

# Analyst Briefing FY2024

30 May 2024



BUILDING ALLIANCES

# Contents

## 1 FY24 Financial Performance

- Revenue & Profitability
- Assets & Liabilities
- Effective Risk Management

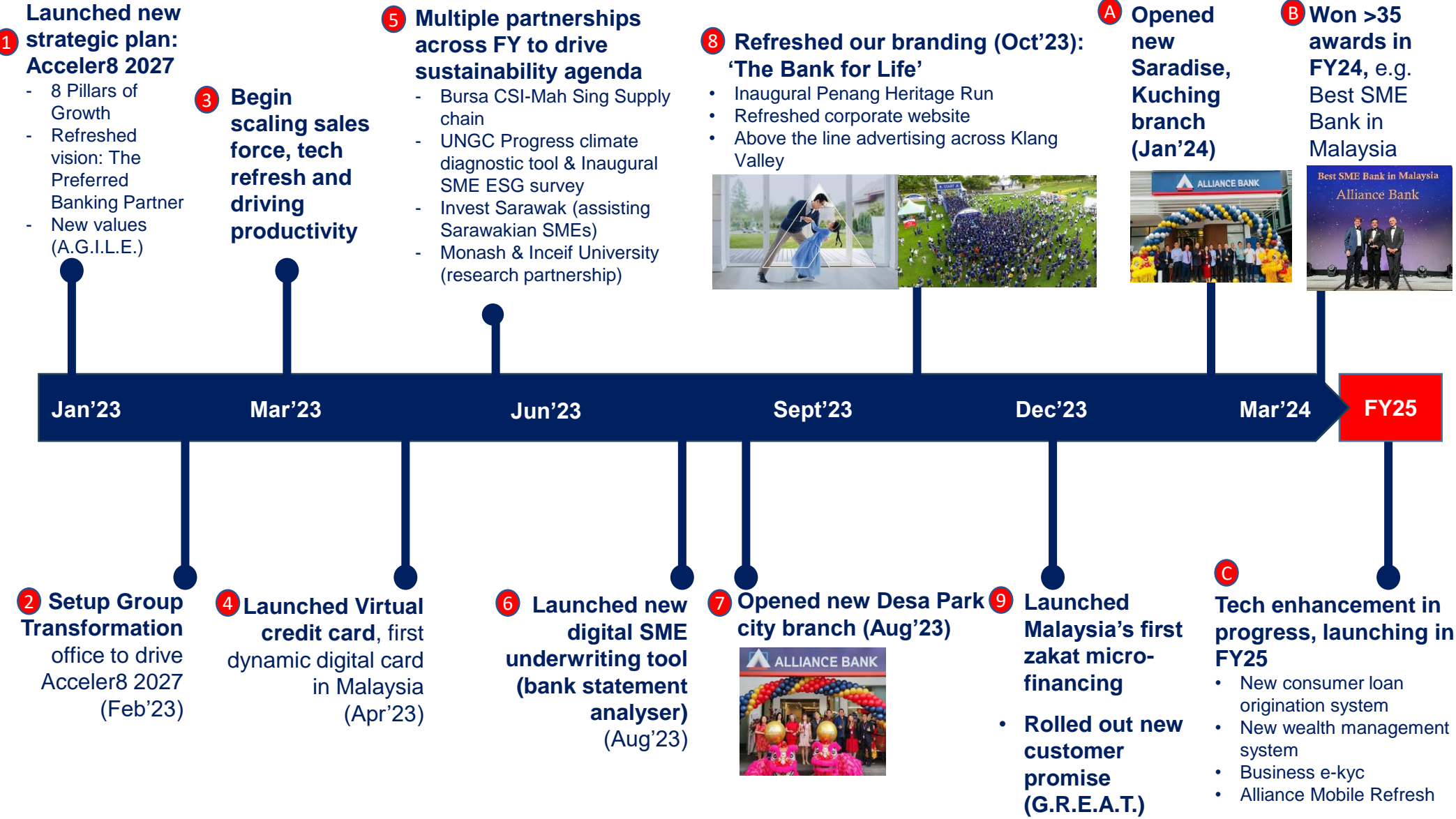
## 2 Going Forward

- Group Strategy: ACCELER8 2027 Update
- Sustainability
- Key takeaways

## 3 Appendix: Financial Results

- 4QFY24 & FY24 results
- Financial ratios

# ACCELER8 2027: FY24 in review



# FY24 Performance Highlights

- |  |  |
|--|--|
| <h2>1 Revenue &amp; Profitability</h2> | <ul style="list-style-type: none"> <li>▪ Revenue grew <b>5.2% y-o-y</b> to <b>RM2.02 billion</b></li> <li>▪ Net interest income grew <b>4.1% y-o-y</b> <ul style="list-style-type: none"> <li>➢ Net interest margin at 2.48%</li> </ul> </li> <li>▪ Non-interest income grew <b>12.4% y-o-y</b> <ul style="list-style-type: none"> <li>➢ Wealth management (+31.0% y-o-y)</li> <li>➢ FX sales/trade fees (+15.2% y-o-y) &amp; banking services fees (+10.9% y-o-y)</li> </ul> </li> <li>▪ <b>Cost to Income Ratio</b> at <b>48.2%</b></li> <li>▪ <b>Net profit after tax</b> at <b>RM690.5 million</b></li> <li>▪ Proposed <b>second interim dividend of 11.45 sen</b> <ul style="list-style-type: none"> <li>➢ FY24 total dividend: 22.3 sen (<b>dividend payout ratio: 50%</b>)</li> </ul> </li> </ul> |
| <h2>2 Assets &amp; Liabilities</h2>    | <ul style="list-style-type: none"> <li>▪ <b>Gross loans</b> grew <b>13.6% y-o-y</b></li> <li>▪ <b>Customer deposits</b> grew <b>12.9% y-o-y</b>, with <b>CASA ratio</b> at <b>41.6%</b> (one of the highest in the industry)</li> </ul>  |
| <h2>3 Effective Risk Management</h2>   | <ul style="list-style-type: none"> <li>▪ <b>Net credit cost</b> at <b>25.8 bps</b> mainly from:             <ul style="list-style-type: none"> <li>➢ BAU credit charge of 60.6 bps, <u>offset by</u></li> <li>➢ Management overlays net write-back of 34.8 bps</li> </ul> </li> <li>▪ <b>Liquidity and capital positions</b> remained <b>strong</b> <ul style="list-style-type: none"> <li>➢ <b>Liquidity coverage ratio</b> at <b>156.8%</b></li> <li>➢ <b>CET-1 ratio: 12.5%; Total capital ratio: 16.8%</b> (without transitional arrangement)</li> </ul> </li> </ul>   |

# NPAT grew 1.9% y-o-y to RM690.5 million

Income Statement	FY23 RM mil	FY24 RM mil	Y-o-Y Change (Better / (Worse))	
			RM mil	%
Net Interest Income	1,652.7	1,720.1	67.5	4.1%
Non-Interest Income (excl. brokerage <sup>^</sup> )	260.9	300.2	39.3	15.1%
Brokerage <sup>^</sup>	6.2	0.1	(6.1)	(98.9%)
<b>Total Revenue</b>	<b>1,919.8</b>	<b>2,020.5</b>	<b>100.6</b>	<b>5.2%</b>
OPEX	881.4	973.7	(92.4)	(10.5%)
<b>Pre-Provision Operating Profit</b>	<b>1,038.4</b>	<b>1,046.7</b>	<b>8.3</b>	<b>0.8%</b>
Net Credit Cost & Impairments	151.9	135.4	16.4	10.8%
- BAU credit charge	359.5	317.9	41.6	11.6%
- Management Overlays	(207.6)	(182.5)	(25.1)	(12.1%)
<b>Pre-tax Profit</b>	<b>886.6</b>	<b>911.3</b>	<b>24.7</b>	<b>2.8%</b>
<b>Net Profit After Tax</b>	<b>677.8</b>	<b>690.5</b>	<b>12.6</b>	<b>1.9%</b>
Balance Sheet	FY23 RM mil	FY24 RM mil	RM mil	%
<b>Gross Loans</b>	<b>49,068</b>	<b>55,740</b>	<b>6,673</b>	<b>13.6%</b>
<b>Treasury Assets</b>	<b>12,369</b>	<b>14,436</b>	<b>2,067</b>	<b>16.7%</b>
<b>Customer Deposits</b>	<b>50,849</b>	<b>57,397</b>	<b>6,548</b>	<b>12.9%</b>
<b>Total Available Funds<sup>#</sup></b>	<b>55,773</b>	<b>62,683</b>	<b>6,910</b>	<b>12.4%</b>

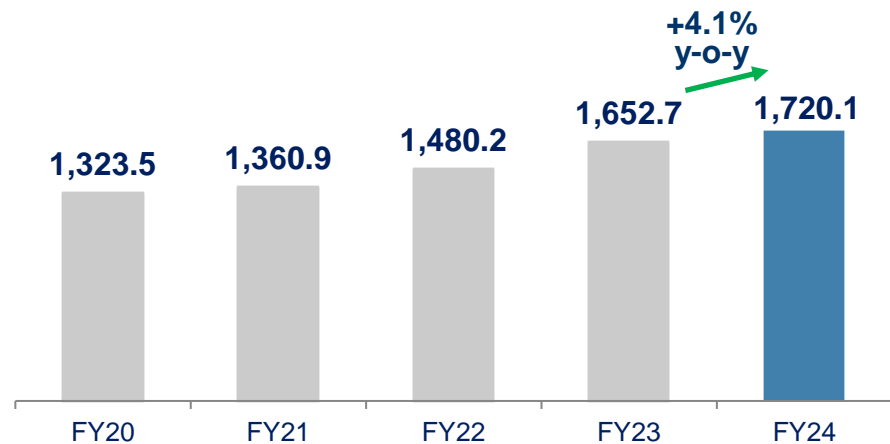
<sup>^</sup> Brokerage fee & disposal gains from Alliance Investment Bank Berhad's Stockbroking business

<sup>#</sup> **Total Available Funds** = Customer Deposits + Structured Investment Deposits + Deposits and Placements of Banks / F.I.s (excluding Interbank borrowings & including BNM Funds) + Subordinated Obligations. Total Funding is the denominator for Loan-to-Fund Ratio (LFR).

# Net interest income grew 4.1% y-o-y

## Net Interest Income

RM mil

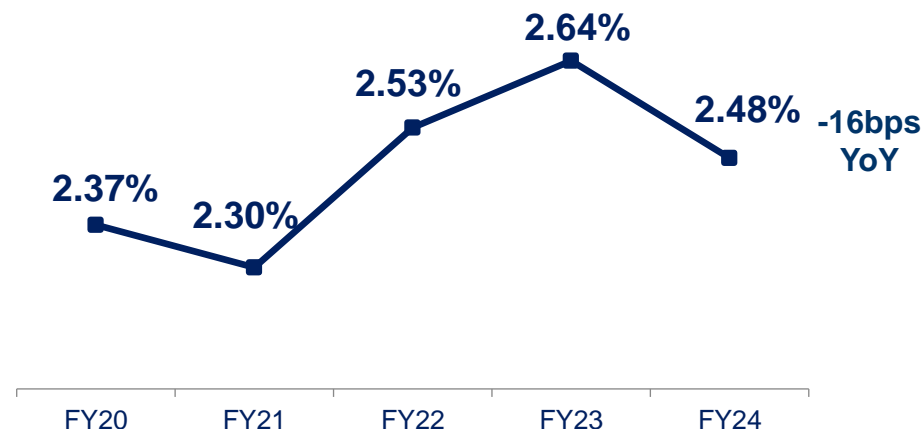


**Y-o-Y impact:** driven by higher volume & OPR hike impact

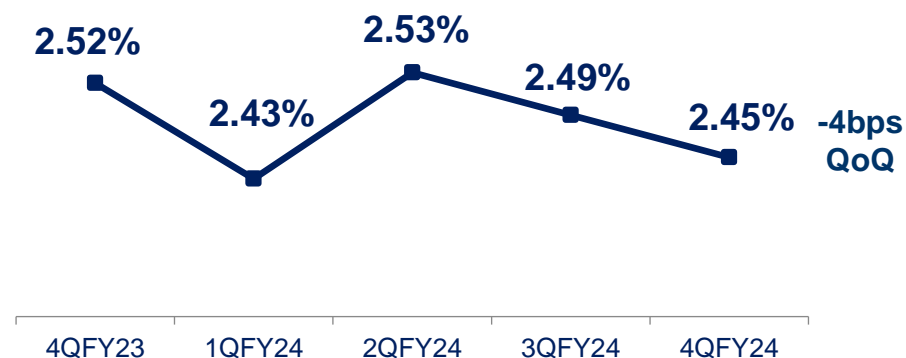


YoY Impact	Volume	OPR Hike	Mix	Rate	Mod Loss & Unwinding	Total
+8.8%	+0.8%	-0.4%	-3.0%	-2.1%	+4.1%	

## Net Interest Margin Trend

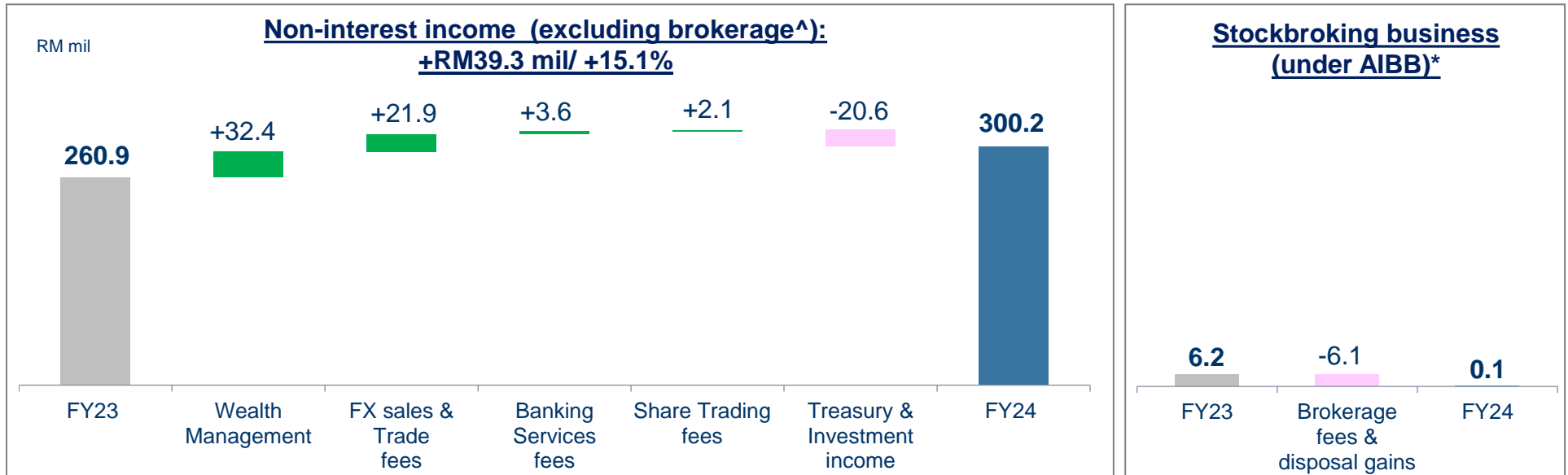


## Quarterly NIM:



# Non-interest income grew 12.4%

- **Non-interest income (excluding brokerage<sup>^</sup>): +15.1% y-o-y**
  - Wealth management (+31.0% y-o-y)
  - FX sales & trade fees (+15.2% y-o-y) and Banking services fees (+10.9% y-o-y)
- **Treasury & investment income: (-RM20.6 million y-o-y)** mainly due to lower trading income and higher cost on Structured Investments, offset by lower hedging cost

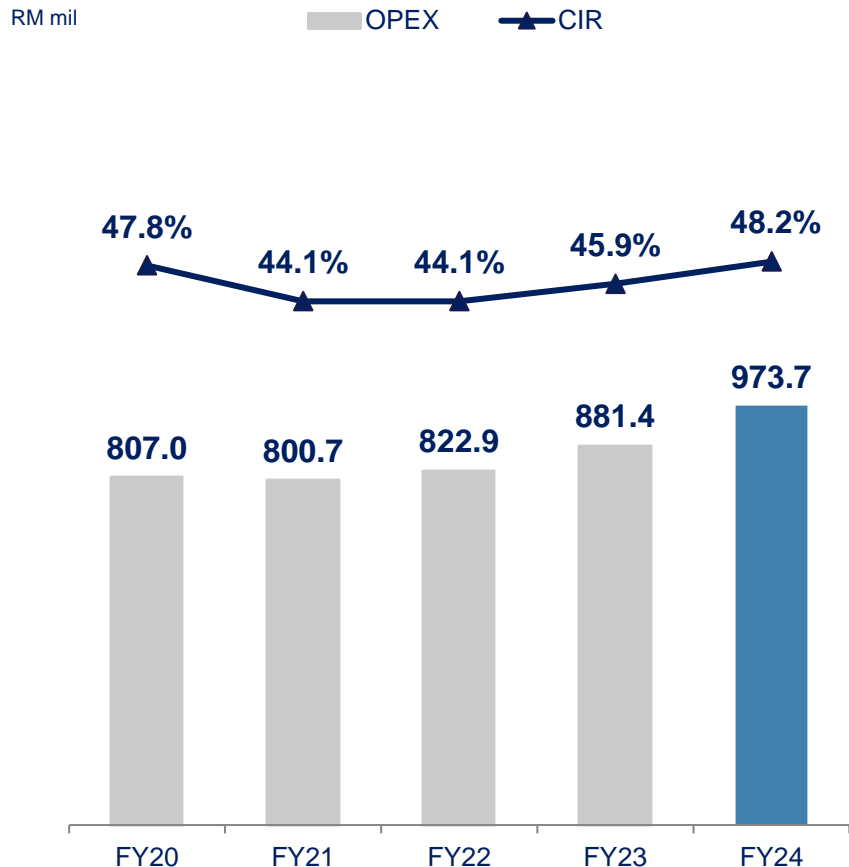


<sup>^</sup> Brokerage fees of RM2.9 million in FY23;

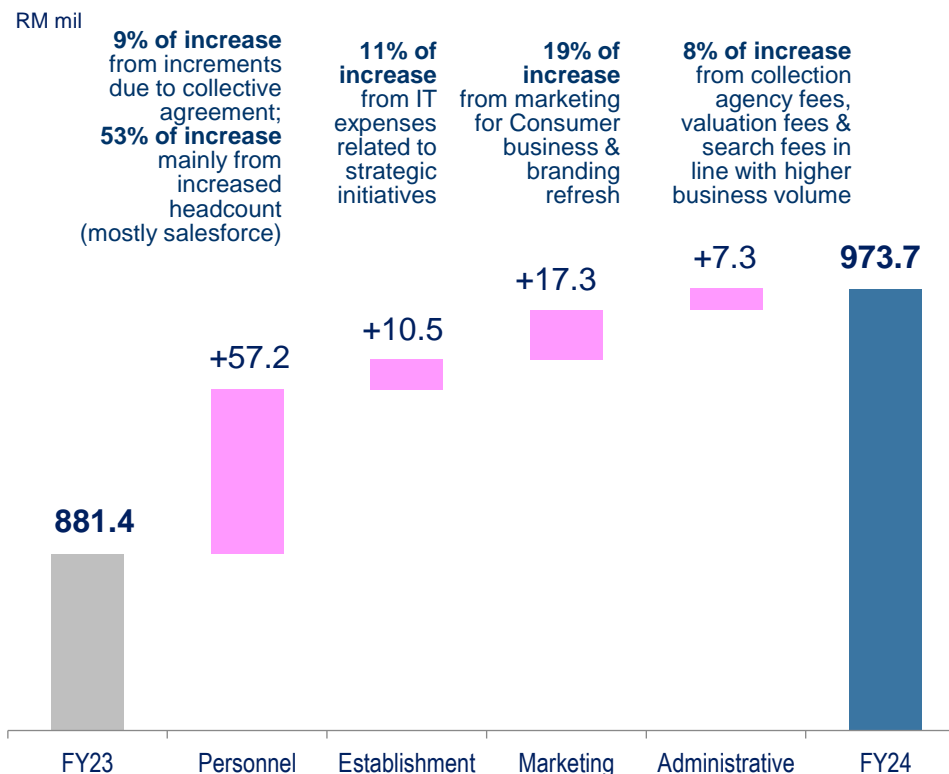
\* Disposal gain of RM3.3 million in FY23 upon completion on 30<sup>th</sup> July 2022.

# Cost to Income Ratio at 48.2%

## Operating Expenses (OPEX)



### a) Operating expenses up 10.5% y-o-y:

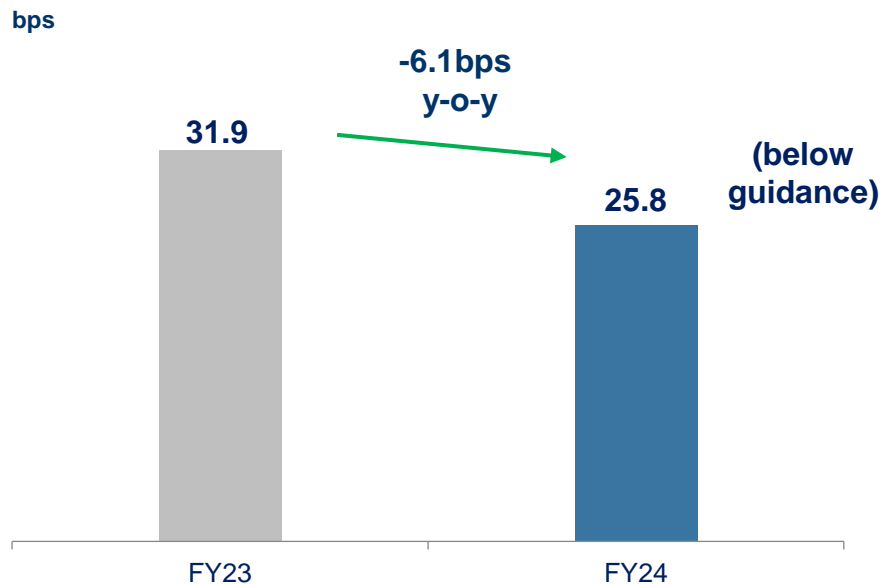


### b) Cost to income ratio: 48.2%



# Net credit cost at 25.8 bps

## Net Credit Cost



a) **Net credit cost at 25.8 bps** mainly from:

- BAU ECL net charge of 60.6 bps, offset by
- Management overlays net write-back of 34.8 bps

b) **Net credit cost: -6.1 bps y-o-y**



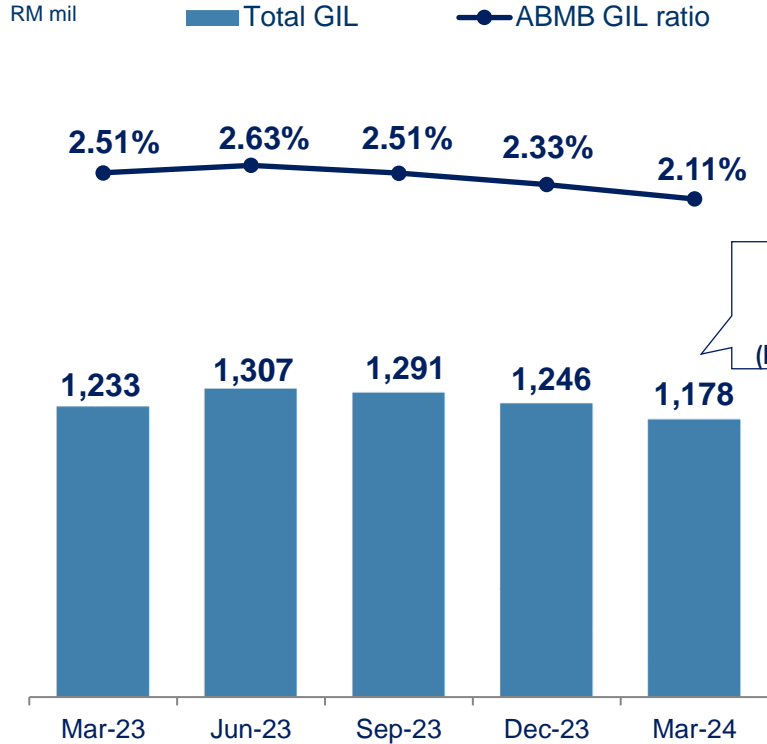
**Loan Loss Coverage**

123.7%

113.8%

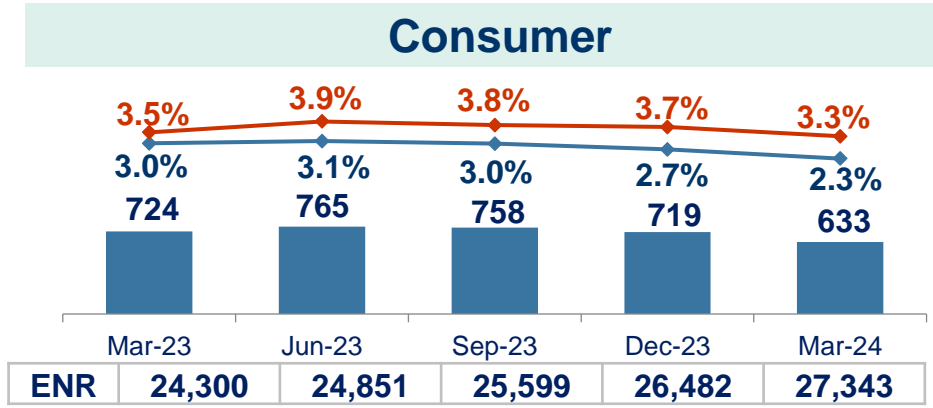
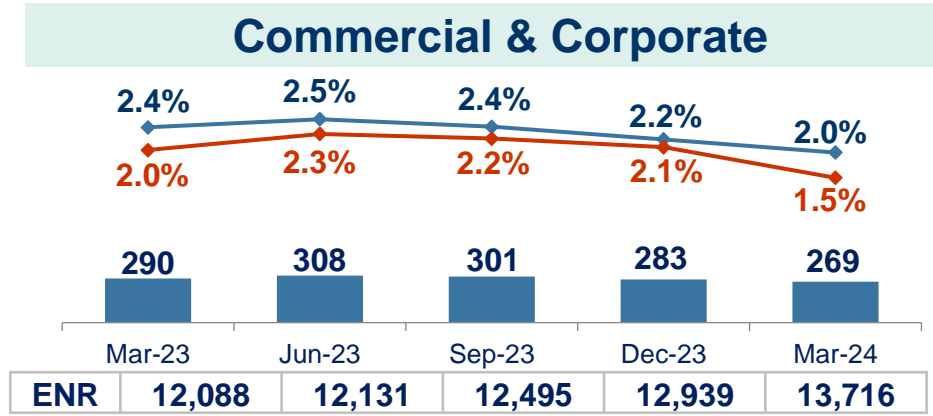
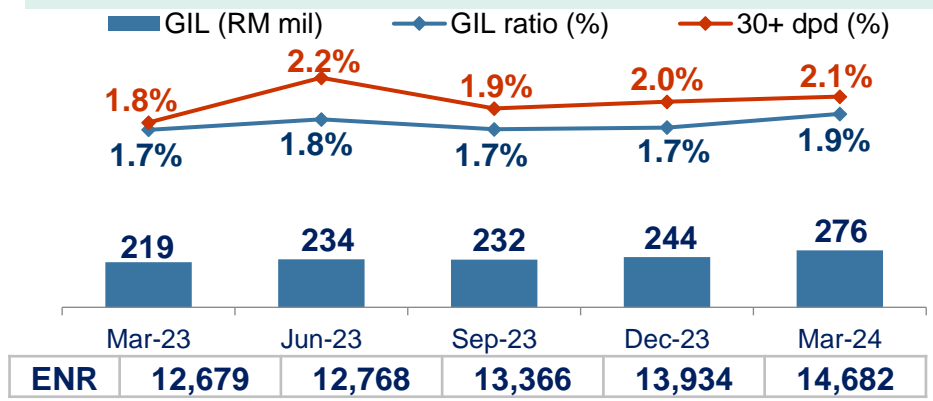
# Gross impaired loans ratio improved y-o-y to 2.11%

## Gross Impaired Loans (GIL)



67% secured, balance well provisioned (ECL = RM535mil)

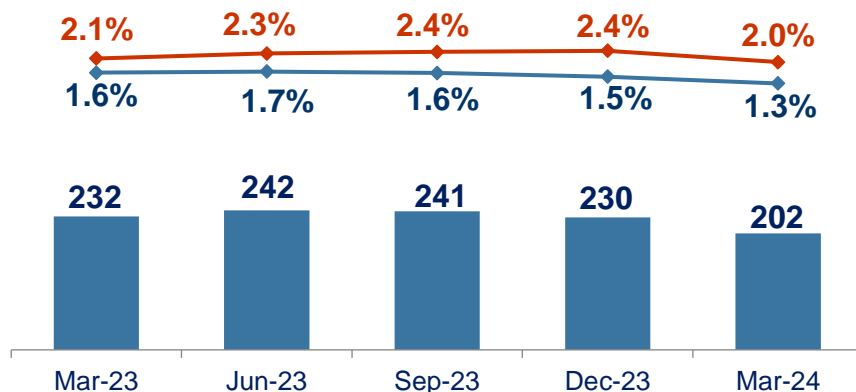
## SME



# GIL ratio: Consumer Segment

## Classic Mortgage

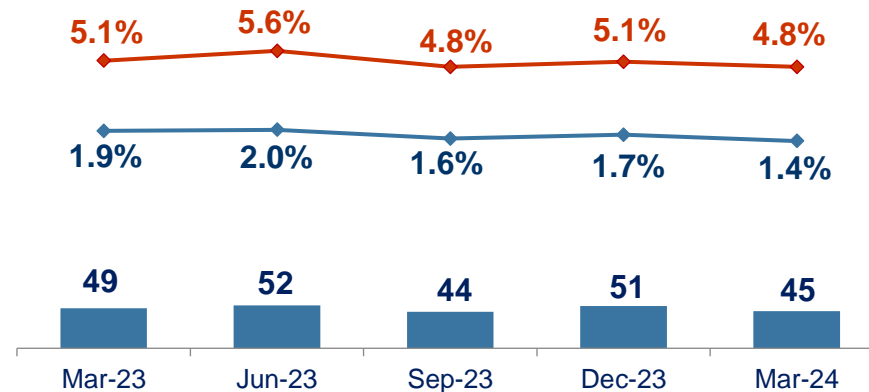
■ GIL (RM mil)    ◆ GIL ratio (%)    ◆ 30+ dpd (%)



ENR	14,163	14,436	14,788	15,331	15,971
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## Personal Financing

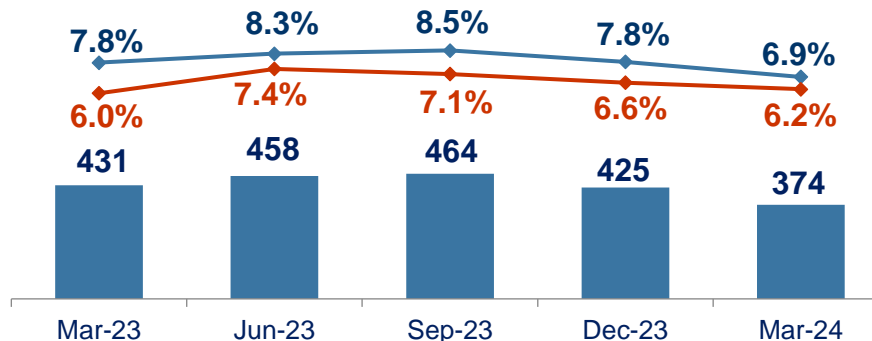
■ GIL (RM mil)    ◆ GIL ratio (%)    ◆ 30+ dpd (%)



ENR	2,548	2,668	2,851	2,954	3,099
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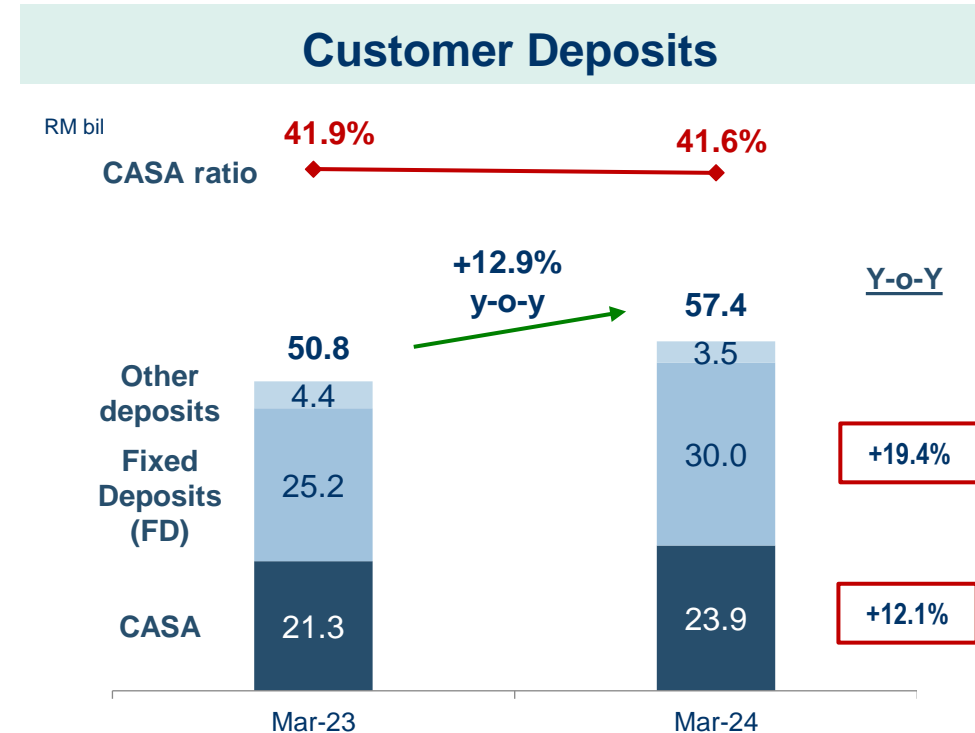
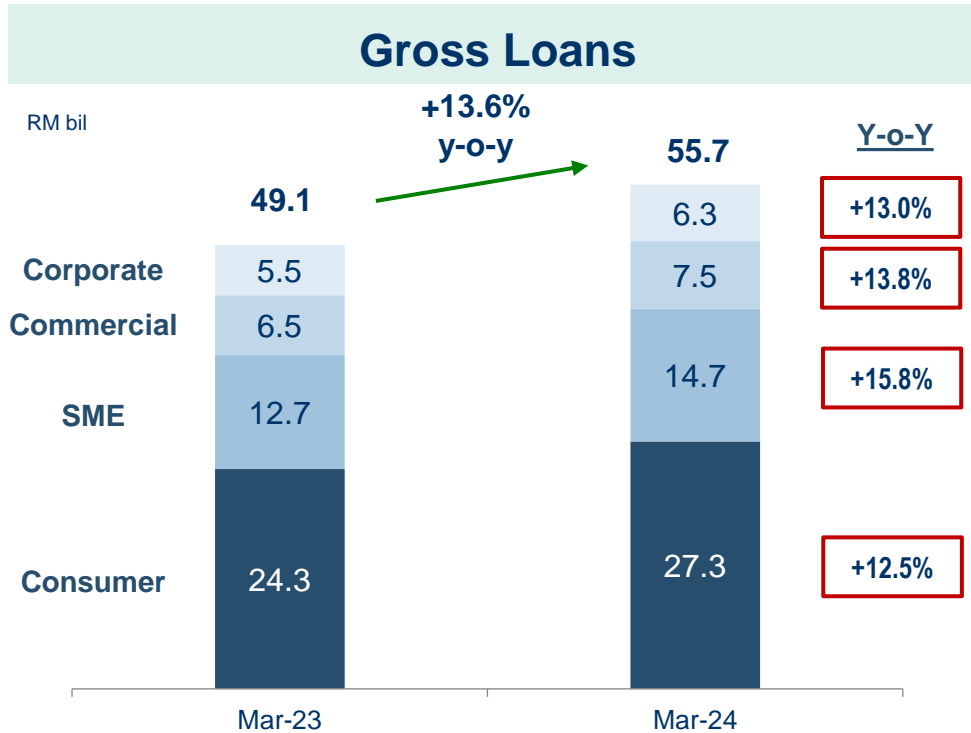
## Alliance ONE Account (AOA)

■ GIL (RM mil)    ◆ GIL ratio (%)    ◆ 30+ dpd (%)



ENR	5,555	5,529	5,480	5,434	5,394
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# Strong loans growth, supported by funding



a) Loans growth: **+13.6% y-o-y**

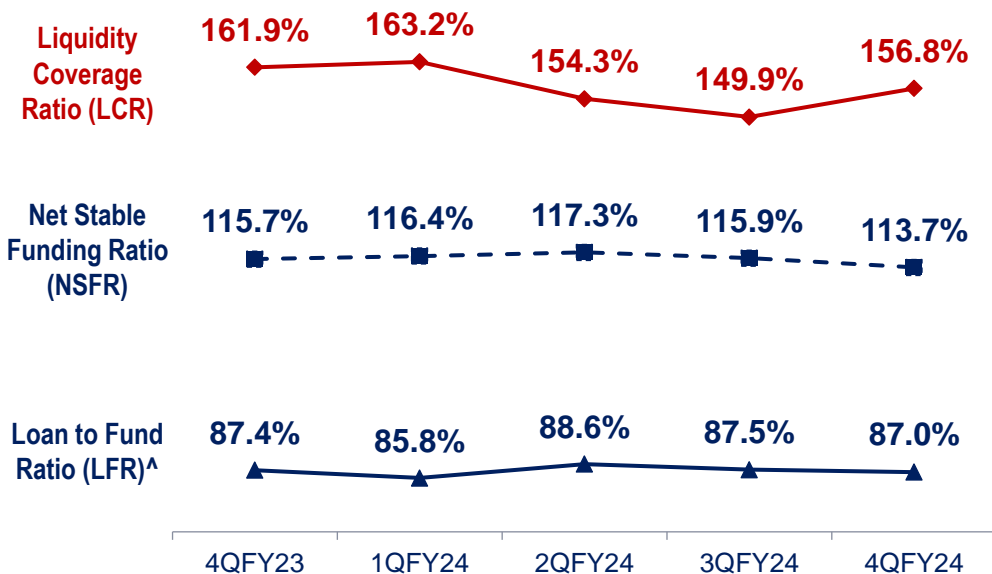
- SME: +15.8% y-o-y (mainly Term Loans)
- Commercial: +13.8% y-o-y
- Corporate: +13.0% y-o-y
- Consumer Banking: +12.5% y-o-y
  - Mortgage: +8.4% y-o-y
  - Personal Financing: +21.7% y-o-y
  - Share Margin Financing: +47.7% y-o-y

a) Customer deposits: **+12.9% y-o-y**

- b) Fixed deposits: +19.4% (or RM4.9 bil) y-o-y
- c) CASA deposits: +12.1% (or RM2.6 bil) y-o-y
  - CASA ratio at 41.6% (remaining one of the highest in the industry)

# Liquidity and capital position remain strong

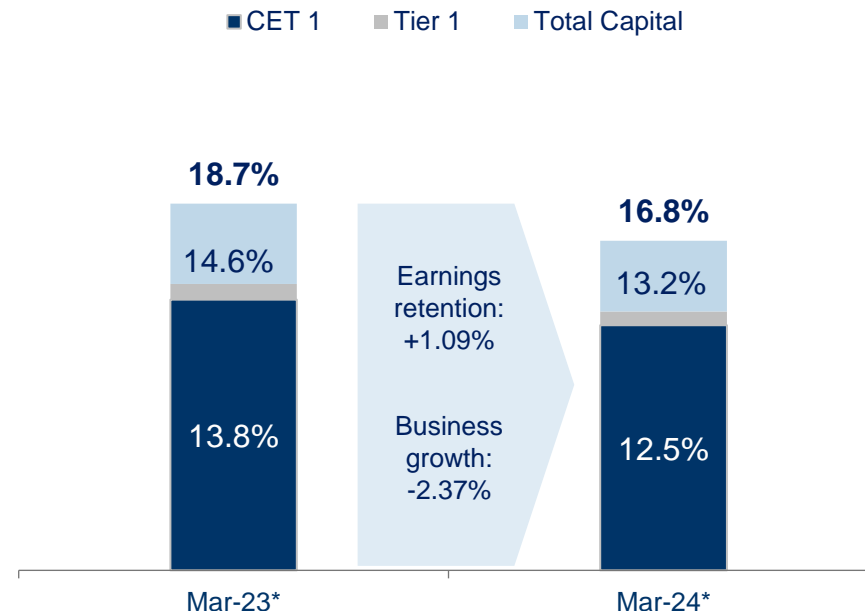
## Liquidity: LCR, LFR & NSFR



- a) Liquidity ratios remaining strong:
  - LCR: 156.8% (vs industry\*: 150.3%)
  - LFR^: 87.0% (vs industry\*: 81.8%)
- b) Net stable funding ratio (NSFR): 113.7%

^ Loan to Fund Ratio is computed based on gross loans (excluding those funded by Cagamas) divided by total available funds;  
\* BNM Monthly Statistical Bulletin Mar 2024

## Capital Position

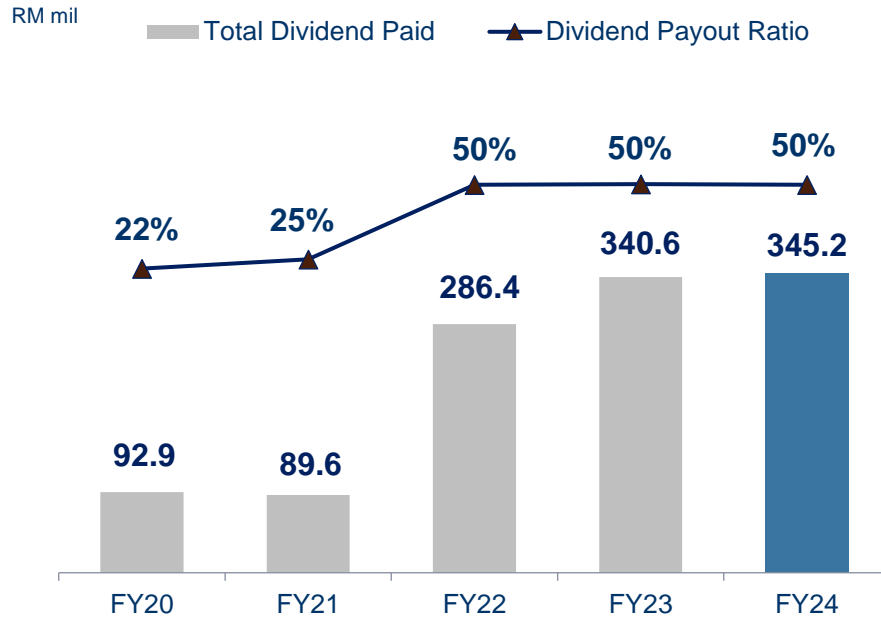


- a) Healthy capital position (without transitional arrangement (ceased Mar 2024))
- b) Will maintain sufficient capital through proactive capital management, to support future business expansion

\* Capital ratios without transitional arrangement  
[with transitional arrangement: CET 1: 12.9%, Tier 1: 13.6% & Total Capital: 17.2%].

# FY24 dividend payout at 50%

## Dividend and Payout Ratio



- a) Declared 1<sup>st</sup> interim dividend: 10.85 sen
- b) Proposed 2<sup>nd</sup> interim dividend: 11.45 sen  
(Total dividend: 22.3 sen vs 22.0 sen in FY23)

## Net Assets per Share



- a) Net asset per share grew steadily to RM4.63 (4-year CAGR: +4.6%)

# Contents

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- Effective Risk Management

## 2 Going Forward

- Group Strategy: ACCELER8 2027 Update
- Sustainability
- Key takeaways

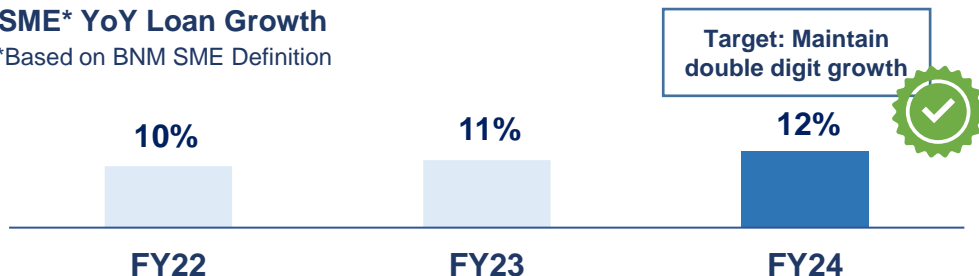
## 3 Appendix: Financial Results

- 4QFY24 & FY24 results
- Financial ratios

## 1 Continue velocity on SME expansion strategy

### SME\* YoY Loan Growth

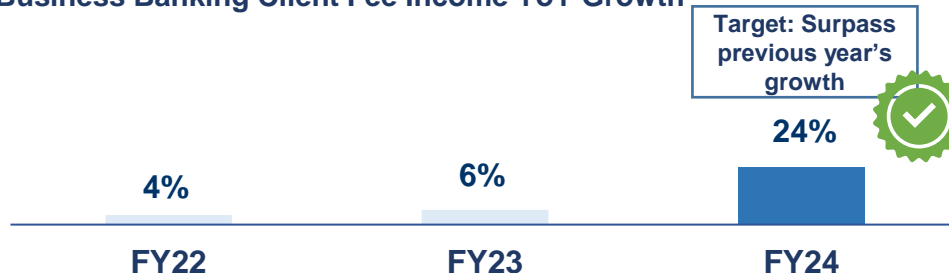
\*Based on BNM SME Definition



- Continued to **gain loan market share** (FY24: 5.3% from FY23: 5.0%), almost double industry growth (ABMB: 12% vs industry: 7%), supported by strong new-to-bank (NTB) acquisition momentum (>18% yoy growth)

## 2 Support our business customers through their life cycle

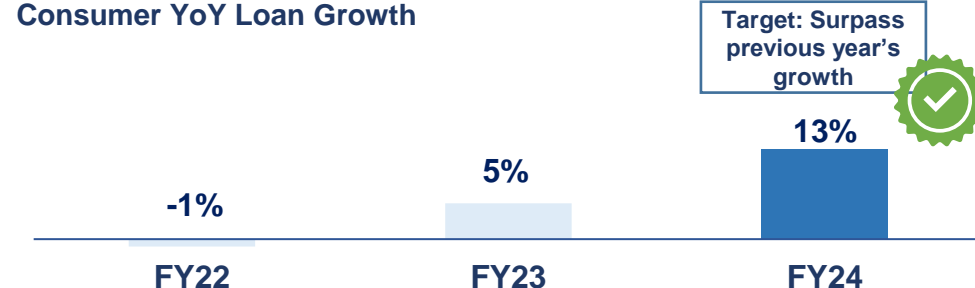
### Business Banking Client Fee Income YoY Growth



- Strong growth in client fee income** driven by FX revenue (22% y-o-y), Banca (+48% y-o-y) and loan-related service charges (doubled y-o-y)

## 3 Broaden consumer business, targeting attractive segments

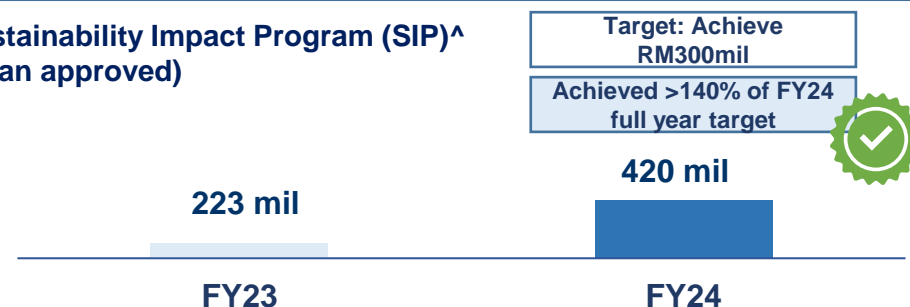
### Consumer YoY Loan Growth



- Faster than industry loans growth** (ABMB: 13% vs industry: 6%) & **regained market share** (FY24: 2.1% vs FY23: 2.0%)
- Acquired highest ever NTB in FY24 (>37% y-o-y) to 107k** driven by **digital & strong growth in HENRY segment**

## 4 Target resilient ecosystems across their value chain

### Sustainability Impact Program (SIP)<sup>^</sup> (Loan approved)



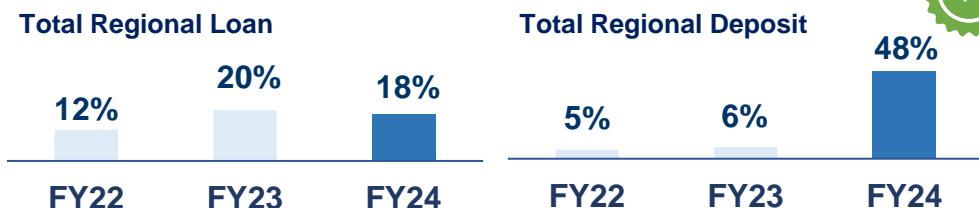
- Significant growth** in Sustainability Impact Program (SIP)<sup>^</sup>
- Approved RM420mil** cumulative loans, **representing 140% of FY24 full year target**

<sup>^</sup> previously known as Sustainability Assistance Program (SAP)



## 5 Become regional champion for selected economic corridors

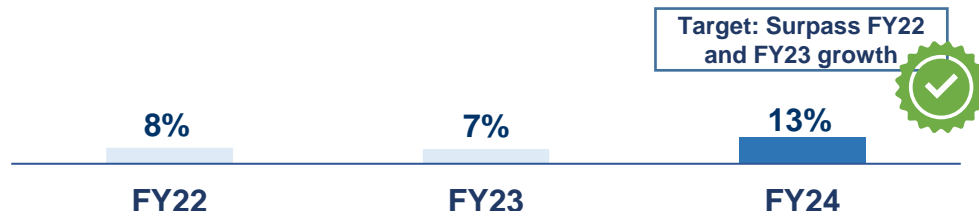
Regional YoY Growth  
(Sarawak and Penang)



- Continued strong growth in both loans (+18% yoy) and deposits (+48% yoy) across Penang & Sarawak
- **Sarawak:** Opened Saradise branch (Jan'24); **Penang:** Jalan Kelawai branch opening on-track in 1QFY25

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

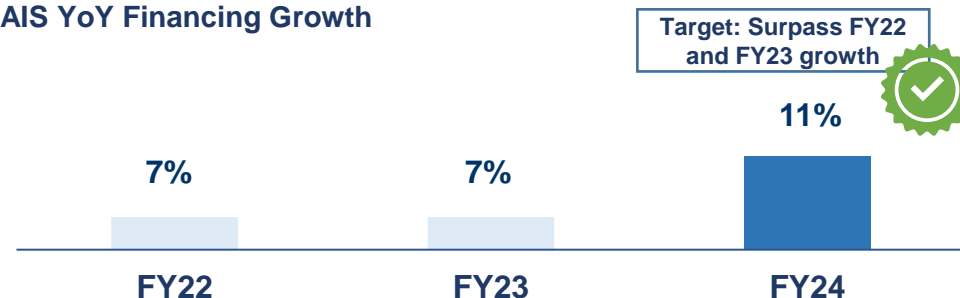
Corporate and Capital Market YoY Revenue Growth



- **Corporate:** Growth driven mainly by fee income (72% yoy), particularly loan processing fee (7.6x yoy) and FX sales (61% yoy)
- **Capital Market:** Continue to focus on **converting pipeline** and **enhancing joint account planning**

## 7 Accelerate Islamic business, leveraging unique propositions

AIS YoY Financing Growth



- Continue to **scale up Halal in One acceptance** & work with various partners to widen reach

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

Enhanced propositions

- Established partnership with UNGCMYB to deliver a differentiated sustainability value proposition for the bank
- Climate assessment tool and transition roadmap (PROGRESS)
- Climate Inclusive Financing program incentivizing SMEs with preferential rates for their climate improvement

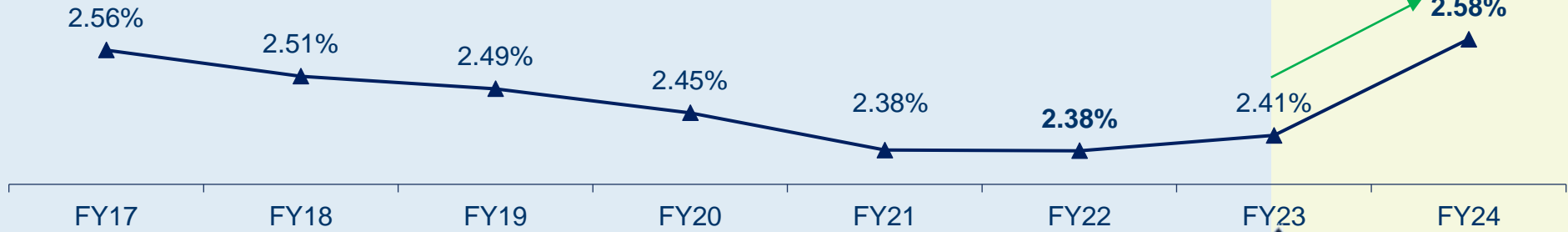
Access to new customer base

- **Early adopter** in the Bursa CSI program that provides the bank access to PLCs & their suppliers to run sustainability & financing programs
- Signed MoU with Invest Sarawak to assist SMEs with ESG adoption. Conducted statewide roadshows providing capacity building, advisory tools & banking benefits

# Accelerated loans growth ahead of industry and regained market share

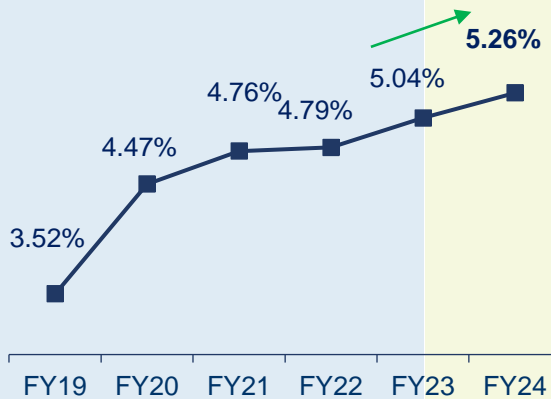
Regained lost in market share since FY17 within 1 year

**ABG loan market share (%)**

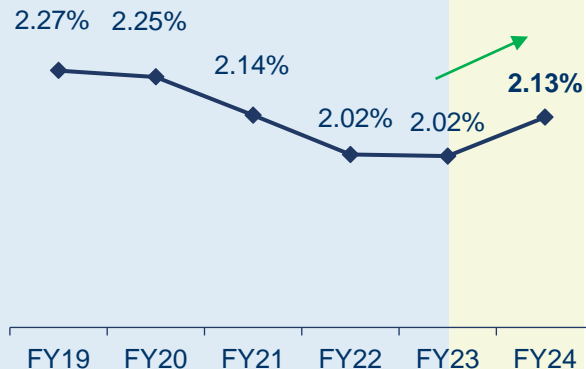


Launch of Acceler8 in Jan-23

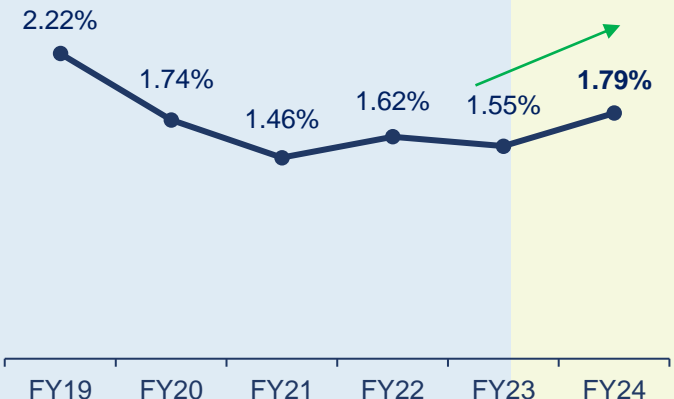
**Continued SME market share expansion**



**Regained consumer market share**



**Corporate\* market share rebounded**



Note: Industry numbers are annualised

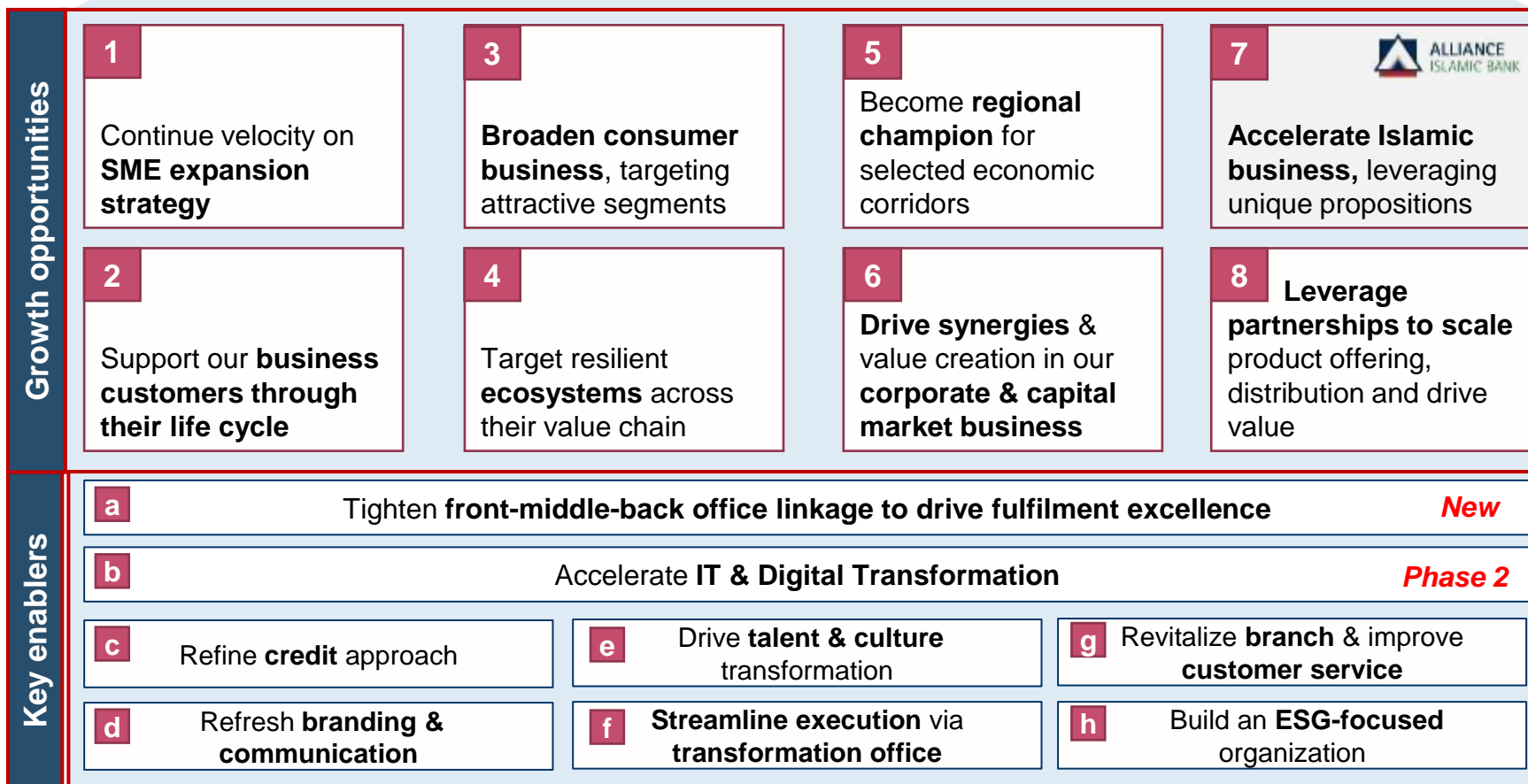
\*Corp industry loan based on 'other business banking' loan book as proxy which may include commercial and corporate loan book of other banks





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

<b>Financials</b> <ul style="list-style-type: none"> <li>• Top quartile ROE (&gt;11%)</li> <li>• Target C:I 45%</li> </ul>	<ul style="list-style-type: none"> <li>• Loans growth above industry (8-10%)</li> <li>• Maintain dividend ratio</li> </ul>	<b>Best in class customer NPS &amp; TAT</b>	<b>Top employer of choice</b>	<b>Solid ESG progress</b>
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# FY25 Acceler8 2027 Key Success Metrics

## 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**

# We have early achieved Topline Goal 1, and made significant progress towards realizing Topline Goals

**1** Grow our new sustainable banking business

**2** Help customers adopt sustainable lifestyles and business practices

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

**Target**  
Cumulative **RM15.0 billion** in new sustainable banking business by **FY2027**

Reduce **customers under C5 category to <20.0%** by FY2030

Reduce **Scope 1 and Scope 2 GHG emissions by 20%** by FY2027 against FY2020 baseline

**Achievement as of FY24**

Cumulative **RM12.6 billion** in new sustainable banking business

Reduced business and investment portfolio of C5 to **31.1%**

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



**Continued to expand the Green Supply Chain Program** to promote ESG adoption amongst SMEs



**Engaged customers to develop climate transition plans** via the PRO-GRESS assessment tool – an ESG diagnostic tool jointly created by UNGCMYB



Developed a **waste management data collection roadmap** to enhance data collection on the Bank's waste management practices and to improve environmental stewardship

**Key Updates**

# Key Takeaways for FY24

## Business growth:

- Strong **loans growth** momentum (13.6% y-o-y) driven by all segments.
- **NTB customer acquisition**: 1k SMEs per month & about 9k Consumers per month (on average).
- **Treasury assets** grew 16.7% y-o-y.

## Profitability:

- **Revenue up 5.2%** across RM2.02 billion
- **NIM** at 2.48% with **CIR** at 48.2%.
- **NPAT** grew 1.9% to **RM690.5 million**, with **ROE** at **10.2%**.
- Rewarding our shareholders with **total FY24 dividend of 22.3 sen per share**

## Balance sheet items:

- **Overall gross impaired loans** (GILs) improved to 2.11% from 2.51% a year ago
- **Credit cost** improved.

## ACCELER8 2027 Strategy:

- **Regained market share across segments**
- **Acquired highest-ever NTB acquisition** for both consumer and business.
- **Achieved all FY24 targets** for all ACCELER8 strategy pillars.

	<b>FY24 Guidance (Revised)</b>	<b>FY24 Actual</b>
<b>Gross Loans</b>	8% - 10%	<b>13.6%</b>
<b>Net Interest Margin</b>	between 2.45 - 2.50%	<b>2.48%</b>
<b>Cost to Income</b>	< 48%	<b>48.2%</b>
<b>Net Credit Cost</b>	30 - 35bps	<b>25.8bps</b>
<b>ROE</b>	> 10.0%	<b>10.2%</b>

# Key Outlook for the Year

- **Economic outlook:**

- GDP expected between 4% to 5% (1Q'24: 4.2%).
- Maintain **cautiously optimistic** outlook:
  - monetary policy conducive to sustainable growth
  - resilient domestic demand with promising FDI
  - Uncertainty in external environment – will need to stay vigilant and agile

- **Business growth:**

- **Continue building on momentum**
- **Loans growth** above industry
- Focus on driving fee and treasury income growth.

- **Net Interest Margin (NIM)** expected to compress with changes expected in Asset and liability mix coupled with expected competition

- **Operating Expenses (OPEX)** increase is stabilising. Investments in people and technology will continue.

- With franchise revenue expansion and moderation in OPEX increase: sustainable **ROE >10%**

- Capital will be managed to fund growth – a combination of debt and potentially looking at dividend payout rate

	FY24 Actual	FY25 Guidance
<b>Gross Loans</b>	13.6%	<b>8 - 10%</b>
<b>Net Interest Margin</b>	2.48%	<b>between 2.40 - 2.45%</b>
<b>Cost to Income</b>	48.2%	<b>approximately 48%</b>
<b>Net Credit Cost</b>	25.8bps	<b>30 - 35bps</b>
<b>ROE</b>	10.2%	<b>&gt;10%</b>
<b>Dividend payout</b>	50%	<b>40 - 50%</b>

# Contents

## 1 FY24 Financial Performance

- Revenue & Profitability
- Assets & Liabilities
- Effective Risk Management

## 2 Going Forward

- Group Strategy: ACCELER8 2027 Update
- Sustainability
- Key takeaways

## 3 Appendix: Financial Results

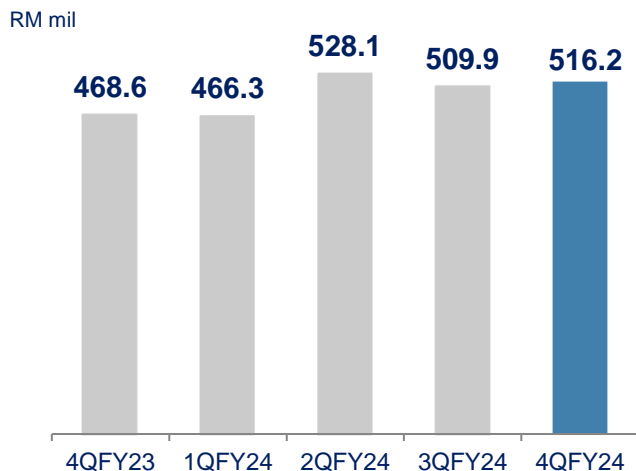
- 4QFY24 & FY24 results
- Financial ratios



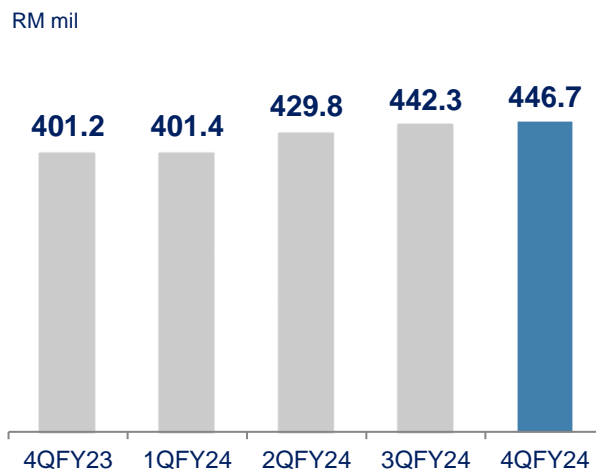
# 4QFY24 NPAT grew 36.6% y-o-y to RM177.7 million

Key Highlights:  
Financial Performance

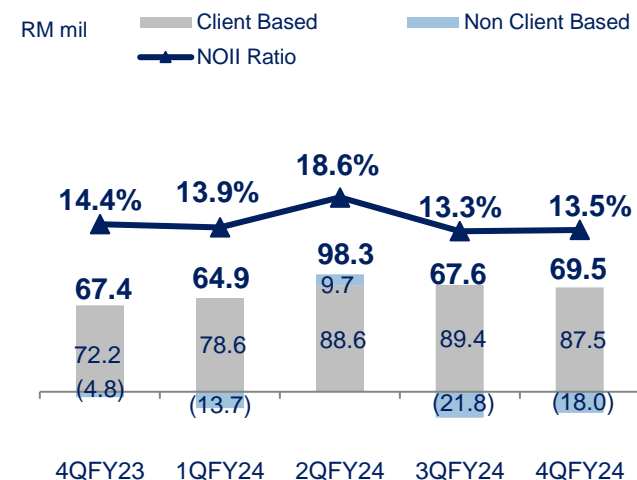
## Revenue



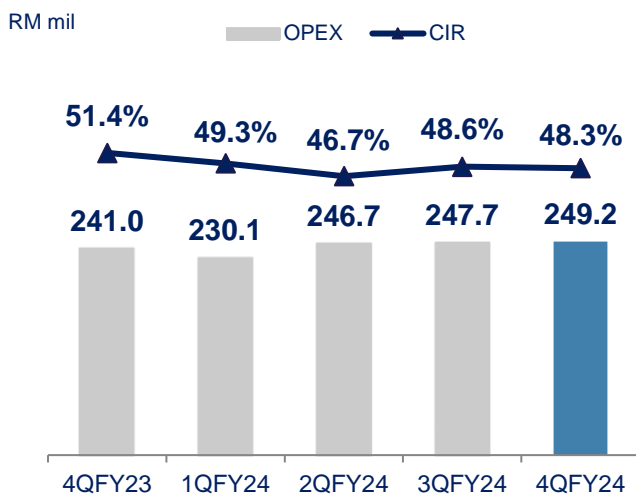
## Net Interest Income & Islamic Net Financing Income



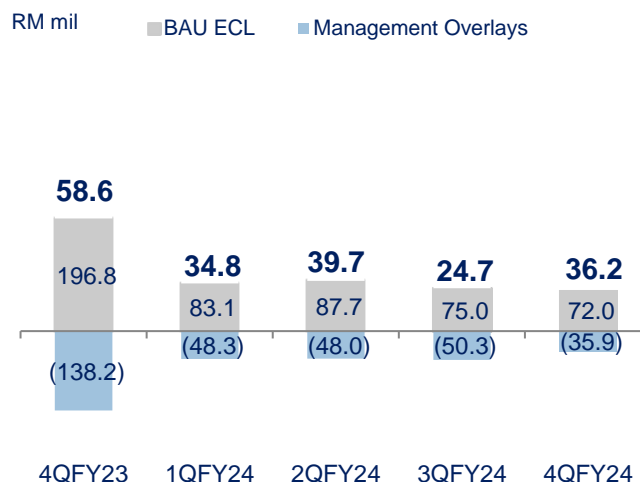
## Non Interest Income & NOII Ratio



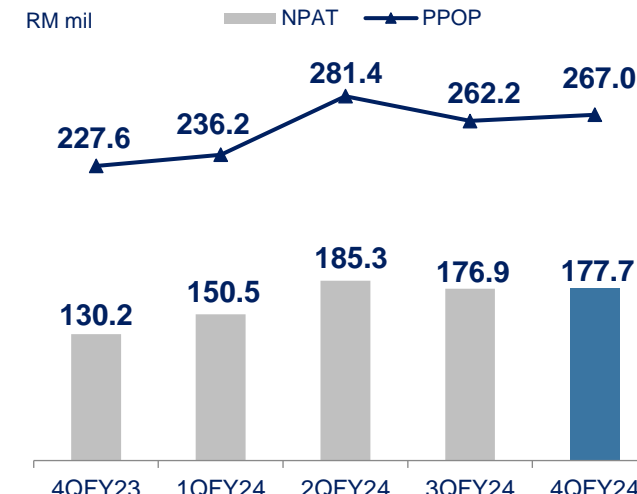
## Operating Expenses & CIR Ratio



## Expected Credit Losses ("ECL")



## Pre-Provision Operating Profit & Net Profit



Note: Revenue and non interest income includes Islamic banking income

Income Statement	3QFY24 RM mil	4QFY24 RM mil	Q-o-Q Change Better / (Worse)	
			RM mil	%
Net Interest Income	333.8	342.8	4.4	1.0%
Islamic Net Financing Income	108.5	103.8		
Islamic Non-Financing Income	7.1	10.6	1.9	2.8%
Non-Interest Income	60.6	58.9		
<b>Net Income*</b>	<b>509.9</b>	<b>516.2</b>	<b>6.3</b>	<b>1.2%</b>
OPEX	247.7	249.2	(1.5)	(0.6%)
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>262.2</b>	<b>267.0</b>	<b>4.8</b>	<b>1.8%</b>
Net Credit Cost	24.7	35.8	(11.2)	(45.3%)
- BAU	75.0	71.7	3.3	4.4%
- Management Overlays	(50.3)	(35.9)	(14.4)	(28.7%)
Expected Credit Losses on Financial Investments	0.1	0.3	(0.3)	(>100%)
<b>Pre-tax Profit</b>	<b>237.5</b>	<b>230.8</b>	<b>(6.6)</b>	<b>(2.8%)</b>
<b>Net Profit After Tax</b>	<b>176.9</b>	<b>177.7</b>	<b>0.9</b>	<b>0.5%</b>

- **Revenue** grew by RM6.3 mil or 1.2% q-o-q due to:
  - Net interest income: +RM4.4mil or 1.0% q-o-q mainly due to higher loans volume.
  - Non-interest income: +RM1.9mil q-o-q:
    - ✓ Lower client based fee income (-RM2.0mil)
    - ✓ Higher treasury & investment income (+RM3.9mil)
- **Operating expenses** was RM1.5mil higher mainly due to higher IT expenses and personnel cost, offset by lower marketing and administrative expenses.
- **Pre-provision Operating Profit (PPOP)** increased by 1.8% q-o-q to RM267.0mil.
- **Net credit cost** was RM35.8 mil (or 6.5 bps) due to a moderation of BAU ECL, offset by reversal of overlays.
- **Net profit after tax** grew by 0.5% q-o-q mainly due to higher revenue and lower tax expense.

Notes:

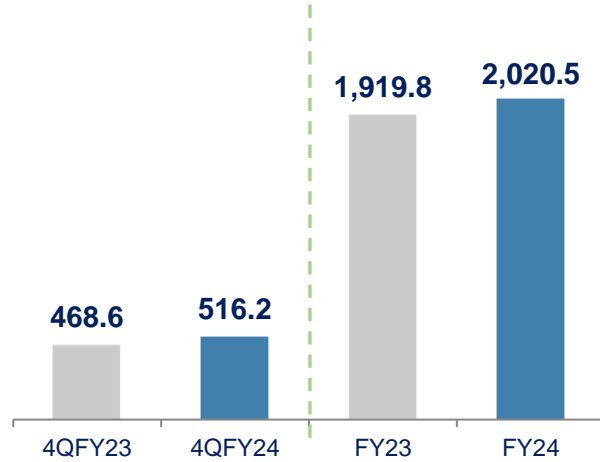
\* Revenue, net interest income and non interest income includes Islamic banking income

# FY24 NPAT grew 1.9% y-o-y to RM690.5 million

Key Highlights Y-o-Y:  
Financial Performance

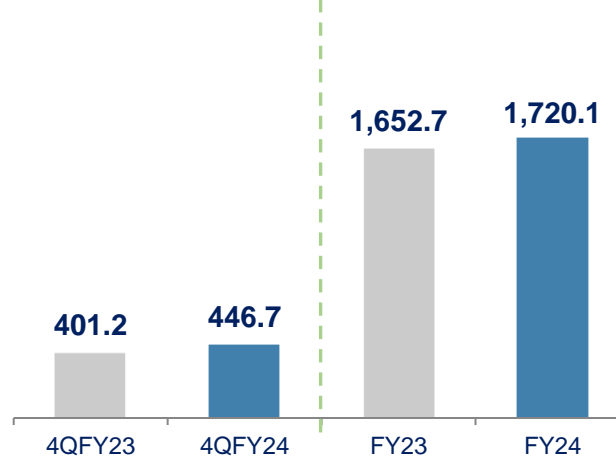
## Revenue

RM mil



## Net Interest Income & Islamic Net Financing Income

RM mil

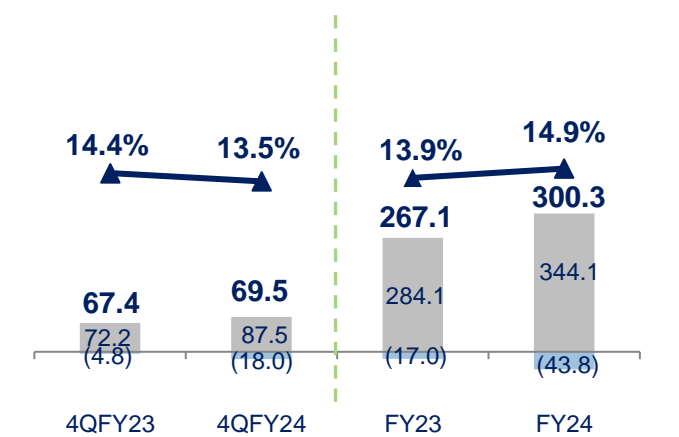


## Non Interest Income & NOII Ratio

RM mil

Client Based Non Client Based

NOII Ratio

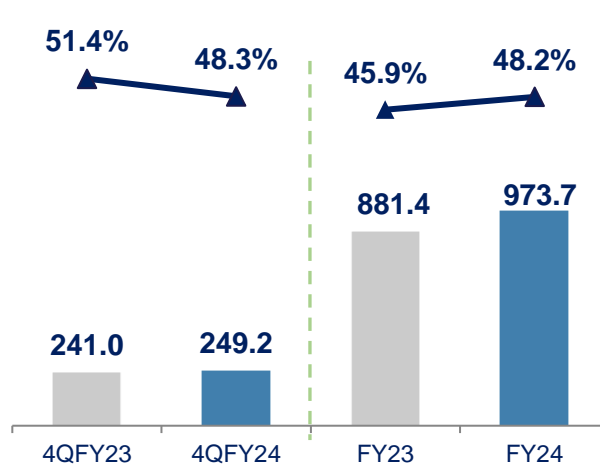


## Operating Expenses & CIR Ratio

RM mil

OPEX

CIR

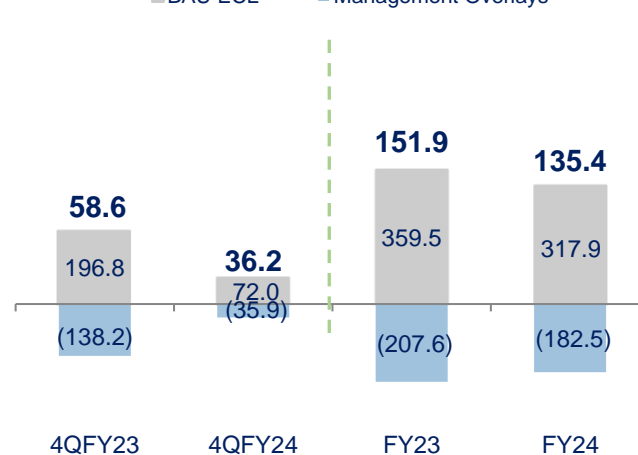


## Expected Credit Losses ("ECL")

RM mil

BAU ECL

Management Overlays

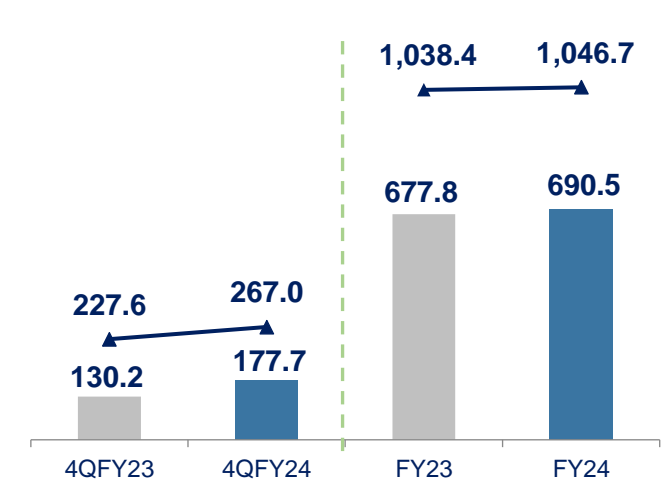


## Pre-Provision Operating Profit & Net Profit

RM mil

NPAT

PPOP



Note: Revenue and non interest income includes Islamic banking income



Income Statement	4QFY23 RM mil	4QFY24 RM mil	Y-o-Y Change Better / (Worse)	
			RM mil	%
Net Interest Income	302.7	342.8	45.5	11.3 %
Islamic Net Financing Income	98.4	103.8		
Islamic Non-Financing Income	8.4	10.6	2.1	3.1%
Non-Interest Income	59.0	58.9		
<b>Net Income*</b>	<b>468.6</b>	<b>516.2</b>	<b>47.6</b>	<b>10.1%</b>
OPEX	241.0	249.2	(8.2)	(3.4%)
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>227.6</b>	<b>267.0</b>	<b>39.4</b>	<b>17.3%</b>
Net Credit Cost	58.5	35.8	22.7	38.7%
- BAU	196.7	71.7	125.0	63.6%
- Management Overlays	(138.2)	(35.9)	(102.3)	(74.1%)
Expected Credit Losses on Financial Investments	0.1	0.3	(0.2)	(>100%)
<b>Pre-tax Profit</b>	<b>169.0</b>	<b>230.8</b>	<b>61.8</b>	<b>36.6%</b>
<b>Net Profit After Tax</b>	<b>130.2</b>	<b>177.7</b>	<b>47.6</b>	<b>36.6%</b>

- **Revenue** grew by RM47.6 mil or 10.1% y-o-y due to:
  - Net interest income: +RM45.5mil or 11.3%, from higher loans volume and OPR hikes.
  - Non-interest income: +RM2.1mil y-o-y:
    - ✓ Higher client based fee income (+RM15.2mil)
    - ✓ Lower treasury & investment income (-RM12.5mil)
    - ✓ Lower brokerage (-RM0.6mil)
- **Operating expenses** was higher by RM8.2mil mainly from higher personnel expenses.
- **Pre-provision Operating Profit (PPOP)** grew by 17.3% y-o-y to RM267.0mil.
- **Net credit cost** was RM35.8 mil (or 6.5bps) due to a moderation of BAU ECL, offset by reversal of overlays.
- **Net profit after tax** grew by 36.6% y-o-y mainly driven by revenue growth and lower net credit cost.

Notes:

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

Income Statement	FY23 RM mil	FY24 RM mil	Y-o-Y Change Better / (Worse)	
			RM mil	%
Net Interest Income	1,230.1	1,309.6	67.5	4.1%
Islamic Net Financing Income	422.6	410.6		
Islamic Non-Financing Income	30.2	29.5	33.2	12.4%
Non-Interest Income	236.9	270.8		
<b>Net Income*</b>	<b>1,919.8</b>	<b>2,020.5</b>	<b>100.6</b>	<b>5.2%</b>
OPEX	881.4	973.7	(92.4)	(10.5%)
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>1,038.4</b>	<b>1,046.7</b>	<b>8.3</b>	<b>0.8%</b>
Net Credit Cost	152.3	134.9	17.4	11.5%
- BAU	360.0	317.4	42.6	11.8%
- Management Overlays	(207.6)	(182.5)	(25.1)	(12.1%)
Expected Credit Losses on Financial Investments	(0.5)	0.5	(1.0)	(>100%)
<b>Pre-tax Profit</b>	<b>886.6</b>	<b>911.3</b>	<b>24.7</b>	<b>2.8%</b>
<b>Net Profit After Tax</b>	<b>677.8</b>	<b>690.5</b>	<b>12.6</b>	<b>1.9%</b>

- **Revenue** grew by RM100.6 mil or 5.2% y-o-y due to:
  - Net interest income: +RM67.5mil or 4.1%, from higher loans volume and OPR hikes.
  - Non-interest income: +RM33.2mil y-o-y:
    - ✓ Higher client based fee income (+RM60.0mil)
    - ✓ Lower treasury & investment income (-RM20.6mil)
    - ✓ Lower brokerage (-RM6.2mil)
- **Operating expenses** was RM92.4mil higher due to increase in all lines of expenses, mainly personnel expenses and marketing expenses.
- **Pre-provision Operating Profit (PPOP)** grew by 0.8% y-o-y to RM1,046.7mil.
- **Net credit cost** was RM134.9mil (or 25.8 bps) mainly due to the normalisation of BAU ECL, offset by reversal of overlays.
- **Net profit after tax** grew by 1.9% y-o-y mainly driven by revenue growth and lower net credit cost.

Notes:

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

Balance Sheet	Dec 23 RM bil	Mar 24 RM bil	Q-o-Q Change	
			RM bil	%
<b>Total Assets</b>	<b>73.3</b>	<b>76.9</b>	<b>3.6</b>	<b>4.9%</b>
Treasury Assets*	14.0	14.4	0.5	3.5%
Gross Loans	53.4	55.7	2.4	4.5%
Net Loans	52.3	54.7	2.4	4.6%
Customer Deposits	54.4	57.4	3.0	5.5%
Total Available Funds <sup>+</sup>	59.6	62.7	3.1	5.2%
CASA Deposits	24.5	23.9	(0.7)	(2.7%)
<b>Shareholders' Funds</b>	<b>7.0</b>	<b>7.2</b>	<b>0.2</b>	<b>2.7%</b>
Gross Loans Growth (y-o-y)	12.9%	13.6%		
Net Loans Growth (y-o-y)	13.1%	14.2%		
Customer Deposits Growth (y-o-y)	11.1%	12.9%		
Total Available Funds <sup>+</sup> Growth (y-o-y)	10.2%	12.4%		
CASA Deposits Growth (y-o-y)	9.3%	12.1%		

- **Gross loans** grew by 4.5% q-o-q:
  - **SME loans:** +5.4% q-o-q mainly from Term Loans;
  - **Commercial loans:** +5.0% q-o-q mainly due to higher drawdown from several accounts;
  - **Corporate loans:** +7.2% q-o-q mainly due to higher drawdown from several accounts;
  - **Consumer loans:** +3.2% q-o-q mainly from Classic Mortgage (+4.2%) and Personal Financing (+4.9%).
- **Treasury assets:** +3.5% q-o-q mainly due to increase in government & corporate bond holdings for both FVOCI and AMC portfolio.
- **Customer deposits** increased by 5.5% q-o-q:
  - FDs increased by RM4.0bil or 15.3% q-o-q, offset by
  - CASA reduced by RM0.7bil or 2.7% q-o-q.

Notes:

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

<sup>+</sup> Total Available Funds = Customer Deposits + Structured Investment Deposits + Deposits and Placements of Banks / F.I.s (excluding Interbank borrowings & including BNM Funds) + Subordinated Obligations. Total Funding is the denominator for Loan-to-Fund Ratio (LFR)

Balance Sheet	Mar 23 RM bil	Mar 24 RM bil	Y-o-Y Change	
			RM bil	%
<b>Total Assets</b>	<b>66.3</b>	<b>76.9</b>	<b>10.6</b>	<b>16.0%</b>
Treasury Assets*	12.4	14.4	2.1	16.7%
Gross Loans	49.1	55.7	6.7	13.6%
Net Loans	47.9	54.7	6.8	14.2%
Customer Deposits	50.8	57.4	6.5	12.9%
Total Available Funds †	55.8	62.7	6.9	12.4%
CASA Deposits	21.3	23.9	2.6	12.1%
<b>Shareholders' Funds</b>	<b>6.7</b>	<b>7.2</b>	<b>0.4</b>	<b>6.4%</b>
Gross Loans Growth (y-o-y)	6.2%	13.6%		
Net Loans Growth (y-o-y)	6.2%	14.2%		
Customer Deposits Growth (y-o-y)	5.5%	12.9%		
Total Available Funds † Growth (y-o-y)	6.8%	12.4%		
CASA Deposits Growth (y-o-y)	(9.7%)	12.1%		

- **Gross loans** grew by 13.6% y-o-y:
  - **SME loans:** +15.8% y-o-y mainly from Term Loans;
  - **Commercial loans:** +13.8% y-o-y mainly due to higher drawdown from several accounts;
  - **Corporate loans:** +13.0% y-o-y due to higher drawdown from several accounts;
  - **Consumer loans:** +12.5% y-o-y mainly from Classic Mortgage (+12.8%), Share Margin Financing (+47.7%) and Personal Financing (+21.7%).
- **Treasury assets:** +16.7% y-o-y mainly due to increase in government & corporate bond holdings for both FVOCI and AMC portfolio.
- **Customer deposits** grew by 12.9% y-o-y:
  - CASA up RM2.6bil or 12.1% y-o-y, and
  - FDs up RM4.9bil or 19.4% y-o-y.

Notes:

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

† Total Available Funds = Customer Deposits + Structured Investment Deposits + Deposits and Placements of Banks / F.I.s (excluding Interbank borrowings & including BNM Funds) + Subordinated Obligations. Total Funding is the denominator for Loan-to-Fund Ratio (LFR)

	Financial Ratios	4QFY23	3QFY24	4QFY24	FY23	FY24
Shareholder Value	Return on Equity	8.2%	10.4%	10.5%	10.5%	10.2%
	Earnings per Share	8.4sen	11.4sen	11.5sen	43.8sen	44.6sen
	Net Assets per Share	RM4.36	RM4.51	RM4.63	RM4.36	RM4.63
Efficiency	Net Interest Margin	2.52%	2.49%	2.45%	2.64%	2.48%
	Non-Interest Income Ratio	14.4%	13.3%	13.5%	13.9%	14.9%
	Cost to Income Ratio	51.4%	48.6%	48.3%	45.9%	48.2%
Balance Sheet Growth	Net Loans (RM bil)	47.9	52.3	54.7	47.9	54.7
	Customer Deposits (RM bil)	50.8	54.4	57.4	50.8	57.4
	Total Available Funds (RM bil)	55.8	59.6	62.7	55.8	62.7
Asset Quality	Net credit cost (basis points)	11.9	4.6	6.5	31.9	25.8
	Gross Impaired Loans Ratio	2.5%	2.3%	2.1%	2.5%	2.1%
	Net Impaired Loans Ratio	1.4%	1.4%	1.2%	1.4%	1.2%
	Loan Loss Coverage Ratio <sup>^</sup>	123.7%	117.0%	113.8%	123.7%	113.8%
Liquidity	CASA Ratio	41.9%	45.1%	41.6%	41.9%	41.6%
	Loan to Deposit Ratio	96.5%	98.1%	97.1%	96.5%	97.1%
	Loan to Fund Ratio	87.4%	87.5%	87.0%	87.4%	87.0%
	Liquidity Coverage Ratio	161.9%	149.9%	156.8%	161.9%	156.8%
	Net Stable Funding Ratio	115.7%	115.9%	113.7%	115.7%	113.7%
Capital	Common Equity Tier 1 Capital Ratio	13.8%	12.8%	12.5%	13.8%	12.5%
	Tier 1 Capital Ratio	14.6%	13.5%	13.2%	14.6%	13.2%
	Total Capital Ratio	18.7%	17.2%	16.8%	18.7%	16.8%

*Note: ^ Loan Loss Coverage includes Regulatory Reserve provision [excluding Regulatory Reserve: 100.6% at 4QFY24 (vs. 96.3% at 3QFY24)]*

*\* Capital ratios without transitional arrangement*



# THANK YOU

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