

Your Bank. Malaysia's Bank. AmBank.™



AmBank Group

Annual Report 2014

Vision

**As Malaysia's preferred diversified,
internationally connected financial solutions group,
we take pride in growing your future with us.**

Cover Rationale

Just like children exploring their senses through play, nurturing and stimulating creativity to try new ideas and new ways of thinking becomes second nature as the AmBank Group continues its journey, while embracing a culture of excellence. This is in support of the Group's vision of connecting better both internally and with our customers, developing products and services that meet customers' expectations and strengthening the Group's position moving forward.



AMMB Holdings Berhad

(223035-V)

(Incorporated in Malaysia)

Table of Contents

02	Notice of Twenty-Third Annual General Meeting	69	Five-Year Group Financial Highlights/Financial Calendar
04	Letter to Shareholders	70	Group Risk Management
10	Message from Group Managing Director	72	Business Operations Review
16	Values	96	Group Information Services
17	Our History	97	Human Capital Agenda
24	Corporate Structure – Subsidiaries and Associated Companies	99	Notables & Awards
25	Corporate Information	102	Corporate Social Responsibility
26	Corporate Profile	109	Calendar of Events: Business Activities
28	Profile of Directors	112	Calendar of Events: Social and Sports Activities
42	Group Managing Director and Direct Reports	115	Review and Outlook for the Malaysian Economy
44	Corporate Governance	121	Financial Statements
52	Strategic Planning and Investor Relations	312	Pillar 3 Disclosures
56	Statement on Risk Management and Internal Control	363	List of Landed Properties
58	Compliance with Bursa Securities Listing Requirements	367	Shareholding Structure
60	Group Financial Review	370	Group Directory
68	Group Financial Highlights	376	Group Branch Network
			Form of Proxy

Notice of Twenty-Third Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of AMMB Holdings Berhad (the “Company”) will be held at Manhattan II, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 21 August 2014 at 10.00 a.m. for the following purposes:

Item	Agenda	Resolution
As Ordinary Business		
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2014 and the Reports of the Directors and Auditors thereon.	
2.	To approve a final single tier dividend of 16.9% for the financial year ended 31 March 2014.	Resolution No. 1
3.	To approve the increase of Directors’ fees to RM210,000.00 per annum for the Non-Executive Chairman and Non-Executive Deputy Chairman and RM200,000.00 per annum for each Non-Executive Director, and the payment of Directors’ fees totaling RM2,186,575.00 for the financial year ended 31 March 2014.	Resolution No. 2
4.	To re-elect the following Directors who retire by rotation pursuant to Article 89 of the Company’s Articles of Association:	
	i. Y Bhg Dato’ Gan Nyap Liou @ Gan Nyap Liow	Resolution No. 3
	ii. Mr Mark David Whelan	Resolution No. 4
	iii. Mr Soo Kim Wai	Resolution No. 5
5.	To consider and if thought fit, to pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:	
5.1	“THAT Y Bhg Tan Sri Azman Hashim, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”	Resolution No. 6
5.2	“THAT Y Bhg Dato’ Azlan Hashim, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”	Resolution No. 7
5.3	“THAT Y A Bhg Tun Mohammed Hanif bin Omar, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”	Resolution No. 8
5.4	“THAT Y Bhg Tan Sri Datuk Clifford Francis Herbert, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”	Resolution No. 9
6.	To re-appoint Messrs Ernst & Young, the retiring Auditors, and to authorise the Directors to determine their remuneration.	Resolution No. 10
As Special Business		
To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:		
7.	Proposed Renewal of the 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 issued and paid-up ordinary share capital of the Company at any point of time throughout the duration of the ESS.”	Resolution No. 11
8.	Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company to Mr Ashok Ramamurthy, the Group Managing Director of the Company, Pursuant to the Company’s Executives’ Share Scheme “THAT subject to the passing of the Ordinary Resolution No. 11 above, the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company to Mr Ashok Ramamurthy, the Group Managing Director 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.”	Resolution No. 12

Item	Agenda	Resolution
9.	Proposed Renewal of the 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."	Resolution No. 13
10.	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 "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 Section 132D of the Companies Act, 1965 to issue shares in the capital of 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 issued share capital of the Company for the time being."	Resolution No. 14
11.	To transact any other business of which due notice shall have been received.	

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that the final single tier dividend of 16.9% for the financial year ended 31 March 2014, if approved by the shareholders at the Twenty-Third Annual General Meeting, will be paid on 12 September 2014 to shareholders whose names appear in the Record of Depositors on 29 August 2014.

A depositor shall qualify for entitlement only in respect of:

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 29 August 2014 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 July 2014

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 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 PUJ 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.

- (7) Only Members whose names appear on the general meeting Record of Depositors of the Company as at 14 August 2014 shall be eligible to attend the AGM.
- (8) **Note to Resolution No. 2 – Proposed Increase and Payment of Directors' Fees**
The proposed increase of Directors' fees, as follows, if passed, shall take effect from the financial year ended 31 March 2014:-

	Current (RM)	Proposed (RM)
Non-Executive Chairman	100,000.00	210,000.00
Non-Executive Deputy Chairman	95,000.00	210,000.00
Non-Executive Director	90,000.00	200,000.00

 The proposed increase of Directors' fees is to align with market practice, and to commensurate with the roles and high fiduciary duties and responsibilities as directors of a financial institution group.
- (9) **Note to Resolutions No. 3 and No. 9 – Assessment of Independence of Independent Directors**
The independence of Y Bhg Dato' Gan Nyap Liou @ Gan Nyap Liow and Y Bhg Tan Sri Datuk Clifford Francis Herbert who have served as Independent Non-Executive Directors of the Company has been assessed by the Group Nomination and Remuneration Committee and affirmed by the Board.
- (10) **Note to Resolutions No. 11 and No. 12 – Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, Pursuant to the Company's Executives' Share Scheme and Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company to Mr Ashok Ramamurthy, the Group Managing Director of the Company, Pursuant to the Company's Executives' Share Scheme**
Ordinary Resolutions No. 11 and No. 12, 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 mandates/approvals 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.

- (11) **Note to Resolution No. 13 – Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, for the Purpose of the Company's Dividend Reinvestment Plan**

Ordinary Resolution No. 13, 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/authority 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.

- (12) **Note to Resolution No. 14 – Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

Ordinary Resolution No. 14, 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 issued share capital 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.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by the shareholders at the previous AGM.



Letter to Shareholders

Dear Valued Shareholders,

Over the last few decades, we have steadily transformed AmBank Group into a well-diversified financial solutions group that takes pride in growing with the evolving needs of Malaysians. This has translated into better rewards for our shareholders.

Our progress in executing on our strategic themes and delivering consistent financial performances has been internationally acknowledged during the year when we won the Bank of the Year Award in Malaysia 2013 by The Banker magazine. This prestigious award recognises top financial institutions that have excelled in the global banking community as the nominees had to display evidence of innovation and standard setting in local markets. Assessment criteria for the award ranged from deployment of new technology to boost efficiency or provide new services to customers, to expansion of business lines, customer numbers and product portfolios in a sustainable and responsible manner.

In November 2013, RAM Ratings Services Berhad upgraded the credit ratings of AmBank (M) Berhad, AmIslamic Bank Berhad ("AmIslamic Bank") and AmInvestment Bank Berhad ("AmInvestment Bank") to AA2/Stable/P1, as well as AMMB Holdings Berhad to AA3/Stable/P1. These upgrades reflect our strengthening financial fundamentals and performance.

AmBank Group's performance in FY2014 is once again a testament of our commitment in consistently delivering on our financial aspirations. This marks the seventh consecutive year of improving performance and positive return to shareholders. Profit after tax and non-controlling interests ("PATMI") was RM1,782 million (up 10.0%), return on equity ("ROE") at 14.1% (up 0.2%) and earnings per share ("EPS") at 59.3 sen (up 9.7%). Aggregated banking entities' capital ratios were maintained above Basel III requirements.

The Board has proposed a final dividend of 16.9 sen bringing total dividends for the year to 24.1 sen, which is 9.6% higher than last year's total dividends of 22.0 sen. This represents a 41% payout from this year's profits and is in line with our dividend payout ratio guidance of between 40% and 50%. We continue to retain sufficient capital to reinvest prudently in order to up-skill our employees, build new capabilities and upgrade infrastructure to better serve our customers and grow in a sustainable manner.

Over the last few decades, we have steadily transformed AmBank Group into a well-diversified financial solutions group that takes pride in growing with the evolving needs of Malaysians.

Letter to Shareholders

VALUE-ADDING STRATEGIC PARTNERSHIP

On 30 April 2014, we sealed a strategic partnership with MetLife International Holdings, Inc. (“MetLife” - the No. 1 insurer in the U.S.), which entails MetLife owning 50% plus one share in AmLife Insurance Berhad (“AmLife”) and 50% less one share in AmFamily Takaful Berhad (“AmTakaful”). The signing of the various shareholder agreements with MetLife was witnessed by our Prime Minister, YAB Datuk Seri Najib Tun Razak, together with the President of the United States of America (“U.S.”), Barack Obama. This signing ceremony marked a significant milestone for the Group. It was also a memorable moment for me to participate in this historic event, given that this is the second visit by the President of the U.S. to our country in decades.

This strategic partnership is expected to spur the future growth of AmLife and AmTakaful driven by MetLife’s vision and commitment to build a leading insurer in Malaysia through enhanced product, design, information technology, customer centricity and innovation. We believe this strategic partnership will enable AmLife and AmTakaful to grow in terms of scale and sophistication, and ultimately provide for greater and better choices in financial planning solutions for Malaysians.

Your Bank. Malaysia’s Bank. AmBank. – NEW BRAND POSITIONING FOR AmBank Group

In September 2013, we began an exciting phase as we re-positioned our brand – **“Your Bank. Malaysia’s Bank. AmBank.”** to portray us as a modern Malaysian diversified financial solutions partner that understands and meets the diverse needs of modern Malaysians. We want to better connect with our customers as well as remain relevant in today’s evolving and fast moving financial services market. This initiative is consistent with our Vision – **As Malaysia’s preferred diversified, internationally connected financial solutions group, we take pride in growing your future with us.**

We have the commitment of our employees, who have been actively participating in various internal initiatives, to promote this fresh and vibrant brand chapter. We are progressively making our brand proposition a reality to our customers. I encourage you to look out for our latest products and services promotions as well as advertisements.

“AmBanCS” – NEW CORE BANKING PLATFORM

The needs of our customers are evolving in this dynamic market and therefore, we need to serve our customers comprehensively in order to remain competitive.

During FY2014, we implemented our new core banking system, “AmBanCS” as part of our transformation efforts to drive connectivity and strengthen customer centricity. The successful implementation of AmBanCS has gained recognition as the

Group together with our technology partner, Tata Consultancy Services Limited, won the Best Single Country Core Banking Implementation Award during the Eighth Asian Banker Technology Implementation Awards Programme at the Asian Banker Summit 2014. The programme was administered by The Asian Banker and referred by prominent global bankers, IT consultants and academics. Winners from across Asia Pacific, West Asia and Africa were determined through a stringent three month long evaluation process.

We are continuing to invest in our network infrastructure to improve bandwidth and connectivity especially across branches. The Group looks forward to leveraging these investments and capabilities to improve our products and services offerings as well as strengthen our brand presence amongst targeted customers.

TAKING A LEAP FORWARD FOR CUSTOMERS

As Malaysia’s first weekend banking provider, we continued to expand our weekend banking services to increase customer accessibility and convenience. Our new branch in Kota Kemuning sports our latest ergonomic design in order to maximise customers’ comfort and service level. Customers are able to easily make payments and perform other banking transactions after office hours and are supported by our 24/7 award-winning Contact Centre.

We have also rolled out new concept branches which reflect our branch transformation initiatives aimed at offering customers enhanced levels of service, interaction and convenience. These new premises have been conceived and designed with a fresh, energetic look which reflects the Group’s evolving image.

As part of our other initiatives to exceed customers’ expectations, we have also unveiled our new retail banking website, www.ambank.com.my. This customer centric platform is designed with a fresh new look, user friendly navigation and updated with the latest information about the Group’s products and services.

In the insurance space, AmGeneral Insurance Berhad (“AmGeneral”) is constantly working towards being the Top Insurer Preferred for Service and maintaining its No. 1 position in motor insurance. We are committed to provide quality service and aim to build lasting relationships with our customers through products and services offering. We currently have over 7,000 agents and are supported by nationwide insurance offices as well as 179 AmBank branches.

AmMetLife – NEW MASTER BRAND FOR LIFE ASSURANCE AND FAMILY TAKAFUL BUSINESSES RESPECTIVELY

In May this year after consummating our strategic partnership with MetLife, we launched our new master brand name, AmMetLife, signifying a new chapter in our life assurance and family takaful



AmMetLife
AmMetLife
Takaful

Tan Sri Azman Hashim, Chairman, AmBank Group and Dato' Dr. Nirmala Menon, Head of Designated Markets and Health, MetLife Asia launching the new AmMetLife brand.

businesses respectively. Family takaful will be a sub-brand within the AmMetLife master brand. This signifies the coming together of two (2) strong organisations with common core values. With the complementing strengths of the two (2) parties, we are confident of creating customer-centric and modern life assurance as well as family takaful solutions providers for Malaysians.

The guiding philosophy for AmMetLife and AmMetLife Takaful is that “customers are at the heart of everything we do”. This will enable us to focus on understanding and taking care of our customers’ needs with solutions that empower them to make clear protection choices they require for their future.

DISTINCTION AND RECOGNITION – SIGNIFIES PASSION IN DRIVING BUSINESSES

In order to be an outstanding performer in this fast evolving financial services sector, we need to constantly outperform other players. Throughout the years, we have focused our capabilities and resources to help our clients not only to achieve their objectives but also to exceed their expectations. Our passion for excellence and to deliver beyond expectations are keys to the growth and sustainable success of our franchise. These efforts have been recognised through various awards won across the business divisions.

During FY2014, AmBank Group’s recognition for excellence in the industry was evidenced by two (2) awards from The Asset i.e. Best Service Providers – Risk Management, Malaysia and Best Risk Management Solution, Malaysia. Both awards are from the Triple A Transaction Banking Awards 2013 (Treasury, Trade and Risk Management).

AmBank Group’s management team’s capabilities have also garnered a few prestigious recognitions. The achievement and excellence in management acumen, financial performance, corporate social responsibility, environmental practices and investor relations were attested to when we won the following awards at the 4th Asian Excellence Recognition Awards 2014 organised by Corporate Governance Asia:

- Asia’s Best CEOs (Investor Relations), Ashok Ramamurthy
- Best Investor Relations Professional (Malaysia), Ganesh Kumar Nadarajah
- Best Investor Relations by Company (Malaysia) – third time winning this award

Our Group’s overall business strategy has been supported by well guided and sound financial strategy as well as good stewardship in delivering consistent performance. AmBank Group’s Chief Financial Officer (“CFO”), Mandy Simpson, was awarded the CFO of the Year, Malaysia at The Asset Triple A Transaction Banking Treasury, Trade and Risk Management Awards 2014.

Our Investment Banking division, now part of the newly created Wholesale Banking division, has consistently garnered awards across our debt capital markets and funds management businesses. AmInvestment Bank has been consistently ranked top three (3) in the Bloomberg Underwriter League Table for Ringgit-denominated sukuk for the past eight (8) years and has also been involved in many landmark transactions. The most recent award won for outstanding deals include Best Local Currency Sukuk (Danalnfra Nasional Berhad RM2.4 billion Sukuk) from The Asset Triple A Islamic Finance Awards 2013.

AmInvestment Bank was also honoured as the Most Outstanding Islamic Investment Bank at the 10th Kuala Lumpur Islamic Finance Forum Awards. This award acknowledges the significant efforts and contributions in developing the Islamic finance industry and this is the third time we have won this award.

AmInvest (the new brand for our funds management business launched end of FY2013) has proven that it consistently achieves above-benchmark performance and sets the tone for innovation and industry practice through its comprehensive platform of different asset classes to suit the investing needs of institutional, corporate and retail clients. Key awards won by AmInvest reflect excellence in both the conventional and Shariah compliant asset management categories. These include:

- AmIslamic Balanced as the ‘Best Islamic MYR Allocation Fund’ at Morningstar Malaysia Fund Awards 2014
- Malaysia’s ‘Best Institutional House’, ‘Best Pension Fund Manager’ and ‘Best Sukuk House’ (second consecutive win) awards at Asia Asset Management’s 2013 Best of the Best Awards
- Best Domestic Fixed Income Portfolio Manager Year 2013 at the Employees Provident Fund’s 2013 External Portfolio Managers Annual Awards
- ‘Best Mixed Asset Group’ and ‘Best Fund Over 10 Years, Bond Malaysian Ringgit’ for AmDynamic Bond (the Edge-Lipper Malaysia Fund Awards 2014)

Letter to Shareholders

Tan Sri Azman Hashim, Chairman, AmBank Group and Mr Jeff Pereira, Managing Director, MyKasih Foundation (both in red corporate shirt) with the recipients of AmBank-MyKasih Community Programme in Bayan Baru, Pulau Pinang.



- Asia's Best Asset Manager 2013 from Islamic Business and Finance magazine published by CPI Financial
- Best Islamic Fund Manager 2013 at the Global Islamic Finance Awards
- Best Islamic Fund Manager 2013 at the 7th London Sukuk Summit and Malaysia's Islamic Asset Management House of the Year by The Asset (second consecutive year)
- Best Investor Relations 2013 by an Asset Management Company in the third Islamic Finance News Islamic Investor Poll

In Markets, our foreign exchange and derivatives services were recognised at the seventh Annual Alpha Southeast Asia Best Financial Institution Awards 2013 where we were awarded Best FX Bank for Corporates and Financial Institutions in Malaysia. Winning the award for the second consecutive year validates our track record in providing the best service in foreign exchange capabilities, both locally and regionally, and is a testament to the trust placed in us by our clients, ranging from government-linked companies, multinationals and domestic corporates.

RESPONSIBLE AND FOCUSED ON REGULATORY AND COMPLIANCE REQUIREMENTS

As the Group strives to achieve all stakeholders' metrics and financial aspirations, it is critical to pay enhanced attention in ensuring that results are delivered without compromise on risk and governance standards. We are committed to complying with both the spirit and letter of the law in our daily tasks as well as ensure that regulatory and compliance requirements are adhered to at all levels and at all times.

I would like to stress that the Board seriously considers the importance of being a responsible corporate citizen and ensures relevant governance as well as risk and compliance competencies are in place across the Group as we grow our business. The Corporate Governance as well as Statement on Risk Management and Internal Control sections of this Annual Report will cover these in greater detail.

GROOMING TALENTS FOR TOMORROW

The appealing testimonials about our Group mirror the culture of excellence which we have been encouraging and instilling in our people as we believe that a competent management team and employee force is our best asset to drive our diversified portfolio of businesses. We take pride in moulding a variety of talents across the organisation, unifying values and identifying growth opportunities for our employees.

In line with the dynamics of the industry, we have been increasing our focus on cultivating the culture of excellence and institutionalising leadership capabilities. As part of our initiatives in grooming human capital, key areas that we invest in substantially are training, talent retention and the creation of an environment that fosters continuous learning and development.

We understand that the foundation of exceptional customer experience is built on highly motivated employees. We actively engage our people and seek feedback through Group Employee Surveys and working groups to understand how we can improve our performance and at the same time deliver career satisfaction.

Over the past three (3) surveys conducted, our employee engagement index has been strengthening steadily. We believe in continuous effort to enhance our employees' engagement and focus on talent management in order to develop our people and grow our leaders.

REACHING OUT TO OUR COMMUNITIES

We are deeply committed to helping our communities by contributing our time, talent and funds to drive Corporate Social Responsibility activities throughout Malaysia and sponsoring various events in support of community projects irrespective of race, creed or religion. This has been and will continue to be our approach to care for the sustainable development of the community which we operate in. AmBank Group's Corporate Social Responsibility platform, AmKasih focuses on reaching out to the community.



Tan Sri Azman Hashim, Chairman, AmBank Group launching the AmBank Group coffee table books, witnessed by Tan Sri Dato' Sri Dr Zeti Akhtar Aziz, Governor, Bank Negara Malaysia.

AmBank Group through its sports club organised a Christmas treat for more than 100 recipients from the Portuguese Settlement in Melaka to bring joy to the disabled and senior citizens. This is one of our efforts to embrace the uniqueness of Malaysia's diverse population from various backgrounds and celebrate all festivals in the spirit of unity and harmony.

There were also various campaigns held throughout the year in order to raise funds for various needs. Amongst others, the Malaysian Independent Animal Rescue, a non-profit organisation which aims at helping strays in need and saving abused animals won RM8,888 after garnering the top position in AmBank Group's #MalaysianHeroes campaign.

Our Islamic banking entity, Amlslamic Bank has also contributed funds to 11 charity homes and organisations from Wilayah Persekutuan, Selangor and Negeri Sembilan to support their ongoing programmes.

I encourage you to read the relevant segments of the Annual Report that provide full details of our various initiatives.

OUTLOOK AND PROSPECTS FOR FY2015

The Malaysian economic growth is expected to be sustained by resilient domestic demand and rebound in export on the back of recovery of advanced economies.

In the local banking industry, business loans will continue to leverage on the demand arising from projects under the Economic Transformation Programme and 10th Malaysia Plan. The loans growth to household is expected to moderate partly impacted by ongoing tightening lending measures to manage inflation as well as the rising household debt.

A tougher economic environment is envisaged to put some pressure on improving asset quality trends whilst stiff price-based competition for loans and deposits are likely to continue pressuring our margins. Nevertheless, there are still good growth precedented opportunities for our financial services group.

I am confident that AmBank Group's FY2015-2017 strategic themes are appropriately positioned to drive further value for our shareholders as we intensify our efforts to deliver sound growth over the next three (3) years. Ashok Ramamurthy, our Group Managing Director, will cover these areas in greater detail in his statement.

ACKNOWLEDGMENT

On behalf of AmBank Group's Board of Directors and all our employees, I would like to thank you for your continuing confidence in us and in the future of AmBank Group.

Moving ahead, I believe that the talent and dedication of our management team and employees, the continuing support from our customers, business partners, counterparties, regulators, shareholders and investors as well as close collaboration with our strategic partners will position us well to drive future growth of the Group.

Yours sincerely,

Tan Sri Azman Hashim
Non-Independent
Non-Executive Chairman

Kuala Lumpur
30 June 2014



Message from Group Managing Director

Dear Valued Shareholders,

As I complete my second year as Group Managing Director of AmBank Group, I am excited about the Group's achievements, the progress we have made in strengthening customer centricity and organisational capabilities, as well as sealing our new strategic partnership with MetLife International Holdings, Inc. ("MetLife") in our life assurance and family takaful businesses.

CONSISTENT AND SUSTAINABLE GROWTH

Every year for the past seven (7) years, the Group has delivered record performances and consistently met the majority of our yearly financial aspirations. For FY2014, the Group's PATMI increased 10.0% to RM1,782 million and ROE continued to trend upwards to 14.1%. We had stronger performances across recurring non-interest income sources from higher cross-sell penetration and acquisitions which were partly offset by margin compression and softer financial market business performance. Non-interest income contribution increased to 34% of total income (FY2013: 31%).

Notwithstanding our various planned investments in improving customer centricity, core banking replacement as well as risk and governance enhancements, cost to income ratio at the Group level trended down to 45.5% (FY2013: 47.8%). This is a testament of our disciplined approach to cost management in balancing between investing for growth and improving efficiency.

Our consistent emphasis on growing low cost deposits, current account and saving account ("CASA") led to faster than industry CASA growth of 11.2%. CASA composition stood at 21% of total customer deposits. We continued to focus on risk-adjusted returns and were selective in managing our loans growth, seeking out sound opportunities in the non-retail space. We have successfully lifted non-retail loans to 44% of total loans (FY2008: 26%). Asset quality remains good with gross impaired loans at 1.86% and loan loss coverage better than industry at 127.4%.

We have achieved our financial aspirations for FY2014 whilst continuing to invest in technology, customer centricity and people for longer term sustainability of performance.

Message from Group Managing Director

DIVERSIFIED CONTRIBUTION ACROSS BUSINESS DIVISIONS

The Group's record performance was underpinned by diversified contributions across our business divisions.

Retail Banking's profit after tax ("PAT") rose 9.2% to RM646.2 million partly from benefits of integration of MBf Cards and higher recoveries. Loans growth was targeted in profitable segments while customer deposits, including low-cost deposits growth was underpinned by new thematic marketing campaigns coupled with leveraging both existing and new channels.

Business Banking's PAT grew 18.6% year-on-year ("yoy") to RM394.2 million underpinned by increased net interest income from higher loans growth and lower provisions. Low cost deposits registered strong growth.

Corporate & Institutional Banking delivered double digit lending growth and PAT of RM365.7 million supported by good fee income growth and lower expenses.

Investment Banking achieved a strong 52% yoy profit before provisions growth driven by notable deals and stock broking business in Malaysia which had higher trading volume. Income growth was partly offset by provisioning relating to AmFraser Securities Pte Ltd. The recovery efforts are progressing to expectations.

Markets delivered RM119.5 million PAT with stronger contribution from foreign exchange and lower expenses, offset by subdued fixed income business performance.

General Insurance's PAT increased 50.6% to RM175.0 million from enlarged merged business from the Kurnia acquisition as well as higher investment and trading income.

Life Assurance and Family Takaful's PAT rose to RM12.9 million with stronger gross written premiums through growing both agency force and bancassurance/bancatakaful.

DELIVERING ON OUR STRATEGIC AGENDA SET OUT IN FY2014

In FY2014, our strategic agenda set out five (5) priorities to achieve our Vision - **As Malaysia's preferred diversified, internationally connected financial solutions group, we take pride in growing your future with us.** (1) Integrate

acquisitions and deliver synergies; (2) Simplify business model and streamline processes; (3) Accelerate organic growth with focus on cross-sell, flow business, small business, and emerging affluent customers; (4) Build scale in specialist businesses with partners; (5) Optimise capital and holding company structures. Let me share with you our achievements.

In **(1) Integrate acquisitions and deliver synergies**, our niche acquisitions of Kurnia and MBf Cards in FY2013 complement the Group's business portfolio. We are on track to complete most of the integration activities within expectations.

For Kurnia, we achieved a total of RM63.7 million cost synergies to-date and our combined AmG-Kurnia business remains Malaysia's largest motor insurer. In MBf Cards, we achieved synergies of RM20.6 million in FY2014 (surpassing our initial target of RM19 million), and have maintained our position as Top 3 in merchant acquiring business with over 55,000 merchants in force.

As part of **(2) Simplify business model and streamline processes**, we initiated a "Save to Invest" programme with the objective of building both a customer centric organisation and delivering greater operational efficiencies across the Group. We consolidated five (5) non-retail business divisions (Business Banking, Corporate & Institutional Banking, Investment Banking, Markets, and Transaction Banking) into two (2) divisions under a new Wholesale Banking operating model which commenced operations on 1 April 2014. This model aims to increase customer centricity through new coverage and segmentation models, as well as deliver products and solutions excellence in a more cost effective manner. We will continue to identify new opportunities to simplify operating models.

Additionally, in November last year, Phase 1 of our core banking system replacement which simultaneously replaces our core banking platform, teller front end system and a new Enterprise Data Warehouse successfully went live. Built over two (2) years, this large and complex implementation involved group-wide participation from front, middle, to back offices and support departments across various locations nationwide. Its functionalities are anticipated to pave the way for operational improvements and enhanced customer experience in retail banking and enablement functions over time. Our effort was recognised when we won the Best Single Country Core Banking Implementation 2014 Award by The Asian Banker. Concurrently, we upgraded our network infrastructure to improve bandwidth and connectivity, especially across our branches.



Mr Ashok Ramamurthy, Group Managing Director, AmBank Group (centre) with the award for Bank of the Year in Malaysia 2013, with Ms Jane Cooper, Asia Editor of The Banker (left) and former BBC journalist Mr Michael Buerk, the host of The Banker Awards 2013.

Our third priority on **(3) Accelerate organic growth with focus on cross-sell, flow business, small business, and emerging affluent customers** has enabled the delivery of consistent non-interest income growth particularly in foreign exchange, rates and transaction banking. Development of customer value propositions are underway to enhance cross-selling to target segments in retail banking while in small business, we have commenced testing of our new business model via a pilot programme.

To **(4) Build scale in specialist businesses with partners** we have recently welcomed MetLife as our strategic partner in Life Assurance and Family Takaful. The share sale agreement was completed on 30 April 2014 for an aggregate cash consideration of RM812 million, subject to customary adjustments. This partnership reaffirms the Group's commitment and focus on delivering our strategic agenda to accelerate recurring non-interest income, enhance cross-selling leveraging on our banking platform and build scale in specialist businesses with our international strategic partners.

The creation of our new master brand, 'AmMetLife', together with our partner MetLife marks an exciting new chapter for our life assurance and family takaful businesses. Takaful will exist as a sub-brand within this AmMetLife master brand. These unified brands reflect the coming together of two (2) renowned and strong organisations with shared core values of integrity, partnership and innovation. We will leverage on our combined strengths to offer customer-centric and modern life assurance/family takaful solutions to Malaysians and at the same time strengthen our bancassurance/bancatakaful offering across all touch points.

Finally, **(5) Optimise capital and holding company structures** involves continuous capital management to balance capital needed for growth and to meet regulatory requirements. As at FY2014, under Basel III, the Group's aggregated banking entities' common equity tier-1 ("CET-1") was at 10.1% before proposed dividend, well above our internal targeted level of 8.5% ± 1%. Tier-1 capital ratio was at 11.6% and total capital ratio at 15.9%. During the year, we issued Malaysia's first capital market Basel III compliant Tier 2 Subordinated Sukuk Murabahah Programme of up to RM3 billion under a Tawarruq arrangement.

INVESTING IN CUSTOMER CENTRICITY

Our commitment to our customers remains unchanged and we continued to make significant investments towards building a customer centric operating model.

Our new brand chapter – **"Your Bank. Malaysia's Bank. AmBank."** expresses our emphasis to reposition AmBank Group as a modern Malaysian diversified financial solutions partner that understands and meets the diverse needs of modern Malaysians. We have also created a new dedicated retail banking website, www.ambank.com.my, with a fresh new look and user friendly navigation.

Additionally, the new core banking system aims to enhance our customers' banking experience through an integrated customer view and faster time to market for new products and services. Many of the functionalities will allow us to progressively improve and expand offerings especially in the digital and mobile space, and hence increase accessibility, simplify processes and improve the efficiency of delivery. We have just commenced Phase 2 of our core banking system replacement and target completion within approximately 15 months, subject to impacts arising from other group-wide key initiatives such as goods and services tax ("GST") project, Infrastructure Modernisation, Multi-Channel Switch Solution and National Bill Payment Services.

Progressing into our next phase of building customer centricity, greater emphasis will be placed on expanding our digital and customer touch points to improve our visibility and connectivity with customers. We will leverage on our growing retail customer database and focus investments in customer analytics along with segmentation capabilities to enable tailoring of solutions suitable for our customers' evolving lifestyle needs and build main-bank relationships. In non-retail, we adopted a sector and segment focus approach with relevant new industry-focused portfolios created. Under our new coverage and segmentation models, the Relationship Management teams will be the single point of contact to enhance customer connectivity and convenience across sales, product solutions and servicing.

SETTING OUT STRATEGIC PRIORITIES FOR FY2015 – FY2017

As we close this year and move forward to FY2015, I am focused on the good growth opportunities ahead of us. For FY2015, AmBank Group will be guided by four (4) strategic priorities to achieve our Vision.

Message from Group Managing Director

Mr Ashok Ramamurthy, Group Managing Director, AmBank Group (centre) and members of the Senior Management of AmBank Group at the Eighth Asian Banker Technology Implementation Awards where AmBank Group received the Best Single Country Core Banking Implementation Award.



Our first priority, **(1) Deliver on focused organic growth**, encapsulates the Group's organic plans with emphasis on the following divisions:

Retail Banking will focus on building emerging affluent and small business customers while leveraging existing strength to grow in mass market.

Wholesale Banking will grow franchise value by targeting value segments and continuing to deepen relationships to increase share-of-wallet of existing and new to bank customers. Additionally, emphasis will be placed on growing CASA, cross selling and innovation to accelerate non-interest income growth.

General Insurance aims to maintain No. 1 position in motor through bancassurance and synergies from the Kurnia acquisition at the same time expand its non-motor segments.

Islamic Banking will focus on expanding main bank relationships which will drive growth in low cost deposits and capital efficient investment accounts.

Secondly, **(2) Leverage strategic partnerships and deliver on acquisitions**. The integrations of Kurnia and MBf Cards are expected to be completed within this financial year. The Group is now shifting focus to top line growth with the acquisitions. In Life Assurance and Family Takaful, we are working together with MetLife to identify best practices and standards to better serve customers. We aim to create a modern, innovated and customer centered insurance company.

Thirdly, **(3) Continue to optimise efficiency**. We are building a lean and scalable customer service delivery capability, streamlining operating layers along with simplifying business and operating models. For capital management, we are progressively optimising our holding company structure and capital allocation. We have commenced building our advanced internal rating based ("AIRB") capabilities for improved portfolio risk management.

Finally, **(4) Build sustainability** in the areas of compliance and governance, human capital and customer experience. We are continuously strengthening our corporate governance, controls and compliance culture, given the increasing regulatory requirements and emphasis on compliance. Compliance is now embedded and tracked within the performance measures of the senior management team, while its importance is communicated to all AmBankers through training and internal communications.

We are also investing in processes and systems in preparation for GST which will come live in April 2015 and in insurance, we are getting ready for the anticipated de-tariffication in 2016.

Initiatives are progressively being rolled out to enhance employee engagement, talent management and to achieve a connected team culture. We are in the midst of a Total Target Remuneration Review initiative as part of efforts to align total pay, including rewards and benefits, to performance while remaining competitive with the industry. Our objective is to attract, retain, reward and develop talent.

We are also investing in next wave technologies and branding agendas to enable us to deliver on superior customer experience in target value segments.

CONCLUSION

We have built a track record of sustainable growth, and I am thankful to our team of more than 12,000 AmBankers. Their continuing hard work and commitment has been the key to our success. We have a great team, a sound strategy and a unique platform as Malaysia's internationally connected bank.

I would like to encourage shareholders to access our Investor Relations section in our corporate website at www.ambankgroup.com. Here, you will find updated information on past performances, business outlook and performance guidance throughout the year.

We are committed to continually delivering sustainable growth whilst increasing returns for our shareholders. We look forward to continue being **Your Bank. Malaysia's Bank. AmBank.**

Yours sincerely,

Ashok Ramamurthy
Group Managing Director

Kuala Lumpur
30 June 2014

The Jewels of Muslim World Award 2013

Awarded to Tan Sri Azman Hashim, Chairman, AmBank Group

Instituted by OIC Today Magazine, the award honours and acknowledges the roles played by 10 distinguished Muslim leaders throughout the world in their capacity to lead the Islamic economy towards major achievements. Tan Sri Azman Hashim, Chairman, AmBank Group was awarded for his contributions and leadership in global Islamic banking and finance.



Tan Sri Azman Hashim, Chairman, AmBank Group (right) receiving the award from Dato' Sri Mustapa Mohamed, the then-Minister of International Trade and Industry, Malaysia

AMMB Holdings Berhad (231035-V)

Values



The AmBank Group's Values are centred around the concept of "p²ace" - Principled, Proactive, Appreciative, Connected and Evolving.

PRINCIPLED

Integrity and professionalism remain the thrust of all we do, and we take accountability for all our actions.

PROACTIVE

We approach every challenge positively, initiate change responsibly and always anticipate the needs of all our colleagues, customers and our community.

APPRECIATIVE

We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues.

CONNECTED

We are connected in everything we do. We are part of an organisation that fosters teamwork and open communication.

EVOLVING

We strive to seek new and relevant ways of growing ourselves, our customers, our business and our community in a sustainable manner.

Our History

AmBank Group has enjoyed considerable success over the last three decades. Together, we have built one of the largest and fastest-growing financial institutions in the country.

Tracing our early history, 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%.

We commenced operations on 1 April 1976, and in December 1983 became known as Arab-Malaysian Merchant Bank Berhad, a name by which we were known for over three decades until our rebranding in June 2002. Today, we have grown into a Group with a staff strength of more than 12,000. With our extensive nationwide branch network, ATMs, and Internet banking services, we are proud to acknowledge that AmBank Group, as one of the largest financial services group in the country, is only a brick and click away.



1976

- The Group commenced operations on 1 April 1976 as a joint venture comprising Arab and Malaysian shareholders.
- 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 (“KLSE”). The Bonds, guaranteed by the Bank, marked a new chapter in the history of private sector fund raising in the capital markets.

1977

- The Group acquired a 70.0% shareholding in Malaysian Industrial Finance Company Limited (“MIFCL”), which was later renamed Arab-Malaysian Finance Berhad (“AMFB”).

1980

- AMMB co-lead managed the USD200.0 million, 12-Year Syndicated Term Loan for the Government of Malaysia.
- AMMB initiated the formation of Malaysian Kuwaiti Investment Company Sdn Bhd, a joint venture between Perbadanan Nasional Berhad and Kuwait Real Estate Investment Consortium and Public Institution for Social Security, Kuwait.
- AMMB acted as Adviser to Kuwait Real Estate Investment Consortium, Singapore.

1982

- Y Bhg Tan Sri Azman Hashim acquired 100.0% shareholding in the Group.

1983

- The Group established a credit and leasing company, Arab-Malaysian Credit Berhad.

1984

- The Group launched the first venture capital company to undertake private equity investments – Malaysian Ventures Berhad.



- The Group arranged the first leveraged lease facility in the country for Sistem Televisyen Malaysia Berhad – TV3.
- AMMB completed its Government assigned study on the privatisation of Jabatan Telekom.
- The Group acquired Arab-Malaysian Insurance Berhad, a general insurance company formerly known as Teguh Insurance Company Sdn Bhd.

1985

- The Group acquired Perima Assurance Berhad, a life insurance company. Both the life and general insurance companies were later merged in 1987, holding composite insurance licences, and the entity's name changed to Arab-Malaysian Eagle Assurance Berhad (now known as AmLife Insurance Berhad and AmG Insurance Berhad).

Our History



1986

- The Group acquired a stockbroking firm, Kris Securities Sdn Bhd, later renamed as AmSecurities Sdn Bhd.
- The Group relocated to its corporate headquarters at Jalan Raja Chulan.
- In December 1986, Antah Holdings Berhad and the Tokai Bank Limited, Japan acquired 20.0% shareholding each in the Group.
- Launched Arab-Malaysian Unit Trusts Berhad, to manage unit trust funds.

1987

- On 22 January 1987, AMMB launched the first unit trust to invest 90.0% in Malaysian Government securities, called the Arab-Malaysian Gilts, to provide tax-exempt income to individual investors on their short term funds.
- In July 1987, AMMB launched the AMIGOS (Arab-Malaysian Individuals' Government Securities) programme to enable retail investors to invest in government securities.

- 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 KLSE.
- AMMB was appointed as Adviser to the Government to formulate the National Privatisation Masterplan.
- AMMB launched the first equity unit trust fund, called the Arab-Malaysian First Fund.

1989

- On 21 April 1989, AMMB together with the Nikko Securities Co. Ltd Tokyo and the International Finance Corporation, Washington launched a US Dollar denominated unit trust fund, The Malaysia Growth Fund, aimed primarily at Japanese investors.
- On 28 September 1989, the 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

- In July 1991, the Group acquired a 49.0% equity stake in Fraser International Pte Ltd, the holding company of Fraser Securities, Singapore.
- AMMB, in collaboration with The 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.
- Incorporation of AMMB Holdings Berhad, as the vehicle for the implementation of a corporate restructuring scheme. Pursuant to the 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.
- Establishment of AMMB Labuan (L) Ltd to provide offshore funds management.

1992

- AMMB Holdings Berhad won the Asian Management Award for Financial Management from Asian Institute of Management.

1993

- AMMB launched Tabung Ittikal Arab-Malaysian, the first Islamic Unit Trust Fund on 12 January 1993.
- AMMB was Co-Manager of General Electric Corporation's USD300.0 million Dragon Bonds Issue.
- AMMB acted as Manager and Arranger for the RM240.0 million Syndicated Credit Facility for the construction of Menara Kuala Lumpur.

1994

- On 1 August 1994, the Group ventured into commercial banking with the acquisition of the Malaysian operations of Security Pacific Asian Bank Limited from Bank of America (Asia) Limited. Commencement of commercial banking operations under Arab-Malaysian Bank Berhad.

1995

- On 1 April 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 competition.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Futures Sdn Bhd.

- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Asset Management Sdn Bhd and Arab-Malaysian Unit Trusts Berhad.
- The 1996 Far Eastern Economic Review Survey of Asia's 200 Leading Companies ranked AMMB first in the overall category of "Innovative in Responding to Customer Needs" and third in terms of "Overall Leadership".
- Visa International awarded the AmBank Al-Tasrif VISA Card the "1996 Member Excellence Award for the Most Creative Card Programme in Asia".

1997

- AMMB Securities (HK) Limited commenced stock broking operations in Hong Kong.
- The Group's website was awarded the 'Internet Website of the Year' for 1997 by the Association of Computer Industry Malaysia ("PIKOM").

1998

- AMFB acquired the assets and liabilities of Abrar Finance Berhad, in line with the Government's plan to consolidate the industry.
- AMMB received 'Derivatives OTC National Award' from Malaysian Monetary Exchange Berhad.

2000

- CFO Asia selected AMMB Holdings Bhd's Annual Report FY2000 as one of the top three annual reports in Malaysia.

2001

- AMFB acquired MBf Finance Berhad.
- AmBank and AMFB together with the State Government of Selangor Darul Ehsan, launched Tabung Perumahan Ehsan, a special housing loan scheme for the lower income group in the State.

2002

- Merger of Arab-Malaysian Finance Berhad and MBf Finance Berhad, following the vesting of the assets and liabilities of AMFB into MBf Finance Berhad. MBf Finance Berhad changed its name to AmFinance Berhad. AMFB was converted into a holding company.



- Re-branding and changing of the name from "Arab-Malaysian Banking Group" to "AmBank Group" with new Group corporate colours of vibrant red, representing prosperity and good fortune and bright yellow symbolising commitment and unity – reflecting our new corporate identity and heralding the transformation towards a more customer-centric organisation.

Our History

2003

- Bangunan AmFinance, now known as Menara AmBank, was officially launched by the then Prime Minister, YABhg Tun Dr Mahathir Mohamad.

2005

- Completed privatisation of AMFB Holdings Berhad.
- Listed AmInvestment Group Berhad (“AIGB”), the Group’s investment banking operations, on Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 18 May 2005.
- On 1 June 2005, the merger of AmBank and AmFinance took place to create AmBank (M) Berhad, the sixth largest domestic bank in the country.

2006

- In January 2006, AmPrivate Equity, a private equity fund, was launched.
- On 10 March 2006, Insurance Australia Group Limited (“IAG”), Australia acquired 30.0% shareholding in AmAssurance Berhad.
- On 20 April 2006, 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.
- On 1 June 2006, AmIslamic Bank commenced operations, with the vesting of the Islamic assets and liabilities of AmBank (M) Berhad into a separate subsidiary company.

- On 21 December 2006, AmFIRST REIT listed on Bursa Malaysia.
- The AmInvestment Group was awarded seven RAM League Awards by Rating Agency Malaysia for its outstanding achievements in the domestic bond market.

2007

- The AmBank Group completed the integration exercise of AmSecurities Sdn Bhd into AmInvestment Bank on 3 March 2007. The AmInvestment Bank began operating as a full fledged investment bank effective 5 March 2007, offering both merchant banking and stockbroking services.
- On 18 May 2007, AmBank Group commemorated the entry of Australia and New Zealand Banking Group Limited (“ANZ”) as its strategic partner and major investor.



- On 19 June 2007, AMMB Holdings Berhad proposed the privatisation of AIGB and the proposed rights issue of up to 326,887,241 new shares, on the basis of one (1) new share for every eight (8) existing ordinary shares and every eight (8) Converting Preference Share in the company at an issue price of RM3.40 per share.

- A Memorandum of Understanding (“MOU”) was signed between AmInvestment Bank Berhad and Woori Investment & Securities Co Ltd, on 29 November 2007 to promote the parties’ mutual interests for cooperation in the investment banking business.

2008

- Completed the AMMB Holdings Berhad (“AMMB”) rights issue and privatisation of AIGB on 15 January 2008, with AIGB effectively becoming a wholly-owned subsidiary of AMMB.
- Completed the transfer of the Fund Based Activities of AmInvestment Bank to AmBank (M) Berhad and AmIslamic Bank Berhad on 12 April 2008 as part of AMMB’s internal corporate restructuring post the AIGB privatisation.
- Establishment of AmG Insurance Berhad to facilitate the separation of the composite insurance business of AmAssurance Berhad into general insurance and life insurance businesses.
- Malaysian Ventures Management Incorporated Sdn Bhd (“MVM”), the private equity fund management subsidiary of AMMB, entered into a joint venture agreement with Konzen Capital Pte Ltd, a member of Konzen Group, to manage a USD320.0 million Pioneering Water Fund in Asia.
- AmBank and ANZ enter into a technical services agreement to establish the AmBank Group foreign exchange, interest rate and commodities derivatives business.

- Islamic Stockbroking (window service) was launched under the brand of AmIslamic, the universal brand of Islamic products and services across all subsidiaries of the AmBank Group.
- On 9 December 2008, Friends Provident plc (renamed Friends Life FPL Limited from 1 July 2011) acquired 30.0% stake in AmLife Insurance Berhad (formerly known as AmAssurance Berhad).
- IAG increased its stakeholding in AmG Insurance Berhad to 49.0% from 30.0%.

2009

- AmIslamic Funds Management Sdn Bhd obtains licence for Islamic funds management from the Securities Commission to carry out management of offshore and domestic Islamic financial instruments for institutional and retail investors.
- AmCapital (B) Sdn Bhd officially opened on 11 May 2009, bringing expertise in funds management, Islamic finance and investment advisory to Brunei Darussalam.
- Y Bhg Tan Sri Dato' Sri Dr Zeti Akhtar Aziz, Governor, Bank Negara Malaysia launches the Malaysia Corporate Bond Handbook by AmBank Group, a first-of-its-kind one-stop source of corporate bond information in Malaysia.
- ANZ exchanged its exchangeable bonds into 194,915,254 new ordinary shares, increasing its shareholding to 23.91%.

2010

- AmBank (M) Berhad on 25 March 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.

- AmBank Group continues its rollout of the RM1.0 million AmBank-MyKasih Community Programme in Kuching, Kota Bharu, Subang Jaya, Kota Kinabalu, Klang Valley (Cheras, Klang and Pandan Jaya) and the programme is renewed in Sentul and Pulau Pinang where hard core poor families are provided food allowance through the use of their MyKad.
- AmBank Group launched the Kechara Soup Kitchen ("KSK") building after sponsoring the renovation as well as the cost of furniture and fixtures of the premises with a total amount of RM350,000.

- AmIslamic Bank successfully issued RM550.0 million Senior Sukuk under its newly established 30-year RM3.0 billion Senior Sukuk Musyarakah Programme.
- On 15 December, Standard & Poor's Rating Services ("S&P") raised its foreign currency longterm counterparty credit rating on AmBank (M) Berhad to 'BBB' from 'BBB-' and the short term rating to 'A-2' from 'A-3'. S&P also raised the long-term counterparty credit rating on AmInvestment Bank Berhad to 'BBB' from 'BBB-', and its short term rating to 'A-2' from 'A-3'.
- AmInvestment Bank receives two Best Equity House awards, from Finance Asia and Alpha South East Asia.

2011

- The Group continues to be recognised as an industry leader with awards including:
 - Best Domestic Bond House in Malaysia, from The Asset Triple A Country Awards 2010, for second consecutive year.
 - Best Bond Group at The Edge-Lipper Malaysia Fund Awards 2011.
 - 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 of Asia Award at the Corporate Governance Asia Recognition Awards 2011.

- On 8 December, Standard & Poor's Rating Services (S&P) raised its foreigner currency longterm counterparty Credit Rating on both AmBank (M) Berhad and AmInvestment Bank Berhad to BBB+ from BBB.

2012

- AmBank Group and ANZ sign 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 is launched, delivering personalised banking to affluent segment.
- AmBank-ANZ Get Set solution offers students intending to study in Australia convenience of preopening an account in Malaysia to facilitate fund transfers.
- On 9 January 2012, AmFamily Takaful Berhad commences Family Takaful business.
- The Funds Management Division of AmInvestment Bank celebrates 30 years of milestones with its highest assets under management to date, in excess of RM30.0 billion.
- The Group's new corporate social responsibility platform, AmKasih is launched.

Our History

- AMMB Holdings Berhad changes its stock short name to AMBANK.
- AmBank Group completes acquisition of Kurnia Insurans (Malaysia) Berhad, emerging as Malaysia's No. 1 motor insurer.
- AmBank Group completes acquisition of MBF Cards (M'sia) Sdn Bhd.

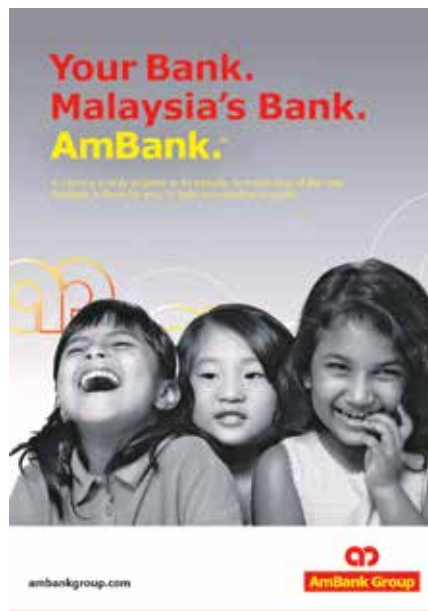
2013

- Maiden issuance of Exchange Traded Bonds and Sukuk (ETBS) on Bursa Malaysia by Danalnfra Nasional Berhad, creating new asset class on the Exchange, with AmInvestment Bank as one of the Lead Arrangers.
- AmInvest unveiled its Private Retirement Scheme (PRS) with the AmPRS-Growth Fund, AmPRS-Moderate Fund and AmPRS-Conservative Fund on 2 April 2013.



- Moody's Investor Services upgrades AmBank (M) Berhad's credit rating to Baa1/P-2 from Baa2/P-3.

- 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.
- AmBank Group launches three coffee table books, featuring the Group's Camel Collection, Art Collection and Collection of Drawings by Datuk Mohd Nor Khalid, better known as Lat. The launch was witnessed by Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia.
- AmBank Group launches brand repositioning on 19 September 2013, marking a new chapter for the Group and its family of companies, with positioning line "Your Bank. Malaysia's Bank. AmBank."



- AmBank Group contributes RM5.0 million to AmBank Financial Services Chair at University of Malaya.
- AmBanCS, the Group's new core banking system successfully goes live on 18 November 2013.

- RAM Ratings upgrades the financial institution ratings of AmBank (M) Bhd, AmIslamic Bank Bhd and AmInvestment Bank Bhd from AA3/Positive/P1 to AA2/Stable/P1. The corporate rating of AMMB Holdings Bhd has also been upgraded from A1/Positive/P1 to AA3/Stable/P1.

2014

- AmIslamic Bank issued Malaysia's first capital market Basel III-compliant Tier 2 Subordinated Sukuk.
- AmBank unveils new retail banking website, www.ambank.com.my, with more informative access and user friendly navigation.



- 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 on 28 April 2013, which involves the sale of equity interest of AmLife Insurance Bhd and AmFamily Takaful Berhad. The signing was witnessed by YAB Datuk Seri Najib Tun Razak, Prime Minister of Malaysia and President of the United States of America, Barack Obama. This marks the commencement of strategic partnership for our Life Assurance and Family Takaful businesses.
- Unveil the new brand news of AmMetLife and AmMetLife Takaful, reflecting the new strategic partnership between AmBank Group and MetLife Inc.

In Recognition of Outstanding Achievements

For sound financial strategy, stewardship and management acumen in the fields of investor relations, strategic planning and financial practices, AmBank Group is honoured to receive the following awards on behalf of our stellar recipients:



ambankgroup.com



AmBank Group

Your Bank. Malaysia's Bank. AmBank.™

Corporate Structure

LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The following are the Company's subsidiaries and associated companies grouped under the major business lines.

COMPANIES	EFFECTIVE SHAREHOLDINGS (%)	COMPANIES	EFFECTIVE SHAREHOLDINGS (%)
Commercial and Retail Banking		Investment Holding Companies/Others	
AmBank (M) Berhad	100.00%	AMFB Holdings Berhad	100.00%
AmIslamic Bank Berhad	100.00%	AmInvestment Group Berhad	100.00%
AmInternational (L) Ltd	100.00%	AmSecurities Holding Sdn Bhd	100.00%
Capital Market		Am ARA REIT Holdings Sdn Bhd	70.00%
AmInvestment Bank Berhad	100.00%	AMAB Holdings Sdn Bhd	100.00%
AmFutures Sdn Bhd	100.00%	AMBB Capital (L) Ltd	100.00%
PT AmCapital Indonesia	99.00%	AmFraser International Pte Ltd	100.00%
AmFraser Securities Pte Ltd	100.00%	AmProperty Holdings Sdn Bhd	100.00%
AmResearch Sdn Bhd	100.00%	Bougainvillea Development Sdn Bhd	100.00%
Life and General Insurance/Takaful Operator		MBf Information Services Sdn Bhd	100.00%
AmGeneral Insurance Berhad	51.00%	AmCard Services Berhad [formerly known as Arab-Malaysian Credit Berhad]	100.00%
AmLife Insurance Berhad	50.00% - 1 share	AmPremier Capital Berhad	100.00%
AmGeneral Holdings Berhad	51.00%	AmTrade Services Limited	100.00%
AmFamily Takaful Berhad	50.00% + 1 share	AmMortgage One Berhad	100.00%
Asset Management		MBF Cards (M'sia) Sdn Bhd	100.00%
AmInvestment Services Berhad	100.00%	Bonuskad Loyalty Sdn Bhd	33.33%
AmInvestment Management Sdn Bhd	100.00%	Dormant	
AmIslamic Funds Management Sdn Bhd	100.00%	Malco Properties Sdn Bhd	81.51%
AmPrivate Equity Sdn Bhd	80.00%	Teras Oak Pembangunan Sendirian Berhad	100.00%
Am ARA REIT Managers Sdn Bhd	70.00%	AmSecurities (HK) Limited	100.00%
Malaysian Ventures Management Incorporated Sdn Bhd	100.00%	Economical Enterprises Sendirian Berhad	100.00%
AmCapital (B) Sdn Bhd	100.00%	AmGlobal Investments Pte Ltd	100.00%
AmWater Investments Management Pte Ltd	100.00%	Under Members' Voluntary Winding-up	
AmAsia Water Management (GP) Limited	100.00%	AmFraser Nominees Pte Ltd	100.00%
PT AMCI Manajemen Investasi Indonesia	99.00%	AmCredit & Leasing Sdn Bhd	100.00%
Trustee/Custodian/Investment Services		AmEquities Sdn Bhd	100.00%
AmTrustee Berhad	80.00%	AMMB Factors Sdn Bhd	100.00%
AMMB Nominees (Tempatan) Sdn Bhd	100.00%	AmProperty Trust Management Berhad	100.00%
AMMB Nominees (Asing) Sdn Bhd	100.00%	Everflow Credit & Leasing Corporation Sdn Bhd	100.00%
AMSEC Nominees (Tempatan) Sdn Bhd	100.00%	Komuda Credit & Leasing Sdn Bhd	100.00%
AMSEC Nominees (Asing) Sdn Bhd	100.00%	AmCapital (L) Inc	100.00%
AM Nominees (Tempatan) Sdn Bhd	100.00%	AMMB Labuan (L) Ltd	100.00%
AM Nominees (Asing) Sdn Bhd	100.00%	AMSEC Holdings Sdn Bhd	100.00%
MBf Trustees Berhad	60.00%		
MBf Nominees (Tempatan) Sdn Bhd	100.00%		

Corporate Information

BOARD OF DIRECTORS

Y Bhg Tan Sri Azman Hashim

Non-Independent Non-Executive
Chairman

Y Bhg Dato' Azlan Hashim

Non-Independent Non-Executive
Deputy Chairman

Y A Bhg Tun Mohammed Hanif bin Omar

Non-Independent Non-Executive Director

Y Bhg Tan Sri Datuk Clifford Francis Herbert

Senior Independent Non-Executive Director

Y Bhg Tan Sri Datuk Dr Aris Othman

Independent Non-Executive Director

Y Bhg Dato' Rohana Tan Sri Mahmood

Independent Non-Executive Director

Y Bhg Dato' Larry Gan Nyap Liou @ Gan Nyap Liow

Independent Non-Executive Director

Mr Shayne Cary Elliott

Non-Independent Non-Executive Director

Mr Mark David Whelan

Non-Independent Non-Executive Director

Mr Gilles Planté

Non-Independent Non-Executive Director

Mr Soo Kim Wai

Non-Independent Non-Executive Director

Mr Ashok Ramamurthy

Group Managing Director

Mr Alistair Marshall Bulloch

(Alternate Director to Mr Shayne Cary Elliott, Mr Mark David Whelan and Mr Gilles Planté)



GROUP COMPANY SECRETARY

Ms Koid Phaik Gunn

MAICSA 7007433
Chartered Secretary (ICSA)
Bachelor of Laws (Hons)
Fellow of The Malaysian Institute of
Chartered Secretaries and Administrators

REGISTERED OFFICE

22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Telephone No. : 603-2036 2633
Facsimile No. : 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, Malaysia
Telephone No. : 603-7841 8000
Facsimile No. : 603-7841 8008

AUDITORS

Messrs Ernst & Young
Chartered Accountants

PRINCIPAL BANKER

AmBank (M) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad (13.02.92)

WEBSITE

ambankgroup.com

INVESTOR RELATIONS

ir@ambankgroup.com

Corporate Profile



AmBank Group

Your Bank. Malaysia's Bank. AmBank.™



AmBank Group

AmBank Group

AmBank Group is one of Malaysia's premier financial solutions Groups with nearly 40 years of legacy in understanding Malaysian customers and provides a wide range of both conventional and Islamic financial products and services, including retail banking, wholesale banking, as well as the underwriting of general insurance, life assurance and family takaful.

The Group's mission of "Connecting, Growing and Outperforming" accentuates our commitment in *connecting* with customers, people as well as stakeholders and the Group's continuous initiatives in *growing* to further cement our position in the industry as we aspire to exceed expectations by consistently *outperforming*. This mission underpins the Group's vision as Malaysia's preferred diversified, internationally connected financial solutions group. The recent repositioning of our brand – "Your Brand. Malaysia's Bank. AmBank." portrays us as a modern Malaysian diversified financial solutions partner that understands and meets the diverse needs of modern Malaysians.

The Group receives strong support from the Australia and New Zealand Banking Group ("ANZ") (one of Australia's leading banks) particularly in Board and senior management representations, risk and financial governance, products offering and new business development. 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 on 30 April 2014 sealed a strategic partnership with MetLife International Holdings Inc. ("MetLife"). The Group continues to benefit in terms of expertise transfer from IAG and MetLife.

AMMB Holdings Berhad is a public listed company on the Main Market of Bursa Malaysia.



AmBank

AmBank (M) Berhad

AmBank (M) Berhad ("AmBank"), part of the AmBank Group, is a one-stop financial hub driven by innovation and a commitment to outstanding customer service. AmBank's customer solutions include deposits, wealth management, auto finance, mortgage, cards, personal financing, small business solutions, corporate banking and transaction banking. Supported by a strong network of 179 branches, over 160 electronic banking centres nationwide, 884 ATMs, internet and mobile banking as well as a 24-hour contact centre, access to AmBank's products, services and solutions is made simple and user-friendly.



AmInvestment Bank

AmInvestment Bank

AmInvestment Bank, part of the AmBank Group, is Malaysia's leading investment banking with over 30 years of track record. It provides a full range of investment banking related services that includes Corporate Finance, Equity Markets, Debt Markets, Islamic Capital Markets, Markets, Funds Management, Private Equity and Private Banking.

Our experience and track record in the debt, equity and Islamic capital markets have won us the confidence of a large roster of corporates and other clients, and we have been repeatedly acknowledged by major industry awards in recent years including Best Domestic Bond House and Best Islamic Finance Deal of the Year from the international financial press including The Asset, Alpha Southeast Asia, and Islamic Finance News as well as major rating agencies.



AmInvest

AmInvest

AmInvest is the brand for the funds management business of AmBank Group which manages both conventional and Shariah-compliant funds. It is one of the leading fund management houses in Malaysia and has approximately RM38 billion assets under management (“AUM”) as at 31 May 2014.

To date, AmInvest manages 89 funds (unit trust and institutional mandates), two exchange-traded funds (“ETF”) and eight Private Retirement Scheme (“PRS”) funds (three PRS core funds and five PRS non-core funds) encompassing both conventional and Shariah-compliant funds.

AmInvest has an award-winning track record spanning more than three decades. In 2013 alone, AmInvest received a record 20 local and international wins encompassing company and fund performance awards, out of which nine were dedicated Shariah-compliant acknowledgements.



AmIslamic Bank

AmIslamic Bank Berhad

AmIslamic Bank Berhad (“AmIslamic Bank”) is the full-fledged Islamic banking subsidiary of AmBank Group. Established in May 2006, AmIslamic Bank has built a solid reputation in serving the banking needs of corporate and individuals since its beginnings as AmBank Group’s Islamic Banking Division in 1993.

Being the first-to-market in the region through numerous product innovations, AmIslamic Bank provides a wide range of Shariah-compliant retail banking, business banking and related financial services, which also include investment advisory as well as treasury products. Striving to be the premier Islamic bank of choice, AmIslamic Bank continues to grow while providing our customers a complete range of innovative Shariah-compliant financial solutions.



AmAssurance



AmGeneral Insurance Berhad

AmGeneral Insurance Berhad (“AmGeneral”) is founded on a combined business of two former entities, AmG Insurance Berhad (“AmG”) and Kurnia Insurans (Malaysia) Berhad (“KIMB”) with the acquisition of KIMB by AmBank Group and IAG International Pty Ltd (“IAG”) in September 2012. With our strengthened market position, AmGeneral stands as a pillar of the industry, representing stability and strength with exceptional product offering, distribution and customer service.

Together, AmAssurance and Kurnia insure around one in every five cars in Malaysia (about 18.4% of market share in Motor) and enjoy 10.7% market share for general insurance by gross written premium. With over four million customers, the company generates business from a comprehensive range of general insurance solutions distributed through a network of 32 AmAssurance and Kurnia branches, servicing 7,000 agents and dealers, as well as through AmBank’s 179 branches nationwide.

AmMetLife

AmMetLife

AmMetLife is a strategic partnership between AmBank Group and MetLife. AmMetLife offers a comprehensive range of life assurance and wealth protection solutions distributed through a combination of over 200 AmBank and AmMetLife branded branch offices, in addition to the strength of its authorised life insurance agents nationwide.

The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group to create a customer-centric and modern life assurance solutions provider in Malaysia.



AmMetLife Takaful

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. With our passion for the provision of excellent services, together with a deep and respectful knowledge of Shariah principles and values, we aim to create a customer centric and modern takaful operator in Malaysia.

Profile of Directors



Y BHG TAN SRI AZMAN HASHIM

Non-Independent Non-Executive
Chairman

Y Bhg Tan Sri Azman Hashim, a Malaysian, aged 75, was appointed to the Board of AMMB Holdings Berhad on 15 August 1991 and has been the Chairman of the Company since 1991. He is the Non-Independent Non-Executive Chairman of the Company.

Tan Sri Azman is also the Chairman of the board of several subsidiaries of the Company, namely AmBank (M) Berhad, AmInvestment Bank Berhad, AmIslamic Bank Berhad, AmGeneral Insurance Berhad, AmLife Insurance Berhad, AmFamily Takaful Berhad, AmGeneral Holdings Berhad, AmInvestment Group Berhad and AMFB Holdings Berhad.

Tan Sri Azman, a Chartered Accountant (FCPA), a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Chartered Secretaries and Administrators, has been in the banking industry since 1960 when he joined Bank Negara Malaysia and served there until 1964. He practised as a Chartered Accountant in Azman Wong Salleh and Co. from 1964 to 1971. He then

joined the board of Malayan Banking Berhad from 1966 until 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 April 1982 when he acquired AmInvestment Bank Berhad.

Tan Sri Azman is the Executive Chairman of Amcorp Group Berhad and Chairman of RCE Capital Berhad and Malaysian South-South Corporation Berhad. He serves as a member on the board of Pembangunan MasMelayu Berhad and the Asian Institute of Finance Berhad. 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, Yayasan Perpaduan Nasional, 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 (L) Foundation and Azman Hashim Charitable (L) Foundation.

Tan Sri Azman is the Chairman of the Institute of Bankers Malaysia, Malaysian Investment Banking Association and



the Malaysia Productivity Corporation, Chairman Emeritus of Pacific Basin Economic Council (PBEC) International and Co-Chairman of Malaysia - Singapore Roundtable. He is the First Chairman of the Financial Services Professional Board. He is the President of Malaysia South-South Association, Malaysia - Japan Economic Association, Malaysian Prison FRIENDS Club, Non-Aligned Movement's (NAM) Business Council and Treasurer of Malaysia-Australia Foundation. He is a Member of the APEC Business Advisory Council, the Trilateral Commission (Asia-Pacific Group), the Malaysian-British and Malaysia-China Business Councils and East Asia Business Council. He is also the Leader of the ASEAN Japanese Business Meeting (Malaysia Committee, Keizai Doyukai) and is on the Board of Advisors of AIM Centre for Corporate Social Responsibility. He is the Pro-Chancellor of Open University of Malaysia, a member of the Governing Body of Asian Productivity Organisation and the International Advisory Panel of Bank Negara Malaysia International Centre for Education in Islamic Finance (INCEIF) and the Asian Banking School Sdn Bhd.

Y BHG DATO' AZLAN HASHIM

Non-Independent Non-Executive
Deputy Chairman

Y Bhg Dato' Azlan Hashim, a Malaysian, aged 72, was appointed to the Board of AMMB Holdings Berhad on 12 February 1992 and has been the Deputy Chairman of the Company since 1992. He is a Member of the Company's Group Information Technology Committee and Audit and Examination Committee.

Dato' Azlan is currently the Non-Executive Chairman of AmFraser International Pte Ltd, AmFraser Securities Pte Ltd, AmInternational (L) Ltd, PT. AmCapital Indonesia and Am Ara REIT Managers Sdn Bhd. He also serves on the boards of Am Ara REIT Holdings Sdn Bhd, Metrod Holdings Berhad, Paramount Corporation Berhad, Sapura Industrial Berhad and Kesas Holdings Berhad. He is a Trustee of AmGroup Foundation.

Dato' Azlan served the Malayan Railways from 1966 to 1971, where he was the Chief Accountant for two years. In 1972, he became a Partner of a public accounting firm, Azman Wong Salleh & Co., and was a Senior Partner there prior to joining Amcorp Properties Berhad's board from 1982 to July 2007.

Dato' Azlan is a Fellow of the Institute of Chartered Accountants (Ireland), Economic Development Institute, World Bank, Washington D.C., U.S.A. and Institute of Bankers Malaysia. He is also a Certified Public Accountant.



Y A BHG TUN MOHAMMED HANIF BIN OMAR

Non-Independent Non-Executive Director

Y A Bhg Tun Mohammed Hanif bin Omar, a Malaysian, aged 75, was appointed to the Board of AMMB Holdings Berhad on 6 May 1994. He is a Member of the Company's Group Nomination and Remuneration Committee.

Tun Mohammed Hanif is also a Board member of the Company's subsidiaries, namely, AmBank (M) Berhad, AmIslamic Bank Berhad, AmInvestment Bank Berhad and AMFB Holdings Berhad. He is currently the Deputy Executive Chairman of Genting Berhad and Genting Malaysia Berhad and a board member of Genting Overseas Holdings Ltd. He was the Inspector-General of the Royal Malaysia Police for 20 years until his retirement in January 1994. He has received honorary awards from Malaysia, Indonesia, Thailand, Singapore, Brunei and the Philippines for his invaluable contribution towards the region's security.

He has been the President of the Malaysian Institute of Management since 2001. He is also the President of the Malaysian Branch of the Royal Asiatic Society. He is a

member of the Malaysian Equine Council and a Council Member of the Malaysian Crime Prevention Foundation. In addition, he is the Chairman of the Lembaga Pemegang Amanah Yayasan Tun Razak, a member of the Board of Trustees of the Malaysian Liver Foundation, Yayasan DayaDiri, Yayasan Gagasan Melayu Perak, The MCKK Foundation and The Community Chest, Malaysia.

Tun Mohammed Hanif received his Bachelor of Arts from the then University of Malaya, Singapore in 1959, Bachelor of Laws (Honours) from Buckingham University, United Kingdom in 1986 and Certificate of Legal Practice (Honours) from the Legal Qualifying Board in 1987.

He was conferred the Honorary Doctorate of Law by Universiti Kebangsaan Malaysia in 1992, Honorary Doctorate of Philosophy (Internal Security) by Universiti Pertahanan Nasional Malaysia on 2 October 2011 and Honorary Doctorate of Law by the University of Buckingham on 16 March 2012.



Y BHG TAN SRI DATUK CLIFFORD FRANCIS HERBERT

Senior Independent Non-Executive Director

Y Bhg Tan Sri Datuk Clifford Francis Herbert, a Malaysian, aged 72, was appointed to the Board of AMMB Holdings Berhad on 16 April 2004. He is the Chairman of the Company's Group Risk Management Committee and Group Nomination and Remuneration Committee and a Member of the Company's Audit and Examination Committee.

Tan Sri Datuk Herbert at present sits on the boards of AmInvestment Bank Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad, Genting Malaysia Berhad, Moet Hennessy Diageo Malaysia Sdn Bhd and FIDE Forum.

Tan Sri Datuk Herbert joined the Malaysian Civil Service in 1964 as Assistant Secretary in the Public Services Department from 1964 to 1968. Subsequently, he served in the Ministry of Finance from 1975 to 1997, culminating as Secretary General to the Treasury. He retired from the civil service in 1997.

As Secretary General in the Ministry of Finance, he was also appointed as alternate Governor of the World Bank. From 1994 to 2000, Tan Sri Datuk Herbert was the Chairman of KL International Airport Berhad which built the Kuala Lumpur International Airport. He had been a board member of numerous statutory bodies and government related public companies among them being Kumpulan Khazanah Nasional Berhad, Malaysian Airline System Berhad, Petroleum Nasional Berhad, Bank Negara Malaysia, the Securities Commission Malaysia and Chairman of Percetakan Nasional Malaysia Berhad. Additionally, Tan Sri Datuk Herbert is also involved in several non-governmental organisations.

Tan Sri Datuk Herbert holds a Master of Public Administration from University of Pittsburgh, U.S.A., and a Bachelor of Arts (Honours) from the University of Malaya.



**Y BHG TAN SRI DATUK
DR ARIS OTHMAN**

Independent Non-Executive Director

Y Bhg Tan Sri Datuk Dr Aris Othman, a Malaysian, aged 69, was appointed to the Board of AMMB Holdings Berhad on 1 April 2004. He is the Chairman of the Company's Audit and Examination Committee and a Member of the Group Risk Management Committee and Group Nomination and Remuneration Committee.

Tan Sri Datuk Dr Aris is also a board member of the Company's subsidiary, AmlInvestment Bank Berhad. He is currently a Director of YTL Power International Berhad.

Tan Sri Datuk Dr Aris had served in various positions in the Economic Planning Unit, Prime Minister's Department from 1966 to 1986. He was seconded to Bank Bumiputra Malaysia Berhad, Kuala Lumpur as Chief General Manager (Corporate Planning, Financial Subsidiaries, Treasury and Human Resources) from 1986 to 1989. From 1989 to 1999, Tan Sri Datuk

Dr Aris was with the Ministry of Finance, during which he had served as Executive Director (South-East Asia Group) of the World Bank, Washington D.C., U.S.A. from 1991 to 1994 and Secretary General to the Treasury from 1998 to mid-1999. This was followed by a career in banking, where he had held the positions of Executive Chairman and Managing Director/Chief Executive Officer of Bank Pembangunan dan Infrastruktur Malaysia Berhad. He was also the Chairman of Malaysia Airports Holdings Berhad, and Malaysia Design and Innovation Centre, Cyberjaya.

Tan Sri Datuk Dr Aris holds a PhD in Development Economics and a Master of Arts in Political Economy both from Boston University, Massachusetts, a Master of Arts in Development Economics from Williams College, Massachusetts, and a Bachelor of Arts (Honours) in Analytical Economics from University of Malaya.



**Y BHG DATO' ROHANA
TAN SRI MAHMOOD**

Independent Non-Executive Director

Y Bhg Dato' Rohana Tan Sri Mahmood, a Malaysian, aged 60, was appointed to the Board of AMMB Holdings Berhad on 8 July 2011. She is a Member of the Company's Group Nomination and Remuneration Committee and Group Information Technology Committee.

Dato' Rohana is also a board member of the Company's subsidiary, AmlInvestment Bank Berhad. Dato' Rohana is the Chairman/Partner/Director and Founder of RM Capital Partners, a Malaysian private equity fund. She was the Chairman and co-founder of Ethos Capital, a Malaysian private equity fund since 2007. The fund successfully ended in November 2012.

Dato' Rohana is a member of Global Council of the Asia Society, New York, member of Advisory Board of ACE Limited International, New York, member of APEC Business Advisory Council (ABAC) of Malaysia and a board member of Pacific Basin Economic Council Malaysia (PBECEM).

Dato' Rohana is a Director of Sime Darby Berhad and Paramount Corporation Berhad, listed companies and Chairman/Director and Founder of RMCP One Sdn Bhd. She is also a board member of various private companies including Sime Darby Energy & Utilities Sdn Bhd, Sime Darby Industrial Sdn Bhd, KDU University College Sdn Bhd, YIM Technology Resources Sdn Bhd and RM Capital Partners & Associates Sdn Bhd.

Dato' Rohana is the President Emeritus and founding member of the Kuala Lumpur Business Club, an exclusive (by 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.

Dato' Rohana holds a Bachelor of Arts (Honours) in Politics, Essex University and Master's degree in International Relations, Sussex University, United Kingdom.



**Y BHG DATO' LARRY GAN NYAP LIOU
@ GAN NYAP LIOU**

Independent Non-Executive Director

Y Bhg Dato' Larry Gan Nyap Liou, a Malaysian, aged 59, was appointed to the Board of AMMB Holdings Berhad on 15 March 2012. He is the Chairman of the Company's Group Information Technology Committee and a Member of the Audit and Examination Committee and Group Nomination and Remuneration Committee.

Dato' Larry Gan is currently the Chairman of Cuscapi Berhad, Catcha Media Berhad and the Chief Executive Officer/Managing Director of Formis Resources Berhad. He sits on the boards of AmBank (M) Berhad, Amlslamic Bank Berhad, Tanjong Public Limited Company, Saujana Resort (M) Berhad, Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad) and other private limited companies. Dato' Larry Gan is also a director of the Minority Shareholders Watchdog Group and the Chairman of the British Malaysian Chamber of Commerce.

Dato' Larry Gan was with Accenture, a global management and technology consulting firm for 26 years until his retirement in December 2004. He held many global leadership positions including Managing Partner of Asia and Corporate Development Asia Pacific. He was the Chairman of the CEO Advisory Council and a member of the Global Management Council from 1997 to 2004.

He previously served as Chairman of the Association of Computer Industry Malaysia (PIKOM), and as a member of the Ministry of Science and Technology Think Tank, Copyright Tribunal and the Labuan International Financial Exchange Committee.

Dato' Larry Gan is a Certified Management Consultant and a Chartered Accountant.



MR SHAYNE CARY ELLIOTT

Non-Independent Non-Executive Director

Mr Shayne Cary Elliott, a New Zealander, aged 50, was appointed to the Board of AMMB Holdings Berhad on 18 June 2013.

Mr Elliott is currently a director of ANZ Holdings (New Zealand) Limited and ANZ Bank New Zealand Limited. Mr Elliott has been the Chief Financial Officer of Australia and New Zealand Banking Group Limited ("ANZ") since June 2012. He is responsible for all aspects of Finance as well as Legal, Treasury and Investor Relations. In this role, Mr Elliott also has responsibility for Group Strategy and Mergers and Acquisitions.

Prior to this role, Mr Elliott was Chief Executive Officer, Institutional, overseeing all businesses that deal with ANZ's large business, corporate and institutional customers.

Mr Elliott joined ANZ in June 2009. Previously, he was Chief Operating Officer, EFG Hermes, the largest investment bank in the Middle East. He was responsible for corporate strategy, risk, human resources, marketing and implementing governance and business management processes.

Mr Elliott was previously with Citigroup where he held various senior positions across geographies and business sectors over the course of 20 years. Some of the roles he held during his time at Citigroup include: Chief Executive Officer Global Transaction Services Asia Pacific, Chief Executive Officer Corporate Bank Australia/New Zealand and Country Corporate Officer, Vice President Strategic Planning New York, Head of Investor Derivative Sales London and Head of New Zealand Derivatives Sales and Trading.

Mr Elliott holds a Bachelor of Commerce, Management Studies and Finance from the University of Auckland, New Zealand.



MR MARK DAVID WHELAN

Non-Independent Non-Executive Director

Mr Mark David Whelan, an Australian, aged 54, was appointed to the Board of AMMB Holdings Berhad on 2 January 2009. He is a Member of the Company's Group Risk Management Committee.

He is currently the Managing Director, Corporate and Commercial Banking (Australia) of Australia and New Zealand Banking Group Limited ("ANZ").

Mr Whelan has held roles across Australia, Singapore and Hong Kong. He joined ANZ in November 2004 as Head of Sales, Markets before taking on the role of Joint Managing Director, Markets in 2005 and then Managing Director, Institutional Asia in 2007. In this role, Mr Whelan was the Managing Director of ANZ's Institutional, Commercial and Private Bank businesses in Asia Pacific, Europe & America (APEA) and was based in Hong Kong. Within this capacity, Mr Whelan's responsibilities included a full range of ANZ corporate, institutional and commercial financial products and services throughout APEA. His duties also included Relationship Banking, Specialised Lending, Markets and Transaction Banking across the region.

In his current role as Managing Director Corporate and Commercial Banking (Australia), Mr Whelan is a key member of the Australia Leadership Team. His team delivers customer solutions for the Corporate and Commercial market through dedicated managers focusing on Corporate Business, Small Business and Agri Business segments. It also includes Esanda Finance, one of Australia's leading asset finance companies.

Prior to joining ANZ, Mr Whelan worked at Westpac Bank where he held several senior roles including General Manager, Global Investor Sales and General Manager, Institutional Banking, Victoria. Within this capacity, his responsibilities included distribution of Markets products into the Commercial segment. Before joining Westpac Bank, Mr Whelan worked for Citibank and Caterpillar.

Mr Whelan holds a Graduate Diploma in Taxation and a Diploma in Accounting from the Royal Melbourne Institute of Technology. He is a Fellow of the Certified Practising Accountants, and a member of the Financial Treasury Association Limited, the Australian Financial Markets Association and the Australian Institute of Company Directors.



MR GILLES PLANTÉ

Non-Independent Non-Executive Director

Mr Gilles Planté, an Australian/French, aged 50, was appointed to the Board of AMMB Holdings Berhad on 8 October 2012. He is a Member of the Company's Group Nomination and Remuneration Committee and Audit and Examination Committee.

Mr Planté is currently the Deputy Chief Executive Officer ("CEO") International & Institutional Banking ("IIB"), Australia and New Zealand Banking Group Limited ("ANZ") and Chairman, Australia and New Zealand Bank (China) Company Limited (ANZ China). He is also responsible for Treasury for the IIB of ANZ.

In this role, Mr Planté has responsibility to improve delivery to customers across all segments and geographies. This includes direct responsibility for Customer Strategy, Solutions & Execution, Marketing, Communications & Corporate Affairs, Economics & Research, Treasury and Asia Partnerships across the 33 markets where ANZ does business.

Mr Planté joined ANZ in 1997 after 10 years in Paris, Tokyo, New York and Singapore, predominantly with Credit Suisse.

During his time at ANZ, Mr Planté has held a number of roles including CEO Asia Pacific, CEO North East Asia, Europe & America and CEO Asia. He was previously Managing Director, Markets, Head of Trading - Markets, Head of Financial Markets - Europe and America and Global Head of Currency and Commodity Derivatives. He had previously served on the board of Esanda.

Mr Planté holds a Master of Science from Ecole Spéciale de Mécanique et d'Electricité (ESME) in Paris.



MR SOO KIM WAI

Non-Independent Non-Executive Director

Mr Soo Kim Wai, a Malaysian, aged 53, was appointed to the Board of AMMB Holdings Berhad on 4 October 2002. He is a Member of the Company's Group Nomination and Remuneration Committee.

Mr Soo 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 years with Deloitte KassimChan from 1980 to 1985.

Mr Soo sits on the boards of RCE Capital Berhad, Amcorp Properties Berhad, ECM Libra Financial Group Berhad and other private limited companies and foreign companies. He is also a board member of the British Malaysian Chamber of Commerce.

Mr Soo is a Chartered Accountant (Malaysian Institute of Accountants), a Certified Public Accountant (Malaysian Institute of Certified Public Accountants), Fellow of the Certified Practising Accountant (CPA), Australia and Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom.



MR ASHOK RAMAMURTHY

Group Managing Director

Mr Ashok Ramamurthy, an Australian, aged 52, was appointed to the Board of AMMB Holdings Berhad on 2 April 2012 and is currently the Group Managing Director ("Group MD") of the Company. He is also the Chief Executive Officer of AmBank (M) Berhad.

Mr Ramamurthy also sits on the board of AmInvestment Bank Berhad, AmIslamic Bank Berhad and AmLife Insurance Berhad.

He joined the Company as the Chief Financial Officer ("CFO") in July 2007 and was subsequently appointed the Deputy Group MD and CFO in October 2008.

Prior to his appointment as Group MD, Mr Ramamurthy has worked with Australia and New Zealand Banking Group Limited ("ANZ") for circa 23 years, across multiple geographies including

New Zealand, Australia, India and Malaysia. His functional expertise is built around finance at the core, and blended with risk management, operations and shared services, and strategy and change management. He has direct experience as the CFO and/or Chief Operating Officer in a number of ANZ businesses including Commercial Banking, Markets and Treasury, Funds Management and Insurance, Wealth Management, Banking Products and Transaction Services, and Personal/Retail Banking. He has been successful in developing and executing transformational agendas in his career.

Mr Ramamurthy has a Post Graduate Diploma in Business Administration XLRI, India (MBA equivalent) and Bachelor of Commerce (Accounting), University of Madras. He is a Fellow of the Financial Services Institute of Australasia – Fellowship from FINSIA.



MR ALISTAIR MARSHALL BULLOCH

(Alternate Director to Mr Shayne Cary Elliott, Mr Mark David Whelan and Mr Gilles Planté)

Mr Alistair Marshall Bulloch, a British, aged 56, is the Alternate Director to Mr Shayne Cary Elliott, Mr Mark David Whelan and Mr Gilles Planté.

He is currently the Managing Director, Partnerships, International & Institutional of Australia and New Zealand Banking Group Limited (“ANZ”).

Mr Bulloch is responsible for developing critical government and other relationships, taking a lead role in management across Asia Pacific, Europe and America on behalf of the group. He is Head of the ANZ Partnership and represents ANZ on all major boards.

Prior to this role, Mr Bulloch was the Deputy Chief Executive Officer of Asia Pacific, Europe and America (APEA) and the Chief Executive Officer of North East Asia of ANZ. He was responsible for driving growth and innovation in ANZ’s businesses and partnerships in China, Hong Kong, Taiwan, Japan and Korea.

He is the Chairman and Director of ANZ Bank (Vietnam) Limited, ANZ Insurance Broker Co. Ltd. (Taiwan), ANZ Royal

Bank (Cambodia) Ltd, ANZ Bank (Taiwan) Limited, Chongqing Liangping ANZ Rural Bank Co. Ltd (China) and Votrait No.1103 Pty Ltd, a Director of ANZ Asia Limited, ANZ International (Hong Kong) Limited, ANZ IPB Nominees (Hong Kong) Limited, United (Cambodia) Land Company Ltd, ANZ Bank (Europe) Limited (United Kingdom), ANZ Bank (Lao) Limited, ANZ Capital (PVT) Limited (India), ANZ Pensions (UK) Limited, ANZ V-Trac International Leasing Company, Bank of Tianjin (China), Jikk Pty Ltd., Saigon Securities Inc. (Vietnam) and Shanghai Rural Commercial Bank (China).

Mr Bulloch was the Head of Wholesale and Commercial Banking in Korea for Standard Chartered First Bank. He has more than 20 years’ banking experience and was previously Head of Client Relationships in both China and Taiwan. Mr Bulloch spent his childhood and a considerable part of his earlier career in Hong Kong and has also worked in the Middle East and Ireland.

He holds a Bachelor of Arts (Honours) in Business Studies from Dundee College of Technology, Scotland.

Additional Information:

None of the Directors has any family relationships with other Directors or major shareholders of the Company, except as disclosed herein.

Y Bhg Tan Sri Azman Hashim and Y Bhg Dato' Azlan Hashim are brothers.

Y Bhg Tan Sri Azman Hashim is the Executive Chairman and a substantial shareholder of Amcorp Group Berhad ("Amcorp"), which in turn is a substantial shareholder of AMMB Holdings Berhad ("AMMB").

Y Bhg Tan Sri Azman Hashim is a Director of Clear Goal Sdn Bhd, his family-owned company, which is deemed a substantial shareholder of AMMB by virtue of its interest in Amcorp.

Mr Soo Kim Wai is the Group Managing Director of Amcorp, which is a substantial shareholder of AMMB.

Mr Shayne Cary Elliott, Mr Mark David Whelan and Mr Gilles Planté are Board representatives 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.

None of the Directors has been convicted for offences within the past 10 years. None of the Directors has any conflict of interest with the Company other than as announced or set out in Note 43 to Financial Statements under "Significant Related Party Transactions and Balances".



Group Managing Director and Direct Reports



Ashok Ramamurthy
Group Managing Director
AmBank Group
Chief Executive Officer
AmBank (M) Berhad

Datuk Mohamed Azmi Mahmood
Deputy Group Managing Director
AmBank Group
Acting Chief Executive Officer, Islamic Banking
AmIslamic Bank Berhad



From left to right:

Dato' James Lim Cheng Poh
Managing Director,
Group Managing
Director's Office
AmBank (M) Berhad

Paul David Lewis
Managing Director,
Retail Banking
AmBank (M) Berhad

Kok Tuck Cheong
Managing Director/
Chief Executive Officer,
Wholesale Banking
Products
AmInvestment Bank Berhad

Pushpa Rajadurai
Managing Director,
Wholesale Banking
Coverage
AmBank Group



Nigel Christopher William Denby
Chief Risk Officer
AmBank Group

Mandy Jean Simpson
Chief Financial Officer
AmBank Group

Thein Kim Mon
Chief Internal Auditor
AmBank Group



Fauziah Yacob
Chief Human Resource Officer
AmBank Group

Ross Neil Foden
Chief Operations Officer
AmBank Group

Charles Tan Keng Lock
Chief Information Officer
AmBank Group

Chief Executive Officers of other Business Subsidiaries



Travis William Atkinson
Chief Executive Officer
AmGeneral Insurance Berhad

Paul Low Hong Ceong
Chief Executive Officer
AmMetLife

Wan Zamri Wan Zain
Chief Executive Officer
AmMetLife Takaful

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 of stakeholders.

The Board provides guidance and oversight of the Group’s strategic agenda and its operations and acknowledges its overriding responsibility to act diligently and responsibly, in accordance with applicable legislations and regulations in serving the interests of shareholders, as well as its customers, employees and the community at large.

The Company subscribes to and conforms to the principles and recommendations of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”), save for the exception to the following recommendations, which are explained further under the caption on Board Composition and Tenure, respectively in this statement hereinbelow –

- the board must comprise a majority of independent directors where the chairman of the board is not an independent director.
- the tenure of an independent director should not exceed a cumulative term of nine (9) years.

BOARD OF DIRECTORS

Roles and Responsibilities of the Board

- Reviewing and approving the strategic business plans of the Group as a whole and that of the individual operating units. 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.
- Serving as the ultimate approving authority for all significant financial expenditure.

Chairman and Group Managing Director

The roles of the Chairman and Group Managing Director remain separate and are clearly distinct. The Chairman of the Board is non-independent and non-executive.

The Chairman plays an important leadership role within the Group and is involved in:

- Chairing the meetings of Shareholders and the Board;
- Monitoring the performance of the Board and the mix of skills and effectiveness of individual Board members’ contribution; and
- Maintaining on-going dialogue with the Chief Executive Officers of the various major subsidiaries and providing appropriate mentoring and guidance.

The Board delegates the authority and responsibility for managing the everyday affairs of the Group to the Group Managing Director and through him and subject to his oversight, to other Senior Management. The Board monitors the management and performance of the Group Managing Director on behalf of the shareholders.

Board Composition

The Board is chaired by a Non-Independent Non-Executive Director and currently comprises twelve (12) 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.

Recommendation 3.5 of the MCCG 2012 provides that the board should comprise a majority of Independent Directors if the Chairman is not an Independent Director.

Notwithstanding that the Board consists of majority of Non-Independent Non-Executive Directors, the Board strongly believes that all the Directors act in the best interest of all stakeholders.

Selection of Directors:

Board Independence

The Independent Non-Executive Directors are from varied business backgrounds. Their experience enables them to exercise independent judgment and objective participation in the proceedings and decision-making processes of the Board.

Decision-making on key issues regarding the Company and its subsidiaries are fully deliberated by the Directors. Board decisions are made taking into account the views of the Independent Non-Executive Directors, which carry substantial weight.

They fulfill their roles in ensuring that strategies proposed by the Management are fully discussed and examined as well as ensuring that the interest of shareholders and stakeholders of the Company are safeguarded.

Independence

In accordance with the criteria as specified under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Group Nomination and Remuneration Committee and the Board establish whether or not a Non-Executive Director may have a relationship with AmBank Group which could affect their decision-making.

Re-election at Next Annual General Meeting

The Company’s Articles of Association permits the Board to appoint a person to be a Director of the Company at any time, but the person must seek re-election by shareholders at the next Annual General Meeting (“AGM”).

Tenure

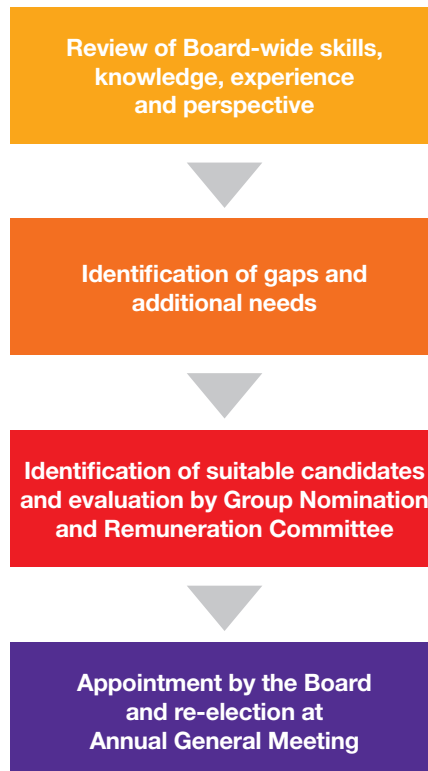
The Articles of Association provides that all Directors must retire at least once in three years and may be re-elected at the AGM.

Recommendation 3.2 of the MCCG 2012 states the tenure of an independent director should not exceed a cumulative term of 9 years. This is in line with the existing policy of the Company which states that an Independent Non-Executive Director shall serve up

to a maximum of nine (9) years and any exception to the same will be subject to the recommendation of the Group Nomination Committee and the approval of the Board of Directors.

In this respect, the Board, with the recommendation of the Group Nomination Committee has approved the continuation of the tenure of Y Bhg Tan Sri Datuk Clifford Francis Herbert and Y Bhg Tan Sri Datuk Dr Aris Othman whose service on the Board reached nine (9) years on 15 April 2013 and 31 March 2013 respectively. Both Directors have demonstrated their independence and exercise of objective judgement. The Group Nomination Committee and the Board are confident that both Directors will continue to uphold their independent participation and judgement notwithstanding their length of service.

Selection of Directors



Performance Evaluation

Performance evaluations are conducted annually and cover the Board, each Director and the Board Committees. The framework used to assess the Directors is based on the expectation that they are performing 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.

Directors’ Training & Development Needs

The Board recognised the importance of training and development needs of the Directors which play a vital role in helping the Directors to update and enhance their skills and knowledge with the aim for the Directors to discharge their duties effectively and efficiently.

The Group’s Learning and Development Centre undertakes the role as the training co-ordinator to manage and co-ordinate the Directors’ training requirements, which covers the following:-

- Regulatory
 - Pursuant to the listing requirements of Bursa Malaysia, a newly appointed Director is required to attend the Mandatory Accreditation Programme (“MAP”) within four (4) months of his/her appointment.
 - The new Directors participate in the induction programme which allows the Directors to meet with AmBank Group senior executives and other key staff members and be accustomed with the Group’s governance framework, financial management and business operations.

Corporate Governance

- The Group has adopted the FIDE programme as a core training for its Directors. The FIDE programme is a governance programme which focus on roles, responsibilities and key issues faced by the boards of financial institutions to ensure effective corporate governance, constructive strategy review, robust risk management, strong internal controls and accurate financial reporting and proactive stakeholder engagement.

- Electives

Upon completion of the FIDE Core Program, Board Members are eligible to attend Elective Programs organised by ICLIF, as follows –

- FIDE Electives Programs
 - Technical Programs
 - Governance Programs
 - Soft Skills Programs
- Non-FIDE half-day programs
 - Compliance & Anti Money Laundering/Anti Terrorism Financing (“AML/ATF”)
 - Corporate Governance
 - Risk Management

- Enrichment

Overall, the training programs are conducted with the objective:-

- To support continuous learning for Board Members
- To keep abreast with current development in the marketplace
- To get updates on new statutory and regulatory requirement

Seminars, conferences and training courses attended by the Directors during the financial year included among others, the following areas –

Board Competency

Mandatory Accreditation Programme

Corporate Governance

FIDE: Core Programme Module A and Module B

FIDE Elective Program – Nomination and Remuneration Committee

Fraud Detection & Prevention – A Necessity, Not a Choice

Risk Management/Legal and Regulatory Framework

Anti-Money Laundering for Board of Directors

Financial Services Act, 2013 and Islamic Financial Services Act, 2013

Operational Risk Management Workshop
Data Protection Act and Competition Act

Level and Make-Up of Remuneration: Remuneration Framework

The remuneration framework is designed to ensure that the Group continues to attract and retain Directors and other Senior Management staff with appropriate skills and experience to manage the Group successfully. The Board determines the remuneration of Non-Executive Directors, Executive Directors, and other Senior Management staff of the Group, with the interested Directors abstaining from discussions with respect to their remuneration.

Access to Directors

The Management is able to consult the Directors as required on a regular basis. Employees and shareholders have access to Directors through the Chairman, the Senior Independent Non-Executive Director and the Group Company Secretary.

Access to Information

In the discharge of their duties, all Directors have complete and unrestricted access to information pertaining to the Group.

The advice and services of the Group Company Secretary are readily available to the Board in matters of governance and in complying with statutory duties, including compliance with the Main Market Listing Requirements of Bursa Malaysia.

In order to assist Directors in fulfilling their responsibilities, each Director has the right to seek independent professional advice regarding his responsibilities at the expense of the Group. In addition, the Board and each Board Committee, at the expense of the Group, may obtain professional advice that they require to assist in their work.

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 legislations, regulations and policies, besides ensuring compliance with the Main Market Listing Requirements of Bursa Malaysia 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.

Board Meetings

The Board meets a minimum of ten (10) times per year, wherein Board reports are circulated prior to the meetings, allowing the Directors to review further information that may be required. Additional Board meetings are convened whenever necessary. The Senior Management team of the subsidiaries are invited to attend Board meetings to provide presentations and detailed explanations on matters that have been tabled.

Twelve (12) Board meetings were held during the financial year ended 2014 (“FY2014”). The attendance of every Board member at the meetings of the Board and the various Board Committees is as set out below:

Number of Meetings Attended in FY2014

	Board of Directors	Audit and Examination Committee	Group Risk Management Committee	Group Information Technology Committee	Group Nomination and Remuneration Committee
Tan Sri Azman Hashim	12 (Chairman)	N/A	N/A	N/A	N/A
Dato’ Azlan Hashim	9	5	N/A	2	N/A
Tun Mohammed Hanif bin Omar	11	N/A	N/A	N/A	9
Tan Sri Datuk Clifford Francis Herbert	7	5	4 (Chairman)	N/A	7 (Chairman)
Tan Sri Datuk Dr Aris Osman @ Othman	12	7 (Chairman)	7	N/A	10
Dato’ Rohana binti Mahmood	12	N/A	N/A	3	10
Dato’ Gan Nyap Liou @ Gan Nyap Liow	10	6	N/A	3 (Chairman)	10
Shayne Cary Elliott	8	N/A	N/A	N/A	N/A
Mark David Whelan	11	N/A	7	N/A	N/A
Gilles Planté	11	7	N/A	N/A	9
Soo Kim Wai	12	N/A	N/A	N/A	10
Ashok Ramamurthy	12	N/A	N/A	3	N/A
Number of meetings held in FY2014	12	7	7	3	10

Notes:

1. All attendances reflect the number of meetings attended during the Directors’ tenure of service.
2. N/A represents non-committee member.

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. Audit and Examination Committee
3. Group Risk Management Committee
4. Group Information Technology Committee

The criteria for the membership are based on a Director’s skills and experience, as well as his ability to add value to the Board Committee.

The Group Managing Director, the Chief Executive Officers and other Senior Management staff are invited to attend the relevant Board Committee meetings.

Group Nomination and Remuneration Committee

The Committee comprises seven (7) members, all of whom are Non-Executive Directors with a majority of Independent Directors and chaired by an Independent Non-Executive Director. The Committee is responsible for:

- Regularly reviewing the board structure, size and composition, as well as making recommendation to the Board of the Company with regard to any changes that are deemed necessary.
- Recommending the appointment of Directors to the Board and Committees of the Board as well as annually review the mix of skills, experience and competencies that Non-Executive and Executive Directors should bring to the Board.

Corporate Governance

- On an annual basis, assessing the effectiveness of the Board as a whole and the Committees as well as the contributions of the Chairman and each Director to the effectiveness of the Board.
- Recommending to the Board the framework/methodology for the remuneration of the Directors, Chief Executive Officers and other Senior Management staff with the relevant experience and expertise needed to assist in managing the Group effectively. The services of consultants are utilised to review the methodology for rewarding Executive Directors and Management staff according to the Key Performance Indicators required to be achieved.
- To implement Executives' Share scheme (the "Scheme") in accordance with the By-Laws of the Scheme as approved by the Shareholders of the Company.

The Committee met ten (10) times during FY2014.

Group Information Technology Committee

Group Information Technology Committee ("GITC") comprises four (4) members, two (2) of whom are Independent Non-Executive Directors. The Committee is responsible to provide governance for Information Technology 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 ensuring that IT strategic plans are aligned with the Group's business objectives and strategy.
- To ensure the establishment of Groupwide IT policies, procedures and frameworks including IT security and IT risk management.

- To provide oversight of the Group's long term IT strategic plans and budgets.
- To establish and monitor the overall performance, efficiency and effectiveness of IT services including performance metrics.
- To review the adequacy and utilisation of the Group's IT resources including computer hardware, software, personnel and other IT related investments.
- To advise the Board on IT related issues; and
- To review and approve allowed deviations under BNM guidelines.

There were three (3) meetings held during FY2014.

RISK MANAGEMENT

Group Risk Management Committee

The Group Risk Management Committee oversees the adequacy of risk management within the Group.

The membership of 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 portfolio composition;
- The Company/Group's major risk strategies, policies and risk tolerance standards; and
- The overall effectiveness of the risk management and control infrastructure.

There were seven (7) meetings held during the FY2014.

ACCOUNTABILITY AND AUDIT

Audit and Examination Committee

The Audit and Examination Committee ("AEC") is responsible for the oversight and monitoring of:

- The Group's financial reporting, accounting policies and controls;
- The Group's Internal Audit functions;
- Compliance with regulatory requirements;
- The appointment, performance evaluation, transfer and dismissal of the Chief Internal Auditor; and
- 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. The AEC meets regularly with the external auditor and Group Internal Audit.

The AEC met seven (7) times during the FY2014.

Financial Controls

Responsibility Statement

The Board of Directors is required by the Companies Act, 1965 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 are of the view that the appropriate accounting policies are consistently applied and supported by reasonable as well as prudent judgments and estimates, and that all accounting standards which they consider applicable have been followed during the preparation of the financial statements.

The Board of Directors is responsible for ensuring that the Group keeps accounting records which are disclosed with reasonable accuracy, and for ensuring that the financial statements comply with the Companies Act, 1965.

The Board and Board Committees have the general responsibility for taking such steps to safeguard the assets of the Group.

The Group's Statement on Risk Management and Internal Control is set out on pages 56 to 57 of this Annual Report.

Audit and Examination Committee ("AEC") Report

Terms of Reference

The functions of the AEC are as follows:

- 1) To provide independent oversight of the Company/Group's financial reporting and internal control system, and ensuring checks and balances within the Company/Group.
- 2) To serve as an independent and objective party in the review of the financial information of the Company/Group that is presented by the Management to the Board and Shareholders.
- 3) To review the quarterly results and year-end financial statements of the Company/Group to ensure compliance with accounting standards and legal requirements, and to ensure fair and transparent reporting and prompt publication of the financial accounts.
- 4) To determine that the Company/Group has adequate established policies, procedures and guidelines, operating and internal controls, and that they are being complied with and are operating effectively in promoting efficiency and proper conduct, and protecting the assets of the Company/Group.
- 5) To evaluate the adequacy and effectiveness of the Management control systems of the Company/Group through the review of the reports of both the external and internal auditors that highlight internal accounting, organisational and operating control weaknesses, and to determine that appropriate corrective actions are being taken by the Management.
- 6) To review and approve the scope of audits, audit plans and audit reports of both the external and internal auditors.
- 7) To ensure through discussions with the external and internal auditors that no restrictions are being placed by the Management and employees on the scope of their examinations.
- 8) To ensure that audit of specialised areas is adequate by directing the engagement of external experts to carry out the review, if required and ensure that the terms and scope of the engagement, the working arrangement with the internal auditors and reporting requirements are clearly established.
- 9) To ensure the adequacy and appropriateness of the scope, functions and resources of the internal audit and that they have the necessary authority to carry out their work.
- 10) To establish a mechanism to assess the performance and effectiveness of the internal audit function.
- 11) To direct and supervise any special project or investigation considered necessary.
- 12) To review any related party transaction and conflict of interest situation that may arise within the Company/Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- 13) To review and approve the Internal Audit Charter of the Company.
- 14) To prepare when deemed necessary, periodic reports to the Board summarising the work performed in fulfilling the Committee's primary responsibilities.
- 15) To review the annual appointment of the external auditors, or resignation or removal of external auditors, to approve the provision of non-audit services by external auditors, to negotiate and approve the annual audit fees or special audit fees and/or non-audit service fees.
- 16) To review the appointment, performance evaluation, transfer and dismissal, and remuneration of the Chief Internal Auditor.

Summary of Key Activities

The following is a summary of the main activities carried out by the Committee during the year:

Internal Audit

- Reviewed and approved the Group Internal Audit's annual audit plan, including its resource needs, and its assessment of the risk levels of the various auditable areas to ensure that audit emphasis was given on critical risk areas.
- Reviewed Group Internal Audit's achievement of its key strategic initiatives undertaken to improve the efficacy, effectiveness and profile of Group Internal Audit.
- Reviewed the adequacy and effectiveness of the system of controls, reporting and risk management to ensure there is a systematic methodology in identifying, assessing and mitigating risk areas.

Corporate Governance

- Reviewed reports of Group Internal Audit (including internal investigations, follow up on resolution of issues raised in reports issued by Regulators, external auditors and other external parties) and considered Management's response and accordingly directed Management to take the necessary remedial action. The Committee also followed-up on resolution of major issues raised in the reports and requested for separate presentations by Management where necessary.
- After each Audit & Examination Committee meeting, a summary of Internal Audit reports deliberated at the meeting is tabled to the Board of Directors.
- Reviewed the progress of Group Internal Audit in completing its audit plan and assessed the performance of Group Internal Audit and the Group Internal Auditor.
- Reviewed and approved the appointment of an external party to conduct a Quality Assurance Review on the Internal Audit function.
- Reviewed the annual audited financial statements of the Group with the external auditor prior to submission to the Board for approval.
- Compliance with the following regulatory requirements was ensured :
 - Provisions of the Companies Act 1965, Financial Services Act 2013 and the Islamic Financial Services Act 2013
 - Capital Markets And Services Act 2007
 - Securities Commission Act 1993
 - Main Market Listing Requirements of Bursa Malaysia Securities Berhad
 - Applicable accounting standards in Malaysia
 - Other relevant regulatory requirements
- Reviewed the Statement on Risk Management and Internal Control.

External Audit

- Reviewed the appointment of the external auditor and their independence and effectiveness for statutory audit, audit-related and non audit-related services.
- Reviewed/Approved their audit plan, annual audit fees and scope of work for audit and non-audit assignments.
- Reviewed the external auditor's results and report as well as the Management's consequent responses to the findings of the external auditor.

Financial Results

- Reviewed the quarterly results and financial statements of the Group before recommending them to the Board of Directors for approval.

auditing function is conducted on an AmBank Groupwide basis to ensure consistency in the control environment and the application of policies and procedures.

Group Internal Audit focuses its efforts on performing audits in accordance with the audit plan, which is prioritised based on a comprehensive risk assessment of all activities undertaken by the Group. The structured risk assessment approach ensures that all risk-rated areas are kept in view to ensure appropriate audit coverage and audit frequency. The risk-based audit plan is reviewed annually taking into account the changing financial significance of the business and risk environment. The AEC reviews and approves Group Internal Audit's annual audit plan.

Group Internal Audit also performs investigations and special review, and participates actively in major system development activities and project committees to advise on risk management and internal control measures.

The AEC approves the annual audit work plan, and a risk-based audit approach is used to ensure that the higher risk activities in each business unit are audited each year.

The audit activities can be summarised as follows:

- i) Scheduled and mandatory audits
- ii) Systems development life-cycle review of major IT infrastructure projects
- iii) Unscheduled and special focus reviews

The main objective of the audit reviews is to assess the adequacy and effectiveness of risk management and systems of internal controls in the following areas:

- Retail Banking
- Islamic Banking
- Wholesale Banking
- Investment Banking
- General Insurance
- Life Insurance

Related Party Transactions

- Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.
- Reviewed quarterly reports on recurrent related party transactions of a revenue and trading party transactions of a revenue and trading nature ("RRPTs").

Internal Audit

Internal Audit Function

Group Internal Audit function operates under a charter from the AEC that gives it unrestricted access to review all activities of the Group. The Head of Group Internal Audit reports to the AEC. The internal

- Family Takaful Business
- Funds & Asset Management
- Asset & Liabilities Management
- Other Non-Financial Institutional and Overseas Operations
- Support Functions

Group Internal Audit plays an active role in ensuring compliance with the requirements of Regulatory Authorities. Group Internal Audit also works collaboratively with the External Auditor, Risk Management Department and Group Regulatory Compliance to ensure maximum reliance and avoid duplication of effort.

There is an effective process for ensuring prompt resolution of audit issues. Group Internal Audit tables regular updates to the AEC on the progress of significant issues until such issues are satisfactorily resolved.

For the financial year, total costs incurred on the Group internal audit function amounted to RM15.9 million (FY2013: RM15.3 million).



Key Risk Areas and Internal Focus

External Audit

Messrs. Ernst & Young (“E & Y”) is the Company’s external statutory auditor and the auditor of the Company’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; and
- The Independent Directors of AEC meet up with the external statutory auditor.

The external auditor is re-appointed by the shareholders of the Company annually, after review of the services provided by the AEC and the recommendation of the Board.

Non-Audit Services

The external auditor may not provide services that are perceived to be in conflict with the role of the auditor. 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; and
- 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 FY2014 and has confirmed that the provision of services is compatible with the general standard of independence for auditors.

Audit Fees

The total statutory and non-statutory audit fees for the Group (excluding expenses and service tax) in FY2014 amounted to RM2.88 million (FY2013: RM3.96 million).

Assurance-related and Other Non-audit Fees

Assurance-related and other non-audit fees for FY2014 (excluding expenses and service tax) amounted to RM1.94 million (FY2013: RM1.18 million). These fees are primarily related to assurance services such as limited reviews, review of Financial Reporting Standards compliance, validation of Perbadanan Insurans Deposits Malaysia Returns and risk models validation work.

Strategic Planning and Investor Relations



Mr Ashok Ramamurthy

Group Managing Director
ashok-ramamurthy@ambankgroup.com

Ms Mandy Jean Simpson

Chief Financial Officer
mandy-simpson@ambankgroup.com

Mr Ganesh Kumar Nadarajah

Executive Vice President,
Strategic Planning & Investor Relations
ganesh-kumar@ambankgroup.com

AMMB Holdings Berhad (“AmBank Group” or “the Group”) takes timely and fair communication with shareholders and financial market participants seriously in this dynamic operating environment.

A dedicated Strategic Planning & Investor Relations (“stAR”) team supports the Group Managing Director and Chief Financial Officer in engaging the investment community via constant and active dialogues to ensure that our existing and potential shareholders receive information on the Group’s performance along with developments in the business and industry on a timely basis.

The Group strongly believes in ensuring transparency and equality in dissemination of information to both internal and external stakeholders which may affect their investment decisions.

Senior Management personnel responsible for investor relations activities are:

1. Mr Ashok Ramamurthy, Group Managing Director
2. Ms Mandy Simpson, Chief Financial Officer
3. Mr Ganesh Kumar Nadarajah, Executive Vice President, Strategic Planning & Investor Relations
(*Head of Financial Solutions - effective 1 August 2014*)

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

The Group's 22nd Annual General Meeting ("AGM") and 28th Extraordinary General Meeting ("EGM") were held on 22 August 2013. Both the AGM and EGM are the main open sessions for direct interaction between the Board of Directors, Senior Management and the external auditors with our investors, in particular retail shareholders. During these meetings, our shareholders are able to put forth their opinion and feedback to the Senior Management.

ANALYST BRIEFINGS AND INVESTORS MEETINGS

Quarterly results

Analysts and media briefing sessions are conducted when the Group's quarterly results are released or when required during corporate exercises, via live briefings, conference calls and video webcast. Replays of the live briefings are also available on the Group's corporate website for public viewing. All quarterly financial statements and press releases are published on Bursa Malaysia Securities Berhad, whilst the financial statements together with investors' presentations and press statements are available on the Group's corporate website.

Results Announcement Dates	Mode of Communication with Analysts & Media			
	Analyst Briefing Sessions		Publications on Group's Corporate Website	
	Teleconference	Video Webcast	IR Presentation & Financial Statements	Press Release
16 August 2013 – Q1 FY2014 Results	√	√	√	√
14 November 2013 – H1 FY2014 Results	√*	√	√	√
17 February 2014 – 9M FY2014 Results	√	√	√	√
20 May 2014 – FY2014 Results	√*	√	√	√

* Includes live briefing

Analyst coverage & investor meetings

Senior Management engages both domestic and international analysts as well as institutional investors through one-on-one and group meetings, conference calls, conferences as well as road shows in Malaysia and internationally to ensure dissemination of sound information to the investment community.

Strategic Planning and Investor Relations

Our analyst coverage, roadshows and conferences as well as meetings participated are as below:

Research Houses

- | | |
|---|-------------------------------|
| • Affin Investment Bank | • Kenanga Investment Bank |
| • Alliance DBS Research Sdn Bhd | • Macquarie |
| • Bank of America Merrill Lynch | • Maybank Investment Bank |
| • BNP Paribas | • MIDF Amanah Investment Bank |
| • CIMB Investment Bank Berhad | • Morgan Stanley |
| • Citi Investment Research | • Nomura |
| • CLSA | • Public Investment Bank |
| • Deutsche Bank | • RHB Research |
| • Goldman Sachs | • Standard Chartered |
| • Hong Leong Investment Bank | • TA Securities |
| • HSBC | • UBS Securities Malaysia |
| • J.P. Morgan | • UOB Kay Hian |
| • KAF - Seagroatt & Campbell Securities | |

Participation in Conferences/Roadshows By Countries/Cities in FY2014

Asia Pacific

- Hong Kong
- Kuala Lumpur
- Melbourne
- Singapore
- Sydney

Europe

- Amsterdam
- Edinburgh
- Frankfurt
- Glassgow
- London
- Paris

Canada/North America

- Boston
- Los Angeles
- New York
- San Francisco
- Toronto

FOREIGN SHAREHOLDINGS

The Group's foreign shareholdings (excluding the Australia and New Zealand Banking Group Limited) have been increasing gradually across the last two (2) financial years, despite a downturn in investors' appetite towards the general emerging markets. This signifies the confidence of the investment community in the Group's overall performance.

Foreign Shareholdings in AMMB Holdings Berhad (Excluding ANZ's Shareholding)		
FY2012	FY2013	FY2014
26%	29%	31%

CREDIT RATING

The stAR department also supports the Group's credit rating initiatives and has been engaging with both local and foreign rating agencies.

RECOGNITION

The Group's investor relations initiatives have been recognised with the winning of these awards at the Asian Recognition Awards 2014 by Corporate Governance Asia:

- Asia's Best CEO (Investor Relations), Ashok Ramamurthy
- Best Investor Relations Professional (Malaysia), Ganesh Kumar Nadarajah
- Best Investor Relations by Company (Malaysia) – third consecutive win

The Group's excellence in the financial industry is further recognised as Mandy Simpson, has been named CFO of the Year, Financial Institutions, Malaysia at The Asset Triple A Transaction Banking Treasury, Trade and Risk Management Awards 2014.

The Group was also awarded "Bank of the Year" by The Banker, an established international publication for good progress in executing FY2014 strategic themes, delivering consistent financial performance and business progress.

INVESTOR AND ANALYST FEEDBACK/ENQUIRIES

The Group appreciates and welcomes feedback or enquiries relating to investor relations and can be contacted at ir@ambankgroup.com.

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 can only 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 design, operate and monitor 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 the 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 includes the following:

- The Board has formed Risk Management Committee of Directors (“RMCD”) to assist in oversight of overall risk management structure. Senior Management has also established a group level risk committee (named as Group CEOs Committee) to assist it to holistically manage the risks and businesses of the Group. This committee address all classes of risk within Board delegated mandate: 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.
- 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 action 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 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.
- The Group has established policies and procedures to ensure compliance with the relevant laws and regulations. Compliance systems have been implemented that enable regular self-assessment by staff and reporting that provides management and Board with assurance that staff are aware and comply with regulatory requirements. A process is in place to standardise this practice across AmBank Group. Compliance training is conducted on a periodic basis to ensure that staff keeps abreast of banking, insurance, securities and anti-money laundering laws as well as other regulatory developments. The training programmes assist staff to develop their skills to address compliance issues as well as cultivate good corporate ethics.
- 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: observance of laws both in letter and in spirit; upholding the reputation of integrity throughout the organisation; avoiding possible conflicts of interest; ensuring completeness and accuracy of relevant records; ensuring fair and equitable treatment of all customers; avoiding misuse of position and information and ensuring confidentiality of information and transactions.

Compliance with Bursa Securities Listing Requirements

1. SHARE BUY-BACK

The Company has not purchased any of its own shares during the financial year ended 31 March 2014.

2. 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.

3. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company has not sponsored any ADR or GDR programme for the financial year ended 31 March 2013.

4. SANCTIONS AND/OR PENALTIES

AMMB Holdings Berhad

No sanctions/reprimands imposed.

AmInvestment Bank Berhad

The following penalty and reprimands were issued against the bank for the following reasons:

- i. Allowing unlicensed persons to carry out activities of a licensed person in soliciting fund management clients, including receiving trading orders directly from fund management clients.
Penalty of RM100,000 issued by Securities Commission
- ii. Failed to put in place the Price Limit filter which must be established to screen every Direct Market Access ("DMA") order.
Reprimand issued by Bursa Malaysia
- iii. Failed to ensure that:
 - monies in its clients' trust accounts were strictly for clients and that there was no co-mingling with monies for other purposes; and
 - withdrawal of monies from the said trust accounts were within the circumstances permitted under the Capital Markets and Services Act 2007.
 Private reprimand and penalty of RM30,000 issued by Bursa Malaysia

AmBank (M) Berhad and AmIslamic Bank Berhad

- i. Non-Compliance to Anti-Money Laundering and Anti-Terrorism Financing Act and Standard Guidelines on Anti-Money Laundering and Counter Financing of Terrorism, as the banks did not adequately capture information on the person conducting cash transactions exceeding RM50,000.
Total Compound amount: RM400,000 issued by Bank Negara Malaysia

All matters highlighted above have since been satisfactorily addressed.

5. PROFIT GUARANTEES

During the financial year, there were no profit guarantees given by the Company.

6. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

- (a) During the financial year, AMMB issued the fourth (4) and fifth (5) tranches of senior medium term notes amounting to RM700 million under a RM2.0 billion nominal value of medium term notes ("MTNs") programme. The fourth tranche amounting to RM300 million was issued on 27 August 2013, while the fifth tranche amounting to RM400 million was issued on 5 September 2013. The proceeds were utilised by AMMB for general working capital.
- (b) AmIslamic obtained approvals from Bank Negara Malaysia and SC on 21 October 2013 and 11 February 2014 respectively for the establishment of a Subordinated Sukuk Murabahah Programme of up to RM3.0 billion.

During the financial year, AmIslamic has issued two (2) tranches of the Subordinated Sukuk Murabahah amounting to RM350 million.

The proceeds were utilised by AmIslamic as follows:

Description	(RM'000)
Working Capital	349,301
Payment of issuance expenses	699
Total Proceeds	350,000

- (c) AmBank obtained approvals from Bank Negara Malaysia and SC on 21 October 2013 and 4 December 2013 respectively for the establishment of the Basel III-Compliant Tier 2 Subordinated Notes under a Subordinated Notes Programme of up to RM4.0 billion.

During the financial year, AmBank has issued the first tranche of the Subordinated Notes amounting to RM400 million.

The proceeds were utilised by AmBank as follows:

Description	(RM'000)
Working Capital	399,248
Payment of issuance expenses	752
Total Proceeds	400,000

7. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

As at 31 March 2014, there were no options, warrants or convertible securities outstanding.

8. VARIATION IN RESULTS

The Company has not made or published any profit forecast or projection in respect of the financial year ended 31 March 2014.

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

Pursuant to paragraph 10.09(2)(b), Part E, Chapter 10 of the Listing Requirements of Bursa Malaysia, 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 2014 pursuant to the Shareholders' Mandate are set out in the table below.

The Transacting Parties for all the Related Parties comprise AMMB and its subsidiaries.

Details of Recurrent Related Party Transactions Conducted in Financial Year Ended 31 March 2014 Pursuant to Shareholders' Mandate

Related Parties	Nature of Transaction	Actual Value (RM'000)	Relationship with the Company
AmCorp Group Berhad	Provision of software and hardware equipment, and provision of IT consultancy related services and including provision of lighting hardware ¹	2,378	Companies in which a Director and major shareholder were deemed to have an interest
	Provision of travelling arrangement	6,288	
	Provision of restaurant and hospitality services	13	
Australia and New Zealand Banking Group Limited ("ANZ")	Provision of technical services and business collaboration, technical systems capability, sales capabilities and products on foreign exchange, interest rate and commodities derivatives business ²	8,511	
Modular Corp (M) Sdn Bhd Group	Provision of electronic card technologies and services	Nil	
Cuscapri Berhad Group	Provision of technology systems integration solutions and services	422	
Yakimbi Sdn Bhd Group	Provision of secure private cloud collaboration, storage and mobility solutions	105	

Note:

- IT consultancy related services consist of, but are not limited to, the following services:
 - design, development and customisation of software;
 - integration, installation, implementation, testing and commissioning of software on the designated systems;
 - provision of maintenance services and upgrades to the existing mainframe related applications and systems;
 - development, optimisation and implementation of the website; and
 - provision of project management services.
- The provision of technical services includes but are not limited to the following services:
 - strategic business leadership, experience and know how;
 - secondment of key ANZ resources to AMMB Group;
 - technology and systems capabilities;
 - foreign exchange, interest rate and commodities derivatives trading and sales solutions / products;
 - distribution platform and processes documentation;
 - market risk management tools, models, processes, procedures and policies;
 - credit and risk management process and tools;
 - international business transformation experience and skills; and
 - global research capacity.

Group Financial Review

Management Discussion and Analysis of Financial Statements Seventh consecutive year of record performance for the Group.

INCOME STATEMENT

For the year ended 31 March 2014 ("FY2014"), the Group delivered a seventh consecutive year of record performance. It posted a pre-tax profit of RM2,448.2 million (+14.5%), whilst profit attributable to shareholders grew by 10.0% to RM1,782.4 million. Return on equity improved by 0.2% to 14.1% and earnings per share (basic) lifted from 54.0 sen in FY2013 to 59.3 sen.

The growth in profit is mainly attributable to growth in net fund income, higher contributions from insurance business coupled with lower allowances for impairment on loans and financing.

Simplified Income Statement

RM Million	FY2014	FY2013	+/-	
			RM Million	%
Net interest income	2,271.9	2,218.4	+ 53.5	+ 2.4
Net finance income from Islamic banking business*	856.7	800.8	+ 55.9	+ 7.0
Net fund income	3,128.6	3,019.2	+ 109.4	+ 3.6
Other income from Islamic banking business*	83.3	83.1	+ 0.2	+ 0.2
Net income from insurance business	471.9	250.2	+ 221.7	+ 88.6
Other income	1,047.5	1,016.7	+ 30.8	+ 3.0
Total income	4,731.4	4,369.3	+ 362.1	+ 8.3
Overheads	(2,121.6)	(2,041.6)	- 80.1	- 3.9
Acquisition and business efficiency expenses	(29.3)	(45.4)	+ 16.1	+ 35.5
Operating profit	2,580.4	2,282.3	+ 298.1	+ 13.1
Allowance for impairment on loans and financing	(67.8)	(173.3)	+ 105.5	+ 60.9
Writeback of other provisions	19.8	42.1	- 22.4	- 53.1
Other impairment loss	(84.2)	(12.2)	- 72.1	>- 100.0
Profit before taxation and zakat	2,448.2	2,139.0	+ 309.3	+ 14.5
Taxation and zakat	(577.2)	(475.5)	- 101.7	- 21.4
Profit after taxation	1,871.1	1,663.5	+ 207.6	+ 12.5
Non-controlling interests	(88.7)	(42.8)	- 45.9	>- 100.0
Profit attributable to shareholders	1,782.4	1,620.7	+ 161.7	+ 10.0

Islamic Banking Business*

RM Million	FY2014	FY2013	+/-	
			RM Million	%
Net finance income	856.7	800.8	+ 55.9	+ 7.0
Other income	83.3	83.1	+ 0.2	+ 0.2
Net income from Islamic banking business	940.0	883.9	+ 56.1	+ 6.3

TOTAL INCOME – REVENUE GROWTH

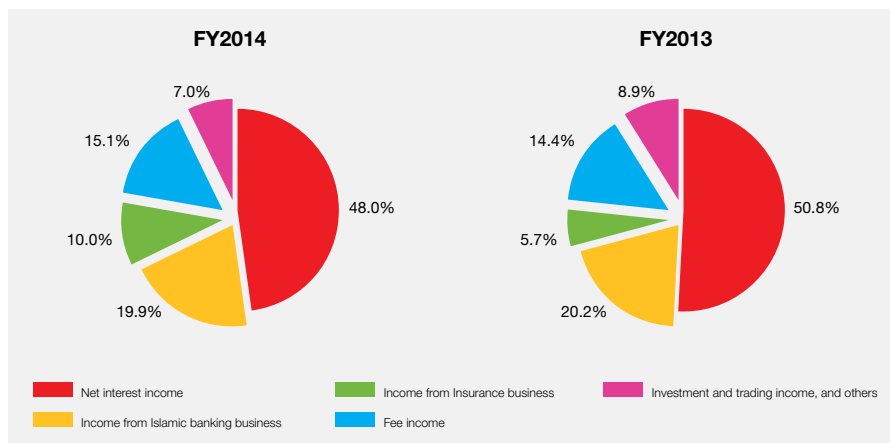
The major components of revenue are net fund income (net interest income and net finance income from Islamic banking business), other income from Islamic banking business, net income from insurance business and other operating income.

Total income for FY2014 grew 8.3% to RM4,731.4 million, spurred by higher net fund income (+3.6%) to RM3,128.6 million and growth in non-interest income (+18.7%) to RM1,602.7 million. This reflects the Group's ability to execute its strategy in a disciplined manner, namely on increasing our share of wallet from existing customers, winning new clientele through product innovation and superior service delivery, diversifying into new income streams and cross selling across the Group's diversified portfolio.

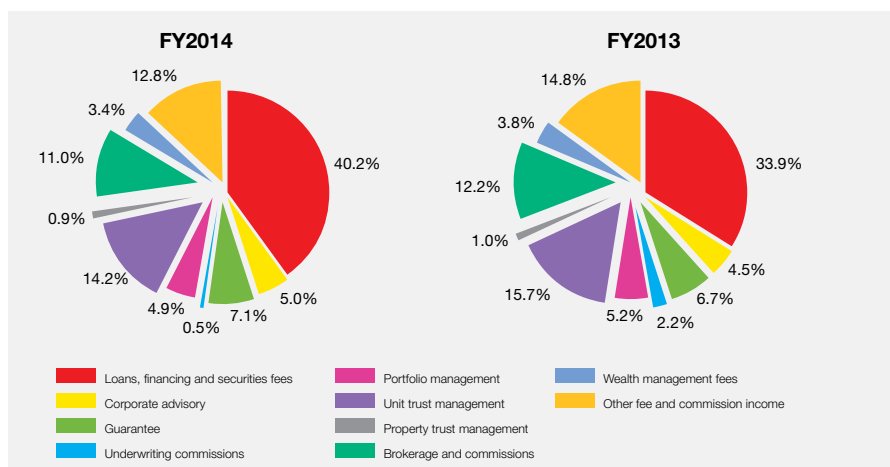
To support revenue generation, the Group continues to invest in operational efficiency, delivery of quality service experience and expansion of our distribution footprint.

The Group's distribution network comprises 179 commercial bank branches, 4 regional business centres, 14 investment bank offices, 50 insurance offices, 26 MBF Cards branches, 884 automated teller machines and 167 electronic banking centres nationwide. Of these, 401 ATM's are placed at 7-Eleven stores to provide customers with 24-hour banking convenience.

Composition of Income



Fee Income



Net fund income: RM3,128.6 million (+3.6% or +RM109.4 million)

- Net Interest income grew by RM53.5 million (+2.4%) to RM2,271.9 million whilst net finance income from Islamic banking grew 7.0% to RM856.7 million. This reflects moderating funds asset growth and continued margin compression.
- Growth in fund assets was driven by increase in net loans and financing (+RM4.6 billion or 5.6%). Expansion in loans and financing was mainly driven by growth in lending to the household sector, mining and quarrying sector, electricity, gas and water sector and construction sector.

Net income from insurance business: RM471.9 million (+88.6% or +RM221.7 million)

- During the second half year of FY2013, the Group completed the acquisition of AmGeneral Insurance Berhad ("AGIB"), formerly known as Kurnia Insurans (Malaysia) Berhad. With this acquisition, the Group is now Malaysia's leading motor and general insurer.
- Premium income from the combined general, life and takaful insurance businesses increased by RM554.0 million to RM2,290.0 million. This was offset by increases in insurance commissions and claims of RM355.4 million.
- Contribution from insurance business made up 10.0% of total income and 29.4% of non-interest income respectively.

Other Income: RM1,047.5 million (+3.0% or +RM30.8 million)

Other income, which comprises mainly income from investment and trading activities, share in results of associates as well as ancillary services connected to the Group's lending activities, was partly affected by slower equity market activities and lack of significant primary issuance in the bond market.

Group Financial Review

For FY2014:

- Fee income increased by RM83.0 million (+13.2%) mainly attributable to higher fees from financing and securities, corporate advisory services, provision of guarantees and unit trust management. The higher fee income is partly attributed to contributions from MBF Cards (M'sia) Sdn. Bhd. ("MBF Cards") which was acquired towards the last quarter of FY2013.
- Investment and trading activities recorded a lower contribution of RM238.1 million compared to RM341.3 million in the preceding year. This was mainly due to losses from trading of securities and net loss on revaluation of financial assets held-for trading, attributable to tough trading environment arising from uncertainties in the local and global financial markets.

OPERATING EXPENSES

The Group will continuously invest to sustainably grow our business whilst prudently managing its cost via improving productivity and efficiency. The cost-to-income ratio expresses the Group's operating expenses as a percentage of income and is one of the most widely used measures of efficiency in the banking industry.

In FY2014, the cost-to-income ratio, including business efficiency expenses, stood at 45.5% (FY2013: 47.8%). The decrease reflects a disciplined approach to cost management with income growing at a faster pace than expenses despite acquisition related expenses and planned investment in infrastructure to support growth plans and deliver synergies.

Operating expenses

RM Million	FY2014	FY2013	+ / - RM Million	%
Personnel	1,255.5	1,216.9	+ 38.6	3.2
Establishment	513.2	499.2	+ 14.0	2.8
Marketing and communication	179.6	164.8	+ 14.8	9.0
Administration and general	215.4	187.3	+ 28.1	15.0
Expenses capitalised	(42.0)	(26.6)	- 15.5	58.3
Total	2,121.6	2,041.6	+ 80.1	3.9

Overheads: RM2,121.6 million (+3.9% or +RM80.1 million)

- Personnel expenses were 3.2% or RM38.6 million higher, partly attributable to the full year staff costs impact of AGIB and MBF Cards acquired last year, as well as mutual separation scheme payments under the "Save to Invest" programme to achieve cost synergies. As at 31 March 2014, the number of employees of the Group stood at 12,270 (FY2013:12,770).

- Establishment expenses were 2.8% or RM14.0 million higher due to full year impact of costs attributable to AGIB and MBF Cards with increase in depreciation of property and equipment and increased rentals and utilities of branch premises.
- Marketing and communication expenses increased by RM14.8 million largely due to higher advertising and promotional costs coupled with higher commission and sales incentive expenses.
- Administration expenses increased by RM28.1 million largely due to full year impact of costs attributable to AGIB and MBF Cards coupled with higher donations from increased corporate social responsibility activities, and professional fees to support various strategic and compliance initiatives such as Save to Invest programme, GST programme, Talent Management profiling, outsourced ATM replenishment, etc.
- Expenses capitalised RM42.0 million relates to internal resources incurred in the development of core banking system in accordance with MFRS 138, Intangible Assets. Phase 1 of core banking system was successfully rolled out in November 2013 and it won the Asian Banker Award for best single country core banking implementation.

Asset Quality



Loan/Financing Impairment Allowance

RM Million	FY2014	FY2013	FY2014 vs FY2013
Individual allowance - net	216.7	287.7	- 71.0
Collective allowance - net	602.5	455.2	+ 147.3
Bad debts recovered - net	(751.4)	(569.7)	- 181.8
Total	67.8	173.2	- 105.5

ASSET QUALITY AND LOAN/FINANCING IMPAIRMENT ALLOWANCE

In accordance with MFRS 139, a loan/financing is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more incurred loss event(s) that has occurred and the incurred loss event has an impact on the estimated future cash flows of the loan/financing that can be reliably measured. Collective impairment allowance is made based on estimated loan loss rates arising from the shortfall between the discounted value of the collateral and the exposure at default.

Loan/financing quality continued to improve throughout the year with gross impaired loan/financing ratio trending down to 1.9% (FY2013: 2.0%).

The net loan/financing impairment charge fell by RM105.5 million to RM67.8 million, with improvement in bad debt recoveries of RM181.8 million and lower individual allowances by RM71.0 million, offset by RM147.3 million increases in collective allowances.

The Group continues to proactively manage its asset quality by enhancing its asset writing and collection strategies, investing in new and enhanced risk models and infrastructure supported by the Group’s specialist risk management team.

OTHER PROVISIONS AND IMPAIRMENT LOSS

Other provisions recorded a net write back of RM19.8 million arising mainly from write back of provision for commitment and contingencies. The write back is attributable to reduction in exposures and improvement in borrowers’ ratings.

Other impairment loss increased by RM72.1 million mainly due to impairment charge for trade receivables from exposure to margin and contra losses of the Group’s Singapore stock-broking arm.

BALANCE SHEET

As at 31 March 2014, the Group’s total assets stood at RM132.3 billion, an increase of RM4.8 billion (+3.7%), represented by 5.6% growth in net loans and financing focusing on our targeted segments.

The increase is funded mainly by growth in customer deposits and shareholders’ funds.

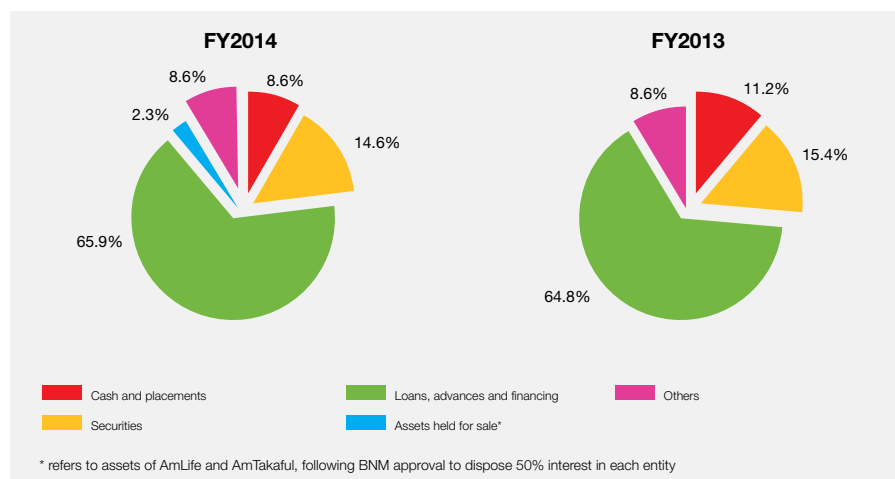
Following Bank Negara Malaysia’s approval for the Group to dispose approximately 50% interest each in AmLife Insurance Berhad (“AmLife”) and AmFamily Takaful Berhad (“AmTakaful”), the assets and liabilities of both companies (part of the insurance segment) have been presented as assets held for sale RM3.1 billion and liabilities associated with assets held for sale RM2.8 billion.

Under the strategic partnership arrangement with MetLife International Holdings Inc. (“MetLife”):

- MetLife will own 50% plus one share in AmLife, remaining shares owned by AMAB Holdings Sdn Bhd (“AMAB”), a wholly-owned subsidiary of the Company.
- AMAB to own 50% plus one share in AmTakaful, remaining shares owned by MetLife.

Group Financial Review

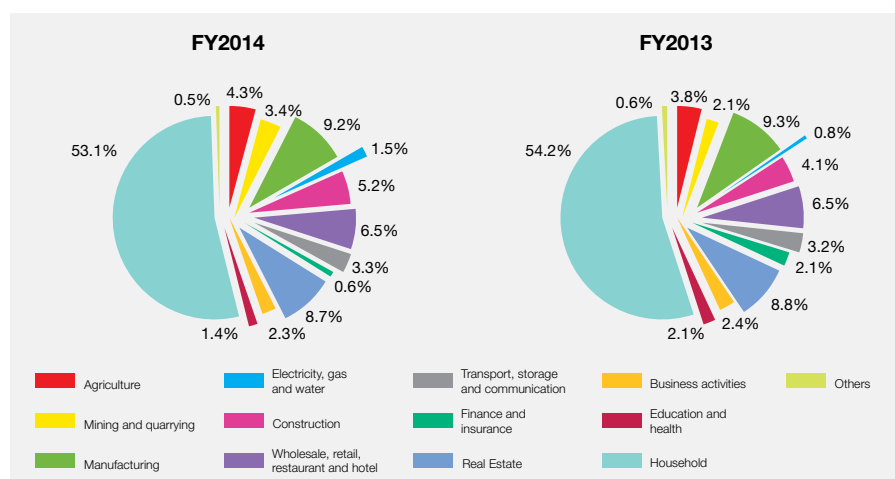
Asset Mix Analysis



Loans By Type Of Customers

	FY2014		FY2013	
	RM Million	%	RM Million	%
Individuals	46,823.4	52.5	45,592.2	53.8
SME	12,358.8	13.8	10,890.4	12.8
Corporate	28,386.5	31.8	25,179.0	29.7
Others	1,719.9	1.9	3,097.6	3.7
Total	89,288.5	100.0	84,759.2	100.0

Gross loans - Sectors



LOANS AND FINANCING

- The Group's net loans and financing expanded RM4.6 billion (+5.6%) to reach RM87.2 billion compared to RM82.6 billion for the preceding year. The Group continues its strategy to grow in preferred customer segments and economic sectors.

- Retail lending focuses on good quality and profitable segments. Business and small and medium enterprise ("SME") lending target stable and preferred growth sectors while corporate and institutional lending focuses on project financing with government support, government-linked corporations and large multi-national corporations particularly in prime sectors of the Government's Economic Transformation Programme ("ETP").

- The expansion in loans and advances was mainly attributed to strong loans demand in the SME segment which grew RM1.5 billion or 13.5% followed by lending to the corporate segment which grew RM3.2 billion or 12.7% through acquisition of new customers and capitalizing on opportunities provided by the ETP. Both these segments now make up 45.6% (FY2013: 42.6%) of the total loan/financing portfolio.

- Loans to individuals grew 2.7% to reach RM46.8 billion, driven by lending for purchase of residential properties.

SECURITIES

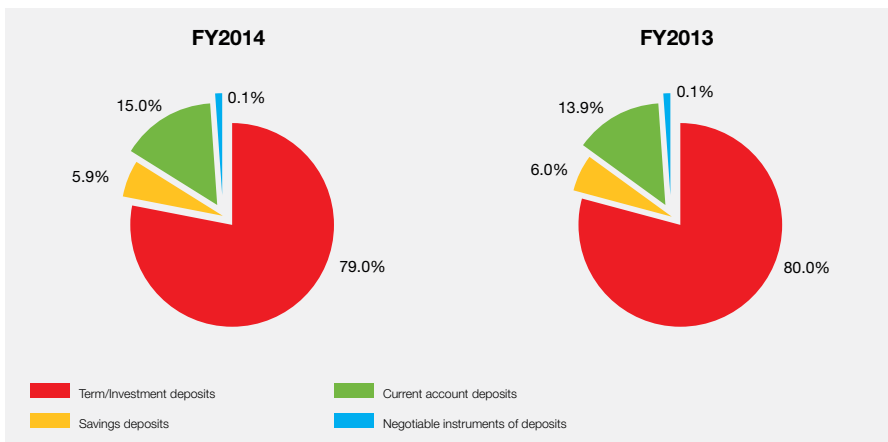
- Securities held for trading ("HFT") are acquired for purpose of benefitting from short term price movements or to lock in arbitrage profits. HFT contracted by RM3.5 billion to settle at RM3.8 billion at end of FY2014.

– Holdings of unquoted securities decreased by RM2.6 billion mainly in private debt securities ("PDS"). The sell down is driven mainly by defensive strategy in response to global sell down following announcements of US Quantitative Easing tapering.

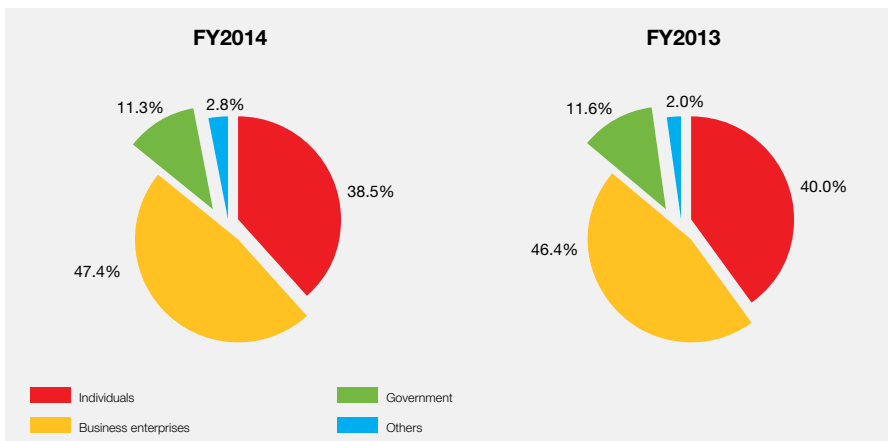
– Holdings of Money Market instruments drop RM0.8 billion mainly in BNM Monetary Notes. The Group's banking subsidiaries as Principal Dealers for issuances of Malaysian Government and BNM securities will subscribe and sell down these securities in the secondary market. Movement in these securities is dependent on the timing of issuances by BNM.

- Securities available for sale (“AFS”) are acquired for yield and liquidity purposes. AFS increased by RM5.5 billion mainly in shorter tenor Money Market instruments. In line with the Group’s defensive strategy, proceeds from disposal of HFT and maturity of HTM securities are reinvested in AFS securities for income generation.
- Securities held to maturity (“HTM”) are securities with fixed or determinable payments and fixed maturity that the Group has positive intent and ability to hold to maturity. HTM decreased by RM2.3 billion to hit RM3.9 billion as at 31 March 2014, mainly from maturity of BNM Monetary Notes.

Deposits From Customers - Type



Deposits From Customers - Source



DEPOSITS AND FUNDING

- The Group’s primary source of funding is from customer deposits, comprising term/investment deposits, savings account deposits, current account deposits, and negotiable instruments of deposits. Other major sources of funds include shareholders’ funds, debt capital, term funding, interbank and other borrowings.

- As at 31 March 2014, deposits from customers increased by RM4.9 billion (+5.7 %) to reach RM89.7 billion, whilst low cost deposits comprising current accounts and savings accounts (“CASA”) grew 11.2%. CASA as a proportion to total customer deposits is now at 20.9% compared to 19.9% a year ago. Term/Investment deposits continued to make up the majority of customer deposits by type constituting 79.0% (FY2013: 80.0%) of total customer deposits.

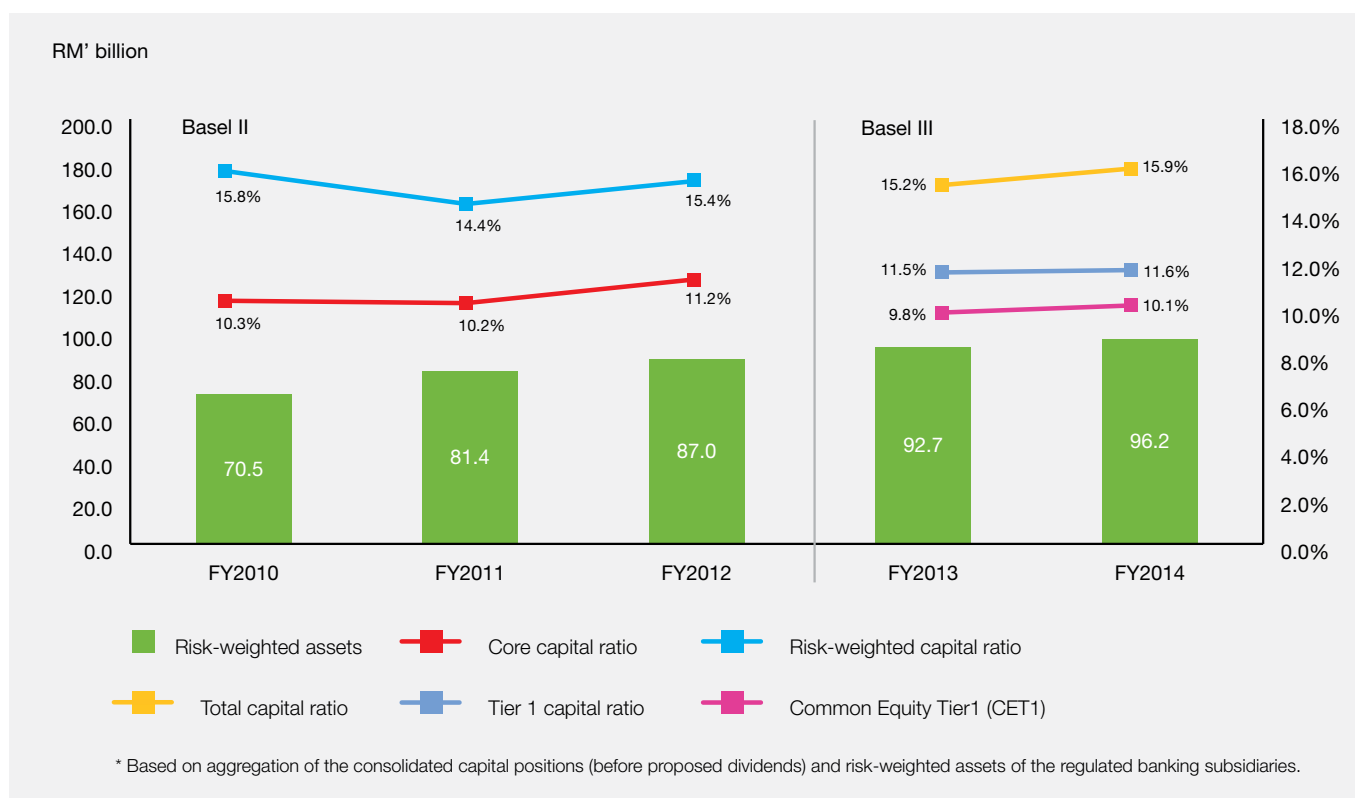
- Term funding initiatives included senior notes, sukuk and credit-link notes issuances. As at 31 March 2014, term funding of the Group stood at RM6.6 billion (+6.2%), comprising term loans and revolving credit of RM1.6 billion, senior notes and sukuk of RM4.7 billion and credit-link notes of RM0.3 billion.

- Loans sold to Cagamas Berhad with recourse remained stable at RM3.3 billion compared to last year.

- The Group stresses the importance of customer deposits as a source of funds to finance lending /financing to customers. They are monitored using adjusted loan/financing to deposit ratio (“LDR”) which compares net loans/financing to customers as a percentage of adjusted customer deposits (inclusive of loans/financing sold to Cagamas Berhad and term funding with original maturity of 3 years and above). The Group aims for a LDR of approximately 90% with emphasis placed on supporting loans growth through stable funding sources. As at 31 March 2014, the LDR of the Group remained stable at 88.7% compared to last year.

Group Financial Review

Capital Ratios*



EFFICIENT CAPITAL LEVELS

The Group's Capital Management Plan is driven by its desire to maintain strong capital base to support the development of its businesses, to meet regulatory capital requirements at all times and to maintain good credit ratings. This encompasses optimising capital profile and buffer, enhancing scenario modelling, streamlining corporate structures, developing dynamic dividend policy and proactively managing Basel III requirements.

The Group's banking subsidiaries to which BNM's Risk Weighted Capital Adequacy Framework apply are AmBank (M) Berhad ("AmBank"), AmInvestment Bank Berhad ("AmInvestment Bank") and AmIslamic Bank Berhad ("AmIslamic Bank"). With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with BNM's guideline on Capital Adequacy Framework (Capital Components), which is based on the Basel III capital accord.

During the year, the following debt capital was raised:

- AmIslamic Bank implemented a new Subordinated Sukuk Murabahah programme of RM3.0 billion of which RM350 million was raised by 31 March 2014.
- AmBank established a Subordinated Notes programme of RM4.0 billion of which RM400 million was raised by 31 March 2014.

The securities issued under these programmes are fully Basel III compliant and qualified for recognition as Tier 2 Capital for capital adequacy computation purposes.

Our capital levels remain sound, with the Group's aggregated banking entities' total capital ratio, before proposed dividend, at 15.9% (FY2013: 15.2%) and Tier 1 capital ratio of 11.6% (FY2013: 11.5%). Our CET1 levels continue to strengthen organically through capital retention strategies, and remain significantly in excess of minimum regulatory requirements at 10.1% before proposed dividends (FY 2013: 9.8%).

CREDIT RATINGS

During the year, RAM Rating Services upgraded the ratings of the Company to AA3 and its banking subsidiaries to AA2 premised on the continued strengthening of the Group's credit metrics, underscored by its asset quality, balance sheet strength and profitability.

As a consequence of Standards and Poor's revision of its view of Malaysia's economic trend on its "Banking Industry Country Risk Assessment" to Negative, AmBank's credit rating outlook was also revised to Negative. Nevertheless, its credit ratings were reaffirmed.

Moody's rating on AmBank was reaffirmed.

The credit ratings of the Company and its principal subsidiaries are as follows:

Rating Agency	Rating Classification	Ratings
AmBank (M) Berhad		
Moody's Investors Service ("Moody's")	Long-term foreign currency deposit rating	Baa1/Stable
	Short-term foreign currency deposit rating	P-2/Stable
	Bank financial strength rating	D+
Standard & Poor's Ratings Services ("S&P")	Foreign long-term issuer credit rating	BBB+/Negative
	Foreign short-term issuer credit rating	A-2
RAM Rating Services ("RAM")	Long-term financial institution rating	AA2/Stable
	Short-term financial institution rating	P1
AmInvestment Bank Berhad		
RAM	Long-term financial institution rating	AA2/Stable
	Short-term financial institution rating	P1
AmIslamic Bank Berhad		
RAM	Long-term financial institution rating	AA2/Stable
	Short-term financial institution rating	P1
AMMB Holdings Berhad		
RAM	Long-term corporate credit rating	AA3/Stable
	Short-term corporate credit rating	P1

DIVIDEND

Reflecting the better financial performance in FY2014, the Directors are recommending a final single-tier dividend payment of 16.9%, which together with the interim dividend of 7.2% amounts to a cumulative total dividend of 24.1%, up 2.1% compared to FY2013.

Note: The totals of the components in the tables in this section are based on actual summation method and then rounded up to the nearest million.

Group Financial Highlights

	YEAR ENDED 31 MARCH				HALF-YEAR ENDED 30 SEPTEMBER			
	RM Million		Growth Rate +/- (%)		RM Million		Growth Rate +/- (%)	
	2014	2013 [®]	2014	2013	2013	2012 [®]	2013	2012
Operating revenue	9,606.0	8,705.9	10.3	9.0	4,780.0	4,014.3	19.1	4.9
Profit before tax and allowances for impairment on loans and financing	2,516.0	2,312.3	8.8	(4.3)	1,206.7	1,179.0	2.3	(10.9)
Impairment (allowances)/ writeback on loans and financing	(67.8)	(173.3)	(60.9)	(54.6)	31.0	(28.3)	(>100)	(83.4)
Profit before tax and zakat	2,448.2	2,139.0	14.5	5.2	1,237.7	1,150.7	7.6	(0.1)
Profit attributable to shareholders	1,782.4	1,620.7	10.0	9.2	902.8	823.2	9.7	(1.7)
Total assets	132,353.3	127,572.3	3.7	13.0	129,470.2	124,895.8	3.7	15.0
Loans, advances and financing (net)	87,170.6	82,586.3	5.6	9.1	83,607.3	80,170.2	4.3	10.4
Customer deposits	89,698.9	84,830.0	5.7	9.7	88,223.8	83,133.3	6.1	11.7
Commitment and contingencies	103,478.9	102,467.5	1.0	2.9	101,259.2	104,452.0	(3.1)	4.4
Shareholders' equity	13,142.9	12,067.7	8.9	8.6	12,509.4	11,590.3	7.9	9.1
Post-tax return on average shareholders' equity (%) [^]	14.1	13.9	0.2	0.1	14.5**	14.3**	0.2	(1.5)
Post-tax return on average total assets (%)	1.5	1.4	0.1	(0.0)	1.5**	1.4**	0.0	(0.1)
Earnings per share (sen)								
Basic	59.3	54.0	9.7	8.9	60.1**	54.9**	9.4	(1.9)
Fully diluted	59.3	54.0	9.7	8.9	59.9**	54.8**	9.3	(2.0)
Single tier dividend per share (sen)	24.1	22.0	9.5	9.5	7.2	7.0	2.9	6.1
Net assets per share (RM)	4.36	4.00	8.9	8.6	4.15	3.85	7.9	9.1
Cost to income (%)	45.5	47.8	(2.3)	6.1	47.6	43.9	3.7	4.4
Number of employees	12,270	12,770	(3.9)	16.8	12,764	10,966	16.4	0.1
Assets per employee (RM Million)	10.8	10.0	8.0	(3.3)	10.14	11.39	(10.9)	14.9
Pre-tax profit per employee (RM'000)	199.5	167.5	19.1	(9.9)	193.9**	209.9**	(7.6)	(0.2)

Refer to page 69 for explanation of legend

Five-Year Group Financial Highlights

	FINANCIAL YEAR ENDED 31 MARCH				
	2014	2013 [@]	2012 [#]	2011 [#]	2010 [#]
1 REVENUE (RM MILLION)					
i Operating revenue	9,606.0	8,705.9	7,983.6	6,784.7	6,060.7
ii Profit before tax and allowances for impairment on loans and financing	2,516.0	2,312.3	2,415.6	2,340.6	1,945.6
iii Impairment allowances on loans and financing	(67.8)	(173.3)	(381.9)	(475.4)	(568.9)
iv Profit before tax and zakat	2,448.2	2,139.0	2,033.6	1,865.1	1,376.7
v Profit attributable to shareholders	1,782.4	1,620.7	1,484.4	1,342.8	1,008.6
2 BALANCE SHEET (RM MILLION)					
Assets					
i Total assets	132,353.3	127,572.3	112,922.8	108,236.2	96,480.3
ii Loans, advances and financing (net)	87,170.6	82,586.3	75,683.4	71,078.9	64,771.7
Liabilities and Shareholders' Equity					
i Customer deposits	89,698.9	84,830.0	77,307.2	74,567.0	68,874.1
ii Adjusted customer deposits ¹	98,267.6	93,057.7	84,587.8	81,495.9	70,653.5
iii Paid-up share capital	3,014.2	3,014.2	3,014.2	3,014.2	3,014.2
iv Shareholders' equity	13,142.9	12,067.7	11,111.1	10,308.9	9,637.7
Commitment and Contingencies	103,478.9	102,467.5	99,615.0	100,195.3	62,260.7
3 PER SHARE (SEN)					
i Basic net earnings	59.3	54.0	49.6	44.7	34.7
ii Fully diluted net earnings	59.3	54.0	49.6	44.7	34.7
iii Net assets	436.0	400.4	368.6	342.0	319.7
iv Single tier/gross dividend	24.1	22.0	20.1	18.0	10.5
4 FINANCIAL RATIOS (%)					
i Post-tax return on average shareholders' equity [^]	14.1	13.9	13.8	13.6	11.5
ii Post-tax return on average total assets	1.5	1.4	1.4	1.4	1.1
iii Net loans to customer deposits	97.2	97.4	97.9	95.3	94.0
iv Net loans to adjusted customer deposits	88.7	88.7	89.5	87.2	91.7
v Cost to income	45.5	47.8	41.6	39.9	42.0
5 SHARE PRICE (RM)					
i High	8.08	6.80	6.71	7.15	5.36
ii Low	6.44	6.13	5.38	4.65	2.58
iii As at 31 March	7.18	6.55	6.31	6.49	5.00

1 Inclusive of recourse obligation on loans and financing sold to Cagamas and term funding with original maturity of 3 years and above
 ** Annualised
 ^ Adjusted for non-controlling interests
 @ After adjusting for adoption of
 - Malaysian Financial Reporting Standard 10- Consolidated Financial Statements
 - Finalisation of the Purchase Price Allocation exercise in relation to the acquisition of AmGeneral Insurance Berhad that have been applied retrospectively for one financial year
 # Comparative figures were reclassified to conform with current year presentation

Financial Calendar

2013

16 August

Announcement of unaudited consolidated results for the financial first quarter ended 30 June 2013

22 August

22nd Annual General Meeting

12 September

Payment of final single tier dividend of 15.0% for the financial year ended 31 March 2013

14 November

Announcement of unaudited consolidated results for the financial half year ended 30 September 2013

12 December

Payment of interim single tier dividend of 7.2% for the financial year ending 31 March 2014

2014

17 February

Announcement of unaudited consolidated results for the financial third quarter ended 31 December 2013

20 May

Announcement of audited consolidated results for the financial year ended 31 March 2014

30 July

Notice of 23rd Annual General Meeting

21 August

23rd Annual General Meeting

Group Risk Management

OVERVIEW

Risk Management is focused on ensuring that risk taking activities across the Group are aligned to the Group's risk appetite and strategies. The overall strategy for Risk is driven mainly by the initiatives formulated earlier under our Advanced Risk Recognition Programme ("ARRP"):

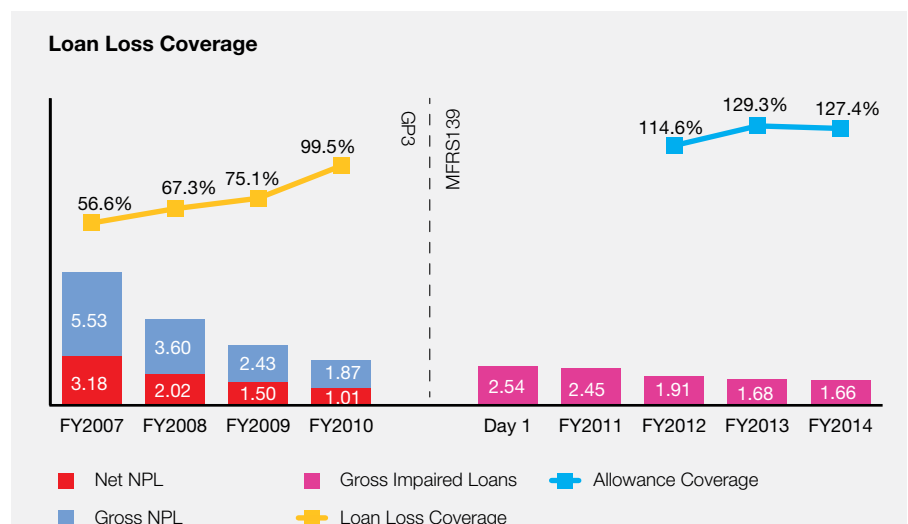
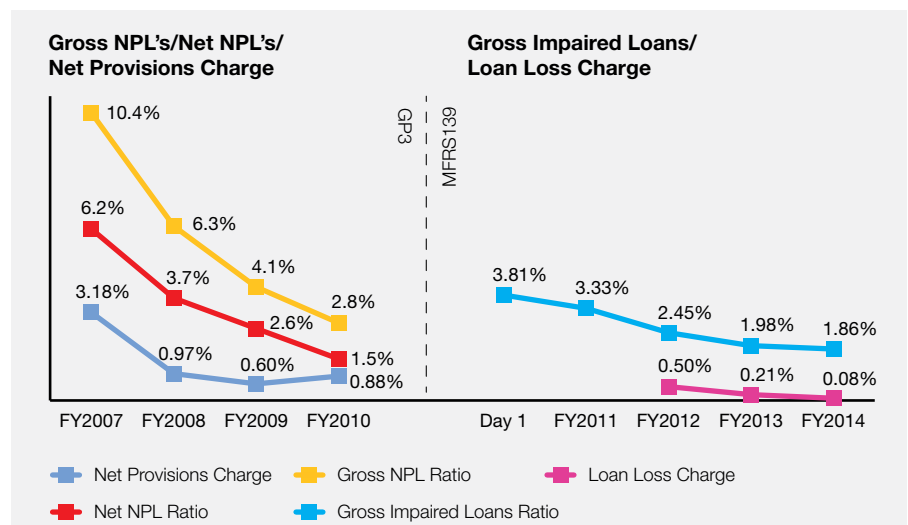
- Enhancing risk governance
- Upgrading risk infrastructure
- Developing more comprehensive risk appetite strategy, execution and monitoring framework
- Improving funding and liquidity risk management
- Improving underlying asset quality and enhancing portfolio diversification
- Materially lowering loan loss provisions
- Developing robust risk/reward pricing models
- Ensuring International Financial Reporting Standard ("IFRS") readiness; and
- Positioning AmBank for advanced status under Basel II

A strong risk culture across the Group is being driven through the "Three Lines of Defense" framework, in which "risk is everyone's responsibility" to manage. Supporting this framework are policies and procedures to enforce core standards.

Key highlights of progress made under the programme this year are as follows:

1. Better diversification of income across the Group (Retail, Wholesale and Insurance) without over dependence on a single business.
2. Sound asset quality with stable Impaired Loans Ratio, lower Loan Loss Charge and above industry Loan Loss Coverage Ratio. The Group has one of the highest Collective Provisioning rates amongst industry peers.
3. Group Risk Appetite Framework ("GRAF") refined to include statements on Reputational Risk, Compliance Risk and Shariah Risk.

4. Infrastructure enhanced to position the Group towards attaining Basel Internal Rating Based ("IRB") status.
5. Streamlined risk management processes by simplifying risk policies and practices across the Group. Turnaround time for risk assessment (credit, new product, market etc) has improved and potential problem credits (accounts) are proactively identified and monitored earlier.
6. Initiated and implemented various risk system projects to increase the Group's robustness in risk taking capabilities for example the implementation of the new Market Risk Engine, and the imminent roll-out of Single Counterparty Exposure Limit (SCEL) System.



7. Implemented Retail Behavioral Scoring models and rebuilt and recalibrated several retail and non-retail credit risk models to enhance our capability to quantify risk and manage accounts. To facilitate this, a new model governance framework has been established to improve the development and validation of credit risk models.
8. Operational Risk controls have been enhanced by rolling out the Key Risk Indicators and Key Control Testing tools to major business units. This enables faster identification and escalation of high risk issues.

Beaming with the Brightest Stars

World Finance Investment Management Awards 2014

- Investment Management Company of the Year, Malaysia
(3 consecutive years)

The Edge Lipper Malaysia Fund Awards 2014

- Best Mixed Asset Fund Group
- Best Fund Over 10 Years, Bond MYR

Morningstar Fund Awards 2014

- Best Islamic MYR Allocation Fund

Asia Asset Management Best of the Best Awards 2013

- Best Pension Fund Manager, Malaysia
- Best Institutional House, Malaysia
- Best Sukuk House, Malaysia (2 consecutive years)

Islamic Business & Finance Awards 2013

- Best Asset Manager, Asia

Global Islamic Finance Awards (GIFA) 2013

- Best Islamic Fund Manager



AmInvest

Business Operations Review

The seventh consecutive year of record performance with positive return on equity (“ROE”) trend for AmBank Group reflects the Group’s consistent discipline in executing its strategic themes and delivering sustainable performance. AmBank Group’s strategies are conscripted to anchor our position as a modern Malaysian diversified financial solutions group that understands and meets the diverse needs of modern Malaysians.

The Group offers a comprehensive range of both conventional and Islamic financial solutions, and covers activities across retail banking, the new wholesale banking which includes all non-retail banking products and services, general insurance, life assurance and family takaful businesses. With this diverse composition of businesses across the Group, we are able to provide one-stop solutions as well as customisation to meet our customers’ sophisticated requirements. This also allows greater cross-selling opportunities across the Group and greater customer share of wallet.

The Group continues to deliver on focused organic growth while leveraging on strategic partnerships and delivering synergies from integrations of acquisitions. Our strategic partnership with the Australia and New Zealand Banking Group (“ANZ”) continues to contribute positively as the Group benefits from the joint initiatives to develop and roll out innovative products and solutions, provision of technical expertise, joint account planning, two-way customer referrals and ANZ’s regional network and connectivity to meet our customers’ needs.

We are committed to drive sustainable growth moving forward as we have refined our strategic priorities in response to the changing business environment in order to drive the Group’s agenda to achieve our vision - As Malaysia’s preferred diversified, internationally connected financial solutions group, we take pride in growing your future with us.

Retail Banking

Retail Banking offers a full suite of products and financial solutions which includes loans and financing (auto financing, mortgage and personal loans), deposits, small business, credit cards, priority banking services, wealth management (including unit trust and bancassurance) as well as remittance services.

As part of our aspiration to become a high quality retail bank which is relevant to our customers, we have launched a new retail banking website, rolled-out a new branch concept supported by enhanced services and embarked upon customer engagement initiatives aimed at improving customer experience. We will also leverage on the robust functionalities of our new core banking system to continuously improve upon our capabilities and services.

Post-acquisition of MBF Cards, we have strengthened our market presence with a larger customer base and enlarged merchant pool. For FY2015, we aim to build new value segments targeting the emerging affluent and small business segments, while continuing to grow our core mass market customers by leveraging on existing value strengths. We will continue to transform by focusing on simplification of processes and solutions, digital enablement and building a service-oriented culture and people capability.

Wholesale Banking

During the year, we restructured our non-retail banking divisions, which involved the consolidation of five (5) divisions namely Business Banking, Corporate & Institutional Banking, Transaction Banking, Investment Banking and Markets into two (2) divisions, Wholesale Banking Coverage and Wholesale Banking Product. These two (2) divisions fall under the ambit of the newly created Wholesale Banking (“WB”) which has been in operation since 1 April 2014.

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

“Wholesale Banking Coverage” consolidates the Business Banking and Corporate & Institutional Banking Divisions with exciting new industry-focused portfolios created. The Investment Banking, Markets and Transaction Banking forming the “Wholesale Banking Product” will ensure provision of innovative products and solutions to the wholesale client segment.

Transaction Banking offers a full suite of trade finance products, cash management services, e-Commerce solutions and gross payroll solutions.

Investment Banking offers a full range of investment banking solutions and services, encompassing capital markets and asset management activities, equity derivatives, broking, AmInvest (our rebranded Funds Management) and private banking services. Our Corporate Finance ("CF") provides full spectrum of corporate advisory and fund raising services while Equity Capital Markets supports the CF team and deals with the origination of primary market transactions, and also manages structuring, syndication, marketing and distribution in both primary and secondary markets. Equity Derivatives provides investors a broader range of investment and hedging instruments to suit their risk profiles. Stock Broking and Futures offer securities and futures trading services to our customers in both local bourse, the Malaysian futures market and selected major foreign futures markets. AmInvest provides investment management services and solutions for both institutional and retail market segments, covering both conventional and Islamic mandates and specialising in Asian equities as well as global bonds. Private Banking manages the private wealth of high net worth individuals, family groups and companies by offering comprehensive wealth management solutions and integrated access to expertise and resources of the Group.

Markets specialises in providing foreign exchange, derivatives, fixed income and structured solutions. Our Debt Markets ("DM") covers a comprehensive range of customised debt financing solutions. Islamic Capital Markets complements DM by offering Islamic offering solutions as well as customised products and services

including sukuk origination, Islamic equity capital markets, Islamic private equity and Islamic syndication that uphold Shariah integrity.

Islamic Banking

Islamic Banking offers a comprehensive range of Shariah compliant products and services, with its business embedded within Retail Banking and Wholesale Banking. Our aspiration is to be the preferred bank in the domestic Islamic banking industry with strong market share by providing wide range of products and services through various channels including our extensive network of AmBank branches, AmIslamic Bank branches, and e-Banking centres nationwide. We also offer mobile banking and internet banking services which allow customers to make online transactions including payment of zakat. Moving forward, we will continue to develop a full suite of Islamic financial solutions to serve the needs of the targeted segments.

General Insurance

AmGeneral Insurance Berhad ("AmGeneral") is the number one motor insurer and a leading general insurer in Malaysia. It is backed by a strong strategic partnership between AmBank Group and Insurance Australia Group Limited ("IAG") - Australia's largest general insurance group. AmGeneral was established following the acquisition of Kurnia Insurans (Malaysia) Berhad ("Kurnia") by AmG Insurance Berhad ("AmG") on 26 September 2012 and comprises the combined business of two (2) former entities, namely AmG and Kurnia. Operating under its two (2) well-known and trusted brands, "Kurnia" and "AmAssurance", AmGeneral offers a comprehensive range of general insurance solutions distributed through a nationwide network of 32 branches, servicing approximately 7,000 agents and dealers, as well as through AmBank branches.

Life Assurance

AmLife Insurance Berhad ("AmLife") provides various solutions in life insurance, wealth protection/savings, health and medical protection as well as employee benefit schemes. Our investment-linked protection solution comes in regular and single premium options with a choice to invest domestically and internationally.

On 30 April 2014, we sealed a strategic partnership with MetLife International Holdings, Inc. ("MetLife"), which entails MetLife owning 50% plus one share in AmLife with the remaining shares to be owned by the Group and the Group owns 50% plus one share in AmFamily Takaful Berhad ("AmTakaful" – details set out in the below section) with the remaining shares owned by MetLife.

This long-term strategic partnership leverages on the Group and MetLife's combined strength to create a customer-centric and modern life assurance solutions for Malaysia. The new brand name AmMetLife arising from this partnership reflects the coming together of two (2) renowned and strong organisation with shared core values of integrity, partnership and innovation.

Family Takaful

AmFamily Takaful Berhad ("AmTakaful"), a licensed family takaful operator which commenced business over a year ago provides a range of Shariah compliant Family Takaful products that offer comprehensive coverage and investment.

Arising from the strategic partnership with MetLife, the new brand name, AmMetLife Takaful was launched and this leverages on the combined strengths to create customer-centric family takaful solutions for Malaysia.

Moving forward, we will work together to identify best practices and standards to grow the business and increase our penetration into the market, enrooting us to be the Takaful Centre of Excellence in the long run.

Business Operations Review

RETAIL BANKING

FY2014 Performance Review

Retail Banking continues our transformation agenda and search for new growth drivers to support our underlying business. Our efforts delivered another year of stable growth, with Profit Before Tax ("PBT") of RM859 million. This represented a 9% growth year-on-year despite the tough operating environment. Total income increased by 6% to RM2 billion underpinned by stronger growth in our non-interest income.

We also remain steadfast and committed to delivering results in our key retail priorities. On our priority of growing deposits aggressively, we recorded a growth of 9% to RM40.5 billion during the year. This was driven by a stronger growth in our current account balances as we continuously focused on enhancing our funding mix.

To deliver on our second priority of growing loans with better returns, we reviewed our underwriting strategies and reinforced the risk quality framework to rebalance growth towards preferred segments to maintain better asset quality. Retail loans grew by RM525 million to RM49.6 billion with mortgages anchoring the growth.

Total loan impairment charge during the year was 7% lower than prior year. Recoveries were 7% higher year-on-year due to the rigorous debt recovery initiatives executed in FY2014. Loan loss charge (loan loss allowance as a proportion of average net loans) improved to 0.51% whilst gross impaired loans ratio was 2.7%.

Besides satisfying our shareholders, we were also conscious of our priority to deliver a better banking experience for our customers. As customer centricity rapidly gains momentum within Retail Banking, we reviewed key internal processes to improve operational effectiveness, reduce cost inefficiencies and entrench customer centricity within our operating framework and work culture. A number of pilot initiatives were rolled out to improve on customer experience based on customer feedback received in our focus group sessions and customer journey mapping initiatives.

Apart from our Retail priorities, we also continue to support the Group's strategic agenda for the medium term.

In (1) *Integrate acquisitions and deliver synergies*, the integration of MBf Cards ("MBFC") is progressing on track. Legal Day 1 was achieved on 3 December 2012 and MBFC was fully vested into AMMB Holdings Berhad on 1 July 2013. Our plan to converge both the cards and merchant systems into a common platform for greater efficiency is scheduled for realisation in Q3/Q4 of FY2015.

As part of (2) *Simplify business model and streamline processes*, our business and operational transformation agenda introduced two years ago continues to deliver operational efficiencies across the division and Group.

November 2013 was another key milestone in our calendar as we successfully rolled out Phase 1 of our new core banking system. This large and complex implementation which replaces our core banking platform, teller front end system and a new Enterprise Data Warehouse was built within two years. Its functionalities are anticipated to pave the way for further operational improvements and enhance overall customer experience.

In our efforts to (3) *Accelerate organic growth with focus on cross-sell, flow business, small business and emerging affluent customers*, we have undertaken segmentation studies and activities to develop strategies to grow our emerging affluent and affluent segments. We have also leveraged on our partnership with ANZ to improve our customer value propositions to the small business segments.

As we close our chapter on an eventful FY2014 and move into FY2015, we have set ourselves a purpose of growing the future of modern Malaysians by becoming relevant to our customers, being easy to bank with and serving with willing and capable staff. Internally, we have also set up a Strategy & Transformation ("S&T") team as a strategic arm of Retail Banking. S&T will formulate and facilitate the development and delivery of Retail Bank's strategic agenda.

Upon the successful execution of our planned initiatives, we strongly believe we are well-positioned to become **"Your Bank. Malaysia's Bank. AmBank."**

Deposits

- Current account and savings account ("CASA") balances recorded a y-o-y growth of 13% and 4%
- Fixed deposits ("FD") balances grew by RM2.3 billion
- CASA ratio at 27.7%

Growing deposits remain a key priority of the Group's strategic agenda and Retail Banking remains committed to supporting that agenda. Our growth during the year was achieved via

- (1) New funds garnered from tactical and thematic campaigns rolled out during the year. The strong volumes amassed from our "Top Rate FD" campaigns confirm that they are a perennial market favourite
- (2) Embedding a stronger deposit culture across our lending business by encouraging higher take-up of our CASA accounts with our lending customers
- (3) Maintaining and growing our existing deposits base with below-the-line ("BTL") deposit programmes to increase retention rates

With the successful implementation of our new core banking system, we are poised to deliver key new products aimed at diversifying our deposit offerings to our customers in FY2015.

Wealth Management

- Overall Investment assets under management ("AUM") grew by more than 10% y-o-y
- Placed third amongst local banks in National Insurance Association of Malaysia ("NIAM") Bijak Malaysia/Ceria Malaysia campaign

The year in review saw us launching four new bancassurance products and seven new Investment funds mainly with our award winning Funds Management Division, AmInvest. We are also establishing new business relationships with two other reputable asset

management companies in Malaysia to provide our customers with access to world-class investment solutions in both the conventional and Shariah-compliant space.

Consistent with our Retail segmentation strategy roadmap, we are focused in growing our wealth business in the emerging affluent and affluent segments. On this note, AmScholar, an education Bancassurance savings plan was introduced to specifically target the young family segment.

Additionally, AmBank has also expanded the Private Retirement Scheme ("PRS") investment offering to eight funds to cater to the various risk appetites of our customers. This is in line with the government's aspiration to encourage greater awareness on retirement savings.

On the affluent front, we introduced complementary products and services such as the collateralised share trading services and estate planning services which were tailored specifically for our AmSignature Priority Banking customers.

We will continue to expand and innovate on our product and service offerings into FY2015. We will also leverage on our new partnership with MetLife and we look forward to gaining further traction in our life insurance business through the new brand of AmMetLife.

Auto Finance

- Gross loans of RM26 billion contributed to 52% of overall Retail loans
- Top 3 market ranking with a 16% market share

To ensure we deliver consistent profitability, we shifted our growth in auto finance loans to focus on better quality segments via our hire purchase ("HP") portfolio rebalancing strategy. Our new acquisition volumes were concentrated towards growing our emerging affluent segment to ensure alignment with our Retail segmentation strategic blueprint.

In Q3 FY2014, we introduced a pilot customer on-boarding programme for new customers. The objective of the programme was to enable the bank to pro-actively engage with our customers for the development of a more meaningful

banking relationship. It is also aimed at reducing the customer's effort to bank with us.

We also continued to invest in our Dealer Management Programme to maintain and sustain business support from our wide network of dealers and enhance existing relationships. Apart from participating in business-to-business ("B2B") activities and initiatives to generate higher business referrals, we also held events to recognise our business partners for their contributions towards achieving our business growth.

Mortgage

- Mortgage gross loans grew by 9% to RM17.5 billion
- Gross impaired loans ("GIL") improved from 3.7% to 3.1%

Mortgage receivables grew by RM1.4 billion in FY2014 despite intense market competition, narrowing margins, a stricter lending framework and cooling measures imposed by the government to curb increasing household debt.

Whilst pursuing growth, our effort in recent years to strengthen our asset quality has paid off as our GIL ratio improved in FY2014. This is attributable to our stringent risk based pricing framework and business underwriting strategies as we target growing in good quality and profitable segments.

In September 2013, we implemented the End-to-End ("E2E") Mortgages Work Cell project to review and reinvent key mortgage processes to improve our service quality. Phase 1 of the project involved collaboration across multiple business units in a strategic work-cell environment to process a tenth of mortgage loan applications. Results from the test environment were encouraging as the approval turnaround time improved by 80% and reworks were reduced by more than half.

Our mortgage process re-engineering will continue into FY2015 as we strive to scale up on the E2E project to improve the speed of processing and simplify the acceptance process. Another area of focus will be on new sales channels and tie-ups to ensure our upward growth trend continues.

Credit Cards

- Top 3 merchant acquirer with total merchants-in-force ("MIF") of 55,000
- Annual merchant volumes above RM12 billion
- Annual card spend in excess of RM5 billion, receivables of RM2 billion
- Awarded "Highest Payment Volume Growth in GOLD card category" for 2013 from VISA Worldwide

It was a year of consolidation for the cards division following our successful acquisition of MBF Cards (M'sia) Sdn Bhd in 2012. One of our key priorities was to focus on extracting revenue and cost synergies from the acquisition and on that note, we have achieved our target for the financial year.

The acquisition also brought about a larger fee income composition for the business through the various legacy programmes and services such as the Corporate Bill Payment Services, Insurance telesales and Xtremedeals. We are now able to offer these dynamic services to our enlarged customer base.

The tighter credit card lending guidelines remains an industry challenge but we continue to reinforce growth in receivables within our chosen segments of the emerging affluent and Small Medium Enterprises ("SME"). Our Islamic portfolio is also deeply entrenched as a key agenda of our segmentation strategy roadmap. With our large retail customer base, cross-sell remains the main thrust in new customer acquisition in cognisance of its lower acquisition cost and better quality asset.

Our focus for FY2015 will be to consolidate our card and merchant systems into a common platform for greater efficiency by Q3/Q4. Acquiring will continue to grow its footprint with its Merchant Business Solutions, incorporating Current Account, Small Business Solutions, and technology propositions via contactless and mobile point-of-sale. Dynamic Currency Conversion ("DCC") will also be rolled out as part of the new proposition for merchants with high sales ratio from the tourist market. DCC allows foreign cardmembers to hedge against forex fluctuations as purchases are transacted in their home currency. DCC will also benefit both the merchant and Bank through additional forex income.