



41st ANNUAL GENERAL MEETING

26 July 2023





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1 FY23 Financial Highlights

- Revenue & Profitability
- Effective Risk Management
- Balance Sheet
- Shareholder Value

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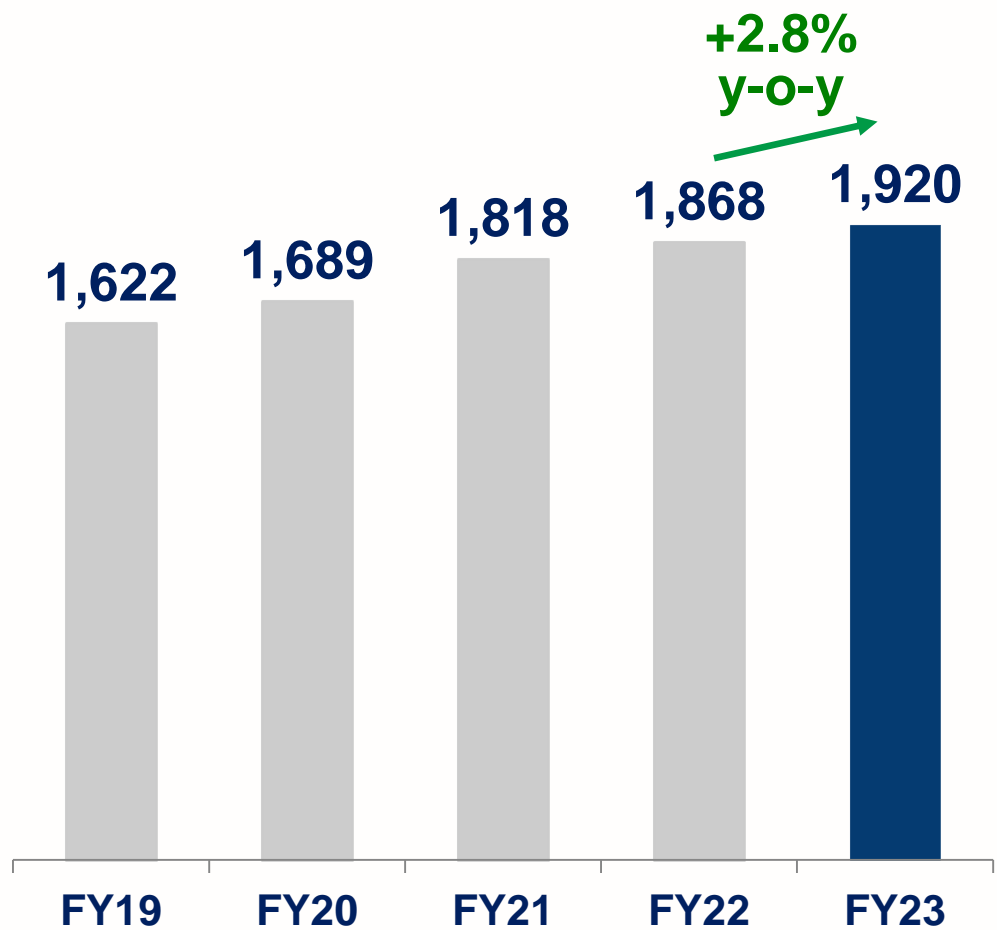
- ACCELER8 2027
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Revenue grew 2.8%; NIM at 2.64% (Top in industry)

Revenue

RM mil

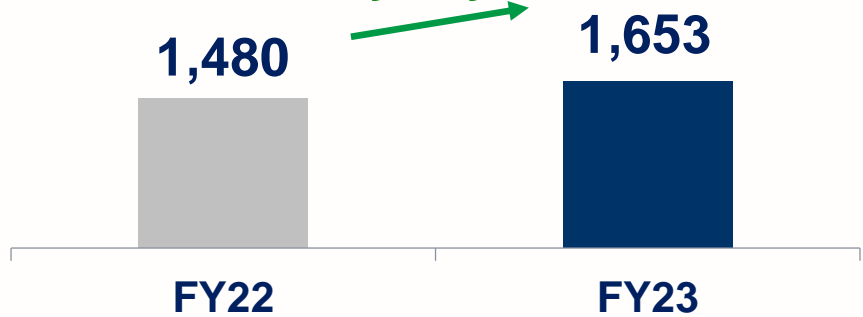
4-year CAGR: +4.3%



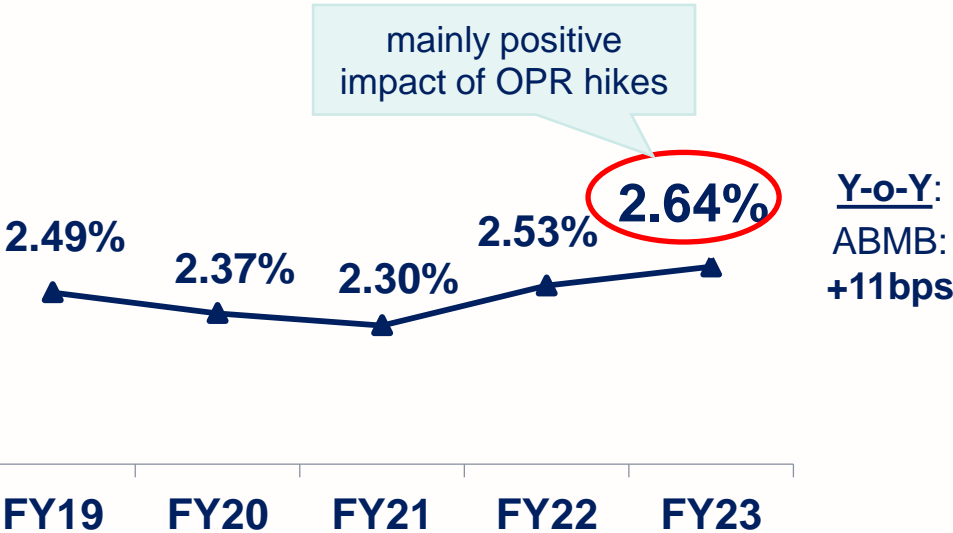
Net interest income

RM mil

+11.6%
y-o-y



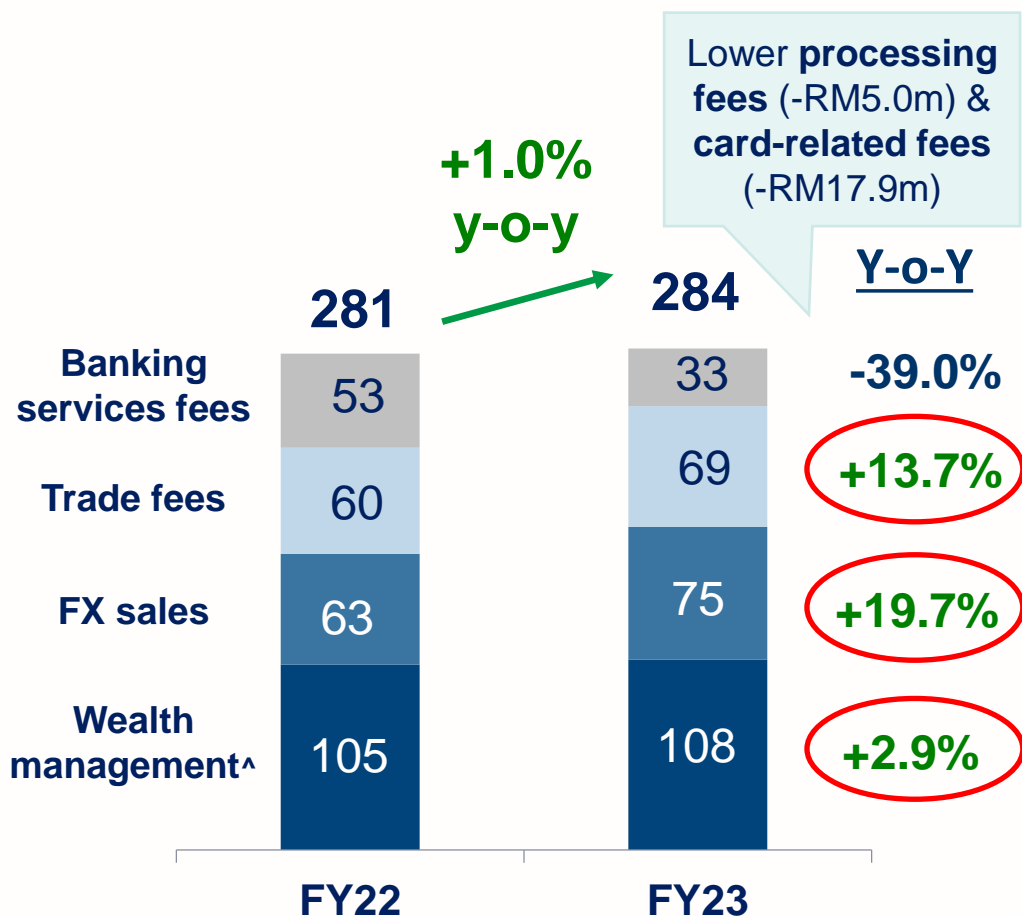
Net interest margin



Growth in wealth management, FX sales & trade fees

Client-based income (excl. brokerage)

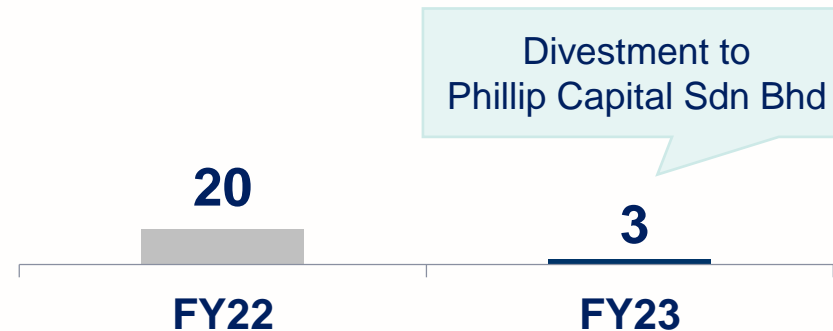
RM mil



^ including share trading centre fees

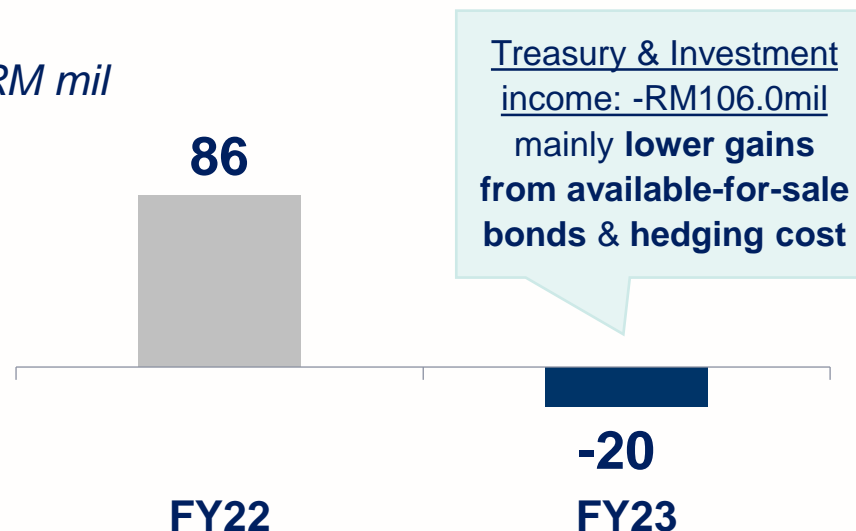
Brokerage (divested)

RM mil



Non-client based income (treasury)

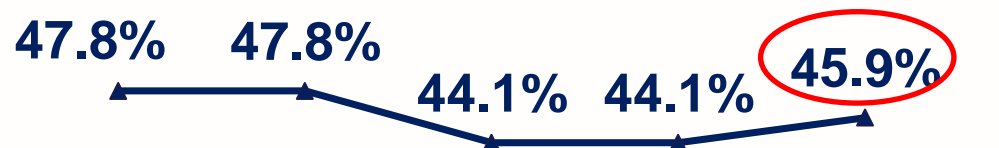
RM mil



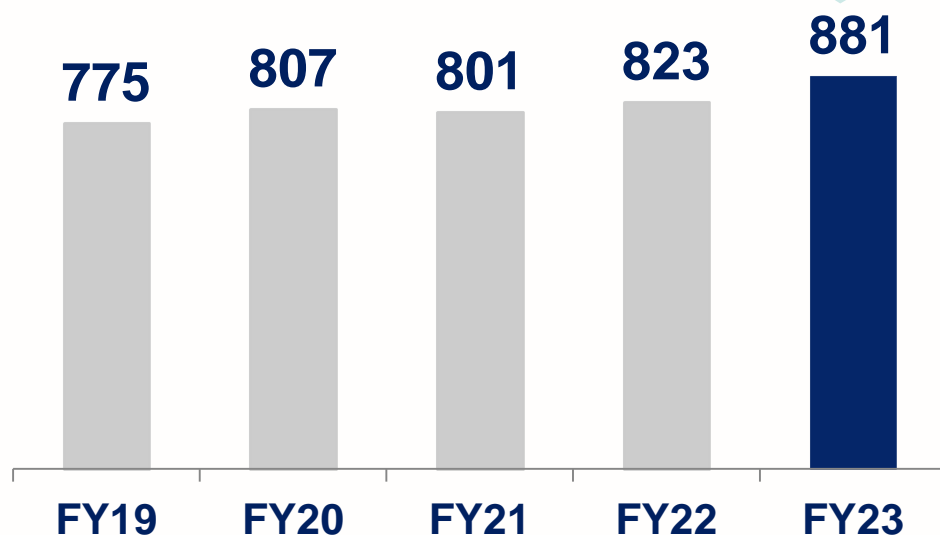
Cost to Income Ratio at 45.9% ; PPOP above RM1 billion

Operating expenses

RM mil ■ Operating expenses ▲ Cost to income ratio

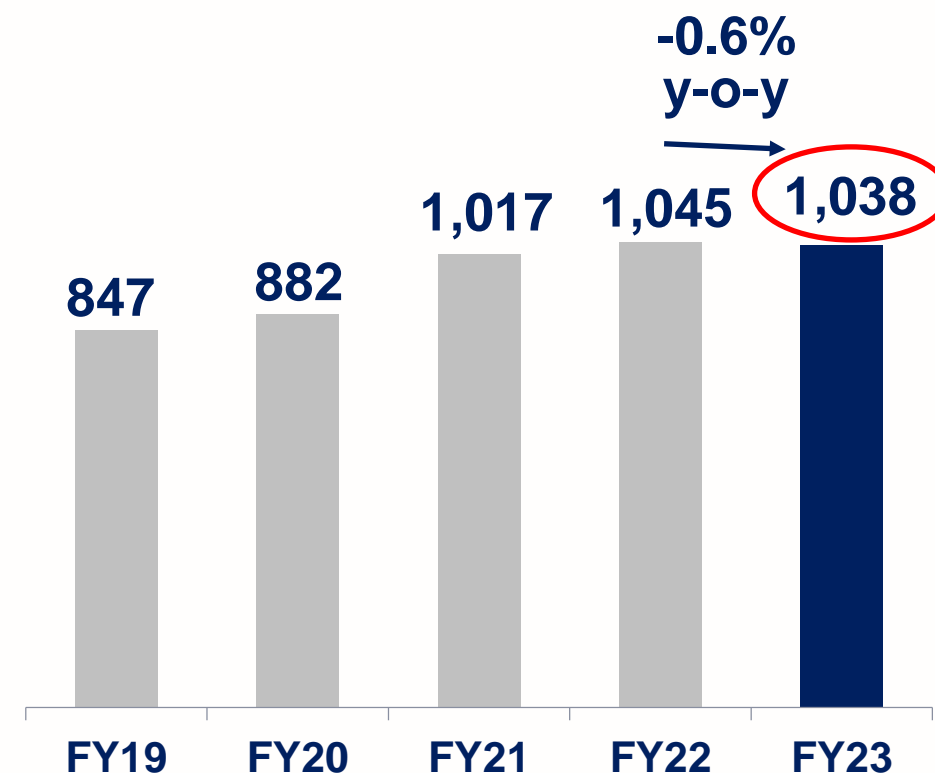


+RM58.4m (7.1%):
 ➤ investment in people & IT
 ➤ marketing & deposit insurance
 ➤ wage inflation



Pre-provision operating profit (PPOP)

RM mil

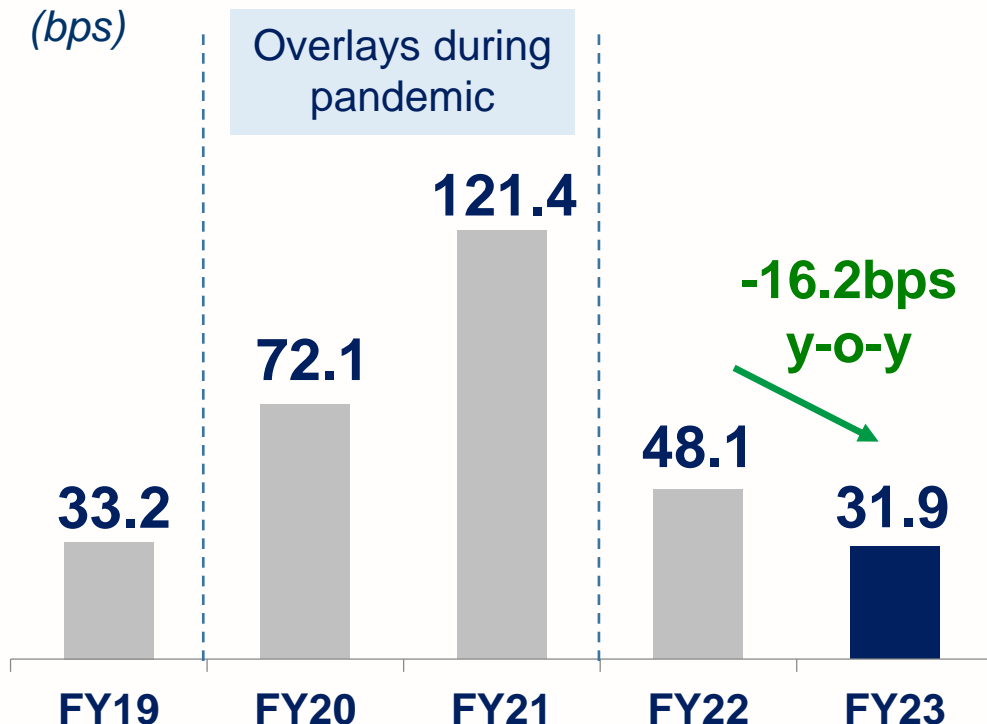




Net credit cost improved to 31.9 basis points

Net credit cost

Basis points
(bps)

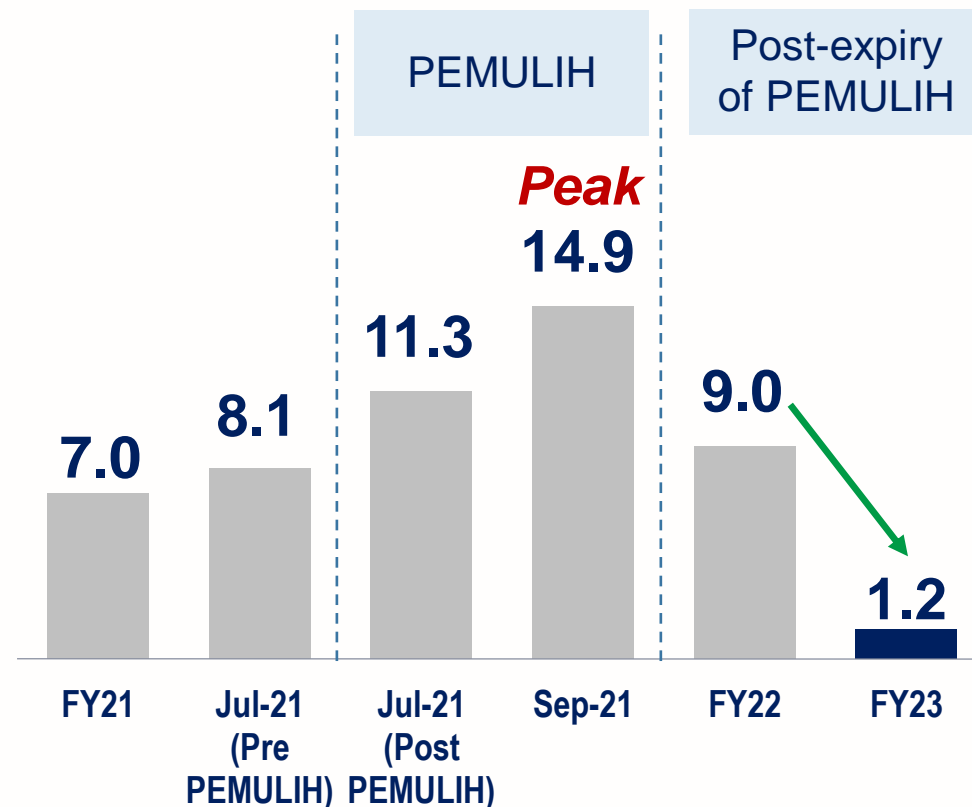


Lower net credit cost due to:

- recovery from one account
- net release of management overlays

Loans under relief

RM bil

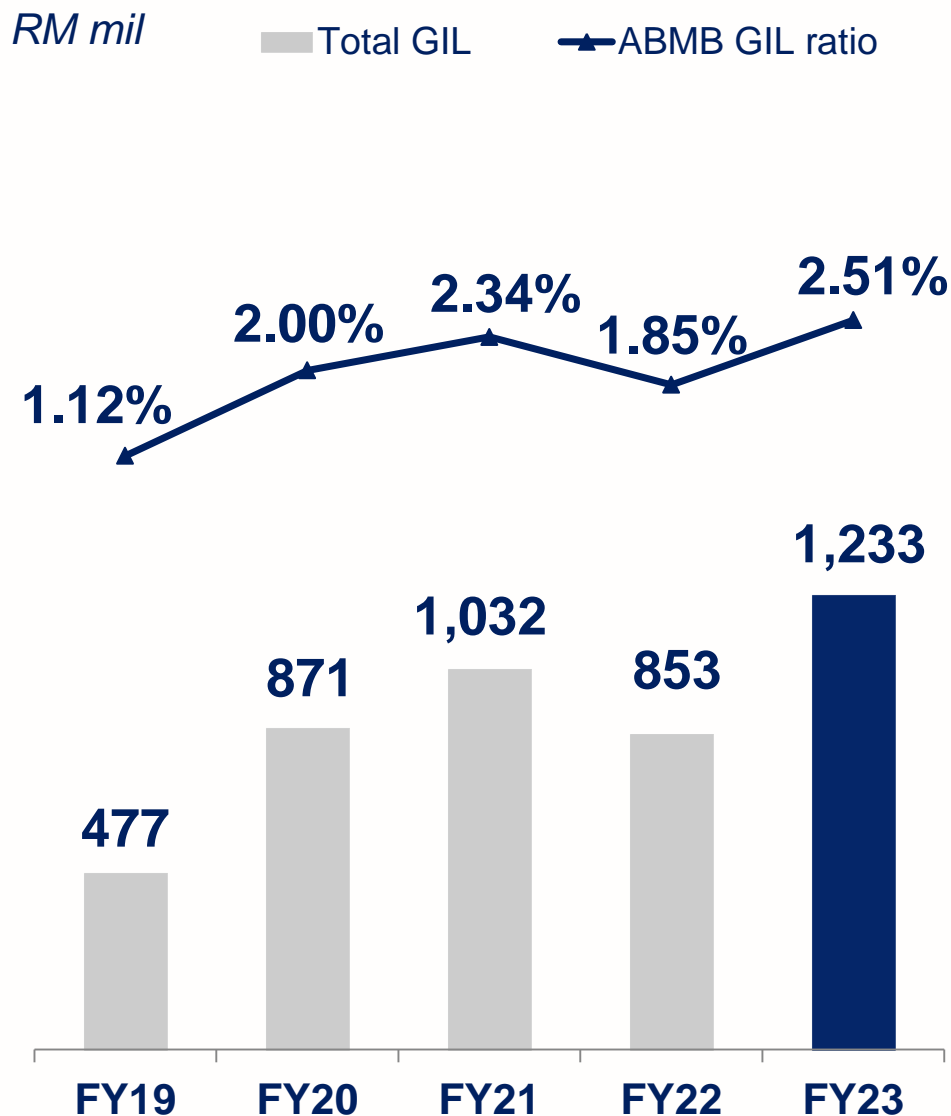


Loans under relief: **2.5%** of total loan book

- Customers mostly graduated upon expiry of PEMULIH

GIL ratio uptick to 2.51% but well provisioned

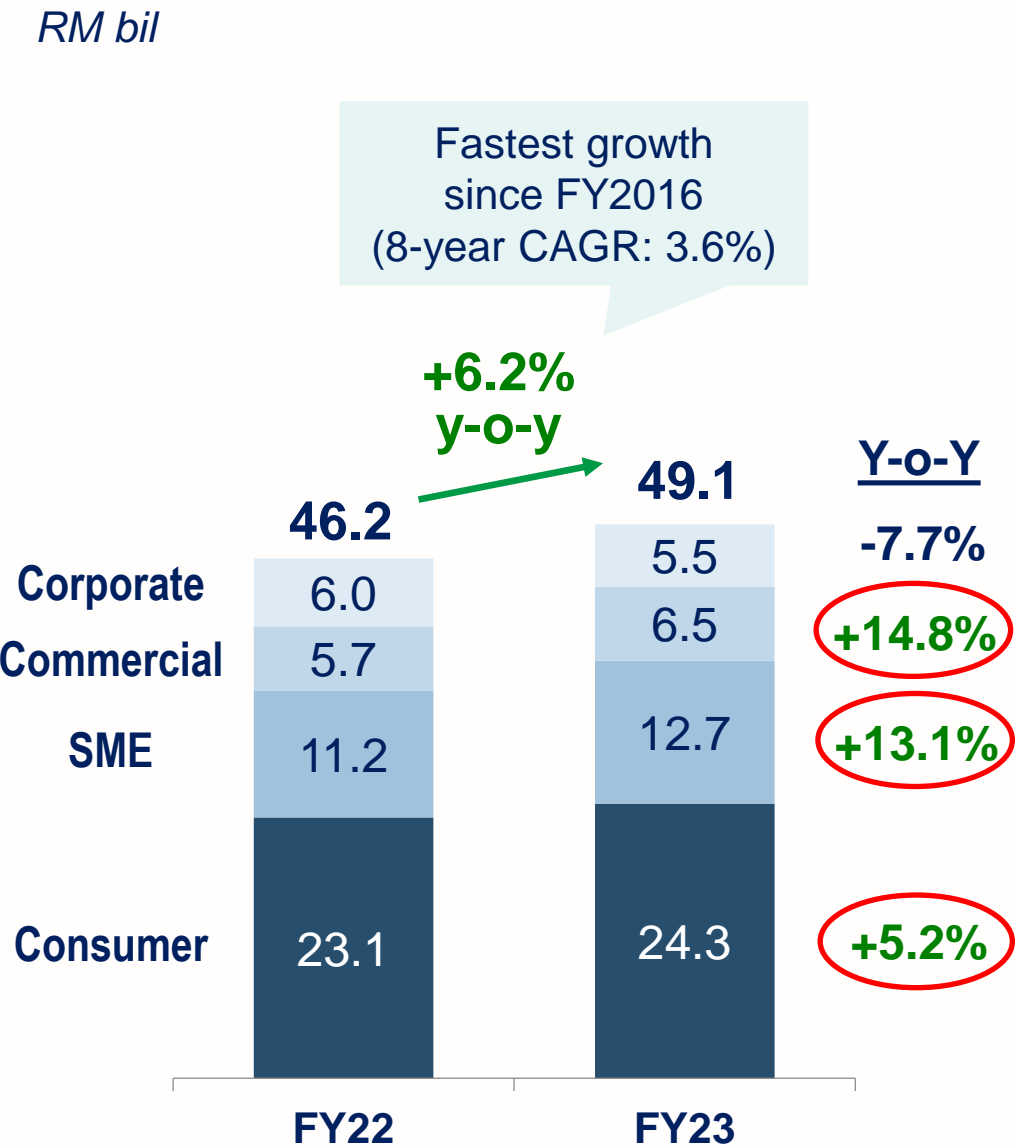
Gross impaired loans (GIL)



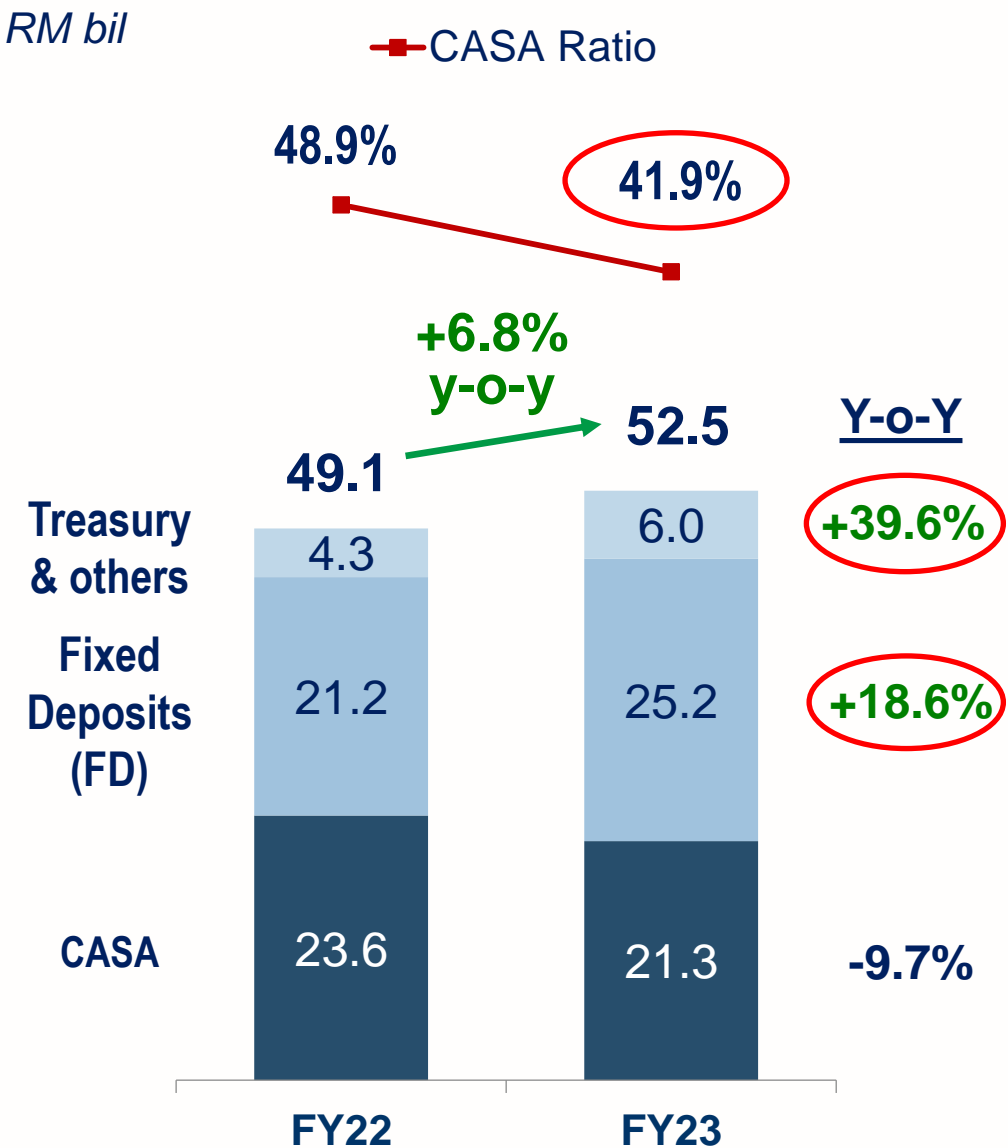
- GIL ratio increased mainly due to:
 - impairment of **one large Corporate** account
 - Consumer & SME:
 - post-effects from **end of financial assistance**;
 - some **pressures on debt servicing** from OPR hikes and inflation
- Impaired accounts are **well collateralized**, and **adequately provisioned**.

Loans growth at 6.2%, supported by strong funding

Gross loans



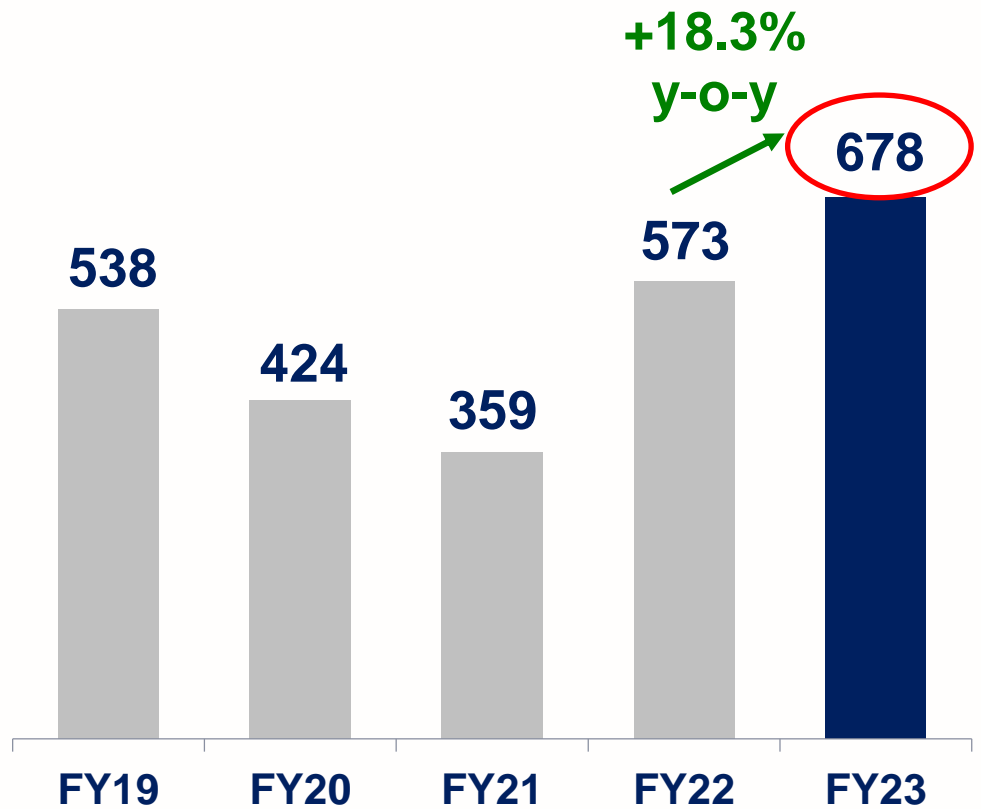
Customer based funding



NPAT grew 18.3% with ROE improving to 10.5%

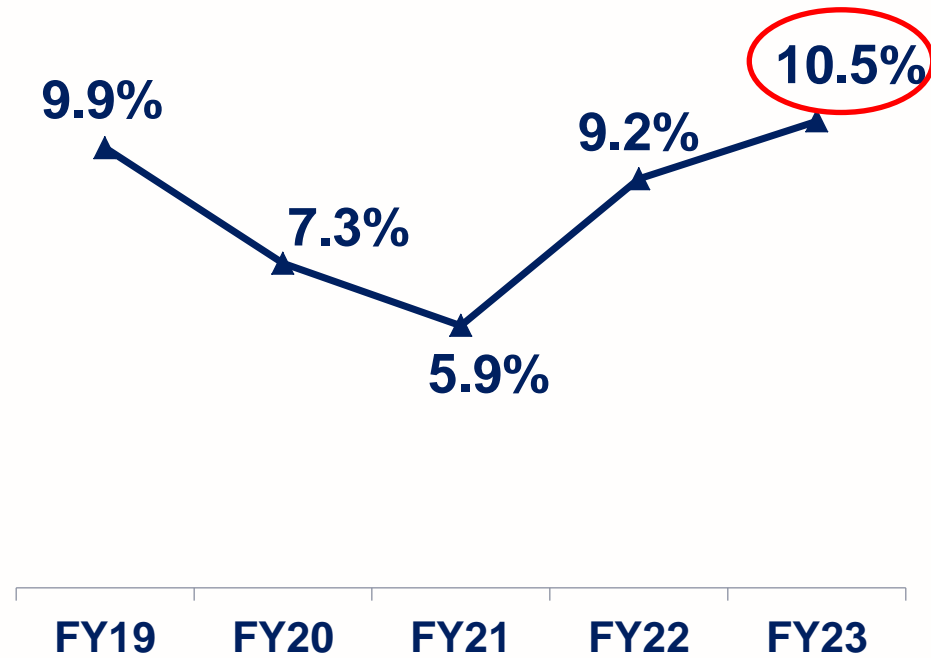
Net Profit After Tax (NPAT)

RM mil



Return on Equity (ROE)

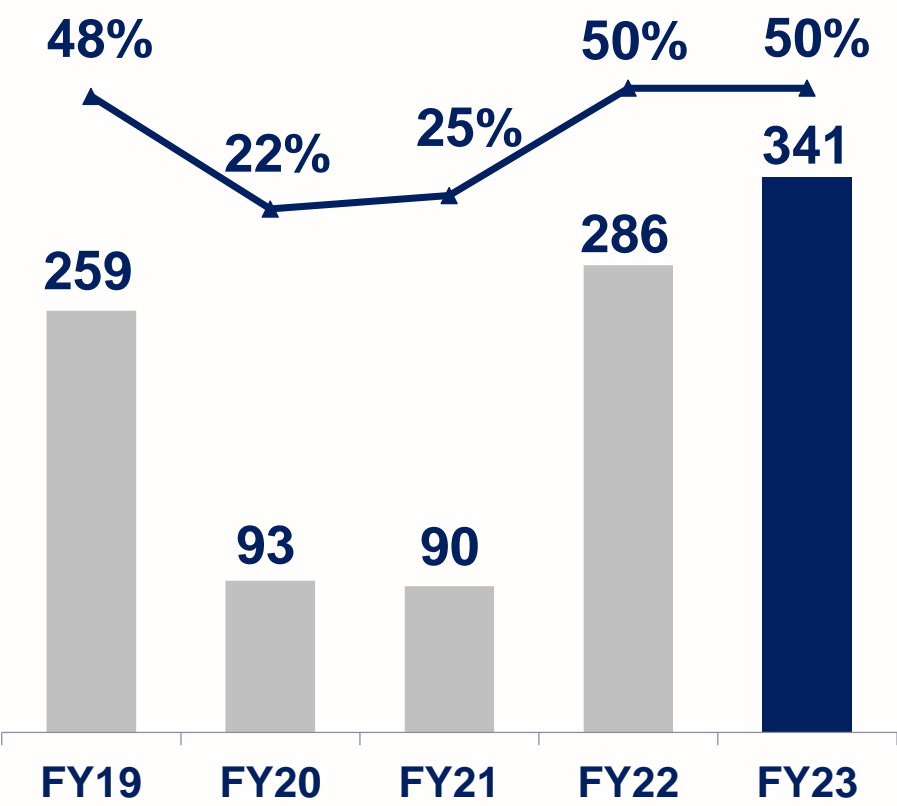
% Return



50% dividend payout and steady net assets growth

Dividend paid & payout ratio

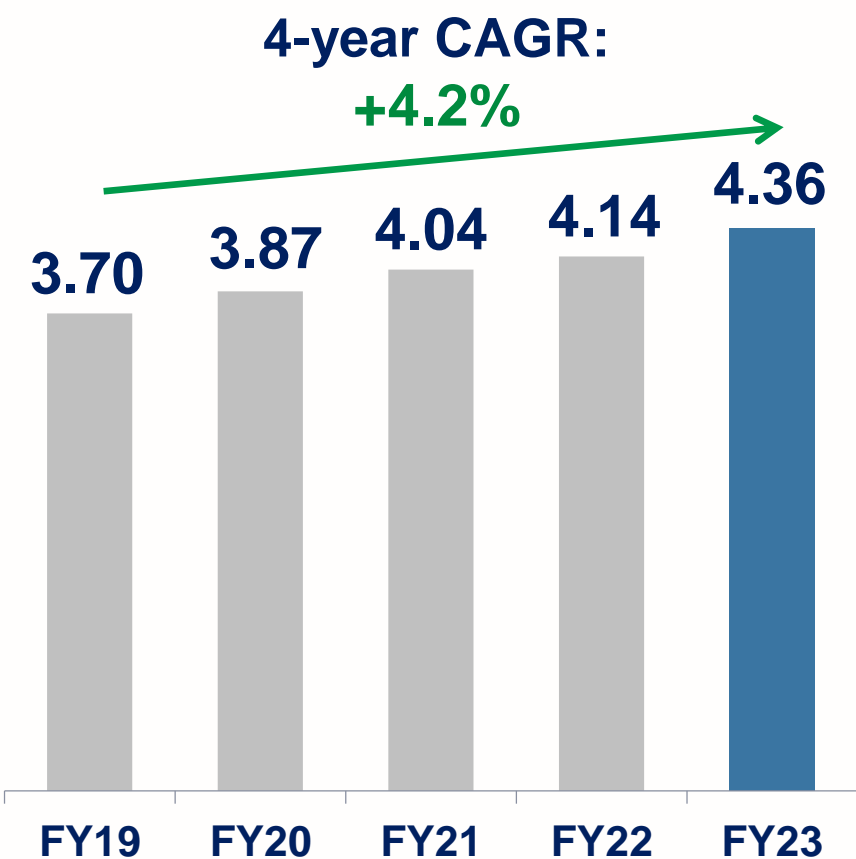
RM mil ■ Total dividend paid ▲ Dividend payout ratio



▪ FY23 dividend: **22.0 sen**

Net assets per share

RM



▪ Net assets per share: **+22 sen**



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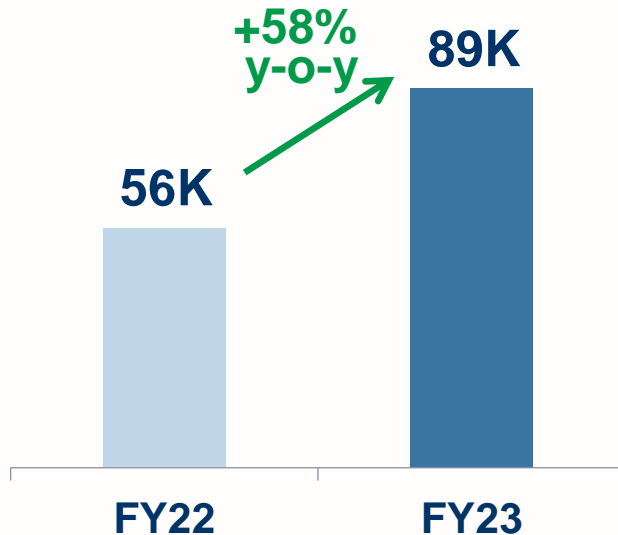
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FY23 Strategic Priorities

FY23 Achievements

① Acquire more customers

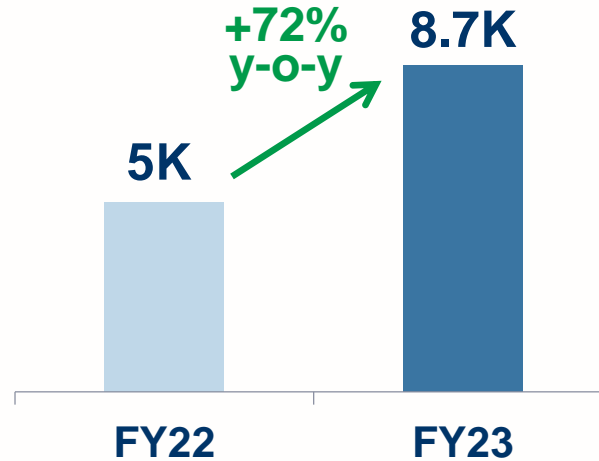
Number of New-to-Bank customers



- Strong New-to-bank customers acquisition mainly driven by consumer banking digital acquisition

② Deepen customer engagement

Number of new dual-relationship business owners (#)



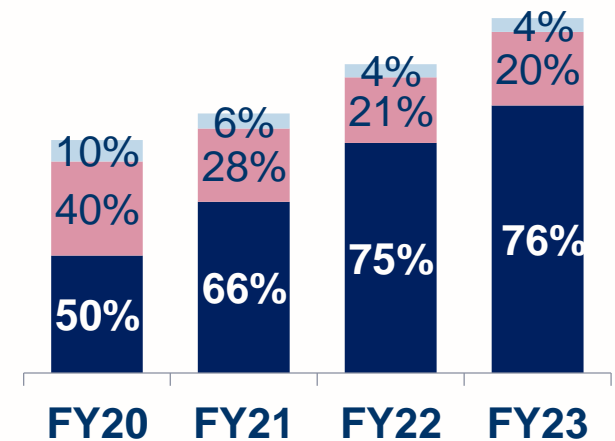
- Continued strong momentum for dual-relationship business owners acquisition: +72% y-o-y

③ Gain efficiencies

Customer digital adoption

Account Transactions by Channel (Average/Month)

■ Digital / Remote ■ SST ■ OTC



- Digital transactions mix: 76% (even when total transactions: +17% y-o-y)
✓ Digital channels transactions: +19% y-o-y

Achieved Targets

Significant Progress towards Our Sustainability Topline Goals

1 Grow RM10.0 billion in new sustainable banking business

Achievement: **RM6.7 billion** in new sustainable banking business in **FY2023** (*cumulative RM8.1 billion*)



Innovative solutions:
Won “Most Innovative Deal” Award for Sustainable Sukuk



Collaborated with Sunway Property on **sustainable mortgage financing packages** for green-certified development projects

2 Help customers adopt sustainable lifestyles and business practices

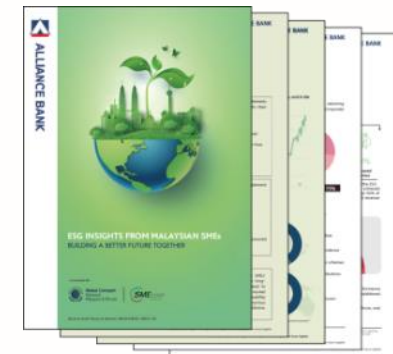
Achievement: Reduced non-sustainable financing & investment (**C5**) in our portfolio to **35%**



United Nations Global Compact member - forged strategic partnerships to assist SME customer transition



Rolled out **Sustainability Assistance Program** and “**BeESG**” campaign for businesses (*in partnership with Bursa Malaysia, MGTC¹ & UNGC²*)



Launched the inaugural annual **ESG Survey Report – ESG Insights from Malaysian SMEs**

Significant Progress towards Our Sustainability Topline Goals

3 Reduce the Bank’s greenhouse gas (GHG) emissions footprint

Achievement: **16.6% reduction in Scope 1 and Scope 2 GHG emissions** against FY2020 baseline



Established **GHG emissions baseline and reduction strategy** to **reduce Scope 1 and Scope 2 GHG emissions by 20% by FY2027** (vs our FY2020 baseline)

We have also made progress in other sustainability areas of the bank...



Aligned disclosures to **Task Force on Climate-related Financial Disclosures (TCFD)** recommendations



Established an **ESG Due Diligence Checklist for Suppliers**



Enhanced **climate risk screening tools** (ESG Screener and Risk Acceptance Criteria)



Launched our **sustainability engagement program** and **sustainability e-learning** for staff



Strengthened internal policies on **human rights principles**



Incorporated **ESG performance in remuneration**



OUR AWARDS 2023

Corporate Governance

- ❖ ASEAN Corporate Governance Scorecard Awards x3
- ❖ MSWG-ASEAN Corporate Governance Awards x2

BizSmart® eTrade

- ❖ Global Retail Banking Innovation Awards
- ❖ Global Transaction Banking Innovation Awards x2
- ❖ Asian Banking & Finance Wholesale Banking Awards x2
- ❖ Retail Banker Asia Trailblazer Awards
- ❖ Retail Banker International Asia Trailblazer Awards
- ❖ Digital CX Awards

SME / Digital SME

- ❖ Global SME Banking Innovation Awards
- ❖ Retail Banker International Asia Trailblazer Awards
- ❖ Asian Banker Excellence in Retail Financial Services International Awards
- ❖ CX Asia Excellence Awards
- ❖ Digital CX Awards x3
- ❖ Malaysia Technology Excellence Awards x2

Wealth Management

- ❖ Retail Banker Asia Trailblazer Awards
- ❖ Digital CX Awards

Human Resources

- ❖ HR Excellence Awards Malaysia

Islamic Banking

- ❖ The Asset Triple A Islamic Finance Awards x3
- ❖ Alpha Southeast Asia 16th Annual Best Deal & Solutions Awards





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January 2023: embark on ACCELER8 2027 strategy refresh



We have taken an outside-in approach in formulating our refreshed strategy

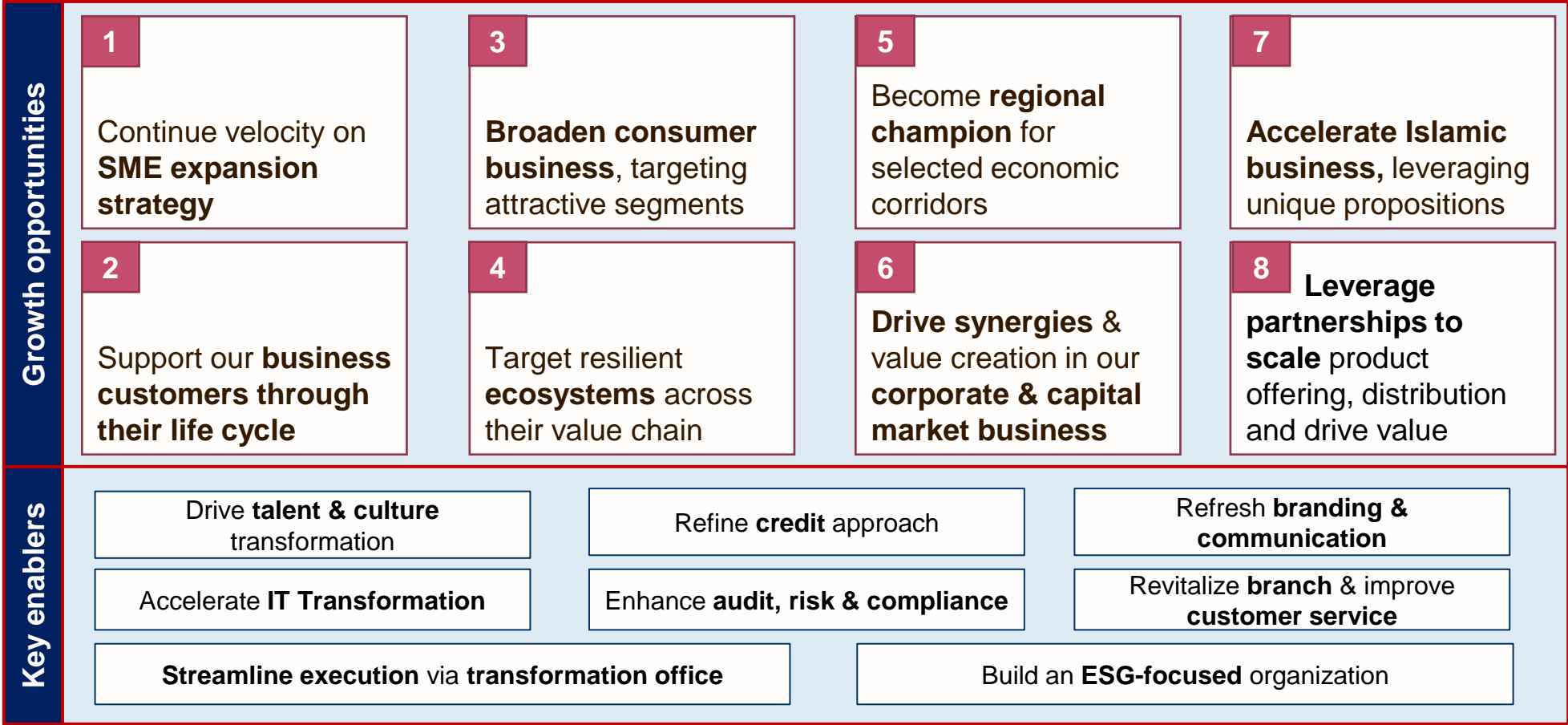
- **Comparison vs. Peers:** Benchmarking ABMB's positioning and growth vs peers (in relation to target segments & products)
- **Customer & Industry trends:** Digitalisation, sustainability, shifts in consumer behavior
- **Regulatory policies:** Latest BNM financial sector masterplan (FSMP 2022-2026)
- **National development focus:** High growth sectors and economic corridors in the 12th Malaysia Plan (2021-2025)

Refreshed Group Strategy: ACCELER8 2027



Vision: The Preferred Banking Partner
Mission: Building Alliances to Improve Lives
FY27 AMBITIONS

- | | | | |
|---|---|-------------------------------|---------------------------|
| Financials <ul style="list-style-type: none">• Top quartile ROE• Loans growth above industry• Target C:I 45% | Best in class customer NPS & TAT | Top employer of choice | Solid ESG progress |
|---|---|-------------------------------|---------------------------|



Our Targets: How do we know we succeeded by FY2027



Aspirations		Key Stakeholders	Measures of Success
1	Ambitious Financial Performance	Shareholders/ Investors	<ul style="list-style-type: none">✓ Top quartile ROE amongst peers (11%-12%)✓ Loans growth above industry (8-10%)✓ Target Cost to income ratio: ~45%✓ Maintain dividend payout ratio
2	Superior Customer Service	Customers	<ul style="list-style-type: none">✓ Leading customer NPS vs Industry
3	Next generation customer centric bank		<ul style="list-style-type: none">✓ High customer wallet share & new to bank customers
4	Prominent employer of choice	Employees	<ul style="list-style-type: none">✓ Best Employer awards (e.g. Top 25 Malaysia's 100 Leading Graduate Employers)
5	Key Contributor to the well-being of the community	Community	<ul style="list-style-type: none">✓ Continue to maintain high FTSE4Good Score✓ Industry recognition for ESG (e.g. Asian Banker, entrepreneurship awards)



ACCELER8 2027: Key updates (1/2)

Pillar 1

Pillar 2

Continue velocity on SME expansion strategy
Support our business customers through their life cycle

Partnership with CGC to finance micro small medium enterprises (MSMEs)



- Extended partnership with **Credit Guarantee Corporation Malaysia Berhad (CGC)**:
 - ✓ Launch additional series of new **Portfolio Guarantee schemes** with a combined allocation of **RM1 billion**.
 - ✓ Help MSMEs accelerate their growth with access to capital expenditure and working capital **up to RM1 million per MSME**.
 - Fast and simplified application.
 - Provide assistance for MSMEs to **transition into more sustainable business practices**.

Expanding our Digital SME Financing



- Award winning **digital SME solution** focuses on offering smaller ticket **straight-through-processing (STP) loans** to smaller SMEs, the loan base **grew by threefold to RM200mil** in the past year.
- To further accelerate growth, we have partnered with **SOLV Malaysia**, becoming the first bank in Malaysia to provide digital invoice financing on a B2B marketplace for MSMEs.

ACCELER8 2027: Key updates (2/2)

Pillar 3

**Broaden consumer business,
targeting attractive segments**

Virtual Credit Card



- Launched **ASEAN's first in-app dynamic virtual card**:
 - ✓ **Greater control and security** for online transactions.
 - ✓ **VCC average spending per transactions were 30% higher** than plastic credit card.

Upgrading Retail Loan Origination System (RLOS)



- With **Credit Transformation project**, using digital innovation and automation to **enhance the existing processes & transform credit decisioning**. We will also be able to evaluate the 'underbanked' segment.
- Enhanced capabilities through the use of **data analytics** and **alternative credit scores** to automatically identify best possible solutions for customers.

Pillar 4

**Targeting resilient
ecosystems
across their value chain**

Collaboration with Bursa and Mah Sing



- Early adopters of Bursa's **Centralised Sustainability Intelligence Platform**.
- **Alliance Bank** will offer Mah Sing's suppliers, contractors and consultants **four incentives**:
 - ✓ **Better green financing and deposit rates**;
 - ✓ Free access to a **SME climate assessment tool**;
 - ✓ **ESG training conducted by UNGC**;
 - ✓ Receive **exclusive green tech solutions**.

Concluding Remarks

Business growth

- **Loans growth** momentum (+6.2% year-on-year) is driven by SME, Commercial & Consumer. Growth opportunity expected to continue to be robust.
- We will also focus on driving fees and treasury income growth.

Profitability

- FY2023 **Net Profit** of **RM677.8 million** is on record, highest achieved by the Group. We continue to reward our shareholders with a total dividend of 22.0 sen per share.
- The operating environment will continue to be impacted by deposit competition.
- Our Operating Expenses are expected to increase with our investment in people and technology, as we continue to build revenue growth momentum. Notwithstanding this, we aim to maintain ROE.

ACCELER8 2027 & Sustainability

- **ACCELER8** will guide the Bank's growth through to FY2027. We will focus on providing fast, convenient and personalised solutions to customers.
- We have **made good progress**, via launch of our Virtual Credit Card, credit transformation and collaborations with our valued partners.
- We will continue to enhance our sustainability practices and pursue our goals.

Thank You.

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