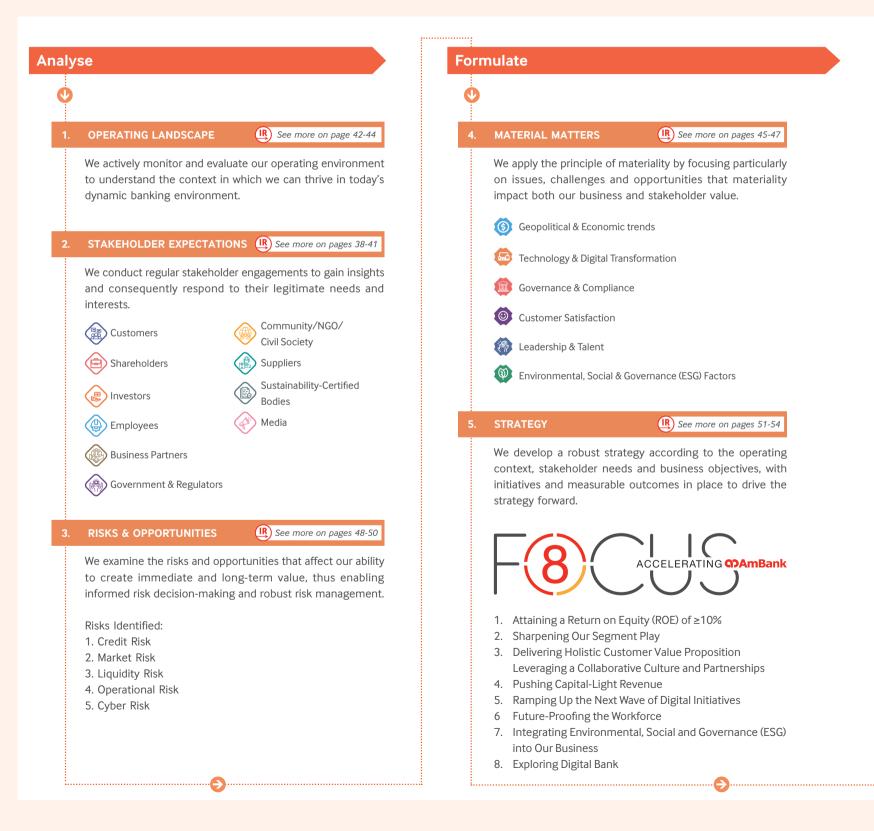
HOW WE CREATE VALUE An Integrated Approach to Value Creation

As a stakeholder-centric organisation, we strive to create value for everyone impacted by our business. This requires integrated thinking that takes into account the connectivity and interdependencies of factors that affect our ability to create stakeholder value – now and far into the future. In the following pages, we describe our value creation story based on a multitude of factors, such as the operating landscape, stakeholder expectations, the capitals available, our responses to risks and opportunities, as well as the strategy we formulate.

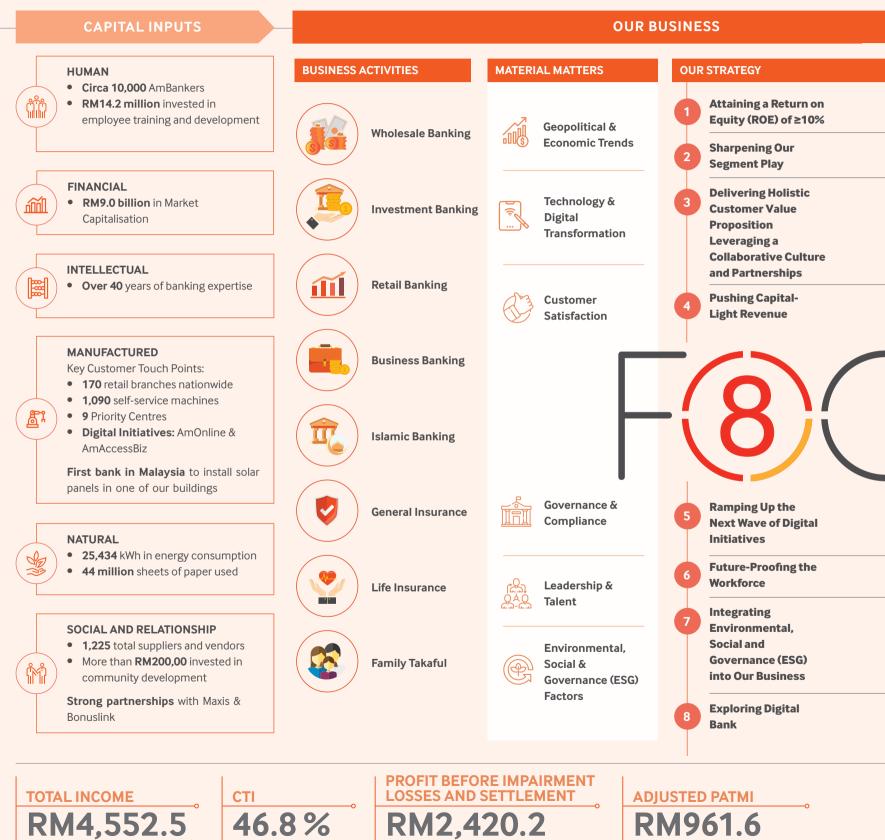


34



OUR VALUE CREATING BUSINESS MODEL

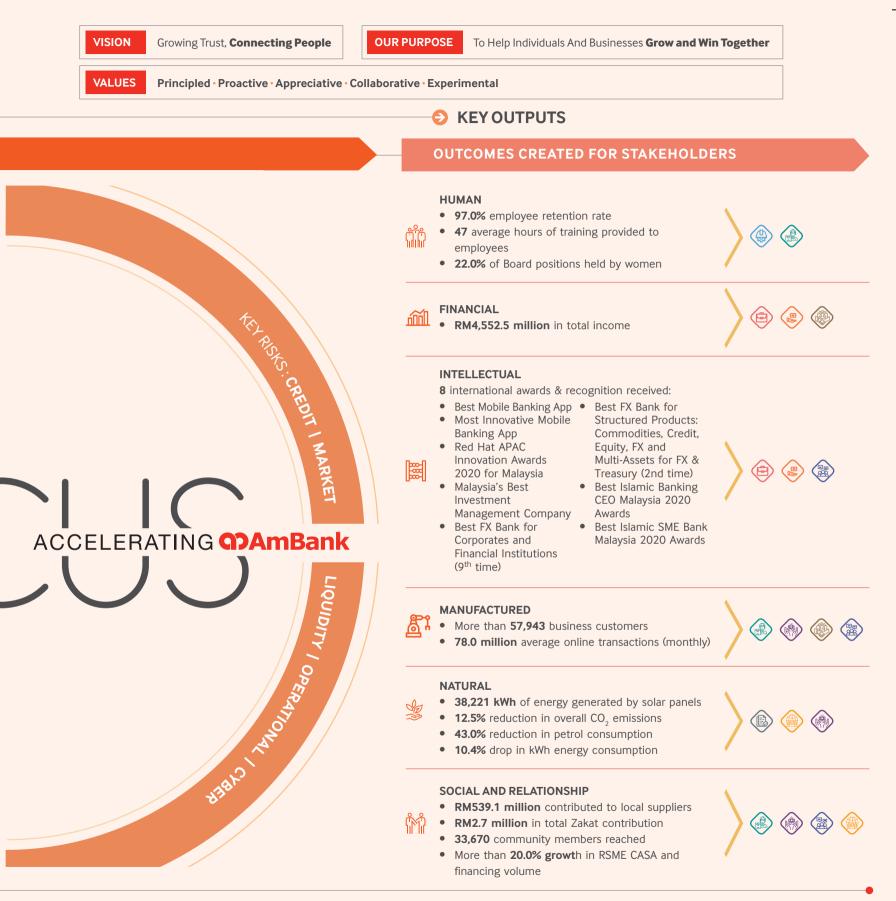
KEY INPUTS 👂



Million

Million

Million



GROSS LOANS, ADVANCES AND FINANCING RM114.8 Billion CUSTOMERS RM120.5 Billion

CASA GROWTH

CET1 CAPITAL RATIO

1 Overview of AmBank Group

2 Key Messages

3 Value Creation at AmBank Group

Management Discussion and Analysis

4

37

Leadership

ŝ

Responsible Governance

9

Sustainability Statement

 \sim

Other Information

 ∞

STAKEHOLDER ENGAGEMENT

AmBank Group's strategic performance is based on our ability to balance our diverse stakeholders' near and long-term interests. We take into account the feedback we receive from various stakeholder engagement platforms to better serve their needs. By establishing meaningful and relevant stakeholder relationships, we create value for the Group and our stakeholders, thus enabling a more sustainable future for everyone.

CUSTOMERS

WHY ARE THEY IMPORTANT?

Customers are key to our long-term success. They provide critical support by purchasing our products and services, contributing to our strategic direction.

ENGAGEMENT PLATFORMS

WHAT ARE THEIR KEY EXPECTATIONS?

- Seamless customer experience
- Financial inclusion and literacy
- Data security

OUR APPROACH

- Invest in digital platforms and solutions
- Deliver financial opportunities for different customer segments according to their financial needs and motivation

WHAT ARE THEIR KEY EXPECTATIONS?

• Continuously enhance cybersecurity measures

Contact Centres

CX Mystery Shopping

Customer Satisfaction Survey

Digital and Online Solutions

EMPLOYEES

Frequency: Daily/Monthly/Quarterly *

Frequency: Daily/Monthly *

WHY ARE THEY IMPORTANT?

The dedication and productivity of employees drive our strategies forward. Therefore, we need to create a positive and nurturing work environment that attracts, develops and retains the best talent.

ENGAGEMENT PLATFORMS

- 🔶 Learning & Development Programmes
- Townhalls
- AmConnected Portal/Within eHR Emails, AmBerita Newsletters and **Direct Employee Electronic Feedback**
- Senior Management Visits to Touchpoints
- Department Meetings, Senior Management Quarterly Engagements, Team Huddles
- Senior Management Offsite and Department Offsite
- KPI and TOR Sessions (1-1 Performance Review and Development Cycle)
- AmBank Group Sports Club

• Provide flexible working hours

• Work-life balance

• Strengthen governance on employee well-being

Safe and productive work environment

• Career development opportunities

- Establish a career succession plan for all employees
- Encourage participation in our digital Employee Engagement programmes to keep employees motivated and engaged

OUR APPROACH

INTEGRATED REPORT 2021

38

Frequency: Periodically *

SUPPLIERS

WHY ARE THEY IMPORTANT?

Our supply chain partners deliver essential products and services that enable us to execute our strategy. Strong supplier relationships help provide the best value for our operations.

ENGAGEMENT PLATFORMS

- Onboarding Procurement Process
- Performance Evaluation
- 🔶 Adhoc Engagements

WHAT ARE THEIR KEY EXPECTATIONS?

• Ethical procurement, guidance and effective communication

OUR APPROACH

- Engage suppliers based on a win-win approach
- Conduct a supplier performance management and improvement plan
- Prioritise local suppliers and contractors
- Maintain fair engagement for all suppliers
- Perform regular due diligence

GOVERNMENT & REGULATORS

WHY ARE THEY IMPORTANT?

Regulatory bodies and government agencies determine the license and scope of our operations. In return, we contribute to socio-economic growth and financial stability.

ENGAGEMENT PLATFORMS

- Regular Meetings and Updates Sessions
- Seminars and Workshops

Financial Industry Collective

AmBank Group Sports Club

Outreach (FINCO)

Focus Groups

Feedback to Regulators' Sustainability-Related Consultation Papers

WHY ARE THEY IMPORTANT?

We have an ethical responsibility to involve community groups and organisations

in activities that directly impact communities. Healthy links to the local

ENGAGEMENT PLATFORMS

WHAT ARE THEIR KEY EXPECTATIONS?

- Responsible banking practices
- Good governance and compliance
- Socio-economic growth

OUR APPROACH

- Adopt Value-Based Intermediation (VBI) and ESG principles
- Establish stringent a stringent compliance system
- Contribute to various development programmes

COMMUNITY/NGO/CIVIL SOCIETY

Zakat Contributions

AmKasih – CSR Activities

WHAT ARE THEIR KEY EXPECTATIONS?

- Financial inclusion and literacy
- Community development and outreach

OUR APPROACH

- Offer financial literacy programmes for communities
- Volunteering Programmes
 - Invest in Corporate Social Responsibility (CSR) programmes

community are part of our social license to operate.

Frequency: Quarterly

Frequency: Monthly *

39

1 Overview of AmBank Group

2 Key Messages

3 Value Creation at AmBank Group

igement ission and

Leadership ß

9

Sustainability

 ∞

STAKEHOLDER ENGAGEMENT



SHAREHOLDERS & THE INVESTMENT COMMUNITY

Frequency: Quarterly/Annually *

WHY ARE THEY IMPORTANT?

A company with competent management, sound financial position and good business practices will attract the investment community to become shareholders, which in turn, will lead to a strong valuation of the company through its share price.

Shareholders can also be an avenue for additional capital when required through corporate exercises like a Private Placement or Rights Issue.

Our key duty to shareholders, as a responsible publicly-listed company, is to return value to them through the fair valuation of share price and stable dividend payments. At the same time, we ensure shareholders are kept abreast with accurate and timely updates on the Group's latest news, financial performance and significant events through multiple engagement platforms.

WHAT ARE THEIR KEY EXPECTATIONS?

- Strategic priorities and direction
- Sustainable earnings growth and stable dividend stream
- Prudent cost management
- · Proactive management of asset quality and credit exposure from individuals and sectors impacted by COVID-19
- Digital initiatives to remain competitive with peers
- Governance to promote transparency and accountability
- ESG aspects as a consideration for lending and investment decisions/ practices

ENGAGEMENT PLATFORMS	OUR APPROACH
Annual General Meeting	Focus on our refreshed strategy – FOCUS 8
🔶 Analyst and Fund Manager Briefings	 Focus on strengthening balance sheet, maintaining high liquidity buffers and credit vigilance and adoption of automation Active engagement with shareholders and the investment community
Dissemination of briefing materials - Investor Presentations, Financial Statements, Media Releases	
Madia Priofings/Madia Poloasos on Significant Events	• Ensure timely and comprehensive updates on quarterly financial results,

- Media Briefings/Media Releases on Significant Events asset quality disclosures and significant event(s) if applicable • Integrate ESG considerations into business decisions
- Thematic investor day briefings
- One-on-One and Group Meetings with GCEO, GCFO and Head of Investor Relations
- Investor Conferences and Roadshows
- AmBank Group IR Corporate Website and Dedicated IR Mailbox
 - **BUSINESS PARTNERS**

WHY ARE THEY IMPORTANT?

Strategic partnerships provide essential skills and expertise that help us achieve our goals and objectives. Consequently, we need to collaborate with our partners to efficiently and effectively run the business.

ENGAGEMENT PLATFORMS

- Meetings, Knowledge Sharing Sessions and Webinars
- Seminars/Workshops
- Roadshows

Frequency: Monthly *

WHAT ARE THEIR KEY EXPECTATIONS?

- Ethical business practices
- Strong financial performance

OUR APPROACH

- Maintain good governance of partnerships
- Ensure mutual benefits for all parties

Frequency: Monthly *

2 Key Messages

Respon Govern 9

WHAT ARE THEIR KEY EXPECTATIONS?

- Accurate and relevant information
- Fair and transparent content

OUR APPROACH

- Organise media activities
- Promote open and transparent communication

SUSTAINABILITY-CERTIFIED BODIES

WHY ARE THEY IMPORTANT?

Sustainability certifications demonstrate our transparency and commitment to creating a positive impact. At the same time, it enables us to track our sustainability performance for continuous improvement.

ENGAGEMENT PLATFORMS

- Meetings
- Audit
- Assessments

WHAT ARE THEIR KEY EXPECTATIONS?

- ESG performance
- Sustainable financing

OUR APPROACH

- Continuously improve our own ESG footprint
- Expand our ESG portfolio
- Establish an exclusion list for financing decisions

- Frequency: Annually

WHY ARE THEY IMPORTANT?

The media acts as a platform for us to communicate with key stakeholders and the public at large. Strong media relations ensure that the information they circulate is relevant and accurate.

ENGAGEMENT PLATFORMS

Virtual Conferences and Events

MEDIA

- Media Releases
- Media Interviews
- Media Engagements