

EXTRAORDINARY GENERAL MEETING (EGM): Proposed Rights Issue

30 May 2025



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ACCELER8 2027 Rationale

January 2023: embark on ACCELER8 2027 strategy refresh

Our Rationale

A

**Broadening growth
beyond SME**

B

**Building
competitive advantages to
drive sustainable
long term growth**

C

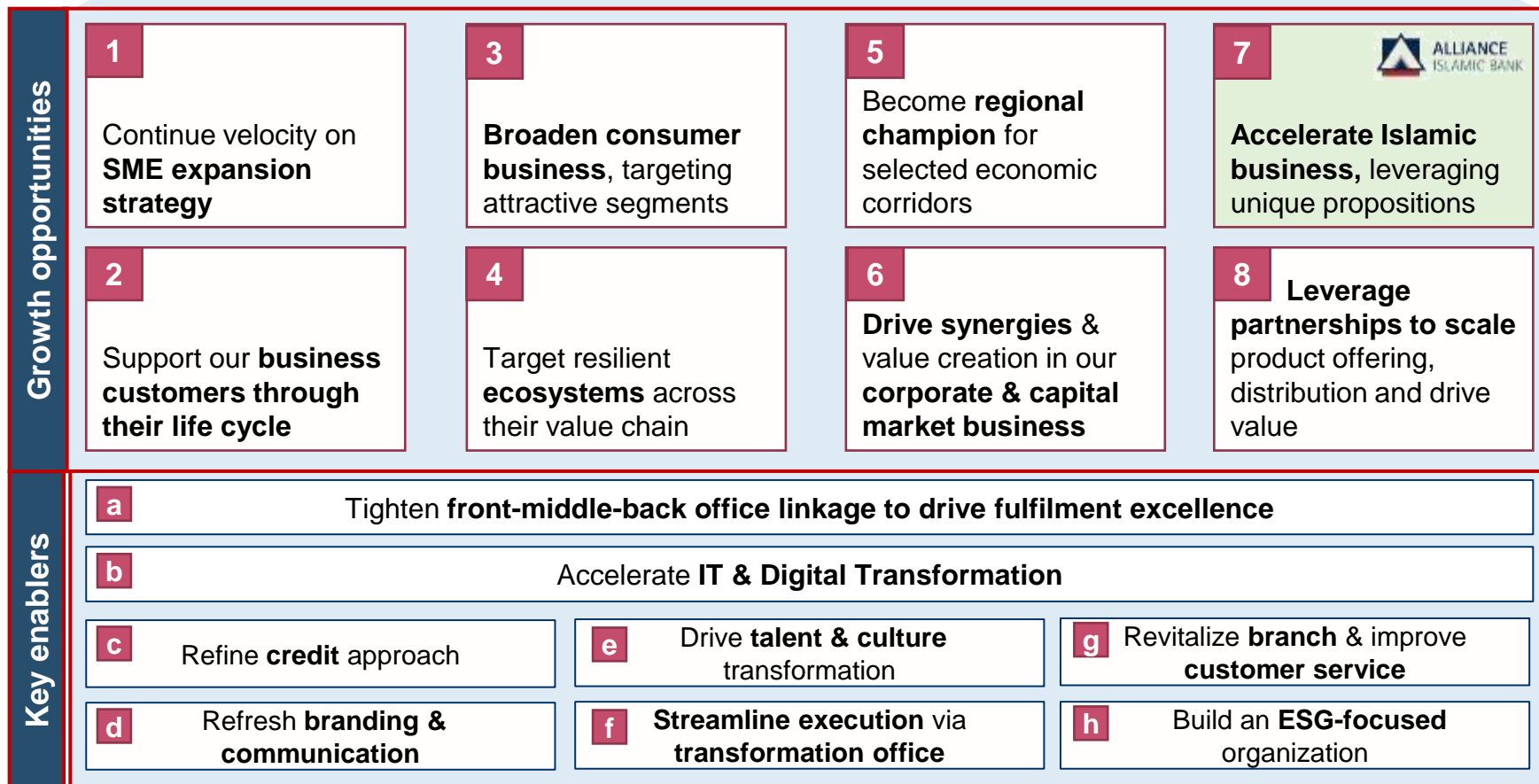
**Increasing value for
key stakeholders**

We have taken an outside-in approach in formulating our refreshed strategy

- **Comparison vs. Peers:** Benchmarking ABMB's positioning and growth vs peers (in relation to target segments & products)
- **Customer & Industry trends:** Digitalisation, sustainability, shifts in consumer behavior
- **Regulatory policies:** Latest BNM financial sector masterplan (FSMP 2022-2026)
- **National development focus:** High growth sectors and economic corridors in the 12th Malaysia Plan (2021-2025)



Vision: The Preferred Banking Partner
Mission: Building Alliances to Improve Lives

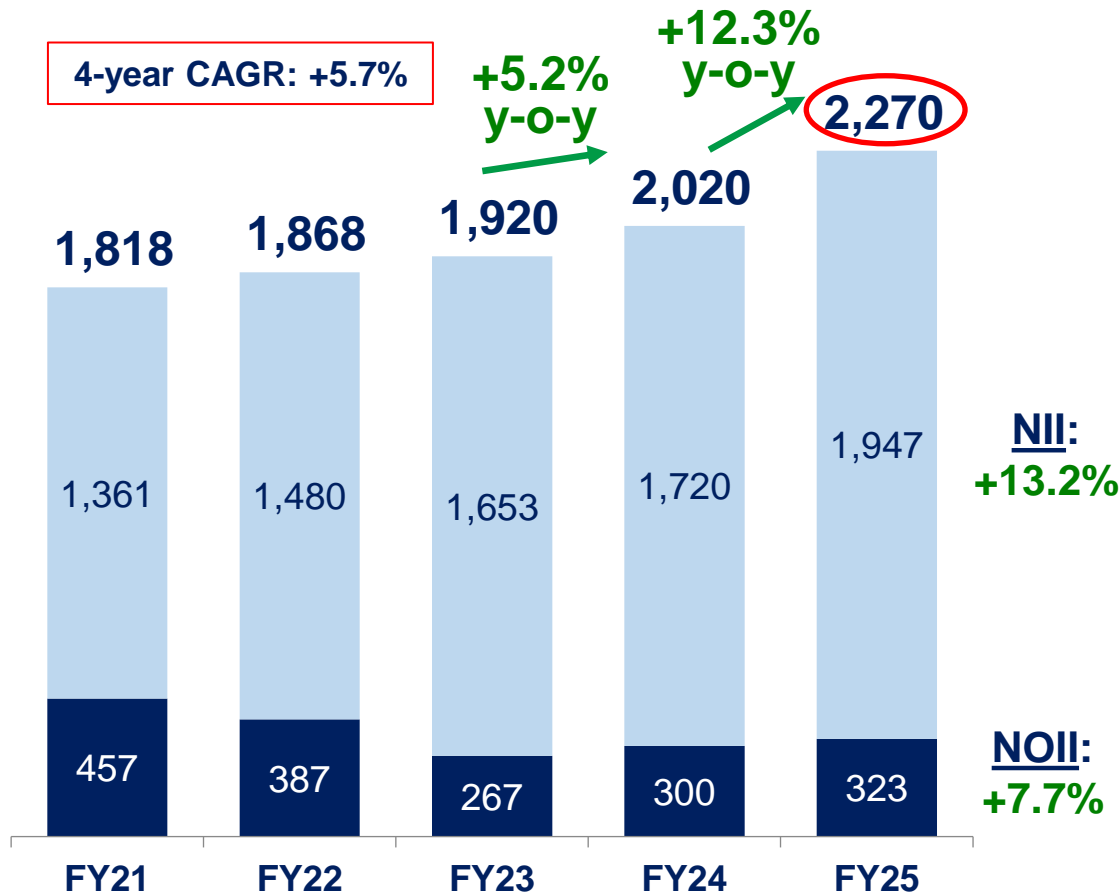


Revenue grew 12.3% from NII and NOII growth

FY25: Revenue growth accelerated

RM mil

■ Net interest income (NII)
■ Non-interest income (NOII)

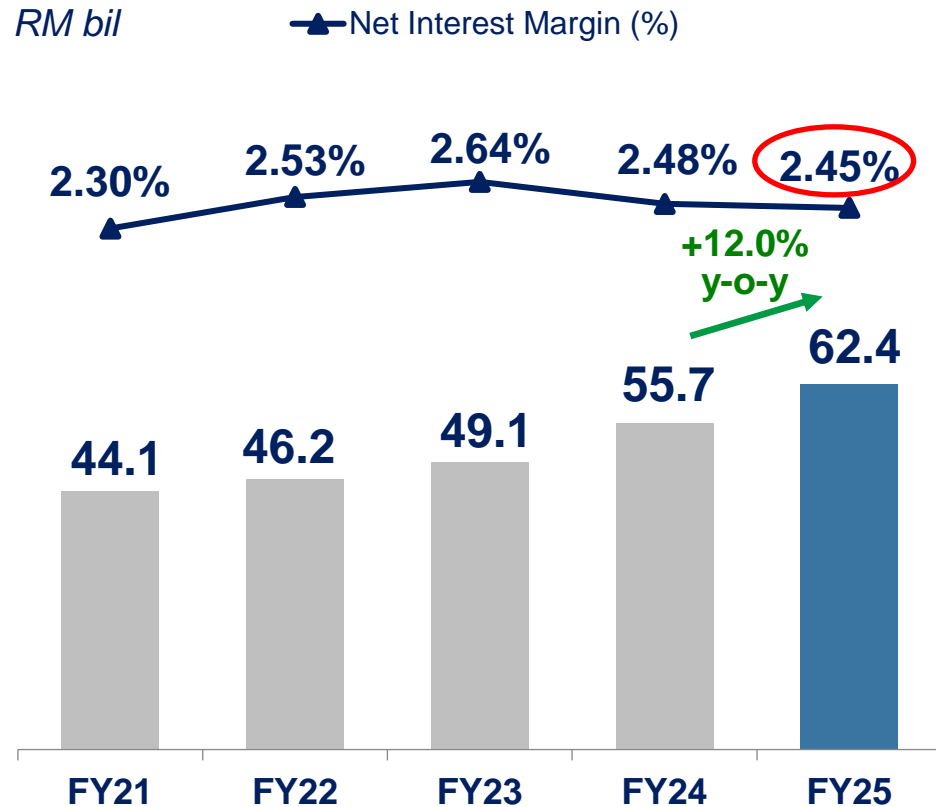


Note: In FY21, higher NOII from realised gains from favourable bond valuations. In FY22 & FY23 we no longer have such opportunities as rates have risen sharply. In FY23, brokerage income also lower after our stockbroking business disposal to Philip Capital (July 2022).

- Revenue growth driven by both Net interest income and Non-interest income.
- Net interest income grew 13.2%, mainly driven by higher loans volume.
- Non-interest income grew 7.7%.

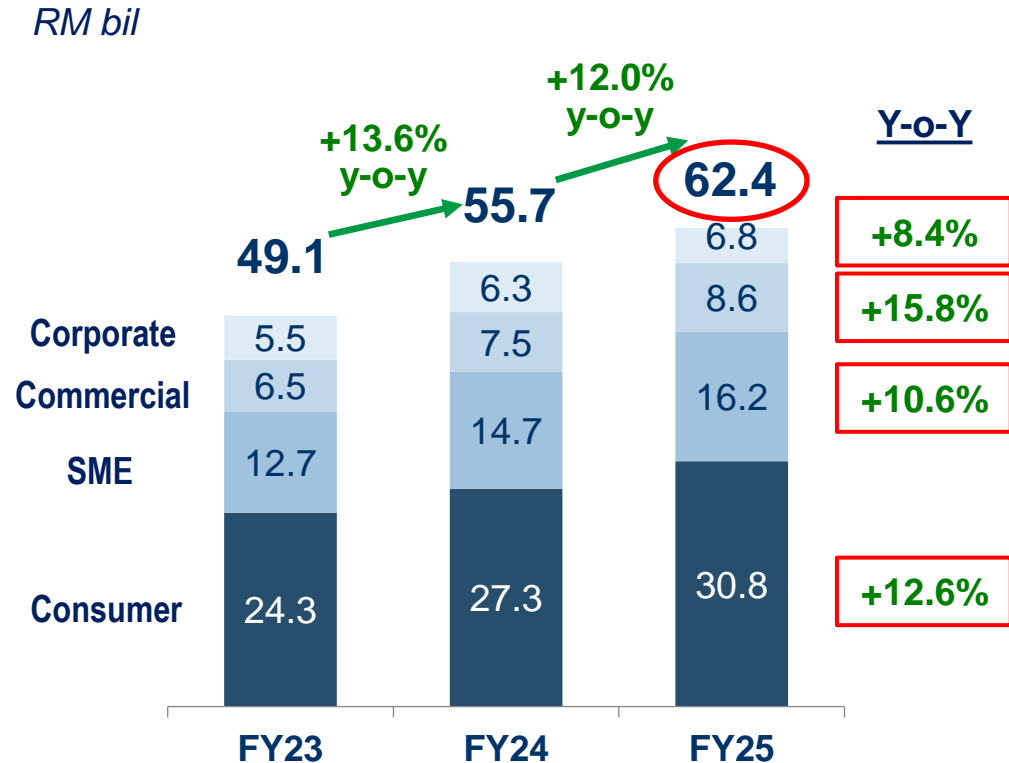
Loans growth at 12.0% (>2x industry: 5.2% y-o-y)

FY25: Double-digit loans* growth



- **Gross loans grew 12.0% year-on-year:**
 - More than double the industry growth (5.2%)
- **NIM at 2.45%** (one of the highest in industry)

Note: * Net loans growth was 12.2% year-on-year

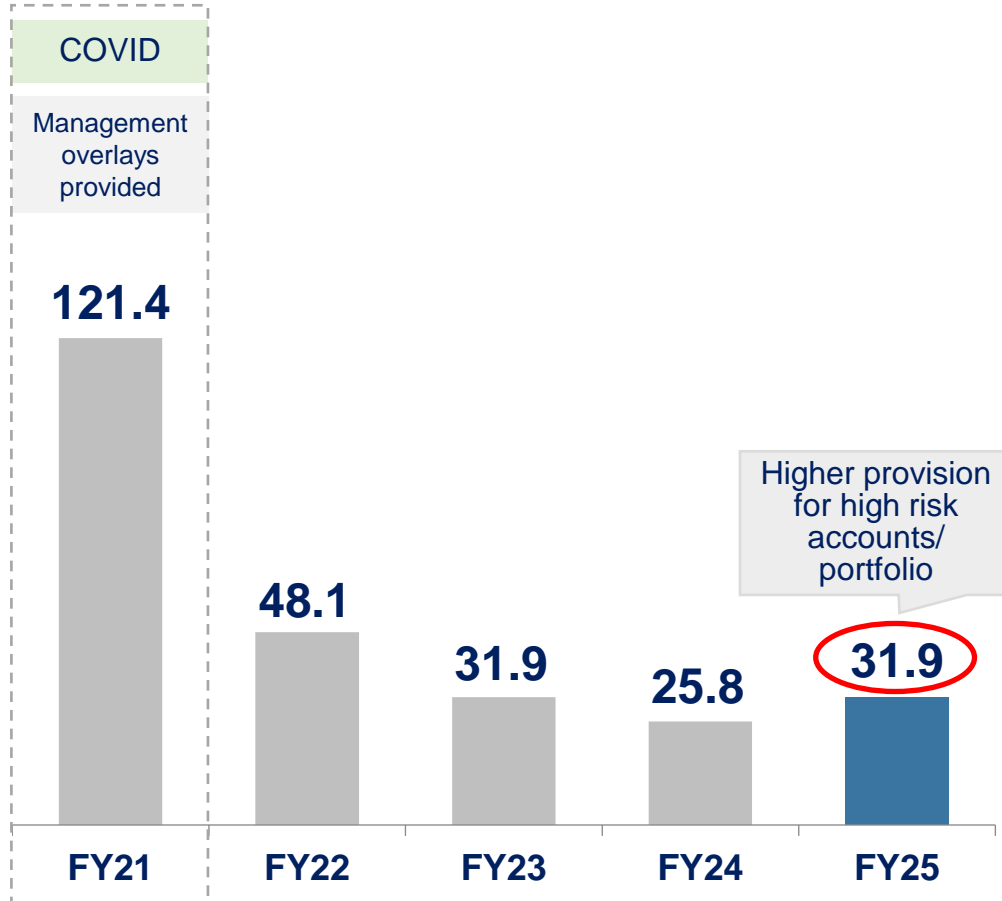


- Loans growth was **across all LOBs**.

Net credit cost at 31.9 bps; GIL ratio improving

FY25: Net Credit Cost

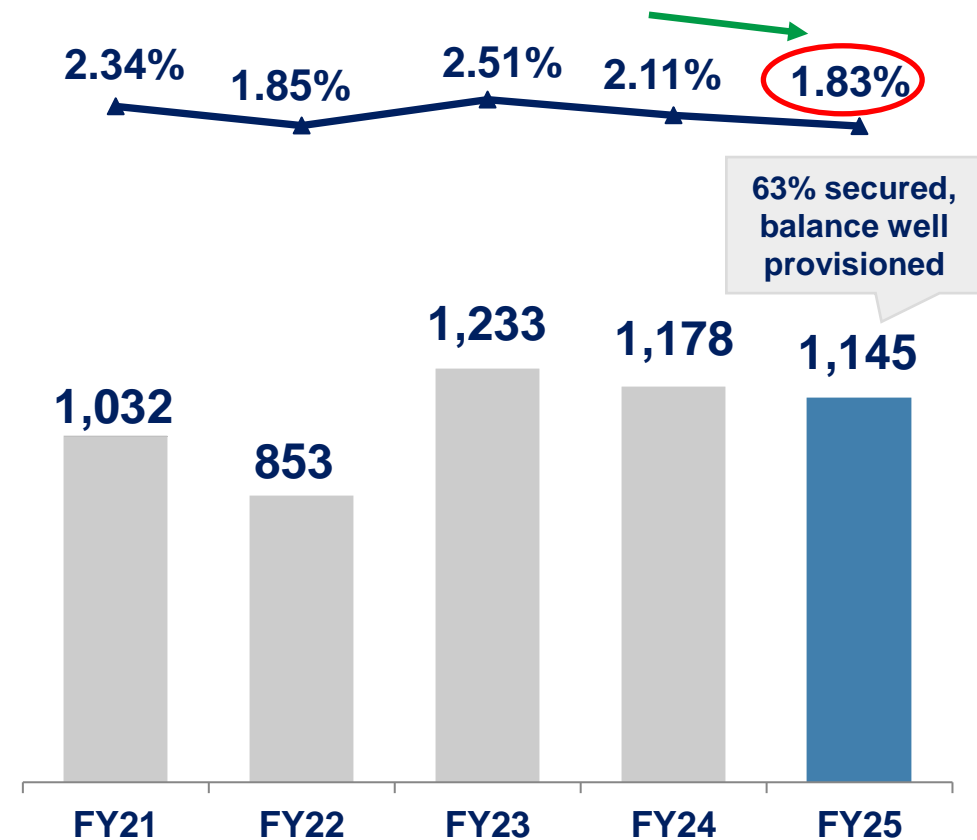
Basis points (bps)



FY25: GIL Ratio improved

RM mil

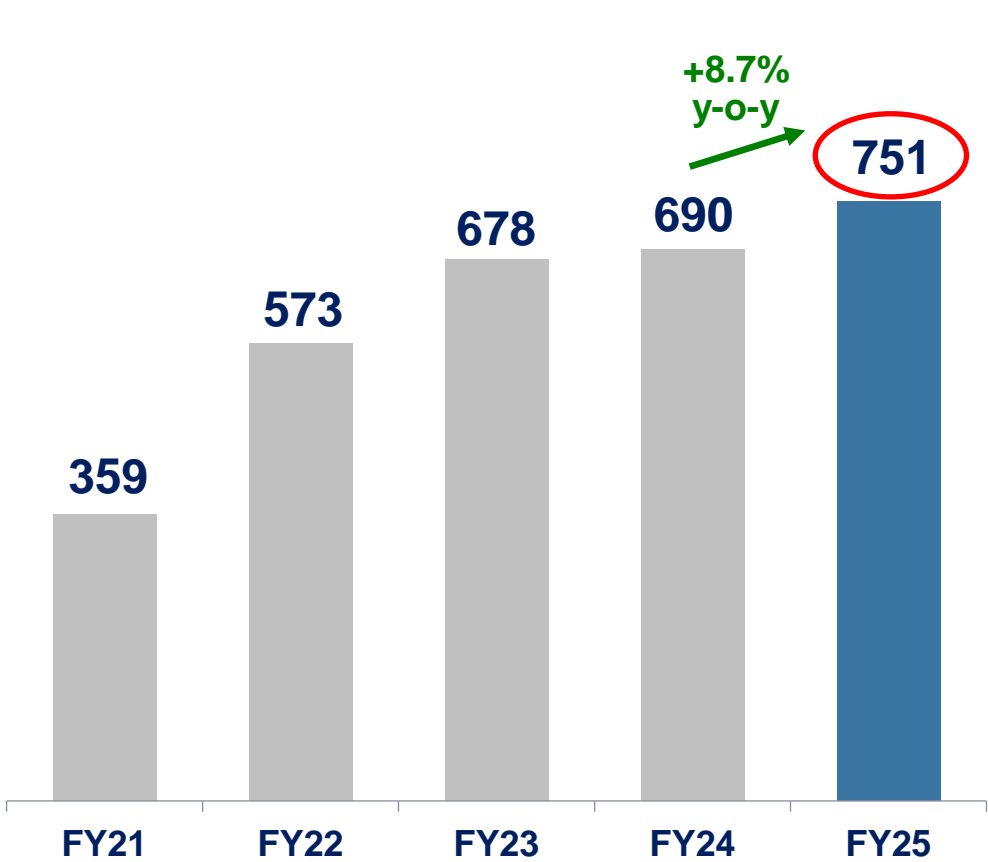
■ Total GIL ▲ GIL ratio



Net Profit at RM750.7 million, Net Assets grew 6.9%

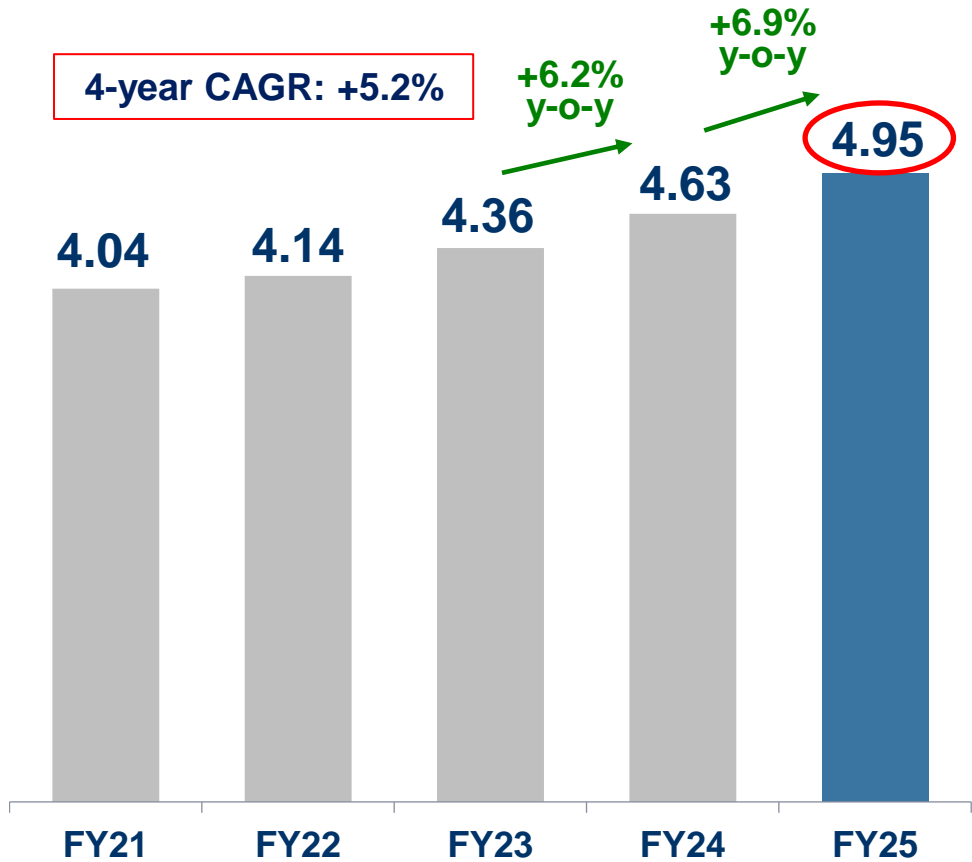
FY25: NPAT up 8.7% y-o-y

RM mil



FY25: Net Assets per share: RM4.95

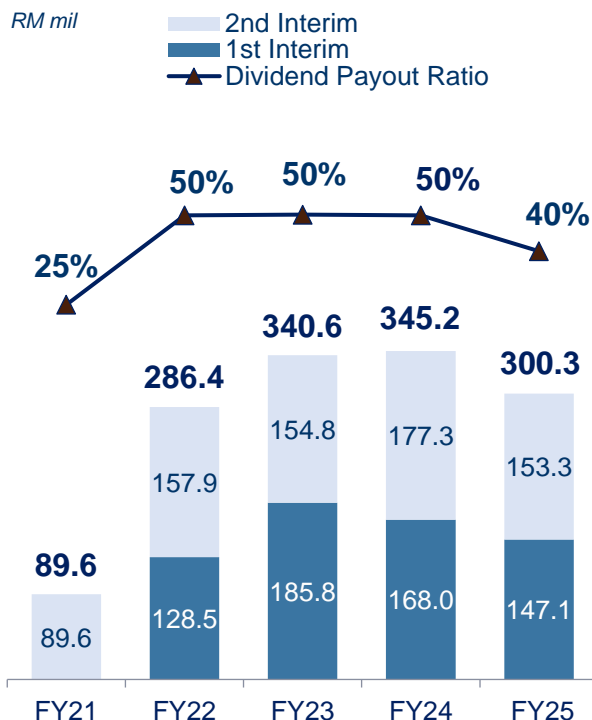
RM



FY25 dividend payout at 40%

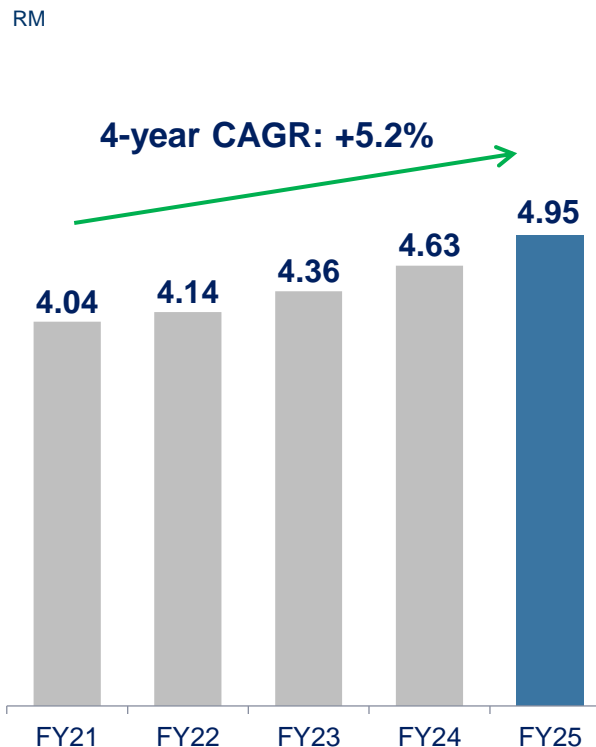
Financial Highlights:
Shareholder Value

Dividend and Payout Ratio



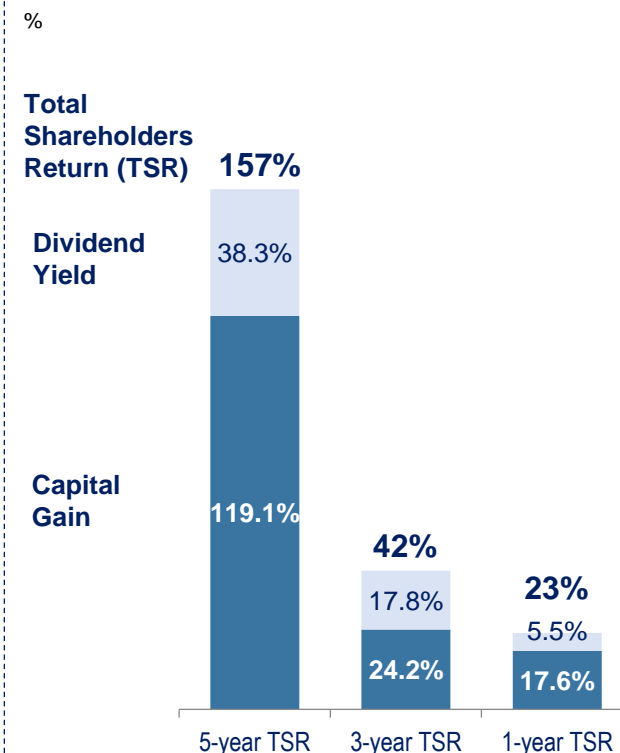
- a) Declared 1st interim dividend: 9.50 sen
- b) Proposed 2nd interim dividend: 9.90 sen
(Total dividend: 19.4 sen vs 22.3 sen in FY24)

Net Assets per Share



- a) Net asset per share grew steadily to RM4.95
- b) FY25: +32 sen (+6.9% year-on-year)
- c) 4-year CAGR: +5.2%

Total Shareholders Return



- a) Based on share price of RM4.47 (16 May 2025), TSR:
 - 5-year: 157%
 - 3-year: 42%
 - 1-year: 23%

Transaction Structure

Proposed Rights Issue	<ul style="list-style-type: none"> Renounceable rights issue of new ordinary shares to raise gross proceeds of approximately RM600.0 million.
Subscription Price	<ul style="list-style-type: none"> Issue price has not been fixed at this juncture and will be determined by the Board on the price-fixing date. Indicatively discount ranging from 15% to 25% to the Theoretical ex-rights price (TERP).
Provisional Allotment	<ul style="list-style-type: none"> Entitlement basis also to be decided on the price-fixing date.
Commitments	<ul style="list-style-type: none"> Irrevocable and unconditional undertaking dated 21 March 2025 from Vertical Theme Sdn Bhd (“VTSB”) to subscribe in full for its entitlement.
Ranking	<ul style="list-style-type: none"> Rights Shares shall rank pari-passu with existing issued ABMB Shares, except for any dividends or distributions where entitlement date is before allotment date of the Rights Shares.
Features	<ul style="list-style-type: none"> Right shares will be tradeable - opportunity to monetise the rights of allotment to the Rights Shares in the open market.
Underwriting	<ul style="list-style-type: none"> Fully underwritten excluding VTSB’s entitlement: Underwriting arrangements will be made for the remaining open portion of the Rights Shares without written undertaking.

Rationale for the Proposal

1

Accommodative Economy and Banking Sector

- GDP grew by 5.1% in 2024.
- 1Q25 GDP was 4.4%, GDP forecast for 2025: 4.5%-5.5% subject to review after negotiation with US on tariffs (system loans growth forecast: 5.5%).
- We see the **Malaysian economy accommodative for continued growth in our preferred segments.**

2

Improvement in Capital Ratios

- Capital levels (especially CET1) will improve **by approximately 1.1%.**
- Capital levels to support business growth and provide financial flexibility.

3

Ability to Grow and add to revenue

- Post-covid loans growth 3-Year CAGR: 10.6% (vs pre-covid 3-Year CAGR: 3.3%).
- Now growing at **double-digit loan growth** while **maintaining yield and quality.**
- Ability to grow our loans additionally by RM5-6 billion over the next 3 years that will be **accretive to revenue and earnings.**

4

Allows existing shareholders to participate in the growth of the Group at a discounted rate

- Since 2008, ABMB has not raised capital.
- **Opportunity for shareholders** to participate in equity offering on a pro-rata basis and **participate in the prospects and future growth of the Group.**
- This option will not have a dilutive effect on existing shareholdings if allocations are fully taken up.

Summary of Indicative Timeline

Date	Events
30 May 2025	<ul style="list-style-type: none">• Our forthcoming EGM to obtain your approval for the Proposed Rights Issue
Mid June 2025	<ul style="list-style-type: none">• Entitlement Date for the Proposed Rights Issue• Issuance of abridged prospectus for the Proposed Rights Issue
Early July 2025	<ul style="list-style-type: none">• Closing date of acceptance and applications for the Rights Shares
Mid July 2025	<ul style="list-style-type: none">• Listing of and quotation for the Rights Shares on the Main Market of Bursa Securities

Note: The indicative timeline is subject to each party meeting the irrespective deadlines and the timely receipts of approvals from the relevant authorities

Investment Highlights

1

Market leadership In SME segment

- **Strong SME franchise**, with a RM21.5 billion loan portfolio
- Continued **SME loan market share** expansion to **5.39%** (Mar'25)
[2x bank's overall share: 2.75%]
- **New-to bank acquisition**: focus on higher value customer with higher revenue per customer
- Solidifying our **SME stronghold**:
 - Strong **client relationship**: RM model / seniors interaction,
 - **Fast service turnaround**,
 - Strong connections in the **SME community** (e.g. BizSmart),
 - **Differentiated solutions**, e.g. digital SME (for small SMEs), Sustainability Impact Programme (SIP) & latest product, **Visa Platinum Business Credit Card**.

2

Broadening consumer business & refreshed brand purpose

- **Focus on broadening our consumer banking business**, targeting attractive segments:
 - young professionals & HENRY
 - high-net-worth
- Consumer: continue to **outgrow industry** (12.6% vs household industry: 6.0%) and **gain loan market share** to 2.27% (Mar'25)
[from 2.13% (Mar'24)]
- **Strengthening regional footprint** (Penang, Sarawak and Johor) for growth potential (opening new Penang Branch in Jalan Kelawai)
- **Refreshed our brand purpose**
 - **The Bank for Life**
 - Our passion in **being part of the community** and
 - **helping our customers through their journey, creating value for them.**

3

Loans growth outpacing industry, accelerating revenue

- **Strong loans growth** at 12.0% year-on-year,
 - driven by all core segments
 - >industry growth of 5.2%
- Continue to expand **market share** to **2.75% (overall loans)**
- Accelerating **revenue growth** driven by net interest income (NII) and non-interest income.
- **NII growth** driven by our robust loans expansion and strong net interest margin (NIM) (2.45% in FY25). Our NIM is also the highest in the industry.
- **Non-interest income (NOII)** for FY25 grew 7.7% YoY, led by wealth management (+9.6%*) & forex sales/trade fees (+16.2%)
- Continue to grow NOII with **private wealth** propositions, enhancement of **transaction banking** and **advisory services**.

* excluding Banca business model fee from Manulife of RM15.0mil last year

Investment Highlights

4

Sustainability advocacy, helping our customers adopt best practices

- Becoming a **sustainability-driven organization: FTSE4Good Index Constituent**, since Index inception (2015)
- Grew **Sustainable Banking Business to RM14.4 bil** in FY25 (RM12.6 bil in FY24; RM8.1 bil in FY23)
- **Differentiated ESG solutions using 3As approach** (Advocacy, Advice & Answers):
 - UNGC/SME Corp partnership
 - Climate assessment tool
 - **Sustainability Impact Programme (SIP)**: approved RM562 mil loans in FY25
- **Financial inclusion**: Economic Empowerment Programme (EEP), SocioBiz & Zakat Microfinancing Programme (AZAM)

5

Next-generation innovative & personalised offerings

- **Business digital innovations:**
 - **Digital SME solutions** (relevant and convenient) to small SMEs
 - ❑ Launched **digital SME underwriting tool** (bank statement analyser)
 - ❑ Soft launch **Business e-KYC**
 - **Alliance BizSmart® eTrade**: Trade transactions with no physical paperwork through BizSmart
- **Consumer Digital innovations:**
 - Continued to scale up digital personal loan
 - Launched **virtual credit card**, first dynamic digital card in Malaysia
- **Other FY25 tech enhancements:**
 - new **consumer loan origination** system
 - new **wealth management** system

6

Customer service & community approach

- Delivering **high quality products, services and experiences** to our customers
- Launched **Alliance Customer Promise ("GREAT")**
 - five key principles that we prioritise at the Bank; namely **Good Advice, Relevant Solutions, Easy, Accurate and Timely**
 - efficient and effective in serving our customers.
- Maintained highest **customer Net Promoter Score (NPS)** since FY22: **39 in FY25** (vs 33 in FY24, 33 in FY23 & 28 in FY22)
- Won 45 awards in FY2025 for Best SME Bank, and our digitalisation efforts and innovative propositions

Key Takeaways

- **Renounceable rights issue of new ordinary shares to raise gross proceeds of approximately RM600.0 million**
 - Issue price and entitlement basis to be determined on the price-fixing date. Indicatively discount ranging from 15% to 25% to the Theoretical ex-rights price (TERP)
 - Irrevocable and unconditional undertaking from major shareholder, Vertical Theme Sdn Bhd while the balance will be fully underwritten
 - Allows existing shareholders to participate in the growth of the Group at a discounted rate
 - Provides opportunity for shareholders to monetise the rights of allotment to the Rights Shares in the open market
 - Shoring up capital ratios by 1.1% to provide capacity for growth
- **Financials and ACCELER8 2027 Strategy on track. Maintaining yield and quality**
 - Despite uncertainties over the US tariffs, the Malaysian economy is expected to be accommodative for the Group to continue pursuing a growth strategy
 - Ability to grow quality assets that will be accretive to revenue and earnings while maintaining reasonable yields and quality
 - Acceler8 2027 strategy yielding results at the mid-point of execution with highest Revenue, Net Profit and Loan Growth
- **The Proposed Rights Issue will support the continued growth of the Group along the current trajectory**

THANK YOU

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