

Business Review

Retail Banking

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Managing Director



» OUR BUSINESS IDENTITY

Retail Banking (RB) offers individuals a full suite of conventional and Islamic financial solutions — from deposits and financing to wealth management and everyday banking.

Anchored by our Winning Together 2029 (WT29) strategy, we are bridging the funding gap and charting a path to become a net funder of the Bank. Our approach is focused yet agile: we drive selective lending, grow deposits aggressively, and strengthen our business model to remain resilient and profitable. We also harness digitalisation and hyper-personalisation to enhance customer value and foster deeper, more meaningful relationships.

» BUSINESS ENVIRONMENT

In 2024, Retail Banking operated in a dynamic landscape shaped by steady economic recovery, rising competition, and accelerated digitalisation. While higher funding costs and stricter fee regulations pressured margins, stable macro conditions supported sustained loan demand from consumers.

The entry of digital banks and digital transformation among incumbents intensified competition, pushing the sector toward greater innovation and personalisation. In response, banks ramped up technology investments to optimise operations, manage risk, and deepen customer engagement. These shifts have positioned Retail Banking to capture future opportunities and strengthen value delivery in an increasingly digital world.

» OUR KEY FOCUS AREAS

Personalised Product Proposition

Deliver tailored product propositions and integrated wealth solutions to Affluent, Mass Affluent and Mass segments through a strategic mix of physical and digital channels.

Strengthening Digital Capabilities

Focus on building digital capabilities, with an emphasis on digital onboarding to expand the customer base and elevate customer experience.

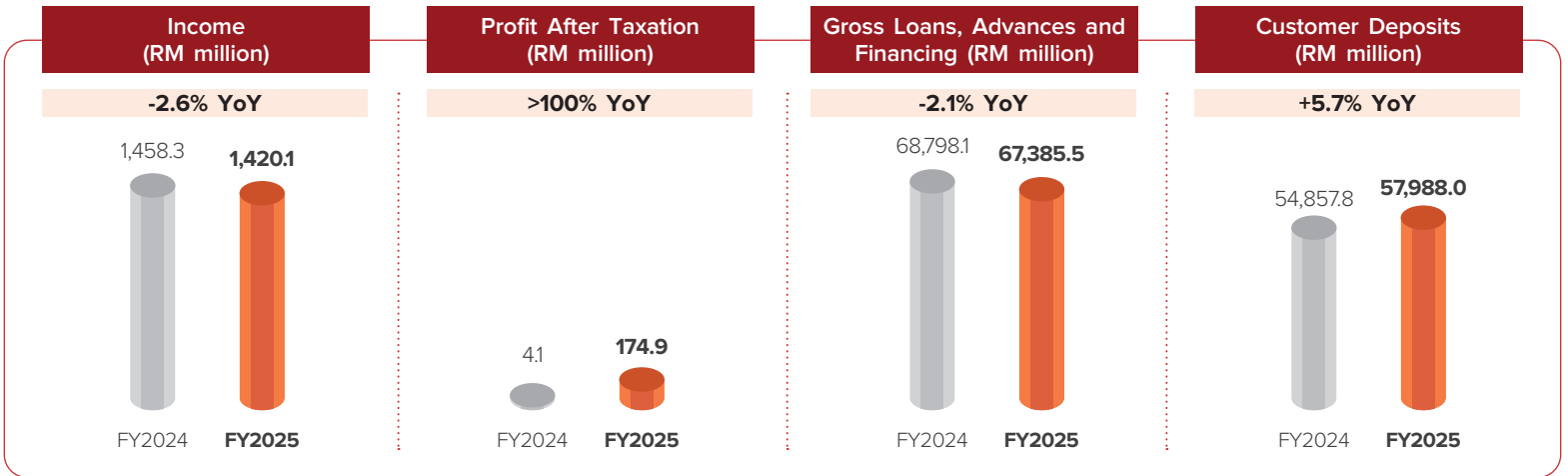
Improving Customer Journeys

Simplify and enhance the customer onboarding and retail lending journey across mortgages, deposits, credit cards, and hire purchase, focusing on creating a faster, more seamless experience, while reducing costs, and strengthening competitiveness.

» HIGHLIGHTS AND MILESTONES

Our Year in Numbers

In FY2025, we continued to deliver value across the Affluent, Mass Affluent, and Mass segments. Our performance was primarily driven by the recalibration of our lending portfolio, aligned with the execution of WT29 and our strategic objective to become a net funder, contributing to the YoY result variations.



Our Impact Beyond Numbers

Sustainability is embedded in our operations, as demonstrated by proactive initiatives that support our customers in their transition to a low-carbon economy.

Preferential pricing for new Electric Vehicles (EVs)

Offered lower financing rates for new EVs, supporting access to sustainable transport options.

Green Financing

Extended additional End Financing (EF) limits to qualifying green projects.

Business Review

STRATEGIC PERFORMANCE REVIEW

Key Initiatives

Outcomes

Upgrading AmOnline

Re-launched AmOnline under AmBank's digital roadmap with a redesigned user interface to enhance navigation, discoverability, and user adoption.

- To date, we have amassed 1.4 million mobile app users, marking 40% YoY growth.
- An average of 75 million transactions performed monthly, accounting for 86% of total retail banking transactions.

Introduced DuitNow Consent/Auto Debit, and Request-to-Pay features in line with the Paynet's Real-time Retail Payments Platform roadmap, enabling digital payment requests for fund collection.

- Recorded a three fold YoY increase in DuitNow QR transactions.

Wealth Management

Capitalised on favourable market conditions to make strategic macroeconomic calls particularly in the technology and commodity sectors.

Leveraged market insights and timely macroeconomic strategies to consistently deliver value to investors.

Targeted investor segments with innovative, high-impact solutions tailored to diverse goals and risk appetites through a customer-centric advisory approach.

- Achieved a strong growth of 18.9% YoY in the Treasury sales, contributing a 77.4% increase in Treasury income.
- Treasury recorded a twofold increase in Assets Under Management (AUM) for Structured Investments, further bolstering the segment's performance.
- Drove 49.0% YoY growth in Investment AUM through strategic investment decisions and financial expertise.
- Recorded a 67.8% increase in Unit Trust volumes and a 48.3% growth in income YoY, demonstrating strong resilience amid market volatility.
- Expanded investor base through the continuous delivery of innovative, high-impact solutions aligned with diverse needs.

Targeted Strategies for Affluent and Mass Affluent Segments

Expanded our Priority Banking network by opening a new centre in Batu Pahat, Johor.

Deepened customer engagement through strategic partnerships with leading lifestyle, fashion, and automotive brands.

Launched Enrich Co-Brand credit cards in July 2024 to capture the mass affluent and affluent segments.

- Delivered 9.8% YoY growth in customer AUM and 7.4% growth in the client base under AmBank SIGNATURE Priority Banking (AmSPB).
- Recognised with the "Priority Banking Initiative of the Year" award at the Asian Banking & Finance Retail Banking Awards 2024.

- Issued 30,800 Enrich credit cards, with 36.7% representing first-time cardholders, reflecting strong customer acquisition.
- Increased monthly retail spend by 20.6% post-Enrich launch, with Enrich transactions making up 15.0% of total spend.

» CHALLENGES AND MITIGATION

Challenges/ Opportunities

Cybercrime

Increased digital adoption heightens exposure to cyber threats, putting customer data at greater risk.

Mitigation Action and Results

In response to evolving cyber threats, we:

- Strengthened cybersecurity controls by enhancing password rules and introducing AmSecure activation at ATMs.
- Implemented malware scans and enabled manual unlinking of AmOnline accounts to unfamiliar devices to safeguard customer data and assets.

These enhancements significantly improved fraud resilience, resulting in an 80% reduction in fraud amount and a notable decline in account takeover incidents.



AWARDS AND RECOGNITION »

Asian Banking & Finance Retail Banking Awards 2024

- Priority Banking Initiative of the Year



» OUTLOOK

As we enter 2025, we remain cautious amid volatile markets driven by stretched valuations, softer earnings, and heightened geopolitical tensions from the Middle East and uncertainty on global trade policy.

Consumer lending outlook is expected to be stable, with incentive supports by government and steady interest rates keeping credit affordable. We are cautiously optimistic on Retail Lending and we are focusing on growing the right customer segment. While competitive pressures on deposit pricing remain a challenge, we will differentiate ourselves via new proposition and dynamic pricing strategy, while continue to invest in digitalisation to user experiences to remain competitive.

Looking ahead, we anticipate several key catalysts to support the markets, including policy shifts, easing geopolitical tensions, and a recovery in capital investment. Technology and healthcare are expected to lead growth, driven by innovation and strong fundamentals. Stabilising interest rates and improving sentiment may further enhance market conditions. Given the interplay of these factors, our strategy is to capture these opportunities through portfolio diversification, resilience-building, and a disciplined, forward-looking investment approach.