

Building Alliances to Improve Lives

Analyst Briefing FY2021

31 May 2021





Contents

1 FY21 Achievements

- FY21 Strategic Priorities / Achievements
- FY21 Financial Highlights

2 FY21 Financial Performance

- Revenue & Franchise Development
- Managing Risk
- Key Results

3 Going Forward

- FY22 Strategic Priorities
- FY22 Management Guidance

4 Appendix: Financial Results

- 4QFY21 & FY21 results
- Financial ratios

FY21 Strategic Priorities

FY21 Achievements

1

Covid-19 management

Keeping employees safe

- a) **Business continuity:** split operations, etc
- b) **Proactive employee communication & staff assistance**

Accomplishments

- **HQ: ~60%** working-from-home (**Non-HQ: ~30%**)
- **Voice of Employees (VoE) score: 88%**

Helping customers

a) Financial assistance

- i. Quick-to-market **government aid** programmes
- ii. Streamlined **targeted assistance** application process



a) Financial assistance

- **Government aid: RM601 million** in SRF & **RM137 million** in other programmes
- **Targeted assistance: RM7.0 billion** (16% of loan book, higher than industry)
- ✓ **97%** now continuing full / partial repayment

b) Non-financial assistance

- i. **#SupportLokal:** Helping SMEs get more publicity
- ii. **SocioBiz:** Crowdfunding helping underprivileged micro SMEs

b) Non-financial assistance

- Reached **~17 million Malaysians online** through **#SupportLokal** campaign
- **Global Finalist** for **"SME Bank of the Year"** award (by Efma)

FY21 Strategic Priorities

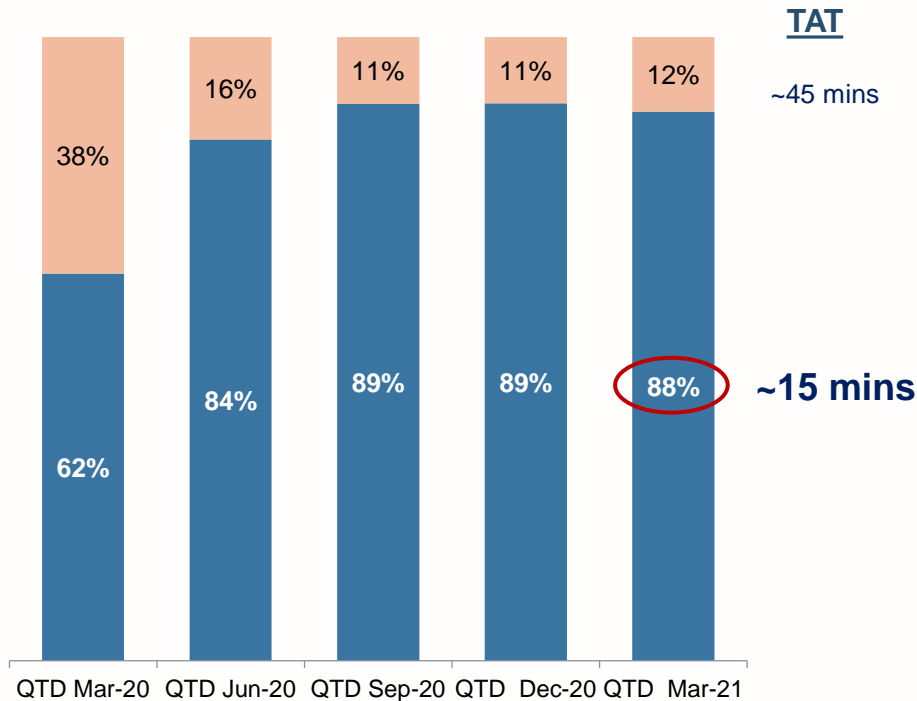
FY21 Achievements

2a

Accelerate remote banking: >80% of accounts opened digitally

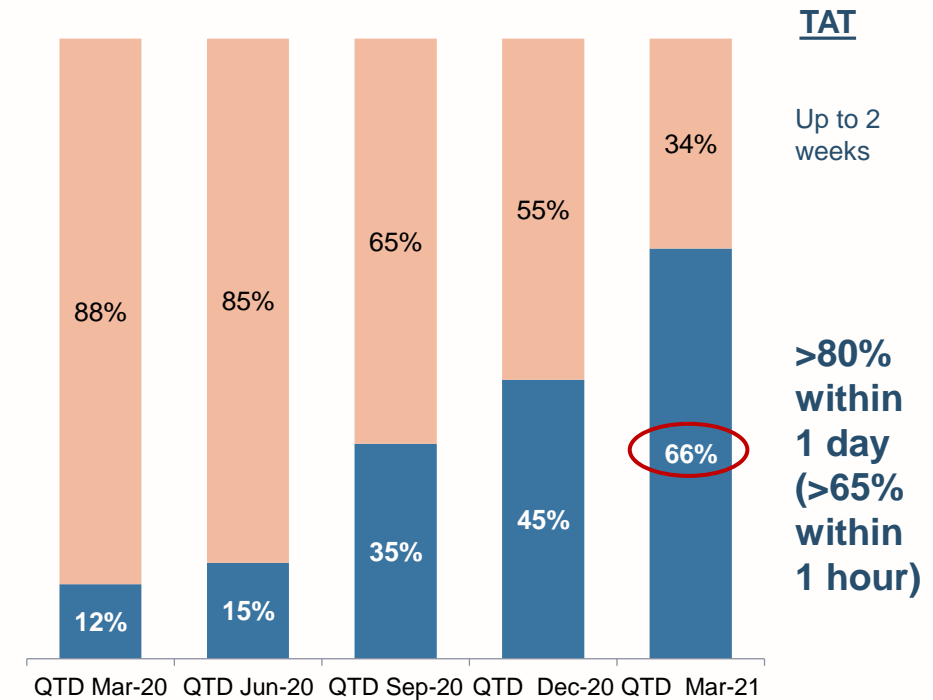
Consumer CASA STP

Proportion of accounts opened (%) ■ STP ■ Non-STP



Business CASA STP

Proportion of accounts opened (%) ■ STP ■ Non-STP



Note:
Include all sole proprietors & Sdn Bhd,
exclude partnerships / associations / lawyers

>90% of CASA STPs are opened in as little as 15 minutes



FY21 Strategic Priorities

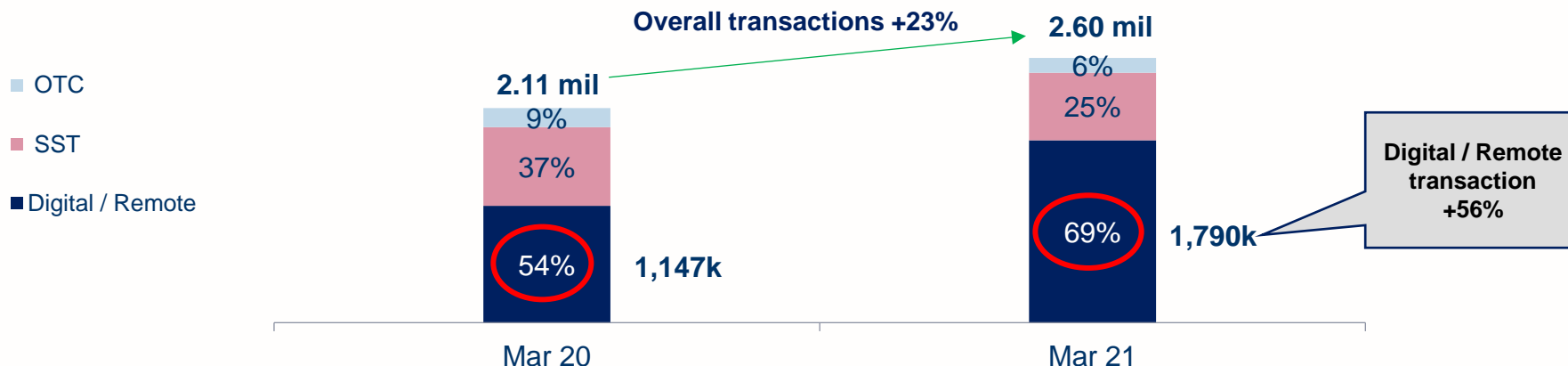
FY21 Achievements

2b

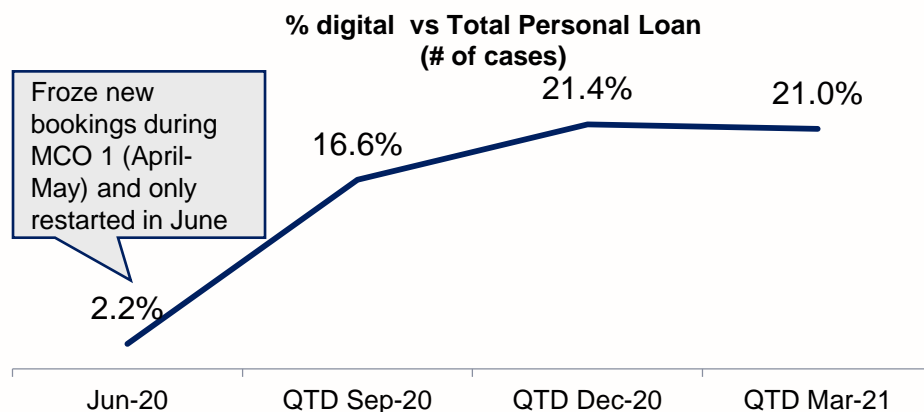
Accelerate remote banking: Digital transactions continue growing

Strong digital adoption: >65% transactions done digitally

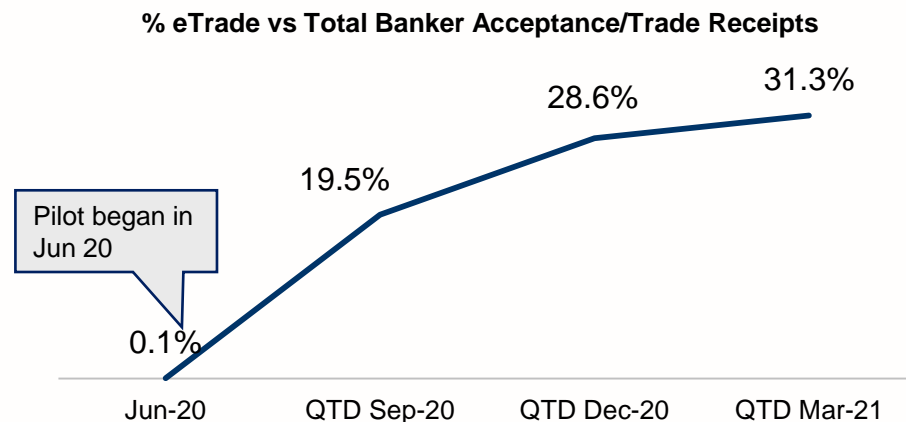
Account Transactions by Channel Type (Average/Month)



Consumer: Digital Personal Loan



Business: eTrade

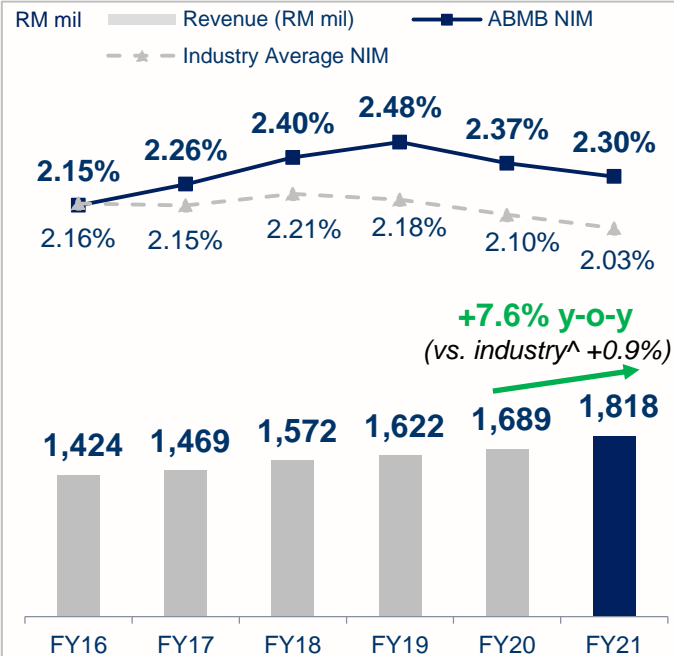


FY21 Financial Highlights



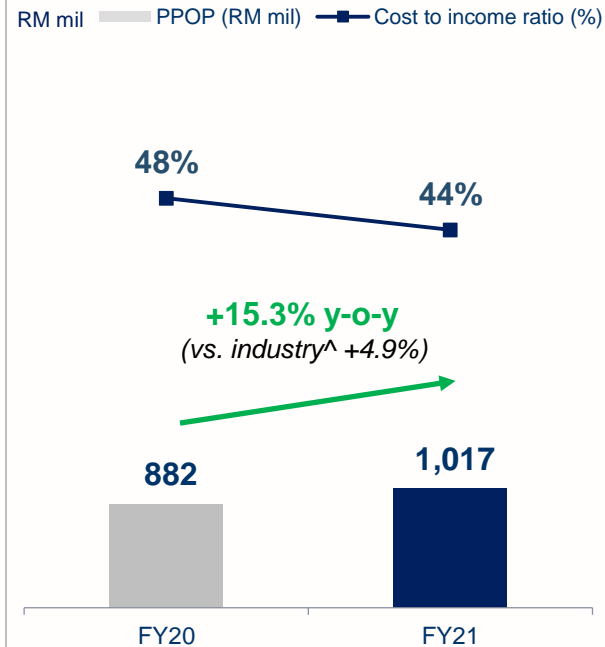
FY21 Achievements

1 Revenue outgrew industry; remained top 2 position for NIM



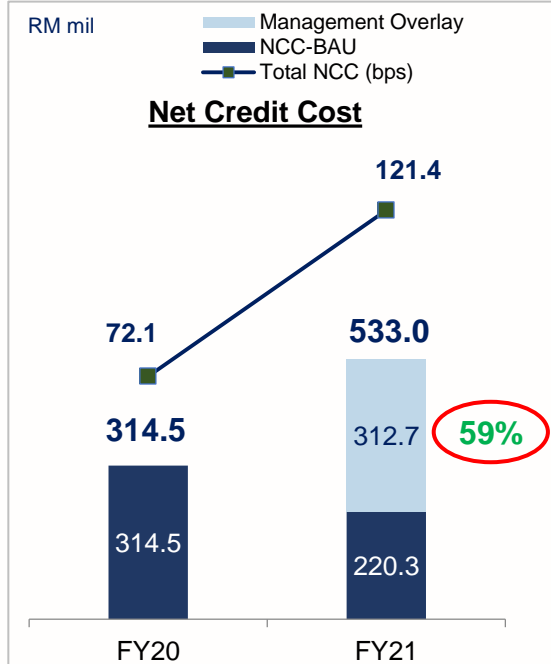
- Revenue: **+7.6% y-o-y**:
 - ✓ Net interest income: **+2.8% y-o-y** (despite OPR cuts)
 - ✓ Non interest income: **+24.8% y-o-y**
- NIM at **2.30%** (27bps > industry)

2 PPOP grew 15.3%



- OPEX < FY20
- CIR improved to **44.1%**
- PPOP: **+15.3% y-o-y**
(vs industry^: +4.9%)

3 Managing credit risk: management overlay of RM313 million



- Net credit cost at **121.4 bps**
 - ✓ within guidance
 - ✓ RM313 million or **59%** for management overlay

^ Note: Industry numbers were based on financial year-to-date December 2020 for local peers



Contents

1 FY21 Achievements

- FY21 Strategic Priorities / Achievements
- FY21 Financial Highlights

2 FY21 Financial Performance

- Revenue & Franchise Development
- Managing Risk
- Key Results

3 Going Forward

- FY22 Strategic Priorities
- FY22 Management Guidance

4 Appendix: Financial Results

- 4QFY21 & FY21 results
- Financial ratios

Revenue up 7.6% y-o-y, PPOP up 15.3% y-o-y

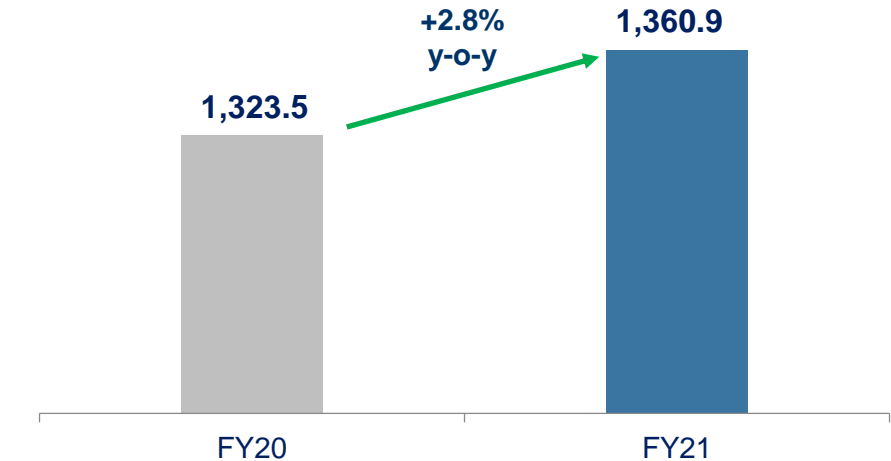
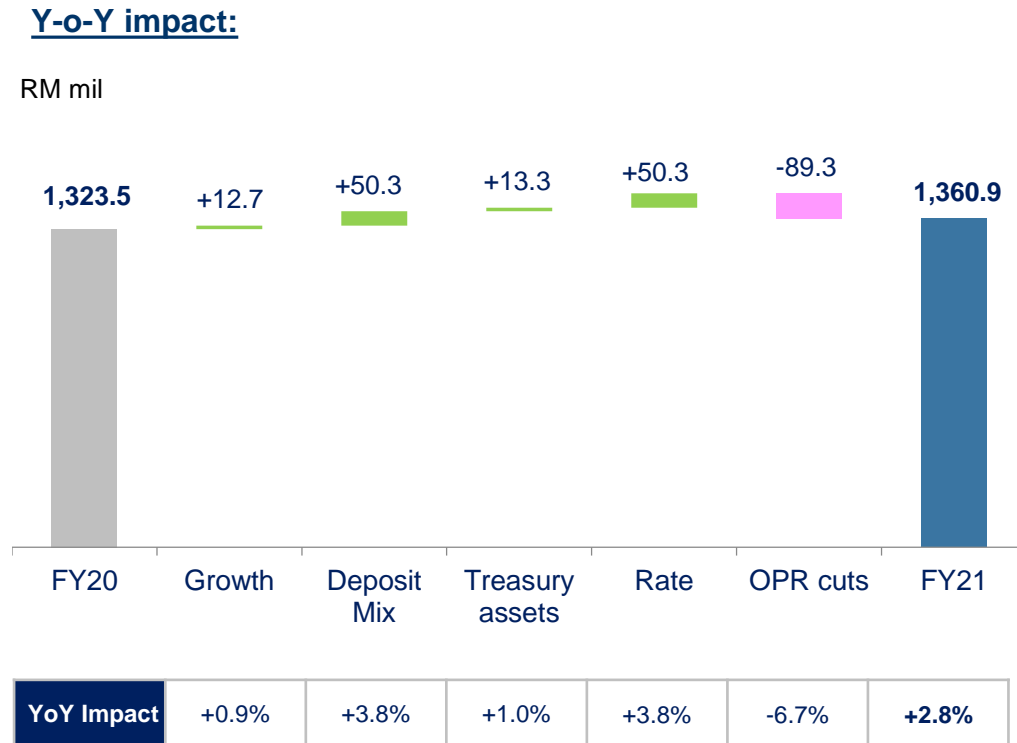
Income Statement	FY20 RM mil	FY21 RM mil	Y-o-Y Change Better / (Worse)	
			RM mil	%
Net Interest Income	1,323.5	1,360.9	37.4	2.8%
Non-Interest Income	365.8	456.7	90.9	24.8%
Revenue	1,689.3	1,817.6	128.2	7.6%
OPEX	807.0	800.7	6.4	0.8%
Pre-Provision Operating Profit (PPOP)	882.3	1,016.9	134.6	15.3%
Net Credit Cost & Impairments	314.5	533.0	(218.5)	(69.5%)
- BAU	314.5	220.3	94.2	30.0%
- Management Overlay	-	312.7	(312.7)	(>100%)
Pre-tax Profit	567.9	484.0	(83.9)	(14.8%)
Net Profit After Tax	424.3	358.8	(65.5)	(15.4%)

Net interest income grew 2.8% y-o-y

a) Despite the OPR cuts, net interest income grew 2.8% y-o-y mainly driven by lower funding cost from deposit mix optimisation

Net Interest Income

RM mil



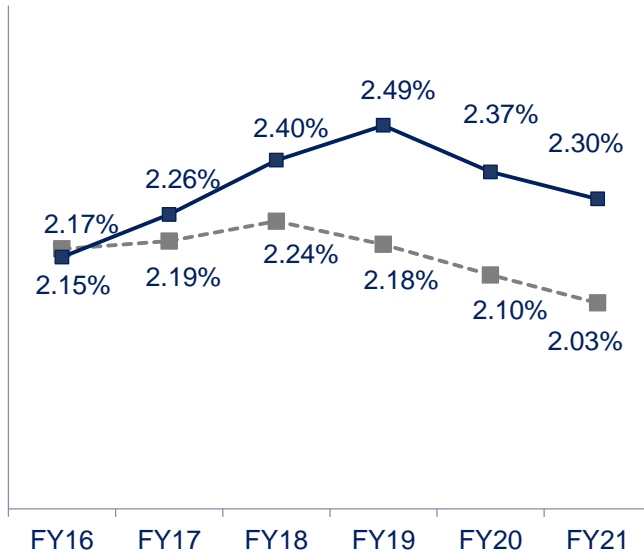


NIM at 2.30%

a) NIM remained in top 2 position in the industry:

- FY21: 29bps better than industry

% ---■--- Industry Average NIM —■— ABMB NIM

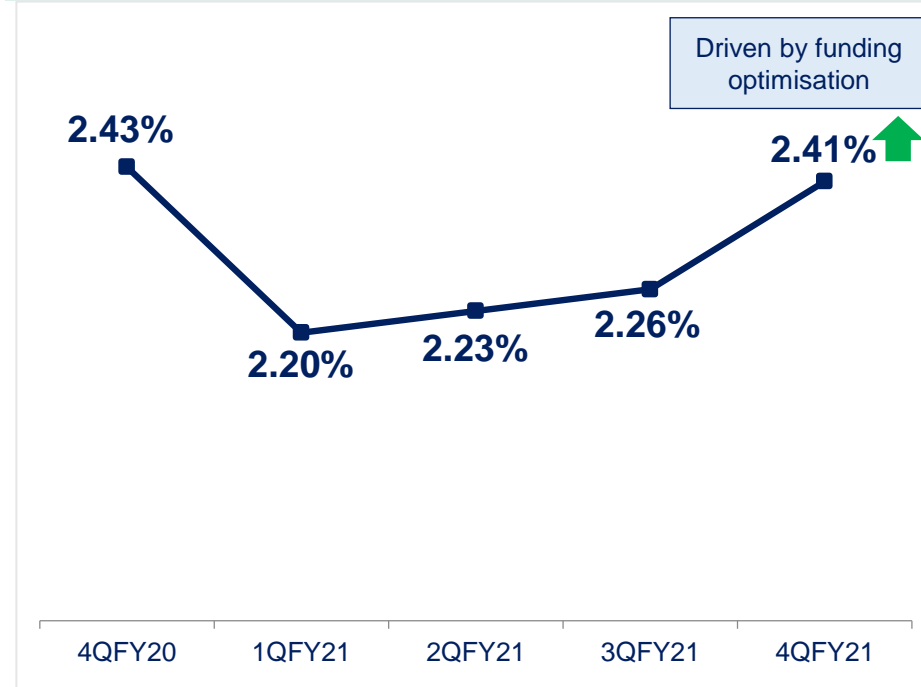


Over past 5 years:

ABMB **improved 15bps**

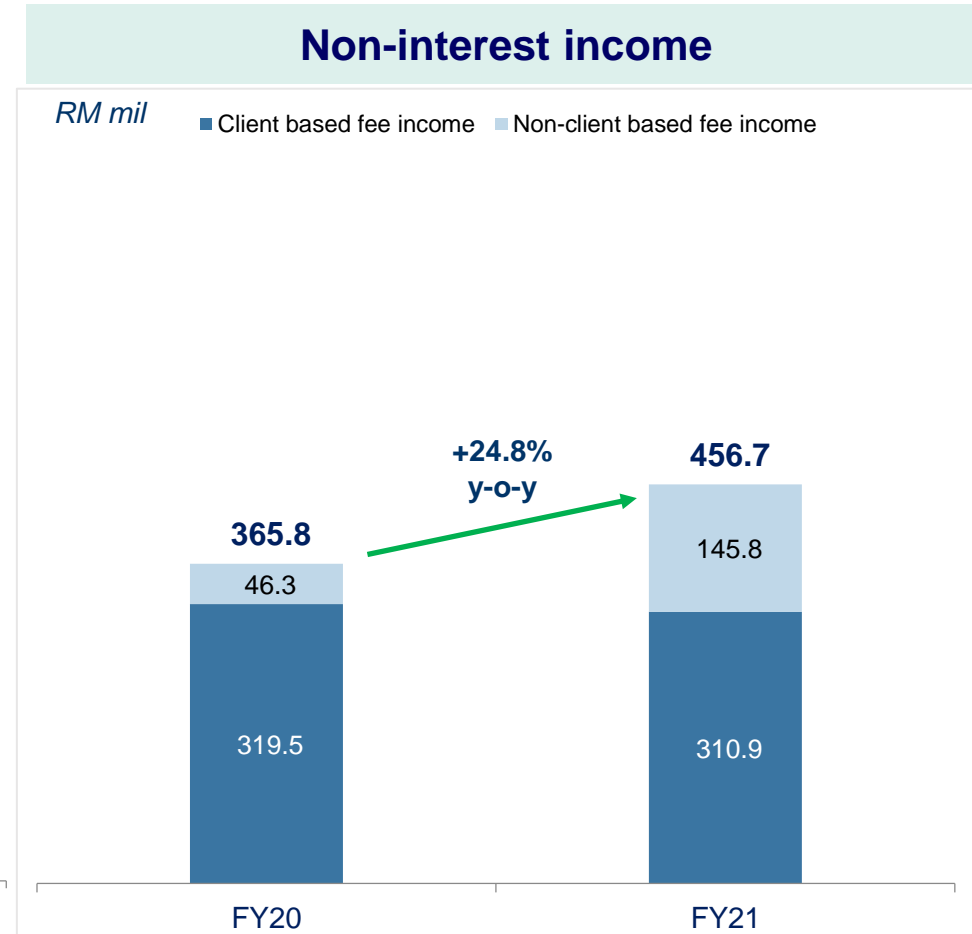
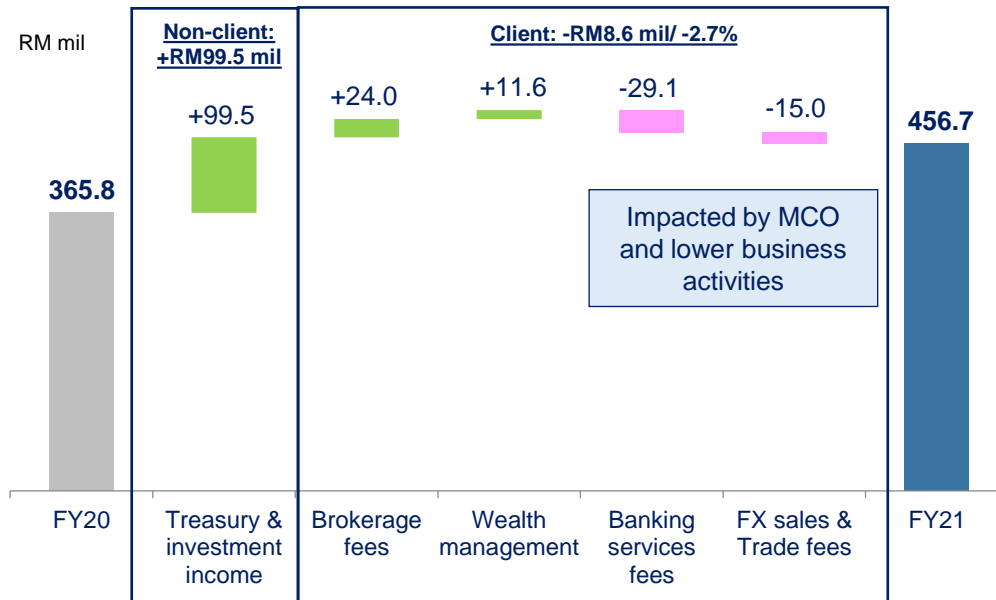
Industry **declined 14bps**

Net Interest Margin Trend



Non-interest income grew 24.8% y-o-y

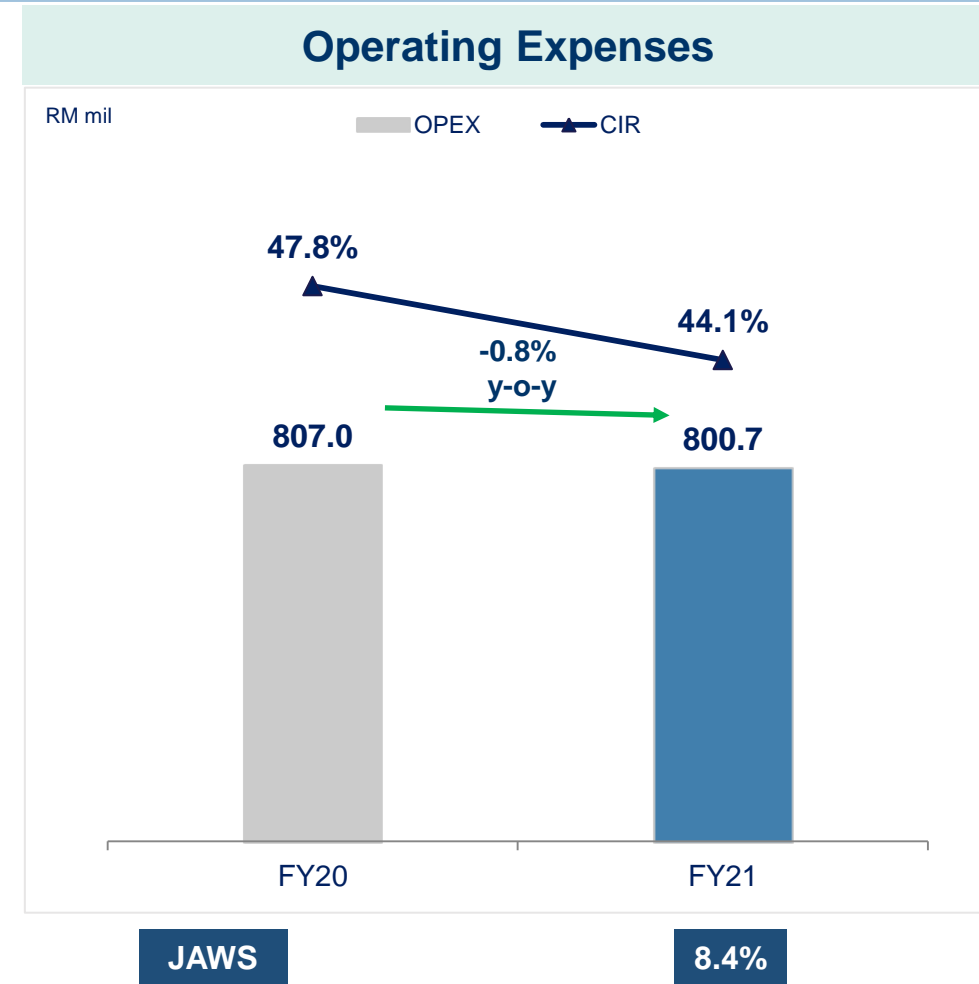
- a) Non-interest income grew 24.8% y-o-y mainly driven by treasury and investment income.
- b) Client based fee income preserved, thanks to:
- brokerage and
 - wealth management





Cost to Income Ratio improved to 44.1%

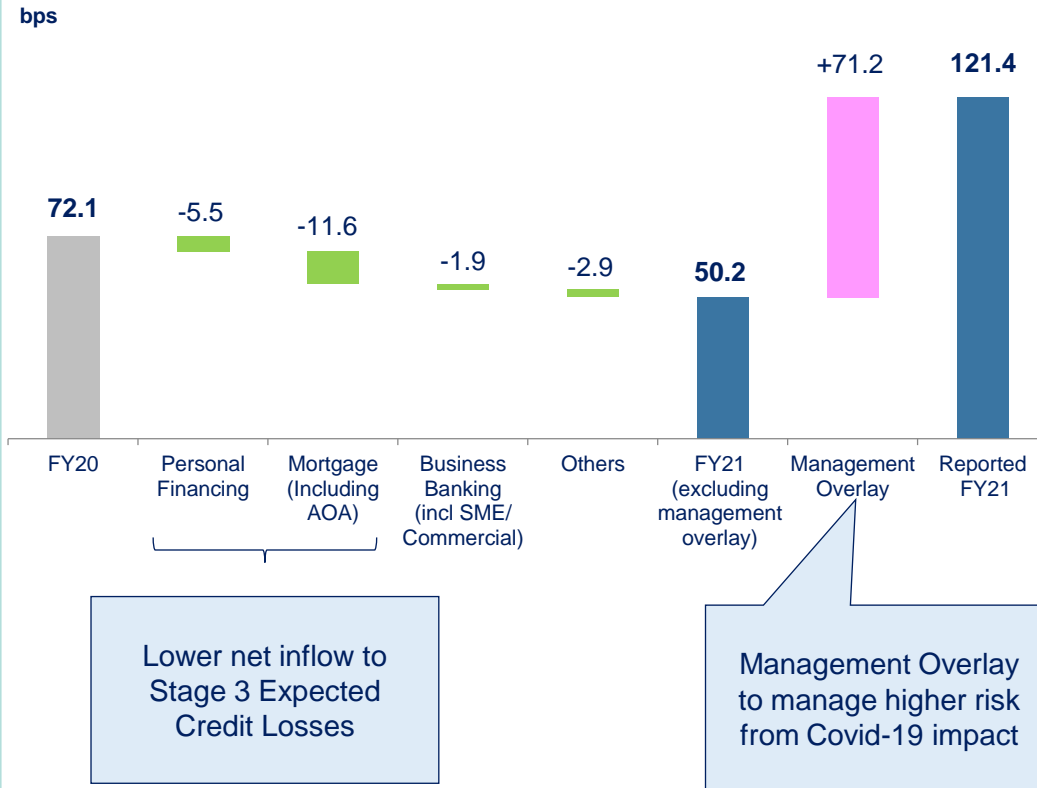
- a) FY21 cost to income ratio improved to 44.1%,
- within guidance
 - below industry^: 45.7%
- b) Operating expenses was 0.8% lower than FY20:
- Lower personnel expenses from moderated compensation and restricted hiring



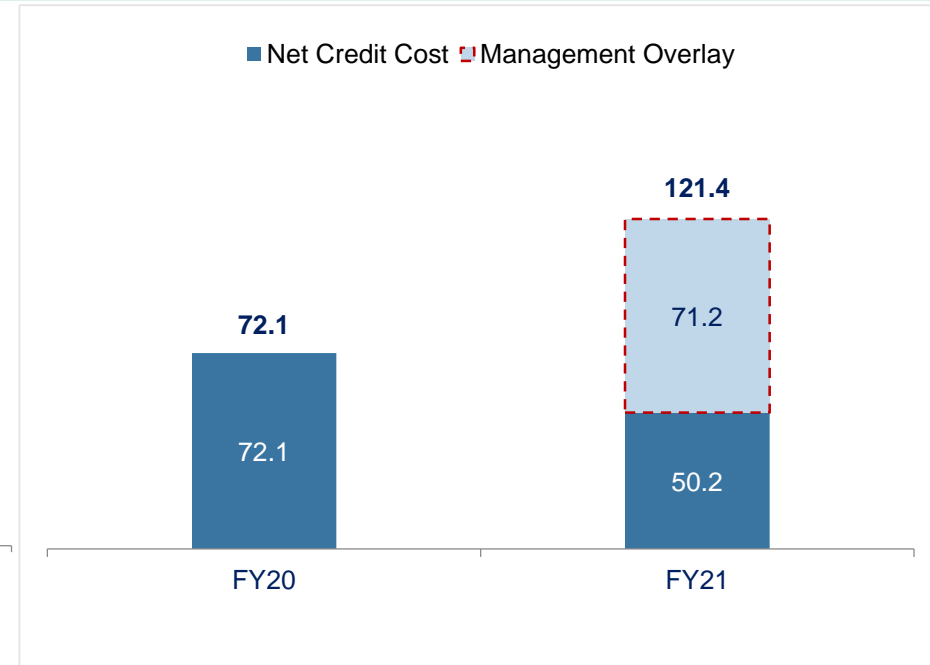
^ Note: Industry numbers were based on financial year-to-date December 2020 for local peers

Net credit cost at 121.4bps (management overlay 71.2bps)

a) FY21 net credit cost = 121.4bps (of which 71.2 bps or 59% for management overlay):

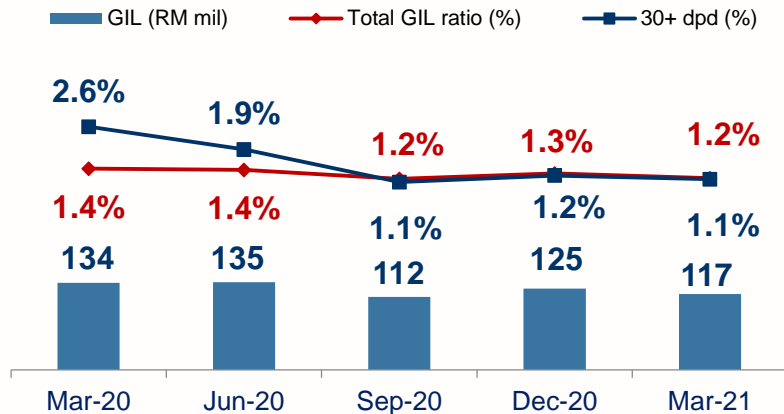


Net Credit Cost (bps)



SME: stable asset quality post moratorium

SME



- **Asset quality continue** to be **healthy: 97.7% current**
- **GIL ratio at 1.2%** (no major impairment)
- **Remained cautious on** COVID-19 affected sectors (e.g tourism, hotel etc)

How are we mitigating these risks?

Origination

- **Focus on government guaranteed loans**
- **Enhanced policy** to include income projection using latest bank statements on new booking
- New booking to **focus on less COVID-19 affected sectors**

Portfolio Management

- **Targeted assistance:** RM2.1B or 21% of SME loan book

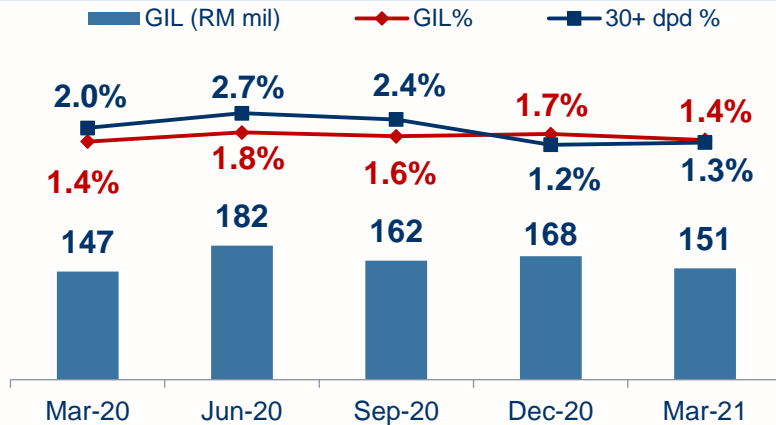
SME (by sectors)	Red	Amber	Green
ENR	RM1.8B	RM6.8B	RM1.4B
Targeted assistance	RM594m (32%)	RM1.2B (17%)	RM300m (22%)

Note: Red/Amber/Green classification due to COVID-19

- **Continue to provide PRA** for customers affected by COVID-19:
 - Moratoria accounts: offer rollover into PRA (if require further help)
- **Improve early warning process:**
 - Collection forums (weekly) & portfolio reviews (twice monthly)
 - Closely monitor watchlist & delinquents individually
- **Proactive remedial measures**

Corporate & Commercial: asset quality remained stable

Corporate & Commercial



- **GIL ratio at 1.4%** (no major impairment)
- **Remained cautious on COVID-19 related sectors** (e.g tourism, hotel etc)

How are we mitigating these risks?

Origination

- **Tighter credit criteria** for customers in high risk segment
- **Enhanced financing assessment:** more selective & stringent
- **Enhanced stress testing** on borrowers' financial capability

Portfolio Management

- **Targeted assistance:** RM1.2B or 11% of GCC loan book

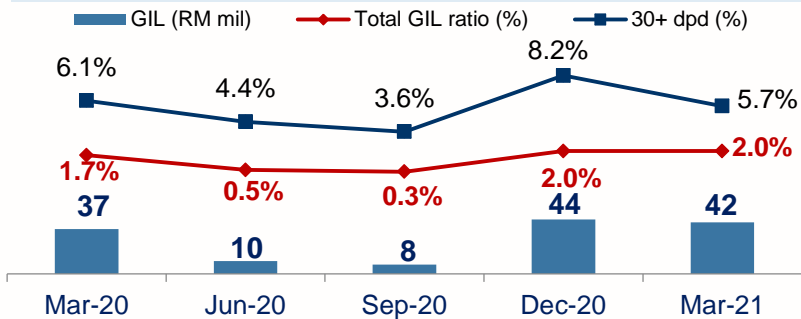
GCC (by sectors)	Red	Amber	Green
ENR	RM1.0B	RM8.4B	RM1.2B
Targeted assistance	RM196m (20%)	RM1.0B (11%)	RM18m (1%)

Note: Red/Amber/Green classification due to COVID-19

- **Improved early warning process:**
 - Portfolio reviews (twice monthly)
 - Closely monitor the watchlist individually
- **For high-risk accounts:**
 - RMs in more frequent contact to extend PRA (if required)
 - De-risking actions: reducing exposure/line & obtain additional security
 - Management overlay

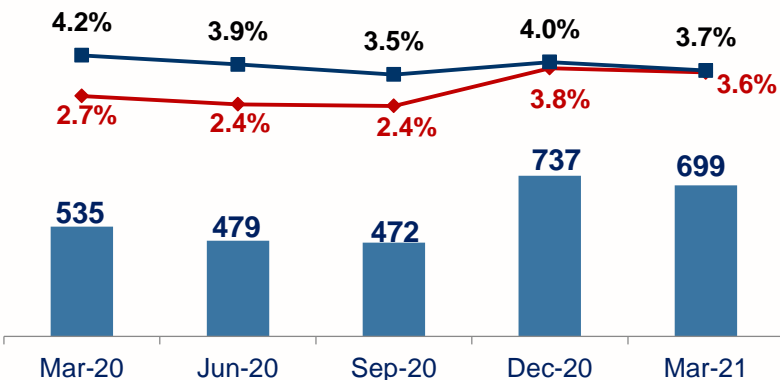
Consumer: proactive mitigation actions to contain portfolio

Personal Financing



- Jun20 & Sep20: lower due to non-staging during moratorium; GIL continue to charge off after 180+ dpd
- Mar-21 GIL at 2% mainly from **COVID-19 affected customers** with difficulty to pay after auto moratorium

Classic Mortgage & AOA



- Mortgage **GIL ratio increased** post-moratorium mainly from **COVID-19 affected customers** (e.g. job loss, pay cut, business close down, etc.)
- Uptick in AOA are mainly from the older **vintage** (post-duo score vintage: better quality)

How are we mitigating these risks?

PF Origination

- Jan19: enhanced application **duo score**
- Tightened policy** & stopped booking high-risk self-employed segment

Mortgage & AOA Origination

- Back-testing** of current policy has proven improved quality
- Temporary tightening measures** (for self-employed - heightened risk)

Portfolio Management

- Booked **RM3.8bil PRA & mora** (Mortgage: RM3.3bil; PL: RM0.5bil)
- Completed diagnosis of Consumer book (< 20,000 customers):

> MIA 2 (RM258m) 8%	MIA 1 (RM618m) 17%	MIA 0 (RM2.7b) 75%
<ul style="list-style-type: none"> ✓ Conduct further customer risk assessment ✓ Ensure adequacy of management overlay 	<ul style="list-style-type: none"> ✓ Intensify collection efforts ✓ Prioritise to book longer-term PRA ✓ Consideration for higher ECL overlay 	<ul style="list-style-type: none"> ✓ PRA offering via WhatsApp messaging ✓ Collectors to reach out to targeted customers ✓ Offer longer-term PRA

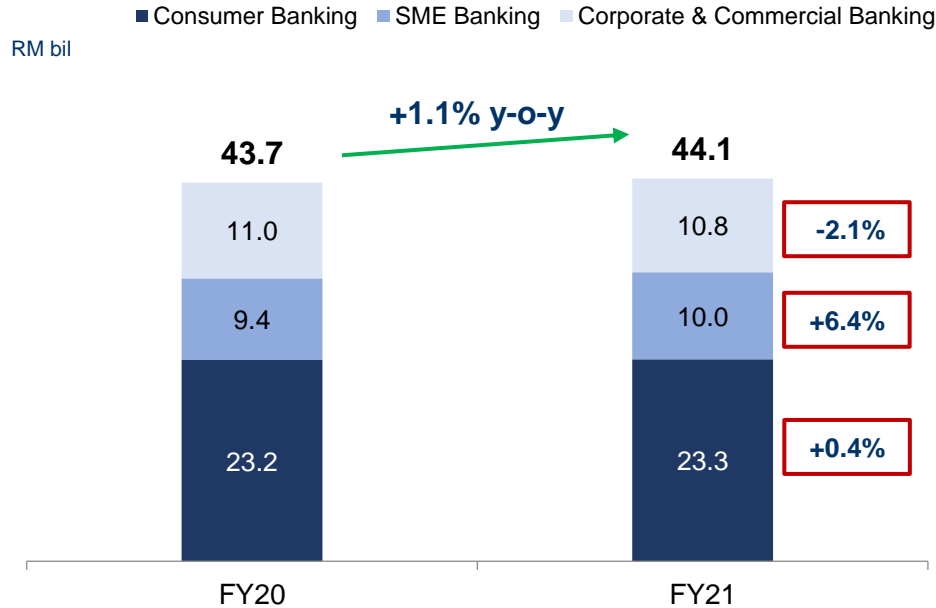
GIL Management

- Increased collection call capacity and intensity**
- Offer interest rebate**
- Mortgage GIL of RM699mil has been **provisioned** to cover LGD



Continued growth in core segments while de-risking corporate book; highest CASA ratio in industry at 47.0%

Gross Loans: Core segments growth continued

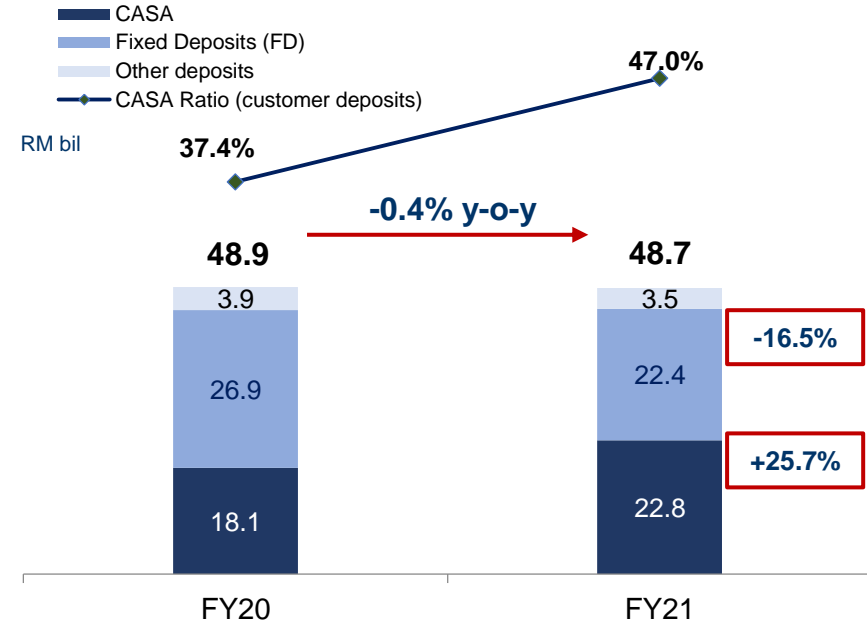


a) **De-risking GCC portfolio: -2.1%/ -RM223 mil y-o-y** in GCC, mainly driven by RM313 mil reduction in **high risk accounts** and RM113 mil **line reduction**

b) **Core segments, especially SME continued to grow:**

- SME: +6.4% y-o-y (mainly SRF +RM559.5 mil)
- Consumer Banking: +0.4% / +RM83 mill y-o-y
 - Alliance One Account: +RM504 mil y-o-y
 - Share Margin Financing: +RM344 mil y-o-y

Customer Based Funding: Higher CASA mix

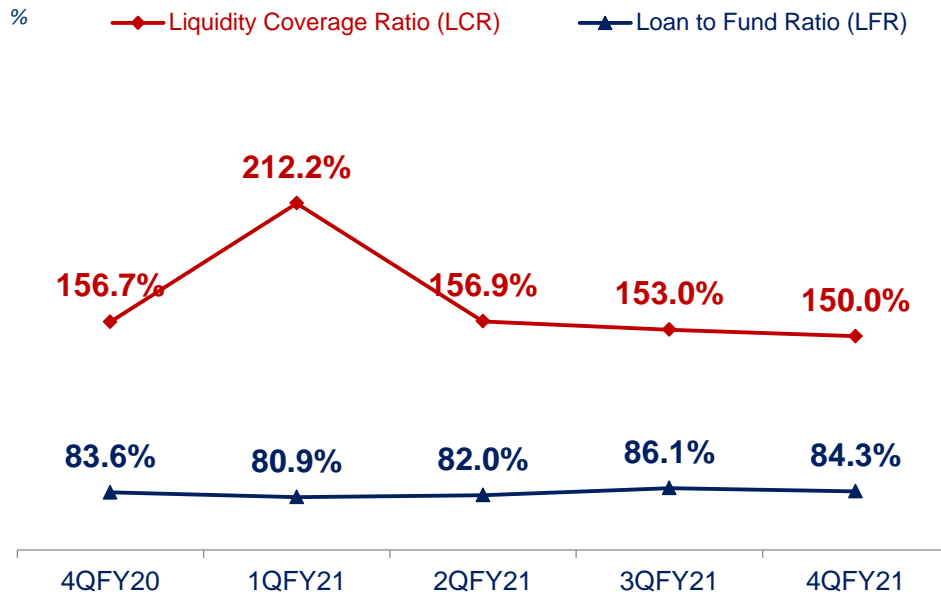


- Customer based funding: -RM208 mil or -0.4% y-o-y due to deposit mix optimisation e.g. **release of higher priced FDs**
- **CASA: +RM4.7 bil or 25.7% y-o-y**, thanks to:
 - Alliance SavePlus: +RM2.0 bil y-o-y
 - Alliance@Work: +RM0.3 bil y-o-y
 - Other CASA: RM2.4 bil y-o-y



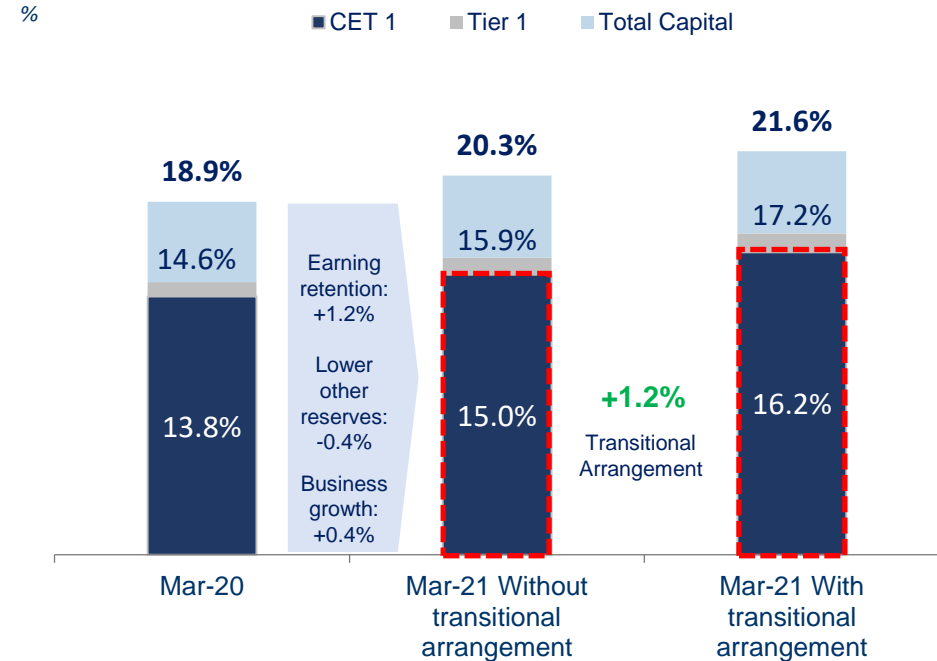
Liquidity and capital position remained strong

Liquidity: LCR, LFR



- a) Liquidity coverage ratio (LCR) remained high at 150.0% (industry*: 145.1%)
- b) Loan to fund ratio at 84.3% (industry*: 81.9%)
- c) Net stable funding ratio (NSFR) at 126.4%

Capital Position



- a) Strong capital position even without transitional arrangement*
- b) Continue to support future business expansion:
 - Continue to conserve CET1 capital through earnings retention
 - Prioritising capital conservation in view of COVID-19

* Transitional arrangement:-

Financial institutions which elect to apply the transitional arrangement are allowed to add back a portion of the S1 and S2 for ECL to CET1 over a four-year period from FY beginning 2020 or a three-year period from FY beginning 2021.



Dividend payout at 25% (above FY20 payout of 22%)

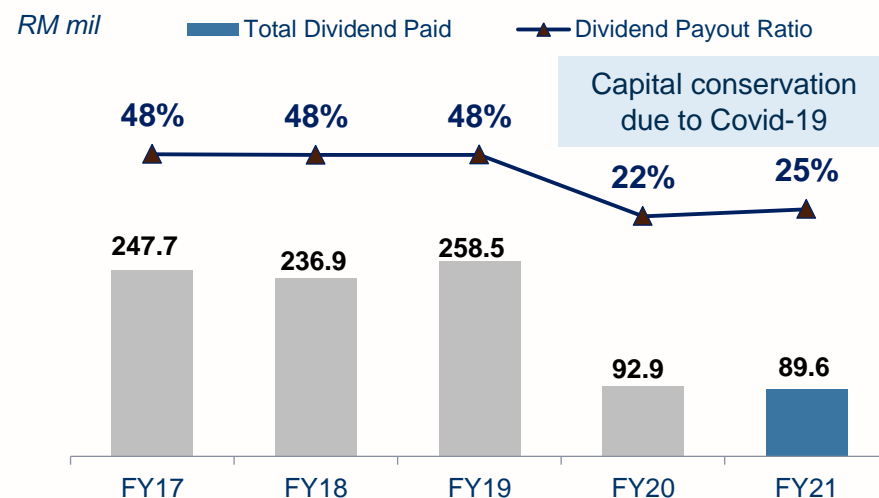
a) Dividend:

- FY21 interim dividend: 5.79 sen
- Dividend payout ratio at 25%

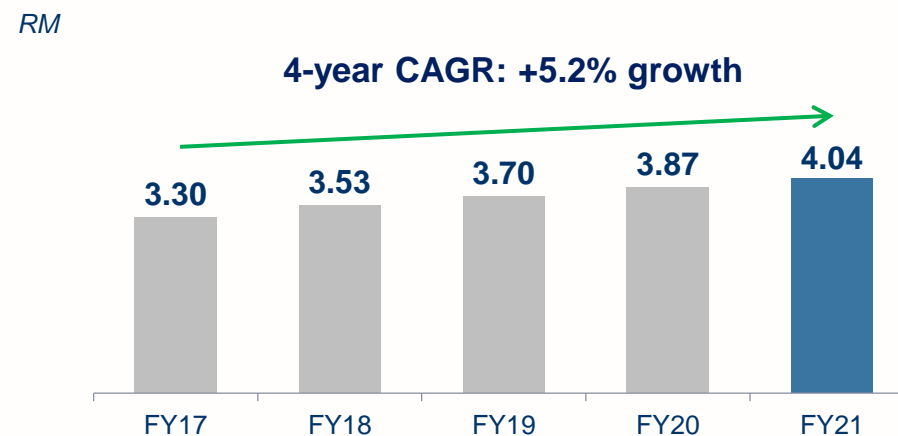
b) Steady net asset per share growth:

- FY21 net assets per share: +17 sen
- 4-year CAGR: +5.2%

Dividend Paid and Payout Ratio



Net Assets per Share



Contents

1 FY21 Achievements

- FY21 Strategic Priorities / Achievements
- FY21 Financial Highlights

2 FY21 Financial Performance

- Revenue & Franchise Development
- Managing Risk
- Key Results

3 Going Forward

- FY22 Strategic Priorities
- FY22 Management Guidance

4 Appendix: Financial Results

- 4QFY21 & FY21 results
- Financial ratios

FY22 Key Strategic Priorities



1

Acquire more customers

- **Increase** SME market share from 4.8% to **5.0%**
- Target to **double new-to-bank customers acquisition: >80k**

Relationship managers channel

Target:

SME: Mid to large SMEs
Consumer: Affluent market

- **Sales force expansion** to serve mid to large SME
- Enabling RMs to be more engaging & productive **via digital tools**

Digital channels

Target:

SME: Small & micro SMEs
Consumer: Emerging-affluent & mass market

- **Digital acquisition & servicing**
 - Leverage digital marketing & self serve fulfillment
 - Ecosystem partnerships to scale

2

Deepen customer engagement

- **Cross LOB collaboration:** Cross-sell to Business owners base **(+7K)**; leverage on **Universal Bankers**
- Increase customer digital adoption (Target: **72% digital transactions**)

3

Gain efficiencies

- **Drive sales staff productivity:** Achieve **higher revenue per headcount** (structured training in SME Academy, Wealth Academy)
- **Branch Transformation:** Pilot lean branch model

FY22 Management Guidance

Growth Y-o-Y	FY21 Actual	FY22 Guidance
Gross Loans	1.1%	3% – 4%
Net Interest Margin	2.30%	around 2.35%
Cost to Income Ratio	44.1%	45 to 46%
Net Credit Cost	121.4 bps	< 90bps
ROE	5.9%	> 7.5%



Contents

1 FY21 Achievements

- FY21 Strategic Priorities / Achievements
- FY21 Financial Highlights

2 FY21 Financial Performance

- Revenue & Franchise Development
- Managing Risk
- Key Results

3 Going Forward

- FY22 Strategic Priorities
- FY22 Management Guidance

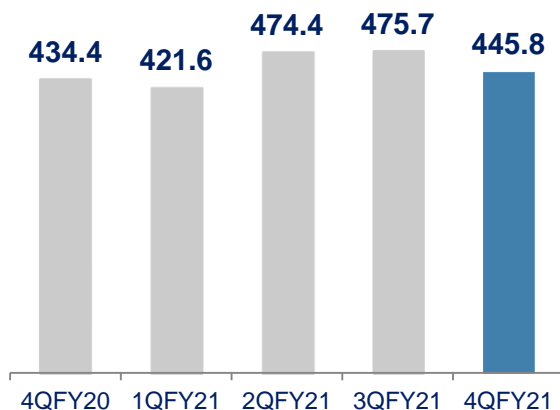
4 Appendix: Financial Results

- 4QFY21 & FY21 results
- Financial ratios

4QFY21 PPOP declined 6.7% y-o-y to RM213.7 mil

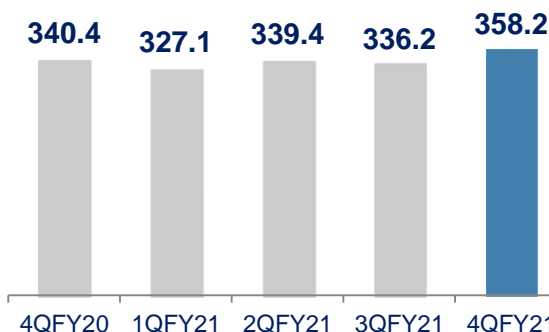
Revenue

RM mil



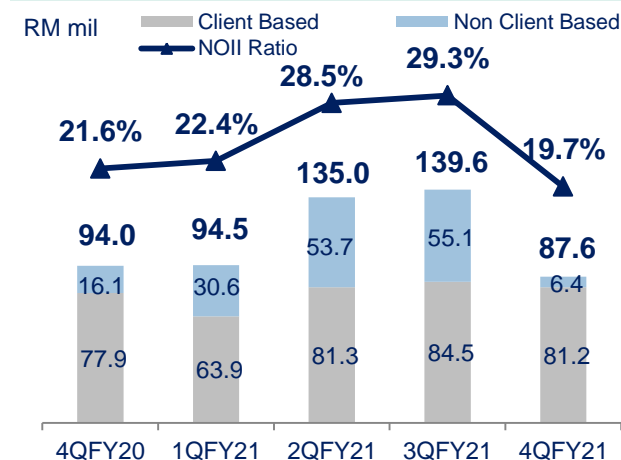
Net Interest Income & Islamic Net Financing Income

RM mil



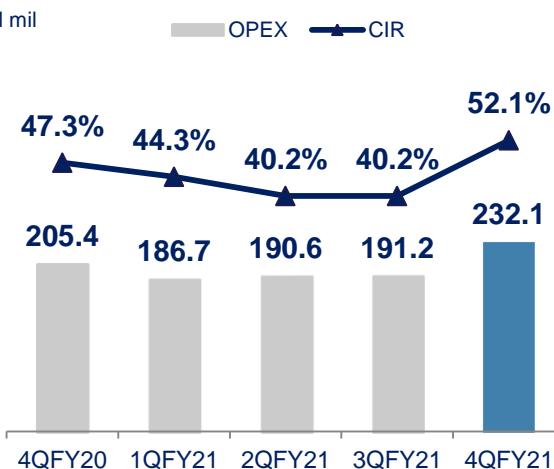
Non Interest Income & NOII Ratio

RM mil



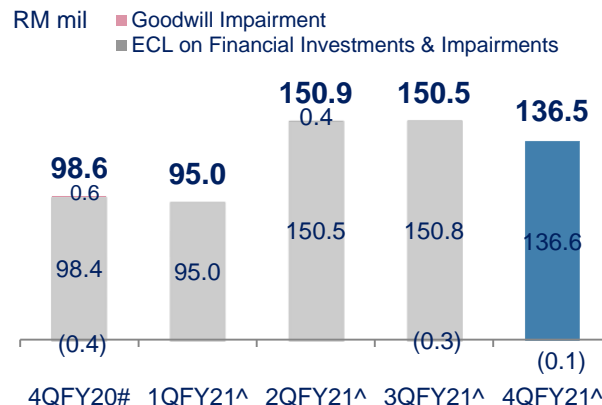
Operating Expenses & CIR Ratio

RM mil



Expected Credit Losses ("ECL") & Goodwill Impairments

RM mil

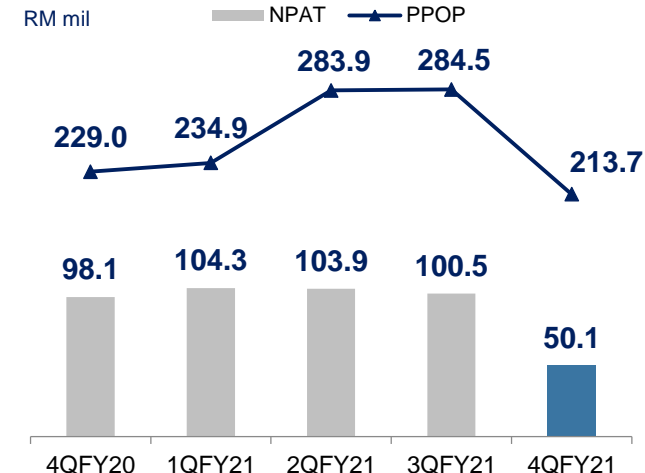


#ECL model review & early Covid-19 impact of RM49.2m

^1QFY21 included management overlay of RM58.2m for high risk sector; 2QFY21 (RM151.1m) & 3QFY21 (RM14.3m) mainly for borrowers under 3 months extended moratorium and payment relief assistance (PRA); 4QFY21 (RM89.2m) for overlay basis revision, mora/PRA & few specific business accounts

Pre-Provision Operating Profit & Net Profit

RM mil



Note: Revenue and non interest income includes Islamic banking income





Income Statement	3QFY21 RM mil	4QFY21 RM mil	Q-o-Q Change Better / (Worse)	
			RM mil	%
Net Interest Income	253.2	267.3	22.1	6.6%
Islamic Net Financing Income	83.0	90.9		
Islamic Non-Financing Income	10.2	6.8	(52.0)	(37.2%)
Non-Interest Income	129.3	80.8		
Net Income*	475.7	445.8	(29.9)	(6.3%)
OPEX	191.2	232.1	(41.0)	(21.4%)
Pre-Provision Operating Profit (PPOP)	284.5	213.7	(70.9)	(24.9%)
Net Credit Cost	150.8	136.6	14.2	9.4%
Expected Credit Losses on Financial Investments	(0.3)	(0.1)	(0.1)	(57.3%)
Pre-tax Profit	134.0	77.2	(56.8)	(42.4%)
Net Profit After Tax	100.5	50.1	(50.4)	(50.3%)

- **Revenue** declined by 6.3% q-o-q:
 - Net interest income: +RM22.1mil or 6.6% q-o-q.
 - Non-interest income: -RM52.0mil q-o-q:
 - ✓ Lower client based fee income (-RM3.3mil)
 - ✓ Lower treasury & investment income (-RM48.7mil).
- **Operating expenses** higher by RM41.0mil mainly from higher personnel expenses (including project-related) and professional/consultancy fees.
- **Pre-provision Operating Profit (PPOP)** declined by 24.9% q-o-q to RM213.7mil.
- Lower **net credit cost** of RM14.2mil mainly due to lower BAU expected credit losses (ECL) for personal loans and mortgage.
- **Net profit after tax** declined 50.3% q-o-q mainly due to lower non-interest income and higher operating expenses.

Notes:

* Revenue, net interest income and non interest income includes Islamic banking income



Income Statement	4QFY20 RM mil	4QFY21 RM mil	Y-o-Y Change Better / (Worse)	
			RM mil	%
Net Interest Income	254.5	267.3	17.8	5.2%
Islamic Net Financing Income	85.9	90.9		
Islamic Non-Financing Income	6.1	6.8	(6.4)	(6.8%)
Non-Interest Income	87.9	80.8		
Net Income*	434.4	445.8	11.4	2.6%
OPEX	205.4	232.1	(26.7)	(13.0%)
Pre-Provision Operating Profit (PPOP)	229.0	213.7	(15.3)	(6.7%)
Net Credit Cost	98.4	136.6	(38.2)	(38.8%)
Expected Credit Losses on Financial Investments	(0.4)	(0.1)	(0.3)	(73.1%)
Impairment Losses on Non-Financial Assets	0.6	-	0.6	100.0%
Pre-tax Profit	130.4	77.2	(53.2)	(40.8%)
Net Profit After Tax	98.1	50.1	(48.0)	(48.9%)

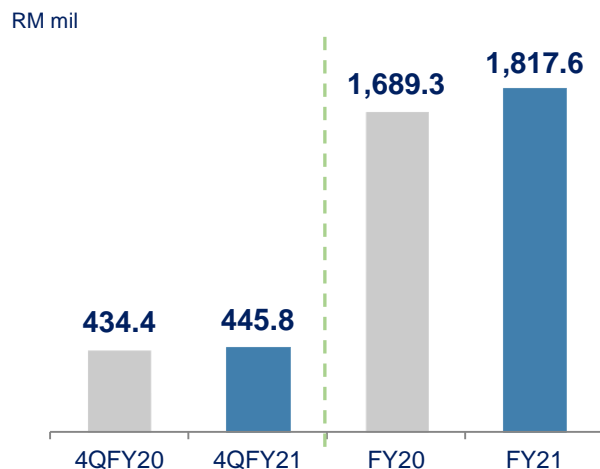
- **Revenue** declined by 2.6% y-o-y:
 - Net interest income: +RM17.8mil, thanks to lower funding cost and better deposit mix.
 - Non-interest income: -RM6.4mil y-o-y:
 - ✓ Higher client based fee income (+RM3.4mil)
 - ✓ Lower treasury & investment income (-RM9.9mil).
- Higher **operating expenses** by RM26.7mil, mainly from higher personnel expenses (including project-related) and professional fees.
- **Pre-provision Operating Profit (PPOP)** declined by 6.7% y-o-y to RM213.7mil
- Higher **net credit cost** y-o-y mainly due to:
 - Management overlay +RM89.2mil.
- **Net profit after tax** for the quarter declined 48.9% y-o-y mainly due to higher operating expenses and net credit cost.

Notes:

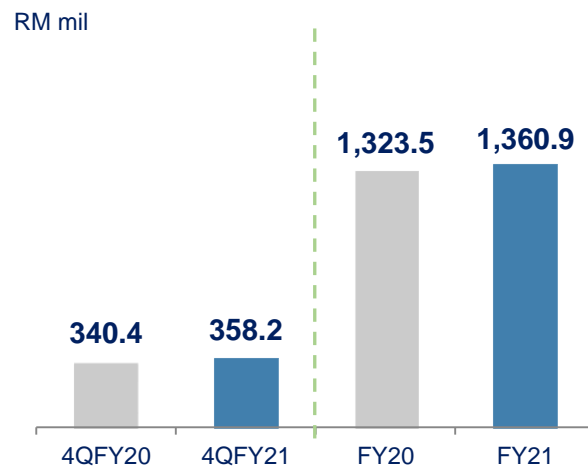
* Revenue, net interest income and non interest income includes Islamic banking income

FY21 PPOP grew 15.3% y-o-y to RM1,016.9 million

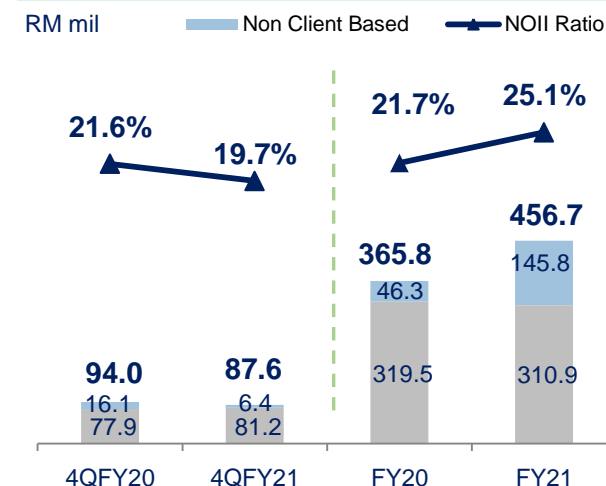
Revenue



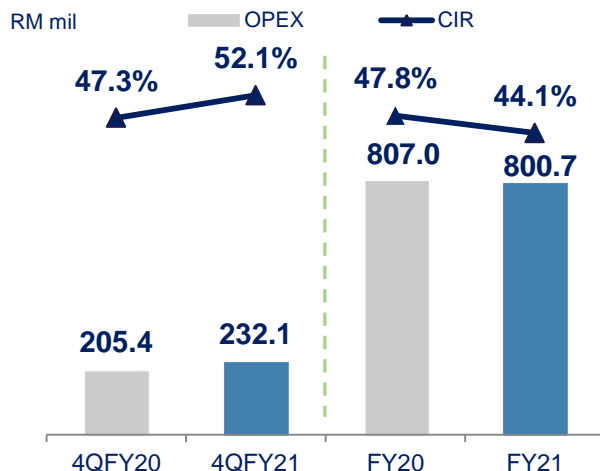
Net Interest Income & Islamic Net Financing Income



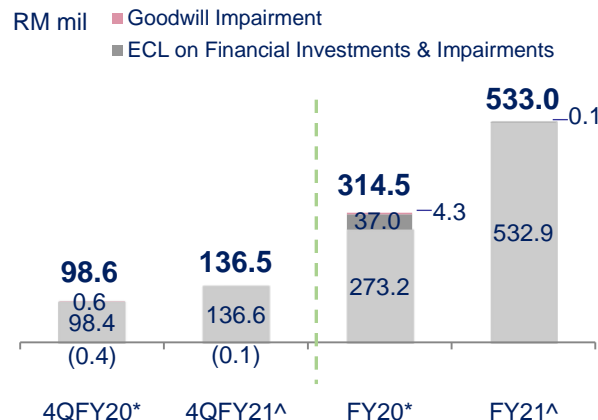
Non Interest Income & NOII Ratio



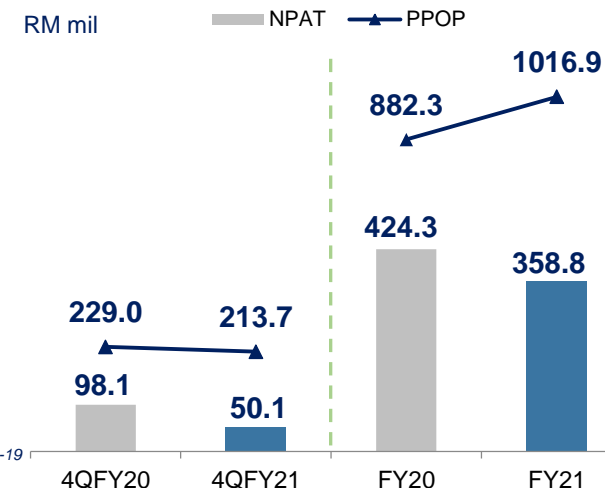
Operating Expenses & CIR Ratio



Expected Credit Losses ("ECL") & Goodwill Impairment



Pre-Provision Operating Profit & Net Profit



Note: Revenue and non interest income includes Islamic banking income

*FY20: Full provisioning of RM47.7m from one large account in 1Q, RM9.6m recovery from one large legacy account in 3Q, ECL model review & early Covid-19 impact of RM49.2m in 4Q
^FY21: 1Q included management overlay of RM58.2m for high risk sector; 2Q (RM151.1m) & 3Q (RM14.3m) mainly for borrowers under 3 mora and PRA; 4Q (RM89.2m) for overlay basis revision, mora/PRA & few specific business accounts





Income Statement	FY20 RM mil	FY21 RM mil	Y-o-Y Change Better / (Worse)	
			RM mil	%
Net Interest Income	980.8	1,016.7	37.4	2.8%
Islamic Net Financing Income	342.7	344.2		
Islamic Non-Financing Income	35.2	34.3	90.9	24.8%
Non-Interest Income	330.6	422.4		
Net Income*	1,689.3	1,817.6	128.2	7.6%
OPEX	807.0	800.7	6.4	0.8%
Pre-Provision Operating Profit (PPOP)	882.3	1,016.9	134.6	15.3%
Net Credit Cost	273.2	532.9	(259.7)	(95.0%)
Expected Credit Losses on Financial Investments	37.0	0.1	36.9	99.7%
Impairment Losses on Non-Financial Assets	4.3	-	4.3	100.0%
Pre-tax Profit	567.9	484.0	(83.9)	(14.8%)
Net Profit After Tax	424.3	358.8	(65.5)	(15.4%)

- **Revenue** grew by 7.6% y-o-y despite OPR cut and COVID-19 impact:
 - Net interest income: +RM37.4mil, thanks to lower funding cost and better deposit mix.
 - Non-interest income: +RM90.9mil y-o-y:
 - ✓ Lower client based fee income (-RM8.6mil)
 - ✓ Higher treasury & investment income (+RM99.5mil).
- Lower **operating expenses** by RM6.4mil mainly from lower personnel cost from moderated compensation and restricted hiring.
- **Pre-provision Operating Profit (PPOP)** grew 15.3% y-o-y (**positive JAW: 8.4%**).
- Higher **net credit cost** y-o-y due to management overlay of RM312.7mil in FY21.
- As a result of provisioning, **net profit after tax** for FY21 declined by 15.4% y-o-y.

Notes:

* Revenue, net interest income and non interest income includes Islamic banking income



Balance Sheet	Dec 20 RM bil	Mar 21 RM bil	Q-o-Q Change	
			RM bil	%
Total Assets	58.8	60.7	1.9	3.2%
Treasury Assets*	12.7	13.1	0.4	3.4%
Net Loans	42.4	43.2	0.9	2.1%
Customer Based Funding ⁺	46.7	48.7	2.0	4.4%
CASA Deposits	20.5	22.8	2.3	11.0%
Shareholders' Funds	6.4	6.3	(0.2)	(2.8%)
Net Loans Growth (y-o-y)	-1.6%	0.3%		
CASA Deposits Growth (y-o-y)	17.5%	25.7%		
Customer Based Funding ⁺ Growth (y-o-y)	-1.0%	-0.4%		

- **Net loans** grew 2.1% q-o-q
 - **SME loans:** +3.6% q-o-q
 - **Consumer loans:** -1.1% q-o-q (mainly due to higher repayment for mortgage and personal financing)
 - **GCC loans:** +8.3% q-o-q mainly due to higher drawdown from couple of new term loans.
- **Customer based funding** increased by 4.4% q-o-q:
 - Fixed deposits: -3.2% q-o-q as part of our efforts to optimize funding, while
 - CASA grew by 11.0% q-o-q, mainly driven by SavePlus (+RM0.9bil) & other CASA (+RM1.4bil).
- **Liquidity coverage ratio:** 150.0% (vs 153.0% in Dec 2020; industry: 145.1%^).

Notes:

* Treasury assets comprise financial assets (FVOCI, FVTPL, AMC) & derivative financial assets

⁺ Customer based funding = CASA + Fixed Deposits + Money Market Deposits + Retail Negotiable Instrument of Deposits + Structured Investments

^ BNM Monthly Statistical Bulletin Mar 2021



Balance Sheet	Mar 20 RM bil	Mar 21 RM bil	Y-o-Y Change	
			RM bil	%
Total Assets	61.0	60.7	(0.3)	(0.4%)
Treasury Assets*	12.8	13.1	0.3	2.6%
Net Loans	43.1	43.2	0.1	0.3%
Customer Based Funding ⁺	48.9	48.7	(0.2)	(0.4%)
CASA Deposits	18.1	22.8	4.7	25.7%
Shareholders' Funds	6.0	6.3	0.3	4.5%
Net Loans Growth (y-o-y)	1.9%	0.3%		
CASA Deposits Growth (y-o-y)	13.6%	25.7%		
Customer Based Funding ⁺ Growth (y-o-y)	6.5%	-0.4%		

- **Net loans** grew 0.3% y-o-y
 - **SME loans:** +6.4% y-o-y primarily from the BNM Special Relief Facility ("SRF")
 - **Consumer loans:** +0.4% y-o-y mainly from Alliance One Account (+10.0%) and Share Margin Financing (+42.1%)
 - **GCC loans:** -2.1% y-o-y mainly due to repayment from several major accounts.
- **Customer based funding** declined 0.4% y-o-y:
 - Fixed deposits: -16.5% y-o-y as part of our efforts to optimize funding, while
 - CASA deposits grew 25.7% y-o-y mainly driven by SavePlus (+RM2.0bil) & other CASA (+RM2.7bil).
- **Liquidity coverage ratio:** 150.0% (vs 156.7% in FY20, industry: 145.1%^).

Notes:

* Treasury assets comprise financial assets (FVOCI, FVTPL, AMC) & derivative financial assets

⁺ Customer based funding = CASA + Fixed Deposits + Money Market Deposits + Retail Negotiable Instrument of Deposits + Structured Investments

[^] BNM Monthly Statistical Bulletin Mar 2021



	Financial Ratios	4QFY20	3QFY21	4QFY21	FY20	FY21
Shareholder Value	Return on Equity	7.1%	6.4%	3.3%	7.2%	5.9%
	Earnings per Share	6.6sen	6.5sen	3.2sen	27.4sen	23.2sen
	Net Assets per Share	RM3.87	RM4.16	RM4.04	RM3.87	RM4.04
Efficiency	Net Interest Margin	2.43%	2.26%	2.41%	2.37%	2.30%
	Non-Interest Income Ratio	21.6%	29.3%	19.7%	21.7%	25.1%
	Cost to Income Ratio	47.3%	40.2%	52.1%	47.8%	44.1%
Balance Sheet Growth	Net Loans (RM bil)	43.1	42.4	43.2	43.1	43.2
	Customer Based Funding (RM bil)	48.9	46.7	48.7	48.9	48.7
Asset Quality	Period End net credit cost (basis points)	22.7	35.0	30.1	72.1	121.4
	Gross Impaired Loans Ratio	2.0%	2.5%	2.3%	2.0%	2.3%
	Net Impaired Loans Ratio	1.3%	1.8%	1.7%	1.3%	1.7%
	Loan Loss Coverage Ratio^	101.4%	101.1%	105.9%	101.4%	105.9%
Liquidity	CASA Ratio	37.4%	44.6%	47.0%	37.4%	47.0%
	Loan to Deposit Ratio	90.2%	93.8%	91.0%	90.2%	91.0%
	Loan to Fund Ratio	83.6%	86.1%	84.3%	83.6%	84.3%
	Liquidity Coverage Ratio	156.7%	153.0%	150.0%	156.7%	150.0%
Capital	Common Equity Tier 1 Capital Ratio	13.8%	16.3%	16.2%	13.8%	16.2%
	Tier 1 Capital Ratio	14.6%	17.3%	17.2%	14.6%	17.2%
	Total Capital Ratio	18.9%	21.7%	21.6%	18.9%	21.6%

Note: ^ Loan Loss Coverage includes Regulatory Reserve provision [excluding Regulatory Reserve: 97.6% at 4QFY21 (vs. 87.2% at 3QFY21)]



Thank You.

ALLIANCE BANK

31-May-21 FY2021 ABMB Analyst Briefing

Disclaimer: This presentation has been prepared by Alliance Bank Malaysia Berhad (the “Company”) for information purposes only and does not purport to contain all the information that may be required to evaluate the Company or its financial position. No representation or warranty, expressed or implied, is given by or on behalf of the Company as to the accuracy or completeness of the information or opinions contained in this presentation.

This presentation does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any securities, nor should it or any part of it form the basis of, or be relied in any connection with, any contract, investment decision or commitment whatsoever.

The Company does not accept any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

For further information, please contact:

Alliance Bank Malaysia Berhad

31st Floor, Menara Multi-Purpose
Capital Square

No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
Tel: (6)03-2604 3333

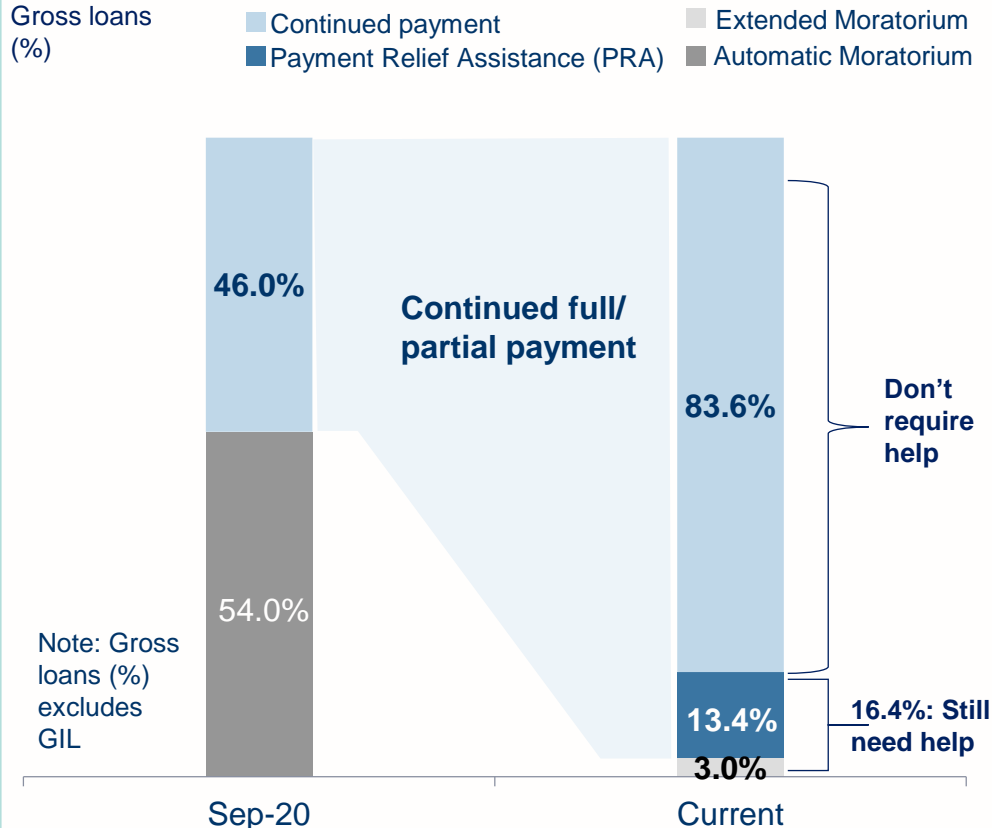
<http://www.alliancebank.com.my/InvestorRelations>

Investor Relations

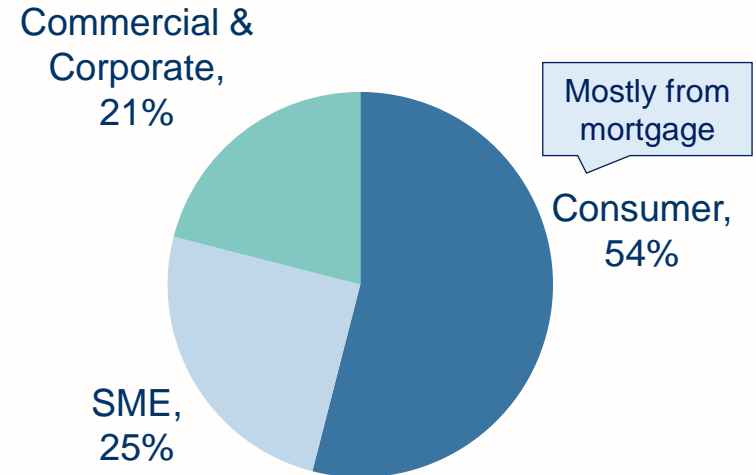
Email: investor_relations@alliancefg.com

Targeted Assistance: RM7.0 billion (16% of loan book)

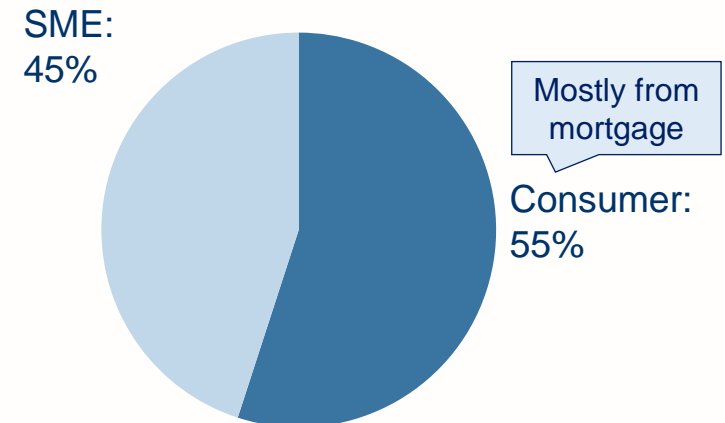
About 97% of customers now continuing full / partial repayment



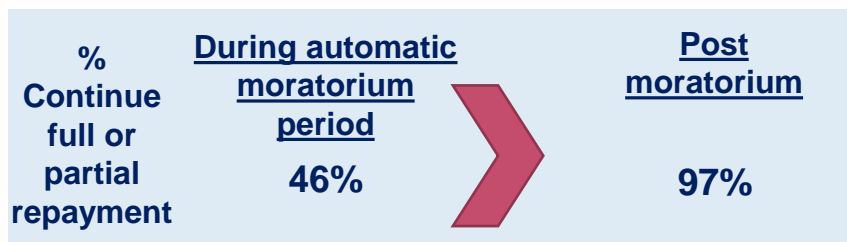
Payment Relief Assistance (PRA): RM5.7 billion (82%)



Extended Moratorium: RM 1.3 billion (18%)



Note: Extended moratorium (3 months):
 ✓ GCB: B40 segment; SME: Micro-SMEs;
 ✓ GCC: Based on customers' requests



Alliance Bank won several awards for its digital innovations

Best Digital Bank in Malaysia



Recognition for **“Branch-in-a-tablet”** solution

By International Data Corporation (IDC) Financial Insights

Best Trade Finance Bank in Malaysia



Recognition for **“BizSmart e-Trade”** solution

Also won “Most Innovative Trade Finance Banking Product in Malaysia”

By Global Banking & Finance Review

Other digital Awards

- Asian Banking Finance Retail Banking Awards 2020: Silver award for **“Branch Innovation of the Year”**
- Retail Banker International (RBI) Asia Trailblazer Awards 2020: **“Most Innovative Branch Offering”** for Branch-in-a-Tablet
- **Digital Banker’s Digital CX Awards 2021**: “Excellence in Omni-Channel Customer Experience” in 2021
- Alliance ONE Account’s digital marketing campaign won two GOLD awards **“Most Effective Use – Consumer Insights and Analytics”** and **“Most Effective Use – Specific Audience”** awards
- **Malaysia Technology Excellence Awards 2021**: “Digital – Banking” and “Online Services-Banking” for BizSmart Solution