent party to perform a Cyber Security Maturity Assessment and the results of the assessment will be in our IT security programme to ensure the Group is well positioned to address new and developing threats. AmBank Group has also operationalised the First Line of Defence and Second Line of Defence operating structure which directly supports the IT risk management framework in monitoring and managing risks of critical information systems.

THE GROUP HAS CONTINUED TO MAINTAIN ITS ISO 27001:2013 CERTIFICATION AND RECORDED NO NON-CONFORMITIES IN A CERTIFICATION AUDIT CONDUCTED IN APRIL 2017. ALL ASSESSMENTS WERE CONDUCTED AGAINST THE NIST (US NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY) FRAMEWORK, WHICH IS ONE OF THE MOST ROBUST FRAMEWORKS AVAILABLE

## Financial Inclusion and Responsible Lending

Responsible lending plays a significant part in the Group's business sustainability strategy. We understand the need to lend responsibly as the consequences of not doing so could pose significant risks to not only the borrower concerned, but also to the Group and society. We adhere to BNM's Responsible Financing guidelines to ensure effective contributions and benefit to the economy as a whole.

## Small and Medium-Sized Enterprises (SMEs)

SMEs constitute a large part of the Malaysian economy and serve as a major source of employment. Driving our Top 4 Strategy, the SME segment is one of the key growth areas for AmBank. It is also in line with the government's strategic initiative to encourage the growth of the SMEs.

### Business Banking

Business Banking is a new line of business of AmBank which was established in April 2017. The function of our Business Banking is to provide conventional and Islamic banking solutions to Commercial and SME customers. In addition to discretionary lending, our Business Banking has set-up an enterprise banking lending programme (EBLP). The EBLP handbook would be revised to incorporate environmental and social considerations.

### SME Ready Branches

In line with our focus on growing our SME business, we have made all our 175 branches 'SME ready' with 35 dedicated SME relationship managers and 140 clustered relationship managers. We have also created customised product bundles. There has been positive growth in our Retail SME business where we have achieved higher loan/financing disbursement from less than RM10 million per month in the beginning of the financial year to more than RM60 million per month in early 2017.

### Portfolio Guarantee Scheme

AmBank and Credit Guarantee Corporation Malaysia Berhad (CGC) have entered into portfolio guarantee (PG) agreements totalling RM950 million so that qualified SMEs that lack collateral could receive loan/financing from AmBank. Since the SME segment is one of our key growth areas, the tie up with CGC is timely for AmBank to increase our market share and contribute to economic growth in Malaysia.

The PG Scheme has proven to be a success, not only in serving our business partners' needs, but also for the high approval rates for SMEs. The high approval rates were also contributed by efficiencies in process flow and our online application submission capabilities.

### Shariah SME Financing Scheme

For Islamic financing facilities, eligible SMEs could receive a 2% profit expense rebate from SME Corporation under the Shariah SME Financing Scheme, under which the Government has given an allocation of up to RM1 billion until 31 December 2017.

# RESPONSIBLE BANKING

## Financing Packages

We launched two financing packages, AmBank BizSolutions Kontrak and an enhancement of an existing financing package, AmBank BizSolutions 2Trad3 which offers financing products and solutions tailored for Commercial and SME customers.

- **AmBank BizSolutions Kontrak** offers contract financing facilities which are specifically tailored for a project or contract. The finance package varies in accordance to the type of project, such as construction, supply and services.
- Enhanced **AmBank BizSolutions 2Trad3** extends necessary financial assistance to fund import and export transactions for auto parts and food industries respectively. The auto parts import industry has over 500 industry members with more than RM1 billion in sales comprising local and import trade. The local food export industry is expected to grow as the world is projected to require 50% more food and energy by 2030.

## Award

As a manifestation to our commitment towards the development of SMEs, AmBank was awarded the 'Preferred Bank for Star Outstanding Business Awards (SOBA) 2016 SME businesses'.

## Affordable Home Financing

The 11th Malaysia Plan continues to give priority to the provision of adequate and quality affordable housing for Malaysians due to the rising demand for affordable housing arising from socioeconomic changes, urbanisation and evolving demography.

### Johor Affordable Home Financing Scheme

Realising that one of the areas which is under served is the provision of financing for affordable homes, AmBank Islamic and the State Government of Johor in September 2016 launched the Johor Affordable Homes Financing Scheme to assist qualified applicants from Johor to acquire homes. We have earmarked RM300 million for this scheme.

The Johor Affordable Home Financing Scheme was designed to assist home purchasers who actually qualify to secure financing, but are not approved by financial institutions because lower category of affordable homes may not be within the financial institutions' target market.

### Perbadanan PR1MA Malaysia

In partnership with *Perbadanan PR1MA Malaysia's* special end financing scheme named *Skim Pembiayaan Fleksibel*, AmBank has embarked on an end-financing scheme, in collaboration with BNM, Employees Provident Fund Board and three other local banks. This end-financing scheme is aimed at providing eligible buyers with monthly home loan instalments that are at affordable levels.

## Islamic Finance

For our Islamic banking business, Shariah has outlined the activities which are prohibited. To this end, we will continuously review exposure to Shariah non-compliant activities as and when necessary. The Shariah non-compliant activities or Shariah negative list elements are as follows:

- Financial services business based on usury (interest), conventional insurance or any kind of contracts which are not allowed under Shariah principles
- Business activities which are deemed as Shariah non-compliant activities such as gambling, gaming and immoral activities
- Shariah non-compliant entertainment
- The manufacture, supply or sale of non-halal products such as alcoholic drinks, pork and any non-halal ingredients
- The manufacture, supply or sale of tobacco, tobacco-related products and vape
- Selling or promoting usury-based products, conventional insurance or any kind of services deemed as non-Shariah compliant
- Stockbroking or share trading for Shariah non-compliant securities
- Any kind of business which is classified as Shariah non-compliant by BNM's SAC or Securities Commission Malaysia (SC)

We have also put in place policies and guides to govern the conduct of our business in ensuring that we uphold to Shariah principles which include:

- Shariah Guides on Nonpermissible Items for Financing Facilities
- Shariah Policy on Financing for Business with Mixed Business Activities

## Responsible Sourcing and Procurement

Sourcing is increasingly recognised as an important aspect of corporate responsibility. The utilisation of third party services to carry out selected operations has allowed us to save costs, especially in highly operational processes, and also see increases in efficiency. By responsibly sourcing the materials needed to operate our facilities, we can also minimise our environmental impact on the wider global footprint.

Aligned with our Sourcing Policy, we seek to promote responsible and inclusive procurement practices and apply standards of integrity and good practice in managing related social and ethical impacts through our supply chain. With increasing interest from stakeholders, sustainability in supply chain will be embedded more rigorously into our operations going forward.

Our procurement spending encompasses mainly IT and professional services, as well as facilities and maintenance.



## Sourcing Policy

The principles of responsible sourcing and procurement practices are sustained and guided by AmBank Group's Sourcing Policy. The objectives of this Sourcing Policy are:

- To set appropriate governance and accountability delegation for sourcing implementation
- To determine appropriate and comprehensive processes, including documentation requirements, to manage outsourcing arrangements
- To outline the role and responsibilities of respective personnel
- To ensure the existence of a process to adequately gauge the impact and prepare continuity planning on externalities arising from the outsourcing activity

Our Sourcing Policy adheres strictly to BNM Guidelines and the SC Licensing Handbook. We have due diligence practices in place to ensure suppliers satisfy relevant laws and regulatory requirements and are able to prove adherence to applicable laws and policies, including:

- BNM Guidelines on Outsourcing of Banking Operations and Islamic Banking Operations
- BNM Guidelines on Outsourcing for Insurers
- BNM Guidelines on Management of IT Environment
- SC's Licensing Handbook on Outsourcing Arrangement by Capital Markets Services License Holders

## Strategic Sourcing

Under the Sourcing Policy, we have a strategic sourcing function that is headed by the Group Strategic Sourcing Management Committee. Our strategic sourcing function has a structured and systematic policy and procedure to ensure responsible sourcing, which aims to deliver sustainable cost savings. The function engages in consultancy on all sourcing activities across the Group.

We carry out several processes such as vendor evaluation and selection and risk impact assessments before outsourcing. The risk impact assessment criteria for classification of outsourcing are sustainability-related, and outline our minimum requirements for suppliers in relation to customer satisfaction and reputation, ethical business practices and regulatory requirements. A permanent Outsourcing Working Committee is established for each outsourced process to manage all post implementation operational matters as continuous monitoring.

We carry out yearly audits and visits to the offices, factories and warehouses of our suppliers to assess the various aspects of their business practices, in order to meet the BNM requirements pertaining to outsourcing.

To achieve AmBank Group's Top 4 strategy, we have plans to drive better efficiency in vendor management.

## Responsible Marketing, Product and Service Design

Responsible marketing and product & service design is an important matter because it underpins customer trust and confidence towards AmBank Group's products and services.

### Product and Service Governance

Responsible marketing enhances the reputation of AmBank Group and prevents adverse financial consequences. As such we place great emphasis in communicating and conveying clear and concise product information to our customers. We engage our employees and customers when there are changes that impact them, through feedback channels and open communication.

We have a rigorous framework in place for branding, advertising and integrated marketing in order to develop and manage AmBank Group's overall branding and advertising initiatives. This supports our brand and product awareness, including corporate branding, product campaigns and promotion support.

In order to develop our marketing and communication programmes, we have a Campaign Marketing Review Checklist which entails a systematic approval and evaluation process reviewed by the relevant parties and endorsed by the project owner, product owner and Group Compliance, as required.

The marketing of our products and services must comply to various guidelines, including:

- BNM Guidelines on Product Transparency and Disclosure
- AmBank Shariah Guidelines on Marketing and Promotional Materials

The development of our products and services adopt a governance process to ensure compliance with regulatory guidelines and ethical conduct, and uphold our brand values. We adopt an integrated approach which considers the EES impacts of our products and services. This is operationalised through strict internal product approval and evaluation process for new products and services, and existing product and service enhancements.

# RESPONSIBLE BANKING

## Islamic Products & Services

AmBank is committed in ensuring that the Islamic banking products and services offered comply with Shariah requirements and meet customer needs.

AmBank Islamic conducted an exercise to migrate a number of its products to the Shariah principle of *Tawarruq*. The products which have migrated to adopt the *Tawarruq* principle included Cash Line-i, Home or Property Financing-i and Term Financing-i secured by Amanah Saham Bumiputera (ASB).

The design of our Islamic products and services must comply with various guidelines, including:

- *Shariah Guides on Bai' inah/BBA Based Products*
- *Shariah Guides on Murabahah*

Apart from that, AmBank Islamic has reviewed its existing products to ensure compliance with new policy documents issued by BNM such as:

- *Wakalah* (agency)
- *Kafalah* (guarantee)
- *Hibah* (gift)
- *Qard* (benevolent loan)
- *Wadi'ah* (safe-keeping)
- *Ijarah* (lease)
- *Wa'd* (undertaking)

Over the medium term, AmBank Islamic aspires to introduce differentiated Islamic banking products which are underpinned by the distinct features of Shariah principles. To this end, AmBank Islamic will embark on financial research and development (R&D) to drive product diversification beyond the current banking products being offered by both conventional and Islamic banks. This could enhance AmBank Islamic's competitive advantage and prominence, and contribute towards the development of the industry and betterment of society. Major challenges such as market awareness, and whether the existing regulatory framework and enablers are equipped for the introduction of such differentiated banking products, would need to be overcome.

## Social Media

We have a Social Media Guideline to ensure that the product and service information conveyed to customers via social media is conveyed in a clear and concise manner in order to provide relevant information to the customers and avoid potential reputational risks to the organisation.

Official social media sites, accounts and facilities of AmBank Group are managed in accordance with the Group's Social Media Brand Voice under the joint custodianship of Group Corporate Communications & Marketing and the relevant business units or department. We have a systematic framework in place to create a social media facility and update on social media updates.

We have a Social Media Management and Corporate Website Management group to plan, drive, initiate and manage branding and advertising strategies and communications, including digital-led initiatives and communications across the Group.

The objective is to provide guidance to all AmBank Group employees about making appropriate decisions on the use of social media. The information to be shared is in accordance with the requirements of Information Classification and Handling Guidelines.

It is important to manage social media proactively as AmBank Group engages actively with employees and customers through various social media such as:

- Social networking sites (e.g. Facebook, Myspace, LinkedIn, Bebo, Yammer)
- Micro-blogging (e.g. Twitter)
- Video and photo sharing websites (e.g. Flickr, YouTube, Instagram)
- Blogs, including corporate blogs, personal blogs or blogs hosted by external media outlets (e.g. Blogspot, Wordpress, comments section of a blog site)
- Wikis and online collaborations (e.g. Wikipedia, Dropbox, Google Docs)
- Forums, discussion boards and groups (e.g. Lowyat.NET, Cari.com.my)
- Geo-spatial tagging (e.g. Foursquare)
- Chat messaging applications (e.g. Whatsapp, Line, WeChat, Short Messaging Services)
- Other emerging electronic and/or digital communication applications.

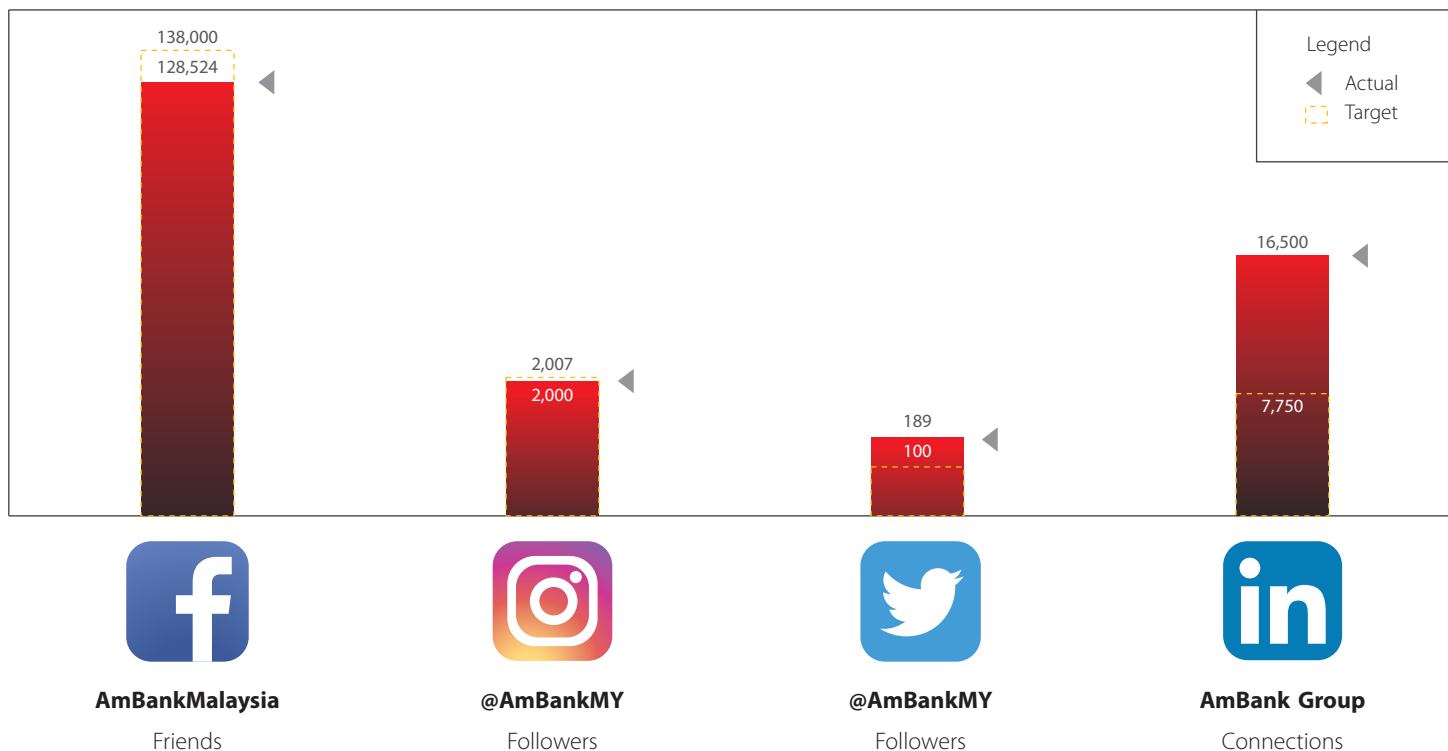
## Corporate Website Management

We have a Corporate Website Management Framework in place to provide business users with a single clear approval process for information published on the corporate website as well as to identify the parties who are responsible at each stage of the process to help ensure information is properly maintained and updated efficiently.

This entails a systematic approach to update corporate website content, to request a corporate webpage homepage banner, to request a corporate website announcement update, and to request ad-hoc corporate website updates. Highlights of social media activities in FY17 are in the table below.

Date	Type of event	Remarks
Social Media Updates		
Apr 2016	UKEC–Graduan’s Malaysian Fair in London	–
July 2016	Perodua Bezza motorcade LIVE coverage including video	Featuring GCEO, garnered 8.9k views, 106 shares
Dec 2016	Card’s JFL launch event coverage and a Live video	Featuring GCEO and senior management, garnered over 1.3k views and 5 shares
Feb 2017	AmInvestment Bank: IFN Awards @ Mandarin Oriental	–
GCCM (Initiatives, Projects, including Digital)		
July 2016	Star Outstanding Business Awards first–leg awareness workshop in Georgetown	–
Official AmBank Twitter Content & Customer Management		
Handled 85 customer cases on Twitter’s Messages Posted 229 tweets on events and promotions		
Social videos		
Dec 2016	Christmas Greeting video featuring Chairman and GCEO	garnered 646 views, 5 shares
Feb 2017	Chinese New Year Greeting video featuring Chairman, GCEO and other Senior Management	garnered 230k views, 670 shares

### Social Media Channels Growth in FY17 (number of followers and friends)





# EMPLOYER OF CHOICE

**WE RECOGNISE THE NEED TO MAINTAIN AN ENGAGING AND INCLUSIVE WORKPLACE THAT LETS PEOPLE ACHIEVE THEIR ASPIRATIONS**

With AmBank's transformation plans underway, the way we work, the skills and behaviours required to perform our tasks, and even the structure of our organisation is transforming.

We recognise the need to maintain an engaging and inclusive workplace that lets people achieve their aspirations, as well as allowing for the development of our employee capabilities to respond to the challenges posed by digitalisation, new service offering and ever-improving customer service.

Employer of Choice covers information pertaining to:

- *Conducive and Inclusive Workplace*
- *Human Capital Development*

## **Conducive and Inclusive Workplace**

Employees are key assets to AmBank Group and we work to ensure we provide a work environment in which our people are valued, are able to develop their skills and talents, and are ready to take on new challenges.

## **Workplace Diversity**

To meet the needs of our customers and to compete effectively, we need a workforce that reflects the diversity of the communities in which we operate.

In terms of gender balance, five of the eleven people on our management board are women, and the majority of our employees are women. Diversity in AmBank Group encompasses gender, culture, family and relationship status, sexual orientation, socio-economic background, disability, age and religion. There are 10 employees with disabilities working at AmBank Group.

We celebrated International Women's Day on 8 March 2017. Staff were encouraged to dress in the colour purple in support of the women of the world. Photo booths were set up in the foyers of Bangunan AmBank Group and Menara AmBank in Kuala Lumpur.

Employee Breakdown by Gender as at 31 March 2017	Male	Female	Total
Management Board	6	5	11
Senior Management	151	88	239
Middle Management	585	520	1,105
Junior Management	2,654	4,507	7,161
Non-Executives	713	1,443	2,156
Total	4,109	6,563	10,672

Employee Breakdown by Age as at 31 March 2017	Less than 30	30 to 39	40 to 49	50 and above	Total
Management Board	0	0	5	6	11
Senior Management	0	18	120	101	239
Middle Management	10	322	491	282	1,105
Junior Management	1,436	2,816	2,147	762	7,161
Non-Executives	372	847	778	159	2,156
Total	1,818	4,003	3,541	1,310	10,672

## Rewards and Recognition

The Group has in place various policies to ensure that our employees receive competitive remuneration and enjoy appropriate benefits. We provide our employees with medical insurance/takaful coverage, retirement benefits, and interest free festive loans, as well as loan/financing schemes for home and vehicle purchase. In addition to annual leave entitlement, special leave of up to five working days per annum may be granted in circumstances such as the death of an immediate family member, or natural disasters.

AmBank continues to emphasise the importance of recognising employees' contributions. An independent yearly review of the Group's Total Reward Philosophy against the financial services industry is carried out to ensure our competitiveness and alignment with industry practices. Reward practices are reviewed to ensure greater adherence to a differentiated variable pay approach, based on performance, and the adoption of variable pay and performance linked incentives.

## Employee Engagement

Several initiatives are in place to sustain a workplace that is vibrant and exciting, and where employees' views are encouraged and always appreciated. The Group continued the publication of Scoop!, a quarterly human resources newsletter launched last year. Through this one-stop publication, employees are kept informed of all the activities and people initiatives across the Group, as well as leadership and people management insights.

AmBank's intranet, Connected, helps disseminate and archive information, conduct our pulse surveys, and support human resources, through employee and manager self-service functionality.

Employee engagement sessions involved town halls with the Chairman and Group Chief Executive Officer (GCEO), lunches with the GCEO, senior management town halls, skip level interviews and stay interviews.

A pulse survey was conducted with the Group's employees during the last quarter of 2016. Results showed that:

- 91% of respondents understood and were confident in achieving the Group's strategy
- 96% were excited and willing to take on new challenges and tasks
- 98% understood the need to change to stay relevant
- 88% were confident in their colleagues/supervisors in achieving the strategy
- 96% felt AmBank's leadership will steer us to success

# EMPLOYER OF CHOICE

AmBank Group won the HR Asia Best Company to Work For In Malaysia Award 2016. We are encouraged by this outcome based on HR Asia's independent survey gathering of employee inputs to gauge their levels of energy and engagement. This strengthens our resolve to continue our endeavours to make AmBank Group a Top 4 employer in Malaysia by 2020.

In the future, we will work on further developing the Group's value proposition to employees and support the various needs and priorities of the workforce in view of changing demographic trends, work and family issues, health and pension patterns, adjustments to the economy, and the plight of low wage earners.

We will also maintain employee engagement activities and programmes around personal mindfulness, social interactions and wellness, with the focus of ensuring sustainability and community building capability.

## Group Culture and Transformation

In light of the challenges posed by AmBank's on-going transformation, we embarked in FY17 on a Group-wide culture programme to empower and encourage the necessary conditions for individual and team ownership of high performance. We have also initiated several human resources initiatives aimed at aligning organisational and people goals, as well as ensuring consistency between organisation structures and reporting lines for greater clarity and accountability.

This year, the workforce alignment is as follows:

Subsidiaries	Number of employees	Percentage of employees (%)
AmBank	8,527	79
AmInvestment	784	7
AmGeneral	1556	14

The ratio of employees involved in sales to non-sales is 34% to 66%. The current talent pool in the Group is 10% of population.

## Induction

A new 30 day on-boarding process for new hires has been implemented across the Group. The process requires new hires to attend an HR Orientation session on the first day of work, followed by a Department Walkthrough led by the Manager in their respective work areas. In addition, within the first month, new hires are expected to attend the Group Induction Programme.

The Group Induction Programme provides opportunities for new hires to connect and network with colleagues from different departments and business units. 756 new hires completed the Group Induction Programme during FY17. For continuous programme improvement purposes, feedback via a survey is also obtained.

There is also an initiative driven by Group HR and assisted by the Sports Club to conduct sports activities for new joiners to boost morale.

Similarly, for new C-Suites, a structured on-boarding programme was designed and carried out recently. This induction programme was presented by various Heads of Departments covering topics such as an overview of AmBank's businesses, group strategy and transformation initiatives, risk, audit, compliance and governance framework.

We also designed an induction programme for newly appointed Board Directors. The programme outlines the line of businesses, group strategy and transformation initiatives, people initiatives, risk, audit, compliance and governance framework. The session is led by the GCEO, with presentations made by various Heads of Departments. 12 new Directors across the Group attended the programme during FY17.

The Senior Management Team met for a two-day Senior Management Meeting in Putrajaya in February 2017. Our GCEO led his team to review the Group's Top 4 Strategy and financial results as well as our transformation plans thus far.

Working outdoors, team learning activities cultivated and cemented new relationships, a key ingredient to building our corporate value of collaboration across the Group. Individually, there was time for reflection and to get ready for the new financial year ahead.

Related to this, efforts were placed on developing and aligning key performance indicators to drive performance with a view to increase collaboration between business units.

A Group-wide project is underway to review, develop and deploy plans to strengthen compliance practices in this key area of people and culture.

## Safety and Health

Healthy employees are happy employees and will have more rewarding lives both inside and outside the office. AmBank places a great emphasis on occupational safety and health (OSH) and endeavours to ensure the safety, health and welfare of all our employees throughout the Group.

The AmBank OSH Management System is guided by the Group OSH Manual and Procedure and AmBank Group OSH Policy which are in compliance with the Occupational Safety and Health Act 1994, Factories and Machinery Act 1967, Fire Services Act and other relevant acts, regulations and statutory requirements. The safety and health management system of AmBank consists of 4 major components which are Plan, Do, Check and Act.

AmBank Group OSH Committee is committed to continuously improve the Group's safety culture. Under the Group OSH Committee, there are two sub-committees comprising the Building OSH Committees and the Regional OSH Committees. The Building OSH Committees oversee the OSH aspects of the 10 buildings in Selangor and Kuala Lumpur while the Regional OSH Committees oversee the OSH aspects of the 39 buildings across the country.

Each of the committees has identified risks and implemented controls to minimise risk. Measurable objectives and targets are set through strategic and operational health and safety plans across all divisions. We also have a division OSH audit which involves yearly inspections at all AmBank buildings across Malaysia.

We have established the OSH Communication Plan to ensure all employees are aware of safety and health development in the Group. While we are active in conveying safety knowledge and work hazards, we actively seek feedback from the employees regularly pertaining to issues on health and safety.

### Safety and Health Training

We have provided several health and safety training programmes in FY17 in order to maintain the Group's safety culture. OSH e-learning is one of our core initiatives in promoting OSH group wide. The topics covered in the e-learning module include potential hazards identification and the incident report mechanism in the event of emergency.

It is our target that 100% of AmBank employees shall complete the OSH e-learning modules. As of FY2017, we have achieved 98.95% completion rate since the official launch in February 2015.

In FY17, we have invested approximately RM150,000 in conducting health and safety related training programmes as shown below:

No.	Type of Training	No. of participants	Remarks
1	Contractor Safety Training	30	-
2	OSH Secretary Roles & Responsibility	66	2 sessions
3	First Aid & CPR Training – Regional	61	10 sessions
4	OSH Committee Training	28	2 days
5	Defensive Riding	24	Held at Headquarters

Occupational safety and health indicators	FY15	FY16	FY17
Accident with fatality	0	0	0
Accident with lost workdays	8	14	18
Total workdays lost	101	447	872.5
Accident without lost workdays	0	0	0
Total no. of accidents	8	14	18
Fatality rate	0	0	0
Lost Time Injury Frequency rate (LTIFR)	0.27	0.45	0.64
Lost Time Injury Incident rate (LTIIR)	0.68	1.22	1.6
No. of safety and health training programmes	3	4	5
No. of employees trained on safety and health	162	418	409

Note: The reporting year is from January 2016 to December 2016.

Much of the increase in workdays lost is due to an increased focus on monitoring and recording accidents in the work place. Moving forward, we have plans to carry out Emergency Response Training (ERT) and OSH induction to further increase awareness on OSH. We also have plans for OSH awards in recognition of the good practices pertaining to OSH.

### Wellness Programme

Our employee's psychological health is supported through our stress management training. Last year, we invested about RM240,000 on wellness programmes promoting healthier lifestyles.

Moving forward, we have plans to carry out Emergency Response Training (ERT) and OSH induction to further increase awareness on OSH. We also have plans for OSH awards in recognition of the good practices pertaining to OSH.

# EMPLOYER OF CHOICE

## Human Capital Development

Recruiting and developing our future workforce is key to achieving the Group's Top 4 aspiration to be a Top 4 employer in Malaysia. Attracting and retaining talented individuals and meeting our employees' aspirations supports the development of new products and services, the exploration of new business segments and the transformation of our organisation.

### Talent Attraction

Various policies support our recruitment, learning and development initiatives, and these include the Recruitment Policy and the Professional Membership Policy.

Increased presence and visibility in social media has generated desirable outcomes for our employer brand, particularly in providing easier access to careers and gathering employment insights into our Group. In particular, our LinkedIn followers increased four-fold, from 4,000 to 17,000 within FY17. This culminated in AmBank Group receiving the Employer Branding Award 2016 by the World HR Congress.

AmBank Group is continuously striving to recruit new talent. We participated in 14 external career fairs in the financial year, ranging from campus fairs and notable public events to significant overseas recruitment drives. Our brand tagline 'Fly High with AmBank' earned us much attention and interest.

In November 2016, our inaugural internal career fair, Career Bazaar, brought together career information and opportunities from across the Group under one roof. Over 200 employees visited the career booths manned by employees from business units and group functions, who marketed their respective careers paths. A total of 829 job applications were lodged, providing a ready pool of resources to select and deploy within the Group. This reflects our employee value proposition of growing across AmBank Group.

### Talent Retention and Leadership Development

To develop and retain talent and leadership with the ability to operate successfully in diverse cultures and locations, we have established a robust talent management framework that is well exercised, managed and monitored by various policies such as:

- Talent & Succession Management Policy
- Organisational Design/Review Policy
- Job Grading Policy
- Promotion Policy

All eligible employees are appraised annually. We measure the productivity of our employees through performance appraisals and productivity enhancing initiatives. We also monitor our profit before tax per employee and our net income per employee indices.

## Organisational Design/Review Policy

AmBank Group has a structured Organisation Design/Review Policy and processes to manage the end-to-end process of designing/reviewing through to obtaining approval for new or revised organisation structures at department, division and Group level so that there is consistency and governance in methodology and application across the Group.

The Head of Division/Department must ensure that a comprehensive Change Management Plan is put in place prior to the implementation of the revised organisation structure. The HR Departments in the Divisions/Departments are responsible for ensuring that Organisation design/review policies and procedures are executed and adhered to by the respective Divisions/Departments.

### Job Grading Policy

AmBank Group has a Job Grading policy in place so there is consistency in approach and application across the Group. Job grading impacts human capital decisions such as sourcing, job pricing, staffing planning, career management, performance management, key performance indicators, competency levels and talent as well as succession management.

AmBank Group has a systematic job evaluation process and system, in which the Group's job grading structure is reviewed every 4 to 5 years. This evaluation may occur more frequently if there are significant changes in business via expansion and growth that impact the number of jobs and job grades required.

The job grading structure also allows for career planning and employee mobility both vertically and laterally. There are several criteria that are taken into consideration to implement job grades such as qualifications, relevant experience, performance track record, and a combination of assessments and behavioural interviews.

### Promotion Policy

Promotion Management is part of an overall career management continuum. Following the appointment of an employee into the organisation, the employee will undergo movement up the career ladder through promotions, supported with the appropriate performance management and development. In AmBank Group, we have a merit-based Promotion Policy and processes to assist us in managing the talent and succession in a fair and consistent manner.

### Learning and Development

Our efforts to strengthen our leadership bench capabilities continue with the inclusion of best-in-class learning approaches from reputable learning partners, business schools and management institutes with regional and global presence and proven track records.



To develop talents and ensure our managers can transition to leadership positions, the Group has developed two Management Enterprise Leadership Development programmes:

- The Emerging Leaders programme is a leadership development programme. 70 employees across the group have completed this 18-month programme this year.
- Since its inception, the Management Development Programme has seen 27 high-potential middle managers complete the programme. Another cohort of 20 participants will complete by August 2017.

We designed the Management Development Academy to develop and build a sustainable bench strength of effective people managers across all levels in the Group. A total of 140 employees from Executive level to Executive Vice President level have started these programmes which run for a period of 12 to 18 months.

- Advance Leaders Programme
- Future Leaders Programme
- New Managers Programme
- Emerging Managers Programme

Looking forward, the Group is planning to increase the pipeline of future leaders by recruiting talents into the AmGraduate programme.

Our employees are encouraged to pursue professional certifications to further enhance their competency and professional development. This year, 21 employees successfully completed various Asian Institute of Chartered Bankers professional certifications including the Professional Banker and Executive Banker certifications.

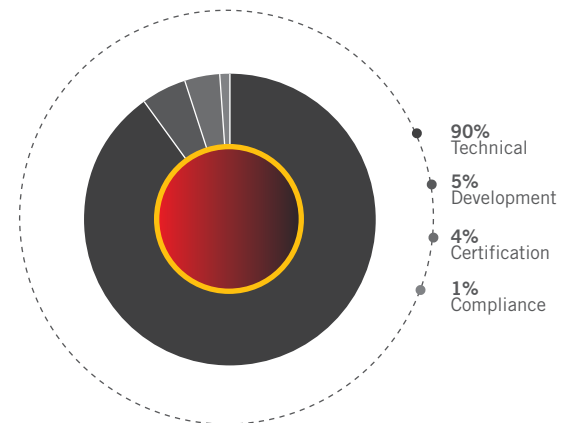
To cater to individual learning needs, we designed and developed 20 on-demand programmes covering essential banking courses, comprehensive business communications skills, project management and Microsoft office skills. Employees experienced a blended learning approach which combines classroom, e-learning and bite sized digital learning accessible via mobile phone devices. More than 700 employees nationwide were trained.

Role-based learning is a key initiative to deliver the Group's performance goals. Multiple academies were built to upskill and ensure the efficiency and effectiveness of teams across retail and wholesale banking in core delivery competencies such as needs based selling/cross selling, credit and risk assessment as well as wealth management.

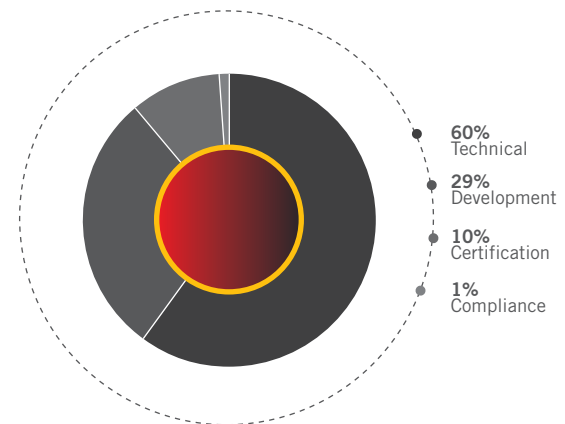
Next year, the Group aims to implement more active initiatives related to career management, talent development and building succession throughout the Group.

AS OF 31 MARCH 2017, THE PERCENTAGE OF KEY POSITIONS WITH SUCCESSION PLANNING WAS 92%.

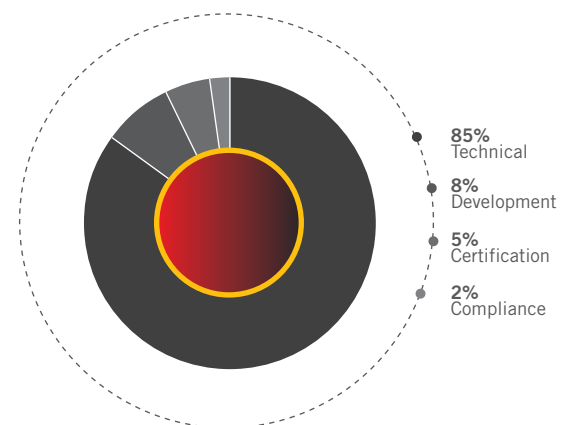
**Employee Participation in Trainings in FY17**  
Total number of participants: 123,508



**Amount Invested on Training in FY17, RM**  
Total amount invested: RM8,655,854.40



**Training hours invested in FY17 (hours)**  
Total training hours: 601,499 hours





# POSITIVE SOCIETAL IMPACT

**WE CONTRIBUTE TO A MORE SUSTAINABLE FUTURE BY CONSIDERING CAREFULLY OUR BUSINESS DECISIONS, THE ENVIRONMENTAL IMPACTS OF OUR ACTIVITIES AND HOW WE INTERACT WITH OUR WIDER COMMUNITIES**

This theme clusters the following material sustainability matters:

- *Environmentally and Socially Responsible Investment*
- *Community Investment and Development*
- *Energy Management and Greenhouse Emissions*
- *Waste Management*

## **Environmentally and Socially Responsible Investment**

The global increase in demand for socially responsible investing (SRI) and other ethical related investments present an enormous opportunity for Islamic Finance, as its inherent principles of fairness and social responsibility are intrinsically linked to being Shariah compliant. The growth of Islamic Finance has shown how it contributes to realising a sustainable future both inside and outside the Muslim world.

## **Islamic Finance**

Our Islamic banking arm, AmBank Islamic, is contemplating the widening of its scope of business beyond credit intermediation. Whilst credit intermediation shall continue to remain AmBank Islamic's key earnings generator and source of funding, AmBank Islamic would explore to undertake an investment intermediation role as well. This would encompass the offering of investment account (IA), which would be distributed via the Group's own distribution channels and the Investment Account Platform (IAP).

The IA is a product which allows providers of funds (Investors) to invest directly in productive economic activities or asset classes which are within the Investors' investment mandate, thus providing the Investors with the potential to reap higher returns and fulfilling other investment criteria (e.g. social impact of the investment). Meanwhile, the users of funds are provided with a wider range of funding sources, thus promoting the growth of productive economic activities which could also positively impact society. This risk-sharing element is widely advocated by Shariah. Nonetheless, since the Investors' capital is neither guaranteed nor protected, the IA is a product with higher risk which requires greater disclosure to and assessment by prospective Investors.

The IAP facilitates effective matching between sources of funds with diverse financing needs of the real economy, leveraging on a tech-driven avenue which is in line with AmBank Islamic's digital intent.

Underpinning AmBank Islamic's credit and intermediation roles is the aspiration to be a value based intermediary whereby its business conduct would be driven to generate positive and sustainable impact to the environment, economy and society by adopting amongst others, environmental, social and governance (ESG) principles. AmBank Islamic's value based intermediation role would also integrate the elements of Maqasid Shariah, which encapsulate positive and sustainable

values which are universal to all regardless of religion, race, culture or creed.

As part of this medium term journey, AmBank Islamic will put into motion initiatives to align itself with value-based banking. The initiatives would involve ascertaining the exposures which are most susceptible to ESG risks, prioritising certain sectors and generating a baseline overview of the ESG portfolio risk profile in a systematic manner. AmBank Islamic will also develop its ESG risk principles and appetite, ESG governance framework and introduce ESG related products, to benefit society whilst working within the Shariah and the public ecosystem.

The benefits of this initiative would include the promotion of a sustainable ecosystem via reduced negative externalities, upliftment of socioeconomic standards, financial stability, innovation to create new market opportunity and efficient use of resources. These are the intrinsic values extolled by Shariah.

Our Islamic Markets advisory services cover sukuk, Islamic financing syndication, equity-related offerings and Islamic structured finance. Guided by Shariah requirements, we strive to be the adviser of choice to our clients through our end-to-end product offerings and value adding services, assisting them with their fund-raising activities in promoting the real sector of the economy and positively impacting society.

Amongst the largest sukuk issuances which met these criteria and were arranged and participated by us in FY17 were:

Type	Amount (RM)	Details
Infrastructure & Project Financing	RM3.64 billion	<ul style="list-style-type: none"> <li>Largest Ringgit-denominated greenfield toll-road project financing which was raised by Lebuhraya DUKE Fasa 3 Sdn Bhd, for the construction of the Setiawangsa-Pantai Expressway.</li> <li>Malaysia's first Sukuk issuance based on the Shariah principle of Wakalah Bi al-Istithmar to fund the development and construction of an expressway.</li> </ul>
Education	RM8.0 billion	<ul style="list-style-type: none"> <li>Sukuk programme for Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN).</li> <li>PTPTN was established under the PTPTN Act 1997 to manage funds for tertiary education purposes, collect payments of financing and to provide and manage education saving schemes.</li> </ul>
Government Housing	RM25.0 billion	<ul style="list-style-type: none"> <li>Joint lead arranger and manager for a Sukuk Issuance for Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA).</li> <li>LPPSA is the new statutory body established and is under the purview of Ministry of Finance to undertake the provision of housing financing to civil servants previously conducted by Bahagian Pinjaman Perumahan.</li> </ul>

# POSITIVE SOCIETAL IMPACT

## Community Investment and Development

AmBank takes a leading role in reaching out to society and demonstrates a caring, connected and committed role in addressing a wide range of matters pertaining to the development of sustainable communities. The contributions, grants and volunteering activities that we are investing in enable us to connect with local communities and help them thrive.

AmBank believes in giving back to the community in which we do business. We do this through a number of programmes to engage various segments of the less fortunate in Malaysia including single mothers, orphans, the disabled and senior citizens of Malaysia.

### AmKasih Programme

Our AmKasih programme, serves as a platform to reach out to the community and conduct food aid initiatives in order to provide targeted groups with an allowance to help offset the cost of essential daily food items.

### Kelab AmBank Group

Through the Kelab AmBank Group (KAG), which is the Group's sports and recreation club for all staff, we organise various events in support of the needy, poor and less fortunate. The events that took place in FY17:

- On 18 June 2016, a charity shopping session was organised for 170 children from various local orphanages (i.e. Pertubuhan Kebajikan dan Pendidikan Permata Hatiku Kuala Lumpur dan Selangor, Pusat Jagaan Budaya Harapan, Pertubuhan Kebajikan Sentuhan Budi Kuala Lumpur and Pertubuhan Rahoma Darul Fakir Malaysia). This was in conjunction with Hari Raya and the 170 children, aged between three to 19 years old, were invited to a local hypermarket to purchase new traditional Malay costumes.
- Subsequently, a Majlis Berbuka Puasa Amal Bersama Tan Sri Azman Hashim was held at Bangunan AmBank Group on 24 June 2016 where the 170 children 'berbuka puasa' together with the Chairman of AmBank Group, Tan Sri Azman Hashim, senior management and staff of AmBank Group.
- KAG also organised a Feed the Homeless exercise on 1 July 2016 where KAG members went out to the streets of Kuala Lumpur to distribute Hari Raya delectables and toiletries to the homeless. This volunteer exercise was conducted in conjunction with Hari Raya Aidilfitri in order to spread joy in the homeless community, regardless of race, religion and ethnicity,
- Approximately 70 members of various business units took part in this exercise, including Group CEO, Dato' Sulaiman Mohd Tahir and his wife, Datin Khairani Muhammad. Over 500 Hari Raya delectables were distributed to the homeless covering areas in Kuala Lumpur around Cahaya Suria and Jalan Tuanku Abdul Rahman.

Other activities carried out in FY17 included:

No	Projects/Campaigns	Date of Event	Line of Business/Entity
1	Official Launch of Tunku Arishah Sports Arena	Saturday, 8 <sup>th</sup> October 2016	AmGroup Foundation/Yayasan Azman Hashim
2	Sponsorship: Mahathir Science Award Foundation	Wednesday, 26 <sup>th</sup> October 2016	AmGroup Foundation
3	Flood Relief : Rehabilitation of Kg Pasir Era Project (2nd Phase)	From January 2014-to date	AmGroup Foundation/Yayasan Azman Hashim
4	Presentation of life jackets to Jabatan Bomba & Penyelamat Malaysia (Bahagian Kelantan)	From January 2014 until to date	AmBank Group
5	Charity Food Distribution to the homeless in Kuala Lumpur	Friday, 2 <sup>nd</sup> July 2016	KAG
6	Charity Food Distribution to the homeless in Johor Bahru	Friday, 12 <sup>th</sup> August 2016	KAG
7	Charity Food Distribution to the homeless in Pulau Pinang	Saturday, 27 <sup>th</sup> August 2016	KAG
8	Majlis Berbuka Puasa Amal Bersama Tan Sri Azman Hashim (Charity Shopping Session)	Saturday, 18 <sup>th</sup> June 2016	AmBank Group/KAG
9	Majlis Berbuka Puasa Amal Bersama Tan Sri Azman Hashim di Bangunan AmBank Group	Friday, 24 <sup>th</sup> June 2016	AmBank Group/KAG
10	Majlis Berbuka Puasa Amal di Pertubuhan Rahoma Darul Fakir	Monday, 27 <sup>th</sup> June 2016	AmBank Group/KAG
11	Contribution for Orchid Run & Ride 2016 (Petronas)	Sunday, 25 <sup>th</sup> September 2016	AmBank Group
12	Kuala Lumpur Islamic Finance Forum (KLIFF) 2016	Monday, 21 <sup>st</sup> November 2016	AmBank Group – Special Project

No	Projects/Campaigns	Date of Event	Line of Business/Entity
13	AmBank Group Blood Donation Drive (Central Region – BAG & MAB)	Tuesday, 4 <sup>th</sup> October 2016 & Wednesday, 5 <sup>th</sup> October 2016	KAG
14	KAG Blood Donation Drive 2016 (Northern – Penang)	Saturday, 27 <sup>th</sup> August 2016	KAG
15	KAG Blood Donation Drive 2016 (Southern Region – Johor Bahru)	Wednesday, 9 <sup>th</sup> November 2016	KAG
16	KAG Blood Donation Drive 2016 (Sabah)	Monday, 14 <sup>th</sup> November 2016	KAG
17	KAG Blood Donation Drive 2016 (Sarawak)	Tuesday, 15 <sup>th</sup> November 2016	KAG
18	KAG Blood Donation Drive 2016 (Terengganu)	Monday, 24 <sup>th</sup> October 2016	KAG
19	KAG Hiking Activity @ Bukit Nanas, Kuala Lumpur	Saturday, 26 <sup>th</sup> November 2016	KAG
20	KAG FRIM Jungle Trekking Adventure	Sunday, 5 <sup>th</sup> February 2016	KAG

### Yayasan Arab-Malaysian

Furthermore, the Group established a foundation, Yayasan Arab-Malaysian, to receive and administer funds for religious, educational, scientific, medical, charitable and cultural purposes. The purpose is further elaborated according to these set out mandates:



#### **Religion**

To subscribe, foster, develop and improve the knowledge of all forms of religion and religious activities and to grant donations for construction of religious schools and places of worship.



#### **Education**

To foster, develop and improve education of all kinds approved under the education laws of Malaysia and in such manner as may, from time to time, be decided upon by the Foundation including but without prejudice to the generality of this provision, the founding and maintaining of scholarships, chairs at schools, colleges and universities in Malaysia.



#### **Research**

To foster, subscribe and contribute towards scientific, medical research and teaching, and to provide or to subscribe and to grant donation for providing medical and surgical facilities and services of all kinds.



#### **Human Rights**

To subscribe and to grant donations to local or national institutions or organisations approved by the Director General of Inland Revenue, Malaysia and to organise, carry out and support schemes for the relief of human suffering, improvement of the standard of human life and the treatment of sickness and diseases.

# POSITIVE SOCIETAL IMPACT

Aside from the community investments, AmBank has sponsored Zoo Negara's Dromedary Camel for over 25 years and plans are being made to extend the sponsorship in order to continue preserving the wellbeing of the camels.

The Group is looking into investing in more meaningful and impactful community programmes such as the AmKasih-Mydin Food Aid Programme for the urban hardcore poor and participation in the Financial Industry Community Invest Initiatives Programme (FICII). This collective CSR programme was initiated by BNM for the financial industry to work collaboratively in providing positive societal impacts.

## Zakat Contributions

Similar to previous years, AmBank Islamic continued to serve the community through corporate social responsibility initiatives. We fulfilled our responsibilities through business zakat distribution of RM1.5 million, out of which RM414,000 was paid to state zakat collection centres whilst the balance of RM1.1 million was distributed to eligible recipients ranging from associations and charity homes throughout Malaysia, including Yayasan Pelajaran Mara (YPM). The distribution to YPM was for the on-going Student Adoption Programme which was currently in its sixth year out of a 10-year programme.

## Energy, Water and Waste Management

AmBank's efforts in managing energy and water consumption efficiently contribute to reducing our broader environmental impact, especially in areas where we strive to increase resource efficiency and reduce wastage.

The Group recognises that additional measures are still needed. We will continue to actively identify areas and put in place processes to make continuous improvements in energy efficiency, reducing greenhouse gas emission and resource conservation. Among others, this includes increasing employee awareness in conservation programmes.

To ensure sustainability and positive long-term value creation, we continue to measure and reduce our impacts, undertaking environmental initiatives that are valued by our customers and our employees, as well as beneficial to our bottom line.

## Energy Management and Greenhouse Gas Emissions

### Lighting with energy efficient LED lights

Energy management is an important environmental concern as the Group's electricity consumption directly contributes to the increase of its carbon footprint. One of AmBank Group's on-going initiatives to reduce electricity consumption is to replace T8 fluorescent light bulbs with energy-saving LED lights.

Launched in FY17, the replacement of fluorescent light bulbs covers all premises under AmFirst Reit's management – Bangunan AmBank Group and Menara AmBank, Menara AmFirst (Petaling Jaya), Wisma AmFirst (Kelana Jaya), Jaya 99 (Melaka), and Summit USJ (Subang Jaya).

All T8 fluorescent tubes at car parks, staircases and common areas in the buildings have been replaced with LED lighting, except for Summit USJ, where replacement was conducted only partially.

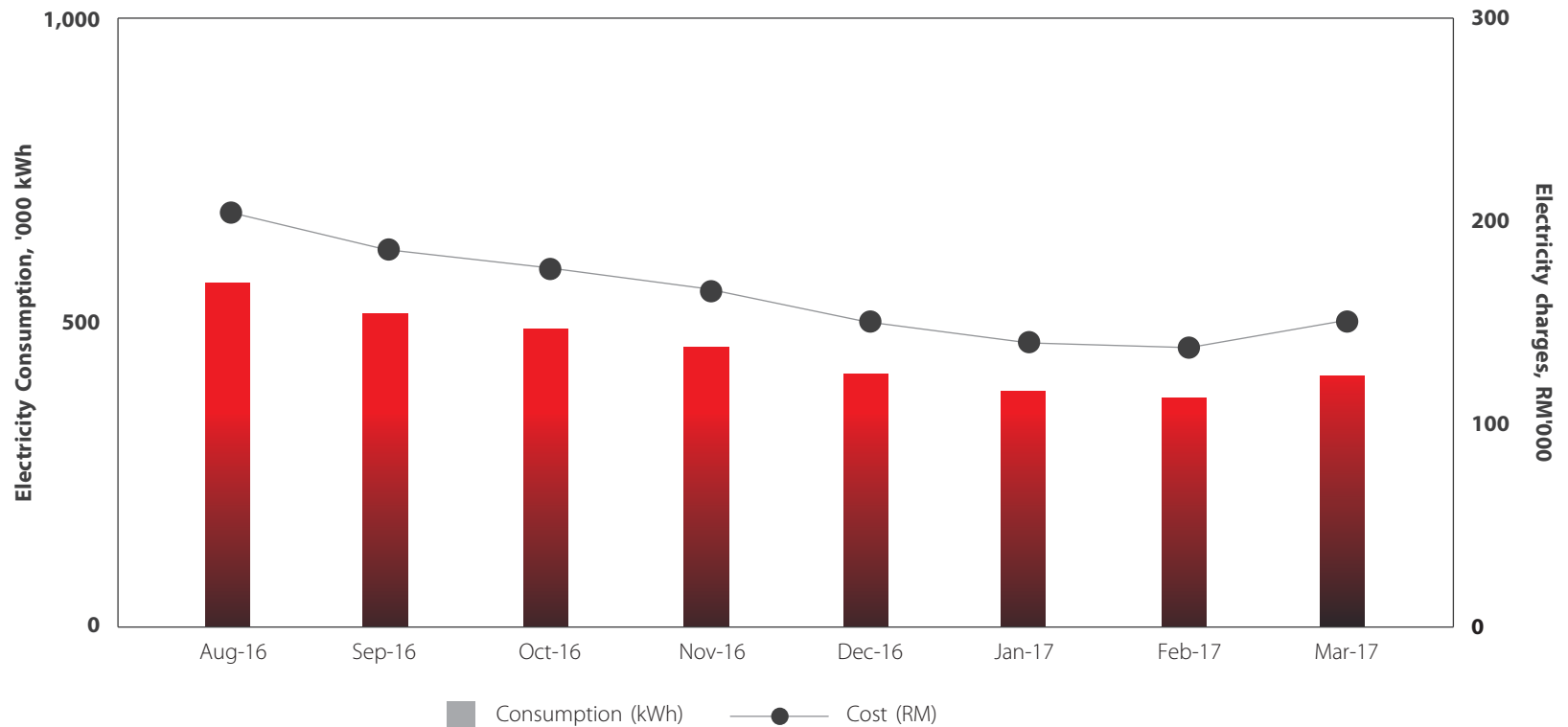
In addition, we have embarked on a pilot project to reduce our electricity consumption in our AmBank Desa Sri Hartamas branch. The energy audit that was carried out indicated a saving of 64% or approximately RM5,000 per annum after installing energy saving LED lights. We would also reduce by about 40kg of our CO<sub>2</sub> emissions annually in this branch.

### Managing our air-conditioning system

Air-conditioning is one of the main components in electricity consumption. We have taken several initiatives in managing our air-conditioning system. In August 2016, we rescheduled the air-conditioning system timing at Bangunan AmBank Group in order to reduce energy and cost. We also turn on the air-conditioning system in a staggered manner instead of turning on all the systems at once.

RESULTS SHOWED A REDUCTION OF 27% IN TERMS OF ELECTRICITY CONSUMPTION AND CHARGES SINCE THE IMPLEMENTATION OF STAGGERED TIMING ON THE AIR CONDITIONING SYSTEM.

**Electricity Consumption and Electricity Charges since the Implementation of Rescheduling the Air-conditioning System Timing in Bangunan AmBank Group**



In FY17, we also implemented auto-timers for the air-conditioning system to replace manual operation.

Additionally, we have installed a green chiller system at our Menara AmFirst building in Section 19 Petaling Jaya. The green chiller was procured from one of the world leaders in producing high-technology heating, air-conditioning and refrigeration solutions.

Moving forward, we have plans to adjust the air-conditioning timer accordingly, especially at Menara AmBank, to further reduce the energy and cost.

**Green Building**

We are committed to improving the energy efficiency of our building portfolio and shifting to low carbon energy sources. Moving forward, we will be driving gradual reductions in our energy-related footprint across our commercial and retail premises.

As we are tenants in our main building and not the building owner, we will focus on improving the energy efficiency of the internal office spaces. We strive to improve our disclosure pertaining to energy management in the future.

While we have not yet obtained any certifications or awards related to implementing energy management systems, we are exploring the options to enhance building features to incorporate green designs.

We are proud to share that AmMetLife Insurance Berhad has recently moved into a new building in Kuala Lumpur Sentral which incorporates green design and technology. It obtained Leadership in Energy and Environmental Design (LEED) Silver and Green Building Index (GBI) Certification. Other on-going 'green' initiatives are:

- Three of the Group's buildings are designated as non-smoking buildings – Bangunan AmBank Group, Menara AmBank and the AmBank Group Leadership Centre – to provide cleaner air for employees and customers alike
- Gardens and lush landscapes are most notable in Bangunan AmBank Group and Menara AmBank in Kuala Lumpur, and provide pockets of soothing beauty that make for a more pleasant banking experience

# POSITIVE SOCIETAL IMPACT

## Waste Management

Efforts to minimise our environmental footprint are mirrored in AmBank Group's proactive approach to reducing waste in our daily operational processes.

Wastage reduction is an area of priority for the Group as most waste produced by the financial industry is made up of office materials. Waste management practices underway in AmBank to reduce primary types of waste streams include paper and IT- related waste, e-financial statements, reports, paperless transactions, paper recycling and paper printing.

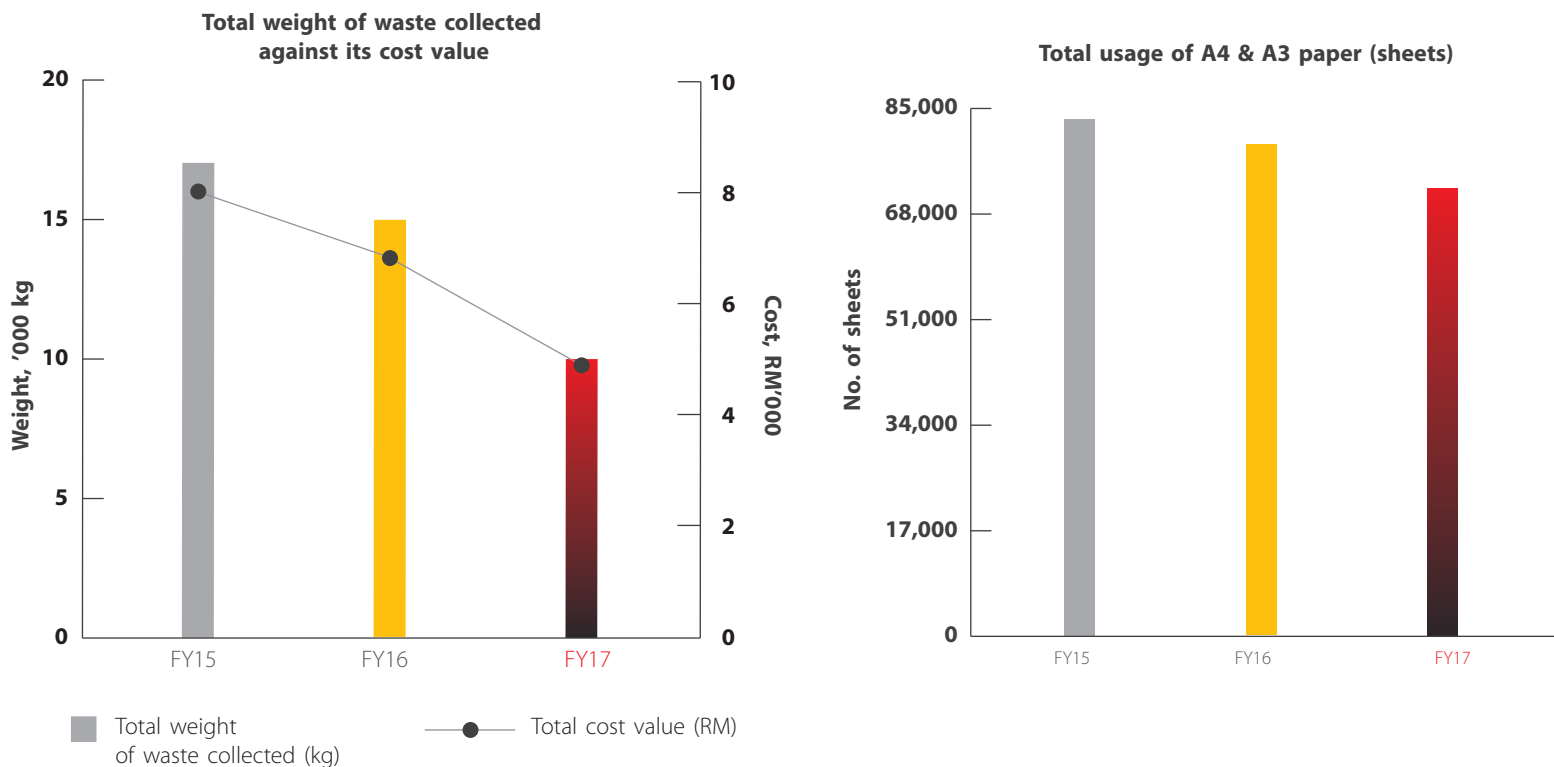
Throughout our buildings and regional offices, practices like double-sided printing, minimising colour prints and using electronic communications instead of hard copy printouts are encouraged.

AmBank Group's approach to waste management is to continuously and progressively adopt automation in operational processes to avoid unnecessary paper consumption and waste generation. The Group has waste management practices in place for paper collection, recycling and disposal.

We use several contractors for the disposal of waste, i.e. obsolete electrical items, old furniture, paper etc. The disposal of bigger items is conducted on an annual basis, whereas smaller items are disposed on a quarterly basis or as and when necessary. There is a recycling initiative conducted by the Group, mainly on the disposal of scrap paper.

## Paper Usage

We have been encouraging our employees to move towards a paperless environment. Year-on-year data tracking is carried out to measure the progress of our efforts. The total usage of paper in FY17 reduced by 10% as compared to FY16.



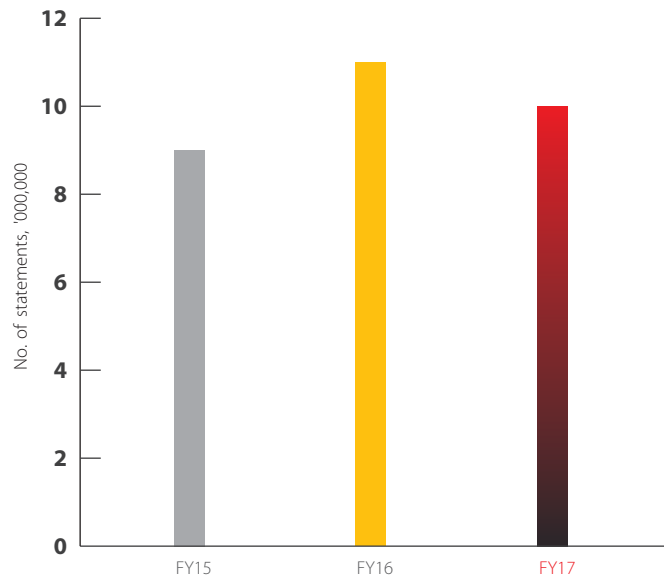
Note: Waste collected from Head Office Department in Menara AmBank, Bangunan AmBank Group, Menara Dion, Menara MBF & Tropicana.



## Customer Statements

We also encourage our customers to move towards a paperless environment. Customer statements are now available online or via e-mail. We are working to improve our digital banking in order to improve our customer experience as well as to reduce our environmental footprint.

**Total number of customers statement or notices**



There was a surge in paper customer statements in FY16, mainly due to the change of terms of certain AmBank card services. In FY17, several statements including of deposit and merchant credit cards have been permanently migrated to e-statement.



A person is seen from the side, working on a laptop. The background is a bright, blurred office space with large windows. The overall tone is professional and modern.

# Delivering customised solutions

At AmBank Group, we provide, deliver, and integrate our financial services to suit our customers' needs. With our customers' unwavering support, we shall remain at our best to stay relevant in serving our customers' evolving needs.

# CORPORATE GOVERNANCE



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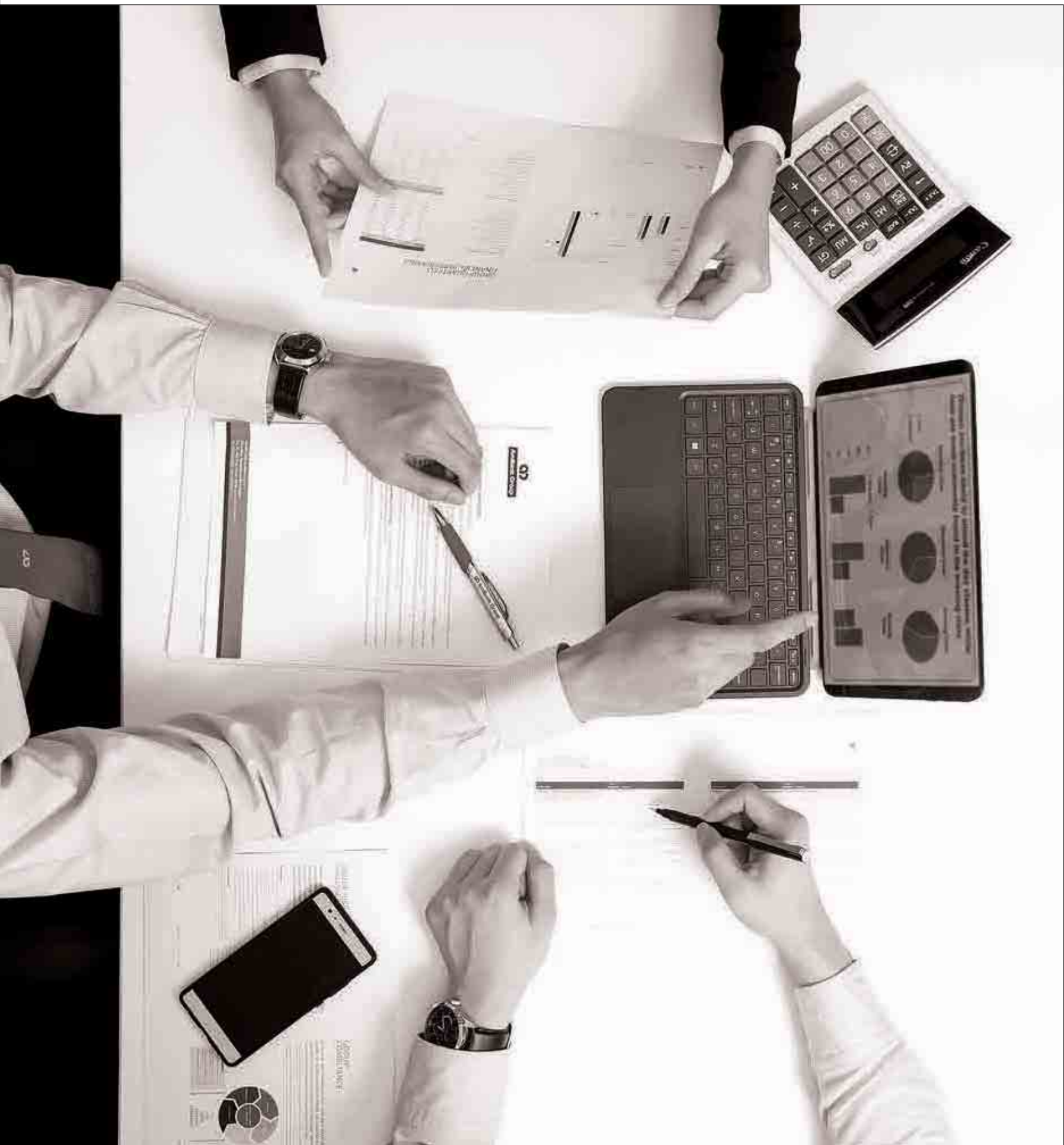
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# CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

**DEAR VALUED SHAREHOLDERS,**

**ON BEHALF OF THE BOARD OF DIRECTORS OF AMMB HOLDINGS BERHAD, I AM PLEASED TO PRESENT OUR CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017. THIS REPORT GIVES DETAILS OF OUR PROGRESS, ACHIEVEMENTS AND CHALLENGES AND ALSO THE AREAS IN WHICH WE SEEK TO IMPROVE.**

At AmBank Group, we believe good corporate governance is the key to maintaining the trust that our investors and customers place in us. We believe good corporate governance is a cornerstone of a successful and sustainable company.

Throughout the year, we have continued to develop our practices. We approved our revised Board Charter on 27 July 2016, and recently completed our independent Board Effectiveness Evaluation. This encompasses the effectiveness of the Board as a whole, and the effectiveness of each Board Committee and individual Director.

One of the most important aspects of my role as Chairman is to foster the right dynamic on the Board so we have Directors with the right range and balance of skills, expertise and attributes to ensure constructive challenge and support of the executive team led by our Group Chief Executive Officer.

In line with best practice, we plan to increase the number of independent directors on the Board by two (2), and maintain the number of Non-Independent Directors, so that the majority of the Board will be made up of Independent Directors.

For the Boards of our three (3) main subsidiaries, we already have a majority of Independent Directors. At AmBank Islamic Berhad, all five (5) Directors are independent. Both AmInvestment Bank Berhad and AmBank (M) Berhad have three (3) Independent Directors and one (1) Non-Independent Director.

Central to an effective board, and to the effectiveness of the contributions of Independent Directors, is to ensure that the Board is provided with the right information at the right time. I continue to place great emphasis on ensuring that this is done and that Board and Board Committee agendas cover the right issues.

We currently have five (5) committees operating at Board level:

- Group Nomination and Remuneration Committee
- Group Information Technology Committee
- Risk Management Committee of Directors
- Audit and Examination Committee
- Governance Committee

In terms of the composition of the Board during this financial year, we appointed Datuk Shireen Ann Zaharah binti Muhiudeen and Seow Yoo Lin as Independent Directors. We also appointed Graham Kennedy Hodges as Non-Independent Director. He is a board representative of our largest shareholder, Australia and New Zealand Banking Group Limited.

At the end of the financial year, Tun Mohammed Hanif bin Omar, who has been on the Board for more than 22 years, retired from the Board. I would like to extend my heartfelt gratitude to Tun Mohammed Hanif for his guidance and insight over the years. I also thank Wasim Akhtar Saifi, who was an Independent Director and resigned in order to focus on an executive role overseas. He remains as an Independent Director of AmBank Islamic Berhad, a wholly owned subsidiary of the Company.

We are grateful to all of our stakeholders for your support this year. Together we can focus on what we do best, helping individuals and businesses in Malaysia grow and win together.



**TAN SRI AZMAN HASHIM**

Chairman, Non-Independent Non-Executive Director

Kuala Lumpur  
30 June 2017

# STATEMENT OF CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS OF THE COMPANY (BOARD) IS FULLY COMMITTED TO ENSURING THAT THE COMPANY CONTINUES TO MAINTAIN THE HIGHEST STANDARDS IN CORPORATE GOVERNANCE, WITH A VIEW TO CONTINUOUSLY ENHANCE THE VALUE AND PROTECT THE INTERESTS OF ALL STAKEHOLDERS.

The Board believes in being transparent and responsive to stakeholders at all times, with unwavering integrity when conducting business and affairs. The Company subscribes to and conforms to the principles and recommendations stated as follows:-

- Bank Negara Malaysia (BNM) Policy Document on Corporate Governance (BNM Corporate Governance)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities)
- Malaysian Code on Corporate Governance (MCCG) 2012, save for the recommendation that the Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director.

The Board consists of a majority of Non-Independent Non-Executive Directors. However, the Independent Directors are able to exercise strong independent judgement and provide balance to the Board with their unbiased and independent views, advice and judgement in all Board deliberations.

The Board took cognisance of the new MCCG 2017, published in April 2017, which will be applicable to annual reports published from 2018 onwards.

This statement describes how AMMB Holdings Berhad (AMMB) has applied the practices and complied with the principles of the MCCG 2012 (and wherever possible the practices of MCCG 2017) during the financial year under review.

## Principle A

### Board Leadership & Effectiveness

- Roles of the Board, the Chairman & Group Chief Executive Officer and the Group Company Secretary
- Board Composition
- Board Independence
- Tenure of Independent Directors
- Board Diversity
- Appointment of Directors
- Re-election & Re-appointment of Directors
- Performance Evaluation
- Meetings and Time Commitment
- Board Conduct, Board Charter and Code of Ethics
- Directors' Training & Development
- Leadership Succession
- Remuneration

## Principle B

### Effective Audit & Risk Management

- Audit & Examination Committee
- Risk Management Committee of Directors
- Suitability & Independence of External Auditors
- Internal Control
- Trading in AmBank Shares Policy
- Related Party Transactions

## Principle C

### Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

- Access to Information & Advice
- Conduct of General Meetings
- Statement of Directors' Responsibility in respect of the Audited Financial Statements
- Whistleblowing Policy

# STATEMENT OF CORPORATE GOVERNANCE

## PRINCIPLE A: Board Leadership and Effectiveness

### Roles of the Board

The Board's pivotal role is to lead and establish AmBank Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group and the appointment of key senior management. In view thereof, the Board's roles and responsibilities include but are not limited to the following:

- Reviewing and approving the strategic business plans of the Group developed by Management in alignment with the approved risk appetite and taking into account the sustainability of the Group's businesses. This encompasses the annual budget, medium term aspirations, new investments/divestments as well as mergers and acquisitions.
- Overseeing the conduct of the business to ascertain its proper management including setting clear objectives and policies within which senior executives are to operate.
- Identifying and approving policies pertaining to the management of all risk categories including but not limited to, credit, financial, market, liquidity, operational, legal and reputational risks.
- Reviewing the adequacy and the integrity of internal controls and management information systems, including systems for compliance with applicable laws, rules, regulations, directives and guidelines.
- Reviewing the leadership and succession planning of the Group with a view to ensuring the Group's continued ability to sustain and compete effectively in the market.
- Serving as the ultimate approving authority for all significant financial expenditure.
- Promoting sound corporate culture and overseeing the Group's adherence to high standards of conduct, ethics and corporate professional behaviour.

### Roles of the Chairman and Group Chief Executive Officer

The roles of the Chairman and Group Chief Executive Officer remain separate and distinct. The Chairman of the Board is non-independent and non-executive. The Chairman plays an important leadership role within the Group and is responsible for:

- Setting the agenda for meetings of the Board that focus on strategic direction and performance.
- Maintaining on-going dialogue and relationship of trust with and between the Directors and Management.
- Ensuring clear and relevant information is provided to Directors in a timely manner.
- Ensuring sufficient time is allowed for the discussion of complex or critical issues.

The Board delegates the authority and responsibility for managing the everyday affairs of the Group to the Group Chief Executive Officer, and through him and subject to his oversight, to other Senior Management. The Board monitors the performance of the Group Chief Executive Officer on behalf of the shareholders.

### Role of the Group Company Secretary

The Group Company Secretary reports directly to the Board and is the source of guidance and advice to the Directors on areas of corporate governance, relevant legislation, regulations and policies, besides ensuring compliance with the Main Market Listing Requirements of Bursa Securities and other regulatory requirements.

The Group Company Secretary attends Board and Board Committees meetings and is responsible for the accuracy and adequacy of records of the proceedings of Board and Board Committees meetings and resolutions.

The Group Company Secretary also serves closed period notices to Directors and Senior Management for trading in the Company's shares and briefs the Board on the content and timing of sensitive or material announcements to Bursa Securities.

### Board Composition

The Board is chaired by a Non-Independent Non-Executive Director and currently comprises nine (9) Directors, four (4) of whom are Independent Non-Executive Directors. The Board continues to achieve a balance of skills, knowledge, experience and perspective among its Directors. The profiles of the Directors are set out on pages 42 to 50 of this Annual Report.

The Group Nomination and Remuneration Committee (GNRC) and the Board are actively searching for an additional two (2) independent directors in order to ensure the Board has a majority of independent directors. One (1) potential candidate has been identified for appointment, pending the approval of the regulator.

The Board plans to increase the total number of independent directors to six (6) and maintain the number of non-independent directors at five (5).

The Directors collectively provide the necessary mix of knowledge, skills and experience in key areas. These include banking, fund management, accountancy, finance, risk management, governance, economics, international relations, human resource, and information technology amongst others.



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

- Tun Mohammad Hanif bin Omar retired on 31 March 2017, having been on the Board for more than 22 years.
- Wasim Akhtar Saifi resigned on 1 April 2017 to focus on an executive role overseas. He remains as an Independent Non-Executive Director of AmBank Islamic Berhad, a wholly owned subsidiary of the Company.

### Board Independence

The Independent Non-Executive Directors bring with them a variety of relevant experience that enables them to exercise independent judgement and to participate objectively in the proceedings and decision-making processes of the Board.

Decision-making on key issues regarding the Company and its subsidiaries is deliberated by the Directors. Board decisions are made taking into account the views of the Independent Non-Executive Directors, which carry substantial weight.

They fulfil their roles in ensuring that strategies proposed by the Management are discussed and examined as well as ensuring that the interest of shareholders and stakeholders of the Company are safeguarded.

Each of the Independent Non-Executive Directors is required to provide a declaration of his or her independence annually. This declaration is assessed by the GNRC. Based on the outcome of the Board Effectiveness Evaluation (BEE) for the Assessment Year 2017, which was conducted by an independent external consultant and reported to the GNRC as well as to the Chairman of the Board, all the Independent Non-Executive Directors have scored highly and there are no conflicts or potential conflicts of interest that may affect their independent judgement.

The Board also believes that each independent director has retained their independence throughout the tenure and had not in any circumstances formed any association with Management that might compromise their ability to exercise independent judgement which ultimately affects the interest of stakeholders.

### Tenure of Independent Directors

The Company's Board Charter states that an Independent Non-Executive Director shall not serve more than a cumulative term of nine (9) years.

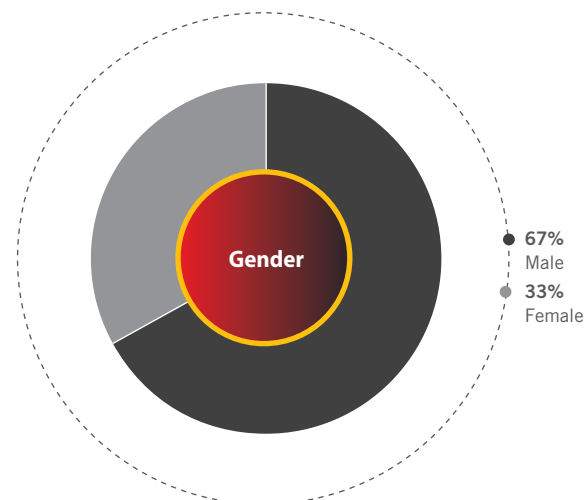
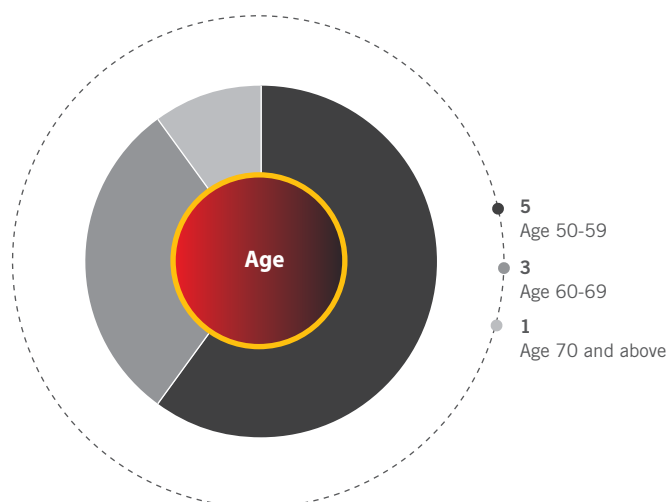
As at the date of this Statement, none of the Independent Directors has served more than nine (9) years on the Board. This is in line with the MCCG and the Company's Board Charter.

### Board Diversity

The Board acknowledges the importance of Board diversity, including gender, ethnicity, age and business experience, to the effective functioning of the Board.

While it is important to promote such diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board should remain a priority so as not to compromise on the effectiveness in carrying out the Board's functions and duties. Hence, the Board is committed to ensuring that its composition not only reflects the diversity as recommended by MCCG, as best as it can, but also has the right mix of skills and balance to contribute to the achievement of the Group's goals.

The Board currently comprises three (3) women directors, reflecting a 33% female representation among the Directors on the Board.



# STATEMENT OF CORPORATE GOVERNANCE

## Appointment of New 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, not exceeding twelve (12).

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 for nomination 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 who is 'independent' under applicable laws and regulations, including applicable provisions of the Main Market Listing Requirements of Bursa Securities, and whether the person is qualified under applicable laws and regulations to serve as a Director of the Company.
  - Whether or not the person meets the 'fit and proper' criteria under applicable laws and regulations, including 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.
  - 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.
- b. Once shortlisted, three (3) members of the GNRC will interview the potential candidates 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, interview results and the interviewers' assessment of candidates will be tabled at the GNRC for further discussion and deliberation on whether candidates are suitable to be recommended to the Board for appointment.
- d. Once potential Director candidates 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 candidates.
- e. Upon completion of reference checks, the GNRC will recommend the proposed candidate to the Board of the Company.
- f. The Board will deliberate on the recommended candidate(s) and, if deemed appropriate, shall approve subject to BNM's approval.
- 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 has to complete the required statutory form.
- i. Upon appointment of the candidate, a letter of appointment will be signed off by the Chairman of the Company and issued to the candidate(s).

### Director Induction

- a. Newly appointed Board members would attend the Company's Induction Programme which includes mandatory core programmes required pursuant to BNM regulations and internal briefings by relevant Management personnel.
- b. The new Board members are fully briefed on the terms of their appointment, duties and responsibilities, as well as on the nature, operations and current issues of the Company.

### Procedures

- a. The GNRC will perform a preliminary assessment of potential candidates based on referrals from executive search firms or other Directors and shortlist candidates for interview.

- c. The GNRC will review the induction processes on a periodic basis to ensure that all pertinent information is provided to Directors, and that adequate time had been given for Directors to familiarise themselves with the Company, its Board and operations.

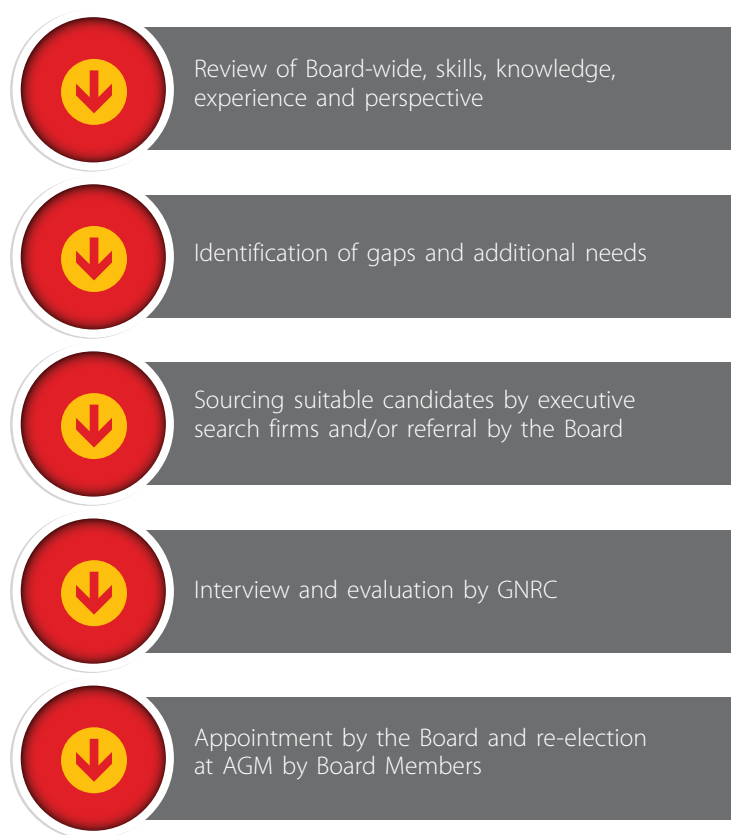


Diagram: Process on Selection of Directors

### Re-election and Re-appointment of Directors

A candidate who is appointed as Director of the Company must seek re-election by shareholders at the next Annual General Meeting (AGM). The Constitution of the Company further provides for 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 (3) years and shall be eligible for re-election.

Directors who are due for re-election at the forthcoming AGM, who have given their written consent to be re-appointed, are as set out in the Notice of the 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 stipulated in the Constitution of the Company.
- b. Tenure of Directorship will follow the requirements stipulated in the BNM Corporate Governance for Licensed Institutions.

### 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 Directors' self and peer assessment.
- 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.
  - Whether or not an independent director still qualifies as 'independent' under applicable laws and regulations, including applicable provisions of the Main Market Listing Requirements of Bursa Securities.
- 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.

### Performance Evaluation

As the Board is ultimately responsible for the oversight of the Management, the Board has, through the GNRC, annually reviewed the Management on overall performance, compliance and governance of the Group. As a result, the Board and Board Committees have been 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 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 results of the BEE form part of the basis for evaluation by the GNRC for the appointment and re-appointment of Directors.

# STATEMENT OF CORPORATE GOVERNANCE

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 Assessment Year 2017.

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

## Part A: Board Effectiveness

- Board responsibilities
- Board composition
- Board administration and process
- Board conduct
- Board interaction and communication
- Chairman's evaluation
- Group Chief Executive Officer/Chief Executive Officer's evaluation

## Part B: Individual Committee Effectiveness

- Structure and processes
- Accountability and responsibilities
- Committee Chairman's evaluation

## Part C: Directors' Self and Peer Evaluation

- Board dynamics and participation
- Integrity and objectivity
- Technical competencies
- Recognition
- Independence

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 considered the contribution and performance of Directors as regards to their experience, competencies, integrity and commitment, and integrity in meeting the requirements of the Group. 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 2017 and the Board in June 2017 to enable the Board to identify and put in place actions to address areas for improvement.

## Meetings and Time Commitment

### Board

The calendar of meetings of the Board and Board Committees is 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.

In addition to the above, all Directors of the Company have complied with the Main Market Listing Requirements of Bursa Securities of not holding more than five (5) 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.

The Board meets a minimum of eight (8) times per year, wherein Board papers and reports are circulated to the Directors not later than five (5) days preceding each meeting to allow the Directors sufficient time to review and peruse the Board papers and reports from the Management or if deemed necessary to seek independent professional advice at the Group's expense. Additional Board meetings are convened whenever necessary. The Senior Management of the subsidiaries is invited to attend Board meetings to provide presentations and detailed explanations on matters to be tabled.

At Board meetings, the Chairman encourages constructive and healthy debates, and Directors are free to express their views. Any Director who has a direct or deemed interest in a material transaction or material arrangement shall be excused from the Board meeting where the material transaction or material arrangement is being deliberated by the Board. Decisions of the Board are made unanimously or by consensus with dissenting views raised by any Director being recorded in the Minutes of meetings.

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 2017 (FY17) as set out below. Twelve (12) Board meetings were held during FY17.

Name of Director	Number of Board Meetings		
	Held During Tenure in Office	Attended	%
<b>Tan Sri Azman Hashim</b> <i>(Non-Independent Non-Executive Chairman)</i>	12	12	100
<b>Graham Kennedy Hodges</b> <i>(Appointed on 30 June 2016)</i> <i>(Non-Independent Non-Executive Director)</i>	10	9	90
<b>Suzette Margaret Corr</b> <i>(Non-Independent Non-Executive Director)</i>	12	12	100
<b>Soo Kim Wai</b> <i>(Non-Independent Non-Executive Director)</i>	12	12	100
<b>Dato' Rohana binti Tan Sri Mahmood</b> <i>(Senior Independent Non-Executive Director)</i>	12	12	100
<b>Dato' Seri Ahmad Johan bin Mohammad Raslan</b> <i>(Non-Independent Non-Executive Director)</i>	12	12	100
<b>Voon Seng Chuan</b> <i>(Independent Non-Executive Director)</i>	12	12	100
<b>Datuk Shireen Ann Zaharah binti Muhiudeen</b> <i>(Appointed on 30 June 2016)</i> <i>(Independent Non-Executive Director)</i>	10	10	100
<b>Seow Yoo Lin</b> <i>(Appointed on 30 June 2016)</i> <i>(Independent Non-Executive Director)</i>	10	10	100
<b>Tun Mohammed Hanif bin Omar</b> <i>(Resigned on 31 March 2017)</i> <i>(Non-Independent Non-Executive Director)</i>	12	10	83
<b>Wasim Akhtar Saifi</b> <i>(Resigned on 1 April 2017)</i> <i>(Independent Non-Executive Director)</i>	12	12	100

## Board Committees

The Board delegates certain responsibilities to the Board Committees. The Committees that assist the Board are as follows:

1. Group Nomination and Remuneration Committee
2. Group Information Technology Committee
3. Risk Management Committee of Directors
4. Audit and Examination Committee
5. Governance Committee

The criteria for membership are based on a Director's skills and experience, as well as his or her ability to add value to the Board Committee.

The Group Chief Executive Officer, the Chief Executive Officers and other Senior Management are invited to attend relevant Board Committee meetings.

### 1. Group Nomination and Remuneration Committee (GNRC)

The Committee comprises five (5) members, all of whom are Non-Executive Directors and is chaired by the Senior Independent Non-Executive Director. The Committee is responsible for:

- Regularly reviewing the overall composition of the Board, in terms of the appropriate size, skills, experience, qualification and diversity in terms of gender, ethnicity and age, as well as the balance between Executive Directors, Non-Executive Directors and Independent Directors.
- Recommending the appointment of Directors to the Board and Committees of the Board as well as annually reviewing the mix of skills, experience and competencies that Non-Executive and Executive Directors should bring to the Board.
- Assessing the performance and effectiveness of individuals and collective members of the Board and Board Committees of the Company and its banking subsidiaries.
- Recommending to the Board a formal and transparent procedure for developing the remuneration policy for Directors, key management personnel, the Chief Internal Auditor and staff for the approval of the Board. The Committee shall ensure that compensation is competitive and consistent with the Group's culture, objectives and strategy and reflects the responsibility and commitment which goes with Board membership and key management personnel.
- Overseeing the implementation of the Executives' Share Scheme (ESS) in accordance with the By-Laws of the ESS as approved by the shareholders of the Company and to perform such other functions as may be requested by the Board.

# STATEMENT OF CORPORATE GOVERNANCE

The Committee met eight (8) times during FY17:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Dato' Rohana binti Tan Sri Mahmood</b> <i>(Chairman)</i> <i>(Senior Independent Non-Executive Director)</i>	8	8	100
<b>Suzette Margaret Corr</b> <i>(Non-Independent Non-Executive Director)</i>	8	8	100
<b>Soo Kim Wai</b> <i>(Non-Independent Non-Executive Director)</i>	8	8	100
<b>Voon Seng Chuan</b> <i>(Independent Non-Executive Director)</i>	8	8	100
<b>Datuk Shireen Ann Zaharah binti Muhiudeen</b> <i>(Appointed as member on 30 June 2016)</i> <i>(Independent Non-Executive Director)</i>	6	6	100
<b>Tun Mohammed Hanif bin Omar</b> <i>(Resigned as member on 31 March 2017)</i> <i>(Non-Independent Non-Executive Director)</i>	8	8	100
<b>Wasim Akhtar Saifi</b> <i>(Resigned as member on 1 April 2017)</i> <i>(Independent Non-Executive Director)</i>	8	5	63

## 2. Group Information Technology Committee (GITC)

The Committee comprises three (3) members, all of whom are Non-Executive Directors and is chaired by an Independent Non-Executive 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. GITC's key responsibilities include the following:

- To provide strategic direction for IT development within the Group and ensure that IT, digitisation and technology-related innovation strategic plans are aligned and integrated with the Group's business objectives and strategy.
- To ensure the establishment of Group-wide IT policies, procedures and frameworks including IT security and IT risk management to ensure the effectiveness of internal control systems and the reliability of the management information systems.

- To provide oversight of the Group's long-term IT strategic plans and budgets and implementation.
- To establish key performance indicators (KPI) and service level agreements in measuring and monitoring the overall performance, efficiency and effectiveness of IT services delivered or received by the Group.
- To 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 programmes and related standard procedures.
- To review IT planning and strategy, including the financial, tactical and strategic benefits of proposed significant information technology-related projects and initiatives.
- To 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.
- To review and approve deviations as allowed under BNM guidelines.

There were nine (9) meetings held during FY17:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Voon Seng Chuan</b> <i>(Chairman)</i> <i>(Independent Non-Executive Director)</i>	9	9	100
<b>Dato' Seri Ahmad Johan bin Mohammad Raslan</b> <i>(Non-Independent Non-Executive Director)</i>	9	8	89
<b>Seow Yoo Lin</b> <i>(Appointed as member on 30 June 2016)</i> <i>(Independent Non-Executive Director)</i>	7	6	86

## 3. Risk Management Committee of Directors (RMCD)

The summary of activities of the RMCD is disclosed on page 199 of this Annual Report.

## 4. Audit and Examination Committee (AEC)

The summary of activities of the AEC is disclosed on pages 199 and 216 of this Annual Report.

## 5. Governance Committee (GC)

The Committee comprises four (4) members, all of whom are Non-Executive Directors. The GC is chaired by the Senior Independent Non-Executive Director.

The GC is established as a committee of the Board to assist the Group in the implementation of governance initiatives, including specific tasks as mandated by the Board.

For purposes of this Committee, the Group comprises the following entities:

- AMMB Holdings Berhad
- AmBank (M) Berhad
- AmInvestment Bank Berhad
- AmBank Islamic Berhad

The GC met eight (8) times during FY17:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Dato' Rohana binti Tan Sri Mahmood</b> <i>(Chairman)</i> <i>(Senior Independent Non-Executive Director)</i>	8	8	100
<b>Mr Graham Kennedy Hodges</b> <i>(Appointed as member on 27 July 2016)</i> <i>(Non-Independent Non-Executive Director)</i>	4	3	75
<b>Soo Kim Wai</b> <i>(Non-Independent Non-Executive Director)</i>	8	8	100
<b>Dato' Seri Ahmad Johan bin Mohammad Raslan</b> <i>(Non-Independent Non-Executive Director)</i>	8	8	100
<b>Wasim Akhtar Saifi</b> <i>(Resigned as member on 1 April 2017)</i> <i>(Independent Non-Executive Director)</i>	8	7	88

## 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 Ethics of the Group and other applicable governance documentation approved by the Board setting out standards of ethical conduct and behaviour.

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 at the Board and/or Board Committee meeting.

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

The Directors shall also 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. Prior to accepting appointment(s) in other companies, the Directors shall notify the Chairman of the Board and the Company Secretary of their new appointment(s) in other companies within 14 days of the appointment(s).

## Board Charter

The Board Charter sets out the detailed roles, responsibilities and functions of the Board and Board Committees in accordance with the principles of good corporate governance. Apart from the Board Charter, the Board had also adopted a formal Schedule of Matters Reserved for the Board that sets out decision making powers reserved for the Board. The Board Charter is reviewed periodically to ensure its relevance with the latest statutory and regulatory requirements, as well as the Group's operational and business direction.

The Board Charter was last updated in July 2016 and is available on the Company's corporate website at [ambankgroup.com](http://ambankgroup.com).

## Code of Ethics

The Group has adopted a Code of Ethics based on six (6) principles, i.e. compliant, responsible, ethical, accurate, trustworthy and equitable. The Code of Ethics provides a clear direction on conducting business, interacting with community, government and business partners, and general workplace behaviour.

It also includes guidance on disclosure of conflict of interests, maintaining confidentiality and disclosure of information, good practices, internal controls and the duty to report where there is a breach of Code of Ethics.

The Code of Ethics has been cascaded to all Directors and employees through various methods and media, such as eLearning modules and physical workshops conducted by respective Senior Management to their team members. This is to ensure full understanding of the Code of Ethics and for proper embedding into the work culture across all businesses within the Group.

The Code of Ethics is published on the Company's website at [ambankgroup.com](http://ambankgroup.com).

# STATEMENT OF CORPORATE GOVERNANCE

## Directors' Training & 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.

All new Directors appointed to the Board attend a formal induction programme to familiarise themselves with the Group's strategy and aspiration, understanding of the line of businesses and corporate functions, key financial highlights, audit, compliance and risk management. The programme is conducted by the various Managing Directors/Chief Executive Officers/Heads of the business units as well as Senior Management, and is organised by the Group Learning and Development Unit. The Company Secretary also provides the new Directors with an information kit regarding disclosure obligations of a Director, Board Charter, Code of Ethics, the Constitution of the Company, Board Committees' Terms of Reference, Schedule of Matters Reserved for the Board, amongst others.

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 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 would also attend offsite Strategy Meeting 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 the 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 an appropriate continuing education programme and are kept up to date with current business, industry, regulatory and legislative developments and trends that will affect the Company's business operations.

The GNRC will review the training and development needs of the Directors on an annual basis, taking into consideration the Company's strategy for the next several years and the current combined skills on the Board. Thereafter, the GNRC will identify and recommend the relevant courses to be included as part of the annual Board Training Calendar, going to the Board for approval.

The Group Learning and Development Unit undertakes the role to coordinate, organise and manage Directors' learning and development requirements. The Directors of the Company attended the following training programmes, talks, seminars, dialogue sessions and focus group sessions during the FY17:-

No.	Name of Directors	Date	List of Training/Conference/Seminar/Workshop attended
1.	Tan Sri Azman Hashim	19 – 20 April 2016	55th Session of The Asian Productivity Organization (APO) Governing Body Attended as Chairman, Malaysia Productivity Corporation
		29 April 2016	Asian Banking School – Graduate Programme FLAME – Delivered Closing Remarks in capacity as Chairman, Asian Institute of Chartered Bankers
		3 May 2016	Malaysia South-South Association Luncheon Talk – “Update on Economic Outlook & Potential in Myanmar-Post Elections” by Mr Zaw Min Min – Delivered Welcome Remarks as Chairman of MASSA
		10 May 2016	Asia Pacific Financial Forum (APFF) Workshop: Developing an Islamic Infrastructure Investment Platform (I3P) – Delivered Welcome Remarks as Co-Chair, APEC Business Advisory Council (ABAC) Finance & Economics Working Group & Chairman, AmBank Group
		23 May 2016	Open University Malaysia (OUM)'s Public Lecture in conjunction with OUM's 15th Anniversary – Delivered the Opening Remarks as Pro Chancellor OUM
		26 May 2016	The 20th Malaysian Banking Summit “Future Banking: Reimagining Banks-Driving Transformation & Innovation” – Delivered Introductory Speech-in capacity as Chairman, Asian Institute of Chartered Bankers



No.	Name of Directors	Date	List of Training/Conference/Seminar/Workshop attended
1.	<b>Tan Sri Azman Hashim (Cont'd.)</b>	1 – 2 June 2016	34th JAMECA-MAJECA Joint Conference – Delivered Closing Speech as President of Malaysia-Japan Economic Association (MAJECA)
		29 July 2016	Capital Market Director Program Module 4: Current and emerging regulatory issues in the Capital Market
		22 August 2016	Capital Market Director Program Module 1: Directors as Gatekeepers of Market Participants
		29 August 2016	Securities Commission & FIDE Forum Dialogue FinTech's Impact on Financial Institution
		6 September 2016	Capital Market Director Program Module 3: Risk Oversight & Compliance
		23 September 2016	Bank Negara Malaysia conference – “Future Finance Conference”
		18 October 2016	Asian Productivity Organisation Workshop-Meeting of Heads
		22 December 2016	Dialogue with Syariah Committee & AmMetLife Takaful Board members
		12 January 2017	International Investment Fund Forum 2017
		13 – 14 February 2017	37th East Asia Business Council Meeting (EABC) representing Malaysia
		20 – 23 February 2017	1st ABAC Meeting, 2017 representing Malaysia
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
		14 March 2017	Attended the Launching of International Organization of Securities Commissions (IOSCO) Asia Pacific Hub at the Global Emerging Markets Regulatory Conference
14 March 2017	Cyber Security Awareness		
2.	<b>Graham Kennedy Hodges</b>	13 – 14 October 2016	Mandatory Accreditation Programme
		5 – 7 April 2016	FIDE Core Programme: Module B (Banks) by ICLIF
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
3.	<b>Suzette Margaret Corr</b>	8 – 13 May 2016	The Cranlana Programme – Leadership Programme on Ethics
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016

# STATEMENT OF CORPORATE GOVERNANCE

No.	Name of Directors	Date	List of Training/Conference/Seminar/Workshop attended
4.	<b>Soo Kim Wai</b>	25 – 29 April 2016	Linkage 20 Conversations @ Harvard by Linkage
		4 August 2016	FinTech: Business Opportunity or Disruptor by FIDE Forum, BNM
		23 August 2016	Brexit and Malaysia – A New Opportunity by British Malaysian Chamber of Commerce
		14 September 2016	Identify the Right Board Talent by FIDE Forum, BNM
		21 September 2016	Investment Roundtable with UK Financial Secretary to the Treasury, Jane Ellison MP by British High Commission UK Trade & Investment
		26 September 2016	Malaysia Investment Forum by Malaysian Investment Development Authority
		20 October 2016	Post-Brexit Impact on UK Commercial & Residential Investment and Development by British Malaysian Chamber of Commerce
		15 – 16 November 2016	MIA Conference 2016 by Malaysian Institute of Accountants (MIA)
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
		2 March 2017	Linkage Breakfast Series – Top of mind: What the world’s best CEOs need for the future by Linkage Asia
		7 March 2017	Breakfast Talk with ACGA: CG Watch 2016 – Ecosystems Matter by ICLIF & Malaysian Directors Academy
		14 March 2017	Cyber Security Awareness
		23 March 2017	Wealth Insights Series: Back to Basics by J.P. Morgan
		27 – 30 March 2017	Credit Suisse 20th Annual Asian Investment Conference: Beginning of a new era? by Credit Suisse
5.	<b>Dato’ Rohana binti Tan Sri Mahmood</b>	1 – 2 April 2016	Singapore Forum
		25 – 28 April 2016	ABAC Meeting in Papua New Guinea
		10 May 2016	Islamic Infrastructure Investment Forum
		30 May – 1 June 2016	ISIS 20th Asia Pacific Roundtable
		1 – 3 August 2016	ABAC Meeting in China
		14 September 2016	FIDE Forum Directors Register: Identify the Right Board Talent
		26 – 27 September 2016	Khazanah Megatrends Forum 2016
		10 October 2016	Capital Market Directors Programme: Module 1: Directors as Gatekeepers of Market Participants
		10 October 2016	Capital Market Directors Programme: Module 2A: Business Challenges & Regulatory Expectations

No.	Name of Directors	Date	List of Training/Conference/Seminar/Workshop attended
5.	<b>Dato' Rohana binti Tan Sri Mahmood (Cont'd.)</b>	11 October 2016	Capital Market Directors Programme: Module 2B: Business Challenges & Regulatory Expectations – What Directors Need
		14 – 17 November 2016	ABAC Meeting in Lima
		18 January 2017	Capital Market Directors Programme: Module 4
		20 – 23 January 2017	ABAC 1 Meeting in Bangkok
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
		21 March 2017	Capital Market Director Programme Module
6.	<b>Dato' Seri Ahmad Johan bin Mohammad Raslan</b>	26 April 2016	BNM – FIDE FORUM Dialogue with Deputy Governor on Corporate Governance Concept Paper
		2 June 2016	Implementation of FIDE FORUM's Directors Register
		6 – 7 July 2016	The Effective Non-Executive Director Programme
		5 – 7 October 2016	FIDE Core Programme: Module B (Banks) by ICLIF
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
7.	<b>Voon Seng Chuan</b>	5 – 7 April 2016	FIDE Core Programme: Module B (Banks) by ICLIF
		19 April 2016	FIDE FORUM – 2nd Distinguished Board Leadership Series – "Avoiding Financial Myopia" by Prof. Jeffery L. Sampler
		26 April 2016	BNM – FIDE FORUM Dialogue with Deputy Governor on Corporate Governance Concept Paper
		31 May 2016	Audit Committee Workshop A: Functions of the Audit Committee by MIA
		25 July 2016	FIDE FORUM – 3rd Distinguished Board Leadership Series – "Effective Board Evaluation" by Ms Beverly Behan
		29 August 2016	Securities Commission – FIDE FORUM Dialogue – FinTech's Impact on Financial Institution by Mr Chin Wei Min
		1 September 2016	FIDE Elective Programme – Understanding the Evolving Cybersecurity Landscape
		14 November 2016	FIDE FORUM Dialogue Session – Strategy to Leverage Technology for Business Solutions
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
		1 March 2017	FIDE FORUM's Focus Group Discussion with BNM's Senior Management
		14 March 2017	Cyber Security Awareness
		27 March 2017	4th BNM-FIDE FORUM Annual Dialogue with the Deputy Governor of BNM

# STATEMENT OF CORPORATE GOVERNANCE

No.	Name of Directors	Date	List of Training/Conference/Seminar/Workshop attended
8.	<b>Datuk Shireen Ann Zaharah binti Muhiudeen</b>	29 May 2016	Module 2A: Business Challenges and Regulatory Expectations – What Directors Need to Know (Equities and Futures broking)
		30 May 2016	Module 3: Risk oversight and compliance – Action plan for Board of Directors
		31 May 2016	Module 2B: Business challenges and regulatory expectations – What directors need to know (Fund Management)
		30 June 2016	Induction: Board of Directors – AMMB (Day 1 & Day 2)
		11 July 2016	Induction: Board of Directors – AMMB (Day 3)
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
		1 March 2017	FIDE FORUM's Focus Group Discussion with BNM's Senior Management
9.	<b>Seow Yoo Lin</b>	1 April 2016	FIDE Directors Register
		26 April 2016	2016 ACI Breakfast Roundtable
		27 June 2016	Future of Auditor Reporting – The Game Changer for Boardroom – As Panelist
		30 June 2016	Induction: Board of Directors – AMMB (Day 1 & Day 2)
		11 July 2016	Induction: Board of Directors – AMMB (Day 3)
		25 July 2016	Effective Board Evaluation by Beverly Behan
		4 August 2016	Fintech: Business Opportunity or Disruptor? By Marcus Gnirck and Mr Veiverne Yuen
		29 August 2016	Fintech Impact on Financial Institutions by Mr Chin Wei Min
		27 February 2017	Sustainability Reporting
		27 February 2017	Highlights of the new Companies Act 2016
		1 March 2017	FIDE FORUM's Focus Group Discussion with BNM's Senior Management
		7 March 2017	Breakfast Talk with ACGA: CG Watch 2016 – Ecosystems Matter
		13 March 2017	Sustainability Engagement Series for Directors/Chief Executive Officers 2017

## Leadership Succession

AmBank 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 relevant members of senior management. 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 is 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 creating 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.

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 Group level and heads of subsidiaries, and in particular, the Chief Executive Officer and Chief Financial Officer, whose appointments are subject to the approval of the central bank.

In addition to appointments, the GNRC reviews several areas including the reasons behind management-level and senior executive resignations, expat 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 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.



Diagram: Governance of Talent and Succession Management

## Remuneration

The Board believes in a competitive and transparent remuneration framework that supports the Directors' and Senior Management's responsibilities and fiduciary duties in managing the Group to achieve its long term objectives and enhance stakeholders' value.

One of the principle authorities of the Board delegated to the GNRC is to review, deliberate and recommend to the Board a remuneration policy for Directors and Senior Management guided by the Group Human Resource policy, market norms and industry practice.

The Company is in the midst of developing a Remuneration Framework for Directors. Meanwhile, the Directors are being paid Directors' fees, Board Committee allowance, other allowances, directors & officers insurance coverage and out-patient medical claims.

The remuneration structure of the Non-Executive Directors 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 AGM

Board Committee Allowance (per annum)	Chairman	Member
Audit and Examination Committee	RM25,000	RM20,000
Risk Management Committee of Directors	RM25,000	RM20,000
Group Nomination & Remuneration Committee	RM25,000	RM20,000
Group Information Technology Committee	RM15,000	RM10,000
Governance Committee	RM25,000	RM20,000

Other Allowances	
Ombudsman Allowance (per annum)	RM25,000 – RM50,000
Chairman Allowance (per annum)	RM1,440,000
Meeting Allowance (including Board and Board Committee meetings and meetings with Management Working Committee Groups and Regulatory Authorities)	RM1,000 per meeting

## Directors' and Officers' Liability Insurance

A combined and shared policy limit of RM300 million in the aggregate during the policy period covers the Group's Directors in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of AmBank Group. However, the insurance policy does not indemnify a Director or principal officer if he or she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his or her duty of trust. The Directors and Officers are required to contribute jointly towards a portion of the premiums of the said policy.

# STATEMENT OF CORPORATE GOVERNANCE

## Aggregate Remuneration of the Directors

The details on the aggregate remuneration of the Directors of the Company [comprising remuneration received and/or receivable from the Company and its subsidiaries (Subsi) during FY17] are, as follows:

Name of Director	Salary and Bonus <sup>1</sup>	Fee (RM'000)		Emoluments <sup>2</sup> (RM'000)		Benefit in kind <sup>3</sup> (RM'000)	Total (RM'000)
		AMMB	Subsi	AMMB	Subsi		
Tan Sri Azman Hashim	–	210	847	1,456	859	43	3,415
Graham Kennedy Hodges	–	151	112	46	52	1	362
Suzette Margaret Corr	–	200	–	44	–	1	245
Soo Kim Wai	–	200	–	96	–	19	315
Dato' Rohana binti Tan Sri Mahmood	–	200	150	94	76	12	532
Dato' Seri Ahmad Johan bin Mohammad Raslan	2,647	66	–	22	–	112	2,847
Voon Seng Chuan	–	200	150	126	88	1	565
Datuk Shireen Ann Zaharah binti Muhiudeen	–	151	–	54	–	1	206
Seow Yoo Lin	–	151	–	49	–	1	201
Tun Hanif bin Mohammad Omar (Resigned on 31 March 2017)	–	200	–	45	–	1	246
Wasim Akhtar Saifi (Resigned on 1 April 2017)	–	200	150	94	89	–	533

### Notes:

- 1 Salary and Bonus comprised basic salary, bonus, EPF and SOCSO.
- 2 Emoluments comprised Board Committee allowance and other allowances.
- 3 Benefit in kind comprised provision of a company motor vehicle, driver, petrol allowance, insurance and phone bill.

The number of Directors of the Company whose total remuneration during the financial year fall within the following bands, is as follows:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
RM200,001 – RM250,000	–	4
RM250,001 – RM300,000	–	–
RM300,001 – RM350,000	–	1
RM350,001 – RM400,000	–	1
~ RM500,001 – RM550,000	–	2
RM550,001 – RM600,000	–	1
~ RM1,000,001 and above	1*	1

### Notes:

- \* Dato' Seri Ahmad Johan bin Mohammad Raslan was redesignated as a Non-independent Non-Executive Director of the Company, effective 1 December 2016.

## 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 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.

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

- a. Pay for performance measured against the balanced scorecard
  - Instill and drive meritocracy
  - Ensure linkages between total compensation and annual, medium- and long-term strategic objectives
  - Balance employees' actual fixed and variable pay mix to drive sustainable performance and alignment to the Group's culture and value of assessing both behavioural and quantitative KPI achievements
- b. Provide market competitive pay
  - Benchmark total compensation against other peer organisations of similar size and standing in the markets and businesses where we operate
  - Drive pay-for-performance differentiation with differentiated benchmarking quartiles for top performing employees
- c. Guard against excessive risk-taking
  - Focus on achieving risk-adjusted returns that are consistent with the Group's prudent risk and capital management, as well as emphasis on long-term sustainable outcomes
  - Design variable pay payout structures with long-term performance through deferral and allowance for clawback arrangements

## The Group's Approach to Remuneration

The Group's remuneration is made up of two components; fixed pay and variable pay.

Components	What	Why and Linkages to Strategy	How
Fixed Pay	<ul style="list-style-type: none"> <li>• Base Salary</li> <li>• Fixed Allowances</li> </ul>	Pay for Position (or market value of the job) to attract and retain by ensuring the fixed pay is competitive vis-à-vis comparable organisations	<ul style="list-style-type: none"> <li>• Adhering to the market value of the job at the individual's competency level, skills, experience and responsibilities</li> <li>• Fixed amount paid monthly</li> <li>• Typically reviewed and revised annually</li> </ul>
Variable Pay	<ul style="list-style-type: none"> <li>• Short Term Incentive (Performance Bonus)</li> <li>• Long Term Incentive (AMMB ESS)</li> </ul>	Pay for Performance <ul style="list-style-type: none"> <li>• Focus employees on the achievement of objectives which are aligned to value creation for the shareholders</li> <li>• Align payout to time horizon of risk to avoid excessive risk taking and provide for deferral, malus and forfeiture arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Based on the performance of the Group, line of business or subsidiary and the employee's individual performance</li> <li>• Measured against a balanced scorecard with KPIs and targets agreed at the beginning of each financial year</li> <li>• Awards 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</li> <li>• Deferral remunerations are paid in AMMB shares with the objective of:               <ul style="list-style-type: none"> <li>• Retaining key employees (retention bonus), and</li> <li>• Driving the Group's long-term performance and sustainability (AMMB ESS)</li> </ul> </li> <li>• Administration of both deferral remunerations provides for malus and forfeiture arrangements</li> </ul>

# STATEMENT OF CORPORATE GOVERNANCE

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

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

Group's Short Term Incentive Pool	A function of profits benchmarked against peer comparators and calibrated against: <ul style="list-style-type: none"> <li>• Risk adjustments</li> <li>• Distribution of earning between shareholders and employees</li> </ul>	Guided by the Group's performance against the balanced scorecard set in the beginning of the financial year; <ul style="list-style-type: none"> <li>• Comprises financial and non-financial metrics covering employees, customers, shareholders, risks and compliance objectives</li> <li>• reviewed and evaluated by the GNRC and subsequently approved by the Board</li> </ul>
Business Unit's/Subsidiaries Short Term Incentive Pool Allocation	The Group pool is reallocated to the business units/subsidiaries taking into account: <ul style="list-style-type: none"> <li>• each unit's actual performance achievement against target, and</li> <li>• the relative performance of each unit</li> </ul> measured through each unit's balanced scorecard and evaluated by the GCEO and GNRC	Inputs from control functions (Audit, Compliance and Risk) are sought.  Currently only the Chief Internal Auditor is measured independently with the performance outcome being recommended by the AEC.

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 Executives' Shares Scheme)

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 comprise of two elements:

- Main Award, that vests over a period of three (3) years in equal payouts, contingent on the Group meeting long-term performance targets.
- Retention Award, 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, negligence, willful misconduct and fraud as outlined in the ESS By-Laws.



## PRINCIPLE B: Effective Audit and Risk Management

### Audit and Examination Committee (AEC)

The Committee comprises three (3) members, all of whom are Non-Executive Directors and is chaired by an Independent Non-Executive Director. The AEC is responsible for the oversight and monitoring of:

- The Group's financial reporting, accounting policies and internal controls.
- The Group's Internal Audit functions. This includes the appointment, performance evaluation, transfer and dismissal of the Chief Internal Auditor.
- Compliance with regulatory requirements.
- The appointment, scope of work and evaluation of the external auditor.

It is the Board's policy that at least one (1) member of the AEC shall have an accounting qualification or experience in the field of finance. This is met with the membership of Mr Soo Kim Wai and Mr Seow Yoo Lin. The AEC meets regularly with Group Internal Auditors and meets twice a year with the external auditors without the presence of the Management.

Details of the AEC members and their attendance record and the activities undertaken by the AEC during FY17 are set out in the AEC Report on page 216 to 218 of this Annual Report.

### Risk Management Committee of Directors (RMCD)

The RMCD oversees the adequacy of risk management within the Group.

The Committee comprises three (3) members, all of whom are Non-Executive Directors and is chaired by an Independent Non-Executive Director. The responsibilities of the Committee include the review and evaluation of:

- Senior Management's activities in managing risk.
- High-level risk exposures and risk portfolio composition.
- The Company/Group's risk management strategies, policies, frameworks, methodologies and risk tolerance standards.
- The overall effectiveness of the control and risk management infrastructure (together with Group Internal Audit Department) and reporting to the Board.

There were six (6) meetings held during FY17:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Datuk Shireen Ann Zaharah binti Muhiudeen</b> (Chairman) <i>(Appointed as member on 30 June 2016 and assumed Chairmanship on 3 May 2017)</i> <i>(Independent Non-Executive Director)</i>	5	5	100
<b>Graham Kennedy Hodges</b> <i>(Appointed as member on 27 July 2016)</i> <i>(Non-Independent Non-Executive Director)</i>	5	5	100
<b>Voon Seng Chuan</b> <i>(Independent Non-Executive Director)</i>	6	6	100
<b>Wasim Akhtar Saifi</b> <i>(Resigned as member on 1 April 2017)</i> <i>(Independent Non-Executive Director)</i>	5	4	80
<b>Dato' Rohana binti Tan Sri Mahmood</b> <i>(Resigned as member on 8 June 2016)</i> <i>(Senior Independent Non-Executive Director)</i>	1	1	100

### 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:

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

# STATEMENT OF CORPORATE GOVERNANCE

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 independent assessment of the external auditors and the external auditors would also provide a written assurance to the AEC on their independence.

The current Engagement Partner of EY, Mr Chan Hooi Lam has been heading the audit of the Group for the past three (3) years.

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:

- Limits the non-audit service that may be provided
- Requires that audit and permitted non-audit services must be approved by the AEC

The AEC has reviewed the summary of the non-audit services provided by the external auditor in FY17 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 Holdings in respect of audit fees and non-audit related fees for services rendered by EY are as follows:

	FY17		FY16	
	Company (RM'000)	Group (RM'000)	Company (RM'000)	Group (RM'000)
Audit Services	106	2,498	103	2,554
Non-Audit Services	41	3,403	25	3,537
<b>Total Fees</b>	<b>147</b>	<b>5,901</b>	<b>128</b>	<b>6,091</b>

The Group's non-audit services for FY17 comprised the following assignments:

- Regulatory-related fees
  - Limited review for 6-month period ended 30 September for AMMB
  - Limited review for 6-month period ended 30 September for banking subsidiaries
  - Review of BNM submission documents for AMMB and banking subsidiaries
  - Review of statutory returns and Risk-based Capital reporting forms for insurance subsidiaries
  - Report on agreed-upon procedures in relation to submission to PIDM for banking subsidiaries
  - Report on agreed-upon procedures in relation to submission to PIDM for insurance subsidiaries
  - Report on agreed-upon procedures in relation to client asset requirements for AmInvestment Bank Berhad and certain subsidiaries
  - Review of Statement of Risk Management and Internal Control for AMMB
  - Accounting advice for establishment of new Tier 2 Subordinated Debt of AMMB
  - Assurance on Credit Risk Model Validation
- Other fees
  - Review of the adequacy of the policies/processes relating to Corporate Finance division
  - Specific Scope Review and Assessment requested by regulatory authorities
  - Secrecy provision review

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

## Internal Control

The Board understands that the ultimate responsibility for ensuring a sound internal control system which provides reasonable assurance on the effectiveness and efficiency of the system lies with the Board. The Group's system of internal control is designed to manage the risk of failure to achieve the Company's corporate objectives, as well as safeguard the shareholders' investments and the Group's assets, but not to provide absolute assurance from risks.

Details of the Group's internal control system are set out in the Statement on Risk Management and Internal Control on pages 214 to 215 of this Annual Report.

## Trading in AmBank Shares Policy

The Company has in place a Trading in AmBank Shares Policy which sets out the responsibilities and trading procedures for Directors and designated employees of the Group when trading in the Company's shares.

Directors and the designated employees of the Group who have access to price-sensitive information relating to the Company's shares must not trade in the Company's shares until such time the information is publicly available.

Directors and the designated employees of the Group who do not have access to price-sensitive information can deal in the Company's shares provided that the procedures set out in the Main Market Listing Requirements of Bursa Securities are strictly adhered to. Notices on the closed period for trading in the Company's shares are sent to the Directors, principal officers and the designated employees of the Group on a quarterly basis by the Group Company Secretary.

### Related Party Transactions

The Board is responsible at all times for determining potential or actual conflict of interest in relation to any matter which comes before the Board.

The Board through the AEC reviews all recurring related party transactions in addition to other new related party transactions entered into during the financial year.

Details of these transactions are set out under Note 43 to the Financial Statements on pages 152 to 155 of the Financial Report.

## PRINCIPLE C:

### Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

#### Access to Information and Advice

In the discharge of their duties, all Directors have direct access to the Senior Management and have complete and unrestricted access to information pertaining to the Group's businesses and affairs. The Group Chief Executive Officer together with the relevant Senior Management personnel are invited to attend Board meetings to report to the Board on matters relating to their areas of responsibility.

The respective Chairmen of Board Committees would also provide salient points on recommendations or reports endorsed by the Board Committee to be submitted to the Board for notification and/or approval.

To facilitate productive and meaningful deliberation, the proceedings of Board meetings are conducted in accordance with a structured agenda. The meeting agenda and meeting papers would be circulated to the Directors in advance to ensure the Directors are given sufficient time to read the Board papers and seek any clarification that they may need from Management before the Board meeting.

In order to maintain confidentiality, meeting papers on issues or corporate proposals which are deemed highly confidential and privileged will only be distributed to Directors at the Board meeting itself or put in a sealed envelope with strict instructions to be opened only by the Directors themselves.

To further assist Directors in discharging their duties, each Director has the right to seek independent professional advice regarding his or her responsibilities at the expense of the Group. In addition, the Board and each Board Committee, at the expense of the Group, may obtain the professional advice that they require to assist them in their decision-making process and enable them to discharge their duties effectively.

### Conduct of General Meetings

Details of the communication to stakeholders and the conduct of General Meetings are set out in the Investor Relations Report from pages 107 to 112 of this Annual Report.

### Statement of Directors' Responsibility 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 if the appropriate accounting policies are consistently applied and supported by reasonable as well as prudent judgements 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.

### Whistleblowing Policy

AmBank Group has a Whistleblower Protection Policy which provides for any individual to report any suspected/ actual misconduct and/or wrongdoing by an employee, customer, vendor or third party in confidence.

The policy sets out the procedures covering:

- Dedicated Ombudspersons, email address and postal address for reporting the suspected incidents of misconduct and wrongdoing
- Internal investigators and where applicable external expert forensic investigators to analyse reports
- Recommendations on corrective action
- Appropriate communications, reporting and record maintenance

The Ombudspersons will treat all such disclosures in a confidential and sensitive manner. The identity of the whistleblower will be kept confidential and the whistleblower's consent will be sought should his or her identity be required in evidence or to assist in investigation.

The details of the Whistleblower Protection Policy are available on the Company's website at [ambankgroup.com](http://ambankgroup.com)

# COMPLIANCE WITH BURSA SECURITIES LISTING REQUIREMENTS

## 1. Material Contracts

There were no material contracts (not being a contract entered into in the ordinary course of business) entered into by the Group, which involved directors and shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

## 2. Utilisation of Proceeds Raised from Corporate Proposals

During the financial year ended 31 March 2017, the followings issuances were made by the Group:-

a) RM750 million Subordinated Notes under the RM10.0 billion Subordinated Notes Programme by AMMB as follows:-

- (i) Tranche 1, RM10.0 million Subordinated Notes issued on 30 December 2016; and
- (ii) Tranche 2, RM740.0 million Subordinated Notes issued on 15 March 2017.

The proceeds raised have been utilised for investment in capital instruments of AmBank (M) Berhad and AmBank Islamic Berhad.

b) RM500.0 million Subordinated Notes under the RM4.0 billion Subordinated Notes Programme by AmBank (M) Berhad as follows:-

- (i) Tranche 2, RM500.0 million Subordinated Notes issued on 15 March 2017.

c) RM250.0 million Subordinated Sukuk Murabahah under the RM3.0 billion Subordinated Sukuk Murabahah Programme by AmBank Islamic Berhad as follows:-

- (i) Tranche 4, RM10.0 million Subordinated Sukuk issued on 30 December 2016; and
- (ii) Tranche 5, RM240.0 million Subordinated Sukuk issued on 15 March 2017.

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 Main Market Listing Requirement 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 the financial year ended 31 March 2017 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 arrangement	5,707	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	8,230	

# COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

The table below outlines AMMB's application in accordance with the Malaysian MCGG 2017.

MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>I. Board Responsibilities</b>			
1.1	The board should set the company's strategic aims, ensure that necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.	Applied	<ul style="list-style-type: none"> <li>The roles and responsibilities of the Board of Directors (the Board) are set out in the Board Charter and the Board Committees' roles and responsibilities in discharging its functions which had been delegated by the Board are set out in each respective Board Committees' Terms of Reference (TOR).</li> <li>The Board and employees of AmBank Group are committed to adhere to the Code of Ethics which was last revised in 2016.</li> <li>The Board has overall responsibility for promoting the sustainable growth and financial soundness of the Company and its subsidiaries.</li> <li>The Company's sustainability strategies are captured in the Sustainability Statement which provides a more insightful view into the Company's initiatives to deliver balanced growth in a responsible and sustainable manner. A sustainability working group has been formed.</li> </ul>
1.2	A chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.	Applied	<ul style="list-style-type: none"> <li>Role of the Chairman of the Board is set out in the Board Charter.</li> <li>The Chairman's Statement on Corporate Governance is disclosed in the Annual Report.</li> </ul>
1.3	The position of chairman and CEO are held by different individuals.	Applied	<ul style="list-style-type: none"> <li>The positions of Chairman and Group Chief Executive Officer are held by different individuals who are not related to each other.</li> <li>The Chairman is a Non-Independent Non-Executive Director.</li> </ul>

# COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>I. Board Responsibilities (Continued)</b>			
1.4	The board is supported by a suitably qualified and competent company secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.	Applied	<ul style="list-style-type: none"> <li>The Board is supported by Ms Koid Phaik Gunn, a Chartered Secretary (MAICSA 7007433) and fellow member of the ICSA. She also holds a Bachelor of Laws (Honours) Degree. Ms Koid's experience is disclosed in the Company's Annual Report.</li> </ul>
1.5	Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.	Applied	<ul style="list-style-type: none"> <li>Meeting papers are to be circulated to the Board and Board Committee 5 days (calendar days) prior to the meeting as stated in the Board Charter and the respective Board Committees' TOR.</li> <li>Minutes of meetings are circulated and confirmed as a correct record by the Board and Board Committees at the following meeting.</li> </ul>
<b>Intended outcome:</b>			
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.			
2.1	<p>The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies:</p> <ul style="list-style-type: none"> <li>the respective roles and responsibilities of the board, board committees, individual directors and management; and</li> <li>issues and decisions reserved for the board.</li> </ul>	Applied	<ul style="list-style-type: none"> <li>The Company's Board Charter is subject to review from time to time to ensure the Company remains at the forefront of best practices in Corporate Governance.</li> <li>The Board Charter was last revised in July 2016.</li> <li>The Board Charter is publicly made available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</li> <li>The roles and responsibilities of the Board, Chairman, Group Chief Executive Officer, Senior Independent Director, Individual Directors, Company Secretary and Board Committees are set out in the Company's Board Charter.</li> <li>A formal Schedule of Matters Reserved for the Board had been adopted since 2016, which is subject to changes and updates when the need arises.</li> </ul>
<b>Intended outcome:</b>			
There is demarcation of responsibilities between the board, board committees and management.			
There is clarity in the authority of the board, its committees and individual directors.			

MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>I. Board Responsibilities (Continued)</b>			
3.1	<p>The board established a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.</p> <p>The Code of Conduct and Ethics is published on the company's websites.</p>	Applied	<ul style="list-style-type: none"> <li>The Company has a Code of Ethics (C.R.E.A.T.E) which was last revised in 2016 with six (6) principles i.e. Compliant, Responsible, Ethical, Accurate, Trustworthy and Equitable.</li> <li>Board Charter of the Company lays out the ethical, business and lawful conduct of the Board.</li> <li>The Code of Ethics is publicly made available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</li> </ul>
3.2	<p>The board establishes, reviews and together with management implements policies and procedures on whistleblowing.</p>	Applied	<ul style="list-style-type: none"> <li>The Company has a Whistleblower Protection Policy which is publicly made available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</li> </ul>
<b>Intended outcome:</b>			
<p>The board is committed to promote good business conduct and to maintaining a healthy corporate culture that engenders integrity, transparency and fairness.</p> <p>The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.</p>			
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>II. Board Composition</b>			
4.1	<p>At least half of the board comprises independent directors. For Large Companies*, the board comprises a majority of independent directors.</p> <p><b>Note:</b></p> <p>* Companies on the FTSE Bursa Malaysia Top 100 Index or companies with market capitalisation of RM2 billion and above at the start of the companies' financial year.</p>	In progress	<ul style="list-style-type: none"> <li>Independent Directors comprise 44.4% of the current Board composition, exceeding the Bursa Securities' requirement of one third (33.3%). The Board is in the midst of achieving MCCG's and BNM's requirement of more than 50%. The Board had submitted the application to the regulator for an additional independent director and is pending for the approval. With that, it will bring the level of independent director to 50%. The Board is actively searching for another independent director to bring the level of Independent director on the Board to a majority level.</li> </ul>

# COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>II. Board Composition (Continued)</b>			
4.2	<p>The tenure of an independent director does not exceed a cumulative term limit of 9 years. Upon completion of 9 years, an independent director may continue to serve on the board as a non-independent director.</p> <p>If the board intends to retain an independent director beyond 9 years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after 12 years, the board should seek annual shareholders' approval through a 2-tier voting process.</p>	Applied	<ul style="list-style-type: none"> <li>The Board Charter stipulates that "the tenure of an independent director shall not exceed a cumulative term of 9 years".</li> <li>It is the Company's policy not to extend the tenure of the Independent Director who had reached the tenure of 9 years.</li> </ul>
4.3	The board has a policy which limits the tenure of its independent directors to 9 years.	Applied	<ul style="list-style-type: none"> <li>As per Practice 4.2 above.</li> <li>The current Independent Directors of the Company do not exceed the tenure term of 9 years.</li> </ul>
4.4	Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.	Applied	<ul style="list-style-type: none"> <li>The Board Charter stipulates that "the Board is committed to ensuring diversity in its composition and embraces the proposition that having a diverse Board would have a positive, value-adding impact on the Company. While the Board acknowledges the importance of boardroom diversity, appointments to the Board shall always be based on merit."</li> <li>The criteria for the recruitment process and annual assessment of Directors are contained in the Nomination Policy for Non-Executive Directors which was approved for adoption by the Board in March 2016.</li> </ul>
4.5	The board discloses in its Annual Report the company's policies on gender diversity its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.	Applied	<ul style="list-style-type: none"> <li>The Board currently comprises 33% female representation among the Directors on the Board.</li> <li>Approximately 50% of the Senior Management team comprises women.</li> <li>The above information is disclosed under the Corporate Governance and Sustainability Statements in the Company's Annual Report.</li> </ul>



MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>II. Board Composition (Continued)</b>			
4.6	In identifying candidates for appointment as directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.	Applied	<ul style="list-style-type: none"> <li>Under the Nomination Policy for Non-Executive Directors the Group Nomination and Remuneration Committee (GNRC) may source candidates to act as a Director of the Company via executive search firms or recommendation from other directors.</li> <li>During FY17, all the independent directors recruited were from executive search firms.</li> </ul>
4.7	The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied	<ul style="list-style-type: none"> <li>The GNRC is chaired by the Senior Independent Director.</li> </ul>
<b>Intended outcome:</b>			
Board decisions are made objectively in the best interests of the company taking into account diverse perspective and insights.			
5.1	<p>The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.</p> <p>For Large Companies, the board engages independent* experts periodically to facilitate objective and candid board evaluations.</p> <p><b>Note:</b> * Independence in this context means no connection with the company, directors or major shareholders.</p>	Applied	<ul style="list-style-type: none"> <li>The annual Board Effectiveness Evaluation (BEE) encompasses the assessment on the effectiveness of the Board as a whole, the effectiveness of each board committee and individual directors. The Company's BEE was conducted by an independent facilitator for the past three (3) years.</li> <li>The Company's BEE exercise processes include questionnaire and in-depth interviews of the Directors. Senior Management's feedbacks were sought as well.</li> </ul>
<b>Intended outcome:</b>			
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.			

# COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>III. Remuneration</b>			
6.1	The board has in place policies and procedures to determine the remuneration of directors and senior management, which take into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.	Applied	<ul style="list-style-type: none"> <li>Though the company is in the process of drawing up a Remuneration Framework for the Non-Executive Directors, the directors' fees, board committee membership fees, chairman allowances and meeting allowances have been reviewed by the GNRC and the Board, thereafter, recommends to the shareholders for approval.</li> <li>The remuneration structure of the Non-Executive Directors is disclosed under the Corporate Governance Statement in the Company's Annual Report.</li> <li>The remuneration structure, approvals and governance of the Group's Senior Management is disclosed under the Corporate Governance Statement in the Annual Report.</li> </ul>
6.2	The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.  The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed in the Company's websites.	Applied	<ul style="list-style-type: none"> <li>This requirement is met by the GNRC.</li> <li>The TOR of the GNRC are in line with recommendations of MCCG and BNM Policy Document on Corporate Governance. The TOR is publicly available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</li> <li>The remuneration structure, approvals and governance of the Group's Senior Management is disclosed under the Corporate Governance Statement in the Company's Annual Report</li> </ul>
<b>Intended outcome:</b>			
The level of composition of remuneration of directors and senior management takes into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.			
Remuneration policies and decisions are made through a transparent and independent process.			
7.1	There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefit-in-kinds and other emoluments.	Applied	<ul style="list-style-type: none"> <li>Each directors' remuneration package is disclosed in the Company's Annual Report and financial statement.</li> </ul>

MCCG Practice		Status of Application	Remarks
<b>Principle A – Board Leadership and Effectiveness</b>			
<b>III. Remuneration (Continued)</b>			
7.2	The board discloses on a named basis the top 5 senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	In progress	<ul style="list-style-type: none"> <li>The directors' remuneration is being disclosed in bands of RM50,000 under the Corporate Governance Statement of the Annual Report.</li> <li>The Chief Executive Officer's remuneration was disclosed in the Notes to the Financial Statements.</li> <li>We are working towards this disclosure for Senior Management</li> </ul>
7.3	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	In progress	<ul style="list-style-type: none"> <li>We are working towards this disclosure for Senior Management</li> </ul>
<b>Intended outcome:</b>			
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.			
<b>Principle B – Effective Audit and Risk Management</b>			
<b>I. Audit Committee</b>			
8.1	The Chairman of the Audit Committee is not the Chairman of the board.	Applied	<ul style="list-style-type: none"> <li>The Chairman of the Audit and Examination Committee (AEC) is an independent director, who is not the Chairman of the Board.</li> </ul>
8.2	The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of Audit Committee.	Applied	<ul style="list-style-type: none"> <li>The Chairman of the AEC, Mr Seow Yoo Lin, was the Managing Partner of KPMG Malaysia from 2007 to 2010 and retired from the firm in 2011.</li> <li>The revised TOR of AEC was approved in January 2016, and is publicly made available on the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</li> </ul>

# COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

MCCG Practice		Status of Application	Remarks
<b>Principle B – Effective Audit and Risk Management</b>			
<b>II. Risk Management and Internal Control Framework</b>			
8.3	The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.	Applied	<ul style="list-style-type: none"> <li>Procedures to assess the suitability, independence and performance of external auditors have been established, mainly in accordance with BNM Guidelines on External Auditors.</li> <li>In addition to written assurance on the independence of the External Auditor obtained during the year, the Policy on Non-Audit Services by the Group's External Audit Firm had also been established to ensure the independence of the external auditors.</li> </ul>
8.4	The Audit Committee should comprise solely of Independent Directors.	In progress	<ul style="list-style-type: none"> <li>The AEC comprises a majority of independent directors, with a Non-Independent Director as a member. The Company will take steps to comply with this recommended practice, going forward.</li> </ul>
8.5	Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financial literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.	Applied	<ul style="list-style-type: none"> <li>All members of the AEC are financially literate and possess financial background or knowledge as well as necessary experience.</li> <li>The Chairman of the AEC, Mr Seow Yoo Lin, was a retired Managing Directors of KPMG and another member, Mr Soo Kim Wai, is a member of MIA and Malaysian Instituted of Certified Public Accountant, Australia, and also a fellow of the Certified Practising Accountant, Australia and the Association of Chartered Certified Accountants, United Kingdom.</li> </ul>
<p><b>Intended outcome:</b></p> <p>There is an effective and independent Audit Committee.</p> <p>The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.</p>			
9.1	The board should establish an effective risk management and internal control framework.	Applied	<ul style="list-style-type: none"> <li>The Board has established framework &amp; policies to ensure that risk management and internal controls across the various risk classes (credit risk, market risk &amp; operational risk) are managed within risk appetite set by the Board.</li> <li>To ensure their continuous effectiveness, the framework and policies are reviewed periodically, and when there are significant regulatory changes.</li> <li>This is supported by dedicated oversight function within the significant business units &amp; functional lines.</li> </ul>

MCCG Practice		Status of Application	Remarks
<b>Principle B – Effective Audit and Risk Management</b>			
<b>II. Risk Management and Internal Control Framework</b>			
9.2	The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	Applied	<ul style="list-style-type: none"> <li>• Details of the feature of risk management and internal control framework, which include the governance, processes and measurement of the risk are disclosed in the Company's Annual Report.</li> <li>• Adequacy and effectiveness of the key risk management and internal control processes are also reviewed and disclosed under the Statement on Risk Management and Internal Control of the Company's Annual Report.</li> </ul>
9.3	The board establishes a Risk Management Committee, which comprises a majority independent directors, to oversee the company's risk management framework and policies.	Applied	<ul style="list-style-type: none"> <li>• The Risk Management Committee of Directors (RMCD) comprises a majority of independent directors.</li> <li>• The Chairman of the RMCD is an independent director.</li> </ul>
<b>Intended outcome:</b>			
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.			
The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.			
10.1	The Audit Committee should ensure that the internal audit function is effective and able to function independently.	Applied	<ul style="list-style-type: none"> <li>• The Group Internal Audit operates under a charter mandated by the AEC that gives unrestricted access to review all activities across the Group.</li> <li>• The Group Internal Audit reports directly to the AEC. The AEC approves the Group Internal Audit's annual plan, monitors the progress of the completion of the Audit plan, as disclosed in the AEC Report.</li> <li>• The AEC reviews the adequacy of the Group Internal Audit's resources and evaluates the performance of the Group Chief Internal Auditor.</li> <li>• All Audit Reports are tabled to the AEC and an Internal Audit Activity Report is tabled at every AEC meeting, highlighting key issues and concerns arising from the audits conducted.</li> </ul>

# COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

MCCG Practice		Status of Application	Remarks
<b>Principle B – Effective Audit and Risk Management</b>			
<b>II. Risk Management and Internal Control Framework</b>			
10.2	<p>The board should disclose –</p> <ul style="list-style-type: none"> <li>whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;</li> <li>the number of resources in the internal audit department;</li> <li>name and qualification of the person responsible for internal audit; and</li> <li>whether the internal audit function is carried out in accordance with a recognised framework.</li> </ul>	Applied	<ul style="list-style-type: none"> <li>The Group Internal Audit is independent from the business and undertakes activities as stated in the AEC Report.</li> <li>The profile of the Chief Internal Auditor, Mr Thein Kim Mon, is disclosed in the Company's Annual Report detailing his declaration, qualification and experience.</li> <li>A brief statement on the Internal Audit Function with a summary of its key activities is disclosed under the Corporate Governance Statement in the Company's Annual Report.</li> <li>The availability of resources in the internal audit department is being closely monitored against its budgeted headcount and the staffing position is updated regularly to the AEC.</li> </ul>
<p><b>Intended outcome:</b></p> <p>Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.</p>			
<b>Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders</b>			
<b>I. Communication with Stakeholders</b>			
11.1	<p>The board ensures there is effective, transparent and regular communication with its stakeholders.</p>	Applied	<ul style="list-style-type: none"> <li>Communication and engagement with stakeholders are made through various platforms and media other than general meeting(s), including investors' conferences, roadshows, analyst briefings and via electronic means such as social media and website.</li> <li>Events conducted by Investor Relations of the Company were listed in the Company's website at <a href="http://ambankgroup.com">ambankgroup.com</a>.</li> <li>Stakeholders are encouraged to direct their inquiries via email at <a href="mailto:ir@ambankgroup.com">ir@ambankgroup.com</a>.</li> </ul>

MCCG Practice		Status of Application	Remarks
<b>Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders</b>			
<b>I. Communication with Stakeholders</b>			
11.2	Large Companies are encouraged to adopt integrated reporting based on globally recognised frameworks.	Applied	<ul style="list-style-type: none"> <li>Corporate information is disseminated via the Company's website, announcements made via Bursa LINK and the Company's official social media.</li> <li>The Company's Annual Report consists of information such as Annual Financial Statements, Corporate Governance, Sustainability Statements and such other disclosures listed under the content of the Company's Annual Report.</li> </ul>
<p><b>Intended outcome:</b></p> <p>There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.</p> <p>Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.</p>			
<b>Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders</b>			
<b>II. Conduct of General Meetings</b>			
12.1	Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	Applied	<ul style="list-style-type: none"> <li>The Company's Annual General Meeting (AGM) to be held on 31 July 2017 and notice is dated 30 June 2017 (30 days prior to the AGM).</li> <li>The notice of the AGM contain details of resolutions to be approved by the shareholders with explanatory notes.</li> </ul>
12.2	All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	Applied	<ul style="list-style-type: none"> <li>All directors attended the AGM held on 18 August 2016 and all directors have confirmed their attendance for the forthcoming AGM to be held on 31 July 2017.</li> </ul>
12.3	Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate – <ul style="list-style-type: none"> <li>voting including voting in absentia; and</li> <li>remote shareholders' participation at General Meetings</li> </ul>	Applied	<ul style="list-style-type: none"> <li>Shareholders are entitled to appoint representatives or proxy/proxies to vote on their behalf in their absence.</li> <li>The Company's General Meetings has always been held in the same state as its Registered Office.</li> </ul>
<p><b>Intended outcome:</b></p> <p>Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.</p>			

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Responsibility

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 ONGOING 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 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 Audit and Examination Committee and Risk Management Committee of Directors. An annual assessment of the effectiveness of risk and internal control processes has been conducted and the Board has also received the assurance from the Chief Executive Officer and Chief Financial Officer 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 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 Board has formed a Risk Management Committee of Directors (“RMCD”) to assist 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, Shariah Committee, Shariah Oversight Committee, Group Asset and Liability Committee, Group Management Governance and Compliance Committee and the Credit and Commitments 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 organisation 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.
- The Audit and Examination Committees ("AECs") of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group's internal controls systems. The AECs review the Group's financial statements and reports issued by Group Internal Audit, the external auditors and regulatory authorities and follow-up on corrective actions taken to address issues raised in the reports.
- 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 and reports issued.
- The Group's focus is on achieving sustainable and profitable growth within its risk management framework. Annual business plans and budgets are prepared by the Group's business divisions and submitted to the Board for approval. Actual performances are reviewed against the budget with explanation of major variances on a monthly basis, 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, this code and AmBank Group 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 Group has 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 of Directors (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 Recommended Practice Guide (RPG) 5 (Revised) Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control, 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 AmBank Group.

# AUDIT AND EXAMINATION COMMITTEE REPORT

## Purpose

The Audit and Examination Committee (AEC) of Directors is established to provide assistance to the Board with the following primary objectives:

- Provide independent oversight of the Company/Group's financial reporting and internal control systems that facilitate appropriate checks and balances within the Company/Group.
- Serve as an independent party to objectively review the financial information of the Company and Group (which is presented by the Management to the Board and Shareholders).

The AEC's detailed roles and responsibilities are set out in its Terms of Reference, which is published on the Group's corporate website [ambankgroup.com](http://ambankgroup.com).

## Composition & Set-Up

The AEC currently comprises three (3) members, two (2) of whom are Independent Non-Executive Directors. The past and present AEC members are as follows:

1. **Mr. Seow Yoo Lin (Chairman)**
  - Appointed as member on 30 June 2016
  - Assumed chairmanship on 1 August 2016  
(Independent Non-Executive Director)
2. **Mr. Voon Seng Chuan**
  - Vacated chairmanship on 31 July 2016
  - Re-designated as member on 1 August 2016  
(Independent Non-Executive Director)
3. **Mr. Soo Kim Wai**  
(Non-Independent Non-Executive Director)
4. **Dato' Rohana binti Tan Sri Mahmood**
  - Resigned as AEC Member on 30 June 2016  
(Senior Independent Non-Executive Director)



In discharging its roles and responsibilities, the AEC is assisted by the respective AECs of the major subsidiaries within the Group, as follows:

- AmBank (M) Berhad
- AmBank Islamic Berhad
- AmInvestment Bank Berhad
- AmGeneral Insurance Berhad
- AmFunds Management Berhad
- AmIslamic Funds Management Sdn Bhd
- Am ARA REIT Managers Sdn Bhd

The members of the above AECs comprise Non-Executive Directors, with the majority of the members, including the respective Chairmen, being Independent Non-Executive Directors.

## Attendance of Meetings

A total of 41 AEC meetings of the Company and major subsidiaries were held during FY17. Four (4) meetings of the Company's AEC were held, and details of meeting attendance are set out below:

Name of Committee Members	Number of AEC Meetings		
	Held During Tenure in Office	Attended	%
<b>Seow Yoo Lin (Chairman)</b> (Appointed on 30 June 2016) (Independent Non-Executive Director)	3	3	100
<b>Voon Seng Chuan</b> (Independent Non-Executive Director)	4	4	100
<b>Soo Kim Wai</b> (Non-Independent Non-Executive Director)	4	4	100
<b>Dato' Rohana binti Tan Sri Mahmood</b> (Resigned on 30 June 2016) (Senior Independent Non-Executive Director)	1	1	100

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 Chief Executive Officer (GCEO) and respective CEOs of the subsidiaries or their representatives are permanent invitees to the respective AEC meetings and had attended all the meetings held

in FY17 As and when necessary, the Company's and subsidiaries' AECs had also requested the attendance of relevant Management personnel at the meetings to brief on specific issues arising from the financial and audit reports.

Prior to each AEC meeting, the GCIA held private sessions with the respective AEC Chairmen to highlight key issues of concern that would be raised in the meetings.

The AEC also held 2 private sessions in May 2016 and January 2017 with the external auditors (EY), without the presence of Management and the GCIA to deliberate on relevant issues and obtain feedback for improvements. In addition, the external auditors also attended AEC meetings to present their audit planning memoranda, memoranda of recommendations, the results of their limited review of half-year financial performances of the Group's banking entities, and the results of their review on the annual audited financial statements of the Company and the Group.

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 AEC's Key Activities

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 the financial year ended 31 March 2017:

#### 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 FY17, 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. 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.
5. Deliberated on internal investigation reports issued by GIAD and directed Management to take necessary remedial actions and consequent management.

6. Reviewed the audit reports issued by Regulators and Management's responses to the Regulators' recommendations, and timeliness of remedial actions taken.
7. Deliberated on the status of resolution of previous audit issues and the remedial actions taken by the Management, including tracking and monitoring of completion timelines set.
8. Reviewed Management's proposals for debts write-off, and GIAD's verification reports on the proposals, prior to recommending the write-offs to the Board.
9. After each AEC meeting, a summary of significant audit reports and key issues deliberated was tabled to the Board for noting and/or further deliberation.
10. Reviewed GIAD's progress in completing its planned assignments on a half-yearly basis.
11. Reviewed and assessed the GCIA's performance, and approved his remuneration package.

#### Annual Report

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

#### Financial Reporting

14. Ensure compliance with salient Regulatory requirements set out under the:
  - Companies Act 2016
  - Financial Services Act 2013
  - Islamic Financial Services Act 2013
  - Capital Markets and Services Act 2007
  - Securities Commission Act 1993
  - Main Market Listing Requirements of Bursa Malaysia Securities Berhad
15. 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.
16. Reviewed the Group's Basel II Pillar 3 Disclosures before recommending to the Board for approval.

# AUDIT AND EXAMINATION COMMITTEE REPORT

17. Reviewed and deliberated on high level financial impact analysis on the Group arising from new accounting standards that will significantly impact the Group. For FY17, the AEC had regular updates and discussion on impact due to implementation of Malaysian Financial Reporting Standard (MFRS) 9.

## External Audit

18. Reviewed and discussed the following with the external auditors:

- 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
- The results of the audits, relevant audit reports and memorandum of recommendations (Management Letters) as well as Management's responses to the issues highlighted.

19. Reviewed and assessed the suitability and independence of external auditors in accordance with Bank Negara Malaysia's Guidelines on External Auditor, and recommended their reappointment and annual audit fees to the Board.

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

- The professional conduct of external auditors as follows:
  - a) The appointed external auditors are registered auditors of public interest entities with the Audit Oversight Board;
  - b) The appointed external auditors have not been convicted of any offence under the Financial Services Act 2013, Islamic Financial Services Act 2013, Companies Act 2016, or any other written law involving fraud and dishonesty; and
  - c) The engagement partner did not have any record of disciplinary actions taken against them for unprofessional conduct.
- The external auditors' level of knowledge, capabilities and experience by reviewing the following:
  - a) Curriculum vitae of the engagement partner and concurring partner;
  - b) List of public interest entities audited by the engagement partner and concurring partner in the last two (2) years prior to the date of statutory declaration;
  - c) Years of experience of the engagement partner in auditing financial institutions; and
  - d) Man-days spent by the engagement partner and the concurring partner in previous audits.

- The quality of previous audit or work done and level of engagement with the AEC and Management. These included active participation in AEC meetings attended, highlighting areas of concern, and recommendations for improvements in control systems, and updating the AEC on applicability of significant accounting and reporting standards. For the FY17, the internal auditors had attended AEC meetings to present their Audit Planning Memorandum, Limited Review Report, Report on Financial Audit and Memorandum of Recommendations.
- The adequacy in audit coverage, effective planning and conduct of audit, which were assessed to be adequate.
- The timeliness of service deliverables. The external auditors had met timelines agreed with Management in respect of the audited financial statements, with no delays in regard to submissions to Regulatory authorities.
- The independence and objectivity of external auditors by reviewing the following:
  - a) List of non-audit services provided by external auditors to the Group and the Banks;
  - b) List of advisory services rendered by the engagement partner and the concurring partner in the last two (2) years;
  - c) Statutory declaration by the engagement partner which confirms they have no relationship with, or interest in shares of the Group and the Banks; and
  - d) Existing engagement partner has not served the Company and/or the Group for a continuous period of more than five (5) years.

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

21. 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

22. Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.
23. Reviewed quarterly reports on recurrent related party transactions of a revenue and trading nature.
24. Reviewed and deliberated on the draft Circular to Shareholders on Recurrent Related Party Transactions.

# STATEMENT ON INTERNAL AUDIT

## Internal Audit Function

THE GROUP HAS AN IN-HOUSE INTERNAL AUDIT FUNCTION WHICH IS CARRIED OUT BY GROUP INTERNAL AUDIT DEPARTMENT (GIAD) AND HEADED BY THE GROUP CHIEF INTERNAL AUDITOR (GCIA) MR. THEIN KIM MON. 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.

It operates under an audit charter mandated by the AEC which gives it unrestricted access to review all activities of 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 Annual Audit Plan (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 appropriate audit coverage and 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 in the business and risk environment.

Apart from the above, GIAD also performs investigations and ad-hoc reviews where there are improper, illegal and dishonest acts, or 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 main objective of the audit reviews is to assess the adequacy and effectiveness of risk management and systems of internal controls (including IT systems and infrastructure), in the activities carried out by Group, as follows:

- Retail Banking
- Islamic Banking
- Wholesale Banking
- Investment Banking
- General Insurance
- Funds & Asset Management
- Other Non-Financial Institutions
- Group Support Functions

# STATEMENT ON INTERNAL AUDIT

All GIAD reports are submitted to the respective entities AECs 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 AMMB Holdings Berhad, for information.

In addition, there is also 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 sent for training courses 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 FY17 amounted to RM14.1 million (FY16: RM14.7 million), comprising mainly salaries, travelling and accommodation expenses, and subsistence allowance. GIAD has a budgeted headcount of 95.

## Summary of GIAD's Key Activities

GIAD undertook the following activities during FY17:

1. Determined and risk assessed all areas of activities within the Group and established the Annual Audit Plan (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.

Reports concluding results of the audits conducted along with detailed audit observations, management responses, and audit recommendations to improve and enhance the existing system of internal controls and work procedures/processes were prepared and issued to the auditees concerned, Senior Management and the respective AECs.

3. 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.
4. 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.

5. Conducted investigations into activities or 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.
6. 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.
7. 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.
8. Participated in the various Business Continuity Management exercises to gauge and assess the readiness of the businesses/systems to resume operations within agreed timelines in the event of a disruption or disaster.
9. Attended meetings held by Group Management Committee, Group Management Risk Committee, Group Information Technology Committee and the Group Management Governance and Compliance Committee as an invitee to provide independent feedback on the risk management, control and governance aspects.

# GROUP RISK MANAGEMENT REPORT

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 centered around the following initiatives:

- Enhancing risk governance
- Upgrading risk infrastructure
- Developing a 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
- Ensuring International Financial Reporting Standard (IFRS) readiness
- Positioning AmBank for IRB status under Basel II

## 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.

## Our Priorities In FY18

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

- Enhancing the Group's risk management capabilities to identify and control new emerging risks, including cyber risks
- Continue to drive risk and compliance culture across the Group
- Ensure the Group's capital position is strong and earnings growth is achieved in a sustainable manner

## Key Highlights In FY17

The key highlights of progress made in FY17 were as follows:

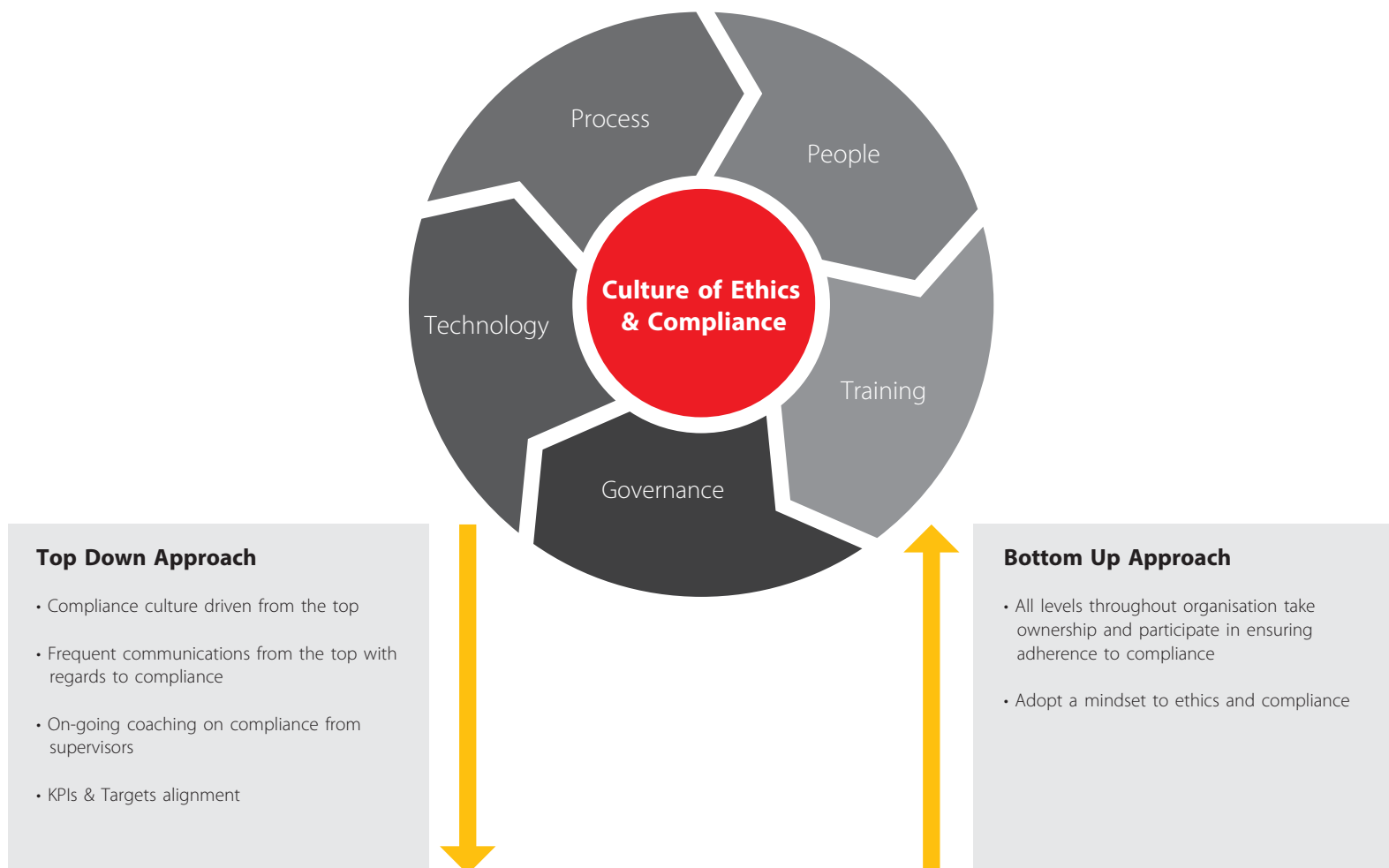
- Refined the credit processes for SMEs.
- Introduced an accelerated approval process for high quality mid-corp and Institutional deals.
- All identified credits models under the advanced Internal Ratings Based (AIRD) project had been rebuilt.
- The IRB capital engine has been implemented.
- The FRS9 project has started and implementation is on track.
- The bank's cyber risk maturity profile has been completed and enhancements are on-going to ensure this risk is managed and controlled.

# GROUP COMPLIANCE

IN THE PAST YEAR, THE AMBANK GROUP COMPLIANCE DEPARTMENT HAS EMBARKED ON A JOURNEY OF TRANSFORMATION TO ENSURE THE FRANCHISE IS WELL EQUIPPED TO ADAPT AND ADJUST TO AN EVOLVING REGULATORY LANDSCAPE. THE HEIGHTENED SCRUTINY ON THE CULTURE OF COMPLIANCE OF FINANCIAL INSTITUTIONS REQUIRES A PARADIGM SHIFT TO EMBED COMPLIANCE WITHIN THE BUSINESS FUNCTIONS.

The four-year transformational journey focuses on integrating the compliance function as a strategic element of the business, working in partnership, to operate within the framework prescribed by our regulators.

As a priority, the function has been restructured, with the right subject matter expertise and skill sets. Reporting lines have been re-aligned to ensure independence. Further, measures have been taken to strengthen the key enablers for the function which includes: policies, procedures, training, technology and systems.





# SHARIAH COMMITTEE REPORT

## Introduction

PURSUANT TO ISLAMIC FINANCIAL SERVICES ACT 2013 (“IFSA”) AND SHARIAH GOVERNANCE FRAMEWORK (“SGF”) ISSUED BY BANK NEGARA MALAYSIA (“BNM”), AMBANK ISLAMIC BERHAD (“THE BANK”) IS REQUIRED TO ESTABLISH A SHARIAH COMMITTEE FOR THE 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.

In addition, AmlInvestment Bank Berhad (“AmlInvestment Bank”), an investment banking arm of the AmBank Group is currently leveraging on the AmBank Islamic Shariah Committee (“Shariah Committee”) to provide advice and guidance for Shariah matters pertaining to Islamic capital markets. Nonetheless, AmlInvestment Bank may also engage other independent external Shariah adviser(s) as approved by Securities Commission Malaysia whenever necessary and will be on ad-hoc basis.

## Shariah Committee Members

Shariah Committee comprises of five (5) eminent industry professionals and distinguished Shariah scholars who have the necessary Shariah certification required by BNM. All the members have vast knowledge and experience in Islamic banking and finance spanning from five (5) to more than ten (10) years’ experience and are also members of the Association of Shariah Advisers in Islamic Finance (ASAS). Three (3) of the members serve on the Shariah Committee for AmMetLife Takaful Berhad, a takaful solutions provider under the AmBank Group and two (2) of the members are also registered Shariah Advisers with the Securities Commission Malaysia. Having the Shariah Committee members on board with their proven credentials, and extensive experience in the Islamic banking and finance industry has empowered the Bank in its mission for continuous success and growth of business. It also enables the Bank to implement best practices in all business dealings, research & developments and operations ensuring all activities are in compliance with the Shariah principles.

Currently, the appointed Shariah Committee members are as follows:

No.	Name of Shariah Committee Member	Nationality	Status
1.	Assistant Professor Dr. Tajul Aris Ahmad Bustami	Malaysian	Chairman
2.	Professor Dr. Amir Husin Mohd Nor	Malaysian	Member
3.	Associate Professor Datin Dr. Noor Naemah Abdul Rahman	Malaysian	Member
4.	Associate Professor Dr. Adnan Yusoff	Malaysian	Member
5.	Dr. Asmak Ab Rahman	Malaysian	Member

## Functions and Duties of The Shariah Committee

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

- to advise the Bank’s Board of Directors and the Bank on Shariah matters to ensure the business operations of the Bank are in compliance with Shariah principles at all times;
- to review and endorse the Shariah policies and procedures of the Bank and to ensure contents are in accordance to Shariah principles;
- to review and approve relevant documentation in relation to the Bank’s products to ensure that the products are in compliance with Shariah principles;
- to perform oversight on the work carried out by the Shariah Research and Advisory, and Shariah Review functions and to assess the work carried out by Group Internal Audit relating to the Shariah Audit function and the Shariah Risk Management Unit relating to Shariah Risk Management function. This is 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;
- to provide assistance to related parties of the Bank such as its legal counsel, auditor or consultant on Shariah matters upon request;
- to provide advice and guidance on management of business zakat fund, charity and other social program or activities; and
- to oversee strategies and initiatives implemented by key organs carrying out the Shariah functions including the Shariah Research & Advisory, Shariah Review, Shariah Audit and Shariah Risk Management functions.

# SHARIAH COMMITTEE REPORT

## Shariah Oversight Committee

Shariah Committee members also sit on the Shariah Oversight Committee, a sub-committee to the Shariah Committee. The Shariah Oversight Committee was established 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 also responsible to assess the work related to Shariah Audit function and Shariah Risk Management function that was carried out by the Group Internal Audit relating and Shariah Risk Management Unit respectively 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:

- determine and confirm actual and potential Shariah non-compliance incidents and endorse corresponding rectifications plans;
- recommend alternative ways to rectify issues found through Shariah Audit, Shariah Review and Shariah Risk Management activities and other sources;
- provide advice on the recognition of income pursuant to Shariah non-compliance incidents and its disposal; and
- 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.

## Meetings and Engagement with Board of Directors

A total of eight (8) Shariah Committee meetings were held throughout the financial year, which were mainly to discuss and deliberate on product proposals and issues. The Shariah Oversight Committee also convened five (5) times to discuss work carried out by Shariah Audit, Shariah Review and Shariah Risk Management and reported Shariah-related incidences.

The attendance of the members for both meetings are as follows:

Name of Shariah Committee Member	Shariah Committee		Shariah Oversight Committee	
	Held	Attended	Held	Attended
Assistant Professor Dr. Tajul Aris Ahmad Bustami	8	8	5	5
Professor Dr. Amir Husin Mohd Nor	8	8	5	4
Associate Professor Datin Dr. Noor Naemah Abdul Rahman	8	8	5	5
Associate Professor Dr. Adnan Yusoff	8	6	5	4
Dr. Asmak Ab Rahman	8	8	5	5

Following an initiative for the Shariah Committee to be actively engaged with the Bank's Board of Directors, the following actions were implemented:

- two (2) sessions between the Shariah Committee and member(s) of the Board;
- Shariah Committee member(s) attending meetings of Audit and Examination Committee of Directors; and
- Board member(s) attending meetings of Shariah Committee and Shariah Oversight Committee.

## Main Activities

The Shariah Committee discussed and deliberated on various Shariah principles and the contracts relating to the products and services as proposed by the Bank during the financial year. The Shariah Committee has also reviewed numerous legal documentations, Shariah policies and guides that were introduced by the Bank.

Furthermore, Shariah advisory services were also provided to other aspects of the Bank activities, ranging from issues arising from Islamic banking operations to zakat distributions ensuring all decisions and actions are in compliance with applicable Shariah principles.

Apart from that, the Shariah Committee, through the Shariah Oversight Committee discussed and deliberated on Shariah review and Shariah audit plans and audit reports prepared by Shariah Review and Group Internal Audit teams respectively.

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

## Performance Assessment

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

The assessment are also aimed to identify relevant development areas or relevant exposure needed by the Shariah Committee members of the Bank.

## Continuous Training Programme

As part of the Shariah Committee's continuous development plan, the Bank has structured dedicated training programmes conducted by respected and well-experienced trainers for the Shariah Committee. The training programmes that were planned and implemented during the financial year are as following:

- Briefing on the Bank's Base Rate by an internal subject matter expert held on 19 April 2016.
- Fundamentals of Derivatives and Structured Products held on 19 September 2016, in collaboration with the International Shari'ah Research Academy for Islamic Finance (ISRA).

- (c) Trade Finance Operations & Products held on 12 January 2017, in collaboration with ISRA.

Besides the planned training programmes, the Shariah Committee members participated in various conferences and seminars as follows:

- (a) Global Islamic Finance Forum 2.0 held on 10-11 May 2016 at Sasana Kijang, BNM.
- (b) Muzakarah Cendekiawan Syariah Nusantara Ke-10 held on 1-2 June 2016 at Hotel Sama-Sama, Kuala Lumpur.
- (c) Muzakarah Ahli Majlis Penasihat Syariah Institusi Kewangan Di Malaysia Kali Ke-12 held on 21 July 2016 at Institut Latihan Islam Malaysia, Bangi, Selangor.
- (d) Ijtima' ASAS Peringkat Kebangsaan held on 25 July 2016 at Lanai Kijang, BNM.
- (e) National Seminar on Abandoned Housing Projects: Causes & Solutions held on 7-8 September 2016 at International Islamic University Malaysia, Gombak, Selangor.
- (f) 13th Kuala Lumpur Islamic Finance Forum held on 21-22 November 2016 at Hotel Istana, Kuala Lumpur.
- (g) Muzakarah Penasihat Syariah Kewangan Islam 2016 held on 23 November 2016 at Hotel Istana, Kuala Lumpur.
- (h) Securities Commission's Shariah Advisers' Programme on Sukuk: Driving Growth Through Innovation held on 24 November 2016 at Securities Commission Malaysia, Bukit Kiara.

## Shariah Governance

Besides the Shariah Committee, the Bank is also required to establish a Shariah Governance structure to effectively manage Shariah compliance matters within the Bank. The Shariah Governance structure comprises the following:

- (a) Board of Directors: accountable and responsible for the overall oversight on the Shariah governance and Shariah compliance of the Bank.
- (b) 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.
- (c) Shariah Oversight Committee: a sub-committee to the Shariah Committee that performs an oversight function on Islamic banking, finance and capital market products and services from the Shariah perspective. The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant incidences as well as treatment of Shariah non-compliant income (if any).

- (d) Management: 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 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.

- (e) Shariah Research & Advisory: 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 the Secretariat to the Shariah Committee and the Shariah Oversight Committee.

Shariah Research & Advisory consists of four (4) functions: Shariah Secretariat & Coordination; Shariah Policy & Research; Shariah Advisory; and Shariah Legal.

- (f) Shariah Risk Management: a function to systematically identify, measure, monitor and control Shariah non-compliance risks to mitigate any possible non-compliance events.
- (g) Shariah Review: 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.
- (h) Shariah Audit: a designated team within the Group Internal Audit Department is responsible for conducting independent assessments on the level of Shariah compliance of Islamic banking, finance and capital market products and services and operations through Shariah Audit function. The Shariah audit covers all activities particularly the operational components of the Bank 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 adherence to Shariah principles.

# HIGHLIGHTS AND ACHIEVEMENTS



- 228 Calendar Of Events
- 228 Business Activities
- 233 Social And Sports Activities
- 234 Notable Achievements
- 236 Media Highlights



# CALENDAR OF EVENTS

## BUSINESS ACTIVITIES

### 9 • **January 2017** **AmBank Group appointed as agent of Amanah Saham Nasional Berhad**

AmBank Group appointed as agent for Amanah Saham Nasional Berhad (ASNB). All ASNB unit trusts are now available through AmBank branches and distribution channels.



### 25 • **January 2017** **AmInvestment Bank Receives Three Top Awards at the 10<sup>th</sup> Annual Alpha Southeast Asia Deal and Solution Awards**

AmInvestment Bank wins three top awards at the 10th Annual Alpha Southeast Asia Deal and Solution Awards, including best Wakalah Deal of the Year in Southeast Asia for Lebuhraya DUKE Fasa 3 Sdn Bhd's RM3.64 billion Sukuk Wakalah.



### 1 • **March 2017** **AmInvest's AmDynamic Bond Honoured at Lipper Awards**

AmInvest wins the Best Bond Malaysian Ringgit – Malaysian Provident 10-year category at The Edge/Thomson Reuters Lipper Fund Awards 2017. Its unit trust fund, AmDynamic Bond, clocked a return of around 93 percent since 2006, exceeding the peer average return of around 50 percent.



### 8 • **March 2017** **Weststar's Maxus G10 makes special appearance at Menara AmBank**

AmBank Group's Chief Executive Officer, Dato' Sulaiman Mohd Tahir test drives the Weststar Maxus G10. The prestige vehicle made a special appearance at Menara AmBank, and there were special discounts for AmBank Group customers and staff.



### 13 • **April 2016** **AmInvest Launches Global Dividend Fund**

AmInvest launches the Global Dividend Fund targeted at investors seeking regular income and long-term capital growth plus exposure to global equities. The fund is a collaboration with global asset manager, Fidelity International.



**3** **May 2016**  
**Tan Sri Azman Hashim receives Honorary Doctorate in Management from Universiti Sains Malaysia**

AmBank Group Chairman, Tan Sri Azman Hashim, receives an Honorary Doctorate in Management from Universiti Sains Malaysia. This was the fourth honorary doctorate conferred on Tan Sri Azman.



**12** **May 2017**  
**'AmAssurance On Tour' insurance truck campaign**

AmBank launches 'AmAssurance On Tour' insurance truck campaign. The truck stationed for a day in each of the 147 AmBank branches in peninsular Malaysia, in order to increase public awareness and knowledge on various AmAssurance products and services.



**23** **June 2016**  
**AmBank teams up with Toyota and Samsung in Cards and Deposits Campaign**

AmBank teams up with Toyota and Samsung for a cards and deposits campaign. Customers who deposit funds in their AmBank accounts or spend with their AmBank credit cards stand a chance of winning one of the all-new 2016 Toyota Vellfires and one of 200 Samsung Galaxy S7 smart phones.



**30** **June 2016**  
**AmBank Group wishes Selamat Hari Raya Aidilfitri to its customers**

The senior management team of AmBank Group, led by AmBank Group Chairman Tan Sri Azman Hashim, wishes AmBank Group customers Selamat Hari Raya Aidilfitri.



**13** **July 2016**  
**The all new Proton Perdana test drive at Menara AmBank**

In conjunction with the launch of the all-new Proton Perdana, a motorcade of Proton Perdana sedan cars visits Menara AmBank. The cars were available to the public and members of staff for test drive.



# CALENDAR OF EVENTS

## BUSINESS ACTIVITIES

### 22 • **July 2016** **Perodua Bezza Convoy 2016 Visits Menara AmBank**

A convoy of five Perodua Bezza sedans visits Menara AmBank to mark the launch of Perodua's first sedan model. The motorcade was flagged off by AmBank's Group Chief Executive Officer Dato' Sulaiman Mohd Tahir. Hajis Bin Sanep was the first customer to get AmBank financing approval for a new Perodua Bezza.



### 8 • **August 2016** **AmBank Islamic and CGC signs Portfolio Guarantee -Further RM300 million allocated to finance high growth sectors**

AmBank Islamic and Credit Guarantee Corporation Malaysia Berhad (CGC) sign a RM300 million portfolio guarantee agreement to enhance Small Medium Enterprise (SME) financing in Malaysia.



### 9 • **August 2016** **AmBank (M) Berhad appointed as New Distributor for Amanah Hartanah Bumiputera Fund**

AmBank is appointed as a new distributor for Malaysia's first fixed price Shariah-compliant real estate backed unit trust fund, Amanah Hartanah Bumiputera Fund.



### 13 • **August 2016** **The State Government of Johor Launches The Johor Affordable Home Financing Scheme with AmBank Islamic**

The Johor State Government and AmBank Islamic sign an agreement to offer Islamic home financing to those earning a monthly wage below RM5,000. The scheme, offering up to RM300 million in financing, is in line with the state's aspirations for its people to own affordable homes.



### 23 • **September 2016** **University Malaya Unveils Bangunan Azman Hashim**

His Royal Highness Sultan Nazrin Muizzuddin Shah, the Sultan of Perak Darul Ridzuan, who is also the Chancellor of University Malaya, unveils the new Bangunan Azman Hashim at University Malaya. AmBank Group Chairman Tan Sri Azman Hashim made a personal contribution of RM25 million via Yayasan Azman Hashim for the construction of the building.





13

**October 2016**

• **PTPTN Partners AmBank for Easier Payments with JomPAY**

AmBank and Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) sign an agreement with JomPAY to make it easier for borrowers to service their PTPTN loan repayments.



16

**November 2016**

• **AmBank Group launches New Branch in Kota Kinabalu, Sabah**

Datuk Tawfiq Abu Bakar Titingan, Minister of Youth and Sports, Sabah officially opens the AmBank Plaza Shell branch in Kota Kinabalu. The branch is a new model – one stop centre that caters to retail, SME and commercial customers.



14

**December 2016**

• **AmBank launches #JoyFortuneLove Credit Card Campaign**

AmBank launches the #JoyFortuneLove credit card campaign, where two cardholders stand a chance to win the Grand Prize of an Audi TT 2.0 TFSI. There are also 30 Samsung GALAXY S7 Edge phones as prizes.



19

**December 2016**

• **Sarawakian is AmBank Credit Card's "Swipe and Spot the 8 to Win an all-new Toyota Vellfire" Campaign Grand Prize Winner**

Ling Siew Ching from Kuching, Sarawak was the Grand Prize winner of a Toyota Vellfire in the AmBank 'Swipe and Spot the 8' credit card campaign. The Mathematics Lecturer at UITM Sarawak has banked with AmBank since 2004.



22

**December 2016**

• **Lucky AmBank Credit Cardholder wins "Caltex: Fill, Swipe & Win" Campaign Grand Prize of RM50,000**

Hairunazuan Bin Nordin from Johor receives the RM50,000 Grand Prize in our 'Caltex: Fill, Swipe & Win' Campaign. Hairunazuan has been an AmBank credit card holder since 2014.



# CALENDAR OF EVENTS

## BUSINESS ACTIVITIES

24

**December 2016**

**AmInvestment Bank and AmInvest Win at The Asset Triple A Islamic Finance Awards**

AmInvestment Bank and AmInvest won three awards at The Asset Triple A Islamic Finance Awards 2016 which was held in Kuala Lumpur. AmInvest won the 'Best Islamic Asset Management House of the Year, Malaysia' while AmInvestment Bank won the 'Best Local Currency Sukuk' and 'Best Loan Syndication'.



12

**May 2017**

**AmInvestment Bank Wins Five RAM Awards**

AmInvestment Bank garnered a total of five awards at the 14th Annual RAM League Awards 2017. The RAM League Awards recognise accomplishment and leadership in the Malaysian bond and sukuk market.



22

**May 2017**

**AmBank Wins Three Awards for Electronic Payments**

AmBank won three awards at the Malaysian e-Payments Excellence Awards, which recognise excellence, innovation and growth in electronic payments. The awards were for outstanding contributions to JomPAY and MyDebit and for top MyDebit acquirer.



# CALENDAR OF EVENTS

SOCIAL AND SPORTS ACTIVITIES



Kelab AmBank Group (KAG) is the Group's sports and recreation club. KAG organises a combination of activities in support of the needy, poor and less fortunate and activities to encourage staff engagement.

Highlights of the year included a Majlis Berbuka Puasa hosted by AmBank Group Chairman Tan Sri Azman Hashim for underprivileged children and a blood donation drive amongst staff. In addition, there was a KAG outing to Zoo Negara to visit the dromedary camels that are sponsored by AmBank Group, and KAG hiking, paintballing, bowling and go-karting activities.



# NOTABLE ACHIEVEMENTS



## AmBank Group

### Malaysian e-Payments Excellence Awards (MEAA) 2017

1. Outstanding Contribution to JomPAY

### Malaysian e-Payments Excellence Awards (MEAA) 2017

1. MyDebit Top Acquirer (First Place)
2. Outstanding Contribution to MyDebit

## NACRA

Certificate of Merit of the NACRA 2016 Annual Report Awards

## Alpha Southeast Asia

1. Most Improved Investor Relations
2. Top 3 – Most Organised Investor Relations, Strongest Adherence to Corporate Governance and Most Consistent Dividend Policy

## AmInvestment Bank

1. Islamic Issue of the Year  
AmInvestment Bank – Principal Adviser, Lead Arranger and Joint Lead Manager for Lebuhraya DUKE Fasa 3 Sdn Bhd's RM3.64 billion Sukuk Wakalah

## 2. Regulatory Capital Deal of the Year

AmInvestment Bank – Joint Lead Manager for Mumtaz RM300 million Subordinated Sukuk Murabahah

## 3. Commodity Murabahah Deal of the Year

AmInvestment Bank – Joint Lead Arranger and Joint Lead Manager for Al Dzahab Assets RM339 million Sukuk Murabahah

## Global Market

1. Tenth Annual Alpha Southeast Asia Best Financial Institution Awards



## Corporate Finance

- 1. Secondary Deal of the Year**  
AmInvestment Bank for Malaysia Building Society's RM1.71 billion Rights issue

## AmInvest

- 1. Best Malaysia Bond Fund – AmDynamic Bond**
- 2. Best Bond Ringgit – Malaysia Provident, 10 years – AmDynamic Bond**
- 3. Best Pension Fund Manager, Malaysia**
- 4. ETF Manager of the Year, Malaysia**
- 5. Most Innovative Fund Manager 2016**
- 6. Best ETF Provider, Malaysia**
- 7. AmDynamic Bond (Bond – Foreign Exposed)**
- 8. AmCommodities Equity (Sector Equity – Global Resources)**
- 9. AmIncome Plus (Bond – Malaysia, Short Duration)**
- 10. Best Investment Management Company, Malaysia, 2016**
- 11. Best Asset Management House of the Year, Malaysia (2 consecutive years)**

## AmBank

### VISA Malaysia Bank Awards

- 1. Issuing Awards: Highest Payment Volume Growth – Consumer Credit**
- 2. Payment Volume Growth Awards: Highest Payment Volume Growth – Visa Signature cards**
- 3. Highest Card Growth – Consumer Credit**

# MEDIA HIGHLIGHTS



**Executive performance**  
The Executive Performance Committee (EPC) has approved the remuneration package for the Executive Director and Managing Director, Mr. Tan Sri Azman Yusoff, for the financial year ended 31 December 2017. The EPC also approved the remuneration package for the Executive Director and Managing Director, Mr. Tan Sri Azman Yusoff, for the financial year ended 31 December 2018.



**Perkenal Dana Dividen Global**  
AMMBNVEST memperkenalkan Dana Dividen Global (DDG) kepada pelabur-pelabur di seluruh dunia. Dana ini menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia. Dana ini juga menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia.

## Perkenal Dana Dividen Global



AMMBNVEST memperkenalkan Dana Dividen Global (DDG) kepada pelabur-pelabur di seluruh dunia. Dana ini menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia. Dana ini juga menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia.

## 大马投资获ETF服务奖

大马投资 (AMMB) 荣获「2017年最佳ETF服务提供商」奖项。该奖项由全球ETF协会 (ETF Association) 颁发，以表彰AMMB在ETF服务方面的卓越表现。AMMB是马来西亚第一家提供ETF服务的公司，也是全球ETF服务网络的重要成员。



**AMBANK FOUNDER GETS PHD:** Founder of Ambank Group and executive chairman of Amosang Group, Tan Sri Azman Yusoff (right) was conferred Honorary Doctorate in Management of Universiti Islam Malaysia (UIM) 52nd convocation ceremony yesterday. The award presented by UIM group chairman Tan Sri Mustafa Muzaffar (left) was in recognition of Azman's various contributions to the country and the involvement in several UIM's charitable and educational projects over the years. — *Business Online*



**Tawar unit ASB**  
AMMB menawarkan unit ASB (Asiatic Structured Bond) kepada pelabur-pelabur di seluruh dunia. Unit ASB ini menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia. Unit ASB ini juga menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia.

## Asia Asset Management



**for the Best Awards**  
Asia Asset Management (AAM) telah memenangi beberapa anugerah dalam kategori 'Best Asset Manager' dan 'Best Investment Advisor' pada tahun 2017. Anugerah ini diberikan kepada AAM atas prestasi yang cemerlang dalam menguruskan aset pelabur-pelabur di seluruh dunia.

## Early Raya shopping for 171 kids



AMMB telah mengadakan acara 'Early Raya shopping for 171 kids' di seluruh Malaysia. Acara ini bertujuan untuk membantu 171 kanak-kanak yang memerlukan bantuan dalam membeli-beli keperluan raya mereka. AMMB telah menyumbangkan wang untuk membantu acara ini.

## AMMB IDIVES



AMMB IDIVES telah memperkenalkan produk-produk baru kepada pelabur-pelabur di seluruh dunia. Produk-produk ini menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia. Produk-produk ini juga menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia.



**Ambank launches new branch in Kota Kinabalu**  
AMBANK telah melancarkan cawangan baharu di Kota Kinabalu. Cawangan baharu ini menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia. Cawangan baharu ini juga menawarkan pelabur-pelabur akses kepada dividen dari syarikat-syarikat yang berprestasi tinggi di seluruh dunia.



# AmBank unjur deposit RM1.8b

DAK SUBANG MALAYSIA TIMES

**KUALA LUMPUR** — AmBank (M) Bhd. (AmBank) mengumumkan untuk mencatat jumlah deposit baharu bernilai RM1.8 bilion sepanjang tempoh berlangsungnya kempen terbaharu, 'Memang Toyota Velfire 2016 Serba Baharu dengan AmBank'.

Pemangku Ketua Perbankan Retail, Anthony Chan berkata, sehingga kini, kempen yang telah bermula dari 1 Mei lalu dan bakal berakhir pada 31 Oktober depan telah mencatat sambutan yang mengagumkan dengan merekodkan jumlah deposit baharu bernilai RM1,800 juta.

"Melainkan mengenai persekitaran ekonomi yang memalarat kami tetapi kami yakin kempen selangiti akan mendapat sambutan positif sekali gus memacu pertumbuhan lebih baik bagi AmBank," katanya.

Beliau berkata demikian pada sidang akhbar selepas majlis pelancaran kempen 'Memang Toyota Velfire 2016 Serba Baharu dengan AmBank' di sini

semalam. Sementara itu, menurut Anthony, selain pertumbuhan deposit, kempen tersebut dilihat dapat memacu secara signifikan pertumbuhan syarikat dengan syarikat AmBank dengan sasaran untuk mengeluarkan sekurang-kurangnya 100,000 kad baharu menjelang akhir tahun kewangan semasa.

"Selangka kini, kami telah mengeluarkan sejumlah 400,000 kad kredit dengan kira-kira 6,000 kad baharu dikeluarkan dalam tempoh setahun," ujarnya.

Kempen tersebut memberi peluang kepada pelanggan untuk memantangi tiga hadiah utama iaitu kenderaan serba guna Toyota Velfire 2016 terbaharu.

Pelanggan hanya perlu menandatangani sekurang-kurangnya RM1,000 di dalam akaun simpanan atau deposit teras atau deposit bertempoh atau menggunakan kad kredit AmBank atau AmBank Islamik dengan perbelanjaan minimum RM80 dalam satu mesin.

## Bank's gift of baju raya for 170 underprivileged children

AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has distributed 170 sets of baju raya to underprivileged children in Kuala Lumpur.



## Share the wins Toyota Velfire in AmBank credit card campaign

AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has announced the launch of a new credit card campaign to celebrate the launch of the Toyota Velfire 2016. The campaign is aimed at providing customers with a chance to win a Toyota Velfire 2016 by using their AmBank credit cards.



ANTHONY (tiga dari kiri) dan Ketua Pegawai Eksekutif Kurusukan AmBank, Datuk Subraman Mohan. Sahar (dua dari kanan) pada majlis pelancaran kempen 'Memang Toyota Velfire 2016 Serba Baharu dengan AmBank' di Kuala Lumpur semalam.

## RM300m boost for SME financing

AmBank Islamic and Credit Guarantee Corp. will provide guarantee scheme.

AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has announced a new guarantee scheme to provide a RM300 million boost for SME financing. The scheme is aimed at providing SMEs with access to credit facilities from AmBank Islamic.

## REIT-ly good decision

AmBank Islamic and Credit Guarantee Corp. to go for REIT investment.

AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has announced its intention to invest in REITs. The bank's management believes that REITs offer a good return on investment and are a suitable asset class for the bank's portfolio.



## 银行业料2017下半年复苏 大马银行乐观看贷款增长

银行业料2017下半年复苏 大马银行乐观看贷款增长。AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has announced its outlook for the banking industry in 2017. The bank's management expects a recovery in the banking industry in the second half of 2017 and is optimistic about loan growth.

## AMMB identifies growth segments

AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has identified several growth segments for the bank. These include digital banking, Islamic banking, and SME financing. The bank's management believes that these segments offer significant growth opportunities for the bank.

## PNB sedia tambah ekuiti di luar negara

PNB sedia tambah ekuiti di luar negara. PNB has announced its intention to increase its equity investments in foreign markets. The bank's management believes that foreign equity investments offer a good return on investment and are a suitable asset class for the bank's portfolio.



## Kempen stesen trak AmAssurance di seluruh cawangan

AmBank Islamic and Credit Guarantee Corp. (AmBank Islamic) has announced a new campaign for its AmAssurance motor insurance products. The campaign is aimed at providing customers with a chance to win a Toyota Velfire 2016 by using their AmBank credit cards.

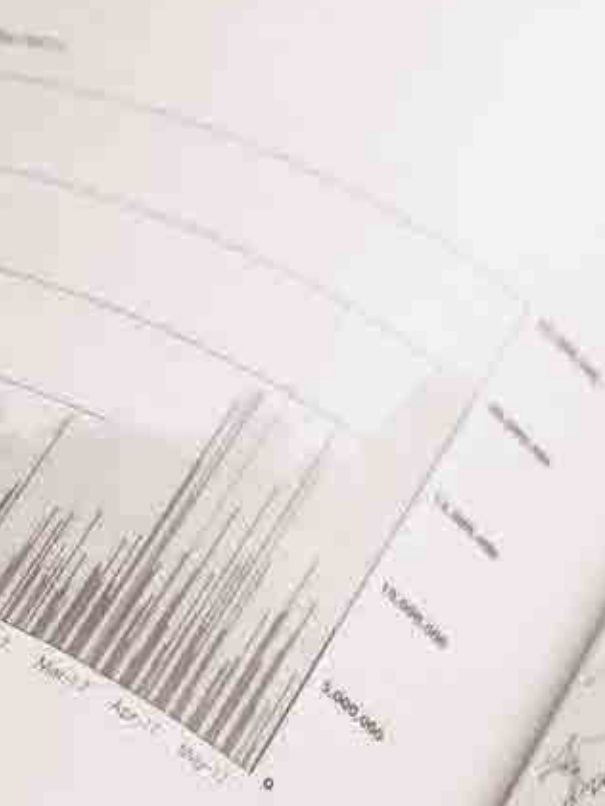


# STAKEHOLDERS INFORMATION



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Investment and Analyst Services

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MAY 2017

Issued and Paid-up Share Capital : RM3,014,184,844 comprising 3,014,184,844 Ordinary Shares  
 Class of Share : Ordinary Share  
 Voting Rights : 1 vote per ordinary share on a poll

## Distribution of Shareholders based on size of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
Less than 100	1,752	8.75	49,765	0.00
100 – 1,000	5,212	26.04	3,642,860	0.12
1,001 – 10,000	9,784	48.88	38,169,043	1.27
10,001 – 100,000	2,529	12.64	70,618,449	2.34
100,001 to less than 5% of the issued shares	735	3.67	1,677,185,132	55.64
5% and above of issued shares	3	0.01	1,224,519,595	40.63
<b>Total</b>	<b>20,015</b>	<b>100.00</b>	<b>3,014,184,844</b>	<b>100.00</b>

## Substantial Shareholders based on Register of Substantial Shareholders

Substantial Shareholder	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Tan Sri Azman Hashim	–	–	391,069,003 <sup>1</sup>	12.97
ANZ Funds Pty Limited	716,841,483	23.78	–	–
Australia and New Zealand Banking Group Limited	–	–	716,841,483 <sup>2</sup>	23.78
Amcorp Group Berhad	391,069,003	12.97	–	–
Clear Goal Sdn Bhd	–	–	391,069,003 <sup>1</sup>	12.97
Employees Provident Funds Board	286,970,363	9.52	–	–

### Notes:

<sup>1</sup> Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 held through Amcorp Group Berhad.

<sup>2</sup> Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 held through ANZ Funds Pty Limited.

## Directors and Chief Executive's Interest in the Company and Its Subsidiaries

Name of Director	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Tan Sri Azman Hashim	–	–	391,069,003 <sup>1</sup>	12.97
Graham Kennedy Hodges	–	–	–	–
Suzette Margaret Corr	–	–	–	–
Soo Kim Wai	–	–	–	–
Dato' Rohana binti Tan Sri Mahmood	–	–	–	–
Dato' Seri Ahmad Johan bin Mohammad Raslan	–	–	–	–
Voon Seng Chuan	–	–	–	–
Datuk Shireen Ann Zaharah binti Muhiudeen	–	–	–	–
Seow Yoo Lin	–	–	–	–
<b>Group Chief Executive Officer<sup>2</sup></b>				
Dato' Sulaiman bin Mohd Tahir	–	–	–	–

**Note:**

<sup>1</sup> Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 held through Amcorp Group Berhad.

Tan Sri Azman Hashim, by virtue of his interest in the shares of AMMB Holdings Berhad ('AMMB'), is also deemed to have an interest in the shares of the subsidiaries of AMMB to the extent that AMMB has an interest.

<sup>2</sup> The Group Chief Executive Officer is not a director of the Company.

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MAY 2017

## 30 Largest Shareholders

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

Name	No. of Shares	%
1. ANZ Funds Pty Limited	716,841,483	23.78
2. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	277,977,663	9.22
3. CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad (CB4-AMCORPCAPLL)	229,700,449	7.62
4. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (LBNOFFSHORE-EDG)	115,423,652	3.83
5. Kumpulan Wang Persaraan (Diperbadankan)	91,792,100	3.05
6. Amcorp Group Berhad	82,668,554	2.74
7. AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	65,174,200	2.16
8. AmanahRaya Trustees Berhad Amanah Saham Bumiputera	54,350,000	1.80
9. Cartaban Nominees (Asing) Sdn Bhd Exempt An for State Street Bank & Trust Company (WEST CLTOD67)	51,159,119	1.70
10. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad	44,200,000	1.47
11. HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	35,862,258	1.19
12. AmanahRaya Trustees Berhad Amanah Saham Malaysia	35,539,400	1.18
13. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	34,162,500	1.13
14. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	27,439,818	0.91
15. Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad	26,750,000	0.89
16. AmanahRaya Trustees Berhad AS 1Malaysia	26,100,000	0.87
17. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	24,729,000	0.82

Name		No. of Shares	%
18.	DB (Malaysia) Nominee (Asing) Sdn Bhd BNYM SA/NV for Asian Dragon Fund (Blackrock GBL F)	24,588,200	0.82
19.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	24,531,962	0.81
20.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	24,484,400	0.81
21.	HSBC Nominees (Asing) Sdn Bhd Exempt An for The Bank of New York Mellon (MELLON ACCT)	24,102,075	0.80
22.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	24,010,300	0.80
23.	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	23,029,341	0.76
24.	HSBC Nominees (Asing) Sdn Bhd TNTC for Mondrian Emerging Markets Equity Fund L.P.	23,015,600	0.76
25.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (NORGES Bank 9)	21,445,297	0.71
26.	HSBC Nominees (Asing) Sdn Bhd TNTC for Mondrian Large Cap Concentrated Emerging Markets Equity Fund, L.P.	16,884,600	0.56
27.	Pertubuhan Keselamatan Sosial	15,771,130	0.52
28.	CIMB Group Nominees (Tempatan) Sdn Bhd Yayasan Hasanah (AUR-VCAM)	14,780,700	0.49
29.	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund TC3H for California State Teachers Retirement System	13,701,300	0.45
30.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	13,398,900	0.44

# TOP 10 PROPERTIES OF AMBANK GROUP

As at 31 March 2017

The top ten properties (excluding those classified under Assets held for sale) owned by the Group are as follows:

Location	Description	Age of Property	Tenure	Net Book Value (RM'000)	Built-Up Area (Sq. Ft.)	Date of Acquisition
Wisma AmBank 113, Jalan Pudu 55100 Kuala Lumpur	One unit of twelve-storey office building for operations and branch premises	31 years	Freehold	14,137.68	55,700	4 Nov 1991
Damansara Fairway 3 6C, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya	One unit of thirteen-storey office building for operations	26 years	Leasehold Term: 99 years Expiry: 25 Oct 2090	13,800.43	76,120	13 Oct 2000
257, Jalan Haji Taha 93400 Kuching	Seven-storey office building for branch premises and rental	18 years	Leasehold Term: 855 years Expiry: Jul 2792	9,470.88	51,906	31 Dec 1994
8th & 9th Floor Menara AmMetLife 1, Jalan Lumut 50400 Kuala Lumpur	Office space for operations	24 years	Freehold	5,387.75	26,414	18 May 1994
85, 87, 89, 107, 109 & 111 Jalan 3/93, Taman Miharja 55200 Kuala Lumpur	Six units of three-storey shoplots for rental purposes	27 years	Leasehold Term: 99 years Expiry: 11 Aug 2086	1,904.38	30,528	9 Mar 1992
19-01 to 19-04 & 20-01 to 20-04, Susur 4 Jalan Tun Abdul Razak 80100 Johor Bahru	Two units of four-storey shop offices with mezzanine for operations	13 years	Leasehold Term: 99 years Expiry: 29 Sep 2096	1,662.82	10,587	13 Oct 1998
2 & 4, Jalan 23/70A Desa Sri Hartamas 55048 Kuala Lumpur	Two units of four-storey shoplots for rental purposes	18 years	Freehold	1,590.21	13,504	23 Apr 1998
12, 12a & 12b Jalan Padi Satu Bandar Baru Uda 81200 Johor Bahru	One unit of three-storey shopoffice for operations	24 years	Freehold	1,540.93	9,363	21 Feb 2000
35 & 36 - Phase 1 Prai Business Point 322 Prai Perdana 12000 Seberang Prai	Two units of vacant three-storey shopoffices	17 years	Freehold	1,196.23	10,307	28 Nov 1998
22 & 23 Jalan Dato' Lee Fong Yee 70000 Seremban	Two units of four-storey shoplots for branch premises	32 years	Freehold	924.43	22,000	15 Mar 1990

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (“26<sup>th</sup>”) Annual General Meeting (“AGM”) of AMMB Holdings Berhad (“AMMB” or “the Company”) will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 31 July 2017 at 10.00 a.m. for the following purposes:

## ITEM AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2017 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of a final single-tier dividend of 12.6% for the financial year ended 31 March 2017.
3. To approve the payment of Directors’ fees and benefits of RM2,659,151 for the financial year ended 31 March 2017.
4. To approve the payment of benefits payable to the Directors (excluding Directors’ fees) up to an aggregate amount of RM2,626,000 from 1 April 2017 until the next AGM of the Company.
5. To re-elect the following Directors who retire by rotation pursuant to Article 89 of the Company’s Constitution:
  - i. Suzette Margaret Corr
  - ii. Dato’ Rohana binti Tan Sri Mahmood
  - iii. Voon Seng Chuan
6. To re-appoint Tan Sri Azman Hashim as Director of the Company.
7. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration.

### As Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

8. **Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company Pursuant to the Company’s Executives’ Share Scheme**

“THAT pursuant to the Company’s Executives’ Share Scheme (“ESS”) as approved at the Extraordinary General Meeting of the Company held on 26 September 2008, the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the ESS, provided that the total number of new and existing ordinary shares in the Company to be allotted and issued and/or transferred, as the case may be, under the ESS, shall not exceed ten percent (10%) in aggregate of the total number of issued shares of the Company at any point of time throughout the duration of the ESS.”

## RESOLUTION

(Please refer to Note (i) of the Explanatory Notes)

**Resolution No. 1**

**Resolution No. 2**

**Resolution No. 3**

**Resolution No. 4**

**Resolution No. 5**

**Resolution No. 6**

**Resolution No. 7**

**Resolution No. 8**

**Resolution No. 9**

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

## ITEM AGENDA

9. **Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company to Dato' Sulaiman bin Mohd Tahir, the Group Chief Executive Officer of the Company Pursuant to the Company's Executives' Share Scheme**

"THAT subject to the passing of Ordinary Resolution No. 9, the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company to Dato' Sulaiman bin Mohd Tahir, the Group Chief Executive Officer of the Company, from time to time pursuant to the Executives' Share Scheme as approved at the Extraordinary General Meeting of the Company held on 26 September 2008 and in accordance with the By-Laws as set out in Appendix I to the Circular to Shareholders dated 4 September 2008 and as amended on 28 June 2011."

10. **Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the Purpose of the Company's Dividend Reinvestment Plan**

"THAT the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the Company's Dividend Reinvestment Plan as approved at the Extraordinary General Meeting of the Company held on 2 September 2010, which gives the shareholders of the Company the option to elect to reinvest their cash dividend entitlements in new ordinary shares of the Company."

11. **Proposed Authority to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016**

"THAT subject to the approvals from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot and issue new ordinary shares in the Company at any time upon such terms and conditions and for such purposes as the Directors, may, in their discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being."

12. **Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Australia and New Zealand Banking Group Limited Group**

"THAT the shareholder mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Australia and New Zealand Banking Group Limited and any of its subsidiaries and/or associated companies ("ANZ Group") which are necessary for the day-to-day operations of the Company and/or its subsidiaries in the ordinary course of business on terms not more favourable to ANZ Group than those generally available to and/or from the public and which are not detrimental to the minority shareholders of the Company, particulars of which are set out in Part 2.2.1 of Section 2.2 of the Circular to Shareholders dated 30 June 2017 be hereby renewed and to continue in force until the conclusion of the next Annual General Meeting of the Company and that disclosure be made in the annual report of the Company of the aggregate value of such transactions conducted during the financial year pursuant to the shareholder mandate granted herein and THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions contemplated and/or authorised by this resolution."

## RESOLUTION

**Resolution No. 10**

**Resolution No. 11**

**Resolution No. 12**

**Resolution No. 13**



**ITEM AGENDA**

**RESOLUTION**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <p>13. <b>Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Amcorp Group Berhad Group</b></p> <p>“THAT the shareholder mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Amcorp Group Berhad and any of its subsidiaries and/or associated companies (“Amcorp Group”) which are necessary for the day-to-day operations of the Company and/or of its subsidiaries in the ordinary course of business on terms not more favourable to Amcorp Group than those generally available to and/or from the public and which are not detrimental to the minority shareholders of the Company, particulars of which are set out in Part 2.2.2 of Section 2.2 of the Circular to Shareholders dated 30 June 2017 be hereby renewed and to continue in force until the conclusion of the next Annual General Meeting of the Company and that disclosure be made in the annual report of the Company of the aggregate value of such transactions conducted during the financial year pursuant to the shareholder mandate granted herein and THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions contemplated and/or authorised by this resolution.”</p>                                   | <p><b>Resolution No. 14</b></p> |
| <p>14. <b>Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Modular Techcorp Holdings Berhad Group</b></p> <p>“THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Modular Techcorp Holdings Berhad and any of its subsidiaries and/or associated companies (“Modular Group”) which are necessary for the day-to-day operations of the Company and/or its subsidiaries in the ordinary course of business on terms not more favourable to Modular Group than those generally available to and/or from the public and which are not detrimental to the minority shareholders of the Company, particulars of which are set out in Parts 2.2.3 of Section 2.2 of the Circular to Shareholders dated 30 June 2017 be hereby renewed and to continue in force until the conclusion of the next Annual General Meeting of the Company and that disclosure be made in the annual report of the Company of the aggregate value of such transactions conducted during the financial year pursuant to the shareholder mandate granted herein and THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions contemplated and/or authorised by this resolution.”</p> | <p><b>Resolution No. 15</b></p> |
| <p>15. To transact any other business of which due notice shall have been received.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                 |

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 26<sup>th</sup> AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. in accordance with the provisions under Articles 66(1), 66(2) and 66(3) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors (“ROD”) as at 25 July 2017. Only a depositor whose name appears in the ROD as at 25 July 2017 shall be entitled to attend this 26<sup>th</sup> AGM or appoint a proxy(ies) to attend, speak and vote on his/her behalf.

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

## Notice of Dividend Entitlement and Payment

NOTICE IS HEREBY GIVEN THAT the final single-tier dividend of 12.6% for the financial year ended 31 March 2017, if approved by the shareholders at the 26<sup>th</sup> AGM, will be paid on 22 August 2017 to shareholders whose names appear in the Record of Depositors on 8 August 2017.

A depository shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the depositor's securities account before 4.00 p.m on 8 August 2017 in respect of ordinary transfers; and
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

### By Order of the Board

**Koid Phaik Gunn** (MAICSA 7007433)  
Group Company Secretary

Kuala Lumpur  
30 June 2017

## Notes:

### (A) Appointment of Proxy

- (1) A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (2) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.
- (3) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- (5) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or of his attorney duly authorised in writing or, in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

### (B) Explanatory Notes to the Agenda

- (i) The Audited Financial Statements are laid out in accordance with Section 340 (1)(a) of the Companies Act, 2016 for discussion only. They do not require shareholders' approval and hence, item 1 of the Agenda will not be put forward for voting.
- (ii) Directors' Remuneration

#### Ordinary Resolution No. 2

Pursuant to Section 230(1) of the Companies Act, 2016 which came into force on 31 January 2017, shareholders' approval is now required for Directors' fees and benefits received from the Company.

In view of the new requirements of the Companies Act 2016, the Company is seeking shareholders' approval for the payment of Directors fees totaling RM1,928,356 for the financial year ended 31 March 2017 and benefits due to the directors for the period from 1 February 2017 to 31 March 2017 amounting to RM730,795.

Details of the above are set out on pages from 195 to 196 of the Annual Report 2017.

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

## Ordinary Resolution No. 3

The Company is also seeking shareholders' approval for the payment of benefits up to an aggregate amount of RM2,626,000 from 1 April 2017 until the next AGM of the Company.

The estimated amount payable to the Directors for the benefits is based on the assumption that the Company increase the Board composition from the current nine (9) members to eleven (11) members.

The proposed payment of benefits comprise allowances payable to the Chairman and members of the Board and Board Committees, based on the following structure:-

Board Committee Allowance <i>(per annum)</i>	Chairman	Member
Audit and Examination Committee	RM25,000	RM20,000
Risk Management Committee of Directors	RM25,000	RM20,000
Group Nomination & Remuneration Committee	RM25,000	RM20,000
Group Information Technology Committee	RM15,000	RM10,000
Governance Committee	RM25,000	RM20,000

Other Allowances	
Ombudsman Allowance (per annum)	RM25,000 – RM50,000
Chairman Allowance (per annum)	RM1,440,000
Meeting Allowance (including Board and Board Committees meetings and meetings with Management Working Committee Group and Regulatory Authorities)	RM1,000 per meeting

## (iii) Ordinary Resolution No. 7 – Re-appointment of Director

Under the new Companies Act, 2016, the requirement to put forth re-appointment of Director of or over the age of 70 years had been abolished. At the 25th AGM held on 18 August 2016, AMMB had obtained a mandate from the shareholders for the re-appointment of Tan Sri Azman Hashim as a Director of the Company and for him to continue in office as a director until the conclusion of the next AGM of the Company.

As the mandate from the shareholders would be expiring at the conclusion of the forthcoming 26th AGM, AMMB is requesting shareholders' approval for the re-appointment of Tan Sri Azman Hashim as a Director of the Company.

Going forward, Tan Sri Azman Hashim's retirement at the AGM will be in accordance with Article 89 of the Company's Constitution.

(iv) **Ordinary Resolutions No. 9 and 10 – Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company Pursuant to the Company’s Executives’ Share Scheme and Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company to Dato’ Sulaiman bin Mohd Tahir, the Group Chief Executive Officer of the Company Pursuant to the Company’s Executives’ Share Scheme**

Ordinary Resolutions No. 9 and 10, if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company pursuant to the Company’s Executives’ Share Scheme and in accordance with the By-Laws as set out in Appendix I to the Circular to Shareholders dated 4 September 2008 and as amended on 28 June 2011.

The authority conferred by such renewed mandate will be effective from the date of the forthcoming AGM and unless revoked or varied at a general meeting, will expire at the next AGM.

(v) **Ordinary Resolution No. 11 – Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the Purpose of the Company’s Dividend Reinvestment Plan**

Ordinary Resolution No. 11, if passed, will empower the Directors of the Company to issue new ordinary shares pursuant to the terms and conditions of the Company’s Dividend Reinvestment Plan (“DRP”) which are contained in the DRP Statement set out in Appendix I to the Circular to Shareholders dated 11 August 2010 (as may be amended in accordance with the provisions of the said DRP).

The authority conferred by such renewed mandate will be effective from the date of the forthcoming AGM and unless revoked or varied at a general meeting, will expire at the next AGM.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by the shareholders at the previous AGM.

(vi) **Ordinary Resolution No. 12 – Proposed Authority to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016**

Ordinary Resolution No. 12, if passed, will give the Directors of the Company, from the date of the forthcoming AGM, authority to allot and issue ordinary shares from the unissued share capital of the Company up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company for the time being, as and when the need or business opportunities arise which the Directors consider would be in the interest of the Company and/or in connection with proposals previously approved by the shareholders for issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

(vii) **Ordinary Resolutions No. 13 to 15 – Proposed Shareholder Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature with Australia and New Zealand Banking Group Limited Group, Amcorp Group Berhad Group and Modular Techcorp Holdings Berhad Group**

The proposed Ordinary Resolutions No.13 to 15, if passed, will enable the Company and/or its subsidiaries (“the Group”) to enter into recurrent related party transactions, which are in the ordinary course of business and necessary for the Group’s day-to-day operation, subject to the transactions being on terms not more favourable to a related party than those generally available to and/or from the public and are not detrimental to the interests of minority shareholders.

The Proposed Shareholder Mandates are intended to enhance the Group’s ability to pursue business opportunities, especially those which are time-sensitive in nature, and will eliminate the need for the Company to convene a separate general meeting on each occasion to seek shareholders’ prior approval for such recurrent related party transactions. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising corporate objectives of the Group or affecting the business opportunities available to the Group. The Proposed Shareholder Mandates are subject to renewal on an annual basis.

Further information on the Recurrent Related Party Transactions are set out in the Circular to Shareholders of the Company dated 30 June 2017 which is despatched together with the Company’s Annual Report 2017.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 26<sup>th</sup> AGM.

2. A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The proposed Ordinary Resolution No. 12 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new share was issued pursuant to the said mandate granted to the Directors at the last Annual General Meeting held on 18 August 2016.

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# ADMINISTRATIVE DETAILS FOR THE 26<sup>TH</sup> ANNUAL GENERAL MEETING

Day/Date : Monday, 31 July 2017

Time : 10:00 a.m.

Venue : Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia

## 1. REGISTRATION

- Registration will commence at 8:00 a.m. and shareholders/proxies are requested to be punctual.
- Please present your original identity card to the registration staff for verification purposes.
- No person will be allowed to register on behalf of another person even with the original identity card of the other person.
- Upon verification, you will be given an identification wristband and you will only be allowed to enter the meeting hall if you are wearing the identification wristband. There will be no replacement in the event you lose or misplace the identification wristband.
- After registration, please proceed to the Ground floor to redeem your set meal.

## 2. HELP DESK

- Please proceed to the Registration Help Desk for any clarification or enquiry.
- The Registration Help Desk will also handle revocation of proxy's appointment, i.e. in the event you have submitted your Form of Proxy prior to the meeting and subsequently decided to attend the meeting in person.

## 3. FOOD & BEVERAGE

- Coffee/Tea and cookies will be available from 8.00 a.m. to 9:30 a.m.
- Each shareholder who attends the meeting will be entitled to one (1) meal coupon upon registration, to be exchanged for a takeaway set meal.
- If you are attending the meeting as a shareholder as well as a proxy, you will be entitled to one (1) meal coupon.
- Proxy/corporate representative will be entitled to only one (1) meal coupon regardless of the number of proxies held. In the case where two (2) proxies are appointed, the proxy who redeems the meal coupon first will be entitled for the takeaway set meal.
- There will be no replacement in the event you lose/misplace your meal coupon.

## 4. DOOR GIFT

- Each shareholder who attends the meeting will be entitled to one (1) gift coupon upon registration, to be exchanged for a door gift.
- If you are attending the meeting as a shareholder as well as a proxy, you will be entitled to two (2) gift coupons.
- Proxy/corporate representative will be entitled to only one (1) gift coupon regardless of the number of proxies held. In the case where two (2) proxies are appointed, the proxy who redeems the gift coupon first will be entitled to the door gift.
- There will be no replacement in the event you lose/misplace your gift coupon.

## 5. VOTING PROCEDURE

- The voting for the AGM will be conducted via e-polling at Ballroom 1.
- Symphony Share Registrars Sdn Bhd is appointed as the Poll Administrator to conduct the polling process.
- An independent Scrutineer will verify and validate the results of the poll.
- Please follow the instructions given for the e-polling process.

## 6. MEETING HALL

- All shareholders/proxies will be allowed to enter the Grand Ballroom from 9.30 a.m. onwards.
- All shareholders/proxies are encouraged to be seated at least ten (10) minutes before the commencement of the AGM.
- Please ensure that all your mobile devices (i.e. phones/other sound emitting devices) are switched off or put on silent mode during the entire proceeding of the AGM.

## 7. ANNUAL REPORT 2017

- The Annual Report 2017 will be available on the Company's website at [ambankgroup.com](http://ambankgroup.com)
- The Annual Report 2017 is also available on the website of Bursa Malaysia Securities Berhad at [bursamalaysia.com](http://bursamalaysia.com) under Company Announcements of AMMB Holdings Berhad.

# ADMINISTRATIVE DETAILS FOR THE 26<sup>TH</sup> ANNUAL GENERAL MEETING

## 8. PARKING

- Indoor parking is freely available at Sime Darby Convention Centre (subject to availability).

## 9. FIRST AID

- An ambulance is on standby for any medical emergency. Please refer to the Help Desk/First Aiders should any assistance be required.

## 10. PERSONAL BELONGINGS

- Please take care of your personal belongings. The organiser will not be held responsible for any item that has gone missing.

## 11. LOCATION MAP TO SIME DARBY CONVENTION CENTRE





# GROUP CORPORATE DIRECTORY



## AMMB HOLDINGS BERHAD

22nd Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur



## Correspondence Address:

P. O. Box 10233, 50708 Kuala Lumpur  
Tel: 03-2036 2633  
Fax: 03-2078 2842 (General), 03-2032 1914 (Group Company Secretary)  
Website: ambankgroup.com

## PREFERRED BRANCH

### CENTRAL REGION

#### Taman Connaught

No. 110 & 112, Jalan Cerdas  
Taman Connaught  
Cheras  
56000 Kuala Lumpur  
ABB: 5290 & 5363  
GL : 03-9101 4855/03-9101 7562/  
03-9102 4292  
Fax : 03-9100 1271

#### Taman Maluri

No. 1 Jalan Jejaka 2  
Taman Maluri  
Off Jalan Cheras  
55100 Kuala Lumpur  
ABB: 5291 & 5364  
GL : 03-9285 5266/03-9282 2917/  
03-9284 5428  
Fax : 03-9282 6261

#### Sri Petaling

No. 18 & 20, Jalan Raden Tengah  
Sri Petaling  
57000 Kuala Lumpur  
ABB: 5284  
GL : 03-9059 4152/03-9059 4462/  
03-9059 5458  
Fax : 03-9056 2512

#### Puchong

Ground Floor  
No. 14A & 15A Jalan TK1/11A  
Taman Kinrara Seksyen 1  
Batu 7 1/2 Jalan Puchong  
47100 Puchong  
Selangor  
ABB: 5645 & 5646  
GL : 03-8075 4461/03-8075 4680/  
03-8075 2478  
Fax : 03-8070 3336

#### Bangsar Baru

No. 45 & 47, Jalan Telawi Tiga  
Bangsar Baru  
59100 Kuala Lumpur  
ABB: 5623 & 5624  
CC : 03-2178 8888  
Fax : 03-2282 8741

#### Petaling Jaya – SS2

No. 30 & 32, Jalan SS2/61  
47300 Petaling Jaya  
Selangor  
ABB: 5640, 5641 & 5407  
CC : 03-2178 8888  
Fax : 03-7874 2517

#### Klang – PSI

Wisma Sh Ng No. 42-44  
Persiaran Sultan Ibrahim  
41300 Klang  
Selangor  
ABB: 5673  
GL : 03-3341 3252/03-3342 6010/  
03-3343 7949  
Fax : 03-3344 3744

#### Port Klang-Wisma Palmbase

2998G Wisma Palmbase  
Persiaran Raja Muda Musa  
41100 Port Klang  
Selangor  
ABB: 5688 & 5316  
GL : 03-3371 7672/03-3371 7697/  
03-3371 7698  
Fax : 03-3371 8749

#### Setapak

No. 16, Jalan 3/50C  
Taman Setapak Indah Jaya  
Off Jalan Genting Kelang  
53300 Kuala Lumpur  
ABB: 5285  
GL : 03-4023 6381/03-4023 6410  
Fax : 03-4023 6551

#### Kepong Baru

61 Jalan Ambong 2  
Kepong Baru  
52100 Kuala Lumpur  
ABB: 5634  
GL : 03-6251 3322/03-6251 3355  
Fax : 03-6258 4146

#### Rawang Country Homes

No. 51, 53 & 55, Jalan Pusat BCH 1A  
Bandar Country Homes  
48000 Rawang, Selangor  
ABB: 5648  
GL : 03-6092 5732/03-6092 5731/  
03-6092 5730  
Fax : 03-6092 5735

#### Bandar Baru Rawang

No. 13 & 14, Jalan Ipoh  
Batu 18, Bandar Baru Rawang  
48000 Rawang  
Selangor  
ABB: 5405  
GL : 03-6091 6835/03-6091 6837/  
03-6093 1609  
Fax : 03-6091 8612

## NORTHERN REGION

#### Bagan Ajam

Lot 7174, Ground, 1st & 2nd Floor  
Jalan Bagan Ajam  
13000 Butterworth  
Penang  
DL : 04-331 9005  
GL : 04-331 9020/04-331 9080  
Fax : 04-331 9024 (OPS)/04-324 2034 (HP)

#### Pulau Tikus

Ground & Mezzanine Floor  
No. 368-1-16 & 368-1-17  
Belissa Row, Jalan Burmah  
10350 Pulau Tikus  
Penang  
ABB: 5584 & 5585  
GL : 04-229 8942/04-229 8943/  
04-229 8944  
Fax : 04-229 8945

#### Bayan Baru

56 & 58, Jalan Mahsuri  
Bandar Bayan Baru  
11909 Bayan Baru  
Penang  
ABB: 5573 & 5378  
GL : 04-644 8142/04-644 8149  
Fax : 04-644 8163

#### Sungai Bakap

No. 1388 & 1389  
Jalan Sungai Bakap  
Taman Sungai Bakap Permai  
14200 Sungai Jawi  
Penang  
ABB: 5102 & 5379  
GL : 04-582 1296/04-582 4579/  
04-582 2507/04-582 2368  
Fax : 04-582 5827

#### Ayer Itam – Jln Paya Terubong

No. 135-J & 135-K  
Jalan Paya Terubong  
11500 Ayer Hitam  
Penang  
ABB: 5570  
GL : 04-828 8566/04-826 3015/  
04-827 0154  
Fax : 04-829 1414

#### Teluk Intan

No. 1049 Jalan Mahkota  
36000 Teluk Intan  
Perak  
ABB: 5119 & 5302  
GL : 05-621 1795/05-622 1102  
Fax : 05-621 2120/05-622 2721

#### Kampar

50, Jalan Balai  
31900 Kampar  
Perak  
ABB: 5613 & 5305  
GL : 05-465 1964/05-466 5657  
Fax : 05-465 1534

# GROUP CORPORATE DIRECTORY

## Batu Gajah

19, Jalan Kemajuan  
31000 Batu Gajah  
Perak  
ABB: 5120 & 5304  
GL : 05-366 1372/05-366 1442  
Fax : 05-366 5009

## Sitiawan

23 & 24 Taman Setia  
Jalan Raja Omar  
32000 Sitiawan  
Perak  
ABB: 5598 & 5599  
GL : 05-691 7645/05-691 2496/  
05-691 2484  
Fax : 05-691 6935

## Alor Setar

No. 1567, Wisma Landag  
05000 Alor Setar  
Kedah  
ABB: 5556  
GL : 04-730 1905/04-731 1984/  
04-733 3833/04-734 4389/  
04-734 0659/04-733 2212  
Fax : 04-731 3901 (OPS)/04-731 7638 (HP)  
Telex: MA46010

## Sungai Petani

No. 24-H & 24-J, Jalan Kampung Baru  
08000 Sungai Petani  
Kedah  
ABB: 5568, 5569 & 5377  
DL : 04-422 9095  
GL : 04-422 3611/04-422 3277/  
04-422 7980  
Fax : 04-422 8191 (OPS)/04-421 9831 (HP)

## Kulim

No. 171 & 172  
Jalan Tunku Putra  
09000 Kulim, Kedah  
ABB: 5580 & 5581  
DL : 04-490 0163  
GL : 04-491 3666/04-490 3667/  
04-490 3669/04-490 6838/  
04-491 3866  
Fax : 04-490 0162 (OPS)/04-490 6993 (HP)

## Taiping

52-54 Jalan Taming Sari  
34000 Taiping, Perak  
ABB: 5118  
GL : 05-808 7788/05-808 3108  
Fax : 05-807 2108

## SOUTHERN REGION

### Pontian

663 & 664 Jalan Taib  
82000 Pontian  
Johor  
ABB: 5278 & 5323  
GL : 07-687 3171/07-687 3176/  
07-687 3169  
Fax : 07-687 3067

### Kluang

21, 22 & 23, Jalan Dato' Teoh Siew Khor  
86000 Kluang  
Johor  
ABB: 5693, 5694 & 5695  
GL : 07-771 1948/07-772 3178/  
07-772 1089  
Fax : 07-772 6268

### Skudai

5 & 7 Jalan Nakhoda 1  
Taman Ungku Tun Aminah  
81300 Skudai  
Johor  
ABB: 5717  
GL : 07-556 8031/07-556 6402/  
07-558 4771  
Fax : 07-556 9121/07-558 1927

### Batu Pahat – Jln Rugayah

178 Jalan Rugayah  
83000 Batu Pahat  
Johor  
ABB: 5690, 5325 & 5390  
GL : 07-431 9848/07-431 9846  
Fax : 07-431 6214

### Johor Bahru – Melodies Garden

77 & 79 Jalan Meranti Merah  
Melodies Garden  
80250 Johor Bahru  
Johor  
ABB: 5710  
GL : 07-334 1054/07-334 1061  
Fax : 07-334 8800

### Tampin

2430 Jalan Besar  
Pulau Sebang  
73000 Tampin  
Negeri Sembilan  
ABB: 5684  
GL : 06-441 1330/06-441 3301/  
06-443 4029  
Fax : 06-441 4735

## Port Dickson

No. 1001 & 1002, Jalan Bandar  
71000 Port Dickson  
Negeri Sembilan  
ABB: 5678, 5679 & 5385  
GL : 06-646 1011/06-646 1012/  
06-646 1013  
Fax : 06-647 4033

## Segamat

1-2 Jalan Muhibbah  
Taman Utama  
85000 Segamat  
Johor  
GL : 07-931 9050/07-931 9051/  
07-931 9052  
Fax : 07-931 6159

## Tangkak

LC 285 Jalan Muar  
84900 Tangkak  
Johor  
ABB: 5073 & 5328  
GL : 06-978 1331/06-978 9519/  
06-978 3979  
Fax : 06-978 2144

## Mantin

No. 48A, Jalan Besar  
Mantin, 71700 Mantin  
Negeri Sembilan  
ABB: 5091 & 5314  
GL : 06-758 3630/06-758 3631/  
06-758 1240/06-758 2798  
Fax : 06-758 2251

## Rasah Jaya

No. 3820 & 3821, Jalan RJ 6/8  
Taman Rasah Jaya  
70300 Seremban  
Negeri Sembilan  
ABB: 5094  
GL : 06-632 8463/06-632 8420  
Fax : 06-632 8382

## Seremban – Jln DLFY

22 & 23 Jalan Dato' Lee Fong Yee  
70000 Seremban  
Negeri Sembilan  
ABB: 5089 & 5317  
GL : 06-762 4463/06-763 5201  
Fax : 06-763 5905

## SARAWAK

### Sibu – Jln Pedada

No. 14-15, Ground Floor  
Pusat Pedada, Jalan Pedada  
96000 Sibu  
Sarawak  
ABB: 5149 & 5342  
GL : 084-337 791/084-339 105  
Fax : 084-337 736

## SABAH

### Sandakan

Lot 32-34, Blok HS-3  
Sandakan Harbour Square Phase 2  
Jalan Pryer  
90000 Sandakan  
Sabah  
ABB: 5152 & 5345  
GL : 089-21 5322/089-21 2627  
Fax : 089-27 3666

## EAST COAST REGION

### Kuantan – Jln Beserah

A-3786 Jalan Beserah  
25300 Kuantan  
Pahang  
ABB: 5045, 5732, 5733 & 5737  
GL : 09-560 1818/09-560 1830/  
09-567 8368  
Fax : 09-566 5776/09-567 0695

### Mentakab

28 Jalan Zabidin  
28407 Mentakab  
Pahang  
ABB: 5039, 5332 & 5397  
GL : 09-277 2260/09-277 1196/  
09-277 7962  
Fax : 09-277 5427

## FLAGSHIP

### CENTRAL REGION

#### Jln Yap Kwan Seng

Level 1, Bangunan AmBank  
No. 8 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
ABB: 5280  
GL : 03-2167 6202  
DL : 03-2167 6229/03-2167 3657  
Fax : 03-2162 1606

### Jln Raja Chulan

Gr. Floor Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur  
ABB: 5633 & 5350  
GL : 03-2078 2100/03-2078 2166/  
03-2078 2177/03-2078 1960  
Fax : 03-2032 3935

### NORTHERN REGION

#### Penang – Liang Court

Ground & Mezzanine Floor  
Menara Liang Court  
No. 37 Jalan Sultan Ahmad Shah  
10050 Penang  
ABB: 5897  
DL : 04-228 2491  
GL : 04-226 3939  
Fax : 04-226 1313  
Telex : MA 40679

### SOUTHERN REGION

#### Johor Bahru – Metropolis Tower

Ground & Mezzanine Floor  
Metropolis Tower  
Jalan Dato' Abdullah Tahir  
80300 Johor Bahru  
ABB: 5909  
GL : 07-335 0600/07-335 0695/  
07-335 0696  
Fax : 07-335 0469

#### Kuching – Jln Abell

166 & 168 Jalan Abell  
93100 Kuching  
Sarawak  
ABB: 5777, 5783 & 5402  
GL : 082-24 4608/082-24 4604  
Fax : 082-23 2023

### SABAH

#### KK – Sagunting

G1-G4, UniAsia Building  
No. 1 Jalan Sagunting  
88816 Kota Kinabalu  
Sabah  
ABB: 5437  
GL : 088-28 0101/088-28 0103  
Fax : 088-24 8967/28 1880

## RETAIL MASS

### CENTRAL REGION

#### Bandar Sri Permaisuri

79 & 81 Dataran Dwi Tasik  
Jalan Dwi Tasik 1  
Bandar Sri Permaisuri  
56000 Kuala Lumpur  
ABB: 5008  
GL : 03-9172 4934/03-9172 6414  
Fax : 03-9172 4803

#### Pudu – Jln Pasar

No. 48 Jalan Pasar  
Off Jalan Pudu  
55100 Kuala Lumpur  
ABB: 5697 & 5352  
GL : 03-2141 3635/03-2141 3617/  
03-2141 3634  
Fax : 03-2144 0313

#### Berjaya Times Square

No. G 52, Ground Floor  
Berjaya Times Square  
1, Jalan Imbi  
55100 Kuala Lumpur  
ABB: 03-2141 8003  
Fax : 03-2141 2413

### OUG

No. 24 & 26, Jalan Hujan Rahmat 2  
Overseas Union Garden  
58200 Kuala Lumpur  
ABB: 5638 & 5639  
GL : 03-7784 7035/03-7784 7036/  
03-7784 7038  
Fax : 03-7784 7041

#### Bandar Puteri Puchong

Ground Floor,  
No. 4 & 6, Jalan Puteri 1/1  
Bandar Puteri  
47100 Puchong  
Selangor  
CC : 03-2178 8888  
Fax : 03-8060 6532

#### Jalan Klang Lama

No. 14332 & 14333  
Batu 4, Jalan Klang Lama  
58100 Kuala Lumpur  
GL : 03-7980 8069/03-7980 8079/  
03-7980 8704/03-7980 8714  
Fax : 03-7980 7908

#### Nu Sentral

Lot No. 18A, Nu Sentral Mall  
Jalan Tun Sambathan, Brickfields  
50470, Kuala Lumpur  
ABB: 5017  
GL : 03-2272 1967/03-2272 1964/  
03-2272 1969  
Fax : 03-2272 1970

#### Solaris Mont Kiara

No. 7 & 9, Jalan Solaris 1  
Solaris Mont' Kiara  
50480 Kuala Lumpur  
GL : 03-6203 7920/03-6203 7921  
03-6203 7922  
Fax : 03-6203 7930

#### Desa Sri Hartamas

No. 2 & 4, Jalan 23/70A  
50480 Desa Sri Hartamas  
Kuala Lumpur  
GL : 03 6201 0054  
Fax : 03 6201 0524

#### Petaling Jaya – New Town

No. 6, Road 52/4  
New Town Centre  
46200 Petaling Jaya  
Selangor  
ABB: 5643 & 5644  
GL : 03-7956 9077/03-7956 9103/  
03-7956 3748  
Fax : 03-7959 3146

#### Amcorp Mall

G-01, Block A, Menara PJ  
18, Jalan Persiaran Barat  
46050 Petaling Jaya  
Selangor  
ABB: 5618 & 5356  
GL : 03-7954 1327/03-7954 4401  
Fax : 03-7955 2575

#### Kelana Jaya

Unit E102 & 103  
Ground Floor, Kelana Park View  
No. 1, Jalan SS6/2 Kelana Jaya  
47301 Petaling Jaya  
Selangor  
ABB: 5036 & 5351  
GL : 03-7803 4574/03-7804 3508/  
03-7804 3509  
Fax : 03-7803 4781

#### Subang Jaya

Lot No. A6 & A7 Jalan SS15/4D  
47500 Subang Jaya  
Selangor  
ABB: 5287  
GL : 03-5636 5683/03-5636 4434/  
03-5636 5683  
Fax : 03-5634 5088

#### Taman Tun Dr Ismail

Ground Floor, No. 6-1-G  
Jalan Tun Mohd Fuad 3  
Taman Tun Dr Ismail  
60000 Kuala Lumpur  
GL : 03-7940 0999/97  
Fax : 03-7940 0998

#### USJ Sentral

No 5 & 7, Jln USJ Sentral 2  
USJ Sentral, Subang Jaya  
47620 Selangor  
GL : 03-8025 9390/03-8025 9379  
Fax : 03-8025 9378

#### Dataran Mentari

No. 20, Jalan PJS8/17  
Dataran Mentari, Petaling Jaya  
Selangor  
GL : 03-5622 2451/03-5622 2452  
Fax : 03-5622 2488

#### Kota Damansara

No. 23 & 25, Blok T  
Jalan PJU 5/3, Dataran Sunway  
Kota Damansara  
47810 Petaling Jaya  
Selangor  
GL : 03-6141 7470/03-6141 7471/  
03-6141 7472/03-6141 7473  
Fax : 03-6141 7466

#### Subang New Village

No. 8A Lebu Raya 8  
Subang New Village  
40150 Shah Alam  
Selangor  
ABB: 5288  
GL : 03-7846 7053/03-7846 7052/  
03-7846 7371  
Fax : 03-7846 7364

# GROUP CORPORATE DIRECTORY

## Sungai Buloh

No. 388 & 389  
Jalan 1A/1  
Bandar Baru Sungai Buloh  
40160 Sungai Buloh  
Selangor  
ABB: 5289  
GL : 03-6157 2249/03-6157 7500  
Fax : 03-6156 6000

## Shah Alam – Seksyen 15

47 & 49 Jalan Utas B/15B  
Section 15  
40000 Shah Alam  
Selangor  
ABB: 5030 & 5387  
GL : 03-5510 6991/03-5510 6995/  
03-5510 6960  
Fax : 03-5510 6968/03-5511 5725

## Shah Alam – Seksyen 13

Grd Flr, Lot 13-1 & Lot 14-1  
Laman Seri Business Park, Seksyen 13  
40100 Shah Alam  
Selangor  
ABB: 5286 & 5354  
GL : 03-5519 5702/03-5519 5691/  
03-5519 5645  
Fax : 03-5510 2416

## Klang – Bandar Puteri

Ground Floor  
No. 1, Lorong Sanggul 1F  
Bandar Puteri Klang  
41200 Klang  
Selangor  
GL : 03-5161 2653/03-5161 3324/  
03-5161 2853/03-5161 2969/  
03-5161 2976/03-5161 3104  
Fax : 03-5161 3341

## Setia Alam

No. 15 & 17  
Jalan Setia Prima RU13/R  
Setia Alam, Seksyen U13  
40170 Shah Alam  
Selangor  
GL : 03-3343 7740/03-3343 7758/  
03-3343 7792  
Fax : 03-3343 7794

## Bandar Bukit Tinggi Klang

No. 37 & 39, Lorong Batu Nilam 1A  
Bandar Bukit Tinggi  
41200 Klang  
Selangor  
ABB: 5087  
GL : 03-3324 6275/03-3324 6325/  
03-3324 5695  
Fax : 03-3324 4043

## Kota Kemuning

No. 1-1, Jalan Anggerik Vanilla BE31/BE  
Kota Kemuning, Seksyen 31  
40460 Shah Alam, Selangor  
Tel : 03-5120 1186  
Fax : 03-5120 1185

## Banting

No. 139 & 141, Wisma Mutiara  
Jalan Sultan Abdul Samad  
42700 Banting  
Selangor  
ABB: 5668, 5311 & 5384  
GL : 03-3187 7462/03-3187 1330/  
03-3187 1919  
Fax : 03-3187 0190

## Ampang Point

Lot 1A, Jalan Mamanda 7  
Ampang Point, 4 1/2 Miles  
68000 Ampang  
Selangor  
ABB: 5620 & 5357  
GL : 03-4252 2630/03-4251 5761/  
03-4251 5814  
Fax : 03-4252 4160

## Jln Ipoh Batu 3

468-11A, Ground Floor  
Block C, Rivercity  
3rd Mile, Jalan Ipoh  
51200 Kuala Lumpur  
ABB: 5015  
GL : 03-4042 3577/03-4042 7192/  
03-4043 7489  
Fax : 03-4042 0237

## Wangsa Maju

No. 54 & 56, Jalan 1/27F  
Pusat Bandar Wangsa Maju  
53300 Kuala Lumpur  
ABB: 5295 & 5366  
GL : 03-4149 5191/03-4149 5209  
Fax : 03-4149 5242

## Selayang

No. 159 & 161, Jalan 2/3A  
Pusat Bandar Utara  
Off Km12, Jalan Ipoh  
68100 Batu Caves  
Kuala Lumpur  
ABB: 5281, 5362 & 5408  
GL : 03-6136 8560/03-6136 8561  
Fax : 03-6136 8559

## Sungai Besar

58E Jalan Mahsuri  
45300 Sungai Besar  
Selangor  
ABB: 5028 & 5319  
GL : 03-3224 1455/03-3224 2128/  
03-3224 1153  
Fax : 03-3224 2177

## Tanjung Karang

Lot 132 132A & 133B  
Jalan Besar  
45500 Tanjung Karang  
Selangor  
ABB: 5376  
GL : 03-3269 5429/03-3269 8518  
Fax : 03-3269 8997

## Bandar Manjalara

No. 2 & 2A, Wisma Manjalara  
Jalan 7A/62A, Bandar Manjalara  
52200 Kuala Lumpur  
GL : 03-6274 1315/03-6274 1353/  
03-6274 1385  
DL : 03-6274 0916 (Branch Manager)  
Fax : 03-6274 1232

## Tanjung Malim

14 & 15 Jalan Douglas  
35900 Tanjung Malim  
Perak  
ABB: 5043  
GL : 05-459 6649/05-459 0825/  
05-459 8751  
Fax : 05-459 6371

## NORTHERN REGION

### Sungai Dua

1 & 3, Lorong Murni 6  
Taman Desa Murni  
Sungai Dua  
13800 Butterworth  
Penang  
ABB: 5586 & 5300  
DL : 04-356 1326  
GL : 04-356 6494/04-356 1328/  
04-356 7691/04-356 1353  
Fax : 04-356 1159

### Tanjung Bungah

No. 2T & 2U, Jalan Lembah Permai  
11200 Tanjung Bungah  
Penang  
ABB: 5587 & 5301  
GL : 04-890 4502/04-890 4628/  
04-890 4658  
Fax : 04-890 4690

### Jelutong

No. 546-548, Jalan Jelutong  
11600 Jelutong  
Penang  
ABB: 5103 & 5297  
DL : 04-659 2410  
GL : 04-659 2396/04-657 2339/  
04-656 2755  
Fax : 04-657 1644

### Gelugor

723D & 723E, Ground Floor  
Vanda Business Park, Jalan Sungai Dua  
11700 Penang  
ABB: 5574 & 5575  
DL : 04-658 2650  
GL : 04-658 2652/04-657 1284/  
04-657 2148  
Fax : 04-657 2004

### Balik Pulau

No. 23 & 25, Jalan Sardon  
MK.6, Balik Pulau  
11000 Penang  
ABB: 5571 & 5572  
GL : 04-866 0863/04-866 8633  
Fax : 04-866 8430

#### **Bercham**

No. 225, 227 & 229  
Jalan Bercham  
31400 Ipoh, Perak  
ABB: 5609  
GL : 05-548 7109/05-545 9695/  
05-545 9697  
Fax : 05-545 9702

#### **Silibin**

No. 309 & 401, Jalan Silibin  
Taman Seri Tahan  
30100 Ipoh  
Perak  
ABB: 5133 & 5307  
GL : 05-527 7715/05-527 7716  
Fax : 05-527 7719

#### **Ayer Tawar**

79, Jalan Besar  
32400 Ayer Tawar  
Perak  
ABB: 5607  
GL : 05-672 2201/05-672 2126  
Fax : 05-672 2205

#### **Langkap**

No. 1 & 2, Lorong 1  
Projek Perumahan Awam Langkap 2  
Pekan Langkap  
36700 Langkap  
Perak  
ABB: 5615  
GL : 05-659 1227/05-659 2735  
Fax : 05-659 2888

#### **Menglembu**

5E & 5F, Jalan Tranchell  
31450 Menglembu  
Perak  
ABB: 5129 & 5306  
GL : 05-281 0402/05-281 0403/  
05-281 0400  
Fax : 05-281 0408

#### **Langkawi**

No. 20 & 22, Jalan Pandak Mayah 5  
Pusat Bandar Kuah  
07000 Langkawi  
Kedah  
ABB: 5582 & 5583  
GL : 04-966 3130/04-966 3133/  
04-966 3134  
Fax : 04-966 3129

#### **Jitra**

Ground & 1st Floor  
No. 56 & 57, Pekan Jitra 3  
06000 Jitra  
Kedah  
ABB: 5110  
DL : 04-917 6725  
GL : 04-917 2910/04-917 5555  
Fax : 04-917 2911

#### **Kangar**

No. 21 & 23, Jalan Bukit Lagi  
01000 Kangar  
Perlis  
ABB: 5115  
DL : 04-976 3388  
GL : 04-976 9161/04-976 9177/  
04-976 9190/04-976 9157  
Fax : 04-976 3201/04-976 4217

#### **Sungai Petani – Lagenda Heights**

No 95, 96 & 97, Jalan Lagenda 1  
Lagenda Heights  
08000 Sungai Petani  
Kedah  
GL : 04-420 2382  
Fax : 04-425 3587

#### **Bagan Serai**

244-D & 244E, Jalan Besar  
34300 Bagan Serai  
Perak  
ABB: 5593 & 5594  
GL : 05-721 5805/05-721 1808/  
05-721 1080  
Fax : 05-721 1392

#### **Kuala Kangsar**

No. 5 & 6  
Jalan Raja Chulan  
33000 Kuala Kangsar  
Perak  
ABB: 5191  
GL : 05-776 1186/05-776 1195  
Fax : 05-776 4008

#### **Parit Buntar**

2 & 4, Jalan Temenggong  
Taman Krian Tambahan 6  
34200 Parit Buntar  
Perak  
ABB: 5198 & 5303  
GL : 05-716 2366/05-716 1732  
Fax : 05-716 4287

#### **Sungai Siput**

No. 181, Jalan Besar  
31100 Sungai Siput Utara  
Perak  
ABB: 5132  
GL : 05-597 2357/05-597 2355  
Fax : 05-597 2359

#### **SOUTHERN REGION**

#### **Jasin**

No. 1800, Pusat Bandar Baru  
77000 Jasin  
Melaka  
ABB: 5072  
GL : 06-529 4433/06-529 4362/  
06-529 4361  
Fax : 06-529 4363

#### **Batu Pahat – Jln Rahmat**

No. 35, Jalan Rahmat  
83000 Batu Pahat  
Johor  
ABB: 5911  
GL : 07-432 4208/07-431 8218  
Fax : 07-431 8961

#### **Johor Bahru – Bukit Indah**

No. 28 & 30, Jalan Indah 16/5  
Taman Bukit Indah  
81200 Johor Bahru  
Johor  
GL : 07-235 4708/07-235 4722  
Fax : 07-235 4834

#### **Pasir Gudang**

No. 1, Jalan Sejangbak 14  
Taman Bukit Dahlia, Pasir Gudang  
81700 Johor  
ABB: 5712 & 5713  
GL : 07-251 0164/07-251 0861/  
07-251 9588  
Fax : 07-251 8908

#### **Sungai Rengit**

No. 33, Jalan Haji Abu Bakar  
Pengerang  
81620 Sungai Rengit  
Johor  
ABB: 5720 & 5721  
GL : 07-826 3017/07-826 3013/  
07-826 3012/07-826 3011  
Fax : 07-826 3359

#### **Permas Jaya**

No. 13 & 15  
Jalan Permas Jaya 10/1  
Bandar Baru Permas Jaya  
81750 Johor Bahru  
Johor  
ABB: 5714 & 5715  
GL : 07-386 9842/07-387 8978  
Fax : 07-387 7748

#### **Johor Jaya**

No. 1 Jalan Ros Merah 2/8  
Taman Johor Jaya  
81100 Johor Bahru  
Johor  
ABB: 5711, 5329 & 5391  
GL : 07-355 7759/07-354 7033/  
07-354 6819  
Fax : 07-356 2624

#### **Ulu Tiram**

No. 2, Jalan Badik 15  
Taman Putra Wangsa  
81800 Ulu Tiram  
Johor  
ABB: 5062  
GL : 07-867 1005/07-867 1004/  
07-867 1002  
Fax : 07-867 1006

#### **Kota Tinggi**

8F-8G Jalan Lombong  
81900 Kota Tinggi  
Johor  
ABB: 5696 & 5322  
GL : 07-883 3233/07-883 4978/  
07-882 2095  
Fax : 07-883 4507

#### **Johor Bahru – Setia Tropika**

Lot No. G3, Tropika Welcome Center  
Jalan Setia Tropika 1/21  
Taman Setia Tropika, Kempas  
81200 Johor Bahru, Johor  
DL : 07-236 1124  
Fax : 07-235 1127

#### **Bahau**

No 122 & 123, Jalan Mewah  
72100 Bahau  
Negeri Sembilan  
ABB: 5667, 5310 & 5383  
GL : 06-455 3000/06-455 3001/  
06-455 3002  
Fax : 06-454 3998

# GROUP CORPORATE DIRECTORY

## Melaka – Melaka Raya

1 & 3, Jalan Melaka Raya 11  
Taman Melaka Raya  
75000, Melaka  
ABB: 5917, 5370 & 5410  
GL : 06-282 5785/06-282 5897/  
06-282 5804  
Fax : 06-282 5979

## Ayer Keroh

28, Lorong Setia 1  
Ayer Keroh Height  
75450 Melaka  
ABB: 5099 & 5321  
GL : 06-232 3866/06-232 3146/  
06-232 6221  
Fax : 06-232 3466

## Bandar Utama Cheng

No. 53 & 55, Jalan Inang 3  
Taman Paya Rumput Utama  
76450 Melaka  
Tel : 06-335 6066  
Fax : 06-335 8106

## Yong Peng

No. 100, Jalan Besar  
83700 Yong Peng  
Johor  
ABB: 5078  
GL : 07-467 4100/07-467 3766/  
07-467 3546/07-467 2499  
Fax : 07-467 2668

## Balakong

S-13, Taman Indah, Batu 11  
Cheras Balakong  
43200 Selangor  
ABB: 5621 & 5349  
GL : 03-9074 4120/03-9074 4078/  
03-9074 4013  
Fax : 03-9074 4148

## Bandar Baru Bangi

43-G-01 & 43A-G-01  
Jln Medan PB 2B, Sek 9  
Bandar Baru Bangi  
43650 Bangi  
Selangor  
ABB: 5087  
GL : 03-8925 1124/03-8925 3313/  
03-8926 9728  
Fax : 03-8925 2005

## Semenyih

43-G & 45-G, Grd Flr  
Jln Semenyih Sentral 1  
43500 Semenyih  
Selangor  
ABB: 5088 & 5318  
GL : 03-8723 9897/03-8723 7605/  
03-8723 9609  
Fax : 03-8723 9571

## Seri Kembangan

No. 7 & 9 Jalan Perusahaan 2  
Off Jalan Kolej Taman Jinma  
43300 Seri Kembangan  
Selangor  
ABB: 5283 & 5353  
GL : 03-8942 5364/03-8942 5370  
Fax : 03-8942 5373

## Bandar Mahkota Cheras

No. 36 & 38, Jalan Temenggung 1/9  
Bandar Mahkota Cheras  
43200 Cheras  
Selangor  
GL : 03-9010 5901/03-9010 5902/  
03-9010 5903  
Fax : 03-9010 5896

## Nilai

Lot PT 7437 Jalan BBN 1/2F  
Putra Point 1  
Bandar Baru Nilai  
71800 Nilai  
Negeri Sembilan  
ABB: 5687 & 5315  
GL : 06-850 0648/06-850 0649/  
06-850 0650  
Fax : 06-850 0647

## SARAWAK

### Miri

Lot 2504 & 2505  
Boulevard Commercial Centre KM3  
Jalan Miri-Pujut  
98000 Miri  
Sarawak  
ABB: 5916  
GL : 085-437 908/085-437 909/  
085-437 910/085-437 912  
Fax : 085-437 915

## Serian

Ground Floor  
Lot 295 Serian Town District  
94700 Serian  
Sarawak  
ABB: 5781 & 5782  
GL : 082-875 158/082-875 177/  
084-875 178  
Fax : 082-875 155

## Bau

Ground Floor, Block B  
L 273, Jalan Market Bau Town District  
94000 Bau, Sarawak  
ABB: 5147 & 5339  
GL : 082-762 322/082-762 325/  
082-762 319  
Fax : 082-762 320

## Bintulu

Lot 506 Right Wing  
Bangunan BDA  
Jalan Sommerville  
97000 Bintulu  
Sarawak  
ABB: 5754 & 5755  
GL : 086-33 4152/086-33 4153/  
086-33 4154  
Fax : 086-31 1400 (HP)/086-33 2400 (OPS)

## Kuching – Jalan Penrissen

Ground & First Floor  
Lot 16, 17 & 18  
Golden Court Commercial Centre  
Batu 4½, Jalan Penrissen  
93250 Kuching  
Sarawak  
GL : 082-45 5532/082-45 5560/  
082-45 7652 (HP)/082-45 7930 (HP)  
Fax : 082-45 5596

## Tabuan Jaya

Ground Floor, Lot 41 & 42  
Pusat Komersil Tabuan Stutong  
Jalan Setia Raja  
93350 Kuching  
Sarawak  
GL : 082-36 1581/082-36 0644/  
082-36 0740/082-36 0761/  
082-36 0859  
Fax : 082-36 0942

## Kuching – Premier 101

Lot 92, 93 & 94, Ground Floor  
Premier 101, Jalan Tun Jugah  
93350 Kuching, Sarawak  
GL : 082-46 6116  
Fax : 082-46 6106

## Sarikei

Ground & 1st Floor  
No. 18A & 18B, Lorong Tun Razak  
96100 Sarikei  
Sarawak  
ABB: 5779 & 5780  
GL : 084-65 6804 (HP)/084-65 5777 (OPS)  
Fax : 084-65 6764 (HP)/084-65 5775 (OPS)

## SABAH

### Lahad Datu

A154 & 155, Block 24  
Sedco ShopHouse  
91100 Lahad Datu  
Sabah  
ABB: 5153 & 5344  
GL : 089-88 4562/089-88 1561  
Fax : 089-88 1778

### Keningau

Lot 41 & 42 Ground & First Floor  
Adika Commercial Complex  
89007 Keningau  
Sabah  
ABB: 5775 & 5776  
GL : 087-33 1393/087-33 3745/  
087-33 1088/087-33 3150  
Fax : 087-33 1818

### KK – Metro Town

Unit 1-3, Block M, Metro Town  
Jalan Bunga Ulam Raja, Off Tuaran Road  
88300, Kota Kinabalu, Sabah  
ABB: 5161  
GL : 088-42 1534/088-42 9704/  
088-42 7851  
Fax : 088-42 8830

### Kudat

Lot 9 & 10, Sedco Building  
Jalan Melor  
P.O. BOX 344  
89058 Kudat  
Sabah  
ABB: 5158  
GL : 088-61 3194/088-61 2558/  
088-61 2301  
Fax : 088 -61 2253

### Labuan

Lot U0205  
Jalan Tanjung Kubong  
PO Box 80109  
87007 Labuan, Sabah  
ABB: 5162  
GL : 087-41 7891/087-41 7898/  
087-41 0778  
Fax : 087-41 8090

### EAST COAST REGION

#### Temerloh

60 & 61 Jalan Ahmad Shah 1  
28000 Temerloh  
Pahang  
ABB: 5740, 5741 & 5333  
GL : 09-290 1113/09-290 1128/  
09-296 5887  
Fax : 09-296 5889

#### Bentong

105 Jalan Loke Yew  
28700 Bentong  
Pahang  
ABB: 5742  
GL : 09-222 3888/09-222 6850/  
09-222 1629  
Fax : 09-222 4622

#### Raub

No. 5 Bandar Raub Perdana  
27600 Raub  
Pahang  
ABB: 5750 & 5751  
GL : 09-356 1846/09-356 1850/  
09-355 3166  
Fax : 09-356 1852

#### Triang

No. 21A & 22A  
Jalan Temerloh  
28300 Triang  
Pahang  
ABB: 5042  
GL : 09-255 3304/09-255 3124  
Fax : 09-255 3198

#### Kota Bharu

Ground & First Floor  
Lot 343 Section 13  
Jalan Sultan Ibrahim  
15000 Kota Bharu, Kelantan  
ABB: 5725, 5726 & 5727  
GL : 09-741 9499/09-741 9477  
Fax : 09-741 9507

### Kuala Terengganu

No. 69/2 Ground & Mezz Floor  
Bangunan UMNO Terengganu  
Jalan Sultan Ismail  
20200 Kuala Terengganu  
ABB: 5900  
GL : 09-624 9957/09-624 9958/  
09-624 9959/09-624 9960  
Fax : 09-624 9916

### Kemaman

No. 12487 & 12488  
Jalan Kubang Kurus  
24000 Kemaman  
Terengganu  
ABB: 5745, 5746 & 5747  
GL : 09-858 2994 (BM D/L)/  
09-859 3535/09-859 2533/  
09-859 2534  
Fax : 09-859 4433 (Operations)/  
09-859 5410 (Hire Purchase)

## BUSINESS

### CENTRAL REGION

#### Menara Dion

Level 1, Menara Dion  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
ABB: 5905  
GL : 03-2026 3939  
Fax : 03-2026 6048

#### Medan Pasar

Ground Floor, Wisma Maran  
No. 28, Medan Pasar  
50050 Kuala Lumpur  
ABB: 5906 & 5375  
CC : 03-2178 8888  
Fax : 03-2072 9014

#### Damansara Utama

56, 58, 60G, Jalan SS 21/35  
Damansara Utama  
47400 Petaling Jaya  
Selangor  
ABB: 5631 & 5359  
CC : 03-2178 8888  
Fax : 03-7726 3658/03-7726 3650

### USJ

24, Jalan USJ 10/1  
USJ Taipan Triangle  
47620 Subang Jaya  
Selangor  
ABB: 5293 & 5355  
GL : 03-5631 0878/03-5637 4059  
Fax : 03-5637 2899

### NORTHERN REGION

#### Bukit Mertajam

No. 1394, Jalan Padang Lallang  
14000 Bukit Mertajam  
Penang  
ABB: 5558, 5559 & 5560  
DL : 04-530 2394  
GL : 04-530 2392/04-530 2393/  
04-530 2391  
Fax : 04-530 2395/04-530 6151

#### Seberang Jaya

No. 52 Jalan Todak 2  
Pusat Bandar  
Bandar Seberang Jaya  
13700 Prai  
Penang  
ABB: 5898  
GL : 04-397 9569/04-397 9570/  
04-397 9564  
Fax : 04-397 9564

#### Penang – Leboh Pantai

No. 15, Leboh Pantai  
10300 Penang  
Selangor  
ABB: 5565  
GL : 04-261 5263/04-263 2520/  
04-263 2523  
Fax : 04-263 1468

#### Ipoh Greentown

No. 7, Greentown Utama  
Jalan Dato' Seri Ahmad Said  
30450 Ipoh, Perak  
ABB: 5308 & 5381  
GL : 05-208 5610/05-208 5619/  
05-208 5625  
Fax : 05-208 5607/05-208 5608

### SOUTHERN REGION

#### Kulai

No. 34 & 35 Lorong Dua  
81000 Kulai  
Johor  
ABB: 5699 & 5700  
GL : 07-663 1567/07-663 4830/  
07-663 3288  
Fax : 07-663 1155

#### Muar

Ground Floor  
No. 111, Jalan Abdullah  
84000 Muar  
Johor  
ABB: 5912 & 5372  
GL : 06-954 0069/06-954 0073  
Fax : 06-954 0076

#### Melaka – Jln Munshi Abdullah

154 & 156, Kompleks Munshi  
Abdullah  
Jalan Munshi Abdullah  
75100 Melaka  
ABB: 5309  
GL : 06-282 8114/06-286 6530/  
06-286 2870  
Fax : 06-283 6926

#### Kajang

6 & 7 Jalan S10/1, Section 10  
Off Jalan Bukit  
43000 Kajang  
Selangor  
ABB: 5670 & 5671  
GL : 03-8736 8177/03-8737 6272/  
03-8737 8700  
Fax : 03-8736 7333

#### Putrajaya

Lot G02, Ground Floor  
Alamanda Shopping Complex  
62000 Putrajaya  
Wilayah Persekutuan  
GL : 03-8888 3898/03-8889 5241/  
03-8889 5298/03-8889 5326  
Fax : 03-8889 5352

# GROUP CORPORATE DIRECTORY

## Seremban

Unit No. 5-G, 5-1, 6-G & 6-1  
AmBank Business Centre  
Jalan Pasar  
70000 Seremban  
Negeri Sembilan  
ABB: 5908  
GL : 06-764 7734/06-764 7735  
Fax : 06-764 1536/06-764 1537/  
06-764 1538

## SARAWAK

### Miri – Beautiful Jade Centre

Lot 244 & 246  
Beautiful Jade Centre  
98007 Miri, Sarawak  
ABB: 5139  
GL : 085-41 4988/085-41 1257  
Fax : 085-41 9676

### Satok

Ground Floor & Mezzanine Floor  
Bangunan AmBank  
Lot 257, Section 8  
Jalan Haji Taha  
93400 Kuching, Sarawak  
ABB: 5141  
GL : 082-24 4597/082-25 6594/  
082-20 7299/082-42 8925  
Fax : 082-24 4611 (HP)/  
082-25 6600 (OPS)

### Sibu – Jln Tunku Osman

Jln Tunku Osman  
No. 21 To 25 & Ground & 1st Floor  
Jalan Tuanku Osman  
96000 Sibu  
Sarawak  
ABB: 5915  
GL : 084-32 1777 (HP)/  
084-34 8746 (OPS)  
Fax : 084-32 1788 (HP)/  
084-34 8745 (OPS)

### Sibu-Tanahmas

Lot 115, 101 & 102  
Wisma Sibu Chinese Chamber of  
Commerce & Industry  
Jalan Chambers  
96000 Sibu, Sarawak  
ABB: 5140 & 5341  
GL : 084-31 4126/084-32 1789  
Fax : 084-31 8786

## SABAH

### KK – Plaza Shell

Ground Floor, Plaza Shell  
No. 29 Jalan Tunku Abdul Rahman  
88000 Kota Kinabalu  
Sabah  
GL : 08-82 76726/08-82 76720/  
21/22/23/25  
Fax : 08-82 76730

### Bandar Pasaraya

Lot 77 & 78  
Bandar Pasaraya  
Mile 4, North Road  
90009 Sandakan  
Sabah  
GL : 089-21 8240/089-21 3419/  
089-20 8237/089-21 8231  
Fax : 089-21 8226

### Tawau

Lot 13 & 14, Sabindo Square  
Jalan Dunlop  
91007 Tawau  
Sabah  
ABB: 5154 & 5346  
GL : 089-77 0430/089-76 4905/  
089-76 4932/089-76 3450  
Fax : 089-76 4971

## EAST COAST REGION

### Kuantan – Jln Haji Abd Aziz

93 Jalan Haji Abdul Aziz  
25000 Kuantan  
Pahang  
ABB: 5330 & 5393  
GL : 09-516 4389/09-516 2607/  
09-516 9507  
Fax : 09-555 3782/09-516 3782

## SERVICE TRANSACTION

### CENTRAL REGION

#### UIA – Gombak

Azman Hashim Complex  
International Islamic University Malaysia  
Jalan Gombak, 53100 Kuala Lumpur  
MAB : 5965/5966  
GL : 03-6185 6577/03-6185 6579/  
03-6185 6581  
DL : 03-6185 6570  
Fax : 03-6185 6584

## Bestari Jaya

No. 28 B, Jalan Besar  
45600 Batang Berjuntai  
Selangor  
ABB: 5035 & 5312  
GL : 03-3271 0988/03-3271 0380/  
03-3271 0379/03-3271 0378  
Fax : 03-3271 0376

## NORTHERN REGION

### Tanah Rata

No. 43, Jalan Besar  
39000 Tanah Rata  
Cameron Highlands  
Pahang  
ABB: 5603 & 5604  
GL : 05-491 1088/05-491 1089  
Fax : 05-491 1087

### Pangkor

No. 5, Main Road  
32300 Pangkor  
Perak  
ABB: 5616  
GL : 05-685 1051  
Fax : 05-685 2161

### Kuala Sepetang

No. 27, Jalan Trump  
Kuala Sepetang  
34650 Taiping  
Perak  
ABB: 5130  
GL : 05-858 1997/05-858 1773  
Fax : 05-858 1996

## SOUTHERN REGION

### Tampoi

No. 4 & 6, Ground Floor  
Jalan Padi Emas 6/1  
Pusat Bandar Tampoi  
81200 Johor Bahru  
ABB: 5070 & 5327  
GL : 07-234 1217/07-234 1216  
Fax : 07-234 1131

### Sepang

No. 56, Jalan Besar  
43900 Sepang  
Selangor  
ABB: 5086  
GL : 03-3142 2250/03-3142 2171  
Fax : 03-3142 2170

## Gateway @ KLIA2

Level 3-03, Gateway @ KLIA2  
Terminal 2  
Kuala Lumpur International Airport  
Jalan KLIA2/1, 64000 KLIA  
Sepang, Selangor  
GL : 03-8787 8153  
Fax : 03-8787 8150

## SARAWAK

### Sibu Jaya

Lot 1195 S/L 37, Ground Floor  
Block 1, Menyan L.D.  
Sibu Jaya  
96000 Sibu  
Sarawak  
GL : 084-23 7849/084-23 6978/  
084-23 7030  
Fax : 084-23 7927

## EAST COAST REGION

### Jerantut

Lot K-1, Jalan Dewangsa  
Jerantut New Town  
27000 Jerantut  
Pahang  
ABB: 5041 & 5334  
GL : 09-266 3005/09-266 5005/  
09-266 6211  
Fax : 09-266 5046

### Dungun

No. 50, Jalan Lim Teck Wan  
23000 Dungun  
Terengganu  
ABB: 5196  
GL : 09-848 5221/09-848 5220  
Fax : 09-845 6220

### Pasir Mas

Lot 151, Jalan Masjid Lama  
17000 Pasir Mas  
Kelantan  
ABB: 5046  
GL : 09-790 1952/09-790 0702/  
09-790 0701  
Fax : 09-790 0703

### Jerteh

No. 164-G, Jalan Tuan Hitam  
22000 Jerteh  
Terengganu  
ABB: 5193, 5331 & 5394  
GL : 09-697 2511/09-697 2512/  
09-697 2516/09-697 2515  
Fax : 09-697 2513



# GROUP BRANCH NETWORK

## NORTHERN REGION

### PERLIS INDERA KAYANGAN

- AmBank (M) Berhad/AmBank Islamic Berhad [1]
- AmGeneral Insurance Berhad [1]\*

### KEDAH DARUL AMAN

- AmBank (M) Berhad/AmBank Islamic Berhad [6]
- AmMetLife/AmMetLife Takaful [2]
- AmGeneral Insurance Berhad [2]\*
- AmCard Services Berhad – Merchant Business Centre [3]

### PULAU PINANG

- AmBank (M) Berhad/AmBank Islamic Berhad [14]
- Wholesale Banking Coverage [2]
- Transaction Banking [2]
- AmInvestment Bank Berhad [2]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [2]\*
- AmCard Services Berhad – Merchant Business Centre [2]

### PERAK DARUL RIDZUAN

- AmBank (M) Berhad/AmBank Islamic Berhad [19]
- Wholesale Banking Coverage [1]
- Transaction Banking [1]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [3]\*
- AmCard Services Berhad – Merchant Business Centre [2]

## CENTRAL REGION

### SELANGOR DARUL EHSAN

- AmBank (M) Berhad/AmBank Islamic Berhad [38]
- Wholesale Banking Coverage [3]
- Transaction Banking [1]
- AmInvestment Bank Berhad [1]
- AmBank Islamic Berhad [2]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [4]\*
- Am ARA REIT Managers Sdn Bhd [1]
- AmTrustee Berhad [1]
- AmCard Services Berhad – Merchant Business Centre [1]

## CENTRAL REGION

### WILAYAH PERSEKUTUAN KUALA LUMPUR

- AmBank (M) Berhad/AmBank Islamic Berhad [24]
- Wholesale Banking Coverage [1]
- Transaction Banking [2]
- AmInvestment Bank Berhad [1]
- Markets [1]
- AmFutures Sdn Bhd [1]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [3]\*
- AmInvestment Management Sdn Bhd [1]
- AmIslamic Funds Management Sdn Bhd [1]
- AmResearch Sdn Bhd [1]
- AmCard Services Berhad – Merchant Business Centre [1]

### WILAYAH PERSEKUTUAN PUTRAJAYA

- AmBank Islamic Berhad [1]

## SOUTHERN REGION

### NEGERI SEMBILAN DARUL KHUSUS

- AmBank (M) Berhad/AmBank Islamic Berhad [7]
- Wholesale Banking Coverage [1]
- Transaction Banking [1]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [1]\*
- AmCard Services Berhad – Merchant Business Centre [1]

### MELAKA

- AmBank (M) Berhad/AmBank Islamic Berhad [6]
- Wholesale Banking Coverage [1]
- Transaction Banking [1]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [1]\*
- AmCard Services Berhad – Merchant Business Centre [1]

### JOHOR DARUL TAKZIM

- AmBank (M) Berhad/AmBank Islamic Berhad [21]
- Wholesale Banking Coverage [5]
- Transaction Banking [3]
- AmInvestment Bank Berhad [2]
- AmMetLife/AmMetLife Takaful [2]
- AmGeneral Insurance Berhad [3]\*
- AmCard Services Berhad – Merchant Business Centre [4]

## EAST COAST REGION

### PAHANG DARUL MAKMUR

- AmBank (M) Berhad/AmBank Islamic Berhad [9]
- Wholesale Banking Coverage [1]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [2]\*
- AmCard Services Berhad – Merchant Business Centre [1]

### TERENGGANU DARUL IMAN

- AmBank (M) Berhad/AmBank Islamic Berhad [4]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [1]\*
- AmCard Services Berhad – Merchant Business Centre [1]

### KELANTAN DARUL NAIM

- AmBank (M) Berhad/AmBank Islamic Berhad [2]
- AmMetLife/AmMetLife Takaful [1]
- AmGeneral Insurance Berhad [1]\*
- AmCard Services Berhad – Merchant Business Centre [1]

## SABAH AND SARAWAK

### SABAH

- AmBank (M) Berhad/AmBank Islamic Berhad [9]
- Wholesale Banking Coverage [1]
- Transaction Banking [1]
- AmInvestment Bank Berhad [1]
- AmMetLife/AmMetLife Takaful [2]
- AmGeneral Insurance Berhad [2]\*
- AmCard Services Berhad – Merchant Business Centre [3]

### SARAWAK

- AmBank (M) Berhad/AmBank Islamic Berhad [15]
- Wholesale Banking Coverage [4]
- Transaction Banking [3]
- AmInvestment Bank Berhad [1]
- AmMetLife/AmMetLife Takaful [3]
- AmGeneral Insurance Berhad [3]\*
- AmCard Services Berhad – Merchant Business Centre [4]

## FEDERAL TERRITORY OF LABUAN

### LABUAN

- AmBank (M) Berhad/AmBank Islamic Berhad [1]
- Wholesale Banking Coverage [1]
- AmInternational (L) Ltd [1]
- AmBank (M) Berhad, Labuan Offshore Branch [1]
- AmCard Services Berhad – Merchant Business Centre [1]

\* AmGeneral Insurance Berhad branches operate under the brand names of AmAssurance/Kurnia Insurans.

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# FORM OF PROXY



**AmBank Group**

**AMMB Holdings Berhad**  
(223035-V)  
(Incorporated in Malaysia)

No. of shares held	CDS Account No.	Telephone No.	Proportion of holdings to be represented by each proxy	
			Proxy 1 _____ %	Proxy 2 _____ %

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_  
(Full name in capital letters)

of \_\_\_\_\_  
(Full address)

being a member of AMMB Holdings Berhad, hereby appoint \_\_\_\_\_ NRIC No. \_\_\_\_\_

of \_\_\_\_\_  
(Full address)

or failing him/her \_\_\_\_\_ NRIC No. \_\_\_\_\_

of \_\_\_\_\_  
(Full address)

or failing him/her, THE CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 31 July 2017 at 10.00 a.m. or at any adjournment thereof, as indicated below:

No.	Resolution	For	Against
1.	Approve the payment of a final single-tier dividend of 12.6% for the financial year ended 31 March 2017.		
2.	Approve the payment of Directors' fees and benefits for the financial year ended 31 March 2017.		
3.	Approve the payment of benefits payable to the Directors from 1 April 2017 until the next Annual General Meeting of the Company.		
4.	Re-election of Suzette Margaret Corr as Director under Article 89.		
5.	Re-election of Dato' Rohana binti Tan Sri Mahmood as Director under Article 89.		
6.	Re-election of Voon Seng Chuan as Director under Article 89.		
7.	Re-appointment of Tan Sri Azman Hashim as Director of the Company.		
8.	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Directors to determine their remuneration.		
9.	Approve the Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company Pursuant to the Company's Executives' Share Scheme.		
10.	Approve the Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company to Dato' Sulaiman bin Mohd Tahir, the Group Chief Executive Officer of the Company Pursuant to the Company's Executives' Share Scheme.		
11.	Approve the Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the Purpose of the Company's Dividend Reinvestment Plan.		
12.	Approve the Proposed Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016.		
13.	Approve the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Australia and New Zealand Banking Group Limited Group.		
14.	Approve the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Amcorp Group Berhad Group.		
15.	Approve the Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Modular Techcorp Holdings Berhad Group.		

Please indicate with a 'X' or '√' in the boxes above how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**Signature of Shareholder**

(If the shareholder is a corporation, this part should be executed under seal)

Please fold here to seal

**Notes:**

- (1) A member of the Company entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (2) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.
- (3) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.
- (5) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or of his attorney duly authorised in writing or, in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

Please fold here to seal

AFFIX  
STAMP

The Share Registrar for AMMB Holdings Berhad  
**SYMPHONY SHARE REGISTRARS SDN BHD**  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Please fold here to seal

**AMMB Holdings Berhad** (223035-V)  
(Incorporated in Malaysia)

22<sup>nd</sup> Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia  
Tel: 603 2036 2633 • Fax: 603 2031 6453

**[ambankgroup.com](http://ambankgroup.com)**