



ALLIANCE FINANCIAL  
GROUP BERHAD (6627-X)

*Banking Made Personal*

**ANALYST BRIEFING**  
**FY2014**  
**22 May 2014**



## Contents

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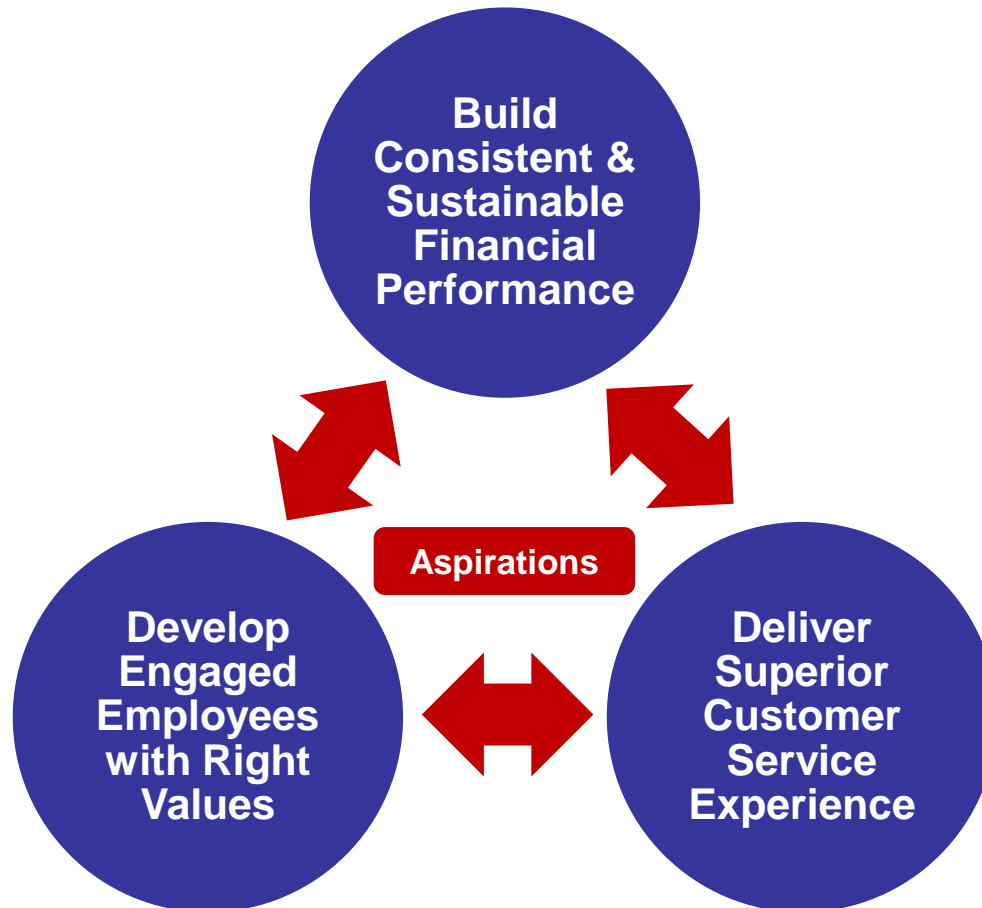
Executive Summary

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Financial Results for FY2014

**We have Built a Strong Franchise in Consumer & SME Banking**

- ❑ Clear niche in Consumer & SME Banking:
  - ✓ Increasing market share in target segments with year-on-year net loans growth of 14.6%, faster than industry
  - ✓ Winning market recognition
- ❑ Focused on building sustainable long term revenue growth:
  - ✓ Accelerated non-interest income activities
  - ✓ Sustainable CASA ratio at 34.0%
  - ✓ 0.7% net impaired loans ratio
  - ✓ 13.7% total capital ratio
- ❑ Dividend policy to pay up to 60% of net profits

**FY2014: Good Progress Against Our 3-Year Medium Term Targets FY2012 – FY2015**
**Alliance Financial Group**

		FY2011	FY2014
<b>Asset Quality</b>	... net impaired loans to be better than industry average	<b>1.9%</b>	<b>0.7%</b>
<b>Non-Interest Income Ratio</b>	... to increase non-interest income to 30% of total revenue	<b>20.8%</b>	<b>27.7%</b>
<b>Cost to Income Ratio</b>	... move to industry average (45%-48%) through: <ul style="list-style-type: none"> <li>targeted revenue growth</li> <li>improved productivity</li> </ul>	<b>48.3%</b>	<b>46.6%</b>
<b>Return on Equity</b>	... achieve industry average (14%-16%) through: <ul style="list-style-type: none"> <li>focus on underlying earnings momentum</li> <li>effective capital management</li> </ul>	<b>12.8%</b>	<b>13.8%</b>
<b>Dividend Policy</b>	... pay up to 60% of net profits after tax, subject to regulatory approvals and strong capital ratios	<b>26.2%</b> (7.0 sen)	<b>79.5 %*</b> (29.5 sen*)

*Note: \* including proposed special dividend of 10.5 sen; excluding proposed special dividend, dividend payout is 51.1%*

## Sustainable & Consistent Financial Performance: 6.6% Net Interest Income Growth

Income Statement	FY2014 RM mil	FY2013 RM mil	Change (y-o-y)	
			RM mil	%
Net Interest Income	778.6	730.5	48.1	6.6
Islamic Banking Income	210.9	242.2	-31.3	-12.9
Non-Interest Income	359.4	360.4	-1.0	-0.3
Net Income	1,349.0	1,333.0	16.0	1.2
Operating Expenses	628.2	639.3	-11.1	-1.7
Pre-Provision Operating Profit	720.8	693.8	27.0	3.9
Write-back of losses on loans & financing and other losses and impairment	28.6	25.0	3.6	14.3
Pre-tax profit	749.4	714.0 <sup>^</sup>	35.4	4.9
Net Profit After Taxation	563.5	538.1	25.4	4.7

- +6.6% rise in **net interest income** from 14.6% net loans growth, but interest margins remain under pressure.
- -0.3% decrease in **non-interest income** mainly due to:
  - Recurring income from transaction banking, wealth management and brokerage activities.

offset by:

  - Investment income from Financial Markets registered RM12.6 million y-o-y drop due to steepening of the yield curves.
- -1.7% reduction in **overhead expenses**, despite one-off staff rationalisation cost of ~RM22.3 million incurred in June 2013.

*Note: ^ FY2013 includes share of results of associate – loss of RM4.7 million from AIA-AFG Takaful, which was disposed in FY2013*

## Net Loans Growth at 14.6% Y-o-Y, Driven By Consumer & SME Lending

Balance Sheet	FY2014 RM bil	FY2013 RM bil	Change	
			RM bil	%
Total Assets	48.1	43.7	4.4	10.0
Treasury Assets	11.9	12.7	-0.8	-6.2
Net Loans	31.8	27.8	4.0	14.6
Customer Deposits	39.2	36.0	3.2	9.0
CASA Deposits	13.3	12.1	1.2	10.1
Shareholders' Funds	4.2	4.0	0.2	3.4
Net Loans Growth (y-o-y)	14.6%	13.4%	-	1.2%
Customer Deposits Growth (y-o-y)	9.0%	11.9%	-	-2.9%

- +14.6% y-o-y **net loans** growth: above industry - targeting profitable Consumer and SME segments.
- +9.0% y-o-y **customer deposits** growth, raising loans to deposits ratio to 82.1% for more effective balance sheet management.
- +10.1% y-o-y growth in **CASA deposits**, contributing to 34.0% of total deposits.



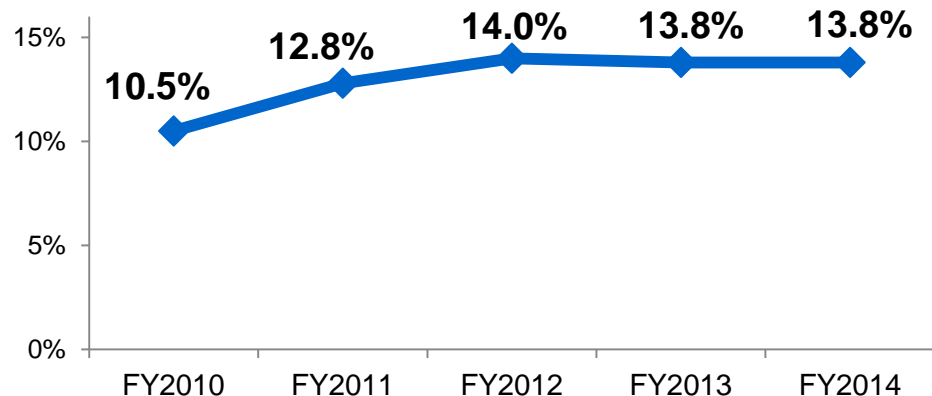
	Financial Ratios	FY2014	FY2013	Change
Shareholder Value	Return on Equity	13.8%	13.8%	-
	Return on Assets	1.2%	1.3%	-0.1%
	Earnings per Share	37.2 sen	35.3 sen	+5.4%
	Dividends per Share	29.5 sen*	16.6 sen	+77.7%
	Net Assets per Share	RM2.69	RM2.60	RM0.09
Efficiency	Non-Interest Income Ratio	27.7%	28.7%	-1.0%
	Cost-to-Income Ratio	46.6%	47.9%	-1.3%
Asset Quality	Gross Impaired Loans Ratio	1.4%	2.1%	-0.7%
	Net Impaired Loans Ratio	0.7%	1.1%	-0.4%
	Loan Loss Coverage Ratio	92.7%	82.5%	+10.2%
Liquidity	Loans to Deposit Ratio	82.1%	78.4%	+3.7%
	CASA Ratio	34.0%	33.6%	+0.4%
Capital	Common Equity Tier 1 Capital Ratio	10.4%	10.6%	-0.2%
	Tier 1 Capital Ratio	11.4%	11.9%	-0.5%
	Total Capital Ratio	13.7%	14.6%	-0.9%

- **Non-interest income ratio** – continue with focus on building recurring fee income.
- **Cost-to-income ratio** – continued improvement to 46.6% due to effective cost management.
- **Loan Loss Coverage** – improved to 92.7% due to reduction in impaired loans.
- **Loans to deposits ratio** – maintaining strong liquidity position
- **CASA ratio** – improved to 34.0%, on the back of CASA growth of 10.1%, slightly outpacing overall deposits growth.
- **Interim dividends declared of 19.0 sen:**
  - ✓ 1st interim dividend of 7.5 sen
  - ✓ 2nd interim dividend of 11.5 sen
- **Proposed Special Dividend of 10.5 sen.**
- Strong **capitalisation** under Basel III.

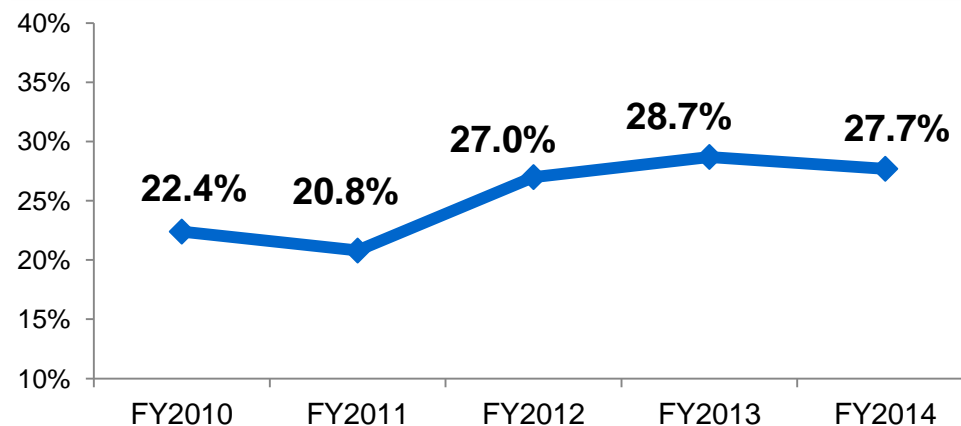
*Note: \* including proposed special dividend of 10.5 sen; excluding proposed special dividend, dividends per share in FY2014 is 19.0 sen, up 14.5% from FY2013*

### Sustained Financial Performance, with Key Metrics in the Right Direction

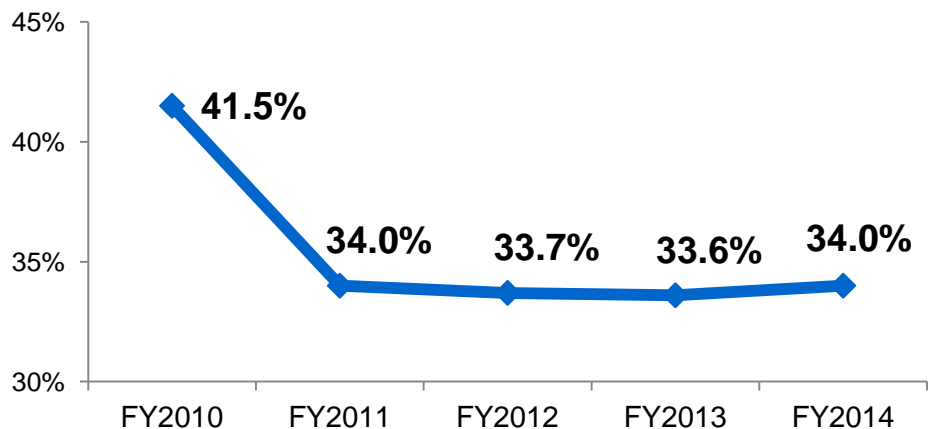
#### Return on Equity



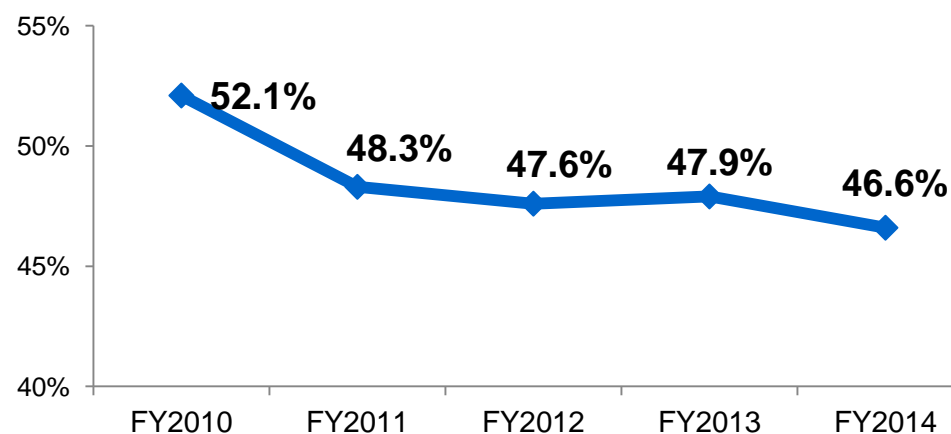
#### Non-Interest Income Ratio



#### CASA Ratio



#### Cost-to-Income Ratio

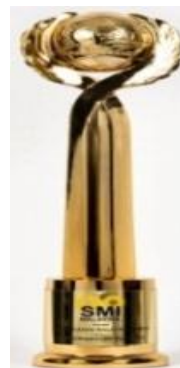




in Asia Pacific, Gulf region & Africa



**Best SME Bank Malaysia 2013**



**Sahabat SME Award**  
for 4 consecutive years  
2010, 2011, 2012 & 2013



**Promotions  
Marketing  
Awards of  
Malaysia 2013**

**Best Brand Loyalty Campaign**  
*Alliance OneBank Rewards*



Excellence in Consumer Insights/ Market  
Research/ Data-Driven Marketing  
*Alliance OneBank Rewards*



Excellence in CRM & Loyalty Marketing  
*Alliance OneBank Rewards*



**Asian Banking & Finance  
Retail Banking Awards  
2013**  
Credit Card Initiative Of The  
Year - Malaysia



**VISA Malaysia Bank  
Awards 2012**  
Highest Payment Volume  
Growth for Visa Platinum  
Card



**THE ASIAN BANKER®**  
**TECHNOLOGY IMPLEMENTATION AWARDS 2014**  
 SELF SERVICE BANKING PROJECT  
 in Asia Pacific, Middle East & Africa



23<sup>rd</sup> Place



**IDC Financial Insights - Financial Insights Innovation Awards ("FIIA") 2014**



**Malaysia's 100 Leading Graduate Employers 2012**  
 76<sup>th</sup> Place



**ABM & MPC Highest CSI\* Index Score in Malaysia 2013**



**Enterprise & IT Architecture Global Excellence Awards 2012**  
 SOA Vision for Enterprise Services

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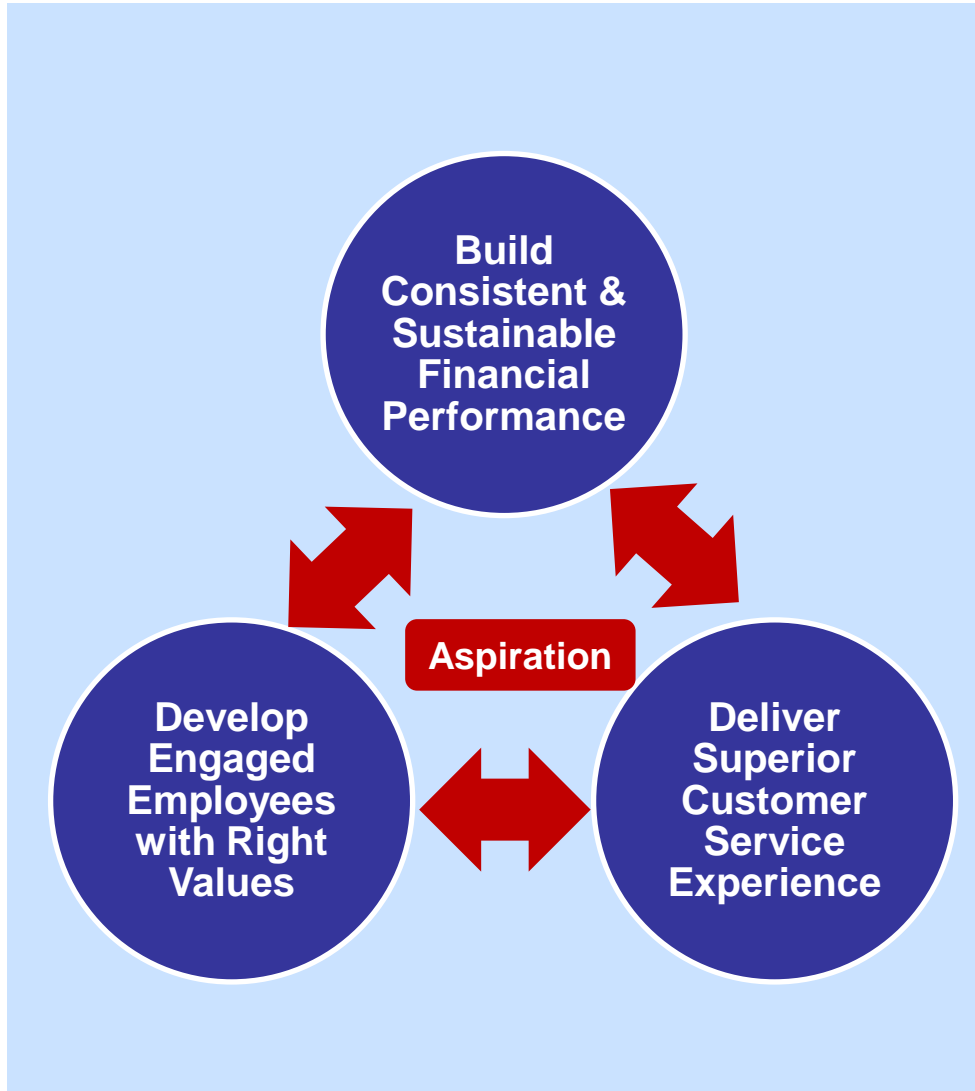
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Financial Results for FY2014

**Continue To “Deliver Consistent and Sustainable Financial Performance”****Our Priorities**

- Build on strengths and niche in Consumer and Business Banking
- Enhance existing branch network and leverage on alternate channels
- Enhance customer service through streamlining of processes and raising staff productivity
- Improve efficiency in resource utilisation, ensuring impactful investments in technology and infrastructure
- Strengthen investment banking and Islamic banking capabilities

***... We will continue to exercise caution & implement vigilant risk management to deliver consistent & sustainable results...***

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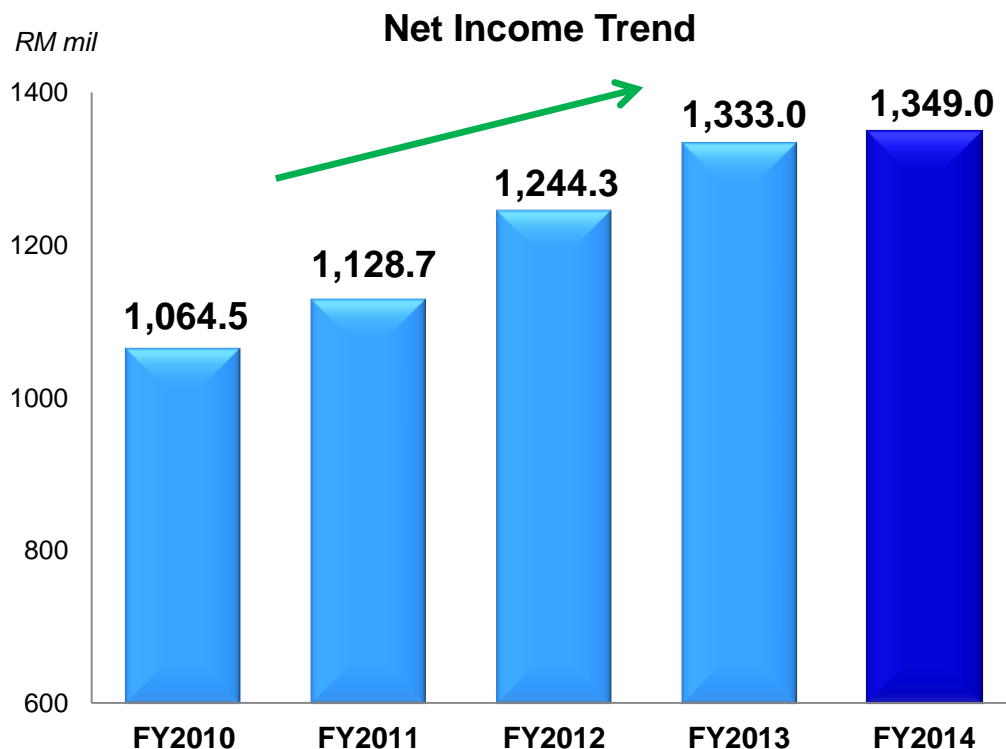
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Financial Results for FY2014

### Steady Growth in Net Income Driven by Higher Loans Growth

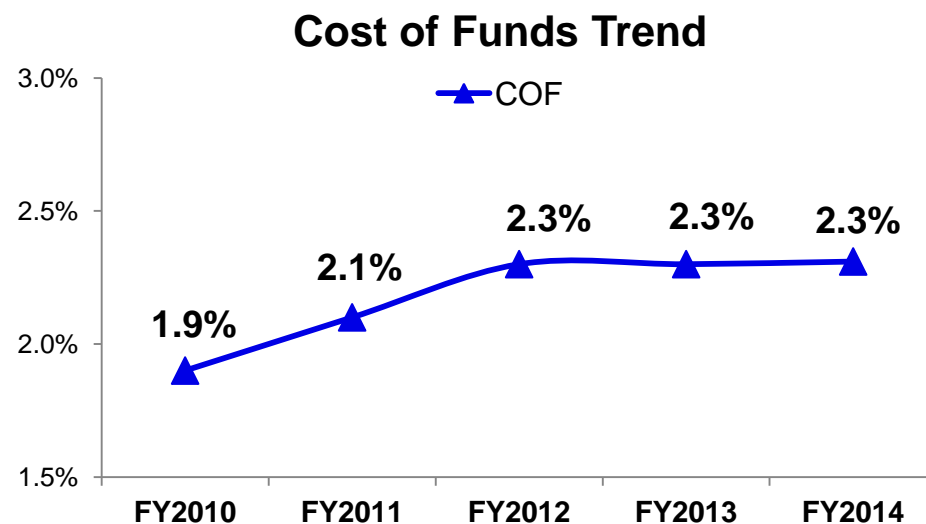
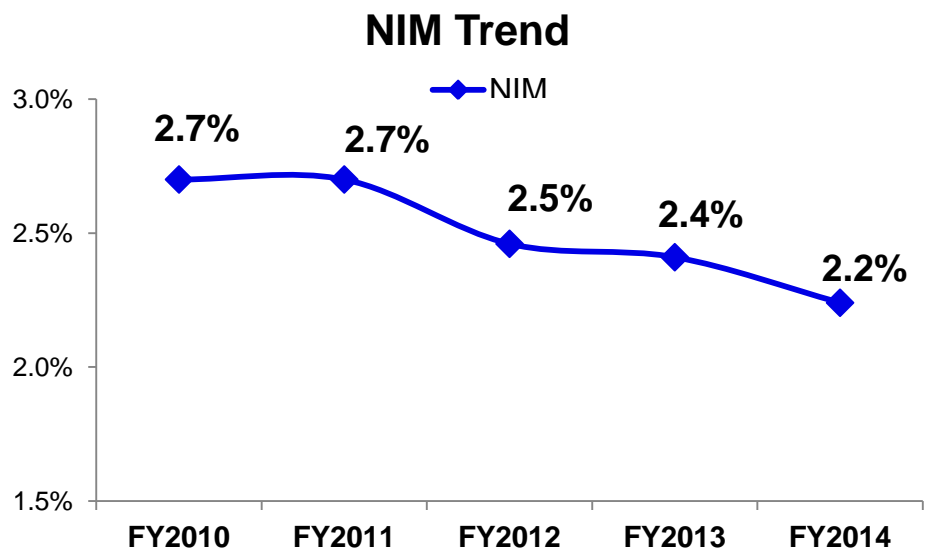


FY2014 vs FY2013  
+ RM 16.0mil  
+ 1.2%

□ **Net income** for FY2014 grew RM16.0 million or 1.2% year-on-year (y-o-y), driven by:

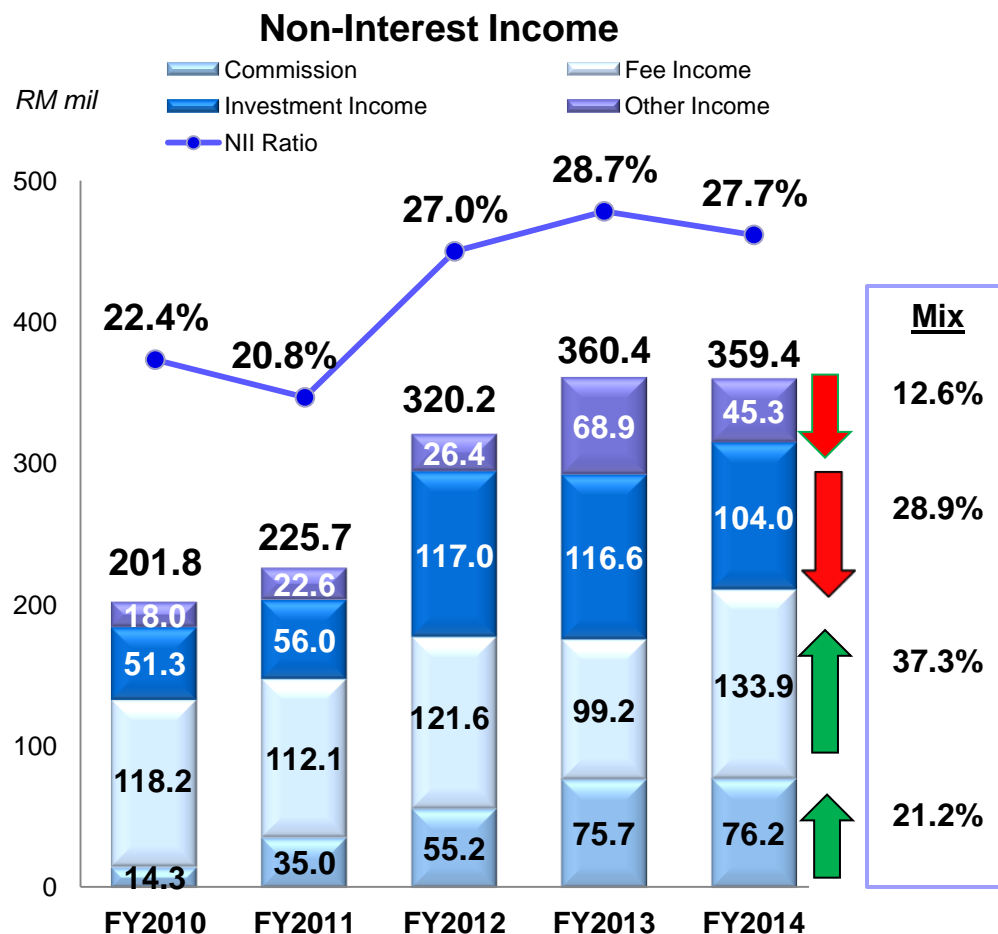
- **Net interest income** growth of RM48.1 million or 6.6% y-o-y
  - +RM172.0 million increase in interest income primarily from loans growth; but offset by
  - +RM123.9 million rise in interest expense from 9.0% y-o-y expansion in deposits and stiffer competition for deposits.
- **Net income from Islamic Banking** contracted by RM31.3 million or 12.9% mainly due to the run-off of high-yield Co-op personal financing.
- **Non-interest income** declined marginally by RM1.0 million or 0.3% mainly due to lower investment income from Financial Markets.

## Net Interest Margin Continues To Be Under Pressure



- ❑ **Net Interest Margin (NIM)** was 2.24% for FY2014, down 17 bps since Mar 2013
- ❑ Continuing margin compression mainly due to:
  - Run-off from repayments of higher yielding loans:
    - ✓ Co-op loans continue to run down:
      - RM431 million as at Mar 2014
      - RM521 million as at Mar 2013
      - RM1,023 million as at Mar 2011
    - ✓ New mortgage loans are at lower yield
  - Housing loans as a % of total Loans:
    - 41.4% as at Mar 2014
    - 41.1% as at Mar 2013
    - 37.1% as at Mar 2011
  - Intensified competition for fixed deposits
- ❑ **Cost of Funds (COF)** has stabilised at 2.3%, as interest cost has been supported by sustained CASA deposits.
- ❑ However, margin compression expected to continue mainly due to intensified competition for lending activities.

### Non-Interest Income Supported by Continuing Focus on Building Recurring Income



FY2014 vs FY2013  
- RM1.0m  
- 0.3%

❑ **Non-interest income (NII)** in FY2014 decreased by RM1.0 million or 0.3%, mainly due to:

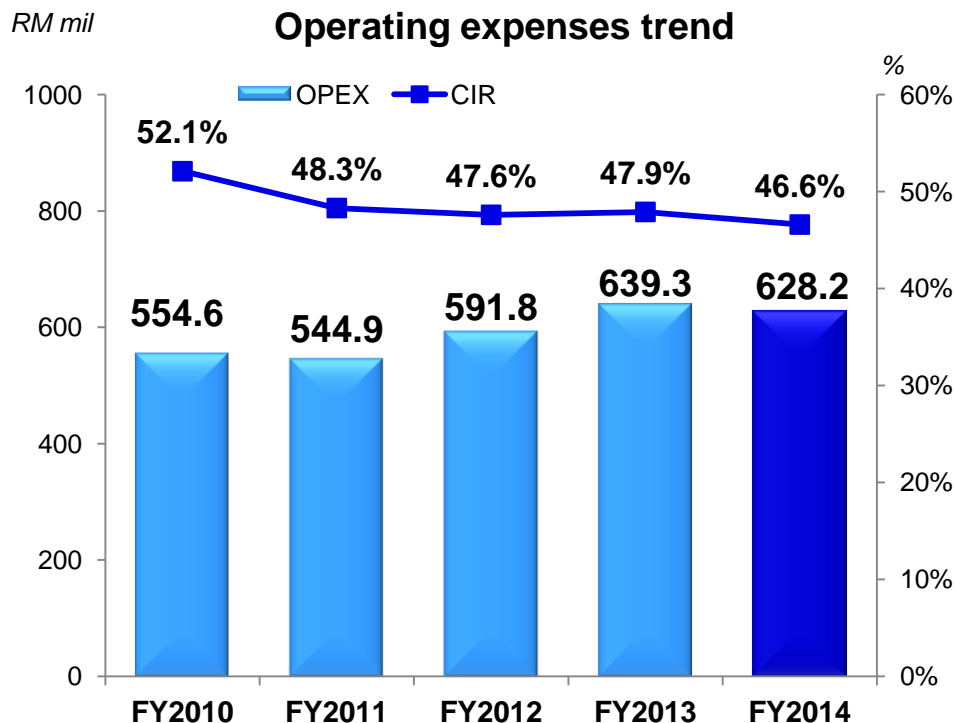
- **Recurring income** from transaction banking, wealth management, treasury and brokerage activities
  - Commission income increased by RM0.5 million
  - Brokerage income increased by RM6.2 million
  - Forex gain increased by RM1.0 million

offset by:

- Lower **investment income** by RM12.6 million compared to FY2013 due to steepening of yield curves:
  - Lower gain from disposal of Available-For-Sale investments by RM22.5 million

❑ FY2013 Other income included RM23.2 million gain from disposal of 30% stake in AIA-Takaful.

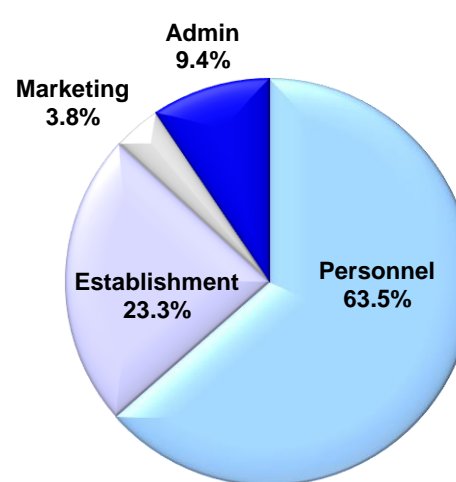
## Cost-to-income Ratio improved to 46.6%, from Effective Cost Management



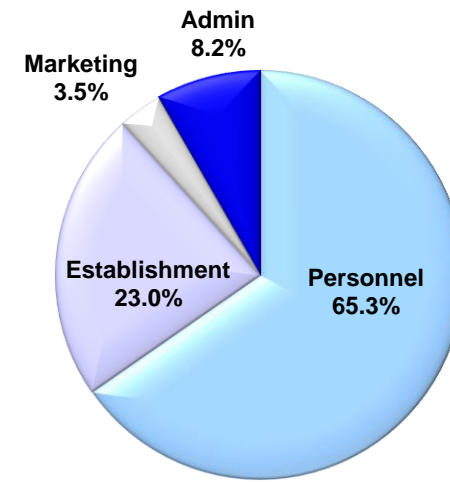
FY2014 vs FY2013  
- RM11.1 mil  
- 1.7%

## Composition of operating expenses

### FY2014



### FY2013

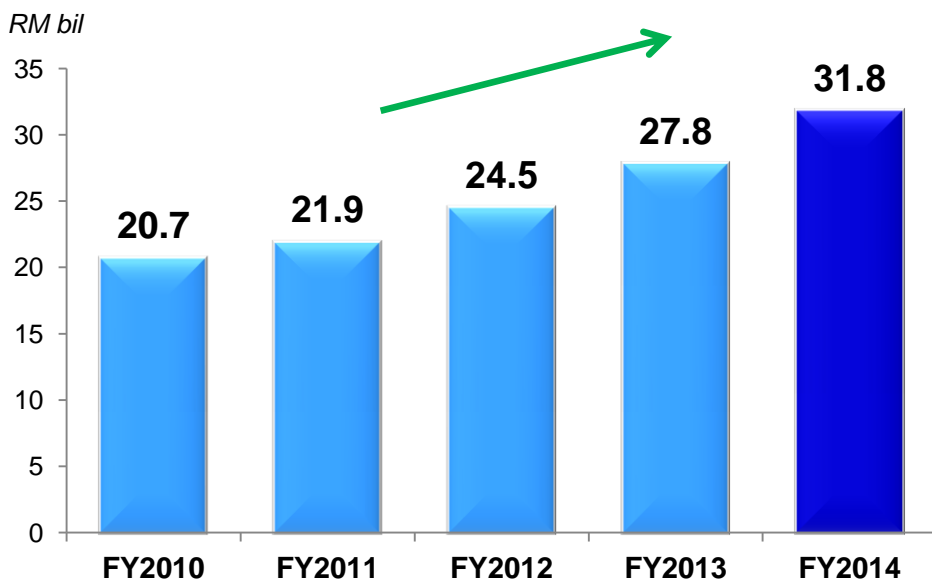


OPEX Contribution	FY2014 RM mil	FY2013 RM mil	Change	
			RM	%
Personnel	399.1	417.6	-18.5	-4.4
Establishment	146.3	146.9	-0.6	-0.4
Marketing	23.9	22.5	1.4	6.2
Administration	58.9	52.3	6.6	12.6

- Operating expenses reduced, contributed by effective cost management as the Group continues to invest in IT infrastructure as well.
- Personnel cost remains the main operating cost. Excluding one-off staff rationalisation expense of RM22.3 million incurred in 1st Quarter, personnel cost constitutes 62.2% of total OPEX.

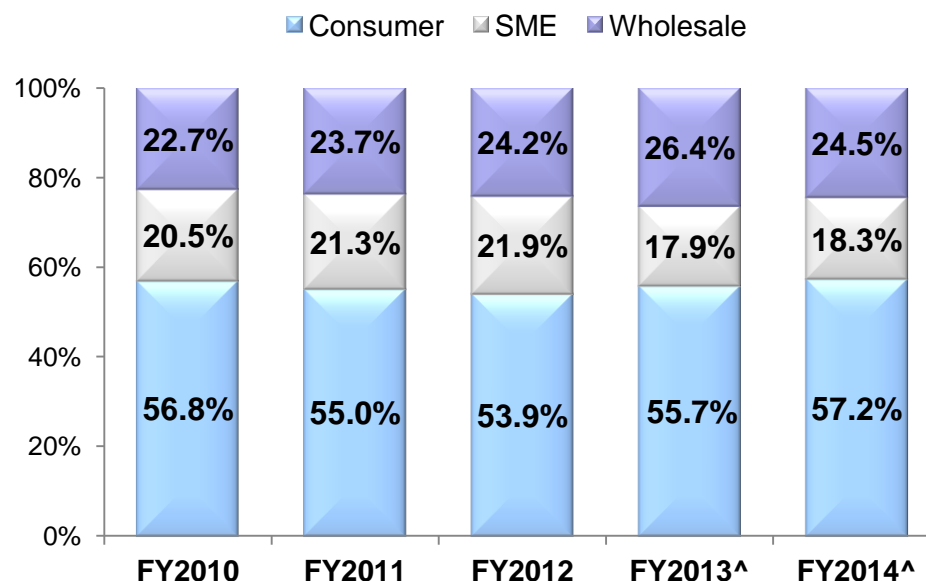
## Net Loans Growth Momentum at 14.6% Y-o-Y, Driven By Consumer Lending

**Net loans, Advances and Financing Trend**



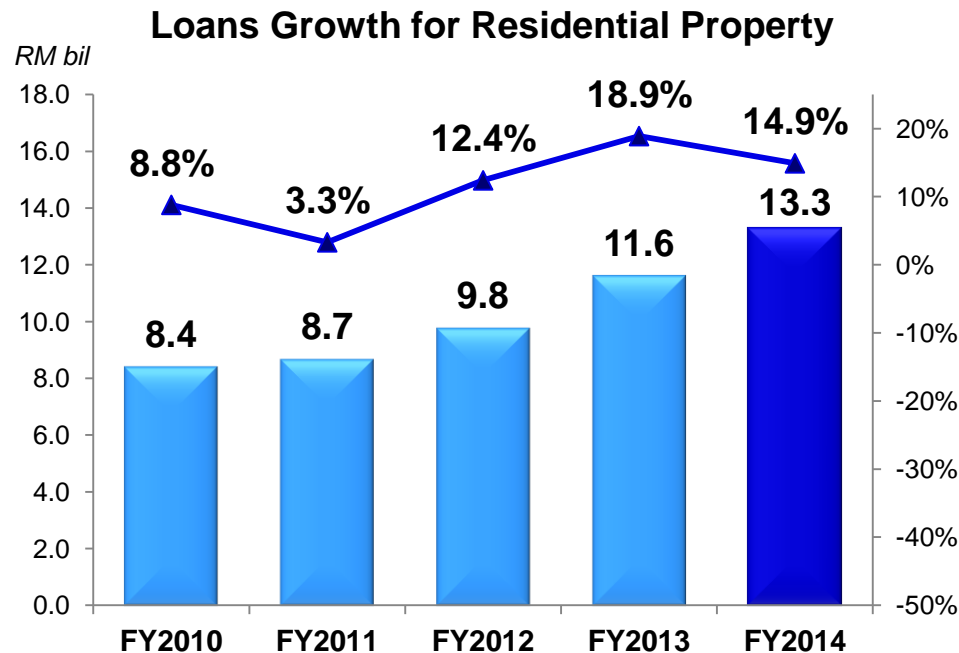
FY2014 vs FY2013  
+ RM4.0 bil  
+ 14.6%

**Loans Composition by Business Segments**

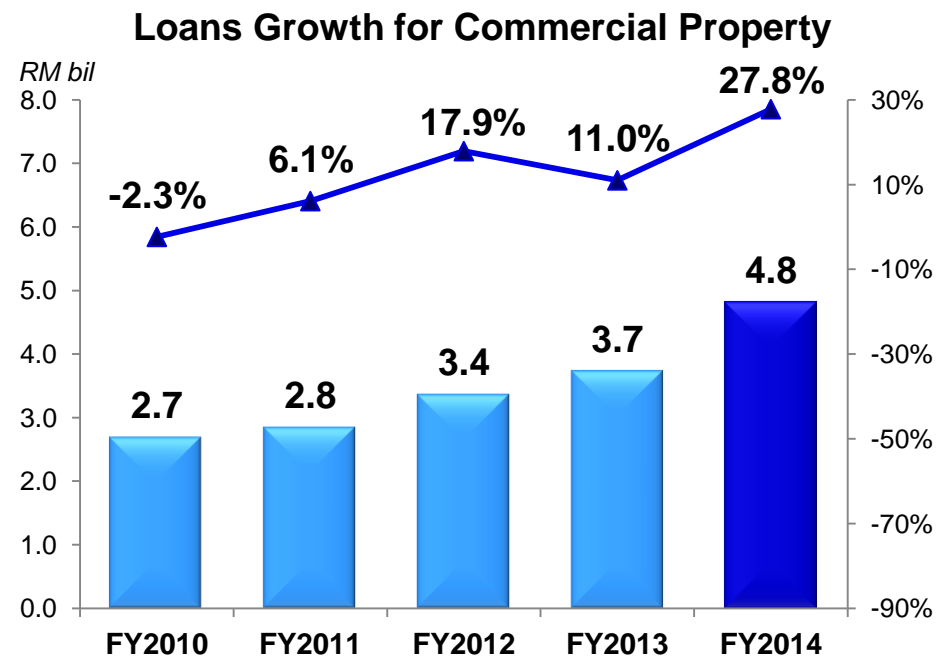


- ❑ **Net loans growth** of 14.6%, higher than industry loans growth
- ❑ Balanced loans composition with 57.2% Consumer; 18.3% SME and 24.5% for Wholesale Lending
- ❑ Effective management of interest rate risk: 89.7% of loan book is floating rate (FY2013: 90.3%)

## Maintained Double-digit Growth Y-o-Y for Residential & Commercial Properties



FY2014 vs FY2013  
+ RM1.7 bil  
+ 14.9%

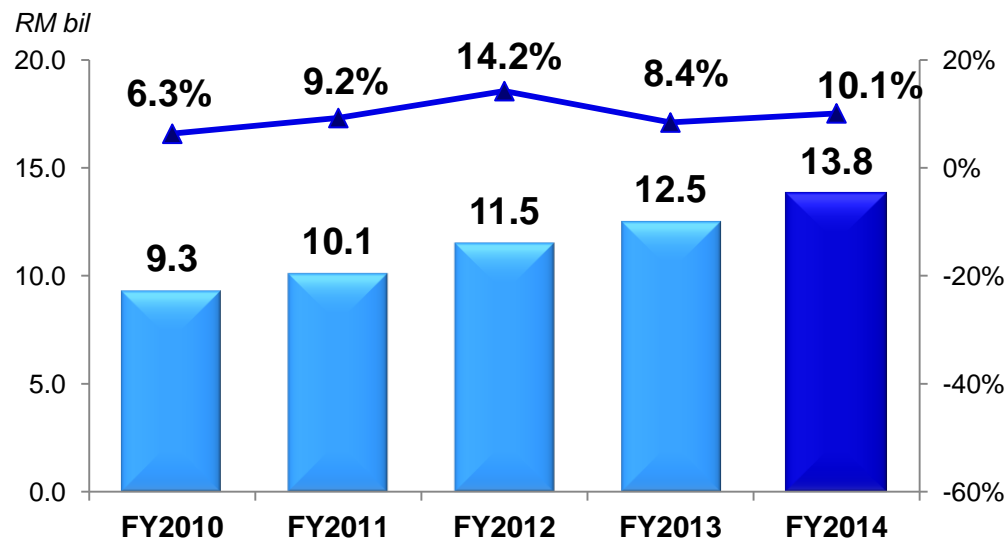


FY2014 vs FY2013  
+ RM1.0 bil  
+ 27.8%

- ❑ Residential properties: +RM1.7 billion or 14.9% y-o-y growth, higher than industry growth rate of 13.5%
- ❑ Commercial properties: +RM1.0 billion or 27.8% y-o-y growth
- ❑ Focus on high growth areas i.e. Klang Valley, Penang and Johor, with attractive housing loan packages for the right customer segments, and business premises financing for SMEs

## Business Loans Growth Momentum Pick-Up, with Lending to SMEs at 17.0% Y-o-Y Growth

### Loans Growth for Business Banking

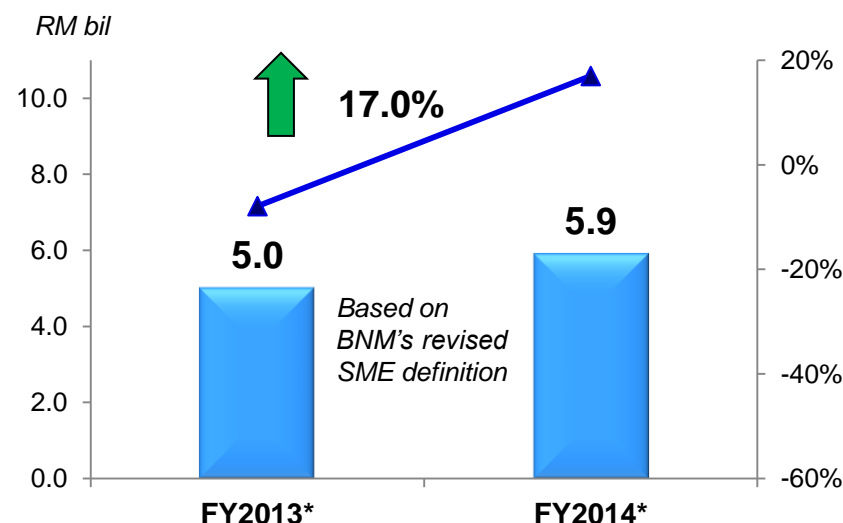


FY2014 vs FY2013  
+ RM1.3 bil  
+ 10.1%

- ❑ Overall business loans: +RM1.3 billion or 10.1% y-o-y.
- ❑ Corporate & commercial loans: Major loan repayment in December 2013 moderated corporate loans growth.

(RM'mil)	FY2013	FY2014	Y-o-Y Growth
SME	5,041	5,900	17.0%
Corporate & Commercial	7,471	7,874	5.4%

### Loans Growth for SME

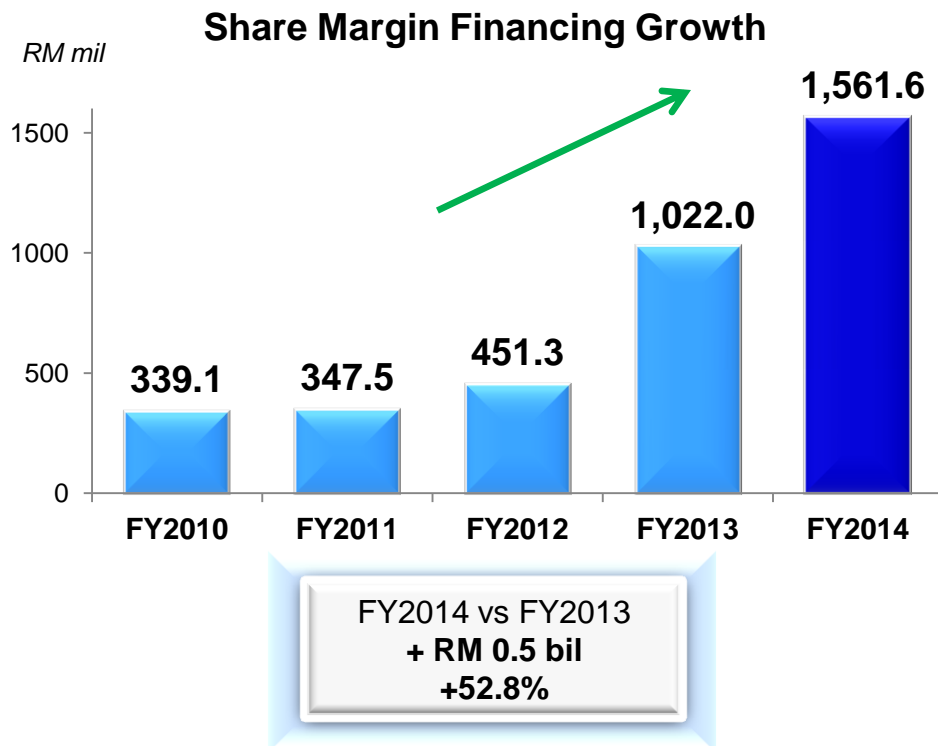


FY2014 vs FY2013  
+ RM0.9 bil  
+ 17.0%

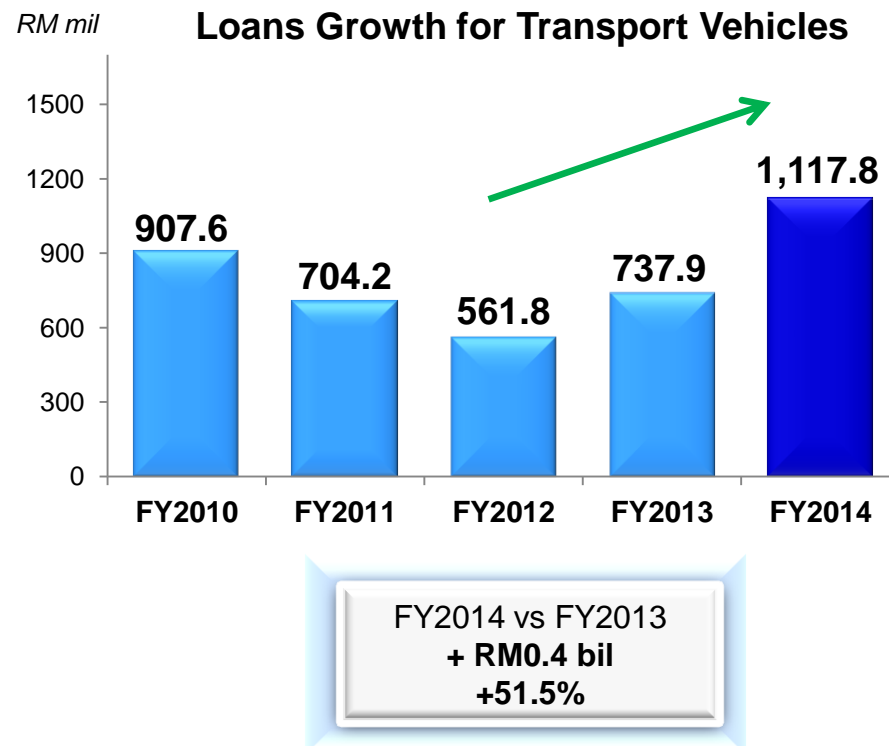
- ❑ SME Lending: up RM 0.9 billion or 17.0% y-o-y (based on BNM's revised SME definition).

*Note: \* BNM's revised SME definition effective from 1 January 2014. FY2013 SME loans have been restated based on BNM's revised SME definition.*

## Growth in Share Margin Financing and Hire Purchase Loans



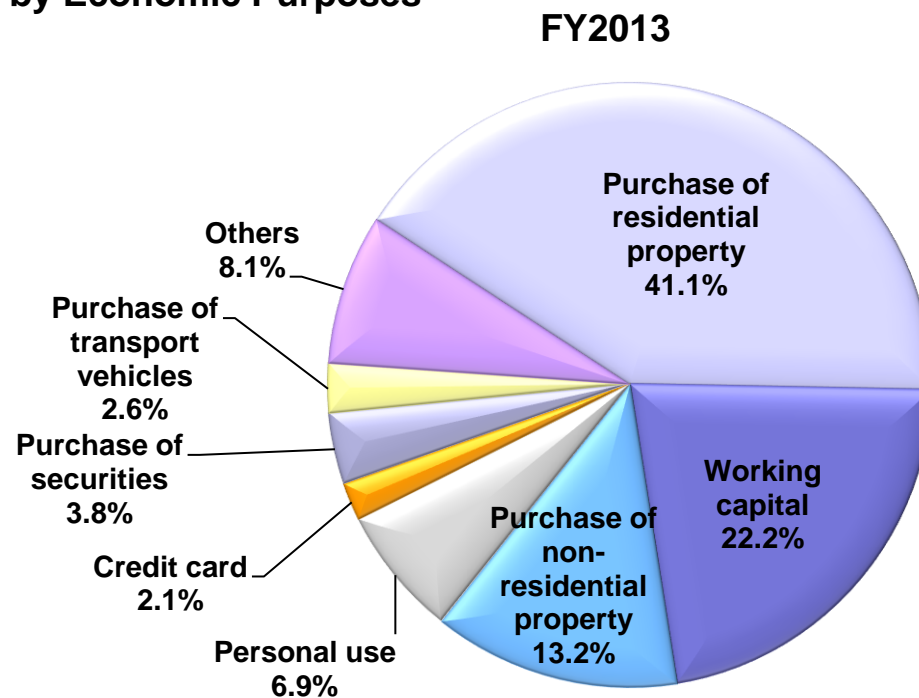
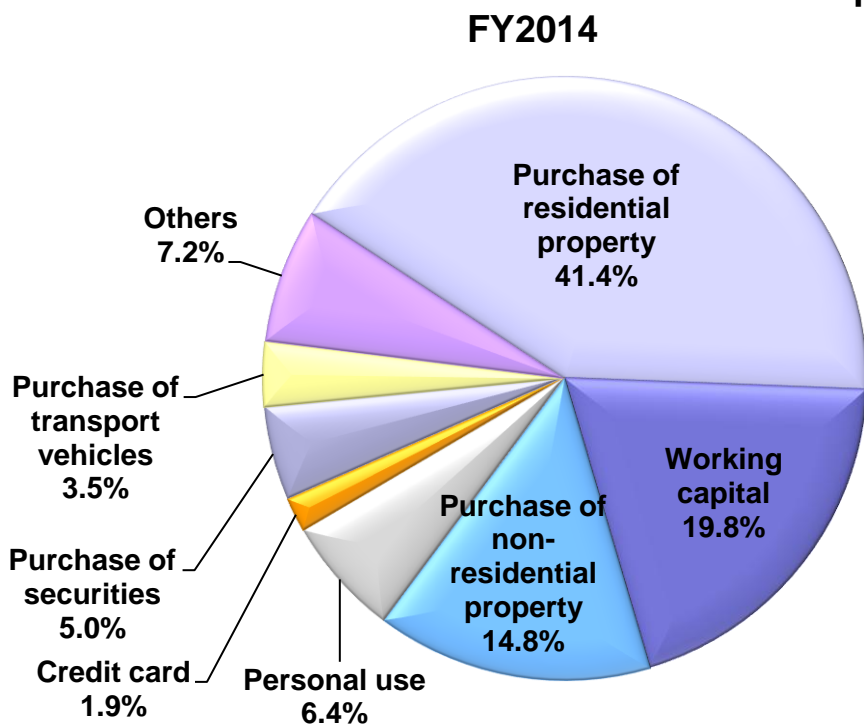
- Share Margin Financing for FY2014 grew RM539.6 million or 52.8% year-on-year (y-o-y) with greater focus on wealth management and reorganisation of broking business.



- Re-commenced Hire Purchase financing in April 2012, focusing on new cars and non-national marques.
- +RM379.9 million y-o-y growth with continued expansion of panel of car dealers and distributors.

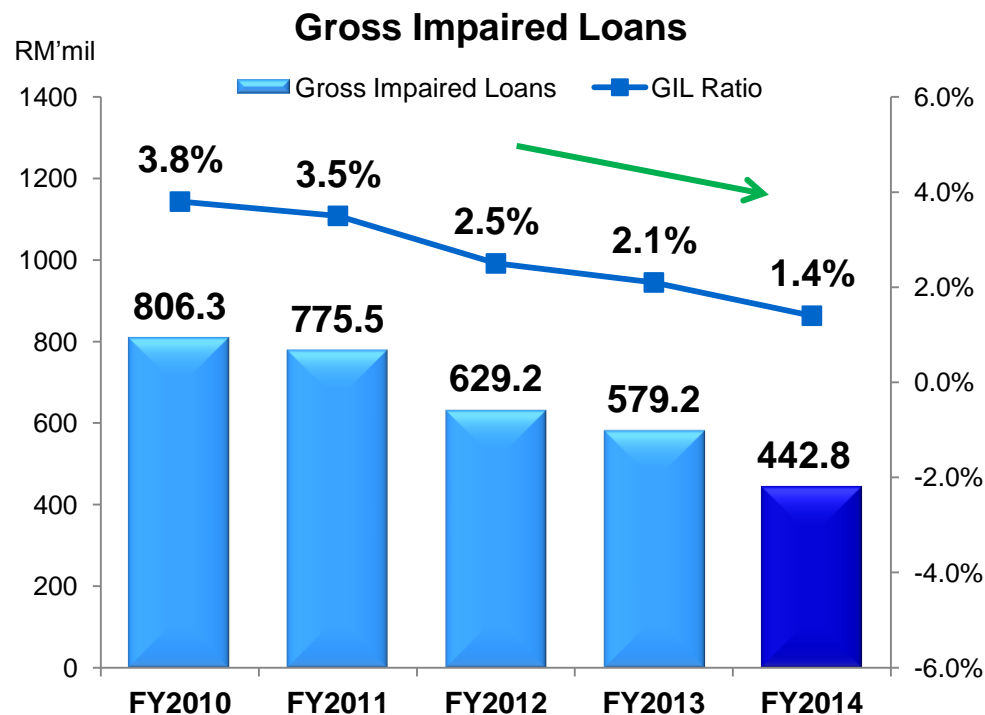
## Well Diversified & Secured Loans Portfolio

### Loans Composition by Economic Purposes



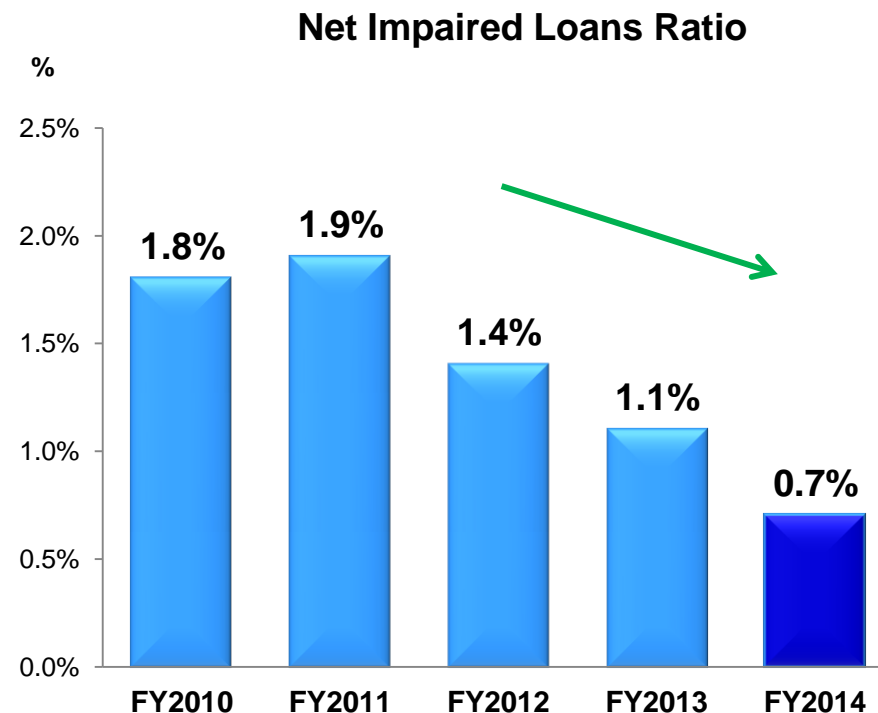
- ❑ Risk Management – well diversified and collateralised loan book.
- ❑ Residential and non-residential properties account for 56.2% of gross loans portfolio:
  - 41.4% of loans portfolio is for the purchase of residential properties (up from 41.1% in FY2013)
  - 14.8% is for the purchase of non-residential properties (up from 13.2% in FY2013)
- ❑ 19.8% of loans is for working capital, compared to 22.2% in FY2013.

## Continued Improvement In Asset Quality – Net Impaired Loans Ratio at 0.7%



FY2014 vs FY2013  
**GIL: - RM136.4 mil**  
**- 23.6%**

FY2014 vs FY2013  
**GIL Ratio: - 0.7%**  
*(from 2.1% Mar 2013)*

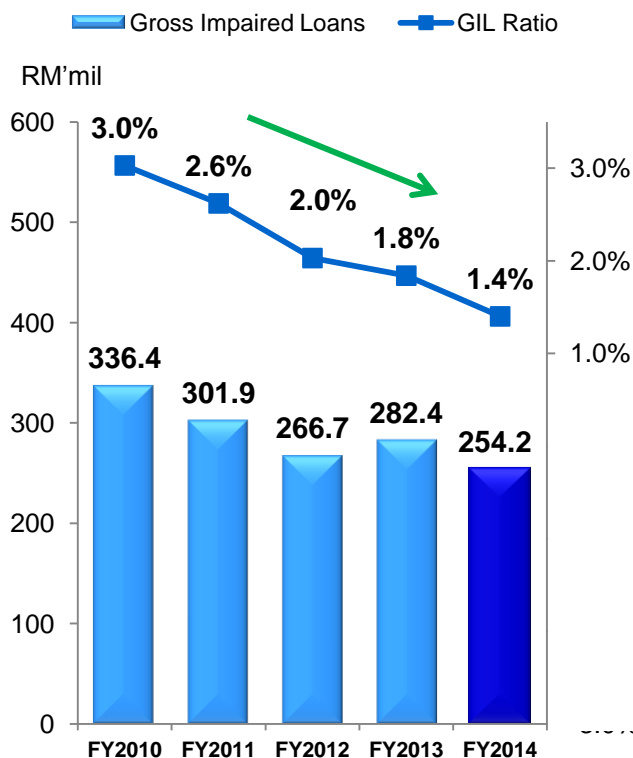


FY2014 vs FY2013  
**NIL Ratio: - 0.4%**  
*(from 1.1% Mar 2013)*

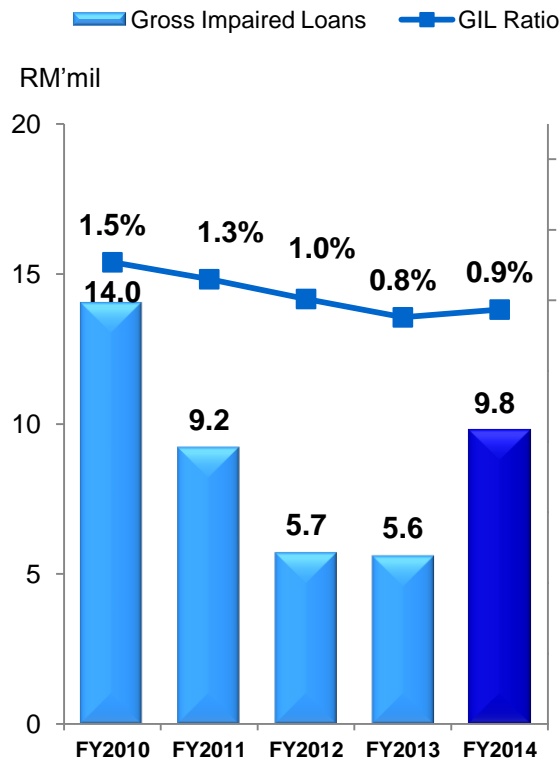
- ❑ Net reduction in gross impaired loans of RM136.4 million y-o-y, despite a 14.1% y-o-y gross loans growth.
- ❑ The continued improvement in impaired loans is the result of continuing efforts to refine credit origination processes, credit scoring models and intensify collection.

## Continued Improvement in Asset Quality for Mortgages and SME segments

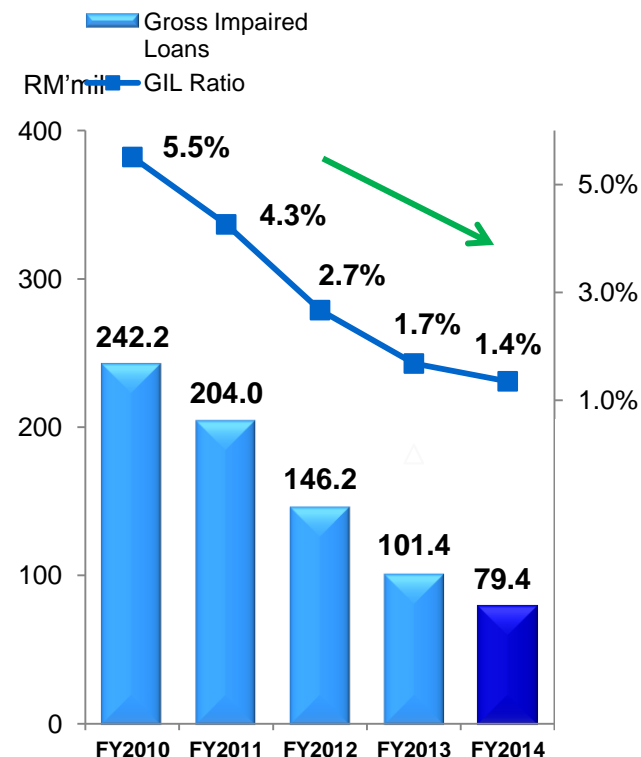
### Purchase of Residential and Non-Residential Properties



### Purchase of Transport Vehicles



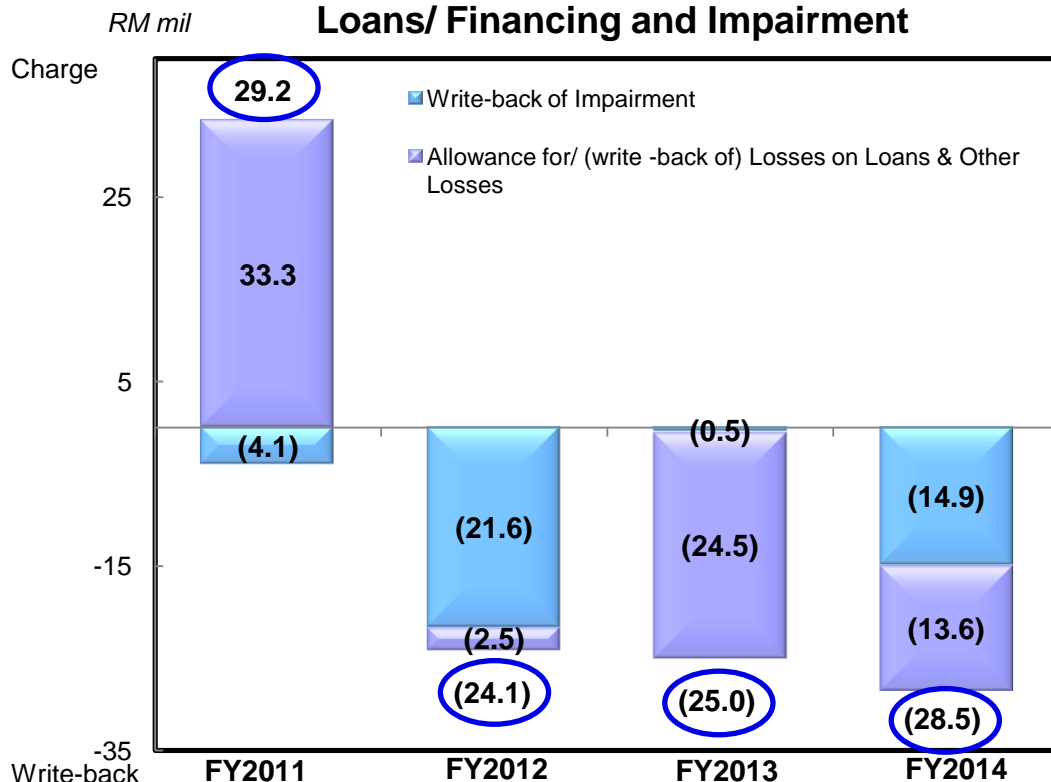
### SME



- ❑ Asset quality continued to improve, with the gross impaired loans (“GIL”) ratio for the purchase of residential & non-residential properties declined to 1.4% on combined basis.
- ❑ GIL ratio for purchase of transport vehicles increased to 0.9%, however the increase is only RM4.2 million on the back of loans growth in this segment of RM379.9 million in FY2014.
- ❑ GIL ratio for SME segment further improved to 1.4%.

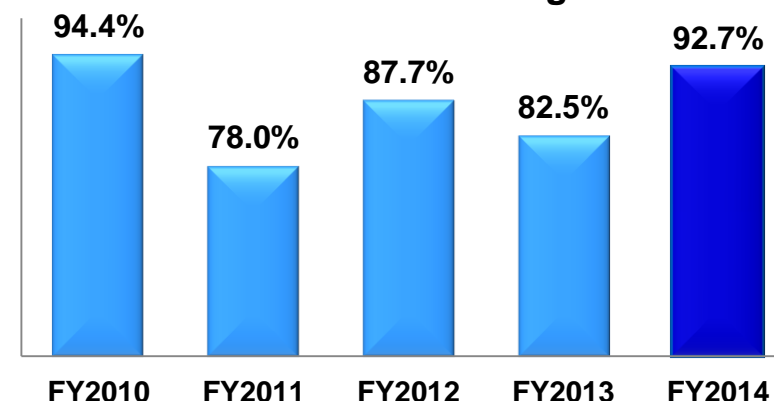
## FY2014: RM28.5 million of Total Write-Back of Losses Provisions & Impairment (CLO)

### Net (Write-back) / Allowance of losses on Loans/ Financing and Impairment



- ❑ Lower net write back of impairment on loans/ financing in FY2014 is mainly due to lower bad debts recoveries (fewer major recovery accounts in FY2014).
- ❑ Higher write-back of impairment (CLO) is due to recoveries of RM14.9million for FY2014 (compared to RM0.5million in FY2013).

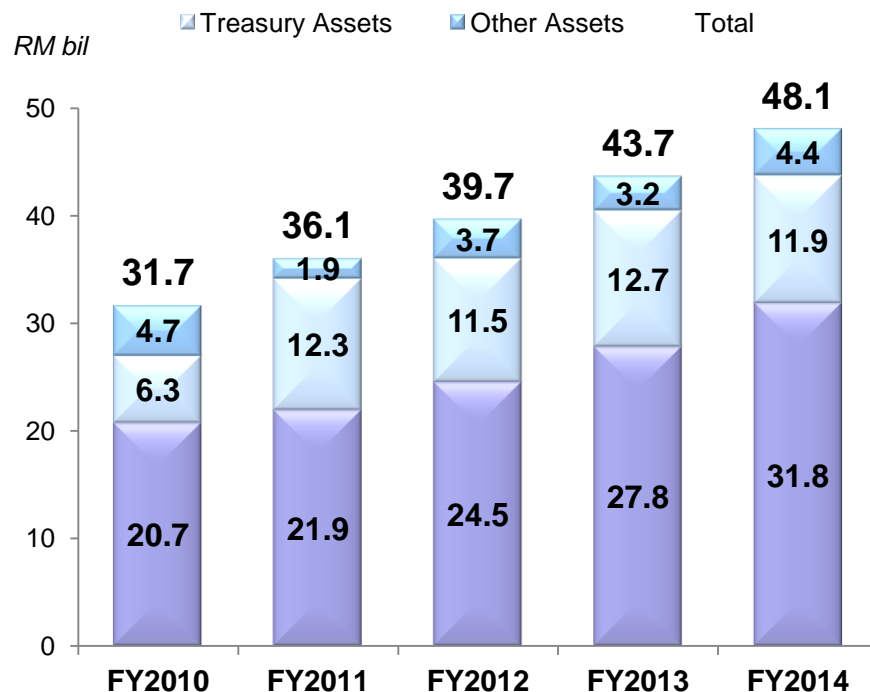
### Loan Loss Coverage



RM'000	FY2014	FY2013
Individual assessment	5,613	19,674
Collective assessment	11,746	8,034
Bad debts recovered	(59,113)	(78,360)
Bad debts written off	24,511	21,660
Write-back of commitments /contingencies	-	(197)
Allowance for other assets	3,622	4,676
<b>(Write-back of) losses on loans/ financing and other losses</b>	<b>(13,621)</b>	<b>(24,513)</b>
<b>Write-back of impairment (CLO)</b>	<b>(14,927)</b>	<b>(474)</b>
<b>Total write-back</b>	<b>(28,548)</b>	<b>(24,987)</b>

## Effective Utilisation of Balance Sheet: Net Loans Constitute 66.2% of Total Assets

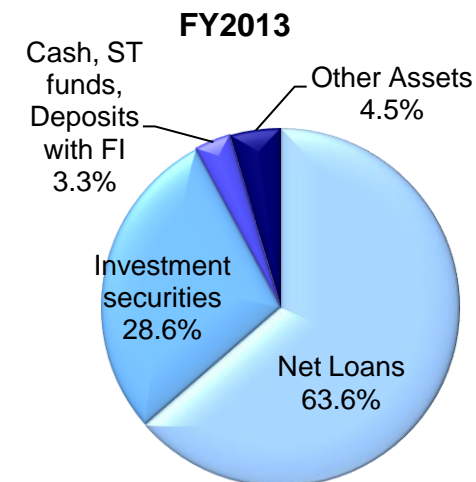
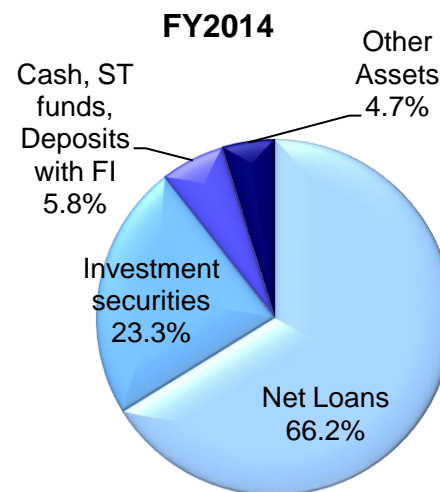
### Total Assets Trend



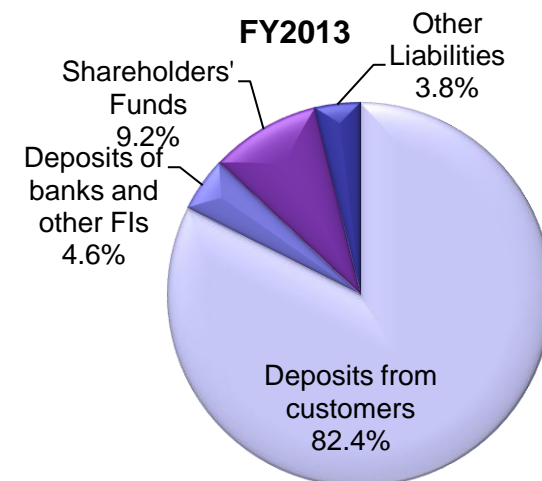
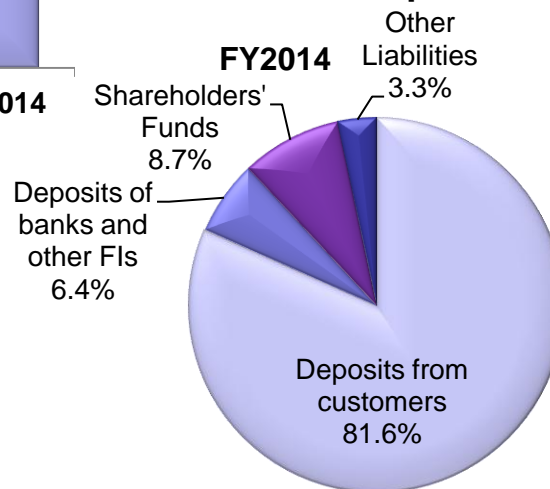
**FY2014 vs FY2013  
+ RM4.4 bil  
+ 10.0%**

- Total assets expanded by RM4.4 billion or 10.0% y-o-y to RM48.1 billion, driven mainly by lending.

### Composition of Total Assets

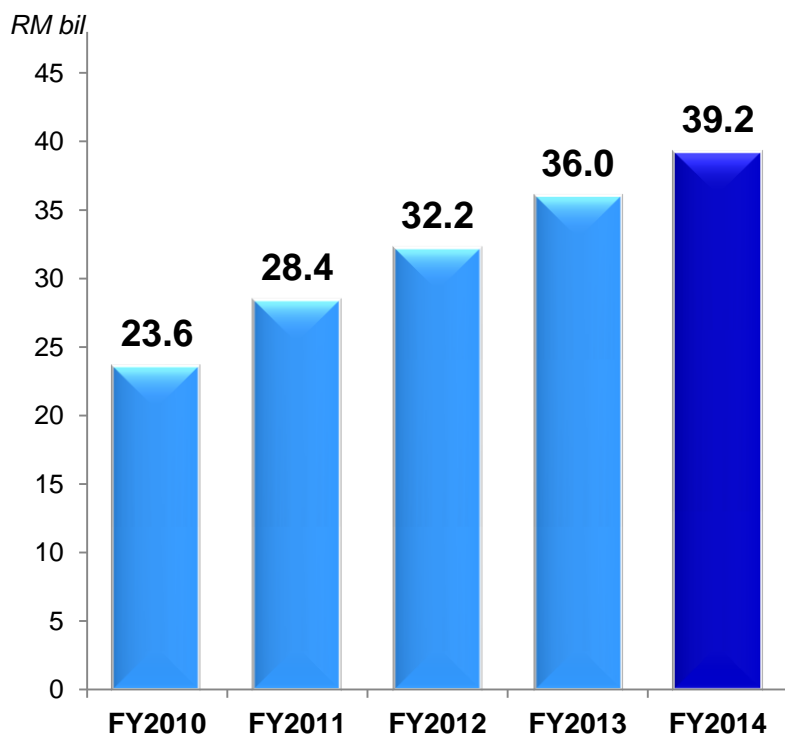


### Composition of Total Liabilities/Equity



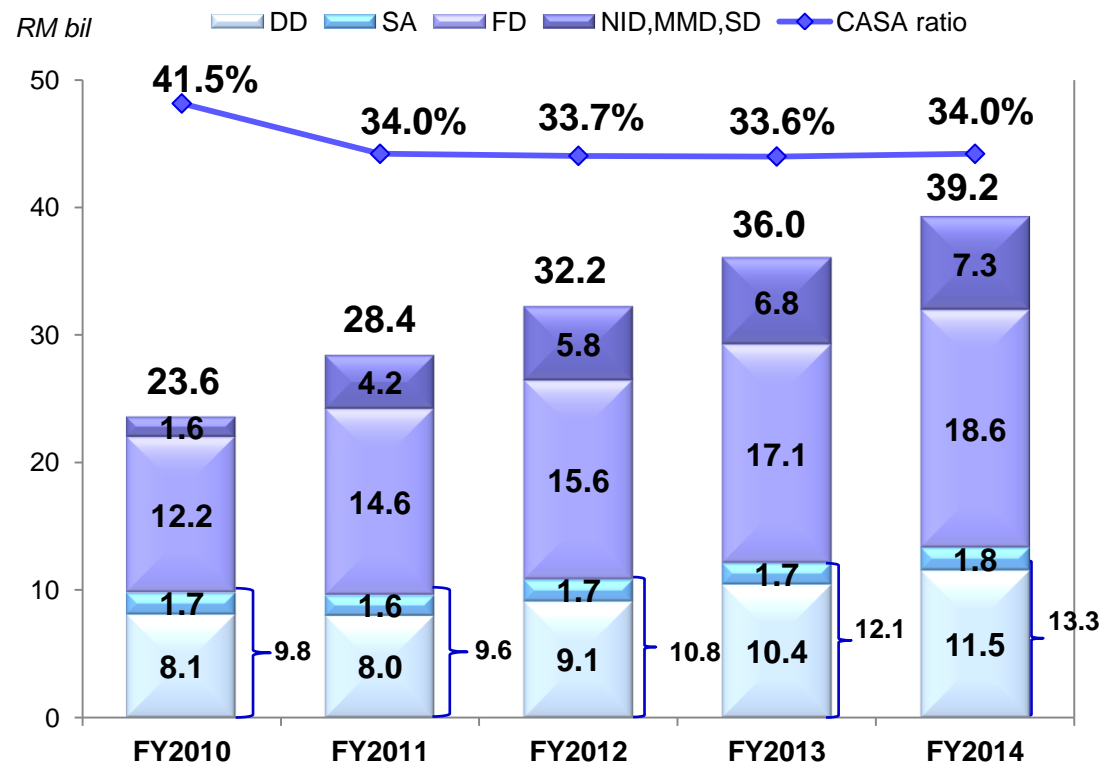
### Robust Deposit Growth of 9.0% Y-o-Y, With CASA Deposits Up 10.1% to RM13.3 billion

#### Customer Deposits Trend



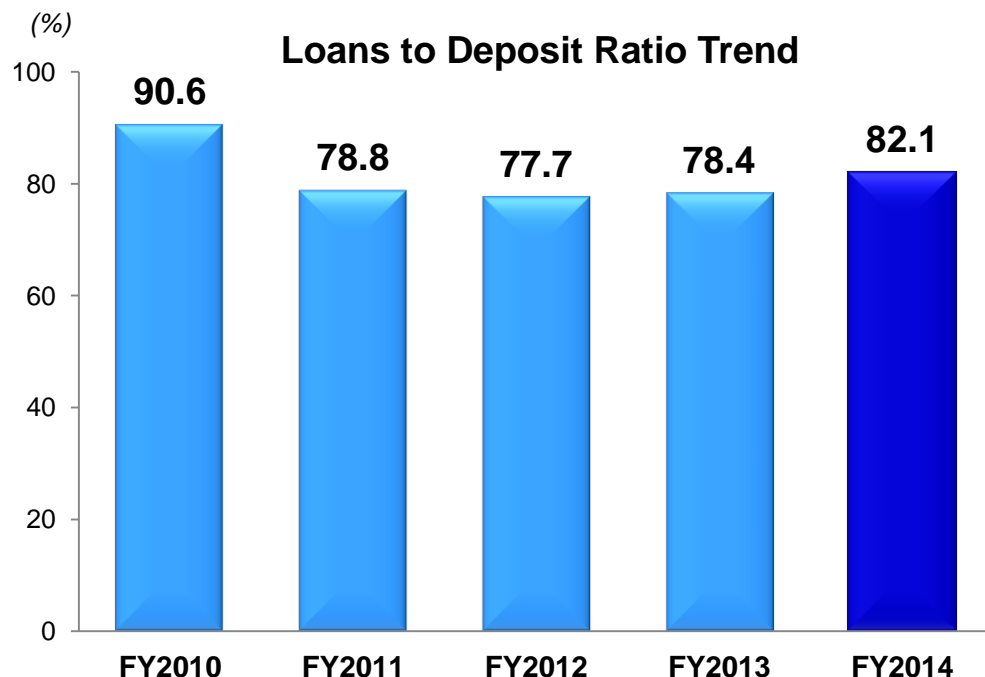
FY2014 vs FY2013  
+ RM3.2 bil  
+ 9.0%

#### CASA Trend



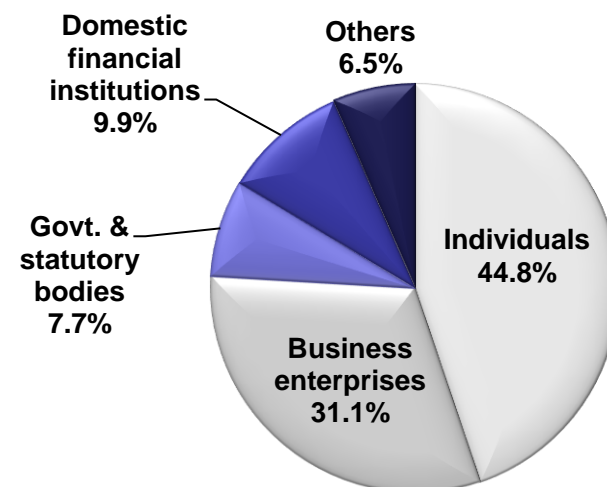
- ❑ Total customer deposits of RM39.2 billion as at FY2014, up 9.0% from the same period last year.
- ❑ CASA deposits expanded by RM1.2 billion or 10.1% y-o-y to RM13.3 billion in FY2014.

### Strong Liquidity Position with Loans to Deposits Ratio at 82.1%

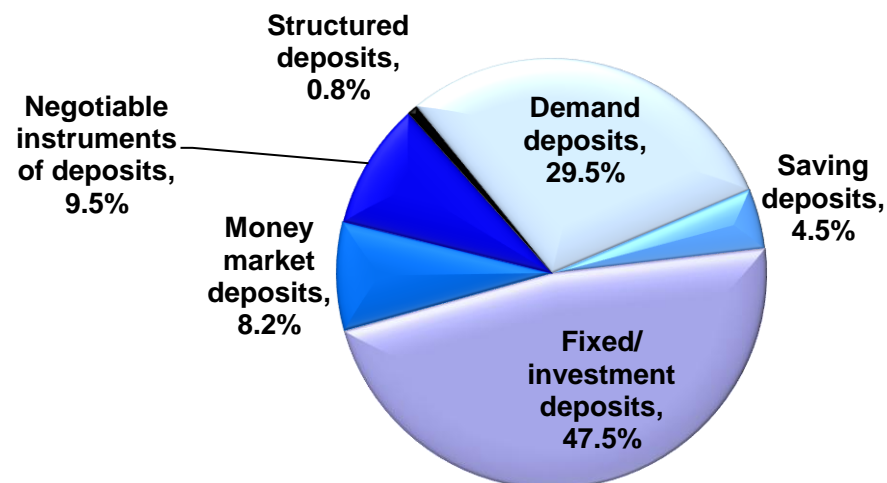


- ❑ Loans to Deposit Ratio of 82.1% in FY2014.
- ❑ Our overall strategy is to eventually raise Loans to Deposit ratio closer to 85.0%:
  - for more efficient balance sheet management; and
  - to be in line with industry

### Deposits Composition by Customer Type

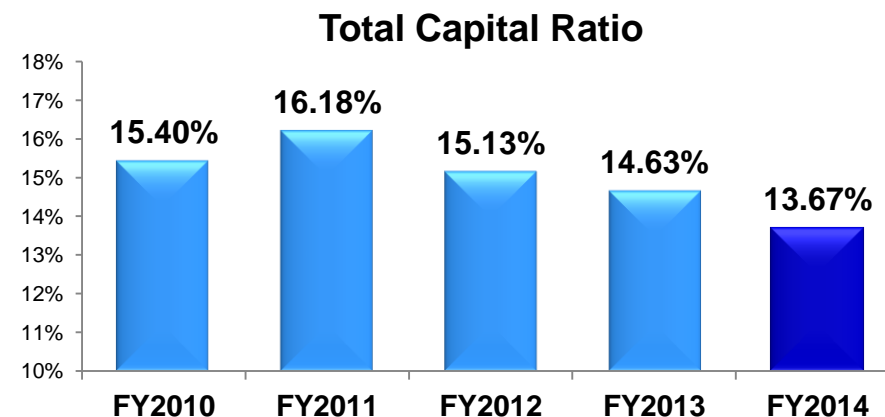


### Deposits Composition by Product Type



## Basel III: Capital Adequacy Ratios Well Above Regulatory Requirements

Legal Entities	CET 1 Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
<b>AFG</b>	<b>10.38%</b>	<b>11.43%</b>	<b>13.67%</b>
ABMB	10.36%	11.61%	11.67%
AIS	13.11%	13.11%	13.82%
AIBB	92.15%	92.15%	92.18%
<b>Basel III Minimum regulatory capital adequacy ratio ^</b>	<b>4.5%</b>	<b>6.0%</b>	<b>8.0%</b>

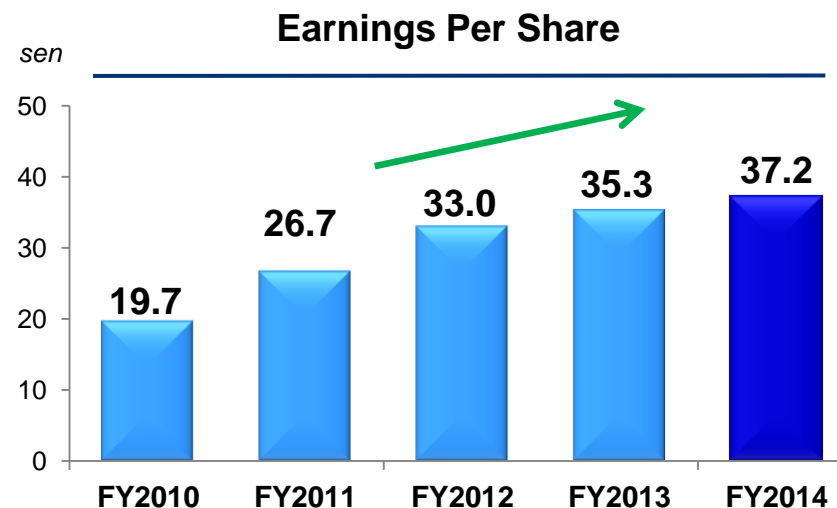
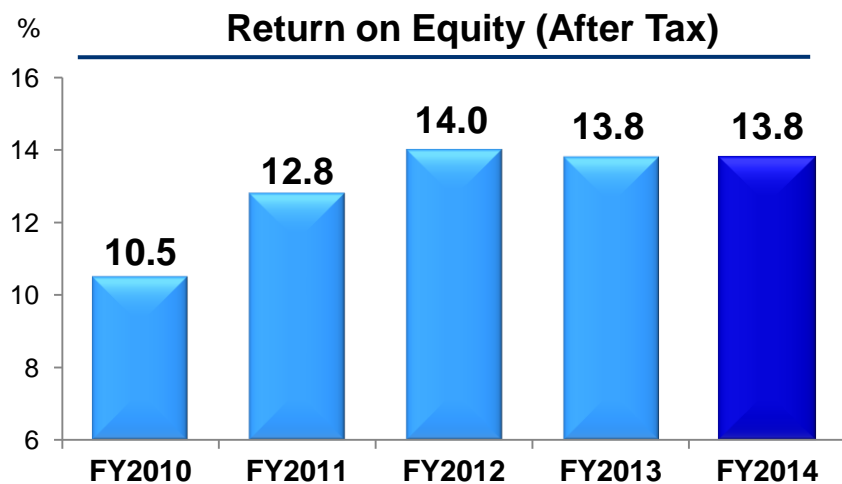
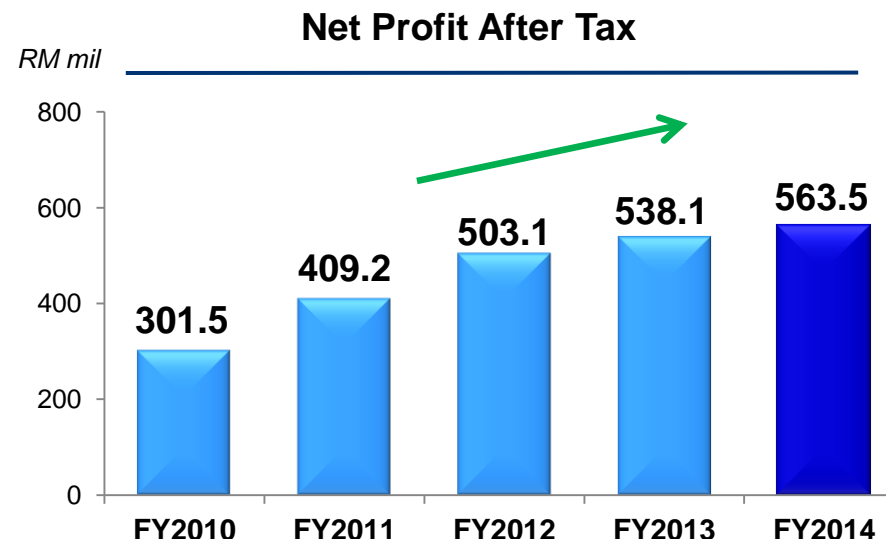
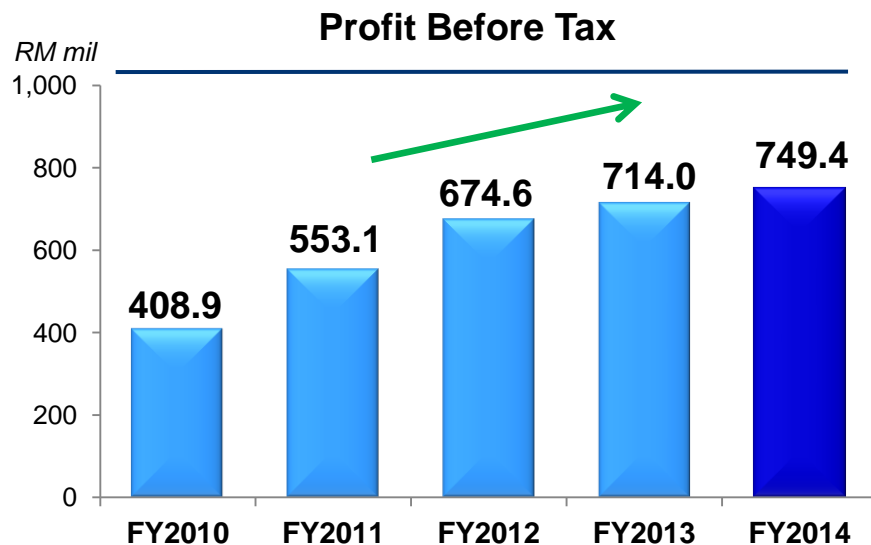


RM'mil	FY10	FY11	FY12	FY13	FY14
<b>Double Leverage Ratio</b>	<b>97.5%</b>	<b>97.2%</b>	<b>98.7%</b>	<b>98.5%</b>	<b>99.0%</b>

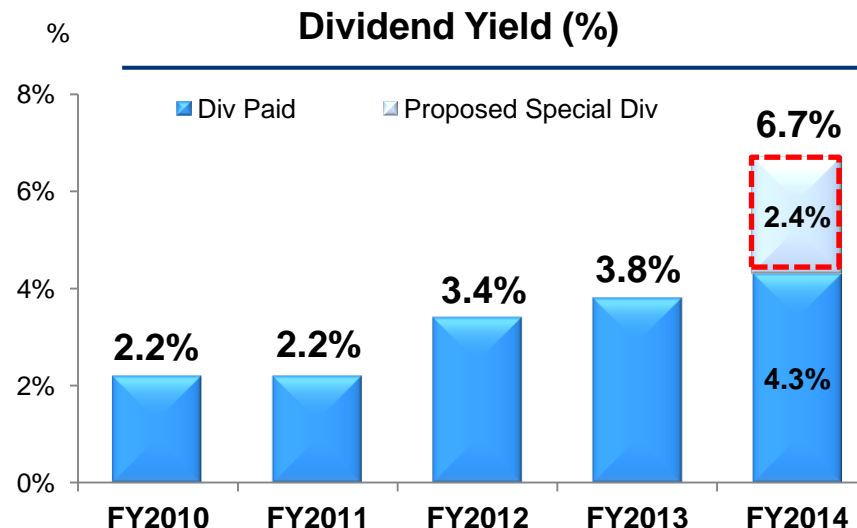
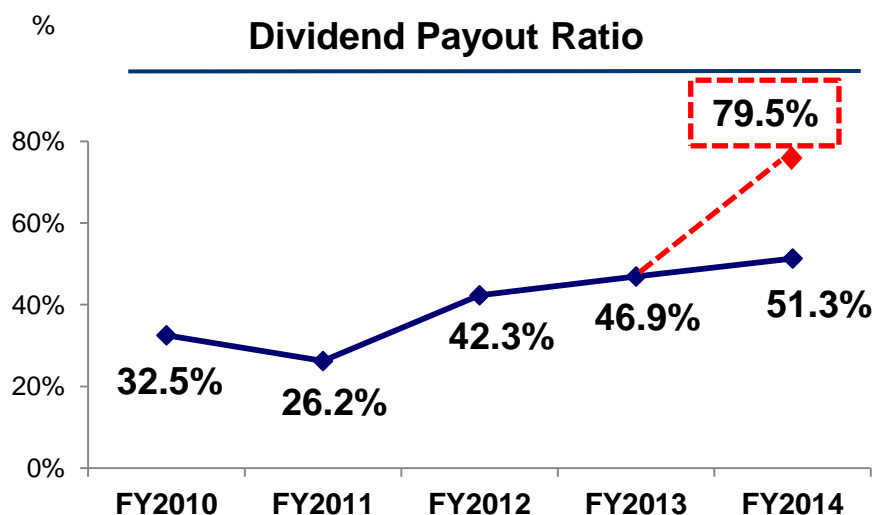
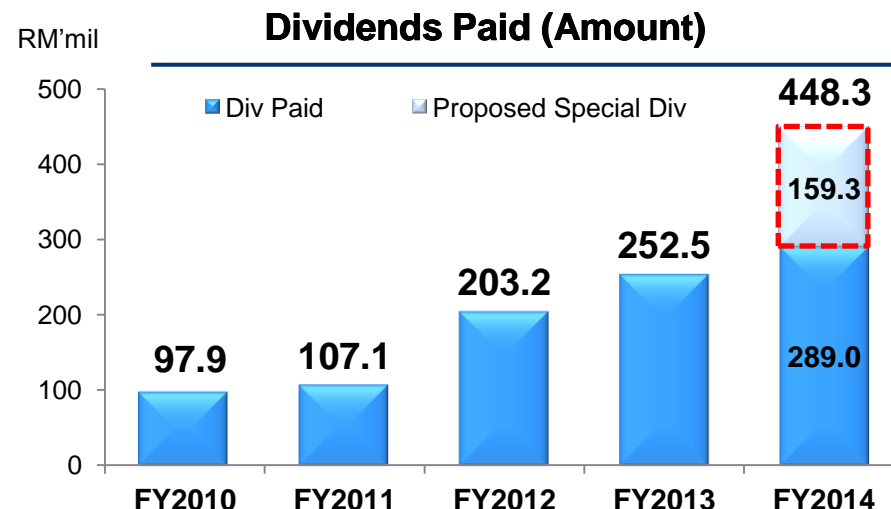
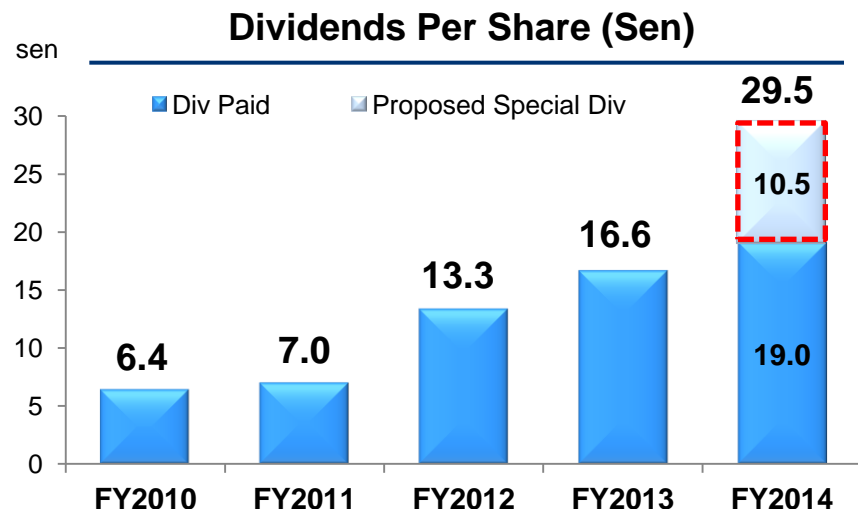
- Strong profit generation capacity to fund balance sheet expansion and targeted dividend payouts.
- Continuous enhancement of capital usage by focusing on:
  - Less capital intensive lending activities – Consumer, Mortgage and SME lending
  - Non-interest income and fee based activities – Wealth Management and Transaction Banking
  - Improving asset quality
- Capital adequacy ratios are **well above Basel III requirements**.



Return on Equity at 13.8%, with Consistent Growth in Earnings Per Share



### FY2014: Progressively Raising Dividend in line with Revised Policy of up to 60% of Net Earnings



Note:  Including proposed special dividend of 10.5 sen

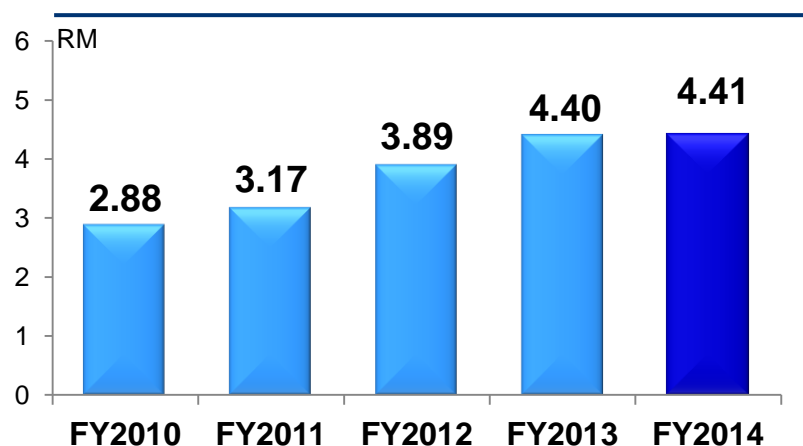
## FY2014: Steady improvement in Market Capitalisation and Share Price performance

**Market Capitalisation**



- Market capitalisation and share price performance is improving steadily, with CAGR at 11.2% since FY2010.
- The Group's Total Shareholder Return, which takes into account the capital gains of share price and dividends to measure enhancement of value to shareholders, stood at 6.9%.

**Share Price Performance**



Financial Year	Capital Gain	Dividend Yield	TSR
FY10	70.4%	2.2%	72.6%
FY11	10.1%	2.2%	12.3%
FY12	22.7%	3.4%	26.1%
FY13	13.1%	3.8%	16.9%
FY14	0.2%	6.7%	6.9%

# THANK YOU

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**BNM Definition for SME**

New definition	CATEGORY	MICRO	SMALL	MEDIUM
	Manufacturing	Sales Turnover <RM300,000  OR Employees <5	RM300,000≤ Sales Turnover <RM15 mil  OR 5≤ Employees <75	RM15 mil≤ Sales Turnover ≤RM50 mil  OR 75≤ Employees ≤200
	Services and Other Sectors	Sales Turnover <RM300,000  OR Employees <5	RM300,000≤ Sales Turnover <RM3 mil  OR 5≤ Employees <30	RM3 mil≤ Sales Turnover <RM20 mil  OR 30≤ Employees ≤75
Old definition	CATEGORY	MICRO	SMALL	MEDIUM
	Manufacturing	Sales Turnover <RM250,000  OR Employees <5	RM250,000≤ Sales Turnover <RM10 mil  OR 5≤ Employees <51	RM10 mil≤ Sales Turnover ≤RM25 mil  OR 51≤ Employees ≤150
	Services and Other Sectors (including Primary Agriculture)	Sales Turnover <RM200,000  OR Employees <5	RM200,000≤ Sales Turnover <RM1 mil  OR 5≤ Employees <20	RM1 mil≤ Sales Turnover <RM5 mil  OR 20≤ Employees ≤50

## Guideline on Classification and Impairment Provision for Loans/Financing

### Requirement

- Banks to ***maintain, in aggregate, collective assessment allowance (“CA”) and Regulatory Reserve ratio of 1.2%.***
- The ***CA + Regulatory Reserve*** is stated as a percentage of gross loans (excluding government loans), net of individual allowance (“IA”).
- ***CA*** includes both provision for impaired and non-impaired loans, amount as per disclosed in our financial statements.
- The Basic shall comply with this requirement by 31 Dec 2015.

AFG	Mar 2014	Mar 2013
CA %	0.98%	1.24%

### Treatment

- In the event the Bank is required to top up the provision to 1.2% (via the ***creation of Regulatory Reserve***), the ***top up portion*** is created by way of transferring the provision from retained profits i.e. merely ***movement within the statement of equity*** without additional charge to profit & loss accounts.
  - It would be a transfer from Retained Earnings to Regulatory Reserve (within Shareholders Funds).
  - Effectively the Regulatory Reserve will be similar to the Statutory Reserve – cannot be used to declare dividends. But no impact on the NTA.
- As per Para 14.1, ***Regulatory Reserve***, attributable to non-impaired loan is eligible for inclusion into ***Tier-2 capital computation.***

### Impact

- As at end-Mar 2014, AFG’s CA ratio was at 0.98%. To top up to 1.2%, this translates to addition ***RM71.9 million.***
- Estimated impact to CET1 ratio is a ***drop of ~0.24%*** to 10.14%. Total Capital Ratio maintained at 13.67%.