

BUILDING SUSTAINABLE COMPETITIVE ADVANTAGE: A CASE OF ABC BANK MALAYSIA BERHAD

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PROLOGUE

Despite banks and other organizations are now operating in undeniably trying times due to low oil and commodity prices and US interest rate hike which led to a significant weakening of the Malaysia ringgit which compel most banks to start discussing on restructuring their costs to address the narrowing margins. In the face of these evident challenges ABC group has delivered improved net profit of RM68.4 billion for the financial year ended 2015. Furthermore, the group expects to pay a full year dividend payout of RM5.22 billion representing 76.2% of its net profit the financial year. Moreover, ABC has continued to finance many of its customer proposals and they jointly cooperate together to grow their business throughout the region.

Today ABC occupies fourth leading position in ASEAN in the areas of effective loan disbursement; asset base as well as deposits which make the bank secured a place among the top five banks in the regional market. ABC has become the strongest and leading financial institution in Malaysia. Specifically, in terms of branch network and operations the bank has extended beyond its own markets to the entire 10 ASEAN financial markets as well as the global financial hubs. Precisely, this entire milestone has been achieved through 54 years of providing excellent banking services with over 2400 branch offices to reach out to customers and provide for their unique needs. ABC also provides funds for the development Small and Medium Scale enterprises (SME's) as well as large multinational corporations thereby consistently delivering innovative services to all stakeholders. Furthermore the banks 4th position among the top 5 leading banks in ASEAN was achieved through wide branch network across 20 countries which was supported by 47,000 members of the workforce and

continued loyalty from the customer base consisting of over 22 million and asset base of \$183 billion.

Moreover, ABC has continued to witness considerable level of improvement in its key financial ratios over the years. Specifically, during the financial year ended 31st December, 2015 ABC recorded net profit of RM6.84 billion to strengthen its position and remain ahead of competition in its key home markets. The profit of financial year 2015 represent a sharp increase from the one recorded in previous financial years for instance the bank recorded a RM4.45 billion in financial year 2011, RM5.75 in 2012, RM6.55 in 2011 and RM6.72 in 2014. Overall, the revenue performance of ABC increased by 14.6% compared to previous years particularly year 2014 while the net fund based income grow by 15.3%. Additionally, the loan also grows by 12% as against the targeted amount of 8% to 9%.

- Under the National Key Economic Area (NKEA), the Malaysian government is focusing on developing the financial industry, which represents a core component and key driver of the Malaysian economy, in tandem with the need of a high-income nation despite the current environmental turbalence arround world. This case study mainly discuss the successful ABC from a strategic management perspective. There is an urgent need to look into the true competencies of ABC in overcoming the economic challenges in the hyper competitive environment based on right strategic practices which enable them to achieve the national agendaand sustained competitive advanatage. This case will be a good lesson for other banks to achieve success in tougher operating environment and economic, financial challeges. The teaching case will guide students build SWOT in conducting strategic analysis in competitive situations. And identifying strategic issues that need to be addressed, evaluating strategic alternatives, and formulating workable plans of action, gaining in-depth exposure about actual business experience.

HISTORY

ABC has been a regional bank since 1960, with the incorporation of its operations in Malaysia and has later opened branches in Singapore and Brunei in that same year. ABC is

the leading Malaysian bank and number fourth rank in terms of assets, loan financing, and deposits among ASEAN Banks. The bank is the fifth player in the ASEAN regional market, providing the major banking financial institution that provides wide range of services with branches spread in and throughout ASEAN region. It has 402 local branches in Malaysia 1,185 offices spread across 10 Asian countries with international presence in London and New York. Specifically, ABC is today the largest company by market capitalization on the Malaysian Bourse (Bursa Malaysia). It is ranked first among listed Malaysian companies and among the top 500 companies in the Forbes Global 2000 leading companies of the world.

The roots of ABC are rapidly increasing beyond the host country Malaysia because its services and branches are now present in 10 ASEAN nations. The banks quest for humanizing the provision of financial services, ensuring inclusiveness and acceptance of diversity is central to the wide coverage of its branches throughout ASEAN communities. Specifically, over the years, ABC has built on its expertise in a wide area of financial services and today its range of services includes commercial banking, investment banking, stock broking, insurance and takaful, Islamic banking, offshore banking, asset management, venture capital financing and internet banking.

Particularly, ABC Group has long been acknowledged for its leadership and financial strength, and for the past two years, has been recognized as among the World's Top 20 Strongest Banks by Bloomberg Markets magazine. In essence, ABC has achieved numerous international awards for excellence and innovation, which stand testament to the high standards it employs in every area of its operations. The Group's Islamic banking arm, namely Maybank Islamic Berhad is recognized as among the global leaders in it's the field of Islamic banking products it is ranked as the top Islamic bank in Asia Pacific and third in the world in terms of assets.

ABC' Vision

ABC vision is to become a regional leader in financial services through the realization of the banks true potential across key home markets and beyond.

Mission

The mission of ABC is to humanize financial services drives and underpins the banks desire to strengthen its relationships with the communities that the banks serve.

Board of Directors

The board of directors in ABC just like boards of many other reputable financial institutions comprise of people that are well experienced and knowledgeable enough in various fields of knowledge. These directors deliver their exceptional skills and wealth of knowledge which is considered one of the instrumental factors in responsible for the success of ABC. Specifically the board of directors comprise of people who are vast in the field of business development and operations both locally and internationally. They are also instrumental in developing robust risk and financial management techniques as well as sound security, legal and accountancy procedures. The board of directors comprises of committed and dedicated people from Malaysia and other ASEAN nations. Although, there have been some changes in the composition of the board members where 3 non-executive members of the board decided to step down in line with Financial Services Act (FSA), such vacuum has been immediately replaced with new independent directors.

ABC applies a formal and transparent procedure in the selection of Directors to serve as members of the board. Specifically, the Nomination and Remuneration Committee (NRC) is vested with the authority to identify and select members into the board. The responsibilities of the committee include among others the screening of the nominees, conducting the preliminary selection processes of both external and internal contenders. In addition to that, the committee assesses and evaluates the board candidates based on their ability to carry out the predetermined board responsibilities with high degree of effectiveness and efficiency and then a written recommendation is sent to the board for final approval and ratification. Also it is the responsibility of the NRC to make sure that candidates have the core competence, integrity, the requisite skills, and time to effectively and efficiently discharge the responsibilities required of a board director.

ABC Sustainability Initiatives

Risk Management and Internal Control Processes

One of the notable initiatives to sustainable competitive advantage of ABC is the achievement of the board and management of ABC was its significant role in establishing an effective internal strategy and a robust risk management strategy thereby continuously evaluating and reviewing its appropriateness and adequacy. The board makes decisions on risk based on the premise that establishment of an internal control system and frameworks for risk management are important techniques ABC group can utilize to manage risk in an acceptable manner in such a way that the group's objectives and goals can be achieved rather than completely eliminating the risks. The group's risk management framework and processes are techniques that ensure there is a reasonable rather than absolute guarantee against loss arising from fraud or financial misstatements.

Moreover, the board is committed to ensuring that there is an established risk management structure to ensure effective risk management and controls within the group. The board's risk management techniques are achieved through various risk identification mechanisms, an effective evaluation system as well as constant monitoring to ensure efficient management of the risks. This process ensures that information is made available to the management in order to respond to any significant risk signal that is likely going to affect the group. Strictly adhering to these risk management techniques enable the group to achieve business goals and objectives which is also in cognizance of the changes in actions that satisfy safety requirements of the board and regulatory requirements as well as the business environment. The results of these processes are monitored and reported for deliberations to the board of directors.

The reports on deficiencies found by the implementation committee are usually channeled to the ABC board of directors monthly based on the compliance and regulatory requirements. Based on the reports the board pays special attention to the reported deficiencies in order to find the reasons behind such deficiencies and take necessary action through the bank management. Specifically the board directs the management to take necessary action in order to remedy the situation by implementing the various plans that were purposely designed for

to take care of such circumstances and subsequent evaluation and follow-ups to ensure that the problems are completely solved.

More specifically, the responsibility for implementing procedures, policies and other techniques used to manage and control risks lies in the hands of management. The management implements such risk policies by being actively involved in the identification of the risks and magnitude of such risks. In addition to that the bank management design the procedure for effective implementation. After the implementation management constantly monitor the implemented action through effective internal control mechanism as approved by the board. Finally the management's remedial action is evaluated and reported to the board based on the corrected action in case the board may consider making some changes to the management's corrective measure applied.

Corporate social responsibility

ABC has a lengthy history of being at the heart of the society right from the begin, ABC intended to be a bank for all Malaysians, and ABC branches have turned into a core of numerous residential communities all through the nation. In accordance with our humanizing mission, ABC is currently broadening its community-based style across the nation. This conviction has discovered its epitome in ABC mission to humanize financial services across Asia. The community services in ABC is facilitated fundamentally by the ABC Foundation where community work focuses on a diverse group of beneficiaries as the bank endeavor to set another standard for corporate responsibility actions that goes beyond pure philanthropy to convey significant projects with enduring results to the communities. The social responsibility investments grasp education, community strengthening, sports, wellbeing, expressions, art, culture and heritage; and it is a principle of the ABC Foundation that a significant number of the social projects are driven by employee volunteerism.

The Community: As a major aspect of sustainability initiative strategy ABC emphasis on engaging communities by method for helping them create in ways that are useful, as well as more critically, reasonable. Notwithstanding where the bank works, it laid extraordinary accentuation on community development and cultivating a minding society among its employees. This procedure was expert through numerous critical strategies, for example, ABC Financial Literacy Programs across the nation. Besides, ABC run a progression of

financial literacy pair with Money Tree (M) Sdn. Bhd. ABC receives elementary schools, and the youngsters find out about fundamental budgetary instruction, for example, expansion and financing costs through workshops led by Money Tree. ABC fundamental centre is to plan youthful Malaysians for the money related difficulties they will confront later on by instilling capable individual budgetary propensities.

Moreover, as a component of community services, ABC has occupied with a program labeled Cahaya Kasih. The term Cahaya Kasih is utilized to allude to the ABC employee volunteerism program. Particularly at the course of experiencing the program ABC banks give their time and share their insight in a wide scope of endeavors, teaming up with associations and NGOs in community development work and fund-raising occasions. To guarantee the achievement of this program ABC has devoted a sum of 84,000 hours to volunteerism in the year 2011 alone.

Basically, ABC Group likewise perceive protection of Arts and Culture as imperative method for defending Malaysia's national arts and culture for future eras, and in addition their potential in empowering more prominent national solidarity and energy about the various societies that encompass the country and the region. This is the reason ABC set up its own one of a kind BalaiSeni, a scene to show works of neighborhood craftsmen, and Numismatic Museum, the first of its sort in the Malaysia found right in the Head Office at, Kuala Lumpur.

Management Strategies

Another initiative for sustainability more precisely, the strategic objective of ABC is to perform optimally, attain optimal risk balance, judicious management of objective expenses, and delivery of improved service quality to customers as well as constant improvement in the processes. ABC strategic pursuit to extend banking services across the ASEAN region and become the leading financial services provider in Malaysia started in the year 2009. Based on the aforementioned the bank spelt out a strategic vision for becoming the largest provider of banking services in the ASEAN region by the year 2015. This vision leads to the development of various strategic initiatives that are targeted toward successful accomplishment of the vision. Specifically the management of ABC initiates some programs that will positively influence sales, design programs that are capable of strengthening the relationship between the bank and its customers by way of effective customer relationship

management. Additionally, the bank has put in place the structures necessary to ensure that the systems and processes are also effective, embarked on activities that enhance employee talent and raise the standards of customer services.

This initiative has helped the bank to triumph through the 2011 and 2012 challenging business environment. Consequently, ABC market share in global banking as well as that of retail forms both local and overseas operations has increased significantly. However, the bank is currently focused on maintaining the lead in the financial market thereby providing services that supersede the expectations and needs of a customer. Having achieved the targeted strategic vision ABC redirects its attention towards attaining the impact of the bottom line through Global Banking (GB) Community Financial Services (CFS) and Etiqa. Specifically redirecting focus to CFS, GB and Etiqa enable the bank to maintain its status thereby accomplishing its strategic objectives.

The blueprint of the ABC strategic objectives is made up of 34 initiatives which are tied to the support units and business pillars while connecting their direct effect to the profits of the bank. Due to the team and management commitment to the goals all the pillars have surpassed their targets. Specifically, the CFS have surpassed its target by 158%, GB exceeded by 152% and general business units of Insurance and Takaful have also surpassed targets by 167%. Similarly the strategic costs of the bank have also been significantly reduced.

The success achieved so far at ABC is the childbirth of clear strategy formulation with specific attention to the customers leading to sustainable financial performance which brings about the significant contribution enhancing growth and development of new capabilities in all the bank's branches. Another strategy for ABC achievement was the shift from product to customer orientation. In addition the bank stress the importance of harvesting returns from investment in corporate and mass banking and proceeds from the investments in SME's.

Furthermore, as part of ABC customer centric initiatives it has provided flexibility for customers to make transactions across all the 10 ASEAN nations as well as china. This strategy was also instrumental towards ABC capability in the regional marketplace. Specifically, the strategy was complemented by persistent focus on ensuring excellent and improved services, effective operations, advanced technologies and improved service quality. These policies have helped the bank in achieve its strategic goals. In addition, the success of

ABC was also based on the adoption of industries best practices to strengthen the banks operational processes.

The bank also adopts several growth strategies such as building and maintain paramount customers base, expand operation to the strategic heart of ASEAN communities and aim to be the ultimate ASEAN banking hub that link ASIAN customers with other parts of the world. In addition, the targeted growth was accompanied with unique strategies different conventional such as utilizing and sustaining the current position in the industry as the preferred financial institution in various geographies that we operate to gain superior performance, consolidating the digital footprint by upgrading current alternative banking channels and expanding the regional network of branches through the delivery of standardized, best in class customer experience.

In line with ABC innovative initiatives the bank is the first to launch superior services such as movie theatre for the visually challenged persons known as the ABC MAB Cinema, electronic options for gifts during the Hari Raya festive season which comprises “duitraya” and ABC Raya Gift Card via and Quick balance service all through Maybank2u. Specifically Quick balance service was aimed at enhancing value proposition for the mobile banking. Conclusively, central to ABC success is the continued commitment and dedication across all cadre of the workforce. This stimulates the workforce to continue to deliver effective services that brings about customer satisfaction the action which has remained the core of management and staff at ABC. This is complemented by the queue management systems and complaints resolution framework which was specifically intended to heightened experience of the customer.

Again, ABC organizes external customer engagement survey (ECES) on annual basis in order to evaluate the extent to which the bank policies are aligned with its customers’ requirements on service delivery, this initiative also contributed immensely to the success of the ABC.

Human Resources Management

In ABC overseeing HR constitute one of the solid features that are firmly considered as basic critical enabler for the continued achievement and the way to realization of the recent 2015

goals. Additionally, HR is an essential element that it should have been all the more immediately arranged with the goal that they can fill key parts and perform at the required level at the branches. Particularly at ABC group HR are expected to collect pipeline pools of talent extending from entry level through to branch managers and to the leadership level. For example ABC has set an objective of building a pool of 500 relationship banker's in the fleet to the short term to service high-net-worth clients. Another top need is productivity improvement through the human capital where an objective of 40% efficiency increment was set to be accomplished through the business sales force.

The human asset activity in ABC is additionally centred on empowering the employees to work territorially, since ABC expects to wind up a local powerhouse and in the long run a huge worldwide player. This prompted the dedication centred at building a workforce that is all around versatile, and geographically and culturally diverse. Also, borders could require managers to stand up to a reason for stratification not quite the same as the one with which they are now recognizable. Nonetheless, workers with such instant ability are normally rare in the area this stay urgent for ABC in understanding the maximum capacity of the group.

In addition, in accordance with these needs, ABC has reveal numerous bolster projects to help employees guarantee that operational and customer service change objectives are met. These targets extend from ability advancement to impetus arranges. Again the Group keeps on building capacity of HR from a centre saving money point of view and an ability administration and authority viewpoint. Beside the activities ABC proceed with climate and culture building programs with the point of raising the viability of ABC Skilling Factory (Human assets).

The human resource approach of ABC gathering has additionally centred on improvement of all the part of aggregate prizes to most staff, which facilitates the execution procedure. This execution of pay level approach and the dispatch of representative share conspire as a long haul variable segment of aggregate rewards in the compensation blend is a key component that were generally welcomed by all levels of the workforce. In particular, the considerably more perplexing human resource technique is the activity on hierarchical environmental change, director capacity building and efficiency change. This was integral to the accomplishment of each point of reference that empowers ABC to accomplish Malaysia's number one bank and aspire to become Asia's best bank in the closest future.

Moreover, human resource is basic in ABC on the grounds that their skill and talent are totally essential for the business change and development. Consequently, finding the right employee, making them, remunerating them and keeping them are a portion of the banks most elevated needs. ABC have set up a multipronged system that incorporates a convincing representative esteem suggestion with a focused reward bundle. The achievement of the strategy is likewise reflected in enrolment execution dashboard, which is checked nearly. The dashboard tracks the rate of opening conclusion as well as the offer-acceptance rate for the different classifications of experienced experts, new graduates, and senior administrators. The achievement recorded so far instigate ABC to keep on implementing the technique with a specific end goal to assemble a local ability pool that will be at the front line of the focused on provincial development.

The human resource policy used at ABC was likewise supplemented by examining innovation to keep on processing electronic applications for some human resource processes. Also, other fascinating advancements incorporate the Retention Prediction Algorithm by Google Inc. The Google's algorithm is intended to recognize which of the workers are destined to stop. They take a gander at things like advancements, pay history and execution examinations, and in addition different sorts of HR and non-HR components that haven't generally been utilized. It helps the group get inside employees' heads" even before they consider quitting.

Generally, 2015 was the year of testing business environment where the sustainability of the advance and developments increased throughout the years in building a high performance organization through HR was further expert. It likewise tried the flexibility of the workforce as far as agility, nimbleness, and responsiveness to turbulent environments, incorporating disruptors in the business, to convey on the Group's 2015 vision, mission, and key goals. In particular, in the midst of the difficulties, ABC HR have again conveyed one more year of trailblazing results and excellent financial performance. The key accomplishments picked up in 2015 were efficiency elevate from the sustained initiatives on key levers of productivity; regional and national recognition as a solid and convincing manager mark and as business of decision to numerous forthcoming employment seekers. In this way, the achievement was by the by maintained through approval of best practices in human resource strategies, working environment activities and practices ranging from talent development, fostering learning, gender diversity advocacy and work life activities.

Financial Position

Revenue

In the financial year ended 31st Dec. 2015 ABC has recorded a tremendous increase in operating revenue from RM35,712 to RM40,556 (Million). The more detailed analysis of the revenue is depicted in Table 1.

Dividend

The ABC Group keeps up a long-term yearly dividend payout policy of 40% to 60% to give shareholders a steady dividend income. For the financial year ended 31 December 2015, the Board had declared an interim dividend amounting to RM2.3 billion or 24 sen per share, which comprises a cash portion of 4 sen per share and an electable portion of 20 sen per share. The Board also proposed a final dividend amounting to RM2.9 billion or 30 sen per share, which comprises a cash portion of 6 sen per share and an electable portion of 24 sen per share. The total dividend payout for FY2015 was finally arrived at 54 sen per share.

Table 1. Overview of the Operation Review for the year ended 31st Dec. 2011 to 31st Dec. 2015.

	Financial Year 31 st Dec.				
	2011	2012	2013	2014	2015
OPERATING RESULT (RM' million)2					
Operating revenue	12,892	31,227	33,251	35,712	40,556
Operating profit	3,497	7,744	8,730	8,948	8,940
Profit before taxation and zakat	3,571	7,896	8,870	9,112	9,152
Profit attributable to equity holders of the Bank	2,587	5,746	6,552	6,716	6,836
Key statements of financial position data (rm' million)2					
Total assets	51,632	494,757	560,319	640,300	708,345
Financial investments portfolio3	84,669	92,82	107,672	115,911	122,166
Loans, advances and financing	276,253	311,825	355,618	403,513	453,493
Total liabilities	415,747	450,942	512,576	585,559	644,831
Deposits from customers	314,692	347,156	395,611	439,569	478,151
Investment accounts of customers					17,658
Commitments and contingencies	369,792	379,695	433,829	551,960	719,695
Paid-up capital	7,639	8,440	8,862	9,319	9,762

Shareholders' equity	34,337	42,095	45,997	52,975	61,695
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Source: ABC Annual report 2015

Contemporary Business Environment

Under the National Key Economic Area (NKEA), the Malaysian government is focusing on developing the financial industry, which represents a core component and key driver of the Malaysian economy, in tandem with the need of a high-income nation. As an integral component of Malaysia's economy, the Financial Services NKEA aims to make Malaysia home to an innovative, competitive and thriving financial services industry. The financial sector NKEA was introduced through the Ministry of Finance with support from regulators such as the central bank, Bank Negara Malaysia (BNM), the Securities Commission and Bursa Malaysia, this NKEA which is targeting for the financial services industry to contribute RM121.5 billion to the country's GNI and creates 275,400 new jobs by 2020.

Furthermore, the government of Malaysia targets to achieve the financial sector NKEA is through the implementation of 10 Entry Point Projects aimed at strengthening Malaysia's financial institutions and creating deeper and more vibrant financial markets. Through this EPP, the Government targets to increase Islamic financing's share of total financing in Malaysia from 29% in 2010 to 40% in 2020, cementing the country's position as a global leader in the industry. The Government also targets for at least one local Islamic financial institution to be among the top 10 Islamic financial institutions in the world in terms of assets by 2020.

Initiatives under EPP 10 include standardizing Syariah guidelines, as well as becoming a Centre of excellence for Islamic finance research, development and education with priority areas in legal, human capital and research development and innovation.

This EPP supports the foreign expansion of qualified local banks, with Malaysian banks to be among the top three in ASEAN in terms of market capitalization by 2020. Local banks are also encouraged to explore opportunities across Asia, especially where a significant portion of Malaysia's outward foreign direct investment (FDI) is present. Initiatives under this EPP are however largely market led and depending on the needs and resources of the specific banks, as well as approval of BNM.

However, despite the fact that Malaysia's real GDP growth slowed to 5.0% in 2015 (2014: 6.0%), weighed down by slower consumer spending and gross fixed capital formation as well as the contraction in net external demand which offset the sustained government consumption expenditure. The operating economic environment was very challenging in view of the global economic uncertainties, depreciation in Ringgit and weaker commodity prices especially crude oil, as well as domestic factors such as the impact of the Goods & Services Tax (GST) implementation. In addition, the asset quality of ABC remained strong with the industry's net impaired loan ratio stable at just 1.2% as at end of December 2015. Loan loss coverage slipped to 96.2% in the end of year 2015 from 101.0% as at year ended 2014. The industry's Common Equity Tier-1 capital ratio, Tier-1 capital ratio and risk-weighted capital ratio were comfortable at 12.8%, 13.8% and 16.1% respectively as at year ended 2015.

In view of the aforementioned problems, it is obvious that the operating environment continues to be a challenging one in 2016. This is due to a more moderate economic growth both on the domestic and global front, while the volatility in currencies and commodity prices is unlikely to abate any time soon. Malaysia's economic growth is expected to taper off, as consumer demand is expected to remain soft amid the rise in living costs. Consequently, preserving interest margins remains a challenge in 2016, for funding competition remains keen amid tighter liquidity conditions. Hence, improving cost efficiencies is likely to be a key preoccupation of the industry to counter any slowdown in top line expansion.

Malaysia's real GDP growth is expected to ease further to 4.3% on slower domestic demand due to continued moderation in consumer spending and private investment. However, public investment will rebound after two years of contractions as the rollout of new major infrastructure and investment projects which will add to the existing ongoing projects notwithstanding the revision in Budget 2016 due to the fall in crude oil price.

However, due to the financial crunch in 2015, Malaysia's banking system loans growth softened to 7.9% from a growth rate of 9.3% in 2014. Household loans, which accounted for 56.8% of total system loans as at the end of 2015, expanded at a more moderate pace of 7.7% compared to 9.9% in 2014, while non-household loan growth eased marginally to 8.0% from 8.5% in 2014. Furthermore, residential property loans accounted for 30.2% of total system

loans and growth here dipped to 11.9% in 2015 from 13.3% in 2014. The non-residential property loans (13.6% of total loans) also grew at a slower pace of 10.6% compared to 14.9% in 2014. Also auto loans growth was steady 2.7% which is a little higher than 2.3% in 2014. The personal loans and credit card financing also improved to 5.9% and 1.2% respectively.

Having lagged 2014 in quantum throughout much of 2015, overall the industry's loan to deposit ratio continued to rise during the year as deposit growth slowed to just 1.8% in December 2015, and the ratio stood at 88.7% as at year ended 31stDecember 2015, compared to 86.7% during the year end 31stDecember 2014.

Epilogue

ABC has targeted to become a prominent bank in Malaysia and one of the leading banks in Asia. This is transformation journey began in 2009, especially in being able to lead successful projects which have been adopted regionally. Specifically, the strength of this journey lies in the people (customers and staff) who remain the strongest assets for the success recorded so far. Although, the business environment has been so challenging due to the global economic downturn as well as the slowdown in oil prices which led to the depreciation in Ringgit and weaker commodity prices, low crude oil prices, as well as domestic factors such as the impact of the Goods & Services Tax (GST) implementation. Despite the turbulence and challenging environment ABC has been able to triumph over its competitors. In essence, appropriate strategy is usually instrumental to the building a sustainable competitive advantage in every strategically focused organization. May bankers always hope they have earned in the hearts of their communities with their commitment for financial inclusion of all the stakeholders.

“We have strengthened our position in the three core markets of Malaysia, Singapore and Indonesia not only in terms of our leadership in key business segments, but also on service excellence, franchise strength and business capabilities”(**Group President and CEO's Statement**).

Moving forward, ABC increase workforce diversity for future growth which will create an inclusive and equitable work environment, ABC expects to improve the facilities over time and aims to focus on identifying issues related to women and initiate change efforts,

integrating diversity with ABC core values to ultimately create an inclusive, high performance and equitable work environment in the future.