



LAPORAN TAHUNAN  
ANNUAL REPORT  
2014

## MEMBIAYAI RANTAIAN NILAI PERTANIAN

Financing the Agriculture Value Chain

# RASIONAL MUKA HADAPAN **COVER RATIONALE**

Tema Laporan Tahunan Agrobank 2014, "Membiayai Rantaian Nilai Pertanian" mencerminkan peranan Agrobank dalam menyediakan pembiayaan kepada keseluruhan rantaian nilai pertanian, serta menyumbang kepada pertumbuhan ekonomi negara sebagaimana dimandatkan kepada Bank.

Rekaan muka depan mewakili pelbagai elemen dalam ekonomi Malaysia yang sedia diberikan khidmat oleh Agrobank demi menyokong pembangunan industri komersial pertanian yang berkesan. Ia juga menandakan evolusi Bank ke arah menjadi institusi kewangan Islam sepenuhnya di samping berusaha untuk menyediakan perkhidmatan terbaik kepada pelanggan berlandaskan wawasan Malaysia untuk menjadi pemimpin kewangan Islam terkemuka.

Bermula daripada keperluan hiliran sektor pertanian hingga kepada aktiviti huluau bagi perusahaan bersaiz kecil dan sederhana yang memperkasakan negara, Agrobank menawarkan penyelesaian yang sesuai bagi setiap keperluan perniagaan justeru melengkapkan rantaian nilai ekonomi. Tidak kira sama ada anda pemilik perniagaan mikro yang baru memulakan perjalanan ke arah impian anda atau peneraju di arena global yang telah menempa nama, Agrobank akan sentiasa di sisi anda dalam perjalanan anda menuju kejayaan.

The theme of Agrobank's Annual Report 2014, "Financing the Agriculture Value Chain" depicts Agrobank's role in providing financing to the full value chain, while contributing to the growth of the Malaysian economy as befits the Bank's mandated role.

The cover design represents the various elements of the Malaysian economy in which Agrobank stands ready to serve in supporting the development of an effective agriculture industry. It also marks the Bank's evolution towards becoming a full-fledged Islamic finance institution as it strives to provide the best services to customers, guided by Malaysia's vision to be a leader in Islamic finance.

From the downstream needs of the agriculture sector to the upstream activities of the small and medium-sized enterprises powering the nation, Agrobank offers solutions for every business need to complete the economic value chain. Whether you are a micro-business owner just embarking on your dream or a global champion already making your mark, Agrobank will always be by your side on your journey towards success.

Agrobank – Sentiasa Di Sisi Anda

# 2014

MAKLUMAT PENTING  
KEY HIGHLIGHTS

PENDAPATAN OPERASI / OPERATING REVENUE

**RM760.7M**

EKUITI PEMEGANG SAHAM / SHAREHOLDERS' EQUITY

**RM2,450.2M**

JUMLAH AKSET / TOTAL ASSETS

**RM11,996.0M**

JUMLAH KAKITANGAN / TOTAL EMPLOYEES

**3,347**

NISBAH PEMBIAYAAN KASAR BAGI SETIAP KAKITANGAN /  
GROSS FINANCING PER EMPLOYEE

**RM2.1M**

DEPOSIT BAGI SETIAP KAKITANGAN /  
DEPOSITS PER EMPLOYEE

**RM2.0M**



# PRODUK & PERKHIDMATAN KAMI

## OUR PRODUCTS & SERVICES



### PEMBIAYAAN PERNIAGAAN BUSINESS FINANCING

Machinery and Equipment Financing-*i* (MAEF-*i*),  
Agro Cash Line-*i*, Pembiayaan Mikro,  
Pembiayaan Berjangka-*i* & lain-lain

*Machinery and Equipment Financing-*i* (MAEF-*i*),  
Agro Cash Line-*i*, Micro Financing,  
Term Financing-*i* & others*



### PEMBIAYAAN PERDAGANGAN TRADE FINANCE

Jaminan Bank, Surat Kredit-*i*, Pembiayaan Modal Kerja  
Perdagangan-*i*, Resit Amanah Murabahah &  
Jaminan Perkapalan-*i*

*Bank Guarantee-*i*, Letter of Credit-*i*, Trade Working Capital  
Financing-*i*, Murabahah Trust Receipt &  
Shipping Guarantee-*i**



## DEPOSIT DEPOSITS

Akaun Simpanan, Deposit Pulangan Tetap & GIRO  
*Saving Accounts, Fixed Return Deposits & GIRO*



## PERKHIDMATAN SERVICES

Bayaran Bil, Ejen Kutipan Zakat, Surat  
Wasiat, AgroMotor Takaful,  
Takaful Kasih Plus & lain-lain

*Bill Payment, Zakat Collection Agent, Will  
Writing, AgroMotor Takaful,  
Takaful Kasih Plus & others*

## PEMBIAYAAN PENGGUNA CONSUMER FINANCING

AgroCash-i, Hartani-i & Ar Rahnu



## PERBANKAN INTERNET & ELEKTRONIK INTERNET & ELECTRONIC BANKING

AgroNet, AgroNetBiz,  
CDM, ATM, AGROAgent

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RINGKASAN KEWANGAN  
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PERUTUSAN PRESIDEN / KETUA  
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AKTIVITI 2014  
2014 ACTIVITIES

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### MAKLUM BALAS

Kami mengalu-alukan maklum balas anda untuk memastikan bahawa kami menangani perkara-perkara yang penting kepada anda. Sila layari [www.agrobank.com.my](http://www.agrobank.com.my) atau e-melkan kepada [corpcomm@agrobank.com.my](mailto:corpcomm@agrobank.com.my) untuk borang maklum balas, atau imbas kod QR dengan telefon pintar anda.

#### 1 DAPATKAN

Muat turun aplikasi "QR Reader Kod" daripada Google Play (Android Market), BlackBerry AppWorld, App Store (iOS / iPhone) atau Windows Phone Marketplace.

#### 2 AKTIFKAN

Aktifkan aplikasi QR Reader Kod dan imbas kod QR.

#### 3 AKSES

Dapatkan akses kepada borang maklum balas.

### FEEDBACK

We welcome your feedback to make sure we are addressing the issues that matter to you. Go to [www.agrobank.com.my](http://www.agrobank.com.my) or email [corpcomm@agrobank.com.my](mailto:corpcomm@agrobank.com.my) for the feedback form, or scan the QR code with your smartphone.

#### 1 GET IT

Download the "QR Code Reader" app on Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Marketplace.

#### 2 RUN IT

Run the QR Code Reader app and point your camera at the QR Code.

#### 3 ACCESS IT

Get access to the feedback form.

“

Sebagai syarikat yang terlibat dengan proses mengimport dan mengedarkan daging halal segar dan sejuk beku, adalah penting bagi syarikat kami untuk dilengkapi dengan kemudahan yang sesuai untuk memastikan kami dapat membekalkan produk yang paling segar. Terima kasih kepada kemudahan pembiayaan perdagangan daripada Agrobank, kami kini mampu menguruskan sumber kewangan kami dengan lebih baik dan memperuntukkan dana dalaman yang berlebihan bagi membina kemudahan gudang sejuk beku. ZS Armin Sdn. Bhd. kini merupakan satu-satunya pengimport bumiputera dan pembekal langsung daging halal di Malaysia. Kini kami beroperasi dengan 10 bilik sejuk beku dengan kapasiti yang mampu menguruskan 50 kontena daging pada satu-satu masa.

*As a company involved in the importation and distribution process of fresh and frozen halal meat, it is important that our company is equipped with the appropriate facilities to ensure we supply the freshest products. Thanks to trade finance facilities from Agrobank, we are able to better manage our financial resources and allocate excess internal funding to build our cold-room warehousing facilities. ZS Armin Sdn. Bhd. is currently the only bumiputera importer and direct distributor of halal meat in Malaysia. We currently operate 10 cold rooms with the capacity to handle 50 containers of meat at a time.*

”

# ZS ARMIN SDN. BHD.

**En. Shamsuri bin Mohd Yusof, Director | En. Zulkifli bin Abd Ghani, Director**

Pelanggan Agrobank sejak 2014 | Agrobank's client since 2014



## NILAI TERAS / CORE VALUES

P A T R I O T

Profesionalisme <i>Professionalism</i>	Sikap Positif <i>Positive Attitude</i>	Kerja Berpasukan <i>Teamwork</i>	Hormat-Menghormati <i>Respect</i>	Integriti <i>Integrity</i>	Komunikasi Terbuka <i>Open Communication</i>	Menepati Masa <i>Timeliness</i>
Perkhidmatan Berkualiti <i>Quality Service</i>	Berfikiran Terbuka <i>Open-Minded</i>	Bersatu <i>United</i>	Hormat <i>Honour</i>	Kejujuran <i>Honest</i>	Telus <i>Transparent</i>	Pelaksanaan yang Menepati Masa <i>Timely Execution</i>
Berhemah <i>Prudent</i>	Optimis <i>Optimistic</i>	Kerjasama <i>Cooperation</i>	Kesamarataan <i>Equality</i>	Amanah <i>Trustworthy</i>	Membina <i>Constructive</i>	
Berorientasikan Perniagaan yang Mampan <i>Oriented in Sustainable Business</i>	Berdisiplin <i>Disciplined</i>	Komitded <i>Committed</i>				
	Bertanggungjawab <i>Responsible</i>					

## MATLAMAT KAMI / OUR GOALS

**BANK PENERAJU DENGAN FOKUS KEPADA PERTANIAN**  
**A LEADING BANK WITH A FOCUS ON AGRICULTURE**

**PERBANKAN ISLAM SEPENUHNYA PADA 2015**  
**FULL-FLEDGED ISLAMIC BANKING IN 2015**

Rangkuman Kewangan  
*Financial Inclusion*

Tumpuan Kepada Mikro/  
PKS  
*Focus On Micros/SMEs*

Memperkasa Modal Insan  
*Strengthen Human Capital*

Meningkatkan Pakatan Strategik  
*Improve Strategic Alliances*

Memanfaatkan Kemajuan Teknologi  
*Capitalise On Technological Advancements*

Peluang/ Bidang Pertumbuhan Baharu  
*New Opportunities/Growth Areas*

**INFRASTRUKTUR/SISTEM INFRASTRUCTURE/SYSTEMS**

**PROSES DALAMAN INTERNAL PROCESSES**

**PENGURUSAN TRANSFORMASI TRANSFORMATION MANAGEMENT**



## Visi

Untuk menjadi sebuah Bank yang menerajui bidang perbankan dengan fokus kepada pertanian

## Misi

Menyediakan perkhidmatan kewangan yang lengkap mengikut kehendak pasaran dan pelanggan, dengan kewangan yang mampan untuk keperluan sasar tertentu:

- Usahawan Tani
- Usahawan mikro, kecil dan sederhana
- Individu persendirian

## Objektif

- Menggalakkan pembangunan pertanian Malaysia yang kukuh
- Menyelaras dan menyelia pemberian kredit daripada dana awam untuk tujuan pertanian oleh pelbagai pihak atau syarikat sama ada diperbadankan atau tidak
- Menyediakan pembiayaan, pendahuluan dan kemudahan kredit untuk pembangunan pertanian dan perniagaan berkaitan pertanian
- Untuk menggembung simpanan dengan perhatian khusus kepada sektor pertanian dan demi mencapai objektif ini, menerima simpanan dan deposit berjangka
- Meningkatkan kesejahteraan komuniti pertanian
- Melaksanakan perniagaan am institusi perkhidmatan kewangan yang moden dan progresif yang menyediakan keperluan kewangan menyeluruh kepada pelanggannya

## Vision

To be a leading Bank with a focus on agriculture

## Mission

To provide market and client-driven financial services in a financially sustainable way with specific target groups such as:

- Agropreneurs
- Micro, small and medium entrepreneurs
- Private individuals

## Objectives

- To promote Malaysia's sound agricultural development
- To co-ordinate and supervise the grant of credit from public funds for agricultural purposes by individuals or companies whether incorporated or non-incorporated
- To provide financing, advances, and other credit facilities for the development of agriculture sector and agriculture related business
- To mobilise savings with particular regard to the agricultural sector and in furtherance of this objective to accept savings and time deposits
- To uplift the well-being of the agricultural community
- To carry on the general business of a modern and progressive financial services institution catering for the total financial needs of its customers



# LATAR BELAKANG *ABOUT AGROBANK*

Penubuhan Bank Pertanian Malaysia (BPM) pada tahun 1969 bertujuan untuk membiayai projek pengairan bagi membolehkan tanaman padi dwi musim dilaksanakan di negeri Kedah dan Perlis yang dikenali sebagai kawasan Lembaga Kemajuan Pertanian Muda (MADA).

*Bank Pertanian Malaysia (BPM) was established in 1969 to finance irrigation projects to accommodate double cropping for paddy planting in Kedah and Perlis, known as the Muda Agricultural Development Authority (MADA) area.*



Penubuhan Bank Pertanian Malaysia untuk menyediakan bantuan kredit kepada petani disusuli dengan pembukaan dua buah cawangan, yang pertama di Alor Setar, Kedah pada bulan April 1970 dan selanjutnya di Kota Bharu, Kelantan. Pada tahun 1980, BPM muncul sebagai penyedia perkhidmatan kredit terbesar kepada sektor pertanian luar bandar.

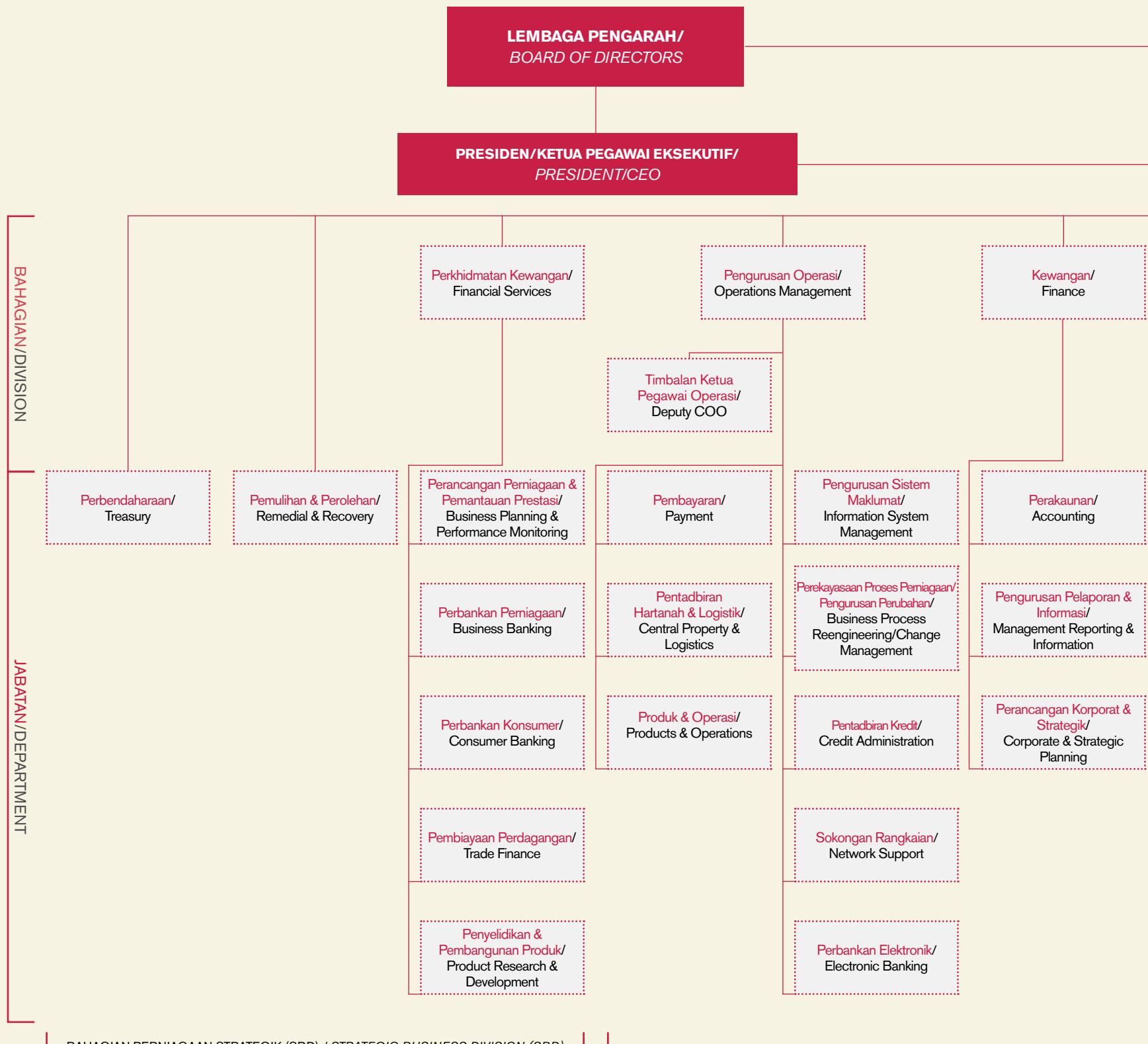
Apabila Akta BPMB diuluskan pada 19 Disember 2007, BPM diperbadankan di bawah Akta Syarikat 1965 dan dikenali dengan nama komersial Agrobank. Ia merupakan syarikat milik Kerajaan di bawah pengawasan Kementerian Kewangan. Dengan tumpuan kepada pertanian, pembiayaan Bank dalam sektor pertanian berpandukan kepada dasar yang ditetapkan oleh Kementerian Pertanian dan Industri Asas Tani. Kini Agrobank mempunyai 190 buah cawangan di seluruh Malaysia dengan 3,347 orang kakitangan.

*Following its establishment to provide credit assistance to farmers, Bank Pertanian Malaysia opened two branches, the first in Alor Setar, Kedah in April 1970 and the second in Kota Bharu, Kelantan. By 1980, BPM had emerged as the largest credit service provider to the rural agriculture sector.*

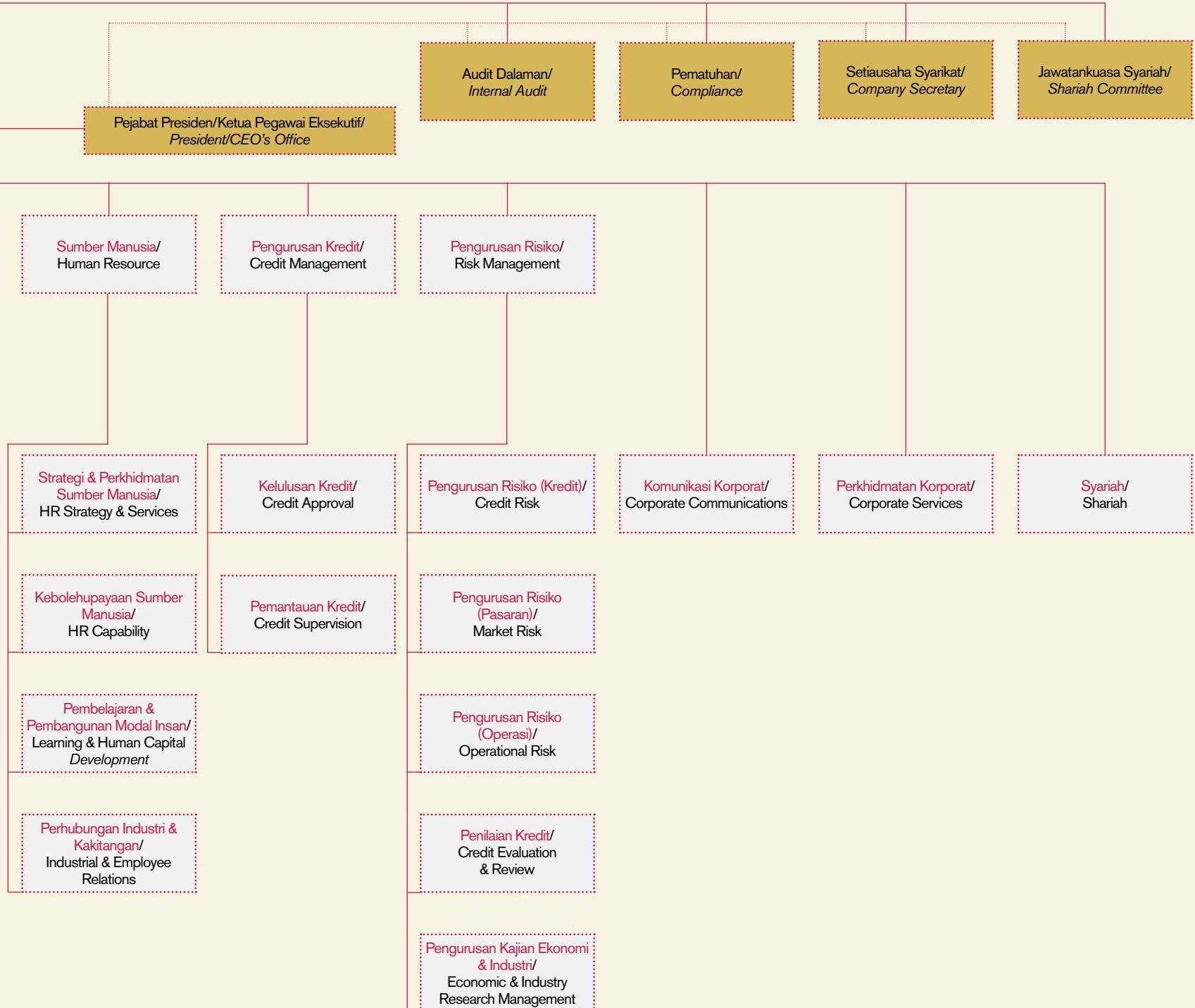
*Upon the passing of the BPMB Bill on 19 December 2007, BPM was corporatised under the Companies Act 1965 and commercially known as Agrobank, a Government-owned bank under the purview of the Ministry of Finance. Focusing on agriculture, the bank's financing of the agriculture sector is guided by policies determined by the Ministry of Agriculture and Agro-based Industries. Agrobank currently has 190 branches throughout Malaysia with 3,347 employees.*

# STRUKTUR ORGANISASI

## ORGANISATIONAL STRUCTURE



## STRUKTUR ORGANISASI ORGANISATIONAL STRUCTURE



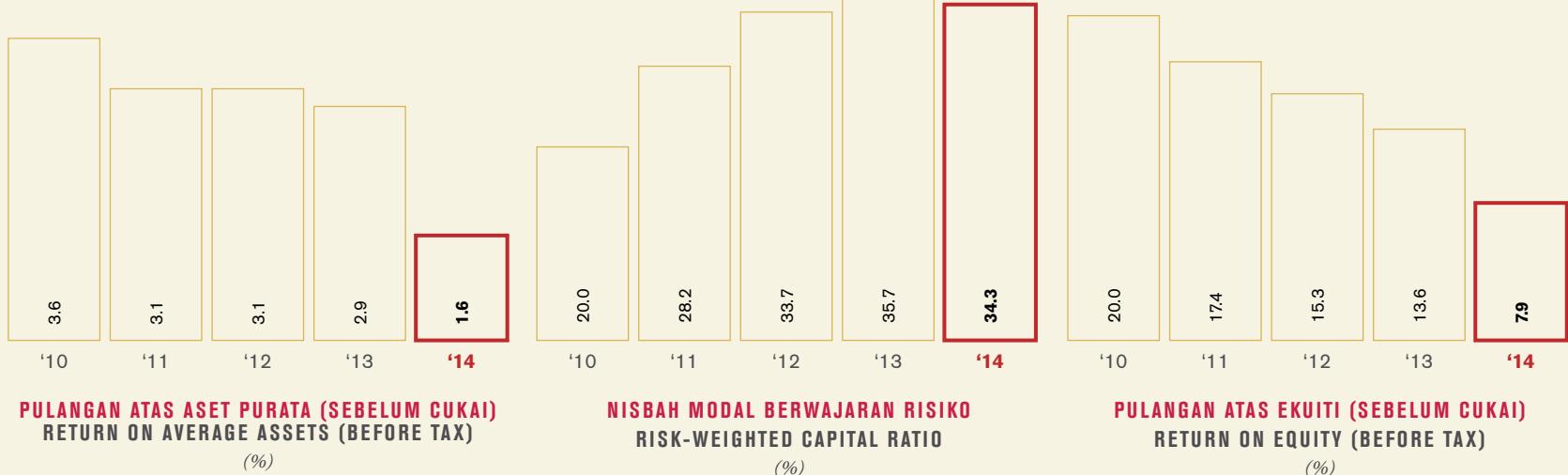
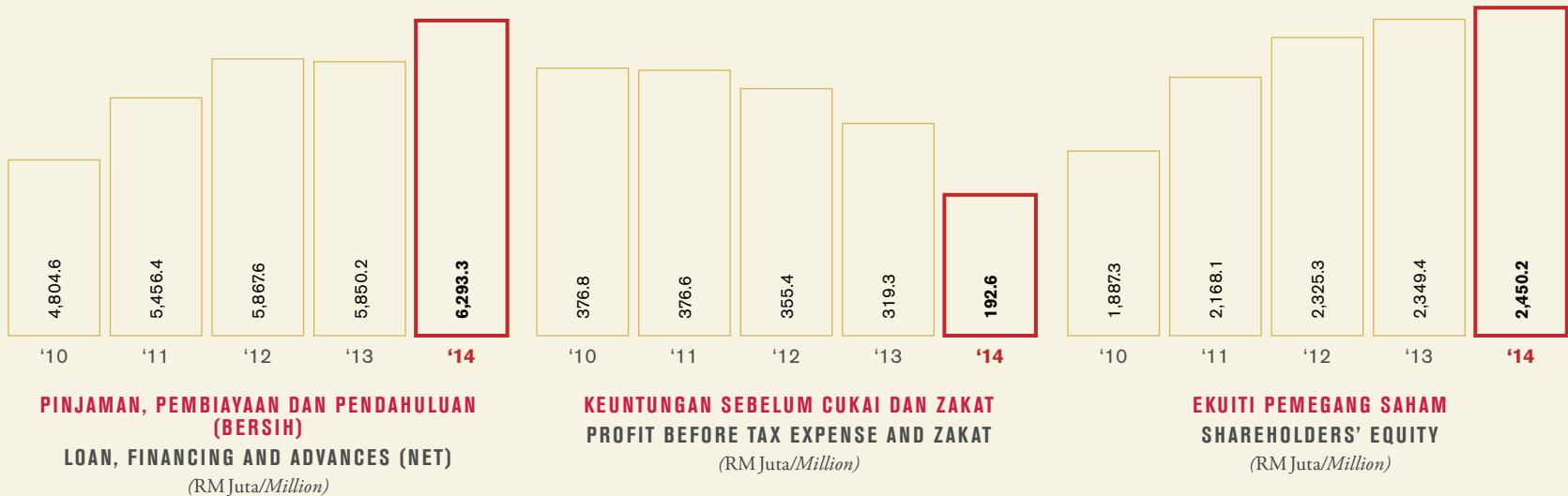
# SOROTAN KEWANGAN

## FINANCIAL HIGHLIGHTS

Tahun berakhir 31 Disember / Year ended 31 December	2014	2013	2012	2011	2010
<b>KEUNTUNGAN (RM juta) / PROFITABILITY (RM million)</b>					
Pendapatan operasi / Operating revenue	760.7	889.1	1,057.5	768.2	858.4
Keuntungan operasi / Operating profit	204.5	338.3	410.0	305.3	449.4
Keuntungan sebelum cukai dan zakat / Profit before tax expense and zakat	192.6	319.3	355.4	376.6	376.8
<b>DATA PENTING PENYATA KEDUDUKAN KEWANGAN (RM juta) / KEY STATEMENT OF FINANCIAL POSITION DATA (RM million)</b>					
Jumlah aset / Total assets	11,996.0	11,138.7	11,461.4	12,111.1	10,570.4
Pinjaman, pembiayaan dan pendahuluan (bersih) / Loan, financing and advances (net)	6,293.3	5,850.2	5,867.6	5,456.4	4,804.6
Jumlah liabiliti / Total liabilities	9,545.8	8,789.3	9,136.1	9,943.0	8,683.2
Deposit dan simpanan pelanggan / Deposits from customers	6,854.3	6,594.6	6,863.2	7,546.5	6,452.8
Modal berbayar / Paid-up capital	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Ekuiti pemegang saham / Shareholders' equity	2,450.2	2,349.4	2,325.3	2,168.1	1,887.3
Komitmen dan luar jangka / Commitments and contingencies	572.7	660.3	859.0	418.2	395.5
<b>NISBAH KEWANGAN (%) / FINANCIAL RATIO (%)</b>					
Nisbah Keuntungan / Profitability Ratios					
Pulangan atas ekuiti (sebelum cukai) / Return on equity (before tax)	7.9	13.6	15.3	17.4	20.0
Pulangan atas aset purata (sebelum cukai) / Return on average assets (before tax)	1.6	2.9	3.1	3.1	3.6
Nisbah kos kepada pendapatan / Cost to income ratio	62.7	50.0	45.4	44.1	38.2
Nisbah Kualiti Aset / Asset Quality Ratios					
Nisbah pembiayaan kepada deposit / Financing to deposit ratio	74.9	76.0	74.4	64.5	66.8
Nisbah pembiayaan terjejas kasar / Gross impaired financing ratio	9.3	10.0	12.4	14.7	22.1
Perlindungan kerugian pembiayaan / Financing loss coverage	91.2	85.3	77.5	78.3	62.0
Nisbah Kecukupan Modal / Capital Adequacy Ratios					
Sebelum menolak dividen yang dicadangkan / Before deducting proposed dividends					
Nisbah modal teras / Core capital ratio	28.9	29.9	28.1	21.9	17.8
Nisbah modal berwajaran risiko / Risk-weighted capital ratio	34.3	35.7	33.7	28.2	20.0
Asas modal (RM juta) / Capital base (RM million)	2,873.6	2,743.8	2,568.3	2,237.1	1,518.5
Modal kumpulan 1 (RM juta) / Tier 1 capital (RM million)	2,417.7	2,298.6	2,139.0	1,738.0	1,347.1
Modal kumpulan 2 (RM juta) / Tier 2 capital (RM million)	455.9	445.2	429.3	499.1	171.4
<b>NISBAH PRODUKTIVITI / PRODUCTIVITY RATIOS</b>					
Bilangan kakitangan / No. of employees	3,347	3,488	3,488	3,181	2,954
Pembiayaan kasar bagi setiap kakitangan (RM juta) / Gross financing per employee (RM million)	2.1	1.8	1.9	1.9	1.9
Deposit bagi setiap kakitangan (RM juta) / Deposits per employee (RM million)	2.0	1.9	2.0	2.4	2.2
Keuntungan sebelum cukai bagi setiap kakitangan (RM juta) / Profit before tax per employee (RM million)	0.1	0.1	0.1	0.1	0.1

# RINGKASAN KEWANGAN LIMA TAHUN

## FIVE-YEAR FINANCIAL SUMMARY





“

Syarikat kami terlibat secara khusus dalam membekal dan mengedar barang keperluan seperti beras, tepung, gula dan garam. Selain mengedarkan produk-produk kami sendiri, kami juga menyediakan perkhidmatan pembungkusan bagi pelbagai jenama dan gred beras untuk pemberong-pemberong lain. Dengan pembiayaan perdagangan daripada Agrobank, kami bukan sahaja boleh memastikan syarikat berjalan lancar malah turut memberikan penjimatan kos kepada rangkaian rakan kongsi kami dan juga para pengguna.

*Our company is principally engaged in the supply and distribution of essential commodities like rice, flour, sugar and salt. Aside from distribution of our own products, we also provide packaging services for various brands and grades of rice for other wholesalers. With trade financing from Agrobank, we are not only able to ensure the smooth running of our business, but to also pass on cost savings to our network of partners and the end consumers.*

”

# CAPITAL ROUTE SDN. BHD.

**Mr. Ter Thiam Sim, Director**

Pelanggan Agrobank sejak 2014 | Agrobank's client since 2014



# PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

Dengan nama Allah, yang Maha Pemurah, yang Maha Mengasihani  
In the name of Allah, the Most Beneficent, the Most Merciful

السلام عليكم ورحمة الله وبركاته



**TAN SRI FAIZAH MOHD TAHIR**

Pengerusi Bebas Bukan Eksekutif / Independent Non-Executive Chairman

## PERUTUSAN PENGURUSI CHAIRMAN'S STATEMENT

Pemegang saham yang dihormati,

### PENGENALAN

Bagi pihak Lembaga Pengarah Agrobank, saya dengan sukacita ingin membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit bagi tahun berakhir 31 Disember 2014.

### LANDSKAP EKONOMI

Ekonomi Malaysia telah mencatatkan pertumbuhan yang lebih kukuh pada kadar 6.0% pada tahun 2014 (2013: 4.7%) ketika ekonomi global merekod pertumbuhan sederhana pada kadar 3.3%. Pertumbuhan ini dipacu oleh permintaan domestik dalam sektor swasta dan peningkatan dalam prestasi perdagangan luar disebabkan pemulihan dalam ekonomi maju dan permintaan serantau. Penggunaan swasta, yang meningkat pada 7.1% disokong oleh pertumbuhan yang baik dalam jumlah pendapatan dan pekerjaan yang stabil. Walau bagaimanapun, penggunaan awam mencatatkan kadar pertumbuhan yang lebih perlahan iaitu pada 4.4% disebabkan peningkatan sederhana dalam perbelanjaan Kerajaan.

Pertumbuhan dalam pelaburan swasta adalah sangat memberangsangkan, dan dipacu oleh sektor perkilangan dan perkhidmatan. Semua sektor ekonomi telah mencatatkan pertumbuhan yang lebih tinggi pada tahun 2014, dengan sektor perkilangan dan perkhidmatan menyumbang kira-kira 80% dari jumlah pertumbuhan. Ekonomi Malaysia kekal kukuh walaupun terdapat kekangan ekonomi seperti yang boleh dilihat pada penurunan harga minyak yang memberi kesan terhadap nilai Ringgit berbanding dolar Amerika Syarikat pada setengah tahun kedua 2014. Hal ini berikutan beberapa faktor seperti struktur ekonomi yang pelbagai, pasaran kewangan yang mendalam dan dibangunkan dengan baik serta rizab asing yang mencukupi.

Sektor pertanian mencatatkan pertumbuhan yang lebih kukuh pada kadar 2.1% (2013: 1.9%), hasil daripada pengeluaran minyak kelapa sawit yang lebih tinggi disebabkan keadaan cuaca yang baik dan pengeluaran agromakanan yang lebih tinggi dengan kadar peningkatan sebanyak 6.3% yang mana disumbangkan oleh sub-sektor ternakan unggas dan tanaman makanan. Sektor ini tetap mengalami peningkatan walaupun bencana banjir melanda wilayah pantai timur pada penghujung tahun 2014, yang menyebabkan pertumbuhan KDNK sektor pertanian merosot pada suku keempat 2014 memandangkan 20% pengeluaran minyak kelapa sawit negara telah terjejas.

Pertumbuhan pembiayaan bersih menerusi sistem perbankan, institusi kewangan pembangunan (DFI) dan sekuriti hutang swasta (PDS) meningkat pada kadar tahunan sebanyak 8.7% pada tahun 2014 (2013: 9.7%). Pertumbuhan pinjaman perniagaan pada tahun 2014 adalah lebih tinggi iaitu pada kadar 9.0% (2013: 7.9%) dengan pinjaman perusahaan kecil dan sederhana (PKS) mencatatkan pertumbuhan dua digit iaitu pada 13.3% pada tahun 2014 (2013: 12.7%). Walau bagaimanapun, pertumbuhan pembiayaan pertanian primer di dalam sistem perbankan bertukar negatif pada tahun 2014 (-0.5%) setelah meningkat sebanyak 10.3% pada tahun 2013 disebabkan penurunan harga minyak kelapa sawit daripada RM2,917/tan pada bulan Mac 2014 ke serendah RM1,933/tan pada bulan September 2014 dan hal ini telah mengurangkan pelaburan dalam sektor tersebut. Harga minyak sawit kemudian menjadi lebih stabil pada akhir tahun 2014 dan meningkatkan purata harga tahunan kepada RM2,383.5/tan (purata harga 2013: RM2,371.0/tan).

Pertumbuhan baki pinjaman isi rumah oleh sistem perbankan dan DFI serta pertumbuhan hutang isi rumah menjadi lebih sederhana sepanjang tahun (2014: masing-masing pada 9.8% dan 9.9%). Ini disebabkan oleh tindakan proaktif yang telah dilaksanakan oleh Bank Negara Malaysia (BNM) pada tahun 2010 untuk mengawal hutang isi rumah yang berlebihan serta pelaksanaan dan garis panduan Penentuan Harga Berasaskan Pengetahuan Risiko yang diperkenalkan pada bulan Mac 2014.

Dear shareholders,

### INTRODUCTION

On behalf of the Board of Directors of Agrobank, it is my great pleasure to present Agrobank's Annual Report and Audited Financial Statements for the financial year ended 31 December 2014.

### THE ECONOMIC LANDSCAPE

The Malaysian economy registered a stronger growth of 6.0% in 2014 (2013: 4.7%) amid moderate growth of 3.3% in the global economy. Growth was driven mainly by private sector - led domestic demand and improvement in the performance of external trade due to recovery in advanced economies and regional demand. Private consumption, which grew by 7.1%, was supported by favourable growth in income and stable employment. Public consumption however recorded a slower growth rate of 4.4% due to a moderate increase in Government expenditure.

Growth in private investment was particularly strong, and was driven by the manufacturing and services sectors. All economic sectors recorded higher growth in 2014, with the services and manufacturing sectors accounting for about 80% of total growth. Despite economic challenges as reflected in the decline in oil prices, which impacted the value of the Ringgit against the US dollar in the second half of 2014, the Malaysian economy remained resilient. This was due to a number of factors such as a well-diversified economic structure, a deep and well-developed financial market and adequate foreign reserves.

The agriculture sector recorded a stronger growth at 2.1% (2013: 1.9%), attributed to higher production of palm oil as a result of favourable weather conditions and higher production of agrofood, which grew by 6.3%, driven by the poultry and food crops subsectors. The sector recorded growth despite flooding in the east coast region towards the end of 2014, which led to negative GDP contribution from the sector in 4Q2014 as 20% of the nation's oil palm production was affected.

Net financing growth through the banking system, development financial institutions (DFIs) and the private debt securities (PDS) market grew at an annual rate of 8.7% in 2014 (2013: 9.7%). Growth of outstanding business loans in 2014 was higher at 9.0% (2013: 7.9%) with SME loans recording double-digit growth of 13.3% in 2014 (2013: 12.7%). Primary agriculture financing growth in the banking system however turned negative in 2014 (-0.5%) following a 10.3% growth in 2013 due to declining oil palm prices from RM2,917/tonne in March 2014 to a low of RM1,933/tonne in September 2014, which discouraged investment in the area. Oil palm prices however stabilised towards the end of 2014 which improved the average yearly price to RM2,383.5/tonne (2013 average: RM2,371.0/tonne).

Growth in outstanding loans to households by the banking system and DFIs and overall growth in household debt moderated during the year (2014: 9.8% and 9.9%, respectively) attributed to the pre-emptive measures to curb excesses implemented by Bank Negara Malaysia (BNM) in 2010 and the Risk Informed Pricing guidelines introduced in March 2014.

Source: BNM 2014 Annual Report

## PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

Kadar inflasi yang berada pada purata 3.2% pada tahun 2014 (2013: 2.1%) menjadi sederhana pada suku akhir tahun tersebut disebabkan oleh kadar inflasi makanan yang semakin rendah dan penurunan harga minyak. Kadar Dasar Semalam (KDS) yang meningkat sehingga 25 mata kepada 3.25% pada bulan Julai 2014, mencerminkan usaha BNM untuk memulihkan keadaan monetari dan mengurangkan risiko meningkatnya ketidakseimbangan kewangan yang boleh mengancam kestabilan pertumbuhan jangka masa panjang. Kadar pinjaman runcit disesuaikan dengan perubahan dalam KDS dengan kadar pulangan yang lebih tinggi untuk deposit simpanan.

### PRESTASI KEWANGAN AGROBANK PADA TAHUN 2014

Sebagai DFI utama yang diberi kepercayaan untuk membangunkan sektor pertanian Negara, jumlah pinjaman yang dibayai oleh Agrobank telah meningkat kepada RM6.87 bilion pada tahun 2014, mencatatkan peningkatan sebanyak 7.5% berbanding tahun sebelumnya. Sektor pertanian telah berhadapan dengan beberapa cabaran luaran sepanjang tahun 2014. Penurunan harga minyak dunia pada penggal kedua tahun 2014 telah menyumbang kepada penurunan kadar pertukaran Ringgit kepada dolar Amerika Syarikat yang memberi kesan terhadap kos input pertanian dan margin keuntungan pelanggan. Antara cabaran lain termasuklah persaingan merebut pelanggan dalam sektor pertanian dan bencana banjir yang berlaku pada bulan Disember 2014 yang memberikan kesan terhadap komuniti pertanian tidak kira kecil atau besar. Disebalik cabaran-cabaran ini, pembiayaan sektor yang dimandatkan kepada Agrobank semakin kukuh pada tahun 2014 menjadi 76% (2013: 74%) melalui pembiayaan di sepanjang rangkaian nilai pertanian dan penawaran produk yang selaras dengan keperluan pelanggan.

Setelah dikorporatkan pada 1 April 2008, Agrobank sebagai sebuah entiti milik Kerajaan sentiasa mengimbangkan peranan yang dimandatkan dengan kemampuan perniagaan. Agrobank terus mengekalkan hubungan kerja yang baik dengan pelbagai pihak berkepentingan antaranya Menteri Kewangan Diperbadankan (MKD), BNM dan Kementerian Pertanian dan Industri Asas Tani (MOA) demi memastikan objektifnya untuk memberikan pembiayaan kepada komuniti pertanian secara keseluruhan tercapai.

Bank telah mencatatkan keuntungan operasi bersih bernilai RM220.81 juta pada tahun 2014 dengan peningkatan dalam hasil pembiayaan Islamik sebanyak RM34.38 juta (2014: RM458.21 juta ; 2013: RM423.83 juta). Prestasi yang lebih baik dicatatkan oleh Perbankan Perniagaan (penyumbang utama dalam pembiayaan yang dimandatkan melalui pembiayaan projek), Pembiayaan Perdagangan dan pembiayaan di bawah Tabung Untuk Makanan (3F). Dana pemegang saham pula telah meningkat sebanyak 4.3% kepada RM2,450.18 juta pada tahun 2014 berbanding RM2,349.39 juta pada tahun 2013. Nisbah pembiayaan terjejas kasar yang menurun kepada 9.26% pada akhir 2014 berbanding 9.96% pada tahun 2013 telah mencerminkan peningkatan dalam kualiti aset. Nisbah Modal Wajaran Risiko (RWCR) Agrobank pada kadar 34.34% berada pada tahap yang memuaskan untuk kemampuan perniagaan.

Pada tahun 2014, Bank telah menjalankan kajian separuh penggal bagi Pelan Strategik Perniagaan 5 Tahun dengan sasaran untuk memastikan pertumbuhan yang stabil dari segi pembiayaan dan mengekalkan keuntungan. Enam teras strategik yang telah dirumuskan, iaitu rangkuman kewangan, tumpuan kepada perusahaan mikro, kecil dan sederhana (PKS), memperkasa modal insan, meningkatkan pakatan strategik, memanfaatkan kemajuan teknologi dan meneroka peluang/bidang pertumbuhan baharu – kekal sebagai rangka kerja strategik bagi mencapai visi Bank untuk menjadi bank terkemuka yang memfokuskan kepada pertanian. Matlamat untuk menjadi bank Islam sepenuhnya pada tahun 2015 pula terus diusahakan seiring dengan Projek Permulaan (EPP) 3 di bawah Bahagian Perkhidmatan Kewangan Ekonomi Utama Nasional, Program Transformasi Ekonomi yang mengarah tumpuan DFI kepada sistem Perbankan Islam. Pada akhir tahun 2014, 96% daripada portfolio pembiayaan Bank telah patuh Syariah. Jabatan Syariah telah melakukan usaha secara berterusan untuk menyemai kesedaran Syariah melalui pengendalian latihan sepanjang tahun 2014, bagi mendidik dan mempersiapkan kakitangan ke arah status Perbankan Islam.

The inflation rate, which averaged 3.2% in 2014 (2013: 2.1%), moderated in the last quarter of the year due to lower food inflation and downward adjustment of fuel prices. The Overnight Policy Rate (OPR) rose 25 basis points in July 2014 to 3.25%, reflecting an effort by BNM to normalise monetary conditions and to mitigate risks of broader build-up of financial imbalances that could destabilise long-term growth. Retail lending rates were adjusted to reflect the change in OPR with higher rates of return on savings for depositors.

### AGROBANK'S FINANCIAL PERFORMANCE IN 2014

As the primary DFI entrusted with developing the agriculture sector in the country and in support of its mandated role, Agrobank's financing balance grew to RM6.87 billion in 2014, registering a 7.5% growth over the previous year. The agriculture sector was exposed to several external vulnerabilities during the year. The decline in the global oil price in 2H2014 contributed to a depreciation in the Ringgit exchange rate against the US dollar which affected the costs of agriculture inputs and profit margins of customers. Other challenges included competition for customers in the agriculture sector and the floods in December 2014, which impacted the agriculture community both large and small. Despite these challenges, Agrobank's mandated role strengthened in 2014 to 76% (2013: 74%) via financing throughout the agriculture value chain and product offerings that are in line with customers' needs.

Following corporatisation on 1 April 2008, Agrobank as a Government-owned entity has been constantly conscious of balancing its mandated role with sustainability. Agrobank continues to maintain its close working relationships with its various stakeholders, namely the Minister of Finance Incorporated, BNM and the Ministry of Agriculture and Agro-based Industries (MOA) to ensure it accomplishes its objective of providing financing to the agricultural community at large.

The Bank registered total net operating profit of RM220.81 million for 2014 due to the increase in Islamic financing revenue of RM34.38 million (2014: RM458.21 million ; 2013: RM423.83 million). Better performance was registered by Business Banking (the main contributor towards mandated financing via project financing), Trade Finance and financing under the Fund for Food (3F). Shareholders' funds increased to RM2,450.18 million in 2014 from RM2,349.39 million in 2013, registering a 4.3% increase. The gross financing impairment ratio declined to 9.26% as at end-2014 compared with 9.96% in 2013, which reflects improvement in asset quality. Agrobank's Risk Weighted Capital Ratio (RWCR) at 34.34% stood at a comfortable level for business sustainability.

In 2014, the Bank conducted a mid-term review of its Strategic 5-Year Business Plan, aimed at ensuring steady growth in financing and sustaining profit. The six strategic pillars which were formulated - financial inclusion, focusing on micro, small and medium-sized enterprises (SMEs), strengthening human capital, improving strategic alliances, capitalising on technological advancements and exploring new opportunities/growth areas - were retained as the strategic framework in the attainment of the Bank's vision of being a leading bank with a focus on agriculture. The Bank's objective of being a full-fledged Islamic Bank by 2015 is being realised in line with Entry Point Project (EPP) 3 under the Economic Transformation Programme's Financial Services National Key Economic Area to shift the emphasis of DFIs towards Islamic Banking. As at year-end 2014, 96% of the Bank's financing portfolio was Shariah-compliant. The Shariah Department made continuous efforts to inculcate Shariah awareness through conducting training throughout 2014 to educate and prepare the staff for Islamic banking status.

## PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

Sejajar dengan Dasar Agromakanan Negara 2011-2020 yang diterajui oleh MOA, Agrobank mengekalkan kekuatannya dalam sektor makanan, merangkumi sub-sektor padi, buah-buahan, sayur-sayuran, ternakan dan perikanan, di mana risikonya adalah lebih tinggi berbanding sektor tradisional yang dibiayai oleh bank-bank komersial. Sumbangan kepada sektor makanan sahaja bernilai RM2.67 bilion atau 32.6% daripada keseluruhan baki pembiayaan sektor makanan dalam sistem perbankan pada tahun 2014 (RM5.54 bilion). Walau bagaimanapun, sumbangan terhadap pembiayaan pertanian primer dalam sistem perbankan, yang merangkumi komoditi makanan dan bukan makanan, adalah bernilai RM4.01 bilion atau 11.1% daripada baki pembiayaan pertanian primer bernilai RM36.14 bilion dalam sistem perbankan disebabkan tumpuan yang lebih tinggi pada sektor komoditi seperti minyak kelapa sawit dan koko oleh sistem perbankan komersial.

Selaras dengan peranan yang dimandatkan, fokus Agrobank adalah kepada usahawan berskala kecil yang menyumbang 91.4% daripada jumlah akaun pembiayaan dan 44.8% daripada jumlah baki pembiayaan bernilai RM6.87 bilion pada akhir tahun 2014 bagi saiz pembiayaan kurang daripada RM100,000. Bank juga telah meningkatkan daya saing dengan mempertingkatkan kecekapan operasi dan memperkenalkan produk-produk kewangan dengan harga yang kompetitif kepada pelanggan seperti produk-produk di bawah Pembiayaan Perdagangan dan AgroCash Line-i (satu kemudahan overdraf) dan Machinery and Equipment Financing-i.

Salah satu daripada kekuatan Bank adalah keupayaannya menawarkan pembiayaan pada kadar konsesi kepada kumpulan sasaran di bawah peranan pembangunannya. Pada tahun 2014, Bank telah berjaya mendapatkan kelulusan daripada pihak-pihak berkepentingan bagi menggunakan semula sebahagian daripada pinjaman Kerajaan untuk memastikan pembiayaan kadar konsesi dapat ditawarkan kepada kumpulan sasaran. Pembiayaan konsesi meliputi 17.3% atau RM1.19 bilion daripada keseluruhan baki pembiayaan pada akhir tahun kewangan 2014.

In line with the National Agrofood Policy 2011-2020 championed by the MOA, Agrobank maintained its strength in the food sector, encompassing the paddy, fruits, vegetables, livestock and fishery sub-sectors, where risks are relatively higher compared with traditional sectors financed by commercial banks. The contribution to the food sector alone was valued at 32.6%, or RM2.67 billion, of the total food sector financing balance in the banking system in 2014 (RM5.54 billion). However, the contribution to total primary agriculture financing in the banking system which encompasses both food commodities and non-food commodities, stood at 11.1%, or RM4.01 billion, of the total primary agriculture financing balance of RM36.14 billion in the banking system, due to higher concentration on commodities, i.e. oil palm and cocoa by the commercial banking system.

In line with its mandated role, Agrobank's focus is on small scale entrepreneurs for financing amount of less than RM100,000, which accounted for 91.4% of the total number of accounts and 44.8% of the total financing balance of RM6.87 billion as at year-end 2014. The Bank increased its competitiveness by enhancing operational efficiency and introducing competitively-priced financial products, such as those under Trade Finance and AgroCash Line-i (an overdraft facility) and Machinery and Equipment Financing-i, to customers.

One of the Bank's strengths lies in its ability to offer financing at concessionary rates to specific target groups under its developmental role. The Bank in 2014 successfully obtained approval from its stakeholders to revolve part of its Government borrowings to ensure low concessionary rates of financing can be offered to target groups. Concessionary financing accounted for 17.3%, or RM1.19 billion, of the total financing balance as at the financial year ended 2014.



## PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT



Sejajar dengan rangkuman kewangan Pelan Sektor Kewangan BNM, Agrobank telah melebarkan platform perbankan elektronik melalui perkhidmatan perbankan internet (AGRONet untuk perbankan runcit dan AGRONetBIZ untuk entiti perniagaan) dan ejen perbankan (AGROAgent) yang telah dilancarkan pada bulan Disember 2014 bagi meluaskan perkhidmatan Bank kepada komuniti luar bandar dan dalam masa yang sama memastikan kecekapan kos. Selain rangkaian luas ATM, CDM, CQDM, CoDM, dan 122 Terminal Kewangan bagi aktiviti perbankan mudah alih, sebanyak tiga buah cawangan tambahan dibuka di Semenyih, Kota Semarahan dan Kudat menjadikan keseluruhan jumlah cawangan sebanyak 190 buah.

Selain kerjasama strategik sedia ada dengan pelbagai agensi di bawah MOA dan Kerajaan, empat kerjasama strategik baharu telah diwujudkan pada tahun 2014 melalui Perjanjian Persefahaman (MOU) dengan TERAJU, Universiti Putra Malaysia (UPM), Lembaga Getah Malaysia (LGM) dan Persatuan Orang Kota Bharu (POKB). Kerjasama ini akan membuka peluang, bukan hanya untuk meningkatkan pembiayaan, deposit dan pendapatan berdasarkan fi bagi Bank, tetapi juga meluaskan akses kepada pelanggan-pelanggan yang lain.

Sebagai sokongan terhadap perkhidmatan khidmat nasihat dan perundingannya, Pusat-pusat Perniagaan (BCs) telah membantu untuk mengenal pasti pelanggan bagi menyertai Program Pembangunan Usahawan Tani (ADP). Sebanyak 15 sesi ADP telah dijalankan sepanjang tahun 2014 dengan penyertaan 317 orang pelanggan. Program tersebut yang bertujuan untuk meningkatkan kompetensi pelanggan baharu dan sedia ada, meliputi modul-modul seperti Keusahawanan, Asas Perniagaan/Perancangan Projek, Projek Gunaan dan Perancangan Kewangan, Pengurusan Kewangan (Simpan Kira-kira & Analisis Kewangan) dan Rangkaian Perniagaan.

Sejajar dengan usaha untuk meningkatkan kebolehan kakitangan, Bank telah memperkenalkan program Agrobank Practical Exposure (APEX). Seramai 397 orang kakitangan telah menyertai latihan APEX yang merangkumi sektor-sektor seperti ruminan, akuakultur dan perikanan.

### HALA TUJU DAN PROSPEK BAGI 2015

Persekutuan luar pada tahun 2015 dijangka lebih mencabar dengan risiko pertumbuhan global yang perlana disebabkan oleh kelemahan ekonomi yang berterusan dan dasar-dasar monetari dalam ekonomi primer yang tidak sekata yang mungkin menyebabkan perubahan dalam pasaran kewangan global dan aliran modal. Ketidaktentuan harga minyak dan kesannya terhadap komoditi juga akan meningkatkan lagi cabaran kepada persekitaran global.

In line with BNM's Financial Sector Blueprint for financial inclusion, the Bank expanded its electronic banking platform through its internet banking services (AGRONet for retail banking and AGRONetBIZ for business entities) and AGROAgent, which was launched in December 2014, to help widen the Bank's outreach to the rural community whilst being cost efficient. Apart from the extensive network of ATMs, CDMs, CQDMs, CoDMs, and 122 Financial Terminals for mobile banking activities, branch touch points were further expanded to 190 through the establishment of three additional branches at Semenyih, Kota Semarahan and Kudat.

In addition to the existing strategic alliances established with various MOA and Government agencies, four new strategic alliances were forged in 2014 via Memoranda of Understanding with TERAJU, Universiti Putra Malaysia (UPM), Lembaga Getah Malaysia (LGM) and Persatuan Orang Kota Bharu (POKB) which will provide opportunities not only to increase financing, deposits and fee-based income for the Bank, but also to reach out to other customers.

In support of its advisory and consultancy services, Agrobank with the help of Business Centres (BCs) had identified customers to participate in the Agropreneur Development Programme (ADP). Fifteen ADP sessions were held in 2014, with a total of 317 customers participating. The programme, which is aimed at improving competencies of new and existing customers, encompasses modules such as Entrepreneurship, Basic Business/Project Planning, Applied Project and Financing Planning, Financial Management (Book Keeping & Financial Analysis) and Business Networking.

In line with enhancing staff capability, the Bank introduced the Agrobank Practical Exposure (APEX) programme to enhance technical knowledge in agriculture. A total of 397 staff were enrolled in the APEX training covering sectors such as ruminants, aquaculture and fishery.

### OUTLOOK AND PROSPECTS FOR 2015

The external environment in 2015 is expected to be challenging with downside risks to global growth remaining due to continued economic weakness and uneven monetary policies in major economies, which could lead to shifts in global financial markets and capital flows. The uncertainty in the oil price and its effect on commodities will further intensify the challenges to the global environment.

## PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

Di tengah-tengah landskap ini, Kerajaan dan BNM diyakini akan terus berusaha untuk memperbaiki kerentanan domestik dan menyokong pertumbuhan negara. Ekonomi Malaysia dijangka akan meningkat di antara 4.5% hingga 5.5% setahun dan sebahagian besarnya dipacu oleh permintaan domestik dengan sokongan daripada pengembangan dalam bidang eksport. Pertumbuhan dijangka menyeluruh di mana kepelbagaiannya ekonomi dan dasar-dasar yang kukuh diharapkan dapat membantu mengurangkan impak peristiwa luar yang negatif. Dasar kewangan dijangka akan kekal memberi sokongan terhadap aktiviti ekonomi pada tahun 2015.

Sektor pertanian diunjurkan meningkat sebanyak 0.3%, disokong oleh pengembangan yang stabil dalam pengeluaran agromakanan dan harga komoditi yang rendah. Walau bagaimanapun, pengeluaran minyak kelapa sawit akan mengalami impak tertangguh akibat keadaan cuaca yang kering pada awal tahun 2014.

### MENUJU 2015

Melihat kepada potensi cabaran-cabaran yang ada, Agrobank akan terus menyeimbangkan peranan yang dimandatkan dan kemampuan perniagaan melalui kerjasama dengan para pemegang amanah dalam memainkan peranan pembangunan untuk memastikan momentum pertumbuhan. Agrobank sebagai entiti milik Kerajaan akan bekerjasama dengan MOA dan agensi-agensi Kerajaan lain untuk merangka program-program yang sejajar dengan keperluan pelanggan dan menyokong sektor makanan selari dengan sasaran tahap sara diri (SSL) negara serta menyokong sektor bukan makanan untuk mencapai agenda pertanian meluas seperti yang digariskan dalam Dasar Agromakanan Negara dan Dasar Komoditi Negara di bawah peranan yang dimandatkan. Usaha juga akan dilakukan untuk merangka strategi bagi program-program di bawah Perbankan Konsumen dalam memastikan rangkuman perkhidmatan pembiayaan yang lebih meluas untuk orang awam serta komuniti pertanian secara keseluruhannya.

Pelbagai usaha juga akan turut dilaksanakan bagi memastikan pematuhan Syariah secara penuh oleh Agrobank sebagai persediaan untuk mencapai status perbankan Islam sepenuhnya pada tahun 2015. Pelan Strategik 5 Tahun 2016-2020 akan dibangunkan bagi menyokong objektif untuk membentuk sektor pertanian ke arah sektor yang lebih moden dan bertenaga yang membawa kepada peningkatan pendapatan bagi komuniti pertanian sepetimana yang digariskan di bawah tempoh Rancangan Malaysia ke-11, 2016-2020.

### PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan sekalung penghargaan kepada pihak Kerajaan, terutamanya Kementerian Kewangan, MOA dan kementerian-kementerian serta agensi-agensi yang berkaitan, termasuklah rakan-rakan niaga, para pelanggan dan pemegang-pemegang amanah lain atas segala sokongan dan bimbingan yang diberikan. Saya juga ingin mengucapkan terima kasih kepada Bank Negara Malaysia atas bimbingan dan nasihat dalam memperbaiki tadbir urus kami. Sekalung penghargaan dan terima kasih juga diucapkan kepada pihak Pengurusan dan kakitangan Agrobank atas dedikasi, komitmen dan kesetiaan dalam menyebarluaskan agenda yang telah dimandatkan. Akhir sekali kepada ahli Lembaga Pengarah, terima kasih atas sumbangan dan komitmen anda dalam membimbing Bank ke arah mencapai matlamat demi agenda pembangunan sektor pertanian negara.

Wassalam.

Amidst this landscape, the Government and BNM are expected to continue addressing domestic vulnerabilities and supporting the growth of the nation. The Malaysian economy is expected to grow between 4.5% and 5.5% per annum, which is to be driven primarily by domestic demand with support from expansion in exports. Growth is expected to be broad-based where economic diversification and strong fundamentals are expected to help mitigate the impact of adverse external developments. Monetary policy is expected to remain accommodative in 2015 in support of economic activity.

Agriculture is projected to grow marginally by 0.3%, to be supported by a steady expansion in agrofood production together with lower commodity prices. Oil palm production however will be affected by the lagged impact of dry weather conditions which occurred in early 2014.

### MOVING FORWARD IN 2015

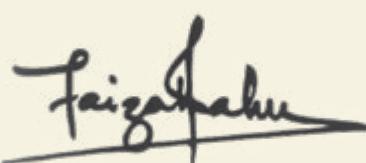
In view of the potential challenges, Agrobank will continue balancing its mandated role with sustainability by working with its stakeholders in its developmental role to ensure growth momentum. Agrobank as a Government-owned entity will work with MOA and Government agencies to develop programmes in line with customer needs and support the food sector in line with national self-sufficiency level (SSL) targets as well as support the non-food sector to achieve the broad agriculture agenda outlined in the National Agrofood Policy and National Commodity Policy under its mandated role. Efforts will also be made to strategise the programmes under Consumer Banking to ensure wider coverage of financing facilities for the public and agriculture community at large.

Efforts will be directed towards ensuring full Shariah compliance by Agrobank in preparation for full-fledged Islamic banking status in 2015. The 5-Year Strategic Plan 2016-2020 will be developed to support the objective of cultivating the agriculture sector into a modern and vibrant sector with improved incomes for the agriculture community as outlined under the 11th Malaysia Plan period 2016-2020.

### ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to extend our deepest appreciation to the Government, particularly the Ministry of Finance, the MOA and other related ministries and agencies, as well as to our partners, customers and other stakeholders for their continuous support and guidance. I would also like to extend our sincere gratitude to Bank Negara Malaysia for their guidance and advice in improving our governance. I also wish to record my deepest appreciation and gratitude to the Management and staff of Agrobank for their dedication, commitment and loyalty in propagating the mandated agenda. Lastly, I wish to thank my fellow Board members for your contribution and commitment in guiding the Bank towards achieving its goals and contributing to the development agenda of the nation's agriculture sector.

Wassalam.



Tan Sri Faizah Mohd Tahir

Pengerusi Bebas Bukan Eksekutif / Independent Non-Executive Chairman

# PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT

*Dengan nama Allah, yang Maha Pemurah, yang Maha Mengasihani  
In the name of Allah, the Most Beneficent, the Most Merciful*

السلام عليكم ورحمة الله وبركاته



**DATO' WAN MOHD FADZMI WAN OTHMAN**

Presiden/Ketua Pegawai Eksekutif / President/Chief Executive Officer

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT

### Pemegang saham yang dihormati,

Alhamdulillah, saya bersyukur ke hadrat Allah SWT kerana terus memudahkan perjalanan kita semua, meskipun pada tahun 2014 kita berdepan dengan keadaan cuaca buruk dan penurunan harga minyak dunia yang ketara. Agrobank kekal optimis bahawa dengan sistem dan kawalan wajar yang telah ditetapkan serta pembentukan strategi yang proaktif, sektor pertanian terutamanya tanaman makanan dan pengeluaran minyak kelapa sawit akan semakin pulih pada tahun 2015.

### SUB-SEKTOR AGROMAKANAN DALAM KDNK PERTANIAN

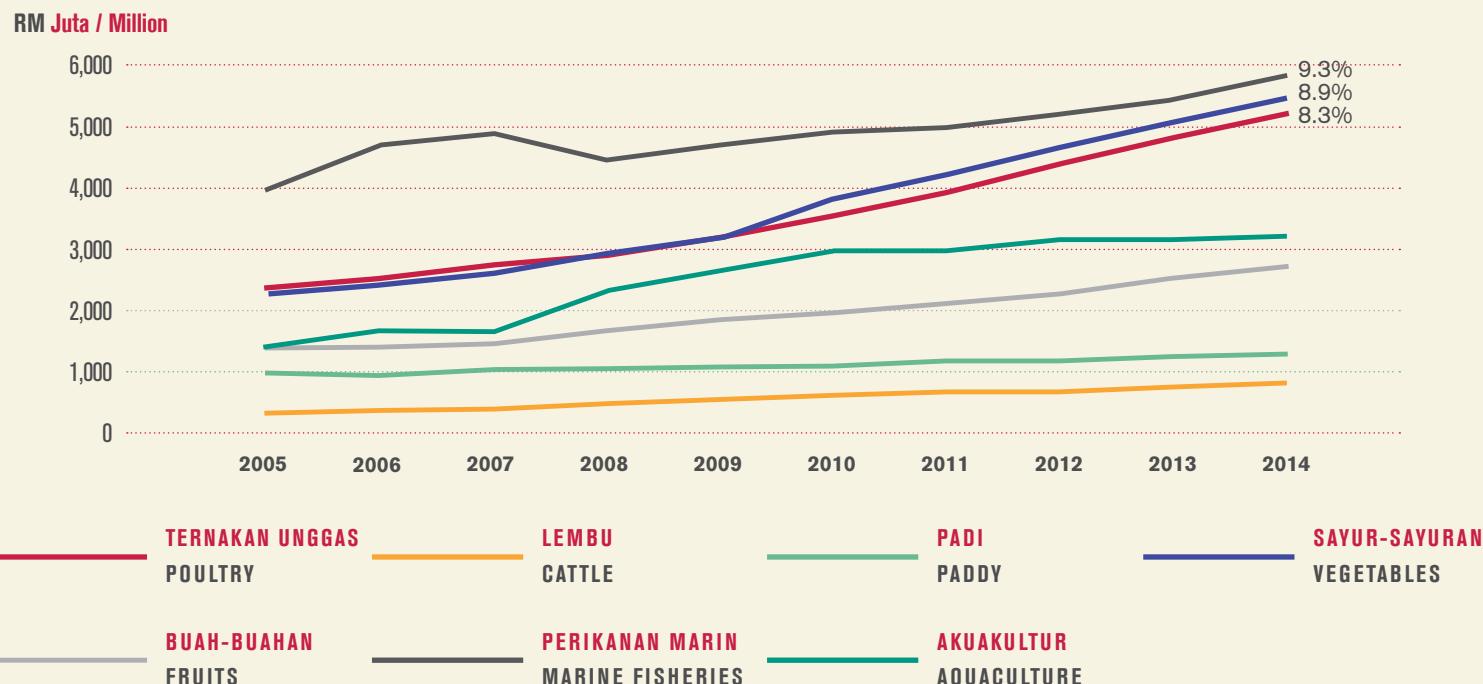
Pada tahun 2014, tiga sub-sektor utama agromakanan yang menyumbang kepada KDNK pertanian adalah perikanan (9.3%), sayur-sayuran (8.9%) dan ternakan unggas (8.3%). Tiga sub-sektor utama agromakanan yang menunjukkan kadar pertumbuhan purata tertinggi sepanjang 10 tahun lepas adalah sayur-sayuran (10% setahun), ternakan unggas (9.5% setahun) dan akuakultur (9.5% setahun).

### Dear shareholders,

Alhamdulillah, I thank Allah SWT for continuing to ease our path, notwithstanding that in 2014 we faced numerous challenges amidst severe weather conditions and a significant dip in the global oil price. With the proper system and controls in place, coupled with the formulation of proactive strategies, Agrobank remains optimistic that the outlook for the agriculture sector, especially food crops and palm oil production, will improve in 2015.

### AGROFOOD SUB-SECTORS IN THE AGRICULTURE GDP

In 2014, the top three agrofood sub-sectors that contributed to the agriculture GDP were marine fisheries (9.3%), vegetables (8.9%) and poultry (8.3%). The top three agrofood sub-sectors showing the highest average growth for the past 10 years were vegetables (10% p.a), poultry (9.5% p.a) and aquaculture (9.5% p.a).



Dari tahun 2005 hingga 2014, sub-sektor sayur-sayuran menunjukkan peningkatan tertinggi dalam sumbangan KDNK pertanian iaitu sebanyak 4.9%, diikuti dengan ternakan unggas 3.6% dan akuakultur 2.2%.

Sumbangan komoditi terhadap KDNK pertanian menyaksikan sumbangan tanaman industri seperti kelapa sawit kekal stabil pada 36.6% pada tahun 2014 (2005: 35.3%), manakala perhutanan dan getah pula masing-masing jatuh, kepada 10.2% (2005: 17.7%) dan 5.5% (2005: 12.1%).

From 2005 to 2014, the vegetables sub-sector recorded the highest agriculture GDP contribution at 4.9%, followed by poultry at 3.6% and aquaculture at 2.2%.

In terms of commodities' contribution to agricultural GDP, it could be seen that the contributions of industrial crops such as palm oil remained stable at 36.6% in 2014 (2005: 35.3%) while the contributions of forestry and rubber dropped to 10.2% (2005: 17.7%) and 5.5% (2005: 12.1%) respectively.

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF

### PRESIDENT/CEO'S STATEMENT



#### SUMBANGAN AGROBANK DALAM PERTANIAN

Pembiayaan pertanian primer Agrobank meningkat dengan kukuh kepada 10.9% pada tahun 2014 (2013: 6.3%) berikutan hasil usaha yang bersungguh-sungguh untuk menawarkan kemudahan pembiayaan kepada usahawan tani dalam perusahaan berskala mikro, kecil dan sederhana serta pekebun kecil dalam segmen komoditi. Kedua-dua segmen agromakanan dan komoditi mencatatkan pertumbuhan yang memberangsangkan, masing-masing pada 9.6% (2013: 8.2%) dan 13.5% pada tahun 2014 (2013: 2.9%).

Dalam segmen agromakanan, sistem perbankan merekodkan pembiayaan bernilai RM8.0 bilion pada tahun 2014, meningkat sebanyak RM27.2 juta berbanding setahun lalu, sementara baki Agrobank pada tahun 2014 adalah RM2.6 bilion, bertambah RM228.4 juta berbanding tahun 2013. Pembiayaan Agrobank bagi segmen agromakanan meningkat dengan ketara sebanyak 9.6% pada tahun 2014, mengatasi pertumbuhan mendatar sistem perbankan.

Pembiayaan bagi segmen komoditi dalam sistem perbankan berjumlah sehingga RM23.5 bilion pada tahun 2014 iaitu pernurunan sebanyak RM174.2 juta berbanding tahun 2013, sementara pembiayaan komoditi Agrobank adalah berjumlah RM1.4 bilion pada tahun 2014, meningkat sebanyak RM166.2 juta berbanding setahun lalu. Komoditi dalam sistem perbankan mencatatkan pertumbuhan negatif (-0.7%) pada tahun 2014, manakala segmen komoditi Agrobank meningkat sebanyak 13.5%.

YAB Perdana Menteri, Dato' Sri Mohd Najib Tun Abdul Razak telah berulang kali menegaskan bahawa pertanian tidak seharusnya dianggap sebagai cara untuk menyara hidup. Ia merupakan industri penting bernilai berbilion ringgit. Pelbagai projek telah diwujudkan oleh kerajaan, seperti projek-projek di bawah Bidang Keberhasilan Utama Ekonomi (NKEA) Pertanian di bawah Program Transformasi Ekonomi, bertujuan untuk mendorong negara melalui ekonomi skala. Bagi menyokong aspirasi negara ini, Agrobank sentiasa berusaha untuk mengembangkan lagi peranannya; terutamanya dengan menjadikannya relevan dalam menghadapi cabaran-cabaran perdagangan antarabangsa. Jabatan Pembiayaan Perdagangan Bank telah mula mencipta nama sejak ditubuhkan pada tahun 2013. Shipping Guarantee-i (SG-i) telah diperkenalkan pada bulan Februari 2014 bagi melengkapkan barisan produk yang ditawarkan.

#### AGROBANK'S CONTRIBUTION IN AGRICULTURE

Agrobank's primary agriculture financing grew by a sound 10.9% in 2014 (2013: 6.3%) due to greater efforts to extend financing facilities to agropreneurs in micro, small and medium scale enterprises as well as smallholders in the commodities segment. Both the agrofood and commodity segments recorded healthy growth of 9.6% (2013: 8.2%) and 13.5% in 2014 (2013: 2.9%), respectively.

In the agrofood segment, the banking system reported financing of RM8.0 billion in 2014, up by RM27.2 million from a year ago, while Agrobank's balance was at RM2.6 billion in 2014, gaining RM228.4 million from 2013. Notably, Agrobank's financing for the agrofood segment grew 9.6% in 2014, outpacing the banking system's flat growth.

Financing for the commodities segment in the banking system amounted to RM23.5 billion in 2014, down by RM174.2 million from 2013 while Agrobank's commodity financing was at RM1.4 billion in 2014, up by RM166.2 million from a year ago. Commodities in the banking system reported a negative growth (-0.7%) in 2014 while Agrobank's commodities segment grew by 13.5%.

YAB Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak has continuously reiterated that agriculture should not be viewed simply as a means to earn a living; rather, it represents an important industry worth billions of ringgit. The government established several projects, such as those under the Agriculture NKEA under the Economic Transformation Programme, to drive the nation through achieving economies of scale. To support this national aspiration, Agrobank actively seeks to expand its roles, and strives particularly to make these relevant in addressing the challenges of international trade. The Bank's Trade Finance Department was rolled out in 2013, and since then has been making its mark. To complement the range of products offered, the Shipping Guarantee-i (SG-i) was further introduced in February 2014.

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT

Pelbagai produk dan program Islamik telah dibangunkan sepanjang tahun demi memastikan daya saing dan keupayaan Bank dalam menyediakan penyelesaian perbankan secara menyeluruh kepada sektor yang dimandatkan. Beberapa produk baharu telah berjaya ditawarkan kepada orang awam:

- Pembiayaan Mesin dan Peralatan (MAEF-i) dilancarkan pada bulan Ogos 2014 bagi menyediakan pilihan pembiayaan yang patuh Syariah untuk pengusaha dan petani membeli mesin dan peralatan untuk aktiviti pertanian mereka.
- Pembiayaan Perdagangan Agrobank (Trade Finance) dilancarkan pada bulan September 2014, kemudahan yang berasaskan Syariah bagi memudahkan aktiviti Perusahaan Kecil dan Sederhana (PKS), pelanggan komersial dan korporat dengan pembiayaan modal kerja jangka pendek untuk aktiviti perniagaan mereka yang meliputi kedua-dua transaksi perdagangan tempatan dan luar negara.
- AGROAgent merupakan perkhidmatan perbankan baharu yang dilancarkan pada Disember 2014 yang menyediakan perkhidmatan perbankan asas di kawasan luar bandar melalui ejen bank yang dilantik.
- Agro CashLine-i telah dilancarkan pada bulan Mei 2014, menawarkan kemudahan overdraft Islamik untuk membantu keperluan aliran tunai Pelanggan dan membawa Bank ke tahap yang setara dengan Bank Komersial dari segi penawaran produk.
- Strategic Alliance Financing-i (SALF-i) telah dilancarkan pada bulan Julai 2014, khusus untuk memberikan sokongan terhadap projek-projek kerajaan bagi golongan miskin.
- Produk-produk lain yang dilancarkan pada tahun yang sama adalah produk simpanan AgroPerdana-i Wadiah Yad Dhamanah, Pembiayaan Berjangka Special Advance for Investment Asset (SAFIA-i), dan perkhidmatan Shipping Guarantee-i.

Agrobank juga telah melancarkan pelbagai program sepanjang tahun, seperti Program Agropreneur Muda (PAM), Program Pembiayaan Dana TERAS, Program Mekanisma Mengawal Selia Harga Ladang Melalui Penetapan Diskaun – Lembaga Getah Malaysia (LGM) dan Program Pembiayaan Berkelompok (GFP), bagi menyokong inisiatif yang dilancarkan oleh agensi-agensi kerajaan di bawah Kementerian Pertanian & Industri Asas Tani (MOA) dan kementerian-kementerian lain. Program-program yang dijalankan bersama rakan-rakan kongsi strategik kami termasuk TERAJU dan Lembaga Getah Malaysia ini adalah bertujuan untuk membantu usahawan tani dalam sektor kelapa sawit, getah, padi dan lain-lain sub-sektor pertanian. Program seperti PAM diwujudkan khas untuk membantu para usahawan tani muda, manakala Program Pembiayaan Dana TERAS bersama TERAJU membantu PKS dan GFP pula disasarkan kepada "Pembiayaan Berkelompok" di bawah Bernas bagi sektor padi. Program-program ini kekal berdaya maju dan berjaya dengan kerjasama yang lebih luas dengan agensi-agensi di bawah MOA, dan Bank juga berharap kerjasamanya dengan kementerian-kementerian dan agensi-agensi Kerajaan lain bakal berkembang pada tahun akan datang.

Dalam usaha untuk mempertingkatkan lagi produk-produk deposit, beberapa kempen telah diperkenalkan bukan sahaja bagi meningkatkan asas deposit Bank tetapi juga untuk menggalakkan simpanan khususnya di kalangan komuniti pertanian. Salah satu kempen yang paling berjaya adalah kempen "Deposit Untuk Semua", iaitu sebuah pakej yang terdiri daripada produk Pelaburan dan Simpanan Bank yang menawarkan kombinasi kadar keuntungan yang menarik.

In ensuring the Bank's competitiveness and its capability in providing total banking solutions to its mandated sector, various Islamic products and programmes were developed over the year. Several new products were successfully brought to the public:

- MAEF-i (Machinery and Equipment Financing) was launched in August 2014 to provide Shariah-compliant financing option for farmers and operators to purchase machinery and equipment for their agriculture activities.
- Trade Finance was launched in September 2014, a Shariah-based facility that provides Small Medium Enterprise (SME), commercial and corporate customers with short term working capital financing to facilitate their business activities, covering both local and foreign trade transactions.
- AGROAgent is a new banking service launched in December 2014 that provides basic banking facilities in the rural area through appointed banking agents.
- Agro CashLine-i was launched in May 2014, offering Islamic overdraft facilities to support Customers' cash flow needs, and bringing the Bank at par with Commercial Banks in terms of product offerings.
- Strategic Alliance Financing-i (SALF-i) was launched in July 2014, specifically to support the government's projects for the poor.
- Other products launched within the same year were savings product AgroPerdana-i Wadiah Yad Dhamanah, Term Financing Special Advance for Investment Asset (SAFIA-i) and Services Shipping Guarantee-i.

The Bank also launched various programmes during the year, such as Program Agropreneur Muda (PAM), Program Pembiayaan Dana TERAS, Program Mekanisma Mengawal Selia Harga Ladang Melalui Penetapan Diskaun – Lembaga Getah Malaysia (LGM) and Group Financing Programme (GFP), in support of the initiative launched by government agencies under the MOA and other Ministries. The programmes, implemented with our strategic partners including TERAJU and Lembaga Getah Malaysia, are aimed at assisting agropreneurs under the palm oil, rubber, paddy, and other agricultural sub-sectors. Programmes such as PAM were specifically developed to assist young agropreneurs, whilst the Pembiayaan Dana TERAS programme with TERAJU assists SMEs. In addition, the GFP is targeted at Pembiayaan Berkelompok under Bernas Group for the paddy sector. The viability and success of these programmes look set to continue due to wider cooperation with agencies under the MOA, and the Bank anticipates that its collaboration with other Ministries and Government agencies will expand in the coming year.

In efforts to enhance deposit products, the Bank introduced several campaigns to not only increase its deposit base, but also to encourage savings among the agricultural community. One of the most successful is "Deposit Untuk Semua", a package consisting of the Bank's Investment and Savings product which offers an attractive combination of profit rates.

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT

### PRESTASI KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2014 (TK2014), baki pembiayaan kasar Bank dicatatkan pada RM6.87 bilion dengan pertumbuhan bersih sebanyak RM480.0 juta berbanding baki pembiayaan kasar pada TK2013 sebanyak RM6.39 bilion. Sebanyak RM3.82 bilion atau 55.6% daripada jumlah ini disumbang oleh pembiayaan komersial / korporat dan RM3.05 bilion atau 44.4%, disumbangkan oleh pembiayaan pengguna. Pembiayaan komersial/korporat meningkat daripada RM3.25 bilion, atau 17.4% pada TK2013, kepada RM3.82 bilion pada TK2014. Pertumbuhan utama pembiayaan Bank adalah dalam komoditi makanan, di mana komoditi makanan menyumbang sebanyak 38.4% daripada jumlah keseluruhan pembiayaan, atau 32.6% daripada sistem Perbankan pada TK2014. Pada TK2014, Bank telah merekodkan pertumbuhan pembiayaan bersih sebanyak 30.7% bagi sektor tanaman seperti buah-buahan, sayur-sayuran dan padi, 8.54% pertumbuhan bersih bagi sektor ternakan dan 5.4% pertumbuhan bersih bagi sektor perikanan. Berdasarkan saiz pembiayaan, daripada jumlah keseluruhan akaun, Bank telah merekodkan sebanyak 91.4% pembiayaan kepada usahawan-usahawan kecil dengan jumlah pembiayaan di bawah RM100,000 setiap satu. Daripada keseluruhan baki pembiayaan bernilai RM6.87 bilion pada 31 Disember 2014, 44.8% adalah terdiri daripada pembiayaan bernilai kurang daripada RM100,000.

Selaras dengan peranan yang dimandatkan kepada Bank, pembiayaan yang dimandatkan meningkat sebanyak RM540.0 juta atau 11.5%, daripada RM4.71 bilion pada akhir TK2013 kepada RM5.25 bilion pada akhir TK2014. Selain itu, Bank telah mencapai sasaran 16.8% untuk pembiayaan di bawah skim dana kerajaan di mana pembiayaan konsesi menyumbang sebanyak RM1.19 bilion atau 17.3%, daripada jumlah baki pembiayaan pada akhir TK2014. Pembiayaan di bawah Tabung Untuk Makanan (3F) merekodkan peningkatan bersih sebanyak RM70.33 juta atau 8.8% daripada RM799.32 juta kepada RM869.65 juta. Dana tersebut telah digunakan sepenuhnya dengan jumlah pembayaran sebanyak RM221.84 juta yang disumbangkan oleh komoditi utama seperti tanaman (RM99.07 juta atau 44.7%), perikanan (RM76.13 juta atau 34.3%) dan penternakan (RM46.64 juta atau 21.0%).

Bank mencatatkan pendapatan bersih sebanyak RM575.99 juta dan keuntungan operasi bersih sebanyak RM220.81 juta. Pendapatan daripada pembiayaan menunjukkan peningkatan sebanyak RM34.38 juta daripada RM423.83 juta pada TK2013 kepada RM458.21 juta pada TK2014, selain pertumbuhan kasar sebanyak RM783.0 juta dalam pembiayaan Islamik.

### E-PERBANKAN

Di sepanjang tahun kewangan, kami telah memperkuuhkan nilai segmen dengan kejayaan pelancaran inisiatif strategik utama bagi memberikan perkhidmatan yang lebih baik terhadap para pelanggan dan hal ini telah menghasilkan pengekalan dan keterlibatan pelanggan yang lebih tinggi:

- Kami mengembangkan perkhidmatan pembayaran elektronik kepada pelanggan PKS dan Perbankan Perniagaan dengan memperkenalkan Perbankan Internet Perniagaan AGRONetBIZ dan AGRO Visa Debit Card-i bagi pelanggan individu serta perniagaan.
- Kerjasama strategik dengan agensi-agensi di bawah MOA bagi pelaksanaan "AGROAgent" – Ejen Perbankan Agrobank di seluruh negara.
- Penggunaan perkhidmatan perbankan dalam talian oleh pelanggan telah meningkat sebanyak 46% kepada 41,000 orang pengguna berdaftar, menjana lebih dari RM160 juta nilai transaksi.
- Memperkayakan pengalaman dan kepuasan pelanggan melalui Komputer Kiosk Internet yang tersedia di 180 buah cawangan di seluruh negara.

### FINANCIAL PERFORMANCE

For the financial year ended 31 December 2014 (FY2014), the Bank recorded a gross financing balance of RM6.87 billion with net growth of RM480.0 million as compared to RM6.39 billion gross financing balance in FY2013. This was accounted for by RM3.82 billion, or 55.6%, in commercial/corporate financing and RM3.05 billion, or 44.4%, from consumer financing. Commercial/corporate financing increased from RM3.25 billion in FY2013, or 17.4%, to RM3.82 billion in FY2014. The Bank's financing growth is primarily derived from food commodities, whereby in FY2014 food commodities contributed 38.4% of total financing, or 32.6% of the banking system. In FY2014, the Bank recorded net growth in financing of 30.7% for crops such as fruits, vegetables and paddy, 8.54% net growth for livestock, and 5.4% net growth for fisheries. Based on the size of financing and out of the total number of accounts, the Bank recorded 91.4% of financing for small entrepreneurs with the amount of financing at below RM100,000 per account. Out of the total financing balance of RM6.87 billion as at 31 December 2014, 44.8% constituted financing of less than RM100,000.

In line with the Bank's mandated role, mandated financing increased by RM540.0 million, or 11.5%, from RM4.71 billion as at end-FY2013 to RM5.25 billion as at end-FY2014. In addition, the Bank achieved its target of 16.8% for financing under government-funded schemes where concessionary financing contributed RM1.19 billion, or 17.3%, from the total financing balance as at end FY2014. Financing under the Fund for Food Scheme (3F) recorded a net increase of RM70.33 million, or 8.8%, from RM799.32 million to RM869.65 million. The fund was fully utilised with total disbursement of RM221.84 million, allocated to key commodities such as crops (RM99.07 million or 44.7%), fishery (RM76.13 million or 34.3%) and livestock (RM46.64 million or 21.0%).

The Bank registered a net income of RM575.99 million and net operating profit of RM220.81 million. Revenue from financing showed an increase by RM34.38 million from RM423.83 million in FY2013 to RM458.21 million in FY2014, on the back of RM783.0 million growth in gross Islamic financing.

### E-BANKING

In the period under review, we strengthened our segment value proposition with the successful roll-out of key strategic initiatives to better serve our customers, which resulted in higher customer retention and engagement:

- We expanded our fleet of electronic payment services to SME and Business Banking customers with the introduction of AGRONetBIZ Business Internet Banking and AGRO Visa Debit Card-i for individual and business customers.
- Strategic partnership with agencies under MOA for nationwide implementation of "AGROAgent" – Agrobank's Agent Banking.
- Customer adoption of online banking services grew by 46% to over 41,000 registered users, generating more than RM160 million worth of transactions.
- Enriching customer experience and satisfaction via Internet Kiosk PC, made available at all 180 branches nationwide.

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT

Walaupun kami agak lewat memasuki segmen perbankan maya, kami terus memperkenalkan satu demi satu fungsi nilai tambah baharu yang terus memperkayakan lagi pengalaman pelanggan dan meningkatkan penggunaan melalui pengenalan perkhidmatan *e/BFT Instant Transfer* melalui *AGRONet* dan perkhidmatan pemindahan *Interbank GIRO* melalui ATM.

### RANGKUMAN KEWANGAN

Ejen Perbankan Agrobank iaitu "AGROAgent" diwujudkan khusus untuk memenuhi keperluan perbankan bagi komuniti yang tiada perkhidmatan perbankan; di mana Bank menyediakan perkhidmatan kewangan melalui ejen bukan bank. Kerjasama strategik dengan NAFAS, FAMA, NEKMAT dan MADA membolehkan kami menyampaikan perkhidmatan kepada komuniti di luar bandar tanpa perlu menuju cawangan fizikal. Pada akhir Disember 2014, kami telah memberikan perkhidmatan AGROAgent melalui 22 ejen di beberapa lokasi yang kurang mendapat perkhidmatan kewangan di seluruh negara dan kami mensasarkan penambahan ejen kepada 366 ejen pada tahun 2015.

Sejajar dengan perubahan terbaru dalam industri kad pembayaran oleh Bank Negara Malaysia yang akan terus mentransformasikan sistem pembayaran negara demi menuju ke arah masyarakat tanpa tunai, kami melancarkan AGRO Visa Debit Card-*i* bagi konsumen runcit dan perniagaan, yang membolehkan mereka mendapatkan akses simpanan di Agrobank secara elektronik dengan lebih mudah melalui rangkaian Visa tempatan dan di seluruh dunia. Agrobank adalah bank pertama di Malaysia dan Asia Pasifik yang memperkenalkan produk kad debit berdasarkan prinsip Syariah bagi pelanggan perniagaan. Dalam masa sebulan kad ini diperkenalkan, kami telah mengeluarkan hampir 20,000 keping AGRO Visa Debit Card-*i* dan mensasarkan 1 juta pemegang kad debit dalam tempoh tiga tahun akan datang.

Fokus Seksyen Pembiayaan Mikro (MFS) pada tahun 2014 adalah untuk menggalakkan pertumbuhan dalam segmen keusahawanan mikro, bukan hanya untuk menyokong sektor pertanian, tetapi juga bagi meningkatkan taraf kehidupan di kawasan luar bandar.

MUS1M-*i* (produk pembiayaan mikro) juga telah dipertingkatkan untuk memastikan selain daripada membantu pelanggan memulakan projek dan perniagaan, Bank juga akan membantu dalam perkembangan perniagaan mereka dengan mewujudkan program-program seperti Credit Limit Enhancement Programme yang dapat memudahkan proses pelanggan untuk mendapatkan pembiayaan bagi mengembangkan perniagaan.

### PERUBAHAN KE ARAH PERBANKAN ISLAM SEPENUHNYA

Menjelang penghujung bulan Disember 2014, kami telah berjaya menukar 100% deposit kami kepada deposit Islamic, sementara 80% daripada portfolio pembiayaan Agrobank telah berjaya ditukarkan kepada pembiayaan Islamic. Kami komited dalam memenuhi objektif Bank untuk mencapai status perbankan Islamic sepenuhnya pada tahun 2015 dan dalam masa yang sama berusaha meningkatkan portfolio perniagaan dan pertumbuhan pembiayaan selaras dengan prinsip-prinsip Islam.

Despite our late entry to the virtual banking segment, we continued to rollout new value-added functionalities that further enriched our customer experience and increased utilisation through the introduction of eIBFT Instant Transfer service via AGRONet and Interbank GIRO transfer service via ATM.

### FINANCIAL INCLUSION

"AGROAgent" or Ejen Perbankan Agrobank was developed specifically to address the banking needs of the underserved community; in which the Bank provides financial services through non-bank agents. Our strategic collaboration with NAFAS, FAMA, NEKMAT and MADA has enabled us to reach out to a larger base of rural communities without having to set up a physical branch. As at end-December 2014, we have deployed our AGROAgent service via 22 agents at various underserved locations nationwide and we aim to increase the number of agents to 366 by 2015.

In line with the recent reforms in the card payment industry by Bank Negara Malaysia that will further transform the country's payment system to support the move towards a cashless society, we have launched AGRO Visa Debit Card-*i* for both retail and business consumers, which enables customers to conveniently access their funds at Agrobank electronically through Visa's local and worldwide network. Agrobank is the first bank in Malaysia and Asia-Pacific to introduce a debit card product based on Shariah principles for business customers. Within a month of its introduction, we issued close to 20,000 AGRO Visa Debit Card-*i* and are targeting to reach 1 million debit card holders in the next three years.

The focus of the Micro Finance Section (MFS) for 2014 was to increase growth in the micro-entrepreneurial segments, not only to support the agricultural sector but also to upgrade the standard of living in rural areas.

MUS1M-*i* (a micro finance product) was enhanced to ensure that aside from assisting customers to start their projects and businesses, the Bank will facilitate the business growth with programmes such as the Credit Limit Enhancements Programme that ease the process of obtaining financing for expansion.

### CONVERSION TOWARDS FULL-FLEDGED ISLAMIC BANKING

Towards the end of December 2014, we successfully converted 100% of our deposits to Islamic, while 80% of Agrobank's financing portfolio has been successfully converted to Islamic. We are committed to fulfilling the Bank's objective of achieving full-fledged Islamic status in 2015 whilst increasing our business portfolio and financing growth in accordance to Islamic principles.

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT



### MENGASAH BAKAT: SATU INISIATIF PEMBANGUNAN MODAL INSAN

Pembangunan modal insan merupakan salah satu fokus utama kami dalam memastikan kejayaan transformasi Agrobank kepada Perbankan Islam; dengan cara mengasah bakat dan meningkatkan pengetahuan kakitangan terhadap komunikasi dan teknologi (ICT), produk serta perkhidmatan. Oleh itu, program-program seperti Agrobank Practical Exposure (APEX) dan Juara Syariah telah diperkenalkan untuk menyokong inisiatif tersebut. Program latihan amali iaitu Anugerah Biasiswa Agrobank juga ditawarkan kepada pelajar-pelajar di universiti-universiti terpilih di seluruh Malaysia untuk mendapatkan pendedahan dalam industri perbankan dan pertanian primer.

Agrobank juga telah diiktiraf sebagai salah satu daripada 100 Majikan Terbaik Bagi Graduan Malaysia 2014, dan pengiktirafan ini mengesahkan lagi kejayaan inisiatif dan usaha kami melalui penjenamaan.

### TANGGUNGJAWAB SOSIAL KORPORAT: ZAKAT DAN SUMBANGAN

Sebagai sebuah organisasi yang prihatin, kami komited dalam menunaikan tanggungjawab sosial kami untuk menghantar bantuan kemanusiaan ke seluruh negara. Bencana banjir yang melanda Kelantan, Terengganu, Perak, Pahang dan Johor pada baru-baru ini telah menyebabkan ramai penduduk kehilangan tempat tinggal. Oleh itu, sejumlah 113 orang kakitangan dari ibu pejabat dan pusat-pusat perniagaan bergabung dalam 'Skuad Agrokasih' untuk menyalurkan bantuan kepada cawangan yang terjejas operasinya dan juga kepada mangsa yang terlibat. Pungutan derma yang dipelopori Bahagian Sumber Manusia telah berjaya mengumpul kutipan sebanyak RM34,586 yang mana digunakan untuk memperbaiki kehidupan mereka yang terlibat.

Antara aktiviti Tanggungjawab Sosial Korporat lain yang dianjurkan sepanjang tahun adalah termasuk cabaran Skytrex Adventure yang disertai oleh peserta Program Bakat Muda Agrobank (YTP) bersama 44 orang anak yatim dari Pusat Jagaan Al-Hidayah Sungai Buloh, dan Program Satu Hati Titian Budi di Perak.

Pada tahun 2014, zakat telah diagihkan kepada mereka yang memerlukan di Perak, Kelantan, Kedah, Wilayah Persekutuan dan Sarawak. Sejumlah RM1.368 juta dalam bentuk Zakat Perniagaan telah berjaya diagihkan di seluruh negara sehingga akhir tahun 2014.

In ensuring the success of Agrobank's transformation to Islamic Banking, human capital development has been one of our main focuses; through nurturing talent and improving our staff knowledge on information, communication and technology (ICT), products and services. Hence, programmes such as Agrobank Practical Exposure (APEX) and Sharia Champion were introduced in support of this initiative. An internship programme; the Agrobank Scholarship Awards, was also offered to students in selected universities throughout Malaysia to gain exposure in the banking industry and primary agriculture.

Agrobank was also recognised as one of Malaysia's 100 Leading Graduate Employers in 2014, further validating our initiatives and efforts through branding.

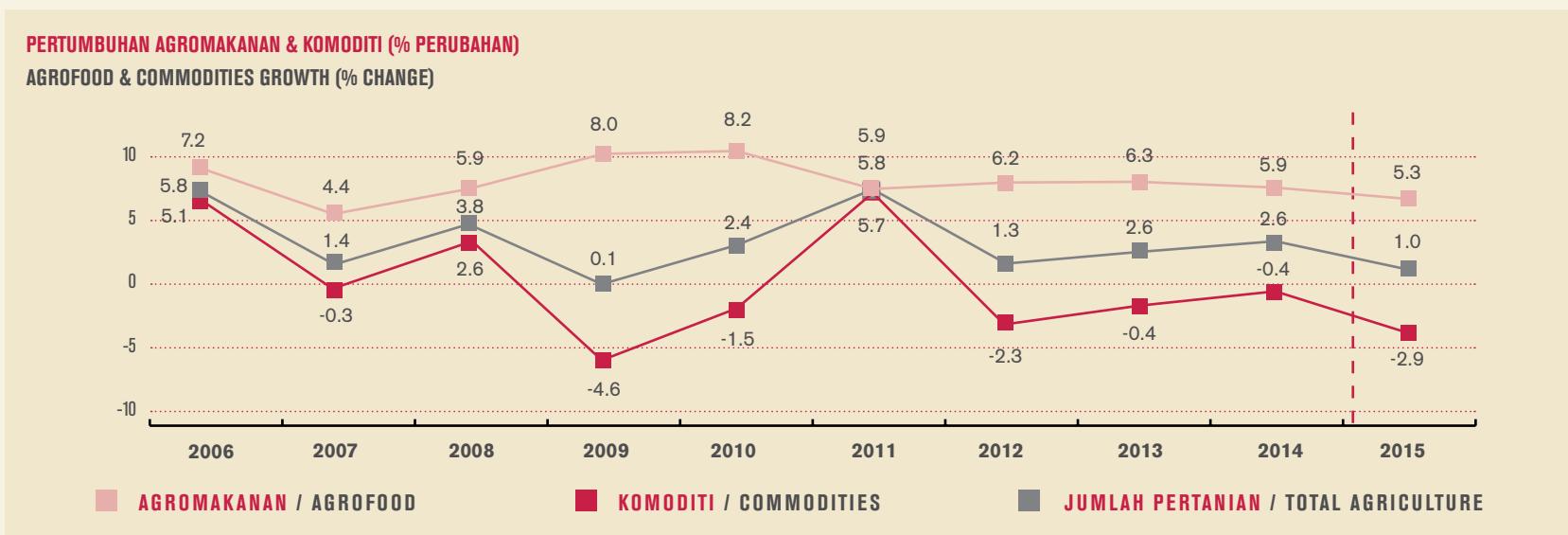
### CSR: ZAKAT AND DONATIONS

As a caring organisation, we are committed to fulfilling our social responsibility nationwide as part of our humanitarian efforts. The recent flood that affected parts of Kelantan, Terengganu, Perak, Pahang and Johor has left many stranded without homes. To ease their plight, a total of 113 staff, including volunteers from our headquarters and business centres, formed the Agrokasih Squad to provide assistance to our affected branch operations and the victims involved. A donation drive that was spearheaded by our Human Resource Division raised a total of RM34,586 to improve the livelihood of those affected.

Other CSR activities organised during the year include the Skytrex Adventure Challenge which saw the participation of Agrobank's Young Talent Programme (YTP) candidates, together with 44 orphans from Pusat Jagaan Al-Hidayah Sungai Buloh, and Program Satu Hati Titian Budi in Perak.

During the year 2014, zakat was distributed to those in need in Perak, Kelantan, Kedah, Wilayah Persekutuan and Sarawak. A total of RM1.368 million in Zakat Perniagaan was given out nationwide as at end-2014.

## PERUTUSAN PRESIDEN/KETUA PEGAWAI EKSEKUTIF PRESIDENT/CEO'S STATEMENT



### PERTUMBUHAN SEKTOR PERTANIAN PADA TAHUN 2015 – Unjuran Agrobank

Dengan permintaan penggunaan yang berterusan bagi agromakanan dan permintaan yang meningkat bagi penggunaan biobahan api termandat, sektor pertanian diunjurkan meningkat sebanyak 1% berbanding pertumbuhan 0.3% yang diunjurkan oleh Bank Negara Malaysia, disokong oleh segmen agromakanan, terutamanya tanaman makanan dan ternakan. Walaupun pengeluaran getah jatuh sebanyak 1.3% pada tahun 2014 disebabkan persaingan daripada getah sintetik dan permintaan yang rendah dari negara-negara maju, ekonomi global yang semakin baik pada tahun 2015 diharapkan dapat meningkatkan permintaan bagi produk-produk getah dan produk-produk kayu yang dikilangkan.

### PENGHARGAAN

Agrobank kini mempunyai barisan produk pembiayaan pertanian yang lengkap untuk ditawarkan kepada pasaran setanding dengan para pesaing dan kini menuju dengan yakin ke arah visi untuk menjadi sebuah Bank yang menerajui bidang perbankan dengan fokus kepada pertanian. Ini akan menjadikan Bank lebih kompetitif dalam pasaran *niche*, sekaligus membolehkan Bank memainkan peranan penting dan mendukung misi MOA untuk mentransformasikan sektor pertanian kepada sektor yang lebih moden, dinamik dan kompetitif.

Pencapaian dan visi Agrobank tidak mungkin menjadi kenyataan tanpa sokongan daripada pihak-pihak berkepentingan kami, termasuk Kementerian Kewangan, Bank Negara Malaysia, MOA, badan-badan kawal selia dan badan-badan kerajaan, dan tidak ketinggalan para pelanggan setia kami. Saya ingin mengucapkan terima kasih kepada Pengerusi dan Ahli Lembaga Pengarah atas kepercayaan mereka sekali lagi kepada saya untuk memimpin organisasi ini. Dengan komitmen berterusan daripada pasukan Pengurusan dan kakitangan Agrobank, kita akan sama-sama berusaha menjadi sebuah Bank Islamik yang memberi impak. InsyaAllah.

Wassalam.

### AGRICULTURE SECTOR GROWTH IN 2015 – Agrobank's projection

With steady consumption demand for agrofood and increasing demand for mandated biofuel usage, the agriculture sector is projected to grow by 1% compared to Bank Negara Malaysia's projection for 0.3% growth, supported by the agrofood segment, particularly food crops and livestock. Although rubber production fell by 1.3% in 2014 due to competition from synthetic rubber and subdued demand from developed countries, the improving global economy in 2015 is expected to lift demand for rubber and manufactured wood products.

### ACKNOWLEDGEMENTS

Now that the Bank is equipped with the complete range of agricultural financing products to offer to the market at par with competitors, Agrobank is confidently moving towards our vision to be a leading Bank, with a focus on agriculture. This will position the Bank to be competitive in our niche market, thus enabling the Bank to play a vital role and uphold the MOA's mission of transforming the agricultural sector into a modern, dynamic and competitive sector.

Agrobank's achievement and vision would not have been made possible without the support from our stakeholders, including the Ministry of Finance, Bank Negara Malaysia, MOA, other regulatory and government bodies and not forgetting our loyal customers. I would like to thank the Chairman and Board members for entrusting me yet again to lead this organisation. Backed by continuous commitment from the Agrobank Management team and staff, we will strive to be an impactful Islamic bank with a difference, InshaAllah.

Wassalam.

**Dato' Wan Mohd Fadzmi Wan Othman**  
Presiden/Ketua Pegawai Eksekutif / President/Chief Executive Officer



# PURE OCEAN RESOURCES SDN. BHD.

**Mr. Kang Chew Swee, Managing Director**

Pelanggan Agrobank sejak 2013 | Agrobank's client since 2013



“

Syarikat saya Pure Ocean Resources Sdn. Bhd. pada awalnya terlibat dalam aktiviti pemasaran tetapi berkembang ke perniagaan memproses makanan laut bernilai tambah pada bulan Mac 2013 sebagai sebahagian daripada rangkaian operasi makanan laut bersepadu Hai Kee Hung Sdn. Bhd. (HKH). Saya berterima kasih kepada Agrobank kerana memberikan bantuan kewangan kepada syarikat saya dan membolehkan kami meluaskan aktiviti hiliran HKH sekaligus memenuhi keperluan pasaran bagi makanan laut disepanjang rantai nilai.

*Initially, my company Pure Ocean Resources Sdn. Bhd. was involved in marketing activities, but expanded into processing value-added seafood in March 2013 as part of the Hai Kee Hung Sdn. Bhd. (HKH) integrated seafood operations network. I am grateful to Agrobank for providing my company with financial support which has enabled us to broaden HKH's downstream activities and fulfill market demand for seafood throughout the full value chain.*

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# AHLI LEMBAGA PENGARAH BOARD OF DIRECTORS



Dari kiri ke kanan/From left to right:

**Datin Seri Hjh. Ruzaina Wan Haniff**, Pengarah Bebas Bukan Eksekutif/*Independent Non-Executive Director*, **Dato' Dr. Mohamad Hashim Ahmad Tajudin**, Pengarah Bebas Bukan Eksekutif/*Independent Non-Executive Director*, **Md. Hilmi Datuk Haji Md. Noor**, Pengarah Bebas Bukan Eksekutif/*Independent Non-Executive Director*, **Ng Chih Kaye**, Pengarah Bebas Bukan Eksekutif/*Independent Non-Executive Director*, **Datuk Dr. Saharan Haji Anang**, Pengarah Bebas Bukan Eksekutif/*Independent Non-Executive Director*, **Tan Sri Faizah Mohd Tahir**, Pengerusi Bebas Bukan Eksekutif/*Independent Non-Executive Chairman*

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**AHLI LEMBAGA PENGARAH**  
**BOARD OF DIRECTORS**



Dari kiri ke kanan/From left to right:

**Dato' Wan Mohd Fadzmi Wan Othman**, Presiden/Ketua Pegawai Eksekutif/President/Chief Executive Officer, **Rashidah Mohd Sies**, Pengarah Bukan Bebas Bukan Eksekutif/Non-Independent Non-Executive Director, **Datuk Seri Che Mohd Hashim Abdullah**, Pengarah Bukan Bebas Bukan Eksekutif/Non-Independent Non-Executive Director, **Datuk Johar Che Mat**, Pengarah Bebas Bukan Eksekutif/Independent Non-Executive Director, **Dato' Salehuddin Saidin**, Pengarah Bebas Bukan Eksekutif/Independent Non-Executive Director, **Dato' Mohd Arif Bin Ab Rahman**, Pengarah Bukan Bebas Bukan Eksekutif/Non-Independent Non-Executive Director

# PROFIL AHLI LEMBAGA PENGARAH

## DIRECTORS' PROFILE

### TAN SRI FAIZAH MOHD TAHIR

Pengerusi Bebas Bukan Eksekutif  
*Independent Non-Executive Chairman*



Tan Sri Faizah Mohd Tahir telah dilantik sebagai Pengerusi Bebas Bukan Eksekutif Agrobank berkuat kuasa pada 5 Ogos 2010.

Beliau memiliki Ijazah Sarjana (Pembangunan Ekonomi) dari Williams College, Amerika Syarikat dan Ijazah Sarjana Muda (Ekonomi) dari Universiti Malaya.

Beliau memulakan kerjayanya dalam perkhidmatan awam sebagai Penolong Pengarah di Unit Perancang Ekonomi (EPU), Jabatan Perdana Menteri pada tahun 1973. Beliau telah memegang beberapa jawatan utama antaranya Ketua Penolong Pengarah Perikanan dan Pembangunan Ternakan, EPU dan Seksyen Pembahagian sehingga tahun 1994. Beliau seterusnya dilantik sebagai Pengarah Seksyen Sumber Manusia dan Seksyen Perindustrian dan Perdagangan di EPU. Beliau dilantik sebagai Ketua Setiausaha Kementerian Pembangunan Wanita, Keluarga dan Masyarakat sehingga beliau bersara wajib pada bulan Disember 2009.

Beliau kini merupakan Ahli Lembaga Pengarah Goodyear Malaysia Berhad, Goodyear Marketing & Sales Sdn Bhd, Faith Acres Sdn Bhd dan Amway (Malaysia) Holdings Berhad.

Tan Sri Faizah Mohd Tahir was appointed as an Independent Non-Executive Chairman of Agrobank on 5 August 2010.

She holds a Master's Degree (Economic Development) from Williams College, United States of America and a Bachelor's Degree (Economics) from University of Malaya.

She began her career in the civil service as an Assistant Director at the Economic Planning Unit (EPU), Prime Minister's Department in 1973. She held several key positions such as the Principal Assistant Director of Fisheries and Livestock Development, EPU and the Distribution Section until 1994. She was later promoted as the Director of the Human Resources Section and the Industry and Commerce Section in the EPU. Prior to her retirement from the civil service in December 2009, she was the Secretary General in the Ministry of Women, Family and Community Development.

She is currently a member of the Board of Goodyear Malaysia Berhad, Goodyear Marketing & Sales Sdn Bhd, Faith Acres Sdn Bhd and Amway (Malaysia) Holdings Berhad.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATO' WAN MOHD FADZMI WAN OTHMAN

Presiden/Ketua Pegawai Eksekutif  
*President/Chief Executive Officer*



Dato' Wan Mohd Fadzmi Wan Othman telah dilantik sebagai Presiden/Ketua Pegawai Eksekutif Agrobank berkuat kuasa pada 1 Julai 2011. Beliau turut dilantik sebagai Pengerusi Jawatankuasa Pengurusan, Jawatankuasa Pengurusan Kredit, Jawatankuasa Pengurusan Aset dan Liabiliti, Jawatankuasa Pengurusan Teknologi Maklumat dan Transformasi, Jawatankuasa Pengurusan Risiko dan Jawatankuasa Pengurusan Sumber Manusia.

Beliau memegang Ijazah Sarjana Muda Ekonomi Binaan dari Royal Melbourne Institute of Technology, Australia. Beliau juga telah menghadiri Program Pengurusan Lanjutan di Wharton Business School, University of Pennsylvania, Amerika Syarikat.

Sebelum menyertai Agrobank, beliau memegang jawatan Pengarah Perbankan Kewangan Global di Kumpulan Perbankan RHB dan pernah berkhidmat dengan Kumpulan Maybank selama 22 tahun. Sewaktu di Maybank, Dato' Wan Mohd Fadzmi memegang pelbagai jawatan pengurusan kanan termasuk mengetuai cawangan di London, New York dan Hong Kong.

Dato' Wan Mohd Fadzmi Wan Othman was appointed as the President/Chief Executive Officer of Agrobank on 1 July 2011. He also concurrently serves as the Chairman of the Management Committee, Management Credit Committee, Asset and Liability Committee, Management Information Technology and Transformation Committee, Management Risk Committee and Human Resource Management Committee.

He holds a Bachelor's Degree in Construction Economics from the Royal Melbourne Institute of Technology, Australia. He also attended the Advanced Management Program (AMP) at the Wharton Business School, University of Pennsylvania, USA.

Prior to joining Agrobank, he was the Director of Global Financial Banking at the RHB Banking Group. He was also attached to the Maybank Group for 22 years where he held several senior management positions including Country Head for Maybank's branches in London, New York and Hong Kong.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATUK SERI CHE MOHD HASHIM ABDULLAH

Pengarah Bukan Bebas Bukan Eksekutif  
*Non-Independent Non-Executive Director*



Datuk Seri Che Mohd Hashim Abdullah pernah berkhidmat sebagai Pengarah Bukan Bebas Bukan Eksekutif Agrobank sejak 2 Mei 2011.

Beliau berkelulusan Ijazah Sarjana Sains Politik dari Universiti Kebangsaan Malaysia, Ijazah Sarjana Muda (dengan Kepujian) Pengajian Asia Tenggara dari Universiti Malaya dan Diploma Pentadbiran Awam dari Institut Tadbiran Awam Negara (INTAN).

Datuk Seri Che Mohd Hashim memulakan kerjayanya dalam perkhidmatan awam pada tahun 1980. Antara jawatan yang pernah dipegang ialah Setiausaha Sulit Kanan kepada Menteri Belia dan Sukan dan Menteri Pembangunan Luar Bandar; Ketua Penolong Setiausaha di Bahagian Perancangan dan Penilaian; Setiausaha Bahagian Pembangunan Perniagaan, Kementerian Pembangunan Usahawan dan Koperasi; dan Timbalan Ketua Setiausaha di Kementerian Pertanian dan Industri Asas Tani. Beliau adalah Ketua Setiausaha di Kementerian Pertanian dan Industri Asas Tani sehingga persaraan beliau pada 31 Ogos 2014.

Datuk Seri Che Mohd Hashim juga merupakan Ahli Lembaga Pemegang Amanah Tekun Malaysia (TEKUN), Ahli Lembaga Pengarah Kemajuan Ikan Malaysia, Majlis Penasihat Peladang, Lembaga Pertubuhan Peladang (LPP) dan Suruhanjaya Koperasi Malaysia (SKM).

Datuk Seri Che Mohd Hashim telah meletak jawatan pada 31 Julai 2014.

Datuk Seri Che Mohd Hashim Abdullah was appointed as a Non-Independent Non-Executive Director of Agrobank since 2 May 2011.

He holds a Master's in Political Science from University Kebangsaan Malaysia, a Bachelor Degree (with Honours) in South East Asian Studies from University of Malaya and a Diploma in Public Administration from the National Institute of Public Administration (INTAN).

Datuk Seri Che Mohd Hashim began his career in civil service in 1980. Among the positions he held were Senior Private Secretary to the Minister of Youth and Sports and Minister of Rural Development; Principal Assistant Secretary in the Planning and Valuation Division; Secretary of the Business Development Division in the Ministry of Entrepreneur and Cooperatives Development; and Deputy Secretary General in the Ministry of Agriculture and Agro-based Industry. He was the Secretary General in the Ministry of Agriculture and Agro-based Industry up to his retirement on 31 August 2014.

Datuk Seri Che Mohd Hashim was also a member of the Board of Trustee of Tekun Malaysia (TEKUN), Board Member of the Fisheries Development Authority of Malaysia, Farmers' Advisory Council, Farmers' Organisation Authority (LPP) and Malaysian Cooperative Commission (SKM).

Datuk Seri Che Mohd Hashim resigned on 31 July 2014.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### RASHIDAH MOHD SIES

Pengarah Bukan Bebas Bukan Eksekutif  
*Non-Independent Non-Executive Director*



Rashidah Mohd Sies telah dilantik sebagai Pengarah Bukan Eksekutif Bukan Bebas Agrobank pada 8 Jun 2010. Beliau turut dilantik sebagai Ahli Jawatankuasa Lembaga Audit, Jawatankuasa Lembaga Kredit dan Pelaburan dan Jawatankuasa Imbuhan Agrobank.

Beliau memegang Ijazah Sarjana Muda (Kewangan Pentadbiran Perniagaan) dari Idaho State University dan Ijazah Sarjana (Pentadbiran Perniagaan) dari Universiti Antarabangsa Amerika Syarikat, California dan juga Diploma (Pentadbiran Awam) dari INTAN. Pengetahuan yang luas dalam perkhidmatan awam telah melonjakkan kerjaya beliau.

Beliau pernah berkhidmat dengan Kementerian Kewangan, Seksyen Pelaburan dalam kapasiti pengurusan pinjaman Kerajaan, dan kemudian terlibat dalam penswastaan pelbagai agensi dan jabatan di bawah Kerajaan.

Beliau kini berkhidmat sebagai Ketua Penolong Setiausaha di Bahagian Pelaburan, Menteri Kewangan Diperbadankan (MKD) dan Penswastaan, Kementerian Kewangan Malaysia.

Rashidah Mohd Sies was appointed as a Non-Independent Non-Executive Director of Agrobank on 8 June 2010. She is also a member of the Board Audit Committee, Board Credit and Investment Committee and Remuneration Committee of Agrobank.

She holds a Bachelor Degree (Finance in Business Administration) from Idaho State University and a Master's Degree (Business Administration) from US International University, California as well as a Diploma (Public Administration) from INTAN. Her extensive experience in the civil service propelled her to significant heights in her career.

Rashidah has served with the Ministry of Finance, Investment Section in the capacity of managing Government loans, and later was involved in the privatisation of various agencies and departments under the Government.

She currently serves as Principal Assistant Secretary in the Investment Division, Minister of Finance Incorporated (MoF Inc.) and Privatisation Division, Ministry of Finance Malaysia.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATUK DR. SAHARAN HAJI ANANG

Pengarah Bebas Bukan Eksekutif  
*Independent Non-Executive Director*



Datuk Dr. Saharan Haji Anang telah dilantik sebagai Pengarah Bebas Bukan Eksekutif Agrobank sejak 9 Jun 2008. Beliau pernah memegang jawatan sebagai Pengerusi Jawatankuasa Lembaga Pengurusan Risiko serta Ahli Jawatankuasa Lembaga Audit, Jawatankuasa Lembaga Kredit dan Pelaburan dan Jawatankuasa Pencalonan Agrobank.

Beliau berkelulusan Ijazah Kedoktoran (PhD) dari University of London, England dalam bidang 'Weed Science', Ijazah Sarjana Sains Pertanian dari State Agriculture Development University, Ghent, Belgium dan Ijazah Sarjana Muda Sains Pertanian dari Universiti Malaya.

Sepanjang kerjayanya, beliau pernah memegang pelbagai jawatan penting di dalam dan luar negara, di institusi-institusi berikut: Institut Penyelidikan dan Kemajuan Pertanian Malaysia (MARDI), Majlis Penyelidikan dan Kemajuan Sains Negara (MPKSN), Food and Agriculture Organisation of the United Nations (FAO), Negara-negara Membangun Asia Pasifik ke "Consultative Group on International Agriculture Research (CGIAR)", "Asian Vegetable Research and Development Centre (AVRDC/AVNET)", dan Jawatankuasa Pemandu Projek Kawalan Serangga Bersepadu (IRRI/IPMNET).

Datuk Dr. Saharan ialah Felo Akademi Sains Malaysia (F.A. Sc.) sejak tahun 2001. Beliau pernah menjadi Ahli Lembaga Pengarah Lembaga Pemasaran Pertanian Persekutuan (FAMA), Pihak Berkuasa Kemajuan Pekebun Kecil Perusahaan Getah (RISDA), Lembaga Koko Malaysia, Pesticides Board of Malaysia, Malaysian Herbal Corporation Sdn Bhd, Chemical Company Malaysia Berhad dan Chemical Company Malaysia Fertilizer Sdn Bhd.

Datuk Dr. Saharan telah meletak jawatan pada 13 Jun 2014.

Datuk Dr. Saharan Haji Anang was appointed as an Independent Non-Executive Director of Agrobank since 9 June 2008. He was also Chairman of the Board Risk Management Committee and was a member of the Board Audit Committee, Board Credit & Investment Committee and Nominating Committee of Agrobank.

He obtained his PhD from the University of London, England in 'Weed Science', Masters in Agriculture Science from the State Agriculture Development University, Ghent, Belgium, and Bachelor of Agricultural Science from the University of Malaya.

During his career, he held various prominent positions locally and internationally at the following institutions: the Malaysian Agricultural Research and Development Institute (MARDI), National Council for Scientific Research and Development (MPKSN), Food and Agriculture Organisation of The United Nations (FAO), Asia Pacific Developing Countries to Consultative Group of the International Agriculture Research (CGIAR), Asian Vegetable Research and Development Centre (AVRDC/AVNET), and the Steering Committee for Integrated Rice Pest Control (IRRI/IPMNET).

Datuk Dr. Saharan has been a Fellow of the Academy of Sciences Malaysia (F.A.Sc.) since 2001. He was previously a board member of the Federal Agriculture Marketing Authority (FAMA), Rubber Industry Smallholders Development Authority (RISDA), Malaysian Cocoa Board, Pesticides Board of Malaysia, Malaysian Herbal Corporation Sdn Bhd, Chemical Company Malaysia Berhad and Chemical Company Malaysia Fertilizer Sdn Bhd.

Datuk Dr. Saharan resigned on 13 June 2014.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATUK JOHAR CHE MAT

Pengarah Bebas Bukan Eksekutif  
*Independent Non-Executive Director*



Datuk Johar Che Mat telah dilantik sebagai Pengarah Bebas Bukan Eksekutif Agrobank berkuat kuasa sejak 1 Julai 2010. Beliau turut dilantik sebagai Pengerusi Jawatankuasa Lembaga Kredit & Pelaburan.

Beliau juga Ahli Jawatankuasa Lembaga Audit, Jawatankuasa Lembaga Pengurusan Risiko, Jawatankuasa Ganjaran dan Jawatankuasa Pencalonan Agrobank. Beliau berkelulusan Ijazah Sarjana Muda (Ekonomi).

Datuk Johar mempunyai pengalaman yang luas selama 34 tahun dalam industri perbankan dan pernah menjadi Ahli Lembaga Pengarah Mayban Trustee Berhad, Maybank Islamic Berhad, Mayban Life Assurance Berhad, Maybank Takaful Berhad, Mayfin Bhd (Mayban Finance Berhad), Aseamlease Berhad, Aseam Credit Sdn Bhd dan Mayban Allied Credit & Leasing Berhad. Datuk Johar merupakan mantan Ketua Pegawai Operasi Maybank Berhad sebelum persaraan beliau pada bulan Jun 2010.

Datuk Johar kini merupakan Perwakilan Lembaga Pengarah Amanah Raya Berhad di mana beliau bertanggungjawab menyelia pengurusan syarikat.

Datuk Johar Che Mat was appointed as an Independent Non-Executive Director of Agrobank since 1 July 2010. He also serves as the Chairman of the Board Credit & Investment Committee.

He is also a member of the Board Audit Committee, Board Risk Management Committee, Remuneration Committee and Nominating Committee of Agrobank. He holds a Bachelor Degree in Economics.

Datuk Johar has vast experience in the banking industry spanning over 34 years and was a Board Member of Mayban Trustee Berhad, Maybank Islamic Berhad, Mayban Life Assurance Berhad, Maybank Takaful Berhad, Mayfin Bhd (Mayban Finance Berhad), Aseamlease Berhad, Aseam Credit Sdn Bhd and Mayban Allied Credit & Leasing Berhad. Datuk Johar was the former Chief Operating Officer of Maybank Berhad prior to his retirement in June 2010.

Datuk Johar is currently a Board Representative of Amanah Raya Berhad, overseeing the management of the company.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### NG CHIH KAYE

Pengarah Bebas Bukan Eksekutif

*Independent Non-Executive Director*



Ng Chih Kaye telah dilantik sebagai Pengarah Bebas Bukan Eksekutif Agrobank sejak 8 Februari 2011. Beliau turut dilantik sebagai Pengerusi Jawatankuasa Audit dan merupakan Ahli Jawatankuasa Lembaga Kredit dan Pelaburan dan Jawatankuasa Lembaga Pengurusan Risiko dan Jawatankuasa Pencalonan.

Beliau merupakan Akauntan Bertauliah yang diiktiraf oleh Institut Akauntan Malaysia (MIA) dan juga Felo Persatuan Akauntan Bertauliah Berkanun (ACCA).

Ng Chih Kaye memulakan kerjaya beliau di Blinkhorn, Lyon & Golding, Chartered Accountants, London dan kemudian di KPMG, Kuala Lumpur. Beliau seterusnya berkhidmat dengan Maybank selama 25 tahun dengan jawatan terakhirnya sebagai Naib Presiden Eksekutif dan pernah menjadi Ahli Lembaga Pengarah Maybank Allied Credit & Leasing Berhad.

Ng Chih Kaye juga merupakan Pengarah Bebas Bukan Eksekutif bagi CapitaMalls Malaysia REIT Management Sdn Bhd.

Ng Chih Kaye was appointed as an Independent Non-Executive Director of Agrobank on 8 February 2011. He also serves as the Chairman of the Board Audit Committee and is a member of the Nominating Committee, Board Credit & Investment Committee, and Board Risk Management Committee.

He is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Chartered Certified Accountants (ACCA).

Ng Chih Kaye began his career at Blinkhorn, Lyon & Golding, Chartered Accountants, London and later worked at KPMG, Kuala Lumpur. He then served Maybank for 25 years, with his last position as Executive Vice President. He was a Board Member of Maybank Allied Credit & Leasing Berhad.

Ng Chih Kaye is also an Independent Non-Executive Director of CapitaMalls Malaysia REIT Management Sdn Bhd.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATO' DR. MOHAMAD HASHIM AHMAD TAJUDIN

Pengarah Bebas Bukan Eksekutif  
*Independent Non-Executive Director*



Dato' Dr. Mohamad Hashim Ahmad Tajudin telah dilantik sebagai Pengarah Bebas Bukan Eksekutif Agrobank pada 3 Julai 2014. Beliau berkhidmat sebagai Pengurus Jawatankuasa Lembaga Pengurusan Risiko. Beliau juga merupakan ahli Jawatankuasa Audit, Jawatankuasa Lembaga Kredit dan Pelaburan, Jawatankuasa Ganjaran dan Jawatankuasa Pencalonan Agrobank.

Beliau memperolehi PhD dalam "Kesuburan Tanah dan Pengurusan", Ijazah Sarjana Pertanian "Kesuburan dan Kimia Tanah" dan Ijazah Sarjana Muda Sains Pertanian dari Universiti Putra Malaysia. Beliau juga telah menyertai "Program Pengurusan Perniagaan Perdana Harvard" dan "Program Pengurusan Lanjutan (AMP)" di INSEAD, Perancis.

Dato' Dr. Mohamad Hashim kini merupakan Pengurus Jawatankuasa Editorial "The Planters" bagi Incorporated Society of Planters, Ahli Lembaga Pengarah Incorporated Society of Planters (ISP), Ahli Lembaga Pengarah ISPM Management Sdn Bhd dan Ahli Majlis Outward Bound Trust of Malaysia (OBS).

Selain daripada itu, beliau juga merupakan Pengarah Urusan Kumpulan Chemical Company of Malaysia Berhad (CCM) dari Julai 2004 hingga Jun 2010. Sebelum itu beliau merupakan Pengarah Kanan, Bahagian Minyak dan Lemak, Golden Hope Plantations Berhad. Beliau juga memegang beberapa jawatan lain seperti Pengarah Penyelidikan di Bahagian Penyelidikan dan Pembangunan dan Pengarah Eksekutif Golden Hope Research Sdn Bhd. Beliau merupakan bekas Ketua Pegawai Eksekutif Tradewinds Plantation Berhad dan Ketua Pegawai Eksekutif Padiberas Nasional Berhad (BERNAS).

Dato' Dr. Mohamad Hashim Ahmad Tajudin was appointed as an Independent Non-Executive Director of Agrobank on 3 July 2014. He serves as the Chairman of the Board Risk Management Committee. He is a member of the Board Audit Committee, Board Credit & Investment Committee, Remuneration Committee and Nominating Committee of Agrobank.

He obtained his PhD in "Soil Fertility and Management", Masters in Agriculture in "Soil Chemistry and Fertility" and Bachelor of Science in Agriculture from Universiti Putra Malaysia. He also attended the Harvard Premier Business Management Programme and Advanced Management Programme (AMP) at INSEAD, France.

Dato' Dr. Mohamad Hashim is currently the Chairman for "The Planters" Editorial Committee of the Incorporated Society of Planters, Board Member of the Incorporated Society of Planters, Board Member of ISPM Management Sdn Bhd and Council Member of the Outward Bound Trust of Malaysia (OBS).

Apart from the above, he was the Group Managing Director of Chemical Company of Malaysia Berhad (CCM) from July 2004 to June 2010. Prior to that, he was the Senior Director in the Oil and Fats Division of Golden Hope Plantations Berhad. He also held several other positions such as the Director of Research in the Research and Development Division and Executive Director of Golden Hope Research Sdn Bhd. He was also the former Chief Executive Officer of Tradewinds Plantation Berhad and Chief Executive Officer of Padiberas Nasional Berhad (Bernas).

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATO' SALEHUDDIN SAIDIN

Pengarah Bebas Bukan Eksekutif

*Independent Non-Executive Director*



Dato' Salehuddin Saidin telah dilantik sebagai Pengarah Bebas Bukan Eksekutif Agrobank berkuat kuasa pada 3 Mei 2013. Beliau pernah berkhidmat sebagai Ahli Jawatankuasa Lembaga Pengurusan Risiko Agrobank.

Beliau memegang Ijazah Undang-Undang (Kepujian) dari Universiti Malaya, Kuala Lumpur dan berpengalaman dalam kes undang-undang bagi sektor kerajaan dan swasta.

Dato' Salehuddin memulakan karier sebagai Kaunsel Persekutuan bagi Jabatan Pertahanan sejak 1987 sehingga tahun 1990. Beliau merupakan Pengarah Urusan di Tetuan Salehuddin Saidin & Associates dan juga bertindak sebagai peguambela dan peguamcara bagi kes jenayah/korporat/sivil/rayuan/jual beli dan pindah milik hartanah dan juga Syariah.

Dato' Salehuddin telah meletak jawatan pada 30 November 2014.

Dato' Salehuddin Saidin was appointed as an Independent Non-Executive Director of Agrobank on 3 May 2013. He served as a member of the Board Risk Management Committee of Agrobank.

He holds a Degree in Law (Hons.) from University of Malaya and has vast knowledge and experience in legal matters both in government and private sector.

Dato' Salehuddin began his career in 1987 as the Federal Counsel of the Ministry of Defense, until 1990. Dato' Salehuddin is the Managing Director of Messrs Salehuddin Saidin & Associates and he also acts as an Advocate and Solicitor in areas of criminal/corporate/civil litigation/appealate litigation/conveyancing and Shariah.

Dato' Salehuddin resigned on 30 November 2014.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### MD. HILMI DATUK HAJI MD. NOOR

Pengarah Bebas Bukan Eksekutif  
*Independent Non-Executive Director*



Md. Hilmi Datuk Haji Md. Noor pernah berkhidmat sebagai Pengarah Bebas Bukan Eksekutif Agrobank berkuat kuasa sejak 1 Mac 2011.

Beliau dilantik sebagai Pengurus Jawatankuasa Audit dan Jawatankuasa Lembaga Teknologi Maklumat. Beliau juga merupakan Ahli Jawatankuasa Lembaga Pelaburan dan Jawatankuasa Pencalonan. Beliau merupakan Akauntan Bertauliah yang diiktiraf oleh Institut Akauntan Malaysia (MIA) dan juga Felo Persatuan Akauntan Bertauliah Berkanun (ACCA).

Md. Hilmi pernah menyandang beberapa jawatan di syarikat-syarikat awam tersenarai dan juga syarikat-syarikat persendirian. Beliau mempunyai pengalaman dalam bidang pengauditan, pembinaan, pemborongan dan peruncitan, pembangunan hartanah dan penswastaan lebuhraya bertol di dalam dan luar negara.

Beliau pernah menjadi Penyelaras Kewangan bagi sebuah konsortium pembinaan di Malaysia yang terlibat dalam penswastaan Projek Lebuhraya di India.

Md. Hilmi telah meletak jawatan pada 14 Januari 2015.

Md. Hilmi Datuk Haji Md. Noor was appointed as an Independent Non-Executive Director since 1 March 2011.

He was the Chairman of the Board Audit Committee and Board Information Technology Committee. He was also a member of the Nominating Committee and Board Investment Committee. He is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Chartered Certified Accountants (ACCA).

Md. Hilmi has held several positions in various public listed and private companies. His working experience includes auditing, construction, wholesaling and retailing, property development and privatisation of tolled highways locally and overseas.

He was the Financial Coordinator to a construction consortium in Malaysia involved with the Highway Project privatisation in India.

Md. Hilmi resigned on 14 January 2015.

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## PROFIL AHLI LEMBAGA PENGARAH

### DIRECTORS' PROFILE

#### DATO' MOHD ARIF AB RAHMAN

Pengarah Bukan Bebas Bukan Eksekutif  
*Non-Independent Non-Executive Director*



Dato' Mohd Arif Ab Rahman telah dilantik sebagai Pengarah Bukan Bebas Bukan Eksekutif Agrobank pada 23 Februari 2015.

Dato' Mohd Arif berkelulusan Ijazah Sarjana Muda Sastera dari Universiti Malaya dengan Kepujian dan Diploma Pengurusan Awam dari Institut Tadbiran Awam Negara (INTAN).

Dato' Mohd Arif memulakan kerjayanya dalam perkhidmatan awam apabila dilantik sebagai Pegawai Perkhidmatan Tadbir dan Diplomatik (PTD) pada tahun 1981. Beliau telah memulakan kerjaya dengan menjawat jawatan sebagai Penolong Pengarah, Unit Penyelaras (Jabatan Perdana Menteri), Ketua Penolong Setiausaha Bahagian (Bahagian Perumahan) UPEN Selangor, Ketua Penolong Setiausaha (Bahagian Perkhidmatan) Kementerian Kewangan serta Pegawai Daerah Sepang merangkap Yang Dipertua Majlis Daerah Sepang dan Yang Dipertua Majlis Perbandaran Subang Jaya.

Beliau kemudiannya telah dilantik sebagai Pegawai Kewangan Negeri, Perbendaharaan Negeri Selangor pada tahun 2006. Bermula hujung tahun 2012, beliau telah dilantik untuk menjawat jawatan Timbalan Ketua Setiausaha (Perdagangan Dalam Negeri), Kementerian Perdagangan Dalam Negeri dan Kepenggunaan, dan seterusnya sebagai Timbalan Ketua Setiausaha (Pembangunan) untuk Kementerian Pertanian Dan Industri Asas Tani. Beliau kini merupakan Ketua Setiausaha di Kementerian Pertanian dan Industri Asas Tani.

Dato' Mohd Arif Ab Rahman was appointed as a Non-Independent Non-Executive Director of Agrobank on 23 February 2015.

Dato' Mohd Arif holds a Bachelor Degree of Arts from University of Malaya (with Honours) and a Diploma in Public Management from the Institute of Public Administration (INTAN).

Dato' Mohd Arif began his career in the public service as an Administrative and Diplomatic Service (ADS) Officer in 1981. He rose through the ranks, starting off as the Assistant Director, Coordination Unit, (Prime Minister's Office), Principal Assistant Secretary (Housing Division), Principal Assistant Secretary (Service Division), Ministry of Finance before continuing as the District Officer cum the President of Sepang Municipal Council and then as the President for Subang Jaya Municipal Council.

In 2006, he was appointed as the State Financial Officer at the Selangor State Treasury. At the end of 2012, he continued to serve the government when appointed as the Deputy Secretary General (Domestic Trade), Ministry of Domestic Trade, Co-Operatives and Consumerism, and later as the Deputy Secretary General (Development) for the Ministry of Agriculture and Agro-based Industry. He is currently the Secretary General of the Ministry of Agriculture and Agro-based Industry.

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## PROFIL AHLI LEMBAGA PENGARAH DIRECTORS' PROFILE

### DATIN SERI HJH. RUZAINA WAN HANIFF

Pengarah Bebas Bukan Eksekutif  
*Independent Non-Executive Director*



Datin Seri Hjh. Ruzaina Wan Haniff telah dilantik sebagai Pengarah Bebas Bukan Eksekutif Agrobank berkuat kuasa pada 23 Februari 2015.

Datin Seri Hjh. Ruzaina ialah Pengerusi Jawatankuasa Ganjaran dan Ahli Jawatankuasa Pencalonan dan Jawatankuasa Lembaga Pengurusan Risiko Agrobank. Beliau berkelulusan Ijazah Sarjana Perhubungan Antarabangsa (Undang-Undang Antarabangsa) dari Universiti Waseda, Tokyo, Jepun dan Ijazah Sarjana Muda Undang-Undang (Kepujian) dari Universiti Malaya, Kuala Lumpur.

Beliau memulakan kerjaya dalam Perkhidmatan Kehakiman dan Perundangan pada tahun 1985. Semasa berkhidmat dengan kerajaan, Datin Seri Hjh. Ruzaina telah menyandang jawatan Penolong Penasihat Undang-Undang di Kementerian Pertahanan Malaysia, Timbalan Peguam Cara Perbendaharaan Malaysia, Timbalan Pendakwa Raya (Unit Jenayah Perdagangan), Penasihat Undang-Undang di Kementerian Penerangan dan Kementerian Pertanian & Industri Asas Tani Malaysia, serta Penolong Kanan Penggubal Undang-Undang Parlimen/Ketua Unit Bahagian Gubalan di Jabatan Peguam Negara.

Datin Seri Hjh. Ruzaina Wan Haniff was appointed as an Independent Non-Executive Director of Agrobank on 23 February 2015.

Datin Seri Hjh. Ruzaina is the Chairman of the Remuneration Committee and a member of the Nominating Committee and Board Risk Management Committee of Agrobank. She holds a Masters Degree in International Relations (International Law) from Waseda University, Tokyo, Japan and a Degree in Law (Hons) from University of Malaya, Kuala Lumpur.

She began her career in the Judicial and Legal Service in 1985. While working for the Government, Datin Seri Hjh. Ruzaina held several positions such as Assistant Legal Advisor of the Ministry of Defence Malaysia, Deputy Treasury Solicitor of the Malaysian Treasury, Deputy Public Prosecutor (Commercial Crime Unit), Legal Advisor of the Ministry of Information and Ministry of Agriculture and Agro-based Industry Malaysia, and Senior Assistant Parliamentary Draftsman/Head of the Drafting Division of the Attorney General's Chambers.

# JAWATANKUASA SYARIAH SHARIAH COMMITTEE



Dari kiri ke kanan/From left to right:

Tuan Haji Ismail Mahayudin, Ahli/Member, Dr. Mohamad Sabri Zakaria, Ahli/Member, Dr. Mohamed Fairooz Abdul Khir, Pengerusi/Chairman

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**JAWATANKUASA SYARIAH**  
**SHARIAH COMMITTEE**



Dari kiri ke kanan/From left to right:

**Dr. Muhammad Yamin Ismail**, Ahli/Member, **Prof. Madya Dr. Atikullah Hj. Abdullah**, Ahli/Member, **Hishamuddin Ab Hamid**, Setiausaha/Secretary

# PROFIL JAWATANKUASA SYARIAH SHARIAH COMMITTEE'S PROFILES



## DR. MOHAMED FAIROOZ ABDUL KHIR, Pengurus/Chairman

**Dr. Mohamed Fairooz Abdul Khir** merupakan Ahli Jawatankuasa Syariah bagi MIDF Islamic Assets, MNRB Retakaful dan Maybank Islamic Berhad. Beliau mula terlibat sebagai Ahli Jawatankuasa Syariah Agrobank pada Ogos 2012. Beliau memperoleh Ijazah Sarjana Muda Ilmu Wahyu dan Warisan Islam pengkhususan dalam Fiqh dan Usul al-Fiqh daripada Universiti Islam Antarabangsa Malaysia (UIAM) dan Ijazah Sarjana dalam bidang Syariah daripada Universiti Malaya (UM). Beliau kemudiannya menyambung pengajian di peringkat Ijazah Doktor Falsafah dalam bidang Kewangan Islam juga di Universiti Malaya. Kini beliau menyandang jawatan sebagai penyelidik di International Shariah Research Academy for Islamic Finance (ISRA). Sebagai tenaga penyelidik di ISRA, beliau banyak terlibat dalam penyelidikan dan penerbitan berkaitan isu-isu syariah dan fatwa-fatwa berkisar perbankan dan kewangan Islam.

**Dr. Mohamed Fairooz Abdul Khir** is a member of the Shariah Committee for MIDF Islamic Assets, MNRB Retakaful and Maybank Islamic Berhad. He was first involved as a member of Agrobank's Shariah Committee in August 2012. He obtained his Bachelor's Degree in Islamic Revealed Knowledge and Heritage majoring in Fiqh and Usul al-Fiqh from the International Islamic University of Malaysia (IIUM) and Masters in Shariah from University of Malaya (UM). He then pursued his doctoral studies in the Islamic Banking field, again at the University of Malaya. He currently holds the position of a researcher at the International Shariah Research Academy for Islamic Finance (ISRA). As an ISRA researcher, he is very involved in various research and publications on shariah and issues related to Islamic banking and finance.



## PROF. MADYA DR. ATIKULLAH HJ. ABDULLAH, Ahli/Member

**Prof. Madya Dr. Atikullah Hj. Abdullah** merupakan Profesor Madya di Institut Pengajian Islam, Universiti Sains Malaysia. Selain bertanggungjawab mengajar bidang Perundungan Islam, Muamalat, Fiqh dan Ekonomi Islam, beliau juga terlibat sebagai Ahli Jawatankuasa Majlis Fatwa Pulau Pinang. Prof. Madya Dr. Atikullah mendapat ijazah Sarjana Muda dalam bidang Syariah di Universiti Malaya, kemudiannya menyambung pengajian di peringkat Sarjana dan Doktor Falsafah dalam bidang Pengajaran Islam daripada Birmingham University, United Kingdom. Beliau mula terlibat sebagai Ahli Jawatankuasa Syariah Agrobank pada tahun 2006.

**Prof. Madya Dr. Atikullah Hj. Abdullah** is an Assistant Professor at the Islamic Studies Institute in Universiti Sains Malaysia (USM). Apart from being responsible for teaching Islamic Law, Muamalat, Fiqh and Islamic Economy, he is also involved as a committee member on the Pulau Pinang Fatwa Council. Assistant Professor Dr. Atikullah obtained his Bachelor's Degree in Shariah from the University of Malaya and continued to pursue his Masters and doctoral studies in Islamic Studies from Birmingham University, United Kingdom. He was first involved as a member of the Agrobank Shariah Committee in 2006.



## DR. MOHAMAD SABRI ZAKARIA, Ahli/Member

**Dr. Mohamad Sabri Zakaria** merupakan Pembantu Professor di Universiti Islam Antarabangsa Malaysia (UIAM). Beliau mendapat pendidikan sarjana muda dalam bidang Syariah di Universiti Al-Azhar Mesir dan kemudiannya melanjutkan pelajaran ke peringkat sarjana dalam bidang Ekonomi Islam di University Yarmouk, Jordan. Beliau seterusnya menyambung pengajian di peringkat doktor falsafah di UIAM dalam bidang Fiqh & Usul Fiqh. Beliau yang mahir dalam ilmu usul fiqh pernah menyandang jawatan sebagai Ahli Jawatankuasa Syariah di beberapa institusi perbankan dan takaful disamping aktif dalam bidang penulisan jurnal dalam bidang perbankan dan Muamalat Islam. Dr Mohamad Sabri juga merupakan Ahli Jawatankuasa Syariah di Great Eastern Takaful Sdn. Bhd. dan MIDF Group dan juga merupakan Ahli Jawatankuasa Syariah di Export-Import Bank of Malaysia Berhad 2006-2012.

**Dr. Mohamad Sabri Zakaria** is an Assistant Professor at the International Islamic University of Malaysia (IIUM). He received his Bachelor's Degree in Shariah from Al-Azhar University, Egypt and subsequently pursued his Masters in Islamic Economy at Yarmouk University, Jordan. Following that, he pursued his doctoral studies at the IIUM in Fiqh and Usul Fiqh. He is well versed in Usul Fiqh and has served as a Shariah Committee Member at several banking and takaful institutions, apart from being an active writing contributor to journals in the banking and Muamalat Islam fields. Dr Mohamad Sabri is also a Shariah Committee member at Great Eastern Takaful Sdn. Bhd. and MIDF Group and was also the Shariah Committee member at Export-Import Bank of Malaysia Berhad 2006 – 2012.



## DR. MUHAMMAD YAMIN ISMAIL, Ahli/Member

**Dr. Muhammad Yamin Ismail** merupakan Ketua Pegawai Eksekutif Majlis Agama Islam Wilayah Persekutuan (MAIWP) sehingga tahun 2012. Beliau mendapat pendidikan di peringkat sarjana muda dalam Syariah & Perundungan di Universiti Al-Azhar, Mesir. Beliau kemudiannya menyambung pengajian di peringkat sarjana Syariah di Universiti Malaya dan di peringkat doktor falsafah dalam Syariah & Ekonomi di universiti yang sama. Dr. Muhammad Yamin juga merupakan Ahli Lembaga Pengarah bagi beberapa organisasi seperti Institut Profesional Baitulmal MAIWP dan Harta Suci Sdn. Bhd.

**Dr. Muhammad Yamin Ismail** was the Chief Executive Officer of the Federal Territory Islamic Religious Council (MAIWP) until 2012. He obtained his Bachelor's Degree in Shariah and Law at Al-Azhar University, Egypt. He then continued his Masters in Shariah and his doctoral studies in Shariah and Economy at University of Malaya. Dr. Muhammad Yamin is also on the Board of Directors for several organisations, namely Baitulmal Professional Institute MAIWP and Harta Suci Sdn. Bhd.

## PROFIL JAWATANKUASA SYARIAH SHARIAH COMMITTEE'S PROFILES



### TUAN HAJI ISMAIL MAHAYUDIN, Ahli/Member

**Tuan Haji Ismail Mahayudin** dilantik sebagai Ahli Jawatankuasa Syariah Agrobank pada Jun 2013. Beliau memulakan kerjaya sebagai guru ekonomi pada tahun 1971 dan menyertai Bank Bumiputra Malaysia Berhad sebagai pegawai pada tahun 1975. Pada tahun 1980, beliau menyertai Bank of Commerce sebagai Pengurus Jabatan Bil.

Pada tahun 1982, beliau dilantik menjadi ahli jawatankuasa kerja dalam usaha untuk menubuhkan Bank Islam Malaysia Berhad (BIMB) dan menjawat jawatan sebagai Pengurus Besar di Bahagian Perbendaharaan dan Perbankan Antarabangsa, Bank Islam Malaysia pada Jun 1983. Pada tahun 1994, beliau menjawat jawatan Pengurus Besar Kanan, Bahagian Perbankan Runcit (Retail Banking Division). Sehingga persaraan beliau pada 2002, beliau telah menjawat jawatan sebagai Ahli Jawatankuasa Pengurusan, Ahli Lembaga Pengarah Syarikat Takaful Malaysia dan Bank Islam (L) LTD Labuan serta menjadi Pengerusi BIMB Foreign Currency Clearing Agency Sdn Bhd, Pengerusi Al Wakalah Nominees (Tempatan) Sdn Bhd dan Pengerusi BIMB International Islamic Trust (Labuan) Sdn Bhd.

Pada tahun 2004, beliau dilantik sebagai Penasihat (Advisor) untuk menubuhkan Commerce Tijari Bank Berhad, anak syarikat Bumiputra Commerce Bank dan seterusnya memegang jawatan Penasihat kepada CIMB Islamic Bank Berhad, sehingga bulan September 2012. Beliau telah membentangkan kertas kerja berkaitan Pembiayaan Perdagangan dan Perbankan Islam dan telah menerbitkan buku "International Trade Operations - A Guide" (IBFIM) dan "Islamic Banking Operations – The Malaysian Experience" - yang masih di dalam proses percetakan oleh UiTM Publishers.

Tuan Haji Ismail Mahayudin meletak jawatan pada 30 Januari 2015.

**Tuan Haji Ismail Mahayudin** was appointed as a Member of the Agrobank Shariah Committee in June 2013. He began his career in 1971 as an economics teacher and then joined Bank Bumiputra Malaysia Berhad as an officer in 1975. In 1980, he moved to Bank of Commerce as Billing Department Manager.

In 1982, he was appointed as a member of the working committee to set up Bank Islam Malaysia Berhad (BIMB) and became General Manager in the Treasury and International Banking Department at BIMB in 1983. In 1994, he was appointed Senior General Manager at the Retail Banking Division. Until his retirement in 2002, he served BIMB as a Management Committee Member on the Boards of Syarikat Takaful Malaysia and Bank Islam (L) Ltd Labuan, and as the Chairman of BIMB Foreign Currency Clearing Agency Sdn Bhd, Al Wakalah Nominees (Local) Sdn Bhd and BIMB International Islamic Trust (Labuan) Sdn Bhd.

In 2004, he was appointed as an Advisor in setting up Commerce Tijari Bank Berhad, a subsidiary of Bumiputra Commerce Bank, and he then assumed the position of Advisor to CIMB Islamic Bank Bhd until September 2012. He has presented working papers on Islamic Banking and Trade Financing and published the book "International Trade Operations- A Guide" (IBFIM). His latest book, "Islamic Banking Operations – The Malaysian Experience" is being published.

Tuan Haji Ismail Mahayudin resigned on 30 January 2015.



### HISHAMUDDIN AB HAMID, Setiausaha/Secretary

**Hishamuddin Ab Hamid** telah dilantik sebagai Setiausaha kepada Jawatankuasa Syariah pada Oktober 2012. Beliau memulakan kerjayanya dalam bidang undang-undang selepas menamatkan pengajian dalam Undang-undang Sivil dan Syariah daripada Universiti Islam Antarabangsa Malaysia (UIAM).

Beliau berpengalaman dalam pelbagai bahagian litigasi Perbankan dan telah berkhidmat dalam bahagian-bahagian tersebut di pelbagai syarikat seperti Alliance Islamic Bank Berhad (AIS) dan Bank Muamalat Malaysia Berhad (BMMB). Hishamuddin Ab Hamid menyumbangkan kepakaran dan pengalamannya dengan melibatkan diri dalam hal-hal prinsip dan pematuhan perbankan Syariah selain dalam pembangunan produk, khidmat nasihat dan latihan.

**Hishamuddin Ab Hamid** was appointed as Secretary to the Shariah Committee in October 2012. He commenced his career in the legal profession after completing his studies in Civil Law and Shariah Law at the International Islamic University Malaysia (IIUM).

He has since been involved in various disciplines in Banking litigation and has served in various established financial institutions namely Alliance Islamic Bank Berhad (AIS) and Bank Muamalat Malaysia Berhad (BMMB). Hishamuddin Ab Hamid lends his expertise and experience in Shariah principles and compliance matters as well as product development, advisory and training.

# JAWATANKUASA PENGURUSAN MANAGEMENT COMMITTEE



Dari kiri ke kanan/From left to right:

**Mad Yusof Yazid**, Ketua Pegawai Operasi / *Chief Operations Officer*, **Azizan Ahmad**, Ketua Pegawai Kredit / *Chief Credit Officer*,  
**Dato' Wan Mohd Fadzmi Wan Othman**, Presiden / Ketua Pegawai Eksekutif / *President / Chief Executive Officer*

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## JAWATANKUASA PENGURUSAN MANAGEMENT COMMITTEE



Dari kiri ke kanan/From left to right:

**Asmuni Sudin**, Ketua Pegawai Perkhidmatan Kewangan / *Chief Financial Services Officer*, **Syed Naufal Shahabudin** **Syed Abdul Jabbar Shahabudin**, Ketua Pegawai Kewangan / *Chief Finance Officer*, **Abdul Khalif Mohammad Salleh**, Ketua Pegawai Sumber Manusia / *Chief Human Resource Officer*, **Muslim Hussain**, Ketua Pegawai Risiko / *Chief Risk Officer*



# MUN SENG FEED SDN. BHD.

**Mr. Koo Kok Leong, Director**

Pelanggan Agrobank sejak 2011 | Agrobank's client since 2011

A black and white photograph showing a large fish, likely a tilapia, being weighed on a mechanical scale. The fish is held by a person's hands, and its body is angled towards the camera. In the background, there are several stacked white buckets or containers. The lighting is dramatic, with strong highlights and shadows.

“

Sebagai sebuah syarikat PKS, saya merasakan sangat sukar untuk mendapatkan bantuan kewangan yang diperlukan untuk mengembangkan syarikat saya. Agrobank sangat membantu dalam memberikan nasihat tentang jenis-jenis kemudahan pembiayaan yang terbaik dan sesuai dengan keperluan saya. Dengan pembiayaan Projek BBA & Tabung Untuk Makanan, syarikat saya dapat memulakan projek penternakan ikan tilapia merah dan kini beroperasi dengan 19 kolam ikan dan kapasiti purata 100,000 ekor ikan setiap kolam.

*As an SME company, I found it challenging to obtain the financial support I needed to expand my company. Agrobank was very helpful in advising on the type of financing facilities which are best suited for my needs. With the BBA Project & Fund for Food financing, my company was able to commence its red tilapia fish farming project and now operates nineteen fish ponds with an average capacity of 100,000 fish per pond.*

”

# PERANAN YANG DIMANDATKAN OUR MANDATED ROLE

Agrobank telah dimandatkan untuk menyediakan pembiayaan bagi aktiviti pertanian di sepanjang rantau nilai (hulu dan hilir) termasuk pengeluaran, pemprosesan dan pemasaran serta membantu meningkatkan kesejahteraan komuniti pertanian.

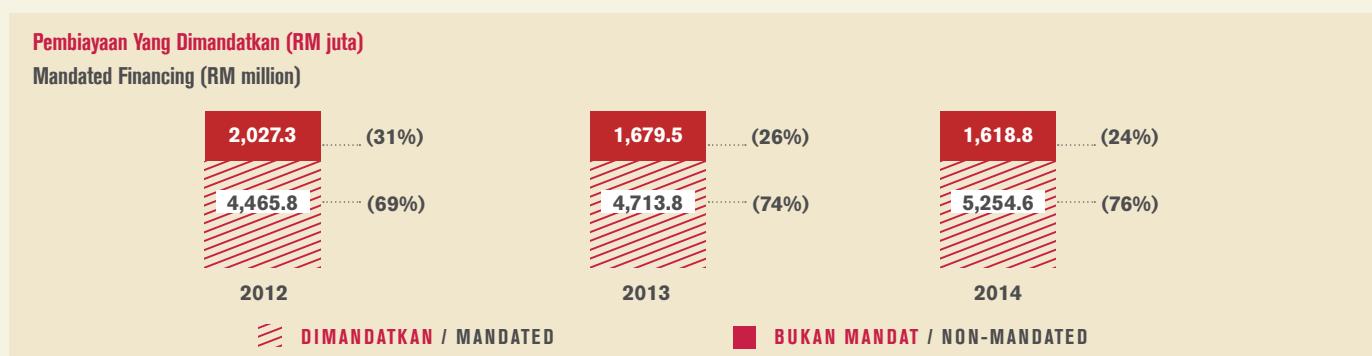
## Portfolio Pembiayaan

Pembiayaan bermandat Agrobank kekal kukuh dan meningkat dari 74% pada tahun 2013 kepada 76% pada tahun 2014. Baki pembiayaan keseluruhan meningkat kepada RM6,873.4 juta pada tahun 2014 (2013: RM6,393.3 juta), mencatatkan kadar pertumbuhan sebanyak 7.5%. Baki pembiayaan bagi pertanian primer meningkat kepada RM4,010.7 juta bagi tempoh yang sama (2013: RM3,616.2 juta) dengan kadar pertumbuhan sebanyak 10.9%.

Agrobank's mandated financing refers to financing activities related to agriculture production, processing and marketing throughout the value chain (upstream and downstream activities) as well as uplifting the general well-being of the agriculture community.

## Financing Portfolio

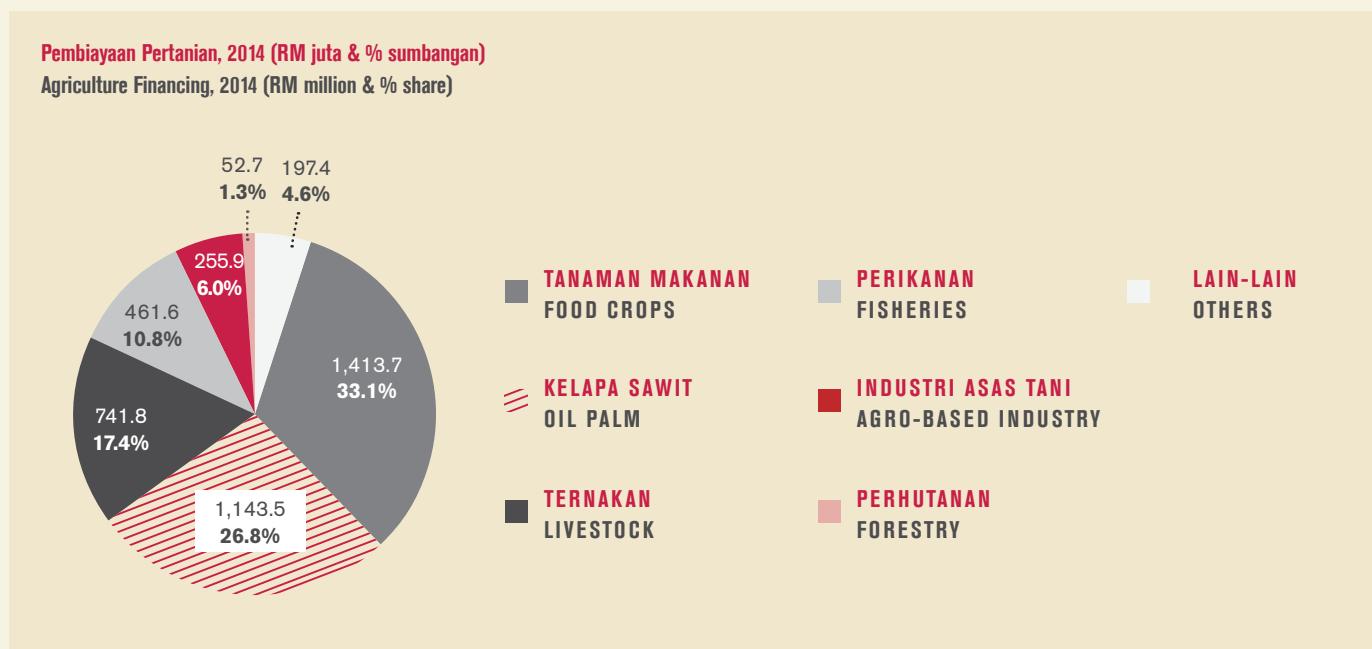
Agrobank's mandated financing remained strong, rising from 74% in 2013 to 76% in 2014. The overall financing balance increased to RM6,873.4 million in 2014 (2013: RM6,393.3 million), registering a growth rate of 7.5%. The financing balance for primary agriculture increased to RM4,010.7 million for the same period (2013: RM3,616.2 million) with a growth rate of 10.9%.



## PERANAN YANG DIMANDATKAN OUR MANDATED ROLE

Pertanian primer dan industri asas tani menyumbang 62.1% daripada jumlah pembiayaan keseluruhan manakala baki 37.9% adalah untuk keperluan pembiayaan lain komuniti pertanian. Sub-sektor yang menerima pembiayaan yang besar di bawah pertanian termasuklah tanaman makanan (33.1%), kelapa sawit (26.8%), ternakan (17.4%) dan perikanan (10.8%).

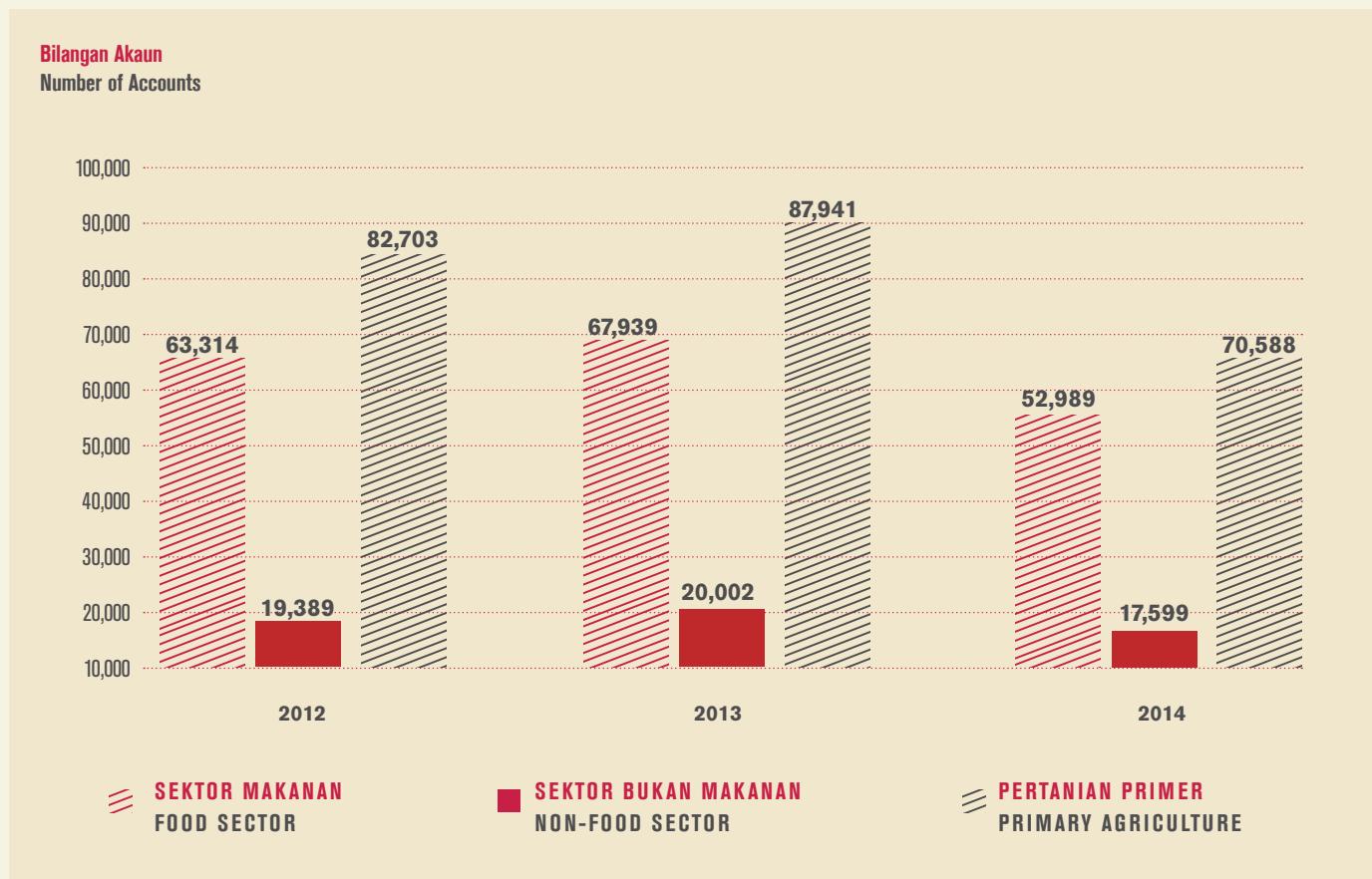
Primary agriculture and agro-based industry accounted for about 62.1% of total financing while the remaining 37.9% was channeled towards other financing needs of the agriculture community. Subsectors which received the bulk of financing under agriculture include food crops (33.1%), palm oil (26.8%), livestock (17.4%) and fisheries (10.8%).



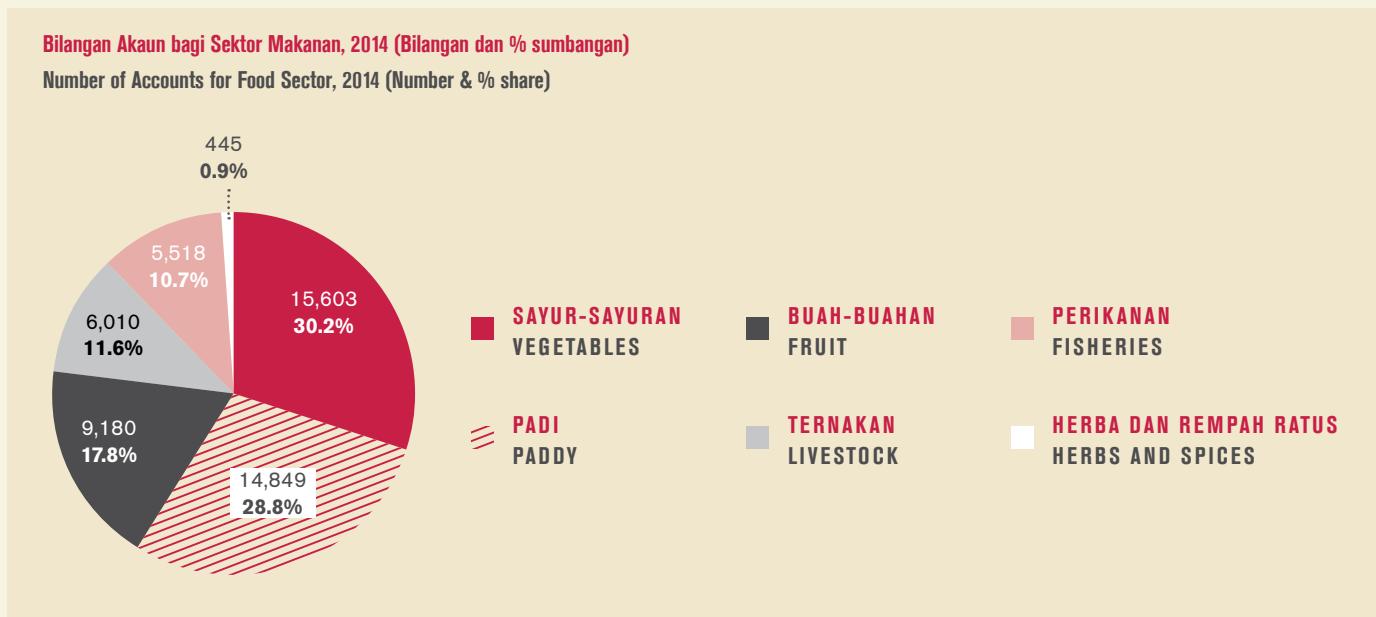
## PERANAN YANG DIMANDATKAN OUR MANDATED ROLE

Secara keseluruhannya, kekuatan pembiayaan Agrobank terletak pada komoditi makanan utama seperti perikanan, ternakan, sayur-sayuran dan padi yang telah mencatatkan pertumbuhan purata sebanyak 11.3% setahun sepanjang tiga tahun lepas, berbanding pertumbuhan sebanyak 3.1% setahun bagi segmen bukan makanan. Pertumbuhan yang kukuh dalam segmen makanan ini telah membolehkan Agrobank meningkatkan bahagian pasaran kepada 32.6% pada tahun 2014 berbanding 31.7% pada tahun 2013.

In general, Agrobank's financing strength largely lies in key food commodities such as fisheries, livestock, vegetables, and paddy which have registered an average growth of 11.3% per annum in the past three years, outstripping growth of 3.1% per annum for the non-food segment. The sound growth in the food segment has enabled Agrobank to raise its financing market share to 32.6% in 2014 from 31.7% in 2013.

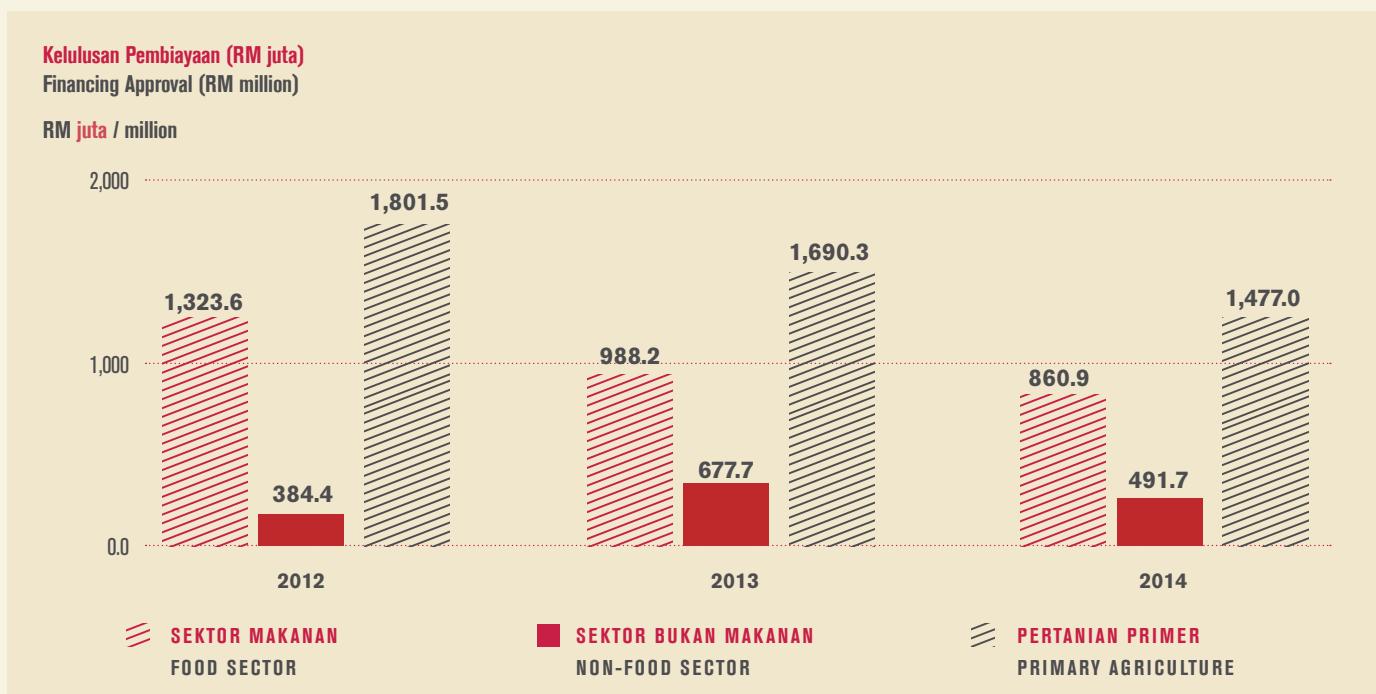


## PERANAN YANG DIMANDATKAN OUR MANDATED ROLE

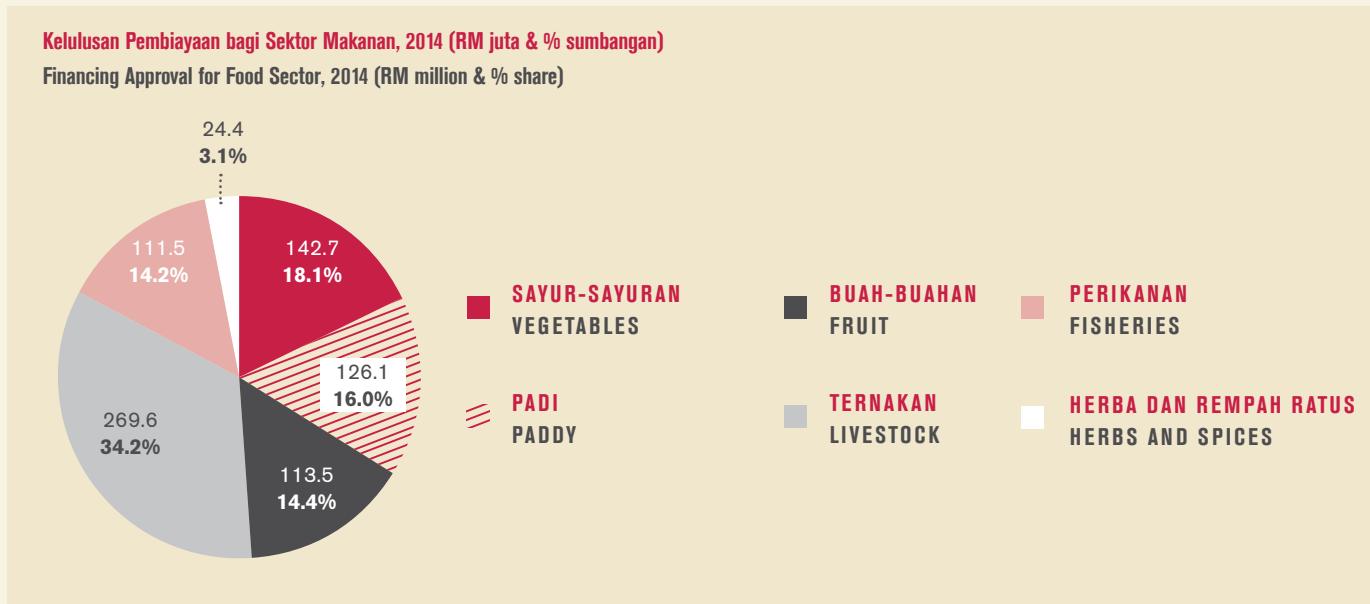


Jumlah akaun pembiayaan pada tahun 2014 adalah sebanyak 196,317 di mana 70,588 akaun adalah untuk pertanian primer. Selaras dengan Dasar Agromakanan Negara 2011-2020 (DAN), jumlah akaun pembiayaan bagi sektor makanan mewakili 75.1% daripada jumlah keseluruhan akaun di bawah pertanian primer.

The number of financing accounts stood at 196,317 in 2014, of which 70,588 accounts were for primary agriculture. In support of the National Agrofood Policy 2011-2020 (DAN), the number of financing accounts for the food sector represented 75.1% of total accounts under primary agriculture.



## PERANAN YANG DIMANDATKAN OUR MANDATED ROLE



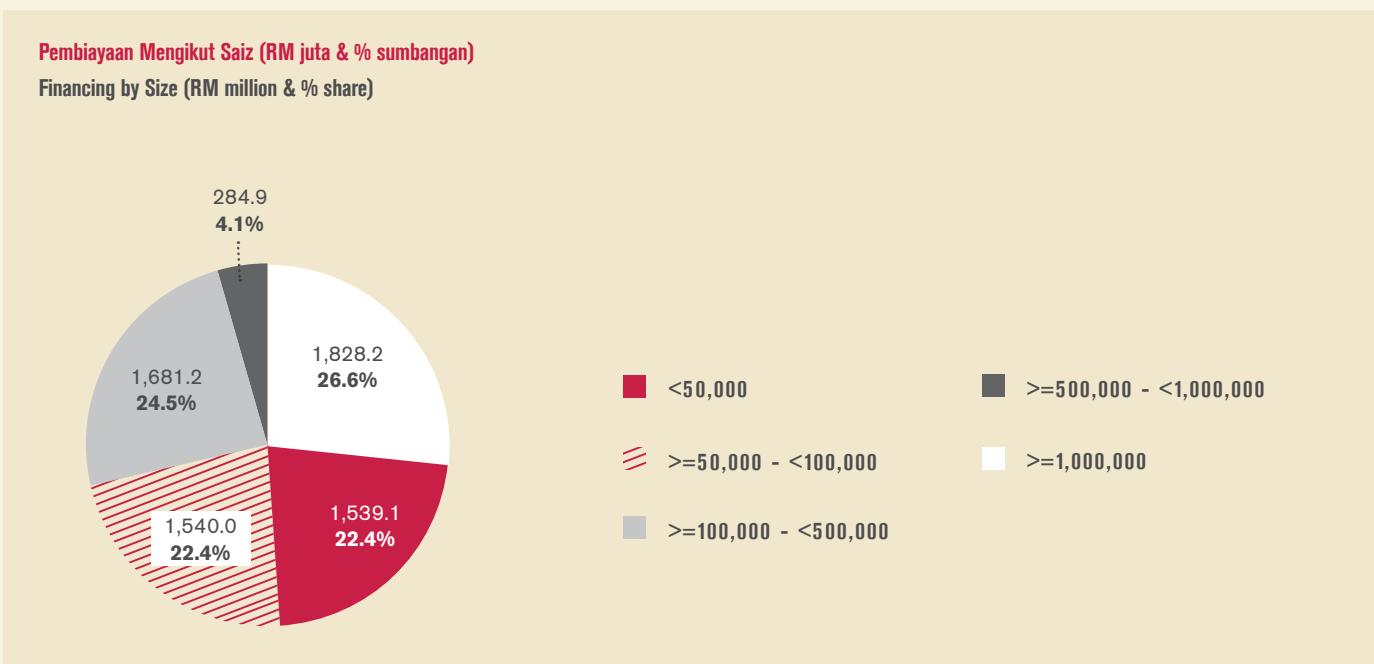
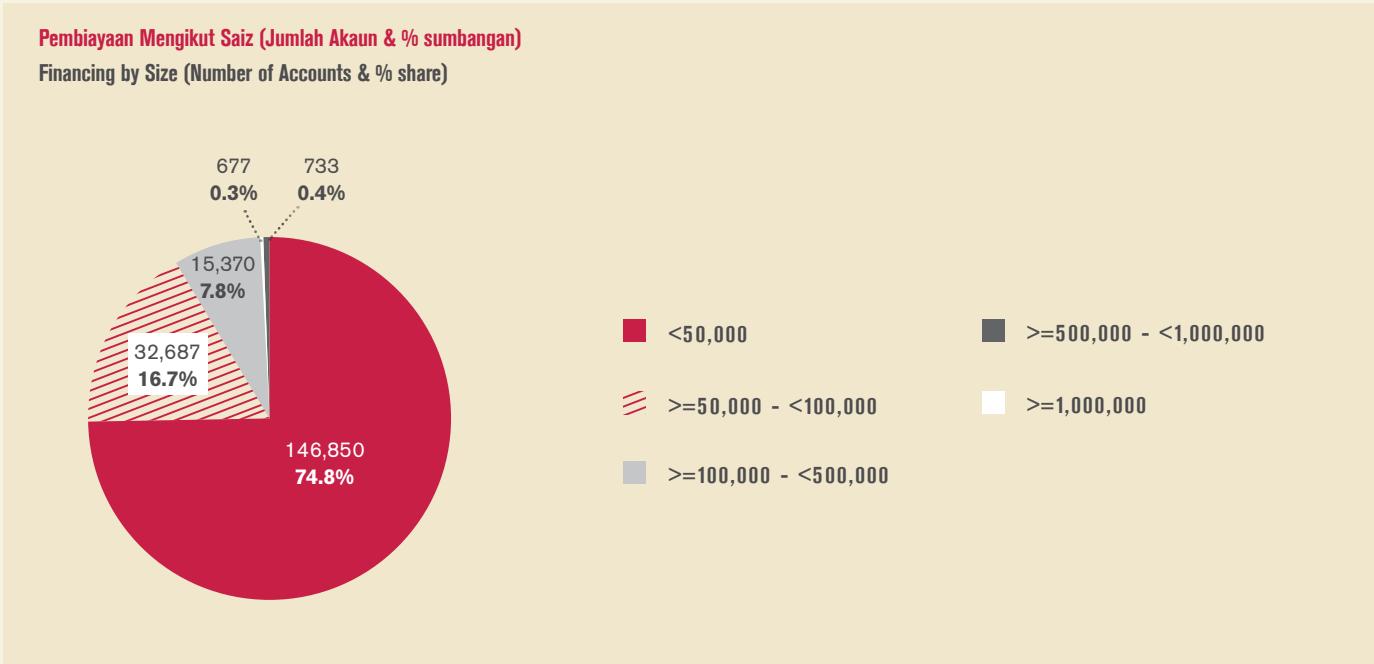
Keseluruhan nilai kelulusan pembiayaan pada tahun 2014 berjumlah RM2,471.4 juta di mana 59.8% (RM1,477.0 juta) daripadanya adalah untuk pertanian primer. Sejajar dengan dasar negara untuk meningkatkan bekalan makanan dan memperbaiki keselamatan makanan yang diterajui oleh Kementerian Pertanian dan Asas Tani (Menteri yang Bertanggungjawab), Agrobank kekal komited untuk menawarkan pembiayaan kepada sektor makanan, yang mewakili 58.5% daripada jumlah kelulusan bagi pertanian primer. Di bawah segmen makanan, peratus kelulusan terbesar adalah untuk sub-sektor ternakan (34.2%), sayur-sayuran (18.1%) dan padi (16.0%).

Perniagaan utama Bank masih tertumpu kepada perusahaan mikro, kecil dan sederhana (PKS) yang dapat dilihat melalui 74.8% bilangan akaun pembiayaan bernilai kurang daripada RM50,000 dan 16.7% akaun pembiayaan antara RM50,000 hingga RM100,000. Pembiayaan melebihi RM100,000 hanya 8.5% daripada keseluruhan bilangan akaun pembiayaan. Walau bagaimanapun dari segi nilai, pembiayaan bernilai RM100,000 dan kurang berjumlah 44.8% (<RM50,000: 22.4%), manakala pembiayaan melebihi RM100,000 atau lebih meliputi 55.2% daripada keseluruhan pembiayaan.

Total value of financing approvals in 2014 amounted to RM2,471.4 million whereby primary agriculture accounted for 59.8% (RM1,477.0 million). In tandem with the national policy to raise the supply of food and enhance food security championed by the Ministry of Agriculture and Agro-based Industry (Minister-in-charge), Agrobank remained committed to provide financing to the food sector, which represented 58.5% of total approvals for primary agriculture. Under the food segment, the largest percentage of approvals were attributed to livestock (34.2%), vegetables (18.1%) and paddy (16.0%) sub-sectors.

The Bank's core business remains focused on the micro, small and medium enterprises (SMEs) which is reflected in the 74.8% share of the number of financing accounts under RM50,000 and 16.7% representing accounts between RM50,000 to RM100,000. Financing accounts of RM100,000 and above represented only 8.5% of all financing accounts. In terms of value however, financing of RM100,000 and below accounted for 44.8% (<RM50,000: 22.4%) whilst financing of RM100,000 or more constituted 55.2% of total financing.

## PERANAN YANG DIMANDATKAN OUR MANDATED ROLE



# PENCAPAIAN PERANAN PEMBANGUNAN / DIMANDATKAN DEVELOPMENT / MANDATED ACHIEVEMENTS

Selaras dengan Garis Panduan Laporan Kewangan bagi Institusi Pembangunan Kewangan (DFI) berkuatkuasa mulai 1 Januari 2014, Agrobank telah merangka sepuluh (10) penunjuk prestasi utama (KPI) yang dilaporkan kepada Bank Negara Malaysia (BNM) pada setiap suku tahunan dalam tahun 2014. Pengukuran prestasi tersebut memberi fokus kepada tiga (3) bahagian:

- Hasil pencapaian pembangunan - Impak daripada keseluruhan operasi DFI kepada sektor sasaran
- Output sektor yang dimandatkan - Sumbangan DFI terhadap pembangunan sektor strategik
- Kestabilan Organisasi - Kebolehan dan keupayaan DFI untuk menyokong aktiviti pembangunan

Dasar bagi 10 KPI dan hasil pencapaiannya adalah seperti berikut:

In accordance with the Guidelines on Financial Reporting for Development Financial Institutions (DFIs) which took effect on 1 January 2014, Agrobank has developed ten (10) Key Performance Indicators (KPIs) which were reported to Bank Negara Malaysia (BNM) on a quarterly basis in 2014. The performance measurement focused on the following three (3) areas:

- Development outcome - Impact of DFIs' overall operation to the targeted sector
- Mandated sector output - DFIs' contribution to the development of strategic sector
- Organisational soundness - DFIs' capacity and capability to support development activities

The basis for the 10 KPIs and their outcomes are as follow:

HASIL PEMBANGUNAN / DEVELOPMENT OUTCOME						
Objektif / Objectives	Tindakan Strategik / Strategic Actions	Sasaran Prestasi 2014 / Performance Targets 2014	Prestasi Sebenar (Jan – Dis 2014) / Actual Performance (Jan – Dec 2014)	Nota / Remarks	Tahun 2015 / Year 2015	Tahun 2016 / Year 2016
<b>Analisis Impak Bertahap Tinggi Tentang Pencapaian Agrobank / High Level Impact Analysis On Agrobank's Achievements</b>						
1. Sumbangan kepada Pembiayaan Pertanian Primer kepada Sistem Perbankan / Contribution to Primary Agriculture Financing in Banking System	<ul style="list-style-type: none"> <li>Untuk menyokong Dasar Agromakanan Negara (DAN) dan Dasar Komoditi Negara (DKN) / To support the National Agrofood Policy (DAN) and National Commodity Policy (DKN)</li> <li>Untuk memberi fokus terhadap sektor sasaran utama iaitu kelapa sawit, ternakan, akuakultur &amp; getah / To focus on core target sectors i.e. oil palm, poultry, aquaculture &amp; rubber</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan: 32.2% / Food Based Financing : 32.2%</li> <li>Pembiayaan Komoditi: 4.7% / Commodity Financing : 4.7%</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 32.6% / Food Based Financing : 32.6%</li> <li>Pembiayaan Komoditi : 5.0% / Commodity Financing : 5.0%</li> </ul>		<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 23.2% / Food Based Financing : 23.2%</li> <li>Pembiayaan Komoditi : 5.5% / Commodity Financing : 5.5%</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 25.0% / Food Based Financing : 25.0%</li> <li>Pembiayaan Komoditi : 6.1% / Commodity Financing : 6.1%</li> </ul>
2. Sumbangan kepada Keluaran Dalam Negara Kasar Sektor Pertanian / Contribution to Agriculture in GDP	<ul style="list-style-type: none"> <li>Pembiayaan rantai nilai pertanian / Financing throughout the agriculture value chain</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 9.1% / Food Based Financing : 9.1%</li> <li>Pembiayaan Komoditi: 4.2% / Commodity Financing : 4.2%</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 9.8% / Food Based Financing : 9.8%</li> <li>Pembiayaan Komoditi : 4.5% / Commodity Financing : 4.5%</li> </ul>		<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 70% / Food Based Financing : 9.5%</li> <li>Pembiayaan Komoditi : 70% / Commodity Financing : 4.5%</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan Berasaskan Makanan : 10.2% / Food Based Financing : 10.2%</li> <li>Pembiayaan Komoditi : 4.7% / Commodity Financing : 4.7%</li> </ul>

## PENCAPAIAN PERAN PEMBANGUNAN / DIMANDATKAN DEVELOPMENT / MANDATED ACHIEVEMENTS

OUTPUT SEKTOR YANG DIMANDATKAN / MANDATED SECTOR OUTPUT						
Objektif / Objectives	Tindakan Strategik / Strategic Actions	Sasaran Prestasi 2014 / Performance Targets 2014	Prestasi Sebenar (Jan – Dis 2014) / Actual Performance (Jan – Dec 2014)	Nota / Remarks	Tahun 2015 / Year 2015	Tahun 2016 / Year 2016
<b>Pencapaian Agrobank dalam Menyokong Keperluan Sektor Sasaran / Agrobank's Achievements In Supporting The Needs of Targeted Sectors</b>						
3. Pembiayaan kepada sektor dimandatkan / Financing to mandated sectors	<ul style="list-style-type: none"> <li>Untuk menyokong pembangunan sektor pertanian selaras dengan objektif Agrobank dan aspirasi Kerajaan / To support development of the agriculture sector in line with Agrobank's objectives and Government aspirations</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan dimandatkan: Minimum 70.0% / Mandated Financing : Minimum 70.0%</li> <li>Sumbangan pertanian primer berbanding jumlah pembiayaan Agrobank: 62.0% / Contribution of primary agriculture to Agrobank's total financing: 62.0%</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan yang dimandatkan: 76.4% / Mandated Financing: 76.4%</li> <li>Sumbangan pertanian primer berbanding jumlah pembiayaan Agrobank: 58.9% / Contribution of primary agriculture to Agrobank's total financing: 58.9%</li> </ul>		<ul style="list-style-type: none"> <li>Pembiayaan dimandatkan: Minimum 70.0% / Mandated Financing : Minimum 70.0%</li> <li>Sumbangan pertanian primer berbanding jumlah pembiayaan Agrobank: 56.9% / Contribution of primary agriculture to Agrobank's total financing : 56.9%</li> </ul>	<ul style="list-style-type: none"> <li>Pembiayaan dimandatkan: Minimum 70.0% / Mandated Financing : Minimum 70.0%</li> <li>Sumbangan pertanian primer berbanding jumlah pembiayaan Agrobank: 56.9% / Contribution of primary agriculture to Agrobank's total financing : 56.9%</li> </ul>
4. Menyediakan perkhidmatan perbankan di kawasan kurang liputan dengan khidmat yang berkualiti dan mampu dimiliki dengan kos yang lebih efisien / Served the underserved areas with quality and affordable financial services in a more cost efficient manner	<ul style="list-style-type: none"> <li>Perkhidmatan Ejen Perbankan / Agent Banking services</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan Ejen Perbankan: Tiada / No. of Agent Banking: Nil</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan Ejen Perbankan: 22 / No. of Agent Banking: 22</li> </ul>		<ul style="list-style-type: none"> <li>Bilangan Ejen Perbankan: 366 / No. of Agent Banking: 366</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan Ejen Perbankan: 700 / No. of Agent Banking: 700</li> </ul>
5. Pelaksanaan inisiatif khusus Kerajaan bagi penembusan dan pengekalan pelanggan / Implementation of Government specific initiatives for customer penetration and retention	<ul style="list-style-type: none"> <li>Meningkatkan kesedaran umum melalui jerayawa dan inisiatif pemasaran / Enhance public awareness through road shows/marketing initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan acara: 4 (program kerjasama dengan agensi Kerajaan) / No. of event: 4 (collaborative programmes with Government agencies)</li> </ul>	<ul style="list-style-type: none"> <li>3 acara / 3 events</li> </ul>		<ul style="list-style-type: none"> <li>Tidak Berkenaan / Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Tidak Berkenaan / Not applicable</li> </ul>

## PENCAPAIAN PERAN PEMBANGUNAN / DIMANDATKAN DEVELOPMENT / MANDATED ACHIEVEMENTS

OUTPUT SEKTOR YANG DIMANDATKAN / MANDATED SECTOR OUTPUT						
Objektif / Objectives	Tindakan Strategik / Strategic Actions	Sasaran Prestasi 2014 / Performance Targets 2014	Prestasi Sebenar (Jan – Dis 2014) / Actual Performance (Jan – Dec 2014)	Nota / Remarks	Tahun 2015 / Year 2015	Tahun 2016 / Year 2016
<b>Pencapaian Agrobank Dalam Menyokong Keperluan Sektor Sasaran / Agrobank's Achievements In Supporting The Needs of Targeted Sectors</b>						
6. Pengurusan dana yang diterima dari Kerajaan pada 2014 secara berkesan / Effective management of Government funds received in 2014	<ul style="list-style-type: none"> <li>Untuk menyalurkan pembiayaan kepada sektor yang disasarkan / To channel financing to targeted sector</li> </ul>	<ul style="list-style-type: none"> <li>Kadar kelulusan: 85.0% / Approval rate: 85.0%</li> </ul>	<ul style="list-style-type: none"> <li>100.0% / 100.0%</li> </ul>	<ul style="list-style-type: none"> <li>Pada bulan Disember 2014, jumlah kelulusan bagi Himpunan Usahawan Bumiputera (HUB) adalah RM40.0 juta / As at December 2014, total approvals for Himpunan Usahawan Bumiputera (HUB) was RM40.0 million</li> </ul>	<ul style="list-style-type: none"> <li>85.0% dari jumlah dana yang diterima / 85.0% of total funds received</li> </ul>	<ul style="list-style-type: none"> <li>95.0% dari jumlah dana yang diterima / 95.0% of total funds received</li> </ul>
7. Untuk membentuk usahawan tani ke arah mencapai tahap keusahawanan yang ideal dan merancang serta memberikan khidmat nasihat / To develop agropreneurs in achieving their entrepreneurial ideals and plans and provide advisory assistance	<ul style="list-style-type: none"> <li>Menganjurkan latihan di bawah Program Pembangunan Usahawan Tani (ADP) untuk usahawan tani yang berpotensi, baharu dan sedia ada / Conduct Agropreneur Development Programme (ADP) training for the potential, new and existing agropreneurs</li> <li>Memberikan khidmat Nasihat Perniagaan (usahaasama dengan agensi lain yang berkaitan) / Conduct Business Advisory Services (joint effort with other related agencies)</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan ADP : 20 program / No. of ADP : 20 programmes</li> <li>Bilangan peserta: 400 / No. of participants: 400</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan program ADP: 15 / No. of ADP programmes: 15</li> <li>Bilangan peserta: 317 / No. of participants: 317</li> </ul>	<ul style="list-style-type: none"> <li>Dimasukkan ke dalam KPI bermula tahun 2015 / Incorporated in KPIs starting from 2015</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan program ADP: 18 / No. of ADP programmes: 18</li> <li>Bilangan peserta: 500 / No. of participants: 500</li> <li>Bilangan penerima khidmat: 110 / No. of advisees: 110</li> </ul>	<ul style="list-style-type: none"> <li>Bilangan program ADP: 20 / No. of ADP programmes: 20</li> <li>Bilangan peserta: 550 / No. of participants: 550</li> <li>Bilangan penerima khidmat: 240 / No. of advisees: 240</li> </ul>

## PENCAPAIAN PERANAN PEMBANGUNAN / DIMANDATKAN DEVELOPMENT / MANDATED ACHIEVEMENTS

KESAKSAMAAN ORGANISASI / ORGANISATIONAL SOUNDNESS						
Objektif / Objectives	Tindakan Strategik / Strategic Actions	Sasaran Prestasi 2014 / Performance Targets 2014	Prestasi Sebenar (Jan – Dis 2014) / Actual Performance (Jan – Dec 2014)	Nota / Remarks	Tahun 2015 / Year 2015	Tahun 2016 / Year 2016
<b>Keupayaan dan Kebolehan Agrobank Dalam Menyokong Aktiviti Pembangunan / Agrobank's Capacity and Capability In Supporting The Development Activities</b>						
8. Mencapai kemampuan kewangan / Achieve financial sustainability	<ul style="list-style-type: none"> <li>Melaksanakan perancangan pengurusan modal / Implementing capital management plans</li> </ul>	<ul style="list-style-type: none"> <li>Pulangan atas Aset (ROA): 2.54% / Return on Assets (ROA) : 2.54%</li> <li>Pulangan atas Ekuiti (ROE): 12.29% / Return on Equity (ROE) : 12.29%</li> <li>Nisbah Modal Berwajaran Risiko (RWCR): 24.08% / Risk Weighted Capital Ratio (RWCR): 24.08%</li> </ul>	<ul style="list-style-type: none"> <li>ROA: 1.61% / ROA: 1.61%</li> <li>ROE: 7.86% / ROE: 7.86%</li> <li>RWCR : 34.34% / RWCR : 34.34%</li> </ul>		<ul style="list-style-type: none"> <li>ROA: 1.21% / ROA: 1.21%</li> <li>ROE: 6.07% / ROE: 6.07%</li> <li>RWCR : 28.62% / RWCR : 28.62%</li> </ul>	<ul style="list-style-type: none"> <li>ROA: 1.22% / ROA: 1.22%</li> <li>ROE: 6.44% / ROE: 6.44%</li> <li>RWCR : 27.16% / RWCR : 27.16%</li> </ul>

## PENCAPAIAN PERANAN PEMBANGUNAN / DIMANDATKAN DEVELOPMENT / MANDATED ACHIEVEMENTS

KESAKSAMAAN ORGANISASI / ORGANISATIONAL SOUNDNESS						
Objektif / Objectives	Tindakan Strategik / Strategic Actions	Sasaran Prestasi 2014 / Performance Targets 2014	Prestasi Sebenar (Jan – Dis 2014) / Actual Performance (Jan – Dec 2014)	Nota / Remarks	Tahun 2015 / Year 2015	Tahun 2016 / Year 2016
<b>Keupayaan dan Kebolehan Agrobank Dalam Menyokong Aktiviti Pembangunan / Agrobank's Capacity and Capability In Supporting The Development Activities</b>						
9. Meningkatkan kualiti aset / Improve asset quality	<ul style="list-style-type: none"> <li>Meningkatkan Amalan Risiko Kredit / Improve Credit Risk Practices</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Pembiayaan Terjejas Kasar: 7.84% / Gross Impaired Financing Ratio: 7.84%</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Pembiayaan Terjejas Kasar: 9.26% / Gross Impaired Financing Ratio: 9.26%</li> </ul>	<ul style="list-style-type: none"> <li>Melaksanakan piawai penilaian kredit yang mantap dan mengadakan garis panduan yang terperinci dan teratur. Penambahbaikan proses pembiayaan terutama syarat pra-pengeluaran / Implementation of rigorous credit evaluation standards and imposition of prudent and tighter guidelines. Enhancement of financing process particularly the pre disbursement condition precedent</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Pembiayaan Terjejas Kasar: 5.54% / Gross Impaired Financing Ratio: 5.54%</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Pembiayaan Terjejas Kasar: 4.16% / Gross Impaired Financing Ratio: 4.16%</li> </ul>
10. Mengurangkan kebergantungan kepada bantuan Kerajaan / Reduce dependency on goverment fund assistance	<ul style="list-style-type: none"> <li>Mobilisasi deposit / Mobilisation of deposits</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Dana Kerajaan berbanding Dana Pendeposit: 25 : 75 / Ratio of Goverment Funds to Depositors' Funds: 25 : 75</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Dana Kerajaan berbanding Dana Pendeposit: 26 : 74 / Ratio of Goverment Funds to Depositors' Funds: 26 : 74</li> </ul>		<ul style="list-style-type: none"> <li>Nisbah Dana Kerajaan berbanding Dana Pendeposit: 25 : 75 / Ratio of Goverment Funds to Depositors' Funds: 25 : 75</li> </ul>	<ul style="list-style-type: none"> <li>Nisbah Dana Kerajaan berbanding Dana Pendeposit: 24 : 76 / Ratio of Goverment Funds to Depositors' Funds: 24 : 76</li> </ul>

Sebagai sebahagian daripada inisiatif di bawah transformasi Agrobank, Agrobank akan membangunkan sebuah Rancangan Perniagaan 5 tahun yang baru (2016-2020) sejajar dengan inisiatif di bawah Rancangan Malaysia Ke-11 dan Bidang Ekonomi Utama Nasional (NKEA) pertanian dan Projek Permulaan (EPP). Perancangan holistik akan dibangunkan untuk memperkuuhkan lagi keupayaan Agrobank untuk merebut peluang pertumbuhan di dalam sektor pertanian. Seluruh perancangan ini dijangka akan dapat disempurnakan menjelang akhir tahun 2015.

As part of the initiatives under Agrobank's transformation, Agrobank will be developing a new 5-year Business Plan (2016-2020) in line with the initiatives under the 11<sup>th</sup> Malaysia Plan and agriculture National Key Economic Areas (NKEA) and Entry Point Projects (EPPs). A holistic plan will be developed to strengthen Agrobank's capacity in light of higher growth opportunities in the agriculture sector. The entire exercise is expected to be completed by end of Year 2015.

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## PENCAPAIAN PERANAN PEMBANGUNAN / DIMANDATKAN DEVELOPMENT / MANDATED ACHIEVEMENTS

### DANA KERAJAAN

#### Dana Pertanian Komersial (DPK)

Pada 6 Jun 2007, Kementerian Kewangan (MOF) telah melantik Agrobank untuk mengurus Dana Pertanian Komersial (DPK) bernilai RM700 juta. DPK 1 berjumlah RM400 juta telah diterima pada 6 Jun 2007 dan DPK 2 berjumlah RM300 juta telah diterima pada 6 Julai 2010. Tujuan dana ini adalah untuk menggalakkan penyertaan badan-badan korporat dalam projek pertanian berimpak tinggi yang bakal menjadi pemangkin pengkomersilan perniagaan pertanian di Malaysia. Kadar keuntungan yang dikenakan kepada peminjam adalah 3.75% setahun bagi jumlah pembiayaan sehingga RM25 juta dan 5.0% setahun bagi pembiayaan melebihi RM25 juta. Bank akan menerima caj perkhidmatan pada kadar 2.5% setahun. Dana ini telah memberi manfaat kepada 45 peminjam dan jumlah yang diluluskan adalah RM571 juta.

#### Dana Kesatuan Eropah (EU)

Bank telah menerima RM28.5 juta daripada Kementerian Kewangan pada 5 Jun 2013. Dana ini disalurkan melalui Bank Negara Malaysia (BNM) bertujuan untuk membiayai eksport makanan laut sejuk beku ke negara-negara Kesatuan Eropah. Berdasarkan perjanjian bertarikh 27 November 2012, Bank telah dilantik untuk menguruskan dana tersebut dengan kadar keuntungan yang dikenakan kepada peminjam pada Kadar Asas Pembiayaan (BFR) ditambah 0.5% setahun. Jumlah maksimum pembiayaan adalah RM20 juta dan dana ini telah memberi manfaat kepada 6 peminjam dengan jumlah kelulusan sebanyak RM28.5 juta.

### GOVERNMENT FUNDS

#### Commercial Agriculture Fund (GLC Fund)

The Ministry of Finance (MOF) on 6 June 2007 had appointed Agrobank to manage "Dana Pertanian Komersial (DPK)" amounting to RM700 million. DPK Fund 1 of RM400 million was received on 6 June 2007 and DPK Fund 2 of RM300 million was received on 6 July 2010. The purpose of this fund is to encourage the participation of companies in high impact agriculture projects that would be the catalyst for commercialisation of agriculture business in Malaysia. The profit rate offered to borrowers is 3.75% per annum for financing amounts up to RM25 million and 5.0% per annum for financing amounts exceeding RM25 million. The minimum amount of financing is RM5 million. The Bank shall receive a service charge at the rate of 2.5% per annum. The fund has benefited 45 borrowers and the total amount approved is RM571 million.

#### European Union Fund (EU)

The Bank received RM28.5 million from the Ministry of Finance on 5 June 2013. The fund is channeled via Bank Negara Malaysia (BNM) for the purpose of financing the export of frozen seafood to European Union countries. Based on the agreement dated 27 November 2012, the Bank was appointed to manage the fund with a profit rate offered to borrowers at Base Financing Rate plus 0.5% per annum. The maximum financing amount is RM20 million and the fund has benefited 6 borrowers with a total approved amount of RM28.5 million.

# HALA TUJU SEKTOR STRATEGIK

## FUTURE OUTLOOK ON STRATEGIC SECTORS

Sebagai DFI yang dipertanggungjawabkan ke atas pembangunan sektor pertanian dan seperti yang digariskan di bawah objektifnya, Agrobank akan terus memberi fokus terhadap inisiatif-inisiatif di bawah Dasar Agromakanan Negara (DAN), 2011-2020, yang diterajui oleh Kementerian Pertanian dan Industri Asas Tani (MOA). DAN diwujudkan bertujuan untuk mengukuhkan keselamatan bekalan makanan, untuk menangani permintaan yang meningkat daripada peningkatan populasi makanan bernutrisi dan mampu milik, untuk memastikan bekalan bahan mentah yang stabil bagi industri dan untuk menambahkan pendapatan petani dan nelayan. Bank juga terlibat dalam menggalakkan pembiayaan bagi teknologi hijau demi menyokong pembangunan lestari.

Agrobank sentiasa menyokong pembangunan sektor pertanian dengan menyalurkan pembiayaan kepada kedua-dua subsektor agromakanan dan komoditi dengan mensasarkan golongan usahawan tani, perusahaan kecil dan sederhana serta individu. Sungguhpun masih terdapat banyak cabaran yang dihadapi untuk memberikan pembiayaan dalam sektor pertanian, kadar penjejasan masih lagi pada peringkat yang terkawal. Di peringkat sektor strategik Bank, penekanan akan diberikan untuk menyokong inisiatif pihak berkepentingan bagi mencapai keselamatan bekalan makanan terutamanya dalam subsektor pertanian seperti berikut:

- Padi dan beras di kawasan tanaman sedia ada dan baru yang diunjurkan pertumbuhan sebanyak 5.0% dalam Rancangan Malaysia RMKe-11
- Buah-buahan dan sayur-sayuran melalui kerjasama dengan agensi-agensi Kerajaan dengan unjuran pertumbuhan sebanyak 5-8% dalam RMKe-11
- Ternakan melalui kerjasama dengan Jabatan Perkhidmatan Veterinar (DVS), dengan unjuran pertumbuhan sebanyak 4.5% dalam RMKe-11
- Perikanan melalui kerjasama dengan Jabatan Perikanan (DOF), dengan unjuran pertumbuhan sebanyak 4.9% dalam RMKe-11
- Lain-lain industri agromakanan yang semakin berkembang contohnya akuakultur, rempah ratus, penanaman rumpai laut dan ternakan ayam kampung.

Pembiayaan Bank yang dimandatkan juga termasuk komoditi industri di bawah Dasar Komoditi Negara (DKN) 2011-2020. Oleh itu, Bank akan berusaha untuk bekerjasama dengan agensi-agensi Kerajaan untuk menyalurkan pakej pembiayaan yang sesuai bagi kedua-dua aktiviti huluhan dan hiliran di seluruh rantaian nilai.

Antara cabaran yang dihadapi oleh perniagaan Bank adalah peningkatan persaingan pasaran dalam pembiayaan pertanian dan SME, cuaca yang tidak menentu disebabkan perubahan iklim global dan ringgit yang tidak menentu yang akan mengakibatkan kenaikan kos import makanan. Beberapa isu ekonomi seperti impak GST dan pasaran yang tidak menentu juga bermakna persekitaran perniagaan dalam jangka pendek tidak akan berjalan lancar.

As a DFI entrusted with the development of the agriculture sector at large and as outlined under its objectives, Agrobank will continue focusing on initiatives under National Agrofood Policy (DAN), 2011-2020, which is championed by the Ministry of Agriculture and Agro-based Industry (MOA). DAN aims to strengthen food security, to address the growing demand from a rising population for nutritional and affordable food, to ensure constant supply of raw materials for industries and to raise the income of farmers and fishermen. To support sustainable development, the Bank is involved in promoting financing for green technology.

Agrobank has consistently supported the development of the agriculture sector by channelling financing to both the agrofood and commodities subsectors targeting agropreneurs, SMEs and individuals. Despite challenges faced in financing the agricultural sector, the impairment rate has been kept at manageable levels. On the Bank's sectoral strategies, emphasis will be given to support stakeholders' initiatives to attain food security especially for the following agrofood subsectors:

- Paddy and rice in existing and new rice bowl areas, which is projected to grow by 5.0% in the 11<sup>th</sup> Malaysia Plan (MP)
- Fruits and vegetables via collaboration with Government agencies with projected growth of 5-8% in the 11<sup>th</sup> MP
- Livestock via collaboration with Department of Veterinary Services (DVS), with expected growth of 4.5% in the 11<sup>th</sup> MP
- Fisheries via collaboration with Department of Fisheries (DOF), with projected growth of 4.9% in the 11<sup>th</sup> MP
- Other expanding agrofood industries e.g. aquaculture, herbs and spices, seaweed farming and free-range chicken.

The Bank's mandated financing also includes industrial commodities under National Commodity Policy (DKN), 2011-2020. In this respect, the Bank will endeavour to collaborate with Government agencies in channelling the right financing package for both upstream and downstream activities throughout the value chain.

Among the challenges confronting the Bank's business are the increasing market competition in agriculture and SME financing, the unpredictable weather due to global climate change, and the volatile ringgit which raises the cost of food imports. A number of issues facing the economy such as the impact of GST and volatile markets would also mean that the business environment in the short term is not going to be smooth sailing.

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## HALA TUJU SEKTOR STRATEGIK

### FUTURE OUTLOOK ON STRATEGIC SECTORS

Meskipun terdapat pelbagai cabaran, Agrobank akan terus berusaha maju ke hadapan untuk menyokong pertumbuhan dalam pembiayaan yang dimandatkan berpandukan strategi-strategi yang digariskan oleh kerajaan, iaitu:

Menyeimbangkan pertumbuhan dengan keuntungan dan pembiayaan yang dimandatkan melalui;

- Sokongan terhadap Dasar Agromakanan Negara, Dasar Komoditi Negara & Rancangan Malaysia ke-11
- Fokus terhadap perusahaan mikro, kecil dan sederhana (PKS)
- Fokus terhadap sektor sasaran di bawah sektor makanan dan bukan makanan
- Pembiayaan rantaian nilai
- Keterlibatan dengan agensi-agensi relevan dalam membiayai agenda pertanian

Dorongan strategik Agrobank adalah untuk kekal berdaya saing walaupun keadaan pasaran dinamik dan situasi geo-politik yang tidak menentu dengan cara memberi fokus yang berterusan. Penekanan tentang pengetahuan dan tindak balas harus dikekalkan untuk terus bersaing menggunakan kemajuan teknologi terkini dalam sektor perkhidmatan kewangan tempatan dan global dengan fokus utama ke atas pengurusan risiko, merealisasikan kos, pelaburan mampan dalam pengembangan rangkaian dan penawaran produk berdasarkan teknologi.

Sejajar dengan agenda Rangkuman Kewangan Bank Negara Malaysia, Agrobank akan terus menggunakan rangkaian cawangannya yang luas untuk menyediakan perkhidmatan kepada komuniti pertanian yang kurang atau tiada perkhidmatan kewangan di kawasan luar bandar dengan menggunakan produk-produk berdasarkan teknologi untuk menjana pendapatan fi termasuk deposit kos rendah. Pelancaran Perbankan Islam Sepenuhnya (FFIB) pada tahun 2015 juga akan menambah bilangan produk yang ditawarkan kepada para pelanggan. Selain itu, proses yang berpusat dan automatik akan membawa kepada lebih banyak penjimatan kos serta menjadikan kos operasi terkawal.

Agrobank sedang berusaha untuk menyemai budaya perkhidmatan cemerlang dan pada masa yang sama berusaha menarik, membangunkan dan mengekalkan modal insan terbaik untuk memastikan matlamat strategik kami tercapai. Inisiatif-inisiatif di atas diharapkan dapat membantu Agrobank dalam mencapai corak pertumbuhan yang mampan dan keuntungan yang konsisten di masa hadapan.

Notwithstanding the challenges, Agrobank strive to move forward in supporting growth in mandated financing based on the strategies outlined by the government, as follows:

Balancing growth with profitability and mandated financing via:

- Supporting National Agrofood Policy, National Commodity Policy & the 11<sup>th</sup> Malaysia Plan
- Focus on micro and SMEs
- Focus on core target sector under food and non-food sectors
- Value chain financing
- Engaging with relevant agencies in financing the agriculture agenda

Agrobank's strategic impetus is to remain resilient despite these rapidly evolving market dynamics and uncertain geo-political situation, with a continuous focus on growth and consistently improving service delivery. Emphasis on knowledge and response shall remain in place to keep competing using the latest technological advancement in the local and global financial services sector with primary focus on risk management, cost rationalisation, sustained investment in our network expansion and technology-driven product offerings.

In line with Bank Negara Malaysia's financial inclusion agenda, Agrobank will continue to leverage its extensive branch network to serve the underserved and unserved agricultural community in rural areas with technology-based products to generate non-fund based income as well as low cost deposits. The launch of Full-Fledged Islamic Banking (FFIB) in 2015 will bring greater array of product suite to be offered to our customers. Moreover, the centralisation and automation of processes shall lead to greater cost savings, keeping operating costs in check.

Agrobank is striving to inculcate a culture of service excellence, while at the same time, attracting, developing, and retaining the best human resources talent to ensure realisation of our future strategic goals. The above initiatives are expected to assist Agrobank in showing sustainable growth and a consistent profitability trend in the future.

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# PERKHIDMATAN KEWANGAN FINANCIAL SERVICES

Sepanjang tahun 2014, pelbagai inisiatif telah dilaksanakan untuk membolehkan pertumbuhan perniagaan yang kompetitif, selaras dengan peranan yang diberikan untuk memodenkan komuniti pertanian melalui pembiayaan yang bertanggungjawab. Agrobank telah meneroka pasaran dan memperkenalkan produk-produk serta kempen-kempen baharu sepanjang tahun bagi memenuhi pemintaan pasaran dan industri serta keperluan perbankan para pelanggan.

Antara inisiatif Bank adalah dengan bekerjasama dan mengekalkan hubungan perniagaan jangka panjang dengan agensi-agensi dan syarikat-syarikat lain; dan dengan itu membantu dalam pembangunan industri-industri relevan dalam sektor pertanian melalui program-program sokongan kerajaan. Tahun 2014 telah menyaksikan kerjasama tersebut, antaranya dengan Lembaga Getah Malaysia (LGM), TERAJU Nasional, Lembaga Minyak Sawit Malaysia (MPOB) dan banyak lagi. Bank juga telah bekerjasama dengan organisasi-organisasi seperti Pertubuhan Orang Kota Bharu (POKB) dan badan-badan korporat seperti KUBOTA Corporation.

Agrobank juga terus melibatkan diri secara aktif dalam bidang pertanian di seluruh negara yang membuktikan peranannya sebagai peneraju sektor pertanian negara. Agrobank telah menaja sebahagian daripada Pameran Pertanian, Hortikultur dan Agro Pelancongan Malaysia (MAHA) 2014, satu acara pertanian terbesar di Malaysia dengan objektif untuk meningkatkan pertumbuhan industri pertanian.

Pada bulan Disember 2014, Agrobank telah menghulurkan bantuan kepada mereka yang terlibat dalam banjir besar di seluruh negara. Bank telah segera mengambil tindakan dengan mewujudkan satu pasukan petugas untuk membantu menyediakan keperluan mangsa banjir, sama ada pelanggan dan bukan pelanggan. Program-program pembiayaan yang dinamakan Skim Bantuan Banjir Agro (Agro Flood Relief Scheme) dan Bantuan Khas Banjir (Special Flood Relief) telah dilancarkan untuk meringankan beban yang dihadapi oleh perniagaan-perniagaan yang terlibat agar mereka boleh meneruskan operasi perniagaan. Selain program pembiayaan tersebut, Bank juga menawarkan kemudahan penjadualan dan penstrukturkan semula yang lengkap bagi membantu pelanggan sedia ada dan meringankan beban kewangan mereka.

Throughout 2014, various initiatives were implemented to enable competitive business growth, in line with the mandated role of modernising the agricultural communities through responsible financing. Agrobank explored the market and introduced new products and campaigns during the year to address market and industry demands as well as the banking needs of our customers.

Among the Bank's initiatives are to collaborate and maintain long-term relationships with other agencies and companies; thereby facilitating the development of the relevant industries in the agriculture sector through Government-backed programmes. In 2014, Agrobank cooperated with several partners, including Lembaga Getah Malaysia (LGM), TERAJU Nasional, the Malaysia Palm Oil Board (MPOB) and others. The Bank also collaborated with organisations such as Pertubuhan Orang Kota Bharu (POKB) and corporate bodies such as KUBOTA Corporation.

Agrobank continued to play an active role in the agricultural sector nationwide, demonstrating its leadership. Agrobank partly sponsored the 2014 Malaysia Agriculture Horticulture and Aquaculture (MAHA) Exhibition, the biggest agriculture event in Malaysia, with the objective of enhancing the growth of agricultural industry.

In December 2014, Agrobank stepped forward to assist those affected by the country's major floods. The Bank took immediate action to address the needs of those affected, both customers and non-customers. Financing programmes, namely the Agro Flood Relief Scheme and Special Flood Relief were launched to alleviate the problems faced by affected businesses and to enable them to resume business operations. In addition to financing schemes, the Bank offered a complete rescheduling and restructuring package to benefit existing customers and ease their financial burdens.

## PERKHIDMATAN KEWANGAN FINANCIAL SERVICES

### 1.0 PEMBIAYAAN MENGIKUT SEKTOR SETAKAT DISEMBER 2014 / FINANCING BY SECTOR AS AT DECEMBER 2014

<b>Sektor / Sector</b>	<b>Jumlah Pembiayaan / Total No.</b>	<b>Jumlah Baki / Total Balance (RM Juta / Million)</b>	<b>% Pelanggan / % Customers</b>	<b>% Baki / % Balance</b>
Kelapa sawit / Oil Palm	13,197	1,143.4	6.7%	16.6%
Getah / Rubber	4,188	194.9	2.1%	2.9%
Tanaman lain / Other Crops	41,523	1,416.3	21.2%	20.6%
Perikanan / Fishery	5,518	461.6	2.8%	6.7%
Perhutanan / Forestry	152	52.7	0.1%	0.8%
Ternakan / Livestock	6,010	741.8	3.1%	10.8%
Lain-lain Pemprosesan Asas Tani / Other Agro Based Processing	3,569	255.9	1.8%	3.7%
Sektor sokongan / Support Sector	122,160	2,606.8	62.2%	37.9%
<b>JUMLAH BESAR / GRAND TOTAL</b>	<b>196,317</b>	<b>6,873.4</b>	<b>100.00%</b>	<b>100.00%</b>

Pembiayaan sektor tanaman (kelapa sawit, getah, tanaman lain) dan sektor sokongan mendominasi portfolio perniagaan Agrobank dan masing-masing menyumbang sebanyak 40.0% dan 37.9%.

Financing of crops (oil palm, rubber, other crops) and support sectors dominated Agrobank's business portfolio, with a contribution of 40.0% and 37.9% respectively.

### 2.0 PRESTASI PEMBIAYAAN DISEMBER 2014 / FINANCING PERFORMANCE DECEMBER 2014

	<b>Kelulusan / Approval (RM Juta / Million)</b>	<b>Pembayaran / Disbursement (RM Juta / Million)</b>	<b>Kutipan / Collection (RM Juta / Million)</b>
Dana Khas / Special Funds	227.3	223.4	251.7
Dana Komersial / Commercial Funds	2,255.3	2,344.9	2,390.2
<b>JUMLAH BESAR / GRAND TOTAL</b>	<b>2,482.6</b>	<b>2,568.3</b>	<b>2,641.9</b>

2014 menunjukkan peningkatan dalam portfolio melalui dana komersial berbanding dana khas yang menandakan, satu peningkatan positif ke arah ketidakbergantungan terhadap dana Konsesi daripada Kerajaan.

2014 recorded an increase in the Bank's portfolio from commercial funds compared to special funds, which marks a positive move towards reducing the Bank's reliance on Concessionary funds from the Government.

## PERKHIDMATAN KEWANGAN FINANCIAL SERVICES

### Perniagaan Komersial

Di sepanjang tahun, Agrobank telah berjaya mendapatkan perniagaan komersial baharu bernilai RM604.41 juta, hasil daripada strategi-strategi berikut:

1. Membayai program Ladang Kontrak
2. Kerjasama strategik dengan agensi-agensi seperti MARDI, FAMA, DOF, DVS, NAFAS, BERNAS dan TEKUN
3. Penglibatan dalam program Polisi Laluan Hijau, ECER dan TERAJU
4. Penglibatan aktif dalam industri kelapa sawit (MPOB)
5. Kerjasama dengan pemain industri akuakultur
6. Program Pengekalan Pelanggan

### Perniagaan Pengguna

Bagi mengukuhkan perniagaan runcitnya, Agrobank telah memulakan promosi dan pemasaran secara aktif bagi tiga produk utamanya; Agrocash-i (Pembiayaan Peribadi), Hartani-i (Pembiayaan Pembelian Tanah) dan Ar Rahnu (Pajak Gadai Emas). Melalui kempen-kempen ini, AgroCash-i kekal sebagai salah satu pembiayaan peribadi yang paling kompetitif dalam pasaran. AgroCash-i kini sedang dipromosikan dalam RinggitPlus.com dan imoney.my yang membolehkan orang ramai untuk melihat secara sepihats lalu perbandingan kadar keuntungan dan tempoh bayaran balik yang ditawarkan di antara Agrobank dan produk-produk pembiayaan peribadi dari bank lain.

Kempen Kadar Keuntungan, menawarkan kadar serendah 3.58% sehingga 3.87% untuk Agrocash-i yang dilancarkan pada 02.01.2014. Ia mensasarkan pelanggan dengan gaji antara RM3,000 - RM5,000 dan ke atas. Kempen ini menerima maklum balas positif dari orang ramai dan telah dilanjutkan sehingga 31.12.2014.

Hartani-i, produk pembiayaan tanah pertanian telah terbukti sebagai produk utama Bank, menawarkan salah satu pakej terbaik bagi pemilikan tanah dengan pembiayaan sehingga 100% dari nilai pasaran. Permintaan terhadap produk ini meningkat sepanjang tahun dengan nilai mencapai lebih RM120 juta, iaitu peningkatan bersih sebanyak 68%.

Satu lagi produk utama adalah Ar Rahnu. Persatuan Emas Malaysia (MGA) telah menyatakan bahawa Industri Pajak Gadai Islam di Malaysia telah meningkat sehingga RM5 bilion setahun. Sebagai salah satu perintis perkhidmatan pajak gadai Islam di Malaysia, Agrobank merupakan salah satu pemain utama dalam perniagaan Ar Rahnu yang memberikan wang tunai segera kepada pelanggan yang memiliki emas, bagi perniagaan dan keperluan peribadi mereka. Pelbagai kempen telah dilancarkan untuk meningkatkan asas Ar Rahnu seperti Kempen "Emas Untuk Emas" dan Kempen "Staff Get Customer" (SGC). Kempen-kempen ini telah membantu mempercepatkan pertumbuhan produk Ar Rahnu.

### Pembiayaan Mikro

Fokus pembiayaan mikro bagi tahun 2014 adalah untuk meningkatkan pertumbuhan dalam segmen usahawan mikro, bukan sahaja untuk menyokong sektor pertanian malah untuk meningkatkan taraf kehidupan di kawasan-kawasan pedalaman.

Program Modal Usahawan 1Malaysia-i (MUS1M-i) telah diberi penambahbaikan untuk mencapai dua objektif. Pertama, Bank akan membantu pelanggan memulakan projek dan perniagaan mereka. Pada masa yang sama, Bank kekal bersedia untuk membantu usahawan-usahawan mikro ini dengan program-program yang direka untuk memudahkan proses mereka mendapatkan pembiayaan tambahan untuk berkembang, sekali gus memantau pembangunan dan pertumbuhan mereka secara berterusan.

### Commercial Business

Throughout the year, Agrobank successfully secured new commercial financing business valued at RM604.41 million, due to the following strategies:

1. Financing of Contract Farming
2. Strategic alliances with agricultural agencies such as MARDI, FAMA, DOF, DVS, NAFAS, BERNAS and TEKUN
3. Participation in Green Lane Policy, ECER and TERAJU programmes
4. Active involvement in the oil palm industry (MPOB)
5. Collaboration with players in the aquaculture industry
6. Customer Retention Programmes

### Consumer Business

To strengthen its retail business, the Bank embarked on aggressive promotion and marketing of its three main products: Agrocash-i (Personal Financing), Hartani-i (Land Purchase Financing) and Ar Rahnu (Gold Pawning). Backed by these campaigns, AgroCash-i remains one of the most competitive personal financing products in the market. AgroCash-i is currently promoted in RinggitPlus.com and imoney.my, enabling the public to get an at-a-glance comparison of profit rate and tenure offered between Agrobank and other banks' personal financing products.

The Profit Rate Campaign, offering rates as low as 3.58% up to 3.87% for Agrocash-i was launched on 02.01.2014. Targeted at customers earning salaries in the range of RM3,000 - 5,000 and above, the campaign received a positive response from the public and was extended until 31.12.2014.

Hartani-i, the agriculture land financing product, proved to be a star performer, offering one of the best packages available for land ownership with financing of up to 100% of the land's market value. Take-up steadily increased throughout the year, and closed at over RM120 million, a net increase of 68%.

Another key product is Ar Rahnu. The Malaysian Gold Association (MGA) stated that the Islamic Pawnbroking Industry in Malaysia has grown to almost RM5 billion a year. As one of the pioneering Islamic pawnbroking services in Malaysia, Agrobank is one of the major players in the Ar Rahnu business, providing fast cash in exchange for gold to customers for their business and personal needs. Various campaigns were launched to increase the Ar Rahnu base, including the "Gold For Gold Campaign" and "Staff Get Customer Campaign" (SGC). These campaigns helped accelerate the growth of the Ar Rahnu product.

### Micro Financing

For 2014, micro finance focused on increasing growth in the micro-entrepreneurial segments to support the agriculture sectors and to upgrade the standard of living in rural areas.

The Program Modal Usahawan 1Malaysia-i (MUS1M-i) was improved to achieve dual objectives. One, the Bank would assist customers with starting their projects and businesses. At the same time, the Bank stood ready to assist these micro-entrepreneurs with programmes designed to ease the process of obtaining further financing for expansion, which in turn would facilitate their ongoing development and growth.

## PERKHIDMATAN KEWANGAN FINANCIAL SERVICES

### Pembiayaan Perdagangan

Pembiayaan Perdagangan merupakan hubungan yang penting dalam mendapatkan pelanggan dengan nilai bersih yang tinggi dan terlibat dengan perdagangan antarabangsa melalui aktiviti import-eksport. Tahun 2014 telah menjadi pemangkin kepada pertumbuhan pembiayaan perdagangan di samping memantapkan kerjasama berkualiti dengan pelanggan-pelanggan baru.

Pembiayaan Perdagangan telah menunjukkan pertumbuhan yang memberangsangkan pada tahun 2014 dengan merekodkan baki akhir berjumlah RM156.71 juta bagi TK2014 berbanding RM17.62 juta bagi TK2013. Ianya adalah merupakan hasil daripada pemasaran dan latihan meluas yang dijalankan serta kerjasama dengan institusi kewangan lain seperti CIMB Islamic Bank, Maybank Islamic, OCBC Al-Amin dan Syarikat Takaful Malaysia.

### Produk

Demi memastikan daya saing dan kemampuan Bank dalam memberikan pengalaman perbankan lengkap kepada sektor yang dimandatkan, pelbagai produk dan program berlandaskan Islam/Syariah telah dihasilkan sepanjang tahun. Lima (5) produk baharu merangkumi deposit, perkhidmatan konsumen dan pembiayaan korporat telah berjaya dikenakan kepada orang ramai.

Agro CashLine-i dilancarkan pada bulan Mei 2014, menawarkan kemudahan overdraf Islamik untuk membantu keperluan aliran tunai pelanggan dan membawa Bank ke aras setara dengan Bank komersial dalam penawaran produk. Untuk memenuhi peranan yang dimandatkan, Strategik Alliance Financing-i (SALF-i) telah dilancarkan pada bulan Julai 2014 khusus untuk memberikan sokongan terhadap projek-projek Kerajaan bagi golongan miskin. Produk-produk lain yang dilancarkan dalam tahun yang sama adalah produk simpanan AgroPerdana-i Wadiah Yad Dhamanah, Pembiayaan Berjangka Special Advance for Investment Asset (SAFIA-i), dan perkhidmatan Shipping Guarantee-i.

### Program

Selain produk-produk baharu, Agrobank juga telah melancarkan pelbagai program sepanjang tahun seperti Program Agropreneur Muda (PAM), Program Pembiayaan Dana TERAS, Program Mekanisma Mengawal Selia Harga Ladang Melalui Penetapan Diskaun – Lembaga Getah Malaysia (LGM) dan Program Pembiayaan Kumpulan (GFP), sebagai sokongan kepada inisiatif yang dilancarkan oleh agensi Kerajaan di bawah MOA dan Jabatan Perdana Menteri. Program-program tersebut direka bagi membantu usahawan tani di bawah sektor kelapa sawit, getah, padi dan sektor-sektor pertanian lain. Bank turut berkerjasama rapat dengan rakan kongsi strategiknya termasuk TERAJU dan Lembaga Getah Malaysia, untuk memastikan keberkesanannya dan daya maju program-program ini. Program-program seperti Agropreneur Muda diwujudkan khas untuk membantu usahawan tani muda sementara program Dana TERAS pula untuk membantu perusahaan kecil dan sederhana (PKS). Selain itu, program "Pembiayaan Berkelompok" di bawah BERNAS mensasarkan pembiayaan berkelompok bagi sektor padi sementara FELDA dan FELCRA menyokong perkembangan sektor minyak kelapa sawit.

### Trade Financing

Trade Financing is the vital link in securing high net-worth customers who are involved in international trade via import-export activities. 2014 served as a catalyst for the growth of trade financing as well as the establishment of quality partnerships with new customers.

Trade Financing demonstrated remarkable growth in 2014, recording an ending balance of RM156.71 million for FY2014 compared to RM17.62 million for FY2013. This is the result of extensive marketing and training as well as collaboration with other financial institutions e.g. CIMB Islamic Bank, Maybank Islamic, OCBC Al-Amin and Syarikat Takaful Malaysia.

### Products

To ensure the Bank's competitiveness and capability in delivering a complete banking experience to its mandated sector, various Islamic products and programmes were developed over the year in review. Five (5) new products covering deposit, consumer services and corporate financing were successfully marketed to the public.

Agro CashLine-i was launched in May 2014, offering an Islamic overdraft facility to support the customers' cash flow needs and positioning the Bank's product offerings on par with other commercial banks. In fulfilling our mandated role, Strategic Alliance Financing-i (SALF-i) was launched in July 2014 specifically to support the Government's projects for the poor. Other products launched within the year were savings product AgroPerdana-i Wadiah Yad Dhamanah, Term Financing Special Advance for Investment Asset (SAFIA-i), and Shipping Guarantee-i services.

### Programmes

In addition to the new products, Agrobank also launched various programmes within the year such as Program Agropreneur Muda (PAM), Program Pembiayaan Dana TERAS, Program Mekanisma Mengawal Selia Harga Ladang Melalui Penetapan Diskaun – Lembaga Getah Malaysia (LGM) and the Group Financing Programme (GFP), in support of the initiatives launched by the Government agencies under the MOA and the Office of Prime Minister. These programmes are designed to assist agropreneurs under the palm oil, rubber, paddy, and other agricultural sectors. The Bank collaborates closely with its strategic partners, including TERAJU and Lembaga Getah Malaysia, to ensure the success and viability of these programmes. Programmes such as Agropreneur Muda were specifically developed to assist young agropreneurs, whilst the Dana TERAS programme aims to assist the SMEs. Meanwhile, the "Pembiayaan Berkelompok" programme under BERNAS is targeted at group financing for the paddy sector whilst FELDA and FELCRA supports oil palm development.

# PROGRAM PEMBANGUNAN USAHAWAN TANI AGROPRENEUR DEVELOPMENT PROGRAMME



**Program Pembangunan Usahawan Tani (ADP)**

Sebagai sebahagian daripada peranan yang dimandatkan kepada Bank untuk mempertingkatkan kehidupan komuniti pertanian, program latihan dan bimbingan dalam membangunkan dan menambahbaik para usahawan tani telah diadakan terutamanya di kalangan syarikat bersaiz mikro, kecil dan sederhana. Hal ini sejajar dengan agenda Kerajaan untuk melahirkan usahawan tani yang mampu dan kompetitif di dalam pasaran.

**Agropreneur Development Programme (ADP)**

As part of the Bank's mandated role to uplift the lives of agricultural communities, entrepreneurial programmes were conducted to develop and enhance agropreneurs, especially among the micro, small and medium sized companies. This is in line with the Government agenda to produce sustainable and competitive agropreneurs in the market.

## PROGRAM PEMBANGUNAN USAHAWAN TANI AGROPRENEUR DEVELOPMENT PROGRAMME



Berikut merupakan program-program pembangunan usahawan tani (ADP) yang telah dijalankan oleh Bank:

- ADP I (bagi Usahawan Tani Baharu dan Berpotensi)
- ADP II (bagi Usahawan Tani Sedia Ada)
- ADP-X (bagi Usahawan Tani Sedia Ada)
- SADP (bagi Usahawan Tani di bawah agensi di bawah MOA)
- 100 Usahawan Tani Bumiputera (bagi Usahawan Tani di bawah MOA)

Dalam membantu para usahawan tani, pihak Bank juga menyediakan fungsi sokongan seperti khidmat nasihat dan perkongsian amalan terbaik kepada mereka.

The following are Agropreneur Development Programmes (ADP) conducted by the Bank:

- ADP I (for Potential and New Agropreneurs)
- ADP II (for Existing Agropreneurs)
- ADP-X (for Existing Agropreneurs)
- SADP (for Agropreneurs under MOA Agencies)
- 100 Usahawan Tani Bumiputera (for Agropreneurs under MOA)

In assisting the agropreneurs, the Bank has also provided supporting functions such as advisory services and sharing of best practices to the agropreneurs.

# AKTIVITI 2014

## 2014 ACTIVITIES



**8 Januari / 8 January**

Kempen Cabutan Bertuah Ar Rahnu "Emas Untuk Emas" di Ibu Pejabat Agrobank  
"Gold For Gold" Ar Rahnu Lucky Draw Campaign at Agrobank Headquarters



**17 Februari / 17 February**

"Young Talent Programme (YTP)" dengan Pusat Jagaan Al-Hidayah, Sungai Buloh  
"Young Talent Programme (YTP)" with Pusat Jagaan Al-Hidayah, Sungai Buloh



**10 Januari / 10 January**

Memorandum Persefahaman di antara Agrobank dan Sedania As Salam Capital di Pullman Lakeside Hotel, Putrajaya

MoU between Agrobank and Sedania As Salam Capital at Pullman Lakeside Hotel, Putrajaya



**23 Januari / 23 January**

Sidang Akbar "Program Pembiayaan Agropreneur Muda" dengan Kementerian Pertanian dan Industri Asas Tani

Press Conference on the "Programme Pembiayaan Agropreneur Muda" with the Minister of Agriculture and Agro-based Industry



**25 Februari / 25 February**

Majlis Pembukaan bagi "Off Site ATM" di Agrobank Chenderong Balai, Perak oleh Timbalan Menteri Pertanian dan Industri Asas Tani

Opening Ceremony for "Off Site ATM" at Agrobank Chenderong Balai, Perak by the Deputy Minister of Agriculture and Agro-Based Industry



**22 Mac / 22 March**

Program Hari Pelanggan di Pasar Tani Setiawangsa, Kuala Lumpur

Customer Day Programme at Pasar Tani Setiawangsa, Kuala Lumpur

## AKTIVITI 2014 2014 ACTIVITIES



## AKTIVITI 2014 2014 ACTIVITIES



## AKTIVITI 2014 2014 ACTIVITIES



**6 September / 6 September**

Agrobank menjadi DFI pertama yang melafazkan Ikrar Integriti Korporat (CIP)  
*Agrobank becomes the first DFI to commit to Corporate Integrity Pledge (CIP)*



**6 Disember / 6 December**

Pelancaran AGROAgent di Bera, Pahang  
*Launch of AGROAgent in Bera, Pahang*



**28 Oktober / 28 October**

Memorandum Persefahaman di antara Agrobank dan Persatuan Orang Kota Bharu (POKB)  
*MoU between Agrobank and Persatuan Orang Kota Bharu (POKB)*



**12 Disember / 12 December**

Pelancaran cawangan baru Agrobank di Kudat  
*Launch of new Agrobank's branch in Kudat*



**22-30 November / 22-30 November**

Penyertaan Agrobank di Pameran Pertanian dan Agropelancongan Malaysia (MAHA) di Serdang  
*Agrobank's participation in the 2014 Malaysia Agriculture, Horticulture and Agrotourism (MAHA) Exhibition, Serdang*



**15 Disember / 15 December**

Pelancaran kad "Peladang NAFAS"  
*Launch of "Peladang NAFAS" card*

# SOROTAN MEDIA MEDIA HIGHLIGHTS

## MEDIA SOSIAL / SOCIAL MEDIA



facebook

### JANUARI - JULAI / JANUARY - JULY

### OGOS - DISEMBER / AUGUST - DECEMBER

## MEDIA SOSIAL / SOCIAL MEDIA



twitter

### JANUARI - JUN / JANUARY - JUNE

### JULAI - DISEMBER / JULY - DECEMBER

## SOROTAN MEDIA MEDIA HIGHLIGHTS

### LAMAN WEB / WEBSITE



[agrobank.com.my](http://agrobank.com.my)

The Agrobank website features a top navigation bar with links to Home, Corporate Info, News & Promotion, Media, Careers, Contracts, Downloads, Branches ATM Locator, English, and a search bar. The main banner highlights 'MAEF-i MACHINERY AND EQUIPMENT FINANCING As low as 5.1%'. Below the banner are sections for Current Promotions (AgroCash-i Campaign, Agromotor Takaful, Introducing AGROAgent), Latest Highlights (Branch openings in Semenyih, Kedah, Kelantan, and Perak), and a news feed.

[www.agrobank.com.my](http://www.agrobank.com.my)

The Agrobank website's About section provides information about the bank's mission, vision, and history. It mentions that Agrobank is a continuation of Bank Pertanian Malaysia, which has 40 years of experience in agricultural banking. The page also highlights Agrobank's role as a Government-owned Bank under the Ministry of Finance Incorporated (MFI). A photo of a smiling staff member is shown. The 'Agrobank's Inception' section details the establishment of BPPM in 1969 and its evolution into Agrobank. A large graphic at the bottom right shows a timeline from 1969 to 2013, featuring historical photos and logos.

## SOROTAN MEDIA MEDIA HIGHLIGHTS

### KERATAN AKHBAR / NEWS CLIPPING



**AGROwing SMEs**

We are here to assist the SMEs. They must understand that without Agrobank, micro-businesses may not be able to survive. Who is going to finance a five- or ten-acre vegetable plot? Only we do, because for us, it's not just about making money.

— Wan Mohd Fadzmi

## AGROwing SMEs

MALAYSIA SME™ spoke to the CEO of Agrobank, Dato' Wan Mohd Fadzmi Wan Othman on how the bank is changing the way it does SME financing to better suit the needs of today's business.

By financing size, 90% of the bank's outstanding balances are in the RM100,000 range, which are really SMEs. It shows how much SMEs contribute to the overall being of the bank and how supportive we are of the industry.

— Wan Mohd Fadzmi

32 | Setempat

■ Pusat pengumpulan hasil 850,000 petani, penternak kukuh sektor pertanian

Dato' Mohd Fadzmi Wan Othman Menteri dan CEO Agrobank bersama Ahli Parlimen Kudat, Yusoff Md Ali, Ahli Parlimen Pantai Barat, Raja Haji Zainal Abidin, dan Ahli Parlimen Keningau, Dr. Ahmad Suhaimi Sulaiman melancarkan pusat pengumpulan hasil petani di Laman Persekitaran Petrusia, Keningau. Dato' Mohd Fadzmi berkata, sejurus pelancaran itu, Agrobank turut memberi bantuan kepada petani untuk membeli teknologi dan peralatan pertanian. Selain itu, Agrobank turut memberi bantuan kepada petani dalam mendekati pasaran ekspor.

**CCDC operasi November**

**UAIU SABRI RIYTAIRI BERSAMA STAFF**

Dato' Mohd Fadzmi dan ahli parlimen Pantai Barat, Raja Haji Zainal Abidin melancarkan pusat pengumpulan hasil petani di Kudat. Agrobank turut memberi bantuan kepada petani untuk membeli teknologi dan peralatan pertanian. Selain itu, Agrobank turut memberi bantuan kepada petani dalam mendekati pasaran ekspor.

### Agrobank buka cawangan ke-18 di Kudat

KUDAT: Agrobank melancarkan rangkaian cawangan di negeri ini dengan membuka cawangan ke-18 di Kudat.

Cawangan baharu ini dirasmikan oleh Pembantu Menteri Pertanian dan Industri Makalan Datuk Mizah Jamil, mengawali Timbalan Ketua Menteri Sabah merangkap Menteri Pertanian dan Industri Makalan Datuk Yatya Husain.

Turut hadir Pengurusan Agrobank, Tan Sri Fazah Mohd Tahir dan Presiden yang juga Ketua Pegawai Eksekutif Agrobank Darat, Wan Mohd Fadzmi Wan Othman.

Pihak berhak pembukaan cawangan Kudat adalah komitmen Agrobank untuk mendekati masyarakat luar dan pelanggan di kawasan barat bandar.

"Kami memahami pendekatan yang berbeza antara institusi pemerintahan yang berbeza dan kita ingin memberi perkhidmatan yang sama kepada kawasan-kawasan di luar bandar. Pen-

Malaysia yang berjumlah RM3.66 bilion.

"Minggu lalu, Agrobank telah melancarkan perkhidmatan baharu iaitu AGROAgent yang memberikan aksesikan e-banking untuk maklumat perkhidmatan perbankan secara langsung di dalam telefon pintar.

"AGROAgent ini berfungsi sebagai aplikasi mobile banking yang mudah digunakan untuk maklumat perbankan.

"Dengan adanya AGROAgent akan memudahkan urusan perbankan kita seperti menerima deposit, membuat pengeluaran tunai, pemindahan wang,

Belta menegaskan, pentasnya kecergas dan kuafik selaku perkhidmatan cawangan membantu kerajaan untuk melaksanakan dan menjalankan agenda pembangunan negara seperti yang dijalankan oleh Agrobank.

Dengan pembukaan cawangan bahari ini, cawangan Kudat akhir - menjadi cawangan ke-18 daripada kesemua 190 cawangan seluruh negara.

Cawangan di Kudat menyediakan perkhidmatan pertanian dan penjanaan deposit, pembiayaan, kiriman wang dan mesin ATM yang dapat memenuhi keperluan kewangan dan perbankan pelanggan di kawasan itu.

Dengan pembukaan cawangan tamat di Sabah, Agrobank optimistic akan mempromosi pertumbuhan ekonomi di daerah tersebut serama terhadap pengaruh aktiviti komersil dan pengeluaran tersambungnya dalam sektor pertanian.

DALAM NEGERI 21

**Pembentukan Perdagangan Agrobank bantu PKS**

Dato' Wan Mohd Fadzmi Wan Othman, Presiden/ Ketua Pegawai Eksekutif Agrobank dan Encik Abdul Hakin Anis Osman, Timbalan Ketua Pegawai Eksekutif PPZ-MAIWP menyampaikan bantuan zakat perniagaan di sambutan Penyerahan Zakat Perdagangan Agrobank yang bertempat di Biu Pejabat Agrobank 8 Ogos yang lalu.

Dalam pada itu, bagi masing-masing syuruk yang ingin mendapatkan maklumat luas berkaitan zakat perniagaan sumadi membuat tajuk atau bayaran mereka boleh hubungi pesantren pengajar PPZ-MAIWP di talian 1-300-85-5757 bagi mengawal soalan-soalan yang mungkin bersifat teknikal.

Orang ramai juga boleh lalu ke [www.zakai.com.my](http://www.zakai.com.my) bagi mengantah jenama zakat, pengurusan dan pertanyaan berkaitan zakat. Untuk maklumat jasa, PPZ-MAIWP selalu memperkenan Staf Ahli Menteri Pendaftar Zakat yang berada terhad padang bagi memberi hubungan berkaitan zakat, sekaligus turut membolehkan lagi arahan penyebaran zakat dilakukan.

**PENYERAHAN ZAKAT PERNIAGAAN AGROBANK KEPADA PPZ-MAIWP**

Zakat perniagaan yang diserahkan oleh Dato' Wan Mohd Fadzmi Wan Othman, Presiden/ Ketua Pegawai Eksekutif Agrobank ini diterima oleh Encik Abdul Hakin Anis Osman, Timbalan Ketua Pegawai Eksekutif PPZ-MAIWP.

Pada majlis tersebut, pihak Agrobank telah menyatakan bantuan zakat perniagaan mereka berjumlah RM 913,095.11 kepada PPZ-MAIWP yang merupakan insituisi zakat yang bertanggungjawab dalam mengawal ketepatan serta kelulusan zakat perniagaan di Wilayah Persekutuan Kuala Lumpur, Putrajaya dan Labuan.

Dalam pada itu, bagi masing-masing syuruk yang ingin mendapatkan maklumat luas berkaitan zakat perniagaan sumadi membuat tajuk atau bayaran mereka boleh hubungi pesantren pengajar PPZ-MAIWP di talian 1-300-85-5757 bagi mengawal soalan-soalan yang mungkin bersifat teknikal.

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## SOROTAN MEDIA MEDIA HIGHLIGHTS

### KERATAN AKHBAR / NEWS CLIPPING



KOSMOS KHANIE 4 SEPTEMBER 2014



ISMAIL SABRI (tengah) bersama Tunku Ismail (dua dari kiri), Menteri Pertanian dan Usahawan Melayu (kuning) dan Kad SmartNelayan pada Majlis Perasmian Menyentuh Agung Terhad untuk Nelayan ke-29 di Kuala Lumpur semalam.

#### Kad SmartNelayan dilancar

KUALA LUMPUR - Menteri Pertanian dan Usahawan Melayu (kuning) dan Kad SmartNelayan di sini semalam.

Kad tersebut berfungsi menyerahkan teknologi dan komputerisasi teknologi kepada nelayan serta membantu mereka dalam meraikan kerjaya mereka.

"Dengan mempraktikkan kad tersebut, identiti nelayan tempatan dapat

diketahui untuk memberi tawaran yang baru, inovatif, tanah air, bantuan subsidi dana dan perbelanjaan untuk digunakan untuk meningkatkan taraf hidup mereka," ATM Agro-Hank di sini.

Dalam majlis itu turut hadir Menteri Perdagangan Masyarakat Agung Negeri, Datuk Ismail Sabri dan Dato' Mohamad Yusof.

"Dengan mempraktikkan kad tersebut, identiti nelayan tempatan dapat

berkontribusi industri hasil tangkap laut negara."

"Delegasi adanya lengah mula insipirasi, kerjaya dapat menganggarkan pengaruhannya tentang kerja asing dalam teknologi atau sektor pertanian negara," ucapnya.

Dalam majlis itu turut hadir Menteri Kebudayaan dan Sukan, Tuan Sri Dr. Ahmad Zahid Hamidi, Timbalan Ketua Setiausaha Menteri Pertanian dan Usahawan Melayu (kuning), Tuan Syed Mohamed Shariff, Pengarah Leasing Kewujudan Iklan Malaysia, Datin Rosmira Ibrahim dan Pengasas Nirokom, Mohamed Dafus.

### NEGARA! 17

HARIAN SABAH BHUAYA | JAMBI 23 NOVEMBER 2014

## 813 usahawan bumiputera dapat manfaat MPPB

Oleh ZUMAIHD ZAHIRIN

■ KUALA LUMPUR 22 NOV



WAN MOHD FADZMI

"Malangnya cariaka buatkan perubahan ini tidak boleh ada tujuan hanya Agrobank tetapi cakap mengelakkan wajarnya iaitu membantu usahawan agar mereka dapat berjaya dengan berjaya dengan kerentenan pembaharuan, kepada pengurusan, kepada pengurusan pertanian, kepada pengurusan pertanian, kepada pengurusan pertanian dan industri sawit tan."

"Ibu segerai dengan usaha kerjasama menjalankan pertanian sebagai mata pencaharian dan Agrobank juga berlakar untuk membuat maklumat tentang pelbagai kerjaya dan penyertaan yang berpotensi dan senang dengan keperluan usahawan tanu bagi memudahkan

projek manusia mangsa," katanya.

Pada tahun 2013, Agrobank telah menyumbang RM2.2

pertahun, yang merupakan RM2.6 bil-

lion pada tahun 2012 dan RM2.8 bil-

lion pada tahun 2011.

Menurut Wan Mohd Fadzmi, ker-

jasaran pertanian di Agrobank yang

ditawarkan pada tahun 2013 mencapai

RM600,000 perunit dan pada tahun 2014

meningkat kepada RM650,000 perunit.

Agrobank juga akan memberi bantuan

untuk pembangunan projek pertanian

dan industri sawit tan."

Sejak itu, kerjasama antara

Agrobank dan POKB terus

mempersiapkan beberapa produk

pembangunan baharu khasus untuk

menyokong pertanian dan perindu-

rian yang ditanjurkan oleh Ogos lalu

di Kedah bagi memudahkan golongan petani dan usahawan pertanian

menjadi lebih mudah.

Di samping itu, Perbadanan Per-

dagangan telah diluncurkan pada 19

Ogos lalu bagi memudahkan urusan

permohonan dan perdagangan urusan

perdagangan dan pembelian dan

penjualan komoditi dan korpor

eragragan pertanian; modal

kerja jangka pendek melalui kedu-

dan-dua transaksi penganggaran tem-

petuan dan batu negara

## Agrobank, POKB jalin kerjasama

**Agrobank** mengajak kerjasama dengan Persatuan Orang Kita Bharu (POKB) untuk menawarkan Skim Perlindungan Takaful Kash kepada seramai 2,500 ahli persatuan berkenaan.

Presiden dan Ketua Pegawai Eksekutif Agrobank, Datuk Wan Mohd Fadzmi Wan Othman, berkata mesyuarat kerjasama itu adalah POKB akan mendapat manfaat daripada skim perlindungan yang ditawarkan oleh Agrobank ini bersama dengan takaful Kash tahunan minimum RM150, ahli POKB akan diborong untuk jumlah RM30,000 jika terjadi kerusakan dan hilang upaya lehal akhir berlambat.

Beliau berkata kerjasama itu juga akan menyediakan kerjasama dan pihak bergandingan buku mengenal pasti peluang pasaran dan memperbaikkan produk yang sesuai untuk ahli POKB.

**Masuk ahli Agrobank**

"Selain itu, Agrobank juga akan bekerjasama dengan POKB dalam membartu ahli mereka dalam program keusahawanan," katanya pada majlis memper-



bertukar dokumen perjanjian setelah dilakukan Ahmod (dua dari kiri) di Kuala Lumpur, semalam.

Ahmad Moorah, Skim Perlindungan Takaful Kash yang diperkenalkan oleh Agrobank sejak 2007 adalah satu skim perlindungan kematangan diri secara bersekutuk yang diberi jamin oleh Syarikat Takaful Malaysia Bhd sebagai satu daripada rakan kerja pembiayaan Agrobank.

In menawarkan tiga pelan iaitu Pelan 1, 2 dan 3 dengan sumbangan talianan masing-masing sebanyak RM10, RM20 dan RM50 bagi setiap pelan.

Sejak September lalu, Agrobank mencatatkan kuantitas RM1.867 juta daripada jualan produk Skim Perlindungan Takaful Kash.

### Khidmat Western Union di Agrobank

KUALA LUMPUR - Perkhidmatan pinjaman wang Western Union kini ditawarkan di semua 188 cawangan Agrobank di seluruh negara.

Melalui tawaran khidmat tersebut, pelanggan boleh melaksanakan transaksi kiriman dan menerima wang dari luar negara dengan lebih pantas.

Menurut Presiden dan Ketua Pegawai Eksekutif

Agrobank, Datuk Wan Mohd Fadzmi Wan Othman (gambar), perkhidmatan ini membolehkan pelanggan sediakan adanya, termasuk pekerja di sektor perladangan dan pertanian, mendapat manfaat dengan melaksanakan transaksi kiriman wang dengan lebih mudah.

"Kami berbangga dan gembira kerana dapat bekerjasama

dengan perbadanan wang bertaraf global seperti Western Union untuk menawarkan khidmat terbaik kepada pelanggan.

Dengan rangkaian Agrobank di seluruh negara yang turut meliputi kawasan laut bandar dan bandar, kami yakin perkhidmatan ini akan membantu kumpulan pekerja asing yang berada di kuasaan pertalian mengirim wang kepada keluarga mereka di negara asal masing-masing.

"Kerjasama ini juga merupakan sinergi yang baik buat syarikat dan kami menjangkau simbutan menggalakkan daripada pelanggan," katanya.

Western Union menawarkan perkhidmatan kirimman wang melulus lebih 2,400 ejen di seluruh negara tersebut, sejumlah 2,188 lokasi diuruskan oleh 11 buah bank dan entiti bukan kewangan yang berlesen.

## SOROTAN MEDIA MEDIA HIGHLIGHTS



### AGROBANK bantu golongan peladang miliki jentera pertanian sendiri

**KEMENTERIAN** Pertanian dan Industri Asas Tani menggesa jabatan dan agensi di bawah Kementerian tersebut bersama-sama membantu dalam jidah memerangi orang tengah demi memastikan peningkatan pendapatan golongan peladang, petempak dan nelayan.

Bagi AGROBANK yang sememangnya sentiasa memahami masalah dan keperluan petani dan peladang yang mengusahakan sektor pertanian telah mengambil inisiatif dalam memperkenalkan produk terbaru khusus bagi membolehkan petani dan peladang memiliki jentera sendiri tanpa bergantung kepada orang tengah yang dikenali sebagai Pembayaran Mesin dan Peralatan atau Machinery and Equipment Financing (MAEF-II).

Machine and Equipment Financing atau MAEF-II ialah satu kemudahan pembayaran kepada golongan sasaran seperti pengusaha, pembiayaan jentera dan peralatan tanah serta peladang bagi pembelian jentera pertanian dan perlindangan peralatan atau kenderaan utiliti yang digunakan secara langsung atau tidak langsung untuk pengeluaran, pemprosesan dan pemasaran kepada produk pertanian ataupun produk asas tanah.

Jentera atau peralatan yang layak dibayar oleh golongan sasaran adalah jentera pertanian, mesin dan peralatan perlindungan seperti jentera pembajikan harvester, peralatan pembelakan, perjas kuasa, dan kenderaan utiliti seperti lor fari atau utiliti dengan tujuan mengangut mesin dan peralatan tembusukah kendalian pacuan dua roda atau empat roda.

Antara kelebihan kemudahan pembayaran MAEF-II adalah

- pembayaran yang ditawarkan sehingga 90% daripada kos keseluruhan mesin atau peralatan baru,
- pembayaran sehingga 80% ditawarkan oleh AGROBANK berbanding 70% di pasaran semasa bagi jentera terpakai,
- tempoh pembayaran balik yang lebih panjang sehingga 84 bulan,
- kadar lewatungan serendah Kadar Asas Berlan Pembayaran (KABP) dari +1.0% bersamaan dengan kadar purata 4.7%.

Petani atau peladang yang memperolehi subsidi kerajaan boleh menggunakan subsidi tersebut



18 MAHA 2014 AGROTEKNOLOGI – PEMANGKIN TRANSFORMASI  
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Anjur peraduan teka jumlah rantai kunci dalam balang di Studio Mini Kosmo!  
**Kosmo!, Agrobank meriahkan MAHA 2014**

**TEK2 Rantai Kundu Agrobank**  
Peraduan dibawakan oleh AGRO BANK

BAHAROM (dua dari kiri) dan Datuk (empat dari kiri) memegang hampir produk Agrobank di ibu pejabat Agrobank semalam.

STUDIO Mini Kosmo dibuka setia hari bermula pada 20 pagi hingga 30 malam sempena MAHA 2014 di MAEPS, Serdang. Mula esok, kosmo mengajak kira Teka Rantai Kundu Agrobank yang menawarkan pengasingan membuat Survei S5 dan latihan Survei Tali 4 pada harga RM1.

### Agrobank perluas ke luar bandar

pentadbiran usaha pertanian di luaran bandar.

Menurut kelebihan ini memberi fokus agar memudahkan golongan pertani untuk memiliki mesin atau peralatan jentera pertanian di mana-mana tempat tanpa mengurangkan kebergantungan kepada orang tengah.

Menurutnya, dengan dilancarkan itu secara berturut turut oleh Petronas, Bank Negara dan PPK.

Menurutnya, ia akan membantu petani mendapat maklumat tentang teknologi dan teknik pertanian.

“Pengetahuan dan teknologi

ini penting untuk berusaha-pahar ke bandar atau cawangan bank ketika AgroAgent ada dalam laman web mereka menyediakan pelacakan perkembangan baharu Agrobank di Dataran Kerjaya, Seri Iskandar.

Semasa kira-kiranya lima tahun berturut, Agrobank

dan Petrosains akan mencipta sekitar 200,000 maklumat pada tempoh tiga tahun pertama dan menggalakkan petani membeli agensi di bawah Kementerian Pertanian dan Industri Asas Tani sebagai wadah penjualan.

“Kemudian selepas tiga tahun, petani

### Kerjasama strategik Agrobank, UPM

**Kuala Lumpur:** Agrobank

terus memfokus kepada sektor pertanian Malaysia apabila menandatangani Memorandum Persefahaman (MoU) dengan Universiti Putra Malaysia (UPM) bagi memperkuatkan perikatan strategik untuk berkemasukan membangunkan industri pertanian negara.

Ketua Pegawai Eksekutifnya, Datuk Wan Mohd Fadzmi Wan Othman berkata, perikatan pintar itu adalah selaras dengan peranan Agrobank dalam mempertingkatkan sektor pertanian.

Beliau berkata, secara keseluruhan ia juga demi me-realisasikan hasrat kerajaan untuk sektor pertanian se-

bagai enjin ketiga pertumbuhan bukan negara.

Kerjasama antara Agrobank dan UPM, terutama Fa-

kultu Pertanian adalah satu

langkah penting dalam meningkatkan sinergi antara penggiat industri dan pihak akademik.

“Ini bagi menerajui sektor pertanian ke hala ruju yang tegar serta memberi peluang kepada generasi muda untuk meneroka peluang kerjaya dalam bidang pertanian dan perniagaan berdasarkan pertanian,” katanya dalam keterangan dikeluarkan.

Beliau berkata, secara keseluruhan ia juga demikian

memfasilitasi peluang kerjaya

dalam sektor pertanian.

Beliau berkata, secara keseluruhan ia juga demikian

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memfasilitasi peluang kerjaya

dalam sektor pertanian.

NEGARA!

### Agrobank tawar dana RM20 juta

Cikgu MOHD. TURMADI MADUN  
tarmadzi@msn.com.my

PUTRAJAYA - Berita baik buat undian bagi apabila mereka kini boleh membuat pinjaman untuk memulakan atau mengembangkan perniagaan dengan Bank Pertanian Malaysia Bhd. (Agrobank) tanpa perlu mengajukan

permohonan pinjaman.

Menteri Pertanian dan Industri Asas Tani, Datuk Seri Ismail Sabri Yaakob berkata,

seusai dengan memorandum

yang ditandatangani antara

Agrobank dan UPM

bersekutu pada hari ini.

“Katakanlah, Agrobank mengantarkan dana



ISMAL SABRI (Dingat) bersama-sama dengan pemohon pinjaman Agrobank untuk usahawan muda di bawah Program Agropreneur Muda semalam diperkenan Falzah (kanan)



# MD FOODSTUFF SDN. BHD.

**En. Nordin bin Ahmad, Chief Executive Officer**

Pelanggan Agrobank sejak 2009 | Agrobank's client since 2009

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Saya merupakan pemilik perniagaan kecil yang terlibat dengan pengilangan dan pengedaran Putu Bambu, sejenis kuih tradisional. Dengan pembiayaan mikro dari Agrobank, saya mampu menjadikan impian saya untuk berkongsi keenakan kuih ini sebagai satu kenyataan sekali gus membantu mengekalkan sebahagian daripada kekayaan budaya di Malaysia. Kini kami mengedarkan Putu Bambu keluaran kami yang disahkan halal oleh Majlis Agama Islam Selangor (MAIS) dan diluluskan untuk perdagangan oleh Perbadanan Harta Intelek Malaysia, ke 18 cawangan di sekitar Kuala Lumpur, Selangor, Negeri Sembilan dan Melaka.

*I'm a small business owner involved in the manufacturing and distribution of Putu Bambu, a traditional rice cake. With micro financing from Agrobank, I was able to make my dream of sharing this delicacy with everyone a reality, while helping to preserve a part of Malaysia's rich culture. We now distribute our Putu Bambu, which is halal certified by Majlis Agama Islam Selangor (MAIS) and trade certified by the Intellectual Property Corporation of Malaysia, to 18 outlets around Kuala Lumpur, Selangor, Negeri Sembilan and Melaka.*

”

PUTU BAMBU  
WORLD

# PENYATAAN TADBIR URUS

## STATEMENT OF CORPORATE GOVERNANCE

### Keanggotaan Lembaga Pengarah

Lembaga Pengarah Bank sehingga 31 Disember 2014 terdiri daripada enam (6) orang ahli bukan eksekutif (termasuk Pengerusi) dan seorang (1) ahli eksekutif iaitu Presiden/Ketua Pegawai Eksekutif.

Lembaga Pengarah terdiri daripada ahli-ahli yang mempunyai kemahiran dan pengalaman luas dalam pelbagai bidang seperti perniagaan, kewangan, perakaunan, ekonomi dan pertanian. Seorang (1) Pengarah mewakili Menteri Kewangan Diperbadankan (MKD), manakala seorang lagi Pengarah mewakili Kementerian Pertanian dan Industri Asas Tani (MOA).

Latar belakang yang berbeza dikalangan Lembaga Pengarah telah menguatkan lagi kemampuan mereka untuk membuat pertimbangan dan keputusan yang wajar berhubung isu-isu yang melibatkan strategi, pelaksanaan dan prestasi Bank.

Keahlian Lembaga Pengarah dan rekod kehadiran di mesyuarat Lembaga Pengarah bagi tahun 2014 adalah seperti berikut:

Ahli Lembaga Pengarah Board Members
Tan Sri Faizah Mohd Tahir
Dato' Wan Mohd Fadzmi Wan Othman
Dato' Seri Che Mohd Hashim Abdullah <i>(Meletak jawatan/resigned : 31 Julai/July 2014)</i>
Rashidah Mohd Sies
Datuk Dr Saharan Haji Anang <i>(Bersara/retired : 13 Jun/June 2014)</i>
Datuk Johar Che Mat
Md. Hilmi Datuk Haji Md Noor <i>(Meletak jawatan/resigned : 14 Januari/January 2015)</i>
Ng Chih Kaye
Dato' Salehuddin Saidin <i>(Meletak jawatan/resigned : 30 November/November 2014)</i>
Dato' Dr. Mohamad Hashim Ahmad Tajudin <i>(Dilantik/appointed : 3 Julai/July 2014)</i>

Jawatan Position	Kehadiran* Attendance*	%
Pengerusi/Chairman	14/14	100
Ahli/Member	14/14	100
Ahli/Member	4/7	57
Ahli/Member	13/14	93
Ahli/Member	6/6	100
Ahli/Member	14/14	100
Ahli/Member	14/14	100
Ahli/Member	14/14	100
Ahli/Member	8/13	62
Ahli/Member	7/7	100

\* Menunjukkan bilangan mesyuarat yang dihadiri sepanjang Pengarah berkenaan memegang jawatan.

\* Reflects the number of meetings attended during the period the Directors held office.

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## PENYATAAN TADBIR URUS

### STATEMENT OF CORPORATE GOVERNANCE

#### **Pelantikan Lembaga Pengarah**

Pelantikan setiap Ahli Lembaga Pengarah adalah tertakluk kepada Akta Bank Pertanian Malaysia Berhad 2008 dan Tataurus Syarikat serta verifikasi daripada Bank Negara Malaysia dan ditetapkan di bawah subseksyen 6(1), Akta Institusi Kewangan Pembangunan 2002. Tempoh pelantikan pertama Ahli Lembaga Pengarah adalah tidak melebihi dua (2) tahun manakala tempoh bagi pelantikan semula ialah satu (1) tahun.

#### **Objektif**

Lembaga Pengarah menjalankan peranan penyeliaan dengan mengawasi dan memastikan dasar dan amalan berhemat dipatuhi. Lembaga Pengarah juga memastikan nilai pemegang saham terjaga dan melindungi kepentingan pihak-pihak berkepentingan menerusi pengawasan rapi ke atas hal ehwal Bank. Lembaga Pengarah menetapkan, antara lain, nilai-nilai korporat, visi dan strategi yang akan mencorak aktiviti-aktiviti Bank dan sedia maklum terhadap jenis-jenis aktiviti kewangan yang ingin diterajui.

Lembaga Pengarah disokong oleh lima (5) jawatankuasa iaitu Jawatankuasa Lembaga Kredit dan Pelaburan, Jawatankuasa Lembaga Audit, Jawatankuasa Lembaga Pengurusan Risiko, Jawatankuasa Pencalonan dan Jawatankuasa Ganjaran.

Lembaga Pengarah bertanggungjawab untuk melakukan perkara yang membawa kepada kepentingan Bank dan melindunginya daripada sebarang unsur atau pengaruh pemegang saham dominan yang boleh memudaratkan atau menjelaskan Bank dan pemegang saham lain dan pihak-pihak berkepentingan yang lain.

#### **Mesyuarat Lembaga Pengarah dan Pembekalan Maklumat kepada Lembaga Pengarah**

Lembaga Pengarah mengadakan mesyuarat sekurang-kurangnya sekali sebulan manakala Mesyuarat Khas Lembaga Pengarah akan diadakan sekiranya perlu.

Setiap pengarah haruslah aktif dalam menyumbang kepada fungsi Lembaga Pengarah dan juga memperuntukkan masa dan usaha untuk melaksanakan tugas dengan berkesan.

Lembaga Pengarah mesti menghadiri sekurang-kurangnya 75% daripada mesyuarat yang diadakan untuk setiap tahun kewangan.

Sepanjang tahun 2014, Lembaga Pengarah telah bermesyuarat sebanyak empat belas (14) kali termasuk dua (2) mesyuarat khas.

Pihak Pengurusan bertanggungjawab menyediakan maklumat yang lengkap, tepat dan dalam masa yang ditetapkan sebelum mesyuarat Lembaga Pengarah. Ini bagi membolehkan Lembaga Pengarah meneliti dan mengkaji perkara yang akan dibincangkan di mesyuarat Lembaga Pengarah dan seterusnya membuat pertimbangan dan keputusan yang baik.

Semua Pengarah mempunyai akses kepada semua maklumat dan rekod Bank serta nasihat dan perkhidmatan Setiausaha Syarikat yang juga setiausaha kepada Jawatankuasa-jawatankuasa Lembaga Pengarah.

#### **Appointment of Board of Directors**

Appointment of each member of the Board of Directors is subject to the Bank Pertanian Malaysia Berhad Act 2008 and the Company Articles of Association as well as verification from Bank Negara Malaysia as prescribed under subsection 6(1), Development Financial Institutions Act 2002. The period of a member's first appointment must not exceed two (2) years and the subsequent reappointment tenure is one (1) year.

#### **Objective**

The Board performs its oversight role by ensuring that the Bank implements prudent policies and practices. The Board also ensures maximisation of shareholders' interest through diligent oversight of the Bank's affairs. The Board establishes, among others, the corporate values, vision and strategy that will direct the Bank's activities and remains aware of the types of financial activities the Bank intends to pursue.

The Board is supported in its oversight functions by five (5) Board Committees, namely the Board Credit and Investment Committee, Board Audit Committee, Board Risk Management Committee, Nominating Committee and Remuneration Committee.

The Board is responsible to act in the Bank's best interest and to protect it from inappropriate actions or influences of dominant or controlling shareholders that are detrimental or not in the best interest of the Bank and its other shareholders and stakeholders.

#### **Board Meetings and Supply of Information to the Board of Directors**

The Board of Directors holds meetings at least once a month while Special Board Meetings are held as and when required.

Directors are expected to contribute actively to the functions of the Board and to allocate adequate time and effort to discharge their duties effectively.

Directors must attend at least 75% of the Board meetings held in a financial year.

In 2014, the Board of Directors met fourteen (14) times including two (2) special meetings.

The management is responsible for providing the Board with complete, accurate and adequate information in a timely manner prior to the Board Meetings on an ongoing basis. This enables the Board to examine and review the matters to be discussed at the Board meetings and to make sound judgments and decisions.

All Directors have access to all information and records of the Bank as well as the advice and services of the Company Secretary who is also the secretary to the Board Committees.

# PENYATAAN PENGURUSAN RISIKO

## STATEMENT OF RISK MANAGEMENT

Agrobank menitikberatkan pengurusan risiko sebagai komponen penting dalam bisnes, operasi dan proses membuat keputusan. Dalam memastikan pihak Bank mencapai pulangan yang optimum sementara beroperasi dalam persekitaran bisnes yang kukuh, pasukan Pengurusan Risiko terlibat dalam proses pengambilan risiko ini dari peringkat awal dengan memberikan input-input bebas termasuklah penilaian kredit yang relevan, penilaian produk baru, penilaian praperolehan bon dan sebagainya. Input-input ini membolehkan bisnes ditetapkan harga yang bersesuaian dengan pulangan.

Objektif strategik utama bagi pengurusan risiko adalah:

- Menjamin prestasi kewangan Agrobank dengan menyelaraskan selera risiko dengan tahap risiko modal sedia ada dan yang dikehendaki.
- Mempertahankan reputasi Agrobank dengan memelihara integriti bisnes Bank.
- Memupuk budaya kesedaran dan ketelusan tentang risiko di seluruh organisasi yang melibatkan kakitangan di semua peringkat.
- Menjadikan risiko sebagai suatu komponen penting dan berpadu dalam proses membuat keputusan komersial yang baik.
- Meletakkan fungsi kawalan risiko yang bebas daripada aktiviti bisnes.

### Tujuh Prinsip Umum Pengurusan Risiko

Rangka Kerja Umum Pengurusan Risiko (BRMF) Agrobank adalah berdasarkan kepada tujuh prinsip umum seperti berikut:

1. Pendekatan pengurusan risiko adalah berdasarkan kepada tiga barisan pertahanan iaitu unit pengambilan risiko, unit kawalan risiko dan audit dalaman.
2. Unit pengambilan risiko bertanggungjawab terhadap pengurusan harian bagi risiko yang wujud dalam aktiviti bisnes mereka manakala unit kawalan risiko bertanggungjawab untuk mewujudkan rangka kerja pengurusan risiko dan membangunkan alat dan metodologi bagi pengenalpastian, pengukuran, pengurangan, pemantauan, pengawalan dan pelaporan risiko. Audit Dalaman melengkapkan kedua-dua barisan pertahanan dengan menyediakan jaminan bebas terhadap keberkesanan pendekatan pengurusan risiko.

The Bank embraces risk management as an integral component of the Bank's business, operations and decision-making process. In ensuring that the Bank achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs including relevant credit evaluations, new product assessment, pre-acquisition assessment on bonds and etc. These inputs enable the business to be priced appropriately in relation to the return.

The key strategic objectives of risk management are:

- To protect Agrobank's financial soundness by aligning its risk appetite within the available and desired risk capital levels.
- To protect Agrobank's reputation by preserving the integrity of the Bank's business.
- To inculcate a risk awareness and transparency culture across the organisation involving all levels of staffs.
- To establish risk as an essential and integral component in making sound commercial decisions.
- To put in place risk management independent of business activities.

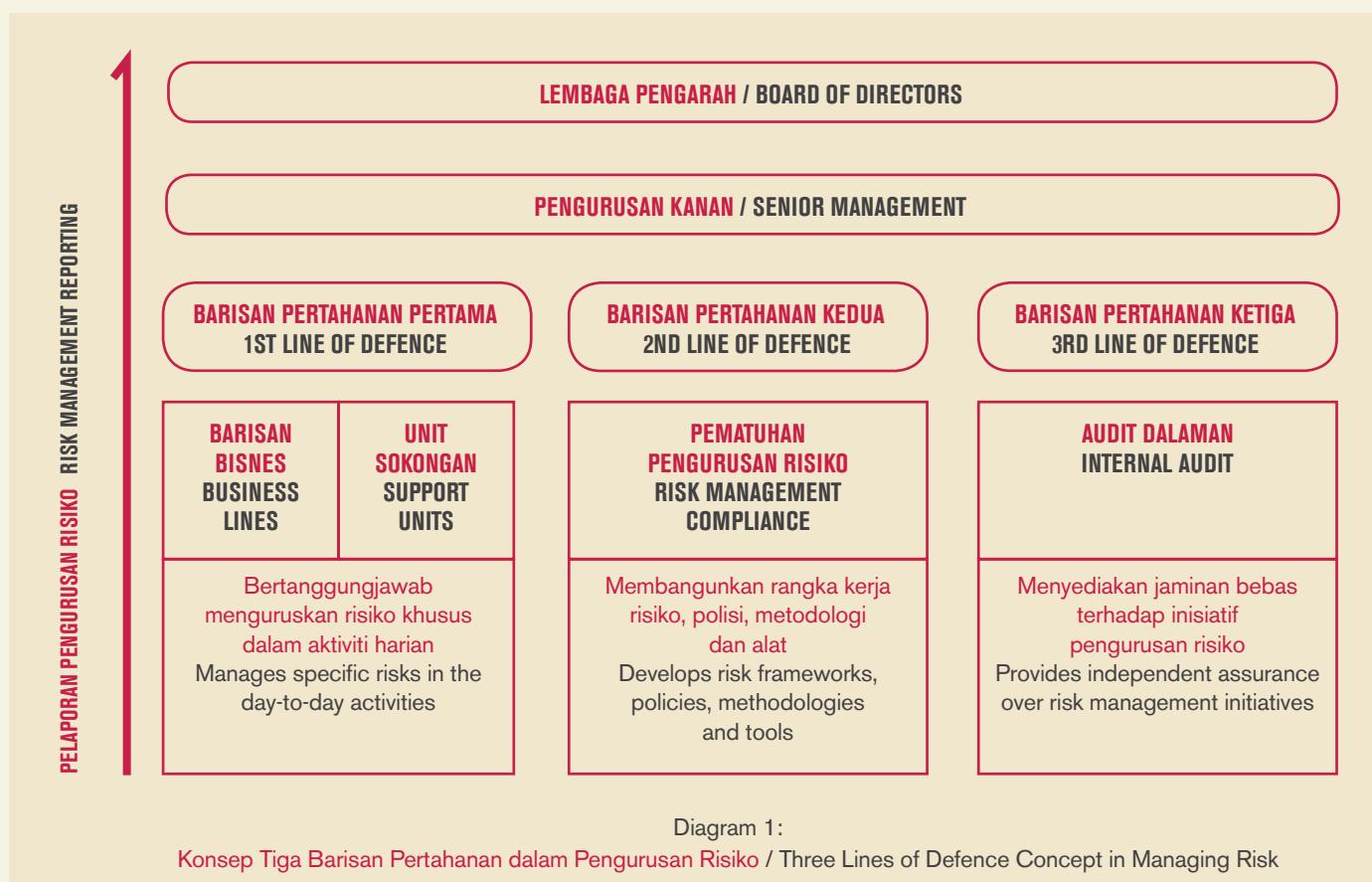
### Seven Broad Risk Management Principles

Agrobank's Broad Risk Management Framework (BRMF) is premised on seven broad principles as follows:

1. The risk management approach is based on the three lines of defence, namely risk-taking units, risk control units and internal audit.
2. Risk-taking units are responsible for the day-to-day management of inherent risks in their business activities while risk control units are responsible to establish risk management frameworks and develop tools and methodologies for the identification, measurement, mitigation, monitoring, control and reporting of risks. Complementing the two lines of defence is Internal Audit, which provides independent assurance of the effectiveness of the risk management approach.

## PENYATAAN PENGURUSAN RISIKO STATEMENT OF RISK MANAGEMENT

- 3. Pengurusan risiko menyediakan fungsi pengawasan bagi risiko utama, termasuk risiko kredit, risiko pasaran, risiko kecairan, risiko operasi, risiko syariah dan lain-lain risiko khusus industri.
- 4. Pengurusan risiko memastikan bahawa polisi-polisi risiko utama Bank adalah konsisten dengan tahap kebolehterimaan risiko dan selera risiko bagi memudahkan pelaksanaan rangka kerja pengukuran risiko yang diselaraskan secara bersepadu.
- 5. Pengurusan risiko adalah bebas daripada unit bisnes dan lain-lain unit pengambilan risiko secara fungsi dan organisasi.
- 6. Pihak Lembaga, melalui Jawatankuasa Lembaga Pengurusan Risiko, adalah bertanggungjawab bagi fungsi pengawasan pendedahan keseluruhan risiko oleh Bank.
- 7. Bahagian Pengurusan Risiko adalah bertanggungjawab atas pelaksanaan pelbagai polisi risiko dan keputusan berkaitan yang dibuat oleh Lembaga.
- 3. Risk management provides oversight function for major risks, including credit risk, market risk, liquidity risk, operational risk, shariah risk and other industry-specific risks.
- 4. Risk management ensures that the core risk policies of the Bank are consistent with risk tolerance levels and risk appetites to facilitate the implementation of an integrated risk-adjusted measurement framework.
- 5. Risk management is functionally and organisationally independent of business units and other risk-taking units within the Bank.
- 6. The Board, through the Board Risk Management Committee, is responsible for the oversight function on overall risks exposed by the Bank.
- 7. The Risk Management Division is responsible for the execution of various risk policies and related decisions by the Board.



## PENYATAAN PENGURUSAN RISIKO

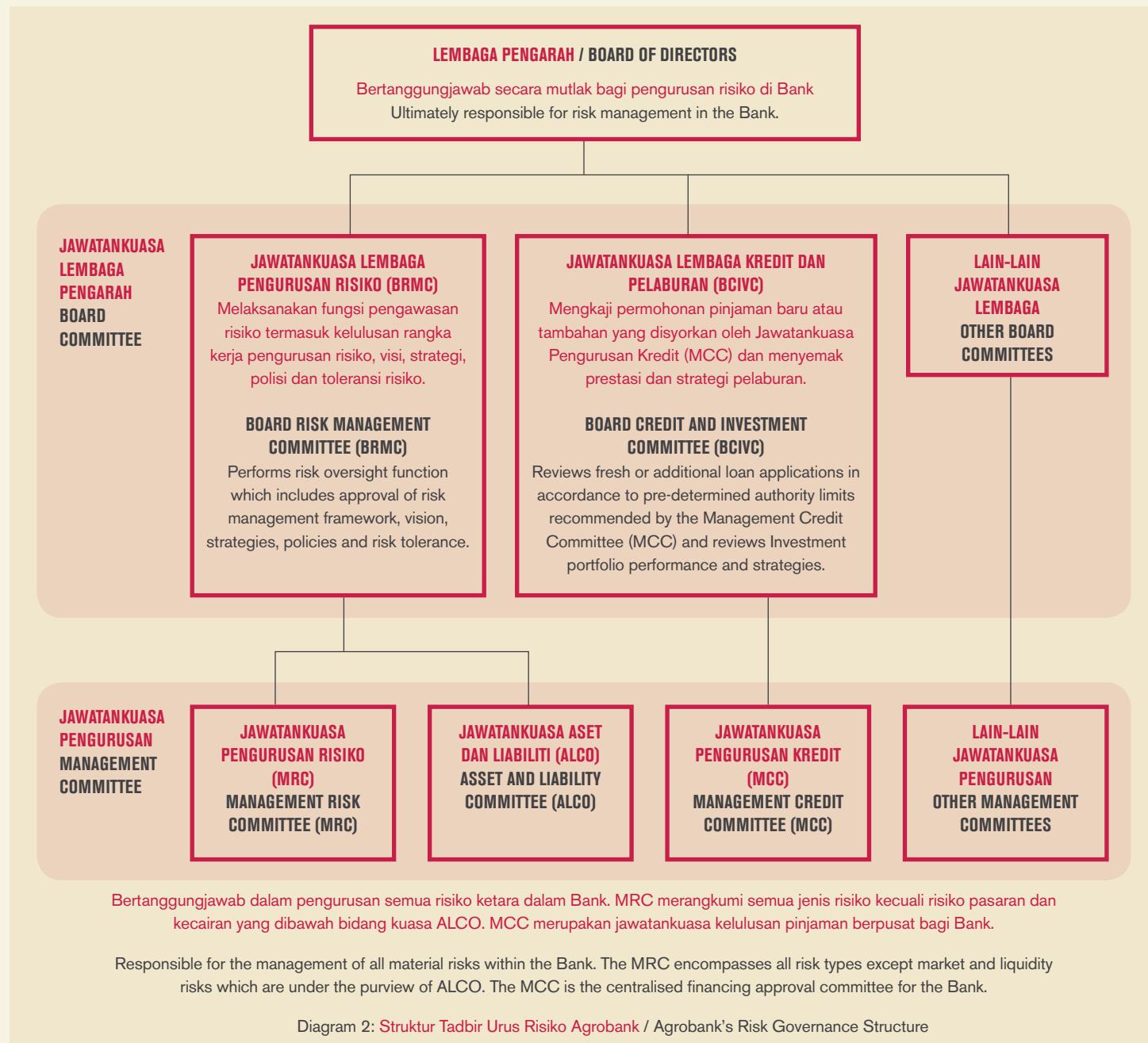
### STATEMENT OF RISK MANAGEMENT

#### **Tadbir Urus Pengurusan Risiko**

Berdasarkan struktur pengurusan risiko Bank, Jawatankuasa Lembaga Pengurusan Risiko (BRMC) mengambil tanggungjawab mutlak bagi pihak Lembaga Pengarah untuk menyelia pengurusan risiko di Bank. BRMC juga memastikan objektif polisi risiko Bank sejajar dengan amalan terbaik pengurusan risiko.

#### **Risk Management Governance**

In accordance with the Bank's risk management structure, the Board Risk Management Committee (BRMC) assumes the ultimate responsibility on behalf of the Board of Directors for the supervision of risk management within the Bank. In line with best practices, the BRMC determines the risk policy objective of the Bank.



## PENYATAAN PENGURUSAN RISIKO STATEMENT OF RISK MANAGEMENT

Tanggungjawab untuk mentadbir pengurusan dan kawalan risiko telah dipertanggungjawabkan kepada Jawatankuasa Pengurusan Risiko (MRC). MRC adalah dipengerusikan oleh Presiden / Ketua Pegawai Eksekutif dan melaksanakan fungsi pengawasan untuk keseluruhan had risiko, dan menyelaraskannya dengan selera risiko Bank dalam menangani salah satu atau lebih perkara-perkara berikut:-

- Risiko Kredit, berpunca dari kegagalan penanggung kewajipan, rakan niaga pasaran atau penerbit sekuriti atau instrumen lain yang gagal melaksanakan obligasi kontrak kepada pihak Bank;
- Risiko Pasaran, timbul daripada turun naik nilai pendedahan dalam pelaburan akibat daripada perubahan faktor risiko pasaran seperti kadar faedah / keuntungan, kadar tukaran mata wang asing, tebaran kredit, harga ekuiti dan sebagainya;
- Risiko Kecairan timbul daripada kegagalan Bank secara effisyen untuk memenuhi keperluan pembiayaan semasa dan masa hadapan atau obligasi pengawal selia, bila mana ianya dituntut, yang mungkin memberi kesan kepada operasi harian dan menyebabkan kerugian yang teruk;
- Risiko Operasi, timbul daripada proses dalaman akibat ketidakcukupan atau kegagalan dalam proses, kawalan atau projek akibat daripada penipuan, aktiviti yang tidak dibenarkan, kesilapan, keciciran, ketidakcekapan atau kegagalan sistem dan daripada kejadian luaran; dan
- Risiko Syariah, timbul akibat pihak Bank gagal mematuhi peraturan-peraturan dan prinsip-prinsip Syariah yang ditetapkan oleh majlis atau jawatankuasa yang relevan bagi produk, perkhidmatan dan aktiviti.

### Rangka Kerja Pengurusan Risiko Agrobank

Proses Pengurusan Risiko dilaksanakan berlandaskan kepada Rangka Kerja Umum Pengurusan Risiko (BRMF) dan setiap rangka kerja pengurusan risiko seperti berikut:

- Rangka Kerja Pengurusan Risiko Kredit (CRMF)
- Rangka Kerja Risiko Pasaran dan Kecairan (MLRF)
- Rangka Kerja Pengurusan Risiko Operasi (ORMF)
- Rangka Kerja Pengurusan Risiko Syariah (SRMF)

Proses pengurusan risiko di Bank melibatkan pengenalpastian, pengukuran, pengurangan, pemantauan dan pelaporan bagi mengoptimumkan pulangan atas pembiayaan dan lain-lain aktiviti pengambilan risiko. Proses ini dilaksanakan dalam menguruskan risiko-risiko kredit, pasaran, operasi dan Syariah di seluruh Bank.

Responsibilities for administering risk management and control are delegated to the Management Risk Committee (MRC). The MRC is chaired by the President / Chief Executive Officer and undertakes the oversight function for overall risk limits, aligning them to the Bank's risk appetite in addressing one or more of the following:-

- Credit Risk, arising from losses due to obligor, market counterparties or issuer of securities or other instruments held failing to perform their contractual obligations to the Bank;
- Market Risk, arising from fluctuations in the value of investment exposure due to changes in market risk factors such as interest / profit rates, currency exchange rates, credit spreads, equity prices, and etc.;
- Liquidity Risk, arising from the Bank's inability to efficiently meet its present and future funding needs or regulatory obligations, when they fall due, which may adversely affect its daily operations and incur unacceptable losses;
- Operational Risk, arising from internal processes, which may result from inadequacies or failure in processes, controls or projects due to fraud, unauthorised activities, errors, omissions, system inefficiency or failure, and from external events; and
- Shariah Risk, arising from the Bank's failure to comply with the Shariah rules and principles determined by the relevant Shariah regulatory councils or committees on all products, services and activities.

### Agrobank's Risk Management Framework

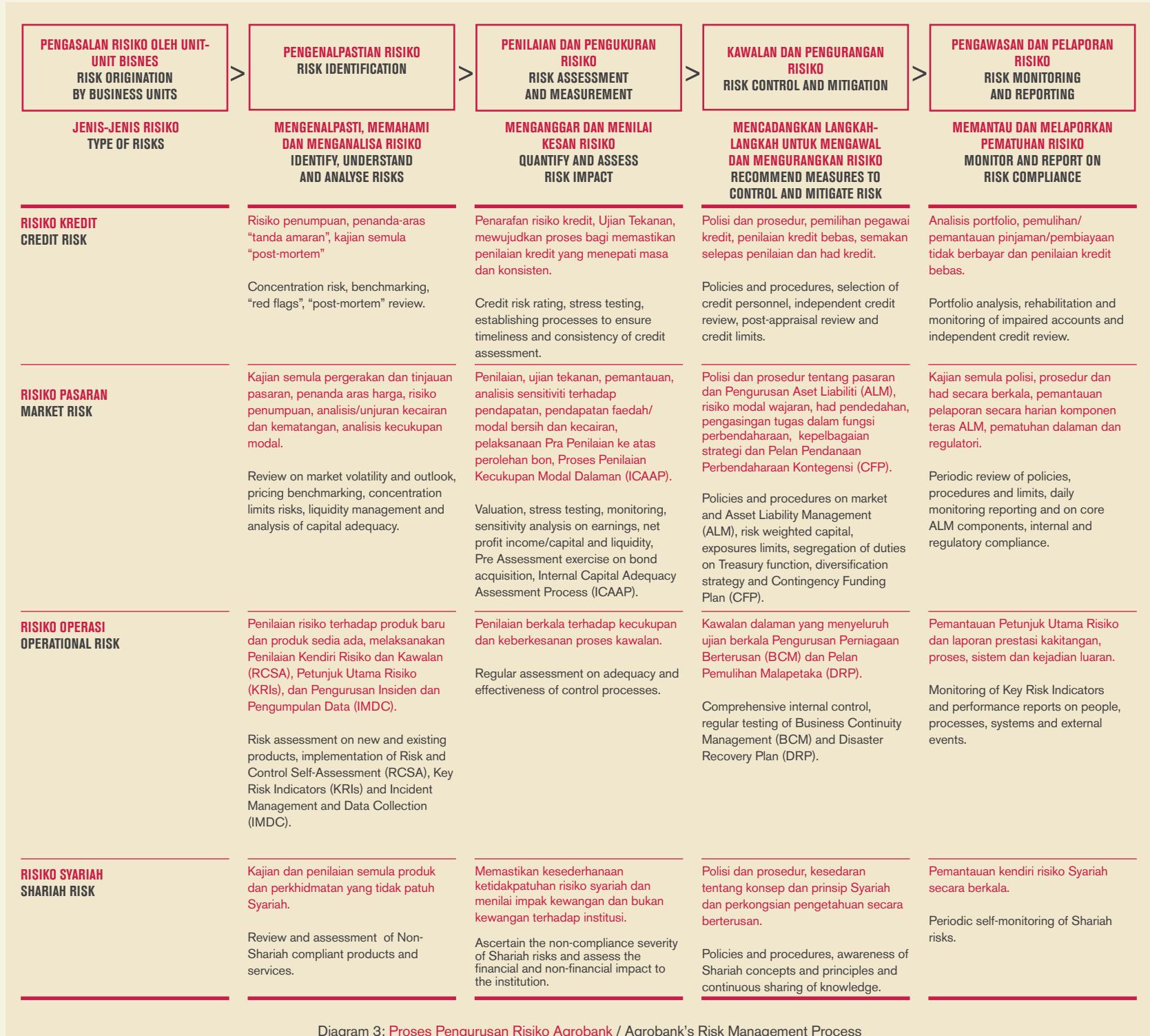
Risk Management processes are implemented based on the Bank Broad Risk Management Framework (BRMF) and respective risk management frameworks as follow:

- Credit Risk Management Framework (CRMF)
- Market and Liquidity Risk Framework (MLRF)
- Operational Risk Management Framework (ORMF)
- Shariah Risk Management Framework (SRMF)

The risk management process within the Bank involves the identification, measurement, mitigation, monitoring and reporting of risks in optimising returns on financing and other risk-taking activities. This process is practiced in managing credit, market, operational and Shariah risks across the Bank.

## PENYATAAN PENGURUSAN RISIKO

### STATEMENT OF RISK MANAGEMENT



# PENYATAAN PENGURUSAN RISIKO

## STATEMENT OF RISK MANAGEMENT

### Peranan Ketua Pegawai Risiko (CRO) dan Jabatan Pengurusan Risiko

Berada di barisan pertahanan kedua adalah Bahagian Pengurusan Risiko (RMD), suatu fungsi yang bebas daripada bisnes bagi membantu Pengurusan dan pelbagai jawatankuasa dalam memantau dan mengawal pendedahan risiko Bank. Fungsi utama RMD terdiri daripada tiga jabatan iaitu Pengurusan Risiko Kredit, Pengurusan Risiko Pasaran dan Pengurusan Risiko Operasi serta sekyen Pengurusan Risiko Syariah yang bertanggungjawab dalam menganalisa, mentaksir, mengukur, mengawal, memantau dan melaporkan pendedahan risiko. Sebagai tambahan, Jabatan Penilaian dan Semakan Semula Kredit di Ibu Pejabat dan Unit Penilaian dan Semakan Semula di Pejabat Wilayah serta Jabatan Pengurusan Penyelidikan Ekonomi dan Industri juga adalah dibawah skop RMD.

RMD diketuai oleh Ketua Pegawai Risiko (CRO) yang dilantik oleh Lembaga Pengarah untuk menjadi ketua kepada fungsi pengurusan risiko. CRO melibatkan diri secara aktif dengan Lembaga Pengarah dan pengurusan kanan di dalam isu-isu dan inisiatif-inisiatif pengurusan risiko.

RMD antara lain menjalankan perkara-perkara berikut:

- Memantau aktiviti pengambilan risiko
- Memula dan mencadangkan serta menyemak polisi-polisi risiko, kaedah-kaedah pengukuran risiko dan had-had risiko
- Menjalankan kajian semula bebas terhadap kualiti aset pembiayaan dan pelan pemulihian pembiayaan
- Mengkoordinasi produk pasaran modal dan mengatur masa pelancarannya
- Memastikan kelangsungan perniagaan dan rancangan luar jangkaan berada pada kedudukan yang betul
- Menjalankan pentaksiran terhadap produk baharu, manual operasi dan pelan pengurusan modal
- Mengkaji semula strategi dagangan perbendaharaan, menganalisa posisi dan aktiviti berhubung dengan perubahan dalam pasaran kewangan dalam menyebarluas dan memastikan pematuhan terhadap rangka kerja risiko pasaran.
- Menyediakan laporan penaksiran berkala berkaitan ekonomi, pasaran dan industri dan juga sebagai penasihat terhadap aspek teknikal serta mengekalkan pengkalan data bagi industri khusus yang dijalankan oleh pasukan Pengurusan Penyelidikan Ekonomi dan Industri.

Sejajar dengan pelaksanaan Basel II di Bank, RMD sedang membangunkan model penarafan kredit dan penskoran yang relevan.

Bidang Utama Pengurusan Risiko:-

#### 1. Pengurusan Risiko Kredit

Risiko kredit adalah risiko potensi kerugian akibat daripada kegagalan atau keengganan pelanggan atau pihak yang terlibat dalam menunaikan obligasi kontrak kewangan mereka apabila tiba masanya.

Matahat pengurusan risiko kredit adalah bagi memastikan pendedahan risiko kredit adalah dalam lingkungan selera risiko yang ditetapkan oleh Bank bagi memastikan pulangan adalah setara dengan risiko.

### The Roles of the Chief Risk Officer (CRO) and the Risk Management Division

Within the second line of defence is the Risk Management Division (RMD), where its function is independent of business, to assist the management and the various committees in the monitoring and controlling of the Bank's risk exposures. The RMD core functions comprise of three departments, namely Credit Risk Management, Market Risk Management and Operational Risk Management, and also the Shariah Risk Management section which undertake the role of analysing, assessing, measuring, controlling, monitoring and reporting of risk exposures. In addition, the Credit Evaluation and Review department at the Head Office and the Credit Evaluation and Review unit at the Regional Offices and the Economic and Industry Research Management department are also under the purview of RMD.

RMD is headed by the Chief Risk Officer (CRO) who is appointed by the Board to spearhead the risk management functions. The CRO actively engages with the Board and senior management on risk management issues and initiatives.

RMD amongst others undertakes the following;

- Monitors risk taking activities
- Initiates, proposes and reviews risk policies, risk measurement methodologies and risk limits
- Performs independent review of financing asset quality and the financing recovery plan
- Coordinates capital market products and their deployment
- Ensures business continuity and contingency plans are in place
- Performs assessment on new products, operational manuals and the capital management plan
- Reviews treasury trading strategies and analyses positions and activities vis-à-vis changes in the financial market in propagating and ensuring compliance to the market risk framework
- Provides periodic economic, market and industry assessment reports as well as advisory on technical aspects and maintains an industry-specific database which is managed by the Economic and Industry Research Management team.

In line with the adoption and implementation of Basel II in the Bank, RMD is developing the relevant credit rating and scoring models.

Key Areas of Risk Management:-

#### 1. Credit Risk Management

Credit risk is the risk of potential loss due to failure or unwillingness of customers or counterparties to fulfil their contractual financial obligations when these are due.

The goal of credit risk management is to keep credit risk exposure within the risk appetite limits set by the Bank to ensure that the returns commensurate with the risks.

## PENYATAAN PENGURUSAN RISIKO STATEMENT OF RISK MANAGEMENT

Pendedahan Bank terhadap risiko kredit adalah kebanyakannya daripada aktiviti pinjaman/pembentangan kepada pelanggan runcit dan mikro, perusahaan kecil dan sederhana (PKS) serta pelanggan korporat. Pelaburan di dalam ekuiti, bon dan lain-lain sekuriti boleh niaga dan instrumen kewangan, sama ada dikategorikan di bawah buku perbankan atau perdagangan juga mendedahkan Bank kepada risiko kredit.

Dalam fungsi pengawasan, Jawatankuasa Pengurusan Risiko (MRC) menyokong Jawatankuasa Lembaga Pengurusan Risiko (BRMC) dalam pengurusan risiko kredit. Kedua-dua jawatankuasa tersebut bertanggungjawab untuk mengesahkan/menyemak rangka kerja dan polisi risiko kredit Bank, menyelaraskan pengurusan risiko kredit dengan strategi perniagaan dan perancangan, memantau profil dan portfolio kredit dan mempertimbangkan tindakan yang perlu untuk dilaksanakan bagi memastikan risiko kredit berada pada tahap yang boleh diterima.

Pengurusan risiko kredit ditadbir oleh Rangka Kerja Pengurusan Risiko Kredit (CRMF) yang menetapkan tadbir urus dan infrastruktur pengurusan risiko.

CRMF Bank menguruskan hal-hal berikut:

- Pengurusan dan kualiti aset pembentangan termasuklah polisi dan garis panduan kredit, kelulusan kredit, pengukuran risiko kredit dan kecekapan kakitangan kredit;
- Pemeliharaan pembentangan yang meliputi proses kajian semula kredit, pengesahan awal serta pengurusan pendedahan kredit dan pemulihan pembentangan.
- Polisi konsentrasi kredit bagi pengurusan portfolio yang berkesan.

Penilaian dan Kajian Semula Kredit melaksanakan taksiran bebas ke atas kertas cadangan kredit yang dibuat oleh unit bisnes bagi mencerminkan kebebasan daripada pengasalan pembentangan dan aktiviti-aktiviti kredit.

### 2. Pengurusan Risiko Pasaran dan Kecairan

Risiko Pasaran ditakrifkan sebagai risiko potensi kerugian di dalam dan di luar kunci kira-kira akibat daripada pergerakan yang tidak dijangka dalam pasaran harga akibat daripada turun naik kadar faedah, harga ekuiti, harga komoditi, kadar tukaran matawang asing dan sebagainya yang memberi kesan jelas terhadap keuntungan Bank, yang diwakili oleh Pendapatan Faedah/Ungut Bersih (NPII) dan dana pemegang saham.

The Bank's exposure to credit risk is primarily from lending/financing activities to retail and micro customers, small and medium-sized enterprises (SMEs) and corporate customers. Investments in equities, bonds and other marketable securities and financial instruments whether these are classified under banking or trading book, also expose the Bank to credit risk.

With regards to the oversight function, the Management Risk Committee (MRC) supports the Board Risk Management Committee (BRMC) in credit risk management. Both committees are responsible to approve/review the Bank's credit risk framework and policies, align credit risk management with business strategies and planning, monitor credit profiles and portfolios and deliberate necessary actions to be executed to ensure that credit risks remain within tolerance levels.

The management of credit risk is governed by the Credit Risk Management Framework (CRMF) which sets out the risk management governance and infrastructure.

The Bank's CRMF addresses the following areas:

- Management and quality of financing assets including the credit policies and guidelines, credit approval, credit risk measurement and competency of credit personnel;
- Financing preservation which covers the credit review process, early detection and management of vulnerable credits and recovery;
- Credit concentration policy for effective portfolio management.

Credit Evaluation and Review undertakes independent assessment of credit proposals by business units to reflect independence from financing origination and credit activities.

### 2. Market and Liquidity Risk Management

Market Risk is defined as the risk of potential losses in On and Off-Balance Sheet positions arising from unexpected movements in market prices due to volatility in interest rates, equity price, commodity price, foreign exchange rates etc., which significantly affect the profitability of the Bank, represented by Net Profit/Interest Income (NPII) and shareholders' fund.

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## PENYATAAN PENGURUSAN RISIKO

### STATEMENT OF RISK MANAGEMENT

Risiko Kecairan terjadi adalah disebabkan ketidakupayaan Bank untuk memenuhi obligasi aliran tunai apabila diperlukan, pada harga yang munasabah yang mungkin timbul akibat daripada ketidakpadanan antara curahan aliran tunai atau pengeluaran deposit luar jangka atau kekontangan deposit. Risiko Kecairan dibahagikan kepada dua kategori seperti berikut:

- Risiko Kecairan Pendanaan

Terjadi bilamana Bank tidak berupaya untuk membuat bayaran sepenuhnya atau obligasi aliran tunai pada masa yang sepatutnya tanpa menanggung kos atau kerugian yang tidak besar.

- Risiko Kecairan Pasaran

Merujuk kepada ketidakupayaan Bank untuk mengungkai kedudukan dalam pasaran dalam tempoh singkat atau hampir dengan harga pasaran sebelumnya.

Pengurusan Risiko pasaran melibatkan pengenalpastian pelbagai faktor risiko, pemantauan dan pengukuran pendedahan kepada faktor-faktor tersebut dengan menggunakan pelbagai alat dan model terpilih, bagi menilai keupayaan Bank untuk menguruskan risiko dengan berkesan dan melaporkan kepada jawatankuasa berkaitan tentang had-had pematuhan dan strategi mitigasi.

Selera risiko Bank adalah ditetapkan di pelbagai peringkat dan dipantau secara berterusan oleh Jawatankuasa Aset dan Liabiliti (ALCO).

Risiko Pasaran dan Kecairan diuruskan melalui sistem dan alat berikut:

- Rangka Kerja Baru Kecairan (NLF)
- Aliran Keluar Kumulatif Maksimum (MCO)
- Pelan Pendanaan Kontingenzi (CFP)
- Harga Pindahan Dana (FTP)
- Jurang Sensitif Kadar Keuntungan (PRG)
- Pelan Pengurusan Modal (CMP)
- Analisis Simulasi untuk Keuntungan, Modal dan Kecairan

Rangka Kerja Risiko Pasaran dan Kecairan (MLRF) mengandungi aspek berikut:

- Pengurusan pendedahan risiko pasaran dan kecairan Bank termasuklah mengeluarkan dan mengkaji garis panduan, polisi dan manual secara berkala
- Tanggungjawab Lembaga, BRMC, ALCO dan MRC terhadap pengurusan risiko pasaran dan kecairan.
- Peranan dan tanggungjawab yang jelas terhadap tiga barisan pertahanan yang merangkumi Unit Pengambilan Risiko (Unit Bisnes), Unit Kawalan Risiko (Jabatan Pengurusan Risiko Pasaran - MRMD) dan Audit Dalam dan bagi memastikan integriti dalam sistem pengurusan risiko Bank.

Liquidity risk is the risk arising from the inability of the Bank to meet its cash flow obligations as they fall due, at a reasonable price which may arise due to a mismatch between the bucketed cash flows and the unexpected outflow of funds or deposit run-off. Liquidity Risk is subdivided into two categories as follow:

- Funding Liquidity Risk

Arising from the inability of the Bank to fulfil payment or cash flow obligations as they fall due, without incurring unacceptable costs or losses.

- Market Liquidity Risk

Referring to the inability of the Bank to unwind its position in the market within a short span of time or near to the previous market price.

Market Risk Management involves identifying various risk factors, monitoring and measuring exposures to those factors using selected tools and models, assessing the Bank's ability to effectively manage the risks and reporting to relevant committees on limits compliance and mitigation strategies.

The Bank's risk appetite is set out at various levels and monitored continuously by the Asset and Liability Committee (ALCO).

The market and liquidity risks are managed through the following system and tools:

- New Liquidity Framework (NLF)
- Maximum Cumulative Outflows (MCO)
- Contingency Funding Plan (CFP)
- Fund Transfer Pricing (FTP)
- Profit Rate Sensitivity Gap (PRG)
- Capital Management Plan (CMP)
- Simulation Analysis on Profitability, Capital and Liquidity

Market and Liquidity Risk Framework (MLRF) encompasses the following aspects:

- Management of the Bank's market and liquidity risk exposures including the issuance and regular review of guidelines, policies and manuals
- The responsibilities of the Board, BRMC, ALCO and MRC with regards to the market and liquidity risk management
- Clear delineation of the roles and responsibilities of the three lines of defence comprising the Risk Taking Units (Business Units), Risk Control Units (Market Risk Management Department-MRMD) and Internal Audit to ensure the integrity of the risk management system in the Bank.

## PENYATAAN PENGURUSAN RISIKO

## STATEMENT OF RISK MANAGEMENT

- Pengendalian fungsi pejabat pertengahan operasi perbendaharaan Bank secara bebas, termasuklah menilai pra-pemerolehan PDS, melakukan kajian semula kredit bagi bon korporat secara berkala dan memantau had-had pendedahan setiap hari serta menyedia/membentangkan laporan bulanan berkenaan pematuhan had-had kepada ALCO dan BRMC.

ALCO bertanggungjawab dalam mengawalselia operasi Bank berkaitan risiko kecairan dan pasaran, terutamanya risiko kadar keuntungan manakala peranan BRMC adalah dalam meluluskan dan mengkaji had-had yang ditetapkan dan memastikan pematuhan terhadap had-had tersebut.

### 3. Pengurusan Risiko Operasi

Risiko operasi ditakrifkan sebagai risiko kerugian yang berpunca daripada ketidakcukupan atau kegagalan proses dalaman, manusia dan sistem atau daripada kejadian luar. Definisi ini meliputi risiko perundangan tetapi tidak termasuk risiko strategik dan risiko reputasi. Risiko perundangan meliputi tetapi tidak terhad kepada pendedahan terhadap denda, penalti atau hukuman yang berpunca daripada tindakan pengawasan serta penyelesaian sendiri dan risiko pematuhan syariah.

Risiko Operasi ini wujud secara semulajadi dalam operasi dan perniagaan Bank, dan tidak dapat dielakkan. Objektif pengurusan risiko operasi adalah untuk mengambil tindakan yang sesuai bagi menangani risiko operasi dan mengawalnya pada tahap yang boleh diterima.

Risiko operasi ini diuruskan melalui beberapa fungsi utama iaitu:

- Rangka Kerja Pengurusan Operasi (ORMF) dan polisi yang baik.
- Alat dan sistem ORM.
- Pelan Pengurusan Kelangsungan Perniagaan yang mantap dan boleh dilaksanakan.

Alat-alat Pengurusan Risiko Operasi telah dibangunkan dan dilaksanakan seperti berikut:

- Pengurusan Insiden dan Pengumpulan Data (IMDC)

IMDC menyediakan proses berstruktur untuk mewujudkan repositori data berkaitan risiko untuk menyokong pelaporan yang mantap dan terperinci mengenai insiden risiko operasi dan kerugian. Pengesahan yang menepati masa dan pemantauan risiko dapat membantu mengurangkan kerugian akibat insiden yang berlaku. Data yang dikumpulkan akan digunakan untuk membuat jangkaan, mengukur, memantau dan melaporkan potensi risiko operasi yang dihadapi oleh Bank dan menyediakan asas bagi pengurusan data, analisis, pelaporan dan pemantauan isu-isu berkaitan pematuhan Basel II.

- Independent oversight or middle office function of the Bank's treasury operations, including assessing pre-acquisitions of PDS, conducting regular credit reviews for bonds and monitoring day-to-day exposure limits as well as presenting monthly governance reports to ALCO and BRMC.

ALCO is responsible for overseeing the Bank's operations in relation to liquidity and market risk, in particular for profit rate risks, while BRMC's role is to approve and review prescribed limits and to ensure compliance of those limits.

### 3. Operational Risk Management

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes but is not limited to exposures to fines, penalties or punitive damages resulting from supervisory actions as well as private settlements and Shariah compliance risk.

Operational risk is inherent in the Bank's business operations and therefore unavoidable. The objective of operational risk management is to take appropriate actions to manage its operational risk and keep it within an acceptable level.

The operational risks are managed through the following key functions:

- Sound Operational Risk Management Framework (ORMF) and policies.
- ORM tools and systems.
- Robust and executable Business Continuity Management plan.

The Operational Risk Management Tools that have been developed and implemented are as follow:

- Incident Management and Data Collection (IMDC)

IMDC provides a structured process to build a repository of risk-related data to support robust and granular reporting of Operational Risk incidents and losses. The timely detection and monitoring of risks will help to reduce losses due to risk events. The data collected will be used to forecast, measure, monitor and report on potential Operational Risk exposure in the Bank and to prepare the groundwork for data management, analysis, reporting and monitoring issues for Basel II compliance.

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## PENYATAAN PENGURUSAN RISIKO

### STATEMENT OF RISK MANAGEMENT

- Penilaian Kendiri Risiko dan Kawalan (RCSA)

RCSA membolehkan risiko operasi dan kawalan yang wujud dinilai secara berterusan untuk mengenalpasti jurang kawalan dan membangunkan pelan tindakan untuk mengurangkan jurang. Ini merupakan kaedah pemprofilan risiko yang digunakan untuk mengurangkan lebahan risiko semulajadi bagi proses perniagaan yang kritikal.

- Petunjuk Utama Risiko (KRI)

KRI adalah alat untuk pengenalpastian, penilaian dan pengurangan risiko utama yang berpotensi dalam operasi Bank. KRI memberikan petanda awal peningkatan risiko dan/atau kegagalan kawalan.

Sistem Pengurusan Risiko Operasi (ORMS) telah diwujudkan dan dilancarkan pada April 2014 untuk menjalankan proses pengenalpastian, pengukuran dan pemantauan pendedahan risiko operasi secara automatik.

#### 4. Pengurusan Risiko Syariah

Risiko tidak patuh Syariah adalah risiko yang berpunca daripada kegagalan Bank untuk mematuhi peraturan Syariah dan prinsip yang ditetapkan oleh Majlis/Jawatankuasa Pematuhan Syariah yang berkenaan. Seksyen Pengurusan Risiko Syariah ditubuhkan di dalam Bank untuk melaksanakan fungsi Pengurusan Risiko Syariah sebagaimana yang dikehendaki oleh Rangka Kerja Tadbir Urus Syariah Bank Negara Malaysia (SGF).

Rangka Kerja Pengurusan Risiko Syariah (SRMF) telah diwujudkan dan dilaksanakan dengan objektif-objektif berikut:

- Memastikan semua produk, perkhidmatan dan aktiviti Bank mematuhi prinsip-prinsip Syariah seperti yang ditetapkan oleh Jawatankuasa Syariah Bank (SC) dan Majlis Penasihat Syariah (SAC) Bank Negara Malaysia.
- Memastikan risiko Syariah difahami dan kawalan dilaksanakan secara konsisten dan seragam di seluruh Bank.
- Mengenalpasti risiko Syariah yang berpunca daripada manusia, proses, produk, strategi, sistem dan kawalan dalam.
- Melaporkan aktiviti tidak patuh Syariah kepada MRC, BRMC dan SC secara tetap dan melaporkan kepada BNM dalam tempoh masa yang ditetapkan.

- Risk and Control Self-Assessment (RCSA)

RCSA enables the continuous assessment of inherent operational risks and controls to identify control gaps and develop action plans to narrow the gaps. This is a risk profiling tool which is used to reduce the residual risk of critical business processes.

- Key Risk Indicators (KRIs)

KRIs are a tool for the identification, assessment and mitigation of potential key risks in the Bank's operation. KRIs provide early warning signals of increasing risk and/or control failures.

The Operational Risk Management System (ORMS) was developed and launched in April 2014 to automate the process of identifying, measuring and monitoring of the operational risk exposures.

#### 4. Shariah Risk Management

Shariah non-compliance risk is the risk arising from the Bank's failure to comply with the Shariah rules and principles determined by relevant Shariah regulatory councils or committees. The Shariah Risk Management section is established within the Bank to perform Shariah Risk Management functions which are required by Bank Negara Malaysia's Shariah Governance Framework (SGF).

The Shariah Risk Management Framework (SRMF) has been developed and executed with the following objectives:

- Ensure all Bank products, services and activities comply with Shariah principles as determined by the Bank's Shariah Committee (SC) and BNM's Shariah Advisory Council (SAC).
- Ensure that Shariah risks are understood and controls are implemented consistently and uniformly throughout the Bank.
- Identify all Shariah risks arising from people, processes, products, strategies, systems and internal controls.
- Establish the process for identifying, measuring, monitoring, controlling and reporting of Shariah non-compliance risks.
- Report Shariah non-compliance events to the Bank's MRC, BRMC and SC at regular intervals as well as to BNM within the stipulated time frame.

# PENYATAAN KAWALAN DALAMAN

## STATEMENT OF INTERNAL CONTROL

### TANGGUNGJAWAB

Lembaga Pengarah memperakui tanggungjawab mengadakan sistem kawalan dalaman yang cekap, terutamanya berkaitan dengan kemampuan dan sistem yang menyeluruh.

Elemen pengurusan risiko dalam kerangka kawalan dalaman memberi jaminan perlindungan yang wajar kepada Bank berhubung kesilapan ketara berkaitan pengurusan, maklumat kewangan dan rekod atau berkenaan kerugian kewangan atau penyelewengaan.

Risiko yang mempengaruhi Bank dikenalpasti, dinilai dan ditangani melalui struktur dan proses yang bersesuaian. Semakan berkala dan pengemaskinian struktur kawalan dan proses dilakukan seiring dengan perubahan persekitaran urusniaga dan situasi operasi dalaman. Proses ini telah dilaksanakan sepanjang tahun kewangan.

Pihak Pengurusan membantu Lembaga Pengarah dalam melaksanakan polisi dan tatacara lembaga pengaruh dengan mengenalpasti dan menilai risiko yang dihadapi dan di dalam penyediaan, pelaksanaan dan pemantauan ke atas kawalan dalaman yang bersesuaian bagi menangani dan mengawal risiko berkenaan.

### PROSES KAWALAN DALAMAN UTAMA

Proses-proses utama yang berkaitan telah diwujudkan bagi menilai kecukupan dan integriti sistem kawalan dalaman meliputi perkara-perkara berikut:

- a. Kerangka kerja yang jelas dengan pemberian kuasa dan had kuasa yang sesuai ditetapkan berkaitan dengan operasi perbankan harian, pembiayaan, pelaburan, pemerolehan dan penghapusan aset.
- b. Pematuhan pada kawalan dalaman dan undang-undang dan peraturan yang relevan ditetapkan dalam manual operasi, garis panduan dan arahan yang dikeluarkan oleh Bank. Semua ini dikemaskini dari semasa ke semasa seiring dengan perubahan dalam persekitaran perniagaan atau keperluan undang-undang.
- c. Pengurusan dan pemantauan dasar-dasar Bank diperkuuhkan lagi melalui penubuhan jawatankuasa operasi termasuk Jawatankuasa Pengurusan Teknologi Maklumat dan Transformasi, Jawatankuasa Pengurusan Kredit dan Jawatankuasa Pengurusan Pemerolehan.

### RESPONSIBILITY

The Board acknowledges that the Bank is responsible for implementing a sound and effective internal control system which is competent, adequate and holistic.

The risk management elements underpinning the Bank's internal control framework provide reasonable assurance of protecting the Bank against material misstatement of financial information and records, financial losses or fraud and mismanagement.

Risks affecting the Bank are identified, assessed and addressed by the appropriate control structures and processes. A regular review and update on the structures and processes was carried out in line with the changes arising within the business environment and internal operating conditions. This ongoing process has been in place for the whole financial year under review.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of appropriate internal controls to mitigate and control these risks.

### KEY INTERNAL CONTROL PROCESSES

Pertinent key processes have been established to review the adequacy and integrity of the system of internal controls which include the following:

- a. A clearly defined framework with appropriate empowerment and authority limits is in place with respect to the day-to-day banking operations, financing, investment, acquisition and disposal of asset.
- b. Compliance with internal controls and the relevant laws and regulations are set out in operation manuals, guidelines and directives issued by the Bank. These are updated from time to time in tandem with changes in the business environment or regulatory requirements.
- c. Management and oversight of the Bank's core areas have been enhanced with the establishment of operational committees which include the Management Information Technology and Transformation Committee, Management Credit Committee and Management Procurement Committee.

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## PENYATAAN KAWALAN DALAMAN

### STATEMENT OF INTERNAL CONTROL

#### d. Jawatankuasa Pengurusan Risiko (MRC)

MRC ditubuhkan bagi membantu Lembaga Pengarah memantau pengurusan aspek-aspek risiko terpenting secara keseluruhan. Pengurusan risiko diperkuatkan lagi dengan penubuhan Jawatankuasa Aset Liabiliti yang mengawalselia risiko pasaran dan kecairan.

#### e. Audit Dalaman

Audit Dalaman memberi jaminan yang objektif dan bebas di samping khidmat rundingan bagi menambah nilai dan menambahbaik operasi Bank. Matlamat Bank dicapai melalui pendekatan audit yang sistematik dan tersusun. Bersandarkan pendekatan berdasarkan risiko, keutamaan audit ditumpukan kepada risiko dan kawalan yang terdapat pada entiti-entiti audit di dalam lingkungan entiti boleh audit yang dikenal pasti.

Keberkesanan tadbir urus, pengurusan risiko dan proses kawalan dinilai di mana pendapat diberikan sama ada risiko yang dikenal pasti boleh menghalang pencapaian matlamat tertentu.

Seiring dengan proses yang dilaksanakan, penambahbaikan dicadangkan bagi meningkatkan struktur tadbir urus dan amalan.

Penyelesaian bagi isu-isu yang dibangkitkan dipantau oleh pihak pengurusan dan dibincangkan di peringkat Jawatankuasa Pengurusan Audit (MAC) dan Jawatankuasa Lembaga Audit (BAC).

#### f. Jawatankuasa Pengurusan Audit (MAC)

MAC dipengerusikan oleh Ketua Pegawai Operasi (COO) dengan ahlinya terdiri daripada pengurusan kanan unit-unit perniagaan dan sokongan. MAC bersidang setiap bulan untuk membincangkan penemuan-penemuan audit dan laporan-laporan siasatan. Mesyuarat juga membincangkan tindakan-tindakan yang wajar bagi menyelesaikan isu-isu berbangkit dan menambahbaik proses perniagaan dan operasi. Apabila diperlukan, wakil pihak yang diaudit dijemput menghadiri mesyuarat untuk membincangkan butiran yang lebih terperinci dan mencari penyelesaian segera. Minit mesyuarat MAC dibentangkan kepada BAC bersama-sama laporan audit. Tindakan yang diputuskan oleh BAC dipantau oleh MAC.

#### d. Management Risk Committee (MRC)

The MRC was established to assist the Board to oversee the overall management of principal areas of risk. The risk management is further strengthened with the establishment of the Asset Liability Committee which manages market and liquidity risks.

#### e. Internal Audit

The internal audit function provides independent, objective assurance and consulting services designed to add value and improve the Bank's operations. Accomplishment of the Bank's objectives is facilitated through a systematic and disciplined audit approach. Premised on the risk-based approach, prioritisation of the audit review lies in the risks and controls associated with the auditable entities within the established audit universe.

The effectiveness of the governance, risk management and control processes is assessed by forming opinions on whether the identified risks may hinder the fulfillment of particular objectives.

In tandem with the process, improvements are advocated to enhance the governance structure and practices.

Rectification of the issues is followed up by the management and deliberated at the Management Audit Committee (MAC) and Board Audit Committee (BAC) meetings.

#### f. Management Audit Committee (MAC)

The MAC, which is chaired by the Chief Operations Officer (COO), comprises the senior management members from a broad range of business and support units. The Committee meets monthly to deliberate the findings of audit reports. The meeting also discusses the necessary actions to resolve arising issues and enhancement of pertinent business processes and operations. Where required, representatives from the parties being audited are requested to attend the meeting to enable more detailed deliberation and expeditious resolution of the matter at hand. Minutes of the MAC meeting are tabled to the BAC together with the audit reports. The actions required by the BAC are followed up by the MAC.

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## PENYATAAN KAWALAN DALAMAN

### STATEMENT OF INTERNAL CONTROL

#### g. Jawatankuasa Lembaga Audit (BAC)

BAC bersidang sebanyak lapan kali dalam tahun 2014 untuk meneliti penemuan-penemuan yang dibangkitkan oleh Jabatan Audit Dalaman, pihak audit luar, pihak berkuasa pengawalselia dan pengurusan. BAC juga bersidang untuk menilai kecukupan dan keberkesanan pengurusan risiko dan sistem kawalan dalaman Bank. Jawatankuasa ini juga menilai semula fungsi audit dalaman dengan memberi penekanan kepada skop pengauditan, kualiti audit dalaman dan kebebasan fungsi audit berbanding fungsi-fungsi lain di dalam Bank. Minit mesyuarat BAC dibentangkan kepada Lembaga Pengarah setiap bulan.

- g. Board Audit Committee (BAC)  
The BAC met eight times in the year 2014 to review findings highlighted by the Internal Audit Department, the external auditors, regulatory authorities and management, and to evaluate the adequacy and effectiveness of the Bank's risk management and internal control systems. The committee also conducted a review of the internal audit function with particular emphasis on the scope of audit, quality of internal audit and independence of the audit function relative to other functions within the Bank. The minutes of the BAC meetings were tabled to the Board.
- h. Pelan perniagaan tahunan disediakan oleh unit-unit perniagaan dan diluluskan oleh Lembaga Pengarah. Belanjawan tahunan diluluskan oleh jawatankuasa Lembaga Pengarah berkenaan. Prestasi sebenar dinilai berdasarkan belanjawan yang diluluskan di mana penjelasan diberikan bagi perbezaan yang ketara melalui laporan berkala kepada jawatankuasa Lembaga Pengarah yang berkenaan.
- i. Garis panduan yang teratur bagi urusan perlantikan dan penamatan khidmat, latihan, penilaian prestasi tahunan dan setengah tahun dan lain-lain peraturan berkaitan pembangunan kemahiran dan latihan kakitangan disediakan. Ini membolehkan kakitangan melaksanakan tugas dan tanggungjawab dengan berkesan.
- j. Fungsi pemantauan Lembaga Pengarah diperkuatkannya lagi melalui tanggungjawab yang diwakilkan kepada beberapa jawatankuasa Lembaga Pengarah iaitu Jawatankuasa Lembaga Pengurusan Risiko, Jawatankuasa Lembaga Pengarah Pinjaman, Jawatankuasa Lembaga Teknologi Maklumat, Jawatankuasa Pencalonan dan Jawatankuasa Ganjaran di mana kesemuanya mempunyai terma rujukan rasmi. Jawatankuasa ini diberi kuasa untuk memeriksa semua bidang dalam skop masing-masing dan melaporkan kepada Lembaga Pengarah beserta saranan tertentu.
- k. Polisi Pengurusan Penyelewengan dan Pemberitahuan Maklumat yang diluluskan oleh Lembaga Pengarah menyediakan saluran bagi kakitangan melaporkan penyelewengan, salahlaku atau pelanggaran polisi dan peraturan Bank tanpa melalui proses pelaporan yang rumit. Hasil siasatan dibentangkan oleh Ketua Audit Dalaman kepada BAC bagi tindakan lanjut.

# PENYATAAN TADBIR URUS SYARIAH

## STATEMENT OF SHARIAH GOVERNANCE

### PENYATAAN TADBIR URUS SYARIAH

Pada tahun 2014, Agrobank mengekalkan 5 Ahli Jawatankuasa Syariah sedia ada tanpa sebarang pelantikan baru. Senarai terkini Ahli Jawatankuasa Syariah Agrobank sehingga Disember 2014 adalah seperti berikut:

Keahlian Jawatankuasa Syariah pada Tahun 2014:

Jawatankuasa Syariah	Jawatan	Kehadiran*
Dr Mohamed Fairooz Bin Abdul Khir	Pengerusi	18/18
Prof Madya Dr Atikullah Hj Abdullah	Ahli/Member	13/18
Dr. Mohammad Sabri Zakaria	Ahli/Member	16/18
En. Ismail bin Mahayudin	Ahli/Member	17/18
Dr Muhammad Yamin Ismail	Ahli/Member	14/18

\* Menunjukkan bilangan mesyuarat yang dihadiri sepanjang ahli berkenaan memegang jawatan bagi tahun 2014.

### PERANAN DAN TANGGUNGJAWAB

Peranan dan tanggungjawab Jawatankuasa Syariah harus mencerminkan ajaran dalam Al-Quran dan As-Sunnah dan hendaklah dikawal oleh Akta Perkhidmatan Kewangan Islam 2013 (APKI), Akta Institusi Kewangan Pembangunan 2002, Akta Bank Pertanian Malaysia Berhad 2008, Akta Syarikat 1965, Rangka Kerja Tadbir Urus Syariah bagi Institusi Kewangan Islam yang diterbitkan oleh BNM dan mananya garis panduan yang dikeluarkan oleh pihak berkuasa berkenaan dari semasa ke semasa.

### STATEMENT OF SHARIAH GOVERNANCE

In 2014, Agrobank maintained the 5 existing Shariah Committee Members without any new nominations. Below is the list of the Agrobank Shariah Committee Members until December 2014:

SC Membership for the year 2014:

Shariah Committee	Position	Attendance*
Dr Mohamed Fairooz Bin Abdul Khir	Chairman	18/18
Prof Madya Dr Atikullah Hj Abdullah	Member	13/18
Dr. Mohammad Sabri Zakaria	Member	16/18
En. Ismail bin Mahayudin	Member	17/18
Dr Muhammad Yamin Ismail	Member	14/18

\* Shows the number of meetings attended throughout the respective member's term of holding the respective position for the year 2014

### ROLE AND RESPONSIBILITIES

The role and responsibilities of the Shariah Committee must reflect the teachings of the Al-Quran and As-Sunnah and must be governed by the Islamic Financial Services Act 2013 (IFSA 2013), Financial Institutions Development Act 2002, Malaysia Agriculture Bank Berhad Act 2008, Companies Act 1965, Shariah Governance Framework for Islamic Financial Institutions published by BNM and any guidelines produced by the authorised parties from time to time.

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# PENYATAAN PEMATUHAN

## STATEMENT OF COMPLIANCE

Lembaga Pengarah, pengurusan kanan dan kakitangan Agrobank adalah sama-sama bertanggungjawab dalam menggalakkan budaya pematuhan dan pengaturan diri yang utuh. Fungsi pematuhan yang merupakan barisan kedua pertahanan memberikan kawalan keselamatan tambahan untuk mengekalkan kepercayaan orang awam serta memastikan kredibiliti Agrobank sebagai sebuah institusi kewangan terjamin. Sebagai sebahagian daripada usaha yang berterusan untuk mengukuhkan lagi budaya pematuhan dalam Agrobank, Jabatan Pematuhan telah memainkan peranan penting dalam memantau pelaksanaan kawalan dalam untuk memastikan Bank mematuhi undang-undang dan peraturan yang berkaitan. Laporan berkala kepada Lembaga Pengarah tentang penilaian risiko pematuhan membentarkan pemantauan yang lebih luas tentang bahagian-bahagian rentan yang mungkin menyebabkan sekatan undang-undang dan peraturan, risiko reputasi atau kerugian kewangan terhadap Agrobank.

Agrobank komited untuk menjamin pelaksanaan berkesan bagi kawalan dalam terhadap Pencegahan Pengubahan Wang Haram dan Pencegahan Pembiayaan Keganasan (AML/CFT). Para kakitangan telah diberikan panduan tentang polisi dan prosedur dalam menguruskan risiko ML/TF. Sebagai sebahagian daripada komitmen Agrobank untuk memerangi pengubahan wang haram serta pembiayaan aktiviti keganasan, Agrobank telah melancarkan satu sistem automatik bagi semua cawangan dan fungsi pematuhan untuk mengawasi dan melaporkan sebarang transaksi yang mencurigakan. Latihan teknikal yang berterusan telah dijalankan sebagai sebahagian daripada usaha untuk mempertingkatkan tahap kecekapan kakitangan.

Pematuhan terhadap prinsip-prinsip Syariah merupakan kunci utama dalam operasi perniagaan bank selaras dengan perjalanan Agrobank menuju ke arah bank Islam sepenuhnya pada tahun 2015. Pembentukan fungsi Pemantauan Syariah dalam fungsi pematuhan telah membina kemampuan dan sumber yang diperlukan untuk menjalankan proses pemantauan syariah. Hasil pemantauan ini akan dilaporkan kepada Jawatankuasa Syariah untuk dipertimbangkan sebelum membuat keputusan. Pematuhan Syariah ini ditambah lagi dengan pelaksanaan senarai semak pemantauan Syariah bagi setiap produk pembiayaan dan proses Penilaian Kendiri Syariah oleh setiap cawangan. Sokongan yang diberikan oleh semua pihak di dalam Agrobank telah membawa kepada keyakinan yang lebih tinggi oleh Lembaga Pengarah dan orang awam secara keseluruhan bahawa operasi perbankan yang dijalankan mematuhi keperluan Syariah.

The Board, senior management and employees of Agrobank are collectively responsible for promoting a strong compliance and self-regulation culture. Being the second line of defence, the compliance function provides additional safeguards to maintain public trust and ensure the credibility of Agrobank as a financial institution. As part of the continuing efforts to strengthen the compliance culture in Agrobank, the Compliance Department has played a pivotal role in reviewing the implementation of internal controls to ensure that the Bank complies with relevant laws and regulations. Regular reporting to the Board on compliance risk assessment enables greater oversight on the areas of vulnerabilities that may give rise to legal and regulatory sanctions, reputational risk or financial losses to Agrobank.

Agrobank is committed to ensure effective implementation of internal controls on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT). The employees are well guided by policies and procedures in managing ML/TF risks. As part of Agrobank's commitment to combat money laundering and financing of terrorism activities, Agrobank has rolled out an automated system for the branches and compliance function to monitor and report any suspicious transactions. Continuous technical trainings have been conducted as part of the effort to scale up the level of staff competencies.

As Agrobank moves to become a full-fledged Islamic bank in 2015, compliance with Shariah principles is key in the bank's business operations. The establishment of the Shariah Review function within the compliance function has built the necessary capabilities and resources to perform the Shariah review process. The outcome of the review will be reported to the Shariah Committee for deliberation and decision. Shariah compliance is further enhanced with the implementation of the Shariah review checklist for each financing product and the Shariah Self-Assessment exercise by branches. The support provided by all parties within Agrobank has led to greater assurance to the Board and public at large that the banking operations comply with the requirements of Shariah.

2014 AUDITED

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Bank for the financial year ended 31 December 2014.

## PRINCIPAL ACTIVITIES

The principal activities of the Bank are banking, financing, investment and servicing as provided under the Bank Pertanian Malaysia Berhad Act, 2008.

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

## RESULTS

	RM'000
Profit before tax and zakat	192,612
Tax	(52,463)
Zakat	(1,368)
Net profit for the year	<b>138,781</b>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid or proposed by the Bank are as follows:

	RM'000
In respect of the financial year ended 31 December 2013, a final dividend of 0.8 sen on 1,000,000,000 ordinary shares declared on 30 June 2014 and paid on 23 July 2014.	8,000
	<b>8,000</b>

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year ended 31 December 2014 of 5 sen on 1,000,000,000 ordinary shares of RM1.00 each, amounting to dividend payable of RM50,000,000 will be proposed for shareholder's approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

## ISSUE OF SHARES AND DEBENTURES

The Bank has not issued any new shares or debentures during the financial year.

## SHARE OPTIONS

No options have been granted by the Bank to any party during the financial year to take up unissued shares of the Bank.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Bank. As at the end of the financial year, there were no unissued shares of the Bank under options.

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# DIRECTORS' REPORT (Cont'd)

## DIRECTORS

The following directors served on the Board of the Bank since the date of the last report:

Y. Bhg Tan Sri Faizah Mohd Tahir (Chairman)

Y. Bhg Dato' Wan Mohd Fadzmi bin Wan Othman  
(President/Chief Executive Officer)

Puan Rashidah Mohd Sies

Y. Bhg Datuk Johar Che Mat

Encik Ng Chih Kaye

Y. Bhg Dato' Dr Mohamad Hashim bin Ahmad Tajudin  
(appointed on 3 July 2014)

Y. Bhg Dato' Mohd Arif Ab Rahman  
(appointed on 23 February 2015)

Y. Bhg Datin Seri Hajah Ruzaina Wan Haniff  
(appointed on 23 February 2015)

Y. Bhg Datuk Dr. Saharan Haji Anang  
(resigned on 13 June 2014)

Y. Bhg Dato' Che Mohd Hashim Abdullah  
(resigned on 31 July 2014)

Y. Bhg Dato' Salehuddin Saidin  
(resigned on 30 November 2014)

Encik Md. Hilmi Datuk Haji Md. Noor  
(resigned on 14 January 2015)

## DIRECTORS' INTERESTS

None of the directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Bank during and at the end of the financial year.

## DIRECTORS' BENEFITS

There were no arrangements during and at the end of the financial year which had the objective of enabling directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of the Bank or any other corporate body.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors from the Bank and related corporations, or the fixed salary of a full time employee of the Bank as disclosed in Note 33 to the financial statements) by reason of a contract made by the Bank or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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# DIRECTORS' REPORT (Cont'd)

## OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position and statement of comprehensive income of the Bank were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to so realise.
- (b) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Bank which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Bank inadequate to any substantial extent; and
  - (ii) the values attributed to current assets in the financial statements of the Bank misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Bank misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Bank which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
  - (i) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Bank which has arisen since the end of the financial year other than those arising from the normal course of business of the Bank.
- (f) In the opinion of the directors:
  - (i) 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 Bank to meet their obligations as and when they fall due other than the claim made by a borrower as disclosed in note 9 to the financial statements; and
  - (ii) no item or transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Bank for the financial year in which this report is made.

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# DIRECTORS' REPORT (Cont'd)

## SIGNIFICANT EVENT

As described in note 9 to the financial statements, in 2010 a borrower filed a legal action against the Bank seeking compensation for damages suffered arising from the Bank rescinding the loan facility previously approved. The Bank filed a counterclaim against the borrower to recover outstanding loans of approximately RM15.9 million. On 26 September 2011, the High Court granted judgment in favour of the borrower for a sum of RM81.1 million and dismissed the Bank's counterclaim. On 11 October 2011, the Bank had filed an appeal to the Court of Appeal and on 13 September 2012, the Court of Appeal had dismissed the Bank's appeal on the issue of liability but ordered that the damages be reassessed by the Senior Assistant Registrar of the High Court. In addition, the Court of Appeal further allowed the Bank's appeal against the dismissal of its counterclaim and ordered that the borrower pay the sum of RM15.9 million with interest. On 28 January 2014, the Bank made further appeal to the Federal Court and on 17 November 2014, the Federal Court upheld the decision made by the Court of Appeal.

During the year, the Bank made a provision amounting to RM1,091,000 in respect of the above claim, based on solicitor's advise and an estimate by an industry expert of the likely outcome of the reassessment of the damages. The final outcome on the quantum of damages is still subject to the decision to be made by the Senior Assistant Registrar of the High Court.

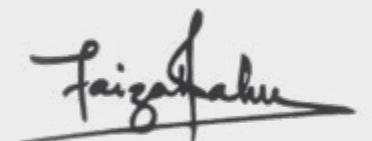
## HOLDING COMPANY

Bank Pertanian Malaysia Berhad ("Agrobank") is wholly-owned by the Minister of Finance (Incorporated) on behalf of the government of Malaysia.

## AUDITORS

The auditors, Messrs. Ernst and Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 April 2015.



TAN SRI FAIZAH MOHD TAHIR



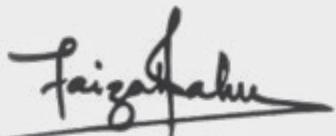
DATO' WAN MOHD FADZMI WAN OTHMAN

# STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, **TAN SRI FAIZAH MOHD TAHIR** and **DATO' WAN MOHD FADZMI WAN OTHMAN** being two of the directors of **BANK PERTANIAN MALAYSIA BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 114 to 222 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Bank as at 31 December 2014 and of the results and cash flows of the Bank for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 April 2015.



TAN SRI FAIZAH MOHD TAHIR

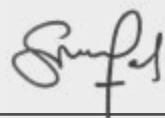


DATO' WAN MOHD FADZMI WAN OTHMAN

# STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, **SYED NAUFAL SHAHABUDIN BIN SYED ABDUL JABBAR SHAHABUDIN** being the officer primarily responsible for the financial management of **BANK PERTANIAN MALAYSIA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 114 to 222 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.



SYED NAUFAL SHAHABUDIN BIN SYED ABDUL JABBAR SHAHABUDIN

Subscribed and solemnly declared by the above named  
**SYED NAUFAL SHAHABUDIN BIN SYED ABDUL JABBAR SHAHABUDIN**  
at **KUALA LUMPUR** in the Federal Territory on  
29 April 2015

Before me,



COMMISSIONER FOR OATHS

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# SHARIAH COMMITTEE'S REPORT

In the Name of Allah, The Compassionate, The Most Merciful

Assalamualaikum Warahmatullahi Wabarakatuh

To the shareholder, depositors and customers of Bank Pertanian Malaysia Berhad:

In compliance with the letter of appointment, we are required to submit the following report in relation to the Islamic banking operations at Bank Pertanian Malaysia Berhad.

We have reviewed the Shariah principles and the contracts relating to Islamic banking transactions and applications introduced by Bank Pertanian Malaysia Berhad during the financial year ended 31 December 2014. We have also conducted our review to form an independent opinion as to whether the Islamic banking operations of Bank Pertanian Malaysia Berhad has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and the Shariah Committee of the Bank.

As regards to the above, the management of Bank Pertanian Malaysia Berhad is responsible for ensuring that the Bank conducts its Islamic banking operations in accordance with Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and the Shariah Committee of the Bank. It is our responsibility to form an independent opinion in respect of the Islamic banking operations of Bank Pertanian Malaysia Berhad, based on our review of the Islamic banking operations of Bank Pertanian Malaysia Berhad and to report to you.

We have assessed the work carried out by Shariah review and Shariah audit which included examining, on a test basis, each type of transaction, the relevant documentation and procedures adopted by Bank Pertanian Malaysia Berhad.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Bank Pertanian Malaysia Berhad has not violated Shariah.

In our opinion:

- (a) The contracts, transactions and dealings entered into by Bank Pertanian Malaysia Berhad during the financial year ended 31 December 2014 that we have reviewed are in compliance with Shariah. For cases which have been identified as not fulfilling certain requirement under Shariah principles and concepts, remedial measures have been identified and ongoing rectification efforts on the affected accounts are currently being implemented. In the event the affected accounts cannot be rectified, the income will not be recognised as the Bank's income.
- (b) The allocation of profit and loss relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah.
- (c) All earnings that have been realised from sources or by means prohibited under Shariah will be channeled for charitable purposes.
- (d) The calculation of zakat is in compliance with Shariah principles.
- (e) We have also reviewed the exercise of conversion to Full Fledged Islamic Banking ("FFIB") and we confirm that the conversion process follows the Shariah requirement.

We, Dr. Mohamed Fairooz Abdul Khir and Dr. Mohamad Sabri Zakaria, being two of the members of the Shariah Committee of Bank Pertanian Malaysia Berhad, to the best of our knowledge, do hereby confirm on behalf of the members of the Shariah Committee, that the Islamic banking operations of Bank Pertanian Malaysia Berhad for the financial year ended 31 December 2014 have been conducted in conformity with Shariah.



**Dr. Mohamed Fairooz Abdul Khir**  
Chairman of the Committee

Kuala Lumpur, Malaysia  
29 April 2015



**Dr. Mohamad Sabri Zakaria**  
Member of the Committee

# INDEPENDENT AUDITORS' REPORT

to the member of Bank Pertanian Malaysia Berhad

## Report on the financial statements

We have audited the financial statements of Bank Pertanian Malaysia Berhad, which comprise statement of financial position as at 31 December 2014 of the Bank, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Bank for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 114 to 222.

## Directors' responsibility for the financial statements

The directors of the Bank are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standard, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

## Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 9 to the financial statements which describes the provision made by the Bank amounting to RM1,091,000 for the compensation claimed by a borrower, the quantum of which is subject to the decision to be made by the Senior Assistant Registrar of the High Court.

## Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Bank have been properly kept in accordance with the provisions of the Act.

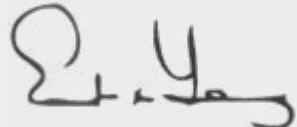
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# INDEPENDENT AUDITORS' REPORT

to the member of Bank Pertanian Malaysia Berhad

## Other matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
29 April 2015



Nik Rahmat Kamarulzaman  
No. 1759/02/16(J)  
Chartered Accountant

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	Note	2014 RM'000	2013 RM'000
Interest income	5	75,993	117,784
Interest expense	6	(6,799)	(36,713)
Net interest income		<b>69,194</b>	<b>81,071</b>
Income from Islamic banking business	36(a)	458,212	423,825
		<b>527,406</b>	<b>504,896</b>
Non-interest income:			
Fee and other operating income	7(a)	1,962	7,862
Investment income	7(b)	46,617	185,132
Net income		<b>575,985</b>	<b>697,890</b>
Overhead expenses	8	(370,423)	(359,634)
Compensation claim	9	(1,091)	-
Operating profit		<b>204,471</b>	<b>338,256</b>
Government grants	10	16,337	20,806
<b>Net operating profit</b>		<b>220,808</b>	<b>359,062</b>
Allowance for impairment on loans, financing and advances	11	(34,539)	(35,835)
Write back of/(allowance for) impairment on investment securities	12	6,343	(3,918)
<b>Profit before tax and zakat</b>		<b>192,612</b>	<b>319,309</b>
Tax expense	13	(52,463)	(77,727)
Zakat	14	(1,368)	(1,826)
<b>Net profit for the year</b>		<b>138,781</b>	<b>239,756</b>

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

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	2014 RM'000	2013 RM'000
<b>Net profit for the year</b>	<b>138,781</b>	<b>239,756</b>
<b>Other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>		
Unrealised gain/(loss) on fair value changes on available for sale ("AFS") investment securities	13,186	(66,728)
Transfer to profit or loss on disposal of AFS investment securities	(52,690)	(179,433)
Income tax relating to components of other comprehensive income	9,510	62,032
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	<b>(29,994)</b>	<b>(184,129)</b>
<b>Total comprehensive income for the year</b>	<b>108,787</b>	<b>55,627</b>

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

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	31 December 2014 RM'000	31 December 2013 RM'000 Restated
<b>ASSETS</b>			
Cash and short term funds	15	1,302,849	1,273,397
Deposits with financial institutions	16	-	60,000
Investment securities	17	4,056,444	3,588,054
Loans, financing and advances	18	6,293,322	5,850,154
Other assets	19	78,124	96,201
Property, plant and equipment	20	179,287	195,394
Intangible assets	21	25,713	26,941
Deferred tax assets	22	60,280	48,572
<b>TOTAL ASSETS</b>		<b>11,996,019</b>	<b>11,138,713</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from customers	23	6,854,282	6,594,646
Other liabilities			
Other payables and accruals	24(a)	326,856	326,935
Paddy credit gratuity scheme	24(b)	2,262	2,225
Financing scheme fund	25	1,482,949	1,555,347
Government grants			
Operating	26	29,948	35,402
Launching	27	11,967	17,269
Funds	28	837,579	257,500
<b>Total Liabilities</b>		<b>9,545,843</b>	<b>8,789,324</b>

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

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	31 December 2014 RM'000	31 December 2013 RM'000	Restated
<b>Equity</b>				
Share capital	29	1,000,000	1,000,000	
Reserves	30	1,450,176	1,349,389	
<b>Total Equity</b>		<b>2,450,178</b>	<b>2,349,389</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,996,019</b>	<b>11,138,713</b>	

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

# STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Non-distributable reserves			Distributable reserves	
	Share capital RM'000	Statutory reserves RM'000	Investment revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
<b>As at 1 January 2014, as previously stated</b>	1,000,000	487,109	137,590	724,690	2,349,389
Prior year adjustment (note 35)	-	-	(135,438)	135,438	-
<b>As at 1 January 2014, as restated</b>	1,000,000	487,109	2,152	860,128	2,349,389
Net profit for the year	-	-	-	138,781	138,781
Other comprehensive loss for the year	-	-	(29,994)	-	(29,994)
Total comprehensive (loss)/income for the year	-	-	(29,994)	138,781	108,787
Dividends paid (note 31)	-	-	-	(8,000)	(8,000)
<b>At 31 December 2014</b>	<b>1,000,000</b>	<b>487,109</b>	<b>(27,842)</b>	<b>990,909</b>	<b>2,450,176</b>

	Non-distributable reserves			Distributable reserves	
	Share capital RM'000	Statutory reserves RM'000	Investment revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
<b>As at 1 January 2013, as previously stated</b>	1,000,000	487,109	321,719	516,434	2,325,262
Prior year adjustment (note 35)	-	-	(135,438)	135,438	-
<b>As at 1 January 2013, as restated</b>	1,000,000	487,109	186,281	651,872	2,325,262
Net profit for the year	-	-	-	239,756	239,756
Other comprehensive loss for the year	-	-	(184,129)	-	(184,129)
Total comprehensive (loss)/income for the year	-	-	(184,129)	239,756	55,627
Dividends paid (note 31)	-	-	-	(31,500)	(31,500)
<b>At 31 December 2013</b>	<b>1,000,000</b>	<b>487,109</b>	<b>2,152</b>	<b>860,128</b>	<b>2,349,389</b>

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

# STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

	2014 RM'000	2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and zakat	192,612	319,309
<b>Adjustments for:</b>		
Net allowance for impairment on loans, financing and advances	101,837	116,735
(Writeback of)/allowance for impairment on investment securities	(6,343)	3,918
Depreciation of property, plant and equipment	27,067	27,358
Amortisation of computer software	16,278	12,433
Profit charged on financing scheme fund	4,738	215
Write off of property, plant and equipment	243	1,589
Gain on disposal of investment securities	(43,289)	(174,192)
Dividends from investment securities	(3,328)	(10,940)
Government fund released	(5,679)	(10,007)
Amortisation of:		
Special Fund for Terengganu Fishery ("DKSP")	(362)	(700)
Government Grants - Operating	(5,454)	(6,470)
Government Grants - Launching	(3,164)	(3,343)
<b>Operating profit before working capital changes</b>	<b>275,156</b>	<b>275,905</b>
Change in loans, financing and advances	(539,010)	(97,718)
Change in other assets	17,979	(281)
Change in deposits with financial institutions	60,000	(60,000)
Change in deposits from customers	259,636	(268,570)
Change in other payables and accruals	5,885	(62,147)
Change in paddy credit gratuity scheme	37	40
<b>Cash generated from/(used in) operating activities</b>	<b>79,683</b>	<b>(212,771)</b>
Tax paid	(69,146)	(76,564)
Zakat paid	(2,043)	(3,432)
<b>Net cash generated from/(used in) operating activities</b>	<b>8,494</b>	<b>(292,767)</b>

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

# STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

	2014 RM'000	2013 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(501,755)	(337,552)
Purchase of property, plant and equipment	(11,203)	(33,485)
Purchase of computer software	(15,050)	(18,476)
Proceeds from disposal of investment securities	52,689	194,705
Dividends received from investment securities	3,328	10,940
<b>Net cash used in investing activities</b>	<b>(471,991)</b>	<b>(183,868)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Profit paid on financing scheme fund and OECF	(4,902)	(7,261)
Proceeds from:		
Loan from OECF	-	6,426
Fund For Food ("3F")	100,958	152,334
Micro Enterprise Fund	7,306	15,759
Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB")	-	40,000
Commercial Agriculture Fund ("DPK-GLC")	300,000	-
Agriculture Entrepreneur Financing Fund ("DPUP 2")	150,000	-
Repayments of financing scheme fund	(50,373)	(251,752)
Government grants- Launching utilised	(2,040)	(986)
Dividends paid	(8,000)	(31,500)
<b>Net cash generated from/(used in) financing activities</b>	<b>492,949</b>	<b>(76,980)</b>

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

# STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

	2014 RM'000	2013 RM'000
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>29,452</b>	<b>(553,615)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,273,397</b>	<b>1,827,012</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,302,849</b>	<b>1,273,397</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash and short term funds (Note 15)	1,302,849	1,273,397

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014

## 1. CORPORATE INFORMATION

Bank Pertanian Malaysia Berhad (“the Bank”) is a public limited liability company, incorporated and domiciled in Malaysia.

The principal activities of the Bank are banking, financing, investment and related services as provided under the Bank Pertanian Malaysia Berhad Act, 2008.

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

The registered office is at Level 3, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur, Malaysia.

The principal place of business of the Bank is at Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur, Malaysia.

The immediate and ultimate holding company of the Bank is the Ministry of Finance.

The financial statements have been approved and authorised for issuance by the Board of Directors in accordance with a resolution dated 29 April 2015.

## 2. BASIS OF PREPARATION

The financial statements of the Bank have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. The Bank present the statement of financial position in order of liquidity.

### 2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 1965 in Malaysia.

### 2.2 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Bank’s functional currency, and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Summary of significant accounting policies

#### (a) Basis of accounting

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, except for the adoption of the MFRSs, amendments to MFRSs, Issues Committee (“IC”) Interpretations and Technical Releases as disclosed in Note 3.2.

#### (b) Revenue recognition

##### (i) Interest/Profit income

Interest/Profit income is recognised in the statement of comprehensive income for all Interest/Profit bearing financial instruments classified as Held to Maturity (“HTM”), AFS or Loans, Financing and Advances using the effective Interest/Profit method.

The effective interest/profit method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest/profit income or interest/profit expense over the relevant period. The effective interest/profit rate is the rate that is used to discount the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income receivable or expense payable on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (b) Revenue recognition (cont'd)

##### (i) Interest/Profit income (cont'd)

In calculating effective interest/profit, the Bank estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses. Fees, including those for early redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest/profit rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest/profit is calculated by reference to the payments or receipts specified in the contract, and the full contractual term.

##### (ii) Murabahah and Tawarruq

Murabahah and Tawarruq income is recognised on effective profit rate basis over the period of the contract based on the financing amounts disbursed.

##### (iii) Bai-Al Inah and Bai-Bithaman Ajil

Bai-Al Inah and Bai-Bithaman Ajil income is recognised on effective profit rate basis over the contract term of the financing amount.

##### (iv) Ujrah

Ujrah income is recognised on effective profit rate based on residual value and contract term.

##### (v) Fees and commissions

Unless included in the effective interest/profit calculation, fees and commissions are recognised based on an accrual basis upon rendering of services.

##### (vi) Dividend income

Dividends are recognised when the right to receive payment is established, which is when the dividends are received or deemed received.

##### (vii) Rental income

Income from rental is recognised on an accrual basis in accordance with the terms of the agreement.

#### (c) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Grants from the Government of Malaysia consist of the following:

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (c) Government grants (cont'd)

##### (i) Government grants - Operating (note 26)

Unutilised operating grants are shown separately from the Bank's other sources of funds. Operating grants received for capital expenditure are recognised as deferred capital grants in the statement of financial position. The grants are amortised to profit or loss on a systematic basis over the useful life of the assets. Operating grants for development expenditure is deducted from the operating grants upon utilisation.

##### (ii) Government grants - Launching (note 27)

Launching grants received for capital expenditure are recognised as deferred capital grant in the statement of financial position. The grants are amortised to profit or loss on a systematic basis over the useful life of the assets. Launching grants for development expenditure is deducted from the launching grants upon utilisation.

##### (iii) Government grants - Funds (note 28)

Government grant funds received to provide financing to eligible customers are recognised as deferred capital grant in the statement of financial position. The government grant is utilised against credit losses and charges arising from these financing.

##### (iv) Financing scheme fund (note 25)

The benefit of a financing scheme fund at a below-market rate of interest is treated as a Government grant. The financing scheme fund is recognised as a financial liability, and measured in accordance with MFRS 139 'Financial Instruments: Recognition and Measurement'. The Government grant is measured as the difference between the initial carrying value of the Government loan determined in accordance with MFRS 139 and the proceeds received. Government grants are recognised in the income statement on a systematic basis over the periods in which the Bank recognise as expenses the related costs for which the grants are intended to compensate.

#### (d) Financial assets and liabilities

##### (1) Initial recognition and subsequent measurement

Financial instruments are classified into the following categories - loans, financing and advances, financial investments HTM and financial investments AFS. Management determines the classification of financial instruments at initial recognition.

##### (i) Loans, financing and advances

Loans, financing and advances that consist of Murabahah, Qard, Bai-Al Inah, Bai-Bithaman Ajil and Tawarruq contracts are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified in this category include cash and balances with banks and loans, financing and advances. These financial assets are initially recognised at fair value, including direct and incremental transaction costs, and subsequently measured at amortised cost using the effective yield method. Interest/profit income on loans, financing and advances is recognised as "Interest income" and "Profit Income" in profit or loss. Impairment losses on loans, financing and advances are recognised in profit or loss as "Allowance for impairment on loans, financing and advances".

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (d) Financial assets and liabilities (cont'd)

- (1) Initial recognition and subsequent measurement (cont'd)
- (ii) Held-to-maturity ("HTM")

Financial investments HTM are non-derivative financial assets with fixed or determinable payments that management has the intention and ability to hold to maturity. These financial assets are initially recognised at fair value including direct and incremental transaction costs, and subsequently measured at amortised cost using the effective interest/profit method. Interest/Profit on investments HTM is included in "Interest/Profit Income" in profit or loss. Impairment losses, if any, are recognised in profit or loss as "Allowance for impairment on investment securities". Regular way purchases and sales of financial investments HTM are recognised at settlement date. If the Bank was to sell or reclassify more than an insignificant amount of financial investments HTM before maturity, the entire category would be tainted and be reclassified to AFS. Furthermore, the Bank would be prohibited from classifying those financial assets as HTM for the following two years.

- (iii) Available-for-sale ("AFS")

Financial investments AFS are non-derivative financial assets that are designated as AFS and are not categorised into any of the other categories above. Financial investments AFS include financial assets that are intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in market conditions. These financial assets are initially recognised at fair value including direct and incremental transaction costs, and subsequently measured at fair value.

Gains and losses arising from changes in fair value are recognised in the statement of comprehensive income under other comprehensive income, except for impairment losses, which are recognised in profit or loss. If an investment AFS is determined to be impaired, the cumulative gain or loss previously recognised in equity is recognised in profit or loss. Likewise, upon disposal of investments AFS, the cumulative fair value gain or loss recognised in equity is also transferred to profit or loss. Interest/Profit income on financial investments AFS is included as interest/profit income in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Bank's right to receive payment is established. Regular way purchases and sales of financial investments AFS are recognised at settlement date.

- (iv) Financial liabilities

Financial liabilities are initially recognised at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include deposits from customers.

#### (2) Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or when the rights to receive further cash flows from the assets have been transferred to a third party and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are derecognised when they are redeemed or extinguished.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (d) Financial assets and liabilities (cont'd)

##### (3) Determination of fair value

The Bank measures financial instruments such as financial investments AFS at fair value at each statement of financial position date.

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:

- (i) In the principal market for the asset or liability, or
- (ii) 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 the Bank.

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

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between fair value hierarchy levels by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosure, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (d) Financial assets and liabilities (cont'd)

##### (4) Impairment of financial assets

###### (i) Loans, financing and advances

Loans, financing and advances ("financing(s)") of the Bank are classified as impaired when they fulfill either of the following criteria:

- (1) principal or interest/profit or both are past due for three (3) months or more;
- (2) where a financing is in arrears for less than three (3) months, but exhibits indications of credit weaknesses; or
- (3) where an impaired financing has been rescheduled or restructured, the financing will continue to be classified as impaired until repayments based on the revised and/or restructured terms have been observed continuously for a period of six (6) months for non retail financings and three (3) months for retail financings.

For the determination of impairment on financings, the Bank conducts assessments at each reporting period whether there is any objective evidence that a financing or a group of financings is impaired. A financing or a group of financings is impaired and impairment losses are recognised 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 (i.e. an "incurred loss event") and that loss event has an impact on the estimated future cash flows of the financing or group of financings that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment include:

- (1) any significant financial difficulty of the obligor;
- (2) a breach of contract, such as a default or delinquency in interest/profit or principal payments;
- (3) a high probability of bankruptcy or other financial reorganisation of the obligor;
- (4) concerns over the viability of the obligor's business operations and its capacity to trade successfully out of financial difficulties and to generate sufficient cash flows to service its debt obligations; and

The Bank first assesses individually whether objective evidence of impairment exists for financings which are individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financing, the financing is then included as a part of collective assessment.

If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between the financings carrying amount and the present value of the estimated future cash flows. The carrying amount of the financing is impaired through the use of an allowance account and the impaired amount of loss is recognised in profit or loss. Where appropriate, the calculation of the present value of estimated future cash flows of a collateralised financing reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (d) Financial assets and liabilities (cont'd)

- (4) Impairment of financial assets (cont'd)
  - (i) Loans, financing and advances (cont'd)

For collective assessment, the non-impaired financings and impaired financings which are not individually significant are grouped on the basis of homogenous risk characteristics that are indicative of the borrowers' ability to pay all amounts due according to the contractual terms. The collective impairment is computed by multiplying the exposure with the Probability of Default ("PD") and Loss Given Default ("LGD"). The PD is based on migration or regression analysis and the LGD is determined by using the collateral shortfall method. Where a financing is uncollectible, it is written off against the related allowance for financing impairment. Such financings are only written off after the necessary procedures have been completed and the amount of the loss has been determined.

Subsequent recoveries of the amounts previously written off are recognised in profit or loss.

Where a financing shows evidence of credit weaknesses, the Bank may seek to renegotiate the financing rather than to take possession of collateral. This may involve an extension of the payment arrangements via rescheduling or the renegotiation of new financing terms and conditions via restructuring. Management monitors the renegotiated financing to ensure that all the revised terms are met and that the repayments are made promptly for a continuous period. Where an impaired financing is renegotiated, the borrower must adhere to the revised and/or restructured repayment terms for a continuous period of six months for non retail financings and three months for retail financings before the financing is classified as non impaired. These financings continue to be subjected to individual or collective impairment assessment.

#### (ii) Financial investments AFS

The Bank assesses at each reporting period whether there is objective evidence that a financial investment classified as AFS is impaired. In the case of quoted equity investments, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether objective evidence of impairment exists. Where such evidence exists, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised) is removed from equity and recognised in profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For AFS debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit and loss.

#### (iii) Financial investments HTM

The Bank assesses at each reporting period whether objective evidence of impairment of financial investments HTM exists as a result of one or more loss events and that loss event has an impact on the estimated future cash flows of the financial investment or group of financial investments that can be reliably estimated. Where there is objective evidence of impairment, an impairment loss is recognised as the difference between the acquisition cost and the present value of the estimated future cash flows, less any impairment loss previously recognised.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (e) Foreign currency

In preparing the financial statements of the Bank, transactions in currencies other than the Bank's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

#### (f) Income tax

##### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### (ii) Deferred tax

Deferred tax is provided for, using the "liability" method, on temporary differences as of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arising from goodwill or from the initial recognition of an asset or a liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.1 Summary of significant accounting policies (cont'd)

##### (g) Employees' benefit

###### (i) Short-term benefit

Wages, salaries, other fixed remuneration and bonuses are recognised as expenses in the year that services have been rendered by the employees. Short term accumulated compensated annual leave is limited to 120 days throughout the service tenure and is recognised when service has been rendered. With the approval of the head of department, the annual leave is allowed to be carried forward for a maximum period of two (2) years after which it will be forfeited and no compensation will be paid. Medical leave is recognised when the absences occur.

###### (ii) Defined contribution plan

The Bank is required by law to make monthly contributions to the Employees Provident Fund ("EPF") at certain prescribed rates based on the employees' salaries. Such contributions are recognised as expense in profit or loss as incurred.

###### (iii) Retirement benefit

Eligible staff are entitled for a lump sum gratuity payment upon attainment of normal retirement age of 60 years or early retirement age of 45 years for female employees and 50 years for male employees. The gratuity payment is equivalent to 0.75 of their last drawn salary multiplied by the number of years of service and a leave replacement benefit payment equivalent to 4 times their last drawn salary.

The retirement benefit liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for actuarial gains/losses and unrecognised past service cost reflecting only the number of years of service completed up to the statement of financial position date.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, by discounting the estimated future cash outflows using market yields at the end of the reporting period on Malaysian Government Securities which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in retained earnings in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent periods.

##### (h) Impairment of non-financial assets

The carrying amount of property, plant and equipment is reviewed to determine whether there is any indication of impairment. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which the estimates of future cash flow have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (h) Impairment of non-financial assets (cont'd)

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised in profit or loss immediately.

#### (i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and work in progress are not depreciated.

Property, plant and equipment are depreciated on a straight-line method at rates calculated to write off the cost less residual value of the assets over their estimated useful lives. The annual depreciation rates used are as follows:

Buildings	2%
Motor vehicles	20%
Furniture and fixtures	20%
Equipment and office machines	10%
Computer hardware	20%

Where parts of items of property, plant and equipment have different useful lives, the cost of the items is allocated on a reasonable basis and is depreciated separately.

Leasehold land is depreciated over the period of its respective leases.

At each reporting period, the residual values and useful lives of the property, plant and equipment are reviewed, and the effect of any changes is recognised prospectively. Gain and loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Costs of repair and maintenance are charged to profit or loss in the year in which the costs are incurred.

#### (j) Intangible assets

The intangible asset consists of computer software which are initially recorded at cost. Subsequent to the recognition, computer software are measured at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of computer software over their estimated useful lives of 3 years. Gain or loss arising from the disposal of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Subsequent expenditure on an intangible asset after its purchase or completion is recognised as an expense when it is incurred, unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measured and attributed to the asset reliably.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.1 Summary of significant accounting policies (cont'd)

#### (k) Leases

Leases are classified as finance lease or operating lease. Leases are classified as finance leases where the Bank assumes substantially all the risks and rewards of ownership of the assets. Assets under operating leases are not recognised in the statement of financial position as the risks and rewards rest with the lessor.

Lease rental is charged to profit or loss on the straight-line basis over the lease term. Benefits received or receivable as an incentive to enter into an operating lease are recognised on the straight-line basis over the lease term. However, contingent rentals arising from operating leases are recognised as an expense in a manner consistent with the basis on which they are determined.

#### (l) Foreclosed properties

Foreclosed properties are those acquired in order to settle the debts and are stated at the lower of cost and net realisable value.

#### (m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability.

#### (n) Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

#### (o) Cash flows statement

The Bank adopts the indirect method in the preparation of cash flows statement.

#### (p) Cash and cash equivalents

For the purposes of the cash flows statement, cash comprises cash on hand and demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.2 Changes in accounting policies

On 1 January 2014, the Bank adopted the following amended MFRS and Interpretation of the Issues Committee ("IC Interpretations") mandatory for annual financial periods beginning on or after 1 January 2014:

#### Effective for annual periods beginning on or after 1 January 2014

MFRS 10 *Consolidated Financial Statements - Investment Entities* (Amendments to MFRS 10)

MFRS 12 *Disclosure of Interest in Other Entities - Investment Entities* (Amendments to MFRS 12)

MFRS 127 *Separate Financial Statements - Investment Entities* (Amendments to MFRS 127)

MFRS 132 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments to MFRS 132)

MFRS 136 *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments to MFRS 136)

MFRS 139 *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments to MFRS 139)

IC Interpretation 21 Levies

Adoption of the above standards and interpretations did not have any effect material on the financial performance or position of the Bank.

### 3.3 Standards issued but not yet effective

The following are standards and annual improvements to standards issued by Malaysian Accounting Standard Board ("MASB") and International Accounting Standard Board ("IASB"), but not yet effective, up to the date of issuance of the Bank's financial statements. The Bank intends to adopt these standards and annual improvements to standards, if applicable, when they become effective:

#### Effective for annual period beginning on or after 1 July 2015

MFRS 119 *Employee Benefits - Defined Benefits Plans: Employee Contribution* (Amendments to MFRS 119)

Annual Improvements to MFRS 2010 - 2012 Cycle

Annual Improvements to MFRS 2011 - 2013 Cycle

#### Effective for annual period beginning on or after 1 January 2016

MFRS 127 *Separate Financial Statements - Equity Method in Separate Financial*

MFRS 128 *Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to MFRS 128)

MFRS 128 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception* (Amendments to MFRS 128)

MFRS 138 *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to MFRS 138)

MFRS 141 *Agriculture - Agriculture: Bearer Plants* (Amendments to MFRS 141)

MFRS 116 *Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to MFRS 116)

MFRS 116 *Property, Plant and Equipment - Agriculture: Bearer Plants* (Amendments to MFRS 116)

MFRS 10 *Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to MFRS 10)

MFRS 10 *Consolidated Financial Statements - Investment Entities: Applying the Consolidation Exception* (Amendments to MFRS 10)

MFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments to MFRS 11)

MFRS 12 *Disclosure of Interests in Other Entities - Investment Entities: Applying the Consolidation Exception* (Amendments to MFRS 12)

MFRS 14 *Regulatory Deferral Accounts*

MFRS 101 *Presentation of Financial Statements Disclosure Initiative* (Amendments to MFRS 101)

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.3 Standards issued but not yet effective (cont'd)

**Effective for annual period beginning on or after 1 January 2017**

MFRS 15 *Revenue from Contracts with Customers*

**Effective for annual period beginning on or after 1 January 2018**

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

#### **MFRS 9 Financial Instruments**

In November 2014, the MASB issued the final version of MFRS 9 "Financial Instruments" which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Under the impairment approach in MFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

MFRS 9 also aligns the requirements of hedge accounting more closely with risk management and establish a more principle-based approach. Hedge effectiveness testing is prospective, without the 80% and 125% bright line test in MFRS139 ad depending on the hedge complexities, can be qualitative. More designations of groups of items as the hedged items are possible, including layer designations and some net positions.

MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of MFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of MFRS 9 will have an effect on the classification and measurement of the Bank's financial assets, but no impact on the classification and measurement of the Bank's financial liabilities. The provisioning model adopted by the Bank will need to include the expected credit losses under MFRS 9. The Bank is in the midst of assessing the impact of the adoption of MFRS 9.

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expense, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require material adjustment to the carrying amount of the asset or liability affected in the future.

#### **Critical judgement made in application of accounting policies**

The following judgment are made by the management in the process of applying the Bank's accounting policies that that have the most significant impact on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT (cont'd)

### Critical judgement made in application of accounting policies (cont'd)

- (a) Accounting for government assistance

In carrying out its mandated role, the Bank receives various assistance from Malaysian government either in the form of grant or loan. There are also arrangement where the Bank acts as an agent for the government in managing a fund, and this arrangement is treated off-balance sheet. Judgment has been applied by management to determine the classification of government assistance whether as grant, loan or off-balance sheet.

- (b) Impairment assessment of AFS financial investments

The Bank records impairment charges on AFS financial investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Bank evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of AFS financial investments is less than its cost (Note 12).

### Key sources of estimation uncertainty

- (a) Allowance for impairment on loans, financing and advances

The Bank reviews doubtful loans, financing and advances at each reporting date to assess whether allowances for impairment should be recorded in the financial statements. In particular, judgement is required in the identification of impaired financings, and the estimation of realisable amount from impaired financings when determining the level of allowance required (Note 11).

Under MFRS139, collective impairment assessment is performed on loans, advances and financing which are not individually significant based on the incurred loss approach. Loans, advances and financing which are individually assessed and where there is no objective evidence of impairment are also included in the group of loans, advances and financing that are pooled into groups with similar credit risk characteristics. Probability of default is computed based on historical loss experience for such assets while the Loss Given Default is computed based on samples of cash recovery of historical loans written off and paid off. Management judgment is applied in selecting samples of the loans written off and paid off.

- (b) Fair value estimation of AFS financial investments

The fair value of securities that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the reporting date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flow method (Note 17).

- (c) Provision for compensation claim

Provision for compensation claim is the amount that an entity would rationally pay to settle the obligation estimated at the end of the reporting period. The estimates of outcomes and financial effect are determined by the judgement of the management of the Bank and supplemented by reports from independent experts (Note 9).

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 5. INTEREST INCOME

	2014 RM'000	2013 RM'000
Loans and advances	37,062	70,443
Investment securities:		
Held to Maturity	686	675
Available for Sale	32,493	15,175
Deposits with financial institutions	5,752	31,491
	<b>75,993</b>	<b>117,784</b>
Of which:		
Interest income earned on impaired loans and advances	2,892	12,153

## 6. INTEREST EXPENSE

	2014 RM'000	2013 RM'000
Saving deposits and Agro Perdana	2	23,053
Fixed/money market deposits	6,797	14,518
Overseas Economic Cooperation Fund ("OECF")	-	(858)
	<b>6,799</b>	<b>36,713</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 7. NON-INTEREST INCOME

### (a) Fee and other operating income

	2014 RM'000	2013 RM'000
<b>Fee income</b>		
Service charges and fees	78	3,510
Loan processing fees	-	296
	<b>78</b>	<b>3,806</b>
<b>Other income</b>		
Reimbursement of gapping cost	48	661
Income from Project Ladang Sungai Tasan	-	659
Income from staff loans	368	1,030
Rental	12	57
Writeback of Bonds receivable	756	1,303
Non operational income	700	346
	<b>1,884</b>	<b>4,056</b>
	<b>1,962</b>	<b>7,862</b>

### (b) Investment income

	2014 RM'000	2013 RM'000
<b>Net gain on disposal of AFS investment securities</b>		
Net gain on disposal of AFS investment securities	43,289	174,192
Dividend income	3,328	10,940
	<b>46,617</b>	<b>185,132</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 8. OVERHEAD EXPENSES

	2014 RM'000	2013 RM'000
<b>Personnel cost</b>		
Salary, allowances and bonus	176,820	186,556
EPF contributions	22,763	21,139
SOCSO contributions	1,774	1,712
Staff welfare	6,587	5,925
Staff training	3,248	4,240
Recruitment fees	241	217
Directors allowance	991	1,172
Medical insurance	5,165	4,922
Retirement benefits scheme	713	(10,035)
Others	4,270	2,397
	<b>222,572</b>	<b>218,245</b>
<b>Maintenance cost</b>		
Depreciation of property, plant and equipment (Note 20)	27,067	27,358
Amortisation of computer software (Note 21)	16,278	12,433
Insurance on property, plant and equipment	2,753	3,212
Rental of premises	9,066	8,639
Printing, stationery and office supplies	8,675	7,793
Water and electricity	9,098	8,010
Computer maintenance	17,865	14,215
Building maintenance	3,865	3,217
Office maintenance	3,421	3,452
Computer supply	641	980
Others	2,646	2,830
	<b>101,375</b>	<b>92,139</b>
<b>Marketing expenses</b>		
Advertising and promotions	2,005	4,139
Others	744	645
	<b>2,749</b>	<b>4,784</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 8. OVERHEAD EXPENSES (cont'd)

	2014 RM'000	2013 RM'000
<b>General administrative expenses</b>		
Communication expenses	13,371	14,015
Government grants - Launching	2,040	986
Legal fees	14,208	16,743
Auditor's remuneration		
- Statutory audit	420	380
- Other assurance related	-	80
- Tax compliance	62	120
- Tax advisory	657	-
Security charges	10,940	9,980
Others	2,029	2,162
	<b>43,727</b>	<b>44,466</b>
	<b>370,423</b>	<b>359,634</b>

## 9. COMPENSATION CLAIM

	2014 RM'000	2013 RM'000
Compensation claim for the year	1,091	-

In 2010, a borrower filed a legal action against the Bank seeking compensation for damages suffered arising from the Bank rescinding the loan facility previously approved. The Bank filed a counterclaim against the borrower to recover outstanding loans of approximately RM15.9 million. On 26 September 2011, the High Court granted judgment in favour of the borrower for a sum of RM81.1 million and dismissed the Bank's counterclaim.

On 11 October 2011, the Bank had filed an appeal to the Court of Appeal and on 13 September 2012, the Court of Appeal had dismissed the Bank's appeal on the issue of liability but ordered that the damages be reassessed by the Senior Assistant Registrar of the High Court. In addition, the Court of Appeal further allowed the Bank's appeal against the dismissal of its counterclaim and ordered that the borrower pay the sum of RM15.9 million with interest. On 28 January 2014, the Bank made further appeal to the Federal Court and on 17 November 2014, the Federal Court upheld the decision made by the Court of Appeal.

A case management is to be held to decide on the conduct of the reassessment of damages before a Senior Assistant Registrar.

The provision made by management is based on solicitor's advise and an estimate by an industry expert of the likely outcome of the reassessment of the damages. The final outcome on the quantum of damages is still subject to the decision to be made by the Senior Assistant Registrar of the High Court.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 10. GOVERNMENT GRANTS

	2014 RM'000	2013 RM'000
Launching Grant:		
Development expenditure	2,040	986
Amortisation of capital expenditure	3,164	3,343
Operating Grant:		
Amortisation of capital expenditure	5,454	6,470
Government grants - Funds (recovered)/released:		
Entrepreneur Scheme for Graduates ("SUTKS") (note 28 (b))	132	(573)
Special Fund for Terengganu Fishery ("DKSP") (note 28 (c))	70	104
Fund for Ministry of Youth and Sports ("DKBS") (note 28 (d))	3,979	83
Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB") (note 28 (e))	1,043	-
National Key Economic Area ("NKEA") (note 28 (f))	1,736	125
Micro Economic Stimulation Package ("Micro-ESP") (note 28 (g))	(1,281)	10,268
	<b>16,337</b>	<b>20,806</b>

## 11. ALLOWANCE FOR IMPAIRMENT ON LOANS, FINANCING AND ADVANCES

	2014 RM'000	2013 RM'000
Loans, financing and advances:		
Allowance for the year	(65,404)	(91,248)
Amount written back upon recoveries and reversal of allowance	43,306	55,431
Individual impairment allowance - net	<b>(22,098)</b>	<b>(35,817)</b>
Allowance for the year	(140,594)	(98,308)
Amount written back	60,855	17,390
Collective impairment allowance - net	<b>(79,739)</b>	<b>(80,918)</b>
Bad debts and financing recovered	67,298	80,900
	<b>(34,539)</b>	<b>(35,835)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 12. WRITEBACK OF/(ALLOWANCE FOR) IMPAIRMENT ON INVESTMENT SECURITIES

	2014 RM'000	2013 RM'000
Writeback of/(allowance for) impairment:		
Corporate bonds	6,354	(4,995)
Quoted shares	(11)	1,077
	<b>6,343</b>	<b>(3,918)</b>

## 13. TAX EXPENSE

	2014 RM'000	2013 RM'000
Income tax:		
Malaysian income tax	54,661	79,152
Over provision in prior years	-	(1,097)
	<b>54,661</b>	<b>78,055</b>
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,198)	(5,073)
Under provision in prior years	-	4,745
Tax expense for the year	<b>52,463</b>	<b>77,727</b>

Income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The reconciliation between tax expense and accounting profit of the Bank multiplied by the applicable corporate tax rate are as follows:

	2014 RM'000	2013 RM'000
Profit before tax and zakat	<b>192,612</b>	<b>319,309</b>
Tax at the applicable statutory tax rate of 25% (2013: 25%)	48,153	79,827
Tax effects of:		
Income not subject to tax	(3,622)	(8,366)
Expenses not deductible for tax purposes	5,787	2,618
Change in tax rate	2,145	-
Under provision of deferred tax in prior years	-	4,745
Over provision of tax in prior years	-	(1,097)
Tax expense	<b>52,463</b>	<b>77,727</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 14. ZAKAT

	2014 RM'000	2013 RM'000
Zakat for the year	1,368	1,826

This represents amount to be paid by the Bank in accordance with Shariah and approved by the Shariah Committee. The Bank uses the asset growth method to compute zakat.

## 15. CASH AND SHORT TERM FUNDS

	31 December 2014 RM'000	31 December 2013 RM'000
Cash in hand	90,135	84,774
Cash at banks	115,840	78,882
Short term deposits maturing within three months:		
Licensed banks	554,419	628,343
Other financial institutions	542,455	481,398
	<b>1,302,849</b>	<b>1,273,397</b>

The detail on the short term deposit as below :

	31 December 2014	31 December 2013
Average maturities	50 Days	62 Days
Average interest/profit rates	3.96%	3.46%

## 16. DEPOSITS WITH FINANCIAL INSTITUTIONS

	31 December 2014 RM'000	31 December 2013 RM'000
Other financial institutions	-	60,000

**Maturity structure of deposits with financial institutions is as follows:**

Six months to nine months	-	60,000
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# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 17. INVESTMENT SECURITIES

	31 December 2014 RM'000	31 December 2013 RM'000
<b><u>Debt securities</u></b>		
<b>AFS - at fair value</b>		
Corporate bonds	2,841,805	2,283,604
Malaysian Government Securities ("MGS")/Government Investment Issue ("GII")	988,842	998,293
	<b>3,830,647</b>	<b>3,281,897</b>
<b>HTM - at amortised cost</b>		
Corporate bonds	18,631	32,978
Commercial papers	9,858	19,901
Malaysian Government Securities ("MGS")/Government Investment Issue ("GII")	150,847	161,283
	<b>179,336</b>	<b>214,162</b>
	<b>4,009,983</b>	<b>3,496,059</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 17. INVESTMENT SECURITIES (cont'd)

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Equity securities</b>		
<b>AFS - at fair value</b>		
Quoted shares in Malaysia	46,715	98,592
Total before allowances	<b>4,056,698</b>	<b>3,594,651</b>
<b>Allowance for impairment</b>		
Corporate bonds	-	(6,354)
Quoted shares in Malaysia	(254)	(243)
	<b>(254)</b>	<b>(6,597)</b>
<b>Net</b>	<b>4,056,444</b>	<b>3,588,054</b>

### Maturity structure for HTM investments is as follows:

Maturity within six months	9,858	44,926
Between six months to one year	-	-
Between one year to three years	169,478	119,205
Between three years to five years	-	50,031
More than five years	-	-
	<b>179,336</b>	<b>214,162</b>

### Market values of HTM investments are as follows:

<b>Market Value</b>		
Corporate bonds	18,590	33,038
Commercial papers	9,804	19,810
Malaysian Government Securities ("MGS")/Government Investment Issue ("GII")	149,972	160,302
	<b>178,366</b>	<b>213,150</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 17. INVESTMENT SECURITIES (cont'd)

	Corporate bonds RM'000	Quoted shares RM'000	Total RM'000
<b>Movement in allowance for impairment</b>			
At 1 January 2013	1,359	1,320	2,679
(Reversal of allowance)/allowance for during the year	4,995	(1,077)	3,918
At 31 December 2013	<b>6,354</b>	<b>243</b>	<b>6,597</b>
(Reversal of allowance)/allowance for during the year	(6,354)	11	(6,343)
At 31 December 2014	-	<b>254</b>	<b>254</b>

## 18. LOANS, FINANCING AND ADVANCES

	31 December 2014 RM'000	31 December 2013 RM'000
<b>At amortised cost:</b>		
Islamic financing and advances (Note 36(g))	6,543,544	5,766,570
Wawasan Tani Loans	25,100	115,126
Project and Equipment Loans	104,358	226,918
Capital Entrepreneur Tani ("MUST")	27,211	48,314
Agribusiness Loans	77,127	107,492
Fund For Food ("3F")	15,150	18,797
Insani Education Loans	19,548	37,819
Paddy Credit Scheme	774	1,192
MAP and MPPB Loans	469	1,175
Fund for Small and Medium Size Industries ("TIKS")	365	788

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 18. LOANS, FINANCING AND ADVANCES (cont'd)

	31 December 2014 RM'000	31 December 2013 RM'000
<b>At amortised cost: (cont'd)</b>		
Contract Tani Loans	375	1,613
Special Advances on Fixed Deposit	21	156
Tobacco Scheme	298	333
Asean-Japan Development Fund ("AJDF")	52	55
Banking Facilities	-	2
Other Loans	-	1,885
	<b>6,814,392</b>	<b>6,328,235</b>
Loans, financing and advances to employees	58,976	65,098
	<b>6,873,368</b>	<b>6,393,333</b>
<b>Less:</b>		
Individual impairment allowance	(241,737)	(237,264)
Collective impairment allowance	(338,309)	(305,915)
<b>Net loans, financing and advances</b>	<b>6,293,322</b>	<b>5,850,154</b>

- (i) Maturity structure of gross loans, financing and advances are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
Maturity within six months	567,326	583,805
Between six months to one year	64,517	91,590
Between one year to three years	482,896	526,081
Between three years to five years	901,042	818,220
More than five years	4,857,587	4,373,637
	<b>6,873,368</b>	<b>6,393,333</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 18. LOANS, FINANCING AND ADVANCES (cont'd)

- (ii) Gross loans, financing and advances analysed by sectors are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Sectors:</b>		
Support	2,606,791	2,653,171
Crops	2,754,625	2,445,278
Livestock	741,785	700,814
Fishery	461,623	435,527
Forestry	52,676	34,547
Other agricultural based processing	255,868	123,996
	<b>6,873,368</b>	<b>6,393,333</b>

- (iii) Gross loans, financing and advances analysed by regions are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Regions:</b>		
Kuala Lumpur	810,922	549,698
Selangor	777,263	756,453
Pahang	618,239	537,703
Perak	779,967	766,500
Negeri Sembilan/Melaka	480,917	465,618
Johor	566,890	525,394
Kelantan	367,107	364,439
Kedah/Perlis	614,191	583,327
Sarawak	660,789	655,559
Sabah	622,466	618,189
Pulau Pinang	248,895	248,087
Terengganu	325,722	322,366
	<b>6,873,368</b>	<b>6,393,333</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 18. LOANS, FINANCING AND ADVANCES (cont'd)

- (iv) Gross loans, financing and advances analysed by credit quality are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
Neither past due nor impaired	5,909,175	5,337,602
Past due but not impaired	327,996	418,876
Impaired	636,197	636,855
	<b>6,873,368</b>	<b>6,393,333</b>

Past due but not impaired financings are financings where the customer has failed to make a principal or interest payment when contractually due and include financings which are due more than one day after the contractual due date but less than three (3) months.

- (v) Movements in impaired gross loans, financing and advances are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	636,855	807,018
Additions during the year	309,233	378,902
Reclassified as non impaired during the year	(99,653)	(90,134)
Recoveries during the year	(142,698)	(231,324)
Reclassified to off balance sheet during the year	-	(23,782)
Amount written off	(67,540)	(203,825)
At end of the year	<b>636,197</b>	<b>636,855</b>
Gross impaired financings as a percentage of gross loans, financing and advances	<b>9.26%</b>	<b>9.96%</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 18. LOANS, FINANCING AND ADVANCES (cont'd)

(vi) Impaired gross loans, financing and advances analysed by sectors are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Sectors:</b>		
Support	162,325	161,988
Crops	238,173	251,044
Livestock	108,806	103,728
Fishery	78,280	75,612
Forestry	33,681	31,044
Other agricultural based processing	14,932	13,439
	<b>636,197</b>	<b>636,855</b>

(vii) Impaired gross loans, financing and advances analysed by regions are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Regions:</b>		
Kuala Lumpur	125,588	139,635
Selangor	86,072	94,751
Pahang	71,774	66,906
Perak	63,385	72,318
Negeri Sembilan/Melaka	38,027	42,281
Johor	47,384	38,999
Kelantan	48,782	38,897
Kedah/Perlis	60,482	58,627
Sarawak	22,692	22,920
Sabah	44,061	31,354
Pulau Pinang	14,838	17,374
Terengganu	13,112	12,793
	<b>636,197</b>	<b>636,855</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 18. LOANS, FINANCING AND ADVANCES (cont'd)

(viii) Movement in individual impairment allowance are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Individual impairment allowance</b>		
At beginning of the year	237,264	207,777
Allowance for the year	65,404	91,248
Amount written back upon recoveries and reversal of allowance	(43,306)	(55,431)
Net allowance for the year	<b>22,098</b>	<b>35,817</b>
Amount written off	(17,625)	(6,330)
At end of the year	<b>241,737</b>	<b>237,264</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 18. LOANS, FINANCING AND ADVANCES (cont'd)

(ix) Movement in collective impairment allowance are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Collective impairment allowance</b>		
At beginning of the year	305,915	417,698
Allowance for the year	140,594	98,308
Amount written back	(60,855)	(17,390)
Net allowance for the year	79,739	80,918
Amount written off	(47,345)	(192,701)
At end of the year	<b>338,309</b>	<b>305,915</b>

Collective impairment allowance as a percentage of gross loans, financing and advances less individual impairment allowance

**5.10%**      **4.97%**

Included in net collective impairment allowance for the year are collective impairment allowance on loans, financing and advances funded by government grants which are as follows:

Entrepreneur Scheme for Graduates ("SUTKS") (note 28 (b))	132	(573)
Special Fund for Terengganu Fishery ("DKSP") (note 28 (c))	70	104
Fund for Ministry of Youth and Sports ("DKBS") (note 28 (d))	3,979	83
Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB") (note 28 (e))	1,043	-
National Key Economic Area ("NKEA") (note 28 (f))	1,736	125
Micro Economic Stimulation Package ("Micro-ESP") (note 28 (g))	(1,281)	10,268

The total amount of collective impairment allowance includes collective allowances for non impaired loans/financings of RM156,535,692 (2013: RM135,002,910).

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 19. OTHER ASSETS

	31 December 2014 RM'000	31 December 2013 RM'000
Other receivables	25,286	39,380
Interest and income receivable	49,905	54,632
Foreclosed properties	5,740	5,752
Project Ladang BPM - Sg Tasan	3,377	3,377
	<b>84,308</b>	<b>103,141</b>
Less: Impairment allowance	(6,184)	(6,940)
Other assets, net of impairment	<b>78,124</b>	<b>96,201</b>

### Movement in impairment allowance

At beginning of the year	6,940	8,245
Reversal during the year	(756)	(1,305)
At end of the year	<b>6,184</b>	<b>6,940</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 20. PROPERTY, PLANT AND EQUIPMENT

	<b>Freehold land RM'000</b>	<b>Freehold building RM'000</b>	<b>Leasehold land RM'000</b>	<b>Leasehold buildings RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Furniture and fixtures RM'000</b>	<b>Equipment and office machines RM'000</b>	<b>Computer hardware RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>									
At 1 January 2013	3,591	11,732	8,034	85,327	13,769	131,336	50,912	71,596	376,297
Additions	-	-	-	2,155	1,041	18,071	7,792	4,426	33,485
Write off/disposal	-	-	-	(335)	(1,036)	(3,340)	(1,493)	(2,372)	(8,576)
At 31 December 2013	<b>3,591</b>	<b>11,732</b>	<b>8,034</b>	<b>87,147</b>	<b>13,774</b>	<b>146,067</b>	<b>57,211</b>	<b>73,650</b>	<b>401,206</b>
Additions	-	-	-	683	807	4,104	3,786	1,823	11,203
Write off/disposal	-	-	-	-	(7)	(1,183)	(636)	(978)	(2,804)
At 31 December 2014	<b>3,591</b>	<b>11,732</b>	<b>8,034</b>	<b>87,830</b>	<b>14,574</b>	<b>148,988</b>	<b>60,361</b>	<b>74,495</b>	<b>409,605</b>
<b>Accumulated depreciation</b>									
At 1 January 2013	-	3,389	1,712	20,220	12,282	68,544	23,998	56,296	186,441
Charge for the year	-	304	76	1,696	174	12,775	4,693	7,640	27,358
Write off/disposal	-	-	-	(140)	(1,036)	(2,164)	(1,285)	(2,362)	(6,987)
At 1 January 2014	-	<b>3,693</b>	<b>1,788</b>	<b>21,776</b>	<b>10,420</b>	<b>79,155</b>	<b>27,406</b>	<b>61,574</b>	<b>205,812</b>
Charge for the year	-	304	75	1,693	259	13,277	5,108	6,351	27,067
Write off/disposal	-	-	-	-	(7)	(1,076)	(506)	(972)	(2,561)
At 31 December 2014	-	<b>3,997</b>	<b>1,863</b>	<b>23,469</b>	<b>10,672</b>	<b>91,356</b>	<b>32,008</b>	<b>66,953</b>	<b>230,318</b>
<b>Net book value</b>									
At 31 December 2014	<b>3,591</b>	<b>7,735</b>	<b>6,171</b>	<b>64,361</b>	<b>3,902</b>	<b>57,632</b>	<b>28,353</b>	<b>7,542</b>	<b>179,287</b>
At 31 December 2013	<b>3,591</b>	<b>8,039</b>	<b>6,246</b>	<b>65,371</b>	<b>3,354</b>	<b>66,912</b>	<b>29,805</b>	<b>12,076</b>	<b>195,394</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 20. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in leasehold land are as below:

	Leasehold land		
	<99 years RM'000	>99 years RM'000	Total RM'000
<b>At 1 January 2013</b>	5,627	695	6,322
Amortisation during the year	(75)	(1)	(76)
<b>At 31 December 2013</b>	<b>5,552</b>	<b>694</b>	<b>6,246</b>
Amortisation during the year	(75)	-	(75)
<b>At 31 December 2014</b>	<b>5,477</b>	<b>694</b>	<b>6,171</b>

- (i) The property, plant and equipment acquired from government grants-launching with net book value amounting to RM6,471,818 (2013: RM8,103,729) are as follows:

	Motor vehicles RM'000	Furniture and fixtures RM'000	Equipment and office machines RM'000	Computer hardware RM'000	Total RM'000
<b>At 31 December 2014</b>					
Cost	696	14,023	1,858	1,547	18,124
Accumulated depreciation	(696)	(8,324)	(1,085)	(1,547)	(11,652)
<b>Net book value</b>	<b>-</b>	<b>5,699</b>	<b>773</b>	<b>-</b>	<b>6,472</b>
<b>At 31 December 2013</b>					
Cost	696	14,023	1,867	1,547	18,133
Accumulated depreciation	(696)	(6,886)	(900)	(1,547)	(10,029)
<b>Net book value</b>	<b>-</b>	<b>7,137</b>	<b>967</b>	<b>-</b>	<b>8,104</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 20. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (ii) The property, plant and equipment acquired from government grants-operating under the 9th Malaysian Plan ("RMK 9") with net book value amounting to RM14,603,339 (2013: RM19,189,677) are as follows:

	<b>Buildings RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Furniture and fixtures RM'000</b>	<b>Equipment and office machines RM'000</b>	<b>Computer hardware RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2014</b>						
Cost	13,600	1,709	28,188	4,000	23,975	71,472
Accumulated depreciation	(4,015)	(1,709)	(24,915)	(2,438)	(23,791)	(56,868)
<b>Net book value</b>	<b>9,585</b>	-	<b>3,273</b>	<b>1,562</b>	<b>184</b>	<b>14,604</b>
<b>At 31 December 2013</b>						
Cost	13,600	1,709	28,188	4,000	23,975	71,472
Accumulated depreciation	(3,874)	(1,709)	(24,027)	(2,039)	(20,633)	(52,282)
<b>Net book value</b>	<b>9,726</b>	-	<b>4,161</b>	<b>1,961</b>	<b>3,342</b>	<b>19,190</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 21. INTANGIBLE ASSETS

	Computer software RM'000
<b>Cost</b>	
At 1 January 2013	63,651
Additions	18,476
Write off	(49)
At 31 December 2013	<b>82,078</b>
Additions	15,050
Write off	(78)
At 31 December 2014	<b>97,050</b>
<b>Accumulated amortisation</b>	
At 1 January 2013	42,753
Charge for the year	12,433
Write off	(49)
At 31 December 2013	<b>55,137</b>
Charge for the year	16,278
Write off	(78)
At 31 December 2014	<b>71,337</b>
<b>Net book value</b>	
At 31 December 2014	<b>25,713</b>
At 31 December 2013	<b>26,941</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 21. INTANGIBLE ASSETS (cont'd)

Included in the above are computer software acquired from the following government grants:

### (a) Government Grant-Launching

	Cost RM'000	Accumulated amortisation RM'000	Net book value RM'000
2014	6,304	6,266	38
2013	6,304	4,870	1,434

### (b) Government Grant-Operating under the 9th Malaysian Plan ("RMK 9")

	Cost RM'000	Accumulated amortisation RM'000	Net book value RM'000
2014	24,079	23,456	623
2013	24,079	22,554	1,525

## 22. DEFERRED TAX ASSETS

	31 December 2014 RM'000	31 December 2013 RM'000
At 1 January	48,572	(13,788)
Recognised in income statement	2,198	328
Recognised in equity	9,510	62,032
At 31 December	<b>60,280</b>	<b>48,572</b>
Presented after appropriate offsetting as follows:		
Deferred tax assets	71,860	61,657
Deferred tax liabilities	(11,580)	(13,085)
	<b>60,280</b>	<b>48,572</b>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relates to the same fiscal authority.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 22. DEFERRED TAX ASSETS (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	At 1 January 2013 RM'000	Recognised in income statement RM'000	Recognised directly in equity RM'000	At 31 December 2013 RM'000	Recognised in income statement RM'000	Recognised directly in equity RM'000	At 31 December 2014 RM'000
<b>Deferred tax liabilities:</b>							
Property, plant, equipment and intangible assets	(5,198)	(7,170)	-	(12,368)	788	-	(11,580)
Investment revaluation reserve	(62,749)	-	62,032	(717)	-	717	-
	<b>(67,947)</b>	<b>(7,170)</b>	<b>62,032</b>	<b>(13,085)</b>	<b>788</b>	<b>717</b>	<b>(11,580)</b>
<b>Deferred tax assets:</b>							
Investment revaluation reserve	-	-	-	-	-	8,793	8,793
Provision for undistributed profit	40,416	13,036	-	53,452	2,170	-	55,622
Other temporary differences	13,743	(5,538)	-	8,205	(760)	-	7,445
	<b>54,159</b>	<b>7,498</b>	<b>-</b>	<b>61,657</b>	<b>1,410</b>	<b>8,793</b>	<b>71,860</b>
Net deferred tax assets/ (liabilities)	<b>(13,788)</b>	<b>328</b>	<b>62,032</b>	<b>48,572</b>	<b>2,198</b>	<b>9,510</b>	<b>60,280</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 23. DEPOSITS FROM CUSTOMERS

	31 December 2014 RM'000	31 December 2013 RM'000
<b>At amortised cost:</b>		
Fixed/money market deposits	4,043,245	3,514,693
Savings deposits	1,569,933	1,581,660
Agro Perdana	1,241,104	1,498,293
	<b>6,854,282</b>	<b>6,594,646</b>
<b>Maturity structure of fixed/money market deposits from customers is as follows:</b>		
Within six months	2,171,057	1,458,119
Between six months to one year	1,802,802	1,953,240
Between one year to three years	26,977	28,359
Between three years to five years	42,409	74,975
	<b>4,043,245</b>	<b>3,514,693</b>
<b>The deposits are sourced from the following types of customers:</b>		
Government	2,411,002	2,695,451
Individuals	2,982,973	2,619,842
Domestic business enterprises	459,963	436,464
Domestic other entities	975,864	814,321
Domestic non-banking institutions	24,480	28,568
	<b>6,854,282</b>	<b>6,594,646</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 24. OTHER LIABILITIES

### (a) Other payables and accruals

	Note	31 December 2014 RM'000	31 December 2013 RM'000
Accrued expenses		51,932	52,653
Sundry creditors		51,194	52,966
Donation/charity		11	11
Zakat payable		1,794	2,469
Provision for undistributed profit	(i)	231,762	213,809
Provision for tax expense		(11,802)	2,682
Retirement benefits scheme	(ii)	1,965	2,345
		<b>326,856</b>	<b>326,935</b>

#### (i) Provision for undistributed profit

	31 December 2014 RM'000	31 December 2013 RM'000
<b>At 1 January</b>	<b>213,809</b>	<b>161,665</b>
Addition for the year	17,953	52,144
<b>At 31 December</b>	<b>231,762</b>	<b>213,809</b>

Provision for undistributed profit relates to the under accrual of profit payable on Mudharabah deposits.

#### (ii) Retirement benefits scheme

(a) The provision for retirement benefits scheme is as follows:

	RM'000
<b>At 1 January 2013</b>	<b>43,641</b>
Current service cost <sup>1</sup>	197
Benefits paid from plan	(31,261)
Accumulated overprovision	(10,232)
<b>At 31 December 2013</b>	<b>2,345</b>
Current service cost <sup>1</sup>	(380)
<b>At 31 December 2014</b>	<b>1,965</b>

<sup>1</sup> Current service cost represents the decrease in the retirement benefit at each reporting date resulting from an additional year of service rendered by the employee.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 24. OTHER LIABILITIES (cont'd)

### (a) Other payables and accruals (cont'd)

#### (ii) Retirement benefits scheme (cont'd)

(b) The principal assumptions used to determine the estimated costs and obligations are as follows:

31 December  
2014

#### Turnover and early retirement rate

##### Age brackets:

Less than 20 years	8.12%
25 - 29 years	7.48%
30 - 34 years	6.22%
35 - 39 years	4.76%
40 - 44 years	3.36%
45 - 49 years	1.96%
50 years and over	0.81%
<b>Salaries increase rate (per annum)</b>	<b>5.00%</b>
<b>Average remaining years of service of employees</b>	<b>9 years</b>

#### (c) Sensitivity analysis for discount rate risk

A one percentage (1%) point decrease or increase in the assumed discount rate would have the following effects:

- (i) Current service cost to increase by RM10,000 (2013: RM16,000) or decrease by RM9,000 (2013: RM14,000) respectively.
- (ii) Provision for retirement benefit scheme to increase to RM2,124,000 (2013: RM2,718,000) or decrease to RM1,819,000 (2013: RM2,041,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 24. OTHER LIABILITIES (cont'd)

### (b) Paddy credit gratuity scheme

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	2,225	2,185
Additions	121	134
Payment	(84)	(94)
At the end of year	<b>2,262</b>	<b>2,225</b>

The Bank sets up this scheme to manage the gratuity to the paddy credit scheme borrowers. The fund under this scheme is contributed through the withholding of an amount from the financings disbursed to the borrowers for payment of future death benefits to the legal heir of the borrowers upon their demise.

## 25. FINANCING SCHEME FUND

Summary of financing scheme fund is as follows:

	Note	31 December 2014 RM'000	31 December 2013 RM'000
Fund for Food ("3F")	(a)	234,757	1,003,316
MPPB Funds	(b)	-	51,134
Oil Palm Replanting Scheme ("TASKS")	(c)	12,000	13,000
Paddy Credit Scheme	(d)	-	76,701
Food Production Credit Scheme ("SKPM")	(e)	-	74,923
Fishery Boat Financing Scheme ("SPBP")	(f)	-	140,000
Entrepreneur Scheme for Graduates ("SUTKS - Financing")	(g)	-	6,015
Loan for Small and Medium Size Industries ("PKS")	(h)	-	73,048
Non-Food Production Credit Scheme ("SKPBM")	(i)	-	22,594
Micro Enterprise Fund	(j)	83,494	94,616
Commercial Agriculture Fund ("DPK-GLC")	(k)	162,698	-
Agriculture Entrepreneur Financing Fund 2 ("DPUP 2")	(l)	103,280	-
Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")	(m)	886,720	-
		<b>1,482,949</b>	<b>1,555,347</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 25. FINANCING SCHEME FUND (cont'd)

### (a) Fund For Food ("3F")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	965,876	4,587	970,463
Additions	152,334	-	152,334
Profit charged	-	(1,466)	(1,466)
Repayments	(115,204)	(2,811)	(118,015)
At 31 December 2013	1,003,006	310	1,003,316
Reclassified to DPUP 1	(839,182)	(310)	(839,492)
Additions	100,958	-	100,958
Profit charged	-	543	543
Repayments	(30,312)	(256)	(30,568)
At 31 December 2014	234,470	287	234,757

Under the 9th Malaysian Plan ("RMK 9"), the Government agreed to channel RM300 million every year for a tenure of 15 years (3 years grace period i.e commencement of profit rate payment in 2011) at a profit rate of 0.25% per annum. The purpose of this fund is to enhance the food production industry and to reduce dependency on imports. As at 15 May 2014, financing scheme funds channeled through the Ministry of Finance and Ministry of Agriculture was merged into DPUP 1. Balance of the above Fund for Food financing scheme is from BNM at a profit rate of 0.25% per annum. This fund has benefited 6,284 borrowers with disbursement amounting to RM1.22 billion.

### (b) Bumiputera Commercial and Industrial Community Scheme ("MPPB")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	70,000	486	70,486
Profit charged	-	27	27
Repayment	(18,901)	(478)	(19,379)
At 31 December 2013	51,099	35	51,134
Reclassified to DPUP 1	(51,099)	(35)	(51,134)
At 31 December 2014	-	-	-

Under the 9th Malaysian Plan ("RMK 9"), the Government agreed to channel RM100 million for the tenure of 15 years (3 years grace period) at a profit rate of 0.25% per annum. The objective of this scheme is to provide financing facilities to Bumiputera entrepreneurs, farmers, fisherman and other related institutions. As at 15 May 2014, the above financing scheme fund was merged into DPUP 1.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 25. FINANCING SCHEME FUND (cont'd)

### (c) Oil Palm Replanting Scheme ("TASKS")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	14,000	-	14,000
Repayment	(1,000)	-	(1,000)
At 31 December 2013	13,000	-	13,000
Repayments	(1,000)	-	(1,000)
At 31 December 2014	12,000	-	12,000

This fund is channeled through the Ministry of Plantation Industries and Commodities to finance the replanting of oil palm plantations. The financing tenure is 20 years (5 years grace period) without profit.

### (d) Paddy Credit Scheme

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	105,000	715	105,715
Profit charged	-	54	54
Repayment	(28,351)	(717)	(29,068)
At 31 December 2013	76,649	52	76,701
Reclassified to DPUP 1	(76,649)	(52)	(76,701)
At 31 December 2014	-	-	-

The Ministry of Agriculture provided RM105.00 million to the Bank to encourage the country's paddy industry. The financing tenure is 10 years (3 years grace period) at a profit rate of 0.25% per annum. As at 15 May 2014, the above financing scheme fund was merged into DPUP 1.

### (e) Food Production Credit Scheme ("SKPM")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	100,000	744	100,744
Profit charged	-	243	243
Repayment	(25,421)	(643)	(26,064)
At 31 December 2013	74,579	344	74,923
Reclassified to DPUP 1	(74,579)	(344)	(74,923)
At 31 December 2014	-	-	-

Under the 9th Malaysian Plan ("RMK9"), the Government agreed to channel RM100.0 million for a tenure of 15 years (3 years grace period) at a profit rate of 0.25% per annum. As at 15 May 2014, the above financing scheme fund was merged into DPUP 1.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 25. FINANCING SCHEME FUND (cont'd)

### (f) Fishery Boat Financing Scheme ("SPBP")

	Principal RM'000
As of 1 January 2013 and 31 December 2013	140,000
Reclassified to DPUP 1	(140,000)
At 31 December 2014	-

Under the 9th Malaysian Plan ("RMK9"), the Government agreed to channel RM140.0 million for a tenure of 15 years (10 years grace period i.e. commencement of profit rate payment in 2017) at a profit rate of 0.25% per annum. The purpose of the fund is to modernise facilities within the fishery industry, promote deep sea and high sea fishing industry. As at 15 May 2014, the above financing scheme fund was merged into DPUP 1.

### (g) Entrepreneur Scheme for Graduates ("SUTKS-Financing")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	8,010	-	8,010
Profit charged	-	20	20
Repayment	(1,995)	(20)	(2,015)
At 31 December 2013	6,015	-	6,015
Reclassified to DPUP 1	(6,015)	-	(6,015)
At 31 December 2014	-	-	-

The Government allocated RM10.0 million for a tenure of 10 years (5 years grace period) at a profit rate of 0.25% per annum. The purpose of this scheme is to encourage the involvement of graduates in the agriculture sector. As at 15 May 2014, the above financing scheme fund was merged into DPUP 1.

### (h) Financing for Small and Medium Size Industries ("PKS")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	100,000	730	100,730
Profit charged	-	2	2
Repayment	(27,001)	(683)	(27,684)
At 31 December 2013	72,999	49	73,048
Reclassified to DPUP 1	(72,999)	(49)	(73,048)
At 31 December 2014	-	-	-

Under the 9th Malaysian Plan ("RMK9"), the Government agreed to channel RM100.0 million. The purpose of this fund is to encourage investment in the agricultural industry. The tenure of this financing is 15 years (3 years grace period) at a profit rate of 0.25% per annum. As at 15 May 2014, the above scheme fund was merged into DPUP 1.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 25. FINANCING SCHEME FUND (cont'd)

### (i) Non-Food Production Credit Scheme ("SKPBM")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	25,062	11	25,073
Profit charged	-	62	62
Repayment	(2,478)	(63)	(2,541)
At 31 December 2013	22,584	10	22,594
Reclassified to DPUP 1	(22,584)	(10)	(22,594)
At 31 December 2014	-	-	-

Under the 9th Malaysian Plan ("RMK9"), the Government agreed to channel RM30.0 million for a tenure of 15 years (3 years grace period) at profit rate of 0.25% per annum. The purpose of this fund is to enhance the primary and tertiary agricultural activities. As at 15 May 2014, the above financing scheme fund was merged into DPUP 1.

### (j) Micro Enterprise Fund

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2013	83,770	(3)	83,767
Additions	15,759	-	15,759
Profit charged	-	1,357	1,357
Repayments	(4,912)	(1,355)	(6,267)
At 31 December 2013	94,617	(1)	94,616
Additions	7,306	-	7,306
Profit charged	-	1,321	1,321
Repayments	(19,061)	(688)	(19,749)
At 31 December 2014	82,862	632	83,494

The fund amounting to RM200.0 million was launched by BNM to increase the access to micro financing to selected eligible micro entrepreneurs. The profit rate of this fund is 1.5% per annum for a tenure of 5 years. This fund has benefited 5,517 borrowers with disbursement amounting to RM134.15 million.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 25. FINANCING SCHEME FUND (cont'd)

### (k) Commercial Agriculture Fund (“DPK-GLC”)

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2014	-	-	-
Fund received	159,817	-	159,817
Profit charged	-	3,631	3,631
Repayments	-	(750)	(750)
At 31 December 2014	<b>159,817</b>	<b>2,881</b>	<b>162,698</b>

The fund amounting RM300.0 million was channelled by the Government on 27 May 2014 with a bullet payment tenure of 15 years at a profit rate of 0.25% per annum. The fund is fair valued using prevailing market interest rate. The difference between the proceed received and the fair value of the loan is recognised as a government grant as disclosed in note 28(h). The purpose of this fund is to finance the commercial agro-based industry.

### (l) Agriculture Entrepreneur Financing Fund 2 (“DPUP 2”)

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2014	-	-	-
Fund received	103,180	-	103,180
Profit charged	-	100	100
At 31 December 2014	<b>103,180</b>	<b>100</b>	<b>103,280</b>

The fund amounting RM150.0 million was received from the Government on 23 December 2014. The tenure of this financing is 15 years (5 years grace period) at a profit rate of 0.5% per annum. The fund is fair valued using prevailing market interest rate. The difference between the proceed received and the fair value of the loan is recognised as a government grant as disclosed in note 28(i). The purpose of this fund is to stimulate growth of farming activities involving upstream and downstream activities.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 25. FINANCING SCHEME FUND (cont'd)

### (m) Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")

	Principal RM'000	Profit RM'000	Total RM'000
At 1 January 2014	-	-	-
<b>Reclassification from financing scheme funds:</b>			
Fund for Food ("3F")	839,182	310	839,492
MPPB Funds	51,099	35	51,134
Paddy Credit Scheme	76,649	52	76,701
Food Production Credit Scheme ("SKPM")	74,579	344	74,923
Fishery Boat Financing Scheme ("SPBP")	140,000	-	140,000
Entrepreneur Scheme for Graduates ("SUTKS - Financing")	6,015	-	6,015
Financing for Small and Medium Size Industries ("PKS")	72,999	49	73,048
Non-Food Production Credit Scheme ("SKPBM")	22,584	10	22,594
Fair value adjustment	(412,964)	-	(412,964)
Profit waived	-	(800)	(800)
Profit charged	-	19,785	19,785
Repayments	-	(3,208)	(3,208)
At 31 December 2014	<b>870,143</b>	<b>16,577</b>	<b>886,720</b>

Financing scheme funds which was channeled by the government through the Ministry of Finance and Ministry of Agriculture was merged into this scheme. The objective of the new scheme is as per previous schemes prior to merger. The financing tenure is 15 years (5 years grace period) at a profit rate of 0.5% per annum. The fund is fair valued using prevailing market interest rate. The difference between the proceed received and the fair value of the loan is recognised as a government grant as disclosed in note 28(j). This fund has benefited 9,881 borrowers with disbursement amounting to RM1.78 billion.

## 26. GOVERNMENT GRANTS - OPERATING

	Capital Expenditure RM'000	Development Expenditure RM'000	Total RM'000
At 1 January 2013	<b>41,795</b>	<b>77</b>	<b>41,872</b>
Amortisation during the year	(6,470)	-	(6,470)
At 31 December 2013	<b>35,325</b>	<b>77</b>	<b>35,402</b>
Amortisation during the year	(5,454)	-	(5,454)
At 31 December 2014	<b>29,871</b>	<b>77</b>	<b>29,948</b>

Since 2006, the Bank received operating grant amounting to RM82.0 million from the Ministry of Finance. The purpose of the grant is for capital expenditure to finance the acquisition of property, plant and equipment and development expenditure to finance the training courses given to entrepreneurs.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 27. GOVERNMENT GRANTS - LAUNCHING

	Capital Expenditure RM'000	Development Expenditure RM'000	Total RM'000
At 1 January 2013	14,301	7,297	21,598
Reclassification	(613)	613	-
Utilisation during the year	-	(986)	(986)
Amortisation during the year	(3,343)	-	(3,343)
At 31 December 2013	10,345	6,924	17,269
Reclassification	(98)	-	(98)
Utilisation during the year	-	(2,040)	(2,040)
Amortisation during the year	(3,164)	-	(3,164)
At 31 December 2014	7,083	4,884	11,967

In 2007, the Ministry of Finance approved an allocation of RM100.0 million to the Bank for the purpose of the Bank's corporatisation. The grant is to be used for branding, product development and office expansion.

## 28. GOVERNMENT GRANTS - FUNDS

Summary of government grant funds is as follows:

	Note	31 December 2014 RM'000	31 December 2013 RM'000
Development Programme for Hard-core Poor ("PPRT")	(a)	2,560	2,560
Entrepreneur Scheme for Graduates ("SUTKS")	(b)	1,226	1,358
Special Fund For Terengganu Fishery ("DKSP")	(c)	155	587
Fund for Ministry of Youth and Sports ("DKBS")	(d)	7,710	11,689
Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB")	(e)	38,957	40,000
National Key Economic Area ("NKEA")	(f)	57,124	53,832
Micro Economic Stimulation Package ("Micro - ESP")	(g)	149,722	147,474
Commercial Agriculture Fund ("DPK-GLC")	(h)	137,002	-
Agriculture Entrepreneur Financing Fund 2 ("DPUP 2")	(i)	46,736	-
Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")	(j)	396,387	-
		<b>837,579</b>	<b>257,500</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 28. GOVERNMENT GRANTS - FUNDS (cont'd)

### (a) Development Programme for Hard-core Poor ("PPRT")

	RM'000
At 31 December 2013 and 31 December 2014	<b>2,560</b>

This programme represents profit-free financing from the Government to hard-core poor. The grant has benefited 49 borrowers with disbursement amounting to RM0.30 million.

### (b) Entrepreneur Scheme for Graduates ("SUTKS")

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	1,358	785
Government Grants-Funds (released)/ recovered (note 10)	(132)	573
At end of the year	<b>1,226</b>	<b>1,358</b>

The objective of this programme is to reduce the unemployment rate among graduates by creating career opportunities in the agricultural sector. Financing is offered under *Al - Bai' Bithaman Ajil* which imposes a profit rate of 3% per annum. The grant has benefited 203 borrowers with disbursement amounting to RM8.35 million.

### (c) Special Fund for Terengganu Fishery ("DKSP")

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	587	1,391
Amortisation for the year	(362)	(700)
Government Grants- Funds released (note 10)	(70)	(104)
At end of the year	<b>155</b>	<b>587</b>

The objective of this fund is to raise the socio-economic status of fishermen, fish breeders and aquaculture entrepreneurs. The financing is offered under *Al – Bai' Bithaman Ajil* up to 100% of the total project cost and is profit free-rate. The financing terms would depend on the project with repayment terms not exceeding 10 years. The grant has benefited 877 borrowers with disbursement amounting to RM29.90 million.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 28. GOVERNMENT GRANTS - FUNDS (cont'd)

### (d) Fund for Ministry of Youth and Sports ("DKBS")

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	11,689	11,772
Government Grants-Funds released (note 10)	(3,979)	(83)
<b>At end of the year</b>	<b>7,710</b>	<b>11,689</b>

The purpose of this fund is to encourage youth to be involved in the agricultural industry under *Skim Belia Tani*. The grant has benefited 524 borrowers with disbursement amounting to RM15.73 million.

### (e) Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB")

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	40,000	-
Received during the year	-	40,000
Government Grants-Funds released (note 10)	(1,043)	-
<b>At end of the year</b>	<b>38,957</b>	<b>40,000</b>

The objective of this fund is to finance Bumiputera agricultural ventures with maximum financing available up to RM200,000 per financing. The grant has benefited 427 borrowers with disbursement amounting to RM32.79 million.

### (f) National Key Economic Area ("NKEA")

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	53,832	55,000
Amortisation for the year	-	(1,043)
Recovery of written off financing	28	-
Transfer from Micro - Esp (note (g))	5,000	-
Government Grants-Funds released (note 10)	(1,736)	(125)
<b>At end of the year</b>	<b>57,124</b>	<b>53,832</b>

The purpose of this fund is to encourage entrepreneurs to participate in agro based industries by providing a maximum of RM300,000 per financing. The grant has benefited 471 borrowers with disbursement amounting to RM52.19 million.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 28. GOVERNMENT GRANTS - FUNDS (cont'd)

### (g) Micro Economic Stimulation Package ("Micro - ESP")

	31 December 2014 RM'000	31 December 2013 RM'000
At beginning of the year	147,474	157,742
Transfer to NKEA (note (f))	(5,000)	-
Recovery of written off financing	5,967	-
Government Grants-Funds recovered/(released) (note 10)	1,281	(10,268)
At end of the year	<b>149,722</b>	<b>147,474</b>

The purpose of this fund is to encourage entrepreneurs to participate in agricultural production activities by providing a maximum of RM20,000 per financing. The grant has benefit 17,286 borrowers with disbursement amounting to RM334.73 million.

### (h) Commercial Agriculture Fund ("DPK-GLC")

	Principal RM'000	Amortisation RM'000	Total RM'000
At 1 January 2014	-	-	-
Fund received	140,183	-	140,183
Amortisation	-	(3,181)	(3,181)
At 31 December 2014	<b>140,183</b>	<b>(3,181)</b>	<b>137,002</b>

The benefit of below market rate loan scheme fund amounting to RM300.0 million, channelled by the Government on 27 May 2014 at a profit rate of 0.25% per annum is recognised as Government Grant.

### (i) Agriculture Entrepreneur Financing Fund 2 ("DPUP 2")

	Principal RM'000	Amortisation RM'000	Total RM'000
At 1 January 2014	-	-	-
Fund received	46,820	-	46,820
Amortisation	-	(84)	(84)
At 31 December 2014	<b>46,820</b>	<b>(84)</b>	<b>46,736</b>

The benefit of below market rate loan scheme fund amounting to RM150.0 million, received from the Government on 23 December 2014 at a profit rate of 0.5% per annum is recognised as Government Grant.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 28. GOVERNMENT GRANTS - FUNDS (cont'd)

### (j) Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")

	Principal RM'000	Amortisation RM'000	Total RM'000
At 1 January 2014	-	-	-
Fund received	412,964	-	412,964
Amortisation	-	(16,577)	(16,577)
At 31 December 2014	<b>412,964</b>	<b>(16,577)</b>	<b>396,387</b>

Financing scheme funds which was channeled by the government through the Ministry of Finance and Ministry of Agriculture was merged into this scheme. The benefit of below market rate loan scheme fund amounting to RM1,283.10 million at a profit rate of 0.5% per annum is recognised as government grant.

## 29. SHARE CAPITAL

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Authorised:</b>		
Ordinary shares of RM1 each	<b>2,000,000</b>	<b>2,000,000</b>
<b>Issued and fully paid:</b>		
Ordinary shares of RM1 each	<b>1,000,000</b>	<b>1,000,000</b>

## 30. RESERVES

	Note	31 December 2014 RM'000	31 December 2013 RM'000 Restated	1 January 2013 RM'000 Restated
<b>Non-distributable reserve:</b>				
Statutory reserves	(a)	487,109	487,109	487,109
Investment revaluation reserve	(b)	(27,842)	2,152	186,281
<b>Distributable reserve:</b>				
Retained earnings		990,909	860,128	651,872
		<b>1,450,176</b>	<b>1,349,389</b>	<b>1,325,262</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 30. RESERVES (cont'd)

### (a) Statutory reserves

Transfer of profit to reserve fund is only applicable when RWCR of the Bank is below the threshold of 16% as approved by BNM via letter to the Bank dated 22 February 2008.

### (b) Investment revaluation reserve

The investment revaluation reserve is in respect of unrealised fair value gain and loss on financial investments AFS.

## 31. DIVIDENDS

	2014 RM'000	2013 RM'000
Final dividend of 0.8 sen net of tax, on 1,000,000,000 ordinary shares in respect of the financial year ended 31 December 2013	8,000	-
Interim dividend of 1.2 sen less 25% tax, on 1,000,000,000 ordinary shares in respect of the financial year ended 31 December 2013	-	9,000
Final dividend of 3 sen less 25% tax, on 1,000,000,000 ordinary shares in respect of the financial year ended 31 December 2012	-	22,500
	<b>8,000</b>	<b>31,500</b>

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year ended 31 December 2014 of 5 sen on 1,000,000,000 ordinary shares of RM1.00 each, amounting to dividend payable of RM50,000,000 will be proposed for shareholder's approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 32. COMMITMENTS AND CONTINGENCIES

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Guarantee:</b>		
Guarantee letters issued to the customers of the Bank	<b>25,036</b>	<b>11,670</b>
<b>Capital commitment</b>		
Approved and contracted for:		
Capital expenditure	8,816	6,212
Commitment on loans, financing and advances	306,371	246,510
	<b>315,187</b>	<b>252,722</b>
Approved but not contracted for:		
Capital expenditure	125	-
Commitment on loans, financing and advances	147,286	12,778
	<b>147,411</b>	<b>12,778</b>
	<b>462,598</b>	<b>265,500</b>
<b>Contingent liabilities</b>		
Certain legal actions taken against the Bank with compensation claims	85,084	383,105
	<b>572,718</b>	<b>660,275</b>

A summary of the status of a material legal action against the Bank is as follows:

A customer has filed a legal action against the Bank in 2009 seeking damages in lieu of specific performance from the Bank on the grounds that the Bank has breached its promise to grant a term loan of RM85 million. The customer is claiming that a contract existed based on the Letter of Offer ("LO") issued by the Bank dated 17 July 2008. Subsequent to the LO, the customer changed its intention for the utilisation of the loan i.e. to utilise the facility to redeem its debt obligations with other parties which the Bank deemed as material adverse change to the terms of the LO, hence the refusal to disburse the funds. The trial of the case is on-going.

The Bank's solicitors are of the view that the Bank has an even chance of succeeding in defending the claim.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 33. RELATED PARTY DISCLOSURES

### (a) Parent entity

The Bank is a Government Linked Corporation, with all shares held by the Minister of Finance (Incorporated) on behalf of the Government of Malaysia. All entities controlled by the Government of Malaysia meet the definition of related parties of the Bank.

### (b) Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank includes Executive Directors and Non-Executive Directors of the Bank and certain members of senior management of the Bank. Remuneration paid to key management personnel of the Bank includes the following:

- i) Salaries and bonuses
- ii) Fees paid to the Directors
- iii) Other emoluments include Employee Provident Fund ("EPF") contributions and retirement compensation.

### (c) Directors and Key management personnel compensation

Remuneration of directors and other members of key management are as follows:

	2014				2013			
	Salary and Bonus RM'000	Fees RM'000	Other Emolument RM'000	Total RM'000	Salary and Bonus RM'000	Fees RM'000	Other Emolument RM'000	Total RM'000
<b>Executive Director</b>								
Y. Bhg Dato' Wan Mohd Fadzmi bin Wan Othman	682	-	116	798	755	-	129	884
	682	-	116	798	755	-	129	884
<b>Non Executive Director</b>								
Y. Bhg Tan Sri Faizah Mohd Tahir	-	176	-	176	-	192	-	192
Puan Rashidah Mohd Sies	-	132	-	132	-	146	-	146
Y. Bhg Datuk Johar Che Mat	-	184	-	184	-	208	-	208
Encik Ng Chih Kaye	-	160	-	160	-	186	-	186
Y. Bhg Dato' Dr Mohamad Hashim bin Ahmad Tajudin	-	72	-	72	-	-	-	-
Y. Bhg Datuk Dr. Saharan Haji Anang	-	73	6	79	-	196	-	196
Y. Bhg Datuk Dr. Saharan Haji Anang	-	-	-	-	-	16	-	16
	-	797	6	803	-	944	-	944

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 33. RELATED PARTY DISCLOSURES (cont'd)

### (c) Directors and Key management personnel compensation (cont'd)

Remuneration of directors and other members of key management are as follows: (cont'd)

	2014				2013			
	Salary and Bonus RM'000	Fees RM'000	Other Emolument RM'000	Total RM'000	Salary and Bonus RM'000	Fees RM'000	Other Emolument RM'000	Total RM'000
<b>Non Executive Director (cont'd)</b>								
Brought forward from previous page	-	797	6	803	-	944	-	944
Y. Bhg Dato' Che Mohd Hashim Abdullah	-	30	7	37	-	56	-	56
Y. Bhg Dato' Salehuddin Saidin	-	55	-	55	-	54	-	54
Encik Md. Hilmi Datuk Haji Md. Noor	-	109	-	109	-	118	-	118
	-	991	13	1,004	-	1,172	-	1,172
<b>Key Management Personnel</b>								
	1,970	-	295	2,265	2,840	-	345	3,185
	1,970	-	295	2,265	2,840	-	345	3,185
	<b>2,652</b>	<b>991</b>	<b>424</b>	<b>4,067</b>	<b>3,595</b>	<b>1,172</b>	<b>474</b>	<b>5,241</b>

### (d) Transactions with key management personnel

The following table provides the total amount of transactions, which have been entered into with key management personnel for the relevant financial year.

	31 December 2014 RM'000	31 December 2013 RM'000
Deposits	6	10
	<b>6</b>	<b>10</b>

No financings have been granted to the directors of the Bank.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 33. RELATED PARTY DISCLOSURES (cont'd)

### (e) Transactions with related parties

	Note	2014 RM'000	2013 RM'000
<b>Income</b>			
Gapping	(i)	25,657	23,562
Management fees	(ii)	9,753	14,193
Commission	(iii)	1,877	1,440
Profit income on deposits placed with government linked entities		2,496	53,675
<b>Expense</b>			
Profit expense on deposits placed by government linked entities		7,740	9,906
Profit expense on financing scheme fund paid and payable to the Ministry of Finance and BNM		4,902	7,261
Employee Provident Fund ("EPF")		22,763	21,139
Social Security Organisation ("SOCSO")		1,774	1,712

Description for income with related parties are as follows:

- (i) Income from Ministry of Finance for the interest/profit differential between market rate and subsidised rate on financing disbursed by the Bank at subsidised rate.
- (ii) Fees earned for managing the government funds for financing disbursement paid by Ministry of Agriculture and Ministry of Finance.
- (iii) Commission earned as bills collection agent from Government of Malaysia controlled entities.

### (f) Outstanding balances arising from transactions with related parties

	Amount owed to/ by related parties	
	31 December 2014 RM'000	31 December 2013 RM'000
Government Grants - Operating	29,948	35,402
Government Grants - Launching	11,967	17,269
Government Grants - Funds	837,579	257,500
Financing scheme fund	1,482,949	1,555,347
Foreign exchange receivable from Ministry of Finance	-	3,058
Financing to related parties	3,071	12,359
Deposit/placement with related parties	216,525	954,685
Deposit from related entities	2,411,002	2,695,451

### (g) Terms and conditions

Transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS

### A. FINANCIAL RISK MANAGEMENT

#### (a) General risk management

##### (i) Introduction and overview

The Bank embraces risk management as an integral component of its business, operations and decision making process to ensure that optimum returns are generated with high regard to uncertainties in the business and market environment. The Bank's business activities and operations involve the use of financial instruments that expose the Bank to a variety of financial risks with the following as the primary risks:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Shariah risk

##### (ii) Risk management framework

The Board of Directors ("The Board") is ultimately responsible for the establishment and oversight of the Bank's risk management associated with the Bank's operations and activities. The Board empowers and delegates its authority to its committees to ensure execution of business strategies are adhered to the approved policies and limits set by the Board/Board Risk Management Committee (BRMC). At senior management level, the Board empowers Management Risk Committee (MRC) and Asset Liability Committee (ALCO) to monitor, evaluate, strategise and deliberate risk management activities within respective areas.

The Bank has the Broad Risk Management Framework ("BRMF") that encompasses credit, market and liquidity, operational and Shariah risks as part of its risk governance. The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The Bank's risk management policies are established to identify and mitigate all risks faced by the Bank, to set appropriate risk limits and controls and to monitor risk exposures and adherence to the approved limits.

##### (iii) Risk governance framework

The Board may empower the following committees for the oversight of risk management matters and activities:

- Board Risk Management Committee ("BRMC")
- Board Credit and Investment Committee ("BCIVC")
- Board Audit Committee ("BAC")

At senior management level the following committees had been established to oversight risk management activities and risk exposures.

- Management Risk Committee ("MRC")
- Asset Liability Committee ("ALCO")
- Management Audit Committee ("MAC")

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk

##### (i) Nature of credit risk

The Bank's exposure to credit risk is primarily from lending/financing activities to retail consumers, micro, small and medium-sized enterprises ("SMEs") and corporate customers. Investment in equities, bonds and other marketable securities and other financial/banking instruments, whether they are classified under banking book or trading book, may also expose the Bank to credit risk and counterparty credit risk.

##### (ii) Definition of credit risk

Credit risk is the risk of potential loss due to failure of or unwillingness of the customers or counterparties to fulfil their contractual financial obligations as and when they arise.

##### (iii) Objective of credit risk management

The goal of credit risk management is to keep credit risk exposure to an acceptable level and to ensure the returns are commensurate with risk.

##### (iv) Management of credit risk

The management of credit risk is governed by the credit risk management framework which sets out the risk management governance and infrastructure, risk management processes and control responsibilities.

Policies, procedures and guidelines for credit operations are properly documented and are made available through the Bank's intranet portal. These policies and procedures are subject to periodical review and enhancement to ensure its relevancy and in line with business directions and market environment.

##### (v) Measurement of credit risk

###### **Collateral position in loans, financing and advances**

Credit facilities are granted on the basis of the customer's credit standing, project viability and repayment capacity as per the Bank's credit policy. However, due to the nature of its financing, the Bank generally requires collateral against loans, financing and advances to customers in the form of charges over property, other registered securities over assets and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and is revalued once in two years or when a loan/financing is impaired.

The main types of collateral held by the Bank to mitigate credit risk are as follows:

- (i) Project loans/financings – charges over land, buildings, plant and machinery, fishing vessels, ownership claim over vehicles, fixed deposits and pledges over shares and marketable securities.
- (ii) Retail loans/financings – charges over land and fixed deposits for certain types of loans/financings.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk (cont'd)

##### (v) Measurement of credit risk (cont'd)

###### Collateral position in loans, financing and advances (cont'd)

The table below set out the collateral position of exposure by status of repayment:

	Secured RM'000	Unsecured RM'000	Total RM'000	Financial effect of collateral* %
<b>2014</b>				
Neither past due nor impaired	2,387,210	3,521,965	5,909,175	58.2
Past due but not impaired	280,868	49,352	330,220	140.7
Impaired	405,425	228,548	633,973	65.4
	<b>3,073,503</b>	<b>3,799,865</b>	<b>6,873,368</b>	<b>62.8</b>
<b>2013</b>				
Neither past due nor impaired	2,187,552	3,150,050	5,337,602	94.8
Past due but not impaired	295,747	123,129	418,876	133.7
Impaired	399,279	237,576	636,855	76.2
	<b>2,882,578</b>	<b>3,510,755</b>	<b>6,393,333</b>	<b>95.5</b>

\* Based on quantification of the extent to which collateral and other credit enhancements mitigate credit risk in respect of the amount that best represents the maximum exposure to credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk (cont'd)

##### (v) Measurement of credit risk (cont'd)

###### Credit quality of gross loans, financing and advances

###### Impaired loans/financings

The breakdown of the gross loans, financing and advances individually assessed as impaired, by sectors and the fair value of related collateral held by Bank as security are as follows:

	Gross individually impaired loans/ financings RM'000	Individual impairment allowance RM'000	Fair Value of Collaterals RM'000
<b>2014</b>			
<b>Sectors:</b>			
Crops	142,361	83,252	59,109
Fishery	49,741	42,566	7,175
Value added	2,183	1,799	384
Forestry	39,490	37,571	1,919
Livestock	70,031	61,797	8,234
Support	17,474	14,752	2,722
	<b>321,280</b>	<b>241,737</b>	<b>79,543</b>
<b>2013</b>			
<b>Sectors:</b>			
Crops	155,401	85,379	70,022
Fishery	46,429	40,948	5,481
Value added	1,903	1,720	183
Forestry	29,588	29,588	-
Livestock	68,457	60,542	7,915
Support	25,786	19,087	6,699
	<b>327,564</b>	<b>237,264</b>	<b>90,300</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk (cont'd)

##### Impaired loans/financings (cont'd)

The breakdown of collective impairment allowance for loans, financing and advances by sectors are as follows:

Sectors:	2014 RM'000	2013 RM'000
Crops	54,992	46,145
Fishery	27,551	26,133
Value added	3,123	1,178
Forestry	1,167	767
Livestock	28,597	30,909
Micro Credit - MUST	38,646	52,147
Support	104,816	70,187
Support - Ar-Rahnu	10,132	20,142
Support - Agrocash	50,458	44,086
Fund for Ministry of Youth and Sports ("DKBS")	7,165	3,186
Entrepreneur Scheme for Graduates ("SUTKS")	148	48
Special Fund for Terengganu Fishery ("DKSP")	49	76
MPPB Hub	1,042	-
NKEA	1,770	1,083
Micro-ESP	1,684	4,295
	<b>331,340</b>	<b>300,382</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk (cont'd)

##### Impaired loans/financings (cont'd)

	2014 RM'000	2013 RM'000
Collective impairment allowance for fully secured loans/financings:		
<b>Sectors:</b>		
Crops	3,474	4,645
Fishery	1,677	147
Value added	55	-
Livestock	1,763	429
Support	-	312
	<b>6,469</b>	<b>5,533</b>
<b>Collective impairment allowance</b>	<b>338,309</b>	<b>305,915</b>

##### Credit risk in investment activities

The credit risk management approach for investment activities is primarily deliberated at the Board of Credit and Investment Committee ("BCIVC"). In the case of investment portfolio, the setting of credit limits is done and regularly reviewed by Market Risk Management Department ("MRMD"), as the middle office for treasury operations. Various credit limits on investment exposures are proposed to the Management Risk Committee ("MRC") for endorsement and escalated to BRMC or Board for approval. Report on compliance of various investment exposure limits are done by MRMD which is presented and deliberated at Asset Liability Committee ("ALCO") on a monthly basis.

The Bank's investment policy stipulates the minimum investment grade for debt securities, types of permissible transactions, exposure limits for single customer/counterparty, credit rating, industry/sector and risk level (high, medium, low). In addition, the Bank has also sets interbank limits for placements which are reviewed on a regular basis to mitigate concentration limits in its investment portfolio.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk (cont'd)

##### Credit risk in investment activities (cont'd)

###### Investment portfolio concentration

The portfolio profile is as follows:

	RM'000	Composition (%)
Corporate bonds	2,860,436	71
Commercial papers	9,858	-
MGS/GII	1,139,689	28
Equity securities	46,461	1
<b>Carrying amount at 31 December 2014</b>	<b>4,056,444</b>	<b>100</b>
Deposits with financial institutions	60,000	2
Corporate bonds	2,310,228	62
Commercial papers	19,901	1
MGS/GII	1,159,576	32
Equity securities	98,349	3
<b>Carrying amount at 31 December 2013</b>	<b>3,648,054</b>	<b>100</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Credit risk (cont'd)

##### Credit risk in investment activities (cont'd)

##### Credit quality of investment securities

The following table presents the Bank's exposure to credit risk of financial instruments analysed by ratings from external credit rating agencies:

##### AFS securities

Ratings	2014 Non-money market instruments RM'000	2013 Non-money market instruments RM'000
<b>Corporate bonds</b>		
Government-Guaranteed ("GG")	1,165,394	970,428
Quasi-Govt/AAAAbg	228,746	263,675
AAA/AAbg	831,559	683,997
AA/Abg	603,899	359,089
A	-	-
BBB	12,207	6,415
<b>TOTAL</b>	<b>2,841,805</b>	<b>2,283,604</b>

##### HTM securities

Ratings	2014 RM'000	2013 RM'000
<b>Corporate bonds</b>		
GG	18,631	18,000
Quasi-Govt/AAAAbg	-	14,978
AAA/AAbg	-	-
AA/Abg	-	-
<b>Commercial papers</b>		
P1/M1	9,858	19,901
<b>TOTAL</b>	<b>24,489</b>	<b>52,879</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) Liquidity risk

##### (i) Nature of liquidity risk

Liquidity risk relates to the ability of a Bank to maintain sufficient liquid assets to meet current and future financial commitments and obligations (anticipated or unanticipated) when they fall due without incurring unacceptable losses. Liquidity risk may arise when there is a mismatch between funding against lending within predetermined time buckets. The mismatches may lead to the inability for Bank to fulfil its contractual obligations when they fall due. As such, the Bank has to maintain a portion of liquid assets in terms of cash, cash equivalents and marketable securities to match maturity buckets.

##### (ii) Definition of liquidity risk

Liquidity risk is defined as the inability of the Bank to meet timely payment on any of its financial obligations to customers or counterparties when they fall due.

##### (iii) Management of liquidity risk

The management of liquidity risk is governed by the market and liquidity risk management framework which sets out the risk management governance and infrastructure, risk management processes and control responsibilities.

The Board through BRMC approves all policies in relation to liquidity risk management which are reviewed at least an annual basis. BRMC also oversees the effectiveness and compliance of those policies as well as approve new and revised policies.

##### (iv) Measurement of liquidity risk

Senior management is responsible to monitor and oversee liquidity risk exposures through the Asset Liability Committee ("ALCO") using primary tools such as maturity mismatch analysis, funding gaps, maximum cumulative outflows and funding concentration ratios using internal as well as market wide information to address possible liquidity problems. The Management oversees the Bank's statement of financial position structure and executes controls, within prudent limits and bucketing to manage risks arising from mismatches of maturities across the financial position structure, as well as from exposures of undrawn commitments and other contingent obligations. The day-to-day liquidity requirements and position is done by Treasury Department while Market Risk Management Department, under Risk Management Division does regular monitoring and reporting to ALCO.

The liquidity risk management of the Bank is aligned with the New Liquidity Framework ("NLF") issued by BNM, and is measured and managed based on projected cash flows. In addition to ensuring compliance with the NLF, the Bank's maintains a liquidity compliance buffer to meet any unexpected cash outflows. The measurement of liquidity risk is done through financial position profiling using predetermined time buckets. The exposure limits for each bucket, in particular within a one year band is closely monitored and analysed to ensure that the Bank has sufficient cash and liquidatable assets to meet contractual and behavioural maturities/commitments, and to determine the causes and ways to improve the gaps. The Bank maintains sufficient liquid assets (minimum 5% of total deposit) to meet contractual and behavioural maturities and commitments up to one week tenure. For up to one month bucket, the Bank maintains liquid assets of at least 7% of total deposit to meet contractual and behavioural maturities and commitments when they fall due.

##### (v) Contingency funding plan ("CFP")

The Bank has a Contingency Funding Plan ("CFP") in place to deal with liquidity crisis situations. The CFP enables Management to make timely and well-informed decisions in managing any liquidity crisis caused by the Bank's specific risk adverse positions as well as unfavourable market developments. The Bank sets out early warning indicators through various triggers, crisis escalation process, crisis management team and funding strategies to mitigate liquidity crisis situations. The CFP is tested and reviewed regularly to update the latest position and matters in relation to liquidity risk profiles of the Bank.

##### (vi) Stress testing on liquidity risk

As part of liquidity management, liquidity risk exposures are also measured through funding concentration, loan/financing deposit ratios, cash and liquid asset ratios. Stress testing is conducted to quantify the worst case scenario of liquidity position of the Bank based on deposit run-off, market crisis shock, capital erosion and negative publicity. The Bank emphasises the importance of low cost stable and retail deposits as the primary source of funds to finance its lending activities in addition to corporate and other high cost deposits.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) Liquidity risk (cont'd)

Maturity analysis of financial assets and financial liabilities (inclusive of non-financial instruments) based on contracted undiscounted cash flows:

2014	< 1 month RM'000		1 - 3 months RM'000		3 - 6 months RM'000		6 - 12 months RM'000		1 - 5 years RM'000		> 5 years RM'000		Non-specific maturity RM'000	Total RM'000
<b>Financial assets</b>														
Cash and short term funds	1,146,702		150,296		-	-	-	-	-	-	-	10,819	1,307,817	
Investment securities	-		-		10,063		-	-	1,030,201	4,137,818	-	-	5,178,083	
Loan, financing and advances	116,995		286,056		376,596		535,417		259,668	6,478,947	371,484	-	8,425,163	
Other assets	-		-		-		-		-	-	-	69,007	69,007	
	1,263,697		436,352		386,659		535,417		1,289,869	10,616,765	451,310	-	14,980,070	
<b>Non-financial assets</b>														
Other assets	-		-		-		-		-	-	-	9,117	9,117	
<b>Total Asset</b>	<b>1,263,697</b>		<b>436,352</b>		<b>386,659</b>		<b>535,417</b>		<b>1,289,869</b>	<b>10,616,756</b>	<b>451,310</b>	-	<b>14,989,187</b>	
<b>Financial liabilities</b>														
<b>Deposit from customers</b>														
Saving deposits	2,816,917		-		-		-		-	-	-	-	2,816,917	
Fixed deposits	914,491		730,186		539,529		1,848,052		78,094	-	-	-	4,110,352	
<b>Financing scheme fund</b>														
Government	188		1,791		1,791		3,395		91,267	1,811,061	-	-	1,909,494	
BNM	-		-		-		-		-	327,226	-	-	327,226	
<b>Other liabilities</b>														
Other payables	-		36,060		58,243		68,492		-	-	-	-	162,795	
Government grants	-		-		-		-		-	-	-	879,494	879,494	
Paddy credit gratuity scheme	-		-		678		1,584		-	-	-	-	2,262	
	3,731,596		768,037		600,241		1,921,523		169,361	2,138,287	879,494	-	10,208,540	
<b>Non-financial liabilities</b>														
Other payables	-		-		-		-		-	-	-	222,140	222,140	
<b>Total liabilities</b>	<b>3,731,596</b>		<b>768,037</b>		<b>600,241</b>		<b>1,921,523</b>		<b>169,361</b>	<b>2,138,287</b>	<b>879,494</b>	-	<b>10,430,680</b>	
<b>Net maturity mismatch</b>	<b>(2,467,899)</b>		<b>(331,685)</b>		<b>(213,582)</b>		<b>(1,386,106)</b>		<b>1,120,508</b>	<b>8,478,478</b>	<b>(641,207)</b>	-	<b>4,558,507</b>	

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) Liquidity risk (cont'd)

Maturity analysis of financial assets and financial liabilities (inclusive of non-financial instruments) based on contracted undiscounted cash flows:

2013	< 1 month RM'000	1 - 3 months RM'000	3 - 6 months RM'000	6 - 12 months RM'000	1 - 5 years RM'000	> 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>Financial assets</b>								
Cash and short term funds	757,430	522,125	-	-	-	-	-	1,279,555
Deposits with financial institutions	-	-	-	61,920	-	-	-	61,920
Investment securities	-	50,680	35,753	120,480	1,120,846	2,891,008	98,349	4,317,116
Loan, financing and advances	772,476	358,052	296,996	210,451	2,137,501	3,839,364	-	7,614,840
Other assets	-	-	-	-	-	-	87,072	87,072
	<b>1,529,906</b>	<b>930,857</b>	<b>332,749</b>	<b>392,851</b>	<b>3,258,347</b>	<b>6,730,372</b>	<b>185,421</b>	<b>13,360,503</b>
<b>Non-financial assets</b>								
Other assets	-	-	-	-	-	-	9,129	9,129
<b>Total Assets</b>	<b>1,529,906</b>	<b>930,857</b>	<b>332,749</b>	<b>392,851</b>	<b>3,258,347</b>	<b>6,730,372</b>	<b>194,550</b>	<b>13,369,632</b>
<b>Financial liabilities</b>								
<b>Deposit from customers</b>								
Saving deposits	3,085,959	766,805	-	-	-	-	-	3,852,764
Fixed deposits	300,933	-	400,052	1,998,946	115,424	-	-	2,815,355
<b>Financing scheme fund</b>								
Government	-	-	-	126,888	636,362	554,529	-	1,317,779
BNM	-	-	-	-	-	263,402	-	263,402
<b>Other liabilities</b>								
Other payables	23,620	6,039	-	5,149	73,291	-	-	108,099
Government grants	-	-	-	-	-	-	310,171	310,171
Paddy credit gratuity scheme	120	-	-	-	2,105	489	-	2,714
	<b>3,410,632</b>	<b>772,844</b>	<b>400,052</b>	<b>2,130,983</b>	<b>827,182</b>	<b>818,420</b>	<b>310,171</b>	<b>8,670,284</b>
<b>Non-financial liabilities</b>								
Other payables	-	-	-	-	-	-	218,836	218,836
<b>Total liabilities</b>	<b>3,410,632</b>	<b>772,844</b>	<b>400,052</b>	<b>2,130,983</b>	<b>827,182</b>	<b>818,420</b>	<b>529,007</b>	<b>8,889,120</b>
<b>Net maturity mismatch</b>	<b>(1,880,726)</b>	<b>158,013</b>	<b>(67,303)</b>	<b>(1,738,132)</b>	<b>2,431,165</b>	<b>5,911,952</b>	<b>(334,457)</b>	<b>4,480,512</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Market risk

##### (i) Nature of market risk

Market risks arises from volatilities in profit/interest rates, equity prices, commodity prices, credit spreads and foreign exchange rates which inherent in the investment portfolio. The market risk exposure for the Bank relates to all financial assets and liabilities held for investment as well as trading purposes in the banking book. As the Bank's investment portfolio, focus on profit/interest rate bearing asset and liability, profit/ interest rate may pose major and significant risk to the investment portfolio of the Bank.

##### (ii) Definition of market risk

Market risk is defined as the risk of losses in On and Off Balance Sheet positions arising from unexpected movements in market prices due to volatility in interest/profit rates, equity prices, commodity price, foreign exchange rates etc.

##### (iii) Management of market risk

The management of profit/interest rate risk is governed by the market and liquidity risk management framework which sets out the risk management governance and infrastructure, risk management processes and control responsibilities.

The Board through BRMC approves all policies in relation to profit/interest rate risk management which are reviewed at least on annual basis. BRMC also oversees the effectiveness and compliance of those policies as well as approve new and revised policies.

At senior management level, ALCO deliberates market risk management by executing decisions, business strategies and action plans within the policies and guidelines approved by BRMC or the Board.

The daily management of the investment portfolio is executed by the Treasury Department. MRMD acts as the middle office for investment and treasury related activities which are executed through risk governance and risk assessment practices. MRMD also provides independent assessment on market risk in relation to investment activities, including recommendation for new acquisitions and evaluation on mark-to market prices and yield curves on investment returns, in particular for the AFS portfolio. MRMD provides monthly report to ALCO and BRMC for investment portfolio governance.

For Bank-wide market risk management, MRMD monitors the profit/interest rate risk sensitivity through the Profit/Interest Rate Sensitivity Gap ("PIRG"), Earning at Risk ("EAR") and Duration Weighted Gap ("DWG") which are presented to ALCO every month. MRMD also reviews new product proposal papers and signing off documents (together with other risk management units) by incorporating relevant assessments and advice on market and liquidity risks prior to escalation to higher levels for Bank Negara Malaysia ("BNM") approval.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Market risk (cont'd)

##### (iv) Measurement of profit/interest rate risk

The measurement of the Bank's exposures to profit/interest rate risk is done through the following techniques;

- **Stress test analysis/Scenario analysis**

Stress testing/simulation analyses are done based on macro economic variables, particularly "yield rates on bond values ("Duration") and "beta ratio on equity". The stress testing/simulation analysis employs a range of simulated scenarios on the Bank's investment portfolio to assess the impact on investment values, profitability and capital of the Bank.

- **Sensitivity analysis**

Sensitivity analysis is a technique used to determine how different values of an independent variable will impact a particular dependent variable under a given set of assumptions. This technique is used within specific boundaries that will depend on one or more input variables, such as the effect of changes in interest/profit rates on bond prices.

- **Profit/interest rate gap ("PIRG") analysis**

Gap analysis is conducted to determine the gap between the Risk Sensitive Assets (RSAs) and Risk Sensitive Liabilities (RSLs) that are sensitive to profit/interest rates for any given period of time. The RSAs and RSLs are classified into pre determined buckets based on the respective sensitivity on movement in profit/interest rates in the market, in particular the movements of Overnight Policy Rate (OPR) announced by Bank Negara Malaysia, based on the respective tenures. The gap between RSAs and RSLs for each bucket represented by amounts and percentages are considered as PIRG. For the measurement of PIRG the Bank takes the position of all the buckets within one year band and matches it against the determined limit to reflect sensitivity to any movement in profit/interest. The Bank establishes a limit on the sensitivity of its profit/interest rate movements. The non sensitive assets or liabilities which are lacking definite repricing intervals are assigned to buckets according to the judgment and past experience of the Bank while shareholder's funds are not subjected to bucketing analysis. The Bank applies sensitivity analysis to gauge the impact of profit/interest rate movements in the market to its bottom line and capital.

- **Duration weighted gap ("DWG") analysis**

DWG analysis is the time-weighted average maturity of the present value of the cash flows from assets, liabilities and off-balance sheet items. It measures the relative sensitivity of the value of these instruments to changes in profit/interest rates (the average term to repricing), and therefore reflects how changes in profit/interest rates will affect the Bank's economic value, that is, the present value of equity. The Bank applies DWG to measure its capital and balance sheet sensitivity to the profit/interest rate for all buckets as per PIRG with the incorporation of weights.

- **Earning at risk ("EaR") analysis**

EaR analysis aims to quantify the impact on the projection of net profit/interest income ("NPII") in the event of an adverse change in prevailing profit/interest rates for a period of 1 year, depending on profit/interest rates sensitivity of the Bank (Asset Sensitive or Liability Sensitive).

- **Value at risk ("VaR") analysis**

The Bank is in the midst of developing the Value at Risk ("VaR") model in measuring profit/interest rate risk on its investment portfolio, despite not having a trading book portfolio. VaR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Market risk (cont'd)

##### (iv) Measurement of profit/interest rate risk (cont'd)

###### Profit/Interest rate sensitivity

The following table demonstrates the sensitivity of the Bank's profit before taxation and equity to a reasonable possible change in interest/profit rate with all other variables remaining constant.

	2014		2013	
	IRR/ROR +100bp RM'mil	IRR/ROR -100bp RM'mil	IRR/ROR +100bp RM'mil	IRR/ROR -100bp RM'mil
Impact on profit before tax		(8,994)	8,994	(7,135)
Impact on equity		38,306	(38,306)	32,819
	<b>29,312</b>	<b>(29,312)</b>	<b>25,684</b>	<b>(25,684)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Market risk (cont'd)

##### (v) Interest Rate Risk

The table below summarises the Bank's exposure to interest rate risk.

	<1 year RM'000	>1-2 years RM'000	>2-3 years RM'000	>3-5 years RM'000	>5 years RM'000	Non- interest/ profit sensitive RM'000	Total RM'000	Effective Interest Rate
<b>2014</b>								
<b>Financial assets</b>								
Cash and short term funds	1,096,874	-	-	-	-	205,975	1,302,849	3.75%
Investment securities	9,858	-	120,347	771,281	3,154,958	-	4,056,444	3.91%
Loans, financing and advances	390,106	471,926	10,970	901,042	3,313,585	1,205,693	6,293,322	7.47%
Other assets	-	-	-	-	-	78,124	78,124	-
	<b>1,496,838</b>	<b>471,926</b>	<b>131,317</b>	<b>1,672,323</b>	<b>6,468,543</b>	<b>1,489,792</b>	<b>11,730,739</b>	
<b>Financial liabilities</b>								
Deposits from customers	3,973,859	12,720	14,257	76,587	4	2,776,855	6,854,282	2.51%
Financing scheme fund	-	-	-	-	-	1,482,949	1,482,949	3.89%
Government grants	-	-	-	-	-	879,494	879,494	-
Other liabilities	-	-	-	-	-	329,118	329,118	-
	<b>3,973,859</b>	<b>12,720</b>	<b>14,257</b>	<b>76,587</b>	<b>4</b>	<b>5,468,416</b>	<b>9,545,843</b>	
<b>Equity</b>								
Shareholder's fund	-	-	-	-	-	2,450,176	2,450,176	
<b>Total financial liabilities and equity</b>	<b>3,973,859</b>	<b>12,720</b>	<b>14,257</b>	<b>76,587</b>	<b>4</b>	<b>7,918,592</b>	<b>11,996,019</b>	

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (d) Market risk (cont'd)

##### (v) Interest Rate Risk (cont'd)

The table below summarises the Bank's exposure to interest rate risk. (cont'd)

	< 1 year RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 5 years RM'000	> 5 years RM'000	Non- interest/ profit sensitive RM'000	Total RM'000	Effective Interest Rate
<b>2013</b>								
<b>Financial assets</b>								
Cash and short term funds	1,109,741	-	-	-	-	163,656	1,273,397	3.20%
Deposits with financial institutions	60,000	-	-	-	-	-	60,000	3.20%
Investment securities	44,926	-	119,205	521,023	2,894,587	8,313	3,588,054	3.85%
Loans, financing and advances	438,131	512,916	13,165	818,220	3,015,838	1,051,884	5,850,154	7.23%
Other assets	-	-	-	-	-	96,201	96,201	-
	<b>1,652,798</b>	<b>512,916</b>	<b>132,370</b>	<b>1,339,243</b>	<b>5,910,425</b>	<b>1,320,054</b>	<b>10,867,806</b>	
<b>Financial liabilities</b>								
Deposits from customers	3,549,298	7,781	20,578	74,975	17	2,941,997	6,594,646	2.34%
Financing scheme fund	-	-	-	-	-	1,555,347	1,555,347	0.32%
Government grants	-	-	-	-	-	310,171	310,171	-
Other liabilities	-	-	-	-	-	329,160	329,160	-
	<b>3,549,298</b>	<b>7,781</b>	<b>20,578</b>	<b>74,975</b>	<b>17</b>	<b>5,136,675</b>	<b>8,789,324</b>	
<b>Equity</b>								
Shareholder's fund	-	-	-	-	-	2,349,389	2,349,389	
<b>Total financial liabilities and equity</b>	<b>3,549,298</b>	<b>7,781</b>	<b>20,578</b>	<b>74,975</b>	<b>17</b>	<b>7,486,064</b>	<b>11,138,713</b>	

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (e) Operational risk

##### (i) Nature of operational risk

Operational risk is inherent in the Bank's business operations and associated with the Bank's involvement with financial instruments, other than credit, market and liquidity risks and therefore unavoidable.

##### (ii) Definition of operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems and from external events. This definition includes legal risk but excludes strategic and reputational risk.

##### (iii) Management of operational risk

The management of operational risk is governed by the Operational Risk Management Framework which sets out the risk management governance and infrastructure, risk management processes and control responsibilities which is in line with the regulatory guidelines set by the Bank of International Settlements ("BIS") Basel Accords and BNM.

The Bank is laying the foundations in compliance with the Basel requirements within a period of five years. This is in line with the Bank's vision to achieve The Standardised Approach ("TSA") within five years. However, as a start, the Bank shall apply the Basic Indicator Approach (BIA) in its capital allocation computation for Operational Risk.

The Board through BRMC approves all policies in relation to operational risk management which are reviewed at least on annual basis. BRMC also oversees the effectiveness and compliance of those policies as well as approve new and revised policies.

Senior Management takes the responsibility of managing the business risks, the ultimate responsibility for establishing and maintaining appropriate risk management processes, making risk management an integral part of the Bank's operations, aligning risk management to internal policies and procedures as well as ensuring that all risk based-limits are adhered to by the business divisions, departments and units.

##### (iv) Measurement of operational risk

###### • Oversight structure and lines of defence

The interplay between the risk owners at the business level, Risk Management Division ("RMD") and Internal Audit Department (IAD) forms the framework for the Bank's "three lines of defence" in the managing of operational risks.

The first line of defence is the Business risk owners, who are responsible for the day-to-day operational risk management where Key Performance Indicators ("KPIs"), Key Risk Indicators ("KRIs") and Key Control Indicators ("KCIs"), Risk Maps, Key Risk Control Self- Assessment ("RCSA") and Incident Management and Data Collection ("IMDC") are to be in place in relation to the business objectives.

RMD as the second line of defence is responsible for operational risk management oversight while IAD as the third line of defence is entrusted to perform independent assurance over the effectiveness of the operational risk management initiatives by RMD and the Business Units.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (e) Operational risk (cont'd)

##### (iv) Measurement of operational risk (cont'd)

- **Risk management process**

Operational Risk Management (“ORM”) refers to the end-to-end process that ensures operational risks are effectively managed from the time they are identified to the time the risks are mitigated within the risk appetite of the Bank. It is the responsibility of everyone in the Bank. This generic process is used to manage operational risks at all levels from units to Head office. The operational risk management process comprises 4 steps namely:

- (i) Risk identification
- (ii) Risk assessment
- (iii) Managing and controlling risk
- (iv) Monitoring and reporting risk

- **Reporting and communication guidelines**

In establishing a sound ORM at the Bank, the reporting and communication lines are extremely important. As operational risk is pervasive across the organisation and the range and type of incidents is broad, from fraud to product and system failures and from errors in the front office to the back office, it is important to share information at all levels. Information sharing should be through both formal reporting lines and face-to-face communication.

- **Culture**

Operational risk culture encompasses general awareness, attitude, behaviour of employees to the key operational risk causes such as people, process, systems external events.

Adequate awareness and training in operational risk is to be given to the staff and their roles and responsibilities clearly defined. In addition, the performance management process encourages staff to perform and behave in a manner consistent with the Bank's operational risk management objectives. Adequate training is to be provided to the staff to ensure that they have acquired adequate level of knowledge and skill sets to perform their roles and responsibilities in operational risk management.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (f) Capital management

##### Regulatory capital

BNM sets and monitors capital requirements for the Bank as a whole.

The Bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, perpetual bonds (which are classified as innovative tier 1 securities), retained earnings, translation reserve and non-controlling interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, government grants and collective impairment allowances for non-impaired financings.

Various limits are applied to elements of the capital base. The amount of innovative tier 1 securities cannot exceed 15 percent of total tier 1 capital; qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated financing capital may not exceed 50 percent of tier 1 capital. There also are restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the period. Management uses regulatory capital ratios in order to monitor its capital base, and these capital ratios remain the international standards for measuring capital adequacy. The Bank has developed a Capital Management Plan ("CMP") to facilitate effective management of capital and address potential impact from financing deterioration as well as to provide adequate buffer to support business expansion.

##### Capital allocation

Capital allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be varied to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is subject to review by the ALCO as appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (f) Capital management (cont'd)

##### Capital Adequacy

The capital adequacy ratio of the Bank as at the end of the reporting period is as follows:

	31 December 2014 %	31 December 2013 %	1 January 2013 %
	Restated	Restated	Restated
Before deducting proposed dividend:			
Core capital ratio	28.89	29.94	28.05
Risk-weighted capital ratio	34.34	35.74	33.68
After deducting proposed dividend:			
Core capital ratio	28.29	29.83	27.75
Risk-weighted capital ratio	33.74	35.63	33.38

The capital adequacy ratio of the Bank as at 31 December 2014 has incorporated the market risk pursuant to BNM Market Risk Capital Adequacy Framework which became effective on 1 April 2005.

	31 December 2014 RM'000	31 December 2013 RM'000	1 January 2013 RM'000
	Restated	Restated	Restated
Components of Tier I and Tier II capital			
<b>Tier I capital</b>			
Share capital	1,000,000	1,000,000	1,000,000
Statutory reserves	487,109	487,109	487,109
Retained earnings	990,909	860,128	651,872
Less: Deferred tax assets	(60,280)	(48,572)	-
<b>Total Tier I capital</b>	<b>2,417,738</b>	<b>2,298,665</b>	<b>2,138,981</b>
<b>Tier II capital</b>			
Collective impairment allowance <sup>1</sup>	156,536	135,003	136,579
Government Grants - Operating	29,948	35,402	41,872
Government Grants - Launching	11,967	17,269	21,598
Government Grants - Funds <sup>2</sup>	257,454	257,500	229,250
<b>Total Tier II capital</b>	<b>455,905</b>	<b>445,174</b>	<b>429,299</b>
<b>Total capital base</b>	<b>2,873,643</b>	<b>2,743,839</b>	<b>2,568,280</b>

<sup>1</sup> The eligible amount for Tier II capital is limited to only collective impairment allowance on non-impaired loans, financing and advances.

<sup>2</sup> The Government Grants - Funds for 2014 exclude those grants relating to the fair valuation of financing scheme fund at below market rate amounting to RM580,125.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### A. FINANCIAL RISK MANAGEMENT (cont'd)

#### (f) Capital management (cont'd)

The breakdown of risk-weighted assets in the various categories of risk-weights is as follows:

	Notional RM'000	Risk- weighted RM'000
0%	2,529,689	-
10%	-	-
20%	1,569,929	313,986
50%	36,468	18,234
100%	7,799,653	7,799,653
Off balance sheet risk-weighted assets	-	236,847
<b>Total risk-weighted assets at 31 December 2014</b>	<b>11,935,739</b>	<b>8,368,720</b>
0%	2,311,660	-
10%	-	-
20%	1,553,679	310,736
50%	50,502	25,251
100%	7,174,300	7,174,300
Off balance sheet risk-weighted assets	-	167,670
<b>Total risk-weighted assets at 31 December 2013</b>	<b>11,090,141</b>	<b>7,677,957</b>
0%	2,410,682	-
10%	-	-
20%	1,970,173	394,035
50%	54,449	27,224
100%	7,026,092	7,026,092
Off balance sheet risk-weighted assets	-	178,604
<b>Total risk-weighted assets at 1 January 2013</b>	<b>11,461,396</b>	<b>7,625,955</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### B. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the amount at which the financial assets could be exchanged or financial liabilities could be settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the best estimates of fair values as of the reporting period.

Set out below, is a comparison by class of the carrying amounts and fair value of the Bank's financial instruments, other than those with carrying amounts that are reasonable approximation of their fair values:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
<b>2014</b>					
<b>Financial assets</b>					
Investment securities-HTM	-	178,366	-	178,366	179,336
Investment securities-AFS	46,715	3,830,647	-	3,877,362	3,877,362
Loans, financing and advances	-	-	6,256,043	6,256,043	6,293,322
<b>Financial liabilities</b>					
Deposits from customers	-	6,626,607	-	6,626,607	6,854,282
Financing scheme fund	-	1,482,949	-	1,482,949	1,482,949
<b>2013</b>					
<b>Financial assets</b>					
Investment securities-HTM	-	213,150	-	213,150	214,162
Investment securities-AFS	98,592	3,281,897	-	3,380,489	3,380,489
Loans, financing and advances	-	-	5,812,345	5,812,345	5,850,154
<b>Financial liabilities</b>					
Deposits from customers	-	6,510,886	-	6,510,886	6,594,646
Financing scheme fund	-	1,520,112	-	1,520,112	1,555,347

There were no transfers between Level 1 and Level 2 during the current and previous financial years.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### B. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont'd)

The methods and assumptions used in estimating the fair values of financial instruments are as follows:

#### (i) Investment securities - HTM

The fair values of instrument of investments are estimated based on the market value at the end of the reporting period.

As for commercial papers which are generally short-term funds, the fair values approximate the respective carrying values.

#### (ii) Investment securities - AFS

AFS financial assets valued using valuation techniques or pricing models primarily consists of quoted equities and debt securities.

The fair values of private debt securities, Malaysia government securities and Malaysian government investment issues are determined by reference to the market value of these instruments published by rating agency in Malaysia.

#### (iii) Loans, financing and advances

For fixed-rate loans with maturities within a year, and loans, financing and advances at variable rates, the estimated fair values approximate their respective carrying values.

For fixed-rate loans with maturities more than a year, the fair values are estimated based on expected future cash flows of contractual instalments and discounted at prevailing rate at the end of the reporting period offered for similar loans to new borrowers with similar credit profiles, where applicable.

#### (iv) Deposits from customers

The fair values of deposits from customers with remaining maturity of less than one year are estimated to approximate their carrying amounts. The fair values of deposits with remaining maturities of more than one year are estimated using discounted cash flows based on market rates for similar deposits from customers. The fair values of Islamic deposits are deemed to approximate their carrying amounts as profit rates are determined at the end of their holding periods based on the profit generated from the assets invested.

#### (v) Financing scheme fund

The estimated fair values of financing scheme fund are based on future cash flows discounted at the current rate as of the end of the reporting period.

#### Fair value hierarchy

#### Determination of fair value and fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets of identical assets or liabilities;

Level 2: Other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: Techniques which use inputs which have significant effect on the fair value that are not based on observable market data.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 34. FINANCIAL INSTRUMENTS (cont'd)

### C. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

	HTM securities RM'000	Loans, financing and advances RM'000	AFS securities RM'000	Financial assets and liabilities at amortised cost RM'000	Total RM'000
<b>2014</b>					
<b>Financial assets</b>					
Cash and short term funds	-	1,302,849	-	-	1,302,849
Investment securities	179,336	-	3,877,108	-	4,056,444
Loans, financing and advances	-	6,293,322	-	-	6,293,322
	<b>179,336</b>	<b>7,596,171</b>	<b>3,877,108</b>	-	<b>11,652,615</b>
<b>Financial liabilities</b>					
Deposits from customers	-	-	-	6,854,282	6,854,282
Financing scheme fund	-	-	-	1,482,949	1,482,949
	-	-	-	<b>8,337,231</b>	<b>8,337,231</b>
<b>2013</b>					
<b>Financial assets</b>					
Cash and short term funds	-	1,273,397	-	-	1,273,397
Deposits with financial institutions	-	60,000	-	-	60,000
Investment securities	214,162	-	3,373,892	-	3,588,054
Loans, financing and advances	-	5,850,154	-	-	5,850,154
	<b>214,162</b>	<b>7,183,551</b>	<b>3,373,892</b>	-	<b>10,771,605</b>
<b>Financial liabilities</b>					
Deposits from customers	-	-	-	6,594,646	6,594,646
Financing scheme fund	-	-	-	1,555,347	1,555,347
	-	-	-	<b>8,149,993</b>	<b>8,149,993</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 35. PRIOR YEAR ADJUSTMENT

Details of prior year adjustment to the Bank are as follows:

In financial year 2012, the Bank adjusted its opening balances related to investment revaluation reserve to reflect the effect of deferred tax on the reserve. The opening balance adjustment should have been included as part of retained earnings instead of investment revaluation reserve. The 2014 financial statements have been restated to reflect the reclassification that is required between those balances.

The effect of prior year adjustment to the Bank are as follows:

	As at 1 January 2013		
	As previously stated RM'000	Prior year adjustment RM'000	As restated RM'000
<b>Statement of changes in equity</b>			
<b>Non-distributable reserves</b>			
Investment revaluation reserve	321,719	(135,438)	186,281
<b>Distributable reserves</b>			
Retained earnings	516,434	135,438	651,872
	<b>838,153</b>	-	<b>838,153</b>

	As at 31 December 2013		
	As previously stated RM'000	Prior year adjustment RM'000	As restated RM'000
<b>Statement of changes in equity</b>			
<b>Non-distributable reserves</b>			
Investment revaluation reserve	137,590	(135,438)	2,152
<b>Distributable reserves</b>			
Retained earnings	724,690	135,438	860,128
	<b>862,280</b>	-	<b>862,280</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING

The state of affairs and the results of Islamic banking operations under the Islamic banking division included in the financial statements, are summarised as follows:

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM'000	2013 RM'000
Income from Islamic banking business	a	458,212	423,825
Government grants released		5,679	10,007
Allowance for impairment on financing and advances	b	(72,330)	(81,161)
Net income		<b>391,561</b>	<b>352,671</b>
Overhead expenses	c	(344,552)	(298,977)
<b>Profit before tax and zakat</b>		<b>47,009</b>	<b>53,694</b>
Tax expense		(24,321)	(19,896)
Zakat		(1,368)	(1,826)
<b>Profit after tax and zakat</b>		<b>21,320</b>	<b>31,972</b>
<b>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>			
Unrealised gain/(loss) on fair value changes on AFS investment securities		7,298	(71,601)
Transfer to profit or loss on disposal of AFS investment securities		(3,783)	(12,301)
Income tax relating to components of other comprehensive income		(879)	18,692
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		<b>2,636</b>	<b>(65,210)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>23,956</b>	<b>(33,238)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	31 December 2014 RM'000	31 December 2013 RM'000
<b>Assets</b>			
Cash and short term funds	d	1,302,518	644,492
Deposits with financial institutions	e	-	60,000
Investment securities	f	3,543,156	2,862,495
Financing and advances	g	5,961,171	5,398,911
Property, plant and equipment		179,287	195,394
Intangible assets		25,713	26,941
Other assets	h	70,781	63,756
Deferred tax assets		71,786	67,981
<b>TOTAL ASSETS</b>		<b>11,154,412</b>	<b>9,319,970</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from customers	i	6,854,180	5,912,217
Profit payable and others	j	450,485	428,766
Financing scheme fund	k	1,482,949	1,555,347
Government grants			
Operating		29,948	35,402
Launching		11,967	17,269
Funds	l	837,579	257,500
<b>Total Liabilities</b>		<b>9,667,108</b>	<b>8,206,501</b>
<b>Equity</b>			
Islamic banking fund	m	1,487,304	1,113,469
<b>Total Equity</b>		<b>1,487,304</b>	<b>1,113,469</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,154,412</b>	<b>9,319,970</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	2014 RM'000	2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and zakat	47,009	53,694
<b>Adjustments for:</b>		
Allowance for impairment on financing and advances	81,383	102,493
Profit charged on financing scheme fund	4,738	299
Depreciation/amortisation of property, plant and equipment	43,345	39,791
Write off of property, plant and equipment	243	1,589
Amortisation of:		
Special Fund for Terengganu Fishery ("DKSP")	(362)	(700)
Government fund released	(5,679)	(10,007)
Government Grants- Operating	(5,454)	(6,470)
Government Grants- Launching	(3,164)	(3,343)
<b>Operating profit before working capital changes</b>	<b>162,059</b>	<b>177,346</b>
Change in financing and advances	(637,648)	(395,249)
Change in other assets	(7,123)	37,404
Change in deposits with financial institutions	60,000	(60,000)
Change in deposits from customers	941,963	441,453
Change in profit payables and others	(5,731)	39,180
Reimbursement from/(to) conventional system	358,474	(176,600)
<b>Cash generated from operating activities</b>	<b>871,994</b>	<b>63,534</b>
Zakat paid	(2,043)	(3,432)
<b>Net cash generated from operating activities</b>	<b>869,951</b>	<b>60,102</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	2014 RM'000	2013 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in investment securities	(678,621)	(365,665)
Purchase of property, plant and equipment	(26,253)	(71,994)
<b>Net cash used in investing activities</b>	<b>(704,874)</b>	<b>(437,659)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Profit paid on financing scheme fund	(4,902)	(6,770)
Proceeds from:		
Fund For Food ("3F")	100,958	152,334
Micro Enterprise Fund	7,306	15,759
Commercial Agriculture Fund ("DPK-GLC")	300,000	-
Agriculture Entrepreneur Financing Fund ("DPUP 2")	150,000	-
Government grants- Launching utilised	(2,040)	(986)
Repayments of financing scheme fund	(50,373)	(225,263)
Dividends paid	(8,000)	(9,000)
<b>Net cash generated from/(used in) financing activities</b>	<b>492,949</b>	<b>(73,926)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>658,026</b>	<b>(451,483)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>644,492</b>	<b>1,095,975</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,302,518</b>	<b>644,492</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash and short term funds (Note d)	1,302,518	644,492

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (a) Income from Islamic banking business

	2014 RM'000	2013 RM'000
<b>Income from financing</b>	387,797	337,048
Profits from deposits with financial institutions	24,135	22,184
Profits from investment securities:		
HTM	6,477	6,332
AFS	121,028	90,847
Gain on disposal of investment securities:		
AFS	3,207	13,622
<b>Fee Income</b>		
Financing processing fees	2,580	10,502
GLC service fees	9,753	616
Banking service fees	26,848	20,855
Reimbursement of gapping cost	25,609	22,901
Ar-Rahnu fees	24,083	50,114
Special Fund for Terengganu Fishery ("DKSP")	362	700
Staff financing	1,593	1,105
Reimbursement of Special Relief Grant for Flood ("SRGF")	112	155
Income from Project Ladang Sungai Tasan	779	-
Other income	1,717	1,365
	<b>636,080</b>	<b>578,346</b>
<b>Less: Profit attributable to customers</b>		
Al-Mudharabah deposits	45,226	54,745
Al-Mudharabah savings	1,413	6,532
Agroprima	17	48
Fixed Return Investment Account-i	91,723	32,085
Agro Perdana-i	5,804	26,777
Agro-i deposits	12,204	27,476
Al-Wadiah	11,947	482
Agro Muda-i	3,721	3,875
Agro Tetangga-i	222	1,596
	<b>172,277</b>	<b>153,616</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (a) Income from Islamic banking business (cont'd)

	2014 RM'000	2013 RM'000
<b>Less: Profit paid on financing scheme fund</b>		
Fund For Food ("3F")	543	(1,462)
Micro Enterprise Fund	1,321	1,357
Commercial Agriculture Fund ("DPK-GLC")	3,631	-
Agriculture Entrepreneur Financing Scheme Fund 2 ("DPUP 2")	100	-
Agriculture Entrepreneur Financing Scheme Fund 1 ("DPUP 1")	18,985	-
Food Production Credit Scheme ("SKPM")	-	243
Loan for Small and Medium Size Industries ("PKS")	-	2
Non-Food Production Credit Scheme ("SKPBM")	-	62
Others	853	703
	<b>25,433</b>	<b>905</b>
<b>Add: Income from grant amortisation</b>		
Amortisation of DPK-GLC Grant	3,181	-
Amortisation of DPUP 2 Grant	84	-
Amortisation of DPUP 1 Grant	16,577	-
	<b>19,842</b>	-
<b>Income from Islamic banking business</b>	<b>458,212</b>	<b>423,825</b>
Of which:		
Profit income earned on impaired financing and advances	20,716	10,176

### (b) Allowance for impairment on financing

	2014 RM'000	2013 RM'000
Financing and advances:		
Allowance for the year	42,968	70,597
Amount written back upon recoveries and reversal of allowance	(34,070)	(40,305)
Individual impairment allowance - net	8,898	30,292
Collective impairment allowance - net	72,485	72,201
Bad debts and financing recovered	(9,053)	(21,332)
	<b>72,330</b>	<b>81,161</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (c) Overhead expenses

	2014 RM'000	2013 RM'000
<b>Personnel costs</b>		
Salary, allowance and bonus	165,452	162,525
EPF contributions	21,300	18,421
SOCSO contributions	1,660	1,492
Staff welfare	6,164	5,160
Retirement benefits scheme	667	(8,745)
Others	13,021	8,599
	<b>208,264</b>	<b>187,452</b>
<b>Maintenance costs</b>		
Printing, stationery and office supplies	8,117	6,721
Insurance	2,575	2,794
Depreciation of property, plant and equipment	25,327	23,775
Water and electricity	8,513	6,979
Rental of premises	8,483	7,414
Amortisation of computer software	15,231	10,835
Building and office maintenance	6,817	5,796
Rental of computers	600	854
Computer maintenance	16,716	12,387
Others	2,321	2,315
	<b>94,700</b>	<b>79,870</b>
<b>Marketing expenses</b>		
Advertising and promotions	2,081	3,751
Others	747	562
	<b>2,828</b>	<b>4,313</b>
<b>General administrative expenses</b>		
Communication expenses	12,511	12,198
Security charges	10,237	8,285
Legal fees	10,210	3,895
Others	5,802	2,964
	<b>38,760</b>	<b>27,342</b>
	<b>344,552</b>	<b>298,977</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (d) Cash and short term funds

	31 December 2014 RM'000	31 December 2013 RM'000
Cash and bank balances	205,644	136,251
Short term deposits maturing within three months:		
Licensed banks	554,419	248,044
Other financial institutions	542,455	260,197
	<b>1,302,518</b>	<b>644,492</b>

	31 December 2014	31 December 2013
The detail on the short term deposit as below:		
Average maturities	50 Days	62 Days
Average profit rates	3.96%	3.46%

### (e) Deposits with financial institutions

	31 December 2014 RM'000	31 December 2013 RM'000
Other financial institutions	-	60,000

### (f) Investment securities

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Debt Securities</b>		
<b>AFS - at fair value</b>		
Corporate bonds	2,374,978	1,785,079
Government Investment Issue	988,842	898,174
	<b>3,363,820</b>	<b>2,683,253</b>
<b>HTM - at amortised cost</b>		
Corporate bonds	18,631	17,959
Commercial papers	9,858	-
Government Investment Issue	150,847	161,283
	<b>179,336</b>	<b>179,242</b>
<b>Net</b>	<b>3,543,156</b>	<b>2,862,495</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (f) Investment securities (cont'd)

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Maturity structure for investments HTM is as follows:</b>		
Maturity within six months	9,858	10,006
Between six months to one year	-	-
Between one year to three years	169,478	119,205
Between three years to five years	-	50,031
	<b>179,336</b>	<b>179,242</b>

### (g) Financing and advances

	31 December 2014 RM'000	31 December 2013 RM'000
Agrocash	4,909,404	4,975,710
BBA Project and Vehicle	2,993,333	2,009,299
Fund for Food ("3F")	1,159,075	1,057,730
Ar-Rahnu	167,278	247,196
Fishery Boat Financing Scheme ("SPBP")	48,893	64,809
MUST-i	266,339	229,359
Oil Palm Replanting Scheme ("TASKS")	14,914	20,991
MAP and MPPB Financing	114,323	86,614
Financing for Small and Medium Size Industries ("PKS")	41,427	55,106
Non-Food Production Credit Scheme ("SKPBM")	62,521	77,182
Food Production Credit Scheme ("SKPM")	8,284	10,244
Belia Tani Scheme	8,071	9,326
Entrepreneur Scheme for Graduates ("SUTKS - Financing")	569	958
Special Fund for Terengganu Fishery ("DKSP")	351	664
Fund for Small and Medium Size Industries ("TIKS")	2,218	2,262
Modal Pusingan-i	98,629	100,958
Paddy Credit Scheme	73,015	53,248
Micro ESP	9,361	38,979

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (g) Financing and advances (cont'd)

	31 December 2014 RM'000	31 December 2013 RM'000
National Key Economic Area ("NKEA")	45,076	43,091
Murabahah Working Capital Financing	138,939	17,617
Insani	12,599	183
Bai Al-Dayn Working Capital Financing	30,934	-
MPPB Hub	1,094	-
Agro Cash Line	64,248	-
Safia	177	-
	<b>10,271,072</b>	<b>9,101,526</b>
<b>Less: Unearned profit</b>	<b>(3,727,528)</b>	<b>(3,334,956)</b>
	<b>6,543,544</b>	<b>5,766,570</b>
Staff financing and advances	50,112	43,426
<b>Less:</b>		
Individual impairment allowance	(237,845)	(172,019)
Collective impairment allowance	(394,640)	(239,066)
<b>Net</b>	<b>5,961,171</b>	<b>5,398,911</b>
Movement in impaired gross financing and advances is as follows:		
At beginning of the year	446,192	578,495
Additions during the year	258,437	285,705
Reclassified as non impaired during the year	(85,502)	(69,818)
Recoveries during the year	(99,224)	(170,864)
Reclassified to off balance sheet during the year	-	(23,782)
Amount written off	(41,449)	(153,544)
<b>At end of the year</b>	<b>478,454</b>	<b>446,192</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (g) Financing and advances (cont'd)

Impaired gross financing and advances analysed by sectors are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Sectors:</b>		
Support	103,060	96,333
Crops	186,635	176,397
Livestock	104,171	95,795
Fishery	70,993	67,393
Forestry	1,647	904
Other agricultural based processing	11,948	9,370
	<b>478,454</b>	<b>446,192</b>

Impaired gross financing and advances analysed by regions are as follows:

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Regions:</b>		
Kuala Lumpur	81,985	84,257
Selangor	59,804	64,902
Pahang	69,609	63,957
Perak	28,926	30,988
Negeri Sembilan/Melaka	33,905	35,129
Johor	42,277	32,003
Kelantan	33,107	23,378
Kedah/Perlis	53,929	51,763
Sarawak	17,031	15,939
Sabah	37,360	23,320
Pulau Pinang	11,154	11,682
Terengganu	9,367	8,874
	<b>478,454</b>	<b>446,192</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (g) Financing and advances (cont'd)

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Maturity structure for financing and advances is as follows:</b>		
Maturity within six months	567,326	417,194
Between six months to one year	64,517	73,587
Between one year to three years	482,896	443,127
Between three years to five years	901,042	725,970
More than five years	4,527,763	4,106,692
	<b>6,543,544</b>	<b>5,766,570</b>

	31 December 2014 RM'000	31 December 2013 RM'000
--	-------------------------------	-------------------------------

Movement in individual impairment allowance are as follows:

#### Individual impairment allowance

At beginning of the year	172,019	138,896
Allowance for the year	42,968	70,597
Amount written back upon recoveries and reversal of allowance	(34,070)	(40,305)
Net allowance for the year	8,898	30,292
Amount written off	(19,682)	(783)
Reclassification from Conventional	76,610	3,614
At end of the year	<b>237,845</b>	<b>172,019</b>

Movement in collective impairment allowance are as follows:

#### Collective impairment allowance

At beginning of the year	239,066	138,896
Allowance for the year	77,305	80,015
Amount written back	(4,820)	(7,814)
Net allowance for the year	72,485	72,201
Amount written off	(41,000)	(136,948)
Reclassification from Conventional	124,089	164,917
At end of the year	<b>394,640</b>	<b>239,066</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (g) Financing and advances (cont'd)

#### Financing by types and Shariah Contract

	Term Financing RM'000	Revolving Financing RM'000	Total RM'000
<b>31 December 2014</b>			
Qard	167,278	-	167,278
Bai-Al Inah	5,185,104	-	5,185,104
Tawarruq	1,496,353	374,831	1,871,184
Bai-Bithaman Ajil	3,016,572	-	3,016,572
Murabahah	30,934	-	30,934
	<b>9,896,241</b>	<b>374,831</b>	<b>10,271,072</b>
<b>31 December 2013</b>			
Bai-Al Inah	5,297,296	-	5,297,296
Bai-Bithaman Ajil	3,369,462	187,572	3,557,034
Qard	247,196	-	247,196
	<b>8,913,954</b>	<b>187,572</b>	<b>9,101,526</b>

### (h) Other assets

	31 December 2014 RM'000	31 December 2013 RM'000
Profit receivable from investment securities	34,043	22,952
Profit receivable	4,592	7,893
Foreclosed properties	5,740	777
Project Ladang BPM - Sg Tasan	3,377	3,377
Income receivables from Ar-Rahnu	7,233	18,379
Refundable deposits and prepayments	16,214	10,378
Impairment allowance	(418)	-
	<b>70,781</b>	<b>63,756</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (i) Deposits from customers

	31 December 2014 RM'000	31 December 2013 RM'000
<b>Mudharabah</b>		
Al-Mudharabah savings	-	249,235
Al-Mudharabah general deposits	3,525	1,026,102
Agro Perdana-i	-	1,498,293
Patriot savings	-	1,158,246
	<b>3,525</b>	<b>3,931,876</b>
<b>Non-Mudharabah</b>		
Fixed Return Investment Account-i (FRIA-i)	4,039,616	1,807,140
Al-Wadiah savings	1,447,529	66,123
Agro Perdana-i	1,241,104	-
Deposit securities	121,540	106,329
Basic Saving Account	866	749
	<b>6,854,180</b>	<b>5,912,217</b>
<b>Maturity structure for Al-Mudharabah general deposits and FRIA-I is as follows:</b>		
Within six months	2,170,953	1,296,003
Between six months to one year	1,802,802	1,463,515
Between one year to three years	26,977	13,696
Between three years to five years	42,409	60,028
	<b>4,043,141</b>	<b>2,833,242</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (i) Deposits from customers (cont'd)

	31 December 2014 RM'000	31 December 2013 RM'000
The deposits are sourced from the following types of customers:		
Government	2,411,002	2,632,069
Individuals	2,982,871	2,140,992
Domestic business enterprises	459,963	426,854
Domestic other entities	975,864	690,009
Domestic non-banking institutions	24,480	22,293
	<b>6,854,180</b>	<b>5,912,217</b>

### (j) Profits payable and others

	31 December 2014 RM'000	31 December 2013 RM'000
Other liabilities		
Other liabilities	214,964	210,143
Provision for undistributed profit (Note 24 (a)(i))	231,762	213,809
Retirement benefits scheme	1,965	2,345
Zakat payable	1,794	2,469
	<b>450,485</b>	<b>428,766</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (k) Financing scheme funds

	31 December 2014 RM'000	31 December 2013 RM'000
Fund For Food ("3F")	234,757	1,003,316
Oil Palm Replanting Scheme ("TASKS")	12,000	13,000
Food Production Credit Scheme ("SKPM")	-	74,923
Fishery Boat Financing Scheme ("SPBP")	-	140,000
Entrepreneur Scheme for Graduates ("SUTKS-Financing")	-	6,015
Non-Food Production Credit Scheme ("SKPBM")	-	22,594
Financing for Small and Medium Size Industries ("PKS")	-	73,048
MPPB Funds	-	51,134
Paddy Credit Scheme	-	76,701
Micro Enterprise Fund	83,494	94,616
Commercial Agriculture Fund ("DPK-GLC")	162,698	-
Agriculture Entrepreneur Financing Fund ("DPUP 1")	886,720	-
Agriculture Entrepreneur Financing Fund ("DPUP 2")	103,280	-
	<b>1,482,949</b>	<b>1,555,347</b>

### (l) Government Grants - Funds

	31 December 2014 RM'000	31 December 2013 RM'000
Development Programme for Hardcore Poor ("PPRT")	2,560	2,560
Entrepreneur Scheme for Graduates ("SUTKS")	1,226	1,358
Special Fund for Terengganu Fishery ("DKSP")	155	587
Fund for Ministry Youth and Sports ("DKBS")	7,710	11,689
Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB")	38,957	40,000
National Key Economic Area ("NKEA")	57,124	53,832
Micro Economic Stimulation Package ("Micro - ESP")	149,722	147,474
Commercial Agriculture Fund ("DPK-GLC")	137,002	-
Agriculture Entrepreneur Financing Fund 2 ("DPUP 2")	46,736	-
Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")	396,387	-
	<b>837,579</b>	<b>257,500</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (m) Islamic banking fund

	31 December 2014 RM'000	31 December 2013 RM'000 Restated
Retained earnings	582,468	569,578
General reserve	849,742	849,742
Reimbursement from/(to) conventional system	108,104	(250,370)
Investment revaluation reserve	(53,440)	(55,481)
	<b>1,486,874</b>	<b>1,113,469</b>
<b>Retained earnings</b>		
At beginning of the year	569,578	546,606
Profit after tax and zakat	21,320	31,972
Dividends paid	(8,000)	(9,000)
At end of the year	<b>582,898</b>	<b>569,578</b>
<b>Reimbursement to conventional system</b>		
At beginning of the year	(250,370)	(54,460)
Net reimbursement <sup>1</sup>	358,474	(195,910)
At end of the year	<b>108,104</b>	<b>(250,370)</b>
<b>Investment revaluation reserve</b>		
At beginning of the year (restated)	(55,481)	9,729
Retained profit AFS	(595)	-
Other comprehensive income/(loss)	2,636	(65,210)
At end of the year	<b>(53,440)</b>	<b>(55,481)</b>

<sup>1</sup> Net reimbursement is transfer of funds between Conventional and Islamic funds.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (n) Capital adequacy

	31 December 2014	31 December 2013
	%	%
Before deducting proposed dividend:		
Core capital ratio	18.96	16.44
Risk-weighted capital ratio	24.85	22.84
After deducting proposed dividend:		
Core capital ratio	18.32	16.32
Risk-weighted capital ratio	24.20	22.72
	31 December 2014	31 December 2013
	RM'000	RM'000
Components of Tier I and Tier II capital		
<b>Tier I capital</b>		
General reserve	849,742	849,742
Reimbursement from/(to) conventional system	108,104	(250,370)
Retained earnings	582,898	569,578
Less: Deferred tax assets	(71,786)	(67,981)
<b>Total Tier I capital</b>	<b>1,468,958</b>	<b>1,100,969</b>
<b>Tier II capital</b>		
Collective impairment allowance <sup>1</sup>	156,536	117,813
Government Grants	41,915	52,671
Government Grants - Funds <sup>2</sup>	257,454	257,500
<b>Total Tier II capital</b>	<b>455,905</b>	<b>427,984</b>
<b>Total capital base</b>	<b>1,924,863</b>	<b>1,528,953</b>

<sup>1</sup> The eligible amount for Tier II capital is limited to only collective impairment allowance on non-impaired financing and advances.

<sup>2</sup> The Government Grants - Funds for 2014 exclude those grants relating to the fair valuation of financing scheme fund at below market rate amounting to RM580,125.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2014 (cont'd)

## 36. ISLAMIC BANKING (cont'd)

### (n) Capital adequacy (cont'd)

The breakdown of risk-weighted assets in the various categories of risk-weights is as follows:

	Notional RM'000	Risk- weighted RM'000
0%	2,342,528	-
10%	-	-
20%	1,515,615	303,123
50%	36,468	18,324
100%	7,188,015	7,188,015
Off balance sheet risk-weighted assets	-	236,838
<b>Total risk-weighted assets at 31 December 2014</b>	<b>11,082,626</b>	<b>7,746,300</b>
0%	2,002,352	-
10%	-	-
20%	828,041	165,608
50%	29,296	14,648
100%	6,392,300	6,392,300
Off balance sheet risk-weighted assets	-	122,803
<b>Total risk-weighted assets at 31 December 2013</b>	<b>9,251,989</b>	<b>6,695,359</b>

# MAKLUMAT KORPORAT

## CORPORATE INFORMATION

### LEMBAGA PENGARAH

#### BOARD OF DIRECTORS

##### TAN SRI FAIZAH MOHD TAHIR

Pengerusi Bebas Bukan Eksekutif  
Independent Non-Executive Chairman

##### DATO' WAN MOHD FADZMI WAN OTHMAN

Presiden/Ketua Pegawai Eksekutif  
President/Chief Executive Officer

##### RASHIDAH MOHD SIES

Pengarah Bukan Bebas Bukan Eksekutif  
Non-Independent Non-Executive Director

##### DATUK JOHAR CHE MAT

Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

##### NG CHIH KAYE

Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

##### DATO' DR MOHAMAD HASHIM AHMAD TAJUDIN

(Dilantik/Appointed : 3 Julai/July 2014)  
Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

##### DATO' MOHD ARIF AB RAHMAN

(Dilantik/Appointed : 23 Februari/February 2015)  
Pengarah Bukan Bebas Bukan Eksekutif  
Non-Independent Non-Executive Director

##### DATIN SERI HJH RUZAINA WAN HANIFF

(Dilantik/Appointed : 23 Februari/February 2015)  
Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

##### DATUK DR. SAHARAN HAJI ANANG

(Meletak jawatan/Resigned : 13 Jun/June 2014)  
Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

##### DATO' SALEHUDDIN SAIDIN

(Meletak jawatan/Resigned : 30 November/November 2014)  
Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

##### DATUK SERI CHE MOHD HASHIM ABDULLAH

(Meletak jawatan/Resigned : 31 Julai/July 2014)  
Pengarah Bukan Bebas Bukan Eksekutif  
Non-Independent Non-Executive Director

##### MD. HILMI DATUK HAJI MD. NOOR

(Meletak jawatan/Resigned : 14 Januari/January 2015)  
Pengarah Bebas Bukan Eksekutif  
Independent Non-Executive Director

### JAWATANKUASA PENCALONAN

#### NOMINATING COMMITTEE

##### Pengerusi/Chairman

Datin Seri Hjh Ruzaina Wan Haniff  
(Berkuat kuasa dari/With effect from : 23 Februari/February 2015)  
Tan Sri Faizah Mohd Tahir  
(Up to 2014)  
Datuk Johar Che Mat  
(Chaired NC Meeting on 12 February 2015)

##### Ahli/Members

Datuk Johar Che Mat  
Ng Chih Kaye  
Rashidah Mohd Sies  
(Berkuat kuasa dari/With effect from : 12 Februari/February 2015)  
Dato' Dr Mohamad Hashim Ahmad Tajudin  
(Berkuat kuasa dari/With effect from : 12 Februari/February 2015)  
Datuk Dr. Saharan Haji Anang  
(Meletak jawatan/Resigned : 13 Jun/June 2014)  
Md. Hilmi Datuk Hj. Md. Noor  
(Meletak jawatan/Resigned : 14 Januari/January 2015)

### JAWATANKUASA IMBUHAN

#### REMUNERATION COMMITTEE

##### Pengerusi/Chairman

Dato' Dr Mohamad Hashim Ahmad Tajudin  
(Berkuat kuasa dari/With effect from : 30 Oktober/October 2014)  
Datuk Johar Che Mat  
(Up to 15 Januari/January 2014)

##### Ahli/Members

Rashidah Mohd Sies  
Datuk Johar Che Mat  
Ng Chih Kaye  
(Up to 10 April/April 2014)

### JAWATANKUASA LEMBAGA PENGURUSAN

#### RISIKO

#### BOARD RISK MANAGEMENT COMMITTEE

##### Pengerusi/Chairman

Dato' Dr Mohamad Hashim Ahmad Tajudin  
(Berkuat kuasa dari/With effect from : 22 Januari/January 2014)  
Datuk Dr. Saharan Haji Anang  
(Meletak jawatan/Resigned : 13 Jun/June 2014)

##### Ahli/Members

Datuk Johar Che Mat  
Ng Chih Kaye  
Datin Seri Hjh Ruzaina Wan Haniff  
(Berkuat kuasa dari/With effect from : 23 Februari/February 2015)  
Dato' Salehuddin Saidin  
(Meletak jawatan/Resigned : 30 November/November 2014)

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## MAKLUMAT KORPORAT

### CORPORATE INFORMATION

#### **JAWATANKUASA LEMBAGA AUDIT** BOARD AUDIT COMMITTEE

**Pengerusi/Chairman**

Ng Chih Kaye

(Berkuat kuasa dari/With effect from : 22 Januari/January 2014)

Md. Hilmi Datuk Hj Md. Noor

(Meletak jawatan/Resigned : 14 Januari/January 2015)

**Ahli/Members**

Rashidah Mohd Sies

Datuk Johar Che Mat

Dato' Dr Mohamad Hashim Ahmad Tajudin

(Berkuat kuasa dari/With effect from : 25 September 2014)

Datuk Dr. Saharan Haji Anang

(Meletak jawatan/Resigned : 13 Jun/June 2014)

#### **JAWATANKUASA LEMBAGA KREDIT** BOARD CREDIT AND INVESTMENT COMMITTEE

**Pengerusi/Chairman**

Datuk Johar Che Mat

**Ahli/Members**

Rashidah Mohd Sies

Ng Chih Kaye

Dato' Dr Mohamad Hashim Ahmad Tajudin

(Berkuat kuasa dari/With effect from : 7 Ogos/August 2014)

Datuk Dr. Saharan Haji Anang

(Meletak jawatan/Resigned : 13 Jun/June 2014)

#### **JAWATANKUASA LEMBAGA TEKNOLOGI** **MAKLUMAT** BOARD INFORMATION TECHNOLOGY COMMITTEE

(Up to Januari/January 2015)

**Pengerusi/Chairman**

Md. Hilmi Datuk Hj Md. Noor

**Ahli/Members**

Datuk Johar Che Mat

Ng Chih Kaye

#### **JAWATANKUASA PENGURUSAN** MANAGEMENT COMMITTEE

**Pengerusi/Chairman**

Dato' Wan Mohd Fadzmi Wan Othman

**Ahli/Members**

Azizan Ahmad

Muslim Hussain

Asmuni Sudin

Syed Naufal Shahabudin Syed Abdul Jabbar

Shahabudin

Mad Yusof Yazid

Abdul Khalif Mohammad Salleh

#### **JAWATANKUASA SYARIAH** SHARIAH COMMITTEE

**Pengerusi/Chairman**

Dr. Mohamed Fairuz Abdul Khir

**Ahli/Members**

Professor Madya Dr. Atikullah Hj. Abdullah

Dr. Muhammad Yamin Ismail

Dr Mohamad Sabri Zakaria

Tn. Haji Ismail Mahayudin

(Meletak jawatan/Resigned : 31 Januari/January 2015)

**Setiausaha/Secretary**

Hishamuddin Ab Hamid

#### **SETIAUSAHA SYARIKAT** COMPANY SECRETARY

ZARINA NADZIMUDDIN

MAICSA 7060104

# STATUS KORPORAT

## CORPORATE STATUS

### Pejabat Berdaftar Registered Office

Aras 3, Bangunan Agrobank  
Lebuh Pasar Besar  
50726 Kuala Lumpur

### Ibu Pejabat Head Office

Bank Pertanian Malaysia Berhad  
Bangunan Agrobank  
Lebuh Pasar Besar  
50726 Kuala Lumpur  
Tel : (603)-2731 1600  
Laman web/website: [www.agrobank.com.my](http://www.agrobank.com.my)

### Juruaudit Auditors

Tetuan (Messrs) Ernst & Young  
Aras 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel : (603)-7495 8000  
Faks/Fax : (603)-2095 5332

### Tarikh Diperbadankan Date of Incorporation

31 Mac 2008 di bawah Akta Syarikat 1965  
31 March 2008 under the Companies Act 1965



**Bank Pertanian Malaysia Berhad (BPMB)** telah didaftarkan dan diperbadankan pada 31 Mac 2008 di bawah Akta Syarikat 1965. BPMB yang secara komersialnya dikenali sebagai Agrobank, ialah sebuah Syarikat Berkaitan Kerajaan (Government-Linked Company) di bawah Menteri Kewangan Diperbadankan (Minister of Finance Incorporated). Walaubagaimanapun, pembiayaan sektor pertanian dipandu oleh polisi-polisi yang ditetapkan oleh Kementerian Pertanian dan Industri Asas Tani.

**Bank Pertanian Malaysia Berhad (BPMB)** was registered and incorporated on 31 March 2008 under the Companies Act, 1965. BPMB which is also commercially known as Agrobank, is a Government-Linked Company (GLC) under the Minister of Finance Incorporated (MoF Inc.). However, funding for the agricultural sector is guided by policies set by the Ministry of Agriculture and Agro-Based Industry.

# DIREKTORI KORPORAT

## CORPORATE DIRECTORY

**Lokasi/Location:** W.P. Kuala Lumpur

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>AGROBANK IBU PEJABAT</b> Leboh Pasar Besar Peti Surat 10815 50726 Kuala Lumpur.	Tel : 03-2731 1600 Fax : 03-2691 7790
2	<b>AGROBANK KUALA LUMPUR</b> Tingkat 1 Leboh Pasar Besar Peti Surat 13013 50796 Kuala Lumpur.	Tel : 03-2691 2754/2692 2362 Fax : 03-2691 4599
3	<b>AGROBANK SELAYANG</b> No. 141, Jalan 2/3A Pusat Bandar Utara 68100 Batu Caves, Kuala Lumpur.	Tel : 03-6136 9469/6136 8453 Fax : 03-6136 0410
4	<b>AGROBANK PANDAN INDAH</b> No. 14, ACD/1, Menara A, Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur.	Tel : 03-4295 9466/4296 1419 Fax : 03-4295 5229
5	<b>AGROBANK BANDAR TASIK SELATAN</b> No. 27G & 29G, Jalan 8/146 Bandar Tasik Selatan 57100 Kuala Lumpur.	Tel : 03-9056 5700/9056 5900 Fax : 03-9056 1200
6	<b>AGROBANK AMPANG POINT</b> 92, Jalan Memanda 2 Ampang Point 68000 Ampang.	Tel : 03-4252 2960/4252 3827 Fax : 03-4252 5185
7	<b>AGROBANK JALAN TUANKU ABDUL RAHMAN</b> No. 498 Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur.	Tel : 03-4042 5046/4042 6079 Fax : 03-4041 3873

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** W.P. Kuala Lumpur

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
8	<b>AGROBANK CHERAS</b> No. 65 & 65-1, Jalan Dwitasik 1 Dataran Dwitasik, Bandar Sri Permaisuri 56000 Kuala Lumpur.	Tel : 03-9173 2389/9173 2387 Fax : 03-9173 2385
9	<b>AGROBANK GREENWOOD</b> SH 25, Jalan 7 Taman Greenwood 68100 Batu Caves.	Tel : 03-6186 8613/6186 8614 Fax : 03-6186 8615
10	<b>AGROBANK UTC KUALA LUMPUR</b> Lot T3-11, Tingkat 3, Pudu Sentral 55100 Kuala Lumpur.	Tel : 03-2026 8292 Fax : 03-2026 8294
11	<b>AGROBANK PUTRAJAYA</b> d/a Business Development Centre (BDA) Kementerian Pertanian & Industri Asas Tani Wisma Tani, Lot 4G1, Presint 4 Pusat Pentadbiran Kerajaan Persekutuan 62624 Putrajaya.	Tel : 03-8870 1790/8870 1790

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

### Lokasi/Location: Selangor

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE NEGERI SELANGOR</b> No. 3 - 5, Pusat Dagangan UMNO Shah Alam Persiaran Damai, Seksyen 11 40100 Shah Alam, Selangor.	Tel : 03-5510 4268/5512 4667/5519 3537 Fax : 03-5510 6740
2	<b>AGROBANK SHAH ALAM</b> No. 3-1, Pusat Dagangan UMNO Shah Alam Persiaran Damai, Seksyen 11 40000 Shah Alam.	Tel : 03-5519 8250/5519 8433 Fax : 03-5519 9017
3	<b>AGROBANK TANJUNG KARANG</b> Lot 131, Jalan Bomba 45500 Tanjung Karang.	Tel : 03-3269 8084/3269 8052 Fax : 03-3269 8100
4	<b>AGROBANK BANTING</b> 123 & 125 Jalan Sultan Abdul Samad 42700 Banting.	Tel : 03-3187 2552/3187 1558/3181 7099 Fax : 03-3187 3080
5	<b>AGROBANK KUALA KUBU BARU</b> No. 38, Jalan Dato' Hj. Kamarudin 44000 Kuala Kubu Baru.	Tel : 03-6064 1775/6064 1779 Fax : 03-6064 1815
6	<b>AGROBANK SUNGAI BESAR</b> Lot 4746 & 4747, Jalan Sungai Limau 45300 Sungai Besar.	Tel : 03-3224 2522/3224 2902/3224 3192 Fax : 03-3224 1717
7	<b>AGROBANK KLANG</b> No. 7, Lorong Batu 3, Kawasan 18 41300 Klang.	Tel : 03-3342 8212/3341 0662/3343 6584 Fax : 03-3342 8203
8	<b>AGROBANK KAJANG</b> No. 2-G & 2-1, Reko Sentral Jalan Reko Sentral 4 Off Jalan Reko 43000 Kajang.	Tel : 03-8736 6337/8736 6364/8736 9425 Fax : 03-8736 6471
9	<b>AGROBANK SEKINCHAN</b> No. 50 & 50A, Jalan Menteri Besar 1 Sekinchan Business Centre 45400 Sekinchan.	Tel : 03-3241 0326/3241 3796 Fax : 03-3241 0307
10	<b>AGROBANK SUNGAI BULOH</b> Lot 2380 Jalan 1A/1 Bandar Baru Sungai Buloh 47000 Sungai Buloh.	Tel : 03-6156 7207/6156 7208 Fax : 03-6156 7209/6140 1531

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Selangor

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
11	<b>AGROBANK SALAK TINGGI</b> No. E 061 & E 071, Block No. E Phase 1B, Cosmoplex Salak Tinggi 43900 Sepang.	Tel : 03-8706 2153/8706 2154 Fax : 03-8706 3032
12	<b>AGROBANK TELUK PANGLIMA GARANG</b> 168, Jalan Utama 2 Taman Jaya Utama 42500 Teluk Panglima Garang.	Tel : 03-3122 0980/3122 0982 Fax : 03-3122 0984
13	<b>AGROBANK KUALA SELANGOR</b> No. 23 & 25, Jalan Yu 1, Taman Yu, Sungai Buloh 45800 Jeram.	Tel : 03-3264 8620/3264 7704 Fax : 03-3264 8096
14	<b>AGROBANK SUBANG JAYA</b> No. 79, Jalan SS 19/6 47500 Subang Jaya.	Tel : 03-5632 9578/5632 9579 Fax : 03-5632 0856
15	<b>AGROBANK SABAK BERNAM</b> No. 82A & 83A, Jalan Menteri, 45200 Sabak Bernam.	Tel : 03-3216 2673/3216 2488 Fax : 03-3216 2566
16	<b>AGROBANK SEMENYIH</b> No. 11-G & 11-1 Jalan Semenyih Sentral 1 Taman Semenyih Sentral 435000 Semenyih.	Tel : 03-8723 0655/8723 3581 Fax : 03-8723 4316

## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location: Pahang**

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE NEGERI PAHANG</b> Tingkat 1, No. 57, Jalan Tun Ismail, 25000 Kuantan.	Tel : 09-5156 842/5156 933/5150 243 Fax : 09-5157524
2	<b>AGROBANK KUANTAN</b> No. 57, Jalan Tun Ismail 25000 Kuantan.	Tel : 09-5158 164/5156 853 Fax : 09-5156 768
3	<b>AGROBANK KUALA ROMPIN</b> No.20 Bandar Baru, 26800 Kuala Rompin.	Tel : 09-4145 343/4145 122 Fax : 09-4145 192
4	<b>AGROBANK RAUB</b> No. 43, Jalan Dato Abdullah. 27600 Raub.	Tel : 09-3551 750/3553 780 Fax : 09-3555 099
5	<b>AGROBANK TEMERLOH</b> F- 58, Jalan Tok Muda Awang Ngah, Bandar Baru 28000 Temerloh.	Tel : 09-2961 877/2961 231/2960 361 Fax : 09-2963 851
6	<b>AGROBANK KUALA LIPIS</b> No. 95A & 95B, Lot 95, Bandar Baru Seberang Jelai, 27200 Kuala Lipis.	Tel : 09-3126 694/3126 695 Fax : 09-3126 790
7	<b>AGROBANK TRIANG</b> No. 36, Jalan Dagangan 7, Pusat Dagangan Triang, 28300 Triang.	Tel : 09-2558 570/2557 696/255 7699 Fax : 09-2551 114
8	<b>AGROBANK MARAN</b> No. 49, Bangunan LKNP, Jalan Bandar Baru, 26500 Maran.	Tel : 09-4771 591 Fax : 09-4771 066
9	<b>AGROBANK BANDAR TUN RAZAK</b> KTR- 007 & 008 Kedai Dara, 26900 Bandar Tun Razak.	Tel : 09-4458 398 Fax : 09-4458 399
10	<b>AGROBANK BENTONG</b> No. 49 Jalan Loke Yew 28700 Bentong.	Tel : 09-2221 178 Fax : 09-2226 086
11	<b>AGROBANK JERANTUT</b> Lot 1 Seksyen 1, Bangunan Yayasan Pahang 27000 Jerantut.	Tel : 09-2662 966 Fax : 09-2662 554

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location: Pahang**

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
12	<b>AGROBANK PEKAN</b> No. 1, Lorong Perdagangan 1 Pusat Perdagangan Jalan Engku Muda Mansor 26600 Pekan.	Tel : 09-4222 722/4222 922 Fax : 09-4222 022
13	<b>AGROBANK JENGKA</b> Lot 8 & 9, Lorong Baiduri, Nadi Kota 26400 Bandar Jengka.	Tel : 09-4663 942 Fax : 09-4663 941
14	<b>AGROBANK SUNGAI RUAN</b> No. 573, Jalan Besar 27500 Sungai Ruan.	Tel : 03-3689 062 Fax : 03-3686 312
15	<b>AGROBANK SRI JAYA</b> No. 11, Taman Mas Kampung Sri Jaya 26500 Maran.	Tel : 09-4789 859 Fax : 09-4789 859
16	<b>AGROBANK KUALA KRAU</b> No. 14, Jalan Besar, Kuala Krau, 28050 Temerloh.	Tel : 09-2861 588/2861 129 Fax : 09-2861 309
17	<b>AGROBANK MENTAKAB</b> No. 129 Jalan Temerloh 28400 Mentakab.	Tel : 09-2779 740 Fax : 09-2779 742
18	<b>AGROBANK CHEROH</b> No. 2, Gerai Majlis Daerah, 27620 Raub.	Tel : 09-3697 820 Fax : 09-3697 185
19	<b>AGROBANK TRAS</b> No. 27, Jalan Besar, 27600 Raub.	Tel : 09-3615 590 Fax : 09-3615 700
20	<b>AGROBANK LANCHANG</b> No. 32, Jln Dato' Syed Abdullah 1, 28500 Lanchang.	Tel : 09-2803 167 Fax : 09-2803 168
21	<b>AGROBANK UTC PAHANG</b> Tingkat 2, Bangunan UTC Pahang, Jalan Stadium, 25200 Kuantan.	Tel : 09-5124 011 Fax : 09-5124 010

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Negeri Sembilan

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE NEGERI SEMBILAN/KUALA LUMPUR</b> Blok 13-2, Seremban City Centre Jalan Pasar Besar, 70000 Seremban.	Tel : 06-7625 476/7615 218/7610 528 Fax : 06-7620 744
2	<b>AGROBANK SEREMBAN</b> Blok 13-G, Seremban City Centre, Jalan Pasar Besar, 70000 Seremban.	Tel : 06-7639 541/7624 875 Fax : 06-7628 152
3	<b>AGROBANK PORT DICKSON</b> No. 925, Jalan Lama 71000 Port Dickson.	Tel : 06-6473 427/6474107 Fax : 06-6475 324
4	<b>AGROBANK KUALA PILAH</b> Lot 3 & 4, Jalan Raja Melewar 72000 Kuala Pilah.	Tel : 06-4811 251/4814 251/4843 911 Fax : 06-4814 727
5	<b>AGROBANK KUALA KLawANG</b> No. 204, Jalan Pertang 71600 Kuala Klawang.	Tel : 06-6136 433/6137 375 Fax : 06-6137 595
6	<b>AGROBANK NILAI</b> PT 4698 Jalan TS 1/1 Taman Semarak 71800 Nilai.	Tel : 06-7993 455/7993 473 Fax : 06-7993 480
7	<b>AGROBANK BAHAU</b> No. 18 & 19 Jalan Kiara 1 Pusat Perniagaan Kiara 72100 Bahau.	Tel : 06-4543 352/4546 508/4549 518/4549 513 Fax : 06-4544 690
8	<b>AGROBANK PASIR PANJANG (AGRO CORNER)</b> No. 54, Jalan Besar, 71250 Pasir Panjang, Port Dickson.	Tel : 06-6619 920/6610 379 Fax : 06-6610 360
9	<b>AGROBANK SIMPANG DURIAN (AGRO CORNER)</b> No. 15, Pekan Desa Permai, 72400 Simpang Durian.	Tel : 06-4914 633 Fax : 06-4914 009

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Melaka

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE MELAKA/JOHOR</b> Wisma Dato' Haji Mohamad Jalan Hang Tuah 75300 Melaka.	Tel : 06-2844 537/2844 519 Fax : 06-2839 754
2	<b>AGROBANK MELAKA</b> Wisma Dato' Haji Mohamad Jalan Hang Tuah 75300 Melaka.	Tel : 06-2844 537/2844 519 Fax : 06-2839 754
3	<b>AGROBANK ALOR GAJAH</b> No. 1, Kompleks Perniagaan 78000 Alor Gajah.	Tel : 06-5562 600/5562 719 Fax : 06-5565 327
4	<b>AGROBANK JASIN</b> JA 1763, Bandar Baru Jasin 77000 Jasin.	Tel : 06-5295 324/5293 413/5296 091 Fax : 06-5295 325
5	<b>AGROBANK MERLIMAU</b> Lot JC 108, Jalan BMU 2, Bandar Baru Merlimau Utara, 77300 Merlimau.	Tel : 06-2633 587/2633 615 Fax : 06-2633 622

## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location: Johor**

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>AGROBANK NEGERI JOHOR</b> No. 66 Susur 1, Jalan Tun Abdul Razak Kompleks Medan Cahaya 80000 Johor Bahru.	Tel : 07-2279 576/2247 788/2237 201 Fax : 07-2237 377
2	<b>AGROBANK JOHOR BAHRU</b> No. 30 & 32, Jln Padi Emas 6/1, Bandar Baru Uda, 81200 Johor Bahru.	Tel : 07-2344 761/2344 762 Fax : 07-2344 751/2344 759
3	<b>AGROBANK MUAR</b> No. 63-1, Jalan Ali 84000 Muar.	Tel : 06-9523 446/9515 625 Fax : 06-9511 400
4	<b>AGROBANK BATU PAHAT</b> No. 4 & 5, Jalan Mengkudu Taman Makmur 83000 Batu Pahat.	Tel : 07-4342 182/4348 281 Fax : 07-4310 202
5	<b>AGROBANK SEGAMAT</b> No. 52, Jalan Susur Genuang, Kg. Abdullah, 85000 Segamat.	Tel : 07-9312 346/9312 327 Fax : 07-9321 046
6	<b>AGROBANK PONTIAN</b> No. 660-1, Jalan Taib Wisma Rokijah 82000 Pontian.	Tel : 07-6871 955/6871 958 Fax : 07-6874 290
7	<b>AGROBANK RENGIT</b> No. 75 & 76, Jalan Besar 83100 Rengit.	Tel : 07-4241 304/4242 523 Fax : 07-4242 367
8	<b>AGROBANK KOTA TINGGI</b> No. 16 & 18, Jalan Niaga 2 Pusat Perdagangan Kota Tinggi 81900 Kota Tinggi.	Tel : 07-8832 042/8833 471 Fax : 07-8831 050
9	<b>AGROBANK MERSING</b> No. 74, Jalan Ismail 86800 Mersing.	Tel : 07-7991 434/7992 988 Fax : 07-7994 022
10	<b>AGROBANK KLUANG</b> No. 60, Jalan Duku 86000 Kluang.	Tel : 07-7722 436/7721 800 Fax : 07-7736 170
11	<b>AGROBANK LABIS</b> No. 92 & 94, Jalan Segamat 85300 Labis.	Tel : 07-9254 417/9254 418 Fax : 07-9254 416

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Johor

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
12	<b>AGROBANK BUKIT GAMBIR</b> No. 1, Jalan Gambir 5, Bandar Baru Bukit Gambir, 84800 Ledang.	Tel : 06-9762 305/9762 315 Fax : 06-9762 084
13	<b>AGROBANK KULAI</b> No. 23, Jalan Putra 1, Bandar Putra 81000 Kulai Jaya.	Tel : 07-6639 863 Fax : 07-6639 866
14	<b>AGROBANK YONG PENG (KIOSK)</b> No. 3, Jalan Besar 83700 Yong Peng.	Tel : 07-4674 858/4677 300 Fax : 07-4675 654
15	<b>AGROBANK SIMPANG RENGGAM (KIOSK)</b> No. 5, Jalan Kijang Taman Mohd Yassin 86200 Simpang Renggam.	Tel : 07-7559 890/7558 600 Fax : 07-7558 304
16	<b>AGROBANK TANGKAK</b> No. 3A & 5, Jalan Muar, Pusat Perniagaan Naib Long, 84900 Tangkak.	Tel : 06-9786 401/9786 402 Fax : 06-9786 400
17	<b>AGROBANK PARIT YUSOF</b> 12, Jalan Parit Yusof, 83600, Batu Pahat.	Tel : 07-4163 479
18	<b>AGROBANK FELDA TENGGAROH 2</b> No. 1A, Bangunan IKS, Bangunan Tenggaroh 2, 86810 Mersing.	Tel : 07-7911 045/7911 090 Fax : 07-7911 143
19	<b>AGROBANK PAGOH</b> No. 163-3, Tingkat Bawah, Jalan Sekolah, Pekan Pagoh, 84600 Muar.	Tel : 06-9746 322/9746 351 Fax : 06-9746 412

## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Perak

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE NEGERI PERAK</b> No. 15 & 17, Tingkat 2 & 3 Persiaran Greentown 5 Pusat Perdagangan Greentown 30450 Ipoh.	Tel : 05-2559 380/2559 394/2559 964 Fax : 05-2423 518
2	<b>AGROBANK IPOH</b> No. 15 & 17, Ting. Bawah & 1 Persiaran Greentown 5 Pusat Perdagangan Greentown 30450 Ipoh.	Tel : 05-2548 742/2540 840/2556 094 Fax : 05-2424 715
3	<b>AGROBANK TELUK INTAN</b> No. 42, Medan Mahkota Jalan Pasar 36000 Teluk Intan.	Tel : 05-6222 644/6226 816/6218 400 Fax : 05-6215 986/6229 489
4	<b>AGROBANK BAGAN SERAI</b> No. 106 & 108, Jalan Besar 34300 Bagan Serai.	Tel : 05-7215 377/7215 376/721 2376 Fax : 05-721 2 414/721 2601
5	<b>AGROBANK PANTAI REMIS</b> No. 2190, Jalan Besar 34900 Pantai Remis.	Tel : 05-6771 725/6772 352 Fax : 05-6771 892
6	<b>AGROBANK KUALA KANGSAR</b> No. K6 & K7, Jalan Bendahara Bandar Baru 33000 Kuala Kangsar.	Tel : 05-7761 155/7763 149/7766 682 Fax : 05-7762 922
7	<b>AGROBANK SITIAWAN</b> No. 109 & 110, Taman Sejati 2 Jalan Lumut 32000 Sitiawan.	Tel : 05-6917 490/6917 487/6924 540 Fax : 05-6917 061
8	<b>AGROBANK TAIPING</b> No. 37, Ting. Bawah dan Satu Market Square 34000 Taiping.	Tel : 05-8089 834/8089 835 Fax : 05-8089 837
9	<b>AGROBANK SRI ISKANDAR</b> No. 8, Persiaran Dataran 1, Bandar Sri Iskandar 32600 Sri Iskandar.	Tel : 05-3712 743/3712 745 Fax : 05-3712 744

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Perak

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
10	<b>AGROBANK KAMPAR</b> No. 46, Jalan Balai 31900 Kampar.	Tel : 05-4666 009/4666 010 Fax : 05-4666 016
11	<b>AGROBANK GERIK</b> No. 109, Jalan Takong Datok 33300 Gerik.	Tel : 05-7913 640/7913 655 Fax : 05-7913 641
12	<b>AGROBANK TAPAH</b> No. 53-B Jalan Besar 35000 Tapah.	Tel : 05-4014 600/4014 601 Fax : 05-4014 602
13	<b>AGROBANK CAMERON HIGHLANDS</b> No. 54A & B, Persiaran Camelia 3 Bandar Baru Tanah Rata, 39000 Tanah Rata Cameron Highlands.	Tel : 05-4912 500 Fax : 05-4912 863
14	<b>AGROBANK SEBERANG PERAK</b> Tingkat Bawah, Bangunan FELCRA Berhad Bandar Seberang Perak 36800 Kampung Gajah.	Tel : 05-6551 089/6551 469/6551 255 Fax : 05-6551 090
15	<b>AGROBANK SLIM RIVER</b> No. 10, Jalan Ahmad Boestaman 35800 Slim River.	Tel : 05-4528 074/4528 067 Fax : 05-4520 090
16	<b>AGROBANK SELAMA</b> No. 69, Jalan Besar 34100 Selama.	Tel : 05-8395 250/8395 251 Fax : 05-8395 252
17	<b>AGROBANK TANJONG MALIM</b> No. 60, Jalan Besar 35900 Tanjung Malim.	Tel : 05-4598 800/4598 801 Fax : 05-4598 804
18	<b>AGROBANK PARIT</b> Lot 779, Jalan Kelab 32800 Parit.	Tel : 05-3771 306/3771 902 Fax : 05-3773 392
19	<b>AGROBANK LENGGONG</b> No. A-4, Plaza Lenggong 33400 Lenggong.	Tel : 05-7678 828 Fax : 05-7678 849

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location: Perak**

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
20	<b>AGROBANK KAMPUNG GAJAH</b> No. 13 & 14, Bangunan UMNO, Jalan Besar 36800 Kampung Gajah.	Tel : 05-6311 788/6311 570/6312 658 Fax : 05-6312 403
21	<b>AGROBANK PARIT BUNTAR</b> No. 1, Jalan Shah Bandar, Pusat Bandar 34200 Parit Buntar.	Tel : 05-7164 121 Fax : 05-7164 457
22	<b>AGROBANK RTC GOPENG</b> Lot E08 - E10, Pasar Utama, Komplek Terminal Agribisnes Negara (TEMAN), Kawasan Perindustrian Gopeng 2, KM16, Jalan Gopeng, 31600 Gopeng.	Tel : 05-3571 972/3572 548 Fax : 05-3572 553
23	<b>AGROBANK PULAU PANGKOR</b> No. 9, Jalan Besar 32300 Pulau Pangkor.	Tel : 05-6852 281 Fax : 05-6854 318
24	<b>AGROBANK CHANGKAT KRUING</b> No. 248, Jalan Besar, 32500 Changkat Kruing	Tel : 05-6752104 Fax : 05-6752105
25	<b>AGROBANK UTC PERAK</b> Pusat Transformasi Bandar, Lot LA 12, 2nd Upper Floor, UTC Perak, Off Jalan Dato' Onn Jaafar, 30300 Ipoh.	Tel : 05-2413 617/2413 614 Fax : 05-2413 616

## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location: Pulau Pinang**

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE NEGERI PULAU PINANG/KEDAH/PERLIS</b> No. 49, Jalan Selat, Taman Selat 12000 Butterworth.	Tel : 04-3328 032/3328 059 Fax : 04-3331 026
2	<b>AGROBANK BUTTERWORTH</b> No. 49, Jalan Selat Taman Selat 12000 Butterworth.	Tel : 04-3314 539/3314 540 Fax : 04-3316 923
3	<b>AGROBANK KEPALA BATAS</b> No. 1 & 3, Jalan Bertam 13200 Kepala Batas.	Tel : 04-5751 422/5755 906 Fax : 04-5755 232
4	<b>AGROBANK BAYAN BARU</b> No. 16 & 18 Jalan Tengah Taman Penanti, 11900 Bayan Baru.	Tel : 04-6443 604/6452 395/6464 579 Fax : 04-6446 052/6452 395
5	<b>AGROBANK NIBONG TEBAL</b> No. 1695 & 1696, Jalan Besar 14300 Nibong Tebal.	Tel : 04-5931 144/5933 451 Fax : 04-5933 992
6	<b>AGROBANK BALIK PULAU</b> No. 858-E, Jalan Besar, Taman Seri Indah 11000 Balik Pulau	Tel : 04-8660 912/8666 021 Fax : 04-8660 686
7	<b>AGROBANK BUKIT MERTAJAM</b> No. 3341 & 3342, Jalan Pusat Perniagaan Alma, 14000 Bukit Mertajam	Tel : 04-5512 300/5512 301 Fax : 04-5512 302
8	<b>AGROBANK TASEK GELUGOR</b> Lot 7, No. 3025, Jalan Hashim Awang, Taman Gelugor Indah 13300 Tasek Gelugor Seberang Perai Utara.	Tel : 04-5733 832/04-5732 775 Fax : 04-5731 981
9	<b>AGROBANK BATU MAUNG</b> No. 21-1, Lintang Batu Maung 1, 11960 Bayan Lepas.	Tel : 04-6264150 Fax : 04-6262517
10	<b>AGROBANK PENANTI</b> No. 15, Jalan Penanti 1 Taman Penanti 14000 Bukit Mertajam.	Tel : 04-5213 651 Fax : 04-5212 258
11	<b>AGROBANK TELUK BAHANG</b> 48-0-6, Jalan Hassan Abbas, 11050 Teluk Bahang.	Tel : 04-8852 657 Fax : 04-8851 640

## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Kedah/Perlis

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>AGROBANK NEGERI KEDAH/PERLIS</b> 1518-A, Jln Tunku Ibrahim, Peti Surat 95 05710 Alor Star.	Tel : 04-7332 708/7333 578/7333 260/7302 722 Fax : 04-7338 355
2	<b>AGROBANK ALOR SETAR</b> 1518-A, Jln Tunku Ibrahim, Peti Surat 95 05710 Alor Star.	Tel : 04-7332 545/7332 558/7310 952 Fax : 04-7307 813
3	<b>AGROBANK KODIANG</b> No. 81 E. Jalan Jitra. 06100 Kodiang.	Tel : 04-9255 137/9255 166 Fax : 04-9255 896
4	<b>AGROBANK GUAR CEMPEDAK</b> Lot 318, Jalan Yan, Pekan Guar Cempedak, 08800 Guar Cempedak.	Tel : 04-4686 280/4687 281 Fax : 04-4687 986
5	<b>AGROBANK BALING</b> Blok B, Kompleks IADP, Daerah Baling, 09100 Baling.	Tel : 04-4701 342/4701 722/4704 628 Fax : 04-4702 333
6	<b>AGROBANK LANGKAWI</b> No. 20 & 22, Jln. Pandak Mayah 4, Pusat Bandar Kuah, 07000 Langkawi.	Tel : 04-9666 931/9668 076/9662 990 Fax : 04-9666 830
7	<b>AGROBANK SUNGAI PETANI</b> No. 12 & 13, Jln PPZ 1, Pusat Perniagaan Zamrud, 08000 Sungai Petani.	Tel : 04-4218 608/4215 780 Fax : 04-4426 310
8	<b>AGROBANK JITRA</b> No. 95A & B, Jalan PJ 3 , Kompleks Pekan Jitra 2, 06000 Jitra.	Tel : 04-9170 120/9170 121 Fax : 04-9170 411
9	<b>AGROBANK PENDANG</b> Tingkat bawah, Kompleks Perniagaan Majlis Daerah Pendang, 06700 Pendang.	Tel : 04-7596 163/7596 446 Fax : 04-7596 458
10	<b>AGROBANK SIK</b> No. 438, Jalan Tunku Ibrahim, 08200 Sik.	Tel : 04-4695 282/4695 059 Fax : 04-4695 775

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Kedah/Perlis

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
11	<b>AGROBANK KUALA NERANG</b> No. 4, Mukim Belimbing, Padang Terap, 06300 Kuala Nerang Kedah Darul Makmur.	Tel : 04-7866 433/7868 334 Fax : 04-7866 390
12	<b>AGROBANK SIMPANG EMPAT</b> Lot 1658, Mukim Kayang, 02700 Simpang Empat.	Tel : 04-9807 234/9807 763 Fax : 04-9807 807
13	<b>AGROBANK KANGAR</b> No. 25, Jalan Indera Kayangan, 01000 Kangar.	Tel : 04-9768 479/9768 477 Fax : 04-9768 482
14	<b>AGROBANK KULIM</b> No. 4, Kompleks PKNK Jalan Tengku Mohd Asaad 09000 Kulim Kedah Darul Makmur.	Tel : 04-4908 015/4908 017 Fax : 04-4908 016
15	<b>AGROBANK KUALA PERLIS</b> No. 24, Jalan Besar 02000 Kuala Perlis.	Tel : 04-9855 550/9851 215 Fax : 04-9855 778
16	<b>AGROBANK SERDANG</b> No. 20, Tingkat Bawah Bangunan, Rumah Kedai MDBB, Jalan Bekas Lombok, 09800 Serdang.	Tel : 04-4078909

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Terengganu

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE NEGERI TERENGGANU/KELANTAN</b> No. 106, Jalan Sultan Ismail 20200 Kuala Terengganu.	Tel : 09-6222 408/6222 508 Fax : 09-6224 139
2	<b>AGROBANK KUALA TERENGGANU</b> No. 106, Jalan Sultan Ismail 20200 Kuala Terengganu.	Tel : 09-6222 044/6222 126/6220 139 Fax : 09-6220 479
3	<b>AGROBANK DUNGUN</b> K-42, Jalan Haji Zainal Abidin 23000 Dungun.	Tel : 09-8481 146/8482 127 Fax : 09-8483 698
4	<b>AGROBANK JERTEH</b> Lot 182, Jalan Tuan Hitam 22000 Jerteh.	Tel : 09-6971 261/6971 443/6972 400 Fax : 09-6972 196
5	<b>AGROBANK KEMAMAN</b> No. KCP 55, Jalan Sulaimani Business Centre Point 24000 Kemaman.	Tel : 09-8593 455/8593 254 Fax : 09-8595 757
6	<b>AGROBANK KUALA BERANG</b> No. 344, Jalan Besar 21700 Kuala Berang.	Tel : 09-6811 434/6811 433/6813 419 Fax : 09-6811 806
7	<b>AGROBANK CENEH BARU</b> No. 3, Bandar Baru Ceneh 24000 Kemaman.	Tel : 09-8730 454/09-8730 578 Fax : 09-8730 461
8	<b>AGROBANK BUKIT PAYONG</b> PT92, Perkedaian Bukit Payong, Fasa 2, 21400 Marang.	Tel : 09-6191 006/6191 925 Fax : 09-6190 934/6191 811
9	<b>AGROBANK BANDAR PERMAISURI</b> No. 3, Tingkat Bawah, Bangunan MDS 22100 Setiu.	Tel : 09-6099 735 Fax : 09-6099 162
10	<b>AGROBANK MARANG (KIOSK)</b> Lot 2, Rumah Kedai MARA 21600 Marang.	Tel : 09-6182 771/6183 477 Fax : 09-6182 809
11	<b>AGROBANK KUALA BESUT</b> PT 2833, Rumah Kedai, Jalan Semarak, 22300 Kuala Besut.	Tel : 09-6974 885 Fax : 09-6904 936

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location: Kelantan**

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>AGROBANK NEGERI KELANTAN</b> Tingkat 2, Seksyen 12, Jalan Padang Garong 15000 Kota Bharu.	Tel : 09-7487 684/7481 295/7476 733 Fax : 09-7471 521
2	<b>AGROBANK KOTA BHARU</b> Seksyen 12, Jalan Padang Garong 15000 Kota Bharu.	Tel : 09-7481 211/7440 134/7462 616 Fax : 09-7462 143
3	<b>AGROBANK KUALA KRAI</b> Lot 1520, Jalan Tengku Zainal Abidin 18000 Kuala Krai.	Tel : 09-9666 116/9663 436 Fax : 09-9660 634/9663 349
4	<b>AGROBANK PASIR PUTEH</b> 2988-B, Lot 471, Jalan Sekolah Keb. Lelaki 16800 Pasir Puteh.	Tel : 09-7867 311/7866 258 Fax : 09-7867 130
5	<b>AGROBANK BACHOK</b> Lot 294, Bandar Bachok 16300 Bachok.	Tel : 09-7788 393/7788 804 Fax : 09-7789 977/7788 807
6	<b>AGROBANK PASIR MAS</b> Lot 308, 128 & 129, Jalan Pasir Pekan 17000 Pasir Mas.	Tel : 09-7909 098/7900 544 Fax : 09-7900 688
7	<b>AGROBANK TANAH MERAH</b> Lot 219 & 220, Jalan Hospital, 17500 Tanah Merah.	Tel : 09-9556 100/9557 287 Fax : 09-9556 169
8	<b>AGROBANK JELI</b> Lot PT 1527, Jalan Kuala Balah 17600 Bandar Baru Jeli.	Tel : 09-9440 252/9440 886 Fax : 09-9440 469
9	<b>AGROBANK GUA MUSANG</b> PT 8288 & 8289, Wisma Galas, 18300 Gua Musang.	Tel : 09-9122 542/9122 244 Fax : 09-9122 949
10	<b>AGROBANK KUBANG KERIAN</b> PT 1662 & PT 1663, Bangunan Yakin, Jalan Raja Perempuan Zainab II, Kenali, Kubang Kerian 16150 Kota Bharu.	Tel : 09-7640 532/7640 533/7640 630 Fax : 09-7640 529

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

### Lokasi/Location: Kelantan

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
11	<b>AGROBANK RTC KOTA BHARU</b> Rural Transformation Centre Lot Bank 2, Aras G, Pejabat Pentadbiran TEMAN, Lot 3309, Batu 4, Lebuhraya Pasir Mas-Salor, 15150 Kota Bharu.	Tel : 09-7433 067/7433 271/7444 303 Fax : 09-7433 354
12	<b>AGROBANK TUMPAT</b> No. 127, Jalan Hulu Pasar 16200 Tumpat.	Tel : 09-7258 279 Fax : 09-7258 278
13	<b>AGROBANK RANTAU PANJANG</b> PT 199 Kompleks Perkedaian Baru 17200 Rantau Panjang.	Tel : 09-7950 520/7950 877 Fax : 09-7950 160
14	<b>AGROBANK MACHANG</b> Lot PT(B) 145, Jalan Pasir Puteh Bandar Baru 18500 Machang.	Tel : 09-9753 391 Fax : 09-9751 480
15	<b>AGROBANK JELAWAT</b> PT 94, Pekan Jelawat, 16370 Bachok.	Tel : 09-7783 075 Fax : 09-7780 957
16	<b>AGROBANK PASAR SITI KHADIJAH</b> Tingkat 1, Pasar Besar Siti Khadijah, Buluh Kubu, 15000 Kota Bharu.	Tel : 09-7461 198

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Sabah

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE SABAH</b> Tingkat 2, No. 135 Jalan Gaya, Beg Berkunci 145 88994 Kota Kinabalu.	Tel : 088-288 237/288 228/288 211/267 071 Fax : 088-288 222
2	<b>AGROBANK KOTA KINABALU</b> No. 135, Jalan Gaya, Beg Berkunci 145 88994 Kota Kinabalu.	Tel : 088-288 288/288 283/288 200 /288 285 Fax : 088-288 280
3	<b>AGROBANK TAWAU</b> No. 7 Block N, Jalan Dunlop Bandar Sabindo, Peti Surat 60157 91011 Tawau.	Tel : 089-773 222/773 291/773 294/770 202 Fax : 089-765 677
4	<b>AGROBANK SANDAKAN</b> Menara Rickoh, Tingkat bawah, Indah Commercial Complex, Bandar Indah, Mile 4 North Road, 90715 Sandakan.	Tel : 089-275 958/275 524 Fax : 089-216 705
5	<b>AGROBANK KENINGAU</b> Block D, Lot 1, Keningau Plaza, Peti Surat No. 2065, 89009 Keningau.	Tel : 087-334 353/333 373/331 353 Fax : 087-332 487
6	<b>AGROBANK LAHAD DATU</b> MDLD 4155, Lot 58, Tingkat 1 & 2 Bandar Wilayah, Jalan Bunga Raya 91110 Lahad Datu.	Tel : 089-882 561/888 562 Fax : 089-882 291
7	<b>AGROBANK KOTA BELUD</b> Lot 3 & 4, Blok E, Pekan Baru 89150 Kota Belud.	Tel : 088-977 141/975 125/975 137/975 145 Fax : 088-977 152
8	<b>AGROBANK BEAUFORT</b> Lot 13 & 13A, Ground & First Floor, Blok B, New Beaufort Jaya, Peti Surat 506, 89800 Beaufort.	Tel : 087-201 301/201 305/201 303/201 306 Fax : 087-201 302
9	<b>AGROBANK KOTA MARUDU</b> Blok D, Lot 22 Pekan Baru Goshen 89100 Kota Marudu.	Tel : 088-661 793/663 021 Fax : 088-662 325

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Sabah

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
10	<b>AGROBANK KOTA KINABATANGAN</b> Block A, Lot 1 & 2, Kota Kinabatangan, New Township, 90200 Kota Kinabatangan.	Tel : 089-562 087/562 088/562 089/562 091 Fax : 089-562 093
11	<b>AGROBANK W.P. LABUAN</b> No. U0374, Jln. Anggerik 87007 WP Labuan.	Tel : 087-408 988/408 200 Fax : 087-408 222
12	<b>AGROBANK TUARAN</b> Lot 5 & 6, Bangunan Sung Burongoh, Tuaran Point 89208 Tuaran.	Tel : 088-791 499/792 906 Fax : 088-791 499
13	<b>AGROBANK PAPAR</b> Lot 9, Taman OKK Hj. Mahali 89608 Papar.	Tel : 088-914 384/916 208 Fax : 088-915 449
14	<b>AGROBANK RANAU</b> Lot 6, Blok D, Peti Surat 42, 89300 Ranau.	Tel : 088-876 105/876 106/876 107 Fax : 088-876 108
15	<b>AGROBANK SEMPORA</b> Ground Floor, Lot 14 Block D, Bandar Baru, 91308 Semporna.	Tel : 089-782 323/324 Fax : 089-782 325
16	<b>AGROBANK KUDAT</b> Blok F, Lot 1, Pekan Tomborungus, Peti Surat 782, 58057 Kudat.	Tel : 088-624 900/624 901 Fax : 088-624 903
17	<b>AGROBANK NABAWAN</b> Majlis Daerah Nabawan, Peti Surat No. 27, 89957 Nabawan.	Tel : 087-366 136/366 163 Fax : 087-366 133
18	<b>AGROBANK PENAMPANG</b> Blok D, Lot 3, Donggongan New Township, Phase II Penampang, 89507 Kota Kinabalu.	Tel : 088-729 380/729 381 Fax : 088-729 390
19	<b>AGROBANK KUALA PENYU</b> Rumah Kedai Sedco, Lot 10, Pekan Baru, 89747 Kuala Penyu.	Tel : 087-885 831/885 832/ 884 753 Fax : 087-885 830

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Sarawak

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
1	<b>BUSINESS CENTRE SARAWAK</b> Tingkat 2 & 3, Lot 518 (No. 15H), Section 6 KTLD, Jalan Kulas Tengah, 93400 Kuching.	Tel : 082-424 577/429 077/241 652/ 235 091 Fax : 082 243 363/231 537
2	<b>AGROBANK KUCHING</b> Tingkat Bawah & Tingkat 1, Lot 518 (No. 15H), Section 6 KTLD, Jalan Kulas Tengah, 93400 Kuching.	Tel : 082-410 126/410 827/410 671/410 419 Fax : 082-243 798/235 368
3	<b>AGROBANK SARIKEI</b> No. 39, Lot 74, Jln. Haji Karim Peti Surat 429 96107 Sarikei.	Tel : 084-654 334/654 326 Fax : 084-653 677
4	<b>AGROBANK LAWAS</b> Lot 324, Jalan Trusan Peti Surat 197, 98857 Lawas.	Tel : 085-285 762/285 064 Fax : 085-285 055
5	<b>AGROBANK SIBU</b> No. 10D & 10E, Jalan Kampung Datu, 96000 Sibu.	Tel : 084-325 199/323 188/327 648 Fax : 084-323777
6	<b>AGROBANK SRI AMAN</b> Sub Lot No. 8, Lot 1530, Blok 3 Jalan Sabu, Peti Surat 354 95008 Sri Aman.	Tel : 083-321 788/320 839/327 944/327 946 Fax : 083-320 923
7	<b>AGROBANK MIRI</b> Lot 1305, Ground & First Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri.	Tel : 085-411 801/411 818/411 802 Fax : 085-420 986
8	<b>AGROBANK BINTULU</b> No. Lot 227, Sub Lot 31 Parkcity Commerce Square Phase 3 Jalan Tun Ahmad Zaidi 97000 Bintulu.	Tel : 086-330 015/330 016 Tel : 086-330 017
9	<b>AGROBANK LIMBANG</b> Lot 1405, Jalan Buangsiol 98700 Limbang.	Tel : 085-213 076/213 077/215 224 Fax : 085-213 487

## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Sarawak

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
10	<b>AGROBANK MUKAH</b> Sub Lot 59, Medan Setia Raja 96400 Mukah.	Tel : 084-874 048/874 049 Fax : 084-874 050
11	<b>AGROBANK KAPIT</b> Lot 353 & 354, Jalan Yong Moo Chai Peti Surat 355 96807 Kapit.	Tel : 084-797 144/799 972/799 155 Fax : 084-797 006
12	<b>AGROBANK SERIAN</b> Lot 291, Serian Bazaar Off Serian By Pass 94700 Serian.	Tel : 082-876 823/876 824 Fax : 082-876 825
13	<b>AGROBANK SARATOK</b> No. 20, Lot 636, Pekan Saratok 95400 Saratok.	Tel : 083-437 328/437 337 Fax : 083-437 326
14	<b>AGROBANK BETONG</b> Sublot 60, Bandar Baru Betong, 95700 Betong.	Tel : 083-472 382/472 584 Fax : 083-472 593
15	<b>AGROBANK KOTA SAMARAHAN</b> No. 1, Univista Commercial Centre, Kch-Samarahan Expressway, 94300, Kota Samarahan.	Tel : 082-662 550/662 551 Fax : 082-662 553
16	<b>AGROBANK SIMUNJAN</b> No. 2, Lot 139, Jalan Nanas 94800 Simunjan.	Tel : 082-803 812/803 629 Fax : 082-803 695
17	<b>AGROBANK SELANGAU</b> Sub Lot No. 35, Lot 95, Blok 14, Selangau New Town Phase 2, 96008 Sibu.	Tel : 084-891 189 Fax : 084-891 142
18	<b>AGROBANK PUSA</b> Sublot 5, Lot 1031, Block 6, Sablor Land District, 94950 Pusa.	Tel : 083-465 326/465 327 Fax : 083-465 328
19	<b>AGROBANK DARO</b> Tingkat Bawah (Sublot No. 35), Lot 158, Jalan Bazaar, 96200 Daro.	Tel : 084-823 819 Fax : 084-823 820

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## DIREKTORI KORPORAT CORPORATE DIRECTORY

**Lokasi/Location:** Sarawak

No.	Alamat/Address	Talian untuk Dihubungi/Contact No
20	<b>AGROBANK LUBOK ANTU</b> No. 163, Lubok Antu Town District, 95900 Lubok Antu.	Tel : 083-584 042/584 043/584 044 Fax : 083-584 016
21	<b>AGROBANK JULAU (AGRO CORNER)</b> Tingkat 1, Majlis Daerah Maradong & Julau, Pejabat Cawangan Julau, 96600 Julau.	Tel : 084-734 013 Fax : 084-734 045
22	<b>AGROBANK MATU (AGRO CORNER)</b> Majlis Daerah Matu-Daro, Bangunan Datuk Pengiran Hipni, Jalan Datuk Pengiran Hipni, 96250 Matu, Bahagian Mukah.	Tel : 084-832 166 Fax : 084-832 136
23	<b>AGROBANK PAKAN (AGRO CORNER)</b> Pejabat Daerah Pakan, 96510 Pakan.	Tel : 013-5750242 (Rohaizanizam Bin Hamzah)
24	<b>AGROBANK SPAOH (AGRO CORNER)</b> Ground Floor, Pejabat Daerah Kecil Spaoh, 95600 Spaoh.	Tel : 083-473 035/473 036 Fax : 083-473 037

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