

SUSTAINABILITY STATEMENT



Signing the Memorandum of Understanding with Halnex Sdn. Bhd., Halal Development Corporation and Halal Street UK.

OUR SCOPE

This Sustainability Statement presents a view of the Bank’s Economic, Environmental and Social (“EES”) initiatives and outcomes that took place between 1 April 2020 and 31 March 2021. We have aligned the statement with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on Sustainability Statements in Annual Reports published in 2016 and the second edition of Bursa Malaysia’s Sustainability Reporting Guide published in 2018.

Our corporate responsibility (“CR”) agenda is also aligned with Bank Negara Malaysia (“BNM”)’s requirements for financial institutions. Alliance Bank is a constituent of the FTSE4Good Bursa Malaysia Index (“FTSE4Good”).

APPROACH TO SUSTAINABILITY

We aim to contribute to the financial and social empowerment of our stakeholders, beginning with the business owner. The business owner’s footprint in the economy and social fabric of the country is vast. In 2019, small and medium enterprises (“SMEs”) contributed 38.9% to Malaysia’s gross domestic product (“GDP”) and provided employment to almost half of the working population¹. By serving the business owner, we create positive socio-economic impact in the wider community, i.e. their families, employees and customers.

¹ Small and Medium Enterprises (SMEs) Performance in 2019 – Department of Statistics Malaysia.

SUSTAINABILITY GOVERNANCE

Establishing a Group Sustainability Steering Committee

In FY2021, we established the Group Sustainability Steering Committee (“SSC”) to implement the Bank’s sustainability strategies, policies and processes. The Committee is led by the Group Chief Executive Officer. The Alternate Chairperson is Chief Executive Officer of Alliance Islamic Bank. The other committee members are:

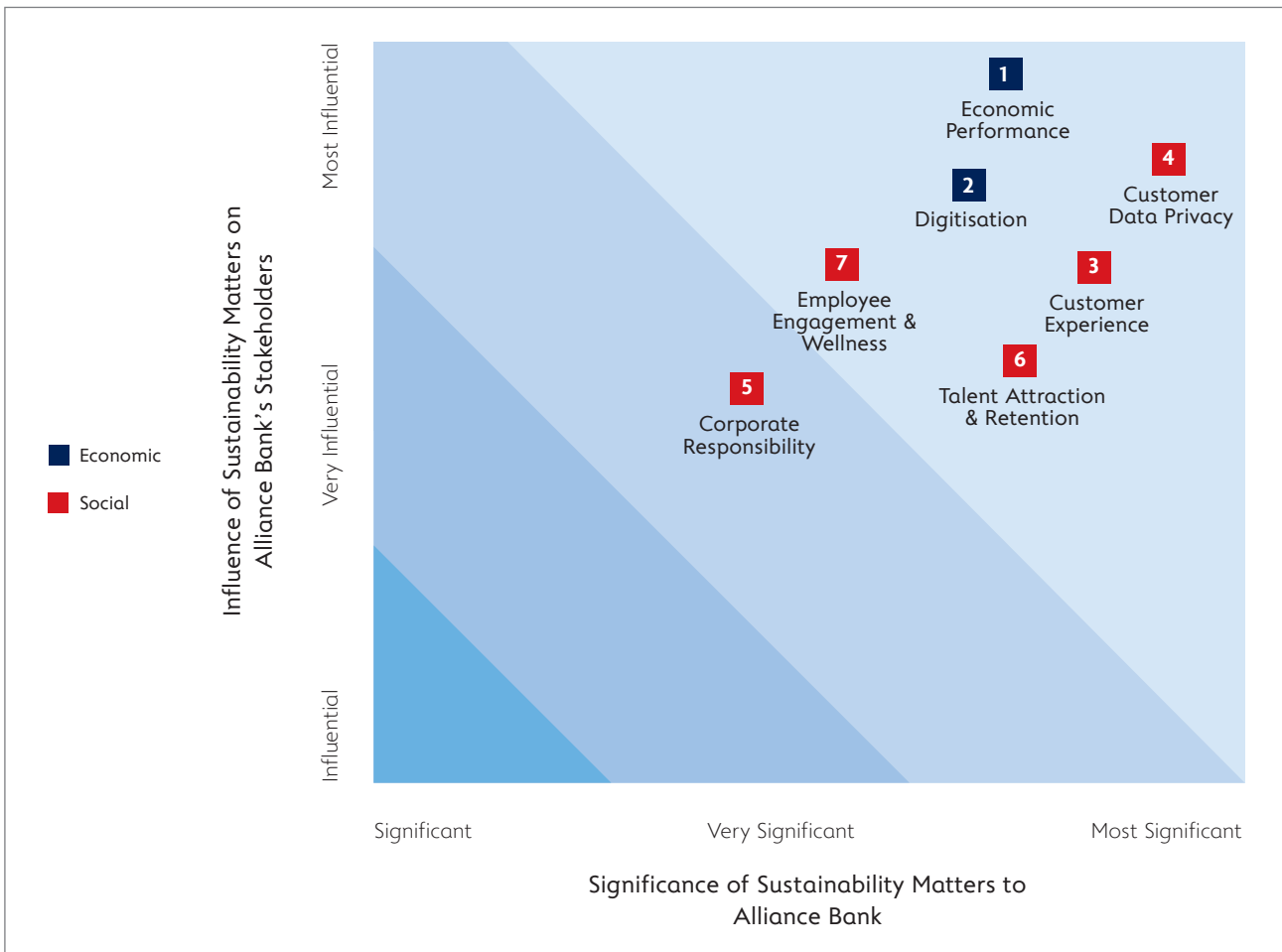
- Group Chief Risk Officer
- Group Chief Strategy & Marketing Officer
- Group Chief Financial Officer
- Group Chief Credit Officer
- Group Company Secretary
- Other executives from selected divisions relevant to the sustainability initiatives

The Group SSC reports the progress of the Bank’s sustainability initiatives to the Management Committee. The Board of Directors and the Management Committee are responsible for the governance of sustainability including setting the company’s sustainability strategies, priorities and targets.

MATERIALITY MATRIX

In 2018, we identified seven sustainability matters that are most relevant to the Bank and our stakeholders. These are economic performance, digitisation, customer experience, customer data privacy, corporate responsibility, talent attraction and retention, and employee engagement and wellness.

By identifying these material matters, we were able to prioritise the most critical issues to our stakeholders. This enabled us to address the risks and opportunities of each material matter to create sustainable value for our stakeholders.

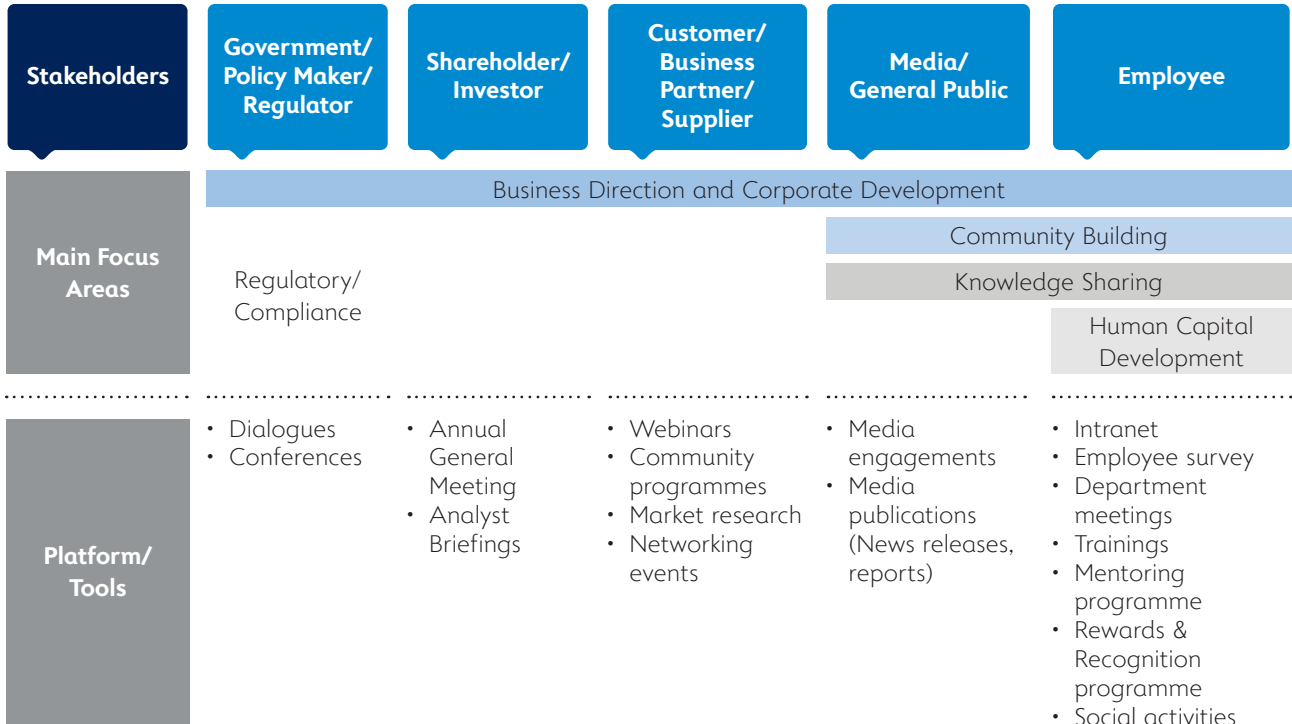


SUSTAINABILITY STATEMENT (CONT'D)

OUR STAKEHOLDER ENGAGEMENT

The Bank engages with its stakeholders through various channels to obtain feedback on its sustainability matters.

Stakeholder Mapping



THE THREE PILLARS OF SUSTAINABILITY

During the year, the Bank implemented various business support and community programmes through the three sustainability pillars of Economic, Environmental and Social.

A. ECONOMIC

We remain steadfast in our mission to improve the lives of the business owner and their stakeholders, i.e. family, employees and customers.

1. Stable Financial Operations

We reported pre-provision operating profit of over RM1 billion due to better revenue and disciplined cost management. Our liquidity coverage ratio was 150%, above the regulatory’s threshold of 100%. Common Equity Tier-1 ratio was 16.2%, Tier-1 Capital ratio at 17.2% and total capital ratio at 21.6%. Given the COVID-19 situation, we made the strategic

decision to be prudent in our dividend payout in order to prioritise capital conservation to support future business expansion.

The Bank regularly runs stress tests as part of its ongoing risk management and capital adequacy assessment. These stress tests are based on macro-economic variables, for example, impact from gross domestic product (GDP), unemployment and interest rate. In addition to the regular stress test variables, we also simulated the impact of the pandemic by assessing our exposure to highly affected sectors. The Bank is well positioned to absorb the simulated impact of the stress test from a capital, liquidity and profitability standpoint.

At the start of the year, we also formed a COVID-19 taskforce comprising senior management and business heads to decide on actions needed to help our employees and customers.

	FY2021 RM Million	FY2020 RM Million	FY2019 RM Million
Direct Economic Value Generated			
Revenue	1,817.5	1,689.3	1,622.1
Share of Results of Joint Venture	0.1	0.1	0.1
	1,817.6	1,689.4	1,622.2
Economic Value Distributed			
Employee wages and benefits	511.7	516.1	489.6
Community investments (administration expenses – donation)	2.6	3.7	2.6*
Distributions to Government – taxation and zakat	124.7	144.7	171.0
Operating costs (excluding personnel expenses and community investments)	198.4	202.3	229.1
Payments to providers of capital – cash dividends paid to shareholders	-	219.8	236.9
Net bad debts	533.0	314.5	139.2
	1,370.4	1,401.1	1,268.4
Economic Value Retained			
Depreciation and amortisation	88.4	83.8	53.5
Profits after Dividend	358.8	204.5	300.3
	447.2	288.3	353.8

* The updated figures for FY2019 incorporates community programmes, which were not previously accounted for.

2. Supporting SMEs

As a bank that is focused on helping SMEs succeed, we understand that most businesses have significant challenges during the pandemic. During the year, we stepped up our efforts to help SMEs weather the crisis, preserve jobs, and emerge stronger post-pandemic. Besides providing financial assistance to our clients, we also made available various non-financial solutions.

a. BizSmart® Solution

Launched in 2019, the BizSmart® Solution portal is a one-stop online business community portal that enables business owners to reach out to new customers and access relevant solutions and resources to manage their business more efficiently.

In FY2021, we signed up over 100 partners that offer solutions at preferred rates for services such as logistics, accounting and digital marketing. We also collaborated with Celcom Axiata Berhad to offer financing and connectivity solution packages; Bursa Malaysia to promote sustainability practices to small-cap enterprises; and Sunway Innovation Labs to provide mentorships, funding and financial literacy to entrepreneurs and students.

We also hosted and jointly organised over 45 complimentary webinar sessions and made available various resources such as business articles, webinars, market reports and training to upskill SMEs and their employees.

Through the BizSmart® Solution portal, our clients gained brand visibility among the business community, and we generated over 1,400 new business referrals for participating SMEs.



SUSTAINABILITY STATEMENT (CONT'D)

b. #SupportLokal

During the COVID-19 pandemic, the Bank's #SupportLokal initiative helped local businesses widen their customer reach by taking their business online. We fast-tracked the listing of their products and services on popular e-commerce sites through our partnerships with Shopee and Pybli. We also provided free digital branding and marketing support to showcase their products and services on our corporate website and social media channels. In addition, we offered local business owners e-learning tools such as webinars, and access to subject matter experts so they can sustain and scale up their online business. In FY2021, #SupportLokal helped drive over 80,000 traffic to the web stores of businesses.

c. Halal in One Programme

Alliance Islamic Bank's Halal in One programme provided end-to-end halal certification support, advisory, shariah-compliant funding and global market access to businesses seeking to expand their customer reach in the halal segment.

During the year, Alliance Islamic Bank collaborated with a number of partners such as:

- Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM) listed the Bank's business clients as suppliers under YaPEIM's Food Bank programme. This mutually-beneficial ecosystem offered YaPEIM an additional supplier resource to purchase food and essential products at competitive rates for the marginalised communities. For the SMEs, the arrangement offers a new market opportunity to sell their products while helping communities-in-need.
- Halal Development Corporation and Halnex Sdn. Bhd. provided businesses with halal readiness assessments, training and opportunities to tap into the halal business network.
- Halal Street UK, a halal e-market place based in the United Kingdom, enabled Malaysian SMEs to list their products on either its business-to-consumer (B2C) or business-to-business (B2B) platforms to meet UK's halal market demands.

The Halal in One programme was named the "Critics' Choice Most Innovative SME Product Award" at the Islamic Retail Banking Awards 2020 by Cambridge IFA.

d. Alliance Bank-EcoWorld BizSmart® Challenge

Since 2013, the BizSmart® Challenge has provided business training, coaching, mentoring, networking, brand exposure and financing to young entrepreneurs. Over the years, we received over 1,700 submissions and empowered hundreds of business owners in their entrepreneurial journey.

In FY2021, the Bank adapted the Challenge to provide practical and immediate assistance to its Top 22 finalists. It offered business loans, tailored financial advice to the finalists and enrolled them onto its BizSmart® Solution portal. The Bank also utilised its marketing budget to drive online traffic to the finalists' business websites via digital advertising and marketing.

In addition, the Bank helped its finalists obtain halal certification under the Alliance Islamic Bank's Halal in One programme and provided guidance in the form of preparatory audit sessions, halal training and marketing.





3. Digitisation

a. The e-KYC Solution

In November 2020, we launched Malaysia’s first fully remote digital onboarding solution, the e-Know Your Customer (e-KYC) solution for individual account openings. It enables individuals to instantly open a savings account and apply for a credit card or personal loan from anywhere via the allianceonline mobile app without physically visiting a branch. The solution, accessible during and after banking hours, helps our customers save, spend and borrow remotely.

We also provide remote assistance options via a phone call or web chat so customers can get in touch with us if they need help during the onboarding process.

b. Branch-in-a-Tablet

The Branch-in-a-Tablet initiative enables individuals to open a savings account and activate their ATM card, online and mobile banking access using a tablet at the branch in as little as 15 minutes. For businesses, this is done in “1-day, 1-visit”, an improvement over the previous 2-week process of intensive paperwork and multiple visits. The solution also enables our officers to attend to our customers at any location of their choice outside the branch.

In FY2021, we opened over 90% of our individual accounts and more than 70% of our business accounts digitally. Last year, Alliance Bank was recognised as the “Best Digital Bank in Malaysia” at the Financial Insights Innovations Award for its Branch-in-a-Tablet initiative. IDC Financial Insights also recognised the Bank as one of the “20 Best Banks 2020 in Asia/Pacific”, for its use of technology to positively impact the business in three key areas: customer engagement, operational efficiency, and the creation of new business models. Alliance Bank was one of only two Malaysian banks named in the list in 2020.

The Branch-in-a-Tablet initiative also won the Silver award for “Branch Innovation of the Year” at the Asian Banking & Finance Retail Banking Awards 2020.

c. Digital Loan

The Bank’s digital Personal Loan application offers approval-in-principle in as little as 10 minutes and funds disbursed within 24 hours. In FY2021, 20% of the Bank’s total personal loan bookings comprised of digital Personal Loan applications.

We recently launched digital lending for SMEs, a fast and simple online application for small-ticket loans of up to RM50,000 to businesses. The solution provides approval-in-principle within 5 minutes. Funds are disbursed within 24 hours.

SUSTAINABILITY STATEMENT (CONT'D)



d. BizSmart® Mobile

In June 2020, the Bank launched the BizSmart® Mobile App to enable business owners to quickly and conveniently manage their business account, make payments and perform collections with just a few taps on the mobile phone without a physical token.

e. BizSmart® eTrade

The Alliance BizSmart® eTrade is Malaysia's first mobile trade financing submission platform that provides convenience, paperless, as well as fast approval and disbursement of funds into the customer's account. Business owners submit their Bankers' Acceptance or Trust Receipts financing electronically via the BizSmart® Mobile app without physically visiting the branch. Approved trade proceeds are credited into the customer's account within 24 hours of approval.

4. Procurement

The Bank also places high importance on good procurement practices. Its Procurement Policy and Standard Operating Procedures provide clear guidance on purchasing decisions to ensure fairness,

transparency and accountability. Our suppliers use our e-Procurement system to submit their cost quotations and tender submissions for various projects at the Bank. All our vendors and suppliers must comply with our Code of Conduct and Procurement Integrity terms as stipulated in Purchase Order terms and conditions. We also have a Tender Committee who reviews and manages the award process for contracts valued at above RM250,000.

B. ENVIRONMENTAL

1. Prohibitive Lending Policies

The Bank's credit policy prohibits lending to illegal business activities that cause environmental harm.

2. Reducing Carbon Footprint at the Workplace

a. Energy Management

To be more energy efficient, the Bank maintained optimised temperature setting at its Computer Room Air-Conditioning (CRAC) and replaced low-efficiency split unit air conditioners at the branches. The Bank also reduced energy consumption by progressively fitting LED lights at all its offices.

b. Use of Environmentally Friendly Materials

We installed eco-friendly materials in all our office renovations. The materials we used comply with US-based Leadership in Energy & Environmental Design (LEED), UL Environment's GREENGUARD Green Certified products, Australian-based GECA standards or equivalent certifications. Some of our split unit air conditioners use R410 refrigerant, a type of environmental friendly gas.

c. Reducing the Use of Paper

Our digitisation initiatives at the Bank helped reduce the use of paper in our offices. At the head office, print volume declined by 13% during the year. We continued to monitor the print volume through password control on the printers and send monthly reports to the respective heads of business for tracking purposes.

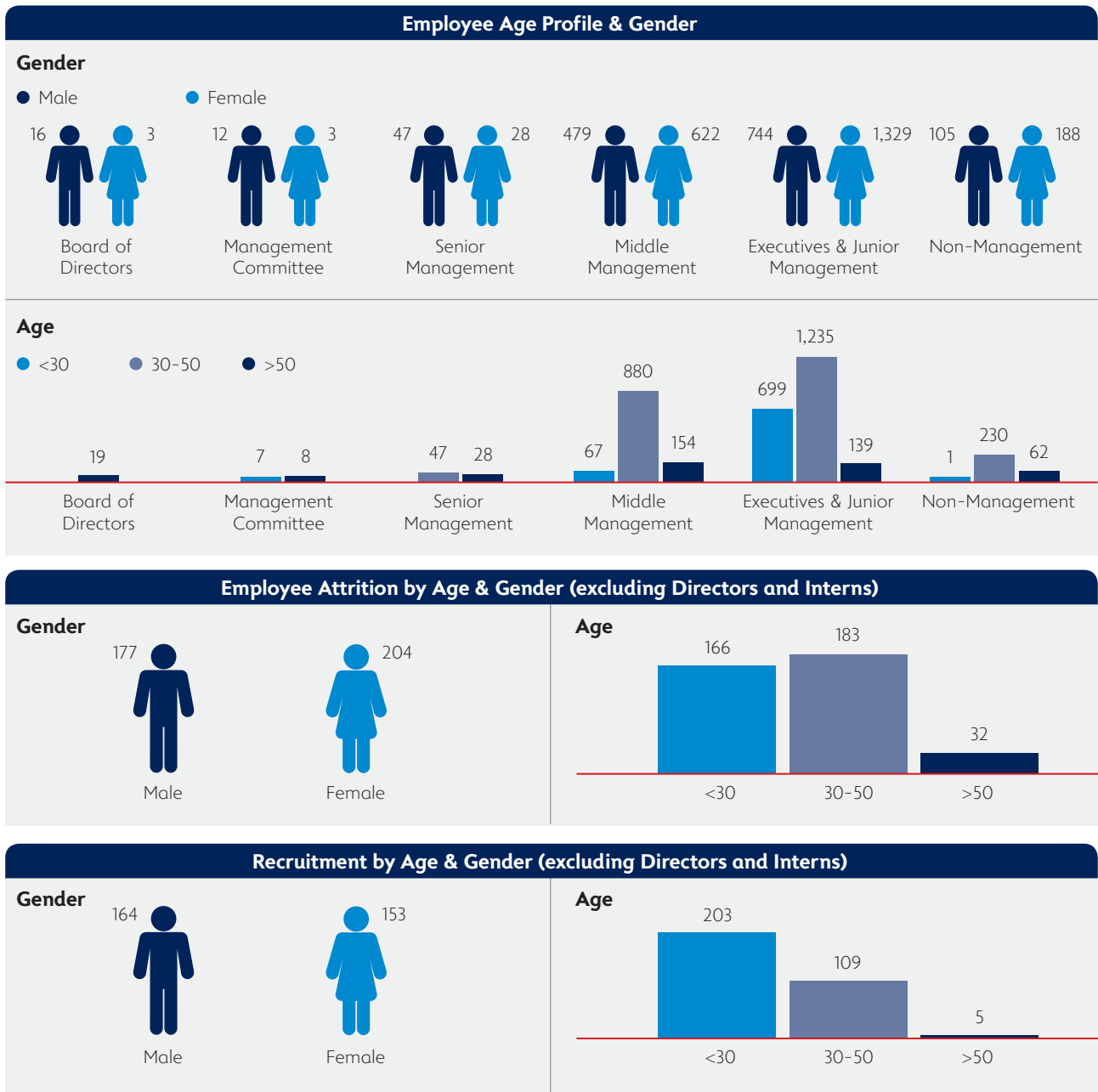
C. SOCIAL

1. Employees

The Bank is committed to equipping its people with the right skills, knowledge and tools to perform their roles effectively. We advocate open and transparent communication and promote a strong culture of appreciation at the workplace. To maintain a highly productive workplace, we promote a healthy work-life balance and foster continuous learning in our employees.

a. Our Workforce Composition

As at 31 March 2021, we have 3,573 employees. The Bank believes in the importance of a diverse workforce, equipped with different skill sets and experiences, to help achieve its business goals. Diversity and equal opportunities in a workforce promote creativity and stronger relationships among employees.



SUSTAINABILITY STATEMENT (CONT'D)

Workforce Diversity, Equal Opportunities and the Bar on Workplace Discrimination

In pursuit of diverse and equal gender participation, 61% of our workforce are women, of which 79% hold management positions (Senior Executives and above) while 18% are part of Senior Management (Senior Vice President and above). The representation of women on the Group's Board of Directors in FY2021 improved to 16%.

We promote mutual respect for our employees and applicants alike. We hire and promote based on merit and assess all candidates fairly. Employees are assessed based on behavioural and professional criteria for career progression. A diverse committee of senior management decide on promotions and monetary compensation. We do not discriminate against gender, nationality, race, religion, age or sexual-orientation.

Any complaints of discrimination are investigated thoroughly via the Bank's disciplinary processes and consequence management is applied accordingly.

Address Bullying and/or Harassment

The Bank has appropriate channels for internal and external stakeholders to report misconduct without fear of reprisals. It maintains a strong stance on whistle blowing and have included it as a reporting clause in all third-party contracts and agreements in all its business deals.

Our Whistle Blower Policy serves as a mechanism for employees to report misconduct without retaliation. The policy also identifies possible gaps and potential misalignment with the ethics and integrity of the Bank and some of its employees.

We continuously enhance and revise the policy to reflect and respond to industry and situational changes. The Whistle Blower Policy was last updated in March 2020, whereby harassment and discrimination were incorporated as possible subject matter of whistle blower complaints. The revised version of the policy also included other examples to assist staff in identifying such actions.

We instituted a robust mechanism to maintain the strictest of confidence for complaints made in good faith. Employees are made aware of the importance and availability of this platform during staff induction programmes, staff communications and in the Huddle letters.

The Bank has a Speak Up Statement available on its corporate website to enable external stakeholders to communicate any instances of unethical conduct, harassment, discrimination and unreasonable behaviours by all parties, with recourse to reporting channels both internally and externally. In FY2021, the Bank did not receive any complaints of this nature.

b. Employee Engagement & Wellness

During the year, the Bank carried out several employee engagement initiatives and wellness activities to improve employee satisfaction and promote higher productivity.

i. Voice of Employee

We conduct an annual employee engagement survey, the Voice of Employee ("VOE"), to gather constructive feedback from employees at all levels of the organisation. These feedback help us to design specific employee engagement initiatives to meet their needs.

Our Sustainable Engagement Index, which measured how engaged, enabled and energised our employees were, achieved a score of 88%. This score was above the Malaysian Financial Services and the Global High Performing norms.

We saw improvements in employee sentiment in a number of areas. Firstly, there was greater alignment among employees in the Bank's vision and mission with scores improving from 86% in FY2020 to 90% in FY2021. Secondly, employee sentiment on communication also improved to 87% in FY2021 (FY2020: 85%). Thirdly, 87% of employees responded that they felt safe, protected and experienced a strong sense of belonging with their teams. This was a new well-being index that we introduced this year to gauge employee sentiment on the mental, emotional and physical support they received.

These factors have led to our employees positively recommending the Bank as a business (NPS +6 points) and employer (NPS +3 points).

ii. Allies of Alliance Portal

Launched in 2017, the Allies of Alliance portal hosts an Idea Bank to encourage employees to contribute ideas to simplify processes or propose innovative solutions. These ideas are conveyed to the respective businesses to develop new product solutions, system enhancements, process improvements and employee engagement activities.

iii. Fit@Alliance

The Bank launched Fit@Alliance in 2017 to promote an active and healthy lifestyle, and practice of financial wellness, among employees.

Over the past year, we adapted the Fit@Alliance programme to deliver our programmes digitally. In partnership with Zurich Malaysia, we introduced a wellness mobile app to help our employees keep track of their daily physical activities, access educational health content and participate in fitness challenges that offer monetary rewards.

We also hosted various webinars with healthcare professionals on a wide range of wellness and health topics.

iv. Recreational and Sports Club

In FY2021, the Bank’s Recreational and Sports Club launched an in-house gym at the Bank’s headquarters to promote work-life balance and a healthy lifestyle. The Alliance Relaxation and Exercise Arena located on Level 15, or otherwise known as AREA 15, is well-equipped with treadmills, weights and a mini yoga studio.

v. Achieving Performance Workshops

We held several Achieving Performance Workshops to share the Bank’s focus for the financial year. This enabled our employees to align their individual performance goals to the overall priorities of the organisation.

vi. Other Engagement Initiatives

- **ManCo Appreciates You**

The “ManCo Appreciates You” is an intranet platform that enables the Management Committee (ManCo) to express their appreciation to employees for exemplary performance and behaviours that are aligned to the Bank’s core values.

- **Alliance Heroes**

The Alliance Heroes initiative is a peer-to-peer appreciation platform. Any employee may award an Alliance Hero digital badge to their colleague for actions that exemplify the Bank’s core values. The Alliance Hero platform is an extension of the “ManCo Appreciates You” initiative. More than 8,000 digital badges have been awarded since October 2019.

- **Engagement Champion Committee**

The Bank allocates an annual budget for divisional engagement initiatives. Each division has an Engagement Champion Committee comprising a group of employees nominated by their Divisional Heads. These Engagement Champion Committees organise their own team engagement activities and implement initiatives that address gaps identified through the Bank’s Voice of Employee surveys.

SUSTAINABILITY STATEMENT (CONT'D)

vii. Career Breaks

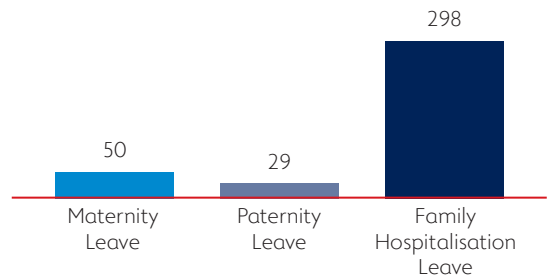
In addition to annual leave, the Bank offers other optional breaks to enable its employees to have a good work/family life balance.



We offer our employees the option of taking up a “Career Break” if they need an extended break from work for personal reasons. This option is exercised at the discretion of the Bank with the view of retaining talent in the long run. Employees who are on career break are assured the security of their job/position upon their return to the workforce.



The Bank provides maternity and paternity leave to its employees to cater for different familial responsibilities. Staff may also take days off to take care of their family members who are seriously ill or hospitalised.



c. Talent Development Programmes

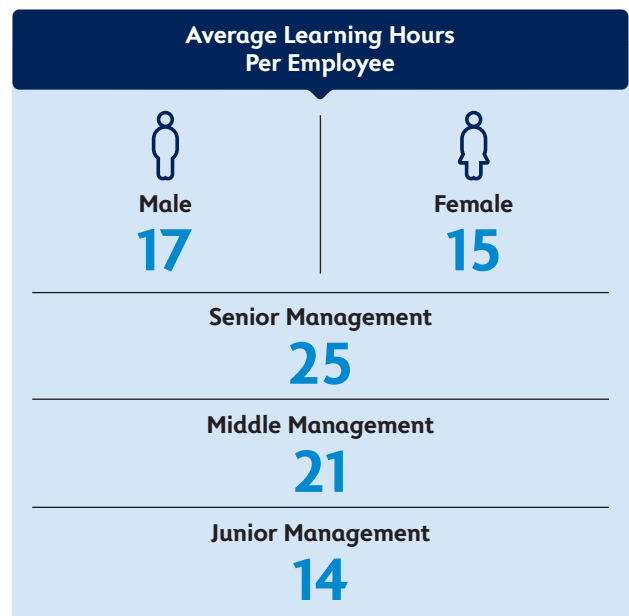
Career Development

The Bank offers its workforce various career advancement paths for professional growth. These include prioritising internal candidates for job vacancies, job rotations, promotion opportunities and participation in stretch assignments and projects.

During the year, the Bank invested more than RM5 million on employee training and development. We focused on five key learning priorities:

1. A systematic way of approaching customers
2. Harnessing digital to improve customer value proposition and scale up
3. Leveraging technology to streamline processes
4. Managers enabling their teams to succeed
5. Embedding strong governance

Our training modules were adapted digitally to enable our employees greater flexibility and accessibility to learn at their own pace. We also launched a Wealth Management online learning platform to equip employees with the requisite knowledge on Wealth products, services and trends. On average, each employee completed 16 learning hours during the year.



The Bank has several structured development programmes under its Alliance Bank Leadership Excellence (“ABLE”) Academy to nurture its talent pipeline. The ABLE Academy employs a blended learning approach that includes on-the-job learning experience, coaching, mentoring and structured long-term development programmes. This provides our employees opportunities to learn, participate in transformational projects and fast track their career. One example is the Management Trainee Programme.

Internship & Management Trainee Programme

In FY2021, the Bank facilitated 21 internship opportunities at the Bank for tertiary students. One area that has seen a surge in demand in the financial industry is data analytics. In response, the Bank designed a tailored Decision Management Structured Internship Programme that provided students with opportunities to apply their data analytics skills in a banking environment.

Our Management Trainee Programme helps young graduates obtain relevant banking experience, and leadership skills in the financial services sector. Now in its ninth cohort, we have improved our year-long programme to include topics such as the Industrial Revolution 4, Machine Learning, Artificial Intelligence and Robotic Process Automation. Since 2012, 220 management trainees have graduated from the programme.

2. Customers

a. Customer Satisfaction

The Bank applies net promoter score (NPS) to measure customer loyalty and the likelihood of them referring our products or services to their friends and family. We track our NPS across key customer touch points. A Customer Experience Council comprising officers from relevant business and support units meet once a month to identify areas for improvement and implement measures to address key customer issues.

This year, our NPS improvements were driven by our relationship managers’ proactiveness in engaging our customers to provide assistance during the pandemic. There were also improvements in customer satisfaction due to our enhanced digital solutions.

Measures to Keep Our Employees Safe during the COVID-19 Pandemic

In February 2020, even before the first movement control order (“MCO”) began, we initiated split operations for critical functions and continued to do so progressively with our non-critical workforce. We shortened our banking hours, temporarily closed branches with low traffic and implemented work-from-home or flexible work arrangements to keep our employees safe.

For most of FY2021, about 40% of our employees worked from home. We enhanced our IT infrastructure to enable our employees to work from home effectively. We improved the bandwidth at the Bank, configured over 300 notebooks, and purchased additional software licenses to enable remote work arrangements. In addition, we procured 180 video conferencing licenses (including equipment) to facilitate virtual meetings.

To keep our employees updated on pandemic-related developments at the Bank, we set up a COVID-19 Information Centre on the intranet and communicated using email and WhatsApp.

At the workplace, we adhered to the Standard Operating Procedures provided by the Ministry of Health. To protect the health of our customers and employees, we made available hand sanitisers at the entrances of our branches and offices and increased the frequency of cleaning and sanitisation at all our offices and branches. We provided our frontliners with

face masks and gloves and instituted contact tracing recording and temperature scanning at the entrances of our branches. At our offices, we implemented social distancing seating of at least 2-meter apart.

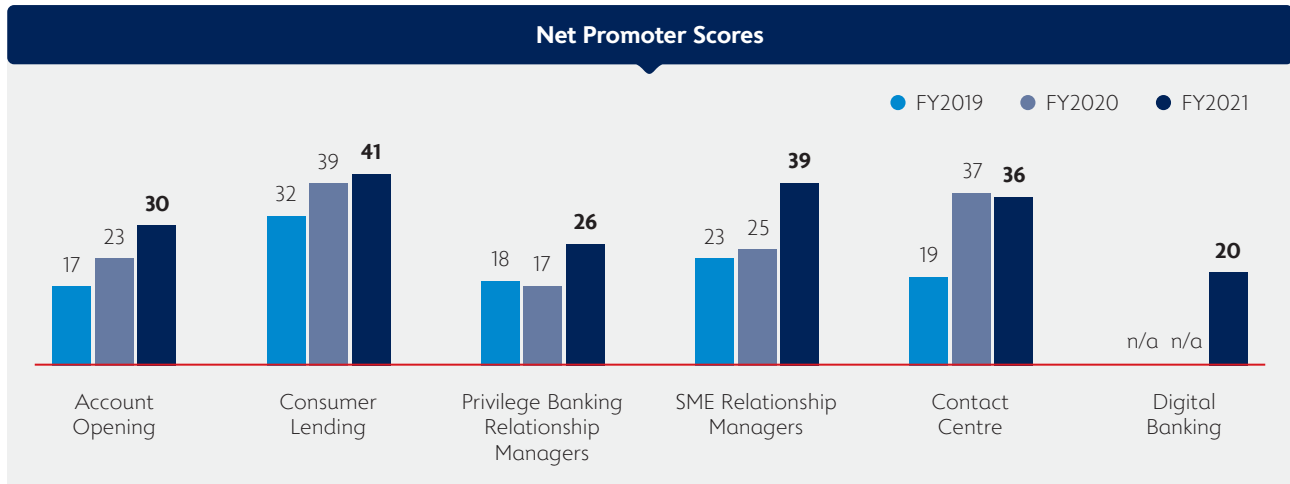
Visitors to the Bank were required to complete a health and travel declaration form and were only allowed entry into the Bank’s premises contingent on Management’s approval. We also instituted various control measures at the workplace. For example, employees were discouraged from visiting colleagues in other offices, floors or branches. This was to minimise the risk of in-office virus transmission.

We arranged for our employees to undergo COVID-19 RT-PCR tests at designated Alliance Bank premises and various health screening clinics throughout the country at no cost to our employees. To date, we have carried out approximately 700 COVID-19 RT-PCR tests.

The Bank tied up with local fitness companies to provide weekly tips on health and fitness. We also regularly published information on nutrition, mental and financial health.

We also provided a one-time subsidy and extended loan moratoria to selected groups of employees to help them with their financial situation, including COVID-19 protection coverage for their families.

SUSTAINABILITY STATEMENT (CONT'D)



In the Bank Negara Malaysia Customer Satisfaction Survey of 20 banks, Alliance Bank scored 87% for customer satisfaction and was ranked first with NPS of 53 (industry: 41).

b. Customer Data Privacy

The Bank’s Privacy and Data Management Policies govern the collection, use and management of customers’ personal data. It strictly complies with all relevant legislation including the Personal Data Protection Act 2010, Financial Services Act 2013 and the Islamic Financial Services Act 2013. All access to customer data (print or digital) is strictly restricted to authorised personnel only. All hardcopies are kept in locked cabinets in a secure location; printed materials that are no longer in use are destroyed according to procedure.

We continuously review and improve our cyber security infrastructure to protect our banking systems against unauthorised access, security breaches and information leaks. We regularly promote cyber-aware culture through frequent staff communication and mandatory e-Learning modules.

3. Community

a. Financial Literacy

i. AEIOU Financial Literacy Programme

The AEIOU financial literacy programme educates schoolchildren aged 9 to 12 years

on the importance of saving, making smart financial decisions and being prudent in spending. The Bank’s award-winning annual financial literacy initiative comprises three components - financial literacy education, Comic Challenge and e-Game Challenge.

In February 2021, the Bank launched the sixth season of the AEIOU programme with the theme “Saving for a Rainy Day: Preparation during a Crisis”. We digitised all learning materials and the Bank’s financial literacy roadshows were broadcasted virtually to safeguard the schoolchildren, teachers and parents.

For this sixth season, we aim to improve participation levels to 50,000 students compared to 32,000 and to reach out to 1,000 schools compared to 415 schools in the last season. To drive greater signups, we collaborated with SmartStudy from Korea to bring children’s favourite character, Pinkfong, to Malaysia.

The AEIOU Challenge offers a prize pool of over RM16,000 in cash and prizes for winners of the Comic and e-Game Challenge. The school with the most number of participants stand to win a cash prize of RM3,000 for their school development fund, while teachers who champion this programme in their respective schools will be rewarded up to RM6,000.



Proudly Presented By



Produced By



AEIOU Challenge is endorsed by Bank Negara Malaysia and affiliated with the Financial Education Network (FEN). The other partners of the programme are Faber-Castell and Limkokwing University of Creative Technology.

The AEIOU Challenge has reached almost 700,000 children nationwide since its launch in 2015. In total, the Bank has conducted close to 800 physical roadshows, including school briefings, and trained more than 620 teachers to empower them to conduct financial literacy workshops at their respective schools. Both the Comic Challenge and e-Game Challenge have collectively received over 67,000 submissions.

b. SocioBiz

SocioBiz, our crowdfunding platform by Alliance Islamic Bank that was launched in 2019, deploys social funds to help disadvantaged individuals start or expand a business, or learn a new skill to earn a sustainable livelihood. Since its inception, SocioBiz has helped raise funds for more than 20 campaigns benefitting marginalised individuals.

Alliance Islamic Bank collaborates with digital crowdfunding platform partner, Global Sadaqah, and other partners on the management of recipients and tracking the impact of these contributions.

In FY2021, we expanded our SocioBiz platform to help social enterprises sustain their business so they can continue to support marginalised communities.

Project	Amount Raised	Impact
Social Enterprise Sustainability Initiative (in collaboration with MaGIC, Citrine Capital and NGOhub)	RM219,420	<ul style="list-style-type: none"> Supported 11 social enterprises by purchasing and distributing 5,000 face masks, 2,000 hand sanitisers and 67,303 meals to communities in need. Sustained 67 low income employees <p>The 11 social enterprises we supported were:</p> <ul style="list-style-type: none"> Green Hero Pasar Grub Salad Bar by Phytopia Masala Wheels Halaman Nurani GoJob WormingUp The Asli Co. Batik Boutique Nazkids Komuniti Tukang Jahit
Campaign for Healthcare Frontliners (in collaboration with the Association of Islamic Banks in Malaysia (AIBIM))	RM105,085	<p>Provided our healthcare frontliners with:</p> <ul style="list-style-type: none"> 115 Isolation gowns 10 mobile stand monitor and wheelchairs 900 KN95 masks 3,240 meals 3 air purifying respirators

SUSTAINABILITY STATEMENT (CONT'D)



Donating essentials to YaPEIM's Food Bank

Community Support During the Pandemic

During the pandemic, the Bank contributed RM500,000 to MERCY Malaysia's COVID-19 Pandemic Fund. This contribution was a result of a wider collaboration between the Association of Banks Malaysia (ABM), of which the Bank is a member, and MERCY Malaysia which raised a total of RM10 million. This was to relieve some of the pressures faced by health professionals and communities impacted by the pandemic.

The MERCY Malaysia fund supported the Ministry of Health and the National Crisis Preparedness and Response Centre with supplies, logistics and mental health and psychosocial support. This included supplying personal protective equipment for frontliners, health supplies, medical ventilators as well as the distribution of food packs and hygiene kits to rural and urban poor communities. The fund has provided support to 550,000 recipients either directly or indirectly over nine months of intensive operations.

Other Ongoing SocioBiz Initiatives

i. Economic Empowerment Programme

The Economic Empowerment Programme supports 50 micro-entrepreneurs from the B40 segment with entrepreneurial and digital skills training and mentoring to help them improve their income. The programme commenced in December 2020 and is currently ongoing.

ii. Supporting Social Enterprises via SocioBiz (PENJANA Social Impact Matching (SIM) Grant)

This initiative helps social enterprises apply for the Social Impact Matching (SIM) Grant by PENJANA, administered by MaGIC. The SIM Grant will match every ringgit raised through the SocioBiz platform on a one-for-one basis subject to conditions being met. There are currently five social enterprises listed on the SocioBiz platform - Green Hero, Halaman Nurani, Klinik Kenit, Urban Farm Tech and WormingUp. A total of RM396,205³ has been raised so far.

³ As at 19 May 2021.

iii. *#BUYFORIMPACT Movement*

The #BUYFORIMPACT movement, launched by MaGIC in September 2020, aims to promote conscious buying behaviour and social innovation. Alliance Islamic Bank has committed to purchase its event gifts from the social enterprises participating in the movement.

Alliance Islamic Bank is also collaborating with Sols Energy Sdn. Bhd., a social enterprise, to provide free consultation and affordable solar panel purchase and installation to our employees.

iv. *Back-to-School Campaign & Feed to Educate Programme*

Alliance Islamic Bank collaborates with Charity Right to provide underprivileged families with school supplies and food under its Back-to-School Campaign. An essential part of the campaign is the “Feed to Educate” programme, an entrepreneurial initiative that helps parents and caregivers create sustainable income for the longer term. Alliance Islamic Bank contributed RM72,000 to the Feed to Educate programme to support 50 families from a school in Perlis.

c. Zakat Contributions

In FY2021, AIS contributed RM400,000 in zakat (Islamic tithes) to a number of beneficiaries. Some of the beneficiaries this year were identified by our strategic partner, Yayasan Kebajikan Negara. Due to the pandemic and floods this year, we also directed our contributions to the Negeri Sembilan Health Department and flood victims in Pahang, Kelantan, Terengganu and Johor.

In addition, we funded haemodialysis treatment for patients registered with Majlis Agama Islam Negeri Sembilan to receive treatment at Universiti Sains Islam Malaysia Healthcare Sdn. Bhd. Some of our contributions were also used to purchase food coupons for poor students under the Student Meal Project undertaken by the International Islamic University Malaysia for four months.

d. Do-Good-As-You-Go (“DGAYG”)

As part of its ongoing commitment to Value-based Intermediation, Alliance Islamic Bank introduced the DGAYG programme which allows customers to donate the profits from deposit accounts or set up recurring fund transfers to charities and causes supported on the SocioBiz platform.

Similar to our SocioBiz programme, Alliance Islamic Bank matches eligible contributions and channels the funds to the recipients via our programme partners. In return, contributors will receive a tax exemption receipt and can track the impact of their contributions via the SocioBiz platform.

CONCLUSION

We will continue to focus on creating value for our stakeholders in line with our mission of Building Alliances to Improve Lives.

In line with our commitment to provide transparent and accountable disclosures to our stakeholders, we will continue to monitor and report on the progress of our sustainability programmes.