



AmBank Group

**FOCUS**

ACCELERATING

**TOMORROW**

## INSIDE THIS REPORT



Our Focus 8 strategy continued to deliver results across all our lines of business, underpinned by our unrelenting efforts to meet the needs of our customers while keeping a firm hand on steering the Bank towards better profitability, efficiency and more robust sustainability practices.

Page 38

### BASIS OF THIS REPORT

#### OVERVIEW OF AmBank Group

- 4 FY2023 Key Highlights
  - Financial Highlights
  - Sustainability Highlights
- 6 Where We Operate
- 7 What We Do: Core Business Segments
- 8 Corporate Structure
- 10 Sustainability @ AmBank Group
- 16 Key Events and Collaborations

#### KEY MESSAGES

- 18 Message from Our Chairman
- 22 Group Chief Executive Officer's Message

#### VALUE CREATION AT AmBank Group

- 30 Operating Landscape
- 32 Stakeholder Engagements on Sustainability
- 33 Sustainability Themes and Sustainability Matters
- 36 Our Value Creating Business Model
- 38 Our Strategy
- 49 Key Risks and Mitigations

ACCELERATING

T O M O R R O W

## INSIDE THIS REPORT

### MANAGEMENT DISCUSSION & ANALYSIS

#### A. Performance Review

- 53** Performance Review By Group Chief  
Financial Officer
- 56** 5-Year Group Financial Highlights
- 57** Group Financial Highlights
- 58** Financial Indicators
- 59** Simplified Consolidated Statement of  
Financial Position
- 60** Segmental Analysis
- 63** Group Quarterly Financial Performance
- 64** Key Interest Bearing Assets and Liabilities
- 65** Statement of Value Added
- 66** Capital Management
- 67** Credit Ratings
- 68** Balance Sheet Management
- 69** Financial Calendar

#### B. Business Reviews

- 70** Wholesale Banking
- 74** AmInvestment Bank
- 80** Retail Banking
- 85** Business Banking
- 88** AmBank Islamic
- 92** AmMetLife
- 94** AmMetLife Takaful

### LEADERSHIP

- \* Chairman Emeritus/ Honorary Adviser of  
AMMB Holdings Berhad
- 96** Corporate Information
- 97** Board at a Glance
- 98** Profile of the Board of Directors
- 107** Profile of Company Secretary
- 108** Profile of Group Senior Management
- 117** Profile of Shariah Committee & Shariah  
Oversight Committee



### RESPONSIBLE GOVERNANCE

- 120** Corporate Governance Overview Statement
- 134** Group Nomination and Remuneration  
Committee Report
- 144** Risk Management Committee Report
- 150** Audit and Examination Committee Report
- 156** Group Information Technology Committee  
Report
- 162** Shariah Committee Report
- 168** Investor Relations
- 175** Additional Disclosures
- 176** Statement on Risk Management and Internal  
Control

### OTHER INFORMATION

- 179** Analysis of Shareholdings
- 181** List of 30 Largest Shareholders
- 183** List of Landed Properties

### AGM INFORMATION

- 184** Notice of 32<sup>nd</sup> Annual General Meeting
- 190** Statement Accompanying Notice of 32<sup>nd</sup>  
Annual General Meeting

- Form of Proxy

## BASIS OF THIS REPORT

**Welcome to AMMB Holdings Berhad’s (AMMB) fifth Integrated Annual Report (IAR). Through this report, we strive to present a balanced view and provide relevant disclosures regarding our overall performance, strategies and the risks and opportunities present in our businesses.**

This report also describes AMMB’s Environmental, Social, and Governance (ESG) performance and commitments to creating sustainable value which is further elaborated in our Sustainability Report. In addition, we provide our outlook and discuss our plans over the short, medium, and long term.

We believe that when these elements of our IAR are read together, we are providing a clear, concise and comprehensive overview of what we intend to accomplish, how we have progressed and what we are doing to position ourselves to capture future opportunities. Throughout the preparation of this report, we have been guided by best practices as well as both local and international frameworks and guidelines.

### SCOPE AND BOUNDARIES

AMMB is a public company listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia). This IAR covers AMMB and its subsidiary companies otherwise known as ‘The AmBank Group’ or ‘the Group’ or ‘we’ for the period 1 April 2022 to 31 March 2023. The scope of this IAR covers the Group’s strategies, business activities and performance, as well as initiatives that impact our employees and communities where we operate.

### MATERIALITY

To determine the information that should be disclosed in this IAR, we considered what was most material to us and our stakeholders. Our material matters were identified through a materiality assessment, which included insights from both internal and external stakeholders. This enabled us to determine the risks and opportunities that could impact our value creation journey and the execution of our strategy. In FY2023, we reviewed the material matters to better align with current key trends to ensure that we remain relevant. To read more about our materiality assessment, refer to Sustainability Themes and Sustainability Matters from pages 19 to 21 in AmBank Group’s Sustainability Report 2023.

### FORWARD-LOOKING STATEMENTS

This IAR contains certain forward-looking statements with respect to the business, operational, financial, and non-financial performance of the Company. They can also be used to describe the Group’s future objectives, strategies, plans, and initiatives in the context of its business and sustainability efforts. Forward-looking statements are typically identified by words or phrases such as “expects,” “targets,” “intends,” “anticipates,” “believes,” “estimates,” “may,” “plans,” “projects,” “should,” “would,” and “will.”

Such statements should not be construed as a guarantee of future performance. The Company’s actual results could differ materially from those in the forward-looking statements due to a variety of factors, including national, regional and global economic conditions as well as changes in the Company’s direction. Readers are cautioned not to place undue reliance on forward-looking statements.



#### ONLINE VERSION

The Reports are available on our corporate website at [ambankgroup.com](http://ambankgroup.com) and Bursa Malaysia’s website

## BASIS OF THIS REPORT

### OUR SUITE OF REPORTS

#### Integrated Annual Report

##### CONTENT

Provides a thorough evaluation of AmBank Group's progress, including its Corporate Governance Statements, milestones and accomplishments, and illustrates how we generate value while catering to the interests of all stakeholders during the financial year ended 31 March 2023 (FY2023). Additionally, it outlines our future prospects for the financial year ending 31 March 2024 (FY2024).

##### FRAMEWORKS & GUIDELINES

- International Integrated Reporting Framework (IIRF) of the International Integrated Reporting Council (IIRC)
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)
- Corporate Governance Guide (4<sup>th</sup> Edition) issued by Bursa Malaysia and Securities Commission Malaysia
- Companies Act 2016
- Malaysia Code on Corporate Governance (MCCG) 2021
- Global Reporting Initiative (GRI) Standards

#### Sustainability Report

##### CONTENT

Presents our sustainability progress and performance. It provides disclosures on how we create positive environmental and social impacts for the betterment of the broader society.

##### FRAMEWORKS & GUIDELINES

- GRI Standards
- Bursa Malaysia Sustainability Reporting Guide
- The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- Independent Limited Assurance by SIRIM QAS International Sdn Bhd

#### Financial Report

##### CONTENT

Provides a comprehensive overview of the Financial Statements and Audited Annual Financial Results for FY2023, providing in-depth reporting and also outlines our prospects for the upcoming financial year, FY2024.

##### FRAMEWORKS & GUIDELINES

- MCCG 2021
- Bursa Malaysia's MMLR
- Corporate Governance Guide (4<sup>th</sup> Edition) issued by Bursa Malaysia and Securities Commission Malaysia
- Companies Act 2016
- Bank Negara Malaysia (BNM) Policy Documents and Guidelines
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Financial Services Act (FSA) 2013
- Islamic Financial Services Act (IFSA) 2013



#### Navigation Icons

##### Capital Inputs

- |              |              |                         |
|--------------|--------------|-------------------------|
| Financial    | Intellectual | Social and Relationship |
| Manufactured | Human        | Natural                 |

##### Stakeholders

- |                                   |                              |                                 |
|-----------------------------------|------------------------------|---------------------------------|
| Customers                         | Business Partners            | Suppliers                       |
| Shareholders/Investment Community | Government & Regulators      | Sustainability-Certified Bodies |
| Employees                         | Community/NGOs/Civil Society | Media                           |

##### Material Matters

- |                                     |                                                  |                       |
|-------------------------------------|--------------------------------------------------|-----------------------|
| Geopolitical & Economic trends      | Governance & Compliance                          | Customer Satisfaction |
| Technology & Digital Transformation | Environmental, Social & Governance (ESG) Factors | Leadership & Talent   |

##### Our Focus 8 Strategy

- |                                                                                                    |                                                                                         |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Attaining a Return on Equity (ROE) of ≥10%                                                         | Ramping Up the Next Wave of Digital Initiatives                                         |
| Sharpening Our Segment Play                                                                        | Future-Proofing Our Workforce                                                           |
| Delivering Holistic Customer Value Proposition Leveraging a Collaborative Culture and Partnerships | Integrating Environmental, Social and Governance (ESG) Considerations into Our Business |
| Pushing Capital-Light Revenue                                                                      | The Digital Bank                                                                        |

## OVERVIEW OF AmBank Group



### OUR VISION

**Growing Trust,  
Connecting People**

### PURPOSE

**To help individuals and businesses in Malaysia grow and win together.**

- We are not transactional. We focus on deepening relationships by acting as advisors and long-term partners to our customers. We earn the trust of our customers by being professional, reliable and efficient, and providing the best possible service.
- We believe in supporting the growth of our customers, our people, and our business. We empower our stakeholders to achieve their aspirations. We will continue to help our customers, both individuals and businesses, with financial and non-financial assistance to weather difficult times.
- We are a holistic, integrated multi-industry financial services group. We go beyond traditional banking by evolving into a trusted financial solutions provider.
- Externally, we focus on helping our customers to become winners. Internally, we emphasise performance, teamwork and collaboration to achieve our goals.
- We leverage opportunities to revolutionise our business and to help our customers grow and win together through our Focus 8 strategy.

### WHO WE ARE

AmBank Group is a leading financial services group with over 40 years of expertise in supporting the economic development of Malaysia.

We have over three million customers and employ over 8,000 employees. We are the sixth-largest banking group by assets in Malaysia, with a market capitalisation of more than RM12 billion as at 31 March 2023.



## FY2023 KEY HIGHLIGHTS


### FINANCIAL HIGHLIGHTS

Total income <b>RM4,737.7 million</b>	Profit After Tax and Minority Interests <b>RM1,735.2 million</b>	Cost-To-Income Ratio <b>44.3%</b>	Return On Equity <b>10%</b>
Gross Loans, Advances and Financing <b>RM130.2 billion</b>	Deposits From Customers <b>RM130.3 billion</b>	Total Assets <b>RM197.5 billion</b>	Shareholders' Equity <b>RM18.1 billion</b>

### SUSTAINABILITY HIGHLIGHTS


Surpassed carbon emissions reduction target of 24% against baseline 2019, achieving 30% reduction before carbon offset and

**93%**  
after carbon offset




Achieved **First Ranking** in the Net Promoter Score (NPS) and Customer Satisfaction (CSAT) amongst AmBank Group customers

**Energy Management Gold Standard (EMGS) - 1<sup>st</sup> Financial Institution** awarded the certification




**81,850 kWh** energy generated from solar panels from April 2022 to March 2023, offsetting 63.84 mtCO<sub>2</sub>e




Became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD)

Maintained **“AA”** Rating For MSCI ESG


**Incentivise and assist SMEs** to green their operations via the **GVC Programme**



**100%** of energy consumption from operations in Sarawak was from a hydroelectricity source, reducing 503.45 mtCO<sub>2</sub>e




**RM1.4 billion** disbursed under the affordable home financing schemes with **5,916** homes purchased



**100%** members of the Board and employees received training and communication on the Group's anti-corruption policies and procedures

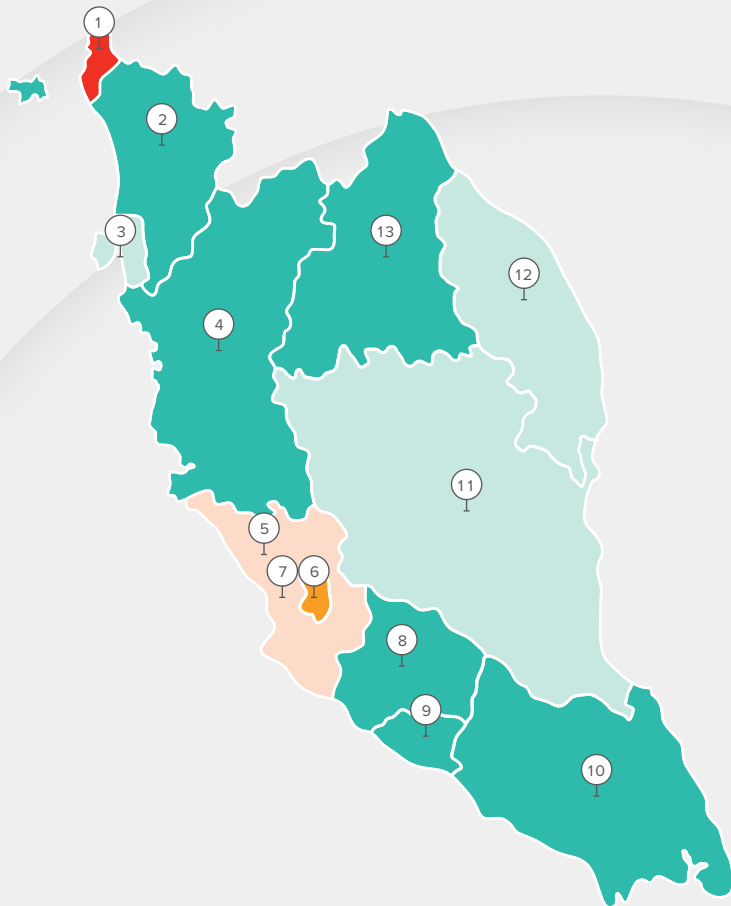
Established AmCare for employees to volunteer in CSR activities



**ZERO** Lost Time Injury Frequency Rate

## WHERE WE OPERATE

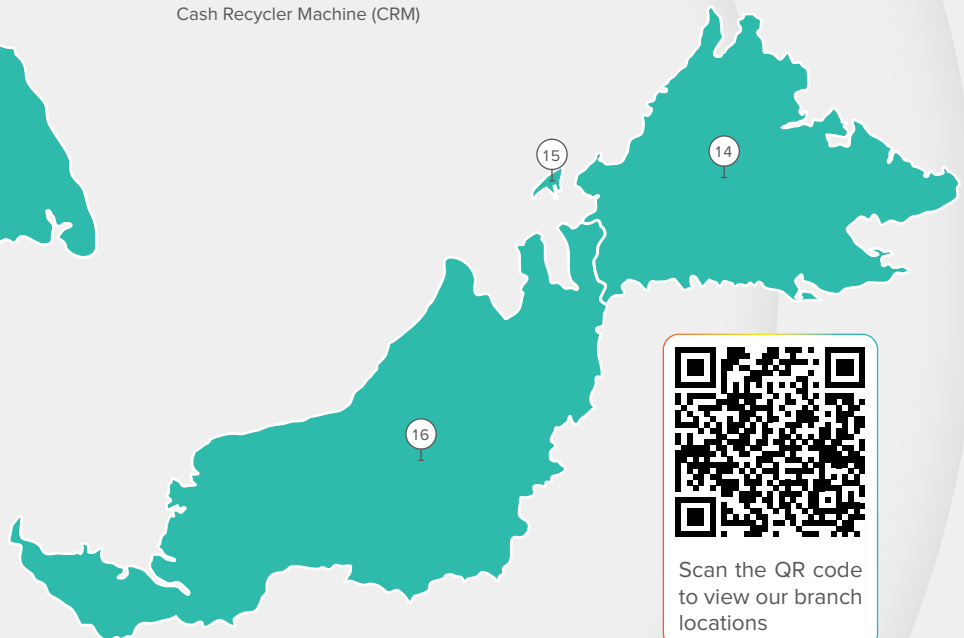
We are one of Malaysia’s leading financial services group, with over 40 years of expertise in supporting the economic development of Malaysia. We provide services in wholesale banking, business banking, retail banking, investment banking and related financial services which include Islamic banking, general insurance, life insurance, family takaful, stock broking, futures broking, investment advisory and asset management services in unit trusts and real estate investment trusts.



- <100 people per sq km
- 101-500 people per sq km
- 501-1,000 people per sq km
- 1,001-1,500 people per sq km
- >1,501 people per sq km

	Branches	ATMs	CRMs	CQMs
1 Perlis	1	3	1	1
2 Kedah	5	17	10	5
3 Pulau Pinang	14	38	17	16
4 Perak	18	42	24	19
5 Selangor	35	167	53	47
6 Kuala Lumpur	23	70	30	34
7 Putrajaya	1	4	2	1
8 Negeri Sembilan	7	40	11	7
9 Melaka	6	26	10	8
10 Johor	21	69	34	22
11 Pahang	8	20	13	6
12 Terengganu	2	11	6	2
13 Kelantan	2	13	4	3
14 Sabah	9	33	13	9
15 Labuan	1	3	1	1
16 Sarawak	15	59	25	15
<b>TOTAL</b>	<b>168</b>	<b>615</b>	<b>254</b>	<b>196</b>

\* Cheque Deposit Machine (CQM)  
Cash Recycler Machine (CRM)



Scan the QR code to view our branch locations



## WHAT WE DO: CORE BUSINESS SEGMENTS

### AmBank (M) Berhad



AmBank (M) Berhad (AmBank) offers a comprehensive suite of financial products and services focused on retail, corporate and institutional banking and preferred segments in small business, small and medium enterprise (SME), mid-corporate and strategic partners. It is a Member of the Association of Banks in Malaysia.

### AmBank Islamic Berhad



AmBank Islamic Berhad is the Islamic banking arm of AmBank Group. AmBank Islamic offers a comprehensive range of Shariah-compliant retail and non-retail banking products and services, including investment, treasury, and trade solutions. Its primary role as a credit intermediary is evolving as AmBank Islamic advances towards its value-based intermediation (VBI) aspiration of being a purpose-based organisation whilst being mindful of financial returns to its shareholder. It is a Member of the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM).

📖 Read more on pages 88 to 91 of this Integrated Annual Report 2023.

### AmInvestment Bank Berhad



AmInvestment Bank Berhad (AmInvestment Bank) is a leading Malaysian investment bank with more than 30 years of experience. It is a Member of the Malaysian Investment Banking Association.

📖 Read more on pages 74 to 79 of this Integrated Annual Report 2023.

### AmMetLife Insurance Berhad



AmMetLife Insurance Berhad (AmMetLife) is a strategic partnership between AmBank Group and MetLife International Holdings, Inc. (MetLife). It is a Member of the Life Insurance Association of Malaysia.

📖 Read more on pages 92 to 93 of this Integrated Annual Report 2023.

### AmMetLife Takaful Berhad

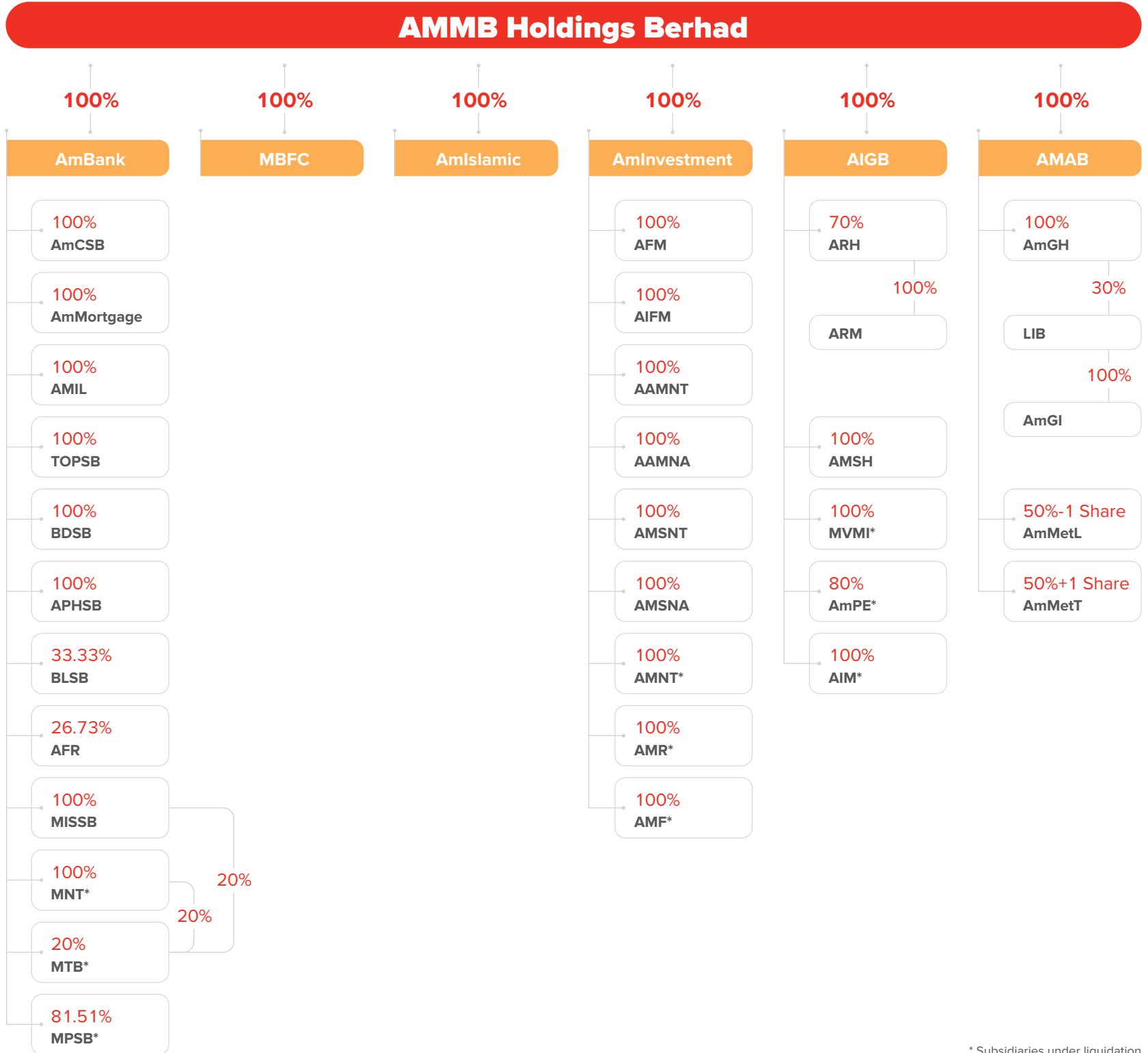


AmMetLife Takaful Berhad (AmMetLife Takaful) is a strategic partnership between AmBank Group and MetLife. The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group. It is a Member of the Malaysian Takaful Association.

📖 Read more on pages 94 to 95 of this Integrated Annual Report 2023.

# CORPORATE STRUCTURE

As at 31 March 2023



\* Subsidiaries under liquidation

## CORPORATE STRUCTURE

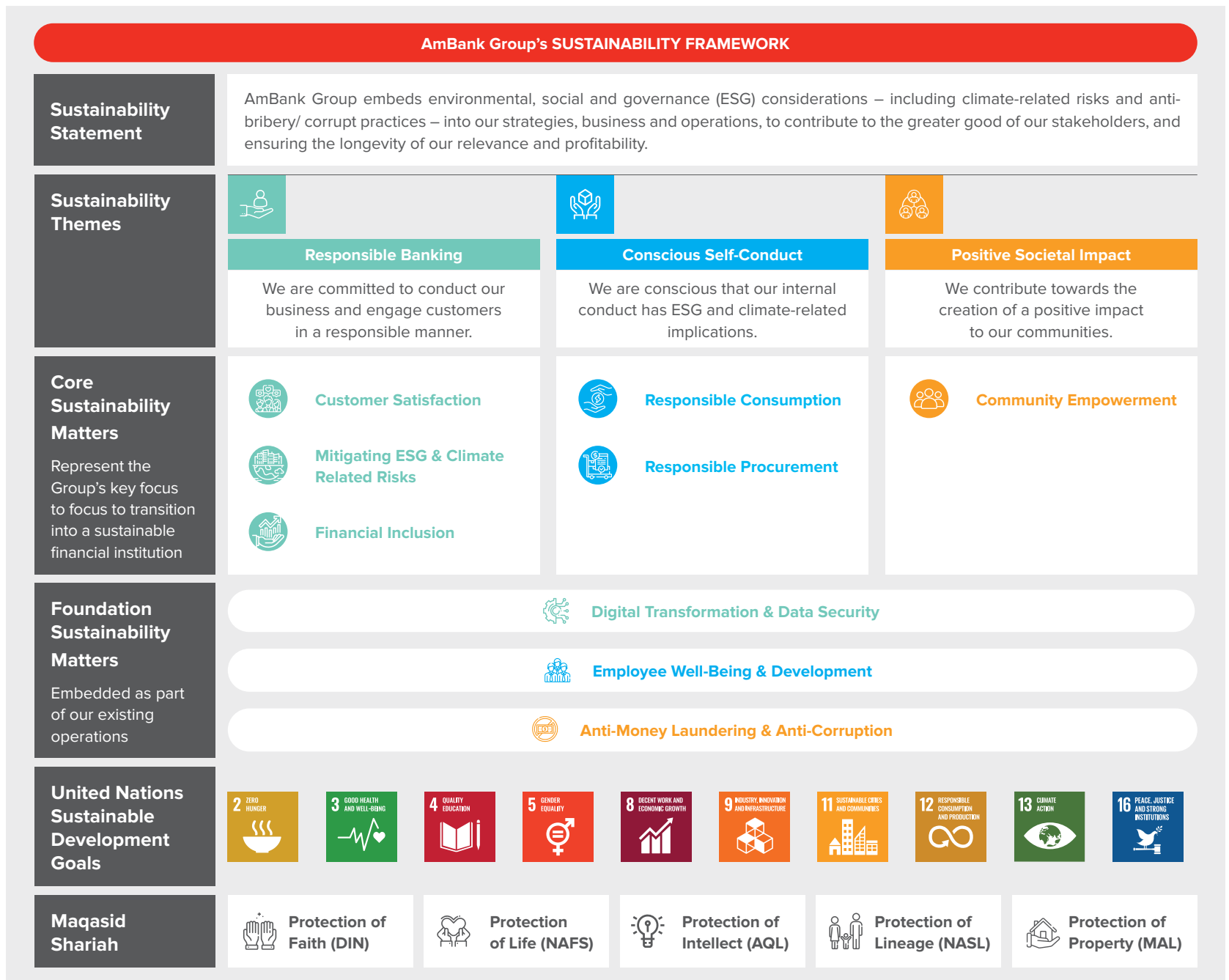
As at 31 March 2023

Legend	Company	Principal Activities
<b>AMMB</b>	- AMMB Holdings Berhad	Investment holding
<b>AmBank</b>	- AmBank (M) Berhad	Commercial banking
AmCSB	- AmCard Services Berhad	Outsourcing servicer for mortgage related services
AmMortgage	- AmMortgage One Berhad	Securitisation of mortgage loans
AMIL	- AmLabuan Holdings (L) Ltd	Investment holding
TOPSB	- Teras Oak Pembangunan Sendirian Berhad	Dormant
BDSB	- Bougainvillaea Development Sdn Bhd	Property investment
APHSB	- AmProperty Holdings Sdn Bhd	Property investment
BLSB	- Bonuskad Loyalty Sdn Bhd	Managing customer loyalty schemes
AFR	- AmFirst Real Estate Investment Trust	Investment in real estate
MISSB	- MBf Information Services Sdn Bhd	Property investment
MNT	- MBf Nominees (Tempatan) Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
MTB	- MBf Trustees Berhad	Dormant ( <i>In members' voluntary winding-up</i> )
MPSB	- Malco Properties Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
<b>MBFC</b>	- MBF Cards (M'sia) Sdn Bhd	Dormant
<b>AmIslamic</b>	- AmBank Islamic Berhad	Islamic banking
<b>AmInvestment</b>	- AmInvestment Bank Berhad	Investment banking
AFM	- AmFunds Management Berhad	Funds management including management of unit trusts and Private Retirement Schemes
AIFM	- AmIslamic Funds Management Sdn Bhd	Islamic fund management services and distribution of wholesale funds
AAMNT	- AM Nominees (Tempatan) Sdn Bhd	Nominee services
AAMNA	- AM Nominees (Asing) Sdn Bhd	Nominee services
AMSNT	- AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services
AMSNA	- AMSEC Nominees (Asing) Sdn Bhd	Nominee services
AMNT	- AMMB Nominees (Tempatan) Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AMR	- AmResearch Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AMF	- AmFutures Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
<b>AIGB</b>	- AmInvestment Group Berhad	Investment holding
ARH	- AmREIT Holdings Sdn Bhd	Investment holding
ARM	- AmREIT Managers Sdn Bhd	Management of real estate investment trusts
AMSH	- AmSecurities Holding Sdn Bhd	Investment holding
MVMI	- Malaysian Ventures Management Incorporated Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AmPE	- AmPrivate Equity Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AIM	- AmInvestment Management Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
<b>AMAB</b>	- AMAB Holdings Sdn Bhd	Investment holding
AmGH	- AmGeneral Holdings Berhad	Investment holding <i>(On 28 July 2022: (a) AmGH became a wholly owned subsidiary of AMAB; (b) AmGH disposed its 100% shareholding in AmGI to LIB; and (c) AmGH acquired 30% shareholding in LIB.)</i>
LIB	- Liberty Insurance Berhad	General insurance
AmGI	- AmGeneral Insurance Berhad	General insurance
AmMetL	- AmMetLife Insurance Berhad	Life assurance
AmMetT	- AmMetLife Takaful Berhad	Family takaful

# SUSTAINABILITY @ AmBank Group

## SUSTAINABILITY FRAMEWORK

Sustainability at AmBank means creating value beyond profits by aligning with stakeholder expectations and promoting positive ESG outcomes. We strive for socio-economic prosperity while caring for the planet, ensuring sustainable business growth and long-term stakeholder value. Our sustainability agenda is guided by AmBank Group’s Sustainability Framework, which is in line with ESG and value-based intermediation (VBI) principles. In all that we do, we seek to create value for our stakeholders to create a better future for generations to come.



## SUSTAINABILITY @ AmBank Group

### UN SUSTAINABLE DEVELOPMENT GOALS

As a constituent of the financial ecosystem, we recognise the crucial role we play in supporting the United Nations Sustainable Development Goals (UN SDGs), which encompass a series of interrelated global aspirations. Our efforts to improve environmental and social outcomes are closely linked to the UN SDGs. Through promoting sustainable economic growth, protecting the environment, advocating social inclusivity and adhering to good governance, we contribute to Malaysia's fulfilment of global goals. Ultimately, this strengthens our nation's commitment to establishing peaceful, equitable and inclusive societies, preserving the planet and its resources for future generations.

In ensuring our alignment with the UN SDGs, we prioritise goals that are directly or indirectly affected by our business and activities, evaluating each of the 17 SDGs and their associated indicators to identify ways in which our business can attain these goals. To this end, we have identified ten priority UN SDGs, as indicated below:



## SUSTAINABILITY @ AmBank Group

### SUSTAINABILITY GOVERNANCE

#### FUNCTIONS & DECISION MAKING

Sustainability governance is driven from the top, where the Board has overall accountability and responsibility for the Group's sustainability agenda. The Board has oversight and decision-making of the Group's sustainability/ ESG agenda, ensuring that sustainability is embedded in the formulation of Group-wide strategies. This includes having the responsibility to consider the strategy to build sustainability/ ESG capacity of the Group. Sustainability/ ESG issues, including climate-related matters are presented to the Board at least twice per financial year.

In FY2023, key climate-related matters were discussed at the Board and Management Committee levels, and these included BNM Climate Change and Principle-based Taxonomy (CCPT), enhancements of the Group's ESG risk grade and Climate Change Classification (CC-C) Guideline, and BNM Climate Risk Management & Scenario Analysis (CRMSA) policy document. Other sustainability-related matters discussed at the Board level included the relevant Group policies, key initiatives undertaken by the Group, and partnerships to strengthen the implementation and outcomes of the Group's initiatives.

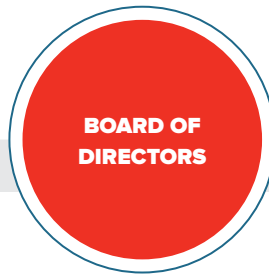
Senior management headed by the Group CEO is responsible for the implementation of the Bank's ESG strategy and managing climate-related risks and opportunities related to the Group's activities.

The Group Sustainability Council, which comprises senior management, oversees sustainability-related strategies within AmBank Group. The Council convenes on a quarterly basis and is chaired by the Group CEO whilst the CEO of AmBank Islamic, who is also the Group Sustainability Champion, is the Alternate Chairman.

To ensure clear sustainability accountability, we have assigned sustainability-related KPIs to the Group CEO and all direct reports to the Group CEO.

📄 For more information on sustainability and ESG training for the Board, refer to pages 128 to 131 of this Integrated Annual Report 2023.

**SUSTAINABILITY @ AmBank Group**

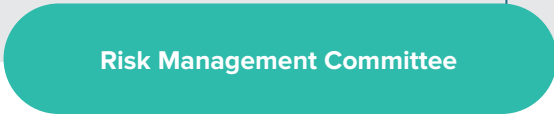


- Overall accountable and responsible for the Group's sustainability/ ESG agenda and embeds sustainability/ ESG in the formulation of Group-wide strategies, including oversight and decision-making.
- Responsible to consider the strategy to build capacity in relation to sustainability/ ESG.

\* Applicable for AmBank Islamic matters



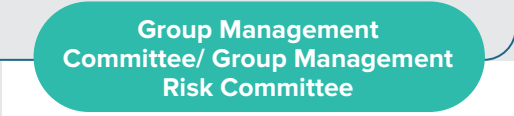
- Responsible and accountable on matters related to Shariah. This includes oversight accountability on Shariah related matters in relation to sustainability and advising the CEO and Board on Shariah matters in relation to sustainability.



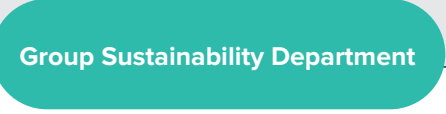
- Responsible to oversee the governance of and infrastructure to manage Group-wide ESG risks, which includes overseeing the formulation and management of the ESG risks within the Group Risk Appetite Framework and Asset Writing Strategy.



- Responsible for overseeing the development and implementation of sustainability-related strategies and initiatives within AmBank Group.
- Responsible to deliberate/ recommend/ endorse/ note sustainability-related matters.
- Responsible for ensuring the inclusion of sustainability-related key performance indicators (KPIs) in scorecards of senior management personnel of AmBank Group.
- The Council is chaired by the Group CEO whilst the CEO of AmBank Islamic, who is also the Group Sustainability Champion, is the Alternate Chairman.



- Responsible to recommend/ approve sustainability-related matters (e.g. policies and guidelines).

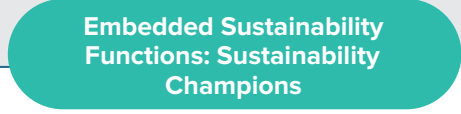


- Accountable to lead the development and implementation of broad-based, Group-wide strategic sustainability initiatives.
- Responsible for supervising the execution of strategies and initiatives in support of the Sustainability Matters.
- Has a broad mandate and competencies to ensure execution of initiatives in line with the Group's sustainability strategies.



- Accountable and responsible for the Sustainability Matters' implementation, which includes to determine and track performance metrics and targets.
- Review the effectiveness of relevant policies/ guidelines/ processes based on the Sustainability Matters and initiatives undertaken.

*Note: Sponsors must be a C-Suite or designated by the Group Sustainability Council.*

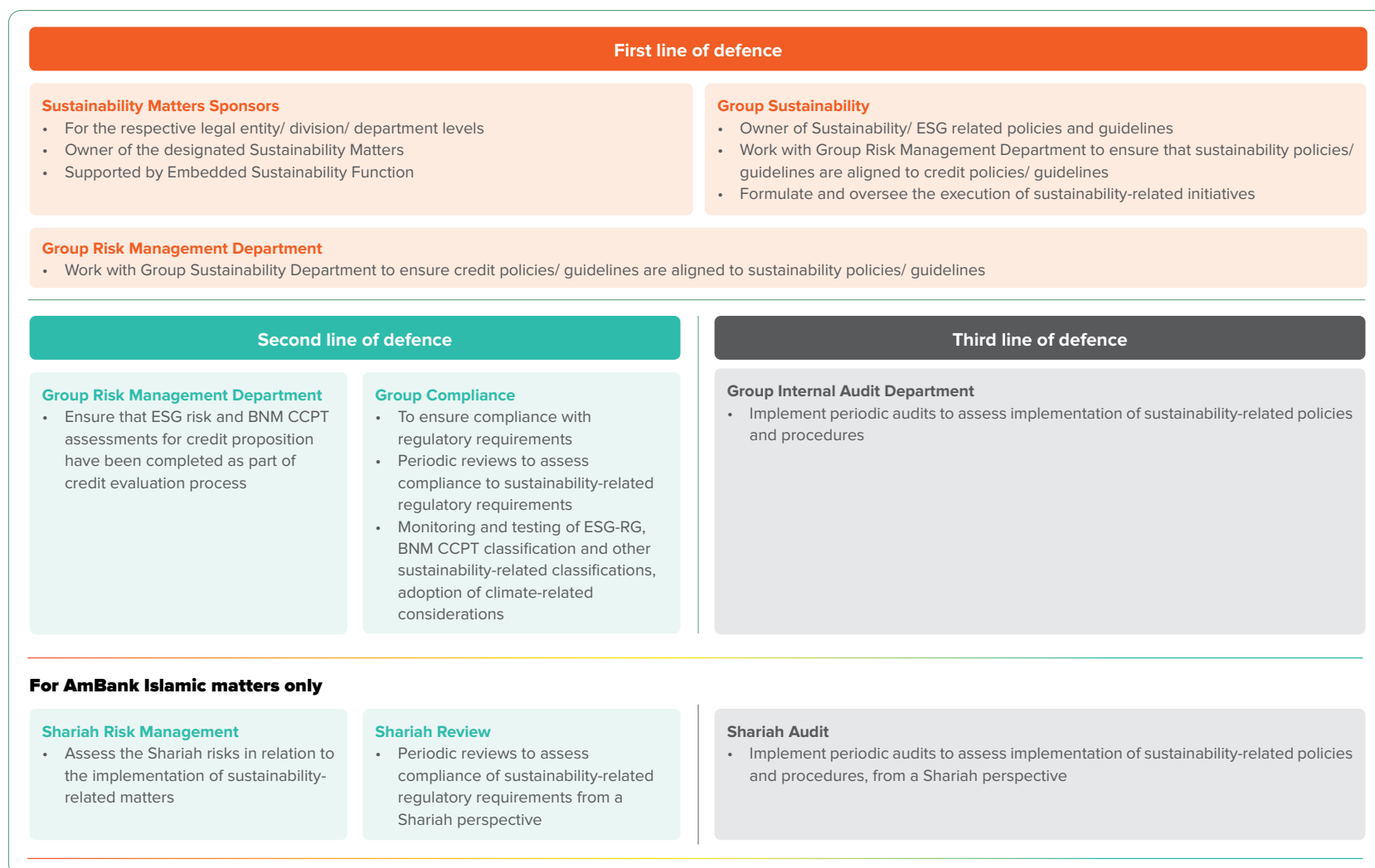


- Appointed business/ operations representatives responsible to drive sustainability initiatives within their legal entity/ division/ department and are under the responsibility of the Sustainability Matter Sponsors.

## SUSTAINABILITY @ AmBank Group

### SUSTAINABILITY CONTROL FRAMEWORK

The Group has taken proactive measures to manage our exposures to ESG risks across our business and operations. In addition to our lending/ financing practices, we have established internal controls within the three lines of defence where we have identified the relevant departments within each line of defence. For example, the Group Sustainability Department, which has been established to supervise, lead and coordinate the development of sustainability initiatives, will be the Group's first line of defence where it will work with the Group Risk Management Department to ensure that sustainability policies/ guidelines are aligned with credit policies. Our ESG risk management is illustrated below:



As an organisation in a regulated industry, we have a responsibility to ensure that our business customers are aligned with our sustainability agenda. Failure to comply with global and local regulatory rules and standards could lead to consequences such as ceasing of operations by authorities, which would disrupt business continuity and the financial stability of our customers.

Thus, we have in place an Exclusion List, whereby the Group would not extend new/ additional loans/ financing or refinancing to customers who are under the list. We also assess the ESG risks of selected non-individual customers based on the Group's ESG Risk Assessment (ESG-RA) Guideline, which was enhanced in 2022 to include Climate Change Risk Assessment and eight sector-specific assessment.



## SUSTAINABILITY @ AmBank Group

The ESG Risk Assessment is conducted by business units and relationship managers (RMs), who refer to the sector-specific ESG-RA Checklist to assign an ESG risk grade (ESG-RG) and Climate Change Classification as per BNM CCPT. The ESG-RG influences the decision-making process of the approval authority.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK ASSESSMENT

Assign Environmental, Social and Governance Risk Grade (ESG-RG) as part of our credit evaluation process for selected non-individual customers and financial investments

#### Environmental assessment includes:

- Climate Change Risk
- Supply chain and mitigations
- Availability of procurement policy that embeds sustainable considerations
- Availability of deforestation policy which includes land clearance methods, where relevant.
- Availability of water management policy (e.g. water source, usage monitor, pollution)
- Availability of riparian management policy and mitigation plans are in place, where relevant.
- Availability of waste/ effluents/ chemical management plan

#### Social assessment includes:

- Compliance with the labour laws such as child labour laws and avoid poor labour practices (including migrant workers) in relation to its procurement and production
- Compliance of the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019, where relevant
- Social Impact Assessment (SIA), where relevant
- Free, Prior and Informed Consent (FPIC), where relevant
- Availability of grievances handling and management policy
- Availability of Occupational Safety and Health (OSH) management policy and in compliance with ISO45001

#### Governance assessment includes:

- Compliance to Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC) and Anti-Money Laundering Policy
- History of any significant incident/ legal action/ penalty/ fine by authorities or third party in relation to ESG
- Adoption of the Principles and Practices set out in the Malaysian Code of Corporate Governance (MCCG)
- Availability of sustainability report or have any ESG disclosures
- Hold a valid certification (including industry schemes) covering Environmental, Social or Governance considerations
- Establishment of Sustainability Commitment, Sustainability Strategy and Risk Management Framework with ESG integration

### SECTOR-SPECIFIC ESG RISK ASSESSMENTS

There are sector-specific assessments conducted for the following sectors:



#### PALM OIL

- Assess if the customer has a fully compliant MSPO supply chain and mitigations
- Assess if the customer has a no-burning policy



#### FORESTRY

- Assess if the customer has a forest management plan which includes harvesting-related information and commitments



#### QUARRYING

- Assess if the customer decommissions tailings disposal/ storage facilities using comprehensive, risk-based management and governance practices that are in accordance with recognised good practice, in order to minimise the risk of catastrophic failure



#### MINING

- Assess if the customer decommissions tailings disposal/ storage facilities using comprehensive, risk-based management and governance practices that are in accordance with recognised good practice, in order to minimise the risk of catastrophic failure



#### CONSTRUCTION & INFRASTRUCTURE

- Assess if the customer has a no-burning policy



#### OIL & GAS

- Assess if the customer measures the following:
  - Quantity of hydrocarbons discharged; and
  - Volumes of produced water an processed water that are reused/ recycled



#### MANUFACTURING

- Assess if the customer has a no-burning policy



#### LOGISTICS

- Assess environmental and social impacts, waste management and Occupational Safety and Health (OSH) management policy

## KEY EVENTS & COLLABORATIONS



AmBank unveils New Business Credit Cards in partnership with Visa aimed at empowering SME's growth.



AmBank partners with Majlis Agama Islam dan Adat Istiadat Melayu Kelantan to facilitate Waqaf contributions via e-Mandate by PayNet.



AmBank supports SME business owners through a strategic partnership with Persatuan Usahawan Maju Malaysia.



EcoFirst and AmBank signs Financing Facilities for KL48 project in Chan Sow Lin, targeting city dwellers for innovative living space.



AmBank and Alp Capital launch Point of Sale Integrated DuitNow QR that supports seamless cross-border collection fee for retailers.

## KEY EVENTS & COLLABORATIONS



AmBank and Ideal Property Group collaborate on a sustainable industrial park in Penang.



AmBank and the Credit Guarantee Corporation further empower and stretch the potential of AmBank's Retail SME customers with an additional financing of RM400 million under the SME Portfolio Guarantee Scheme.



AmInvestment Bank won seven awards at the IFN Deal of the Year Awards 2022.



AmBank Group was honoured with two awards for excellence in annual corporate reporting.

- 36<sup>th</sup> Annual Report Competition International Awards (Non-Traditional Annual Report category) – Silver Award
- NACRA 2022 (Companies with more than RM10 billion in Market Capitalisation) – Silver Award

## MESSAGE FROM OUR CHAIRMAN

# WE ARE FORGING AHEAD, PUSHING THROUGH CHALLENGES AND CAPITALISING ON OPPORTUNITIES, TO DELIVER A STRONG PERFORMANCE.

Dear Stakeholders,

**It gives me great honour to present AmBank Group's Integrated Annual Report 2023. We highlight the Bank's value creation efforts and how we have managed our risks and made the best of our opportunities. Despite operating under challenging conditions in FY2023, the Group delivered a strong set of results through the disciplined execution of our strategy. We continue to pursue our commitment to good governance and social responsibility.**

### OUR OPERATING ENVIRONMENT

The global economy saw a steady recovery from the pandemic in FY2023 as countries lifted restrictions and reopened borders. Inflationary pressures rose in tandem with improved business sentiment and consumer demand. Higher energy and raw material prices persisted, coupled with the geopolitical tensions from the ongoing Russia-Ukraine conflict that weighed on growth prospects and sentiment.

With inflation reaching multi-decade highs in many economies, central banks around the world responded with a series of rapid interest rate hikes. Overall, the International Monetary Fund (IMF) estimated that global Gross Domestic Product (GDP) growth slowed to 3.4% in 2022 from 6.3% in 2021, while global headline inflation had risen to 8.7% compared to 4.7% in 2021.

Domestically, the Malaysian economy experienced a strong recovery in 2022, driven by robust domestic demand and external trade. The strong growth also led to higher inflation and as a response, BNM adjusted the Overnight Policy Rate (OPR) upwards four times throughout 2022, from 1.75% to 2.75% with a further 0.25% rise in May 2023 to 3.0%. This effectively brought the OPR back to pre-pandemic levels which BNM positioned as a pre-emptive move to keep inflation in check.

In the domestic banking sector, outstanding loans grew by 5.7% in 2022, with total loans reaching RM2.02 trillion. The banking industry continued to be well capitalised. Asset quality remained stable and the industry recorded a decrease in its annualised credit cost, indicating an improvement in business conditions.



## MESSAGE FROM OUR CHAIRMAN

### OVERVIEW

The Group remained focused on strengthening our resilience and enhancing our ability to create sustained value. Our Focus 8 strategy continues to be the driving force that has enabled us to push through challenges and capitalise on opportunities to deliver our targets. We continue to lead across a range of key financial and performance metrics. These achievements enabled us to return more value to our stakeholders, including a higher dividend payout ratio for FY2023 as a result of higher profits. We also achieved our Return on Equity (ROE) target of 10%.

For more information on our strategic progress, refer to Our Strategy on page 38.



We are also making further progress in our ESG agenda. We are actively embedding ESG considerations in our businesses and also driving advocacy through our participation as the only bank in BNM's Greening Value Chain (GVC) programme. This multi-stakeholder programme is aimed at assisting SMEs to manage their carbon emissions as the urgency surrounding climate action becomes more pronounced. With SMEs being a core segment for the Group, our participation will enable 5,000 SMEs to kickstart their emissions management journey, while we facilitate the financing required to implement low-carbon practices.

In addition, as a supporter of the TCFD, we are building capabilities internally in several areas to manage climate-related risks. This includes establishing climate change parameters to facilitate TCFD-recommended disclosures, incorporating climate change risk considerations into scenario analysis and stress testing and evaluating appropriate methods and standards in setting targets.

For more information on our climate actions, refer to Mitigating ESG & Climate Related Risks in AmBank Group's Sustainability Report 2023 on pages 36 to 40.

**TAN SRI MD NOR BIN MD YUSOF**

Chairman  
AmBank Group

We have also committed further capital to take our digital capabilities to the next level, cognisant of the digital future that banking is firmly evolving towards. The launch of the five-year Intelligence Driven Bank roadmap, which is backed by an investment of approximately RM250 million, is expected to improve efficiency and our ability to generate new sources of revenue through better insights. We are also striving to penetrate the underserved markets, including those in the gig economy, which we believe can be best served by leveraging digital capabilities. In this context, we continue to build on our cross-industry partnerships to create innovative, customer-centric and accessible offerings and to deliver them digitally as part of our financial inclusion agenda.

For more information on our digital initiatives, refer to Our Strategy Focus 5 on pages 42 and 43.

### DIVIDENDS

In recognition of our shareholders who have stood with us during the most difficult of times, we declared a final dividend of 12.3 sen per share, bringing the total dividend for FY2023 to 18.3 sen. This translates to a dividend payout ratio of 35% (FY2022: 11%).



Total dividend payout of 18.3 sen/ share, a **dividend payout ratio of 35%**

## MESSAGE FROM OUR CHAIRMAN

### A SOCIALLY RESPONSIBLE BANK

In addition to our efforts to achieve financial and business performance targets, we prioritise the creation of positive impacts through actions that uplift communities, especially to assist the most vulnerable segments of society. Through our AmCare programmes, we encourage AmBankers to volunteer their time in service of others by actively engaging with local communities in areas where we operate. To demonstrate our full support for AmCare, the Group has recently amended its annual leave policy to include three days of paid volunteering leave for employees who wish to participate in charitable work or sustainability-related projects.

A key programme that we support is the Financial Industry Collective Outreach (FINCO), a collaborative initiative pioneered by all financial institutions in Malaysia and supported by BNM. The main goal of the FINCO programme is to provide underprivileged children and youth with the guidance and educational tools they need to achieve their life goals. I am pleased to note that we have contributed significantly, especially in the volunteering of our employees' time to help students better understand the world around them. In FY2023, the Group also participated in career fairs, workshops and financial literacy talks and organised a pitching session for social enterprise ideas.

Financial inclusion and capacity building are also matters we are deeply interested in with a focus on underserved communities, business start-ups, e-commerce and micro-SMEs (MSMEs). For example, over the last seven years, we have partnered with the Credit Guarantee Corporation (CGC) to disburse loans and financing amounting to more than RM3 billion to over 4,000 MSMEs. More recent financing facilities under these Portfolio Guarantee programmes have been targeted towards MSMEs involved in e-commerce, which is a segment with vast growth potential. In addition, we support several BNM programmes such as iTEKAD, which is a social finance programme to assist low-income microentrepreneurs to improve their financial management and business acumen skills.



We also support homeownership for lower income communities by participating in affordable home financing schemes such as Perumahan Rakyat 1Malaysia – Skim Pembayaran Fleksibel (PR1MA SPEF), Skim Rumah Pertamaku (SRP) and BNM Affordable Homes Schemes 1 and 2. Through these programmes, the Group hopes to contribute to the long-term prosperity of Malaysia and promote financial inclusion.

### COMMITMENT TO STRONG GOVERNANCE

The Board remained committed to upholding good governance and the highest standards of integrity in discharging our oversight duties of the Group's affairs. We have in place robust governance frameworks and strive to ensure that these frameworks remain relevant amid a changing landscape.

We constantly push for greater levels of transparency, responsibility and accountability, cognisant of the fact that governance is a key contributor to the value creation process.

What is clearly becoming more important even within the governance context is the ESG agenda. This requires oversight to ensure that initiatives succeed, and that risks and opportunities are well managed. This year, we have embarked on a roadmap to implement BNM's CRMSA which will come into force by the end of 2024. This will enhance the Board's oversight on sustainability matters including climate risks and opportunities. We also ensure accountability of our sustainability performance by assigning sustainability-related KPIs to the Group CEO and all his direct reports.

We also established the Operational Excellence Taskforce with mentorship provided by the Board members. The Taskforce will focus on business improvement opportunities by leveraging technology to strengthen the Bank's ability to withstand and manage compliance and operational risks.

We have also established the Digital Taskforce to provide direction and oversight of the Group's internal and external digital initiatives as well as shaping the Group's digital strategy. The Taskforce was established with the objective of sharpening focus on accelerating digitalisation of the Group's existing operations, branches and touchpoints, leveraging robotics and automation, as well as capturing new segments of growth.

### AWARDS

In the year under review, the Group received several recognitions and awards that were a result of our dedication to excellence and continuous efforts to make a positive impact in various areas.

Firstly, we were honoured with the MSWG-ASEAN Corporate Governance Award 2021. We received the Excellence Award for CG Disclosure (Top 10), which recognised our outstanding performance in overall corporate governance disclosures. Additionally, we achieved the Industry Excellence Award for CG Disclosure, placing us among the top four companies in this category. Our commitment to corporate governance excellence was further acknowledged through the 2021 ASEAN Corporate Governance Scorecard (ACGS) by the ASEAN Capital Market Forum (ACMF). We were ranked in the top 6% of all ASEAN companies in the ASEAN Asset Class PLCs, with a score above 97.5 points.

**MESSAGE FROM OUR CHAIRMAN**

The Group also demonstrated its commitment to responsible reporting and communication through the Annual Report Competition (ARC) Awards held in New York. We received the Silver Award in the category of SPECIALISED Annual Report & CSR: Non-Traditional Format. This global award validates our approach to presenting our annual report and showcasing our corporate social responsibility initiatives effectively.

Our focus on ESG matters was acknowledged through The Edge ESG Awards where we were honoured with four gold and two silver awards in the Best Impact Funds Category for our Climate Tech & Positive Change Funds. These awards recognise our asset management's sustainable investment initiatives and approach in making a positive impact on the environment.

Furthermore, AmBank received two awards at the FINCO Volunteerism Awards 2022. We were recognised as the overall financial institution with the most volunteers in the banking sector, having volunteered 90 times in FINCO programmes throughout 2022. Additionally, one of our employees received the Most Engaging Volunteer award for his exceptional facilitation skills and approachability in engaging with students during the storytelling sessions.

Lastly, our commitment to energy management was acknowledged with the Energy Management Gold Standard Certification for Menara AmBank in May 2022. This certification highlights our efforts to reduce energy consumption and promote environmentally friendly practices in our operations.

**OUTLOOK & PROSPECTS**

Looking ahead, the global economic outlook remains uncertain, especially with the potential for a global recession as business investments and consumer sentiments signal an impending economic slowdown. However, the end of China's zero-COVID policy and a strong job market in the US may help prevent a full-blown recession. The IMF projects global GDP growth to moderate to 2.8% in 2023.

On the domestic front, Malaysia's economic growth is projected at 4.5% in 2023, with continued support from private consumption and the recovery of the tourism sector and ongoing investments, coupled with accommodative monetary policy.

**ACKNOWLEDGEMENTS**

In closing, I would like to extend my appreciation to my esteemed fellow Board members, for your tireless dedication and steadfast guidance. Your wisdom and vision have been instrumental in steering our Company towards a brighter future. To the Senior Management team, I would like to express my gratitude for your steady hand in navigating the challenges we have experienced over the years.

To our shareholders and investors, I wish to thank you for your belief in our Company. Your continued confidence empowers us to deliver sustainable and long-term value, and we remain steadfast in our commitment to fulfilling your expectations. To our valued customers, your trust in our services fuels our drive to exceed your expectations and provide you with exceptional experiences and outcomes.

Lastly, to our dedicated employees and their families, I would also like to convey my profound appreciation. You are the heartbeat of our organisation, and your unwavering dedication and hard work are the foundation of our achievements.

Together, we have achieved remarkable milestones, and I am filled with anticipation for what lies ahead. Let us continue working hand in hand, united in purpose, to surpass our goals and shape a future that we can all be proud of.

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Stakeholders,

**The past year has been a pivotal one for the AmBank Group. We kept our foot on the throttle in executing our strategies, demonstrating our unwavering commitment to driving growth and enhancing shareholder value.**

**DATO' SULAIMAN MOHD TAHIR**

Group Chief Executive Officer  
AmBank Group



While the financial markets grappled with escalating inflation, sharp interest rate increases and rising geopolitical tensions, Malaysia portrayed a picture of economic robustness, regaining lost ground with a Gross Domestic Product (GDP) growth of 8.7% in 2022 – the fastest in over two decades. This significant economic rebound was fuelled by the reopening of our international borders on 1 April 2022, paving the way for renewed economic and social activities.

Our Focus 8 strategy has proven instrumental in capitalising on this economic revival, underpinning our resilience during these challenging times and enabling us to achieve a Return on Equity (ROE) of 10%, a year ahead of our goal.

This strategy has also steered us ahead of our competitors in key financial metrics such as CASA, profit after tax and minority interests (PATMI), profit before provisions (PBP), net interest income (NII) and cost-to-income ratio (CTI). Furthermore, it has led to above-industry growth for small and medium enterprise (SME) deposits and loans, based on a five-year compound annual growth rate.

Looking forward, we have zeroed in on three primary growth accelerators: SME empowerment, the advancement of ESG initiatives and digital innovation.

**10%** 

**ROE achieved,  
a year ahead of  
our goals.**



## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



We stand by our SME community, implementing comprehensive initiatives and financing options, tailored to fuel their growth and bolster their competitive edge. This is underlined by our innovative AmBank BizCLUB proposition that transcends conventional financing – it offers a platform for SMEs to foster connections and grow their business networks, fast-tracks their transition to embrace digitalisation and facilitates fruitful collaborations with industries that require their services.

Our commitment to ESG is grounded in the belief that we are custodians and pace setters of sustainable value creation, driving societal change for the better. We have made noteworthy strides on this front, such as our support for the Task Force on Climate-related Financial Disclosures (TCFD) and our involvement in Malaysia's inaugural carbon credit auction. We were also selected as the sole bank in Malaysia to partner with Pantas and Bank Negara Malaysia (BNM) in their Greening Value Chain programme, which is an important initiative aimed at assisting SMEs to green their operations.

Simultaneously, we nurture a green culture within our workspace, employing a suite of initiatives including paper reduction efforts, promoting the use of recyclable utensils, managing electricity usage, eliminating plastic at our events and running programmes such as 'food bank' drives and beach clean-ups. These measures represent our holistic move towards ESG awareness creation and serve to propagate our 'ESG walking the talk agenda' from our leadership team and our people through to our customers and communities at large.

On the digital front, we have reaped substantial benefits that have significantly propelled our businesses forward. Our strategic investment in robotic process automation has made us more efficient and has enabled us to deliver superior, more impactful customer experiences. Online banking has become faster and more secure as a result of our relentless digital drive.

We acknowledge that digitalisation is key to harnessing new opportunities given evolving consumer behaviours and serves as powerful facilitator of financial inclusion. As we continue to double down on our efforts to accelerate our digitalisation to improve access to banking services, we will focus more on tapping into the underserved and unserved market segments moving forward. This year, we have amplified our efforts in fortifying payment solutions and transactions, broadening our digital ecosystem partnerships and refining our customer-centric applications. As part of our ongoing commitment to innovative banking, we are also exploring potential opportunities using artificial intelligence following our success in implementing robotics capabilities. Through the setup of the robotics Centre of Excellence (COE), we have deployed more than a hundred bots across the Bank.

### PERFORMANCE HIGHLIGHTS

Our diligent efforts have led to a 1.6% increase in income to RM4,737.7 million, bolstered by net interest income growth. Likewise, our profit before provisions experienced a 2.6% increase, reaching RM2,637.4 million, with our net impairment demonstrating significant improvement.

The Group's PATMI saw an upswing of 15.5% to RM1,735.2 million, with a commendable ROE of 10%. This accomplishment aligns with our Focus Area 1 ambition of securing an ROE of  $\geq 10.0\%$ .

Our asset quality has shown resilience, with a gross impaired loans (GIL) ratio of 1.46% (FY2022: 1.40%) and a loan loss coverage (LLC) ratio of 127.7% (FY2022: 139.2%). Encouragingly, we witnessed growth across our loans and deposits portfolios, with an 8.5% rise in gross loans and financing to RM130.2 billion and a 6.3% increase in customer deposits to RM130.3 billion. Furthermore, our CASA balances grew by 13.2% to RM48.8 billion, while our CASA ratio stood at 37.4% (FY2022: 35.2%).

The commendable financial performance we delivered is a clear testament to the effectiveness of our strategies and the disciplined execution by our teams, which have resulted in substantial value creation for our stakeholders.



## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

## FOCUS 8 PROGRESS

Throughout the financial year, we have made notable progress by remaining committed to our strategic priorities. These priorities represent our collective drive to create sustainable value for our stakeholders. Now in its third year, the Focus 8 strategy continues to be a springboard propelling AmBank toward greater achievements.



## F1 Attaining a Return on Equity (ROE) of $\geq 10\%$

Our unrelenting commitment to optimising capital allocation and improving operational efficiencies have yielded strong results, with the Group achieving its ROE target of 10%. Our cost-to-income (CTI) ratio also improved to 44.3%. Prior to the commencement of the Focus 8 strategy, our ROE stood at 7.4%, while CTI was 49.9%. Our ongoing Business Efficiency Transformation (BET) has yielded positive results, freeing up capital for further investments in IT and the development of new digital capabilities. Since the programmes commenced in 2018, we have achieved cumulative gross cost savings nearing RM700 million.

Furthermore, we successfully completed the strategic divestment of AmGeneral Insurance Berhad to Liberty Insurance Berhad in July 2022. Subsequently, the integration of legal entities and business was finalised on 1 April 2023. This move aligns with the Group's strategy to divest from capital-intensive shareholdings in non-core businesses and to concentrate on the core banking business. We retain a significant minority stake of 30% in the merged entity and continue to look forward to drive new opportunities by collaborating with our new partner, Liberty Insurance, through our bancassurance business.

Since the programmes commenced in 2018, we have achieved cumulative **gross cost savings** nearing **RM700 million**.



## F2 Sharpening Our Segment Play

Our capacity to generate sustained value and meaningful returns for our shareholders is intrinsically tied to our ability to add value for our customers. Our unwavering commitment to cultivating deeper relationships and delivering differentiated value propositions for our customers acts as a catalyst to our segment-focused approach.

Within the affluent segment, our exclusive partnership with the organisers of KL Fashion Week (KLFW) for the second consecutive year allowed us to connect with our customers and elevate the profile of our AmBank SIGNATURE Priority Banking (AmSPB) franchise. The traction we achieved through this collaboration has been encouraging with assets under management (AUM) increasing by RM1.1 billion following the launch of The Metal Card at KLFW 2021.

AUM **increasing** by **RM1.1 billion** following the launch of The Metal Card at KLFW 2021.

In collaboration with one of the leading Umrah travel agency, we are working to launch flexible Umrah financing packages for the retail segment, allowing more Muslim customers to undertake their Umrah pilgrimage.

As our newly appointed Managing Director of Wholesale Banking takes the helm, we remain focused on better serving our customers across multiple segments. While continuing to serve Large Corporations and Government-Linked Companies (GLCs), Wholesale Banking is also intensifying its collaboration with the Investment Banking team.

On Business Banking side, the alignment of our business centres and Mid Corp segment team across all regions have enabled us to have better focus and outreach in growing SME and mid-sized customer base.

In the SME segment, we remain focused on supporting Malaysian SMEs through initiatives extending beyond financing. We strive to provide comprehensive business solutions and uplift them through education, training, development and networking opportunities, as well as media exposure. Our flagship programme, AmBank BizCLUB, which organises BizCONFERENCE, BizDIALOGUE and BizRACE events, has engaged over 12,000 SME leaders since its inception.

Our flagship programme, AmBank BizCLUB, which organises BizCONFERENCE, BizDIALOGUE and BizRACE events, has engaged over **12,000 SME leaders** since its inception.

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

We are firmly committed to guiding our clients and customers along their digitalisation journey, helping them explore innovative strategies that can enhance their efficiency and effectiveness. This year, we were involved in financing the construction of a One Stop Supply Chain Centre by Golden Scoop Sdn Bhd, the franchise owner of Baskin-Robbins Malaysia and Singapore. To further promote automation, we continue our collaboration with the Malaysian Investment Development Authority (MIDA) for SMEs and mid-tier companies to access MIDA's Smart Automation Grant programme, offering grants of up to RM1 million.

In addition, through our long-standing partnership with the Credit Guarantee Corporation (CGC), we have offered over RM3 billion worth of financing over the past seven years to over 4,000 SMEs. We also actively participate in various Bank Negara Malaysia and government schemes such as the BNM High Tech Facility – National Investment Aspirations, Low Carbon Transition Facility, Business Recapitalisation Facility and High Tech & Green Facility to support our SMEs.

As we nurture SMEs, we are dedicated to championing their growth and supporting their graduation process. Our aim is to provide them with the opportunity to achieve potential IPO listing and enable their transformation into much larger companies, through our Road to Capital Markets initiative.



Our alliance with our strategic telco partner underscores the synergy of banking and telecommunications to meet the evolving needs of our SME clients. We have spearheaded initiatives such as the rollout of innovative merchant payment solutions, alongside bundled digital and financial solutions via our SME-in-a-Box proposition, offering a comprehensive package to our valued customers. Since its inception in 2020, SME-in-a-Box has positively impacted almost 22,000 customers.

Leveraging digital capabilities through our BonusLink partnership, we strive to present an increasingly inclusive value proposition to members, partner merchants and employees. We rolled out an integrated feature in the BLINK application that facilitates smooth credit card applications and we have received an overwhelmingly positive response for the BonusLink points conversion to savings feature.

Collaborating with Merchantrade Asia, we have brought to the fore a range of Foreign Exchange (FX) and payment services and solutions. Most significantly, our market-first hybrid e-wallet that offers cross-border, multi-currency payment solutions backed by a current account was officially launched in October 2022. The e-wallet, linked to an AmBank Islamic Hybrid Current Account-i, allows users to accrue a profit rate and comes with a cumulative limit of RM50,000 per wallet. As of March 2023, the initiative has resulted in the opening of over 4,800 accounts.

Even as we embrace the digital banking era, we recognise the indelible value of human connection. To this end, we have reimagined the branch experience by combining leisure and banking through our collaboration with Bask Bear Coffee at selected locations. Here, customers can savour the café ambience while attending to their banking requirements. While we co-share the cost of premise rental with our partner to enhance cost efficiency, the addition of a coffee stop within the banking space has also resulted in increased foot traffic for these selected branches. We anticipate that this initiative will uplift customer experience and enable us to foster robust relationships, especially with the younger demographic.



### **F3** Delivering Holistic Customer Value Proposition Leveraging a Collaborative Culture and Partnerships

In our journey to transcend traditional banking, we have been actively fostering cross-industry partnerships to deliver a holistic customer value proposition. Our aim is to place AmBank at the crux of multiple partnership landscapes, effectively enriching the banking experience for our customers. In the year under review, we continued to fortify our alliances with BonusLink, a telco company and Merchantrade Asia, while welcoming a new collaborator, Bask Bear Coffee, to add value to our branch banking customer experience. We also have several potential strategic cross-industry partners in the pipeline, poised to further enhance our offerings.

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



## F4 Pushing Capital-Light Revenue

We continue to drive capital-light revenue through bolstering our FX franchise, Wealth advisory and CASA propositions. This year, our CASA ratio continues to surpass the industry average of 30.6%, improving to 37.4% from 35.2% in FY2022, reflecting our unwavering commitment to providing differentiated and bespoke solutions.

CASA ratio continues to surpass the industry average of 30.6%, **improving to 37.4%** from 35.2% in FY2022.



We have achieved this through sponsoring banking services via open Application Programming Interface (API) connectivity to Fintechs, leveraging on strategic partnerships that we formed with the likes of Merchantrade and Rakuten. This approach has led to a Year-on-Year (YoY) CASA growth of 13.2%. Additionally, our FX revenue has witnessed a 24% YoY growth, primarily driven by the robust SME segment.

We have gained further traction in the FX arena by rolling out our digital eFX platform to all 168 branches and integrating it into AmAccess Biz. As a result, we see 55% of FX transactions being conducted through automated or digitised processes.

We have also piloted the deployment of cash recycler machines (CRM) at key 7-Eleven outlets, providing micro-SMEs with a secure option for cash deposits.



## F5 Ramping Up the Next Wave of Digital Initiatives

Acknowledging the transformative power of digitalisation, we are harnessing it to equip our customers with superior financial capabilities through convenient and accessible banking. To this end, we have accelerated our digitalisation efforts by enhancing our digital infrastructure, data capabilities and touchpoints, while integrating digital capabilities within our internal operations to drive efficiency, foster collaboration and facilitate well-informed business decisions. Our digital transformation boosts our competitive edge through progressive and speedy insights for customer innovations and offerings.

AmBank embarked on a comprehensive digitalisation journey, spanning three distinct phases, to drive operational efficiency and deliver enhanced experiences. Phase 1, launched in 2017, introduced Project APEX, a transformative initiative aimed at improving front and back-end processes within Retail Banking. Through the implementation of straight-through processing (STP) and technology innovation, Project APEX significantly

enhanced process efficiency for customers and improved Bank's efficiency by about 1,200 FTEs. Simultaneously, the Bank rolled out Project AmACE, which focused on automating credit processes and reducing loan origination turnaround time, thereby elevating the experience for our valued business customers.

In 2019, AmBank commenced Phase 2 of its digitalisation footprint towards building the digitalisation momentum. The bank embraced automation through robotics with Project PARETO, further streamlining operations and improving efficiency by about 500 FTEs.

The Bank's digitalisation journey entered its third phase in 2022, marked by the launch of Project Orion. This transformative initiative established a robust data management platform, empowering employees with explainable data and actionable insights. Project Orion laid the foundation for AmBank's comprehensive digital transformation, enabling the bank to leverage data-driven strategies and deliver enhanced value to customers.

To reinforce its commitment to operational excellence through technology, AmBank established the Operational Excellence Taskforce (OPET) with the mentorship and guidance of the Board of Directors. OPET is dedicated to identifying and seizing operational improvement opportunities, leveraging technology to drive efficiency and sustainable growth across the organisation.

Through the enhancement of our digital touchpoints, we now boast over 1.57 million AmOnline users, signifying a four-fold increase in our user base since 2017, with over 82% of all banking transactions now conducted via AmOnline. We have also seen encouraging growth on our other platforms such as AmAccess Biz, AmEquities and AmAccess Corporate which all notched double-digit YoY growth in FY2023. Much of our success is attributable to our commitment to digitalising all aspects of our banking services. We have revamped the customer experience, allowing our personnel to focus on other value-add activities. Our QR-based cashless payment system is among the fastest in Malaysia, executing transactions in just 11 seconds.

Over **1.57 million** AmOnline users.

Over **82%** of all banking transactions now conducted via AmOnline.

Beyond this, we are integrating various ecosystems with our banking system, AmOnline such as Tabung Haji, ASNB and BonusLink, to provide a wider range of services to our customers. Recognising the increased risk of scams and fraud accompanying digital adoption, we have introduced a kill switch for customers and more robust security features for authentication.

In addition to seamless digital onboarding for SMEs via AmAccess Biz, we continually expand our range of payment solutions for customers. Our latest addition, Apple Pay, complements our existing payment features such as DuitNow QR, JomPAY, virtual account and sponsor bank initiatives. We are also the first bank in Malaysia to provide business-to-business API services via the real-time retail payment (RPP) platform DuitNow. These comprehensive offerings provide our customers with a wide array of convenient payment options to suit their needs.

Our inaugural AmDigital Day, themed "Next and Ahead", is a testament to our commitment to digital transformation, showcasing our digital propositions to investors, SMEs and corporate customers.

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



Within AmBank, we have adopted robotic process automation (RPA) to speed up and automate repetitive tasks, allowing for the reassignment of our workforce to critical tasks. The efficiency-derived savings have been reinvested to expand revenue-generating personnel and enhance customer experience.

Our five-year Intelligence Driven Bank roadmap charts our digitalisation journey, outlining strategies to better understand customer behaviours and preferences and to empower our employees with enhanced decision-support insights. We are tapping into the potential of AI and machine learning to mitigate risks, boost efficiency and devise smart customer value propositions.

In August 2022, we took another significant step towards empowering our workforce by establishing the AmBank Digital Academy under the purview of the Digital Academy Management Council. The Academy has already started enriching more than 3,000 employees with digital skills and certifications, working in partnership with 10 learning partners to launch comprehensive digital competency programmes. In the spirit of promoting innovation and knowledge sharing through learning across industries and business sectors, we have also forged a collaboration with Capital A to enrol our employees in the AirAsia academy “Digital Marketing Certificate Complete Reskill Bootcamp”.

Moreover, our employee-friendly policies, such as Hybrid Working Arrangements (HWA), extended parental leave, paid leave for charity work and enhanced medical coverage for our employees’ children, contribute to a positive working atmosphere.

In our commitment to fostering a culture of ‘Work-Life Balance’ among our employees, we have taken proactive steps to organise a range of engaging activities throughout the year. These initiatives are spearheaded by our dedicated teams, including Group Human Resource (GHR), Group Corporate Communications and Marketing (GCCM) and Kelab AmBank Group (KAG).

Our staff engagement activities encompass a diverse array of programmes. One notable example is our Fireside Chat Series, where we invite leading industry experts to share their insights and expertise with our employees. Another popular initiative is ‘Friyay at the Bank,’ a weekly event where we treat our staff to complimentary goodies, including snacks, beverages and other treats.

In line with promoting a healthy lifestyle, we organised the highly successful AmBank Run, which was held at the Perdana Botanical Garden and saw the participation of 1,400 staff members.

To emphasise the significance of overall health and wellness, we conducted various health-related activities and engagement sessions during the Health & Wellness month. Additionally, we celebrated International Women’s Day and Father’s Day with special events dedicated to honouring the contributions of women and fathers within our organisation.

By prioritising employee engagement and well-being, we aim to create a harmonious work environment that nurtures both personal and professional growth for our valued staff members.

As a result of our sustained efforts, our Employee Engagement Index (EEI) has continued to improve, with a score of 86% in FY2023 compared to 78% in FY2022. Similarly, our employee engagement ratio increased significantly to 58% in FY2023 compared to 35% in FY2022.



### F6 Future-Proofing the Workforce

Recognising the instrumental role that our team plays in steering our growth, we at AmBank continuously endeavour to create a nurturing environment, one that cultivates and recognises talent. Our focus remains on nurturing our future leaders through comprehensive leadership and talent development programmes and by instilling in them the skills and motivation necessary to foster AmBank’s continual advancement.

From launching new training initiatives such as AmApprentice and AmDigital Graduate in FY2023 to cultivating talent through a robust development programme, we are future-proofing our workforce and ensuring a constant influx of fresh perspectives. Our Structured Internship Programme (SIP) also serves as a talent magnet, attracting the brightest young minds and fostering a stronger employer brand.



## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



## F7 Integrating Environmental, Social and Governance (ESG) Considerations into Our Business

At AmBank, we are unwavering in our commitment to ESG principles. Our central role as a trusted banking partner equips us to support our customers in their transition to a more sustainable, low-carbon economy. We participated in the Bursa Carbon Exchange's inaugural electronic auction of carbon credits in March 2023, where AmBank (M) Berhad, AmBank Islamic Berhad and AmInvestment Bank Berhad emerged as successful bidders, acquiring a total of 150,000 Verra-registered carbon credits. We have also been selected as the exclusive banking partner for Pantas, a leading KL-based climate tech provider as part of BNM's Greening Value Chain (GVC) Programme. Through our participation, AmBank will provide 5,000 SMEs access to carbon accounting software to track and report their carbon emissions, thus assisting them in their decarbonisation journey.

We have also been selected as the **exclusive banking partner for Pantas, a leading KL-based climate tech provider** as part of BNM's Greening Value Chain (GVC) Programme.



In the past year, we set ESG targets as part of our commitment to sustainability, committing to lend 70% of our portfolio to companies with low ESG Risk Grades by 2030 and to become Carbon Net Zero by 2050. Reflecting our commitment, we disbursed RM1.94 billion of Green Financing in FY2023 across our Retail, Business and Wholesale Banking franchises.

As part of our efforts to shape and facilitate energy transition in Malaysia, our Business Banking segment has connected solar panel installers with our SME customers while at the same time offering financing. Our Retail Banking segment offers special rates for the financing of electric vehicles (EVs). We have also stopped providing new loans or financing to coal-fired plants and to companies with significant coal-related revenue.

At the crossroads of financial innovation and ecological responsibility, our Wholesale Banking division aims to be the preferred banking partner for clients embarking on sustainability-focused ventures. This is accomplished through our distinct offering of Green Financing. Working hand in hand with our Investment Banking unit, we empower our clients to access the bond market via sustainability-linked Sukuk. Moreover, our Investment Banking division is making significant strides in supporting ESG investments by launching initiatives such as the Sustainable Series Fund and reengineering existing funds to incorporate sustainability principles.

One of our strategic levers to expedite the transition towards sustainable energy is the implementation of our exclusion list. We have taken a firm stand against lending or financing new projects linked to coal-fired plants or companies with coal-related activities contributing to 20% or more of their revenue and production cost. However, certain exceptional circumstances may necessitate continued engagement, such as when the financing is not linked to coal-based activities, supports national power or energy entities, or in the interest of protecting the nation's energy security.

Reaffirming our commitment to the management of climate-related risks and seizing opportunities embedded within a low-carbon transition, AmBank joined the Task Force on Climate-Related Financial Disclosures (TCFD) in July 2022. To bolster this pledge, we refined our Green Financing Guidelines to include principles from MyHijau and BNM's Climate Change and Principle-based Taxonomy.

From an industry perspective, we continue to be instrumental in fostering the expansion of both sustainability and Value-Based Intermediation (VBI) practices across the banking sector. AmBank Islamic is leading the charge by representing the Group on the risk management subcommittee of the BNM and Securities Commission Joint Committee on Climate Change and the VBI Sectoral Guide Working Group, contributing to the development of sector-specific guidelines.

To further demonstrate the Bank's commitment on its sustainability agenda, we have established the Sustainability Taskforce with the mentorship and guidance of the Board of Directors, aimed at delivering sustainable values for our stakeholders and fulfilling our aspirations of building a prosperous community around us.

## GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



### F8 The Digital Bank

While we did not apply for a digital banking license, we are charting our path towards digital innovation, incubating what is essentially the fifth line of business to be an integral facet of our Focus 8 strategy. This move not only supplements our diverse revenue generation portfolios, but also forges an inclusive financial landscape catering to the emerging segments of our economy that are underserved or unserved – from fresh graduates and influencers to gig workers and micro-SMEs. We are steadfast in our commitment to fostering financial inclusivity, a mission in alignment with BNM's financial inclusion framework.

We see our collaboration with existing ecosystem partners not merely as a network, but as an alliance that is rich with opportunities for mutual growth and innovation. We envisage creating a dynamic ecosystem where our combined expertise amplifies the reach to our consumer base and fuels the co-creation of unique value propositions. Our collaboration with BonusLink and our telco partner exemplifies this approach, enabling us to offer solutions that enhance the financial flexibility of our customers, while expanding our reach and reducing customer acquisition costs.

Through these partnerships and our continuous commitment to digital innovation, we look forward to offering a diverse portfolio of services that meet our customers' everyday needs, propelling us further on our path of digital transformation.



### OUTLOOK & PROSPECTS

As we look to the future, we anticipate a challenging global environment characterised by higher interest rates and consequent dampening of global economic growth. However, domestically, there are still optimistic indicators. With manageable inflation and BNM's assertion of resilient domestic growth prospects through its recent adjustment of the Overnight Policy Rate (OPR) back to pre-pandemic levels, Malaysia's economy exhibits robust health. We project a solid GDP growth of 4.5% in 2023, following a strong expansion of 8.7% in 2022.

As we transition into the year 2024, AmBank Group will continue to harness challenges and opportunities, with a keen focus on the SME sector, ESG considerations and digital transformation.

Our vision for the SME segment is marked by promising growth opportunities. Expanding our presence both domestically and internationally through partnerships, supporting the proliferation of industrial parks and fostering the growth of the tourism and travel sector stand at the top of our agenda. We are also formulating strategies to capture foreign direct investments (FDI) from North Asia, coupled with targeted expansions within the key regions of Malaysia.

Our commitment to ESG compels us to enhance our ability to finance energy transition. Opportunities abound in transition finance, green home financing, electric mobility financing and the financing of renewable energy enterprises. Additionally, we aim to finance sustainable agribusinesses that contribute to emissions reduction in agriculture and bolster the nation's food security.

Digitalisation remains at the forefront of our strategic priorities. As we tread the path of our Intelligence Driven Bank roadmap, our efforts will be directed towards fortifying our digital channels and enhancing our physical channels through data-driven insights. The expansion of our cross-industry digital ecosystem will be supported by forging new partnerships, aiming to cater to an even wider customer segment. Our digital bank, our fifth line of business, will continue to strive towards serving the unserved and underserved, in support of BNM's financial inclusion framework.

As we enter the final year of the Focus 8 strategy, we remain determined to elevate our performance and propel AmBank Group to the next level of growth.

### ACKNOWLEDGEMENTS

My sincere appreciation to the Chairman and members of the Board for their unwavering support, leadership and guidance throughout the year. Their strategic insights have been instrumental to the Bank's success, and we are grateful for their unwavering commitment to delivering on our long-term vision and goals.

My heartfelt thanks to our employees, whose resilience, dedication and unwavering commitment to serving our customers have enabled us to navigate a challenging and rapidly changing environment successfully. It is a matter of great pride to lead such an extraordinary team.

I extend my sincerest appreciation to our customers for their unwavering faith in us. We pledge our continued commitment to delivering innovative and reliable financial solutions that cater to their evolving needs.

To our shareholders and regulators, I express my profound gratitude for your undivided guidance and support. Your continued assistance and the avenues you provide play a vital role in enabling us to uphold our principles and values while serving our customers. Your partnership ensures that we remain steadfast in our commitment to responsibility.

Amidst the uncertainties of recent years, we have stood resilient and have consistently delivered on our promise and commitment to all our stakeholders. Our focus remains on creating enduring value for all our stakeholders. The past year has brought significant accomplishments and as we refuse to rest on our laurels, we look forward to another strong year ahead.

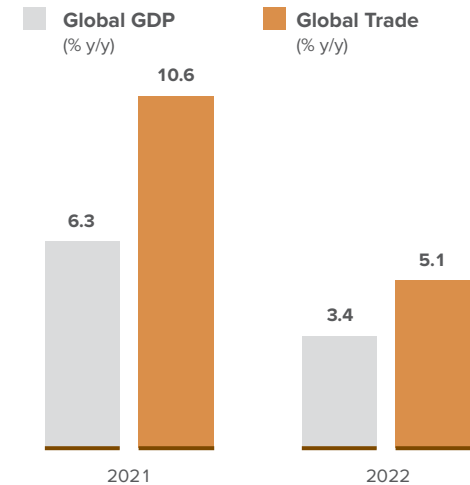
Thank you for your continued trust and confidence in AmBank.

# OPERATING LANDSCAPE

## Year 2022 Under Review

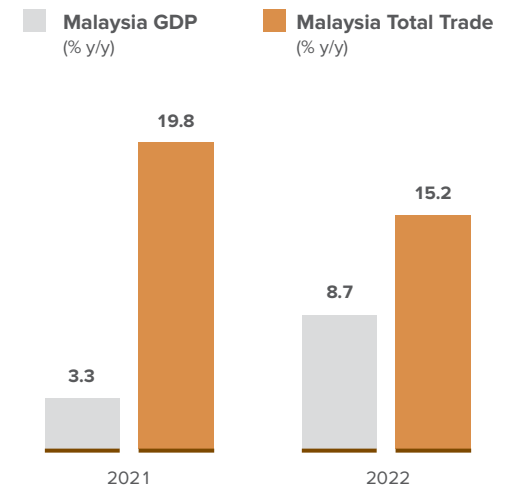
### The Global Economy

- The global economy maintained its post-pandemic recovery trajectory in tandem with most economies lifting COVID-19-related movement restrictions and reopening their borders. This translated into improved consumer and business sentiment, which saw global trade also benefiting from pent-up demand. Overall, the IMF estimated that global GDP growth slowed to 3.4% in 2022 from 6.3% in 2021.
- However, the combination of resurgent demand, the lingering effects of pandemic-induced supply chain disruptions and higher commodity prices pushed inflation rates to multi-year highs. Furthermore, a tight labour market meant sustained growth in nominal wages, which added further inflationary pressure. The ongoing Russia-Ukraine war exacerbated the situation as high energy prices persisted and continue to weigh on both growth prospects and sentiment in the European continent.
- In a bid to tame inflation, central banks around the world pushed ahead with interest rate hikes at a rapid pace and significant magnitudes, in some instances pushing rates back to levels last seen before the 2008 Global Financial Crisis. This dampened both business and consumer sentiment and contributed to slower economic growth towards the end of the year.



### The Malaysian Economy

- The Malaysian economy staged a strong recovery in 2022, boosted by a combination of solid domestic demand and robust external trade. The economy expanded by 8.7% in 2022, the fastest pace in Southeast Asia and Malaysia's best performance since 2000.
- The full reopening of the economy back in April 2022 allowed people to return to work, and businesses were able to operate without any restrictions. Pent-up demand saw retail sales growing by 23.9% in 2022 to RM661 billion while expansionary fiscal policy enabled vehicle sales to rise to a record high of 720,000 units over the same period. In addition, the reopening of Malaysia's international borders paved the way for the resumption of tourism activities, adding further uplift to the country's economic recovery.
- Domestic demand was supported by improving labour market conditions, higher wage growth and accommodative monetary policy. Although BNM increased the OPR in 2022 by a cumulative 100 bps to 2.75%, it was still below the pre-pandemic level of 3.00%. The unemployment rate fell to 3.6% by the end of 2022 from a peak of 5.3% back in 2020 as hiring activity improved in tandem with the economic recovery.
- Malaysia's external trade posted another record-breaking year with 27.8% growth to achieve total trade of RM2.85 trillion, attributable to both price and volume factors. The manufacturing sector generally benefited from the rise in trade activities while the Electrical & Electronics (E&E) subsector, which commands about 38% of the country's exports, rode on the accelerated digitalisation trend globally. Meanwhile commodity-based products such as petroleum and palm-oil were supported by firmer commodity prices globally.





## OPERATING LANDSCAPE

### Domestic Banking Sector Review

#### Year 2022 Under Review

- In tandem with the healthy economic environment, outstanding loans in the banking industry grew by 5.7% in 2022, bringing the absolute level to RM2.02 trillion. Household segment loans posted a faster growth of 5.9%, compared to 5.3% for non-household loans.
- The banking sector remained well capitalised with total capital ratio increasing to 18.8% in 2022 and over the same period, the liquidity level remained healthy as well given the liquidity coverage ratio (LCR) of 154%.
- Asset quality was also stable as reflected by non-performing loans (NPL) ratio of 1.72%.
- The annualised credit cost decreased to 0.20% in 2022 against 0.42% in 2021.
- Amid improvements in business conditions and the expiry of repayment assistance programmes, the share of SME loans under repayment assistance continued to decline to 5.6% of total SME loans, or 1.0% of total loans from the whole banking system.

### Year 2023 Outlook

#### The Global and Domestic Economic Outlook

- The operating landscape in 2023 will likely be dictated by the effects of the monetary policy tightening that took place in 2022, which was among the steepest in relation to previous interest rate hike cycles. To put this into perspective, the US Federal Reserve raised the benchmark Federal Funds Rate by 500 bps from March 2022 to June 2023, bringing the target rate to 5.00% - 5.25% as at June 2023. Further hikes from this point remains an undiscounted possibility depending on how inflation evolves going forward as price pressures have proved to be very sticky thus far. As a result of this, selected economic indicators such as business investments and consumer sentiment indicate an economic slowdown ahead. The downside risk to global growth was further exacerbated following the collapse of mid-tier banks in the US and the takeover of Credit Suisse. The combination of still elevated inflation levels and more signs of downside risk is expected to limit the room that central banks have in managing monetary policy as over tightening in monetary policies may lead to steep economic recessions due to its potential impact on credit flows.
- On a positive note, the end of the zero-COVID policy in China and the strong job market in the US are potential mitigating factors that may prevent the global economy from falling into a full-blown recession. The US unemployment rate remained low at 3.7% in May 2023 while consumer balance sheets are somewhat robust as evidenced by lower debt service ratio. Central banks are also at the end or nearing the end of their respective monetary policy tightening cycles. Given the balance of these factors, the IMF expects global GDP growth to moderate to 2.8% in 2023 (2022E: 3.4%).
- On the domestic front, we expect private consumption to continue to be supportive of economic growth albeit at a more moderate pace with the unemployment rate converging further towards its long-term average of 3.5%. The tourism sector is anticipated to remain on its recovery trajectory with China's reopening adding a boost to this sector. Moreover, continuous realisation of investments as well as accommodative monetary policy locally should also bode well for the economy. While external

trade contribution to GDP growth is expected to be lower, Malaysia's trade exposure is somewhat diversified with ASEAN and China accounting for around 23% and 17%, respectively of the trade portfolio.










- Malaysia's headline inflation is likely to remain elevated at around 3.0% to 3.5% for 2023, considering the possibility of subsidy rationalisation as the country moves towards fiscal consolidation. Against this backdrop, the OPR is expected to stay accommodative and any deviation in this expectation is to be dictated by how the country's core inflation behaves. There is no immediate pressure for Malaysia to replicate the tightening cycles of major economies considering that inflation is relatively manageable, largely due to subsidy measures. Against this backdrop as well as the high base effect, we foresee Malaysian economic growth to moderate to 4.5% in 2023 (2022: 8.7%).

#### Domestic Banking Sector Outlook

- Banking sector loan growth is anticipated to be lower in the range of 4.0% to 5.0% in line with slower GDP growth forecast over the same period.
- Credit flows in the economy are expected to be sustained but caution is likely to increase considering downside risk which is largely stemming from external factors.
- Manageable liquidity conditions in the banking system to support lending activities.
- Lower credit cost as full economic reopening translates into lower provisioning as compared to the previous year.
- Further improvement in the domestic job market to help mitigate the downside risk on asset quality.
- SMEs and digitalisation journey will be supported by measures such as the RM10 billion in loan funds provided by BNM, RM100 million of SME Digitalisation Grant Scheme and a matching grant of up to RM5,000 for SMEs that subscribe to business digitalisation applications.

## STAKEHOLDER ENGAGEMENTS ON SUSTAINABILITY

We strike a balance between the immediate and long-term interests of our diverse stakeholders. Thus, we make every effort to meet their needs by establishing meaningful relationships with our stakeholders to understand their needs and serve them better. We are committed to creating positive long-term value for our business and non-business stakeholders, to pave the way for a sustainable future.

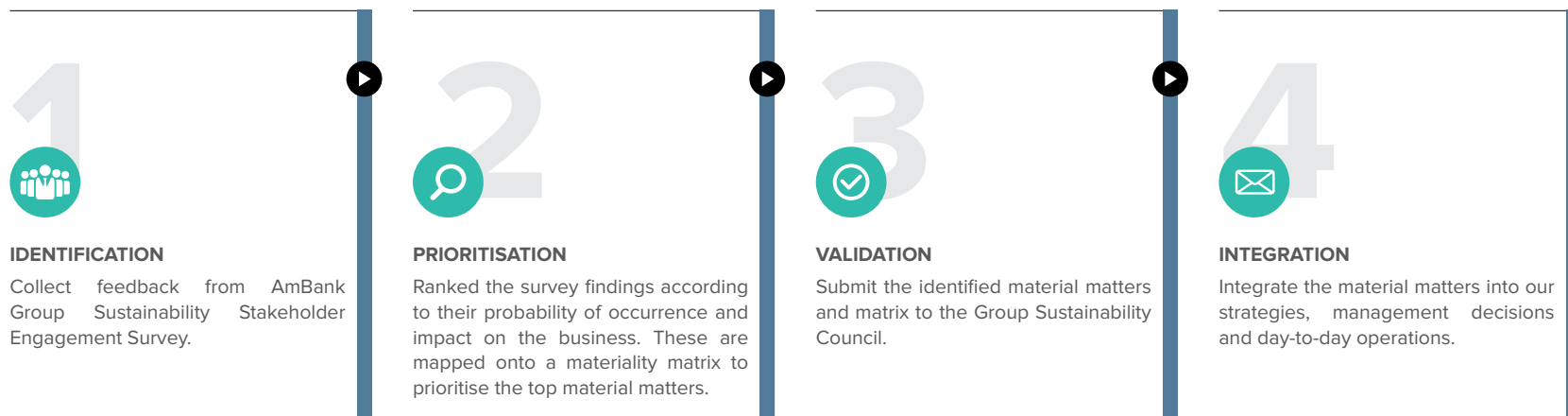
STAKEHOLDER	FREQUENCY OF COMMUNICATION	MODE OF COMMUNICATION	KEY EXPECTATIONS	RESPONSE
 <b>Customers</b>	<b>D M</b>	Survey, Distribution Points	Seamless banking, meeting financing needs	<ul style="list-style-type: none"> <li>Enhancing customer experience</li> <li>Digital transformation</li> <li>New products and services</li> </ul>
 <b>Employees</b>	<b>D M Q</b>	Townhalls, AmBank Connected Portals, HR E-mails, Meetings, Performance Reviews	Work-life balance, safe & productive work environment, career development opportunities	<ul style="list-style-type: none"> <li>Promoting work life balance</li> <li>Talent management programmes</li> <li>Training and development</li> </ul>
 <b>Suppliers</b>	<b>P</b>	Onboarding Process, Performance Evaluation, Ad hoc Engagements	Ethical procurement, guidance and effective communication	<ul style="list-style-type: none"> <li>Implement the e-Procurement system for self-registration of suppliers</li> <li>Guidance and knowledge-sharing with suppliers</li> </ul>
 <b>Government &amp; Regulators</b>	<b>Q</b>	Meetings, Seminars and Workshops, Feedback on Consultation Papers	Responsible banking practices, good governance and compliance, socio-economic growth	<ul style="list-style-type: none"> <li>Best practices in corporate governance and compliance for meeting regulatory requirements</li> <li>Strong compliance culture within the Group</li> <li>Promoting financial inclusion</li> </ul>
 <b>Civil Society/ NGOs</b>	<b>M</b>	FINCO, Focus Groups, Volunteering programmes	Financial inclusion and literacy, community development and outreach	<ul style="list-style-type: none"> <li>Implement CSR programmes through AmKasih Programme</li> <li>Launched AmCare</li> <li>Zakat distributions</li> </ul>
 <b>Shareholders/ Investment Community</b>	<b>Q A</b>	Annual General Meeting, Analyst and Fund Manager Briefing, Investor Roadshow, Media Briefings/ Release, Meetings, Corporate Website, IR Mailbox	Strategic priorities, sustainable earnings growth and stable dividends, prudent cost management, proactive management of asset quality and credit exposure, digital initiatives, ESG consideration in business decisions	<ul style="list-style-type: none"> <li>Strengthening Sustainability Governance e.g. established the Group Sustainability Council</li> <li>Credit, investment and advisory practices incorporate ESG and climate considerations</li> </ul>
 <b>Business Partners</b>	<b>M</b>	Meetings, Webinars, Seminars/ Workshops, Roadshows	Ethical business practices, strong financial performance	<ul style="list-style-type: none"> <li>Safeguard data privacy and protection</li> <li>Conducting audits and internal control</li> </ul>
 <b>Media</b>	<b>M</b>	Events, Media Releases, Interviews, Engagements	Accurate and relevant information, fair and transparent content	<ul style="list-style-type: none"> <li>Regular engagement with media e.g. press conference, press releases, special interview</li> </ul>
 <b>Sustainability-Certified Bodies</b>	<b>A</b>	Meetings, Audit, Assessment	ESG performance, Sustainable financing	<ul style="list-style-type: none"> <li>Assurance statement for Sustainability Report</li> <li>Conduct OSH inspection audits</li> </ul>

**D** Daily    **M** Monthly    **Q** Quarterly    **A** Annually    **P** Periodically

# SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

AmBank Group's sustainability agenda is structured around three Sustainability Themes, encompassing nine Sustainability Matters.

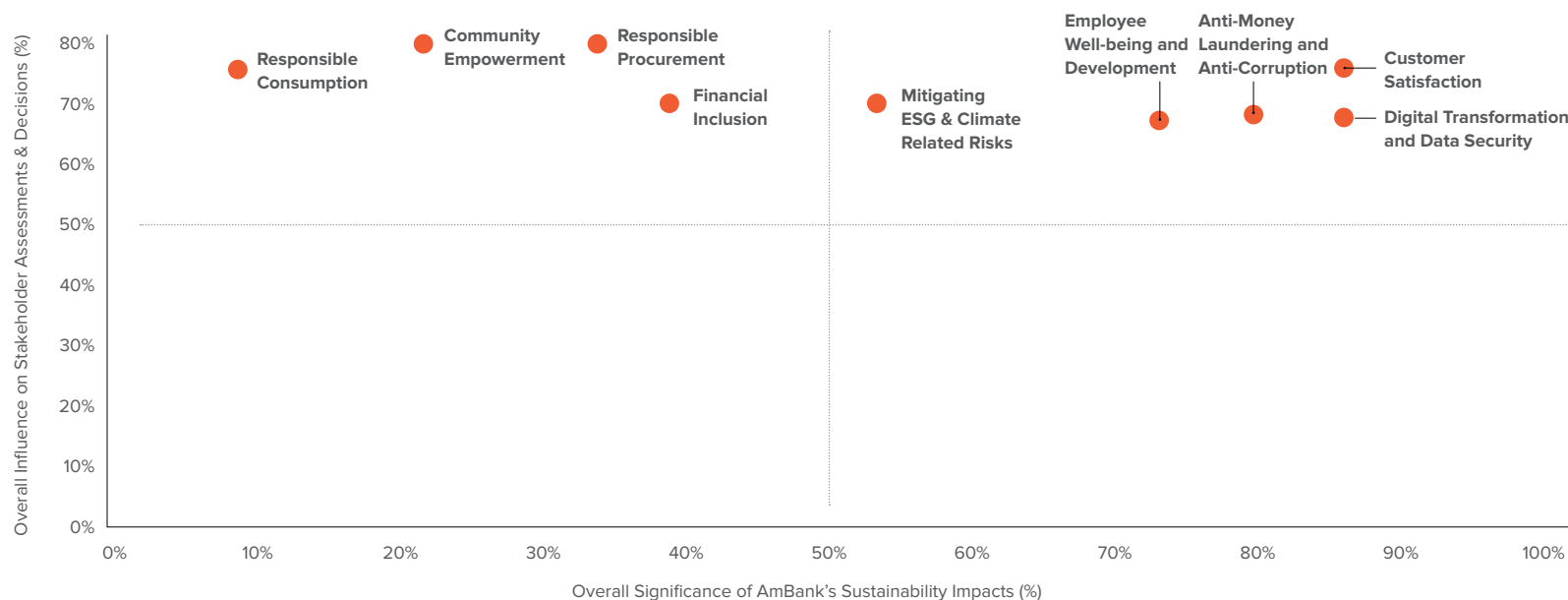
## METHODOLOGY ON SUSTAINABILITY MATTERS



Our methodology has enabled us to identify nine Sustainability Matters, which are categorised into three Sustainability Themes.





The Sustainability Matters represent the key areas we focus on in our sustainability journey. We regularly conduct materiality assessments on these matters to ensure they remain relevant. After our latest assessment in FY2023, we have streamlined the previous ten Sustainability Matters into nine. The matrix below illustrates the ranking and importance of the identified Sustainability Matters:






## SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

### Why Do They Matter?

































#### CORE SUSTAINABILITY MATTERS

Sustainability Matters	Business Context	Risks
 <b>Customer Satisfaction</b>	Customer loyalty and trust are based on our ability to meet customers' changing needs and protect their financial interests.	Conveying misleading information or exploiting customers may tarnish our reputation, affect sales and result in regulatory actions.
 <b>Mitigating ESG &amp; Climate Related Risks</b>	Stakeholders are increasingly expecting financial institutions to incorporate responsible business practices and contribute towards socio-economic resilience as well as incorporating climate risk-related management.	Working with organisations that harm the environment and society or have weak governance practices, hampers long-term performance and affects customer repayment and collateral values.
 <b>Financial Inclusion</b>	Providing access to financial products and services which are delivered in a responsible and sustainable way to the underserved and unserved markets.	Our inability to effectively manage the credit risk of underserved and unserved markets will compromise our ability to balance profitability with responsible banking.
 <b>Responsible Consumption</b>	Environmental challenges, such as climate change, directly impact the environment in which we operate.	Engaging in harmful practices will negatively impact the climate and our environment.
 <b>Responsible Procurement</b>	Our procurement impacts the sustainability and responsibility of our business activities and our growth as a sustainable organisation.	Regulatory violations and unethical practices committed by suppliers may disrupt our business and damage our reputation.
 <b>Community Empowerment</b>	Inclusive economic growth and shared prosperity require the empowerment of our communities.	The lack of impactful community development and social programmes may imply that we are an organisation that is focused solely on making profit.

#### FOUNDATION SUSTAINABILITY MATTERS

 <b>Digital Transformation &amp; Data Security</b>	Emerging technology and digital advancements continue to disrupt and transform the financial industry and concurrently increase data security risk.	Cyberattacks and breaches in our system cause business disruptions and reduce stakeholder trust and confidence. We need to also be aware of the potential risks of emerging digital banks.
 <b>Employee Well-being &amp; Development</b>	Employees are the drivers of our growth and resilience. A skilled and resilient talent pool is crucial for the business to thrive far into the future.	A workplace that is not conducive leads to diminished productivity, a high employee turnover rate and a disengaged workforce.
 <b>Anti-Money Laundering &amp; Anti-Corruption</b>	Our sustainability objectives and business growth rely on good corporate governance, transparency, compliance with laws, regulations and Shariah requirements, accountability and integrity across all levels.	Unethical conduct, violations and corruption found in our operations will result in regulatory fines, penalties and loss of stakeholder confidence and trust.

## SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

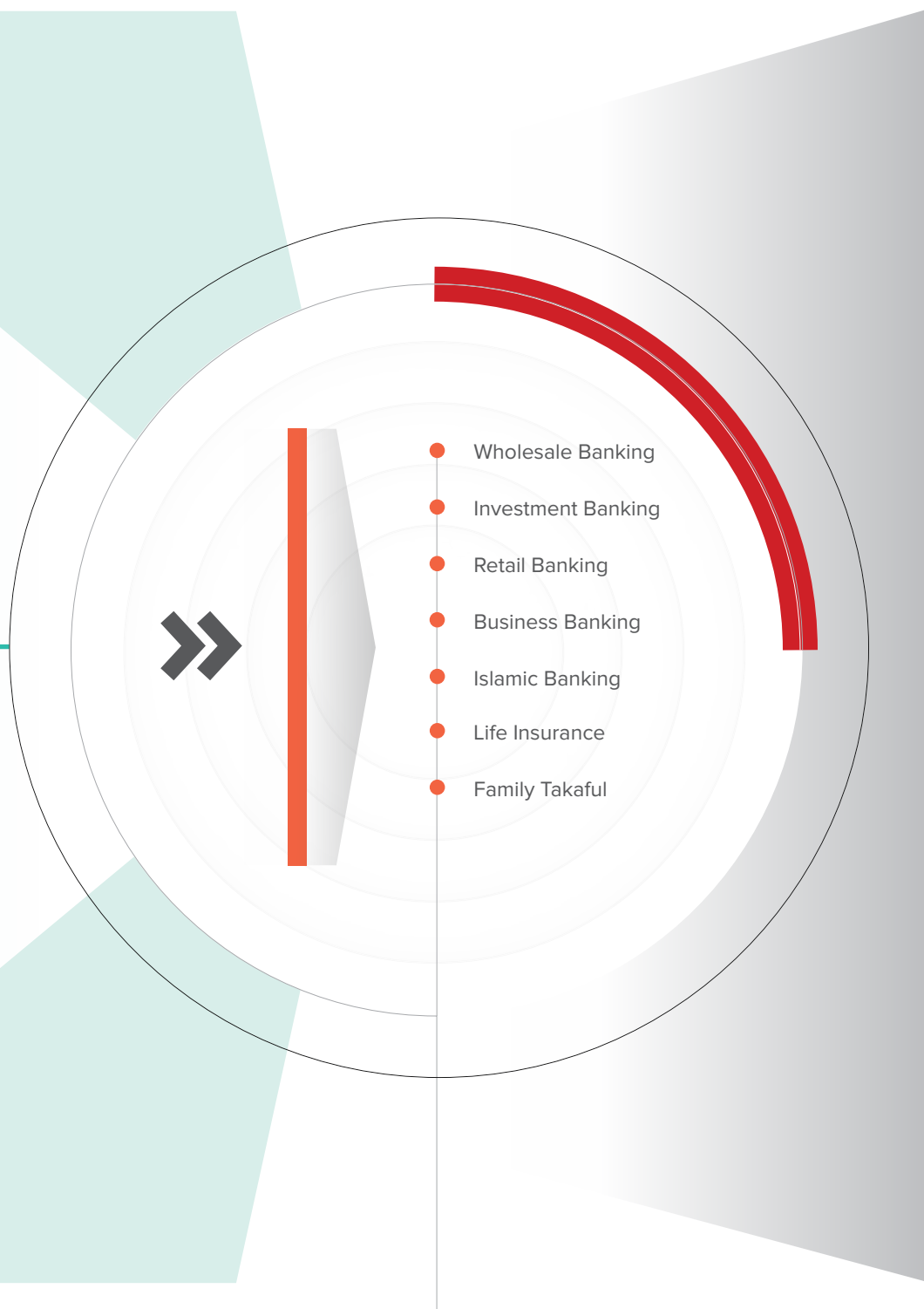
Opportunities	Our Approach	Stakeholders Affected
<p>Providing excellent customer experience will strengthen our brand and give us the competitive advantage.</p> <hr/> <p>Engaging in environmentally and socially responsible lending/ financing practices allows us to seize growth opportunities in the underserved segments and emerging markets including the green sector.</p> <hr/> <p>Tapping into the underserved and unserved markets will open up new growth segments, along with enabling infrastructure, risk management and financial inclusion initiatives.</p> <hr/> <p>Investing in resource-efficient initiatives enables us to reduce our consumption of resources and enhance operational costs.</p> <hr/> <p>Supporting local entrepreneurs and SMEs while advocating responsible practices and ethical conduct contributes to the nation's socio-economic growth and well-being.</p> <hr/> <p>Developing the communities in areas where we operate is in line with the health and prosperity of the financial ecosystem.</p>	<p> Read more on page 33 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on pages 36 to 37 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on page 42 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on pages 45 to 47 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on page 55 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on page 57 of AmBank Group's Sustainability Report 2023.</p>	<p></p> <hr/> <p>   </p> <hr/> <p>   </p> <hr/> <p> </p> <hr/> <p></p> <hr/> <p> </p>
<p>Through digitalisation, we can create innovative financial solutions to meet evolving customer needs, attract new customers and improve market share. Digitalisation also improves our processes, bolstering customer experience and accelerating productivity.</p> <hr/> <p>Providing employees with regular training equips them with future-ready skills while a safe and healthy work environment enhances their performance and preparedness in adapting to challenges.</p> <hr/> <p>Having a robust grievance mechanism enables stakeholders to freely and securely report potential wrongdoings or unethical conduct.</p>	<p> Read more on pages 61 to 62 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on pages 64 to 65 of AmBank Group's Sustainability Report 2023.</p> <hr/> <p> Read more on pages 73 to 75 of AmBank Group's Sustainability Report 2023.</p>	<p>   </p> <hr/> <p></p> <hr/> <p>   </p>

# OUR VALUE CREATING BUSINESS MODEL



## OUR VALUE CREATING BUSINESS MODEL

### OUTCOMES CREATED FOR STAKEHOLDERS



#### HUMAN

- **95.7%** Employee Retention Rate
- **86%** EEI
- **46%** top Management/Senior Management are women



#### FINANCIAL

- **RM4,737.7 million** in total income



#### INTELLECTUAL

- Awards & recognitions received:
- Best Islamic Bank Malaysia 2022
  - Best Securities House in Malaysia 2023
  - Best FX Bank for Corporates & FI (11<sup>th</sup> consecutive win)



#### MANUFACTURED

- More than **100,000** SME Clients
- **89.0 million** average online transactions (monthly)



#### NATURAL

- **79,113 kWh** saved through LED lighting initiative.
- Accumulated **4.215 tonnes** of recyclable waste from our Recycling Bins in Menara AmBank, Bangunan AmBank Group and Wisma AmFirst in FY2023, to be recycled by our third-party recycling vendors
- **81,850 kWh** energy generated from solar panels from April 2022 to March 2023, offsetting about 63.84 mtCO<sub>2</sub>e of carbon emissions for FY2023



#### SOCIAL

- **RM656 million** contributed to local suppliers
- **RM991,087** in total Zakat contribution

# OUR STRATEGY

**Our Focus 8 strategy continued to deliver results across all our lines of business, underpinned by our unrelenting efforts to meet the needs of our customers while keeping a firm hand on steering the Bank towards better profitability, efficiency and more robust sustainability practices.**

In our commitment to creating sustained value for our stakeholders, much of our success can be attributed to our strategies which enabled us to reimagine and elevate the way we delivered our services, especially in the digital context. The progress we have made has been very encouraging and we are committed to completing the Focus 8 strategy on a high note as we move into its final year in FY2024.



**Focus Area 1:**  
**ATTAINING A RETURN ON EQUITY (ROE) OF ≥10%**

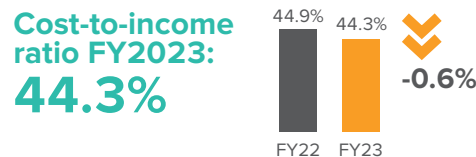
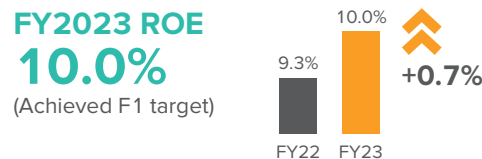
**What It Means:**

We are reinforcing our strategies and priorities to chart a path towards attaining a return on equity (ROE) of more than 10.0%, thus delivering greater returns to shareholders and investors.

**Key Initiatives**

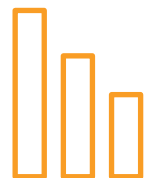
- Improved operational efficiencies and managed cost savings through the Business Efficiency Transformation (BET) initiative.
- Completed strategic divestment of AmGeneral Insurance Berhad to Liberty Insurance Berhad and entered into a 20-year new bancassurance partnership for the distribution of general insurance.

**Achievements**



Through BET, we achieved cumulative cost savings of close to **RM700 million** since the programme started in 2018

► **~RM70 million cost savings** in FY2023



**Future focus**

- Further sharpen our capital allocation process and channel our resources towards lines of business and products that yield better returns.
- Continuous assessment of opportunities to improve operational efficiencies, focusing on delivering quality services with fewer resources.



**OUR STRATEGY**



**Focus Area 2:  
SHARPENING OUR SEGMENT PLAY**

**What It Means:**

Committed to delivering differentiated value propositions to our customers that are segment-focused, solutions-based and add value.

**Key Initiatives**

**Individual segment:**

- Continued to grow individual wealth with exclusive customer offerings and value propositions.
  - Launched AmRewards campaign that offered customers attractive rates and rewards to encourage them to save.
  - Offered executive lifestyle privileges to our affluent customer base through personalised financial solutions.

**SME segment:**

- Nurtured the SMEs in Malaysia by providing them with education, training and opportunities to scale up to the next level.
  - AmBank BizCLUB and Road to Capital Market initiatives provided them with support and exposure to expand their businesses to become public listed companies.
  - Facilitated collaborations with government agencies and participated in government schemes to support SMEs through provision of financing facilities, grant disbursement and capacity building.
  - Supported SMEs' digital transformation and modernisation through funding and implementation of DuitNow and QR pay for SMEs.

**Mid Corp segment:**

- Realignment of business units through consolidation of Mid Corp segment with the Business Banking LOB to ensure better outreach in growing new segment of customers and opportunities.
- Focused on opportunities to diversify existing customer base portfolio and establish new-to-bank businesses.
- Closed the gap within the customer segments by prioritising specific sectors for growth.

**Achievements**

**Individual segment:**

**7.0% growth**

in affluent segment, AmSPB customer base



AmBank Islamic recorded more than **290,000 active holders of the AmWafeeq Savings Account-i** since its introduction in 2019

**13.8% growth**

in average AUM for AmSPB customers



Approximately **1,200 Metal Cards** issued since launch in November 2021 with incremental AUM growth close to **RM1.1 billion**



**Best Retail Bank - Malaysia**

Global Banking and Finance Awards 2023

**SME segment:**

More than **101,000 SME customers**

Close to **RM27 billion** in SME Loans

**7.1% growth** in SME Loans (above industry growth of 2.2%)

**4.4% growth** in SME Deposits



**59 deals** completed through RTCM initiative since inception

**RM380,000** allocated to iTEKAD programmes

Over **12,000 SME leaders** engaged through AmBank BizClub

**SME Awards:**



**Best SME Bank - Malaysia**

Global Banking and Finance Review 2023

**Best Islamic Bank - SME Banking**

Global Islamic Finance Awards 2022

OUR STRATEGY



**Focus Area 2:**  
**SHARPENING OUR SEGMENT PLAY (CONTINUED)**

Key Initiatives	Achievements			
<p><b>Corporate &amp; Investment Banking segment:</b></p> <ul style="list-style-type: none"> <li>Facilitated seamless online collection for corporate customers via cash management solutions and continued to grow our operating account customers.</li> <li>Provided integrated Investment Banking offerings via M&amp;A origination to drive advisory, debt and equity fundraising. Worked closely with Wholesale Banking to identify 'new winners' to gain market share and strengthen our credentials.</li> </ul>	<table border="0"> <tr> <td style="padding-right: 10px;"> <p><b>Growth in Mid Corp:</b></p> <p>Total Income: <b>18.7%</b> </p> <p>Loans: <b>13.1%</b> </p> <p>CASA: <b>21.3%</b> </p> </td> <td style="padding-right: 10px;"> <p><b>Growth in Wholesale Banking:</b></p> <p>Total Income: <b>16.7%</b> </p> <p>Loans: <b>11.6%</b> </p> <p>CASA: <b>4.2%</b> </p> </td> <td> <p><b>Growth in Private Banking:</b></p> <p>Total AUM: <b>2.0%</b> </p> </td> </tr> </table>	<p><b>Growth in Mid Corp:</b></p> <p>Total Income: <b>18.7%</b> </p> <p>Loans: <b>13.1%</b> </p> <p>CASA: <b>21.3%</b> </p>	<p><b>Growth in Wholesale Banking:</b></p> <p>Total Income: <b>16.7%</b> </p> <p>Loans: <b>11.6%</b> </p> <p>CASA: <b>4.2%</b> </p>	<p><b>Growth in Private Banking:</b></p> <p>Total AUM: <b>2.0%</b> </p>
<p><b>Growth in Mid Corp:</b></p> <p>Total Income: <b>18.7%</b> </p> <p>Loans: <b>13.1%</b> </p> <p>CASA: <b>21.3%</b> </p>	<p><b>Growth in Wholesale Banking:</b></p> <p>Total Income: <b>16.7%</b> </p> <p>Loans: <b>11.6%</b> </p> <p>CASA: <b>4.2%</b> </p>	<p><b>Growth in Private Banking:</b></p> <p>Total AUM: <b>2.0%</b> </p>		

**Future focus**

- Transform retail branches through the digitalisation of existing retail branches and the new community banking/co-share space concept.
- Provide value propositions to support SMEs by enhancing digital channels and continue our engagement in ensuring small businesses can finance their green transition.
- Provide non-financial support in terms of raising awareness and practical tools to help guide SMEs on the journey to net zero. In doing so, assist to boost SMEs' demand for green financing and investment.
- Enhance our customer experience journey via channel digitalisation and customised solutioning across targeted customer segments.



**Focus Area 3:**  
**DELIVERING HOLISTIC CUSTOMER VALUE PROPOSITION LEVERAGING A COLLABORATIVE CULTURE AND PARTNERSHIPS**

**What It Means:**

We continue to embrace a 'customer-centric' approach, focusing on adding value for customers and delivering a seamless and holistic customer experience that exceeds their banking expectations and complements their everyday needs.

Key Initiatives	Achievements
<ul style="list-style-type: none"> <li>Continued to empower our consumers through collaborations with strategic cross-industry partners to deliver seamless touchpoints and financial offerings within their ecosystems.</li> <li>Enabled quick account opening and co-launched a market-first hybrid e-wallet with our strategic partners, allowing the Bank to expand its digital touchpoint capabilities beyond its network.</li> </ul>	<p><b>Community banking branches:</b></p> <p>Launched <b>3 'bank-in-a-café' outlets</b> </p> <hr/> <p><b>SME-in-a-Box:</b></p> <p>Helped close to <b>22,000 SME customers</b> since its inception</p> <div style="float: right; text-align: right;"> <p>Growth in Merchant Solutions:</p> <ul style="list-style-type: none"> <li>▶ <b>mTAP merchant CASA balance: 68% increase</b> </li> <li>▶ <b>K9 terminal CASA balance: 37% increase</b> </li> </ul> </div>

## OUR STRATEGY



### Focus Area 3:

## DELIVERING HOLISTIC CUSTOMER VALUE PROPOSITION LEVERAGING A COLLABORATIVE CULTURE AND PARTNERSHIPS (CONTINUED)

### Achievements

#### Selected Partnerships Highlights:

##### BonusLink:

AmBank BonusLink co-branded card recorded payment volume growth of

**17%**



##### BonusLink membership feature on AmOnline:

**42,000**

BonusLink membership accounts linked with AmOnline



An average of

**28 million**

BonusLink points redeemed per month amounting to RM270,000 in CASA value



##### Merchantrade:

More than

**4,800 accounts**

have been opened, with average account value of RM337,000



#### Future focus

- Progressively work with more partners in FY2024 and beyond to enable us to serve a wider segment of the population, completing our ecosystem play.
- Further facilitate co-creation of financial products to attract customers with diversified offerings across various cross-industry partnerships.



### Focus Area 4:

## PUSHING CAPITAL-LIGHT REVENUE

#### What It Means:

We focus on creating differentiated products that drive capital-light revenue.

### Key Initiatives

- Drove revenue from capital-light products, namely CASA, Wealth and Foreign Exchange (FX) products.
- Implemented branch transformation to convert our branches to an AmBank Signature Priority Banking (AmSPB) Centre and Wealth Advisory Centres to provide differentiated services and customised financial solutions to our Priority customers.
- Integrated FX services into existing digital channel to automate FX ordering and fulfilment process, resulting in increased FX volumes and revenue.
- Provided merchant payment solutions to our partners, e.g. JomPAY, virtual accounts, sponsor bank initiatives and Apple Pay. The first bank to provide business-to-business (B2B) Application Programming Interface (API) services as part of our cash management solutions for businesses.

### Achievements

#### Sustained Growth Momentum:

##### CASA

##### CASA Balances:

**13.2%**

(vs 1.8% industry decline)

##### Individual CASA:

**18.1%**

(vs 7.1% industry decline)

##### Non-Individual CASA:

**12.7%**

(vs 2.6% industry growth)

##### CASA Ratio:

**37.4%**

(vs 35.1% in FY2022 and above industry CASA ratio at 30.6%)

##### Wealth:

Remained the **2<sup>nd</sup> largest** contributor of ASNBV to PNB

**>100%**

volume growth for structured investment product sales

Retail wealth AUM growth:

**53.3%**

since FY2020

##### Trade:

Trade Loan balance increased

**RM1.1 billion**

(9.2% growth)

Trade Revenue:

**10.3% increase**

Trade Utilisation Rate:

**66%**



##### FX:

FX revenue growth:

**24%**



**55%**

of all FX deals conducted through automated and digitalised processes

OUR STRATEGY



**Focus Area 4:**  
**PUSHING CAPITAL-LIGHT REVENUE (CONTINUED)**

**Achievements**

**Awards:**

12<sup>th</sup> Annual Alpha Southeast Asia Treasury & FX Awards 2022:

- ▶ **Best FX Bank for Corporates & FI** (11<sup>th</sup> consecutive win)
- ▶ **Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets** (4<sup>th</sup> consecutive win)



BNM League Table 2022:

- ▶ **Ranked among top 5 in the Malaysian FX Market**



**Future focus**

- Tap into foreign direct investment (FDI) opportunities from North Asia to capitalise on the potential influx of foreign investments and FX.
- Leverage data analytics to increase trade customers' utilisation and drive ancillary business.
- Continue enhancing our cash management capabilities through digital collection and payment solutions and sponsor bank initiatives.



**Focus Area 5:**  
**RAMPING UP THE NEXT WAVE OF DIGITAL INITIATIVES**

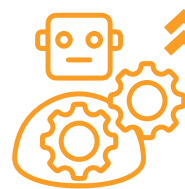
**What It Means:**

We strive to be at the forefront of banking technology, with smart and data-driven solutions that improve our customers' day-to-day banking experience.

**Key Initiatives**

- Accelerated digitalisation of the Bank's existing operations, branches and touchpoints.
  - Leveraged business process automation and reengineering, robotic process automation (RPA) and straight-through processing to drive operational efficiencies.
  - Delivered enhancements across digital channels to facilitate convenience for customers and widen customer reach (i.e. AmBank was among the first three banks to launch the Apple Pay service in Malaysia, SME digital onboarding launched in AmAccessBiz, introduced cross-onboarding through integration with partners).
  - Developed foundational platform that will transform data into actionable insights.
- Championed digitalisation beyond the Bank.
  - Championed the cashless economy agenda and creation of digital ecosystems, working hand in hand with key partners and municipal councils in Malaysia.

**Achievements**



**Operational Improvements:**

Adoption of robotic process automation and business efficiency initiatives significantly improved CTI from 60.8% in FY2018 to

**44.3%** in FY2023

**Digital Channels:**

**AmOnline:**



currently opening  
**~1,000**  
**new accounts**  
per month, which is equivalent to 20 branches



**96%**  
**increase**  
in transactions  
via app



**82%**  
of all  
transactions  
completed via  
AmOnline



**Ease of general insurance purchase and renewal via AmOnline**

## OUR STRATEGY




### Focus Area 5:


## RAMPING UP THE NEXT WAVE OF DIGITAL INITIATIVES (CONTINUED)

### Achievements

#### AmAccess Biz:

**39,000**   
registered companies  
(43% growth)

Non-retail digital penetration: **63.5%**   
(4.1% growth)

**55%**   
of all FX deals were carried out through automated and digitalised processes

#### AmEquities:

**19% growth in customer base to 18,000 users** 

#### AmAccess Corporate:

**24% growth**   
in registered companies

**5% growth**   
in transaction volume

**97% growth**   
in transaction value

#### AmACE:

**Turnaround time for credit processes reduced by half (20 days to 10 days)** 

#### Future focus

- Continue to work on the enhancement of our existing channels and embed technological innovations in branches.
- Leverage data analytics to better predict the needs of our customers over their lifecycles, providing them with personalised services, relevant advice and bespoke financial offerings.
- Explore artificial intelligence-based security operation monitoring, including data leakage prevention and zero-day attacks.



### Focus Area 6:

## FUTURE-PROOFING THE WORKFORCE

#### What It Means:

We continue to create career opportunities for our people through relevant and targeted training, upskilling and personal development initiatives.

### Key Initiatives

- **Nurturing future banking leaders:**  
Groomed existing and new talents through curated and comprehensive leadership and talent development programmes such as AmGraduate Programme, AmDiscovery Programme, Being a Talent Manager (BATMAN), Emerging Leaders Programme (ELP), Leadership Enhancement and Acceleration Programme (LEAP) and the recently launched AmDigital Graduate, AmApprentice and Structured Internship programmes (SIP).

### Achievements

#### Employee Engagement & Productivity



Employee Engagement Index (EEI) improved to **86%** (FY2022: 78%)

Engagement ratio improved to **58%** (FY2022: 35%)

#### AmGraduate Programme

**Hired 104 graduates** across eight cohorts since inception of this intensive 18-month programme to develop leaders of tomorrow



OUR STRATEGY



**Focus Area 6:**  
**FUTURE-PROOFING THE WORKFORCE (CONTINUED)**

**Key Initiatives**

- Building skills for a digital future:**  
Upskilling for a digital future is a key focus and priority for AmBank Group. To this end, the Group established the Digital Academy Management Council and AmBank Digital Academy to drive digital-related skills training, certifications and awareness, as well as building a culture that will support the organisation’s digitalisation journey.
- Cross-industry learning:**  
We view cross-industry knowledge exchange as an integral part of learning that will enable the uncovering of innovative strategies outside our industry and business sector. We launched several cross-industry training programmes and continued to promote cross-skilling between AmBank, our partners and academic institutions. We also created opportunities for internships and careers within the Bank (i.e. airasia academy, Asia Pacific University of Technology & Innovation).
- Employee well-being:**  
Prioritised the well-being of our employees by implementing employee-friendly policies (i.e. Hybrid Working Arrangements (HWA), extended parental leave, paid leave for charity work and enhanced medical coverage for our employees’ children).

Instilling the culture of ‘Work Life Balance’ in our employees by organising various staff engagement activities throughout the year, inclusive of various health and lifestyle related activities and engagement sessions to promote a healthy lifestyle.



AmBank Group inks strategic MoU with Asia Pacific University of Technology & Innovation to nurture and empower digital talents under broader IR4.0 aspirations.

**Achievements**

**AmDiscovery Programme**



**Three cohorts** were launched in FY2023 comprising **75 mentors and 96 mentees** across all levels for this speed mentoring programme

**AmDigital Graduate Programme**



**Hired 29 graduates** across two cohorts since inception in May 2022 to attract, develop and retain top digital talent

**AmApprentice Programme (AmAP)**



**Onboarded 18 AmApprentices** in the first cohort on 28 March 2023 to attract, develop and coach these individuals in becoming AmBank’s future Relationship Managers and Sales Leaders

**Leadership & Talent Development**

Onboarded **327 high-potential employees** across three levels since inception: (101 BATMAN, 152 ELP, 74 LEAP)



**AmBank Digital Academy**

**Launched** in August 2022 to strengthen digital culture among employees and stakeholders



Onboarded over **3,000 staff** for training and initiated collaborations with 10 learning partners to map and roll out digital competency programmes for staff members

## OUR STRATEGY



### Focus Area 6: **FUTURE-PROOFING THE WORKFORCE** (CONTINUED)

#### Achievements

##### Awards:

HR Excellence Awards 2022:

- ▶ **Excellence in Talent Management**
- ▶ **Excellence in Retention Strategy**



##### Recognition:

- ▶ **Ranked 34<sup>th</sup> in Malaysia's 100 Leading Graduate Employers Survey 2022 (ranked 76<sup>th</sup> in 2021)**

#### Future focus

- Drive the people agenda through four key strategic focus areas, which include building a strong talent and succession pipeline, providing career progression opportunities for employees, implementing a purpose-driven recruitment strategy and embedding purpose-driven metrics in compensation and performance decisions.
- Prepare the workforce through selective and targeted recruitment, capacity building and productivity drives to support businesses in achieving their business aspirations.
- Innovative learning by collaborating with cross-industry partners on employee exchange programmes designed to facilitate cross-sector sharing of ideas, knowledge and skills.



### Focus Area 7: **INTEGRATING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS INTO OUR BUSINESS**

#### What It Means:

We remain steadfast in our pledge to promote responsible banking through our ESG practices. Our vision and ambition is to be the pacesetter of sustainable value creation.

#### Key Initiatives

Being at the forefront and setting the pace for ESG, AmBank Group continued to lead the way by driving ESG not just within the Bank, but also across the industry and nation. We are establishing robust ESG policies and frameworks and closely collaborating with industry partners and regulatory bodies to promote the adoption of high ESG standards throughout the wider business landscape.

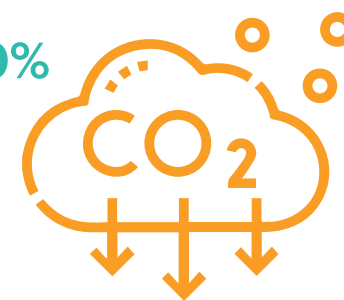


50 AmBankers generously volunteered their time in helping The Lost Food Project.

#### Achievements

##### Greenhouse Gas (GHG) Emissions\*

AmBank's GHG emissions **reduced by 30%** since FY2019, exceeding the target of 24%



\* Note: Reported numbers are aligned with GRI Standards.

## OUR STRATEGY



### Focus Area 7:

## INTEGRATING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS INTO OUR BUSINESS (CONTINUED)

### Key Initiatives

- **Committed to reducing our carbon footprint and addressing the risks associated with climate change:**
  - Became Pantas' exclusive banking partner to incentivise, support and educate Malaysian SMEs in pursuing impactful green practices under the auspices of Bank Negara Malaysia's Greening Value Chain Programme.
  - Actively participated in leading the conversation contributing to limiting impacts of climate change (i.e. Bursa Carbon Exchange's inaugural carbon credit auction, Taskforce on Climate-related Financial Disclosures and Worldwide Movement for the Environment & Other Climate Change Initiatives).
  - Actively built industry capacity in climate risk management (i.e. JC3 Upskilling Sustainability Training Series, CAGAMAS Conference, engagement sessions with industry for Financial Inclusion Framework 2023-2026 and many more).
- **Continued efforts in undertaking responsible ESG practices:**
  - Drove responsible lending/ financing practices, including embedding sustainability risk as a key consideration and driving low ESG Risk Grade financing, such as green financing, electric vehicle financing, solar financing and financing for green-certified properties.
  - Continuously sought to work with organisations towards goals that were aligned to generate positive impacts on our communities.

### Future focus

- Become the bank and partner of choice for our clients in their sustainability and green transition journey.
- Uphold the Group's promotion of sustainable finance, focusing on green energy, electric mobility (EV infrastructure), sustainable farming and forest conservation.
- Deliver innovative banking solutions that promote sustainability and financial inclusiveness to the unserved and underserved segments, including business start-ups, e-commerce and micro-SMEs.

### Achievements

#### Green/Low ESG Risk Grade financing

**RM1.9 billion** of green financing disbursed in FY2023



Investment Banking has successfully launched six ESG Funds since FY2022, three of which were launched in FY2023:

1. Sustainable Series – Health Fund
2. Sustainable Series - Sustainable Outcomes Global Equity Fund
3. AmBon Islam

AmBank is **the first** among seven banks in Malaysia to be selected as Pantas' exclusive banking partner for BNM's GVC Programme

#### Green Home Financing

**1<sup>st</sup> retail bank** to support favourable financing of green homes in partnership with Sime Darby, Ecoworld, Exsim, etc.

#### Sustainability Performance

Maintained the **'AA'** rating in MSCI ESG Ratings, with AmBank placed among the top 32 of 190 banks rated globally

**Improved** SUSBA 2022 rating in several indicators - policies, people & portfolio

#### Contributing to energy transition

**81,850kWh** of solar energy generated at AmBank's Damansara Fairway 3 (63.84 metric tonnes of CO<sub>2</sub> avoided)

#### Carbon Credits

► **AmBank (M) Berhad, AmBank Islamic and AmInvestment Bank were proud to be successful bidders at the Bursa Carbon Exchange (BCX) auction**

#### ► Awards:

- Best ESG Engagement Initiative at Asia Asset Management Awards 2023
- Four gold and two silver awards under the Best Impact Funds category at The Edge ESG Awards for the Climate Tech and Positive Change Fund

#### ► **AmBank @ FINCO Annual Awards Ceremony 2022:**

- Overall Financial Institution with the Most Volunteers (Banking)





## OUR STRATEGY



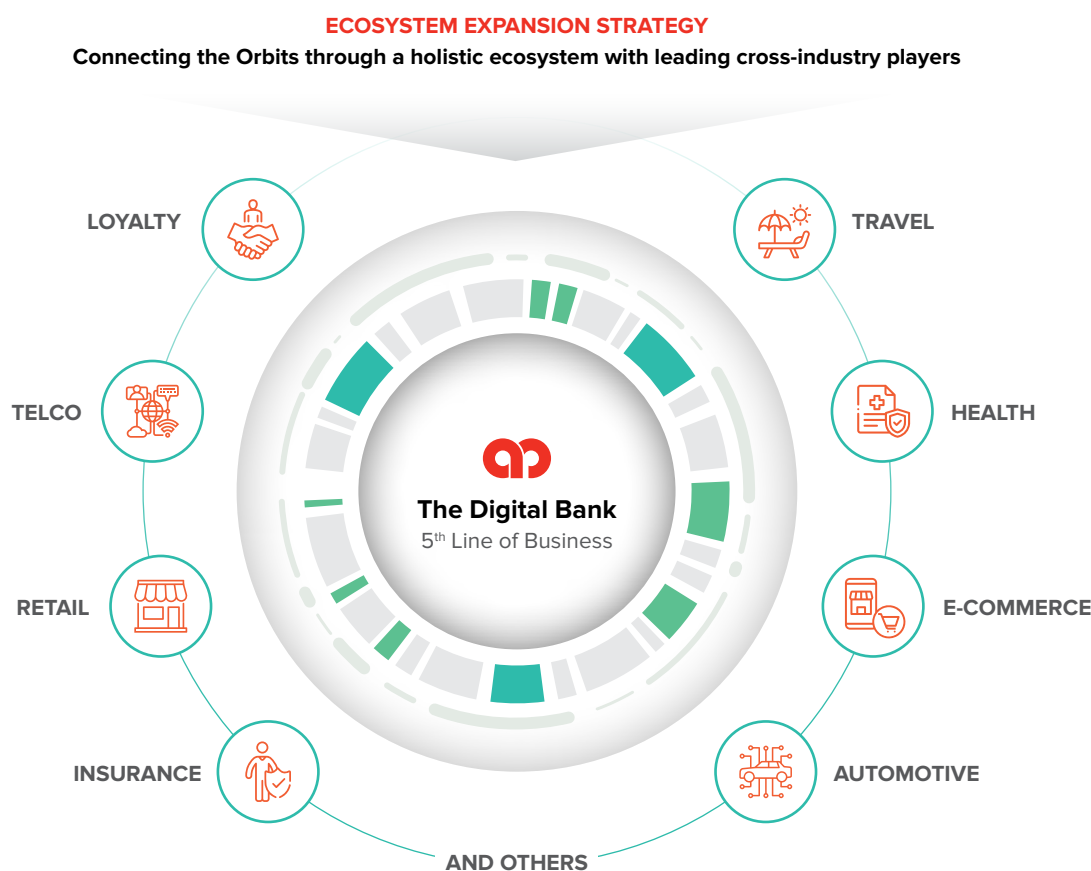
### Focus Area 8: **THE DIGITAL BANK**

#### What It Means:

We continue to strengthen our ecosystem play with key industry players to explore our very own digital banking opportunities.

#### Key Initiatives

- A newly set up line of business is in incubation and will be dedicated to serving new market segments innovatively and entirely through digital means.
- Continued to strengthen our ecosystem play and enhanced collaboration with selected key industry players to co-create holistic value propositions, particularly for the unserved and underserved communities, in line with our aspiration to forge an inclusive financial landscape that will provide financial empowerment to all.



#### Future focus

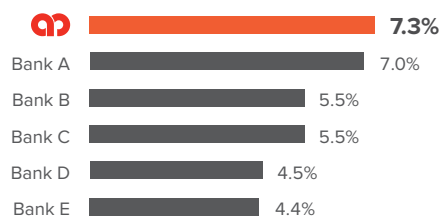
- We will progressively work with more partners in FY2024 and beyond, given that partnerships like these provide us with the scope to serve an even wider segment of the population, completing our ecosystem play and providing solutions for our customers' everyday needs through our partners. This can be executed with curated propositions that drive better value for our customers.

OUR STRATEGY

Overall Achievements (5-year CAGR)

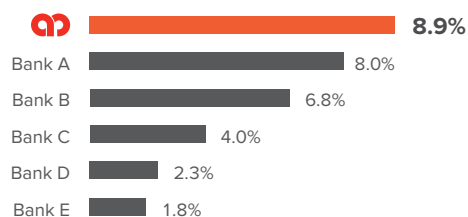
1 NII CAGR

FY17/FY18 - FY22/FY23



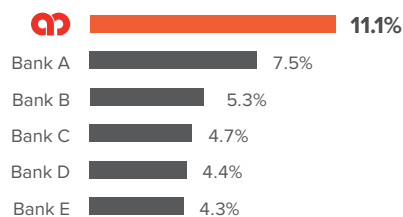
2 PATMI CAGR

FY17/FY18 - FY22/FY23



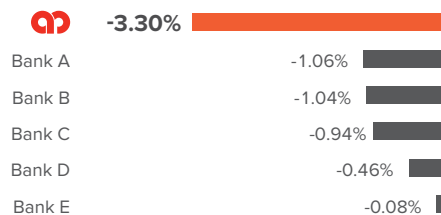
3 PBP CAGR

FY17/FY18 - FY22/FY23



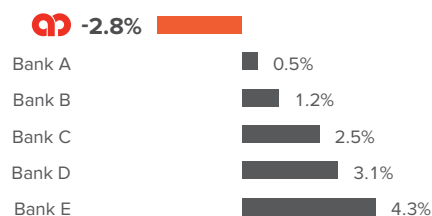
4 CTI CAGR

FY17/FY18 - FY22/FY23



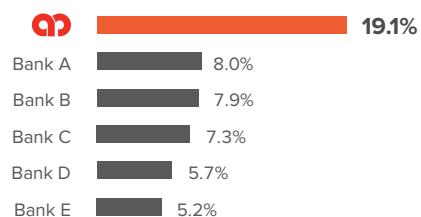
5 EXPENSES CAGR

FY17/FY18 - FY22/FY23



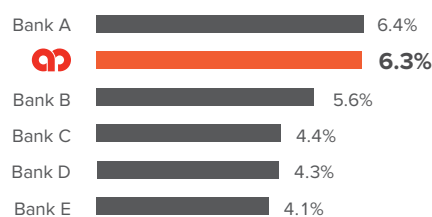
6 CASA CAGR

FY17/FY18 - FY22/FY23



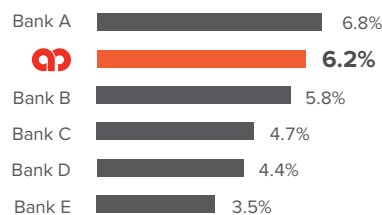
7 DEPOSITS CAGR

FY17/FY18 - FY22/FY23



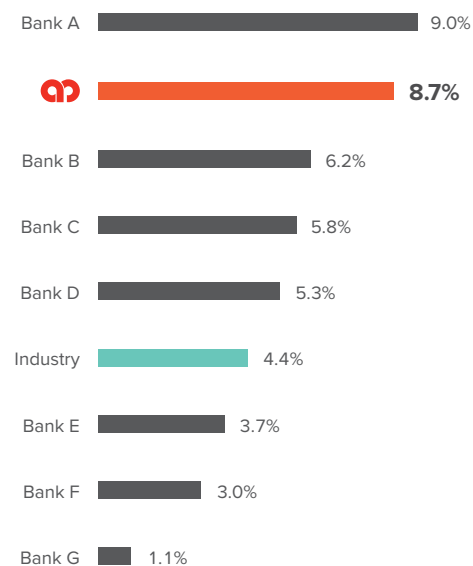
8 LOANS CAGR

FY17/FY18 - FY22/FY23



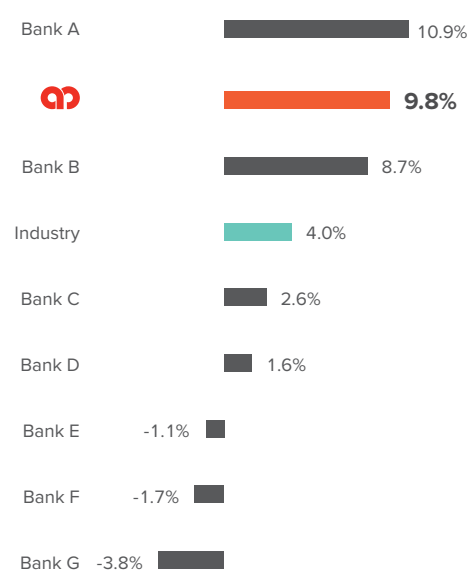
9 SME DEPOSITS CAGR

FY17/FY18 - FY22/FY23



10 SME LOANS CAGR

FY17/FY18 - FY22/FY23



Note: CAGR calculated based on each bank's FY or latest financial statement for banks with FY ending in June 2023.

# KEY RISKS AND MITIGATIONS

## CREDIT RISK

### RISK EVALUATED

Although economic growth has improved, headwinds from global events remain. The world is experiencing elevated and widespread inflation levels with certain segments yet to fully recover from the impact of the pandemic. Highly leveraged customers and customers with tight cashflows face rising financing costs in line with increasing interest rates.

Corporates are also experiencing a range of challenges including the risk of a global recession, volatile commodity prices and higher Loan to Deposit Ratios for banks. However, loans growth has been steady as a result of improving local economic conditions and easing supply of foreign labour which has helped improve business sentiment.

### HOW IT IMPACTS US

- Increase in impairment losses.
- Lower profitability and growth performance.
- Reduction in collateral/ security values.
- Higher capital cost.

### KEY RISKS AND MITIGATION STRATEGIES

- Actively monitor portfolios and proactively engage with customers to determine if Restructuring and Rescheduling (R&R) of the facilities are needed.
- Semi-annually review the Group Risk Appetite Framework (GRAF) for better risk control on higher-risk segments.
- Conduct dynamic simulations to estimate the deterioration of vulnerable borrowers and portfolio risk migrations for timely actions and adequacy of loss provisions.
- Enhance monitoring and early warning tools for more effective credit management and portfolio monitoring.
- Exercise caution in lending to SME customers that are vulnerable e.g., have yet to fully recover from the COVID-19 pandemic, sectors exposed to external challenges (e.g., high raw material cost/ cost of doing business).
- Selectively grow the wholesale portfolio and focus on good Probability of Default (PD)/ Loss Given Default (LGD) propositions in challenging times.
- Perform stress testing exercises periodically with multiple scenario assumptions, with pre-emptive measures to mitigate the risks undertaken.

### OUTCOMES (FY2023)

- Asset quality performance from new loans remained satisfactory.
- Our loan loss reserve is sufficient to cover impairment and is reviewed and re-assessed periodically.
- GIL Ratio and PD of the retail portfolios remained within the management's expectations.
- Quality of SME and retail portfolios are being closely monitored as repayment assistance plans begin tapering off.
- Asset quality of wholesale portfolio remained satisfactory during the financial year.

### RISK MOVEMENT/IMPORTANCE OF RISK

- The overall credit quality of the portfolio remains stable however, pockets of vulnerable customers displayed some deterioration. Nonetheless, the impact is manageable with proactive management of these exposures.

#### OUR FOCUS & STRATEGY:



Attaining a ROE of  $\geq 10\%$



Sharpening Our Segment Play



Integrating Environmental, Social and Governance (ESG) Considerations into Our Business

#### RISK TREND:



HIGH

#### RISK IMPACT:



HIGH

## KEY RISKS AND MITIGATIONS

### MARKET RISK

#### HOW IT IMPACTS US

- Tight capital market to raise funds.
- Lower profitability and growth performance.
- Hedging inefficiencies arising from market volatilities.

#### KEY RISKS AND MITIGATION STRATEGIES

- Strictly adhere to a comprehensive Market Risk and Liquidity Risk Management Framework, supplemented by the Market Risk Management Policy.
- Independently monitor detailed portfolio limits within our market risk appetite daily.
- Proactive management of portfolio duration given interest rate hike environment to manage market volatility.

#### OUTCOMES (FY2023)

- Portfolio volatility proactively managed and controlled within the approved limit structure and risk appetite.

#### RISK MOVEMENT/IMPORTANCE OF RISK

- Higher market volatility from interest rate risk has been proactively managed within the approved limit structure and risk appetite.

#### OUR FOCUS 8 STRATEGY:



Pushing Capital-Light Revenue

#### RISK TREND:



HIGH

#### RISK IMPACT:



MODERATE

### LIQUIDITY RISK

#### HOW IT IMPACTS US

- Insufficient cash to meet financial commitments.
- Increased cost from an inability to fund liabilities.
- Financial losses from hedging activities.

#### KEY RISKS AND MITIGATION STRATEGIES

- Complies with a comprehensive Market Risk and Liquidity Risk Management Framework, supplemented by the Liquidity Risk Management Policy.
- Defines the liquidity risk appetite according to compliance with internal and regulatory measures.
- Performs liquidity stress tests to identify and address potential areas of concern.
- Establish system enhancements that enable more proactive liquidity risk management.

#### OUTCOMES (FY2023)

- Proactive liquidity risk management to diversify funding sources given market environment.

#### RISK MOVEMENT/IMPORTANCE OF RISK

- Liquidity Coverage Ratio (LCR) proactively managed within the approved limit structure and risk appetite.

#### OUR FOCUS 8 STRATEGY:



Pushing Capital-Light Revenue

#### RISK TREND:



MODERATE

#### RISK IMPACT:



MODERATE

## KEY RISKS AND MITIGATIONS

### OPERATIONAL RISK

#### HOW IT IMPACTS US

- Loss of productivity and performance.
- Significant penalties and disruptive stop-work orders.
- Loss of stakeholder trust.
- Costs of rectifications.

#### KEY RISKS AND MITIGATION STRATEGIES

- Adopted an operational risk framework wherein a set of Operational Risk Appetite guidelines was duly agreed upon and approved by the Board of Directors.
- Implemented a governance structure and the “Three Lines of Defence” approach, with the business divisions assuming the first line of defence, the Group Operational Risk Unit, the second line and the Internal Audit Divisions being the third line.
- Devised a full suite of operational risk management tools, including the Risk Control Self-Assessment, Key Control Testing, Key Risk Indicators through an integrated Operational Risk Management System to provide both leading and lagging risk management indicators.
- Periodically conduct comprehensive business continuity planning and implement a robust Business Continuity Management (BCM) Framework to cater for all eventualities.
- Carry out periodic drills on all aspects of the BCM Framework to ensure effective adoption and implementation of all policies and procedures.
- Strictly adhere to BCM and crisis management framework, policies, practice guides and plans.

#### OUTCOMES (FY2023)

- Total operational losses for FY2023 are well under control.
- Continuous enhancement of the governance and monitoring process to prevent high impact /low probability events.

#### RISK MOVEMENT/IMPORTANCE OF RISK

- The operational loss is minimal and well under control, representing less than 0.01% of PATMI for 2022.

#### OUR FOCUS & STRATEGY:



Attaining a ROE of ≥10%



Pushing Capital-Light Revenue



Integrating Environmental, Social and Governance (ESG) Considerations into Our Business

#### RISK TREND:



HIGH

#### RISK IMPACT:



HIGH

## KEY RISKS AND MITIGATIONS

### CYBER RISK

#### HOW IT IMPACTS US

- Loss of confidence and stakeholder trust.
- Penalties and financial impact.
- Breaches in data security.
- Disruption on operational performance and availability.
- Delays in digital transformation.

#### KEY RISKS AND MITIGATION STRATEGIES

- Actively deploy the latest patches and updates to the Group's information systems.
- Enhanced endpoint security controls across egress channels.
- Filter incoming emails for threats.
- Implement perimeter network control measures (i.e. firewalls and Intrusion Prevention System) on our information systems.
- Conduct red teaming activities to proactively test and simulate attacks on our security controls to identify potential vulnerabilities that can be exploited into viable threats.
- Enhanced monitoring coverage on cyber threat alerts and traffic.
- Execute internal Cyber Drill exercises to test security incident response robustness and Crisis Management process effectiveness.
- Incorporation of increased vigilance, orchestration, automation and intelligence.
- Upskill threat hunting capabilities.
- Deploying tools that enhance anomaly detection and predictive analytics for automated protection.
- Increased frequency and coverage on Security Awareness.

#### OUTCOMES (FY2023)

- Achieved desired security maturity level conducted by independent party.
- Enhanced cyber and technology security controls and defence mechanisms for increased resilience against cyber attacks.
- Progression in deployment and execution of *defence-in-depth* strategy.
- Compliance to key regulatory standards.
- Execution of multi-faceted scenario as part of Cyber Crisis Simulation Exercise.

#### RISK MOVEMENT/IMPORTANCE OF RISK

Significant reduction observed in residual risk from the previous year.

From a global perspective, cyber-crime is growing exponentially and the following trends are known to have large scale implications:

- On-demand access to ubiquitous data and information platforms is growing.
- Hackers are using AI, machine learning, and other technologies to launch increasingly sophisticated attacks.
- Ever-growing regulatory landscape and continued gaps in resources, knowledge, and talent will outpace cybersecurity.

In view of the above, the Bank continues to enhance the detection, monitoring and defence mechanisms to address the evolving cyber threat landscape.

#### OUR FOCUS 8 STRATEGY:



Ramping Up the Next Wave of Digital Initiatives



Integrating Environmental, Social and Governance (ESG) Considerations into Our Business



The Digital Bank

#### RISK TREND:



HIGH

#### RISK IMPACT:



HIGH

## PERFORMANCE REVIEW BY GROUP CHIEF FINANCIAL OFFICER

**Delivering 10% ROE is a milestone for our FOCUS 8 strategy. The Group strengthened its capital levels further and declared a dividend payout of 35% for the year.**



**JAMIE LING FOU-TSONG**

Group Chief Financial Officer

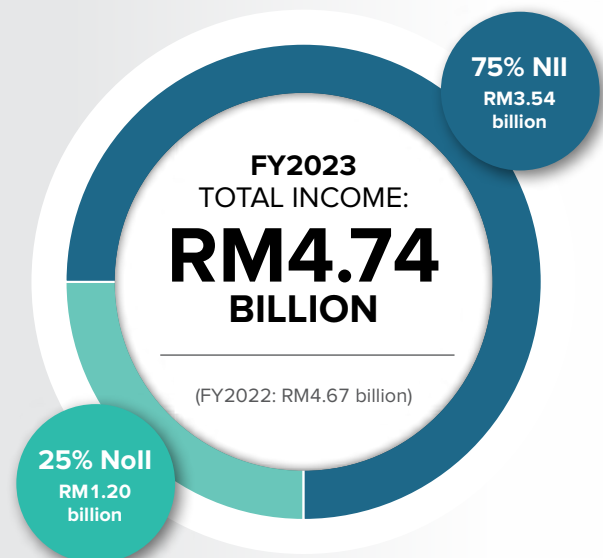
### FY2023 KEY PERFORMANCE HIGHLIGHTS

#### INCOME GROWTH MOMENTUM

The Group reported its fourth consecutive year of income growth. Total income increased 1.6% to RM4,737.7 million from a year ago. This reflected the disposal of AmGeneral which we concluded partway through the financial year. Excluding the effects of this disposal, total income from our Continuing Operations<sup>1</sup> grew strongly at 12.4% year-on-year (YoY).

This higher income achievement was driven by net interest income (NII) which grew 8.1%, on the back of strong lending growth of 8.5%. NII represented approximately 75% or RM3,540.7 million of total income. The OPR hikes benefited our net interest margin (NIM) in the first three quarters of the financial year. However, the repricing effects of deposits and intense competition for funding in the final quarter of the year resulted in our NIM being largely unchanged YoY at 2.07%.

Non-interest income (Noll) declined by RM192.8 million or 13.9%, due to the effects of the AmGeneral divestment. On a Continuing Operations basis, Noll grew 16.9% YoY, with stronger income performance from Group Treasury & Markets and Corporate Banking comfortably offsetting the lower income contribution from Investment Banking and Retail Wealth Management as market conditions for investors remained challenging.



<sup>1</sup> Continuing Operations comprise Banking operations and Insurance. Insurance mainly consists of Life Insurance (as JV) and General Insurance (as associate from August 2022 to March 2023)

## PERFORMANCE REVIEW BY GROUP CHIEF FINANCIAL OFFICER

### COST MANAGEMENT AND OPERATING LEVERAGE

Total expenses for the year remained well managed at RM2,100.3 million (FY2022: RM2,094.2 million). Total reported CTI ratio of 44.3% was an improvement from 44.9% a year ago. On a Continuing Operations basis, CTI also improved to 43.4% from 43.6% a year ago. Continuing Operations' expenses increased 11.7%, largely driven by higher staff compensation expenses from salary adjustments, variable bonus provisions and recruitment expenses.

With positive operating leverage, profit before provisions (PBP) grew 2.6% to RM2,637.4, and on a Continuing Operations basis, PBP grew strongly by 12.9% YoY.

### NET IMPAIRMENT CHARGES CONTINUED TO REDUCE

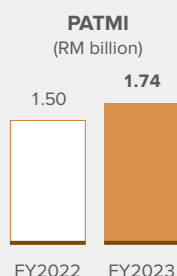
Net impairment charges fell significantly to RM466.9 million, a 39.1% reduction YoY. These charges included a one-off impairment charge of RM113.2 million for intangible assets written down as part of the AmGeneral disposal. The lower credit related impairment charges were driven by the non-repeat of the provisions taken in the previous year in Wholesale Banking, which more than offset the increase in impairment charges in Retail Banking and Business Banking as delinquency rates rose after the loan moratorium ended.

We continued to retain overlay provisions as an additional buffer, with total overlay provisions carried forward of RM461.3 million (FY2022: RM393.8 million) to cover the more vulnerable exposures identified. The portfolio of loans under our relief schemes has reduced in line with the recovering economy. LLC ratio stood at 127.7%, while GIL ratio was at 1.46% (FY2022: 1.40%).

Delinquency rates of our credit portfolios are reviewed vigilantly as we continued to take pre-emptive steps to manage risk exposures as well as initiating debt restructuring exercises as necessary.

### DELIVERING 10% ROE

We achieved a robust 15.5% growth in PATMI to RM1,735.2 million. The Continuing Operations PATMI grew 27.5% to RM1,742.2 million. Consequently, ROE improved to 10% from 9.3% last year.



**PATMI up 15.5% to  
RM1.74 billion**

PBP grew **12.9%** for Continuing Operations



	Reported		Continuing Operations	
	RM Million	YoY growth	RM Million	YoY growth
Income	4,737.7	↑ 1.6%	4,608.2	↑ 12.4%
- Nil	3,540.7	↑ 8.1%	3,498.4	↑ 11.0%
- Noll	1,197.0	↓ (13.9%)	1,109.8	↑ 16.9%
Expenses	2,100.3	≈	1,999.1	≈
PBP	2,637.4	↑ 2.6%	2,609.1	↑ 12.9%
Net Impairment	466.9	↓ (39.1%)	353.6	↓ (53.9%)
PATMI	1,735.2	↑ 15.5%	1,742.2	↑ 27.5%
CTI	44.3%	↓ (0.6%)	43.4%	↓ (0.2%)

### DIVIDENDS

We declared a final dividend of 12.3 sen per share, bringing the total dividends for this year to 18.3 sen per share, which translates to a dividend payout of 35%.

### ENCOURAGING LOANS AND CASA GROWTH

Total gross loans and financing portfolio saw an expansion across all business segments, growing by 8.5% or RM10.2 billion to RM130.2 billion. Loans in Retail Banking grew RM4.0 billion (+5.8%), Wholesale Banking grew RM3.6 billion (+11.6%) and Business Banking grew RM2.5 billion (+13.1%).

Customer deposits increased 6.3% to RM130.3 billion (FY2022: RM122.6 billion), primarily driven by consistent growth in Retail deposits. Time deposits increased 2.6%. CASA balances showed a more substantial increase of 13.2% to RM48.8 billion. Consequently, CASA mix was higher at 37.4% (FY2022: 35.2%).

Loans grew by **8.5%** or **RM10.2 billion** across all segments





## PERFORMANCE REVIEW BY GROUP CHIEF FINANCIAL OFFICER

### CAPITAL AND LIQUIDITY SUPPORTIVE OF FUTURE GROWTH

Strengthening our capital and liquidity positions remained a key agenda to support our future growth. Post dividend payout, the Group's Common Equity Tier 1 (CET1) ratio (with transitional arrangement (TA)) increased to 12.51% (FY2022: 12.20%) and CET1 ratio (without TA) improved to 12.10% (FY2022: 11.65%). The Group continues to be well capitalised with Total Capital Ratio (TCR) improving to 15.65% (FY2022: 15.32%).

The Group remained liquid, with a LCR of 149.2% (FY2022: 158.5%) and net stable funding ratio (NSFR) at 107.3% (FY2022: 114.2%).

CET1  
**12.5%**

TCR  
**15.7%**

LCR  
**149.2%**

NSFR  
**107.3%**

### FY2023 FINANCIAL SNAPSHOT

Profitability (RM million)	Income	<b>4,738</b> FY2022: 4,665	↑	2%	• Continuing Operations, income grew 12%
	Expenses	<b>(2,100)</b> FY2022: (2,094)	↔		• Continuing Operations, expenses grew 12% • Reported CTI 44.3%
	PBP	<b>2,637</b> FY2022: 2,571	↑	3%	• Continuing Operations, PBP grew 13%, CTI 43.4%
	Impairment	<b>(467)</b> FY2022: (766)	↓	(39%)	• Significantly lower WB provisions, partially offset by higher RB and BB provisions • Including AmGeneral's net impairment of RM113 million
	PATMI	<b>1,735</b> FY2022: 1,503	↑	15%	• Continuing Operations, PATMI grew 28%
	ROE	<b>10.0%</b> FY2022: 9.3%	↑	0.7%	• ROTE: 10.3%
Assets & Liabilities (RM billion)	Gross Loans	<b>130.2</b> FY2022: 120.0	↑	9%	• Broad-based loans and CASA growth across segments
	Customer Deposits	<b>130.3</b> FY2022: 122.6	↑	6%	• CASA grew 13%, CASA ratio 37.4% (FY2022: 35.2%)
Capital & Liquidity	FHC CET1 <sup>1</sup> (with TAs)	<b>12.51%</b> FY2022: 12.20%	↑	0.31%	• Capital build on track • FHC CET1 (without TA) = 12.10% (FY2022: 11.65%)
	FHC LCR	<b>149.2%</b> FY2022: 158.5%	↓	(9.3%)	• Sector liquidity tightening
	Dividend per share	<b>18.3 sen</b> FY2022: 5.0 sen	↑	13.3 sen	• Dividend payout ratio 35% (FY2022: 11%)

<sup>1</sup> After deducting proposed dividend

### PRIORITIES FOR FY2024

In FY2023, our strategy execution allowed us to take advantage of the economy's strong rebound to deliver a commendable set of financial results. We remain optimistic that the momentum we have will carry into FY2024, albeit at a more moderate pace. At the same time, we remain mindful of external headwinds including weaker-than-predicted global growth and ongoing geopolitical tensions that may impact our plans.



## 5-YEAR GROUP FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED 31 MARCH				
	2019	2020	2021	2022	2023
<b>1 STATEMENT OF PROFIT OR LOSS (RM MILLION)</b>					
i Total income	3,922.4	4,227.2	4,552.5	4,665.0	<b>4,737.7</b>
ii Operating profit before impairment losses, estimated loss on disposal of subsidiary and settlement	1,791.5	2,119.0	2,420.2	2,570.8	<b>2,691.3</b>
iii Writeback of/(allowances for) impairment on loans, advances and financing	301.3	(321.9)	(913.2)	(314.2)	<b>(421.8)</b>
iv Allowances for impairment on financial investments and other financial assets	(6.7)	(36.5)	(184.2)	(270.3)	<b>(6.9)</b>
v Provision for commitments and contingencies - writeback/(charge)	9.2	22.3	(39.3)	(177.0)	<b>77.8</b>
vi Impairment of Kurnia Brand, agent relationship and other assets	-	-	-	-	<b>(116.0)</b>
vii Impairment of goodwill	-	-	(1,789.2)	-	<b>-</b>
viii Impairment of investment in associate	-	-	(147.8)	(4.6)	<b>-</b>
ix Estimated loss on disposal of subsidiary	-	-	-	-	<b>(53.9)</b>
x Settlement	-	-	(2,830.0)	-	<b>-</b>
xi Profit/(loss) before taxation and zakat	2,095.4	1,782.9	(3,483.5)	1,804.7	<b>2,170.4</b>
xii Profit/(loss) attributable to shareholders	1,505.3	1,340.7	(3,826.5)	1,502.7	<b>1,735.2</b>
<b>2 STATEMENT OF FINANCIAL POSITION (RM MILLION)</b>					
<b>Assets</b>					
i Total assets	158,793.4	169,203.1	170,178.3	174,858.9	<b>197,540.6</b>
ii Loans, advances and financing (gross)	101,844.6	106,768.6	112,692.2	119,993.3	<b>130,226.8</b>
iii Loans, advances and financing (net)	100,544.0	105,501.6	110,616.5	118,065.7	<b>128,242.6</b>
<b>Liabilities and Shareholders' Equity</b>					
i Total liabilities	140,103.0	149,643.0	154,587.9	156,900.0	<b>179,404.7</b>
ii Deposits from customers	106,916.0	112,966.7	120,543.2	122,592.9	<b>130,315.1</b>
iii Paid-up share capital	5,751.6	5,851.6	5,951.6	6,776.2	<b>6,376.2</b>
iv Shareholders' equity	17,691.0	18,580.8	14,640.8	16,759.8	<b>18,135.0</b>
<b>Commitments and Contingencies</b>	<b>131,016.8</b>	<b>133,474.7</b>	<b>136,999.7</b>	<b>122,661.4</b>	<b>124,873.0</b>
<b>3 PER SHARE (SEN)</b>					
i Basic/diluted net earnings/(loss)	50.0	44.6	(127.2)	45.5	<b>52.4</b>
ii Net assets	586.9	618.0	486.7	506.2	<b>548.4</b>
iii Single tier dividend	20.0	13.3	-	5.0	<b>18.3</b>
<b>4 FINANCIAL RATIOS (%)</b>					
i Post-tax return on average shareholders' equity <sup>1</sup>	8.8	7.4	(20.2)	9.3	<b>10.0</b>
ii Post-tax return on average total assets	1.08	0.89	(2.19)	0.92	<b>0.90</b>
iii Loans-to-deposits <sup>2</sup>	95.3	94.5	93.5	97.9	<b>99.9</b>
iv Cost-to-income	54.3	49.9	46.8	44.9	<b>44.3</b>
v CET1 Capital Ratio <sup>3</sup>	11.89	12.44	11.33	12.20	<b>12.51</b>
vi Total Capital Ratio <sup>3</sup>	15.43	15.80	14.48	15.32	<b>15.65</b>
<b>5 SHARE PRICE (RM)</b>					
i High	4.61	4.55	3.71	3.71	<b>4.24</b>
ii Low	3.45	2.90	2.80	2.81	<b>3.39</b>
iii As at 31 March	4.56	3.00	2.93	3.71	<b>3.75</b>

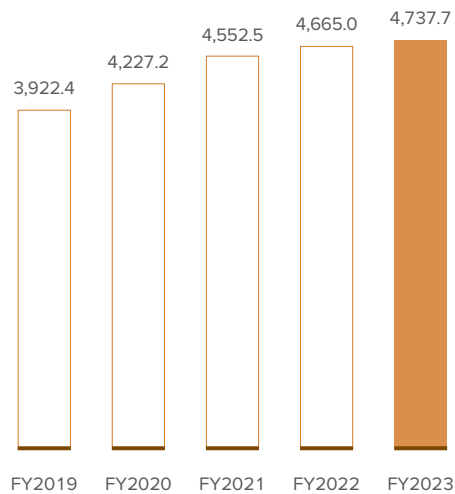
<sup>1</sup> Adjusted for non-controlling interests.

<sup>2</sup> Loans-to-deposits is gross loans divided by deposits from customers.

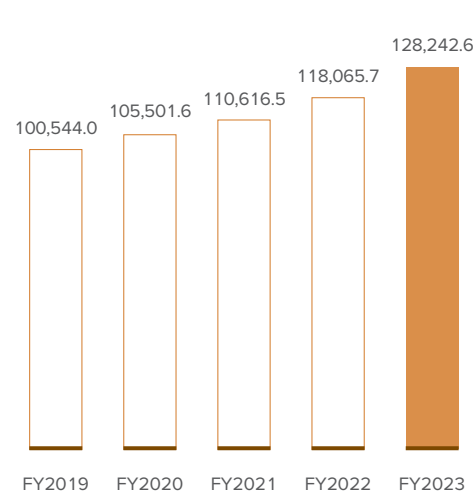
<sup>3</sup> Pursuant to the revised BNM policy documents issued on 9 December 2020, the capital ratios computed for FY2023, FY2022 and FY2021 had applied the TAs on provision for Expected Credit Loss (ECL). Under the TAs, the Group is allowed to add back the amount of loss allowance for non-credit-impaired exposures (i.e. Stage 1 and Stage 2 provisions) to CET1 Capital.

## GROUP FINANCIAL HIGHLIGHTS

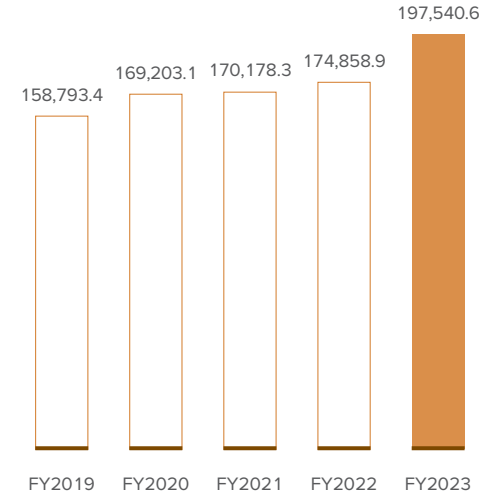
### TOTAL INCOME (RM MILLION)



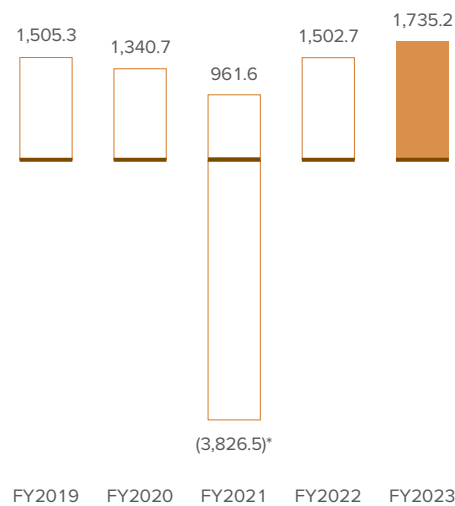
### LOANS, ADVANCES AND FINANCING (NET) (RM MILLION)



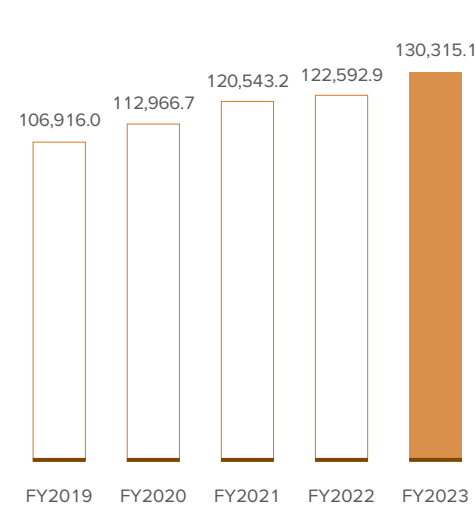
### TOTAL ASSETS (RM MILLION)



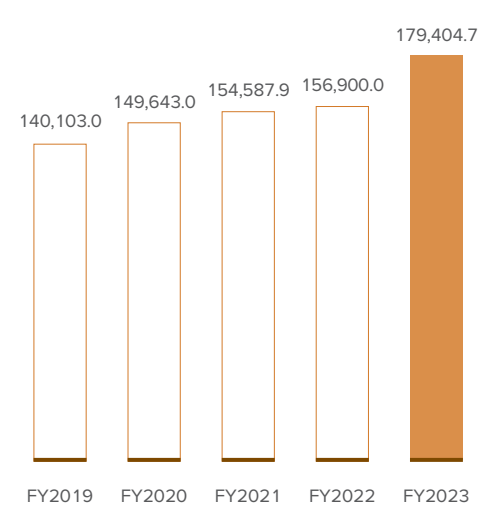
### PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS (RM MILLION)



### DEPOSITS FROM CUSTOMERS (RM MILLION)



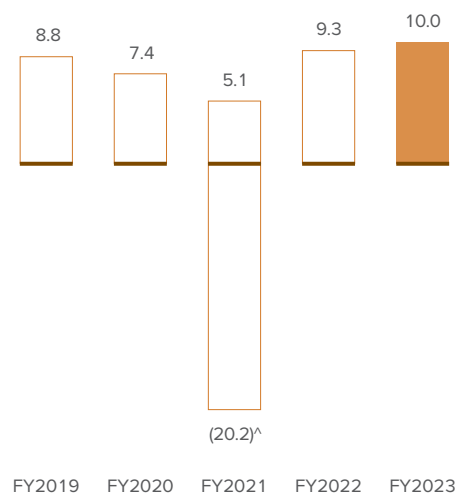
### TOTAL LIABILITIES (RM MILLION)



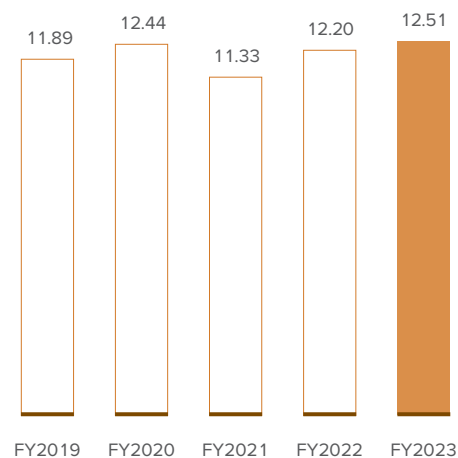
\* Including one-off exceptional charges of RM4,767.0 million and related legal and professional expenses of RM21.1 million.

## FINANCIAL INDICATORS

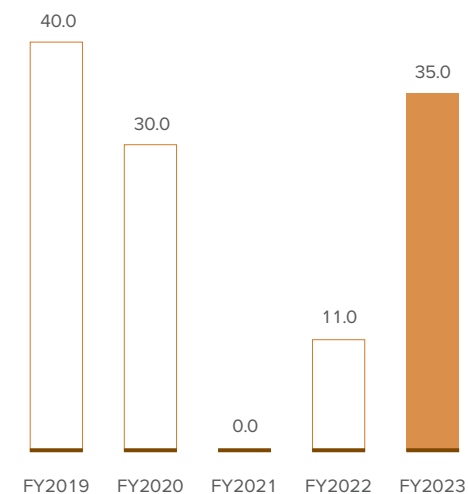
### RETURN ON EQUITY (%)



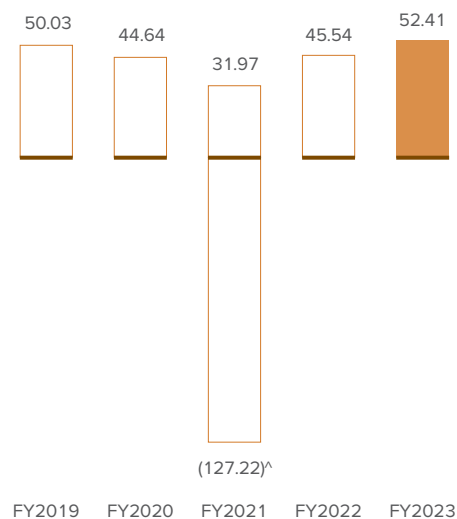
### COMMON EQUITY TIER 1# (%)



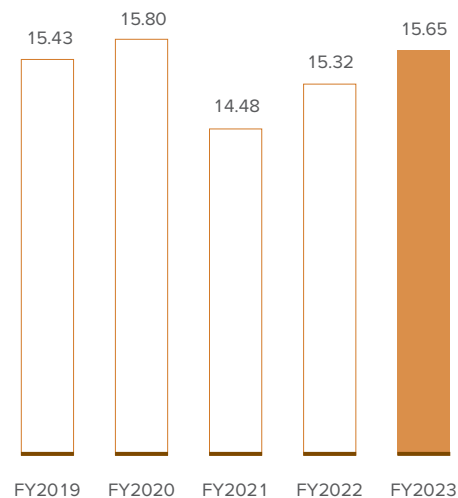
### DIVIDEND PAYOUT (%)



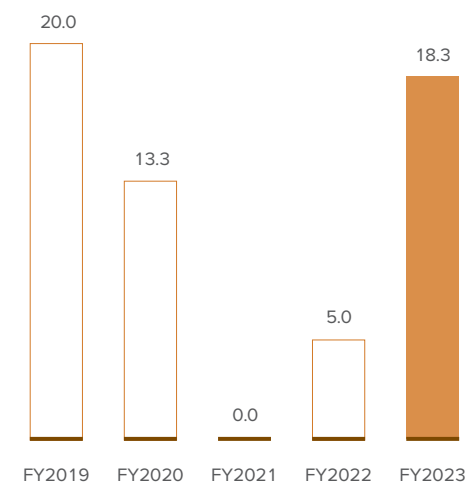
### EARNINGS/(LOSS) PER SHARE (SEN)



### TOTAL CAPITAL RATIO# (%)



### DIVIDEND PER SHARE (SEN)



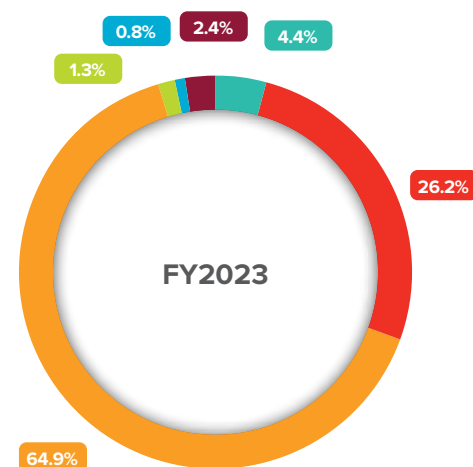
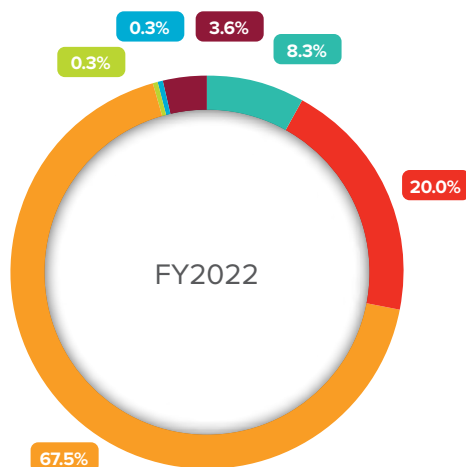
<sup>^</sup> Including one-off exceptional charges of RM4,767.0 million and related legal and professional expenses of RM21.1 million.

<sup>#</sup> Pursuant to the revised BNM policy documents issued on 9 December 2020, the capital ratios computed for FY2023, FY2022 and FY2021 had applied the TAs on provision for ECL. Under the TAs, the Group is allowed to add back the amount of loss allowance for non-credit-impaired exposures (i.e. Stage 1 and Stage 2 provisions) to CET1 Capital.

# SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

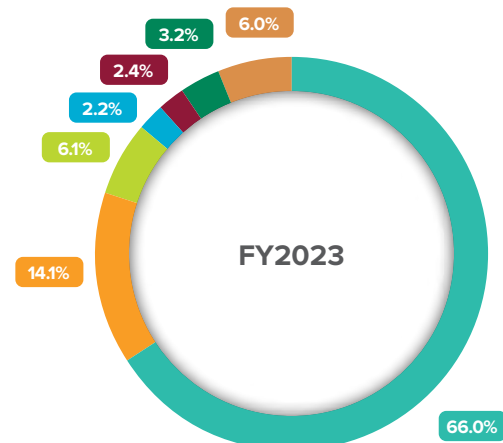
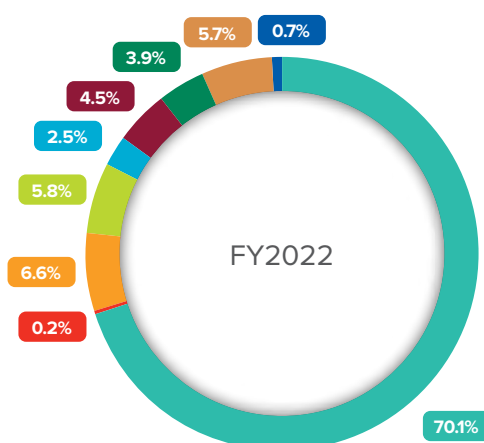
## TOTAL ASSETS

- Cash and short-term funds and deposits and placements with banks and other financial institutions
- Investments in securities
- Loans, advances and financing
- Statutory deposits with BNM
- Investments in associates and joint ventures
- Other assets



## TOTAL LIABILITIES AND EQUITY

- Deposits from customers
- Investment accounts of customers
- Deposits and placements of banks and other financial institutions and securities sold under repurchase agreements
- Term funding and other borrowed funds
- Debt capital
- Other liabilities
- Share capital
- Reserves
- Non-controlling interests

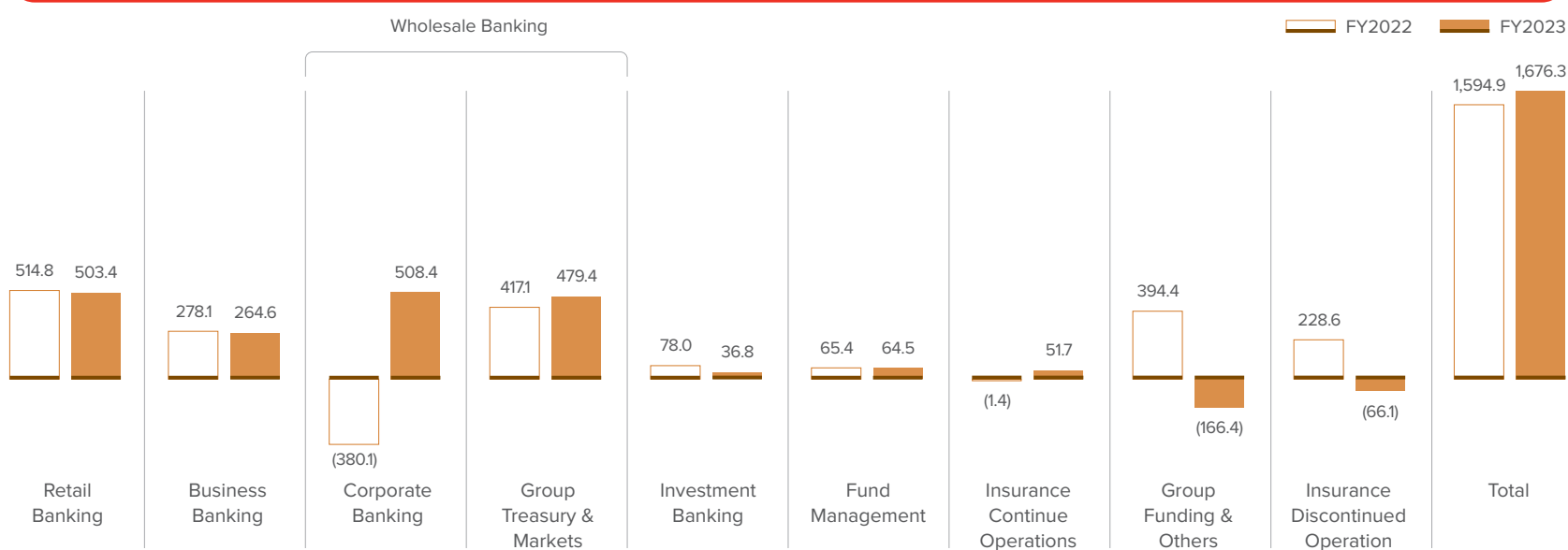


## SEGMENTAL ANALYSIS

AmBank Group's businesses are grouped in the following business activities: Retail Banking, Business Banking, Wholesale Banking, Investment Banking, Fund Management, Insurance and Group Funding and Others.

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised cost, funding income and expenses directly associated with each segment. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation under Group Funding and Others.

### SEGMENT PROFIT AFTER TAX (RM MILLION)



### RETAIL BANKING

Income grew 12.3% YoY to RM1,878.0 million. NII was 15.4% higher, primarily driven by higher NIM and loans growth. Noll was lowered by 5.1% due to lower fee income from Wealth Management. Expenses increased 8.9% YoY. Net impairment was higher at RM302.2 million compared with RM157.7 million last year, as a consequence of higher forward-looking provisions and higher delinquency rates. As a result, profit after taxation (PAT) experienced a marginal decrease of 2.2% settling at RM503.4 million. Gross loans grew by 5.8% YoY to RM72.4 billion, mainly driven by Mortgages, Auto Finance, and Retail SME. Customer deposits grew 15.1% YoY to RM61.9 billion.

### BUSINESS BANKING

Income rose by 22.0% YoY to RM681.2 million. NII was 20.6% higher, underpinned by NIM expansion and strong loans growth, while Noll increased by 27.4% due to higher loan-related and trade finance-related fees. Expenses were up 36.9% to RM209.5 million. Net impairment charge was higher at RM122.9 million compared to RM44.3 million last year, mainly due to higher specific provisions. PAT stood at RM264.6 million. Gross loans increased 13.1% YoY to RM21.2 billion, while customer deposits increased 7.4% YoY to RM16.4 billion.

## SEGMENTAL ANALYSIS

### WHOLESALE BANKING

Income exhibited a robust growth of 16.7% YoY, reaching RM1,501.3 million, supported by an uplift in both NII and Noll. NII was up 9.1%, propelled by a considerable expansion in loans and deposit margins. Noll demonstrated a substantial 50.2% growth, attributable to an upswing in sales income, trading gains in Group Treasury & Markets, and an increase in loan-related and trade finance-related fees. Expenses increased 5.9% YoY. Wholesale Banking also reported a net recovery of RM46.0 million compared to net impairment charge of RM1,013.0 million due primarily to the non-recurrence of impairment charges taken on Oil and Gas accounts last year. Consequently, PAT improved significantly to RM987.8 million from RM37.0 million last financial year. Gross loans grew 11.6% YoY to RM34.7 billion, while customer deposits reduced 4.1% YoY to RM51.4 billion.

### INVESTMENT BANKING AND FUND MANAGEMENT

Income reduced by 7.3% YoY to RM321.9 million, mainly due to lower Investment Banking fee income affected by volatile financial market conditions and lower customer activities. Operating expenses increased 10.2% YoY to RM194.1 million, and as a result, PAT reduced by 29.4% YoY to RM101.3 million.

### INSURANCE

#### Continuing Operations

Insurance businesses generated PAT of RM51.7 million as compared to loss after taxation (LAT) of RM1.4 million last year. This was primarily due to higher net earned premium and investment income, partially offset by higher claims. The Group has equity accounted for the results of the life insurance, family takaful and general insurance businesses to reflect the Group's effective equity interests in the respective joint ventures and associates.

#### Discontinued Operation

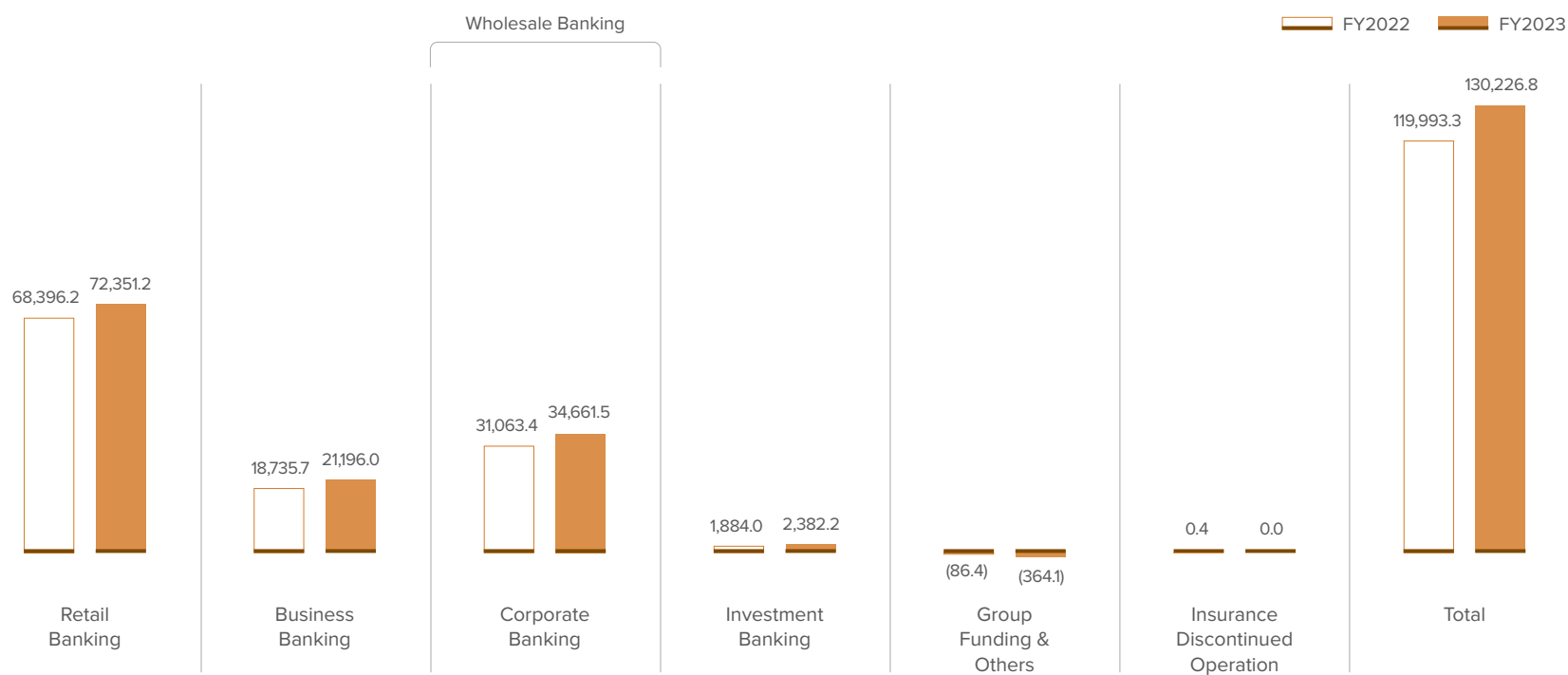
LAT of RM66.1 million (FY2022: PAT of RM228.6 million) comprised mainly of four months of profit contribution as a subsidiary, offset by net impairment of RM113.2 million as well as a RM53.9 million estimated loss from the disposal of AmGeneral. After adjusting for loss from discontinued operation attributable to IAG International Pty Limited (minority interest) of RM59.1 million, LATMI from discontinued operation stood at RM7.0 million.

### GROUP FUNDING AND OTHERS

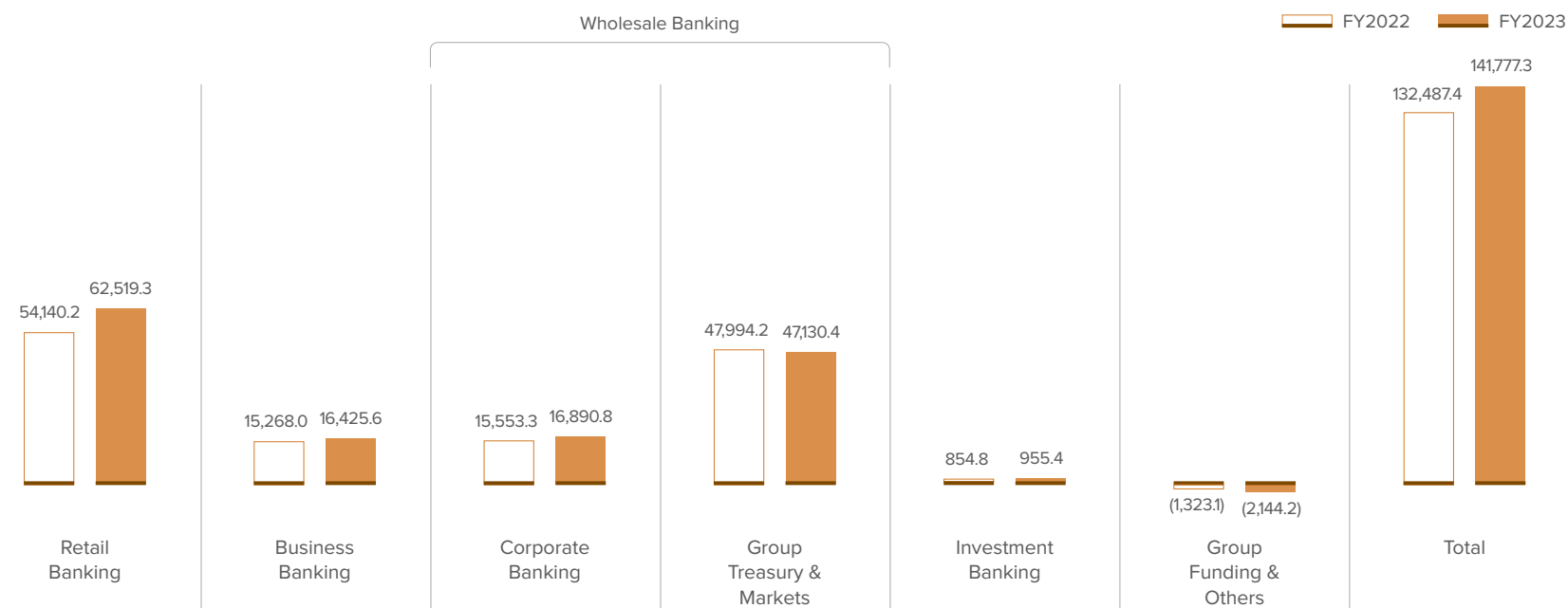
Income reduced by 26.0% YoY to RM169.0 million. Expenses up 15.7% to RM406.9 million. Net impairment writeback was lower at RM26.1 million compared to RM435.8 million last year.

## SEGMENTAL ANALYSIS

### GROSS LOANS (RM MILLION)



### DEPOSITS (RM MILLION)





# GROUP QUARTERLY FINANCIAL PERFORMANCE

## FY2023

All in RM Million unless stated otherwise	Q1	Q2	Q3	Q4	Total
Net interest income	566.4	600.0	592.5	521.7	2,280.6
Net income from Islamic banking	282.8	363.5	338.8	316.2	1,301.3
Other operating income	191.8	197.7	279.8	287.1	956.4
Share in results of associates and joint ventures	2.8	11.9	20.0	35.1	69.8
Other operating expenses	(468.6)	(477.6)	(497.3)	(555.6)	(1,999.1)
Impairment and provisions	(65.9)	(87.7)	(149.2)	(50.8)	(353.6)
Profit before taxation and zakat from continuing operations	509.3	607.8	584.6	553.7	2,255.4
Profit/(loss) before taxation from discontinued operation	44.6	(129.6)	-	-	(85.0)
Total profit before taxation and zakat	553.9	478.2	584.6	553.7	2,170.4
Profit after taxation and zakat from continuing operations	395.4	466.3	452.7	428.0	1,742.4
Profit/(loss) after taxation from discontinued operation	38.5	(104.6)	-	-	(66.1)
Total profit for the financial quarter/year	433.9	361.7	452.7	428.0	1,676.3
Profit attributable to equity holders of the Company	419.2	435.4	452.7	427.9	1,735.2
Earnings per share (sen)	12.7	13.1	13.7	12.9	52.4
Dividend per share (sen)	-	6.0	-	12.3	18.3

## FY2022

All in RM Million unless stated otherwise	Q1	Q2	Q3	Q4	Total
Net interest income	536.7	532.3	568.4	534.4	2,171.8
Net income from Islamic banking	280.8	235.9	267.5	277.9	1,062.1
Other operating income	223.8	215.6	218.5	164.5	822.4
Share in results of associates and joint ventures	26.2	5.5	3.1	9.2	44.0
Other operating expenses	(424.2)	(437.0)	(449.6)	(478.2)	(1,789.0)
Impairment and provisions	(203.4)	(172.8)	(338.2)	(53.3)	(767.7)
Profit before taxation and zakat from continuing operations	439.9	379.5	269.7	454.5	1,543.6
Profit before taxation from discontinued operation	100.1	53.9	47.2	59.9	261.1
Total profit before taxation and zakat	540.0	433.4	316.9	514.4	1,804.7
Profit after taxation and zakat from continuing operations	338.9	292.5	376.5	358.4	1,366.3
Profit after taxation from discontinued operation	83.3	45.5	40.3	59.5	228.6
Total profit for the financial quarter/year	422.2	338.0	416.8	417.9	1,594.9
Profit attributable to equity holders of the Company	386.6	321.0	403.3	391.8	1,502.7
Earnings per share (sen)	11.9	9.6	12.2	11.8	45.5
Dividend per share (sen)	-	-	-	5.0	5.0

## KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY2022			FY2023		
	Average Balance	Average Rate	Interest Income/Expense	Average Balance	Average Rate	Interest Income/Expense
	RM Million	%	RM Million	RM Million	%	RM Million
<b>INTEREST EARNING ASSETS</b>						
Short-Term Funds, Deposits and Placements with Banks and Other Financial Institutions	10,468	1.49%	156	<b>7,851</b>	<b>2.94%</b>	<b>231</b>
Financial Assets at Fair Value Through Profit or Loss	9,086	2.87%	260	<b>7,691</b>	<b>2.98%</b>	<b>229</b>
Financial Investments at Fair Value Through Other Comprehensive Income	18,405	3.32%	610	<b>21,495</b>	<b>3.37%</b>	<b>724</b>
Financial Investments at Amortised Cost	7,152	4.37%	312	<b>11,728</b>	<b>4.15%</b>	<b>487</b>
Loans, Advances and Financing	115,050	3.97%	4,565	<b>123,809</b>	<b>4.57%</b>	<b>5,661</b>
<b>INTEREST BEARING LIABILITIES</b>						
Deposits from Customers <sup>1</sup>	118,085	1.68%	1,980	<b>123,567</b>	<b>2.18%</b>	<b>2,700</b>
Deposits and Placements of Banks and Other Financial Institutions	9,369	1.38%	129	<b>11,056</b>	<b>2.54%</b>	<b>281</b>
Recourse Obligation on Loans and Financing Sold to Cagamas Berhad	8,707	2.68%	233	<b>8,831</b>	<b>2.94%</b>	<b>259</b>
Term Funding, Debt Capital and Other Borrowed Funds	7,654	3.84%	294	<b>15,495</b>	<b>3.71%</b>	<b>575</b>

Notes:

<sup>1</sup> Deposits from customers includes Investment accounts of customers

## STATEMENT OF VALUE ADDED

	FY2022 RM Million	FY2023 RM Million
<b>VALUE ADDED</b>		
Net interest income	2,171.8	<b>2,280.6</b>
Net income from Islamic Banking	1,062.1	<b>1,301.3</b>
Other operating income	822.4	<b>956.4</b>
Share in results of associates and joint ventures	44.0	<b>69.8</b>
Other operating expenses excluding personnel and depreciation and amortisation	(424.7)	<b>(477.9)</b>
Allowances for impairment on loans, advances and financing	(314.2)	<b>(421.8)</b>
Other impairment and provisions - (charge)/writeback	(453.5)	<b>68.2</b>
Profit/(loss) before taxation from discontinued operation excluding personnel and depreciation and amortisation	455.3	<b>(19.7)</b>
<b>Value added available for distribution</b>	<b>3,363.2</b>	<b>3,756.9</b>

	FY2022 RM Million	FY2023 RM Million	FY2022 %	FY2023 %
<b>DISTRIBUTION OF VALUE ADDED</b>				
To employees:				
Personnel expenses*	1,310.5	<b>1,371.7</b>	39.0%	<b>36.5%</b>
To the Government:				
Taxation*	207.6	<b>490.3</b>	6.2%	<b>13.1%</b>
To state collection centres and community				
Zakat	2.2	<b>3.7</b>	0.1%	<b>0.1%</b>
To providers of capital:				
Dividends to shareholders	165.5	<b>605.3</b>	4.9%	<b>16.1%</b>
Non-controlling interests	92.2	<b>(58.8)</b>	2.7%	<b>-1.6%</b>
To reinvest in the Group:				
Depreciation and amortisation*	248.0	<b>214.8</b>	7.3%	<b>5.7%</b>
Retained profits	1,337.2	<b>1,129.9</b>	39.8%	<b>30.1%</b>
	<b>3,363.2</b>	<b>3,756.9</b>	<b>100.0%</b>	<b>100.0%</b>

\* Comprise continuing and discontinued operations.

## CAPITAL MANAGEMENT

**AmBank Group's capital management approach remains focused on maintaining a sound capital position that supports the Group's strategic objectives and risk appetite. This is achieved through building an efficient capital structure that optimises return on capital and provides sustainable returns to shareholders.**

The Group Capital Management Framework guides the Group's capital management, and its objectives are to:



Meet regulatory capital requirements at all times



Support risk appetite, business growth and strategic objectives



Achieve or maintain the desired credit rating

The Group's capital management is also supplemented by the Group's Annual Capital Plan, which covers a horizon of three years to establish forward-looking capital requirements. The Annual Capital Plan is approved by the Board of Directors for implementation at the beginning of the financial year, followed by quarterly updates on capital management to inform the Board of Directors of the latest progress of the planned capital initiatives.

The Group evaluates its approach to capital management through the Internal Capital Adequacy Assessment Process (ICAAP), which integrates the risk assessment and capital management process. The Group's ICAAP document is prepared and approved by the Board of Directors annually and includes the following:

- Calibration of the Internal Capital Targets for the Group and entities
- Comprehensive assessment of material risks
- Stress-testing exercise to evaluate the capacity of the Group and the banking entities to withstand stress scenarios
- Adequate capital levels consistent with the risk profile, taking into account the Group's strategic focus, business plans and control environment.

The Group's key initiatives undertaken during the financial year 2023 are outlined below:

- Redeemed RM570.0 million (17 October 2022), RM175.0 million (23 February 2023) and RM350.0 million (14 March 2023) Basel III Tier 2 Subordinated Debt
- Issued RM745.0 million and RM350.0 million Basel III Tier 2 Subordinated Debt on 12 October 2022 and 28 March 2023, respectively
- Redeemed RM150.0 million Basel III Tier 2 Subordinated Sukuk Murabahah on 23 February 2023
- Issued RM150.0 million Basel III Tier 2 Subordinated Sukuk Murabahah on 28 March 2023.

CET1<sup>^</sup>  
**12.51%**

TOTAL CAPITAL RATIO<sup>^</sup>  
**15.65%**

<sup>^</sup> With TAs.

## CREDIT RATINGS

**From a credit rating perspective, we believe in providing our stakeholders with an independent view of our banking subsidiaries as well as that of the Company. Our credit ratings are provided below.**

RATING AGENCY	RATING CLASSIFICATION	RATING ACCORDED
<b>THE COMPANY</b>		
RAM Rating Services Berhad	Long-term Corporate Credit Rating	<b>AA3</b>
	Short-term Corporate Credit Rating	<b>P1</b>
	Outlook	<b>Positive</b>
<b>AMBANK (M) BERHAD</b>		
Moody's Investors Service	Long-term Bank Deposits (Foreign) Rating	<b>A3</b>
	Short-term Bank Deposits (Foreign) Rating	<b>P-2</b>
	Outlook	<b>Stable</b>
S&P Global Ratings	Long-term Foreign Currency Rating	<b>BBB+</b>
	Short-term Foreign Currency Rating	<b>A-2</b>
	Outlook	<b>Stable</b>
RAM Rating Services Berhad	Long-term Financial Institution Rating	<b>AA3</b>
	Short-term Financial Institution Rating	<b>P1</b>
	Outlook	<b>Positive</b>
Fitch Ratings	Long-term Foreign Currency Rating	<b>BBB-</b>
	Short-term Foreign Currency Rating	<b>F3</b>
	Outlook	<b>Stable</b>
<b>AMBANK ISLAMIC BERHAD</b>		
RAM Rating Services Berhad	Long-term Financial Institution Rating	<b>AA3</b>
	Short-term Financial Institution Rating	<b>P1</b>
	Outlook	<b>Positive</b>
<b>AMINVESTMENT BANK BERHAD</b>		
RAM Rating Services Berhad	Long-term Financial Institution Rating	<b>AA3</b>
	Short-term Financial Institution Rating	<b>P1</b>
	Outlook	<b>Positive</b>

## BALANCE SHEET MANAGEMENT

**Balance sheet management involves the management of AmBank Group's structural funding and liquidity. It also maintains the Funds Transfer Pricing (FTP) framework which is governed by the Group Assets and Liabilities Committee (GALCO).**

Structural funding and liquidity requirements are managed by targeting a diversified funding base and avoiding concentrations by depositor and investor type, product, maturity or currency and implementing wholesale funding diversification and maturity concentration limits. In setting our funding diversification policy, the Group will take into consideration the cost/benefit trade-off to ensure optimum level of funding cost.

To sustain a diversified funding profile and monitor the liquidity risk of the Group, we are guided by the Basel III liquidity framework, namely the:

- (1) LCR, with a primary focus of ensuring a sufficient buffer of liquid assets that could be easily converted into cash to meet the liquidity needs for the next 30 calendar days; and
- (2) NSFR, outlining the requirements on maintaining a stable funding profile vis-à-vis the composition of assets and off-balance sheet commitments in order to reduce the likelihood of disruption to liquidity position.

The FTP framework promotes a Groupwide allocation of funding costs to the business units by taking into account the interest rate and liquidity positions of the Group. The FTP mechanism is refined according to market conditions and relevant strategies approved by the management and it is derived to reflect regulatory principles.

To fund our businesses, a liquidity premium is charged to the business units based on the contractual tenor of the transactions. Business units that generate long-term, stable funding are incentivised in the form of liquidity credit. Presently the key funding growth agenda is as follows:

- (1) To strengthen the deposit franchise, by focusing on lower-cost CASA and gathering term deposits to build sufficient base to fund the loans growth; and
- (2) To diversify the sources of funding to build a more sustainable base and reduce reliance on non-core deposits.

### FUNDING STRUCTURE FY2023

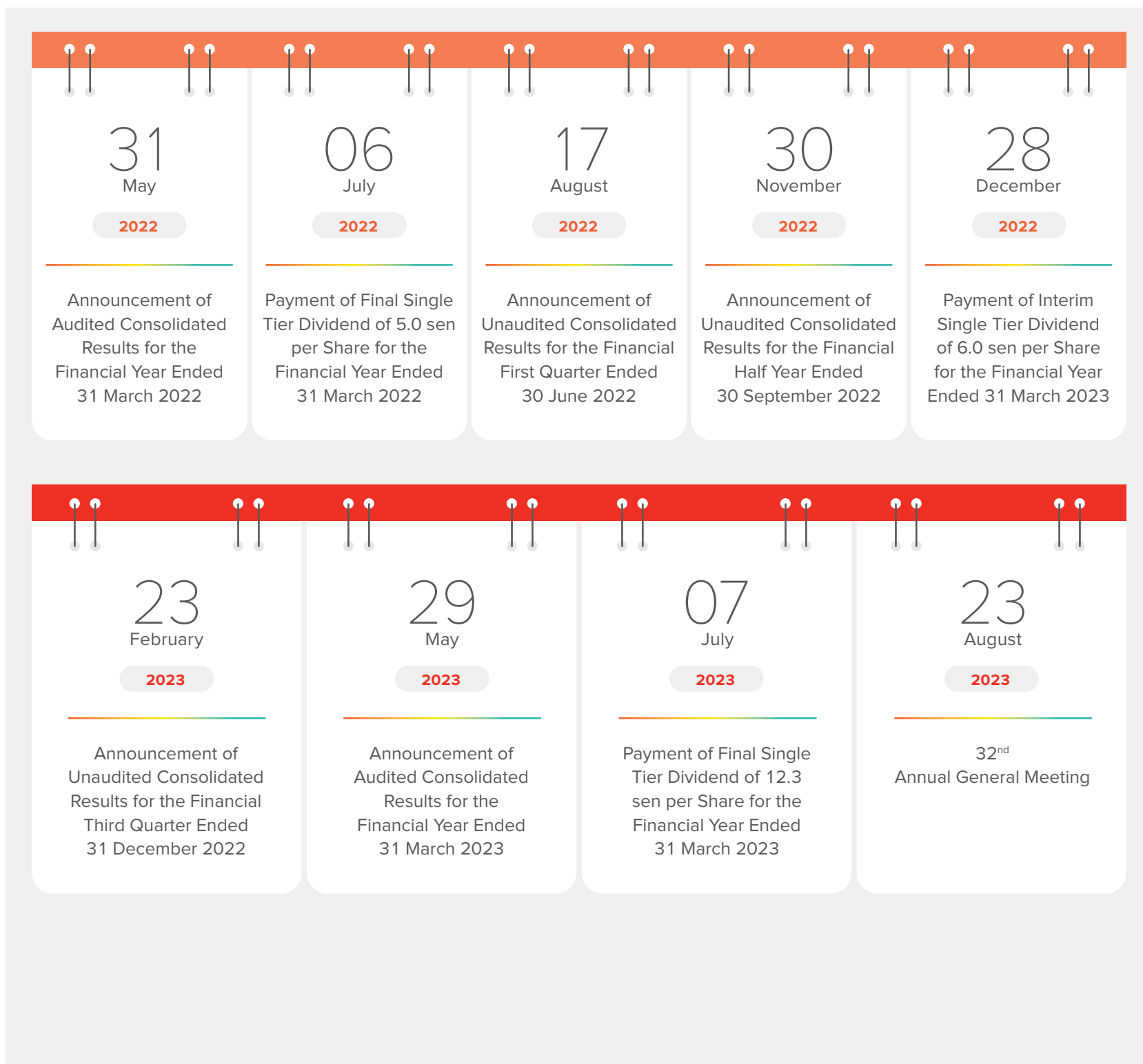
Loans are the largest component of the Group's assets and are generally funded by core customer deposits. Our core customer deposits increased by RM7.7 billion from RM122.6 billion in FY2022 to RM130.3 billion in FY2023, a 6.3% growth. We will continue to prioritise growth in core customer deposits, which are a stable and resilient source of funding. We have plans to lower the cost of funding by growing CASA composition, tapping on alternative funding sources and optimising a stable funding mix.

The Group has maintained sound liquidity levels above regulatory requirements, with LCR of 149.2% and NSFR of 107.3% as at 31 March 2023 (31 March 2022: LCR of 158.5% and NSFR 114.2%).

LCR  
**149.2%**

NSFR  
**107.3%**

## FINANCIAL CALENDAR



## BUSINESS REVIEW



**JAMZIDI KHALID (JK)**

Managing Director  
Wholesale Banking

### Wholesale Banking

#### Our Competitive Advantage

**At Wholesale Banking, we cater for the banking needs of mid-sized and large corporations from various economic sectors and industries, as well as institutional clients, government-linked companies and agencies. Business solutions experts, supported by client coverage teams, offer our clients an extensive range of solutions and a repertoire of skills to help meet their diverse needs. These include cash management, trade solutions, financing, FX, remittances, investments, treasury, debt and equity capital markets solutions which are offered through three main divisions:**



#### CORPORATE BANKING

Offers a full range of products and services, including corporate lending, investment banking advisory, trade finance, offshore banking and cash management solutions to wholesale banking clients.



#### TRANSACTION BANKING

Delivers tailor-made digital and cash management solutions, as well as trade financing and remittance services, to corporate and SME clients.



#### GROUP TREASURY AND MARKETS (GTM)

Manages liquidity for the banking group and offers financial market and hedging solutions across all asset classes to a broad range of clients. The sales and trading activities cover fixed income, interest rates, FX, money market, equity derivatives, commodities and other derivatives.

### PERFORMANCE OVERVIEW

Wholesale Banking continued to deliver a strong performance in FY2023 with YoY income growth of 16.7% to RM1,501 million, and a remarkable growth in PAT due to lower impairments. Wholesale Banking's PAT contribution was 57% of the Group's total PATMI.

The strong results came on the back of significantly better Noll from GTM's higher trading revenue and FX sales against the backdrop of volatile market conditions. We also achieved higher NII from deposits, attributable to TB's efforts in delivering tailored cash management solutions and sponsor bank initiatives that secured operating accounts. Corporate loans growth remained resilient with 11.6% growth YoY.

On the business front, we continued to strengthen our relationships with clients and deepen our share of wallet through current and bespoke financial solutions. We strived to be innovative in the digital payment space and remain competitive by meeting the growing interest in green and sustainability-linked financing.



## BUSINESS REVIEW Wholesale Banking



### KEY INITIATIVES & OUTCOMES

#### Key Initiatives

#### Outcomes

##### Green Financing Facilities

- Collaborated with Kerjaya Prospek Property by providing RM100 million in sustainability-linked financing to fund the development of Courtyard by Marriott Hotel at Bloomsvale, an upcoming mixed development located in Old Klang Road, Kuala Lumpur.

##### Sustainable and Responsible Investment Sukuk

- In March 2023, AmBank was appointed the Joint Lead Manager for Global Vision Logistics Sdn Bhd's 25-year RM1.5 billion ASEAN Green Sustainable and Responsible Investment (SRI) Sukuk Murabahah programme to fund the development of the Shah Alam International Logistics Hub (SAILH), the first green-certified logistics hub in the country and one of the largest in ASEAN. The first tranche, comprising RM620 million unrated Islamic medium-term notes, is targeted to be issued in July 2023, of which 25% is to be subscribed by AmBank.

##### Greening Value Chain Programme

- Forged a strategic partnership with Pantas under AmBank's GVC programme to enable 5,000 AmBank customers, suppliers and vendors to utilise Pantas' carbon emissions accounting software free of charge. The ability of companies, especially SMEs, to calculate their emissions is a crucial first step to measuring sustainability performance and paves the way to obtaining sustainability-linked financing.

##### Local Government and Government Agencies

- Rolled out cash management solutions, including DuitNow via API and Virtual Account, among others.
- Delivered a collection solution for one of the largest cooperatives in Malaysia for government servants' debt repayments. The implemented solution enhances turnaround time and reduces instances of non-payment.

## BUSINESS REVIEW

### Wholesale Banking

#### Key Initiatives

#### Outcomes

#### Fintech Partnerships

##### DuitNow QR via API



- Introduced cross-border DuitNow QR for merchants to seamlessly receive payments made by locals and inbound tourists from Indonesia, Thailand and Singapore. With the cross-border payment feature, the POS-integrated DuitNow QR further streamlines sales operations and saves on processing costs and time for every transaction.
- Dynamic DuitNow QR via API was extended to other businesses such as parking companies, hypermarkets, F&B establishments and building management companies, as well as for the purchasing of tokens and recycling reward payments.

##### Hybrid eWallet



- The Hybrid eWallet integrates seamlessly with the AmBank Islamic Current Account, allowing eWallet users to enjoy the benefits of an Islamic current account, with a total combined limit of RM50,000, along with the versatility to transact or remit funds globally.

##### Sponsor Bank for RRP settlement



- A tailored solution to enable RPP RENTAS settlement for non-bank financial service providers who are also direct participants of PayNet.
- Leveraged our infrastructure to run their operations and deliver better services to their customers.

#### Group Treasury & Markets

##### Equity Derivatives



- Our wealth channels continued to gain momentum, achieving 101% YoY volume growth in structured investment product sales as of 31 March 2023.

##### Structured Warrants Franchise



- Continued to leverage on the franchise with the launch of structured warrants on FBM Bursa Malaysia KLCI (FBMKLCI) in September 2022.

##### eFX, Digital FX Pricing, Execution and Distribution Engine



- Rolled out to 168 branches; enabled our Sales team to expand the bandwidth of client coverage which led to improvement of overall productivity.

#### SUSTAINABILITY HIGHLIGHTS

##### Supporting Recycling Programmes



- Partnered Kuala Lumpur City Hall (DBKL) to introduce the Recycling Reverse Vending Machine, the first machine in Malaysia to adopt DuitNow QR as a mode of payment to the recycler's bank account or eWallet.

##### Supporting Sustainability-linked financing



- RM100 million in sustainability-linked financing.
- RM1.5 billion ASEAN Green SRI Sukuk.
- Outstanding green financing in excess of RM3 billion.
- 88.4% of new loan disbursements were to low ESG risk-grade clients.

##### Supporting the Call for ESG



- Participated and was successful in the inaugural carbon credit auction by BCX (subsidiary of Bursa Malaysia).

## BUSINESS REVIEW Wholesale Banking

### Awards & Recognition

#### 1. Alpha Southeast Asia Treasury & FX Awards 2022

- Best FX Bank for Corporates & FI (11<sup>th</sup> consecutive win)
- Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets (4<sup>th</sup> consecutive win)

#### 2. Asset Benchmark Research Asian Local Currency Bond Benchmark Review 2022

- Sales – Ranked 1<sup>st</sup> (Ho Su Farn)
- Trading – Ranked 2<sup>nd</sup> (Akmal Zaid Mansor)
- Trading – Ranked 5<sup>th</sup> (Chua Tuan Pey)
- Top Arranger (Government Bonds) – Ranked 3<sup>rd</sup>

#### 3. Bursa Malaysia Retail Investor Campaign 2022 – Highest Traded Value for Exchange-Traded Funds

#### 4. Malaysian e-Payments Excellence Awards (MEEA) 2022

- Leadership in DuitNow Innovation, Special Recognition Award

### OUTLOOK

Going forward, we expect volatility to persist with the imbalance in growth between developed and emerging economies, as well as a divergence in interest rate trajectory between the United States and Malaysia. However, as the end of the interest rate tightening cycle is in sight, the outlook for Wholesale Banking's businesses remains robust. With the resurgence of infrastructure investments in the post-pandemic economy, Wholesale Banking will continue to participate in meeting the financing needs of these projects while keeping our asset quality intact.

As we move into the final year of the Group's Focus 8 strategy, Wholesale Banking will elevate our push for capital-light revenue by enhancing our cash management capabilities and supply chain financing via trade solutioning, at the same time building sustainable flow businesses from FX and equity derivatives to support the growth of Noll while meeting the investment and hedging needs of our customers. We are committed to providing our clients with holistic financing solutions through strong collaborations with our colleagues from AmlInvestment Bank, leveraging their expertise in capital markets and corporate advisory.

As our business expands, it is crucial to ensure scalability through automation and digitalisation to improve turnaround time and speed to market. With this goal in mind, Wholesale Banking aims to invest further in digital infrastructure to further integrate our platforms into the Bank's digital banking channels for a seamless customer experience.

On the sustainability front, Wholesale Banking's strategic initiatives remain aligned with the Group's direction in driving the ESG agenda, where investment, financing and client solutioning will lead to the building of a green and sustainable economy. Besides the green financing solutions that we offer our clients, the Group expects to roll out more sustainability-linked products in the foreseeable future.

We believe that our initiatives will not only add value for our clients, but also strengthen our competitive edge in the market. As we continue to build trust and nurture our existing client relationships, we are confident that we will be able to acquire new market share with close collaborations within the Group.

## BUSINESS REVIEW

## AmInvestment Bank

## Our Competitive Advantage



TRACY CHEN WEE KENG

Chief Executive Officer  
AmInvestment Bank Berhad

**Debt Markets**

Delivers innovative and customised financing solutions to sovereign, corporate and institutional clients. The team leverages on its proven capabilities in fixed income, derivatives, credit solutions, and advisory services, covering conventional and Islamic financing.

**Corporate Finance**

Provides our corporate clients with the highest levels of deal execution and professional service. We provide an extensive range of corporate and advisory services comprising mergers and acquisitions (M&As), take-overs, restructuring, initial public offerings (IPO), issuance of equity and equity-linked instruments, valuations and independent advisory services.

**Equity Capital Markets**

Mainly deals with the marketing, sales and distribution of equities in the primary and secondary markets of listed securities of public listed companies that are traded on a stock exchange and unlisted securities of private/public companies that are not traded on a stock exchange. We leverage on our established distribution network and close relationships with fund managers, investors and research analysts to provide timely market intelligence in the origination of primary market transactions and in the structuring and managing of the marketing and distribution of both primary and secondary equity offerings.

**Equity Markets**

Offers our customers a wide range of equity and equity-related products and services such as share trading, share margin financing, custodial services, derivatives and futures broking. Our clientele includes asset management companies, insurance companies, corporates, retail investors and foreign brokers. We are a leading Participating Organisation in the institutional-investor segment having been awarded 2nd Runner-Up Best Institutional Equities Participating Organisation Investment Bank for two consecutive years (2022 and 2021).

**Private Banking (AmPrivate)**

Provides high-net-worth clients with customised investment solutions in accordance with investor risk profile, both discretionary and non-discretionary (both in Malaysian Ringgit and foreign currencies).

**Fund Management (AmInvest)**

Manages a broad range of investment mandates, wholesale and unit trust funds across the risk-return spectrum for individuals, corporations and institutions. Fund Management also offers Private Retirement Schemes and Exchange-Traded Funds (ETFs). We manage active in-house mandates in our time zone such as active Asian equities, Asian bonds and Global sukuk; and partner with "best of breed" global fund managers to provide actively-managed funds in other time zones, regions, asset classes and themes.

## BUSINESS REVIEW AmInvestment Bank

### PERFORMANCE OVERVIEW

AmInvestment Bank (AmInvestment) registered lower income and profit for the year under review as a result of the market experiencing significantly lower share trading activity and fewer origination and corporate advisory activities. Nevertheless, there were some bright spots as debt market activity was more robust and both our fund management and private banking units maintained solid AUM numbers. Total income was RM321.9 million, declining from RM347.4 million while PAT was RM101.3 million, 29.4% lower than the RM143.5 million recorded in FY2022. During the financial year, AmInvestment achieved a significant margin loan growth of 44.4% from RM1,150 million last year to RM1,661 million as at 31 March 2023.

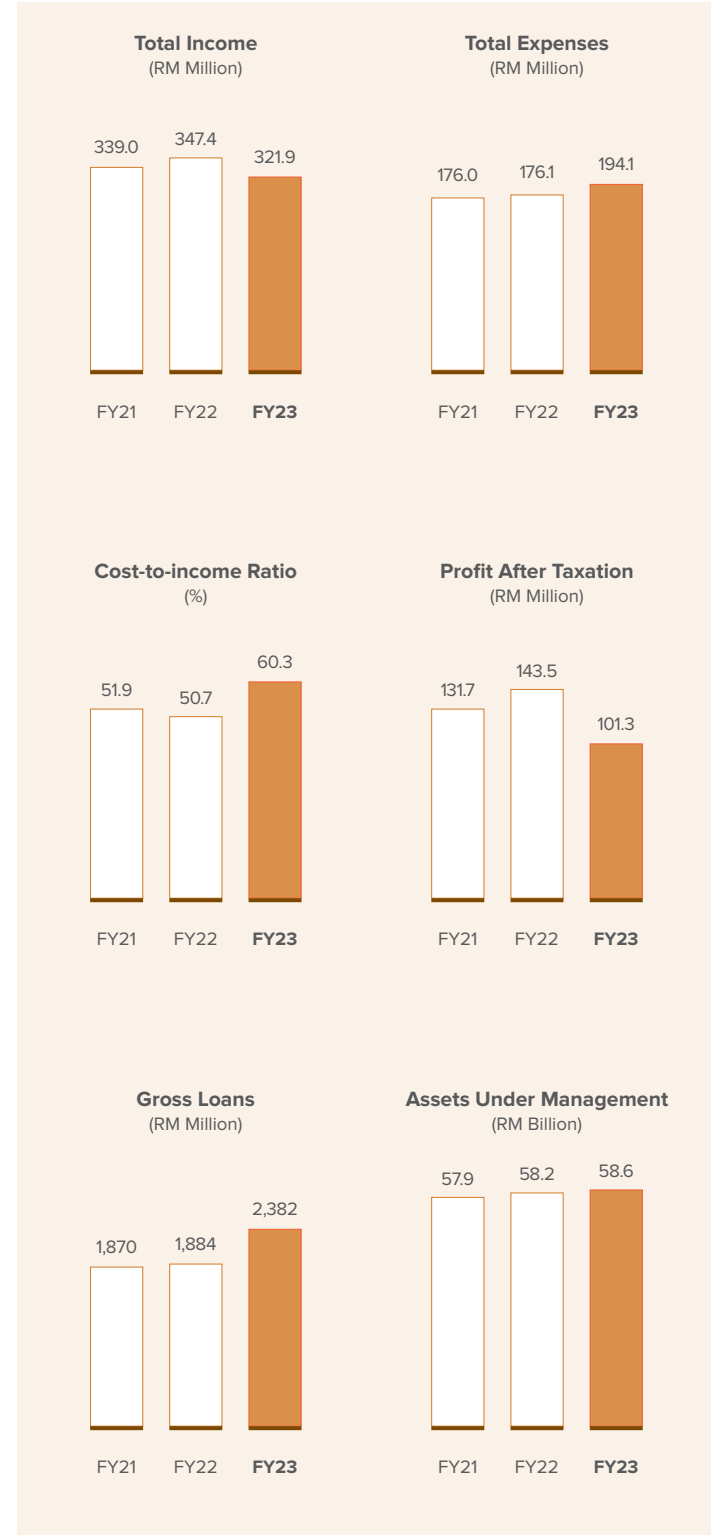
Our Debt Markets team retained its dominance in the Malaysian debt capital markets. On the back of the record market growth in new issuances to RM120 billion in 2022, our market share in the overall Malaysian Bond Market stood firm at 11.7% while our market leading share in the Malaysian Ringgit Sukuk market rose slightly to 10.5% from 10.3% previously. Our strategy of close collaboration with our colleagues across various business lines to provide clients with end-to-end solutions for their growth and financial needs together with the RTCM initiative has borne fruit. On the sustainability front, the Debt Markets team has helped to raise over RM6.5 billion in Green/Sustainability-Linked financing in 2022.

Our Corporate Finance team was able to close out several award-winning advisory deals in FY2023 enabling us to be ranked #2 on Bloomberg's 2022 M&A Malaysia League Table. Further, with the support of the Equity Capital Markets team, more than RM500 million was raised through IPOs and placements despite challenging market conditions.

As for Equity Markets, FY2023 was a challenging year for the domestic equity market with total traded value on Bursa Malaysia shrinking by 32.8% to only RM1.0 trillion from RM1.5 trillion in the preceding financial year. However, our performance was relatively better with only a 9% decline in total traded value to RM56.8 billion in FY2023. In line with the growing investor interest in ESG practices, all equity research reports now carry an ESG rating as a guide to investors on the investee company's ESG credentials.

The Private Banking business achieved its historical high for AUM despite challenging market conditions. This is a result of referrals from collaboration between business units within the AmBank Group and the expansion of its team of client managers. However, several rate hikes by the US Federal Reserve affected its ability to grow the Secured Financing Facility (SFF) business. Meanwhile, the Private Banking business further expanded its product coverage with the inclusion of the Real-Estate SFF and various structured investment ideas to complement its holistic customised investment solutions for its clients.

Our Fund Management business, AmInvest, successfully defended its AUM of RM47.8 million despite regulatory changes that have affected the attractiveness of certain fund types to some segments of investors. Overall, the industry's AUM contracted by 9% over the year, whereas our AUM only declined by 4%. In the year under review, we added new ESG-themed funds and made further headway in embedding ESG practices into our business. For instance, on 31 March 2023, we became signatories to the United Nations-supported Principles for Responsible Investment (UNPRI) which will help guide the incorporation of ESG considerations into our future investment decisions.



## BUSINESS REVIEW

### AmInvestment Bank

#### KEY INITIATIVES & OUTCOMES

##### Key Initiatives

###### Debt Markets

- Provide debt and project finance advisory to corporate clients and government-linked companies to tap capital markets for funding.
- Continuously promote Green and Sustainability Bonds and Sukuk in line with our ESG aspirations.



##### Outcomes

- Ranked No. 4 with 11.7% market share for Overall Malaysian Bonds/Sukuk for 2022.
- Ranked No. 4 with 10.5% market share for Malaysian Ringgit Sukuk for 2022.
- Acted as a Principal Advisor/Lead Arranger/Lead Manager for major Sukuk and Syndicated Financing deals in 2022, including:
  - > RM5.5 billion AAA Sustainability Sukuk Murabahah for Amanat Lebuhraya Rakyat Berhad.
  - > RM220.0 million Green Syndicated Islamic & Conventional Financing Facilities for JAKS Solar Nibong Tebal Sdn Bhd.
  - > RM360.0 million Subordinated Perpetual Sukuk for Yinson Holdings Berhad.
  - > RM8.0 billion AAA-rated Islamic Medium Term Note issuance for Projek Lebuhraya Usahasama Berhad.
  - > RM4.0 billion Islamic Medium Term Note issuance for Lembaga Pembiayaan Perumahan Sektor Awam.
  - > RM2.0 billion AAA rated Islamic Medium Term Note for Danum Capital Berhad.

###### Corporate Finance & Equity Capital Markets

- Deliver investment banking advice to corporate clients in Wholesale Banking, Business Banking and Mid-Corp sectors to access the capital markets.
- Enhance marketing of IPO and listing of companies on Bursa Securities.
- Collaborate with, and enhance the origination skills of, client coverage teams in Wholesale Banking and Business Banking to deliver effective one-stop financial advisory and funding to corporate clients.
- Maintain a healthy IPO and Placement deal pipeline with a significant number of potential transactions.



- Ranked No. 2 on Bloomberg's 2022 M&A Malaysia League Table amongst local advisers.
- Principal Adviser, Sponsor, Placement Agent and Underwriter for Vestland Berhad's RM80 million IPO.
- Principal Adviser to Amanat Lebuhraya Rakyat Berhad's RM5.5 billion acquisition of four highway concessionaires.
- Principal Adviser to Fraser & Neave Holdings Berhad's RM489 million acquisition of Cocoaland Holdings Berhad.
- Independent Adviser to Digi.com Berhad's RM17.7 billion merger with Celcom Axiata Berhad.
- Other notable involvement in IPO activities includes being a Joint Bookrunner and Joint Underwriter for Cape EMS Berhad which has a deal size of RM233.7 million.
- Facilitated the successful partnership between Kerjaya Prospek Group Bhd and Samsung C&T Corp. Both companies have now collaborated on construction contracts exceeding RM1.0 billion.

###### Equity Markets

- Grow share margin financing to boost interest income.
- Grow market share of total traded value on Bursa Malaysia.



- Total share margin financing outstanding stood at RM1.66 billion as at end of FY2023, representing an increase of 44% year on year.
- Market share increased from 4.16% in FY2022 to 5.63% in FY2023.

###### Private Banking

- Widen investment ideas to generate more investment products to suit the needs of our clients.
- Increase presence of Private Client Managers nationwide to broaden and access the underserved and next-generation High-Net-Worth clients.
- Encourage cross-collaboration amongst various functions in the AmBank Group to expand the reach of products and services.



- AUM grew by 2.24 % in time of global market uncertainty and volatile landscape.
- Risk diversification by advising clients to shift focus to MYR bonds due to lower price volatility.
- Increased clients' global equity exposure via thematic funds/ETF launched by AmInvest:
  - > New China Sector Index.
  - > AmSingle Bond Series 1.
- Introduced the acceptance of real-estate as collateral for SFF.

###### AmInvest

- Increased offerings under our Sustainability Series funds catalogue, heeding our group's commitment around sustainability.
- Demonstrated our sustainability commitment by way of effective stewardship.
- Launched three additional new funds to meet market demand.
- Shifted focus to higher margin funds.



- Launched two new funds, namely Sustainable Series – Health Fund and Sustainable Series – Sustainable Outcomes Global Equity Fund. We now have a total of five Sustainable Series funds.
- Reengineered and relaunched a sukuk fund, AmBon Islam, and qualified the fund under Securities Commission's SRI category.
- Successfully launched New China Sectors Index Fund, AmSingle Bond Series 1 and AmIslamic China Equity Fund.
- Less reliance on wholesale unit trust funds and grew short-term bond funds, leading to fund size growing from RM3.5 billion in FY2019 to RM10.6 billion in FY2023 for this category.

**SUSTAINABILITY HIGHLIGHTS**

<b>Sustainability-linked Financing</b>	➤	• > RM5.5 billion AAA Sustainability Sukuk Murabahah for Amanat Lebuhraya Rakyat Berhad.
<b>Supporting Sustainable Investing</b>	➤	• Following the launch of two Sustainable Series funds, AmInvest now has a total of seven SRI funds.

**Awards & Recognition**

**1. Debt Markets**

**The Asset Triple A Islamic Finance Awards 2022**

- Best Asean Sustainability Sukuk: SME Bank RM500 million Asean Sustainability Wakala bi al-istithmar Sukuk issuance (Joint Lead Manager)
- Best Quasi-Sovereign Sukuk: Cagamas RM1.5 billion triple-tranche Commodity Murabaha Sukuk issuance (Lead Manager)
- Best Local Currency Sukuk: Tenaga Nasional RM3 billion four-tranche Wakala Bi Al-Istithmar Sukuk issuance (Book Runner and Lead Manager)

**Alpha Southeast Asia's 16<sup>th</sup> Annual Deal and Solution Awards**

- Best Project Finance Deal of The Year 2022: JAKS Solar Nibong Tebal's RM200 million Syndicated Loan Facilities
- Best Islamic Finance Deal of The Year 2022: Amanat Lebuhraya Rakyat's RM5.5 billion Sustainability Sukuk Murabahah
- Most Innovative Islamic Finance Deal of The Year 2022: Amanat Lebuhraya Rakyat's RM5.5 billion Sustainability Sukuk Murabahah

**IFR Asia Awards 2022**

- Malaysia Capital Markets Deal: Amanat Lebuhraya Rakyat's RM5.5 billion Tawarruq-based Sukuk (Joint Principal Adviser, Joint Lead Arranger & Joint Lead Manager)

**IFN Deal of the Year Awards 2022**

- Malaysia Deal of the Year: Amanat Lebuhraya Rakyat's RM5.5 billion Tawarruq-based Sukuk
- Structured Finance Deal of the Year : Amanat Lebuhraya Rakyat's RM5.5 billion Tawarruq-based Sukuk
- Perpetual Deal of the Year: Yinson Holdings's RM1 billion subordinated perpetual Sukuk Wakalah

**Euromoney Islamic Finance Awards 2023**

- Best Islamic Project Finance: Amanat Lebuhraya Rakyat Berhad's RM5.5 billion Sustainability Sukuk Murabahah Programme (Joint Principal Adviser, Joint Lead Arranger & Joint Lead Manager)

**Asiamoney Best Securities Houses Awards 2023**

- Best Securities House in Malaysia 2023

## BUSINESS REVIEW

### AmlInvestment Bank

## Awards & Recognition

### 2. Corporate Finance

#### Alpha Southeast Asia's 16<sup>th</sup> Best Financial Institutions Awards

- Best Investment Bank in Malaysia
- Best Small to Mid-Cap Corporate Finance House in Malaysia (3<sup>rd</sup> consecutive year)

#### Asiamoney Best Bank Awards 2022

- Best Corporate Bank, Malaysia

#### The Edge's Best Deals of the Year 2022

- Best Fundraising (Non-IPO) – Yinson Holdings Bhd's RM1.19 billion Rights Issue with Free Warrants
- Best Mergers & Acquisitions (Special Mention) – Merger of the telecommunications operations of Celcom Axiata Bhd and Digi.Com Bhd
- Best Privatisation – Cocoaland Holdings Bhd's RM488.15 million Privatisation Exercise by Fraser & Neave Holdings Bhd
- Best Restructuring (Special Mention) – Amanat Lebuhraya Rakyat Bhd's Purchase of Gamuda Bhd's four Highway Concessions: LDP, SPRINT, SMART, Kesas

#### IFN Deal of the Year Awards 2022

- Equity & IPO Deal of the Year: Farm Fresh's RM1.06 billion IPO

#### Alpha Southeast Asia's 16<sup>th</sup> Annual Deal and Solution Awards

- Best IPO for Retail Investors In Southeast Asia 2022: Farm Fresh's RM1.06 billion IPO
- Best Deal of The Year For Minority Shareholders In Southeast Asia 2022: Farm Fresh's RM1.06 billion IPO

### 3. Equity Markets

- Bursa Excellence Awards 2022 - 2nd Runner Up Best Institutional Equities Participating Organisation Investment Bank
- Bursa Retail Investor Campaign 2022 - Top Dealer Category - Highest Traded Value - ETFs
- Bursa Inter-Varsity Stock Challenge 2022 - Champion (mentored Universiti Utara Malaysia)

### 4. Equity Research

- The Edge Best Call Awards 2022

### 5. AmlInvest

#### Refinitiv Lipper Fund Awards Malaysia 2023

- Best Bond Fund Family Group Over 3 Years (4 consecutive years)

#### The Edge ESG Award 2022

- **Sustainable series - Climate Tech MYR:**  
Best Impact in Climate Action - Gold  
Best Impact in Healthy Ecosystem - Gold  
Best Impact in Resource Security – Gold
- **Sustainable series - Positive Change MYR:**  
Best Impact in Basic Needs - Gold  
Best Impact in Resource Security - Silver  
Best Impact in Human Development – Silver

#### The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers 2022

- Best ETF Provider, Malaysia

#### Employee Provident Fund's External Fund Managers Awards 2021

- Best Domestic Fixed Income Fund Manager 2021 (2 consecutive years)

#### AsianInvestor Asset Management Awards 2022

- Fund House of the Year Awards, Malaysia



## **BUSINESS REVIEW** **AmInvestment Bank**

### **OUTLOOK**

Debt Markets will continue to implement a dynamic approach in the pursuit of innovative and optimal financing solutions. The Debt Markets team will leverage its debt origination and structuring expertise, built from inclusive market and product knowledge in providing clients with integrated financing solutions.

With prospects of a global recession dampening M&A activity throughout FY2023, Corporate Finance looks ahead to FY2024 by positioning the investment bank to advise winners of the day and those with strong fundamentals who are better positioned to emerge unscathed through any economic uncertainties.

As for the Equity Capital Market, we believe that the market has bottomed out and that market activity will rebound in 2023 as the country regains political stability post general election and as the world embraces the endemic phase of COVID-19. Based on information from regulators, there are now a total of 23 companies seeking to be listed on the Main and ACE Market. We will continue to offer integrated investment banking solutions to our clients and work closely with our Wholesale and Business Banking counterparts to create further awareness on accessing equity markets to our clients.

Equity Markets expects the local equity market to perform better in FY2024 after a lacklustre FY2023 with the domestic economic growth forecast to remain steady at 4.5% YoY coupled with expectations of a return of foreign portfolio funds towards the end of the year. The prospect of a stronger Ringgit and the peaking of interest rates globally are some of the reasons for the more optimistic view on Bursa Malaysia by foreign portfolio investors. In addition, valuations for Bursa Malaysia are at the lower-end of its historical average and this should act as a catalyst for equity investors.

For Private Banking, we are preparing for a global economic slowdown in the second half of 2023 and will be repositioning our asset allocation for clients. Over the medium and long-term, we are looking to increase our equity exposure to balance and complement our bond portfolio, while growing our client manager headcount and expertise to ensure continued AUM growth.

For Fund Management (AmInvest), interest rate hikes and sticky inflation, US and European banking sector turmoil, and geopolitical risks have created uncertainty and may affect investor sentiments, posing challenges to the fund management market. To address these challenges, we will exercise greater diligence on stock picking and closely monitor investee companies' metrics and news flow related to geopolitical risks. We also plan to promote tax-exempt stable NAV fixed income funds to clients and continuously engage with clients to keep them abreast of the market outlook and to build confidence in their existing investments. Additionally, we will continue to introduce more ESG/SRI funds to cater to clients' changing preferences.

## BUSINESS REVIEW

## Retail Banking

**Our Competitive Advantage**

**Retail Banking's ability to provide integrated value propositions that go beyond banking for our key segments, including the affluent, mass affluent, SMEs and consumers, delivered through the right physical and digital channels, has enabled us to drive growth of new customers as well as deepening relationships with existing ones.**

**Our eco-system of strategic partners has been well received by clients as they create value that positively impacts not just their financial well-being, but also their lifestyle, business growth and sustainability efforts.**

**Our focus on building customer journeys that enhance the overall experience through the digitalisation of our processes using robotic process automation and AI has been well received, leading to markedly improved Net Promoter Scores (NPSs) from customers.**

**Finally, the most critical component of Retail Banking is its people and numerous efforts to engage with over 4,000 retail bankers have resulted in significant improvements in our Employee Engagement Scores that further contribute to our ability to provide a superior customer experience.**



AARON LOO BOON SENG

Managing Director, Retail Banking  
AmBank Group

## PERFORMANCE OVERVIEW

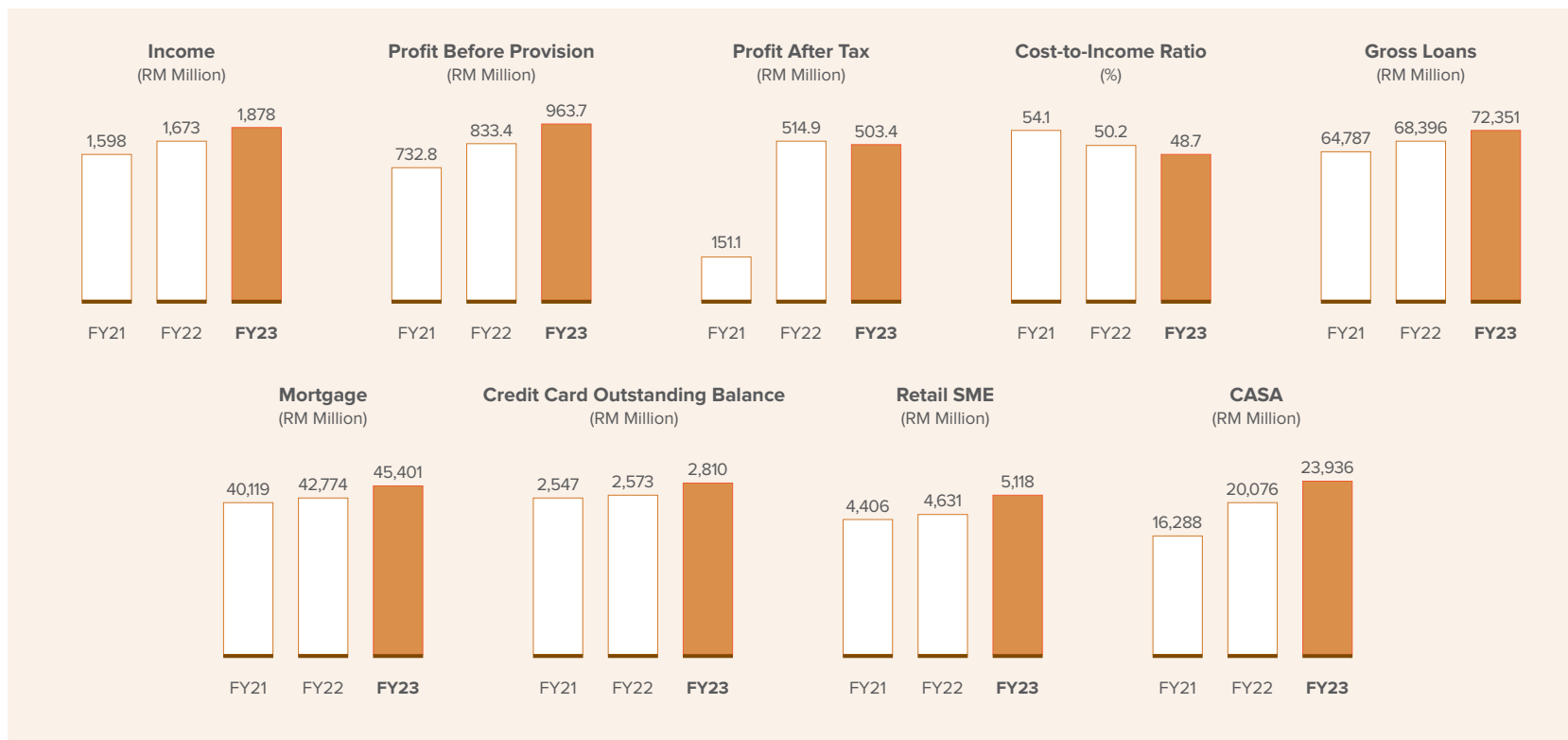
The Retail Banking franchise continued its accelerated growth journey in FY2023 as we focused on creating value by working with partners to develop ecosystems and optimise our delivery channels, primarily through digitalising our processes.

We registered solid income growth of 12.3%, mainly through higher NIM and strong loans growth. This was offset by lower NOII, which declined by 5.1% due to lower fee income from Wealth Management. Expenses were 8.9% higher in FY2023, translating to positive JAWs of 3.4% and further driving down our cost-to-income (CTI) ratio. Net impairments increased to RM302.2 million compared to RM157.7 million as a result of higher forward-looking provisions and higher delinquency rates. The increase was primarily due to the end of repayment assistance programmes. However, our delinquency ratios remain well below the pre-pandemic period.

As a result, PAT experienced a marginal decrease of 2.2%, settling at RM503.4 million. However, profit before provision continued on its upward trend, recording growth of 15.6% to RM963.7 million. CTI ratio also improved to 48.7% from 50.2% the year before.

Gross loans grew by 5.8% YoY to RM72.4 billion, mainly driven by Mortgages, Auto Finance and Retail SME. Customer deposits grew 15.1% YoY to RM61.9 billion while CASA saw growth of 19.2% to RM23.9 billion, resulting in an improvement in our CASA ratio to 38.5% from 37.3% the year before.

## BUSINESS REVIEW Retail Banking



### KEY INITIATIVES & OUTCOMES

#### Key Initiatives

##### People Engagement

- Rolled out digital engagement tools to help all levels of our team understand the benefits of digitalisation.

➤➤ Improvement in our Employee Engagement Score from 70% in FY2019 to 88% in FY2023.

##### Process Automation

- Deployed robotic process automation (RPA) since FY2022 to automate our due diligence as well as credit underwriting to reduce turnaround time and improve the overall customer experience.

➤➤

- The 27 RPAs have processed more than 7,000 applications.
- More than 120 employees have been reskilled and reassigned to other critical tasks over the past three years.
- The savings realised have led to more efficient Retail Banking, reducing our CTI ratio from 58.0% in FY2019 to 48.7% in FY2023.

##### Data Analytics

- Deployed Relationship-Based Pricing in 2022 to enable us to price our products based on the depth of our clients' relationships with us.

➤➤ Projected revenue uplift of RM20 million over five years.

## BUSINESS REVIEW

### Retail Banking

#### Key Initiatives

##### Payment Solutions

- We were an industry leader in the deployment of innovative payment solutions, including:
  - All-in-one Android-powered merchant payment terminals (K9 solutions).
  - The mTAP app, which transforms smartphones into payment acceptance terminals.
  - Being among the first three banks to launch Apple Pay in Malaysia.
  - Deployed the fastest QR payments experiences via AmOnline.

##### Partnerships

- Partnered with Bonuslink, Tabung Haji and Amanah Saham Nasional Berhad to integrate their digital capabilities into AmOnline.
- Engaged with the fashion industry through Fashion Connect workshops in collaboration with the Federation of Malaysian Fashion, Textiles and Apparels.
- Partnered with one of Malaysia's largest township developers to convert Bandar Utama City Centre, a large and affluent township, into a cashless community, by integrating our payment solutions across all of their relevant touchpoints.
- Partnered with Persatuan Usahawan Maju Malaysia to assist MSMEs.

#### Outcomes

- Mobile Banking customer satisfaction increased from 79% to 83%.
  - Retail Banking's NPS improved by 26 points between FY2020 and FY2023.
  - 55,000 All-in-One Android terminals have been deployed nationwide since their launch in 2021. CASA balances linked to the K9 terminal recorded a 37% increase in 2022.
  - mTAP has been downloaded by over 2,000 small merchants since its launch in 2021 and has contributed to a 68% increase in mTAP merchant CASA balances.
  - We recorded a strong 40% month-on-month growth in AmBank Credit Card spend via Apple Pay.
  - Total QR payments volume increased significantly by 6.8 times from 2021 to 2022.
- Enabled AmOnline to seamlessly view balances and shift funds between AmBank, Tabung Haji and Amanah Saham Nasional Berhad. AmBank customers can also apply for the Hajj as well as view their Bonuslink loyalty points and convert them into cash via AmOnline.
  - Converting the Bandar Utama township into a cashless community by migrating their retail, clubhouse and condominium management and parking into our payment solutions.
  - The KL Fashion Week initiative has allowed us to support the lifestyle pillar of our AmBank Signature Priority Banking proposition and enabled us to connect with and support the local fashion industry.
  - Through Persatuan Usahawan Maju Malaysia, we have supported SME business owners by strengthening their financial awareness and enabling easier access to financing.



## BUSINESS REVIEW

### Retail Banking

#### Key Initiatives

##### Customer Experience

- Ensured a better customer experience by making banking safer, through initiatives such as:
  - Deploying a kill switch that allows customers to immediately terminate their digital banking service.
  - Enabling multifactor authentication when logging in from a new device.
  - Replacing SMS-based One-Time-Passwords (OTPs) in favour of using app-based authentication through AmSecure.
  - Introducing a cooling-off period when switching to a new mobile device.
- Incorporated lifestyle value propositions for our AmBank Signature Priority Banking customers through the annual KL Fashion Week event.



- Our annual Ipsos survey results improved significantly, with our NPS at +19 in 2023 compared to -6 in 2019.



##### Digital Channels

- We have rolled out a range of banking services that can be conducted through AmOnline, including account opening, loan applications and, most recently, DIY investments. We have also seamlessly integrated the BonusLink, Tabung Haji and Amanah Saham Nasional Berhad platforms with AmOnline.



- Over 82% of all transactions are now handled via AmOnline.
- The AmBank BonusLink co-branded card recorded payment volume growth of 17%.
- Customers that linked their AmOnline with Bonuslink, Tabung Haji and/or Amanah Saham Nasional Berhad showed almost 10% higher CASA balances.

##### Branch Transformation

- Partnered with Bask Bear Coffee to develop the concept of community banking through a banking in a café offering at selected locations.
- Repurposed branches located in affluent neighbourhoods to turn them into Wealth Advisory and SME Centres.



- Bask Bear Coffee obtained higher-than-expected sales and AmBank doubled its sales at the three 'bank-in-a-café' outlets that were launched.



**BUSINESS REVIEW**  
**Retail Banking**

**SUSTAINABILITY HIGHLIGHTS**

**Supporting Sustainable Financing**



- We were an early mover in providing favourable financing of electric vehicles (EVs) to drive sustainable mobility and support the transition to a low-carbon economy.
- Furthermore, we partnered with property developers to provide favourable financing of certified green homes.
- In FY2023, we disbursed a total of RM312 million in green financing and plan to do significantly more in FY2024.



Our Retail Banking’s accomplishments were recognised by the industry and we were honoured to receive the following awards:

**Awards & Recognition**

**1. Digital Customer Experience (CX) Awards**

- Outstanding Digital CX – Mobile Banking
- Outstanding Digital CX – Payments
- Excellence in Next-Gen Customer Satisfaction (SEA)

**2. Global Banking & Finance**

- Fastest Growing Retail Bank – MY 2023
- Best Retail Bank – MY 2023
- Best Bank for Digital Transformation – MY 2023

**3. International Finance Awards**

- Most Innovative Retail Bank – MY 2023
- Most Customer-Centric Bank – MY 2023

**4. Mastercard**

- Innovation Breakthrough Apple Pay Launch 2022

**5. The Asset**

- Best Retail Mobile Banking Experience 2023

**6. The Asian Banker**

- Best Productivity, Efficiency and Automation Initiative 2022
- Best Digital Account Opening/Onboarding Initiative

**OUTLOOK**

The coming financial year will be a challenging one for the industry as we navigate through volatile markets, an uncertain geopolitical environment and potentially rising inflation. The Retail Banking team will be addressing these challenges by ensuring consistent execution of our strategies as highlighted above, and we are confident of delivering continued market-leading growth for the Retail Banking franchise.

**BUSINESS REVIEW**

**Business Banking**



**CHRISTOPHER YAP HUEY WEN**

Managing Director, Business Banking  
AmBank Group

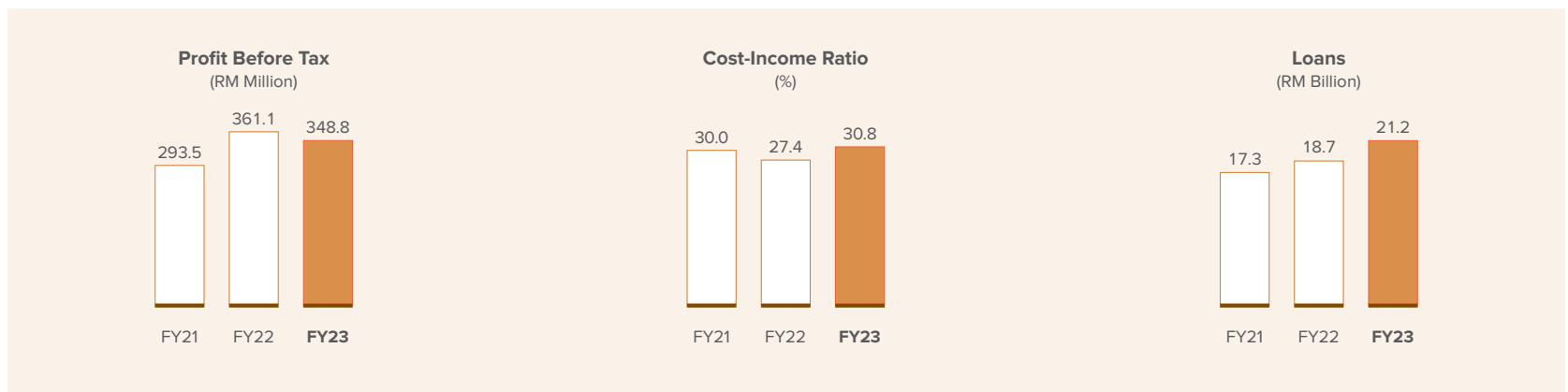
**Our Competitive Advantage**

**Business Banking serves companies from the small, medium and large enterprises. The division provides banking solutions that nurture and grow Malaysia’s entrepreneurs through our network of 48 Business Centres nationwide. We adopt a high-touch relationship model combined with bespoke solutions comprising financing, transaction banking, business wealth and bancassurance to holistically serve more than 13,000 businesses throughout the nation.**

**We strive to create holistic relationships that extend beyond financing through innovative value-add products and development initiatives to help businesses accelerate, adapt and sustain during this transformative period.**

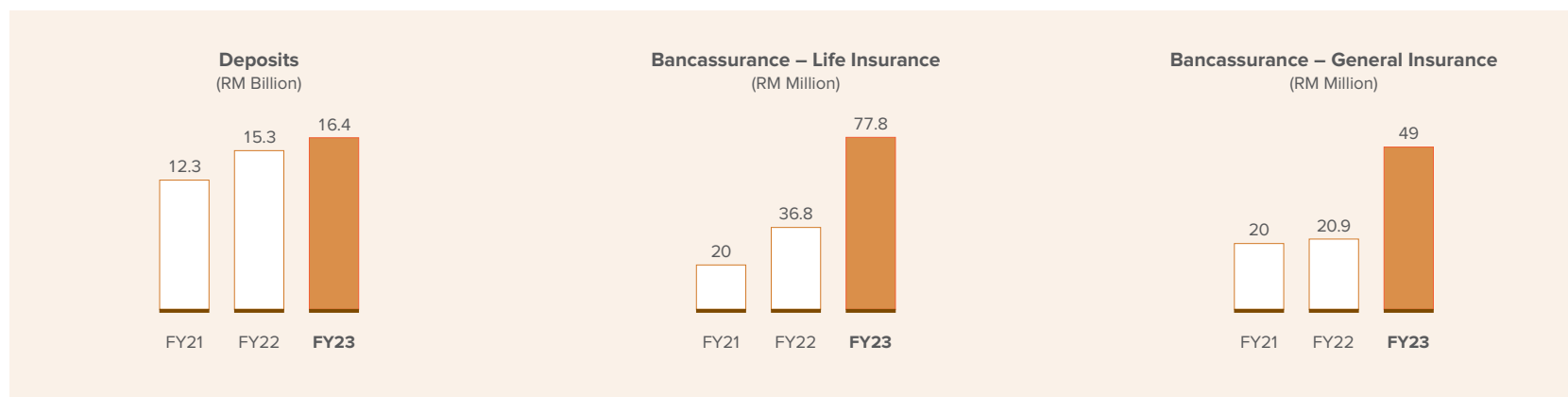
**PERFORMANCE OVERVIEW**

In the year under review, Business Banking has achieved a 22% growth in revenue, with a strategic focus on high-yielding products and business advisory capabilities such as Forex & Deposits, Bancassurance and Corporate Finance. We have also achieved a growth of 13.1% for loans and 7.4% for deposits in FY2023.



## BUSINESS REVIEW

### Business Banking



### KEY INITIATIVES & OUTCOMES

#### Key Initiatives

##### Financing a sustainable future



- Through the promotion of sustainable financing, we have disbursed over RM8 billion of new loans, of which over 98% are with a low ESG Risk grade.
- We have also successfully disbursed close to RM1.2 billion worth of green financing in the last year.
- We have participated in various BNM and government schemes in our quest to support the SME sector, disbursing a total of over RM2 billion in financing.

##### Future Proofing AmBank's SME Segment



- We continue to leverage strategic collaborations to provide our clientele with optimum solutions.
- In the last year, we have launched partnerships in which we worked with a technology provider of a GHG accounting system to help SMEs track their GHG emissions.
- Through our business development platform, the AmBank BizRACE Season 3, we have assisted with over RM30 million in bridging financing for participants to implement their smart automation projects.
- In November 2022, we sent over 20 business delegates from the AmBank BizRACE programme to attend a 3-day Executive Development Course on Strategic Decision Making at Cambridge Judge Business School where they were joined by other business owners from around the world.
- The trip also covered an innovation course with a smart technology themed expedition to Germany and Austria to learn about the revolution of smart automation through visits to automobile museums and Bosch's Innovation Centre.
- Through our Road to Capital Markets Series which was launched to educate and guide our SME clients in their journey towards becoming a publicly listed company, we have obtained more than RM5 billion in loans and achieved RM63 million in revenue.



## BUSINESS REVIEW

### Business Banking

#### Key Initiatives

##### Focusing on high growth areas



- In 2022, we formed a partnership with Gulf International Bank to enhance the current process and service levels such as same-day settlement, competitive FX rates and lower transaction costs as well as improved transaction reconciliation.
- We are also tapping into FDI opportunities to capitalise on the potential influx of foreign investments, which is expected to grow and benefit SMEs involved in the supply chain of multinational corporations (MNCs).
- We have formed strategic alliances with listed companies and property developers to offer dedicated financing packages to end-buyers and business expansion programmes for our customers. These include our partnership with Ideal Property Group and NCT Group, in which we offer packages of up to 200% Margin of Advance to end-buyers in Penang.
- We are also collaborating with various players to develop a unique selling proposition for the Joint Management Bodies ecosystem to enhance efficiency in our collections and reconciliation platforms. Through our enhanced payment gateway, our merchants and sellers can collect payments via Internet and mobile banking of participating banks with immediate crediting into seller's accounts.

#### SUSTAINABILITY HIGHLIGHTS

##### ESG awareness



- We hosted several seminars on ESG awareness to help SMEs elevate the key themes in the transition to a more sustainable financial future, benefiting close to 1,000 businesses.
- We have disbursed over RM1.2 billion green financing to our clients in the last year.
- We strengthened collaborations with customers and green service providers to develop innovative financing structures for projects such as sustainable industrial parks, solar panel installations and smart automation enhancements.

#### Awards & Recognition

##### 1. Global Banking & Finance Review

- Best SME Bank 2023

#### OUTLOOK

With the reopening of the economy, we are optimistic about the prospects of the small, medium and large enterprises in the country. Businesses are continuing to experience growth and taking a greater interest in managing cash flow and overcoming supply chain disruptions. Many organisations are also placing an increased focus on ESG to ensure continued growth and sustainability. To support SMEs through their long-term growth and expansion, we are integrating these new trends into our solutions and beyond financing initiatives. We are continuing to provide support through financing low carbon initiatives and creating awareness about the development and implementation of smart and green technologies.



## BUSINESS REVIEW

## AmBank Islamic

### Our Competitive Advantage

**AmBank Islamic is the primary Islamic banking arm of the Group, offering a comprehensive range of Shariah-compliant retail and non-retail banking products and services, including investment, treasury and trade solutions. We anchor our primary role as a credit intermediary on the tenets of VBI, which is key to accelerating our journey towards becoming a purpose-based organisation that is also mindful of financial returns to our shareholders.**

**Our strategic direction is aligned with the Group and we continue to add further value by penetrating niche markets that naturally gravitate towards Islamic banking. We are poised to further improve our income and profitability through the execution of strategies in line with the Group's Focus 8 strategies and aim to deliver sustainable returns to our shareholders whilst maintaining optimal capital and funding profiles.**



**EQHWAN MOKHZANEE BIN MUHAMMAD**

Chief Executive Officer  
AmBank Islamic Berhad

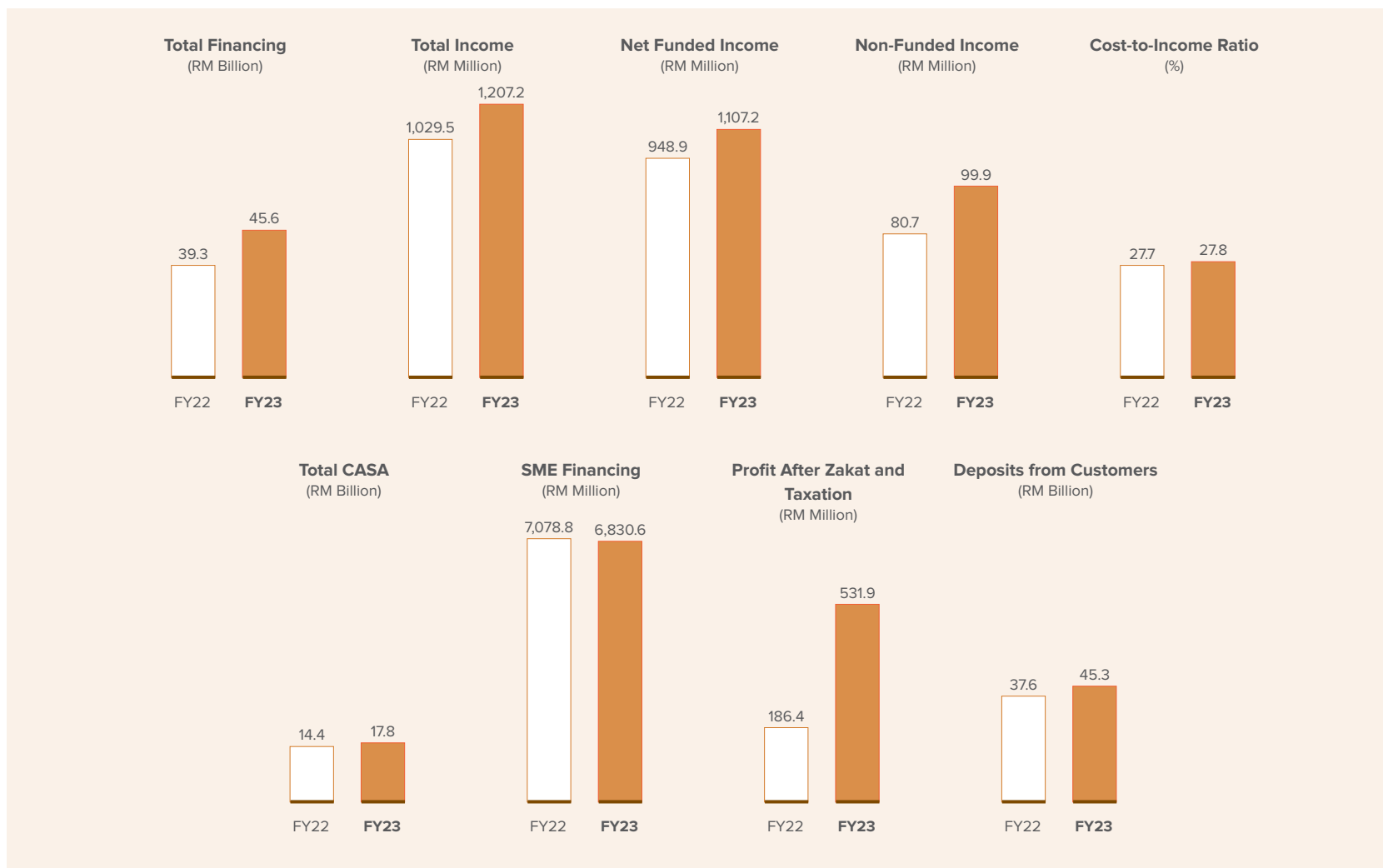
## PERFORMANCE OVERVIEW

The Bank delivered commendable financial results in FY2023 with profit after zakat and taxation (PAZT) almost tripling to RM531.9 million from the RM186.4 million recorded the year before. Profit before impairment improved by 17.1% to RM872.0 million. The strong financial performance came on the back of financing and deposits growth of 16.0% and 20.4% respectively, which led to total income growth of 17.3% to RM1,207.2 million.

In addition, our proactive risk management measures resulted in the net impairment charge for the financial year falling by 64.5% from RM506.9 million to RM179.9 million whilst gross impaired financing (GIF) ratio dropped by 46 basis points to 1.14%, demonstrating our commitment to maintaining solid asset quality. The Bank's CET1/ Tier 1 and Total Capital ratios stood at 12.6% and 17.1% respectively as underpinned by the Bank's improved profitability.

In the year under review, the Bank continued its strategy in growing profitable portfolios such as, financing for Amanah Saham Bumiputera (ASB), wealth management and transaction banking. The Bank also enhanced its penetration into the SME segment while managing the mortgage portfolio. Concurrently, the Bank continued to focus on growing its CASA portfolio which grew by 23.1%, resulting in a CASA ratio of 39.3%.

**BUSINESS REVIEW**  
**AmBank Islamic**



**KEY INITIATIVES & OUTCOMES**

**Key Initiatives**

**Outcomes**

**Small and Medium Enterprises**



- The Bank continued to be recognised as supporting the SMEs in Malaysia where the Bank has been recognised as the “Best Islamic SME Bank Malaysia 2022” by The Asset Triple A, Global Banking and Finance Review, Global Islamic Finance Awards and Global Business Review Magazine.
- These awards will spur the Bank to continue to serve the SMEs which are the backbone of Malaysia’s economy.
- The Bank remained committed in supporting Malaysian SMEs and where applicable, participated in the various BNM financing schemes for SMEs such as Targeted Relief and Recovery Facility (TRRF).

## BUSINESS REVIEW

### AmBank Islamic

#### Key Initiatives

##### Mass Segment

- The Bank continued to target the mass segment with key products such as ASB Financing-i, Auto Financing-i, Personal Financing-i and AmWafeeq Savings Account-i.

##### Affluent Segment

- The Bank provided wealth management services to our affluent customers by distributing Islamic unit trusts and other Shariah-compliant investment products.
- The Bank enhanced its AmOnline platform which allows eligible customers to perform transactions with their Tabung Haji accounts.

##### VBI & Sustainability

- The Bank's Group CEO is responsible for driving the Group's Sustainability/ ESG agenda in his capacity as the Group Sustainability Champion. In addition, he is responsible for overseeing the Group's Sustainability Department and is closely involved in VBI and sustainability-related initiatives at the industry level.

##### Community Contributions


- The Bank has recalibrated its zakat distribution strategy from providing sustenance to the creation of long-term impact by widening the scope to capacity-building and funding for micro businesses.

#### Outcomes

- Auto Financing-i (AF-i): Due to the refinements in our strategies and processes, our AF-i portfolio recorded a growth of 17.8%.
- Personal Financing-i for public sector: 4.3% growth.
- AmWafeeq Savings Account-i: This Islamic savings account was promoted through the AmRewards Campaign 2.0 with prizes totalling RM1.7 million.

- A total of RM614.3 million Islamic AUM as at 31 March 2023.
- Higher CASA growth seen in certain segments following the linkage of AmOnline accounts to Tabung Haji accounts.

- Implemented mandatory Islamic Banking 101 online training to Group employees that includes updates on how sustainability fits into the Group's Sustainability Agenda.
- A number of the Bank's personnel were also members of the VBI Sectoral Guide Working Group to develop sectoral guidelines for construction & infrastructure and transportation & storage.
- AmBank Islamic became the first Islamic bank in Malaysia which successfully bid for carbon credit during the inaugural auction of carbon credit by BCX.

 For more details on the Group's VBI and sustainability contributions to the industry, refer to AmBank Group's Sustainability Report 2023.

- As at 31 March 2023, the Bank has fulfilled its responsibility through business zakat distribution in the sum of RM991,087 to state zakat collection centres and other entities such as charities, students and asnaf entrepreneurs.
- The Bank's participation in the iTEKAD programme was manifested via the distribution of RM280,000 of funding to 59 Asnaf microentrepreneurs in the form of financial grant and capacity building initiatives.

**BUSINESS REVIEW**  
**AmBank Islamic**

**Awards & Recognition**

**1. Global Banking and Finance Review**

- Best Islamic Bank Malaysia 2022
- Best Islamic Corporate Bank Malaysia 2020, 2021 and 2022
- Best Islamic SME Bank Malaysia 2020, 2021 and 2022
- Best Islamic Banking CEO Malaysia 2019, 2020 and 2021
- Most Promising Islamic Bank Malaysia 2019

**2. The Asset Triple A**

- Best Islamic SME Bank Malaysia 2021 and 2022
- Best Corporate Hybrid Sukuk 2021 (Shariah Adviser)
- Best Bank Capital Sukuk Malaysia 2020 (Shariah Adviser)
- Best NBF Sukuk Malaysia 2020 (Shariah Adviser)

**3. Alpha Southeast Asia**

- Best Islamic Finance Bank Malaysia 2022
- Best Project Finance Deal of the Year 2022 (Financier)
- Best Islamic Finance SME Bank Malaysia 2019, 2020 and 2021
- Best FIG Islamic Finance Deal of the Year 2020 (Shariah Adviser)

**4. Global Islamic Finance Awards**

- Best Islamic Bank for SME Banking 2022
- GIFA CEO of the Year 2021 and 2022
- Best Islamic Wholesale Banking Solutions Award 2021
- Most Improved Islamic Bank 2019
- Islamic Banker of the Year 2019

**5. Global Business Review Magazine Award**

- Best Islamic Bank Malaysia 2022
- Best Islamic SME Bank Malaysia 2022
- Best Islamic Corporate Bank Malaysia 2022

**6. IFN Deal of the Year Awards**

- Malaysia Deal of the Year 2022 (Shariah Adviser)
- Structured Finance Deal of the Year 2022 (Shariah Adviser)
- Perpetual Deal of the Year 2022 (Shariah Adviser)

**OUTLOOK**

We anticipate a challenging market ahead due to global financial market volatility and geopolitical uncertainties. Notwithstanding this, the Bank is set to build on the strong momentum coming from our performance in FY2023. We will continue to maintain efficient operations, prudence in managing risks, and strong corporate governance and risk management practices. The Bank is also embarking on a journey to build capabilities in climate risk management to address the rise in climate-related risks.

To meet the evolving demands of customers, we will expand our digital banking operations and enhance our information and communication technology infrastructure to provide better customer experience. In addition, we will continue to incorporate VBI-related principles and focus on social finance to empower microentrepreneurs.

**BUSINESS REVIEW**



**RANGAM BIR**

Chief Executive Officer  
AmMetLife Insurance Berhad

**AmMetLife**

**Our Competitive Advantage**

**In our aim to be one of Malaysia’s best insurers, AmMetLife is focused on meeting the diverse needs at the different life stages of our customers with innovative solutions. This translates to relevant and targeted products and solutions for families, individuals and employees of our corporate customers to achieve financial security, enabling them to pursue more from life with peace of mind.**

**AmMetLife offers a comprehensive range of life insurance solutions to meet protection, medical and retirement needs as well as credit related insurance solutions distributed through AmBank Group’s network of nearly 200 AmBank and AmMetLife branches nationwide. Additionally, we leverage on the strength of our authorised life insurance agents who provide widespread coverage and reach across Malaysia. As a forward thinking insurer, we invest into growing the skills and capabilities of our people to bring the best of AmMetLife to our customers.**



**Protection and Financial Security**

A range of insurance plans to help customers build a more confident future through protection and retirement coverage.



**Health**

Covers hospitalisation and critical illnesses to provide financial support for medical costs during treatments.

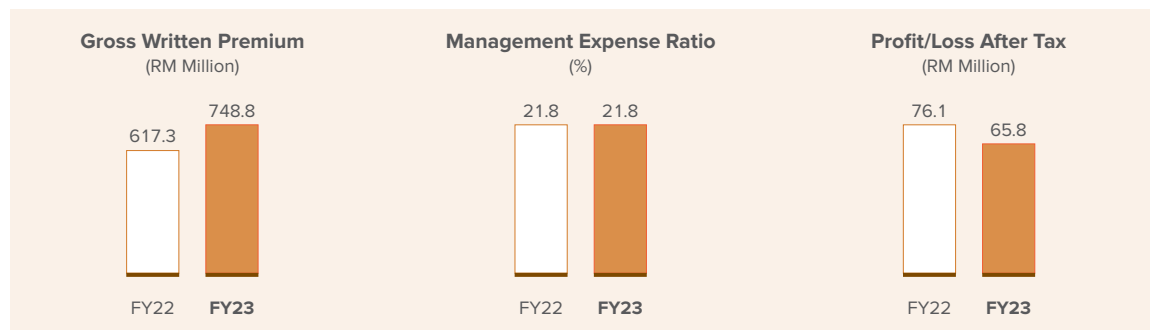


**Group Life and Health Insurance**

Offers a range of insurance products, solutions and resources to benefit employees of our corporate customers.

**PERFORMANCE OVERVIEW**

For FY2023, we have achieved net earnings of RM65.8 million with gross written premium of RM748.8 million while maintaining our Management Expense Ratio at 21.8%.



**KEY INITIATIVES & OUTCOMES**

**Key Initiatives**

**Outcomes**

**New customisable products**

- Meeting the financial needs of our core customer segment.



- Launched a regular premium Investment-Linked Plan, WealthInspire, for the bancassurance channel and a regular premium endowment plan, WealthMaster, for the agency channel. With a three-year premium payment term, these plans provide customers the opportunity to build and preserve wealth while staying protected.

**Enhanced protection for our customers**

- Introduced additional insurance riders to cater to the health and wellbeing of our customers.



- Launched new riders for our Investment-Linked Plans and Term Life Plans. With these riders, our customers are empowered to take control of their health and lead fulfilling lives.

**Expansive Corporate Solutions Offerings**

- Reliable and purposeful products and services through our Employee Benefits channel to suit the evolving needs of our customers.



- Strengthened and expanded our Employee Benefits partnerships.
- Extended COVID-19 hospitalisation coverage at private hospitals.

**ESG integration into business strategy**

- Leveraging digitalisation to effectively manage our environmental impact, promote social responsibility and strengthen our corporate governance practices.



- Enhanced 24/7 customer self-served functionalities, ePolicy, ePayment facilities and faster policy issuance turnaround time.
- Sales processes were conducted virtually using digital point of sales tools to offer a seamless customer experience.
- Continuous awareness training and capability building training for Management and employees on Climate Risk Management.

**Awards & Recognition**

**1. MY AMCHAM CARES 2021**

- Excellence in CSR Efforts.

**OUTLOOK**

AmMetLife is committed to developing products and solutions to help our customers live a well-protected life, especially post-pandemic where rising costs of living may impact their financial security. We will continue to focus on reinventing our agency infrastructure and maximising omnichannel distribution opportunities. We will also continue to drive digital adoption across all channels to improve business efficiency and enhance customer experience.

## BUSINESS REVIEW



NOOR AZAM BIN MOHD YUSOF

Chief Executive Officer  
AmMetLife Takaful Berhad

## AmMetLife Takaful

### Our Competitive Advantage

**AmMetLife Takaful Berhad (Family Takaful) offers a comprehensive range of Takaful solutions which are distributed by our authorised Takaful agents and Bank Partners' branches nationwide. We strive to fulfil the diverse needs of our customers by offering creative solutions throughout their life journey. Our goal is to simplify the process, enabling families and individuals to attain financial stability and pursue a richer, more fulfilling life.**



#### Protection

Offers a competitive range of shariah-compliant products and services to meet the customers' needs through life, health, accident and investment plans.



#### Savings

Provide savings plans to fulfil Hajj or Umrah needs, to other family and investment-linked plans to maximise investment potentials.



#### Health

Delivers protection through medical and health plans as well as investment-linked plans.



#### Education

Meets the future education needs of our customers' next of kin through child education plans and regular investment-linked plan contributions



#### Reducing Term Takaful

Presents our customers with solutions for hire purchase and home financing as well as personal financing debts.

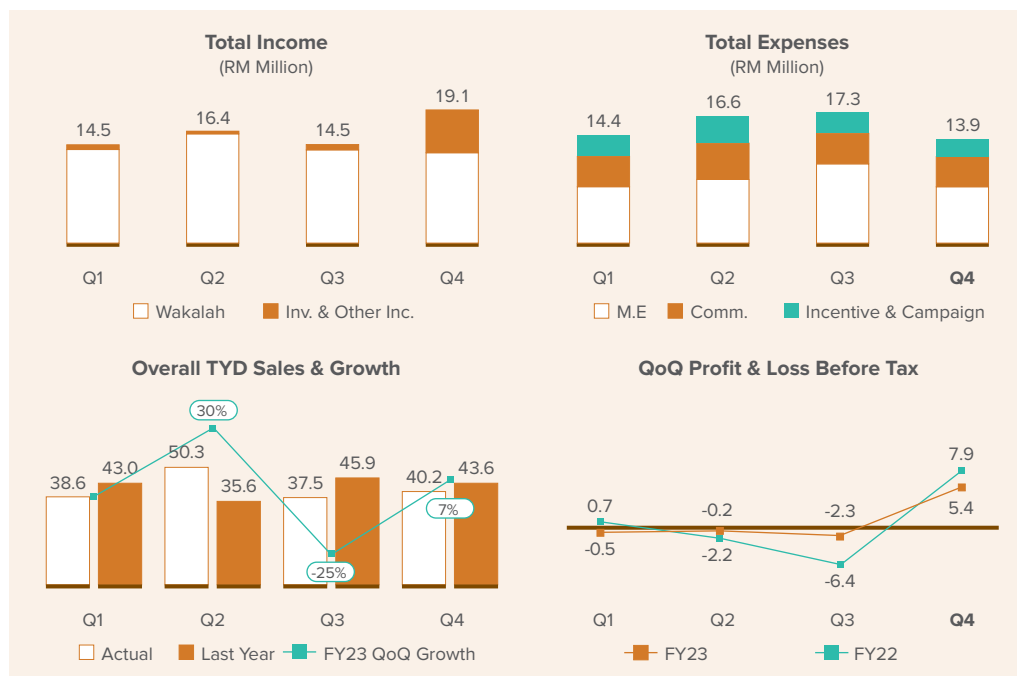


## BUSINESS REVIEW AmMetLife Takaful

### PERFORMANCE REVIEW

The company continued to face headwinds throughout FY2023 primarily due to the shift in customer behaviour, likely caused by the impact of the pandemic. The change in customer behaviour altered the psychology of purchasing new Takaful products. Although we experienced traction, the company experienced challenges in trying to rapidly rebuild its business to pre-pandemic levels.

The company delivered a better financial performance compared to the previous year with an increase in sales mainly from AmBank Credit businesses and Group Employee Benefits with year-to-date overall sales of RM166.6 million. However, business from the Advisory business shrunk by 16% to RM10.2 million. This was due to the high turnover of bank sellers and lower active ratio of Agents contracting with us. We generated a Total Income amounting to RM64.5 million, which is 7% lower compared to FY2022. Total Expenses spent for FY2023 was RM62.2 million, 10% lower as compared to previous financial year. Despite a slow start to the financial year coupled with challenges faced, the company was still able to achieve a profit before tax (PBT) of RM2.6 million.



### KEY INITIATIVES & OUTCOMES

#### Key Initiatives

##### Distribution Recalibrations

- Nourishing of Bancatakaful relationship
- Enhancing hybrid channel competency through focus key strategic initiative
- Amplifying of Agency channel capacity i.e. Manpower

#### Outcomes

- Credit business from AmBank remains high with a 3% YoY increase, unaffected during the post pandemic period.
- Shared KPI between Takaful and Conventional in pursuing common target at Regional level.
- Agency's total manpower grew by 42% through aggressive recruiting campaign and sales drive.

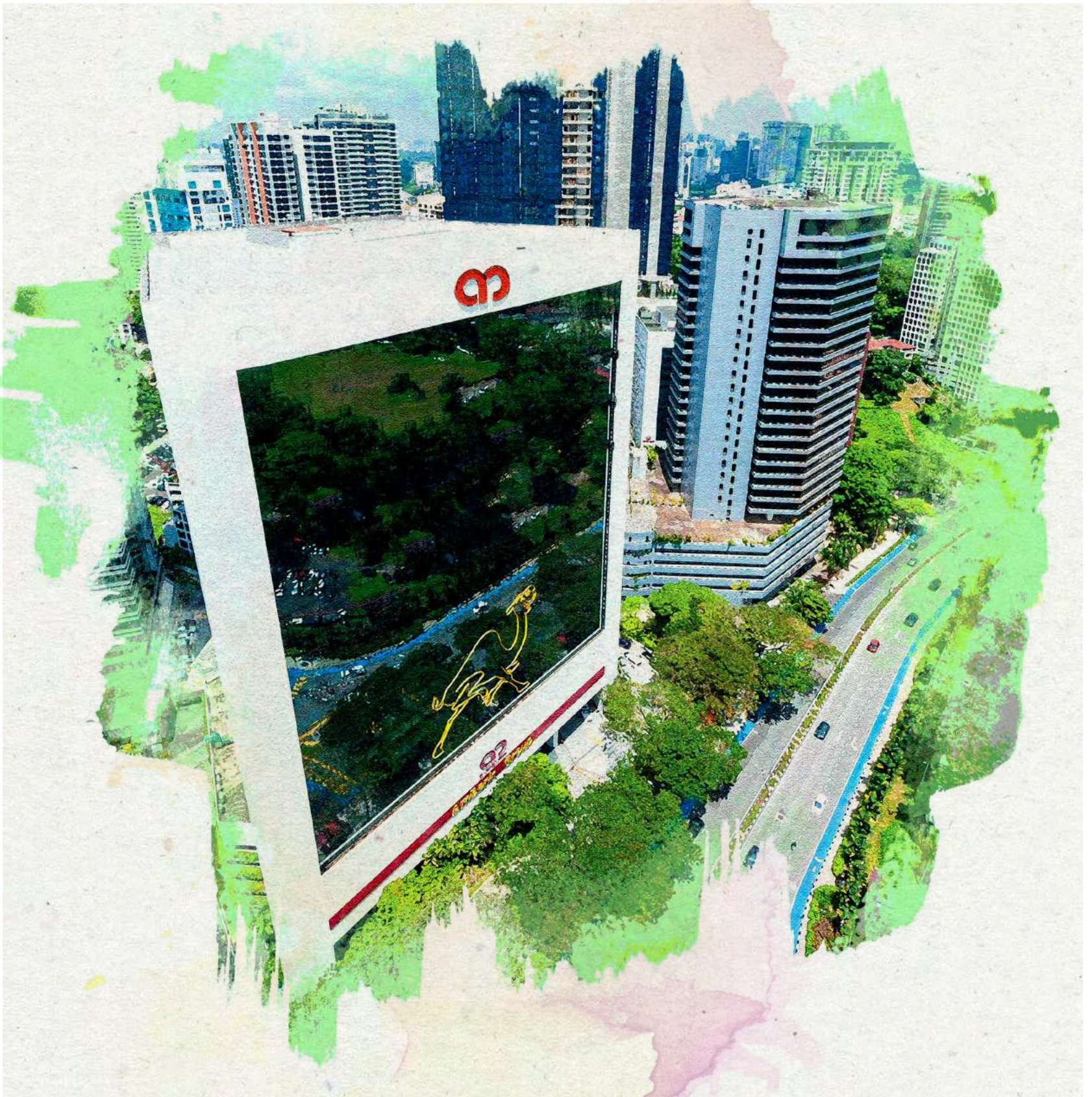
### OUTLOOK

The company is steering our business towards pre-pandemic levels despite challenges brought about by COVID-19 and global economic pressures. We will continue to focus on our Five-Year Business Blueprint and the Seven Core Strategies to ensure that the company advances sustainably:

- Capital Efficiency** – Prudent management of expenses to generate higher profitability.
- Well Balance Business Mix** – Achieved a good blend of Single & Regular businesses to ensure continuous growth.
- Prospecting HNW Customers** – To expand into High Income Market segment from Mass Customers segment.
- Attune Group Synergy** – In alignment with AmBank & MetLife Strategic Goals and Objective.
- Digital Transformation** – To have better efficiency in term of business process and faster turnaround time.
- Advancing Talent Skill Set** – Nurture and grow existing talent for company futures.
- Sustainability Equilibrium** – To have balance in growing the business while embracing climate change impact.

AmBank's Retail and Business Banking will continue to be the main contributor to our business. The Advisory business will be driven by the improvement of sellers from Banca Specialist and growth of High-Net-Worth business portfolio. To fully harness AmBank Bancatakaful's potential, we have explored several business opportunities including the collaboration with Retail Banking for Auto Finance.

Our Agency Force will also continue to play a pivotal role in assisting us to achieve our business plans with the new Agency Leader Corporation (ALC) channel, launched in 2023. The channel is slated to accelerate the growth of our agencies through mass recruitment and aggressive sales activity by the ALC Principal while simultaneously continuing to develop the Tied Agency Force strength with the support from Hybrid Distribution agreement.



# CHAIRMAN EMERITUS/ HONORARY ADVISER OF AMMB HOLDINGS BERHAD



Nationality

84

Age

M

Gender



## TAN SRI AZMAN HASHIM

**Date of Appointment:**

30 April 2022

### **Qualification(s):**

- Fellow Chartered Banker (FCB)
- Fellow, Institute of Chartered Accountants (Australia)
- Fellow, Institute of Chartered Secretaries and Administrators

### **Chairmanship(s):**

- Asian Institute of Chartered Bankers
- Asian Banking School
- Financial Industry Collective Outreach (FINCO)
- Malaysia South-South Corporation Berhad
- Malaysia-Japan Economic Association
- Perdana Leadership Foundation
- Malaysia South-South Association
- Universiti Teknologi Malaysia – Azman Hashim International Business School Advisory Council

### **Chancellor**

- International University of Malaya-Wales

### **Pro-Chancellor(s):**

- Open University Malaysia
- University Malaysia Sabah

### **Experience:**

- Tan Sri Azman has been a key figure not only in AmBank Group but the nation's banking industry. Prior to acquiring Arab-Malaysian Development Bank, he served Bank Negara and helped to grow Maybank.
- He assumed leadership of various industry associations aimed at developing talent, professionalism, and good governance.
- He has also played a significant role in entrenching Malaysia's position regionally and internationally – as head of trade missions, as well as through the development of important bilateral ties.
- His contributions have been acknowledged with prestigious accolades, including the 'Order of the Rising Sun, Gold Rays with Neck Ribbon' and the 'Order of the Rising Sun, Gold and Silver Star' in 1987 and 2021, respectively, by His Imperial Majesty the Emperor of Japan, as well as the Medal of the Order of Australia (A.O.) by the Governor-General of the Commonwealth of Australia.

**Tan Sri Azman Hashim stepped down as Chairman of AMMB Holdings Berhad on 29 April 2022. However, in recognition of his immense contribution, wealth of experience and invaluable insights, he was appointed Chairman Emeritus/Honorary Adviser of the Group on 30 April 2022. His influence and wisdom continue to be highly regarded and his legacy as a visionary leader and philanthropist will undoubtedly continue to inspire and shape AmBank Group's path in the years to come.**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**TAN SRI MD NOR BIN MD YUSOF**  
Chairman  
Independent Non-Executive Director

**ROBERT WILLIAM GOUDSWAARD**  
Non-Independent Non-Executive Director

**SOO KIM WAI**  
Non-Independent Non-Executive Director

**VOON SENG CHUAN**  
Senior Independent Non-Executive Director

**SEOW YOO LIN**  
Independent Non-Executive Director

**FARINA BINTI FARIKHULLAH KHAN**  
Independent Non-Executive Director

**HONG KEAN YONG**  
Independent Non-Executive Director

**DATO' KONG SOOI LIN**  
Independent Non-Executive Director

**FELICITY ANN YOUL**  
Independent Non-Executive Director

## AUDIT AND EXAMINATION COMMITTEE

**Seow Yoo Lin**  
Chairman  
Independent Non-Executive Director

**Farina Binti Farikhullah Khan**  
Independent Non-Executive Director

**Dato' Kong Sooi Lin**  
Independent Non-Executive Director

## RISK MANAGEMENT COMMITTEE

**Dato' Kong Sooi Lin**  
Chairperson  
Independent Non-Executive Director

**Hong Kean Yong**  
Independent Non-Executive Director

**Robert William Goudswaard**  
Non-Independent Non-Executive Director

**Felicity Ann Youl**  
Independent Non-Executive Director

## GROUP NOMINATION AND REMUNERATION COMMITTEE

**Farina Binti Farikhullah Khan**  
Chairperson  
Independent Non-Executive Director

**Soo Kim Wai**  
Non-Independent Non-Executive Director

**Voon Seng Chuan**  
Senior Independent Non-Executive Director

**Seow Yoo Lin**  
Independent Non-Executive Director

**Robert William Goudswaard**  
Non-Independent Non-Executive Director

## GROUP INFORMATION TECHNOLOGY COMMITTEE

**Hong Kean Yong**  
Chairman  
Independent Non-Executive Director

**Voon Seng Chuan**  
Senior Independent Non-Executive Director

**Robert William Goudswaard**  
Non-Independent Non-Executive Director

## GROUP COMPANY SECRETARY

**Koid Phaik Gunn**  
(MAICSA 7007433)  
(SSM Practising Certificate No. 202008003140)  
Chartered Secretary

## REGISTERED OFFICE

22<sup>nd</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia  
Tel.: +603-2036 2633  
Fax: +603-2032 1914

## WEBSITE

ambankgroup.com

## INVESTOR RELATIONS

Key Contact Person:  
**Yeoh Ru Hann**  
Head, Investor Relations  
ir@ambankgroup.com

## AUDITORS

**Messrs Ernst & Young PLT**  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants  
Level 23A, Menara Millenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Malaysia

## REGISTRAR

**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel.: +603-7890 4700  
Fax: +603-7890 4670  
Email: bsr.helpdesk@boardroomlimited.com

## PRINCIPAL BANKER

AmBank (M) Berhad

## STOCK EXCHANGE LISTING

Listed on the Main Market of  
Bursa Malaysia Securities Berhad  
Listing Date : 13 February 1992  
Stock Name : AMBANK  
Stock Code : 1015

# BOARD AT A GLANCE

## BOARD BALANCE AND COMPOSITION



2 Non-Independent Non-Executive Directors

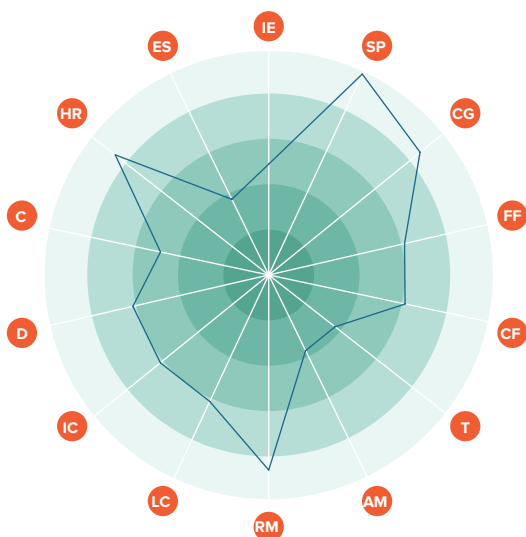


1 Senior Independent Non-Executive Director



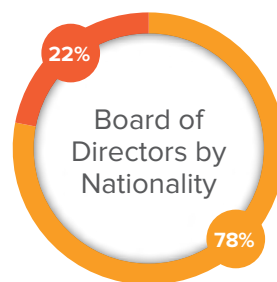
6 Independent Non-Executive Directors

## BOARD SKILLS MATRIX



- IE Industry Experience
- SP Strategic Planning and/or Global Expertise
- CG Corporate Governance
- FF Accounting and Finance
- CF Corporate Finance
- T Taxation
- AM Asset Management
- RM Risk Management
- LC Legal and Compliance
- IC Information and Communication Technology
- D Digital, Technology and Innovation
- C Cybersecurity
- HR Human Resource Management/People and Culture
- ES Environment and Social

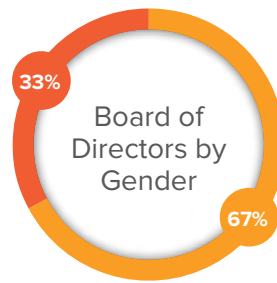
## NATIONALITY



7 Malaysian

2 Australian

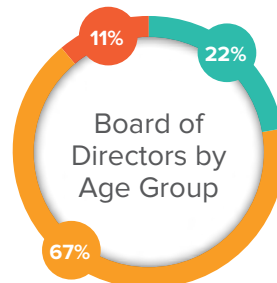
## GENDER DIVERSITY



6 Male

3 Female

## AGE



2 50-59 Years Old

6 60-69 Years Old

1 70 Years Old and Above

## PROFILE OF THE BOARD OF DIRECTORS



Nationality

76

Age

M

Gender



### TAN SRI MD NOR BIN MD YUSOF

Chairman  
Independent Non-Executive Director

**Date of Appointment:**  
30 April 2022

#### Membership of Board Committee(s):

Nil

#### Qualification(s):

- Advance Management Programme, Wharton School, United States of America
- Development Banking, Harvard University, United States of America
- Chartered Accountancy, New Zealand Society of Accountants, New Zealand
- Bachelor Degree in Commerce, University of Otago, New Zealand

#### Directorship(s) in Listed Issuers in Malaysia:

- None

#### Experience:

- Tan Sri Md Nor bin Md Yusof has had an illustrious career with over 40 years of senior management and board level experience including extensive expertise in the financial services sector.
- He helmed Bank of Commerce Group as Chief Executive Officer and Chairman from 1983 – 2000.
- He has held the role of Executive Chairman of the Securities Commission, Chairman of CIMB Group and Chairman of Malaysia Airlines Berhad.
- He was also Director and Chairman of Khazanah Nasional Berhad's Executive Committee, as well as Chairman of Lembaga Tabung Haji and CIMB Foundation.
- He continues to hold the role of Chairman of Yayasan Hasanah.
- He enjoys wild life photography and is committed to community service and conservation of the country's natural endowment.

#### Declaration:

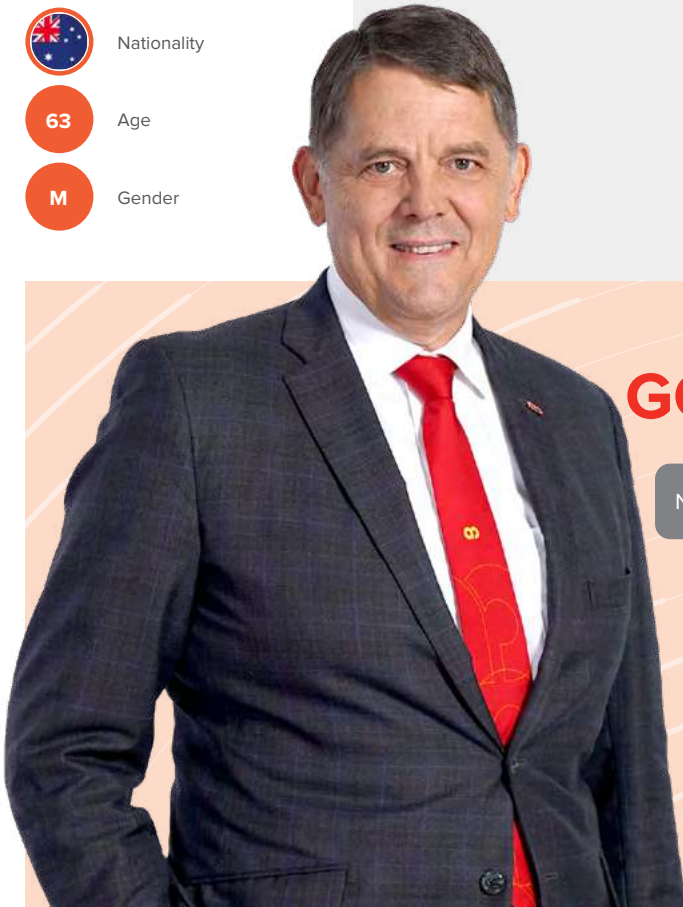
He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

He has not been convicted for any offence within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

 Nationality

**63** Age

**M** Gender



## ROBERT WILLIAM GOUDSWAARD

Non-Independent Non-Executive Director

**Date of Appointment:**  
25 March 2021

### Membership of Board Committee(s):



### Qualification(s):

- Bachelor of Economics, La Trobe University
- Graduate Diploma of Corporate Finance, RMIT University
- Fellow, Australian Institute of Company Directors
- Fellow, Financial Services Institute of Australasia
- Fellow, Leadership Victoria
- INSEAD International Directors Programme

### Directorship(s) in Listed Issuers in Malaysia:

- None

### Experience:

- Robert William Goudswaard has over 40 years of experience in financial services, both internationally and within Australia.
- He was the Chief Executive Officer of Great Southern Bank (formerly known as Credit Union Australia), Australia's largest credit union, before he stepped down in 2019.
- He spent 30 years with Australia and New Zealand Banking Group, holding senior roles including Chief Risk Officer and Managing Director of various areas such as Small and Medium Business, Regional and Small Business, Pacific and Personal Banking Asia.
- He has extensive experience as Non-Executive Director on boards such as Rural Finance, Places Victoria, CUA Health, Cuscal and Lawson Grains Pty Ltd.
- He is an Independent Non-Executive Chairman of Revolut Payments Australia Pty Ltd and Cornerstone Healthcare Funds Management Pty Ltd and Non-Executive Director of Centelon Pte Ltd, ANZ Lenders Mortgage Insurance Pty Ltd, Quiescent Pty Ltd and Singularity Automation Pty Ltd.
- He has been and is involved with charitable organisations such as Non-Executive Director at World Vision Australia, Business Council of Co-Operatives and Mutuals, Young Farmers Finance Council, Orygen and the Non-Executive Chairman of Orygen Youth Mental Health Foundation Ltd.
- He runs a cattle and sheep farm and has planted 50,000 eucalypt trees and has a few bee hives. He is interested in cricket and Australian rules football. He is also involved with a mental health not for profit organisation and a member on the building committee for his local church.

### Declaration:

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB except as follows:

- Board representative of ANZ Group Holdings Limited, which is deemed a substantial shareholder of AMMB by virtue of its indirect shareholding in ANZ Funds Pty Limited, a wholly-owned subsidiary of ANZ Group Holdings Limited.

He has not been convicted for any offence within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

## PROFILE OF THE BOARD OF DIRECTORS



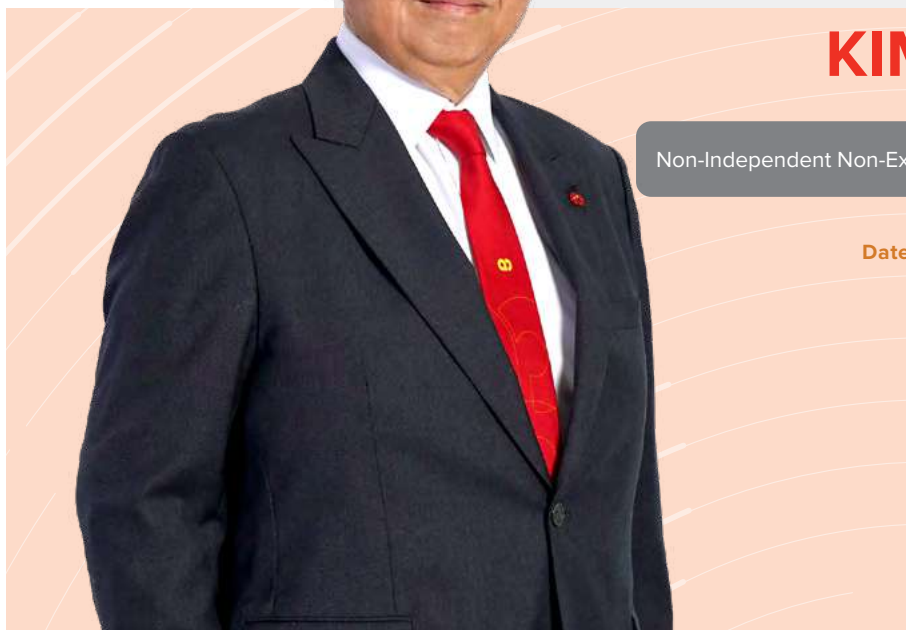
Nationality

62

Age

M

Gender

**SOO  
KIM WAI**

Non-Independent Non-Executive Director

**Date of Appointment:**

4 October 2002

**Membership of Board Committee(s):**

N

**Qualification(s):**

- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants
- Fellow, Certified Practising Accountant, Australia
- Fellow, Association of Chartered Certified Accountants, United Kingdom

**Directorship(s) in Listed Issuers in Malaysia:**

- Non-Independent Non-Executive Director, RCE Capital Berhad

**Experience:**

- Soo Kim Wai is currently the Group Managing Director of Amcorp Group Berhad. He joined Amcorp Group Berhad in 1989 as Senior Manager, Finance, and has since held various positions before he was promoted to his current appointment. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for five years with Deloitte KassimChan from 1980 to 1985.
- He sits on the board of some private limited companies and foreign companies. He also serves as Non-Independent Non-Executive Chairman of AmREIT Managers Sdn Bhd, the Manager of AmFirst Real Estate Investment Trust. He is also the Non-Independent Non-Executive Chairman of AmREIT Holdings Sdn Bhd.
- He is a Non-Independent Non-Executive Director of AmBank (M) Berhad, a wholly-owned subsidiary of AMMB.
- He also sits on the Board of Amcorp Properties Berhad.
- He is also a Non-Independent Non-Executive Chairman of Amcorp Global Limited, a subsidiary of Amcorp Group Berhad, listed on the mainboard of the Singapore Stock Exchange.

**Declaration:**

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB except as follows:

- Group Managing Director of Amcorp Group Berhad, which is a substantial shareholder of AMMB.

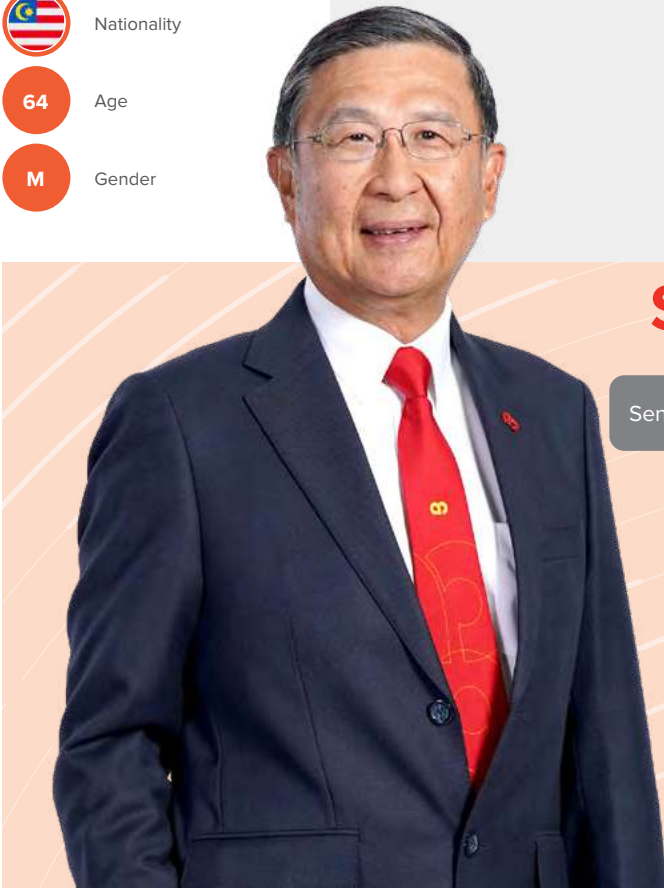
He has not been convicted for any offence within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.



 Nationality

**64** Age

**M** Gender



## VOON SENG CHUAN

Senior Independent Non-Executive Director

**Date of Appointment:**  
18 June 2015

### Membership of Board Committee(s):



### Qualification(s):

- Bachelor of Science (Honours) in Mathematics, University of Malaya

### Directorship(s) in Listed Issuers in Malaysia:

- Independent Non-Executive Director, Mesiniaga Berhad

### Experience:

- Voon Seng Chuan has been part of the Information Technology (IT) industry for about three decades. In April 2008, he joined the IBM Quarter Century Club reflecting his 25 years of service in IBM. He retired from IBM in March 2010.
- In his 27 years of service with IBM, he held a number of roles delivering all aspects of IT products and services for clients in all industry segments in Malaysia and the Asia Pacific region. His last role in IBM prior to his retirement was Director for Mid-Market Segment in Asia Pacific.
- From 2000 to 2006, he was the Managing Director for IBM Malaysia and Brunei. He responded to the Malaysian Government's call to transform the nation into an international shared services and outsourcing hub by leading IBM's investment in seven regional centres/operations in Malaysia. In doing so, IBM is well positioned to transfer best practices and high-skilled expertise to the country.
- In 2013, he was recognised with the "Outsourcing Leader of the Year" award by Outsourcing Malaysia. He was also a Council Member of PIKOM (National ICT Association of Malaysia) from 1994/1995 and 1999/2000.
- He is the Independent Non-Executive Chairman of AmBank (M) Berhad, a wholly-owned subsidiary of AMMB.
- He is also a Trustee of CVSKL Foundation.
- During his spare time, Mr Voon loves to travel, especially to places where he can indulge in photography and play golf.

### Declaration:

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

He has not been convicted for any offence within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

## PROFILE OF THE BOARD OF DIRECTORS



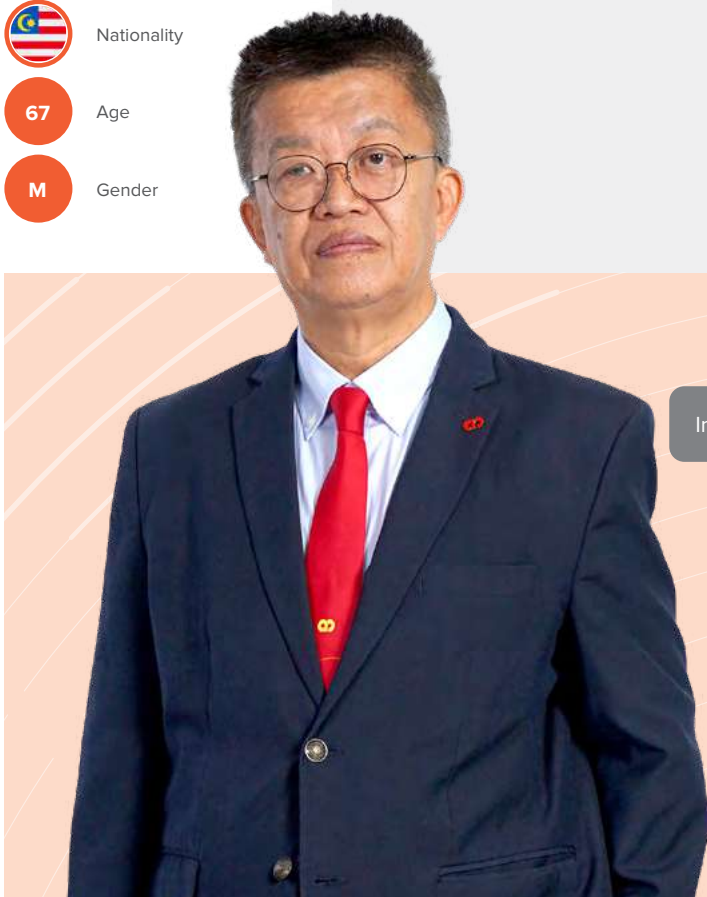
Nationality

67

Age

M

Gender



## SEOW YOO LIN

Independent Non-Executive Director

**Date of Appointment:**

30 June 2016

**Membership of Board Committee(s):**

**Qualification(s):**

- Master of Business Administration, International Management Centre, Buckingham, United Kingdom
- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accountants

**Directorship(s) in Listed Issuers in Malaysia:**

- None

**Experience:**

- Seow Yoo Lin joined KPMG Malaysia in 1977 and qualified as a Certified Public Accountant in 1980. In 1983, he was seconded to KPMG United States to gain overseas experience, specialising in banking assignments. He returned in 1985 and was admitted as Partner in 1991.
- He has been the audit partner on a wide range of companies including public listed companies and multinationals in banking and finance, manufacturing, trading and services. In addition, he held various leadership roles including those of Human Resource Partner, Partner in charge of Financial Services and was a member of the KPMG Asia Pacific Board.
- He was a member of Executive Committee of the Malaysian Institute of Certified Public Accountants from 2009 to 2010 and a Council member of the Malaysian Institute of Accountants from 2007 to 2011. He was the Managing Partner of KPMG Malaysia from 2007 to 2010. He retired from the firm in 2011.
- He is an Independent Non-Executive Director of AmlInvestment Bank Berhad, a wholly-owned subsidiary of AMMB.

**Declaration:**

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

He has not been convicted for any offence within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.



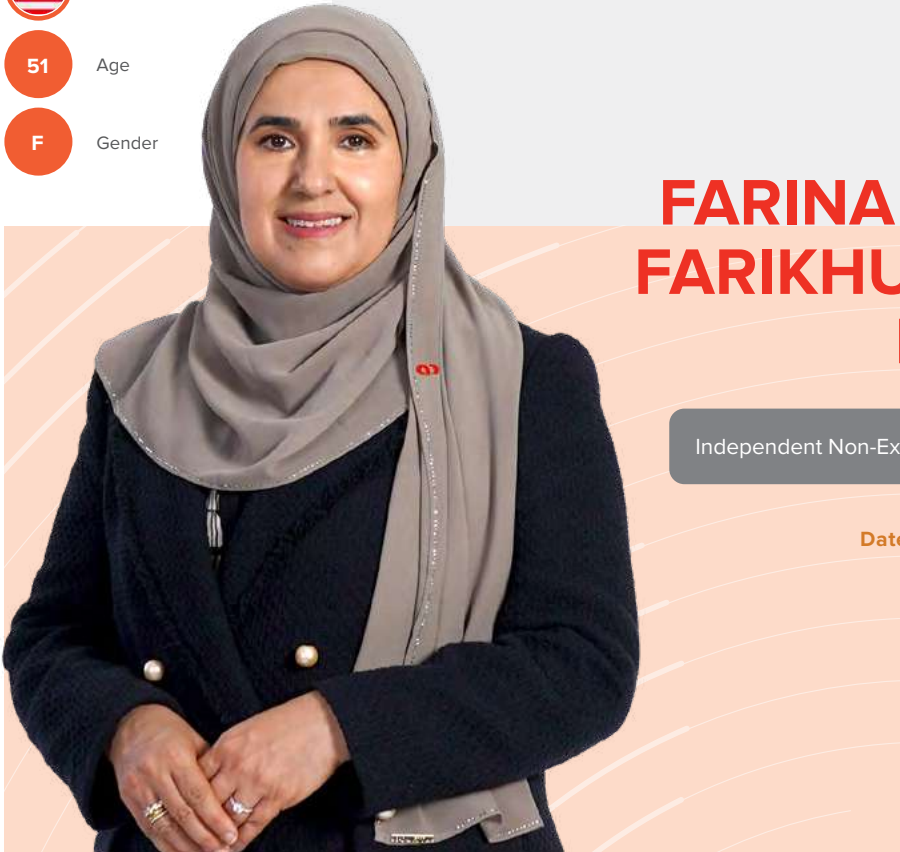
Nationality

51

Age

F

Gender



## FARINA BINTI FARIKHULLAH KHAN

Independent Non-Executive Director

**Date of Appointment:**  
8 August 2017

### Membership of Board Committee(s):



### Qualification(s):

- Bachelor of Commerce in Accounting, University of New South Wales, Australia
- Fellow, Chartered Accountants Australia and New Zealand
- Advanced Management Program, Harvard Business School, United States of America

### Directorship(s) in Listed Issuers in Malaysia:

- Senior Independent Non-Executive Director, Petronas Gas Berhad
- Independent Non-Executive Director, KLCC Property Holdings Berhad
- Independent Non-Executive Director, Icon Offshore Berhad

### Experience:

- Farina binti Farikhullah Khan has over 25 years of working experience, predominantly in the oil and gas industry.
- She started out her career in 1994 with Coopers & Lybrand, Australia in the Business Services unit for three years.
- In 1997, she returned to Malaysia to join Petroliam Nasional Berhad (PETRONAS) in the Corporate Planning and Development Division where she started as an executive and in the ensuing years until 2005, she held various positions including Senior Manager (Strategy and Portfolio) in Group Strategic Planning of PETRONAS.
- She subsequently assumed the position of Chief Financial Officer of PETRONAS Carigali Sdn. Bhd., one of the largest subsidiaries of PETRONAS with operations in over 20 countries, from 2006 to 2010. She then served as the Chief Financial Officer at PETRONAS Exploration and Production Business, the largest arm of PETRONAS Business, from mid-2010 until 2013, where the business included both PETRONAS Carigali Group of Companies as well as the Petroleum Management Unit of PETRONAS.
- Prior to leaving PETRONAS Group at the end of 2015 to pursue her other interests, she was the Chief Financial Officer of PETRONAS Chemical Group Berhad, the largest listed entity of PETRONAS, for two years.
- She had also previously served on the Board of various PETRONAS entities, such as Progress Energy Canada Ltd as well as a number of PETRONAS joint venture entities with foreign partners.
- She is an Independent Non-Executive Director of AmBank Islamic Berhad, a wholly-owned subsidiary of AMMB.
- She is an Independent Non-Executive Director of KLCC REIT Management Sdn Bhd, the Manager of KLCC Real Estate Investment Trust and also a Non-Executive Director of EnQuest PLC, a company listed on London Stock Exchange.

### Declaration:

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

She has not been convicted for any offence within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

## PROFILE OF THE BOARD OF DIRECTORS



Nationality

60

Age

M

Gender

**HONG KEAN YONG**

Independent Non-Executive Director

**Date of Appointment:**

10 October 2019

**Membership of Board Committee(s):****Qualification(s):**

- Bachelor of Engineering (Honours) in Electrical and Electronics Engineering, University of Malaya

**Directorship(s) in Listed Issuers in Malaysia:**

- Non-Independent Non- Executive Director, TIME dotCom Berhad


**Experience:**

- Hong Kean Yong was the Senior Vice President of Strategic Planning and Technology Advisor at Taylors Education Group from April 2011 until June 2018, where his primary responsibility was to advise the Group Chief Executive Officer on adoption of information technology in the various operating divisions and provide oversight of Chief Information Officer of Higher Education Division.
- Prior to that, he was the Group Chief Information Officer for Hong Leong Financial Group Berhad from April 2008 to March 2011. He was responsible for the Group IT Strategy and IT Oversight of all subsidiary companies. He played an important role in setting the IT Vision and Mission and the synergies in the application of technology to enable business, including the IT architecture, design and development across the financial services group.

**Declaration:**

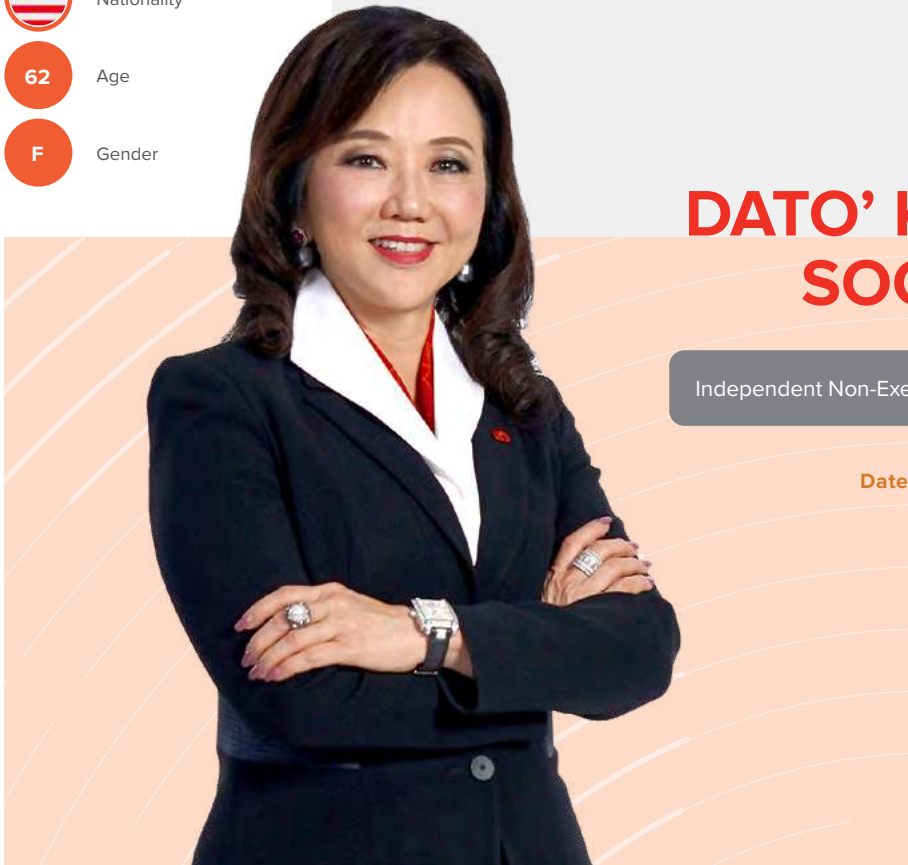
He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

He has not been convicted for any offence within the past five years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

 Nationality

**62** Age

**F** Gender



## DATO' KONG SOOI LIN

Independent Non-Executive Director

**Date of Appointment:**  
30 October 2019

**Membership of Board Committee(s):**



**Qualification(s):**

- Bachelor of Commerce (Honours), University of New South Wales, Australia
- Fellow, Certified Practising Accountant, Australia
- Chartered Banker, Asian Institute of Chartered Bankers
- Chartered Accountant, Malaysian Institute of Accountants

**Directorship(s) in Listed Issuers in Malaysia:**

- Independent Non-Executive Director, Eco World International Berhad
- Independent Non-Executive Director, IOI Corporation Berhad

**Experience:**

- Dato' Kong Sooi Lin has over 30 years of investment banking experience and has extensive equity and debt transaction expertise, having advised on numerous high profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific.
- She began her career with Ernst & Whinney (now known as Ernst & Young PLT) and Arthur Anderson & Co. and then joined Bumiputra Merchant Bankers Berhad under Corporate Banking in 1989.
- In 1994, she joined CIMB Investment Bank Berhad (CIMB Investment Bank) and has been with CIMB Group Holdings Berhad (CIMB Group) for 25 years until her retirement from CIMB Investment Bank as its Chief Executive Officer in March 2019. Throughout her tenure with CIMB Group, Dato' Kong has contributed significantly to entrenching CIMB as one of the top investment banking houses domestically and across ASEAN.
- She has held various capacities within CIMB Group. Her roles include Group Head of Investment Banking Division for the Asia Pacific region, Group Head of Private Banking, Head of Senior Bankers Group, Chairperson of CIMB Private Limited Sri Lanka and Commissioner on the Board Commissioners of CIMB Securities Indonesia.
- She is an Independent Non-Executive Director of AmInvestment Bank Berhad, a wholly-owned subsidiary of AMMB.
- She keeps herself fit and healthy by practising pilates, yoga and hiking. She continues to harness her passion in business by regularly following business and financial news. She enjoys socialising with friends and family and being involved in church activities as a way to give back to the community.

**Declaration:**

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

She has not been convicted for any offence within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

## PROFILE OF THE BOARD OF DIRECTORS



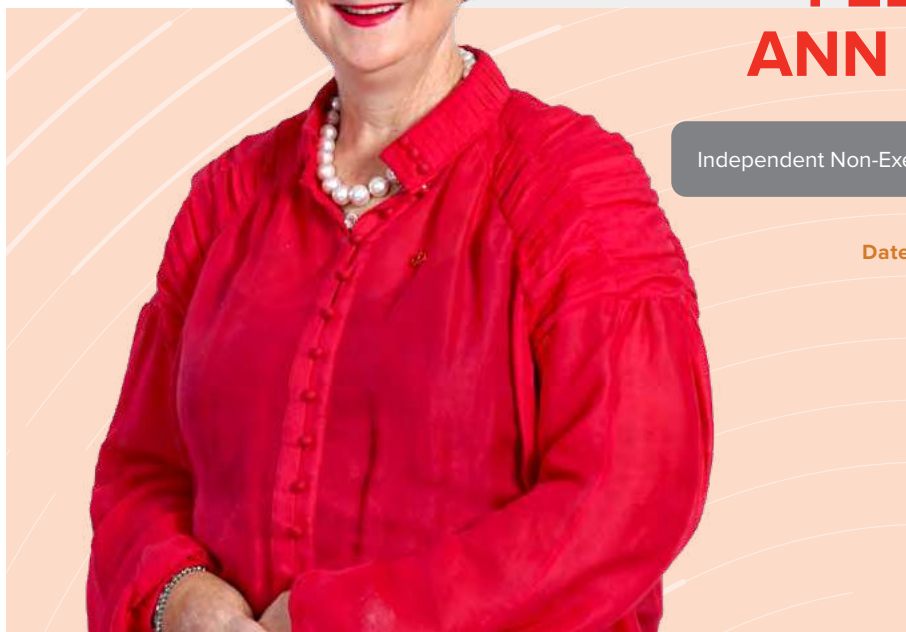
Nationality

58

Age

F

Gender



## FELICITY ANN YOUL

Independent Non-Executive Director

**Date of Appointment:**  
15 April 2022

### Membership of Board Committee(s):

R

### Qualification(s):

- Bachelor of Economics, University of Sydney, Australia
- Bachelor of Laws, University of Sydney, Australia
- Graduate Diploma in Legal Practice, University of Technology, Australia
- Graduate Diploma in Applied Finance and Investment, Securities Institute of Australia
- Graduate of INSEAD (Singapore) Certificate in Corporate Governance
- Graduate of the Australian Institute of Company Directors Course
- Graduate of the Leading Sustainable Corporations Programme, Said Business School, Oxford University

### Directorship(s) in Listed Issuers in Malaysia:

- None

R Risk Management  
Committee

### Experience:

- Felicity Ann Youl is a leading expert in compliance, operational risk, corporate social responsibility (CSR) and legal matters impacting financial services in the Asia Pacific region.
- She has 30 years' experience in compliance, operational risk, CSR, legal and board and leadership roles, working in diverse cultural environments of Asia Pacific and Europe, based in Hong Kong, London and Sydney.
- She established Citigroup and BNP Paribas' Regional Compliance, Financial Security (Anti-Money Laundering and Sanctions) and regulatory Compliance infrastructures for Asia Pacific.
- She also established BNP Paribas' Operational Risk framework for Asia Pacific (2009 - 2015), and CSR governance and related operations (2013 - 2016).
- She enjoys studying permaculture, in connection with a permaculture farm which she has been developing over the past three years with her husband and three children in Australia. She also enjoys breeding Araucana chickens, Sebastopol geese and Boer goats, and caring for other animals on their farm including peacocks and guineafowl.

### Declaration:

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

She has not been convicted for any offence within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

## PROFILE OF COMPANY SECRETARY



**KOID PHAIK GUNN**

Group Company Secretary

 Nationality

 58 Age

 F Gender

**Date of Appointment:**

9 March 2010

**Qualification(s):**

- Fellow, Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Bachelor of Law, University of London, United Kingdom

**Directorship(s) in Listed Issuers in Malaysia:**

- None

**Experience:**

- Koid Phaik Gunn has more than three decades of experience in corporate secretarial practice. She joined the Group in 1993 as Company Secretary of AmSecurities Sdn Bhd, then the stockbroking arm of the Group.
- In 2004, she moved to the Group Legal and Company Secretarial Department as Deputy Group Company Secretary. She has been the Group Company Secretary of the Group since 2009.
- Prior to joining the Group, she was in company secretarial practice for nine years.

**Declaration:**

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of AMMB.

She has not been convicted for any offence within the past five years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
60 years old
- **Date of Appointment:**  
23 November 2015

### 1 DATO' SULAIMAN MOHD TAHIR

Group Chief Executive Officer  
AmBank Group

#### Qualification(s)

- Bachelor of Accounting, RMIT University, Australia
- Chartered Banker, Asian Institute of Chartered Bankers

#### Responsibilities

In his capacity as the Group Chief Executive Officer of AmBank Group, Dato' Sulaiman Mohd Tahir carries the pivotal responsibility of steering the management of all Group businesses. His primary responsibility is to ensure that each business unit is aligned with the Group's strategic growth objectives and contributes meaningfully towards long-term value creation. This mandate prioritises the interests of our various stakeholders, including shareholders, customers and employees, and aims to promote a shared vision of "Growing Trust, Connecting People".

#### Experience

Dato' Sulaiman has been instrumental in driving growth and innovation at AmBank, leveraging a professional journey in the Malaysian banking industry cultivated over three decades. His visionary approach has led to the conceptualisation and execution of a fresh operational paradigm, rooted in transformative practices and underscored by innovative methodologies. His focus on digital advancements in the banking sector has catalysed a suite of initiatives that have expedited the Group's digital evolution, solidifying AmBank's standing as a leader in digital integration.

Under Dato' Sulaiman's strategic leadership, backed by AmBank's talent pool, the Group has emerged as an award-winning financial institution offering advanced banking solutions and services to a diverse clientele comprising individuals and businesses. This evolution has also significantly improved the overall customer experience.

Dato' Sulaiman's career commenced in 1986, at Price Waterhouse, which eventually evolved into PwC (PricewaterhouseCoopers). Transitioning into the banking sector, he charted his path at Bank of Commerce in 1987, assuming the role of Corporate Banking Officer. He then expanded his career portfolio, stepping into the roles of Group Head of the Japanese Business Unit, Branch Manager and Area Business Manager. His ascent coincided with the strategic acquisition of United Asian Bank by Bank of Commerce.

Towards the end of 1999, the merger of Bank of Commerce and Bank Bumiputra Malaysia created one of the largest banks in Malaysia, Bumiputra Commerce Bank. Dato' Sulaiman embraced new opportunities in leadership within the Group. He served as the Regional Business Manager for the Central Region, Head of the Credit Card Centre and subsequently, the Head of Retail Sales and Retail Sales & Distribution.

In 2006, Dato' Sulaiman steered his career into a new chapter when the Bumiputra-Commerce Group was incorporated into CIMB Group. With his proven track record, Dato' Sulaiman ascended through the ranks at CIMB Group. He held a series of roles, including Head of Consumer Sales and Distribution, Regional Head of Consumer Sales and Distribution and Head of Consumer Banking.

His decade-long journey with CIMB culminated in his appointment as Chief Executive Officer/Executive Director of CIMB Bank, reflecting his commitment, expertise and leadership excellence in the banking industry.

Dato' Sulaiman is a Council Member of the Association of Banks in Malaysia (ABM) and also a committee member of the Joint Committee on Climate Change (JC3).

#### Directorship(s) in Listed Issuers in Malaysia

Dato' Sulaiman sits on the boards of several other subsidiaries and joint ventures of AMMB. These include AMAB Holdings Sdn Bhd, AmGeneral Holdings Berhad, Liberty General Insurance Berhad (also known as AmGeneral Insurance Berhad), AmMetLife Insurance Berhad and AmMetLife Takaful Berhad. He also serves on the boards of Financial Industry Collective Outreach (FINCO) and Payments Network Malaysia Sdn Bhd (PayNet).

Dato' Sulaiman was also the Director of Liberty Insurance Berhad for the period of July 2022 to March 2023 prior to the completion of its integration exercise with AmGeneral Insurance Berhad on 1 April 2023.

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
47 years old
- **Date of Appointment:**  
1 April 2015

**EQHWAN MOKHZANEE BIN MUHAMMAD**  
Chief Executive Officer  
AmBank Islamic Berhad

### Qualification(s)

- Bachelor's Degree in Economics, University of Cambridge, United Kingdom (1997)
- Master's Degree in Economics, University of Cambridge, United Kingdom (2000)
- Harvard Senior Management Development Programme (2010)
- Associate/Fellow, Institute of Chartered Accountants in England and Wales (ICAEW) (2001/2017)
- Chartered Accountant, Malaysian Institute of Accountants (MIA) (2002)
- Chartered Banker, Asian Institute of Chartered Bankers (AICB) (2015)
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals (CIIF) (2018)

### Others

- Member, Industry Advisory Panel of Azman Hashim International Business School, Universiti Teknologi Malaysia (UTM) (2018 to present)
- Professor of Practice, The International Centre for Education in Islamic Finance (INCEIF) (2019)
- Chairman of the Steering Committee of the Financial Industry Collective Outreach (FINCO) (2022 to present)
- Co-Chairman of the Risk Management Sub-Committee of the Joint Committee on Climate Change (JC3) (2023 to present)

### Responsibilities

Eqhwan manages and oversees AmBank Islamic Berhad and is also responsible for charting its strategic direction. In addition, Eqhwan has been AmBank Group's Sustainability/ESG Champion since 2019 where he has been responsible for driving AmBank Group's Sustainability/ESG agenda and overseeing the Group Sustainability Department.

### Experience and Achievements

Eqhwan has approximately 25 years of corporate and financial services experience. He started his career with PricewaterhouseCoopers in London before joining the corporate advisory practice of PricewaterhouseCoopers in Kuala Lumpur. Thereafter, he worked with local and foreign banks, where he was exposed to corporate banking, debt capital market, corporate finance, financial advisory and real estate investment. Other than in banking, his career has provided him with experience in corporate management, mergers and acquisitions (M&A), strategy development and operational start-ups within and outside Malaysia.

Eqhwan has been invited as a speaker at conferences in Malaysia and overseas. He has also developed award-winning and innovative Islamic financial structures and authored research papers on Islamic finance.

Eqhwan was the first Chairman of the industry-level Working Group which developed the value-based intermediation (VBI) sectoral guides for the palm oil, renewable energy and energy efficiency sectors, which were issued on 31 March 2021. These sectoral guides are meant to facilitate financial institutions in assigning ESG ratings for investment and financing decisions.

Eqhwan has received a number of awards, such as the 'Islamic Banker of the Year 2019' and 'CEO of the Year for two consecutive years in 2021 and 2022' at the Global Islamic Finance Awards, and was named as the 'Best Islamic Banking CEO Malaysia' by Global Banking and Finance Review for three consecutive years (i.e. 2019 to 2021).

### Directorship(s) in Listed Issuers in Malaysia

None

### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
57 years old
- **Date of Appointment:**  
28 October 2020

### 3 TRACY CHEN WEE KENG

Chief Executive Officer  
AmInvestment Bank Berhad

#### Qualification(s)

- Bachelor of Management (First Class Hons), University Sains Malaysia
- Capital Market Services Representative's Licence (CMSRL)
- Chartered Banker, AICB/(CB)

#### Responsibilities

As the Chief Executive Officer of AmInvestment Bank, Tracy Chen is responsible for stewarding the investment bank's full range of integrated solutions and services, including corporate finance, equity capital markets, debt and sukuk origination, private banking, fund management and stockbroking services. Tracy also actively engages with other participants in the investment banking industry through her position as a Council Member of the Malaysian Investment Banking Association for 2021/2022.

#### Experience

Tracy has more than 30 years of experience in the investment banking and financial services industry. Before joining AmBank Group, Tracy served for almost two decades at CIMB Investment Bank where she held several senior roles in the coverage and origination of investment banking business, including the position of Senior Managing Director and Co-Head of Senior Bankers Group. She is regarded as one of the most experienced industry professionals, having advised on numerous high-profile and innovative debt and equity transactions. She started her banking career at Ban Hin Lee Bank and Standard Chartered Bank where she gained extensive experience in corporate banking and cash management. She ventured into investment banking when she joined Affin Merchant Bank.

#### Directorship(s) in Listed Issuers in Malaysia

None

#### Declaration

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. She has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on her by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
48 years old
- **Date of Appointment:**  
1 January 2023

### 4 JAMZIDI KHALID (JK)

Managing Director  
Wholesale Banking

#### Qualification(s)

- Executive Education, University of Cambridge, Judge Business School, UK
- Chartered Banker, Asian Institute of Chartered Bankers
- Bachelor of Science in Business Administration, Northeastern University, Boston, Massachusetts, USA

#### Responsibilities

JK spearheads the Group's Wholesale Banking division encompassing Group Treasury and Markets, Group Transaction Banking, Wholesale Banking Client Coverage, Corporate Banking and Credit Portfolio Management. He is also a member of the Bank Negara Malaysia's Financial Market Committee (FMC).

#### Experience

JK has over 22 years of experience in financial markets, covering fund management, debt capital markets and treasury management. He spent his early years at Petroliam Nasional Berhad, before transitioning to the banking and finance industry at Standard Chartered Bank, followed by ABN Amro Bank. He was also the Head of FICC & Treasury at BNP Paribas Malaysia, and held several key roles locally as well as regionally at Deutsche Bank. Prior to his current role, JK was the Deputy Managing Director of Wholesale Banking and Head of Group Treasury & Markets (GTM).

#### Directorship(s) in Listed Issuers in Malaysia

None

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



- **Nationality:**  
Malaysian
- **Age:**  
50 years old
- **Date of Appointment:**  
1 September 2019

### 5 AARON LOO BOON SENG

Managing Director  
Retail Banking, AmBank Group

#### Qualification(s)

- Bachelor of Engineering in Computation with First Class Honours, Imperial College, London
- Master of Science in Advanced Computation, Imperial College, London

#### Responsibilities

Aaron oversees AmBank Group's Retail Banking division and is responsible for the development and execution of AmBank's retail banking strategy, encompassing both individuals as well as small businesses. His area of responsibility covers business and strategic planning, channel management, product development, customer experience and care, as well as operations and credit management. He is focused on strengthening AmBank's position in the affluent, mass affluent and SME segments through the development of integrated value propositions delivered via enhanced channels, both physical, such as branches and relationship managers, and virtual, via digital banking and call centres. He is also working on developing innovative new solutions for customers through partnerships and alliances.

#### Experience

Aaron Loo is a veteran banker with more than 20 years of experience in the financial services sector. He started his career at McKinsey & Company before moving to the financial services industry where he held senior roles in CIMB, Alliance Bank, Standard Chartered and OCBC Bank. Aaron was most recently the Digital Transformation Officer working at OCBC's head office in Singapore where he drove the digital transformation efforts for OCBC's Malaysian franchise. Prior to that, Aaron was the Country Head of Retail Banking for Standard Chartered Bank Malaysia, where he grew the Priority Banking and Retail SME businesses while leading the bank's digital transformation programme.

#### Directorship(s) in Listed Issuers in Malaysia

Non-Independent Non-Executive Director of BonusKad Loyalty Sdn Bhd

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
50 years old
- **Date of Appointment:**  
2 February 2017

### 6 CHRISTOPHER YAP HUEY WEN

Managing Director  
Business Banking, AmBank Group

#### Qualification(s)

- Bachelor of Science, Business Administration, St. Cloud State University, United States of America

#### Responsibilities

Christopher Yap leads AmBank Group's Business Banking division, focusing on growing the Small and Medium-Sized Enterprises (SMEs), Mid-Corporation and Commercial Banking segments. His core responsibilities include expanding the Group's presence and market share in the SME & Commercial banking segment, overseeing business operations, and providing strategic leadership for the division through market-responsive business solutions, entrepreneurial development programmes and service excellence. Since his appointment, Business Banking has now acquired more than 13,000 business customers, achieving a compound annual growth rate of 23.7% for loans, and total corresponding revenue of 22.3% as of Financial Year 2023.

He has introduced several initiatives to help businesses scale and grow through both financing and beyond financing channels. The AmBank BizCLUB has engaged with more than 12,000 business owners to date – exploring several pertinent avenues for businesses such as IR 4.0, digitalisation and ESG.

Through these efforts, AmBank has received 15 awards for the Best SME Bank in Malaysia from various organisations since 2018.

#### Experience

Christopher Yap has more than two decades of financial services experience, with a focus on the commercial and SME segments. He began his career in trade services with Citibank Malaysia. He also held the SME portfolio at Alliance Bank where he was instrumental in growing the bank's SME business to a 25% share of the bank's revenue.

#### Directorship(s) in Listed Issuers in Malaysia

Non-Independent Non-Executive Director of AmREIT Holdings Sdn Bhd and AmREIT Managers Sdn Bhd.

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



- **Nationality:**  
Malaysian
- **Age:**  
54 years old
- **Date of Appointment:**  
1 June 2017

### 7 JAMIE LING FOU-TSONG

Group Chief Financial Officer  
AmBank Group

#### Qualification(s)

- B.A. (Hons) Economics and Accounting, University of Newcastle Upon Tyne, United Kingdom
- Fellow, Institute of Chartered Accountants in England and Wales, United Kingdom
- Member, Association of Chartered Certified Accountants
- Alumni, Executive Management Programmes of Templeton College, Oxford University and INSEAD

#### Responsibilities

Jamie Ling, as the Group Chief Financial Officer (Group CFO), manages the full spectrum of AmBank Group's finance. He assumes the responsibility of overseeing the Group's financial strategy and implementation, as well as the Group's business strategy.

#### Experience

Jamie has garnered over two decades of regional and international banking experience across Asia and Europe. His in-depth commercial and financial experience covers key roles held in treasury, finance, risk management and sales in international banking institutions. After qualifying as a Chartered Accountant, he joined HSBC and subsequently, Standard Chartered Bank in London. Over the course of 17 years, he has held leadership roles in Malaysia, the United Kingdom, and Northeast Asia. He was the Regional Chief Financial Officer of Standard Chartered Bank for Greater China and Northeast Asia, covering Hong Kong, Taiwan, China, South Korea and Japan. He was also a board member of Standard Chartered (Hong Kong) Limited and Hong Kong Note Printing Limited.

#### Directorship(s) in Listed Issuers in Malaysia

None

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
58 years old
- **Date of Appointment:**  
2 February 2017

### 8 DATUK ISWARAAN SUPPIAH

Group Chief Operations Officer  
AmBank Group

#### Qualification(s)

- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants
- Member, Financial Planning Association of Malaysia

#### Responsibilities

Datuk Iswaraan Suppiah oversees both the Group Information Technology and Operation (GIOD) and Digital Banking divisions, mandated to institutionalise digitalisation and information technology within the Group's operations. He oversees and ensures, among others, the effective rollout of the Group's digital blueprint, AmDigital.

#### Experience

Datuk Iswaraan was the Group Chief Information and Operations Officer for CIMB Group before joining AmBank, where he managed the bank's digital transformation, information system and banking operations across all businesses and geographies. His primary focus was on digitalising the bank through the strategic application of technology and innovation. His three-decade career began in audit with the accountancy firm Arthur Anderson, before joining the Bank of Commerce in 1991. He joined CIMB Securities subsequently in 1994, where he held various roles in operations, equity risk, strategy risk and compliance. He became the Executive Director of Operations, prior to moving to the parent company, CIMB Merchant Bank, in 2000. Since joining AmBank in 2017, he has built two award-winning online channels in-house, implemented state-of-the-art analytics, driven process automation and embraced open-source adoption. He is responsible for co-creating the Digital Strategy of the Bank, with lines of business. He has championed significant growth in digital adoption and revenue among all AmBank customer segments. He spearheads the governance and adoption of Artificial Intelligence across the bank to drive sustainable growth and competitive advantage through improved productivity, better customer experience and risk management.

#### Directorship(s) in Listed Issuers in Malaysia

None

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



- **Nationality:**  
Malaysian
- **Age:**  
52 years old
- **Date of Appointment:**  
15 March 2016

### 9 FARADINA BINTI MOHAMMAD GHOUSE

Group Chief Compliance Officer  
AmBank Group

#### Qualification(s)

- Chartered Banker
- Bachelor of Management (Hons), Universiti Sains Malaysia

#### Responsibilities

Faradina Binti Mohammad Ghouse is responsible for overseeing the Group's compliance function and ensuring enterprise-wide compliance with all internal and external policies, legal frameworks and regulations. Her role includes the effective management of compliance risk and reinforcement of ongoing efforts to uphold the highest standards of integrity across the Group's businesses.

#### Experience

Faradina has 26 years of experience in the Malaysian, regional and global financial industry, covering Anti Money Laundering (AML) operations, Transactions Banking Operations; payment, trade, securities and fund services operations, and Audit.

Prior to joining AmBank Group, Faradina was Citigroup's Global Head of Transactions Monitoring, Standards and Training for Citi's AML Operations.

She began her career as a Dealer Representative with a stockbroking firm, before joining Citibank Malaysia as Management Associate. In Citi, she held various roles which includes Account Manager and Head of Operations for Citigroup Securities & Fund Services Malaysia, Trade Operations and Audit Manager with Citigroup's APAC Audit & Risk Review division based in Singapore. She then returned to Malaysia as the Head of Operations for Citigroup's Regional (APAC) AML Transaction Monitoring Operations Hub, based in Kuala Lumpur.

Upon joining AmBank in 2016, she led the enterprise-wide Culture and Compliance transformation programme for the Group.


#### Directorship(s) in Listed Issuers in Malaysia

None

#### Declaration

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. She has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on her by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



➤ **Nationality:**  
Netherlands

➤ **Age:**  
56 years old

➤ **Date of Appointment:**  
1 January 2017

**10 JEROEN THIJS**  
Group Chief Risk Officer  
AmBank Group

### Qualification(s)

- Master of Business and Finance, Erasmus University, Rotterdam, the Netherlands
- Chartered Banker Asian Institute of Chartered Bankers (AICB) (2019)

### Responsibilities

Jeroen Thijs is responsible for strategising, monitoring, identifying and enforcing the Group's risk management framework to safeguard the Group's financial, operational, market and reputational integrity. He also plays the crucial role of supporting the Group's growth strategy and endeavours by ensuring that sound risk practices are adhered to and business outcomes are achieved.

### Experience


Jeroen Thijs has worked across Asia and Europe in his over 30 years of experience in risk management, corporate banking, structured finance and treasury functions. Having worked in Malaysia since 2009, he has garnered considerable exposure to and insights into the Malaysian conventional and Islamic banking models and risk landscape. Jeroen began his career as a credit analyst with Rabobank International in Singapore, before moving to senior roles at ABN AMRO Bank in Japan, Singapore, the Netherlands and the United Kingdom. Prior to AmBank, he held key roles in reputable banking institutions, including as Country Chief Risk Officer at OCBC Bank Malaysia and Chief Risk Officer at Bank Islam Malaysia.

### Directorship(s) in Listed Issuers in Malaysia

None

### Declaration

Jeroen Thijs does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



➤ **Nationality:**  
Malaysian

➤ **Age:**  
58 years old

➤ **Date of Appointment:**  
15 February 2022

**11 ROHANI BINTI MUSTAFFA**  
Group Chief Human Resource Officer  
AmBank Group

### Qualification(s)

- Degree in Jurisprudence, University Malaya

### Responsibilities

Rohani holds the key responsibility of strategising, developing and implementing AmBank Group's people agenda. We recognise the importance of human capital in our organisation to drive business objectives. Some of the key aspects which fall under her purview are manpower planning, organisational and performance management, talent development and succession management and engagement and change management, as well as compensation. She provides strategic counsel and leadership on human capital issues and defines plans to enhance the Bank's human capital performance to the executive management team, shareholders and the Board of Directors. As evident in group key engagement results, Rohani is a strong advocate of employee engagement as it is a key link to the organisation's reputation and stakeholder values. Her leadership is known for fostering a culture of strong and proactive employee engagement, creating an environment where every individual is part of the organisation and is engaged. It is her steadfast belief that people are the organisation's greatest lever for success.

### Experience

Rohani has garnered more than two decades of experience covering the full spectrum of banking in business & human resource functions, and has excellence track record in leading organisational transformation and people development.

### Directorship(s) in Listed Issuers in Malaysia

None

### Declaration

She does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. She has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on her by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



- **Nationality:**  
Malaysian
- **Age:**  
48 years old
- **Date of Appointment:**  
25 September 2017



### SHAMSUL BAHROM BIN MOHAMED IBRAHIM

Group Chief Internal Auditor  
AmBank Group

#### Qualification(s)

- Master of Business Administration (MBA) – University of Strathclyde, Glasgow, Scotland, United Kingdom
- Bachelor of Science (Hons) in Finance and Accounting – University of Salford, Manchester, United Kingdom
- Chartered Banker (CB) – Chartered Banker Institute (CBI), United Kingdom and Asian Institute of Chartered Bankers (AICB)
- Certification for Bank Auditors (CBA) – Asian Institute of Chartered Bankers (AICB)
- Certified Professional in Financial Crime Compliance [Prof.PgDip (FCC)] – International Compliance Association (ICA) and Asian Institute of Chartered Bankers (AICB)
- Certified Fraud Examiner (CFE) – Association of Certified Fraud Examiners (ACFE)
- Chartered Professional in Islamic Finance (CPIF) – Chartered Institute of Islamic Finance Professionals (CIIF)
- Cybersecurity Fundamentals Certificate (CSX-f) – Information Systems Audit and Control Association (ISACA)
- Qualified Risk Auditor (QRA) – Institute of Enterprise Risk Practitioners (IERP)

#### Other Contributions & Off-the-Job Involvement

- Chairman of Chief Internal Auditors Networking Group (CIANG) – Asian Institute of Chartered Bankers (2019 to present)
- Member of the *Shariah* Audit Working Group – Malaysian Institute of Accountants (September 2022)
- Member of Task Force on Guidelines on Internal Audit Function (GIAF) 2.0 – Institute of Internal Auditors Malaysia (June 2021 to December 2022)

#### Responsibilities

Shamsul Bahrom bin Mohamed Ibrahim is tasked with providing insights into AmBank Group's overall governance, systems of internal control and the corresponding compliance culture within its business operations. The primary role of the Group Internal Audit function is to safeguard the assets, reputation and sustainability of AmBank Group and as the Group Chief Internal Auditor, Shamsul facilitates Board and Management oversight by ensuring the effectiveness of the systems of internal control, including compliance with relevant laws and regulations, as well as recommending the required risk mitigation measures.

#### Experience

Shamsul has over 24 years of internal auditing experience, having joined AmBank Group as an executive in 1999 and risen through the ranks to lead the Group's Internal Audit division. Throughout the years, he has headed the audit teams for various business units within the Group. Prior to his current appointment, he was the Deputy Group Chief Internal Auditor and Portfolio Audit Head for the Wholesale Banking, Markets and Fund Management division. Shamsul is also in his third term as the Chairman of the Chief Internal Auditors Networking Group, an expert networking group established by the Asian Institute of Chartered Bankers to enhance the professionalism, effectiveness and importance of the internal audit function in the financial services industry. Shamsul is also a Member of the Malaysian Institute of Accountants' *Shariah* Audit Working Group which was set up to lead and oversee the development and production of the publications in relation to *Shariah* Audit initiatives. Aside from that, Shamsul was also a Member of the Institute of Internal Auditors Malaysia's Task Force on Guidelines on Internal Audit Function (GIAF) 2.0.


#### Directorship(s) in Listed Issuers in Malaysia

None

#### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.

## PROFILE OF GROUP SENIOR MANAGEMENT



➤ **Nationality:**  
Indian

➤ **Age:**  
51 years old

➤ **Date of Appointment:**  
1 April 2023

**13 RANGAM BIR**  
Chief Executive Officer  
AmMetLife Insurance Berhad

### Qualification(s)

- Master of Management Studies in Finance, University of Mumbai, India
- Bachelor of Engineering, University of Mumbai, India
- Fellow of the Malaysian Insurance Institute (FMII), The Malaysian Insurance Institute, Malaysia

### Responsibilities

Rangam Bir is responsible for AmMetLife's transformation into an innovative company that meets customer expectations whilst delivering profitability and shareholder return.

### Experience

Rangam Bir is a visionary business leader who has led several international financial services firms in a career spanning over 26 years across Europe, Asia, the Middle East and Africa. Rangam is highly passionate about Culture, Communication, Community and Collaboration in driving innovation and change. He has established a successful track record of building winning businesses in fast-growing emerging markets by leading large teams in multicultural and international business environments.

Prior to joining AmMetLife, Rangam held various chief executive roles in Malaysia, first as Chief Executive Officer of Allianz, and most recently as President and Chief Executive Officer of Gibraltar. Through his transformational leadership, he has led his companies to success in digital advancements and employer branding.

Beyond his professional roles, Rangam has been active in the development of the life insurance industry in Malaysia as Vice President of the Life Insurance Association of Malaysia. He is a Fellow of the Malaysian Insurance Institute, a Member of the Institute of Corporate Directors Malaysia and a Global Associate Member of the Singapore Institute of Directors.

### Directorship(s) in Listed Issuers in Malaysia

- Independent director of the Malaysian Insurance Institute.

### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



➤ **Nationality:**  
Malaysian

➤ **Age:**  
52 years old

➤ **Date of Appointment:**  
1 July 2017

**14 NOOR AZAM BIN MOHD YUSOF**  
Chief Executive Officer  
AmMetLife Takaful Berhad

### Qualification(s)

- Masters in Business Administration, Universiti Teknologi MARA, Malaysia
- Bachelor of Science (Marketing), Northern Illinois University, United States of America
- Chartered Professional in Islamic Finance (CPIF), Chartered Institute of Islamic Finance Professionals, Malaysia

### Responsibilities

Noor Azam bin Mohd Yusof is tasked with formulating and implementing strategic growth plans to enhance the penetration and distribution of AmMetLife Takaful products in key Shariah-driven markets in Malaysia.

### Experience

Azam has over 20 years of insurance industry experience with his last position as Head of Sales & Distribution at HSBC Amanah Takaful (M) Berhad. His experiences in conventional and Takaful businesses with a major part of his career in the Takaful business covering Banca and agency sales channels. With over 17 years of sales and commercial growth experience, he has a successful track record of over-achieving sales goals, launching products, developing sales strategies, and people leadership.

### Directorship(s) in Listed Issuers in Malaysia

None

### Declaration

He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company. He has not been convicted of any offence within the past five years nor has any public sanction or penalty been imposed on him by any relevant regulatory body during the financial year ended 31 March 2023.



## PROFILE OF SHARIAH COMMITTEE & SHARIAH OVERSIGHT COMMITTEE



**1 ASSOC. PROF. DR. AHMAD ZAKI SALLEH**  
Chairman (Effective 1 May 2022)

➤ **Nationality:**  
Malaysian

Assoc. Prof. Dr. Ahmad Zaki Salleh is currently an Associate Professor and Deputy Dean (Research and Innovation) at the Faculty of *Syariah* and Law, Universiti Sains Islam Malaysia (USIM). He received his first degree in *Shariah* from al-Albait University, Jordan and a Master Degree and Ph.D in Fiqh and Usul Fiqh from International Islamic University Malaysia (IIUM). His areas of specialisation are Fiqh Muamalat, Islamic Banking and Takaful and Islamic Capital Market. Previously, he was appointed as the Deputy Dean (Academic and International) (2016-2018 & 2020), Deputy Dean (Academic and Research) (2014-2016) and Head of Programme, Bachelor of Fiqh and Fatwa (2013-2014) at the same Faculty, Chairman and Member of *Shariah* Committee for Bank Simpanan Nasional (BSN) (Chairman: 2011-2019; Member: 2020-May 2022), *Shariah* Committee member for PruBSN Takaful (April 2015 - March 2023), and Muamalat Expert Panel Member at Jabatan Kemajuan Islam Malaysia (JAKIM) (2016-2018). Currently, he also serves as a *Shariah* Consultant at International Islamic Finance & Insurance (IIFIN) (2011-present) and Member at International Halal Foundation Academic Council (2016-present). He is a member of Association of *Shariah* Advisors in Islamic Finance Malaysia (ASAS) and has produced a number of books, articles, and chapters in books and presented several papers at various events/ conferences.



**2 ASSOC. PROF. DR. ZULKIFLI HASAN**  
Member

➤ **Nationality:**  
Malaysian

Assoc. Prof. Dr. Zulkifli Hasan is an Associate Professor and lecturer at Faculty of *Syariah* and Law, Universiti Sains Islam Malaysia (USIM). He received his first Degree in Law (LL. B (Hons) & LL. B (*Shariah*)(Hons)) and a Master of Comparative Laws (MCL) from IIUM. Subsequently, he received his Ph.D in Islamic Finance from Durham University, UK. Dr. Zulkifli Hasan holds various academic positions such as Associate Editor for the Journal of Islamic Accounting and Business Research, legislation editor for the Malaysian Journal of *Shari'ah* and Law, panel of expert on muamalat and halal regulation, JAKIM, Committee on *Syariah* and Legal Education, JAKIM, University Arbitration Subcommittee of Inns of Court Malaysia, Committee on Syarie Lawyers, JAKIM, AUKU Technical Committee, Board Member of Majlis Agama Islam Negeri Sembilan. He also sits as the board of director of the Malaysian-American Commission on Educational Exchange (MACEE), Advisory Board member of Marmara University Institute of Islamic Economics and Finance, Istanbul, Turkey and academic advisor of Dar al Hikmah College, Selangor. His industry experience was as an advocate and solicitor, in-house legal counsel for Bank Muamalat Malaysia Berhad, member of Rules and Regulations Working Committee for Association of Islamic Banking Institutions Malaysia and member of corporate governance working committee for Awqaf South Africa. He also underwent internship at Hawkamah, the Institute for Corporate Governance, Dubai International Financial Centre whereby he was involved in developing corporate governance guidelines for Islamic Financial Institutions in the Middle East and North Africa (MENA) as well as in the Task Force on Environmental, Social and Governance (ESG) which led towards development of the S&P/Hawkamah Pan Arab ESG Index. Previously, he acted as Deputy Rector (Student Development and Community Engagement), International Islamic University Malaysia (IIUM), Dean of Faculty of *Syariah* and Law, Universiti Sains Islam Malaysia (USIM), *Shariah* Committee member for Affin Islamic Bank Berhad and EXIM Bank Berhad. Currently also serving as a *Shariah* Committee Member for Zurich Takaful, Koperasi Belia Islam, Lembaga Pertubuhan Peladang, ISRA Council of Scholars and Panel of Experts on Muamalat, JAKIM. Besides these appointments, he is involved as editor and reviewer for various journals such as the Malaysian Journal of *Shariah* and Law, the International Journal of Business and Finance Research, *Shariah* Law Reports and the Global Islamic Finance Magazine. He is also involved in the Malaysian *Syariah* Index project as one of the panel of experts. He has produced a number of books, articles, and chapters in books and presented several papers at various events/ conferences both local and abroad.

## PROFILE OF SHARIAH COMMITTEE & SHARIAH OVERSIGHT COMMITTEE



**3** **ASSOC. PROF. DR. MOHD ZAKHIRI MD NOR, CPIF, IFP** ➤ **Nationality:**  
Member Malaysian

Assoc. Prof. Dr. Mohd Zakhiri Md Nor is currently a Deputy Dean of the School of Law and a Research Fellow at the Institute for Management & Business Research (IMBRe) and *Syariah* and Business Law Research Unit, School of Law, Universiti Utara Malaysia (UUM). He received his first degree in Law (LL. B (Hons) & LL. B (*Shariah*)(Hons)) and Master of Comparative Laws (MCL) from IIUM. Subsequently, he obtained his PhD in Islamic Finance from INCEIF University. His areas of specialisation are Islamic banking law and finance, Takaful, Islamic Capital Market, Islamic Fintech & Regulations and *Shariah* studies. Previously, he acted as *Shariah* Committee Member for Co-op bank Pertama (2019-Jan 2022), Member of Rules Review Committee for i-Arbitration Rules (2021), Chairman of *Shariah* Committee of Mizuho Bank (2015-2021), *Shariah* Committee Member of Agrobank (2011-2013) and the Malaysian Islamic Economic Development Foundation (YaPEIM) (2019-2020). Currently, he also serves as *Shariah* Committee member for AmMetLife Takaful (June 2022-present). He is an Associate Member of the Association of *Shariah* Advisors in Islamic Finance Malaysia (ASAS), Member of Chartered Institute of Islamic Finance Professional (CIIFP), Islamic Financial Planner (IFP) and International Member of Islamic Finance Educators (ICIFE). He is also an Islamic finance consultant to a few legal firms, trainer and International Journal Editorial Board Member in Islamic finance. He is also *Syarie* Counsel of the Federal Territory of Kuala Lumpur and was admitted to the Bar Malaysia in 2005. He has produced many books, articles, and chapters in books and presented several papers at various events/ conferences.



**4** **ENCIK MOHD FADHLY MD YUSOFF** ➤ **Nationality:**  
Member Malaysian

Encik Mohd Fadhy Md Yusoff currently runs his own business and also serves as *Shariah* advisor and consultant. He received his first Degree (First Class Honours) in *Shariah* and subsequently a Postgraduate Diploma in Administration of Judiciary & Islamic Legal Practice from Universiti Kebangsaan Malaysia (UKM). His areas of specialisation are *Shariah*, Islamic banking and finance, Takaful, Islamic Capital Market, and Islamic judiciary and legal practice. Prior to this, he was with Islamic Capital Market Department in Securities Commission Malaysia (SC) where he had served for about 14 years (1995-2009) as an officer and ended as manager. He was also the consultant for the Islamic Capital Market Department of the Securities Commission Malaysia. Currently, he is also serving as *Shariah* Committee member for Bank Pembangunan Malaysia Berhad (2017-present), Sun Life Malaysia Takaful Berhad (2011-present), Opus Asset Management Sdn Bhd (2005-present), Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad) (2016-present) and Maybank Asset Management Sdn. Bhd. – Dana Amanah Hartanah Bumiputera (2022-present). He is a registered *Shariah* Adviser with the Securities Commission Malaysia (SC), a registered *Syarie* lawyer and an accredited trainer for Islamic Finance Qualification (IFQ) by Chartered Institute for Securities and Investment and a Certified trainer by Human Resource Development Fund (HRDF) – Train the trainer. He is also an Associate Member of Association of *Shariah* Advisor in Islamic Finance Malaysia (ASAS).

## PROFILE OF SHARIAH COMMITTEE & SHARIAH OVERSIGHT COMMITTEE



**5** **PROF. DR. SALINA KASSIM**  
Member

➤ **Nationality:**  
Malaysian



**6** **ENCIK ISMAIL NIK**  
Member

➤ **Nationality:**  
Malaysian

Prof. Dr. Salina Kassim is currently a Professor at the IIUM Institute of Islamic Banking and Finance (IIBF), International Islamic University Malaysia (IIUM). She received her first degree in Economics from University of Arizona and Master's in Economics from University of Missouri-St. Louis, USA. Subsequently, she obtained her PhD in Economics from IIUM. She also holds a Post-graduate Diploma in Islamic Studies from IIUM, and is currently pursuing a Master of Science in Marketing from Universiti Putra Malaysia (UPM). Her areas of specialisation include Islamic banking and finance, economics, sustainable finance and Islamic social finance (i.e. Waqf, Islamic microfinance, and socially responsible investment). Currently, she is also serving as *Shariah* Committee member for Bank Pembangunan Malaysia Berhad (2022-present), a trainer for the Association of *Shariah* Advisors in Islamic Finance (ASAS) training programmes, editorial board member of several reputable international and local academic journals, national panel member for Ministry of Higher Education Fundamental Research Grant Scheme (FRGS), as well as invited speaker in several seminars and conferences. Prior to becoming an academician, she has several years of working experience as a Senior Executive at the Economics and Corporate Planning Division of a commercial bank in Malaysia. She has produced several research papers, produced a number of books, chapters in books and publications in journal articles, and presented several papers at various conferences/seminars. Her academic work has significantly contributed to the academia locally and internationally through her extensive publications in high indexed peer-reviewed academic journals, mostly SCOPUS-indexed.

Encik Ismail Nik is a retiree and currently also serving as *Shariah* Committee member for FWD Takaful Berhad (2023-present). Previously he was with Bank Negara Malaysia (BNM) where he served for about 30 years (1991-2021) as an officer and ended his career as a manager at the *Shariah* Section of the Islamic Banking and Takaful Department. He received his first Degree (Honours) in Economics, majoring in Planning and Development from Universiti Kebangsaan Malaysia (UKM). He was a Bank Negara Malaysia scholarship holder for his tertiary education. His areas of specialisation are Islamic banking and finance, economics, and *Shariah*. He joined Bank Negara Malaysia in 1991. Prior to serving in Islamic Banking and Takaful Department, he served as Senior Executive in Economics Department from 1991-1997. He was then assigned as Secretariat to the *Shariah* Advisory Council of Bank Negara Malaysia in July 1997 in which he moved to serve at Islamic Banking Section of Bank Regulation Department. He was then absorbed into the Islamic Banking and Takaful Department and was among the pioneers when it was first formed in 2000. Despite his academic qualification in Economics, he has a great interest in the field of *Shariah* and has experience of more than twenty years in handling *Shariah* matters in Islamic finance particularly in banking and takaful as well as administering the *Shariah* Advisory Council of Bank Negara Malaysia and *Shariah* Committees at industry level. He also holds a Higher Certificate in Islamic Studies from Islamic College of Kelang with Jayyid Jiddan (Very Good) grade.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

As a company driven by its commitment to shareholders and a broader spectrum of stakeholders, the Group steadfastly adheres to elevated standards of integrity, accountability, and ethics in every facet of its operations. For the Group, the pursuit of good governance is imperative, ensuring sustained long-term performance, while fostering the enduring creation of economic value and growth for the Group.

The Board's unwavering dedication to ethical and effective leadership serves as the bedrock for the realisation of the Group's overarching vision. Embracing and championing value-driven governance, the Board employs a meticulous and structured approach, embedding exemplary business practices, as well as robust institutional governance, risk management, and compliance frameworks.

Our Board, through astute leadership and strategic guidance, assumes responsibility for safeguarding stakeholder value creation, employing a framework fortified by rigorous and effective controls. Collaborating seamlessly with Management, the Board spearheads the development of robust strategies, bolstered by resolute governance and unwavering financial practices.

#### Frameworks applied:

Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements (MMLR)

Securities Commission Malaysia (SC) Malaysian Code on Corporate Governance (MCCG) 2021

Bank Negara Malaysia (BNM) Policy Document on Corporate Governance

The Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report 2023 (CG Report), which is available on the Group's corporate website at [ambankgroup.com](http://ambankgroup.com)

## PRINCIPLE A

### BOARD LEADERSHIP & EFFECTIVENESS

The Board assumes the responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. This section gives an overview of how the Board and its Committees work and the interlink between them. The Board's role, key activities and core responsibilities are also explained.

### ITS IMPORTANCE

An effective Board does not place itself in a comfortable setting and it does not remain static. A dynamic Board should constantly evolve in response to the environment in which it operates. Challenges as well as teamwork are essential features of the Board. Diversity in Board composition is an important driver of a Board's effectiveness, creating a breadth of perspective among Directors.

## PRINCIPLE B

### EFFECTIVE AUDIT & RISK MANAGEMENT

This section describes the work of the Audit and Examination Committee and Risk Management Committee and offers explanation on the number of new auditing and governance requirements.

It provides a narrative on how the Risk Management Committee helps the Group drive the implementation of risk frameworks, processes and the Group's risk appetite and internal control.

### ITS IMPORTANCE

From a risk perspective, diligent measured risk management structures and framework help to address risks and strategy. This includes overall management of all risks covering market risk management, credit operational risk management and technology risk.

## PRINCIPLE C

### INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

This section provides an overview of how the Company communicates with stakeholders, their concerns and expectations.

### ITS IMPORTANCE

An understanding of the importance of maintaining and fostering good meaningful relationship with our stakeholders plays a key role within our ecosystem. We recognise that stakeholders are affected in one way or another by our actions. In this regard, as stewards of the Company, we take responsibility to improve our communication and relationship with our stakeholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### ADOPTION OF THE MCCG 2021

For the financial year under review, the Board considers that the Company has adopted the Practices and applied the key Principles of the MCCG 2021, except Practice 8.2 (The Board is to disclose on a named basis the top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000).

Details of how the Company has applied the MCCG 2021 Principles and complied with its Practices are set out in the CG Report. The explanation for departure is explained in the CG Report.

### OUR GOVERNANCE STRUCTURE

The Group prioritises good governance as essential to our long-term success, driven by our responsibility to shareholders and a broad group of stakeholders. The Board champions transparency and accountability in the boardroom, fostering these vital components of governance throughout the Group.

AMMB's governance structure and practices create value for all its stakeholders by:

- promoting the Group's future through sound sustainable practices
- securing the integrity and quality of financial reporting
- ensuring good reputation with accountable behaviour

AMMB's Board remains committed to preserving a suitable governance structure that reflects both the market and the communities in which the Group operates. As part of this ongoing commitment, the Board conducts periodic reviews of the Group's governance framework to ensure its continued relevance.

The Board exercises collective oversight of the Board Committees and Management while delegating responsibilities, without abdicating its governance duties. This approach allows the Board to maintain robust governance practices and effective management oversight, furthering AMMB's ongoing commitment to excellence.

### PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The Board of AMMB collectively assumes the responsibility for the overall leadership of the Group and promoting its long-term sustainability and success within a framework of effective controls. The Board plays a crucial role in safeguarding stakeholder value-creation and creating and maintaining the right tone at the top, which is the bedrock of a robust ethics and compliance culture that binds the organisation together.

The Board continuously assesses and manages emerging risks and opportunities through prudent and effective controls to ensure long-term sustainable development and growth. With a balanced composition that includes Non-Executive Directors (NED), the Board ensures that no individual or small group of Directors dominates the decision-making process and that the interests of shareholders are protected. The Board considers each NED to be independent in character and judgment in the discharge of their fiduciary duties, and all Directors exercise unfettered and independent judgment at all times, irrespective of status, to act in the best interest of the Company.

The Board is satisfied that each Director has effectively discharged their responsibilities and is aware of their collective and individual responsibilities to all shareholders for the manner in which the Company's affairs are managed and operated. The Board's primary role is to create, promote, and deliver the Group's long-term sustainability while protecting and enhancing long-term shareholder value, taking into consideration the interests of all stakeholders, including employees, customers, regulators, local communities, and the general public.

At the forefront of the Board's oversight role and responsibility is its commitment to the Group's long-term strategy and agenda for integrating sustainability into the Group's corporate strategy, governance, and decision-making. Together with Management, the Board takes responsibility for the governance of sustainability in the Group, acknowledging that the Group's long-term success and continued relevance hinges on the prosperity and trust of the communities it serves and the well-being of the environment it operates in.

In setting the strategic direction of the Group, determining its objectives and policies for the delivery of sustainable long-term value, the Board ensures effective leadership through oversight on Management and robust monitoring of performance, control, activities, and conformance capabilities in the organisation. The Board remains committed to improving the Group's sustainability practices beyond the minimum regulatory requirements to maintain the confidence of its stakeholders and play its role as a responsible corporate citizen.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD CONDUCT

The Board members exercise their powers with a proper purpose and in good faith, always prioritising the best interest of the Company. They act with integrity, set an example, and stay informed about their responsibilities as Directors while exercising reasonable care, skill, and diligence by applying their knowledge, skill, and experience.

The Board, together with senior management, is dedicated to promoting ethical business practices and fostering a healthy corporate culture that reinforces ethical, prudent, and professional behaviour, taking into account diverse and varying perspectives and insights.

Accurate minutes of meetings are kept, reflecting the Board's discussions and decisions, including any dissenting views and instances where a Director has abstained from voting or deliberating on a particular matter.

The Board and its Directors are committed to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. As such, all Directors must abide by the Code of Conduct and Code of Ethics of the Group and other applicable governance documentation, which outlines ethical standards of behaviour, as approved by the Board.

Directors must declare any conflict of interest they have in material transactions or arrangements with the Company and/or the Group or in any business or other relationships that could materially interfere with their independent judgment or ability to act in the best interests of the Company and/or the Group. They must not be present when the matter is being deliberated at the Board and/or Board Committee meeting. To ensure an appropriate level of prudence while conducting credit transactions with connected parties, the Directors are also required to disclose a list of persons connected to them on a semi-annual basis.

Directors must devote sufficient time to prepare for and attend Board and Board Committee meetings, maintaining a sound understanding of the business of the Company as well as relevant market and regulatory developments. This includes a commitment to continuously participate in training and development programs, workshops, and conferences to enhance their skills and knowledge.

The Directors must ensure that their appointment(s) in other companies do not conflict with the Company's business or affect the discharge of their duties as Directors of the Company before accepting such appointments. The Chairman of the Board and the Company Secretary must be notified within 14 days of any new appointment(s) in other companies.

The Board reviews semi-annually the declarations made by Directors of their external directorships to ensure that they comply with the MMLR of Bursa Securities, which prohibits holding more than five directorships in listed issuers. This is to ensure that the Directors do not have competing time commitments that may hinder their ability to effectively discharge their responsibilities.

Details of the Directors' external directorships are set out in their respective profiles on pages 98 to 106 of this Integrated Annual Report 2023.

### ROLES AND COMPOSITION

#### Chairman



**Tan Sri Md Nor bin Md Yusof**

The Chairman is primarily responsible for the leadership of the Board and ensuring its effectiveness. He leads the Board in its collective oversight of the Management. He ensures the Board upholds and promotes the highest standards of corporate governance, setting the Board's agenda and encouraging open, constructive debate of all agenda items for effective decision-making. He also ensures that shareholders' views are communicated to the Board and manages the interface between the Board and the Management.

#### Senior Independent Director



**Voon Seng Chuan**

The Senior Independent Director has the same legal responsibilities as any other member of the Board. His role includes meeting regularly with the Chairman and the Group Chief Executive Officer to discuss specific issues, as well as an alternative communication channel for shareholders and other stakeholders. He also acts as a sounding board for the Chairman as well as an intermediary for other Directors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### ROLES AND COMPOSITION (CONT'D.)

#### Chairperson of Board Committee



**Farina binti Farikhullah Khan**  
Group Nomination and  
Remuneration Committee



**Seow Yoo Lin**  
Audit and Examination Committee



**Hong Kean Yong**  
Group Information Technology  
Committee



**Dato' Kong Sooi Lin**  
Risk Management Committee

The Chairman of the Board does not sit on any of the Board Committees. The Board Committees are chaired by different members of the Board who are Independent NEDs. The Chairperson of each Board Committee is responsible for leading the members of their respective Board Committee and ensuring their effectiveness. They set the Board Committees' agendas, in consultation with the Group Company Secretary and Management and report to the Board on key matters discussed at their respective Committee meetings.



#### Group Chief Executive Officer Dato' Sulaiman bin Mohd Tahir

The Group CEO is responsible for spearheading the development and execution of the Group's strategy while overseeing the operational management of the Group's businesses. The Group CEO also connects the Board and the Management to ensure governance and management functions operate well together.

The Group CEO fosters a corporate culture that promotes ethical practices, encourages individual integrity as well as sustainable growth and long-term value creation for the benefit of all stakeholders.

The Group CEO maintains an inclusive and ethical working environment that is conducive to attracting, retaining and motivating a diverse workforce.



#### Group Company Secretary Koid Phaik Gunn

The Group Company Secretary acts as secretary to the Board and Board Committees, ensuring compliance with Board procedures and advising the Board and Board Committees on regulatory and governance matters. She is responsible, under the direction of the Chairmen of the Board and Board Committees, for ensuring that the Board and Board Committees receive accurate, timely and clear information. She supports the Chairman of the Board in delivery of the corporate governance agenda and facilitates Director induction programmes and on-going professional development training together with the Group Learning and Development Unit.

The Group Company Secretary is qualified and competent to act as company secretary under Section 235 of the Companies Act 2016. The Board members have full access to the Group Company Secretary.

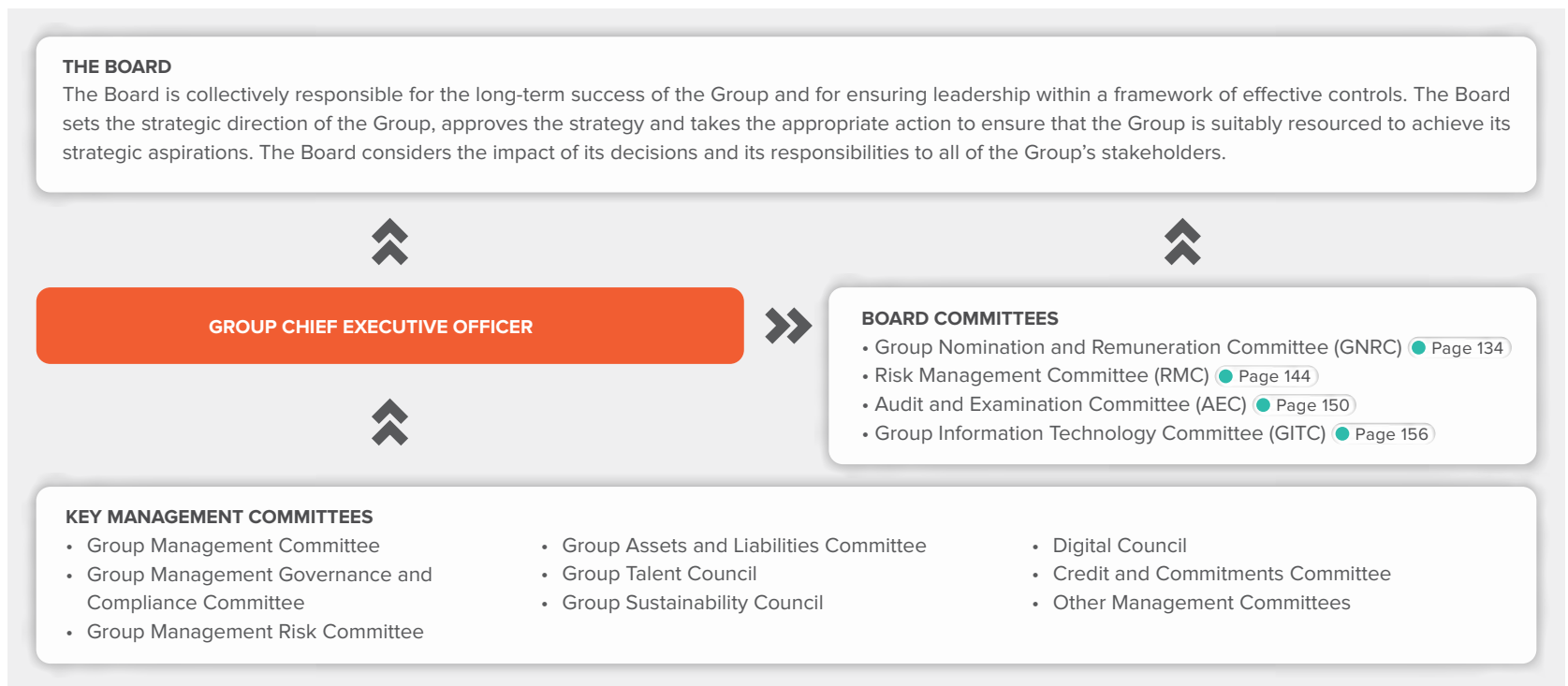
The Group Company Secretary ensures that discussions and deliberations at Board and Board Committee meetings are well documented and subsequently communicated to the relevant Management for appropriate action. She updates the Board on the follow-up of its decisions and recommendations by the Management.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD AND BOARD COMMITTEES' STRUCTURE

The Board Charter provides the Board with the power to delegate its authority to Board Committees. However, in doing so, the Board does not relinquish its responsibility and maintains collective oversight at all times. The Board ensures that such delegation does not hinder or impede its ability to carry out its functions effectively. To this end, the Board outlines the allocation of responsibilities in the Terms of Reference of each respective Board Committee. The Directors are cognisant that they cannot abdicate their duty by leaving the management of the Company's affairs solely to these Committees, and that they remain accountable for the exercise of such powers.

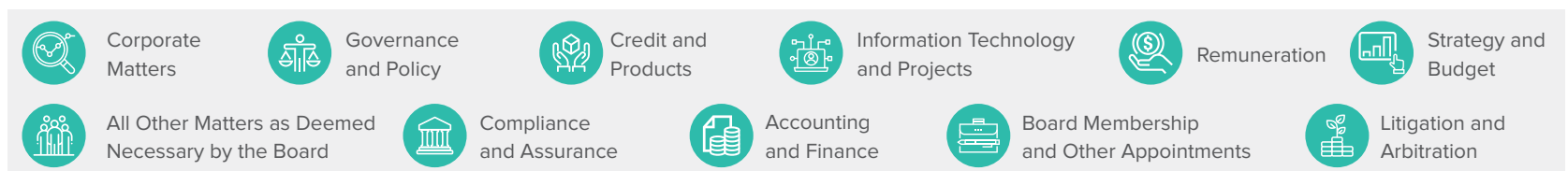
A description of the roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as decisions reserved for the Board can be found in our Board Charter which is available on the Group's corporate website at [ambankgroup.com](http://ambankgroup.com).



### MATTERS RESERVED FOR THE DECISION OF THE BOARD

The Board performs a vital function of ensuring independent oversight and stewardship by discharging some of its responsibilities directly and delegating certain responsibilities to the Board Committees. The operational management of the Group's business is delegated to the Group CEO, who may further delegate tasks necessary for the effective day-to-day running of the business. The Board maintains a high level of accountability by holding the Group CEO responsible for discharging his delegated duties.

A clear Schedule of Matters Reserved for the Board, the Board Charter and the Term of Reference of the Board Committees are reviewed periodically against industry best practices and corporate governance provisions and guidance. The following are covered under the Schedule of Matters Reserved for the Board:





## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD COMPOSITION, INDEPENDENCE, DIVERSITY AND ATTENDANCE

#### Board Composition

The Board comprises individuals of high integrity and calibre, possessing a thorough understanding of the Group's business and diverse skills, knowledge, and experience. These Directors bring their expertise and experience to bear on policy formulation and decision-making, facilitating effective oversight, strategic guidance, and constructive challenge.

The Board's current composition reflects a balanced blend of skills, experience, and knowledge that enables the Directors to examine proposals on strategy, empower the Group CEO to implement approved strategies, and take into account the interests of shareholders and stakeholders. This composition is a testament to the view that the Board's make-up should facilitate objective and independent deliberation, review, and decision-making.

When appointing or re-appointing a Board member, the Board considers the current composition and tenure of each Director. The Board periodically reviews its composition and evaluates the need to introduce new skills and perspectives to the boardroom. The CG Report discloses how candidates for Board positions are sourced, including whether candidates were sourced by executive search firms or recommended by existing Directors, the directors' registry, or major shareholders. The Board believes that a truly diverse Board that leverages on these differences will ensure effective stewardship of Management and will steer the Group to retain its competitive advantage.

The Board's size strikes the right balance between purpose, involvement, participation, harmony, and sense of responsibility among the Directors, ensuring that the Company achieves its objectives.

The Board is currently chaired by an Independent NED and comprises nine Directors, seven of whom are Independent NEDs representing 78% of the Board composition. A Board comprising a majority of Independent NEDs allows for more effective collective oversight of Management. The composition of the Board therefore exceeds the minimum one-third requirement of independent directors as stipulated in the MMLR of Bursa Securities and meets the requirement of having a majority of independent directors as set out in the BNM Policy Document on Corporate Governance.

#### Board Independence

The Independent NEDs are pivotal to the Board's deliberations and decision-making by bringing a fresh perspective and impartiality. Their role is particularly critical for related party transactions, where independence of judgement and objective impartiality are essential to safeguard the interests of minority shareholders.

The Board of Directors holds ultimate responsibility for decision-making on key issues regarding the Company and its subsidiaries. The Independent NEDs' views carry substantial weight in the Board's decision-making process, which helps

to ensure that Management's proposed strategies are thoroughly examined and discussed. The Independent NEDs also ensure that the interests of both shareholders and stakeholders are protected, thereby fulfilling their roles as guardians of good corporate governance.

Premised on BNM's Policy Document on Fit and Proper Criteria and MMLR of Bursa Securities, the Group has an internal policy known as Fit and Proper Criteria Policy that is applicable to key responsible persons which include amongst others, the Board of Directors of the Company and its subsidiaries. In line with the Group's Fit and Proper Criteria Policy which is available at the corporate website at [ambankgroup.com](http://ambankgroup.com), an assessment on the Directors of the Company is conducted annually.

In addition to the fit and proper assessment, an independence assessment will also be conducted on each Independent NEDs based on the independent criteria set out in BNM's Policy Document on Corporate Governance, MCCG 2021 and MMLR of Bursa Securities. The outcome of the Fit and Proper and independence assessments will be tabled to the GNRC during the annual evaluation of the Board, Board Committees and each individual Director.

For FY2023, all NEDs of the Company fulfilled the fit and proper criteria set out in the Group's Fit and Proper Criteria Policy. Based on the declaration made by the Independent NEDs, all of them had satisfied the following criteria and no conflicts or potential conflicts of interest were detected that could impede their independent judgement:

- They are independent from Management and free from any business or other relationship which could interfere with independent judgement or the ability to act in the best interest of the Company.
- They are not involved in the day-to-day operations of the Company.
- They declared their interests or any possible conflict of interest in any matter prior to the commencement of Board meetings.

In a situation where there is a conflict of interest, Directors are required to recuse themselves and abstain from deliberation and decision-making. This also applies to Non-Independent NEDs.

The Board takes the view that each Independent NED has maintained their independence throughout their tenure and had not in any circumstances formed any association with Management that may compromise their ability to exercise independent judgement, and ultimately affect the interests of stakeholders.

As of the date of this statement, none of the Independent NEDs has served more than nine years on the Board. This aligns with Practice 5.3 of the MCCG 2021, BNM Policy Document on Corporate Governance and the Company's Board Charter which stipulate that an Independent NED should not serve more than a cumulative term of nine years, unless in exceptional circumstances or as part of a transitional arrangement towards full implementation of the succession plans of the Company.

**CORPORATE GOVERNANCE  
OVERVIEW STATEMENT**

**BOARD COMPOSITION, INDEPENDENCE, DIVERSITY AND ATTENDANCE (CONT'D.)**

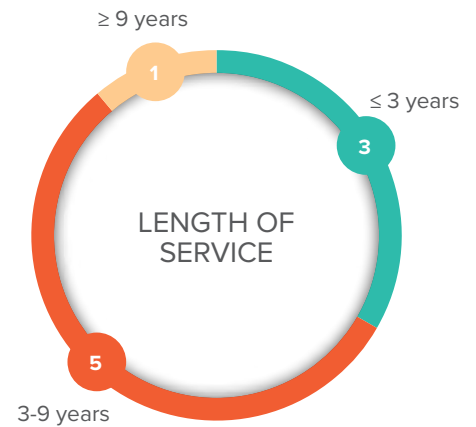
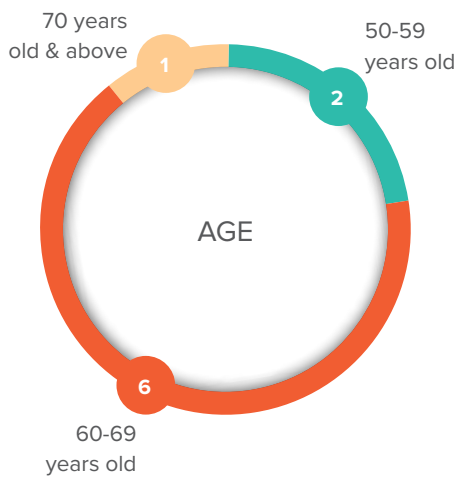
**Diversity in Composition**

In order to remain relevant, resilient, and sustainable in a rapidly transforming business environment, the Company recognises the importance of diversity. The GNRC is therefore empowered to annually review and evaluate the composition and performance of the Board, as well as assess qualified candidates for Board positions.

The Board acknowledges that diversity, including gender, ethnicity, age, and business experience, is crucial to its effective functioning. While promoting diversity is important, the Board will prioritise the selection of Directors based on their effective blend of competencies, skills, extensive experience, and knowledge

in areas identified by the Board to ensure it carries out its functions and duties effectively. Therefore, the Board is committed to achieving the recommended diversity as per the MCCG 2021, as best as it can, and have the right mix of skills and balance to contribute to the Group's goals.

The Group maintains a rigorous and transparent process for the appointment of senior management based on merit. The appropriate pre-requisite qualifications, experience, technical and leadership competencies are considered. A diverse team of senior management with the right balance of skills, experience, age, cultural background and gender provides the Group with a competitive edge. Therefore, diversity will remain an integral part of the Group's progressive strategy as it continues to build and promote a balanced talent pool.

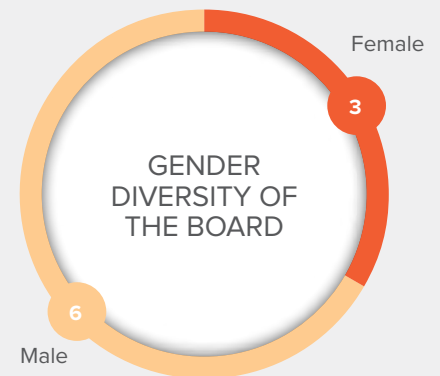


**Gender Diversity**

The Company's Board Charter states that the Board shall endeavour to have at least 30% women Directors.

The Board currently comprises three women Directors, reflecting a 33% female representation on the Board.

The Board also ensures that women are well represented at senior management level. As of the date of this report, the percentage of women's participation at key senior management was at 31%.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD COMPOSITION, INDEPENDENCE, DIVERSITY AND ATTENDANCE (CONT'D.)

In connection with its effort to create and maintain a diverse Board. The GNRC will:

- adhere to the recruitment and sourcing process that seeks to include diverse candidates, including women in any director search.
- assess the appropriate mix of diversity including gender, age, skills, experience and expertise required on the Board and address gaps, if any.
- make recommendations to the Board in relation to the appointments and maintain an appropriate mix of diversity, skills, expertise and experience on the Board.
- periodically review and report to the Board on requirements in relation to diversity on the Board, if any.

Changes to the composition of the Board during the financial year under review were as follows:

Appointment (A) and/or Resignation/Retirement (R)	
A	<ul style="list-style-type: none"> <li>• Tan Sri Md Nor bin Md Yusof appointed on 30 April 2022.</li> <li>• Felicity Ann Youl appointed on 15 April 2022.</li> </ul>
R	<ul style="list-style-type: none"> <li>• Tan Sri Azman Hashim retired on 29 April 2022.</li> </ul>

#### Selection of Directors

The Group's NED Nomination and Remuneration Policy (Policy) stipulates that the GNRC may identify Director candidate(s) through executive search firms and/or recommendations from existing Directors. The Board adheres to a formal, transparent, and rigorous process when appointing Directors. Our Policy provides clear guidance to the Board on the criteria and evaluation process for the recruitment of Directors.

In the selection of new Directors, the Board takes into account the current composition of the Board, as well as the tenure of each Director, to assess if new skills and perspectives are required in the boardroom. Our focus is not only on a Director's background and current activities, but also their ability to act independently of Management, ensuring the highest standards of corporate governance are maintained.

#### Board Meetings, Attendance and Access of Information

The Board conducts active and inclusive discussions at Board meetings to ensure that all Directors have the opportunity to participate and contribute to the decision-making process. Vigorous deliberations and robust discussions at Board and Board Committee meetings promote constructive and healthy dialogue.

Directors can access Board papers through a collaborative software platform that enables them to review and read the Board papers electronically and discuss with each other and the Company Secretary. This software simplifies the distribution of Board papers, circular resolutions and minimises information leakage.

Presentations to the Board are prepared and delivered in a manner that ensures clear and adequate understanding of the subject matter. Management provides the Board with detailed explanations of Board papers, if needed.

The Directors may seek independent professional advice at the Group's expense to assist them in carrying out their duties. They have unrestricted access to any information relating to the Group that is necessary to discharge their duties.

The Board agenda and papers, including minutes, are circulated to the Board at least seven calendar days prior to each Board meeting, providing Directors with sufficient time to review, consider, and deliberate knowledgeably on the issues to facilitate informed decision-making.

The calendar of meetings for the Board and Board Committees for the following year are drawn up and tabled to respective meeting in the last quarter of the calendar year to enable members to meet the time commitment for the meetings. The Board meets at least ten times per year, and additional meetings are held when necessary to facilitate the discharge of their responsibilities. The Group CEO and Chief Executive Officers of the subsidiaries are invited to attend on matters related to their areas of responsibility. Additionally, senior management may also be invited to attend Board meetings to provide presentations and detailed explanations on matters to be tabled.

Directors are expected to attend at least 75% of the total Board meetings in any applicable financial year and must not appoint another person to attend/participate in a Board meeting on their behalf. The quorum for Board meetings is a minimum of 50% of total Board members.

Meetings may be conducted in person or via alternative means of attendance, such as tele-conferencing or video conferencing, as determined by the Board.

The Board may consider and approve and/or recommend routine and administrative matters via circular resolutions in writing if deemed appropriate. All Directors' written circular resolutions passed by the Board are tabled at the next Board meeting for notation.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD COMPOSITION, INDEPENDENCE, DIVERSITY AND ATTENDANCE (CONT'D.)

A total of 12 meetings were held during FY2023, and details of the meeting attendance are set out below:

Name of Directors	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Tan Sri Md Nor bin Md Yusof</b> <i>(Independent Non-Executive Chairman)</i> <i>(Appointed on 30 April 2022)</i>	11	11	100
<b>Robert William Goudswaard</b> <i>(Non-Independent Non-Executive Director)</i>	12	11	92
<b>Soo Kim Wai</b> <i>(Non-Independent Non-Executive Director)</i>	12	12	100
<b>Voon Seng Chuan</b> <i>(Senior Independent Non-Executive Director)</i>	12	12	100
<b>Seow Yoo Lin</b> <i>(Independent Non-Executive Director)</i>	12	12	100
<b>Farina binti Farikhullah Khan</b> <i>(Independent Non-Executive Director)</i>	12	10	83
<b>Hong Kean Yong</b> <i>(Independent Non-Executive Director)</i>	12	12	100
<b>Dato' Kong Sooi Lin</b> <i>(Independent Non-Executive Director)</i>	12	11	92
<b>Felicity Ann Youl</b> <i>(Independent Non-Executive Director)</i> <i>(Appointed on 15 April 2022)</i>	12	12	100
<b>Tan Sri Azman Hashim</b> <i>(Non-Independent Non-Executive Chairman)</i> <i>(Retired on 29 April 2022)</i>	1	1	100

### ON-GOING PROFESSIONAL DEVELOPMENT

The Board acknowledges the pivotal role they play in maintaining the Group's success and upholding their fiduciary duties. The continuous development of Directors is vital to ensure that the Directors stay abreast of industry trends and best practices and have the necessary knowledge and skills to discharge their duties effectively. Therefore, the Board is committed to providing Directors with opportunities for ongoing professional development.

The Board's induction programme for new Directors covers several areas, including their disclosure obligations as Directors, the Company's Board Charter, Code of Conduct, Code of Ethics, Constitution of the Company, the Group's corporate structure and Schedule of Matters Reserved for the Board. This comprehensive programme ensures that new Directors understand the Group's governance framework and their roles and responsibilities.

Furthermore, all Directors have participated in other relevant training programmes, talks, seminars, dialogue sessions and focus group sessions in addition to the Mandatory Accreditation Programme (MAP) accredited by the Institute of Corporate Directors Malaysia (ICDM) and the Financial Institutions Directors' Education (FIDE) Programme accredited by the ICLIF Leadership and Governance Centre (ICLIF). These activities, organised by regulatory authorities, the FIDE Forum (an alumni association for Financial Institutions Directors) and professional bodies, further enhance Directors' business acumen and professionalism in discharging their duties to the Group.

The Board, along with the Board members of the subsidiaries of AMMB, also attend Budget and Strategy meetings to have an in-depth understanding and continuous engagement with Management regarding the Group's strategic direction. Additionally, the Directors are continually updated on information relating to the Group's development and industry development through discussions at Board meetings with the senior management team.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### ON-GOING PROFESSIONAL DEVELOPMENT (CONT'D.)

The Board ensures that a structured Director Learning and Education programme is in place for its members. Through this programme, members are provided with appropriate continuing education and kept up to date with current business, industry, regulatory and legislative developments and trends that will affect the Group's business operations. The GNRC will review the training and development needs of the Directors annually, taking into consideration the Group's strategy for the next several years and the current combined skills on the Board. The Directors may also suggest training programs they believe are necessary for the Board.

The Group Learning and Development Unit undertakes the role of coordinating, organising and managing Directors' learning and development requirements together with the Group Company Secretarial Department.

In FY2023, the Directors of the Company attended the following training programmes, talks, seminars, dialogues and focus group sessions:

TAN SRI MD NOR BIN MD YUSOF	
2022	Course Title
May	Board Induction
June	SGX: Securities Market Open Event
July	Sustainability Awareness Program Recovery and Resolution Planning (RRP) Project
August	Digital Academy Launch
September	Anti-Money Laundering (AML) Session For Directors and Executives 2021/2022
November	Cyber Security Awareness Program: Cybersecurity: Emerging Trends and What You Need To Know As A Decision Maker
2023	
January	RRP Project BNM Climate Risk Management and Scenario Analysis Policy Document
February	Sustainability Awareness Program Fireside Chat Series - Environmental, Social and Governance (ESG)
March	BNM – Engagement Session with CEOs/Chairmen of Banking Institutions
ROBERT WILLIAM GOUDSWAARD	
2022	Course Title
June	Leading From The Chair INSEAD Fontainebleau
July	Sustainability Awareness Program RRP Project
November	ISRA: Islamic Finance For Board of Directors Programme
2023	
January	RRP Project
February	Sustainability Awareness Program
March	BNM Climate Risk Management and Scenario Analysis Policy Document

SOO KIM WAI	
2022	Course Title
May	PERE Asia Summit Singapore 2022
June	Wealth Management APAC 2H Market Outlook Seminar
July	Sustainability Awareness Program RRP Project Ikhlas Capital 3 <sup>rd</sup> Annual Conference ESG Essentials Leadership Perspectives Forum on Board Effectiveness
August	Bloomberg Asia Wealth Summit
September	AML Session for Directors and Executives 2021/2022 Recovery and Resilience: Spotlight on ASEAN Business
November	Cyber Security Awareness Program
2023	
January	RRP Project BNM Climate Risk Management and Scenario Analysis Policy Document Audit Oversight Board Conversation with Audit Committee Members
February	Pere Asia Summit 2023
March	Bursa Malaysia's Enhanced Sustainability Reporting Framework with Climate Change Reporting National Budget 2023 Review and Updates

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### ON-GOING PROFESSIONAL DEVELOPMENT (CONT'D.)

#### VOON SENG CHUAN

2022	Course Title
May	FIDE Forum: Metafinance - The Next Frontier of The Global Economy
June	Assessing Your Organization Culture
July	Sustainability Awareness Program RRP Project FIDE Forum: Leadership Perspectives Forum on Board Effectiveness in Conjunction with Board Effectiveness Evaluation Launch Update on ESG by PWC and FTSE4good by Bursa Malaysia
August	FIDE Forum: PIDM Industry Forum 2022
September	AML Session For Directors and Executives 2021/2022 FIDE Forum: RRP Sharing Session
November	Cyber Security Awareness Program: Cybersecurity: Emerging Trends and What You Need To Know As A Decision Maker The Emerging Trends, Threats and Risks To The Financial Services Industry - Managing Global Risk, Investment and Payment System
December	RRP Project
2023	
January	BNM Climate Risk Management and Scenario Analysis Policy Document FIDE Forum: Can America Stop China's Rise? Will ASEAN Be Damaged?
March	Engagement Session For BNM Annual Report 2022

#### SEOW YOO LIN

2022	Course Title
July	Sustainability Awareness Program RRP Project
September	AML Session For Directors and Executives 2021/2022
November	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
December	RRP Project
2023	
January	BNM Climate Risk Management and Scenario Analysis Policy Document FIDE Forum: Can America Stop China's Rise? Will ASEAN Be Damaged?

#### FARINA BINTI FARIKHULLAH KHAN

2022	Course Title
May	Ashurst LLP: Anti-Corruption Training
July	Sustainability Awareness Program RRP Project
August	PETRONAS: Board Conversation Series - Task Force on Climate-Related Financial Disclosures
October	AmDiscovery Briefing Session
November	Cyber Security Awareness Program: Cybersecurity: Emerging Trends and What You Need To Know As A Decision Maker
December	RRP Project PETRONAS: Board Excellence – Roundtable Programme
2023	
February	Sustainability Awareness Program
March	BNM Climate Risk Management and Scenario Analysis Policy Document

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### ON-GOING PROFESSIONAL DEVELOPMENT (CONT'D.)

#### HONG KEAN YONG

2022	Course Title
July	Sustainability Awareness Program RRP Project
September	AML Session For Directors and Executives 2021/2022
December	RRP Project
2023	
January	BNM Climate Risk Management and Scenario Analysis Policy Document FIDE Forum: Can America Stop China's Rise? Will ASEAN Be Damaged?

#### DATO' KONG SOOI LIN

2022	Course Title
April	FIDE Forum Joint Event on Steward Leadership For Sustainability
May	2022 Board and Audit Committee Priorities
July	Sustainability & Its Impact on Organisations: What Directors and Senior Management Need to Know Securities Commission Guidelines on The Conduct of Directors of Listed Corporations and Their Subsidiaries-Implications to the Board and Management. Islamic Finance For Board of Directors Programme RRP Project Duties & Responsibilities of Company Directors - Demystifying The Stewardship and Fiduciary Roles of Directors
September	AML Session for Directors and Executives 2021/2022
November	Cyber Security: Emerging Trends and What You Need to Know As a Decision Maker
December	RRP Project
2023	
January	BNM Climate Risk Management and Scenario Analysis Policy Document
March	Risk Management Committee-Banking Sector by Asian School of Business

#### FELICITY ANN YOUL

2022	Course Title
May	PwC & Australian Institute of Company Directors (AICD) – A Decarbonised Future. What Net Zero Actually Means for Your Board. Board Induction Hong Kong 30% Club Luncheon and Board Training – ESG Case Study Ernst & Young and INSEAD Corporate Governance Centre - How Can Boards Strengthen Governance to Accelerate Their ESG Journeys?
June	FIDE Core Programme - Module A INSEAD Singapore - Living in an Exponentially Changing World Freshfields - "Hope for a New paradigm: Progress Towards a Global Baseline of Sustainability Disclosure Standards".
July	Mandatory Accreditation Programme ASEAN Climate Governance Network (ACGN) and Sustainable Finance Institute Asia (SFIA) "Conversations on Climate Governance" (Session 1) RRP Project ICLIF Executive Education Centre Malaysia - Values as a Source of Competitive Advantage by Dr Aamir Abdul Rehman
August	AICD - Climate Governance Forum ACGN and SFIA's "Conversations on Climate Governance" (Session 2) FIDE Core Programme - Module B
September	AML Training from Shilpa at ACAMS AICD – Connecting Climate Change and Strategy
October	Climate Governance Initiative & AICD - Sustainability or ESG Committees: How to Structure your Board
December	KPMG – Let Insights Accelerate your Climate Action RRP Project
2023	
January	Credit Transaction Exposure to Connected Party (CTECP) System Training BNM Climate Risk Management and Scenario Analysis Policy
February	Sustainability Awareness Program AICD – Why the Uluru Statement is a National Governance issue AICD - Preparing for New Climate Reporting and Disclosure Standards
March	AICD - Annual Conference and Training AICD – Greater Expectations of Board Agendas Role of Islamic Banks in Supporting Sustainable Development

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### BOARD ACTIVITIES

Among the matters reviewed, deliberated and approved by the Board during FY2023 were as follows:

#### Strategy and Budget

- Approved the Budget for FY2023
- Strategy session with senior management to ensure the alignment on the Group's Focus 8 Strategy and future directions
- Economic updates by Group Chief Economist

#### Governance and Policy

- Policies & Frameworks: Anti-Bribery and Corrupt Practices policy, Stress Testing framework, Group Outsourcing policy, Internal Policy Management framework, Know Your Customers, Customer Identification and Due Diligence policy, Management of Conflict of Interest policy, Fit and Proper Criteria policy, Cyber Resilience policy, Related Party Transaction policy, Operational Risk Management framework, Connected Party policy, Data Governance Framework and Data Management Policy
- Updates on Whistleblowing Cases

#### Compliance and Assurance

- Compliance report on control policies and processes of the Group and compliance issues
- Risk report on risk exposures and risk portfolio composition of the Group
- Industry-wide bottom-up stress test and sensitivity analysis exercise 2022
- Approved Outsourcing Plan of the Group and Affiliates for FY2023
- Approved the Amended and Restated Master Service Agreement
- Thematic Review on the Code of Conduct for Wholesale Financial Markets in Malaysia
- Reviewed the Alerts (False Positives) in Transaction Monitoring
- Approved Group Compliance's Monitoring & Testing Plan for FY2024

#### Information Technology and Projects

- Approved the Enterprise Architecture framework
- Updates on the Compromise Assessment
- Updates on Digitalisation – The Next Normal
- Updates on Operational Efficiency – Competitive Levers
- Monitored the adequacy and effectiveness of systems and controls of the Group in its move towards digitalisation
- Reviewed the readiness of the Group in detecting or preventing cyberattack

#### Board Composition & Succession Planning

- Reviewed the Board Effectiveness Evaluation results for FY2022 and discussed action plans to address the gaps
- Reviewed the outcome of the independent review on the remuneration benchmarking for Group CEO and other senior management
- Reviewed the Group's Employee Engagement Survey Results for FY2022
- Reviewed the Group Total Rewards policy
- Approved allocation for Critical Retention Arrangement
- Approved the Changes/ Enhancements on Employee Benefits
- Updates on Group Talent and Succession Management Programme for FY2023

#### Sustainability

- Discussed on the Group's Sustainability Agenda
- Updates on Climate Change – Compliance and New Opportunities
- Discussion on regulator's requirements on climate change and the impact towards the Group's business



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### INTEGRITY AND ETHICS

The Board acknowledges its role in establishing a healthy corporate culture that embeds ethical conduct within the Group. The Board is committed to promoting ethical business conduct, maintaining a robust corporate culture that propagates integrity, transparency and fairness as well as being responsible for setting the tone and standards of the Group through the various policies that have been established and are in place.

As a financial institution we are driven by our responsibility to ensure high standards of ethics and corporate governance. Our business strategies and policies are formulated to steer us into demonstrating responsible, transparent, inclusive and ethical conduct in all dealings.

We have shared our commitment to responsible banking through a strong governance system within the Group as disclosed on page 22 of our Sustainability Report 2023. The Report sets out our stringent policies that encourage openness and accountability in the way we work, while protecting the Group against illegal and unethical practices.

### AWARDS & RECOGNITION

#### Minority Shareholders Watch Group (MSWG)

- 2021 ASEAN Corporate Governance Scorecard Award (ASEAN Asset Class PLCs)

#### MSWG

- ASEAN Corporate Governance Award 2021 (4<sup>th</sup> Placing in Industry Excellent in Corporate Governance Disclosure)

#### MSWG

- ASEAN Corporate Governance Award 2021 (10<sup>th</sup> Placing in Excellent in Corporate Governance Disclosure)

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT



**Farina binti Farikhullah Khan**

Chairperson

**The Group Nomination and Remuneration Committee (GNRC or the Committee) comprises five members, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director.**

**The GNRC plays a lead role in the succession planning and appointment of Board members, Group CEO and senior management, the annual review of Board effectiveness as well as ensuring that the performance of each Director and/or senior management is independently assessed. The GNRC also reviews and assists the Board in establishing the framework/methodology for the remuneration of the Directors, Group CEO and senior management.**

### COMPOSITION AND MEETING ATTENDANCE

A total of eight meetings were held during FY2023, and details of the meeting attendance are set out below:

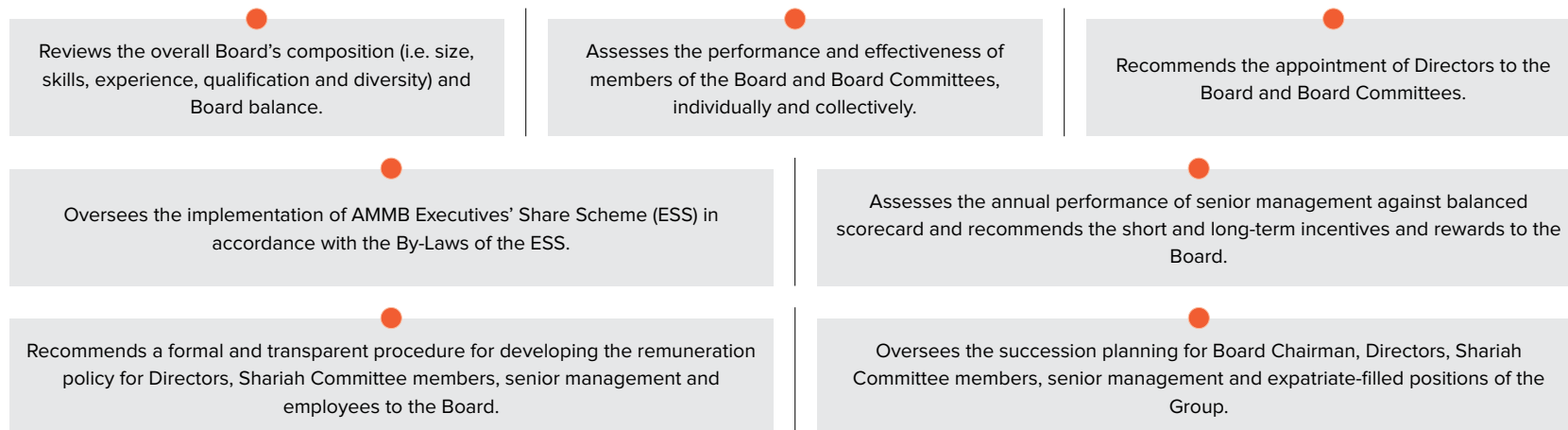
Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Farina binti Farikhullah Khan</b> (Chairperson) (Independent Non-Executive Director)	8	7	88
<b>Soo Kim Wai</b> (Non-Independent Non-Executive Director)	8	8	100
<b>Voon Seng Chuan</b> (Senior Independent Non-Executive Director)	8	8	100
<b>Seow Yoo Lin</b> (Independent Non-Executive Director)	8	8	100
<b>Robert William Goudswaard</b> (Non-Independent Non-Executive Director)	8	8	100

The profiles of Robert William Goudswaard, Soo Kim Wai, Voon Seng Chuan, Seow Yoo Lin and Farina binti Farikhullah Khan are disclosed respectively on pages 99, 100, 101, 102 and 103 of this Integrated Annual Report 2023.

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### ROLES AND RESPONSIBILITIES OF GNRC

The key responsibilities of the Committee include, amongst others, the following:



The roles and responsibilities of the GNRC are set out in its Terms of Reference, which is available on the Group's corporate website at [ambankgroup.com](http://ambankgroup.com).

### SUMMARY OF KEY ACTIVITIES OF GNRC DURING FY2023

During the financial year under review, the GNRC carried out the following activities in the discharge of its duties and functions:

#### Board Matters

- Assessed the performance of individual Directors, the Board and its performance and effectiveness as a whole, and also reviewed the composition of the Board based on the required mix of skills, experience and other qualities of the Board.
- Assessed the suitability of potential Director candidates to fill vacancy (ies) in the Board of the Company and subsidiaries without its own Nomination and Remuneration Committee, based on their professional qualifications, experience, integrity and the skill set as well as diversity, with the focus on gender, age and ethnicity required by the respective Boards.
- Reviewed and assessed the performance of Directors who sought re-appointment prior to the expiry of their tenures approved by BNM and re-election at the Annual General Meeting (AGM).
- Assessed Directors' training needs to ensure all Directors receive appropriate continuous training.
- Discussed Board gaps and succession planning.
- Reviewed and assessed the annual self-declaration of "Fit and Proper" criteria for Directors.

#### Management Matters

- Reviewed and assessed the performance of Group CEO and C-Suites against a set of balanced scorecards with key performance indicators (KPIs) and targets agreed upon at beginning of the financial year.
- Recommended annual salary review and bonus pool allocation for employees.
- Reviewed and recommended the proposed change to employee compensation and benefits, i.e. updated salary structure for market alignment, a special retention scheme for junior and middle management in critical roles.
- Reviewed and recommended the revision to Long Term Incentive (LTI) framework.
- Reviewed and assessed the annual self-declaration of "Fit and Proper" criteria for senior management.
- Reviewed the Group's Talent Pool and C-Suite Succession.
- Recommended the renewal of employment contract of senior management together with their remuneration.
- Reviewed half-yearly KPI performance of Group CEO and C-Suites.
- Reviewed and recommended the revision to Short Term Incentive (STI) framework.

Minutes of all GNRC meetings were tabled to the Board for noting. In addition, the GNRC Chairman apprised the Board on key discussions and matters of significant concern deliberated at the GNRC meetings.

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### BOARD KNOWLEDGE, SKILLS AND EXPERIENCE

#### Performance Evaluation

The Group conducts an annual Board Effectiveness Evaluation (BEE) exercise with the objective of assessing the performance of the Board as a whole, Board Committees and individual Directors.

The Board and Board Committees are evaluated based on the expectation that they are expected to perform their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with duties and obligations imposed upon them under the law and guidelines issued by the regulatory authorities.

For FY2023, the BEE exercise was conducted internally. The exercise was a process involving a questionnaire based self-assessment exercise where Directors assessed the performance of the Board, Board Committees and individual Directors.

The assessment of individual Directors took into consideration their contributions to the Board and their experience, competencies, integrity as well as commitment in meeting the requirements of the Group.

The results of the BEE form part of the basis for evaluation by the GNRC for the appointment, re-appointment and/or re-election of Directors as well as for further development of the Board and Board Committees.

The overall results of the BEE conducted for FY2023 were positive, a testament of the high performing board culture and dynamics. Some of the key positive highlights from the assessment were as follows:

- Board comprises highly skilled and experienced individuals
- Boardroom dynamics is characterised by professionalism and mutual trust
- Board members “respect each others’ views and welcome a healthy debate”

There were also areas which could be further improved and these, amongst others, include the following:

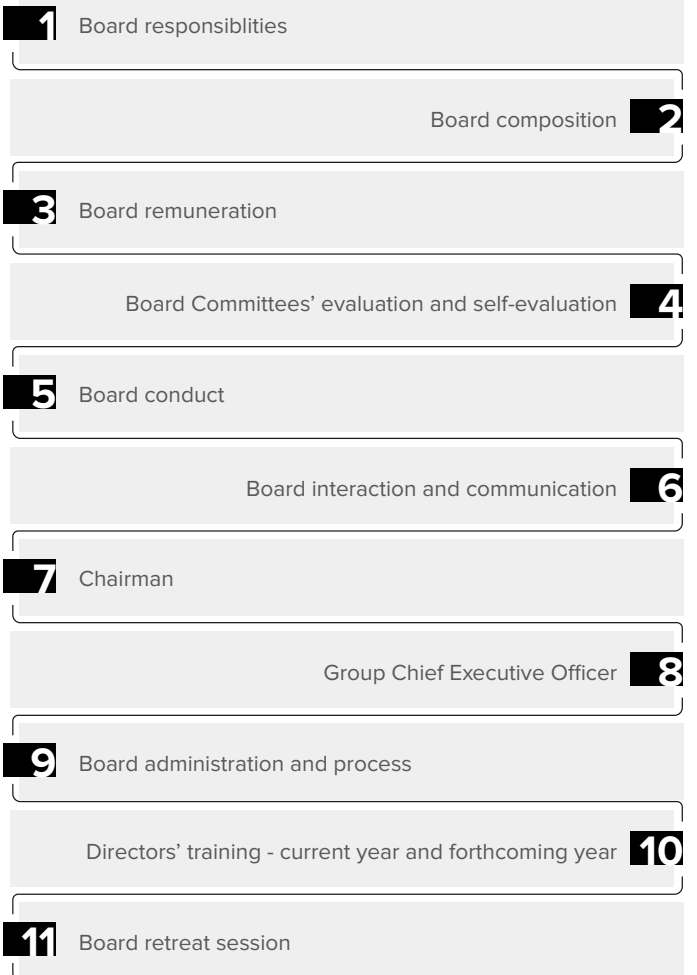
- Focus more on cybersecurity, measures taken to address evolving cyber threats
- Oversight on environmental, social and governance risks and opportunities in an integrated and strategic manner, which includes inculcating a strong sustainability culture within the Group
- Information flow and boardroom administration which include the need for more concise Board papers and focussed presentations to the Board and Board Committees

The Board and senior management had taken the feedback into consideration in implementing the required action plan.

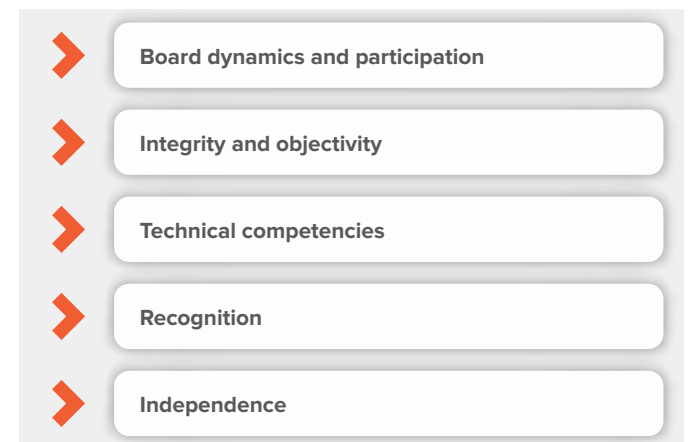
In the new financial year, the GNRC will focus on the following priority areas:

- Talent Retention and Development
- Succession Planning

### BOARD AND BOARD COMMITTEE EFFECTIVENESS



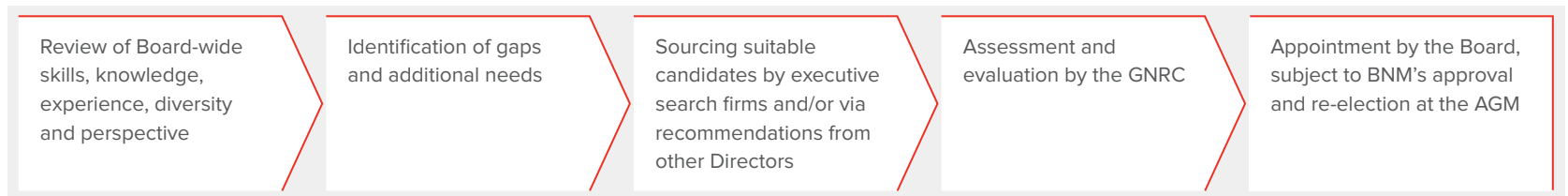
### DIRECTORS' SELF AND PEER ASSESSMENT



## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### SELECTION AND APPOINTMENT OF DIRECTORS

#### Process on Selection of Directors



#### Appointment of New Directors

The policies and procedures for new appointments are as follows:

##### POLICIES

- a. The GNRC will establish the minimum requirements on the skills and core competencies of a Director based on the annual review of the required mix of skills, experience and core competencies within the Board, diversity as well as to ascertain the “Fit and Proper” criteria for each Director.
- b. When assessing a person to be nominated for appointment to the Board, the qualifications and criteria to be considered by the GNRC, will include, but are not limited to :
  - whether or not the person is qualified under applicable laws and regulations to serve as a Director of the Company;
  - whether or not the person meets the “Fit and Proper” criteria under applicable law and regulations, including BNM Policy Document on Fit and Proper Criteria;
  - where a firm has been appointed as the external auditor of the Company, the person cannot be an officer in the firm who was directly involved in the engagement or any partner of the firm, unless at least three years after the firm last served as an auditor of the Company;
  - the person cannot be an active member of any national or state legislative body, or who is an office bearer of, holds any similar office or position in a political party;
  - the character and integrity of the person;
  - in considering a person to be appointed as an Independent Non-Executive Director, the person shall be independent in character and judgement, and free from associations or circumstances that may impair the exercise of his independent judgement;
  - whether or not the person is willing to serve as a Director and to commit the time necessary to perform the duties as a Director; and
  - the contribution that the person can make to the Board and to the overall desired Board composition, taking into account the person’s business experience, education and such other factor as the Board may consider relevant.
- c. The GNRC may use executive search firms or via recommendations from other Directors for identifying potential candidates.

##### PROCEDURES

- a. The GNRC will perform a preliminary assessment of potential candidates and shortlist candidates for engagement session.
- b. Once shortlisted, three members of the GNRC will engage potential candidates to assess the suitability of candidates in terms of technical expertise, experience and the behavioural and culture fit with the Board, in addition to ascertaining the candidates’ interest, availability and terms of appointment. The Chairman of the Company will have an engagement session with the selected candidate as recommended by the GNRC.
- c. Upon completion of the engagement, the engagement results and the GNRC members’ assessment of candidates will be included as part of the submission at the GNRC for further discussion and deliberation.
- d. Once potential candidates are shortlisted for recommendation, the Company Secretary will conduct comprehensive reference checks, including checks on financial and character integrity, in line with regulatory requirements on the candidates.
- e. Based on the recommendation of the GNRC, the Board of the Company or the Board of the respective subsidiary will deliberate on the recommended candidate, subject to BNM’s approval.
- f. Upon approval by the Board, application for the proposed appointment will be submitted to BNM accordingly.
- g. Once approval from BNM is obtained, the candidate will complete the required statutory form.
- h. Upon appointment of the candidate, a letter of appointment will be issued to the candidate.

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### Re-election and Re-appointment of Directors

The Company's Constitution permits the Board to appoint a person to be a Director of the Company at any time, either to fill a casual vacancy or as an addition to the existing Directors, and in any case, the number of Directors shall not be less than three.

A candidate who was appointed as Director of the Company must seek re-election by shareholders at the next AGM. The Constitution of the Company further provides the rotation of Directors whereby one-third of the Directors are to retire at every AGM of the Company and that all Directors must retire at least once in three years and shall be eligible for re-election.

Directors who are due for re-election/ re-appointment are also subject to the following policies and procedures:

#### POLICIES

- a. Retirement of Directors by rotation will follow the requirements as stipulated in the Constitution of the Company.
- b. The tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine years, except under exceptional circumstances or as part of transitional arrangements towards full implementation of succession plans of the Group. The commencement of 9-year tenure will commence from the date of the first appointment of the Independent Non-Executive Director to the Group.

#### PROCEDURES

- a. The GNRC will assess the performance and contribution of each Director to the Board and Board Committees based on the results of the annual BEE and individual Directors' self and peer assessment.
- b. The GNRC will take into consideration the Director's performance during his or her term, including consideration of the following factors:
  - Compliance with governing legislations, regulations or guidelines, particularly conflict of interest, confidentiality, "Fit and Proper" criteria and duty of care provisions; and
  - Whether or not an Independent Non-Executive Director still qualifies as "independent" under applicable laws and regulations.
- c. Based on the assessment results, the GNRC will recommend the Directors seeking re-appointment or re-election to the Board.
- d. For Directors seeking for re-election pursuant to the Constitution of the Company, the Board will recommend their re-election to the shareholders for approval at the AGM.
- e. For Directors seeking re-appointment pursuant to BNM-approved tenure, an application for the proposed re-appointment will be submitted to BNM for approval, upon approval by the Board.

Directors who are subject to re-election at the forthcoming AGM pursuant to Clause 94 of the Constitution of AMMB:

- Robert William Goudswaard
- Voon Seng Chuan
- Farina binti Farikhullah Khan

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### Succession Planning

The Group has established programmes to identify employees with potential and nurture them through career development opportunities for senior management positions. The development programme is closely monitored and managed by the Group Talent Council (GTC) comprising members of the senior management team within the Group. The GTC administers various programmes in accordance with the Talent and Succession Management Policy and its terms of reference.

During the year, the GNRC was entrusted by the Board to review the succession planning and the talent pipeline for senior management positions. The GNRC guides Management in refining the accelerated development approach to create a robust pool of qualified banking experts and supporting professionals as well as to improve their readiness to assume their identified roles. This includes pairing identified individuals with mentors and executive coaches, creating cross-functional training and exposure, and formal learning and assignments.

In the event that there is no suitable internal candidate within the accelerated development time frame, the Group will search and identify external candidates.

The GNRC closely monitors management positions and succession pipelines, including top management positions at the Group level and heads of subsidiaries, in particular the Chief Executive Officer and Group CFO, whose appointments are subject to the approval of BNM.

In addition to appointments, the GNRC reviews several areas including the reasons behind management-level and senior executive resignations, expatriate employee transfer of knowledge, talent demography and development requirements. All of these factors are considered towards ensuring that the Group continues to be able to attract, motivate and retain the right talent pool.

The potential successor will be managed and his/her individual development plan will be tracked with structured interventions to build leadership and functional capability.

The Board has also entrusted the GNRC with the responsibility of reviewing the succession plans for Directors.

### Governance of Talent and Succession Management (TSM)

**BOARD** - Provides strategic direction & approves TSM outputs for implementation with regards to Succession Plan for C-Suite & expatriate-filled positions

**GNRC** - Reviews & recommends proposed succession for C-Suite & expatriate, including appointments, to the Board for approval

**Group Talent Council** - Reviews & approves TSM outputs & development plans for implementation and conducts annual talent review.

### REMUNERATION

#### Director

The Directors are paid Directors' fees, Board Committee allowances, meeting allowances, Chairman allowance, benefits-in-kind and Directors' and Officers' insurance coverage.

The remuneration structure of the **Non-Executive Directors** of AMMB is laid out as follows:

#### Director's Fees (per annum)

Chairman	RM210,000
Deputy Chairman	RM210,000
Non-Executive Director	RM200,000

*Note: Director's fee is payable after shareholders' approval at the AGM.*

Board Committee Allowance (per annum)	Chairman	Member
Audit and Examination Committee	RM40,000	RM20,000
Risk Management Committee	RM30,000	RM20,000
Group Nomination & Remuneration Committee	RM30,000	RM20,000
Group Information Technology Committee	RM30,000	RM20,000

#### Meeting Allowance

Board	
Board Committee	RM2,500
Other Meeting	per meeting

#### Allowance to the Chairman (per annum)

Board	RM300,000
-------	-----------

#### Benefits-in-kind

Medical (on claim basis) and any expenses incurred by the Directors in performing their duties.

#### Directors' and Officers' Liability Insurance

A combined and shared policy limit of RM200 million (or any other amount as approved by the Board at the Company from time-to-time) in aggregate during the policy period covers the Group's Directors in respect of any liabilities arising from any act committed in their capacity as Directors and Officers of the Group. The Directors and Officers are required to contribute jointly towards a portion of the premiums of the said policy.

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

Details on the aggregate remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries during FY2023) are as follows:

Name of Directors	Salary and Bonus	Fee (RM'000)		Emoluments <sup>1</sup> (RM'000)		Benefit-in-kind <sup>2</sup> (RM'000)	Total
		AMMB (RM'000)	Subsidiary Level	AMMB	Subsidiary Level		
<b>Tan Sri Md Nor bin Md Yusof</b> (Appointed on 30 April 2022)	–	193	-	303	-	7	503
<b>Robert William Goudswaard</b>	–	200	-	138	-	1	339
<b>Soo Kim Wai</b>	–	200	150	70	120	20	560
<b>Voon Seng Chuan</b>	–	200	160	105	270	2	737
<b>Seow Yoo Lin</b>	–	200	150	123	70	2	545
<b>Farina binti Farikhullah Khan</b>	–	200	150	103	90	5	548
<b>Hong Kean Yong</b>	–	200	-	110	-	2	312
<b>Dato' Kong Sooi Lin</b>	–	200	150	105	60	1	516
<b>Felicity Ann Youl</b> (Appointed on 15 April 2022)	–	192	-	64	-	1	257
<b>Tan Sri Azman Hashim</b> (Retired on 29 April 2022)	–	17	-	123	-	2	142

Notes:

<sup>1</sup> Emoluments comprised Board Committee allowance, meeting allowance and allowance to the Chairman of the Board.

<sup>2</sup> Benefit-in-kind comprised provision of medical claims and any expenses incurred by the Directors in performing their duties.

The remuneration of the following Directors of the Company who sit on the Boards of other subsidiaries of the Group during FY2023 is disclosed under the subsidiary level of the above table:

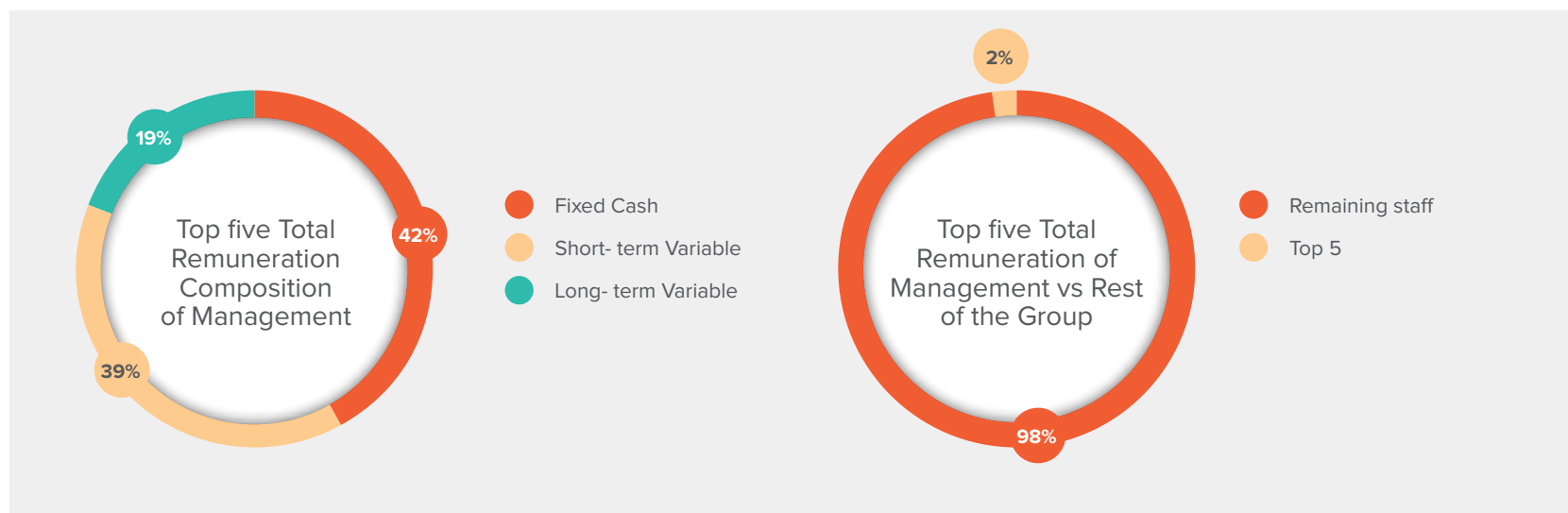
<b>Voon Seng Chuan</b>	Director of AMMB and Chairman of AmBank (M) Berhad
<b>Soo Kim Wai</b>	Director of AMMB and AmBank (M) Berhad
<b>Seow Yoo Lin</b>	Director of AMMB and AmInvestment Bank Berhad
<b>Farina binti Farikhullah Khan</b>	Director of AMMB and AmBank Islamic Berhad
<b>Dato' Kong Sooi Lin</b>	Director of AMMB and AmInvestment Bank Berhad



## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### Senior Management

The Board is of the view that the disclosure of the remuneration of the top five senior management on named basis in bands of RM50,000 as required under Practice 8.2 of the MCGG 2021 is not to the Group's advantage or in its best business interest, considering the highly competitive market for talent in the industry where poaching of executives is a common practice. The number of senior managements of the Company and its subsidiaries whose total remuneration during FY2023 fall within the following bands are as follows:



Range of remuneration	Number of Senior Management
Up to RM150,000	6
RM150,001 – RM200,000	4
RM200,001 – RM250,000	2
RM250,001 – RM300,000	7
RM300,001 – RM350,000	13
RM350,001 – RM400,000	12
RM400,001 – RM450,000	12
RM450,001 – RM500,000	19
RM500,001 – RM550,000	33
RM550,001 – RM600,000	24
RM600,001 – RM1,000,000	113
RM1,000,001 and above	49
<b>Grand Total</b>	<b>294</b>

\* Total Remuneration includes base salary, variable incentives (STI bonus and LTI grant) and deferred STI payable in the financial year, includes pro-rated remuneration for new hires.

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### THE GROUP REMUNERATION OBJECTIVES

The Group's remuneration structure is governed by the GNRC and the Total Rewards Policy of the Group, where inputs from control functions and Risk Management Committee of the Board are solicited. This policy which is applicable to all divisions and subsidiaries within the Group, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns, taking into consideration risk management principles and standards set out by BNM Policy Document on Corporate Governance.

An independent review is conducted periodically to ensure that the Total Reward Policy and practice is in line with the industry practice and continues to support the Group's Total Reward Philosophy. When formulating and refining the remuneration strategy, consideration is also given to align our remuneration approach with the Group's medium to long-term strategic objective, culture and values in order to drive desired behaviours and achieve objectives set out in the balanced scorecard.

The following are the main thrusts of the Group's remuneration strategy:



### THE GROUP'S APPROACH TO REMUNERATION

The Group's remuneration is made up of two components; fixed pay and variable pay.

	WHAT	WHY	HOW
<b>FIXED PAY</b>	<ul style="list-style-type: none"> <li>• Base Salary</li> <li>• Fixed Allowances</li> </ul>	<p>Why and Linkages to Strategy</p> <ul style="list-style-type: none"> <li>• Pay for Position (or market value of the job) to attract and retain by ensuring the fixed pay is competitive vis-à-vis comparable organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Adhering to the market value of the job at the individual's competency level, skills, experience and responsibilities</li> <li>• Fixed amount paid monthly</li> <li>• Typically reviewed and revised annually</li> </ul>
	<ul style="list-style-type: none"> <li>• Short-Term Incentive (Performance Bonus)</li> <li>• Long-term Incentive (AMMB ESS)</li> </ul>	<ul style="list-style-type: none"> <li>• Pay for Performance                             <ul style="list-style-type: none"> <li>– Focus employees on the achievement of objectives which are aligned to value creation for the shareholders</li> <li>– Align payout to time horizon of risk to avoid excessive risk taking and provide for deferral, malus and forfeiture arrangements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Based on the performance of the Group, line of business or subsidiary and the employee's individual performance.</li> <li>• Measured against a balanced scorecard with KPIs and targets agreed at the beginning of each financial year.</li> <li>• Awards for individuals in senior management positions and/or positions with significant organisational responsibilities that have material impact on the Group's performance and risk profile is subject to deferral.</li> <li>• Deferred remunerations are paid in cash.</li> </ul>

## GROUP NOMINATION AND REMUNERATION COMMITTEE REPORT

### DETERMINATION OF SHORT-TERM INCENTIVE (PERFORMANCE BONUS) POOL AND INDIVIDUAL AWARD

The following mechanisms are used to derive the Group's short term incentive pool and incentive pools for business units and/or subsidiaries:

#### GROUP'S SHORT-TERM INCENTIVE POOL

A function of profits benchmarked against peer comparators and calibrated against:

- Risk adjustments
- Distribution of earning between shareholders and employees

Guided by the Group Short-Term Incentive/Performance Bonus Framework, based on:

- financial and non-financial metrics covering employees, customers, shareholders, risks and compliance objectives; and
- review and evaluation by the GNRC and subsequently approval by the Board. The GNRC has the discretion to adjust the pool where required, based on Group's performance, capital requirements, economic conditions, competitive landscape and retention needs.

#### BUSINESS UNIT/ SUBSIDIARIES SHORT-TERM INCENTIVE POOL ALLOCATION

The Group pool is reallocated to the business units/ subsidiaries taking into account:

- each unit's actual performance achievement against target; and
- the relative performance of each unit,

measured through each unit's balanced scorecard and evaluated by the Group CEO and the GNRC

Inputs from control functions (Audit, Compliance and Risk) are sought.

The Chief Internal Auditor is measured independently with the performance outcome being recommended by the AEC while the Chief Risk Officer and the Chief Compliance Officer are measured independently with the performance outcome being recommended by the RMC.

Individual awards are based on the employee's performance, measured through a balanced scorecard that takes into account qualitative and quantitative objectives as set out in the individual's KPIs. The performance of control functions (Audit, Compliance and Risk) are assessed independently from the business units they support to prevent any conflicts of interests.

Retention Award (deferred component of the Short-Term Incentives received) are paid in cash in two equal instalments over a period of two years. No further performance condition applies.

Sales employees are incentivised via respective sales incentive plans to promote the development of mutually beneficial long-term relationships with their customers, rather than short-term gains. As such, non-financial metrics such as customer satisfaction and fair dealing principles are incorporated into their KPIs and with compliance as payout triggers.

### LONG-TERM INCENTIVE (AMMB ESS)

The AMMB ESS forms the Group's long-term compensation component that is forward looking with rewards based on the Group's future performance. The ESS allows for the following objectives to be met:

- Align long-term interest of senior management with those of shareholders;
- Retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- Attract potential employees with the relevant skills to contribute to the Group and to create value for shareholders; and
- Deliver compensation in a manner that drives the long-term performance of the Group.

The ESS is delivered in the form of performance shares, namely Long-Term Incentive, that vests over a period of three years, contingent on the Group meeting its long-term performance targets.

### VARIABLE PAY DEFERRALS

Variable pay for individuals in senior management positions and/or positions with significant organisational responsibilities that have material impact on the Group's performance and risk profile is subject to deferral.

The deferral award consists of two components with the objective of:

- Retaining key employees (Deferred STI), and
- Driving the Group's long-term performance and sustainability (Long-Term Incentive Award).

Malus of unvested / unpaid awards will be triggered by material violation, negligence, willful misconduct and fraud and breach of compliance as well as Anti-Money Laundering and Counter Financing of Terrorism as outlined in the ESS By-Laws and scheme rules.

## RISK MANAGEMENT COMMITTEE REPORT



**Dato' Kong Sooi Lin**

Chairperson

**The Risk Management Committee (RMC or the Committee) comprises four members, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director.**

**The Committee oversees the governance of risks within the Group and ensure that there is effective infrastructure in place (policies, frameworks, processes, resources and systems) to manage risk.**

### COMPOSITION AND MEETING ATTENDANCE

A total of six meetings were held during FY2023, and details of the meeting attendance are set out below:

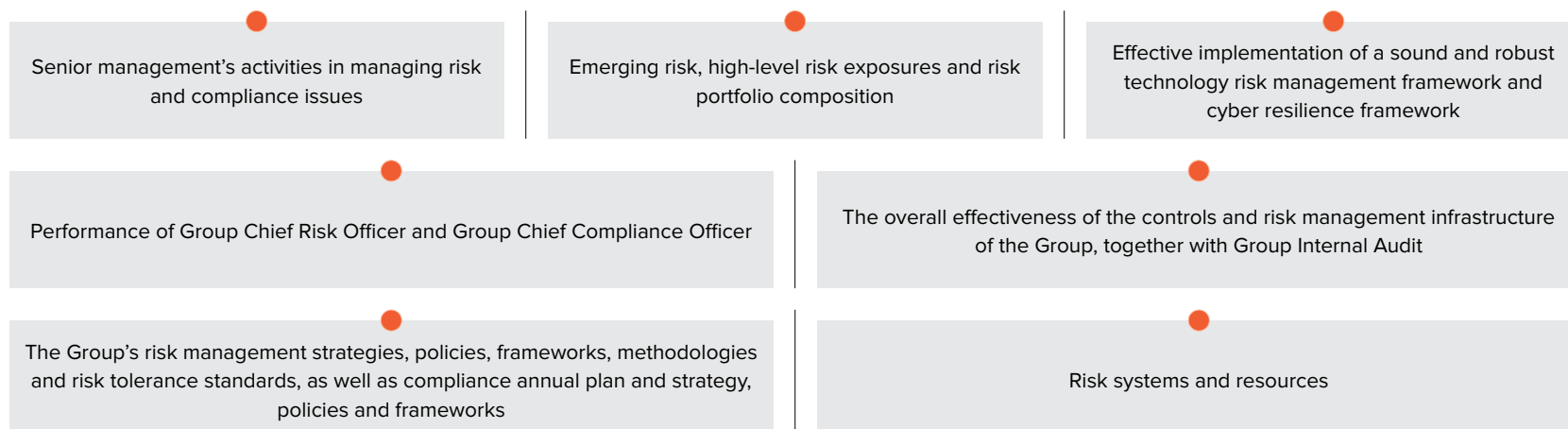
Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Dato' Kong Sooi Lin</b> (Chairperson) (Independent Non-Executive Director)	6	6	100
<b>Hong Kean Yong</b> (Independent Non-Executive Director)	6	6	100
<b>Robert William Goudswaard</b> (Non-Independent Non-Executive Director)	6	6	100
<b>Felicity Ann Youl</b> (Independent Non-Executive Director) (Appointed as member on 15 April 2022)	6	6	100

The profiles of Robert William Goudswaard, Hong Kean Yong, Dato' Kong Sooi Lin and Felicity Ann Youl are disclosed respectively on pages 99, 104, 105 and 106 of this Integrated Annual Report 2023.

## RISK MANAGEMENT COMMITTEE REPORT

### ROLES AND RESPONSIBILITIES OF RMC

The key responsibilities of the Committee include the review and evaluation of:



### SUMMARY OF KEY ACTIVITIES OF RMC DURING FY2023

During the financial year under review, the RMC carried out the following activities in the discharge of its duties and functions:

<b>1</b> COVID-19 related strategies and actions	<b>2</b> Quarterly provision analysis report	<b>3</b> Movement in macro provision on quarterly basis
<b>4</b> Group's risk and compliance policies	<b>5</b> Semi-annual stress test	<b>6</b> On-going risk management activities to identify, evaluate, monitor, manage and mitigate critical risks to an acceptable level
<b>7</b> Risk direction and appetite	<b>8</b> Emerging risks and mitigation actions	<b>9</b> Key performance indicators scorecard of the Group Chief Risk Officer and Group Chief Compliance Officer
<b>10</b> Progress and timeline of the Group's migration to the Foundation Internal-ratings Based (FIRB) for capital adequacy	<b>11</b> Compromise Assessment Exercise to assess cyber security risk	<b>12</b> Status update on scope and action for discussion on Anti-Bribery and Corruption Practices
<b>13</b> Sustainability Statement, Risk Management Committee Report and Statement on Risk Management and Internal Control	<b>14</b> The anticipatory forward looking expected credit loss overlay for FY2023	<b>15</b> Compliance Second Line of Defence Monitoring and Testing Review Plan and Results Assessment
<b>16</b> Risk maturity assessment	<b>17</b> Technology Solutions enhancing Compliance detective and risk mitigation measures and controls	<b>18</b> Review progress of sustainability agenda

Minutes of all RMC meetings were tabled to the Board for noting. In addition, the RMC Chairman apprised the Board on key discussions and matters of significant concern deliberated at the RMC meetings.

## RISK MANAGEMENT COMMITTEE REPORT

### GROUP RISK MANAGEMENT

#### Risk Strategy

Risk strategy centres around the following initiatives:

Enhancing risk governance	Upgrading the Group's risk infrastructure	Enhancing comprehensive risk appetite strategy, execution and monitoring framework	Improving funding and liquidity risk management
Improving underlying asset quality and enhancing portfolio diversification	Materially lowering loan loss provisions	Maintaining robust risk/ award pricing models	Positioning the Group for Internal-ratings Based (IRB) status under Basel II

#### RISK GOVERNANCE

The Group's risk governance and culture follows the "Three Lines of Defence" framework, with the motto "Risk is Everyone's Responsibility". A robust policy and guideline framework is supporting the Group's overall risk management infrastructure.

#### SUMMARY OF GROUP RISK MANAGEMENT'S KEY ACTIVITIES DURING FY2023

##### COVID-19

- The financial year under review was a year of recovery, following the unprecedented event requiring risk management resources to put much focus on managing the impact of the COVID-19 pandemic. Business continuity plans such as split teams, COVID-19 specific standard operation procedures (SOPs) and work from home (WFH) arrangements continued to be in place while credit teams actively assist private individuals and businesses put sustainable financing structures in place. Appropriate provisions have been taken to anticipate potential losses resulting from individuals and businesses not being able to repay the Group, with frequent review of the provisions levels.

##### Wholesale Credit Risk

- Credit certification – One credit officer in Wholesale Credit Risk completed the accreditation in FY2023 with another seven credit officers registered and still pursuing.
- Continuous close monitoring of customers arising from the COVID-19 pandemic for better management and control of the accounts, particularly for those in the vulnerable sectors such as airline/aviation, tourism/travel agencies, accommodation and consumer traffic-related like retail and wholesale/trading, food and beverage services/restaurants.

- Provided financing assistance to eligible companies under the numerous government-guaranteed schemes.

##### Business Credit Risk

- Continuous refinements to the Behavioural Early Warning system triggers and undertake early mitigation strategies to manage potential early warning accounts.
- Enhancements to risk reporting for improved monitoring of the portfolio via more detailed segmentation reports
- Close monitoring of the SME portfolio as repayment assistance plans come to a tail end.

##### Retail Credit Risk

- Comprehensive risk control on higher risk and vulnerable income group.
- Enhanced risk and policy control over occupation, CCRIS, industry, financing ratio and risk grade segment for new customer onboarding.
- On-going review of the credit parameters with regards to credit underwriting criteria, target market, credit checks, account management etc for Retail Banking.
- Continuous close monitoring of remaining customers under the repayment assistance program (e.g. URUS, Flood Relief, Restructured & Rescheduled and etc).
- Separate monitoring was also done for population expired from repayment assistance programme.
- Regular assessment on management overlay requirement.

## RISK MANAGEMENT COMMITTEE REPORT

### Governance and Provisioning

- Basel II IRB programme – Continued to focus on IRB lending assessment and management metrics.
- Upgraded measurement models, considering for heightened risk and assistance programme mitigation under COVID-19 pandemic environment.
- Continue to progress on the Group’s move from the Standardised Approach for Basel capital management to the FIRB approach.

### Investment Banking and Markets Risk

- Enhanced market risk and liquidity risk management system to enable more proactive risk management to support business changes.
- Enhanced market risk and liquidity risk methodologies to enable more comprehensive risk management.
- Assessed market risk and liquidity risk appetite statements supplemented by detailed controls.

### Group Operational Risk

- Providing continuous support through the Group-level frameworks, policies and guidelines established to guide the first and second line of defence functions.
- Increasing the use of data analytics and exception management to proactively manage operational risks across the Group.
- Better adoption of advanced technology and automation through robotics (Robotics Process Automation solutions) including risk assessment to mitigate operational risks that are inherent to manual processes.
- Completed the 1<sup>st</sup> phase of automation for Risk and Control Self-Assessment (RCSA) process which enables faster turnaround, more accurate identification and assessment of risks including the generation of heat map and risk register as part of a planned overall Compliance and Risk System in the medium term. Continuing the 2<sup>nd</sup> phase of automation to ensure the e-risk register is properly implemented.

### Group Technology Risk

- The Group continues to enhance its cyber security controls framework, execute internal assessment reviews, build defence mechanisms and uplift governance processes alongside the Group’s Cyber Risk Strategy which was established to identify threats in a timely manner, build and enhance the right defences to mitigate risks.
- Strengthened the Group’s cyber security posture and its ability to protect the Group’s information assets. The objective of the IT Security and Cyber Risk Strategy is to combat cyber security, reducing risk and promoting resilience in real time and online services to ensure compliance with BNM’s Risk Management in Technology (RMiT) requirements.
- A cyber-resilience framework was put in place to facilitate the Group’s ability to anticipate, withstand, contain and/or promptly recover from cyber-attacks and events that disrupt usual business operations and/or services.

- Executed multiple assessments on specific security domains to analyse current maturity state as the Group progressively tracked, measured and provided advice to execute an effective security programme towards the target future state of proactive cyber security via improved management and mitigation on potential cyber risk exposure.
- In keeping up with the constantly evolving nature and sophistication of cyber threats and attack vectors, the Group continues to emphasise on increased vigilance, process uplift exercises, incident response robustness, security awareness and security controls enhancement.

### PRIORITIES FOR FY2024

Group Risk Management will continue to support the Group’s business strategies while managing the inherent risk. Priorities for FY2024 include:

- Enhance monitoring and early warning tools for more effective credit management and portfolio asset quality monitoring;
- Strengthen approval limits to commensurate with the nature of products;
- Continue to enhance market risk and liquidity risk methodologies and controls;
- Further enhance cyber security controls environment with a focus on domains such as Cyber Incident Response and Crisis Management, Third Party Risk Management, Threat Hunting and Intelligence, Data Loss Prevention, Threat and Vulnerability Management and Network Resilience;
- Introduce climate change related risk measurements and scenario analysis as part of our overall sustainability initiative;
- Embed Climate-related operational risk into the Business Continuity Management Framework to ensure it is adequately assessed as a business continuity risk component to allow alignment to the risk taxonomy; and
- Continue to raise Business Continuity Management activities to the next level by robustly testing of multiple disruption scenarios, including at third party service providers.

### GROUP COMPLIANCE

Group Compliance continues to strengthen its efforts to embed the culture of doing things right and doing the right things, within the DNA of employees of the Group. Compliance Risk Management is well incorporated into the broader Group business strategy, communicated, and driven through the Talent and Performance Management and Learning and Development Programmes.

The Group’s Continuous Improvement and Sustainability Programmes will continue to promote a culture of honesty and integrity, where customers are served applying the highest standards of professionalism, and all applicable laws and regulations are adhered to.

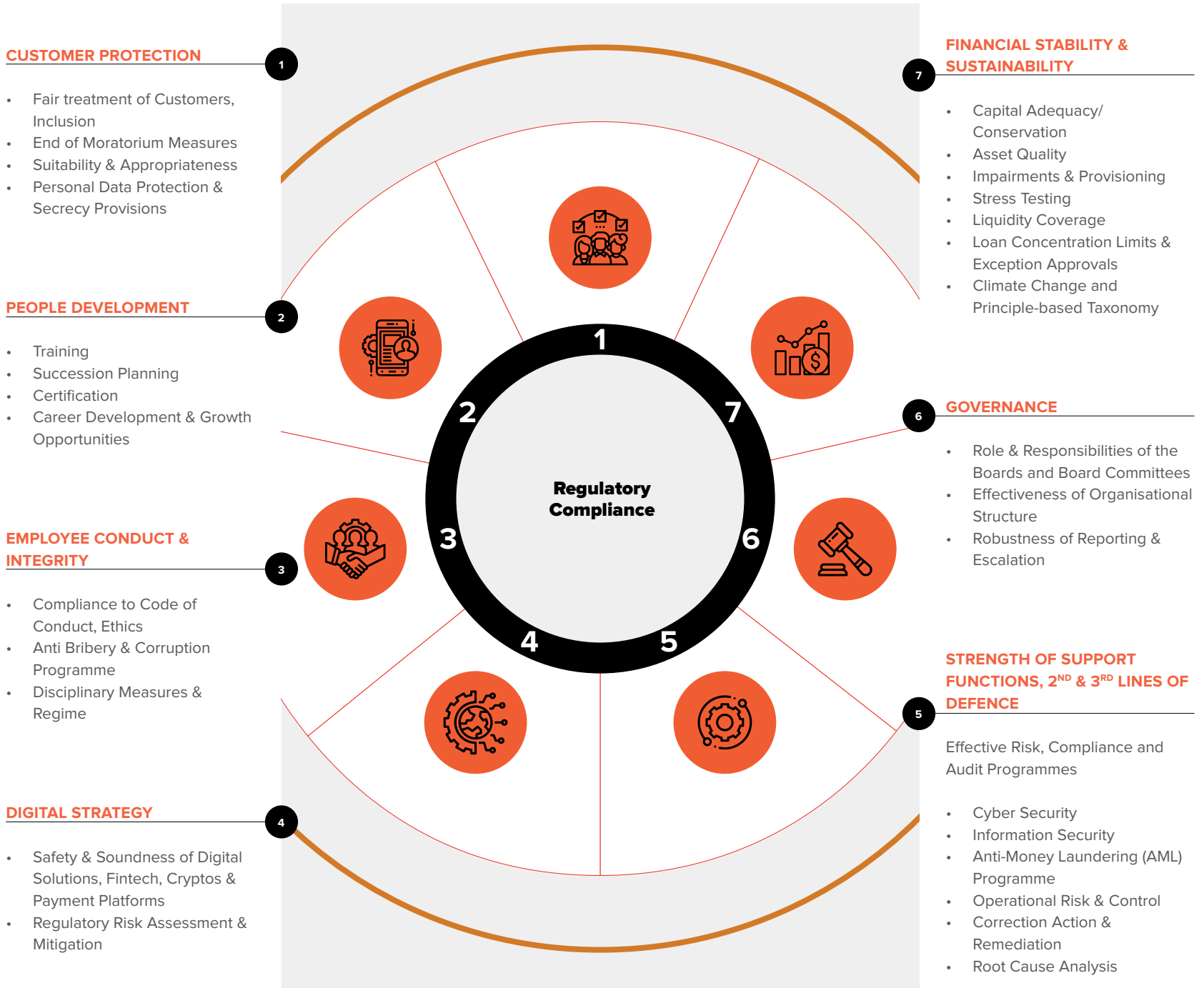
In 2024, Group Compliance will continue to build and enhance the Compliance Framework, in order to sustain standards and best practices, keeping abreast of industry and regulatory expectations.

## RISK MANAGEMENT COMMITTEE REPORT

### SUMMARY OF GROUP COMPLIANCE'S KEY ACTIVITIES DURING FY2023

These efforts include:

- i) Continuing the Group's focus on Regulatory Compliance





## RISK MANAGEMENT COMMITTEE REPORT

- ii) Group Compliance is engaged in the Group's sustainability objectives in the areas of Anti Money Laundering (AML) and Anti Bribery and Corruption driven through continuous education and awareness initiatives, an important component of the Task Force on Climate-Related Financial Disclosures (climate related financial disclosure) pillars of governance and risk management.
- iii) As part of the Group's sustainability agenda, Group Compliance has developed and implemented for the commercial banks, a Know-Your-Customer (KYC) system that integrates sanctions and name screening, AML risk rating and KYC customer profiling and maintenance.
- iv) Successfully completed a refresh exercise of the KYC and beneficial owner profile of the customer base, particularly Medium and Low AML Risk customers, in line with regulatory expectations.
- v) Continue to intensify depth and breadth of Compliance Monitoring and Testing capabilities, through the enhancement of detective measures and testing scope and coverage, allowing for greater assurance to the Board of the Group's compliance to regulatory requirements.
- vi) Continue to build synergies between Compliance, Operational Risk and Internal Audit, and endeavoured to effectively conduct reviews to identify risk exposures and coordinate with the business to implement risk mitigation solutions.
- vii) Group Compliance has re-commenced AML Transaction Monitoring threshold optimisation exercise to allow for more effective application of thresholds and enhanced data analytics on transactional data for focused fraud and AML risk identification. This review is in line with the Group's Continuous Improvement Program for AML. A similar exercise has commenced for Market Surveillance covering the Stockbroking and Futures businesses.
- viii) Increased collaboration with enforcement agencies to act against financial crime. AmBank is a member of the working group in setting up the National Scam Response Centre (a joint effort between the anti-financial crime centre, police, BNM, Malaysian Communications and Multimedia Commission, financial institutions, and telecommunications companies). Contributed and participated in the development, testing and the rollout of the Industry Fraud Portal in combating fraud, scam, and mule cases, that will ultimately allow for faster coordination and response to any fraud, scam, or mule situations by the banking industry, especially assisting the authorities to recover proceeds.
- ix) The Compliance Culture Programme is a continuous undertaking, driven through continuous education and awareness initiatives to embed a culture of adherence and conduct across the Group. Embedding Compliance DNA and conduct in the businesses has been done through Tone from the Top and various other initiatives, reminding all, of the Group's stance on zero tolerance for bribery and corruption, in line with the requirements for Adequate Procedures to address Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Areas in relation to market conduct, insider trading and conflicts of interest were also considered in the 2023 Compliance Culture Programme.
- x) Continue to enhance the skills and capabilities of the in-business control function and Compliance talent pools. Group Compliance has continued to upgrade bench strength through the hiring of talent with AML, Market Surveillance and Regulatory Compliance experience and upskilling staff through certifications in AML and regulatory compliance.

### PRIORITIES FOR FY2024

Group Compliance will continue with its efforts to build a stable and positive compliance culture in the Group. Priorities for FY2024 include to:

- Continue to enhance the KYC system to extend to the Investment Bank and to further improve the process of client relationship onboarding, profiling and maintenance, moving toward a straight through onboarding solution with system data, documentation capture and digital approval functionality.
- Leverage upon enriched data from the KYC system together with present and historical transaction data for further data analytics and data mining capabilities for refinement of threshold and customer segmentation recalibration, and focused investigations to increase effectiveness of AML risk detection and reporting.
- Augment the assurance function of the Group through collaboration between Group Compliance's Monitoring & Testing, Operational Risk and Internal Audit, and where possible share resources to leverage on subject matter expertise.
- Continue to be engaged with the Group's sustainability initiatives, contributing towards the United Nations Sustainability Development Goals and Task Force on Climate-Related Financial Disclosure requirements focusing on the areas of AML and Anti Bribery and Corruption.
- Continuous education and awareness initiatives to embed a culture of adherence and compliance conduct across the Group.
- Continue to collaborate with enforcement agencies to act against financial crime.
- Augmenting AML investigation processes through Robotic Process Automation solutions and consider areas where Artificial Intelligence solutions can be initiated to address false positive.
- Augment and calibrate Market Surveillance thresholds for the Stockbroking and Futures business to align to market and customer trading patterns.
- Embark on an Operational Efficiency Program to look into the alignment of operational processes, related controls and regulations.
- Enhance our regulatory risk and Enterprise-wide Risk Assessment methodology to take into consideration additional risk components and control measures.
- Continue to intensify innovation efforts partnering with the business to spearhead and bring to market, digital solutions and banking as a service.

## AUDIT AND EXAMINATION COMMITTEE REPORT



Seow Yoo Lin

Chairman

**The Audit and Examination Committee (AEC or the Committee) comprises three members, all of whom are Independent Non-Executive Directors.**

**The AEC supports the Board in ensuring there is a reliable and transparent financial reporting process, and together with the AECs of the respective entities within the Group, oversee the effectiveness of the internal control systems of the Group.**

### COMPOSITION AND MEETING ATTENDANCE

A total of five meetings were held during FY2023, and details of the meeting attendance are set out below:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Seow Yoo Lin</b> (Chairman) (Independent Non-Executive Director)	5	5	100
<b>Farina binti Farikhullah Khan</b> (Independent Non-Executive Director)	5	4	80
<b>Dato' Kong Sooi Lin</b> (Independent Non-Executive Director)	5	5	100

### QUALIFICATIONS AND EXPERIENCE OF AEC MEMBERS

Under the Terms of Reference of the AEC, at least one member of the AEC shall have an accounting qualification or experience in the field of finance. The AEC has met this requirement, with all its members being accountants by profession and having wide knowledge and extensive experience in financial management and reporting as well as a broad and diverse spread of commercial experience. Such consideration provides the Board with assurance that the AEC has the appropriate skills, breadth and depth to ensure that it can be fully effective.

The profiles of Seow Yoo Lin, Farina binti Farikhullah Khan and Dato' Kong Sooi Lin are disclosed respectively on pages 102, 103 and 105 of this Integrated Annual Report 2023.

## AUDIT AND EXAMINATION COMMITTEE REPORT

### ROLES AND RESPONSIBILITIES OF AEC

The Committee's main functions and duties shall include, but are not limited to the following:



The roles and responsibilities of the AEC are set out in its Terms of Reference, which is available on the Group's corporate website at [ambankgroup.com](http://ambankgroup.com).

During FY2023, the Group CFO and the Group Chief Internal Auditor (GCIA) as well as their representatives attended all the AEC meetings to present their respective financial and audit reports. The Group CEO and respective CEOs of the subsidiaries or their representatives are also permanent invitees at the AEC meetings of the respective entities. As and when necessary, the AEC had also requested the attendance of relevant Management personnel at its meetings to brief the AEC on specific issues arising from the financial and audit reports.

The GCIA held private sessions with the AEC Chairman of the respective subsidiaries prior to their AEC meetings, where required, to highlight key issues of concern that would be raised during the meetings.

The AEC also held two private sessions in April 2022 and October 2022 with the external auditors, without the presence of Management and the GCIA. In addition, the external auditors also attended AEC meetings to present their audit planning memorandum, memorandum of recommendations, the results of their limited review on half-year and quarter financial performance of the Company and three banking subsidiaries and the results of their review on the annual audited financial statements of the Company and the Group. The AEC ensured that there was coordination between internal and external auditors when both were carrying out their audit activities.

Minutes of all the AEC meetings were tabled to the Board for noting. In addition, the AEC Chairman also conveyed matters of significant concern to the Board as and when such matters were highlighted by the external and internal auditors.

### SUMMARY OF KEY ACTIVITIES OF AEC DURING FY2023

The AEC, with the assistance of the AECs of the respective entities within the Group, carried out the following activities throughout FY2023:

#### Annual Report

- Reviewed and endorsed the Statement on Risk Management and Internal Control for the Board's approval and its inclusion in the Annual Report.
- Reviewed and endorsed the AEC Report for the Board's approval and its inclusion in the Annual Report.

#### Financial Reporting

- Ensure compliance with salient regulatory requirements set out under the:
  - Companies Act 2016
  - Financial Services Act 2013
  - Islamic Financial Services Act 2013
  - Capital Markets and Services Act 2007
  - Securities Commission Act 1993
  - MMLR of Bursa Securities
  - Malaysian Financial Reporting Standard (MFRS) applicable to the Group
- Reviewed the quarterly unaudited financial results and annual audited financial statements of the Company and the Group to ensure that the financial reporting and disclosure requirements, particularly relating to changes in accounting policies, as well as significant and unusual events or transactions were in compliance with the accounting standards before recommending the financial statements to the Board for approval.

## AUDIT AND EXAMINATION COMMITTEE REPORT

- Reviewed the Group's Basel II Pillar 1 Capital Adequacy and Pillar 3 Disclosures, including Internal Audit's compliance review reports on Capital Components and Risk Weighted Assets Computation, and on the Disclosures, before recommending to the Board for approval.
- Reviewed and deliberated on the high level financial impact analysis on the Group arising from new accounting standards that would significantly impact the Group.
- Reviewed and deliberated on dividend payout before presenting to the Board for consideration.
- Approved the quarterly provision amount allocated by the Group.
- Deliberated on internal investigation reports issued by GIAD and directed Management to take necessary remedial actions and consequence management.
- Deliberated on mandatory review reports issued by GIAD for reviews required by regulators, including ad-hoc requests. This included the inaugural internal audit report on the Group's compliance with BNM's Policy Document on Recovery Planning.
- Deliberated on a focused review conducted by GIAD on the semi-annual reporting to Bank Negara Malaysia on climate change and principle-based taxonomy.
- Reviewed GIAD's reports on the results of continuous auditing undertaken using 'Audit Dashboard', which was implemented as part of GIAD's strategic initiatives.

### Tax Matters

- Reviewed tax related matters including indirect tax matters, on-going settlement and appeals with Inland Revenue Board and tax filing approaches undertaken by each of its banking subsidiary.
- Deliberated on the status of resolution of previous audit issues and the remedial actions taken by Management, including tracking and monitoring of timeline.

### Governance

- A joint discussion between the AECs and the RMCs of the Company and its banking subsidiaries to discuss on areas of concern.
- Reviewed the list of whistleblowing cases on quarterly basis.
- Reviewed Management's proposals for related party transactions and GIAD's verification reports on the proposals, prior to recommending the proposals to the Board.
- Deliberated on the proposal to transfer the independent credit review (ICR) function out of GIAD to alleviate conflict issues in view that the ICR is subject to internal audit review.

### Internal Audit

- Reviewed the adequacy and effectiveness of the system of internal controls, reporting and risk management to ensure there was a systematic methodology in identifying, assessing and mitigating risk areas.
- Deliberated and approved Group Internal Audit's (GIAD) Annual Audit Plan (AAP) for FY2023, including its resource needs, to ensure audit emphasis was placed on critical risk areas based on assessments of the risk levels of all the auditable areas.
- Deliberated and approved revisions to GIAD's AAP during the course of the year to ensure it remained relevant, taking into account significant developments, as well as requests from regulators and Management.
- Reviewed GIAD's progress in completing its planned assignments on a half-yearly basis.
- Deliberated on the results of the Post Implementation Review on GIAD's enhanced audit rating methodology.
- Deliberated on GIAD's audit reports and recommendations, and Management's responses, and directed Management to implement necessary timely remedial actions. Where necessary, separate presentations by Management were requested to provide justifications for significant audit issues raised.
- After each AEC meeting, a summary of significant audit reports and key issues deliberated was tabled to the Board for noting and/or further deliberation.
- Reviewed and assessed the GCI's performance, KPI and recommended his remuneration package to the Board for approval.
- Deliberated and approved GIAD's strategic priorities and action plans for FY2023 which formed part of GIAD's 3-year strategic initiatives for FY2022 – FY2024 covering 'People', 'Process', and 'Technology', and reviewed the status update on the achievement of the FY2023 approved strategic initiatives.

### External Audit

- Reviewed and discussed the following with the external auditors:
  - The Audit Planning Memorandum, scope of work for the year which included areas of emphasis and new areas, such as changes in laws and regulations, accounting standards, information technology systems, audit timeline and audit and non-audit fees; and
  - The results of the limited reviews and audits, relevant audit reports and memorandum of recommendations as well as Management's responses to the issues highlighted.
- Reviewed and assessed, the suitability and independence of external auditors in accordance with BNM's Guidelines on External Auditor, and recommended their re-appointment and annual audit fees to the Board.

## AUDIT AND EXAMINATION COMMITTEE REPORT

- The criteria for appointment and annual assessment of the external auditors' independence and performance was based on the following:
    - a) The professional conduct of external auditors;
    - b) The level of knowledge, capabilities and experience of the external auditors;
    - c) The quality of previous audit or work done and level of engagement with the AEC and Management;
    - d) The adequacy of resources, audit coverage, effective planning and conduct of audit, which were assessed to be adequate;
    - e) The timeliness of service deliverables;
    - f) The independence, objectivity and professional scepticism of the external auditors;
    - g) The audit partner must not have served for a continuous period of more than five years; and
    - h) An audit partner who has been rotated off the audit may resume the role of engagement partner only after a lapse of five years from the last audit engagement.
  - Reviewed the written assurance provided by the external auditors in respect of their independence.
  - Reviewed and approved the appointment of the external auditors for the provision of non-audit services to the Company and the Group. There is a Group policy for the appointment of the statutory auditor for provision of non-audit services where the criteria and threshold for fees are set out, to ensure the auditors' independence is not impeded. The professionalism, expertise, knowledge and relevant experience of external auditors, and any potential conflict of interest are also considered prior to the appointment.
- Related Party Transactions**
- Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.
  - Reviewed periodical reports on related party transactions and/or recurrent related party transactions of a revenue and trading nature.
- Internal Audit Function**
- The Group has an in-house internal audit function which is carried out by GIAD and headed by the GCIA, Encik Shamsul Bahrom Mohamed Ibrahim. Encik Shamsul has more than 20 years' experience in internal auditing in the financial services industry, and holds various qualifications in accounting and finance, internal auditing, fraud investigation, risk, cyber security and Islamic finance, amongst others. For Encik Shamsul's full profile, please refer to page 115 of this Integrated Annual Report 2023.
  - GIAD is independent from the activities or operations of other operating units within the Group and the GCIA reports directly to the Company's AEC and the AECs of the respective entities within the Group.
  - GIAD operates under an audit charter mandated by the AEC (which was updated in FY2020), giving it unrestricted access to review all activities within the Group. The internal audit function is conducted on a Group-wide basis to ensure consistency in the control environment and the application of policies and procedures.
  - GIAD's activities conform with the Institute of Internal Auditors (IIA)'s International Standards for the Professional Practice of Internal Auditing as well as standards and requirements set out by the relevant regulators on the internal audit function.
  - GIAD focuses its efforts in accordance with the AAP approved by the respective AECs, which is prioritised based on a comprehensive risk assessment of all activities undertaken by the Group. This structured risk assessment approach ensures that all risk-rated areas are kept in view to ensure adequate audit coverage at appropriate audit frequency (e.g. higher risk auditable areas in each business units are audited more frequently). The risk-based audit plan is reviewed periodically, taking into account external as well as internal changes and developments that may impact the business and its operating environment.
  - Apart from the above, GIAD also performs investigations and ad-hoc reviews where there are improper, illegal and dishonest acts, or as and when requested by regulators, Management or the Whistleblower ombudsperson. In addition, GIAD participates actively in major system developments and project committees to advise on risk management and internal control matters.
  - The GCIA is also a permanent invitee to several management committees, which enables GIAD to keep abreast of all the developments within the Group.
  - Overall, the main objective of the audit reviews is to assess the adequacy and effectiveness of risk management and systems of internal controls (including IT systems and infrastructure). These audit reviews assess the activities of the following functions:
    - a) Wholesale Banking
    - b) Investment Banking
    - c) Retail Banking
    - d) Business Banking
    - e) Islamic Banking
    - f) Digital Banking
    - g) General Insurance
    - h) Funds and Asset Management
    - i) Group Support Functions
  - Effective 13 January 2023, GIAD had ceased providing internal audit services to AmGeneral Insurance Berhad (AGIB) following the disposal of AGIB by the Group to Liberty Insurance Berhad.
  - All GIAD reports are submitted to the AECs of the respective entities for review and deliberation. The AECs review and deliberate on the control lapses and areas for enhancements highlighted by GIAD along with the audit recommendations as well as Management's responses and action plans to rectify these lapses.

## AUDIT AND EXAMINATION COMMITTEE REPORT

- All significant issues deliberated at the AECs of the respective entities are also reported to the AEC of the Company, for information.
  - In addition, there is also an effective process in place to ensure prompt resolution of audit issues by Management. GIAD tables regular updates to the AECs on all significant audit issues until such audit issues are satisfactorily resolved.
  - In order to perform its functions effectively, auditors within GIAD are continuously trained to equip themselves with the requisite knowledge and skills, particularly in areas relating to Islamic banking, credit operations, investment banking, digital banking, cyber security, markets, general insurance, data analytics and regulatory matters.
  - There is accelerated use of data analytics for better audit coverage and effectiveness, as well as 'continuous auditing' using 'Audit Dashboards' developed in-house by GIAD on key products and activities to enable 'risk-sensing' capabilities and identification of red-flags in high risk areas within GIAD's audit universe.
  - GIAD had also piloted 'agile audits' during the financial year for focused 'deep dive' reviews of selected key activities within an area of audit, to provide better 'insight' into these activities and more efficient utilisation of resources in completing the reviews.
  - The total costs incurred to maintain the internal audit function for FY2023 amounted to RM20.9 million (FY2022: RM17.8 million), comprising mainly personnel and rental cost. GIAD has a budgeted headcount of 101.
- 6) Conducted investigations and special reviews into activities and matters as directed by the AECs or requested by Management including whistleblower cases. The outcomes from the investigations were presented to the AEC concerned for deliberation;
  - 7) Conducted compliance reviews mandated by the regulators to assess the level of compliance by the business units. Non-compliances were duly highlighted to Management for prompt rectification;
  - 8) Continued to develop more audit dashboards on certain key products/activities to facilitate continuous auditing and build 'risk sensing' capabilities for the purpose of identifying potential areas of concern and review focus;
  - 9) Tabled value-added reports to the AEC on a quarterly basis on continuous auditing using 'Audit Dashboard', which was implemented as part of GIAD's strategic initiatives. Employed 'agile audit' approach for a number of reviews for more focused outcomes and more efficient use of resources;
  - 10) Monitored and validated the resolution of previous audit issues and reported on the status of key outstanding audit issues to the Management Committee and to the AEC concerned;
  - 11) Provided independent and objective reviews on the adequacy and effectiveness of internal controls established to mitigate the risk exposures in the implementation of new projects undertaken by the business;
  - 12) Reviewed various business continuity management exercises to gauge and assess the readiness of businesses/systems to resume operations within agreed timelines in the event of a disruption or disaster;

### SUMMARY OF GIAD'S KEY ACTIVITIES DURING FY2023

- 1) Determined and risk assessed all areas of activities within the Group and established the AAP. The AAP sets out the audit roadmap for FY2023 and key areas of audit focus and emphasis;
- 2) Intensified efforts to increase the utilisation of data analytics and enhance the efficiency and effectiveness of audits performed;
- 3) Completed various audit assignments as set out in the AAP, which was to provide independent assessment and objective assurance on the adequacy and the effectiveness of risk and management controls over the business operations;
- 4) Reports concluding results of the audits conducted along with detailed audit observations, audit recommendations to improve and enhance the existing system of internal controls and work procedures/processes, and Management's responses were prepared and issued to the auditees concerned, senior management and the respective AECs;
- 5) Conducted ad-hoc assignments, special reviews and post implementation reviews as directed by the AECs, requested by Management or regulators. Results of reviews undertaken were presented to the respective AECs for deliberation;
- 13) Attended meetings held by Group Information Technology Committee of the Board, Group Management Committee, Group Management Risk Committee and Group Management Governance and Compliance Committee as an invitee to provide independent feedback on the risk management, control and governance aspects; and
- 14) Ceased providing internal audit services to AGIB effective 13 January 2023 having completed the scheduled assignments as agreed with the Management and tabling the reports to the AGIB's AEC. A 'Handover Report' was also presented to the AGIB's AEC.

### SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

Messrs Ernst & Young PLT (EY) is the Company's statutory external auditors. The external auditors perform independent audits in accordance with the approved standards on auditing in Malaysia, and report directly to the AEC. The AEC additionally:

- 1) approves all non-audit services;
- 2) reviews regularly the independence of the external auditors;
- 3) evaluates the effectiveness of the external auditors; and
- 4) meets with the statutory external auditors at least twice a year, without the presence of Management.

## AUDIT AND EXAMINATION COMMITTEE REPORT

The AEC engages in regular discussions with the audit partner from EY and acts as the key representative for overseeing the Group's relationship with the external auditors. In compliance with the Malaysian Institute of Accountants By-Law (On Professional Ethics, Conduct and Practice), audit partners are rotated every five years to ensure objectivity, independence and integrity of the audit opinions. The AEC undertakes an annual independence assessment of the external auditors and the external auditors would also provide a written assurance to the AEC on their independence.

The current EY's Engagement Partner of the Company, Encik Ahmad Qadri bin Jahubar Sathik has been heading the audit of the Group for the past four years.

The statutory external auditors are re-appointed by the shareholders of the Company annually, based on the recommendation of the Board.

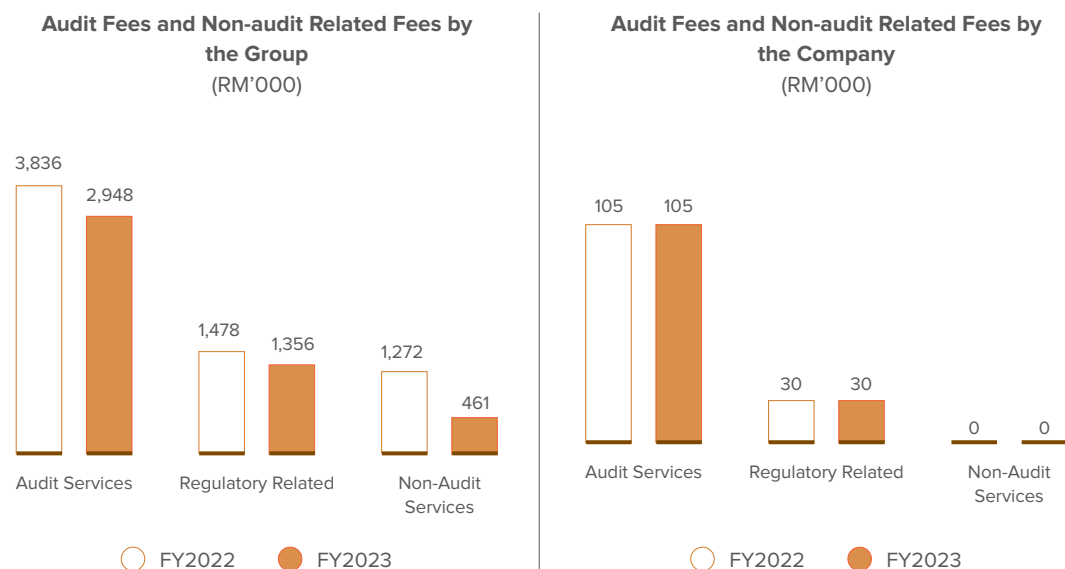
The statutory external auditors may not provide services that are perceived to be in conflict with its role. These include assisting in the preparation of the financial statements and sub-contracting of operational activities normally undertaken by Management, and engagements where the external auditors may ultimately be required to express an opinion on its own work.

Specifically, the Group's policy:

- 1) sets a threshold for fees of non-audit services by the external audit firm; and
- 2) requires permitted non-audit services to be approved by the AEC.

The AEC has reviewed the summary of the non-audit services provided by the external auditors in FY2023 and has confirmed that the provision of services is compatible with the general standard of independence for auditors.

During FY2023, the amount incurred by the Group and by the Company in respect of audit fees and non-audit related fees for services rendered by EY were as follows:



The Group's non-audit services for FY2023 comprised the following assignments:

- a) Regulatory related fees

Regulatory Related	Group (RM'000)
(i) Quarter and half year reviews	1,315
(ii) Review of annual submission to BNM	36
(iii) Review of Statement on Risk Management and Internal Control	5

- b) Other fees

Non-Audit Services	Group (RM'000)
(i) Basel Model Validation	461

Overall, the AEC was satisfied with the suitability of EY as external auditors of the Group based on the quality audit services provided and the professional as well as experienced staff assigned to perform the audit for the Group.

## GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT



**Hong Kean Yong**

Chairman

**The Group Information Technology Committee (GITC or the Committee) comprises three members, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director.**

**The Committee is responsible for providing governance for information technology (IT) and to ensure that the overall strategic IT direction is aligned with the Group's business objectives and strategy.**

### COMPOSITION AND MEETING ATTENDANCE

A total of six meetings were held during FY2023, and details of the meeting attendance are set out below:

Name of Committee Members	Number of Meetings		
	Held During Tenure in Office	Attended	%
<b>Hong Kean Yong</b> <i>(Chairman)</i> <i>(Independent Non-Executive Director)</i>	6	6	100
<b>Voon Seng Chuan</b> <i>(Senior Independent Non-Executive Director)</i>	6	6	100
<b>Robert William Goudswaard</b> <i>(Non-Independent Non-Executive Director)</i>	6	6	100

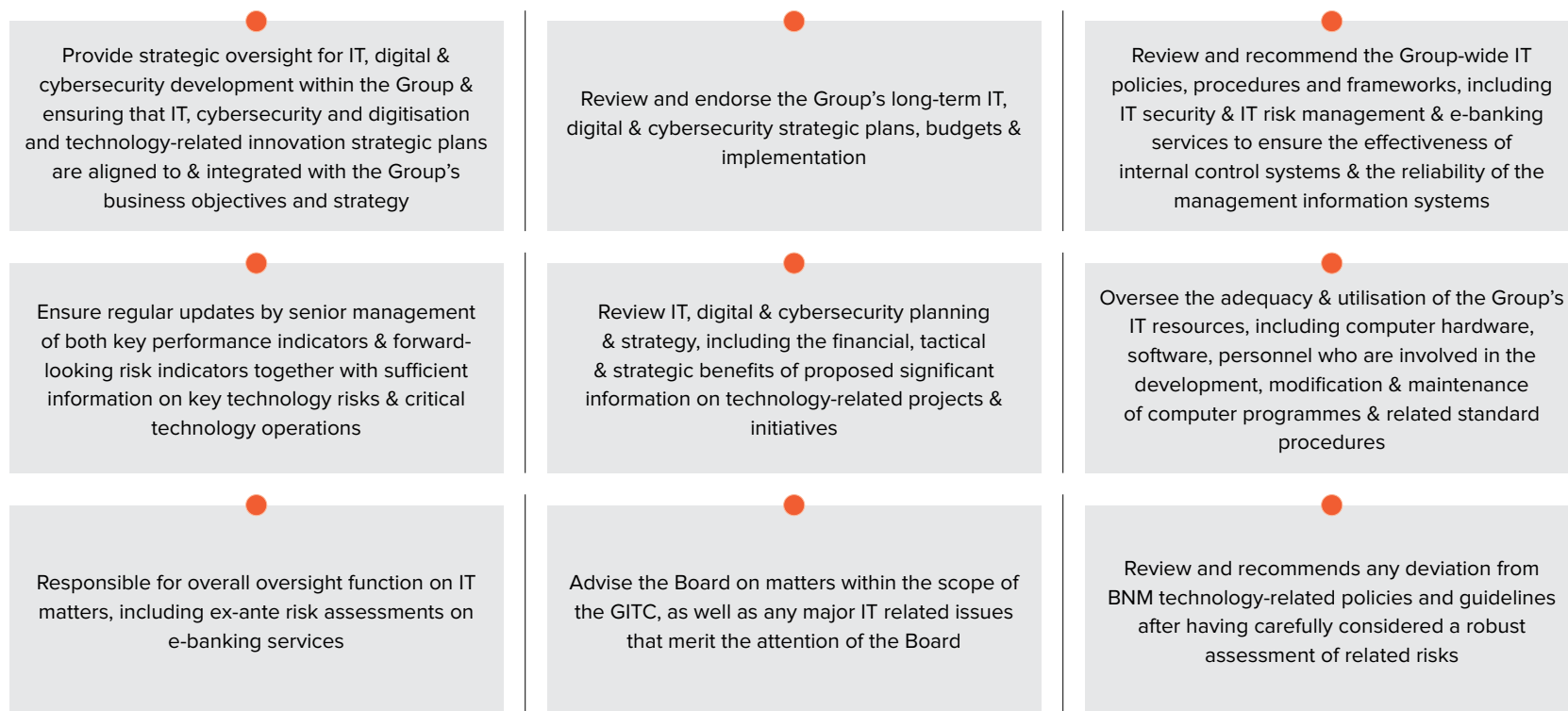
The profiles of Robert William Goudswaard, Voon Seng Chuan and Hong Kean Yong are disclosed respectively on pages 99, 101 and 104 of this Integrated Annual Report 2023.



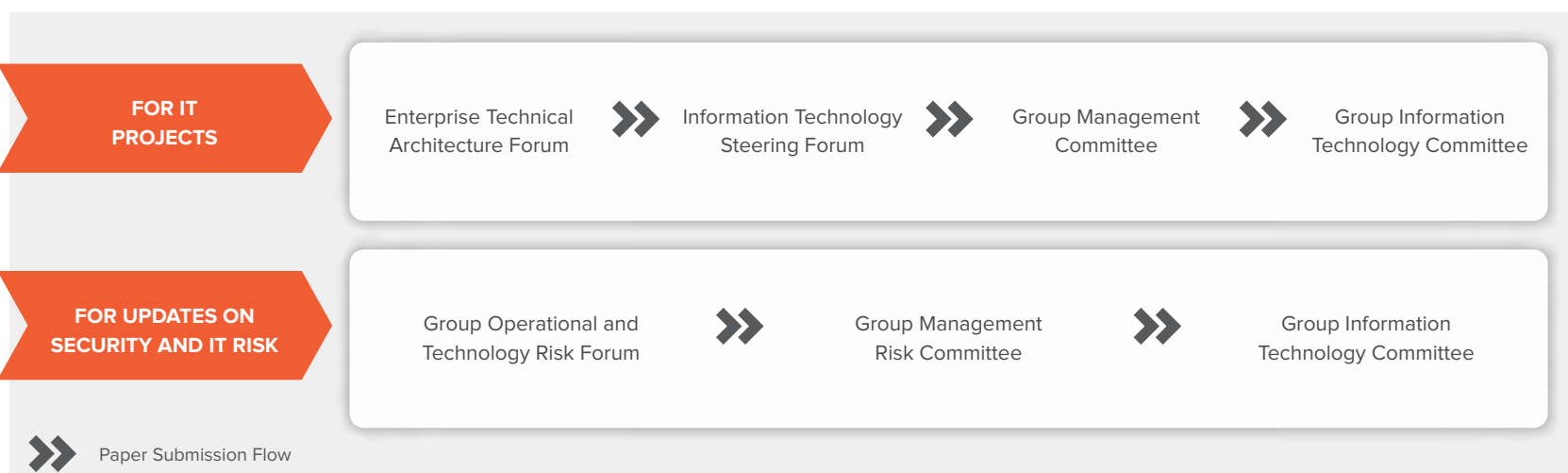
## GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT

### ROLES AND RESPONSIBILITIES OF GITC

The key responsibilities of the Committee include, amongst others, the following functions:



### GOVERNANCE PROCESS



## GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT

### MANAGEMENT'S ROLES IN IT GOVERNANCE

Management Committee	Purpose
<b>Group Management Committee (GMC)</b>	The GMC is a management committee of the Group established to oversee the performance and business affairs of the Group.
<b>Information Technology Steering Forum (ITSF)</b>	<p>The ITSF acts as a working body of the GMC whose primary objective is to vet all projects over RM100,000 per annum capital expenditure (CAPEX) or RM20,000 per annum operating expenditure (OPEX).</p> <ol style="list-style-type: none"> <li>Function as the IT spend evaluation forum of the GMC*.</li> <li>Review and recommend approval of the IT Strategy of the Group.</li> <li>Prioritise IT Project requests.</li> <li>Approve "Request for Proposal issuance" for any IT spend proposals with expected CAPEX of more than RM1.0 million.</li> <li>Review IT solution, project costing, project risk and business benefits.</li> <li>Review alignment to business strategy and Group's IT strategy.</li> <li>Reject/Recommend IT projects for approval.</li> <li>Allocate duly approved budgets to business units.</li> <li>Review project status summaries of ongoing projects periodically.</li> <li>Review post-implementation reviews of completed projects.</li> </ol> <p>* Exclude items on computerisation cost</p>
<b>Enterprise Technical Architecture Forum (ETAF)</b>	<ol style="list-style-type: none"> <li>Provide a forum for the endorsement and recommendation on topics related to enterprise-wide IT solutions and architecture; and to provide alignment for planning, directions and delivery for IT operations and project teams.</li> <li>Establish, own and manage the scope of the Enterprise Architecture Framework (i.e. principles, standards, policies, guidelines and reference models) applicable to IT components under the responsibility of the Group.</li> <li>Ensure solutions and technology investments are aligned to Enterprise Architecture Principles and feasible to achieve.</li> <li>Provide assurance of IT designs and components (including IT infrastructure, systems, applications, data and integration) with the Enterprise Architecture Strategy.</li> <li>Decide on possible exceptions to be granted to request for deviations from the Enterprise Architecture Strategy and act as escalation point on matters related to its mandate.</li> <li>Set and review Enterprise Architecture Vision.</li> <li>Agree and support the Reference Architecture for the Group.</li> </ol>
<b>Group Management Risk Committee (GMRC)</b>	<ol style="list-style-type: none"> <li>Oversee the formulation of the Group's overall risk management framework and strategies, including policies, processes, systems, capabilities and parameters to identify, assess and manage risks (covering but not limited to credit, market, funding, operational, technology, legal, reputational, regulatory, capital, strategic and Shariah risks) to ensure their relevance and appropriateness to the Group's business.</li> <li>Oversee the formulation of the Group's risk related policies and, where appropriate, recommends to the Board for approval.</li> <li>Review Group-wide risk and the steps taken to monitor and control the Group's major risk exposures.</li> <li>Escalate new, heightened or significant risks to the RMC and the Board.</li> <li>Oversee the setting of risk appetite/tolerance level as well as strategic key risk indicators (KRIs).</li> <li>Ensure that the Group's business and operational activities are in line with the overall Group's risk appetite, strategy and profile.</li> <li>Deliberate and assess the nature and materiality of potential risk exposures and the impact on capital and the Group's sustainability.</li> <li>Oversee the management of the Group's risk in accordance with a risk-return performance management framework, including embedment of Internal Capital Adequacy Assessment Process in the Group's strategic planning and budgeting process.</li> <li>Ensure the appropriateness of risk measurement methodologies (including assumptions made within the methodologies) under the prevailing business environment and operational activities.</li> <li>Review and approve stress test scenarios and recommends stress test results to the RMC and the Board for approval.</li> <li>Review current level of provisioning in relation to portfolio composition and impairments and assesses for adequacy in accordance with MFRS 137 and 139.</li> <li>Assess the Group's business continuity and crisis management capability.</li> <li>Review and approve exceptions to relevant Group's guidelines and practice guide in relation to technology risk and security.</li> </ol>

## GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT

### MANAGEMENT'S ROLES IN IT GOVERNANCE

Management Committee	Purpose
<b>Group Operational and Technology Risk Forum (GOTRF)</b>	<ul style="list-style-type: none"> <li>a) Review and monitor attributes of technology risk, related losses and compliance against the Group's technology risk appetite.</li> <li>b) Review major trends and modus operandi of cyber-attacks and events in the industry, and the readiness of the Group to anticipate, withstand, contain and/or promptly recover from cyber-attacks and events that disrupt usual business operations and/or services.</li> <li>c) Review root causes and actions taken in respect of significant technology incidents, exceptions of key control testing (KCTs) as well as major triggers of KRIs.</li> <li>d) Review and recommend exceptions to relevant Group's guidelines and practice guide in relation to technology risk and security.</li> <li>e) Review and recommend exceptions from adherence to regulatory requirements around technology risk management (which includes information security and cyber resiliency).</li> <li>f) Review and approve security controls on the use of production data in non-production environment(s).</li> <li>g) Recommend any other pertinent matters, issues and action plans to be escalated to Management Committees such as GMRC.</li> <li>h) Ensure senior management and members of the Board are kept apprised of technology and cyber risks.</li> <li>i) Ensure technology risk frameworks, policies, guidelines, risk control matrix and risk indicators are communicated, approved and tracked in alignment with the risk appetite statement.</li> </ul>

Additionally, the Group has appointed a Technology Information Security Officer (TISO) who is placed under the Group Information Technology and Operation division (GIOD) and a Chief Information Security Officer (CISO) who is positioned at Group Risk Management. Their respective responsibilities are set out below:

### Technology Information Security Officer

1	2	3	4	5	6	7
Lead the Technology Information Security function (within the first line of defence).	Lead the Group's Cyber Defence Team (Blue Team) focusing on the detection, response and predictive aspects in managing cyber security.	Work closely with the CISO, Digital Banking unit and GIOD to ensure full understanding of the Group's cyber security risks and communicates these to relevant stakeholders.	Act as security advisor in relevant forums and committees such as ETAF, and project working groups to ensure compliance with cyber security requirements.	Represent the Group at various meetings or working committees with the relevant regulators.	Participate as a key contributor in the evaluation of new technologies and services being considered by the Group to ensure cyber security requirements are met.	Continuously improve the Group's cyber security posture by observing new emerging threats, security best practices, compliance and regulatory requirements.

### Chief Information Security Officer

1	2	3	4	5	6
Lead the Group Technology Risk (GTR) function (within the second line of defence).	Responsible for the oversight of an effective cyber security programme, aimed towards proactive cyber security and improves management and mitigation of the Group's cyber risk exposure and concurrently monitoring the technology and cyber security risk profile.	Responsible for the development and oversight of the Group's Information Security Policy, Technology Risk Framework, Cyber Resilience Policy and Cyber Risk Strategy.	Work independently from the day-to-day technology and security operations of the Group.	Provide advisory and updates to senior management on technology risk and security matters, including developments in the financial institution's technology security risk profile in relation to its business and operations.	Key representative for meetings and participation in working group with regulators on technology risk and cyber security related matters.

## GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT

Two teams, namely the Blue Team and the Red Team have also been set up in the Group, each with specific focus roles and purpose as described below:

### Blue Team

- The Blue Team focuses on detecting and responding to potential cyber threats.
- The Blue Team has six roles:
  - (a) Strategic & Planning
    - Works closely with TISO, CISO, Digital Banking unit and GIOD to ensure full understanding of security architecture, risk-related issues and mitigating controls at business unit level and communicates these to relevant technology team members.
    - Acts as relationship manager to external and internal users and as security advisor in relevant forums such as ETAF, and project working groups to ensure cyber security requirements are in compliance.
  - (b) Security Advisory
    - Responsible for the dissemination of security related threat & vulnerability information to relevant parties.
    - Evaluates security compliance for IT project.
    - Involves in the development and delivery of security systems.
  - (c) Security Operations Centre (SOC)
    - Responsible for the planning and management of 24 hours seven days a week cyber-attacks monitoring.
  - (d) Vulnerabilities Management
    - Plans and executes vulnerability and compliance scans across the Group's IT infrastructure.
    - Adapts and evolves vulnerability scanning processes and procedures based on internal customer or regulatory requirements.
    - Ensures an active assessment capability with the GIOD to improve the capability and quality of scanning activities.
  - (e) Threat Hunting
    - Plans and manages "hunt missions" using threat intelligence, analysis of anomalous log data and brainstorming sessions to detect and eradicate threat actors in the Group's IT infrastructure.
    - Works closely with the SOC team to transform attacker 'Tactics, Techniques and Procedures' (TTPs) into viable, low false-positive behavioural and signature detections using various techniques.
  - (f) Security Incident and Digital Forensics
    - Responsible in managing cyber security incident response and digital forensics in the Group.
    - Handles escalated security incidents from SOC.

### Red Team

- The Red Team is part of the GTR function with the following focus areas:
  - (a) Planning and Operations (Red Team Campaign)
    - Proactively tests and simulates attacks on the Group's security controls.
    - Acts as adversary and strategically assesses and exploits the Group's security controls by launching attacks using various spectrums of adversarial and sophisticated TTPs.
    - Identifies potential vulnerabilities posed by in-scope systems and applications, and whether such vulnerabilities can be exploited and materialise into viable threats that pose a risk to the Group.
  - (b) Critical Review, Analysis and Advisory
    - Executes independent critical reviews and analysis of plans, operations, controls, process and technology.
    - Provides advisory and works closely with Blue Team to recommend, build and assess response and mitigation strategies in alignment with Cyber Risk Strategy.
    - Performs detailed analysis on cyber threats, provides risk assessments on potential cyber-attacks and ensures timely review and escalation of all high-risk cyber threats to senior management and the Board.
    - Assesses the Group's prevention, detection and remediation capabilities and maturity.

### SUMMARY OF KEY ACTIVITIES OF GITC DURING FY2023

- Reviewed quarterly updates on IT risk and cyber security
- Monitored the resolutions of regulatory audit action items in relation to IT
- Monitored the progress of the Group's Digital Strategy, IT Strategy and Cyber Risk Strategy
- Reviewed and assessed large and strategic IT projects. The strategic IT enabled projects includes IT Platform Modernisation, Digital Aggregation, Digitalisation, Intelligence Driven Bank Initiatives.
- Tracked the progress of the Group's cyber security readiness
- Reviewed and assessed IT-related policy / guidelines
- Proposed IT related training/briefings to Board members of the Group
- Reviewed and assessed renewal of IT licences and systems/solutions
- Monitored and tracked IT related gaps as per BNM's Policy Document on RMIT
- Reviewed post-implementation reviews of completed projects (extra-large projects)

## GROUP INFORMATION TECHNOLOGY COMMITTEE REPORT

Minutes of all GITC meetings were tabled to the Board for noting. In addition, the GITC Chairman apprised the Board of key discussions and matters of significant concern deliberated at GITC meetings.

### IT INITIATIVES TO ENHANCE GOVERNANCE OF THE GROUP

#### a) Security Operations Centre

##### Purpose

- The purpose of the enhancement of SOC is to monitor, prevent, detect, investigate, respond to cyber threats as well as incident response and handling around the clock.

##### Context

- The rise of ransomware and 0-day threats has led to a need for higher security protection at the entry points of the Group. Subscription to an Endpoint Detection and Response solution is included in the scope of SOC 2.0. The next generation of security operations centre is aimed at revitalising and transforming SOC with integrated incident response, threat intelligence and automated recovery due to increasing cyber security attacks.
- To further improve the Group's visibility towards cyber security threat, the Group embarked on SOC 2.0X journey from July 2021 to December 2021. These journey covers overall security visibility for the Group's IT landscape. It includes introduction of new engine for SOC operation known as Security Information and Event Management (SIEM) system, positioning & enhancing cyber threat intelligence use cases and improve security processes and alerts.
- To gain visibility towards insider threat, SOC 2.0X was further strengthen with User Behaviour Analysis (UBA) capability. UBA is essential to identify and respond to insider threats via behaviour-based threat detection. It uses proprietary machine learning and analytics, identifies, and follows the behaviours of threat to detect actions that deviate from user norms.
- The Group continuously position for reliable defence system and process in order to protect itself from cyber threats which evolve from day-to-day.

#### b) Establish Cyber Threat Intelligence Platform

##### Purpose

- Cyber Threat Intelligence platform services to enhance SOC. This platform will deliver proactive global threat intelligence against near zero-hour threats to ensure bank assets are always protected.

##### Context

- Advanced persistent threats (APTs) and defenders are constantly trying to outmanoeuvre each other. Data on a threat actor's next move is crucial to proactively tailoring the Group defences and pre-empt future attacks.

- It is important to establish this platform in order to:

- shed light on the unknown, enabling security teams to make better decisions.
- continuous dark web monitoring for any Group asset information leakage.
- empowers cyber security stakeholders by revealing adversarial motives and their TTPs.
- helps security professionals better understand the threat actor's decision-making process.

#### c) The Group's continuous journey to assess and achieve BNM's RMiT requirements

##### Purpose

- The purpose of the RMiT programme of the Group is to continuously assess and accomplish the gaps in IT against BNM's RMiT requirements.

##### Context

- The gap assessment on the existing practice in managing technology risks against BNM's RMiT requirements had been completed. Majority of standard requirements had been complied.
- The Group's ongoing effort is to continuously revisit and identify any new gaps and accomplish based on the changing trends and threats of the current technology risk.

#### d) Intelligence Driven Bank Roadmap

- The Group has launched an ambitious Intelligence Driven Bank roadmap. The 5-year roadmap, estimated to be RM250 million of investment aims to fully monetise customer relationships, empower staff with insight, and embrace artificial intelligence and machine learning to reduce risk, improve efficiency and create smart customer value propositions.

### TECHNOLOGY ACHIEVEMENTS IN FY2023

- Digital CX Awards 2022 from The Digital Banker -winner for outstanding Digital CX -Mobile Banking (SME)
- Malaysia Technology Excellence Awards 2022 - Data Analytics "Lazy Money" model
- Asian Banking & Finance Awards 2022-"Digital Business Banking Initiative – Malaysia"
- Asian Banking & Finance Awards 2022 -"Analytics Initiative of the Year – Malaysia"
- The Asian Banker Awards 2022 -"Best Digital Account Opening/Onboarding Initiative"
- The Asian Banker Awards 2022 -Best Productivity, Efficiency and Automation Initiative" for Robotics Process Automation
- Malaysian ePayments Excellence Awards 2022 -Leadership in DuitNow Innovation

## SHARIAH COMMITTEE REPORT



Associate Professor Dr. Ahmad Zaki Salleh

Chairman

**AmBank Islamic Berhad (the Bank) has established a Shariah Committee for the purpose of advising the Bank and the Bank's Board of Directors (Board) in ensuring that the Bank's businesses, operations, affairs and activities comply with Shariah principles. The establishment of a Shariah Committee was a requirement set by the Islamic Financial Services Act 2013 (IFSA) and Bank Negara Malaysia (BNM)'s Policy Document on Shariah Governance (BNM SG PD).**

As an investment bank and part of the AmInvestment Group Berhad, AmInvestment Bank Berhad (AmInvestment Bank), leverages on the Shariah Committee of the Bank for advice and guidance on Shariah in relation to Islamic capital markets and Islamic stockbroking. AmInvestment Bank may also engage the services of independent external Shariah adviser(s) as approved by the Securities Commission Malaysia (SC) when necessary.

### SHARIAH COMMITTEE MEMBERS

The Shariah Committee comprises of six distinguished Shariah scholars and industry experts, who have the necessary Shariah qualifications or expertise required by BNM as well as vast knowledge and experience in Islamic banking and finance. They are also members of the Association of Shariah Advisers in Islamic Finance (ASAS).

During the Financial Year Ended 31 March 2023 (FY23), the Bank has completed the Shariah Committee refresh which complies with the new requirement by BNM SG PD where the Shariah committee members must not serve the same Islamic Financial Institution for more than nine years. List of the Shariah Committee members who have served during the FY23 are as follows:

No.	Name of Shariah Committee Member	Nationality	Status
1.	Assoc. Prof. Dr. Ahmad Zaki Salleh	Malaysian	Chairman*
2.	Asst. Prof. Dr. Tajul Aris Ahmad Bustami**	Malaysian	Member
3.	Assoc. Prof. Dr. Asmak Ab Rahman**	Malaysian	Member
4.	Assoc. Prof. Dr. Zulkifli Hasan	Malaysian	Member
5.	Assoc. Prof. Dr. Mohd Zakhiri Md Nor	Malaysian	Member
6.	En. Mohd Fadhly Mohd Yusoff***	Malaysian	Member
7.	Prof. Dr. Salina Kassim****	Malaysian	Member
8.	En. Ismail Nik*****	Malaysian	Member

#### Notes:

\* Chairman effective 1 May 2022

\*\* Tenure ended on 30 June 2022

\*\*\* Appointed on 1 May 2022

\*\*\*\* Appointed on 1 July 2022

\*\*\*\*\* Appointed on 1 February 2023

## SHARIAH COMMITTEE REPORT

### FUNCTIONS AND DUTIES OF THE SHARIAH COMMITTEE

The Shariah Committee is responsible and accountable for all its decisions, views and opinions related to Shariah matters. The main functions and duties of the Shariah Committee shall include, but are not limited to the following:

- i. to advise the Board and the Bank on Shariah matters to ensure that the Bank's business, operations, affairs and activities comply with Shariah requirements at all times;
- ii. to review and endorse policies and procedures of the Bank from Shariah perspectives, and to ensure that the contents do not contain any elements which are not in line with Shariah requirements;
- iii. to review and approve documentation in relation to the Bank's products to ensure compliance with Shariah requirements, which include:
  - a. terms and conditions contained in the forms, contracts, agreements and other legal documentation used in executing the transactions; and
  - b. product manuals, marketing advertisements, sales illustrations, pamphlets and brochures used to describe the products;
- iv. to provide a decision, advice or opinion on the Bank's business, operations, affairs and activities which may trigger a Shariah non-compliance (SNC) event;
- v. to perform oversight on and assess the strategies, initiatives and work carried out by the Shariah Management Department, in order to ensure compliance with Shariah matters which form part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report. This includes performing the annual assessment of the Head of Shariah Management Department;
- vi. to provide assistance to parties related to the Bank such as its legal counsel, auditors or consultants on Shariah matters upon request;
- vii. to advise the Bank to consult the Shariah Advisory Council of Bank Negara Malaysia (SAC of BNM) or the Shariah Advisory Council of Securities Commission (SAC of SC) on any Shariah matters that could not be resolved by the Shariah Committee;
- viii. to provide written Shariah opinions to the SAC of BNM or SAC of SC as and when required, including the following circumstances where the Bank:
  - a. makes reference to the SAC for advice; or
  - b. submits an application to BNM or the SC for new product approval;
- ix. to provide advice and guidance to Senior Management on the management of the Zakat fund, charity and other social programmes or activities;
- x. to endorse the Shariah operations manual which specify the manner in which a submission or request for advice be made to the ShC, the conduct of the ShC's meeting and the manner of compliance with any Shariah decision;
- xi. to oversee the overall SNC management including to endorse purification of SNC income; and
- xii. to assist in the Bank's sustainability and Value-Based Intermediation (VBI) agenda, including in relevant capacity building and awareness creation initiatives.
- xiii. Chairman of the ShC, in leading the ShC is responsible for the effective functioning of the ShC. In fulfilling this role, the Chairman must:
  - a. ensure appropriate procedures are in place to govern the ShC's deliberations and proceedings;
  - b. act as a direct liaison between the Board and the ShC to foster greater understanding between both organs;
  - c. ensure that Shariah decisions or advice are made on a sound and well-informed basis, including based on a robust decision-making methodology which ensures that all business, operations and risk implications are considered by the ShC;
  - d. encourage healthy discussion, participation and contribution, and ensure that dissenting views can be freely expressed and discussed; and
  - e. ensure sufficient records of the discussion leading to formulation of the ShC's decision, advice or opinion are maintained.

The Shariah Committee may, if it thinks fit and proper and from time to time, delegate, re-delegate, suspend or revoke any powers given to the Shariah Management Department to do certain acts on behalf of the Shariah Committee such as review, advice and/or endorse certain materials or issues within the Shariah Committee's terms of reference.

### SHARIAH OVERSIGHT COMMITTEE

The members of the Shariah Committee also sit in the Shariah Oversight Committee. The Shariah Oversight Committee is established as a sub-committee of the Shariah Committee to assist the Shariah Committee in discharging its responsibilities to oversee the strategies, initiatives and work carried out by the Shariah Control Functions namely Shariah Review, Shariah Risk Management and Shariah Audit.

The main functions and duties of Shariah Oversight Committee shall include, but are not limited to the following:

- i. to perform oversight on the strategies, initiatives and work carried out by the:
  - a. Shariah Review Section;
  - b. Shariah Risk Management Department; and
  - c. Group Internal Audit Department relating to the Shariah Audit function,
 in order to ensure compliance with Shariah matters which form part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report;
- ii. to determine whether potential SNC events are actual SNC incidents or not;
- iii. endorse action plan/ rectification measure in addressing SNC incident and purification of income methodology and amount;

## SHARIAH COMMITTEE REPORT

- iv. to recommend alternative ways to rectify issues found through Shariah Audit, Shariah Review and Shariah Risk Management activities and/or other credible sources;
- v. to provide advice on the recognition of income pursuant to SNC events and/or its disposal; and
- vi. to recommend possible implementation methods to improve the Bank's business activities vis-à-vis Shariah in line with applicable statutes and guidelines/ policies/ circulars issued by relevant regulatory bodies.

### MEETINGS AND ENGAGEMENT WITH THE BOARD

A total of six Shariah Committee meetings were held during the financial year ended 31 March 2023 (financial year 2023), which were mainly to discuss and deliberate on product proposals, issues and documentation. The Shariah Oversight Committee also convened five times to discuss works carried out by the Shariah Audit, Shariah Review and Shariah Risk Management and any reported potential SNC event(s).

Attendance details of each of the Shariah Committee members at the Shariah Committee and Shariah Oversight Committee meetings are set out below:

Name of Shariah Committee Member	Shariah Committee		Shariah Oversight Committee	
	Held	Attended	Held	Attended
Assoc. Prof. Dr. Ahmad Zaki Salleh	6	6	5	5
Asst. Prof. Dr. Tajul Aris Ahmad Bustami*	6	2	5	2
Assoc. Prof. Dr. Asmak Ab Rahman*	6	2	5	2
Assoc. Prof. Dr. Zulkifli Hasan	6	5	5	4
Assoc. Prof. Dr. Mohd Zakhiri Md Nor	6	6	5	5
En. Mohd Fadhly Mohd Yusoff**	6	5	5	4
Prof. Dr. Salina Kassim***	6	4	5	3
En. Ismail Nik****	6	1	5	1

#### Notes:

\* Tenure ended on 30 June 2022

\*\* Appointed on 1 May 2022

\*\*\* Appointed on 1 July 2022

\*\*\*\* Appointed on 1 February 2023

As part of the initiative for the Shariah Committee to have active engagement with the Board, several activities were planned and implemented as follows:

- i. one interactive session was held between the Shariah Committee, members of the Group Nomination and Remuneration Committee and the Board;
- ii. representative of the Shariah Oversight Committee attended two Audit and Examination Committee (AEC) meetings;
- iii. members of the Board attended one Shariah Committee meeting;
- iv. representative of Shariah Committee members attended the AmBank Islamic Berhad - H1FY23 Board Strategy Review;
- v. Shariah Committee members attended Board Meeting - Sustainability Update Session; and
- vi. representative of Shariah Committee members attended the AmBank Islamic Berhad - FY24 Budget Session.

### MAIN ACTIVITIES

Throughout the FY23, the Shariah Committee has provided various Shariah advisory services to the Bank in order to ensure compliance with applicable Shariah principles as well as the relevant resolutions and rulings made by the SAC BNM. This includes discussing and deliberating on various Shariah principles and the contracts relating to the products and services proposed by the Bank. The Shariah Committee also reviewed numerous legal documentation and Shariah policies and manuals introduced by the Bank.

The Shariah Committee also provided advice on issues arising from Islamic banking operations, zakat distribution, etc.

The Shariah Committee also noted and reviewed the following and was satisfied that each of the following had been executed effectively during the FY23 in compliance with Shariah:

- i. the contracts, transactions and dealings entered into by the Bank and legal documents used by the Bank;



## SHARIAH COMMITTEE REPORT

- ii. the allocation of profit and charging of losses relating to investment accounts;
- iii. the calculation and distribution of zakat; and
- iv. the overall operations, business, affairs and activities of the Bank.

Matters relating to the Shariah review plan, Shariah audit plan, Shariah review reports and Shariah audit reports prepared by the Shariah Review and Group Internal Audit teams respectively and Shariah Risk Management updates by the Shariah Risk Management team were discussed and deliberated with the Shariah Oversight Committee.

On matters relating to AmInvestment Bank, the Shariah Committee reviewed a number of Sukuk structures and legal documentation for Sukuk issuance, as well as provided confirmation of Shariah compliance for the Islamic stockbroking business.

### PERFORMANCE ASSESSMENT

The Shariah Committee's performance assessment is conducted annually by the Board. The evaluation process focuses on competency, knowledge, contribution and overall effectiveness of the Shariah Committee members.

The assessment also identifies any relevant development areas or any relevant exposure needed by the Shariah Committee members for the Bank to provide.

### CONTINUOUS DEVELOPMENT PROGRAMME

As part of the Shariah Committee's continuous development, the Bank registered the Shariah Committee members to undertake a certification programme i.e. Certified Shariah Advisors (CSA) by the Association of Shariah Advisors in Islamic Finance (ASAS). The certification is currently on-going. CSA programme attended by the Shariah Committee members during the FY23 were as follows:

- i. 14-16 June 2022 – Islamic Capital Market (Level 2).
- ii. 15–16 June 2022 – Applied Shariah Research in Islamic Finance (Jami' Fiqh) (Level 2).
- iii. 25-27 January 2022 & 19-21 July – Islamic Banking Products and Services (Level 2).
- iv. 26-27 July 2022 – Corporate & Shariah Governance (Level 2).
- v. 6-7 September 2022 – Takaful (level 2).
- vi. 11-13 October 2022 – Critical Analysis of Contemporary Resolutions in Islamic Finance (Level 2).
- vii. 15-16 November 2022- Applied Shariah Research in Islamic Finance (Jami' Fiqh) (Level 2).
- viii. 13-15 February 2023 – Maqasid Shariah (Level 3).

Besides the certification programme, the Bank also initiated for the Shariah Committee members to attend and participate in various conferences/ seminars and internal briefings/ training as follows:

- i. AmBank Group Webinar: Market outlook Q2 2022, organised by AmBank Group Learning & Development, held virtually on 3 June 2022.
- ii. Sustainability Awareness Virtual Program, organised by AmBank Group Learning & Development, held virtually on 5 July 2022.
- iii. The 16<sup>th</sup> Muzakarah Cendekiawan Syariah Nusantara 2022 (MCSN 2022), organised by the International Shari'ah Research Academy for Islamic Finance (ISRA), held at the Raia Hotel & Convention Centre, Alor Setar, Kedah Darul Aman on 27-28 July 2022.
- iv. The 17<sup>th</sup> Kuala Lumpur Islamic Finance Forum 2022 (KLIFF 2022-Main Forum) organised by the Centre for Research and Training (CERT), held at the Royale Chulan Hotel Kuala Lumpur on 16-17 August 2022.
- v. Muzakarah Penasihat Syariah Kewangan Islam Kali ke-15 (KLIFF 2022-Muzakarah) organised by CERT, held at the Royale Chulan Hotel Kuala Lumpur on 18 August 2022.
- vi. Introduction to AmBank Islamic Structure, Shariah Governance Structure and Shariah Functions to Shariah Committee/ Shariah Oversight Committee, organised by the Shariah Management Department, held virtually on 26 August & 27 September 2022.
- vii. Anti-Money Laundering Awareness Session, organised by AmBank Group Learning & Development, held virtually on 13 September & 14 December 2022.
- viii. Global Islamic Finance Forum 2022 (GIFF2022), organised by the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM), held at the Sasana Kijang, Bank Negara Malaysia on 5-6 October 2022.
- ix. Product Briefing: Murabahah Tawarruq Revolving Credit-i (RC-i), organised by the Shariah Management Department, held virtually on 25 October 2022.
- x. Cyber Security Awareness Session, organised by AmBank Group Learning & Development, held virtually on 9 & 24 November 2022.
- xi. BNM Climate Risk Management and Scenario Analysis Policy Document, organised by AmBank Group Learning & Development, held virtually on 10 January 2023.
- xii. AIBIM Integrity Year 2023 Launching and Town Hall Session, organised by AIBIM, held at the Sasana Kijang, Bank Negara Malaysia on 14 February 2023.
- xiii. Nadwah of Shariah Advisors in Islamic Capital market 2023, organised by the Securities Commission, held at the Securities Commission on 6 March 2023.
- xiv. Role of Islamic Banks in Supporting Sustainable Development, organised by AmBank Group Learning and Development, held virtually on 30 March 2023.

## SHARIAH COMMITTEE REPORT

### CONTRIBUTION TOWARDS SUSTENABILITY AND VALUE-BASED INTERMEDIATION (VBI)

Value-Based Intermediation (VBI) is part of AmBank Group's sustainability agenda and the Bank has put in motion several initiatives in its journey to integrate VBI principles into its practices, conducts and offerings. Besides the Bank, the Shariah Committee also involved and participated in programmes and activities in relation to VBI and sustainability, amongst others as follows:

1. Assoc. Prof. Dr. Ahmad Zaki Salleh:
  - As speaker at Wacana Ilmiah Pengajian Islam, speech entitled "Realiti Aplikasi Produk Perbankan Islam di Malaysia" organised by Jabatan Pengajian Islam, Pusat Pengajian Umum, Universiti Tun Hussein Onn (UTHM) on 3 June 2022.
  - As speaker at International Seminar on Islamic Economics, speech entitled "Climate Change; How Islamic Banking Industry Should Responses" organised by Institut Agama Islam Negeri Kerinci Indonesia on 6 September 2022.
  - As chairperson at virtual sharing session entitled "Application of Shariah Principles in Islamic Banking Products" co-organised by Universiti Sains Islam Malaysia (USIM) and AmBank Islamic Berhad on 25 Jan 2023.
  - Research project on Contemporary Issues in Takaful (funded by FWD Takaful), collaboration between Universiti Sains Islam Malaysia (USIM), Universiti Islam Selangor (UIS) and FWD Takaful in 2022-2023.
  - Research project on Waqaf Muaqqat Model in Takaful for B40 group (funded by Etiqa Takaful) collaboration between Universiti Sains Islam Malaysia (USIM) and Etiqa in 2022-2023.
  - Panel Member, Strategic Planning for USIM Waqf and Zakat Center (tenure: 2023-2024).
2. Assoc. Prof. Dr. Zulkifli Hasan:
  - "Projek Singgah Sedekah Pusat Akar Budi" – programme that empowering community through relevant skills such as sewing, cooking, farming and etc., held throughout the year 2022.
  - "Kempen Seorang Sekampit Beras Ramadhan 1443H" - food and financial assistance to Asnaf programme, held throughout Ramadhan in April 2022.
  - "International Islamic University Malaysia (IIUM) OKU Kinabalu Challenge 2022", participated by 22 Climbers including 6 OKU (2 blinds, 1 dwarfism, 2 hand amputee and 1 leg amputee) – programme that creating awareness on OKU Inclusive Policy and Fundraising for OKU Facilities, held on 30-31 August 2022 .
  - "Global Youth Peace Fest 2022" – programme that creating awareness on peace advocacy with 150 youth participants from 15 countries, held on 1-2 October 2022.
  - As speaker at Conference on Financial Environment for Refugees and Immigrant Communities: Islamic Finance in Action, speech entitled "Islamic Social Finance for Refugees Communities in Malaysia" organised by Al-Maktoum College of Higher Education Dundee, Scotland on 2-3 March 2023.
3. Assoc. Prof. Dr. Mohd Zakhiri Md Nor:
  - Author for Article Journal: "The Impact of Law on Development and Commercialisation of Waqf Property"; International Journal of Law, Government and Communication in June 2022.
4. Prof. Dr. Salina Kassim:
  - Author for Article Journal: "Potential Shariah Non-Compliance Practices in E-bidding: Observation From E-Bidding Platforms in Malaysia"; Journal of Muamalat and Islamic Finance Research in June 2022.
  - Dana Zakat Wakalah Pembaikan Rumah Pelajar Asnaf Mudah Terjejas, collaboration project between AmBank Islamic Berhad and Universiti Utara Malaysia (UUM) held on 22 August 2022.
  - As presenter at 7<sup>th</sup> International Case Study Conference (ICSC) for a paper entitled "Rahn Based on Tawarruq Model: Evidence from Malaysia" on 13-15 September 2022.
  - As speaker at International Webinar, speech entitled "Legal and Shariah Framework of Contemporary Islamic Finance and Disputes Resolutions Mechanism" organised by Islamic Economic Association (IEC), Kuwait University on 15 September 2022.
  - As speaker at talk programme entitled "The Tale of 1001 lights: Islamic Arbitration a Beacon of Inclusivity" organised by Asian International Arbitration Centre - Legal and Islamic Finance Fraternity on 3 October 2022.
  - As moderator at Online Virtual Talk (General Public) entitled "Konflik Rumah tangga: Benda Boleh Bincang: Buat Apa Gaduh" organised by Universiti Utara Malaysia (UUM) on 4 October 2022.
  - Author for Article Journal: "Crypto Currency and Shariah Compliant Aspects: An Overview"; Journal Res Militaris on 25 October 2022.
  - As moderator at Financial Literacy Forum: "Sejauh Mana Mahasiswa Perlu Tahu?" co-organised by Universiti Utara Malaysia (UUM) and AmBank Islamic Berhad on 8 November 2022.
  - University-Community Programme: "Program MEKAR" organised by Sek. Men. Sri Pantai, Kuala Kedah, Kedah on 31 October 2022.
  - As speaker at talk programme entitled "Takaful (Islamic Insurance) in Modern Skeleton" organised by Association of Islamic Economics, Kuwait University on 27 October 2022.
  - As speaker at talk programme entitled "Arbitration in Islamic Finance: Some Observation from Shariah and Legal Perspectives" organised by Association of Islamic Economics, Kuwait University on 5 January 2023.
  - As presenter at talk programme entitled "Arbitration in Islamic Finance: Some Observation from Shariah and Legal Perspectives" organised by Association of Islamic Economics, Kuwait University on 5 January 2023.
  - Author for Article Journal: "Addressing Waqf Disputes in Malaysian Court: Towards A New Arbitration Model"; BiLD Law Journal on 8 January 2023.
  - As presenter for research paper entitled "Kekangan Koperasi Sebagai Entiti Perniagaan Dalam Konteks Perundangan", collaboration with Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) on 23 February 2023.
  - As presenter for research paper entitled "E-Bidding Menurut Perspektif Syarak", presented to Jawatankuasa Muzakarah Majlis Kebangsaan Bagi Hal Ehwal Islam Malaysia on 1 March 2023.
5. Assoc. Prof. Dr. Salina Kassim:
  - As panellist at the 3<sup>rd</sup> International Conference of Business, Accounting and Economics 2022, speech entitled "Green Microfinance Promoting Sustainable Development Goals", organised by Universitas Muhammadiyah Purwokerto, Indonesia on 10 August 2022.
  - As keynote speaker at the 3<sup>rd</sup> Economics and Business International Conference 2022, speech entitled "Digital Revolution and Fintech in Islamic Financial Services Industry", organised by Universitas Sumatera Utara, Indonesia on 22 September 2022.
  - Conducted a seminar on financial literacy entitled "Seminar Celik Kewangan: Jana Pendapatan Urus Perbelanjaan", collaboration between International Islamic University Malaysia and Persatuan Anak Kuantan Utara (PAKUTA) on 19 March 2023.

## SHARIAH COMMITTEE REPORT

- Conducted financial literacy and economic empowerment project for B40 Housewives at Kampung Bukit Kuin, Kuantan, Pahang, collaboration between International Islamic University Malaysia and Yayasan Hasanah (A foundation of Khazanah Nasional) on 19 March 2023.
5. En. Mohd Fadhly Md Yusoff:
- Co-organised “Pot A Plant” Programme with Petronas Dagangan Berhad - Planted seedlings into recycled items and a month later distributed to Petronas petrol station customers, held on 22 April 2022.
  - As volunteer tutor on entrepreneurship course at Pusat Pengajian Citra Universiti Kebangsaan Malaysia (UKM), 2022-2023.
  - As trainer on “Stress Management” at Amanah Ikhtiar Malaysia (AIM), 2022-2023.
  - Self-initiative conserving the use of electricity for own home at Bangi Perdana by use of solar energy as part of sustainability effort, since November 2022.

The Shariah Committee members also jointly organised two programmes with AmBank Islamic as follows:

- Financial Literacy Forum: “Sejauh Mana Mahasiswa Perlu Tahu?” at Universiti Utara Malaysia (UUM) on 8 November 2023.
- Virtual Sharing Session: “Application of Shariah Principles in Islamic Banking Products” at Universiti Sains Islam Malaysia (USIM) on 25 January 2023.

### SHARIAH GOVERNANCE

The Bank adopted the BNM Shariah Governance Policy Document by having 3 Shariah Control Functions namely Shariah Review, Shariah Risk Management and Shariah Audit. Shariah Risk Management and Shariah Review functions act as the second line of defence whilst the Shariah Audit function which is part of the Group Internal Audit Department, acts as the third line of defence. By having this practice in place, the Bank is able to identify, monitor and mitigate any possible Shariah breaches. Shariah Management Department (including Shariah Legal) acts as Secretariat to the Shariah Committee. The Shariah governance structure of the Bank comprises the following:

- Board of Directors:** Responsible for the overall oversight on the Shariah governance and Shariah compliance including the performance assessment, appointment and remuneration of the Shariah Committee members. The Board performs its oversight through various committees such as the Audit & Examination Committee (AEC), Risk Management Committee (RMC) and the Shariah Committee.
- Audit & Examination Committee (AEC):** A Board committee that is responsible for assisting the Board in ensuring the Bank’s operations are Shariah compliant through the independent assurance from the Shariah Audit function. The reports from the Shariah Review Section are also presented to the AEC for information.
- Risk Management Committee (RMC):** A Board committee that is responsible for assisting the Board in ensuring risk management (including Shariah risk management) control and processes are in place.
- Shariah Committee:** Responsible on matters related to Shariah. This includes advising the Board and Senior Management on Shariah matters as well as endorsing products and services, Shariah policies and the relevant

documentation in relation to the Bank’s business and operations. The Shariah Committee also provides advice and guidance on management of the Zakat fund, charity and other social programmes or activities.

- Shariah Oversight Committee:** A sub-committee to the Shariah Committee that performs an oversight function via the Shariah Control Functions (i.e., Shariah Review, Shariah Risk Management, and Shariah Audit). The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant (SNC) incidents as well as treatment of any Shariah non-compliant (SNC) income.
- Senior Management:** The Chief Executive Officer (CEO) and senior officers of the Bank and AMMB are responsible to make reference to the Shariah Committee and/or the Shariah Oversight Committee on Shariah matters and to take necessary measures for implementation. The Senior Management is also responsible in establishing the infrastructure and adequate resources to support the Shariah governance structure. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate any Shariah non-compliant (SNC) risk.
- Shariah Management Department (SMD):** Accountable to the Shariah Committee with functional reporting to the CEO. SMD is responsible for providing operational support for the effective functioning of the Shariah Committee including day-to-day Shariah advisory, conducting Shariah research, formulating Shariah policies and acting as secretariat to the Shariah Committee and the Shariah Oversight Committee.
- Shariah Risk Management (SRM):** Accountable to the Group Risk Management Department and the CEO of AmBank Islamic; and has Shariah reporting to the Shariah Oversight Committee. SRM is a function that systematically identifies, assesses, measures, mitigates, controls, monitors and reports any Shariah non-compliance risks to prevent any SNC incident in the businesses, operations, affairs and activities of the Bank.

The management of Shariah risk is executed through the three lines of defence, which are:

- 1<sup>st</sup> The Business Units/Functional Lines and SMD;
- 2<sup>nd</sup> SRM and SR; and
- 3<sup>rd</sup> Shariah Audit.

- Shariah Review (SR):** Accountable to the Head of Compliance, AmBank Islamic with Shariah reporting to the Shariah Oversight Committee. Shariah review refers to a function that conducts regular assessment on the compliance of the operations, business, affairs and activities of the Bank which are predominantly transactional in nature, with Shariah requirements.
- Shariah Audit (SA):** Accountable to the Audit and Examination Committee (AEC) with Shariah reporting to Shariah Oversight Committee. The Shariah Audit Section is a dedicated team within the Group Internal Audit Department (GIAD) and is responsible to conduct independent assessment on the quality and effectiveness of the Bank’s internal control, risk management systems, governance processes as well as the overall compliance of the Bank’s operations, business, affairs and activities with Shariah requirements. The Shariah Audit’s scope includes but not limited to activities undertaken by departments and functions that relate to Islamic products and services.

## INVESTOR RELATIONS (IR)



**From left:** Jamie Ling, Group CFO; Hong Kean Yong, Independent Non-Executive Director; Dato' Kong Sooi Lin, Independent Non-Executive Director; Dato' Sulaiman Mohd Tahir, Group CEO; Tan Sri Azman Hashim, Chairman Emeritus/ Honorary Adviser; Tan Sri Md Nor bin Md Yusof, Chairman; Koid Phaik Gunn, Group Company Secretary; Voon Seng Chuan, Senior Independent Non-Executive Director and Seow Yoo Lin, Independent Non-Executive Director at our 31<sup>st</sup> AGM.

**IR builds and maintains meaningful relationships with shareholders, investors, financial analysts and rating agencies through the timely disclosures of pertinent information and regular 2-way communication with the aim to achieve fair valuation for AMMB as well as promote AMMB as an investment opportunity.**

IR forms an integral part of the AmBank Group's corporate governance initiatives. Working closely with our Group CEO and Group CFO, our dedicated IR Team formulates engagement plans that foster meaningful relationships and establish effective 2-way communication between our senior management and the investment community, rating agencies and other key stakeholders.

Our approach is to ensure equal and timely dissemination of pertinent information to all relevant parties in a manner that is comprehensive and easy to understand. In addition, we meet with the investment community and top shareholders regularly to address queries and concerns. Our efforts help all parties to develop a well-rounded understanding of the Group's financial performance, operations, strategies and future plans.

We believe that effective shareholder engagement and good IR practices are key factors in building and maintaining investors' confidence in our company as well as helping us improve our strategies and policies, formulate sustainable business practices, reduce share price volatility while promoting transparency in our business and accountability of management.

### 31<sup>st</sup> ANNUAL GENERAL MEETING (AGM)

The Group conducted its 31<sup>st</sup> AGM on a fully virtual basis on 18 August 2022 from its Board Room in Bangunan AmBank Group. A total of 928 shareholders, holding 764,736,052 ordinary shares representing 23.07% of the total issued shares of AMMB, attended the virtual AGM.

The 31<sup>st</sup> AGM was chaired by our new Chairman (appointed on 30 April 2022), Tan Sri Md Nor bin Md Yusof. Dato' Sulaiman, our Group CEO, started the meeting with a presentation on the Group's key performance review and financial highlights for FY2022. He capped off his presentation with the Group's FY2023 business outlook and refreshed strategy blueprint: Focus 8.

After his presentation, Dato' Sulaiman proceeded to provide responses to queries from the Minority Shareholders Watch Group (MSWG), Permodalan Nasional Berhad (PNB) and individual shareholders. During the "Question and Answer" (Q&A) session, shareholders were invited to post their questions and/or provide their feedback to the Board via an online platform. In line with the advice from the MSWG, the Group appointed an independent moderator for the Q&A session to facilitate constructive discussions between the shareholders, the Board and the senior management of the Group.

The AGM provided an avenue for shareholders to seek clarification on and gain a deeper understanding of the Group's financial performance and corporate strategies. Messrs Ernst & Young, our external auditors, was in attendance to assist with responding to queries relevant to them or directed at them.

All resolutions that were proposed at the 31<sup>st</sup> AGM were duly passed and all questions had been addressed at the AGM as well as recorded in the minutes under the Q&A section. The 31<sup>st</sup> AGM minutes are available on our corporate website.

## INVESTOR RELATIONS

### INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS (CONT'D.)

#### COMMUNICATION WITH STAKEHOLDERS AND INVESTMENT COMMUNITY

It is important for the Group to maintain effective and regular communication with the investment community and key stakeholders. As such, we consistently maintain open dialogues with relevant stakeholder groups, such as rating agencies, employees, shareholders, investors, consumers and the general public, non-governmental associations, industry and trade associations as well as suppliers. Their views and feedback on the Group's business, along with its policies on environmental, social and governance (ESG) are always appreciated and given due consideration in our decision-making process.



◀ **Our IR Team at AMMB's 2023 Chinese New Year dinner.**

**Front row:**

Yeoh Ru Hann (Head of IR) on the right; and Ian Wong (Assistant Manager) on the left.

**Back row:**

Soh Yee Tyng (Vice President) in the middle; Eva Chin (Senior Manager) on the left, and; Tan Jia Qi (Senior Executive) on the right.

The modes of communication used by our IR Team include:

**i) Bursa Announcements**

As a responsible listed company, the Group ensures the timely uploading of its financial results, media releases, notices of dividends and all material announcements onto Bursa Securities' website.

**ii) Results Briefings, Meetings and Press Conferences**

**Results Briefings**

Following the announcement of the Group's financial results every quarter, analysts and members of the investment community are invited to attend a results briefing together with a Q&A session hosted by our Group CEO, Group CFO and the IR Team. These sessions are held to ensure the relevant parties fully understand our financial results and to provide them with a platform to present any questions or concerns they may have on the Group. These sessions also serve as a platform for the IR Team to collect feedback on AMMB from the investment community.

Details of our FY2023 Results Briefings:

Date	Results Announcement	Mode of Communication						
		Physical	Video Conferencing			Publication on corporate website		
		Media Briefing	Media Briefing	Analyst Briefing	Investor Presentation	Financial Statements	Media Release	
17 August 2022	Q1FY2023	-	-	✓	✓	✓	✓	
30 November 2022	Q2FY2023	-	✓	✓	✓	✓	✓	
23 February 2023	Q3FY2023	-	-	✓	✓	✓	✓	
29 May 2023	Q4FY2023	✓	-	✓	✓	✓	✓	

## INVESTOR RELATIONS

### INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS (CONT'D.)

#### Meetings

The IR Team organises and hosts meetings of various formats to suit the occasion/purpose including one-on-one meetings, group meetings, conferences and thematic events. The IR Team regularly reviews the profiles of the Group's existing and potential investors to enhance the planning of our IR engagement programmes. This proactive approach enables us to reach out to targeted groups of investors more effectively and efficiently.

Details of our meetings:

Date	1 June 2021 to 31 May 2022		1 June 2022 to 31 May 2023	
	Meetings	Attendees	Meetings	Attendees
One-on-one/ Small group meetings	37	338	28	301
Analyst briefings	4	284	4	280
Post results briefings	2	34	2	35
Conferences/ Non-deal roadshows	4	12	4	71
Thematic events	1*	837 <sup>#</sup>	1**	288 <sup>#</sup>

\* ESG Day

\*\* AmDigital Day

<sup>#</sup> includes AMMB management and staff

#### Press Conferences

Press Conferences are held from time to time to highlight and elaborate on financial results and/or significant events. After the announcement of the Group's full year FY2023 financial results on 29 May 2023, we held our first physical Press Conference since the start of the pandemic for members of the media at Bangunan AmBank Group to highlight our commendable results.



From left: Jamie Ling, Group CFO, Dato' Sulaiman Mohd Tahir, Group CEO and Yeoh Ru Hann, Head of IR.

## INVESTOR RELATIONS

### INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS (CONT'D.)

#### Thematic Event - 'AmDigital Day'

With two objectives in mind: to emphasise the importance of the digital agenda to us and to showcase our digital journey comprising strategies and achievements, we held our inaugural AmDigital Day themed “Next and Ahead” on 8 November 2022 in the Grand Ballroom of the Grand Hyatt, Kuala Lumpur. The event attracted a 250-strong crowd comprising investors, SMEs and corporates.

Dato' Sulaiman started the event with a comprehensive tone-setting presentation on our efforts and challenges faced in laying a strong foundation to enhance and strengthen digital infrastructure as a starting point of our digital journey. Dato' Sulaiman also spoke on the importance of keeping abreast with the dynamic changes taking place in the world of digitalisation, specifically for our clientele and investors as well as our digital propositions to customers of various sizes, investors and other key stakeholders.

Then, AmBank's leaders and industry thought leaders took centre stage to walk through AmBank's digital journey and its Customer Centric Digital Transformation. The event saw a wide range of themes and trends within the digital realm being discussed, with AmBank leaders alongside external thought leaders from Maxis, Microsoft, Merchantrade, StashAway, Cybertronium, IDC, JurisTech, and Kroll providing their views and insights. Interesting and thought-provoking themes that were discussed included “Rise of Digital Banks – Game Changer for Malaysians?”, “Beyond Banking - Empowering SMEs”, “Busting Online Crime” and “New Tech fueling Next Wave of Banking Revolution”.



## INVESTOR RELATIONS

### INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS (CONT'D.)

#### iii) Conferences

We actively participate in conferences organised by various research houses and equity brokers as an additional strategy to enhance our engagement with existing shareholders as well as to widen our reach to prospective investors.

Conferences in FY2023 that our Group CEO, Group CFO and the IR Team participated in:

Date	Event	Location
9 November 2022	CGS-CIMB Regional Financials Virtual Conference 2022	Kuala Lumpur
4 January 2023	CGS-CIMB 15 <sup>th</sup> Annual Malaysia Virtual Corporate Day	Kuala Lumpur
6 January 2023	JP Morgan ASEAN Financial 1x1 Forum	Singapore

#### iv) Corporate Website

The IR Team ensures the IR section in the Group's corporate website at [ambankgroup.com](http://ambankgroup.com) is constantly updated with relevant information and documents such as annual reports, quarterly financial results, investor presentations, media releases, credit ratings, shareholding, dividend information, notices of AGM and our IR calendar.

## CREDIT RATING

The IR Team co-ordinates solicited and unsolicited rating reviews by both local and international rating agencies, namely RAM Ratings (RAM), Fitch Ratings (Fitch), Moody's Investors Services (Moody's) and Standard and Poor's Global Ratings (S&P).

To ensure the credit rating agencies are well-informed, our Group CFO and IR Team actively engage with them throughout the financial year to provide insightful and timely information, business outlook and strategic initiatives.

More on our credit rating can be found on page 67 of this Integrated Annual Report 2023.

## SUSTAINABILITY

In recent years, the investment community has been placing more emphasis on companies' sustainable and responsible business practices when evaluating their investment decisions.

We believe that with the incorporation of sound ESG principles and practices into our corporate strategies, we can mitigate risks and drive profitable growth at the same time. We recognise the importance of balancing the long-term viability of our business with the long-term requirements of all our stakeholders and the community.

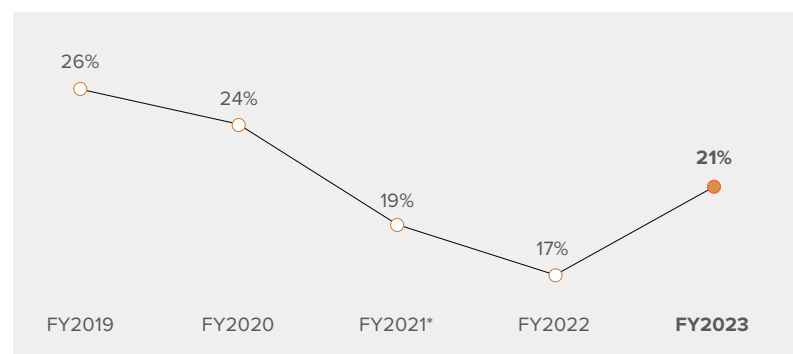
We also understand that this is an evolving agenda and seek to progressively enhance the integration of ESG considerations into our strategies, activities and portfolio over the coming years.

More on our sustainability practices can be found on pages 10 to 15 of this Integrated Annual Report 2023.

## FOREIGN SHAREHOLDING TREND

Foreign Shareholding in AMMB (excluding ANZ):

FY2023	Jun'22 Q1FY23	Sep'22 Q2FY23	Dec'22 Q3FY23	Mar'23 Q4FY23
% of Shareholding	17.1%	18.1%	20.0%	20.9%



\* Computed based on 3.31 billion shares from June 2021 onwards (prior to June 2021: 3.01 billion shares) pursuant to the private placement exercise as announced on Bursa Securities' website on 1 April 2021.



## INVESTOR RELATIONS

### INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS (CONT'D.)

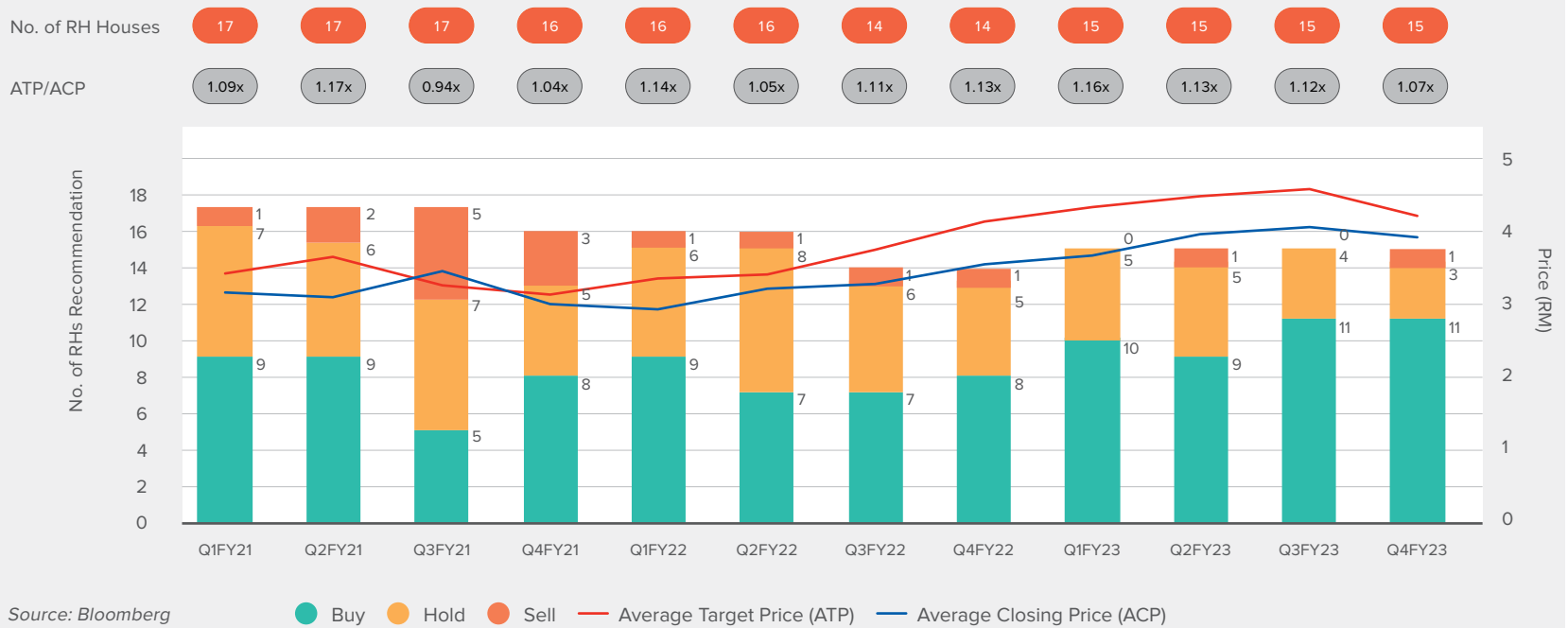
#### ANALYST COVERAGE

AMMB is a well-covered stock. As at end of FY2023, AMMB was covered by these 16 research houses (RHs).

- |                                       |                                   |                                       |                                       |
|---------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>1</b> Affin Hwang Investment Bank  | <b>2</b> CGS-CIMB Securities      | <b>3</b> CLSA Securities Malaysia     | <b>4</b> Citi Research (Citi Group)   |
| <b>5</b> Hong Leong Investment Bank   | <b>6</b> J.P. Morgan              | <b>7</b> KAF Equities                 | <b>8</b> Kenanga Investment Bank      |
| <b>9</b> Macquarie Capital Securities | <b>10</b> Maybank Investment Bank | <b>11</b> MIDF Amanah Investment Bank | <b>12</b> Nomura Securities Malaysia  |
| <b>13</b> Public Investment Bank      | <b>14</b> RHB Investment Bank     | <b>15</b> TA Securities Holdings      | <b>16</b> UOB Kay Hian Securities (M) |

\* The names of the RHs above are arranged in alphabetical order.

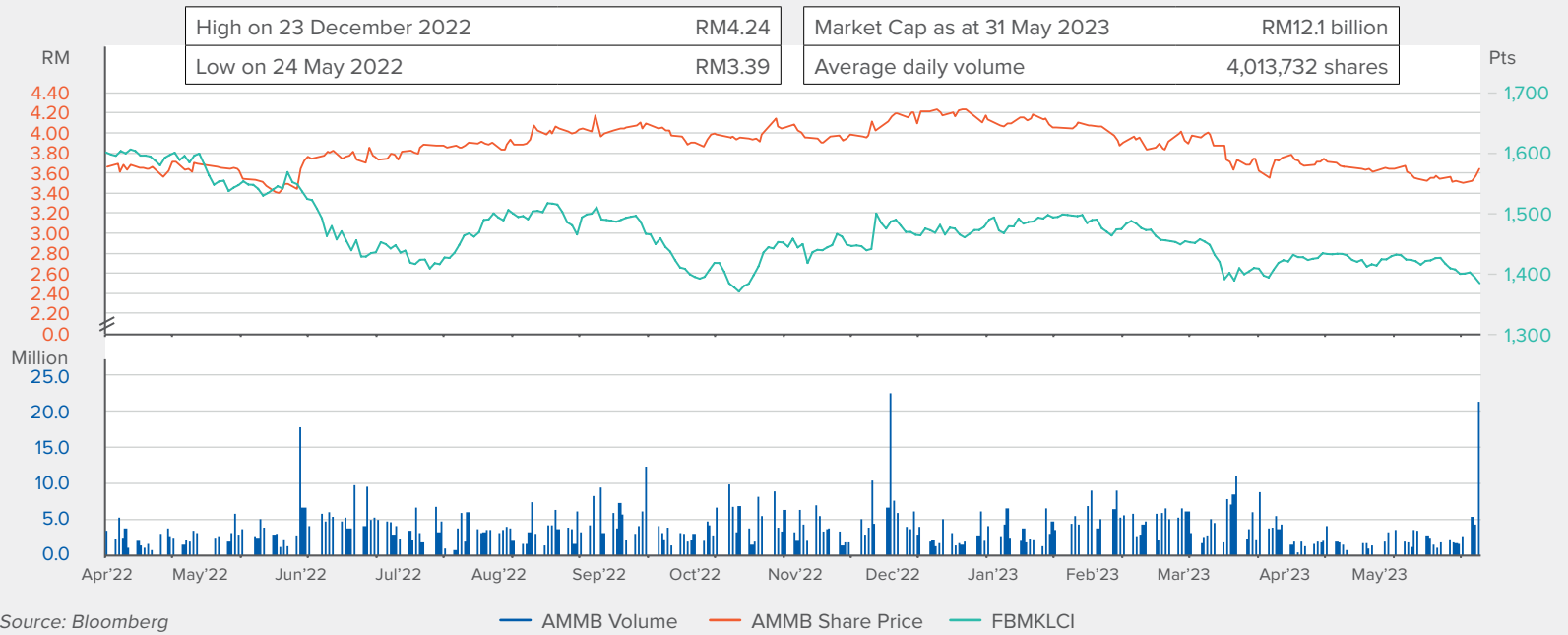
#### RESEARCH HOUSES' RECOMMENDATIONS AND TARGET PRICE TREND



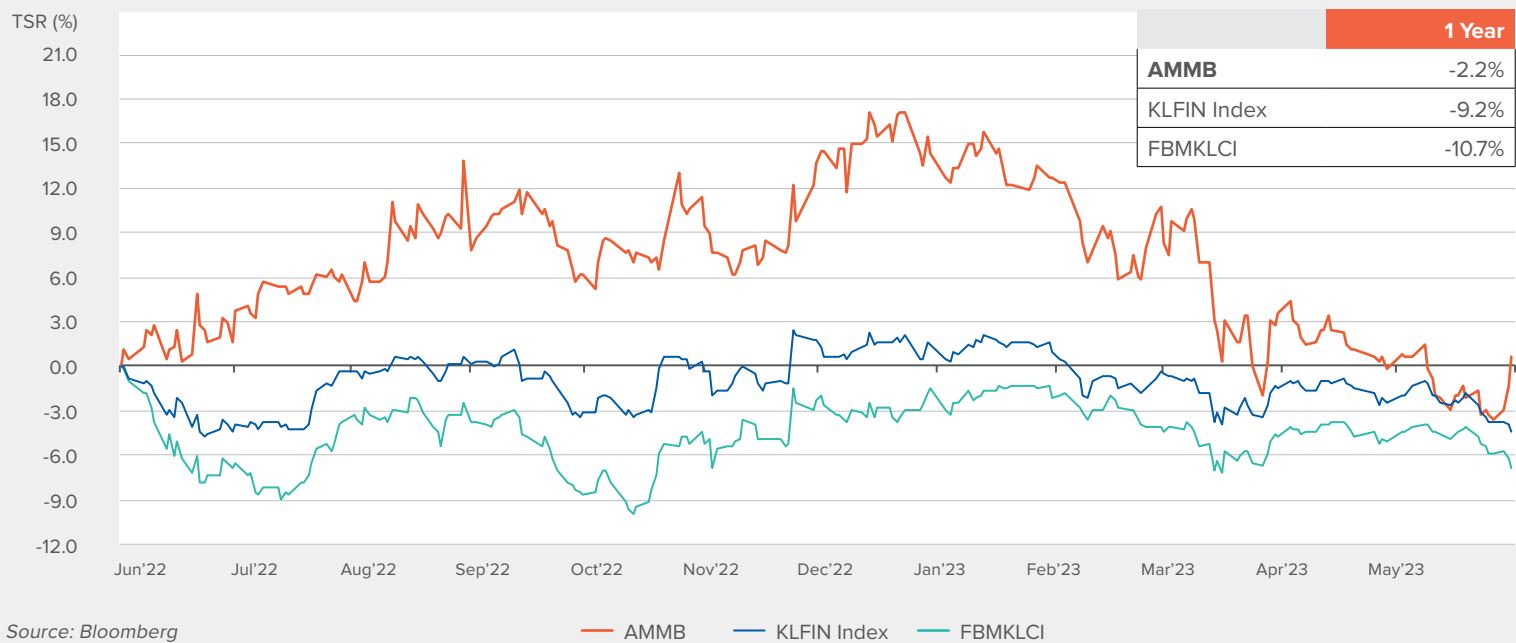
INVESTOR RELATIONS

INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH SHAREHOLDERS AND STAKEHOLDERS (CONT'D.)

SHARE PRICE AND VOLUME (1 APRIL 2022 – 31 MAY 2023)



TOTAL SHAREHOLDER RETURN (TSR) (1 JUNE 2022 - 31 MAY 2023)



## ADDITIONAL DISCLOSURES

### 1. MATERIAL CONTRACTS

There was no material contract (not being a contract entered into in the ordinary course of business) entered into by the Group, which involved directors, chief executive who is not a director or major shareholder, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

### 2. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During FY2023, the followings issuances were made by the Group:

- (a) RM745.0 million Subordinated Notes (Tranche 9) issued on 12 October 2022 under the RM4.0 billion Tier 2 Subordinated Notes Programme by AmBank (M) Berhad;
- (b) RM350.0 million Subordinated Notes (Tranche 10) issued on 28 March 2023 under the RM4.0 billion Tier 2 Subordinated Notes Programme by AmBank (M) Berhad;
- (c) RM150.0 million Subordinated Sukuk Murabahah (Tranche 10) issued on 28 March 2023 under the RM3.0 billion Subordinated Sukuk Murabahah Programme by AmBank Islamic Berhad.

The proceeds raised have been utilised for working capital and general banking purposes.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RESPONSIBILITY

The Board of Directors (The Board) is responsible for the governance and oversight of the Group's risk management framework and internal control systems' effectiveness. The Board has instituted a sound process for an enterprise-wide identification, assessment and management of risks to ensure risk-taking activities are aligned with the Group's business strategy and viability. This process is regularly reviewed by the Board and is in-line with the guidance on internal control, namely the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* issued by Bursa Securities.

In AMMB, risk management is integrated into our business planning, investment decisions, internal control and day-to-day operations to enhance ownership and agility in managing risks. The Directors have considered the materiality of identified risks, the likelihood of losses being incurred, the capacity of the Group to absorb losses and the cost of control in establishing and reviewing the risk management and internal control systems. Accordingly, the purpose of the risk management and internal control systems are to manage and minimise the risk of failure to achieve the policies and objectives of the Group and to provide reasonable assurance against risk of material misstatement or losses.

The Board is assisted by the Risk Management Committee of the Board (RMC) to oversee the governance of risks within the Group and ensure that there is effective infrastructure in place (policies, frameworks, processes, resources and systems) to manage risk and conduct activities in identifying, assessing, controlling and monitoring risks. The Board is also assisted by the Audit and Examination Committee of the Board (AEC) to provide independent oversight of the Group's financial reporting and internal control systems that facilitate appropriate checks and balances within the Group.

Periodic summary reports were provided by both the RMC and AEC to keep the Board informed of the Board Committees' work, key deliberations and decisions on matters delegated to them.

The Management is responsible for the implementation of the Board's risk management policies and for identifying and evaluating the risks faced by the Group, as well as to put in place internal control systems to mitigate, manage and monitor these risks.

## CONCLUSION

For the financial year under review, the Board has received the reports of the AEC and RMC. An annual assessment of the effectiveness of risk and internal control processes has been conducted and the Group Chief Risk Officer has provided his assurance to the Group CEO and Group CFO. The Group CEO and Group CFO have then provided their assurance to the Board that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group.

The Board is of the view that the risk management and internal control systems in place for the financial year under review and, up to the date of issuance of the financial statements, are adequate and effective to safeguard shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

## KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Group's focus is on achieving sustainable and profitable growth within its risk management framework by ensuring sound risk practices and business outcomes are achieved and aligned through a set of limits and controls and policies and procedures to safeguard the Group's sustainable risk-taking and sufficient returns. The Group's annual strategic business plans and budgets are prepared by the Group's business divisions, which are reviewed and recommended by Group CEO for submission to the Board for approval. Progress of the Group's business plans and performance achievements are rigorously tracked and reviewed against the budget in monthly review meetings and specific taskforce set up for the purposes of monitoring our key focus areas allowing for timely responses and corrective actions to be taken to mitigate risks.

The Group has adopted a coordinated and formalised approach to risk management and internal control, which is operationalised through the "Three Lines of Defence" concept. The Business Units (including Shariah Management Department) form the first line of defence, Risk and Compliance (including Shariah Review and Shariah Risk Management for Islamic Banking) form the second line of defence, while Internal Audit (including Shariah Audit for Islamic Banking) forms the third line of defence. The key risk management and internal control processes are implemented via the following:

- The RMC of the Group and its major subsidiaries assist the Board in the oversight of the overall risk management structure. At senior management level, a number of management level committees have been established to assist the Board to holistically manage the risks and business of the Group. These committees, namely the Group Management Committee, Group Management Risk Committee, Group Assets and Liabilities Committee, Group Management Governance and Compliance Committee, Credit and Commitments Committee and Watchlist and Classification Committee, address all classes of risk within Board delegated mandates: balance sheet risk, credit risk, legal risk, operational risk, technology risk, market risk, liquidity risk, Shariah non-compliance risk, compliance risk, reputational risk, product risk and business, IT project risk and environmental, social and governance (ESG) risk.
- The organisational structure is designed to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, corresponding to the needs of the business and operations activities. This includes the empowerment and setting of authority limits for proper segregation of duties.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Risk management principles, policies, practices, methodologies and procedures are made available to appropriate staff in the Group. These are regularly updated to ensure they remain relevant and in compliance with regulatory requirements. The policies, methodologies and procedures are enhanced whenever required to meet the changes in operating environment and/or for continuous improvement in risk management.
- The AEC of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group's system of internal controls. The AEC reviews the Group's financial statements and reports issued by Group Internal Audit and the external auditors including monitoring the corrective actions taken to address issues highlighted in the reports.
- The Shariah Committee is responsible on matters related to Shariah. This includes advising the Board and senior management on Shariah matters as well as endorsing and validating products and services, Shariah policies and the relevant documentation in relation to Islamic Banking business and operations. The Shariah Committee also provides advice and guidance on management of the Zakat fund, charity and other social programmes or activities.
- The Shariah Oversight Committee, which is a sub-committee to the Shariah Committee, performs an oversight function via the Shariah Control Functions (i.e. Shariah Review, Shariah Risk Management, and Shariah Audit). The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant incidents as well as treatment of any Shariah non-compliant income.
- Group Internal Audit conducts independent risk-based audits and provides assurance that the design and operation of the risk and control framework across the Group is effective. There is also a dedicated team within Group Internal Audit that performs Shariah audit, which is responsible to conduct independent assessment on the quality and effectiveness of the Islamic Banking Business' internal control, risk management systems, governance processes as well as the overall compliance of the Islamic Banking Business' operations, business affairs and activities with Shariah requirements. The AECs review the work of Group Internal Audit, including reviewing its audit plans, progress, reports issued and status of resolution of key audit findings highlighted.
- The Group places a strong emphasis in the effectiveness of our human resource management. The structure and the ability to meet business needs through managing the most valuable resources, our employees, are supported by the necessary tools for staff success, growth opportunities and knowledge development to attract and retain talent while remaining competitive.

Guidelines and internal controls within the Group are in place for staff recruitment, promotion, performance appraisals and rewards as well as matters relating to discipline, termination and dismissal. Annual appraisal system is implemented for the employees at all levels within the Group, enforcing dialogue between managers and subordinates for continuous improvement of the employees' performance. Training needs analysis is performed to identify the required training for employees to address the areas of improvement and upskilling.

Short-Term Incentive (STI) and Long-Term Incentive (LTI) are used primarily to reward and encourage outstanding individuals for their contribution while protecting the shareholders' interest. Structured and technical training programmes, and extensive orientation training are developed to ensure staff are adequately trained and competent in discharging their responsibilities. Employees are enrolled for various role-based training programmes and certifications in core competency areas to strengthen their proficiency in their areas of specialisation. Identified high-potential employees participate in leadership and talent development programmes as part of building the pipeline of future leaders to support the Group. The Group has also embarked on a Digital Academy programme to equip its employees to support the Group's digital transformation journey.

- The Code of Conduct is the testament of the Group's commitment to uphold, maintain and demonstrate a high level of integrity, professionalism and ethical conduct. The Code of Conduct provides a clear direction in conducting business, interacting with community, government and business partners as well as general workplace behavior. The Board takes a leadership role in shaping and driving the governance of, and compliance with, policies and practices via key management committees, Group Risk, Group Legal, Group Compliance, Group Internal Audit, Group Information Services, Group Finance, Group Human Resource and Group Sustainability Council. The Code of Conduct was developed according to a value-based approach which consists of five key areas: Message from our Group CEO, Ethical Standards, Company and People, Marketplace and Commitment to Sustainability.
- The Code of Ethics is a subset of the Code of Conduct which was established by the Board. The Code of Ethics has been formulated to protect and enhance the Group's reputation for honesty and integrity. The Code of Ethics is based on the following principles: compliance with the law both in letter and in spirit, with the Code and the Group's policies and procedures; upholding the highest level of integrity and acting with honesty and professionalism; identifying and managing conflicts of interest responsibly; ensuring completeness and accuracy of underlying records, financial or otherwise; ensuring fair and equitable treatment to all; and, ensuring confidentiality of information and transactions.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The Group's Anti-Bribery and Corrupt Practices (ABCP) framework is aligned to the requirements and obligations imposed under the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) and Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of MACC Act 2009. The ABCP policy is approved by the Board and is formulated to ensure that business is conducted in conformance with the highest level of integrity and ethics. The Group adopts a zero-tolerance approach to bribery and corruption in any form, and the ABCP policy serves to protect the institution from financial and reputational loss as a result of regulatory and/or enforcement censure and action. All employees are required to comply with the relevant laws and regulations on anti-bribery and corruption.
- The Group has in place a compliance framework that drives prudent, transparent and inclusive business conduct, compliant to the requirements of the Malaysian regulatory and supervisory framework. The framework provides the methodology and approach for risk identification, prevention and mitigation. The Compliance function promotes the safety and soundness of the Group's practices and conduct by minimising financial, reputational and operational risks arising from regulatory non-compliance.
- The Group believes in and embraces a culture of complete adherence to regulatory rules and regulations; demanding the highest ethical standards and integrity, where the Board and senior management lead by example. The Group continues to exercise and enhance its due diligence and governance processes and remains vigilant to emerging risks as well as sensitive towards heightened regulatory surveillance and enforcement.
- Training is provided to employees of the Group on relevant legal and regulatory requirements, and guidance on implementation of internal controls and processes to manage compliance risks.

### REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was in accordance with Audit and Assurance Practice Guide 3: *Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants. This does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: *Guidelines for Directors of Listed Issuers*; nor is the statement factually incorrect.

# ANALYSIS OF SHAREHOLDINGS

As at 30 June 2023

Total Number of Issued Shares : 3,314,184,844 Ordinary Shares (Include Treasury Shares)  
 Total Number of Shares Retained as Treasury Shares : 7,638,950  
 Class of Shares : Ordinary Shares  
 Voting Rights : 1 vote per ordinary share on a poll  
 Number of Shareholders : 29,650

## ANALYSIS BY SIZE OF SHAREHOLDINGS BASED ON RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares*	% of Shareholdings*
Less than 100	2,055	6.93	48,564	0.00
100 – 1,000	7,707	25.99	5,341,718	0.16
1,001 – 10,000	14,721	49.65	61,114,575	1.85
10,001 – 100,000	4,225	14.25	122,761,717	3.71
100,001 to less than 5% of the issued shares	940	3.17	2,102,734,900	63.60
5% and above of issued shares	2	0.01	1,014,544,420	30.68
Total	29,650	100.00	3,306,545,894	100.00

\* Exclude 7,638,950 ordinary shares retained as treasury shares

## SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	No. of Shares			
	Direct Interest	%*	Indirect Interest	%*
ANZ Funds Pty Limited	716,841,483	21.68	-	-
Australia and New Zealand Banking Group Limited	-	-	716,841,483 <sup>1</sup>	21.68
ANZ BH Pty Ltd	-	-	716,841,483 <sup>1</sup>	21.68
ANZ Group Holdings Limited	-	-	716,841,483 <sup>1</sup>	21.68
Amcorp Group Berhad	391,069,003	11.83	-	-
Clear Goal Sdn Bhd	-	-	391,069,003 <sup>2</sup>	11.83
Tan Sri Azman Hashim	-	-	391,069,003 <sup>2</sup>	11.83
Employees Provident Fund Board	317,589,137	9.60	-	-

### Notes:

<sup>1</sup> Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 held through ANZ Funds Pty Limited

<sup>2</sup> Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 held through Amcorp Group Berhad

\* Exclude 7,638,950 ordinary shares retained as treasury shares

**ANALYSIS OF SHAREHOLDINGS**

As at 30 June 2023

**DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN THE COMPANY AND ITS SUBSIDIARIES BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS**

Names	No. of Shares			
	Direct Interest	%*	Indirect Interest	%*
<b>Directors</b>				
Tan Sri Md Nor bin Md Yusof	-	-	-	-
Robert William Goudswaard	-	-	-	-
Soo Kim Wai	-	-	-	-
Voon Seng Chuan	-	-	-	-
Seow Yoo Lin	-	-	-	-
Farina binti Farikhullah Khan	-	-	-	-
Hong Kean Yong	-	-	-	-
Dato' Kong Sooi Lin	-	-	-	-
Felicity Ann Youl	-	-	-	-
<b>Group Chief Executive Officer<sup>1</sup></b>				
Dato' Sulaiman bin Mohd Tahir	1,996,000	0.06	-	-

**Notes:**<sup>1</sup> The Group Chief Executive Officer is not a director of the Company

\* Exclude 7,638,950 ordinary shares retained as treasury shares



## LIST OF 30 LARGEST SHAREHOLDERS

### 30 LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Names	No. of Shares	%*
1.	ANZ Funds Pty Limited	716,841,483	21.68
2.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	297,702,937	9.00
3.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	111,822,516	3.38
4.	Amcorp Group Berhad	109,337,302	3.31
5.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	96,000,000	2.90
6.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad (AGB CBC2)	82,500,000	2.50
7.	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 – Wawasan	79,674,200	2.41
8.	HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad	79,000,000	2.39
9.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Merit Alpha Sdn Bhd	70,000,000	2.12
10.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad (EDG)	59,620,700	1.80
11.	Kumpulan Wang Persaraan (Diperbadankan)	46,830,300	1.42
12.	Amanahraya Trustees Berhad Amanah Saham Malaysia	45,349,500	1.37
13.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for PRULink Equity Fund	39,938,400	1.21
14.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	39,027,412	1.18
15.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	34,653,807	1.05
16.	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	32,149,800	0.97
17.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad (AMCORPPROPMT)	30,000,000	0.91

## LIST OF 30 LARGEST SHAREHOLDERS

No.	Names	No. of Shares	%*
18.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	29,616,345	0.90
19.	Maybank Investment Bank Berhad IVT (10)	29,323,900	0.89
20.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	28,637,220	0.87
21.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	24,484,400	0.74
22.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	22,641,800	0.69
23.	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for PRULink Strategic Fund	19,851,600	0.60
24.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Affin Hwang Multi-Asset Fund	19,045,700	0.58
25.	Maybank Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Areca Dynamic Growth Fund 6.0 (429002)	17,680,000	0.54
26.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Norges Bank (FI 17)	16,317,100	0.49
27.	Citigroup Nominees (Asing) Sdn Bhd CB Spore GW for Government of Singapore (GIC C)	15,955,072	0.48
28.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	15,705,200	0.48
29.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	14,631,200	0.44
30.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	13,622,200	0.41

**Note:**

\* Exclude 7,638,950 ordinary shares retained as treasury shares

## LIST OF LANDED PROPERTIES

As at 31 March 2023

Properties owned by the Group are as follows:

Location	Description	Age Of Property	Tenure	Net Book Value (RM' 000)	Built-Up Area (Sq. Ft)	Date of Acquisition
Damansara Fairway 3 6C, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya	One unit of thirteen-storey office building for operations	32 years	Leasehold Term: 99 years Expiry: 25 Oct 2090	11,451.79	76,120	13 Oct 2000
257, Jalan Haji Taha 93400 Kuching	Seven-storey office building for branch premises and rental	24 years	Leasehold Term: 855 years Expiry: Jul 2792	7,418.53	51,906	31 Dec 1994
2 & 4, Jalan 23/70A Desa Sri Hartamas 55048 Kuala Lumpur	Two units of four-storey shoplots for rental purposes	24 years	Freehold	2,515.13	13,504	23 Apr 1998
85, 87, 89, 107, 109 Jalan 3/93, Taman Miharja 55200 Kuala Lumpur	Six units of three-storey shoplots for rental purposes	33 years	Leasehold Term: 99 years Expiry: 11 Aug 2086	1,754.20	30,528	9 Mar 1992
35 & 36 - Phase 1 Prai Business Point 322 Prai Perdana 12000 Seberang Prai	Two units of vacant three-storey shopoffices	23 years	Freehold	991.46	10,307	28 Nov 1998
22 & 23, Jalan Dato' Lee Fong Yee 70000 Seremban	Two units of four-storey shoplots for branch premises	38 years	Freehold	815.14	22,000	15 Mar 1990
1 & 3, Lorong Murni 6 Taman Desa Murni Sungai Dua 13800 Butterworth	Two units of double-storey shoplots for branch premises	31 years	Freehold	362.22	7,200	28 Nov 1996
14 & 15, Jalan Abdullah 85000 Segamat	Two units of four-storey shoplots for branch premises	83 years	Freehold	280.30	5,832	12 Jun 1985
7 & 9, Jalan Perusahaan 2 Off Jalan Kolej 43300 Seri Kembangan	Two units of two-storey commercial complexes for branch premises	37 years	Leasehold Term: 40 years Expiry: May 2017	276.10	8,000	25 Nov 1995
Alpha Park Tower Condo Labuan, 10 <sup>th</sup> Floor Financial Park Complex 87000 Labuan	Condominium for residential purposes	27 years	Leasehold Term: 99 years Expiry: 31 Dec 2090	260.73	1,679	1 Jul 1996

# NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 32<sup>nd</sup> Annual General Meeting (AGM) of AMMB Holdings Berhad (AMMB or the Company) will be conducted virtually through live streaming at Board Room, 26<sup>th</sup> Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia (Broadcast Venue) on Wednesday, 23 August 2023 at 10.00 a.m. for the following purposes:

## AGENDA

## RESOLUTION

### As Ordinary Business

- |                                                                                                                                                                                                           |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon.                                 |                              |
| 2. To approve the payment of Directors' fees of RM1,802,329 in respect of the financial year ended 31 March 2023.                                                                                         | <b>Ordinary Resolution 1</b> |
| 3. To approve the payment of benefits payable to the Directors (excluding Directors' fees) up to an aggregate amount of RM1,800,000 for the period from 23 August 2023 until the next AGM of the Company. | <b>Ordinary Resolution 2</b> |
| 4. To re-elect the following Directors who retire by rotation pursuant to Clause 94 of the Company's Constitution:                                                                                        |                              |
| i. Robert William Goudswaard                                                                                                                                                                              | <b>Ordinary Resolution 3</b> |
| ii. Voon Seng Chuan                                                                                                                                                                                       | <b>Ordinary Resolution 4</b> |
| iii. Farina binti Farikhullah Khan                                                                                                                                                                        | <b>Ordinary Resolution 5</b> |
| 5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2024 and to authorise the Directors to determine their remuneration.                          | <b>Ordinary Resolution 6</b> |

### As Special Business

To consider and if thought fit, to pass the following resolutions:

- |                                                                                                                                                           |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 6. <b>Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the Purpose of the Company's Dividend Reinvestment Plan</b> | <b>Ordinary Resolution 7</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|

"THAT the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the Company's Dividend Reinvestment Plan as approved at the Extraordinary General Meeting of the Company held on 2 September 2010, which gives the shareholders of the Company the option to elect to reinvest their cash dividend entitlements in new ordinary shares of the Company."

- |                                                                                                                              |                              |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 7. <b>Proposed Authority to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act 2016</b> | <b>Ordinary Resolution 8</b> |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------|

"THAT subject to the approvals of the relevant authorities and pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue new ordinary shares in the Company at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

## NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING

### 8. Proposed Renewal of Authority for the Purchase by the Company of its own Ordinary Shares

Ordinary Resolution 9

“THAT, subject to the Companies Act 2016 (Act), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements) and the approval of such relevant governmental and/or regulatory authorities, the Board of Directors of the Company (Board) be authorised to renew the authority to purchase such number of ordinary shares of the Company on the Main Market of Bursa Securities (Proposed Renewal of Share Buy-Back Authority) at any time through Bursa Securities, upon such terms and conditions as the Board shall in their discretion deem fit and expedient in the best interest of the Company provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed three percent (3%) of the total number of issued shares of the Company at any point in time; and
- (b) the maximum amount of funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company at the time of purchase by the Company of its own ordinary shares.

THAT upon the purchase by the Company of the ordinary shares, the Board shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Main Market of Bursa Securities or transferred for the purpose of or under the AMMB Holdings Berhad Executives’ Share Scheme and any other employees’ share scheme which the Company may establish or any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the requirements of the Listing Requirements and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution will commence immediately upon the passing of this resolution and may only continue to be in force until:

- (a) the conclusion of the 33<sup>rd</sup> Annual General Meeting (AGM) of the Company, at which time the authority will lapse unless by ordinary resolution passed at the 33<sup>rd</sup> AGM, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the 33<sup>rd</sup> AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earliest but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the Listing Requirements and/or any other authorities.

AND THAT authority be and is hereby unconditionally and generally given to the Board to take all such steps that are necessary and expedient (including without limitation, the opening and maintaining of central depository accounts under the Securities Industry (Central Depositories) Act 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter on any part of the shares bought-back in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities.”

- 9. To transact any other business of which due notice shall have been received.

## NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to participate and vote at the 32<sup>nd</sup> AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Clauses 67(1), 67(2) and 67(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors (ROD) as at 16 August 2023. Only a depositor whose name appears in the ROD as at 16 August 2023 shall be entitled to participate and vote at the 32<sup>nd</sup> AGM or appoint a proxy(ies) to participate and vote on his/her behalf.

### By Order of the Board

#### Koid Phaik Gunn

(MAICSA 7007433)

(SSM Practising Certificate No. 202008003140)

Group Company Secretary

Kuala Lumpur

21 July 2023

### NOTES:

#### (A) Remote Participation and Electronic Voting

- (1) The 32<sup>nd</sup> AGM will be conducted virtually through live streaming at the Broadcast Venue where members are only allowed to participate in the AGM and vote remotely. The Remote Participation and Voting (RPV) facilities will be provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd (Boardroom) at <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.
- (2) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies/corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the AGM.
- (3) All resolutions set out in the Notice of the 32<sup>nd</sup> AGM will be put to vote by way of a poll.

#### (B) Appointment of Proxy

- (1) A member of the Company entitled to participate and vote at the AGM is entitled to appoint more than one proxy to participate and vote on his/her behalf, provided he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (2) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the AGM shall have the same rights as the member to pose questions at the AGM.
- (3) Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint more than one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- (4) Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

## NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING

- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney of the corporation duly authorised.
- (6) If the instrument appointing a proxy is returned without indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- (7) The duly completed instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom at Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via Boardroom Smart Investor portal at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Guide for the AGM if members wish to submit the instrument appointing a proxy electronically.

All completed instrument appointing a proxy must be received by the Company not less than 48 hours before the time fixed for holding the AGM, i.e. latest by Monday, 21 August 2023 at 10.00 a.m.

### (C) Explanatory Notes to the Agenda

- (1) The Audited Financial Statements are laid out in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, item 1 of the Agenda will not be put forward for voting.

#### (2) Ordinary Resolution 1 – Directors' Fees

The Directors' fees to be paid to the Non-Executive Directors of the Company amounting to RM1,802,329 were for their services rendered in respect of the financial year ended 31 March 2023.

The Directors' fees structure as append below remained unchanged.

	Chairman	Deputy Chairman	Non-Executive Director
Fee (per annum)	RM210,000	RM210,000	RM200,000

#### (3) Ordinary Resolution 2 - Directors' Benefits (exclude Directors' Fees)

The Company is seeking shareholders' approval for the payment of benefits to the Board of Directors (Board) of AMMB, all of whom are Non-Executive Directors, up to an aggregate amount of RM1,800,000 for the period from 23 August 2023 until the next AGM of the Company.

The estimated amount payable to the Directors for the benefits is based on the Board composition of nine members.

The remuneration structure of AMMB is set out on page 139 of the Integrated Annual Report 2023.

#### (4) Ordinary Resolutions 3 to 5 - Re-Election of Directors

Clause 94 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire from office at least once in three (3) years and shall be eligible for re-election. Mr Robert William Goudswaard, Mr Voon Seng Chuan and Puan Farina binti Farikhullah Khan are standing for re-election as Directors and being eligible, have offered themselves for re-election.

The Group Nomination and Remuneration Committee (GNRC) had considered the performance and contribution of each of the retiring Directors.

Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 March 2023, the performance of each of the retiring Director was found to be satisfactory and the Directors have met the Board's expectation in the discharge of their duties and responsibilities.

## NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING

Each of the retiring Directors has met the fit and proper criteria prescribed in the Policy Document on Fit and Proper Criteria issued by Bank Negara Malaysia (BNM) and the Group's Fit and Proper Criteria Policy. The retiring Directors, namely Mr Voon Seng Chuan and Puan Farina binti Farikhullah Khan have also fulfilled the independence criteria set out in BNM Policy Document on Corporate Governance and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board endorsed the GNRC's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-elections at the Board meeting.

The details of the Directors who are standing for re-election are provided in the Board of Directors' profiles on pages 99, 101 and 103 of the Integrated Annual Report 2023.

The Directors referred to in Ordinary Resolutions 3 to 5 who are shareholders of the Company will abstain from voting on the resolution in respect of their respective re-election at this AGM.

### (5) Ordinary Resolution 6 – Re-appointment of Auditors and Audit Fees

The Audit and Examination Committee (AEC) had, at its meeting held on 27 April 2023, conducted an annual review of the suitability and independence of the external auditors, Messrs Ernst & Young PLT (EY) in accordance with BNM's Policy Document on External Auditor and the Company's Policy on Non-Audit Services by Group External Audit Firm. In its assessment, the AEC considered several factors which include the following areas :-

- (a) Level of knowledge, capabilities, experience of the professional staff assigned to the audit and the quality of previous work undertaken by the firm;
- (b) Level of engagement with the AEC;
- (c) Ability to provide constructive observations, implications and recommendations in areas which require improvements;
- (d) Adequacy in audit coverage, effectiveness in planning and conduct of audit;
- (e) Ability to perform audit work within agreed timeframe;
- (f) Non-audit services rendered by the external auditors which does not impede independence; and
- (g) The unbiased stance of the external auditors when interpreting the standards/ policies adopted by the Company.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of EY, the AEC has recommended the re-appointment of EY as external auditors of the Company for the financial year ending 31 March 2024 (FY2024).

The Board had, at its meeting held on 28 April 2023, endorsed the AEC's recommendation for shareholders' approval to be sought at the 32<sup>nd</sup> AGM on the re-appointment of EY as the external auditors of the Company for FY2024. Additionally, BNM had on 30 June 2023 approved the re-appointment of EY as the external auditors of the Company for FY2024.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2024.

### (6) Ordinary Resolution 7 - Proposed Renewal of Authority to Allot and Issue New Ordinary Shares in the Company for the Purpose of the Company's Dividend Reinvestment Plan

Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue new ordinary shares pursuant to the terms and conditions of the Company's Dividend Reinvestment Plan (DRP) which are contained in the DRP Statement set out in Appendix I to the Circular to Shareholders dated 11 August 2010 (as may be amended in accordance with the provisions of the said DRP).

The authority conferred by such renewed mandate will be effective from the date of the forthcoming AGM and unless revoked or varied at a general meeting, will lapse at the conclusion of the next AGM of the Company.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by the shareholders at the last AGM.



## **NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING**

### **(7) Ordinary Resolution 8 - Proposed Authority to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

Ordinary Resolution 8, if passed, will give the Directors of the Company, from the date of the forthcoming AGM, authority to allot and issue new ordinary shares in the Company up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company for the time being, as and when the need or business opportunities arise which the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will lapse at the conclusion of the next AGM of the Company.

The Company has not issued any new ordinary shares pursuant to Section 75 of the Companies Act, 2016 under the general mandate sought at the 31<sup>st</sup> AGM held on 18 August 2022, which will lapse upon the conclusion of the 32<sup>nd</sup> AGM to be held on 23 August 2023.

### **(8) Ordinary Resolution 9 – Proposed Renewal of Authority for the Purchase by the Company of its own Ordinary Shares**

Ordinary Resolution 9, if passed, will give the Directors of the Company, from the date of the forthcoming AGM, authority to purchase the ordinary shares of the Company up to an aggregate amount not exceeding three percent (3%) of the total number of issued shares of the Company for the time being, as and when the need arise which the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will lapse at the conclusion of the next AGM of the Company.

# STATEMENT ACCOMPANYING NOTICE OF 32<sup>ND</sup> ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of persons who are standing for election as Directors (excluding Directors standing for re-election).

No individual is seeking election as a Director at the 32<sup>nd</sup> AGM.

2. A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Marketing Listing Requirements of Bursa Malaysia Securities Berhad.

The proposed Ordinary Resolution 8 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new ordinary shares were allotted and issued pursuant to the general mandate granted to the Directors at the last AGM held on 18 August 2022, which will lapse upon the conclusion of the 32<sup>nd</sup> AGM.

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# FORM OF PROXY



**AmBank Group**

**AMMB HOLDINGS BERHAD**  
Registration No. 199101012723 (223035-V)  
(Incorporated in Malaysia)

No. of Shares Held	CDS Account No.

I/We \_\_\_\_\_  
(Full Name of Shareholder)

NRIC/Passport/Company No. \_\_\_\_\_

of \_\_\_\_\_  
(Current Address)

Contact No. \_\_\_\_\_ being a member/members of AMMB Holdings Berhad (the Company), hereby appoint:

Proxy 1	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC/Passport No.		
Current Address		
Email Address		
Contact No.		

And/or failing him/her;

Proxy 2	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC/Passport No.		
Current Address		
Email Address		
Contact No.		

or failing him/her, THE CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting (AGM) of the Company to be held virtually through live streaming at Board Room, 26<sup>th</sup> Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Wednesday, 23 August 2023 at 10.00 a.m. or at any adjournment thereof.

Please indicate with a "X" or "√" in the boxes below how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit. My/our proxy is to vote as indicated below:

Resolutions		For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees in respect of the financial year ended 31 March 2023.		
Ordinary Resolution 2	To approve the payment of benefits payable to the Directors (exclude Directors' fees) for the period from 23 August 2023 until the next AGM of the Company.		
Ordinary Resolution 3	To re-elect Robert William Goudswaard as Director.		
Ordinary Resolution 4	To re-elect Voon Seng Chuan as Director.		
Ordinary Resolution 5	To re-elect Farina binti Farikhullah Khan as Director.		
Ordinary Resolution 6	To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Directors to determine their remuneration.		
Ordinary Resolution 7	To authorise the Directors to allot and issue new ordinary shares for the purpose of the Company's Dividend Reinvestment Plan.		
Ordinary Resolution 8	To authorise the Directors to allot and issue new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	To approve the Proposed Renewal of Authority for the Purchase by the Company of its own Ordinary Shares.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
**Signature of Shareholder**  
(If the shareholder is a corporation, this part should be executed under seal or under the hand of an officer or attorney of the corporation duly authorised)

**Notes:**

- (1) A member of the Company entitled to participate and vote at the AGM is entitled to appoint more than one proxy to participate and vote on his/her behalf, provided he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (2) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the AGM shall have the same rights as the member to pose questions at the AGM.
- (3) Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act, 1991 (SICDA), it may appoint more than one proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- (4) Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney of the corporation duly authorised.
- (6) If the instrument appointing a proxy is returned without indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- (7) The duly completed instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to the Share Registrar electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Guide for the AGM if members wish to submit the instrument appointing a proxy electronically.

All completed instrument appointing a proxy must be received by the Company not less than 48 hours before the time fixed for holding the 32<sup>nd</sup> AGM, i.e. latest by Monday, 21 August 2023 at 10.00 a.m.

The Share Registrar of AMMB Holdings Berhad  
**Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

AFFIX  
STAMP





**AMMB Holdings Berhad**

Registration No. 199101012723 (223035-V)  
(Incorporated in Malaysia)

22<sup>nd</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia

Tel: 603 2036 2633      Fax: 603 2031 6453