

Service Quality Improvement



In today's fast evolving business environment, companies that wish to progress ahead of others must have a competitive edge. At the AmBank Group, we reaffirm that our competitive edge comes from improving our service delivery standards.



CUSTOMER F.I.R.S.T. Friendly, Innovative, Responsive, Simple and Trustworthy, these are the values that the Group is embracing to achieve excellence in customer service delivery standards. This is more so in an environment of increasing customer awareness, products and services transparency, and the growing maturity of the financial services industry.

In an effort to cultivate and reinforce these values and the desired attitude in customer service by front-line staff, the Group had implemented a number of related programmes that include our client charter, group-wide customer management initiatives, training, complaint management system, contests as well as internal and external customer campaigns.

The Customer Care Unit was set up in May 2005 with the objective of providing quick resolution to customer complaints by ensuring centralised management of complaints with respect to the banking services provided by Retail Banking Division. The role was later expanded to address the root cause of the problems faced by customers by improving the business processes at the business units.

Accordingly, the Unit was renamed "Service & Quality Improvement" (SQI) on 6 December 2005, with the mission statement **"To Position AmBank as the No. 1 Customer Service Provider in the Banking Industry"**.

Functions of Service and Quality Improvement Department

Service & Quality Management

- To centrally track and manage all complaints and feedback.

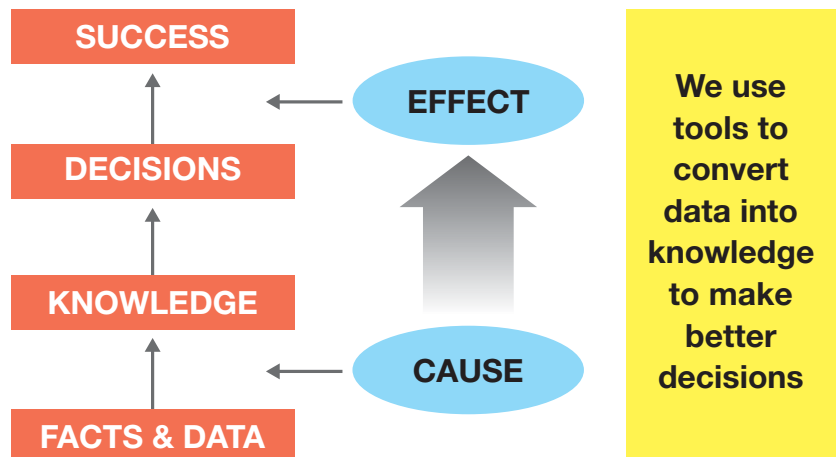
Projects & Consulting

- To continuously identify and implement Six Sigma projects to improve process efficiencies.

Continuous Improvement

- To develop and customise Six Sigma curriculum for AmBank Retail Banking;
- To promote and provide Six Sigma training; and
- To initiate and implement continuous improvement programmes such as Kaizen and Customer Service campaigns.

Knowledge Based Management

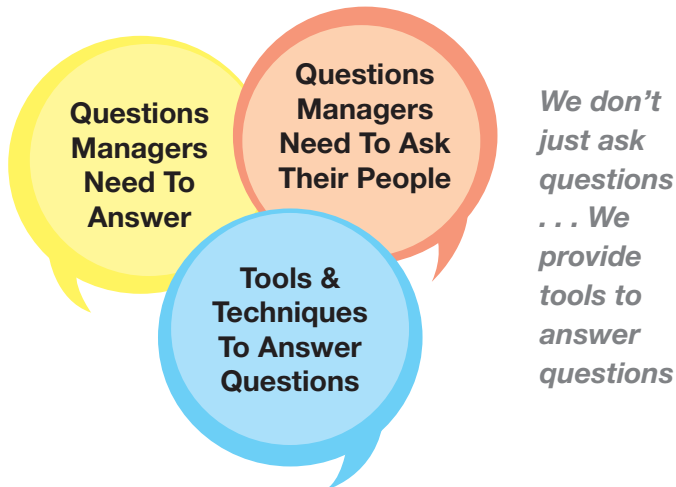


In line with this vision, the Retail Banking Division has embarked on a two-year journey to inculcate a culture of quality and innovation throughout the Bank, using the Six Sigma methodology, a structured, data-driven approach for continuous improvement. The objective is to improve customer satisfaction, eliminate waste, reduce costs and increase profits.

As a first step, we have started to train a project team in the tools and methodology of Six Sigma, whilst executing well-structured projects, to have a significant impact on customer service. Among the key projects initiated were:

- SMILE, a project to increase the friendliness of the front-line staff at branches.
- Queue Improvement project to reduce customer waiting time for counter transactions at branches. We continue to measure and monitor the achievement of customer service delivery for the core banking transactions.
- Customer Service Campaign (Phase 1), involving 31 branches to measure the overall branch performance on customer service

Questions We are Asking to Improve Productivity



via feedback through questionnaires sent to customers and the customer satisfaction index.

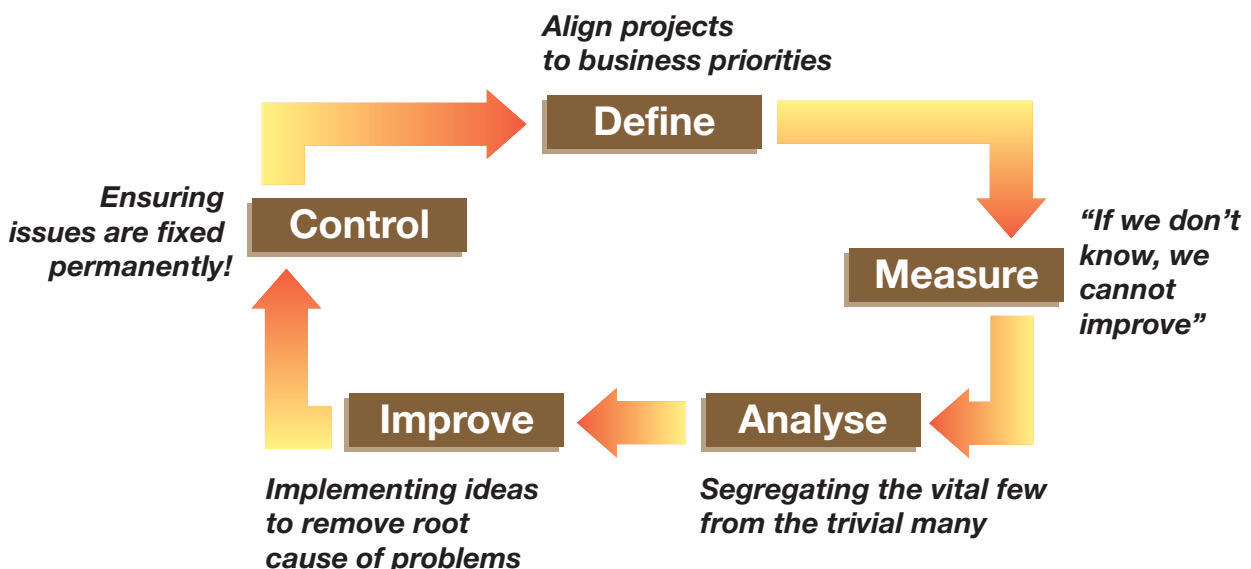
The principle on which Six Sigma practices the application of tools and techniques is most commonly known by the acronym of DMAIC – Define, Measure, Analyse, Improve and Control – the project steps in process improvement.

A Quality Council, chaired by the Managing Director of Retail Banking and comprising all Heads of

Department, has been established to oversee matters related with implementation and development of policies with regards to overall management of Six Sigma. The Council meets monthly to review the company-wide implementation progress, establish project selection criteria, and review the progress of the deployment.

With the deployment of Six Sigma, the Bank is evolving to put the customer at the centre of our organisation, and ensuring that everything we do is to improve customer satisfaction.

DMAIC: Problem Solving Approach



Corporate Structure

Subsidiaries and Associated Companies

The following are the Company's subsidiaries and associated companies grouped under the major business lines.

Companies	Effective Shareholdings (%)
Investment Banking	
AmInvestment Group Berhad	51.00
AmMerchant Bank Berhad	51.00
AmInternational (L) Ltd	51.00
Broking	
AmSecurities Holding Sdn Bhd	51.00
AmSecurities Sdn Bhd	51.00
AmFutures Sdn Bhd	51.00
AmResearch Sdn Bhd	51.00
AmEquities Sdn Bhd	51.00
AmPrivate Equity Sdn Bhd	40.80
PT AmCapital Indonesia	42.36
Funds Management	
AmInvestment Services Berhad	51.00
AmInvestment Management Sdn Bhd	51.00
Malaysian Ventures Management Incorporated Sdn Bhd	40.80
AMMB Consultant Sdn Bhd	51.00
Real Estate Investment Trust Management	
AmProperty Trust Management Berhad	51.00
Am ARA REIT Holdings Sdn Bhd	35.70
Am ARA REIT Managers Sdn Bhd	35.70
Trustee and Custodian Services	
AmTrustee Berhad	60.40
AMMB Nominees (Tempatan) Sdn Bhd	51.00
AMMB Nominees (Asing) Sdn Bhd	51.00
AMSEC Nominees (Tempatan) Sdn Bhd	51.00
AMSEC Nominees (Asing) Sdn Bhd	51.00
AM Nominees (Tempatan) Sdn Bhd	51.00
AM Nominees (Asing) Sdn Bhd	51.00
South Johor Securities Nominees (Tempatan) Sdn Bhd	51.00
Associated Companies – Singapore	
Fraser International Pte Ltd	24.99
Fraser Securities Pte Ltd	24.99
Fraser Financial Planners Pte Ltd	24.99
Fraser-AMMB Research Pte Ltd	24.99
Fraser Financial Services Pte Ltd	24.99
Fraser Nominees (Private) Limited	24.99

Companies	Effective Shareholdings (%)
Commercial & Retail Banking	
AmBank (M) Berhad	100.00
AmIslamic Bank Berhad*	100.00
AMBB Capital (L) Ltd	100.00
Arab-Malaysian Credit Berhad	100.00
AmTrade Services Limited	100.00
Life and General Insurance	
AmAssurance Berhad	70.00
Others	
AMFB Holdings Berhad	100.00
AmProperty Holdings Sdn Bhd	100.00
Bougainvillea Development Sdn Bhd	100.00
MBf Trustees Berhad	60.00
MBf Information Services Sdn Bhd	100.00
Dormant	
MBf Equity Partners Sdn Bhd	100.00
Natprop Sdn Bhd	100.00
AMCB Mezzanine Sdn Bhd	100.00
AMMB Factors Sdn Bhd	100.00
Annling Sdn Bhd	100.00
Crystal Land Sdn Bhd	80.00
Everflow Credit & Leasing Corporation Sdn Bhd	100.00
AmCredit & Leasing Corporation Sdn Bhd	100.00
Komuda Credit & Leasing Sdn Bhd	100.00
Lekir Development Sdn Bhd	100.00
Li & Ho Sdn Bhd	100.00
Malco Properties Sdn Bhd	51.00
MBf Nominees (Asing) Sdn Bhd	100.00
MBf Nominees (Tempatan) Sdn Bhd	100.00
Teras Oak Pembangunan Sdn Bhd	100.00
Arab-Malaysian Services Berhad	70.00
AmManagement Services Sdn Bhd	100.00
AmSecurities (HK) Limited	51.00
AMMB Labuan (L) Ltd	51.00
AMMB Properties Sdn Bhd	51.00
Malaysian Ventures Sdn Bhd [^]	13.98
Malaysian Ventures (Two) Sdn Bhd [^]	17.68
South Johor Securities Nominees (Asing) Sdn Bhd	51.00

* formerly known as AMBB Capital Berhad and prior to that, known as AmBank Berhad.
[^] under members' voluntary liquidation.