

The Preferred Bank of Business Owners

39th ANNUAL GENERAL MEETING

25 August 2021



Contents

1 FY21 Strategic Priorities

- Covid-19 Management
- Accelerate Remote Banking



*Helping staff,
customers and
communities*

2 FY21 Financial Highlights

- Revenue & Profitability
- Balance Sheet
- Shareholder Value



*Positioning for growth
while keeping
the Bank safe*

3 Going Forward

- FY22 Strategic Priorities
- Sustainability
- Awards



*To be the Preferred
Bank for Business
Owners*



FY21 Achievements

1

Covid-19 Management

Keeping employees safe

① Ensure business continuity

>50% Work-from-Home

② Providing protection

Strict internal standard
operating procedures

Helping customers & communities

Financial Assistance

a

Targeted Assistance

- ✓ Streamlined application
- ✓ **RM7.0 billion**
(16% of loan book > industry)

b

Government aide programmes

> **RM730 million**

Non-Financial Assistance

a

#SupportLokal

Reached
~17 million
Malaysians online

b

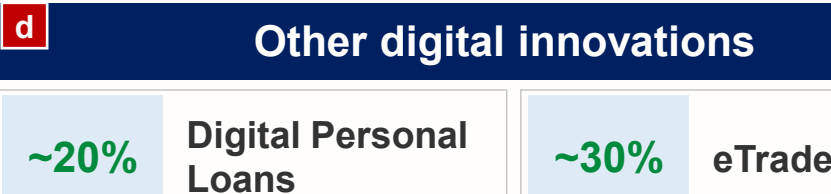
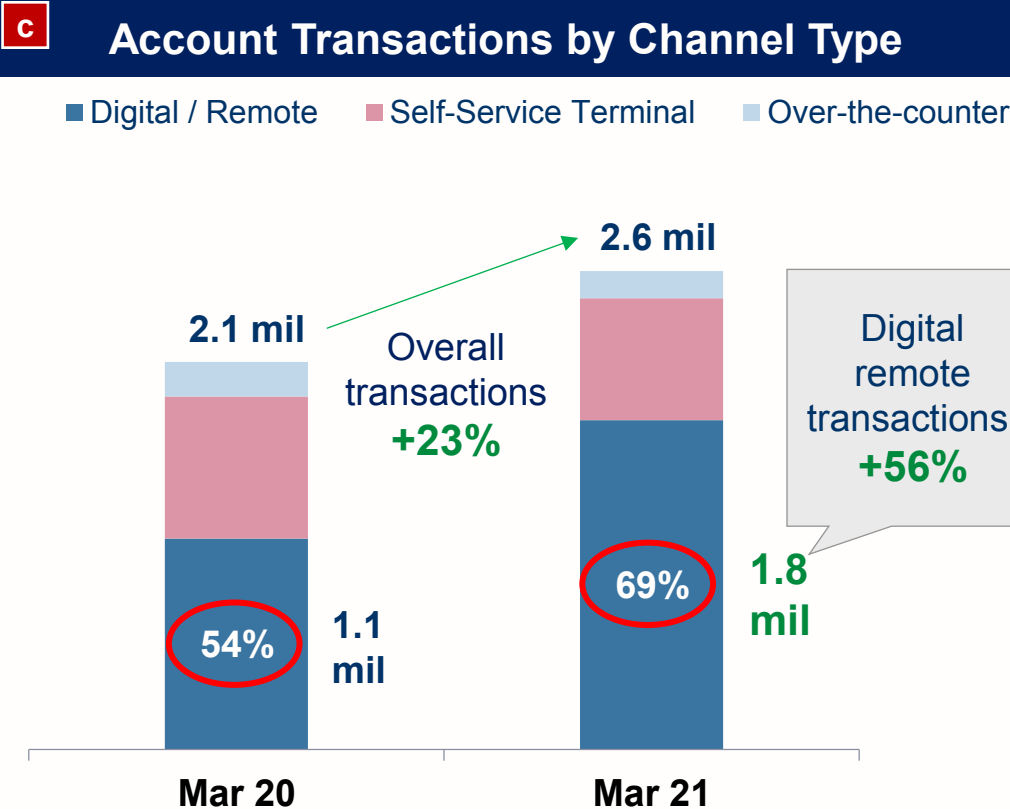
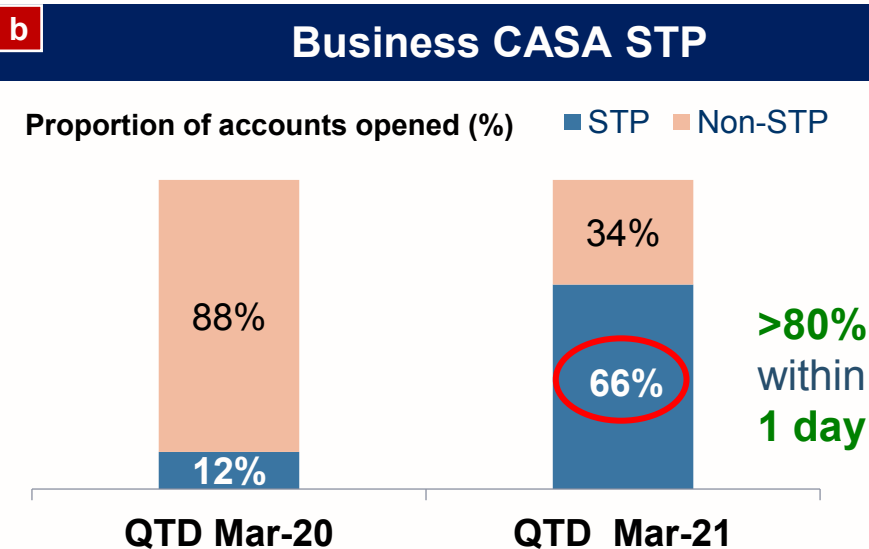
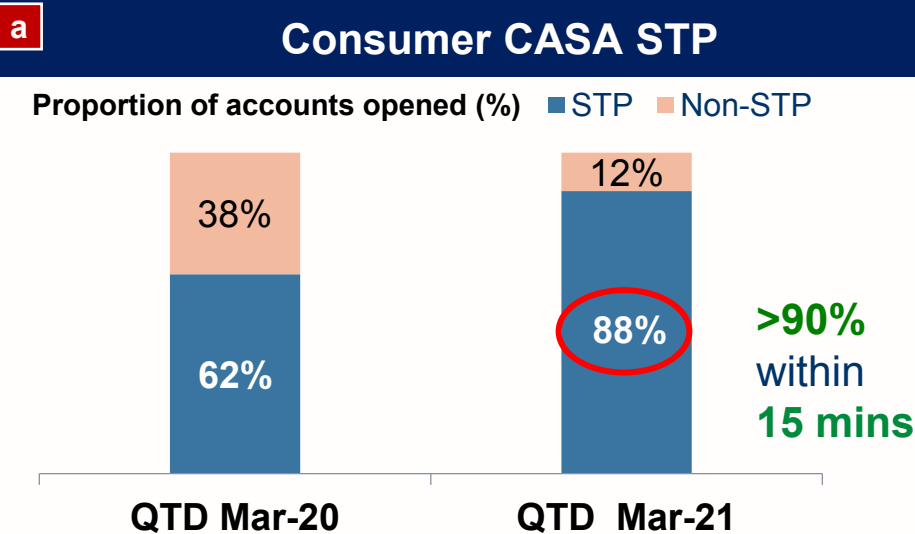
SocioBiz

Deployed
~RM800k
to micro SMEs

**Global Finalist “SME Bank of the Year”
award (by Efma)**

FY21 Achievements

2 Accelerate remote banking: >80% digital CASA & 69% digital transactions



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Revenue grew 7.6% ; NIM at 2.30% (top 3 position)

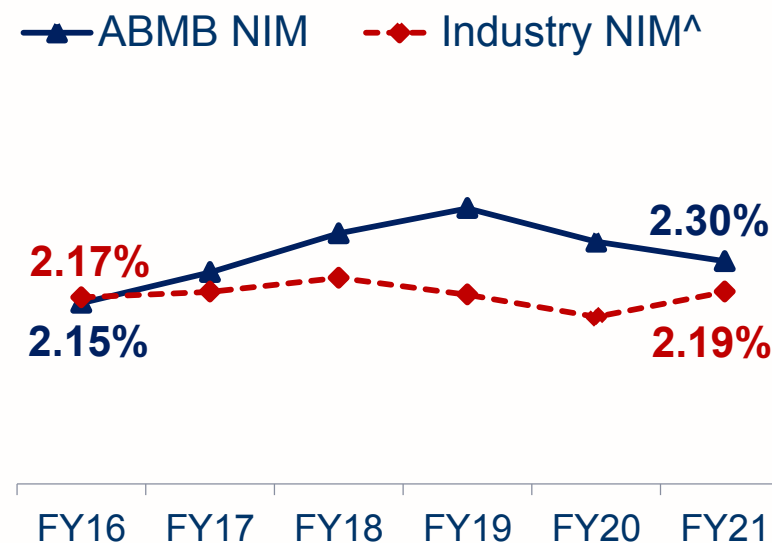
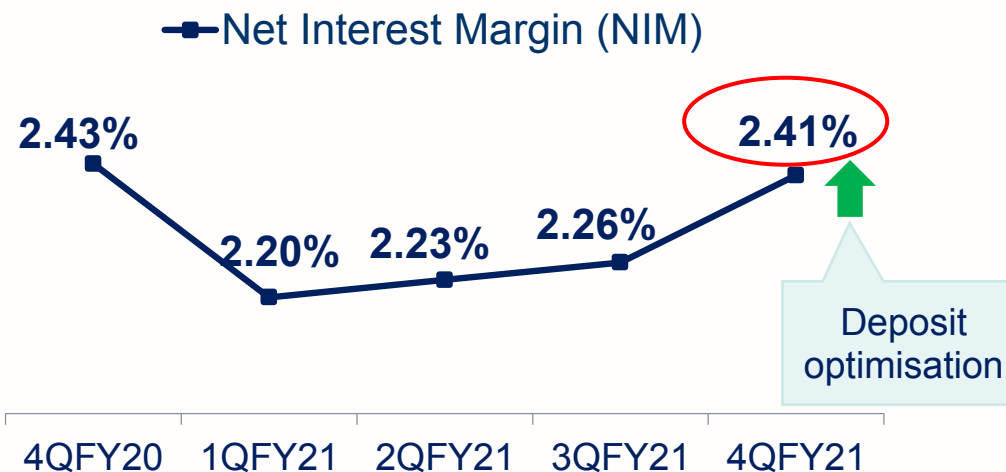
Revenue

RM mil

- Non-interest income (NOII)
- Net interest income (NII)



Net interest margin



^ based on local peers' average

Over 5 years:

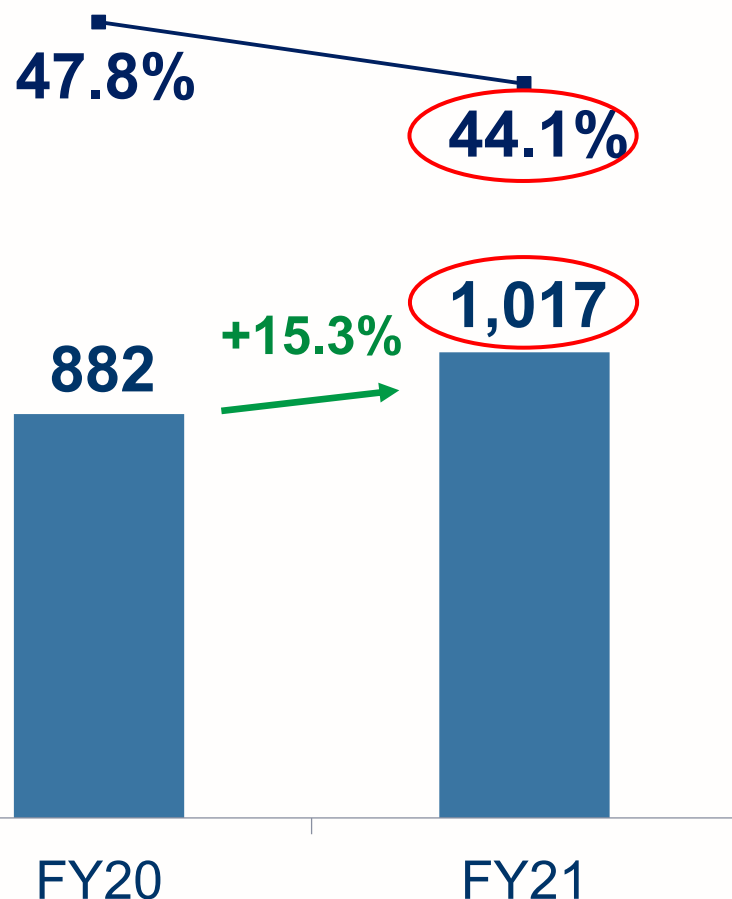
ABMB: +15bps

Industry: +2bps

Pre-provision Operating Profit grew to over RM1 billion

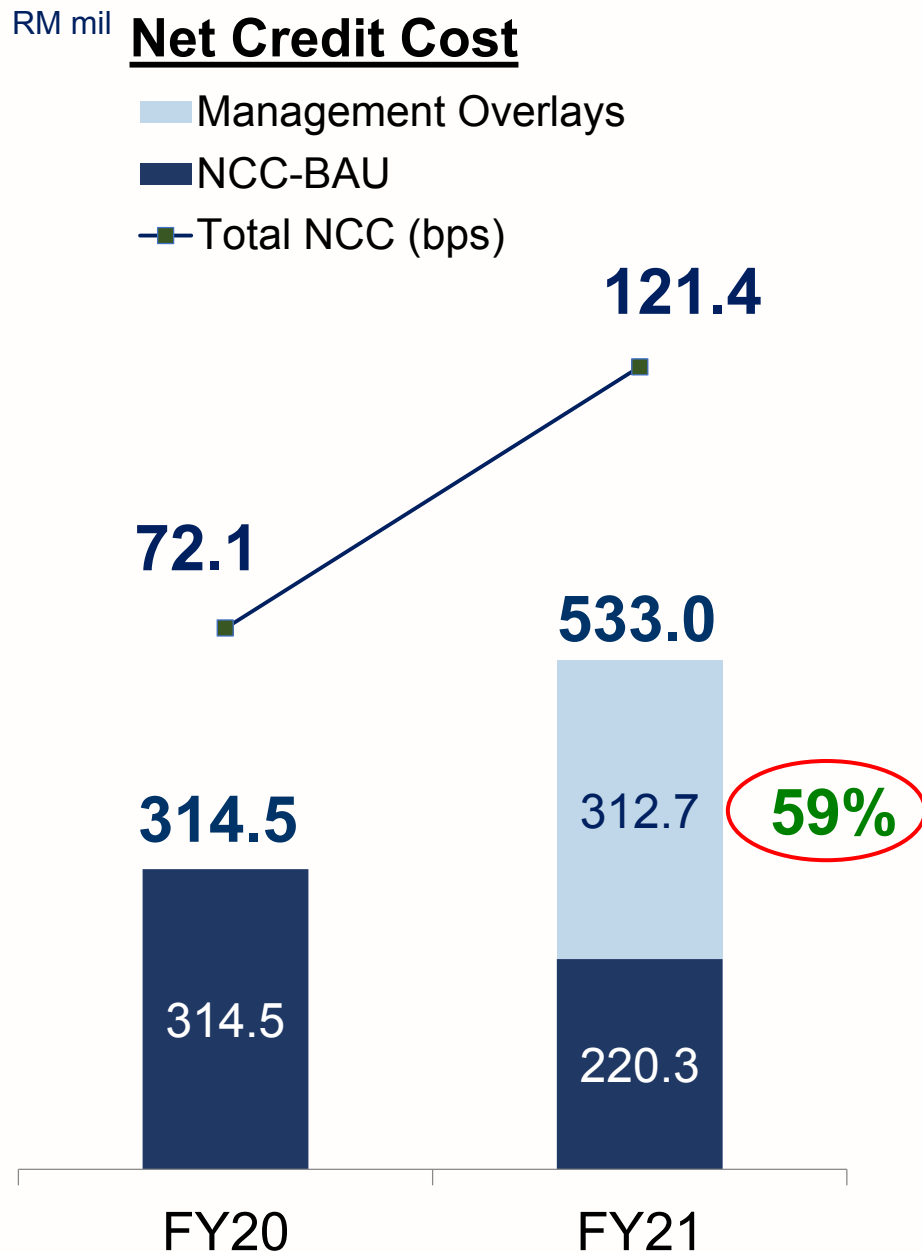
RM mil

■ PPOP (RM mil)
■ Cost to income ratio (%)



- **OPEX < FY20**, thanks to lower personnel cost
- **Cost to income ratio**: improved to **44.1%**
- **Pre-provision Operating Profit (PPOP)**: **>RM1 billion**

59% of net credit cost for management overlays

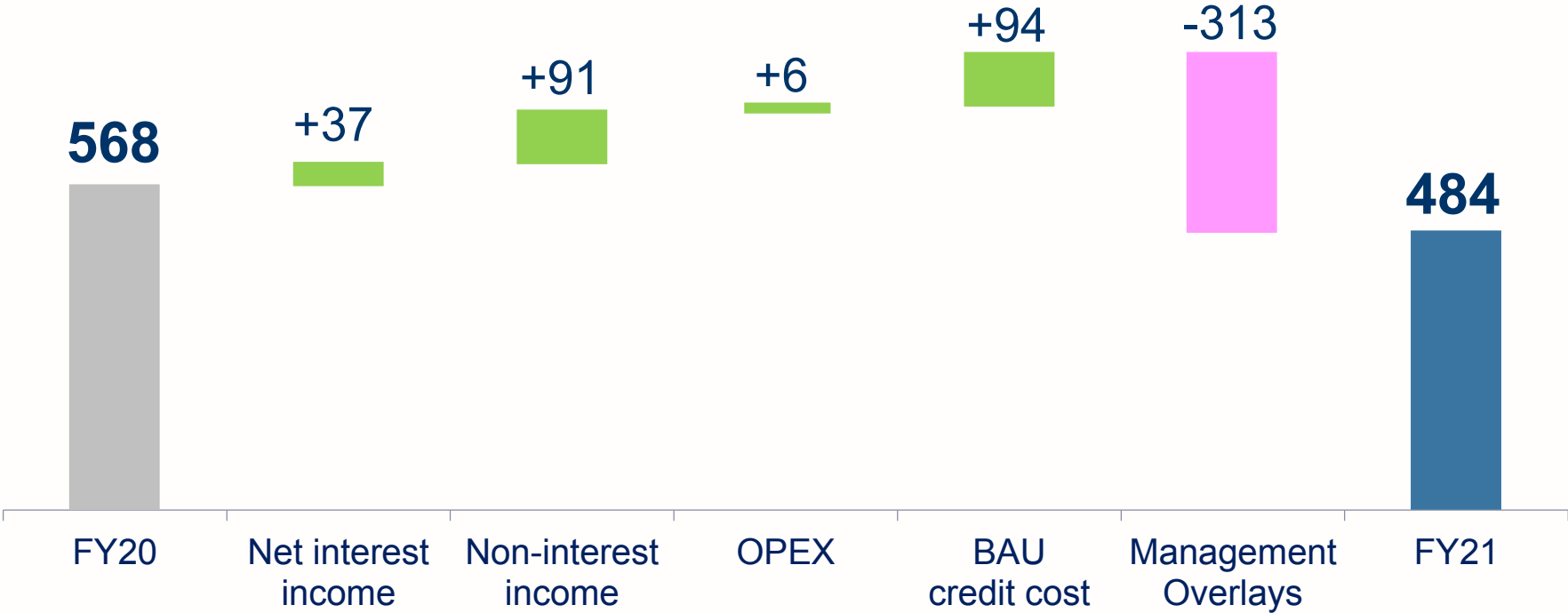


- **Credit cost : 121.4 basis points**
 - ✓ Of which **71.2 basis points** for management overlays
- **Management overlays** for the higher risks to:
 - ✓ Sectors impacted by COVID-19
 - ✓ Customers taking up various forms of relief assistance

Net profit after tax at RM359 milion

Profit Before Tax - RM mil

Prudent provisioning
to keep the Bank safe



NPAT	424	359
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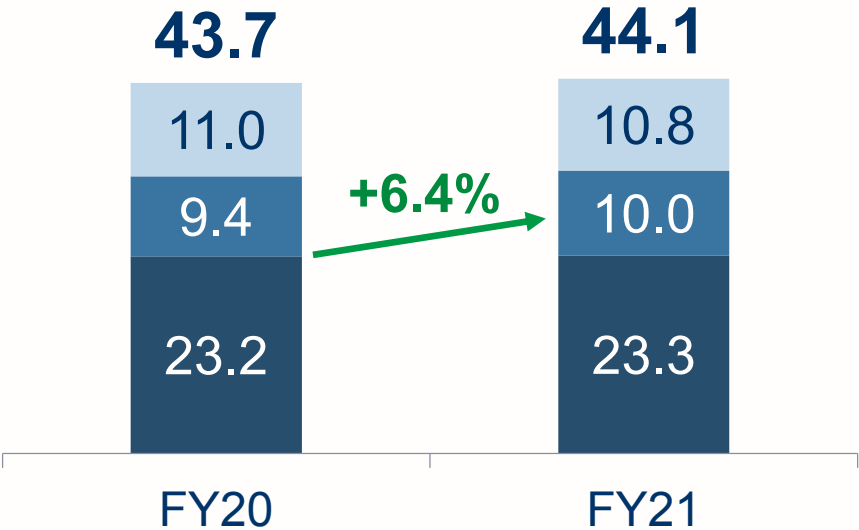
Positioning for Growth in the Coming Year

Loans growth backed by strong liquidity & capital

SME loans grew 6.4%

■ Corporate & Commercial ■ SME ■ Consumer

RM bil



- **SME: +6.4%** (from government-assistance programs)
- **Corporate & Commercial:** de-risking efforts

Liquidity & capital

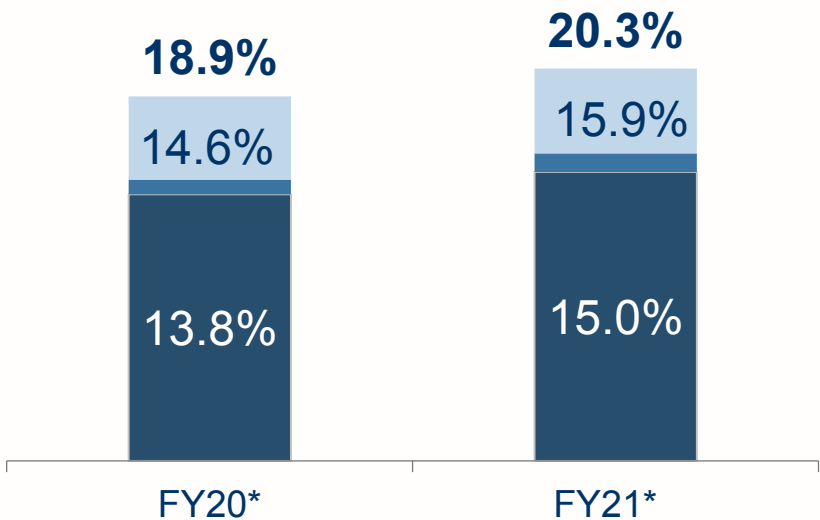
CASA

- **CASA ratio at 47.0%**
(top end of the industry)

Liquidity

- **LCR: 150.0%**
- **LFR: 84.3%**

■ CET 1 ■ Tier 1 ■ Total Capital



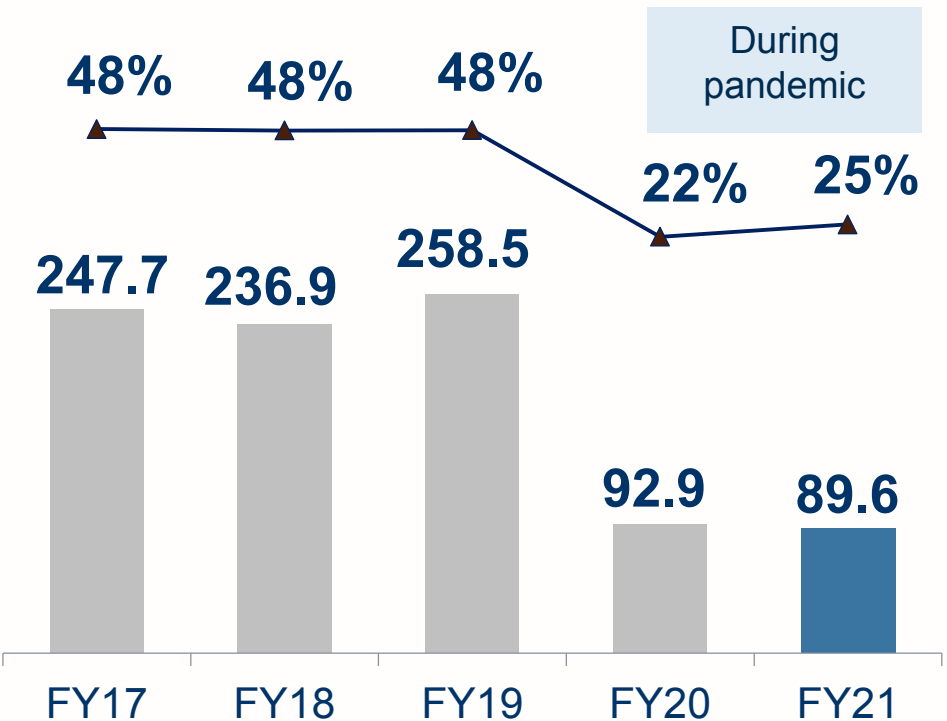
* Capital ratios without transitional arrangement

Remain committed to rewarding shareholders

Dividend Payout

RM mil

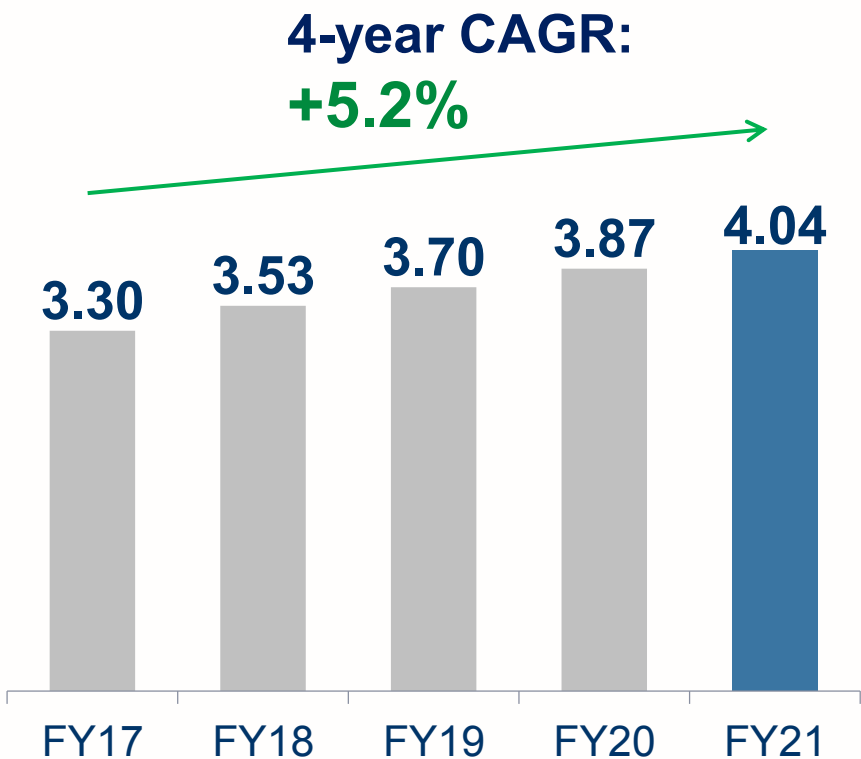
■ Total Dividend Paid
▲ Dividend Payout Ratio



- FY21 total dividend: **5.8 sen**
(payout ratio: **25%**)

Net Assets per Share

RM



- FY21 net assets per share: **+17 sen**



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**VISION: The Preferred
Bank of Business Owners**
MISSION: Building Alliances To Improve Lives

Strategy: Building scale in SME, Commercial & selected Consumer segments

Business banking	Consumer banking
Top 4 player in SME (doubling market share in 5 years - by FY26)	Be the personal banker of choice for business owners

FY22 Strategic Priorities:

<p>1 Acquire more customers</p> <ul style="list-style-type: none"> ▪ Increase SME market share to 5% <ul style="list-style-type: none"> ✓ Sales force expansion; ✓ Digital SME ▪ Double new-to-bank customers acquisition 	<p>2 Deepen customer engagement</p> <ul style="list-style-type: none"> ▪ Tighten collaboration: <ul style="list-style-type: none"> ✓ Build business Owners with dual personal & business relationship; ✓ leverage on Universal Bankers ▪ Increase digital adoption (target: ~3/4 digital transactions) 	<p>3 Gain efficiencies</p> <ul style="list-style-type: none"> ▪ Business Transformation: <ul style="list-style-type: none"> ✓ Eliminate, automate & centralise processes; ✓ Piloting new & simplified branch model
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Sustainability Agenda

1

Our sustainability approach is an extension of our mission and core values

Alliance Bank's Approach to Sustainability

Aligned with Alliance Way:

Our Sustainability Purposes are:

1. To help business owners adopt ESG practices in a way that creates value for the business, the community and environment in which they operate.
2. We aim to create a meaningful impact on sustainability in collaboration with our people and our community.

What We'll Focus On:

①

Grow Sustainable Banking Business

- Achieve **RM5B** of new sustainable business by FY25

②

Help Customers Transition Towards Sustainability

- Assist via transition programs and advisory solutions

③

Manage Own ESG Practices

- Baselining of own emissions being done
- Reduction targets to be set

2

To sustain our approach, we have done the following:

Established Sustainability Governance at Senior Management and Board Levels

Supported ESG Businesses and Investments (i.e. Renewable Energy Financing, ESG Unit Trust)

Begun incorporating ESG into Risk Management via a Sustainability Framework

Adopted FTSE4Good standards for sustainability disclosures

Established Community and Business Outreach Programmes:

- BizSmart Challenge
- #SupportLokal
- SocioBiz
- EcoBiz
- AEIOU
- Zakat contributions

3

Moving forward, we will enhance sustainability disclosures

A new microsite for all our sustainability disclosures (Sep'21)

Sustainability updates in quarterly analyst briefings (Nov'21 onwards)

Announcements on:

- a) Position statements on high climate risk sectors (Dec 21)
- b) Operational greenhouse gases (GHG) reduction target (Apr'22)

We won several awards for our digital innovations

BizSmart® Solution



- Best Beyond Banking Service



- Service Innovation of the Year - Malaysia



- Winner: Digital-Banking
- Winner: Online Services - Banking

BizSmart e-Trade



- Malaysia Domestic Initiative of the Year
- Malaysia Domestic Trade Finance Bank of the Year



- Financial Inclusion Initiative of the Year - Malaysia



- Best Trade Finance Bank in Malaysia
- Most Innovative Trade Finance Banking Product in Malaysia

Digital On-Boarding (e-KYC Solution)



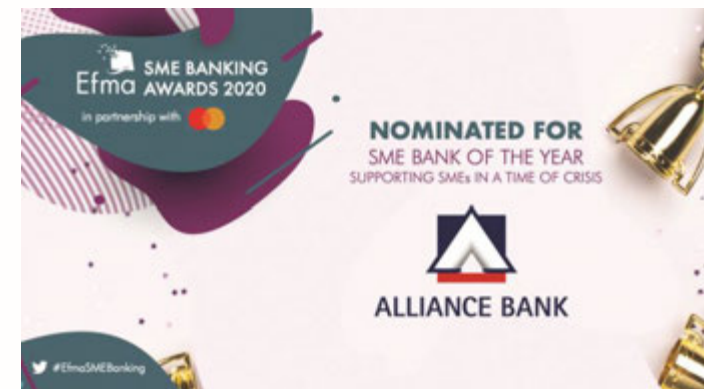
Digital CX
Awards 2021

EXCELLENCE IN OMNI-CHANNEL
CUSTOMER EXPERIENCE

WINNER

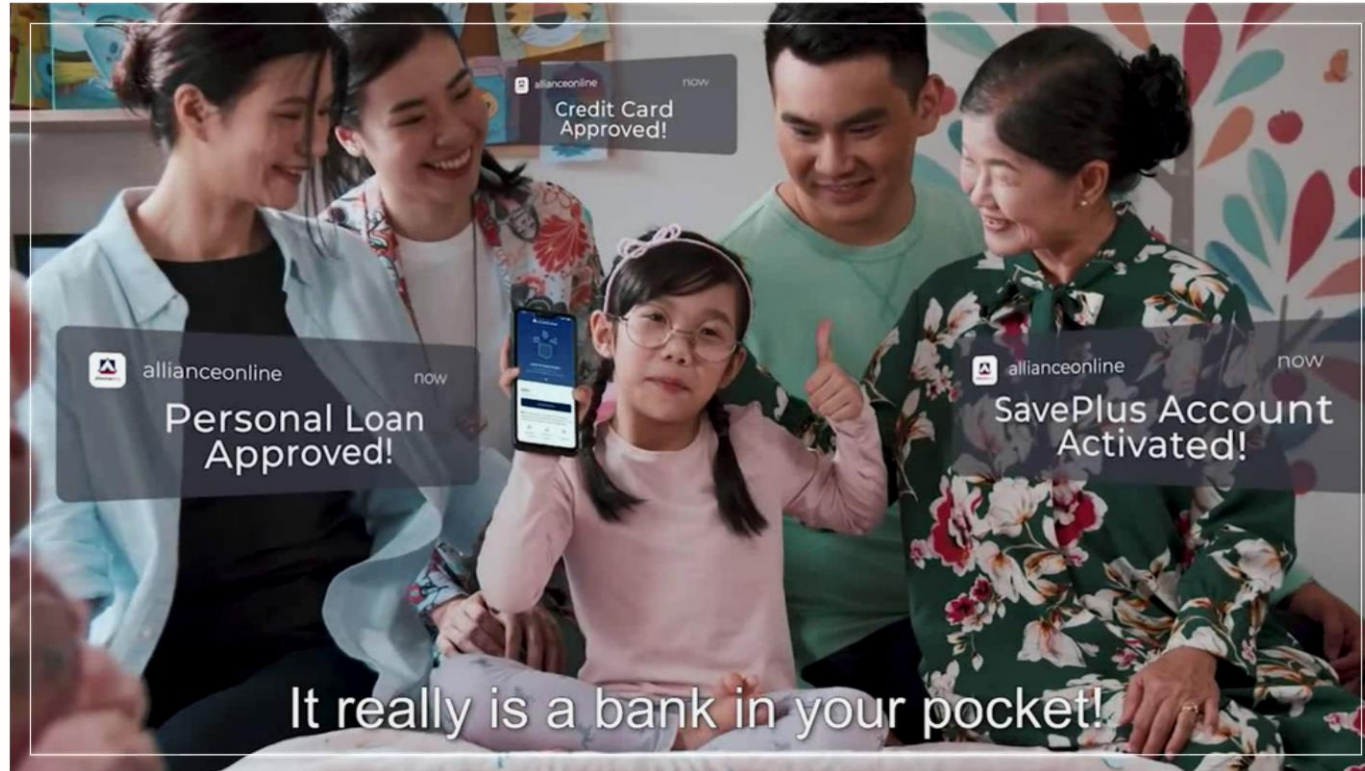
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SME Bank



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ALLIANCE BANK

25 August-21 39th ABMB Annual General Meeting