

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2488
COMPANY NAME : Alliance Bank Malaysia Berhad
FINANCIAL YEAR : March 31, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Alliance Bank Malaysia Berhad (the "Bank" or "Alliance Bank" or "ABMB") holds the overall responsibility for promoting sustainable growth and financial soundness of the Bank, as well as for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Bank and its customers, employees and the general public.</p> <p>The Board has established a governance structure comprising various Board Committees to support the effective discharge of its oversight responsibilities. The authority and responsibilities of each Board Committee are clearly set out in its respective Terms of Reference. As at the date of this report, the Board has six (6) Board Committees as follows:</p> <p><u>Board Committees</u></p> <ul style="list-style-type: none">• Group Executive Committee ("Group EXCO").• Group Audit Committee ("Group AC").• Group Nomination & Remuneration Committee ("Group NRC").• Group Risk Management Committee ("Group RMC").• Group Sustainability Committee ("Group SC").• Group Information Technology Committee ("Group ITC"). <p>The Board sets strategies, approves budget and business plans, reviews and monitors the performance of the Management. In total, the Board met 14 times during the financial year ended 31 March 2026 ("FY2026") where it approved strategies, budget, corporate scorecard, business and capital plans and significant policies, reviewed and monitored the Bank's business and financial performance.</p> <p>In discharging these responsibilities, the Board is supported by a structured governance and reporting framework, where regular and comprehensive reports on financial performance, risk exposures,</p>

internal controls, compliance, sustainability and key operational matters are submitted to the Board and its Board Committees. These reports, together with detailed deliberations at Board and Board Committee meetings, enable the Board to assess Management's performance, monitor the execution of approved strategies and ensure that risks are appropriately identified and managed in line with the Bank's risk appetite.

At the annual Board strategy and budget meeting, the Board, together with the Senior Management, reviewed the Bank's strategy and budget in alignment with the Bank's mission, vision, core values and key customer engagement principles.

The Board through the Group EXCO provides oversight on the Bank's strategic investments, credit matters, capital structure/restructuring, funding requirements and dividend proposals; and implementation of strategic initiatives and business plans.

The Board through the Group AC oversees the Group's financial and reporting processes. The Group AC oversees the integrity of the financial statements, supervises both the internal and external audit processes, and reports its findings to the Board. It also reviews the effectiveness of the policies, procedures and systems in place that are related to, among other areas, operational risks, compliance, sustainability and information technology and systems including cybersecurity and works closely with the Group RMC to assess the effectiveness of the risk management and internal control framework.

The Board through Group NRC oversees the selection, performance evaluation, remuneration and succession plans of the Directors, Shariah Committee Members, Group Chief Executive Officer ("Group CEO") and members of the Senior Management such that the Board is satisfied that Senior Management possess the competence required to lead the Bank's operations effectively.

The Board through Group RMC oversees Senior Management's activities in managing enterprise-wide risks across key areas including credit, market, liquidity, operational, compliance, legal, IT, cybersecurity and sustainability, while ensuring adherence to regulatory requirements. This involves establishing a sound risk strategy and maintaining an effective risk management framework that operates as intended. The Group RMC also fosters a cohesive Group-wide culture of compliance; risk awareness and proactive risk management. Its oversight responsibilities encompass reviewing, approving and overseeing risk and compliance strategies, frameworks, policies and methodologies, and other related initiatives.

The Board through Group SC provides oversight in the setting of sustainability strategies, priorities, and targets, to ensure that the Group's sustainability strategies, goals, and principles are aligned with and reinforce its commitment to sustainability.

	<p>The Board through Group ITC provides end-to-end oversight of IT strategy projects and technology-related matters. Among its key responsibilities, the Group ITC reviews the technology related frameworks, establish and approve the technology risk appetite, oversees the adequacy of the Group’s IT and cybersecurity plans, as well as the effective implementation of a sound and robust technology risk management framework and cybersecurity resilience framework.</p> <p>The Board established the LTIP Committee as a sub-committee of the Group NRC to implement and administer the LTIP, which shareholders approved at the Bank’s Extraordinary General Meeting held on 30 July 2025. The LTIP Committee consists of all members of the Group NRC.</p> <p>Each Board Committee provides focused oversight within its respective mandate and reports key deliberations, decisions and recommendations to the Board, thereby ensuring that the Board maintains overall accountability and oversight over all material aspects of the Bank’s operations, strategy and governance.</p> <p>The Board, together with Senior Management continues to promote a sound corporate culture across the Bank through a strong “Tone from the Top” that reinforces ethical, prudent and professional conduct. The Board adopts a zero-tolerance approach to bribery and corruption and has established an Anti-Bribery and Corruption Policy that sets out the minimum standards of conduct and guiding principles for identifying, addressing and managing bribery and corruption risk that may arise from the Group’s business activities.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Amirsham bin A Aziz ("Tan Sri Amirsham") serves as the Independent Chairman of the Bank. He was appointed to the Board as an Independent Director on 1 October 2024 and subsequently redesignated as Chairman of the Board on 10 October 2024.</p> <p>Tan Sri Amirsham provides strong leadership in leading the Board and exercises his authority as the Chairman to ensure the effective functioning of the Board with appropriate procedures in place to guide its oversight responsibilities. During Board meetings, he ensures efficient conduct of Board meetings, including focused deliberations and effective use of meeting time. He also ensures that Management provides the Directors with sufficient and appropriate information on a timely manner for sound and well-informed decisions by the Board.</p> <p>Tan Sri Amirsham promotes a culture of openness and transparency. He encourages constructive discussion among Board members and ensures they have adequate opportunities to express their views freely, including dissenting views, while respecting each member's ideas and opinions.</p> <p>Tan Sri Amirsham takes a long-term view of the Bank for a sustainable growth and development. He works collaboratively and effectively with fellow board members and maintains a close professional relationship with the Group CEO and Management team, drawing on his experience to provide guidance and constructive advice.</p> <p>The Chairman also works closely with the Group Company Secretary to ensure that the Board receives timely, high-quality information and that Board processes and governance practices remain effective, thereby supporting the Board in the discharge of its oversight responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Amirsham is the Chairman of the Bank, while Kellee Kam Chee Khiong ("Kellee Kam") serves as the Group CEO.</p> <p>The roles of Chairman and Group CEO are held by separate individuals, in line with the good corporate governance principle to promote accountability and provide a clear division of responsibilities between the Board and Management.</p> <p>In leading the Board, Tan Sri Amirsham, is responsible for the overall effective functioning of the Board. He maintains a close professional relationship with Kellee Kam and his Senior Management team, provides guidance and mentorship, where appropriate and chairs both Board meetings and general meetings of the Bank. He also promotes the orderly and effective conduct of the Board proceedings and its processes.</p> <p>As Group CEO, Kellee Kam leads Senior Management and bears the primary responsibility for the day-to-day management and operations of the Bank.</p> <p>This clear delineation of roles ensures an appropriate balance of power and authority, with the Board providing independent oversight of Management's execution of the Bank's strategies and operations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: Tan Sri Amirsham, the Chairman of the Board, is not a member of the Group AC or Group NRC. The Chairman's non-participation in the Group AC and Group NRC helps ensure that deliberations and recommendations of these committees are formed independently, thereby enhancing the objectivity and effectiveness of the Board's oversight.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by the Group Company Secretary, Lee Wei Yen Simon, who has more than 35 years of experience in corporate secretarial practice. He is a Practicing Secretary registered with Companies Commission of Malaysia (“CCM”) and is an Associate of the Malaysian Institute of Chartered Secretaries and Administrators. He holds a Master of Business Administration in Finance from Universiti Putra Malaysia and a Master of Advanced Business Practice from the University of South Australia.</p> <p>The Group Company Secretary provides counsel to the Board on governance matters and facilitates effective information flows between the Board, the Board Committees and Senior Management. He renders effective support to the Chairman of the Board, the Chairmen of Board Committees and Directors in the discharge of their roles and responsibilities; and facilitates effective communication of decisions and policies approved by the Board and the Board Committee to the Management. He also ensures Board procedures; applicable rules and regulations; and relevant laws are followed and complied with.</p> <p>The Group Company Secretary constantly keeps himself abreast with changes in relevant laws; rules and regulations; and industry developments through continuously attending trainings and regular interactions with various stakeholders.</p> <p>The Board assesses the fitness and propriety of the Group Company Secretary annually in accordance with the Group’s Policy on Fit and Proper. For FY2026, the Board is satisfied with the performance and support rendered by the Group Company Secretary.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board met 14 times during FY2026 to review the Bank's business and financial performance, approve budget, strategies, capital and business plans, as well as significant policies and to consider business and other proposals requiring Board's approval. Directors are informed of the scheduled meeting dates before the start of each calendar year. Ad-hoc Board meetings are convened to deliberate and consider issues that require the Board's immediate attention and decision. In addition to its executive sessions with the Group CEO, the Board holds private session as part of each scheduled Board meeting to enable Board members to discuss matters openly and candidly. At each Board meeting, the Board also receives reports from the Chairmen of the respective Board Committees on the key highlights, deliberations, and decisions arising from the Board Committee meetings.</p> <p>Directors receive timely information to support effective decision making. The agenda for each Board and the Board Committee meeting, together with detailed reports and proposal papers is made available in advance through BoardPAC, a secure paperless meeting platform that stores meeting documents digitally. This gives Directors sufficient time to review and assess the matters to be tabled, thereby facilitating informed deliberations and effective decision-making.</p> <p>Upon conclusion of each meeting, the minutes of Board and Board Committee meeting are circulated to the Board members on a timely manner for their review, to ensure that the minutes accurately reflect the deliberations and decisions of the Board and its Committees.</p> <p>Senior Management and advisers are invited to attend Board and the Board Committee meetings, where appropriate, to provide the Board and the Board Committee with detailed explanations and clarifications on matters tabled for consideration and to support informed decisions by the Board and its Committee.</p> <p>The Board may also engage directly with Management at any time, or request further explanations, information, or updates on any aspect of the Bank's operations or business matters.</p> <p>The Board may obtain independent professional advisers whenever it considers this necessary. When it is appropriate for a director to seek</p>

	external professional advice separate from advice obtained on behalf of the Bank, this is arranged in consultation with the Chairman and the advice obtained would ordinarily be made available to all Directors.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter clearly delineates the responsibilities of the Board, Board Committees and Management, and identifies matters reserved for the Board to support effective governance and accountability.</p> <p>The Board has established Board Committees to assist in the discharge of its responsibilities. Each Board Committee operates within clearly defined roles and responsibilities set out in its terms of reference which are reviewed at least every two years, or more frequently as necessary, to ensure continued relevance in line with evolving corporate governance requirements and practices. Any proposed amendments to the terms of reference are subject to the Board's approval.</p> <p>Major policy decisions are reserved for the Board as a whole. These include, among others, matters relating to strategy management and sustainability, structure and capital, financial reporting and controls, shareholders communication and regulatory matters, Board composition and appointments, remuneration and delegation of authority.</p> <p>Board Charter also clearly sets out the roles of the Chairman, Deputy Chairman, Non-Executive Directors, and Group CEO.</p> <p>The Board Charter is reviewed by the Board at least every two years, or more frequently as necessary. The most recent review was conducted on 25 May 2026.</p> <p>The Board Charter is published on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<p>The Bank has a Code of Conduct that sets out the principles and standards of business and ethical conduct to be observed by Directors and employees to uphold the highest standard of professionalism and promote exemplary conduct at all times.</p> <p>Key areas covered in the Code of Conduct include, among others:</p> <ul style="list-style-type: none">(a) Proper & ethical business conduct(b) Avoidance of conflict of interest(c) Misuse of position(d) Misuse of Information and prohibition of insider trading(e) Integrity and accuracy of records and transactions(f) Fair and equitable treatment of customer(g) Protection of confidential information(h) social media ethics and making public statements.(i) Compliance with applicable laws, regulations, internal policies and procedures.(j) Whistleblowing & reporting(k) Anti-money laundering controls(l) Rejection of bribery, corrupt practices and facilitation payments. <p>To reinforce the importance of complying to the Bank's Code of Conduct, employees are required to refresh their knowledge and understanding of its requirements annually through e-learning and compliance exercise.</p> <p>A summarised version of the Code of Conduct is available on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance.</p> <p>Directors also adhere to Code of Ethics for Company Director issued by the CCM and the Bank's Conflicts of Interest Policy for Directors.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the Bank's commitment to sustained ethical business practices, it has established a Whistle-Blower Policy that provide employees and relevant stakeholders with a channel to report instances of unethical behaviour, abuse, actual or suspected fraud, harassment, discrimination, misappropriation of assets, bribery, misconduct or illegal activities within Alliance Bank.</p> <p>The Whistle-Blower Policy also serves as an avenue for employees to raise concerns relating to integrity and justice in the interest of good governance and accountability.</p> <p>Whistle-blowers are assured of confidentiality and, where applicable, anonymity, and are protected against work-related retaliation to the extent provided, when reports are made in good faith.</p> <p>In addition to internal reporting channels, employees may also report concerns to external regulators and law enforcement agencies such as Bank Negara Malaysia ("BNM"), the Securities Commission Malaysia and the Malaysian Anti-Corruption Commission.</p> <p>The Chairman of the Group AC, who is an Independent Director, is responsible for overseeing the effective implementation of the Whistle-Blower Policy. The Group AC also exercise regular oversight over whistle-blower complaints and investigation carried out under the Policy.</p> <p>Together with the Chairman of the Group AC, the Chairman of the Board is also involved in the whistle-blower processes to ensure appropriate oversight at the Board level. The Bank Board and the Board of the principal subsidiary are informed, where appropriate, of any relevant whistle-blower matters and investigation outcomes.</p> <p>The Bank is also committed to providing third parties with an avenue to raise concerns as whistle-blowers. A whistle-blowing channel for third parties is publicly available on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance under "Whistleblowing Statement".</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>One of the Board's core responsibilities is to promote long-term sustainability by integrating relevant environmental, social and governance ("ESG") considerations, including climate-related risks and opportunities, into the Bank's overall business strategies.</p> <p>The Board, through the Group SC, receives regular updates on sustainability matters, including performance against sustainability targets, material risks and opportunities and key initiatives, enabling the Board to monitor progress and ensure that sustainability considerations are effectively integrated into the Bank's overall strategy, risk management framework and business decisions.</p> <p>At the Management level, the Sustainability Steering Committee ("SSC") drives the Bank's sustainability efforts and climate agenda in line with its approved sustainability strategies. Chaired by the Group CEO, the SSC comprises members of Senior Management. It provides strategic direction, regularly reviews material sustainability risks and opportunities and oversees the implementation and outcomes of initiatives to address these matters. Progress against the Bank's material sustainability priorities is disclosed in the Sustainability Statement of the 2026 Annual Report.</p> <p>The SSC is supported by the Group Sustainability and Strategic Partnerships ("GSP") teams, together with cross-functional teams that drives initiatives that manage material sustainability risks while growing the Bank's sustainable banking portfolio, in support of the Group's ambition to achieve Net Zero emissions by 2050.</p> <p>The Bank's sustainability initiatives are guided by the following three topline goals:</p> <ul style="list-style-type: none">• Topline Goal 1: Achieve RM17 billion in cumulative new sustainable banking business by FY2028.

	<ul style="list-style-type: none"> • Topline Goal 2: Support customers in their transition towards more sustainable business practices and lifestyles. • Topline Goal 3: Reduce the Bank’s operational Greenhouse Gas (GHG) emission footprint and progress towards Net Zero by 2050. <p>The Board retains overall responsibility for sustainability governance, while Management is responsible for the executing the Bank’s sustainability strategies and initiatives.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	: Applied
Explanation on application of the practice	<p>The Bank's sustainability purpose, articulated through its brand promise of "The Bank For Life," reinforces its commitment to help customers to adopt environmental, social and governance ("ESG") practices that creates long-term value for businesses, communities and the environments in which they operate. The Bank seeks to deliver meaningful sustainability outcomes through collaboration with its employees, value chain partners and the broader community.</p> <p>The Bank has established the following topline sustainability goals:</p> <ul style="list-style-type: none">• Achieve RM17 billion in cumulative new sustainable banking business by FY2028;• Support customers in their transition towards more sustainable business practices and lifestyles; and• Reduce the Bank's operational greenhouse gas ("GHG") emissions footprint and progresses towards Net Zero by 2050. <p>The Bank provides updates on its sustainability strategy, initiatives, targets and performance through regular engagement and disclosures to key stakeholder groups, including shareholders, investors and the analyst community, regulators and the public. Further disclosures and related sustainability information are available on the Bank's Corporate Website.</p> <p>To promote awareness and understanding of its sustainability agenda, the Bank leverages a wide range of internal and external communication channels. These include Group CEO interviews and media briefings, panel speaking engagements and conference presentations, quarterly business updates, internal staff communications, knowledge-sharing sessions, and the Bank's dedicated Sustainability microsite.</p> <p>Complementing these communication efforts, the Bank also undertakes employee training and engagement initiatives focused on sustainability to encourage active participation across the organisation. These include customised sustainability training programmes for selected employee groups, as well as a sustainability e-learning module available to all employees. Collectively, these initiatives are designed to enhance employees' understanding of sustainability and climate-related risks,</p>

	and their relevance to the Bank's business, customers and the broader economy.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p>The Bank organised two tailored in-house sustainability training programmes in FY2026 to enhance the Board’s understanding of sustainability matters that are material to the Bank’s business strategy and operations.</p> <p>These sessions focused on updating the Board on the latest regulatory developments in the regulatory space, including the adoption of International Financial Reporting Standards (“IFRS”) for public listed companies and sectoral decarbonisation pathways for high-emitting industry sectors in support of the Bank’s Net Zero ambitions.</p> <p>In relation to external training, the following sustainability related programmes were attended by Board members during FY2026:</p> <ul style="list-style-type: none">• ASB (Asia School of Business): Climate First.... Or Last?.• Ecosperity Week 2025.• FIDE (Financial Institutions Directors’ Education) FORUM: ICAEW ASEAN Sustainability Summit 2025.• Sustainability Sharing Session: NSFR for Board and Trump 2.0.• Sustainability Reporting S1 and S2.• ICDM (Institute of Corporate Directors Malaysia): Mandatory Accreditation Programme Part II: Leading for Impact.• ESG & Sustainability. <p>The Group Strategy and Transformation function provides regular updates to the Board on material sustainability and climate-related developments that may impact the Bank’s strategy, business model and operations. Through these updates, it ensures that ESG considerations are systematically integrated into the Bank’s core business strategies, policies and key operational decisions.</p> <p>The Group RMC works closely with the Group SC to support the Board in the identification, assessment and management of sustainability and climate-related risks. This collaboration ensures alignment between the Bank’s sustainability objectives and its enterprise-wide risk management framework, including the integration of climate-related risks into risk governance, risk appetite and control processes.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p><u>At Board level</u></p> <p>In FY2026, the Board has engaged an external independent consultant, Willis Towers Watson to facilitate the Board Effectiveness Assessment (BEA) exercise.</p> <p>The Board and Group SC were assessed, among others, on the following in relation to sustainability:</p> <ul style="list-style-type: none">• Whether the Board strategically position the organisation for sustainable growth.• Whether the environmental, social, and governance (ESG) related targets, goals and material sustainability risks and opportunities are considered by the Board.• Whether the Board is effective in fulfilling its role for the creation and delivery of sustainable shareholder value.• Whether the company's strategy and policies are effectively initiated, reviewed, evaluated, and approved by the Board. This includes adhering to sustainability standards in alignment with prevailing governing expectations.• Whether the Board's composition is forward-looking and equipped to effectively navigate the challenges and changes of the next decade.• Whether the Director demonstrates a strong understanding of the key issues affecting ABMB and its stakeholders, and sustainability factors like climate-related risks and opportunities. <p><u>At Senior Management level</u></p> <p>The Bank measures the performance of Senior Management in addressing material sustainability risks and opportunities, by incorporating sustainability-related Key Performance Indicators ("KPIs") into its performance evaluation framework.</p>

	<p>Senior Management’s performance is assessed against the sustainability-related KPIs, embedded within the Group’s corporate scorecard and approved by the Board.</p> <p>The FY2026 balanced scorecard of Senior Management included the following sustainability related KPIs:</p> <ul style="list-style-type: none"> • New sustainable banking (NSB) business target • Transition of the Bank’s C5a portfolio <p>In FY2026, over 10% of the Group’s corporate scorecard was linked to sustainability-related KPIs.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>To ensure dedicated focus on the stewardship of the Bank's sustainability agenda, the Bank has a Board-level Group SC that is supported by a Management-level Sustainability Steering Committee ("SSC").</p> <p>The Group SC comprises three (3) Independent Directors and one (1) Non-Independent Non-Executive Director.</p> <p>The SSC is chaired by the Group CEO and comprises Senior Management members. The SSC keeps the Board apprised through regular updates on progress of sustainability initiatives in relation to the Bank's sustainability strategies, priorities, and targets. It is also responsible for steering, coordinating, and implementing the Bank's sustainability strategies, policies and procedures.</p> <p>The Chief Sustainability Officer together with the Head of Group Climate & Sustainability Risk work together with key stakeholders to drive the development and implementation of the Bank's sustainability efforts. These efforts include:</p> <ol style="list-style-type: none">1. The execution of the key sustainability strategy pillars that serve to deliver the objectives and targets set forth.2. The implementation of these sustainability initiatives include:<ul style="list-style-type: none">• Scaling sustainable financing programmes for businesses and consumers.• Leverage the Bank's Sustainability Impact Program ("SIP") to enable sustainability transition for SMEs.• Promote industry advocacy through industry ESG reports and sectoral decarbonisation playbooks.• Enhancing sustainability-related customer engagements and value propositions.• Enhancing management of sustainability and climate-related risks including development of the Bank's Climate Risk Management and Scenario Analysis ("CRMSA"), Risk Acceptance Criteria ("RAC") and Climate Risk Stress Testing ("CRST") scenarios.

	<ul style="list-style-type: none">• Implementation of reduction strategies for the Bank's operational Greenhouse Gas (GHG) Emissions.• Enhancing supplier ESG assessment and engagements through capacity building workshops.• Conducting Sustainability capacity building for Board, Senior Management members and employees.• Improving sustainability disclosures via the adoption of IFRS reporting standards in accordance to regulatory requirements and maintaining a 4-star FTSE4Good ESG rating which is the highest mark.• Increasing sustainability media communications and brand presence.
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group NRC is responsible for assessing appointment of new Directors, re-appointment of existing Directors and annual re-election of Directors.</p> <p>The Group NRC is guided by the Group Board Succession Plan and the Board Gender Diversity Policy in identifying potential candidates for nomination as Directors. The Group Board Succession Plan sets out the guiding principles for effective succession planning and the procedures to support a smooth transition as Directors leave the Board and new Directors are appointed.</p> <p>When evaluating candidates to fill Board vacancy, the Group NRC takes into account the Group's strategic directions and the Board Gender Diversity Policy. It considers the diversity of skills, knowledge, experience and the gender of the candidates to maintain an effective Board.</p> <p>The Group NRC also assesses the performance and contribution of each Director annually to ensure that they continue to meet the fit and proper requirements.</p> <p>The Bank has adopted a policy that limits the tenure of its Independent Directors to nine (9) years, and Non-Independent Non-Executive Directors to twelve (12) years. As at the date of this report, none of the Bank's Independent Directors and Non-Independent Non-Executive Directors served for a cumulative period of more than nine (9) years and twelve (12) years in the Group, respectively.</p> <p>The Group NRC ensures that the composition of the Board is refreshed periodically to bring new skills and perspective to the Boardroom.</p> <p>During FY2026, Tan Chian Khong retired from the Board w.e.f. 30 July 2025 after having served the Bank for a maximum period of nine (9) years as an Independent Director.</p> <p>The Group NRC also reviews and evaluates the tenure, performance and contribution of each Director, including those standing for re-election at Annual General Meeting ("AGM") prior to making any</p>

	<p>recommendations to the Board and shareholders for their re-election.</p> <p>At the forthcoming 44th AGM of the Bank to be held on 29 July 2026, the following Directors are subject to retirement in accordance with Article 87 of the Bank's Constitution:</p> <p>(1) Lum Piew (2) Susan Yuen Su Min (3) Cheryl Khor Hui Peng</p> <p>Mr Lum Piew, Ms Susan Yuen Su Min, and Ms Cheryl Khor Hui Peng, being eligible, have confirmed and offered themselves for re-election at the forthcoming AGM.</p> <p>After reviewing the performance and contribution of each of the aforesaid Directors, taking into account the results of the Board Effectiveness Assessment for the financial year ended 31 March 2026 conducted by external independent consultant, Willis Towers Watson, the Group NRC was satisfied with the effectiveness of each of the aforesaid Directors in supporting the Board in carrying out its ultimate responsibility of maximisation of shareholder value and safeguarding stakeholder interest.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently comprises nine (9) members, all of whom are Non-Executive Directors. Of these, seven (7) are Independent Directors.</p> <p>The presence of a majority of Independent Directors provides the necessary check and balance in the Board’s decision-making. This helps ensure that the interests of all stakeholders, as well as the wider general public are given due consideration.</p> <p>The Independent Directors are not involved in the day-to-day management and do not participate in its business dealings. This enables them to remain free from actual or potential conflict of interest and to discharge their responsibilities objectively and effectively.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>											
Application	:	Adopted									
Explanation on adoption of the practice	:	<p>The Board has adopted a policy which limits the tenure of its Independent Directors to nine (9) years.</p> <p>No Independent Director may serve beyond a nine (9)-year term as in accordance with the Board Charter.</p> <p>As at 31 March 2026, the Board comprised of seven (7) Independent Directors ("ID") and two (2) Non-Independent Non-Executive Directors ("NINED"), none of the Directors has exceeded their respective nine (9)- and twelve (12)-years tenure.</p> <p>The tenure of the Directors as Board Members is as follows:-</p> <table border="1"><thead><tr><th>Years of Service</th><th>No. of ID</th><th>No. of NINED</th></tr></thead><tbody><tr><td>1 to 5 years</td><td>4</td><td>1</td></tr><tr><td>6 to 9 years</td><td>3</td><td>1</td></tr></tbody></table>	Years of Service	No. of ID	No. of NINED	1 to 5 years	4	1	6 to 9 years	3	1
Years of Service	No. of ID	No. of NINED									
1 to 5 years	4	1									
6 to 9 years	3	1									

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group NRC supports the Board in carrying out its responsibilities in the following matters concerning Directors, Shariah Committee, Senior Management and Company Secretary:</p> <ul style="list-style-type: none">(a) Appointment and removals;(b) Composition of the Board;(c) Performance evaluation and development; and(d) Fit and proper assessments. <p>When evaluating candidates for Board vacancy, it takes into account the Group's strategic directions and the need for diversity of skills, knowledge, experience and gender of the candidates. To determine whether a candidate has the character, experience, integrity and competence to effectively discharge the role, the Group NRC assesses the candidates on the following criteria:</p> <ul style="list-style-type: none">(a) Is not disqualified under section 59(1) of the Financial Services Act 2013;(b) Is in compliance with the fit and proper requirements in accordance with the Group's Policy on Fit and Proper of the Bank;(c) Does not have any competing time commitments that impair his/her ability to discharge his/her duties effectively;(d) Is not an active politician;(e) Is not an officer of a firm appointed as the external auditor of the Bank who is directly involved in the engagement or a partner of the firm until at least three (3) years after: (i) he/she ceases to be an officer or partner of that firm; or (ii) the firm last served as an auditor of the Bank and its subsidiaries; and(f) Is preferably at a minimum holds a degree qualification and/or other equivalent qualification(s) and with at least five (5) years in a senior managerial position.

	<p>The Group NRC is also guided by the Group Board Succession Plan and the Board Gender Diversity Policy in identifying potential candidates for nomination as Directors.</p> <p>To ensure that Directors can devote adequate time to their responsibilities, a Director of the Bank may hold directorships on no more than five (5) listed boards. Directors are nevertheless expected to understand the extent of their commitments and devote sufficient time to the affairs of the Bank.</p> <p>Time commitment, including other board positions held by a Director, is one of the criteria considered in the re-appointment of Directors.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	The Group NRC is guided by the Group Board Succession Plan and the Board Gender Diversity Policy in identifying potential candidates for nomination as Director. In accordance with the Group Board Succession Plan, the Group NRC identified potential Board candidates through a combination of referrals from existing Directors and external independent sources. These sources include the Directors Register maintained by the Financial Institutions Directors' Education (FIDE) FORUM as well as other leadership development and consulting organisations. No new Directors were appointed to the Board, during FY2026.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders are kept informed of the changes to the Board through the Bank's announcements to Bursa Malaysia. The Directors' details are also available on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Corporate-Profile/Board-Directors.</p> <p>The following Directors are subject to re-election in accordance with the Bank's Constitution at the 44th AGM of the Bank to be held on 29 July 2026 and, being eligible, have confirmed their willingness to stand for re-election at the 44th AGM of the Bank:</p> <ul style="list-style-type: none">(1) Lum Piew(2) Susan Yuen Su Min(3) Cheryl Khor Hui Peng <p>On the recommendation of Group NRC, the Board was satisfied that each of the aforesaid Directors has continued to contribute effectively and supports their re-election at the forthcoming 44th AGM of the Bank.</p> <p>Further information of the aforesaid Directors standing for re-election at the forthcoming 44th AGM are set out in the Statement accompanying Notice of the Bank's 44th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group NRC is chaired by Susan Yuen Su Min, who is an Independent Director of the Bank.</p> <p>As chair of the Group NRC, her role includes the following:</p> <ul style="list-style-type: none"> • Leading the succession planning and appointment/re-appointment of Directors, and overseeing the development of a diverse pipeline for Board and Management succession; and • Leading the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the Group Board Gender Diversity Policy which in line with the best practice set out in the Malaysian Code on Corporate Governance (MCCG). The Board, through the Group NRC, prioritises the consideration of women candidates with the objective of achieving at least 30% female representation on the Board, while ensuring the continued effectiveness of the Board.</p> <p>The Board has three (3) women Directors out of a total of nine (9) Directors, making up 33.3% women on the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Board Gender Diversity Policy that calls for women candidates to be given priority consideration in the selection and recruitment process of identifying suitable candidates for the Board. This is to ensure that the Bank's gender diversity target of having women representing 30% on the Board is achieved.</p> <p>While it is important to promote Board gender diversity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, remains a priority.</p> <p>In respect of employees, the Bank is committed to equipping its people with the right skills, knowledge, and tools to perform their roles effectively. We advocate open and transparent communication and promote a strong culture of appreciation at the workplace. To maintain a highly productive workplace, we encourage a healthy work-life balance and foster continuous learning in our employees.</p> <p>A diverse workforce equipped with different skill sets and experiences is important to help achieve the Bank's business goals. Diversity and equal opportunities in a workforce promote creativity and stronger relationships among employees.</p> <p>We promote mutual respect for our employees and applicants alike. We hire and promote based on merit and assess all candidates fairly. Employees are evaluated based on behavioural and professional criteria for career progression. A diverse committee of Senior Management calibrates on performance rating and promotions. We adopt a stance of Equal Opportunity Employer, and recruitment is conducted in a fair and just manner regardless of nationality, race, religion, gender, age, sexual orientation, and disability.</p> <p>In pursuit of diverse and equal gender participation, over 62% of our workforce are women, of which 54% of the managerial positions are held by women (have direct reports) while 19% of Senior Management are women.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has implemented an Annual Board Effectiveness Assessment process, carried out by the Group NRC, to assess the effectiveness of the Board as a whole, the Committees of the Board, and the contributions of each individual Director. The Board, through the Group NRC, will also engage an external independent consultant to assist in and lend objectivity to the Annual Board Effectiveness Assessment once every three (3) years.</p> <p>In FY2026, the Board has engaged an external independent consultant, Willis Towers Watson (“WTW”) to facilitate the Board Effectiveness Assessment (BEA) exercise.</p> <p>There were five (5) modules in the BEA exercise for FY2026 as follows:</p> <p>Module 1 : Board Assessment Questionnaire</p> <ul style="list-style-type: none">▪ Development of the Board Assessment Questionnaire based on input from one-on-one Director interviews, the Bank’s strategy and feedback received from the Chairperson of the Board and Group NRC▪ Completion of the questionnaire by all Directors via WTW’s online platform, rating Board effectiveness on a numeric scale▪ Consolidation of responses to provide an overall assessment of Board effectiveness <p>Module 2 : Board of Directors Interviews</p> <ul style="list-style-type: none">▪ One-on-one interviews with the Chairperson, Board Committee Chairs and the Group CEO to obtain insights on expectations, organisational aspirations and areas of improvement

- Incorporation of interview outputs into the questionnaire design and consolidation of feedback in the Board Effectiveness Assessment Report

Module 3 : Diversity and Board Composition Review

- Review and analysis of the Board’s composition, including skills and experience of the Non-Executive Directors (“NEDs”), based on annual report disclosures and publicly available information
- Construction of a peer group of 6–8 high-performing companies for benchmarking purposes

Module 4 : Stewardship Style Assessment

- Saville Wave Professional Assessment by Board members via an online platform
- Consolidation of individual and overall results into a final report as part of the broader Board evaluation

Module 5 : Action Planning Workshop

- Integration of the learnings and insights into a focused action plan outlining key objectives and priority areas, as well as potential mechanisms to measure and track progress
- Identification and agreement with the Chairs (Board and Group NRC) on areas to be developed and explored further for the following calendar year

Reporting and Discussion by the Group NRC and the Board

The results of Annual Board Effectiveness Assessment covering the Board as a whole, Board Committees and the contribution of each Individual Director are reviewed by the Group NRC, respective Board Committees and the Board to identify and implement improvements, where necessary.

For FY2026, the Board was pleased with the outcome of the Annual Board Effectiveness Assessment. The assessment affirmed that the Board continues to operate within a strong governance maturity, effective oversight discipline and constructive Board dynamics, underpinned by clear strategic supervision, a well-established committee architecture and disciplined oversight of Management’s execution strategy.

The assessment also provided useful guidance on areas for further enhancement as the Company continues to evolve. In line with the expectations of the MCCG, the Board will continue to enhance its operating model and composition to support the Bank’s next phase of

	<p>growth and transformation as well as long term value creation. In this regard, the Board will continue to focus on areas such as oversight of digital capability, Board and Senior Management succession planning, and forward-looking strategic matters.</p> <p><u>Fitness and Propriety Assessment</u></p> <p>The Board, through the Group NRC, also assesses the fitness and propriety of each of the Directors in accordance with the Group’s Policy on Fit and Proper in conjunction with the Annual Board Effectiveness Assessment exercise. All Directors are required to complete a Fit & Proper Declaration annually. These declarations are verified against independent sources.</p> <p>For FY2026, the Board was satisfied that each Director continued to meet the required standards of fitness and propriety.</p> <p><u>Independence of Independent Directors</u></p> <p>As part of the Annual Board Effectiveness Assessment, the Board, through the Group NRC, also assessed the independence of each Independent Director to determine whether he or she remained independent in character and judgement, and free from associations or circumstances that could impair the exercise of independent judgement.</p> <p>Based on this assessment, the Board was satisfied that each of the following Independent Directors remained independent in character and judgement, and free from any associations or circumstances that could impair the exercise of independent judgment:</p> <ul style="list-style-type: none"> (a) Tan Sri Amirsham (b) Susan Yuen Su Min (c) Lum Piew (d) Cheryl Khor Hui Peng (e) Dr. John Lee Hin Hock (f) Stephen Oong Kee Leong (g) Lily Rozita Binti Mohamad Khairi
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Directors' Remuneration</p> <p>The Board has in place a Group Remuneration Policy for Non-Executive Directors to ensure that remuneration is fair, reasonable and aligned with market practice. The policy is designed to reflect the duties, responsibilities and time commitment required of each Non-Executive Director, while supporting the Bank's ability to attract and retain Directors needed to steer the Bank effectively towards its strategic goals. The determination of the Non-Executive Directors' remuneration is a matter for the Board as a whole and it is linked to their roles and responsibilities.</p> <p>All Non-Executive Directors receive fixed annual director and Board committee fees as well as sitting allowance for each meeting attended. They are also entitled to other benefits, including outpatient medical reimbursement, Group Hospitalisation & Surgical coverage, and Directors & Officers Liability Insurance coverage, provided that they have not acted negligently, fraudulently or dishonestly, or in breach of their fiduciary duties.</p> <p>Senior Management</p> <p>The Bank has established a Group Remuneration Policy that governs the design and management of employee remuneration. Further details of the policy are set out in Section B of this Corporate Governance Report.</p> <p>The Group Remuneration Policy is reviewed periodically. Material amendments to the policy is endorsed by the Group NRC and approved by the Board. The review process also incorporates input from the Risk and Control functions.</p>

	<p>The Group NRC and Board also approve the Bank's risk-adjusted performance bonus pool, the utilisation of the provision for annual salary increments and any long-term incentives.</p> <p>The Group Remuneration Policy for Non-Executive Directors is available on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>One of the objectives of the Group NRC, as established by the Board, is to support the Board in overseeing the design and implementation of the Bank's remuneration framework; and to periodically review Directors' remuneration to ensure that it remains appropriate, taking into account each Director's contribution, expertise, commitment and responsibilities.</p> <p>The Group NRC also reviews and recommends or approves, matters relating to remuneration of members of Senior Management and Other Material Risk Takers within the Bank Group.</p> <p>The Terms of Reference of the Group NRC are available on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Details of the remuneration payable to the Directors of the Bank for FY2026, disclosed on a named basis is set out below:

No	Name	Directorate	Company (RM '000)							Group (RM '000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1.	Tan Sri Amirsham bin A Aziz	Independent Director	445	73	-	-	81	-	599	445	73	-	-	81	-	599
2.	Wong Yuen Weng Ernest	Non-Executive Non-Independent Director	290	108	-	-	-	-	398	290	108	-	-	-	-	398
3.	Susan Yuen Su Min	Independent Director	310	93	-	-	-	-	403	310	93	-	-	-	-	403
4.	Lum Piew	Independent Director	290	108	-	-	-	-	398	290	108	-	-	-	-	398
5.	Cheryl Khor Hui Peng	Independent Director	315	118	-	-	-	-	433	315	118	-	-	-	-	433
6.	Chia Yew Hock Wilson	Non-Executive Non-Independent Director	360	150	-	-	-	-	510	360	150	-	-	-	-	510
7.	Dr. John Lee Hin Hock	Independent Director	290	117	-	-	-	-	407	415	144	-	-	-	-	559
8.	Stephen Oong Kee Leong	Independent Director	283	122	-	-	-	-	405	408	149	-	-	-	-	557
9.	Lily Rozita Binti Mohamad Khairi	Independent Director	270	105	-	-	-	-	375	270	105	-	-	-	-	375
10.	Tan Chian Khong (Retired w.e.f. 30 July 2025)	Independent Director	96	45	-	-	-	-	141	96	45	-	-	-	-	141

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses 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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that disclosing the remuneration of the top five (5) senior management personnel on a named basis would not be in the Bank's best interest, given the highly competitive market for talent within the financial services industry.</p> <p>As an alternative to the recommended disclosures, the remuneration of Bank's key management personnel, namely the Group CEO and the CEO of the Islamic subsidiary, is disclosed on a named basis in the Audited Financial Statements for FY2026. The remuneration of Senior Management is also disclosed on an aggregate basis in Section B of this Corporate Governance Report.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will continue to monitor market practices relating to such disclosures and will take them into consideration in future assessments.
Timeframe	:	Others

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chair of the Group AC is held by a different individual from the Chairman of the Board.</p> <p>During FY2026, Tan Chian Khong served as Chair of the Group AC until his retirement on 30 July 2025, following which Stephen Oong Kee Leong assumed the chairmanship of the Group AC on 31 July 2025. Tan Sri Amirsham, in his capacity as Chairman of the Board, is not a member of the Group AC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the Group AC sets out, among others, that any former key audit partner of the External Auditors shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Group AC.</p> <p>The Term of Reference of the Group AC is available on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group AC is guided by the Bank's External Auditors Suitability & Independence Assessment Policy in its assessment on the suitability, objectivity, performance, and independence of the External Auditors. This policy has been developed with reference to BNM Policy Document on External Auditor.</p> <p>In accordance with the aforesaid policies, the Group AC reviews and assesses the External Auditors' performance, independence and objectivity on an annual basis, based on the following factors:</p> <ul style="list-style-type: none"> (a) Qualification criteria; (b) Level of knowledge, capabilities, experience and quality of previous work; (c) Level of engagement with the Board and Group AC; (d) Ability to provide constructive observations, implications and recommendations in areas which require improvements; (e) Appropriateness of audit approach and the effectiveness of audit planning; (f) Ability to perform the audit work within the agreed duration given; (g) Non-audit related services rendered by external auditors do not impede independence; (h) Ability to demonstrate unbiased stance when interpreting the standards/policies adopted by the Group; and (i) Compliance with the Group's internal policy on rotation of audit partners every five (5) years.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group AC comprises entirely Independent Directors.</p> <p>The members of the Group AC are as follows:</p> <ol style="list-style-type: none">1. Stephen Oong Kee Leong – Chairman/Independent Director <i>(Redesignated as Chairman of the Group AC on 31 July 2025)</i>2. Cheryl Khor Hui Peng – Member/Independent Director3. Lily Rozita Binti Mohamad Khairi – Member/Independent Director4. Tan Chian Khong - Chairman/Independent Director <i>(Retired as the Chairman of the Group AC following his retirement from the Alliance Bank Board on 30 July 2025 after having served the Group for a maximum period of nine (9) years as an Independent Director)</i>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group AC is led by Stephen Oong Kee Leong. He was appointed as a member of Group AC on 1 September 2024 and was redesignated as Chairman of the Group AC on 31 July 2025. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysia Institute of Accountants and Certified Practising Accountants, Australia, and has more than 40 years of experience in the audit profession.</p> <p>Collectively, the members of the Group AC possess experience and expertise in banking, finance, economic, accounting and law which equips them to discharge their responsibilities effectively in accordance with the Terms of Reference of the Group AC.</p> <p>The members of the Group AC attended continuing professional development programmes during FY2026 to keep abreast of relevant developments in the financial services industry. Details of the trainings attended are set out in Section B of this Corporate Governance Report.</p> <p>The Group AC also receives regular updates from Management and the External Auditors on new and revised financial reporting standards, as well as developments in laws and regulations affecting the financial services industry.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for the Group's system of risk management and internal controls, and for reviewing its adequacy and integrity.</p> <p>The system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate entirely the risks inherent in the Group's activities. Accordingly, it can provide only reasonable, and not absolute, assurance against material misstatement of financial or management information, financial losses and fraud.</p> <p>The Board regularly receives and reviews reports on internal controls and is satisfied that the system of internal controls across the Group is sound and adequate to safeguard shareholders' investments and the Group's assets.</p> <p>The Board approves the Group's risk appetite, business plans and other initiatives that may, individually or collectively, have a material impact on the Group's risk profile. The Group has in place an on-going process for identifying, evaluating and managing significant risks faced by the Group. This process includes updating the system when there are changes in the business environment and/or regulatory requirements. The process has been in place during the year under review and up to the date of this report and is subject to regular review by the Board.</p> <p>Management is responsible for implementing the Board-approved frameworks and policies on risks and controls, identifying and evaluating the risks faced by the Group, and designing, operating and monitoring an appropriate system of internal controls to manage those risks.</p> <p>The Board has also expanded the responsibilities of the Group AC to include oversight of internal controls, including the identification of risk areas and communication of critical risk issues to the Board. The Group AC is supported by an independent Group Internal Audit function, which reports directly to it. The internal auditors carry out their duties with impartiality, competence, and due professional care.</p>

	<p>To ensure that a sound system of internal control is maintained, the Board has established the following key processes to review the adequacy and integrity of the system of internal controls, including compliance with applicable laws and regulations:</p> <ul style="list-style-type: none"> • Regular and comprehensive management reports are submitted to the Board on a monthly basis, covering financial performance and key business indicators, enable effective monitoring of significant variances against budgets and plans; • Responsibilities are clearly delegated to Board Committees and Management, supported by defined organisational structures and appropriate authority limits; • Relevant frameworks, code of conduct, human resource policies and a performance-based reward system are in place to support business objectives, risk management and the system of internal control; • A Shariah Compliance Framework which governs the operations of Alliance Islamic Bank Berhad (“AIS”) and sets out the roles of key functions within AIS, including but not limited to the Shariah risk management process; • Risk management frameworks are in place for Information Technology, Cyber Resilience, Cloud, Digital and Artificial Intelligence to manage the related risks; supported by a Business Continuity Management Framework for contingencies; • A Sustainability Framework which outlines the core principles and policies adopted by the Bank in managing sustainability-related matters in its day-to-day operations; • Regular update to internal policies and procedures; to address evolving risks profiles and operational concerns; • Periodic review of the Group’s activities to assess the adequacy and effectiveness of the risk management and internal control system; • Documentation and periodic assessment of controls and processes by all business and support units for the management of key risks; and • Regular Senior Management meetings to review, identify, discuss and resolve strategic, operational, financial and key management issues. <p>Through these governance arrangements and reporting mechanisms, the Board ensures that the Group’s risk management and internal control systems remain robust, responsive and aligned with its strategic objectives and regulatory expectations.</p> <p>Further details on the Bank’s risk management framework and internal control system are set out in the Statement on Risk Management and Internal Control and Risk Management Report in the 2026 Annual Report.</p>
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The Board, through the Group RMC and Group AC, has assessed the adequacy and effectiveness of the Group's risk management framework and system of internal control and is satisfied that both are operating adequately, and effectively, in all material aspects. Further details of the Group's Risk Management Framework and System of Internal Control are set out in the Statement on Risk Management and Internal Control, and the Risk Management Report in the 2026 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group RMC which comprises a majority of Independent Directors is a Board Committee established by the Board to oversee the Bank's risk management framework, risk policies, and compliance.</p> <p>The Group RMC oversees Senior Management's activities in managing enterprise-wide risks across key areas including credit, market, liquidity, operational, compliance, legal, IT, cybersecurity and sustainability, while ensuring adherence to regulatory requirements. This involves establishing a sound risk strategy and maintaining an effective risk management framework and for fostering a Group-wide cohesive culture of compliance; risk awareness and proactive risk management. Its oversight responsibilities encompass reviewing, approving and overseeing risk and compliance strategies, frameworks, policies and methodologies, and other related initiatives.</p> <p>The primary roles and responsibilities of Group RMC include:</p> <p><u>Risk Management</u></p> <p>(a) Oversee and approve material risk management strategies, policies, frameworks, methodologies and risk tolerance.</p> <p>(b) Oversee the adequacy of risk management policies and frameworks including the Recovery Plan, in identifying, measuring, evaluating, monitoring and controlling risk prudently and in compliance with all regulatory requirements.</p> <p>(c) Oversee that the infrastructure, resources and systems for supporting risk management functions are adequate, including ensuring that staff responsible for implementing risk management systems are independent from the Bank's risk-taking activities.</p> <p>(d) Oversee the Management's periodic reports on risk exposure, portfolio composition, sustainability risk and risk management activities, to ensure that such reports support informed understanding and appropriate risk responses.</p>

	<p>(e) Support the Board in meeting the expectations on risk management set out in BNM Policy Document on Risk Governance.</p> <p>(f) Oversee the implementation of a sound remuneration system and examine whether the incentives provided appropriately take into consideration risks, capital, liquidity, and the likelihood and timing of earnings, without prejudice to the role the Group NRC.</p> <p><u>Compliance</u></p> <p>(a) Oversee and approve material compliance frameworks, strategies and policies, including but not limited to those relating to prevention of money laundering, terrorism financing, proliferation financing, bribery and corruption.</p> <p>(b) Oversee that the infrastructure, resources and systems supporting the compliance function are adequate, including ensuring that the staff responsible for implementing compliance systems are independent from the Bank's risk-taking activities.</p> <p>(c) Oversee the annual evaluation of the effectiveness of the Group's overall management of compliance risk.</p> <p>(d) Oversee regulatory compliance risk exposures, material reports or inquiries from regulatory authority, and approve the actions to be taken in relation to non-compliance matters, including Shariah non-compliance events.</p> <p>(e) Oversee the implementation of remediation measures for breaches and compliance incidents within the Group.</p> <p>(f) Ensure adequate discussion and priority are given to compliance matters so that issues are resolved promptly and effectively.</p> <p>(g) Oversee the periodic reports on the Group's compliance status, as well as updates on regulatory trends and requirements.</p>
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Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	: Applied
Explanation on application of the practice	<p>The purpose, authority, scope, independence, and responsibilities of Group Internal Audit (“GIA”) function is provided in the Internal Audit Charter, which is approved by the Group AC.</p> <p>The Group Chief Internal Auditor (“GCIA”) reports functionally to the Group AC and administratively to the Group CEO.</p> <p>To preserve independence and effectiveness of the GIA, the Group AC is empowered under its Terms of Reference to:</p> <ul style="list-style-type: none">• Oversee the Internal Audit function and ensure compliance with requirements of regulators;• Review internal audit reports and ensure that appropriate actions are taken by Senior Management on a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions;• Appoint, set compensation, evaluate performance and decide on the transfer and dismissal of the GCIA;• Ensure the compensation scheme of the internal auditors is consistent with the objectives and the demands of the internal audit function;• Note any significant disagreements between the GCIA and the rest of the Senior Management irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings;• Ensure the internal audit function is effective by establishing a mechanism to assess its performance and effectiveness;• Have direct communication channels with the Internal and External Auditors; and• Be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Bank and its subsidiaries, at least twice a year. <p>The Group AC also reviews and approves GIA’s annual audit plan.</p> <p>Details of the Group AC’s oversight over the GIA function are disclosed in the Group AC Report in the 2026 Annual Report.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	: Applied
Explanation on application of the practice	<p><u>Independence of Group Internal Audit Personnel</u></p> <p>Group Internal Audit (“GIA”) is an independent assurance and advisory function established by the Board to add value and improve the Bank’s governance, risk management and internal control processes.</p> <p>GIA is guided by the Internal Audit Charter, which sets out its purpose, authority, scope, independence, and responsibilities. The Charter is endorsed by the Group AC and approved by the Board.</p> <p>To maintain objectivity and independence, the Group Chief Internal Auditor (“GCI A”) reports functionally to the Group AC and the Boards. The appointment, remuneration, performance appraisal, transfer, and dismissal of the GCI A are matters decided by the Group AC.</p> <p>GIA personnel do not have any authority or responsibility over the activities they audit. They are required to report to the GCI A any actual or potential conflict of interest or bias, and audit assignments are allocated to avoid such conflicts. In addition, all internal auditors submit annual declarations confirming that they have not undertaken any activity that could give rise to an actual or perceived conflict of interest.</p> <p><u>Group Internal Audit Resources</u></p> <p>As at the date of this report, GIA comprises thirty-five (35) audit personnel.</p> <p><u>Group Chief Internal Auditor</u></p> <p>The GIA is headed by Andrew Ng Yin Min (“Andrew”), the Group Chief Internal Auditor. Andrew holds a Bachelor of Science in Applied Accounting, is a Certified Information Systems Auditor and has 17 years of experience in the audit profession. Prior to joining the Bank, Andrew provided audit and consultancy services to clients from various industries, including banking, insurance, telecommunications, energy and healthcare.</p>

	<p>Internal Audit Framework GIA's processes and activities are governed by policies established by the Group AC, relevant regulatory guidelines, as well as the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (IIA). This includes adherence to the Core Principles, Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of regular communication with its stakeholders. The Bank endeavours to maintain constant and effective communication with stakeholders through timely and comprehensive announcements, as well as through various events, activities of the Bank such as general meetings and quarterly briefings, and online platforms, including corporate website and social media.</p> <p><u>General Meetings</u></p> <p>The Board regards the Annual General Meeting (AGM) and Extraordinary General Meeting ("EGM") as an opportunity to communicate directly with shareholders and encourages attendance and participation. Shareholders who are unable to attend the AGM or EGM may appoint proxies to attend and vote at the meetings on their behalf. Shareholders and their proxies are given the opportunities to raise questions on the Bank, and the Directors and Senior Management Officers of the Bank are available to address any questions raised. Questions from shareholders and their proxies as well as from the Minority Shareholders Watch Group ("MSWG") on the Bank or other pertinent governance issues that were raised prior to the meeting as well as Alliance Bank's responses to the same were shared with all shareholders during the meeting. Minutes of AGM or EGM including significant matters discussed at the meetings are available on the Bank's website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance.</p> <p><u>Press Conference</u></p> <p>The Bank conducts a press conference immediately after the AGM to communicate with media and other stakeholders on its key financial performance highlights, major corporate developments, and business initiatives.</p> <p><u>Analyst Briefing and Interaction Activities</u></p> <p>The Investor Relations team engages with the financial community, stakeholders, and other key constituencies of the Bank to provide consistent, accurate, transparent and timely information. Briefings for analysts are conducted every quarter in conjunction with the release of the Bank's quarterly financial results to facilitate active dialogue</p>

	<p>between the Senior Management and the investment community. The Bank also participates in meetings, conference calls, roadshows, webinars and special briefings to share updates on the Bank's progress and other pertinent developments.</p> <p>These activities enable the investment community to seek clarifications on their enquiries and express their views on the Bank's performance. In turn, the Bank has the opportunity to manage investors' expectations and strengthen their understanding of the Bank.</p> <p>The investing public can contact the Head of Investor Relations, Tan Hong Ian at +603-2604 3370 or investor_relations@alliancefg.com for any investor relations matters.</p> <p><u>Corporate website</u></p> <p>Shareholders, potential investors, and members of the public can access the Bank's corporate website at http://www.alliancebank.com.my for more information about the Bank. The website includes a dedicated corporate governance section that provides key documents and disclosures, including the Board Charter, Code of Conduct, Board Gender Diversity Policy, Group's Policy on Fit and Proper, Whistleblowing Statement, Annual Reports, Minutes of General Meetings, Constitution and Terms of References of the Board Committees.</p> <p>The Investor Relations section of the website also contains a corporate calendar of material events, such as entitlement dates, ex-dividend dates and dividend payment dates, announcements made by the Bank to Bursa Malaysia Securities Berhad, including quarterly results and dividend information, as well as presentation materials for analyst briefings, for the benefit of the investing public.</p> <p><u>Social media</u></p> <p>The Bank also leverages on social media as a communication channel with stakeholders. These platforms provide immediate and convenient access to the latest information on the Bank's products and services, while also serving as a channel for stakeholders feedback.</p> <p><u>Internal employee portal</u></p> <p>Internally, Alliance Bank strives to maintain open communications with its employees. Through the Bank's internal employee portal (Intranet) known as InAlliance Portal, employees receive updates on the Bank's performance, strategies, corporate developments, business achievements; new products and services, internal policies and procedures; occupational safety, health and well-being matters, and employees' engagement activities.</p>
<p>Explanation for departure</p>	<p>:</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Bank first adopted integrated reporting, with reference to the Integrated Reporting Framework in the 2022 Annual Report, to enhance the quality of information available to investors and to promote greater transparency and accountability.</p> <p>The Bank's unique value creation business model provides a clear and concise articulation of how it creates and sustain value over the short, medium and long term, while demonstrating its stewardship responsibility to key stakeholders.</p> <p>The Board's commitment to communicating value creation in a transparent manner is a key element in the Bank's effectiveness in corporate governance practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>Notice of the Bank's 43rd AGM, which was held on 30 July 2025, was issued to the shareholders on 1 July 2025, being 28 clear days before the AGM.</p> <p>Notice of the Bank's forthcoming 44th AGM, to be held on 29 July 2026, will be issued to the shareholders at least 28 clear days before the AGM.</p> <p>Shareholders may access to the Bank's 2026 Annual Report, including the notice of AGM and proxy form, on the Bank's corporate website at https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance on the date of issuance on 30 June 2026.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the Bank's 43rd AGM, which was held on 30 July 2025 at the Sabah Ballroom, Basement II, Shangri-La Kuala Lumpur, in person.</p> <p>The Chair of the Group Audit, Group Nominating & Remuneration, Group Risk Management and other committees were also present at the 43rd AGM to respond to questions from shareholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Bank held its 43rd Annual General Meeting (“AGM”) physically on 30 July 2025 at the Sabah Ballroom, Basement II, Shangri-La Kuala Lumpur, Malaysia. This marked the Bank’s first fully physical general meeting since the outbreak of the COVID-19 pandemic in 2020.</p> <p>The Board was of the view that convening AGM as a fully physical meeting is the most appropriate format to facilitate effective and meaningful engagement with shareholders.</p> <p>A physical AGM provides a more conducive setting for direct, transparent and real-time interaction between the Board, Senior Management, shareholders and proxies. The in-person setting enables more focused and dynamic discussions, allowing questions to be addressed immediately, enabling shareholders and proxies to engage openly with the Board, seek immediate clarification and receive real-time responses on matters relating to the Bank’s performance, strategy and governance.</p> <p>The Board also considered that a fully physical AGM allows for a broader appreciation of shareholder sentiment, feedback and concerns, including non-verbal cues and the overall tone of engagement, which supports more effective communication and accountability. This format remains particularly suitable where matters to be discussed are substantive or require active dialogue between the Board and shareholders. In this regard, the Board believes that a fully physical AGM best serve the objective of promoting transparent, orderly and meaningful engagement.</p> <p>Notwithstanding the physical format, the Bank continues to adopt relevant technological tools to enhance accessibility and participation, including electronic proxy submission and electronic poll voting. The Bank remains committed to progressively considering suitable meeting</p>

	format in the future, taking into account the need to balance accessibility, orderly conduct and the effectiveness of shareholder engagement.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company remains committed to strengthening shareholder participation and will progressively review suitable meeting format, including hybrid, taking into account the need to balance accessibility, orderly conduct and the effectiveness of shareholder engagement, as well as supporting remote participation in future general meetings.
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The 43 rd AGM was held in fully physical format on 30 July 2025. The key proceedings of the 43 rd AGM included the following: (a) Introduction of members of the Board, Group CEO, Group Chief Financial Officer, Group Company Secretary and the external auditors, PricewaterhouseCoopers PLT. (b) Presentation of the FY2025 Financial Performance by the Group CEO. (c) Presentation on Non-Financial Performance comprises of Accerler8 Strategy Update, Sustainability Update, Awards Winning, Forward-Looking Strategy and Targets and FY2026 Outlook. (d) Presentation of questions from Minority Shareholders Watch Group and the Bank's responses. (e) Presentation of questions from shareholders pre-AGM and the Bank's responses. (f) Laying of Audited Financial Statements for FY2025. (g) Tabling of Resolutions 1 to 7. (h) Question and Answer Session, during which shareholders and proxies were given the opportunity to raise questions and seek clarification. (i) Voting of Resolutions 1 to 7. (j) Verification and announcement of poll results by the Independent Scrutineer, Deloitte Business Advisory Sdn Bhd. Following the AGM, the Minutes of the AGM together with the questions raised by shareholders and the Bank's responses were made available on the Bank's website (https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance) within 30 business days of the AGM.
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 43 rd AGM were duly signed by the Chairman and published on the Bank's corporate website (https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance) within 30 business days of the 43 rd AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

BOARD OF DIRECTORS

Board composition

The members of the Board are as follows:

1. Tan Sri Amirsham bin A Aziz – Chairman, Independent Director
2. Wong Yuen Weng Ernest – Deputy Chairman, Non-Independent Non-Executive Director
3. Susan Yuen Su Min – Independent Director
4. Lum Piew - Independent Director
5. Cheryl Khor Hui Peng – Independent Director
6. Chia Yew Hock Wilson – Non-Independent Non-Executive Director
7. Dr. John Lee Hin Hock – Independent Director
8. Stephen Oong Kee Leong – Independent Director
9. Lily Rozita Binti Mohamad Khairi – Independent Director
10. Tan Chian Khong – Independent Director *(Retired from the Alliance Bank Board on 30 July 2025 after having served the Group for a maximum period of nine (9) years as an Independent Director)*

The particulars and background of the Directors are disclosed in the 2026 Annual Report.

Roles and responsibilities of the Board

The key responsibilities of the Board are disclosed under Practice 1.1 of Section A of this Corporate Governance Report.

Number of meetings convened by the Board and attendance of each Director

During FY2026, the Board met 14 times, including 2 meetings to review and approve the Strategy and Budget of the Group. 13 meetings were scheduled meetings while one (1) meeting was an ad hoc meeting convened to consider exigency matters.

All Directors have demonstrated that they are able to allocate sufficient time to the Bank in discharging their duties and responsibilities, and their commitments have been affirmed by their excellent attendance records at the Board meetings held during FY2026, as reflected below:

No.	Name of Directors	Attendance	Percentage
1.	Tan Sri Amirsham bin A Aziz	14/14	100%
2.	Wong Yuen Weng Ernest	13/14	93%
3.	Susan Yuen Su Min	14/14	100%
4.	Lum Piew	14/14	100%
5.	Cheryl Khor Hui Peng	14/14	100%
6.	Chia Yew Hock Wilson	13/14	93%
7.	Dr. John Lee Hin Hock	14/14	100%

8.	Stephen Oong Kee Leong	14/14	100%
9.	Lily Rozita Binti Mohamad Khairi	14/14	100%
10.	Tan Chian Khong ⁽¹⁾	4/5	80%

Note:

⁽¹⁾ Tan Chian Khong retired from the Board of Alliance Bank w.e.f. 30 July 2025 after having served the Group for a maximum period of nine (9) years as an Independent Director.

Board training and development

The Bank has established an In-house Directors' Orientation Programme designed specifically for newly appointed Directors. In addition to the regulatory mandatory training programmes, such as the Mandatory Accreditation Programme of Bursa Securities, the Financial Institutions Directors' Education Core Programme, and the Islamic Finance for Board Programme, new Directors are required to participate in this comprehensive orientation.

Typically, a newly appointed Director attends the In-house Directors' Orientation Programme within three months of their appointment. During this programme, Senior Management provides detailed briefings covering the Bank's operations and business strategies, aiming to ensure that new Directors become familiar with both the Bank and the Group's organisational context. Additionally, Directors receive guidance from the Group Company Secretary regarding the Bank's governance framework and relevant policies. This includes an outline of their responsibilities and duties as Directors of the Bank, ensuring that they are well-informed and equipped to contribute effectively from the outset of their tenure.

Directors are consistently provided with opportunities to attend relevant training programmes across a broad spectrum of key areas. These areas include corporate governance, compliance, risk management, anti-money laundering and counter-terrorism financing, anti-bribery and corruption, climate risk and opportunities, strategic issues, emerging trends, cyber security awareness, and sustainability. Further emphasis is placed on climate change, Shariah compliance culture, sustainability reporting as well as the latest developments, innovations, and disruptive technologies within the financial services industry. These initiatives ensure that Directors remain up to date with the latest trends and best practices. In addition, all Directors receive regular updates on new requirements that impact their responsibilities and are continuously reminded of their obligations.

Throughout FY2026, the Directors have attended various training programmes. The list of training programmes attended by the Directors is available under Section B of the Corporate Governance Report which can be accessed on the Bank's website at <https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Annual-Report>.

The Directors also received briefings on relevant new laws, rules and regulations, risk management updates and changes in accounting standards at Board/Board Committee meetings from time to time.

During FY2026, the Directors had attended various training programmes as follows:

Directors	Training programmes attended by Directors
Tan Sri Amirsham bin A Aziz	<ol style="list-style-type: none"> 1. In-house training: E-Invoice 2. FIDE (Financial Institutions Directors' Education) Core Programme: Module A 3. Islamic Finance for Board Program (IF4BoD) 4. FIDE Core Programme: Module B 5. ASB (Asian School of Business): Climate First.....or Last?" 6. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 7. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 8. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 9. ICDM (Institute of Corporate Directors Malaysia): Maximising the Value of Advanced Technology for Governance: AI, Blockchain, Crypto & Quantum Computing 10. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions 11. In-house training: Preparing for IFRS Sustainability Disclosure Standards (IFRS SDS)
Wong Yuen Weng Ernest	<ol style="list-style-type: none"> 1. Ecosperity Week 2025 2. Adoption & Use of Artificial Intelligence - Risk & Governance Workshop for Board of Directors organised by Baker & Mckenzie 3. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 4. Steward Leadership Summit 2025 organised by Stewardship Asia Centre CLG Limited 5. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 6. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 7. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions 8. In-house training: Preparing for IFRS Sustainability Disclosure Standards (IFRS SDS)
Susan Yuen Su Min	<ol style="list-style-type: none"> 1. FIDE Forum: Bank Negara Malaysia (BNM) Annual Report 2024- Economic and Monetary Review 2024 and Financial Stability Review for the Second Half of 2024 2. In-house training: E-Invoice 3. BNM Sasana Symposium 2025 4. FIDE Forum: Navigating Digital Disruption: How can Boards in Financial Institutions enhance Strategic Digital Governance. 5. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 6. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 7. FIDE Forum: ICAEW ASEAN Sustainability Summit 2025 8. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance"

	<ol style="list-style-type: none"> 9. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions 10. In-house training: Preparing for IFRS Sustainability Disclosure Standards (IFRS SDS)
Lum Piew	<ol style="list-style-type: none"> 1. FIDE Forum: Bank Negara Malaysia Annual Report 2024-Economic and Monetary Review 2024 and Financial Stability Review for the Second Half of 2024 2. In-house training: E-Invoice 3. FIDE Forum: Navigating Digital Disruption: How can Boards in Financial Institutions Enhance Strategic Digital Governance 4. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 5. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 6. In-house training: Sustainability Training - Navigating the Net Zero Transition 7. FIDE Forum: Visit to Accenture Innovation Lab 8. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions 9. In-house training: Preparing for IFRS Sustainability Disclosure Standards (IFRS SDS)
Cheryl Khor Hui Peng	<ol style="list-style-type: none"> 1. Leader Energy Internal Training: Sustainability Sharing Session: NSFR for Boards and Trump 2.0 2. In-house training: E-Invoice 3. FIDE Forum: Bank Negara Malaysia Annual Report 2024-Economic and Monetary Review 2024 and Financial Stability Review for the Second Half of 2024 4. RAM Holdings Berhad's Internal Training: E-Invoicing and Service Tax 5. Hong Leong Industries Berhad's Internal Training: Sustainability Reporting - S1 and S2 6. RAM Holdings Berhad's Internal Training: S&P Global Strategic Insights 7. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 8. ICDM: Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT & Corruption 9. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 10. ICDM: Emerging Trends in the Insurance Landscape 11. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 12. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions
Chia Yew Hock Wilson	<ol style="list-style-type: none"> 1. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 2. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB

	<ol style="list-style-type: none"> 3. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 4. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions 5. In-house training: Preparing for IFRS Sustainability Disclosure Standards (IFRS SDS) 6. SID (Singapore Institute of Directors): LED 6 – Board Risk Committee Essentials
Dr John Lee Hin Hock	<ol style="list-style-type: none"> 1. ASB: Governance of Generative AI 2. FIDE Forum: Bank Negara Malaysia Annual Report 2024-Economic and Monetary Review 2024 and Financial Stability Review for the Second Half of 2024 3. In-house training: E-Invoice 4. FIDE Forum: Board Culture and Leadership Report 2025 5. FIDE Core Programme: Module A 6. FIDE Core Programme: Module B 7. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 8. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 9. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 10. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions
Stephen Oong Kee Leong	<ol style="list-style-type: none"> 1. SIDC (Securities Industry Development Corporation): Capital Market Director Programme (Module 1, 2B, 3 & 4) 2. In-house training: E-Invoice 3. MAP Part II: Leading for Impact 4. FIDE Core Programme: Module A 5. Islamic Finance for Board Program (IF4BoD) 6. Fide Core Programme: Module B 7. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 8. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 9. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 10. In-house training: Enhancing Shariah Compliance Culture in Islamic Financial Institutions 11. ICDM: PowerTalk - From Curiosity to Control: Board Intelligence in the Age of AI
Lily Rozita Binti Mohamad Khairi	<ol style="list-style-type: none"> 1. FIDE Forum: Bank Negara Malaysia Annual Report 2024-Economic and Monetary Review 2024 and Financial Stability Review for the Second Half of 2024 2. In-house training: E-Invoice 3. ASB: Carbon Market: What Directors Need to Know 4. Islamic Finance for Board Program (IF4BoD) - Session 2

	<ol style="list-style-type: none"> 5. SumiSaujana Group Berhad’s in-house training: ESG & Sustainability 6. SumiSaujana Group Berhad’s in-house training: Risk Management 7. ICDM - BRMC Dialogue & Networking / Governance in an Era of Trade Uncertainty Navigating Tariff Risks and Opportunities 8. ICDM - Boardroom Blindspots: How our Perceptions of Risk Influence our Boardroom Effectiveness 9. ASB: Climate First.....or Last?" 10. China Balancing Act - a Global Good - Financial Times live 11. In-house training: AMLA 2001 & MACC Act 2009 - AML/CFT/CPF & TFS: Adopt, Evolve, Transform Towards an Effective Compliance 12. FIDE Core Programme - Module A 13. FIDE Core Programme - Module B 14. Moody's Briefing on Implications of US policies & tariffs to Malaysia & ABMB 15. FIDE Forum: Risk Model Validation: Strengthening A Director’s Role in Validating IRB Credit Risk Models 16. In-house training: Sustainability Training "Navigating the Net Zero Transition - Board Oversight on Climate Governance" 17. ASB - Digital Transformation: From Vision to Scalable Impact for Incumbent Banks 18. FIDE Forum: BIZ Titans Roundtable with Professor Marti G. Subrahmanyam 19. FIDE Forum: Board Conversations on Shariah Governance: From Fiqh to Fiduciary 20. In-house training: Preparing for IFRS Sustainability Disclosure Standards (IFRS SDS)
<p>Tan Chian Khong <i>(Retired from the Board w.e.f. 30 July 2025 after having served the Group for a maximum period of nine (9) years.)</i></p>	<p>NIL.</p>

BOARD COMMITTEES

The Board has established various Board Committees to assist in the effective discharge of its responsibilities by providing focused oversight on the implementation of the Group’s strategies and policies, and in supporting sound governance across key areas. These include business decision-making, audit, risk management, compliance, remuneration, Board composition and succession planning, corporate governance, sustainability and information technology.

The Board has established six (6) Board Committees composed solely of Non-Executive Directors, namely the Group Executive Committee (“Group EXCO”), Group Audit Committee (“Group AC”), Group Nomination & Remuneration Committee (“Group NRC”), Group Risk Management Committee (“Group

RMC”), Group Sustainability Committee (“Group SC”), and Group Information Technology Committee (“Group ITC”).

These Board Committees operate on a Group basis covering the Bank and its principal subsidiary, Alliance Islamic Bank Berhad (“AIS”) (collectively, “the Group”).

Each Board Committee operates in accordance with its respective Terms of Reference, as approved by the Board, and these are reviewed at least once every two (2) years or whenever necessary. Any proposed amendments to the Terms of Reference of the Board Committees are subject to Board approval. The Terms of Reference of the Board Committees are available on the Bank’s website at <https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance>.

The Chairman of each Board Committee reports to the Board on key matters deliberated and decisions made at the respective Board Committee meetings, thereby reinforcing the Board’s overall oversight and accountability.

GROUP EXCO

The Group EXCO supports the Board by providing oversight and guidance on matters of strategic importance and material impact to the Group. Its responsibilities include reviewing the Group’s strategies and business plans, strategic investments and divestments, capital structure and restructuring initiatives, funding requirements and dividend proposals, prior to submission to the Board, where applicable.

The Group EXCO reviews significant credit and financing matters within its delegated authority, including exposures exceeding Management’s approval limits, connected party transactions in accordance with Bank Negara Malaysia’s Guidelines on Credit Transactions and Exposures with Connected Parties (“BNM/GP 6”), and other material credit-related matters. This includes the review of new and incremental financing proposals of AIS that exceed the approval limits of the AIS Management Credit Committee, with recommendations made to the AIS Board, where applicable. The Group EXCO also reviews asset quality, restructuring and recovery initiatives, early warning accounts, and the management and disposal of non-performing loan and financing portfolios.

In addition, the Group EXCO reviews the business aspects of new product initiatives, capital and operating expenditure within its approval limits, and the adequacy of the Group’s risk framework to ensure an appropriate balance between risk and return. The Group EXCO provides guidance to Management and, where appropriate, makes recommendations to the Board and relevant subsidiary boards on matters within its purview.

The Terms of Reference of the EXCO was last reviewed by the Board on 24 April 2025.

The members of the Group EXCO are as follows:

1. Wong Yuen Weng Ernest - Chairman
2. Tan Sri Amirsham bin A Aziz
3. Chia Yew Hock Wilson
4. Stephen Oong Kee Leong
5. Tan Chian Khong (*Retired as a member of Group EXCO following his retirement from the Alliance Bank Board w.e.f. 30 July 2025 after having served the Group for a maximum period of nine (9) years as an Independent Director*)

During FY2026, the Group EXCO met 14 times, including two (2) joint meetings with the Group RMC. Details of each Group EXCO member's attendance during FY2026 are as follows:

No.	Group EXCO Members	Attendance	Percentage
1.	Wong Yuen Weng Ernest (Chairman)	14/14	100%
2.	Tan Sri Amirsham bin A Aziz	14/14	100%
3.	Chia Yew Hock Wilson	14/14	100%
4.	Stephen Oong Kee Leong	14/14	100%
5.	Tan Chian Khong (<i>Retired as a member of Group EXCO following his retirement from the Alliance Bank Board w.e.f. 30 July 2025</i>)	4/4	100%

Group AC

The Group AC reviews the effectiveness of the Group's financial reporting, internal control and risk management processes, including matters arising from internal and external audits, regulatory reviews, related party transactions, conflicts of interest and whistleblowing arrangements. In discharging its responsibilities, the Group AC engages with the Group RMC for the exchange of information to support comprehensive coverage of risks and the effectiveness of the Group's internal control framework.

The Terms of Reference of the Group AC was last reviewed by the Board on 30 July 2024.

The members of the Group AC are as follows:

1. Stephen Oong Kee Leong – Chairman (*Redesignated as Chairman of the Group AC on 31 July 2025*)
2. Cheryl Khor Hui Peng
3. Lily Rozita Binti Mohamad Khairi
4. Tan Chian Khong (*Retired as the Chairman of Group AC following her retirement from the Alliance Bank Board on 30 July 2025 after having served the Group for a maximum period of nine (9) years as an Independent Director.*)

The Group AC met 13 times during FY2026, including one (1) joint meeting with the Group RMC, for an effective exchange of information between the two (2) Board Committees so as to enable effective coverage of all risks, including emerging risk issues that could have an impact on the Bank's risk appetite and business plans.

Details of each Group AC Member's attendance during FY2026 are as follows:

No.	Group AC Members	Attendance	Percentage
1.	Stephen Oong Kee Leong (Chairman)	13/13	100%
2.	Cheryl Khor Hui Peng	13/13	100%
3.	Lily Rozita Binti Mohamad	13/13	100%
4.	Tan Chian Khong (<i>Retired as the Chairman of Group AC following his retirement from the Alliance Bank Board on 30 July 2025</i>)	6/6	100%

Group NRC

The Group NRC supports the Board in matters relating to the composition, effectiveness and succession of the Board, Board Committees, Shariah Committee and Senior Management. Its responsibilities include supporting the appointment, re-appointment and removal process, assessing suitability and independence, overseeing performance evaluations, and promoting the ongoing development of Directors and Senior Management to ensure the Group continues to be led by individuals with appropriate skills, experience and capability.

In addition, the Group NRC supports the Board in overseeing the design and implementation of the Group's remuneration framework including the Long-Term Incentive Plan ("LTIP) for eligible employees to ensure alignment with the Group's strategy, values and long-term interests.

The Group NRC also periodically reviews Directors' remuneration to ensure it remains appropriate and reflective of their responsibilities, contributions and level of commitment, and makes recommendations to the Board and relevant subsidiary boards, where applicable.

The Terms of Reference of the Group NRC was last reviewed by the Board on 25 September 2024.

The members of the Group NRC are as follows:

1. Susan Yuen Su Min - Chairperson
2. Wong Yuen Weng Ernest
3. Dr. John Lee Hin Hock

During FY2026, the Group NRC met fifteen (15) times. Twelve (12) were scheduled meetings while three (3) meetings were ad-hoc meeting convened to consider exigency matters. Details of each Group NRC member's attendance during FY2026 are as follows:

No.	Group NRC Members	Attendance	Percentage
1.	Susan Yuen Su Min (Chairman)	15/15	100%
2.	Wong Yuen Weng Ernest	15/15	100%
3.	Dr John Lee Hin Hock	15/15	100%

Group RMC

The Group RMC supports the Board by providing oversight on the Group's enterprise-wide risk and compliance management across key risk areas, including credit, market, liquidity, operational,

compliance, legal, information technology, cybersecurity and sustainability. In carrying out its role, the Group RMC oversees the establishment and implementation of the Group’s risk and compliance strategies, frameworks, policies, methodologies and risk tolerance, and monitors their ongoing effectiveness in supporting prudent risk-taking and regulatory compliance.

The Group RMC also oversees the adequacy of risk and compliance governance, including the availability of appropriate infrastructure, resources and systems, and the independence of the risk and compliance functions. It reviews Management’s reports on risk exposures, sustainability-related risks, compliance status, regulatory developments and remediation actions, and provides guidance to ensure timely resolution of risk and compliance issues. In addition, the Group RMC supports the Board in meeting regulatory expectations on risk governance and promotes a strong culture of risk awareness, compliance and proactive risk management across the Group.

The Terms of Reference of the Group RMC was last reviewed by the Board on 27 November 2025.

The members of the Group RMC are as follows:

1. Dr. John Lee Hin Hock – Chairman
2. Lum Piew
3. Chia Yew Hock Wilson
4. Lily Rozita Binti Mohamad Khairi
5. Ibrahim bin Hassan (*retired as a member of Group RMC following his retirement from the Alliance Islamic Bank Board on 31 August 2025 after having served the Group for a maximum period of nine (9) years as an Independent Director.*)

During FY2026, the Group RMC met sixteen (16) times, including one (1) joint meeting with the Group AC, two (2) joint meetings with the Group EXCO and two (2) joint meetings with the Group ITC.

Details of each Group RMC member’s attendance during FY2026 are as follows:

No.	Group RMC members	Attendance	Percentage
1.	Dr. John Lee Hin Hock (Chairman)	16/16	100%
2.	Lum Piew	16/16	100%
3.	Chia Yew Hock Wilson	16/16	100%
4.	Lily Rozita Binti Mohamad Khairi	16/16	100%
5.	Ibrahim bin Hassan (<i>Retired as a member of Group RMC following his retirement from the Alliance Islamic Bank Board on 31 August 2025</i>)	7/7	100%

Group SC

The Group SC supports the Board in overseeing the Group’s sustainability agenda, including the development, implementation and monitoring of sustainability strategies, priorities and targets, considering environmental, climate-related and broader sustainability risks and opportunities. In this role, the Group SC provides guidance to ensure that the Group’s sustainability objectives are aligned with its overall strategy, risk appetite and long-term resilience.

The Group SC also provides oversight on the integration of sustainability and climate-related considerations into the Group’s business operations, risk management and governance framework. This includes monitoring progress against sustainability targets, reviewing sustainability-related reporting and disclosures, considering findings from audits, assurance reviews and regulatory feedback, and supporting capability-building, stakeholder engagement and people-related initiatives.

The Terms of Reference of the Group SC was last reviewed by the Board on 28 August 2025.

The members of the Group SC are as follows:

1. Susan Yuen Su Min – Chairperson
2. Cheryl Khor Hui Peng
3. Chia Yew Hock Wilson
4. Dato’ Ahmad Hisham bin Kamaruddin

During FY2026, the Group SC met four (4) times, of which all were scheduled meetings. Details of each Group SC member’s attendance during FY2026 are as follows:

No.	Group SC Members	Attendance	Percentage
1.	Susan Yuen Su Min (Chairman)	4/4	100%
2.	Cheryl Khor Hui Peng	4/4	100%
3.	Chia Yew Hock Wilson	4/4	100%
4.	Dato’ Ahmad Hisham bin Kamaruddin	4/4	100%

Group ITC

The Group ITC supports the Board by providing oversight of the Group’s information technology and digital strategies, initiatives and technology-related matters. Its role includes reviewing and overseeing the Group’s IT and digital strategies in alignment with the overall business strategy.

The Group ITC also oversees the adequacy and implementation of the Group’s IT and cybersecurity strategies, technology risk management and cyber resilience frameworks, and key technology investments and programmes to ensure the stability, security and continuity of the Group’s operations and delivery of products and services. In addition, the Group ITC reviews reporting on the digital ecosystem and customer experience, and provides oversight of the IT function, including enterprise architecture, system resilience, information security and the effective execution of technology initiatives.

The Terms of Reference of the Group ITC was last reviewed by the Board on 27 November 2024.

The members of the Group ITC are as follows:

1. Lum Piew – Chairman
2. Cheryl Khor Hui Peng
3. Chia Yew Hock Wilson

During FY2026, the Group ITC met fourteen (14) times, including two (2) joint meetings with Group RMC to ensure effective exchange of information between the two (2) Board Committees.

Details of each Group ITC member's attendance during FY2026 are as follows:

No.	Group ITC Members	Attendance	Percentage
1.	Lum Piew (Chairman)	14/14	100%
2.	Cheryl Khor Hui Peng	14/14	100%
3.	Chia Yew Hock Wilson	14/14	100%

INTERNAL CONTROL FRAMEWORK

The Statement on Risk Management and Internal Control is set out in the 2026 Annual Report.

The Bank operates a holistic internal control framework, which is intended to safeguard the Bank's assets, and customers' information and deposits. To do so, the internal control framework operates on a system of checks and balances. Examples of such controls include:

- Board oversight over Management actions/decisions;
- Segregation of duties;
- Authorisation controls;
- Transactional limits;
- Portfolio/concentration limits;
- Verification/validation checks;
- Reconciliation checks;
- Physical security/access controls;
- Automated, system-based controls and password controls; and
- Documentation controls.

The above are supplemented with frameworks, policies, limits and procedures to govern the Bank's various products, services and activities. The Board and Senior Management are responsible for setting the 'Tone from the Top'; backed by staff training/orientation and on-going supervision. Incident handling is reinforced through performance management and consequence management. The Board, Board Committees and Management Committees periodically review and update these frameworks, policies and procedures in accordance with the operational and business needs of the Bank, changes in regulations and industry development.

The internal control framework is embedded within the Bank's three Lines of Defence, the details of which are disclosed in the Risk Management Report set out in the 2026 Annual Report.

Frontline units – 1st Line of Defence

Business units are the primary risk owners, responsible for managing risks within the Bank's business activities, aided by Business Support functions.

In addition to the departmental controls within the respective 1st Line business and support units, the Bank also conducts supervisory checks and independent reviews, to assess whether these controls are functioning effectively as intended. This framework is further augmented by independent audits carried out on the 1st Line and 2nd Line functions.

Risk control functions – 2nd Line of Defence

Group Risk Management and Group Compliance (which includes the Shariah Review unit) form the 2nd Line of Defence.

Group Risk Management is responsible for identifying, measuring, controlling, monitoring, reporting and disclosing the Bank's overall risk exposures through the various risk management frameworks, policies, strategies, methodologies, techniques and risk tolerances.

Group Compliance has established the Group Compliance Framework to ensure that compliance risks are managed effectively in a structured and consistent manner. The framework sets out key principles whereby the Board and Senior Management are responsible for overseeing and ensuring the effective management of compliance risk across the Group. It also reinforces that compliance is the responsibility of all employees and that the Group upholds high standards of conduct, observing both the spirit and the letter of applicable laws and regulations at all times.

Group Compliance is responsible for developing and maintaining the Group Compliance Framework, compliance policies and procedures, and for reviewing the adequacy of the Bank's internal controls and mitigation measures to manage compliance risk.

The Shariah Review Team, under Group Compliance, conducts reviews on the operations of AIS to ensure that its products comply with Shariah principles. Review results and any identified non-compliances are reported to the Shariah Committee of AIS.

The Bank's compliance culture is driven by a strong tone from the top. Compliance culture programmes are supported by the Board and Senior Management and encompass, among others, induction and training programmes, e-learning modules, and engagement sessions. During FY2026, the Group implemented a robust compliance culture programme to further strengthen awareness, understanding, and accountability across the three (3) lines of defence. There is also sustainability of compliance culture activities to strengthen compliance awareness and embed a compliant behaviour across the Group.

Details on the risk management framework and internal control system are explained in the Statement on Risk Management and Internal Control, and Risk Management Report in the 2026 Annual Report.

Internal audit – 3rd Line of Defence

As the 3rd Line of Defence, the Group Internal Audit ("GIA") performs regular independent reviews of the Bank's activities to evaluate and make recommendations to improve the effectiveness of governance, risk management and control processes. The reviews are conducted in accordance with a 3-year rolling audit plan, which is developed based on the GIA's risk-based audit planning methodology and approved by the Group AC. A more detailed description of the internal audit function is highlighted in the Group AC Report as set out in the 2026 Annual Report.

REMUNERATION

Directors' Remuneration

The Bank's Group Remuneration Policy for Non-Executive Directors is disclosed under Practice 7.1 of Section A of this Corporate Governance Report.

The details of remuneration of each Director of the Bank received/receivable from the Bank and the Group in respect of FY2026 are disclosed on pages 345, 346 and 348 of the 2026 Annual Report.

Performance management

As the Bank envisioned to be the preferred banking partner, the Bank has set eight (8) strategic growth pillars in its ACCELER8 2027 ambition. The Group's performance is measured using the balanced scorecard approach. It encompasses metrics that are based on the Bank's key financials and franchise-building, focusing on medium to longer-term strategic initiatives and sustainability agenda encompassing the ESG, climate change and human capital including culture. The sustainability key performance indicators (KPIs) covering scaling up sustainable banking business, assisting customers adopt sustainable business practices, reducing the proportion of C5a in portfolio and reducing the Group's greenhouse gas emission are included in our Group corporate scorecard. This scorecard impacts the performance and remuneration of the Group CEO, all Senior Management and key sustainability champions as well as subject matter experts (SMEs). These SMEs are identified and trained or certified in ESG to enhance their ESG competencies and in turn equipped to deliver our ESG initiatives and to competently advise our customers. The Board sets the tone from the top by reviewing and approving the Group's balanced scorecard. The Group SC provides oversight on the sustainability and climate related goals, measures, strategic plans and implementation to ensure we uphold our commitment and deliverables of the sustainability KPIs.

The Group's balanced scorecard is cascaded to the various functional units and employees to ensure alignment with its aspirations. This KPI alignment is measured in its Voice of Employees survey. Since FY2022, we have incorporated ESG-related KPIs for Senior Management and key staff which reflect our commitment to develop and drive compelling ESG values.

The Bank actively monitors the performance of employees to ensure a robust link between the achievement of the Bank's objectives, individual performance, and remuneration outcomes. Formal assessments occur biannually, at the middle and end of each performance year.

Employee performance is assessed against what an employee achieves and how he/she achieves it and contributes towards the divisional and overall Bank performance. Individual goals or Key Performance Indicators represent "what" the employee is expected to achieve. Overall individual performance is calculated based on a ratio of 80% from Individual Goals and 20% from Values. In addition, the overall performance is subject to penalties that are based on Governance and Control metric set by Risk and Control functions.

To safeguard the independence and authority of employees engaged in Risk and Control functions that cover Compliance, Risk Management and Internal Audit, the performance of employees in Risk and Control functions are assessed independently of the performance of any business areas they oversee. The performance metrics of these employees are based principally on the achievement of the objectives of their job functions, rather than on the financial performance of the Bank. The remuneration of these risk and control functions' employees is positioned at a higher fixed pay component and reviewed annually.

ESG elements are inculcated in the Bank's Total Rewards approach through performance management and risk management considerations. By incorporating ESG-related KPIs for Senior Management and key staffs with the robust linkage between KPIs achievement and the variable remunerations, the Bank strives to drive and reward compelling ESG values within the organisation.

The Group Remuneration Policy governs the design and management of remuneration for employees, including Senior Management of the Group. The policy is reviewed and endorsed by the Group NRC and approved by the Board every two (2) years or earlier whenever material changes are required, to ensure that remuneration practices and programmes are consistent with regulatory requirements and the Group's aspirations. It covers all employees, including Senior Management of the Group. Sustainability KPIs are carried by Senior Management and differentiated by their role as leaders of business, enablers, and governance. The compensation pool assigned to each Division is dependent on their achievements of their respective KPIs as well as divisions objectives which include the ESG elements or parameters. Hence, the success of these sustainability initiatives will have direct impact to the short-term incentive bonus funding at group, division, and individual levels. Employees covered by collective agreements or subject to labour union negotiations are bound by the terms and conditions of such agreements.

The Bank's total rewards approach is made up of the following components:

Fixed pay	Consists of base salary, and where applicable, cash allowances	Determined based on roles and responsibilities, individual experience and skill sets, the Bank's legal obligations and market competitiveness.
Variable rewards	Consists of cash and/or non-cash incentives and Deferrals	<p>These are not guaranteed and subject to the Bank's results and performance of the work unit and individual employee. This is aligned with prudent risk-taking and incorporates adjustments to reflect:</p> <ul style="list-style-type: none"> i. Financial and non-financial measures of business performance; and ii. The risks related to the business activities, taking into account, where relevant, of the cost of the associated capital. <p>Deferrals are used to comply with regulatory requirements and align with the Bank's risk-reward strategy.</p> <p>Variable remuneration is categorised into Short Term Incentive and Long-Term Incentive.</p> <p>Short Term Incentive Consists of performance bonus and sales commission and incentives which are subject to deferred payments.</p> <p>Long Term Incentive (LTIP) The LTIP, governed by the approved LTIP By-Laws, comprises a share grant scheme and a share issuance scheme approved by shareholders and implemented in FY2026.</p>
Employee Benefits and Well Being	Indirect and non-cash compensation paid to an employee	Employee benefits are used to foster employees' sense of being valued and improve their quality of life. Benefits help employees pay for healthcare, save for retirement, purchase home and car and take time off work when needed focused at delivering flexible and

		<p>cost-effective programmes that are of value to employees.</p> <p>Fit@Alliance initiatives brings wellness themes of physical, emotional, financial, and social to promote healthy lifestyles among employees.</p> <p>CarePlus, a revised employee medical benefit plan, was implemented in FY2026 for Management Staff on a voluntary enrolment basis.</p>
<p>Career Development & Progression</p>	<p>Conducive environment and opportunities for learning and self-development</p>	<p>Development plan is part of our annual appraisal to identify employees' career aspirations, strengths, and development needs.</p> <p>Career conversations, targeted development interventions, accelerated progression, and mentoring form part of key talent's individual development plan.</p> <p>We empower growth by providing structured learning pathways, future-ready skills development and targeted programmes that help employees build meaningful, sustainable careers through our Alliance Bank Academy.</p> <p>The Academy delivers a comprehensive suite of Internal, Leadership Development and External programmes that provides for a clear learning pathways through the concept of Power and Technical Skills aligned to the Future Skills Framework (FSF).</p>

Determining variable remuneration

The Board approved the Short-Term Incentive Framework in 2017 to ensure the variable remuneration complies with the BNM Policy Document on Corporate Governance. The framework was subsequently included in the Group Remuneration Policy and is subject to periodic review to ensure the variable remuneration complies with the BNM Policy Document on Corporate Governance. The Group Bonus Pool is determined based on the overall Group performance and is subject to risk adjustments. The Group NRC takes into consideration collective input from Group RMC and Group AC on both quantitative and qualitative risk outcomes to determine the need for moderation to the Group Bonus Pool. The final Group Bonus Pool is approved by the Board.

Individual employees are also accountable to keep the Bank safe via their daily contribution to risk, compliance, and control measures. A consequence management framework is in place to keep employees informed of the consequences of significant breaches or non-compliance which includes disciplinary actions and impact to remuneration.

The Bank has identified Material Risk Takers (“MRTs”) comprising the Senior Management and other officers who are not members of the Senior Management whose responsibilities have a material impact on the Group’s performance and risk profile. The variable remuneration of MRTs and other highly remunerated employees is subject to the deferral policy. The deferral serves to align remuneration payment schedules with the time horizon of risks and the potential for financial risks to crystallise over a longer period of time. Under the deferral policy, the variable remuneration is subject to a progressive deferral rate of up to 40%. The deferral rate increases with the higher amount of variable remuneration payable to the eligible employees. The deferred portion or award will vest equally over a period of three years. The deferred awards, both unvested and vested portions, are subject to forfeiture and clawback in the event of a material restatement of the Bank or business unit’s financials or significant deterioration in the Bank or business unit’s financial health and/or if the employee has committed misconduct or resigned.

The following depicts the total value of remuneration awarded to the Senior Management and Other MRTs of the Bank in respect of FY2026.

- Senior Management of the Group is defined as the Group CEO and members of the Group Management Committee. There were sixteen (16) Senior Management members in FY2026.
- In addition to all Senior Management identified as MRTs, there were twenty-four (24) Other MRTs in FY2026.

Table 1: Remuneration awarded to Senior Management and Other MRTs in FY2026:

Category	Senior Management (RM’000)	Other MRTs (RM’000)
Fixed pay	21,949	12,612
Variable pay – cash based	13,039	5,651
Deferred Variable Pay – cash based	5,207	910

Table 2: Breakdown of deferred remuneration:

Category	Senior Management	Other MRTs
Total amount of outstanding deferred remuneration		
• Cash (RM’000)	7,541	1,211
• Shares (RM’000)	-	-
Total amount of deferred remuneration paid out during the financial year		
• Cash (RM’000)	2,752	402
• Shares (RM’000)	-	-
Outstanding deferred remuneration (performance adjustments):		
• Of which exposed to ex-post adjustments	100%	100%
• Reductions in current year due to ex-post adjustments (explicit)	-	-
• Reductions in current year due to ex-post adjustments (implicit)	-	-

Outstanding retained remuneration (performance adjustments)		
• Of which exposed to ex-post adjustments	-	-
• Reductions in current year due to ex-post adjustments (explicit)	-	-
• Reductions in current year due to ex-post adjustments (implicit)	-	-

Examples of explicit ex-post adjustments include malus, clawbacks or similar reversals or downward revaluations of awards.

Examples of implicit ex-post adjustments include fluctuations in the value of shares or performance units.

Table 3: Guaranteed Bonuses, Sign-on Awards and Severance Payment for FY2026

Category	Senior Management	Other MRTs
Number of guaranteed bonuses	-	-
Number of sign-on awards	-	-
Number of severance payments	-	-
Total amounts of above payment made for the financial year (RM'000)	-	-

Group CEO Remuneration Data

Category	Cash (RM'000)	Shares (RM'000)	Other Emoluments (Employer Statutory + BIK) (RM'000)	Total (RM'000)
Fixed Remuneration & Variable Remuneration	3,000	0	517	3,517
Non-Deferred <i>(Cash Bonus FY25)</i>	4,180	0	502	4,682
Deferred <i>(Deferred Cash Award FY23 - 2nd tranche & FY24 - 1st tranche)</i>	867	0	104	971
Total Remuneration Award for FY2026	8,047	0	1,122	9,169