



2017 | Annual Report

**A New Era
of Excellence**

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1 ABOUT ASIAN INSTITUTE
OF CHARTERED BANKERS
(AICB)

About AICB

The Asian Institute of Chartered Bankers (AICB) is the professional body for the banking industry in Malaysia governed by a Council with representatives from Bank Negara Malaysia, The Association of Banks in Malaysia, and the Malaysian Investment Banking Association. Guided by the transformation blueprint for the Malaysian banking education landscape, AICB aims to elevate the professional and ethical standards of banking practitioners by creating a banking workforce that subscribes to high standards of professional conduct, knowledge and competence.

Upholding trust in the banking profession is the cornerstone of the Institute and together with its exclusive training partner, the Asian Banking School (ABS), AICB continues to ensure that its suite of professional qualifications for banking services remain relevant to equip banking talent with the requisite skill sets and values to meet the evolving banking landscape and contribute to strengthening public trust. Among the professional qualifications offered are Bank Risk Management, Professional Credit Certification, Pasaran Kewangan Malaysia Certificate, Regulatory Compliance, Certificate in Internal Auditing for Financial Institutions, Certification for Bank Auditors, Certified Anti-Money Laundering and Counter Financing of Terrorism (CAMCO), Investor Protection Professional Certification, Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT), and the Chartered Banker programme. The Chartered Banker programme, which is the gold standard in global banking, is AICB's flagship programme awarded together with the Chartered Banker Institute, UK.

AICB also supports members through various learning and thought leadership initiatives and promotes Continuing Professional Development (CPD) for members to keep abreast of the latest industry developments.




ASIAN INSTITUTE OF CHARTERED BANKERS

AICB champions the vision of professionalising bankers and advocates high standards of professionalism

Transformation
to a Professional Body

2014

 Institut Bank-Bank Malaysia
Institute of Bankers Malaysia



Vision
To be the Professional Body of Choice for Bankers



Exclusive Training Partner

8

 Specialist Qualifications In Key Areas of Banking

Key Networking Groups

(Industry Engagement):
Human Resource,
Risk, Compliance & Internal Audit



20,298

Banking Professionals Who Have Graduated With our Qualifications Since 1980

2017

Full Implementation of the Chartered Banker Programme

Chartered Banker

Leading financial professionalism



77

Chartered Bankers and Fellow Chartered Bankers

40

 Years of Banking Education Expertise in Malaysia

13

 AICB Council Members Comprising Bank Negara Malaysia and Leading Banks That Govern the Institute

12,818

Individual Members

Who Are Governed by the Code of Professional Conduct

85

Corporate Members

30


Employees



2 VISION & MISSION



VISION

To be the professional
body of choice for bankers

MISSION

- Support members' growth through innovative learning and opportunity
- Advocate professionalism and ethics
- Catalyse advancement of thought leadership
- Facilitate networking opportunities



3 AICB'S TRANSFORMATION
JOURNEY



2017

2016

- Commenced the full implementation of the inaugural industry commitment
- Signed the 2nd industry commitment with ABM member banks for the Specialised Certification programmes
- Extended the industry commitment to six Development Financial Institutions
- Implemented the Disciplinary Framework and set up the Disciplinary Panel
- Launched the enhanced Pasaran Kewangan Malaysia Certificate (PKMC) with ACI-FMAM
- Launched e-Resources for members and implemented the CPD Framework
- Signed MoUs with Ateneo Bankers Association of the Philippines (BAP) Institute of Banking (AB-IB), Perusahaan Umum Jaminan Kredit Indonesia (Perum Jamkrindo) and Monash University Malaysia
- Received first-time enrolment from the Philippines for the BRM programme, and strong growth for the CB programme from Cambodia
- Made key policy amendments to AICB's Constitution, Bye-laws and Regulations
- Implemented the e-exams pilot run for the CB qualification (Levels 1 and 2)
- Organised five GBD Series and two Breakfast Series sessions covering key banking industry issues
- Admitted 1,410 FMAM members for the first time as Dual Membership holders following the Collaboration Agreement signed in 2016

- Signed the first joint declaration on industry-wide commitment to enhance the professionalism of the Malaysian banking industry with member banks of The Association of Banks in Malaysia (ABM)
- Signed the Collaboration Agreement with ABS and the ACI-Financial Markets Association of Malaysia (ACI-FMAM)
- Held the groundbreaking ceremony of the iconic AICB building at Bukit Perdana, Kuala Lumpur
- Signed MoUs with Asia Pacific University, Universiti Tunku Abdul Rahman, Curtin University and KDU University College
- Launched the Global Banking Discourse (GBD) Series
- Introduced the Continuing Professional Development (CPD) regulations for members
- Launched the CB (Level 3) qualification
- Opened the CB and BRM qualifications for enrolment

- Officially launched the ABS and established the AICB Board of Examiners
- Signed Memorandums of Understanding (MoUs) with Multimedia University, Universiti Utara Malaysia and Taylor's University
- Launched new qualifications including Professional Banker, Retail Credit Professional, Business Credit Professional and Bank Risk Management (BRM)
- Introduced the new Memorandum and Articles of Association (M&A), Bye-Laws, Membership Framework, Risk Management Framework and Admission and Exemption Policy for qualifications
- Implemented the AICB Integrated Management System
- Held Malaysia's inaugural Chartered Banker Conferment Ceremony, where 45 top bankers were conferred the CB/FCB status

2015

2012

- Officially launched the Chartered Banker (CB) qualification – the gold standard in banking qualifications
- Registered the Asian Banking School (ABS)
- Introduced the Investor Protection Professional Certification
- Held the inaugural graduation of students from the Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) qualifications programme
- Hosted the inaugural Risk Management Conference

2013

- Rebranded the Credit Certification Programme to the Professional Credit Certification
- Successfully chaired the 2013 Asia-Pacific Association of Banking Institutes Biennial Conference in Kuala Lumpur

2014

- Officially rebranded as the Asian Institute of Chartered Bankers (AICB)
- Collaborated with the International Compliance Association to offer the Professional Qualifications in Regulatory Compliance
- Organised the inaugural Human Resource Knowledge Bazaar and Conference themed "Driving Transformation"
- Organised the inaugural Labuan Conference themed "Combating Financial Fraud"



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CORPORATE INFORMATION

CHAIRMAN

Tan Sri Azman Hashim, FCB
Chairman, AMMB Holdings Berhad

VICE CHAIRMAN

Datuk Abdul Farid Alias, FCB
Group President & Chief Executive Officer, Malayan Banking Berhad

COUNCIL MEMBERS

Mr Donald Joshua Jaganathan, FCB
Assistant Governor, Bank Negara Malaysia

Tan Sri Dato' Sri Tay Ah Lek, FCB
Managing Director/Chief Executive Officer, Public Bank Berhad

Datuk Mohamed Azmi Mahmood, FCB
Former Deputy Group Chief Executive Officer, AMMB Holdings Berhad

Datuk Mohd Najib Hj Abdullah, FCB
(resigned on 2 April 2018)
Group Managing Director/Chief Executive Officer, MIDF Amanah Investment Bank Berhad

Dato' Howard Choo Kah Hoe, FCB
Managing Director/Chief Executive Officer, IBH Investment Bank Limited

Datuk Yvonne Chia, FCB
Chairman and Independent Non-Executive Director, Standard Chartered Bank Malaysia Berhad

Dato' Khairussaleh Ramli, FCB
Group Managing Director/Group Chief Executive Officer, RHB Banking Group

Mr Wong Kim Choong, FCB
Chief Executive Officer, United Overseas Bank (Malaysia) Berhad

Dato' Ong Eng Bin, FCB
Chief Executive Officer, OCBC Bank (Malaysia) Berhad

Mr Lee Lung Nien, FCB
Chief Executive Officer, Citibank Berhad

Tengku Dato' Sri Zafrul Tengku Abdul Aziz, FCB
(appointed on 9 August 2017)
Group Chief Executive Officer/Executive Director, CIMB Group Holdings Berhad

Datuk Maimoonah Mohamed Hussain, CB
(appointed on 2 April 2018)
Group Managing Director, Affin Hwang Investment Bank Berhad

Mr Domenic Fuda, CB
(appointed on 2 April 2018)
Group Managing Director and Chief Executive Officer, Hong Leong Bank Berhad

En. Abrar A. Anwar
(appointed on 2 April 2018)
Managing Director and Chief Executive Officer, Standard Chartered Bank Malaysia Berhad

CHIEF EXECUTIVE

Mr Prasad Padmanaban

SECRETARY

Ms Lum Soo Yan

AUDITORS

SJ Grant Thornton
(Member of Grant Thornton
International)
Chartered Accountants

REGISTERED OFFICE

Wisma IBI,
5 Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur

BANKER

Malayan Banking Berhad

SOLICITOR

Skrine





5 COMMITTEES FOR 2017/2018

Committees for 2017/2018

Education Committee

The Education Committee (EC) guides and oversees the development of AICB's education standards and policies. It ensures that AICB's learning curricula are of high standards, relevant and aligned to industry needs.

- **Mr Donald Joshua Jaganathan**, FCB (Chairman)
- **Tan Sri Dato' Sri Tay Ah Lek**, FCB
- **Dato' Howard Choo Kah Hoe**, FCB
- **Mr Lee Lung Nien**, FCB

Co-opted Members

- **Professor Dato' Dr Ansary Ahmed**
Associate Fellow, President/Chief Executive Officer,
Asia e University
- **Datuk Johar Che Mat**
Director, Rural Capital Berhad
- **Mr Choo Yee Kwan**, CB
Director, HSBC Bank Malaysia Berhad

General Purpose Committee

The General Purpose Committee (GPC) ensures the creation and implementation of financial management-related policies and acts as the approving body for expenditures according to the delegated authority limits. It provides guidance on the preparation, presentation and management of annual budgets.

- **Datuk Abdul Farid Alias**, FCB (Chairman)
- **Datuk Mohamed Azmi Mahmood**, FCB
- **Mr Wong Kim Choong**, FCB

Audit Committee

The Audit Committee (AC) provides independent oversight of accounting policies, financial reporting policies, business processes and operational controls. The role of the AC is to ensure internal and statutory audit functions are properly conducted and all audit recommendations are effectively carried out.

- **Dato' Howard Choo Kah Hoe**, FCB (Chairman)
- **Datuk Mohamed Azmi Mahmood**, FCB
- **Mr Wong Kim Choong**, FCB

Human Resource Committee

The Human Resource Committee (HRC) guides Management in executive recruitment, compensation and people development policies. It assists on the implementation of human resource-related policies and practices.

- **Datuk Mohd Najib Hj Abdullah**, FCB (Chairman)
(resigned on 2 april 2018)
- **Dato' Ong Eng Bin**, FCB

- **Mr Lee Lung Nien**, FCB

Membership Committee

The Membership Committee (MC) guides and oversees AICB's professional standards in membership, conduct and professional development with its agenda of professionalising bankers. It ensures value creation for members by reviewing policy implementation and programme effectiveness.

- **Datuk Mohamed Azmi Mahmood**, FCB (Chairman)
- **Datuk Yvonne Chia**, FCB
- **Dato' Khairussaleh Ramli**, FCB

Board of Examiners


The establishment of the Board of Examiners (BoE), as an integral part of examination strategy, is to ensure that governance and standards of examinations support the awarding role of AICB.

- **Dato' Howard Choo Kah Hoe**, FCB (Chairman)

Co-opted Members

- **Mr Alex Por Peng Seong**, CB
Executive Director, Country Head, Risk Management,
United Overseas Bank (Malaysia) Berhad
- **Mr Colin A. Morrison**
Deputy Chief Executive and Director of Education,
Chartered Banker Institute, UK
- **Associate Professor Dr Cordelia Mason**
Director of WE4ASIA/Corporate Planning,
Universiti Kuala Lumpur
- **Ms Nora Abd Manaf**
Group Chief Human Capital Officer,
Malayan Banking Berhad
- **Professor Dato' Dr Sayed Mushtaq Hussain**
Professor, School of Management,
Asia e University
- **Professor Lee Chew Ging**
Dean of Faculty of Arts and Social Sciences,
The University of Nottingham Malaysia Campus





6 NOTICE OF ANNUAL
GENERAL MEETING

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting of Asian Institute of Chartered Bankers (Company No. 35880-P) will be held on Saturday, 12 May 2018, at 8.30 a.m. at Kuala Lumpur Convention Centre, Level 3, Room 306, Kuala Lumpur City Centre, Jalan Pinang, 50088 Kuala Lumpur for the following purposes:

1

To receive the Audited Financial Statements of Asian Institute of Chartered Bankers for the financial year ended 31 December 2017 together with the Reports of the Council and Auditors thereon.

2

To receive the Audited Financial Statements of Staff Training Fund for the financial year ended 31 December 2017 together with the Report of the Auditors thereon.

3

To note the appointment of the following nominees as members of the Council for the 2018/2019 term of office pursuant to Articles 66(1)(a), 66(1)(b), 66(1)(c) and 66(1)(d) of the Institute's Constitution:

Article 66(1)(a): Mr Donald Joshua Jaganathan, FCB

Article 66(1)(b): Datuk Abdul Farid Alias, FCB
Dato' Khairussaleh Ramli, FCB
Dato' Ong Eng Bin, FCB
Mr Wong Kim Choong, FCB
Mr Lee Lung Nien, FCB
En. Abrar A. Anwar
Mr Domenic Fuda, CB

Article 66(1)(c): Tan Sri Azman Hashim, FCB
Datuk Maimoonah Mohamed Hussain, CB

Article 66(1)(d): Tan Sri Dato' Sri Tay Ah Lek, FCB
Datuk Mohamed Azmi bin Mahmood, FCB
Dato' Howard Choo Kah Hoe, FCB
Datuk Yvonne Chia, FCB
Tengku Dato' Sri Zafrul Tengku Abdul Aziz, FCB

4

To reappoint Messrs SJ Grant Thornton as Auditors and authorise the Council to fix their remuneration.

5

To transact any other business duly notified. Such other business to be transacted shall be notified in writing to the Secretary, together with the names of the proposers and seconders, not later than five (5) weeks before the date fixed for the Meeting.

It is hereby informed that a Member shall not be eligible for election to the Council unless he/she is a Fellow or a Chartered Banker and, in both cases, has been a Member eligible to vote for at least five (5) years.

The Membership Register of Asian Institute of Chartered Bankers is available for inspection at the Institute's registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur.

By Order of the Council,

Lum Soo Yan (MIA 24562)
Secretary

Kuala Lumpur
2 April 2018

NOTES:

Every Individual Member of Asian Institute of Chartered Bankers entitled to attend and vote at this Meeting is also entitled to appoint a proxy to attend and vote in his stead provided that the Individual Member is not an Affiliate Member with no voting rights. A proxy shall be a Member entitled to vote. The instrument appointing the proxy (Form of Proxy printed on page 140 of this Annual Report) must be deposited at the registered office not less than forty-eight (48) hours before the time set for the Meeting or adjourned Meeting.

Every Corporate Member of Asian Institute of Chartered Bankers is entitled to nominate one corporate representative (Form of Nominee printed on page 141 of this Annual Report) to attend and vote at all General Meetings. Alternate representatives may be appointed by such Corporate Member, but no Member may have more than one corporate representative at one General Meeting. Every Corporate Member shall have one vote.





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COUNCIL MEMBERS

Council Members



Chairman
Tan Sri Azman Hashim, FCB
 Chairman, AMMB Holdings Berhad



Vice Chairman
Datuk Abdul Farid Alias, FCB
 Group President & Chief Executive Officer,
 Malayan Banking Berhad



Mr Donald Joshua Jaganathan, FCB
 Assistant Governor,
 Bank Negara Malaysia



Tan Sri Dato' Sri Tay Ah Lek, FCB
 Managing Director/Chief Executive Officer,
 Public Bank Berhad



Datuk Mohamed Azmi Mahmood, FCB
 Former Deputy Group Chief Executive Officer,
 AMMB Holdings Berhad



Datuk Mohd Najib Hj Abdullah, FCB
 (resigned on 2 April 2018)
 Group Managing Director/Chief Executive Officer,
 MIDF Amanah Investment Bank Berhad



Dato' Howard Choo Kah Hoe, FCB
 Managing Director/Chief Executive Officer,
 IBH Investment Bank Limited



Datuk Yvonne Chia, FCB
 Chairman and Independent
 Non-Executive Director,
 Standard Chartered Bank Malaysia Berhad



Dato' Khairussaleh Ramli, FCB
 Group Managing Director/
 Group Chief Executive Officer,
 RHB Banking Group



Mr Wong Kim Choong, FCB
 Chief Executive Officer,
 United Overseas Bank (Malaysia) Berhad



Dato' Ong Eng Bin, FCB
 Chief Executive Officer,
 OCBC Bank (Malaysia) Berhad



Mr Lee Lung Nien, FCB
 Chief Executive Officer,
 Citibank Berhad



Tengku Dato' Sri Zafrul Tengku Abdul Aziz, FCB
 (appointed on 9 August 2017)
 Group Chief Executive Officer/Executive Director,
 CIMB Group Holdings Berhad



8 MANAGEMENT TEAM



“ Under the second industry commitment, we aim to equip new entrants, middle management and senior management in critical functions such as anti-money laundering and counter financing of terrorism, internal audit, compliance, credit and risk management with industry-recognised specialised certifications. ”

Mr Prasad Padmanaban



Management Team

Ms Shireen Kandiah-Fuad
Director, Strategy, Partnerships
and Communications

Ms Mithila Sathasivam
Director, Membership and Marketing

Ms Nazlin Karim
Director, Assessment

Mr Prasad Padmanaban
Chief Executive

Ms Susan Lee Yoon Lian
Head of Admissions

Dr Rosnah Mat Zin
Acting Director, Education
(Secondment from Bank Negara Malaysia)



“ AICB plays an important role in developing competent and highly professional bankers who will contribute significantly towards building public confidence, especially in the integrity and capabilities of the financial industry. ”

Tan Sri Azman Hashim, FCB





BUILDING THE FOUNDATION

I am pleased to present the Annual Report of the Asian Institute of Chartered Bankers (AICB) for the financial year ended 31 December 2017.

The year 2017 marked a period of significant progress for AICB as the Institute continued to professionalise the Malaysian banking industry and expand its regional footprint. To help the Institute's more than 12,800 members achieve the highest standards of accountability, ethics, integrity and competency in the banking sector, we have put in place strong building blocks to promote a holistic professional development ecosystem for bankers in Malaysia as part of the transformation blueprint to enhance the banking education landscape.

Through partnership with our exclusive training partner, the Asian Banking School (ABS), we have doubled our efforts to increase membership, enhanced the quality and relevance of our qualifications, and strengthened our Continuing Professional Development (CPD) and thought leadership initiatives. These initiatives have allowed AICB to continue to fulfil and build our membership value proposition, as well as reinforce AICB's position as one of the leading institutions to professionalise banking in Malaysia and the region. Indeed, AICB plays an important role in this agenda, as developing competent and highly professional bankers will contribute significantly towards building public confidence, especially in the integrity and capabilities of the financial industry.

KEEPING UP WITH THE TIMES

In the last two years, deep and rapid changes have disrupted the global and domestic banking landscape, driven by technological innovations, new business models, regulatory reforms and changing expectations of increasingly digital-savvy customers. With more digital disruptions expected to reshape the industry, bankers now need to understand and embrace innovations that improve the quality, efficiency and accessibility of the financial services sector. They are expected to rethink their business strategies, customer engagement and the way they do business to improve their organisations' agility, cost efficiency and productivity.

Key to this is a banking workforce that is equipped with the right knowledge and skill sets to navigate these new challenges. To address this, AICB has actively taken steps to review and assess its professional development support and offerings, particularly in the area of membership and qualifications, to ensure that bankers are armed with the relevant skills, knowledge and professionalism to steer the industry into the new Banking 4.0 environment.

A NEW ERA OF PROFESSIONAL EXCELLENCE

The Institute had several notable achievements this year as it scaled up its efforts to enhance the professionalism of the industry and uphold trust in the banking profession. We set out to develop and embed professional standards for individual bankers, which is demonstrated — as a first step — through membership in the Institute. Membership in AICB offers bankers professional status and recognition. I am pleased to see that more banking practitioners are seeing this value and the key role that AICB plays as a professional body in building their banking careers in Malaysia.

AICB's membership rapidly grew in 2017, following the successful implementation of the first industry commitment between AICB and member banks of The Association of Banks in Malaysia (ABM) signed in 2016. This was, indeed, a significant milestone for AICB and the banking industry, and it received strong support from both Bank Negara Malaysia (BNM) and the industry. It paved the way for AICB to conduct more than 40 member briefings to banks on the implementation framework throughout the year, which boosted the momentum for membership sign-ups. Furthermore, new graduates were required to undergo a one-day programme developed by ABS, "Introduction to Ethics in Banking", before becoming AICB members. Throughout 2017, ABS and the Institute conducted joint briefings on this initiative.

The industry commitment also aimed to enhance the professionalism of bankers in Malaysia through the introduction of AICB's flagship programme, the Chartered Banker, which represents the gold standard in global banking. Becoming a Chartered Banker demonstrates a long-term commitment to the highest standards of professionalism and ethics, as expressed in our Code of Professional Conduct that sets out the standards expected of the banking profession to strengthen public confidence. Since the introduction of the Chartered Banker programme in February 2016, 351 members have enrolled in the programme and 77 members have attained the prestigious Chartered Banker designation.

Building on the success of the first industry commitment, we inked another commitment with member banks of the ABM in October 2017 to further enhance professional standards in the Malaysian banking industry through AICB's specialised certifications, which will commence in 2018. This commitment aims to ensure that all key banking practitioners in critical job functions such as anti-money laundering, counter financing of terrorism, internal audit, compliance, credit and risk management have the appropriate technical skills and expertise. In line with our continuous effort to promote high professional and integrity standards in the financial sector, the industry commitment was extended to include the Development Financial Institutions (DFIs) sector in December 2017.

During the year, we also increased our value proposition to members by reviewing and enhancing our CPD programme and launched AICB's new e-CPD Resources. Members can now access a range of useful online resources such as e-CPD, *Banking Insight* magazines, the "AICB Leaderspeaks" videos, and conference presentations to enhance and sustain their professional standards. This is a very important area of focus for the Institute and moving forward, we will continue to further enhance our CPD offerings to members.

To ensure our members are updated on key issues and trends impacting the Malaysian banking industry, the Institute organised seven thought leadership events this year including four Global Banking Discourse Series and two Breakfast Series. Notably, AICB partnered with the Tsinghua University, Beijing, to organise a banking conference in August 2017, which focused on China's growing influence in the region. Held in Kuala Lumpur, the conference, themed "China's Banking Industry – Opportunities for Growth", was officiated by the Deputy Finance Minister II, Yang Berhormat Datuk Lee Chee Leong. It provided the platform for bankers in Malaysia to engage with Chinese banking experts on cross-border opportunities.

To cap a busy year, the Institute undertook a qualification review and an e-examination pilot project with our partner, the UK-based Chartered Banker Institute, as part of our Education and Learning strategy initiatives. The review, which will be completed in 2018, aims to create a stronger and internationally-benchmarked qualification framework for members. To ensure that our curriculum remains relevant, AICB continued to enhance its qualifications, particularly the Certification for Bank Auditors, and in November 2017, launched the newly enhanced Pasaran Kewangan Malaysia Certificate (PKMC) together with the ACI-Financial Markets Association of Malaysia (ACI-FMAM).

The enhanced PKMC was launched by Governor Muhammad bin Ibrahim of Bank Negara Malaysia and is now seen as an industry standard. Moving forward, our professional education focus will be on the overall review and enhancements to our qualifications, as well as the development of e-learning support for our members. Our first e-exams pilot project for the Chartered Banker programme, launched in November 2017, aims to create greater efficiencies in our delivery and will be reviewed in 2018.

A key highlight of the year was certainly the graduation ceremony graced by Governor Muhammad in May 2017, which recognised 1,383 banking practitioners who exemplified passion and dedication in enhancing their banking knowledge and skills by successfully completing their respective qualifications with AICB. They join a growing cadre of bankers who are committed to continuously elevate their professional status in banking. To support them further, AICB and ABS, in partnership with various other institutions, remain committed to growing a talented pool of banking professionals in Malaysia and the region.

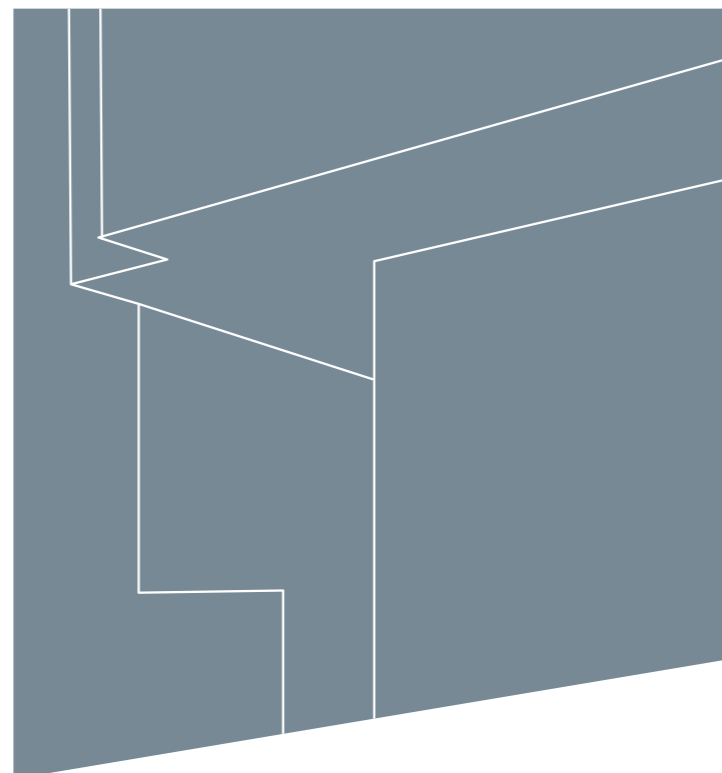
Towards this end, I am particularly pleased with our expanding international reach as AICB continues to gain recognition as the professional body for bankers in the region. In 2017, we forged new partnerships in markets such as the Philippines, Indonesia and Cambodia. We have 160 members based outside of Malaysia, reflecting the growing reputation of our qualifications internationally. AICB will continue to increase our presence in these markets and support our international members by promoting the value and recognition of our qualifications.

MOVING FORWARD

We have come a long way since the 1998 financial crisis, which exposed serious systemic risks inherent in the financial industry. Since then, under the guidance of BNM, we have consolidated the banking sector, improved risk management processes and practices, and enhanced governance and compliance across the board. Despite great strides in this direction, it is still a challenge to human-proof banks from risky, irresponsible practices based on greed and false realities.

There is a Malay proverb, *"Kerana nila setitik, rosak susu sebelanga"*, which refers to how it only takes one person, or an element, to ruin an entire community or system. As a professional community, we cannot let a few ruin the reputation of many. We must continue to strive to protect and defend the reputation of the banking profession and our financial institutions in the coming decades.

As such, I would like to reiterate that the Institute is deeply committed in our mission to raise the standards of governance and professionalism in the banking industry and create greater transparency in the financial ecosystem. I am happy to report that the construction of our new AICB building is progressing well and set for completion in 2019. The state-of-the-art building will represent a new innovative financial education hub for members to experience financial education at its best within a world-class setting in Bukit Perdana, Kuala Lumpur.



ACKNOWLEDGEMENTS

I am truly honoured and privileged to be part of a dedicated team that pushes boundaries to uphold the Institute's vision and mission. I would like to express our utmost appreciation to Governor Muhammad for his advocacy of professionalism and unwavering support of the work of the Institute. I also thank my fellow Council Members for their valued counsel and contribution throughout 2017.

I would also like to extend my gratitude to all the industry practitioners who are part of our various task forces and committees for their invaluable insight and expertise. Last but not least, I would like to thank the dedicated team at AICB for a productive year, and may you strive to shape and achieve the desired outcomes in our ongoing journey.

Thank you.

**Tan Sri Azman Hashim, FCB
Chairman**

“ With more digital disruptions expected to reshape the industry, bankers now need to understand and embrace innovations that improve the quality, efficiency and accessibility of the financial services sector. ”

Tan Sri Azman Hashim, FCB



10

CHIEF EXECUTIVE'S STATEMENT

As we continue to advocate professionalism and ethics across the Malaysian banking industry, I am pleased to note that the Asian Institute of Chartered Bankers' progress and achievements over the year have solidified the Institute's position as one of the leading professional bodies for bankers in the region. Against a backdrop of another challenging year, where the banking industry faced global economic and geopolitical challenges as well as digital disruptions, AICB has made significant strides in its commitment to professionalise bankers by focusing on the five strategic areas of membership, education, assessments, thought leadership and international partnerships.

MEMBERSHIP

In 2017, we focused our efforts on implementing key initiatives to enhance our membership and qualifications. I am pleased to report a significant growth in our membership numbers. Individual membership grew 51.8 percent from 2016, bringing our total membership base to 12,818 as at December 2017. Meanwhile, new members grew more than 100 percent from the previous year to reach 6,927, which represents 54 percent of our total membership. Additionally, AICB admitted 7 new corporate members this year, bringing our corporate membership to 85 members in total.

As Tan Sri Azman has highlighted in his statement, this significant rise is attributed to the successful implementation of the inaugural industry commitment signed in 2016 between AICB and member banks of The Association of Banks in Malaysia (ABM) to professionalise bankers. Another contributing factor was the admission of dual membership holders (AICB-FMAM (Financial Markets Association of Malaysia) members), following our collaboration inked with FMAM in 2016.

Under the industry commitment, AICB conducted over 40 member briefings to banks on the detailed implementation framework, which not only created an increase in membership sign-ups but also provided a platform for AICB and banking practitioners to have a two-way dialogue on the implementation framework.

I am confident that we will sustain this momentum in 2018, boosted by the finalisation of two key initiatives at the end of 2017 — the signing of the second industry commitment with ABM member banks in October 2017 to professionalise bankers through specialised certifications, and the extension of the overall industry commitment to Development Financial Institutions (DFIs).



Under the second industry commitment, we aim to equip new entrants, middle management and senior management in critical functions such as anti-money laundering and counter financing of terrorism, internal audit, compliance, credit and risk management with industry-recognised specialised certifications. To ensure that these specialised certifications are aligned with industry requirements, we conducted several industry workshops and consultations with leading subject matter experts. I am humbled by the support from Bank Negara Malaysia (BNM) and industry players on the development of the specialised certifications framework as this places AICB in a strong position to make a difference and create greater value for bankers in Malaysia. The specialised certifications initiative commences in 2018 and by 2020, we expect the industry to have 50 percent of its relevant staff certified and full compliance by 2022. In relation to the DFIs, all six have signed the commitment, which will take effect in 2018. Moving forward, we will continue to focus our efforts and key resources on this critical front and provide support to the banks to ensure smooth implementation in the coming years.

As a professional body with the responsibility to protect public interest, AICB also introduced a Disciplinary Framework and established a 16-member Disciplinary Panel in early 2017. This will provide us with the disciplinary platform to enforce the Code of Professional Conduct on our members. In addition, we have put in place a set of Disciplinary Regulations to ensure a fair and robust process, which serves to uphold the industry standard while supporting the Institute's mission to protect and serve public interest.

ENHANCING MEMBERSHIP VALUE

To promote a culture of lifelong learning among our members, we have strived to continuously improve the quality and delivery of our products and services for our growing member base. To further strengthen our membership value proposition, we have introduced various thought leadership initiatives and enhanced our Continuing Professional Development (CPD) capabilities through the introduction of the AICB e-Resources in December 2017. This online knowledge hub hosts a wide range of online resources for members, including the new e-CPD, *Banking Insight* magazines, conference presentations and the "AICB Leaderspeaks" series, which is a collection of bite-sized interviews by international subject matter experts. As a result of these initiatives, I am pleased to note that our member retention rate has increased to 69.8 percent as at December 2017, from 65.9 percent in the previous year.

We also conducted our annual CPD audit review where a total of 1,502 qualified members were randomly selected to submit their CPD records and declarations by 31 January 2017. With the results of this audit completed, I am confident that in 2018, our members will find the e-CPD helpful in fulfilling their 35 hours of CPD requirements. For example, the e-CPD hosts a series of video presentations on ethics-related subjects, which are useful in meeting the five-hour structured CPD requirement on ethics. This will help them enhance and sustain their professional standards, which is fundamental to their AICB membership.

BUILDING THOUGHT LEADERSHIP

The year 2017 saw us scaling up our thought leadership initiative through the introduction of several key events such as the Global Banking Discourse Series and Breakfast Series sessions. We were honoured to host several international industry experts such as:

- William Coen, Secretary General, Basel Committee;
- Gerry Harvey, Chief Executive, FICC Markets Standards Board Limited UK;
- Philip Chong, Risk Advisory Partner, Deloitte;
- Ravi Duvvuru, Regional Head of Compliance for ASEAN and South Asia, Standard Chartered Bank;
- Roland Johnson, Director, CREST UK;
- Dr Adrian Nish, Head of Threat Intelligence, BAE Systems UK;
- Professor Stephen Xu Sitao, Tsinghua University and Chief Economist China, Deloitte;
- Luo Ping, Chairman of Supervisory Board, Bank of Kunlun; and
- Ling Kong, Chief Technology Officer, Dianrong.

Among the topics discussed included "Wise Decision Making in Times of Disruption and Change", "Best Practices for Compliance Risk Assessment", "Tricks of the Trade — (Mis)behaviour of Financial Markets", "Cyber Landscape in the Malaysian Financial Industry", and a special closed-door breakfast session on global standards for bank regulatory capital.

Additionally, we continued to produce our bi-annual *Banking Insight* magazine. Its 2017 special bumper issue highlighted an exclusive interview with Governor Muhammad, who shared his personal views on being a Fellow Chartered Banker and the importance of enhancing

professional standards among bankers in Malaysia. Moving forward, we will deepen our intellectual capital and strengthen our publication strategy to produce more reference and study texts in key banking areas, which will serve as additional learning resources for our members, academia and the public.

MAINTAINING EDUCATION STANDARDS

In line with the national *Blueprint on Enculturation of Lifelong Learning for Malaysia (2011-2020)*, AICB continuously strives to provide lifelong learning opportunities for banking professionals through our suite of qualifications, which are designed to continuously equip them with the right competencies to meet the changing needs of the banking environment. I am pleased to note that we recorded the highest enrolment for the Chartered Banker programme and the Professional Credit Certification qualification this year.

To ensure that our qualifications remain relevant, fit-for-purpose and are of the highest quality and standards, we undertook several significant initiatives. This year, we conducted a Qualification Quality Review (QQR) of our entire framework and qualifications, in partnership with the Chartered Banker Institute (CBI), UK. The QQR was among the most significant initiatives to propel AICB to a higher level of institutional proficiency in the context of qualification standards and quality.

AICB also worked closely with industry experts in internal audit and academia to develop a new qualification, the Certification for Bank Auditors (CBA), which commenced development in 2015 and is expected to be launched on 12 January 2018. Additionally, as part of our initiative to continuously update and enhance our curriculum to meet industry needs, we partnered with the ACI-Financial Markets Association of Malaysia (ACI-FMAM) to launch the newly enhanced Pasaran Kewangan Malaysia Certificate (PKMC) in November 2017. This certification, which is jointly awarded by ACI-FMAM and AICB, aims to ensure that the Malaysian financial market has access to competent and proficient practitioners with the highest standards of professionalism and integrity.

In 2017, AICB successfully conducted a total of 92 exams for its members where the quality and standards of the assessments delivered were monitored and maintained by the Board of Examiners. The Institute also further improved its examination effectiveness and efficiency through the successful implementation of its online-based assessment, or “e-examination”, in collaboration

with CBI for the Chartered Banker programme. Moving forward, the e-exams intend to improve scalability, enhance efficiency and improve user experience while leveraging on rapid technological advancement.

In line with new developments to the membership and qualification frameworks, we also conducted a comprehensive review of AICB’s Constitution, Bye-laws and Regulations to ensure that the policies align with the changes within the banking environment. The key changes include the admission of FMAM members, the introduction of CPD requirements, and the creation of an accelerated pathway for experienced banking practitioners into the Chartered Banker programme.

“ I am pleased to report a significant growth in our membership numbers, where individual membership grew 51.8 percent from 2016, bringing our total membership base to 12,818 as at December 2017. ”

Mr Prasad Padmanaban

STRENGTHENING INTERNATIONAL COLLABORATIONS AND PARTNERSHIPS

Underlying the success of our initiatives is a strong culture of collaboration practised throughout the Institute. We leverage on best practices and expertise of global institutes, professional education bodies and consultancies to strengthen our core competencies and improve our offerings to our members. This is also in line with the Institute’s broad objectives to enhance our brand and widen our market share.

I am pleased that the Institute’s programmes have received strong support from its members in other ASEAN countries. In 2017, we continued to build collaborations and engagements with key

stakeholders and signed three key agreements to facilitate greater transfer of knowledge and best practices, and to promote AICB’s membership and qualifications both domestically and regionally. This includes a collaboration agreement with the Ateneo Bankers Association of the Philippines (BAP) Institute of Banking (AB-IB) to promote our Bank Risk Management qualification in the Philippines. The first cohort of 12 candidates sat for the examination in November 2017. We also signed Memorandums of Understanding with Indonesia’s Perusahaan Umum Jaminan Kredit Indonesia (Perum Jamkrindo) in August 2017 to further promote AICB’s Credit qualification among credit guarantee officers in Indonesia, and with Monash University Malaysia in December 2017 to promote the exchange of knowledge and expertise in the area of education, with a special focus on professional financial education.

As a result of our international marketing efforts, we continued to receive membership enrolments from Cambodia for the Chartered Banker programme, where members are expected to complete the programme within the three-year study timeline. AICB also continued to work closely with our exclusive training partner, the Asian Banking School (ABS), and the CBI on various fronts, as well as with other partners, including the International Compliance Association, Deloitte, Oliver Wyman, PwC Malaysia and many more.

As part of our efforts to deepen and exchange knowledge and expertise with other industry bodies, the Institute hosted and participated in several study visits in 2017, including visits from the Association of Banks, Cambodia; the Central Bank of Jordan; the Financial Institutions Training Centre, Nigeria; CRDB Bank, Tanzania; the Institute of Bankers Pakistan; the National Bank of Cambodia; and PS Business School, Myanmar.

In 2017, we widened our engagements beyond ASEAN by leveraging on our ties with the European Banking & Financial Services Training Association (EBTN). As an Associate Member of EBTN, AICB is able to expand our international banking education network and gain better understanding of the European financial services sector and global developments in banking education, education standards and training. AICB also played an active role in the establishment of the Global Banking Education Standards Board (GBESTB), a voluntary, industry-led international initiative founded with the aim to develop international, ethical and professional standards and guidance for use by banking institutes and others involved in the education and training of bankers. We also participated in international banking forums such as the 47th ASEAN Banking Council Meeting held in Vietnam in November 2017, where AICB is a

permanent member of the Banking Education Committee and actively participates in various cross-border initiatives to promote professionalism in the regional banking industry.

LOOKING AHEAD

There is still much to be done, moving forward. We know that we must future-proof our initiatives to ensure that AICB continues to produce professional bankers for the future. Building on the success of the key initiatives that we have introduced in 2017, we will strengthen our own capabilities to ensure that we remain agile and abreast of the fast changes sweeping the global banking landscape to meet the expectations of a new generation of bankers. We will also focus on improving our operational efficiency, especially our existing systems, to better support our members as well as enhance capability and capacity in 2018.

ACKNOWLEDGEMENTS

I wish to express my gratitude and appreciation to our Chairman, the Council and Committee Members for their immeasurable and invaluable contribution to and support for the Institute and its efforts in moving forward. I am also immensely grateful to Governor Muhammad for his strategic guidance and support throughout AICB’s transformation.

My sincere thanks to my management team and all AICB employees for their hard work and dedication throughout this challenging year. Lastly, thank you to all our members who continue to support our work. As we look ahead, we will continue to remain focused and provide the best professional development for bankers in Malaysia and beyond.

Thank you.



Mr Prasad Padmanaban
Chief Executive



11 DISCIPLINARY PANEL AND
CURRICULUM WORKING
COMMITTEES

DISCIPLINARY PANEL

The Disciplinary Panel was formed in March 2017 and is responsible for determining all complaints referred to it concerning the conduct of individual members. The panel consists of 10 AICB members and 6 lay members:

Datuk Seri Tajuddin Atan (Chairman)

Chief Executive Officer, Bursa Malaysia

Dato' Adissadikin Ali, CB

Managing Director/Chief Executive Officer, RHB Islamic Bank

Mr Alan Chang Kong Chong, CB

Chief Internal Auditor, Hong Leong Financial Group

Dato' Amirul Feisal Wan Zahir, CB

Group Chief Financial Officer, Maybank Group

Mr Jeffrey Chew Sun Teong, FCB

Group Chief Executive Officer & Executive Director, Paramount Corp Berhad

Dr John Lee Hin Hock, CB

Chief Executive Officer, Maybank Singapore

Ms Khatimah Mahadi, CB

Group Chief Internal Auditor, Affin Banking Group

Mr Pang Choon Han, CB

Group Chief Risk Officer, Alliance Bank Malaysia Berhad

Mr Thein Kim Mon, CB

Former Group Chief Internal Auditor, AmBank Group

Mr V. Maslamani, CB

Chief Compliance Officer, Al Rajhi Banking & Investment Corporation

LAY MEMBERS

Ms Geraldine Kamalanathan

Head of Commercial Banking — Corporate Function, Group Legal, Maybank Group

Mr Gerard Sinappah

Head, Group Legal, Alliance Bank Malaysia Berhad

Mr Goh Ching Yin

Independent Non-Executive Director, Maybank Investment Bank Berhad

Mr Lim Then Fui

Group Chief Internal Auditor, Public Bank Berhad

Mr Nik Mohd Hasyudeen Yusoff

Independent Non-Executive Director, Bank Islam Malaysia Berhad

Ms Selvarany Rasiah

Chief Commercial Officer, Bursa Malaysia Berhad

CURRICULUM WORKING COMMITTEES

In line with AICB's commitment to ensure that its suite of banking qualifications continuously remain relevant and meaningful to the banking fraternity, the Institute established several Curriculum Working Committees (CWC), with members comprising industry and subject matter experts and academia. The CWC provides thought leadership on curriculum framework, content design, development and improvements, and ensures that AICB's qualifications reflect the latest industry trends and needs. Below are the respective committees.

Pasaran Kewangan Malaysia Certificate Curriculum Working Committee

In revising our Pasaran Kewangan Malaysia Certificate (PKMC) qualification, the content development of the revised PKMC qualification began in 2016. The AICB PKMC Curriculum Working Committee and the FMAM Education Committee jointly worked on the design and development of the revised PKMC qualification. The committee members are:

Mr Azidy Daud

Senior Vice President, Chief Treasurer, Asian Finance Bank Berhad

Mr Bacil Fernandez

Deputy Director, Treasury Division, Public Bank Berhad

Ms Beh Cheng Hoon

Deputy Director, Investment Operations and Financial Markets, Bank Negara Malaysia

Mr Chong Jin Yoong

Director, Ogos Learning Resources Sdn Bhd

Mr Christopher Chan

Consultant

Mr Eddie Lim Eng Cheng

Consultant

Mr Erik Chin Yaw Loong

Vice President, Group Risk Management Department, AmBank (M) Berhad

Mr Stantley James Tan Boon Teck

Head of Global Treasury, OCBC Bank (M) Berhad

Mr Yeo Chin Tiong

Senior Advisor, Industrial and Commercial Bank of China (M) Berhad

Certification for Bank Auditors Curriculum Working Committee

The Certification for Bank Auditors Curriculum Working Committee comprises internal audit experts from the industry, who are also members of the Chief Internal Auditors Networking Group (CIANG). The working committee members have been appointed to look into the curriculum development of the Certification for Bank Auditors (CBA). The committee members are:

Mr Alan Chang Kong Chong, CB

Chief Internal Auditor, Hong Leong Financial Group

Mr Mohd Zaki Abdullah

Chief Internal Auditor, Kuwait Finance House

Mr Shamsul Bahrom Mohamed Ibrahim

Group Chief Internal Auditor, AmBank Group

Mr Zalfitri Abd Mutalip

Acting Head, Internal Audit Division, Bank Islam Malaysia Berhad

Executive Banker Curriculum Working Committee

The Executive Banker Curriculum Working Committee was formed in Q1 2017 to review and revise the current EB syllabus. The committee held its first meeting in May 2017, with a representative from the Chartered Banker Institute (CBI), UK, participating in the discussion. The committee members are:

Ms Cheryl Shim Pooi Han

Manager, Learning and Development, Hong Leong Bank Berhad

Ms Foo Chek Chan

Head, Maybank Specialist Skills Development, Group Human Capital, Malayan Banking Berhad

Ms Koay Seok Khim

Senior General Manager, Knowledge and Learning, Public Bank Berhad

Dr Paramsothy Vijayan

Director of Graduate Training & FSTEP, Asian Banking School

Mr Raja Reza Affandi Raja Aris

Former Vice President, Learning and Development, Group Human Resource, AmBank Group

Credit Modelling Qualification Curriculum Working Committee

AICB formed the Credit Modelling Qualification Curriculum Working Committee in Q4 2017 to propose a new structure and syllabus for the new qualification. The committee will play an integral role in the development of the curriculum framework as well as the review and enhancement of the same. The committee members are:

Mr Patrick Ho Kwong Hoong, CB (Chairman)

Group Chief Risk Officer, RHB Banking Group

Ms Catherine Tan

Head, Risk Analytics & Infrastructure and Data Governance, Group Risk Management, CIMB Bank Berhad

Ms Jasmine Loh

Chief Risk Officer, Public Bank Berhad

Ms Khoo Lian Kim

Head, Group Risk Operations, RHB Bank Berhad

Mr Khor Lai Seng

Head, Group Risk Operations, Malayan Banking Berhad

Mr Lau Chun Hau

First Vice President, Wholesale Banking—Portfolio Management, United Overseas Bank (Malaysia) Berhad

Ms Lisa Chuah Lee Suan

Head, Group Risk Modelling & Portfolio Management, RHB Bank Berhad

Dr Paramsothy Vijayan

Director, Graduate Training & FSTEP, Asian Banking School

Mr Prachetas Raykar

Chief Risk Officer, HSBC Bank (Malaysia) Berhad

Mr Spencer Lim

Vice President, Risk Analytics & Infrastructure, Group Risk, CIMB Bank Berhad



12

HIGHLIGHTS OF 2017

Summary of Programmes and Activities

Making Progress in Professionalising the Malaysian Banking Industry

Our commitment to professionalise the Malaysian banking industry through the Chartered Banker (CB) programme has grown from strength to strength in the year with the full implementation of the industry commitment, which was signed with 27 member banks of The Association of Banks in Malaysia (ABM) in November 2016.

AICB conducted a special briefing on the Implementation Framework for the industry commitment on 19 January 2017, which was attended by over 50 representatives from ABM member banks, followed by over 40 briefings with individual banks. This provided a two-way communication platform for the learning and development representatives and bankers to better understand the details of the industry commitment implementation framework.

Overall, our membership base grew 51.8 percent (2017: 12,818; 2016: 8,445), while 190 members enrolled in the CB programme in 2017. Additionally, more than 5,000 new graduates employed by banks completed the required one-day Ethics programme conducted by the Asian Banking School and 78 percent were inducted into the Institute as Affiliate Members.

Membership
base grew
51.8 percent

190 members
enrolled in the
CB programme



Special Briefing Session on the Implementation Framework

Signing of the Second Industry Commitment to Further Raise Professional Standards Through AICB's Specialised Certification Programmes

A key milestone for AICB in 2017 was the signing of the second industry commitment between the Institute and member banks of ABM in October 2017 to further enhance professional standards in the Malaysian banking industry through AICB's Specialised Certification programmes, which will commence in January 2018.

This initiative aims to ensure that all key personnel in critical functions within banks such as anti-money laundering/counter financing of terrorism (AML/CFT), internal audit, compliance, as well as credit and risk management are equipped with the relevant technical skills and expertise to

deliver their job responsibilities. A joint industry working group was formed and a high-level consultation session was held on 30 May 2017 at Sasana Kijang, Bank Negara Malaysia (BNM), which was attended by 43 leading industry representatives from 13 banks.

The following requirements were agreed and will take effect beginning January 2018. Banks have committed towards certifying 50 percent of their relevant employees by 2020, and the remainder by 2022.

- Ensure relevant new entrants and middle management staff of critical functions attain the appropriate specialised certifications;
- Ensure relevant senior management staff of critical functions attain the appropriate specialised certifications or the CB qualification;
- Identify and sponsor high potential employees for the Specialised Certification programmes;
- Recognise employees with specialised certifications or the CB qualification through rewards and career progression; and
- Continuously participate in efforts to improve the Specialised Certification programmes in key areas that are critical to the business functions of the banking industry, with the aim of aligning the programme closely with industry requirements.

Accelerating Towards Professionalising the Development Financial Institutions Industry Through AICB's Qualifications

Continuing efforts to uphold high professional and integrity standards in the financial sector, AICB achieved another significant milestone through the signing of an industry commitment with Development Financial Institutions (DFIs) in December 2017 to professionalise DFI officers through the CB programme and the Specialised Certification programmes.

With the support of BNM and the Association of Development Finance Institutions of Malaysia (ADFIM), AICB signed the commitment with six DFIs: Bank Kerjasama Rakyat Malaysia Berhad, Bank Pembangunan Malaysia Berhad, Bank Pertanian Malaysia Berhad, Bank Simpanan Nasional, Export-Import Bank of Malaysia Berhad and Small Medium Enterprise Development Bank Malaysia Berhad.

Similar to the industry commitment signed with member banks of ABM in November 2016, this commitment will commence on 1 January 2018. Additionally, effective 1 January 2023, reporting submissions to BNM by DFIs must be undersigned by officers of DFIs who have attained the CB status or the Chartered Professional in Islamic Finance qualification (for full-fledged Islamic DFIs).

Reviewing the Constitution, Bye-Laws and Regulations, and Maintaining Standards

A comprehensive review of AICB's Constitution, Bye-Laws and Regulations was undertaken in 2017, in line with the membership and qualification frameworks. The revised Constitution and Bye-laws took effect on 27 September 2017. The changes aligned with the establishment of a Disciplinary Framework to support the admission of Financial Markets Association of Malaysia (FMAM) members as dual membership holders of AICB, as well as the introduction of Continuing Professional Development (CPD) requirements and an accelerated pathway for experienced banking practitioners into the CB programme. Several significant initiatives were also undertaken to maintain the quality and standards of our qualifications, including a Qualification Quality Review of our entire enterprise education framework and qualifications conducted together with our partner, the Chartered Banker Institute, UK. The review forms part of our quality assurance practices.

MEMBERSHIP

Overview and Performance Review

Individual Membership

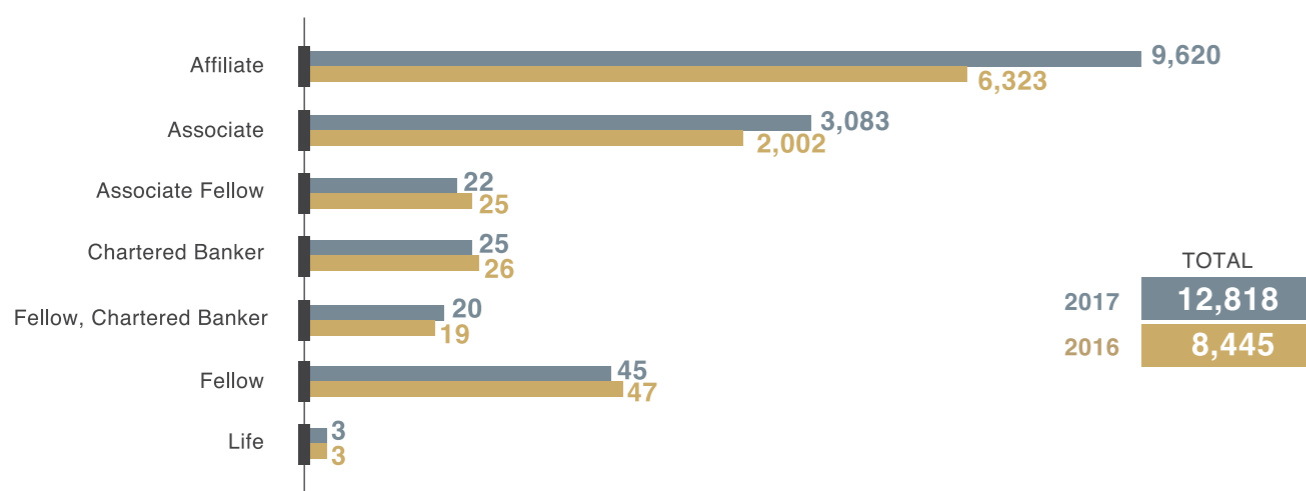
The year 2017 saw a significant growth in membership, whereby as at 31 December 2017, AICB's total individual membership base stood at 12,818. A total of 6,927 individuals were admitted into various membership categories in 2017. The membership breakdown by category for 2016 and 2017 is shown below. The increase in Associate and Affiliate memberships was due to the following:

- Industry-wide requirement to professionalise through the Chartered Banker and Specialised Certification programmes, which resulted in 1,525 new members enrolling for AICB qualifications;
- Industry-wide requirement for new graduates to become Affiliate members, which resulted in the admission of 3,992 members; and
- Admission of Dual Membership Holders (AICB-FMAM), which resulted in 1,410 new AICB members following the collaboration agreement signed between AICB and FMAM in October 2016.

The number of members based outside Malaysia stands at 160, reflecting the Institute's growing reputation internationally.

Statistical Summary of Individual Members by Category

Category	Affiliate	Associate	Associate Fellow	Chartered Banker	Fellow, Chartered Banker	Fellow	Life
2017	9,620	3,083	22	25	20	45	3
2016	6,323	2,002	25	26	19	47	3



Note: The membership growth in 2017 does not reflect the net increase in membership from 2016 to 2017, mainly due to the de-registration of members who failed to renew their membership, which took place in 2017

Corporate Membership

AICB's corporate membership is open to licensed banks, licensed investment banks, other licensed financial institutions, regulators of the banking and financial services industry, and other Council-approved institutions. As at 31 December 2017, Corporate Membership stood at 85, compared to 83 in 2016. The Appendix lists the Corporate Members by type.

During the year, the Institute admitted the following banks as Corporate Members:

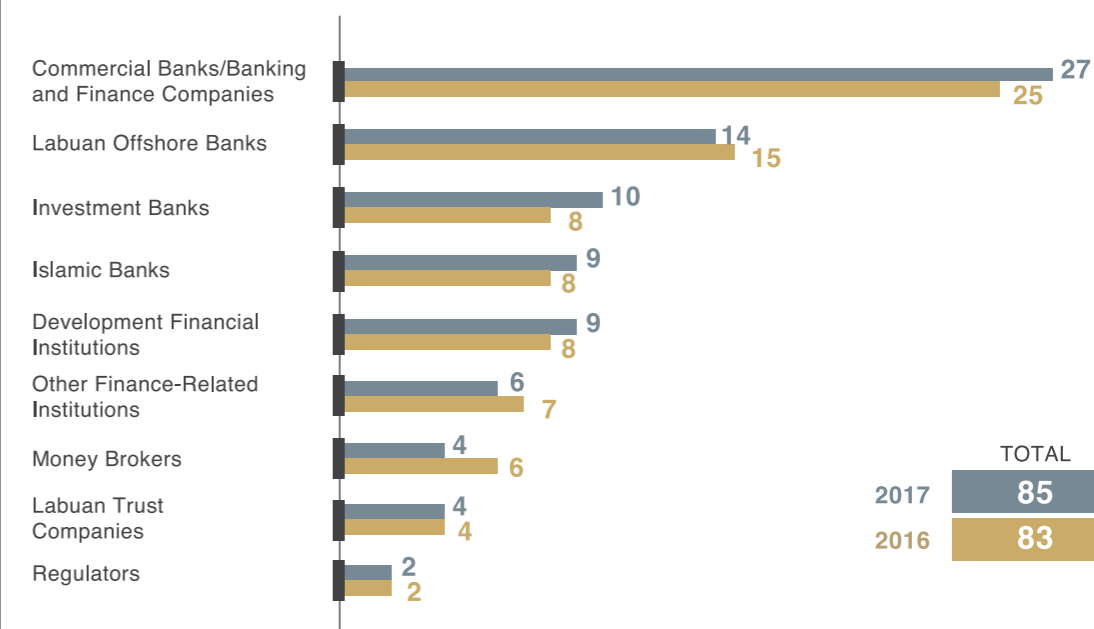
- Bank of China (Malaysia) Berhad
- Bank Simpanan Nasional
- China Construction Bank (Malaysia) Berhad
- Hong Leong Investment Bank Berhad
- Hong Leong Islamic Bank Berhad
- KAF Investment Bank Berhad
- Mizuho Bank (Malaysia) Berhad

During the same period, the following ceased to be Corporate Members of the Institute:

- Al-Hidayah Investment Bank (Labuan) Ltd
- First TAZ Tradition Sdn Bhd
- Forex Enterprise Sdn Bhd
- Malaysia Debt Ventures Berhad
- The Royal Bank of Scotland Berhad

Statistical Summary of Corporate Members by Type

Institutions	2017	2016
Regulators	2	2
Labuan Trust Companies	4	4
Money Brokers	4	6
Other Finance-Related Institutions	6	7
Development Financial Institutions	9	8
Islamic Banks	9	8
Investment Banks	10	8
Labuan Offshore Banks	14	15
Commercial Banks/Banking and Finance Companies	27	25



Enhancing Membership Value

Members Value Proposition

In 2017, AICB focused on widening the recognition of its qualifications, building a more robust industry network, strengthening thought leadership, improving access to Continuing Professional Development (CPD), and creating greater engagement with the industry.

Continuing Professional Development (CPD) **A**

To meet the growing learning needs of the banking practitioners, the Institute launched Online Resources (e-Resources) for members in December 2017, providing them with access to e-CPD, *Banking Insight* magazines, “AICB Leaderspeaks” videos, and conference presentations via the Membership Portal.

The e-CPD hosts a series of videos on ethics-related subjects, with accompanying assessments for members to complete. This is the beginning of the Institute’s e-CPD journey as we continue to improve on our collection of resources to help members enhance and sustain their professional standards.



CPD Review

A full review of members’ CPD compliance was performed for the first time in February 2017 following the introduction of the CPD regulation under the revised membership framework in 2016. A total of 151 professionally qualified members were randomly selected and the Institute is pleased to report that 50 percent of the members selected successfully complied with the CPD requirement in the first attempt. The review will continue in 2018 to ensure members continue to meet the established requirement.

Through the CPD framework, AICB will continue to educate members on their obligations and duties of compliance. However, the onus is on the members to undertake CPD activities to the expected standards of competency and comply with the annual CPD requirement. The Institute will not tolerate non-compliance in our robust enforcement framework to support public trust and market confidence.

Setting Up a Disciplinary Framework to Ensure the Code of Professional Conduct is Protected **B**

As a professional body with the responsibility to protect public interest, AICB introduced a Disciplinary Framework and established a 16-member Disciplinary Panel in early 2017. This provides a platform to discipline members who do not adhere to the Code of Professional Conduct. A set of Disciplinary Regulations has been put in place to ensure the process is fair, robust and serves to uphold industry standards while supporting AICB’s mission to protect public interest.

Launched
e-Resources
for members

Set up
Disciplinary
Framework

7 AICB key events

The inaugural Onboarding Programme for Disciplinary Panel Members was held in September 2017 in Kuala Lumpur. Conducted by legal experts from Skrine, the programme covered a broad range of areas, including the disciplinary structure, processes, the evaluation of evidence, the severity of breaches, the various stages of investigation and appeal proceedings, among others.

Members Engagement Sessions **C**

To further promote professionalism in the banking industry, it is important for the Institute to continuously engage the industry and create a vibrant and robust environment for intellectual discourse and the exchange of knowledge through thought leadership programmes. The AICB Global Banking Discourse (GBD) Series was created in 2016 for this purpose. In 2017, AICB organised four GBD events to encourage intellectual discourse and debate as well as enhance members’ understanding of key issues and trends impacting the Malaysian banking industry. Additionally, AICB also hosted industry briefings and networking sessions for members, including AICB’s Breakfast Series, which provided members with the opportunity to network with each other. The details of the events are as follows:

GBD 1 – Wise Decision Making I 16 February 2017, Sasana Kijang, Kuala Lumpur

The first session, entitled “Wise Decision Making – How to Make Better Decisions in Times of Disruption and Change”, was jointly organised with the ICLIF Leadership and Governance Centre. The event featured ICLIF’s Research and Curriculum Director, Peter Webb, who raised awareness on subconscious biases that limit one’s decision-making, how to consciously overcome them and how to practise three ways of information processing to enhance wise decision-making. Close to 80 banking practitioners attended the event.



Peter Webb conducting the session on Wise Decision Making

GBD 2 – Best Practices for Compliance Risk Assessment I 22 May 2017, Hotel Istana Kuala Lumpur

“Best Practices for Compliance Risk Assessment” was a one-day session attended by 130 bankers, mainly from the risk, compliance and internal audit divisions. It provided participants with a greater understanding of compliance obligations, compliance risk exposure, risk assessment, risk mitigation and its impact. Senior experts from Deloitte Singapore’s Global Financial Services Industry practice and Ravi Duvvuru, Regional Head of Compliance for ASEAN & South Asia, Standard Chartered Bank, shared various best practices adopted globally and their views and perspectives on the subject.



Speakers from Deloitte with AICB CEO Prasad Padmanaban and CONG Chairman V. Maslamani

GBD 3 – Tricks of The Trade I 13 July 2017, Sasana Kijang, Kuala Lumpur

The third GBD Series for 2017, “Tricks of the Trade – (Mis)behaviour of Financial Markets”, was attended by over 120 participants and featured Gerry Harvey, Chief Executive, FICC Markets Standards Board Limited (FMSB) and his team, as well as senior experts from Oliver Wyman Singapore. The event discussed how financial market abuse takes place and ways to identify and reduce its risks.



Gerry Harvey speaking at the Tricks of The Trade session

GBD 4 – Cyber Landscape in the Malaysian Financial Industry I 17 July 2017, Sasana Kijang, Kuala Lumpur

The Institute’s fourth GBD Series for 2017, entitled “Cyber Landscape in the Malaysian Financial Industry”, drew over 100 participants, including regulators and banking practitioners. It featured a line-up of local and international subject matter experts on the challenges of global and domestic cyber security issues and the possible solutions. Some of the key speakers included Rowland Johnson, Director, CREST UK; Dr Adrian Nish, Head of Threat Intelligence, BAE Systems; Murari Kalyanarami, Head of Information Security, Standard Chartered Bank; and Gurdev Singh, Head of Group Technology Services, RHB, among others.



Speakers sharing their insights at the Cyber Landscape Discourse Series

At the same event, AICB also facilitated the signing of a Memorandum of Understanding (MoU) between CREST and Persatuan Penguji Keselamatan Siber Kuala Lumpur, Selangor dan Putrajaya (PPKS)/CREST Malaysia Chapter to help promote an internationally recognised certification and accreditation framework for the domestic cyber security industry. The signing of the MoU acknowledged the partnership between the two parties and the roll-out of a CREST chapter in Malaysia. The MoU was signed by Ian Glover, President of CREST, and Mohammed Fadzil Haron, Chairman of PPKS/CREST Malaysia Chapter, and witnessed by the Assistant Governor of Bank Negara Malaysia, Donald Joshua Jaganathan, and CREST UK Director Rowland Johnson.



MoU Signing Ceremony between PPKS/CREST Malaysia Chapter and CREST

Breakfast Series 1: How Do You Organise a Financial Services Firm to Manage Risk Effectively? I 13 April 2017, Lanai Kijang, Kuala Lumpur

AICB organised a breakfast series for its members entitled “How Do You Organise a Financial Services Firm to Manage Risk Effectively?”, where subject matter experts from Oliver Wyman Singapore provided banking executives with their perspectives on the challenges of managing risk and the potential solutions. Approximately 100 participants attended the networking event.



Panel Session in progress at the Breakfast Series

Breakfast Session with Representative from the Basel Committee | 6 April 2017, Sasana Kijang, Kuala Lumpur

AICB also hosted a closed-door Breakfast Session with William Coen, Secretary General of the Basel Committee, in conjunction with his visit to Kuala Lumpur for the Islamic Financial Services Board (IFSB) Annual Meetings 2017. The engaging session provided leading senior bankers with a platform to discuss various financial and regulatory issues and developments impacting global standards for bank regulatory capital.



William Coen presenting at the Breakfast Session

AICB Banking Conference 2017 — China’s Banking Industry — Opportunities for Growth | 1–2 August 2017, Sasana Kijang, Kuala Lumpur

AICB, in collaboration with Tsinghua University, Beijing, organised the AICB Banking Conference 2017 themed “China’s Banking Industry — Opportunities for Growth”. The conference provided an engaging platform for industry participants to gain an in-depth understanding of the opportunities and threats in the Chinese banking industry, as well as the financial policies, reforms and risks in cross-border transactions and the technological advancements taking place in China. The keynote address was delivered by Yang Berhormat Senator Datuk Lee Chee Leong, Deputy Finance Minister II. The participants also had the opportunity to network with leading Chinese banking, business and technology experts, discussing the various developments taking place in China. Among the eminent speakers on finance and technology from China and Hong Kong included Stephen Xu Sitao, Chief Economist, Deloitte China; Luo Ping, Chairman of Supervisory Board, Bank of Kunlun and Visiting Professor of the Chinese Academy of Social Sciences, China; Michael Dai, Senior Economist, Economics & Strategic Planning Department, Bank of China; Chi Lo, Senior Economist, BNP Paribas; Ling Kong, Chief Technology Officer, Dianrong, China; and Bill Song, Director of International Business, ZhongAn.



Panel session in progress at the AICB Banking Conference

Members Induction 2017 | 12 September 2017, Sasana Kijang, Kuala Lumpur

AICB organises a Members Induction session annually to provide members with an overview of AICB, the benefits of professional education, governance and ethical standards, and members’ rights and obligations. For 2017, a special talk entitled “Governance and Ethics: How Banks Got It Wrong and How They Can Do Better” was delivered by Robert Souster, Member of Adjunct Faculty, Bangor University. The Institute also organised its first member induction session in the Philippines in October 2017, which was attended by 30 members and guests.



AICB members at the Members Induction Session



Robert Souster delivering his talk

AICB Appreciation Dinner | 5 December 2017, Aloft Hotel, Kuala Lumpur

AICB holds an annual appreciation dinner to recognise industry members who have significantly contributed their time and expertise towards many of AICB's initiatives to professionalise the banking industry. Themed "Denim & Diamonds", the event brought together over 100 members from various Networking Groups, Curriculum Working Committees and Examination Committees to enjoy a relaxing evening with the AICB team.



Industry members at the Appreciation Dinner

Synergistic Branding Events

In 2017, AICB co-organised several events with the aim of deriving synergistic alliances with partners such as the Asian Institute of Finance (AIF), the International Compliance Association (ICA), the Malaysian Association of Money Services Business (MAMSB), and the Asian Strategy & Leadership Institute (ASLI), among others. This provided the Institute with the opportunity to raise the profile of the AICB brand and widen its outreach. Among them include:

- The joint Professional Certifications in AML/CFT and Regulatory Compliance qualification briefing session with ICA, held on 12 January 2017 at Sasana Kijang, Bank Negara Malaysia;
- The AIF-FSPB Business Ethics Conference themed "The Ethical Challenge", held on 24 April 2017;
- The 21st Malaysian Banking Summit 2017, held on 25–26 May 2017 at Shangri-La Hotel, Kuala Lumpur;
- The Industry Seminar on Recovery and Resolution Planning in Malaysia, held on 13 July 2017, in which AICB participated;
- A joint briefing with MAMSB on the Accreditation/Certification Programme for Compliance Officers of Money Services Business Industry, held in Kuala Lumpur and Johor Bahru on 28 September 2017 and 30 October 2017 respectively; and
- The 9th International Conference on Financial Crime and Terrorism Financing (IFCTF) 2017, held on 4–5 October 2017 at The Majestic Hotel Kuala Lumpur, of which AICB was part of the organising committee.

Raising Awareness of Industry-Wide Commitment and Implementation Framework

AICB also conducted briefing sessions on ethics for new graduates hired by the banking industry, as part of their AICB membership requirement. In 2017, AICB together with the Asian Banking School (ABS) conducted 162 sessions for 5,144 newly-hired graduates, who attended the one-day programme, "Introduction to Ethics in Banking".

In addition to these briefing sessions, AICB also organised membership service desks at major banks' premises. This is to facilitate on-site membership registrations and renewals, qualifications enrolments and registrations for examinations.

Thought Leadership Publications

Banking Insight is AICB's flagship publication that features perspectives on the Asian and global banking industry. The magazine contains news, features and thought leadership articles targeted at banking and financial practitioners.

Banking Insight: Q1 2017

This special bumper issue provided an in-depth analysis of the interaction between fintech and financial institutions within the local and ASEAN context, and presented key highlights from AICB's fintech survey conducted in November 2016. In the article "The Journey Begins", leading Islamic finance practitioners in Malaysia shared their views and perspectives on how Islamic financial institutions are slowly embracing fintech as a digital strategy to remain competitive.

In this issue, Governor Muhammad shared his personal views on being a Chartered Banker and the importance of professionalising the Malaysian banking industry to further enhance the quality of talent and good governance.



Banking Insight: Q1 2017

Banking Insight: Q2 2017

In the second quarter, *Banking Insight* focused on ensuring that ethical behaviour, values and standards of professionalism are deeply entrenched in bankers. It highlighted the sector's efforts to break bad habits and reshape the banking ethos, emphasising ethics and sustainability.

This issue featured an exclusive interview with Tan Sri Azman Hashim, FCB, Chairman of AICB, on his personal journey as a pioneer in Malaysian banking and the importance of elevating the professional development standards in the banking sector. Additionally, William Coen, Secretary General, Basel Committee on Banking Supervision, Bank for International Settlements, contributed his views on the importance of effective corporate governance.



Banking Insight: Q2 2017

Banking Insight: December 2017

In this issue, *Banking Insight* delved into the many dimensions of trust, regulations and risks in the banking industry. It also investigated how financial institutions can reinforce competency, integrity, accountability and trust to future-proof the sector and ensure continuous relevance and sustainability. In this issue, Managing Director of Public Bank and AICB Council Member Tan Sri Tay Ah Lek, FCB, called for bankers to return to their roots and revive the honourable conduct and culture of gentlemen bankers.



Banking Insight: December 2017

Digital Thought Leadership Series

AICB also produced two “AICB Leaderspeaks” videos under its Digital Thought Leadership Series, featuring subject matter experts, Dr Adrian Nish, Head of Threat Intelligence, BAE Systems, and Rowland Johnson, Chief Executive of Nettitude and CREST UK Director. Nish spoke on the role of cyber threat intelligence and cyber-attack challenges, while Johnson shared his thoughts on how to deal with cyber threats.

Commenced QQR

EDUCATION

Quality talent is essential in maintaining high standards in the banking sector. Being cognisant of this, AICB embarked on several key strategic initiatives to ensure that the Institute continues to offer qualifications aimed at future-proofing talent for the financial industry. Below are the significant initiatives that AICB had embarked on in 2017 to achieve its mission.

Maintaining the Quality and Standards of AICB’s Qualifications

In September 2017, AICB commenced an enterprise curriculum review project in collaboration with the Chartered Banker Institute (CBI), UK. Known as the Qualification Quality Review (QQR), it looks into the curriculum structure, syllabus design, assessment blueprint, rules and regulations, admission requirements and blended learning approaches of the qualifications to ensure that its standards and levelling are in line with the Institute’s education strategy to build progressive pathways for professional membership and meet international standards. Through the QQR, AICB hopes to emplace continuous improvement in the Institute’s education standards and ultimately position AICB as a sought-after professional body in banking education.

Development of Banking Qualifications

Enhanced Pasaran Kewangan Malaysia Certificate (PKMC) Qualification

1

On 17 November 2017, Governor Muhammad launched the enhanced PKMC qualification at the ACI-FMAM Annual Dinner. The joint qualification, offered by AICB and ACI-FMAM, is a professional requirement established by ACI-FMAM for dealers and brokers employed in licensed financial institutions and money-broking firms to ensure that they are competent and proficient practitioners who uphold the highest standards of professionalism and integrity. The collaborative agreement grants dual membership with AICB and ACI-FMAM for members who have successfully completed the qualification. To help the members in their learning process, AICB developed a set of study texts which provide the fundamental body of knowledge in four key areas: Regulatory Framework and Structure of the Malaysian Financial Markets, the Money Market, the Foreign Exchange Market and Risk Management and Basic Derivatives. With the number of graduates standing at 2,062, the qualification is steadily becoming an industry standard.

Launched the enhanced PKMC qualification



Governor Muhammad at the PKMC Launch

Developed
the **CBA**
qualification

Certification for Bank Auditors (CBA) 2

To ensure that AICB's qualifications remain relevant and meet evolving industry needs, the Institute developed the Certification for Bank Auditors (CBA) qualification, which is an enhancement of the Certificate in Internal Auditing for Financial Institutions (CIAFIN) qualification, first introduced in 1998. Cognisant of the complexity and intricacy of the internal auditing content which has broadened and deepened over the years particularly with greater deployment of technology that continuously redefined the landscape of finance, AICB was compelled to revisit the CIAFIN syllabus and develop a more comprehensive and robust audit qualification. Several working committees comprising subject matter experts from BNM and the industry — with the Chief Internal Auditors Networking Group (CIANG) as the advisory committee — offered internal auditing insights and expertise to assist in the development of the CBA qualification. The study text for CBA Module 1 was completed in 2017, and the study text for Module 2 is expected to be published in the second quarter of 2018. Enhancements to the CBA qualification is aligned with the current body of knowledge, particularly in the context of internal auditing methodology, with a greater focus on risk-based auditing.

Credit Modelling Qualification 3

The Credit Modelling Qualification (CMQ) project commenced in the third quarter of 2017 to address the shortage of talent within this area. To ensure that this specialised qualification meets the requirements of the banking industry, AICB collaborated with the members of the Chief Risk Officers Forum (CRO Forum) to gain their insights and expertise during the development of the proposed draft syllabus. The draft syllabus was further enhanced by input from BNM, a strong supporter of talent development initiatives for the industry. Based on the key project deliverables, AICB hopes to launch the CMQ by early 2020.

Electronic Examinations (e-exams)

One of the key highlights in the area of AICB's examinations was the implementation and performance monitoring of e-exams for the Chartered Banker programme. AICB worked with the CBI, UK on the implementation project, which aims to transform paper-based tests into e-exams to improve AICB's ability to efficiently create and deliver quality examination programmes with a better user experience. The e-exams were implemented following a successful pilot run for three modules of the Executive Banker (Level 1 CB) and Module 4 of the Professional Banker (Level 2 CB) in Kuala Lumpur in November 2017.



Pilot run of the first e-exam for the Chartered Banker programme held in Kuala Lumpur

Commenced
CMQ
project

Bank Risk Management (BRM) Examination in the Philippines

Following the collaboration agreement between AICB and the Ateneo Bankers Association of the Philippines (BAP) Institute of Banking (AB-IB) to promote regional professional development of risk management professionals, the first Bank Risk Management (BRM) examination in the Philippines was held in November 2017. Of the 12 candidates in the first batch, 8 candidates passed the examination, equivalent to a 67 percent pass rate. One candidate obtained a Distinction.

20th Graduation and Awards Ceremony 2017

AICB honoured 1,383 banking practitioners who graduated with various AICB qualifications at its 20th Graduation and Awards Ceremony 2017, which was officiated by Governor Muhammad on 13 May 2017 at the VE Hotel & Residence, Kuala Lumpur. The event recognised the growing pool of competent, knowledgeable and professional banking practitioners who contribute to the stability of the financial industry.



Governor Muhammad delivering his address at AICB's 20th Graduation and Awards Ceremony



AICB Chairman Tan Sri Azman Hashim, FCB, with AICB graduates

PERFORMANCE OVERVIEW OF AICB QUALIFICATIONS

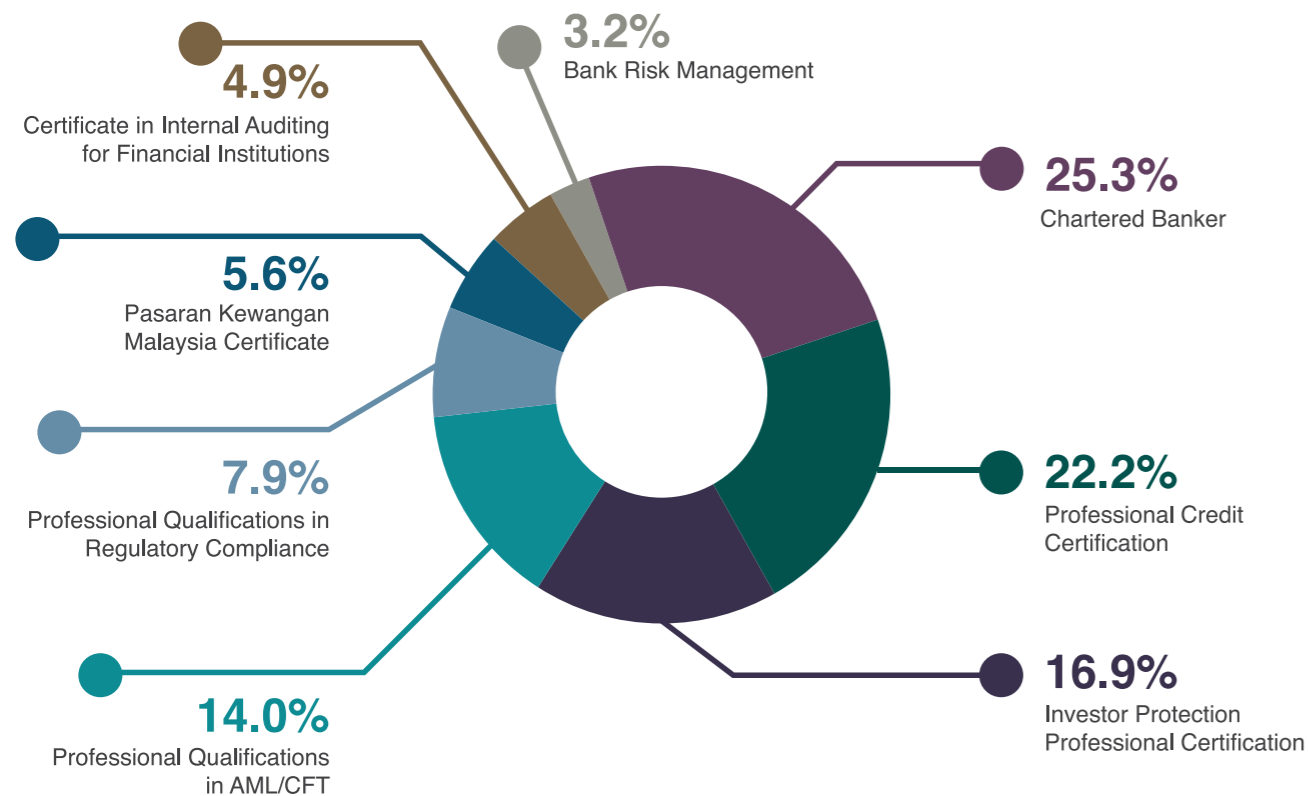
92
examinations
conducted

AICB's Assessment Division facilitates proper conduct in the administration, results processing, certification and reporting of all internal and collaborative examinations. This involves coordinating all the assessment processes and functions while ensuring compliance with examination governance, regulations and the adoption of international best practices. The Assessment Division is governed by the Board of Examiners and works closely with the Examination Committees, which comprise subject matter experts responsible for the standard and quality of the examinations.

In 2017, the Institute saw an overall increase in professional qualification enrolments. A total of 92 examinations was conducted in 2017, compared to 81 examinations in 2016. The number of members who sat for examinations in 2017 was 6,444, compared to 5,503 in 2016. There were 3,811 passes in 2017, compared to 3,206 in 2016, and the total number of graduates for 2017 was 1,662, compared to 1,383 in 2016.

Qualification Enrolments for Jan–Dec 2017

AICB offers a suite of eight professional qualifications to further raise the competence and skills of talents in the banking and finance sectors. The Chartered Banker programme, which is AICB's flagship programme, is awarded together with CBI, UK; and the Professional Qualifications in AML/CFT and Regulatory Compliance are awarded together with our partner, ICA.



Qualification Enrolments by Percentage for Jan–Dec 2017

EXAMINATIONS

Executive Banker (EB)

The Executive Banker (EB) qualification is the first level of the Chartered Banker (CB) programme, which comprises three levels: The Executive Banker (Level 1), the Professional Banker (Level 2) and the Chartered Banker (Level 3). It was launched in May 2012 and is conferred jointly by AICB and the Chartered Banker Institute (CBI), UK. The CB is the gold standard in banking qualifications for professionals working in the financial services sector and it aims to embed high ethical, professional and technical standards in industry practitioners.

This level is suitable for executives in the banking and finance industry who aspire to demonstrate commitment to professionalism. It provides them with a firm foundation on how banking and financial services operate and the challenges they may face.

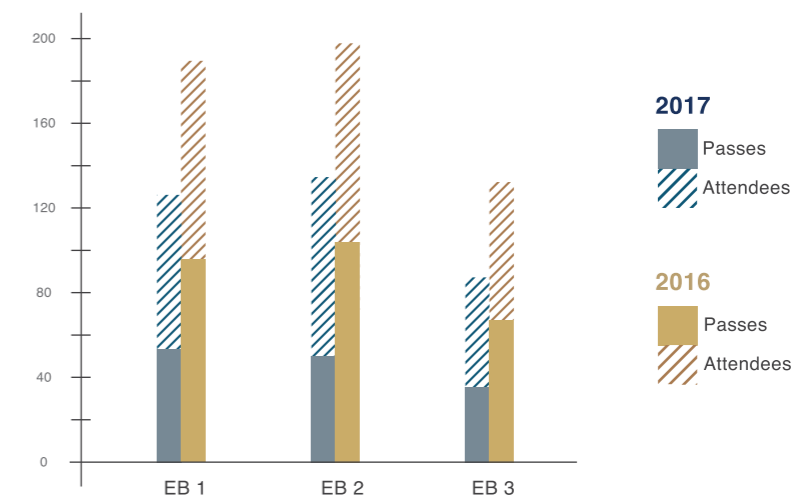
The first level requires candidates to complete three compulsory modules:

- EB 1 — Financial Systems and Regulatory Frameworks
- EB 2 — Risk in Financial Services
- EB 3 — Banking Operations and Professional Ethics

Upon successful completion of the EB, candidates may progress to the Professional Banker (PB) level and ultimately, the CB level.

EB: Statistical Summary (2016-2017)

Module	2017			2016		
	EB 1	EB 2	EB 3	EB 1	EB 2	EB 3
Attendees	122	137	89	183	192	136
Passes	49	46	33	90	100	66



Overall, the number of candidates who attended the EB examination has reduced over the past two years, since the change in the entry requirement for the PB qualification. Presently, members with recognised degrees will obtain direct entry into the PB qualification. This is also reflected in the reduction of the overall pass rate in 2017.

Professional Banker (PB)

The Professional Banker (PB) qualification is the second level of the CB programme, conferred jointly by AICB and the CBI, UK. The PB level provides candidates with a firm foundation on how banking and financial services operate and the challenges they may face. In April 2017, a pathway was provided for experienced bankers without degree qualifications to enter the PB level directly.

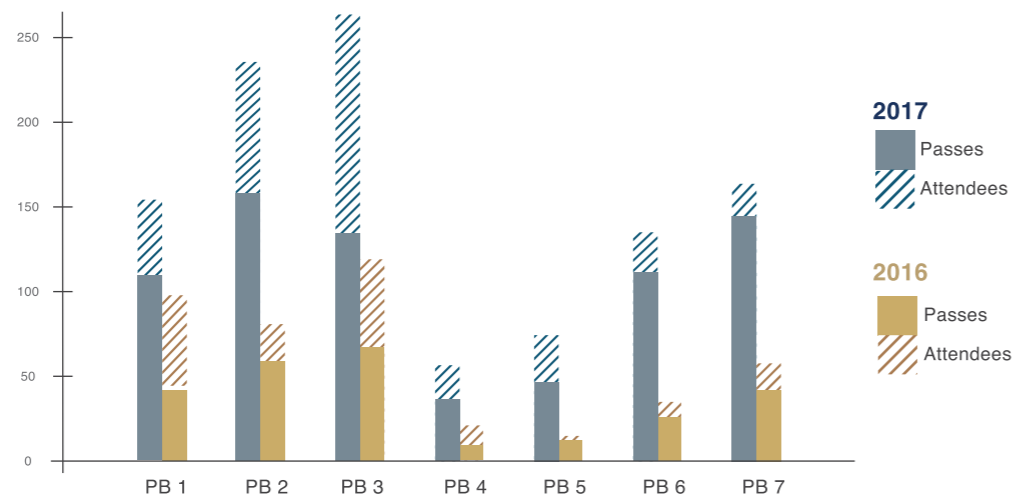
Under the PB framework, there are seven examination papers:

- PB 1 – Bank Management
- PB 2 – Business Lending
- PB 3 – Retail Lending
- PB 4 – International Banking and Offshore Practice
- PB 5 – International Trade Finance
- PB 6 – Marketing and Selling in Financial Services
- PB 7 – Customer Relationship Management

Candidates are required to complete three modules. Upon successful completion of the PB qualification, they may progress to the final level, the CB.

PB: Statistical Summary (2016-2017)

Module	2017		2016	
	Attendees	Passes	Attendees	Passes
PB 1 - BM	158	105	92	48
PB 2 - BL	241	156	78	56
PB 3 - RL	259	139	118	61
PB 4 - IBOP	51	32	23	9
PB 5 - ITF	67	49	15	14
PB 6 - MSFS	139	117	45	39
PB 7 - CRM	164	148	51	48



Overall, there was an increase in the number of attendees and passes for the PB qualification in 2017, compared to 2016. The number of candidates who sat for all PB modules has increased following the change in the entry requirement. Currently, members with recognised degrees will obtain direct entry into the PB qualification. This number is expected to further grow in 2018.

Chartered Banker (CB)

The Chartered Banker (CB) qualification is the third level of the CB programme, which is a world-class qualification conferred jointly by AICB and the CBI, UK. The CB level will help candidates achieve and maintain the highest standard of excellence and professionalism.

Under the CB programme, there are seven modules:

Compulsory Module

- CB 1 – Professionalism, Ethics and Regulation

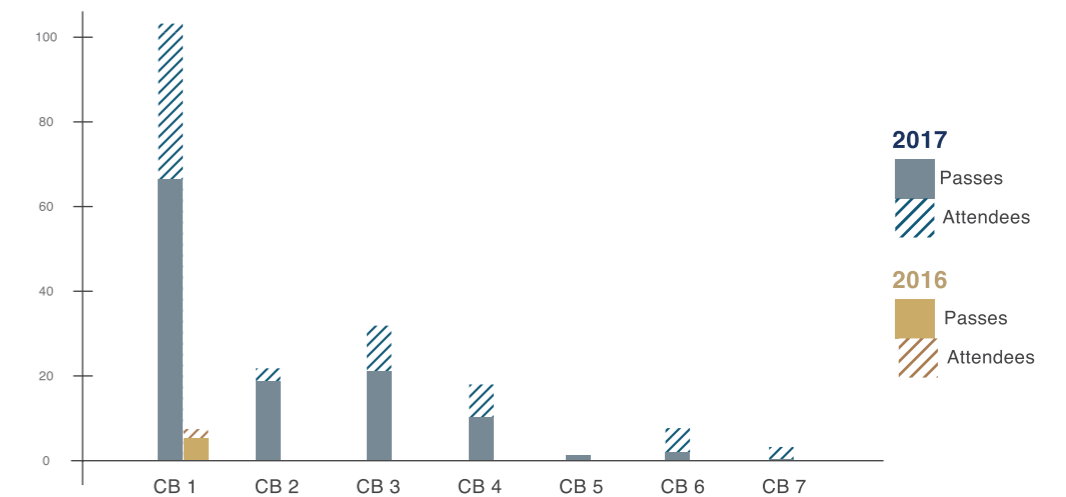
Elective Modules

- CB 2 – Contemporary Issues in Banking
- CB 3 – Credit and Lending
- CB 4 – Risk Management in Banking
- CB 5 – Applied Business and Corporate Banking
- CB 6 – Retail Banking
- CB 7 – Banking for High-Net-Worth Individuals

To be awarded the CB, candidates are required to complete one compulsory module and any two elective modules within five years.

CB: Statistical Summary (2016-2017)

Module	2017							2016
	CB 1	CB 2	CB 3	CB 4	CB 5	CB 6	CB 7	CB 1
Attendees	106	22	32	18	1	8	3	7
Passes	66	19	21	10	1	2	0	5



The first CB examination commenced in November 2016. Only the compulsory module (CB 1) was examined in 2016. The number of attendees for CB increased in 2017 as many members who have completed the PB qualification went on to enrol for CB. All seven modules were examined in 2017. The number of exam attendees is expected to further increase in 2018.

Professional Credit Certification (PCC)

The Professional Credit Certification (PCC) is a modular programme for banking executives who seek to equip themselves with the skills, knowledge and tools to advance in the demanding and rapidly changing field of credit management. It was designed by AICB, in collaboration with senior credit practitioners, to cater to banking professionals at different stages of their career.

The programme offers a total of three certifications, denoting the area of specialisation of the holder at two levels:

The First Level

The Certified Credit Executive (CCE) is an entry-level award for candidates who complete modules on general credit skills. The modules in this level are:

- CCE 1 – The Malaysian Financial System, Regulations and Ethics
- CCE 2 – Basic Credit Skills
- CCE 3 – Basic Accounting and Financial Statement Analysis
- CCE 4 – Credit Writing Skills

The Second Level

The Retail Credit Professional (RCP)/Business Credit Professional (BCP) is an intermediate-level award given upon completion of four modules in the respective retail or business credit specialisation. The modules in these levels are:

RCP

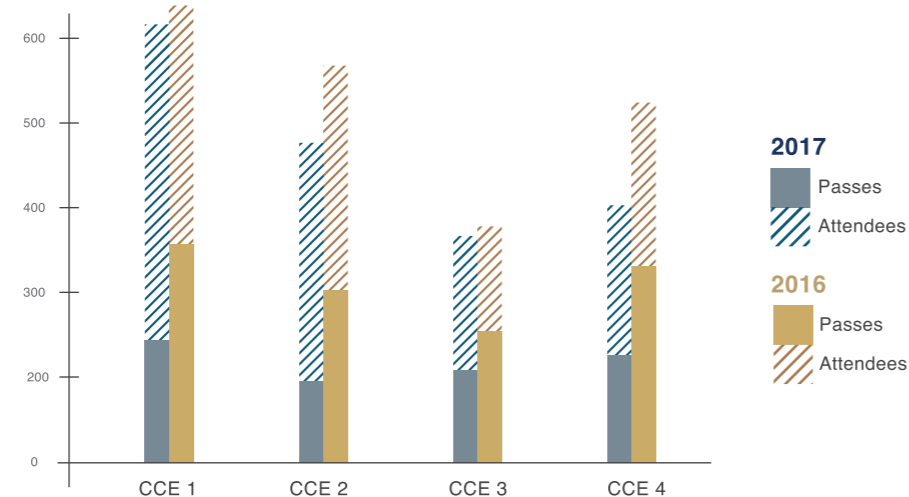
- RCP 1 – Credit Environment and the Lending Process
- RCP 2 – Consumer Lending Products and Services
- RCP 3 – Lending to Small Business
- RCP 4 – Loan Portfolio Management

BCP

- BCP 1 – Credit Analysis
- BCP 2 – Advanced Financial Analytical Techniques
- BCP 3 – Loan Structuring and Legal Documentation
- BCP 4 – Loan Monitoring, Rehabilitation and Recovery

CCE: Statistical Summary (2016-2017)

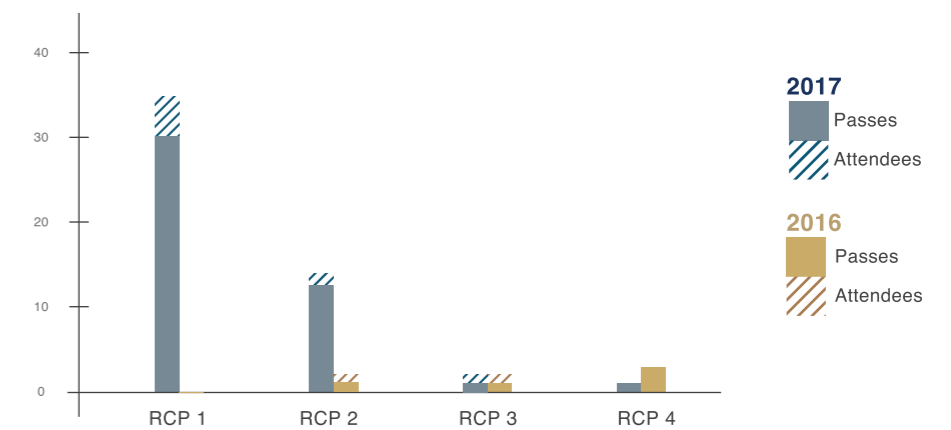
Module	2017				2016			
	CCE 1	CCE 2	CCE 3	CCE 4	CCE 1	CCE 2	CCE 3	CCE 4
Attendees	618	478	365	406	646	563	376	526
Passes	246	199	205	275	358	303	256	334



The number of attendees for the CCE examination has seen a 12 percent reduction in 2017, compared to 2016. The pass rate for CCE 1, 2 and 3 has also reduced slightly. However, the pass rate for CCE 4 has improved by 5 percent.

RCP: Statistical Summary (2016-2017)

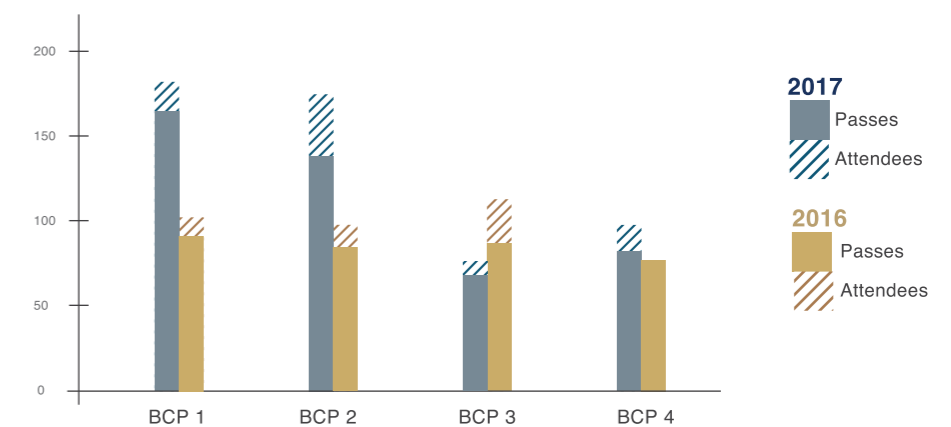
Module	2017				2016			
	RCP 1	RCP 2	RCP 3	RCP 4	RCP 1	RCP 2	RCP 3	RCP 4
Attendees	35	14	2	1	0	2	2	3
Passes	30	13	1	1	0	1	1	3



The number of attendees for the RCP modules has been relatively low compared to that of the BCP modules since inception. However, there was an increase in the number of candidates who sat for the RCP examination, i.e. 7 in 2016 and 52 in 2017.

BCP: Statistical Summary (2016-2017)

Module	2017				2016			
	BCP 1	BCP 2	BCP 3	BCP 4	BCP 1	BCP 2	BCP 3	BCP 4
Attendees	183	175	74	93	102	97	114	76
Passes	169	142	64	87	92	90	93	76



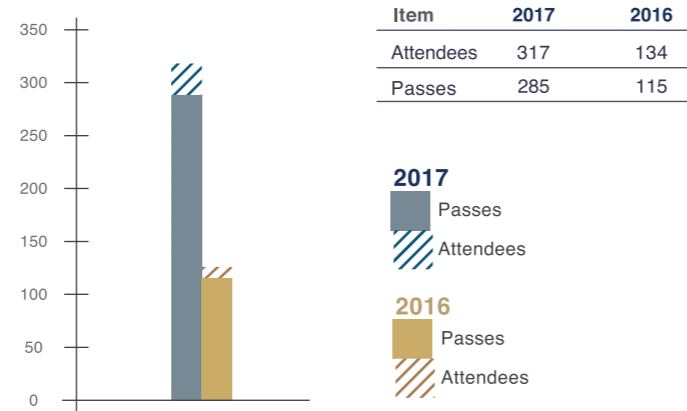
The number of attendees for the BCP examination increased by 35 percent in 2017. The pass rate for BCP 1 and 3 improved by 2 percent and 4 percent respectively, while the pass rate for BCP 2 and 4 reduced slightly compared to 2016.

Professional Qualifications in Anti-Money Laundering and Counter Financing of Terrorism, Malaysia (AML/CFT)

The professional qualifications in Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) are awarded jointly by AICB and the International Compliance Association (ICA), in association with the Alliance Manchester Business School, University of Manchester.

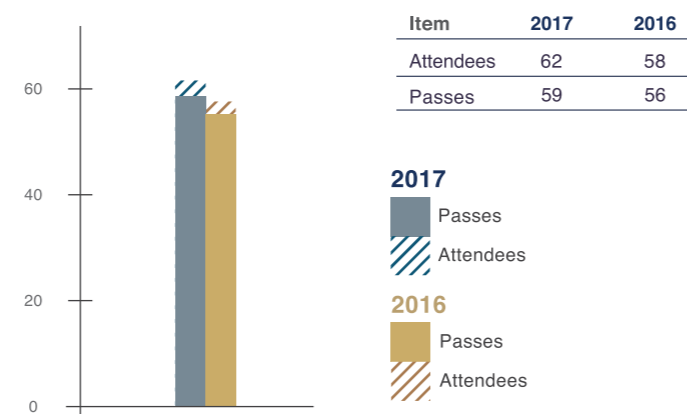
The AML/CFT education takes the international qualifications of the ICA and embeds the core Malaysian principles, laws and practices alongside international best practices. The structure comprises qualifications and training at three levels: Intermediate, Advanced and Experienced practitioners mapping the knowledge, skills and competencies required at each level.

Certification in AML/CFT: Statistical Summary (2016-2017)



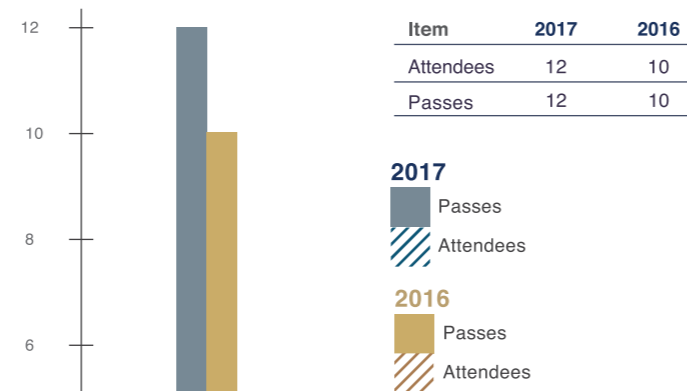
There was an increase of 4 percent in the pass rate for the Certification in AML/CFT in 2017, compared to 2016.

Advanced Certification in AML/CFT: Statistical Summary (2016-2017)



The number of attendees for the Advanced Certification in AML/CFT examination increased by 7 percent in 2017, compared to 2016.

Certified Professional in AML/CFT: Statistical Summary (2016-2017)



The pass rate for the Certified Professional in AML/CFT examination has been consistent since its inception in 2013.

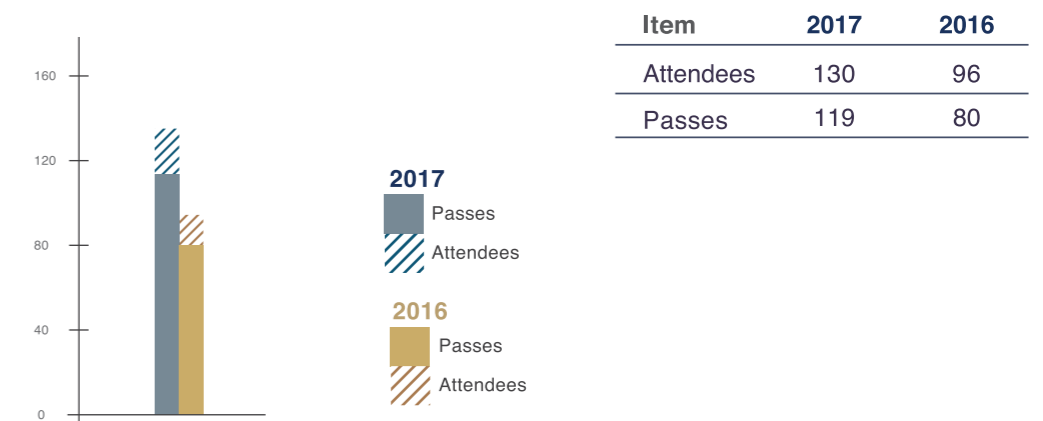
Professional Qualification in Regulatory Compliance (RC)

The professional qualification in Regulatory Compliance (RC) is jointly awarded by AICB and the ICA, in association with the Alliance Manchester Business School, University of Manchester.

The RC programme is designed to demonstrate knowledge, understanding and skills in:

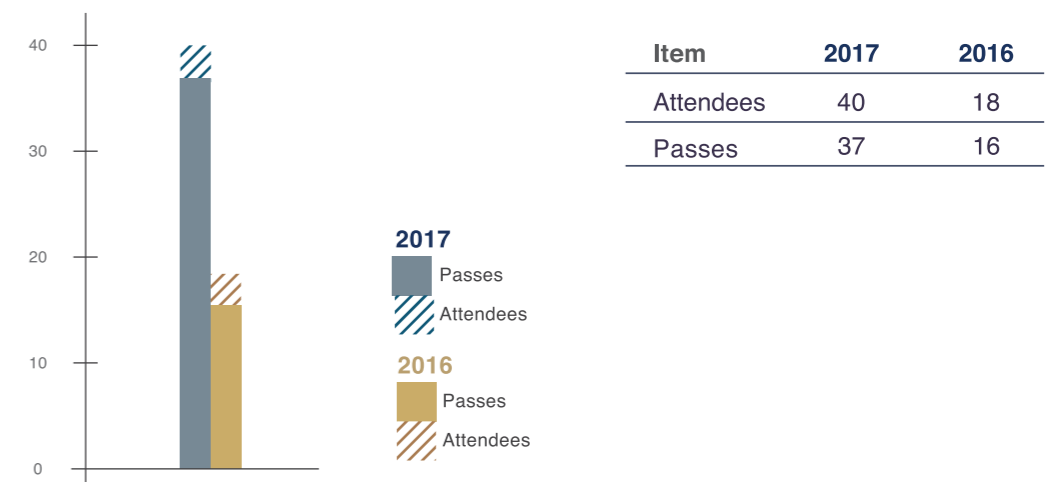
- The regulatory environment, including the role and powers of BNM;
- The role and responsibility of both the compliance function and the Compliance Officer, and the skills needed to successfully discharge them; and
- The implementation of key compliance activities and awareness of different types of financial crime.

Certification in RC: Statistical Summary (2016-2017)



The number of attendees for the Certification in RC examination increased by 35 percent in 2017, compared to 2016. The pass rate also improved by 9 percent in 2017.

Advanced Certification in RC: Statistical Summary (2016-2017)



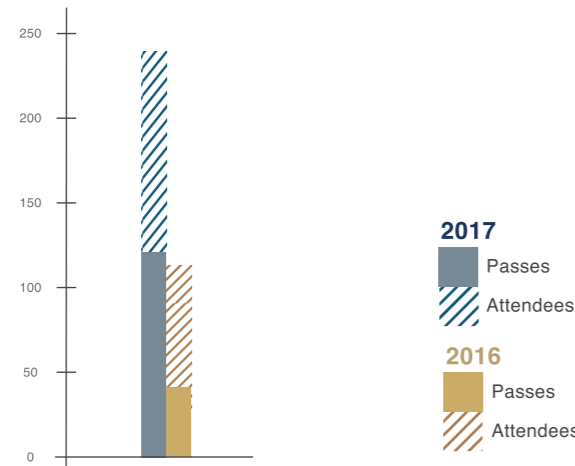
The pass rate for the Advanced Certification in RC examination improved by 4 percent in 2017, compared to 2016.

Certificate in Internal Auditing for Financial Institutions (CIAFIN)

The Certificate in Internal Auditing for Financial Institutions (CIAFIN) is an introductory specialist qualification that equips candidates with the prerequisite knowledge and skills to function more effectively as an internal auditor in a financial institution and provides an understanding of the ethical values and rules guiding internal auditing practices.

The August 2017 examination was the last exam sitting for this qualification. It will be replaced by the Certification for Bank Auditors (CBA) in 2018.

CIAFIN: Statistical Summary (2016-2017)



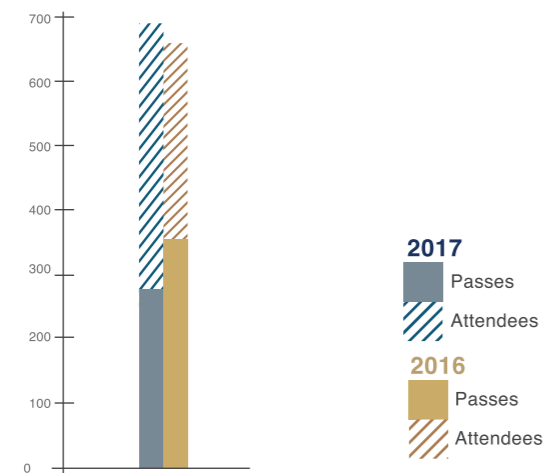
Item	2017	2016
Attendees	247	129
Passes	134	41

The number of attendees for the CIAFIN examination increased by 91 percent in 2017. The substantial increase in attendees is due to the 2017 examination sitting being the last one for CIAFIN. The pass rate for CIAFIN improved by 22 percent in 2017.

Investor Protection Professional Certification (IPPC)

The Investor Protection Professional Certification (IPPC) is a professional qualification awarded jointly by AICB and the ACI-Financial Markets Association of Malaysia (ACI-FMAM). It is designed for employees of registered persons¹ involved in the selling and marketing of structured products and unlisted debt securities to meet the regulatory requirements under the *Guidelines on Investor Protection*, jointly issued by Bank Negara Malaysia and Securities Commission Malaysia.

IPPC: Statistical Summary (2016-2017)



Item	2017	2016
Attendees	699	680
Passes	292	354

The number of attendees for the IPPC qualification increased by 3 percent in 2017, compared to 2016.

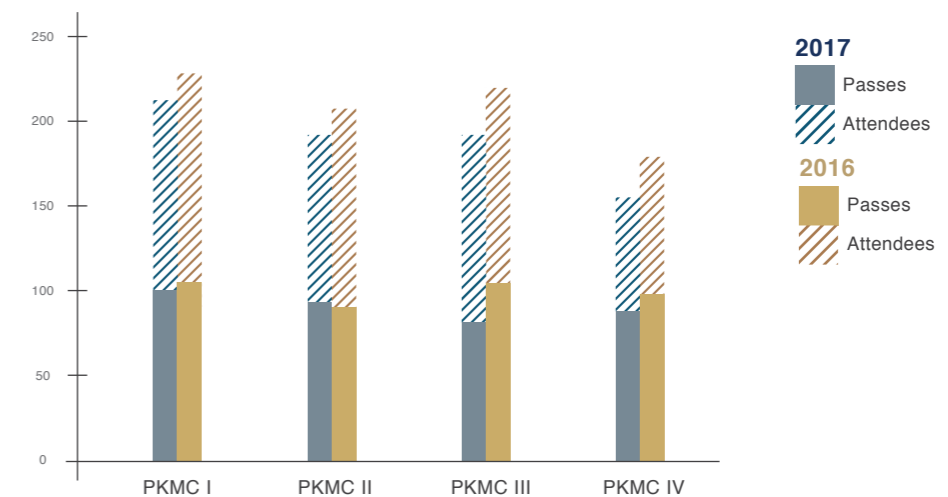
¹ As defined in the *Guidelines on Investor Protection*, jointly issued by Bank Negara Malaysia and Securities Commission Malaysia.

Pasaran Kewangan Malaysia Certificate (PKMC)

The Pasaran Kewangan Malaysia Certificate (PKMC) is a professional requirement established by the ACI-FMAM for dealers and brokers employed in licensed financial institutions and money-broking firms. It is specifically designed for financial market practitioners (Provisional members, Provisional Broker members and Affiliate members of ACI-FMAM), and jointly awarded by ACI-FMAM and AICB.

PKMC: Statistical Summary (2016-2017)

Module	2017				2016			
	PKMC I	PKMC II	PKMC III	PKMC IV	PKMC I	PKMC II	PKMC III	PKMC IV
Attendees	214	192	192	155	228	211	227	179
Passes	100	93	80	87	110	92	106	98



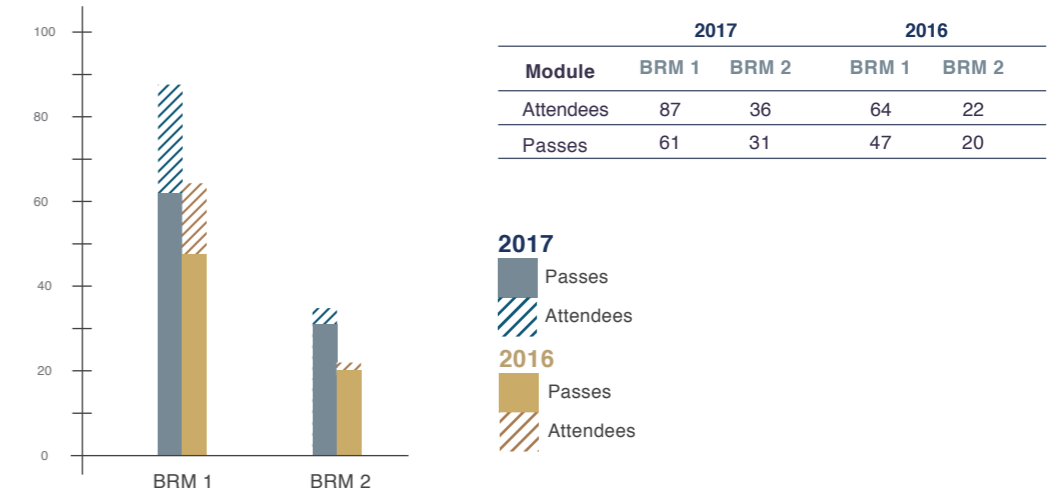
Pass rates for the PKMC modules have been consistent over the years.

Bank Risk Management (BRM)

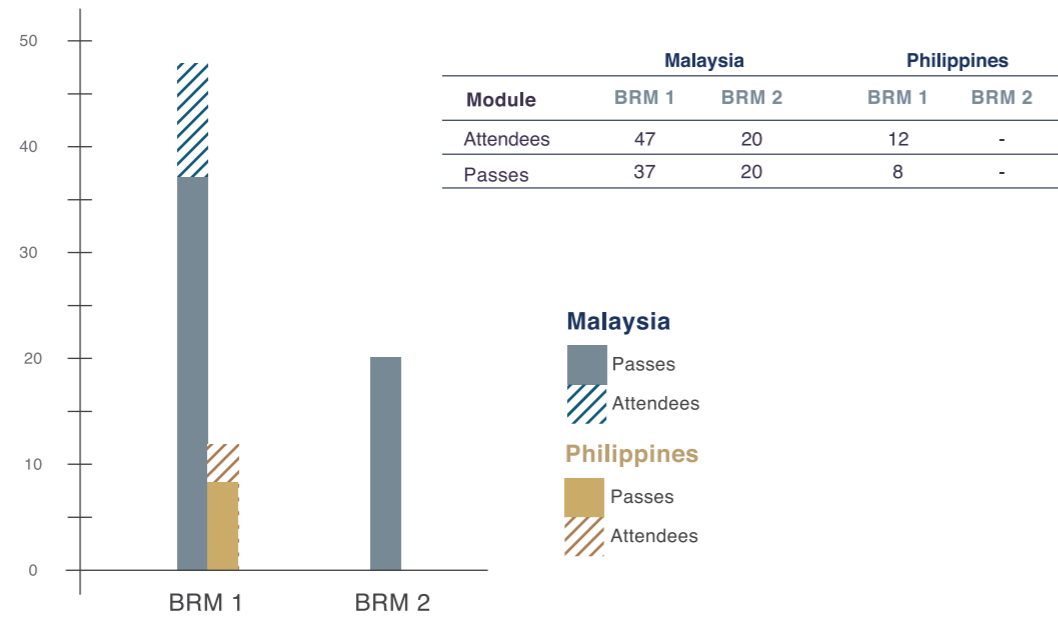
The Bank Risk Management (BRM) is a two-module intermediate-level qualification that provides a qualitative introduction to bank risk and bank risk management. It aims to produce a highly accessible guide to the practices and procedures for managing risk in banking for the widest audience possible.

AICB entered into a collaboration agreement with the Ateneo Bankers Association of the Philippines (BAP) Institute of Banking (AB-IB) to promote regional professional development in banking education to risk management professionals in the Philippines through the BRM qualification. The first examination was held in November 2017.

BRM: Statistical Summary (2016-2017)



BRM: November 2017 Examinations



The number of attendees for the BRM examination increased by 43 percent in 2017, compared to 2016.

The first cohort of candidates from the Philippines sat for the Module 1 examination in November 2017. Out of the 12 attendees, 8 obtained a “Pass”, reflecting a 67 percent pass rate.

STRENGTHENING STAKEHOLDER ENGAGEMENTS

Networking Groups

AICB has established a network of technical and advisory committees known as Networking Groups to promote the sharing of knowledge and professional views among each other as well as with key stakeholders. These networking groups comprise members from the AICB corporate membership, who meet regularly and actively organise technical briefings. Each networking group is presided over by a chairperson who is assisted by an alternate chairman. In 2017, six meetings were held for the Compliance Officers Networking Group (CONG) and the Chief Internal Auditors Networking Group (CIANG), and three were held for the Chief Risk Officers Forum (CRO Forum) and the Human Resource Networking Group (HRNG). Following is the list of office bearers for the respective networking groups for 2017/2018.



Members of CONG, CRO Forum and CIANG participating in the joint Specialised Certification programmes workshop



Compliance Officers Networking Group (CONG)

Chief Internal Auditors Networking Group (CIANG)

Chief Risk Officers Forum (CRO Forum)

Human Resource Networking Group (HRNG)

Chairman

Mr V. Maslamani, CB,
Al Rajhi Bank

Mr Alan Chang
Kong Chong, CB,
Hong Leong
Financial Group

Mr Patrick Ho
Kwong Hoong, CB,
RHB Banking
Group

Ms Nora Abd
Manaf,
Malayan Banking
Berhad

Alternate Chairman

Mr Yunos Yusop,
Affin Bank Berhad

Mr Mohd Zaki
Abdullah,
Kuwait Finance
House (Malaysia)
Berhad

Mr Alex Por Peng
Seong, CB,
United Overseas
Bank (Malaysia)
Berhad

Ms Florence Foo,
Standard
Chartered Bank
Malaysia Berhad

Chief Internal Auditors Networking Group (CIANG)

A

The Chief Internal Auditors Networking Group (CIANG) aims to provide a platform to exchange professional views and ideas among internal auditors and benchmark audit practices in the banking industry. CIANG members continued to play a vital role in the development and review of the Certification for Bank Auditors (CBA) qualification, which commenced in October 2015 and will replace the Certificate in Internal Auditing for Financial Institutions (CIAFIN) that was first introduced in 1998. CIANG also participated in the special working group on the Specialised Certifications requirements, where members shared their expertise and best practices on functions within Audit that require certification. In 2017, the salient topics that were given more

focus at meetings included the scope of internal audit, its challenges and expectations, data governance and IT infrastructure, IT risk and cyber threats, mapping of IT critical security controls to major IT security frameworks and technology risk management, as well as the latest key developments in the audit area.

Chief Risk Officers Forum (CRO Forum)

B

The Chief Risk Officers Forum (CRO Forum) provides a platform for Chief Risk Officers from financial institutions in Malaysia to exchange professional views and ideas that focus mainly on risk management issues.

In 2017, the CRO Forum supported a proposal for a new AICB qualification for Credit Modelling and set up a Credit Modelling Curriculum Working Committee comprising seven members led by the CRO Forum Chairman Mr Patrick Ho, CB, of RHB Banking Group. The working committee provides its industry expertise on the design and content development of the qualification.

The CRO Forum also participated and collaborated with other networking groups on the Specialised Certifications requirements for the industry. Additionally, two members of the group contributed their expertise to the development of the National Occupational Skills Standard (NOSS) for Risk, led by the Asian Institute of Finance (AIF). These members currently sit as panel members on the Standards Development Committee (SDC) to develop NOSS in the area of risk for the banking industry in Malaysia, covering commercial banking, investment banking and Islamic banking.

The CRO Forum also held dialogue sessions to exchange views and updates with regulators and subject matter experts on key issues of interest, including the Exposure Draft on Credit Risk, Basel Framework, Minimum Capital Requirements for Market Risk and Margin Requirements for Uncleared Derivatives, Exposure Draft on Outsourcing, Exposure Draft on Net Stable Funding Ratio (NSFR), and Supervisory Expectation on Technology Risk Management. In collaboration with the CRO Forum, AICB also organised a Breakfast Series entitled “How Do You Organise a Financial Services Firm to Manage Risk Effectively?” on 13 April 2017.

Compliance Officers Networking Group (CONG)

C

The Compliance Officers Networking Group (CONG) continues to meet to discuss key issues facing the compliance function in financial institutions. In 2017, 10 CONG members volunteered to review the AICB-International Compliance Association (ICA) qualifications to ensure they meet compliance standards and requirements. This qualification review will take place in 2018. The group also reviewed the content of the newly developed programme for AML/CFT, the Certified Anti-Money Laundering and Counter Financing of Terrorism (CAMCO) in the AML/CFT Programme, jointly offered with ABS.

CONG members also helped to further develop the compliance aspects of NOSS for AIF. Five members volunteered to be a part of the panel on the Standards Development Committee (SDC) to develop NOSS in the area of compliance for the banking industry in Malaysia covering commercial banking, investment banking and Islamic banking.

Apart from participating and collaborating with other networking groups on the Specialised Certifications requirements, the group also engaged with subject matter experts on various key topics, including Cash Threshold Reporting (CTR), National Risk Assessment, Special Branch Counter Terrorism, Suspicious Transaction Report (STR), Politically Exposed Persons (PEPs) classification, and Practices of Letter of Undertaking from Solicitor.

The group also played an important role as the knowledge partner in the following thought leadership events:

- The Compliance Risk Assessment Discourse, held on 22 May 2017, and “Tricks of The Trade – (Mis)behaviour of Financial Markets”, held on 13 July 2017; and
- The 9th International Conference on Financial Crime and Terrorism Financing (IFCTF), on “Future Proofing Compliance: Responsibility and Response-ability”, held on 4–5 October 2017, in collaboration with AIF. Chairman of CONG V. Maslamani was the Chair of the organising committee.

Human Resource Networking Group (HRNG)

D

The Human Resource Networking Group (HRNG) meets to facilitate discussions on human capital development issues commonly faced by members and key developments taking place in the talent development space.

In 2017, the group participated in the Specialised Certifications industry workshop with other networking groups and provided their expert views from a human resource perspective. The group also engaged with other human capital subject matter experts to gain better insights through knowledge-sharing sessions, including the “E-Learning System Implementation” by Bank Islam, “Transforming RHB Learning Culture Through the 70:20:10 Learning Journey” by RHB Bank Berhad, and “Innovation in Human Capital Development” by Public Bank Berhad. The HRNG has also proposed to organise a one-day “Action Learning Day” event in 2018 to provide members with an avenue to exchange ideas and learn the best practices of human capital within the banking industry. A task force representing HRNG members volunteered to set the objectives and develop the programme in 2018.

State Advisory Committee (SAC)

As a channel for AICB to effectively engage with stakeholders at regional levels throughout the country, State Advisory Committees (SACs) were established in Penang, Johor, Pahang, Sabah, Sarawak and Labuan. The SAC ensures effective outreach to banking practitioners nationwide. The chairpersons for each state are as follows:

- Penang: Tan Leong Theng, Director Northern Region, AmInvestment Bank Berhad;
- Johor: Raman a/l Krishnan, Regional Head, Bank Negara Malaysia;
- Perak: Mazlina binti Muhammad, Regional Director, Perak, Malayan Banking Berhad;
- Pahang: Abdul Halim bin Lehan, Regional Director, Pahang, Kelantan and Terengganu, Malayan Banking Berhad;
- Sabah: Chieng Yew Hoon, Regional Manager, Public Bank Berhad;
- Sarawak: Simon Su Hiong Tiing, Regional Director, AmBank (M) Berhad; and
- Labuan: Datuk Chin Chee Kee, Executive Chairman, Noble House International Trust Ltd.

Signed 3 MoUs

International Engagements and Strategic Partnerships

On the international front, AICB continues to broaden its footprint and engage actively and directly with other international professional bodies, reputable academic institutions and organisations to promote greater awareness of the Institute's qualifications and explore strategic partnerships. In 2017, AICB focused on three key markets – Indonesia, the Philippines and Cambodia – in line with AICB's plans to expand across the ASEAN market.

Indonesia

A

On 11 August 2017, AICB signed a Memorandum of Understanding (MoU) with Perusahaan Umum Jaminan Kredit Indonesia (Perum Jamkrindo) to establish a framework of cooperation to promote professional financial education development in both markets respectively, particularly to support the professional development of credit guarantee practitioners. Perum Jamkrindo is the largest credit guarantee company in Indonesia that focuses on both conventional and shariah-compliant guarantees for small and medium-sized enterprises.



MoU Signing Ceremony between AICB and Perum Jamkrindo

Philippines

B

Another significant collaboration in the ASEAN region was established in October 2017 with the Ateneo Bankers Association of the Philippines (BAP) Institute of Banking (AB-IB). The collaboration agreement focused on the promotion of AICB's Bank Risk Management (BRM) qualification to bankers in the Philippines. The cooperation is in line with the ASEAN Bankers Association's effort to standardise professional banking among member countries. Successful professionals from the programme will be recognised in both Malaysia and the Philippines as having undergone professional certification in bank risk management.



AICB members from the Philippines at the MoU Signing Ceremony

Cambodia

C

In November 2016, AICB received the first batch of enrolments for the Chartered Banker Level 1 (CB Level 1) and Chartered Banker Level 2 (CB Level 2) qualifications from Cambodia. The first cohort comprised 84 Affiliate Members, of which 34 members are pursuing CB Level 1 and 50 members are pursuing CB Level 2. These members will be moving on to complete the programme.

The Institute's management team also continued to explore collaborative opportunities with the regulator, the National Bank of Cambodia, the Institute of Banking and Finance Cambodia, as well as with some of the leading Malaysian banks based in Cambodia, including Maybank and Public Bank.

AICB also actively participates in several international banking education forums and committees. These international platforms have provided valuable and deeper insights into the work of other similar organisations and strengthened our international presence and network.



AICB Management Team with representatives from the National Bank of Cambodia in Phnom Penh

European Banking & Financial Services Training Association (EBTN)

As an Associate Member of the European Banking & Financial Services Training Association (EBTN), AICB is able to extend its international banking education network and gain a better understanding of the European financial services sector and developments in the field of banking education, education standards and training. AICB was represented at EBTN's Annual General Meeting (AGM) and Membership Meeting in Sitges (Barcelona), Spain on 29–30 June 2017, where all Associate Members were required to provide an overview of their organisations and key initiatives. The main objective of the meeting was to provide a platform to exchange information and discuss how members can optimally benefit from EBTN's activities and initiatives.



AICB CEO Prasad Padmanaban presenting at the EBTN meeting

47th ASEAN Banking Council Meeting

AICB actively participated in the 47th ASEAN Banking Council Meeting, which was held on 23–24 November 2017 in Furama Resort Danang, Da Nang, Vietnam. AICB is a permanent committee member of the Banking Education Committee, which meets annually to discuss cross-border banking education initiatives for the region.



ASEAN Banking Council delegates at the Meeting

The Global Banking Education Standards Board (GBESTB)

In 2017, AICB actively contributed to the setting up of the Global Banking Education Standards Board (GBESTB), a voluntary, industry-led initiative founded in 2017 by 25 of the world's leading banking institutes, representing more than two million banking professionals worldwide. The major objective of the GBESTB is to develop international, ethical and professional standards and guidance for use by banking institutes and others involved in the education and training of bankers. This is very much in line with the work AICB does to further enhance and sustain ethics and professionalism in banking. GBESTB's initial focus will be to develop and encourage the adoption of international education standards for bankers, including a basic standard of competence and an ethics education standard.

Study Visits

AICB recognises the value of engaging with various international professional bodies and organisations and actively hosts and participates in study visits. In 2017, several organisations visited the Institute to learn and exchange experiences and explore future collaborations. The study visits for 2017 are as follows:

- 20 March 2017: Representative from the Association of Banks in Cambodia



AICB CEO Prasad Padmanaban with the representative from the Association of Banks in Cambodia

- 23 May 2017: Representatives from the National Bank of Cambodia. The study visit was organised by Bank Negara Malaysia (BNM) and held at Sasana Kijang



Representatives from the National Bank of Cambodia

- 28 August 2017: Representative from the Institute of Bankers Pakistan (IBP)
- 20 September 2017: Representatives from the PS Business School Myanmar
- 27 September 2017: Representatives from the Central Bank of Jordan, organised by BNM



Representatives from the Central Bank of Jordan and the AICB Management Team

- 2 October 2017: Six delegates from the following institutes:
 - Financial Institutions Training Centre (FITC), Nigeria—the training arm of the Central Bank of Nigeria
 - IBP—the training arm of the State Bank of Pakistan
 - CRDB Bank, Tanzania—the second-largest bank in Tanzania



AICB CEO Prasad Padmanaban describing the scale model of the new AICB building to the FITC, IBP and CRDB Bank delegates

Strategic Partners

AICB also works closely with several strategic partners, including the Chartered Banker Institute (CBI), UK, the Asian Banking School (ABS), the International Compliance Association (ICA), the Financial Markets Association of Malaysia (FMAM) and the Finance Accreditation Agency (FAA), among others, to further enhance the quality and standards of our products and services to members.

The Institute has continued to expand its range of partnerships with universities to pave the way for closer cooperation between banking practitioners and academia. We have proactively sought out potential partners to harness their respective resources to achieve the common objective of enhancing the quality of human capital for the banking industry. Following in this spirit, AICB and Monash University Malaysia signed a Memorandum of Understanding (MoU) on 7 December 2017 to establish academic cooperation with a special focus on professional financial education. Both parties have committed to collaborate in the promotion of joint research and education activities, the exchange of knowledge and expertise in the development of curriculum relating to banking, and thought leadership activities, including conferences and seminars.



MoU Signing Ceremony between AICB and Monash University Malaysia

Communication Platforms

AICB's website, www.aicb.org.my, remains the key online resource and communication tool to disseminate information to members and students/candidates taking AICB qualifications. We have also leveraged on our social media platforms – Facebook, LinkedIn, Twitter and Instagram – to promote our qualifications, corporate information, events relating to banking, events by AICB and those in collaboration with our Affiliates, as well as handle enquiries from AICB members, students and the general public.

Social media channels (as at 31 December 2017)



53,918
followers



1,269
followers



1,429
followers

13

**ASIAN INSTITUTE OF
CHARTERED BANKERS**
(Incorporated in Malaysia)

Company Limited by Guarantee and not having a share capital

REPORTS AND FINANCIAL STATEMENTS DECEMBER 31, 2017

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CORPORATE INFORMATION

CHAIRMAN

Tan Sri Azman Hashim

VICE CHAIRMAN

Datuk Abdul Farid Alias

COUNCIL MEMBERS

Mr Donald Joshua Jaganathan

Tan Sri Dato' Sri Tay Ah Lek

Datuk Mohamed Azmi Mahmood

Datuk Mohd Najib Haji Abdullah
(resigned on 2 April 2018)

Dato' Howard Choo Kah Hoe

Datuk Yau Ah Lan @ Fara Yvonne

Dato' Khairussaleh Ramli

Mr Wong Kim Choong

Dato' Ong Eng Bin

Mr Lee Lung Nien

Tengku Dato' Sri Zafrul Tengku Abdul Aziz
(appointed on 9 August 2017)

Datuk Maimoonah Mohamed Hussain
(appointed on 2 April 2018)

Mr Domenic Fuda
(appointed on 2 April 2018)

En. Abrar A. Anwar
(appointed on 2 April 2018)

CHIEF EXECUTIVE OFFICER

Prasad Padmanaban

SECRETARY

Lum Soo Yan

AUDITORS

Grant Thornton Malaysia
(Member Firm of Grant Thornton International Ltd)

Chartered Accountants

Level 11, Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

REGISTERED OFFICE

Wisma IBI

5, Jalan Semantan

Damansara Heights

50490 Kuala Lumpur

REPORT OF THE COUNCIL

The Council of Asian Institute of Chartered Bankers have pleasure in submitting the Council's report and the audited financial statements of the Institute for the financial year ended December 31, 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Institute are propelling the Institute as a distinct professional body focusing on membership, professional standards, education, award and examination policies.

There have been no significant changes in the nature of these activities during the financial year.

RESULT

Profit for the financial year	RM 206,012
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RESERVES AND PROVISIONS

There have been no material transfers to or from reserves or provisions during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Institute were made out, the Council took reasonable steps:-

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debt was required; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Institute have been written down to an amount which they might be expected so to realise.

At the date of this report, the Council is not aware of any circumstances:-

- which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Institute; or
- which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate; or
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

As at the date of this report, there does not exist:-

- any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability in respect of the Institute which has arisen since the end of the financial year.

In the opinion of the Council:-

- no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Institute to meet their obligations as and when they fall due;

- the results of the Institute's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Institute for the financial year in which this report is made.

INDEMNITY AND INSURANCE FOR COUNCIL AND OFFICERS

There was no indemnity given to or insurance effected for the Council and Officers of the Institute during the financial year.

COUNCIL AND CONSTITUTIONAL MATTERS

The Council of the Institute comprised the following office bearers:-

A

Nominated by and representing Bank Negara Malaysia under Article 66(1)(a) of the Institute's Constitution:

- Donald Joshua Jaganathan

B

Nominated by and representing The Association of Banks in Malaysia under Article 66(1)(b) of the Institute's Constitution:

- Datuk Abdul Farid Alias
- Dato' Khairussaleh Ramli
- Dato' Ong Eng Bin
- Wong Kim Choong
- Lee Lung Nien
- Abrar A. Anwar
- Domenic Fuda

C

Nominated by and representing the Malaysian Investment Banking Association under Article 66(1)(c) of the Institute's Constitution:

- Tan Sri Azman Hashim
- Datuk Maimoonah Mohamed Hussain

D

Nominated by the Council under Article 66(1)(d) of the Institute's Constitution:

- Tan Sri Dato' Sri Tay Ah Lek
- Datuk Mohamed Azmi Mahmood
- Datuk Yau Ah Lan @ Fara Yvonne
- Dato' Howard Choo Kah Hoe
- Tengku Dato' Sri Zafrul Tengku Abdul Aziz

BENEFITS OF THE COUNCIL MEMBERS

The Institute is a company limited by guarantee and there is no share in which a Council Member could have an interest. The Institute has not issued any debentures during the financial year under review.

During and at the end of the financial year, no Council Member has received or become entitled to receive any benefit by reason of a contract made by the Institute with the Council Member, or with a firm of which the Council Member is a member, or with a company in which the Council Member has a substantial financial interest.

In addition, during and at the end of the financial year, no arrangement subsisted to which the Institute is a party, with the objects of enabling Council Member to acquire benefits by means of the acquisition of shares in or debentures of any bodies corporate.

ORGANISATION AND MANAGEMENT

The management of the Institute is vested in the Council, which also manages the Staff Training Fund. The Council met regularly during the financial year to deliberate and consider the Institute's matters. In discharging its responsibilities, the Council was supported by the Education, General Purpose, Audit, Human Resource and Membership Committees, as well as the Board of Examiners.

Education Committee

The Education Committee (EC) guides and provides oversight for the development of the Institute's education standards and policies. The role of EC is to ensure that the Institute's learning curricula are relevant and aligned to industry needs.

The Committee comprised:

- Donald Joshua Jaganathan (Chairman)
- Tan Sri Dato' Sri Tay Ah Lek
- Dato' Howard Choo Kah Hoe
- Lee Lung Nien
- Tengku Dato' Sri Zafrul Tengku Abdul Aziz (appointed on 2 April 2018)

The Council also co-opted the following to the Committee:

- Professor Dato' Dr Ansary Ahmed
President/Chief Executive Officer, Asia e University
- Datuk Johar Che Mat
Director, Rural Capital Berhad
- Choo Yee Kwan
Director, HSBC Bank Malaysia Berhad

General Purpose Committee

The General Purpose Committee (GPC) ensures the creation and implementation of financial management related policies and acts as the approving body for expenditures according to the delegated authority limits. The role of GPC is to provide guidance on the preparation, presentation and management of annual budgets.

The Committee comprised:

- Datuk Abdul Farid Alias (Chairman)
- Datuk Mohamed Azmi Mahmood
- Wong Kim Choong
- Domenic Fuda (appointed on 2 April 2018)

Audit Committee

The Audit Committee (AC) provides the independent oversight on accounting policies, financial reporting policies, business processes and operational controls. The role of AC is to ensure that internal and statutory audit functions are properly conducted and all audit recommendations are effectively carried out.

The Committee comprised:

- Dato' Howard Choo Kah Hoe (Chairman)
- Wong Kim Choong
- Datuk Mohamed Azmi Mahmood
- Abrar A. Anwar (appointed on 2 April 2018)

Human Resource Committee

The Human Resource Committee (HRC) guides management in executive recruitment, compensation and people development policies. The role of HRC is to help the implementation of human resource related policies and practices.

The Committee comprised:

- Datuk Mohd Najib Haji Abdullah (Chairman), (resigned on 2 April 2018)
- Dato' Ong Eng Bin
- Lee Lung Nien
- Datuk Maimoonah Mohamed Hussain (appointed on 2 April 2018)

Membership Committee

The Membership Committee (MC) guides and provides oversight for the development of the Institute's professional standards in membership, conduct and professional development to support the agenda of professionalising bankers. The role of MC is to review the implementation of the policies and the effectiveness of the membership programmes in ensuring creation of value to members.

The Committee comprised:

- Datuk Mohamed Azmi Mahmood (Chairman)
- Datuk Yau Ah Lan @ Fara Yvonne
- Dato' Khairussaleh Ramli

Board of Examiners

The Board of Examiners is established as an integral part of examination strategy to ensure governance and standards of the examinations, supporting the awarding roles of the Institute.

The Board comprised:

- Dato' Howard Choo Kah Hoe (Chairman)

The Council also co-opted the following to the Committee:

- **Alex Por Peng Seong**
Executive Director, Country Head, Risk Management, United Overseas Bank (Malaysia) Berhad
- **Colin Morrison**
Deputy Chief Executive & Director of Education, Chartered Banker Institute, UK
- **Associate Professor Dr Cordelia Mason**
Director of WE4ASIA/Corporate Planning, Universiti Kuala Lumpur
- **Nora Abd Manaf**
Group Chief Human Capital Officer, Malayan Banking Berhad
- **Professor Dato' Dr Sayed Mushtaq Hussain**
Professor, School of Management, Asia e University
- **Professor Lee Chew Ging**
Dean of Faculty of Arts and Social Sciences, The University of Nottingham Malaysia Campus

Personnel

As at year end 2017, the Institute has a total staff strength of 30.

NOMINATION OF COUNCIL MEMBERS

The Institute has received the following nominations for the appointment of Council Members for the 2018/2019 term of office:

Nominated by Bank Negara Malaysia:

- Donald Joshua Jaganathan

Nominated by The Association of Banks in Malaysia:

- Datuk Abdul Farid Alias
- Dato' Khairussaleh Ramli
- Wong Kim Choong
- Dato' Ong Eng Bin
- Lee Lung Nien
- Abrar A. Anwar
- Domenic Fuda

Nominated by the Malaysian Investment Banking Association:

- Tan Sri Azman Hashim
- Datuk Maimoonah Mohamed Hussain

NOMINATION OF COUNCIL MEMBERS (CONT'D)

Nominated by Council:

- Tan Sri Dato' Sri Tay Ah Lek
- Datuk Mohamed Azmi Mahmood
- Datuk Yau Ah Lan @ Fara Yvonne
- Dato' Howard Choo Kah Hoe
- Tengku Dato' Sri Zafrul Tengku Abdul Aziz

ELECTION OF COUNCIL MEMBER

No nomination for election to the Council under Article 66(1)(e) of the Institute's Constitution has been received.

AUDITORS' REMUNERATION

The Auditors' remuneration is disclosed in Note 16 to the financial statements.

There was no indemnity given to or insurance effected for the auditors of the Institute.

AUDITORS

The Auditors, Messrs Grant Thornton Malaysia have expressed willingness to continue in office.

APPRECIATION

The Council wishes to record its deep appreciation to everyone who had contributed in one way or another to the success of the Institute's programmes and activities during the financial year 2017.

On behalf of the Council



TAN SRI AZMAN HASHIM
Chairman



DATUK ABDUL FARID ALIAS
Vice Chairman

Kuala Lumpur
2 April 2018

ASIAN INSTITUTE OF CHARTERED BANKERS

(Incorporated in Malaysia)

STATEMENT BY THE COUNCIL

In the opinion of the Council Members, the financial statements set out on pages 101 to 132 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as at December 31, 2017 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Council



TAN SRI AZMAN HASHIM
Chairman



DATUK ABDUL FARID ALIAS
Vice Chairman

Kuala Lumpur
2 April 2018

STATUTORY DECLARATION

I, Prasad Padmanaban, being the Officer primarily responsible for the financial management of Asian Institute of Chartered Bankers, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements of the Institute set out on pages 101 to 132 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in
the Federal Territory this day of

)
)
)
)



PRASAD PADMANABAN



Commissioner for Oaths
No. 4-13, 4th Floor, Wisma Konwa
No. 40 & 42, Jalan Tun Perak
(Lebuh Ampang)
50050 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF ASIAN INSTITUTE OF CHARTERED BANKERS

(Incorporated in Malaysia)

Company No: 35880 P

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Institute of Chartered Bankers, which comprise the statement of financial position as at December 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Institute for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 101 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as of December 31, 2017, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Council of the Institute is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Council for the Financial Statements

The Council of the Institute is responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Council is also responsible for such internal control as the Council determines is necessary to enable the preparation of financial statements of the Institute that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Institute, the Council of the Institute is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of the Institute either intends to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

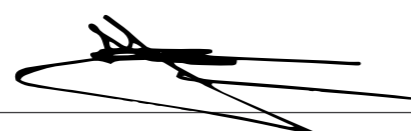
Other Matters

This report is made solely to the Council of the Institute, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



GRANT THORNTON MALAYSIA
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

Kuala Lumpur
2 April 2018



DATO' N. K. JASANI
(NO: 708/03/20(J/PH))
CHARTERED ACCOUNTANT

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	NOTE	2017 (RM)	2016 (RM)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	100,649	87,499
Investment in an associate	5	2,249,949	249,949
Total non-current assets		2,350,598	337,448
CURRENT ASSETS			
Receivables	6	1,869,640	2,738,299
Amount due from an associate	7	-	6,985,413
Amount due from a related party	8	1,073,008	-
Tax recoverable		213,075	-
Short term fixed deposits with licensed banks		5,496,231	3,998,231
Cash and bank balances		52,734	175,696
Assets held-for-sale	9	8,704,688	13,897,639
		5,812,510	5,812,510
Total current assets		14,517,198	19,710,149
TOTAL ASSETS		16,867,796	20,047,597
EQUITY AND LIABILITIES			
EQUITY			
Accumulated Fund		(1,191,601)	(1,397,613)
Launching Grant	10	687,980	687,980
		(503,621)	(709,633)
LIABILITIES			
NON-CURRENT LIABILITY			
Deferred tax liabilities	11	3,000	17,149
		3,000	17,149

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017 (CONT'D)

	NOTE	2017 (RM)	2016 (RM)
EQUITY AND LIABILITIES (CONT'D)			
LIABILITIES (CONT'D)			
CURRENT LIABILITIES			
Amount due to related parties	8	21,276	1,448,041
Prepaid income		3,397,457	1,612,983
Payables	12	2,949,684	4,480,690
Tax payable		-	2,198,367
Secured zero coupon bonds	13	11,000,000	11,000,000
Total current liabilities		17,368,417	20,740,081
Total liabilities		17,371,417	20,757,230
TOTAL EQUITY AND LIABILITIES		16,867,796	20,047,597



TAN SRI AZMAN HASHIM
Chairman




DATUK ABDUL FARID ALIAS
Vice Chairman

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

	NOTE	2017 (RM)	2016 (RM)
Revenue	14	17,941,163	14,313,258
Other income		389,843	665,853
Employee benefits expense	15	(5,949,996)	(5,810,348)
Depreciation of property, plant and equipment		(45,298)	(133,750)
Operating expenses		(12,335,712)	(9,235,906)
Profit/(Loss) before tax	16	-	(200,893)
Tax income/(expense)	17	206,012	(1,293,903)
Net profit/(loss) for the financial year		206,012	(1,494,796)
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income/(loss) for the financial year		206,012	(1,494,796)



TAN SRI AZMAN HASHIM
Chairman



DATUK ABDUL FARID ALIAS
Vice Chairman

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

	Launching grants (RM)	Accumulated fund (RM)	Total (RM)
Balance at January 1, 2016	687,980	97,183	785,163
Total comprehensive income for the financial year	-	(1,494,796)	(1,494,796)
Balance at December 31, 2016	687,980	(1,397,613)	(709,633)
Total comprehensive income for the financial year	-	206,012	206,012
Balance at December 31, 2017	687,980	(1,191,601)	(503,621)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017

	NOTE	2017 (RM)	2016 (RM)
OPERATING ACTIVITIES			
Profit/(Loss) before tax		-	(200,893)
Adjustments for:-			
Depreciation of property, plant and equipment		45,298	133,750
Interest income		(134,920)	(90,503)
Gain on disposal of property, plant and equipment		-	(56,604)
Reversal of share of profit of equity accounted associates		-	200,893
Operating loss before working capital changes		(89,622)	(13,357)
Changes in working capital:-			
Receivables		868,659	(1,378,299)
Payables		253,468	(2,397,206)
Cash generated from/(used in) operations		1,032,505	(3,788,862)
Tax paid		(2,219,579)	(376,656)
Net cash used in operating activities		(1,187,074)	(4,165,518)
INVESTING ACTIVITIES			
Interest received		134,920	90,503
Proceed from disposal of property, plant and equipment		-	56,604
Proceed from disposal of an associate		-	46,129
Increase of investment in an associate		(2,000,000)	-
Purchase of property, plant and equipment		(58,448)	(41,395)
Net cash (used in) from investing activities		(1,923,528)	151,841

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 (CONT'D)

	NOTE	2017 (RM)	2016 (RM)
FINANCING ACTIVITIES			
Repayment from an associate (Advance to)/Repayment from a related party		6,985,413 (2,499,773)	694,540 1,973,951
Net cash from financing activities		4,485,640	2,668,491
CASH AND CASH EQUIVALENTS			
Net changes		1,375,038	(1,345,186)
At beginning of financial year		4,173,927	5,519,113
At end of financial year	A	5,548,965	4,173,927

NOTE TO STATEMENT OF CASH FLOWS

A. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:-

	2017 (RM)	2016 (RM)
Short term fixed deposits with licensed bank	5,496,231	3,998,231
Cash and bank balances	52,734	175,696
	5,548,965	4,173,927

The accompanying notes form an integral part of the financial statements.

ASIAN INSTITUTE OF CHARTERED BANKERS

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS –DECEMBER 31, 2017

GENERAL INFORMATION 1

The Institute is a company limited by guarantee incorporated and domiciled in Malaysia. The registered office of the Institute is located at Wisma IBI, 5, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Institute are propelling the Institute as a distinct professional body focusing on membership, professional standards, education, awards and examination policies.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Institute were authorised for issue by the Council in accordance with a resolution of the Council on 2 April 2018.

BASIS OF PREPARATION 2

2.1 Statement of Compliance

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Companies Act, 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Institute are prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Institute.

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability under current market conditions, including assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia (“RM”) which is the Institute’s functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Malaysian Financial Reporting Standards (“MFRSs”)

2.4.1 Adoption of Amendments/Improvements to MFRSs

The Institute has consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of the current financial year, the Institute adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2017.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements, except for:-

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The Institute has applied these amendments for the first time in the current year. The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The information are provided in Note 19. Consistent with the transition provisions of the amendments, the Institute has not disclosed comparative information for the prior period.

2.5 Standards Issued But Not Yet Effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective, and has not been early adopted by the Institute.

Management anticipates that all of the relevant pronouncements will be adopted in the Institute’s accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Institute’s financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have material impact on the Institute’s financial statements.

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

This standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

The adoption of MFRS 9 will result in a change in accounting policy. The Institute is currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This standard will come into effect on or after 1 January 2018 with early adoption permitted. The adoption of MFRS 15 will result in a change in accounting policy. The Institute is currently examining the financial impact of adopting MFRS 15.

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today’s accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard’s transition provisions permit certain reliefs.

In 2017, the Institute plans to assess the potential effect of MFRS 16 on its financial statements.

2.6 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Institute's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.6.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Property, plant and equipment are depreciated on a straight-line basis over their useful life. Management estimates the useful lives of the property, plant and equipment to be within 3 to 7 years and reviews the useful lives of depreciable assets at each end of the reporting period. As at financial year end, management assesses that the useful lives represent the expected utility of the assets to the Institute. The carrying amounts are analysed in Note 4 to the financial statements.

Actual results, however, may vary due to changes in the expected level of usage and technological developments, which may result in an adjustment to the Institute's assets.

Management expects that the expected useful lives of the property, plant and equipment would not have material differences from the management's estimates and hence it would not result in material variance in the Institute's profit for the financial year.

Impairment of loans and receivables

The Institute assesses at end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Institute considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The carrying amount of the Institute's loans and receivables at the reporting period is disclosed in Notes 6, 7 and 8 to the financial statements.

Management expects that the carrying amount of the receivables at the end of the reporting period would not have material differences from their estimate and it would not result in material variance during the financial year.

Income Taxes

Significant judgement is involved in determining the Institute-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Institute recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation.

2.6.2 Significant Management Judgement

The following are significant management judgements in applying the accounting policies of the Institute that have the most significant effect on the financial statements.

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Institute's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

SIGNIFICANT ACCOUNTING POLICIES

3

The Institute has applied significant accounting policies as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

All property, plant and equipment, are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Institute recognises such costs as individual assets with specific useful lives and depreciation respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

The principal annual rates of depreciation used for other property, plant and equipment are as follows:-

• Office furniture and fixtures, equipment and electrical installation	15% - 33 ¹ / ₃ %
• Library books	20%
• Motor vehicles	20%
• Renovation	33%

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Council, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset on an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicated that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in statement of comprehensive income in the financial period in which the asset is derecognised.

3.2 Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs.

Then, on initial classification as held for sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated. Any differences are recognised in the profit or loss.

3.3 Associate

An associated company is one in which the Institute exercise significant influence, but which it does not control. Significant influence is the power to participate in the financial and operating policy decisions of the associated company but not the power to exercise control over those policies. Investments in associated companies are stated at cost. Where an indication of impairment exists, and allowance for impairment loss is recognised immediately to reduce the investment to its recoverable amount.

3.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Membership fees

Membership fees received attributable to current financial year are recognised as income.

(ii) Course fees

Course fees are recognised over the duration of the courses.

(iii) Examination fees

Examination fees are recognised after examinations are conducted.

(iv) Interest income

Interest income on fixed deposits and other operating income are accounted for on an accrual basis.

(v) Grant income

Grant income received attributable to current financial year are recognised as income.

3.5 Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Institute.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as the Employees Provident Fund (EPF) are recognised as an expense in the profit or loss as incurred.

3.6 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.6.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.6.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.6.3 Goods and Services Tax

Goods and Services Tax ("GST") is a consumption tax based on value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Institute paid on purchases of business inputs can be deducted from output GST.

Revenues, expenses and assets are recognised net of the amount of GST except:-

- Where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term demand deposits. Cash and cash equivalents are short-term which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Impairment of assets

3.8.1 Non-financial assets

At each reporting date, the Institute reviews carrying amounts of its non-financial assets to determine whether there is any indication of impairment. Non-financial assets is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

If such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash-generating unit is less than its carrying amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. An impairment loss is recognised as an expense in profit or loss immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

All reversals of impairment losses are recognised as income immediately in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as revaluation increase. After such a reversal, depreciation charge is adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

3.8.2 Financial assets

The Institute assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Institute first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Institute determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated provision are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Institute. If, in a subsequent financial year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the provision account.

3.9 Provisions

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.10 Leases

3.10.1 Operating lease

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.11 Equity instruments

Launching grant is contributed by first members and classified as equity instrument. There is no requirement for the Institute to repay the launching grant to its members.

3.12 Secured zero coupon bonds

Secured zero coupon bonds are stated at the nominal value and classified as liability instrument and the Institute has an obligation to redeem the bonds in full on maturity date.

3.13 Deferred income

Membership fee received in advance at the reporting date is recognised as prepaid income in statement of financial position. The income will be recognised in profit or loss from the date of commencement and is recognised over the duration of the membership.

3.14 Financial instruments

3.14.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Institute becomes a party to the contractual provisions of the financial instrument.

Financial assets or financial liabilities are measured initially at fair value plus or minus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

3.14.2 Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:-

- (a) loans and receivables;
- (b) financial assets at fair value through profit or loss;
- (c) held to maturity investments; and
- (d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or when the financial assets and all substantial risks and rewards are transferred.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Institute commits to purchase or sell the asset.

At the reporting date, the Institute carries only loans and receivables on its statement of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

3.14.3 Financial liabilities

After the initial recognition, financial liability is classified as:-

- (a) financial liability at fair value through profit or loss;
- (b) other financial liabilities measured at amortised cost using the effective interest method; and
- (c) financial guarantee contracts.

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortisation process.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

At the reporting date, the Institute carries only other financial liabilities on its statement of financial position.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Institute has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.14.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.15 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.16 Related parties

A related party is a person or entity that is related to the Institute. A related party transaction is a transfer of resources, services or obligations between the Institute and its related party, regardless of whether a price is charged.

- A)** A person or a close member of that person's family is related to the Institute if that person:-
- (i) has control or joint control over the Institute;
 - (ii) has significant influence over the Institute; or is a member of the key management personnel of the Institute.
- B)** An entity is related to the Institute if any of the following conditions applies:-
- (i) the entity and the Institute are members of the same institute.
 - (ii) one entity is an associate or joint venture of the Institute.
 - (iii) both entities are joint ventures of the same third party.
 - (iv) the Institute is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefits of employees of either the Institute or an entity related to the Institute.
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) a person identified in (a)(i) above has significant influence over the Institute or is a member of the key management personnel of the Institute.
 - (viii) The entity, or any member of an Institute of which it is a part, provides key management personnel services to the Institute.

PROPERTY, PLANT AND EQUIPMENT

4

COST	Leasehold land (RM)	Long term leasehold building (RM)	Office furniture and fixtures, equipment and electrical installation (RM)	Library books (RM)	Motor vehicles (RM)	Renovation (RM)	Total (RM)
At January 1, 2016	2,853,253	6,850,946	2,806,942	14,010	412,931	1,996,965	14,935,047
Additions	-	-	41,395	-	-	-	41,395
Disposal	-	-	-	-	(296,998)	-	(296,998)
Transferred to assets held-for-sale	(2,853,253)	(6,850,946)	-	-	-	-	(9,704,199)
At December 31, 2016	-	-	2,848,337	14,010	115,933	1,996,965	4,975,245
Additions	-	-	58,448	-	-	-	58,448
Written off	-	-	(773,815)	(14,010)	(4,736)	-	(792,561)
At December 31, 2017	-	-	2,132,970	-	111,197	1,996,965	4,241,132
ACCUMULATED DEPRECIATION							
At January 1, 2016	972,640	2,834,868	2,716,689	13,622	407,899	1,996,965	8,942,683
Charge for the financial year	15,672	68,509	48,084	388	1,097	-	133,750
Disposal	-	-	-	-	(296,998)	-	(296,998)
Written off	(988,312)	(2,903,377)	-	-	-	-	(3,891,689)
At December 31, 2016	-	-	2,764,773	14,010	111,998	1,996,965	4,887,746
Charge for the financial year	-	-	44,200	-	1,098	-	45,298
Written off	-	-	(773,815)	(14,010)	(4,736)	-	(792,561)
At December 31, 2017	-	-	2,035,158	-	108,360	1,996,965	4,140,483
NET CARRYING AMOUNT							
At December 31, 2016	-	-	83,564	-	3,935	-	87,499
At December 31, 2017	-	-	97,812	-	2,837	-	100,649

INVESTMENT IN AN ASSOCIATE

5

	2017 (RM)	2016 (RM)
At cost:-		
Unquoted shares in Malaysia	49	49
5% Redeemable Convertible Preference Shares	2,249,900	249,900
	<u>2,249,949</u>	<u>249,949</u>

The details of associate are as follows:-

NAME OF COMPANY	EFFECTIVE INTEREST (%)		PRINCIPAL ACTIVITIES
	2017	2016	
Asian Banking School Sdn. Bhd. ("ABS")	49	49	Education provider of banking and financial services.

The summarised financial information of the associate are as follows:-

	2017 (RM)	2016 (RM)
FINANCIAL POSITION		
Non-current asset	919,258	307,614
Current assets	10,904,177	10,578,154
Current liabilities	(11,087,938)	(10,837,276)
Net assets	<u>735,497</u>	<u>48,492</u>
SUMMARY OF FINANCIAL PERFORMANCE		
Revenue	28,464,445	20,773,217
Net (loss)/income for the financial year/Total comprehensive (loss)/income for the financial year	<u>(395,347)</u>	<u>168,641</u>
Reversal of share of post-acquisition revenue in prior year	-	(200,893)

RECEIVABLES

6

	2017 (RM)	2016 (RM)
Trade receivables	1,713,711	2,412,028
Other receivables	3,000	4,618
Deposits	47,020	49,809
Prepayments	105,909	192,358
GST recoverable	-	79,486
	1,869,640	2,738,299

The normal trade credit terms granted by the Institute to the trade receivables range from current to 30 days (2016: current to 30 days). Other credit terms are assessed and approved on case by case basis.

AMOUNT DUE FROM AN ASSOCIATE

7

The amount due from an associate is non-trade in nature, unsecured, interest free and repayable on demand.

AMOUNT DUE FROM(TO) A RELATED PARTY

8

	2017 (RM)	2016 (RM)
Amount due from a related party - Staff Training Fund	1,073,008	(1,448,011)
Amount due to a related party - STF Resources Sdn Bhd	(21,276)	(30)

The amount due from/(to) a related party are non-trade in nature, unsecured, interest free and repayable on demand.

ASSETS HELD-FOR-SALE

9

	2017 (RM)	2016 (RM)
Asset classified as held-for-sale		
- Leasehold land and building	5,812,510	5,812,510

The assets are pledged and held by a Trust for zero coupon bonds issued as per Note 13 to the financial statements.

As at financial year end, the sale of the leasehold land and building to Victorious Hallmark Sdn. Bhd. is still subject to documentation and approval processes.

LAUNCHING GRANT

10

The grant was contributed by first members and there is no requirement to repay.

DEFERRED TAX LIABILITIES

11

	2017 (RM)	2016 (RM)
At the beginning of the year	17,149	920,000
Recognised in profit or loss	(14,149)	(902,851)
At the end of the year	3,000	17,149

The deferred tax liabilities as at the end of the reporting date are made up of the temporary differences arising from the carrying amount of the qualifying property, plant and equipment in excess of their tax base.

PAYABLES

12

	2017 (RM)	2016 (RM)
Trade payables	284,118	500,426
Other payables and accruals	1,818,839	3,133,537
Refundable deposit	846,727	846,727
	2,949,684	4,480,690

The normal trade credit term granted by supplier is 30 days (2016: 30 days).

Refundable deposit was the deposit received under the sale and purchase agreement for the disposal of leasehold land and building.

SECURED ZERO COUPON BONDS

13

The bonds are secured by way of a fixed charge over the land and building purchased and a floating charge over the assets of the Institute.

These bonds, issued on December 10, 1992, carry a 30-year maturity period which is subject to early redemption by the Institute at par.

REVENUE

14

	2017 (RM)	2016 (RM)
Qualification	7,698,961	4,711,978
Membership	1,624,054	894,205
Publications	9,906	3,440
Course fees	464,821	380,189
Grant from Staff Training Fund	8,143,421	8,323,446
	17,941,163	14,313,258

EMPLOYEES BENEFITS EXPENSE

15

	2017 (RM)	2016 (RM)
Salary, bonus and overtime	4,722,298	4,599,649
Defined contribution plan	713,809	704,623
Social security contributions	24,424	33,444
Other staff costs	489,465	472,632
	5,949,996	5,810,348

PROFIT/(LOSS) BEFORE TAX

16

Profit/(Loss) before tax is determined after charging/(crediting), amongst others, the following items:-

	2017 (RM)	2016 (RM)
Auditors' remuneration	24,000	22,000
Fixed deposit interest income	(134,920)	(90,503)
Gain on disposal of property, plant and equipment	-	(56,604)
Realised gain on foreign exchange	(7,313)	(21,658)
Rental	12,459	17,864
Reversal of share of profit of associates	-	200,893

TAX (INCOME)/EXPENSE

17

	2017 (RM)	2016 (RM)
Tax expense:-		
Current year provision	110,303	2,211,000
Overprovision in prior year	(302,166)	(14,246)
	(191,863)	2,196,754
Deferred tax liabilities:-		
Recognised in profit or loss	(9,000)	-
Overprovision in prior year	(5,149)	(902,851)
	(14,149)	(902,851)
	(206,012)	1,293,903

The provision for taxation of the Institute for the current financial year is determined by applying the Malaysian tax rates applicable to the Institute on the chargeable income.

A reconciliation of income tax expense on profit/(loss) before tax with the applicable statutory income tax rate is as follows:-

	2017 (RM)	2016 (RM)
Profit/(Loss) before tax	-	(200,893)
Income tax at statutory rate of 25% (2016: 28%)	-	(56,250)
Tax effect in respect of:		
Expenses not deductible for tax purpose	118,481	2,324,449
Income not subject to tax	(1,828)	(15,849)
Over provision in prior year	(302,166)	(14,246)
Tax saving as a result of taxation income	(15,350)	(41,350)
Over recognise of deferred tax liabilities in prior year	(5,149)	(902,851)
Total tax (income)/expense	(206,012)	1,293,903

RELATED PARTY DISCLOSURES

18

(a) Related party transactions of the Institute during the financial year are as follows:-

	2017 (RM)	2016 (RM)
Grants received from a related party - Staff Training Fund	8,143,421	8,323,446
Shared services from a related party - STF Resources Sdn. Bhd.	2,189,028	1,590,709

(b) The outstanding balances arising from the related parties transactions as at the reporting date are disclosed in Notes 7 and 8 to the financial statements.

(c) Key management personnel is defined as those person having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly.

Key management includes all the Council Member of the Institute. There is no remuneration paid to key management personnel during the financial year.

FINANCIAL INSTRUMENTS

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CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Loan and receivables ("L&R")
(ii) Other financial liabilities ("AC") measured at amortised cost.

2017 Financial assets	Carrying amount (RM)	L&R (RM)	AC (RM)
Receivables	1,763,731	1,763,731	-
Amount due from a related party	1,073,008	1,073,008	-
Short term fixed deposits with licensed bank	5,496,231	5,496,231	-
Cash and bank balances	52,734	52,734	-
	8,385,704	8,385,704	-

FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount (RM)	L&R (RM)	AC (RM)
Financial liabilities			
Payables	2,949,684	-	2,949,684
Amount due to a related party	21,276	-	21,276
Secured zero coupon bonds	11,000,000	-	11,000,000
	13,970,960	-	13,970,960

2016

Financial assets

Receivables	2,466,455	2,466,455	-
Amount due from an associate	6,985,413	6,985,413	-
Short term fixed deposits with licensed bank	3,998,231	3,998,231	-
Cash and bank balances	175,696	175,696	-
	13,625,795	13,625,795	-

Financial liabilities

Payables	4,480,690	-	4,480,690
Amount due to a related party	1,448,041	-	1,448,041
Secured zero coupon bonds	11,000,000	-	11,000,000
	16,928,731	-	16,928,731

Financial Risks Management

The Institute is exposed to various risks in relation to financial instruments. The Institute's financial assets and liabilities by category are summarised in Notes 3.14.2 and 3.14.3 to the financial statements respectively. The main types of risks are credit risk, liquidity risk and interest rate risk.

Financial risk management policy is established to ensure that adequate resources are available for the development of the Institute's business whilst managing its credit risk and liquidity risk. The Institute operates within clearly defined policies and procedures that are approved by the Council to ensure the effectiveness of the risk management process.

FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Institute's exposure to credit risk arises primarily from trade and other receivables. As for the fixed deposit with licensed bank, cash and bank balances, the Institute minimises credit risk by dealing with reputable financial institutions.

The Institute's objective is to minimise losses incurred due to increased credit risk exposure. Additionally, receivable balances are reviewed on an ongoing basis.

Exposure to credit risk

The Institute's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date:-

	2017 (RM)	2016 (RM)
Receivables	1,763,731	2,466,455

Credit risk concentration profile

The Institute determines the concentration of credit risk by comparing the amount due from each individual customer against the total receivables. The credit risk concentration profile of the Institute's trade receivables at the reporting date are as follows:-

The Institute has significant concentration of credit risk with single counterparty. Approximately 28% (2016: 19%) of trade receivables were due from 2 (2016: 1) banks.

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Institute.

As at financial year end, trade receivables of RM1,231,496 (2016: RM2,068,510) were past due but not impaired. These relate to a number of independent financial institutions for whom there is no recent history of default.

FINANCIAL INSTRUMENTS (CONT'D)

The ageing of trade receivables as at the end of reporting date was:-

Gross/Net	2017 (RM)	2016 (RM)
Not past due	482,214	343,518
Past due 0-30 days	680,312	753,961
Past due 31-60 days	49,573	313,384
Past due 61-90 days	229,043	169,857
Past more than 91 days	272,569	831,308
Total	1,713,711	2,412,028

The net carrying amount of trade receivables is considered a reasonable approximate of fair value. Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Intercompany balance

The outstanding balances with intercompany is non-trade related and there is no indication that the balance is not recoverable.

Cash and cash equivalents

The credit risk for cash and cash equivalents and short term placements is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting financial obligations due to shortage of funds. The Institute's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Institute's objective is to achieve a balance between continuity of funding and flexibility through effective cashflow management.

The Institute's liquidity risk management policy is that short-term financing facility is only used to finance the short-term working capital gap.

FINANCIAL INSTRUMENTS (CONT'D)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Institute's liabilities at reporting date based on contractual undiscounted repayment obligations.

	On demand or within 1 year (RM)	Total (RM)
2017		
Payables	2,949,684	2,949,684
Amount due to a related party	21,276	21,276
Secured zero coupon bonds	11,000,000	11,000,000
	13,970,960	13,970,960
2016		
Payables	4,480,690	4,480,690
Amount due to a related party	1,448,041	1,448,041
Secured zero coupon bonds	11,000,000	11,000,000
	16,928,731	16,928,731

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Institute's financial instruments will fluctuate because of the changes in market interest rates.

The Institute's investments in fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

FINANCIAL INSTRUMENTS (CONT'D)

The interest rate profile of the Institute's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as below:-

Fixed rate instrument	2017 (RM)	2016 (RM)
Financial asset		
Short term fixed deposits with licensed bank	5,496,231	3,998,231

Fair value sensitivity for fixed rate instruments

The Institute does not account for any fixed rate financial assets at fair values through profit or loss and does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

(d) Fair value of financial instrument

The carrying amounts of short term receivables and payables, and cash and cash equivalents approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of the Institute's investment in unquoted shares due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique. The Institute does not intend to dispose off this investment in the near future.

FINANCIAL INSTRUMENTS (CONT'D)

RECONCILIATION OF LIABILITY FROM FINANCING ACTIVITIES

	1 January 2017 (RM)	Cash flow (RM)	31 December 2017 (RM)
Amount due to a related party	1,448,041	(1,426,765)	21,276

CAPITAL MANAGEMENT

20

The Institute manages its capital in a manner that facilitates its role as a professional body focusing on membership, professional standards, education, awards and examination policies while remaining as a going concern.

The Institute is a company limited by guarantee and its capital structure consists of equity which are made up of accumulated funds, and launching grants. The Institute is not subject to any externally imposed capital requirements.





14 APPENDIX

136 Corporate Members as at
31 December 2017

138 Examination Committee 2017
for Specialist Qualifications

CORPORATE MEMBERS AS AT 31 DECEMBER 2017

REGULATORS

Bank Negara Malaysia
Labuan Financial Services Authority
(Labuan FSA)

COMMERCIAL BANKS/BANKING AND FINANCE COMPANIES (BAFIN)

Affin Bank Berhad
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Bangkok Bank Berhad
Bank of America Malaysia Berhad
Bank of China (Malaysia) Berhad
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
BNP Paribas Malaysia Berhad
China Construction Bank (Malaysia) Berhad
CIMB Bank Berhad
Citibank Berhad
Deutsche Bank (Malaysia) Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
India International Bank (Malaysia) Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
J. P. Morgan Chase Bank Berhad
Malayan Banking Berhad
Mizuho Bank (Malaysia) Berhad
National Bank of Abu Dhabi Malaysia Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
Sumitomo Mitsui Banking Corporation Malaysia Berhad
The Bank of Nova Scotia Berhad
United Overseas Bank (Malaysia) Berhad

ISLAMIC BANKS

Affin Islamic Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
Asian Finance Bank Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
CIMB Islamic Bank Berhad

Hong Leong Islamic Bank Berhad
Kuwait Finance House (Malaysia) Berhad
RHB Islamic Bank Berhad

INVESTMENT BANKS

Affin Hwang Investment Bank Berhad
Alliance Investment Bank Berhad
AmInvestment Bank Berhad
CIMB Investment Bank Berhad
Hong Leong Investment Bank Berhad
KAF Investment Bank Berhad
Kenanga Investment Bank Berhad
Maybank Investment Bank Berhad
Public Investment Bank Berhad
RHB Investment Bank Berhad

DEVELOPMENT FINANCIAL INSTITUTIONS

Bank Kerjasama Rakyat Malaysia Berhad
Bank Pembangunan Malaysia Berhad
Bank Pertanian Malaysia Berhad (Agrobank)
Bank Simpanan Nasional
Credit Guarantee Corporation Malaysia Berhad
Export-Import Bank of Malaysia Berhad
Malaysian Industrial Development Finance Berhad
Sabah Development Bank Berhad
Small Medium Enterprise Development Bank Malaysia Berhad

LABUAN OFFSHORE BANKS

BNP Paribas, Labuan Branch
Bank Islam Malaysia Berhad, Labuan Offshore Branch
CIMB Bank (L) Limited
City Credit Investment Bank Limited
DBS Bank Ltd, Labuan Branch
European Credit Investment Bank Limited
Maybank International Labuan Branch
Middle East Investment Bank Limited
Oversea-Chinese Banking Corporation Limited
Public Bank (L) Limited
RHB Bank (L) Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

LABUAN TRUST COMPANIES

Hans Advisory & Trust Co. Limited
Kensington Trust Labuan Limited
Noblehouse International Trust Limited
Shearn Skinner Trust Company Limited

MONEY BROKERS

Affin Moneybrokers Sdn Bhd
Amanah Butler Malaysia Sdn Bhd
Harlow's & MGI Sdn Bhd
KAF-Astley & Pearce Sdn Bhd

OTHER FINANCE-RELATED INSTITUTIONS

Cagamas Berhad
Danajamin Nasional Berhad
E2 Power Sdn Bhd
MBSB Bank Berhad
Ombudsman for Financial Services (formerly known as Financial Moderation Bureau)
Perbadanan Insurans Deposit Malaysia

EXAMINATION COMMITTEE 2017 FOR SPECIALIST QUALIFICATIONS

CERTIFICATE IN INTERNAL AUDITING FOR FINANCIAL INSTITUTIONS (CIAFIN)

Jennifer Yip Tsui Yoke, Hong Leong Bank Berhad

Peter Tan Pet Heong, Consultant

PASARAN KEWANGAN MALAYSIA CERTIFICATE (PKMC)

Alvin Lee Wei Peng, Standard Chartered Bank Malaysia Berhad

Azidy Daud, Asian Finance Bank Berhad

Bacil Fernandez, Public Bank Berhad

Beh Cheng Hoon, Bank Negara Malaysia

Chong Jin Yoong, Ogos Learning Resources Sdn Bhd

Christopher Chan Heng Leong, Consultant

Erik Chin Yaw Loong, AmBank (M) Berhad

Fong Chee Choong, Industrial and Commercial Bank of China (Malaysia) Berhad

Stantley James Tan Boon Teck, OCBC Bank (Malaysia) Berhad

Sylvia Wong Miew Hing, Standard Chartered Bank Malaysia Berhad

Yeo Chin Tiong, Industrial and Commercial Bank of China (Malaysia) Berhad

INVESTOR PROTECTION PROFESSIONAL CERTIFICATION (IPPC)

Chong Jin Yoong, Ogos Learning Resources Sdn Bhd

David Lim Tee Meng, formerly with Bank Islam Malaysia Berhad

Dr Jennifer Yong Chai Lin, CIMB Investment Bank Berhad

Millie Yap Mei Lin, HSBC Bank Malaysia Berhad

Yeo Chin Tiong, Industrial and Commercial Bank of China (Malaysia) Berhad

EXECUTIVE BANKER (EB)

David Leong Sze Khiong, Consultant

Hor Kam Peng, M/S Lawrence Wong & Co.

Max Kow Chee Yen, Consultant

Nirmala Doraisamy, Credence Malaysia Sdn Bhd

Peter Tan Pet Heong, Consultant

Winston Lai Tak Kong, Universiti Tunku Abdul Rahman

PROFESSIONAL CREDIT CERTIFICATION (PCC)

Carine Ang Ai Nee, AmBank (M) Berhad

Caryn Loh Yoke Peng, Consultant

Cindy Tam Kut Wah, formerly with Public Bank Berhad

Esther Lu Lee Khoon, Consultant

Foo Yuen Ling, Berjaya University College of Hospitality

Janet Choo Kam Leng, Consultant

K. Sivakumar K. Kathireson, Monash University, Malaysia Campus

Kasinathan Kasipillai, CB, Consultant

Krishna Kumar, Consultant

Lisa Teo Ai Lan, Consultant

Low Yeau Choong, Consultant

Max Kow Chee Yen, Consultant

Mong Sum Thye, Tunku Abdul Rahman University College

Ng Chih Kaye, CapitaLand Malaysia Mall Trust

Sreetharan Kathamutu, PR Capital Shine

Stephen Louis J. C. Silva, RHB Bank Berhad

Warren Wong Liew Kheng, Fullhouz Learning Faktory

PROFESSIONAL BANKER (PB)

Albert Lim Choong Weng, formerly with Bangkok Bank Berhad

Andre Lee Ean Chye, Malayan Banking Berhad

Cheah Siak Keong, formerly with AmBank (M) Berhad

Chong JinYoong, Ogos Learning Resources Sdn Bhd

Cindy Tam Kut Wah, formerly with Public Bank Berhad

Heng Jee Siang, Hong Leong Bank Berhad

Hor Kam Peng, M/S Lawrence Wong & Co.

Hu Meng Kui, Elegant Hallmark Sdn Bhd

Jazlan Arif Jalaludin, Consultant

Kasinathan Kasipillai, CB, Consultant

Krishna Kumar, Consultant

Max Kow Chee Yen, Consultant

Peter Tan Pet Heong, Consultant

Wong Jee Seng, AmBank (M) Berhad

Yasmin Mohamed, formerly with Agrobank Berhad

BANK RISK MANAGEMENT (BRM)

David Leong Sze Khiong, Consultant

K. Sivakumar K. Kathireson, Monash University, Malaysia Campus

Khor Lai Seng, Maybank Group

Ng Chih Kaye, CapitaLand Malaysia Mall Trust

Nirmala Doraisamy, Credence Malaysia Sdn Bhd

Pang Choon Han, CB, Alliance Bank Malaysia Berhad

Tan Lye Sim, formerly with Kenanga Investment Bank Berhad

Wong Kok Leong, Affin Bank Berhad

CHARTERED BANKER (CB)

Alex Por Peng Seong, CB, United Overseas Bank (Malaysia) Berhad

Choo Yee Kwan, CB, OCBC Bank (Malaysia) Berhad

Choong Wai Hong, Maybank Group

Dato' Howard Choo Kah Hoe, FCB, IBH Investment Bank Limited

Hu Meng Kui, Elegant Hallmark Sdn Bhd

Kasinathan Kasipillai, CB, Consultant

Leong Sow Yoke, CB, Alliance Bank Malaysia Berhad

Pramod Veturi, Standard Chartered Bank Malaysia Berhad

V. Maslamani, CB, Al Rajhi Banking & Investment Corporation (Malaysia) Berhad



FORM OF PROXY

INDIVIDUAL MEMBER FORM OF PROXY FOR THE 40TH ANNUAL GENERAL MEETING

I, _____
(Full Name of Individual Member)

of _____
(Full Address)

being a Member of ASIAN INSTITUTE OF CHARTERED BANKERS, hereby appoint

_____ (Full Name)

of _____ (Full Address)

or failing him/her, _____ (Full Name)

of _____ (Full Address)

or failing him/her, the Chairman of the meeting as my Proxy to vote on my behalf at the 40th Annual General Meeting of the Institute to be held on **Saturday, 12 May 2018 at 8.30 a.m.** and at any adjournment thereof. My Proxy is to vote as indicated below: *(Please indicate with an 'X' in the spaces provided on how you wish your vote to be cast. In the absence of specific directions, your Proxy will vote or abstain as he/she thinks fit.)*

No.	Ordinary Resolution	For	Against
1.	To re-appoint Messrs SJ Grant Thornton as Auditors and authorise the Council to fix their remuneration.		

Dated this _____ day of _____, 2018. _____
Signature of Member

- Notes:
- Every **Individual Member** of Asian Institute of Chartered Bankers entitled to attend and vote at this Meeting is also entitled to appoint a proxy to attend and to vote in his stead provided that the Individual Member is not an Affiliate Member with no voting rights. A proxy shall be a Member entitled to vote.
 - This **Form of Proxy** must be deposited at the Registered Office of the Institute at Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, not less than **forty-eight (48) hours** before the time set for the Meeting or adjourned Meeting.



FORM OF NOMINEE

CORPORATE MEMBER FORM OF NOMINEE FOR THE 40TH ANNUAL GENERAL MEETING

We, _____
(Full Name of Corporate Member)

of _____
(Full Address)

being a Member of ASIAN INSTITUTE OF CHARTERED BANKERS, hereby appoint

_____ (Full Name)

of _____ (Full Address)

or failing him/her, _____ (Full Name)

of _____ (Full Address)

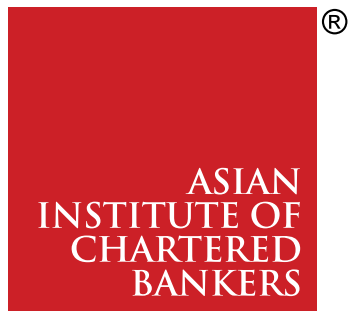
or failing him/her, the Chairman of the meeting as our Nominee to vote on my behalf at the 40th Annual General Meeting of the Institute to be held on **Saturday, 12 May 2018 at 8.30 a.m.** and at any adjournment thereof. Our Nominee is to vote as indicated below: *(Please indicate with an 'X' in the spaces provided on how you wish your vote to be cast. In the absence of specific directions, your Nominee will vote or abstain as he/she thinks fit.)*

No.	Ordinary Resolution	For	Against
1.	To re-appoint Messrs SJ Grant Thornton as Auditors and authorise the Council to fix their remuneration.		

Dated this _____ day of _____, 2018. _____
Signature and Common Seal

- Notes:
- Every **Corporate Member** of Asian Institute of Chartered Bankers is entitled to nominate one corporate representative (**Form of Nominee**) to attend and vote at all General Meetings. Alternate representatives may be appointed by such Corporate Members, but no Member may have more than one corporate representative at one General Meeting. Every Corporate Member shall have one vote.
 - This **Form of Nominee** must be deposited at the Registered Office of the Institute at Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, not less than **forty-eight (48) hours** before the time set for the Meeting or adjourned Meeting.

NOTES:



www.aicb.org.my

ASIAN INSTITUTE OF CHARTERED BANKERS

Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia | Tel: 603 2095 6833 | Fax: 603 2095 2322