



# EMPOWERING BANKERS, HONOURING THE TRUST.

ANNUAL REPORT 2018





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## ABOUT ASIAN INSTITUTE OF CHARTERED BANKERS

The Asian Institute of Chartered Bankers (AICB) is the sole professional body for the Malaysian banking industry. With over 25,000 members and growing, we are governed by a Council of representatives from Bank Negara Malaysia (BNM), The Association of Banks in Malaysia (ABM), and the Malaysian Investment Banking Association (MIBA).

Our aim is to elevate the professional and ethical standards of banking by creating a workforce that advocates the highest standards of professional conduct, knowledge and competence. We continue to engage with industry experts to ensure our suite of qualifications remain relevant and future-proof, equipping bankers with the requisite skills and values to keep pace with the ever-evolving banking environment.

AICB is also proud to be the only Institute in Southeast Asia approved by the Chartered Banker Institute, UK, to award the Chartered Banker status to qualified members. The Institute continues to support the growth of our members through innovative learning, advocating professionalism, advancing thought leadership, and facilitating networking opportunities.



### Our Vision

To be the professional body of choice for bankers



### Our Mission

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



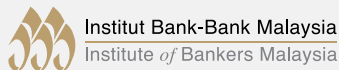
### Our Core Values

- Accountability
- Integrity
- Competence
- Being Professional

# AICB IN NUMBERS



Transformation to  
a professional body  
**2014**



Institut Bank-Bank Malaysia  
Institute of Bankers Malaysia



**Vision**  
To be the professional  
body of choice for  
bankers



The largest  
specialised provider  
of quality banking  
training programmes  
in ASEAN

**9**



**professional  
qualifications  
offered in  
key areas of banking**

**5**

**Key Networking  
Groups**

(Industry Engagement)

Internal Audit,  
Compliance, Credit,  
Risk and Human Resource

**22,704**

**banking professionals**

have graduated with our  
qualifications since 1980

**15**

**AICB Council Members**

comprising Bank Negara  
Malaysia and leading banks  
that govern the Institute

**41**

years of expertise in  
**professional education  
in banking**  
in Malaysia

Close to

**93%**

**growth in membership  
in 2018**

**24,674**

**individual members**

from over 10 countries who are governed  
by the Code of Professional Conduct



**83**

**corporate  
members**

**41**



**employees**

**152**

members attained  
**Chartered Banker  
status**



# AICB'S TRANSFORMATION

The background image shows a modern, multi-level office building with glass railings and people walking on different floors. The title 'AICB'S TRANSFORMATION' is overlaid in large white letters on a red banner at the bottom of the image.

## 2012

- Officially launched the Chartered Banker (CB) qualification with the roll-out of Level 1, Executive Banker
- Introduced the Investor Protection Professional Certification (IPPC)

## 2013

- Revamped the Certified Credit Professional (CCP) programme to the Professional Credit Certification (PCC) with the roll-out of Level 1, Certified Credit Executive (CCE)
- 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 (RC)

## 2015

- Signed Memorandums of Understanding (MoUs) with Multimedia University, Universiti Utara Malaysia and Taylor's University
- Officially launched the Asian Banking School (ABS)
- Established the AICB Board of Examiners
- Launched new AICB qualifications, including the Retail Credit Professional (RCP – PCC Level 2), the Business Credit Professional (BCP – PCC Level 2), the Professional Banker (PB – Chartered Banker Level 2), and the Bank Risk Management (BRM)
- Held Malaysia's inaugural CB conferment ceremony where 45 top bankers were conferred the Chartered Banker status
- Introduced the new Memorandum and Articles of Association (M&A), Bye-Laws, Membership Framework, Risk Management Framework and Admission and Exemption Policy for qualifications

## 2016

- Launched the CB qualification (Level 3)
- Held the groundbreaking ceremony for AICB's new building in Bukit Perdana, Kuala Lumpur
- Signed MoUs with Asia Pacific University, Universiti Tunku Abdul Rahman, Curtin University and KDU University College
- Signed the first joint declaration on an industry-wide commitment to enhance the professionalism of the Malaysian banking industry with member banks of The Association of Banks in Malaysia (ABM)
- Signed Collaboration Agreements with ABS and the ACI-Financial Markets Association of Malaysia (ACI-FMAM)
- Introduced the Continuing Professional Development (CPD) regulations for members who hold professional designations



# JOURNEY

## 2017

- Admitted 1,410 ACI-FMAM members for the first time as Dual Membership holders following the signing of a Collaboration Agreement in 2016
- Commenced the full implementation of the inaugural industry-wide commitment
- Implemented the Disciplinary Framework and set up the Disciplinary Panel
- Signed an MoU with Perum Jamkrindo to promote professional financial education development in both Malaysian and Indonesian markets
- Signed a Collaboration Agreement with Ateneo — Bankers Association of the Philippines Institute of Banking to promote AICB's BRM qualification in the Philippines
- Signed the second industry-wide commitment with ABM member banks for the Specialised Certification programmes

- Launched the newly enhanced Pasaran Kewangan Malaysia Certificate (PKMC) qualification
- Implemented the e-exams pilot run for the CB qualification (Levels 1 and 2)
- Received first-time enrolments from the Philippines for the BRM programme, and strong growth of the CB programme in Cambodia
- Launched the AICB e-Resources and CPD framework for members
- Extended the industry-wide commitment to six Development Financial Institutions
- Introduced the CPD regulations for members who do not hold professional designations and AICB-FMAM dual membership holders
- Made key policy amendments to AICB's Constitution, Bye-Laws and Regulations
- Signed an MoU with Monash University Malaysia

## 2018

- Launched the Certification for Bank Auditors (CBA) and jointly introduced the Certified Anti-Money Laundering & Counter-Financing of Terrorism Compliance Officer (CAMCO) certification programme with ABS
- Introduced the Competency Validation Assessment (CVA) and Prior Experience Conversion (PEC) to support the industry-wide commitment
- Became a member of the Global Banking Education Standards Board (GBEstB), which launched the first Global Banking Standard on Ethics Education
- Held the 2<sup>nd</sup> Chartered Banker Conferment and 21<sup>st</sup> Graduation Ceremony
- Established the Chief Credit Officers' (CCOs) Forum
- Held the inaugural AICB Members' Dinner
- Signed an MoU with Sunway University to exchange knowledge and expertise in banking-related thought leadership and research initiatives



**AICB**  
THE WORLD OF BUSINESS



# Our New AICB Building

The Institute will soon be moving to the new AICB Building in Bukit Perdana, Kuala Lumpur, in the first quarter of 2020. This initiative is spearheaded by the financial services industry, with strong support from Bank Negara Malaysia.

Aside from AICB, the new building will house several other affiliate institutes related to talent development under one umbrella, including among others the Asian Banking School (ABS), the Finance Accreditation Agency (FAA) and the Malaysian Insurance Institute (MII), in order to further streamline and gain greater leverage from each to enhance the capabilities of the financial services industry in Malaysia. A shared services concept will also be implemented to bring greater operational synergies.

The facility comprises a 12-storey office tower and a 6-storey training podium which will be a Green Building Index Certified building. Estimated to host more than 100,000 participants in the first year alone, the new AICB building will provide a stimulating platform for the diverse finance communities to interact and develop the finest examples of best practices, including opportunities for key stakeholders to network and collaborate with each other.



## CORPORATE INFORMATION

### 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

#### Dato' Howard Choo Kah Hoe, FCB

Managing Director / Chief Executive Officer  
IBH Investment Bank Limited

#### Datuk Yvonne Chia, FCB

Chairman & 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

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 / Chief Executive Officer  
Hong Leong Bank Berhad

#### Mr Abrar Alam Anwar

(appointed on 2 April 2018)  
Managing Director & Chief Executive Officer  
Standard Chartered Bank Malaysia Berhad

#### CHIEF EXECUTIVE

**Mr Prasad Padmanaban**

#### SECRETARY

**Ms Lum Soo Yan**

#### AUDITORS

**Grant Thornton Malaysia**  
(Member Firm of Grant Thornton International Ltd)  
**Chartered Accountants**

#### BANKER

**Malayan Banking Berhad**

#### REGISTERED OFFICE

Wisma IBI  
5, Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

## COMMITTEES FOR 2018 / 2019

### 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 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**
- **Tengku Dato' Sri Zafrul Tengku Abdul Aziz, 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. The role of the GPC is to provide 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**
- **Mr Domenic Fuda, CB**

### 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)
- **Mr Wong Kim Choong, FCB**
- **Datuk Mohamed Azmi Mahmood, FCB**
- **Mr Abrar Alam Anwar**

### 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.

- **Dato' Ong Eng Bin, FCB** (Chairman)
- **Mr Lee Lung Nien, FCB**
- **Datuk Maimoonah Mohamed Hussain, CB**

### 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.

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

### Board of Examiners

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

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

### Co-opted Members

**Mr Alex Por Peng Seong, CB**  
Former Executive Director  
Country Head, Risk Management  
United Overseas Bank (Malaysia)  
Berhad

**Mr Colin A Morrison**  
Deputy Chief Executive & Director  
of Education  
Chartered Banker Institute, UK

**Associate Professor Dr Cordelia Mason**  
Director of WE4 ASIA / 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, Faculty of Arts and  
Social Sciences  
University of Nottingham Malaysia

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 41<sup>st</sup> Annual General Meeting of Asian Institute of Chartered Bankers (Company No. 35880-P) (“**Institute**”) will be held on **Wednesday, 29 May 2019** at **5.30 p.m. at Sapphire I, Hotel Equatorial Malaysia, Plaza Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur** for the following purposes:

- To receive the Audited Financial Statements of the Institute for the financial year ended 31 December 2018 together with the Reports of the Council and auditors thereon.
- To receive the Audited Financial Statements of the Staff Training Fund for the financial year ended 31 December 2018 together with the Report of the auditors thereon.
- To note the appointment of the following nominees as members of the Council of the Institute (“**Council**”) for the 2019 / 2020 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)(c):	Datuk Maimoonah Mohamed Hussain, CB
Article 66(1)(b):	Datuk Abdul Farid Alias, FCB Dato’ Khairussaleh Ramli, FCB Mr Wong Kim Choong, FCB Dato’ Ong Eng Bin, FCB Mr Lee Lung Nien, FCB Mr Domenic Fuda, CB Mr Abrar Alam Anwar	Article 66(1)(d):	Tan Sri Azman Hashim, FCB Tan Sri Dato’ Sri Tay Ah Lek, FCB Datuk Mohamed Azmi Mahmood, FCB Datuk Yvonne Chia, FCB Dato’ Howard Choo Kah Hoe, FCB Tengku Dato’ Sri Zafrul Tengku Abdul Aziz, FCB

- To appoint auditors of the Institute and authorise the Council to fix their remuneration.

“THAT Messrs Ernst & Young, be hereby appointed as auditors of the Institute in place of the outgoing auditors, Messrs Grant Thornton Malaysia to hold office until the conclusion of the next Annual General Meeting and that authority be hereby given to the Council to determine their remuneration.”

- To transact any other business duly notified and 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.

By Order of the Council,

Lum Soo Yan (MIA 24562)  
Secretary

Kuala Lumpur  
2 May 2019

### NOTES:

- Every Member entitled to attend and vote at this Meeting is also entitled to appoint a proxy to attend and vote in his / her stead at the Meeting.
- No member shall be entitled to vote on any question either personally or by proxy or corporate representative at the Meeting of the Institute or a poll who does not carry voting rights and whose subscription is overdue for three months.
- Only Associates, Associate Fellows, Chartered Bankers, Fellows, Life and Corporate Members whose names appear in the Membership Register of the Institute as at 27 May 2019 be regarded as entitled to vote at the Meeting. The Membership Register of the Institute is available for inspection at the Institute’s registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
- The instrument appointing a proxy shall be in writing under the hand of the appointer. If the appointer is a Corporate Member, it must be either under seal or under the hand of the officer or attorney duly authorised.
- The instrument appointing the proxy (Form of Proxy printed on page 99 of this Annual Report) and nominating one corporate representative (Form of Nominee printed on page 100 of this Annual Report) together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Institute’s registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof.



**“ By building on the positive momentum of our efforts as well as leveraging new opportunities and growth areas, I am confident we will continue to move the needle on professionalism and competency standards for bankers. ”**

**Mr Prasad Padmanaban**  
Chief Executive

## AICB 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



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



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



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

## AICB COUNCIL MEMBERS



**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**  
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 /  
Chief Executive Officer  
Hong Leong Bank Berhad



**Mr Abrar Alam Anwar**  
(appointed on 2 April 2018)  
Managing Director &  
Chief Executive Officer  
Standard Chartered Bank Malaysia Berhad

## MANAGEMENT TEAM

Standing (left to right)

**1. Ms Susan Lee Yoon Lian**  
Head of Admissions

**2. Ms Nazlin Karim**  
Director, Assessment

**3. Ms Mithila Sathasivam**  
Director, Membership & Marketing

**4. Dr Rosnah Mat Zin**  
Director, Education & Admissions  
(Secondment from Bank Negara Malaysia)

Sitting (left to right)

**5. Ms Shireen Kandiah**  
Director, Strategy, Partnerships  
& Communications

**6. Mr Prasad Padmanaban**  
Chief Executive







“

**I am pleased that AICB is strengthening its commitment to collaborate with the industry and our partners to ensure that our professional qualifications remain progressive, relevant and impactful, so that our members are steadily armed with lifelong learning, new skills and professionalism to adapt to the finance of the future.**

”

**Tan Sri Azman Hashim, FCB**  
Chairman

## CHAIRMAN'S STATEMENT

### Raising the Bar on Professionalism and Professional Education

I am very pleased to note that owing to our progressive efforts over the years, the Asian Institute of Chartered Bankers (AICB) has reached several significant milestones in our emerging journey to professionalise the banking industry in Malaysia.



**“ I believe it is imperative that we continue to advocate an exemplary level of ethics and professionalism within Malaysia’s banking workforce, in which AICB plays a critical role. ”**

Formerly established as the Institute of Bankers Malaysia (IBBM) in 1977, AICB has come a great distance since our transformation to a professional body in 2014. Moving into our fifth year now, I am delighted to present AICB’s Annual Report for the financial year ended 31 December 2018.

I believe our achievements thus far have served as the cornerstone from which we can propel our efforts even further, to strengthen the competencies of banking practitioners and amplify the importance of professionalism and integrity — all to reinforce our goal of building a robust pool of principled bankers and an ethical banking ecosystem.

It has been encouraging to note the surge in AICB’s membership growth last year, which reflects a greater commitment to banking professionalisation and the increasing worth of our membership among the banking community in Malaysia.

I am equally proud to have welcomed 75 professionals who will be conferred the Chartered Banker status, and over 2,400 graduates who obtained the Institute’s various professional banking qualifications.

#### Recalibrating for the Digital Age

Technological advancements and the rise of the digital generation are fundamentally transforming the banking industry architecture. Consequently, banks have begun innovating rapidly to keep up with the constantly evolving world.

Against this backdrop, I am pleased that AICB is strengthening its commitment to collaborate with the industry and our partners to ensure that our professional qualifications remain progressive, relevant and impactful, so that our members are steadily armed with lifelong learning, new skills and professionalism to adapt to the finance of the future. This in turn will enable AICB bankers to provide beneficially to their customers, employers and stakeholders, and steer the industry to flourish within the Banking 4.0 environment.

## CHAIRMAN'S STATEMENT

### Empowering Bankers, Honouring the Trust

As bankers, let us not forget that it is our duty to uphold the high standards expected of our profession. We are in the business where trust is pivotal in the relationship between banks and their customers. People count on bankers to help them achieve their life goals and secure their livelihood.

Therefore, I believe it is imperative that we continue to advocate an exemplary level of ethics and professionalism within Malaysia's banking workforce, in which AICB plays a critical role. This includes among others, the implementation of industry-wide commitments to professionalise the Malaysian banking industry, the Continuing Professional Development (CPD) requirements for AICB members, the reinforcement of our Code of Professional Conduct and our numerous thought leadership initiatives. We will also be exploring new international markets and leveraging opportunities to further enhance the competencies of bankers within ASEAN.

### Asian Banking School

We will also continue our close partnership with the industry's preferred learning and development provider, the Asian Banking School (ABS), to deliver training workshops for all our professional qualifications. Now in its fourth year of operations, ABS has grown from strength to strength with 983 programmes delivered and over 24,000 bankers trained in 2018 alone. Its training programmes, which cover a comprehensive list of banking areas, now include a full suite of digital banking-related courses to equip bankers today

with the know-how to embrace the journey towards a digital future. New to market and gaining much traction is their Certified Anti-Money Laundering and Counter-Financing of Terrorism Compliance Officer (CAMCO) certification programme, which is jointly awarded by AICB. Further, through its executive education offerings including programmes with Cass Business School, City, University of London and the University of Cambridge Judge Business School, ABS continues to equip banks and its senior executives with the right knowledge to move them forward. Additionally, 2018 also marked the 10<sup>th</sup> year of FSTEP, which has seen a major revamp of its programme and is now much sought after by the industry.

### Moving Forward

I am happy to announce that we will soon be carrying on with our mission at our new AICB Building in Bukit Perdana, Kuala Lumpur in the first quarter of 2020. The new building is part of the broader Financial Education Hub development which will focus on international learning and research to develop a sustainable pool of local talent for the financial industry. The AICB Building will also host several other leading financial education institutions to encourage greater collaboration and alignment in enhancing the technical capabilities of banking and financial practitioners. Additionally, this financial education innovative centre will provide world-class facilities and offer a stimulating environment for financial communities and key stakeholders to network, in addition to developing the finest examples of best practices and future-ready ideas to enhance Malaysia's financial services industry.

To conclude, I would like to quote Stephen Covey: "The ability to establish, grow, extend, and restore trust is *the* key professional and personal competency of our time." At AICB, we must therefore continue to prove that banks are deserving of their customers' trust through our continued commitment to elevate the professional standards of the industry.

### Acknowledgments

It gives me immense pride and pleasure to continue this journey with a dedicated team that strives hard to fulfil the aspirations of this Institute. I offer my heartfelt appreciation to my fellow Council Members for their invaluable contributions, wisdom and guidance, which I deeply value.

I would also like to thank Bank Negara Malaysia for the continuous support and I look forward to working with them in our ongoing efforts to strengthen professionalism in Malaysia's banking industry.

My appreciation also goes to our partner, the Chartered Banker Institute, UK, and industry practitioners, whose input and expertise go a long way in raising the merit of our AICB membership. Most of all, a big thank you to the team at AICB for their commitment to this cause.

Thank you.

**Tan Sri Azman Hashim, FCB**  
Chairman

## CHIEF EXECUTIVE'S STATEMENT



“ Our members are the lifeblood of the Institute, the driving force in our aim to uphold the highest standards in the banking profession. I am happy to report that last year, the AICB banking fraternity expanded to 24,674 members from over 10 countries, charting a growth rate of almost 93%.

”

Looking back at 2018, I am heartened to report that the Asian Institute of Chartered Bankers (AICB) has made substantial progress on many fronts, from quantitative improvements such as membership growth, to enhancing the quality of our education, assessments, thought leadership and international partnerships for the greater purpose of uplifting professionalism in the Malaysian banking industry.

In the midst of a transitional year in our country, we stayed the course by providing professional learning opportunities, expanding our network, cultivating our expertise, and fortifying our position as the vanguard of professional banking in Malaysia and the region.

### Membership

Our members are the lifeblood of the Institute, the driving force in our aim to uphold the highest standards in the banking profession. I am happy to report that last year, the AICB banking fraternity expanded to 24,674 members from over 10 countries, charting a growth rate of almost 93%. This is largely attributed to our commitments with The Association of Banks in Malaysia (ABM) and the Association of Development Finance Institutions of Malaysia (ADFIM), as well as the continued requirement for new graduates to become AICB members. Likewise, the Institute's membership retention rate has risen to a sturdy 90%.

In line with encouraging our members to constantly upskill and enhance their competencies, 1,314 members were selected for AICB's second Continuing Professional Development (CPD) compliance review.

### Raising Education Standards

Through our ongoing Qualification Quality Review (QQR), we hope to further raise the standards of our curriculum structure and module offerings. Additionally, our Industry Curriculum Committee (ICC) enables us to leverage the knowledge and insights of our panel of venerable industry experts to form recommendations which will guide our efforts to refine the content of our various qualifications and ensure they fulfil the requirements of the industry.

### Building Thought Leadership

We believe banking professionals should stay abreast of emerging developments and hot-button issues. Therefore, aside from professional qualifications, our thought leadership initiatives provide many avenues for individuals to hone their critical thinking and problem-solving abilities.

## CHIEF EXECUTIVE'S STATEMENT

Our Global Banking Discourse (GBD) Series featured these key events in 2018:

- “Mastering the Application of Digital Thinking and Technology in Banks” gave our members insights on being future-ready for the Banking 4.0 environment.
- “Tricks of the Trade 2: The (Mis)Behaviour of Financial Markets” provided a platform to discuss the abuses within the financial market as well as safeguard measures.
- The Cyber Resilience Conference 2018, with the theme “Powering the Winds of Change: The Shift to Cyber Resilience”, facilitated the exchange of ideas and thoughts on rising cybersecurity trends and threats, along with building stronger cyber resilience for the banking sector.

Likewise, our Global Banking Conference 2018 (GBC 2018) “Banking in the Digital Age: Disruption. Reinvention. Revolution”, a collaboration between AICB and the Human Resource Networking Group (HRNG), set the stage for discussions on the latest technologies, trends and challenges shaping the future of banking, and the need to reinvent its digital strategies, capabilities and cultures.

### Strengthening Member Relationships

On a lighter note, we also organised several social member events. The inaugural AICB Cyberchase allowed participants to sharpen their problem-solving skills and foster team spirit in a fun motor treasure hunt, while the AICB Open Day and Member Induction created greater awareness about our membership and suite of qualifications. It also delights me to share that we held our first ever Members’ Dinner,

an opportune time to celebrate members and key stakeholders who contributed their time and expertise towards AICB’s initiatives.

### Enhancing the Professionalism and Effectiveness of the Banking Sector

I am proud to say that collaborations and teamwork have fuelled the growth of the Institute and our mission to strengthen professionalism in the industry. A fine example of how we do this is through the Institute’s network of technical and advisory committees, comprising the Chief Internal Auditors Networking Group (CIANG), Chief Credit Officers’ Forum (CCOs Forum), Chief Risk Officers’ Forum (CROs Forum), Compliance Officers Networking Group (CONG), and the Human Resource Networking Group (HRNG). We also have our State Advisory Committees (SACs), which serve as a platform for industry professionals in the region to exchange views and discuss development initiatives to advance and enhance the banking profession.

### 2019 – Looking Beyond the Horizon

While we are very much encouraged by the past year’s accomplishments, thanks to the invaluable support of our exceptional partners and stakeholders, we are setting our sights even higher moving forward.

With our new upcoming Integrated Membership and Qualification System (IMQS), we anticipate serving the needs of our members with greater efficiency. The collaboration with the Chartered Banker Institute (CBI), UK, on our enterprise curriculum review project, the QQR, will focus on further enriching the Institute’s education standards.

We also continue to strengthen our partnership with the Asian Banking School, to bring members greater value and raise their competencies.

The Institute will also embark on a campaign to build awareness of the AICB brand, our work as a professional body for the Malaysian banking industry, our membership and of course, our flagship Chartered Banker qualification.

By building on the positive momentum of our efforts as well as leveraging new opportunities and growth areas, I am confident we will continue to move the needle on professionalism and competency standards for bankers.

### Acknowledgments

I am much obliged to our Chairman for his encouragement and resolute clarion call to uphold our industry’s professionalism, as well as to the Council and Committee Members who have contributed immensely to the growth of this Institute. My gratitude also goes to Bank Negara Malaysia, the Chartered Banker Institute, UK and the Asian Banking School for their continuous support for the work we do.

I thank the staff at AICB for their relentless commitment to better serve our members and the industry. And lastly, my heartfelt appreciation goes to our members for their continued trust and support as we persist in our mission to augment the professional standards of our Malaysian banking industry.

Thank you.

**Mr Prasad Padmanaban**  
Chief Executive

## AICB'S OTHER 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 AICB members and AICB non-members:

**Datuk Seri Tajuddin Atan, FCB** (Chairman)  
Former Chief Executive Officer  
Bursa Malaysia Berhad

#### AICB Members

**Dato' Adissadikin Ali, CB**  
Managing Director / Chief Executive Officer  
RHB Islamic Bank Berhad

**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 Corporation Berhad

**Dr John Lee Hin Hock, CB**  
Chief Executive Officer  
Maybank Singapore

**Ms Khatimah Mahadi, CB**  
Group Chief Internal Auditor  
AFFINBANK 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  
(Malaysia) Berhad

#### AICB Non-Members

**Ms Geraldine Kamalanathan**  
Head of Legal, Commercial  
Maybank Group

**Mr Gerard Sinnappah**  
Head, Group Legal  
Alliance Bank Malaysia Berhad

**Mr Goh Ching Yin**  
Director  
Khazanah Nasional Berhad

**Mr Lim Then Fui**  
Group Chief Internal Auditor  
Public Bank Berhad

**Mr Nik Mohd Hasyudeen Yusoff**  
Director  
Bank Islam Malaysia Berhad

**Ms Selvarany Rasiah**  
Chief Commercial Officer  
Bursa Malaysia Berhad

## AICB'S OTHER COMMITTEES

### INDUSTRY CURRICULUM COMMITTEE (ICC)

The ICC comprises a panel of industry experts nominated by the Human Resource, Learning & Development (HRL&D) of the respective banks. The ICC makes recommendations on the curriculum framework of AICB's professional qualifications to the Education Committee based on their field of expertise.

The committee members are:

#### 1) Module: Foundation in Financial Studies

**Mr Chew Chern-I, CB**

Supervisor  
Banking Supervision  
Bank Negara Malaysia

**Mr Chow Kien Khuen**

Vice President  
Head  
Operational Risk Governance & Assurance  
RHB Banking Group

**Ms Erica R Wong Jun Erh**

Supervisor  
Risk Management Department  
Bank Negara Malaysia

**Ms Leong Sow Yoke, CB**

Executive Vice President  
Group Chief Internal Auditor  
Group Internal Audit  
Alliance Bank Malaysia Berhad

**Mr Lim Kien Hock**

Senior Vice President  
Financial Control  
AmBank Group

**Ms Phuah Shok Cheng**

Head  
Group Capital & Balance Sheet Management  
RHB Bank Berhad

**Mr Tan Hong Ian**

Head  
Investor Relations & Corporate Treasury  
Alliance Bank Malaysia Berhad

**Dr Vijayan Paramsothy**

Director  
Graduate Training & FSTEP  
Asian Banking School

#### 2) Module: Credit (Introduction to Credit, Business Credit and Retail Credit)

**Ms Carine Ang Ai Nee**

Executive Vice President  
Business Credit Risk  
Group Risk Management  
AmBank (M) Berhad

**Mr Cheah Siak Keong**

Consultant  
Former Senior Banker  
AmBank (M) Berhad

**Mr Cheng Kee Heng**

Vice President  
Consumer Credit Secured  
Alliance Bank Malaysia Berhad  
Alliance Group

**Ms Cindy Tam Kut Wah**

Consultant  
Former Senior Banker  
Public Bank Berhad

**Mr Eric Er Leng Kwant**

Senior Vice President (Division Head)  
Group Credit Risk Management  
RHB Bank Berhad

**Ms Esther Lu Lee Khoon**

Consultant  
Former Senior Banker  
Public Bank Berhad

**Ms Evelyn Ong Suat Ee**

Investor Structure Advisor  
China Construction Bank (Malaysia) Berhad

**Ms Janet Lim Kit Chin**

Senior Manager  
Risk Management Department  
Bank of China (Malaysia) Berhad

## AICB'S OTHER COMMITTEES

### INDUSTRY CURRICULUM COMMITTEE (ICC) (CONT'D)

#### 2) Module: Credit (Introduction to Credit, Business Credit and Retail Credit) (cont'd)

**Mr Jonathan Chin Kem Loong**

Team Leader  
Corporate Banking  
Bank of China (Malaysia) Berhad

**Mr Kasinathan Kasipillai, CB**

Consultant  
Former Group Chief Risk Officer  
AFFINBANK Group

**Mr Kenneth Lee Heng Soon**

Credit Manager  
Credit Risk Management  
OCBC Bank (Malaysia) Berhad

**Mr Krishna Kumar**

Consultant  
Former Senior Banker  
Bank Pertanian Malaysia Berhad (Agrobank)

**Ms Lim Bee Lin**

Head  
Consumer Credit Evaluation  
Consumer Credit  
Group Consumer Risk  
Alliance Bank Malaysia Berhad

**Mr Max Kow Chee Yen**

Consultant  
Former Senior Banker  
RHB Bank Berhad

**Mr Mohd Zsa Zsa Zahiruddin Mustapah**

Specialist Risk Unit  
Bank Negara Malaysia

**Mr Mong Sum Thye**

Lecturer  
Tunku Abdul Rahman University College

**Mr Muthupalaniappan Thannimalay**

Senior Vice President  
Head, Group Credit Writing  
Alliance Bank Malaysia Berhad

**Mr N Pulainthiran K Nadaraja**

Senior Vice President  
Wholesale Credit Risk (Mid Corp)  
Group Risk Management  
AmBank (M) Berhad

**Mr Ong Beng Hui**

Vice President  
Portfolio Management & Policy  
Emerging Business Risk  
OCBC Bank (Malaysia) Berhad

**Mr Peter Fong Seow Loong**

Group Chief Credit Officer  
Group Credit  
Alliance Bank Malaysia Berhad

**Ms Rizleen Mokhtar, CB**

Executive Vice President  
Wholesale Credit Risk  
AmBank (M) Berhad

**Mr See Thuan Eu, CB**

Specialist Risk Unit  
Bank Negara Malaysia

**Mr Sreetharan Kathamutu**

Vice President  
Internal Audit  
AmBank (M) Berhad

**Ms Sylphy Chui**

Consultant  
Graduate Training & FSTEP  
Asian Banking School

**Ms Teo Ai Lan**

Consultant  
Former Senior Banker  
Standard Chartered Bank Malaysia Berhad

**Mr Vincent Mok**

Senior Vice President  
Head, Group Consumer Risk  
Alliance Bank Malaysia Berhad

**Mr Young Swee Ching**

Senior Vice President  
Wholesale Credit Risk Credit Evaluation  
& Decisioning  
Group Risk Management  
AmBank (M) Berhad



## AICB'S OTHER COMMITTEES

### INDUSTRY CURRICULUM COMMITTEE (ICC) (CONT'D)

#### 3) Module: Bank Risk Management

**Mr Eckart Koerner**

Executive Director  
PricewaterhouseCoopers (PwC) Risk Services  
Sdn Bhd

**Ms Jasmine Loh Sook Ling**

Chief Risk Officer  
Public Bank Berhad

**Mr Jeroen Thijs**

Group Chief Risk Officer  
Group Risk Management  
AmBank (M) Berhad

**Mr K Balasingam**

Former Director  
Commercial Banking Training  
Asian Banking School

**Mr Laurence Ong Wooi Keat, CB**

Senior Vice President  
Head  
Group Operational & Technology Risk Management  
RHB Bank Berhad

**Mr Ng Kah Sitt**

Vice President  
Risk Management  
China Construction Bank (Malaysia) Berhad

#### 4) Module: International Banking

**Ms Capri Yang Qing**

Senior Vice President  
Global Banking  
China Construction Bank (Malaysia) Berhad

**Mr Chew Hoi Meng**

Executive Director & Principal Officer  
First Abu Dhabi Bank

**Mr Jaden Jia Peng**

Senior Vice President  
Risk Management Division  
China Construction Bank (Malaysia) Berhad

**Mr K Balasingam**

Former Director  
Commercial Banking Training  
Asian Banking School

#### 5) Module: International Trade Finance

**Mr Barney Teh Ooi Keat**

Vice President  
Country Head of Trade Finance Operations  
& Lending Malaysia  
Deutsche Bank (Malaysia) Berhad

**Mr Chuah Chin Keat**

Director  
Trade Middle Office & Product  
Transaction Banking Malaysia  
CIMB Bank Berhad

**Mr James Chan Teck Yong**

Vice President  
Transaction Banking  
China Construction Bank (Malaysia) Berhad

**Mr Martin Chai**

Director  
Corporate Trade Advisory  
Trade Finance Malaysia  
Group Transaction Banking  
CIMB Bank Berhad

**Tuan Haji Muhammad Imran**

Director  
Trainer & Consultant  
Trade Quest Management Sdn Bhd

**Ms Shirley Lu**

Senior Vice President  
Head of Group Transaction Banking Sale  
RHB Bank Berhad

**Ms Tan Ooi Lee**

Head  
Trade Product Management  
Transaction Banking  
AmBank (M) Berhad

**Mr Zuheer Mohammed Majid**

Client Operations Head  
Citibank Berhad

## AICB'S OTHER COMMITTEES

### INDUSTRY CURRICULUM COMMITTEE (ICC) (CONT'D)

#### 6) Module: Professionalism and Ethics

**Ms Amanah Aboobucker, CB**

Head  
Compliance & Control Remediation  
Group Compliance  
AmBank Group

**Mr Chua Kim Lin**

Senior Managing Director  
Regional HR Services & Industrial Relations  
CIMB Investment Bank Berhad

**Ms Fozia Amanulla Khan, CB**

Chief Business Development Officer  
Strategic Business Development Division  
Alliance Bank Malaysia Berhad

**Mr Gan Kwee Ming**

Head  
Learning & Development  
OCBC Bank (Malaysia) Bhd

**Mr Khairul Iswar Ibrahim, CB**

Deputy Director  
Banking Supervision Department  
Bank Negara Malaysia

**Ms Michelle Loo Phoy Wan**

Consultant  
Graduate Training & FSTEP  
Asian Banking School

**Dr Vijayan Paramsothy**

Director  
Graduate Training & FSTEP  
Asian Banking School

**Mr Alvin Lee Wei Peng**

Executive Director  
Head Treasury — Markets  
Group Treasury  
Standard Chartered Bank Malaysia Berhad

**Mr Andre Lee Ean Chye**

Global Head of Trade & Cash  
Transaction Banking  
Malayan Banking Berhad

**Mr Azidy Daud**

Senior Vice President / Deputy Head  
Global Markets  
MBSB Bank Berhad  
(formerly known as Asian Finance Bank Berhad)

**Mr Bacil Fernandez**

Director / Acting Head  
Treasury Division  
Public Bank Berhad

**Ms Beh Cheng Hoon, CB**

Deputy Director  
Investment Operations & Financial Markets (JOPPK)  
Bank Negara Malaysia

**Ms Carine Ang Ai Nee**

Executive Vice President  
Business Credit Risk  
Group Risk Management  
AmBank (M) Berhad

**Ms Caryn Loh Yoke Peng**

Consultant  
Former Senior Manager  
Public Bank Berhad

**Mr Cheah Siak Keong**

Consultant  
Former Senior Banker  
AmBank (M) Berhad

**Mr Chew Cheng Chan**

Consultant  
Former Senior Manager  
Industrial and Commercial Bank of China  
(Malaysia) Berhad

**Mr Chong Jin Yoong**

Consultant  
Ogos Learning Resources Sdn Bhd

**Mr Choo Yee Kwan, CB**

Director  
HSBC Bank Malaysia Berhad

**Mr Choong Wai Hong**

Chief Executive Officer  
Maybank Philippines International

### EXAMINATION COMMITTEE

**Mr Albert Lim Choong Weng**

Consultant  
Former Senior Vice President & Chief Credit Officer  
Bangkok Bank Berhad

**Mr Alex Por Peng Seong, CB**

Former Executive Director  
Country Head, Risk Management  
United Overseas Bank (Malaysia) Berhad

**Ms Alexa Lee Hui Tze**

Fixed Income Currencies and Commodities  
(FICC) Trader  
Treasury Division  
Maybank Group

## AICB'S OTHER COMMITTEES

### EXAMINATION COMMITTEE (CONT'D)

**Mr Christopher Chan Heng Leong**

Consultant

**Ms Cindy Tam Kut Wah**

Consultant

Former Senior Banker

Public Bank Berhad

**Mr David Leong Sze Khiong**

Senior Associate Consultant

Humanagement Development Consulting

**Mr David Lim Tee Meng**

Consultant

**Mr Erik Chin Yaw Loong**

Head

Operational Risk Management

Bursa Malaysia Berhad

**Ms Esther Lu Lee Khoon**

Consultant

Former Senior Banker

Public Bank Berhad

**Mr Fakrul Azmi Mohamad**

Chief Internal Auditor

Credit Guarantee Corporation (CGC)

**Ms Farlewin N Scheritzeit Ozairs**

Vice President – Country Audit Head

Bank of America Malaysia Berhad

**Ms Foo Yuen Ling**

Lecturer

Berjaya University College of Hospitality

**Mr Fong Chee Choong**

Deputy Head

Global Market

Industrial and Commercial Bank of China

(Malaysia) Berhad

**Mr Heng Jee Siang**

Fund Manager

Hong Leong Asset Management

Hong Leong Bank Berhad

**Ms Hor Kam Peng**

Head of Audit

Audit Department

M/S Lawrence Wong & Co

**Mr Hu Meng Kui, CB**

Managing Director

Elegant Hallmark Sdn Bhd

**Dato' Howard Choo Kah Hoe, FCB**

Managing Director / Chief Executive Officer

IBH Investment Bank Limited

**Ms Janet Choo Kam Leng**

Consultant

**Mr Jazlan Arif Jalaludin**

Associate Director

CG Board Asia Pacific Sdn Bhd

**Ms Jennifer Yip Tsui Yoke**

Senior Manager

Head Office / Investment Banking Audits

Hong Leong Bank Berhad

**Dr Jennifer Yong Chai Lin**

Managing Director

Rates, Funding & Structuring

Corporate Banking, Treasury & Markets

CIMB Investment Bank Berhad

**Mr K Sivakumar K Kathireson**

Sessional Lecturer

School of Business

Monash University, Malaysian Campus

**Mr Kasinathan Kasipillai, CB**

Consultant

Former Group Chief Risk Officer

AFFINBANK Group

**Mr Khor Lai Seng**

Consultant

Risk Management

Myanmar Apex Bank (MAB)

**Ms Koay Kuan Nee**

Consultant

Formerly with CIMB Bank Berhad

**Mr Krishna Kumar**

Consultant

Former Senior Banker

Bank Pertanian Malaysia Berhad (Agrobank)

**Mr Kunalan Pecheadavar**

Senior Vice President

Non-Traded Market Risk

Traded & Non-Traded Credit Risk

Investment Banking & Markets Risk (IBMR)

AmBank (M) Berhad

**Ms Leong Sow Yoke, CB**

Group Chief Internal Auditor

Group Internal Audit

Alliance Bank Malaysia Berhad

**Mr Lim Chew Hock**

Former Assistant Vice President

Malayan Banking Berhad

## AICB'S OTHER COMMITTEES

### EXAMINATION COMMITTEE (CONT'D)

**Ms Lim Poh Hong**

Head of Compliance  
Tranglo Sdn Bhd

**Ms Lisa Teo Ai Lan**

Consultant  
Former Senior Vice President  
United Overseas Bank (Malaysia) Bhd

**Mr Low Yeau Choong**

Consultant

**Mr Mankarpal Singh Deo**

Vice President  
Derivatives Trading  
AmBank (M) Berhad

**Mr Max Kow Chee Yen**

Consultant  
Former Senior Banker  
RHB Bank Berhad

**Ms Mazhatulshima Mohd Zahid**

Chief Risk Officer  
Maybank Investment Bank Berhad  
& Maybank Kim Eng Group

**Ms Millie Yap Mei Lin**

Director  
Institutional & Wealth Sales  
Global Markets  
HSBC Bank Malaysia Berhad

**Mr Mong Sum Thye**

Lecturer  
Tunku Abdul Rahman University College

**Mr Muhamad Nazri Shaidon**

Senior Manager AML / CFT Trainer  
Compliance Training  
Group Compliance  
AmBank Group Berhad

**Mr Ng Chih Kaye**

Independent Non-Executive Director  
CapitaLand Malaysia Mall REIT Management Sdn Bhd

**Ms Nirmala Doraisamy**

Director  
Credience Malaysia Sdn Bhd

**Mr Pang Choon Han, CB**

Group Chief Risk Officer  
Alliance Bank Malaysia Berhad

**Mr Peter Tan Pet Heong**

Consultant  
Former Chief Internal Auditor  
Malayan Banking Berhad

**Mr Pramod Veturi**

Managing Director & Country Head  
Wealth Management  
Standard Chartered Bank Malaysia Berhad

**Mr Sreetharan Kathamutu**

Vice President  
Internal Audit  
AmBank (M) Berhad

**Ms Sylvia Wong Miew Hing**

Managing Director  
Head  
Financial Markets Malaysia  
Standard Chartered Bank Malaysia Berhad

**Ms Tan Lye Sim**

Independent Non-Executive Director  
Bank Pembangunan Malaysia Berhad

**Mr Wahid Ali Mohd Khalil**

Chief Internal Audit  
Lembaga Tabung Haji

**Mr Warren Wong Liew Kheng**

Trainer  
Fullhouz Learning Faktory

**Mr Winston Lai Tak Kong**

Lecturer  
Universiti Tunku Abdul Rahman

**Mr Wong Jee Seng**

Consultant  
Former Head of Credit Collection  
AmBank (M) Berhad

**Mr Wong Kok Leong**

Group Chief Risk Officer  
Group Risk Management  
Affin Bank Berhad

**Ms Yasmin Mohamed**

Consultant  
Former Head of Credit Risk Management  
Agrobank

**Mr Yeo Chin Tiong**

Former Senior Advisor  
Industrial and Commercial Bank of China  
(Malaysia) Berhad

# 2018 HIGHLIGHTS



## 2018 HIGHLIGHTS

Last year marked important milestones for AICB as the Institute continued to implement a wide range of initiatives and activities to promote a conducive ecosystem for professional and ethical banking to thrive in Malaysia. We accomplished this by embarking on several key strategic initiatives and continuing to enhance our qualifications to ensure our members acquire the requisite skill sets and values needed for the evolving banking landscape.

### OVERVIEW OF AICB'S PERFORMANCE AND KEY INITIATIVES

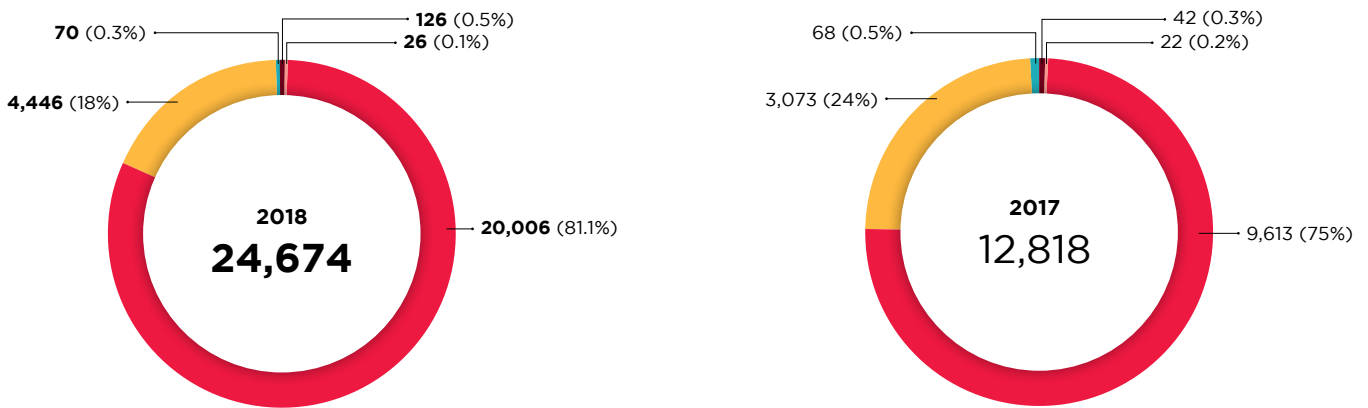
As at 31 December 2018, AICB's individual membership base stood at 24,674 members from over 10 countries.

#### Net Membership Growth and Retention (2017-2018)

The Institute recorded a significant boost in membership with a growth record of close to 93%, owing to our resolute dedication to professionalise the banking industry through the Chartered Banker and Specialised Certification programmes, as well as the prerequisite for new banking industry graduates to join as members. Additionally, membership retention rates have risen to 90%, which is a 20% improvement from 2017.

AICB also continues its efforts to grow its membership base in Asian regional markets by offering the Institute's qualifications to banking institutions in Cambodia, Myanmar, Vietnam, Philippines and Maldives. Its international membership grew by over 100 individuals in 2018, bringing the total number of international members to over 200, reflecting the Institute's growing reputation internationally.

#### Membership Growth (2017-2018)



- Chartered Bankers
- Fellow Chartered Bankers
- Affiliate Members
- Associate Members
- Others (Associate Fellow, Fellow, Honorary Fellow [2018 only] and Life)

Chartered Banker and Affiliate Member numbers more than **doubled** in 2018

Fellow Chartered Banker member numbers saw a **30%** increase in 2018

Associate Member numbers saw a **44%** increase in 2018

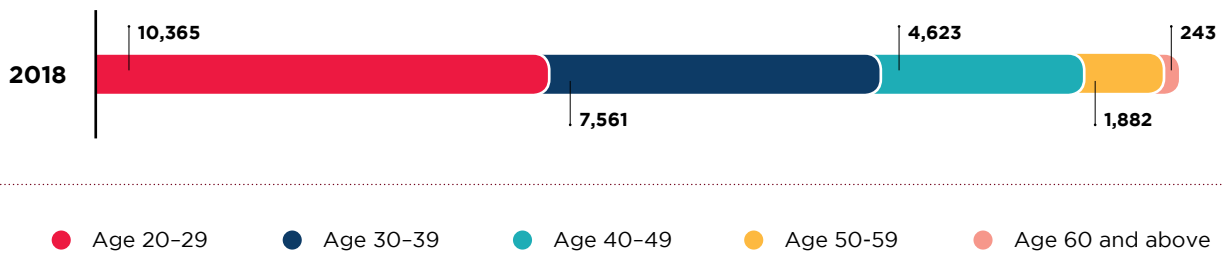
# 2018 HIGHLIGHTS

## Membership Retention Rate (2017-2018)



## Membership by Age Group

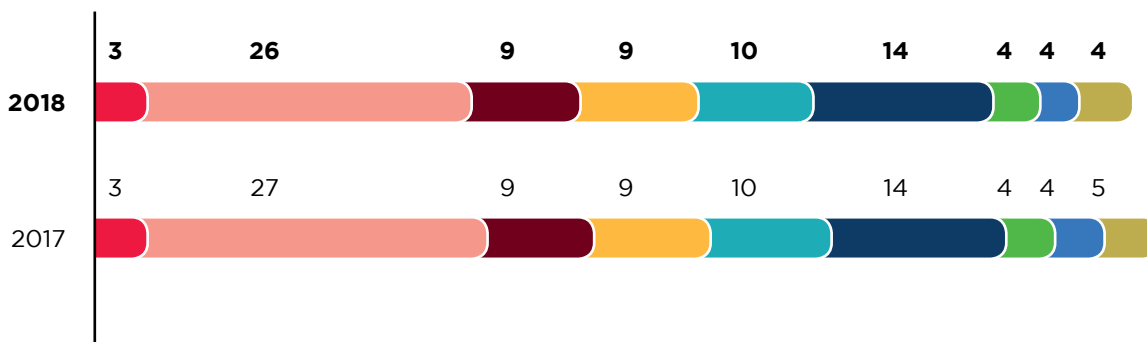
Over 70% of members fall in the age category of 20-39 years.



## 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 2018, Corporate membership stood at 83, compared to 85 in 2017.

## Statistical Summary of Corporate Members by Category (2017-2018)



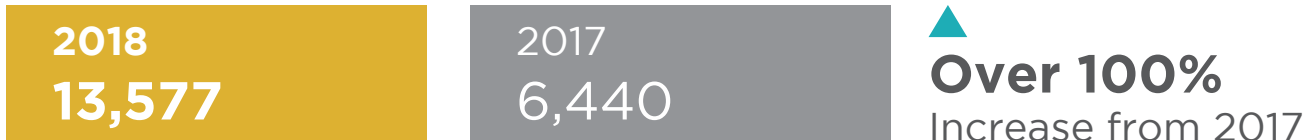
- Regulators
- Commercial Banks / Banking and Finance Companies
- Development Financial Institutions
- Islamic Banks
- Investment Banks
- Labuan Offshore Banks
- Labuan Trust Companies
- Money Brokers
- Other Finance-Related Institutions

# 2018 HIGHLIGHTS

## Qualifications

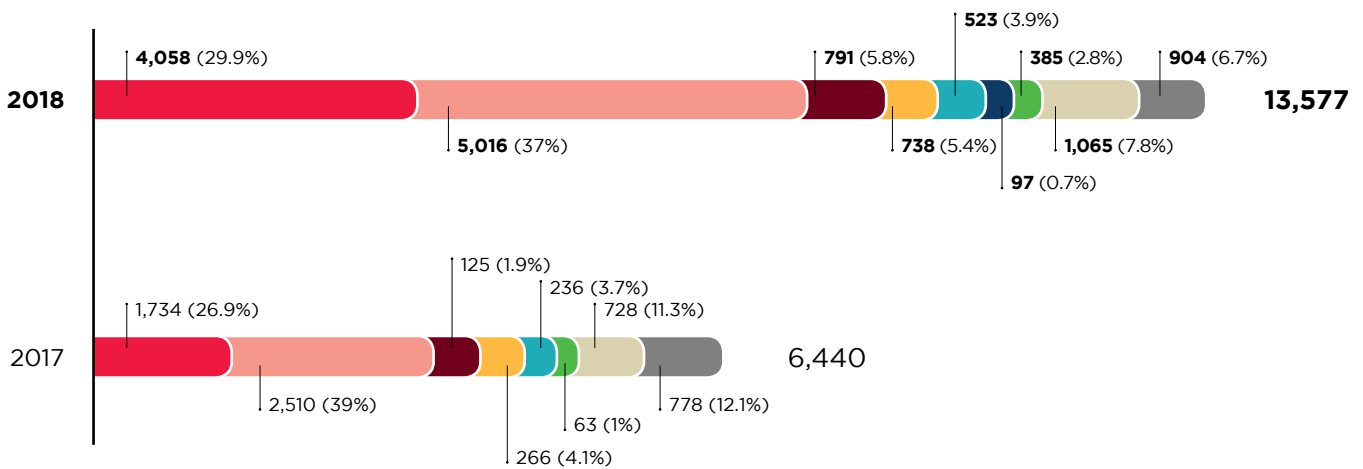
### Module Enrolment Growth (2017-2018)

Module enrolments have doubled in 2018 owing to the industry-wide commitments on the CB qualification and Specialised Certifications.



### Module Enrolments by Area of Specialisation (2017-2018)

Both the Professional Credit Certification (PCC) and Chartered Banker (CB) programmes continue to contribute to the highest enrolment rate (67% of total enrolments), following the industry commitments on mandatory certification as well as credit being the largest segment of the banking population.



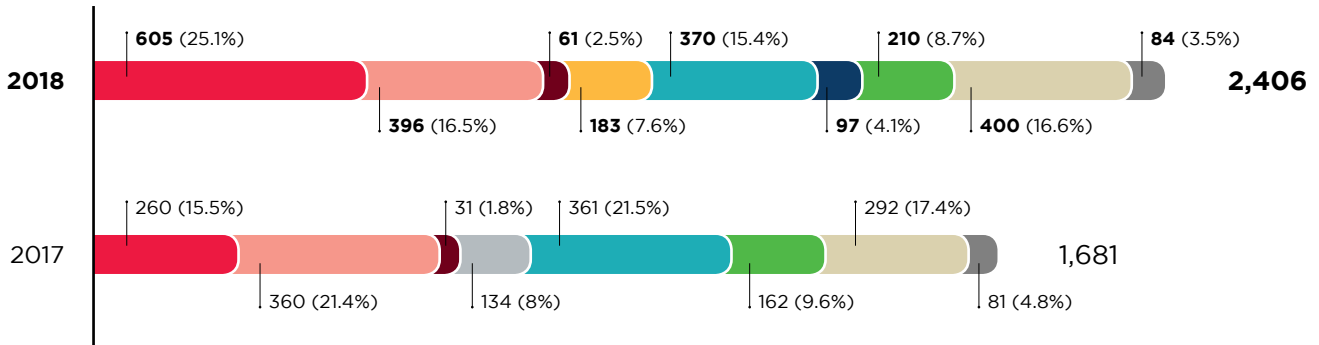
- Chartered Banker
- Professional Credit Certification
- Bank Risk Management
- Certification for Bank Auditors
- Professional Qualifications in Anti-Money Laundering / Counter Financing of Terrorism
- Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer
- Professional Qualifications in Regulatory Compliance
- Investor Protection Professional Certification
- Pasaran Kewangan Malaysia Certificate



# 2018 HIGHLIGHTS

## Completion of Qualifications by Area of Specialisation (2017-2018) (Total: 2,406 certified members in 2018)

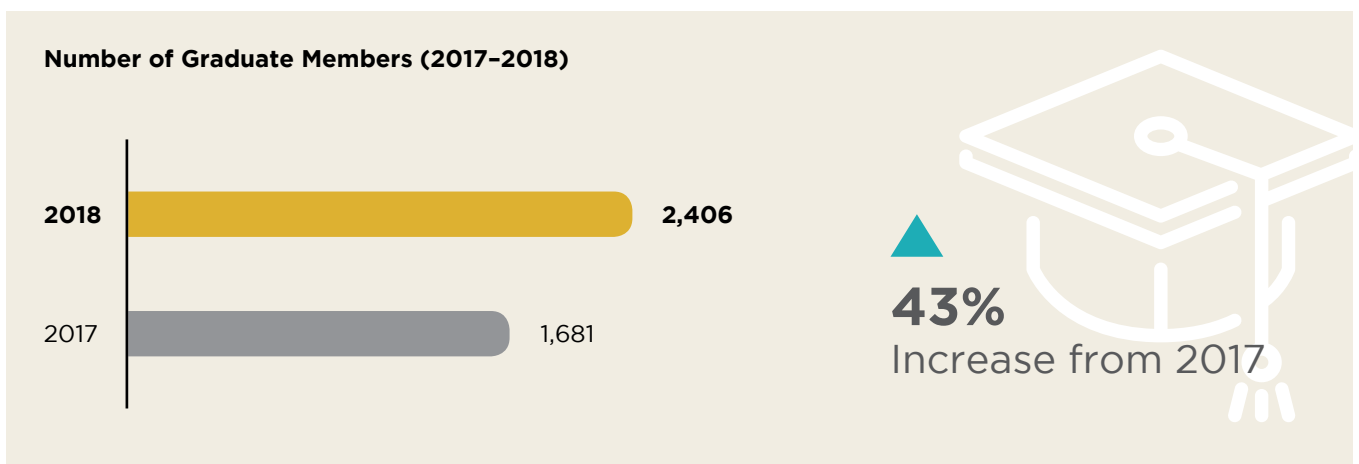
The Chartered Banker qualification (Levels 1 to 3) recorded the highest number of members who have successfully completed in comparison to other certifications. Although the Professional Credit Certification (PCC) qualification recorded the highest enrolment rate in 2018 (5,016 enrolments), the number of certified members from this certification did not move in tandem due to the higher number of modules to be completed in comparison with the other certifications.



- Chartered Banker
- Professional Credit Certification
- Bank Risk Management
- Certification for Bank Auditors
- Certificate in Internal Auditing for Financial Institutions
- Professional Qualifications in Anti-Money Laundering / Counter Financing of Terrorism
- Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer
- Professional Qualifications in Regulatory Compliance
- Investor Protection Professional Certification
- Pasaran Kewangan Malaysia Certificate

## Graduate Members for 2018

In 2018, there were 2,406 graduate members, representing a substantial 43% increase compared to the 2017 figure of 1,681 graduate members.



## 2018 HIGHLIGHTS

### 2<sup>nd</sup> Chartered Banker Conferment and 21<sup>st</sup> Graduation Ceremony

AICB held its 2<sup>nd</sup> Chartered Banker Conferment and 21<sup>st</sup> Graduation Ceremony on 12 May 2018 at the Kuala Lumpur Convention Centre. At this special ceremony, 32 eminent members were conferred the prestigious Chartered Banker status. The event was officiated by the former Governor of Bank Negara Malaysia (BNM) and attended by senior regulators, leading bankers and approximately 1,000 graduates representing over 90 organisations. In 2017, 1,681 members completed their professional banking qualifications and were invited to attend this ceremony in 2018.



AICB's graduating members



AICB's eminent Chartered Bankers



AICB Chairman Tan Sri Azman Hashim delivering his welcome remarks

## 2018 HIGHLIGHTS



Launch of the CBA qualification

### Launch of the Certification for Bank Auditors (CBA) Qualification

On 12 January 2018, AICB Chairman Tan Sri Azman Hashim launched the CBA qualification at Sasana Kijang, BNM. As cyberattacks pose significant risks to banks today, the CBA qualification curriculum deploys an integrated and adaptable framework for internal auditing with an emphasis on IT audit. The qualification provides internal auditors with the crucial knowledge and skills to help them discharge their responsibilities more effectively and maintain the credibility of an audit process. It replaces the Certificate in Internal Auditing for Financial Institutions (CIAFIN), which was first introduced in 1998.

### Chief Credit Officers' (CCOs) Forum

The CCOs Forum was established to create a strong platform to engage with chief credit officers as the sounding board for AICB's activities and initiatives. Aside from serving as an opportunity for credit practitioners to exchange their best practices in credit management, the forum also forms part of AICB's Networking Groups, which constitute a significant part of the Institute's work to raise the competence and professionalism of banking professionals in Malaysia.

### AICB's Members' Dinner 2018

On 28 November 2018, AICB held its inaugural Members' Dinner to recognise its members and appreciate key stakeholders' contributions to the Institute's initiatives to professionalise the banking industry. Held at Shangri-La Hotel, Kuala Lumpur, the event was attended by over 400 guests, including members of AICB's various networking groups, committees, regulators, and captains of industry.

AICB Chairman Tan Sri Azman Hashim welcomed the guests and key highlights of the event included a special talk on the "Importance of Ethics and Professionalism in the Banking Industry" by Giles Cuthbert, Managing Director of the Chartered Banker Institute, UK, and the tokens of appreciation presentation.



AICB members receiving tokens of appreciation during the event

## ENHANCING MEMBERSHIP VALUE

### CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

The Institute strongly encourages its members to keep abreast with new developments and further enhance their skill sets throughout their careers to ensure they remain professionally competent to execute their job responsibilities. AICB also provides a range of useful online CPD resources. 2018 marks the first year that audits were conducted on dual membership holders and members who do not hold any professional designations. A total of 1,314 members and dual membership holders (AICB-FMAM) were selected for AICB's second CPD compliance review, where a compliance rate of 52.4% was achieved. Cases of non-compliance were referred to our Membership Committee to determine an appropriate course of action.

### THOUGHT LEADERSHIP INITIATIVES

Aside from AICB's professional qualifications, we intensified our efforts to provide greater value to our members by enhancing existing programmes and introducing new ones to strengthen member engagement.

Introduced in 2016, AICB's thought leadership initiatives provide a platform for banking practitioners to explore, exchange ideas and stay informed on topical issues and trends in the banking industry. Among the activities and initiatives implemented include the Global Banking Discourse (GBD) series, AICB's biannual publication *Banking Insight* and the AICB Leaderspeaks video series, in which global thought leaders and innovators provide their perspectives and insights.

#### Global Banking Discourse (GBD) Series

In 2018, AICB organised four events under our GBD series, where over 800 members attended.

#### GBD Series: Mastering the Application of Digital Thinking and Technology in Banks

On 21 March 2018, the first GBD event of the year was held at Sasana Kijang, Bank Negara Malaysia. It provided members with an in-depth understanding of how to be future-ready for the new Banking 4.0 environment, focusing on successful digital execution and infrastructure readiness. Over 120 bankers gained valuable insights into the latest technology developments and implementation challenges. Global experts from the Cognizant Center for the Future of Work, regulators and key industry speakers shared their views and digital journeys.



A panel session in progress at the GBD event

## ENHANCING MEMBERSHIP VALUE

### Global Banking Conference (GBC): Banking in the Digital Age: Disruption. Reinvention. Revolution.

AICB's GBC 2018 was held on 10 and 11 July 2018 to promote discourse on the latest technologies and challenges shaping the future of the banking industry and the strong need for banks to evolve accordingly. A series of technology labs showcased emerging technologies in banking, including cognitive computing and artificial intelligence, blockchain, robotic process automation and cognitive claims. This was followed by a Design Thinking session to help participants get started on driving innovation. The conference was a collaboration between AICB and its Human Resource Networking Group.

It was attended by over 400 bankers and featured several prominent local and international speakers, including Philipp Kristian Diekhöner, digital innovation strategy leader and author; Sandeep Lal, Managing Director of Digital DBS Consumer Banking Group Singapore; Cyril Duffy, Chief Operating Officer of HSBC Bank; Rajesh Singh, Managing Director, Head of ASEAN and South Asia Strategy, Standard Chartered Bank Singapore; and Domenic Fuda, CB, Group Managing Director / Chief Executive Officer, Hong Leong Bank Berhad, among others.



Philipp Kristian Diekhöner delivering his presentation



A panel session on Day 2 of the conference

### GBD Series: Tricks of the Trade 2: The (Mis)Behaviour of Financial Markets

Following the success of the first GBD series, AICB's next event themed "Tricks of the Trade 2: The (Mis)Behaviour of Financial Markets" was held on 18 July 2018 and featured speakers from the FICC Markets Standards Board Limited (FMSB), UK, and leading management consultancy, Oliver Wyman. Over 120 participants attended the event, which provided the platform to discuss the abuses within the financial market and safeguard measures to reduce the risks.



Jayant P Raman from Oliver Wyman speaking at the event



Gerry Harvey from FMSB sharing some insights

## ENHANCING MEMBERSHIP VALUE

### GBD Series: Powering the Winds of Change: The Shift to Cyber Resilience

In collaboration with Bank Negara Malaysia, AICB organised a conference to increase awareness of cyber resilience, as well as to facilitate the exchange of ideas on emerging cybersecurity trends and threats. The event was attended by over 200 participants.

Highlights on Day 1 included a special address by the Assistant Governor of Bank Negara Malaysia, Abu Hassan Alshari Yahaya, who stressed the need for financial institutions to adopt a more holistic approach in building cyber resilience and strengthening collaboration. There were also several case studies and presentations on cyberattacks and hacking techniques and tools by global cybersecurity experts, regulators and senior industry leaders from leading organisations such as Microsoft, Financial Services Information Sharing and Analysis Center Asia Pacific, Bank of International Settlements, Monetary Authority of Singapore, BAE Systems and many more. Day 2 highlighted the urgency of cooperation between law enforcement agencies and digital crime units in leading the fight against cybercrime, and the importance of deciphering the “hacker mindset”.



Distinguished speakers who presented at the conference

### Banking Insight

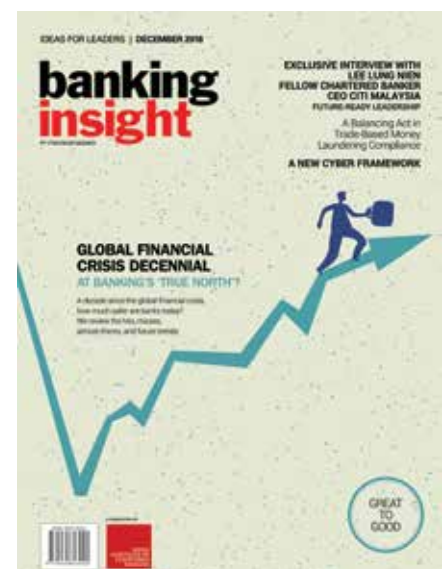
*Banking Insight* is AICB's flagship publication that features technical and thought leadership articles on current developments taking place in the global banking industry, with a special focus on ASEAN.

#### *Banking Insight*: Q1 2018

In this issue, digital disruption and its impact on banking took centre stage as financial institutions increasingly focus on harnessing the power of technology to produce better business outcomes and stay ahead of the curve. The cover story also explored how banks are transforming their business models with tools such as cloud computing, AI, data analytics and mobile technology.

#### *Banking Insight*: Q2 2018

This issue's theme focused on the lessons learnt in the decade since the global financial crisis and building cyber resilience in the face of growing threats from cyberattacks.



## ENHANCING MEMBERSHIP VALUE

### AICB Leaderspeaks

The AICB Leaderspeaks series supports our thought leadership initiative by providing a glimpse into the minds of global financial experts and subject matter experts through short video interviews. The series is a repository of knowledge for students and professionals seeking to deepen their understanding of a range of issues relevant to the banking industry.

Last year, AICB produced a series of AICB Leaderspeaks videos focusing on emerging technologies, trends, and challenges shaping the future of the banking industry, as well as building stronger cyber resilience. Several leading subject matter experts from Accenture, PwC, Standard Chartered, BAE Systems, Basel Committee on Banking Supervision, Bank for International Settlements and many more participated in the series.

### INDUSTRY ENGAGEMENT

Pursuant to the industry-wide commitment between AICB and members of The Association of Banks in Malaysia (ABM) and the Association of Development Finance Institutions of Malaysia (ADFIM), AICB conducted close to 250 industry briefings to various segments of the banking industry throughout Malaysia in 2018.

#### Industry Briefings

In line with industry commitments, AICB carried out almost 200 briefing sessions for almost 5,300 newly hired graduates who attended the one-day programme “An Introduction to Ethics in Banking”, by the Asian Banking School (ABS). The graduates were informed of the new requirements, which included signing up for an AICB membership upon successful completion of the programme, maintaining their annual membership with AICB, and fulfilling the biennial CPD requirement of five hours on Professionalism and Ethics. On-site membership service desks were also set up at banks nationwide to facilitate membership registrations and renewals, qualification enrolments, and examination registrations.



## ENHANCING MEMBERSHIP VALUE

### OTHER EVENTS

#### AICB Cyberchase

The inaugural AICB Cyberchase was held on 29 September 2018 to provide members with the opportunity to sharpen their problem-solving skills and build team spirit via a fun motor treasure hunt around Klang Valley. The flag-off at Bukit Kiara Equestrian and Country Club saw almost 200 members making their way through a pre-set route in teams, to search for answers to the given clues and compete in “Amazing Race”-style challenges for attractive prizes.



Participants enjoying a photo op at the AICB Cyberchase



The morning flag-off by AICB Chief Executive Prasad Padmanaban

#### AICB Open Day and Member Induction

The AICB Open Day and Member Induction was held on 22 October 2018 at Sasana Kijang, Bank Negara Malaysia. The event commenced with Prasad Padmanaban, AICB’s Chief Executive, and ABS’ Chief Executive Officer, Professor Colyn Gardner highlighting their commitment to elevate the banking profession through professional education, the code of professional conduct, thought leadership and CPD initiatives. Several AICB members also shared their experiences in obtaining their respective AICB qualifications during a special panel session.

The highlight of the event was a special talk on “Artificial Intelligence – Automation, Ethics and Accountability” by Dr Jasmine Begum, Director of Legal, Government & Corporate Affairs at Microsoft Malaysia and New Markets. She emphasised the six principles that govern responsible usage of AI – fairness, reliability and safety, privacy and security, inclusiveness, transparency and accountability – all of which have trust as its core.



AICB members sharing their views on AICB’s qualifications and its member benefits

#### Sunway University’s Open Day

AICB provided students with an overview of the banking sector and its career opportunities was communicated to students at a session organised by AICB at Sunway University’s Open Day on 30 June 2018. The Institute believes that embracing a tighter integration between business and higher education is the way to set future graduates apart from their competitors in a competitive job market.



## ENHANCING MEMBERSHIP VALUE

### 10<sup>th</sup> International Conference on Financial Crime and Terrorism Financing (IFCTF)

AICB was proud to be an institutional partner and a member of the organising committee of the 10<sup>th</sup> IFCTF on 30 and 31 October 2018 at Shangri-La Hotel, Kuala Lumpur. The event featured plenary sessions by international experts, industry specialists, enforcement personnel and regulators, who shared their views and experiences on topics ranging from compliance and financial fraud to anti-money laundering. With the theme “The Rising Voice of Compliance — Towards Greater Governance and Transparency”, IFCTF 2018 attracted more than 800 delegates, including senior representatives from regional and global banks, as well as financial organisations.



Panel participants sharing their perspectives



A panel session in progress at the conference

### Conferment of Honorary Fellowship upon the Governor of the National Bank of Cambodia

On 2 February 2018, AICB conferred the Institute’s Honorary Fellowship on His Excellency Chea Chanto, Governor of the National Bank of Cambodia, in recognition of his vision, leadership and dedication which transformed Cambodia’s banking industry. The Honorary Fellowship is a prestigious award conferred on distinguished individuals whose leadership and contributions in the financial industry hold national and international esteem.



AICB Chairman Tan Sri Azman Hashim and His Excellency Chea Chanto at the ceremony

## QUALIFICATIONS

In an evolving banking landscape, AICB recognises the importance of ensuring that our professional qualification programmes continue to meet the needs of the banking industry and adequately equip our members with relevant skills and knowledge that are pertinent to their careers.

Together with the Asian Banking School (ABS), in 2018 we continued implementing our initiatives to maintain the standard of our education programmes. AICB currently offers nine qualifications:

<p><b>Chartered Banker</b></p> <p>Stepping confidently into the new world of banking</p>	<p><b>PCC</b> Professional Credit Certification</p> <p>Equip yourself for the future of credit management</p>	<p><b>BRM</b> Bank Risk Management</p> <p>Identify, assess and manage risk in an evolving banking landscape</p>
<p><b>CBA</b> Certification for Bank Auditors</p> <p>Reinforcing integrity and accountability with knowledge</p>	<p><b>CAMCO</b></p> <p>The Certified Anti-Money Laundering &amp; Counter Financing of Terrorism Compliance Officer (CAMCO)</p>	<p><b>AML/CFT</b></p> <p>Professional Qualifications in Anti-Money Laundering / Counter Financing of Terrorism (AML / CFT)</p>
<p><b>RC</b> Professional Qualifications In Regulatory Compliance</p> <p>Enriching skills for regulatory compliance and risk</p>	<p><b>PKMC</b> Pasaran Kewangan Malaysia Certificate</p> <p>Dealing with distinction in the financial world</p>	<p><b>IPPC</b> Investor Protection Professional Certification</p> <p>Preserving market integrity and promoting investor confidence</p>

### Qualification Quality Review (QQR) Initiative Development

The ongoing QQR initiative is an enterprise curriculum review project in collaboration with the Chartered Banker Institute (CBI), UK, which ensures that AICB maintains a high quality and relevant education framework to build progressive pathways for professional membership at international standards.

# QUALIFICATIONS

## Competency Validation Assessment (CVA) and Prior Experience Conversion (PEC)

In 2018, AICB offered the CVA and PEC as part of our “speed to specialisation” option, which allows eligible bankers to be exempted from the normal qualification pathway in specialised areas.

- The CVA determines candidates’ knowledge and skills in the specialised areas of Audit, Risk, Credit, Compliance or AML / CFT.
- The PEC recognises the prior experience of the more proficient candidates in their respective specialised areas.

## Industry Curriculum Committee (ICC) Workshops

Last year, two ICC workshops were conducted successfully. The ICC comprises industry experts who work together with AICB to provide insights and feedback on the qualification curriculum framework so that AICB’s qualifications are industry relevant.

## Revised Entry Requirements for Bank Risk Management (BRM) Qualification

In April 2018, the entry requirements for the BRM qualification were revised to grant degree and non-degree holders access to the qualification, in alignment to the entry criteria for the Certification for Bank Auditors (CBA) qualification. The newly revised entry requirements are:

- a Degree; or
- a Certificate / Diploma with three years of risk or banking experience; or
- SPM or an equivalent qualification with six years of risk or banking experience.

## Revised Professional Pathway to Chartered Banker (CB) Qualification

From July 2018, the Professional Pathway to the CB qualification is open to holders of recognised professional qualifications (e.g. ACCA, ICAEW, CPA Australia, CIMA) and CFA Charterholders, with no experience required. This revision provides these professionals with a quicker route to obtain the CB qualification with only two modules requiring completion, instead of three previously.

To obtain the Chartered Banker qualification, candidates must pass the following modules:

- Professionalism, Ethics and Regulation; and
- Credit and Lending OR Applied Business and Corporate Banking.



### ASIAN BANKING SCHOOL (ABS)

ABS is dedicated to developing talent and is the largest specialised provider of quality banking training programmes in the ASEAN region covering a comprehensive list of banking areas.

AICB works closely with ABS to raise industry competency standards through the delivery of training workshops for professional qualifications awarded by the professional body. Aside from its significant role in enriching the talent pipeline through the FSTEP and Graduate Training programmes, the school is also responsible for designing, developing and delivering the industry-wide Ethics programme and the Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer (CAMCO) qualification.

Through its Executive Education offerings, including those with Cass Business School – part of City, University of London – and the University of Cambridge Judge Business School, ABS equips banks and its senior executives with the right knowledge to take them up and move them forward.

# QUALIFICATIONS

## Examination Key Highlights

The Institute saw a higher volume of examination activities in 2018 as a result of the industry-wide commitment on the specialised certification implementation.



**17**

new assessments were developed in 2018



**6**

Countries where AICB examinations are delivered



# STRENGTHENING STAKEHOLDER ENGAGEMENT

Engagement with our stakeholders is fundamental in our ongoing mission to grow our membership, build stronger relationships and create greater value for all our stakeholders. Therefore, in partnership with our networking groups, local and international banking institutes and industry organisations, AICB continues to leverage the expertise of our stakeholders to deepen our insights on industry demands.

## NETWORKING GROUPS

AICB has established expert networking groups to hold continuous dialogues with key stakeholders to further enhance professional banking competencies.



CROs Forum members participating in a session

## AICB’s Networking Groups and 2017 / 2018 Office Bearers

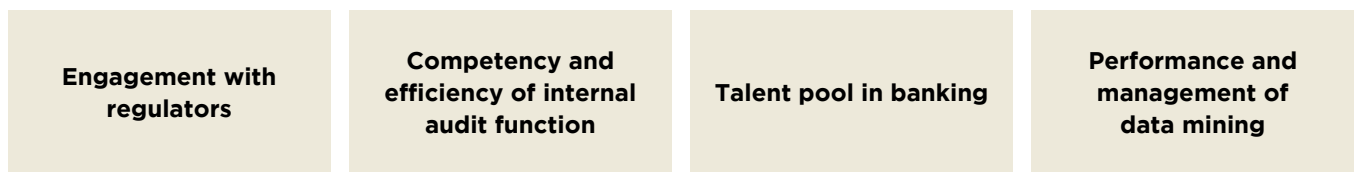
Networking Group	Chairman	Deputy Chairman
Chief Internal Auditors Networking Group	<b>Mr Alan Chang Kong Chong, CB</b> Chief Internal Auditor Hong Leong Financial Group	<b>Mr Mohd Zaki Abdullah</b> Senior Vice President Internal Audit Kuwait Finance House (Malaysia) Berhad
Compliance Officers Networking Group	<b>Mr V Maslamani, CB</b> Chief Compliance Officer Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	<b>Mr Yunos Yusop</b> MLCO / Head Group AML / CFT Affin Bank Berhad
Chief Credit Officers’ Forum (established on 25 October 2018)	<b>Mr Frank Flynn</b> Group Chief Credit Officer Malayan Banking Berhad	<b>Ms Michelle Yong</b> Head Malaysia Credit Management CIMB Bank Berhad
Chief Risk Officers’ Forum	<b>Mr Patrick Ho Kwong Hoong, CB</b> Group Chief Risk Officer RHB Banking Group	<b>Mr Alex Por Peng Seong, CB</b> Former Executive Director Country Head, Risk Management United Overseas Bank (Malaysia) Berhad (retired on 31 December 2018)
Human Resource Networking Group	<b>Ms Nora Abd Manaf</b> Group Chief Human Capital Officer Malayan Banking Berhad	<b>Ms Florence Foo</b> Head Human Resources Standard Chartered Ventures (resigned on 14 August 2018)

## STRENGTHENING STAKEHOLDER ENGAGEMENT

### Chief Internal Auditors Networking Group (CIANG)

CIANG provides a platform for chief internal auditors from financial institutions in Malaysia to exchange professional views and ideas that focus mainly on audit management issues. Since 2015, CIANG members have played a vital role in the development of the Certification for Bank Auditors (CBA) qualification. With industry input, the curriculum was designed to be aligned with internal auditing banking standards, and deploy an integrated adaptable framework for internal auditing with an emphasis on IT audit.

In 2018, CIANG members organised a brainstorming session and formed sub-committees on various important audit matters. The focus of the networking group last year was on the following areas:

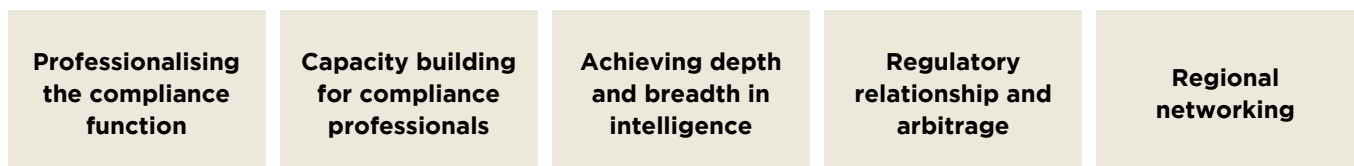


CIANG members also provided industry-wide feedback to Bank Negara Malaysia (BNM) on the challenges and expectations of internal auditing via dialogue sessions. In addition, they engaged with other subject matter experts from various organisations to gain better insights through several important knowledge-sharing sessions.

### Compliance Officers Networking Group (CONG)

In 2018, CONG members continued to review the existing Regulatory Compliance and Anti-Money Laundering / Counter Financing of Terrorism certifications to improve the current modules, review additional modules, and look at new qualifications that are relevant and required in Malaysia.

CONG's five key focus areas were:



CONG organised various engagement and dialogue sessions with the regulators and provided industry-wide feedback to BNM on several compliance-related policy documents and guidelines.

CONG also played an important role as the knowledge partner in the 10<sup>th</sup> International Conference on Financial Crime and Terrorism Financing (IFCTF). The conference explored topics on emerging trends in governance and transparency, and practicable approaches within the realm of compliance.

# STRENGTHENING STAKEHOLDER ENGAGEMENT

## Chief Credit Officers' (CCOs) Forum

Inaugurated in 2018, the CCOs Forum serves as a platform for chief credit officers to play a role in offering valuable expertise and views on activities and initiatives that AICB embarks on. The Forum also provides opportunities for credit practitioners to continually update the industry on best practices in credit management.

AICB's inaugural CCOs Forum was held on 25 October 2018 with Mr Frank Flynn, Group Chief Credit Officer, Maybank as Chairman and Ms Michelle Yong, Head, Malaysia Credit Management, CIMB as Deputy Chairman.

## Chief Risk Officers' (CROs) Forum

The CROs Forum provides an avenue for all chief risk officers in the banking industry to share diverse issues and best practices pertaining to risk management.

During the year, Forum members held dialogue sessions with BNM representatives to exchange views and updates on key developments in the banking industry. In addition, they formed three working groups to deliberate on the following topics:

**Business continuity insights and preparedness for unexpected events**

**Recovery and resolution planning**

**Cloud computing for banks**

Apart from engagements with external subject matter experts and risk practitioners from other financial institutions, the CROs Forum also organised a seminar on "The Next Generation Risk Management: The Evolutionary Change of Digitisation" together with AICB.

## Human Resource Networking Group (HRNG)

The HRNG, which was set up to enhance the effectiveness of the human capital development function within financial services institutions, continued its efforts in 2018 with quarterly knowledge-based sharing sessions on various innovation and human capital development topics.

HRNG members also provided valuable insight on the Qualification Quality Review, which is an ongoing project to review the quality of the current qualifications.

Additionally, the HRNG collaborated with AICB on the Global Banking Conference, themed "Banking in the Digital Age: Disruption. Reinvention. Revolution", where the working committee was led by Ms Nora Abd Manaf, Chairman, and supported by several HRNG members and AICB employees.



A HRNG knowledge-based sharing session is underway

## STRENGTHENING STAKEHOLDER ENGAGEMENT

### State Advisory Committees (SACs)

The SACs were established to provide AICB members in North, South and East Malaysia with a platform to exchange professional views and ideas, as well as to advance the Institute's interest in the local banking and financial services industry. The SACs include representatives from BNM, commercial banks, investment banks and AICB's individual members based in the respective states. With SACs in Johor, Labuan, Penang, Sabah and Sarawak, AICB organised meetings in the five regions last year to update members on AICB's developments and discuss ways to provide greater regional support.

The chairpersons for each state are as follows:

State	Chairperson
Johor	<b>Mr Raman Krishnan</b> Regional Head Bank Negara Malaysia (resigned on 26 July 2018)
Penang	<b>Mr Tan Leong Theng</b> Head Private Banking AmInvestment Bank Berhad
Labuan	<b>Datuk Chin Chee Kee</b> Chief Executive Officer Noble House International Trust Ltd
Sabah	<b>Mr Liew Kui Choi</b> Regional Director Malayan Banking Berhad
Sarawak	<b>Mr Simon Su Hiong Tiing</b> Regional Director AmBank (M) Berhad

### MoU with Sunway University, Malaysia

Through the signing of Memorandums of Understanding (MoUs) with Malaysia's top tertiary education institutions, AICB promotes continued commitment towards the exchange of banking-related knowledge and expertise, as well as a sustainable talent pipeline for the banking industry. AICB signed an MoU with Sunway University, Malaysia on 27 November 2018 to encourage and promote cooperation in the following areas:



**Research /  
education activities**



**Knowledge and expertise in the development  
of curriculum relating to banking**



**Thought leadership initiatives and activities,  
including conferences and seminars**



## STRENGTHENING STAKEHOLDER ENGAGEMENT

### 48<sup>th</sup> ASEAN Banking Council Meeting

The 48<sup>th</sup> ASEAN Banking Council Meeting was held on 7 and 8 November 2018 in Brunei. Hosted by the Brunei Association of Banks, the annual event provides representatives from various banks, banking education and training institutes, as well as regulators from ASEAN countries with the opportunity for greater discourse on pertinent issues in banking, including financial integration, international relations and banking education.

As a permanent committee member of its Banking Education Committee, AICB's senior management participated in the two-day meeting to discuss cross-border banking education initiatives for banking practitioners across the region.



Delegates at the 48<sup>th</sup> ASEAN Banking Council Meeting

### Study Visits

As part of our efforts to further enhance professional ties and explore future collaborations with international and regional professional organisations, AICB hosted several study visits throughout 2018. Key discussions during the visits included the exchange of knowledge and experiences in strengthening professional development and potential alliances towards enhancing professional banking standards. Last year, AICB received banking and financial industry representatives from Nigeria, Kenya and Nepal.



Representatives from the CBN and FITC, Nigeria



Delegates from the National Banking Institute of Nepal

# STRENGTHENING STAKEHOLDER ENGAGEMENT

## AICB's International Memberships

### Global Banking Education Standards Board (GBESTB)

AICB is a founding member of the GBESTB, an industry-led initiative established by 25 banking institutes that aims to develop clear, internationally agreed standards for the education of professional bankers. Last year, AICB proudly supported the launch of the GBESTB's first standard, "Ethics Education and Training for Professional Bankers", which sets out expectations and guidance for GBESTB member bodies to deliver a more consistent approach to the ethics education of professional bankers worldwide.

### European Banking & Financial Services Training Association (EBTN)

Following our election in 2017 as an Associate Member of the EBTN, AICB is able to extend its international banking education network, as well as gain a better understanding of the European financial services sector and developments in banking education, education standards and training.

## Strategic Partnerships

### Chartered Banker Institute (CBI), UK

AICB has developed a great partnership with CBI, UK, in bringing the Chartered Banker (CB) qualification to Malaysia, and actively collaborates with them to enhance and ensure that our qualifications meet international standards. The CB qualification, which is the flagship qualification of AICB, is internationally recognised as the gold standard in banking.

The CBI, UK is the largest professional body for bankers in the UK and aims to serve the public interest by enhancing and sustaining the highest standards of customer-focused, ethical professionalism in banking.

### International Compliance Association (ICA)

AICB collaborates with the ICA, a leading global provider of qualifications and training in anti-money laundering, compliance and fraud / financial crime prevention towards jointly awarding professional qualifications in Anti-Money Laundering / Counter Financing of Terrorism (AML / CFT).

### ACI-Financial Markets Association of Malaysia (ACI-FMAM)

In 2017, AICB partnered with ACI-FMAM on the enhanced Pasaran Kewangan Malaysia Certificate (PKMC), which is a professional requirement for dealers and brokers employed in licensed financial institutions and money broking firms. AICB works closely with ACI-FMAM to deliver the PKMC qualification to members.

# FINANCIAL STATEMENTS

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## CORPORATE INFORMATION

### CHAIRMAN

Tan Sri Azman Hashim

### VICE CHAIRMAN

Datuk Abdul Farid Alias

### COUNCIL MEMBERS

Donald Joshua Jaganathan  
Tan Sri Dato' Sri Tay Ah Lek  
Datuk Mohamed Azmi Mahmood  
Datuk Yau Ah Lan @ Fara Yvonne  
Dato' Howard Choo Kah Hoe  
Dato' Khairussaleh Ramli  
Dato' Ong Eng Bin  
Wong Kim Choong  
Lee Lung Nien  
Tengku Dato' Sri Zafrul Tengku Abdul Aziz  
Datuk Maimoonah Mohamed Hussain  
Domenic Fuda  
Abrar Alam Anwar

### 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 has the pleasure of submitting the Council's report and the audited financial statements of the Institute for the financial year ended December 31, 2018.

## 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

	<b>RM</b>
Loss for the financial year	269,987

## 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:

- (a) 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
- (b) 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:

- (a) 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
- (b) which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

# REPORT OF THE COUNCIL

## OTHER STATUTORY INFORMATION (CONT'D)

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

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

In the opinion of the Council:

- (a) no contingent liability 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 its obligations as and when they fall due;
- (b) 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
- (c) 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

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year are amounted to RM21,000.

## 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
  - Domenic Fuda
  - Abrar Alam Anwar

# REPORT OF THE COUNCIL

## COUNCIL AND CONSTITUTIONAL MATTERS (CONT'D)

(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 Members 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 of high standards, 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

# REPORT OF THE COUNCIL

## ORGANISATION AND MANAGEMENT (CONT'D)

### Education Committee (cont'd)

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 the 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

### Audit Committee

The Audit Committee (AC) provides the independent oversight on accounting policies, financial reporting policies, business processes and operational controls. The role of the 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 Alam Anwar

### 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:

- Dato' Ong Eng Bin (Chairman)
- Lee Lung Nien
- Datuk Maimoonah Mohamed Hussain



# REPORT OF THE COUNCIL

## ORGANISATION AND MANAGEMENT (CONT'D)

### 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.

- 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 the 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**

Former Executive Director  
Country Head, Risk Management  
United Overseas Bank (Malaysia) Berhad

#### **Colin A Morrison**

Deputy Chief Executive & Director of Education  
Chartered Banker Institute, UK

#### **Associate Professor Dr Cordelia Mason**

Director of WE4 ASIA / 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 2018, the Institute has a total staff strength of 41.

# REPORT OF THE COUNCIL

## NOMINATION OF COUNCIL MEMBERS

The Institute has received the following nominations for the appointment of Council Members for the 2019 / 2020 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
- Domenic Fuda
- Abrar Alam Anwar

Nominated by the Malaysian Investment Banking Association:

- Datuk Maimoonah Mohamed Hussain
- Lee Jim Leng (nominated on 23 November 2018)

Nominated by the Council:

- Tan Sri Azman Hashim
- 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 MEMBERS

Nomination under Article 66(1)(e) will only be available by 24 April 2019.

## AUDITORS

The total amount of fees paid to or receivable by the Auditors, Messrs Grant Thornton Malaysia, as remuneration for their services as auditor of the Company for the financial year ended 31 December 2018 amounted to RM26,000.

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

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

# REPORT OF THE COUNCIL

## 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 2018.

On behalf of the Council



**TAN SRI AZMAN HASHIM**  
Chairman

Kuala Lumpur  
19 March 2019



**TAN SRI DATO' SRI TAY AH LEK**  
Council Member

## STATEMENT BY THE COUNCIL

In the opinion of the Council Members, the financial statements set out on pages 61 to 96 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, 2018 and of its financial performance and cash flows for the financial year then ended.

On behalf of the Council



**TAN SRI AZMAN HASHIM**  
Chairman

Kuala Lumpur  
19 March 2019



**TAN SRI DATO' SRI TAY AH LEK**  
Council Member

## 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 61 to 96 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 )  
19 March 2019 )



**PRASAD PADMANABAN**

Before me:



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

Commissioner for Oaths

# 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, 2018, 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 61 to 96.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as of December 31, 2018, 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 the 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 information 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.

# INDEPENDENT AUDITORS' REPORT

to the Council of Asian Institute of Chartered Bankers  
(Incorporated in Malaysia)  
Company No: 35880-P

## Responsibilities of the 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.

As part of an audit in accordance with the 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.

# INDEPENDENT AUDITORS' REPORT

to the Council of Asian Institute of Chartered Bankers  
(Incorporated in Malaysia)  
Company No: 35880-P

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

We communicated 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 identified 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  
19 March 2019



**DATO' N K JASANI**  
(NO. 708/03/20(J))

**CHARTERED ACCOUNTANT**

# STATEMENT OF FINANCIAL POSITION

as at December 31, 2018

	Note	2018 RM	2017 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	4	99,143	100,649
Investment in an associate	5	2,249,949	2,249,949
Deferred tax assets	6	778,000	-
Total non-current assets		3,127,092	2,350,598
<b>CURRENT ASSETS</b>			
Receivables	7	5,138,843	1,869,640
Amount due from a related party	8	-	1,073,008
Tax recoverable		684,618	213,075
Short-term fixed deposits with a licensed bank		5,648,231	5,496,231
Cash and bank balances		113,318	52,734
Assets held-for-sale	9	5,812,510	5,812,510
Total current assets		17,397,520	14,517,198
<b>TOTAL ASSETS</b>		<b>20,524,612</b>	<b>16,867,796</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Accumulated fund		(1,461,588)	(1,191,601)
Launching grants	10	687,980	687,980
		(773,608)	(503,621)
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITY</b>			
Deferred tax liabilities	6	-	3,000
<b>CURRENT LIABILITIES</b>			
Payables	11	2,887,652	2,949,684
Prepaid income		3,133,245	3,397,457
Amount due to related parties	8	4,276,475	21,276
Amount due to an associate	12	848	-
Secured zero coupon bonds	13	11,000,000	11,000,000
Total current liabilities		21,298,220	17,368,417
Total liabilities		21,298,220	17,371,417
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,524,612</b>	<b>16,867,796</b>



**TAN SRI AZMAN HASHIM**  
Chairman



**TAN SRI DATO' SRI TAY AH LEK**  
Council Member

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, 2018

	Note	2018 RM	2017 RM
Revenue	14	21,109,966	17,941,163
Other income		619,268	389,843
Employee benefits expense	15	(6,694,394)	(5,949,996)
Depreciation of plant and equipment		(50,131)	(45,298)
Operating expenses		(14,984,709)	(12,335,712)
Profit before tax	16	-	-
Tax (expense) / income	17	(269,987)	206,012
(Loss) / Profit for the financial year		(269,987)	206,012
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive (loss) / income for the financial year		(269,987)	206,012



**TAN SRI AZMAN HASHIM**  
Chairman



**TAN SRI DATO' SRI TAY AH LEK**  
Council Member

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



## STATEMENT OF CHANGES IN EQUITY

for the financial year ended December 31, 2018

	Launching grants RM	Accumulated fund RM	Total RM
Balance at January 1, 2017	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)
Total comprehensive loss for the financial year	-	(269,987)	(269,987)
Balance at December 31, 2018	<b>687,980</b>	<b>(1,461,588)</b>	<b>(773,608)</b>

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

# STATEMENT OF CASH FLOWS

for the financial year ended December 31, 2018

	Note	2018 RM	2017 RM
<b>OPERATING ACTIVITIES</b>			
Profit before tax		-	-
<b>Adjustments for:</b>			
Depreciation of plant and equipment		50,131	45,298
Interest income		(211,724)	(134,920)
Operating loss before working capital changes		(161,593)	(89,622)
Changes in working capital:			
Receivables		(3,269,203)	868,659
Payables		(326,244)	253,468
Cash (used in) / generated from operations		(3,757,040)	1,032,505
Tax paid		(1,522,530)	(2,219,579)
Net cash used in operating activities		(5,279,570)	(1,187,074)
<b>INVESTING ACTIVITIES</b>			
Interest received		211,724	134,920
Increase of investment in an associate		-	(2,000,000)
Purchase of property, plant and equipment		(48,625)	(58,448)
Net cash from / (used in) investing activities		163,099	(1,923,528)
<b>FINANCING ACTIVITIES</b>			
Advance from an associate		848	6,985,413
Advance from / (Repayment to) a related party		5,328,207	(2,499,773)
Net cash from financing activities		5,329,055	4,485,640
<b>CASH AND CASH EQUIVALENTS</b>			
Net changes		212,584	1,375,038
At beginning of financial year		5,548,965	4,173,927
At end of financial year	A	5,761,549	5,548,965

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

## STATEMENT OF CASH FLOWS

for the financial year ended December 31, 2018

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

	2018 RM	2017 RM
Short-term fixed deposits with licensed bank	5,648,231	5,496,231
Cash and bank balances	113,318	52,734
	<b>5,761,549</b>	5,548,965

B. Reconciliation of liability from financing activities:

	1 January RM	Cash flows RM	31 December RM
<b>2018</b>			
Amount due to related parties	21,276	4,255,199	4,276,475
<b>2017</b>			
Amount due to related parties	1,448,041	(1,426,765)	21,276

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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 19 March 2019.

## 2. BASIS OF PREPARATION

### 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 unless otherwise 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 Adoption of New Standards / 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 new standards / amendments / improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2018.

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

#### MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Institute applied MFRS 9 prospectively, with an initial application date of 1 January 2018. The Institute has not restated the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and other components of equity.

The effect of adopting MFRS 9 is on its classification and measurement which are described below.

#### Classification and Measurement

Under MFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the Institute's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Institute's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of MFRS 9 did not have a significant impact to the financial statements. The Institute continued measuring at fair value all financial assets previously held at fair value under MFRS 139. The following are the changes in the classification of the Institute's financial assets:

- Receivables, amounts due from an associate and related party classified as Loans and Receivables as at 31 December 2017 are held to collect contractual cash flows and gave rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.4 Adoption of New Standards / Amendments / Improvements to MFRSs (cont'd)

The Institute has not designated any financial liabilities as at fair value through profit or loss and fair value through other comprehensive income. There are no changes in classification and measurement for the Institute's financial liabilities.

In summary, upon adoption of MFRS 9, the Institute had the following required or elected reclassifications as at 1 January 2018:

	Measurement category		Carrying amount	
	Under MFRS 139	Under MFRS 9	Under MFRS 139	Under MFRS 9
Receivables	Loans and receivables	Amortised costs	1,763,731	1,763,731
Short-term fixed deposits with a licensed bank	Loans and receivables	Amortised costs	5,496,231	5,496,231
Cash and bank balances	Loans and receivables	Amortised costs	52,734	52,734
Amount due from a related party	Loans and receivables	Amortised costs	1,073,008	1,073,008

#### 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 have 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 to the Institute's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Standards Issued but not yet Effective (cont'd)

#### 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, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

Based on the management assessment, the impact of adopting MFRS 16 is immaterial.

### 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 the 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant Accounting Estimates and Judgements (cont'd)

#### 2.6.1 Estimation Uncertainty (cont'd)

##### Useful Lives of Depreciable Assets

Plant and equipment are depreciated on a straight-line basis over their useful life. Management estimates the useful lives of the 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 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.

##### Provision for Expected Credit Losses of Trade Receivables

The Institute uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Institute's historical observed default rates. The Institute will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the professional body sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Institute's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECLs on the Institute's trade receivables is disclosed in Note 19.2.1 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant Accounting Estimates and Judgements (cont'd)

#### 2.6.1 Estimation Uncertainty (cont'd)

##### 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 the 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 the application of income tax legislation.

##### Significant Management Judgement Applied Until 31 December 2017:

##### Impairment of Loans and Receivables

The Institute assesses at the 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant Accounting Estimates and Judgements (cont'd)

#### 2.6.2 Significant Management Judgement

The following is significant management judgement in applying the accounting policies of the Institute that has 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Plant and Equipment

Plant and equipment are initially stated at cost. The cost of an item of 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 plant and equipment, are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of 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 plant and equipment are as follows:

Office furniture and fixtures, equipment and electrical installation	15% - 33½%
Library books	20%
Motor vehicles	20%
Renovation	33%

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

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Plant and Equipment (cont'd)

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 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 plant and equipment.

An item of 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 plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the profit or loss 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 exercises 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, allowance for impairment loss is recognised immediately to reduce the investment to its recoverable amount.

### 3.4 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.5 Financial Instruments

#### 3.5.1 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 are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### 3.5.2 Classification and Subsequent Measurement of Financial Assets

Accounting Policies Applied from 1 January 2018:

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- (a) amortised cost;
- (b) fair value through profit or loss ("FVTPL"); or
- (c) fair value through other comprehensive income ("FVOCI").

In the periods presented the Institute does not have any financial assets categorised as FVOCI and FVTPL.

The classification is determined by both:

- (a) the entity's business model for managing the financial asset; and
- (b) the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.5 Financial Instruments (cont'd)

#### 3.5.2 Classification and Subsequent Measurement of Financial Assets (cont'd)

##### Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- (a) they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- (b) the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Institute's cash and cash equivalents, short term fixed deposits with a licensed bank, receivables and amounts due from an associate and a related party fall into this category of financial instruments.

##### Accounting Policies Applied Until 31 December 2017:

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.5 Financial Instruments (cont'd)

##### 3.5.2 Classification and Subsequent Measurement of Financial Assets (cont'd)

Accounting Policies Applied Until 31 December 2017 (cont'd):

###### 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.

##### 3.5.3 Financial Assets – Impairment

Accounting Policies Applied From 1 January 2018:

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. This replaces MFRS 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under MFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Institute first identifying a credit loss event. Instead, the Institute considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- (a) financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- (b) financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.5 Financial Instruments (cont'd)

#### 3.5.4 Financial Liabilities – Classification and Measurement

As the accounting for financial liabilities remains largely the same under MFRS 9 compared to MFRS 139, the Institute's financial liabilities were not impacted by the adoption of MFRS 9. However, for completeness, the accounting policy is disclosed below.

The Institute's financial liabilities include payables, amount due to a related party and secured zero coupon bond.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Institute designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### 3.5.5 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.

### 3.6 Impairment of Assets

#### 3.6.1 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 Impairment of Assets (cont'd)

##### 3.6.1 Non-Financial Assets (cont'd)

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.

##### 3.6.2 Financial Assets

###### Accounting Policies Applied Until 31 December 2017:

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.



# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Impairment of Assets (cont'd)

#### 3.6.2 Financial Assets (cont'd)

Accounting Policies Applied Until 31 December 2017 (cont'd):

Financial Assets Carried at Amortised Cost (cont'd)

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.

### 3.7 Leases

#### 3.7.1 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.

### 3.8 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.

### 3.9 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.10 Deferred Income

Membership fees received in advance at the reporting date are recognised as prepaid income in the 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.

### 3.11 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.

#### 3.11.1 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).

#### 3.11.2 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.12 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 when 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 is recognised as income.

### 3.13 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. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.14 Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

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

#### 3.15 Employee Benefits

##### 3.15.1 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.

##### 3.15.2 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.

#### 3.16 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.

#### 3.17 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.18 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; or
  - (ii) has significant influence over the Institute; or
  - (iii) 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. PLANT AND EQUIPMENT

Cost	Office furniture and fixtures, equipment and electrical installation RM	Library books RM	Motor vehicles RM	Renovation RM	Total RM
At January 1, 2017	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
Additions	48,625	-	-	-	48,625
At December 31, 2018	<b>2,181,595</b>	-	<b>111,197</b>	<b>1,996,965</b>	<b>4,289,757</b>
<b>Accumulated depreciation</b>					
At January 1, 2017	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
Charge for the financial year	49,033	-	1,098	-	50,131
At December 31, 2018	<b>2,084,191</b>	-	<b>109,458</b>	<b>1,996,965</b>	<b>4,190,614</b>
<b>Net carrying amount</b>					
At December 31, 2017	97,812	-	2,837	-	100,649
At December 31, 2018	<b>97,404</b>	-	<b>1,739</b>	-	<b>99,143</b>

### 5. INVESTMENT IN AN ASSOCIATE

	2018 RM	2017 RM
At cost:		
Unquoted shares in Malaysia	49	49
5% redeemable convertible preference shares	2,249,900	2,249,900
	<b>2,249,949</b>	2,249,949

## NOTES TO THE FINANCIAL STATEMENTS

### 5. INVESTMENT IN AN ASSOCIATE (CONT'D)

The details of associate are as follows:

Name of company	Effective interest		Principal activities
	2018 %	2017 %	
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:

	2018 RM	2017 RM
<b>Financial position</b>		
Non-current assets	1,238,806	1,880,259
Current assets	4,103,825	8,371,320
Non-current liabilities	-	(167,994)
Current liabilities	(4,068,011)	(8,800,087)
Net assets	1,274,620	1,283,498
<b>Summary of financial performance</b>		
Revenue	25,285,064	28,464,445
Net (loss) / income for the financial year / Total comprehensive (loss) / income for the financial year	(8,878)	222,654

### 6. DEFERRED TAX ASSETS / (LIABILITIES)

	2018 RM	2017 RM
At the beginning of the year	(3,000)	(17,149)
Recognised in profit or loss	781,000	14,149
At the end of the year	778,000	(3,000)

The deferred tax assets comprise the following:

Carrying amount of qualifying plant and equipment in excess of their tax base	(5,000)	(3,000)
Others	783,000	-
	778,000	(3,000)

## NOTES TO THE FINANCIAL STATEMENTS

### 7. RECEIVABLES

	2018 RM	2017 RM
Trade receivables	4,420,701	1,713,711
Other receivables	8,000	3,000
Accrued interest	14,984	-
Deposits	47,020	47,020
Prepayments	648,138	105,909
	<b>5,138,843</b>	1,869,640

The normal trade credit terms granted by the Institute to the trade receivables range from current to 30 days (2017: current to 30 days). Other credit terms are assessed and approved on case by case basis.

### 8. AMOUNT DUE FROM / (TO) RELATED PARTIES

	2018 RM	2017 RM
Amount due from a related party		
- Staff Training Fund	-	1,073,008
Amount due to related parties		
- Staff Training Fund	(4,264,019)	-
- STF Resources Sdn Bhd	(12,456)	(21,276)
	<b>(4,276,475)</b>	(21,276)

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

### 9. ASSETS HELD-FOR-SALE

	2018 RM	2017 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 a third party is still subject to documentation and approval processes.



## NOTES TO THE FINANCIAL STATEMENTS

### 10. LAUNCHING GRANTS

The grants were contributed by first members and there is no requirement to repay.

### 11. PAYABLES

	2018 RM	2017 RM
Trade payables	589,988	248,118
Other payables and accruals	1,451,039	1,773,076
Refundable deposit	846,625	846,727
GST payable	-	45,763
	<b>2,887,652</b>	<b>2,949,684</b>

The normal trade credit term granted by suppliers is 30 days (2017: 30 days).

Refundable deposit of RM846,625 (2017: RM846,625) was received under the terms & conditions of the sale and purchase agreement for the disposal of leasehold land and building.

### 12. AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate is non-trade in nature, unsecured and interest-free.

### 13. SECURED ZERO COUPON BONDS

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 and is subject to early redemption by the Institute at par.

### 14. REVENUE

	2018 RM	2017 RM
Qualification	15,504,684	7,698,961
Membership	2,311,782	1,624,054
Publications	45	9,906
Course fees	1,024,836	464,821
Grant from Staff Training Fund	2,268,619	8,143,421
	<b>21,109,966</b>	<b>17,941,163</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. EMPLOYEES BENEFITS EXPENSE

	2018 RM	2017 RM
Salary, bonus and overtime	5,182,226	4,722,298
Defined contribution plan	810,667	713,809
Social security contributions	32,587	24,424
Other staff costs	668,914	489,465
	<b>6,694,394</b>	5,949,996

### 16. PROFIT BEFORE TAX

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

	2018 RM	2017 RM
Auditors' remuneration	26,000	24,000
Fixed deposit interest income	(211,724)	(134,920)
Realised gain on foreign exchange	(29,607)	(7,313)
Rental	-	12,459

### 17. TAX EXPENSE / (INCOME)

	2018 RM	2017 RM
Tax expense:		
Current year provision	99,792	110,303
Under / (Over) provision in prior year	951,195	(302,166)
	<b>1,050,987</b>	(191,863)
Deferred tax:		
Recognised in profit or loss	64,250	(9,000)
Under provision in prior year	(845,250)	(5,149)
	<b>(781,000)</b>	(14,149)
	<b>269,987</b>	(206,012)

## NOTES TO THE FINANCIAL STATEMENTS

### 17. TAX EXPENSE / (INCOME) (CONT'D)

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 before tax with the applicable statutory income tax rate is as follows:

	2018 RM	2017 RM
Profit before tax	-	-
Income tax at statutory rate of 25% (2017: 28%)	-	-
Tax effect in respect of:		
Expenses not deductible for tax purpose	180,042	118,482
Income not subject to tax	-	(1,829)
Under / (Over) provision in prior year	951,195	(302,166)
Tax saving as a result of taxation income	(16,000)	(15,350)
Under recognise of deferred tax assets in prior year	(845,250)	(5,149)
<b>Total tax expense / (income)</b>	<b>269,987</b>	<b>(206,012)</b>

### 18. RELATED PARTY DISCLOSURES

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

	2018 RM	2017 RM
Grants received from a related party		
- Staff Training Fund	2,268,619	8,143,421
Shared services from a related party		
- STF Resources Sdn Bhd	2,058,710	2,189,028

(b) The outstanding balances arising from the related parties transactions as at the reporting date are disclosed in Notes 8 and 12 to the financial statements.

(c) Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly, and entity that provides key management personnel services to the Institute.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 19. FINANCIAL INSTRUMENTS

#### 19.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categories as at 31 December 2018:

(i) **Amortised Cost (“AC”)**

	Carrying amount RM	AC RM
<b>Financial assets</b>		
Receivables	4,490,705	4,490,705
Short-term fixed deposits with a licensed bank	5,648,231	5,648,231
Cash and bank balances	113,318	113,318
	<b>10,252,254</b>	<b>10,252,254</b>
<b>Financial liabilities</b>		
Payables	2,887,652	2,887,652
Amount due to an associate	848	848
Amount due to related parties	4,276,475	4,276,475
Secured zero coupon bonds	11,000,000	11,000,000
	<b>18,164,975</b>	<b>18,164,975</b>

The table below provides an analysis of financial instruments categories as at 31 December 2017:

- (a) Loan and Receivables (“L&R”); and  
(b) Other financial liabilities measured at Amortised Cost (“AC”).

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

# NOTES TO THE FINANCIAL STATEMENTS

## 19. FINANCIAL INSTRUMENTS (CONT'D)

### 19.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categories as at 31 December 2017: (cont'd)

	Carrying amount RM	L&R RM	AC RM
<b>Financial liabilities</b>			
Payables	2,903,921	-	2,903,921
Amount due to a related party	21,276	-	21,276
Secured zero coupon bonds	11,000,000	-	11,000,000
	13,925,197	-	13,925,197

### 19.2 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 3.5.2 and 3.5.4 to the financial statements respectively. The main types of risks are credit risk, liquidity risk and interest rate risk.

The 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.

#### 19.2.1 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 a licensed bank, cash and bank balances, the Institute minimises credit risk by dealing with reputable financial institutions.

##### (a) Trade Receivables

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

# NOTES TO THE FINANCIAL STATEMENTS

## 19. FINANCIAL INSTRUMENTS (CONT'D)

### 19.2 Financial Risks Management (cont'd)

#### 19.2.1 Credit Risk (cont'd)

##### (a) Trade Receivables (cont'd)

###### 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:

	2018 RM	2017 RM
Trade receivables	4,420,701	1,713,711

###### 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 a single counterparty. Approximately 15% (2017: 15%) of trade receivables were due from 1 (2017: 1) bank.

###### Recognition and Measurement of Impairment Loss

In managing the credit risk of trade receivables, the Institute manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days.

The Institute uses an allowance matrix to measure ECLs of trade receivables.

Loss rates are based on actual credit loss experience over the past three years. Historically, the Institute's loss arising from credit risk is negligible. However, the Institute also considers the following factors for ECL calculation:

- (i) Repayment pattern of receivables;
- (ii) historical default risk; and
- (iii) the Institute's view of economic conditions over the expected useful lives of the trade receivables.

Nevertheless, the Institute believes that these factors are immaterial for the purpose of impairment calculation for the year.

The Institute's ECL rate is Nil throughout the reporting period as the Institute does not expect any credit losses arising from the trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

## 19. FINANCIAL INSTRUMENTS (CONT'D)

### 19.2 Financial Risks Management (cont'd)

#### 19.2.1 Credit Risk (cont'd)

##### (a) Trade Receivables (cont'd)

Comparative Information Under MFRS 139

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

<b>Gross / Net</b>	<b>2017 RM</b>
Not past due	482,214
Past due 0-30 days	680,312
Past due 31-60 days	49,573
Past due 61-90 days	229,043
Past more than 91 days	272,569
<b>Total</b>	<b>1,713,711</b>

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.

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

As at financial year end 31 December 2017, trade receivables of RM1,231,497 were past due but not impaired. These relate to a number of independent financial institutions for whom there is no recent history of default.

##### (b) Intercompany Balance

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

##### (c) 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 19. FINANCIAL INSTRUMENTS (CONT'D)

#### 19.2 Financial Risks Management (cont'd)

##### 19.2.1 Credit Risk (cont'd)

###### (d) Other Receivables

As at the end of the reporting period, the maximum exposure to credit risks is represented by the following amount:

	2018 RM	2017 RM
Deposits, accrued interest and other receivables	70,004	50,020

Credit risk on other receivables is considered negligible as they are mainly arising from deposits paid which is refundable.

##### 19.2.2 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.

###### Analysis of Financial Instruments by Remaining Contractual Maturities

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

	On demand or within 1 year RM	Total RM
<b>2018</b>		
Payables	2,887,652	2,887,652
Amount due to an associate	848	848
Amount due to related parties	4,276,475	4,276,475
Secured zero coupon bonds	11,000,000	11,000,000
	18,164,975	18,164,975



# NOTES TO THE FINANCIAL STATEMENTS

## 19. FINANCIAL INSTRUMENTS (CONT'D)

### 19.2 Financial Risks Management (cont'd)

#### 19.2.2 Liquidity Risk (cont'd)

##### Analysis of Financial Instruments by Remaining Contractual Maturities (cont'd)

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

	<b>On demand or within 1 year RM</b>	<b>Total RM</b>
<b>2017</b>		
Payables	2,903,921	2,903,921
Amount due to a related party	21,276	21,276
Secured zero coupon bonds	11,000,000	11,000,000
	<b>13,925,197</b>	<b>13,925,197</b>

#### 19.2.3 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.

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:

	<b>2018 RM</b>	<b>2017 RM</b>
<b>Fixed rate instrument</b>		
<u>Financial asset</u>		
Short-term fixed deposits with a licensed bank	<b>5,648,231</b>	5,496,231

## NOTES TO THE FINANCIAL STATEMENTS

### 19. FINANCIAL INSTRUMENTS (CONT'D)

#### 19.3 Fair Value of Financial Instrument

##### 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.

The carrying amounts of short term receivables and payables, 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 the 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 of this investment in the near future.

### 20. CAPITAL MANAGEMENT

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.

# APPENDIX

List of Corporate Members as at 31 December 2018



## REGULATORS

- 1 Bank Negara Malaysia
- 2 Labuan Financial Services Authority (Labuan FSA)
- 3 Perbadanan Insurans Deposit Malaysia

## COMMERCIAL BANKS / BANKING AND FINANCE COMPANIES (BAFIN)

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1 Affin Bank Berhad</li> <li>2 Alliance Bank Malaysia Berhad</li> <li>3 AmBank (M) Berhad</li> <li>4 Bangkok Bank Berhad</li> <li>5 Bank of America Malaysia Berhad</li> <li>6 Bank of China (Malaysia) Berhad</li> <li>7 BNP Paribas Malaysia Berhad</li> <li>8 China Construction Bank (Malaysia) Berhad</li> <li>9 CIMB Bank Berhad</li> <li>10 Citibank Berhad</li> </ol> | <ol style="list-style-type: none"> <li>11 Deutsche Bank (Malaysia) Berhad</li> <li>12 Hong Leong Bank Berhad</li> <li>13 HSBC Bank Malaysia Berhad</li> <li>14 India International Bank (Malaysia) Berhad</li> <li>15 Industrial And Commercial Bank of China (Malaysia) Berhad</li> <li>16 J. P. Morgan Chase Bank Berhad</li> <li>17 Malayan Banking Berhad</li> <li>18 Mizuho Bank (Malaysia) Berhad</li> <li>19 MUFG Bank (Malaysia) Berhad</li> <li>20 OCBC Bank (Malaysia) Berhad</li> <li>21 Public Bank Berhad</li> <li>22 RHB Bank Berhad</li> <li>23 Standard Chartered Bank Malaysia Berhad</li> <li>24 Sumitomo Mitsui Banking Corporation Malaysia Berhad</li> <li>25 The Bank of Nova Scotia Berhad</li> <li>26 United Overseas Bank (Malaysia) Berhad</li> </ol> |
|--|---|

## APPENDIX

List of Corporate Members as at 31 December 2018

### DEVELOPMENT FINANCIAL INSTITUTIONS

- 1 Bank Kerjasama Rakyat Malaysia Berhad
- 2 Bank Pembangunan Malaysia Berhad
- 3 Bank Pertanian Malaysia Berhad (Agrobank)
- 4 Bank Simpanan Nasional
- 5 Credit Guarantee Corporation Malaysia Berhad
- 6 Export-Import Bank of Malaysia Berhad
- 7 Malaysian Industrial Development Finance Berhad
- 8 Sabah Development Bank Berhad
- 9 Small Medium Enterprise Development Bank Malaysia Berhad

### ISLAMIC BANKS

- 1 Affin Islamic Bank Berhad
- 2 Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
- 3 Bank Islam Malaysia Berhad
- 4 Bank Muamalat Malaysia Berhad
- 5 CIMB Islamic Bank Berhad
- 6 Hong Leong Islamic Bank Berhad
- 7 Kuwait Finance House (Malaysia) Berhad
- 8 MBSB Bank Berhad
- 9 RHB Islamic Bank Berhad

### INVESTMENT BANKS

- 1 Affin Hwang Investment Bank Berhad
- 2 Alliance Investment Bank Berhad
- 3 AmInvestment Bank Berhad
- 4 CIMB Investment Bank Berhad
- 5 Hong Leong Investment Bank Berhad
- 6 KAF Investment Bank Berhad
- 7 Kenanga Investment Bank Berhad
- 8 Maybank Investment Bank Berhad
- 9 Public Investment Bank Berhad
- 10 RHB Investment Bank Berhad

### LABUAN OFFSHORE BANKS

- 1 Bank Islam Malaysia Berhad, Labuan Offshore Branch
- 2 BNP Paribas, Labuan Branch
- 3 CIMB Bank (L) Limited
- 4 City Credit Investment Bank Limited
- 5 DBS Bank Ltd, Labuan Branch
- 6 European Credit Investment Bank Ltd
- 7 Maybank International Labuan Branch
- 8 Middle East Investment Bank Limited
- 9 MUFG Bank Limited, Labuan Branch
- 10 Oversea-Chinese Banking Corporation Limited
- 11 Public Bank (L) Ltd
- 12 RHB Bank (L) Ltd
- 13 The Hongkong and Shanghai Banking Corporation Limited
- 14 United Overseas Bank Limited

### LABUAN TRUST COMPANIES

- 1 Hans Advisory & Trust Co Ltd
- 2 Kensington Trust Labuan Limited
- 3 Noblehouse International Trust Ltd
- 4 Shearn Skinner Trust Company Ltd

### MONEY BROKERS

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

### OTHER FINANCE-RELATED INSTITUTIONS

- 1 Cagamas Berhad
- 2 Danajamin Nasional Berhad
- 3 E2 Power Sdn Bhd
- 4 Ombudsman For Financial Services

**ASIAN INSTITUTE OF CHARTERED BANKERS**

Company No. 35880-P  
(Incorporated in Malaysia)

**FORM OF PROXY**

Individual Member Form of Proxy  
For the 41<sup>st</sup> Annual General Meeting



I, \_\_\_\_\_  
(Full Name of Individual Member)

of \_\_\_\_\_  
(Full Address)

being a Member of the 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 41<sup>st</sup> Annual General Meeting of the Institute to be held on **Wednesday, 29 May 2019 at 5.30 p.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.	Appointment of Messrs Ernst & Young as auditors of the Institute in place of the outgoing auditors, Messrs Grant Thornton Malaysia, and to authorise the Council to determine their remuneration.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Signature of Member

**Notes:**

- Every Member entitled to attend and vote at this Meeting is also entitled to appoint a proxy to attend and vote in his / her stead at the Meeting.
- No member shall be entitled to vote on any question either personally or by proxy at the Meeting of the Institute or a poll who does not carry voting rights and whose subscription is overdue for three months.
- Only Associates, Associate Fellows, Chartered Bankers, Fellows and Life whose names appear in the Membership Register of the Institute as at 27 May 2019 shall be regarded as entitled to vote at the Meeting. The Membership Register of the Institute is available for inspection at the Institute's registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
- The instrument appointing a proxy shall be in writing under the hand of the appointer.
- The instrument appointing the proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Institute's registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof.

**ASIAN INSTITUTE OF CHARTERED BANKERS**

Company No. 35880-P  
(Incorporated in Malaysia)

**FORM OF NOMINEE**

Corporate Member Form of Nominee  
For the 41<sup>st</sup> 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 our behalf at the 41<sup>st</sup> Annual General Meeting of the Institute to be held on **Wednesday, 29 May 2019 at 5.30 p.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.	Appointment of Messrs Ernst & Young as auditors in place of the outgoing auditors, Messrs Grant Thornton Malaysia, and to authorise the Council to determine their remuneration.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Signature and Common Seal

**Notes:**

- Every Corporate Member entitled to attend and vote at this Meeting is also entitled to nominate a corporate representative to attend and vote in its stead at the Meeting.
- No Corporate Member shall be entitled to vote on any question by a corporate representative at the Meeting of the Institute or a poll who does not carry voting rights and whose subscription is overdue for three months.
- Only Corporate Members whose names appear in the Membership Register of the Institute as at 27 May 2019 shall be regarded as entitled to vote at the Meeting. The Membership Register of the Institute is available for inspection at the Institute's registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
- The instrument nominating a corporate representative from a Corporate Member must be either under seal or under the hand of the officer or attorney duly authorised.
- The instrument nominating one corporate representative together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Institute's registered address, Wisma IBI, 5 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof.





[www.aicb.org.my](http://www.aicb.org.my)

**ASIAN INSTITUTE OF CHARTERED BANKERS (35880-P)**

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



# EMPOWERING BANKERS, HONORING BOUNDARIES, AND REPORTING THE TRUTH