



**PERSATUAN BANK-BANK DALAM MALAYSIA**  
THE ASSOCIATION OF BANKS IN MALAYSIA



Forging Public Understanding for a Responsible and Responsive Banking Industry

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# Corporate Information

(as at 30 April 2010)

## CHAIRMAN BANK

### Malayan Banking Berhad<sup>1</sup>

Dato' Sri Abdul Wahid bin Omar  
(Alternate: Mr Lim Hong Tat)

## PRINCIPAL OFFICER

Ms Chuah Mei Lin  
Executive Director

## COUNCIL BANKS

### Affin Bank Berhad

Dato' Sri Abdul Hamidy bin Abdul Hafiz  
(until 31 March 2009)  
Dato' Zulkiflee Abbas bin Abdul Hamid  
(from 1 April 2009)  
(Alternate: En Shariffudin Mohamad)

### CIMB Bank Berhad

Dato' Sri Mohamed Nazir bin Abdul Razak  
(Alternate: Dato' Sulaiman Mohd Tahir)

### Citibank Berhad

Mr Sanjeev Nanavati

### Hong Leong Bank Berhad

Mrs Yvonne Chia  
(Alternate: En Zulkiflee Hashim)

### HSBC Bank Malaysia Berhad

Ms Irene Dorner (until 8 December 2009)  
Mr Mukhtar Hussain (from 15 December 2009)  
(Alternate: Mr Jonathan William Addis)

### OCBC Bank (Malaysia) Berhad

Mr Chew Sun Teong, Jeffrey  
(Alternate: Mr Choo Yee Kwan)

### Public Bank Berhad

Tan Sri Dato' Sri Tay Ah Lek  
(Alternate: Dato' Sri Lee Kong Lam)

### RHB Bank Berhad

Mr Michael Barrett (until 30 April 2009)  
Dato' Tajuddin bin Atan (from 1 May 2009)  
(Alternate: Mr Michael Lim)

### Standard Chartered Bank Malaysia Berhad

Mr Julian Wynter (until 30 September 2009)  
Mr Osman Tarique Morad (from 21 October 2009)  
(Alternate: Mr Raymond Wong)

### United Overseas Bank (Malaysia) Bhd

Mr Chan Kok Seong  
(Alternate: Mr Tay Han Chong)

### Alliance Bank Malaysia Berhad

Datuk Bridget Lai (until 1 March 2010)

### AmBank (M) Berhad

Mr Cheah Tek Kuang  
(Alternate: Dato' James Lim Cheng Poh)

### EON Bank Berhad

Mr Albert Lau (until 26 April 2009)  
Mr Michael Lor Chee Leng (from 14 October 2009)

<sup>1</sup> Malayan Banking Berhad took over from Affin Bank Berhad as the Chairman Bank of the Association from 27 May 2009

## Registered Office

34th Floor, UBN Tower, 10 Jalan P. Ramlee, 50250 Kuala Lumpur  
Tel No: 603-2078 8041 Fax No: 603-2078 8004 ABMConnect: 1300-88-9980 Email: banks@abm.org.my

## Website

www.abm.org.my

## Bankers

Malayan Banking Berhad

## Solicitors

Messrs Skrine

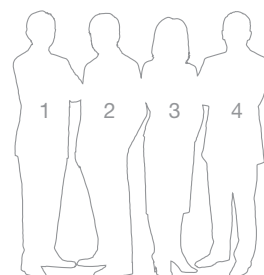
## Auditors

Messrs Azman, Wong,  
Salleh & Co

# The Council



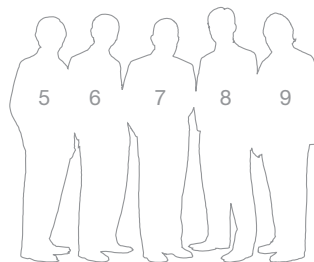
1. Dato' Sri Abdul Wahid bin Omar | *Malayan Banking Berhad*
2. Tan Sri Dato' Sri Tay Ah Lek | *Public Bank Berhad*
3. Yvonne Chia | *Hong Leong Bank Berhad*
4. Dato' Sri Mohamed Nazir bin Abdul Razak | *CIMB Bank Berhad*



# The Council



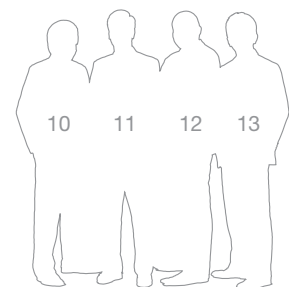
5. Cheah Tek Kuang | *AmBank (M) Berhad*
6. Chew Sun Teong, Jeffrey | *OCBC Bank (Malaysia) Berhad*
7. Dato' Zulkiflee Abbas bin Abdul Hamid | *Affin Bank Berhad*
8. Chan Kok Seong | *United Overseas Bank (Malaysia) Bhd*
9. Osman Tarique Morad | *Standard Chartered Bank Malaysia Berhad*







- 10. Michael Lor Chee Leng | *EON Bank Berhad*
- 11. Sanjeev Nanavati | *Citibank Berhad*
- 12. Mukhtar Hussain | *HSBC Bank Malaysia Berhad*
- 13. Dato' Tajuddin bin Atan | *RHB Bank Berhad*



# The Association

Its Organizational Structure and Family Tree

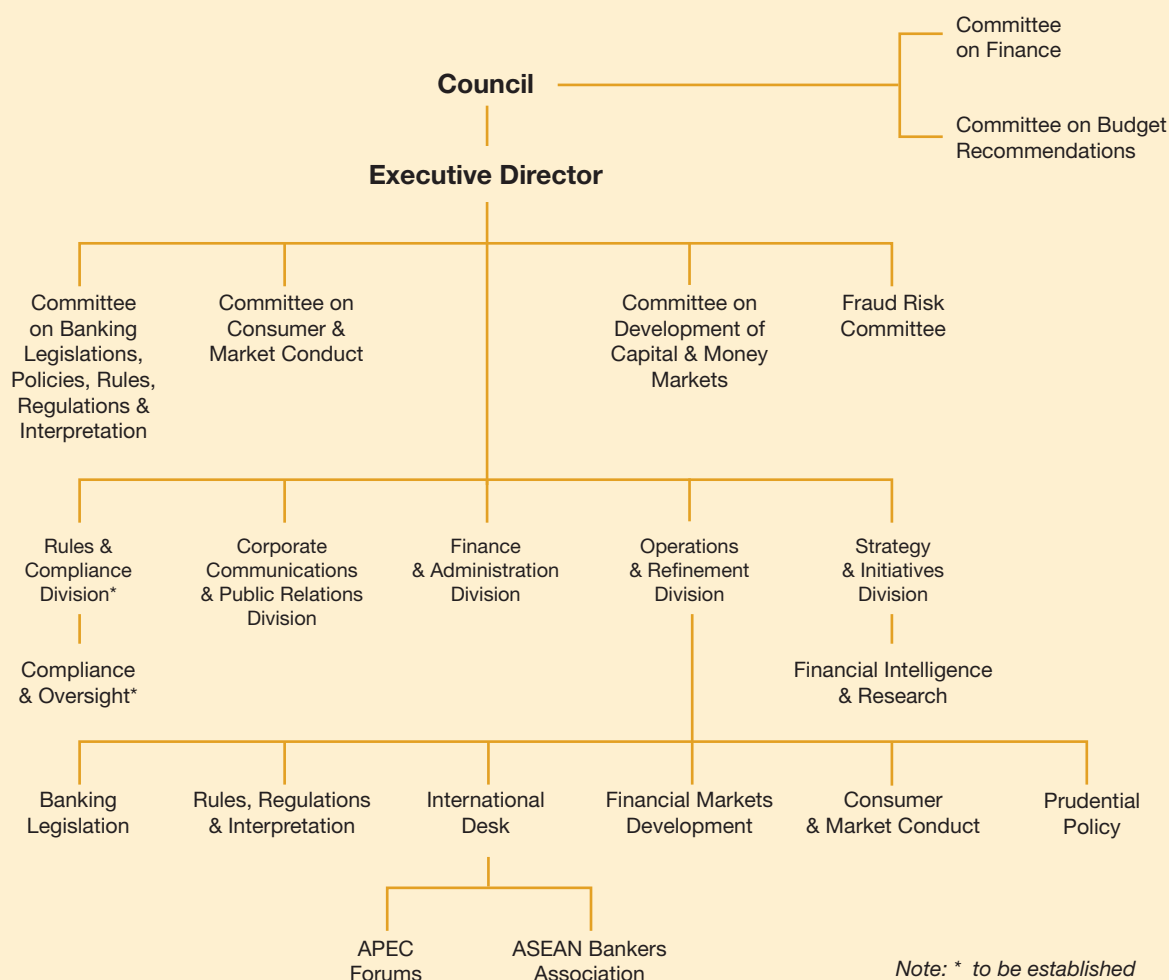


The Association of Banks in Malaysia (ABM) is currently structured into four core divisions, namely Operations & Refinement, Strategy & Initiatives, Corporate Communications & Public Relations and Finance & Administration. Plans are in the pipeline to establish a fifth division, to be named Rules & Compliance, in the near future for better streamlining of ABM's activities.

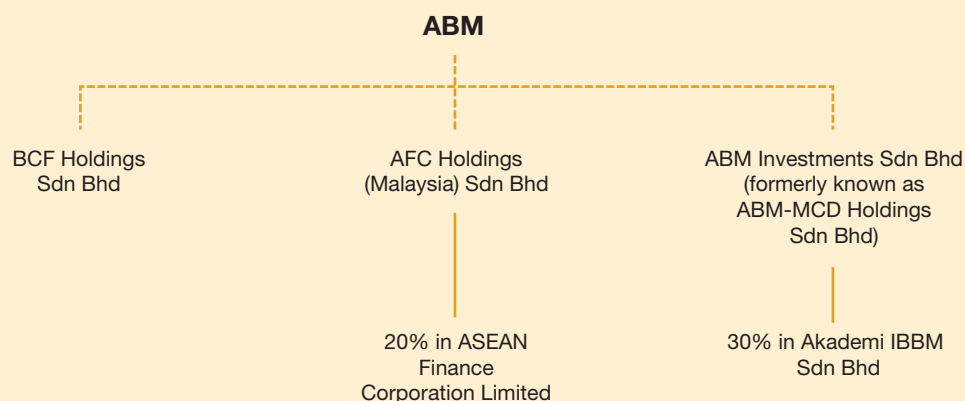
In addition, there are 6 Permanent Committees under ABM, out of which two Committees, i.e. the Committee on Finance and Committee on Budget Recommendations, report directly to the Council while the remaining four report to the Executive Director of ABM.

ABM's organizational structure is depicted below.

## ORGANIZATIONAL STRUCTURE



## FAMILY TREE



### ABM Investments Sdn Bhd (formerly known as ABM-MCD Holdings Sdn Bhd)

- ABM-MCD Holdings Sdn Bhd was originally incorporated to undertake the investment in shares of Malaysian Central Depository Sdn Bhd (“MCD”), which shares were subsequently sold to Bursa Malaysia in 2006.
- The only investment held by the Company presently is 30% of the shares of Akademi IBBM Sdn Bhd (“AIBBM”), an investment made in March 1998.
- The principal activity of AIBBM is to promote or take part in the formation, management, supervision or control of the business of a private higher educational institution.
- The Company changed its name to ABM Investments Sdn Bhd with effect from 2 July 2009.

### AFC Holdings (Malaysia) Sdn Bhd

- AFC Holdings (Malaysia) Sdn Bhd was set up in April 1981 for purposes of investing in the shares of ASEAN Finance Corporation Limited (“AFCL”).
- AFCL’s principal activities are merchant banking, mobilizing of financial resources in order to finance projects and assisting in the promotion of industrialization and overall economic development in the ASEAN region.

### BCF Holdings Sdn Bhd

- BCF Holdings Sdn Bhd was incorporated in September 1985.
- The Company’s sole investment comprised 45,000 ordinary shares in Malaysian Futures Clearing Corporation Sdn Bhd (“MFCC”). MFCC was liquidated by way of a members’ voluntary liquidation in December 2008.



## ABM Permanent Committees and Its Members as at 31 December 2009:

### COMMITTEE ON FINANCE <sup>1</sup>

Affin Bank Berhad (Chairman Bank)	Dato' Zulkiflee Abbas Abdul Hamid
CIMB Bank Berhad	Dato' Sulaiman Mohd Tahir (replaced YM Tunku Dato' Ahmad Burhanuddin)
Hong Leong Bank Berhad	Mr Premod Paul Thomas (replaced En Zulkiflee Hashim)
Public Bank Berhad	Mr Leong Kwok Nyem
RHB Bank Berhad	Mr Kellee Kam
Standard Chartered Bank Malaysia Berhad	Mr Osman Morad (replaced Mr Julian Wynter who also served as the previous Chairman of the Committee)

### COMMITTEE ON BANKING LEGISLATIONS, POLICIES, RULES, REGULATIONS AND INTERPRETATION

Malayan Banking Berhad (Chairman Bank)	Mr Lee Chee Meng (Alternate: Mr Teoh Gee Leong)
Affin Bank Berhad	Mr Ee Kok Sin <sup>2</sup>
CIMB Bank Berhad	Mr Devabalan Theyventheran
Citibank Berhad	Ms June Lee Siew Yee
HSBC Bank Malaysia Berhad	Mr Leong Soon Cheong
OCBC Bank (Malaysia) Berhad	Mr Lim Yau Seong
RHB Bank Berhad	Mr Patrick Ho
Standard Chartered Bank Malaysia Berhad	Mr Raymond Wong Lai Loong

### FRAUD RISK COMMITTEE

HSBC Bank Malaysia Berhad (Chairman Bank)	Mr Leong Soon Cheong
CIMB Bank Berhad	En Balashanmugam Vadivelu, Mr Mohan Raj
Citibank Berhad	Mr Leong Chai Boo
HSBC Bank Malaysia Berhad	Mr Chong Kit Sim, Mr Gerard Forsythe
Malayan Banking Berhad	Mr Joginder Singh (replaced En Mohd Yusof Yazid) and Mr Wong Fook Chun (replaced Mr Lau Yep Sing)
Public Bank Berhad	Mr Paul Khoo Siew Keong, Mr Chew Cheng Chan
RHB Bank Berhad	Mr Arivananthan A/L Supaya (replaced Mr Lee Wang Chaw), Mr V. Maslamani
Standard Chartered Bank Malaysia Berhad	Mr Wong Liang Yee

### COMMITTEE ON CONSUMER & MARKET CONDUCT

Malayan Banking Berhad (Chairman Bank)	En Ahmad Shareza Abdul Rahman (Alternate: Ms Joanne Quah Swee Ai)
Affin Bank Berhad	Mr Alex Lee Foo Yeun <sup>2</sup>
Alliance Bank Malaysia Berhad	Ms Liew Swee Lin (Alternate: Ms Sue Tang)
CIMB Bank Berhad	Puan Aziyah Omar
Hong Leong Bank Berhad	Ms Josephine Leong
OCBC Bank (Malaysia) Berhad	Mr Alvin Lim Kim Leng
Public Bank Berhad	Mr Chew Cheng Chan
RHB Bank Berhad	Mr Ng Eng Whye
Standard Chartered Bank Malaysia Berhad	Mr Choong Wai Hoong (replaced Mr Ho Toon Bah)
United Overseas Bank (Malaysia) Bhd	Mr Lin Kok Hoi

### COMMITTEE ON BUDGET RECOMMENDATIONS

Public Bank Berhad (Lead Bank)	En Nasaruddin Arshad
CIMB Bank Berhad	Mr Lee Heng Guie
HSBC Bank Malaysia Berhad	Mr Baldev Singh
Malayan Banking Berhad	En Raja Indra Putra B. Raja Ismail

### COMMITTEE ON DEVELOPMENT OF CAPITAL & MONEY MARKETS

Malayan Banking Berhad (Chairman Bank)	Mr Leslie Foo Chek Shen (replaced Pn Hijah Arifakh Othman)
CIMB Bank Berhad	Dato' Lee Kok Kwan
Citibank Berhad	Mr Kuldeep Singh
HSBC Bank Malaysia Berhad	Mr Piyush Kaul
Public Bank Berhad	Mr Tang Hong Keat (replaced Mr Wong Jee Seng)
RHB Bank Berhad	Datin Zaimah bt Zakaria
Standard Chartered Bank Malaysia Berhad	Mr Sandeep Bahl

The Association would like to accord a note of thanks to the above for their contributions to the Association and the industry.

<sup>1</sup> The Chairman for the Committee on Finance was changed from Standard Chartered Bank Malaysia Berhad to Affin Bank Berhad during the year

<sup>2</sup> Previous Chairman before change of chairmanship of ABM from Affin Bank Berhad to Malayan Banking Berhad in May 2009.

# Chairman's Statement



Dato' Sri Abdul Wahid bin Omar  
*Chairman*

I am deeply honoured to introduce The Association of Banks in Malaysia (ABM)'s Annual Report 2009, my first since taking over as Chairman of ABM in May 2009, following the retirement of Dato' Sri Abdul Hamidy Abdul Hafiz. On behalf of all ABM member banks, I would like to take this opportunity to once again place on record ABM's appreciation to Dato' Sri Hamidy for all his contributions to ABM and the banking fraternity during his 3-year tenure as Chairman.

I have come to realize that the role of Chairman of ABM is indeed a challenging one as it entails not only juggling of two different sets of responsibilities - as Chairman of ABM on the one hand and Chief Executive Officer of a Council Bank on the other, but also management of issues from the industry perspective as well as in accordance with the individual bank's strategy. Be that as it may, being one who relishes and thrives on challenges, I am fully committed to fulfilling my duties as Chairman to the best of my ability. As ABM looks ahead to the next decade and beyond, there has to be continual development and transformation through advances in technology and re-engineering of work processes to nurture a responsible and responsive industry in a globalized and liberalized environment.

## GLOBAL ECONOMIC OUTLOOK

Following from the financial crisis and economic downturn which began in 2008 and worsened in the first half of 2009 as a result of the subprime mortgage trouble in the United States of America, the global economy and financial markets started to improve in the second half of 2009 and the recovery momentum strengthened in early 2010. In its latest World Economic



Outlook, the International Monetary Fund expects the world economy to register a 4.2% growth in 2010 after the 0.6% contraction the previous year. The rebound is due to wide-ranging monetary and fiscal stimuli as well as financial stabilisation measures that helped to revive confidence, bolster demand as well as lower uncertainty and systemic risk in the financial markets. However, the global recovery process is expected to be gradual and the risk to the outlook remains on the downside as financial systems in the worst-affected economies are still fragile, supports from public policies will be eventually withdrawn, and households in the economies that suffered from the severe asset price devaluation need to rebuild their savings.

Whilst most developing countries were not directly involved in the questionable activities that gave rise to the financial crisis, and the banking systems in such countries carried only limited exposure to subprime loans, the economies of virtually all countries around the world were nevertheless sharply affected.

Restoration of financial sector health whilst maintaining supportive macro-economic policies until recovery is on a firm footing, would be the key requisites moving ahead. By the same token, policymakers will have to begin preparing for an orderly unwinding of extraordinary levels of public intervention. Policies to facilitate a rebalancing of global demand are being introduced because economies that experienced asset price busts will have to increase saving rates, and there is a need to bolster potential growth in advanced economies, which suffered as a result of the major financial shocks. Rising unemployment and setbacks to progress in poverty reduction pose social challenges that also must be addressed.

#### ASIAN ECONOMIC OUTLOOK

Asian economies have shown a higher degree of resilience compared with the advanced economies. In 2009, the region's growth slowed down to 6.6% as opposed to the 3.2% decline in advanced economies. The region is leading the

global recovery this year with a faster growth of 8.7%, outpacing the advanced economies' expected 2.3% rebound in gross domestic product (GDP). The timely fiscal injection and aggressive changes to monetary policies helped ease the potentially overwhelming impact of the global financial crisis on the real economy. The reduction in retrenchment rate, falling consumer prices and uninterrupted credit flows have helped to strengthen domestic demand and kept consumer spending in the Asian economies afloat. Consumer confidence has shown signs of improvement and business sentiment has been invigorated. Financial markets have rebounded and private capital has begun to flow back as investors are regaining an appetite for risk.

The concern is now whether Asia has built up sufficient momentum for a self-sustaining recovery amid expectations of slow recovery in the advanced economies, especially the G-3 economies. The pace of recovery will diverge between the large domestic-demand driven and export-driven economies. China, India and Indonesia will continue to register stronger economic expansion. In the case of Singapore, Malaysia and Thailand, although these economies will recover, just how strong the rebound will be and large depend on:-

- i. The strength of export recovery; and
- ii. Whether private sector demand can be sustained.

There is no doubt that exports, which had shown an easing pace of decline in the second quarter of 2009, will recover in 2010 due to the extremely low base but Asian economies are still not decoupled from G-3 economies. If the pick-up in growth of the industrialized economies remains moderate and uneven, it will continue to weigh on Asian exports as some 60% of Asia's direct and indirect exports still go to G-3 countries.

## THE MALAYSIAN ECONOMIC OUTLOOK

As world trade collapsed in the second half of 2008, manufacturing firms in Malaysia had braced for impact by cutting production, running down inventories, and slashing investment. Given the importance of exports in the economy, the resulting impact on GDP was very significant.

Many industries including the Malaysian banking sector held with abated breath as Malaysia felt the full force of the global financial crisis in the first quarter of 2009. The recession impacted the demand on trade, production and investment activities in the domestic economy. Malaysia's economy contracted by 1.7% in 2009 with GDP growth contracting significantly in the first quarter of 2009 by 6.2%. Fortunately the turmoil in manufacturing did not lead to a broad-based recession. Private consumption and service sector activity was resilient; growth stalled but levels remained intact. The crisis was mostly a manufacturing-for-exports one.

With East Asia in recovery mode and advanced economies progressively improving, the Malaysian economy began emerging from one of the worst export slumps in its economic history by the end of 2009. Sound fundamentals coupled with swift and responsive government policies succeeded in forestalling the plunge into a deep recession. Strong financial supervision and limited exposure to toxic securities and troubled financial institutions shielded the economy from financial contagion. High levels of international reserves relieved the impact of capital outflows, whilst sound household and corporate balance sheets cushioned the impact of the downturn. On the policy side, accommodative monetary and credit policies protected the flow of credit. Successive fiscal stimulus packages helped boost confidence and construction activity, thereby contributing to the cushioning of the downturn. The GDP resumed growth by 4.5% in the fourth quarter due to strengthened domestic and external demands.

#### THE LOCAL BANKING SCENE

Cognizant with the economic environment, banks rallied to promptly respond to policy measures set by the government to cushion the impact of the global recession on the domestic economy in the first quarter. Despite the economic downturn and a record of lower growth, the Malaysian banking system was on a strong foundation with a risk-weighted capital ratio of 14.7% as at end 2009 with excess capital well above RM50 billion. The commercial banks earned RM15.8 billion in 2009 compared to the year before at RM18.5 billion as a result of the economic downturn which affected banks' earnings. Non-performing loans declined from 2.2% to 1.8% as at end 2009. The banking industry continued to enjoy a healthy loan to deposit ratio of 77.9% in 2009.

The resilience and stability of the Malaysian banking sector supported the recovery efforts of the domestic economy. The Government's implementation of two economic stimulus packages coupled with the easing of the monetary policy in the form of reductions in the Overnight Policy Rate of 150 basis points from 3.5% to 2.0% and the Statutory Reserve Requirement by 300 basis points to 1.0% between November 2008 and February 2009 helped to ease the financial burden on consumers, especially borrowers, while spurring initiatives from the banks to continue providing access to financing to support specific affected sectors.

In tandem with the recovery efforts, commercial banks were committed to implementing initiatives that offered consumers some financial reprieve. In February 2009, the banks revised the tiered interest rates for credit cards with the objective of instilling good repayment habits and financial discipline among credit cardholders as well as to ensure that credit risk cost remained within industry standards especially during the economic downturn. Further relaxations were announced in June 2009 where the late payment fee for



credit cards was reduced from a maximum of RM75 to a maximum of RM50 and credit card users were given a minimum 3-day grace period from the due dates of payment to make payments towards the monthly outstanding balance.

Further to these initiatives, commercial banks emphasized a greater focus in consumer banking offering attractive packages for refinancing of housing loans and transfers of credit card balances. Banks also reduced the rates on personal loans to 6.31% from 7.72% and continued to extend loans to property buyers for residential and non-residential properties. In February 2009, banks took immediate steps to reduce the monthly loan repayment installments for facilities with interest rates pegged to the relevant base lending rate (BLR). The reduction of BLR pegged loan installments enabled consumers to enjoy a reprieve with the benefit of additional savings. Total household loans outstanding increased by 9.8% as at end 2009.

Total business loans outstanding expanded in 2009 by 2.6% despite a decline in business loan applications which trickled across from 2008 to the first half of 2009 due to the global economic outlook. Banks remained committed to disbursing loans to viable businesses despite the economic slowdown which affected the profitability of the business sector, forcing many to scale back on their operational capacity and to postpone non-critical expansion plans, resulting in a decline in loan applications. Banks in general adopted a more prudent approach when it came to loan disbursements to the business sector in view of the increased risk of borrowers during the uncertain economic conditions. Nevertheless, commercial banks recognized that access to financing is equally crucial to spurring economic growth and hence, continued to lend to viable businesses.

Business lending activities picked up during the second half of the year, supported by lower lending rates and extensive measures that were put in place to ensure access to financing. The banking sector experienced an increased demand for financing from the business sector in view of the growth recovery in the fourth quarter of the year. As at end 2009, net financing to the business sector raised through banking system loans and private debt securities grew by 8.5% compared to 12.7% in 2008.

We are proud to note that Malaysia's ranking in the following reports is evidence that the banking industry in Malaysia continues to be supportive of its customers even during the economic downturn where loans are concerned:-

- First out of over 180 countries in the "Getting Credit" category for three (3) consecutive years based on the World Bank's Reports on Doing Business 2008, 2009 and 2010;



- Loan accounts per 1,000 adults based on the Consultative Group to Assist the Poor's report entitled "Financial Access 2009: Measuring Financial Inclusion Around the World" ranked Malaysia fifth out of 139 countries around the world; and
- 13th (up from 15th the previous year) in 2009 for "Ease of Access to Loans" based on the World Economic Forum, Global Competitiveness Report 2008-2009 and 2009-2010.

### ABM'S BROAD OUTLOOK

On the ABM front, we will continue to be responsive to the needs of our multitude of stakeholders, ranging from the regulator to our member banks to the average man on the street, in the coming year.

ABM will seek to continually enhance the good working rapport with Bank Negara Malaysia as well as the Ministries with which we have regular dealings, e.g. Ministry of Finance, Ministry of Domestic Trade, Cooperatives and Consumerism, Ministry of Housing and Local Government but to name a few.

From a public standpoint, the three cornerstones of ABM's programme for 2010 and beyond can be summarized as follows:-

1. **Engagement** through its dedicated toll-free line *ABMConnect* and online version (*eABMConnect*), road-shows in collaboration with other relevant parties and dialogues with various consumer interest groups;
2. **Education** which will be by way of its website in addition to joint educational programmes and meet the consumers sessions with various consumer associations; and
3. **Communication** which will primarily focus on updating the public on issues pertaining to the financial services industry by way of ABM's website, issuance of press releases, public service announcements and if need be, press advertisements.

To our members, we look to providing improved lines of communication and elicit greater involvement and participation in ABM's projects, whilst at the same time ensuring that all industry related and technical issues are addressed on a timely basis.

## GOING FORWARD INTO 2010

On a positive note, I am pleased to say that we have seen the worst of the global economic crisis as the Malaysian banking industry now moves to strengthen its position to support the recovery efforts. The Malaysian economy is expected to strengthen and is projected to grow by more than 5.0% in 2010 which will be driven by an increase in private sector activity and external demand from the regional countries.

In line with the expected growth in the economy, most banks are targeting loans to grow double-digit in the year 2010 with renewed confidence and expansion in spending and private investment. The growth would stem largely from corporate and institutional lending focused on project financing with government support, government-linked companies and large multinationals as well as from small and medium enterprises (SMEs) focused on stable sectors. The anticipated gradual increase in interest rates is not expected to have a dampening effect on credit demand.

Commercial banks are expected to pursue a 'disciplined strategy' of re-balancing focus towards viable economic sectors and preferred target segments. A large chunk of growth should come from the SME segment, which should benefit from the improving economic climate. Looking ahead, if we were to use nominal GDP growth as a guide, business revenue growth should pick up strongly. A nominal GDP growth of 6.5% to 7.5% has been forecasted in 2010 and 2011 respectively, compared with less than 2% in 2009.

## CONCLUSION

In closing, I would like to express my heartfelt appreciation to Bank Negara Malaysia, Securities Commission, the various ministries and consumer associations for their support and guidance. Our appreciation also goes to the various members of ABM Sub-Committees and our ABM staff for their dedication and continued support during the past year. To my fellow Council members, I thank you for your unwavering support and the trust you have placed in me to chair ABM. I pledge to work with ABM towards achieving its objectives, and will continue to take the lead in industry related issues. We will also persevere to advocate the industry stand and viewpoints on matters requiring ABM's attention.

**Dato' Sri Abdul Wahid Omar**

Chairman

April 2010

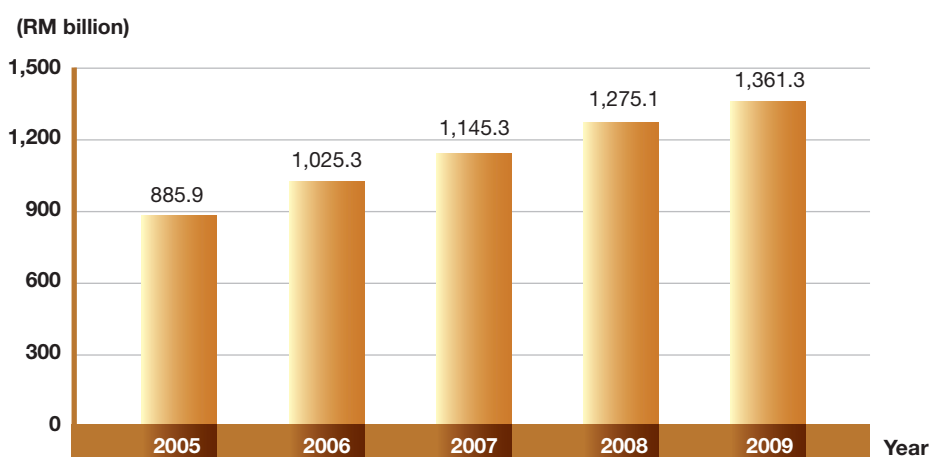
# Financial Data

## Total Assets, Total Loans and Total Deposits of Commercial Banks <sup>a, c</sup>

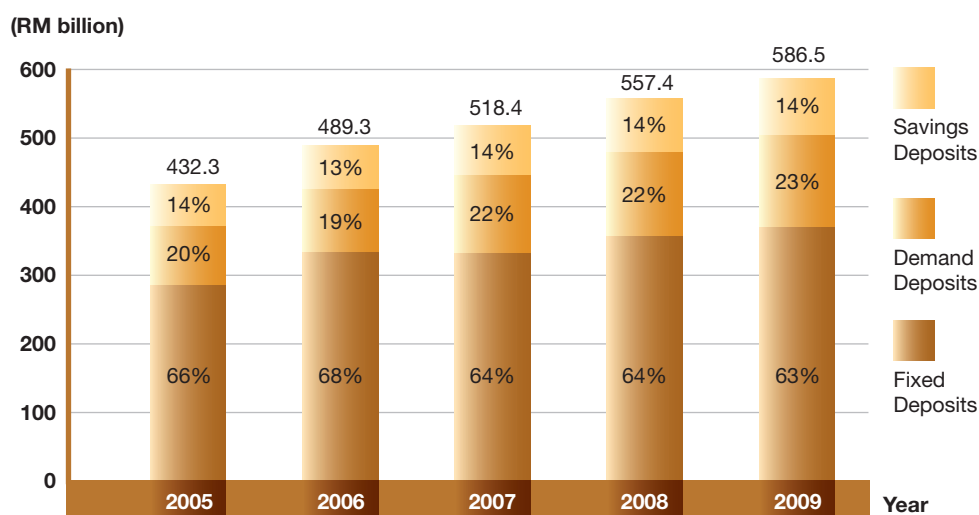
	2005		2006		2007		2008		2009	
	RM million	% Increase (yoy)	RM million	% Increase (yoy)	RM million	% Increase (yoy)	RM million	% Increase (yoy)	RM million	% Increase (yoy)
<b>Total Assets</b>	885,909	16.3	1,025,317	15.7	1,145,331	11.7	1,275,127	11.3	1,361,273	6.8
<b>Total Loans</b>	526,227	17.5	584,950	11.2	635,878	8.7	721,799	13.5	779,177	7.9
<b>Total Deposits</b> (excluding NCDs, NIF deposits, Special Deposits & Hawkers' Deposit)	432,297	9.9	489,305	13.2	518,430	6.0	557,393	7.5	586,483	5.2

yoy = year on year

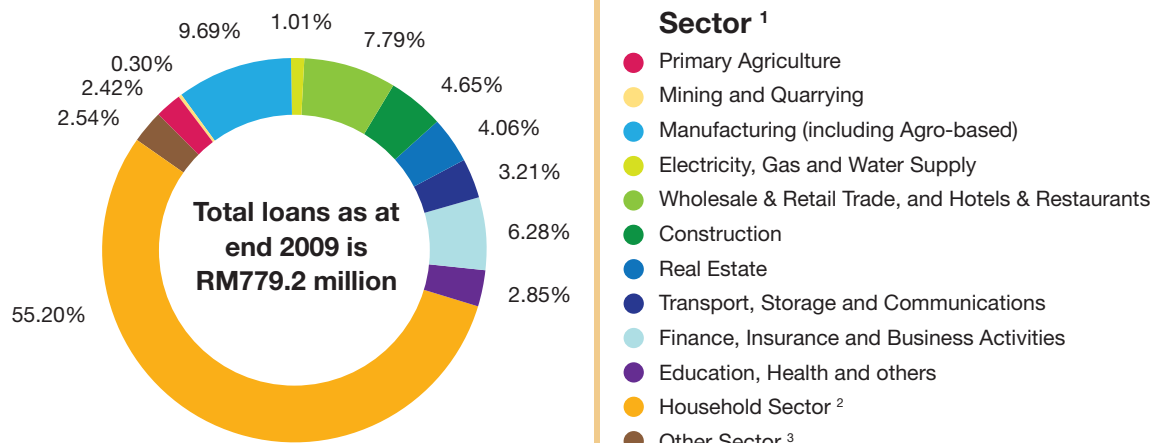
## Total Assets <sup>a, c</sup>



## Total Deposits <sup>a, c</sup>



## Total Loans by Sector as at end of 2009 <sup>a</sup>



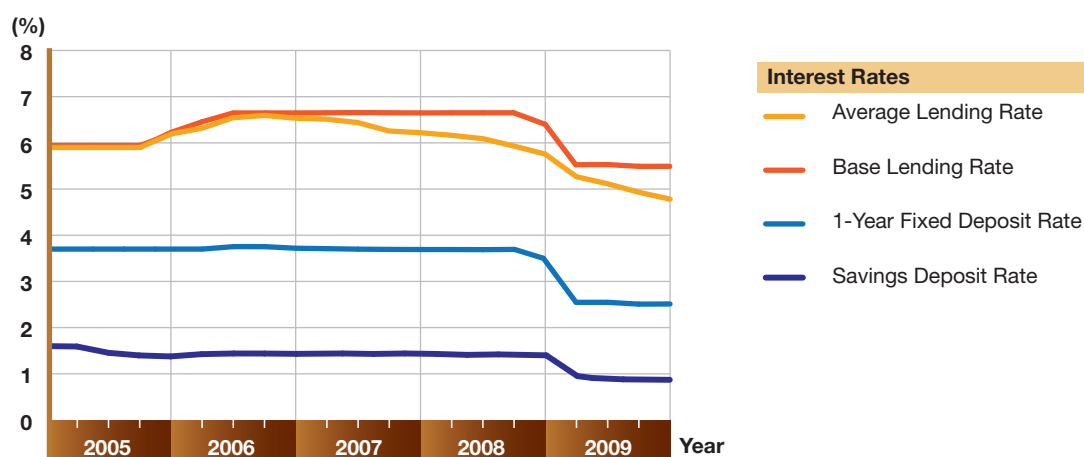
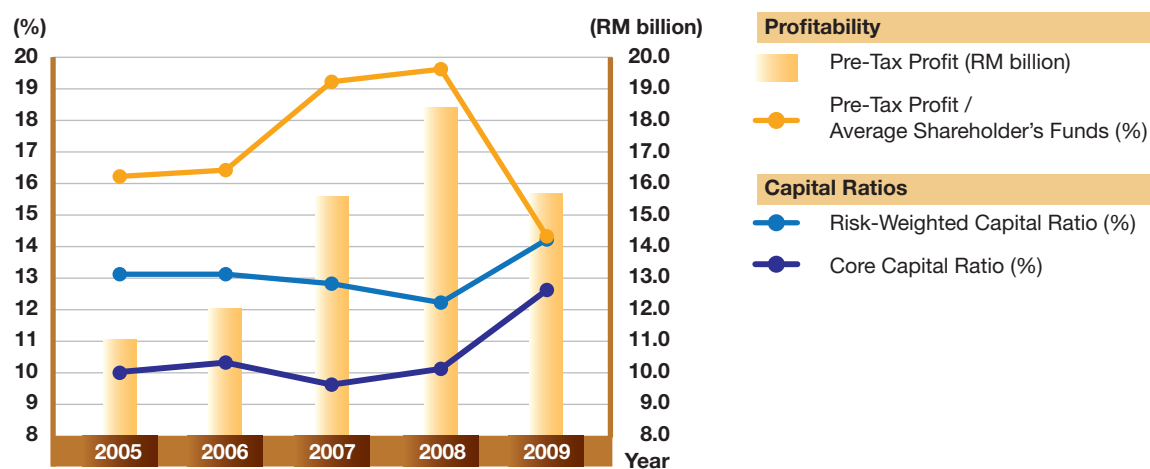
Notes:

1. The definitions of the economic sectors / industries are based on the Malaysian Standard Industrial Classification (MSIC) 2000.

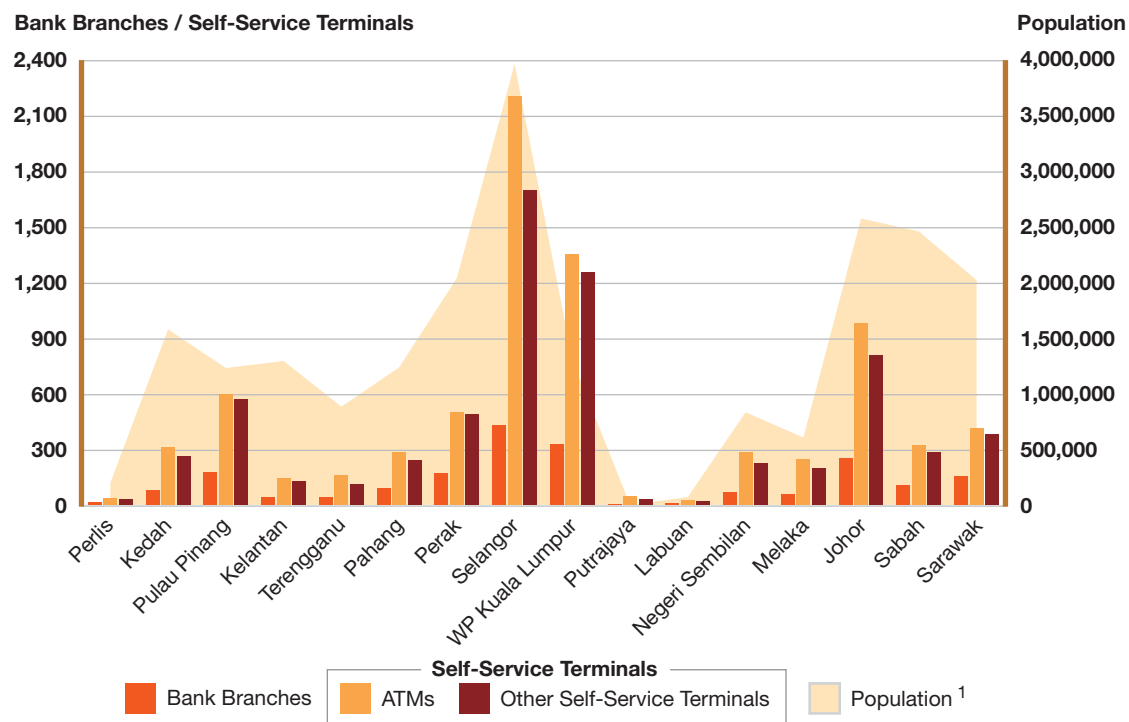
2. Household sector = total loans by purpose to households

3. Includes loans to individual businesses

## Profitability, Capital Ratios and Interest Rates of Commercial Banks <sup>a, b, c</sup>



### Bank Branches and Self-Service Terminals of Commercial Banks as at 31 December 2009

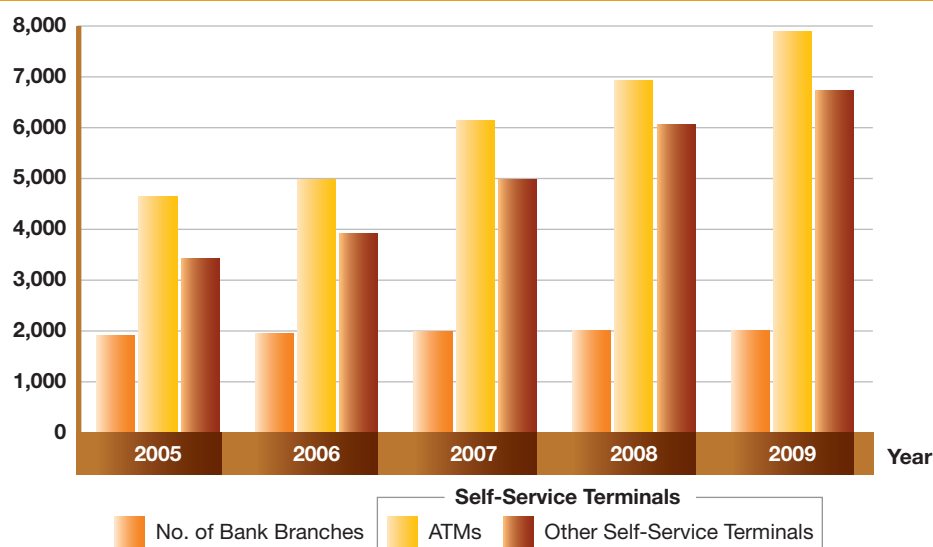


Notes:

1. Population figures as per the Population and Housing Census 2000.

This census is carried out by the Department of Statistics Malaysia once every 10 years.

### Growth of Branches and Self-Service Terminals of Commercial Banks from 2005-2009<sup>c</sup>



Source: a. Data for 2009 extracted from Bank Negara Malaysia (BNM)'s monthly Statistical Bulletin February 2010.

b. Data for 2009 extracted from BNM's 2009 Financial Stability and Payment Systems Report.

c. Data for 2005-2008 extracted from ABM Annual Reports 2005-2008.

### Bank Branches, Self-Service Terminals & Alternative Delivery Channels of Commercial Banks as at 31 December 2009

Banks	Bank Branches	Self-Service Terminals (SSTs)		Alternative Delivery Channels			
		ATMs	Others <sup>1</sup>	Internet Banking <sup>2</sup>	Mobile Banking	Tele-banking	PC/Desktop Banking
Affin Bank Berhad	90	145	207	✓	-	-	✓
Alliance Bank Malaysia Berhad	99	175	193	✓	-	✓	-
AmBank (M) Berhad	187	737	333	✓	✓	✓	-
Bangkok Bank Berhad	1	0	0	-	-	-	-
Bank of America Malaysia Berhad	1	0	0	-	-	-	-
Bank of China (Malaysia) Berhad	3	0	1	-	-	-	-
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad	1	0	0	-	-	✓	✓ <sup>3</sup>
CIMB Bank Berhad	321	1,994	1,560	✓	✓	✓	-
Citibank Berhad	7	33	63	✓	✓	✓	-
Deutsche Bank (Malaysia) Berhad	1	0	0	✓	-	-	-
EON Bank Berhad	139	229	276	✓	-	✓	✓
Hong Leong Bank Berhad	184	314	370	✓	✓	✓	-
HSBC Bank Malaysia Berhad	40	123	196	✓	-	✓	-
J.P. Morgan Chase Bank Berhad	1	0	0	-	-	-	-
Malayan Banking Berhad	387	2,828	1,769	✓	✓	✓	✓
OCBC Bank (Malaysia) Berhad	29	66	150	✓	✓	✓	-
Public Bank Berhad	248	459	849	✓	✓	✓	✓
RHB Bank Berhad	189	649	466	✓	-	✓	✓
Standard Chartered Bank Malaysia Berhad	32	57	127	✓	✓	✓	✓ <sup>4</sup>
The Bank of Nova Scotia Berhad	5	0	0	-	-	-	-
The Royal Bank of Scotland Berhad	4	4	0	-	-	-	✓ <sup>5</sup>
United Overseas Bank (Malaysia) Bhd	41	88	165	✓	-	✓	-
<b>Total</b>	<b>2,010</b>	<b>7,901</b>	<b>6,725</b>				

## Notes:

1. Other SSTs include Cash Deposit Machines, Cheque Deposit Machines, Cheque Scan Machines, Passbook Update Machines, Internet Kiosks, EPF Kiosks, Phone Banking Booths.
2. Offered to all customers.
3. Bank of Tokyo-Mitsubishi UFJ (M) Berhad's PC/Desktop Banking is the Intranet banking, a private version of an internet and only offered to corporate customers.
4. Standard Chartered Bank Malaysia Berhad's PC/Desktop Banking is for corporate customers only.
5. The Royal Bank of Scotland Berhad's PC/Desktop Banking is for corporate customers only.



# Report of the Council



**A**s Executive Director of The Association of Banks in Malaysia (ABM), I am pleased to submit the Annual Report and the Audited Financial Statements for the year ended 31 December 2009 on behalf of the Council.

## INTRODUCTION

The forces which shaped 2009 for ABM can be aptly summed up in two simple yet impactful words – “change” and “connect”. Against a backdrop of shifts in the global economic outlook and fluidity of movements of human resource under such challenging conditions, ABM not only witnessed several changes to the line-up of the representatives of the Council Banks which make up the ABM Council, including the Chairman Bank and the Chairman but recognized the need to conscientiously take steps to transform itself so as to play a more visible role in engaging and connecting with all its stakeholders, particularly the various consumer groups and business organizations.

In line with a new vision and mission – “Forging public understanding for a responsible and responsive banking industry” which was culled out of ABM’s broad objectives announced when it was formed in 1973, a major focus of the ABM initiatives for 2009 revolved around connecting with the banking public and extending ABM’s presence outside of Kuala Lumpur. Travelling around Malaysia has indeed been both an exhilarating and humbling experience as the hospitable local folks never failed to speak their minds and share concerns with candour.

Without any let-up in the normal operational and industry type issues which constitute the back-bone of ABM’s work, 2009 was altogether an exciting and challenging year which reaped a good measure of success. ABM looks very much forward to carrying the momentum set, which can be gleaned from the report below as well as the calendar of events, into 2010.

## REPORT OF MAIN ACTIVITIES IN 2009

### Better Connectivity and Engagement with the Public

The toll-free service called **ABMConnect** on 1-300-88-9980 which was launched by ABM on 1 December 2008 to supplement the dedicated lines for customer service operated by the majority of ABM’s member banks, continued to slowly but surely gain popularity among the banking public in 2009. In the past, members of the public could only contact ABM on general queries and complaints relating to the local conventional banking industry by calling its general line or writing to ABM. *ABMConnect* thus serves to

bridge any gaps which may occur in the individual bank's communication with its customers, if necessary, and enables customers to contact ABM more expeditiously.

By the end of 2009, approximately 2,000 calls from members of the public have been recorded, not just from the Klang Valley but also as far away as Miri and Kota Kinabalu, making *ABMConnect* a nationwide channel. Calls to *ABMConnect* which is manned by a dedicated team at ABM, Mondays to Fridays from 9:00 am to 5:30 pm generally involve basic personal banking queries, matters relating to credit card repayment, home loans and overdraft facilities. *ABMConnect* was especially effective in dealing with the tidal waves of enquiries from the public on new developments which affected the banking industry from time to time during the year, such as the reduction of the tiered interest rates for credit cards and the introduction of the service tax for credit and charge cards. Thus far, a 100% resolution rate has been achieved, which means that ABM has addressed or assisted in the amicable resolution of matters raised by all the callers since the inception of the service.

Be that as it may, acknowledging the limitations of *ABMConnect* which is only available during office hours, ABM introduced the online version, named **eABMConnect**, on ABM's website on 28 August 2009. The online version allows the public to submit their complaints and/or queries to ABM 24 hours a day, 7 days a week and has been very well received.

Forging ahead in this era of information technology and ever widening use of the internet, ABM knew that it could not afford to over look a meaningful web presence as a vital tool to better engage with its multitude of stakeholders, including an increasingly sophisticated and savvy banking public. Hence on 27 May 2009, ABM launched its fully revamped website at **www.abm.org.my** with additional functionalities and greater emphasis on consumer education and content relevance through the incorporation of pertinent industry financial data.

In this respect and so as to further promote self financial education online, ABM has (with the kind approval of Bank Negara Malaysia) **established a link to *Bankinginfo***, a website maintained by Bank Negara Malaysia which provides comparative data (including interest rates) on a spectrum of products offered by the commercial banks in Malaysia, on ABM's own website during the year. By providing this easy access to *Bankinginfo*, ABM has addressed feedback from the banking public that in deciding which product and bank to go for, customers often face difficulty in making sense of the various interest rate regimes as well as fees and charges. ABM is confident that the link will not only assist the man on the street to derive maximum benefits and savings but will also inculcate in him a practice of shopping around to better appreciate the range of, and differences between, products available in the market.

Given that interactive discourse in cyberspace has clearly seeped into the consciousness of the urban population as indicated by the widespread popularity of such portals in the local internet landscape, the revamped website is indicative of ABM's seriousness in bridging gaps if any and reaching out to the general public. Plans are in place to further enhance the ABM website with the introduction of an interactive chat function which will allow the public to express their views and thoughts on the banking sector – a crucial component in creating informed and responsive bankers and users.

Continuous efforts to reach out to the public were however not only limited to better connectivity through telephone lines and cyber space. Riding on the success of a maiden outing organized by Bank Negara Malaysia to Pulau Pinang in June 2009, ABM in collaboration with its member banks and Bank Negara Malaysia began to plan face to face interactive sessions with businesses, mainly small and medium sized enterprises (SMEs) in smaller towns and locations not previously covered. Premised on the theme *"Majlis Beramah Mesra Bank dan Perusahaan Kecil dan Sederhana – Marilah Meninjau Pilihan Pembiayaan Kewangan Anda Bersama-sama Kami"*, the first **Financing Fair and State Level Dialogue** for SMEs was held in Batu Pahat, Johor in August 2009. Such interactive sessions will eventually enable member banks to reach out to SMEs in all corners of Malaysia in a phased approach.

Various financial institutions, including commercial banks and development finance institutions, came together to offer a one day, one-stop advisory center to the people in Batu Pahat and the surrounding areas. In this manner, the public could be better assuaged that commercial banks are continuing to be responsive and responsible towards customer needs and to aggressively support SME activities despite the challenging economic conditions.

At the said Fair, an aggregate of 19 financial institutions set up booths where businesses could approach the banks on the financing facilities that are available. Special talks on a variety of subjects including export financing, loan applications and micro financing featured in the agenda. The response from the local community for this debut event was most encouraging.

On the following day, a closed door dialogue involving Bank Negara Malaysia, SME Corporation Malaysia (formerly known as SMIDEC), Credit Guarantee Corporation Malaysia Berhad and the banks with the various Chambers of Commerce, trade associations as well as the Malaysian Timber Council was held to discuss general banking issues, particularly access to financing. The dialogue provided a platform for the businesses to present their issues and strengthen communication channels with the banks. It also provided an opportunity for the banks to understand the problems faced by the businesses.

A second dialogue with the various Chambers of Commerce, trade associations and the Malaysian Timber Council entitled **“Sesi Berinteraksi Bersama Organisasi Perniagaan”** was organized in Kuala Terengganu in December 2009 to dovetail with *Minggu Kesedaran Kewangan (M2K) 2009* which was held there in October 2009. Issues relating to banking operations, fees and charges as well as access to financing were addressed. Several more state level dialogues and financing fairs are in the pipeline for 2010.

Apart from the state level dialogues, ABM also held several **dialogues with various industry organizations** such as Bar Council, The Institution of Surveyors, Malaysia, Persatuan Pengguna Islam Malaysia and Malaysian Institute of Accountants during the year to address specific banking related issues faced by their members. Positive feedback has been received affirming that the dialogues have helped to bridge gaps and foster greater understanding between the banks and these organizations.

Discussions with such stakeholders were however not limited to formal dialogue sessions as ABM practices an **“open door policy”** for the public and has held numerous ad hoc meetings with members of the public and representatives from various organizations who have come to ABM’s office to seek ABM’s assistance on all kinds of financial matters.

During the year, ABM kick-started its **public education series** with a dialogue entitled “The 2009 Economic Barometer – Why do we say the Malaysian financial industry is liquid?” to explain why the Malaysian financial landscape stayed robust despite the global financial crisis. Representatives from the media, SMI Association of Malaysia, Associated Chinese Chamber of Commerce and Industry of Malaysia and Persatuan Pasaran Kewangan were among those who attended the dialogue. In the presentations and accompanying discussions, the eminent speakers who are experts in their own fields, painted a clear picture of the strong Malaysian liquidity in the financial system which was underpinned by a healthy external position and high savings rate.

### **Enhancement of the Efficacy of the Banking System**

**Amendments to the Stamp Act 1949** (“the Act”) which came into force on 1 January 2009 and in particular, the amendments made to item 22(1) of the First Schedule of the Act, raised grave concerns on the part of the banking sector. All loan agreements (except for education loans) became subject to ad valorem stamp duty of RM5.00 for every RM1,000 or part thereof. ABM promptly initiated discussions for and on behalf of the industry with the relevant authorities highlighting the severe implications the amendments would have for consumers in general and the entire banking industry specifically.

The cost of financing would be increased substantially, thereby adversely impacting borrowers' appetite. It is hoped that the prohibitive implications can be contained as ABM persists with its case for a reconsideration or reversal of the amendments.

**Tax and accounting issues** continued to be a part of ABM's agenda in the year 2009. With the proposed implementation of FRS139 Financial Instruments: Recognition and Measurement targeted for 1 January 2010, ABM held discussions with the Malaysian Accounting Standards Board (MASB) as well as Bank Negara Malaysia to address issues relating to the implementation of the same. A key concern highlighted to MASB was the operational challenge faced by banks when embarking on an incurred loss model only to have to move to an expected loss approach subsequently. Issues relating to variations between FRS139 requirements and BNM GP3 and GP8 Guidelines were also raised to Bank Negara Malaysia. Member banks are happy to note that Bank Negara Malaysia responded swiftly by issuing the Guidelines on Classification and Impairment Provision for Loans in line with the implementation of FRS139 to replace GP3.

Following from the 2010 Budget announcement that a **service tax** of RM50 a year would be imposed on each principal credit card and charge card as well as RM25 service tax a year on each supplementary card effective 1 January 2010, ABM worked with the card issuers and the relevant tax authorities to ensure a smooth implementation of the same. To assist cardholders, ABM worked with its member banks to prepare a list of envisaged Frequently Asked Questions to deal with the various probable scenarios to illustrate the manner and timing of the imposition of the said service tax when credit cards and charge cards are issued or renewed. The imposition of the service tax was rolled out smoothly as planned with minimal complaints from the cardholders.

In support of the Government's initiative to **promote electronic payments**, commercial banks were encouraged to offer electronic share application facilities via internet banking to improve payment efficiency in initial public offerings. ABM collaborated with Malaysian Electronic Payment System (1997) Sdn Bhd ("MEPS") to look at a pricing structure that would promote greater adoption of electronic payments on the back of a study on the pricing and governance of e-payment services conducted by MEPS, the findings of which were duly presented to the National Payments Advisory Council in October 2009.

Throughout the year, various industry issues continued to be addressed by ABM. These included giving input to the focus group set up by PEMUDAH to improve Malaysia's ranking in the World Bank Report on Doing Business such as shortening the time for **registering of property and the issuance of redemption statements as well as release of title by banks**, participating in

the working groups formed by the Ministry of Housing and Local Government to revive **abandoned housing projects** and giving input to Agensi Kaunseling Dan Pengurusan Kredit on its **debt management programmes**.

During the year, ABM organized a dialogue session between the Commercial Crime Investigation Department ("CCID") of the Royal Malaysia Police and its member banks to understand and address issues relating to **fraud affecting the banking industry**. CCID shared with the banks its fraud statistics and the modus operandi of some fraud syndicates. Regular dialogues with the Royal Malaysia Police are essential in keeping member banks informed on the latest fraud trends and will continue to be an important forum for sharing going forward.

ABM also liaised and met with other government agencies such as the Ministry of International Trade and Industry on how to **facilitate trade and investments** in the country and the Ministry of Domestic Trade, Cooperatives and Consumerism on consumer related issues covering **hire purchase and credit cards**. With the Ministry of Energy, Water and Communications, efforts to **promote energy efficiency** in Malaysia and financing of related projects were discussed.

### Regional Activities

At the ASEAN level, ABM **participated in the 39th ASEAN Banking Council Meeting** held in Cambodia on 19-20 November 2009. Recognizing the need for ASEAN banks to cooperate and work together, several key programmes were adopted by the ASEAN Banking Council. ABM as the chair for the Permanent Committee on ASEAN Inter-Regional Relations had initiated plans for a study tour to Australia during the year aimed at enabling the ASEAN delegation to exchange experiences and information on banking practices as well as to build inter-regional ties. However, due to the outbreak of the A(H1N1) influenza, the study tour had to be postponed to 2010.

Regionally, as **Malaysia's representatives at the annual meetings of the APEC Financial Institutions dealing with SMEs**, ABM together with several of its member banks attended the 6th APEC Financial Institutions Dealing with SMEs meeting in South Korea. The objective of the annual meetings is to review cooperation activities in the past year and discuss future plans among the participating countries. In accordance to the Memorandum of Understanding ("MoU") signed in 2003, signatory countries meet at least once a year prior to the APEC Finance Ministers' Meeting and take turns to host the meetings in alphabetical rotation. By way of this rotation, ABM looks very much forward to hosting the next APEC Financial Institutions Dealing with SMEs Annual Meeting and Conference, which will be held in Kuala Lumpur in 2010, with the support of its member banks.



ABM is proud to report that it has signed an MoU with the Uzbekistan Banking Association on 25 August 2009 to promote cooperation between the two organizations and their respective member banks. The terms of the MoU serve to provide avenues for the sharing of experiences through various activities.

### MEMBERSHIP STRENGTH

As at 31 December 2009, the ordinary membership of the Association remained unchanged at 22 commercial banks operating in Malaysia. The branch network of commercial banks stood at 2,010 branches as at 31 December 2009.

### CHANGES TO THE COUNCIL

At the 35th Annual General Meeting held on 27 May 2009, pursuant to Article 13 (iii) of the Constitution, Affin Bank Berhad, Hong Leong Bank Berhad, Malayan Banking Berhad, Standard Chartered Bank Malaysia Berhad and United Overseas Bank (Malaysia) Bhd retired and were re-elected as Council members. Alliance Bank Malaysia Berhad, AmBank (M) Berhad and EON Bank Berhad were co-opted as Council members for the year.

Malayan Banking Berhad was elected as Chairman Bank for the ensuing year, taking over the reins from Affin Bank Berhad.

### CHANGES TO THE COUNCIL REPRESENTATIVES

The year 2009 saw a number of changes in line up of CEOs of Council Banks who are representatives of the banks to ABM's Council. We bid a fond adieu to those who have left the local banking fraternity and a warm welcome to their respective successors.

Accordingly, on behalf of all the members of ABM, we would like to take this opportunity to record our heartfelt appreciation to the following former CEOs and Council representatives (in chronological order of their resignations) who have taken time out from their busy schedules to serve not just ABM but the banking fraternity as a whole, and wish them good health and every success as they move on to the next phase of their careers:-

- YBhg Dato' Sri Abdul Hamidy bin Abdul Hafiz, former Managing Director/ Chief Executive Officer (CEO) of Affin Bank Berhad, who retired from the bank on 31 March 2009;

- Mr. Albert Lau, former Group CEO of EON Bank Berhad, who retired from the bank on 26 April 2009;
- Mr. Michael Barrett, former Managing Director of RHB Bank Berhad, who retired from the bank on 30 April 2009;
- Mr. Julian Wynter, former CEO and Managing Director at Standard Chartered Bank Malaysia Berhad who resigned on 30 September 2009 to take up a senior position in Standard Chartered Bank, London;
- Ms. Irene Dorner, former Deputy Chairman and CEO of HSBC Bank Malaysia Berhad, who left Malaysia in December 2009 to take up the post of President and CEO at HSBC in New York, USA; and
- YBhg Datuk Bridget Lai, former Group CEO of Alliance Bank Malaysia Berhad, who resigned on 1 March 2010.

ABM would in turn like to welcome the new members who joined the Council in 2009 as listed below (in chronological order of their appointments) and thank them in advance for their generous time and input for the improvement of ABM specifically and the banking industry as a whole:-

- YBhg Dato' Zulkiflee Abbas bin Abdul Hamid who was appointed as Managing Director/CEO of Affin Bank Berhad on 1 April 2009;
- YBhg Dato' Tajuddin bin Atan, Managing Director of RHB Bank Berhad effective from 1 May 2009;
- Mr. Michael Lor, Group CEO of EON Bank Berhad with effect from 14 October 2009;
- Mr. Osman Morad who was appointed CEO and Managing Director of Standard Chartered Bank Malaysia Berhad on 21 October 2009; and
- Mr. Mukhtar Hussain, Deputy Chairman and CEO of HSBC Bank Malaysia Berhad, appointed on 15 December 2009.

Last but not least, ABM and its Council laud the appointment of YBhg Dato' Sri Abdul Wahid Omar, President and Chief Executive Officer of Malayan Banking Berhad as the Chairman of ABM for the term 2009-2010. His hands-on style of management and vast experience will undoubtedly be of benefit to ABM's aspirations to play a more effective role and to foster better public understanding of the banking industry.

In addition, for the first time in ABM's history, ABM and its Council welcome the Alternate Representatives of the Council Banks following the change made to Article 18 of ABM's Constitution, which allows each member of the Council to appoint an alternate representative, in the main, to attend Council meetings.

## CONCLUSION

With clear signs of an improved economic outlook in 2010, the banking industry must be quick to respond to new opportunities and to evolve the way banking is carried out. Only in so doing will the industry be able to forge ahead to meet the challenges of the next decade. Going forward, ABM will build upon what it has achieved in 2009 to do even better in the coming year. ABM affirms its commitment to assist member banks in addressing and resolving issues at the industry level as well as to enhance public relations and understanding. In this respect, ABM looks forward to member banks' continued support and cooperation.

As always, ABM and its Council wish to record our sincere appreciation and thanks to Bank Negara Malaysia, the Ministry of Finance, Government agencies and other regulatory authorities including the Securities Commission for their assistance and guidance during the course of the year.

On behalf of the Council

**Chuah Mei Lin**  
Executive Director

# Calendar of Events



## Monday, 12 January

### SME State Seminars

Following from the success of the Banking Industry Seminar to Enhance SME's Awareness and Access to Financing held in Kuala Lumpur on 9 July 2008, member banks began to individually hold state level seminars for SMEs in the other states in 2009. The venues identified at first go were Penang, Johor Bahru, Kuching, Kota Kinabalu and Kuantan.

The format of the seminars was drawn up by the respective participating banks based on its customers' profile and business focus.

The first state level seminar for 2009 was hosted by CIMB Bank Berhad in Johor Bahru, Johor and focused on the construction and manufacturing sectors. These State Seminars were eventually phased out with the advent of the dialogues organized by Bank Negara Malaysia and ABM jointly.

## Saturday, 17 January

### 34th ABM/ABS Golf Tournament 2009, Saujana Golf & Country Club

For the purpose of the continued fostering of the spirit of camaraderie amongst Malaysian and Singaporean bankers, a golf tournament is held annually on a home and away basis between The Association of Banks in Singapore (ABS) and ABM. As ABM was not able to host the event in 2008, the Malaysian leg of the tournament was held in early 2009. Representatives from both the Malaysian and Singaporean banking fraternity took the opportunity to network with one another.



## Friday, 20 February

### Ongoing SME State Seminars

A seminar entitled "Enhancing SME Awareness and Access to Financing – Plantation and Property" was held by RHB Bank Berhad in Kota Kinabalu, Sabah. ABM was in attendance.

## Friday, 13 March

### "The 2009 Economic Barometer – Why do we say the Malaysian Financial Industry is liquid?"

ABM's public lecture entitled "The 2009 Economic Barometer – Why do we say the Malaysian Financial Industry is liquid?" was aimed at sharing with key stakeholders the reasons why the Malaysian economy



### **“The 2009 Economic Barometer – Why do we say the Malaysian Financial Industry is liquid?”**

*Continue from page 29*

remained robust under the then challenging economic climate. Speakers from the Malaysian Institute of Economic Research, RAM Holdings Berhad and Standard Chartered Bank eloquently and effectively shared their views with a captivated audience comprising representatives from SMI Association of Malaysia, The Associated Chinese Chambers of Commerce and Industry of Malaysia, Persatuan Pasaran Kewangan and the media.

### **Tuesday, 17 March**

#### **Ongoing SME State Seminars**

As part of the series, Alliance Bank Malaysia Berhad organized a session entitled “Business Club Talk: Amidst the Current Turmoil” in Butterworth, Penang.



### **Tuesday, 31 March**

#### **Meeting with Ministry of Domestic Trade, Cooperatives and Consumerism on credit card interest rates**

ABM together with the Heads of Card Businesses of its major Council Banks met with Ministry of Domestic Trade, Cooperatives and Consumerism to discuss the tiered credit card interest rates. The Ministry was briefed on the rationale for the differences in the percentage changes. The differential tiered interest rates serve to reward prudent repayment habits and instill strong management of personal finances.



### **Wednesday, 8 April**

#### **Ongoing SME State Seminars**

Hong Leong Bank Berhad organized a talk entitled “Riding the Wave of Economic Uncertainties” in Kuching, Sarawak.

### **Monday, 13 April**

#### **Ongoing SME State Seminars**

A seminar on the banking industry for SMEs was held by AmBank (M) Berhad in Johor Bahru, Johor.



**Monday, 13 April**

### Ongoing SME State Seminars

“Contract Financing” was the title of the talk by OCBC Bank (Malaysia) Berhad in Penang. ABM was in attendance at the talk.



**Thursday, 23 April**

### Meeting with Ministry of International Trade and Industry on the revisions to the hire purchase rates

ABM together with the Heads of Hire Purchase Businesses of its major Council Banks met with Ministry of International Trade and Industry to clarify the structure of hire purchase interest rates, the banks' funding costs and the reasons for the revisions made to the rates.



**Wednesday, 29 April**

### Ongoing SME State Seminars

EON Bank Berhad presented “Enhancing SME Awareness and Access to Financing – Export and Overseas Expansion” to SMEs in Johor Bahru, Johor with ABM in attendance.

**Tuesday, 5 May**

### Meeting with Laura Brix, Policy Advisory Consultant to CGAP/The World Bank

Ms Laura Brix, Policy Advisory Consultant to Consultative Group to Assist the Poor (CGAP)/The World Bank met with member banks and ABM to discuss financial inclusion and customer protection policy issues with a bias towards the lower income customers.



**Friday, 22 May**

### Ongoing SME State Seminars

“Enhancing SME Awareness and Access to Financing – Tourism” was the title of the seminar talk by HSBC Bank Malaysia Berhad in Kuantan, Pahang. ABM was able to join in at the same.



### **Wednesday – Friday, 3 - 5 June**

#### **SMIDEX 2009, Kuala Lumpur Convention Centre, Kuala Lumpur**

ABM was both the coordinator for its member banks as well as a participant for SMIDEX 2009. By setting up a booth alongside with its members, ABM underscored its commitment to reach out and assist SMEs with their financing issues. ABM also used the expo as an opportunity to promote its *ABMConnect* toll-free line to encourage consumers with complaints pertaining to banking services to contact ABM for intermediary assistance.



### **Thursday, 11 June**

#### **Budget 2010 Consultation Session**

ABM attended the Budget Consultation Session chaired by YAB Prime Minister with the theme “Together Building Resilience, Revitalising Growth”. A memorandum was submitted by ABM to Ministry of Finance highlighting the issues of concerns to the banks and the proposed recommendations.



### **Monday, 15 June**

#### **Ongoing SME State Seminars**

A session entitled “Enhancing SME Awareness and Access to Financing – Contract Financing” was held by Affin Bank Berhad in Kuantan, Pahang with ABM in attendance.

### **Tuesday, 16 June**

#### **Meeting with Malaysian Automotive Association**

Following from the increase in hire purchase interest rates, ABM met with the Malaysian Automotive Association to explain the rationale for the revisions in the same.



### **Wednesday, 17 June**

#### **Roundtable Session with Italian Banking Association**

ABM together with its members held a roundtable session with the Italian Banking Association and its member banks. The objective of the Italian delegation’s visit to Malaysia was to strengthen bilateral economic relations and ignite new trade and investment potential between Italy and Malaysia.

### Wednesday – Thursday, 8 – 9 July

#### 6th Annual Meeting and Conference of Asia Pacific Economic Cooperation (APEC) Financial Institutions Dealing with SMEs, Seoul, South Korea

As one of the thirteen Signatory Members that signed the Memorandum of Understanding on 5 September 2003, ABM led the Malaysian delegation comprising senior representatives from Malayan Banking Berhad, Alliance Bank Malaysia Berhad and CIMB Bank Berhad to participate in the 6th Annual Meeting and Conference of APEC Financial Institutions Dealing with SMEs. Themed “SME Development and Financing in an Age of Global Economic Crisis”, the event saw the Malaysian delegates sharing with the other signatories the progress on SME development and financing in Malaysia, as well as showcasing Malaysia as the host for the 7th Annual Meeting and Conference of APEC Financial Institutions Dealing with SMEs 2010.



### Tuesday, 14 July

#### Roundtable with the Consumer Associations

A roundtable discussion was held to address a myriad of banking matters pertaining to credit cards, hire purchase and other general issues. Representatives from Ministry of Domestic Trade, Cooperatives and Consumerism, Persatuan Pengguna Islam Malaysia, Association of Islamic Banking Institutions Malaysia and ABM member banks attended.

### Wednesday, 15 July

#### Meeting with the Australian Trade Commission

ABM met with representatives from the Australian Trade Commission to explore opportunities for greater collaboration between Malaysia and Australia.

### Thursday, 16 July

#### Meeting with Ministry of Domestic Trade, Cooperatives and Consumerism

As a follow up to the meeting held on 31 March 2009, ABM met with Ministry of Domestic Trade, Cooperatives and Consumerism to discuss issues relating to the late payment fee and related credit card issues.



**Thursday, 30 July**

**Forum with Bankers, Business Chambers and Consumer Associations, Penang**

ABM participated in a forum organized by Bank Negara Malaysia that brought together bankers, various business organizations and consumer associations. The forum showcased the various SME funds available to SMEs and served as a platform for bankers, the business organizations and consumer associations to raise and address issues.

**Saturday, 15 August**

**35th ABS/ABM Golf Tournament, Sentosa Golf Club, Singapore**

In August, ABS hosted and organized the 35th ABS/ABM Golf Tournament which was held at the Sentosa Golf Club, Singapore. The ABM team enjoyed the outing which presented them with the opportunity to renew ties with their Singaporean counterparts.



**Monday – Tuesday, 17 – 18 August**

**Majlis Beramah Mesra Bank Dan Perusahaan Kecil & Sederhana, Dewan Jubli Intan, Batu Pahat, Johor**

ABM took up the challenge of organizing the first Financing Fair out-station with the support of Bank Negara Malaysia, Small and Medium Industries Development Corporation (as it was then known) and Credit Guarantee Corporation Malaysia Berhad. The Fair drew the participation of more than 300 participants from the various business organizations and 19 financial institutions. The objective of the Financing Fair, that is, to educate SMEs on SME funding was met through a series of presentations and lectures.

In conjunction with the Financing Fair, a dialogue was held amongst the banks and SMEs so that issues may be raised and responses furnished face to face.

**Friday, 21 August**

**Meeting with Proton Edar Dealers Association Malaysia (PEDA)**

ABM together with the Heads of Hire Purchase Businesses of its key Council Banks met with PEDA to work out the processes to improve the turnaround time for hire purchase applications. A standard referencing number and minimum information required by banks to verify the dealers/sales personnel employed by the Proton Network were agreed upon.

## Tuesday, 25 August

### Signing of Memorandum of Understanding (MoU) with the Uzbekistan Banking Association (UBA)

ABM signed an MoU with UBA to promote cooperation between the two organizations and their respective member banks. Member banks were also invited to the meeting with UBA where both sides exchanged views on banking related matters.



## Thursday, 8 October

### Dialogue with Bar Council Malaysia

ABM facilitated a dialogue between members of Bar Council Malaysia and the in-house legal counsels of ABM's member banks on issues of common interest. Besides forging a better understanding between parties, the objective of the dialogue was also to have an exchange of views on pertinent issues.

## Friday, 23 October

### Dialogue with the Royal Malaysia Police

As part of the ongoing combat against fraud, ABM organized a third in the series of forums with the Commercial Crime Investigation Department of the Royal Malaysia Police. Representatives of Bank Negara Malaysia as well as of ABM member banks were present to highlight concerns and exchange thoughts.



## Tuesday, 27 October

### Meeting with The National Bank of Abu Dhabi

ABM met with Mr Qamber Ali Al Mulla, Senior General Manager, International Banking Division and Mr Prakash Sheth, Head of International Credit and Marketing of the National Bank of Abu Dhabi who were keen to seek a better understanding on the economy and banking sector of Malaysia as well as to explore trade opportunities between Malaysia and Gulf Cooperation Council countries.

## Friday, 30 October

### Dialogue with the Institution of Surveyors Malaysia (ISM)

ABM hosted its first dialogue with ISM. The objective of the dialogue was to introduce the role and functions of ISM and the various types of surveyors to member banks, as well as to forge a stronger working relationship between ISM and the banking fraternity.







#### **Thursday, 12 November**

##### **Financial Sector Talent Enrichment Programme (FSTEP)**

In continuing support of human capital development, ABM co-hosted with FSTEP, Malaysian Investment Banking Association and Association of Islamic Banking Institutions Malaysia a workshop entitled "The Way Forward: Batch 5 and Beyond". At the workshop, ABM presented the industry's observations of the FSTEP training programme and the suggestions going forward.

#### **Thursday – Friday, 19 – 20 November**

##### **39th ASEAN Banking Council Meeting, Phnom Penh, Cambodia**

ABM Chairman, Dato' Sri Abdul Wahid Omar, led the Malaysian delegation comprising senior representatives from Malayan Banking Berhad, Affin Bank Berhad, Hong Leong Bank Berhad, Public Bank Berhad and ABM to the 39th ASEAN Banking Council Meeting. More than 150 bankers from the ASEAN Bankers Association's member countries convened to draw out ideas and to work towards better collaboration between the ten National Banking Associations through a fostering of friendship and cooperation.



#### **Wednesday, 2 December**

##### **Sesi Berinteraksi Bersama Organisasi Perniagaan, Kuala Terengganu, Terengganu**

An interactive forum, *Sesi Berinteraksi Bersama Organisasi Perniagaan* was held between SMEs and relevant business organizations in and around Kuala Terengganu, and representatives of the financial services industry.

The dialogue was jointly chaired by Bank Negara Malaysia and ABM as part of an on-going series of nationwide dialogues with the objective of bringing together the financial services sector and the local business community.

# List of Press Releases

Issued by ABM in 2009

DATE	SUBJECT
5 Jan 2009	Preliminary Investigations Reveal No Bank Staff Involved in Illegal Bank Account Withdrawals
8 Jan 2009	Ample Financing Opportunities Available; Banks Responsive to Business Loan Applications
29 Jan 2009	Association of Banks of Malaysia and Singapore Play 34th Annual Golf Tournament to Boost Ties
12 Feb 2009	Banks Lower Credit Card Interest Rates to Help Customers Cope with Weakening Economic Indicators
25 Feb 2009	Malaysians to Enjoy Lower Loan Repayment Installments at Same Repayment Tenure for All Loans Pegged to the Base Lending Rate
10 Mar 2009	The Association of Banks in Malaysia Lauds Move to Facilitate a One-Year Deferment of Housing Loans for Retrenched Workers
13 Mar 2009	The Association of Banks in Malaysia Hosts First of a Planned Series of Dialogues on the Financial Industry
13 Mar 2009	Banks Well-Capitalized and Committed to Supporting Viable Customers in Current Slowdown; Positive About Loans Growth for 2009
23 Mar 2009	The Association of Banks in Malaysia's Public Hotline is Three Months Old; Mediates Between Bank Users and Member Banks
10 Apr 2009	Majority of Banks Have Re-Adjusted Base Lending Rate (BLR) Pegged Loans to Realize Immediate Benefits for Customers
20 Apr 2009	Individual Banks to Fix Interest Rates for Auto Financing Based on Respective Strategies
28 Apr 2009	In Reply to Malay Mail "Malaysia Jackpot for Online Gambling Sites"
5 May 2009	The Availability and Uptake of Amanah Saham Malaysia (ASM) Units
27 May 2009	The Association of Banks in Malaysia Names Maybank Chief Dato' Sri Abdul Wahid Omar as New Chairman
27 May 2009	The Association of Banks in Malaysia Unveils Interactive Website to Better Engage with the Banking Public
11 Jun 2009	Press Statement on Customer's Maximum Liability of RM250 for Unauthorized Transactions in Case of Lost or Stolen Credit Card
26 Jun 2009	Further Relaxations in Late Payment Fee for Credit Cards

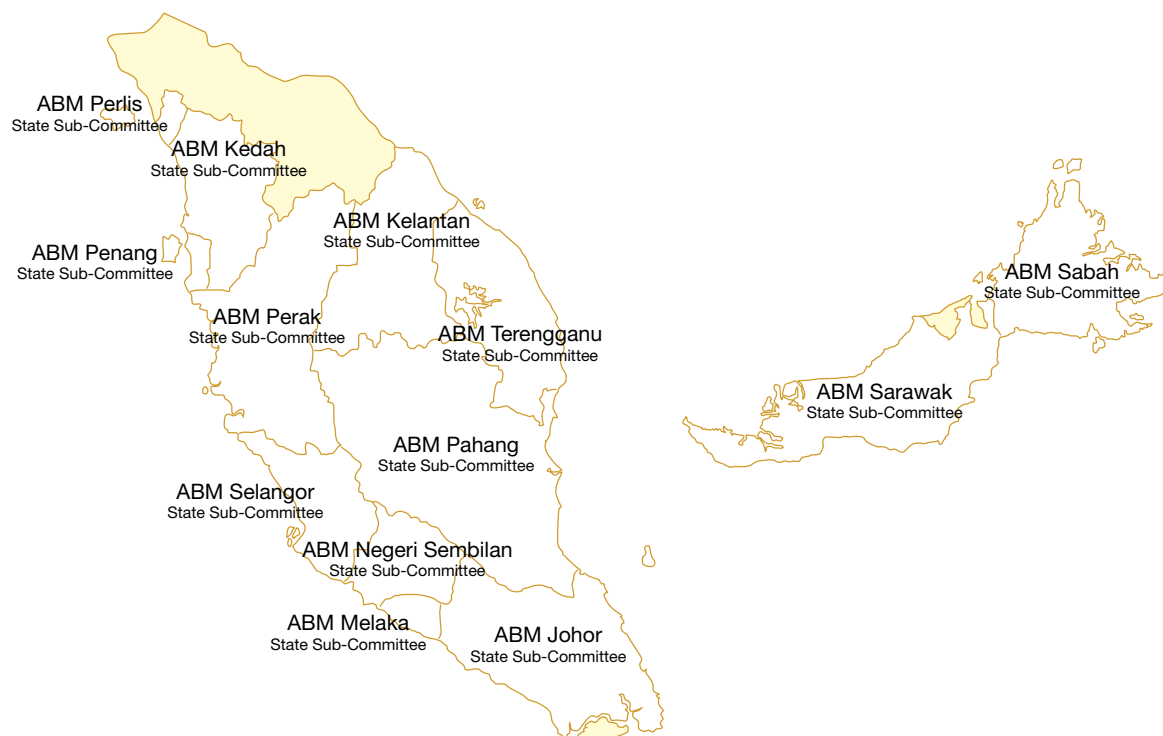


### List of Press Releases (Cont'd)

DATE	SUBJECT
13 Aug 2009	The Association of Banks in Malaysia, Bank Negara and SMIDEC to Hold First Ever Financing Fair Outside Kuala Lumpur on August 17th
18 Aug 2009	First Financing Fair in Batu Pahat Organised by The Association of Banks, Bank Negara Malaysia and Small and Medium Industries Development Corporation, an Encouraging Success
25 Aug 2009	The Association of Banks in Malaysia Signs MoU with Uzbekistan Banking Association to Promote Cooperation
5 Nov 2009	Sufficient Time for Smooth Implementation of Service Tax on Credit Cards
23 Nov 2009	Malaysian Banking Delegates Meet with ASEAN Bankers at the 39th ASEAN Banking Council Meeting
2 Dec 2009	SMEs and Business Organizations Meet in Kuala Terengganu for an Interactive Session with Bankers
28 Dec 2009	Service Tax Chargeable When Credit Cards and Charge Cards are Issued or Renewed

*Note: Please refer to our website at [www.abm.org.my](http://www.abm.org.my) for full contents of the press releases*

# ABM State Sub-Committees



## KEDAH & PERLIS

**Tn Hj Zainul Abidin Mohd Ali**  
**Zone Manager Kedah & Perlis**  
 Malayan Banking Berhad  
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 10200 PENANG  
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**En Che' Hassan Che' Mohammad**  
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## TERENGGANU

**En Mohd Khairi Abdul Ghani**  
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## PAHANG

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## SABAH

**Mr Joshua Ling Ing Kiong**  
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## SARAWAK

**En Nasir Khan Istiar Hussain Khan**  
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(As at 30 April 2010)

# Directory of ABM Members

(in alphabetical order)

## AFFIN BANK BERHAD

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Fax: 03-2031 9822  
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Fax: 03-2694 9588  
Website: [www.eonbank.com.my](http://www.eonbank.com.my)  
email: [caf@eonbank.com.my](mailto:caf@eonbank.com.my)

## HONG LEONG BANK BERHAD

Wisma Hong Leong  
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Fax: 03-2715 6363  
Website: [www.hlb.com.my](http://www.hlb.com.my)  
email: [hlonline@hlbb.hongleong.com.my](mailto:hlonline@hlbb.hongleong.com.my)

## HSBC BANK MALAYSIA BERHAD

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Fax: 03-2070 1146  
Website: [www.hsbc.com.my](http://www.hsbc.com.my)  
email: [contactus@hsbc.com.my](mailto:contactus@hsbc.com.my)

## J.P. MORGAN CHASE BANK BERHAD

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Fax: 03-2715 0871  
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email: [publicaffairs@maybank.com.my](mailto:publicaffairs@maybank.com.my)

## OCBC BANK (MALAYSIA) BERHAD

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50050 KUALA LUMPUR  
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Fax: 03-2163 9917  
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email: [customerservice@publicbank.com.my](mailto:customerservice@publicbank.com.my)

## RHB BANK BERHAD

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Fax: 03-9287 9000  
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## STANDARD CHARTERED BANK MALAYSIA BERHAD

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(As at 30 April 2010)