

# 42<sup>nd</sup> ANNUAL GENERAL MEETING

31 July 2024



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## 1 FY2024 Financial Highlights

- ACCELER8 2027: Year in Review
- Revenue & Profitability
- Effective Risk Management
- Balance Sheet
- Shareholder Value

## 2 FY2024 Achievements

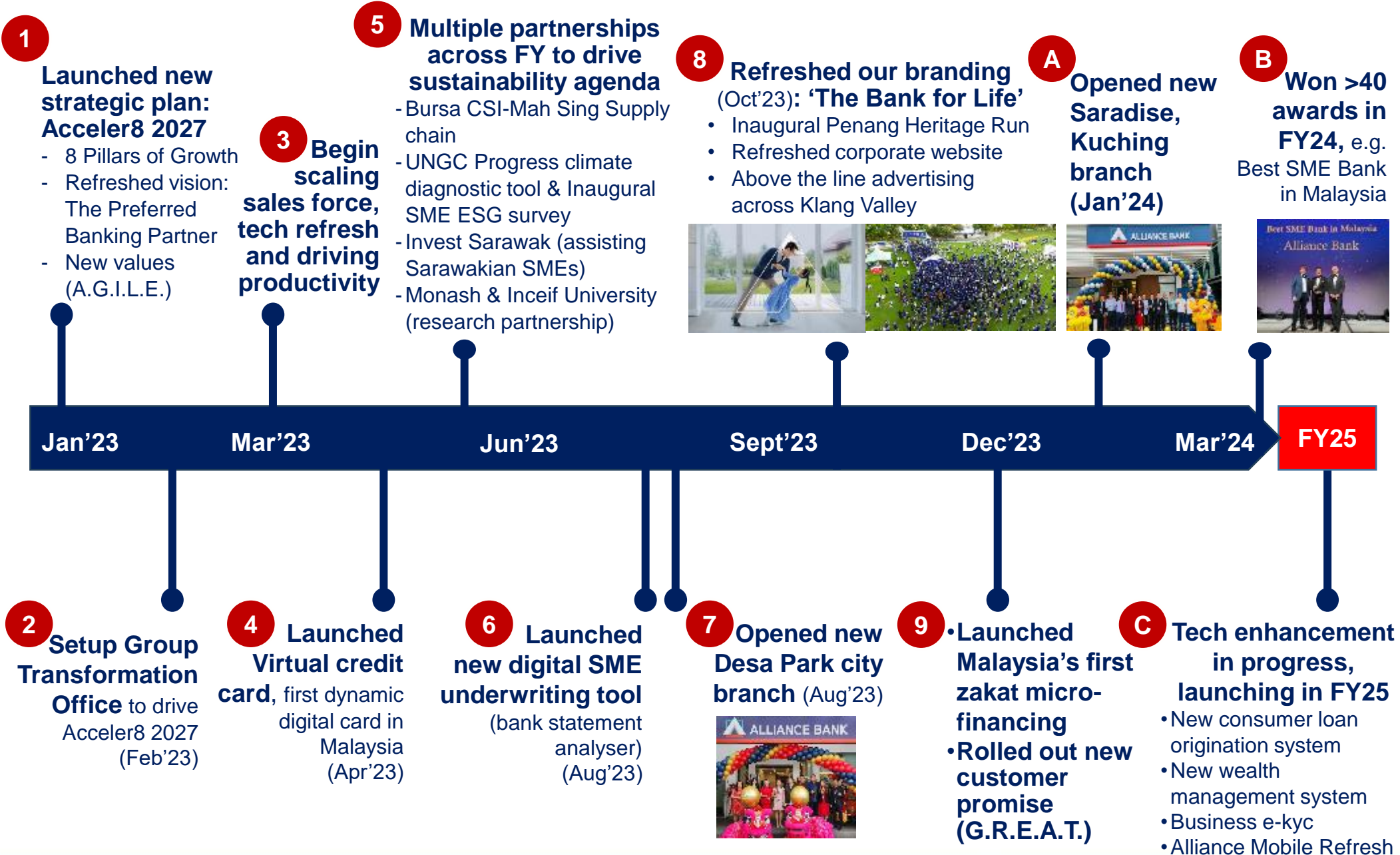
- ACCELER8 2027: Strategic Pillars
- Sustainability
- Awards

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- ACCELER8 2027: FY2025 Priorities
- Key Updates
- Outlook & Concluding Remarks

# ACCELER8 2027: FY2024 in review

ACCELER8:  
FY2024 in review



# Revenue grew 5.2%, crossing RM2 billion mark

Financial Highlights:  
Revenue &  
Profitability

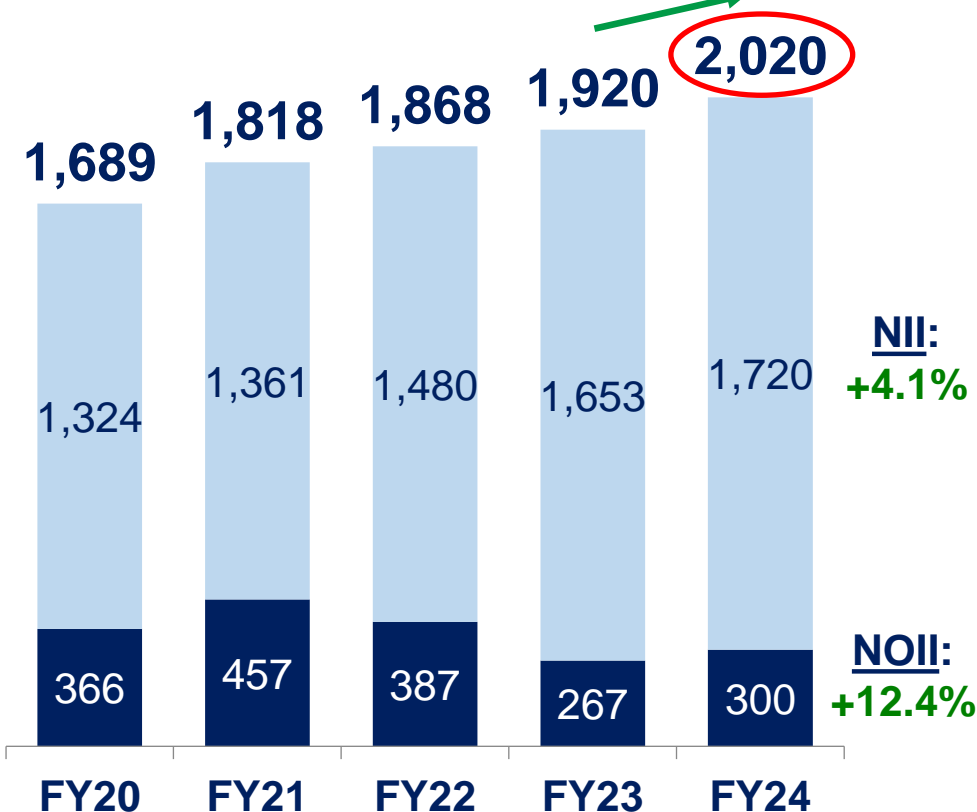
## Revenue

RM mil

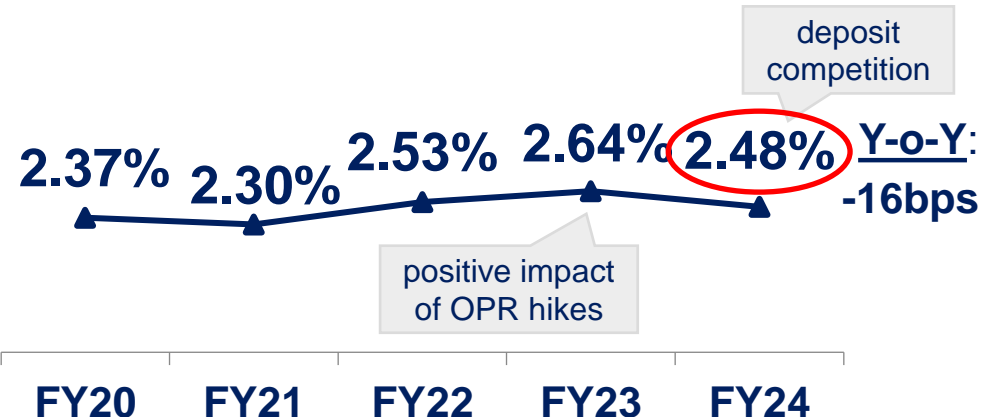
- Net interest income (NII)
- Non-interest income (NOII)

4-year CAGR: +4.6%

+5.2%  
y-o-y

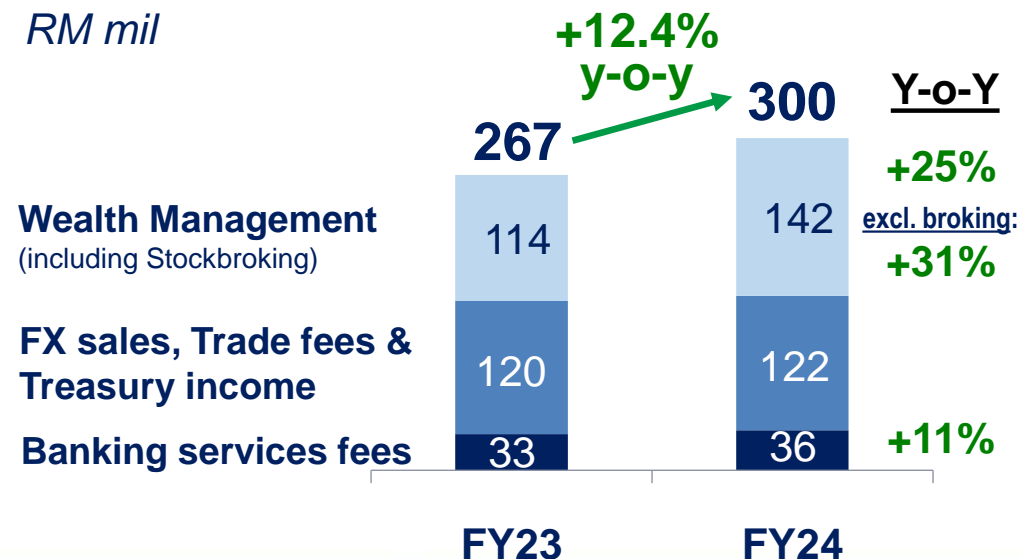


## Net Interest Margin (NIM)



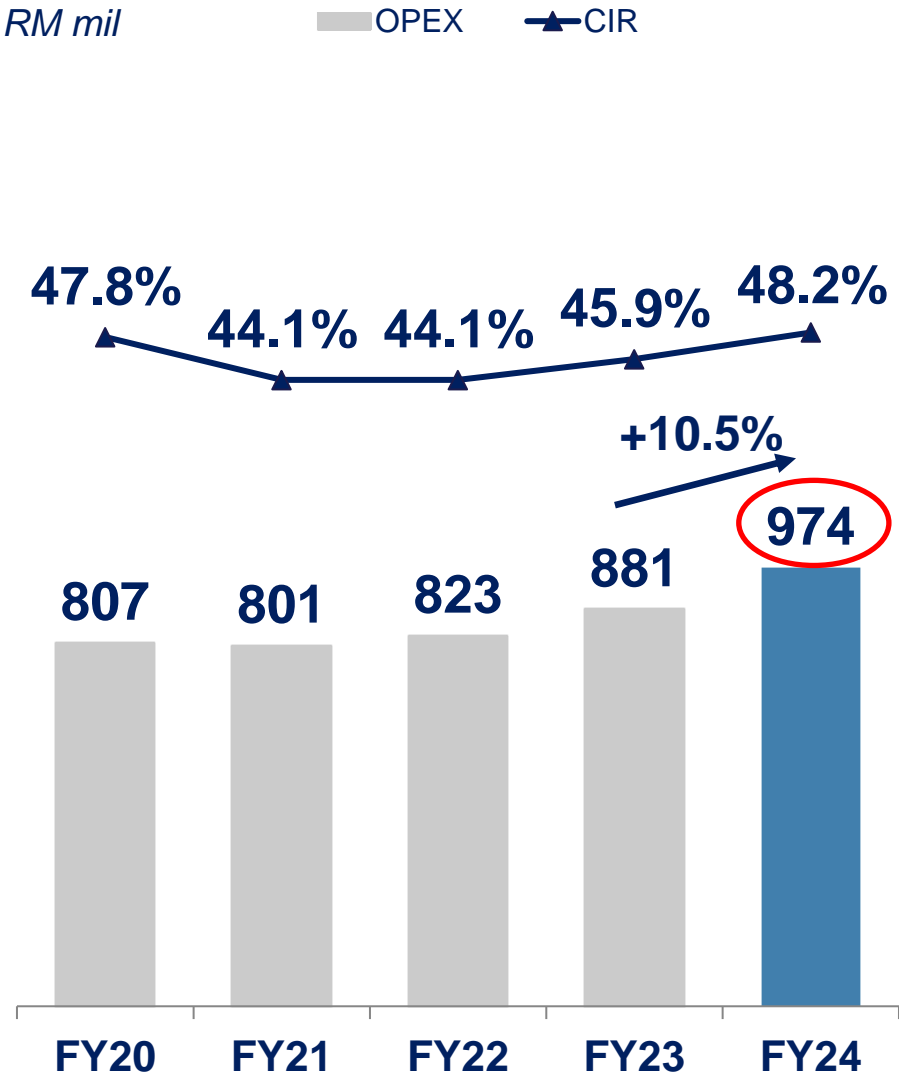
## Non-Interest Income (NOII)

RM mil

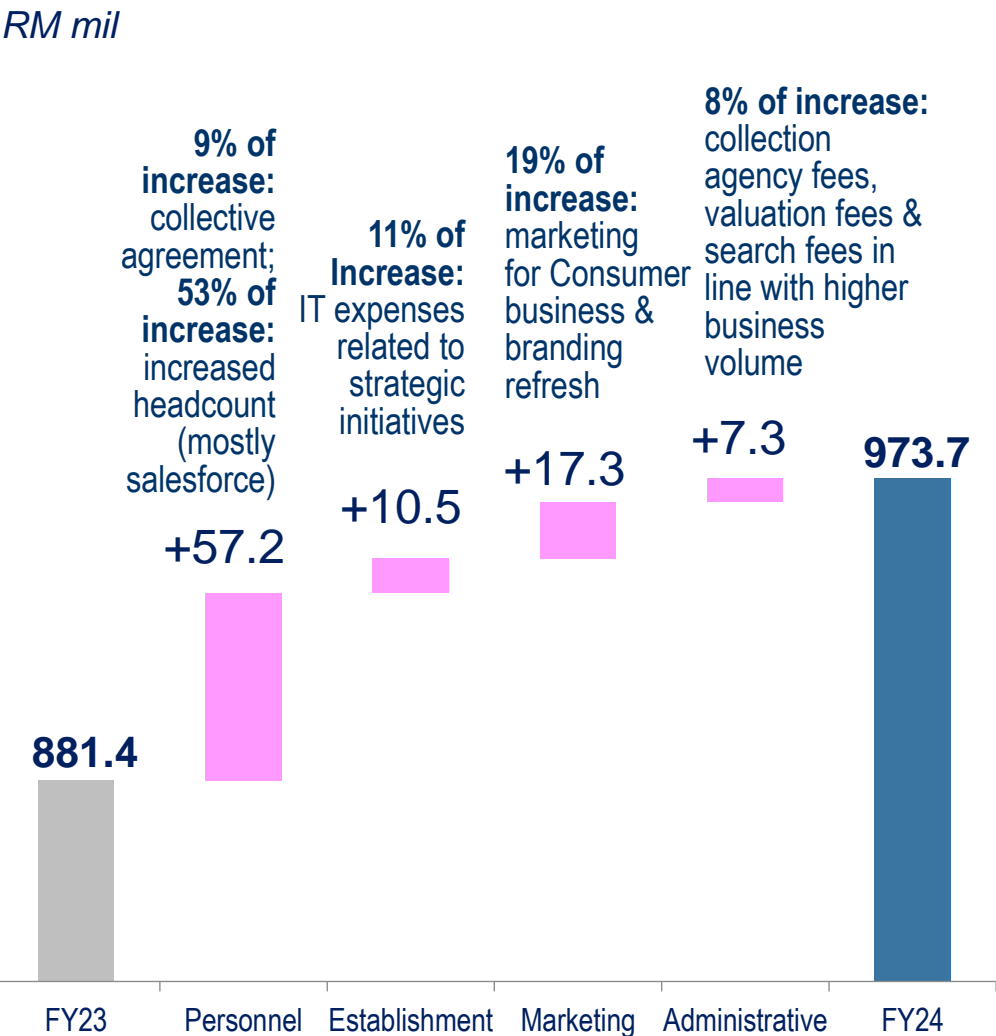


# Cost to income ratio at 48.2%

## Operating Expenses



## Investment in people & technology



# Net credit cost at 25.8bps; GIL ratio improved to 2.11%

Financial Highlights:  
Effective Risk  
Management

## Net credit cost

Basis points  
(bps)

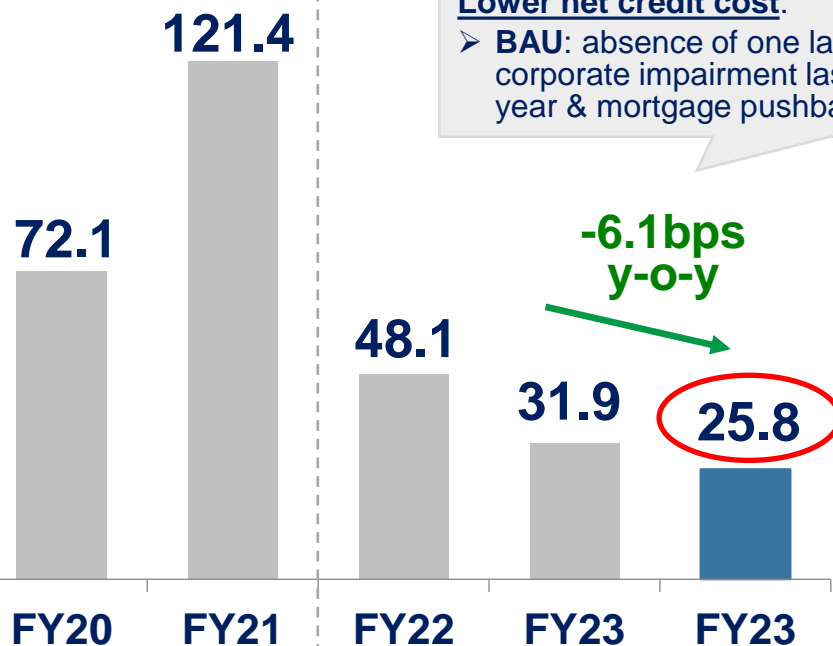
COVID pandemic

Management  
overlays  
provided

### Lower net credit cost:

➤ BAU: absence of one large corporate impairment last year & mortgage pushback

-6.1bps  
y-o-y

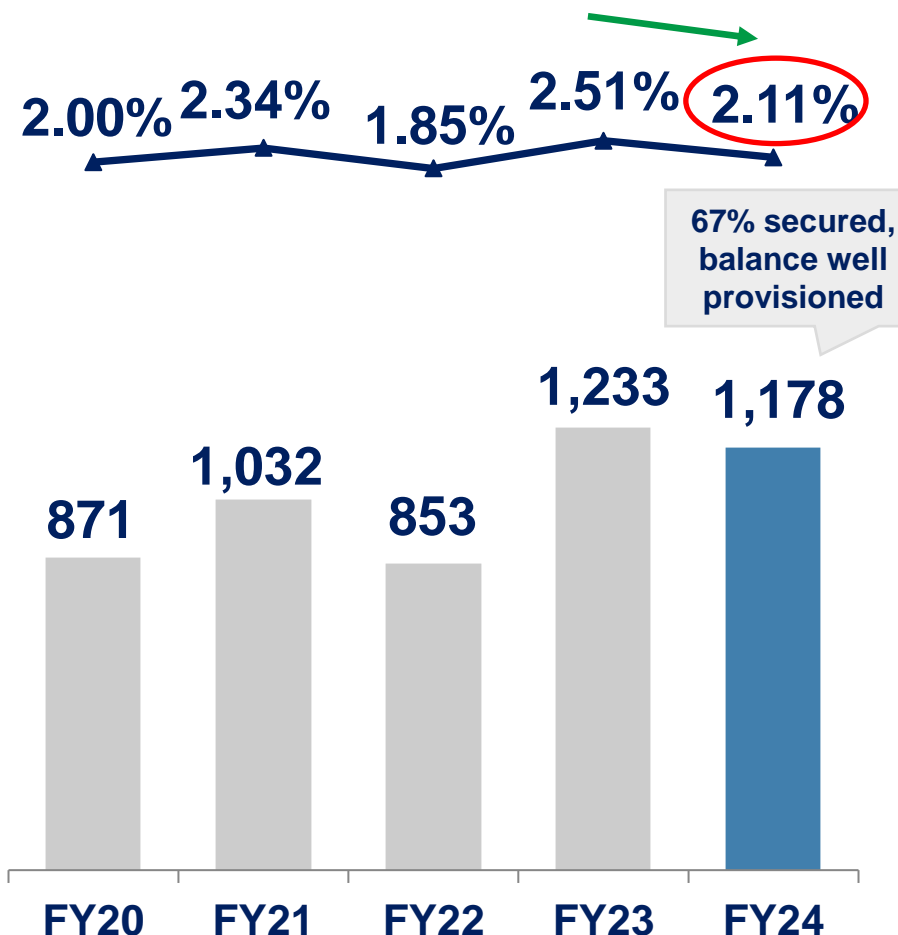


## Gross Impaired Loans

RM mil

■ Total GIL

▲ ABMB GIL ratio

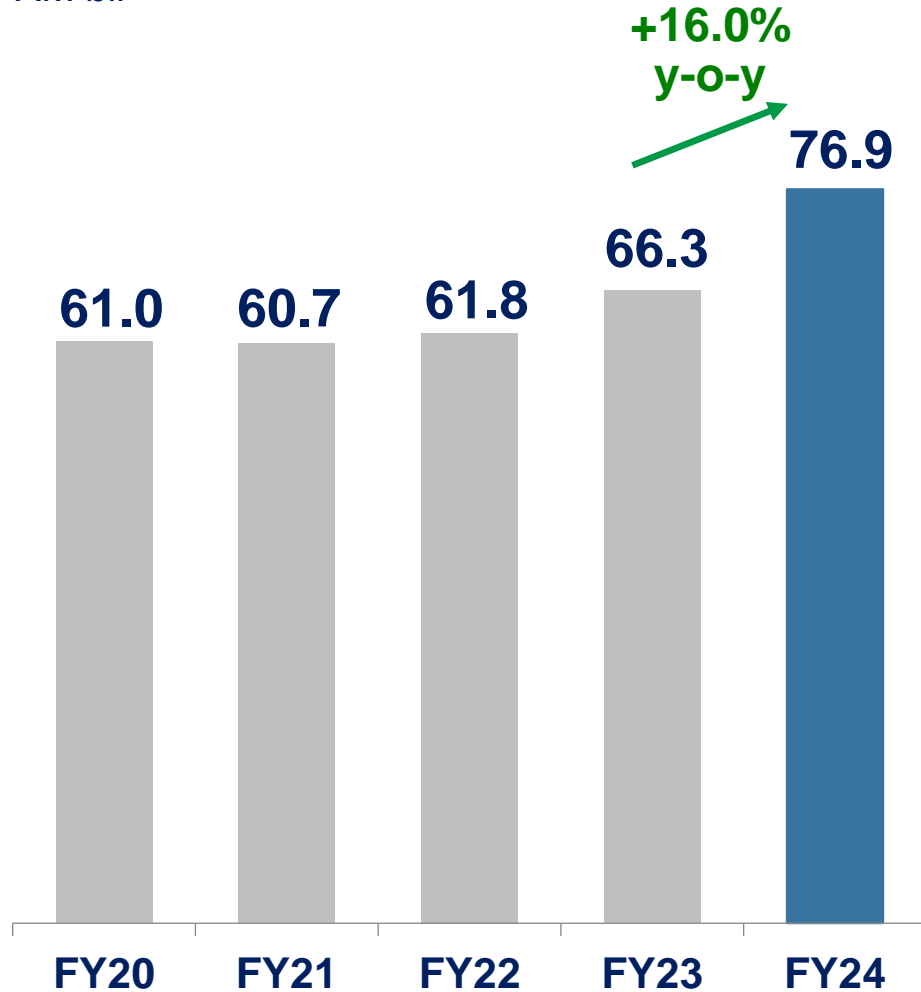


67% secured,  
balance well  
provisioned

# Total assets grew 16.0% - loans & treasury assets

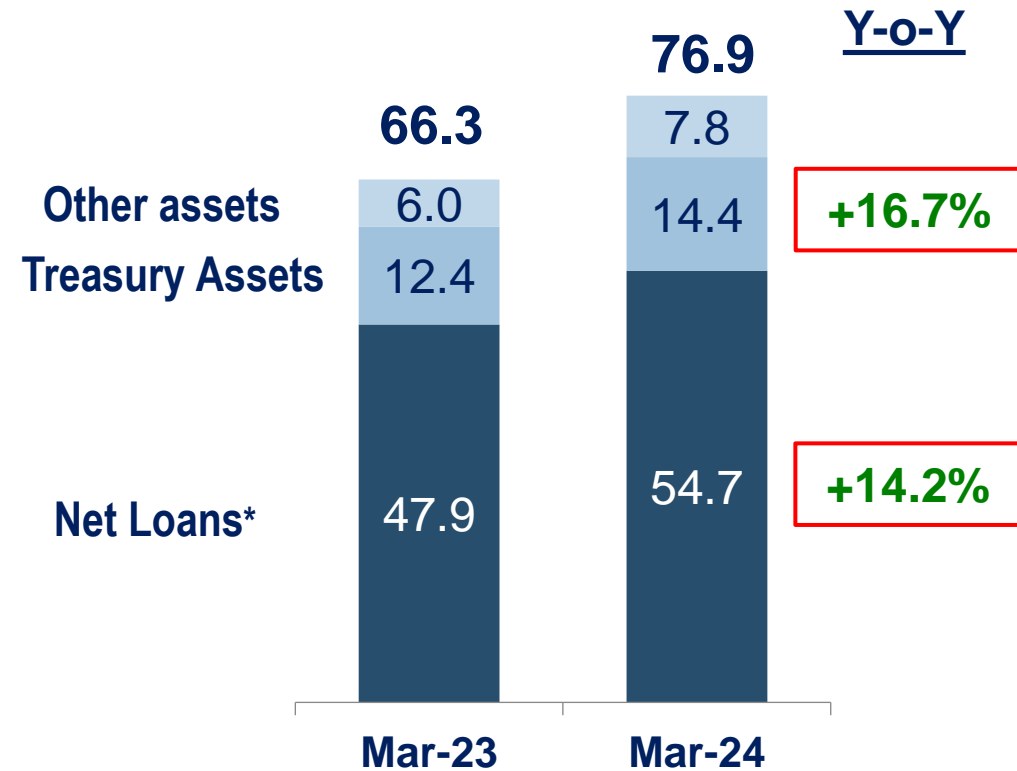
## Total Assets

RM bil



## Assets Growth YoY

RM bil



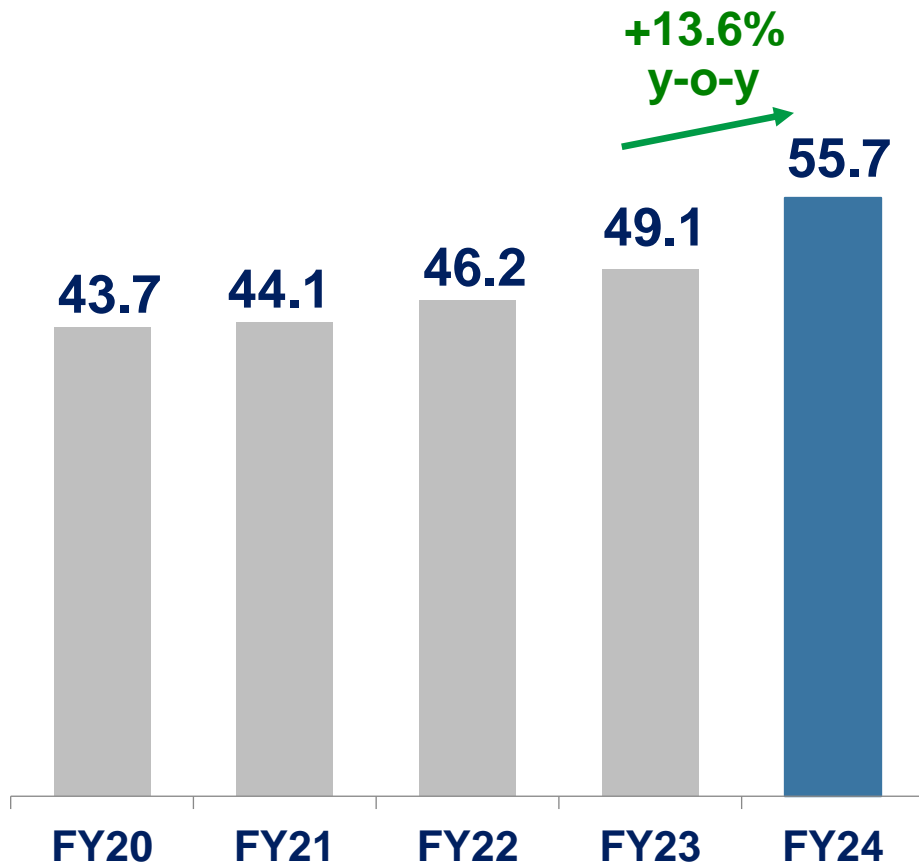
Note: \* Gross loans growth was 13.6% year-on-year



# Loans growth at 13.6% (>2x faster than industry)

## Gross Loans\*

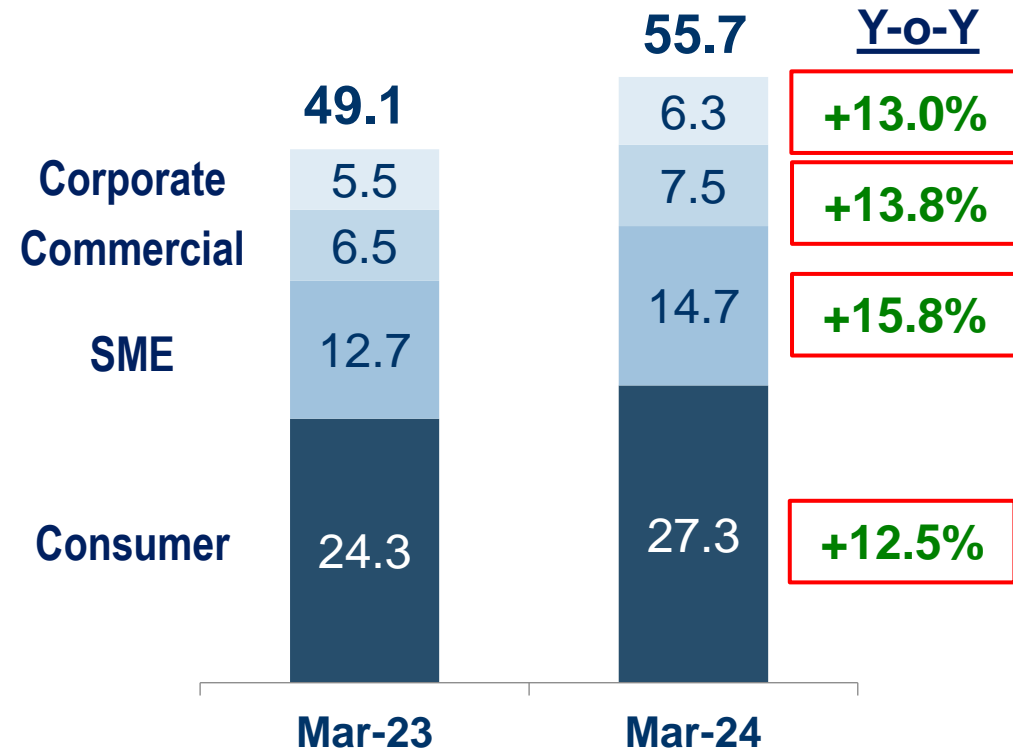
RM bil



Note: \* Net loans growth was 14.2% year-on-year

## Loans Growth YoY

RM bil



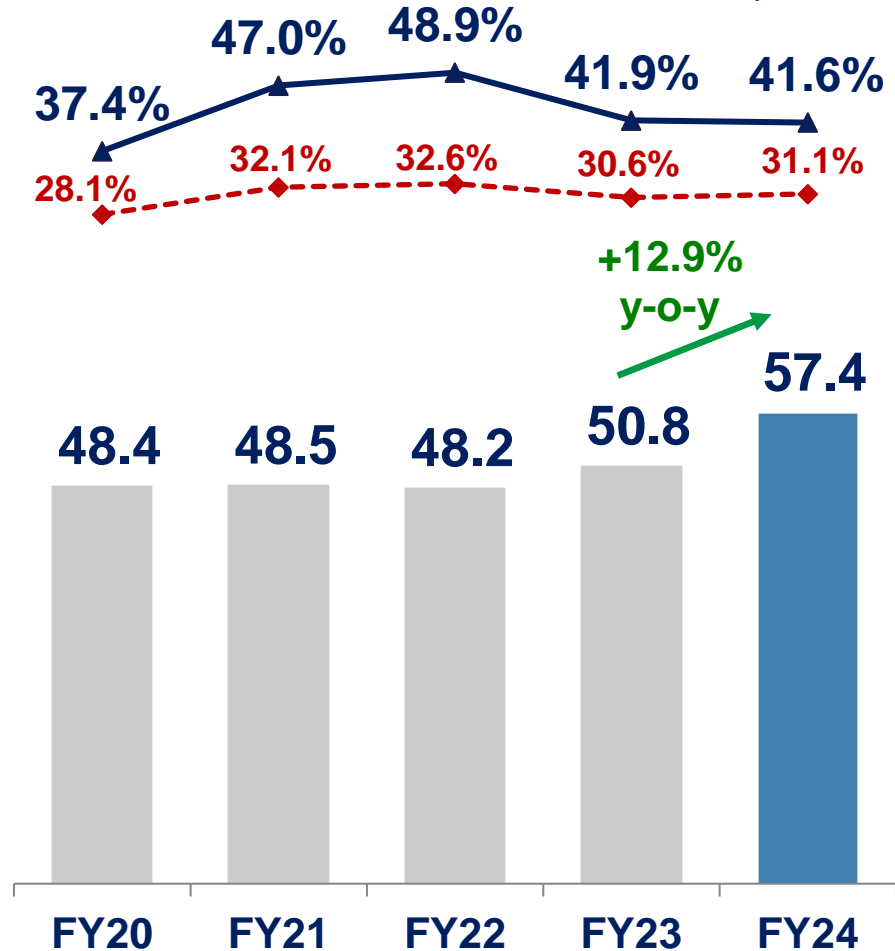


# Deposits growth at 12.9%, CASA ratio at 41.6%

## Customer Deposits

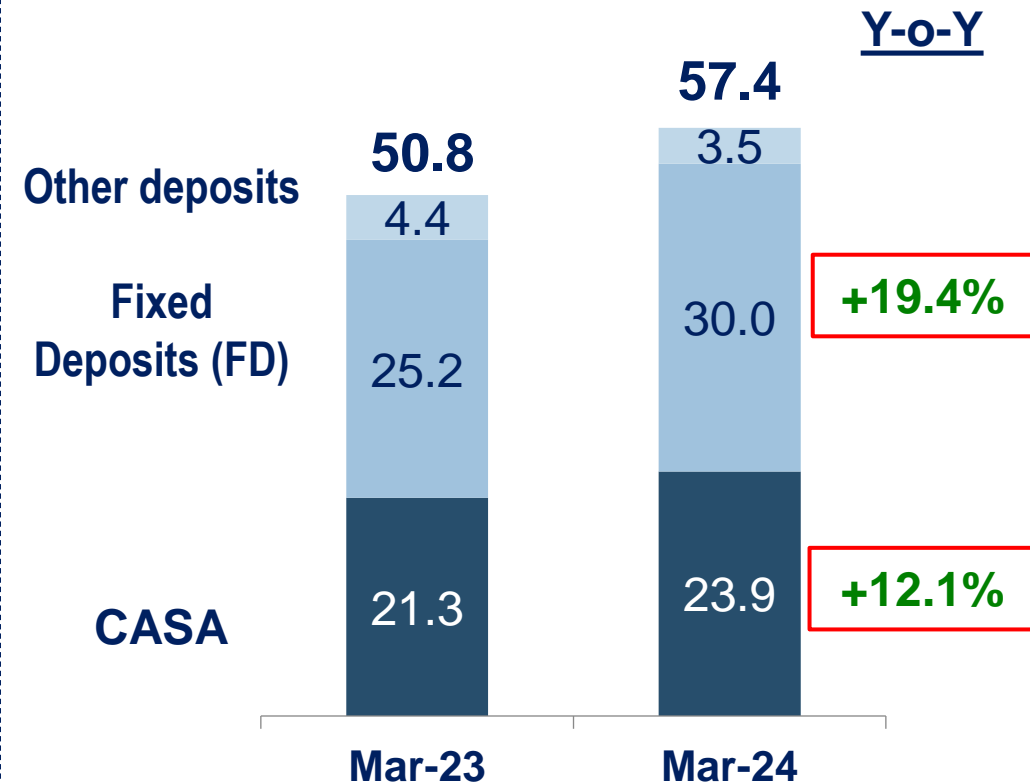
RM mil

Customer deposits  
ABMB CASA ratio  
Industry CASA ratio



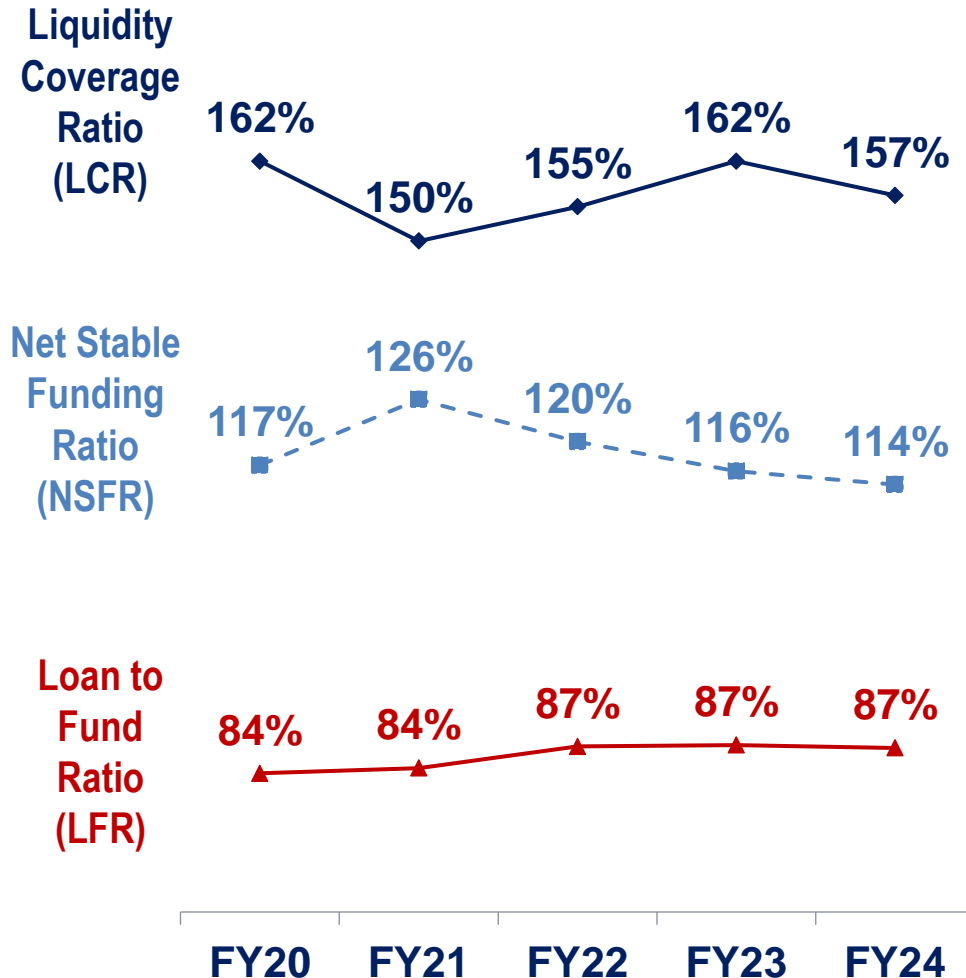
## Deposits Growth YoY

RM bil

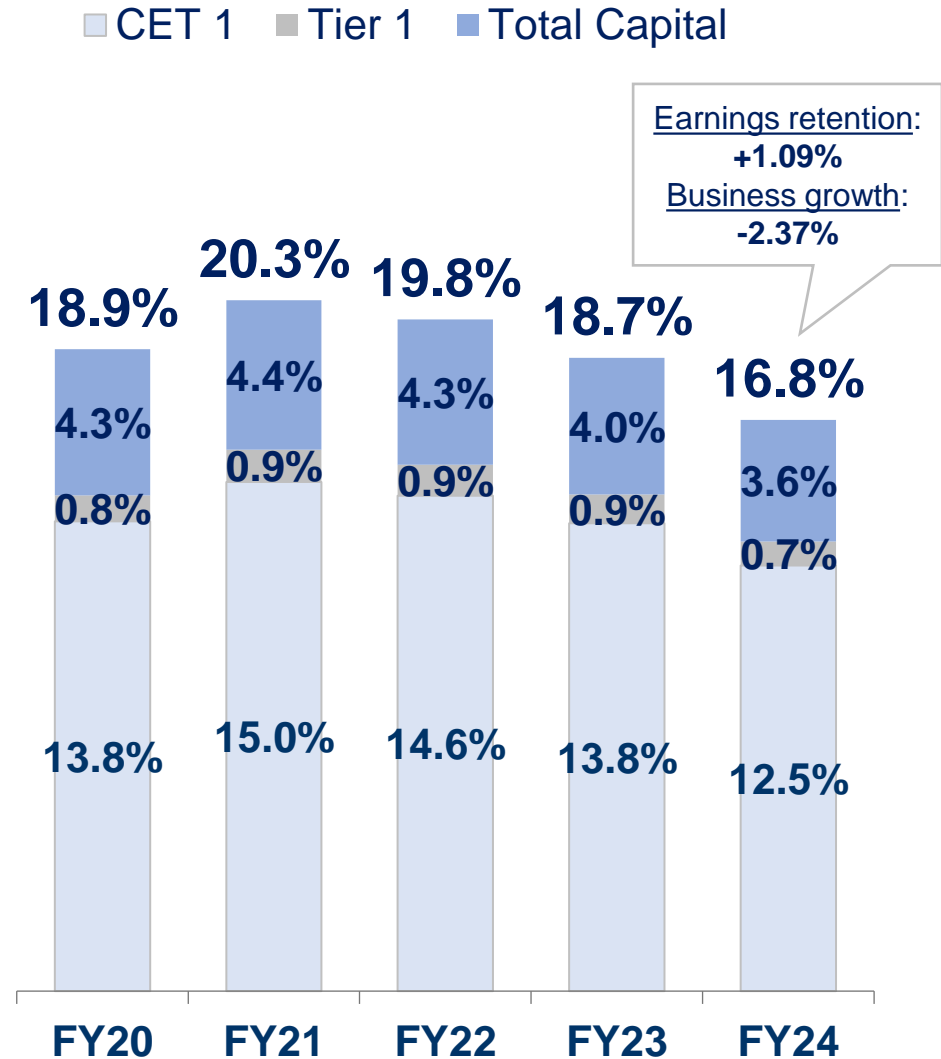


# Liquidity and capital positions remain strong

## Liquidity: LCR, LFR & NSFR



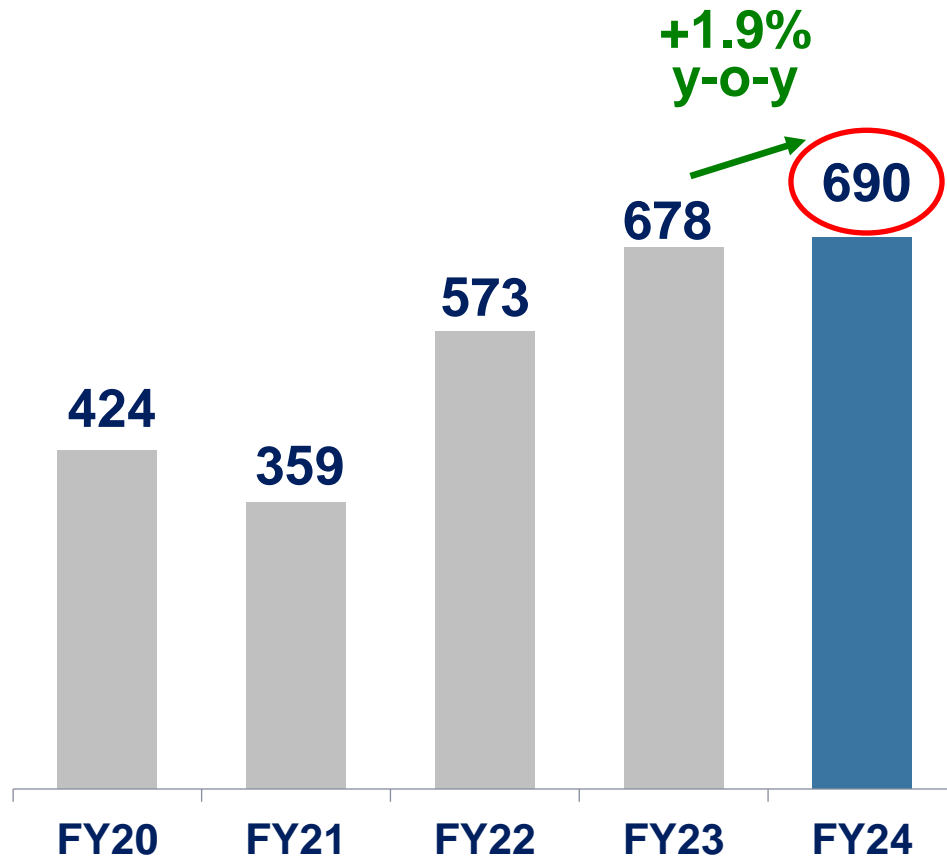
## Capital Position



# Net Profit at RM690 million, ROE of 10.2%

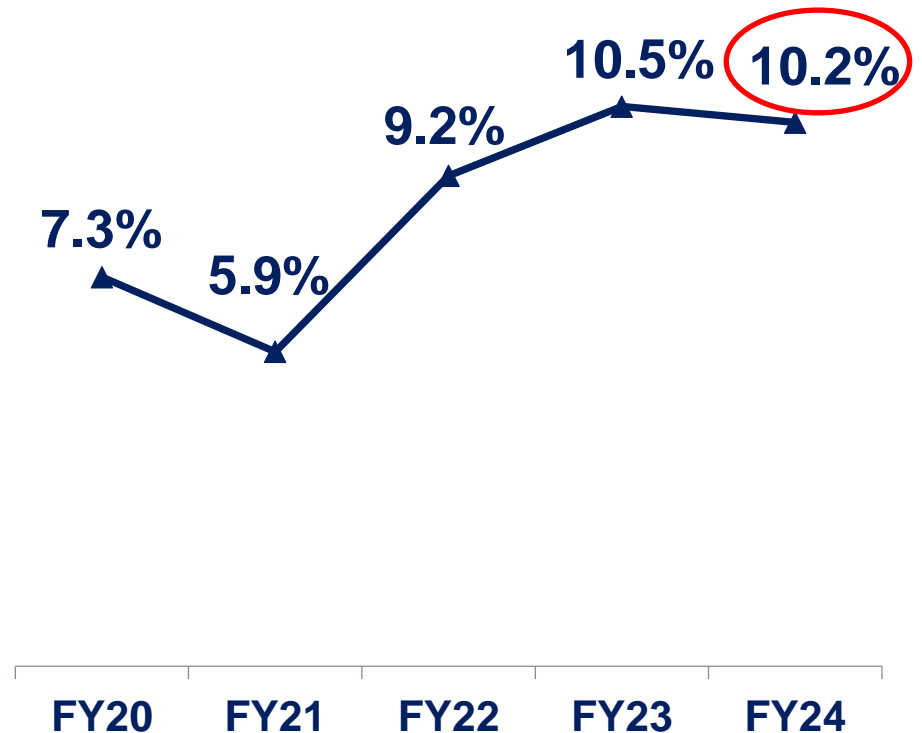
## Net Profit After Tax (NPAT)

RM mil



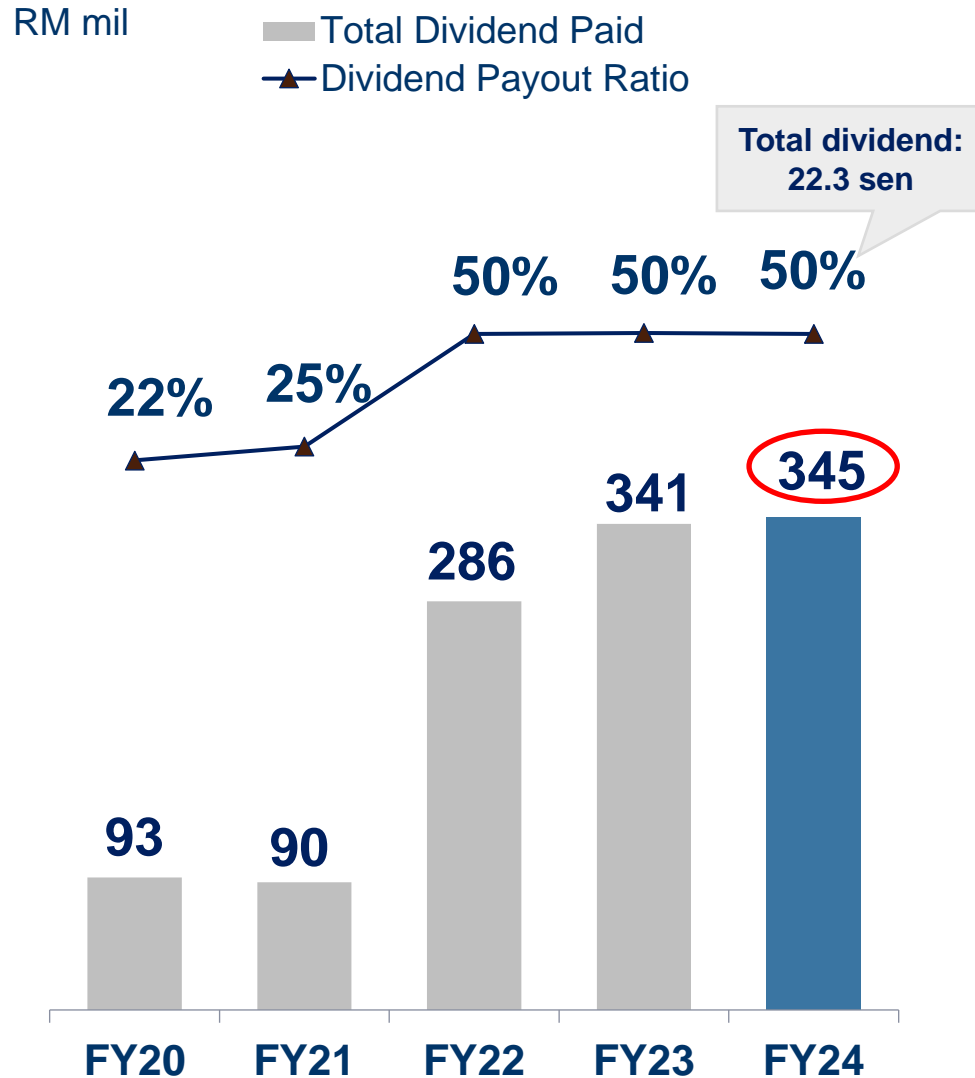
## Return on Equity (ROE)

%  
Return

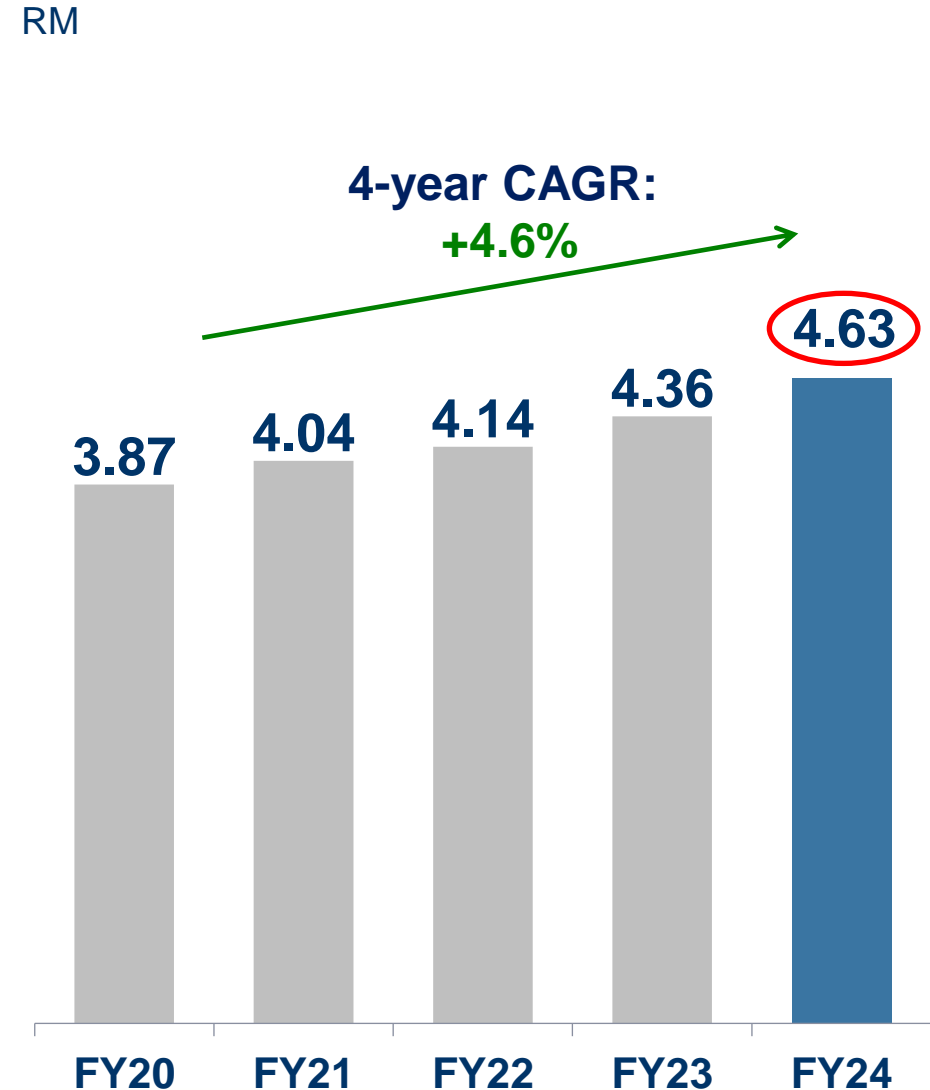


# Dividend payout at 50%, steady net assets growth

## Dividend and Payout Ratio



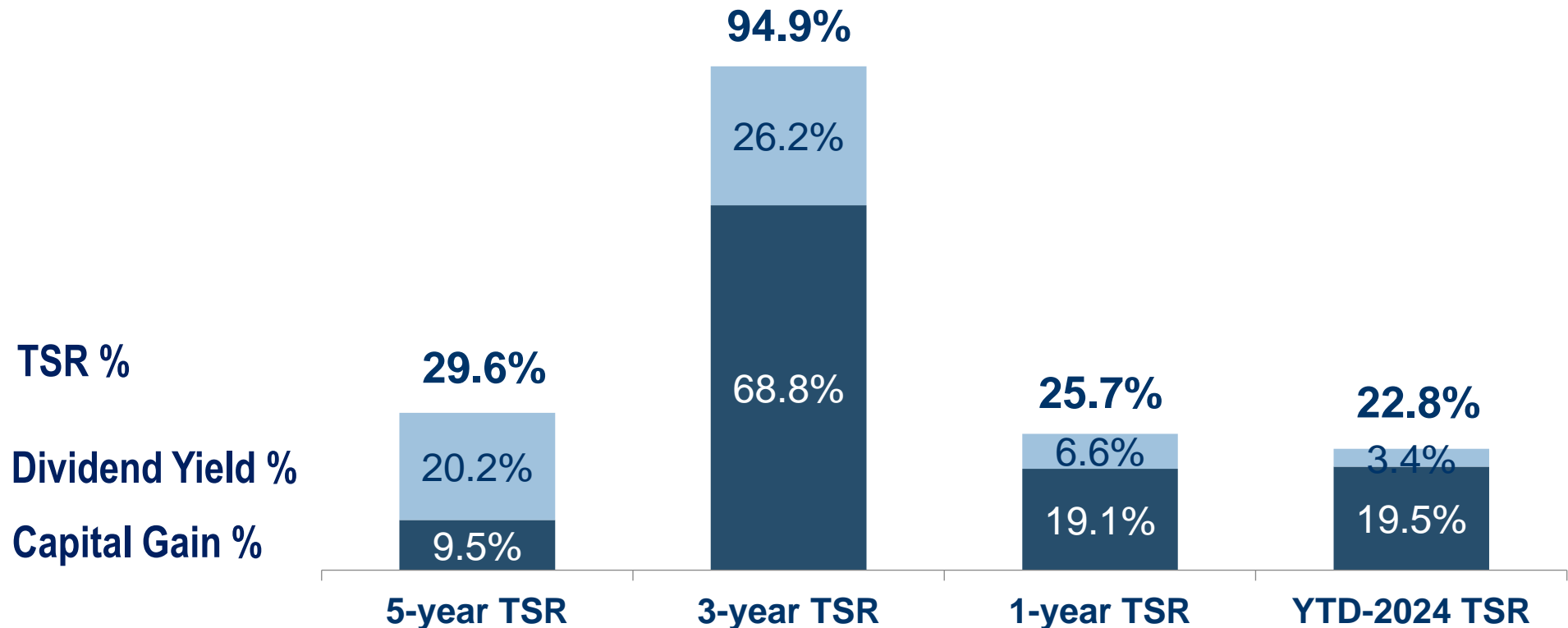
## Net Assets per Share



# Total Shareholders Return at 22.8% (YTD 2024)

## Total Shareholders Return (TSR)

Total Shareholders  
Return (TSR) %



Note: TSR for 1,3 & 5 years are computed on a rolling basis to 24 July 2024. TSR for YTD-2024 is from 29 December 2023 to 24 July 2024.

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

### Financials

- Top quartile ROE (>11%)
- Target C:I 45%
- Maintain dividend ratio
- Loans growth above industry (8-10%)

**Best in class  
customer  
NPS & TAT**

**Top  
employer  
of choice**

**Solid ESG  
progress**

### Growth opportunities

1

Continue velocity on  
**SME expansion  
strategy**

2

Support our  
**business customers  
through their life  
cycle**

3

**Broaden consumer  
business**, targeting  
attractive segments

4

Target resilient  
**ecosystems** across  
their value chain

5

Become **regional  
champion** for  
selected economic  
corridors

6

**Drive synergies &  
value creation in our  
corporate & capital  
market business**

7

**Accelerate Islamic  
business**, leveraging  
unique propositions

8

**Leverage  
partnerships to  
scale product  
offering, distribution  
and drive value**

### Key enablers

Drive **talent & culture**  
transformation

Refine **credit** approach

Refresh **branding &  
communication**

Accelerate **IT Transformation**

Enhance **audit, risk & compliance**

Revitalize **branch & improve  
customer service**

**Streamline execution via transformation office**

Build an **ESG-focused** organization



# Achieved ALL FY24 targets for ACCELER8 strategic pillars (1/2)

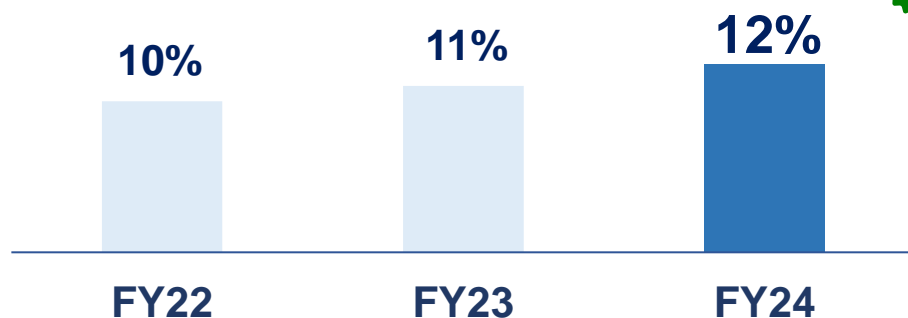
FY2024 Achievements:  
ACCELER8 2027

## 1 Continue velocity on SME expansion strategy

SME\* YoY Loan Growth

*\*Based on BNM SME Definition*

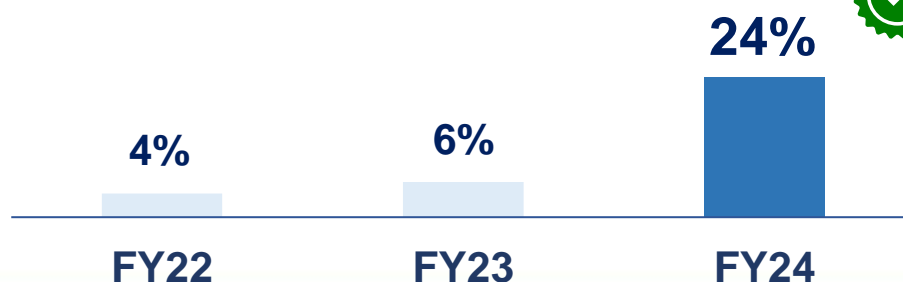
Target: Maintain  
double digit  
growth



## 2 Support our business customers through their life cycle

Business Banking Client  
Fee Income YoY Growth

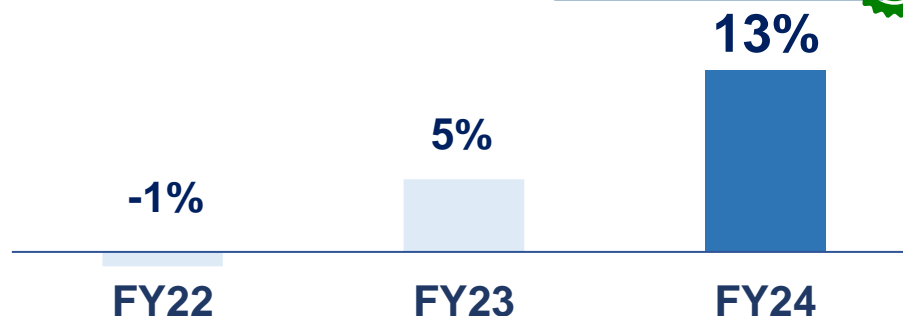
Target: Surpass  
previous year's  
growth



## 3 Broaden consumer business, targeting attractive segments

Consumer YoY Loan  
Growth

Target: Surpass  
previous year's  
growth



## 4 Target resilient ecosystems across their value chain

Sustainability Impact  
Program (SIP)^  
(Loan approved)

Target: Achieve  
RM300mil



# Achieved ALL FY24 targets for ACCELER8 strategic pillars (2/2)

FY2024 Achievements:  
ACCELER8 2027

## 5 Become regional champion for selected economic corridors

Regional YoY Growth  
(Sarawak and Penang)

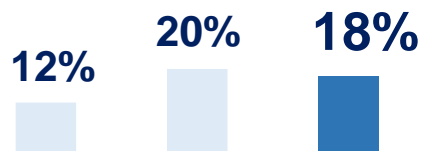
Target: Surpass FY22  
and FY23 growth



Total Regional Loan

Total Regional Deposit

48%



FY22 FY23 FY24



FY22 FY23 FY24

## 6 Drive synergies & value creation in our corporate & capital market business

Corporate and Capital  
Market YoY Revenue  
Growth

Target: Surpass  
FY22 and FY23  
growth



8%

7%

13%

FY22

FY23

FY24

## 7 Accelerate Islamic business, leveraging unique propositions

AIS YoY Financing  
Growth

Target: Surpass FY22  
and FY23 growth



7%

7%

11%

FY22

FY23

FY24

## 8 Leverage partnerships to scale product offering, distribution and drive value

Enhanced  
propositions

Access to new  
customer base



Global Compact  
Network Malaysia

Established partnership to  
deliver a **differentiated**  
**sustainability** value  
proposition for the bank

**BURSA**  
**MALAYSIA**  
CSI program

**InvestSarawak**

assist Sarawak SMEs  
with ESG adoption

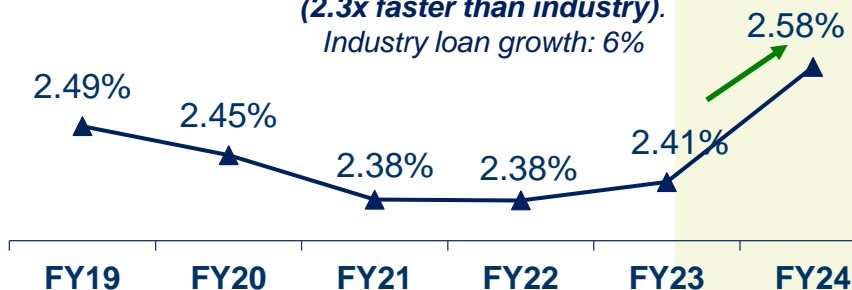
# Loans growth ahead of industry – regained market share

## Regained lost market share

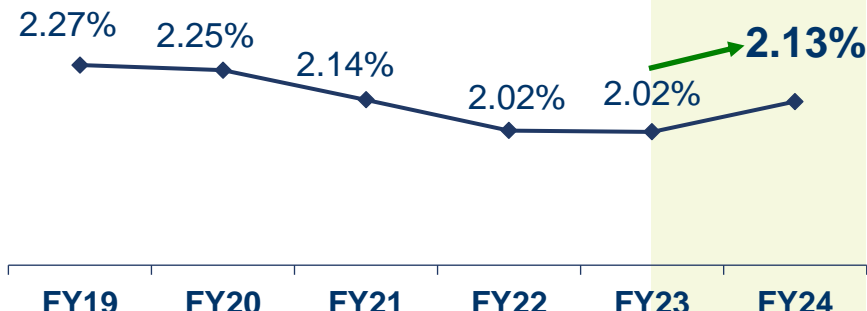
### ABG loan market share (%)

ABMB loan growth: 13.6%  
(2.3x faster than industry).  
Industry loan growth: 6%

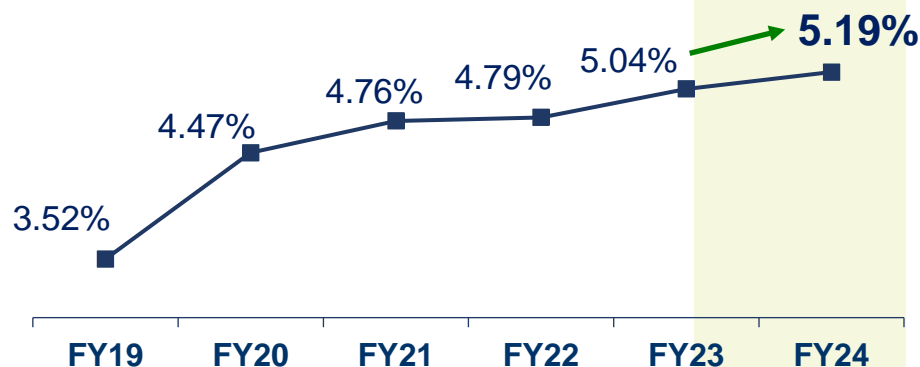
Within  
1 year



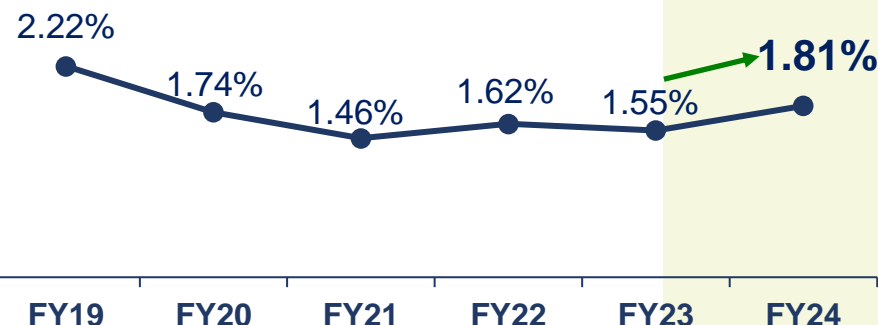
## Regained consumer market share



## Continued SME market share expansion



## Corporate\* market share rebounded



Note: Industry numbers (BNM Statistics); \*Corporate industry loans are based on 'other business banking' loan book as proxy, which may include commercial and corporate loan book of other banks

# Accelerated Progress towards Our Sustainability Topline Goals

## 1 Grow RM15.0 billion in new sustainable banking business by FY2027

Achievement: Cumulative **RM12.6 billion** in new sustainable banking business in FY2024



Developed the Bank's **Sustainable Product Framework** to guide sustainable business offerings



Rolled out the SME Portfolio Guarantee-i (PG-i) **ESG Financing Program**



Partnered key anchor Corporates on the **sustainable supply chain program** to promote ESG adoption amongst SMEs

## 2 Help customers adopt sustainable lifestyles and business practices

Achievement: Reduced non-sustainable financing & investment (**C5**) in our portfolio to **31%**



Collaborated with Bursa Malaysia and Mah Sing Group Bhd as an early adopter of the Centralised Sustainability Intelligence solution and was the 1<sup>st</sup> bank to achieve the financing milestone



Allocated RM1 billion for the "Climate Inclusive Financing & Development Program" launched with Invest Sarawak and UNGCMYB<sup>1</sup>



Provided free climate assessments and roadmap development to over 440 SMEs via bank's exclusive PROGRESS tool

# Accelerated Progress towards Our Sustainability Topline Goals

3

## Reduce the Bank's greenhouse gas (GHG) emissions footprint

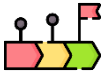
Achievement: **18.3% reduction in Scope 1 and Scope 2 GHG emissions** against FY2020 baseline



Continued execution of the GHG emissions reduction strategy



Baselined the Bank's Scope 3 financed emissions for 8 high-emitting sectors



Developing our Net Zero Roadmap

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



Enforced the Bank's Climate Risk Management Framework



Upskilled our people and improved internal processes to be more sustainable



Refreshed our Sustainability e-Learning programme



Baselined the Bank's water consumption



Developed a methodology for the Bank's waste management



# 42 Awards in Malaysia and Across the Region



**SME  
PARTNERSHIP  
OF THE YEAR**

**QORUS SME BANKING AWARDS**



**BEST  
DSME BANK  
IN MALAYSIA**

**ALPHA SOUTHEAST ASIA**



**BEST  
SME BANK  
IN MALAYSIA**

**THE ASIAN BANKER,  
THE DIGITAL BANKER**



**BEST  
VIRTUAL  
CREDIT CARD**

**RETAIL BANKER INTERNATIONAL, THE  
DIGITAL BANKER, THE ASIAN BANKER**



**BEST  
DIGITAL  
MARKETING  
(SavePlus)**

**MARKETING INTERACTIVE**



**BEST  
ESG  
PROGRAMME  
IN APAC**

**QORUS REINVENTION AWARDS**



**BEST  
CONSUMER  
LENDING  
OF THE YEAR**

**ASIAN BANKING & FINANCE**



**MOST  
INNOVATIVE  
BRAND  
(BizSmart® eTrade)**

**THE DIGITAL BANKER, THE  
WORLD BRANDS FOUNDATION**



**BEST  
MARKETING  
TRANSFORMATION**

**MARKETING INTERACTIVE**



**BEST  
HR INNOVATION  
IN MALAYSIA**

**HUMAN RESOURCES ONLINE**



**BEST  
HALAL  
FINANCING**

**HALAL DEVELOPMENT CORPORATION**



**BEST  
ANALYTICS  
INITIATIVE**

**WATERSTECHNOLOGY ASIA**

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# FY25 Acceler8 2027 Key Success Metrics

Going Forward:  
ACCELER8 2027:  
FY2025 Priorities

## 1 Continue acquisition momentum

- Improve **customer targeting**
- Diversify and scale **acquisition channels**

## 2 Intensify focus on deepening relationship with target customer segments

- Focus on target segment / sector **needs along life cycle** to deepen relationship & increase **fee income penetration**
- **Widen value propositions**; review value chain participation & risk appetite
- Improve **collaboration across LOBs** to serve customer needs holistically

## 3 Continue to drive incremental Islamic franchise growth

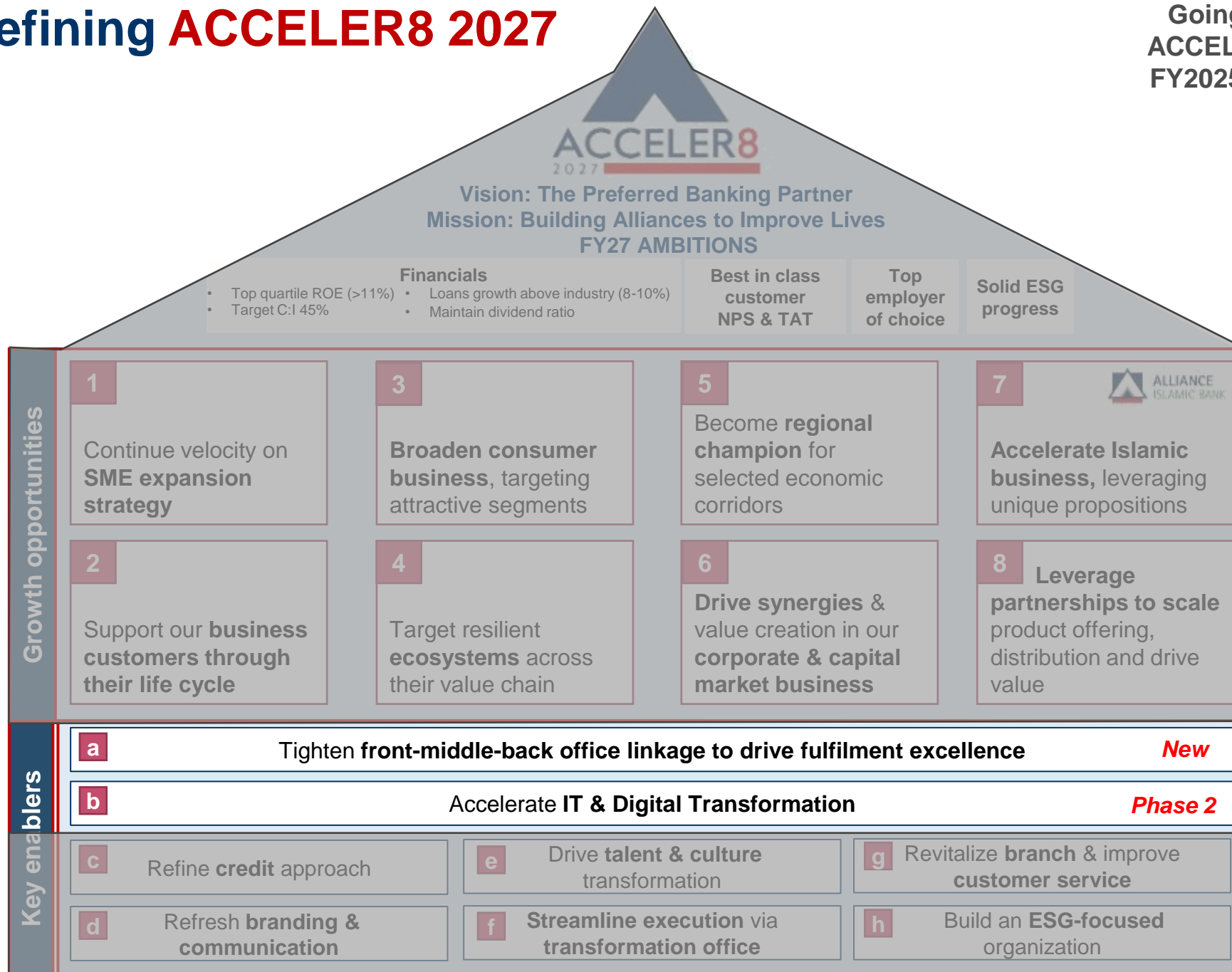
- **Expand unique** Shariah-compliant and Value Based Intermediation (“VBI”) **propositions**
- Incubate **new shari’ah/ ethical/ values-based business**

**Strong progress in FY24;  
To maintain momentum in FY25**

**Additional Priorities for FY25**

# Refining ACCELER8 2027

Going Forward:  
ACCELER8 2027:  
FY2025 Priorities



# Our new office: Menara Alliance Bank

Going Forward:  
Key Updates



- **Menara Alliance Bank:**
  - **24 floors** of office space
  - **Retail branch on Ground and First Floors** of a 2-storey retail podium
- **Background:**
  - CapSquare HQ: renting for 28 years
- **Why relocate?:**
  - Certainty and continuity of having head office presence
  - **BCA (Building & Construction Authority) Green Mark (Gold)** green building (provisional)
  - Prestigious KLCC address
  - Opportunity during a soft market - attractive price after negotiation
- **Public Transportation (within 500 metres)**
  - ✓ Putra LRT – KLCC
  - ✓ Putra LRT – Ampang Park
  - ✓ MRT – Persiaran KLCC

**Target move in: 2H 2025**

# Outlook & Concluding Remarks

## Business growth

- **Cautiously optimistic outlook:** With uncertainty in external environment, we will need to stay vigilant and agile.
- Will **continue building on momentum** - expecting loans growth above industry (guidance: 8% to 10%) and focusing on quality asset growth.
- We will continue to focus on driving fees and treasury income growth.

## Profitability

- Net interest margin impact from changes expected in asset & liability mix and expected competition.
- Operating expense increase moderating as investments in people and technology continue. **Sustainable ROE >10%**.
- Focus on **capital** and **liquidity** to fund growth.

## ACCELER8 & Sustainability

- **FY2025:** continue acquisition momentum, deepening relationship and focus on Islamic franchise growth.
- We will continue to enhance our sustainability practices and pursue our goals.

# THANK YOU

## Video of “Alliance Bank FY24 Highlights”



Play Video

<https://youtube/CHrw2YVM6pQ>

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