



MENCPTA NILAI MERENTASI PERBANKAN

CREATING VALUES BEYOND BANKING



LAPORAN TAHUNAN
ANNUAL REPORT

2017

MENCIPTA

NILAI MERENTASI PERBANKAN

CREATING VALUES BEYOND BANKING

Sebagai sebuah institusi kewangan pembangunan yang unik dengan mandat untuk membangunkan industri pertanian, kami berhasrat untuk meningkatkan kesedaran yang lebih bermakna kepada masyarakat di semua peringkat mengenai potensi industri berdasarkan pertanian. Kami beriltizam untuk menghasilkan dan memenuhi keperluan khusus komuniti pertanian melalui inovasi produk kami, seiring dengan usaha kami untuk memacu industri pertanian ke arah kegemilangan.

Kami telah melakar perjalanan hebat semenjak sejak tahun 1969 di dalam usaha meningkatkan taraf sosioekonomi dan memperkasakan pertumbuhan sektor pertanian. Kewujudan kami di seluruh pelusuk negara menggambarkan dedikasi berterusan kami dalam memastikan akses perkhidmatan kewangan yang menyeluruh boleh dan mampu dinikmati oleh komuniti luar bandar dan golongan yang kurang mendapat perhatian.

Di samping menyediakan penyelesaian kewangan yang menyeluruh merentasi rantai nilai pertanian, kami juga menawarkan produk dan perkhidmatan berorientasikan pelanggan bertujuan untuk meningkatkan taraf hidup komuniti yang kurang mendapat akses kepada perkhidmatan kewangan. Kami juga komited membina keupayaan untuk menyediakan kemudahan dan perkhidmatan yang lebih baik untuk membantu para usahawan, memastikan kesejahteraan komuniti serta persekitaran yang mampu sekaligus memacu pertumbuhan ekonomi tanpa menjaskan pulangan terhadap pemegang saham.

Melangkah ke hadapan, kami berhasrat untuk terus meningkatkan tahap perkhidmatan kami dengan memberikan khidmat perbankan yang cemerlang bagi memenuhi keperluan anda, seiring dengan fokus kami untuk menerajui perantaraan berdasarkan nilai atau *value-based intermediation (VBI)* yang mengutamakan penghasilan nilai merentasi perbankan.

As a unique development financial institution with a mandate to develop Malaysia's agriculture industry as our core DNA, we hope to create greater awareness among individuals within and beyond the industry on Malaysia's agriculture industry's potentials. As an economic sector that was meant to bring greater economic inclusion, we are committed to continuously create and bridge the unique needs of the community through our product innovations as well as to drive the industry to prominence.

We have chartered a great journey since 1969 to uplift the nation's socio-economy and enhance growth of the agriculture sector. Our nationwide footprint reflects our constant dedication to ensure widespread access to affordable financial services for marginalised communities.

Whilst providing comprehensive financial solutions across the agriculture value chain, we also offer client oriented products and services to uplift un-served and underserved communities' standard of life. We continuously build capabilities for better facilitation of entrepreneurs, community well-being, sustainable environment and economic growth, without compromising our shareholders' returns.

Moving forward, we aim to serve you better by continuously delivering exceptional banking services to cater to all, in-line with our focus to champion value-based intermediation (*VBI*) that champions value creation beyond banking.

MENGENAI LAPORANINI ABOUT THIS REPORT

Laporan ini ditulis bagi memberi pemahaman yang lebih baik mengenai usaha yang kami lakukan dalam kelestarian kewangan Bank dan sekaligus memperkuatkannya penglibatan kami dalam segmen perniagaan strategik di sepanjang dalam rantau nilai pertanian, dan pada masa yang sama, mengekalkan standard kehematan yang tinggi dari segi modal, kecairan dan peruntukan susut nilai.

Kami juga membentangkan rangka kerja tadbir urus kami secara jelas, dengan mengambil kira kepelbagaiannya peranan pihak berkepentingan, khususnya kementerian-kementerian dan badan-badan kawal selia yang terlibat dengan industri pertanian dan perbankan. Kami percaya struktur tadbir urus yang berkesan membantu memperkuatkannya keyakinan pada teras kekuatan Bank, dengan memaklumkan kepada para pembaca tentang amalan terbaik yang telah diterapkan dalam membuat keputusan.

Kami menerapkan amalan terbaik dalam pelaporan kewangan bagi industri perbankan, sebagaimana yang disarankan Kod Tadbir Urus Korporat Malaysia (MCCG), Bank Negara Malaysia (BNM), selain Majlis Pelaporan Bersepadu Antarabangsa (IIRC).

This report has been written to provide greater understanding of our efforts to ensure the Bank is financially sustainable and to continuously strengthen our involvement in strategic segments along the agriculture value chain, while at the same time maintain high prudent standards with regards to capital, liquidity and impairment allowances requirements.

We have also clearly presented our governance framework, taking into account the different roles of our stakeholders, namely the ministries and regulatory bodies involved in the agriculture and banking industries. We believe that an effective governance structure serves to build greater confidence in the Bank's fundamentals, informing readers of the best practices that have been adhered to in our decision-making.

We have adopted best practices in financial reporting for the banking industry as advocated by the Malaysian Code on Corporate Governance (MCCG), Bank Negara Malaysia (BNM) as well as the International Integrated Reporting Council (IIRC).

DALAM LAPORAN INI

Mencipta Nilai Merentasi Perbankan
Creating Values Beyond Banking

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MEMERAH POTENSI LEMBU TENUSU!

MILK THE POTENTIAL OF DAIRY CATTLE!



Ketika ini, permintaan susu di Malaysia dipenuhi

oleh susu import dari Australia, New Zealand dan lain-lain negara pengeluar susu kerana industri susu lembu tempatan adalah kecil. Bagaimanapun, peningkatan berterusan dalam harga jualan susu berkualiti tinggi menjadikan perniagaan ini semakin berdaya maju. Bagi memenuhi keperluan negara, pengeluaran susu segar disasarkan pada 36 juta liter setiap tahun, dengan sasaran tambahan 20 juta liter untuk lima tahun akan datang. Pihak kerajaan merancang untuk meningkatkan pengeluaran susu negara untuk kegunaan domestik dengan menambah sekurang-kurangnya 10,000 lembu tenusu sepanjang tempoh ini. **Sejajar dengan ini, Agrobank bersama East Coast Economic Region Development Council (ECERDC) dan The Holstein Milk Company (HMC) [Syarikat Utama] telah mewujudkan satu kerjasama strategik bagi meningkatkan pengeluaran susu untuk kegunaan domestik menerusi satu program pembiayaan bersepadu bagi membantu pengusaha lembu tenusu di Pahang dan kawasan sekitar.**

Currently, Malaysia's milk demand is mainly supported by imports from Australia, New Zealand and numerous other dairy producing countries as the local dairy cattle industry is relatively small. However, the steady rise in selling price of good quality milk makes the business increasingly viable. For the country to be self-sufficient, targeted fresh milk production has been set at 36 million litres yearly, with the aim of adding another 20 million litres in the next five years. The government plans to boost national milk production for local consumption by introducing 10,000 more dairy cows during this period. **In line with this, Agrobank together with the East Coast Economic Region Development Council (ECERDC) and The Holstein Milk Company (HMC) [Anchor Company] has formed a strategic alliance to increase milk production for local consumption through an integrated funding programme provided to satellite dairy farmers in Pahang and its surrounding areas.**





DATUK YAP YUN FOOK
Pengarah Urusan/Managing Director
Evergreen Livestock Sdn. Bhd.

Pelanggan Agrobank sejak tahun 1998
Agrobank's customer since 1998

SEIMBAS LALU

AGROBANK AT A GLANCE



Agrobank di Seluruh Negara

Komitmen berterusan bagi mengukuhkan kehadiran kami

71% cawangan Agrobank terletak di kawasan luar bandar demi memastikan komuniti pertanian dan golongan yang kurang mendapat liputan mempunyai **akses perkhidmatan kewangan yang meluas**.

WILAYAH/REGION 6	Pulau Pinang/Kedah/Perlis
25 Cawangan/Branches	
97 Ejen Perbankan/AGROAgents	
WILAYAH/REGION 3	Perak
29 Cawangan/Branches	
110 Ejen Perbankan/AGROAgents	
WILAYAH/REGION 2	KL/Selangor/Negeri Sembilan
30 Cawangan/Branches	
77 Ejen Perbankan/AGROAgents	
WILAYAH/REGION 1	Melaka/Johor
22 Cawangan/Branches	
100 Ejen Perbankan/AGROAgents	

Our Nationwide Footprint

Continuous commitment to strengthen geographical presence

71% of Agrobank's branches are located in **rural areas** for communities' **convenient accessibility**.

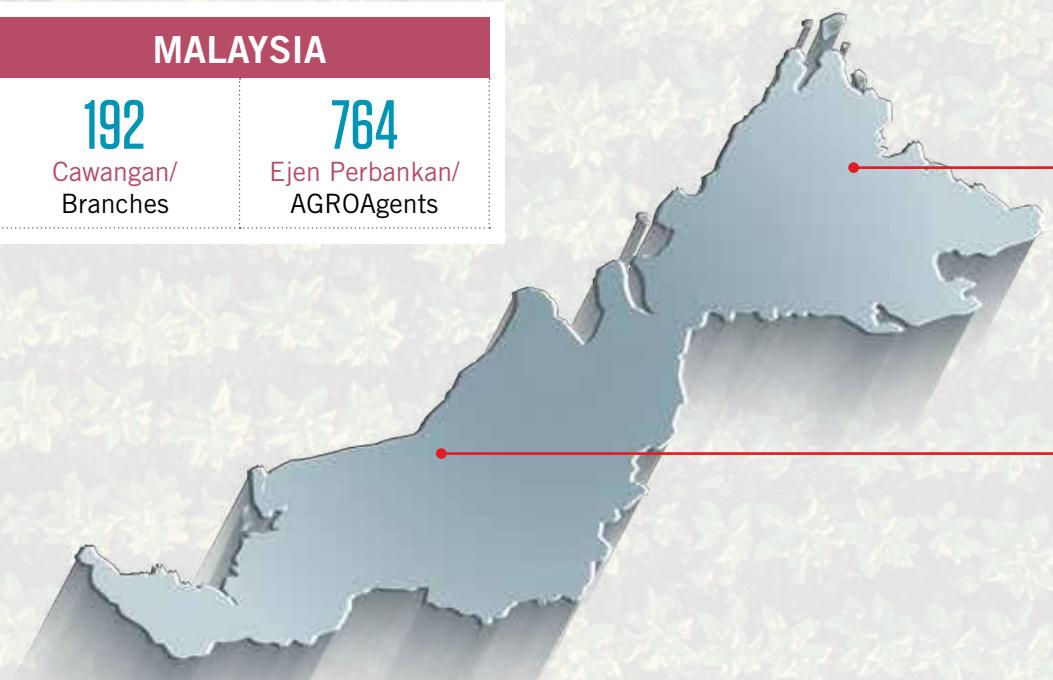


WILAYAH/REGION 4	Kelantan/Terengganu
23 Cawangan/Branches	
139 Ejen Perbankan/AGROAgents	

WILAYAH/REGION 5	Pahang
21 Cawangan/Branches	
70 Ejen Perbankan/AGROAgents	



MALAYSIA	
192 Cawangan/ Branches	764 Ejen Perbankan/ AGROAgents



WILAYAH/REGION 8
Sabah
20 Cawangan/Branches
93 Ejen Perbankan/AGROAgents

WILAYAH/REGION 7
Sarawak
22 Cawangan/Branches
78 Ejen Perbankan/AGROAgents

01 Mengenai Kami
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LATAR BELAKANG OUR INCEPTION



Bank Pertanian Malaysia (BPM) ditubuhkan pada 1969 bagi membiayai projek pengairan untuk menampung penanaman padi dwimusim di 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.



Dengan penubuhan BPM untuk menyalurkan bantuan kredit kepada para petani, BPM kemudiannya telah membuka dua buah cawangan, iaitu yang pertama di Alor Setar, Kedah pada April 1970 dan yang kedua di Kota Bharu, Kelantan. Menjelang 1980, BPM berjaya tampil sebagai penyedia perkhidmatan kredit terbesar kepada sektor pertanian luar bandar.

Berpandukan kelulusan Rang Undang-undang BPMB pada 19 Disember 2007, BPM diperbadankan di bawah Akta Syarikat 1965 dan dikenali secara komersial sebagai Agrobank iaitu sebuah bank milik Kerajaan di bawah pengawasan Menteri Kewangan Diperbadankan. Dengan tumpuan kepada pertanian, pembiayaan Agrobank bagi sektor pertanian adalah berpandukan dasar yang ditetapkan oleh Kementerian Pertanian dan Industri Asas Tani.

Subsequent to its establishment to provide credit assistance to farmers, BPM 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 Minister of Finance Incorporated. 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.

Berkuatkuasa 1 Julai 2015, Agrobank secara rasminya beroperasi sebagai bank perbankan Islam sepenuhnya. Dengan perkembangan pesat sektor perbankan Islam di negara ini, peralihan Agrobank kepada sistem perbankan Islam sememangnya merupakan perkembangan yang positif. Peralihan ini membolehkan Agrobank menyediakan produk dan perkhidmatan kewangan Islam bagi memenuhi keperluan industri makanan halal. Urusniaga-urusniaga patuh Syariah yang mendokong produk halal ini seterusnya membantu meningkatkan lagi keyakinan para pelabur dan pengguna terhadap status halal yang terdapat pada produk halal keluaran Malaysia.

Effective 1 July 2015, Agrobank officially became a full-fledged Islamic bank. The transition to the Islamic banking system is seen as a positive development, based on the rapid growth of the Islamic banking sector in the country. With the transition, Agrobank is now able to provide Islamic banking products and services to fulfill the requirements of the halal food industry. This will in turn further increase investor and consumer confidence in the halal status of Malaysian halal products, given that these are backed by Shariah-compliant business transactions.

PELAN KERJA STRATEGIK KAMI

OUR STRATEGIC FRAMEWORK



VISI VISION

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

To be a leading bank with a focus on agriculture

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MISI MISSION

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

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

To provide complete financial services according to market and consumer demand, in a financially sustainable way for specific target groups, such as:

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



OBJEKTIF

- Menggalakkan pembangunan pertanian Malaysia yang kukuh;
- Menyelaras dan menyelia penyaluran kredit daripada dana awam bagi tujuan pertanian oleh individu ataupun syarikat, sama ada diperbadankan maupun tidak;
- Menyediakan pembiayaan, pendahuluan dan kemudahan kredit demi pembangunan sektor pertanian dan perniagaan berkaitan pertanian;
- Menggembung simpanan dengan tumpuan khusus pada sektor pertanian, serta menerima simpanan dan deposit berjangka bagi mencapai objektif ini;
- Meningkatkan kesejahteraan komuniti pertanian; dan
- Menjalankan perniagaan am institusi perkhidmatan kewangan yang moden dan progresif yang memenuhi keperluan kewangan pelanggan secara menyeluruh.

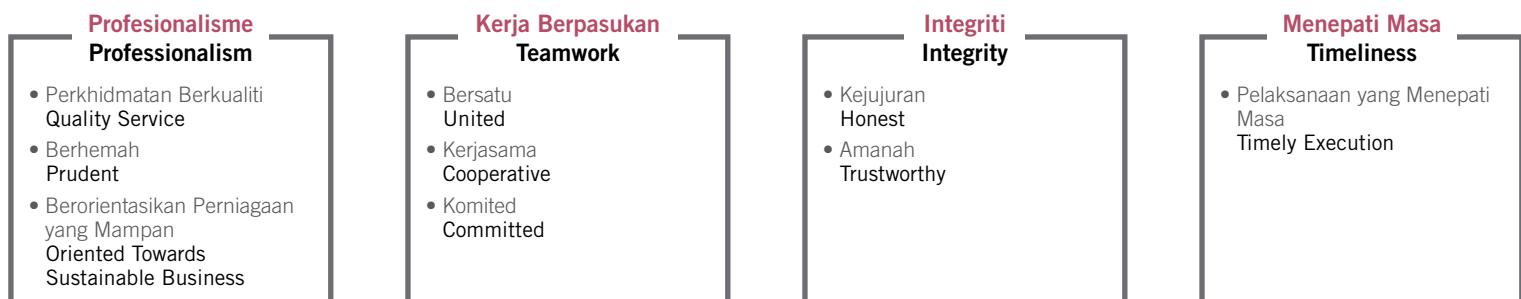
OBJECTIVES

- To promote Malaysia's sound agricultural development;
- To co-ordinate and supervise the granting of credit from public funds for agricultural purposes by individuals or companies whether incorporated or unincorporated;
- To provide financing, advances, and other credit facilities for the development of the agriculture sector and agriculture-related businesses;
- 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; and
- To carry on the general business of a modern and progressive financial services institution catering for the total financial needs of its customers.

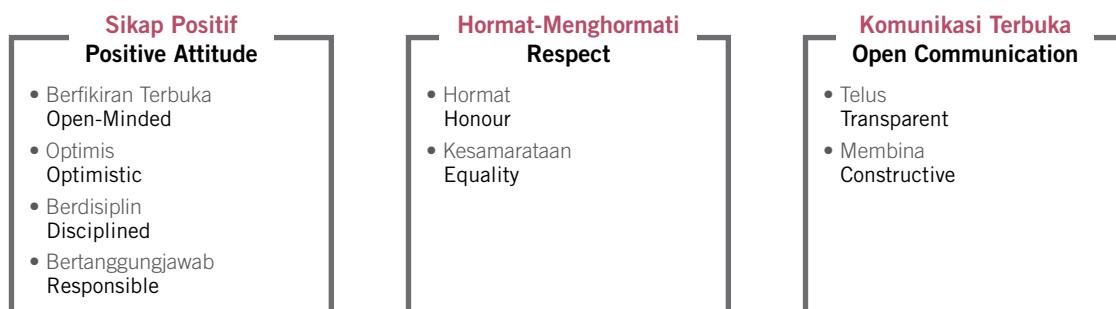
NILAI TERAS DAN MATLAMAT KAMI

OUR CORE VALUES AND GOALS

NILAI TERAS/CORE VALUES



P A T R I O T





Akuakultur merupakan penyelesaian global untuk masalah kekurangan stok ikan dunia. Ia dikenalpasti sebagai sektor pertumbuhan utama di Malaysia di mana akuakultur marin telah membangun dengan pesat sejak dua dekad lepas. Dalam Dasar Agromakanan Negara (NAP) 2011–2020, siakap, kerapu dan talapia disenaraikan antara spesis utama akuakultur yang harus diberi perhatian. Pengeluaran ikan marin telah ditingkatkan dari 8.6% setahun bagi memenuhi kehendak dasar Jabatan Perikanan (DOF) untuk membekalkan 50% daripada bekalan ikan negara dari kegiatan akuakultur menjelang tahun 2020. **Agrobank menawarkan pelbagai pakej pembiayaan bagi pengusaha akuakultur termasuk Pembiayaan Bertempoh, Kemudahan Pembiayaan Modal Kerja-i (Tawarruq), Fund for Food (3F) dan Machinery & Equipment Financing-i (MAEF-i).**



Aquaculture is a global solution to the rapid depletion in the world's natural fish stock. It has been identified as a key growth sector in Malaysia where marine aquaculture has developed significantly since the last two decades. In the National Agrofood Policy (NAP) 2011–2020, sea bass, grouper and tilapia are listed as the main aquaculture species. The production of marine fish has been increased from 8.6% annually to meet the Department of Fisheries (DOF) policy of producing 50% of national fish supply from aquaculture activities by year 2020. **Agrobank offers aquaculturists a variety of financing solutions from Term Financing, Kemudahan Pembiayaan Modal Kerja-i (Tawarruq), Fund for Food (3F) to Machinery & Equipment Financing-i (MAEF-i).**



SELAMI POTENSI AKUAKULTUR!

DIVE INTO AQUACULTURE!



KONG SHIAN PING
Pemilik/Owner
Able Asia Aquaculture Sdn. Bhd.

Pelanggan Agrobank sejak tahun 2007
Agrobank's customer since 2007

RINGKASAN KEWANGAN LIMA TAHUN

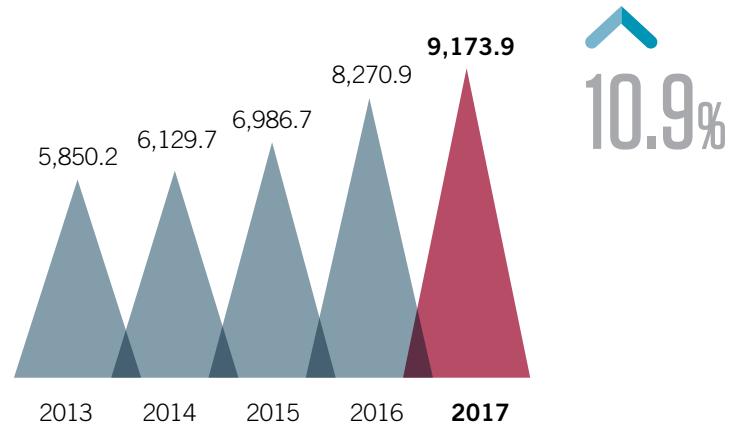
FIVE-YEAR FINANCIAL SUMMARY

Tahun berakhir 31 Disember/Year ended 31 December	2017	2016	2015	2014	2013
KEUNTUNGAN (RM juta)/PROFITABILITY (RM million)					
Keuntungan operasi/Operating profit	233.9	213.8	199.8	204.5	338.3
Keuntungan sebelum cukai dan zakat/Profit before tax and zakat	230.6	197.9	165.0	192.6	319.3
DATA PENTING KEDUDUKAN KEWANGAN (RM juta)/KEY FINANCIAL POSITION DATA (RM million)					
Jumlah aset/Total assets	15,208.4	13,937.6	12,292.7	12,007.8	11,138.7
Pembiayaan dan pendahuluan (bersih)/Financing and advances (net)	9,173.9	8,270.9	6,986.7	6,129.7	5,850.2
Jumlah liabiliti/Total liabilities	12,411.5	11,315.5	9,808.3	9,557.6	8,789.3
Deposit dan simpanan pelanggan/Deposits from customers	7,589.4	7,044.9	5,905.0	6,169.0	6,184.5
Deposit dan simpanan bank dan institusi kewangan lain/Deposit and placement of banks and other financial institutions	2,180.1	1,623.3	1,135.7	685.2	410.1
Modal berbayar/Paid-up capital	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Ekuiti pemegang saham/Shareholder's equity	2,796.9	2,622.0	2,484.4	2,450.2	2,349.4
Komitmen dan luar jangka/Commitments and contingencies	6,656.5	6,732.5	6,646.9	572.7	660.3
NISBAH KEWANGAN (%)/FINANCIAL RATIOS (%)					
Nisbah Keuntungan/Profitability Ratios					
Pulangan atas ekuiti (sebelum cukai)/Return on equity (before tax)	8.2	7.5	6.6	7.9	13.6
Pulangan atas aset purata (sebelum cukai)/Return on average assets (before tax)	1.5	1.4	1.3	1.6	2.9
Nisbah kos kepada pendapatan/Cost to income ratio	60.6	62.1	64.3	56.3	45.0
Nisbah Kualiti Aset/Asset Quality Ratios					
Nisbah pembiayaan kepada deposit/Financing to deposit ratio	78.5	78.8	78.9	72.0	76.0
Nisbah pembiayaan terjejas kasar/Gross impaired financing ratio	4.5	5.2	6.6	7.2	9.9
Perlindungan kerugian pembiayaan/Financing loss coverage	100.2	100.6	100.8	98.8	85.3
Nisbah Kecukupan Modal/Capital Adequacy Ratios					
Sebelum menolak dividen yang dicadangkan/Before deducting proposed dividends					
Nisbah modal teras/Core capital ratio	24.9	24.9	27.3	28.9	29.9
Nisbah modal berwajaran risiko/Risk-weighted capital ratio	29.0	29.4	32.5	34.3	35.7
Asas modal (RM juta)/Capital base (RM million)	3,265.8	3,104.7	2,964.8	2,873.6	2,743.8
Modal kumpulan 1 (RM juta)/Tier 1 capital (RM million)	2,810.2	2,630.4	2,486.8	2,417.7	2,298.6
Modal kumpulan 2 (RM juta)/Tier 2 capital (RM million)	455.6	474.3	478.0	455.9	445.2
NISBAH PRODUKTIVITI/PRODUCTIVITY RATIOS					
Bilangan kakitangan/No. of employees	3,454	3,381	3,102	3,347	3,488
Pembiayaan kasar bagi setiap kakitangan (RM juta)/Gross financing per employee (RM million)	2.8	2.6	2.4	2.0	1.8
Deposit bagi setiap kakitangan (RM juta)/Deposits per employee (RM million)	2.8	2.6	2.3	2.0	1.9
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

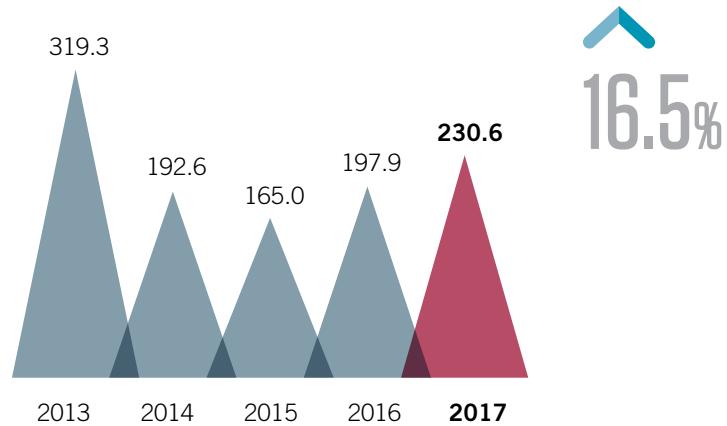
SOROTAN KEWANGAN

FINANCIAL HIGHLIGHTS

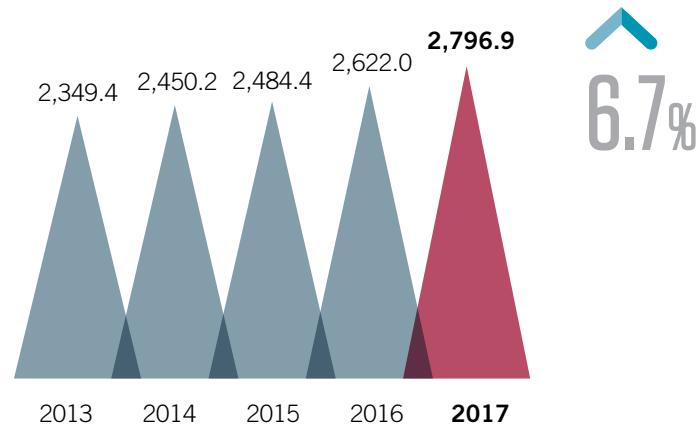
PEMBIAYAAN DAN PENDAHULUAN (BERSIH)
FINANCING AND ADVANCES (NET)
(RM JUTA/MILLION)



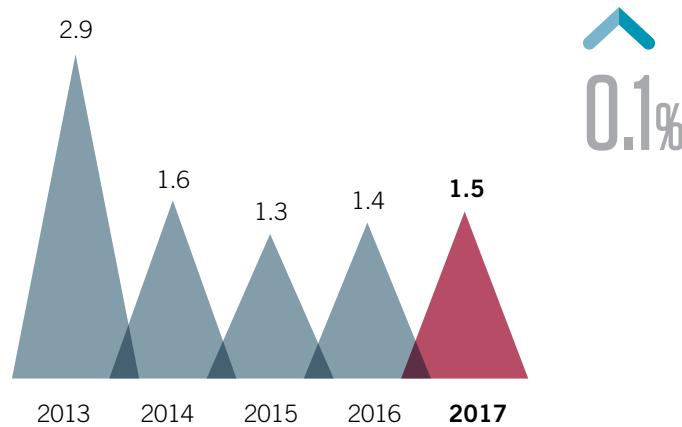
KEUNTUNGAN SEBELUM CUKAI DAN ZAKAT
PROFIT BEFORE TAX AND ZAKAT
(RM JUTA/MILLION)



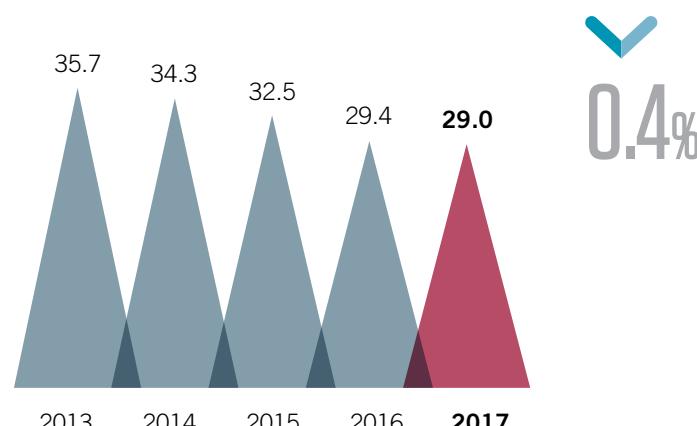
EKUITI PEMEGANG SAHAM
SHAREHOLDER'S EQUITY
(RM JUTA/MILLION)



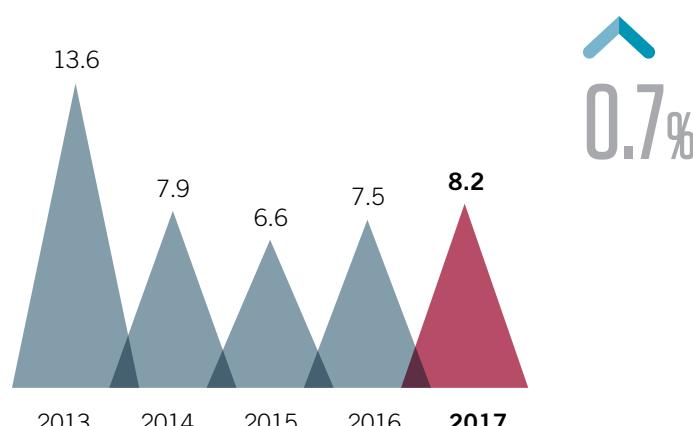
PULANGAN ATAS ASET PURATA - SEBELUM CUKAI
RETURN ON AVERAGE ASSETS - BEFORE TAX (%)



NISBAH MODAL BERWAJARAN RISIKO
RISK-WEIGHTED CAPITAL RATIO (%)



PULANGAN ATAS EKUITI - SEBELUM CUKAI
RETURN ON EQUITY - BEFORE TAX (%)



SOROTAN UTAMA

KEY HIGHLIGHTS

PENJANAAN NILAI menerusi KERJASAMA STRATEGIK

VALUE CREATION via STRATEGIC COLLABORATIONS

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15 Mac/March
2017

MoU DENGAN PIHAK BERKUASA KEMAJUAN PEKEBUN KECIL PERUSAHAAN GETAH (RISDA)

MoU WITH RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY (RISDA)

Pemilikan Rumah bagi Generasi Kedua Pekebun Kecil RISDA

House Ownership for RISDA Smallholders Second Generation

Bagi menjayakan aspirasi nasional di bawah program transformasi luar bandar khususnya untuk mengurangkan penghijrahan belia ke kawasan bandar, Agrobank telah menjalinkan kerjasama strategik bersama RISDA. Kerjasama ini bermatlamat untuk menyediakan pembiayaan rumah mampu milik bagi belia luar bandar di bawah program Rumah Bina Negara (RBN). Program ini memberikan peluang keemasan kepada pekebun kecil bagi memiliki rumah pada kadar berpatutan. Pembinaan setiap unit kediaman dianggarkan berjumlah RM65,000, di mana kerajaan akan memberikan subsidi sebanyak RM20,000, sebagaimana yang telah diumumkan dalam Bajet 2017. Kerjasama ini juga penting demi meningkatkan taraf hidup dan pemilikan aset di kalangan belia. Dengan terlaksananya inisiatif ini, belia luar bandar diharap akan dapat menyumbang kepada pembangunan ekonomi luar bandar, termasuk di dalam sektor pertanian dan seterusnya menjadi pemangkin kepada perkembangan industri lain.

Agrobank's strategic alliance with RISDA is in support of national aspiration under the rural transformation programme to reduce rural youth migration to urban areas. This collaboration aims to provide affordable housing for youths living in rural areas under the Rumah Bina Negara (RBN) home financing programme which offers smallholders the opportunity to own a house at reasonable rate. Construction of each residential unit is estimated at RM65,000 of which RM20,000 will be subsidised by the Government in accordance to the 2017 Budget. The collaboration will improve the living standard and increase asset ownership among youths. The initiative encourages the rural youth to contribute to rural economic development including agriculture and thereafter become the catalyst for the development of other related industries.



06 Apr/Apr
2017

MoU DENGAN UNIVERSITI SEGI **MoU WITH SEGi UNIVERSITY**

**Keterangkuman
Pendidikan bagi
Pelajar B40**

**Inclusive
Education to B40
Students**



Agrobank dan Universiti SEGi menandatangani Memorandum Persefahaman Kerjasama Strategik bagi menyediakan bantuan pendidikan kepada pelajar B40 yang layak untuk meneruskan pengajian di universiti swasta tersebut. Bantuan kewangan disumbangkan dalam bentuk bantuan zakat bernilai RM8,000 bagi setiap pelajar yang memenuhi kriteria yang ditetapkan, manakala SEGi pula memberikan biasiswa dalam bentuk yuran pengajian.

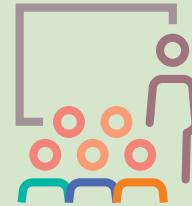
Kerjasama ini membolehkan para pelajar mendapatkan ijazah sarjana muda dalam bidang Sumber Manusia, Pemasaran, Perakaunan & Kewangan dan Teknologi Maklumat. Pelajar yang terpilih berpeluang mengikuti latihan industri di Agrobank menerusi program yang menyeluruh agar dapat merasai persekitaran perbankan yang sebenar, khususnya dalam kewangan Islam dan pembiayaan untuk pertanian. Sekurang-kurangnya 50 pelajar disasarkan untuk projek ini.

Agrobank and SEGi University have signed a Memorandum of Understanding for strategic collaboration to provide education assistance for deserving B40 students. The assistance is in the form of zakat contribution amounting to RM8,000 each, subject to the Bank's zakat criteria. SEGi will provide scholarship in the form of tuition fees to the selected student.

This collaboration will enable selected students to obtain various bachelor degrees in the areas of Human Resource, Marketing, Accounting & Finance and Information Technology. These students will undergo comprehensive internship programme with Agrobank to expose with banking environment on Islamic Finance and financing to agriculture. At least 50 deserving students are expected to benefit from this pilot project.

SOROTAN UTAMA
KEY HIGHLIGHTS

11 Ogos/Aug
2017

**MoU DENGAN KOLEJ UNIVERSITI AGROSAINS
MALAYSIA (UCAM)****MoU WITH UNIVERSITY COLLEGE OF AGROSCIENCE
MALAYSIA (UCAM)****Mempersadakan
Industri Pertanian****Invigorating the
Agricultural Industry**

Kerjasama strategik Agrobank dengan UCAM bertujuan untuk mewujudkan ‘kampus tanpa tunai’ dan menggalakkan penglibatan bakal graduan dalam sektor pertanian. Menerusi kerjasama ini, Bank dan UCAM berganding bahu dalam membangunkan potensi bakal graduan untuk menghasilkan kajian-kajian dan idea-idea baharu bagi pembangunan sektor pertanian. Selain itu, Bank turut menawarkan program pembangunan modal insan menerusi program-program khas dan latihan industri kepada pelajar di jabatan-jabatan terpilih di Agrobank.

Agrobank's strategic collaboration with UCAM is to establish a ‘cashless campus’ and encourage the involvement of the youth for new ideas in the development of the agriculture sector. The Bank also offers development programmes to UCAM students to undergo industrial training in selected departments.

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**26 Nov/Nov
2017**

**12 Nov/Nov
2017**

MoU DENGAN LEMBAGA KEMAJUAN PERTANIAN MUDA (MADA)

MoU WITH LEMBAGA KEMAJUAN PERTANIAN MUDA (MADA)

Memperkasakan Penanam Padi di Malaysia

Sebagai IKP yang dimandatkan untuk pembangunan pertanian, Agrobank sentiasa berusaha memastikan akses perkhidmatan kewangan terus dipertingkatkan khususnya, bagi komuniti pertanian luar bandar. Kerjasama strategik yang dijalankan bersama MADA adalah untuk menyediakan pembiayaan dari RM1,000 hingga RM50,000 berdasarkan keluasan sawah pada kadar keuntungan yang berpatut untuk pesawah padi di bawah Pertubuhan Peladang Kawasan (PPK). Program khas ini bertujuan untuk meningkatkan produktiviti sawah disamping membangunkan sosio-ekonomi pesawah.



Empowering Paddy Farmers in Malaysia

As a DFI with a focus on agricultural development, Agrobank ensures financial accessibility to the unserved and underserved segment of the agricultural community. A strategic partnership with MADA in providing financing ranging from RM1,000 to RM50,000 to paddy farmers under Area Farmers' Organization (PPK), based on paddy field acreage at reasonable profit rate. This special programme aims to focus on improving the farms productivity and enhance the socio-economic of paddy farmers.

MoU DENGAN LEMBAGA LADA MALAYSIA (MPB)

MoU WITH MALAYSIAN PEPPER BOARD (MPB)

Menambahbaik Kehidupan 30,000 Pekebun Kecil Lada

Improving the Financial Well-Being of 30,000 Pepper Smallholders

Kerjasama Agrobank dengan MPB dimeterai sejajar dengan hasrat negara untuk membangunkan pekebun kecil lada sebagai komoditi penting bagi eksport negara. Penyaluran bantuan kewangan menerusi program pembiayaan bersepadan dengan perjanjian jaminan pembelian dan khidmat nasihat kepada pekebun kecil lada akan membantu meningkatkan mutu lada hitam di Malaysia, seterusnya menambahbaik kehidupan para pekebun kecil lada.

Lebih daripada 30,000 pekebun kecil yang berdaftar dengan MPB dijangka menikmati manfaat menerusi kerjasama ini.

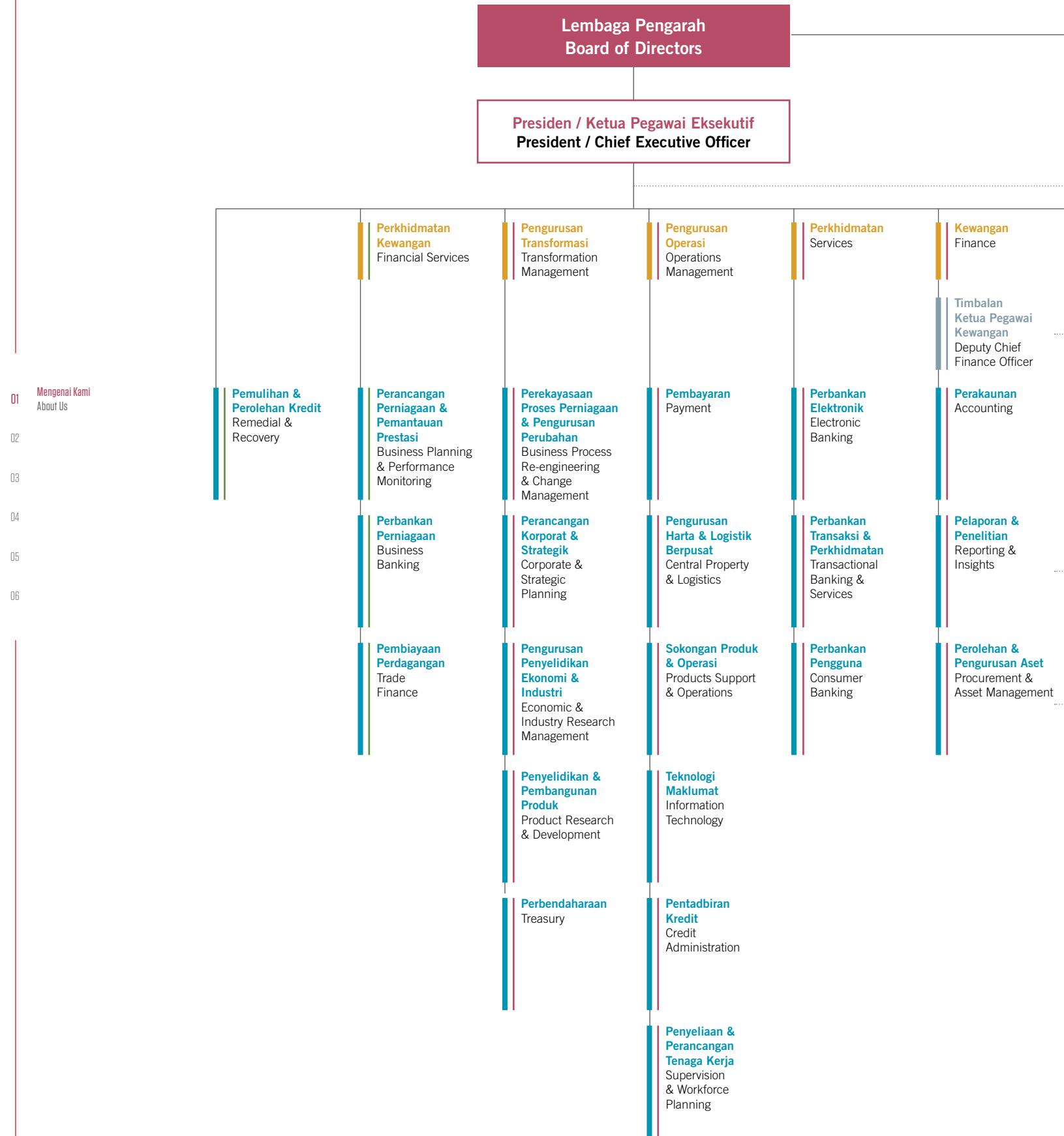
Agrobank's collaboration with MPB is in line with the Government's commitment to reach out to pepper smallholders, based on the importance of pepper as an export commodity for the country. The quality of black pepper and wellbeing of the farmers are expected to be enhanced with the implementation of the integrated financing programme with guaranteed purchase agreement, and advisory services to the smallholders.

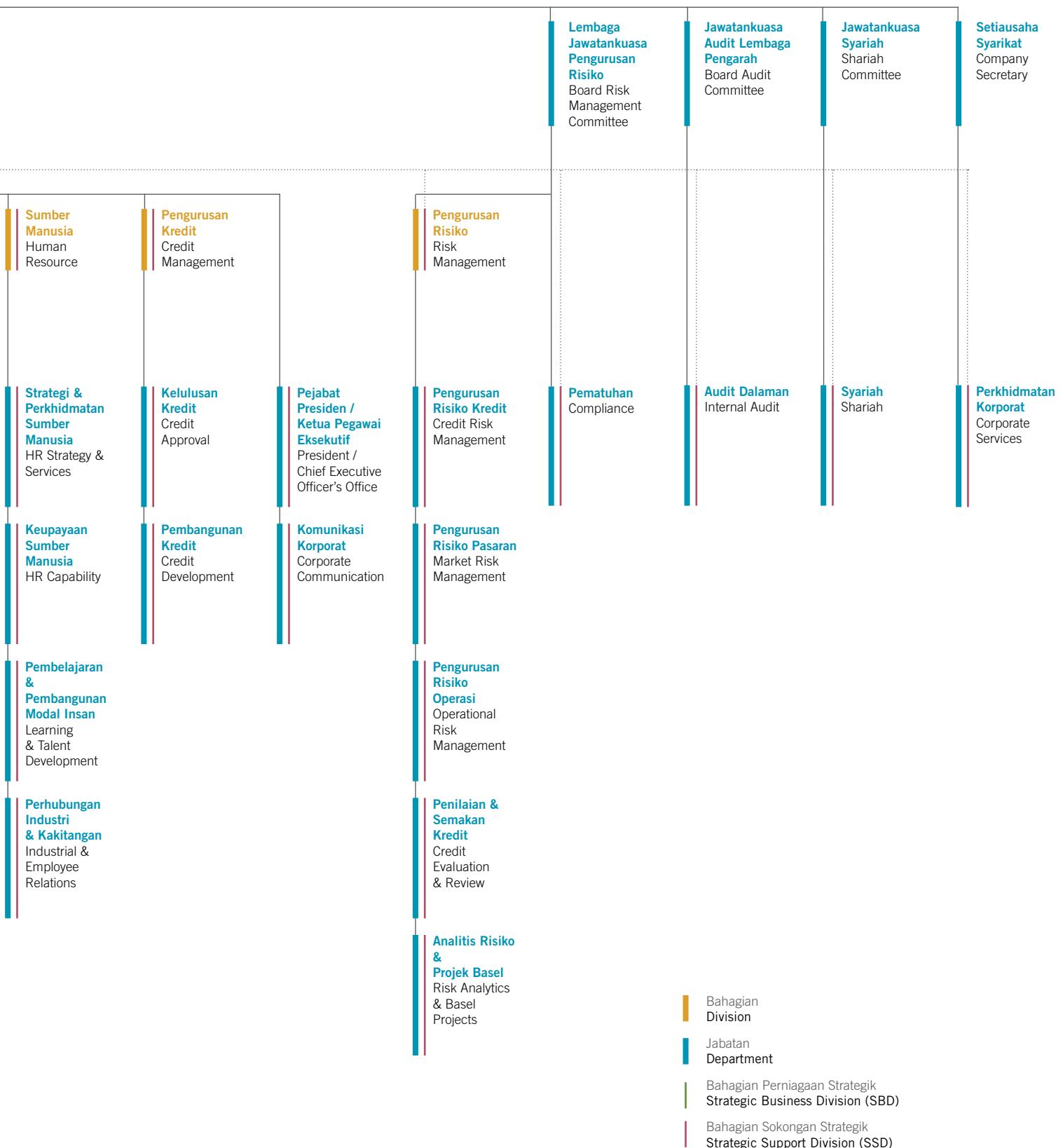
More than 30,000 pepper smallholders registered with MPB were expected to benefit from the collaboration.



STRUKTUR ORGANISASI KAMI

OUR ORGANISATIONAL STRUCTURE





NANAS MENCIPTA PELUANG KEEMASAN!

PINEAPPLE PRESENTS A GOLDEN
OPPORTUNITY!

Penanaman nanas merupakan satu perniagaan berpotensi tinggi di mana pengusaha nanas tempatan mampu memperoleh pendapatan menjangkau RM5,000 sebulan bagi setiap hektar tanah yang diusahakan. Nisbah penggunaan domestik telah meningkat dan menurut Lembaga Industri Nanas Malaysia (MPIB), nilai eksport tahunan dijangka meningkat dari RM155 juta kepada RM320 juta menjelang tahun 2020, yang didorong oleh peningkatan permintaan dari China dan Timur Tengah. Johor merupakan pengeluar nanas terbesar merangkumi 68% daripada jumlah keseluruhan penanaman nanas di negara ini. **Agrobank menawarkan kepada pengusaha nanas pelbagai produk pembiayaan termasuk pembiayaan mikro (MUS1M-i), Pembiayaan Berjangka, Kemudahan Pembiayaan Modal Kerja-i (Tawarruq), Fund for Food (3F) serta Machinery & Equipment Financing-i (MAEF-i).**

Pineapple cultivation is a lucrative business and able to bring local pineapple farmers earnings approximately RM5,000 a month for every hectare cultivated. In accordance to Malaysia Pineapple Industry Board (MPIB), while the domestic consumption has increased, the yearly export is expected to increase from current value at RM155 million to RM320 million by 2020, spurred by rising demand from China and the Middle East. Today, Johor is the highest producer of pineapple, currently accounting for 68% of the nation's total pineapple cultivation. **Agrobank offers pineapple farmers a variety of financing products ranging from micro financing (MUS1M-i), Term Financing, Kemudahan Pembiayaan Modal Kerja-i (Tawarruq), Fund for Food (3F) and even Machinery & Equipment Financing-i (MAEF-i).**





TAN SRI MOHAMAD
ZABIDI ZAINAL

Pengerusi
Chairman

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> PERTUMBUHAN
KDNK MALAYSIA
PADA TAHUN 2017
MALAYSIA'S GDP
GROWTH IN 2017

5.9%



> PERTUMBUHAN
KDNK SEKTOR
PERTANIAN PADA
TAHUN 2017
GROWTH OF THE
AGRICULTURE SECTOR
GDP IN 2017

7.2%

PERUTUSAN PENGERUSI

CHAIRMAN'S STATEMENT

Dengan nama Allah, yang Maha Pemurah, yang Maha Mengasihani

In the name of Allah, the Most Beneficient, the Most Merciful

السلام عليكم ورحمة الله وبركاته

Bagi pihak Lembaga Pengarah,
saya dengan sukacitanya membentangkan
Laporan Tahunan Agrobank bagi tahun
berakhir 31^{hb} Disember 2017.

On behalf of the Board of Directors,
I am delighted to present the Annual
Report of Agrobank for the year ended
31st December 2017.

PARA PEMEGANG SAHAM YANG DIHORMATI SEKALIAN,

Berpandukan visi kami untuk menjadi sebuah bank terkemuka dengan tumpuan terhadap sektor pertanian, Agrobank sekali lagi merekodkan prestasi kewangan yang teguh pada tahun 2017. Bank telah mencatatkan pertumbuhan kukuh dalam keuntungan sebelum cukai dan zakat (PBZT) sebanyak 16.5% untuk mencecah RM230.6 juta. Bank telah mengukuhkan dan memantapkan kesejahteraan pelanggan, pemegang saham, warga kerja kami, dan komuniti pertanian. Langkah-langkah positif telah diambil untuk menambah baik prestasi perniagaan yang dimandatkan kepada kami bagi memastikan Bank terus teguh dalam suasana perbankan yang terkesan dengan faktor luaran.

Sepanjang tahun, pihak Lembaga Pengarah telah mengawasi pelaksanaan strategi bank, dan kami yakin ia akan menzahirkan nilai yang berterusan kepada pemegang saham dan mengukuhkan organisasi demi kebaikan pelanggan, dan komuniti pertanian secara amnya. Pada tahun 2017, Bank telah berjaya melaksanakan strategi yang terkandung di dalam pelan strategik 5-tahun mengikut jadual yang ditetapkan. Prestasi cemerlang tahun ini membuktikan bahawa strategi-strategi yang dilaksanakan adalah tepat untuk memberikan prestasi perniagaan yang konsisten dan mampu serta bernilai untuk pemegang saham.

DEAR SHAREHOLDERS,

Agrobank has again delivered strong financial performance in 2017, guided by our vision to be a leading bank with a focus on agriculture. The Bank's profit before zakat and tax (PBZT) registered a strong growth of 16.5% to reach RM230.6 million. The Bank continues to excel at securing and enhancing the financial wellbeing of customers, shareholders, our people, and the agricultural community, in general. Positive steps were made on our journey to improve our mandated business performance so as to ensure the Bank remained on a sustainable footing amidst the external trends impacting the banking sector.

The board has maintained its oversight on the execution of the Bank's strategy throughout the year, and we remained confident that it will deliver sustainable shareholder's value and a stronger organisation for our customers, and the agriculture community at large. In 2017, the Bank successfully executed its strategies as outlined in the 5-year strategic business plan according to the schedule milestones. With another year of great performance, we have demonstrated that we successfully deployed the right strategies to deliver consistent and sustainable business performance and value for our shareholders.

PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

MENGIMBAS KEMBALI TAHUN 2017

Pada tahun 2017, keadaan ekonomi dunia adalah stabil dan menunjukkan prestasi yang lebih baik melalui keyakinan yang ditunjukkan oleh pelabur dan entiti perniagaan. Ekonomi Malaysia terus berkembang, hasil daripada peningkatan ekonomi dalam pasaran baru muncul dan membangun. Perbelanjaan sektor swasta meningkat dengan ketara dan terus menjadi salah satu pamacu utama bagi pertumbuhan, didorong khususnya oleh peningkatan berterusan dalam gaji dan pekerjaan, keadaan perniagaan yang optimistik dan permintaan yang menggalakkan. Peningkatan dalam permintaan domestik dan luar negara bagi barang dan perkhidmatan menyaksikan Malaysia melepas jangkaan pertumbuhan Keluaran Dalam Negara Kasar (KDNK) dengan mencatatkan 5.9% pertumbuhan pada tahun 2017.

Pada tahun 2017, selepas menyusut sebanyak 5.1% pada tahun 2016, sektor pertanian meningkat kembali untuk mencatatkan kadar

2017 IN PERSPECTIVE

In 2017, the global economy stabilised and experienced improved performance and economic resiliency, as demonstrated by the strengthened business and investors' confidence. Malaysia's economy continued to be more vitalised, benefitting from the economic upturn in emerging and developing markets. Private consumption had a robust expansion and continued to be the main driver of growth, underpinned mainly by a continued increase in wages and employment, business optimism and favourable demand. Rising domestic and international demand for goods and services saw Malaysia exceed the Gross Domestic Product (GDP) growth expectations to record a 5.9% in 2017.

On similar trend, the agriculture sector rebounded strongly in 2017, recording a growth rate of 7.2% in 2017 after experiencing a 5.1% contraction in 2016 following a steady global demand for palm oil and improved weather conditions ending last year's drought due to



16.5%

**PERTUMBUHAN
KEUNTUNGAN
SEBELUM CUKAI
DAN ZAKAT (PBZT)**

**GROWTH IN PROFIT
BEFORE TAX AND ZAKAT
(PBZT)**



8.3%

SUMBANGAN SEKTOR PERTANIAN KEPADA KDNK

AGRICULTURE SECTOR CONTRIBUTION TO GDP

pertumbuhan sebanyak 7.2% berikutan permintaan global yang kukuh untuk kelapa sawit dan keadaan cuaca yang bertambah baik telah mengakhiri masalah kekeringan susulan fenomena El-Nino. Peningkatan dalam sektor ini terutamanya didorong oleh prestasi cemerlang dalam sektor kelapa sawit, dan disokong oleh kenaikan 2.0% dalam subsektor agromakanan. Pada tahun 2017, sektor pertanian menyumbang sebanyak 8.3% kepada KDNK negara sebanyak RM1,156.7 bilion.

KEMAMPANAN DALAM PERBANKAN

Dalam usaha kami untuk mencapai kemampuan, pendekatan yang diambil mencerminkan komitmen kami untuk memastikan Bank mengamalkan konsep perantaraan kewangan berdasarkan nilai yang diperkenalkan oleh Bank Negara Malaysia (BNM) untuk terus menyokong impak ekonomi, sosial dan persekitaran menerusi amalan, tingkah laku dan penawaran produk berasaskan Syariah. Melalui peranan pembangunan

El-Nino phenomenon. The expansion in this sector was mainly driven by the impressive performance of the oil palm sector and supported by a 2.0% rise in the agrofood subsector. In 2017, the agriculture sector contributed 8.3% to the country's GDP of RM1,156.7 billion.

A SUSTAINABLE WAY OF BANKING

Our approach to sustainable banking is demonstrated by our commitment to ensure that as through a value-based financial intermediation, a concept advanced by Bank Negara Malaysia (BNM), the Bank is dedicated to supporting economic, social and environmental impact through Shariah banking products and practices, conduct and offerings. With our developmental role in promoting agriculture as an engine of growth, the Bank plays a pivotal role in connecting the financial sector to the real economy to achieve a

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kami untuk menggalakkan pertanian sebagai enjin pertumbuhan, Bank memainkan peranan penting dalam menghubungkan sektor kewangan kepada ekonomi benar untuk memastikan kemampaman dalam sistem kewangan. Demikian, konsep pengantaraan berdasarkan nilai (VBI) ini diterima baik oleh Agrobank dalam usahanya untuk mempertingkatkan kemampaman dalam amalan perniagaan dan nilai-nilai kami. Pada masa yang sama, usaha kami turut memperkayakan kehidupan komuniti di mana Bank beroperasi.

Impak pada Ekonomi

Sebagai institusi kewangan pembangunan (IKP) dengan tumpuan khusus dalam sektor pertanian, Agrobank berkeupayaan untuk menyediakan produk dan perkhidmatan kewangan sokongan kepada perusahaan dan individu yang terlibat dalam aktiviti ekonomi pertanian. Agrobank turut bertindak sebagai fasilitator kepada para peladang dan penternak ternakan dengan tujuan untuk meningkatkan status sosioekonomi mereka.

Perniagaan yang mampan dan kukuh memerlukan sokongan daripada pelanggan. Menyedari kepentingan ini, Agrobank telah meluaskan rangkaian produk kewangannya yang memenuhi keperluan seluruh rantaian nilai pertanian termasuk aktiviti huluan dan hiliran yang merangkumi pengeluaran, pemprosesan, penyimpanan, pemasaran dan perkhidmatan lain.

sustainable financial system. As such, the value-based intermediation (VBI) concept bodes well with Agrobank as it further enhances our ingrained sustainable business practices and values. In doing so, we have also enriched the lives of the communities in which the Bank operates in.

Economic Impact

As a development financial institution (DFI) with a strong focus on the agriculture sector, Agrobank is uniquely positioned to provide financial products and services needed to support enterprises and individuals involved in such economic activities. Agrobank also acts as a facilitator to farmers and livestock breeders with a view to uplift their socio-economic status.

Agrobank recognises that a strong sustainable business grows with its customers. To better serve agropreneurs, the Bank has steadily expanded its financing solutions to the entire agriculture value chain that meets their needs, including upstream and downstream activities ranging from production, processing, storage, marketing and other services.

Pada tahun 2017, Bank telah meluaskan penawaran produk melalui kerjasama bersama agensi-agensi di bawah Kementerian Pertanian dan Industri Asas Tani (MOA), Malaysia. Kerjasama strategik telah dibentuk dengan Pertubuhan Peladang Kawasan (PPK) dalam daerah-daerah di negeri Selangor dan Kelantan bagi Pembiayaan Berkelompok Cili Fertigasi. Kerjasama strategik yang seumpamanya turut ditubuhkan bersama Lembaga Lada Malaysia (MPB), Perbadanan Johor (JCorp) dan Kilang Padi Komersial (KPK).

Sebagai tanda sokongan terhadap Dasar Agromakanan Negara, yang bertujuan untuk mencapai sasaran Tahap Sara Diri (SSL), Agrobank telah meningkatkan usahanya untuk mempromosikan pelbagai program pembiayaan pertanian kepada pelanggan baru yang layak dan sedia ada. Ini dilakukan menerusi kerjasama strategik dengan semua agensi di bawah MOA seperti Jabatan Pertanian (DOA), Institut Penyelidikan dan Kemajuan Pertanian Malaysia (MARDI), dan Lembaga Pemasaran Pertanian Persekutuan (FAMA). Antara program pembiayaan yang telah dipromosikan termasuk Dana Pertanian Komersial (DPK) dan Tabung untuk Makanan (3F).

Kerajaan Malaysia telah menggariskan beberapa strategi holistik untuk mempertingkatkan pembangunan industri halal ke arah pencapaian visi untuk meletakkan Malaysia sebagai hab halal global menjelang 2020. Matlamat ini mendapat sokongan padu oleh Agrobank yang telah menjalankan usaha dan inisiatif untuk menambahkan keyakinan dan kepercayaan dalam produk dan perkhidmatan halal di samping menyediakan produk pembiayaan patuh Syariah kepada pengeluar pertanian bagi menyokong konsep “Halalan toyibban”.

Agrobank menyediakan perkhidmatan kewangan merentasi seluruh rantaian nilai pertanian bagi menyokong pengeluaran halal daripada ladang hingga ke meja. Bank memastikan penyediaan produk dan perkhidmatan yang mampan merentasi seluruh rantaian nilai pertanian menerusi usaha berterusan untuk meningkatkan tahap keusahawanan bagi menyokong pertumbuhan industri, inovasi dalam menghasilkan produk dan perkhidmatan baharu bagi memenuhi keperluan pengeluar pertanian, menambah baik penyelarasian antara agensi dan institusi kewangan ke arah usaha rasionalisasi dan internalisasi bagi produk pertanian negara, dan meneruskan jalinan kerjasama antara negara (ADFIAP – Persatuan Institusi Kewangan dan Pembangunan di Asia serta Pasifik dan APRACA – Persatuan Kredit Luar Bandar dan Pertanian di Asia Pasifik) bagi meningkatkan produk dan perkhidmatan kami.

The Bank continued to expand its product offerings in 2017 through cooperation with agencies under the Ministry of Agriculture and Agro-Based Industry (MOA), Malaysia. A strategic collaboration was formed with the *Pertubuhan Peladang Kawasan (PPK)* in the districts of Selangor and Kelantan for the Chilli Fertigation Group Financing scheme. Similar strategic alliances were also formed with the Malaysian Pepper Board (MPB), Johor Corporation (JCorp) and *Kilang Padi Komersial (KPK)*.

In support of the National Agro Food Policy, aimed primarily at ensuring the food Self-Sufficiency Level (SSL), Agrobank enhanced efforts to promote the various agricultural funding programmes to eligible existing or new customers by working closely with all agencies under MOA such as the Department of Agriculture (DOA), Malaysian Agricultural Research and Development Institute (MARDI), and Federal Agricultural Marketing Authority (FAMA). Some of the funding programmes which were promoted includes the *Dana Pertanian Komersial (DPK)* and Fund for Food (3F).

The Malaysian Government has outlined some holistic strategies to intensify the development of the halal industry towards achieving the vision of making Malaysia a global halal hub by 2020. Agrobank strongly supports this ambition through several efforts and initiatives aimed at building greater confidence and trust on halal products and services as well as providing financing products for agriculture producers that are Shariah-compliant to support the “Halalan toyibban” concept.

Agrobank provides financial services across the entire value chain to support halal production from the farm to table. The Bank ensures sustainability in providing products and services across the agriculture value chain via continuous development in agropreneurship to support industry growth, new innovation in products and services to meet the needs of agriculture producers, greater coordination among agencies and financial institutions towards supporting rationalisation and internationalisation of Malaysian agriculture products, and continuously collaborating with international affiliations (ADFIAP - Association of Development Financing Institutions in Asia and the Pacific and APRACA - Asia-Pacific Rural and Agricultural Credit Association) to improve our products and services.



Bank memainkan peranan penting dalam menghubungkan sektor kewangan kepada ekonomi benar untuk memastikan kemampaman dalam sistem kewangan. Justeru itu, konsep Pengantaraan Berasaskan Nilai (VBI) ini diterima baik oleh Agrobank dalam usahanya untuk mempertingkatkan kemampaman dalam amalan perniagaan dan nilai-nilai kami. Pada masa yang sama, usaha kami turut memperkayakan kehidupan komuniti di mana Bank beroperasi.

The Bank plays a pivotal role in connecting the financial sector to the real economy to achieve a sustainable financial system. As such, the value-based intermediation (VBI) concept bodes well with Agrobank as it further enhances our ingrained sustainable business practices and values. In doing so, we have also enriched the lives of the communities in which the Bank operates in.

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Pada tahun 2017, Agrobank telah memperkenalkan *Agro Home Financing-i* (pembiayaan rumah) sebagai produk perbankan pengguna yang keempat, di samping *Agrocash-i* (pembiayaan peribadi), *Hartani-i* (pembiayaan pembelian tanah) dan *Ar Rahnu* (penggadaian emas). Bank turut memulakan usaha perbankan digital dengan memastikan pengalaman pelanggan yang terbaik, termasuk menyediakan kemudahan membeli produk takaful dalam talian dan mempertingkatkan perbankan Internet perniagaan AGRONetBiz di mana pelanggan digalakkan melanggan dan menggunakan kemudahan ini sebagai saluran pembayaran dan pengurusan gaji.

Pembiayaan mikro berkeupayaan untuk meningkatkan pembangunan sosioekonomi individu berpendapatan rendah dan memainkan peranan penting dalam menangani pelbagai aspek dalam isu kemiskinan. Ia menyediakan peluang untuk bekerja sendiri bagi individu yang tidak bekerja, dan mendorong pertumbuhan ekonomi melalui penyediaan akses kepada perkhidmatan kewangan bagi usahawan tempatan. Sejak penubuhannya, Agrobank telah mempelopori pelbagai pembiayaan mikro bagi sektor pertanian. Program terkini adalah Agro TERAS, iaitu program pembiayaan mikro yang bertujuan untuk membantu usahawan mikro daripada golongan 40% terbawah dalam kumpulan pendapatan isi rumah yang terlibat dalam perniagaan pertanian dan perniagaan asas tani, meningkatkan status sosioekonomi mereka sambil membina keyakinan untuk mengembangkan perniagaan mereka. Sarawak telah dipilih untuk mempelopori program pembiayaan ini dalam fasa pertama pelaksanaannya.

In 2017, Agrobank introduced the *Agro Home Financing-i*, making this the fourth consumer banking product in addition to *Agrocash-i* (personal financing) *Hartani-i* (land purchase financing) and *Ar Rahnu* (gold pawning). The Bank also embarked on the digital footprint by providing a seamless experience for customers, including the facility to purchase takaful products online and further enhanced its AGRONetBiz business internet banking service as well as encouraging customers to subscribe and utilise this facility as their primary payment channel and payroll management.

Microfinance has the capacity to enhance the socio-economic development of individuals with low income and plays an important role in fighting the multi-dimensional aspects of poverty. It provides self-employment opportunities for unemployed individuals, and fosters economic growth by giving local entrepreneurs access to financial services. Agrobank has been a pioneer in various forms of micro-financing for the agricultural sector since its inception. The latest being the Agro TERAS programme, which is a micro-financing programme to help micro-entrepreneurs from the bottom 40% of the household income group involved in agriculture and agro-based business to improve their socio-economic status and build their confidence in expanding their business. Sarawak was chosen as the pioneer of the funding programme during the first phase of its implementation.



Menyedari kepentingan ini, Agrobank telah meluaskan penyelesaian kewangannya merentasi seluruh rantaian nilai pertanian termasuk aktiviti hulu dan hilir yang merangkumi pembuatan, pemprosesan, penyimpanan, pemasaran dan perkhidmatan lain bagi memenuhi keperluan rantaian.

To better serve agropreneurs, the Bank has steadily expanded its financing solutions to the entire agriculture value chain that meets their needs, including upstream and downstream activities ranging from production, processing, storage, marketing and other services.

Untuk membantu usahawan tani meningkatkan produktiviti dan pendapatan mereka, Agrobank telah membuat pelaburan dalam pembangunan keusahawanan bagi tujuan menambah pengetahuan kewangan dan meningkatkan kemahiran keusahawanan mereka. Sehubungan dengan itu, usahawan tani Bank telah diberikan sokongan dan latihan melalui Program Pembangunan Usahawan Tani (ADP), Khidmat Nasihat Perniagaan dan Program Intervensi serta Perkongsian Amalan Terbaik. Pada tahun 2017, Agrobank telah menganjurkan sejumlah 24 sesi latihan yang melibatkan 693 peserta daripada pelbagai subsektor pertanian.

Memajukan dan Memperkasakan Komuniti

Di Agrobank, kami sentiasa berusaha untuk meluaskan skop inisiatif pembangunan komuniti bagi menghasilkan impak yang positif, dan boleh dimanfaatkan oleh masyarakat umum. Agrobank meletakkan kepentingan pembangunan dan pemerkasaan komuniti dalam usahanya untuk mencapai kemampunan dan memenuhi tiga komponen utama dalam konsep *Triple Bottom Line* iaitu Insan, Kelestarian dan Kemakmuran. Kami memahami dan mengutamakan tanggungjawab kami kepada masyarakat. Dengan membantu pelanggan dan komuniti pertanian untuk berjaya, kami percaya ia akan menjadikan kami Bank yang lebih mampan.

Melalui kehadiran dan penjenamaan Bank yang kukuh, Agrobank dapat memperkayakan kesejahteraan sosial para petani dan komuniti luar bandar. Agrobank meluaskan jangkauan untuk menawarkan perkhidmatan kepada pelanggannya, termasuk komuniti luar bandar dan segmen yang kurang mendapat perkhidmatan perbankan melalui 192 cawangan, 381 terminal layan diri dan 764 ejen perbankan. Melalui rangkaian ejen perbankan kami, Bank boleh menyampaikan kemudahan perbankan asas terutamanya kepada segmen yang kurang mendapat perkhidmatan perbankan di kawasan luar bandar dengan cara yang kos efektif, dan ini termasuk perkhidmatan asas seperti simpanan dan pengeluaran, pembayaran utiliti dan tambah nilai kad prabayar.

To assist agropreneurs in improving their productivity and income, Agrobank invests in entrepreneur development to equip them with sufficient financial knowledge and sharpen their entrepreneurial skills. To this effect, the Bank's agropreneurs are provided with capacity building and training supports through the Agropreneur Development Programme (ADP), Business Advisory and Intervention and Best Practice Sharing programme. In 2017, Agrobank successfully organised a total of 24 ADP training sessions involving 693 participants from various agriculture subsectors.

Community Development and Empowerment

At Agrobank, we have consistently broadened the scope of our community development initiatives in order to create a substantial impact which benefits the community at large. Agrobank places an enormous importance on putting community development and empowerment in its drive towards sustainability and meeting the Triple Bottom Line of People, Planet and Prosperity. We recognise and value our responsibility towards the society we serve and operate in. It is only by supporting our customers and communities to succeed that we will become a more sustainable bank.

The Bank enriches the social well-being of farmers and rural communities via its strong geographical presence and branding. Agrobank reaches out to its customers, including rural and underserved communities; via 192 branches, 381 self-service terminals and 764 AGROAgents nationwide. Through the AGROAgents network, the Bank is able to provide basic banking facilities especially to the underserved segments of the population in rural areas in a cost-effective manner, which includes deposits and withdrawals, utility payments and pre-paid card reload.

PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

Di Agrobank, kami percaya rangkuman kewangan adalah agen paling berkuasa bagi menggalakkan pertumbuhan ekonomi yang kukuh serta terangkum, dan untuk memperkasakan individu dan komuniti bagi memperkayakan kehidupan mereka. Kepercayaan inilah yang mendorong kami untuk menyediakan produk dan perkhidmatan kewangan yang mampu dimiliki, terutamanya kepada masyarakat yang kurang mendapat perkhidmatan perbankan. Untuk memperkasakan golongan yang kurang mendapat perkhidmatan perbankan, Agrobank telah melancarkan takaful keluarga Agro Mabrur-i pada tahun 2017. Dengan premium serendah RM75, produk takaful ini mampu dimiliki dan menyediakan alternatif kepada kumpulan berpendapatan rendah dan sederhana untuk mendapatkan perlindungan takaful, khususnya golongan 40% terbawah bagi isi rumah iaitu segmen yang paling peka terhadap kejutan ekonomi. Saya turut berbangga untuk menyatakan bahawa Agro Mabrur-i telah dipilih oleh Bank Negara untuk menyertai skim Perlindungan Tenang. Pemilihan ini dibuat berdasarkan kriteria produk tersebut iaitu mampu dimiliki, senang difahami dan proses tuntutan yang mudah.

Satu lagi produk telah dirangka dan diperkenalkan khas untuk individu kurang upaya. Berasaskan konsep takaful, Agro Nurani adalah pelan perlindungan istimewa untuk individu kurang upaya yang menyediakan manfaat seperti perlindungan kemalangan diri, kematian disebabkan oleh kemalangan, kematian biasa, dan rawatan perubatan disebabkan oleh kemalangan serta eluan hospital untuk kecederaan disebabkan oleh kemalangan. Pelan ini juga adalah pelan pertama dalam negara yang menawarkan perlindungan bagi individu kurang upaya.

At Agrobank, we believe that financial inclusion is a powerful agent for a strong and inclusive economic growth; empowering individuals and community to improve their lives. This is what inspires us to provide financial products and services particularly to the unserved and underserved community at affordable and competitive rates. In a bid to empower the underserved, Agrobank launched the Agro Mabrur-i family takaful in 2017. This affordable takaful product with premiums as low as RM75 a year provides alternatives to the low and middle-income groups to obtain takaful protection, especially the bottom 40% of households who are most vulnerable to economic shocks. I am proud to share that Agro Mabrur-i was elected by Bank Negara Malaysia to be in the Perlindungan Tenang scheme. This selection was based on its product criteria namely affordable, easy to understand and a convenient claim process.

Another takaful product designed especially for individuals with disabilities was also introduced. Agro Nurani, a special protection plan for the disabled person based on the takaful concept, provides a range of benefits including personal accident, accidental death, natural death, and medical treatment due to an accident and hospital allowance for injuries caused by accidents. This is also a first of its kind of protection for individuals with disabilities in our country.

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Impak pada Alam Sekitar

Isu keselamatan makanan kian mendapat perhatian masyarakat global. Anggaran Bank Dunia yang menjangkakan peningkatan bilangan penduduk dunia kepada 9 bilion menjelang 2050, daripada 7 bilion hari ini, mendedahkan cabaran yang kian memuncak bagi memastikan kecukupan makanan bagi seluruh penduduk di serata dunia. Perubahan iklim turut mengancam usaha untuk membasmi kelaparan dan kemiskinan di peringkat dunia. Dalam menjalankan peranan kami untuk mendorong pembangunan yang mampan, Agrobank berlitzam untuk mendukung pembiayaan yang bertanggungjawab dan keterangkuman kewangan. Dari sudut ini, Agrobank menggalakkan pelanggan yang terlibat dalam perladangan pertanian, khususnya tanaman makanan, ternakan dan akuakultur, untuk mendapatkan pensijilan *Malaysian Good Agricultural Practices* (MyGAP). Di bawah pensijilan ini, usahawan tani bukan sahaja berpeluang untuk meningkatkan produktiviti dan kualiti mereka, malahan mereka turut membantu memelihara alam sekitar.

Sehubungan dengan ini, Bank turut memberi sokongan dan menggalakkan pelanggan perladangan, kilang kelapa sawit serta pekebun kecil untuk mendapatkan pensijilan *Malaysian Sustainable Palm Oil* (MSPO). Ini adalah sejarah dengan keputusan Kementerian Perusahaan Perladangan dan Komoditi (MPIC) untuk memandatorikan pensijilan MSPO sebelum Disember 2019 dalam usaha meningkatkan industri ke peringkat global. Sebagai pengeluar kelapa sawit kedua terbesar di dunia selepas Indonesia, Malaysia harus memelihara dan terus mempertingkatkan imej sektor kelapa sawit di dalam negara melalui pensijilan mandatori MSPO.

Komitmen Bank untuk menjalankan pembiayaan yang bertanggungjawab dan mendukung tanggungjawab sosial dan alam sekitar menurut rangka kerja VBI dicerminkan lagi melalui pelaksanaan *Environment Impact Assessment* (EIA) untuk menilai permohonan untuk pembiayaan. Melalui EIA, Bank akan memastikan penggabungan maklumat berkaitan alam sekitar, dan di mana perlu, maklumat sosial dan ekonomi, di dalam proses pembuatan keputusan berkaitan kredit.

Environment Impacts

The issue of food security is increasingly becoming a global concern. Estimates by the World Bank revealed that the world faces a looming challenge of feeding an expanding population that is expected to reach 9 billion by 2050, from just over 7 billion today; while climate change continues to threaten global efforts to end hunger and poverty. Agrobank remains committed to advancing responsible financing and financial inclusion as part of our role in promoting sustainable development. Towards this end, Agrobank continuously promote and encourages its clients who are involved in agricultural farming, especially food crops, livestock and aquaculture, to obtain the Malaysian Good Agricultural Practices (MyGAP) certification. With such certification, agropreneurs would not only be able to increase their productivity but also improve quality whilst preserving the environment.

Along these lines, the Bank also supports and encourages its Oil Palm plantation and mill customers, and smallholders to obtain the Malaysian Sustainable Palm Oil (MSPO) certification. This is in line with the decision of the Ministry of Plantation Industries and Commodities (MPIC) to make the compliance of the MSPO certification mandatory by December 2019 with the aim of uplifting the industry to a global standard. As the second largest world producer of palm oil after Indonesia, there is a need for Malaysia to safeguard and further alleviate the image of its palm oil industry in the country through mandatory MSPO certification.

The Bank's commitment to responsible financing and upholding its social and environmental responsibilities as per the VBI framework is further reflected in the implementation of the Environment Impact Assessment (EIA) as a tool to assess financing applications. Through the EIA, the Bank will ensure that environmental, and where required, social and economic information is incorporated into its credit decision making.

PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

MENERAPKAN BUDAYA PERBANKAN YANG BERINTEGRITI & BERETIKA

Integriti adalah penting dalam sektor perbankan. Perkhidmatan yang disediakan mesti memenuhi standard profesional tertinggi, tanpa konflik kepentingan, tidak berat sebelah atau cuai, di samping memastikan kesemua pihak berkepentingan termasuk kakitangan, penjual, dan pembekal dilayan dengan adil dan saksama. Pada Februari 26, 2017, Agrobank telah diiktiraf sebagai institusi kewangan pertama dalam negara yang menandatangani Ikrar Bebas Rasuah (CFP) bagi menyokong inisiatif dan komitmen Suruhanjaya Pencegahan Rasuah Malaysia (SPRM).

Ini merangkumi sebahagian daripada inisiatif Bank untuk menggalakkan dan menyemai budaya integriti di kalangan kakitangannya, seterusnya meningkatkan nilai dan etika bekerja bagi kakitangan. Ikrar ini turut membentuk sebahagian daripada strategi Bank untuk meningkatkan kesedaran terhadap potensi ancaman penipuan dari dalam dan luar.

MELANGKAH KE TAHUN HADAPAN

Ekonomi global berada di tahap yang paling kukuh sejak beberapa tahun lepas, dan dijangka akan terus bertambah baik pada tahun 2018. Ini diperkuatkan lagi dengan pengembalian keyakinan pengguna dan perdagangan yang semakin meningkat. Dalam pada itu, impak positif yang dijangka akan diperoleh daripada perjanjian perdagangan serantau yang melibatkan kebanyakan negara Asia, turut menambah sentimen optimistik bagi ekonomi negara.

Setelah setahun mengalami penyusutan, sektor pertanian di Malaysia telah mencatatkan pertumbuhan positif sebanyak 7.2% untuk meletakkan prestasinya lebih tinggi berbanding sektor-sektor lain. Bank kekal optimistik dengan keupayaan sektor pertanian untuk mencatatkan pertumbuhan yang positif pada tahun 2018 bersandarkan sokongan RM6.5 bilion di bawah Belanjawan 2018 yang diperuntukkan untuk membina sektor pertanian sebagai enjin pertumbuhan ekonomi.

Memandang ke hadapan, pihak Lembaga Pengarah akan terus memberi tumpuan pada usaha mengekalkan kemampunan dengan meningkatkan reputasi dan prestasi. Kami akan terus mengembangkan strategi kami bagi menyampaikan nilai kepada semua pihak yang berkepentingan dalam rangka kerja tadbir urus yang memastikan kestabilan, kehematan dan penyeliaan yang berkesan. Agrobank juga akan terus memainkan peranannya untuk mengukuhkan ekonomi, sebagai agen yang mencipta ruang pekerjaan, peluang perniagaan, jaminan kewangan, inovasi dan pertumbuhan. Bank komited untuk membina keupayaan dalam menghasilkan produk dan perkhidmatan Syariah baharu yang inovatif dan mampu memenuhi keperluan komuniti dan industri pertanian. Kesemua ini akan dilaksanakan dengan menginstitusikan elemen-elemen VBI dan menyepadukan elemen Maqasid Syariah di dalam operasi Bank.

EMBEDDING CULTURE OF INTEGRITY & ETHICAL BANKING

Integrity is a key governance consideration in the banking sector. Services provided must satisfy the highest of professional standards, avoid conflicts of interest, bias, or negligence, as well as ensure that all the stakeholders including employees, vendors and suppliers are treated fairly and equally. On February 26, 2017, Agrobank became the first financial institution in the country to sign the Corruption Free Pledge (CFP) in support of the initiative and commitment of the Malaysian Anti-Corruption Commission (MACC).

This is part of the Bank's initiative in promoting and inculcating integrity as one of its corporate cultures amongst its employees, which subsequently will enhance its employees' value and work ethics. The pledge will also serve as part of the Bank's strategy to raise awareness of the potential threat posed by internal and external fraud.

THE YEAR AHEAD

The global economy is stronger than it has been for a number of years and is expected to keep its pace and even accelerate modestly in 2018. This is underpinned by recovering consumer confidence and improving trade whilst the anticipated conclusion of large regional trade agreements involving most Asian nations, also provides cause for optimism.

The agriculture sector in Malaysia recorded positive growth of 7.2% in 2017, reviving after a year of contraction and thus outperforming other sectors. The Bank remains optimistic that the agriculture sector will continue to register a positive growth in 2018 in parallel with the allocation of RM6.5 billion for building the agricultural sector as an engine of economic growth under Budget 2018.

Moving forward, the Board will continue to focus on sustaining resilience by enhancing reputation and performance. We will further develop our strategy to deliver value to all of our stakeholders within a governance framework that provides stability, prudence and effective oversight. Agrobank will also continue to play its role in helping secure a strong economy – as an enabler of employment, business opportunity, financial security, innovation and growth. The Bank is committed to building greater capability in innovating new Shariah products and services that serve the market need of the agriculture communities and industries. All this will be done by institutionalising elements of VBI and at the same time integrating elements of Maqasid Shariah in the Bank's operations.

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PERUBAHAN DALAM LEMBAGA PENGARAH

Tahun 2017 menyaksikan perubahan dalam komposisi Lembaga Pengarah apabila kami mengucapkan selamat maju jaya kepada seorang Pengarah, dan menyambut kehadiran dua individu baru ke dalam Lembaga Pengarah. Saya ingin mengucapkan terima kasih kepada Encik Ng Chih Kaye (yang meletak jawatan sebagai Pengarah pada Julai 2017) atas khidmat dan bimbingan beliau kepada Lembaga Pengarah. Sementara itu, Tuan Haji Ibrahim Hassan dan Puan Faizah Abdullah telah dilantik sebagai ahli Lembaga Pengarah yang baru dan membawa bersama mereka pengalaman dan perspektif baru.

UCAPAN PENGHARGAAN

Saya mengambil kesempatan ini untuk menyampaikan penghargaan serta rasa terima kasih saya kepada Lembaga Pengarah dan ahli Jawatankuasa Syariah Bank, atas sokongan dan panduan mereka yang tidak henti-henti. Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada Dato' Wan Mohd Fadzmi Wan Othman, yang telah meletak jawatan sebagai Presiden dan Ketua Pegawai Eksekutif Agrobank pada Ogos 2017. Kami mengucapkan selamat maju jaya kepada beliau. Bagi pihak Lembaga Pengarah, saya juga ingin merakamkan penghargaan istimewa kepada komuniti Agrobankers. Dalam tempoh singkat saya menggalas jawatan Penggerusi, saya amat kagum dengan usaha, tenaga kerja dan keupayaan warga kerja kami. Kekukuhannya prestasi Bank mencerminkan usaha keras, dedikasi dan iltizam mereka dalam menjalankan kerja di sebalik cabaran yang ada dan kami mendoakan kejayaan bagi tahun 2018, Insyallah.

Lembaga Pengarah juga ingin menyampaikan penghargaan kepada semua pelanggan dan pihak berkepentingan kami, khususnya Kementerian Pertanian dan Industri Asas Tani, Menteri Kewangan (Diperbadankan) [MOF (Inc.)] dan Bank Negara Malaysia atas sokongan berterusan dan keyakinan mereka sepanjang perjalanan kami.

Wassalam dan terima kasih.

BOARD CHANGES

2017 saw changes to the composition of the Board as we wish great success to one Director and welcomed two new individuals to our Board. I wish to warmly thank Mr Ng Chih Kaye (who resigned from the Board in July 2017) for his valuable service and wise counsel to the Board. Meanwhile, Tuan Haji Ibrahim Hassan and Puan Faizah Abdullah joined the Board bringing a wealth of experience and fresh perspectives to our discussions.

NOTE OF APPRECIATION

I take this opportunity to extend my appreciation and gratitude to the Board of Directors and members of the Bank's Shariah Committee, for their unwavering support and guidance. On behalf of the Board, I would like to thank Dato' Wan Mohd Fadzmi Wan Othman, who resigned as the President and CEO of Agrobank in August 2017. We wish him all the best in his future endeavours. My special thanks are due on behalf of the Board to the community of Agrobankers. In my short time as Chairman, I have been enormously impressed by the effort, energy and ability of our people. The Bank's strong financial performance is a testament to their hard work, dedication and commitment to duty despite the challenges and pray for a successful 2018 ahead, Insyallah.

The Board would also like to express its appreciation to all its customers and key stakeholders, particularly the Ministry of Agriculture and Agro-Based Industry, Minister of Finance (Incorporated) [MOF (Inc.)] and Bank Negara Malaysia for their continuing support, confidence and who kept faith in us throughout this journey.

Wassalam and thank you.

MASAAT AWADZ

Penanggung Tugas Presiden/Ketua Pegawai Eksekutif
Covering Duties President/Chief Executive Officer

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> **JUMLAH PEMBIAYAAN**
TOTAL FINANCING

RM 9.5
BILION/BILLION



> **JUMLAH DEPOSIT**
TOTAL DEPOSITS

RM 7.6
BILION/BILLION

ULASAN PRESTASI OLEH PENANGGUNG TUGAS PRESIDEN/KETUA PEGAWAI EKSEKUTIF

PERFORMANCE REVIEW BY COVERING DUTIES PRESIDENT/CHIEF EXECUTIVE OFFICER

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

Para Pemegang Saham yang Dihormati sekalian,
Saya dengan sukacitanya ingin melaporkan
bahawa pada tahun 2017, Agrobank telah
menzahirkan iltizamnya untuk merekodkan
pelbagai pencapaian penting bagi membolehkan
Bank mengukuhkan kedudukan kami sebagai
bank terpilih untuk bidang pembiayaan
pertanian. Di sebalik perkembangan pantas
dalam landskap pengawalseliaan, perubahan
dalam trend digital dan pasaran yang semakin
kompetitif, kami telah memanfaatkan peluang
yang ada dan berjaya menangani pelbagai
cabaran yang wujud untuk memenuhi sasaran
operasi dan kewangan.

Dear Shareholders,

I am pleased to report that in 2017 Agrobank has delivered on its commitment and achieved many significant milestones allowing the Bank to reinforce its leadership position as the bank of choice for agricultural financing. In the midst of this fast-evolving regulatory landscape, shifting digital trends and an increasingly competitive playing field; we embraced the many opportunities and challenges that the year brought while delivering on key operational and financial metrics.

Kejayaan ini berteraskan komitmen kami dalam menguruskan Bank sebagai perniagaan yang lebih mantap melalui perkhidmatan kepada pelanggan dengan cara yang turut memberi manfaat kepada generasi masa hadapan. Kemajuan dalam teknologi, sosial dan alam sekitar telah membentuk dunia yang wujud hari kini. Jadi, adalah penting untuk kami memahami keperluan pelanggan yang turut berubah, dan mengekalkan hubungan dengan pemegang saham serta masyarakat secara amnya. Salah satu pendekatan yang diambil adalah dengan menginstitusikan prinsip-prinsip Pengantaraan Berasaskan Nilai (VBI) di samping menyepakukkan elemen Maqasid Syariah dalam aktiviti perniagaan Bank.

At the core of this success is our commitment to run the Bank as a more sustainable business, serving today's customers in a way that also helps future generations. As technological, social and environmental changes shape the world; it is important to stay connected with evolving customer needs, our shareholders and the wider expectations of society. One of the ways in which we are doing this is through institutionalising the Value Based Intermediation (VBI) principles as well as integrating elements of Maqasid Shariah in the Bank's business activities.

ULASAN PRESTASI OLEH PENANGGUNG TUGAS PRESIDEN/KETUA PEGAWAI EKSEKUTIF PERFORMANCE REVIEW BY COVERING DUTIES PRESIDENT/CHIEF EXECUTIVE OFFICER



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PRESTASI KEWANGAN

Berlatarkan keadaan pasaran yang mencabar, yang didorong oleh persaingan sengit dan penyusutan margin, Agrobank telah mencatatkan prestasi yang membanggakan. Kemajuan makroekonomi yang positif dalam ekonomi dunia dan usaha berterusan kami untuk menjadisebuah Bank yang efisien dan berteraskan pelanggan, telah membantu kami menzahirkan prestasi kewangan yang memberangsangkan. Prestasi yang dicatatkan oleh Agrobank pada tahun 2017 membuktikan peningkatan yang ketara dan bermakna bagi Bank.

Sekali lagi, Bank telah mencatatkan pertumbuhan dua angka sebanyak 16.5% bagi keuntungan sebelum zakat dan cukai (PBZT) untuk mencatatkan RM230.6 juta pada penghujung 2017. Pencapaian ini telah didorong oleh pertumbuhan dalam pembiayaan sebanyak 9.8%, yang jauh mengatasi prestasi industri. Pulangan atas ekuiti (sebelum cukai) adalah sebanyak 8.2% berbanding 7.5% pada tahun

FINANCIAL PERFORMANCE

We charted commendable performance in challenging market conditions underpinned by intense competition and margin erosion. The positive macroeconomic developments in the world economies and our ongoing efforts to become a more customer-driven, efficient bank helped us deliver a set of strong financial results. The results posted by Agrobank in 2017 are evident of a steady rise to a prominent and significant leap in the Bank's journey.

The Bank posted another year of double digit growth of 16.5% in its profit before zakat and tax (PBZT) to record RM230.6 million by end of 2017. This was driven by financing growth of 9.8%, which strongly overtook industry performance. The return on equity (before tax) was 8.2% against 7.5% in 2016. The result reflects a positive macroeconomic environment and higher customer activity.





24.9%

JUMLAH NISBAH
MODAL TERAS
**TOTAL CORE CAPITAL
RATIO**

2016. Keputusan ini mencerminkan keadaan makroekonomi yang positif dan peningkatan dalam aktiviti pelanggan.

Berbanding pertumbuhan industri sebanyak 4.3%, jumlah asset Bank meningkat sebanyak 9.1% dan kini mencecah RM15.2 bilion. Jumlah pembiayaan dan pendahuluan kasar meningkat kepada RM9.5 bilion, naik 9.8% iaitu lebih dua kali ganda berbanding purata pertumbuhan pembiayaan bagi industri pada 4.1%. Pertumbuhan kukuh dalam pembiayaan telah digalakkan oleh kemajuan dalam segmen perbankan pengguna dan perniagaan. Deposit pelanggan turut meningkat sebanyak 7.7% kepada RM7.6 bilion, yang menggambarkan pertumbuhan dalam bilangan pelanggan dan kesetiaan tegar pelanggan.

Pengambilan langkah-langkah pencegahan dan proaktif seperti dasar pembiayaan yang berhemat dan amalan pengurusan risiko yang baik telah menyumbang kepada pengukuran aset Bank. Ini dicerminkan melalui peningkatan dalam nisbah pembiayaan terjejas sebanyak 4.5% pada tahun

Total assets increased by 9.1% compared with industry growth of 4.3%, and now stand at RM15.2 billion. Total gross financing and advances rose to RM9.5 billion, up by 9.8%; which is more than double the industry's average financing growth of 4.1%. Strong growth in financing was led by growth in the consumer and business banking segments. Deposits from customers also increased by 7.7% to RM7.6 billion, reflecting a growing customer base and strong customer loyalty.

The Bank's strong asset quality is a result of a combination of preventive and proactive measures taken such as prudent financing policies and strong risk management practices. This is mirrored in improvement of the gross impaired financing ratio of 4.5% in 2017, lower than 5.2% recorded in 2016. Agrobank's financing loss coverage ratio decreased marginally from 100.6% in 2016 to 100.2% in 2017, but remains significantly higher than the coverage ratio for the banking system of 82.9%.



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2017, lebih rendah daripada 5.2% yang dicatatkan pada tahun 2016. Nisbah perlindungan kerugian pembiayaan bagi Agrobank menunjukkan penurunan marginal sebanyak 100.2% dalam 2017 berbanding 100.6% pada tahun 2016, tetapi masih jauh lebih tinggi daripada nisbah perlindungan bagi sistem bank sebanyak 82.9%.

Sejajar dengan pencapaian hasil yang lebih baik dan pengurusan kos yang lebih berkesan dalam usaha Bank untuk memperkemas operasi perniagaannya bagi meningkatkan produktiviti dan keefisienan, nisbah kos kepada pendapatan meningkat kepada 60.6% berbanding 62.1% pada tahun 2016. Kedudukan modal Bank kekal stabil dengan nisbah modal teras sebanyak 24.9%, yang jauh mengatasi keperluan BNM.

MENAMBAH NILAI MELALUI PENCPTAAN NILAI

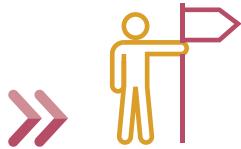
Meskipun sesetengah organisasi mungkin melihat kemampuan sebagai keperluan untuk pengawalseliaan dan pelaporan korporat sahaja, ia sebenarnya membentuk komponen utama lain dalam agenda politik, ekonomi dan sosial. Demikian juga, kemampuan memainkan peranan penting dalam pembentukan dan pelaksanaan strategi perniagaan. Persekitaran operasi yang kian berubah turut menggerakkan sektor korporat untuk meningkatkan dan mengembangkan pemahaman dan pendekatan mereka terhadap penciptaan ‘nilai’. Perniagaan hari ini tidak lagi wujud sekadar untuk memperoleh keuntungan; tetapi kesejahteraan kakitangan, komuniti dan bumi ini harus dititikberatkan demi kebaikan perniagaan tersebut.

Cost to income ratio improved to 60.6% compared with 62.1% in 2016, in line with strong revenues and more effective cost management as the Bank continued to focus on streamlining of its business operations to improve productivity and efficiency. The Bank's capital position continued to be healthy as reflected by its total core capital ratio of 24.9%, which is well in excess of BNM requirements.

ADD VALUE BY CREATING VALUE

While some organisations have treated sustainability as a regulatory and corporate reporting requirement in the past, it is now becoming a crucial component of the political, economic and social agenda and therefore central to business strategy and delivery. Furthermore, a changing operating environment is prompting corporates to rethink how they understand and approach ‘value’ creation and expand this narrative. Business no longer exists to just make money; the well-being of employees, communities and the planet is inevitably tied to the health of the business.

Agrobank has been an industry leader in placing sustainability at the heart of our business through the adoption of VBI principles; which in turn shapes our strategy, approach to financing, solutions and service delivery. With VBI deeply rooted in the Bank's core values



Pada tahun 2017, kami sekali lagi telah mencatatkan keputusan yang cemerlang melalui pencapaian markah yang tinggi sehingga 79% (sama seperti tahun lepas), dalam penilaian penglibatan kakitangan. Ini mencerminkan budaya dalam Bank di mana penglibatan kakitangan adalah diutamakan. Dari sudut penjenamaan, Agrobank telah meningkat naik dalam senarai Malaysia's 100 Leading Graduate Employers daripada tangga ke-44 pada tahun 2016 ke tangga ke-38 pada tahun 2017.

In 2017, we once again achieved an exceptional result when our employee engagement score recorded a high of 79% (same as last year), which reflects the culture of high employee engagement within the bank. In the area of employer branding, Agrobank moved up the Malaysia's 100 Leading Graduate Employers ranking from number 44 in 2016 to 38th place in 2017.



Agrobank mengutamakan kemampuan dalam menjalankan perniagaan kami, dan ini dilakukan melalui pengadaptasian prinsip-prinsip VBI yang diharap akan membentuk penzahiran strategi, pendekatan, pembiayaan, penyelesaian dan perkhidmatan kami. Dengan prinsip-prinsip VBI disemaikekan ke dalam nilai-nilai teras dan aktiviti perniagaan Bank, peranan Agrobank sebagai institusi kewangan adalah untuk membekalkan sokongan dan menggalakkan kemajuan ekonomi, sosial dan persekitaran, sambil menjana pulangan yang menggalakkan buat pemegang saham. Ini bermakna, kami di Agrobank berpegang teguh pada falsafah menambah nilai melalui penciptaan nilai!

Mencipta Nilai melalui Kerjasama

Bagi kami, kerjasama merupakan elemen penting dalam mencipta nilai pada masa hadapan. Melalui kerjasama dengan rakan-rakan strategik yang tertumpu pada aktiviti pertanian dan aktiviti yang berkaitan dengan pertanian, kedudukan unik Agrobank dalam sektor pertanian dijangka akan bertambah kukuh.

Pada tahun ini, kami telah meluaskan skim pembiayaan Paddy-i melalui kerjasama strategik dengan Pertubuhan Peladang Kawasan (PPK) dan Kilang Padi Komersial (KPK). Sebagai skim pembiayaan inovatif yang dirangka untuk memenuhi keperluan pesawah padi yang memperoleh pendapatan mereka mengikut musim, skim Paddy-i menyediakan pesawah dengan kemudahan pembiayaan sehingga RM2,500 per hektar atau pembiayaan maksimum RM50,000 bagi menampung keperluan membeli padi, benih, baja, penyediaan tanah dan lain-lain kos pengeluaran yang berkaitan dengan penanaman padi.

Melalui kemudahan pembiayaan dan skim usaha sama seperti ini, Agrobank akan membantu mengukuhkan jaminan makanan dan memperbaiki kehidupan pesawah padi dalam negara, di mana pendapatan mereka adalah antara yang terendah dalam komuniti pertanian. Skim ini bukan sahaja dilihat sebagai projek pembiayaan untuk mencapai kemampunan, tetapi ia turut dianggap penting bagi melindungi jaminan makanan negara.

and business activities, Agrobank's role as a financial institution is to support and promote economic, social and environmental progress; and at the same time generate healthy returns for shareholders. This simply means that at Agrobank, we subscribe to the philosophy of adding value by creating value!

Value Creation via Collaboration

We believe that collaboration is an important source of future value creation. Agrobanks' niche position in the agriculture sector is expected to be further strengthened via its collaboration with strategic partners who are focused specifically on agriculture and agriculture-related activities.

During the year, we have extended our Paddy-i financing through a strategic collaboration with *Pertubuhan Peladang Kawasan* (PPK) and *Kilang Padi Komersial* (KPK). As an innovative financing scheme designed to cater for seasonal income earners of paddy farmers, Paddy-i provides farmers with financing facility of up to RM2,500 per hectare or maximum financing of RM50,000 to meet the requirement for the purchase of paddy, seeds, fertilisers, land preparation and other production costs associated with the paddy farming.

Through such financing facility and collaborative schemes, Agrobank contributes significantly to improving the state of national food security and livelihood of paddy farmers in the country, whose income are among the lowest in the agriculture community. The scheme is not only considered as financing for sustainability but also for food sovereignty of the country.

Similarly, our Chilli Fertigation Group Financing scheme promotes and supports sustainable development of agriculture and improves livelihood of the local communities. In 2017, we extended this facility in Selangor and Kelantan through our strategic alliance with the National Farmers Association (NAFAS) where Agrobank provided participants of the chilli fertigation projects financing facilities.

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Begitu juga dengan skim Pembiayaan Berkelompok Cili Fertigasi yang menggalakkan dan menyokong kemampuan dalam pembangunan bidang pertanian, dan meningkatkan kehidupan komuniti tempatan. Pada tahun 2017, kami telah meluaskan kemudahan ini di Selangor dan Kelantan melalui perikatan strategik dengan Pertubuhan Peladang Kebangsaan (NAFAS) di mana Agrobank menawarkan kepada para peserta projek fertigasi cili kemudahan pembiayaan.

Mencipta Nilai untuk Pelanggan

Sebagai IKP, kami berperanan untuk menyokong dan menggalakkan kemajuan ekonomi, sosial dan persekitaran. Kami mencipta nilai melalui penyediaan produk dan perkhidmatan yang membantu masyarakat memperbaiki hidup mereka dan mendorong pertumbuhan ekonomi. Di Agrobank, kami memperkasakan pelanggan kami untuk berada satu langkah di hadapan, dalam kehidupan mereka dan perniagaan mereka. Ini digambarkan melalui rangkaian produk dan perkhidmatan kewangan yang ditawarkan kepada pelanggan kami di samping pelbagai inisiatif yang telah kami laksanakan untuk memperkasakan kedudukan ekonomi mereka secara mampan dan berterusan.

Pada tahun ini, kami telah memperkenalkan produk perbankan pengguna keempat kami iaitu Agro Home Financing-i yang bertujuan untuk memudahkan pemilikan rumah bagi komuniti pertanian. Usaha kami tidak terhenti setakat ini sahaja dan di bawah skim tersebut, Bank telah

Customer Value Creation

Our role as a DFI is to support and stimulate economic, social and environmental progress. We create value by providing products and services that help people to improve their lives and fuel economic growth. At Agrobank, we empower people to stay a step ahead in life and in business. This is reflected in the range of financial products and services we offer to our customers as well the various initiatives we have spearheaded to economically empower them in a sustainable, meaningful way.

During the year under review, we introduced our fourth consumer banking product, namely Agro Home Financing-i aimed at facilitating home ownership for the agricultural community. But we didn't stop here. Under this scheme, the Bank introduced the Rumah Bina Negara (RBN) in collaboration with the Rubber Industry Smallholders Development Authority (RISDA), which is aimed at providing affordable housing for those from the second generation of RISDA settlers and to increase their assets while encouraging them to live in the village without migrating to urban areas.

We continued with the expansion of our electronic banking channels with majority of the initiatives in 2017 were concentrated on internet banking drive among business customers. These included promoting the subscription and utilisation of AGRONetBiz business internet banking service as the primary payment and



memperkenalkan projek usaha sama Rumah Bina Negara (RBN) dengan Pihak Berkua Kemajuan Pekebun Kecil Perusahaan Getah (RISDA), yang bermatlamat untuk menyediakan perumahan yang mampu dimiliki kepada generasi kedua penduduk RISDA, dan meningkatkan aset mereka sambil menggalakkan mereka untuk terus menetap di kampung tanpa perlu berhijrah ke kawasan bandar.

Usaha kami diteruskan melalui peluasan saluran perbankan elektronik kami, di mana kebanyakannya inisiatif yang diambil dalam 2017 tertumpu pada usaha menggalakkan penggunaan perbankan Internet di kalangan pelanggan perniagaan. Ini termasuk menggalakkan langganan dan penggunaan perkhidmatan perbankan Internet kami, AGRONetBiz sebagai saluran pembayaran dan pengurusan gaji utama bagi perniagaan, menyepadukan pembayaran bagi badan-badan berkanun; serta pengenalan kemudahan membeli takaful dalam talian. Bagi tahun yang diulas, terdapat peningkatan ketara dari segi bilangan dan nilai urus niaga yang dijalankan melalui perkhidmatan perbankan Internet. Pada tahun 2017, terdapat peningkatan ketara dari segi bilangan dan nilai urus niaga yang dijalankan melalui perkhidmatan perbankan Internet, mencapai RM974.0 juta, naik 122.9% berbanding tahun lepas.

Di Agrobank, kami turut mencipta nilai dengan menggalakkan keusahawanan dan pertumbuhan SME. Pada tahun 2017, pembiayaan mikro bernilai RM269.8 juta telah disediakan untuk usahawan tani. Untuk menyokong aspirasi kerajaan dalam memperkasakan pembangunan usahawan tani, khususnya di kalangan belia, Bank telah mengeluarkan pembiayaan di bawah Dana Pembiayaan Usahawan Pertanian atau DPUP. Agrobank juga menyedari kepentingan membina keupayaan usahawan tani bagi memastikan mereka memantapkan kemahiran dalam keusahawanan, dan seterusnya mencapai kemampuan perniagaan. Melalui Program Pembangunan Usahawan Tani (ADP), pembinaan keupayaan usahawan merangkumi empat bidang strategik yang penting iaitu Pengurusan Operasi, Pengurusan, Pengurusan Kewangan, dan Pemasaran. Program ini bertujuan untuk memupuk, membangunkan dan membantu usahawan tani memperolehi kemahiran dan pengetahuan yang diperlukan, di samping meningkatkan amalan positif dan kemahiran ke arah kecemerlangan perniagaan. Pada tahun 2017, sebanyak 22 sesi latihan ADP telah dianjurkan yang melibatkan 618 peserta dari pelbagai subsektor pertanian.

Untuk menyokong ekonomi digital, BNM telah mempromosikan sistem pembayaran tanpa transaksi tunai. Menurut BNM, nilai per kapita bagi urus niaga pembayaran elektronik adalah 110.6 unit pada tahun 2017, yang meningkat lebih dua kali ganda sejak 2011. Dalam pada itu, nilai bagi urus niaga cek menyusut daripada 4.2 unit per kapita pada tahun 2016 kepada 3.7 unit per kapita pada tahun 2017. Bagi menyokong agenda ini, Agrobank sedang membangunkan aplikasi kad pintar bagi pelajar dan terminal penerimaan pembayaran untuk pelajar universiti yang dijangka akan menukar cara pelajar-pelajar sekolah dan universiti mengakses kemudahan dan perkhidmatan.

Bank juga telah menyempurnakan proses pemindahan daripada kad pembayaran berasaskan tanda tangan kepada kad berasaskan PIN, sejajar dengan inisiatif seluruh industri bagi mematuhi Spesifikasi Kad Cip Malaysia (MCCS). Dengan kad berasaskan PIN baharu ini, pemegang kad kini perlu memasukkan PIN enam digit untuk mengesahkan urus niaga pembayaran kad di semua terminal di tempat jualan (POS), sebagai langkah pencegah untuk menangani masalah penipuan bagi kad yang hilang dan kad yang dicuri.

payroll management channel for businesses, integration of payment to statutory bodies; and the introduction of an online takaful purchase facility. Significant growth in terms of both number and value of transactions made through internet banking services was registered during the year under review. In 2017, the value of banking transactions conducted through internet banking recorded some RM974.0 million, an increase of 122.9% compared to the previous year.

At Agrobank we also create value by fuelling entrepreneurship and growth of SMEs. During 2017, microfinancing worth a total of RM269.8 million was provided to agropreneurs. In support of the government's aspiration to empower the development of agro-entrepreneurs especially among youths, the Bank had disbursed funding under the Dana Pembiayaan Usahawan Pertanian or DPUP. Agrobank, however, recognises the importance of capacity development among agropreneurs to ensure they develop entrepreneurial abilities and, in the process, achieve business sustainability. Through our Agropreneur Development Programme (ADP), capacities of agropreneurs are built in four key strategic areas – Operational, Management, Financial Management, and Marketing. The programme aims to nurture, develop and enable agropreneurs to acquire necessary skills and knowledge as well as enhance positive attitudes and skills towards business excellence. In 2017, a total of 22 ADP training sessions were organised involving 618 participants from various agriculture subsectors.

To embrace the digital economy, BNM is pushing for cashless payment agenda on society. According to BNM, e-payment transaction volume per capita was 110.6 unit in 2017, which has more than doubled since 2011 while cheque volume declined to 3.7 unit per capita in 2017 from 4.2 unit per capita in 2016. In support of this national agenda, Agrobank is embarking on developing a student smart card application and payment acceptance acquiring terminal for university students, which is set to transform the way students at schools and universities access facilities and services.

The Bank also successfully completed the migration exercise from signature to PIN-based payment cards in line with the industry-wide initiative in compliance with the new Malaysian Chip Card Specification (MCCS). With this new PIN-based card, cardholders are now required to enter a six-digit PIN to authenticate payment card transactions at all point-of-sale (POS) terminals. This serves as a pre-emptive measure to combat lost and stolen card fraud.

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Mencipta Nilai Kemasyarakatan

Kajian seperti rencana “Creating Shared Value” dan “How Great Companies Think Differently”, dalam *Harvard Business Review* menunjukkan bahawa perniagaan bukan sahaja boleh memberi manfaat kepada masyarakat tanpa perlu mengabaikan pertumbuhan, malahan nilai yang dicipta ini akan dipertingkatkan melalui usaha sosial dan kegiatan kemasyarakatan yang dilakukan. Sebagai IKP, kami memahami impak yang kami bawa kepada masyarakat, iaitu secara langsung melalui operasi perniagaan kami dan secara tidak langsung melalui portfolio pembiayaan kami. Pengaruh yang dimiliki ini adalah seiring dengan kepentingan tanggungjawab kami. Di Agrobank, kami percaya penciptaan nilai ekonomi boleh dihasilkan melalui penciptaan nilai kemasyarakatan, dan ini dilaksanakan dengan menawarkan produk kewangan yang memenuhi keperluan segmen masyarakat termasuk yang kurang mendapat perkhidmatan perbankan.

Agrobank beriltizam untuk membantu orang ramai memperoleh akses kepada sumber kemahiran, dan menyokong usahawan untuk menggalakkan penciptaan kerja. Melalui program pembiayaan mikro iaitu Agro Teras, Bank menawarkan bantuan kewangan kepada usahawan daripada golongan 40% terbawah dalam kumpulan pendapatan isi rumah (B40) yang terlibat dalam bidang perniagaan pertanian dan asas tani. Berdasarkan kumpulan model setara, Agro Teras menawarkan pembiayaan menurut fasa, bermula dari serendah RM1,000 dan beransur-ansur ke RM30,000, mengikut kemampuan dan rekod pemohon.

Pada tahun 2017, Agrobank telah melancarkan skim takaful Agro Nurani untuk orang kurang upaya (OKU). Saya berbangga untuk menyatakan bahawa skim jenis ini adalah yang pertama diperkenalkan di Malaysia. Komitmen Bank terhadap penciptaan nilai untuk masyarakat di mana ia berkhidmat telah diiktiraf baru-baru ini dengan pemilihan Pelan Takaful *Family Life* kami yang dikenali sebagai Takaful Mabrur-i oleh BNM untuk menyertai skim Perlindungan Tenang. Bersandarkan tiga kriteria asas iaitu kemampuan, akses dan mudah untuk difahami, Perlindungan Tenang merupakan inisiatif negara untuk meningkatkan kewangan terangkum bagi segmen yang kurang mendapat perkhidmatan bank di Malaysia, terutamanya golongan 40% terbawah dalam segmen isi rumah. Bersandarkan tiga kriteria asas iaitu mampu dimiliki, mudah diakses, dan senang difahami, skim Perlindungan Tenang merupakan inisiatif negara untuk meningkatkan kewangan terangkum bagi segmen yang kurang mendapat perkhidmatan perbankan di Malaysia, khususnya golongan 40% terbawah bagi isi rumah.

Creating Societal Value

Numerous studies, such as the Harvard Business Review articles “Creating Shared Value” and “How Great Companies Think Differently,” show that not only can a business do good for society without sacrificing growth, but in fact the value created over time is significantly enhanced by a clear sense of social mission and intentional community investments. As a DFI, we understand that we have a broad impact on society, both directly through our own business operations and indirectly through our financing portfolio. And with this influence comes responsibility. At Agrobank we believe in creating economic value by creating societal value. This is done by offering financial products that caters to the needs of the unserved and underserved segments of the society.

Agrobank is committed to helping people gain access to skills, and supporting entrepreneurs to drive job creation. Through our micro financing programme – Agro Teras, the Bank provides financial assistance to entrepreneurs from the bottom 40% of household income (B40) involved in agriculture and agro-based business. Based on peer model group, Agro Teras offers funding in phases, starting from as low as RM1,000 and can gradually be increased up to RM30,000 based on the applicant's affordability and records.

In 2017, Agrobank launched the Agro Nurani takaful scheme coverage for persons with disabilities (PWD). I am proud to share that this is a first of a kind protection in Malaysia. The Bank's commitment to create value to the society it serves was recognised recently when our Family Life Takaful Plan known as Takaful Mabrur-i was chosen by BNM to carry the Perlindungan Tenang logo. Riding on three basic criteria of being affordable, accessible and easy to understand, Perlindungan Tenang is a national initiative to enhance financial inclusion of underserved segments in Malaysia, particularly the bottom 40% of households.

Agrobank supports the development of a financial system which delivers real value to the society by addressing the barriers of inclusiveness and affordability. Towards this end, the Bank remains steadfast committed to creating value through financial inclusion. In 2017, we expanded our agent banking network with the addition of 304 new AGROAgents, making up a total of 764 agents nationwide.

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Agrobank menyokong kemajuan dalam sistem kewangan yang merealisasikan nilai kepada masyarakat walaupun menghadapi halangan yang wujud dari segi keterangkuman kewangan dan kemampuan. Bank telah komited untuk menjayakan agenda keterangkuman kewangan ini agar perkhidmatan Bank dinikmati segenap lapisan masyarakat. Pada tahun 2017, kami telah meluaskan rangkaian ejen kami melalui penambahan 304 Ejen Perbankan (AGROAgent) baharu, sekaligus menjadikan jumlah Ejen Perbankan kepada 764 orang di seluruh negara.

Menambahkan Nilai dalam Persekutaran

Antara cabaran paling rumit pada hari ini adalah isu pemeliharaan alam sekitar dan iklim. Isu ini diambil kira dalam kesemua aspek perniagaan kami. Salah satu cara Agrobank menyokong *Sustainable Development Goals* (SDGs) adalah melalui pemberian sokongan kepada inisiatif yang tertumpu pada kemampuan. Kami akan terus mengkaji dan memperbaiki tumpuan utama kami dalam memperluaskan akses pembiayaan kepada segmen sosial dan alam sekitar, membina kemahiran, dan menyokong usaha pemerkasaan. Pada tahun 2017, kami telah meningkatkan kemampuan dalam perniagaan bank serta mengambil kira keperluan persekitaran dan sosial dalam meluluskan semua urus niaga dan produk kami.

Penerapan prinsip-prinsip VBI ke dalam DNA Bank mendorong Agrobank untuk menjalankan tanggungjawab sosial dan persekitaran sebagai entiti kewangan yang bertanggungjawab. Dari sudut ini, kami telah melaksanakan *Environment Impact Assessment* (EIA) sebagai medium untuk menilai permohonan pembiayaan.

Iltizam Agrobank dalam menjamin tahap sara diri makanan dan kemampuan dalam amalan pertanian dicerminkan melalui inisiatif kami untuk menggalakkan amalan perlادangan yang baik di kalangan pelanggan kami. Bagi pelanggan Bank, khususnya mereka yang terlibat dalam perlادangan pertanian seperti tanaman makanan, ternakan dan akuakultur, mereka digalakkan untuk mendapatkan pensijilan *Malaysian Good Agricultural Practices* (MyGAP). Pensijilan dan pengamalan MyGAP menawarkan dua manfaat utama kepada usahawan tani iaitu pengurangan dalam risiko ekonomi, dan peningkatan peluang dalam akses di pasaran.

Environmental Value Added

Environmental and climate protection are among the most pressing global challenges of our time. We take these concerns into account in all aspects of our business. Supporting sustainability-focused initiative is one way in which Agrobank is supporting the Sustainable Development Goals (SDGs). We will continue to review and improve our core focus on raising access to financing for social and environmental segments, building skills and supporting empowerment. In 2017, we intensified our efforts to make the Banks' business more sustainable, while integrating environmental and social due diligence into the approval process for all transactions and products.

With VBI principles embedded into the Bank's DNA, Agrobank upholds its social and environmental responsibilities as a responsible financial entity. Towards this end, we have implemented the Environment Impact Assessment (EIA) as a tool to assess financing applications.

Agrobank's commitment to food sustainability and sustainable agricultural practices is reflected in our initiatives to promote the adoption of good agriculture practices amongst our clients. The Bank's customers, especially those involved in agricultural farming such as food crops, livestock and aquaculture; are encouraged to obtain the Malaysian Good Agricultural Practices (MyGAP) certification. MyGAP adoption and certification offers two primary benefits to our agropreneurs; economic risk reduction, and improved market access opportunities.

Although MyGAP does not guarantee food safety, they do reduce the risk that a foodborne disease outbreak will originate on the farm. The risk of large economic losses – such as a catastrophic drop in sales, damage to the farm's reputation and potential lawsuits – is also reduced with MyGAP adoption and certification. Another important benefit of MyGAP adoption and certification is what economists call the "positive externality" effect to the entire industry. Each agropreneur who becomes certified reduces his or her farm's risk of spreading foodborne illness and, therefore, lowers the risk of an outbreak that can potentially affect the entire community of farmers and agri-businesses. Furthermore, MyGAP certification opens markets for agropreneurs to expand sales. Since it is recognised worldwide, it facilitates the export of products that are certified.



Pada tahun 2017, pembiayaan mikro bernilai RM269.8 juta telah disediakan untuk usahawan tani. Untuk menyokong aspirasi kerajaan dalam memperkasakan pembangunan usahawan tani, khususnya di kalangan belia, Bank telah mengeluarkan pembiayaan di bawah Dana Pembiayaan Usahawan Pertanian atau DPUP.

During 2017, microfinancing worth a total of RM269.8 million was provided to agropreneurs. In support of the government's aspiration to empower the development of agro-entrepreneurs especially among youths, the Bank had disbursed funding under the Dana Pembiayaan Usahawan Pertanian or DPUP.

ULASAN PRESTASI OLEH PENANGGUNG TUGAS PRESIDEN/KETUA PEGAWAI EKSEKUTIF PERFORMANCE REVIEW BY COVERING DUTIES PRESIDENT/CHIEF EXECUTIVE OFFICER

Meskipun MyGAP tidak menjamin keselamatan makanan, ia boleh mengurangkan risiko berlakunya masalah penyakit di ladang. Risiko kerugian ekonomi yang teruk seperti kejatuhan ketara dalam jualan, kerosakan pada reputasi ladang dan kemungkinan disaman, turut dikurangkan dengan amalan dan pensijilan MyGAP. Satu lagi manfaat penting dalam amalan dan pensijilan MyGAP adalah sesuatu yang dipanggil oleh pakar ekonomi sebagai kesan 'faktor eksternaliti positif' kepada seluruh industri. Setiap usahawan tani yang menerima sijil ini akan berupaya mengurangkan risiko penyakit bawaan makanan dan sekaligus mengurangkan risiko sebaran penyakit yang berpotensi untuk menjelaskan komuniti usahawan tani dan perniagaan berasaskan pertanian. Di samping itu, pensijilan MyGAP juga akan membuka pintu pasaran kepada usahawan untuk mengembangkan perniagaan mereka. Memandangkan pensijilan ini diiktiraf di seluruh dunia, ia turut memudahkan pengeksportan produk yang telah diberikan pensijilan.

Minyak kelapa sawit merupakan komoditi penting dan bahan mentah pelbagai guna bagi industri makanan dan industri bukan makanan. Peningkatan yang tinggi di dalam pengeluaran kelapa sawit dan penanamannya didorong oleh permintaan global yang tinggi beberapa dekad yang lalu dan ini telah membawa kepada kemerosotan tanah, air dan impak ekologi. Isu ini telah menyebabkan pelbagai kritikan terhadap penggunaan kelapa sawit dalam industri. Menyedari hal ini dan sejajar dengan prinsip VBI untuk mengekalkan kelestarian persekitaran, Agrobank menyokong dan menggalakkan pemerolehan pensijilan *Malaysian Sustainable Palm Oil* (MSPO) oleh pelanggan kelapa sawit mereka.

Pensijilan ini akan menangani isu-isu kelestarian dan cabaran berkaitan berbilang pihak berkepentingan yang terlibat dalam industri, memandangkan standard MSPO ini memerlukan kemampunan pengeluaran diterapkan sepanjang rantai bekalan, daripada bahan mentah sehingga ke pengangkutan dan seterusnya ke pengguna. Ini akan membantu pengilang kelapa sawit menetapkan, mengekalkan dan memperbaiki amalan pengendalian mereka dalam rangka kerja sistem pengurusan, seterusnya mengambil pendekatan yang sesuai untuk memperolehi kemampunan dalam pengeluaran kelapa sawit. Ini juga adalah sejajar dengan keputusan Kementerian Perusahaan Perladangan dan Komoditi untuk memandatorikan pensijilan MSPO sebelum Disember 2019.

Palm oil is an important commodity and a versatile raw material for both food and non-food industries. Driven by global demands, the past few decades have seen rapid expansion of palm oil production and cultivation leading to degradation of land, water and ecological impact. This has led to much criticism surrounding the usage of palm oil in the industry. Cognisant of this and line with the VBI principle on environmental sustainability, Agrobank supports and encourages its palm oil customers to obtain the Malaysian Sustainable Palm Oil (MSPO) certification.

The certification addresses sustainability issues and challenges in relation to the multi-stakeholders involved in the industry as the MSPO standard describes the sustainability requirements for the production throughout the supply chain from the raw materials until the transport to consumer. Thus, making it possible for palm oil producers to establish, maintain and improve their operational practices within management system framework, which enables the approach towards attaining sustainable production of palm oil. This is also in line with the decision made by the Ministry of Plantation Industries and Commodities to make the compliance of the MSPO certification mandatory by December 2019.

Value Creation via Employees

The ability to develop manpower resources and effectively match them with opportunities is the core of any well-run organisation's value to employees, and the basis of its valuation by shareholders. This value creation process is, in turn, built on the capabilities and motivation of the employees. Hence, an organisation can't focus on creating value for customers without helping to create value for its employees.

At Agrobank we are heedful that creating value requires that our people or better known as Agrobankers are put first, not just current business objectives and strategies. Hence, we create value through empowering, engaging and enriching our people. Agrobankers are empowered to reach their full potential so that they can maximise their contribution to shareholders, customers, and the community.

Our focus on investment in training, development and coaching as well as creating new ways to engage and support Agrobankers continues. We are mindful that the needs of our Agrobankers are changing. Hence, empowerment and dynamic working environment as well as improved technology have been a strong focus as we develop a world-class team who put customers at the centre of everything they do.

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Mencipta Nilai melalui Kakitangan

Keupayaan untuk melahirkan tenaga kerja yang bersesuaian dengan keperluan organisasi adalah teras kepada pembentukan nilai kepada kakitangan dan turut dinilai pemegang saham. Bagi pemegang saham, keupayaan ini turut dijadikan asas untuk menilai prestasi. Proses penciptaan nilai adalah bersandar kepada keupayaan dan motivasi kakitangan. Dengan itu, sesuatu organisasi tidak seharusnya menumpukan fokus pada penciptaan nilai buat pelanggannya semata-mata tanpa mencipta nilai bagi kakitangannya.

Di Agrobank, kami menyedari bahawa untuk mencipta nilai, kami perlu mengutamakan warga kerja kami yang lebih dikenali sebagai Agrobankers, dan bukannya mementingkan objektif dan strategi perniagaan semata-mata. Oleh itu, kami berusaha untuk mencipta nilai dengan memperkasa dan memperkayakan warga kerja kami. Agrobankers diperkasakan untuk mencapai potensi penuh supaya mereka mampu memberi sumbangan maksimum kepada pemegang saham, pelanggan dan komuniti.

Kami akan meneruskan pemberian latihan, pembangunan dan bimbingan di samping merangka mekanisme baru untuk menambah penglibatan dan sokongan kepada Agrobankers. Kami menyedari keperluan Agrobankers kian berubah. Oleh yang demikian, memastikan pemerkasaan dan persekitaran kerja yang dinamik di samping meningkatkan teknologi membentuk fokus utama kami dalam usaha membangunkan pasukan bertaraf dunia yang mengutamakan pelanggan dalam semua perkara yang dilakukan.

Strategi pembangunan warga kerja kami diselaraskan secara terperinci dengan Pelan Perniagaan Strategik 2016-2020 bagi Bank. Untuk membina dan mengukuhkan barisan tenaga kerja kami, Bank akan meneruskan inisiatif dalam pembangunan kepimpinan, pemberian latihan profesional, dan latihan untuk memperkasakan kemahiran kakitangan berdasarkan rangka kerja pembangunan yang berkesan. Rangka kerja ini menawarkan rangkaian peluang pembelajaran, pembangunan dan pendidikan yang meluas untuk semua Agrobankers dan telah dirangka dengan baik bersandarkan direktori latihan tahunan.

Our people development strategies are closely aligned with Bank's 2016-2020 Strategic Business Plan. To build and strengthen our talent pipeline, the Bank continues to invest in leadership development, professional training and employee skills enrichment based on our people development framework. The framework provides a wide range of learning, development and educational opportunities for all our Agrobankers and is premised upon a well-developed Annual Training Directory.

We support their professional development through various sponsorship schemes for certification and professional courses. We also encourage Agrobankers to become certified professionals through various qualifications including Certificate in Internal Auditing for Financial Institution, Certification in Anti-Money Laundering/Counter Financing of Terrorism, Certified Financial Planner, Certified Documentary Credit Specialist, and Certification in Islamic Banking & Finance.

To be successful today and in the future; we need to attract, develop and retain our talent. The Emerging Leader Programme (ELP) and Young Talent Programme are examples of how we are building our talent pipeline through a clear focus on talent attraction, identification and development. Through ELP, we identify future leaders and accelerate their talent development. During the year under review, Agrobankers who had been selected to join the ELP underwent a total of 27 courses. Meanwhile, our YTP have nurtured and groomed 57 graduates since its inception since 2011, via a formal and structured development programme that includes on-the-job training and corporate and social responsibility activities.

ULASAN PRESTASI OLEH PENANGGUNG TUGAS PRESIDEN/KETUA PEGAWAI EKSEKUTIF PERFORMANCE REVIEW BY COVERING DUTIES PRESIDENT/CHIEF EXECUTIVE OFFICER

Sokongan dalam pembangunan profesional ini disalurkan melalui pelbagai skim penajaan untuk kursus pensijilan dan kursus profesional. Kami turut menggalakkan Agrobanks untuk mendapatkan pensijilan kelayakan profesional termasuk Pensijilan Audit Dalaman bagi Institusi Kewangan, Pensijilan dalam Pencegahan Pengubahan Wang Haram/ Memerangi Pembentukan Keganasan, Perancang Kewangan Bertauliah, Pakar Kredit Dokumentari Bertauliah, dan Pensijilan dalam Perbankan & Kewangan Islam.

Untuk berjaya pada hari ini dan pada masa hadapan, kami perlu menarik, membangun dan mengekalkan barisan tenaga kerja kami. *Emerging Leader Programme* (ELP) dan Program Bakat Muda adalah antara inisiatif kami membina barisan tenaga kerja kami melalui fokus yang jelas dalam penarikan, pengenapastian dan pembangunan tenaga kerja. Menerusi program ELP, kami dapat mengenal pasti para pemimpin masa hadapan dan mempercepatkan pembinaan kemahiran mereka. Pada tahun 2017, Agrobanks yang terpilih untuk menyertai program ELP telah menjalani sebanyak 27 kursus. Dalam pada itu, semenjak penubuhannya pada 2011, program YTP telah berjaya memupuk dan mempersiapkan 57 siswazah melalui program pembangunan rasmi dan berstruktur yang merangkumi latihan semasa bekerja dan aktiviti-aktiviti korporat serta tanggungjawab sosial.

Kami terus mendukung cita-cita untuk menjadi majikan dengan kebolehcapaian yang tinggi, dan yang paling dikagumi di mana penglibatan dan pemerksaan warga kerja Bank akan mendorong mereka untuk melakukan yang terbaik bagi mencapai prestasi yang terbaik. Kami dengan sukacitanya menyatakan bahawa pada tahun 2017, kami sekali lagi telah mencatatkan keputusan yang cemerlang melalui pencapaian markah tinggi sebanyak 79% (sama seperti tahun lepas), dalam penilaian penglibatan kakitangan. Ini mencerminkan budaya dalam Bank di mana penglibatan kakitangan adalah diutamakan. Dari sudut penjenamaan, Agrobank telah meningkat naik dalam senarai Malaysia's 100 Leading Graduate Employers daripada tangga ke-44 pada tahun 2016 ke tangga ke-38 pada tahun 2017.

MELANGKAH KE HADAPAN

Di sebalik tinjauan positif ini, kami menjangkakan cabaran yang lebih hebat pada tahun 2018, khususnya dalam pelaksanaan standard perakaunan baharu MFRS9, yang berkemungkinan untuk menambahkan tekanan pada peruntukan kerugian terjejas bagi bank. Tekanan pada margin dan keuntungan turut dijangka berkekalan, sementara persaingan akan kekal sengit dan lebih penekanan akan diberi terhadap pematuhan pengawalseliaan. Kami turut menjangkakan tekanan dalam kos mendapatkan dana berikutnya persaingan berterusan antara bank dalam usaha mendapatkan deposit.



We continue our ambition to become the most accessible, and sought after employer, where our people feel engaged and empowered to achieve their best in order to deliver the best for our customers and clients. We are pleased that in 2017, we once again achieved an exceptional result when our employee engagement score recorded a high of 79% (same as last year), which reflects the culture of high employee engagement within the bank. In the area of employer branding, Agrobank moved up the Malaysia's 100 Leading Graduate Employers ranking from number 44 in 2016 to 38th place in 2017.

THE YEAR AHEAD

Notwithstanding the positive outlook, we expect challenges to persist in 2018, most notably the implementation of the new accounting standard, MFRS9, which is likely to place pressure on banks' impairment loss provision. We also expect pressure on margins and profitability to persist, competition to remain keen, and the need to put greater emphasis on regulatory compliance. There will also be continued pressure on funding costs as banks continue to compete for deposits.

The challenges posed by new financial technologies (FinTechs) and products also remain, catering to and even triggering customers' increasingly digital and mobile lifestyles. In this regard, we are taking measures to strengthen our business model to develop greater agility and anchor our offerings on deep customer understanding. The Bank will continue to boost its digitalisation and innovation efforts so we can continue to offer optimum service to our client. Significant focus will be given to customer experience with mobility and omni-channel banking services, defining new role for branches to better serve and reach out to the community and adopting new innovation and technology such as open API (Application Programming Interface) to build a banking ecosystem for the agriculture community to further our reach in our financial inclusion initiatives.

Cabaran yang dibawa oleh teknologi kewangan (FinTech) dan produk yang baru terus berkekalan bagi memenuhi keperluan gaya hidup yang semakin digital dan ringkas. Dari sudut ini, kami mengambil langkah-langkah untuk mengukuhkan model perniagaan kami bagi menambahkan kemampuan operasi sambil menawarkan produk yang benar-benar memenuhi keperluan para pelanggan. Bank akan terus meningkatkan usaha dalam digitalisasi dan inovasi bagi menyampaikan perkhidmatan yang optimum kepada pelanggan kami. Penekanan akan diberikan pada usaha meningkatkan pengalaman pelanggan melalui perkhidmatan yang mempunyai lebih mobiliti dan perkhidmatan perbankan saluran omni, memperluaskan peranan baharu bagi cawangan-cawangan untuk memberikan perkhidmatan yang lebih baik dan meluaskan jangkauan kami dalam komuniti sambil menerima pakai inovasi dan teknologi baharu seperti API (*Application Programming Interface*) untuk membina ekosistem perbankan bagi komuniti pertanian dalam usaha kami untuk memperluaskan inisiatif kewangan terangkum.

Selaras dengan aspirasi BNM untuk meletakkan VBI sebagai haluan strategik baharu bagi industri perbankan Islam, 2018 adalah tahun kami menumpukan usaha kami kepada penginstitusian VBI. Bank beriltizam untuk memainkan peranan aktif dalam merangka pelan perlaksanaan untuk menginstitusikan elemen-elemen VBI di Agrobank dan menerapkan elemen-elemen VBI ke dalam misi kami. Dalam pada itu, Bank juga sedang giat bekerjasama dengan BNM untuk menghasilkan kad skor VBI bagi mengukur pengadaptasian inisiatif VBI, dari kedua-dua aspek kewangan dan bukan kewangan.

Dalam tempoh jangka panjang, Agrobank memegang aspirasi untuk dijadikan penanda aras serantau dalam bidang pembiayaan pertanian Islam dan pembekal perkhidmatan kewangan domestik yang terpilih bagi sektor pertanian. Sebagai sebuah bank Islam sepenuhnya, kami beriltizam untuk meningkatkan keupayaan dalam menghasilkan produk dan perkhidmatan Syariah yang baharu dan inovatif yang mampu memenuhi keperluan komuniti dan industri pertanian.

Bagi menyokong aspirasi Kerajaan untuk meletakkan Malaysia sebagai pusat halal global menjelang 2020, Agrobank beriltizam untuk mengukuhkan kedudukannya sebagai institusi kewangan terkemuka khususnya dalam mendorong ekonomi halal melalui kerjasama dengan rakan-rakan strategik bagi meningkatkan perhubungan dalam komuniti halal global.

PENGHARGAAN

Saya ingin merakamkan penghargaan saya kepada Dato' Wan Mohd Fadzmi Wan Othman, selaku Presiden dan Ketua Pegawai Eksekutif Agrobank sebelum ini, yang telah menyertai Agrobank pada tahun 2011. Di bawah panduan dan bimbingan beliau, Bank telah berjaya merealisasikan banyak pencapaian penting dan menerajui sektor kewangan bagi mengukuhkan kedudukan Agrobank dalam bidang pembiayaan pertanian.

Kejayaan Agrobank dalam melaksanakan strategi kami adalah atas usaha menyeluruh yang melibatkan kesemua pihak berkepentingan dan kakitangan yang telah menyumbang kepada pertumbuhan perniagaan dan bekerja keras untuk mencapai objektif jangka panjang Bank. Saya mengucapkan ribuan terima kasih dan menyampaikan rasa penghargaan saya kepada mereka semua.

Bersandarkan bakat, kebijaksanaan dan dedikasi seluruh warga kerja kami, di samping kejayaan yang dicapai pada tahun lepas, saya berasa amat yakin dengan kedudukan masa hadapan Bank. Dengan itu, saya mengalu-alukan pencapaian prestasi yang cemerlang bagi tahun 2018.

Our efforts in 2018 are focused on institutionalising VBI in line with BNM's aspiration of advancing VBI as the next strategic direction for Islamic banking industry. The Bank is committed to play an active role in embedding VBI elements into our mission and establish an implementation plan to institutionalise internally the VBI elements. The Bank is also actively participating with BNM to develop the VBI scorecard, which measures the adoption of VBI initiatives, both financial and non-financial aspects.

In the longer term, Agrobank aspires to become a regional benchmark in Islamic agriculture financing and most preferred domestic financial service provider for the agriculture sector. As a full-fledged Islamic bank, we remain committed towards building greater capability in innovating new Shariah products and services that serves the market need of the agriculture communities and industries.

In support of the Government's aspiration to make Malaysia a global halal hub by 2020, Agrobank is steadfast committed to establish itself as a leading financial institution especially promoting halal economy through active collaboration with strategic partners for greater linkages with the global halal community.

ACKNOWLEDGEMENTS

I would like to pay a tribute to my predecessor, Dato' Wan Mohd Fadzmi Wan Othman, who joined Agrobank as President and Chief Executive Officer in 2011. Under his stewardship, the Bank attained many milestones and forged ahead in the financial sector to reaffirm its leadership position in agriculture financing.

Agrobank successfully implement its strategy thanks to a comprehensive effort involving all stakeholders and employees who have contributed to the growth of our business and are working tirelessly to achieve our long-term objectives. I extend to them my warmest thanks and appreciation.

It is the talent, ingenuity and dedication of our people, and the progress we have made in the past year, which gives me great confidence for our future. I look forward to another amazing year in 2018.

PERUSAHAAN AYAM PEDAGING SEMAKIN BERKEMBANG!

POULTRY IS SOARING HIGH!



Industri rantai nilai perusahaan ayam pedaging di Malaysia merupakan pembekal protein yang penting berasaskan konsep ‘halalan toyyiban’ bagi menyokong industri halal negara. Trend penggunaan tahunan terkini bagi seorang individu secara purata adalah 45kg daging ayam dan 370 telur

ayam setahun. Nilai jualan keseluruhan untuk telur dan daging ayam dianggarkan melebihi RM10 billion setiap tahun. Industri ini dijangka mencatatkan pertumbuhan positif sejarah dengan inisiatif Jaminan Bekalan Makanan Negara untuk mencipta hab makanan halal, memastikan bekalan ayam pedaging tempatan yang boleh dipenuhi sendiri dan mengurangkan bil makanan import negara. Agrobank telah mewujudkan usahasama strategik dengan Johor Corporation (JCorp) bagi menyediakan sokongan kewangan untuk usahawan dalam industri rantai nilai perusahaan ayam pedaging. Agrobank juga menawarkan pelbagai produk pembiayaan lain bagi membantu pengusaha ayam pedaging mengembangkan potensi perniagaan mereka.

Malaysia's poultry value chain industry is an important supplier of protein, especially based on the ‘halalan toyyiban’ concept, catering to a robust halal sector. The current annual consumption pattern is averaged at 45 kg of chicken meat and 370 chicken eggs per person respectively. The total sales value for chicken eggs and meat is estimated to exceed RM10 billion annually. The industry is forecasted to record positive growth in line with Malaysia's National Food Security initiatives to create a halal food hub, ensure a self-sustaining supply of local poultry and reduce the national food import bill. **Johor Agrobank has formed a strategic alliance with Johor Corporation (JCorp) to provide financial support to poultry value chain industry players. Agrobank also offers a variety of other financing products to help poultry farmers grow their potential.**



WARGA KERJA KAMI ADALAH ASET BAGI KAMI

OUR PEOPLE, OUR ASSET

WARGA KERJA KAMI ADALAH ASET BAGI KAMI

Di Agrobank, kami sedar bahawa kakitangan kami, atau lebih dikenali sebagai Agrobanks, merupakan nadi penggerak kepada peningkatan produktiviti dan daya saing syarikat. Oleh itu, kami amat menekankan kepentingan pelaburan modal insan bagi meningkatkan prestasi kerja serta menyemaikan budaya positif di dalam diri Agrobanks. Penerapan nilai korporat Bank yang dikenali sebagai PATRIOT serta panduan dari Kod Tatalaku Bank terpancar dalam pelaksanaan aktiviti sehari-hari Agrobanks terutamanya dalam berurusan dengan pelanggan, rakan kongsi dan pihak berkepentingan. 3Es - *Empowered* (pemberdayaan), *Engaged* (keterlibatan) dan *Enriched* (memperkayakan) terus menjadi keutamaan strategik Agrobank sebagai paksi utama untuk membentuk Agrobanks dan merupakan tunjang utama pembangunan modal insan di Bank ini.

Usaha memperkasakan modal insan Agrobanks terus dipertingkatkan bagi merealisasikan potensi penuh mereka seterusnya memaksimumkan sumbangan mereka kepada Bank, para pelanggan, komuniti yang disantuni dan persekitaran operasi bank. Ini selari dengan elemen-elemen VBI yang diterapkan di Agrobank. Bagi Agrobank, kami sedar bahawa Agrobanks adalah penggerak utama kejayaan Bank, dan merupakan asset paling berharga buat Agrobank. Peranan Agrobanks yang memberikan perkhidmatan dengan cemerlang telah membantu meningkatkan produktiviti dan daya saing Agrobank dalam mendepani cabaran serta memenuhi segala aspirasi Bank. Sebagaimana yang digariskan di dalam Pelan Perniagaan Strategik (SPB) 2016–2020, Bank sentiasa mengukuhkan hubungan dengan semua 3,454 Agrobanks di seluruh negara menerusi pelbagai inisiatif untuk melahirkan pekerja berkemahiran tinggi. Sokongan padu kami dapat dilihat melalui pelbagai inisiatif dan program yang dijalankan bagi mendorong budaya yang mementingkan prestasi, pembangunan modal insan dan kesejahteraan kehidupan para Agrobanks.

Kami turut mengutamakan usaha memperkayakan kakitangan melalui program pembangunan kompetensi yang kami sediakan. Menurut penyelidikan yang dijalankan oleh sebuah badan terkemuka, warga kerja akan terasa lebih diperkasakan sekiranya mereka diberikan peluang untuk berkembang secara profesional dan peribadi, malah mereka akan menjadi lebih produktif dan bermotivasi. Di Agrobank, kami mengambil pendekatan yang lebih holistik untuk memperkasakan Agrobanks. Pembangunan modal insan mereka turut dibangunkan melalui penyertaan dalam pelbagai program tanggungjawab sosial korporat yang dikelolakan oleh Bank, dengan tujuan untuk memperkasakan dan memperkayakan komuniti tempatan dan persekitaran.

OUR PEOPLE, OUR ASSET

At Agrobank, our people or more fondly known as Agrobanks are at the heart of what we do, and we recognise that investment in them, along with fostering a positive culture, leads to better business outcomes. The Bank's PATRIOT values are what drive Agrobanks and we stand guided by the Bank's Code of Conduct that set the standard on how we conduct business with our customers, partners and stakeholders. Empowered, engaged and enriched are the three words that define Agrobanks and these 3Es of talent development remains a strategic priority for the Bank.

We strive to empower our people to reach their full potential and maximise their contribution to the Bank as well as our customers, the communities we serve, and the environment in which the Bank operates; all in line with the VBI principles adopted by the Bank. Agrobank has always held the view that people are our greatest asset and the core of our success stories. It is our people who enable us to meet our challenges and deliver on our promises. Through various talent-centric initiatives, as prescribed under the Bank's 2016-2020 Strategic Business Plan (SBP), the Bank remains engaged with all our 3,454 Agrobanks nationwide. Our strong advocate in employee engagement is reflected in the many initiatives and programmes implemented to support a culture that values performance, professional development and wellbeing.

Employee enrichment remains an important part of our talent development programme. A large body of research has shown that when employees feel enriched with opportunities provided to them to grow professionally and personally, they become more productive and are more motivated. At Agrobank, we take a more holistic approach to employee enrichment beyond providing opportunities for professional and personal development to our Agrobanks. They are also enriched via their participations in the many corporate social responsibility programmes that the Bank conducts aimed to empower and enrich local communities and the environment.





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MEMBANGUNKAN PEMIMPIN DEVELOPING LEADERS

Perkembangan semasa dalam persekitaran perniagaan meletakkan penekanan tinggi terhadap pembangunan modal insan. Justeru, Bank telah mempertingkatkan program pengurusan kompetensi bersepudut kami, di mana usaha penghalusan konsep program dengan lebih penekanan terhadap pengurusan penggantian telah dijalankan. Rangka kerja yang menyokong struktur dan sistem pengurusan penggantian kami telah dirangka oleh Bank berdasarkan pemahaman yang baik tentang keperluan Agrobank.

Berlatarkan aspirasi kami untuk membina dan mengukuhkan teras kepimpinan Bank, *Emerging Leader Programme* (ELP) telah diwujudkan, membentuk sebahagian daripada perancangan pengurusan penggantian Agrobank. Ianya sejajar dengan pengurusan barisan tenaga kerja kami, Program ELP dirangka untuk memantapkan program pengurusan kompetensi Bank dengan mengenal pasti Agrobanks yang berpotensi sebagai pemimpin, dan mempercepatkan pembangunan modal insan mereka dengan mengasah kemahiran dan kecekapan teknikal serta kepimpinan mereka berdasarkan Rangka Kerja Kecekapan Teras Agrobank. Rangka kerja ini dirangka untuk mencerminkan kemahiran kepimpinan baharu yang diperlukan bagi melaksana transformasi strategik Bank agar Bank berjaya dikemudi untuk mengharungi era baharu dalam perbankan. Kakitangan yang terpilih untuk menjalani program ini akan dipupuk dan dibangunkan melalui program mentor dan penerapan untuk mempersiapkan mereka bagi menggalas peranan pengurusan. Pada tahun 2017, kumpulan Agrobanks terpilih telah menjalani sejumlah 27 kursus di bawah program ELP.

Untuk kekal kompetitif dan relevan dalam pasaran yang dinamik dan mencabar ini, Agrobank meneruskan usahanya untuk melabur dalam pembangunan modal insan melalui program kepimpinan dan keupayaan teknikal di samping menyediakan Agrobanks dengan pengalaman pembelajaran berdasarkan interaksi dan penyemaian budaya reflektif. Di Agrobank, kami mengambil pendekatan yang lebih holistik dengan pandangan menyeluruh dalam usaha membangunkan kepimpinan. Rangka kerja pembangunan kepimpinan kami dirangka untuk mengukuhkan keupayaan kepimpinan dan menyokong kebebasan dalam kerjaya, perancangan penggantian dan aktiviti mobiliti. Pasukan kami berusaha untuk memastikan inisiatif pembangunan kepimpinan kami mampu membantu para pemimpin hari ini dan pada masa depan mengharungi cabaran-cabaran yang akan datang. Kepimpinan kini dilihat dari pelbagai perspektif dan penzahiran matlamat ini pastinya akan meningkatkan prestasi dan kemampanan Bank dalam tempoh jangka panjang melalui pembekalan pemimpin masa depan yang berterusan di Agrobank.

The business environment evolvement is placing high demands on people development needs. Hence, during the year under review, the Bank had given a fresh look to its integrated talent management programme. Further refinement with greater emphasis on succession management was carried out. The framework, supporting structure and system for succession management was developed internally based on a good understanding of Agrobank's requirements.

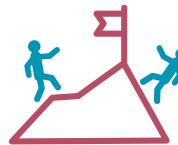
As part of succession management and in line with work force planning, our Emerging Leader Programme (ELP) was born out of the aspiration to develop and strengthen the Bank's leadership core. The ELP was designed to support the Bank's talent management process by early identification of internal high potential leaders and accelerating their development with a focus on their technical and leadership competencies based on Agrobank's Core Competencies Framework. The framework was developed to reflect the new leadership skills required for the Bank's strategic transformation and to navigate successfully in the new era of banking. Employees who have been chosen to undergo the programme will be nurtured and developed through mentorship and immersion programmes to prepare them to take on management roles. During 2017, our selected Agrobanks had undergone a total of 27 courses under the ELP.

To stay competitive and relevant in the dynamic and challenging market, Agrobank continues to invest in people development through leadership and technical competencies programmes as well as provides them with accelerated learning experience that is interaction-rich and that inculcates a culture of reflective practice. At Agrobank, we take a more holistic and comprehensive view on leadership development. Our framework for leadership development was developed to strengthen our leadership capabilities and support career mobility, succession planning and development activity. Our team focused on ensuring that our leadership development initiatives are able to effectively equip current and future leaders for the challenges ahead. Leadership is now being looked at from various perspectives. Achieving this aim will support the long term performance and sustainability by ensuring a healthy supply chain of future leaders of Agrobank.

WARGA KERJA KAMI ADALAH ASET BAGI KAMI OUR PEOPLE, OUR ASSET

Bagi memastikan pengukuran prestasi kami kekal relevan dalam landskap perniagaan yang dinamik, Model Kecekapan Kepimpinan Agrobank yang merangkumi Falsafah Kepimpinan Agrobank dan Nilai Kecekapan Kepimpinan Agrobank, telah dibangunkan untuk membantu kami mengkonsepkan kepimpinan yang diperlukan secara lebih jelas. Model ini membolehkan kami menilai pemimpin yang berpotensi melalui penggunaan instrumen yang memanfaatkan rangka kerja kecekapan kepimpinan untuk menilai kelebihan dan peluang yang wujud.

To ensure that our performance measures remain relevant to the changing business landscape, Agrobank's Leadership Competency Model comprising of Agrobank Leadership Philosophy and Agrobank Leadership Competencies, were developed to give us a clear conception of the leadership required. With the model in placed, we are better able to evaluate potential leaders by developing a diagnostic tool that leveraged the leadership competency framework to evaluate strengths and opportunities.



2

MEMBINA KEUPAYAAN BUILDING CAPACITY

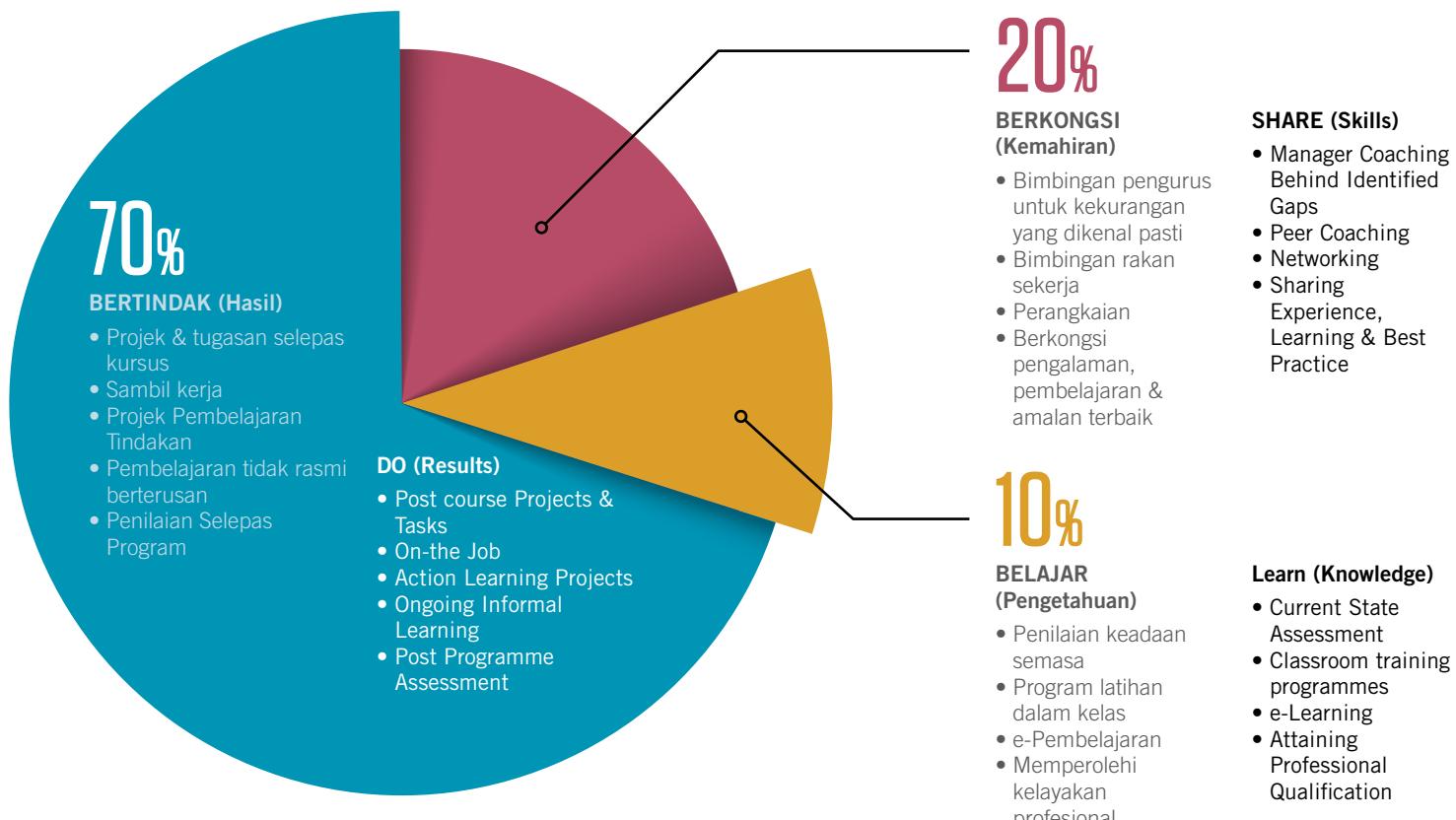
Hakikatnya, kecemerlangan dalam pembangunan warga kerja adalah kunci kepada pencapaian visi, strategi dan matlamat Bank. Sebab itulah kami sentiasa mengukuhkan infrastruktur pendidikan dan latihan dalam membentuk barisan tenaga kerja yang berkemahiran tinggi sepanjang tempoh pekerjaan kakitangan. Dalam membina barisan tenaga kerja kami, keutamaan diletakkan pada pelaburan dalam pembangunan kepimpinan, latihan profesional dan pemerkayaan kemahiran kakitangan. Berdasarkan Direktori Latihan Tahunan yang telah dirangka dengan baik, rangka kerja pembangunan Agrobankers menyediakan peluang pembelajaran, pembangunan dan pendidikan yang meluas untuk menghasilkan kakitangan profesional yang berkemahiran dalam bidang masing-masing.

Berpandukan rangka kerja 70:20:10 yang menggabungkan pembelajaran dan pembangunan (iaitu 70 peratus merangkumi tugas dan pembelajaran sambil kerja, 20 peratus bagi pembelajaran melalui tunjuk ajar dan pementoran, dan 10 peratus melalui kurikulum pembelajaran berstruktur), kami meletakkan sasaran untuk menyediakan peluang pembelajaran kepada kakitangan di semua peringkat. Rangka kerja 70:20:10 ini menyediakan struktur untuk diisi dengan elemen yang paling sesuai (berasaskan unsur rasmi, tidak rasmi dan pelajar/pemegang berkepentingan) dalam setiap komponen, dengan pengukuran kemajuan di setiap peringkat dan bermatlamat jelas untuk meletakkan laluan pembelajaran ini di tangan Agrobankers sendiri.

We know that excellence in people development is key to realising our vision, achieving our strategy and meeting our goals. That is why we are constantly strengthening our education and training infrastructure in building a sustainable skills pipeline throughout the employee life-cycle. In building our talent pipeline, we attached importance on investment in leadership development, professional training and employee skills enrichment. We want to have the most skilled professionals in the field. This is achieved through our people development framework, which provides a wide range of learning, development and educational opportunities and is premised upon a well-developed Annual Training Directory.

Operating under the 70:20:10 framework of blended approach to learning and development (i.e. 70 per cent stretch assignments and learning on the job, 20 per cent learning through coaching and mentoring, and 10 per cent through structured learning curriculum), we seek to provide learning opportunities for employees at all levels. Using the 70:20:10 framework gives us a structure to populate the most appropriate interventions (formal, informal and learner/stakeholder driven) for each component, with measures for success at each stage and a clear aim to put the learning path in the hands of the learners.

- 01
- 02 **Prestasi Strategik Kami**
Our Strategic Performance
- 03
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Rangkaian program pembelajaran dan pembangunan ini memberi manfaat kepada kakitangan di setiap peringkat kerjaya mereka, bermula daripada kurikulum orientasi kakitangan yang menyeluruh bagi kakitangan baharu, kepada pembelajaran dan pembangunan bagi pemimpin yang paling kanan. Bagi memastikan Agrobankers dilengkapskan dengan kemahiran dan kecekapan yang akan membantu mereka menyumbang kepada visi strategik Bank, sambil mendorong pembangunan mereka dari sudut peribadi dan profesional, kami telah meningkatkan pembelajaran dengan siri modul pembelajaran dalam talian untuk membantu kakitangan mempelajari dan memahami konsep-konsep baru mengikut kesesuaian dan keperluan mereka. Kakitangan digalakkan untuk mengambil inisiatif sendiri dalam membangunkan diri dengan meningkatkan kemahiran mereka, menggalas tanggungjawab yang lebih besar dan menjalankan latihan peranan silang bergilir. Seiring dengan perkembangan teknologi hari ini, penggunaan model pembelajaran 70:20:10 ini pasti akan memberi impak terhadap hasil perniagaan dalam cara yang lebih fokus dan boleh diukur.

Semua kakitangan turut digalakkan menghadiri kursus profesional yang relevan dengan kerja mereka. Dari sudut ini, Agrobank menawarkan pelbagai skim penajaan untuk kursus pensijilan dan kursus profesional. Kakitangan turut digalakkan untuk memperolehi pensijilan kelayakan profesional seperti Pensijilan Audit Dalaman bagi Institusi Kewangan, Pensijilan dalam Pencegahan Pengubahan Wang Haram/Memerangi Pembiayaan Keganasan, Perancang Kewangan Bertauliah, Pakar Kredit Dokumentari Bertauliah, dan Pensijilan dalam Perbankan & Kewangan Islam.

Our comprehensive range of learning and development programmes touches employees at every stage of their career; from a thorough employee orientation curriculum for new employees to learning and development for our most senior leaders. To ensure that Agrobankers are equipped with the skills and competencies that will allow them to contribute to the strategic vision of the Bank while at the same time enable them to grow personally and professionally, classroom learning is complemented with a series of online learning modules that allow employees to learn and absorb new concepts at their own pace. Employees are encouraged to take personal ownership of their development by upgrading their skills, taking on expanded responsibilities and cross-rotational roles. Combining the 70:20:10 learning model with the technology of today will clearly link learning to business outcomes in a focused, measurable way.

All employees are also encouraged to attend professional courses relevant to their roles. As such Agrobank offers an environment for professional development through various sponsorship schemes for certification and professional courses. Employees are also encouraged to become certified professionals through qualifications such as the Certificate in Internal Auditing for Financial Institution, Certification in Anti-Money Laundering/Counter Financing of Terrorism, Certified Financial Planner, Certified Documentary Credit Specialist, and Certification in Islamic Banking & Finance.

WARGA KERJA KAMI ADALAH ASET BAGI KAMI OUR PEOPLE, OUR ASSET



3

MEMUPUK BARISAN TENAGA KERJA NURTURING A TALENT PIPELINE

Dunia perniagaan pada hari ini semakin unik dengan kehadiran individu-individu khususnya bakat muda, yang menginginkan kepuasan yang lebih bermakna dalam kerjaya profesional mereka. Kemauhan ini mengatasi keperluan mereka untuk bekerja sekadar bagi mendapat gaji sahaja. Agrobank berusaha untuk memenuhi keperluan kumpulan ini melalui usaha khusus yang dijalankan untuk menguruskan bakat muda, di samping usaha keseluruhan untuk membina organisasi yang moden dengan pembabitan tinggi warga kerja, dan budaya dan nilai-nilai yang kukuh. Program Bakat Muda (YTP) dirangka untuk memastikan barisan tenaga kerja terus-menerus dibekalkan dengan individu yang dinamik, progresif dan inovatif. Program YTP ini telah diperkenalkan dengan matlamatke arah pembentukan kakitangan yang serba lengkap bagi memenuhi tugas fungsianataupun tugas pakar, seterusnya memupuk kecekapan kepimpinan mereka dengan tujuan mengisi jawatan kepimpinan pada masa hadapan di Agrobank.

Sejak ditubuhkan pada 2013, kami telah memupuk dan mempersiapkan seramai 57 siswazah melalui program pembangunan berstruktur yang merangkumi latihan semasa kerja dan aktiviti korporat serta tanggungjawab sosial. Para siswazah yang menyertai YTP akan menjalani proses pembelajaran berterusan selama satu tahun, yang melibatkan latihan dalam kelas selama 3 bulan dan tempoh pusingan kerja selama 9 bulan dalam bentuk latihan semasa kerja. Siswazah YTP kami turut didedahkan kepada latihan kemahiran insani termasuk penyiapan diri, kemahiran berinteraksi, dan kemahiran membuat pembentangan. Kami akan terus melabur dalam siswazah yang mempunyai masa depan yang cerah dan menyediakan mereka perjalanan kerjaya yang mengujakan di Agrobank, di samping instrumen untuk pembangunan dan pembelajaran serta program perkembangan.

Sejajar dengan pertumbuhan dinamik dan transformasi dalam sektor perbankan, kami meletakkan usaha khusus untuk menarik bakat-bakat muda yang memiliki pengetahuan yang relevan dan berminat untuk menyertai barisan tenaga kerja kami. Selaku institusi kewangan pembangunan dengan fokus terhadap ekonomi benar, elemen-elemen VBI disemaikan ke dalam amalan perniagaan dan nilai-nilai Bank. Ini telah memberi impak yang besar dalam menarik bakat muda yang ingin mencari pekerjaan dengan hala tuju kerjaya yang lebih bermakna. Bagi mereka, tanggungjawab sosial korporat bukan setakat satu halaman dalam laporan tahunan sahaja. Ia perlu mempunyai imej tersendiri dan pertalian peribadi dengan organisasi. Oleh itu, kami telah menganjurkan beberapa siripesta kerjaya di seluruh negara dan memastikan strategi yang betul untuk menarik Generasi Y dan Generasi Z menghadiri acara kami, di mana siswazah YTP telah bertindak sebagai duta semasa acara berlangsung. Melalui pesta kerjaya seperti ini, lebih banyak permohonan telah dipanjangkan kepada kami yang menjadi wadah perkembangan bakat siswazah yang baru menamatkan pengajian dan mereka amat gembira dengan peluang yang ditawarkan.

We are entering a unique time in business when people, especially young talents, are searching for more meaning in their professional lives and the drive for purpose has taken precedent over paycheck. At Agrobank we have focused on doing this through specific efforts to address young talents as well as the overall efforts to create a modern and highly engaged organisation with strong culture and value. Our Young Talent Programme (YTP) has been designed to ensure that our talent pipeline receives a continuous supply of dynamic, progressive and innovative individuals. The YTP was introduced with the objective towards developing well rounded and capable employees for functional or specialist functions whilst nurturing their leadership competencies towards future leadership roles in Agrobank.

Since its inception in 2013, we have nurtured and groomed 57 graduates via a formal and structured development programme, including on-the-job training and corporate and social responsibility activities. Graduates who joined the YTP will undergo a one year on-going learning process, which involves 3 months classroom training and 9 months job rotation in the form of on-the-job training. Our YTP graduates are also exposed to soft skills trainings including personal grooming, interpersonal skills and presentation skills. We will continue investing in promising graduates and provide them with an exciting career journey at Agrobank, as well as development tools and learning and development programme.

With the dynamic growth and the transformation of the banking sector, we put particular effort to attract young talents with the relevant knowledge and interest to join our workforce. As a development financial institution with a focus on the real economy, VBI is ingrained in the Bank's business practices and values. This has a huge impact in attracting young talents who wants to give meaning to their professional life and wants a job with a purpose. For them, corporate social responsibility is not just a page in the annual report; it must have a visage and be connected with a personal experience. To this end, we have organised aggressive career fairs nationwide and the right strategy to attract the Gen-Ys and Gen-Zs, with our YTP graduates acting as our ambassadors during these events. Through such career fairs, considerably more applications are finding their way into our talent repository as fresh graduates are piqued by the opportunities on offer.

Mengenali Pemimpin Agrobank Masa Depan: **YANG AISHAH ABU HANIPAH**

Yang Aishah Abu Hanipah menyertai Agrobank pada April 2013 di bawah kumpulan perintis Program Bakat Muda (YTP). YTP adalah program pelatih pengurusan yang bertujuan untuk menghasilkan pemimpin masa depan bagi Agrobank melalui pendekatan holistik yang menyeluruh dalam operasi dan perniagaan Bank.

Setelah menyertai program ini, Yang Aishah telah diberikan pendedahan kepada pelbagai fungsi dan perniagaan di dalam Agrobank. Yang Aishah telah menunjukkan kemajuan yang pantas, dan membuktikan kecekalananya melalui pencapaian prestasi yang cemerlang di cawangan Kepala Batas dan Kuala Kangsar di mana beliau berkhidmat sebelum ini.

Prestasi cemerlang beliau telah menarik perhatian kami dan turut menerima pengiktirafan dan pujian daripada Agrobank. Pada tahun 2017, Yang Aishah telah dinasihkan pangkat kepada jawatan Pegawai Perdagangan di Pejabat Wilayah Rantau 3. Sebelum ini, beliau juga pernah berkhidmat di cawangan Kepala Batas dan Kuala Kangsar.

Yang Aishah berjaya memperolehi kelayakan profesional sebagai Eksekutif Kredit Bertauliah AICB – PCC Peringkat 1 (menamatkan pengajian pada Mei 2017). Ini merupakan satu lagi pencapaian bagi beliau yang sudah pun memiliki senarai panjang perakuan kelulusan dan pencapaian. Kecemerlangan dalam prestasi Yang Aishah mencerminkan usaha keras Agrobank yang berlitzam untuk memupuk dan membangunkan pemimpin masa depan.

Meet Agrobank Future Leader: **YANG AISHAH ABU HANIPAH**

Yang Aishah Abu Hanifah joined Agrobank in April 2013 as a part of the pioneer batch of the Young Talent Programme (YTP). YTP is Agrobank's premium management trainee programme aimed to produce future leaders of Agrobank with holistic all-rounder view of the Bank's operations and businesses.

Upon joining, Yang Aishah was exposed to various functions and businesses within Agrobank. Having undergone an accelerated development, Yang Aishah showed her mettle by displaying exemplary performances at Kepala Batas and Kuala Kangsar branch which she had served previously.

Her performances turned heads, receiving recognition and accolade from Agrobank. In 2017, Yang Aishah was promoted to Commercial Officer at Region 3 - Regional Office. She had also served the Kepala Batas and Kuala Kangsar branch in the past.

Yang Aishah managed to obtain the professional AICB Certified Credit Executive – PCC Level 1 (Graduated in May 2017), a further mark to her already impressive credentials and achievements. Yang Aishah's rise to prominence is a testament to Agrobank's commitment in nurturing and developing leaders of tomorrow.



Menurut kajian dan laporan tentang Generasi Y atau Generasi Milenium, golongan ini mempunyai definisi kerja yang berlainan daripada generasi sebelumnya. Berbanding ganjaran kewangan, insentif bukan kewangan didapati lebih berkesan untuk menarik dan mengekalkan bakat muda daripada generasi ini. Berdasarkan kajian oleh McKinsey, kakitangan daripada generasi milenium didapati lebih terbuka untuk menerima projek CSR berbanding kumpulan umur lain. Di samping itu, lebih daripada separuh kumpulan yang mementingkan kemampunan produk dan menyertai syarikat-syarikat dengan reputasi CSR yang baik, berasal daripada generasi milenium. Menyedari kepentingan kerja CSR bagi kumpulan kakitangan ini, Agrobank menyokong usaha Agrobankers kami, terutamanya siswazah YTP, yang seterusnya akan membawa manfaat kepada komuniti sekeliling. Contohnya, siswazah YTP kami telah menganjurkan projek CSR mereka sendiri di Kampung Orang Asli Sungai Gabai, yang merangkumi pengajaran asas-asas kebersihan diri kepada masyarakat asli yang tinggal di sana. Sumbangan turut dikumpulkan daripada Agrobankers lain di mana hasilnya telah disalurkan untuk membeli salah satu produk takaful Bank iaitu Takaful Kasih bagi komuniti di Sungai Gabai. Kejayaan program YTP kami jelas dicerminkan melalui penyertaan yang tinggi oleh golongan siswazah yang telah menjalani program ini.

Bagi kami, pendidikan boleh mengilhamkan golongan muda untuk membina masa hadapan yang lebih cerah buat diri mereka dan komuniti mereka. Dalam usaha kami untuk memupuk pemimpin masa hadapan, Agrobank telah melaksanakan Program Anugerah Biasiswa (SAP) yang bermatlamat untuk membangunkan memupuk, dan menghasilkan warga Malaysia yang cemerlang dan berbakat demi masa hadapan negara. Melalui biasiswa ini, warga belia Malaysia yang berbakat diberikan peluang untuk mengembangkan potensi penuh mereka, memenuhi aspirasi mereka, dan menyumbang ke arah pembangunan negara. Pada tahun 2017, kami telah meluluskan sejumlah RM98,449.50 dalam pemberian biasiswa kepada warga Malaysia yang berkelayakan, untuk menjalani program ijazah di institusi pengajian tinggi tempatan.

Various studies and reports on Gen-Ys or Millennials have shown that work doesn't define them to the same degree as the previous generations. Non-financial incentives are more effective than financial rewards in attracting and retaining young talents. In a McKinsey survey, Millennials employees were reported to be significantly more receptive than other age groups to CSR projects and of those who demanded sustainable products and joined companies with a CSR reputation, more than half were millennials. Understanding how important CSR work is for these cohorts of employees, Agrobank supports the volunteering efforts of our Agrobankers, especially our YTP graduates, which in turn benefit communities around us. For example, our YTP graduates organised their own CSR project at the Kampung Orang Asli Sungai Gabai, which included teaching basic personal hygiene to the indigenous people living there. They also collected donations from other Agrobankers and proceeds were used to purchase one of the Bank's takaful product, i.e. Takaful Kasih for the community in Sungai Gabai. The success of our YTP is reflected in the high retention rate of graduates who have undergone the programme.

We believe that education can inspire young minds into building better futures for themselves and the community around them. In our efforts to nurture future leaders, Agrobank established the Scholarship Award Programme (SAP) aimed to develop, nurture and raise excellent talented Malaysians of the future. Through this scholarship, aspiring young Malaysians are given the opportunity to develop their full potential, fulfill their aspirations, and contribute towards the nation's development. During the year under review, we have disbursed a total of RM 98,449.50 worth of scholarships to eligible Malaysians who are pursuing their degree programme in local institutions of higher learning.

WARGA KERJA KAMI ADALAH ASET BAGI KAMI OUR PEOPLE, OUR ASSET



4

MAJIKAN PILIHAN EMPLOYER OF CHOICE

Pada tahun 2017, strategi utama kami tetap tertumpu pada usaha membangunkan dan mengukuhkan penjenamaan majikan bagi memastikan kami terus menarik bakat baru, dan pembangunan modal insan berkembang menurut keperluan pasaran di mana kami berkhidmat. Salah satu usaha untuk meletakkan Agrobank sebagai majikan pilihan adalah dengan memperkuuhkan nilai-nilai teras dalam jenama kami. Dengan itu, kami telah merumus Proposisi Nilai Kakitangan (EVP) bertemakan ‘Pertumbuhan & Pembangunan Kerjaya’, yang menggambarkan tujuan kami dan bagaimana kami mahu dikenali sebagai majikan. Ia turut merangkumi ikrar kami untuk menyediakan semua kakitangan dengan peluang untuk mencapai potensi penuh mereka pada setiap pencapaian penting dalam perjalanan kerjaya mereka.

Kakitangan kami bekerja dalam persekitaran yang mendorong pencapaian prestasi tinggi dan memperkasakan setiap individu untuk bekerja secara inovatif dalam menghasilkan nilai di tempat kerja dan dalam komuniti di mana kami berkhidmat. Untuk menarik individu yang berfikiran tinggi, bakat-bakat ini perlu dimaklumkan tentang pembabitan mereka dalam organisasi yang menggalakkan perkembangan mereka. Bekerja di Agrobank memberikan ganjaran yang melebihi setakat makan gaji sahaja kerana ia turut merangkumi pembangunan kerjaya, pengiktirafan, peluang serantau dan pusingan kerja.

Keupayaan bank untuk menarik bakat-bakat cemerlang untuk menyertai Bank jelas terbukti melalui kedudukannya pada hari ini di mana Agrobank berdiri megah di kalangan gergasi lain dalam industri perkhidmatan kewangan. Kejayaan ini dicapai melalui penempatan dan pelaksanaan EVP yang telah dirangka dengan baik. Dalam pada itu, kami juga menawarkan peluang kerjaya yang baik buat warga kerja kami dengan memetakan profil dan kecekapan mereka, untuk disesuaikan dengan peluang kerja yang baik. Pada tahun 2017, usaha kami dalam penjenamaan majikan telah diiktiraf apabila kedudukan Agrobank meningkat dalam senarai *Malaysia's 100 Leading Graduate Employers* daripada tangga ke-44 pada tahun 2016 kepada tangga ke-38 pada tahun 2017. Pencapaian penting ini telah berjaya dizahirkan bersandarkan usaha bersama setiap Agrobankers. Dalam usaha menempatkan jenama Agrobank di landasan yang lebih cemerlang dan kukuh, Bank telah pun menetapkan kedudukannya sebagai majikan pilihan dengan bekalan bakat yang tersedia untuk dimanfaatkan dalam perjalanan kami untuk menjadi bank terkemuka dengan tumpuan pada bidang pertanian.

Our key strategy in 2017 continued to focus on developing a strong employer branding approach to ensure that we continue to attract new talent and that our human capital development progresses in accordance with the needs of the markets we are serving. One of our efforts to make Agrobank a distinctive workplace of choice is through strengthening our core brand values. In doing so we established our Employee Value Proposition (EVP) tagged 'Career Growth & Development', which is a statement of intent and sums up what we want to be known for as an employer. It also embodies the promise that at Agrobank, we will provide all employees with opportunities to reach their full potential at each milestone of their professional journey.

Our employees work in an environment that nurtures high performance and empowers every individual to innovate and deliver value in the workplace and in the community we serve. To attract the best minds, talented people need to know they will be part of an organisation where they can grow. Working in Agrobank is rewarding beyond the financial remuneration; it is also about career development, recognition, regional opportunities and job rotation.

Today, Agrobank stands tall amongst the giants of the financial services industry, evidenced by the Bank's ability to attract good talents to join the Bank. This enhanced brand visibility came about with a well-designed EVP put in place and well implemented. At the same time, we offer good career tracks for our people by mapping their profile and competencies and mapping these with the right job prospective. Our employer branding efforts were recognised in 2017 when we moved up the Malaysia's 100 Leading Graduate Employers ranking from number 44 in 2016 to 38th place in 2017. This milestone was made possible by the collective effort of every single Agrobankers. As the Agrobank brand continues to prosper and gain solid visibility, the Bank has established itself as an employer of choice and has a rich pool of ready and talented candidates to draw upon as we grow to become a leading bank with a focus on agriculture.

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KESEJAHTERAAN DAN PEMBABITAN KAKITANGAN EMPLOYEE WELL BEING AND ENGAGEMENT

Dalam usaha meningkatkan budaya kerja di Agrobank untuk menjadikannya tempat kerja yang sihat dan produktif, pembabitan kakitangan dijadikan kepentingan utama. Kejayaan jangka panjang bagi Bank bergantung pada kakitangan yang memahami dan terlibat dalam pelaksanaan strategi jangka panjang kami, dan yang mempunyai pertalian dengan organisasi. Untuk menggalakkan pembabitan yang tinggi, kami mengadakan kaji selidik bagi kakitangan kami setiap tahun, dan menanda aras prestasi kami dengan prestasi organisasi lain. Kaji selidik Pembabitan Kakitangan kami bertujuan untuk mendapatkan maklum balas daripada semua kakitangan tentang semua aspek dalam kerja mereka. Proses ini membantu kami untuk menangani halangan terhadap prestasi yang berkesan, memperluaskan inisiatif yang berjaya, dan meningkatkan pembabitan Agrobanks dengan Bank dan visi masa hadapan. Tahun ke tahun, penglibatan kakitangan kekal tinggi. Kami mencatatkan markah purata 79% sepanjang 2 tahun lepas, yang merupakan petanda baik dari segi pembabitan kakitangan.

Satu lagi komponen penting dalam memastikan kami mengekalkan penglibatan dan tahap motivasi warga kerja kami adalah melalui penyediaan persekitaran kerja yang kondusif dan menggalakkan, dengan tumpuan pada kesihatan mental dan fizikal. Mewujudkan budaya kerja yang selamat dan kondusif sentiasa menjadi keutamaan bagi Bank, dan ini dicerminkan melalui penekanan ke atas dasar Keselamatan & Kesihatan Pekerjaan (OSH) bagi Bank.

Ibu Pejabat (HQ), pejabat-pejabat wilayah, cawangan-cawangan dan kios-kios kami telah melantik Warden Tingkat yang berkelayakan untuk memberi bantuan kecemasan dan bertanggungjawab untuk memastikan pemindahan keluar secara selamat dan menepati masa, dalam keadaan kemalangan atau kecemasan. Selain daripada Jawatankuasa OSH utama di HQ, Jawatankuasa kecil OSH turut ditubuhkan di setiap pejabat wilayah. Manual OSH kami telah disemak menurut peraturan terkini dan meliputi semua pihak termasuk kumpulan bukan kakitangan, pelawat dan orang awam. Manual OSH membentuk sebahagian daripada program OSH di Agrobank, dan ia dirangka untuk menggalakkan, mendidik, mengenal pasti, dan mengawal perkara keselamatan di tempat kerja, yang mengambil kira keutamaan dan sumber di tempat kerja sambil memenuhi kewajipan berkanun minimum.

Program kawalan bahaya di tempat kerja kami mengutamakan latihan dan pengetahuan OSH, di mana latihan tentang kesihatan dan keselamatan disediakan kepada semua Agrobanks secara berkala dan mereka turut dibekalkan dengan pengetahuan asas dalam OSH melalui platform latihan e-pembelajaran OSH. Sebagai langkah mandatori, kajian ergonomik telah dijalankan untuk memperbaiki persekitaran di tempat kerja dan memastikan penempatan amalan-amalan terbaik.

Employee engagement is a key priority in enhancing our work culture and making Agrobank a vibrant and productive work place. The Bank's long-term success depends on employees who understand and are engaged in our long-term strategy, and who feel a personal connection to the organisation. To promote strong engagement, we survey our employees annually and benchmark our performance against peer organisations. Our Employee Engagement Survey solicits confidential feedback from all employees on all aspects of their jobs. This process helps us address barriers to effective performance, expand on successful initiatives, and improve our employees' engagement with the Bank and our compelling vision for the future. Year-on-year, employee engagement remains high. We recorded an average score of 79% over the last 2 years, which bodes well in terms of employee engagement.

Another key component to ensure that we are able to keep our people engaged and motivated is to provide a conducive and nurturing work environment, with a focus on mental and physical health. Creating a safe and conducive working culture has always been the Bank's top priority and this is manifested in the importance given to the Occupational Safety & Health (OSH) policy of the Bank.

Our HQ, regional offices, branches and kiosks have dedicated Floor Wardens who have been equipped with basic first aid training and are responsible to ensure the safe, timely evacuation of all persons in the event of accidents or emergencies. Apart from the main OSH Committee at HQ, OSH Sub-Committee was also set up at each regional office. Our OSH Manual was revised according to latest regulations and covers all parties including non-employees, visitor and public. Formed as part of Agrobank's OSH programme, the OSH Manual is designed to promote, educate, identify and control workplace safety matters, which takes into account workplace priorities and resources, while meeting the minimum statutory obligations.

OSH training and knowledge remains a fundamental element in workplace hazard control programmes. Regular health and safety training is made available to all Agrobanks and they are equipped with basic OSH knowledge via the OSH e-Learning training platform. Apart from mandatory requirement, an ergonomics study was carried out to improve the workplace environment and ensure best practices are in place.

ULASAN PRESTASI EKONOMI DAN PERNIAGAAN

ECONOMIC AND BUSINESS PERFORMANCE REVIEW

Tinjauan Ekonomi

Tahun 2017 menyaksikan kebangkitan pertumbuhan ekonomi dunia dan dagangan global. Ekonomi global mencatatkan pertumbuhan rancak serta tahap inflasi dan ketidakstabilan yang rendah bagi mencatatkan pertumbuhan sebanyak 3.8% yakni peningkatan tertinggi sejak 2011. Antara faktor unik yang menyumbang kepada pertumbuhan ini adalah penstabilan harga tenaga dan harga komoditi, keyakinan perniagaan dan pengguna yang lebih baik, pemulihan kitaran ekonomi di Eropah, dan rangsangan pertumbuhan China yang didorong oleh dasar yang dipraktikkannya.

Perdagangan global yang mencatatkan perkembangan pada anggaran 4.9% juga bergerak selari dengan lonjakan ekonomi pada tahun 2017. Pertumbuhan ini dapat dilihat lebih ketara di pasaran yang baru muncul dan ekonomi sedang membangun, mencerminkan kadar pertumbuhan pelaburan yang semakin meningkat di negara-negara pengeksport komoditi, di samping pemulihan dalam pelaburan ekonomi maju serta pengukuhan permintaan domestik. Menurut anggaran IMF, Asia mencatatkan sumbangan sebanyak 55% kepada pertumbuhan ekonomi global, menjadikannya sebagai pemain utama dalam ekonomi dunia pada tahun 2017. Dua gergasi Asia, iaitu China dan India, masing-masing menyumbang sebanyak 49% dan 20% kepada Keluaran Dalam Negara Kasar (KDNK) Asia.

Sebagai sebuah negara pedagang, Malaysia bakal mendapat manfaat daripada pemulihan dalam permintaan global. Dipandu oleh permintaan domestik yang kukuh dan persekitaran luar yang positif, ekonomi Malaysia mencatatkan pertumbuhan mantap pada 5.9%, yakni sedikit melebihi jangkaan pasaran iaitu di antara 5.2% dan 5.7%. Sorotan utama untuk tahun 2017 adalah peningkatan dalam eksport barang elektrik dan elektronik (E&E). Ini termasuk kebangkitan dalam harga komoditi utama dan ringgit yang lemah, yang seterusnya menghasilkan harga eksport yang lebih rendah, telah meningkatkan kadar eksport Malaysia sehingga 19% kepada RM935.4 bilion pada tahun 2017, yakni pertumbuhan paling kukuh sejak 2005. Permintaan domestik menjadi pemandu utama yang mendorong pertumbuhan sepanjang tahun 2017, lanjutan kesan daripada prestasi perniagaan dan sentimen isi rumah yang lebih baik.

Jangkaan Ekonomi

Selepas melangkaui jangkaan pada tahun 2017, ekonomi global dijangka akan meneruskan momentumnya sehingga 2018 disokong oleh pemulihan global segerak, pasaran kewangan dan dagangan yang aktif, dan penyusunan semula cukai AS. IMF meramalkan pertumbuhan global sebanyak 3.9% manakala pertumbuhan dagangan global sebanyak 5.1%. Ekonomi Asia baru muncul, yang diramal

Economic Review

2017 was a year of resurgence of growth in the world economy and global trade. The global economy rode a wave of synchronous growth, low inflation and low volatility to record 3.8% growth, its best performance since 2011. The growth uptick reflects a combination of unique events, including the stabilisation of energy and commodities prices, improved business and consumer confidence, a cyclical recovery in Europe, and China's policy-driven growth stimulus.

In parallel, global trade saw a significant rebound in 2017, growing at an estimated rate of 4.9%. The upsurge was more pronounced in emerging markets and developing economies, reflecting improved investment growth rates in formerly stressed commodity exporter countries as well as the recovery in investments and stronger domestic demand in advanced economies. According to International Monetary Fund (IMF) estimates, Asia contributed 55% to global growth in 2017, making its mark as a significant player in the world economy. The two giants of Asia - China and India, contributed 49% and 20% to Asia's total Gross Domestic Product (GDP), respectively.

As a trading nation, Malaysia stood to benefit from the recovery in global demand. Anchored by resilient domestic demand amid favourable external environment, the Malaysian economy recorded a robust growth of 5.9%, which is slightly above market expectations of between 5.2% and 5.7%. A key highlight for the year was the upswing in exports of electrical and electronics (E&E). Together with a rebound in major commodity prices and a weak ringgit, which translated into relatively cheaper export prices; Malaysia's exports increased by 19% to RM935.4 billion in 2017, the strongest growth since 2005. Domestic demand took centre stage in fuelling growth during the year, following the spill over effects of improved business and household sentiments.

Economic Outlook

After exceeding expectations in 2017, the global economy is projected to carry forward its current momentum through 2018 riding on synchronised global recovery, buoyant trade and financial markets, and US tax reforms. The IMF forecasts a 3.9% global growth while global trade growth is projected at 5.1%. Emerging Asia, forecasted to continue growing at about 6.5% during 2018, will remain the most important engine of global growth. Malaysia's growth, on the other hand, is projected to grow at 5.0%-5.5% in 2018, to be driven by a resilient private consumption growth and reinforced with moderate export growth, moderating from a high base of 5.9% growth in 2017.

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akan terus bertumbuh pada kadar 6.5% sepanjang tempoh 2018, akan kekal sebagai jentera paling penting dalam pertumbuhan global. Pertumbuhan Malaysia pula dijangka akan tumbuh pada kadar 5.0%-5.5% pada tahun 2018, yang akan dipandu oleh pertumbuhan perbelanjaan sektor swasta dan diperkuuhkan dengan pertumbuhan eksport yang sederhana, dikawal oleh asas pertumbuhan yang tinggi sebanyak 5.9% pada tahun 2017.

Dengan jangkaan ekonomi dunia yang optimistik pada tahun 2018, pertumbuhan eksport keseluruhan Malaysia dijangka terkawal pada 7.4% pada tahun 2018 (2017: 18.9%). Mewakili 81% daripada eksport Malaysia, eksport barang kilang dijangka meningkat sehingga 8.2% pada tahun 2018. Pada tahun 2018, sektor perkhidmatan yang merupakan penyumbang terbesar kepada KDNK iaitu 54.5%, dijangka meningkat sehingga 6.4% (2017: 6.2%). Sektor-sektor kecil perkhidmatan yang dijangka mengalami pertumbuhan pesat termasuk perkhidmatan teknologi maklumat dan komunikasi (ICT), makanan & minuman dan penginapan, serta dagangan borong dan runcit. Sektor pembuatan dijangka meningkat sehingga 5.1% pada tahun 2018 (2017: 6.0%), didorong oleh industri elektronik, petroleum ditapis, produk-produk getah serta produk-produk kayu dan sebagainya.

Permintaan domestik dijangka kekal menjadi jentera pertumbuhan Malaysia pada tahun 2018, dengan unjuran pertumbuhan sebanyak 5.2% bagi menyumbang lebih kurang 90% kepada KDNK pada tahun 2018. Keadaan pasaran buruh yang lebih baik dan peningkatan gaji dalam industri pembuatan akan terus mendorong perbelanjaan isi rumah. Perbelanjaan pengguna dijangka akan terus meningkat didorong oleh potongan dalam cukai pendapatan peribadi dan beberapa langkah-langkah yang dicadangkan dalam Belanjawan 2018 yang mana berpotensi besar meningkatkan purata pendapatan isi rumah boleh guna. Langkah-langkah ini termasuk penyediaan belanjawan sebanyak RM6.5 bilion bagi membangunkan infrastruktur luar bandar, pengurangan cukai pendapatan untuk isi rumah berpendapatan sederhana (M40) selain program-program peningkatan kebajikan yang disasarkan kepada segmen pendapatan rendah dan sederhana. Peningkatan purata pendapatan pekerja menjadi agenda utama kerajaan dalam memastikan kuasa beli mengatasi peningkatan inflasi.

With a cautiously optimistic outlook for the world economy in 2018, Malaysia's total export growth is expected to moderate to about 7.4% in 2018 (2017: 18.9%). Representing 81% of Malaysia's exports, manufactured exports are predicted to grow by 8.2% in 2018. In 2018, the services sector, which is the largest contributor to GDP at 54.5% share, is projected to grow by 6.4% (2017: 6.2%). Services subsectors that are expected to show rapid growth include information and communications technology services (ICT), food and beverages, accommodation and wholesale and retail trade. The manufacturing sector is forecasted to grow by 5.1% in 2018 (2017: 6.0%), to be boosted by industries such as electronics, refined petroleum, rubber products and wood products.

Domestic demand is expected to remain the engine of Malaysia's growth in 2018, and is forecasted to grow 5.2% to contribute about 90% to GDP in 2018. Improving labour market conditions and rising manufacturing wages should continue to support household spending. Consumer spending is likely to further improve, underpinned by the cut in personal income tax and several measures proposed during the Budget 2018 as they are likely to increase the average household disposable income. These measures include a RM6.5 billion budget to develop rural infrastructure, reduction of income tax for mid-range income households (M40) as well as welfare enhancement programmes targeted at the lower- and middle-income segments. Raising the average income of workers has been a notable government agenda to ensure that purchasing power exceeds the rise in inflation.

Moving towards normalising profit rates after a prolonged period of low rates, Bank Negara Malaysia (BNM) raised the Overnight Policy Rate (OPR) to 3.25% on 25 January 2018, from 3.00% previously, amid a firm growth momentum. While high fuel prices have contributed to inflation, the above average growth has also spurred demand-driven inflation. This would lead to higher household debt servicing and could potentially nudge the impairment rate up for vulnerable households.



ULASAN EKONOMI ECONOMIC REVIEW

Ekonomi Malaysia mencatatkan pertumbuhan sebanyak

Malaysian economy registered a commendable growth of

5.9%

Peningkatan eksport Malaysia
Growth in Malaysian exports

19.0%

Pertumbuhan sektor pertanian
Growth in agriculture sector

7.2%

Pertumbuhan sektor kelapa sawit
Growth in palm oil sector

16.0%

ULASAN PRESTASI EKONOMI DAN PERNIAGAAN ECONOMIC AND BUSINESS PERFORMANCE REVIEW

Ke arah menstabilkan kadar keuntungan keuntungan setelah tempoh panjang berkadar rendah, BNM telah menaikkan OPR kepada 3.25% pada 25 Januari 2018, dari 3.00% sebelum ini, berlandaskan momentum pertumbuhan yang kukuh. Selain harga bahan api yang tinggi, pertumbuhan luar biasa juga telah menyumbang kepada peningkatan inflasi yang didorong oleh permintaan. Kesannya, hutang isi rumah akan meningkat lebih tinggi dan berpotensi melonjakkan kemerosotan untuk isi rumah yang berisiko.

Dengan perolehan yang lebih tinggi daripada industri minyak dan gas, inisiatif-inisiatif yang boleh dikembangkan dalam Belanjawan 2018 akan menyumbang secara positif kepada pertumbuhan ekonomi pada tahun 2018. Projek-projek infrastruktur yang sedang berjalan akan menampung aktiviti ekonomi manakala pertumbuhan dalam perbelanjaan sektor swasta dijangka akan didorong oleh penghapusan GST di sebalik pertumbuhan gaji yang sederhana dan keadaan pasaran buruh yang stabil.

Prestasi ekonomi Malaysia akan terus berhadapan dengan cabaran terutamanya akibat perkembangan semasa di seluruh dunia. Pengukuran polisi monetari di AS, dengan jangkaan dua lagi kenaikan kadar pada tahun 2018, akan terus menyebabkan ketidaktentuan dan ketidakstabilan dalam pergerakan modal, mencetuskan turun naik kadar tukaran di pasaran baru muncul. Pasaran kewangan Malaysia kekal berdaya tahan untuk menahan aliran keluar dana antarabangsa yang besar. Rizab antarabangsa BNM yang kekal melebihi AS\$100 bilion memberikan kestabilan yang lebih kukuh terhadap pergerakan jangka pendek dana antarabangsa yang tidak menentu. Konflik geopolitik melibatkan Kora Utara pula dijangka menghasilkan perkembangan yang positif.

Ketegangan perdagangan antara China dan AS mampu mengganggu aktiviti perdagangan global sehingga memberikan kesan kepada pertumbuhan global. Hubungan Malaysia dan China sebagai rakan dagangan terbesar negara, yang menyumbang 16.4% daripada jumlah perdagangan pada tahun 2017, boleh menyebabkan aktiviti eksport Malaysia terjejas disebabkan konflik perdagangan global. Selain itu, AS juga merupakan antara pasaran eksport yang cukup penting untuk Malaysia, berjumlah RM88.7 billion pada tahun 2017. Walaubagaimanapun, pasaran eksport Malaysia yang pelbagai berfungsi sebagai penampang dalam menghadapi ketidaktentuan dalam perdagangan global.

Tinjauan dan Jangkaan Pertanian

Sektor pertanian berjaya mengatasi sektor-sektor lain dengan catatan kadar pertumbuhan sebanyak 7.2% pada tahun 2017 berbanding pengurunan sebanyak 5.1% pada tahun 2016. Pertumbuhan ini dipacu terutamanya oleh peningkatan dalam pengeluaran kelapa sawit mentah (CPO), berikutan pemuliharan tanaman dari kesan El Nino pada tahun 2016, di mana kelapa sawit mencatatkan pertumbuhan sebanyak 16% dan ditampung



With higher revenues from oil and gas, the mildly expansionary Budget 2018 initiatives would contribute positively towards economic growth in 2018. On-going infrastructure projects would sustain economic activity while private consumption growth is expected to be spurred by the removal of GST amid modest wage growth and stable labour market conditions.

Malaysia's economic performance will continue to face challenges especially from developments around the globe. Monetary tightening in the US, potentially with two more rate hikes in 2018, would continue to raise uncertainty and lead to unstable capital movements, triggering exchange rate volatility in emerging markets. Malaysia's financial market has remained resilient to withstand large outflows of foreign funds. BNM's foreign reserves, which remained above US\$100 billion, have provided greater stability against the unpredictable movements of short-term foreign funds. Geopolitical conflict related to North Korea appears to be heading towards positive developments.

Trade tensions between China and US could disrupt global trading activities and impact on global growth. Being an open economy linked to the global value chain, Malaysia's exports could be affected by the global trade conflict as China is our largest trading partner, contributing 16.4% of total trade in 2017. The US is also a significant export market for Malaysia, receiving RM88.7 billion of Malaysia's exports in 2017. Nonetheless, Malaysia's highly diversified export markets would serve as a buffer during uncertain times in global trade.

Agricultural Review and Outlook

The agriculture sector outperformed other sectors, after recording a growth rate of 7.2% in 2017 from a contraction of 5.1% in 2016. Growth was driven mainly by a turnaround in crude palm oil (CPO) production,

oleh kenaikan 2% dalam sektor kecil agromakanan. Pada tahun 2017, KDNK sektor pertanian dinilai pada RM95.9 bilion. Sektor pertanian telah menyumbang 8.2% daripada KDNK Malaysia yang berjumlah RM1,174.3 bilion pada tahun 2017.

Kelapa sawit menyumbang 46.6% (atau RM44.7 bilion) kepada sektor pertanian, iaitu yang terbesar di antara semua sub-sektor, diikuti tanaman makanan (18.6% atau RM17.8 bilion) dan ternakan (11.4% atau RM11.0 bilion). Dari segi kadar pertumbuhan, sub-sektor ternakan meningkat paling pesat di antara tahun 2010 dan 2017 dengan pertumbuhan purata tahun-ke-tahun sebanyak 6.7%, diikuti tanaman makanan sebanyak 5.7%. Sebaliknya, sub-sektor perhutanan dan pembalakan serta sub-sektor getah mengalami penurunan di antara tahun 2010 dan 2017, masing-masing dengan penurunan purata tahun-ke-tahun sebanyak -6.1% dan -2.8%.

Pada tahun 2018, sektor pertanian dijangka mencatat pertumbuhan sederhana sebanyak 2.0% hingga 3.0% kerana pengeluaran CPO dijangka stabil berikutan pemuliharan luar biasa daripada kesan El Nino pada tahun 2017. Segmen agromakanan dijangka meningkat sebanyak 3% hingga 4% pada tahun 2018, dengan sumbangan positif daripada sektor-sektor kecil ternakan dan tanaman makanan selain permintaan berterusan daripada populasi yang semakin meningkat. Selepas membangun kukuh pada tahun 2017 (10.9%), eksport pertanian dijangka meningkat pada kadar 1.8% pada tahun 2018, dengan nilai eksport kelapa sawit diunjur meningkat sebanyak 2.6%, disokong oleh permintaan daripada negara-negara membangun seperti China, India, Turki dan Pakistan. Industri pemprosesan makanan dijangka meningkat sebanyak 6.3% pada tahun 2018 manakala industri minuman dijangka meningkat sebanyak 9.2%, dipacu oleh permintaan daripada pengguna domestik.

Sektor pertanian kekal sebagai sektor penting dalam pembangunan ekonomi Malaysia, terutamanya dalam menyediakan peluang pekerjaan untuk masyarakat luar bandar dan ke arah mencapai matlamat jaminan bekalan makanan negara. Pada tahun 2017, pihak Kerajaan telah mengumumkan pelbagai insentif dan pembiayaan untuk individu dan perniagaan yang terlibat di dalam sektor pertanian. Semasa pelancaran Hari Petani, Penternak dan Nelayan Kebangsaan 2017, peruntukan sebanyak RM7 juta telah diumumkan oleh pihak Kerajaan untuk persatuan penternak dan nelayan kawasan.

as yields recovered from the adverse El Nino effects in 2016, where palm oil recorded a 16% growth and supported by a 2% rise in agrofood subsector. In 2017, the GDP of the agriculture sector was valued at RM95.9 billion. The agriculture sector contributed 8.2% to Malaysia's GDP of RM1,174.3 billion in 2017.

The palm oil sector contributed 46.6% (or RM44.7 billion) to the agriculture sector, the largest among all subsectors, followed by food crops (18.6% or RM17.8 billion) and livestock (11.4% or RM11.0 billion). In terms of growth rate, the livestock subsector grew the fastest between 2010 and 2017 with an average year-on-year growth of 6.7%, followed by food crops at 5.7%. Conversely, the forestry and logging subsector and the rubber subsector experienced a decline between 2010 and 2017, with an average year-on-year decline of -6.1% and -2.8% respectively.

In 2018, the agriculture sector is expected to register a more moderate growth of 2.0% to 3.0% as CPO production is expected to normalise following the exceptional post-El Nino rebound in 2017. The agrofood segment is projected to grow by 3% to 4% in 2018, with positive contribution from livestock and food crops subsectors on the back of sustained demand from a growing population. After rising strongly in 2017 (10.9%), agriculture exports are anticipated to ease to a 1.8% growth in 2018, with palm oil export value projected to grow by 2.6%, to be supported by demand from developing countries such as China, India, Turkey and Pakistan. Food processing industry is expected to grow by 6.3% in 2018 while beverage industry may expand by 9.2%, to be driven by demand from domestic consumption.

The agriculture sector remains as an important sector to Malaysia's economic development, particularly in providing employment to the rural community and towards achieving the national food security objectives. In 2017, the Government announced a range of incentives and funding to individuals and businesses involved in the agricultural sector. During the launching of the National Farmers, Livestock Breeders and Fishermen Day 2017, a RM7 million allocation was announced by the Government for livestock breeders and fishermen's association.



Selepas meningkat kukuh pada tahun 2017 (10.9%), eksport pertanian dijangka meningkat pada kadar 1.8% pada tahun 2018, dengan nilai eksport kelapa sawit diunjur meningkat sebanyak 2.6%, industri pemprosesan makanan dijangka meningkat sebanyak 6.3% dan industri minuman dijangka meningkat sebanyak 9.2%, dipacu oleh permintaan daripada pengguna domestik.

After rising strongly in 2017 (10.9%), agriculture exports are anticipated to ease to a 1.8% growth in 2018, with palm oil export value projected to grow by 2.6%, food processing industry by 6.3% and beverage industry by 9.2%; to be driven by demand from domestic consumption.



Purata pertumbuhan tahun-ke-tahun bagi subsektor ternakan
Average year-on-year growth of livestock subsector

6.7%
2010-2017

ULASAN PRESTASI EKONOMI DAN PERNIAGAAN ECONOMIC AND BUSINESS PERFORMANCE REVIEW

Belanjawan 2018 juga merangkumkan pemberian geran dan lain-lain sokongan negeri untuk industri pertanian, makanan dan halal. Berikut adalah sorotan daripada belanjawan tersebut yang merujuk kepada sektor pertanian dan yang berkaitan dengannya:

- Perbelanjaan pembangunan untuk pertanian dan luar bandar ditingkatkan sebanyak 4.4% kepada RM2.5 bilion pada tahun 2018 untuk tujuan pembinaan kapasiti pertanian masa hadapan bagi memastikan bekalan makanan yang mencukupi.
- Peruntukan incentif sebanyak RM2.3 bilion bagi menyediakan bantuan dan incentif seperti baja dan input untuk penuai padi, pengusaha kecil getah dan nelayan.
- Peruntukan RM500 juta bagi memperbaiki infrastruktur saliran di ladang-ladang dan menaiktaraf laluan jalan di ladang-ladang.
- RM200 juta disediakan untuk penanaman semula pokok getah dan untuk penyediaan infrastruktur bagi meningkatkan pengeluaran getah.
- RM200 juta untuk program-program pertanian sebagai sumber pendapatan baharu, terutamanya untuk pembangunan industri tenuus menerusi penubuhan Lembaga Tenuusu dan Ruminan.
- RM140 juta untuk membangun dan menanam semula pokok kelapa sawit serta untuk mempertingkatkan program pemasaran.
- RM82 juta untuk pembangunan industri halal serta produk-produk di bawah pelbagai agensi.

Tinjauan dan Jangkaan Sektor Perbankan

Sektor perbankan mengekalkan kedudukan kewangan yang stabil sepanjang tahun 2017, dengan keuntungan sebelum cukai sebanyak RM36.2 bilion, mewakili peningkatan tahun-ke-tahun sebanyak 12.3%. Pinjaman dan pembiayaan sistem perbankan meningkat pada kadar sederhana sebanyak 4.1% pada tahun 2017 berbanding 5.3% pada tahun 2016; sedikit perlahan berbanding jangkaan awal kerana pertumbuhan ekonomi pacuan eksport tidak diterjemahkan serta-merta menjadi peningkatan dalam perbelanjaan domestik pengguna dan perniagaan. Jumlah deposit mencatatkan peningkatan pertumbuhan sebanyak 3.9% berbanding 2.1% pada tahun 2016. Dengan pertumbuhan deposit sedikit rendah berbanding pertumbuhan pembiayaan, nisbah pembiayaan-kepada-deposit sistem perbankan mencatat sedikit peningkatan iaitu sebanyak 90.7% berbanding 90.5% pada tahun sebelumnya.

The recent 2018 Budget also included grants and other state support for agriculture, food and the halal industries. Highlights from the budget with reference to agriculture and related sectors are:

- Development expenditure for agriculture and rural development was increased by 4.4% to RM2.5 billion in 2018 for the purpose of building future agriculture capacity to ensure sufficient supply of food.
- RM2.3 billion allocation incentives to provide assistance and incentive such as fertilisers and input to paddy farmers, rubber smallholders and fishermen.
- RM500 million was allocated to improve irrigation infrastructure in farms and upgrade plantation roads.
- RM200 million would be reserved for replanting rubber trees and provide infrastructures to boost rubber production.
- RM200 million for agricultural programmes as new sources of income, particularly the development of dairy industry through the establishment of *Lembaga Tenuusu dan Ruminan*.
- RM140 million to develop and replant oil palm and enhance marketing programme
- RM82 million was allocated for the development of halal industries and products under various agencies.

Banking Sector Review and Outlook

The banking sector maintained a sound financial position during the year, with pre-tax profits of RM36.2 billion, representing a year-on-year increase of 12.3%. The banking system's loans and financing grew at a moderate pace of 4.1% in 2017 from a growth of 5.3% in 2016; softer than the initial expectation as the export-driven economic growth did not immediately translate into increased consumer and business spending domestically. Total deposits registered improved growth of 3.9% after slowing down to 2.1% in 2016. With deposits growth tracking a little behind financing growth, banking system financing-to-deposit ratio experienced little change at 90.7% from 90.5% in the previous year.

The asset quality of banking sector financing continued to be resilient, with a healthy gross impaired ratio financing (GIF) ratio of 1.1% (2016: 1.2%) whilst delinquencies were kept at low levels at 2.1% (2016: 2.2%) due to continued improvements in banks' risk management practices. Similarly, Financing-to-Fund Ratio and Financing-to-Fund & Equity Ratio of the banking system fell to 84% and 73.7% in 2017, signalling improved liquidity condition. Financing by the development financial institutions to the

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Kualiti aset pembiayaan sektor perbankan terus meningkat, dengan nisbah pembiayaan merosot kasar (GIF) yang sihat sebanyak 1.1% (2016: 1.2%) manakala delinkuensi kekal pada tahap rendah iaitu 2.1% (2016: 2.2%) berikutan peningkatan berterusan dalam amalan pengurusan risiko bank-bank. Nisbah Pembiayaan-kepada-Dana dan Nisbah Pembiayaan-kepada-Dana & Ekuiti sistem perbankan juga masing-masing jatuh kepada 84% dan 73.7% pada tahun 2017, menandakan peningkatan kecairan. Pembiayaan oleh institusi-institusi kewangan pembangunan kepada sektor pertanian berkembang kepada RM10.0 bilion pada tahun 2017 berbanding RM9.2 bilion pada tahun sebelumnya. Setakat Disember 2017, nisbah Ekuiti Lazim Peringkat 1 (CET1) sistem perbankan adalah 13.3%, manakala Nisbah Modal Peringkat 1 dan Jumlah Nisbah Modal masing-masing adalah pada 14.3% dan 17.1%.

Bank-bank terus mengekalkan tahap permodalan yang kukuh di mana kesemua bank melaporkan nisbah modal yang melebihi kehendak minimum, termasuk penimbal simpanan modal (CCB) sebanyak 2.5%. Perolehan yang sihat serta dasar-dasar simpanan perolehan yang konservatif membolehkan sektor perbankan mewujudkan penimbal yang kukuh.

Sektor perbankan diunjurkan stabil pada tahun 2018 dengan peluang-peluang pertumbuhan yang berterusan disokong oleh pemulihian ekonomi global dan pertumbuhan ekonomi domestik yang kukuh. Keseluruhannya, sektor perbankan dijangka mengalami peningkatan dalam perolehan teras pada tahun 2018 berbanding 2017. Peningkatan ini dipacu oleh pendapatan tanpa faedah yang lebih tinggi daripada pasaran modal yang lebih aktif, peningkatan dalam pendapatan keuntungan bersih selain margin keuntungan bersih yang lebih tinggi. Bagaimanapun, persaingan deposit yang sengit di antara bank-bank tempatan dijangka berterusan sehingga 2018 ekoran ketidaktentuan deposit dan kos deposit yang lebih tinggi.

agriculture sector expanded to RM10.0 billion in 2017 from RM9.2 billion in the previous year. As at December 2017, the banking system Common Equity Tier 1 (CET1) ratio was 13.3%, while Tier 1 Capital Ratio and Total Capital Ratio were a healthy 14.3% and 17.1%, respectively.

Banks continued to maintain a strong level of capitalisation with all banks reporting capital ratios that were well above the minimum requirements specified, including the 2.5% capital conservation buffer (CCB). Healthy earnings, coupled with generally conservative earnings retention policies, have enabled the banking sector to build strong buffers.

The banking sector outlook is expected to be generally stable in 2018 with continued growth opportunities at the back of firm global economic recovery and sound domestic economic growth. Overall, the banking sector is expected to see a boost in core earnings in 2018 compared with 2017. This improvement will be primarily driven by higher non-interest income from a more active capital market, improvement in net profit income as well as a marginally higher net profit margin. However, intense deposit competition among local banks is expected to continue into 2018 with increasing deposit volatility and higher cost of deposit.

Capital levels are expected to ease slightly in 2018, due to implementation of the new accounting standard, Malaysian Financial Reporting Standard 9: Financial Instruments (MFRS 9), which came into effect from 1 Jan 2018, replacing the existing MFRS 139 "Financial Instruments: Recognition and Measurement". Adoption of the new standard would require banks to put up appropriate provisions in anticipation of future potential losses, resulting in higher overall impairment loss provision.

Despite stable prospects of the overall economy, factors such as high domestic living costs, adjustments in domestic economic policies and uncertainties in policy development in the advanced economies which weigh on the domestic sentiment may have a lingering downside pressure on the overall economic growth.



Keseluruhannya, sektor perbankan dijangka mengalami peningkatan dalam perolehan teras pada tahun 2018 berbanding 2017. Peningkatan ini dipacu oleh pendapatan tanpa faedah yang lebih tinggi daripada pasaran modal yang lebih aktif, peningkatan dalam pendapatan keuntungan bersih selain margin keuntungan bersih yang lebih tinggi.

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Keuntungan sebelum zakat dan cukai (PBZT) Agrobank bagi tahun 2017
Agrobank's PBZT for 2017

16.5%

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Tahap modal dijangka sedikit menurun pada tahun 2018 ekoran pelaksanaan piawaian perakaunan yang baharu iaitu Piawaian Pelaporan Kewangan Malaysia 9: Instrumen Kewangan (MFRS 9), yang berkuatkuasa Jan 1, 2018, menggantikan MFRS 139 "Instrumen Kewangan: Pengiktirafan dan Pengukuran". Adaptasi piawaian baharu ini mengkehendaki bank-bank menyediakan peruntukan sewajarnya sebagai persediaan menghadapi potensi kerugian masa hadapan, lantas menghasilkan peruntukan kerugian kemerosotan keseluruhan yang lebih tinggi.

Walaupun dengan prospek ekonomi keseluruhan yang lebih baik, faktor-faktor seperti kos sara hidup domestik yang tinggi dan ketidaktentuan pembangunan dasar ekonomi maju yang bergantung kepada sentimen domestik mungkin memberikan tekanan negatif berterusan ke atas pertumbuhan ekonomi keseluruhan.

Tinjauan Prestasi Agrobank

Tempoh beberapa tahun lepas ternyata mencabar untuk sektor perbankan dan tahun 2017 tidak terkecuali. Sungguhpun momentum positif hasil pembangunan ekonomi menyokong pertumbuhan perniagaan perbankan domestik, ia masih dibebani oleh kesan terdahulu dalam persekitaran operasi. Pengenalan peraturan baharu serta tekanan pembiayaan telah memaksa bank-bank untuk melaksanakan penetapan harga deposit yang kompetitif. Walaupun dengan persekitaran sektor perbankan yang semakin kompetitif serta langkah-langkah kawal selia yang dipertingkatkan ekoran risiko yang kian berubah, Agrobank tetap mencatat prestasi yang baik sepanjang 2017 dalam pelaksanaan pelan Perniagaan Strategik 2016-2020 Bank.

Prestasi kewangan Agrobank yang positif pada tahun 2017 adalah selari dengan jangkaan pertumbuhan industri perbankan Malaysia. Keuntungan sebelum zakat dan cukai (PBZT) bagi tahun kewangan berakhir 31 Disember 2017 meningkat sehingga RM32.7 juta atau 16.5% dari tahun sebelumnya bagi mencatat jumlah RM230.6 juta. Ini dipacu oleh pertumbuhan pembiayaan sebanyak 9.8%, yang mana jauh mengatasi prestasi industri sebanyak 4.1%.

Jumlah aset meningkat sebanyak 9.1% berbanding pertumbuhan industri yang mencatat 4.3%, bagi mencapai RM15.2 bilion. Jumlah deposit meningkat kepada RM9.8 bilion bagi mencatat pertumbuhan digit berganda sebanyak 12.7% daripada RM8.7 bilion pada tahun 2016. Pulangan ekuiti meningkat 8.2% manakala pulangan ke atas aset adalah 1.5%. Nisbah kos kepada pendapatan meningkat 1.5 peratus mata, mencapai 60.6% pada tahun 2017 berbanding 62.1% pada tahun sebelumnya, dipacu oleh perolehan yang kukuh serta disiplin kos yang baik.

Agrobank's Performance Review

The past few years have proven challenging for the banking sector. 2017 was no exception. Although the positive momentum of economic expansion had supported the growth of the domestic banking business, it was still weighed down by lingering headwinds in the operating environment. The introduction of new regulations together with funding pressures have compelled banks to implement competitive pricing on deposits. Despite an increasingly competitive environment in the banking sector and elevated regulatory measures in response to changing risks, Agrobank made good progress during 2017 in implementing the Bank's 2016-2020 Strategic Business plan.

Agrobank's positive financial performance in 2017 corresponds with the continuing growth trajectory of the Malaysian banking industry. Profit before zakat and tax (PBZT) for the financial year ended 31 December 2017 increased by RM32.7 million or 16.5% from the previous year to record RM230.6 million. This was driven by financing growth of 9.8%, which strongly overtook industry performance of 4.1%.

Total assets grew by 9.1% compared with industry growth of 4.3%, to reach RM15.2 billion. Total deposits increased to RM9.8 billion to record a double digit growth of 12.7% from RM8.7 billion in 2016. Return on equity edged higher to 8.2% while return on assets was 1.5%. Cost to income ratio improved 1.5 percentage points, reaching 60.6% in 2017 as compared with 62.1% in the previous year, driven by strong revenues coupled with good cost discipline.

Despite the strong expansion in the financing portfolio and amidst the continuously challenging economic environment, asset quality remained resilient with a lower gross impaired financing ratio of 4.5% compared to 5.2% registered the year before. The downward trend is expected to continue further as Agrobank maintains its focus on robust credit analysis and control process and credit risk policies. Financing loss coverage ratio stood at 100.2%, much higher than the industry average of 82.9%. The strong asset quality is a result of the Bank's continued thrust in robust risk management and internal control system. The Bank's capital position continued to be healthy as reflected by its total capital ratio of 24.9%, which is well in excess of regulatory requirements.

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Walaupun dengan perluasan yang kukuh dalam portfolio pembiayaan dan di sebalik persekitaran ekonomi yang terus mencabar, kualiti aset mencatatkan nisbah pembiayaan kemerosotan kasar yang lebih rendah sebanyak 4.5% berbanding 5.2% yang dicatat pada tahun sebelumnya. Trend menurun ini dijangka terus berlanjutan di kala Agrobank meneruskan fokusnya ke atas analisis kredit dan proses kawalan yang mantap serta dasar-dasar risiko kredit. Nisbah liputan kerugian pembiayaan dicatatkan pada 100.2%, yakni lebih tinggi daripada catatan purata industri sebanyak 82.9%. Kualiti aset yang kukuh adalah akibat peningkatan berterusan dalam sistem pengurusan risiko dan kawalan dalaman yang mantap. Kedudukan modal Bank terus kukuh seperti yang dicerminkan oleh jumlah nisbah modalnya sebanyak 24.9%, yang mana jauh mengatasi kehendak kawal selia.

Jumlah pembiayaan dan pendahuluan kasar Bank meningkat dari RM8.7 bilion kepada RM9.5 bilion selepas mencatat kadar pertumbuhan sebanyak 9.8%. Peningkatan ini datang terutamanya daripada perniagaan korporat dan pengguna. Dalam aspek pembiayaan, deposit pelanggan Bank adalah sebanyak RM7.6 juta setakat 31 Disember 2017, mencatatkan peningkatan tahun-ke-tahun sebanyak 7.7%. ini termasuk daripada peningkatan dalam deposit kos rendah (simpanan dan GIRO) sebanyak 4.2% atau RM130.0 juta dan peningkatan dalam deposit kos tinggi sebanyak 10.5% atau RM414.5 juta.

Di antara kesemua segmen perniagaan Agrobank, perbankan korporat mencatatkan pertumbuhan tertinggi sebanyak 17.3%. Perbankan korporat mencatat RM2.6 bilion atau 26.7% daripada jumlah pembiayaan pada tahun 2017, berbanding RM2.2 bilion pada tahun sebelumnya. Walaupun bank-bank gergasi terus mendominasi industri dengan lembaran kira-kira bersaiz besar dan kehadiran serantau, perbankan korporat mengekalkan nic pasaran yang kukuh dalam industri pertanian dan asas tani dengan sokongan berterusan daripada Kementerian Pertanian dan Industri Asas Tani (MOA) serta Kementerian Kewangan (MOF) selain agensi-agensi berkaitan. Pertumbuhan positif ini juga disebabkan oleh strategi pendalaman "wallet share" para pelanggan sedia ada dengan menyediakan pelbagai produk dan perkhidmatan bagi memenuhi keperluan kewangan dan perniagaan mereka.

The Bank's total gross financing and advances expanded from RM8.7 billion to RM9.5 billion after registering a growth rate of 9.8%. The increase came mainly from corporate and consumer business. On the funding aspect, the Bank's customer deposits stood at RM7.6 million as at 31 December 2017, recording a year-on-year increase of 7.7%. This comprised an increase in low cost deposit (savings and GIRO) by 4.2% or RM130.0 million and a hike in high cost deposit of 10.5% or RM414.5 million.

Of all Agrobank's business segments, corporate banking recorded the highest growth at 17.3% to deliver another year of impressive growth. Corporate banking recorded RM2.6 billion or 26.7% of total financing in 2017, as opposed to RM2.2 billion in the prior year. Although big banks continued to dominate the industry with big-sized balance sheets and regional presence, Corporate banking sustained a strong niche market in the agriculture and agro-based industry with continuous support from Ministry of Agricultural and Agro-Based Industry (MOA) and Ministry of Finance (MOF) as well as their related agencies. The positive growth was also in part due to the strategy of deepening the wallet share of exiting customers by providing a breadth of products and services in meeting their financial and business needs.

Commercial business contributed 23.8% to total financing to record growth of 5.4% from RM2.2 billion to RM2.3 billion compared with a year ago. Micro finance, on the other hand, became a star performer in 2017 after registering a 7.8% growth, from RM250.3 million to RM269.8 million.

Consumer banking remains as an important driver of Agrobank's business, contributing 46.7% of RM9.5 billion total financing in 2017. Consumer banking recorded a commendable growth of 8.5% in 2017 at the back of strong customer service and compliance culture. This was achieved against the backdrop of rising costs of living due to GST, the banking system's prudent credit policy to address the mounting household indebtedness as well as continuous stiff market competition.



Jumlah pertumbuhan pembiayaan
Total financing growth

9.8%

Jumlah pertumbuhan deposit
Total deposit growth

12.7%

Pertumbuhan perbankan korporat
Growth of corporate banking

17.3%

Pertumbuhan perbankan pengguna
Growth of consumer banking

8.5%

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Perniagaan komersial menyumbang 23.8% kepada jumlah pembiayaan keseluruhan untuk mencatat pertumbuhan sebanyak 5.4% yakni daripada RM2.2 bilion pada tahun sebelumnya kepada RM2.3 bilion. Pembiayaan mikro pula menjadi pencatat prestasi terbaik pada 2017 dengan catatan pertumbuhan sebanyak 7.8% iaitu daripada RM250.3 juta kepada RM269.8 juta.

Perbankan pengguna kekal menjadi pamacu utama perniagaan Agrobank, dengan menyumbang 46.7% daripada jumlah pembiayaan sebanyak RM9.5 bilion pada tahun 2017. Perbankan pengguna mencatat pertumbuhan menggalakkan sebanyak 8.5% pada tahun 2017, disokong oleh perkhidmatan pelanggan dan budaya pematuhan yang mantap. Hal ini dicapai di sebalik peningkatan kos sara hidup yang disebabkan oleh GST, dasar kredit berhemah sistem perbankan ini dalam menangani hutang isi rumah yang tinggi serta persaingan pasaran yang kekal sengit.

Sorotan dan Pencapaian Operasi Utama

Segmen Perbankan Pengguna, Perniagaan, Elektronik dan Urusniaga Bank terus mengembangkan lembaran kira-kiranya di sebalik persekitaran operasi yang dilanda oleh persaingan pasaran yang sengit.

Perbankan Perniagaan

Perbankan perniagaan terus mengukuh semasa tahun 2017, dan menarik minat perniagaan dari kalangan pelanggan baharu dan sedia ada bagi mengekalkan kedudukan Bank sebagai peneraju perniagaan berkaitan pertanian dan atas tani. Sepanjang 2017, perbankan perniagaan berusaha menjadikan urusan pelanggan dengan Agrobank lebih mudah dan cekap. Hasrat kami adalah untuk mewujudkan pengalaman pelanggan yang terbaik berdasarkan saranan nilai yang kukuh serta penggunaan model penyampaian dan perkhidmatan digital. Perbankan perniagaan sekali lagi memberi sumbangan besar kepada kepada pertumbuhan perniagaan Bank dengan jumlah portfolio sebanyak RM5,090.0 juta, iaitu peningkatan bersih sebanyak 11.2% setakat Disember 2017.

Unit perbankan korporat kekal menjadi tulang belakang perbankan perniagaan, dengan menyumbang 73.0% kepada pendapatan pembiayaannya. Portfolio perniagaan korporat mencatat peningkatan sebanyak 17.3% bagi mencapai RM2,553.9 juta pada tahun 2017. Perbankan komersil mencatat prestasi pertumbuhan sebanyak 5.4% pada tahun 2017. Buat pertama kalinya dalam 7 tahun, pembiayaan mikro telah mencatat pertumbuhan sebanyak 7.8% iaitu satu peningkatan daripada RM250.3 juta pada tahun 2016 kepada RM269.8 juta pada tahun 2017. Peningkatan prestasi dalam pembiayaan mikro terhasil daripada

Key Operational Highlights and Achievements

The Bank's Consumer, Business, Electronic and Transaction Banking segment continues to grow its balance sheet despite an operating environment characterised by intense market competition.

Business Banking

Business banking grew further during the year, attracting profitable business from both new and existing customers to maintain the Bank's position as a leading bank for agriculture and agriculture-related businesses. Business banking worked diligently throughout 2017 on becoming even more customer-focused, with the aim of making banking with Agrobank easier and more efficient. Our ambition is to deliver the best customer experience on the basis of a strong value proposition and an increasingly digitalised service and delivery model. Business banking delivered another year of respectable contribution to the Bank's overall business growth with a total portfolio of RM5,090.0 million, a net increase of 11.2% as at end of December 2017.

The corporate banking unit remained the backbone of Business banking, accounting for 73.0% of its financing income. Corporate business portfolio reached RM2,553.9 million in 2017, an increase of 17.3%. Commercial banking recorded a 5.4% growth performance in 2017. Micro financing, for the first time in 7 years recorded growth at 7.8%, an increase from RM250.3 million in 2016 to RM269.8 million in 2017. Improved performance in micro finance was attributed to the implementation of Agro Teras in March 2017, which was first launched in 2016. Agro Teras is a microfinancing programme to help entrepreneurs from the bottom 40% of household income (B40) involved in agriculture and agro-based business.

Overall, the commendable performance of business banking is driven largely by its focus on the palm oil activities as well as the primary agriculture activities and other related activities. These included identifying new players and enhancing relationship with existing customers.

As a development financial institution, Agrobank supports the Government's various initiatives and policy direction in developing and promoting the identified targeted sectors to support the national economic development agenda. Towards this end, the Bank stepped up efforts to promote funding programmes under the Dana Pertanian Komersial (DPK), and Dana Pembiayaan Usahawan Pertanian (DPUP). These were done by aggressively promoting these funding programmes to eligible existing or new customers and working closely with other

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pelaksanaan Agro Teras pada bulan Mac 2017, yang dilancarkan pada tahun 2016. Agro Teras adalah satu program pembiayaan mikro bagi membantu usahawan daripada kumpulan isi rumah berpendapatan 40% terendah untuk menceburkan diri dalam pertanian dan perniagaan atas tani.

Secara keseluruhan, prestasi cemerlang perbankan perniagaan dipacu oleh usahanya dalam aktiviti-aktiviti berkaitan kelapa sawit serta aktiviti-aktiviti pertanian utama dan lain-lain aktiviti berkaitan. Ini termasuk mengenalpasti pemain-pemain baharu dan mempertingkatkan hubungan dengan pelanggan-pelanggan sedia ada.

Sebagai sebuah IKP, Agrobank menyokong pelbagai inisiatif dan halatuju dasar Kerajaan dalam membangun dan mempromosikan sektor-sektor sasar yang telah dikenalpasti bagi menyokong agenda pembangunan ekonomi negara. Justeru itu, Bank telah menggandakan usaha untuk mempromosikan program-program pembiayaan di bawah Dana Pertanian Komersial (DPK), dan Dana Pembiayaan Usahawan Pertanian (DPUP). Kesemua ini dilakukan dengan mempromosi program-program pembiayaan ini secara agresif kepada pelanggan-pelanggan sedia ada atau baharu dan bekerjasama rapat dengan agensi-agensi kerajaan lain seperti Institut Penyelidikan dan Kemajuan Pertanian Malaysia (MARDI), Lembaga Pemasaran Pertanian Persekutuan (FAMA), Jabatan Perikanan Malaysia (DOF) dan Jabatan Perkhidmatan Veterinari Malaysia (DVS).

Sepanjang 2017, Agrobank telah mewujudkan beberapa kerjasama dan gabungan strategik dengan agensi-agensi di bawah Kementerian Pertanian sebagai sebahagian daripada komitmennya menyediakan keperluan kewangan untuk usahawan mikro yang terlibat dalam sektor pertanian dan atas tani. Berikutnya kejayaan skim BERNAS Paddy-i, Bank telah memeterai gabungan kerjasama strategik bersama Pertubuhan Peladang Kawasan (PPK) dan Kilang Padi Komersial (KPK). Kerjasama strategik yang serupa juga diwujudkan dengan cawangan-cawangan setempat Persatuan Peladang Kebangsaan (NAFAS) di wilayah-wilayah terpilih di Selangor dan Kelantan untuk skim Pembiayaan Kumpulan Fertigasi Cili. Menerusi kerjasama ini, Agrobank akan menyediakan para peserta projek-projek fertigasi cili dengan kemudahan pembiayaan.

Melangkah ke hadapan, perbankan perniagaan akan berusaha meluaskan jangkauan, suit produk serta kemampuan penyampaian agar dapat menyediakan penyelesaian kewangan yang komprehensif kepada usahawan agro.

Pembiayaan Perdagangan

Pembiayaan perdagangan mencatatkan peningkatan 55.3% dengan baki sebanyak RM860.4 juta. Trend pertumbuhan meningkat yang berterusan dalam pembiayaan perdagangan mencerminkan permintaan pelanggan yang kukuh untuk kemudahan pembiayaan perdagangan Bank, yang meningkat kepada RM1.3 bilion pada akhir Disember 2017 berbanding RM901.3 juta yang dicatatkan pada tempoh sama tahun sebelumnya.



government agencies such as the Malaysian Agricultural Research and Development Institute (MARDI), Federal Agriculture Marketing Authority (FAMA), Department of Fisheries Malaysia (DOF) and Department of Veterinary Services Malaysia (DVS).

Under the EPP funding scheme, Agrobank disbursed a total of RM3.31 million in 2017 whilst under DPK, the Bank provided capital facilities to six corporate bodies totalling RM51.80 million. In line with the government's desire to empower the development of agro-entrepreneurs among youth and produce more young entrepreneurs venturing into agriculture-based fields, the Bank disbursed a total funding amounting to RM34.99 million to under the DPUP funding programme as at November 2017.

During 2017, Agrobank formed new strategic alliances and collaborations with agencies under the MOA as part of its commitment to provide the financial needs of micro enterprises involved in the agriculture and agro-based sector. Following the success of the BERNAS Paddy-i scheme, the Bank entered into a strategic alliance collaboration with Pertubuhan Peladang Kawasan (PPK) and Kilang Padi Komersial (KPK). A similar strategic alliance was also formed with local branches of the National Farmers' Association (NAFAS) in selected regions of Selangor and Kelantan for the Chilli Fertigation Group Financing scheme. Through this collaboration, Agrobank will provide participants of the chilli fertigation projects financing facilities.

Moving forward, business banking will be working on expanding reach, product suites as well as delivery capabilities with an aim of providing a comprehensive suite of financial solutions to agropreneurs.

Trade Finance

Trade finance recorded a 55.3% increase with an outstanding balance of RM860.4 million. The continued upward growth trend in trade finance reflects the strong customer demand for the Bank's trade finance facility, which rose to RM1.3 billion by end of December 2017 as compared RM901.3 million recorded in the corresponding year.

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Jumlah pertumbuhan bersih portfolio pembiayaan perdagangan Bank adalah RM306.5 juta pada akhir 2017, yang menyumbang 69.8% daripada jumlah pertumbuhan bersih perbankan perniagaan (tidak termasuk segmen pembiayaan mikro) atau 35.6% daripada keseluruhan jumlah pertumbuhan bersih Bank. Dari segi jumlah pembiayaan, Agrobank telah mengagihkan RM3.0 bilion pada tahun 2017, iaitu 52.6% lebih tinggi berbanding tahun sebelumnya.

Bank menjangkakan jumlah pembiayaan perdagangan yang lebih tinggi bagi menjana pertumbuhan perniagaan yang lebih baik bagi tahun 2018. Justeru itu, beberapa produk dan perkhidmatan baharu berasaskan eksport sedang dibangunkan dan dijangka siap dalam masa terdekat.

Perbankan Pengguna

Pada tahun 2017, bahagian perbankan pengguna meneruskan usaha memperkuatkan perniagaan runcit. Selain daripada produk-produk sedia adanya iaitu Agrocash-i (pembiayaan peribadi), Hartani-i (pembiayaan pembelian tanah) dan Ar Rahnu (pajak gadai emas), Bank telah memperkenalkan produk perbankan pengguna yang keempat iaitu Agro Home Financing-i yang bertujuan membantu komuniti pertanian memiliki rumah. Di bawah skim Agro Home Financing-i, program Rumah Bina Negara (RBN) diperkenalkan dengan kerjasama Pihak Berkuasa Kemajuan Pekebun Kecil Perusahaan Getah (RISDA). Skim RBN ini bermatlamat menyediakan rumah mampu milik untuk generasi kedua peneroka RISDA yang berusia di antara 18 dan 45 tahun. Di bawah program pembiayaan rumah bersubsidi ini, Agrobank menawarkan pembiayaan sehingga RM45,000.

Prolek akaun simpanan dan GIRO Bank yang sebelum ini berada di bawah konsep Wadiyah Yad Dhamanah (Simpanan Terjamin) telah diklasifikasi semula, yang seterusnya menggantikan semua akaun simpanan dan GIRO berasaskan Wadiyah kepada berasaskan Qard. Ini sejajar dengan terbitan Klausula 22 dalam dokumen dasar Qard oleh BNM.

Pada tahun 2017, usaha digandakan bagi mempromosi dan memasarkan pelbagai produk perbankan pengguna. Sebagai sebahagian daripada inisiatif Bank untuk meningkatkan asas Ar Rahnu, kempen lanjutan dilaksanakan bagi "Kempen Kakitangan Mendapatkan Pelanggan" (SGC) manakala margin kemudahan pembiayaan ditingkatkan kepada 80%, selain disokong dengan kempen Ar Rahnu Assessor Challenge (AAC). Kempen-kempen ini telah membantu produk Ar Rahnu mencatat pertumbuhan positif sebanyak 17.4% pada tahun 2017.

Total net growth of the Bank's trade finance portfolio amounted to RM306.5 million by end of 2017, contributing to 69.8% of total net growth of business banking (with exclusion of micro finance segment) or 35.6% of overall net growth of the Bank. In terms of financing amount, Agrobank had disbursed some RM3.0 billion in 2017, which is 52.6% higher than the previous year.

The Bank expects greater contribution of trade finance facilities to generate further growth for Bank's business in 2018. In light of this, several new export based products and services are under development and expected to be made available to customers in the near future.

Consumer Banking

In 2017, Consumer banking division continued its focus on strengthening the retail business. In addition to its existing main products - Agrocash-i (personal financing) Hartani-i (Land Purchase Financing) and Ar Rahnu (Gold Pawning); the Bank introduced its fourth consumer banking product, namely Agro Home Financing-i aimed at facilitating home ownership for the agricultural community. Under the Agro Home Financing-i scheme, the Rumah Bina Negara (RBN) programme was introduced in collaboration with the Rubber Industry Smallholders Development Authority (RISDA). The RBN scheme aims at providing affordable housing for those from the second generation of RISDA settlers, aged between 18 and 45. Under this subsidised home-financing programme, Agrobank offers financing amount up to RM45,000.

The Bank's savings and GIRO accounts products under the previous concept of Wadiyah Yad Dhamanah (Guaranteed Savings) were reclassified, which effectively replaced all Wadiyah based with Qard based savings and GIRO accounts. This is pursuant to the issuance of Clause 22 in Qard policy document by BNM.

During the year, efforts were accelerated in promoting and marketing various consumer banking products. As part of the Bank's initiatives to increase its Ar Rahnu's base, extended campaigns were run on "Staff Get Customer Campaign" (SGC) and increasing the margin of financing facility up to 80%. This was supported by the Ar Rahnu Assessor Challenge (AAC) campaign. Through such campaigns, Ar Rahnu product recorded positive growth of 17.4% in 2017.

AgroCash-i remains one of the most competitive personal financing products in the market. Total portfolio for Agrocash-i recorded a net increase of 5.9% to reach RM3.7 billion as at December 2017. In efforts to help increase awareness and consideration for Agrobank's personal financing, the Bank recruited staff for its

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AgroCash-i kekal menjadi salah satu produk pembiayaan peribadi paling kompetitif di pasaran. Jumlah keseluruhan portfolio Agrocash-i mencatat peningkatan bersih sebanyak 5.9% bagi mencapai RM3.7 bilion setakat Disember 2017. Dalam usaha meningkatkan kesedaran dan pertimbangan mengenai pembiayaan peribadi Agrobank, Bank telah mewujudkan satu Pasukan Jualan Langsung (DST) yang ditempatkan di 3 lokasi berbeza iaitu Ampang Point, Alor Setar dan Melaka. Hartani-i, iaitu produk pembiayaan tanah pertanian, menawarkan salah satu pakej terbaik untuk pemilikan tanah pertanian.

Semasa tahun 2017, usaha juga disalurkan bagi mempromosikan deposit terutamanya bagi meningkatkan prestasi deposit kos rendah. Justeru itu, pelbagai kempen pemasaran telah dilancarkan bagi meningkatkan keahlian Sahabat Agro dan AgroprimaS. Setakat Disember 2017, Sahabat Agro telah memiliki sejumlah 12,000 ahli dengan jumlah deposit sebanyak RM10.4 juta.

Bergerak ke hadapan, perbankan pengguna akan menumpukan usaha dalam memperkenalkan dan meningkatkan saranan nilai pelanggan dan produknya. Dengan persaingan deposit yang sengit di kalangan bank-bank tempatan dijangka berterusan sehingga 2018, perbankan pengguna akan terus mengautomasi dan memudahkan proses selain bekerjasama dengan rakan-rakan strategik untuk menghasilkan produk-produk inovatif serta memberikan pengalaman pelanggan dan perkhidmatan berkualiti kepada para pelanggan Bank.

Perbankan Elektronik

Perbankan elektronik berusaha menyediakan pelanggan Bank dengan pengalaman perbankan yang lancar dan menyenangkan menerusi saluran-saluran sedia ada dan digital dalam usaha menyasarkan setiap pelanggan menerusi media pilihan mereka. Semasa tahun 2017, perluasan saluran-saluran elektronik terus dijalankan. Sebahagian besar daripada inisiatif tersebut tertumpu kepada perbankan internet untuk pelanggan korporat dan perniagaan termasuk inisiatif pemasaran ke arah mengalihkan pelanggan perniagaan kepada penggunaan perbankan internet perniagaan, AgRONetBiz, sebagai saluran pembayaran utama mereka dan pengurusan gaji. Dari sudut pembangunan sistem, pencapaian penting pada tahun 2017 termasuk kejayaan penyepaduan pembayaran kepada badan-badan berkanun.

Pengkalan pelanggan AGRONet meningkat 25.0% tahun-ke-tahun kepada 89,924 pengguna berdaftar pada tahun 2017. Jumlah syarikat berdaftar untuk penyelesaian pengurusan tunai AGRONetBiz juga mencatatkan pertumbuhan positif sebanyak 130.0%, iaitu peningkatan kepada 4,089 berbanding 1,897 syarikat berdaftar pada tahun sebelumnya. Bank mencatatkan peningkatan ketara dalam bilangan dan nilai urusniaga yang dilakukan menerusi perkhidmatan perbankan internet pada tahun 2017. Nilai urusniaga perbankan yang dilakukan menerusi perbankan internet meningkat 122.9% kepada RM974.0 juta pada tahun 2017, berbanding RM437.0 juta pada tahun 2016. Jumlah pendapatan berasaskan yuran untuk perbankan elektronik dan khidmat kad mencatatkan pertumbuhan margin sebanyak 1% tahun-ke-tahun kepada RM10.5 juta pada akhir Disember 2017.

Direct Sales Team (DST) located in 3 different areas, namely, Ampang Point, Alor Setar and Melaka. Hartani-i, the agriculture land financing product, offers one of the best packages available for agriculture land ownership.

During the year, efforts were also channelled to promote deposit especially to boost up the performance of low cost deposit. Towards this end, extensive marketing campaigns were launched to boost the membership of Sahabat Agro and AgroprimaS. As at December 2017, Sahabat Agro boasted a total of 12,000 members with total deposit amounting to RM10.4 million.

Moving forward, Consumer banking will focus its efforts on introducing and enhancing its customer and product value propositions. With intense deposit competition among local banks is expected to continue into 2018, Consumer banking will further automate and simplify processes as well as collaborate with strategic partners to bring innovative products and quality customer experiences and services to the Bank's customers.

Electronic Banking

Electronic banking strives to provide the Bank's customers with a smooth and pleasurable banking experience through existing and new digital channels in an effort to target each customer through their preferred media. During the year under review, expansion of electronic channels continued apace. Majority of the initiatives in 2017 were concentrated on internet banking drive among corporate and business customers including marketing initiatives towards migrating business customers to subscribe and utilise AGRONetBiz business internet banking service as their primary payment channel as well as payroll management. From a system development stand-point, notable achievements for the year included the successful integration of payment to statutory bodies.

AGRONet's retail customer base grew by 25.0% year-on-year to 89,924 registered users in 2017. Total registered companies for AGRONetBiz cash management solution also recorded positive growth of 130.0%, an increase to 4,089 compared to 1,897 registered companies the year before. The Bank recorded a significant increase in both the number and value of transactions made through internet banking services in 2017. The value of banking transactions conducted through internet banking rose by 122.9% to RM974.0 million in 2017, compared to RM437.0 million processed in 2016. Total fee-based income earned for electronic banking and card services recorded a marginal growth of 1% year-on-year to RM10.5 million as at end of December 2017.

Significant growth was also recorded for debit card usage during 2017. The total number of transactions grew by 118.0% year-on-year to 281,508 transactions worth RM60.0 million. Fee income earned from new card issuance and annual maintenance posted a healthy RM4.8 million in 2017. The growth of the middle class, increasingly dynamic lifestyles and advancing technology trends are expected to support Agrobank's debit card business going forward.

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Pertumbuhan ketara juga dicatatkan untuk penggunaan kad debit pada tahun 2017. Jumlah urusniaga meningkat 118.0% tahun-ke-tahun kepada 281,508 urusniaga yang bernilai RM60.0 juta. Pendapatan fi yang diperolehi daripada pengeluaran kad baharu dan fi tahunan adalah sebanyak RM4.8 juta pada tahun 2017. Perniagaan kad debit Agrobank dijangka akan didorong oleh pertumbuhan kelas pertengahan, gaya hidup yang semakin berubah dan trend teknologi yang semakin maju.

Fokus utama pada 2017 adalah ke atas agenda BNM untuk mewujudkan masyarakat tanpa tunai di negara ini. Sebagai sebahagian daripada usaha menyokong agenda tersebut, Agrobank menggalakkan para pelajar sekolah dan universiti menggunakan kad pintar pelajar dan terminal penerimaan bayaran bagi mempromosikan penggunaan e-pembayaran sebagai instrumen pembelian pilihan. Semasa tahun 2017, perbankan elektronik juga telah memulakan beberapa inisiatif pematuhan yang diperkenalkan oleh BNM dan PayNet (anak syarikat BNM) bagi memacu usaha transformasi infrastruktur pasaran kewangan dan perkhidmatan e-pembayaran Malaysia.

Agrobank sedia maklum terminal layan diri terdedah kepada pelbagai ancaman. Setiap tahun, penjenayah terus mencari cara baharu untuk memanipulasi ATM yang kini tidak lagi terhad kepada manipulasi fizikal semata-mata seperti ‘membaca’ kad dan ‘memerangkap’ tunai-kad, tetapi juga melibatkan manipulasi ke atas sistem perisian. Bagi memastikan pelanggan sentiasa selamat ketika melakukan transaksi di terminal layan diri, Bank telah melaksanakan pelbagai strategi bagi menaiktaraf keselamatan terminal-terminalnya dan mengurangkan skop untuk penipuan.

Sebagai sebahagian daripada usaha Bank untuk meningkatkan pengalaman pelanggan dan meluaskan jangkauannya serta mencipta kecekapan kos yang lebih baik, Agrobank akan terus menerapkan digitalisasi sebagai strategi berdaya maju dalam persekitaran digital terkini.

Perkhidmatan Lain

Agrobank telah berjaya memperluaskan kebolehmampuannya dalam menyokong pertumbuhan transaksi penjelasan bayaran di antara pelanggan perseorangan dan perniagaan yang saling berkait. Perbankan perniagaan transaksi Bank menyediakan pelbagai perkhidmatan komprehensif mampu milik untuk komuniti asas tani dan pelanggan lain secara umumnya. Perkhidmatan ini merangkumi penulisan wasiat, pembayaran bil, perlindungan takaful dan pemindahan wang. Pertumbuhan sederhana dicatatkan dalam volum dan aktiviti perbankan urusniaga pada tahun 2017, didorong oleh pertambahan bilangan pelanggan dan peningkatan dalam platform dan perkhidmatan operasi.

The primary focus in 2017 continued to be accelerating Malaysia's progress towards becoming a cashless society in support of BNM's cashless society agenda. As part of the Bank's drive towards a cashless community, Agrobank is transforming the way students at schools and universities access facilities and services through the introduction of student smart card and payment acceptance acquiring terminal to promote the adoption of e-payment as the preferred instrument in making purchases. During the year, Electronic banking also spearheaded a number of compliance initiatives introduced by BNM and PayNet (a subsidiary of BNM) to drive the transformation journey of Malaysia's financial market infrastructure and e-payment services.

Agrobank is mindful that self-service terminals are exposed to a range of threats. Year after year, criminals continue to find innovative ways to manipulate Automated Teller Machines (ATMs). Their attention is no longer confined to physical manipulation such as card skimming and cash-card trapping but has widened to include digital, software-based attacks. In order to ensure that customers continue to experience a safe environment in conducting their banking transactions via self-service terminals, the Bank implemented numerous strategies to upgrade the security of its terminals and reduce the scope for fraud.

As part of the Bank's efforts to enhance customer experience and extend its reach and create greater cost efficiencies, Agrobank will continue to embrace digitalisation as a forward looking strategy in an increasingly digitalised environment.

Other Services

Agrobank has successfully expanded its capabilities to support the growth of payment settlement transactions between the Bank's inter-connected individual and business customers. The Bank's transactional banking business line brings together a range of affordable yet comprehensive services to the agro-based community and general customer at large. These services include will writing, bill payment, takaful protection and money transfer. Moderate growth in transactional banking volumes and activities were recorded in 2017, driven by the growing number of customers and improvement in the operating platform and services.

Dengan peralihan kepada platform digital, perkhidmatan perbankan perlu diadaptasi dengan sewajarnya bagi menjamin kejayaannya pada masa hadapan. Justeru itu, Bank terus memantau sebarang perkembangan dalam teknologi perbankan dan akan menaiktaraf sistemnya secara berterusan. Tahun 2017 menyaksikan perbankan transaksi memasuki era digital dengan menyediakan pengalaman pelanggan yang lancar bagi pembelian produk-produk takaful dalam talian. Takaful Kasih Plus, pelan perlindungan kemalangan yang komprehensif ditawarkan dalam talian menerusi Agronet iaitu platform perbankan runcit dalam talian Bank. Selain itu, tumpuan juga diberikan ke atas pembangunan segmen khidmat nasihat bancatakaful yang menawarkan pelan simpanan takaful lazim kepada pelanggan. Segmen ini diterajui oleh pasukan jualan takaful bersepada di cawangan-cawangan terpilih di seluruh negara.

Pada 2017, Bank telah melancarkan Agro Nurani yang didorong oleh matlamatnya untuk membangunkan satu pelan perlindungan takaful khas untuk komuniti pertanian serta komuniti luar bandar dan yang kurang mendapat perkhidmatan perbankan. Pelan perlindungan ini adalah untuk individu kelainan upaya (OKU) yang pertama seumpamanya ditawarkan oleh sebuah bank di Malaysia. Ia menawarkan perlindungan 24 jam di seluruh dunia untuk individu kelainan upaya yang berusia di antara 7 dan 65 tahun. Selain itu, satu produk takaful Agrobank iaitu Agro Mabrur-i terpilih sebagai Perlindungan Tenang oleh BNM, yakni satu inisiatif bagi meningkatkan rangkuman kewangan bagi segmen-segmen terpinggir di Malaysia, terutamanya kumpulan isi rumah berpendapatan 40% terendah. Kumpulan berpendapatan rendah ini sentiasa terdedah kepada kejutan ekonomi selain peningkatan kos sara hidup dan tanggungjawab kewangan.

Melangkah ke hadapan, perbankan transaksi akan meneruskan usahanya memperkuuhkan lagi tawaran-tawaran produk dan salurannya selain melakukan penambahbaikan taktikal dalam semua aspek bagi meningkatkan pengalaman pelanggan.

With the banking services moving towards digital platforms, the key to success in the future will be to adapt banking services appropriately. To that end, the Bank continue to carefully monitor any developments in banking technology and will continue to upgrade systems on an ongoing basis. The year under review saw transactional banking embarking on digital footprint by providing a seamless customer experience for customers to purchase takaful products online. Takaful Kasih Plus, the comprehensive personal accident plan is being offered online via Agronet, the Bank's online retail banking platform. In addition, focus was placed to develop advisory bancatakaful segment to offer regular savings takaful plan for the customer. The segment will be driven by dedicated takaful sales team placed at selected branches nationwide.

Driven by the mission to develop a special takaful coverage for the agriculture community as well as for the unserved and underserved groups, the Bank launched Agro Nurani in 2017. This is a first-of-a-kind protection for person with disabilities (PWD) offered by a bank in Malaysia. The plan offers 24 hours and worldwide coverage for the disabled person aged between 7 and 65 years old. Another milestone was achieved when another Agrobank's takaful product, known as Agro Mabrur-i was chosen by BNM as *Perlindungan Tenang*. *Perlindungan Tenang* is a national initiative to enhance financial inclusion of underserved segments in Malaysia, particularly the bottom 40% of households. This low-income group remains particularly vulnerable to economic shocks as well as increases in the cost of living and mounting financial obligations.

Moving forward, transactional banking will continue its ongoing efforts to strengthen product and channel offerings and undertake tactical improvements across all areas to improve customer experience.



Dalam usaha memenuhi peranannya yang dimandatkan dalam pembiayaan sektor pertanian sejajar dengan dasar kerajaan, pembiayaan Bank yang dimandatkan terus mencatat pertumbuhan yang kukuh yakni dari 85% pada tahun 2016 kepada 87% pada tahun 2017, iaitu pertumbuhan angka berganda sebanyak 12.9% berbanding pertumbuhan sistem perbankan pada 4.1%. Dari segi komposisi portfolio pembiayaan yang dimandatkan, 89% adalah terdiri daripada pertanian utama manakala baki 11% adalah atas tani.

In striving to meet its mandated role of financing the agriculture sector in line with government policies, the Bank's mandated financing continued to record strong growth, rising from 85% in 2016 to 87% in 2017, recording a double digit growth of 12.9% as compared to the growth of the banking system at 4.1%. In terms of the composition of the mandated financing portfolio, 89% was made up of primary agricultural and the remaining 11% was agro-based.

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Meluaskan Jangkauan menerusi Rangkuman Kewangan

Desakan untuk mencapai rangkuman kewangan yang lebih meluas telah mendorong lebih ramai individu menggunakan sistem kewangan yang formal. Ini jelas menerusi bilangan terminal layan-diri yang diusahakan oleh Agrobank bagi memastikan kesemua individu ini diberikan perkhidmatan yang sempurna dan memiliki akses kepada wang tunai walau di mana sahaja. Terkini, Bank mempunyai 381 terminal layan diri di seluruh negara di mana 251 adalah Mesin Teller Automatik (ATM) dan 130 Mesin Deposit Tunai (CDM). Dengan rangkaian yang meluas ini, Agrobank mampu meluaskan jangkauannya kepada masyarakat luar bandar dan terpinggir.

Dalam usaha menyokong agenda negara mempromosikan perbankan terangkum dan meningkatkan akses kepada perkhidmatan perbankan formal di negara ini, ejen jaringan perbankan diperluaskan lagi dengan penambahan 304 AGROAgents baharu pada tahun 2017. Ejen perkhidmatan perbankan ini membolehkan Agrobank meluaskan jangkauan pasarannya dan menyediakan kemudahan perbankan asas yang kos efektif terutamanya untuk segmen masyarakat luar bandar yang terpinggir. Menerusi AGROAgents yang dilantik, pelanggan bank mempunyai akses kepada perkhidmatan asas kewangan seperti simpanan dan pengeluaran wang, pembayaran bil utiliti dan tambah semula kad prabayar di kawasan masing-masing.

Setakat Disember 2017, terdapat 764 AGROAgent di seluruh negara dengan peningkatan jumlah keseluruhan urusniaga sebanyak 111.0% berbanding tahun sebelumnya yakni mencapai 398,193 urusniaga bernilai RM19.0 juta. Jumlah urusniaga terkumpul yang dilaksanakan menerusi AGROAgent di seluruh negara adalah 623,275 urusniaga bernilai lebih RM33.0 juta.

Program Pembangunan Usahawan Agro

Program Pembangunan Usahawan Agro (ADP) yang dilaksanakan oleh Bahagian Pembangunan Usahawan (EDS) merupakan salah satu sokongan pembinaan kapasiti yang ditawarkan oleh Bank kepada usahawan agro. Menerusi ADP, Agrobank bermatlamat melatih, membangun dan membolehkan usahawan agro mendapatkan kemahiran dan ilmu yang sewajarnya selain meningkatkan sikap positif dan kemahiran ke arah mencapai kecermerlangan perniagaan. Pada tahun 2017, sebanyak 22 sesi latihan ADP telah dianjurkan yang melibatkan seramai 618 peserta dari pelbagai sub-sektor pertanian.

Expanding Outreach Through Financial Inclusion

The push to encourage greater financial inclusion has helped bring many more people into the formal financial system. This is reflected in the number of self-service terminals operated by Agrobank to ensure these individuals are well-served and have access to cash wherever they are. To date, the Bank's cumulative strength of self-service terminals nationwide stood at 381 terminals, of which 251 are ATMs and 130 are Cash Deposit Machine (CDMs). With this vast network, Agrobank was able to extend further its outreach to rural and underserved communities.

In an effort to support the national agenda to promote inclusive banking and increase access to formal banking services in the country, the agent banking network was further expanded with the addition of 304 new AGROAgents in 2017. The agent banking services enable Agrobank to expand its market reach and provide basic banking facilities especially to the underserved segments of the population in rural areas in a cost-effective manner. Through appointed AGROAgents, bank customers have access to basic financial services such as depositing and withdrawing money, paying utility bills and pre-paid card reload.

As at December 2017, the cumulative strength of AGROAgent stands at 764 agents nationwide with total number of transactions increased by 111.0% over the previous year to reach 398,193 transactions amounting to RM19.0 million in terms of value. Total accumulated transactions conducted via AGROAgents nationwide recorded 623,275 transactions worth over RM33.0 million.

Agropreneur Development Programme

The Agropreneur Development Programme (ADP), run by the Entrepreneur Development Section (EDS), is one of the capacity building supports that the Bank extends to agropreneurs. Through ADP, Agrobank aims to nurture, develop and enable agropreneurs to acquire necessary skills and knowledge as well as enhance positive attitudes and skills towards business excellence. In 2017, a total of 22 ADP training sessions were organised involving 618 participants from various agriculture subsectors.

Evidence shows that entrepreneurship interventions combined with access to business advisory services enhance the success rate of business ventures. On the back of this, the ADP offers business advisory services that would enable agropreneurs to scale up and become financially sustainable. The essence of the ADP Business Advisory Services is to provide timely and useful information that leads to real and lasting solutions and improve the performance and productivity of agropreneurs.

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Bukti menunjukkan bahawa campur tangan keusahawanan serta akses kepada khidmat nasihat perniagaan boleh meningkatkan kadar kejayaan sesuatu perniagaan. Justeru itu, ADP menawarkan khidmat nasihat perniagaan yang membolehkan usahawan agro membangun dan menjadi mampan dari segi kewangan. Teras Khidmat Nasihat Perniagaan ADP adalah untuk menyediakan maklumat yang tepat dan berguna yang membawa kepada penyelesaian yang nyata dan berlanjutan selain meningkatkan prestasi dan produktiviti usahawan agro.

Agrobank memahami kepentingan pertumbuhan yang mampan dan yang mampu mencipta peluang pekerjaan dalam menjadikan kemajuan itu sesuatu yang nyata. Ini terbukti menerusi sokongan Bank kepada usahawan pertanian dalam membina perniagaan mereka dan dalam menyediakan peluang pekerjaan untuk masyarakat di mana mereka beroperasi. Pada tahun 2017, Bank telah menganjurkan acara “Agrobank Agropreneur Award” buat kali kedua, yang bertujuan untuk mengiktiraf para pelanggan Agrobank dalam 8 kategori untuk prestasi cemerlang, amalan terbaik dan rekod pembiayaan yang baik selain untuk mendorong mereka membangunkan sistem mereka menggunakan Rangka Kerja Kecemerlangan Perniagaan (BEF). Menerusi program anugerah yang sama, Agrobank berhasrat untuk mengetengahkan usahawan agro yang berjaya yang boleh menjadi ikon untuk usahawan lain dan menggalakkan lebih ramai usahawan untuk menceburi dan membina perniagaan agro yang berjaya.

Memperkuatkan Peranan yang Dimandatkan

Dalam usaha memenuhi peranannya yang dimandatkan dalam pembiayaan sektor pertanian sejajar dengan dasar kerajaan, pembiayaan Bank yang dimandatkan terus mencatat pertumbuhan yang kukuh yakni dari 85% pada tahun 2016 kepada 87% pada tahun 2017, iaitu pertumbuhan angka berganda sebanyak 12.9% berbanding pertumbuhan sistem perbankan pada 4.1%. Dari segi komposisi portfolio pembiayaan yang dimandatkan, 89% adalah terdiri daripada pertanian utama manakala baki 11% adalah atas tani. Bank berhasrat mencapai nisbah 90:10 dari segi komposisi pertanian utama dan atas tani. Bagi segmen agromakanan utama, Agrobank telah meningkatkan bahagian pasaran pembiayaannya kepada 29.8% pada tahun 2017 dari 27.3% pada tahun 2016. Pembiayaan pertanian utama meningkat sebanyak 12.5% manakala pembiayaan atas tani meningkat sebanyak 36.7%. Pertumbuhan ini menunjukkan prospek cemerlang dalam sektor pertanian dan agromakanan dengan permintaan berterusan dari dalam dan luar negara.



Agrobank understands the importance of sustainable, job-creating growth in making progress real. This is seen in the Bank's support to agropreneurs in building their business and providing job opportunities in the community in which they operate. In 2017, the Bank organised the second Agrobank Agropreneur Award, aimed at recognising Agrobank's clients in eight various categories for their excellent performance, best practices and good financing records and to encourage the clients to establish their system by using Business Excellence Framework (BEF). Through the awards programme, Agrobank hopes to highlight successful agropreneurs who can be icons or role models for other entrepreneurs and encourage more entrepreneurs to venture and build successful agri-business.

Strengthening the Mandated Role

In striving to meet its mandated role of financing the agriculture sector in line with government policies, the Bank's mandated financing continued to record strong growth, rising from 85% in 2016 to 87% in 2017, recording a double digit growth of 12.9% as compared to the growth of the banking system at 4.1%. In terms of the composition of the mandated financing portfolio, 89% was made up of primary agricultural and the remaining 11% agro-based. The Bank aspires to achieve a 90:10 ratio in terms of composition of primary agricultural to agro-based. For the primary agrofood segment, Agrobank raised its financing market share to 29.8% in 2017 from 27.3% in 2016. Primary agriculture financing grew by 12.5% whilst agro-based financing grew by 36.7%. The growth indicates excellent prospects in the agriculture and agrofood sectors with continuous demand locally and overseas.

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MEMPERKASAKAN SEKTOR PERTANIAN UNTUK MENCAPAI PERTUMBUHAN MAMPAH MELALUI VBI

Sektor perbankan dan kewangan Islam di Malaysia mencapai satu lagi pencapaian penting melalui pengenalan konsep pengantaraan strategik baharu oleh Bank Negara Malaysia (BNM), iaitu ‘pengantaraan berdasarkan nilai’ (VBI). Konsep ini dilihat sebagai strategi penting bagi merealisasikan dan mencerminkan konsep kewangan Islam sebenar memandangkan ia dirangka untuk mengukuhkan peranan dan impak institusi perbankan Islam terhadap ekosistem kewangan mampan. Di bawah kerjasama dengan industri kewangan Islam di Malaysia, BNM telah menerbitkan Kertas Strategi Pengantaraan Berdasarkan Nilai pada bulan Julai 2017. Kertas ini menerangkan strategi untuk menggalakkan penggunaan VBI, yang bertujuan untuk menambah nilai produk dan perkhidmatan yang ditawarkan oleh institusi kewangan Islam bagi menggalakkan keusahawanan, kesejahteraan komuniti, kelestarian alam sekitar dan pertumbuhan ekonomi tanpa mengabaikan pulangan kepada para pemegang saham.

EMPOWERING THE AGRICULTURAL SECTOR TO ACHIEVE SUSTAINABLE GROWTH THROUGH VBI

Islamic banking and finance in Malaysia marked another milestone with a newly introduced strategic intermediation concept introduced by Bank Negara Malaysia (BNM), named as ‘value-based intermediation’ (VBI). This concept is seen as a crucial strategy towards actualising and reflecting the true essence of the Islamic finance paradigm as it is designed to strengthen the roles and impact of Islamic banking institutions toward a sustainable financial ecosystem. In collaboration with the Malaysian Islamic finance industry, BNM released a Strategy Paper on Value-based Intermediation in July 2017. The paper articulates strategies to promote the application of VBI, which aims to improve the products and services offered by Islamic financial institutions towards a better facilitation of entrepreneurship, community well-being, sustainable environment and economic growth, without compromising on shareholders' returns.

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BAGAIMANA VBI DIADAPTASI DI AGROBANK

HOW VBI IS EMBRACED AT AGROBANK

Sebagai institusi kewangan pembangunan (IKP) yang tertumpu pada sektor pertanian, elemen VBI diterapkan ke dalam nilai-nilai teras dan aktiviti perniagaan Bank. Aktiviti perniagaan Agrobank tertumpu pada pembangunan dan pemerkasaan komuniti, pelaburan dalam pembangunan usahawan dan peningkatan dalam kelestarian alam sekitar, yang membentuk asas teras VBI. Dalam usaha kami untuk menangani perubahan sosial dan mencipta nilai buat manusia dan bumi kita, Agrobank menjalankan tanggungjawab mereka melebihi pengendalian aktiviti perbankan berdasarkan keuntungan semata-mata. Agrobank beriltizam untuk memaksimalkan peranannya sebagai pengantara kewangan berdasarkan nilai, bagi mengubah cara perbankan dijalankan untuk membangunkan pelanggannya dan komuniti setempat dari segi kewangan, sosial dan persekitaran.

As a development financial institution (DFI) with a strong focus on the real economy via the agriculture sector, elements of VBI have been deeply rooted in the Bank's core values and business activities. Agrobank's business activities have always centered on community development and empowerment, investment in entrepreneurial development and enhancement of environmental sustainability, which are the core thrusts of VBI. Agrobank believes it carries greater responsibilities to influence a social change and creating values to the people and the planet, over and above its usual profit oriented banking activities. As a value-based financial intermediation, Agrobank is committed to transforming how banking is done so as to help its customers and their local communities thrive financially, socially and environmentally.

1

Pelaburan dalam Pembangunan Usahawan

Investment in Entrepreneurial Development



Bank Dunia meramalkan peningkatan 70 peratus dalam permintaan untuk makanan menjelang 2050, sejajar dengan pertumbuhan dalam bilangan penduduk. Untuk meluaskan sistem makanan global; para pengeluar pertanian, pemproses dan pemilik perniagaan lain di sepanjang rantai bekalan makanan memerlukan program pembiayaan yang seiring dengan kitaran sesuatu projek keusahawanan. Usahawan tani turut memerlukan program membina keupayaan dan latihan yang menyediakan mereka dengan kemahiran teknikal dalam amalan perladangan yang terbaik, dan lebih akses kepada input, peralatan, kaedah penyimpanan, pasaran dan modal.

Para petani perlu meningkatkan dan mempelbagaikan pengeluaran mereka untuk berlindung daripada kesan cuaca yang tidak menentu dan kemerosotan tanah, di samping memanfaatkan permintaan yang semakin meningkat untuk tanaman yang berlainan. Tenaga kerja dan usahawan tani perlu diberikan latihan dalam teknik-teknik baharu, cara mengurangkan risiko, dan literasi kewangan. Dalam pada itu, perusahaan kecil dan sederhana (SME) juga memerlukan bantuan untuk mengatasi cabaran pembiayaan agar mereka boleh mengakses instrumen kredit dan kewangan yang diperlukan bagi mengembangkan perniagaan mereka.

Dalam hal ini, Agrobank telah banyak melabur dalam program pembangunan keusahawanan untuk membekalkan usahawan tani dengan pengetahuan kewangan yang mencukupi di samping mengasah kemahiran usahawan mereka. Antaranya adalah Program Pembangunan Usahawan Tani (ADP), Khidmat Nasihat Perniagaan dan Program Intervensi serta Perkongsian Amalan Terbaik, yang kesemuanya telah dipilih untuk menyediakan bantuan yang diperlukan oleh usahawan tani bagi mencapai pertumbuhan dan kemapanan dalam perniagaan mereka. Menerusi sesi-sesi yang dijalankan, usahawan tani dide dahdahkan kepada polisi semasa yang berkait dengan industri masing-masing, diberi tunjuk ajar tentang perancangan strategik demi kelangsungan perniagaan, di samping bantuan berkenaan penjenamaan untuk pemasaran produk yang lebih baik. Sementara itu, Program Intervensi serta Perkongsian Amalan Terbaik telah dirangka untuk menyokong usahawan mikro dengan menggalakkan mereka mempelajari amalan-amalan terbaik dengan menghadiri seminar, konvensyen dan lawatan ke lokasi yang dikelolakan oleh Agrobank dan/atau agensi yang berkaitan.

According to the World Bank estimates, food demand is expected to increase by 70 per cent by 2050 as a result of population growth. To expand the scope of the global food system; agro-producers, traders, processors, and other business owners throughout food supply chain require financing programmes that are aligned with the life cycle of entrepreneurship. Agropreneurs also require capacity building and training programmes that provide them with technical expertise on farming best practices and increase access to modern inputs, equipment, storage, markets and capital.

Farmers need help to intensify and diversify their production to insulate themselves from the effects of erratic weather and land degradation, and meet increasing demand for different crops. Agricultural workforces and entrepreneurs need training in new techniques, risk aversion, and financial literacy. And, agricultural small- and medium-sized enterprises (SMEs) need help to navigate barriers to financing so that they can access the credit and financial tools they need to grow their businesses.

In this respect, Agrobank has invested heavily in entrepreneurial development programmes that equip agropreneurs with sufficient financial knowledge as well as sharpen their entrepreneurial skills. Amongst them are the Agropreneur Development Programme (ADP), Business Advisory and Intervention and Best Practice Sharing programme, all of which are curated to provide the assistance required by agropreneurs to attain business growth and sustainability. Through the Bank's various ADP sessions, agropreneurs are exposed to current policies related to their respective industry, given coaching on strategic planning for business sustainability and provided with assistance on product branding for a more effective marketing approach. Meanwhile, the Bank's Intervention and Best Practice Sharing programmes are designed to support micropreneurs by encouraging them to learn best practices through seminars, conventions and site visits organised by Agrobank and/or relevant agencies.

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Memperkayakan Kesejahteraan Hidup Peladang

Enrich the Social Well-Being of Farmers



Kesejahteraan para petani dan ekonomi yang berdaya maju bagi komuniti tani adalah kritikal untuk Pertubuhan Bangsa-Bangsa Bersatu memenuhi Matlamat SDG 1: Membasmi Kemiskinan. Memandangkan kesejahteraan sosioekonomi para petani adalah saling berkaitan dengan kesejahteraan komuniti di luar bandar, Agrobank telah meluaskan perkhidmatan kewangan mereka untuk merangkumi bukan sahaja peladang tetapi komuniti yang tidak atau yang kurang mendapat perkhidmatan perbankan. Ini kami laksanakan dengan usaha memperkisasikan komuniti dengan menyediakan penyelesaian kewangan yang membawa impak komersial dan sosial yang positif; sejajar dengan aspirasi negara untuk mengurangkan kemiskinan dan menyediakan peluang ekonomi kepada komuniti, terutamanya di kawasan luar bandar.

Sebagai institusi kewangan pembangunan, Agrobank menumpukan perhatian terhadap penghasilan lebih banyak pembiayaan inovatif bagi kumpulan sasaran dalam sektor pertanian. Kami menyediakan penyelesaian pembiayaan menyeluruh yang merangkumi seluruh rantai nilai pembiayaan daripada aktiviti huluan seperti pengeluaran hasil pertanian, kepada aktiviti hiliran seperti penyimpanan, pemprosesan dan pemasaran produk pertanian atau asas tani. Bank turut menawarkan program pembiayaan fleksibel kepada usahawan tani, yang boleh disesuaikan menurut keperluan berlainan dalam sektor pertanian. Penyelesaian pembiayaan Bank yang mampu dimiliki seperti Skim Kredit Pengeluaran Makanan, Tabung untuk Makanan (3F) dan Hartani-i (pembiayaan pembelian tanah pertanian), turut membawa manfaat kepada sektor pertanian.

Melalui penawaran program pembiayaan baharu yang inovatif seperti program Ladang Rakyat, Bernas Paddy-i dan Pembiayaan Berkelompok Cili Fertigasi-i, Agrobank kini merupakan pembiaya mikro utama bagi sektor pertanian. Program-program ini telah diperkenalkan melalui perikatan dan kerjasama strategik dengan agensi-agensi di bawah Kementerian Pertanian dan Industri Asas Tani sebagai sokongan kepada objektif kewangan terangkum Kerajaan. Di bawah usaha sama strategik bersama BERNAS, Agrobank bertindak sebagai penyedia pembiayaan utama bagi Projek Rakan Ladang (PRL) Bernas di bawah kemudahan BERNAS Paddy-i. Program ini telah membantu meningkatkan jaminan makanan dan kehidupan pesawah padi dalam negara dengan ketara, di mana pendapatan mereka adalah antara yang terendah dalam komuniti pertanian. Setakat ini, program ini adalah satu-satunya program dalam negara yang ditawarkan oleh institusi kewangan pembiayaan untuk penanaman padi.

The well-being of farmers and the economic viability of agrarian-driven communities are critical to meeting the United Nations SDG's Goal 1: No Poverty. Considering that socio-economic well-being of farmers is inextricably linked to the health of rural communities, Agrobank has extended financial services to not only farmers but the unserved and underserved communities. This is done by empowering communities through provision of financial solutions that create positive impacts, both on commercial and social aspects; aligned with the country's aspirations to reduce poverty and provide economic opportunities for the community, especially in the rural areas.

As a development financial institution, Agrobank puts significant focus in developing more innovative financing for targeted groups within the agricultural sector by providing them with comprehensive financing solutions: a complete financing value chain from upstream activities such as agriculture production to downstream activities such as storage, processing and marketing of agricultural and agro-related products. The Bank's flexible financing programmes provide valuable options to agropreneurs, tailored to suit the distinct needs of the agriculture sector. The agriculture sector also continues to benefit from the Bank's various affordable financing solutions such as the Food Production Credit Scheme, Fund for Food (3F) and Hartani-i (land purchase financing).

Agrobank is also at the forefront in microfinance for the agriculture sector with new innovative financing programmes such as the Ladang Rakyat, BERNAS Paddy-i and Chili Fertigation Group Financing. These programmes were introduced through strategic alliances and collaboration with agencies under the Ministry of Agricultural and Agro-based Industry in support of the Government's financial inclusion objectives. Through strategic alliance collaboration with BERNAS, Agrobank is the main source of financing for the Bernas' Projek Rakan Ladang (PRL) scheme under the BERNAS Paddy-i financing facility. The scheme has contributed significantly to improving the state of national food security and livelihood of paddy farmers in the country, whose income are among the lowest in the agriculture community. To date, this remains the only financing programme of its kind in the country that caters for paddy replantation being offered by a financial institution.

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Perikatan strategik yang serupa turut dibentuk dengan Perbadanan Pembangunan Pertanian Negeri Perak (PPPNP) untuk Program Ladang Rakyat, yang menawarkan pembiayaan penanaman kelapa sawit serta getah, dan kerjasama dengan PPK Kuala Langat untuk Pembiayaan Berkelompok Cili Fertigasi. Pada tahun 2017, program pembiayaan mikro Agro TERAS telah dilancarkan untuk menyokong agenda keterangkuman kewangan, dan bertujuan untuk menyediakan pembiayaan kepada usahawan mikro daripada kumpulan isi rumah berpendapatan 40% terendah bagi menggalakkan penglibatan mereka dalam perniagaan pertanian dan asas tani, dan kepada usahawan mikro.

Similar strategic alliances were formed with Perbadanan Pembangunan Pertanian Negeri Perak (PPPNP) for the Ladang Rakyat Programme to offer financing of palm oil and rubber plantations and with PPK Kuala Langat for the Pembiayaan Berkelompok Cili Fertigasi. In support of the financial inclusion agenda, the Agro TERAS microfinancing programme was launched 2017 aimed at providing funding to micro-entrepreneurs from the bottom 40 per cent of household income group (B40) to be involved in agriculture and agro-based businesses and to micro-entrepreneurs.

3

Menggalakkan kemampuan makanan dan Amalan Pertanian Baik (GAP)

Promote Food Sustainability and Good Agriculture Practices (GAP)



Memastikan kemampuan dalam pengeluaran makanan dan menangani risiko jaminan makanan kini menjadi permasalahan global. Menurut Bank Dunia, sekurang-kurangnya 50 peratus lebih banyak makanan perlu dikeluarkan bagi menampung 9 bilion manusia menjelang 2050. Sistem makanan dan pertanian global pula, bukan sahaja menyumbang kepada perubahan iklim malah membawa kepada kemerosotan sumber asli. Bagi mencapai Matlamat SDG 2 iaitu untuk Membasmi Kelaparan, produktiviti dalam pertanian perlu dipertingkatkan, terutamanya bagi pengeluar kecil. Kemampuan sistem pengeluaran makanan juga harus diutamakan. Sektor pertanian perlu meningkatkan produktiviti dan membina keupayaan untuk menangani cabaran-cabaran yang saling berkait antara kemiskinan, kelaparan dan perubahan iklim.

Sebagai bank pengantara berasaskan nilai yang tertumpu kepada pembangunan sektor pertanian dan asas tani, Agrobank menggalakkan kemampuan makanan menerusi pemakaian amalan pertanian baik (GAP), iaitu amalan pertanian yang mementingkan aspek alam sekitar, ekonomi dan sosial dalam memastikan pengeluaran hasil yang selamat dan berkualiti baik. Selaras dengan komitmennya untuk mendukung amalan pertanian yang baik, Bank menggalakkan pemerolehan sijil *Malaysian Good Agricultural Practices* (MyGAP) sebagai inisiatif pembiayaan yang bertanggungjawab oleh pelanggan yang terlibat dalam perladangan pertanian, khususnya tanaman makanan, ternakan dan akuakultur. MyGAP adalah skim pensijilan komprehensif bagi sektor pertanian, akuakultur dan ternakan yang bertujuan untuk memastikan keselamatan dan kualiti keluaran dalam rantaian makanan sambil meningkatkan penggunaan sumber asli, kesihatan pekerja dan keadaan bekerja, serta mencipta peluang pasaran baharu buat petani dan pengeksport.

Food sustainability is a global concern with food security a growing global risk. According to the World Bank, the world will need to produce at least 50 per cent more food to feed 9 billion people by 2050. At the same time, the global food and agriculture system is both contributing to, and threatened by, climate change and the degradation of natural resources. A key component of the SDG Goal 2 on Zero Hunger is to increase agricultural productivity, especially for small-scale producers; and ensure sustainable food production systems. Hence, the challenge here is for the agriculture sector to become more productive and resilient with the purpose of tackling the interconnected challenges of poverty, hunger and climate change.

As a value-based intermediary focused on the development agriculture and agro-based activities, Agrobank's focus on local food sustainability is demonstrated through the promotion of good agriculture practices (GAP), which is an agricultural practice that emphasises on environment, economy and social aspects to ensure the produce is safe and of good quality. In demonstrating its commitment to good agricultural practices, the Bank promotes and encourages its clients who are involved in agricultural farming, especially food crops, livestock and aquaculture, to obtain the Malaysian Good Agricultural Practices (MyGAP) certification as an initiative under responsible financing. MyGAP is a comprehensive certification scheme for agricultural, aquaculture and livestock sector, which aims to ensure safety and quality of produce in the food chain while improving natural resource use, workers' health and working conditions, and creating new market opportunities for farmers and exporters.

MEMPERKASAKAN SEKTOR PERTANIAN UNTUK MENCAPAI PERTUMBUHAN MAMPAH EMPOWERING THE AGRICULTURAL SECTOR TO ACHIEVE SUSTAINABLE GROWTH

Bank percaya usaha membina keupayaan harus dibina dan menjangkau lebih daripada sekadar menimba pengetahuan dan mengasah kemahiran melalui latihan dan pendidikan sahaja. Usaha ini seharusnya menyemai amalan pertanian terbaik dalam komuniti, sebagai prasyarat kepada pemindahan dan aplikasi teknologi baru oleh para petani, terutamanya petani berskala kecil. Ini adalah sejajar dengan Rancangan Malaysia Kesebelas (2016-2020) yang bermatlamat untuk meningkatkan sektor pertanian kepada status ekonomi maju dengan lebih penekanan terhadap teknologi, pemasaran, kemampunan dan standard kualiti yang tinggi. Dari sudut ini, Agrobank akan terus menggalakkan penggunaan teknologi dan mekanisme pertanian yang mesra alam untuk memperolehi hasil yang lebih baik dan lebih tinggi bagi meningkatkan keuntungan buat petani dan pengeluar, dan membentuk penyelesaian jangka panjang bagi keselamatan makanan.

Menjadi entiti kewangan yang bertanggungjawab dan komited dalam menjalankan tanggungjawab sosial dan alam sekitar membentuk sebahagian daripada iltizam Bank. Justeru itu, Agrobank telah melaksanakan *Environment Assessment Impact* (EIA) sebagai alat untuk menilai permohonan pembiayaan. Di bawah pimpinan sekumpulan pakar dalaman, EIA memastikan maklumat berkaitan alam sekitar, dan di mana perlu, maklumat sosial dan ekonomi, digabungkan dalam proses membuat keputusan. Oleh itu, di bawah rangka kerja VBI, Agrobank turut mengambil kira impak positif kepada masyarakat dan alam sekitar, yang boleh diperoleh daripada sesuatu pembiayaan.

The Bank also believes that capacity development should be far more reaching than just knowledge and skill advancement through training and education. It should ensure that good agricultural practices are embedded in the communities as the pre-requisite to new technology transfers and adoption by farmers, particularly small scale farmers. This is aligned with the Eleventh Malaysia Plan (2016-2020) aimed at moving the agricultural sector closer to that of a developed economy, with greater emphasis on technologies, marketing, sustainability and high quality standards. Towards this end, Agrobank continues to foster the application of environmentally friendly agriculture technology and mechanisation for better and higher yields to increase profits for farmers and producers as part of a long term solution for food security.

As part of the Bank's commitment to become a responsible financial entity and upholding its social and environmental responsibilities; Agrobank has implemented the Environment Impact Assessment (EIA) as a tool to assess financing applications. Led by a team of internal experts, the EIA ensures that environmental, and where required, social and economic information is incorporated into decision making. Hence, under the VBI framework, Agrobank takes into account the positive impact financings could have on society and the environment.

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MENGINSTITUSIKAN VBI

INSTITUTIONALISING VBI

Agrobank menyedari impak positif yang diperolehi daripada penginstitusian VBI. Kaji selidik oleh rangkaian bebas kumpulan bank mampan terkemuka di dunia, iaitu *Global Alliance for Banking on Values* (GABV), mendapati bank yang menyediakan perkhidmatan kepada ekonomi benar adalah lebih konsisten dalam memperolehi pulangan kewangan yang lebih baik dan stabil, berbanding bank-bank terbesar di dunia. Kaji selidik mereka turut menyimpulkan bahawa bank yang mampan didapati memiliki daya ketahanan yang lebih tinggi, menyokong ekonomi benar, dan memberikan pulangan yang stabil. Penginstitusian VBI dalam Agrobank juga akan menyepadukan unsur-unsur Maqasid Syariah, yang mengutamakan nilai-nilai positif dan kemampaman dengan mencipta nilai dalam ekonomi sambil mengekalkan nilai-nilai yang beretika.

Menyedari tanggungjawab berat yang dipikul oleh Agrobank untuk menjana pertumbuhan ekonomi, khususnya dalam sektor pertanian, Bank beriltizam untuk membawa impak positif kepada komuniti di mana perkhidmatan bank disediakan, bagi membantu meningkatkan kedudukan kewangan dan sosial mereka. Adaptasi elemen-elemen VBI akan memastikan pembekalan perkhidmatan yang sesuai untuk pelanggan Bank dari segi pembinaan keupayaan, khidmat nasihat, perkongsian pengetahuan dan khidmat bernilai yang lain. Agrobank akan terus mengamalkan elemen VBI untuk menjalankan peranan pengantaraannya bersandarkan amalan dan tingkah laku yang bermatlamat untuk menjana impak yang positif dan mampan bagi ekonomi, komuniti dan alam sekitar (melebihi sekadar pemberian pulangan kewangan kepada pemegang saham).

Agrobank is cognizant of the positive impact of institutionalising VBI. Multiple research by the Global Alliance for Banking on Values (GSBV), an independent network of the world's leading sustainable banks, proves the point - banks which serve the real economy consistently deliver better and more stable financial returns than those shown by the largest banks in the world. Their studies also concluded that overall sustainable banks were resilient, supported the real economy, and provided stable returns. In institutionalising VBI, Agrobank will also integrate the elements of Maqasid Shariah, which encapsulate positive and sustainable values through economic value creation while upholding ethical values.

Noting that Agrobank has an enormous responsibility for generating desirable economic growth, particularly for promoting agricultural growth, the Bank is committed to creating a positive impact on the communities it serves to enable them to thrive financially and socially. The Bank's adoption of VBI principles will ensure that the Bank is mindful of providing the right kind of support to its clients in terms of capacity building, advisory services, knowledge sharing, among other value-adds. As a strong advocate of VBI, Agrobank will continue its intermediation function that is driven by practices and conduct aimed to generate positive and sustainable impacts to the economy, community and environment (beyond mere financial return to shareholders).



KANSAR ANAK KARAR

Pemilik/Owner

Kina Karar Agrofarm

Pelanggan Agrobank sejak tahun 2013

Agrobank's customer since 2013

KEHANGATAN CILI DI MALAYSIA!

CHILLI IS RED HOT IN MALAYSIA!



Ditanam secara meluas di negeri-negeri pengeluar utama seperti Johor, Perak dan Kelantan, tanaman cili di Malaysia meliputi 60% daripada pasaran tempatan dan mempunyai

permintaan tinggi berbanding sayur-sayuran lain. Dua jenis tanaman cili paling popular adalah Cili Merah Minyak dan Cili Merah Kulai yang merupakan cili premium berkualiti tinggi berbanding yang diimport. Tanaman ini mendapat perhatian Kementerian Pertanian (MOA), justeru para belia diseru untuk menceburkan diri dalam bidang hortikultur fertigasi cili yang menjanjikan pendapatan lumayan sekurang-kurangnya RM2,000 sebulan. Bagi menyokong saranan LPP, Agrobank menawarkan

Program Pembiayaan Berkelompok Cili Fertigasi-i untuk para petani di negeri Selangor (Kuala Langat) dan diperluaskan ke kawasan-kawasan lain di Selangor, Kelantan dan Sarawak. Program ini memastikan pendapatan berterusan untuk para petani menerusi jaminan pembelian serta bayaran ansuran secara konsisten oleh para petani terlibat.

Cultivated annually in major producing states such as Johor, Perak and Kelantan, Malaysia's chilli crop caters to 60% of the domestic market and has a higher demand compared to other vegetables. The two popular local varieties are Cili Merah Minyak and Cili Merah Kulai. These are premium chillies and comparable with the imported ones.

This crop has captured the attention of the Ministry of Agriculture (MOA), and Farmers' Organisation Authority (FOA) has called on youths to take up chilli fertigation horticulture with promising income of at least RM2,000 a month. In support of FOA's proposition, Agrobank offers the pilot programme named **Program Pembiayaan Berkelompok Cili Fertigasi-i** for agriculture communities within the state of Selangor (Kuala Langat) and will soon extend it to other areas in Selangor, Kelantan and Sarawak. The programme ensures steady income to farmers via guaranteed purchase and farmers' steady payment of the facility.

AKTIVITI KORPORAT

CORPORATE ACTIVITIES

14

JANUARI/JANUARY



Agrobank melancarkan Agro Nurani, iaitu produk takaful pertama bagi Orang Kurang Upaya (OKU). Produk ini dilancarkan secara rasminya oleh YB Dato' Sri Ahmad Shabery Cheek, Menteri Pertanian dan Industri Asas Tani (MOA) dan YB Dato' Sri Rohani Abdul Karim, Menteri Pembangunan Wanita, Keluarga dan Masyarakat (KPWKM) sempena Karnival Kewangan 2017 yang dianjurkan oleh Bank Negara Malaysia.

Agrobank launched Agro Nurani, the first takaful protection for person with disabilities (PWD). The product was officially launched by YB Dato' Sri Ahmad Shabery Cheek, Ministry of Agriculture and Agro-Based Industries (MOA) and YB Dato' Sri Rohani Abdul Karim, Minister of Women, Family and Community Development (KPWKM) in conjunction with Karnival Kewangan 2017 organised by Bank Negara Malaysia.

18

JANUARI/JANUARY



Agrobank dan Lembaga Kemajuan Pertanian Kemubu (KADA) meraikan kerjasama strategik bagi penyempurnaan projek pengurusan wang tunai. Projek ini mencakupi tiga bidang kerjasama, yakni solusi pengurusan tunai menerusi AGRONetBIZ, perlindungan takaful dan ejen perbankan yang dikenali sebagai AGROAgent. Dalam satu majlis simbolik, YB Datuk Md Alwi Che Ahmad, Pengurus KADA menerima kad replika daripada YBhg Tan Sri Mohamad Zabidi Zainal, Pengurus Agrobank.

Kemubu Agricultural Development Authority (KADA) and Agrobank celebrated the collaboration of their cash management project that outlines three areas of collaborations, cash management solutions through AGRONetBIZ, takaful protection and banking agents known as AGROAgent. A symbolic ceremony was held with YB Datuk Md Alwi Che Ahmad, Chairman of KADA receiving a mock card by YBhg Tan Sri Mohamad Zabidi Zainal, Chairman of Agrobank.

23

JANUARI/JANUARY

Agrobank menyediakan pembiayaan Cili Fertigasi kepada ahli Pertubuhan Peladang Kebangsaan Kuala Langat (PPK Kuala Langat), dengan kemudahan pembiayaan yang ditawarkan kepada peserta projek cili fertigasi.

Agrobank provides financing of Chili Fertigation to members of Petubuhan Peladang Kebangsaan Kuala Langat (PPK Kuala Langat), where participants of the chili fertigation projects are offered financing facility.



13

FEBRUARI/FEBRUARY



Dialog Niaga Agrobank (DNA), iaitu inisiatif ‘kepimpinan berfikir’ (thought leadership) oleh Agrobank diadakan pada 13 Februari 2017, dengan fokus perbincangan mengenai jaminan bekalan makanan.

The first Agrobank Business Dialogue (Dialog Niaga Agrobank or DNA), a thought leadership initiative by Agrobank was held on 13 February 2017 with focus on food security.

AKTIVITI KORPORAT CORPORATE ACTIVITIES

24

26

FEBRUARI/
FEBRUARY



Agrobank's Managers Convention (AMC) 2017 yang diadakan di Ayer Keroh, Melaka.

Agrobank's Managers Convention (AMC) 2017 held at Ayer Keroh, Melaka.

26

FEBRUARI/FEBRUARY



Lima (5) buah syarikat menandatangani ikrar bebas rasuah sempena Agrobank's Managers Convention (AMC) 2017.

Five (5) companies sign the corruption-free pledge in conjunction with Agrobank's Managers Convention (AMC) 2017.

28

FEBRUARI/
FEBRUARY



Agrobank menganjurkan program perkongsian ilmu yang dinamakan 'Bicara Agro'. Agropreneur berjaya dijemput bagi berkongsi pencapaian terkini dan kisah kejayaan mereka bersama komuniti agro.

Agrobank organised a knowledge sharing programme called 'Bicara Agro', inviting successful player in agro community to talk about latest achievement updates and success stories in agro community.

13

MAC/MARCH



Agrobank menandatangani Memorandum Persefahaman (MoU) dengan RISDA untuk projek Rumah Bina Negara (RBN). Inisiatif ini membolehkan generasi kedua RISDA membeli rumah mampu milik dengan sokongan pembiayaan daripada Agrobank.

Agrobank signed a Memorandum Of Understanding (MoU) with RISDA on Rumah Bina Negara (RBN) project. This initiative allows second generation of RISDA to own affordable homes with financing support from Agrobank.

20

MAC/MARCH

Agrobank dan Universiti Putra Malaysia (UPM) menandatangani perjanjian kerjasama Program Pensijilan Pertanian Agrobank-UPM (AU-ACP). Program ini menyediakan latihan/maklumat terkini bagi sektor pertanian kepada kakitangan baharu Agrobank.

Agrobank and Universiti Putra Malaysia (UPM) signed an agreement to collaborate on Agrobank-UPM Agriculture Certification Programme (AU-ACP) that provides latest updates/training in agriculture sector to Agrobank's new employees.



27

MAC/MARCH



Agrobank menandatangani Memorandum Persefahaman (MoU) dengan Takaful IKHLAS Berhad (Takaful IKHLAS) sebagai Rakan Takaful Pilihan Agrobank bagi tempoh 5 tahun.

Takaful IKHLAS Berhad (Takaful IKHLAS) signed a Memorandum of Understanding (MoU) for a period of 5 years with Agrobank as their Preferred Takaful Partner.

30

MAC/MARCH



Agrobank sebagai rakan strategik menyertai Hari Terbuka Kementerian Kewangan 2017.

Agrobank participated as strategic partner for Ministry of Finance (MOF) Open Day 2017.

AKTIVITI KORPORAT CORPORATE ACTIVITIES

06

APRIL/APRIL

Agrobank menandatangani Memorandum Persefahaman (MoU) dengan SEGi University bagi menyediakan peluang melanjutkan pengajian kepada pelajar terpilih dalam kalangan kelompok B40.

Agrobank inked Memorandum of Understanding (MoU) with SEGi University to provide education opportunities to selected B40 students to pursue their education.



25

APRIL/APRIL



Agrobank menerima pengiktirafan di Dubai daripada Anugerah Global Good Governance (3G Awards) 2017 bagi kategori Anugerah Perkhidmatan Kewangan 3G.

Agrobank received recognition from the Global Good Governance Awards (3G Awards) 2017 for the category 3G Financial Services Awards in Dubai.

28

- 30

APRIL/APRIL

Agrobank turut serta dalam AGROFEST, iaitu pameran yang dianjurkan MOA bertempat di Lumut, Perak.

Agrobank participated in AGROFEST, an exhibition organised by MOA in Lumut, Perak.



05

08

APRIL/APRIL



Agrobank menyertai Pameran Halal Antarabangsa Malaysia (MIHAS), iaitu pameran yang dianjurkan Kementerian Perdagangan Antarabangsa dan Industri (MITI).

Agrobank participated in Malaysia International Halal Showcase (MIHAS), an exhibition organised by Ministry of International Trade and Industry (MITI).

10

MEI/MAY



Dato' Wan Mohd Fadzmi Wan Othman, Presiden/Ketua Pegawai Eksekutif Agrobank dinobatkan sebagai “CEO Cemerlang Tahun 2017” oleh ADFIAP (Persatuan Institusi Pembiayaan Pembangunan di Asia dan Pasifik).

Dato' Wan Mohd Fadzmi Wan Othman, President/Chief Executive Officer of Agrobank was named as the “Outstanding CEO of the Year” by ADFIAP (The Association of Development Financing Institution in Asia and the Pacific).

23

24

MEI/MAY

Agrobank menyertai Simposium Global mengenai Pembiayaan Mikro 2017 yang dianjurkan oleh Bank Negara Malaysia (BNM). Dato' Wan Mohd Fadzmi Wan Othman, Presiden/Ketua Pegawai Eksekutif Agrobank berkongsi pandangannya di forum yang diadakan di Sasana Kijang, Kuala Lumpur.

Agrobank participated in 2017 Global Symposium on Microfinance organised by Bank Negara Malaysia (BNM). YBhg Dato' Wan Mohd Fadzmi Wan Othman, President/Chief Executive Officer of Agrobank sharing his insight in a forum held at Sasana Kijang, Kuala Lumpur.



AKTIVITI KORPORAT CORPORATE ACTIVITIES

29

MEI/MAY

Bicara Agro kedua diadakan dengan memberi peluang kepada usahawan tani yang berjaya berkongsi pandangan mereka berkenaan aktiviti perniagaan berasaskan pertanian.

The second Bicara Agro was held where successful Agropreneurs shared their insight on their agri-business activities.



30

MEI/MAY

Agrobank menganjurkan majlis penyampaian hadiah sempena Kempen 1AGRO. Pemenang hadiah utama, iaitu Che Rose Awang memenangi sebuah kenderaan pacuan empat roda, Toyota Hilux 2.4G.

Agrobank organised a prize giving ceremony of 1AGRO Campaign. The grand prize winner, Che Rose Awang received 4WD, Toyota Hilux 2.4G.



11

JUN/JUNE

Agrobank menganjurkan "Majlis Iftar Jama'ie" yang dihadiri lebih daripada 1,500 penduduk di Kemaman, Terengganu. Majlis diserikan lagi dengan kehadiran YB Dato 'Sri Ahmad Shabery Cheek, Menteri Pertanian dan Industri Asas Tani.

Agrobank hosted "Majlis Iftar Jama'ie" with more than 1,500 residents in Kemaman, Terengganu. The ceremony was attended by YB Dato 'Sri Ahmad Shabery Cheek, Minister of Agriculture and Agro-Based Industry.



15**JUN/JUNE**

DYTM Tuanku Syed Faizuddin Putra Ibni Tuanku Syed Sirajuddin Jamalullail, Tuanku Raja Muda Perlis dan Kapten Haji Muhammad Rodhi Ariffin, Pegawai Pemerintah Kem KD Sri Semporna merasmikan Mesin Juruwang Automatik (ATM) yang ditempatkan di Kem KD Sri Semporna, Sabah.

DYTM Tuanku Syed Faizuddin Putra Ibni Tuanku Syed Sirajuddin Jamalullail, Tuanku Raja Muda Perlis and Kapten Haji Muhammad Rodhi Ariffin, Commanding Officer of Kem KD Sri Semporna officiated new Automated Teller Machine (ATM) placed at Kem KD Sri Semporna, Sabah.

21**JUN/JUNE**

Sukarelawan (kakitangan Agrobank) membawa 70 asnaf daripada rumah anak yatim di sekitar Lembah Klang membeli-belah sebagai persediaan menjelang Hari Raya Aidilfitri sempena Program Kasih Ramadan 2017 iaitu satu inisiatif tanggungjawab sosial korporat Agrobank. Sumbangan zakat yang disampaikan adalah berjumlah RM38,485.50.

Kasih Ramadan 2017 is a CSR initiative whereby 70 asnaf from orphanage around Klang Valley went shopping with volunteers (Agrobank's employees) as preparation for Hari Raya celebration. The contribution of zakat towards this programme was RM38,485.50.

11**JULAI/JULY**

Sambutan Korporat Hari Raya Agrobank 2017.

Agrobank Corporate Hari Raya Celebration 2017.



AKTIVITI KORPORAT
CORPORATE ACTIVITIES

22

JULAI/JULY



Agrobank membuka Pusat Perbankan Korporat pertamanya di Kuching, Sarawak yang dirasmikan YB Datuk Amar Douglas Uggah Embas, Timbalan Ketua Menteri & Menteri Pemodenan Pertanian, Tanah Adat dan Pembangunan Wilayah Sarawak.

Agrobank opened its first Corporate Banking Centre in Kuching, Sarawak which was officiated by YB Datuk Amar Douglas Uggah Embas, Deputy Chief Minister & Minister of Modernisation of Agriculture, Indigenous Lands & Regional Development of Sarawak.

04

- 06

OGOS/AUGUST



YBhg Tan Sri Datuk Seri Panglima Haji Musa Haji Aman, Ketua Menteri Sabah dan YBhg Tan Sri Muhammad bin Ibrahim, Gabenor Bank Negara Malaysia (BNM) mengunjungi ruang pameran Agrobank di Karnival Kewangan Sabah.

YBhg Tan Sri Datuk Seri Panglima Haji Musa Haji Aman Chief Minister of Sabah and YBhg Tan Sri Muhammad bin Ibrahim, Governor of Bank Negara Malaysia (BNM) visited Agrobank's booth at Karnival Kewangan Sabah.

05

OGOS/AUGUST

160 Orang Kurang Upaya (OKU) di Sabah menerima kad perlindungan takaful peribadi Agro Nurani dengan nilai perlindungan RM2.02 juta ditaja oleh syarikat-syarikat prihatin yang beroperasi di Sabah. Penajaan ini disampaikan oleh YB Datuk Seri Panglima Raymond Tan Shu Kiah, Timbalan Ketua Menteri Sabah kepada wakil-wakil OKU semasa majlis penutup Karnival Kewangan Sabah anjuran Bank Negara Malaysia (BNM).

160 People with Disabilities (PWD) in Sabah received sponsorship of Agro Nurani takaful personal protection cards from companies based in Sabah with value of coverage worth RM 2.02 million. The sponsorship was given to the representatives of PWD by Sabah Deputy Chief Minister, YB Datuk Seri Panglima Raymond Tan Shu Kiah during the closing ceremony of Karnival Kewangan Sabah organised Bank Negara Malaysia (BNM).



10

OGOS/AUGUST



Agrobank menandatangani Memorandum Persefahaman (MoU) dengan Kolej Universiti Agrosains Malaysia (UCAM) dengan matlamat mewujudkan ‘kampus tanpa tunai’ dan menggalakkan penyertaan belia dalam perniagaan berasaskan pertanian.

Agrobank signed a memorandum of understanding (MoU) with the University College of Agroscience Malaysia (UCAM), with the aim to create a ‘cashless campus’ and encourage youth participation in agri-business.

23

– 27

OGOS/AUGUST



Agrobank menyertai Halal Fiesta ASEAN (Halfest ASEAN) yang dianjurkan oleh MITI dan Perbadanan Pembangunan Industri Halal (HDC).

Agrobank participated in the Halal Fiesta ASEAN (Halfest ASEAN) hosted by MITI and Halal Industry Development Corporation (HDC).

AKTIVITI KORPORAT CORPORATE ACTIVITIES

- 01
- 02
- 03 Aktiviti 2017
2017 Events
- 04
- 05
- 06

27

- 29

OGOS/
AUGUST

Agrobank menyertai Pameran Makanan & Minuman Antarabangsa (MIFB), iaitu pameran perdagangan berdasarkan makanan dan minuman yang terbesar di Malaysia.

Agrobank participated in International Food & Beverage Trade Fair (MIFB), the largest food and beverage focused trade event in Malaysia.

06

SEPTEMBER/
SEPTEMBER

YB Dato' Sri Haji Tajuddin Abdul Rahman, Timbalan Menteri Pertanian dan Industri Asas Tani mengunjungi ibu pejabat Agrobank dan kemudiannya merasmikan pembukaan Surau Al-Hijrah di Menara Agrobank.

YB Dato' Sri Haji Tajuddin Abdul Rahman, Deputy Minister of Agriculture and Agro-Based Industry visited Agrobank HQ and later officiated the opening of Surau Al-Hijrah at Menara Agrobank.

12

SEPTEMBER/
SEPTEMBER

Lapan (8) pemenang daripada 8 kategori Anugerah Agropreneur Agrobank menerima anugerah daripada YB Dato' Sri Ahmad Shabery Cheek, Menteri Pertanian dan Industri Asas Tani. Anugerah ini bertujuan memberi pengiktirafan kepada usahawan tani yang berjaya di seluruh negara.

Eight (8) winners from 8 categories of Agrobank Agropreneur Awards received the awards from YB Dato' Sri Ahmad Shabery Cheek, Minister of Agriculture and Agro-based Industry. The objective of the Awards is to recognise successful agropreneurs in the country.

14

SEPTEMBER/SEPTEMBER



Pasukan Agrobank menyahut cabaran “Run for Others” dengan menyertai larian Bursa Bull Charge 2017.

Agrobank's team accept the challenge of “Run for Others” by participating in the Bursa Bull Charge 2017 race.

19

20

SEPTEMBER/
SEPTEMBER



Agrobank menyertai Symposium Global (IKP) yang dianjurkan oleh Bank Negara Malaysia (BNM).

Agrobank participated in Global Symposium (DFI) organised by Bank Negara Malaysia (BNM).

28

01

SEPTEMBER/SEPTEMBER –
OKTOBER/OCTOBER

Agrobank menyertai Hari Peladang, Penternak dan Nelayan Kebangsaan (HPPNK) yang diadakan di MAEPS, Serdang. Tahun ini, dengan kerjasama Ramly Foods Industries Sdn Bhd, ruang pameran Agrobank memperkenalkan idea unik yang menggabungkan konsep cawangan bank dengan sebuah kafe.

Agrobank participated in the National Farmers, Livestock Breeders and Fishermen Day (HPPNK) held in MAEPS, Serdang. This year, Agrobank's booth showed a unique concept of a bank branch and café, in collaboration with Ramly Foods Industries Sdn Bhd.



AKTIVITI KORPORAT CORPORATE ACTIVITIES

30

SEPTEMBER/SEPTEMBER

488 Orang Kurang Upaya (OKU) di sekitar Lembah KLang dan Melaka menerima penajaan perlindungan takaful peribadi Agro Nurani dengan nilai perlindungan RM5.5 juta daripada sembilan (9) buah syarikat prihatin.

488 People with Disabilities (PWD) around the vicinity of Klang Valley and Malacca received sponsorship of Agro Nurani takaful personal protection from nine (9) caring companies with value protection of RM5.5 million.



01

OKTOBER/OCTOBER



Agrobank menganjurkan Dialog Niaga Agrobank (DNA) dengan topik 'Data – The New Currency for Agriculture: Issues, Challenges and Next Steps', sempena Hari Peladang, Penternak dan Nelayan Kebangsaan 2017 (HPPNK 2017).

Agrobank organised a Dialog Niaga Agrobank (DNA) in conjunction with 2017 National Farmers, Livestock Breeders and Fishermen Day (HPPNK 2017) with topic 'Data – The New Currency for Agriculture: Issues, Challenges and Next Steps'.

02

12 - 14

OKTOBER/
OCTOBER



Agrobank adalah rakan strategik GNN. Agrobank mempromosikan Kad Pintar Nelayan-i Agro semasa berlangsungnya program ini. Ianya merupakan kad debit ATM '3 dalam 1' yang dihasilkan khusus buat ahli PNK.

Agrobank is one of strategic partners of GNN. At the event, Agrobank promoted Agro Smart Nelayan-i Card, a '3 in 1' ATM debit customised for member of PNK.

03

Aktiviti 2017
2017 Events

04

05

06

11

NOVEMBER/NOVEMBER

Agrobank menganjurkan Majlis Ramah Mesra Agrobank di Felda Ketengah Jaya dengan kehadiran tetamu istimewa, YB Dato' Sri Ahmad Shabery Cheek. Sempena majlis tersebut, mesin ATM baharu juga ditempatkan di sana sebagai salah satu inisiatif untuk meningkatkan rangkuman kewangan.

Agrobank hosted 'Majlis Ramah Mesra Agrobank' with special guest YB Dato' Sri Ahmad Shabery Cheek, at Felda Ketengah Jaya. A new ATM machine was also placed there as part of financial inclusion.



12

NOVEMBER/NOVEMBER



Agrobank menandatangani Perjanjian Strategik dengan MADA yang disaksikan oleh YB Dato' Othman Aziz, Timbalan Menteri Kewangan. Menerusi program pembiayaan ini, Agrobank menawarkan pembiayaan kepada para petani, dengan nilai dari RM1,000 sehingga RM50,000. Lebih daripada 30,000 petani MADA akan mendapat manfaat daripada inisiatif ini.

Agrobank signed a Strategic Partnership Agreement with MADA witnessed by YB Dato' Othman Aziz, Deputy Minister of Finance. Through this financing programme, Agrobank offers financing for farmers with a minimum value of RM1,000 up to a maximum of RM50,000. This initiative will benefit more than 30,000 farmers under MADA.

13

NOVEMBER/NOVEMBER



Agrobank menandatangani perjanjian strategik dengan Skim Jaminan Kredit Perumahan Berhad (SJKP) bagi menyediakan skim jaminan khusus buat golongan tanpa pendapatan tetap dan berpendapatan rendah yang tidak mempunyai dokumen pendapatan lengkap bagi membeli rumah pertama mereka.

Strategic alliance between Agrobank and Skim Jaminan Kredit Perumahan Berhad (SJKP) was established to provide guarantee scheme for non-fixed and low income earners without sufficient income documents to purchase their first house.

AKTIVITI KORPORAT
CORPORATE ACTIVITIES

19

NOVEMBER/NOVEMBER



Majlis perasmian Pusat Pembiayaan Komersial Agrobank di Hutan Melintang, Perak yang dirasmikan oleh YAB Dato' Dr. Ahmad Zahid Hamidi, Timbalan Perdana Menteri.

The launching ceremony of Agrobank's Commercial Financing Centre at Hutan Melintang, Perak. The opening was officiated by YAB Dato' Dr. Ahmad Zahid Hamidi, Deputy Minister of Malaysia.

24

- 26

NOVEMBER/
NOVEMBER

Datuk Patinggi (Dr.) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, Ketua Menteri Sarawak dan YBhg Tan Sri Muhammad bin Ibrahim, Gabenor Bank Negara Malaysia (BNM) mengunjungi ruang pameran Agrobank di Karnival Kewangan Sarawak.

Datuk Patinggi (Dr.) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg, Chief Minister of Sarawak and YBhg Tan Sri Muhammad bin Ibrahim, Governor of Bank Negara Malaysia (BNM) visited Agrobank's booth at Karnival Kewangan Sarawak.



25

NOVEMBER/NOVEMBER



Agrobank melancarkan Agro Teras, iaitu produk pembiayaan mikro yang mensasarkan komuniti B40. Produk ini dilancarkan di PNK Sri Muara, Sarawak oleh Setiausaha Tetap, Kementerian Pemodenan Pertanian, Tanah Adat dan Pembangunan Wilayah, En. Buckland Anak Bangik. Beliau mewakili YB Datuk Ammar Doughlas Unggah, Timbalan Ketua Menteri Sarawak.

Agrobank launched a micro financing product known as Agro Teras targeting B40 community. The product was launched at PNK Sri Muara, Sarawak. by En. Buckland Anak Bangik, Permanent Secretary, Ministry of Modernisation of Agriculture, Native Land and Regional Development representing YB Datuk Ammar Doughlas Unggah, Deputy Chief Minister of Sarawak.

26

NOVEMBER/NOVEMBER



Agrobank menandatangani Memorandum Persefahaman (MoU) dengan Lembaga Lada Malaysia (MPB) disaksikan oleh YB Datuk Haji Datu Nasrun bin Datu Mansur, Timbalan Menteri Perusahaan Perladangan dan Komoditi. Lebih daripada 30,000 pekebun kecil lada akan mendapat manfaat daripada memorandum ini.

A Memorandum of Understanding (MoU) was inked between Agrobank and Malaysia Pepper Board (MPB) witnessed by YB Datuk Haji Datu Nasrun bin Datu Mansur, Deputy Minister of Plantation Industries and Commodities to benefit more than 30,000 pepper smallholders in Malaysia.

05

- 09

DISEMBER/DECEMBER

Sudut Agrobank di ruang pameran MOA di Perhimpunan Agong UMNO (PAU) 2017.

Agrobank's corner at MOA's booth at Perhimpunan Agong UMNO (PAU) 2017.



SOROTAN MEDIA MEDIA HIGHLIGHTS

KERATAN AKHBAR/NEWS CLIPPINGS

Kosmo!
16 Januari/January 2017

Agrobank tawar pinjaman untuk projek Cili Fertigasi-i

KUALA LUMPUR — Agrobank menyatakan berkomitmen di bawah program pertanian bersama Cili Fertigasi-i bersama Pertubuhan Kebajikan-Koalisi Logar, Selangor (PKKL) dan Logar bersama-sama memberi sokongan teknologi dan teknologi kepada pelantera dan petani.

Pengerusi dan Setia Pengurusan Eksekutif, Bank Waw Mamat, Farrah Wan Daudah berkata di bawah program tersebut, Agrobank akan memberi pendanaan bagi koperasi dan pelaku usaha projek tanaman cili logar.

"Agrobank akan meminimumkan pinjaman dari sekitar RM100,000 sehingga RM300,000 tempoh memperbaiki capaian dan keuntungan bagi pelaku usaha projek bersama dengan kerajaan negeri dan menjadikan projek pertanian kepada jenama yang bertaraf dunia," katanya.

Terdahulu, setia menggambarkan pelaburan yang bersingkroni aktiviti bulan seperti input bahan pertanian dan teknologi dalam projek merupakan akhirnya.

“Kami menawarkan pinjaman yang bersingkroni dengan perjanjian strategik projek bersama-sama dengan kerajaan negeri dan Mamat,” katanya.

Ketua Pengarah Lehdaga Pertumbuhan Padiologi, Dr. Mohd. Zaini Taha di sini berkata, Projek Cili Fertigasi-i Selangor wujud.

MOHAMAD ZABRI (dua dari kiri) bersama Ahmad Shabery (tiga dari kiri) dan Rosni (tiga dari kanan) bergambar pada majlis perasmian Agro-Nurzai di PWTC baru-baru ini.

Agrobank lancar produk takaful khusus untuk OKU

KUALA LUMPUR — Agrobank menyatakan sumbangan sejumlah RM5,000 pelanggan bank mewujudkan perlindungan takaful bagi pelanggan Agro-Nurzai dengan jumlah premis keseharian bernilai RM12 juta bagi tabur pertama pelanggan.

Pengerusi Logar, Dr. Mohd. Zabri Zainal berkata, produk takaful khasus untuk orang kurang upaya (OKU) dia sediakan merupakan kira-kira dua perihal takaful biasa.

Beliau berkata dorongan dimulakan kerana kumpulan pelanggan Agrobank serta masyarakat rancangan kerjasama bagi perlindungan takaful.

"Kedepan, OKU lain juga kurang mendapat perlindungan takaful atau takaful kerana mereka dianggap sebagai kumpulan yang berisiko tinggi terhadap penyedia takaful kerajaan."

Pengerusi Logar disempurnakan oleh Menteri Pembangunan Wanita, Keluarga dan Masyarakat, Dato' Seri Rohani Abdul Karim dan Menteri Perdagangan dan Industri, Datuk Seri Ismail Sabri Yaakob.

"Selain itu, Agrobank konsentrasikan dalam memperkenalkan produk yang menarikkan perhatian khalang khasus dan bersempena untuk pelajur berselepas," katanya.

Beliau berkata dorongan dimulakan kerana pelajar dan pena pelajaran Agro-Nurzai yang diberikan pada awal Kursus Kewangan 2000 di Pusat Dagangan Dunia Putra (PWTC) selama sekolah kerajaan.

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"Selain itu, Agrobank merupakan salah satu pengeluar pertama yang melaksanakan perlindungan takaful bagi pelanggan takaful khasus untuk OKU kerana antara fitur yang menarikkan pelajur yang mewujudkan perlindungan manusia yang berisiko tinggi terhadap penyedia takaful kerajaan."

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BUSINESS

AGROBANK IN NEW GROWTH CHAPTER

NEW GROWTH STORY

AGROBANK has started its new chapter moving its transformation into a full-fledged financial bank with a total assets of RM14.5 billion last year, says chairman and CEO, Dr. Mohd. Zabri Zainal.

EXCLUSIVE

AGROBANK

Hard work pays off for CEO and employees

1.3%
6.6%
13.3%
10.7%
23.8%
5.6%
1.0%

Awards received by Agrobank

Business News

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Kosmo!
24 Januari/January 2017

New Straits Times
15 Februari/February 2017

Agrobank lafaz Ikrar Bebas Rasuah SPRM

SOKAR INTTEGRITI — Sejak tahun 2007, Agrobank memastikan ia tidak Pegawai Esensi Kukuhnya, Dapur Ahli Menteri, Pejabat dan Orhanah (SPRM) dilibatkan dalam pelaksanaan operasi dan tadbir urusannya. Selain itu, Agrobank turut memastikan bahawa pelaksanaan operasi dan tadbiran urusannya tidak dilakukan oleh ahli anggota SPRM.

Malah, menjadikan tadbiran yang bersih dan integriti sebagai faktor penting dalam operasi dan tadbiran urusannya. Selain itu, Agrobank turut memastikan bahawa pelaksanaan operasi dan tadbiran urusannya tidak dilakukan oleh ahli anggota SPRM.

Agrobank pada September 2006, menjalankan menyeluruh sistem akuntansi dan pengawasannya yang dilaksanakan oleh Muzakkir yang bersesuaian dengan sifat-sifat usahawan SPRM. Manajer Muzakkir adalah pengawas.

MOHAMAD ZABRI (dua dari kiri) berinteraksi dengan Shamsulham Ratuhan (dua dari kiri) pada Majlis Memerintahagati Ikrar Bebas Rasuah Agrobank di Putrajaya.

IMPROVEMENTS UNDER WAY

KERJASAMA STRATEGIK

Agrobank and Agricultural Development Authority (ADA) celebrated the completion of their card management project that was held in conjunction with the monthly assembly of the Ministry of Agriculture and Agro-Based Industry (MAAI).

The Memorandum of Understanding (MoU) that was signed between the two parties last year outlines three areas of collaboration, namely in the areas of cash management solutions through AgroNetplus, takaful protection and banking agents known as Agribank.

"Cash management solution is the latest financial service provided by Agrobank to meet the needs of commercial and corporate banking customers," states Dr. Mohd. Zabri Zainal.

Through the collaboration, Agrobank has upgraded the existing system to make it compatible with the SAGA (System Accounting for Government Agencies) to simplify the payment process to suppliers. Among the services offered include services for bulk payments, salary payments, standing orders, bill payment and zakat distribution. ■

Kosmo!
22 Februari/February 2017

New Straits Times
27 Februari/February 2017

SOROTAN MEDIA MEDIA HIGHLIGHTS

KERATAN AKHBAR/NEWS CLIPPINGS

New Straits Times
27 April/April 2017

FINANCIAL SERVICES

Agrobank receives 3G Award

KUALA LUMPUR: Agrobank has received recognition from the Club Good Governance Award (3G Award) under the category 3G Financial Services in recognition of its contributions to financial inclusion and its initiatives to broaden access to finance.

The award was received by Agrobank chairman Tan Sri Mohamed Zalih Zainal, together with chief credit officer Jauzi Muhamad Yusoff on behalf of the bank.

"Agrobank has always believed

that financial inclusion is a powerful agent for strong and inclusive economic growth and helps empower individuals and communities to better their lives."

said Agrobank president Datuk Wira Mohd Faizmi Wan

He said as part of its mission to increase food production, Agrobank offered financing products with low profit rates, such as its food production credit facility.

"In addition, we also have special financing service Hartanah-L which is a financing service to purchase agricultural land," said Faizmi.

This year, Agrobank introduced the first federal protection for persons with disabilities (PWD) in Malaysia called Agro PWD.

"Agriculture is often associated with high risk, and it is not an

industry of most commercial institutions.

However, Agrobank is committed to its mandated role of increasing Malaysia's agriculture sector and provide better access to financing for agri-businesses, from micro-businesses to small business, to large-scale agribusiness import and export businesses," said Faizmi.

Last year, Agrobank recorded growth of 16.7 per cent with total assets of RM100 billion up to RM106 billion, its highest achievement in the last five years.

Zalih also received a DG Lifetime Achievement Awards in recognition of his 25 years contribution to the public sector.

The award committee was im-



Agrobank chairman Tan Sri Mohamed Zalih Zainal (center) and chief credit officer Jauzi Muhamad Yusoff (right) receiving the 3G Financial Services Award in Kuala Lumpur on Tuesday.

pressed with the role Zalih has played in transforming the public sector, particularly his support of good practices.

An ex-Public Service Department director-general, he was a strong advocate of trans-

formation, said the committee.

He was also one of the key drivers of the public sector transformation programme, having written and lectured extensively on the subject.

Agrobank on track to hit financing growth target

> Development financial institution remains conservative, eyes 10% increase this year

BY EE ANN HEE
www.thestar.com.my

KUALA LUMPUR: Agrobank, formerly known as Bank Pertanian Malaysia Bhd, is targeting net financing growth of 10 per cent this year, driven by its focus on agriculture financing, to reach a total of RM3.4 billion from the time it was established until the end of 2017.

President and CEO Datuk Mohd Fadzmi Wan Othman said it will

grow its agriculture financing by RM1.5 billion this year, which is in line with its full-year target of 10 per cent.

"Although last year we grew a record 16.7%, we remain conservative as we want to see a balanced growth. So far we've achieved 10.7% and will show more quarters to go. We will put in procedures and action plans to ensure that we meet the objective," he told selected media in an interview yesterday.

Agrobank was established in 1998 with a mandate to provide financial access and credit to the development and growth of the agriculture sector in Malaysia. It is also a fully-fledged Islamic bank.

"We need to grow about RM800 million-RM1,000 million net financing annually on a gross basis so we need to grow RM1.4 billion-RM1.5 billion. In the past two to three years, we've been able to do that," Mohd Fadzmi said.

He added that 90% of Agrobank's financing has been channelled towards agriculture, considerably above the required 70%.

When Mohd Fadzmi joined the bank in 2011, agriculture financing was only 55% of its portfolio.

"Of course, we have the flexibility to move our agriculture financing ratio down if we want to but so long as there's continued growth coming from our mandated role, we're okay. We can even go 100%. At now, we're about right. We can always it up and it will still be comfortable. We've been consistently above 80% for the last year or so," he said.

Mohd Fadzmi said its customer segment ranges from individual, micro, small business SMEs, commercial to corporate. Hence the bank also has a consumer portfolio for personal financing.

While Agrobank has

managed to cut its non-performing loans to 4.6% from 21.7% in 2011, it is still high compared with the commercial banking industry's 2%, which Mohd Fadzmi said is under control for a development finance institution.

"Of course, we have the luxury of managing our portfolio. We still have to operate in the agriculture sector. We cannot go into manufacturing, housing or credit cards. Our challenge is how to balance between making money, doing what our customers want and still be comfortable. We've been consistently above 80% for the last year or so," he said.

"Agriculture is inherently a high-risk sector. If we put all our eggs in one basket, it's not good for the institution. We have a risk diversification division, whose sole job is to ensure that we're not concentrated in terms of sector and client," he said.

Mohd Fadzmi explained that even in agricultural sub-sectors, there are areas considered to be higher risk than others. For example, the commodity sector is safe as it has developed over the years and palm oil is deemed a stable sector. Fisheries or ruminants are risky sectors they are trying to avoid.

"All there are issues like weather and natural disasters, which you don't see in other sectors such as manufacturing."

Agrobank is looking to open two to three more commercial centres this year in agricultural hubs, namely for financing consultation.

Commercial centres are a new business model it introduced in 2016 after going out to market in the rural areas of Cameron Highlands, Pahang, and Bagan Datuk, Perak.

"We're a rural bank and 70% of our presence is in the rural area. To the rural community, a presence is necessary," Mohd Fadzmi said.

Agrobank bakal agihkan pembiayaan bernilai RM3 bilion tahun ini

OON NOR SHARIAH MUHD. TAHIR



WAN MOHD. FADZMI

setahun setingga tahun 2020 lepas masih perlu berjaya-jaya dengan perkongsian ekosistem yang semakin erat. "Ketika dalam situasi bersama, buat dia kita akan bersama-sama menciptakan peluang dan mengelakkan bahaya," katanya.

Tahun 2016 merupakan suatu tahun yang cemerlang bagi kredit sektor agrikultur agensi kerajaan termasuknya Agrobank kerana pencapaian di bawah RM3 bilion dengan peringkat kitaran kredit bernilai RM67.7 bilion.

"Tahun 2016 merupakan suatu tahun yang cemerlang bagi kredit sektor agrikultur kerajaan termasuknya Agrobank kerana pencapaian di bawah RM3 bilion dengan peringkat kitaran kredit bernilai RM67.7 bilion.

"Agamanya, setiap agihkan pembiayaan bernilai RM3 bilion tahun ini

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SOROTAN MEDIA

MEDIA HIGHLIGHTS

KERATAN AKHBAR/NEWS CLIPPINGS

Harian Metro
11 Ogos/August 2017

The image shows the 'BUSINESS' section of The Star newspaper. At the top, there are three news headlines with small descriptions below them. The first headline is 'CELCOM TO SPEND RM1.1B ON NETWORK EXPANSION' (PAGE B1). The second is 'SEM, EPF REVIEWING MAJU'S OFFER TO BUY PLUS STAKE' (PAGE B2). The third is 'ASIA SHARES SURGE TO 10-YEAR PEAK' (PAGE B2). Below these is a large, stylized title 'HEALTHY GROWTH'. To the left of the title is a portrait of a man with glasses and a mustache, identified as Agrobank CEO Dato' Dr. Mohd Zainal Abidin. To the right is a photograph of an Agrobank branch interior. At the bottom, a large banner reads 'AGROBANK GROWTH SPURT CONTINUES'.

New Straits Times
13 September/September 2017

Utusan Borneo Sabah
20 Oktober/October 2017

Ar Rahnu Agrobank jadi pilihan

ACROBANK melalui persamaan intervensi skim pajak pada Nirlam (AJ) Ruhul memiliki artifisial kewajiban pajak, meskipun emas dan berprestasi emas yang terikatkan kepada jenama syiling emas dan berprestasi emas.

Ketua JISKAUS berharap, konsumen Agrofertil Dukuhjati dapat bekerja sama dengan baik dengan petani agar hasilnya maksimal.

Al Rahma di Agrobank, adalah lembah sarunn (lauap) sempai berendam di pasaran, kader upeti sempang tidak berubah wajahnya semasa pernah bertemu dengan orang lain. Lebih kepada seorang pemuda ketika menghadiri Majlis Alia perpaduan tetapi...
Menurutnya, Al Rahma sebenarnya nadalan bagi angkatan kerja muda. Walaupun emansipasi kerajaan negara, pengaruh perniagaan yang sedekian adalah RM83,000 had kerjasama dan RM175,000 had agresif," katanya.
Selain itu, Al Rahma turut sarankan agar kerajaan membolehkan ahli kini boleh memerluka syarat emas dan kerangka entitas simbolik tanpa lagi pertimbangkan seluruh Ahlul Emas dan Public Golik dengan impremase si gairah

As Dalam

"Agrobank juga kini siap menawarkan solusi styling untuk dana kerjakan rumah untuk lepas lagi berjaya pendekar sejati Riasing Emas di Cold Public dengan modalisasi 100 gosen di titik Alami sepadan."
"Kami memperkenalkan pemasangan sekitar RM100,000 tanpa gaji.

“Ketika ini, Agrobank mempunyai 116 cawangan yang memperluarkan perkhidmatan Ae Bahru di seluruh Malaysia.”

Sinar Harian
14 Ogos/August
2017

Lapan usahawan terima anugerah khas Agrobank

Laporte government (false
writing) brought about
Lien Ali-Tsing long (Elected
Penangguan Belia executive).

Kosmo!
26 September/September 2017



SERAH ZAKAT: Sebanyak RM45,000 Zakat Perniagaan Agro Bank bagi tahun 2016 diterahkan kepada Pusat Zakat Sabah untuk diagihkan kepada golongan asmaif di Sabah.

Pengarah Wilayah Agro Bank Sabah, Tamring B Kuba (tiga dari kiri) menyempurnakan penyerahan cek kepada Ketua Penolong Setiausaha Zakat dan Fitrah, Mohd Zarathkan Abd Rahman (empat dari kanan) yang disaksikan oleh para pegawai zakat.



PADI PUNCA REZEKI KAMI! PADDY IS OUR RICE BOWL!

Nasi

adalah makanan ruji rakyat Malaysia. Ketika ini, penanaman padi di negara ini tidak dapat menampung keperluan populasi yang semakin meningkat. Kebergantungan kepada beras import adalah berisiko terhadap jaminan bekalan makanan negara. Justeru itu, penanaman padi terus menjadi fokus utama dalam Dasar Agromakanan Negara (2011 – 2020) dan Rancangan Malaysia ke-11 (2016 – 2020). Pakej pembiayaan yang sesuai dengan kadar keuntungan rendah kini ditawarkan bagi membantu menggiatkan usaha penanaman padi di kalangan para petani luar bandar dan generasi muda. **Menerusi Agrobank, pengusaha padi boleh mendapatkan skim pembiayaan khas bagi membiayai modal kerja kegiatan penanaman padi serta pembiayaan bertempoh untuk mendapatkan peralatan moden bagi meningkatkan hasil sehektar dan mengurangkan tempoh penuaian.**



Rice is important staple food for Malaysians. However, paddy cultivation in Malaysia is not able to keep up with the growing population. To ensure national food security, it is important to have the supply of imported rice at affordable price. Thus, the cultivation of the crop continues to be the major focus in National Agro-food Policy (2011 – 2020) and the Eleventh Malaysia Plan (2016 – 2020). Highly affordable financing packages with low profit rates are now offered to drive paddy farming among the rural farming community and the younger generation. **Through Agrobank, paddy farmers are now able to obtain special financing schemes to finance working capital for paddy planting activities and term financing for acquisition of modern equipment. The financing will then improve yield per hectare and reduce the harvesting period.**

AHLI LEMBAGA PENGARAH

BOARD OF DIRECTORS



7

DATO' DR. YUSOF
ISMAL

3

DATO' DR.
MOHAMAD
HASHIM AHMAD
TAJUDIN

1

TAN SRI MOHAMAD
ZABIDI ZAINAL

5

DATIN SETIA
SHAHARIAH HASHIM

9

NG CHIH KAYE



8

FAIZAH ABDULLAH

4

DATUK SERI DR.
ISMAIL HAJI BAKAR

2

DATO' WAN MOHD
FADZMI WAN
OTHMAN

6

AZIZAH ABDUL
RAHMAN

10

TUAN HAJI IBRAHIM
HASSAN

PROFIL AHLI LEMBAGA PENGARAH

BOARD OF DIRECTORS' PROFILES

TAN SRI MOHAMAD ZABIDI ZAINAL

Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: Umur/Age:	28 Jun/June 1956 61 tahun/years old
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	29 Julai/July 2016	
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	16/16	
Kelayakan Qualifications		<ul style="list-style-type: none"> • Ijazah Sarjana Pentadbiran Awam, Universiti Malaya Master in Public Administration, University of Malaya • Ijazah Sarjana Muda Sastera Pengajian Asia Tenggara (Kepujian) Universiti Malaya Bachelor in Arts in Southeast Asian Studies (Hons), University of Malaya • Diploma Pentadbiran Awam, Institut Tadbiran Awam Negara (INTAN) Diploma in Public Administration, National Institute of Public Administration (INTAN)
Jawatan terdahulu yang disandang Previous positions held		<ul style="list-style-type: none"> • Ketua Pengarah, Jabatan Perkhidmatan Awam Director-General, Public Service Department • Ketua Pengarah, Unit Pemodenan Tadbiran dan Perancangan Pengurusan Malaysia, Jabatan Perdana Menteri Director-General, Malaysian Administrative Modernisation and Management Planning Unit, Prime Minister Department • Setiausaha Kerajaan Negeri Perlis State Secretary of Perlis • Timbalan Ketua Setiausaha (Kewangan), Kementerian Kesihatan Deputy Secretary-General (Finance), Ministry of Health
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	-	<p>Tan Sri Mohamad Zabidi Zainal merupakan salah seorang peneraju transformasi sektor awam dengan pengalaman lebih 37 tahun khususnya dalam mentransformasi dasar dan tadbir urus</p> <p>Tan Sri Mohamad Zabidi is one of the key drivers of public sector transformation with more than 37 years of experience, championing policies and governance</p>
Jawatan pengarah dalam syarikat awam lain Directorship of other public companies	-	<p>Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.</p> <p>Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.</p> <p>He does not have any conflict of interest or any family relationship with any other director and/or major shareholders.</p> <p>He has not been convicted of offences within the past 5 years nor has he been publicly sanctioned by any relevant regulatory bodies in 2017.</p>



TAN SRI MOHAMAD ZABIDI ZAINAL

Pengerusi

(Pengarah Bebas Bukan Eksekutif)

Chairman

(Independent Non-Executive Director)

PROFIL AHLI LEMBAGA PENGARAH BOARD OF DIRECTORS' PROFILES

DATO' WAN MOHD FADZMI WAN OTHMAN

Presiden/Ketua Pegawai Eksekutif

(Pengarah Bukan Bebas Eksekutif)

President/Chief Executive Officer

(Non-Independent Executive Director)

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DATO' WAN MOHD FADZMI WAN OTHMAN

Butiran peribadi Personal details	Tarikh Lahir/ Date of Birth: Umur/Age:	9 Disember/December 1965 52 tahun/years old
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	1 Julai/July 2011 Meletak jawatan berkuat kuasa 31 Ogos 2017/Resigned w.e.f. 31 August 2017	
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	11/11	
Kelayakan Qualifications	<ul style="list-style-type: none"> • Jurubank Berkanun, Asian Institute of Chartered Bankers (AICB) Chartered Banker, Asian Institute of Chartered Bankers (AICB) • Ahli Profesional Berkanun dalam Kewangan Islam, Association of Chartered Islamic Finance Professionals Malaysia (CPIF) Chartered Professional in Islamic Finance, the Association of Chartered Islamic Finance Professionals Malaysia (CPIF) • Program Pengurusan Lanjutan, Wharton Business School, University of Pennsylvania, Amerika Syarikat Advanced Management Programme, Wharton Business School, University of Pennsylvania, United States of America • Ijazah Sarjana Muda Ekonomi Binaan, Royal Melbourne Institute of Technology, Australia Bachelor in Construction Economics, Royal Melbourne Institute of Technology, Australia 	
Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> • Pengarah, Perbankan Kewangan Global, Kumpulan Perbankan RHB Director, Global Financial Banking, RHB Banking Group • Memegang beberapa jawatan pengurusan kanan di Kumpulan Maybank selama 22 tahun, iaitu Ketua wakil negara bagi cawangan Maybank di London, New York dan Hong Kong Held several senior management positions at Maybank Group for 22 years i.e. Country Head for Maybank's branches in London, New York and Hong Kong 	
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	-	
Jawatan pengarah dalam syarikat awam lain Directorship of other public companies	-	
<p>Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham. Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.</p> <p>He does not have any conflict of interest or any family relationship with any other director and/or major shareholders. He has not been convicted of offences within the past 5 years nor he has been publicly sanctioned by any relevant regulatory bodies in 2017.</p>		

PROFIL AHLI LEMBAGA PENGARAH BOARD OF DIRECTORS' PROFILES

DATO' DR. MOHAMAD HASHIM AHMAD TAJUDIN

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

DATUK SERI DR. ISMAIL HJ BAKAR

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



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DATO' DR. MOHAMAD HASHIM AHMAD TAJUDIN

Butiran peribadi Personal details	<p>Tarikh Lahir/Date of Birth: 18 Jun/June 1954 Umur/Age: 63 tahun/years old</p>
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	3 Julai/July 2014
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	15/16
Kelayakan Qualifications	<ul style="list-style-type: none"> PhD. (Ijazah Doktor Falsafah) dalam Kesuburan dan Pengurusan Tanah PhD in Soil Fertility and Management Ijazah Sarjana Pertanian (Kimia dan Kesuburan Tanah) Master in Agriculture (Soil Chemistry and Fertility) Ijazah Sarjana Muda Sains Pertanian, Universiti Putra Malaysia Bachelor of Science in Agriculture, Universiti Putra Malaysia Program Pengurusan Perniagaan Perdana Harvard dan Program Pengurusan Lanjutan (AMP), INSEAD, Perancis Harvard Premier Business Management Programme and Advanced Management Programme (AMP), INSEAD, France
Jawatan lain yang disandang Other positions held	<ul style="list-style-type: none"> Ahli Majlis, Majlis Agama Islam dan 'Adat Melayu Perak (MAIPk) Council Member, Majlis Agama Islam dan 'Adat Melayu Perak (MAIPk) Pengerusi, PKEINPKSdnBhd Chairman, PKEINPKSdnBhd Ahli Lembaga Pengarah, The Incorporated Society of Planters (ISP) Board Member, The Incorporated Society of Planters (ISP) Naib Presiden, The Outward Bound Trust of Malaysia (OBM) Vice President, The Outward Bound Trust of Malaysia (OBM) Ahli Majlis, International Institute of Plantation Management (IIPM) Council Member, International Institute of Plantation Management (IIPM) Ahli Lembaga Pengarah, Explore Agenda SdnBhd Board Member, Explore Agenda SdnBhd Ahli Lembaga Pengarah, Holistic Quest SdnBhd Board Member, Holistic Quest SdnBhd
Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Pengarah Urusan Kumpulan Chemical Company of Malaysia Berhad (CCM) Group Managing Director, Chemical Company of Malaysia Berhad (CCM) Pengarah Kanan, Bahagian Minyak dan Lemak, Golden Hope Plantations Berhad Senior Director, Oil and Fats Division, Golden Hope Plantations Berhad Pengarah Penyelidikan, Bahagian Penyelidikan dan Pembangunan Golden Hope Research Sdn Bhd Director of Research, Research and Development Division, Golden Hope Research Sdn Bhd Pengarah Eksekutif, Golden Hope Research Sdn Bhd Executive Director, Golden Hope Research Sdn Bhd Ketua Pegawai Eksekutif, Tradewinds Plantation Berhad Chief Executive Officer, Tradewinds Plantation Berhad Ketua Pegawai Eksekutif, Padiberas Nasional Berhad (BERNAS) Chief Executive Officer, Padiberas Nasional Berhad (BERNAS)
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Pencalonan Nominating Committee Jawatankuasa Ganjaran Remuneration Committee Jawatankuasa Lembaga Audit Board Audit Committee Jawatankuasa Lembaga Pengurusan Risiko (Pengerusi) Board Risk Management Committee (Chairman) Jawatankuasa Lembaga Kredit & Pelaburan Board Credit & Investment Committee Jawatankuasa Lembaga Teknologi Maklumat Board Information Technology Committee

Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.
Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.

He does not have any conflict of interest or any family relationship with any other director and/or major shareholders.
He has not been convicted of offences within the past 5 years nor he has been publicly sanctioned by any relevant regulatory bodies in 2017.

DATUK SERI DR. ISMAIL HJ BAKAR

Butiran peribadi Personal details	<p>Tarikh Lahir/Date of Birth: 19 Januari/January 1960 Umur/Age: 57 tahun/years old</p>
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	1 Julai/July 2016
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	6/16
Kelayakan Qualifications	<ul style="list-style-type: none"> PhD (Ijazah Doktor Falsafah), University of Hull, United Kingdom PhD, University of Hull, United Kingdom Ijazah Sarjana Pentadbiran Perniagaan, University of Hull, United Kingdom Master in Business Administration, University of Hull, United Kingdom; Ahli, Chartered Institute of Purchasing and Supply (CIPS), United Kingdom Member, Chartered Institute of Purchasing and Supply (CIPS), United Kingdom Profesor Adjung, Sekolah Kejuruteraan dan Keusahawanan, Universiti Malaysia Perlis (UNIMAP) Adjunct Professor, School of Engineering and Entrepreneurship, Universiti Malaysia Perlis (UNIMAP)
Jawatan lain yang disandang Other positions held	<ul style="list-style-type: none"> Ketua Setiausaha, Kementerian Pertanian dan Industri Asas Tani Secretary General, Ministry of Agriculture and Agro-Based Industry
Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Ketua Setiausaha, Kementerian Pengangkutan Secretary General, Ministry of Transport Timbalan Ketua Setiausaha (Dasar), Kementerian Pertahanan Deputy Secretary General (Policy), Ministry of Defence Timbalan Ketua Setiausaha, Bahagian Kontrak dan Bekalan, Kementerian Kewangan Assistant Secretary, Contract and Supply Division, Ministry of Finance Pengarah, Belanjawan Negara, Pejabat Belanjawan Negara, Perbadanan, Kementerian Kewangan Director, National Budget, National Budget Office, Treasury, Ministry of Finance Pengarah, Unit Strategik Nasional, Kementerian Kewangan Director, National Strategic Unit, Ministry of Finance Penasihat Kanan, Pengarah Eksekutif (Kumpulan Asia Tenggara), Bank Dunia Senior Advisor, Executive Director (SEA Group), World Bank Ketua Bahagian, Perolehan Kerajaan, Kementerian Kewangan Head of Section, Government Procurement, Ministry of Finance Ketua Perancangan, Penyelidikan dan Dasar, Bahagian Perolehan Kerajaan, Kementerian Kewangan Head of Planning, Research and Policy, Government Procurement, Ministry of Finance Penolong Pengarah, Penolong Pengarah Agensi Anti Dadah Kebangsaan Malaysia Assistant Director, Anti Narcotic Task Force Malaysia
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Pencalonan Nominating Committee

Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.
Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.

He does not have any conflict of interest or any family relationship with any other director and/or major shareholders.
He has not been convicted of offences within the past 5 years nor he has been publicly sanctioned by any relevant regulatory bodies in 2017.

PROFIL AHLI LEMBAGA PENGARAH BOARD OF DIRECTORS' PROFILES

AZIZAH ABDUL RAHMAN

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

DATIN SETIA SHAHARIAH HASHIM

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

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AZIZAH ABDUL RAHMAN		DATIN SETIA SHAHARIAH HASHIM	
Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: 24 Ogos/August 1955 Umur/Age: 62 tahun/years old	Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: 25 November/November 1956 Umur/Age: 61 tahun/years old
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	1 Julai/July 2016	Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	1 Julai/July 2016
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	16/16	Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	16/16
Kelayakan Qualifications	<ul style="list-style-type: none"> Ahli Felo, Chartered Institute of Management Accountants (FCMA UK) Fellow Member of the Chartered Institute of Management Accountants (FCMA UK) Ahli, Institut Akauntan Malaysia (MIA) Member of Malaysian Institute of Accountants (MIA) 	Kelayakan Qualifications	<ul style="list-style-type: none"> Pemegang Biasiswa Bank Negara Malaysia Bank Negara Malaysia Scholar Ijazah Sarjana Pentadbiran Perniagaan, University of Stirling, United Kingdom Master in Business Administration (MBA) from University of Stirling, United Kingdom Ijazah Sarjana Muda Ekonomi (Kepujian), Universiti Malaya Bachelor in Economics (Hons.) from University Malaya Menghadiri kursus mengenai Institusi Kewangan untuk Pembangunan Perusahaan Swasta, Harvard University, Amerika Syarikat Attended a course on Financial Institutions for Private Enterprise Development at the Harvard University, United States of America
Jawatan lain yang disandang Other positions held	-	Jawatan lain yang disandang Other positions held	-
Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Pengarah, Ternakan Bersepudu dan Pembuatan Makanan, QSR Brands/KFC Holdings Malaysia Berhad Director, Integrated Poultry and Food Manufacturing, QSR Brands/KFC Holdings Malaysia Berhad Ketua Pegawai Kewangan, Johor Corporation Chief Financial Officer, Johor Corporation Pengurus Besar, Kewangan, Johor Corporation General Manager, Finance, Johor Corporation Pengurus Besar, Bahagian Kewangan Korporat, Antara Steel Mills Sdn Bhd General Manager, Finance and Corporate Division, Antara Steel Mills Sdn Bhd Akauntan, Antara Steel Mills Sdn. Bhd. (subsidiari Johor Corporation) Antara Steel Mills Sdn. Bhd. (subsidiary of Johor Corporation) 	Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Timbalan Pengarah, Jabatan Kewangan Pembangunan dan Enterpris, Bank Negara Malaysia Deputy Director, Development Finance and Enterprise Department, Bank Negara Malaysia Bertugas di pelbagai Jabatan di Bank Negara Malaysia termasuk di Jabatan Peraturan Bank Various Departments in Bank Negara Malaysia including the Bank Regulation Department Jabatan Kawalan Pertukaran Wang, Bank Negara Malaysia Exchange Control Department, Bank Negara Malaysia <p>Datin Setia Shahariah mempunyai lebih 30 tahun pengalaman dalam bidang pengubahan dasar bagi pembangunan dan pengawalseliaan institusi kewangan terutama Institusi Kewangan Pembangunan (IKP). Beliau juga banyak terlibat dalam pengubahan dasar bagi pembangunan Perusahaan Kecil dan Sederhana (PKS)</p> <p>Datin Setia Shahariah has more than 30 years of experience in the area of policy formulation for the development, regulation and supervision of financial institutions, particularly the development financial institutions (DFIs). She has also been extensively involved in policy formulation for the development of Small and Medium Enterprises (SMEs)</p>
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Lembaga Audit (Pengerusi) Board Audit Committee (Chairman) Jawatankuasa Pencalonan Nominating Committee Jawatankuasa Ganjaran Remuneration Committee Jawatankuasa Lembaga Kredit & Pelaburan Board Credit & Investment Committee Jawatankuasa Lembaga Pengurusan Risiko Board Risk Management Committee Jawatankuasa Lembaga Teknologi Maklumat Board Information Technology Committee Pengarah Bebas Bukan Eksekutif di AWQAF Holdings Berhad Independent Non-Executive Director at AWQAF Holdings Berhad Pengarah Bebas Bukan Eksekutif di Nationwide Express Courier Services Berhad Independent Non-Executive Director at Nationwide Express Courier Services Berhad 	Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Pencalonan (Pengerusi) Nominating Committee (Chairman) Jawatankuasa Ganjaran Remuneration Committee Jawatankuasa Lembaga Audit Board Audit Committee Jawatankuasa Lembaga Kredit & Pelaburan Board Credit & Investment Committee Jawatankuasa Lembaga Pengurusan Risiko Board Risk Management Committee Jawatankuasa Lembaga Teknologi Maklumat Board Information Technology Committee
<p>Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.</p> <p>Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.</p> <p>She does not have any conflict of interest or any family relationship with any other director and/or major shareholders.</p> <p>She has not been convicted of offences within the past 5 years nor she has been publicly sanctioned by any relevant regulatory bodies in 2017.</p>		<p>Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.</p> <p>Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.</p> <p>She does not have any conflict of interest or any family relationship with any other director and/or major shareholders.</p> <p>She has not been convicted of offences within the past 5 years nor she has been publicly sanctioned by any relevant regulatory bodies in 2017.</p>	

PROFIL AHLI LEMBAGA PENGARAH
BOARD OF DIRECTORS' PROFILES**FAIZAH ABDULLAH**

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

DATO' DR. YUSOF ISMAIL

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

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FAIZAH ABDULLAH		DATO' DR. YUSOF ISMAIL	
Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: 20 Julai/July 1956 Umur/Age: 61 tahun/years old	Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: 14 Mei/May 1962 Umur/Age: 55 tahun/years old
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	18 April/April 2017	Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	14 Disember/December 2016
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	12/13	Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	10/16
Kelayakan Qualifications	<ul style="list-style-type: none"> Sarjana Muda Sains dalam Kewangan, Universiti Indiana, Bloomington, Indiana, Amerika Syarikat Bachelor of Science in Finance, Indiana University, Bloomington, Indiana, United States of America Diploma Pengajian Perniagaan , Institut Teknologi MARA Diploma in Business Studies, Institut Teknologi MARA 	Kelayakan Qualifications	<ul style="list-style-type: none"> PhD (Ijazah Doktor Falsafah) dalam bidang Pembangunan Ekonomi Komuniti, Universiti Putra Malaysia PhD in Community Economic Development, Universiti Putra Malaysia Ijazah Sarjana Ekonomi Pembangunan, Williams College Massachusetts, Amerika Syarikat Master in Development Economics, Williams College Massachusetts, United States of America Ijazah Sarjana Muda Ekonomi (Kepujian) Universiti Malaya Bachelor in Economics (Hons), University of Malaya Diploma Pentadbiran Awam, Institut Tadbiran Awam Negara (INTAN) Diploma in Public Administration, National Institute of Public Administration (INTAN)
Jawatan lain yang disandang Other positions held	<ul style="list-style-type: none"> Ahli Panel Financial Accreditation Agency (FAA) Panel Member for Financial Accreditation Agency (FAA) Ahli Panel Jawatankuasa Teknikal Penilaian Standard (JPTS) Panel Member for Jawatankuasa Teknikal Penilaian Standard (JPTS) Tenaga Pengajar di Akademi Maybank (Bertanggungjawab melatih pegawai dan pengurus pada tahap asas, pertengahan dan lanjutan dalam bidang kredit, operasi kredit dan pembangunan perniagaan) Trainer at Maybank Academy (Responsible to train officers and managers at basic, intermediate and advance level in areas of credit, credit operation and business development) 	Jawatan lain yang disandang Other positions held	<ul style="list-style-type: none"> Setiausaha, Bahagian Pelaburan Strategik, Kementerian Kewangan Secretary, Strategic Investment Division, Ministry of Finance
Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Ketua Perusahaan Kecil dan Sederhana, Sektor Perkhidmatan Kewangan Komuniti, Maybank Head Small Medium Enterprise, Community Financial Services Sector, Maybank Ketua Perusahaan Kecil dan Sederhana, Perbankan Perniagaan Maybank Head Small Medium Enterprise, Business Banking, Maybank Ketua Pembangunan Produk, Perbankan Perniagaan Head Product Development, Business Banking, Maybank Ketua, Perniagaan Serantau, Maybank Head Regional Business, Maybank Ketua Bank Komersial, Maybank Head Commercial Bank, Maybank <p>Selaras dengan Akta Institusi Pembangunan Kewangan (Pindaan) 2015 dan juga Garis Panduan Tadbir Urus Korporat bagi Institusi Kewangan Pembangunan yang dikeluarkan oleh Bank Negara Malaysia (BNM), Puan Faizah Abdullah telah memenuhi kriteria "layak dan sesuai" seperti mana yang terkandung di dalam Jadual Pertama Akta Institusi Pembangunan Kewangan</p> <p>In accordance with the Development Financial Institutions (Amendment) Act 2015 as well as Guidelines on Corporate Governance for Development Financial Institutions issued by Bank Negara Malaysia (BNM), Puan Faizah Abdullah has fulfilled the "fit and proper" criteria as outlined in the First Schedule of Development Financial Institutions Act</p>	Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Timbalan Ketua Pegawai Eksekutif, Pihak Berkusa Lembaga Pembangunan Langkawi (LADA) Deputy Chief Executive Officer, Langkawi Development Authority (LADA) Kementerian Kemajuan Luar Bandar dan Wilayah, Unit Perancang Ekonomi, Jabatan Perdana Menteri Ministry of Rural and Regional Development, Economic Planning Unit, Prime Minister's Department Pegawai Khas kepada Ketua Setiausaha, Perbendaharaan, Kementerian Kewangan Special Officer to the Chief Secretary, Treasury, Ministry of Finance Penolong Setiausaha, Bahagian Kewangan, Seksyen Pelaburan, Kementerian Kewangan Assistant Secretary, Finance Division, Investment Section, Ministry of Finance Penolong Setiausaha Bahagian Ekonomi, Kementerian Kewangan Assistant Secretary Economic Division, Ministry of Finance <p>Selaras dengan Akta Institusi Pembangunan Kewangan (Pindaan) 2015 dan juga Garis Panduan Tadbir Urus Korporat bagi Institusi Kewangan Pembangunan yang dikeluarkan oleh Bank Negara Malaysia (BNM), YBhg Dato' Dr Yusof Ismail telah memenuhi kriteria "layak dan sesuai" seperti mana yang terkandung di dalam Jadual Pertama Akta Institusi Pembangunan Kewangan</p> <p>In accordance with the Development Financial Institutions (Amendment) Act 2015 and also Guidelines on Corporate Governance for Development Financial Institutions issued by Bank Negara Malaysia (BNM), YBhg Dato' Dr Yusof Ismail has fulfilled the "fit and proper" criteria as outlined in the First Schedule of Development Financial Institutions Act</p>
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Lembaga Kredit & Pelaburan (Pengerusi) Board Credit & Investment Committee (Chairman) Jawatankuasa Pencalonan Nominating Committee Jawatankuasa Lembaga Pengurusan Risiko Board Risk Management Committee 	Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Imbuhan Remuneration Committee Jawatankuasa Lembaga Audit Board Audit Committee
Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham. Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.	She does not have any conflict of interest or any family relationship with any other director and/or major shareholders. She has not been convicted of offences within the past 5 years nor she has been publicly sanctioned by any relevant regulatory bodies in 2017.	Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham. Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.	He does not have any conflict of interest or any family relationship with any other director and/or major shareholders. He has not been convicted of offences within the past 5 years nor he has been publicly sanctioned by any relevant regulatory bodies in 2017.

PROFIL AHLI LEMBAGA PENGARAH BOARD OF DIRECTORS' PROFILES

TUAN HAJI IBRAHIM HASSAN

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

NG CHIH KAYE

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

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TUAN HAJI IBRAHIM HASSAN			NG CHIH KAYE		
Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: Umur/Age:	17 Januari/January 1956 61 tahun/years old	Butiran peribadi Personal details	Tarikh Lahir/Date of Birth: Umur/Age:	7 Oktober/October 1955 62 tahun/years old
Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	1 Mac/March 2017		Tarikh mula dilantik menganggotai Lembaga Pengarah Date first appointed to the Board	8 Februari/February 2011	
Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	14/14		Bil. mesyuarat lembaga pengarah yang dihadiri pada tahun kewangan No. of board meetings attended in the financial year	6/7	
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana Muda Ekonomi (Kepujian), Universiti Malaya Bachelor in Economics (Hons.), University Malaya 		Kelayakan Qualifications	<ul style="list-style-type: none"> Akauntan Berkanun, Institut Akauntan Malaysia (MIA) Chartered Accountant, Malaysian Institute of Accountants (MIA) Felo, Persatuan Akauntan Bertauliah Berkanun (ACCA) Fellow, Association of Chartered Certified Accountants (ACCA) 	
Jawatan lain yang disandang Other positions held	-		Jawatan lain yang disandang Other positions held	-	
Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Pengarah Urusan RHB Islamic Bank Berhad Managing Director, RHB Islamic Bank Berhad Presiden Direktor Maybank Shariah Indonesia, Jakarta President Director, Maybank Shariah Indonesia, Jakarta Ketua Pegawai Eksekutif, Maybank Islamic Chief Executive Officer, Maybank Islamic Berhad Naib Presiden Eksekutif, Perbankan Islam, Kumpulan Maybank Executive Vice President, Islamic Banking, Maybank Group Pengurus Besar, Bahagian Perbankan Antarabangsa, Maybank General Manager, International Banking Division, Maybank Group Penolong Pengurus Besar, Bahagian Risiko Pasaran, Kumpulan Maybank Assistant General Manager, Market Risk Division, Maybank Group Ketua Pegawai Eksekutif, Maybank Discount Chief Executive Officer, Maybank Discount Pengurus Kanan, Operasi Pembendaharaan Kumpulan Maybank Senior Manager, Treasury Operation, Maybank Group Ketua Urusan Pembendaharaan bagi Cawangan Maybank di Hong Kong, New York dan London Head of Treasury for Hong Kong, New York and London Branch of Maybank Group 		Jawatan terdahulu yang disandang Previous positions held	<ul style="list-style-type: none"> Ahli Lembaga Pengarah Maybank Allied Credit & Leasing Berhad Board Member of Maybank Allied Credit & Leasing Berhad Naib Presiden Eksekutif, Maybank Berhad Executive Vice President, Maybank Berhad Juruaudit Kanan, KPMG, Akauntan Awam Bertauliah Senior Auditor, KPMG, Certified Public Accountants Akauntan Berkanun, Blinkhorn, Lyon & Golding, London Chartered Accountant, Blinkhorn, Lyon & Golding, London 	
Selaras dengan Akta Institusi Pembangunan Kewangan (Pindaan) 2015 dan juga Garis Panduan Tadbir Urus Korporat bagi Institusi Kewangan Pembangunan yang dikeluarkan oleh Bank Negara Malaysia (BNM), Tuan Haji Ibrahim Hassan telah memenuhi kriteria "layak dan sesuai" seperti yang terkandung dalam Jadual Pertama Akta Institusi Pembangunan Kewangan In accordance with the Development Financial Institutions (Amendment) Act 2015 and also Guidelines on Corporate Governance for Development Financial Institutions issued by Bank Negara Malaysia (BNM), Tuan Haji Ibrahim Hassan has fulfilled the "fit and proper" criteria as outlined in the First Schedule of Development Financial Institutions Act			Jawatan pengarah dalam syarikat awam lain Directorship of other public companies	<ul style="list-style-type: none"> Jawatankuasa Lembaga Teknologi Maklumat (Pengerusi) Board Information Technology Committee (Chairman) Jawatankuasa Pencalonan Nominating Committee Jawatankuasa Ganjaran Remuneration Committee Jawatankuasa Lembaga Audit Board Audit Committee Jawatankuasa Lembaga Kredit & Pelaburan Board Credit & Investment Committee Jawatankuasa Lembaga Pengurusan Risiko Board Risk Management Committee 	
Keahlian dalam Jawatankuasa Lembaga Membership in Board Committee	<ul style="list-style-type: none"> Jawatankuasa Lembaga Teknologi Maklumat (Pengerusi) Board Information Technology Committee (Chairman) Jawatankuasa Pencalonan Nominating Committee Jawatankuasa Ganjaran Remuneration Committee Jawatankuasa Lembaga Audit Board Audit Committee Jawatankuasa Lembaga Kredit & Pelaburan Board Credit & Investment Committee Jawatankuasa Lembaga Pengurusan Risiko Board Risk Management Committee 		Jawatan pengarah dalam syarikat awam lain Directorship of other public companies	<ul style="list-style-type: none"> Pengarah Bebas Bukan Eksekutif Alliance Islamic Bank Malaysia Berhad Independent Non-Executive Director of Alliance Islamic Bank Malaysia Berhad 	
Jawatan pengarah dalam syarikat awam lain Directorship of other public companies	<p>Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.</p> <p>Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.</p> <p>He does not have any conflict of interest or any family relationship with any other director and/or major shareholders.</p> <p>He has not been convicted of offences within the past 5 years nor he has been publicly sanctioned by any relevant regulatory bodies in 2017.</p>			<p>Beliau tidak mempunyai percanggahan kepentingan atau sebarang hubungan kekeluargaan dengan mana-mana pengarah/pemegang saham.</p> <p>Beliau tidak pernah disabitkan dengan apa-apa kesalahan dalam tempoh lima (5) tahun yang lalu dan tidak dikenakan sebarang sekatan oleh mana-mana badan pengawalseliaan yang relevan pada tahun 2017.</p> <p>He does not have any conflict of interest or any family relationship with any other director and/or major shareholders.</p> <p>He has not been convicted of offences within the past 5 years nor he has been publicly sanctioned by any relevant regulatory bodies in 2017.</p>	

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MASAAT AWADZ

- Penanggung Tugas Presiden/
Ketua Pegawai Eksekutif
Covering Duties for President/
Chief Executive Officer
- Ketua Pegawai Kewangan
Chief Finance Officer

MASAAT AWADZ

Tanggungjawab Responsibilities

Penanggung Tugas Presiden/Ketua Pegawai Eksekutif (Tarikh lantikan: 1 September 2017)
Covering Duties for President/Chief Executive Officer (Date appointed: 1 September 2017)

Meningkatkan prestasi kedudukan Bank Positioning of the Bank

- Bertanggungjawab dalam menyelaraskan semula matlamat operasi dan kewangan Bank dengan menambahbaik proses, modal insan dan strategi pemasaran serta memastikan perkhidmatan cekap disediakan Bank kepada pelanggan
- Responsible in re-aligning the Bank's operational and financial goals via improvement in the processes, people and market strategies and to ensure efficient service is provided by the Bank to clients and customers

Perancangan strategik perniagaan bagi mewujudkan agenda pertumbuhan yang mantap

Strategic business planning for establishing high growth agenda

- Membangunkan strategi perniagaan yang berterusan dengan sokongan kakitangan yang utuh dan berkebolehan demi mencapai sasaran prestasi Bank, sejajar dengan segmen, pelanggan/produk
- Develop a continuous business strategy with the support of strong capable team in achieving the Bank's performance target in line with the intended targeted segments, clients/products
- Mengenalpasti strategi Bank untuk pemasaran, peningkatan imej, pengurusan risiko dan penambahbaikan teknologi yang berterusan.
- Identify alliances and strategies for marketing, image-building, risk management and continued technology upgrade
- Memastikan kepuasan yang positif bagi aspek seperti reputasi Bank, keberuntungan, pelanggan, pekerja dan pemegang saham
- Ensure positive satisfaction in the areas such as Bank's reputation, profitability, customer, employer and shareholder satisfaction
- Merangka undang-undang dan peraturan Bank bagi urusniaga kewangan dan lain-lain fungsi Bank
- Formulate rules and regulation for the Bank regarding financial transaction and other important functions

Melaksanakan strategi pertumbuhan Bank dan mencapai sasaran pasaran

Effectively implement the Bank's growth strategy and achieve market leadership

- Memastikan keberkesanan integrasi dan memastikan kesemua produk dan perkhidmatan selaras dengan falsafah dan sistem nilai Bank
- Ensure the successful integration and offering of all business products and services is aligned to the Bank's philosophy and value system

Menyediakan kepimpinan dinamik dan melahirkan kakitangan yang bermotivasi tinggi dan berorientasikan prestasi

Provide dynamic leadership and develop a highly motivated performance oriented team

- Memimpin perubahan pada budaya, ideologi dan nilai sedia ada Bank dengan peningkatan prestasi pekerja di semua peringkat
- Lead the change of promoting common culture, ideology and values within the Bank with improved performance of the employees at all levels
- Membangunkan dan mengekalkan pertumbuhan prestasi kakitangan, menyemai budaya berorientasikan prestasi, menjalankan semakan berkala bagi menilai prestasi dan memastikan tindakan pembetulan diambil demi merealisasikan sasaran dan rancangan strategik
- Develop and retain a high growth team, foster a performance-oriented culture, conduct periodical reviews to evaluate performance and ensure corrective action is taken to achieve strategic plans and milestones
- Mernantau fungsi pelbagai jabatan/bahagian di Bank dan memastikan kesemuanya menjalankan tanggungjawab dengan baik
- Monitor the functions of various departments/divisions of the Bank and ensure all of them are working on the right track

Mengurus persekitaran luaran

Manage the external environment

- Mewujudkan dan mengekalkan hubungan baik dengan pihak berkepentingan, pengawal selia, institusi dan pemimpin dalam sektor perkhidmatan kewangan bagi memperkuuhkan nama Bank
- Establish and maintain effective relationships with stakeholders, regulators, institutions and leaders in the financial services to strengthen the Bank's brand name
- Bergerak aktif dalam semua forum, perdebatan dan perbincangan dalam sektor perkhidmatan kewangan bagi meningkatkan nama dan imej Bank
- Participate actively in all financial services sector forums, debates and discussion to build the presence and image of the Bank
- Memastikan pulangan dan keuntungan Bank sejajar dengan inisiatif Tanggungjawab Sosial Korporat demi mendukung imej Bank di mata pihak awam sebagai organisasi korporat yang berdasarkan nilai
- Ensure that the Bank's returns go hand in hand with CSR (Corporate Social Responsibility) initiatives in order to uphold the Bank's image to the public as a value-based corporate organisation

Ketua Pegawai Kewangan (Tarikh lantikan: 1 Januari 2017)

Chief Finance Officer (Date appointed: 1 January 2017)

- Bertanggungjawab menyelia semua hal ehwal kewangan, operasi perakaunan, perolehan serta pengurusan data Bank; dan memberikan khidmat nasihat kepada Pengurusan bagi fungsi tersebut dalam membantu mendukung proses membuat keputusan yang tepat dan sewajarnya
- Responsible for overseeing all financial matters, accounting operations, procurement and data management of the Bank; and provide advisory services to the Management in relation to those functions in order to support proper and accurate decision making process
- Mematuhi secara am prinsip perakaunan, cukai dan pengawalseliaan undang-undang dan peraturan serta semua aspek yang melangkaui fungsi tradisional perakaunan tempatan seperti IFRS, Risiko Negara, Kemampuan Bayar dan Basel dalam menyampaikan gambaran tepat mengenai kedudukan kewangan Bank pada setiap masa
- Adhere to all related, generally accepted accounting principles, tax and regulatory laws, rules and regulations as well as areas beyond traditional local accounting functions such as IFRS, Country Risk, Solvency and Basel, to adequately and accurately reflect the financial position of the Bank at all times

- Merangka strategi kewangan dan melaksanakan pelan yang efektif bagi memaksimumkan kelebihan persaingan dan keberkesanan kos; menambahbaik proses bahagian dan merangka objektif fungsian yang sejajar dengan matlamat Bank
- Develop financial strategies and execute effective plans to ensure maximum competitive advantage and cost effectiveness; to improvise division processes and establishing functional objectives in line with the Bank's objectives

- Menyalurkan maklumat kewangan yang penting, tepat dan memenuhi kehendak laporan yang pelbagai bagi Pengurusan, Lembaga Pengarah dan pihak berkepentingan
- Communicate important, accurate financial information and accommodate different reporting requirements to management, Board of Directors and stakeholders

Jawatan terdahulu di Agrobank Previous positions held in Agrobank

- Pemangku Ketua Pegawai Kewangan
Acting Chief Finance Officer, Agrobank
- Ketua Jabatan Perakaunan
Head of Accounting
- Ketua Jabatan Pengurusan Pelaporan dan Sistem Maklumat
Head of Management Reporting and Information System
- Pengurus Cawangan bagi beberapa cawangan Agrobank di Malaysia Barat
Branch Manager for various Agrobank branches in West Malaysia

- Ketua Projek Agrobank bagi projek-projek berikut:
Agrobank Project Leader for the following projects:
 - Cukai Barang dan Perkhidmatan (GST)
Goods and Services Tax (GST)
 - Pelaksanaan Piawaian Pelaporan Malaysia
Implementation of Malaysian Reporting Standards
 - Sistem Pengurusan Kewangan dan Pengurusan Data
Financial Management and Data Management System

Kelayakan Qualifications

- Ijazah Sarjana Pentadbiran Perniagaan (Kewangan), Universiti Utara Malaysia (UUM)
Master of Business Administration (Finance), Universiti Utara Malaysia (UUM)
- Ijazah Sarjana Muda Pentadbiran Perniagaan (Kewangan), Universiti Teknologi MARA (UiTM)
Bachelor of Business Administration (Finance), Universiti Teknologi MARA (UiTM)
- Usahawan Profesional Bertauliah (CPE), Institut Pengurusan Malaysia (MIM)
Certified Professional Entrepreneur (CPE), Malaysian Institute of Management (MIM)
- Diploma In Accountancy, Universiti Teknologi MARA (UiTM)
Diploma Perakaunan, Universiti Teknologi MARA (UiTM)

Nota/Note:

- Kamarul Azman Kamarozaman @ Amir dilantik bagi menanggung tugas Ketua Pegawai Kewangan dari 3 Oktober 2017
Kamarul Azman Kamarozaman @ Amir was appointed as Covering Function of Chief Finance Officer on 3 October 2017

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MAD YUSOF YAZID
Ketua Pegawai Perkhidmatan
Chief Services Officer

MAD YUSOF YAZID

Tarikh lantikan Date appointed	20 Julai/July 2015
Tanggungjawab Responsibilities	<ul style="list-style-type: none">Bertanggungjawab terhadap keseluruhan fungsi Perkhidmatan Perniagaan, iaitu Perbankan Pengguna, Perbankan Elektronik, Transaksi Perbankan dan Perkhidmatan (BancaTakaful), dan Pengurusan Perhubungan Pelanggan (Pusat Panggilan) <i>Accountable for overall functions under Business Services i.e. Consumer Banking, Electronic Banking, Transactional Banking and Services (BancaTakaful), and Customer Relation Management (Contact Centre)</i>Menyediakan hala tuju menyeluruh serta memastikan strategi yang berkesan dirangka dan dilaksana bagi memaksimumkan kecekapan keseluruhan fungsi perkhidmatan perniagaan <i>Provide comprehensive direction and ensure effective strategies are developed and implemented to maximise efficiencies of overall functions in business services.</i>Akauntabiliti terhadap belanjawan untuk bahagian dan menguruskan sumber menggunakan kos yang disediakan <i>Full budgetary accountability for divisions and manages resources within cost constraints</i>Bertanggungjawab terhadap perkhidmatan dan operasi perbankan dengan penekanan dalam pengawasan dan kawalan untuk memastikan pertumbuhan yang berterusan bagi portfolio pendapatan berdasarkan fi <i>Responsible for services and banking operation with emphasis on supervision and control to ensure the continued growth of fee-based income portfolio</i>Bertanggungjawab terhadap keseluruhan proses perolehan dan aset, stok serta perkhidmatan logistik untuk menyokong operasi bank <i>Supervise the overall procurement of moveable assets, stocks and logistic services to support the operational activities of the bank</i>Menguruskan pertumbuhan dan prestasi berdasarkan sasaran yang ditetapkan oleh pihak pengurusan <i>Manage the growth on products and performance based on the targets set by the management</i>Mengawasi pengurusan aset dan kemudahan Bank di seluruh negara <i>Oversee the management of Bank's assets and facilities nationwide</i>
Jawatan terdahulu di Agrobank Previous positions held in Agrobank	<ul style="list-style-type: none">Ketua Pegawai Operasi (Julai 2013 – Julai 2015) <i>Chief Operations Officer (July 2013 – July 2015)</i>
Jawatan terdahulu yang disandang Other positions held	<ul style="list-style-type: none">Ketua, Pematuhan Kumpulan, Maybank (Disember 2007 – Julai 2013) <i>Head, Group Compliance, Maybank (December 2007 – July 2013)</i>Ketua, Operasi Malaysia, Maybank (Julai 2002 – Disember 2007) <i>Head, Malaysian Operations, Maybank (July 2002 – December 2007)</i>Bahagian Penyeliaan dan Sokongan Cawangan, Maybank (Jun 1999 – Julai 2002) <i>Branch Supervision and Support Department, Maybank (June 1999 – July 2002)</i>Pengurus Cawangan, Maybank (Disember 1991 – September 1999) <i>Branch Manager, Maybank (December 1991 – September 1999)</i>
Kelayakan Qualifications	<ul style="list-style-type: none">Pegawai Pematuhan Bertauliah, Akademi Antarabangsa Pengurusan Kewangan (2008) <i>Certified Compliance Officer, International Academy of Financial Management (2008)</i>Sijil Undang-undang Islam, Universiti Islam Antarabangsa Malaysia (2010) <i>Certificate in Islamic Law, International Islamic University Malaysia (2010)</i>Ahli Bersekutu, CSI World Headquarters (2011) <i>Associate Member, CSI World Headquarters (2011)</i>Jurulatih Profesional Bertauliah, Program Latihan Jurulatih Diakreditasi ACTP, Persekutuan Jurulatih Antarabangsa (2012) <i>Certified Professional Coach, ACTP-Accredited Coach Training Programme, International Coach Federation (2012)</i>

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**AHMAD SHAHRIL MOHD
SHARIFF**

Ketua Pegawai Perkhidmatan
Kewangan
Chief Financial Services Officer

KHADIJAH ISKANDAR

Ketua Pegawai Risiko
Chief Risk Officer

AHMAD SHAHRI MOHD SHARIFF

Tarikh lantikan Date appointed	17 Ogos/August 2017
Tanggungjawab Responsibilities	<ul style="list-style-type: none"> Mengetengahkan kepimpinan yang berkesan demi memenuhi visi dan misi serta membuat laporan secara berkala tentang pelan atau hala tuju strategik pengurusan perkhidmatan kewangan kepada Presiden/Ketua Pegawai Eksekutif dan Lembaga Pengarah Provide effective leadership in fulfilling the Bank's vision and mission, and report at regular intervals on the strategic plan and direction of financial services management to the President/Chief Executive Officer and the Board of Directors Merangka dan mengkaji keteguhan KPI perniagaan serta prosedur yang mentadbir operasi dan aktiviti perniagaan harian serta keupayaan dalam Bank, termasuk yang berkaitan dengan budaya berprestasi tinggi yang tertumpu ke arah menepati matlamat organisasi dan perniagaan Develop and review robust business KPIs and procedures governing daily business operations and activities and the Bank's internal capabilities, including its high-performance culture focused on meeting organisational and business goals Merumus dan memacu pelaksanaan strategi perniagaan secara keseluruhan, memastikan pelan perniagaan dan pemasaran dijalankan dengan berkesan, <i>turn-around-time</i> (TAT) yang lebih pantas dengan menepati garis masa bersandarkan kawalan yang maksimum dan diukur secara bebas, dan memastikan operasi perniagaan yang kritikal adalah sejajar dengan matlamat perniagaan Bank dalam menzahirkan pertumbuhan aset, deposit, keuntungan, kualiti aset pembiayaan dan lain-lain Formulate and drive the implementation of the overall business strategy, ensure effective execution of business and marketing plans, deliver faster turn-around-time (TAT) within the timeline with maximum controls which are measured independently; and ensure business critical operations are aligned with the Bank's business goals to deliver asset growth, profitability, financing asset quality and others Mengurus dan menggerakkan kesemua portfolio perniagaan serta menyediakan khidmat nasihat perbankan yang memberi nilai tambah dan juga penyelesaian kewangan yang dirangka mengikut kesesuaian agar penjanaan hasil daripada portfolio dapat dioptimumkan Manage and drive all business portfolios, and provide value-added banking advisory and customised financial solutions in order to optimise revenue generation from the portfolio
Jawatan terdahulu di Agrobank Previous positions held in Agrobank	<ul style="list-style-type: none"> Ketua Pegawai Transformasi Chief Transformation Officer
Jawatan terdahulu yang disandang Other positions held	<ul style="list-style-type: none"> Pengerusi Jawatankuasa Teknikal IKP bagi Persatuan Institusi Pembangunan Kewangan Malaysia (ADFIM) Chairman of the DFI Technical Committee of the Association of Development Finance Institutions of Malaysia (ADFIM) Timbalan Pengarah Bank Negara Malaysia selama 16 tahun dengan menggalas pelbagai tugas, termasuk bertanggungjawab terhadap pengawasan mikro, pemantauan kewangan, institusi kewangan bukan bank, dasar kehematan dan kehematan makro serta merupakan pakar risiko Deputy Director of Bank Negara Malaysia for 16 years with various responsibilities including micro-supervision, financial surveillance, non-bank financial institutions, prudential and macro-prudential policies, and risk specialist
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana Muda dalam bidang Kewangan dan Perakaunan, University of Salford, United Kingdom Bachelor in Finance and Accounting, University of Salford, United Kingdom

KHADIJAH ISKANDAR

Tarikh lantikan Date appointed	2 Mei/May 2017
Tanggungjawab Responsibilities	<ul style="list-style-type: none"> Bertanggungjawab mempromosikan amalan pengurusan risiko yang mantap di semua peringkat di dalam Bank Responsible to promote sound risk management practices throughout all levels in the Bank Bertanggungjawab terhadap keseluruhan fungsi dan rangka kerja risiko untuk menyokong pihak pengurusan serta lembaga pengarah dalam melaksanakan pengawasan risiko masing-masing Responsible for overall risk functions and framework to support management and board in performing their respective risk oversight Membangunkan dasar risiko sejajar dengan budaya dan model pengurusan risiko Bank Develop risk policy in line with the Bank's risk culture, appetite and risk management model
Jawatan terdahulu yang disandang Other positions held	<p>Institusi Kewangan/Financial Institutions</p> <ul style="list-style-type: none"> Bank Rakyat: Naib Presiden Kanan, Risiko Kredit (2014 – 2017) Bank Rakyat: Senior Vice President, Credit Risk (2014 – 2017) Al-Khair International Islamic Bank: Ketua, Pengurusan Risiko (2008 – 2014) Al-Khair International Islamic Bank: Head, Risk Management (2008 – 2014) Hong Leong Islamic Bank: Ketua, Kredit Perbankan Islam (2007 – 2008) Hong Leong Islamic Bank: Head, Islamic Credit (2007 – 2008) RHB Islamic Bank : Ketua, Pengurusan Kredit (2005 – 2007) RHB Islamic Bank : Head, Credit Management (2005 – 2007) RHB Bank Bhd: Pengurusan Perhubungan Kanan, Bahagian Perbankan Korporat (1994 – 2004) RHB Bank Bhd: Senior Relationship Management in Corporate Banking Division (1994 – 2004) <p>Lain-lain/Others</p> <ul style="list-style-type: none"> Jurulatih IBFIM Akreditasi dalam Pengurusan Risiko Perbankan Islam, Pembiayaan Perniagaan Perbankan Islam dan Operasi Perbankan Islam Accredited IBFIM Trainer in Islamic Risk Management, Islamic Business Financing and Islamic Banking Operation Pakar bagi Pengurusan Risiko IBFIM dan Perniagaan Modul e-pembelajaran Islam Subject Matter Experts (SME) for IBFIM's Risk Management and Islamic Business Financing e-learning modules Penulis "Pengurusan Risiko dalam Institusi Perbankan Islam" (diterbitkan oleh IBFIM pada tahun 2014) Author for "Risk Management in Islamic Financial Institutions" (published by IBFIM in 2014) Moderator bagi Sijil Kelayakan Kewangan Islam (CFQ) 2011 External moderator of Certified Islamic Finance Qualification (CFQ) 2011 Pakar dalam Industri Profesional - Certified Credit Professional-Islamic (CCP-i) 2010 Industry expert in the moderation of Certified Credit Professional - Islamic (CCP-i) 2010
Kelayakan Qualifications	<ul style="list-style-type: none"> Sarjana Muda Sains Perakaunan, University of Denver, Colorado Bachelor of Science in Accounting, University of Denver, Colorado Pengamal Kredit Profesional yang berkelayakan Certified Credit Professional

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JASNI MOHAMED YUSOFF

Ketua Pegawai Kredit
Chief Credit Officer

**ABDUL KHALIF MOHAMMAD
SALLEH**

Ketua Pegawai Sumber Manusia
Chief Human Resource Officer

JASNI MOHAMED YUSOFF

Tarikh lantikan Date appointed	11 Januari/January 2016
Tanggungjawab Responsibilities	<ul style="list-style-type: none"> Mengawasi fungsi kelulusan kredit serta penyeliaan kredit di seluruh Bank <i>Oversee Bank-wide credit approval and post approval review function</i> Merancang, mengetuai, mengarah dan mengawal aktiviti kredit serta penilaian untuk Bahagian Plan, lead, direct and control credit management activities for the Division Menilai kesempurnaan keseluruhan portfolio pembiayaan, memastikan dasar dan prosedur kredit diikuti dan kredit diberi atas dasar selamat untuk berbuat demikian <i>Assess overall soundness of the financing portfolio, ensure that credit policies and procedures are adhered to and that credit is extended on a sound basis</i>
Jawatan terdahulu di Agrobank Previous positions held in Agrobank	<ul style="list-style-type: none"> Ketua, Penilaian dan Semakan Semula Kredit Head, Credit Evaluation and Review Ketua, Risiko Kredit dan Pengesahan Cawangan Head, Credit Risk and Branch Authorisation Pemangku Ketua Pegawai Risiko Acting Chief Risk Officer Ketua Penilaian Kredit Head, Credit Appraisal Ketua Projek Kanan Modul Pengurusan Kredit dan Risiko Kredit, Projek Perundingan Teknikal AGROBANK-RABOBANK Senior Project Leader Credit and Credit Risk Management Module, AGROBANK-RABOBANK Technical Consultancy Project Pengurus Kanan Bahagian Penilaian Pinjaman/Penolong Naib Presiden Pinjaman Korporat dan SME Senior Manager Loan Appraisal Division/Assistant Vice President Corporate and SME Loans Pengurus Cawangan di pelbagai cawangan di Sabah dan Sarawak Branch Manager, various branches in Sabah and Sarawak
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana Muda dalam bidang Kajian Sains Alam Sekitar, Universiti Pertanian Malaysia <i>Bachelor of Science in Environmental Studies, Universiti Pertanian Malaysia</i>

ABDUL KHALIF MOHAMMAD SALLEH

Tarikh lantikan Date appointed	1 Disember/December 2014
Tanggungjawab Responsibilities	<ul style="list-style-type: none"> Membentuk dan memimpin sekumpulan para profesional dalam bidang sumber manusia untuk memberi khidmat dan nasihat berkenaan sumber manusia kepada pihak Pengurusan dan kakitangan <i>Develop and lead a team of human resource professionals to provide Human Resources services and advisory to the Management and staff</i> Memainkan peranan sebagai rakan strategik kepada bahagian perniagaan dan sokongan dengan memahami isu am dan isu berkaitan industri agar dapat memberikan latihan, rundingan serta sokongan yang diperlukan <i>Serve as a strategic partner to the business and support divisions by understanding general and industry issues in order to provide the required training, consultation and support</i> Memastikan bahawa semua amalan sumber manusia menuruti keperluan berkanun dan mematuhi undang-undang yang berkaitan <i>Ensure that all human resource practices adhere to statutory requirements and comply with the relevant laws</i>
Jawatan terdahulu yang disandang Other positions held	<ul style="list-style-type: none"> Pengurus Penjagaan Kesihatan Kumpulan, Sumber Manusia dan Pemasaran, TDM Berhad <i>Group Manager Healthcare, Human Resource and Marketing, TDM Berhad</i> Pengurus Kumpulan, Sumber Manusia, TDM Berhad <i>Group Manager, Human Resource, TDM Berhad</i> Pengurus Sumber Manusia, Q-Intell Sdn Bhd <i>Human Resource Manager, Q-Intell Sdn Bhd</i> Pengurus Pampasan dan Manfaat, DHL Worldwide Express Sdn Bhd <i>Compensations and Benefits Manager, DHL Worldwide Express Sdn Bhd</i> Penolong Pengurus, RHB Group Berhad <i>Assistant Manager, RHB Group Berhad</i> Eksekutif Sumber Manusia, Pengambilan Pekerja, Proton Berhad Executive, Human Resource Recruitment, Proton Berhad
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana Muda Sastera dalam bidang Sains Politik (Kepujian), Simon Fraser University, Vancouver, Kanada <i>Bachelor of Arts in Political Science (Hons), Simon Fraser University, Vancouver, Canada</i>

PROFIL JAWATANKUASA PENGURUSAN MANAGEMENT COMMITTEE'S PROFILES

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Bagaimana Kami Ditadbir Urus
How We Are Governed

ZAHID AHMAD ZAWAWI

Ketua Pegawai Operasi
Chief Operations Officer

**MOHAMAD TAUFIK
MAHAMAD ZAKARIA**

Pemangku Ketua Pegawai
Transformasi
Acting Chief Transformation
Officer

ZAHID AHMAD ZAWAWI

Tarikh lantikan
Date appointed

23 Julai/July 2015

Tanggungjawab
Responsibilities

- Memperkemas dan memantapkan fungsi operasi, menekankan keberkesanan hal-hal berkaitan operasi pejabat, pemfokusan proses, peningkatan operasi perbankan dan operasi kredit bagi memenuhi objektif serta mewujudkan sinergi yang berkesan di antara Bahagian Pengurusan Operasi dan bahagian-bahagian lain Bank
- Streamline and enhance operational functions, emphasise on the effectiveness of back office and operation matters, centralisation of processes, enhancement of banking operations and credit operations to meet desired result as well as create synergies between Operation Management Division (OMD) and other divisions within the Bank
- Meningkatkan proses perniagaan dan struktur tadbir urus serta kawalan aktiviti bank; penstrukturkan pengurusan operasi, membina dan melaksanakan strategi yang berkesan untuk meningkatkan kecekapan fungsi keseluruhan operasi serta untuk memacu produktiviti, kecekapan, mengurangkan kos dan meningkatkan kepuasan pelanggan
- Improve business processes and governance structure as well as controls of the bank's activities; restructuring operations management, develop and implement effective strategies to maximise the efficiencies of overall functions in operations and to drive productivity, efficiency, reduce cost and enhance customer's experience
- Mengetui Pelan Transformasi Teknologi Maklumat (IT), menekankan operasi IT dan kecekapan perbankan, inovasi serta pelaksanaan perbankan digital
- Spearhead IT Transformation Plan, emphasise on IT operation and banking efficiency, innovation as well as implementation of digital banking

Jawatan
terdahulu di
Agrobank
Previous
positions held
in Agrobank

- Timbalan Ketua Pegawai Operasi
 - Mengetui pelaksanaan Bank sebagai Bank Perbankan Islam Sepenuhnya
- Deputy Chief Operations Officer
 - Spearheaded the implementation of the Bank's Full Fledge Islamic Bank
- Ketua Juruaudit Dalaman
 - Chief Internal Auditor

Jawatan
terdahulu yang
disandang
Other positions
held

- Menubuhkan Jabatan Audit Dalaman di sebuah syarikat modal teroka yang dimiliki sepenuhnya oleh Kementerian Kewangan Diperbadankan
- Set up an Internal Audit Department in a venture capital company fully owned by the Minister of Finance Incorporated
- Pengalaman selama 23 tahun dalam industri perbankan dengan pengkhususan dalam bidang audit, tadbir urus korporat, penyiasatan, kewangan, pengurusan risiko perbankan Islam dan pengurusan operasi perbankan
- Accumulated 23 years of experience in the banking industry specialising in audits, corporate governance, credit operations, investigation, finance, risk management, Islamic banking and banking operations management

Kelayakan
Qualifications

- Seorang aktaun dan ahli Institut Aktaun Malaysia (MIA)
- An accountant by profession and Member, Malaysian Institute of Accountants (MIA)
- Sijil Kepimpinan dalam Perbankan dan Kewangan Islam, Cambridge IF Analytica
- Leadership Certificate in Islamic Banking and Finance by Cambridge IF Analytica
- Ijazah Perakaunan, Universiti Kebangsaan Malaysia
- Degree in Accountancy, Universiti Kebangsaan Malaysia

MOHAMAD TAUFIK MAHAMAD ZAKARIA

Tarikh lantikan
Date appointed

17 Ogos/August 2017

Tanggungjawab
Responsibilities

- Bertanggungjawab untuk keseluruhan fungsi Perancangan Korporat dan Strategik, Perekayaan Proses Perniagaan & Pengurusan Perubahan, Pengurusan Penyelidikan Ekonomi & Industri dan Jabatan Perpendaharaan
- Accountable for the overall functions of Corporate and Strategic Planning, Business Process Re-engineering / Change Management, Economic and Industry Research Management and Treasury Departments

- Menetapkan hala tuju strategik Bank untuk meningkatkan kedudukan secara kompetitif dan keupayaan serantau, menyokong pelaksanaan inisiatif transformasi dan pertumbuhan serta bekerjasama dengan pihak berkepentingan untuk memastikan strategi perniagaan sejajar dengan dasar Bank
- Set the strategic direction of the Bank to improve competitive positioning and regional capabilities, supports the execution of key transformational and growth initiatives, and works closely with key business pillars to ensure business strategies are fully aligned Bank wide
- Membangun dan menerajui transformasi bank, mengawasi transformasi setiap proses perniagaan dan memastikan pencapaian di dalam Pelan Transformasi tercapai
- Develop and spearhead transformation deliverables, oversee the transformation of every business process and ensure milestones within the Transformation Plan are achieved
- Memastikan pelaksanaan organisasi sejajar dengan matlamat dan fokus Bank yang dinyatakan di dalam Rancangan Perniagaan Strategik 2016 – 2020 dan adalah di landasan yang betul dan lengkap mengikut masa yang ditetapkan
- Ensure the implementation of organisational alignment to the Bank's desired outcome and focus area specified in the Strategic Business Plan 2016 – 2020 is on tracked and completed in a timely manner

Jawatan
terdahulu di
Agrobank
Previous
positions held
in Agrobank

Ketua Jabatan Perancangan Korporat & Strategik
Head of Corporate & Strategic Planning Department

- Penyelia Kanan selama 10 tahun di Bank Negara Malaysia (BNM), menyelia konglomerat kewangan tempatan, perbankan Islam, bank tempatan dan bank asing yang diperbadankan
- Senior Supervisor for 10 years with Bank Negara Malaysia (BNM), supervised local financial conglomerates, Islamic and local incorporated foreign banks

- Kelayakan
Qualifications
- Sarjana Muda Perakaunan (Kepujian)
Bachelor in Accounting (Hons.)
- Akauntan Berkanun (Malaysian Institute of Accountant)
Chartered Accountant (Malaysian Institute of Accountant)
- Ahli, Association of Chartered Certified Accountants (ACCA)
Member of Association of Chartered Certified Accountants (ACCA)
- Ahli Profesional Kewangan Islam Berkanun
Chartered Islamic Finance Professional

PROFIL JAWATANKUASA SYARIAH

SHARIAH COMMITTEE'S PROFILES

PROF. MADYA DR. MOHAMED FAIROOZ ABDUL KHIR

Tarikh pelantikan Date appointed	1 Ogos/August 2012
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Kedoktoran Syariah (Fiqh, Usul al-Fiqh dan Kewangan Islam), Universiti Malaya PhD in Shariah (Fiqh, Usul al-Fiqh and Islamic Banking), University of Malaya Ijazah Sarjana Syariah, Universiti Malaya Masters in Shariah, University of Malaya Ijazah Sarjana Muda dalam Ilmu Wahyu dan Warisan Islam, Universiti Islam Antarabangsa Malaysia Bachelors in Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia <p>Beliau turut mendalami ilmu Syariah di bawah bimbingan ulama terkemuka Jordan. Selain itu, beliau telah dianugerahkan Anugerah Biasiswa Syariah oleh Bank Negara Malaysia (BNM) untuk kajian PhD dalam bidang kewangan Islam He has also studied Shariah in Jordan under prominent Jordanian Shariah scholars. He was conferred the Shariah Scholarship Award by Bank Negara Malaysia (BNM) for his PhD study in Islamic finance</p>
Pengalaman Experience	<ul style="list-style-type: none"> Ahli Jawatankuasa Syariah, Maybank Islamic Berhad Member, Shariah Committee, Maybank Islamic Berhad Ahli Jawatankuasa Syariah, MNRB Retakaful Member, Shariah Committee, MNRB Retakaful Ahli Jawatankuasa, Penasihat Syariah, Suruhanjaya Sekuriti Malaysia Member, Shariah Advisory Council, Securities Commission, Malaysia Ahli Jawatankuasa Pematuhan Syariah, Lembaga Pertubuhan Peladang Malaysia Member, Shariah Compliance Committee, Farmers' Organisation Authority of Malaysia Penasihat Syariah Skim Unit Amanah Islam dan Sekuriti Patuh Syariah (Sukuk) Malaysia Shariah Advisor, Islamic Unit Trust Schemes and Islamic Securities (Sukuk), Securities Commission, Malaysia Prof. Madya, Universiti Islam Antarabangsa, Malaysia Associate Professor, International Islamic University Malaysia Mantan Ahli Jawatankuasa Syariah MIDF Islamic Assets Former Shariah Committee member of MIDF Islamic Assets Mantan Penyelidik, Akademi Penyelidikan Syariah Antarabangsa bagi Kewangan Islam (ISRA) Former Researcher, International Shariah Research Academy (ISRA) Mantan Pensyarah Jabatan Ilmu Wahyu Islam dan Sains Kemanusiaan, Pusat Asasi, Universiti Islam Antarabangsa Malaysia Former Lecturer, Department of Islamic Revealed Knowledge and Human Sciences, Center for Foundation Studies, International Islamic University Mantan Ketua Unit Perbankan Islam, Akademi Penyelidikan Syariah Antarabangsa bagi Kewangan Islam (ISRA) Former Head of Islamic Banking Unit, International Shariah Research Academy (ISRA)
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PROF. MADYA DR. ATIKULLAH HAJI ABDULLAH

Tarikh pelantikan Date appointed	1 Januari/January 2006
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Kedoktoran dalam Pengajian Islam, Birmingham University, United Kingdom PhD in Islamic Studies, Birmingham University, United Kingdom Ijazah Sarjana dalam Pengajian Islam, Birmingham University, United Kingdom Masters in Islamic Studies, Birmingham University, United Kingdom Ijazah Sarjana Muda Syariah, Universiti Malaya Bachelors in Shariah, University of Malaysia
Pengalaman Experience	<ul style="list-style-type: none"> Prof. Madya, Institut Pengajian Islam, Universiti Sains Malaysia (Mengajar Undang-undang Islam, Muamalat, Fiqh dan Ekonomi Islam) Associate Professor at Islamic Studies Institute, Universiti Sains Malaysia (Teaching Islamic Law, Muamalat, Fiqh and Islamic Economy) Ahli Panel Majlis Fatwa Pulau Pinang Panel Member of Pulau Pinang Fatwa Council



**PROF. MADYA DR.
MOHAMED FAIROOZ ABDUL
KHIR**

Pengerusi
Chairman

**PROF. MADYA DR.
ATIKULLAH HAJI ABDULLAH**

Ahli
Member

PROFIL JAWATANKUASA SYARIAH

SHARIAH COMMITTEE'S PROFILES

DR. MOHAMAD SABRI ZAKARIA

Tarikh pelantikan Date appointed	1 Jun/June 2013
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Kedoktoran dalam Fiqh dan Usul Fiqh, Universiti Islam Antarabangsa Malaysia PhD in Shariah (Fiqh and Usul Fiqh), International Islamic University Malaysia Ijazah Sarjana dalam Pengajian Islam, Universiti Yarmouk, Jordan Masters in Islamic Studies, Yarmouk University, Jordan Ijazah Sarjana Muda Syariah, Universiti Al-Azhar, Mesir Bachelors in Shariah, Al-Azhar University, Egypt
Pengalaman Experience	<ul style="list-style-type: none"> Perunding Syariah, Great Eastern Takaful Sdn Bhd Shariah Consultant, Great Eastern Takaful Sdn Bhd Perunding Syariah, Kumpulan MIDF Shariah Consultant, MIDF Group Mantan perunding Syariah di Export Import Bank of Malaysia Berhad Former Shariah Consultant, Export-Import Bank of Malaysia Berhad <p>Dr. Mohamad Sabri Zakaria adalah ahli akademik yang memfokuskan pengajaran, pengawasan serta berpengalaman menghasilkan pelbagai artikel yang berkaitan dengan perbankan dan isu-isu kontemporari Islam Dr. Mohamad Sabri Zakaria is an academician who concentrates on teaching, supervision and producing articles related to banking and Islamic contemporary issues</p>

Y.M. ENGKU AHMAD FADZIL Y.M. ENGKU ALI

Tarikh pelantikan Date appointed	1 Jun/June 2015
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana dalam Kehakiman Islam, Universiti Jordan Masters in Islamic Judiciary, Jordan University Ijazah Sarjana Muda Undang-undang Syariah, Universiti Islam Antarabangsa Malaysia Bachelors in Shariah Law, International Islamic University Malaysia Ijazah Sarjana Muda Undang-undang, Universiti Islam Antarabangsa Malaysia Bachelors in Law, International Islamic University Malaysia
Pengalaman Experience	<ul style="list-style-type: none"> Felo di Institut Kajian Strategik Islam Malaysia (IKSIM) Senior Fellow at Institut Kajian Strategik Islam Malaysia (IKSIM) Mantan Pensyarah di Universiti Islam Antarabangsa Malaysia (Undang-undang harta pusaka (faraid), Perundangan Islam dan Undang-Undang Jenayah Islam) Former Lecturer, International Islamic University Malaysia (Islamic Law of Successions, Islamic Jurisprudence and Islamic Criminal Laws) Mantan Pegum Bela dan Pegum Cara di Mahkamah Tinggi Malaysia Former Advocate and Solicitor, High Court of Malaysia



**DR. MOHAMAD SABRI
ZAKARIA**
Ahli
Member

**Y.M. ENGU AHMAD FADZIL
Y.M. ENGU ALI**
Ahli
Member

PROFIL JAWATANKUASA SYARIAH

SHARIAH COMMITTEE'S PROFILES

TUAN HAJI AZIZI CHE SEMAN

Tarikh pelantikan Date appointed	1 Jun/June 2015
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana dalam Ekonomi, Universiti Islam Antarabangsa Malaysia Masters in Economics, International Islamic University Malaysia Ijazah Sarjana Muda dalam Pengajian Islam, Universiti Malaya Bachelor's in Islamic Studies, University of Malaya
Pengalaman Experience	<ul style="list-style-type: none"> Pengerusi Penasihat Syariah bagi Persatuan Institusi Perbankan Islam Malaysia (AIBIM) Chairman, Sharia Advisor, Association of Islamic Banking Institutions Malaysia (AIBIM) Pengerusi Penasihat Syariah, Islamic Banking and Finance Institute Malaysia Chairman, Sharia Advisor, Islamic Banking and Finance Institute Malaysia (IBFIM) Pengerusi, Jawatankuasa Syariah di Bank Muamalat Malaysia Berhad Chairman, Sharia Committee, Bank Muamalat Malaysia Berhad Pensyarah, Jabatan Syariah dan Ekonomi, Akademi Pengajian Islam, Universiti Malaya Lecturer, Department of Shariah and Economics, Academy of Islamic Studies, University of Malaya <p>Tuan Haji Azizi Che Seman merupakan pakar di dalam bidang Pasaran Modal Islam, Ekonomi Islam, Fiqh Muamalat dan Penyelidikan Metodologi Islam Tuan Haji Azizi Che Seman's specialisation areas are in Islamic Capital Market, Islamic Economics, Fiqh Muamalat and Islamic Research Methodology</p>

TUAN HAJI JAHAIIDI HARUN

Tarikh pelantikan Date appointed	1 Jun/June 2015
Kelayakan Qualifications	<ul style="list-style-type: none"> Ijazah Sarjana Muda Ekonomi, Universiti Malaya Bachelor in Economics, University of Malaya
Pengalaman Experience	<ul style="list-style-type: none"> Mantan Ketua, Pengurusan Strategik dan Pembangunan Produk, Maybank Syariah Indonesia Former Head, Strategic Management and Product Development, Maybank Syariah Indonesia Mantan Pengurus Projek bagi penukaran PT Maybank Indocorp kepada PT Maybank Syariah Indonesia Former Project Manager - Conversion of PT Maybank Indocorp to PT Maybank Syariah Indonesia (MSI), Maybank Mantan Ketua Pengurusan Risiko, Maybank Islamic Berhad Former Head of Risk Management, Maybank Islamic Berhad Mantan Ketua Jualan, Korporat dan Komersial, Maybank Islamic Berhad Former Head of Sales, Corporate and Commercial, Maybank Islamic Berhad Mantan Pengurus Projek bagi penukaran Bahagian Perbankan Islam kepada Maybank Islamic Berhad, Maybank Former Project Manager - Conversion of Maybank Islamic Division to Maybank Islamic Berhad (MIB), Maybank Mantan Ketua Jualan, Bahagian Perbankan Islam, Maybank Former Head of Sales, Islamic Banking Division, Maybank Mantan Pengurus Cawangan, Ketua Perniagaan Komersial (Perak), Maybank Former Head of Commercial Business (Perak), Maybank <p>Tuan Haji Jahaidi Harun mempunyai pengalaman yang luas dalam industri perbankan Islam di Malaysia dan Indonesia Tuan Haji Jahaidi Harun is highly experienced in the Islamic banking industry in Malaysia and Indonesia</p>



TUAN HAJI AZIZI CHE SEMAN

Ahli
Member

TUAN HAJI JAHIDI HARUN

Ahli
Member



ZARIDA ZAKARIA
Pemilik/Owner
Sinar ZZ Enterprise

Pelanggan Agrobank sejak tahun 2009
Agrobank's customer since 2009

Agrobank Makanan
BERSEJARAH DAN BERKUALITI
SEJAK 1952
PINANG

PEMPROSESAN ASAS TANI ADALAH DINAMIK!

AGRO-BASED PROCESSING IS DYNAMIC!

Industri asas tani merangkumi pelbagai kegiatan pertanian seperti pemprosesan makanan, pembuatan produk dari komoditi pertanian seperti tanaman kontan dan komoditi industri seperti minyak kelapa sawit, getah serta produk-produk ternakan dan akuakultur. Memandangkan sektor pertanian Malaysia berkait rapat dengan industri makanan dan minuman (F&B), Kementerian Pertanian komited dalam mentransformasikan sektor asas tani negara menjadi sebuah industri yang moden, dinamik dan berdaya saing dalam usaha menggiatkan industri pertanian dan menjadikan pemprosesan hiliran satu sektor ekonomi yang berkembang maju. **Agrobank menawarkan satu platform Khidmat Nasihat bagi memperkasakan pengusaha pasaran kecil dan pengusaha pertanian dalam membangunkan strategi-strategi pemasaran yang berkesan untuk memasarkan produk-produk makanan asas tani mereka.**

The agro-based industry covers a wide range of activities under agriculture from food processing, manufacturing of products from agricultural commodities that includes cash crops and industrial commodities such as palm oil, rubber as well as livestock and aquaculture products. As Malaysia's agriculture sector is closely linked with the Food and Beverages (F&B) industry, the Ministry of Agriculture and Agro-based Industry (MOA) is committed to transform Malaysia's agro-based sector into a modern, dynamic and competitive industry to revitalise agriculture and make downstream processing a vibrant sector of the economy.

Agrobank offers an Advisory Services platform to empower small market farmers and agricultural entrepreneurs in developing effective marketing strategies to market their agro-based F&B products.

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Agrobank sesungguhnya berlitzam mengekalkan rangka kerja tadbir urus korporat terbaik, sejajar dengan piawaian antarabangsa dan keperluan undang-undang. Lembaga Pengarah memperakui kepentingan tadbir urus korporat yang mantap dalam melaksanakan tugas dan tanggungjawab pemegang amanah demi mencapai misi korporat Agrobank dan meningkatkan nilai para pemegang sahamnya berdasarkan prinsip Perantaraan Berasaskan Nilai (VBI) yang diterapkan oleh Agrobank. Sebagai Institusi Kewangan Pembangunan (IKP), Lembaga Pengarah dipandu oleh prinsip yang ditetapkan dalam Garis Panduan Tadbir Urus Korporat Bank Negara Malaysia (BNM) di bawah Akta Institusi Kewangan Pembangunan (Pindaan) 2015 (AIKP).

Menurut Garis Panduan BNM, tadbir urus korporat ditakrifkan sebagai suatu proses dan struktur yang digunakan bagi menentukan halatuju dan menguruskan perniagaan serta hal-ehwal bank demi meningkatkan kemajuan perniagaan dan kebertanggungjawaban korporat dengan objektif utama bagi merealisasikan nilai pemegang saham dalam jangka masa panjang, dengan turut mengambil kira kepentingan pihak berkepentingan yang lain.

Garis panduan ini berperanan memastikan Bank diurus secara mantap, lantas menjamin kekuahan dan kelestariannya, mengimbangi perniagaan berhemat dengan pengambilan risiko, dan dilindungi daripada salah urus atau aktiviti penipuan demi membantu pihak pengurusan mencapai objektif sosioekonomi, di samping menjamin kemampunan kewangan Bank.

Berdasarkan garis panduan ini, Lembaga Pengarah secara proaktif terus merangka Piagam yang menggariskan komposisi, peranan dan tanggungjawabnya dengan jelas. Sejak piagam ini diluluskan oleh Lembaga Pengarah pada 28 November 2008, piagam ini telah ditambah baik sebanyak lima kali. Versi yang terkini berkuat kuasa bermula Januari 2017.

Struktur Tadbir Urus Korporat

Di Agrobank, rangka kerja tadbir urus korporat yang menyeluruh memainkan peranan penting dalam budaya, amalan perniagaan dan pematuhan terhadap kawal selia. Secara intrinsiknya, amalan tadbir urus korporat Agrobank dibina untuk mewujudkan kesan yang positif dan kelestarian dalam kehidupan para pelanggan, rakan niaga, kakitangan, komuniti dan persekitaran di mana Agrobank beroperasi; menggambarkan teras utama VBI.

Demi memenuhi kepentingan para pemegang saham dan pihak berkepentingan yang lain, model dan rangka kerja tadbir urus korporat Agrobank sentiasa dikaji semula, dinilai dan ditambah baik secara berterusan. Lembaga Pengarah bertindak secara proaktif dalam menerima pakai dasar dan amalan tadbir urus yang telah dirangka bagi menjajarkan kepentingan Lembaga Pengarah dan pihak pengurusan dengan kepentingan para pemegang saham serta pihak berkepentingan yang lain. Ini adalah untuk menggalakkan piawaian tertinggi dalam tatalaku beretika serta pengurusan risiko di setiap peringkat organisasi.

Agrobank is committed to maintain the best-in-class corporate governance framework which is aligned with international standards and legal requirements. In support of this objective, the Board of Directors (“the Board”) of Agrobank recognises the importance of sound corporate governance in discharging its fiduciary duties and responsibilities towards achieving Agrobank’s corporate mission and enhancing its shareholder value based on the Value Based Intermediation (“VBI”) principles adopted by Agrobank. As a development financial institution (“DFI”), the Board is guided by the principles set out in Bank Negara Malaysia (“BNM”’s Guidelines on Corporate Governance under the Development Financial Institutions (Amended) Act 2015.

Corporate governance is defined by BNM’s guidelines as being a process and structure used to direct and manage the business and affairs of an institution towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, while taking into account the interest of other stakeholders.

These guidelines serve to ensure that Agrobank is being managed in a safe and sound manner, balancing the business prudence with risk-taking, and guarding against management or fraudulent activity to help the Bank meets its socio-economic objectives while assuring its financial sustainability.

Based on these guidelines, the Board has developed a charter which outlined its composition, roles and responsibilities. The Charter has been reviewed five times since it was first approved by the Board on 28 November 2008. The most recent version came into effect in January 2017.

Corporate Governance Structure

A comprehensive corporate governance framework plays a key role in Agrobank’s culture, business practices and regulatory compliance. Intrinsically, Agrobank’s corporate governance practices are built on making a positive and sustainable impact in the lives of Agrobank’s customers, suppliers, employees, communities and on the environment in which Agrobank operates; which represents the underpinning thrusts of VBI.

In order to serve the interest of shareholders and other stakeholders, Agrobank’s corporate governance model and framework are subject to on-going review, assessment and improvement. The Board proactively adopts governance policies and practices which are designed to align with the interests of the Board and the Management with those of shareholders and other stakeholders. It is also formulated to promote the highest standards of ethical behaviour and risk management at every level of the organisation.

01

02

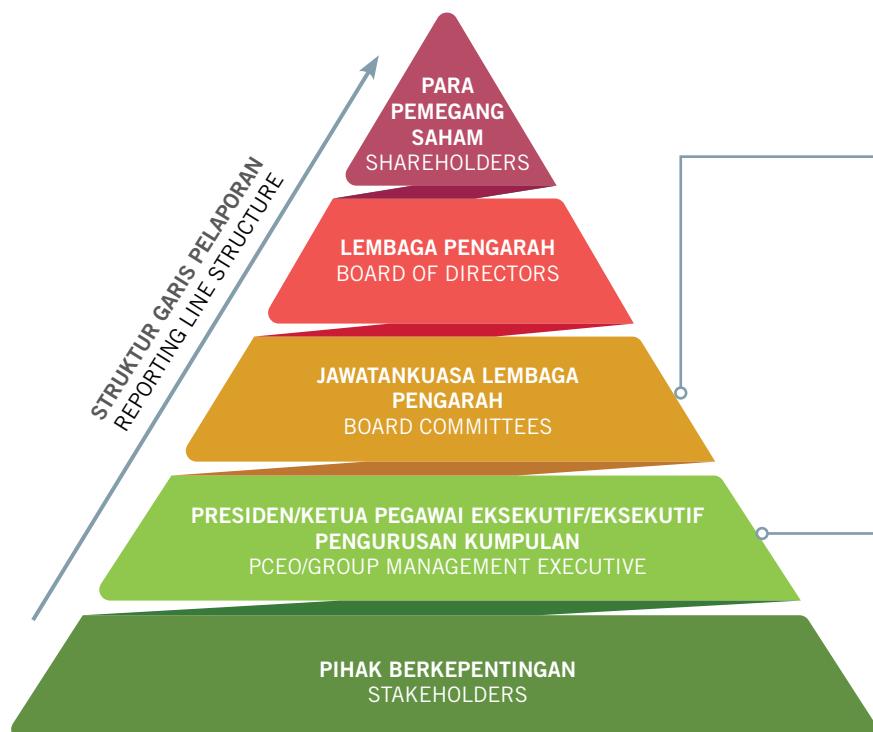
03

04 Bagaimana Kami Ditadbir Urus
How We Are Governed

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Rajah di bawah menunjukkan model dan rangka kerja tadbir urus Agrobank, termasuk Jawatankuasa Lembaga Pengarah dan Pengurusan sedia ada. Lembaga Pengarah boleh membentuk Jawatankuasa lain atau meminta para Pengarah menggalas tugas tambahan tertentu dari semasa ke semasa.



Model tadbir urus korporat diperjelaskan menerusi peraturan dan prosedur dalaman yang teguh, yang mengawal selia cara Agrobank beroperasi sebagai sebuah organisasi dan cara para profesional di Agrobank menjalankan tugas dengan sebaik mungkin. Model tadbir urus ini menghuraikan pembahagian tanggungjawab dalam Agrobank dengan huraian peranan yang dirangka bagi mewujudkan proses yang kukuh lagi cekap. Selaras dengan model ini, Lembaga Pengarah juga beroperasi menerusi beberapa jawatankuasa yang menyelia bidang tanggungjawab khusus.

Struktur tadbir urus korporat Agrobank diterajui oleh Lembaga Pengarah yang diamanahkan dengan tanggungjawab merangka dan menentukan halaju dan strategi Agrobank secara menyeluruh, termasuklah strategi risiko. Seperti yang digambarkan dalam rajah diatas, Lembaga Pengarah disokong oleh Jawatankuasa Kredit dan Pelaburan, Jawatankuasa Pengurusan Risiko, Jawatankuasa Audit, Jawatankuasa Teknologi Maklumat, Jawatankuasa Ganjaran dan Jawatankuasa Pencalonan dalam melaksanakan tugas mereka.

Bidang kuasa jawatankuasa-jawatankuasa ini adalah untuk meningkatkan kecekapan dan keberkesanannya fungsi Lembaga Pengarah. Selain itu, ia dapat memastikan ahli Lembaga Pengarah dapat memperuntukkan masa semaksimum mungkin bagi memperhalusi setiap topik dengan lebih terperinci, bagi menguruskan konflik kepentingan dan memastikan dasar dan amalan yang mantap dilaksanakan serta menjamin pemaksimuman nilai bagi pemegang saham dan seterusnya memelihara kepentingan pihak berkepentingan. Fungsi utama Lembaga Pengarah dan setiap Jawatankuasa Lembaga Pengarah digariskan pada muka surat berikutnya.

The diagram below shows Agrobank's governance model and framework, including the current Committees of the Board and the Management. The Board may from time to time, form other relevant committee or request directors to undertake specific extra duties.



Agrobank's corporate governance model is articulated through a robust internal rules and procedures that regulate the way Agrobank operates as an organisation and the way its professionals behave. The governance model describes the delegation of responsibilities within Agrobank, with role descriptions designed to create a strong and efficient processes. In accordance with the model, the Board also operates through a number of committees covering certain specific matters.

Agrobank's governance structure is headed by the Board, which has the overall responsibility for guiding and monitoring the overall strategy as well as the risk strategy. As illustrated in the diagram, the Board is supported in carrying out its duties by the Credit and Investment Committee, Risk Management Committee, Audit Committee, Information Technology Committee, Remuneration Committee and Nominating Committee.

The objectives of these committees are to increase the efficiency and effectiveness of the Board and also to allow the Board to make better use of their limited time and reinforce the role of independent directors in managing conflicts of interest, to ensure sound and prudent policies and practices are being implemented and also to ensure the maximisation of shareholders' values and subsequently safeguarding the stakeholders' interest. The key functions of the Board and each of the Board Committees are deliberated in the subsequent paragraphs.

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Rangka kerja tadbir urus menyediakan pembatasan yang jelas tentang peranan dan tanggungjawab antara Lembaga Pengarah dan Eksekutif Pengurusan demi memupuk persekitaran yang memastikan ketelusan, keyakinan dan saling mempercayai. Dengan ini, Lembaga Pengarah berupaya memberi kritikan secara konstruktif dan memberi panduan kepada pihak Pengurusan. Pihak Eksekutif Pengurusan Kanan terdiri daripada Presiden/Ketua Pegawai Eksekutif, Ketua Pegawai Kewangan, Ketua Pegawai Risiko, Ketua Pegawai Perkhidmatan, Ketua Pegawai Transformasi, Ketua Pegawai Kredit, Ketua Pegawai Sumber Manusia, Ketua Pegawai Operasi, Ketua Pegawai Perkhidmatan Kewangan dan Ketua Audit Dalaman. Ahli Eksekutif Pengurusan Kanan bertanggungjawab untuk menentukan hala tuju strategik Agrobank dan juga memastikan arahan serta keputusan Lembaga Pengarah dilaksanakan secara terperinci. Presiden/Ketua Pegawai Eksekutif dan Ahli Eksekutif Pengurusan Kanan mempunyai mandat bertulis yang menghuraikan peranan, tanggungjawab dan kemampuan yang diperlukan bagi jawatan mereka.

Seiring dengan sifat, saiz dan kerumitan operasi Agrobank yang kian berkembang maju, skop dan kecanggihan rangka kerja tadbir urus korporat yang sepadan dibangunkan. Lembaga Pengarah juga menyedari bahawa Agrobank beroperasi dalam persekitaran global yang semakin berkembang, pengawalseliaan yang sentiasa berubah, serta tumpuan yang kian meningkat terhadap penglibatan dan kebertanggungjawaban pihak berkepentingan. Berpaksikan matlamat ini, Agrobank sentiasa berusaha membangunkan dan menambah baik rangka kerja tadbir urus korporatnya agar ia seiring dengan amalan terbaik, perubahan yang berlaku dipersekitaran bisnes Agrobank, dan faktor luaran yang lain.

Komposisi dan Keseimbangan Lembaga Pengarah

Agrobank memantapkan komposisi Lembaga Pengarah dengan pelantikan dua pengarah baharu susulan peletakan jawatan seorang pengarah. Tahun 2017 juga menyaksikan perletakan jawatan oleh Presiden/Ketua Pegawai Eksekutif berikutnya penamatian tempoh kontraknya.

Pengarah bukan eksekutif menyumbang keseimbangan kepada Lembaga Pengarah, yakni dengan mengurangkan percanggahan kepentingan antara proses pembuatan dasar dan pengurusan Agrobank; manakala pengarah bebas pula berperanan memastikan Agrobank beroperasi secara terjamin dan mantap serta menyumbangkan perspektif baharu bagi meningkatkan lagi keberkesanannya Lembaga Pengarah.

Komposisi Lembaga Pengarah menepati keperluan BNM yang memerlukan Lembaga Pengarah untuk mempunyai sekurang-kurangnya tujuh orang ahli, yang mana majoritinya hendaklah terdiri daripada pengarah bebas dan sekurang-kurangnya tiga pengarah (tidak termasuk Ketua Pegawai Eksekutif) mestilah mempunyai pengalaman dalam bidang perbankan/perakaunan. Oleh itu, secara keseluruhannya, Lembaga Pengarah memiliki jalinan kecekapan teras dalam bidang kewangan, perakaunan, perundangan, pengurusan perniagaan, teknologi maklumat (IT), pengurusan pelaburan dan pertanian serta pengetahuan mengenai pasaran dan sektor sasaran Agrobank.

The governance framework provides a clear demarcation of roles and responsibilities between the Board and the Management Executive that fosters an environment of transparency, confidence and mutual trust in which the Board is able to constructively challenge and provide guidance to the Management. The Senior Management Executive comprised the President/Chief Executive Officer, the Chief Finance Officer, the Chief Risk Officer, the Chief Services Officer, the Chief Transformation Officer, the Chief Credit Officer, the Chief Human Resources Officer, the Chief Operations Officer, the Chief Financial Services Officer and also the Chief Internal Auditor. The Senior Management Executive members are accountable in developing the strategic direction of Agrobank and also responsible in ensuring that the Board's decisions and directions are implemented and responded to. The President/Chief Executive Officer and the Senior Management Executive members have a written mandate which outlined their roles, responsibilities and the required capabilities of their positions.

The scope and sophistication of the corporate governance framework is proportionate to Agrobank's nature, size and complexity. The Board also recognises that Agrobank is operating in an evolving global environment of diverse expectations, constant regulatory change, and increasing focus on stakeholder engagement and accountability. Towards this end, Agrobank continually seeks to develop and improve its corporate governance framework in light of changes in Agrobank's businesses, best practices and the external environment.

Board Composition and Balance

Agrobank refreshed the composition of the Board with the appointment of two new directors following the resignation of one director. The year under review also saw the resignation of the President/Chief Executive Officer due to expiry of his contract.

The non-executive directors provide a balance to the Board, mitigating any possible conflict of interest between the policy-making process and the day-to-day management of Agrobank; while the independent directors provide the necessary checks and balances to ensure Agrobank operates in a safe and sound manner and bring in new perspective to further elevate the effectiveness of the Board.

The Board's composition meets BNM's requirement of which a minimum of seven Board members of whom a majority should be independent directors and at least three directors (excluding the CEO) must have banking/accounting experience. Accordingly, the Board as a whole comprises a mix of core competencies in finance, accounting, legal, business management, information technology, investment management and agriculture as well as knowledge of bank's target markets and sectors.

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Komposisi Lembaga Pengarah yang sedia ada berkesan dalam menyediakan halatuju dan panduan kepada pihak pengurusan, memenuhi Prinsip 2, Garis Panduan Tadbir Urus Korporat BNM bagi IKP. Lembaga Pengarah bermesyuarat sekurang-kurangnya sebulan sekali.

Peranan dan Tanggungjawab Lembaga Pengarah

Tanggungjawab utama Lembaga Pengarah adalah menyelia strategi perniagaan dan keteguhan kewangan, keputusan penting berkenaan kakitangan, organisasi dalaman dan struktur tadbir urus serta pengurusan risiko dan obligasi Agrobank pada pematuhan. Seiring dengan perubahan Agrobank yang menjadi institusi perbankan Islam sepenuhnya pada Julai 2015, Lembaga Pengarah turut memainkan peranan yang lebih besar dengan dipertanggungjawabkan dan bertanggungjawab terhadap keseluruhan rangka kerja tadbir urus Syariah dan pematuhan Syariah oleh Agrobank.

Antara peranan dan tanggungjawab Lembaga Pengarah termasuk:

- Menyelia hal-ehwal Agrobank dengan cekap bagi memastikan pengurusan Agrobank yang teguh demi melindungi kepentingan pendeposit dan pihak berkepentingan.
- Menyelia perkembangan dan meluluskan objektif perniagaan Agrobank serta strategi jangka pendek dan jangka panjangnya, di samping memastikan keberkesanannya pelaksanaan strategi.
- Memastikan keberkesanannya pelaksanaan rangka kerja tadbir urus Agrobank dan kebolehgunaannya dengan mengambil kira perubahan dinamik dalam landskap dan peraturan kewangan yang boleh memberi kesan ketara ke atas strategi perniagaan dan operasi Agrobank.
- Menetapkan kesanggupan Agrobank dalam menanggung risiko berdasarkan saranan oleh Pihak Eksekutif Pengurusan Kanan dan Ketua Pegawai Risiko, dengan mengambil kira landskap kewangan dan kawal selia yang kompetitif serta kekuahan kewangan Agrobank, pendedahan pada risiko dan keupayaan bagi mengurus risiko dengan berkesan.
- Memastikan Agrobank ditadbir berpandukan dasar yang kukuh, terutamanya berkaitan pengurusan berhemat yang merangkumi proses penilaian kecukupan modal, perancangan modal dan kecairan, dasar dan obligasi pematuhan serta sistem kawalan dalaman Agrobank.

Peranan Pengerusi dan Presiden/Ketua Pegawai Eksekutif Agrobank dipisahkan dengan pembahagian tanggungjawab yang jelas bagi memastikan keseimbangan kuasa dan autoriti.

Pengerusi berperanan sebagai pemimpin Lembaga Pengarah dan bertanggungjawab memastikan keberkesanannya fungsinya secara keseluruhan, termasuk menyemai dan mengekalkan hubungan saling mempercayai dengan ahli Lembaga Pengarah. Pengerusi memastikan keputusan Lembaga Pengarah dicapai menerusi kesepakatan, atau mencerminkan kehendak majoriti berdasarkan maklumat yang kukuh. Beliau menggalakkan perbincangan yang kritis dan memastikan perbezaan pandangan boleh disuarakan dan dibincangkan dengan bebas dalam proses membuat keputusan. Semasa bekerja dengan semua pengarah, Pengerusi memastikan aktiviti perniagaan yang dijalankan oleh Pihak Pengurusan Kanan sentiasa sejajar dengan objektif dan aspirasi Agrobank. Sehubungan itu, Pengerusi turut memberikan sokongan dan nasihat yang sesuai yang diperlukan oleh Presiden/Ketua Pegawai Eksekutif.

The Board's current composition is effective in providing direction and guidance to the Management as stipulated under Principle 2 of BNM's Guidelines on Corporate Governance for DFIs.

Roles and Responsibilities of the Board

The Board has the ultimate responsibility to oversee Agrobank's business strategies and financial soundness, key personnel decisions, internal organisation and governance structure, as well as risk management and compliance obligations. With the conversion into an Islamic bank in July 2015, the Board has played a greater role in being ultimately accountable and responsible for the overall Shariah governance framework and Shariah compliance of Agrobank.

The roles and responsibilities of the Board include the following:

- Effectively supervise Agrobank's affairs to ensure sound management of the bank in order to protect depositors and stakeholders' interest.
- Oversee the development of and approve Agrobank's business objectives and its short- and long-term strategies as well as ensuring effective implementation of the strategies.
- Ensure effective implementation of Agrobank's governance framework and its applicability taking into consideration the dynamic changes in the financial landscape and regulations that may have material impact on Agrobank's business strategies and operations.
- Establish, upon recommendation by Senior Management and the Chief Risk Officer, Agrobank's risk appetite, taking into account the competitive financial and regulatory landscape as well as financial soundness, risk exposure and ability to manage risk effectively.
- Ensure Agrobank is governed by solid policies particularly pertaining to the prudential management encompassing capital adequacy assessment process, capital and liquidity plans, compliance policies and obligations, and internal control system.

The roles of the Chairman and President/Chief Executive Officer of Agrobank are separated with a clear division of responsibilities to ensure balance of power and authority.

The Chairman provides leadership to the Board and is responsible for its effective overall functioning including maintaining a relationship of trust with Board members. The Chairman ensures that Board's decisions are reached by consensus, or reflect by the will of the majority, based on sound information. He encourages critical discussions and ensures that dissenting views can be freely expressed and discussed within the decision-making process. Working with all the directors, the Chairman ensures that the business activities driven by the Senior Management are aligned with Agrobank's objectives and aspirations. In this regard, the Chairman provides the President/Chief Executive Officer with necessary support and advice as appropriate.

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Peranan utama Presiden/Ketua Pegawai Eksekutif adalah menyelia operasi harian Agrobank bagi memastikan ia berkesan dan berjalan lancar. Ini termasuk merangka halatuju strategik Agrobank dan memastikan strategi tersebut, pelan perniagaan dan dasar korporat dilaksanakan dengan berkesan, di samping memastikan keputusan dan arahan Lembaga Pengarah dipatuhi. Presiden/Ketua Pegawai Eksekutif turut mengetengahkan kepimpinan yang ampuh dalam menyampaikan visi, falsafah pengurusan dan strategi perniagaan kepada kakitangan, sementara beliau terus memaklumkan sepenuhnya kepada Lembaga Pengarah mengenai semua aspek penting operasi. Adalah penting bagi Presiden/Ketua Pegawai Eksekutif untuk menampilkan tahap integriti dan ketelusan tertinggi dalam pengurusan kewangan Agrobank, memastikan semua aktiviti perniagaan dijalankan secara beretika dan mematuhi sepenuhnya undang-undang dan peraturan berkaitan. Dalam memastikan kesinambungan perniagaan. Presiden/Ketua Pegawai Eksekutif juga bertanggungjawab membangunkan pelan pengantian yang mantap bagi jawatan penting di Agrobank.

Kepelbagaiannya Lembaga Pengarah

Agrobank percaya bahawa kepelbagaiannya dari segi jantina, umur, budaya dan pendidikan serta latar belakang profesional akan memberi kesan positif kepada mutu perbincangan Lembaga Pengarah dengan membawa perspektif yang berbeza dan segar sewaktu perbincangan. Justeru itu, Lembaga Pengarah sentiasa beriltizam memastikan kepelbagaiannya dalam keanggotaannya, seperti yang tergambar menerusi kepelbagaiannya kemahiran dan pengetahuan yang dimiliki oleh ahlinya.

Menjadi tanggungjawab Jawatankuasa Pencalonan yang telah diamanahkan untuk memastikan ahli-ahli Lembaga Pengarah memiliki gabungan kemahiran dan pengalaman yang diperlukan oleh Lembaga Pengarah. Jawatankuasa Pencalonan menetapkan keperluan minimum dari segi kemahiran dan kecekapan teras seseorang pengarah dan melakukan semakan tahunan berkenaan gabungan kemahiran, pengalaman dan kecekapan teras yang diperlukan dalam Lembaga Pengarah, di samping memastikan kriteria 'layak dan sesuai' bagi setiap pengarah dipenuhi.

Penyediaan Maklumat

Pihak Pengurusan dan Setiausaha Syarikat bertanggungjawab memastikan Lembaga Pengarah sentiasa dibekalkan dengan maklumat yang lengkap, tepat dan pada masanya dalam bentuk dan kualiti yang sesuai bagi membolehkan Lembaga Pengarah menunaikan tanggungjawabnya dengan berkesan. Akses pada maklumat pada masa yang tepat amat penting demi memastikan perbincangan yang berasas, pertimbangan berdasarkan maklumat dan pembuatan keputusan yang berkesan. Pihak Pengurusan perlu menyediakan pek mesyuarat untuk para pengarah, yang mengandungi semua maklumat penting dan relevan berkaitan agenda mesyuarat sekurang-kurangnya lima hari sebelum setiap Mesyuarat Lembaga Pengarah. Maklumat tambahan lain yang mungkin memberi kesan ketara kepada Agrobank, sama ada secara langsung ataupun tidak, akan diberikan tepat pada masanya dan apabila perlu atau apabila diminta oleh Lembaga Pengarah.

The key role of the President/Chief Executive Officer is to ensure the day-to-day business affairs of Agrobank are effectively managed. This includes developing the strategic directions of Agrobank, ensuring that the strategies, business plans and corporate policies are effectively implemented, and that decisions and directions by the Board are responded to. The President/Chief Executive Officer also provides strong leadership in communicating the vision, management philosophy and business strategies to the employees while keeping the Board fully informed of all important aspects of operations. The President/Chief Executive Officer is also expected to demonstrate the highest level of integrity and transparency in the financial management of Agrobank, ensuring all business activities are carried out in an ethical manner and in full compliance with the relevant laws and regulations. In ensuring business continuity, the President/Chief Executive Officer is also responsible for developing sound succession planning for critical positions in Agrobank.

Board Diversity

Agrobank believes that diversity in terms of gender, age, cultural and educational as well as professional background would have a positive impact on the Board's deliberations, bringing varying perspectives to the table. The Board is, therefore, committed to ensure diversity in its composition, as reflected by the wide ranging skills and knowledge represented by its members.

It is the responsibility of the Nominating Committee to ensure the Board members bring the required mix of skills and experience to the Board. The Nominating Committee establishes the minimum requirements on the skills set and core competencies of a director and undertakes an annual review of the required mix of skills, experience and core competencies within the Board as well as to ascertain the 'Fit and Proper' criteria of each directors.

Supply of Information

The Management and Company Secretary are responsible for ensuring the Board is continuously presented with a complete, accurate and adequate time bound information in a form and of quality appropriate to enable the Board to discharge its duties effectively. Access to timely information is important to ensure robust discussion, informed deliberation and effective decision making. The Management provides Board members a meeting pack containing all pertinent and relevant information pertaining to the agenda of meetings at least five days prior to every Board Meeting. Other additional information that may have material impact on Agrobank, either directly or indirectly, is provided in a timely manner as and when necessary or when requested by the Board.

Segala isu, perbincangan, pertimbangan, keputusan dan kesimpulan termasuk perbezaan pandangan semasa mesyuarat Lembaga Pengarah berserta tindakan jelas yang perlu diambil pihak bertanggungjawab adalah direkodkan semasa mesyuarat.

Setiap pengarah mempunyai akses tidak terbatas ke atas semua maklumat dan rekod Agrobank serta khidmat nasihat Setiausaha Syarikat yang turut bertindak sebagai setiausaha bagi Jawatankuasa Lembaga Pengarah selain bertanggungjawab memastikan prosedur mesyuarat Lembaga Pengarah diikuti dan semua peraturan relevan dipatuhi. Selain itu, ahli Lembaga Pengarah secara individu mahupun secara berkumpulan boleh mendapatkan khidmat nasihat profesional bebas bagi melunaskan tanggungjawab mereka dengan berkesan, yakni jika perkhidmatan itu diperlukan.

Jawatankuasa Lembaga Pengarah

Demi memastikan keteguhan fungsi pengawasan dan perbincangan mendalam mengenai fungsi penting kawalan dalaman, pengurusan risiko, prestasi dan pencalonan jawatan penting, Lembaga Pengarah dibantu oleh enam Jawatankuasa Lembaga Pengarah. Walaupun Lembaga Pengarah mempertanggungjawabkan Jawatankuasa Lembaga Pengarah bagi fungsi-fungsi tersebut, namun Lembaga Pengarah tetap menggalas tanggungjawab bagi keputusan yang dibuat oleh jawatankuasa tersebut.

Enam Jawatankuasa Lembaga Pengarah tersebut adalah seperti berikut:-

- Jawatankuasa Lembaga Kredit dan Pelaburan
- Jawatankuasa Lembaga Pengurusan Risiko
- Jawatankuasa Lembaga Audit
- Jawatankuasa Pencalonan
- Jawatankuasa Ganjaran
- Jawatankuasa Lembaga Teknologi Maklumat

Setiap jawatankuasa beroperasi dalam Terma Rujukan Tugas (ToR) yang jelas tertakrif bagi membantu Lembaga Pengarah menyempurnakan tugas dan tanggungjawabnya. Selepas setiap mesyuarat, Pengerusi bagi setiap Jawatankuasa Lembaga Pengarah perlu melaporkan kepada Lembaga Pengarah tentang aktiviti jawatankuasa masing-masing dan memberi saranan yang sesuai mengikut keadaan. Pengerusi Jawatankuasa Lembaga Pengarah akan mengajukan pertimbangan dan keputusan penting yang dibuat oleh Jawatankuasa ke peringkat lebih tinggi, iaitu semasa mesyuarat bulanan Lembaga Pengarah. Minit mesyuarat Jawatankuasa Lembaga Pengarah turut dibentangkan kepada Lembaga Pengarah sebagai makluman.

Mesyuarat Lembaga Pengarah

Lembaga Pengarah bermesyuarat setiap bulan bagi membincangkan hal-ehwal kewangan, strategi dan dasar, selain memantau prestasi Agrobank secara keseluruhan. Mesyuarat tambahan diadakan jika terdapat isu penting dan/atau keputusan yang perlu dipertimbangkan sebelum berlangsungnya mesyuarat Lembaga Pengarah yang berikutnya. Pada tahun kewangan berakhir 31 Disember 2017, Lembaga Pengarah mengadakan 16 mesyuarat termasuk 4 mesyuarat khas.

All issues raised, discussions, deliberations, decisions and conclusions including dissenting views made at Board meetings with clear actions to be taken by responsible parties are recorded in the meetings.

Each director has unrestricted access to all information and records of Agrobank as well as the advice and services of the Company Secretary, who also serves as secretary to the Board Committees and is responsible for ensuring that the procedures for Board meeting are followed and that all applicable rules and regulations are complied with. In addition, the directors, collectively or individually may seek independent professional advice in furtherance of their duties in the event such services are required.

Board Committees

In ensuring strong oversight function and in-depth deliberation of critical functions of internal controls, risk management, performance and nomination of key positions; the Board is assisted by six Board Committees. Despite delegating its functions to these Committees, the Board remains ultimately responsible for the decisions of the Committees.

The six Board Committees are:-

- Board Credit and Investment Committee
- Board Risk Management Committee
- Board Audit Committee
- Nominating Committee
- Remuneration Committee
- Board Information Technology Committee

Each committee operates within a clearly defined Terms of Reference ("ToR") to assist the Board in carrying out its duties and responsibilities. Following each meeting, the Chairman of the committees reports to the Board on the committee's activities, and makes such recommendations as are deemed appropriate in the circumstances. The Chairman of the committees will escalate pertinent discussions and decisions of the committee during the monthly Board meetings. The Minutes of Board Committees meeting are also be tabled to the Board for approval.

Board Meetings

The Board meets on a monthly basis, to consider financial matters, strategy and policies as well as to monitor the overall performance of Agrobank. Additional meetings are also convened as and when there are imminent issues and/or decisions to be deliberated in between the monthly meetings. During the financial year ended 31 December 2017, 16 meetings including 4 Special Board meetings were held.

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Ahli Lembaga Pengarah sentiasa bersedia menjalankan tugas dengan mengambil bahagian secara aktif dalam mesyuarat Lembaga Pengarah. Profil ringkas setiap ahli Lembaga Pengarah disertakan dalam laporan ini. Maklumat kehadiran setiap ahli Lembaga Pengarah semasa tahun kewangan berakhir 31 Disember 2017 adalah seperti berikut:

Ahli Lembaga Pengarah Board Members	Jawatan Designation	Kehadiran* Attendance*	% %
Tan Sri Mohamad Zabidi Zainal	Pengerusi/ Chairman	16/16	100
Datuk Seri Ismail Hj Bakar	Ahli/Member	6/16	38
Dato' Dr. Yusof Ismail	Ahli/Member	10/16	63
Dato' Dr. Mohamad Hashim Ahmad Tajudin	Ahli/Member	15/16	94
Datin Setia Shahariah Hashim	Ahli/Member	16/16	100
Puan Azizah Abdul Rahman	Ahli/Member	16/16	100
Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	Ahli/Member	6/7	86
Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	Ahli/Member	14/14	100
Puan Faizah Abdullah (Dilantik berkuat kuasa 18.04.2017/Appointed w.e.f. 18.04.2017)	Ahli/Member	12/13	92
Dato' Wan Mohd Fadzmi Wan Othman (Meletakkan jawatan berkuat kuasa 31.08.2017/Resigned w.e.f. 31.08.2017)	Ahli/Member	11/11	100

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan

* Reflects the number of meetings held during the time of the Directors held office

The directors are expected to discharge their duties by participating actively in the Board meetings. The profile of each of the directors is briefly described in this report. The attendances of Board members are as follows:

Jawatankuasa Lembaga Kredit dan Pelaburan

Jawatankuasa Lembaga Kredit dan Pelaburan (BCIVC) membuat keputusan bagi pihak Lembaga Pengarah bagi isu berkaitan urusniaga yang melangkaui kuasa yang diberikan kepada Jawatankuasa Pengurusan Kredit (MCC). Jawatankuasa ini juga bertanggungjawab memastikan kawalan kualiti dalam pelaporan kewangan dan proses pematuhan oleh Agrobank. Peranan dan tanggungjawab jawatankuasa ini juga merangkumi:

- Mengkaji semula semua cadangan pembiayaan yang melebihi kuasa MCC bagi memberi kelulusan dan mengemukakan saranan kepada Lembaga Pengarah.
- Mempertimbangkan hal yang melibatkan pembiayaan dan pelaburan, termasuk tetapi tidak terhad kepada pemantauan dan isu lain berkaitan kredit yang akan dilaksanakan oleh Agrobank, yang memerlukan pengesahan Lembaga Pengarah.
- Mengkaji dan menyemak semula cadangan pembiayaan strategik dan langkah bagi memastikan keuntungan mampan bagi pengesahan Lembaga Pengarah.
- Menilai pelaburan dalam ekuiti yang memerlukan kelulusan Lembaga Pengarah dan mengemukakan cadangan kepada Lembaga Pengarah.
- Mengenal pasti, menilai, memantau dan mengkaji semula prestasi portfolio pelaburan Agrobank secara berkala dan mencadangkan tindakan yang perlu diambil oleh Agrobank.
- Menilai prestasi pengurus dana Agrobank, di samping melantik dan menamatkan perkhidmatan pengurus dana, broker dan lain-lain wakil.

Board Credit and Investment Committee

The Board Credit and Investment Committee ("BCIVC") take decisions on behalf of the Board on issues pertaining to transactions that exceeds the delegated authority given to the Management Credit Committee (MCC). The Committee is also responsible for ensuring quality control in Agrobank's financial reporting and compliance process. Other roles and responsibilities of the Committee include:

- Review all financing proposals that exceed the MCC's approving authority and make recommendations to the Board.
- Deliberate matters concerning financing and investment, including but not restricted to monitoring and other credit related issues to be implemented by Agrobank, which may require endorsement by the Board.
- Review and revise strategic financing proposals and measures for sustained profitability for endorsement by the Board.
- Evaluate investments in equity that require the Board's approval and make recommendations to the Board.
- Identify, evaluate, monitor and review the performance of Agrobank's investment portfolio on a periodic basis and propose necessary actions to be taken by Agrobank.
- Assess the performance of Agrobank's fund managers, as well as appoint and terminate fund managers, brokers and other representatives.

BCIVC terdiri daripada empat pengarah bukan eksekutif dan dipengerusikan oleh pengarah bebas yang dilantik oleh Lembaga Pengarah. Jawatankuasa ini bermesyuarat sekurang-kurangnya sebulan sekali atau pada bila-bila masa yang difikirkan perlu oleh Pengerusi. Mesyuarat dihadiri oleh ahli Jawatankuasa, Presiden/Ketua Pegawai Eksekutif dan ahli Eksekutif Pengurusan Kanan yang berkaitan. Jawatankuasa boleh mendapatkan nasihat profesional bebas mengenai perkara teknikal daripada pakar yang memiliki pengalaman dan kepakaran relevan serta memastikan kehadiran mereka, sekiranya perlu. Pada tahun 2017, Jawatankuasa ini mengadakan 15 mesyuarat.

Ahli BCIVC dan rekod kehadiran mereka bagi tahun di bawah kajian adalah seperti berikut:

Nama Name	Kehadiran* Attendance*	% %
Puan Faizah Abdullah (Pengerusi/Chairman) (Dilantik berkuat kuasa 18.04.2017/Appointed w.e.f. 18.04.2017)	10/10	100
Dato' Dr. Mohamad Hashim Ahmad Tajudin	15/15	100
Datin Setia Shahariah Hashim	14/15	93
Puan Azizah Abdul Rahman	15/15	100
Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	10/10	100
Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	7/8	88

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan
 * Reflects the number of meetings held during the time of the Directors held office

Jawatankuasa Lembaga Pengurusan Risiko

Jawatankuasa Lembaga Pengurusan Risiko (BRMC) bertanggungjawab untuk meluluskan strategi risiko keseluruhan Agrobank, termasuk had risiko dan mengawasi pelaksanaannya. Sebagai jawatankuasa yang diberikan autoriti oleh Lembaga Pengarah, BRMC bertanggungjawab mewujudkan rangka kerja pengurusan risiko enterpis yang kukuh dan menetapkan tahap kesanggupan menanggung risiko oleh Agrobank, selain had bagi semua aktiviti yang berisiko dalam Agrobank. BRMC secara berkala mengkaji semula dan memantau pematuhan pada tahap kesanggupan menanggung risiko secara keseluruhan oleh Agrobank dan seterusnya mengemukakan saranan kepada Lembaga Pengarah.

Justeru itu, Jawatankuasa ini bertanggungjawab untuk mengkaji semula dan menambah baik kesesuaian dan keberkesanannya kesemua aspek pengurusan risiko enterpis, termasuk dan tidak terbatas kepada risiko strategik, risiko kredit, risiko pasaran, risiko pematuhan dan risiko operasi. BRMC turut mengkaji semula dasar berkenaan semua isu risiko dan mengekalkan pengawasan terbaik ke atas semua risiko. Dalam hal ini, skop tanggungjawab BRMC meliputi:

- Menyarankan visi dan objektif pengurusan risiko, strategi dan toleransi risiko untuk kelulusan Lembaga Pengarah; dan mengkaji semula rangka kerja risiko, dasar, prosedur dan proses pengurusan risiko Agrobank.
- Meluluskan strategi pengurusan risiko yang dicadangkan oleh Jawatankuasa Pengurusan Risiko (MRC), termasuk toleransi risiko dan had kesanggupan menanggung risiko dan dasar yang berkaitan dengan autoriti serta tanggungjawab ke atas pengurusan risiko.

The BCIVC comprised four non-executive directors and is chaired by an independent director appointed by the Board. The Committee meets at least once a month or whenever the Chairman deems it is necessary to do so. The meetings are attended by the Committee members as well as the President/Chief Executive Officer and other relevant Senior Management. The Committee may obtain independent professional advice on technical matters from experts with relevant experience and expertise and secure their attendance as and when required. The BCIVC had held 15 meetings during 2017.

The members of the BCIVC and their respective attendance record for the year under review are as follows:

Nama Name	Kehadiran* Attendance*	% %
Puan Faizah Abdullah (Pengerusi/Chairman) (Dilantik berkuat kuasa 18.04.2017/Appointed w.e.f. 18.04.2017)	10/10	100
Dato' Dr. Mohamad Hashim Ahmad Tajudin	15/15	100
Datin Setia Shahariah Hashim	14/15	93
Puan Azizah Abdul Rahman	15/15	100
Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	10/10	100
Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	7/8	88

Board Risk Management Committee

The Board Risk Management Committee (“BRMC”) is responsible to approve Agrobank’s overall risk strategy, including the risk appetite and oversee its implementation. Acting within an authority delegated by the Board, the BRMC has the overall responsibility for establishing a robust enterprise-wide risk management framework as well as guiding the risk-taking activities within Agrobank. The BRMC periodically reviews and monitors compliance with Agrobank’s overall risk appetite and makes recommendations thereon to the Board.

Its responsibilities also include reviewing the appropriateness and effectiveness of all aspects of enterprise risk management including, but not restricted to strategic risk, credit risk, market risk, compliance risk and operational risk. The BRMC also reviews the policy on all risk issues and maintains oversight of all risks. In this regard, the BRMC’s scope of responsibilities includes:

- Recommend risk management vision and objectives, strategies and risk tolerance for the Board’s approval; and review Agrobank’s risk frameworks, risk management policies, procedures and processes.
- Approve risk management strategies recommended by the Management Risk Committee (MRC), including risk tolerance and risk appetite limits as well as policies pertaining to authority and responsibility for the management of risks.

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- Mengkaji semula dan mempertimbangkan laporan berkala tentang risiko yang dibentangkan Pengurusan berkaitan dengan kedudukan risiko dan portfolio, aktiviti pengurusan risiko dan tindakan yang diambil oleh Pengurusan bagi mengenal pasti, mengukur, memantau dan mengawal risiko tersebut.
- Mengkaji semula kecukupan tahap modal dalaman dan kawal selia Agrobank serta faktor risiko utama yang boleh memberi kesan terhadap kecukupan modal, selaras dengan rangka kerja Proses Penilaian Kecukupan Modal Dalamans (ICAAP).
- Meluluskan pelantikan perunding dan penasihat luar bagi memberi nasihat mengenai prasarana sistem pengurusan risiko dan perkara teknikal, sekiranya perlu.
- Mengkaji semula dan menyarankan tindakan strategik agar Agrobank mematuhi keperluan yang ditetapkan oleh BNM dan badan pengawalselia lain.
- Meluluskan semua perkara berkaitan risiko Syariah, termasuk tindakan bagi membetulkan sebarang ketidakpatuhan Syariah selepas pengesahan oleh Jawatankuasa Syariah, sebelum dikemukakan kepada BNM, di samping memaklumkan kepada Lembaga Pengarah mengenai pelan pembetulan yang diluluskan.

Jawatankuasa ini bermesyuarat sekurang-kurangnya sebulan sekali dan pada bila-bila masa yang difikirkan perlu oleh Pengerusi. Selain mesyuarat yang dijadualkan, Pengerusi atau mana-mana ahli jawatankuasa boleh memanggil sidang mesyuarat khas. Pada tahun di bawah kajian, Jawatankuasa ini mengadakan 12 mesyuarat. BRMC terdiri daripada sekurang-kurangnya tiga orang pengarah bukan eksekutif dan dipengerusikan pengarah bebas bukan eksekutif yang dilantik oleh Lembaga Pengarah. Jika Pengerusi tidak hadir, ahli Jawatankuasa akan melantik salah seorang yang hadir bagi mempengerusikan mesyuarat.

Ahli BRMC dan rekod kehadiran mereka bagi tahun berkenaan adalah seperti berikut:

Nama Name	Kehadiran* Attendance*	% %
Dato' Dr. Mohamad Hashim Ahmad Tajudin (Pengerusi/Chairman)	12/12	100
Datin Setia Shahariah Hashim	12/12	100
Puan Azizah Abdul Rahman	12/12	100
Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	8/8	100
Puan Faizah Abdullah (Dilantik berkuat kuasa 18.04.2017/Appointed w.e.f. 18.04.2017)	8/8	100
Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	5/6	83

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan

* Reflects the number of meetings held during the time of the Directors held office

- Review and deliberate on periodic risk reports escalated by the Management pertaining to risk and portfolio positions, risk management activities and actions undertaken by the Management to identify, measure, monitor and control the risks.
- Review the adequacy of Agrobank's internal and regulatory capital level as well as key risk factors that may impact its capital adequacy.
- Approve the appointment of external consultants and advisors to advice on risk management system infrastructure and technical matter as and when required.
- Reviewing and recommending strategic actions in order to comply with the requirements set by BNM and other regulatory bodies.
- Approving all Shariah risk-related matter including actions to rectify any Shariah non-compliance upon confirmation by the Shariah Committee prior to submission to BNM, as well as notify the Board of the approved rectification plans.

The Committee meets at least once a month and whenever the Chairman deems necessary. In addition to the regular meetings, the Chairman or any other Committee member may call for a special meeting. During the year under review, the Committee held 12 meetings. The BRMC comprised at least three non-executive directors and is chaired by an independent non-executive director appointed by the Board. In the absence of the Chairman, the members elect the chair of the meeting among those present.

Members of the BRMC and their attendance record for the year are as follows:

Jawatankuasa Lembaga Audit

Jawatankuasa Lembaga Audit (BAC) menggalas tanggungjawab untuk membantu Lembaga Pengarah memenuhi tanggungjawab pengawasannya, terutamanya dari segi penilaian kecukupan dan kecekapan dasar perakaunan, kawalan dalaman, pengurusan risiko dan proses pelaporan kewangan di Agrobank. Jawatankuasa ini juga bertanggungjawab memastikan integriti dan ketepatan masa dalam penyediaan penyata kewangan Agrobank, termasuk laporan tahunan dan interim, penyiaran keputusan kewangan awal dan sebarang siaran rasmi lain yang berkaitan prestasi kewangannya. Ia dilakukan menerusi pertimbangan yang mendalam tentang kedudukan dan prestasi kewangan Agrobank, terutamanya berkenaan kecukupan peruntukan rosot nilai, kunci kira-kira dan keberuntungan Agrobank sebelum dibawa ke peringkat Lembaga Pengarah.

Jawatankuasa ini turut memastikan keberkesanan dasar dan prosedur aduan kesalahan, yang mana semua aduan (sama ada dengan ataupun tanpa nama) boleh diajukan berkenaan pengumpulan, pemprosesan dan pendedahan maklumat kewangan.

Selain itu, BAC juga mengkaji semula keberkesanan fungsi audit dalaman Agrobank dalam memastikan jaminan korporat bebas berhubung pematuhan kepada keperluan dalaman dan luaran. Ini termasuk meluluskan pelantikan dan seterusnya menilai prestasi Ketua Juruaudit Dalaman. Sehubungan itu, Jawatankuasa memastikan bahawa audit dalaman memiliki sumber yang mencukupi dan akses yang sewajarnya kepada maklumat bagi membolehkannya menyempurnakan fungsinya dengan berkesan menurut piawaian profesional yang relevan. BAC juga mengkaji semula aktiviti, daptan dan saranan audit dalaman, di samping memastikan tindakan yang sewajarnya diambil oleh Agrobank bagi menangani daptan dan saranan audit.

Skop peranan dan tanggungjawab Jawatankuasa adalah selaras dengan yang berikut:

- Mengkaji semula semua urusniaga pihak ketiga/pihak berkaitan dan memastikan Lembaga Pengarah sentiasa dimaklumkan mengenai urusniaga sedemikian.
- Mengkaji semula prosedur Agrobank bagi kakitangan mengetengahkan kemusyikilan secara sulit, iaitu mengenai kemungkinan berlakunya kesalahan dalam pelaporan kewangan atau hal lain, di samping memastikan siasatan yang sewajarnya dan bebas berkenaan perkara sedemikian serta tindakan susulan yang bersesuaian.
- Mengemukakan cadangan berhubung pelantikan, pelantikan semula dan penamatian perkhidmatan juruaudit luar Agrobank.
- Menyelia hubungan dengan juruaudit luar – meluluskan bayaran kepada mereka, syarat pelantikan, dan memastikan tiada pertalian (seperti kekeluargaan, pekerjaan, pelaburan, kewangan atau perniagaan) antara juruaudit tersebut dan Agrobank (selain urusan perniagaan biasa).
- Meluluskan penyediaan sebarang perkhidmatan bukan audit oleh juruaudit luar.
- Meluluskan pelan audit tahunan; dan mengkaji daptan juruaudit luar.

Board Audit Committee

The Board Audit Committee (“BAC”) assists the Board in fulfilling its oversight responsibilities, in particular with regard to the evaluation of the adequacy and efficiency of accounting policies, internal controls, risk management and financial reporting processes at Agrobank. The Committee is responsible to ensure the integrity and timeliness of the financial statements of Agrobank, including its annual and interim reports, preliminary results release and any other formal release relating to its financial performance. This is done through in-depth deliberations of Agrobank's financial position and performance, particularly on the adequacy of impairment provisions, balance sheet and profitability prior to escalation to the Board.

The Committee also ensures the effectiveness of Agrobank's whistleblowing policies and procedures on the basis of which complaints, whether signed or anonymous, may be reported about the possible misconduct in the collection, processing and disclosure of financial information.

In addition, the BAC reviews the effectiveness of Agrobank's internal audit function in providing independent corporate assurance with regard to compliance with internal and external requirements. This includes approving the appointment and subsequently evaluating the performance of the Chief Internal Auditor. In this respect, the Committee ensures that the internal audit has adequate resources and appropriate access to information to enable them to perform its function effectively and in accordance with the relevant professional standards. The BAC also reviews the internal audit activities, findings and recommendations, as well as ascertains appropriate actions are taken by Agrobank in addressing the audit findings and recommendations.

The Committee's scope of roles and responsibilities is consistent with the followings:

- Review all third/related party transactions and keep the Board informed of such transactions.
- Review Agrobank's procedures for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, as well as ensure proportionate and independent investigation of such matters and the appropriate follow-up actions.
- Make recommendations in relation to the appointment, re-appointment and removal of Agrobank's external auditor.
- Oversee the relationship with external auditors – approve their remunerations, terms of engagement, and ensure there are no relationship (such as family, employment, investment, financial or business) between the auditor and Agrobank (other than in the ordinary course of business).
- Approve the provision of any non-audit service by external auditors.
- Approve the annual audit plan and review the findings of external auditors.

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BAC terdiri daripada empat orang pengarah bukan eksekutif dan dipengerusikan oleh pengarah bebas yang dilantik oleh Lembaga Pengarah. Sekurang-kurangnya seorang ahli jawatankuasa memiliki latar belakang dan pengalaman yang luas dalam bidang perakaunan. Jawatankuasa bermesyuarat sekurang-kurangnya sekali setiap dua bulan, yang mana risiko utama perniagaan Agrobank dan tindakan pembetulan akan dilaporkan dan dipertimbangkan, dan seterusnya, ringkasan mengenainya dibentangkan kepada Lembaga Pengarah. Mesyuarat BAC turut dihadiri oleh Presiden/Ketua Pegawai Eksekutif, Ketua Juruaudit Dalaman dan Ketua Pegawai Operasi serta mana-mana pihak lain yang diundang oleh Pengerusi bagi mendapatkan khidmat nasihat dan input profesional mereka.

Sepanjang tahun kewangan ini, sebanyak 12 mesyuarat, dengan 1 mesyuarat khas diadakan bagi membincangkan laporan audit dan Penyata Kewangan yang Diaudit bagi tahun kewangan berakhir 31 Disember 2017. Komposisi ahli dan rekod kehadiran mereka adalah seperti berikut:

	Nama Name	Kehadiran* Attendance*	% %
01	Puan Azizah Abdul Rahman (Pengerusi/Chairman)	12/12	100
02	Dato' Dr Yusof Ismail	4/10	40
03	Dato' Dr. Mohamad Hashim Ahmad Tajudin	11/12	92
04	Datin Setia Shahariah Hashim	11/12	92
05	Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	7/7	100
06	Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	6/6	100

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan
 * Reflects the number of meetings held during the time of the Directors held office

Jawatankuasa Pencalonan

Jawatankuasa Pencalonan bertanggungjawab mengenalpasti calon, mengkaji semula dan mencadangkan calon kepada Lembaga Pengarah untuk dilantik sebagai ahli Lembaga Pengarah, jawatankuasanya dan Pengurusan Eksekutif, di samping menilai keberkesanannya setiap pengarah, keberkesanannya Lembaga Pengarah secara keseluruhan dan prestasi Presiden/Ketua Pegawai Eksekutif serta ahli Eksekutif Pengurusan Kanan yang utama. Dalam proses mencadangkan pelantikan pengarah eksekutif dan bukan eksekutif, Jawatankuasa sentiasa berusaha memastikan komposisi Lembaga Pengarah mencerminkan sebaiknya fungsi perniagaan dan sokongan yang luas, yang mana pengarah bukan eksekutif dilantik dari pelbagai industri demi melengkapkan Lembaga Pengarah dengan kerencaman pandangan dan pengalaman.

The BAC comprised four non-executive directors and is chaired by an independent director appointed by the Board. At least one member of the Committee possesses extensive accounting background and experience. The Committee meets at least once every two months where Agrobank's major business risks and remedial actions would be reported and deliberated, a summary of which would be escalated to the Board. The meeting of the BAC is also attended by the President/Chief Executive Officer, the Chief Internal Auditor and the Chief Operations Officer and any other party invited by the Chairman, for their professional advice and input.

12 meetings were held during the financial year, with 1 special meeting to discuss audit reports and the Audited Financial Statements for the financial year ended 31 December 2017. The composition and the attendance record of BAC members are listed below:

Nominating Committee

The Nominating Committee is responsible in identifying candidates, reviewing and recommending individuals to the Board for nominations as members of the Board, its Committees and Executive Management as well as assessment of the effectiveness of individual directors, the Board as a whole and the performance of the President/Chief Executive Officer and key senior management personnel. In recommending the appointment of executive and non-executive directors, the Committee seeks to ensure that these directors represent a broad range of business and support functions where independent non-executive directors are drawn from a range of industries to facilitate a diversity of views and experience on the Board.

Demi mencapai matlamat ini, peranan dan tanggungjawab Jawatankuasa Pencalonan adalah seperti berikut:

- Mewujudkan dan mencadangkan kepada Lembaga Pengarah gugusan kemahiran, pengalaman, kelayakan dan kecekapan teras lain yang diperlukan ahli Lembaga Pengarah dan Presiden/Ketua Pegawai Eksekutif.
- Menilai dan mencadangkan calon kepada Lembaga Pengarah bagi jawatan pengarah, ahli Jawatankuasa Lembaga Pengarah, ahli Jawatankuasa Syariah dan Presiden/Ketua Pegawai Eksekutif.
- Menyelia komposisi keseluruhan Lembaga Pengarah, iaitu dari segi kesesuaian saiz dan kemahiran, serta keseimbangan antara pengarah eksekutif, pengarah bukan eksekutif dan pengarah bebas melalui kajian semula tahunan.
- Mencadangkan kepada Lembaga Pengarah bagi penyingkiran mana-mana pengarah, Presiden/Ketua Pegawai Eksekutif atau ahli Eksekutif Pengurusan Kanan utama sekiranya mereka didapati tidak berkesan, menyeleweng atau cuai dalam melaksanakan tanggungjawab mereka.
- Mewujudkan dan mencadangkan kepada Lembaga Pengarah suatu mekanisme bagi penilaian rasmi dan penetapan kriteria prestasi berkenaan keberkesanannya Lembaga Pengarah secara keseluruhan dan sumbangan setiap pengarah kepada keberkesanannya Lembaga Pengarah, sumbangan pelbagai jawatankuasa Lembaga Pengarah dan prestasi Presiden/Ketua Pegawai Eksekutif serta pegawai kanan utama yang lain.
- Memastikan semua pengarah menerima latihan berterusan agar sentiasa maklum tentang perkembangan terkini dalam industri.
- Menyelia pelantikan, pengurusan, pelan penggantian dan penilaian prestasi pegawai kanan utama.
- Memastikan ahli Lembaga Pengarah dan Presiden/Ketua Pegawai Eksekutif tidak hilang kelayakan bagi jawatan mereka di bawah Seksyen 7 Akta Industri Kewangan Pembangunan (AIKP) 2015 pada setiap tahun.
- Menyelia inisiatif-inisiatif utama Agrobank bagi sumber manusia.
- Mendapatkan khidmat pakar bebas bagi menasihati Pengurusan atau Jawatankuasa mengenai perkara teknikal, sekiranya perlu.

In furtherance of this purpose, the Committee has the following roles and responsibilities:

- Establish and recommend to the Board the skills set, experience, qualifications and other core competencies required for Board members and the President/Chief Executive Officer.
- Assess and recommend to the Board nominees for directorship, Board Committee members, Shariah Committee members and the President/Chief Executive Officer.
- Oversee the overall composition of the Board, in term of the appropriate size and skills, and the balance between executive directors, non-executive directors and independent directors through annual reviews.
- Recommend to the Board the removal of any director, the President/Chief Executive Officer or key senior management personnel if they are found to be ineffective, errant or negligence in discharging their responsibilities.
- Establish and recommend to the Board a mechanism for the formal assessment and performance criteria on the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the President/Chief Executive Officer and other key senior officers.
- Ensure all directors receive continuous training to keep abreast with the latest development in the industry.
- Oversee the appointment, management, succession planning and performance evaluation of key senior officers.
- Ensure on an annual basis that the directors and President/Chief Executive Officer are not disqualified under Section 7 of the DFIA 2002.
- Oversee the Agrobank's key human resource initiatives.
- Engage independent experts to advise the management or committee on technical matters as and when required.

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Jawatankuasa Pencalonan terdiri daripada enam pengarah bukan eksekutif dan dipengerusikan pengarah bebas yang dilantik oleh Lembaga Pengarah. Jika Pengerusi tidak hadir, ahli Jawatankuasa akan melantik salah seorang yang hadir bagi mempengerusikan mesyuarat. Selain ahli Jawatankuasa, mesyuarat juga dihadiri oleh wakil Pengurusan. Pengerusi boleh menggunakan budi bicaranya bagi menjemput mana-mana pihak yang relevan, sekiranya perlu. Jawatankuasa bermesyuarat sekurang-kurangnya setiap suku tahun. Pada tahun di bawah kajian, Jawatankuasa bermesyuarat sebanyak 8 kali. Butiran ahli dan rekod kehadiran mereka adalah seperti berikut:

Nama Name	Kehadiran* Attendance*	% %
Datin Setia Shahariah Hashim (Pengerusi/Chairman)	8/8	100
Datuk Seri Ismail Hj. Bakar	2/8	25
Dato' Dr. Mohamad Hashim Ahmad Tajudin	8/8	100
Puan Azizah Abdul Rahman	8/8	100
Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	5/5	100
Puan Faizah Abdullah (Dilantik berkuat kuasa 18.04.2017/Appointed w.e.f. 18.04.2017)	4/5	80
Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	2/3	67

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan
 * Reflects the number of meetings held during the time of the Directors held office

Jawatankuasa Ganjaran

Peranan dan fungsi utama Jawatankuasa Ganjaran adalah bagi membantu Lembaga Pengarah membangunkan dan memastikan prosedur yang telus dan adil bagi menetapkan dasar dan strategi keseluruhan sumber manusia Agrobank serta dasar ganjaran untuk ahli Lembaga Pengarah, Presiden/Ketua Pegawai Eksekutif dan pegawai pengurusan utama. Jawatankuasa juga memastikan pakej ganjaran Agrobank ditentukan berpaksikan merit, kelayakan dan kecekapan, dan mengambil kira keputusan operasi Agrobank, prestasi individu dan statistik pasaran yang sebanding dengannya. Peranan dan tanggungjawab Jawatankuasa Ganjaran termasuklah:

- Mencadangkan rangka kerja ganjaran untuk para pengarah, Presiden/Ketua Pegawai Eksekutif dan pegawai kanan utama kepada Lembaga Pengarah, seperti berikut:
 - Rangka kerja ganjaran Agrobank mencerminkan tahap tanggungjawab yang digalas dan iltizam yang diperlukan berdasarkan kepakaran, pengetahuan dan pengalaman.
 - Tahap ganjaran perlu seimbang bagi menarik dan mengekalkan bakat yang diperlukan tanpa menjelaskan daya maju, kemampuan bayar dan reputasi Agrobank.
- Mendapatkan khidmat pakar bebas bagi menasihati Pengurusan atau Jawatankuasa mengenai perkara teknikal, sekiranya perlu.

The Nominating Committee consists of six non-executive directors and is chaired by an independent director appointed by the Board. In the absence of the Chairman, the members elect the chair of the meeting among those present. Other than the members, meetings are also attended by Management representatives. The Chairman has the discretion to invite any relevant party as and when required. The Committee meets at least every quarter. During the year, the Committee met 8 times. Detail of the members and their attendance record are as follows:

Remuneration Committee

The main role and function of the Remuneration Committee is to assist the Board in developing and administering a fair and transparent procedure for setting policy on the overall human resources strategy of Agrobank and the remuneration policy for directors, President/Chief Executive Officer and key management personnel. The Committee also ensures that these remuneration packages are determined on the basis of their merit, qualifications, and competence, and having regard to the Company's operating results, individual performance, and comparable market statistics. The roles and responsibilities of the Remuneration Committee include:

- Recommend to the Board the remuneration framework for the directors, President/Chief Executive Officer and key senior officers as follows:
 - Agrobank's remuneration framework reflects the level of responsibility undertaken and commitment required based on expertise, knowledge and experience.
 - The levels of remuneration should be balanced to attract and sustain the required talent but not to compromise the viability, solvency and reputation of the DFI.
- Engage independent experts to advise management or the committee on technical matters as and when required.

Jawatankuasa Ganjaran terdiri daripada lima pengarah bukan eksekutif dan dipengerusikan oleh pengarah bebas yang dilantik oleh Lembaga Pengarah. Jika Pengerusi tidak hadir, ahli Jawatankuasa akan melantik salah seorang yang hadir bagi mempengerusikan mesyuarat. Jawatankuasa bermesyuarat sebanyak 9 kali sepanjang tahun ini. Selain ahli yang dilantik, mesyuarat juga dihadiri oleh wakil Pengurusan dan lain-lain individu yang difikirkan perlu oleh Pengerusi. Butiran ahli Jawatankuasa Ganjaran dan rekod kehadiran mereka bagi tahun ini adalah seperti berikut:

Nama Name	Kehadiran* Attendance*	% %
Dato' Dr. Mohamad Hashim Ahmad Tajudin (Pengerusi/Chairman)	9/9	100
Datin Setia Shahariah Hashim	8/9	89
Dato' Dr Yusof Ismail	1/6	17
Puan Azizah Abdul Rahman	9/9	100
Tuan Haji Ibrahim Hassan (Dilantik berkuat kuasa 01.03.2017/Appointed w.e.f. 01.03.2017)	5/5	100

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan

* Reflects the number of meetings held during the time of the Directors held office

Jawatankuasa Lembaga Teknologi Maklumat

Jawatankuasa Lembaga Teknologi Maklumat (BITC) ditubuhkan pada Oktober 2016 dan berperanan mengawasi dan menetapkan hala tuju ke arah pendekatan holistik Agrobank berkenaan Teknologi Maklumat (IT). Jawatankuasa menasihati Agrobank mengenai keutamaan dalam IT, membuat keputusan berkenaan isu strategik dan menggalakkan pematuhan dengan tindakan yang dipersejutui. Berikut adalah peranan dan tanggungjawab utama Jawatankuasa:

- Menetapkan hala tuju strategik berhubung Pengurusan IT dan memastikan pelan strategik IT menyokong pelan strategik perniagaan Agrobank.
- Mengkaji semula dan meluluskan hala tuju serta dasar Agrobank bagi pelaburan strategik utama dalam IT demi memastikan keberkesanannya sistem kawalan dalam dan keandalan sistem pengurusan maklumat.
- Memastikan pihak Pengurusan Agrobank menerima pakai dasar dan prosedur yang berhemat serta berkesan bagi mengenal pasti, mengukur, memantau dan mengawal atau mengurangkan risiko IT.
- Menerima pakai pematuhan pada dasar dan prosedur IT yang sedia ada, serta garis panduan dan pekeliling yang dikeluarkan oleh BNM.
- Meluluskan pelantikan perunding luar dan penasihat bagi menasihati Jawatankuasa mengenai prasarana sistem pengurusan risiko dan perkara teknikal, sekiranya perlu.

The Remuneration Committee comprised five non-executive directors and is chaired by an independent director appointed by the Board. In the absence of the Chairman, the members elect the chair of the meeting among those present. The Committee met 9 times during the year. Besides the appointed members, Management representatives and other individuals are also attended the meeting as and when deemed necessary by the Chairman. Details of members of the Remuneration Committee and their attendance for the year as follows:

Board Information Technology Committee

The Board Information Technology Committee (“BITC”) was established in October 2016 and provides oversight and direction for Agrobank’s holistic approach to Information Technology (“IT”). The Committee advises Agrobank on IT priorities makes decisions on strategic issues and drives compliance with agreed actions. The roles and principal responsibilities of the Committee are as follows:

- Provide strategic direction with regard to IT Management and ensure the IT strategic plan supports Agrobank’s strategic business plan.
- Review and approve Agrobank’s key IT strategic investment direction and policies to ensure the effectiveness of internal control systems and the reliability of the management information system.
- Ensure Agrobank’s Management adopts prudent and effective policies and procedures to identify, measure, monitor and control or mitigate IT risks.
- Adopt compliance with established IT policies and procedures, and guidelines and circulars issued by BNM.
- Approve the appointment of external consultants and advisors to advise the Committee on risk management system infrastructure and technical matters as and when required.

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BITC terdiri daripada lima orang pengarah bukan eksekutif dan dipengerusikan oleh pengarah bebas yang dilantik oleh Lembaga Pengarah. Individu yang bukan ahli Lembaga Pengarah yang turut menghadiri mesyuarat ini adalah wakil pihak pengurusan, Ketua Pegawai Operasi, Ketua Jabatan Pengurusan Sistem Maklumat serta individu lain, sekiranya diperlukan oleh Pengerusi. Jika Pengerusi tidak hadir, ahli Jawatankuasa akan melantik salah seorang yang hadir bagi mempengerusikan mesyuarat.

Jawatankuasa ini bermesyuarat sekurang-kurangnya sekali setiap suku tahun atau pada bila-bila masa yang difikirkan perlu oleh Pengerusi. Selain mesyuarat yang dijadualkan, Pengerusi atau mana-mana ahli Jawatankuasa boleh memanggil sidang mesyuarat khas, sekiranya perlu. Sepanjang tahun kewangan di bawah kajian, 4 mesyuarat telah diadakan pada tahun 2017. Butiran ahli dan rekod kehadiran mereka adalah seperti berikut:

The composition of BITC consists of five non-executive directors and is chaired by an independent director appointed by the Board. Non-board members in attendance are management representatives, the Chief Operations Officer, the Head of Information Technology Department and other individuals as and when required by the Chairman. In the absence of the Chairman, the remaining members present during the meeting shall elect one of the members to act as the chair of the meeting.

The Committee shall meet at least once in every quarter or at such other times as deemed necessary by the Chairman. In addition to the scheduled regular meetings, the Chairman or any of the Committee members may call for special meetings as and when required. During the financial year, 4 meeting was held by the BITC. Detail of members and their attendance record are as follows:

	Nama Name	Kehadiran* Attendance*	% %
01			
02	Tuan Haji Ibrahim Hassan (Dilantik sebagai Pengerusi berkuat kuasa w.e.f. 30.06.2017/Appointed as Chairman w.e.f. 30.06.2017)	3/3	100
03			
04	Dato' Dr. Mohamad Hashim Ahmad Tajudin	4/4	100
05	Puan Azizah Abdul Rahman	4/4	100
06	Datin Setia Shahariah Hashim	4/4	100
	Encik Ng Chih Kaye (Meletakkan jawatan berkuat kuasa 01.07.2017/Resigned w.e.f. 01.07.2017)	2/2	100

* Menunjukkan bilangan mesyuarat yang diadakan semasa para Pengarah memegang jawatan
 * Reflects the number of meetings held during the time of the Directors held office

Pelantikan ahli Lembaga Pengarah

Proses pelantikan pengarah eksekutif dan bukan eksekutif bagi menganggotai Lembaga Pengarah Agrobank disempurnakan seterus mungkin dan sejajar dengan undang-undang serta peraturan Agrobank. Dalam hal ini, pelantikan setiap pengarah tertakluk kepada Memorandum Bank dan Undang-undang Tubuh Syarikat, di samping pengesahan oleh BNM dan kelulusan oleh Menteri Kewangan (MOF); sepetimana yang ditetapkan di bawah subseksyen 6(1) Akta Institusi Kewangan Pembangunan (Pindaan) 2015.

Board Appointment

The process for appointing executive and non-executive directors to the Board of Agrobank is transparent and in accordance with local laws and regulations governing Agrobank. Hence, the appointment of each director is subject the Bank's Memorandum and Articles of Association as well as verification by BNM and approval by the Minister of Finance ("MOF"); as prescribed under subsection 6(1) of the amended DFIA 2015.

Jawatankuasa Pencalonan menggalas tanggungjawab keseluruhan bagi proses pelantikan. Seperti yang digambarkan dalam rajah di bawah, proses pelantikan merangkumi usaha mengenal pasti calon yang berpotensi, termasuk menilai keupayaan calon bagi menjalankan tugas dengan cekap lagi berkesan. Proses saringan mantap ini selaras dengan Garis Panduan BNM dan dipandu kriteria yang digariskan dalam Dasar Bank mengenai Kriteria dan Dasar Layak dan Sesuai bagi Pelantikan/Pelantikan Semula Pengaruh, Pengarah dan Presiden/Ketua Pegawai Eksekutif. Ini diikuti dengan pembentangan kepada Jawatankuasa Pencalonan untuk pertimbangan dan seterusnya saranan akhir kepada Lembaga Pengarah untuk pengesahan. Jawatankuasa Pencalonan turut memastikan calon memiliki kemahiran, kecekapan teras dan pengalaman, integriti dan masa bagi memainkan peranan mereka sebagai pengarah dengan berkesan.

Dengan tertakluk pada kelulusan dan sokongan Lembaga Pengarah, permohonan untuk pelantikan ataupun pelantikan semula calon diajukan kepada BNM untuk pengesahan bahawa calon itu memenuhi kriteria ‘layak dan sesuai’, seperti mana yang dinyatakan dalam Jadual Pertama Akta IKP 2015. Setelah keputusan diperolehi, Agrobank mengemukakan permohonan bagi pelantikan calon kepada MOF. Pelantikan baharu secara amnya adalah untuk tempoh dua (2) tahun, dengan lanjutan tempoh perkhidmatan sehingga enam tahun, iaitu berdasarkan saranan Jawatankuasa Pencalonan dan kelulusan oleh MOF.

Proses Pelantikan ahli Lembaga Pengarah/Board Appointment Process



Kriteria Layak dan Sesuai

Kriteria ‘layak dan sesuai’ menetapkan bahawa para pengarah dan Presiden/Ketua Pegawai Eksekutif mestilah individu yang berkaliber tinggi kerana mereka diamanahkan oleh para pemegang saham Agrobank dan pihak berkepentingan yang lain bagi menguruskan Agrobank sebaik mungkin dan memastikan keteguhan operasinya. Berkenaan piawaian ‘layak dan sesuai’ bagi Lembaga Pengarah, Lembaga Pengarah mengikuti Garis Panduan Tadbir Urus Korporat bagi IKP oleh BNM.

The Nominating Committee has the overall responsibility for the appointment process. As depicted in the diagram below, the appointment process includes the identification of potential candidates, including the evaluation of the candidates' ability to discharge their duties effectively and efficiently. The screening process is in accordance with the BNM's Guidelines and guided by the criteria outlined in Agrobank's Policy on Fit and Proper Criteria and Policy on the Appointment/Reappointment of Chairman, directors and President/Chief Executive Officer. This is subsequently followed by a submission to the Nominating Committee for deliberation to be followed by the final recommendation to the Board for endorsement. The Nominating Committee also ensures candidates possess the appropriate skills, core competencies, experience, integrity and time to be able to discharge their roles as directors effectively.

Subject to the approval and endorsement of the Board, the application for the appointment or reappointment of the candidate is submitted to BNM for verification on the ‘fit and proper’ criteria as set out in the First Schedule of DFIA 2002. Once the verification is obtained, Agrobank submits its application for the appointment of the candidate to MOF. New appointments are generally for a two-year term, for extension of up to six-years, based on the Nominating Committee’s recommendation and approval of MOF.

Fit and Proper Criteria

The ‘fit and proper’ Criteria stipulated that directors and the President/Chief Executive Officer have to be persons of high calibre as they are entrusted by Agrobank’s shareholders and other stakeholders with managing the bank and ensuring its sound operations. The Board follows the Guidelines on Corporate Governance for DFIs by BNM on its ‘Fit and Proper’ standards for Board of Directors.

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Dalam menentukan sekiranya seseorang itu 'layak dan sesuai' memegang jawatan pengarah atau Presiden/Ketua Pegawai Eksekutif, faktor-faktor berikut diambil kira:

- Kejujuran yang tidak diragui, ketekunan, kecekapan dan kebijaksanaan dalam membuat pertimbangan.
- Reputasi, kelakuan, integriti (termasuk integriti kewangan) dan kejujuran.
- Rekod kesalahan yang melibatkan penipuan, ketidakjujuran dan keganasan.
- Sama ada beliau pernah terlibat dalam apa-apa perniagaan yang menipu, menindas atau tidak wajar atau amalan lain yang boleh mencemarkan nama baiknya.
- Sama ada beliau pernah terlibat dalam apa-apa cara yang boleh menimbulkan keraguan mengenai kecekapan dan kebijaksanaannya dalam membuat pertimbangan.
- Sama ada beliau pernah melanggar mana-mana peruntukan yang dibuat oleh atau di bawah mana-mana undang-undang bertulis yang bermatlamat melindungi orang awam daripada kerugian kewangan yang disebabkan oleh ketidakjujuran, ketidakcekapan atau penyelewengan.
- Sama ada beliau telah diisyiharkan muflis.

Penilaian Lembaga Pengarah

Penambahbaikan dan pembangunan berterusan ke atas proses dan prosedur Lembaga Pengarah serta jawatankuasanya adalah penting demi memastikan struktur tadbir urus Agrobank sentiasa sejajar dengan amalan terbaik. Ini dapat dicapai menerusi penilaian Lembaga Pengarah yang menjadi mekanisme maklum balas yang berkesan dan bernilai tinggi bagi menambah baik keberkesanan Lembaga Pengarah, memaksimumkan kekuatan dan mengenalpasti bidang bagi pembangunan selanjutnya. Agrobank menyedari bahawa usaha penilaian Lembaga Pengarah yang berkesan dapat membantu Lembaga Pengarah, jawatankuasanya dan para pengarah menjalankan tugas pada tahap optimum.

Di Agrobank, Jawatankuasa Pencalonan bertanggungjawab memastikan para pengarah sentiasa memenuhi kriteria 'layak dan sesuai' sepanjang tempoh lantikan. Ini dicapai melalui penilaian tahunan yang dijalankan pada penghujung tahun ke atas semua pengarah. Penilaian tersebut terdiri daripada soal selidik terperinci, yang mana para pengarah menilai diri mereka dan ahli-ahli Lembaga Pengarah yang lain. Penilaian ini dianalisis oleh Setiausaha Syarikat dan keputusan yang terperinci dikemukakan kepada Pengerusi, yang mana Pengerusi kemudiannya memaklumkan kepada setiap pengarah tentang markah peribadinya, manakala markah pengarah lain kekal sulit.

Berdasarkan keputusan penilaian tersebut, Setiausaha Syarikat mencadangkan tindakan penambahbaikan yang perlu diambil, selain memperkasakan lagi keupayaan Lembaga Pengarah.

In determining if an individual is 'fit and proper' to hold positions as director or President/Chief Executive Officer, the following factors are taken into considerations:

- Probity, diligence, competence and soundness of judgement.
- Reputation, character, integrity (including financial integrity) and honesty.
- History of offence(s) involving fraud, dishonesty and violence.
- Whether he/she has been engaged in any deceitful, oppressive or improper business or other practice, which would discredit him/her.
- Whether he/she has behaved in any manner which may cast doubt on his/her competence and soundness of judgement.
- Whether he/she has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.
- Whether he/she has been declared a bankrupt.

Board Evaluation

Continuous improvement and development of the Board and its Committees' processes and procedures is the key to ensure that Agrobank's governance structure remains in line with the best practices. This is achieved through the Board's evaluation, which provides a powerful and valuable feedback mechanism to improve the Board's effectiveness, maximising strengths and highlighting areas for further development. Agrobank is mindful that an effective board evaluation exercise helps the Board, committees and individual directors perform to their optimum capabilities.

At Agrobank, the Nominating Committee is responsible for ensuring that the directors continue to satisfy the 'fit and proper' criteria once they have been appointed. This is achieved via an annual evaluation of all directors, which is conducted towards year end. The evaluation comprises an elaborate questionnaire that requires the directors to assess themselves as well as their peers. These assessments are analysed by the Company Secretary and the results are presented to the Chairman, who also provides each director with his own personal rating, while ratings of the others are kept confidential.

Based on the results of the evaluation, the Company Secretary recommends actions to be taken to fill in any gap that exists in the Board and strengthen its capabilities.

01

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04 Bagaimana Kami Ditadbir Urus
How We Are Governed

05

06

Latihan bagi Para Pengarah

Lembaga Pengarah memperakui kepentingan pendidikan berterusan bagi para pengarahnnya demi memastikan mereka dilengkapskan dengan kemahiran dan ilmu pengetahuan yang diperlukan bagi menyempurnakan fungsi mereka dengan berkesan. Semua pengarah baharu dibekalkan dengan fail induksi dan Pihak Pengurusan Kanan memberikan taklimat relevan agar para pengarah memperoleh pemahaman mantap tentang pengurusan dan operasi Agrobank, serta isu semasa dan cabaran yang dihadapi. Pengarah baharu juga dikehendaki menghadiri program Pendidikan Pengarah Institusi Kewangan (FIDE) yang dianjurkan oleh BNM.

Selain itu, para pengarah digalakkan menghadiri program latihan dan bengkel berkaitan bidang yang relevan kepada Agrobank dan mengikut keperluan latihan yang ditentukan berdasarkan penilaian tahunan. Sekurang-kurangnya dua program dalaman dianjurkan setiap tahun bagi menambah baik perkara yang dikenal pasti menerusi penilaian Lembaga Pengarah. Analisis tentang penilaian tersebut dibentangkan kepada Jawatankuasa Pencalonan menjelang Februari setiap tahun. Sesudah diluluskan oleh Lembaga Pengarah, perbincangan diadakan dengan penyedia latihan bagi merangka latihan berkesan yang dirangka khusus buat para pengarah. Setiausaha Syarikat juga memaklumkan tentang program yang dianjurkan rakan kerjasama Agrobank yang mungkin menarik minat para pengarah.

Dalam meneruskan azam bagi sentiasa menggali ilmu dan menimba kemahiran dan pengetahuan yang relevan demi meningkatkan kepakaran perniagaan dan profesionalisme, berikut adalah program latihan, persidangan dan forum yang dihadiri pengarah sepanjang tahun 2017:

Directors' Training

The Board acknowledges the importance of continuing education for its directors to ensure they are equipped with the necessary skills and knowledge to perform their functions effectively. All new directors receive an induction file and Senior Management provide relevant briefing to enable the director to gain a better understanding of Agrobank's management and operations, as well as current issues and challenges faced. New directors are also required to attend the Financial Institutions Directors' Education (FIDE) programme organised by BNM.

In addition, directors are encouraged to attend training programmes and workshops on areas relevant to Agrobank and in accordance with the training needs as determined through the annual evaluation. At least two in-house programmes are organised every year, to fill in any gaps that have been identified from the Board evaluation. An analysis of the evaluation was tabled to the Nominating Committee by February each year. Once approved by the Board, a discussion is held with training providers to customise suitable training for the directors. The Company Secretary makes known programmes that have been organised by the Agrobank's partner organisations, which may be of interest to the directors.

In furtherance of the quest for continuous learning and acquisition of relevant skills and knowledge in order to enhance their business expertise and professionalism, directors have attended training programmes, conferences and forums during the year of 2017.

Pengarah Directors	Latihan Dihadiri Training Attended	Tarikh Latihan Date of Training
Tan Sri Mohamad Zabidi Zainal	Program Teras FIDE FIDE Core Programme Modul A/Module A	13-16 Mac/March 2017
	Modul B/ Module B Taklimat "Proposed Enhancement to Corporate Governance Requirement for Development Financial Institutions" Briefing on the Proposed Enhancement to Corporate Governance Requirement for Development Financial Institutions	9-11 Oktober/October 2017
	Simposium Global mengenai IKP dengan kerjasama Bank Dunia Global Symposium on DFIs in collaboration with the World Bank	19 Julai/July 2017
	Pembentangan "Malaysian Financial Reporting Standard 9 ("MFRS 9")" oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 ("MFRS 9") by Messrs. Pricewaterhouse Coopers	19 September/September 2017
	"AMLATPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance" AMLATPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance	29 September/September 2017
		8 Disember/December 2017

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Pengarah Directors	Latihan Dihadiri Training Attended	Tarikh Latihan Date of Training
Datuk Seri Dr. Ismail Hj. Bakar	Program Teras FIDE FIDE Core Programme Modul A/Module A Modul B/ Module B Tadbir Urus Korporat untuk Institusi Kewangan Pembangunan Corporate Governance for Development Financial Institution	13-16 Mac/March 2017 7-9 Ogos/August 2017 11-12 April/April 2017
Dato' Dr. Yusof Ismail	Program Teras FIDE FIDE Core Programme Modul A/Module A Modul B/ Module B Global Kawal Selia Pasaran Pesat Membangun Global Kawal Selia Pasaran Pesat Membangun	13-16 Mac/March 2017 7-9 Ogos/August 2017 14 Mac/March 2017
01		
02		
03		
04	Bagaimana Kami Ditadbir Urus How We Are Governed	27 Mac/March 2017
05	Persidangan “Global Offset and Countertrade Association” Persidangan Global Offset and Countertrade Association	5 April/April 2017
06	Program Latihan Ahli Lembaga Pengarah Badan Berkanun Program Latihan Ahli Lembaga Pengarah Badan Berkanun	11-12 April/April 2017
	Tadbir Urus Korporat untuk Institusi Kewangan Pembangunan Corporate Governance for Development Financial Institution	29 September/September 2017
	Pembentangan “Malaysian Financial Reporting Standard 9 (“MFRS 9”) oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 (“MFRS 9”) by Messrs. Pricewaterhouse Coopers	12 Disember/December 2017
	Program “Global Entrepreneurship Community” Programme Global Entrepreneurship Community	10 Januari/January 2017
Dato' Dr. Mohamad Hashim Ahmad Tajudin	Seminar Industri “Reach & Remind Friends” 2017 “Meeting Market Challenges” - Malaysian Palm Oil Promotion Council (“MPOC”) Reach & Remind Friends of Industry Seminar 2017 “Meeting Market Challenges” - Malaysian Palm Oil Promotion Council (“MPOC”) “Procurement Fraud” – MOF & MACC Procurement Fraud – MOF & MACC	7 Mac/March 2017
	Perubahan oleh Akta Syarikat 2016 – MOF & Tetuan Zul Rafique & Partners Changes By Companies Act 2016 – MOF & Messrs Zul Rafique & Partners	7 Mac/March 2017
	Ceramah Para Pengarah MKD – “Best Practice of Nomination and Remuneration Committee” MKD Directors’ Talk - Best Practice of Nomination and Remuneration Committee	8 September/September 2017

Pengarah Directors	Latihan Dihadiri Training Attended	Tarikh Latihan Date of Training
	Ceramah Para Pengarah MKD – “Boardroom Language: A Guide To Surviving The Boardroom” MKD Directors Talk – Boardroom Language: A Guide To Surviving The Boardroom	3 November/November 2017
	Pembentangan “Malaysian Financial Reporting Standard 9 (“MFRS 9”) oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 (“MFRS 9”) by Messrs. Pricewaterhouse Coopers	29 September/September 2017
	AMLATPUAA 2001: “Risk, Challenges and Vulnerabilities Towards Regulatory Compliance” AMLATPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance	8 Disember/December 2017
Datin Setia Shahariah Hashim	Program Teras FIDE FIDE Core Programme	
	Modul A/Module A	7-10 Mac/March 2017
	Modul B/ Module B	7-9 Ogos/August 2017
	“Women Power Network” Women Power Network	24 Februari/February 2017
	Kumpulan Fokus FIDE FIDE Focus Group	1 Mac/March 2017
	Forum FIDE: Dialog Tahunan bersama Timbalan Gabenor BNM FIDE Forum: Annual Dialogue with Deputy Governor BNM	27 Mac/March 2017
	“Cyber Fraud for Board” Cyber Fraud for Board	17 Mei/May 2017
	Persidangan Pematuhan 2017 Compliance Conference 2017	18 Mei/May 2017
	FIDE: Bengkel Eksklusif untuk Pengerusi dan Ahli-ahli Jawatankuasa Pencalonan FIDE: Exclusive Workshop for Nomination Committee Chairman and Members	23 Mei/May 2017
	Peluang-peluang Fintech untuk Industri Perkhidmatan Kewangan Malaysia Fintech Opportunities for Financial Service Industry Malaysia	11 Julai/July 2017
	“Value Based Intermediation Dialogue” (“VBI”) Value Based Intermediation Dialogue (“VBI”)	24 Ogos/August 2017
	Ceramah Para Pengarah MKD – “Best Practice of Nomination and Remuneration Committee” MKD Directors’ Talk - Best Practice of Nomination and Remuneration Committee	8 September/September 2017
	Simposium Global “DFIs Balancing Sustainability and Social Mandate: DFI in a New World” Global Symposium on DFIs Balancing Sustainability and Social Mandate: DFI in a New World	19-20 September/September 2017
	Memperkuatkan Amalan Pengurusan Risiko dan Tadbir Urus Risiko untuk Ahli-ahli Lembaga Pengarah, Ketua Pegawai Eksekutif di Institusi Kewangan Pembangunan Strengthening the Risk Management Practices and Risk Governance for Board Members, CEO of DFIs	19-20 Oktober/October 2017

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Pengarah Directors	Latihan Dihadiri Training Attended	Tarikh Latihan Date of Training
	Ceramah Para Pengarah MKD – “Boardroom Language: A Guide To Surviving The Boardroom” MKD Directors Talk – Boardroom Language: A Guide To Surviving The Boardroom	3 November/November 2017
	Forum FIDE – “Leveraging Technology for Growth” Fide Forum – Leveraging Technology for Growth	14 November/November 2017
	Pembentangan “Malaysian Financial Reporting Standard 9 (“MFRS 9”) oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 (“MFRS 9”) by Messrs. Pricewaterhouse Coopers	29 September/September 2017
	AMLATFPUAA 2001: “Risk, Challenges and Vulnerabilities Towards Regulatory Compliance” AMLATFPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance	8 Disember/December 2017
01 02 03 04 Bagaimana Kami Ditadbir Urus How We Are Governed	Puan Azizah Abdul Rahman Program Teras FIDE FIDE Core Programme Modul A/Module A	7-10 Mac/March 2017
	Modul B/ Module B	7-9 Ogos/August 2017
	“Having Strategic Conversations” Having Strategic Conversations	24 Februari/February 2017
05 06	Dialog – “Economic and Financial Services Section Bank Negara – Trends and Challenges Moving Forward” Dialogue – Economic and Financial Services Section Bank Negara – Trends and Challenges Moving Forward	27 Mac/March 2017
	“Cyber Fraud for Board” Cyber Fraud for Board	17 Mei/May 2017
	Persidangan Pematuhan 2017 Compliance Conference 2017	18 Mei/May 2017
	BNM/Bank Dunia: Simposium Global mengenai Kewangan Mikro BNM/World Bank: Global Symposium on Microfinance	22-23 Mei/May 2017
	Peluang-peluang Fintech untuk Industri Perkhidmatan Kewangan Malaysia Fintech Opportunities for Financial Service Industry Malaysia	11 Julai/July 2017
	Ceramah Para Pengarah MKD – “Best Practice of Nomination and Remuneration Committee” MKD Directors’ Talk - Best Practice of Nomination and Remuneration Committee	8 September/September 2017
	Simposium Global “DFIs Balancing Sustainability and Social Mandate: DFI in a New World” Global Symposium on DFIs Balancing Sustainability and Social Mandate: DFI in a New World	19-20 September/September 2017
	Memperkuatkan Amalan Pengurusan Risiko dan Tadbir Urus Risiko untuk Ahli-ahli Lembaga Pengarah, Ketua Pegawai Eksekutif di Institusi Kewangan Pembangunan Strengthening the Risk Management Practices and Risk Governance for Board Members, CEO of DFIs	19-20 Oktober/October 2017

Pengarah Directors	Latihan Dihadiri Training Attended	Tarikh Latihan Date of Training
	Ceramah Para Pengarah MKD – “Boardroom Language: A Guide To Surviving The Boardroom” MKD Directors Talk – Boardroom Language: A Guide To Surviving The Boardroom	3 November/November 2017
	Forum FIDE – “Leveraging Technology for Growth” Fide Forum – Leveraging Technology for Growth	14 November/November 2017
	Pembentangan “Malaysian Financial Reporting Standard 9 (“MFRS 9”) oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 (“MFRS 9”) by Messrs. Pricewaterhouse Coopers	29 September/September 2017
	AMLATPUAA 2001: “Risk, Challenges and Vulnerabilities Towards Regulatory Compliance” AMLATPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance	8 Disember/December 2017
Tuan Haji Ibrahim Hassan	BNM/Bank Dunia: Simposium Global mengenai Kewangan Mikro BNM/World Bank: Global Symposium on Microfinance	22-23 Mei/May 2017
	Pembentangan “Malaysian Financial Reporting Standard 9 (“MFRS 9”) oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 (“MFRS 9”) by Messrs. Pricewaterhouse Coopers	29 September/September 2017
	AMLATPUAA 2001: “Risk, Challenges and Vulnerabilities Towards Regulatory Compliance” AMLATPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance	8 Disember/December 2017
Puan Faizah Abdullah	BNM/Bank Dunia: Simposium Global mengenai Kewangan Mikro BNM/World Bank: Global Symposium on Microfinance	22-23 Mei/May 2017
	“Risk and Reward: What Must Board Know About a Sustainable FI Remuneration System for Senior Management and Material Takers” Risk and Reward: What Must Board Know About a Sustainable FI Remuneration System for Senior Management and Material Takers	8 Jun/June 2017
	Fintech: Peluang-peluang untuk Industri Perkhidmatan Kewangan di Malaysia Fintech: Opportunities for the Financial Services Industry in Malaysia	11 Julai/July 2017
	“Value Based Intermediation Dialogue” (“VBI”) Value Based Intermediation Dialogue (“VBI”)	24 Ogos/August 2017
	Simposium Global “Development Financial Institution Balancing Sustainability and Social Mandate: DFI in a New World” Global Symposium on Development Financial Institution Balancing Sustainability and Social Mandate: DFI in a New World	19-20 September/September 2017
	Ceramah Para Pengarah MKD – “Best Practice of Nomination and Remuneration Committee” MKD Directors’ Talk - Best Practice of Nomination and Remuneration Committee	8 September/September 2017
	Memperkuuhkan Amalan Pengurusan Risiko dan Tadbir Urus Risiko: ADFIM/BNM Strengthening the Risk Management Practices and Risk Governance: ADFIM/BNM	19-20 Oktober/October 2017
	Ceramah Para Pengarah MKD – “Boardroom Language: A Guide To Surviving The Boardroom” MKD Directors Talk – Boardroom Language: A Guide To Surviving The Boardroom	3 November/November 2017
	Forum FIDE: “Leveraging Technology for Growth” Leveraging Technology for Growth: FIDE Forum	14 November/November 2017

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Pengarah Directors	Latihan Dihadiri Training Attended	Tarikh Latihan Date of Training
	Pembentangan "Malaysian Financial Reporting Standard 9 ("MFRS 9") oleh Tetuan Pricewaterhouse Coopers Presentation of Malaysian Financial Reporting Standard 9 ("MFRS 9") by Messrs. Pricewaterhouse Coopers	29 September/September 2017
	AMLATFPUAA 2001: "Risk, Challenges and Vulnerabilities Towards Regulatory Compliance" AMLATFPUAA 2001: Risk, Challenges and Vulnerabilities Towards Regulatory Compliance	8 Disember/December 2017
01 Encik Ng Chih Kaye	Forum Kemampunan untuk Para Pengarah/Ketua Pegawai Eksekutif – "The Velocity of Global Change and Sustainability" – BURSA Sustainability Forum for Directors/CEO – The Velocity of Global Change and Sustainability – BURSA Taklimat mengenai Akta Syarikat 2016 yang Baharu – MDV/Tetuan Arianti Dipendra Jeremiah Briefing on the New Companies Act 2016 – MDV/Messrs Arianti Dipendra Jeremiah	10 Januari/January 2017
	EMTech Asia – "Emerging Technology Singapore Conference" – MIT Technology EMTech Asia – Emerging Technology Singapore Conference – MIT Technology	14-15 Februari/February 2017
02	Program Pensijilan Penilai untuk "FAA Individual Accreditation" – Finance Accreditation Agency Assessor Certification Programme for FAA individual Accreditation – Finance Accreditation Agency	1-3 Mac/March 2017
03		
04 Bagaimana Kami Ditadbir Urus How We Are Governed	"Ecosystem Matter – Asian Corporate Governance Association" – MINDA/ICLIF Ecosystem Matter – Asian Corporate Governance Association – MINDA/ICLIF	7 Mac/March 2017
05	Persidangan Jawatankuasa Audit – MIA/IIAM Audit Committee Conference – MIA/IIAM	5 April/April 2017
06	"Cyber Security Risk Management for the Boardroom and C Suites" – MINDA Cyber Security Risk Management for the Boardroom and C Suites – MINDA	2 Mei/May 2017
	Forum FIDE: "Efficient Inefficiency – Making Boards Effective in a Changing World" – Professor Jeffrey Sampler FIDE Forum: Efficient Inefficiency – Making Boards Effective in a Changing World – Professor Jeffrey Sampler	4 Mei/May 2017

Setiausaha Syarikat

Tanggungjawab Setiausaha Syarikat terhadap Lembaga Pengarah, antara lain adalah memastikan prosedur dan semua peraturan serta kod tadbir urus dipatuhi. Setiausaha Syarikat juga memberi panduan kepada para pengarah mengenai tadbir urus, pematuhan dan tanggungjawab fidusiari mereka. Oleh itu, para pengarah mempunyai akses tidak terbatas kepada khidmat nasihat Setiausaha Syarikat, di samping akses penuh dan bertepatan masanya pada maklumat relevan agar para pengarah dapat menjalankan tugas mereka dengan sebaik mungkin.

Company Secretary

The Company Secretary is responsible to the Board for inter alia, ensuring that procedure and all regulations and governance codes are observed. The Company Secretary also provides guidance to the directors on governance, compliance and their fiduciary responsibilities. As such directors have unrestricted access to the advice and services of the Company Secretary as well as full and timely access to information that are relevant to the proper discharge of their duties.

Antara fungsi dan peranan utama Setiausaha Syarikat adalah:

- **Menyokong Lembaga Pengarah dan Pengerusi**

Setiausaha Syarikat menyokong Lembaga Pengarah dan Pengerusi bagi mendukung piawaian tertinggi dalam tadbir urus korporat, dan sekiranya sesuai, memudahcara keberkesanannya fungsi Lembaga Pengarah dan jawatankuasanya. Bagi tujuan ini, Setiausaha Syarikat:

- Menasihati Pengerusi dan para pengarah berkenaan tugas dan tanggungjawab mereka.
- Memastikan mesyuarat berlangsung dengan berkesan.
- Merekodkan keputusan Lembaga Pengarah, dan memastikan keputusan diedarkan kepada semua pengarah dan disampaikan kepada Pengurusan bagi tindakan selanjutnya.
- Memberi akses dan perkhidmatan sepenuhnya kepada Lembaga Pengarah.

- **Pelantikan Pengarah Baharu**

Setiausaha Syarikat memastikan pelantikan semua pengarah baharu dilaksanakan dengan betul. Ini termasuklah membantu Lembaga Pengarah memastikan pelantikan pengarah baharu dikendalikan dengan lancar, memberi taklimat kepada pengarah baharu tentang struktur organisasi Agrobank dan prosedur yang mengawal selia operasi Lembaga Pengarah. Setiausaha Syarikat turut bertanggungjawab memastikan pengarah baharu menjalani proses induksi yang sesuai dan mendapat semua maklumat yang relevan agar mereka dapat menjalankan tugas mereka dengan sebaiknya.

- **Pematuhan kepada Keperluan Pemfailan dan Tadbir Urus**

Setiausaha Syarikat bertanggungjawab memastikan Agrobank mematuhi keperluan menafalkan di bawah undang-undang dan peraturan yang relevan. Justeru itu, Setiausaha Syarikat memainkan peranan penting dalam membimbing dan menasihati Lembaga Pengarah berkenaan pematuhan undang-undang dengan memastikan pematuhan kepada prosedur pengendalian mesyuarat dan penyimpanan dokumen korporat secara selamat, membantu Lembaga Pengarah mentafsir akta perundangan dan kawal selia yang berkaitan dengan Agrobank, memaklumkan kepada Pengerusi tentang kemungkinan berlakunya pelanggaran undang-undang dan peraturan kawal selia, serta menasihati Lembaga Pengarah mengenai kewajipannya mendedahkan maklumat penting.

- **Pelaksanaan Tadbir Urus Korporat**

Setiausaha Syarikat bertanggungjawab memastikan piawaian tadbir urus korporat yang tinggi dengan sentiasa mengikuti perkembangan terbaru dalam tadbir urus korporat, perubahan rangka kerja perundangan dan pengawalseliaan serta amalan terbaik pada peringkat antarabangsa.

Jawatankuasa Pengurusan

Lembaga Pengarah dan jawatankuasanya disokong oleh pelbagai jawatankuasa pengurusan, masing-masing terdiri daripada ahli Pengurusan Kanan dengan pengetahuan dan pengalaman yang diperlukan dalam bidang tumpuan jawatankuasa tersebut. Presiden/Ketua Pegawai Eksekutif berhak melantik seorang ahli sebagai pengerusi mesyuarat semasa ketiadaan beliau. Sepanjang tahun berkenaan, jawatankuasa pengurusan mengadakan 34 mesyuarat, termasuk 11 mesyuarat khas.

Some of the key functions and roles of the Company Secretary are:

- **Support the Board and the Chairman**

The Company Secretary supports the Board and the Chairman in promoting the highest standards of corporate governance, and facilitating the effective functioning of the Board and its committees, where appropriate. To this effect, the Company Secretary:

- Provides advice to the Chairman and directors as to their duties and responsibilities.
- Ensures the meeting flows effectively.
- Records the decisions of the Board, ensuring decisions are relayed to management to act upon and circulated amongst the directors.
- Provides full access and services to the Board.

- **Appointment of new directors**

The Company Secretary ensures all appointments of new directors are properly effected. This includes assisting the Board in ensuring a smooth administration of the appointment of new directors, briefing new directors on organisational structure of Agrobank and procedures that regulate the operations of the Board. The Company Secretary is also responsible for ensuring that new directors receive appropriate induction into Agrobank and receive all relevant information for the proper discharge of their duties.

- **Compliance with filing and administrative requirements**

The Company Secretary is responsible for ensuring that Agrobank is in compliance with filing requirements under relevant statutes, rules and regulations. Hence, the Company Secretary plays an important role in guiding and advising the Board on legal compliance by way of ensuring compliance with the procedure for conducting meetings and safekeeping of corporate documentation, assisting the Board with interpreting legal and regulatory acts related to Agrobank, notifying the Chairman of any possible violations of legal and regulatory acts, and advising the Board on its obligatory requirements to disclose material information.

- **Implementation of Corporate Governance**

The Company Secretary is responsible for ensuring high standards of governance by keeping abreast with the latest developments in corporate governance, changes in the legal and regulatory framework and international best practices.

Management Committees

The Board and its committees are supported by various management committees, each comprising senior members of management with the requisite knowledge and experience in the focus area of the committee. The President/Chief Executive Officer has the right to appoint a member to be the chairman of the meeting in his absence. During the year, the Management Committees held 34 meetings inclusive of 11 special meetings.

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Buat masa ini, terdapat LAPAN jawatankuasa pengurusan, iaitu:

- Jawatankuasa Pengurusan
- Jawatankuasa Pengurusan Kredit
- Jawatankuasa Pengurusan Audit
- Jawatankuasa Aset dan Liabiliti
- Jawatankuasa Pengurusan Teknologi Maklumat dan Transformasi
- Jawatankuasa Pengurusan Sumber Manusia
- Jawatankuasa Pengurusan Risiko
- Jawatankuasa Pengurusan Risiko Operasi

Penglibatan Pihak Berkepentingan

Agrobank amat menyedari bahawa kemarpanan perniagaan hanya mampu dicapai menerusi interaksi bernes dengan pihak berkepentingan dan memahami kesan perniagaan Agrobank pada persekitarannya. Penyertaan Agrobank dalam dialog strategik dan proaktif dengan pihak berkepentingan utama membantu Agrobank meraih pemahaman yang lebih mendalam mengenai pemacu perniagaan, di samping dapat mengenal pasti peluang, lantas berupaya mendahului pesaing dalam melakukan penyesuaian terhadap perubahan dalam permintaan. Agrobank sedar bahawa bagi menggapai visinya, jalinan kerjasama amatlah penting.

Walaupun tiada dasar rasmi berkennaan penglibatan dengan pihak berkepentingan, Agrobank kerap mengundang penglibatan para pemegang saham utama, MoF dan pihak berkepentingan utama yang lain, seperti Kementerian Pertanian dan Industri Asas Tani, Kementerian Perusahaan Perladangan dan Komoditi, Kementerian Kemajuan Luar Bandar dan Wilayah, serta pengawal selia, iaitu BNM.

Setiap tahun, satu mesyuarat peringkat tinggi diadakan dengan para menteri yang berkaitan dan/atau timbalan mereka bagi membincangkan prestasi industri pertanian, sumbangan Agrobank serta bagaimana Agrobank dapat melonjakkan lagi sumbangannya demi pembangunan industri ini. Mesyuarat ini disokong dengan mesyuarat berkala pada peringkat Pengurusan Kanan antara Agrobank dan wakil kementerian serta pengawalselia.

Agrobank memberi maklum balas yang berterusan berkennaan pengurusan dan pengagihan dana konsesi daripada kementerian, sekaligus memberi jaminan kepada agensi kerajaan bahawa dana tersebut diuruskan sebaiknya, selaras dengan objektif yang ditetapkan yang menyokong agenda keseluruhan Kerajaan bagi membangunkan negara. Perlu dimaklumi bahawa dana tersebut disalurkan dengan cara yang sewajarnya demi mendorong pembangunan dalam segmen yang disasarkan. Penglibatan sedemikian tersirat dalam AIKP yang mentadbir Agrobank dan lain-lain IKP.

Agrobank mempunyai pelbagai jabatan dan seksyen yang dikhaskan bagi menghubungkan kerajaan, industri dan kakitangan. Setiap pasukan dilengkappan dengan rangka kerja yang memandu penglibatan mereka dengan pihak berkepentingan.

There are currently eight management committees, namely:

- Management Committee
- Management Credit Committee
- Management Audit Committee
- Asset and Liability Committee
- Management Information Technology and Transformation Committee
- Human Resource Management Committee
- Management Risk Committee
- Operational Risk Management Committee

Stakeholder Engagement

Agrobank is fully aware that sustainable business can only be achieved by interacting with its stakeholders and understanding the impact of the business has on its environment. Taking part in strategic and proactive dialogue with key stakeholders helps Agrobank to deepen its insights into business drivers and identify opportunities, and thus be ahead of competition in adjusting to changing demands. Agrobank realises that working in partnerships is crucial in delivering its vision.

Although there is no formal policy on stakeholder engagement, Agrobank engages regularly with its shareholder, MoF, and other key stakeholders, namely the Ministry of Agriculture and Agro-Based Industry (MOA), Ministry of Plantation Industries and Commodities (MPIC), Ministry of Rural and Regional Development (KKLW), as well as the regulator i.e. Bank Negara Malaysia (BNM).

A high-level meeting is held with the relevant ministers and/or their deputies annually to discuss the performance of the agriculture industry, Agrobank's contributions as well as ways in which Agrobank could lend further support to the development of the industry. This is supported by regular meetings at the Senior Management level between Agrobank and representatives of the ministries and regulatory bodies.

Agrobank provides constant feedback on the management and distribution of concessionary funds from the ministries, providing assurance to the government agencies that the fund are being administered in line with set objectives that support the Government's overall national development agenda. On this particular note, the funds are being channelled appropriately in a manner that promotes the development of the targeted segments. Such engagement is implicit in the DFIA governing the bank and other DFIs.

Agrobank has various departments and sections dedicated to government relations, industry relations and employee relations. Each team has their engagement framework with its respective stakeholders.

Kebertanggungjawaban dan Audit

Penyata Tanggungjawab Pengarah

Para pengarah bertanggungjawab memastikan penyata kewangan Agrobank memberikan pandangan yang benar dan saksama mengenai keadaan Agrobank, di samping prestasi dan kedudukan aliran tunainya bagi tahun kewangan yang berakhir. Penyata-penyata ini disediakan selaras dengan piawaian perakaunan yang diluluskan oleh Lembaga Pengarah, iaitu Piawaian Pelaporan Kewangan Malaysia (MFRS) dan Piawaian Pelaporan Kewangan Antarabangsa (IFRS), dan ia mematuhi keperluan Akta Syarikat, 1965 di Malaysia. Penyata kewangan dibentangkan kepada para pemegang saham melalui surat dan kemudiannya disiarkan dalam laporan tahunan Agrobank, yang mana ia diedarkan kepada semua pihak kepentingan dan turut terdapat dalam talian di laman sesawang Agrobank di www.agrobank.com.my.

Kawalan Dalam

Agrobank mengendalikan dan membangunkan sistem kawalan dalamannya dengan matlamat utama bagi melonjakkan prestasi perniagaannya dan pada masa sama, mematuhi undang-undang serta peraturan. Kawalan dalaman meliputi semua dasar, proses, prosedur dan struktur organisasi dalam Agrobank yang membantu pihak pengurusan, dan terutamanya pihak Lembaga Pengarah bagi memastikan Agrobank mencapai matlamatnya, serta pengendalian perniagaannya mematuhi semua undang-undang dan peraturan yang relevan.

Lembaga Pengarah diamanahkan dengan tanggungjawab mengendalikan dan mengkaji semula keberkesanan pengurusan risiko dan kawalan dalaman bagi mengurus dan memantau risiko ketara, dan memastikan pelaburan para pemegang saham, kepentingan pelanggan serta aset Agrobank sentiasa terpelihara. Lembaga Pengarah sentiasa mengkaji semula dan menambah baik rangka kerja pengurusan risiko Agrobank dengan matlamat memastikan kecekapan dan keberkesanan prosedur operasi dan kawalan dalaman bagi mengukur, mengawal, memantau dan melaporkan risiko; dan sentiasa dikemas kini selari dengan perubahan dalam persekitaran perniagaan dan keadaan operasi dalaman.

BAC sentiasa menilai kecukupan dan keberkesanan sistem kawalan dalaman Agrobank dengan mengkaji keberkesanan tindakan yang diambil terhadap kelemahan/kekurangan yang dikenal pasti dalam laporan yang disediakan oleh juruaudit dalaman dan luar semasa berlangsungnya mesyuarat yang dijadualkan. BAC turut mengkaji semula saranan juruaudit dan maklum balas pihak pengurusan terhadap saranan tersebut bagi memastikan apa-apa kelemahan atau kekurangan yang dikenal pasti ditangani sebaiknya dan dengan sesegera mungkin.

Dasar Pendedahan Maklumat

Dalam pengendalian perniagaan dan operasinya, Agrobank beriltizam mendukung setinggi mungkin piawaian integriti, keterbukaan dan kebertanggungjawaban. Sejak dengan prinsip VBI yang diterapkan, Agrobank bertekad menyempurnakan segala urusannya dengan penuh etika, tanggungjawab dan ketelusan, selari dengan prinsip VBI yang telah diterapkan oleh Agrobank. Agrobank sentiasa mengambil segala langkah yang mungkin bagi mengelakkan sebarang tindakan tidak wajar yang boleh mendatangkan akibat yang serius kepada Agrobank atau kakitangannya. Agrobank turut memandang serius sebarang penyelewengan atau kesalahan oleh mana-mana kakitangan, anggota pengurusan atau Lembaga Pengarah, khususnya yang berkaitan dengan kewajipan mereka demi kepentingan Agrobank.

Accountability and Audit

Directors' Responsibility Statement

The directors are responsible for ensuring the financial statements of Agrobank provide a true and fair view of the state of affairs of Agrobank, as well as its performance and cash flow position for the financial year ended 2017. These statements are prepared in accordance with accounting standards approved by the Board, namely the Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards (IFRS), and comply with the requirements of the Companies Act, 2016 in Malaysia. The financial statements are presented to the shareholders via letters and subsequently published in Agrobank's annual report, which is distributed to all stakeholders and also made available online on Agrobank's website at www.agrobank.com.my.

Internal Controls

Agrobank maintains and develops its internal control system with the ultimate aim of improving its business performance and, at the same time, complying with the laws and regulations. Internal controls cover all the policies, processes, procedures and organisational structures within Agrobank that help management, and ultimately the Board, to ensure that Agrobank is achieving its objectives and that the business conduct is in compliance with all applicable laws and regulations.

The Board is responsible for maintaining and reviewing the effectiveness of risk management and internal control to manage and monitor material risks, thus ensuring that shareholders' investments, customers' interests and Agrobank's assets are safeguarded. The Board continuously reviews Agrobank's risk management framework with a view to ensure adequate and effective operational procedures and internal controls to measure, control, monitor, and report risks are in place; and are updated in line with changes arising within the business environment and internal operating conditions.

The BAC regularly evaluates the adequacy and effectiveness of Agrobank's internal control systems by reviewing the effectiveness of remedial actions taken on lapses/deficiencies identified in reports prepared by the internal and external auditors during its scheduled meetings. The BAC also reviews the auditors' recommendations, and management's response to these, to ensure any lapse of deficiency identified is dealt with adequately and promptly.

Whistleblowing Policy

Agrobank is committed to the highest possible standards of integrity, openness and accountability in the conduct of this businesses and operation. Agrobank aspires to conduct its affairs in an ethical, responsible and transparent manner in line with the adopted VBI principles. Agrobank takes every effort to avoid any improprieties that may result in serious consequences for Agrobank or its employees. It also takes a serious view of any malpractice or wrong-doing on the part of any employee, member of management or Board, in particular with respect to their obligations to Agrobank's interest.

PENYATA TADBIR URUS KORPORAT

STATEMENT ON CORPORATE GOVERNANCE

Dalam usaha membendung penyelewengan, Agrobank menyediakan saluran komunikasi dan saluran lain bagi kakitangan menyuarakan kemosyikilan secara sulit tentang kemungkinan berlakunya kesalahan, penyelewengan atau sebarang salah laku yang disedari oleh mereka. Dasar pendedahan maklumat Bank menyediakan saluran tersusun bagi mana-mana individu membuat laporan dengan jujur tanpa takut terhadap tindakan balas, kebimbangan tentang kemungkinan berlakunya kesalahan dalam pelaporan kewangan atau apa-apa kesalahan yang disyaki, sama ada yang sedang berlaku atau tindakan masa lalu yang boleh memudaratkan Agrobank. Ini termasuk tetapi tidak terhad pada tindakan tidak beretika, seperti aktiviti jenayah atau pelanggaran undang-undang/peraturan oleh kakitangan lain atau mana-mana individu yang berurusan dengan Agrobank.

Selaras dengan Dasar Pendedahan Maklumat Bank, identiti pemberi maklumat dilindungi, iaitu sebaik yang mampu dilakukan dan dia dilindungi daripada sebarang tindakan buruk dan memudaratkan susulan pendedahannya tentang perbuatan tidak wajar yang dilakukan ataupun yang akan dilakukan dalam Agrobank, sebaik yang mampu dilakukan, asalkan pendedahan itu dilakukan dengan jujur.

Ikrar Integriti Korporat

Etika dan integriti merupakan komponen yang tersemat dalam semua aspek tadbir urus korporat dan dalam setiap keputusan serta tindakan oleh Lembaga Pengarah. Dalam menegaskan iltizamnya bagi mengekalkan tahap integriti, tadbir urus korporat dan ketelusan yang tinggi, Agrobank menjadi IKP pertama menandatangani Ikrar Integriti pada 6 September 2014. Dengan ikrar ini, Agrobank beriltizam bekerjasama sepenuhnya dengan Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) bagi menyebatikan budaya integriti dan sifar toleransi terhadap penipuan atau rasuah. Ikrar ini membuktikan iltizam Agrobank dalam membudayakan amalan perniagaan beretika dan menetapkan "Suri Teladan dari Atas" bagi memacu agenda integriti di Agrobank.

In order to curb any malpractices, Agrobank has placed communication channels and other avenues for employees to raise concerns in confidence about possible wrongdoing, malpractice or any misconduct of which they become aware. Agrobank's Whistleblowing Policy provides for access to well-defined channels for any individual to report in good faith, without fear of reprisal, concerns about possible improprieties in financial reporting or any suspected wrongdoings either on-going or past action that could be detrimental to Agrobank. These include but are not limited to unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with Agrobank.

In accordance to Agrobank's Whistleblowing Policy, a whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable and shall be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within Agrobank, to the extent reasonably practicable, provided that the disclosure is made in good faith.

Corporate Integrity Pledge

Ethics and integrity are inherent components in all aspects of corporate governance and in every board decisions and actions. Underlining its commitment to maintaining high standards of integrity, corporate governance and transparency, Agrobank became the first DFI to sign the Integrity Pledge on 6 September 2014. With this pledge, Agrobank is committed to working with the Malaysian Anti-Corruption Commission (MACC) to create a culture of integrity and zero tolerance to fraud or corruption. This pledge is a sign of manifestation of commitment to observe ethical business practices and sets the "Tone at the Top" in driving the integrity agenda within Agrobank.

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04 **Bagaimana Kami Ditadbir Urus**
How We Are Governed

05

06

PENYATA TADBIR URUS SYARIAH

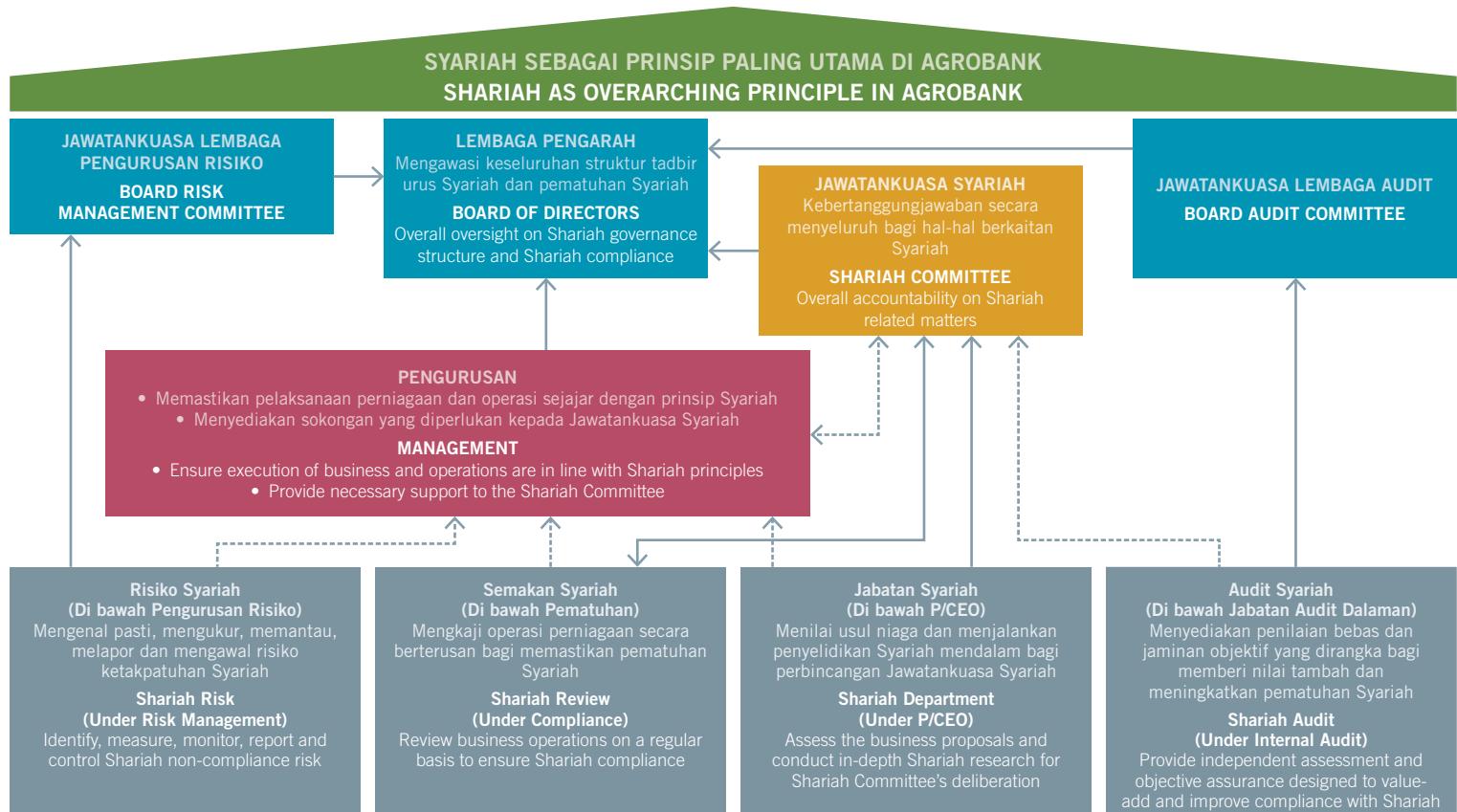
STATEMENT ON SHARIAH GOVERNANCE

Sebagai pendukung bagi prinsip VBI, Agrobank komited dalam mengekalkan tahap ketelusan dan rangkuman tadbir urus serta pelaporan yang tinggi. Ia sekaligus menghasilkan sumbangan yang berkekalan dan berkesan dalam jangka masa panjang kepada masyarakat selain menyediakan peluang dan pertumbuhan dalam bidang perniagaan. Pihak Bank menyedari bahawa tadbir urus Syariah yang kukuh dan menyeluruh amat penting bagi memastikan Agrobank memenuhi semua tanggungjawab dalam mendukung prinsip dan syarat Syariah dalam semua aspek operasi perniagaannya. Dalam merealisasikan hasrat ini, Manual Pematuhan Syariah telah disediakan dan dilaksanakan selaras dengan Akta Perkhidmatan Kewangan Islam 2013 dan Garis Panduan Rangka Kerja Tadbir Urus Syariah (SGF) bagi Institusi Kewangan Islam yang dikeluarkan oleh Bank Negara Malaysia (BNM).

Antara lain, manual ini menggariskan mekanisme kawalan patuh Syariah yang lengkap, termasuk pengawasan berkesan oleh Lembaga Pengarah dan pihak pengurusan, selain prosedur operasi Jawatankuasa Syariah (SC) serta kod etika dan tatalaku ahlinya. Jabatan Syariah, *Shariah Review*, Pengurusan Risiko Syariah dan Audit Syariah merupakan nadi Syariah dalaman bagi Bank yang menyokong fungsi jawatankuasa tadbir urus. Jabatan-jabatan ini berperanan dan dipertanggungjawabkan dengan bidang tugas dan kelulusannya adalah ditetapkan oleh SGF serta dasar dan garis panduan yang diselaraskan oleh Syariah dalaman Bank. Pada peringkat institusi, Jabatan Syariah bertindak sebagai perantara bagi SC dan pihak Pengurusan Bank, manakala fungsi *Shariah Review*, Pengurusan Risiko Syariah dan Audit Syariah masing-masing dijalankan oleh Bahagian Pematuhan, Pengurusan Risiko dan Audit Dalam.

As a strong advocate of VBI principles, Agrobank is committed in maintaining a high degree of transparency and inclusiveness in governance and reporting, which will make lasting and impactful contributions to the society besides providing opportunities and growth for the business. The Bank is mindful that a comprehensive and robust Shariah governance framework is essential to ensure that Agrobank meets all obligations in relation to upholding Shariah tenets, principles and conditions in all aspect of its business operations. In view of that, a Shariah Compliance Manual was developed and implemented in line with the requirements prescribed under the Islamic Financial Services Act 2013 and the Guidelines on Shariah Governance Framework (SGF) for Islamic Financial Institutions issued by Bank Negara Malaysia (BNM).

Among others, the manual outlines the end-to-end Shariah-compliant control mechanism including effective oversight by the Board and management as well as the operational procedures of the Shariah Committee (SC) and code of ethics and conduct of its members. These governing committees are supported by dedicated functions acting as internal Shariah organs of the Bank, namely Shariah Department, Shariah Review, Shariah Risk Management and Shariah Audit, whose roles and responsibilities as well as scope of duties and authorities are embedded in the SGF and the Bank's own internal Shariah policies and guidelines. At the institutional level, the Shariah Department acts as an intermediary between the SC and the Management of the Bank; whilst Shariah Review, Shariah Risk Management and Shariah Audit functions are performed by the Compliance, Risk Management and Internal Audit division respectively.



PENYATA TADBIR URUS SYARIAH

STATEMENT ON SHARIAH GOVERNANCE

Peranan dan Tanggungjawab

Lembaga Pengarah

Lembaga Pengarah menggalas tanggungjawab utama berhubung keseluruhan rangka kerja Syariah dan pematuhan Syariah dalam memastikan rangka kerja tadbir urus berpadanan dengan saiz, kompleksiti dan operasi perniagaan Bank termasuklah keberkesan pelaksanaannya. Dalam melaksanakan fungsi pengawasan ini, Lembaga Pengarah terlibat secara aktif dengan SC bagi mendapatkan khidmat nasihat dan penjelasan berhubung prinsip Syariah. Lembaga Pengarah melantik ahli SC berdasarkan saranan dan cadangan Jawatankuasa Pencalonan Lembaga Pengarah. Semua dasar-dasar berkaitan Syariah diluluskan SC sebelum dipertimbang dan diluluskan oleh Lembaga Pengarah.

Jawatankuasa Syariah

Jawatankuasa Syariah (SC) dibentuk bagi memastikan perniagaan berasaskan perbankan Islam dan hal-ehwal operasi serta aktiviti Bank mematuhi peraturan dan prinsip Syariah. Peranan dan tanggungjawab SC adalah seperti yang telah ditetapkan di dalam SGF yang dikeluarkan oleh BNM, di mana SC bertanggungjawab ke atas semua keputusan, pandangan dan pendapat Bank yang berkaitan dengan urusan Syariah. Jawatankuasa ini mengesahkan dasar serta prosedur Syariah, dan menyemak laporan yang dikemukakan berdasarkan fungsi Syariah. Ahli jawatankuasa membincangkan isu secara teliti dan memberikan saranan bagi mengurangkan kelemahan kawalan Syariah dan risiko ketidakpatuhan Syariah.

Lain-lain peranan dan tanggungjawab SC adalah seperti berikut:

- Menyemak terma dan syarat dokumen, kontrak dan perjanjian rasmi yang berkaitan urusniaga dan perkhidmatan Bank, selain menyemak iklan, ilustrasi jualan dan brosur pemasaran;
- Menilai keberkesan fungsi Semakan Syariah dan Audit Syariah;
- Memainkan peranan sebagai penasihat pada badan penasihat undang-undang Bank, juruaudit, perunding atau mana-mana pihak yang bertindak bagi pihak Bank berkenaan urusan yang berkaitan Syariah; dan
- Mendapatkan nasihat daripada Majlis Penasihat Syariah (SAC) BNM bagi pihak Bank demi menyelesaikan sebarang isu dan kemusykilan.

SC terdiri daripada enam orang ahli, dengan lima daripadanya memiliki pengalaman dan pengetahuan meluas mengenai aspek Syariah yang berbeza, daripada undang-undang Syariah hingga kepada kewangan Islam, sementara ahli yang keenam pula adalah ahli perbankan Islam berpengalaman yang menyalurkan pandangannya tentang amalan dan operasi perbankan kepada jawatankuasa.

Roles and Responsibilities

Board of Directors

The Board is ultimately accountable and responsible for the overall Shariah governance framework and state of compliance with Shariah. The Board ensures that the governance framework is commensurate with the size, complexity and nature of the Bank's business operations, and is responsible for its effective implementation. In performing its oversight functions, the Board actively engages with the SC for advisory and clarification relating to Shariah principles and requirements. The Board appoints members of the SC based on recommendations of the Board Nominating Committee. All Shariah-related policies are approved by the SC prior to deliberation and approval of the Board.

Shariah Committee

The Shariah Committee (SC) was established to ensure that the Bank's Islamic banking business and operational affairs as well activities are in compliance with Shariah rules and principles. The roles and responsibilities of the SC are as prescribed in the SGF issued by BNM, which stated that the SC is responsible for all Bank's decisions, views and opinions relating to Shariah matters. The committee endorses Shariah policies and procedures, and reviews reports escalated by the dedicated Shariah functions. The committee members rigorously deliberate on issues and recommendations to mitigate Shariah control weaknesses and potential Shariah non-compliances.

Other roles and responsibilities of the SC are as follows:

- Review the terms and conditions of the official documents, contracts and agreements associated with the Bank's transactions and services, as well as the advertisements, sales illustrations and marketing brochures.
- Assess the effectiveness of the Shariah Review and Shariah Audit functions.
- Undertake an advisory role to the Bank's legal counsel, auditor, consultant or any other party acting for the Bank on matters related to Shariah.
- Consult the Shariah Advisory Council (SAC) of BNM, on behalf of the Bank for the resolution of issues and concerns.

The SC comprises six members, five of whom have extensive experience and knowledge of different aspects of Shariah, ranging from Shariah law to Islamic finance, while the sixth member is an experienced Islamic banker who provides insights on banking practices and operations to the committee.

Pada tahun 2017, SC mengadakan 14 mesyuarat, yang mana usul, semakan dan laporan dibentang dan dibincang dengan teliti, terutamanya mengenai produk dan perkhidmatan baharu dan yang sedia ada. Dapatan Semakan dan audit Syariah, proses pembetulan, perakaunan dan laporan zakat, termasuk isu yang timbul susulan penukaran Bank kepada bank Islam sepenuhnya juga dibincangkan. Ahli SC dan rekod kehadiran mereka adalah seperti berikut:-

Ahli Jawatankuasa Committee member	Jawatan Designation	Bilangan mesyuarat yang dihadiri Number of meetings attended
Prof. Madya Dr. Mohamed Fairooz Abdul Khir	Pengerusi/Chairman	14
Prof. Madya Dr. Atikullah Hj. Abdullah	Ahli/Member	13
Dr. Mohamad Sabri Zakaria	Ahli/Member	14
Y.M. Engku Ahmad Fadzil bin Y.M. Engku Ali	Ahli/Member	13
Tn. Hj. Azizi bin Che Seman	Ahli/Member	13
Tn. Hj. Jahaidi bin Harun	Ahli/Member	14

Jabatan Syariah: Fungsi, Aktiviti Utama pada tahun 2017 dan Keutamaan Strategik pada tahun 2018

Mekanisme tadbir urus Agrobank yang kukuh terus memainkan peranan penting dalam memacu penghasilan nilai dengan memastikan semua produk dan perkhidmatan mendapat akreditasi sewajarnya sejajar dengan prinsip Syariah. Proses tadbir urus Syariah di Agrobank diurus oleh Jabatan Syariah. Jabatan Syariah membantu dan bekerjasama dalam semua aktiviti perbankan Syariah serta memastikan pelaksanaan SGF dijalankan secara menyeluruh, termasuk pengwujudan dan pengurusan SC, selain berhubung dengan mereka bagi mendapatkan kelulusan produk dan urusniaga. Jabatan Syariah turut bekerjasama dengan lain-lain jabatan dan jawatankuasa Bank berhubung isu Syariah.

Lain-lain peranan dan fungsi merangkumi:

- Melaksanakan semakan awal bagi kelulusan produk, menilai isu dan melaksanakan urusan pentadbiran dan kesetiausahaan yang berkaitan SC;
- Menjalankan penyelidikan Syariah dan memberikan khidmat nasihat serta rundingan harian berkenaan Syariah kepada pihak berkaitan, termasuk mereka yang terlibat dalam proses pembangunan produk, di samping fungsi sokongan lain;
- Bertindak sebagai penyelaras bagi mesyuarat, mengumpulkan kertas cadangan, memaklumkan keputusan Syariah kepada pihak berkepentingan yang relevan serta bekerjasama dengan SC bagi perbincangan lanjut mengenai isu Syariah tertentu; dan
- Meningkatkan pemahaman dan kesedaran mengenai prinsip Syariah serta fungsinya kepada kakitangan Bank melalui program latihan dan kesedaran serta perkongsian ilmu.

In 2017, the SC held 14 meetings at which proposals; reviews and reports were presented and thoroughly discussed mainly on new and existing products and services. Findings of Shariah Review and audit, rectification process, accounting and zakat report including issues arising from the Bank's conversion into a full-fledged Islamic bank were also discussed during these meetings. The members of the SC and their record of attendance are as follows:-

Ahli Jawatankuasa Committee member	Jawatan Designation	Bilangan mesyuarat yang dihadiri Number of meetings attended
Prof. Madya Dr. Mohamed Fairooz Abdul Khir	Pengerusi/Chairman	14
Prof. Madya Dr. Atikullah Hj. Abdullah	Ahli/Member	13
Dr. Mohamad Sabri Zakaria	Ahli/Member	14
Y.M. Engku Ahmad Fadzil bin Y.M. Engku Ali	Ahli/Member	13
Tn. Hj. Azizi bin Che Seman	Ahli/Member	13
Tn. Hj. Jahaidi bin Harun	Ahli/Member	14

Shariah Department: Functions, Key Activities in 2017 and Strategic Priorities in 2018

Agrobank's robust Shariah governance mechanism continues to play an integral part in driving value creation by ensuring that all the products and services are duly accredited and in line with Shariah principles. The Shariah governance process at Agrobank is managed by the Shariah Department. Providing cross-functional support for all Shariah banking activities, the Shariah Department ensures the implementation of a comprehensive SGF, including the formulation and management of the SC and liaising with them for product and transaction approvals. The Shariah Department also coordinates with the Bank's various departments and committees on Shariah issues.

Other roles and functions include:

- Conduct pre-product approvals, appraise issues and undertake administrative as well as secretarial matters relating to the SC.
- Perform in-depth Shariah research and provide day-to-day Shariah advice and consultancy to relevant parties including those involved in the product development process as well as other supporting functions.
- Act as a central coordinator for meetings, compiling proposed papers, disseminating Shariah decisions to relevant stakeholders and engaging with the SC when seeking further deliberation on Shariah issues.
- Elevate understanding and awareness of Shariah principles and its applications among Bank staff through trainings, awareness programmes and knowledge sharing.

PENYATA TADBIR URUS SYARIAH

STATEMENT ON SHARIAH GOVERNANCE

Pengwujudan budaya tadbir urus Syariah yang kukuh di seluruh Bank terus menjadi tumpuan utama sepanjang 2017. Agrobank menyedari perubahan tatacara dan penetapan minda mengenai pematuhan Syariah mampu menjana kesedaran, motivasi dan kebertanggungjawaban. Bagi mencapai hasrat ini, pemahaman yang lebih mendalam mengenai risiko Syariah dan pematuhan Syariah merupakan usaha penting bagi menginstitusikan budaya sifar ketidakpatuhan Syariah. Pelbagai program latihan dan kesedaran dianjurkan oleh Jabatan Syariah pada tahun 2017 seperti program-program berbentuk kesedaran dan latihan perbankan Islam bagi memupuk pemahaman lebih mendalam untuk mengenalpasti risiko ketidakpatuhan Syariah dengan lebih baik. Semua modul dihasilkan oleh Bank berdasarkan isu yang timbul susulan semakan Syariah dan pengauditan. Ianya bagi memastikan latihan menjadi lebih relevan dan praktikal bagi operasi sehari-hari Bank. Menerusi program kesedaran ini, Jabatan Syariah memanfaatkannya dengan memaklumkan program kesedaran secara berkala kepada semua peringkat unit perniagaan mengenai kepentingan memenuhi kehendak Syariah.

Peranan Jabatan Syariah di Agrobank tidak terhad kepada hanya memastikan pematuhan tadbir urus Syariah. Ianya juga melibatkan khidmat nasihat dan sokongan kepada pelbagai jabatan dan jawatankuasa bagi semua perkara berkaitan Syariah. Dengan peranan dan kapasitinya, Jabatan Syariah menjadi penghubung penting antara pematuhan Syariah dan perniagaan Bank, serta pada masa yang sama membantu pelbagai jabatan menjalankan operasi dan urusan sehari-hari, termasuk menyokong perniagaan bagi mengurangkan risiko serta membangunkan perniagaan.

Dengan budaya Ketidakpatuhan Syariah Sifar sebagai nadi aktiviti Jabatan Syariah pada tahun 2017, beberapa inisiatif dilaksanakan bagi menyediakan khidmat sokongan kepada kakitangan Bank, termasuklah pengumpulan isu Syariah dan penambahbaikan saluran khidmat nasihat, khususnya menerusi Agrofiqh dan Soal Jawab Syariah. Menerusi portal Soal Jawab Syariah, kakitangan Bank dapat mengajukan sebarang soalan berkaitan Syariah, yang mana ia akan disemak dan dijawab Jabatan Syariah. Dengan akses terbuka pada semua kakitangan, portal tersebut menjadi wadah pembelajaran dan maklumat yang menggalakkan pembelajaran berterusan oleh kakitangan Bank bagi semua perkara berkaitan Syariah (sama ada bagi isu berkaitan perbankan maupun sebaliknya).

Creating a strong Shariah governance culture across the Bank continues to be the main focus in 2017. Agrobank is cognisant to the fact that changing behavior and mindset on Shariah compliance creates a sense of awareness, motivation, and accountability. To this effect, greater understanding of Shariah risk and Shariah compliance are of paramount importance in efforts to institutionalise a Zero Shariah Non-Compliance culture. A number of trainings and awareness programmes were organised during the year by the Shariah Department in the form of Islamic banking training and awareness programme for deeper understanding and better identification of Shariah non-compliance risks. All modules were developed in-house based on issues arising from Shariah review and audit exercises. This ensures that trainings were made more relevant and are practical to the day-to-day Bank's operations. Through awareness programmes, Shariah Department would communicate regularly the importance of adherence to Shariah requirements to all levels in the business units.

The role of the Shariah Department at Agrobank goes beyond box-ticking to comply with Shariah governance, but extends to include advisory and support services to various departments and committees on all matters related to Shariah. In its role and capacity as a business partner, the Shariah Department becomes the crucial link between Shariah compliance and the Bank's business while at the same time facilitating various departments in conducting their day-to-day business and operations including supporting business in risk mitigation and business development.

With Zero Shariah Non-Compliance culture at the heart of the Shariah Department's activities in 2017, a number of initiatives were undertaken to provide the necessary *support service* to the Bank's staff including the compilation of Shariah issues and the enhancement of advisory channels namely *Agrofiqh* and *Soal Jawab Shariah*. Through the *Soal Jawab Shariah* portal, bank staff can pose any Shariah related questions, which will be reviewed and responded to by the Shariah Department. Accessible by all staff, the portal serves as a learning and information gateway that encourages continuous learning by staff in all matters related to Shariah (both bank and non-bank issues).

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04 **Bagaimana Kami Ditadbir Urus**
How We Are Governed

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Sepanjang tahun, Jabatan Syariah terus menganjurkan program bimbingan Syariah, selain sesi halaqah setiap Jumaat bagi membincangkan fatwa dan piawaian yang dikeluarkan Organisasi Perakaunan dan Pengauditan bagi Institusi Kewangan Islam (AAOIFI). Pemahaman yang lebih mendalam dan menyeluruh mengenai piawaian AAOIFI dalam kalangan pegawai Syariah ini membolehkan mereka memanfaatkan amalan terbaik antarabangsa dalam tadbir urus dan pematuhan Syariah. Adakalanya, sesi halaqah ini juga turut disertai SC bagi memberi sedikit sebanyak panduan. Keberkesanan Jabatan Syariah terbukti dengan pengurangan secara signifikan isu ketidakpatuhan Syariah mahupun dapatan berdasarkan data yang dikumpulkan melalui semakan Syariah sepanjang tahun.

Jabatan Syariah sudah mengenalpasti beberapa keutamaan strategik yang mewakili bidang tumpuan bagi 2018. Keutamaan ini bukan hanya tertumpu kepada inisiatif baharu bahkan melibatkan cara menangani cabaran dan memanfaatkan peluang. Antara keutamaan strategik yang dikenalpasti adalah implementasi program kesedaran sedia ada dan baharu, termasuk program kesedaran budaya Islam dan program Keterlibatan Cawangan. Program kedua itu diharap menggalakkan Pegawai Syariah memantapkan penglibatan mereka dengan kakitangan cawangan. Menerusi program ini, kakitangan cawangan mempunyai peluang untuk mendapatkan bimbingan secara terus daripada pegawai Syariah berkenaan perkara berkaitan Syariah dalam operasi perbankan. Cawangan adalah barisan pemantauan pertama, justeru, matlamat program ini adalah untuk meningkatkan pemahaman kakitangan cawangan mengenai isu-isu utama Syariah dan berkaitan Syariah, selain menjawab soalan dan menangani keraguan. Jabatan Syariah akan terus menjalankan penyelidikan dan pembangunan bagi menggarap konsep-konsep Syariah baharu bagi produk dan perkhidmatan perbankan, dan memperkemas garis panduan dalaman yang berkaitan Syariah. Di samping itu, demi memastikan keseimbangan gaya hidup, Jabatan Syariah merancang menawarkan lebih banyak aktiviti suai kenal di luar pejabat bagi memacu interaksi, pendidikan dan pembinaan pasukan di tempat kerja. Ini mencakupi aktiviti seperti sukan, hari keluarga dan berkembara.

Pengurusan Risiko Syariah: Fungsi, Aktiviti Utama pada tahun 2017 dan Keutamaan Strategik pada tahun 2018

Tadbir urus Syariah yang teguh terus diperkuuh dengan penggunaan rangka kerja pengurusan risiko bagi ketidakpatuhan Syariah, di mana pengurusan risiko Syariah merupakan sebahagian rangka kerja pengurusan risiko bersepadu Bank. Fungsi utama pengurusan risiko Syariah adalah mengenalpasti, mengukur, memantau, mengawal, mengurang dan melaporkan risiko Syariah dan bukan Syariah berkaitan operasi dan perniagaan Bank secara berstruktur dan sistematik, seperti mana yang dikehendaki SGF. Menerusi pemantauan berterusan profil risiko Syariah dan keberkesanan kawalan sedia ada, risiko Syariah memudahkan pengurusan risiko ketidakpatuhan Syariah dapat dijalankan dengan cekap dan berkesan, sekaligus berusaha ke arah memantapkan budaya Sifar Ketidakpatuhan Syariah di keseluruhan peringkat Bank.

Throughout the year, the Shariah Department continued to conduct coaching programmes on Shariah as well as a one hour halaqah session every Friday to review fatwas and standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). A deeper and more comprehensive understanding of AAOIFI's standards amongst Shariah officers would enable them to adopt international best practices in Shariah governance and compliance. These *halaqah* sessions are occasionally joined by the SC for good guidance. The effectiveness of the Shariah Department activities is evidenced in the significant reduction of Shariah non-compliance issues or findings based on data collected through Shariah review exercises throughout the year.

Within its function, the Shariah Department has identified several strategic priorities that represent areas of focus for 2018. These priorities will not only focus on new initiatives but address challenges and build upon opportunities. Strategic priorities that have been identified include the implementation of existing and new awareness programmes such as the Islamic culture awareness programme and Branch Engagement programme by the Shariah Department. The latter programme is envisaged to encourage Shariah Officers to increase their involvement with the staff at the branch level. Through this programme, staffs at the branches will have the opportunity to have face-to-face engagement sessions with a Shariah officer for direct coaching on Shariah related matters in their banking operations. The aim is to enhance the level of understanding of key Shariah and Shariah related issues and to address queries and doubts especially from the branches as they are the first line of defence. The Shariah Department will continue to conduct research and development for new Shariah concepts for banking products and services, and streamlining Shariah related internal guideline. Moreover, in striving to achieve lifestyle balance, the Shariah Department plans to offer more outdoor engagement activities that drive interaction, education and team building in the workplace. These include activities such as sport, family day trip and travelling.

Shariah Risk Management: Functions, Key Activities in 2017 and Strategic Priorities in 2018

Sound Shariah governance is further reinforced with the adoption of risk management framework for Shariah non-compliance where Shariah risk management forms part of the Bank's integrated risk management framework. The main function of Shariah risk management is to identify, measure, monitor, control, mitigate and report Shariah as well as non-Shariah risks associated with the Bank's business and operations, in a structured and systematic manner, as per requirement under the SGF. Through the continuous monitoring of Shariah risk profiles and the effectiveness of existing controls, Shariah risk facilitates the efficient and effective management of Shariah non-compliance risks and work towards further institutionalising a Zero Shariah Non-Compliance culture across the Bank.

PENYATA TADBIR URUS SYARIAH

STATEMENT ON SHARIAH GOVERNANCE

Oleh itu, pengurusan risiko Syariah bertanggungjawab ke atas pembangunan, pengekalan dan penambahbaikan rangka kerja, dasar, prosedur dan pelaksanaan Pengurusan Risiko Syariah, termasuk melaporkan risiko ketidakpatuhan Syariah kepada Jawatankuasa Syariah (SC), Jawatankuasa Pengurusan Risiko (MRC), Jawatankuasa Lembaga Pengurusan Risiko (BRMC) dan Lembaga Pengarah. Selain itu, mandat juga diberikan bagi pembangunan dan pelaksanaan langkah bagi meningkatkan kesedaran mengenai risiko Syariah di Bank, memantau penyucian pendapatan akibat ketidakpatuhan Syariah sepetimana yang dikehendaki oleh SC serta menyediakan langkah pengurangan dan pelan tindakan bagi mencegah berulangnya insiden yang berpotensi menjana pendapatan tidak patuh Syariah.

Pengurusan risiko Syariah juga memastikan sebarang ketidakpatuhan segera ditangani, dibetulkan dan dilaporkan. Ini bukan hanya bertujuan untuk memastikan pendapatan yang diperolehi adalah patuh Syariah, tetapi apa yang lebih penting lagi adalah bagi memastikan sistem dan kawalan sedia ada mencukupi agar ketidakpatuhan pada undang-undang dan prinsip Syariah dapat dielakkan. Oleh yang demikian, sebarang urusniaga yang diragui sebagai tidak patuh Syariah akan diajukan kepada SC untuk dibincangkan dan bagi memutuskan sama ada peraturan Syariah dilanggar ataupun tidak. Pengurusan risiko Syariah memantau insiden ini serta status pembetulannya, serta memastikan pelaporan kepada SC, Lembaga Pengarah dan BNM dilakukan tepat pada masanya.

Sepanjang tahun, tiga garis panduan pengurusan risiko Syariah telah dikemaskini seiring dengan kehendak kawal selia dan amalan terbaik industri, termasuk Garis Panduan Penyucian Pendapatan Tidak Patuh Syariah (MO-190). Bagi memudahkan rujukan, garis panduan mesra pengguna yang mudah difahami berkenaan risiko Syariah turut dihasilkan. Pengurusan risiko Syariah juga menyediakan paparan maklumat bulanan yang komprehensif mengenai pengurusan risiko Syariah. Ia meliputi laporan tentang ketidakpatuhan Syariah bagi rujukan Jawatankuasa Pengurusan Risiko (MRC) dan Jawatankuasa Lembaga Pengurusan Risiko (BRMC).

Terma Rujukan (TOR) Jawatankuasa Agihan diwujudkan bagi mengoptimumkan fungsi sedia ada Jawatankuasa dalam pengagihan zakat dan pendapatan yang tidak patuh Syariah. Antara lain, Jawatankuasa menjalankan peranan berikut: memastikan pengagihan zakat dan pendapatan wang tidak patuh syariah dilaksanakan dengan cekap dan berkesan sebagaimana yang ditetapkan Al-Quran, dan memastikan pematuhan pada garis panduan pengagihan.

Hence, Shariah risk management is responsible for the development, maintenance and enhancement of the Shariah Risk Management framework, policies and procedures and its implementation, including reporting Shariah non-compliance risk to the Shariah Committee (SC), Management Risk Committee (MRC), Board Risk Management Committee (BRMC) and the Board of Directors. Other mandates include the development and implementation of measures to elevate Shariah risk awareness within the Bank, monitor the purification of the non-halal income due to non-compliance with Shariah requirements as guided by the Bank's SC and provide mitigating measures as well as action plans to avoid the recurrence of incident(s) that could potentially result in non-halal income.

The Shariah risk management also ensures that any incident of non-compliance is immediately addressed, rectified and reported. This is not only to ensure the purity of the income earned but more importantly to ascertain that adequate systems and controls are in place in assuring that non-compliance with Shariah rules and principles can be averted. Hence, any transaction suspected as Shariah non-compliant will be escalated to the SC for deliberation and decision whether any Shariah requirements have been breached. Shariah risk management tracks the incident and rectification status, and ensure timely reporting to the SC, Board and BNM.

During the year, three Shariah risk management guidelines were revised in line with regulatory requirements and industry best practices, which included Purification of Non-Halal Income Guideline (MO-190). For easy reference, user-friendly guidelines of Shariah risks that are easy to understand were developed. The Shariah risk management also prepared comprehensive, monthly Shariah risk management dashboard that includes reporting of Shariah non-compliance events for the consumption of the Management Risk Committee (MRC) and for Board Risk Management Committee (BRMC).

The Terms of Reference (TOR) for the Distribution Committee (*Jawatankuasa Agihan*) were established with a view to optimise the existing Committee's function for distribution of zakat and non-halal income. Amongst others, the Committee performs the following roles: ensure the effective and efficient distribution of zakat and non-halal income as laid down in the Quran, and ensure the adequacy of and compliance with the distribution guidelines.

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04 **Bagaimana Kami Ditadbir Urus**
How We Are Governed

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Memandangkan risiko ketidakpatuhan Syariah adalah risiko operasi, maka pengurusan risiko Syariah menjadi sebahagian Rangka Kerja Pengurusan Risiko Operasi (ORM) Bank. Berdasarkan ini, Bank membangunkan rangka kerja ORM yang menyeluruh, yang merangkumi Kesedaran Kendiri Kawalan Risiko Syariah (SRCSA) dan Petunjuk Utama Risiko (KRI). KRI risiko ketidakpatuhan Syariah diterapkan dalam proses perniagaan bagi memudahkan pemantauan risiko utama dari semasa ke semasa. Berbekalkan kejayaan projek rintis SRCSA pada tahun 2016, Bank melaksanakan SRCSA di cawangannya di seluruh negara pada tahun 2017, di mana risiko ketidakpatuhan Syariah dan kawalan bagi mengurangkan risiko itu dikenalpasti dan dinilai oleh pemilik proses. Inisiatif lain yang menyokong budaya Ketidakpatuhan Syariah Sifar termasuklah menganalisis status pematuhan Bank berdasarkan garis panduan BNM bagi keperluan pengurusan risiko, di samping membina kemampuan dan keupayaannya bagi melaksanakan polisi yang dikeluarkan BNM dalam bidang pengurusan risiko.

Pada tahun 2018, Bank menjangka mampu menambah baik pelaporan pendapatan daripada perkara yang melibatkan ketidakpatuhan Syariah dan aset bukan Syariah, termasuk mengenalpasti dan menilai risiko ketidakpatuhan Syariah dalam aktiviti dan operasi perniagaan Bank. Keutamaan strategik lain bagi 2018 termasuklah mengemaskini garis panduan pengurusan risiko Syariah iaitu Garis Panduan Penilaian Kendiri Kawalan Risiko Syariah (MO-213), menghasilkan profil risiko bagi unit perniagaan dan sokongan menerusi proses penilaian kendiri kawalan risiko dan lain-lain metodologi dan medium pengurusan risiko. Pengurusan risiko Syariah juga akan sentiasa berhubung dengan unit perniagaan melalui program kesedaran, peringatan dan makluman demi menambah baik pemahaman berkenaan Syariah, perbankan Islam dan pengurusan risiko.

Semakan Syariah: Fungsi, Aktiviti Utama pada tahun 2017 dan Keutamaan Strategik pada tahun 2018

Fungsi semakan Syariah memastikan aktiviti dan operasi yang dijalankan Agrobank sentiasa patuh Syariah. Secara ringkasnya, semakan Syariah adalah semakan menyeluruh yang bukan hanya tertumpu pada penyata kewangan, tetapi turut membabitkan kontrak, perjanjian, urus niaga dan proses pembangunan produk dari awal hingga akhir bagi memastikan pematuhan Syariah dan meningkatkan kredibiliti aktiviti Bank. Bagi mencapai matlamat ini, semakan Syariah melibatkan pemeriksaan dan penilaian dalam dan luar premis ke atas keseluruhan aktiviti dan operasi unit perniagaan dan sokongan dari mula hingga akhir, yakni bagi tahap pematuhan pada peraturan dan prinsip Syariah.

Semua dapatan yang diperoleh susulan semakan Syariah, termasuk ketidakpatuhan Syariah didokumenkan dan dimasukkan di dalam Laporan Semakan Syariah. Laporan itu kemudian dibentangkan kepada pihak Pengurusan, SC dan seterusnya kepada Lembaga Pengarah bagi perbincangan dan makluman. Laporan itu juga mengandungi saranan langkah dan tindakan pembetulan yang perlu diambil bagi menangani ketidakpatuhan Syariah, selain mekanisme kawalan bagi mengelakkannya daripada berulang.

In view that Shariah non-compliance risk is in itself an operational risk, Shariah risk management forms part of the Bank's Operational Risk Management (ORM) Framework. Towards this end, the Bank has developed a comprehensive ORM framework comprising of Shariah Risk Control Self-Awareness (SRCSA) and Key Risk Indicator (KRI). The KRIs of Shariah non-compliance risks are built into the business processes to facilitate the monitoring and tracking of key risks over time. With the success of the pilot projects on SRCSA conducted in 2016, the Bank expanded the SRCSA throughout its branches nationwide during the year, whereby Shariah non-compliance risks and the adequacy of controls in-placed to mitigate those risks were being identified and measured by the process owners. Other key initiatives that support a Zero Shariah Non-Compliance culture include analysing the Bank's compliance status against BNM policy documents for risk management requirements as well as build up its capability and capacity to response to policy documents issued by BNM in the areas of risk management.

In 2018, the Bank expects to improve in tracking and reporting of income from Shariah non-compliance events and non-Shariah asset, which includes identifying and assessing Shariah non-compliance risks in the Bank's business operations and activities. Other strategic priorities for 2018 include the revision of Shariah risk management guidelines on Shariah Risk Control Self-Assessment Guidelines (MO-213), establish a bank-wide Shariah risk profile of business and support units through risk risk and control self-assessment process and other risk management tools and methodologies. Shariah risk management will also continue to engage with business units through awareness, alerts and notification programmes with a view of enhancing the understanding of Shariah, Islamic banking and risk management.

Shariah Review: Functions, Key Activities in 2017 and Strategic Priorities in 2018

The Shariah review function ensures that the activities and operations carried out by Agrobank do not contravene with the Shariah. In short, the Shariah review is a comprehensive review of not only the financial statements but also of the contracts, agreements, transactions and end-to-end product development process, to ensure Shariah compliance and to add credibility to the Bank's activities. To this effect, Shariah review involves the off-site and on-site examinations and independent evaluations of the end-to-end activities and operations of the business and support units within the Bank with regard to their level of compliance with Shariah rules and principles.

All observations arising from Shariah review exercises including incidence of Shariah non-compliance are documented and highlighted in the Shariah Review Report, which are then tabled to the Management, SC and subsequently to the Board for deliberation and notification. The report also contains recommended rectification measures and actions that need to be taken to resolve Shariah non-compliance as well as control mechanisms to avoid any recurrence.

PENYATA TADBIR URUS SYARIAH

STATEMENT ON SHARIAH GOVERNANCE

Dengan pengurusan risiko yang semakin kukuh, Agrobank berjaya menjalankan semakan Syariah ke atas 174 cawangan dan kiosk, manakala 7 semakan dijalankan di ibu pejabat. Bagi semakan ke atas cawangan, ianya merangkumi semakan fizikal ke atas 80 buah cawangan dan baki 94 cawangan melalui semakan komputer. Objektifnya adalah bagi mengenal pasti sebarang kekurangan dalam kawalan atau proses yang dapat mengakibatkan insiden ketidakpatuhan Syariah, selain memastikan pematuhan Syariah oleh operasi Bank secara keseluruhan agar operasi Bank selari dengan garis panduan Syariah yang telah ditetapkan.

Pihak Semakan Syariah juga telah berjaya membetulkan 349 akaun ketidakpatuhan Syariah yang lalu menjelang akhir Disember 2017, dan tanpa sebarang aktiviti ketidakpatuhan Syariah sebenar dilaporkan pada tahun 2017. Jerayawara Kesedaran Perbankan Islam yang dijalankan Unit *Syariah Review* secara bersama dengan pasukan Tadbir Urus Syariah berjaya meningkatkan kesedaran Syariah di kalangan kakitangan. Ini menyumbang kepada sifar aktiviti ketidakpatuhan Syariah di Bank. Jerayawara ini terbukti berkesan berdasarkan pertambahan cawangan yang mencapai penarafan cawangan yang memuaskan pada tahun 2017, seperti berikut:

With the strengthening of Shariah risk management capabilities, Agrobank successfully conducted Shariah review exercises across 174 branches and kiosks whilst 7 were carried out at the Bank's headquarters, where physical review was conducted on 80 branches and desktop review on the remaining 94 branches. The objective was to consciously identify any lapses in controls or processes that could lead to Shariah non-compliance incidents as well as to ensure the overall Shariah compliance of the Bank's operation and their alignment with the stipulated Shariah guidelines.

As a result of the exercise, the Bank was able to rectify 349 legacy Shariah non-compliance accounts by end of December 2017 with no actual Shariah non-compliant event reported in 2017. The Islamic Banking Awareness Roadshow, in which the Shariah review unit had collaborated with the Shariah governance team, had the much desired impact on enhancing Shariah awareness amongst the staff and had contributed to zero Shariah non-compliance incidents within the Bank. The impact of this roadshow is evident from the increase of the number of branches achieving satisfactory branch rating in 2017 as follows:

Penarafan Kumulatif Cawangan 2017/Commulative Branch Rating 2017	
Penarafan Rating	Peratusan Percentage
Rendah/Low	16.2
Sederhana/Moderate	64.7
Atas Sederhana/Above Average	19.1
Tinggi/High	0

Bank akan memanfaatkan maklumat yang diperolehi susulan semakan Syariah bagi memperkuatkannya prosesnya untuk memastikan Pematuhan Syariah 100% dapat dikekalkan, termasuk menambah baik dan memperbanyak bilangan cawangan yang disemak secara fizikal, semakan komputer dan pemeriksaan mengejut ke atas cawangan ataupun jabatan yang diberi keutamaan, berdasarkan Pelan Semakan Syariah berasaskan pengurusan risiko. Senarai semak bagi semakan Syariah akan dikemaskini bagi memudahkan pelaksanaan penilaian kendiri pematuhan Syariah pada peringkat cawangan. Paparan maklumat semakan Syariah juga akan dibentuk agar menjadi platform bagi mendapatkan semua dapatkan secara menyeluruh semasa semakan dilakukan seterusnya menjadi sebahagian penilaian risiko berkala oleh semakan Syariah.

Moving forward, the Bank would draw from the lessons learnt from the review exercises to strengthen its processes in order to maintain the 100% Shariah Compliance, including enhancing and broadening the coverage of branch visitation through the conduct of physical review, desktop review and spot checks on priority branches or departments based on a Shariah Review Risk Heat Map. The Shariah review checklist will be revised to ensure ease of carrying out self Shariah-compliant assessments at the branch level. A Shariah review dashboard will also be developed as a platform to comprehensively track all observations during the review exercises and will become part of the regular risk assessment conducted by Shariah review.

Antara fokus utama bagi tahun 2018, semakan Syariah akan menyemak semula produk berasaskan *Qard*, selaras dengan dokumen dasar Syariah bagi *Qard* (*Piaawaiyan Qard*) yang dikeluarkan BNM. *Qard* adalah instrumen yang direka bentuk bagi memenuhi keperluan penduduk luar bandar, sejahtera dengan komitmen kami untuk memberi khidmat kepada komuniti yang kurang ataupun tidak mendapat akses pada perkhidmatan perbankan dan ini merupakan satu usaha menginstitusikan prinsip VBI oleh Agrobank. Selari dengan Klausa 22 dalam dokumen dasar mengenai *Qard*, industri perbankan Islam dikehendaki menjalankan langkah pengelasan semula, yang mana ia akan menggantikan semua Akaun Semasa-*i* dan Akaun Simpanan-*i* (*CASA-i*) berasaskan Wadiyah dengan Akaun Semasa-*i* dan Akaun Simpanan-*i* (*CASA-i*) berasaskan *Qard* menjelang 31 Julai 2018. Bagi menggalakkan dan mengekalkan budaya pematuhan Syariah cemerlang, lain-lain inisiatif untuk kakitangan akan dipertingkatkan, termasuk penganjuran program/sesi pematuhan Syariah yang dikhushuskan, jerayawara, buletin pematuhan dan sebagainya.

Audit Syariah: Fungsi, Aktiviti Utama pada tahun 2017 dan Keutamaan Strategik pada tahun 2018

Sebagai salah satu tunggak utama SGF, audit Syariah menyediakan penilaian bebas dan jaminan objektif yang direka bentuk bagi menambah nilai dan menambah baik tahap pematuhan dalam operasi perniagaan Agrobank, serta dengan objektif utama memastikan kewujudan sistem kawalan Syariah dalaman yang kukuh dan berkesan. Justeru itu, audit Syariah menjalankan khidmat nilai tambah secara berkala bagi meneliti aktiviti operasi, laporan kewangan serta ketepatan polisi dan proses dan prosedur Bank.

Bagi menilai sama ada sistem kawalan dalaman pematuhan Syariah yang kukuh dan berkesan sudah pun dilaksanakan, audit Syariah bertanggungjawab membangunkan program ataupun pelan audit dalaman yang menyeluruh. Ia meliputi objektif, skop, tugas kakitangan, persampelan, kawalan dan tempoh, di samping mewujudkan proses, dasar dan prosedur audit yang sewajarnya. Semua hasil penilaian dan dapatan susulan audit Syariah akan dimaklumkan kepada Jawatankuasa Lembaga Audit (BAC) dan SC. Audit Syariah juga memberikan saranan berkenaan langkah pembetulan, selain melakukan susulan bagi memastikan pelaksanaannya oleh Pengurusan Bank. Lain-lain fungsi sokongannya termasuklah mendapatkan dan membuat rujukan pada sumber relevan, termasuk ketetapan BNM SAC yang diterbitkan, keputusan Jawatankuasa Syariah, fatwa, garis panduan, hasil audit Syariah dan manual dalaman mengenai Syariah.

Bagi memastikan proses pematuhan penuh dengan garis panduan Syariah, audit Syariah menjalankan audit Syariah yang sudah dirancang ke atas tadbir urus, pengurusan risiko, kawalan dan pematuhan pada peraturan serta prinsip Syariah pada tahun dalam kajian. Apabila sesuai, saranan penambahbaikan dibuat dan seterusnya dilaporkan kepada BAC dan SC. Audit Syariah juga bekerjasama dengan Tadbir Urus Syariah bagi menganjurkan dan menyokong pelaksanaan Jerayawara Kesedaran Perbankan Islam. Ini demi menyemai budaya Ketidakpatuhan Sifar Syariah. Pada tahun 2018, keutamaan strategik bagi fungsi audit Syariah meliputi penambahbaikan instrumen penilaian bagi semakan tematik dan terhad dengan memanfaatkan metodologi berasaskan risiko Syariah, di samping terus memupuk budaya pematuhan Syariah cemerlang dan meningkatkan pengetahuan Syariah di kalangan kakitangan Bank. Audit Syariah merancang menyediakan khidmat nasihat dan perundingan bagi rumusan tindakan yang sesuai berkenaan isu Syariah, di mana kekurangan yang dikenal pasti berhubung pematuhan Syariah dianggap sebagai ilmu yang dapat diambil manfaatnya.

Shariah review will continue to have major focus on reviewing *Qard* based products as per the Shariah policy document for *Qard* (*Qard Standard*) issued by BNM in 2018. *Qard* is an instrument designed to serve rural areas, in-line with our commitment to the un-served and underserved communities as part of Agrobank's effort to institutionalise VBI. Pursuant to Clause 22 in the *Qard* policy document, the Islamic banking Industry is to implement reclassification exercise, which will effectively replace all Wadiyah based Current Account-*i* and Saving Account-*i* (*CASA-i*) with *Qard* based Current Account-*i* and Savings Account-*i* (*CASA-i*) by 31 July, 2018. In promoting and maintaining a strong Shariah compliance culture, further engagement initiatives with all staff will be further enhanced including organising dedicated Shariah compliance programmes/sessions, roadshows, compliance bulletin, etc.

Shariah Audit: Functions, Key Activities in 2017 and Strategic Priorities in 2018

Shariah audit, which is one of the key pillars of the SGF, provides an independent assessment and objective assurance designed to add value and improve the degree of compliance in relation to Agrobank's business operations, with the main objective of ensuring a sound and effective internal Shariah control system is in place. Hence, Shariah audit performs value-added services that examine operational activities, financial reporting, and the adequacy of policies and procedures of the Bank on a periodic basis.

In assessing whether a sound and effective internal control system for Shariah compliance has been implemented, Shariah audit is responsible for developing a comprehensive internal audit programme or plan that includes objectives, scope, personnel assignment, sampling, control and duration as well as the establishment of proper audit processes, policies and procedures. All results of assessments or findings arising from the Shariah audit will be communicated to the Board Audit Committee (BAC) and SC. The Shariah audit also provides recommendations on rectification measures taken as well as following up on the implementation by the Management of the Bank. Other support functions include obtaining and making reference to relevant sources, including the BNM SAC's published rulings, the Shariah Committee's decisions, fatwas, guidelines, the Shariah audit results and the internal manual on Shariah.

In ensuring full compliance with shariah requirement, Shariah audit conducted planned Shariah audit assignments and evaluations on the governance, risk management, controls and compliance with Shariah rules and principles during the year under review. Where appropriate, recommendations for improvements and enhancements were made and thereafter reported to the BAC and SC. In a combined effort to inculcate zero Shariah non-compliance culture, Shariah Audit collaborated with the Shariah Governance team to implement and support the Islamic Banking Awareness Roadshow. Strategic priorities for Shariah audit functions in 2018 include to enhance assessments tools for thematic and limited review by utilising Shariah risk based methodology, to further inculcate a strong Shariah compliance culture and enhance Shariah knowledge among bank staff. Shariah audit plans to provide consultation and advisory services in devising appropriate course of action for Shariah issues, where identified deficiencies pertaining to Shariah compliance are regarded as lesson-learnt.

PENYATA PENGURUSAN RISIKO

STATEMENT ON RISK MANAGEMENT

Agrobank menekankan kepentingnya memiliki sistem pengawasan dan pengurusan risiko yang mantap dan kukuh yang berkaitan dengan aktiviti perniagaanya. Pengurusan risiko begitu penting dalam perniagaan, operasi dan bagi mendapatkan keputusan Bank untuk mencapai keseimbangan antara risiko yang diambil dan tahap ganjaran yang dikehendaki. Dengan articulasi mengenai keutamaan dan keseimbangan risiko bagi mencapai pertumbuhan perniagaan, Bank memastikan ketelusan dalam aktiviti tindakan risikonya dan menyokong keputusan strategik yang dibuat Lembaga Pengarah dan pihak pengurusan.

Tadbir Urus Risiko

Adalah penting bagi Bank melaksanakan amalan pengurusan risiko yang kukuh dan standard pembiayaan berhemat ekoran keadaan pasaran yang tidak menentu dan faktor risiko dinamik yang berkaitan dengan sektor pertanian. Selaras dengan usaha Bank mencapai keseimbangan antara risiko dan pulangan yang diingini, peranan yang dimainkan Lembaga Pengarah dan pihak pengurusan amat penting bagi mewujudkan persekitaran perniagaan yang teguh, selain melindungi kekuahan kewangan Bank sebagai institusi kewangan pembangunan (IKP) yang berwibawa.

Di Agrobank, tanggungjawab tertinggi pengurusan risiko digalas Lembaga Pengarah. Dalam memenuhi tanggungjawab ini, Lembaga Pengarah dibantu Jawatankuasa Lembaga Pengurusan Risiko (BRMC). Pada peringkat pengurusan, BRMC dibantu Jawatankuasa Pengurusan Risiko (MRC), Jawatankuasa Aset dan Liabiliti (ALCO) dan Jawatankuasa Pengurusan Risiko Operasi (ORMC).

Agrobank places great importance on having a sound and robust system of oversight and management of risks related to its business activities. The management of risk is integral to the Bank's business, operations and decision-making, with the ultimate aim of achieving appropriate balance between risks undertaken and the desired level of rewards. With clear articulation of risk preferences and trade-offs in the pursuit of business growth, the Bank ensures transparency in its risk-taking activities and supports the strategic decisions made by the Board and management.

Risk Governance

The volatile market conditions and dynamic risk factors associated with the agriculture sector raise the importance of ensuring that the Bank implements robust risk management practices and prudent financing standards. As the Bank aims to achieve balance between risks and desired returns, the role played by the Board and Management is vital to create sound business environment and protect the Bank's financial soundness as a reputable development financial institution (DFI).

The ultimate responsibility of risk management in Agrobank lies with the Board. In fulfilling this responsibility, the Board is assisted by the Board Risk Management Committee (BRMC). At the management level, the BRMC delegates the responsibility to the Management Risk Committee (MRC), Asset Liability Committee (ALCO) and Operational Risk Management Committee (ORMC).

JAWATANKUASA LEMBAGA BOARD COMMITTEE

JAWATANKUASA PENGURUSAN MANAGEMENT COMMITTEE

LEMBAGA PENGARAH BOARD OF DIRECTORS

Memastikan kewujudan dasar, proses dan prasarana pengurusan risiko yang berkesan dan menyeluruh bagi mengurus pelbagai risiko yang ditanggung Bank
Ensures that the Bank put in place effective and comprehensive risk management policies, processes and infrastructure to manage various types of risks undertaken by the Bank

JAWATANKUASA LEMBAGA PENGURUSAN RISIKO (BMRC) BOARD MANAGEMENT RISK COMMITTEE (BMRC)

Fungsi pengawasan risiko, termasuk mengkaji semula dan meluluskan rangka kerja dan dasar utama risiko bagi pelbagai risiko yang dihadapi Bank
Risk oversight function which includes review and approval of key risk frameworks and policies for the various risks

JAWATANKUASA PENGURUSAN RISIKO (MRC) MANAGEMENT RISK COMMITTEE (MRC)

Pengawasan ke atas risiko secara keseluruhan
Oversight for overall risks

JAWATANKUASA ASET DAN LIABILITI (ALCO) ASSET & LIABILITY COMMITTEE (ALCO)

Pengawasan ke atas pengurusan Aset dan Liabiliti
Oversight for the management of Assets and Liabilities

JAWATANKUASA PENGURUSAN RISIKO OPERASI (ORMC) OPERATIONAL RISK MANAGEMENT COMMITTEE (ORMC)

Pengawasan ke atas risiko operasi
Oversight for operational risks

Tanggungjawab Lembaga Pengarah

Lembaga Pengarah bertanggungjawab menjalankan pengawasan secara bebas bagi memastikan pengurusan kanan melaksanakan dasar dan proses pengurusan risiko yang kukuh dan berkesan untuk aktiviti pengambilan risiko. Bagi menjayakan pengawasan risiko yang berkesan dalam merangka strategi perniagaan dan aktiviti pengambilan risiko, Lembaga Pengarah mewujudkan struktur tadbir urus yang jelas dan berkesan melalui Terma Rujukan (TOR) yang jelas, merangkumi antara lain peranan dan tanggungjawab setiap jawatankuasa.

Seperti yang dinyatakan di dalam rangka kerja pengurusan risiko Bank, BRMC mengawasi pelaksanaan proses pengurusan risiko, iaitu dari segi mengenalpasti, menilai, mengawal dan memantau risiko signifikan yang sedia ada dalam operasi perniagaan Bank. Keberkesan proses ini dipantau rapi dan dilaporkan kepada BRMC untuk dibincangkan. Secara khususnya, BRMC bertanggungjawab:

- Menyemak dan meluluskan strategi pengurusan risiko, dasar dan toleransi/kesanggupan menanggung risiko yang dicadangkan ALCO dan MRC;
- Menyemak dan menilai kemampuan rangka kerja pengurusan risiko dan dasar risiko sokongan;
- Memastikan kewujudan struktur, sumber dan sistem bagi menyokong fungsi pengurusan risiko yang berkesan; dan
- Menyemak laporan risiko berkala Bank mengenai pendedahan risiko, komposisi portfolio risiko, pematuhan had risiko, risiko baharu dan tindakan yang diambil bagi mencegah pelbagai risiko yang dihadapi.

Tanggungjawab Pihak Pengurusan

Pihak Pengurusan bertanggungjawab membentuk dan melaksanakan rangka kerja pengurusan risiko dan dasar sokongannya. Berdasarkan pemahaman dan kearifan mereka tentang profil risiko Bank, Pengurusan dipertanggungjawabkan membuat pertimbangan wajar dalam membuat keputusan perniagaan, yakni dengan mengambil kira risiko berkaitan dan memastikan bahawa Bank beroperasi dalam mematuhi kesanggupan penanggungan risiko yang ditetapkan. MRC, ALCO dan ORMC diamanahkan untuk menjalankan pengawasan dan pengurusan profil risiko Bank dan risiko baru muncul dengan berkesan, selain mengawasi dan mengurus faktor asas yang boleh menyumbang kepada perubahan negatif profil risiko dan secara tidak langsung menyebabkan timbunan risiko secara berlebihan.

Bahagian Pengurusan Risiko

Bahagian Pengurusan Risiko (RMD) mewakili barisan pemantauan kedua dalam rangka kerja pengurusan risiko dan adalah bahagian yang bebas dan berasingan daripada unit-unit perniagaan. Ia menjalankan empat fungsi teras pengurusan risiko, iaitu Pengurusan Risiko Kredit, Pengurusan Risiko Pasaran, Pengurusan Risiko Operasi dan Pengurusan Risiko Syariah. Jabatan Penilaian dan Semakan Kredit di ibu pejabat serta unit Penilaian dan Semakan Kredit di pejabat wilayah juga adalah di bawah bidang kuasa RMD, dan dengan tanggungjawab utama melakukan penilaian bebas ke atas kertas cadangan kredit yang diajukan unit perniagaan. Selain itu, Jabatan Analitik Risiko dan Projek Basel juga diwujudkan di bawah RMD untuk pelaksanaan Basel II dan Basel III.

Board Responsibilities

The Board is responsible for providing independent oversight in ensuring that senior management implements robust and effective risk management policies and processes in governing risk-taking activities. To enable effective risk oversight in the development of business strategies and risk-taking activities, the Board has established a clear and effective governance structure with well-defined Terms of Reference (TOR) which among others consist of roles and responsibilities of respective committees.

As defined in the Bank's risk management framework, the BRMC oversees the implementation of risk management processes in identifying, evaluating, controlling and monitoring of significant risks that are inherent to the Bank's business operation. The effectiveness of these processes is closely monitored and reported to the BRMC for deliberation. Specifically, the BRMC is responsible for:

- Considering and approving risk management strategies, policies and risk tolerance/risk appetite recommended by ALCO and MRC;
- Reviewing and assessing the adequacy of risk management framework and the supporting risk policies;
- Ensuring that structures, resources and systems are in place to support effective risk management function; and
- Reviewing the Bank's periodic risk reports on risk exposures, risk portfolio composition, risk limits compliance, emerging risks and actions taken to prevent excessive risk accumulation.

Management Responsibilities

The Management is responsible for the design and implementation of the risk management framework and the supporting risk policies. By virtue of their understanding and appreciation of the Bank's risk profile, the Management is expected to exercise sound judgement in business decision-making giving due consideration on the associated risks and ensuring that the Bank operates within its defined risk appetite at all times. The MRC, ALCO and ORMC are entrusted to provide effective oversight and management of the Bank's risk profile and emerging risks as well as the underlying factors that could contribute to adverse change in risk profile and excessive risk build-ups.

Risk Management Division

The Risk Management Division (RMD) represents the second line of defence in the risk management framework and is an independent division from the business units. It undertakes four core risk management functions, namely Credit Risk Management, Market Risk Management, Operational Risk Management and Shariah Risk Management. The Credit Evaluation and Review department at the head office and the Credit Evaluation and Review unit at the regional offices are also under the purview of the RMD, and are primarily responsible to conduct independent assessment of credit proposals by business units. In addition, Risk Analytics and Basel Project department was also established under RMD for implementation of Basel II and Basel III.

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RMD diketuai Ketua Pegawai Risiko (CRO) yang dilantik Lembaga Pengarah bagi menerajui bahagian pengurusan risiko.

Antara lain, peranan RMB adalah seperti berikut:

- Memantau aktiviti pengambilan risiko;
- Memulakan, mencadang dan mengkaji semula dasar dan metodologi pengukuran risiko serta had risiko Bank;
- Menjalankan kajian bebas ke atas kualiti portfolio pembiayaan dan pelan pemulihan;
- Memastikan kewujudan pelan kesinambungan perniagaan dan rancangan luar jangka;
- Menilai produk, manual operasi dan pelan pengurusan modal yang baharu; dan
- Mengkaji semula sinergi pelaburan perbendaharaan, dan menganalisis kedudukan dan aktiviti berkaitan perubahan dalam pasaran kewangan demi menggalakkan dan memastikan pematuhan pada rangka kerja risiko pasaran.

Rangka Kerja Pengurusan Risiko

Rangka Kerja Pengurusan Risiko Agrobank adalah berasaskan proses tadbir urus yang menetapkan tanggungjawab jelas bagi mengenalpasti, menilai, mengawal, memantau dan melaporkan risiko. Tanggungjawab ini dibahagikan kepada tiga barisan pertahanan, iaitu unit pengambilan risiko, unit kawalan risiko dan akhir sekali, juruaudit dalaman. Ini menjadi sebahagian budaya risiko Bank, yakni menyebatikan amalan bawaha setiap kakitangan bertanggungjawab bagi risiko dalam kawalan mereka. Kewujudan barisan pemantauan pertama menghasilkan budaya organisasi yang menumpukan pada pengurusan risiko, diikuti barisan pertahanan kedua dan ketiga yang berperanan dalam kerangka strategik dan saling bekerjasama. Ini membolehkan Agrobank menghadapi cabaran landskap risiko masa kini dengan berkesan. Rangka kerja ini juga menetapkan bagaimana Bank menyusun dan menerapkan amalan pengurusan risiko demi memastikan semua aktivitinya dijalankan selari dengan prinsip yang mendasari rangka kerja pengurusan risiko, seperti berikut:

1. Pendekatan pengurusan risiko Agrobank bertunjangan tiga barisan pemantauan, iaitu unit pengambilan risiko, unit kawalan risiko dan audit dalaman;
2. Unit-unit pengambilan risiko (jabatan dan cawangan) membentuk barisan pemantauan pertama bagi menghadapi risiko sedia ada dengan mengurus keseimbangan risiko-ganjaran yang terkandung dalam dasar dan garis panduan yang ditentukan Bank. Secara prinsipnya, mereka bertanggungjawab memastikan persekitaran kawalan risiko diwujudkan dan beroperasi secara berkesan dalam aktiviti sehari-hari. Penerimaan dan pengwujudan risiko oleh barisan pertahanan pertama perlu sepadan dengan had dan kesanggupan menanggung risiko yang ditetapkan;

The RMD is headed by the Chief Risk Officer (CRO), who is appointed by the Board to spearhead the risk management division.

Among others, the role of the RMD includes the following:

- Monitor risk-taking activities;
- Initiate, propose and review the risk policies, risk measurement methodologies and risk limits of the Bank;
- Undertake independent review on the quality of financing portfolio and recovery plan;
- Ensure business continuity and contingency plans are in place;
- Assess new products, operational manuals and the capital management plan; and
- Review treasury's investment synergies and analyse positions and activities vis-à-vis changes in the financial market in propagating and ensuring compliance with the market risk framework.

Risk Management Framework

Agrobank's Risk Management Framework is based on a governance process that sets forth clear responsibilities for identifying, assessing, controlling, monitoring and reporting risks. These responsibilities are divided into three lines of defence, namely, the risk-taking units, risk control units and, lastly, the internal auditor. This becomes part of the Bank's risk culture, enshrining the practice that every employee is accountable for these risks in their domain. With the first line setting a strong organisational tone focused on risk culture, followed by the second and third line of defence working within a collaborative, strategic framework, allows Agrobank to effectively meet the challenges of today's risk landscape. The framework also sets out how the Bank organises and applies its risk management practices to ensure that all activities are conducted in line with the principles underpinning the risk management framework as prescribe below:

1. The risk management approach in Agrobank is based on three lines of defence namely risk-taking units, risk control units and internal audit;
2. Risk-taking units (departments and branches) form the first line of defence against inherent risk by managing the risk reward trade-off contained within the policies and guidelines laid down by the Bank. Principally, they are responsible for ensuring that a risk control environment is put in place and operating effectively as part of day-to-day operations. The acceptance or generation of risk in the first line of defence should fit with the risk appetite and limits defined;

3. Barisan pertahanan kedua adalah unit kawalan risiko yang bertanggungjawab mewujudkan rangka kerja pengurusan risiko dan membangunkan dasar, metodologi dan instrumen bagi mengurus semua risiko utama yang dihadapi Bank. Menerusi kajian semula, unit kawalan risiko memastikan rangka kerja, dasar, metodologi dan instrumen memenuhi keperluan unit pengambilan risiko;
- 3.1 Bahagian Pengurusan Risiko bertanggungjawab pembangunan dan pemantauan pelbagai dasar risiko. Dari segi fungsi dan organisasi, bahagian ini adalah bebas daripada unit perniaga dan lain-lain unit pengambilan risiko di Bank;
- 3.2 Pengurusan risiko memastikan yang dasar risiko teras Bank konsisten dengan tahap toleransi risiko dan kesanggupan menanggung risiko bagi memudahkan pelaksanaan rangka kerja bersepadu pengukuran terlaras risiko;
- 3.3 Pengurusan risiko juga menjalankan fungsi pengawasan ke atas risiko utama, termasuk risiko kredit, risiko pasaran, risiko kecairan, risiko operasi dan risiko Syariah. Menerusi BRMC, Lembaga Pengarah bertanggungjawab secara keseluruhan bagi mengawasi risiko yang dihadapi Bank.
4. Sebagai barisan pemantauan ketiga, audit dalaman menjalankan penilaian bebas dan objektif sama ada risiko dikenalpasti secukupnya; kewujudan kawalan dalam bagi mengurus risiko itu dan sama ada kawalan itu berfungsi dengan berkesan. Menerusi penilaianya, audit dalaman memastikan barisan pemantauan pertama dan kedua melaksanakan tanggungjawab mereka secara berkesan dan konsisten.
3. The second line of defence is the risk control units, which establish the risk management framework and develop policy, methodologies and tools for the management of key risks in the Bank. Through reviews, risk control units ensure that the framework, policies, methodologies and tools meet the requirements of risk-taking units;
- 3.1 The Risk Management Division is responsible for the development and monitoring of various risk policies. It is functionally and organisationally independent of business units and other risk-taking units within the Bank;
- 3.2 Risk management ensures that the core risk policies of the Bank are consistent with risk tolerance levels and risk appetite to facilitate the implementation of an integrated risk-adjusted measurement framework;
- 3.3 Risk management also provides oversight of major risks including credit risk, market risk, liquidity risk, operational risk and Shariah risk. The Board, through the BRMC, is responsible for the oversight of overall risks to which the Bank is exposed.
4. The internal audit, being the third line of defence, provides an independent and objective assessment on whether risks have been adequately identified; appropriate internal controls are in place to manage those risks and whether these controls are working effectively. Through its assessment, the internal audit ensures that the first and second line of defence execute their responsibilities in an effective and consistent manner.



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Rangka kerja pengurusan risiko direka bentuk bagi memastikan risiko yang diambil Bank tetap berada pada tahap yang boleh diterima, dan bukannya bagi menghapuskan sepenuhnya risiko kegagalan mencapai sasaran perniagaan dan objektif korporatnya. Maka, ia hanya mampu memberikan jaminan munasabah dan bukannya mutlak terhadap salah nyata, penipuan atau kerugian kewangan yang material.

Penyata Kesanggupan Menanggung Risiko

Bagi menyokong tadbir urus berkesan dan pelaksanaan keputusan dengan mengambil kira risiko, Bank mengeluarkan penyata kesanggupan menanggung risiko bagi risiko yang mampu diurus dan dikawal Bank, dengan tahap boleh-kawal berbeza bagi setiap risiko. Penyata kesanggupan menanggung risiko menetapkan amanun dan jenis risiko yang sanggup ditanggung Bank bagi mencapai objektif strategik perniagaannya, yang mana ia ditetapkan dan dipantau Lembaga Pengarah dan Pengurusan. Ia juga menetapkan dasar mengenai pengagihan kebertanggungjawaban dan sumber bagi mengurus pendedahan risikonya.

Kesanggupan menanggung risiko ini disepadukan dalam strategi dan pelan perniagaan tahunan Agrobank dan bertindak sebagai pengupaya bagi membolehkan pembuatan keputusan taktikal dan strategik yang lebih baik dibuat. Kesanggupan menanggung risiko Bank disemak setiap tahun agar Bank menyesuaikan diri dengan perubahan dalam persekitaran perniagaan dan keadaan pasaran, di samping memastikan ia sejajar dengan keperluan strategi, persekitaran perniagaan dan kawal selia dan pihak berkepentingan.

Bank memanfaatkan pelbagai penunjuk kuantitatif dan kualitatif bagi memantau profil risikonya, yang mana had tertentu ditetapkan agar selaras dengan kesanggupan menanggung risiko Bank. Ujian tekanan dan analisis senario juga dijalankan bagi menilai prestasi portfolio Bank sekiranya kejadian risiko berlaku, yang mana ia mungkin memberi impak negatif kepada profil risiko dan halatuju perniagaan Bank.

Inisiatif Utama bagi Memperkuuh Kemampuan Pengurusan Risiko pada Tahun 2017

Lembaga Pengarah dan Pengurusan Agrobank percaya bahawa pengurusan risiko bukan hanya tentang meminimumkan risiko, tetapi juga bagi membolehkan Bank mengambil risiko tertentu agar dapat berkembang dan menghasilkan nilai. Lantaran itu, pengurusan risiko Agrobank bersifat dinamik dan bertindak balas terhadap risiko baru (dan membuang risiko lapuk) yang dihadapi pada tahun berkenaan. Ini dilakukan dengan pemantauan berterusan persekitaran risiko dan pengemaskinian dasar serta prosedur bagi memastikan ianya kekal relevan dalam persekitaran perniagaan mutakhir ini. Dengan berlatar belakangkan keadaan pasaran serantau dan global, maka sepanjang 2017, Agrobank meletakkan keutamaan paling tinggi bagi memperkuuhkan lagi prasarana pengurusan risikonya. Perkembangan dan inisiatif utama yang dicapai adalah seperti berikut:

- Bank terus menyemak dan mengemaskini piawaian penajajaminan kredit seiring dengan amalan terbaik pasaran. Pada peringkat portfolio, semakan berkala

The risk management framework is designed to keep the Bank's risks within an acceptable risk appetite, rather than completely eliminating the risk of failure in achieving its business goals and corporate objectives. It can therefore only provide reasonable, rather than absolute, assurance against material financial misstatement, fraud or loss.

Risk Appetite Statement

In support of effective governance and risk-informed decision-making, the Bank has set out a risk appetite statement for those risks which, to a lesser or greater extent, are within its control to mitigate and manage. The risk appetite statement specifies the amounts and types of risk the Bank is willing to undertake in achieving its strategic business objectives, duly set and monitored by the Board and Management. It also informs policies on the allocation of accountabilities and resources to managing its risk exposures.

This risk appetite is integrated into Agrobank's annual strategy and business plan and acts as a lever for better strategic and tactical decisions. The risk appetite of the Bank is reviewed yearly to adapt to changes in the business environment and market conditions, while ensuring that they are consistent with the Bank's strategy, business and regulatory environment and stakeholders' requirements.

The Bank employs a range of quantitative and qualitative indicators to monitor the risk profile whereby specific limits are set in line with the Bank's risk appetite. Stress testing and scenario analyses are also conducted to assess the performance of the Bank's portfolios in potential risk events that may adversely impact the Bank's risk profile and business direction.

Key Initiatives in Strengthening Risk Management Capabilities in 2017

The Board and Management of Agrobank believe that risk management is not just about minimising downside risk, but also enabling the Bank to take on the necessary risks to grow and create value. Hence, risk management at Agrobank is dynamic and responds to new risks (and removes out of date risks) as they arose during the year. This is conducted through continuous monitoring of risk environment and revision of policies and procedures to ensure its relevance to the prevailing business environment. In light of the prevailing global and regional market conditions, Agrobank placed the highest priority on further strengthening its risk management infrastructure during 2017. Key developments and initiatives achieved are highlighted below:

- The Bank continued to review and update its credit underwriting standards to commensurate with market place best practices. At the portfolio level, periodic review was conducted on the existing internal credit rating system including translating risk tolerance into

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dijalankan ke atas sistem penarafan kredit dalaman sedia ada, termasuk menterjemah toleransi risiko menjadi had risiko baharu dan melaksanakan penunjuk risiko utama yang memandang ke hadapan serta memantau nilai ambang. Had ini ditetapkan bagi membolehkan jaringan perniagaan mencapai rancangan jangka pendeknya, di samping menggalakkan penilaian semula peluang dan risiko berkaitan apabila semakin mendekati hadnya. Sebagai sebahagian pengurusan pendedahan Bank pada risiko kredit, had risiko kredit dan Pencetus Tindakan Pengurusan (MAT) disemak secara berkala apabila berlakunya perubahan dalam kawal selia, keperluan perniagaan dan keadaan pasaran;

- Dengan kos dana sistem perbankan yang semakin meningkat, Agrobank mengambil langkah bagi menambah baik fungsi perantaranya dengan mengurangkan ketakpadanan pembiayaan, mempelbagaikan sumber pembiayaan komersial, merasionalisasikan kadar keuntungan dan hibah, dan memperkuuh pengurusan profil kematangan aset dan liabiliti Bank;
- Bank terus memberi tumpuan ke atas usaha mewujudkan struktur harga yang lebih baik bagi produk kewangan, meningkatkan penembusan produk, dan meningkatkan nilai tambah ekonomi (EVA) pelanggan;
- Bank melaksanakan rangka kerja Basel dalam pengukuran kecukupan modalnya, dan juga bagi strategi pengurusan modal dan rangka kerja pengurusan risiko. Bank menggunakan Basel III untuk Nisbah Liputan Kecairan (LCR) dan Nisbah Pendanaan Stabil Bersih (NSFR) yang dikeluarkan BNM. Bank berhasrat bagi terus mengurus kecairan dan menggembung modal dengan cekap, sejajar dengan peraturan Basel III;
- Pengurusan risiko operasi adalah bahagian bersepudu dalam aktiviti pengurusan risiko Bank secara keseluruhan dan ia membabitkan semua fungsi dan kakitangan. Bagi mencapai tujuan ini, kehendak dasar Risiko Operasi yang dikeluarkan BNM berhubung dengan pengurusan risiko operasi digunakan di seluruh Bank. Penekanan juga diberikan bagi memastikan penyelarasan berkesan dalam pengurusan risiko operasi dengan lain-lain risiko (seperti risiko kredit dan pasaran) demi menyediakan pendekatan bersepudu dan holistik bagi strategi keseluruhan pengurusan risiko Bank. Penilaian risiko operasi adalah penting bagi menilai risiko operasi secara sistematik, sama ada bagi perniagaan sedia ada maupun bagi perubahan yang dicadangkan. Status itu risiko operasi yang masih tertuggak dipantau, manakala pendedahan kepada risiko operasi dianalisis dan dilaporkan kepada pengurusan kanan dan Lembaga Pengarah bagi menyokong pembuatan keputusan;
- Agrobank memantau perkembangan luaran, selain memantau secara dekat impak faktor risiko dan makroekonomi yang spesifik pada tahap kecukupan modalnya. Penilaian risiko atas ke bawah dan bawah ke atas secara berkala dan berstruktur dijalankan sepanjang tahun bagi mengenalpasti pelbagai jenis risiko, manakala ujian tekanan dijalankan bagi menentukan impak senario negatif ke atas kekuahan kewangan Bank. Apabila perlu, tindakan yang selaras dengan Kesanggupan Menanggung Risiko Agrobank diambil berdasarkan hasil ujian tekanan;

new granular risk limits and implementing new forward-looking key risk indicators and monitoring thresholds. These granular limits were set to allow business lines to achieve their near-term plans while promoting a reassessment of the opportunity and associated risks as the limit is approached. As part of the Bank's credit risk exposure management, credit risk limits and Management Action Triggers (MAT) were regularly reviewed in response to regulatory changes, changing business needs and market conditions;

- In light of rising cost of funds in the banking system, Agrobank took steps to improve the intermediary function by reducing funding mismatches, diversifying commercial funding sources, rationalising profit and hibah rates, and strengthening the management of maturity profiles of assets and liabilities of the Bank;
- The Bank remained focused on working towards a better pricing structure for financial products, increased product penetration, and better overall client economic value added (EVA);
- The Bank applied the Basel framework in the measurement of its capital adequacy, and in its capital management strategy and risk management framework. The Bank adopted Basel III requirements in relation to Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) issued by BNM. The Bank intends to continue to manage liquidity and deploy capital efficiently in line with the Basel III rules;
- The management of operational risk is an integrated part of the Bank's overall risk management activities and it concerns all functions and personnel of the Bank. Towards this end, the Operational Risk policy requirement issued by BNM governing the operational risk management was adopted bank wide. Emphasis was also given towards ensuring effective coordination in the management of operational risk with that of other risks (e.g. credit and market risks) to provide a holistic and integrated approach to the Bank's overall risk management strategy. Operational risk assessments are key in systematically assessing operational risks in on-going business and in proposed changes. Progress on outstanding operational risk issues were monitored while operational risk exposures were analysed and reported to senior management and Board to support decision-making;
- Agrobank keeps track of external developments and closely monitors the impact of specific macro-economic and risk factors on its capital adequacy levels. Regular and structural top-down and bottom-up risk assessments were performed throughout the year to identify various types of risks, while stress tests were conducted to calculate the impact of adverse scenarios on the Bank's financial soundness. Where necessary, measures in line with Agrobank's Risk Appetite were taken on the basis of stress tests results;

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- Keutamaan berterusan diberikan ke arah menambah baik pelaporan risiko dan kualiti maklumat risiko yang tersedia dan dibentangkan kepada Pengurusan dan Lembaga Pengarah, sekaligus menambah baik keterlihatan dan pemahaman tentang risiko di seluruh Bank;
- Pembinaan budaya risiko dan pematuhan yang kukuh, dan pemupukan kebertanggungjawaban dan pemilikan risiko pada setiap peringkat adalah penting bagi memastikan keberkesanan tadbir urus. Sebagai sebahagian usaha Bank menerapkan budaya dan amalan terbaik risiko, latihan pengurusan dan program kesedaran berterusan dijalankan secara berkala bagi kakitangan pada semua peringkat. Ini bagi membolehkan mereka membangunkan pengetahuan dalam pengurusan risiko, memahami dan menghayati kesanggupan menanggung risiko Bank dan rangka kerja pengurusan risiko, dan agar mereka faham tentang risiko yang wujud dalam setiap keputusan harian dan strategik mereka;
- Agrobank tetap dengan tekadnya untuk menambah baik fungsi tadbir urus korporat sebagai wadah bagi menambah baik kebertanggungjawaban dan prestasi perniagaan. Salah satu langkah yang diambil adalah memperkuuh barisan pemantauan pertama bagi membina ekosistem pengurusan risiko yang lebih teguh demi mendepani cabaran yang timbul ekoran tahap kesanggupan menanggung risiko. Di Agrobank, dalam konteks menambah baik budaya risiko, penekanan penting diberikan ke atas unit pengambilan risiko sebagai barisan pertahanan pertama. Secara khususnya, budaya risiko dipertingkatkan apabila mereka dipertanggungjawabkan bagi mengambil risiko secara berhemat. Bagi mencapai matlamat ini, Agrobank memastikan unit pengambilan risiko memiliki pengetahuan, kemahiran, maklumat dan kuasa yang sewajarnya bagi melaksanakan dasar dan prosedur kawalan risiko yang relevan. Ini dilakukan menerusi beberapa pendekatan:
 - Menerapkan Menerapkan kesedaran risiko dalam unit pengambilan risiko berhubung dengan keputusan harian mereka;
 - Menyemai minda pemikiran risiko dalam barisan pemantauan pertama, iaitu dalam kalangan pengurus barisan hadapan agar mereka sentiasa menimbangkan implikasi risiko dalam membuat sebarang keputusan ataupun perubahan; dan
 - Menyediakan latihan intensif kepada pegawai perhubungan risiko.
- Continued priority was given to improving risk reporting and the quality of risk information available and presented to the Management and the Board, which led to an overall improvement in the visibility and understanding of risk across the Bank;
- Building a strong risk and compliance culture, and instilling risk accountability and ownership at all levels are essential blocks for effective risk governance. As part of the Bank's efforts to embed a strong risk culture and best practices, on-going risk management trainings and awareness programmes were provided periodically to staff at all levels to enable them to develop their knowledge in risk management, understand and embrace the Bank's risk appetite and risk management framework, and is clear about the risks inherent in their strategic and day-to-day decisions;
- Agrobank remains steadfast in improving corporate governance functionality as a means to enhance accountability and improve business performance. One of the steps taken is strengthening the first line of defence in building a stronger risk management ecosystem to effectively meet the challenges of today's risk appetite. At Agrobank, significant consideration is given to risk-taking units as the first line of defence within the context of enhancing risk culture. In particular, the risk culture is enhanced when they are accountable for prudent risk-taking. Towards this end, Agrobank ensures that risk-taking units have the necessary knowledge, skills, information, and authority to operate the relevant policies and procedures of risk control. This is done through several approaches including:
 - Embed risk-conscious behaviour of risk-taking units in their everyday decisions;
 - Foster a risk mind set in the first line of defence among frontline managers so that they consider risk implications when making business decisions or changes; and
 - Provide intensive trainings to risk liaison officers.

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- Asas penting bagi mewujudkan budaya risiko kukuh adalah mewujudkan persekitaran di mana risiko dan dilema yang dihadapi dalam aktiviti sehari-hari dibincangkan secara terbuka. Bank menganjurkan jerayawara di serata negara bagi memperkemas amalan ini dan menangani ketaktekalan, selain sebagai platform untuk memberi dan menerima maklumbalas daripada kakitangan yang mengurus risiko setiap hari. Melalui jerayawara, RMD menggalakkan debat berterusan tentang bagaimana mengurus risiko agar cabaran masa hadapan dapat dijangka, di samping berkongsi amalan terbaik dan belajar daripada kesilapan agar ia tidak berulang, yakni dengan membuang puncanya dan dengan berkongsi pengalaman; dan
- Bank terus memperkuuh pengurusan risiko Syariah menerusi pelbagai instrumen dan sesi libat-sama. Dengan meningkatnya kemampuan pengurusan risiko Syariah, Bank berjaya menghasilkan profil pengurusan risiko Syariah yang ditambah baik.



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Iltizam dan Keutamaan Strategik pada tahun 2018

Bagi 2017, Malaysia mencatatkan KDNK 5.90% (2016: 4.2%), iaitu yang tertinggi sejak 2014. Sektor pertanian merekodkan pertumbuhan kukuh 7.2% pada tahun 2017 berbanding pengurangan 5.1% pada tahun sebelumnya. Ia dipacu output lebih tinggi dan harga kelapa sawit, ternakan dan tanaman makanan yang lebih kukuh. Strategi Bank pada tahun 2018 adalah meningkatkan penguasaan pasaran dalam pembiayaan pertanian dan berasaskan pertanian, selain meningkatkan pertumbuhan pembiayaannya. Bagi mencapai sasaran ini, Bank akan menambah baik prasarana dan kemampuannya, dan pada masa sama, menambah baik budaya dan amalan pengurusan risiko pada semua peringkat. Dari segi operasi, Bank akan memanfaatkan amalan terbaik dalam mengurus risiko pasaran dan kecairan, di samping memperkuuh dan menambah baik prasarana dan dasarnya bagi mengurang dan mengawal risiko sedia ada dan potensi risiko yang timbul akibat perubahan harga komoditi, isu keselamatan siber, teknologi media sosial dan pengaruh teknologi kewangan (*fintech*).

Berdasarkan konteks operasi 2018 seperti mana yang dijelaskan di atas, pendekatan Bank bagi pengurusan risiko terus diperkuuh menurut dimensi berikut.

- **Memastikan risiko utama tetap dalam lingkungan toleransi dan kesanggupan menanggung risiko**

Rangka kerja kesanggupan menanggung risiko yang menyeluruh adalah tunggak seni bina pengurusan risiko Bank. Ini kerana ia membantu Bank memahami dan mengurus risiko dengan lebih baik dalam menterjemah metrik dan kaedah risiko menjadi keputusan strategik, pelaporan, dan keputusan perniagaan harian. Agrobank akan terus memastikan risiko utama tetap berada dalam lingkungan kesanggupan menanggung risiko yang ditetapkan Lembaga Pengarah. Walaupun kesanggupan menanggung risiko pada peringkat Bank melalui proses semakan tahunan, ia akan terus dipantau bagi memastikan ia relevan dan selaras dengan faktor persekitaran makro yang berubah-ubah. Hakikatnya, kesanggupan menanggung risiko dan tahap toleransi risiko perlu sentiasa diterapkan dalam semua dasar dan garis panduan berkaitan risiko.

Commitment and Strategic Priorities in 2018

For the year 2017, Malaysia's GDP stood at 5.90% (2016: 4.2%), the highest since 2014. The agriculture sector registered strong growth at 7.2% in 2017 compared to a 5.1% decrease in the previous year, boosted by higher output and firmer prices for palm oil, livestock and food crops. The Bank's strategy for 2018 is to enhance its market share on agriculture and agro based financing as well as increase its financing growth to a more respected balance. In achieving the target, the Bank will enhance its infrastructure and capabilities while at the same time improve its risk management culture and practices at all levels. On the operations side, the Bank will embrace best practices in managing market and liquidity risks as well as strengthening and improving its infrastructure and policies to mitigate and control existing and potential risks arising from changes in commodity prices, cyber security issues, social media technology and financial technology (*fintech*) influence.

In view of the operating context for 2018 as highlighted above, the Bank's approach towards risk management continues to strengthen along the following dimensions:

- **Ensure key risk areas are within the appetite and tolerance levels**

A comprehensive risk appetite framework is the cornerstone of the Bank's risk management architecture as it helps the Bank to better understand and manage risks by translating risk metrics and methods into strategic decisions, reporting, and day-to-day business decisions. Agrobank will continue to ensure that key risk areas are within the appetite and tolerance levels set by the Board. While bank-level risk appetite and tolerance levels are subject to formal annual reviews, these will be continually monitored for relevance in terms of changing macro-environment factors. Intrinsically, risk appetite and tolerance levels are to be consistently embedded in all risk-related policies and guidelines.

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- **Pengukuhan berterusan pengurusan risiko**

Bank akan terus menggiatkan usaha mempersiapkan diri menerima pakai saranan Basel II, yang termaktub dalam struktur pengurusan risiko Bank, selain dalam sistem, proses dan pengawasan tadbir urus. Bank akan terus berusaha memperkuuhkan kesedaran risiko, selain menyemai dan mengekalkan budaya risiko kukuh bagi meningkatkan kesedaran, ketelitian dan disiplin risiko, yang mempengaruhi tatalaku sewajarnya dalam tiga aspek budaya:

- Kepimpinan dalam menggagaskan visi dan halatuju jelas;
- Mempertimbangkan maklumat berkaitan risiko dalam membuat keputusan; dan
- Tadbir urus dan kebertanggungjawaban risiko oleh penggalas risiko, selain penyaluran maklumat risiko secara telus.

Semasa latihan, komunikasi dalaman proaktif dan sesi perkongsian; kakitangan dibiasakan mengamalkan budaya risiko, seperti mengambil tanggungjawab atas keputusan yang diambil, belajar daripada tindakan lepas dan menerapkan tatalaku risiko dalam situasi kerja seharian.

- **Pembangunan kompetensi**

Sebagai sebahagian semakan berterusan bagi memastikan kompetensi yang dimiliki tetap relevan dalam landskap risiko yang berubah, tumpuan pada tahun 2018 adalah untuk menutup jurang kompetensi dan membangunkan kakitangan dalam bidang perniagaan dan operasi yang relevan. Buat masa ini, Bank sedang menyediakan rangka tindakan Pengurusan Bakat Risiko yang bertujuan melahirkan profesional risiko dengan penghususan mendalam dan menyediakan wadah bagi mengurangkan jurang kompetensi.

- **Memperkuuh kebingkasan siber dan pengurusan risiko siber**

Kebingkasan siber dan pengurusan risiko siber kian menjadi cabaran kritikal buat Agrobank, seiring dengan meningkatnya pergantungan kepada platform digital dan meningkatnya penggunaan data digital dalam perkhidmatan perbankan. Berlatarkan senario ini, Bank perlu memperkuuh kebingkasan sibernya. Bagi mencapai matlamat ini, Bank akan terus memperkuuh kebingkasan siber dengan menyepadukan pengurusan risiko siber dalam pelan keseluruhan strategi perniagaan dan penambah baikan berterusan.

- **Penambahbaikan sistem pengurusan risiko ke arah integriti dan kerapian lebih tinggi dalam penilaian dan pemantauan risiko**

Dengan pematuhan dan pengurusan risiko sebagai keutamaan, Bank beriltizam menambah baik fungsi tiga barisan pemantauan dengan memanfaatkan kawalan risiko proaktif. Ini akan dicapai dengan memperkuuh sumber analitikal Bank menerusi sistem pengurusan risiko yang ditambah baik. Sistem ini akan memperkuuh kemampuan Bank memantau dan mengawal risiko disebabkan ia mampu mengesan risiko dengan lebih awal selain pengenapstian dan pelaksanaan langkah balas yang tepat pada masanya.

- **Continuous strengthening of risk management**

The Bank will continue to intensity its efforts to prepare for the adoption of Basel II recommendations, which is embedded into the Bank's formal risk management structure, as well as the governance oversight, processes and systems. The Bank will continue efforts to reinforce risk awareness as well as fosters and maintains a strong risk culture to promote risk awareness, rigor and discipline, which serves to influence appropriate behaviour in three key cultural aspects:

- Leadership in providing clear vision and direction;
- Consideration of risk relevant information in decision-making; and
- Risk governance and accountability of risk takers as well as transparent flow of risk information.

During trainings, proactive internal communications and sharing sessions; staff are sensitised in key areas of risk culture, such as taking accountability for decisions, learning from past actions and applying risk behaviours in daily work situations.

- **Competencies development**

As part of the on-going review to ensure the competencies are relevant in today's changing risk landscape, the focus for 2018 will continue to be on efforts toward closing any competency gaps and to develop staff in the relevant areas of businesses and operations. The Bank is currently preparing the Risk Talent Management blueprint aimed at building deep specialisation of risk professionals and setting the platform to bridge competency gaps.

- **Strengthen cyber resilience and cyber risk management**

Cyber resilience and cyber risk management are becoming critical challenges to Agrobank in line with the growing reliance on digital platforms and increasing digital data usage in the banking services. Given this scenario, the need of the hour, undoubtedly, is to adopt and strengthen cyber resilience. Towards this end, the Bank will continue to strengthen cyber resilience by integrating cyber risk management into the overall business strategy and on-going improvement plan.

- **Enhancement of risk management system for greater granularity and integrity in risk assessment and monitoring**

As compliance and risk management remain a priority, the Bank is committed to enhance its application of the three lines of defence by employing proactive risk control. This will be achieved by strengthening the Bank's analytical resources through enhanced risk management system. This system will reinforce the Bank's ability to monitor and control risks as it is geared to early risk detection and the identification and timely implementation of appropriate countermeasures.

PENYATA PENGURUSAN RISIKO

STATEMENT ON RISK MANAGEMENT

- **Meningkatkan kehematan dalam disiplin pengurusan portfolio**

Bagi memastikan pengurusan portfolio yang berhemat dan seiring dengan langkah Bank bagi mempelbagaikan portfolionya, Bank akan terus melenyapkan sebarang timbunan risiko. Bank sedia maklum bahawa kewujudan sistem pengelasan pembiayaan yang berkesan adalah instrumen penting bagi mencapai dwi-objektif, iaitu pemantauan kualiti aset Bank secara berterusan dan memastikan peruntukan mencukupi dibuat sepanjang masa.

- **Mengenalpasti risiko secara proaktif**

Memandangkan persekitaran masa kini dan realiti baharu pasaran yang semakin rumit, Agrobank sedar yang kemampuan pengurusan risikonya perlu berevolusi bagi menggunakan pakai proses pengenalpastian risiko dengan lebih proaktif. Proses ini melibatkan imbasan ke atas semua risiko sedia ada dan baharu muncul yang mungkin timbul akibat ketidakpastian global dan tempatan daripada perspektif ‘luar ke dalam’, iaitu daripada risiko makroekonomi (luaran) kepada risiko dalaman dan industri. Tumpuan khusus akan diberikan kepada impak naik turun Ringgit ke atas kesihatan kredit portfolio pembiayaan Bank, impak ekonomi penurunan harga komoditi, ancaman siber yang mendatang dan pengurusan keselamatan maklumat, revolusi mendadak ICT yang meroboh operasi industri perbankan serta pengawasan dan pematuhan AML/CMT.

- **Mewujudkan metodologi dan guna pakai penarafan risiko kredit**

Bank bertekad untuk sentiasa menambah baik metodologi penarafan risiko kredit dalaman, selain dasar dan amalan pengurusan risiko kredit. Ini bertujuan menghasilkan nilai melalui metodologi risiko kredit yang sepadan serta dasar dan proses kredit yang konsisten merentasi keseluruhan Bank.

- **Pengurusan risiko kecairan secara proaktif**

Bank menekankan penggunaan amalan terbaik sebagai penanda aras untuk pencapaiannya. Pada tahun 2018, Bank akan menumpukan pada piawaian Basel III dengan pengurusan risiko kecairan secara proaktif, sebagaimana digariskan Basel III bagi Nisbah Liputan Kecairan (LCR) dan Nisbah Pendanaan Stabil Bersih (NSFR). Bank beriltizam untuk memiliki Aset Cair Berkualiti Tinggi (HQLA) yang mencukupi demi mengharungi kejutan kecairan, sekiranya berlaku. Bagi NSFR pula, Bank akan terus menambah baik kestabilan profil pembiayaan yang diperlukan.

- **Greater prudence in portfolio management discipline**

In ensuring prudent portfolio management, the Bank will continue to curtail any build-up of risk as the Bank continues to diversify its portfolio. The Bank is heedful that having an effective financing classification system is an essential tool to achieve the twin objectives of continuous monitoring of the Bank's asset quality and ensuring that they maintain adequate provisions at all time.

- **Proactive risk identification**

In view of the complexity of today's environment and new market realities, Agrobank is conscious that its risk management capabilities need to evolve to include the adoption of a proactive risk identification process. This process entails scanning all current and emerging risks that may arise from global and domestic uncertainties from an ‘outside-in’ perspective, i.e. from a macroeconomic (external) risks to industry and internal risks. Particular focus will be placed on the impact of Ringgit's volatility on the credit health of the Bank's financing portfolio, the economic impact of declining commodities prices, the emerging cyber threats and management of information security, the rapid ICT revolution that is changing the banking industry operations and the oversight and compliance of AML/CMT.

- **Establish credit risk rating methodologies and applications**

The Bank endeavours to continuously improve internal credit risk rating methodologies and credit risk management policies and practices, aimed at achieving value creation through congruent credit risk methodologies and consistent credit policies and processes across the Bank.

- **Proactive management of liquidity risks**

The Bank places greater emphasis in benchmarking itself against best practices. In 2018, the Bank will focus on Basel III standards with proactive management of liquidity risks as outlined under Basel III for Liquidity Coverage Ratio (LCR) and a Net Stable Funding Ratio (NSFR). The Bank is committed to hold sufficient High-Quality Liquid Assets (HQLA) to withstand liquidity shock, if any. On NSFR, the Bank will continue to improve the stability of its required funding profiles.

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PENYATA KAWALAN DALAMAN

STATEMENT ON INTERNAL CONTROL

TANGGUNGJAWAB

Lembaga Pengarah memperakui bahawa Bank bertanggungjawab melaksanakan satu sistem kawalan dalaman yang kukuh dan berkesan, serta kompeten, mencukupi dan menyeluruh.

Elemen pengurusan risiko yang menjadi asas rangka kerja kawalan dalaman Bank memberi jaminan yang wajar untuk melindungi Bank dari salah nyata yang ketara berkaitan maklumat dan rekod kewangan, kerugian kewangan atau penyelewengan dan salah urus.

Risiko-risiko yang menjelaskan Bank dikenalpasti, dinilai dan ditangani melalui struktur dan proses kawalan yang bersesuaian. Semakan berkala dan pengemaskinian ke atas struktur dan proses dilakukan seiring dengan perubahan yang timbul dalam persekitaran perniagaan dan keadaan operasi dalaman. Proses ini telah dilaksanakan secara berterusan sepanjang tahun kewangan.

Pihak pengurusan membantu Lembaga Pengarah dalam pelaksanaan polisi dan prosedur ke atas risiko dan kawalan dengan mengenalpasti dan menilai risiko yang dihadapi, di dalam merangka operasi dan memantau kawalan dalaman yang bersesuaian bagi menangani dan mengawal risiko berkenaan.

PROSES KAWALAN DALAMAN UTAMA

Proses-proses utama yang penting telah diwujudkan bagi menilai kemantapan dan integriti sistem kawalan dalaman termasuk perkara-perkara berikut:

- a. Rangka kerja yang jelas dengan pemberian kuasa dan had kuasa yang sesuai ditetapkan berkaitan dengan operasi perbankan harian, pembiayaan, penggembangan deposit, pelaburan, perolehan dan pelupusan aset.
- b. Pematuhan terhadap kawalan dalaman, undang-undang dan peraturan yang berkaitan telah ditetapkan di dalam manual operasi, garis panduan dan arahan yang dikeluarkan oleh Bank. Semua ini dikemaskini dari semasa ke semasa seiring dengan perubahan persekitaran perniagaan atau keperluan undang-undang.
- c. Pengurusan dan pemantauan ke atas bidang teras Bank telah diperkuatkan lagi dengan penubuhan jawatankuasa operasi yang merangkumi Jawatankuasa Pengurusan, Jawatankuasa Pengurusan Teknologi Maklumat dan Transformasi, Jawatankuasa Pengurusan Aset Liabiliti, Jawatankuasa Pengurusan Kredit, Jawatankuasa Pengurusan Sumber Manusia, Jawatankuasa Pengurusan Risiko, Jawatankuasa Pengurusan Risiko Operasi, Jawatankuasa Pengurusan Audit dan Jawatankuasa Pengurusan Perolehan.
- d. Jawatankuasa Pengurusan Risiko (MRC)

Jawatankuasa Pengurusan Risiko ditubuhkan bagi membantu Lembaga Pengarah memantau keseluruhan pengurusan aspek-aspek risiko utama. Pengurusan risiko diperkuatkan lagi dengan penubuhan Jawatankuasa Pengurusan Aset Liabiliti dan Jawatankuasa Pengurusan Risiko Operasi.

RESPONSIBILITY

The Board of Directors (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 provides 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 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 includes the following:

- a. A clearly defined framework with appropriate empowerment and authority limits are in place with respect to the day-to-day banking operations, financing, deposits mobilisation, investment, acquisition and disposal of assets.
- 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 includes the Management Committee, Management Information Technology and Transformation Committee, Asset Liability Management Committee, Management Credit Committee, Human Resource Management Committee, Management Risk Committee, Operational Risk Management Committee, Management Audit Committee and Management Procurement Committee.
- d. Management Risk Committee (MRC)

The MRC is established to assist the Board to oversee the overall management of principal areas of risk. Risk management is further strengthened with the establishment of Asset Liability Management Committee and Operational Risk Management Committee.

PENYATA KAWALAN DALAMAN

STATEMENT ON INTERNAL CONTROL

e. Jawatankuasa Pengurusan Aset Liabiliti (ALCO)

Jawatankuasa Pengurusan Aset Liabiliti ditubuhkan bagi membantu pihak pengurusan berhubung risiko pasaran dan kecairan. Jawatankuasa ini juga bertanggungjawab memastikan bahawa Bank mempunyai dana yang mencukupi untuk memenuhi tanggungjawabnya dan untuk mengekalkan kecukupan modal Bank.

f. Jawatankuasa Pengurusan Risiko Operasi (ORMC)

Jawatankuasa Pengurusan Risiko Operasi ditubuhkan bagi membantu Jawatankuasa Pengurusan Risiko dalam hal-hal berhubung tadbir urus yang baik dan budaya risiko bagi mengawasi isu-isu operasi Bank. Jawatankuasa ini juga berperanan sebagai landasan bagi mengutarakan, membincangkan dan bertindak ke atas semua isu pematuhan dan operasi di dalam Bank.

g. Jawatankuasa Shariah (SC)

Sebagai sebuah Institusi Kewangan Perbankan Islam, satu rangka kerja tadbir urus Shariah telah diwujudkan di dalam struktur organisasi Bank bagi memastikan operasi dan aktiviti Bank adalah berlandaskan kepada prinsip dan pematuhan Shariah. Jawatankuasa Shariah ini bertanggungjawab ke atas semua keputusan dan pandangan yang berkaitan dengan isu-isu Shariah. Jawatankuasa ini juga memberi nasihat kepada Pengurusan dan Lembaga Pengarah mengenai isu-isu Shariah untuk memastikan segala operasi dan aktiviti adalah mematuhi prinsip Shariah pada setiap masa.

h. Audit Dalaman

Audit Dalaman berfungsi untuk memberi pandangan yang bebas dan objektif serta khidmat rundingan yang direka untuk menambah nilai dan menambahbaik operasi Bank. Pencapaian matlamat Bank dipermudahkan melalui pendekatan audit yang sistematis dan berdisiplin. Berdasarkan pendekatan berdasarkan risiko, keutamaan semakan audit terletak pada risiko dan kawalan yang terdapat pada entiti-entiti yang diaudit dalam lingkungan kelompok audit yang telah ditetapkan.

Keberkesanannya tadbir urus, pengurusan risiko dan proses-proses kawalan dinilai menerusi pandangan yang diberikan sama ada risiko yang dikenalpasti boleh menghalang pencapaian matlamat tertentu. Seiring dengan proses yang dilaksanakan, penambahbaikan dicadangkan bagi meningkatkan struktur dan amalan tadbir urus.

Pembetulan isu-isu yang dibangkitkan adalah dipantau oleh pihak pengurusan dan dibincangkan di peringkat Jawatankuasa Pengurusan Audit dan Jawatankuasa Lembaga Audit.

e. Asset Liability Management Committee (ALCO)

The ALCO is established to assist the management in relation to market and liquidity risks. The committee is also responsible to ensure that the Bank has adequate funds to meet its obligations and to preserve its capital adequacy.

f. Operational Risk Management Committee (ORMC)

The ORMC is established to assist Management Risk Committee on good governance and risk culture to oversee the Bank's operational issues. The committee also acts as a platform to highlight, to deliberate and to act upon all compliance and operational issues in the Bank.

g. Shariah Committee (SC)

As a Full Fledged Islamic Bank, a Shariah governance framework has been put in place in the organisational structure of the Bank to ensure all operations and business activities are in accordance with Shariah principles and rulings. The SC is responsible and accountable for all its decisions, views and opinions related to Shariah matters. SC serves to provide advice to the Management and Board on Shariah matters to ensure that the Bank's operations and activities adheres to Shariah principles and rulings at all times.

h. 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 risk-based approach, prioritisation of the audit review lies in risk and control associated with 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 issues are then followed up by the management and deliberated at the Management Audit Committee's (MAC) and Board Audit Committee's (BAC) meetings.

i. Jawatankuasa Pengurusan Audit (MAC)

Jawatankuasa Pengurusan Audit bersidang pada setiap bulan untuk membincangkan penemuan laporan audit dan siasatan. Mesyuarat juga membincangkan tindakan-tindakan yang wajar bagi menyelesaikan isu-isu berbangkit dan menambahbaik proses dan operasi perniagaan. Di mana perlu, wakil-wakil jabatan yang diaudit diminta menghadiri mesyuarat untuk membincangkan butiran yang lebih terperinci untuk menyelesaikan isu dengan kadar segera. Minit mesyuarat Jawatankuasa Pengurusan Audit berserta laporan audit ini dibentangkan kepada Jawatankuasa Lembaga Audit. Tindakan yang diputuskan oleh Jawatankuasa Lembaga Audit dipantau oleh Jawatankuasa Pengurusan Audit.

j. Jawatankuasa Lembaga Audit (BAC)

Mesyuarat Jawatankuasa Lembaga Audit telah diadakan sebanyak sepuluh kali pada tahun 2017 untuk menyemak penemuan-penemuan yang dibangkitkan oleh Jabatan Audit Dalaman, juruaudit luar, pihak berkuasa dan pihak pengurusan dan 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 yang berhubungkait dengan fungsi-fungsi lain di dalam Bank. Minit mesyuarat Jawatankuasa Lembaga Audit dibentangkan kepada Lembaga Pengarah sebagai makluman.

k. Pelan perniagaan tahunan disediakan oleh unit-unit perniagaan Bank dan diluluskan oleh Lembaga Pengarah. Belanjawan tahunan juga diluluskan oleh Lembaga Pengarah. Prestasi sebenar perniagaan dinilai berdasarkan belanjawan yang diluluskan di mana penjelasan diberi bagi perbezaan yang ketara menerusi laporan bulanan kepada Lembaga Pengarah.

l. Garis panduan yang teratur bagi urusan pelantikan dan penamatan khidmat kakitangan, program latihan rasmi, penilaian prestasi tahunan dan setengah tahun dan lain-lain prosedur yang berkaitan disediakan untuk pembangunan latihan kompetensi kakitangan bagi membolehkan kakitangan melaksanakan tugas dan tanggungjawab dengan berkesan. Garis panduan mengenai pengurusan penggantian juga disediakan bagi memastikan adanya saluran bakat yang sedia untuk menanggung peranan kepimpinan masa depan demi kemampunan perniagaan.

m. Fungsi pemantauan Lembaga Pengarah diperkuuhkan lagi melalui tanggungjawab yang diwakilkan kepada beberapa jawatankuasa Lembaga iaitu Jawatankuasa Lembaga Pengurusan Risiko, Jawatankuasa Lembaga Audit, Jawatankuasa Lembaga Kredit & Pelaburan, Jawatankuasa Lembaga Teknologi Maklumat, Jawatankuasa Pencalonan dan Jawatankuasa Ganjaran, di mana kesemuanya mempunyai terma rujukan rasmi. Jawatankuasa-jawatankuasa ini diberi kuasa untuk meneliti semua bidang di dalam skop masing-masing dan melaporkan kepada Lembaga Pengarah beserta cadangan masing-masing.

n. Polisi Pengurusan Penyelewengan dan Pemberitahuan Maklumat yang diluluskan oleh Lembaga Pengarah menyediakan saluran bagi kakitangan untuk melaporkan penyelewengan atau disyaki berlaku penyelewengan, salah laku atau pelanggaran polisi dan peraturan Bank tanpa melalui proses laporan yang rumit. Hasil siasatan dibentangkan oleh Pengerusi Jawatankuasa Pemberitahuan Maklumat kepada Jawatankuasa Lembaga Audit untuk tindakan lanjut.

i. Management Audit Committee (MAC)

The MAC meets monthly to deliberate the findings of the audit and investigation reports. The meeting also discusses necessary actions to resolve arising issues and enhancement of pertinent business processes and operations. Where required, representatives from department being audited are requested to attend the meeting to enable detailed deliberation and expeditious resolution of matters. 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.

j. Board Audit Committee (BAC)

The BAC's meetings were held ten times in 2017 to review the 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 conducts a review of the internal audit functions 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 are tabled to the Board for notification.

k. Annual business plan is prepared by the Bank's business units and approved by the Board. Annual budgets are also approved by the Board. Actual business performances are assessed against the approved budget whereby explanations are provided on significant variances through monthly reporting to the Board.

l. Proper guidelines for hiring and termination of staff, formal training programmes, annual and semi-annual performance appraisals and other relevant procedures are in place for the staff competency development training to enable effective discharge of duties and responsibilities. Guidelines on succession management is also in place to ensure available and ready talent pipeline to assume future leadership roles for business sustainability.

m. The Board's oversight function are further enhanced through delegated responsibilities in several Board Committees, namely the Board Risk Management Committee, Board Audit Committee, Board Credit and Investment Committee, Board Information Technology Committee, Board Nominating Committee and Remuneration Committee, all of which have formalised terms of reference. These Committees have the authority to examine all matters within their scope and report to the Board with their recommendations.

n. The Fraud Management and Whistle-blowing Policy which had been approved by the Board provides an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Bank's policies and regulations in lieu of an elaborate reporting process. The outcome of the investigation is presented by the Chairman of the Whistle-blowing Committee to the BAC for subsequent actions.

PENYATA PEMATUHAN

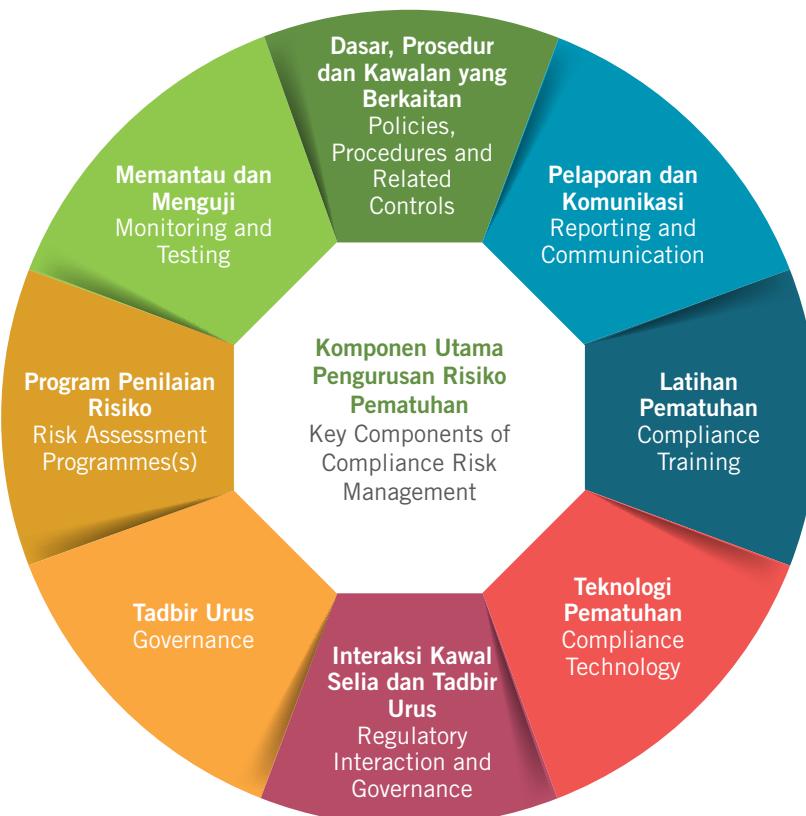
STATEMENT OF COMPLIANCE

Usaha Agrobank ke arah tadbir urus yang baik bermula daripada tanggungjawab Bank dalam memelihara dan meningkatkan nilai ekonomi para pelanggannya, komuniti dan pihak berkepentingan serta pada masa yang sama mampu menjana impak yang mampar bagi ekonomi, komuniti dan alam sekitar. Dalam merealisasikan hasrat ini, Agrobank beriltizam menguruskan perniagaannya dengan melaksanakan dasar pematuhan sepenuhnya dari segi undang-undang dan peraturan, di samping mengekalkan standard pematuhan yang tinggi, berdasarkan nilai-nilai teras Bank, integriti dan nilai etika yang baik dalam setiap peringkat organisasi. Bank mendukung standard yang tinggi bagi memastikan kesinambungan dan pengukuhan operasinya dalam meminimumkan risiko kewangan, reputasi dan operasi Bank yang mungkin timbul akibat ketidakpatuhan pada undang-undang dan peraturan kawal selia. Piawaian ini adalah sejajar dengan garis panduan dan dasar yang dikeluarkan Bank Negara Malaysia (BNM), iaitu badan berkanun yang mengawal selia dan mengawasi pembangunan institusi kewangan di negara ini.

Integrasi diantara rangka kerja tadbir urus, pengurusan risiko dan kawalan dalam Bank adalah disokong oleh proses yang tepat bagi mengelak dan untuk mengesan sekiranya berlaku risiko yang melibatkan ketidakpatuhan ataupun aktiviti-aktiviti penipuan. Prinsip yang digariskan di dalam Polisi Dasar Pematuhan berperanan sebagai panduan penting bagi Bank dalam memenuhi keperluan kawal selia yang semakin ketat dan memastikan amalan terbaik industri diterapkan sebaiknya. Rangka kerja tersebut dijadikan asas bagi aspirasi ini demi membentuk fungsi pematuhan yang berkesan.

As a value-based financial intermediary, Agrobank's pursuit of good governance stems from its responsibility to protect and enhance the economic value of its clients, communities and stakeholders and at the same time generate sustainable impacts to the economy, community and environment. Towards this end, Agrobank is committed to conduct its business in compliance with the spirit and letter of all applicable laws and regulations whilst maintaining high standards of compliance as reflected in its core values, integrity and ethical standards at every level of the organisation. The Bank upholds high standards in ensuring the safety and soundness in its operation to minimise financial, reputational and operational risks that may arise from legal and regulatory non-compliance. These standards conform to the guidelines and standards issued by Bank Negara Malaysia (BNM), which is the authority body that regulates and supervises development financial institutions in the country.

The Bank's governance, risk management and internal control frameworks are well integrated and supported with adequate processes to prevent, detect and respond to potential non-compliance or fraudulent activities. The principles outlined in the Compliance Policy serves as an important guide for the Bank as it continuously evolves to meet increasingly stringent regulatory requirements and industry best practices. The framework provides the foundation for this aspiration, from which the building blocks of the compliance functions are shaped.



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Tadbir Urus Pematuhan

Bank menjadikan dasar pematuhan satu amanah dan tanggungjawab yang harus didukung oleh semua kakitangan kerana kepentingan dalam pelaksanaannya. Lembaga Pengarah mendukung usaha ini dengan menerapkan amalan “contoh melalui teladan” berasaskan standard tatalaku, amalan organisasi dan nilai korporat sejajar dengan Pengurusan Risiko Bank. Jawatankuasa Lembaga Pengurusan Risiko (BRMC) bertanggungjawab mengawasi pengurusan risiko pematuhan dengan melaporkan tentang tahap pematuhan terhadap undang-undang, peraturan dan dasar serta prosedur dalaman. BRMC menyediakan hala tuju strategik bagi pengurusan risiko pematuhan, termasuk langkah-langkah pengurusan risiko yang perlu dilaksanakan sebelum ia dimaklumkan kepada Lembaga Pengarah setiap bulan.

Pihak pengurusan bertanggungjawab memastikan keberkesanan pengurusan risiko pematuhan dengan menguatkuaskan budaya pematuhan yang berkesan meliputi segenap lapisan Bank. Ini dilakukan menerusi pelaksanaan berkesan Rangka Kerja Pematuhan, dan disokong program pematuhan yang ketat serta semakan pematuhan yang dijalankan secara meluas dan berkala merentasi seluruh operasi Bank. Pihak pengurusan juga dipertanggungjawabkan untuk bertindak secara berintegriti, menggalakkan pematuhan dalam budaya Bank dan mengambil tindakan yang sewajarnya sekiranya terdapat pelanggaran undang-undang ataupun mana-mana dasar.

Bank sedia maklum bahawa pembinaan budaya pematuhan yang cemerlang dapat dilaksanakan sekiranya semua kakitangan dan individu yang mewakili Bank memikul tanggungjawab bagi setiap aktiviti dan tugas masing-masing dengan penuh cermat, termasuklah memahami keperluan pematuhan dalam skop tugasannya, mengawal selia kegiatan sendiri bagi memastikan pematuhan dicapai dan mengekalkan prinsip serta tatalaku beretika dalam segala urusan kerja. Inilah tiga barisan pemantauan yang diterapkan dalam Rangka Kerja Pematuhan Bank. Menerusi kecemerlangan dalam pematuhan seperti yang digariskan prinsip-prinsip VBI, Bank mewujudkan masa depan perbankan yang mampan dan terjamin, seterusnya menghasilkan impak yang positif dan berkekalan; lantas menempatkan prinsip-prinsip VBI sebagai nadi strategi Bank yang mampan.

Compliance Governance

Due to its importance, the Bank inculcates compliance as the responsibility of all staff within the Bank. The Board takes the lead by setting the “tone from the top” and upholding standards of conduct, organisational practices and corporate values that are consistent with the overall risk appetite. The Board Risk Management Committee (BRMC) is responsible for overseeing the management of compliance risk where the state of compliance with laws, regulations, internal policies and procedures gets reported. The BRMC provides the strategic direction for compliance risk management including necessary mitigation actions prior to notation by the Board on a monthly basis.

The management is collectively responsible for the effective management of compliance risk by enforcing a strong compliance culture throughout the Bank. This is undertaken through the effective implementation of a Compliance Framework, which is supported by a rigorous compliance programmes and extensive periodic compliance reviews across all operations. The management is also expected to act with and demonstrate integrity, promote adherence to the Bank's compliance culture and take appropriate action if laws or policies are breached.

The Bank acknowledges that building a culture of compliance excellence means that each and every individual staff and representative of the Bank is accountable for his/her own activities, including seeking to understand the compliance requirements within his/her job scope, self-regulating his/her activities to ensure compliance and maintaining ethical principles and behavior in the course of the business. These are the principles of the three lines of defense, which are embedded in the Compliance Framework of the Bank. Through compliance excellence underpinned by the principles of VBI, the Bank creates a sustainable and secure banking future that brings about positive and lasting change; placing VBI principles at the heart of the Bank's sustainable strategy.

	BARISAN PEMANTAUAN PERTAMA 1ST LINE OF DEFENCE	BARISAN PEMANTAUAN KEDUA 2ND LINE OF DEFENCE	BARISAN PEMANTAUAN KETIGA 3RD LINE OF DEFENCE
PELAKSANA OWNER	Unit Perniagaan Business Lines	Jabatan Pematuhan Compliance Department	Audit Dalam Internal Audit
TANGGUNGJAWAB RESPONSIBILITIES	Menerusi kawalan pengurusan dan penyeliaan yang sesuai, tanggungjawab utama Unit Perniagaan adalah mengurus risiko pematuhan yang wujud dalam aktiviti sehari-hari dan proses serta sistem perniagaan yang dipertanggungjawabkan ke atas mereka. Through appropriate managerial and supervisory controls, the business lines are primarily responsible for managing compliance risk inherent in the daily running of business activities, processes and systems that they are accountable for.	Bertanggungjawab memastikan segala kawalan bagi mengurus risiko pematuhan sentiasa mencukupi dan beroperasi sebagaimana dikehendaki. Jabatan juga bertanggungjawab menjalankan penilaian dan pemantauan berterusan ke atas risiko pematuhan yang dihadapi Bank. Responsible for ensuring that controls to manage compliance risk are adequate and operating as intended. It is also responsible for undertaking assessment and continuous monitoring of compliance risk posed to the Bank.	Bertanggungjawab memberikan jaminan bebas kepada Lembaga Pengarah dan Pihak Pengurusan Kanan berkenaan kualiti dan keberkesanan keseluruhan kawalan dalam, pengurusan risiko dan sistem serta proses tadbir urus Bank, termasuk yang berkaitan fungsi pematuhan. Responsible for providing independent assurance to the Board and senior management on the quality and effectiveness of the Bank's overall internal controls, risk management and governance systems and processes, including those related to the compliance function.

PENYATA PEMATUHAN STATEMENT OF COMPLIANCE

Jabatan Pematuhan

Jabatan Pematuhan membantu Bank mencapai objektifnya dengan mewujudkan pendekatan yang sistematis dan berdisiplin bagi menilai serta menambah baik integriti dan keberkesanannya sistem pengurusan risiko termasuk kawalan bagi fungsi tadbir urus, pengurusan dan operasi. Oleh itu, Jabatan Pematuhan bertanggungjawab menyelaraskan proses mengenal pasti, menilai serta memantau risiko pematuhan pada peringkat Bank dan memastikan ujian pematuhan dijalankan secara konsisten di seluruh Bank. Jabatan Pematuhan diterajui oleh Ketua Pematuhan yang dilantik oleh Lembaga Pengarah, bertanggungjawab menasihati Lembaga Pengarah, Pihak Pengurusan Kanan dan para pegawai Bank berkenaan perundangan dan kawal selia.

Sebagai salah satu cara menangani pengurusan risiko pematuhan, Jabatan Pematuhan juga bertanggungjawab melaporkan penilaianya secara berkala kepada Lembaga Pengarah dan Pengurusan Kanan. Bagi meningkatkan kesedaran mengenai kehendak kawal selia dan perundangan, Jabatan Pematuhan menyediakan program latihan berstruktur dan pelbagai program kesedaran di ibu pejabat serta cawangan.

Sebagai sebuah Institusi Perbankan Islam sepenuhnya, pematuhan prinsip Syariah merupakan sebahagian prinsip yang signifikan bagi fungsi pematuhan Bank. Demi memastikan Bank sentiasa mematuhi prinsip Syariah, mekanisme kawalan dalaman yang berkaitan ketetapan Syariah diwujudkan. Pelaksanaan kawalan Syariah yang berkesan mampu meningkatkan keyakinan orang ramai dan juga mengukuhkan reputasi Bank sebagai penyedia perkhidmatan kewangan Islam yang terkemuka.

Demi memastikan tadbir urus yang baik, Jabatan Pematuhan bebas membuat laporan terus kepada Lembaga Pengarah bagi membolehkan Jabatan Pematuhan bertindak secara efektif, bermatlamat dan telus. Ketua Pematuhan bertanggungjawab membuat laporan terus kepada Lembaga Pengarah serta Jawatankuasa Syariah bagi perkara yang berkaitan dengan Syariah. Para pegawai yang menggalas fungsi pematuhan memiliki kelayakan dan pengalaman yang mencukupi, khususnya berkaitan dengan kehendak perundangan dan kawal selia.

Jabatan Pematuhan disusun mengikut empat fungsi seperti berikut:

Pengawalseliaan dan Tadbir Urus

Sebagai penghubung di antara Bank dan agensi pengawalseliaan, bahagian ini merupakan bahagian yang bertanggungjawab menasihati Bank mengenai perkembangan terkini yang memberi kesan ke atas kehendak perundangan dan kawal selia, serta implikasinya pada profil risiko pematuhan dan keupayaan mengurus risiko pematuhan pada masa akan datang.

Compliance Department

The Compliance Department assists the Bank to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the integrity and effectiveness of the Bank's systems of risk management and control for governance, management and operational functions. Hence, the Compliance Department is responsible for coordinating the process of identifying, assessing and monitoring of compliance risk at the Bank level and ensures that compliance testing is carried out consistently across the Bank. The department headed by the Head of Compliance appointed by the Board; advises the Board, senior management and officers of the Bank on legal and regulatory requirements.

As part of managing compliance risk, the Compliance Department is also responsible for reporting its assessment to the Board and senior management on a regular basis. To elevate awareness on regulatory and legal requirements, the department provides structured training programmes and other awareness raising programmes encompassing both headquarters and branches.

Being a full-fledged Islamic bank, compliance with Shariah principles is an integral part of the compliance function in the Bank. Internal control mechanisms pertinent to Shariah requirements are in place to ensure that the Bank is in compliance with Shariah principles at all times. The effective implementation of Shariah controls promotes public confidence and enhances the Bank's reputation as a prominent Islamic financial services provider.

For good corporate governance, Compliance Department has an independent reporting line to the Board of Directors to allow Compliance Department to act independently, objectively and transparently. The Head of Compliance reports directly to the Board, as well as to the Shariah Committee on matters that are related to Shariah. Officers undertaking the compliance function are equipped with the necessary qualifications and experience, particularly on relevant legal and regulatory requirements.

The Compliance Department is organised into four cross-disciplinary functions as follows:

Regulatory and Governance

As a liaison between the Bank and regulatory agencies, the division advises the Bank on new developments affecting legal and regulatory requirements as well as its implication on compliance risk profile and capacity to manage compliance risk moving forward.

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Pencegahan Pengubahan Wang Haram/Pencegahan Pembiayaan Keganasan

Pihak Bank menyedari tentang kepentingan memelihara integriti sistem kewangan demi mencegah Bank daripada menjadi mangsa penjenayah ataupun individu/entiti yang meragukan dan boleh mengakibatkan kemudaratan ataupun kerugian kepada para pelanggan Bank, kerajaan, masyarakat dan dunia secara amnya. Lantaran itu, bahagian ini bertanggungjawab melaksanakan dan memantau langkah-langkah pencegahan pengubahan wang haram dan pembiayaan keganasan, sepetimana yang digariskan di dalam Akta Pencegahan Pengubahan Wang Haram, Pencegahan Pembiayaan Keganasan dan Hasil daripada Aktiviti Haram 2001, serta lain-lain garis panduan yang dikeluarkan oleh BNM.

Semakan Syariah

Dengan objektif untuk memastikan semua aktiviti Bank tidak bertentangan dengan prinsip Syariah, tugas Bahagian Shariah Review adalah untuk menjalankan penilaian tentang pematuhan syariah yang melibatkan segala aktiviti dan operasi Bank. Fungsi ini melibatkan pemeriksaan dan penilaian tahap pematuhan Bank mengikut prinsip Syariah, langkah pemulihan dan penambahbaikan bagi mengatasi ketidakpatuhan serta mekanisme kawalan bagi mengelakkan ketidakpatuhan berulang.

Pengawasan Kawal Selia

Seksyen ini menyelaras pelaksanaan Penilaian Kendiri Kawalan Risiko (RCSA), seiring dengan rangka kerja pengurusan risiko operasi dan menjalankan semakan ke atas pematuhan demi memastikan ianya sejajar dengan undang-undang, peraturan dan garis panduan yang relevan.

Anti-Money Laundering/Counter Financing of Terrorism

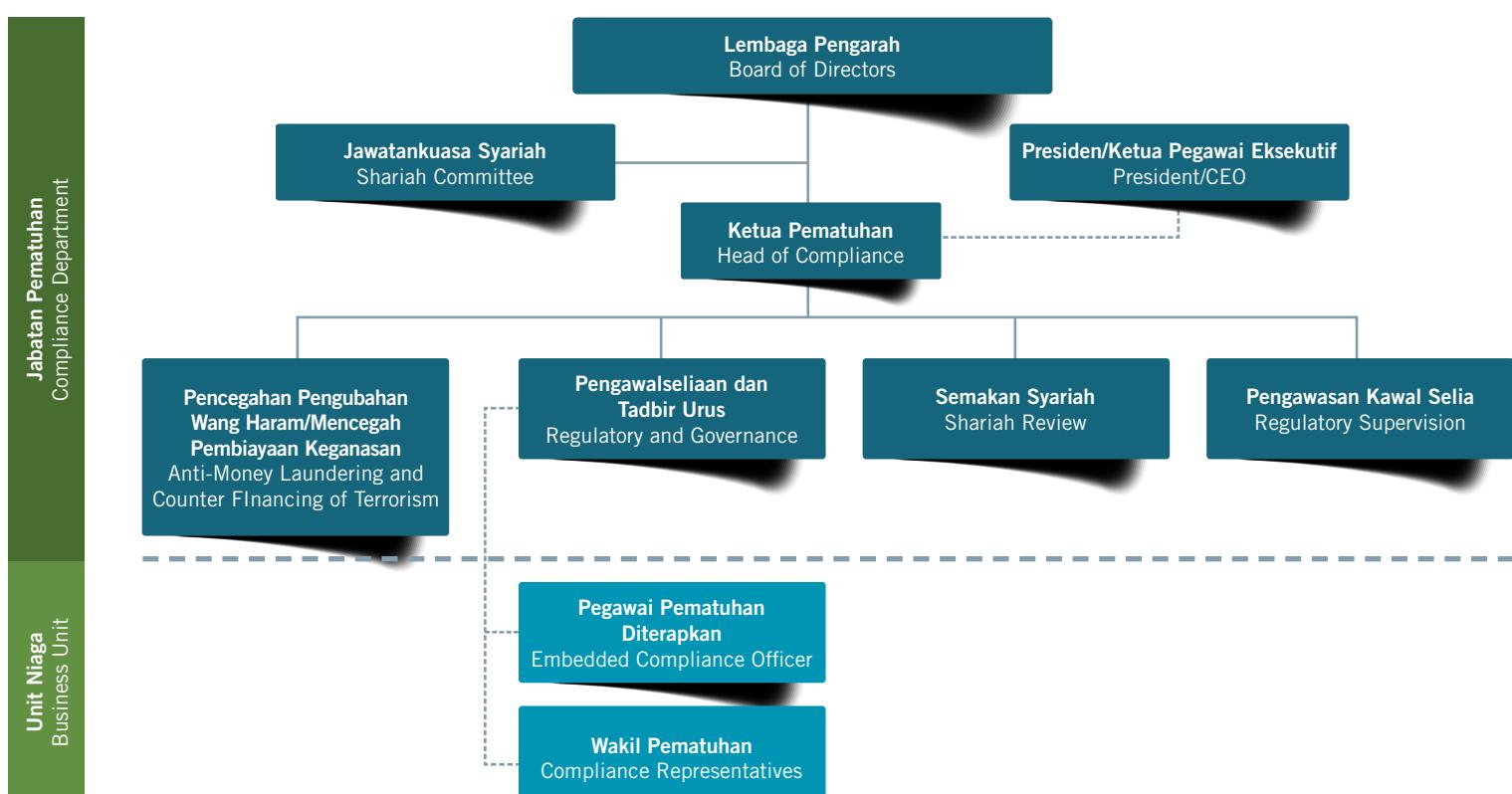
The Bank recognises that it plays a critical role in protecting the integrity of the financial system to prevent the Bank from being used by criminals or unscrupulous individuals or entities to commit harm or losses to its customers, the government, society and the world at large. In this regard, this division is responsible for implementing and monitoring measures to prevent money laundering and financing of terrorism in accordance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, and other guidelines issued by BNM.

Shariah Review

The Shariah Review performs regular assessment on Shariah compliance across all activities and operations of the Bank with the objective of ensuring that the activities do not contravene Shariah requirements. The function involves the examination and evaluation of the Bank's level of compliance with Shariah requirements, remedial and rectification measures to resolve non-compliance and control mechanisms to avoid recurrences.

Regulatory Supervision

This section coordinates the implementation of the Risk Control Self-Assessment (RCSA) in accordance with operational risk management framework and conducts independent reviews on compliance in line with the relevant laws, regulations and guidelines.



PENYATA PEMATUHAN

STATEMENT OF COMPLIANCE

Inisiatif Utama pada tahun 2017

Agrobank terus mengukuhkan budaya dan prasarana pematuhan sebagai sebahagian daripada keutamaan strategik Bank demi menyemai budaya ketidakpatuhan sifar Syariah merentasi seluruh Bank. Antara yang ditekankan adalah pelaksanaan langkah-langkah bagi mengukuhkan pengupaya utama pematuhan; termasuk dasar, prosedur, latihan, teknologi dan sistem. Sehubungan itu, pada tahun 2017, fungsi-fungsi pematuhan terus berkembang maju dari segi skop dan tanggungjawab serta aktiviti yang selaras dengan penguatkuasaan Garis Panduan Pematuhan oleh BNM, khususnya dalam mematuhi prinsip-prinsip Syariah, kawal selia serta Pencegahan Pengubahan Wang Haram/Pencegahan Pembiayaan Keganasan (AML/CFT). Berdasarkan hakikat yang tindakan defensif tidak lagi relevan, fungsi pematuhan di Agrobank sudah berkembang sejajar dengan keperluan di masa hadapan, iaitu bagi menambah baik kebolehan menjangka risiko dan menyokong operasi perniagaan.

Contohnya, seiring dengan kemajuan teknologi, masalah berkaitan dengan Pengubahan Wang Haram dan Pembiayaan Keganasan turut meningkat. Oleh itu, penekanan yang lebih diberikan kepada fungsi pematuhan AML/CFT. Fungsi pematuhan terus diperkuuh menerusi penambahbaikan kawalan AML/CFT, di samping inisiatif pematuhan bagi mengurangkan ataupun mengawal secara proaktif risiko yang timbul susulan aktiviti sehari-hari Bank.

Pada tahun 2017, fungsi pematuhan terus diperkuuh dengan mewujudkan Embedded Compliance Officer (ECO) dan Compliance Representative (CR) pada peringkat operasi. Di peringkat ibu pejabat dan cawangan, para wakil pematuhan dilantik bagi menjalankan fungsi pematuhan dan tadbir urus korporat yang sewajarnya serta dipertanggungjawabkan untuk membuat laporan terus kepada Ketua Pematuhan, selain laporan kepada unit masing-masing. Fungsi teras ECO dan CR adalah memelihara kepentingan Jabatan Pematuhan berhubung segala perkara berkaitan pematuhan pada peringkat unit perniagaan. Dengan melantik ECO dan CR, peranan Jabatan Pematuhan kini ditransformasikan daripada sekadar menjalankan fungsi khidmat nasihat kepada fungsi yang mendatangkan kesan langsung ke atas pengurusan dan pemantauan risiko pematuhan.

Agrobank terus komited dalam membangunkan budaya pematuhan cemerlang dalam organisasinya dengan melaksanakan pelbagai inisiatif, termasuk latihan pematuhan yang disasarkan kepada kakitangannya. Ini demi memastikan mereka mempunyai lesen dan akreditasi sewajarnya tentang peranan yang dipertanggungjawabkan. Sepanjang 2017, 13% (4 daripada 30) kakitangan Jabatan Pematuhan berjaya dalam mendapatkan persijilan yang ditawarkan oleh Institut Jurubank Berkunun Asia (AICB). Selain itu, sepanjang 2017, para pegawai pematuhan turut terlibat dalam pelbagai program kesedaran bagi menggalakkan dan memupuk budaya pematuhan cemerlang di Bank, termasuk penglibatan dalam Program Keterlibatan dan Pendidikan Pematuhan (CEEP) dan kempen kesedaran AML/CFT. Program kesedaran pematuhan dianjurkan merentasi seluruh Bank dengan tumpuan kepada signifikasi pematuhan terhadap peraturan, dasar dalaman dan perlindungan pengguna. Program itu juga dimanfaatkan sebagai salah satu saluran bagi memastikan kebertanggungjawaban dan kebolehan kakitangan berada pada tahap yang dikehendaki. Keteguhan rangka kerja pematuhan Bank terbukti apabila tiada ketidakpatuhan Syariah dilaporkan pada tahun 2017.

Key Initiatives in 2017

Agrobank continued to invest strongly in its compliance culture and infrastructure as part of the Bank's strategic priority of inculcating a zero Shariah non-compliance culture bank-wide. As a priority, measures have been taken to strengthen the key enablers of compliance; which includes policies, procedures, training, technology and systems. Hence, the compliance functions continued to expand in 2017 in terms of scope and breadth of responsibilities and activities in accordance with the enforcement of the Compliance Guidelines by BNM, particularly in the areas of Shariah, supervision and Anti-money Laundering/Counter Financing of Terrorism (AML/CFT). Cognizant to the fact that defensive activity is no longer sufficient; compliance functions at Agrobank have evolved to become more forward looking, to better anticipate risks and support operating businesses.

For instance, threats posed by Money Laundering and Terrorism Financing continue to increase in line with advance and complexity of technology. To this effect, increased importance is placed on AML/CFT compliance functions. The compliance functions have been strengthened through the enhancement of AML/CFT controls as well as compliance initiatives to proactively reduce or mitigate the risk that could arise from bank's daily activities.

The compliance function was further enhanced during the year under review with the introduction of Embedded Compliance Officer (ECO) and Compliance Representatives (CR) personnel at the operational level. At head office and branch level, compliance representatives are appointed to carry out compliance functions and appropriate corporate governance with reporting line by the various compliance representatives to Head of Compliance, in addition to their direct reporting line to their respective units. The core function of both ECO and CR is to safeguard the interest of the Compliance Department in all compliance related matters at the business unit level. With the introduction of ECO and CR, the Compliance Department's role is now transformed from mere advisory function to having a direct influence on compliance risk management and monitoring.

Committed to embedding a strong compliance culture within the organisation, Agrobank continued to implement a wide range of initiatives including targeted compliance training for bank staff ensuring they hold appropriate accreditation and licences for the roles they perform. During the year, 13% (4 out of 30) staff of Compliance Department had successfully registered for certification offered by the Asian Institute of Chartered Bankers (AICB). In addition, compliance officers were involved in various awareness programmes throughout the year to promote and instill strong compliance culture within the Bank including taking part in the Compliance Education and Engagement Programmes (CEEP) and AML/CFT awareness campaign. Compliance awareness programme was organised bank-wide with a focus on the importance of compliance with regulations, internal policies and consumer protection. The programme was also used as one of the channels to ensure that the accountability and competencies of bank staff are kept at the required level. The robustness of the Bank's compliance framework is evident by the zero Shariah non-compliant reported in 2017.

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Keutamaan Strategik pada tahun 2018

Seiring dengan pelaksanaan strategi dan inisiatif 2018 oleh Jabatan Pematuhan, semua aktiviti jabatan akan dipastikan agar selari dengan keutamaan yang ditetapkan di dalam pelan perniagaan Bank. Jabatan Pematuhan akan terus berperanan secara proaktif dalam semua aspek operasi Bank bagi memastikan kewujudan budaya pematuhan yang cemerlang demi melindungi para pelanggan, pemegang saham dan kakitangan Bank. Antara perkara yang akan diberikan penekanan adalah tanggungjawab korporat dan operasi serta memperkuuhkan tadbir urus, yakni bagi mewujudkan dan melaksanakan program pematuhan secara menyeluruh. Bank akan terus meningkatkan kesepaduan fungsi pematuhan sebagai salah satu kandungan strategik perniagaannya dan bekerjasama dalam melaksanakan operasi dalam rangka kerja yang ditentukan oleh pengawal selia. Kerjasama mantap dengan kakitangan yang terlinat secara langsung di peringkat operasi membolehkan masalah diselesaikan sebelum dan bukan selepas ia berlaku.

Perkara utama yang dititikberatkan oleh fungsi pematuhan pada tahun 2018 adalah menambahbaik dasar dan prosedur pematuhan agar tanggungjawab terhadap Bank dapat dijalankan dengan penuh integriti dan iltizam tinggi bagi mendukung budaya pematuhan yang kukuh, sebagaimana yang ditetapkan Garis Panduan Pematuhan BNM. Ini termasuk penambahbaikan operasi dari segi pengawasan, indikator, dasar dan sistem khususnya berkaitan dengan AML/CFT. Jabatan Pematuhan akan terus memperhalusi langkah-langkah yang sewajarnya bagi mencegah pengubahan wang haram dan pembiayaan keganasan, seiring dengan dasar Kenali Pelanggan Anda (KYC).

Penambahbaikan dasar dapat membantu memperkuuhkan integriti pematuhan Bank melalui proses, dokumentasi dan kawalan pemantauan yang sewajarnya, sekaligus meningkatkan kesedaran pematuhan. Pada masa yang sama, laporan pematuhan yang menyeluruh membantu mengurangkan risiko ketidakserahan, lantas memperkuuhkan proses kawalan selia pematuhan.

Jabatan Pematuhan akan terus menanggung dan mengurus risiko pematuhan dari aktiviti perniagaan dan operasi yang dijalankan menerusi beberapa saluran. Sesi perbincangan dengan CR dan ECO akan diperkenalkan bagi mendapatkan maklumbalas dan maklumat terkini bagi merancang lain-lain penambahbaikan. Jabatan Pematuhan juga akan menjalin kerjasama rapat dengan jabatan dan bahagian lain bagi mewujudkan dan memperkuuhkan lagi sistem dan struktur pematuhan Bank.

Tambahan pula, asakan permintaan era digital yang kian meningkat juga memacu penambahbaikan kemampuan pematuhan. Misalnya, permintaan pelanggan bagi perkhidmatan digital, seperti perbankan dalam talian, robo-penashih dan pembelian produk kewangan secara atas talian meningkatkan jumlah urusniaga atas talian merentasi perkhidmatan kewangan konservatif. Ini seterusnya mewujudkan potensi risiko-risiko baharu, termasuk yang berkaitan dengan keselamatan siber dan kerahsiaan data. Berdasarkan keperluan meningkatkan kemampuan profesional seiring dengan kemajuan dan cabaran teknologi, Bank akan sentiasa meningkatkan kemampuan bakat dalam Jabatan Pematuhan, bermatlamat untuk memperluaskan perspektif, meningkatkan ilmu pengetahuan dan kebolehan pegawai pematuhan. Justeru itu, program berterusan sudah dirangka bagi meningkatkan kesiapsiagaan kakitangan bagi mendepani cabaran pada tahun 2018. Di samping itu, Jabatan Pematuhan akan meneruskan segala inisiatif dan aktiviti bagi menggalakkan dan mengekalkan budaya pematuhan cemerlang melalui pelbagai sesi bersama kakitangan Bank, termasuk penganjuran sesi ataupun program pematuhan terkhusus, jerayawara, dan pelaksanaan platform e-pembelajaran serta khidmat sokongan.

Strategic Priorities in 2018

As the Compliance Department progresses through the strategies, actions and initiatives of 2018; the department's activities will continue to be aligned with the priorities of the Bank's business plan. The Compliance Department will continue to take a proactive role in all aspects of the Bank's operations to assure that a strong compliance culture is in place to protect the Bank's customers, shareholders and employees. Corporate and operational responsibility as well as strengthening governance are among the areas that will be given greater attention in order to establish and implement a comprehensive compliance programme. The Bank will further integrate its compliance function as a strategic element of the business, working in partnership to operate within the framework prescribed by our regulators. A strong partnership with the business will enable working together to solve problems before they happen, rather than after they happen.

The overall top priority for compliance functions in 2018 is to enhance compliance policies and procedures so as to better serve the Bank with high integrity and commitment as well as to uphold strong compliance culture as underlined in BNM's Compliance Guidelines. These include the enhancement of operational supervisions, indicators, policy and systems particularly in AML/CFT area. The Compliance Department will continue fine-tuning its measures to prevent money laundering and the financing of terrorism in accordance with know your customer (KYC).

Enhancement of policy will help to strengthen bank's compliance integrity through proper processes, documentation, monitoring control and thus awareness of the needs to comply. Unification of compliance reporting, on the other hand, would help reduce the risk of non-submission, which would further strengthen the monitoring control process of compliance.

The Compliance Department will continue to support and manage compliance risk of business and operations through several channels. An engagement session with CR and ECO will be introduced to gain feedbacks and updates so further enhancement could be planned. The Compliance Department will also work closely with other departments and divisions to establish and further develop the Bank's compliance structure and systems.

Furthermore, the growing demands of the digital age is also driving the enhancement of compliance capabilities. For example, customer demand for digital services such as online banking, robo-advice and the online purchase of financial products is driving a significant increase in online business volume across financial services, which is, in turn, giving rise to new potential risks, such as those related to cybersecurity and data privacy. Premised on the demands to increase professional competency along with the advanced of technologies and complexities nowadays, the Bank will continue to enhance talent competency within the Compliance Department aimed at broadening the perspectives while enhancing the knowledge and competency of compliance officers. Hence, continuous programmes have been formulated with regard to staff readiness in the face of challenges and expectation for 2018. Initiatives and activities of the Compliance Department will remain on promoting and maintaining a strong compliance culture through various engagements with the Bank's staff including organising dedicated compliance programmes or sessions, roadshows as well as e-learning platform implementation and support services.

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DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Bank for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

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

On 1 July 2015, the Bank became a Full Fledged Islamic Bank whereby all its activities are now conducted in compliance with Shariah principles.

RESULTS

	RM'000
Profit before tax and zakat	230,602
Tax	(55,317)
Zakat	(2,631)
Net profit for the year	172,654

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 2016, a final dividend of 2.00 sen on 1,000,000,000 ordinary shares declared on 2 June 2017 and paid on 6 June 2017.	20,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year ended 31 December 2017 of 2.55 sen on 1,000,000,000 ordinary shares amounting to dividend payable of RM25,500,000 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 2018.

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.

DIRECTORS' REPORT

DIRECTORS

The following directors served on the Board of the Bank since the beginning of the financial year to the date of this report:

Y. Bhg Tan Sri Mohamad Zabidi Bin Zainal (Chairman)

Y. Bhg Dato' Dr Mohamad Hashim bin Ahmad Tajudin

Y. Bhg Datin Setia Shahariah binti Hashim

Y. Bhg Datuk Seri Dr. Ismail bin Haji Bakar

Y. Bhg Dato' Dr. Yusof bin Ismail

Puan Azizah binti Abdul Rahman

Tuan Haji Ibrahim Bin Hassan

Puan Faizah binti Abdullah
(appointed on 18 April 2017)

01 Encik Abdul Rahim Abd Hadi
(appointed on 9 January 2018)

02 YH. Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah
(resigned on 31 August 2017)

03 Encik Ng Chih Kaye
(retired on 30 June 2017)

DIRECTORS' INTERESTS

04 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.

05 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.

06 Since the end of the previous financial year, no director has received or to receive any 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 32 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.

COMPLIANCE WITH BANK NEGARA MALAYSIA'S EXPECTATIONS ON FINANCIAL REPORTING

In the preparation of the financial statements, the directors have taken reasonable steps to ensure that Bank Negara Malaysia's expectations on financial reporting have been complied with, including those set out in the Guidelines on Financial Reporting for Development Financial Institutions.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (a) Before the financial statements 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 claims made by customers as disclosed in Notes 23(a)(iv) and 31 to the financial statements. The risk in respect of the contingent liabilities disclosed in Note 31 is not to be borne by the Bank; 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.

INDEMNIFICATION OF DIRECTORS

The Bank maintained a Directors' and Officers' Liability Takaful up to an aggregate limit of RM50,000,000 against any legal liability incurred by the directors and officers in the discharge of their duties while holding office for the Bank. The amount of takaful contribution paid for the directors and officers for the current financial year was RM85,000.

DIRECTORS' REPORT

SIGNIFICANT EVENTS

Details of significant events which are all relating to compensation claims made by certain customers, are disclosed in Note 11 to the financial statements.

HOLDING COMPANY

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

AUDITORS

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

The auditors' remuneration is disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 March 2018.



TAN SRI MOHAMAD ZABIDI BIN ZAINAL



AZIZAH BINTI ABDUL RAHMAN

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **TAN SRI MOHAMAD ZABIDI BIN ZAINAL** and **AZIZAH BINTI ABDUL RAHMAN** 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 205 to 293 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Bank as at 31 December 2017 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 March 2018.



TAN SRI MOHAMAD ZABIDI BIN ZAINAL



AZIZAH BINTI ABDUL RAHMAN

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016 AND SECTION 73(1)(E) OF THE DEVELOPMENT FINANCIAL INSTITUTION ACT, 2002

We, **AZIZAH BINTI ABDUL RAHMAN** and **MASAAT BINTI AWADZ**, the Director and Covering Duties President/Chief Executive Officer, respectively, of the Bank who are 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 205 to 293 are in our opinion, correct and we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.



AZIZAH BINTI ABDUL RAHMAN



MASAAT BINTI AWADZ

Subscribed and solemnly declared by the above named
AZIZAH BINTI ABDUL RAHMAN and **MASAAT BINTI AWADZ**
at **KUALA LUMPUR** in the Federal Territory on 30 March 2018.

Before me,



COMMISSIONER FOR OATHS

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 (the "Bank"):

In compliance with the letter of appointment, we are required to submit the following report in relation to the operations of the Bank.

We have reviewed the Shariah principles and the contracts relating to the transactions and applications introduced by the Bank during the financial year ended 31 December 2017. We have also conducted our review to form an opinion as to whether the operations of the Bank have 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.

With regard to the above, the management of the Bank is responsible for ensuring that the Bank conducts its 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 operations of the Bank, based on our review of the operations of the Bank 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 documentations and procedures adopted by the Bank.

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 the Bank has not violated the Shariah principles.

In our opinion:

- (a) The contracts, transactions and dealings entered by the Bank during the financial year ended 31 December 2017 that we have reviewed are in compliance with Shariah. For cases which have been identified as not fulfilling certain requirement under Shariah principles and rulings, 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 main sources and investments of the Bank disclosed to us conform to the basis that had been approved by us in accordance with Shariah rules and principles.
- (c) The allocation of profit and charging of losses relating to the Bank's assets and liabilities conform to the basis that had been approved by us in accordance with Shariah principles.
- (d) All earnings that have been realised from sources or by means prohibited under Shariah will be channelled for charitable purposes.
- (e) The calculation of zakat is in compliance with Shariah principles.

We, **ASSOC. PROF. DR. MOHAMED FAIROOZ BIN ABDUL KHIR** and **DR. MOHAMAD SABRI BIN ZAKARIA**, being two of the members of the Shariah Committee of the Bank, to the best of our knowledge, do hereby confirm on behalf of the members of the Shariah Committee, that the operations of the Bank for the financial year ended 31 December 2017 have been conducted in conformity with Shariah.



ASSOC. PROF. DR. MOHAMED FAIROOZ BIN ABDUL KHIR
Chairman of the Committee



DR. MOHAMAD SABRI BIN ZAKARIA
Member of the Committee

Kuala Lumpur, Malaysia
30 March 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF BANK PERTANIAN MALAYSIA BERHAD (811810-U) (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bank Pertanian Malaysia Berhad, which comprise the statement of financial position as at 31 December 2017, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 205 to 293.

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

Basis for opinion

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

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 31 to the financial statements which describes the uncertainty relating to the contingent liabilities arising from legal suits against the Bank. Our opinion is not modified in respect of this matter.

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The directors of the Bank are responsible for the other information. The other information comprises the directors' report and Shariah Committee's report, but does not include the financial statements of the Bank and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

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

When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Bank and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF BANK PERTANIAN MALAYSIA BERHAD (811810-U) (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements

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

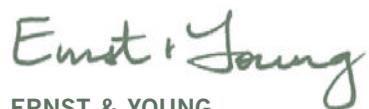
As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

OTHER MATTERS

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


ERNST & YOUNG

AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
30 March 2018



WAN DANEENA LIZA BINTI WAN ABDUL RAHMAN
No. 02978/03/2020 J
Chartered Accountant

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM'000	2016 RM'000
Income derived from investment of depositors' funds and others	5(a)	647,138	593,550
Income derived from investment of shareholder's funds	5(b)	239,046	228,565
Allowance for impairment	6	(4,298)	(18,797)
Total distributable income		881,886	803,318
Income attributable to depositors	7	(240,348)	(158,532)
Total net income		641,538	644,786
Personnel expenses	8	(281,954)	(245,286)
Other overheads and expenditures	9	(157,989)	(147,708)
Finance cost	10	(9,825)	(9,848)
Compensation claim	11	38,832	(44,053)
Profit before tax and zakat		230,602	197,891
Tax expense	12	(55,317)	(59,633)
Zakat	13	(2,631)	(2,223)
Net profit for the year		172,654	136,035
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Financial investments available-for-sale			
Unrealised net gain on fair value changes		29,159	22,185
Transfer to profit or loss on disposal		-	(4,407)
Income tax relating to components of other comprehensive income		(6,926)	(4,255)
Other comprehensive income for the year, net of tax		22,233	13,523
Total comprehensive income for the year		194,887	149,558

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 RM'000	2016 RM'000
ASSETS			
Cash and short term funds	14	1,308,683	1,187,627
Investment securities	15	4,403,960	4,115,191
Financing and advances	16	9,173,891	8,270,863
Other advances	17	34,067	52,054
Other assets	18	115,296	97,439
Property, plant and equipment	19	139,152	152,596
Intangible assets	20	19,348	20,617
Deferred tax assets	21	13,994	41,187
TOTAL ASSETS		15,208,391	13,937,574
LIABILITIES AND EQUITY			
Liabilities			
Deposits from customers	22(a)	7,589,377	7,044,906
Deposit and placement of banks and other financial institutions	22(b)	2,180,070	1,623,265
Other liabilities			
Other payables and accruals	23(a)	142,673	203,409
Paddy credit gratuity scheme	23(b)	2,265	2,275
Financing Scheme Funds	24	1,689,763	1,616,601
Government Grants			
Operating	25	24,505	26,044
Launching	26	4,144	6,046
Funds	27	778,676	792,997
Total Liabilities		12,411,473	11,315,543
Equity			
Share capital	28	1,000,000	1,000,000
Reserves	29	1,796,918	1,622,031
Total Equity		2,796,918	2,622,031
TOTAL LIABILITIES AND EQUITY		15,208,391	13,937,574
Commitments and Contingencies	31	6,656,472	6,732,481

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital RM'000	Statutory reserves RM'000	Non-distributable reserves Investment revaluation deficit RM'000	Distributable reserves Retained earnings RM'000	Total RM'000
As at 1 January 2017	1,000,000	487,109	(49,536)	1,184,458	2,622,031
Net profit for the year	-	-	-	172,654	172,654
Other comprehensive income for the year	-	-	22,233	-	22,233
Total comprehensive income for the year	-	-	22,233	172,654	194,887
Dividends paid (Note 30)	-	-	-	(20,000)	(20,000)
At 31 December 2017	1,000,000	487,109	(27,303)	1,337,112	2,796,918
As at 1 January 2016	1,000,000	487,109	(63,059)	1,060,323	2,484,373
Net profit for the year	-	-	-	136,035	136,035
Other comprehensive income for the year	-	-	13,523	-	13,523
Total comprehensive income for the year	-	-	13,523	136,035	149,558
Dividends paid (Note 30)	-	-	-	(11,900)	(11,900)
At 31 December 2016	1,000,000	487,109	(49,536)	1,184,458	2,622,031

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and zakat	230,602	197,891
Adjustments for:		
Net allowance for impairment on financing and advances	32,552	69,721
Net write back of impairment on other advances	(2,259)	(1,402)
Depreciation of property, plant and equipment	24,867	22,796
Amortisation of prepaid lease payment	75	75
Amortisation of computer software	13,516	14,894
Finance cost	9,825	9,848
Write off of property, plant and equipment	590	664
Write off of intangible assets	316	520
Gain on disposal of investment securities	-	(12,275)
Dividends from investment securities	(4)	(37)
Government funds recovered	2,440	1,056
Amortisation of:		
Government Grant - Operating	(1,539)	(1,540)
Government Grant - Launching	(622)	(1,705)
Gain on disposal of property, plant and equipment	(1,466)	-
Operating profit before working capital changes	308,893	300,506
Change in financing and advances	(935,580)	(1,353,892)
Change in other assets	3,947	12,017
Change in deposits with financial institutions	-	12,376
Change in deposits from customers	544,471	1,139,953
Change in deposit and placement of banks and other financial institutions	556,805	487,568
Change in other payables and accruals	(60,911)	(78,131)
Change in paddy credit gratuity scheme	(10)	(55)
Cash generated from operating activities	417,615	520,342
Tax paid	(36,608)	(32,680)
Zakat paid	(2,456)	(1,016)
Net cash generated from operating activities	378,551	486,646

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

	2017 RM'000	2016 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(259,610)	(1,301,120)
Purchase of property, plant and equipment	(12,708)	(12,749)
Purchase of computer software	(12,563)	(14,666)
Proceeds from disposal of investment securities	-	1,320,671
Dividends received from investment securities	4	37
Proceeds from disposal of property, plant and equipment	2,086	-
Net cash used in investing activities	(282,791)	(7,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid on financing scheme funds	(9,108)	(9,682)
Additional fund received from financing scheme funds	86,019	32,619
Additional fund received from government grants funds	38,256	5,792
Payments of financing scheme funds	(68,591)	(79,033)
Government grants - Launching utilised	(1,280)	(720)
Dividends paid	(20,000)	(11,900)
Net cash generated from/(used in) financing activities	25,296	(62,924)
NET INCREASE IN CASH AND CASH EQUIVALENTS	121,056	415,895
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,187,627	771,732
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,308,683	1,187,627
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and short term funds (Note 14)	1,308,683	1,187,627

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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.

On 1 July 2015, the Bank became a Full Fledged Islamic Bank whereby all its activities are now conducted in compliance with Shariah principles.

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 (Incorporated), held on behalf of the Government of Malaysia.

The financial statements have been approved and authorised for issuance by the Board of Directors in accordance with a resolution dated 30 March 2018.

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 presents 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 (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 2016 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.

2.3 Change in presentation

From 1 July 2015, the Bank became a Full Fledged Islamic Bank. Hence, the presentation of the financial statements complies with the guideline from BNM on Financial Reporting for Islamic Banking institutions.

The remaining conventional loans and non-shariah compliant assets are now shown as a separate line item on the face of the statement of financial position and are referred to as ‘Other advances’.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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) Profit income

Profit income is recognised for all profit-bearing financial instruments classified as Held-to-Maturity (“HTM”), Available-for-Sale (“AFS”) or Financing and Advances using the effective profit method.

The effective 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 profit income or profit expense over the relevant periods. The effective 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 payment.

In calculating effective 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 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 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 an 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 an effective profit rate basis over the contract term of the financing amount.

(iv) Ujrah

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

(v) Fees and commissions

Unless included in the effective 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.

(vii) Rental income

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Summary of significant accounting policies (cont'd)

(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:

(i) Government grants - Operating (Note 25)

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 26)

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 27 (a) - (i))

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 also utilised against credit losses and charges arising from these financing.

(iv) Government grants - financing scheme funds (Note 27 (j) - (p))

The benefit of financing scheme funds at a below-market rate of profit is treated as a Government grant. The financing scheme funds are recognised as a financial liability, and measured in accordance with MFRS 139 "Financial Instruments: Recognition and Measurement". The Government grant for financing scheme funds are measured at inception as the difference between the initial carrying value of the Government financing determined in accordance with MFRS 139 and the proceeds received. Government grant for financing scheme funds are recognised in the statement of comprehensive income (Note 10) 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 - financing and advances, financial investments HTM and financial investments AFS. Management determines the classification of financial instruments at initial recognition.

(i) Financing and advances

Financing and advances that consist of Murabahah, Qard, Bai-Al Inah, Bai-Bithaman Ajil and Tawarrug 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 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 profit method less accumulated impairment loss and unearned profit. Profit income on financing and advances is recognised as "Profit Income" in profit or loss. Impairment losses on financing and advances are recognised in statement of comprehensive income as "Allowance for impairment on financing and advances".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 quoted 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 profit method. Profit on investments HTM is included in "Profit Income" in statement of comprehensive income. Impairment losses, if any, are recognised in statement of comprehensive income 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 other comprehensive income, except for impairment losses, which are recognised in profit or loss. If a financial 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 financial investments AFS, the cumulative fair value gain or loss recognised in equity is also transferred to profit or loss. Profit income on financial investments AFS is included as 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 and financing scheme funds.

(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 future 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 2017

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 investments AFS at fair value at each reporting 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 assets or liabilities, or
- (ii) In the absence of a principal market, in the most advantageous market for the assets or liabilities.

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 assets or liabilities, 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 2017

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) Financing and advances

Financing and advances ("financing") of the Bank are classified as impaired when they fulfill either of the following criteria:

- (1) principal or 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 payments based on the revised and/or restructured terms have been observed continuously for a period of six (6) months for non-retail financing and three (3) months for retail financing.

For the determination of impairment on financing, the Bank conducts assessments at each reporting period whether there is any objective evidence that a financing or a group of financing is impaired. A financing or a group of financing 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 financing that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment includes:

- (1) any significant financial difficulty of the obligor;
- (2) a breach of contract, such as a default or delinquency in profit or principal payments;
- (3) a high probability of bankruptcy or other financial reorganisation of the obligor; and
- (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.

The Bank first assesses individually whether objective evidence of impairment exists for financing 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 financing 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 2017

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) Financing and advances (cont'd)

For collective assessment, the non-impaired financing and impaired financing which are not individually significant are grouped on the basis of homogeneous risk characteristics that are indicative of the customers' 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 financing are only written off after the necessary procedures have been completed and the amount of the loss has been determined.

In addition, the Bank has commenced time triggered write off for uncollectible financing. The collection process for all time triggered write off financing remains on going until all legal recourse are exhausted.

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 payments are made promptly for a continuous period. Where an impaired financing is renegotiated, the customer must adhere to the revised and/or restructured payment terms for a continuous period of six months for non-retail financing and three months for retail financing before the financing is classified as non-impaired. These financing 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 or 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 2017

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 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 assets 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 2017

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 have 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 an 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 or losses and unrecognised past service cost reflecting only the number of years of service completed up to the reporting date.

The defined benefit obligation, calculated using the projected unit credit method, by discounting the estimated future cash outflows using market yields at the end of the reporting period on Government Investment Issue which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. The actuarial gains or 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 and intangible assets are 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Summary of significant accounting policies (cont'd)

(i) Property, plant and equipment

Property, plant and equipment are 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 or loss arising from the disposal of an asset are 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

Intangible assets consist of computer software which are initially recorded at cost. Subsequent to the recognition, computer software are measured at cost less accumulated amortisation and accumulated impairment losses, if any. 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Summary of significant accounting policies (cont'd)

(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 and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalent comprise cash on hand, demand deposits and highly liquid investments that are convertible into cash with an insignificant risk of changes in value.

3.2 Changes in accounting policies

On 1 January 2017, the Bank adopted the following amended MFRS mandatory for annual financial periods beginning on or after 1 January 2017:

Annual Improvements to MFRS Standards 2012–2014 Cycle

Amendments to MFRS 107 Disclosure Initiative

Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the amendments to MFRS above did not have any material impact on the financial statements of the Bank in the current financial year.

3.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following MFRS and amendments to MFRS have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Bank.

Effective for financial periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

Annual Improvements to MFRS Standards 2014-2016 Cycle

Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 140 Transfers of Investment Property

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019

Amendments to MFRS 9 Prepayment Features with Negative Compensation

MFRS 16 Leases

Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015-2017 Cycle

IC Interpretation 23 Uncertainty over Income Tax Treatments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Standards issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective for financial periods to be determined by the Malaysian Accounting Standards Board ("MASB")

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Bank plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Bank upon their initial application except as described below:

MFRS 9 Financial Instruments

In November 2014, 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. 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.

The standard introduces new requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

MFRS 9 Financial Instruments: Classification and measurement

MFRS 9 has three measurement categories - amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investment in equity instruments is required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and profit. For financial liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of profit or loss, unless this creates an accounting mismatch.

MFRS 9 Financial Instruments: Impairment

The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income and certain financing commitments as well as financial guarantee contracts. At initial recognition, allowance for impairment is required for expected credit losses ("ECL"). In the event of a significant increase in credit risk, allowance for impairment is required for ECL resulting from all possible default events over the expected life of the financial instrument. The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

MFRS 9 Financial Instruments: Hedge accounting

The requirements per general hedge accounting have been simplified for hedge effectiveness testing and may result in more designation of hedged items for accounting purposes.

The Bank is in the process of assessing the financial implications of adopting MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 judgements made in the application of accounting policies

The following judgements are made by the management in the process of applying the Bank's accounting policies that have the most significant impact on the financial statements.

(a) Accounting for government assistance

In carrying out its mandated role, the Bank receives various assistance from the Malaysian government either in the form of grant or financing. There are also arrangements where the Bank acts as an agent for the government in managing funds, and this arrangement is treated off-balance sheet. Judgement has been applied by management to determine the classification of government assistance whether as grants, financing or off-balance sheet.

(b) Impairment allowance of financing and advances

The Bank reviews doubtful 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 financing, and the estimation of realisable amount from impaired financing when determining the level of allowance required (Note 6).

Under MFRS 139, collective impairment assessment is performed on financing and advances which are not individually significant based on the incurred loss approach. Financing and advances which are individually assessed and where there is no objective evidence of impairment are also included in the group of financing and advances 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 financing written off and paid off. Management's judgement is applied in selecting samples of the financing written off and paid off.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

(a) 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 opinions from legal counsels and reports from independent experts (Note 11).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. INCOME DERIVED FROM INVESTMENT OF:

	2017 RM'000	2016 RM'000
(a) Depositors' funds and others		
(i) Term deposits	433,858	381,981
(ii) Other deposits	213,280	211,569
	647,138	593,550
(i) Income derived from investment of term deposits		
	2017 RM'000	2016 RM'000
Finance income and hibah		
Profit from financing	289,362	249,488
Profits from investment securities:		
Deposits with banks and other financial institutions	14,351	17,875
Financial investments - AFS	89,204	70,717
Financial investments - HTM	-	1,205
Accretion of discount less amortisation of premium	4,801	5,244
Gain on disposal of investment securities:		
Net gain on disposal of AFS	-	6,063
Dividend income	2	18
Fee Income		
Financing processing fees	1,423	1,366
Banking service fees	16,500	16,334
Ar-Rahnu fees	18,215	13,671
Total income derived from investment of term deposits	433,858	381,981
Of which:		
Profit income earned on impaired financing and advances	10,135	10,201

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. INCOME DERIVED FROM INVESTMENT OF: (cont'd)

(a) Depositors' funds and others (cont'd)

(ii) Income derived from investment of other deposits

	2017 RM'000	2016 RM'000
Finance income and hibah		
Profit from financing	142,247	138,185
Profits from investment securities:		
Deposits with banks and other financial institutions	7,055	9,901
Financial investments - AFS	43,852	39,169
Financial investments - HTM	-	667
Accretion of discount less amortisation of premium	2,360	2,904
Gain on disposal of investment securities:		
Net gain on disposal of AFS	-	3,358
Dividend income	1	10
Fee Income		
Financing processing fees	700	756
Banking service fees	8,111	9,047
Ar-Rahnu fees	8,954	7,572
Total income derived from investment of other deposits	213,280	211,569
Of which:		
Profit income earned on impaired financing and advances	4,982	5,649

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. INCOME DERIVED FROM INVESTMENT OF: (cont'd)

(b) Shareholder's funds

	2017 RM'000	2016 RM'000
Finance income and hibah		
Profit from financing	123,567	117,466
Profits from investment securities:		
Deposits with banks and other financial institutions	6,128	8,416
Financial investments - AFS	38,093	33,296
Financial investments - HTM	-	567
Accretion of discount less amortisation of premium	2,050	2,469
Gain on disposal of investment securities:		
Net gain on disposal of AFS	-	2,854
Dividend income	1	9
Fee Income		
Financing processing fees	607	643
Government Link Companies ("GLC") service fees	10,812	10,870
Banking service fees	7,046	7,690
Reimbursement of gapping cost	30,099	29,042
Ar-Rahnu fees	7,778	6,437
Other Operating Income		
Reimbursement of Special Relief Grant for Flood ("SRGF")	14	-
Staff financing	1,780	1,388
Ladang Sg Tasan	1,360	883
Amortisation and utilisation of launching grant	1,902	2,425
Amortisation of operating grant	1,539	1,540
Collective impairment allowance for government grant:		
Entrepreneur Scheme for Graduates (Note 27(a))	19	16
Special Fund for Terengganu Fishery (Note 27(b))	-	(12)
Development Programme for Hard-core Poor (Note 27(c))	63	-
Fund for Ministry of Youth and Sports (Note 27(d))	(436)	(518)
Bumiputera Commercial and Industrial Community Scheme HUB (Note 27(e))	459	1,718
National Key Economic Area (Note 27(f))	60	868
Micro Economic Stimulation Package (Note 27(g))	(2,714)	(3,128)
Micro ESP Flood Relief (Note 27(h))	109	-
Gain on disposal of property, plant and equipment	1,466	-
Other income	7,244	3,626
	239,046	228,565
Of which:		
Profit income earned on impaired financing and advances	4,325	4,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6. ALLOWANCE FOR IMPAIRMENT

		2017 RM'000	2016 RM'000
Allowance for impaired financing and advances	(a)	(20,218)	(58,816)
Writeback of other advances	(b)	15,920	40,019
		(4,298)	(18,797)
(a) Allowance for impaired financing and advances			
Allowance for the year		(36,688)	(48,083)
Amount written back upon recoveries and reversal of allowance		44,030	18,692
Individual impairment allowance - net		7,342	(29,391)
Allowance for the year		(180,551)	(213,818)
Amount written back		140,657	173,488
Collective impairment allowance - net		(39,894)	(40,330)
Bad debts and financing recovered		12,334	10,905
		(20,218)	(58,816)
(b) Writeback of other advances			
Allowance for the year		(2,791)	(3,427)
Amount written back upon recoveries and reversal of allowance		3,998	2,531
Individual impairment allowance - net		1,207	(896)
Allowance for the year		(2,552)	(7,524)
Amount written back		3,604	9,822
Collective impairment allowance - net		1,052	2,298
Bad debts and financing recovered		13,661	38,617
		15,920	40,019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7. INCOME ATTRIBUTABLE TO DEPOSITORS

	2017 RM'000	2016 RM'000
Deposits from customers:		
Mudharabah Funds		
Reversal of provision of undistributed profit	(5,073)	(54,952)
	(5,073)	(54,952)
Non-Mudharabah Funds		
FRIA	131,762	113,360
FRIA 45 Plus	13,233	12,583
Agro Perdana- <i>i</i>	10,319	10,132
Agro- <i>i</i> Deposits	12,092	12,673
Al-Wadiyah	8,076	7,760
Agro Muda- <i>i</i>	2,577	3,055
Agro Tetangga- <i>i</i>	254	233
AgroPrimaS	32	15
	178,345	159,811
Deposits and placement of banks and other financial institutions:		
Non-Mudharabah Funds		
Pelaburan Khas- <i>i</i>	67,076	53,673
	240,348	158,532

8. PERSONNEL EXPENSES

	2017 RM'000	2016 RM'000
Salaries, allowances and bonuses	230,058	194,835
EPF contributions	26,569	26,360
SOCSO contributions	2,360	1,976
Medical takaful	8,772	7,941
Staff welfare	7,030	6,062
Directors allowances	1,895	1,271
Staff training	2,690	3,063
Recruitment fees	1,370	2,425
Retirement benefits scheme	(244)	332
Others	1,454	1,021
	281,954	245,286

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9. OTHER OVERHEADS AND EXPENDITURES

	2017 RM'000	2016 RM'000
Maintenance cost		
Depreciation of property, plant and equipment	24,867	22,796
Amortisation of computer software	13,516	14,894
Write off of property, plant and equipment	590	664
Write off of intangible assets	316	520
Computer maintenance	18,623	16,875
Rental of premises	9,259	9,175
Water and electricity	9,562	10,266
Printing, stationery and office supplies	8,584	8,481
Office maintenance	4,150	3,268
Takaful on property, plant and equipment	2,192	1,917
Building maintenance	3,968	3,651
Quit rent and assessment	1,116	1,087
Vehicle maintenance	179	424
Amortisation of prepaid lease payments	75	75
Computer supply	492	412
Others	(333)	(596)
	97,156	93,909
Marketing expenses		
Advertising and promotions	4,645	5,150
Others	528	490
	5,173	5,640
General administrative expenses		
Communication expenses	12,618	13,231
Launching grants	106	720
Legal fees	6,778	5,467
Commissions and fees	15,377	13,284
Auditors' remuneration		
- Statutory audit	458	458
- Regulatory related services	13	13
Goods and services tax	4,037	2,089
Security charges	10,592	10,780
Agro Perdana ID card	1,609	-
Others	4,072	2,117
	55,660	48,159
	157,989	147,708

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. FINANCE COST

	2017 RM'000	2016 RM'000
Profit paid on financing scheme funds		
Fund For Food ("3F") (Note 24 (a))	476	570
Micro Enterprise Fund (Note 24 (c))	478	556
Commercial Agriculture Fund ("DPK-GLC") (Note 24 (d))	8,298	7,937
Agriculture Entrepreneur Financing Scheme Fund 1 ("DPUP 1") (Note 24 (e))	44,084	42,506
Agriculture Entrepreneur Financing Scheme Fund 2 ("DPUP 2") (Note 24 (f))	4,965	4,819
Agriculture Entrepreneur Financing Scheme Fund 3 ("DPUP 3") (Note 24 (g))	5,161	4,499
Agriculture Entrepreneur Financing Scheme Fund 4 ("DPUP 4") (Note 24 (h))	901	-
Agriculture Entrepreneur Financing Scheme Fund 5 ("DPUP 5") (Note 24 (i))	170	-
Special Relief Facility (Note 24 (j))	309	403
	64,842	61,290
Less: Income from fair value amortisation		
Amortisation of DPK-GLC Grant (Note 27 (j))	7,548	7,187
Amortisation of DPUP 1 Grant (Note 27 (k))	37,668	36,089
Amortisation of DPUP 2 Grant (Note 27 (l))	4,215	4,015
Amortisation of DPUP 3 Grant (Note 27 (m))	4,411	3,748
Amortisation of DPUP 4 Grant (Note 27 (n))	728	-
Amortisation of DPUP 5 Grant (Note 27 (o))	138	-
Amortisation of Special Relief Facility (Note 27 (p))	309	403
	9,825	9,848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. COMPENSATION CLAIM

	2017 RM'000	2016 RM'000
Compensation claim	(38,832)	44,053

- (i) In 2010, a borrower filed a legal action against the Bank seeking compensation for damages suffered arising from the Bank rescinding the loan facility which had been previously approved. The Bank filed a counter claim against the borrower to recover the outstanding balance of approximately RM15.9 million.

On 26 September 2011, the High Court had granted judgement in favour of the borrower for a sum of RM81.1 million and dismissed the Bank's counterclaim. On 13 September 2012, the Court of Appeal dismissed the Bank's appeal and ordered the damages to be re-assesed by a Senior Assistant Registrar. The Bank had later on December 2014 made a provision of RM1.0 million.

On 13 October 2016, the Senior Assistant Registrar of the High Court awarded the borrower damages for loss of profit of RM63.9 million with interest of 4% from 18 March 2010 until the date of realisation. The Senior Assistant Registrar of the High Court allowed the damages to be set off against RM15.9 million with interest. Accordingly, the Bank had made a provision amounting to RM60.8 million in 2016.

On 16 December 2016, the Bank had paid RM2.0 million as a consideration to stay of execution of judgement. The appeals by both the Bank and the borrower had been fixed for hearing on 4 August 2017 and continued hearing on 29 August 2017. The Court of Appeal later on had fixed 14 September 2017 for decision of the appeals. However, the date had been vacated and postponed. On 23 October 2017, both parties had agreed to settle the matter out of court with the amount of RM23.0 million (including the RM2.0 million already paid earlier) being a full and final settlement of the case.

On 26 October 2017, the Bank had made a payment of RM21.0 million and reversed the provision amounting to RM38.8 million in current financial year after which the case was subsequently closed.

- (ii) A borrower had filed a legal claim against the Bank seeking damages in 2009 by claiming that the Bank had breached its promise to grant a term loan of RM85.0 million. The borrower claimed that a contract existed between the Bank based on the Letter of Offer dated 17 July 2008.

On 28 March 2016, the High Court had awarded damages to the borrower for the amount of RM25.5 million with interest. Based on the judgement, the Bank had made a provision of RM32.7 million in 2015.

Subsequently, the Bank had filed an appeal and stay of execution of judgement. On 19 October 2016, the Court of Appeal had allowed part of the Bank's appeal and awarded revised damages amounting to RM12.1 million with interest to the borrower.

The Bank had made payment of RM15.9 million and accordingly, reversed the provision amounting to RM16.8 million in prior year. The case was closed in 2016.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12. TAX EXPENSE

	2017 RM'000	2016 RM'000
Income tax:		
Malaysian income tax	38,579	43,612
(Over)/under provision in prior years	(3,527)	860
	35,052	44,472
Deferred tax:		
Relating to origination and reversal of temporary differences	19,336	12,363
Under provision in prior years	929	2,798
Tax expense for the year	55,317	59,633

Income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) 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:

	2017 RM'000	2016 RM'000
Profit before tax and zakat	230,602	197,891
Tax at the applicable statutory tax rate of 24% (2016: 24%)	55,344	47,494
Tax effects of:		
Income not subject to tax	(825)	(797)
Expenses not deductible for tax purposes	3,396	9,278
(Over)/under provision in prior years:		
Income tax	(3,527)	860
Deferred tax	929	2,798
Tax expense	55,317	59,633

(a) Income Tax Expense

Current tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rate that has been enacted at the reporting date. The Bank has provided RM35,051,988 (2016: RM44,472,562) and instalments made to Inland Revenue Board of Malaysia amounting to RM36,907,057 (2016: RM32,274,812) by year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. ZAKAT

	2017 RM'000	2016 RM'000
Zakat for the year	2,631	2,223

This represents the amount to be paid by the Bank in accordance with Shariah principles and approved by the Shariah Committee. The Bank uses the capital growth method based on the rate of 2.5% to compute zakat. This method applies the rate on owner's equity, long term liability, net of fixed assets and non-current assets, and subject to certain allowable adjustments.

The Bank has distributed to eligible beneficiaries (asnaf) among needy individuals, mosque, non-governmental organisations, higher learning institutions (needy student welfare funds) and schools as guided and approved by Shariah Committee.

14. CASH AND SHORT TERM FUNDS

	2017 RM'000	2016 RM'000
01 Cash in hand	117,570	107,441
02 Cash at banks	198,048	113,048
03 Short term deposits maturing within three months:		
03 Licensed banks	507,875	409,812
03 Other financial institutions	485,190	557,326
	1,308,683	1,187,627
05 The details on the short term deposits as below:		
06 Average maturities	20 days	42 days
06 Weighted average effective profit rates (per annum)	3.63%	3.87%

15. INVESTMENT SECURITIES

	2017 RM'000	2016 RM'000
Debt securities		
AFS - at fair value		
Corporate sukuk	2,874,551	2,926,901
Government Investment Issues ("GII")	1,529,241	1,168,234
Commercial papers	-	19,884
	4,403,792	4,115,019
Equity securities		
AFS - at fair value		
Quoted shares in Malaysia	168	172
	4,403,960	4,115,191

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCING AND ADVANCES

	2017 RM'000	2016 RM'000
By Product (at amortised cost)		
Agrocash	6,158,268	5,912,523
Project Financing	4,109,956	3,906,775
Fund For Food (“3F”)	830,255	955,726
Ar-Rahnu	261,761	222,827
Fishery Boat Financing Scheme (“SPBP”)	120,557	78,021
MUST- <i>i</i>	237,498	220,492
Oil Palm Replanting Scheme (“TASKS”)	5,841	7,687
MAP and MPPB Financing	91,225	100,020
Financing for Small and Medium Size Industries (“PKS”)	111,727	66,826
Non Food Production Credit Scheme (“SKPBM”)	28,965	40,313
Food Production Credit Scheme (“SKPM”)	110,023	72,038
Belia Tani Scheme	5,921	6,439
Fund For Small and Medium Size Industries (“TIKS”)	2,344	2,391
Working Capital- <i>i</i>	226,874	128,695
Paddy Credit Scheme	82,433	73,266
Micro Economic Stimulus Package (“Micro-ESP- <i>i</i> ”)	225	614
National Key Economic Area (“NKEA”)	18,112	26,859
Murabahah Working Capital Financing	821,931	526,380
Insani	4,179	7,240
Bai Al-Dayn Working Capital Financing	38,327	27,468
MPPB Hub	826	1,076
Agro Cash Line- <i>i</i>	329,569	297,402
Hartani- <i>i</i>	1,012,631	795,677
Agro Flood Relief	942	1,165
Special Relief Facility	10,767	13,523
DPK3	69,277	45,601
Others	8,971	9,874
	14,699,405	13,546,918
Add: Staff financing and advances	105,787	76,625
	14,805,192	13,623,543
Less: Unearned profit	(5,195,289)	(4,892,602)
	9,609,903	8,730,941
Less: Individual impairment allowance	(139,167)	(155,055)
Collective impairment allowance	(296,845)	(305,023)
	9,173,891	8,270,863

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCING AND ADVANCES (cont'd)

(i) By Maturity

	2017 RM'000	2016 RM'000
Maturity within six months	1,406,150	1,043,293
Between six months to one year	159,844	69,649
Between one year to three years	208,124	468,556
Between three years to five years	719,826	990,376
More than five years	7,115,959	6,159,067
	9,609,903	8,730,941

(ii) By Sector

	2017 RM'000	2016 RM'000
01 Construction and Services	51,283	110,720
02 Fishery	407,615	434,659
03 Crops	3,781,451	3,442,570
04 Livestock	790,549	741,349
05 Manufacturing	1,057,338	706,675
Others-Primary Agriculture	31,896	53,365
Retail and Wholesale Trade	883,108	881,863
Household	2,401,052	2,150,127
Others	205,611	209,613
	9,609,903	8,730,941

(iii) By State

	2017 RM'000	2016 RM'000
Kuala Lumpur	1,059,290	858,871
Selangor	1,181,432	994,686
Pahang	741,050	729,747
Perak	1,007,312	956,084
Negeri Sembilan	301,177	303,384
Melaka	381,883	340,071
Johor	862,258	801,067
Kelantan	532,426	478,712
Kedah	632,444	599,080
Perlis	153,628	154,962
Sarawak	1,127,687	1,021,559
Sabah	823,130	779,026
Pulau Pinang	399,251	319,399
Terengganu	406,935	394,293
	9,609,903	8,730,941

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCING AND ADVANCES (cont'd)

(iv) By profit rate sensitivity

	2017 RM'000	2016 RM'000
Fixed rate:		
Fund For Food ("3F")	599,254	713,035
Project Financing	195,900	247,115
MUST- <i>i</i>	192,377	184,891
Agrocash	47,935	87,432
Others	446,202	367,767
Variable rate:		
Agrocash	3,636,340	3,390,781
Project Financing	2,319,782	2,171,279
Murabahah Working Capital Financing	820,251	526,426
Hartani- <i>i</i>	499,002	390,592
Others	852,860	651,623
	9,609,903	8,730,941

(v) Financing by type and Shariah Contract

	Term Financing RM'000	Revolving Financing RM'000	Total RM'000
2017			
Qard	261,761	-	261,761
Bai-Al Inah	2,031,825	4,012	2,035,837
Tawarruq	3,391,673	1,323,827	4,715,500
Bai-Bithaman Ajil	2,558,478	-	2,558,478
Murabahah	38,327	-	38,327
	8,282,064	1,327,839	9,609,903
2016			
Qard	222,827	-	222,827
Bai-Al Inah	2,391,440	6,544	2,397,984
Tawarruq	2,761,729	875,945	3,637,674
Bai-Bithaman Ajil	2,445,035	-	2,445,035
Murabahah	27,421	-	27,421
	7,848,452	882,489	8,730,941

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCING AND ADVANCES (cont'd)

(vi) Movements in gross impaired financing and advances are as follows:

	2017 RM'000	2016 RM'000
At beginning of the year	457,422	493,085
Additions during the year	204,722	256,192
Reclassified as non impaired during the year	(81,559)	(92,292)
Recoveries during the year	(70,862)	(89,970)
Amount written off	(74,666)	(109,593)
At end of the year	435,057	457,422
<u>Excluding Non-Shariah Assets</u>		
Gross impaired	435,057	457,422
Gross impaired ratio	4.53%	5.24%
<u>Including Non-Shariah Assets</u>		
Gross impaired	478,666	508,058
Gross impaired ratio	4.95%	5.76%

(vii) Impaired financing by sector

	2017 RM'000	2016 RM'000
Sectors:		
Construction and Services	6,153	5,759
Fishery	42,020	44,832
Crops	164,516	187,748
Livestock	90,642	87,388
Manufacturing	42,190	44,034
Others-Primary Agriculture	1,127	1,067
Retail and Wholesale Trade	51,904	53,156
Others	36,505	33,438
	435,057	457,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCING AND ADVANCES (cont'd)

(viii) Impaired financing by state

	2017 RM'000	2016 RM'000
States:		
Kuala Lumpur	62,893	70,219
Selangor	31,936	45,830
Pahang	59,273	49,799
Perak	60,032	48,335
Negeri Sembilan	13,488	16,232
Melaka	10,964	9,914
Johor	21,600	32,813
Kelantan	31,287	33,900
Kedah	52,449	51,152
Perlis	8,484	8,274
Sarawak	13,772	19,547
Sabah	40,313	42,465
Pulau Pinang	13,833	13,394
Terengganu	14,733	15,548
	435,057	457,422

(ix) Individual and collective impairment allowance

Movement in impairment allowance are as follows:

	2017 RM'000	2016 RM'000
Individual impairment allowance		
At beginning of the year	155,055	154,118
Allowance for the year	36,688	48,083
Amount written back upon recoveries and reversal of allowance	(44,030)	(18,692)
Net (writeback)/allowance for the year	(7,342)	29,391
Amount written off	(8,546)	(28,454)
At end of the year	139,167	155,055
Collective impairment allowance		
At beginning of the year	305,023	342,950
Allowance for the year	180,551	213,818
Amount written back	(140,657)	(173,488)
Net allowance for the year	39,894	40,330
Amount written off	(48,072)	(78,257)
At end of the year	296,845	305,023
Collective impairment allowance as a percentage of gross financing and advances less individual impairment allowance	3.13%	3.56%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCING AND ADVANCES (cont'd)

(ix) Individual and collective impairment allowance (cont'd)

Included in net collective impairment allowance for the year is collective impairment allowance on financing and advances transferred from/(to) government grants which are as follows:

	Note	2017 RM'000	2016 RM'000
Entrepreneur Scheme for Graduates	27(a)	19	16
Special Fund for Terengganu Fishery	27(b)	-	(12)
Development Programme for Hard-core Poor	27(c)	63	-
Fund for Ministry of Youth and Sports	27(d)	(436)	(518)
Bumiputera Commercial and Industrial Community Scheme HUB	27(e)	459	1,718
National Key Economic Area	27(f)	60	868
Micro Economic Stimulation Package	27(g)	(2,714)	(3,128)
Micro ESP Flood Relief	27(h)	109	-
		(2,440)	(1,056)

The total amount of collective impairment allowance includes collective allowances for impaired financing of RM134,959,087 (2016: RM127,475,337) for which no individual allowances have been made due to sufficient present value of estimated future cash flow.

17. OTHER ADVANCES

		2017 RM'000	2016 RM'000
(i) Non-Shariah Assets		60,596	84,934
Less: Individual impairment allowance		(21,370)	(23,919)
Collective impairment allowance		(5,159)	(8,961)
Non-Shariah Assets at amortised cost		34,067	52,054

Other advances relate to customer financings not in compliance with Shariah principles. All income earned during the year from these financings amounting to RM2,405,119 (2016: RM2,186,177) has not been recognised in the statement of comprehensive income of the Bank and will be channelled to approved charities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17. OTHER ADVANCES (cont'd)

(ii) Movements in gross impaired Non-Shariah Assets are as follows:

	2017 RM'000	2016 RM'000
At beginning of the year	50,636	66,994
Additions during the year	11,583	10,840
Reclassified as non impaired during the year	(1,590)	(4,005)
Recoveries during the year	(12,928)	(14,328)
Amount written off	(4,092)	(8,865)
At end of the year	43,609	50,636
Gross impaired Non-Shariah Assets as a percentage of gross Non-Shariah Assets	71.97%	59.62%

Ongoing efforts are made by Remedial and Recovery Department (“RRD”) and Credit Recovery Centre (“CRC”) to reduce the impaired Non-Shariah Assets (“NSA”) accounts through rescheduling or restructuring and conversion to Islamic accounts for qualified cases. Where rehabilitative efforts failed, RRD and CRC will pursue recovery actions, including litigation, until all efforts are exhausted.

(iii) Individual and collective impairment allowance

Movement in individual impairment allowance are as follows:

	2017 RM'000	2016 RM'000
Individual impairment allowance		
At beginning of the year	23,919	23,023
Allowance for the year	2,791	3,427
Amount written back upon recoveries and reversal of allowance	(3,998)	(2,531)
Net (writeback)/allowance for the year	(1,207)	896
Amount written off	(1,342)	-
At end of the year	21,370	23,919

Movement in collective impairment allowance are as follows:

	2017 RM'000	2016 RM'000
Collective impairment allowance		
At beginning of the year	8,961	18,781
Allowance for the year	2,552	7,524
Amount written back	(3,604)	(9,822)
Net writeback for the year	(1,052)	(2,298)
Amount written off	(2,750)	(7,522)
At end of the year	5,159	8,961
Collective impairment allowance as a percentage of gross Non-Shariah Assets less individual impairment allowance	13.15%	14.69%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18. OTHER ASSETS

	2017 RM'000	2016 RM'000
Other receivables	30,346	28,648
Profit and income receivable	72,398	57,795
Foreclosed properties	2,718	2,720
Tax recoverable	12,182	10,624
Project Ladang BPM - Sg Tasan	3,377	3,377
	121,021	103,164
Less: Impairment allowance	(5,725)	(5,725)
Other assets, net of impairment	115,296	97,439
Movement in impairment allowance		
At beginning of the year	(5,725)	(5,772)
Reversal during the year	-	47
At end of the year	(5,725)	(5,725)

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19. PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Freehold land RM'000	Freehold building RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Motor vehicles RM'000	Furniture and fixtures RM'000	Equipment and office machines RM'000	Computer hardware RM'000	Total RM'000
Cost									
At 1 January 2017	3,539	11,732	8,034	87,830	10,820	154,264	63,750	79,998	419,967
Additions	-	-	-	-	1,464	3,573	1,974	5,697	12,708
Disposal	(52)	(128)	-	(687)	(1,585)	-	-	-	(2,452)
Write off	-	-	-	-	-	(8,851)	(756)	(2,946)	(12,553)
At 31 December 2017	3,487	11,604	8,034	87,143	10,699	148,986	64,968	82,749	417,670
Accumulated depreciation									
At 1 January 2017	-	4,605	2,013	27,755	6,733	114,163	41,328	70,774	267,371
Charge for the year	-	304	75	2,145	2,998	10,781	4,987	3,652	24,942
Disposal	-	(57)	-	(190)	(1,585)	-	-	-	(1,832)
Write off	-	-	-	-	-	(8,344)	(677)	(2,942)	(11,963)
At 31 December 2017	-	4,852	2,088	29,710	8,146	116,600	45,638	71,484	278,518
Net book value									
At 31 December 2017	3,487	6,752	5,946	57,433	2,553	32,386	19,330	11,265	139,152
Cost									
At 1 January 2016	3,591	11,732	8,034	87,830	12,728	150,206	62,177	76,134	412,432
Additions	-	-	-	-	940	4,952	2,052	4,805	12,749
Write off	(52)	-	-	-	(2,848)	(894)	(479)	(941)	(5,214)
At 31 December 2016	3,539	11,732	8,034	87,830	10,820	154,264	63,750	79,998	419,967
Accumulated depreciation									
At 1 January 2016	-	4,301	1,938	25,601	9,196	102,970	36,493	68,551	249,050
Charge for the year	-	304	75	2,154	385	11,730	5,066	3,157	22,871
Write off	-	-	-	-	(2,848)	(537)	(231)	(934)	(4,550)
At 31 December 2016	-	4,605	2,013	27,755	6,733	114,163	41,328	70,774	267,371
Net book value									
At 31 December 2016	3,539	7,127	6,021	60,075	4,087	40,101	22,422	9,224	152,596

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in leasehold land are as below:

	2017 <99 years RM'000	>99 years RM'000	Total RM'000	2016 <99 years RM'000	>99 years RM'000	Total RM'000
At beginning of the year	5,327	694	6,021	5,402	694	6,096
Amortisation during the year	(75)	-	(75)	(75)	-	(75)
At end of the year	5,252	694	5,946	5,327	694	6,021

- (i) The property, plant and equipment acquired from government grants- operating under the 9th Malaysian Plan ("RMK9") with net book value amounting to RM15,302,217 (2016: RM16,841,215) are as follows:

	Buildings RM'000	Motor vehicles RM'000	Furniture and fixtures RM'000	Equipment and office machines RM'000	Computer hardware RM'000	Total RM'000
At 31 December 2017						
Cost	19,100	1,709	28,188	4,000	23,975	76,972
Accumulated depreciation	(4,768)	(1,709)	(27,579)	(3,639)	(23,975)	(61,670)
Net book value	14,332	-	609	361	-	15,302
At 31 December 2016						
Cost	19,100	1,709	28,188	4,000	23,975	76,972
Accumulated depreciation	(4,517)	(1,709)	(26,692)	(3,238)	(23,975)	(60,131)
Net book value	14,583	-	1,496	762	-	16,841

- (ii) The property, plant and equipment acquired from government grants-launching with net book value amounting to RM2,418,327 (2016: RM3,618,851) 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
At 31 December 2017					
Cost	1,165	14,891	1,858	1,548	19,462
Accumulated depreciation	(797)	(13,056)	(1,643)	(1,548)	(17,044)
Net book value	368	1,835	215	-	2,418
At 31 December 2016					
Cost	696	14,891	1,858	1,547	18,992
Accumulated depreciation	(696)	(11,658)	(1,472)	(1,547)	(15,373)
Net book value	-	3,233	386	-	3,619

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. INTANGIBLE ASSETS

	Computer software RM'000
Cost	
At 1 January 2017	123,429
Additions	12,563
Write off	(340)
At 31 December 2017	135,652
Accumulated amortisation	
At 1 January 2017	102,812
Charge for the year	13,516
Write off	(24)
At 31 December 2017	116,304
Net book value	
At 31 December 2017	19,348
Cost	
At 1 January 2016	109,299
Additions	14,666
Write off	(536)
At 31 December 2016	123,429
Accumulated amortisation	
At 1 January 2016	87,934
Charge for the year	14,894
Write off	(16)
At 31 December 2016	102,812
Net book value	
At 31 December 2016	20,617

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. INTANGIBLE ASSETS (cont'd)

Included in the above is computer software acquired from the following government grants:

(a) Government Grant- Launching

	Cost RM'000	Accumulated amortisation RM'000	Net book value RM'000
2017	6,304	6,304	-
2016	6,304	6,304	-

(b) Government Grant- Operating under the 9th Malaysian Plan ("RMK9")

	Cost RM'000	Accumulated amortisation RM'000	Net book value RM'000
2017	24,079	24,079	-
2016	24,079	24,079	-

21. DEFERRED TAX ASSETS

	2017 RM'000	2016 RM'000
At 1 January	41,187	60,602
Recognised in profit or loss	(20,267)	(15,160)
Recognised in equity	(6,926)	(4,255)
At 31 December	13,994	41,187
Presented after appropriate offsetting as follows:		
Deferred tax assets	13,994	41,187
Deferred tax liabilities	-	-
	13,994	41,187

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 2017

21. 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:

Deferred tax liabilities:

	Property, plant, equipment and intangible assets RM'000
At 1 January 2017	(8,637)
Recognised in profit or loss	923
At 31 December 2017	(7,714)
At 1 January 2016	(5,695)
Recognised in profit or loss	(2,942)
At 31 December 2016	(8,637)

Deferred tax assets:

	Provision for undistributed profit RM'000	Investment revaluation deficit RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2017	10,028	15,659	24,137	49,824
Recognised in:				
- Profit or loss	(7,470)	-	(13,720)	(21,190)
- Other comprehensive income	-	(6,926)	-	(6,926)
At 31 December 2017	2,558	8,733	10,417	21,708
At 1 January 2016	23,186	19,914	23,197	66,297
Recognised in:				
- Profit or loss	(13,158)	-	940	(12,218)
- Other comprehensive income	-	(4,255)	-	(4,255)
At 31 December 2016	10,028	15,659	24,137	49,824

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. (a) DEPOSITS FROM CUSTOMERS

	2017 RM'000	2016 RM'000
Tawarruq		
Fixed Return Islamic Account- <i>i</i> (FRIA- <i>i</i>)	4,358,306	3,948,260
AgroPrimaS	11,313	6,900
	4,369,619	3,955,160
Wadiah Yad Dhamanah		
Al-Wadiah savings	1,618,073	1,578,234
Agro Perdana- <i>i</i>	1,423,099	1,347,685
Deposit Securities	174,849	161,878
Basic Savings Accounts	3,737	1,949
	3,219,758	3,089,746
	7,589,377	7,044,906

Maturity structure for FRIA-*i* and AgroPrimaS are as follows:

	2017 RM'000	2016 RM'000
Within six months	3,351,703	2,822,874
Between six months to one year	859,639	1,032,084
Between one year to three years	97,955	83,578
Between three years to five years	60,322	16,624
	4,369,619	3,955,160

The deposits are sourced from the following types of customers:

	2017 RM'000	2016 RM'000
Government	1,761,755	2,274,378
Individuals	2,937,702	2,792,154
Domestic business enterprises	1,820,446	1,477,876
Domestic other entities	1,043,581	471,100
Domestic non-banking institutions	25,893	29,398
	7,589,377	7,044,906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. (b) DEPOSIT AND PLACEMENT OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	2017 RM'000	2016 RM'000
Tawarruq Pelaburan Khas- <i>i</i>	2,180,070	1,623,265

Maturity structure for Pelaburan Khas-*i* is as follows:

	2017 RM'000	2016 RM'000
Within six months	2,180,070	1,623,265

The deposits are sourced from the following types of customers:

	2017 RM'000	2016 RM'000
Government	1,522,312	801,498
Domestic business enterprises	637,742	500,432
Domestic non-banking institutions	20,016	321,335
	2,180,070	1,623,265

23. OTHER LIABILITIES

(a) Other payables and accruals

	Note	2017 RM'000	2016 RM'000
Accrued expenses		75,972	61,859
Sundry creditors		44,400	29,292
Donation/charity		5,028	2,624
Zakat payable		4,450	4,275
Provision for undistributed profit	(i)	10,663	41,787
Retirement benefits scheme	(ii)	1,178	2,087
Voluntary separation scheme	(iii)	-	671
Compensation claim	(iv)	982	60,814
		142,673	203,409

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23. OTHER LIABILITIES (cont'd)

(i) Provision for undistributed profit

	2017 RM'000	2016 RM'000
At 1 January	41,787	96,610
Distribution	(26,052)	(12,528)
Transfer from trustee account	-	12,657
Writeback to profit or loss	(5,072)	(54,952)
At 31 December	10,663	41,787

Provision for undistributed profit relates to the under accrual of profit payable on Mudharabah deposits in prior years.

(ii) Retirement benefits scheme

(a) The provision for retirement benefits scheme is as follows:

	2017 RM'000	2016 RM'000
At 1 January	2,087	1,831
Current service cost ¹	(909)	256
At 31 December	1,178	2,087

¹ Current service cost in 2017 represents a decrease in the retirement benefit resulting from retirement and resignation of eligible employees. While in 2016, the increase in the retirement benefit resulting from an additional year of service rendered by the employees.

(b) The principal assumptions used to determine the estimated costs and obligations are as follows:

	2017	2016
Turnover and early retirement rate		
Age brackets:		
45 - 49 years	0.00%	0.10%
50 years and over	0.03%	0.02%
Salaries increase rate (per annum)	1.50%	5.00%
Average remaining years of service of employees	0.4 year	6.0 years
Discount rate	3.82%	3.93%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23. OTHER LIABILITIES (cont'd)

(ii) Retirement benefits scheme (cont'd)

(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 RM3,590 (2016: RM7,880) or decrease by RM3,346 (2016: RM7,313) respectively.
- (ii) Provision for a retirement benefit scheme to increase to RM1,206,192 (2016: RM2,208,761) or decrease to RM1,095,294 (2016: RM1,974,315) respectively.

(iii) Voluntary separation scheme

	2017 RM'000	2016 RM'000
At 1 January	671	23,275
Payment made during the year	-	(22,604)
Writeback	(671)	-
At 31 December	-	671

Provision for voluntary separation scheme was accrued in 2015 and was mostly paid in 2016.

(iv) Compensation claim

	2017 RM'000	2016 RM'000
At 1 January	60,814	35,140
(Writeback)/Addition- net	(38,832)	44,053
Payment made during the year	(21,000)	(18,379)
At 31 December	982	60,814

The writeback and payment made during the year relates to legal suits disclosed in Note 11(i).

(b) Paddy credit gratuity scheme

	2017 RM'000	2016 RM'000
At beginning of the year	2,275	2,330
Additions	71	92
Payment	(81)	(147)
At the end of year	2,265	2,275

The Bank has set up this scheme to manage the gratuity to the paddy credit scheme customers. The fund under this scheme is contributed through the withholding of an amount from the financing disbursed to the customers for payment of future death benefits to the legal heir of the customers upon their demise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. FINANCING SCHEME FUNDS

Summary of financing scheme funds is as follows:

	Note	2017 RM'000	2016 RM'000
Fund for Food (“3F”)	(a)	174,770	209,065
Oil Palm Replanting Scheme (“TASKS”)	(b)	9,000	10,000
Micro Enterprise Fund	(c)	38,721	30,098
Commercial Agriculture Fund (“DPK-GLC”)	(d)	186,525	178,227
Agriculture Entrepreneur Financing Fund 1 (“DPUP 1”)	(e)	999,277	961,609
Agriculture Entrepreneur Financing Fund 2 (“DPUP 2”)	(f)	115,891	111,676
Agriculture Entrepreneur Financing Fund 3 (“DPUP 3”)	(g)	109,742	105,331
Agriculture Entrepreneur Financing Fund 4 (“DPUP 4”)	(h)	19,993	-
Agriculture Entrepreneur Financing Fund 5 (“DPUP 5”)	(i)	27,617	-
Special Relief Facility	(j)	8,073	10,595
Fund for Small and Medium Size Industries (“TIKS”)	(k)	154	-
		1,689,763	1,616,601

(a) Fund For Food (“3F”)

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	208,786	279	209,065
Additions	15,544	-	15,544
Profit charged	-	476	476
Payments	(49,837)	(478)	(50,315)
At 31 December 2017	174,493	277	174,770
As at 1 January 2016	232,275	5	232,280
Additions	25,578	-	25,578
Profit charged	-	570	570
Payments	(49,067)	(296)	(49,363)
At 31 December 2016	208,786	279	209,065

Under the 9th Malaysian Plan (“RMK9”), the Government agreed to channel RM300 million every year for a tenure of 15 years (3 years grace period) 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 channelled through the Ministry of Finance and Ministry of Agriculture was merged into DPUP 1. The 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 7,247 customers (2016: 7,221 customers) with accumulated disbursement amounting to RM1.35 billion (2016: RM1.34 billion).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. FINANCING SCHEME FUNDS (cont'd)

(b) Oil Palm Replanting Scheme ("TASKS")

	Principal RM'000
As at 1 January 2017	10,000
Payments	(1,000)
At 31 December 2017	9,000
As at 1 January 2016	11,000
Payments	(1,000)
At 31 December 2016	10,000

This fund is channelled 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. This fund has benefited 199 customers (2016: 199 customers) with accumulated disbursement amounting to RM14.90 million (2016: RM14.90 million).

(c) Micro Enterprise Fund

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	29,847	251	30,098
Additions	23,577	-	23,577
Profit charged	-	478	478
Payments	(14,923)	(509)	(15,432)
At 31 December 2017	38,501	220	38,721
As at 1 January 2016	51,144	34	51,178
Additions	6,521	-	6,521
Profit charged	-	556	556
Payments	(27,818)	(339)	(28,157)
At 31 December 2016	29,847	251	30,098

The fund amounting to RM200.0 million was launched by BNM to increase access for micro financing on 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 7,545 customers (2016: 6,156 customers) with accumulated disbursement amounting to RM168.71 million (2016: RM145.13 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. FINANCING SCHEME FUNDS (cont'd)

(d) Commercial Agriculture Fund ("DPK-GLC")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	173,846	4,381	178,227
Profit charged	7,548	750	8,298
At 31 December 2017	181,394	5,131	186,525
As at 1 January 2016	166,659	3,631	170,290
Profit charged	7,187	750	7,937
At 31 December 2016	173,846	4,381	178,227

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 was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant as disclosed in Note 27(j). The purpose of this fund is to finance commercial agro-based industry. This fund has benefited 9 customers (2016: 5 customers) with accumulated disbursement amounting to RM64.2 million (2016: RM30.3 million).

(e) Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	945,032	16,577	961,609
Profit charged	37,668	6,416	44,084
Payments	-	(6,416)	(6,416)
At 31 December 2017	982,700	16,577	999,277
As at 1 January 2016	908,942	16,577	925,519
Profit charged	36,090	6,416	42,506
Payments	-	(6,416)	(6,416)
At 31 December 2016	945,032	16,577	961,609

The financing scheme funds channelled 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 the merger. The financing tenure is 15 years (5 years grace period) at a profit rate of 0.5% per annum. The fund was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant disclosed in Note 27(k). This fund has benefited 84,611 customers (2016: 83,438 customers) with accumulated disbursement amounting to RM3.17 billion (2016: RM2.93 billion).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. FINANCING SCHEME FUNDS (cont'd)

(f) Agriculture Entrepreneur Financing Fund 2 ("DPUP 2")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	111,592	84	111,676
Profit charged	4,215	750	4,965
Payments	-	(750)	(750)
At 31 December 2017	115,807	84	115,891
As at 1 January 2016	107,577	30	107,607
Profit charged	4,015	804	4,819
Payments	-	(750)	(750)
At 31 December 2016	111,592	84	111,676

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 was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant as disclosed in Note 27(l). The purpose of this fund is to stimulate growth of farming activities involving upstream and downstream activities. This fund has benefited 4,848 customers (2016: 4,623 customers) with accumulated disbursement amounting to RM119.28 million (2016: RM88.56 million).

(g) Agriculture Entrepreneur Financing Fund 3 ("DPUP 3")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	105,331	-	105,331
Profit charged	4,411	750	5,161
Payments	-	(750)	(750)
At 31 December 2017	109,742	-	109,742
As at 1 January 2016	101,582	131	101,713
Profit charged	3,749	750	4,499
Payments	-	(881)	(881)
At 31 December 2016	105,331	-	105,331

The fund amounting RM150.0 million was received from the Government on 28 October 2015. The tenure of this financing is 15 years (5 years grace period) at a profit rate of 0.5% per annum. The fund was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant as disclosed in Note 27(m). The purpose of this fund is to stimulate growth of farming activities involving upstream and downstream activities. This fund has benefited 4,062 customers (2016: 3,131) with accumulated disbursement amounting to RM126.94 million (2016: RM70.5 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. FINANCING SCHEME FUNDS (cont'd)

(h) Agriculture Entrepreneur Financing Fund 4 ("DPUP 4")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	-	-	-
Fund received	19,265	-	19,265
Profit charged	728	173	901
Payments	-	(173)	(173)
At 31 December 2017	19,993	-	19,993

The fund amounting RM35.0 million was received from the Government on 5 January 2017. The tenure of this financing is 20 years (10 years grace period) at a profit rate of 0.5% per annum. The fund was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant as disclosed in Note 27(n). The purpose of this fund is to stimulate growth of farming activities involving upstream and downstream activities. This fund has benefited 28 customers with accumulated disbursement amounting to RM17.07 million.

(i) Agriculture Entrepreneur Financing Fund 5 ("DPUP 5")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	-	-	-
Fund received	27,479	-	27,479
Profit charged	138	32	170
Payments	-	(32)	(32)
At 31 December 2017	27,617	-	27,617

The fund amounting RM50.0 million was received from the Government on 14 November 2017. The tenure of this financing is 20 years (10 years grace period) at a profit rate of 0.5% per annum. The fund was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant as disclosed in Note 27(o). The purpose of this fund is to stimulate growth of farming activities involving upstream and downstream activities. This fund has benefited 5 customers with accumulated disbursement amounting to RM3.63 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. FINANCING SCHEME FUNDS (cont'd)

(j) Special Relief Facility

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	10,192	403	10,595
Profit charged	-	309	309
Payments	(2,831)	-	(2,831)
At 31 December 2017	7,361	712	8,073
As at 1 January 2016	11,820	-	11,820
Fund received	520	-	520
Profit charged	-	403	403
Payments	(2,148)	-	(2,148)
At 31 December 2016	10,192	403	10,595

The fund is channelled from BNM without profit to minimise losses borne by farmers affected by the flood catastrophe in December 2014. Financing is offered to farmers up to 5 years with 6 months moratorium at a profit rate of 2.25% per annum. The fund was fair valued at inception using market profit rate. The difference between the proceeds received and the fair value of the financing is recognised as a government grant disclosed in Note 27(p). This fund has benefited 288 customers (2016: 287 customers) with accumulated disbursement amounting to RM13.39 million (2016: RM12.87 million).

(k) Fund for Small and Medium Size Industries ("TIKS")

	Principal RM'000	Profit RM'000	Total RM'000
As at 1 January 2017	-	-	-
Fund received	154	-	154
Profit charged	-	-	-
Payments	-	-	-
At 31 December 2017	154	-	154

The fund is channelled by BNM to increase the access to micro financing to selected eligible small and medium agro-based entrepreneurs. Financing is offered to eligible entrepreneurs up to 5 years at a profit rate 1.5% per annum. This fund has benefited 2 customers with accumulated disbursement amounting to RM0.15 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25. GOVERNMENT GRANT - OPERATING

	Capital Expenditure RM'000	Development Expenditure RM'000	Total RM'000
As at 1 January 2017	25,967	77	26,044
Amortisation during the year	(1,539)	-	(1,539)
At 31 December 2017	24,428	77	24,505
As at 1 January 2016	27,507	77	27,584
Amortisation during the year	(1,540)	-	(1,540)
At 31 December 2016	25,967	77	26,044

In 2006, the Bank received operating grant amounting to RM82.0 million from the Ministry of Finance (Incorporated). 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. The property, plant and equipment acquired under this grant is disclosed in Note 19(i).

26. GOVERNMENT GRANT - LAUNCHING

	Capital Expenditure RM'000	Development Expenditure RM'000	Total RM'000
As at 1 January 2017	3,642	2,404	6,046
Utilisation during the year	-	(1,280)	(1,280)
Transfer (to)/from	(587)	587	-
Amortisation during the year	(622)	-	(622)
At 31 December 2017	2,433	1,711	4,144
As at 1 January 2016	5,347	3,124	11,967
Utilisation during the year	-	(720)	(1,760)
Amortisation during the year	(1,705)	-	(1,736)
At 31 December 2016	3,642	2,404	6,046

In 2007, the Ministry of Finance (Incorporated) 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. The property, plant and equipment acquired under this grant is disclosed in Note 19(ii).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. GOVERNMENT GRANTS - FUNDS

Summary of government grant funds is as follows:

	Note	2017 RM'000	2016 RM'000
Entrepreneur Scheme for Graduates	(a)	1,135	1,154
Special Fund For Terengganu Fishery	(b)	33	33
Development Programme for Hard-core Poor	(c)	2,497	2,560
Fund for Ministry of Youth and Sports	(d)	8,579	8,143
Bumiputera Commercial and Industrial Community Scheme HUB	(e)	35,673	36,132
National Key Economic Area	(f)	54,244	54,304
Micro Economic Stimulation Package	(g)	156,482	153,768
Micro ESP Flood Relief	(h)	2,891	3,000
Agriculture Mechanism and Automation Scheme	(i)	5,792	5,792
Commercial Agriculture Fund	(j)	115,425	122,973
Agriculture Entrepreneur Financing Fund 1	(k)	283,831	321,499
Agriculture Entrepreneur Financing Fund 2	(l)	34,109	38,324
Agriculture Entrepreneur Financing Fund 3	(m)	40,259	44,670
Agriculture Entrepreneur Financing Fund 4	(n)	15,007	-
Agriculture Entrepreneur Financing Fund 5	(o)	22,383	-
Special Relief Facility	(p)	336	645
		778,676	792,997

(a) Entrepreneur Scheme for Graduates ("SUTKS")

	2017 RM'000	2016 RM'000
At beginning of the year	1,154	1,170
Transfer to collective impairment allowance (Note 16 (ix))	(19)	(16)
At end of the year	1,135	1,154

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 AI – Bai’ Bithaman Ajil which imposes a profit rate of 3% per annum. The grant has benefited 203 graduates (2016: 203 graduates) with accumulated disbursement amounting to RM8.35 million (2016: RM8.35 million).

(b) Special Fund for Terengganu Fishery ("DKSP")

	2017 RM'000	2016 RM'000
At beginning of the year	33	21
Transfer from collective impairment allowance (Note 16 (ix))	-	12
At end of the year	33	33

The objective of this fund is to raise the socioeconomic status of fishermen, fish breeders and aquaculture entrepreneurs. The financing is offered under AI – Bai’ Bithaman Ajil up to 100% of the total project cost at a profit free-rate. The financing terms would depend on the project with payment terms not exceeding 10 years. The grant has benefited 877 customers (2016: 877 customers) with accumulated disbursement amounting to RM29.90 million (2016: RM29.90 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. GOVERNMENT GRANTS - FUNDS (cont'd)

(c) Development Programme for Hard-core Poor ("PPRT")

	2017 RM'000	2016 RM'000
At beginning of the year	2,560	2,560
Transfer to collective impairment allowance (Note 16 (ix))	(63)	-
At end of the year	2,497	2,560

This program represents profit-free financing from the Government to the hard-core poor. The grant has benefited 90 customers (2016: 86 customers) with accumulated disbursement amounting to RM0.64 million (2016: RM0.56 million).

(d) Fund for Ministry of Youth and Sports ("DKBS")

	2017 RM'000	2016 RM'000
At beginning of the year	8,143	7,625
Transfer from collective impairment allowance (Note 16 (ix))	436	518
At end of the year	8,579	8,143

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 customers (2016: 524 customers) with accumulated disbursement amounting to RM15.73 million (2016: RM15.73 million).

(e) Bumiputera Commercial and Industrial Community Scheme HUB ("MPPB HUB")

	2017 RM'000	2016 RM'000
At beginning of the year	36,132	37,850
Transfer to collective impairment allowance (Note 16 (ix))	(459)	(1,718)
At end of the year	35,673	36,132

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 510 customers (2016: 510 customers) with accumulated disbursement amounting to RM41.48 million (2016: RM41.48 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. GOVERNMENT GRANTS - FUNDS (cont'd)

(f) National Key Economic Area ("NKEA")

	2017 RM'000	2016 RM'000
At beginning of the year	54,304	55,172
Transfer to collective impairment allowance (Note 16 (ix))	(60)	(868)
At end of the year	54,244	54,304

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 997 customers (2016: 978 customers) with accumulated disbursement amounting to RM124.18 million (2016: RM121.71 million).

(g) Micro Economic Stimulation Package ("Micro - ESPi")

	2017 RM'000	2016 RM'000
At beginning of the year	153,768	150,640
Transfer from collective impairment allowance (Note 16 (ix))	2,714	3,128
At end of the year	156,482	153,768

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 benefited 17,286 customers (2016: 17,286 customers) with accumulated disbursement amounting to RM334.73 million (2016: RM334.73 million).

(h) Micro ESP Flood Relief

	2017 RM'000	2016 RM'000
At beginning of the year	3,000	3,000
Transfer to collective impairment allowance (Note 16 (ix))	(109)	-
At end of the year	2,891	3,000

The objective of this program is to minimise loss borne by the farmers who are affected by the flood catastrophe in December 2014. Financing is offered up to 5 years with 6 months moratorium at a profit rate 3.75% per annum.

(i) Agriculture Mechanism and Automation Scheme ("MAP")

	2017 RM'000	2016 RM'000
At beginning of the year	5,792	-
Funds received	-	5,792
At end of the year	5,792	5,792

The objective of this program is to encourage automation and usage of high technology in agriculture sector. Financing is offered up to 9 years at a profit rate 3.75% per year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. GOVERNMENT GRANTS - FUNDS (cont'd)

(j) Commercial Agriculture Fund ("DPK-GLC")

	2017 RM'000	2016 RM'000
At beginning of the year	122,973	130,160
Amortisation (Note 10)	(7,548)	(7,187)
At end of the year	115,425	122,973

The benefit of this below market rate financing 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 a Government Grant as disclosed in Note 24 (d).

(k) Agriculture Entrepreneur Financing Fund 1 ("DPUP 1")

	2017 RM'000	2016 RM'000
At beginning of the year	321,499	357,588
Amortisation (Note 10)	(37,668)	(36,089)
At end of the year	283,831	321,499

The financing scheme funds which were channelled by the Government through the Ministry of Finance and Ministry of Agriculture and Agro-Based Industries was merged into this scheme. The benefit of this below market rate financing scheme fund at a profit rate of 0.5% per annum, is recognised as a Government Grant as disclosed in Note 24 (e).

(l) Agriculture Entrepreneur Financing Fund 2 ("DPUP 2")

	2017 RM'000	2016 RM'000
At beginning of the year	38,324	42,339
Amortisation (Note 10)	(4,215)	(4,015)
At end of the year	34,109	38,324

The benefit of this below market rate financing 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 a Government Grant as disclosed in Note 24 (f).

(m) Agriculture Entrepreneur Financing Fund 3 ("DPUP 3")

	2017 RM'000	2016 RM'000
At beginning of the year	44,670	48,418
Amortisation (Note 10)	(4,411)	(3,748)
At end of the year	40,259	44,670

The benefit of this below market rate financing scheme fund amounting to RM150.0 million, received from the Government on 28 October 2015 at a profit rate of 0.5% per annum, is recognised as a Government Grant as disclosed in Note 24 (g).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. GOVERNMENT GRANTS - FUNDS (cont'd)

(n) Agriculture Entrepreneur Financing Fund 4 ("DPUP 4")

	2017 RM'000	2016 RM'000
Funds received	15,735	-
Amortisation (Note 10)	(728)	-
At end of the year	15,007	-

The benefit of this below market rate financing scheme fund amounting to RM35.0 million, received from the Government on 5 January 2017 at a profit rate of 0.5% per annum, is recognised as a Government Grant as disclosed in Note 24 (h).

(o) Agriculture Entrepreneur Financing Fund 5 ("DPUP 5")

	2017 RM'000	2016 RM'000
Funds received	22,521	-
Amortisation (Note 10)	(138)	-
At end of the year	22,383	-

The benefit of this below market rate financing scheme fund amounting to RM50.0 million, received from the Government on 14 November 2017 at a profit rate of 0.5% per annum, is recognised as a Government Grant as disclosed in Note 24 (i).

(p) Special Relief Facility

	2017 RM'000	2016 RM'000
At beginning of the year	645	1,048
Amortisation (Note 10)	(309)	(403)
At end of the year	336	645

The benefit of this below market rate financing scheme fund amounting to RM12.87 million, received from the BNM for year 2015, is recognised as a Government Grant as disclosed in Note 24 (j).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28. SHARE CAPITAL

		2017 RM'000	2016 RM'000
Authorised: Ordinary shares of RM1 each		2,000,000	2,000,000
Issued and fully paid: Ordinary shares of RM1 each		1,000,000	1,000,000

29. RESERVES

	Note	2017 RM'000	2016 RM'000
Non-distributable reserve: Statutory reserves	(a)	487,109	487,109
Investment revaluation deficit	(b)	(27,303)	(49,536)
Distributable reserve: Retained earnings		1,337,112	1,184,458
		1,796,918	1,622,031

(a) Statutory reserves

Transfer of profit to reserve fund is only applicable when Risk Weighted Capital Ratio ("RWCR") of the Bank is below the threshold of 16% as approved by BNM via a letter to the Bank dated 22 February 2008.

(b) Investment revaluation deficit

The investment revaluation deficit is in respect of unrealised fair value loss on financial investments AFS.

30. DIVIDENDS

	2017 RM'000	2016 RM'000
Final dividend of 2.00 sen net of tax, on 1,000,000,000 ordinary shares in respect of the financial year ended 31 December 2017	20,000	-
Final dividend of 1.19 sen net of tax, on 1,000,000,000 ordinary shares in respect of the financial year ended 31 December 2016	-	11,900
	20,000	11,900

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year ended 31 December 2017 of 2.55 sen on 1,000,000,000 ordinary shares of RM1.00 each, amounting to dividend payable of RM25,500,000 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 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

31. COMMITMENTS AND CONTINGENCIES

	2017 RM'000	2016 RM'000
Guarantee: Guarantee letters issued to the customers of the Bank	38,462	33,589
Capital commitment Approved and contracted for: Capital expenditure	1,741	648
Commitment on financing and advances	401,615	382,392
	403,356	383,040
Approved but not contracted for: Commitment on financing and advances	535,523	528,217
	535,523	528,217
Contingent liabilities Certain legal actions taken against the Bank with compensation claims	5,679,131	5,787,635
Total Commitments and Contingencies	6,656,472	6,732,481

A summary of the status of material litigations against the Bank is as follows:

Case 1

The Bank filed a claim against a customer on 13 August 2015 to recover outstanding financing provided to the customer of approximately RM22.0 million. The customer then filed a counterclaim for approximately RM18.3 million alleging inadequate assistance from certain government agencies which affected its operations. However, the customer has not provided any evidence to support the claim. The case was fixed for full trial on several dates i.e. 22 and 23 November 2017, 23 until 26 January 2018, 21 until 23 February 2018, 13, 16 until 18 and 23 April 2018.

The Bank's solicitors are of the view that the Bank has a good chance of succeeding in its claim and has a fair chance of successfully defending the counter claim by the customer.

Case 2

A customer had initiated a legal action against the Bank for approximately RM24.0 million on 4 June 2015 for the Bank's alleged failure to make further disbursements. However, the customer has not provided any evidence in the Statement of Claim to support the claim. The Bank then counterclaimed for approximately RM4.0 million on 30 July 2015 for the outstanding financing following the termination of the financing agreement by the customer. The main contention was a change in the operations of the business which impacted disbursement conditions. The Court on 7 December 2016 had dismissed the customer's claim with cost and entered judgement for the sum of RM4.1 million with ta'widh. The customer and its guarantors had filed their appeals at the Court of Appeal for which 7 February 2018 was fixed as a hearing date of the appeals. The Court of Appeal had on the same date upheld the High Court's decision and dismissed the appeals with costs of RM15,000.00 in favour of the Bank. The customer and its guarantors did not file for further appeal within the stipulated time period, and thus, this case is considered closed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

31. COMMITMENTS AND CONTINGENCIES (cont'd)

A summary status of the material litigations against the Bank is as follows: (cont'd)

Case 3

The Bank filed a claim against a customer on 2 September 2015 to recover outstanding financing of approximately RM12.0 million. The customer filed a counterclaim against the Bank on 23 November 2015 for approximately RM5.6 billion relating to loss of profits. However, the customer has not provided any evidence to support the claim. The Bank had on 4 April 2016 obtained a Summary Judgement against the customer and its guarantors with costs of RM5,000.00. On 29 March 2017, the Court had dismissed the customer's claim upon a full trial. The customer and its guarantors had filed an appeal at the Court of Appeal on 19 April 2017. The Court had fixed 2 May 2018 as a hearing date to hear the appeal. However, on 25 September 2017 the customer had been made wound up by the Court and the Bank had also initiated bankruptcy proceedings against the guarantors. The customer and its guarantors may proceed with the hearing of the appeal on 2 May 2018 if they obtain approval and/or sanction from the Deputy General of Insolvency.

The Bank's solicitors are of the view that the Bank has a fair chance in successfully defending the appeal.

Case 4

A customer had initiated a legal action against the Bank for approximately RM92.0 million on 24 February 2017 for the Bank's alleged failure to sell assets under the Debenture at a reasonable price. The sale was initiated by a Receiver and Manager (R & M). The Court had fixed 27 March 2017 for the Bank to file its defence and on 5 April 2017 for the customer to file its reply. The Court had also fixed for case management on 6 April 2017. The Bank had filed its application to strike out the customer's Writ of Summons. The Court on 29 May 2017 had allowed it with cost of RM11,000. This case is considered closed since there was no appeal filed by the customer within the stipulated time period.

The banking facilities granted in Cases 1 to 3 which are treated as off balance sheet items were disbursed from a fund managed by the Bank for which the Bank earned management fees. All risks including credit risk on unpaid financing are not to be borne by the Bank.

32. 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) Allowances paid to the Directors.
- (ii) Other emoluments include Employee Provident Fund ("EPF") contributions and retirement compensation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

32. RELATED PARTY DISCLOSURES (cont'd)

Remuneration of directors and other members of key management are as follows:

	Salaries and Bonuses RM'000	Allowances RM'000	Other Emoluments RM'000	Total RM'000
2017				
YH. Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah	727	-	251	978
	727	-	251	978
Non Executive Director				
Y. Bhg Tan Sri Mohamad Zabidi bin Zainal	-	330	-	330
Y. Bhg Dato' Dr. Mohamad Hashim bin Ahmad Tajudin	-	309	-	309
Y. Bhg Datin Setia Shahariah binti Hashim	-	281	-	281
Y. Bhg Datuk Seri Dr. Ismail bin Haji Bakar	-	83	-	83
Y. Bhg Dato' Dr. Yusof bin Ismail	-	104	-	104
Puan Azizah binti Abdul Rahman	-	300	-	300
Tuan Haji Ibrahim Hassan	-	200	-	200
Puan Faizah Abdullah	-	156	-	156
Encik Ng Chih Kaye	-	132	-	132
	-	1,895	-	1,895
Senior Management	3,427	-	1,385	4,812
	4,154	1,895	1,636	7,685
2016				
Executive Director				
YH. Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah	917	-	157	1,074
	917	-	157	1,074
Non Executive Director				
Y. Bhg Tan Sri Mohamad Zabidi bin Zainal	-	142	-	142
Y. Bhg Datin Rashidah binti Mohd Sies	-	89	-	89
Y. Bhg Datuk Johar bin Che Mat	-	105	-	105
Encik Ng Chih Kaye	-	247	-	247
Y. Bhg Dato' Dr. Mohamad Hashim bin Ahmad Tajudin	-	269	-	269
Y. Bhg Dato' Mohd Arif bin Ab Rahman	-	50	-	50
Y. Bhg Datin Seri Hajah Ruzaina binti Wan Haniff	-	105	-	105
Y. Bhg Datin Setia Shahariah binti Hashim	-	108	-	108
Puan Azizah binti Abdul Rahman	-	110	-	110
Y. Bhg Datuk Seri Dr. Ismail bin Haji Bakar	-	40	-	40
Y. Bhg Dato' Dr. Yusof bin Ismail	-	6	-	6
	-	1,271	-	1,271
Senior Management	2,972	-	996	3,968
	3,889	1,271	1,153	6,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

32. RELATED PARTY DISCLOSURES (cont'd)

(c) 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.

	2017 RM'000	2016 RM'000
Deposits	156	70
	156	70

No financing has been granted to the directors and senior management of the Bank.

(d) Transactions with related parties

	Note	2017 RM'000	2016 RM'000
01			
02	Income		
03	Reimbursement of gapping cost	(i)	30,099
04	GLC service fees	(ii)	10,812
05	Commission	(iii)	3,731
06	Profit income on deposits placed with government linked companies		15,133
07			29,042
08	Expense		
09	Profit expense on deposits placed by government linked entities		5,510
10	Profit expense on financing scheme funds paid and payable to the		5,504
11	Ministry of Finance and BNM		10,134
12	Contributions to:		8,618
13	Employee Provident Fund ("EPF")		26,569
14	Social Security Organisation ("SOCSO")		2,360
15			26,360
16			1,936

Description for income with related parties are as follows:

- (i) Income from Ministry of Finance for the profit differential between market rate and subsidised rate on financing disbursed by the Bank at subsidised rate, as disclosed in Note 5(b).
- (ii) Fees earned for managing the government funds for financing disbursement paid by Ministry of Finance, as disclosed in Note 5(b).
- (iii) Commission earned as bills collection agent from Government of Malaysia controlled entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

32. RELATED PARTY DISCLOSURES (cont'd)

(e) Outstanding balances arising from transactions with related parties

(i) Included in Assets

	2017 RM'000	2016 RM'000
Financing to related parties	10,761	11,949
Short term deposits/placements with related parties	485,190	557,326

(ii) Included in Liabilities

	2017 RM'000	2016 RM'000
Government Grant - Operating	24,505	26,044
Government Grant - Launching	4,144	6,046
Government Grant - Funds	778,676	792,997
Financing scheme funds	1,689,763	1,616,601
Deposits from related entities	3,284,067	3,075,876

(f) Terms and conditions

Transactions with related parties were made on terms equivalent to those that prevailed in negotiated transactions.

33. FINANCING FACILITIES WITH CONNECTED PARTIES

	2017 RM'000
Outstanding exposures with connected parties	1,059,203
% of outstanding exposures to connected parties as a proportion of total exposure	7.13%
% of outstanding financing exposures with connected parties which is non-performing or in default	0.02%

The above disclosure on Financing Facilities with Connected Parties is presented in accordance with para 14.1 as per BNM's policy on Financing Facilities with Connected Parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 and business risks as follows;

- 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 various committees to ensure execution of business strategies and operations are adhered to the approved policies and limits set by the Board/Board Risk Management Committee (BRMC). At senior management level, the Board empowers the Management Risk Committee (MRC) and Asset Liability Committee (ALCO) to monitor, evaluate, strategise and deliberate risk management activities within the respective areas.

The Bank has the Broad Risk Management Framework ("BRMF") that encompasses credit, market, 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 exposed to 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 and the Bank's current strategies, products and services.

The Bank's risk management policies are established to identify and mitigate all risks faced by the Bank, to set appropriate risk appetite and risk limits as well as to control and monitor risk exposures and adherence to the approved limits.

(iii) Risk governance framework

The Board may empower the following committees for the oversight function 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 2017

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, sukuk and other marketable securities as well as 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 and Risk Management Division 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

(v) Measurement of credit risk

Collateral position in financing and advances

Credit facilities are granted on the basis of the customer's credit standing, project viability and payment capacity as per the Bank's credit policy. However, due to the nature of its financing, the Bank generally requires collateral against 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 financing and is revalued once in two years or when a financing is impaired.

The main types of collateral held by the Bank to mitigate credit risk are as follows:

- (i) Project financing – charges over land, buildings, plant and machinery, fishing vessels, ownership claim over vehicles, term deposits and pledges over shares and marketable securities.
- (ii) Retail financing – charges over land and term deposits for certain types of financing.

	Secured RM'000	Unsecured RM'000	Total RM'000	Financial effect of collateral* %
2017				
Neither past due nor impaired	4,220,918	4,721,297	8,942,215	47.2
Past due but not impaired	163,848	68,783	232,631	70.4
Impaired	277,783	157,274	435,057	63.8
	4,662,549	4,947,354	9,609,903	48.5
2016				
Neither past due nor impaired	3,829,116	4,200,395	8,029,511	47.7
Past due but not impaired	181,787	62,221	244,008	74.5
Impaired	277,317	180,105	457,422	60.6
	4,288,220	4,442,721	8,730,941	49.1

* 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 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

(v) Measurement of credit risk (cont'd)

Maximum exposure to credit risk

The following analysis represents the Bank's maximum exposure to credit risk of on-balance sheet financial assets and off-balance sheet exposure, excluding any collateral held or other credit enhancements. For on-balance sheet financial assets, the exposure to credit risk equals their carrying amount. For off-balance sheet exposure, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon and/or the full amount of the undrawn credit facilities granted to customers.

	Maximum Exposure	
	2017 RM'000	2016 RM'000
Credit exposure for on-balance sheet assets		
Cash and short term funds	1,308,683	1,187,627
Investment securities	4,403,960	4,115,191
Financing and advances	9,173,891	8,270,863
	14,886,534	13,573,681
Credit exposure for off-balance sheet assets items		
Financial Guarantee	38,462	33,589
Total maximum credit risk exposure	14,924,996	13,607,270

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Credit quality of gross financing and advances

Impaired financing

The breakdown of the gross 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 financing RM'000	Individual impairment allowance RM'000	Fair Value of Collaterals RM'000
Sectors:			
2017			
Construction and Services	6,153	126	6,027
Fishery	42,020	11,383	30,637
Crops	164,516	31,177	133,339
Livestock	90,642	54,197	36,445
Manufacturing	42,190	21,617	20,573
Retail and Wholesale Trade	51,904	6,659	45,245
Others	37,632	14,008	23,624
	435,057	139,167	295,890
2016			
Construction and Services	5,759	-	5,759
Fishery	44,832	11,991	32,841
Crops	187,748	57,994	129,754
Livestock	87,388	51,648	35,740
Manufacturing	44,034	14,309	29,725
Retail and Wholesale Trade	53,156	6,426	46,730
Others	34,505	12,687	21,818
	457,422	155,055	302,367

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Credit quality of gross financing and advances (cont'd)

The breakdown of collective impairment allowance for financing and advances by sectors are as follows:

	2017 RM'000	2016 RM'000
Sectors:		
Construction and Service Sectors	4,764	6,136
Fishery	24,029	27,709
Crops	102,016	91,955
Livestock	18,771	22,550
Manufacturing	31,164	36,212
Retail and Wholesale Trade	58,230	63,091
Others	57,871	57,370
Collective impairment allowance	296,845	305,023

Credit risk in investment activities

The credit risk management approach for investment activities is primarily deliberated at the Board 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 the 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 set interbank limits for placements of money in various financial institutions 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 2017

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 sukuk	2,874,551	65
Government Investment Issues ("GII")	1,529,241	35
Equity securities	168	-
Carrying amount at 31 December 2017	4,403,960	100
01 Corporate sukuk	2,926,901	71
02 Government Investment Issues ("GII")	1,168,234	28
03 Commercial papers	19,884	1
04 Equity securities	172	-
Carrying amount at 31 December 2016	4,115,191	100

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:

Ratings

	2017 RM'000	2016 RM'000
Corporate sukuk		
AFS securities		
Government-Guaranteed ("GG")	1,388,704	1,283,580
Quasi-Govt/AAAbg	90,191	170,176
AAA/AAbg	746,452	742,793
AA/Abg	614,920	696,871
A	20,231	20,072
BBB	14,053	13,409
	2,874,551	2,926,901
Commercial papers		
P1/M1	-	19,884
TOTAL	2,874,551	2,946,785

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Credit quality of financial assets - financial investments portfolio and other financial assets.

	Neither past due nor impaired RM'000	Past due but not impaired RM'000	Impaired RM'000	Total RM'000
2017				
Cash and short term funds	1,308,683	-	-	1,308,683
Investment securities	4,403,960	-	-	4,403,960
Financing and advances	8,942,215	232,631	435,057	9,609,903
	14,654,858	232,631	435,057	15,322,546
As a percentage of gross balance	95.64%	1.52%	2.84%	100%
2016				
Cash and short term funds	1,187,627	-	-	1,187,627
Investment securities	4,115,191	-	-	4,115,191
Financing and advances	8,029,511	244,008	457,422	8,730,941
	13,332,329	244,008	457,422	14,033,759
As a percentage of gross balance	95.00%	1.74%	3.26%	100%

Analysis of aging of financing and advances for past due but not impaired.

	Past due but not impaired			Total RM'000
	Due within 30 days RM'000	Due within 31 to 60 days RM'000	Due within 61 to 90 days RM'000	
2017				
Term Financing	104,878	69,580	46,229	220,687
Revolving Financing	8,288	2,998	658	11,944
	113,166	72,578	46,887	232,631
2016				
Term Financing	106,503	78,821	44,963	230,287
Revolving Financing	6,305	3,008	4,408	13,721
	112,808	81,829	49,371	244,008

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 the 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/financing within predetermined time buckets. The mismatches may lead to the inability for the 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 respective 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 or the Bank is unable or cannot easily unwind or offset a particular position at/or near the previous market price because of inadequate market depth or because of disruptions in the market place caused by the change in market sentiment or due to a specific event or series of events.

(iii) Management of liquidity risk

The management of liquidity risk is governed by the Market and Liquidity Risk Management Framework ("MLRF") 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 regularly reviewed by MRMD. BRMC also oversees the effectiveness and compliance of those policies on a regular basis.

Senior management is responsible to monitor and oversee liquidity risk exposures through the 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 issues. ALCO oversees the Bank's financial position structure with regard to liquidity risk exposures 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 undrawn commitments and other contingent obligations. The day-to-day liquidity requirements and position is managed by Treasury Department ("TD") while MRMD, under Risk Management Division ("RMD") acts as Middle Office in monitoring and reporting liquidity risks to ALCO.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

(iv) Measurement of liquidity risk

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 sukuk is closely monitored and analysed to ensure that the Bank has sufficient cash and liquefiable 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 deposits) 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 deposits 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 processes, a 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 risk management, liquidity risk exposures are also measured through funding concentration, financing deposit ratios, cash and liquid asset ratios. Stress testing is conducted to quantify the worst case scenario of the 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 financing activities in addition to corporate and other high cost deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

Maturity analysis of assets and liabilities based on discounted contractual cash flows:

	<6 months RM'000	6 - 12 months RM'000	1 - 3 years RM'000	3 - 5 years RM'000	>5 years RM'000	Non-specific maturity RM'000	Total RM'000
2017							
Financial assets							
Cash and short term funds	1,308,683	-	-	-	-	-	1,308,683
Investment securities*	14,999	265,495	649,750	1,116,665	2,356,883	461	4,404,253
Financing and advances*	1,406,150	159,844	208,124	719,826	7,115,959	-	9,609,903
Other advances*	-	-	-	-	60,596	-	60,596
Non-Financial assets							
Other assets	-	-	-	-	-	115,296	115,296
Total assets	2,729,832	425,339	857,874	1,836,491	9,533,438	115,757	15,498,731
Financial liabilities							
Deposit from customers							
Savings deposits	3,219,758	-	-	-	-	-	3,219,758
Term deposits	3,351,703	859,639	97,955	60,322	-	-	4,369,619
Deposit and placement of banks and other financial institutions	2,180,070	-	-	-	-	-	2,180,070
Financing scheme funds							
Government	4,795	4,045	222,134	328,651	908,420	-	1,468,045
BNM	43,789	42,484	-	-	135,445	-	221,718
Other liabilities							
Government grants	-	-	-	-	-	807,325	807,325
Paddy credit gratuity scheme	-	-	-	-	-	2,265	2,265
	8,800,115	906,168	320,089	388,973	1,043,865	809,590	12,268,800
Non-Financial liabilities							
Other payables	-	141,680	993	-	-	-	142,673
Total Liabilities	8,800,115	1,047,848	321,082	388,973	1,043,865	809,590	12,411,473
Net maturity mismatch	(6,070,283)	(622,509)	536,792	1,447,518	8,489,573	(693,833)	3,087,258

* Gross before allowance for impairment

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

Maturity analysis of assets and liabilities based on discounted contractual cash flows: (cont'd)

	<6 months RM'000	6 - 12 months RM'000	1 - 3 years RM'000	3 - 5 years RM'000	>5 years RM'000	Non-specific maturity RM'000	Total RM'000
2016							
Financial assets							
Cash and short term funds	1,187,627	-	-	-	-	-	1,187,627
Investment securities*	22,465	268,336	560,977	677,839	2,585,402	465	4,115,484
Financing and advances*	1,043,293	69,649	468,556	990,376	6,159,067	-	8,730,941
Other advances*	-	-	-	-	84,934	-	84,934
Non-Financial assets							
Other assets	-	-	-	-	-	97,439	97,439
Total assets	2,253,385	337,985	1,029,533	1,668,215	8,829,403	97,904	14,216,425
Financial liabilities							
Deposit from customers							
Savings deposits	3,089,746	-	-	-	-	-	3,089,746
Term deposits	2,822,874	1,032,084	83,578	16,624	-	-	3,955,160
Deposit and placement of banks and other financial institutions							
	1,623,265	-	-	-	-	-	1,623,265
Financing scheme funds							
Government	4,708	4,045	82,286	314,013	961,791	-	1,366,843
BNM	18,000	18,000	-	-	213,758	-	249,758
Other liabilities							
Government grants	-	-	-	-	-	825,087	825,087
Paddy credit gratuity scheme	-	-	-	-	-	2,275	2,275
	7,558,593	1,054,129	165,864	330,637	1,175,549	827,362	11,112,134
Non-Financial liabilities							
Other payables	671	188,994	13,744	-	-	-	203,409
Total Liabilities	7,558,593	1,054,129	165,864	330,637	1,175,549	827,362	11,315,543
Net maturity mismatch	(4,057,106)	(1,159,224)	1,053,790	2,053,158	5,945,603	(729,458)	2,900,882

* Gross before allowance for impairment

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

Maturity analysis of financial liabilities based on undiscounted contractual cash flows:

	<6 months RM'000	6 - 12 months RM'000	1 - 3 years RM'000	3 - 5 years RM'000	>5 years RM'000	Non-specific maturity RM'000	Total RM'000
2017							
Financial liabilities							
Deposit from customers							
Savings deposits	3,219,758	-	-	-	-	-	3,219,758
Term deposits	3,439,853	882,248	105,889	68,683	-	-	4,496,673
Deposit and placement of banks and other financial institutions	2,265,093	-	-	-	-	-	2,265,093
Financing scheme funds							
Government	4,806	4,065	225,441	336,880	1,516,039	-	2,087,231
BNM	43,861	42,621	-	-	138,020	-	224,502
Other liabilities							
Government grants	-	-	-	-	-	807,325	807,325
Paddy credit gratuity scheme	-	-	-	-	-	2,265	2,265
	8,973,371	928,934	331,330	405,563	1,654,059	809,590	13,102,847
Financial liabilities							
Other payables	-	141,680	993	-	-	-	142,673
Total Liabilities	8,973,371	1,070,614	332,323	405,563	1,654,059	809,590	13,245,520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

Maturity analysis of financial liabilities based on undiscounted contractual cash flows: (cont'd)

	<6 months RM'000	6 - 12 months RM'000	1 - 3 years RM'000	3 - 5 years RM'000	>5 years RM'000	Non-specific maturity RM'000	Total RM'000
2016							
Financial liabilities							
Deposit from customers							
Savings deposits	3,089,746	-	-	-	-	-	3,089,746
Term deposits	2,897,116	1,059,228	90,347	18,928	-	-	4,065,619
Deposit and placement of banks and other financial institutions							
	1,686,572	-	-	-	-	-	1,686,572
Financing scheme funds							
Government	4,719	3,978	83,130	321,514	1,595,397	-	2,008,738
BNM	18,022	18,045	-	-	216,442	-	252,509
Other liabilities							
Government grants	-	-	-	-	-	825,087	825,087
Paddy credit gratuity scheme	-	-	-	-	-	2,275	2,275
	7,696,175	1,081,251	173,477	340,442	1,811,839	827,362	11,930,546
Financial liabilities							
Other payables	671	188,994	13,744	-	-	-	203,409
Total Liabilities	7,696,846	1,270,245	187,221	340,442	1,811,839	827,362	12,133,955

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 rates, equity prices, commodity prices, credit spreads and foreign exchange rates which are inherent in the investment portfolio. The market risk exposure for the Bank relates to all financial assets and liabilities held for investment in the banking book as well as for trading purposes. As the Bank's investment portfolio focuses on profit rate bearing assets and liabilities, movements/changes in profit rates in the market may pose major and significant risk to the fair value of 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 profit rates, equity prices, commodity prices, foreign exchange rates etc.

(iii) Management of market risk

The management of market risks, in particular the profit rate risk is governed by the MLRF 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 market rate risks, in particular the profit rate risk management which are reviewed on a regular basis. BRMC also oversees the effectiveness and compliance of those policies as well as approve new and revised existing 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 TD. MRMD acts as the middle office for investment and treasury related activities by executing risk governance and risk assessments on a regular basis. 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 including the compliance of limits approved by BRMC/Board.

For bank-wide market risk management, MRMD monitors the profit rate risk sensitivity through the Profit Rate Sensitivity Gap ("PRG"), Earnings at Risk ("EAR") and Duration Weighted Gap ("DWG") regularly and presents reports to ALCO every month. MRMD also signs off new product proposal papers and documents (together with other risk management units) for new products by incorporating relevant assessments and advice on market (and liquidity risks) prior to escalation to higher levels for BNM approval.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Market risk (cont'd)

(iv) Measurement of profit rate risk

The measurement of the Bank's exposures to profit rate risk is done through the following;

- **Sensitivity analysis**

Sensitivity analysis is 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 profit rates on sukuk prices.

- **Profit rate gap ("PRG") analysis**

Gap analysis is conducted to determine the gap between the Risk Sensitive Assets ("RSAs") and Risk Sensitive Liabilities ("RSLs") in relation to their sensitivity to profit rate movements in the market for any given period of time. The RSAs and RSLs are classified into predetermined buckets based on respective repricing modes which are either contractual or behavioural in nature and in particular to the movements of the Overnight Policy Rate ("OPR") announced by BNM. The gap between RSAs and RSLs for each bucket represents the amounts and percentages of the PRG. For the measurement of PRG, the Bank takes the position of all buckets within one year sukuk and matches it against the predetermined limit to reflect sensitivity to the movement in the Net Profit Income ("NPI") and capital. The Bank establishes a limit of +/-10% on the PRG to effectively mitigate profit rate risk. The non sensitive assets or liabilities which lack definite repricing intervals are assigned to buckets according to relevant judgment and past experience of the Bank.

- **Duration weighted gap ("DWG") analysis**

DWG analysis utilises 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 rates (the average term to repricing), and therefore reflects how changes in profit 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 rate movements for all buckets as per PRG with the incorporation of predetermined weights.

- **Earnings at risk ("EaR") analysis**

EaR analysis aims to quantify the impact on the projection of NPI in the event of an adverse change in prevailing profit rates for a period of 1 year, depending on profit rate sensitivity of the Bank (Asset Sensitive or Liability Sensitive). The Bank assumes a maximum 100 basis point rate movement as the worst case scenario.

- **Value at risk ("VaR") analysis**

The Bank has in place the VaR model in measuring profit 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. The Bank adopted the Historical Simulation Approach for 250 days with 99% confidence level and predetermined VaR limit.

- **Stress test analysis/Scenario analysis**

Stress testing/simulation analyses are done based on macro economic variables, particularly yield rates on sukuk values ("Duration") and "beta ratio on equity" as well as possibility of sukuk downgrading impact. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Market risk (cont'd)

(v) Profit Rate Risk

The table below summarises the Bank's exposure to profit 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- profit sensitive RM'000	Total RM'000	Effective Profit Rate
2017								
Financial assets								
Cash and short term funds	-	-	-	-	-	1,308,683	1,308,683	3.63%
Investment securities	-	-	-	-	-	4,404,253	4,404,253	4.11%
Financing and advances	7,846,833	45,812	92,410	90,246	52,934	1,481,668	9,609,903	6.48%
Other advances	-	-	-	-	-	60,596	60,596	
Other assets	-	-	-	-	-	72,398	72,398	
Total assets	7,846,833	45,812	92,410	90,246	52,934	7,327,598	15,455,833	
Financial liabilities								
Deposits from customers	7,431,100	69,388	28,567	60,322	-	-	7,589,377	2.65%
Deposit and placement of banks and other financial institutions	2,180,070	-	-	-	-	2,180,070	-	3.65%
Financing scheme funds	-	-	-	-	-	1,043,865	1,043,865	0.45%
Other liabilities	-	-	-	-	-	809,590	809,590	
Total financial liabilities	9,611,170	69,388	28,567	60,322	-	1,853,455	11,622,902	

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Market risk (cont'd)

(v) Profit Rate Risk (cont'd)

The table below summarises the Bank's exposure to profit 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- profit sensitive RM'000	Total RM'000	Effective Profit Rate
2016								
Financial assets								
Cash and short term funds	-	-	-	-	-	-	1,187,627	1,187,627
Investment securities	-	-	-	-	-	-	4,115,484	4,115,484
Financing and advances	6,770,351	58,358	74,545	173,513	53,934	1,600,240	8,730,941	4.27%
Other advances	-	-	-	-	-	84,934	84,934	6.58%
Other assets	-	-	-	-	-	57,795	57,795	
Total assets	6,770,351	58,358	74,545	173,513	53,934	7,046,080	14,176,781	
Financial liabilities								
Deposits from customers	6,944,704	15,738	67,840	16,624	-	-	7,044,906	2.63%
Deposit and placement of banks and other financial institutions	1,623,265	-	-	-	-	-	1,623,265	3.90%
Financing scheme funds	-	-	-	-	-	1,616,601	1,616,601	0.45%
Other liabilities	-	-	-	-	-	827,362	827,362	
Total financial liabilities	8,567,969	15,738	67,840	16,624	-	2,443,963	11,112,134	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Market risk (cont'd)

Profit rate sensitivity

The table below shows the impact of the Bank's profit after tax and equity to an up and down 100 basis point parallel rate shock:

	2017		2016	
	+100bp RM'000	-100bp RM'000	+100bp RM'000	-100bp RM'000
Impact on profit before tax	81,282	(81,282)	71,307	(71,307)
Impact on equity	222	(222)	135	(135)
	81,504	(81,504)	71,442	(71,442)

(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.

(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 ("ORMF") 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 Board through BRMC approves all policies in relation to operational risk management which are reviewed on a regular 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.

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2017 Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Operational risk (cont'd)

(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 in place and aligned 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.

- 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 at 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 2017

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 sukuk (which are classified as innovative tier 1 securities), retained earnings, translation reserve and non-controlling profits 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 financing.

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 an adequate buffer to support business expansion.

Capital allocation

Capital allocation 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 2017

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:

	2017 %	2016 %
Before deducting proposed dividend:		
Core capital ratio	24.94	24.88
Risk-weighted capital ratio	28.98	29.37
After deducting proposed dividend:		
Core capital ratio	24.71	24.69
Risk-weighted capital ratio	28.75	29.18

The capital adequacy ratio of the Bank as at 31 December 2017 has incorporated the market risk pursuant to the BNM Market Risk Capital Adequacy Framework which became effective on 1 April 2005.

Components of Tier I and Tier II capital

	2017 RM'000	2016 RM'000
Tier I capital		
Share capital	1,000,000	1,000,000
Statutory reserves	487,109	487,109
Retained earnings	1,337,112	1,184,458
Less: Deferred tax assets	(13,994)	(41,187)
Total Tier I capital	2,810,227	2,630,380
Tier II capital		
Collective impairment allowance ¹	159,622	177,322
Government Grants - Operating	24,505	26,044
Government Grants - Launching	4,144	6,046
Government Grants - Funds ²	267,326	264,886
Total Tier II capital	455,597	474,298
Total capital base	3,265,824	3,104,678

¹ The eligible amount for Tier II capital is only limited to collective impairment allowance on non-impaired financing and advances.

² The Government Grants - Funds exclude those grants relating to the fair valuation of financing scheme funds at below market rate amounting to RM511.35 million (2016: RM528.11 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

A. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Capital management (cont'd)

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%	3,233,564	-
20%	1,448,059	289,612
50%	33,492	16,746
100%	10,474,692	10,474,692
Off balance sheet risk-weighted assets	-	488,158
Total risk-weighted assets at 31 December 2017	15,189,807	11,269,208
0%	2,672,303	-
20%	1,425,701	285,140
50%	34,805	17,403
100%	9,805,295	9,805,295
Off balance sheet risk-weighted assets	-	462,941
Total risk-weighted assets at 31 December 2016	13,938,104	10,570,779

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.

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 2017

34. FINANCIAL INSTRUMENTS (cont'd)

B. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont'd)

(i) Financial assets and financial liabilities carried at fair value

Set out below, is a comparison by the class of the fair value of the Bank's financial instruments:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2017				
Financial assets				
Investment securities-AFS	168	4,403,792	-	4,403,960
2016				
Financial assets				
Investment securities-AFS	172	4,115,019	-	4,115,191

There were no transfers between Level 1 and Level 2 during the current and previous financial years.

(ii) Financial assets and financial liabilities at carrying amount

	2017	2016		
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Financing and advances	9,173,891	5,916,406	8,270,863	5,369,742
	9,173,891	5,916,406	8,270,863	5,369,742
Financial liabilities				
Deposits from customers	7,589,377	7,379,580	7,044,906	6,858,655
Deposit and placement of banks and other financial institutions	2,180,070	2,103,300	1,623,265	1,562,334
	9,769,447	9,482,880	8,668,171	8,420,989

The fair value of financing and advances, deposits from customers and deposit and placement of banks and other financial institutions are at Level 2 (2016: Level 2).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 - AFS

The fair values of private debt securities and Malaysian government investment issues are determined by reference to the market value of these instruments published by Bond Pricing Agency Malaysia (BPAM).

The fair values of equities securities are determined based on quoted price from Bursa Malaysia Securities Berhad.

(ii) Financing and advances

For fixed-rate financing with maturities within a year, financing and advances at variable rates, the estimated fair values approximate their respective carrying values.

For fixed-rate financing 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 financing to new customers with similar credit profiles, where applicable.

(iii) 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.

C. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

	AFS securities RM'000	Financial assets and liabilities at amortised cost RM'000	Total RM'000
2017			
Financial assets			
Cash and short term funds	-	1,308,683	1,308,683
Deposits with financial institutions	-	-	-
Investment securities	4,403,960	-	4,403,960
Financing and advances	-	9,173,891	9,173,891
	4,403,960	10,482,574	14,886,534
Financial liabilities			
Deposits from customers	-	7,589,377	7,589,377
Deposit and placement of banks and other financial institutions	-	2,180,070	2,180,070
Financing scheme funds	-	1,689,763	1,689,763
	-	11,459,210	11,459,210

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL INSTRUMENTS (cont'd)

C. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS (cont'd)

	AFS securities RM'000	Financial assets and liabilities at amortised cost RM'000	Total RM'000
2016			
Financial assets			
Cash and short term funds	-	1,187,627	1,187,627
Deposits with financial institutions	-	-	-
Investment securities	4,115,191	-	4,115,191
Financing and advances	-	8,270,863	8,270,863
	4,115,191	9,458,490	13,573,681
Financial liabilities			
Deposits from customers	-	7,044,906	7,044,906
Deposit and placement of banks and other financial institutions	-	1,623,265	1,623,265
Financing scheme funds	-	1,616,601	1,616,601
	-	10,284,772	10,284,772

35. SHARIAH NON COMPLIANT EVENT

(1) Nature of Non-Compliant ("SNC") Events

The Bank has put in place a sound Shariah governance framework to ensure strict adherence to Shariah requirements in its processes. A dedicated Shariah Committee ("SC") provides Shariah oversight on all material Shariah non-compliant risks across the Bank.

SNC event is a result of the Bank's failure to comply with the Shariah rules and principles determined by the relevant Shariah regulatory councils. Any transactions that are suspected to be Shariah non-compliant are reported to the SC for their deliberation and conclusion as to whether any Shariah requirements have been breached.

For the financial year ended 31 December 2017, the nature of Shariah non-compliance deliberated by SC were as follows:

Financing products

- (i) Cost of issuance of reminder letter previously charged to customer.

Deposit products

- (i) Customers are promised promotional items (gift) for Wadiah deposit account opening.
- (ii) Displaying indicative Hibah rates for Wadiah deposit products.

(2) Amount of Shariah non-compliant accounts and tainted income

Throughout the year of 2017, there were 3 accounts (2016: 21 accounts) as SNC events were reported to BNM. All of SNC events had been rectified and resolved within the year 2017

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MAKLUMAT CORPORATE

CORPORATE INFORMATION

LEMBAGA PENGARAH BOARD OF DIRECTORS

TAN SRI MOHAMAD ZABIDI ZAINAL

Pengerusi/Chairman
(Dilantik/Appointed:
29 Julai/July 2016)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

DATUK SERI DR. ISMAIL HAJI BAKAR

(Dilantik/Appointed:
1 Julai/July 2016)

Pengarah Bukan Bebas Bukan
Eksekutif

Non-Independent Non-Executive
Director

DATO' DR. YUSOF ISMAIL

(Dilantik/Appointed:
14 Disember/December 2016)

Pengarah Bukan Bebas Bukan
Eksekutif

Non-Independent Non-Executive
Director

DATO' DR. MOHAMAD HASHIM TAJUDIN

(Dilantik/Appointed:
3 Julai/July 2014)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

DATIN SETIA SHAHARIAH HASHIM

(Dilantik/Appointed:

1 Julai/July 2016)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

AZIZAH ABDUL RAHMAN

(Dilantik/Appointed:
1 Julai/July 2016)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

TUAN HAJI IBRAHIM HASSAN

(Dilantik/Appointed:
1 Mac/March 2017)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

FAIZAH ABDULLAH

(Dilantik/Appointed:
18 April/April 2017)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

DATO' WAN MOHD FADZMI

WAN OTHMAN
(Meletak jawatan/Resigned:
31 Ogos/August 2017)

Presiden/Ketua Pegawai Eksekutif
President/Chief Executive Officer

NG CHIH KAYE

(Meletak jawatan/Resigned:
30 Jun/June 2017)

Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

JAWATANKUASA LEMBAGA KREDIT & PELABURAN

BOARD CREDIT & INVESTMENT COMMITTEE

Pengerusi/Chairman
Ng Chih Kaye
(Meletak jawatan/Resigned: 30 Jun/June 2017)
Faizah Abdullah
(Dilantik/Appointed: 1 Julai/July 2017)

Ahli/Members
Dato' Dr. Mohamad Hashim Tajudin
Datin Setia Shahariah Hashim
Azizah Abdul Rahman
Tuan Haji Ibrahim Hassan

JAWATANKUASA LEMBAGA AUDIT

BOARD AUDIT COMMITTEE

Pengerusi/Chairman
Ng Chih Kaye
(Meletak jawatan/Resigned: 30 Jun/June 2017)
Azizah Abdul Rahman
(Dilantik/Appointed: 1 Julai/July 2017)

Ahli/Members
Dato' Dr. Mohamad Hashim Tajudin
Datin Setia Shahariah Hashim
Tuan Haji Ibrahim Hassan

JAWATANKUASA LEMBAGA PENGURUSAN RISIKO

BOARD RISK MANAGEMENT COMMITTEE

Pengerusi/Chairman
Dato' Dr. Mohamad Hashim Tajudin

Ahli/Members
Datin Setia Shahariah Hashim
Azizah Abdul Rahman
Tuan Haji Ibrahim Hassan
Faizah Abdullah

JAWATANKUASA PENCALONAN

NOMINATING COMMITTEE

Pengerusi/Chairman
Datin Setia Shahariah Hashim

Ahli/Members
Dato' Dr. Mohamad Hashim Tajudin
Azizah Abdul Rahman
Tuan Haji Ibrahim Hassan
Faizah Abdullah

JAWATANKUASA IMBUHAN

REMUNERATION COMMITTEE

Pengerusi/Chairman
Dato' Dr. Mohamad Hashim Tajudin

Ahli/Members
Datin Setia Shahariah Hashim
Azizah Abdul Rahman
Tuan Haji Ibrahim Hassan

JAWATANKUASA LEMBAGA TEKNOLOGI MAKLUMAT

BOARD INFORMATION TECHNOLOGY COMMITTEE

Pengerusi/Chairman
Tuan Haji Ibrahim Hassan

Ahli/Members
Dato' Dr. Mohamad Hashim Tajudin
Datin Setia Shahariah Hashim
Azizah Abdul Rahman

KUMPULAN PENGURUSAN KANAN

SENIOR MANAGEMENT TEAM

Dato' Wan Mohd Fadzmi Wan Othman
(Meletak jawatan/Resigned: 31 Ogos/August 2017)
Presiden/Ketua Pegawai Eksekutif
President/Chief Executive Officer

Masaat Awadz
(Dilantik/Appointed: 1 September/September 2016)
Penanggung Tugas Presiden/Ketua Pegawai Eksekutif
Covering Duties President/Chief Executive Officer

Kamarul Azman Bin Kamarozaman @ Amir
Timbalan Ketua Pegawai Kewangan
Deputy Chief Finance Officer

Khadijah Iskandar
Ketua Pegawai Risiko
Chief Risk Officer

Zahid Ahmad Zawawi
Ketua Pegawai Operasi
Chief Operations Officer

Mad Yusof Yazid
Ketua Pegawai Perkhidmatan
Chief Services Officer

Ahmad Shahril Mohd Shariff
Ketua Pegawai Perkhidmatan Kewangan
Chief Financial Services Officer

Mohamad Taufik Mahamad Zakaria
Pemangku Ketua Pegawai Transformasi
Acting Chief Transformation Officer

Jasni Mohamed Yusof
Ketua Pegawai Kredit
Chief Credit Officer

Abdul Khalif Mohammad Salleh
Ketua Pegawai Sumber Manusia
Chief Human Resource Officer

Zarina Nadzimuddin
Setiausaha Syarikat
Company Secretary

JAWATANKUASA SYARIAH

SHARIAH COMMITTEE

Pengerusi/Chairman
Prof. Madya Dr. Mohamed Fairooz Abdul Khir

Ahli/Members
Prof. Madya Dr. Atikullah Hj. Abdullah
Dr. Mohamad Sabri Zakaria
Tuan Haji Jahaidi @ Jahoidi Harun
Tuan Haji Azizi Che Seman
Y.M. Engku Ahmad Fadzil Engku Ali

STATUS KORPORAT

CORPORATE STATUS

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 (GLC) di bawah Menteri Kewangan Diperbadankan (MKD). 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 (MKD). However, funding for the agricultural sector is guided by policies set by the Ministry of Agriculture and Agro-Based Industry.

PEJABAT BERDAFTAR REGISTERED OFFICE

01
02
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05
06
Aras 3, Bangunan Agrobank
Leboh Pasar Besar
50726 Kuala Lumpur

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

IBU PEJABAT HEADQUARTERS

Bank Pertanian Malaysia Berhad
Bangunan Agrobank
Leboh Pasar Besar
50726 Kuala Lumpur
Tel: (603)-2731 1600
Laman web/website: www.agrobank.com.my

TARIKH DIPERBADANKAN DATE OF INCORPORATION

31 Mac 2008 di bawah Akta Syarikat 1965
31 March 2008 under the Companies Act 1965

Untuk maklumat lanjut, sila hubungi:
For more information, please contact:

- Pusat Panggilan/**Contact Centre**: 1300 88 2476
- E-mel/**E-mail**: customer@agrobank.com.my



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Report 2017**

DIREKTORI KORPORAT

CORPORATE DIRECTORY

PERLIS

AGROBANK SIMPANG EMPAT

Lot 1658, Mukim Kayang,
02700 Simpang Empat, Perlis
Tel : 04-9807 234 / 04-9807 763
Fax : 04-9807 807

AGROBANK KANGAR

No. 25, Jalan Indera Kayangan,
01000 Kangar, Perlis.
Tel : 04-9768 479 / 04-9768 477
Fax : 04-9768 482

AGROBANK KUALA PERLIS

No. 24 Jalan Besar
02000 Kuala Perlis, Perlis.
Tel : 04-9855 550 / 04-9851 215
Fax : 04-9855 778

KEDAH

AGROBANK NEGERI KEDAH/PERLIS

1518-A, Jln Tunku Ibrahim
Peti Surat 95
05710 Alor Star, Kedah.
Tel : 04-7332 708 / 04-7333 578
04-7333 260 / 04-7302 722
Fax : 04-7338 355

AGROBANK ALOR SETAR

1518-A, Jln Tunku Ibrahim, Peti Surat 95
05710 Alor Star, Kedah.
Tel : 04-7332 545 / 04-7332 558
04-7310 952
Fax : 04-7307 813

AGROBANK KODIANG

No. 81 E. Jalan Jitra
06100 Kodiang, Kedah
Tel : 04-9255 137 / 04-9255 166
Fax : 04-9255 896

AGROBANK GUAR CEMPEDAK

Lot 318, Jalan Yan
Pekan Guar Cempedak
08800 Guar Cempedak, Kedah.
Tel : 04-4686 280 / 04-4687 281
Fax : 04-4687 986

AGROBANK BALING

Blok B, Kompleks IADP
Daerah Baling
09100 Baling, Kedah.
Tel : 04-4701 342 / 04-4701 722
04-4704 628
Fax : 04-4702 333

AGROBANK LANGKAWI

No. 20 & 22, Jln. Pandak Mayah 4
Pusat Bandar Kuah
07000 Langkawi, Kedah.
Tel : 04-9666 931 / 04-9668 076
04-9662 990
Fax : 04-9666 830

AGROBANK SUNGAI PETANI

No. 12 & 13, Jln PPZ 1,
Pusat Perniagaan Zamrud
08000 Sungai Petani, Kedah.
Tel : 04-4218 608 / 04-4215 780
Fax : 04-4426 310

AGROBANK JITRA

No. 95A & B, Jalan PJ 3
Kompleks Pekan Jitra 2
06000 Jitra, Kedah.
Tel : 04-9170 120 / 04-9170 121
Fax : 04-9170 411

AGROBANK PENDANG

Tingkat bawah
Kompleks Perniagaan Majlis Daerah
Pendang
06700 Pendang, Kedah.
Tel : 04-7596 163 / 04-7596 446
Fax : 04-7596 458

AGROBANK SIK

No. 438, Jalan Tunku Ibrahim
08200 Sik, Kedah.
Tel : 04-4695 282 / 04-4695 059
Fax : 04-4695 775

AGROBANK KUALA NERANG

No. 4, Mukim Belimbing, Padang Terap
06300 Kuala Nerang, Kedah.
Tel : 04-7866 433 / 04-7868 334
Fax : 04-7866 390

AGROBANK KULIM

No. 4 Kompleks PKNK
Jalan Tengku Mohd Asaad
09000 Kulim, Kedah.
Tel : 04-4908 015 / 04-4908 017
Fax : 04-4908 016

PULAU PINANG

PEJABAT WILAYAH REGIONAL OFFICE: PULAU PINANG/KEDAH/PERLIS*

No. 51, Jalan Selat, Taman Selat
12000 Butterworth, Pulau Pinang
Tel : 04-3328 032 / 3328 059 / 3328 064
Fax : 04-3331 026

AGROBANK BUTTERWORTH

No. 49, Jalan Selat
Taman Selat 12000
Butterworth, Pulau Pinang.
Tel : 04-3314 539 / 3314 540
Fax : 04-3316 923

AGROBANK KEPALA BATAS

No. 1 & 3, Jalan Bertam
13200 Kepala Batas, Pulau Pinang.
Tel : 04-5751 422 / 5755 906
Fax : 04-5755 232

AGROBANK BAYAN BARU

No. 16 & 18 Jalan Tengah
Taman Sri Tunas
11900 Bayan Baru, Pulau Pinang.
Tel : 04-6443 604 / 6452 395 / 6464 579
Fax : 04-6446 052 / 6452395

AGROBANK NIBONG TEBAL

No. 1695 & 1696 Jalan Besar
14300 Nibong Tebal, Pulau Pinang.
Tel : 04-5931 144 / 5933 451
Fax : 04-5933 992

AGROBANK BALIK PULAU

No. 858-E, Jalan Besar, Taman Seri Indah
11000 Balik Pulau, Pulau Pinang.
Tel : 04-8660 912 / 8666 021
Fax : 04-8660 686

AGROBANK BUKIT MERTAJAM

No. 3341 & 3342
Jalan Pusat Perniagaan 1
Pusat Perniagaan Alma,
14000 Bukit Mertajam, Pulau Pinang.
Tel : 04-5512 300 / 5512 301
Fax : 04-5512 302

AGROBANK TASEK GELUGOR

Lot 7, No. 3025, Jalan Hashim Awang
Taman Gelugor Indah
13300 Tasek Gelugor
Seberang Perai Utara, Pulau Pinang.
Tel : 04-5733832 / 04-5732775
Fax : 04-5731981

AGROBANK BATU MAUNG

No. 21-1, Lintang Batu Maung 1
11960 Bayan Lepas, Pulau Pinang.
Tel : 04-6264150
Fax : 04-6262517

DIREKTORI KORPORAT

CORPORATE DIRECTORY

AGROBANK PENANTI

No. 15, Jalan Penanti 1
Taman Penanti
14000 Bukit Mertajam.
Tel : 04-5213 651
Fax : 04-5212 258

AGROBANK TELUK BAHANG

48-0-6, Jalan Hassan Abbas
11050 Teluk Bahang
Tel : 04-8852 657
Fax : 04-8851 640

PERAK

PEJABAT WILAYAH REGIONAL OFFICE: PERAK*

No. 15 & 17, Tingkat 2 & 3
Persiaran Greentown 5
Pusat Perdagangan Greentown
30450 Ipoh, Perak.
Tel : 05-2559 380 / 2559 394 /
2559 964
Fax : 05-2423 518

AGROBANK IPOH

No. 15 & 17, Ting. Bawah & 1
Persiaran Greentown 5
Pusat Perdagangan Greentown
30450 Ipoh, Perak.
Tel : 05-2548 742 / 2540 840 /
2556 094
Fax : 05-2424 715

AGROBANK TELUK INTAN

No. 42, Medan Mahkota
Jalan Pasar
36000 Teluk Intan, Perak.
Tel : 05-6222 644 / 6226 816 /
6218 400
Fax : 05-6215 986 / 6229 489

AGROBANK BAGAN SERAI

No. 106 & 108, Jalan Besar
34300 Bagan Serai, Perak.
Tel : 05-7215 377 / 7215 376 /
721 2376
Fax : 05-721 2 414 / 721 2601

AGROBANK PANTAI REMIS

No. 2190, Jalan Besar
34900 Pantai Remis, Perak.
Tel : 05-6771 725 / 6772 352
Fax : 05-6771 892

AGROBANK KUALA KANGSAR

No. K6 & K7, Jalan Bendahara
Bandar Baru
33000 Kuala Kangsar, Perak.
Tel : 05-7761 155 / 7763 149 /
7766 682
Fax : 05-7762 922

AGROBANK SITIAWAN

No. 109 & 110, Taman Sejati 2
Jalan Lumut
32000 Sitiawan, Perak.
Tel : 05-6917 490 / 6917 487 /
6924 540
Fax : 05-6917 061

AGROBANK TAIPING

No. 37, Ting. Bawah dan Satu
Market Square
34000 Taiping, Perak.
Tel : 05-8089 834 / 8089 835
Fax : 05-8089 837

AGROBANK SRI ISKANDAR

No. 95A & B, Jalan PJ 3
No. 8, Persiaran Dataran 1, Bandar Sri
Iskandar
32600 Sri Iskandar, Perak.
Tel : 05-3712 743 / 3712 745
Fax : 05-3712 744

AGROBANK KAMPAR

No. 46, Jalan Balai
31900 Kampar, Perak.
Tel : 05-4666 009 / 4666 010
Fax : 05-4666 016

AGROBANK GERIK

No. 109, Jalan Takong Datok
33300 Gerik, Kedah.
Tel : 05-7913 640 / 7913 655
Fax : 05-7913 641

AGROBANK TAPAH

No. 53-B Jalan Besar
35000 Tapah, Perak.
Tel : 05-4014 600 / 4014 601
Fax : 05-4014 602

AGROBANK SEBERANG PERAK

Tingkat Bawah, Bangunan FELCRA
Berhad
Bandar Seberang Perak
36800 Kampung Gajah, Perak.
Tel : 05-6551 089 / 6551 469 /
6551 255
Fax : 05-6551 090

AGROBANK SLIM RIVER

No. 10, Jalan Ahmad Boestaman
35800 Slim River, Perak.
Tel : 05-4528 074 / 4528 067
Fax : 05-4520 090

AGROBANK SELAMA

No. 69, Jalan Besar
34100 Selama, Perak.
Tel : 05-8395 250 / 8395 251
Fax : 05-8395 252

AGROBANK TANJONG MALIM

No. 60, Jalan Besar
35900 Tanjung Malim, Perak.
Tel : 05-4598 800 / 4598 801
Fax : 05-4598 804

AGROBANK PARIT

Lot 779, Jalan Kelab
32800 Parit, Perak.
Tel : 05-3771 306 / 3771 902
Fax : 05-3773 392

AGROBANK LENGGONG

No. A-4, Plaza Lenggong
33400 Lenggong, Perak.
Tel : 05-7678 828
Fax : 05-7678 849

AGROBANK KAMPUNG GAJAH

No. 13 & 14, Bangunan UMNO,
Jalan Besar
36800 Kampung Gajah, Perak.
Tel : 05-6311 788 / 6311 570 /
6312 658
Fax : 05-6312 403

AGROBANK PARIT BUNTAR

No. 1, Jalan Shah Bandar, Pusat Bandar
34200 Parit Buntar, Perak.
Tel : 05-7164 121
Fax : 05-7164 457

AGROBANK RTC GOPENG

Lot E08-E10 Pasar Utama
Komplek Terminal Agribisnes Negara
(TEMAN), Kawasan Perindustrian
Gopeng
2, KM16, Jalan Gopeng,
31600 Gopeng, Perak.
Tel : 05-3571 972 / 3572 548
Fax : 05-3572 553

AGROBANK PULAU PANGKOR

No. 9, Jalan Besar
32300 Pulau Pangkor, Perak.
Tel : 05-6852 281
Fax : 05-6854 318

AGROBANK CHANGKAT KRUING

No. 248, Jalan Besar
32500 Changkat Kruing, Perak.
Tel : 05-6752 104
Fax : 05-6752 105

PUSAT PEMBIAYAAN KOMERSIAL COMMERCIAL FINANCING CENTRE HUTAN MELINTANG**

No 7, Ground Floor, Lorong Lagenda 1
Medaniga Lagenda
36400 Hutan Melintang, Perak.
Tel : 05-641 3752 / 05-6413 654
05-6413 680 / 05-6413 598
Fax : 05-6413 598

SELANGOR

PEJABAT WILAYAH REGIONAL OFFICE:

SELANGOR/NEGERI SEMBILAN/ KUALA LUMPUR*

No. 3 - 5, Pusat Dagangan UMNO
Shah Alam, Persiaran Damai, Seksyen 11
40100 Shah Alam, Selangor.
Tel : 03-5510 4268 / 03-5512 4667
03-5519 3537
Fax : 03-5510 6740

PEJABAT CAC SELANGOR/NEGERI SEMBILAN/ KUALA LUMPUR/MELAKA/JOHOR

Lot 7 Persiaran Institusi
4300 Kajang, Selangor.
Tel : 03-8925 9044 / 03-8925 9045
03-8925 9043 / 03 - 8925 9042
Fax : 03-8925 8228

AGROBANK SHAH ALAM

No. 3-1, Pusat Dagangan UMNO Shah
Alam, Persiaran Damai, Seksyen 11
40000 Shah Alam, Selangor.
Tel : 03-5519 8250 / 5519 8433
Fax : 03-5519 9017

AGROBANK TANJUNG KARANG

Lot 131, Jalan Bomba
45500 Tanjung Karang, Selangor.
Tel : 03-3269 8084 / 3269 8052
Fax : 03-3269 8100

AGROBANK BANTING

123 & 125 Jalan Sultan Abdul Samad
42700 Banting, Selangor.
Tel : 03-3187 2552 / 3187 1558
3181 7099
Fax : 03-3187 3080

AGROBANK KUALA KUBU BARU

No. 38, Jalan Dato' Hj. Kamarudin
44000 Kuala Kubu Baru, Selangor.
Tel : 03-6064 1775 / 6064 1779
Fax : 03-6064 1815

AGROBANK SUNGAI BESAR

Lot 4746 & 4747, Jalan Sungai Limau
45300 Sungai Besar, Selangor.
Tel : 03-3224 2522 / 3224 2902
3224 3192
Fax : 03-3224 1717

AGROBANK KLANG

No. 7, Lorong Batu 3, Kawasan 18
41300 Klang, Selangor.
Tel : 03-3342 8212 / 3341 0662
3343 6584
Fax : 03-3342 8203

AGROBANK KAJANG

No. 2-G & 2-1, Reko Sentral
Jalan Reko Sentral 4
Off Jalan Reko
43000 Kajang, Selangor.
Tel : 03-8736 6337 / 03-8736 6364
8736 9425
Fax : 03-8736 6471

AGROBANK SEKINCHAN

No. 50 & 50A, Jalan Menteri Besar 1
Sekinchan Business Centre
45400 Sekinchan, Selangor.
Tel : 03-3241 0326 / 3241 3796
Fax : 03-3241 0307

AGROBANK SUNGAI BULOH

Lot 2380 Jalan 1A/1
Bandar Baru Sungai Buloh
47000 Sungai Buloh, Selangor.
Tel : 03-6156 7207 / 6156 7208
Fax : 03-6156 7209 / 6140 1531

AGROBANK SALAK TINGGI

No. E 061 & E 071, Block No. E
Phase 1B, Cosmoplex Salak Tinggi
43900 Sepang, Selangor.
Tel : 03-8706 2153 / 8706 2154
Fax : 03-8706 3032

AGROBANK TELUK PANGLIMA GARANG

168, Jalan Utama 2, Taman Jaya Utama
42500 Teluk Panglima Garang, Selangor.
Tel : 03-3122 0980 / 3122 0982
Fax : 03-3122 0984

AGROBANK KUALA SELANGOR

No. 23 & 25, Jalan Yu 1
Taman Yu, Sungai Buloh
45800 Jeram, Selangor.
Tel : 03-3264 8620 / 3264 7704
Fax : 03-3264 8096

AGROBANK SUBANG JAYA

No. 79, Jalan SS 19/6
47500 Subang Jaya , Selangor.
Tel : 03-5632 9578 / 5632 9579
Fax : 03-5632 0856

AGROBANK SABAK BERNAM

No. 82A & 83A, Jalan Menteri,
45200 Sabak Bernam, Selangor.
Tel : 03-3216 2673 / 3216 2488
Fax : 03-3216 2566

AGROBANK SEMENYIH

No 11-G & 11-1
Jalan Semenyih Sentral 1
Taman Semenyih Sentral
43500 Semenyih, Selangor.
Tel : 03-8723 0655 / 8723 3581
Fax : 03-8723 4316

AGROBANK AMPANG POINT

92, Jalan Memanda 2
Ampang Point
68000 Ampang.
Tel : 03-4252 2960 / 03-4252 3827
Fax : 03-4252 5185

KUALA LUMPUR

AGROBANK KUALA LUMPUR

Tingkat 1, Lebuh Pasar Besar
Peti Surat 13013
50796 Kuala Lumpur.
Tel : 03-2691 2754 / 03-2692 2362
Fax : 03-2691 4599

AGROBANK SELAYANG

No. 141, Jalan 2/3A
Pusat Bandar Utara
68100 Batu Caves, Kuala Lumpur.
Tel : 03-6136 9469 / 03-6136 8453
Fax : 03-6136 0410

AGROBANK BANDAR TASIK SELATAN

No. 27G & 29G, Jalan 8/146
Bandar Tasik Selatan
57100 Kuala Lumpur.
Tel : 03-9056 5700 / 03-9056 5900
Fax : 03-9056 1200

AGROBANK CHERAS

No. 65 & 65-1, Jalan Dwitasik 1
Dataran Dwitasik, Bandar Sri Permaisuri
56000 Kuala Lumpur.
Tel : 03-9173 2389 / 03-9173 2387
Fax : 03-9173 2385

AGROBANK GREENWOOD

SH 25, Jalan 7,
Taman Greenwood
68100 Batu Caves.
Tel : 03-6186 8613 / 03-6186 8614
Fax : 03-6186 8615

AGROBANK PUTRAJAYA

Business Development Centre (BDC)
Kementerian Pertanian & Industri
Asas Tani
Wisma Tani, Lot 4G1, Presint 4
Pusat Pentadbiran Kerajaan Persekutuan
62624 Putrajaya.
Tel : 03-8870 1790 / 03-8870 1790

RANGKAIAN JUALAN ALTERNATIF

ALTERNATIVE SALES CHANNEL

Agrobank Consumer Banking Department
Disbursement Section
3rd Floor, 92 Jalan Mamanda 2
Ampang Point, 68000 Selangor.
Tel : 03 - 4259 7231 /
03 - 4259 7200

DIREKTORI KORPORAT
CORPORATE DIRECTORY

NEGERI SEMBILAN

AGROBANK SEREMBAN

Blok 13-G, Seremban City Centre
Jalan Pasar Besar
70000 Seremban, Negeri Sembilan.
Tel : 06-7639 541 / 7624 875
Fax : 06-7628 152

AGROBANK PORT DICKSON

No. 925, Jalan Lama
71000 Port Dickson, Negeri Sembilan.
Tel : 06-6473 427 / 6474 107
Fax : 06-6475 324

AGROBANK KUALA PILAH

Lot 3 & 4, Jalan Raja Melewar
72000 Kuala Pilah, Negeri Sembilan.
Tel : 06-4811 251 / 4814 251 /
4843 911
Fax : 06-4814 727

AGROBANK KUALA KLawANG

No. 204, Jalan Pertang
71600 Kuala Klawang, Negeri Sembilan.
Tel : 06-6136 433 / 6137 375
Fax : 06-6137 595

AGROBANK NILAI

PT 4698 Jalan TS 1/1
Taman Semarak
71800 Nilai, Negeri Sembilan.
Tel : 06-7993 455 / 7993 473
Fax : 06-7993 480

AGROBANK BAHAU

No. 18 & 19 Jalan Kiara 1
Pusat Perniagaan Kiara
72100 Bahau, Negeri Sembilan.
Tel : 06-4543 352 / 06-4546 508
06-4549 518 / 06-4549 513
Fax : 06-4544 690

AGROBANK PASIR PANJANG

No. 54, Jalan Besar
71250 Pasir Panjang
Port Dickson, Negeri Sembilan.
Tel : 06-6619 920 / 6610 379
Fax : 06-6610 360

AGROBANK SIMPANG DURIAN

No. 15, Pekan Desa Permai
72400 Simpang Durian
Negeri Sembilan.
Tel : 06-4914 633
Fax : 06-4914 009

JOHOR

AGROBANK NEGERI JOHOR (UNIT CREDIT)

RECOVER CENTRE MELAKA & JOHOR)
No. 66 Susur 1, Jalan Tun Abdul Razak
Kompleks Medan Cahaya
80000 Johor Bahru, Johor.
Tel : 07-2279 576 / 2247 788 /
2237 201 / 2237 202
Fax : 07-2237 377

AGROBANK JOHOR BAHRU

No. 30 & 32, Jln Padi Emas 6/1
Bandar Baru Uda, 81200
Johor Bahru, Johor.
Tel : 07-2344 761 / 07-2344 762
Fax : 07-2344 751 / 07-2344 759

AGROBANK MUAR

No. 63-1, Jalan Ali
84000 Muar, Johor.
Tel : 06-9523 446 / 9515 625
Fax : 06-9511 400

AGROBANK BATU PAHAT

No. 4 & 5, Jalan Mengkudu
Taman Makmur
83000 Batu Pahat, Johor.
Tel : 07-4342 182 / 4348 281
Fax : 07-4310 202

AGROBANK SEGAMAT

No. 52, Jalan Susur Genuang
Kg. Abdullah
85000 Segamat, Johor.
Tel : 07-9312 346 / 9312 327
Fax : 07-9321 046

AGROBANK PONTIAN

No. 660-1, Jalan Taib
Wisma Rokijah
82000 Pontian, Johor.
Tel : 07-6871 955 / 6871 958
Fax : 07-6874 290

AGROBANK RENGIT

No. 75 & 76, Jalan Besar
83100 Rengit, Johor.
Tel : 07-4241 304 / 4242 523
Fax : 07-4242 367

AGROBANK KOTA TINGGI

No. 16 & 18, Jalan Niaga 2
Pusat Perdagangan Kota Tinggi
81900 Kota Tinggi, Johor.
Tel : 07-8832 042 / 8833 471
Fax : 07-8831 050

AGROBANK MERSING

No. 74, Jalan Ismail
86800 Mersing, Johor.
Tel : 07-7991 434 / 7992 988
Fax : 07-7994 022

AGROBANK KLUANG

No. 60, Jalan Duku
86000 Kluang, Johor.
Tel : 07-7722 436 / 7721 800
Fax : 07-7736 170

AGROBANK LABIS

No. 92 & 94, Jalan Segamat
85300 Labis, Johor.
Tel : 07-9254 417 / 9254 418
Fax : 07-9254 416

AGROBANK BUKIT GAMBIR

No. 1, Jalan Gambir 5
Bandar Baru Bukit Gambir
84800 Ledang, Johor.
Tel : 06-9762 305 / 9762 315
Fax : 06-9762 084

AGROBANK KULAI

No. 23, Jalan Putra 1
Bandar Putra
81000 Kulai Jaya, Johor.
Tel : 07-6639 863/07-6624 553
Fax : 07-6639 866

AGROBANK SIMPANG RENGGAM (KIOSK)

No. 5, Jalan Kijang
Taman Mohd Yassin
86200 Simpang Renggam, Johor.
Tel : 07-7559 890 / 7558 600
Fax : 07-7558 304

AGROBANK TANGKAK

No. 3A & 5, Jalan Muar
Pusat Perniagaan Naib Long
84900 Tangkak, Johor.
Tel : 06-9786 401 / 9786 402
Fax : 06-9786 400

AGROBANK PARIT YUSOF

No.2-B Jalan Pekan Baru 1
Pusat Perniagaan Parit Yusof
83610 Muar, Johor
Tel : 07-4163 479
Fax : 07-4161 588

AGROBANK FELDA TENGGAROH

No. 1A, Bangunan IKS
Bangunan Tenggaroh 2
86810 Mersing, Johor.
Tel : 07-7911 045 / 7911 090
Fax : 07-7911 143

01

02

03

04

05

06 Maklumat Tambahan
Additional Information

AGROBANK PAGOH

No. 163-3, Tingkat Bawah, Jalan Sekolah
Pekan Pagoh, 84600 Muar, Johor.
Tel : 06-9746 322 / 06-9746 351
Fax : 06-9746 412

MELAKA**PEJABAT WILAYAH REGIONAL OFFICE:****MELAKA/JOHOR***

Agrobank Melaka
Tingkat 4, Jalan Hang Tuah
75300 Melaka.
Tel : 06-2824 912 / 2829 912 / 2822 912
2827 912
Fax : 06-2821 912

AGROBANK MELAKA

Jalan Hang Tuah
75300 Melaka.
Tel : 06-2844 537 / 2844 519
Fax : 06-2839 754

AGROBANK ALOR GAJAH

No. 1, Kompleks Perniagaan
78000 Alor Gajah, Melaka.
Tel : 06-5562 600 / 5562 719
Fax : 06-5565 327

AGROBANK JASIN

JA 1763, Bandar Baru Jasin
77000 Jasin, Melaka.
Tel : 06-5295 324 / 5293 413 / 5296 091
Fax : 06-5295 325

AGROBANK MERLIMAU

Lot JC 108, Jalan BMU 2,
Bandar Baru Merlimau Utara,
77300 Merlimau, Melaka.
Tel : 06-2633 587 / 2633 615
Fax : 06-2633 622

PAHANG**PEJABAT WILAYAH REGIONAL OFFICE:****PAHANG***

Tingkat 1, No. 57, Jalan Tun Ismail
25000 Kuantan, Pahang.
Tel : 09-5156 842 / 5156 933 / 5150 243
Fax : 09-5157 524

AGROBANK KUANTAN

No. 57, Jalan Tun Ismail
25000 Kuantan, Pahang.
Tel : 09-5158 164 / 5156 853
Fax : 09-5156 768

AGROBANK KUALA ROMPIN

No.20 Bandar Baru,
26800 Kuala Rompin, Pahang.
Tel : 09-4145 343 / 4145 122
Fax : 09-4145 192

AGROBANK RAUB

No. 43, Jalan Dato Abdullah
27600 Raub, Pahang.
Tel : 09-3551 750 / 3553 780
Fax : 09-3555 099

AGROBANK TEMERLOH

F- 58, Jalan Tok Muda Awang Ngah,
Bandar Baru, 28000 Temerloh
Pahang.
Tel : 09-2961 877 / 2961 231
09-2960 361 (Talian BM)
Fax : 09-2963 851

AGROBANK KUALA LIPIS

No. 95A & 95B, Lot 95,
Bandar Baru Seberang Jelai,
27200 Kuala Lipis, Pahang.
Tel : 09-3126 694 / 3126 695
Fax : 09-3126 790

AGROBANK TRIANG

No 36, Jalan Dagangan 7,
Pusat Dagangan Triang,
28300 Triang, Pahang.
Tel : 09-2558 570 / 2557 696 / 2557 699
Fax : 09-2551 114

AGROBANK MARAN

No. 49, Bangunan LKNP,
Jalan Bandar Baru,
26500 Maran, Pahang.
Tel : 09-4771 591 / 4771 743
Fax : 09-4771 066

AGROBANK BANDAR TUN RAZAK

KTR- 007 & 008 Kedai Dara
26900 Bandar Tun Razak
Pahang.
Tel : 09-4458 398 / 09-4771 743
Fax : 09-4458 399

AGROBANK BENTONG

No. 49 Jalan Loke Yew
28700 Bentong, Pahang.
Tel : 09-2221 178
Fax : 09-2226 086

AGROBANK JERANTUT

Lot 1 Seksyen 1, Bangunan Yayasan
Pahang, 27000 Jerantut
Pahang.
Tel : 09-2662 966 / 2668 053 / 2667 962
Fax : 09-2662 554

AGROBANK PEKAN

No. 1, Lorong Perdagangan 1
Pusat Perdagangan
Jalan Engku Muda Mansor
26600 Pekan, Pahang.
Tel : 09-4222 722 / 09-4222 922
Fax : 09-4222 022

AGROBANK JENGKA

Lot 8&9, Lorong Baiduri, Nadi Kota
26400 Bandar Jengka, Pahang.
Tel : 09-4663 942
Fax : 09-4663 941

AGROBANK SUNGAI RUAN

No. 573, Jalan Besar
27500 Sungai Ruan, Pahang.
Tel : 03-3689 062
Fax : 03-3686 312

AGROBANK SRI JAYA

No. 11, Taman Mas
Kampung Sri Jaya
26500 Maran, Pahang.
Tel : 09-4789 859
Fax : 09-4789 859

AGROBANK KUALA KRAU

No. 14 Jalan Besar
Kuala Krau
28050 Temerloh, Pahang
Tel : 09-2861 588 / 09-2861 129
Fax : 09-2861 309

AGROBANK MENTAKAB

No. 129 Jalan Temerloh
28400 Mentakab, Pahang.
Tel : 09-2779 740
Fax : 09-2779 742

AGROBANK CHEROH

No. 2, Gerai Majlis Daerah
27620 Raub, Pahang.
Tel : 09-3697 820
Fax : 09-3697 185

AGROBANK TRAS

No. 27, Jalan Besar
27600 Raub, Pahang.
Tel : 09-3615 590
Fax : 09-3615 700

AGROBANK LANCHANG

No. 32, Jln Dato' Syed Abdullah 1
28500 Lanchang, Pahang.
Tel : 09-2803 167
Fax : 09-2803 168

AGROBANK CAMERON HIGHLANDS

No. 54A & B, Persiaran Camelia 3
Bandar Baru Tanah Rata
39000 Tanah Rata
Cameron Highlands, Pahang
Tel : 05-4912 500 / 05-4912 563
Fax : 05-4912 863

DIREKTORI KORPORAT

CORPORATE DIRECTORY

PUSAT PEMBIAYAAN KOMERSIAL COMMERCIAL FINANCING CENTRE KAMPUNG RAJA **

No.54, Ground Floor
Jalan PPC Corina Business Centre
39010 Kampung Raja
Cameron Highlands, Pahang.
Tel : 05-4981 540 / 05-4981 440
05-4981 300 / 05-4981 263
Fax : 05-4981263

TERENGGANU

PEJABAT WILAYAH REGIONAL OFFICE: TERENGGANU/KELANTAN*

No. 106, Jalan Sultan Ismail
20200 Kuala Terengganu
Terengganu.
Tel : 09-6222 408 / 6222 508
Fax : 09-6224 139

AGROBANK KUALA TERENGGANU

No. 106, Jalan Sultan Ismail
20200 Kuala Terengganu
Terengganu.
Tel : 09-6222 044 / 6222 126 /
6220 139
Fax : 09-6220 479

AGROBANK DUNGUN

K-42, Jalan Haji Zainal Abidin
23000 Dungun, Terengganu.
Tel : 09-8481 146 / 8482 127
Fax : 09-8483 698

AGROBANK JERTEH

Lot 182, Jalan Tuan Hitam
22000 Jerteh, Terengganu.
Tel : 09-6971 261 / 6971 443 /
6972 400
Fax : 09-6972 196

AGROBANK KEMAMAN

No. KCP 55, Jalan Lebai Saras
Business Centre Point
24000 Kemaman, Terengganu.
Tel : 09-8593 455 / 8593 254
Fax : 09-8595 757

AGROBANK KUALA BERANG

No. 344 Jalan Besar
21700 Kuala Berang, Terengganu.
Tel : 09-6811 434 / 6811 433 /
6813 419
Fax : 09-6811 806

AGROBANK CENEH BARU

No. 3, Bandar Baru Ceneh
24000 Kemaman, Terengganu.
Tel : 09-8730 454 / 09-8730 578
Fax : 09-8730 461

AGROBANK BUKIT PAYONG

PT92, Perkedaian Bukit Payong,
Fasa 2, 21400 Marang, Terengganu.
Tel : 09-6191 006 / 09-6191 925
Fax : 09-6190 934 / 6191 811

AGROBANK BANDAR PERMAISURI

No. 3 Tingkat Bawah, Bangunan MDS
22100 Setiu, Terengganu.
Tel : 09-6099 735
Fax : 09-6099 162

AGROBANK MARANG

Lot 2, Rumah Kedai MARA
21600 Marang, Terengganu.
Tel : 09-6182 771 / 6183 477
Fax : 09-6182 809

AGROBANK KUALA BESUT

PT 2833, Rumah Kedai
Jalan Semarak
22300 Kuala Besut, Terengganu.
Tel : 09-6974 885
Fax : 09-6904 936

KELANTAN

AGROBANK NEGERI KELANTAN

Tingkat 2, Seksyen 12
Jalan Padang Garong
15000 Kota Bharu, Kelantan.
Tel : 09-7487 684 / 7481 295 /
7476 733
Fax : 09-7471 521

AGROBANK KOTA BHARU

Seksyen 12, Jalan Padang Garong
15000 Kota Bharu, Kelantan.
Tel : 09-7481 211 / 7440 134 /
7462 616
Fax : 09-7462 143

AGROBANK KUALA KRAI

Lot 1520, Jalan Tengku Zainal Abidin
18000 Kuala Krai, Kelantan.
Tel : 09-9666 116 / 9663 436
Fax : 09-9660 634 / 9663 349

AGROBANK PASIR PUTEH

2988-B, Lot 471, Jalan Sekolah Keb.
Lelaki
16800 Pasir Puteh, Kelantan.
Tel : 09-7867 311 / 7866 258
Fax : 09-7867 130

AGROBANK BACHOK

Lot 294, Bandar Bachok
16300 Bachok, Kelantan.
Tel : 09-7788 393 / 7788 804
Fax : 09-7789 977 / 7788 807

AGROBANK PASIR MAS

Lot 308, 128 & 129, Jalan Pasir Pekan
17000 Pasir Mas, Kelantan.
Tel : 09-7909 098 / 7900 544
Fax : 09-7900 688

AGROBANK TANAH MERAH

Lot 219 & 220, Jalan Hospital
17500 Tanah Merah, Kelantan.
Tel : 09-9556100 / 9557 287
Fax : 09-9556 169

AGROBANK JELI

Lot PT 1527 Jalan Kuala Balah
17600 Bandar Baru Jeli, Kelantan.
Tel : 09-9440 252 / 9440 886
Fax : 09-9440 469

AGROBANK GUA MUSANG

PT 8288 & 8289, Wisma Galas
18300 Gua Musang, Kelantan.
Tel : 09-9122 542 / 9122 244
Fax : 09-9122 949

AGROBANK KUBANG KERIAN

PT 1662 & PT 1663, Bangunan Yakin
Jalan Raja Perempuan Zainab II
(Hadapan Pasaraya Mydin)
Kubang Kerian
16150 Kota Bharu, Kelantan.
Tel : 09-7640 532 / 7640 533 /
7640 630
Fax : 09-7640 529

AGROBANK RTC KOTA BHARU

No 7, Ground Floor, Lorong Lagenda 1
Rural Transformation Centre
Lot Bank 2, Aras G, Pejabat
Pentadbiran
TEMAN, Lot 3309, Batu 4
Lebuhraya Pasir Mas-Selor
15150 Kota Bharu, Kelantan.
Tel : 09-7433 067 / 7433 271 /
7744 303
Fax : 09-7433354

AGROBANK TUMPAT

No. 127 Jalan Hulu Pasar
16200 Tumpat, Kelantan.
Tel : 09-7258 279
Fax : 09-7258 278

AGROBANK RANTAU PANJANG

PT 199 Kompleks Perkedaian Baru
17200 Rantau Panjang, Kelantan.
Tel : 09-7950 520 / 7950 877
Fax : 09-7950 160

AGROBANK MACHANG

Lot PT(B) 145, Jalan Pasir Puteh
Bandar Baru
18500 Machang, Kelantan.
Tel : 09-9753 391
Fax : 09-9751 480

AGROBANK JELAWAT

PT 94, Pekan Jelawat
16370 Bachok, Kelantan.
Tel : 09-7783 075
Fax : 09-7780 957

SABAH**PEJABAT WILAYAH REGIONAL OFFICE
CENTRE SABAH***

Tingkat 2, No. 135 Jalan Gaya,
Beg Berkunci 145
88994 Kota Kinabalu, Sabah.
Tel : 088-288 237 / 288 228 / 288 211
267071
Fax : 088-288222

AGROBANK KOTA KINABALU

No. 135, Jalan Gaya, Beg Berkunci 145
88994 Kota Kinabalu, Sabah.
Tel : 088-288 288 / 288 283 / 288 200
288 285
Fax : 088-288 280

AGROBANK TAWAU

No. 7 Block N, Jalan Dunlop
Bandar Sabindo, Peti Surat 60157
91011 Tawau, Sabah.
Tel : 089-773 222 / 773 291 / 773 294
770 202
Fax : 089-765 677

AGROBANK SANDAKAN

Menara Rickoh, Tingkat bawah
Indah Commercial Complex
Bandar Indah, Mile 4 North Road
90715 Sandakan, Sabah.
Tel : 089-275 958 / 275 524
Fax : 089-216 705

AGROBANK KENINGAU

Block D, Lot 1, Keningau Plaza
Peti Surat No. 2065
89009 Keningau, Sabah.
Tel : 087-334 353 / 333 373 / 331 353
Fax : 087-332 487

AGROBANK LAHAD DATU

Block 4, Lot 1 (Grd & 1st floor) at I-Peak
Business Centre, Off Jalan Lahad
Datu-Tungku, 91100 Lahad Datu
Sabah.
Tel : 089-882 561 / 089-882 562
089-881 659
Fax : 089-882 291

AGROBANK KOTA BELUD

Lot 3 & 4, Blok E, Pekan Baru
89150 Kota Belud, Sabah.
Tel : 088-977 141 / 975 125 / 975 137
975 145
Fax : 088-977 152

AGROBANK BEAUFORT

Lot 13 & 13A, Ground & First Floor, Blok B
New Beaufort Jaya, Peti Surat 506
89800 Beaufort, Sabah.
Tel : 087-201 301 / 201 305 / 201 303
201 306
Fax : 087-201 302

AGROBANK KOTA MARUDU

Blok D, Lot 22 Pekan Baru Goshen
89100 Kota Marudu, Sabah.
Tel : 088-661 793 / 663 021
Fax : 088-662 325

AGROBANK KOTA KINABATANGAN

Block A, Lot 1 & 2
Kota Kinabatangan, New Township
90200 Kota Kinabatangan, Sabah.
Tel : 089-562 087 / 089-562 088
089-562 089 / 089-562 091
Fax : 089-562 093

AGROBANK W.P. LABUAN

No. U0374, Jln. Anggerik
87007 WP Labuan, Sabah.
Tel : 087-408 988 / 408 200
Fax : 087-408 222

AGROBANK TUARAN

Lot 5 & 6, Bangunan Sung Burongoh
Tuaran Point, 89208 Tuaran
Sabah.
Tel : 088-791 499 / 792 906
Fax : 088-791 499

AGROBANK PAPAR

Lot 9, Taman OKK Hj. Mahali
89608 Papar, Sabah.
Tel : 088-914 384 / 916 208
Fax : 088-915 449

AGROBANK RANAU

Lot 6, Blok D, Peti Surat 42
89300 Ranau, Sabah.
Tel : 088-876 105 / 876 106 / 876 107
Fax : 088-876 108

AGROBANK SEMPONA

Ground Floor, Lot 14 Block D
Bandar Baru, 91308 Semporna
Sabah.
Tel : 089-782 323 / 324
Fax : 089-782 325

AGROBANK KUDAT

Blok F, Lot 1, Pekan Tomborungus
Peti Surat 782, 58057 Kudat, Sabah.
Tel : 088-624 900 / 624 901
Fax : 088-624 903

AGROBANK NABAWAN (KIOSK)

Majlis Daerah Nabawan
Peti Surat No. 27
89957 Nabawan, Sabah.
Tel : 087-366 136 / 087-366 163
Fax : 087-366 133

AGROBANK PENAMPANG

Blok D, Lot 3, Donggongan New Township
Phase II Penampang
89507 Kota Kinabalu, Sabah.
Tel : 088-729 380 / 088-729 381
Fax : 088-729 390

AGROBANK KUALA PENYU

Rumah Kedai Sedco, Lot 10, Pekan Baru
89747 Kuala Penyu, Sabah.
Tel : 087-885 831 / 087-885 832
087-884 753
Fax : 087-885 830

SARAWAK**PEJABAT WILAYAH REGIONAL OFFICE****SARAWAK*****PUTUS PEMBIAYAAN KORPORAT (MALAYSIA
TIMUR) / CORPORATE BANKING CENTRE
(EAST MALAYSIA)*****

Tingkat 2 & 3
Lot 518 (No. 15H), Section 6 KTLD
Jalan Kulias Tengah
93400 Kuching, Sarawak
Tel : 082-424 577 / 082-429 077
082-241 652 / 082-235 091
Fax : 082 243 363 / 082-231 537

AGROBANK KUCHING

Tingkat Bawah & Tingkat 1,
Lot 518 (No. 15H), Section 6 KTLD
Jalan Kulias Tengah
93400 Kuching, Sarawak.
Tel : 082-410 126 / 410 827 /
410 671 / 410 419
Fax : 082-243 798 / 082-235 368

AGROBANK SARIKEI

No. 39, Lot 74, Jln. Haji Karim
Peti Surat 429
96107 Sarikei, Sarawak.
Tel : 084-654 334 / 084-654 326
Fax : 084-653 677

DIREKTORI KORPORAT
CORPORATE DIRECTORY**AGROBANK LAWAS**

Lot 324, Jalan Trusan
Peti Surat 197
98857 Lawas, Sarawak.
Tel : 085-285 762 / 085-285 064
Fax : 085-285 055

AGROBANK SIBU

No. 10D & 10E, Jalan Kampung Datu
96000 Sibu, Sarawak.
Tel : 084-325 199 / 084-323 188
084-327 648
Fax : 084-323 777

AGROBANK SRI AMAN

Sub Lot No. 8, Lot 1530, Blok 3
Jalan Sabu, Peti Surat 354
95008 Sri Aman, Sarawak.
Tel : 083-321 788 / 320 839 /
327 944 / 327 946
Fax : 083-320 923

AGROBANK MIRI

Lot 1305, Ground & First Floor
Centre Point Commercial Centre
Jalan Melayu, 98000 Miri
Sarawak.
Tel : 085-411 801 / 411 818 /
411 802
Fax : 085-420 986

AGROBANK BINTULU

No. Lot 227, Sub Lot 31
Parkcity Commerce Square Phase 3
Jalan Tun Ahmad Zaidi
97000 Bintulu, Sarawak.
Tel : 086-330 015 / 330 016
Fax : 086-330 017

AGROBANK LIMBANG

Lot 1405, Jalan Buangsiol
98700 Limbang, Sarawak.
Tel : 085-213 076 / 213 077 /
215 224
Fax : 085-213 487

AGROBANK MUKAH

Sub Lot 59, Medan Setia Raja
96400 Mukah, Sarawak.
Tel : 084-874 048 / 874 049
Fax : 084-874 050

AGROBANK KAPIT

Lot 353 & 354, Jalan Yong Moo Chai
Peti Surat 355
96807 Kapit, Sarawak.
Tel : 084-797 144 / 799 972 /
799 155
Fax : 084-797 006

AGROBANK SERIAN

Lot 291, Serian Bazaar
Off Serian By Pass
94700 Serian, Sarawak.
Tel : 082-876 823 / 876 824
Fax : 082-876 825

AGROBANK SARATOK

No. 20, Lot 636, Pekan Saratok
95400 Saratok, Sarawak.
Tel : 083-437 328 / 437 337
Fax : 083-437 326

AGROBANK BETONG

Sublot 60, Bandar Baru Betong
95700 Betong, Sarawak.
Tel : 083-472 382 / 472 584
Fax : 083-472 593

AGROBANK KOTA SAMARAHAN

No. 1, Univista Commercial Centre
Kch- Samarahan Expressway
94300, Kota Samarahan
Sarawak.
Tel : 082- 662 550 / 082-662 551
Fax : 082-662 553

AGROBANK SIMUNJAN

No.2, Lot 139, Jalan Nanas
94800 Simunjan, Sarawak.
Tel : 082-803 812 / 803 629
Fax : 082-803 695

AGROBANK SELANGAU

Sub Lot No. 35
Lot 95, Blok 14
Selangau New Town Phase 2
96008 Sibu, Sarawak.
Tel : 084-891 189
Fax : 084-891 142

AGROBANK PUSA

Sublot 5, Lot 1031
Block 6, Sablor Land District
94950 Pusa, Sarawak.
Tel : 083-465 326 / 083-465 327
Fax : 083-465 328

AGROBANK DARO

Tingkat Bawah (Sublot No. 35)
Lot 158, Jalan Bazaar
96200 Daro, Sarawak.
Tel : 084-823 819
Fax : 084-823 820

AGROBANK LUBOK ANTU

No. 163, Lubok Antu Town District
95900 Lubok Antu, Sarawak.
Tel : 083-584 042 / 083-584 043 /
083-584 044
Fax : 083-584 016

AGROBANK MATU

Majlis Daerah Matu-Daro
Bangunan Datuk Pengiran Hipni
Jalan Datuk Pengiran Hipni
96250 Matu, Bahagian Mukah
Sarawak.
Tel : 084-832 166
Fax : 084-832 136

AGROBANK RTC SARAWAK

Majlis Daerah Sebuti
98150 Bekenu, Sarawak.
Tel : 085 - 411 801

AGROBANK SPAOH

Ground Floor, Pejabat Daerah Kecil
Spaoh
95600 Spaoh, Sarawak.
Tel : 083-473 035 / 083-473 036
Fax : 083-473 037

* PEJABAT WILAYAH
REGIONAL OFFICE

** PUSAT PEMBIAYAAN KOMERSIAL
COMMERCIAL FINANCING CENTRE

*** PUSAT PEMBIAYAAN KORPORAT
CORPORATE BANKING CENTRE

Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur, Malaysia.
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