



AmBank Group



AmBank Group

FY2017 Results

Investor Presentation

31 May 2017



Table of Contents

1



FY2017 Financial Overview

- Key Performance Indicators
- Top 4 Aspirations
- Key Milestones

2



Business Update

- Wholesale Banking Heartbeat
- Retail Banking Heartbeat
- General Insurance Heartbeat

3



Financial Performance

- Performance Highlights
- Guidance & Expectations

4



FY2018-2020 Strategy

- Business Strategy

5



Supplementary Information

- Group Performance
- Divisional Performance
- Economic and Banking Data



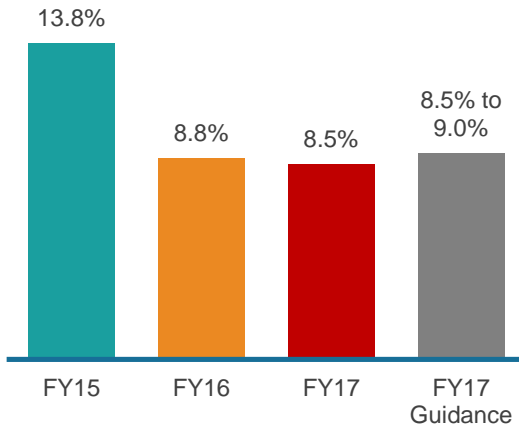


GCEO Presentation

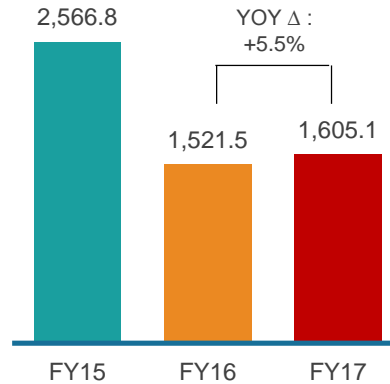


FY2017 Key Performance Indicators

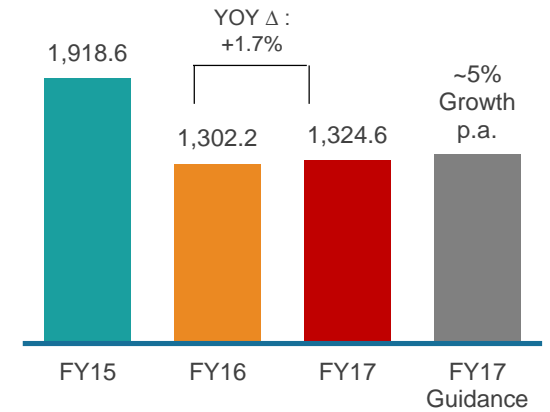
Return on Equity (ROE)



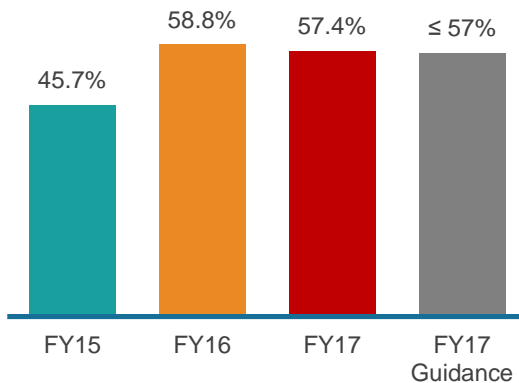
PBP



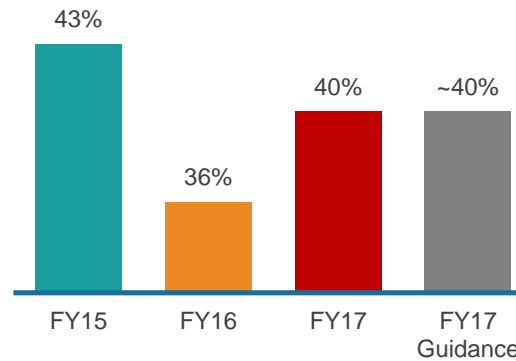
PATMI



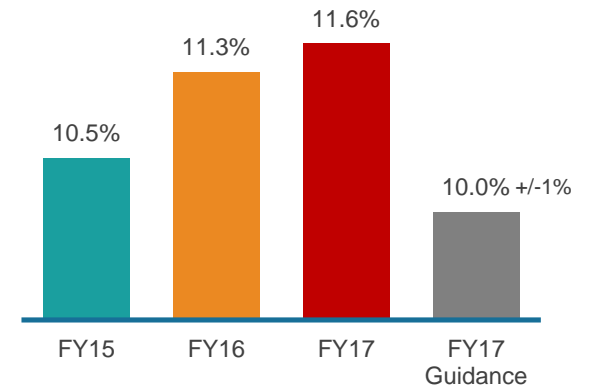
Cost-to-income (CTI) Ratio



Dividend Payout



CET 1¹



1. Based on Aggregated Banking Entities net of proposed dividend



Top 4 Aspirations: FY2017 - FY2020



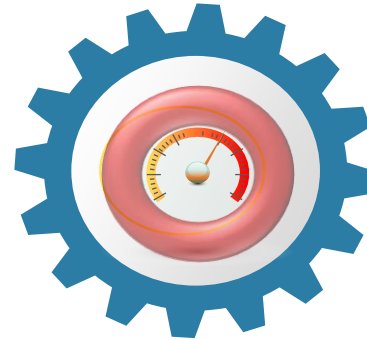
To be Top 4 in each of our 4 growth segments

- Mass Affluent
- Affluent
- SME
- Mid Corp



To be Top 4 in each of our 4 focus products

- Cards & Merchants
- Transaction Banking
- Markets
- Wealth Management



To sustain Top 4 in each of our current engines

- Corporate Loans
- Debt Capital Markets
- Funds Management



To be Top 4

- Best employer in Malaysia

FY2017 Key Milestones



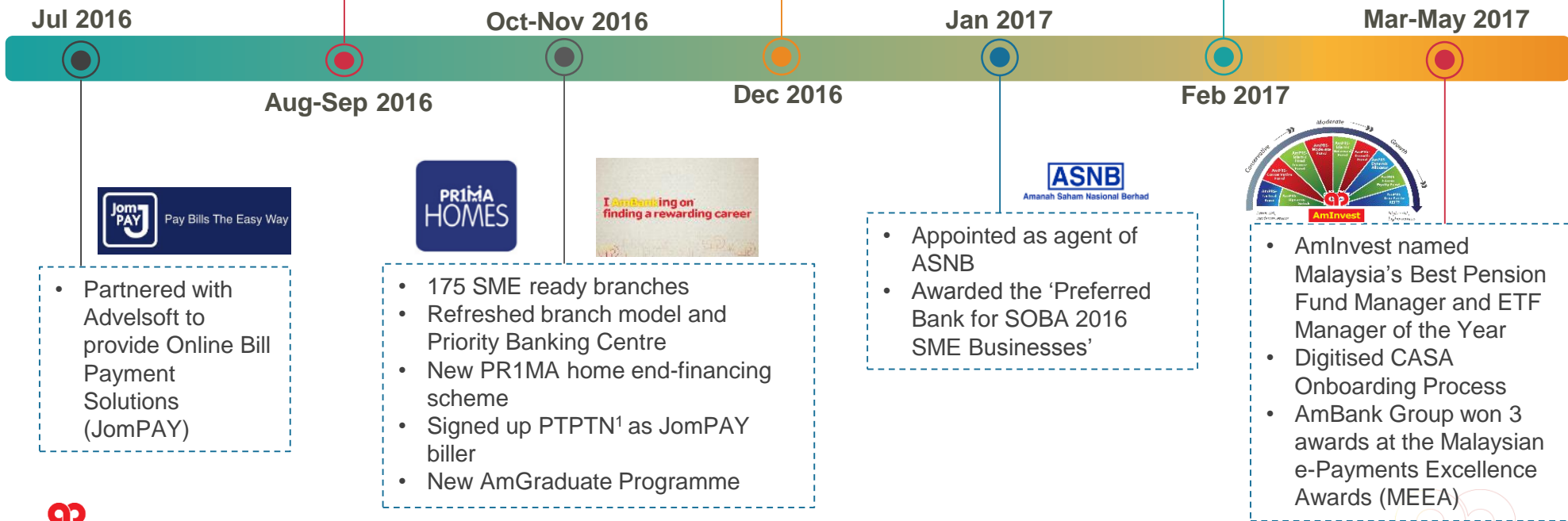
- Portfolio Guarantee Scheme with Credit Guarantee Corporation (CGC)
- New distributor for AHB Fund
- Launched Johor Affordable Homes Financing Scheme



- Appointment of MD – Retail Banking
- Embarked on initiatives to improve retail processes
- Established Group Transformation Office
- Top 3 in Malaysian corporate bonds and Sukuk league table



- Appointment of GCOO, MD – Business Banking and MD – Wholesale Banking & CEO of AmInvestment Bank
- 'AmAssurance On Tour' campaign
- AmBank BonusLink co-brand Visa Card



Wholesale Banking **Heartbeat**



Large / Mid Corp

- Enhanced coverage model to enable Relationship Managers to focus on sales and service to increase share of wallet
- Activated 141 targeted accounts for e-AmBiz – an internet banking portal designed to facilitate the needs of business
- Improved credit approval efficiency; turnaround time reduced by 50%



Debt Capital Markets

- No.1 in Bloomberg League Table for Overall MYR Bond and Sukuk as at Mar'17
- Strong income growth from healthy issuances



SME / Business Banking

- Improved credit approval efficiency for SME, turnaround time reduced by 67%
- Strategic partnership with CGC via Portfolio Guarantee scheme
- SME and Wholesale Banking client graduation process
- Segment specific products, Biz Solutions Trade, Contract Financing



Global Markets

- Growing flow business (FX and derivatives) across Large Corp, Mid Corp, SME & Retail segments
- Improved efficiency for foreign exchange contracts
- Strong trading desk results from bond market arbitrage
- Actively managed fixed income trading activities vis-à-vis yield curve changes



Transaction Banking

- **JomPAY:** Onboarded key players in education segment, loan repayment agency & local councils. Expanding solution to utilities & Muslim welfare contribution segment.
- **Cash Management:** Enhancement of eAmBiz platform including access on-the-move
- **Digital Payment solution:** Contactless solution for transportation segment
- Enhanced structured trade finance products for Islamic segment



Mortgage

- Strong net acceptance & disbursement, up 17% & 44% respectively
- Increased acceptance mix for secondary market
- Mobile sales team delivered stronger performance reflecting preference over conventional channels
- Revamped anti-attribution team

Wealth

- Strong growth momentum in ASNB sales - ranked Top ASNB bank in Q4FY17
- Banca Life Sales at all time high in Q4FY17
- Priority Banking customers increased >100%

Deposits

- Strengthened payroll proposition via enhancement of AmBank@Work
- Payroll accounts up 13% YoY



Cards & Merchants

- Launched AmBank BonusLink co-brand Visa Card
- Strong growth in new card issuances
- Cards spending increased (up 13%) via enhanced value propositions e.g. Dining, Groceries and Travel
- Merchant transaction volume acquired up by 5% YoY

Retail SME

- Strategic partnership with CGC via Portfolio Guarantee scheme
- Increased acquisition of current accounts via payroll/internet banking (CASA up 14% YoY)

Auto Finance

- Lower non-national car sales largely mitigated by improvement in national car loans (up 23% YoY) through partnership with national car dealers
- Increasing emphasis on new foreign cars with bigger ticket size and better approval rates to achieve higher disbursement value

Be the No. 1 Motor Insurer

- No. 1 with 16.5% market share¹
- Strategic partnership with auto dealer supports growth, including franchise portfolio
- Motor product enhancement to increase competitiveness
- Grow and retain customer base via renewal initiatives

Digitalisation

- Market leading motor renewal and claims process with integrated road tax in a single transaction and One Touch mobile application
- Strong growth achieved in online sales
- Developed agent/broker and partnership online capability



Grow in Select Commercial Lines

- Strong growth momentum in Fire (+10.5%) and Marine Cargo (+24.5%)
- Development of flexible platform to enable product tailoring
- Strategic partnership to be the exclusive underwriter for auto warranty

Lead in Select Personal Lines

- Leveraging Banca and Agency portfolio to focus on the sales of specific products via the Bancassurance distribution channel
- No. 8 with 5.5% market share¹
- Relunched improved personal line products – Perfect Rider Plus in May'16 with 91% uplift in gross written premium (GWP)



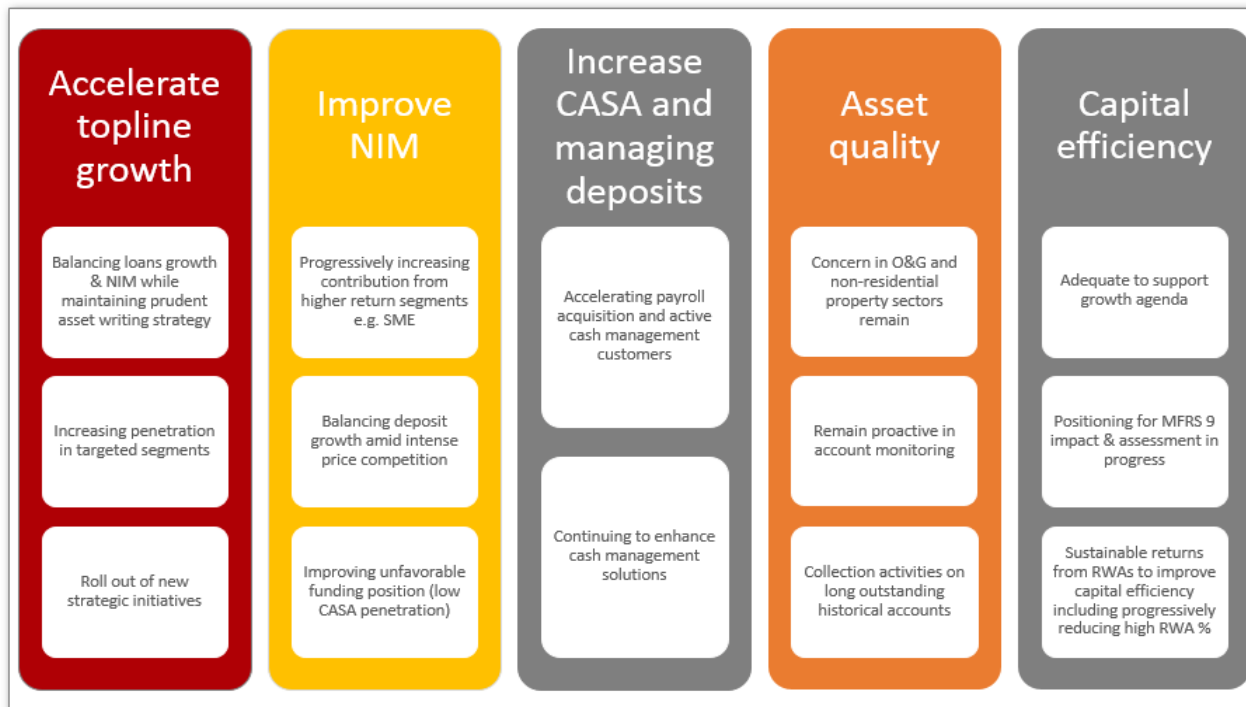
CFO Presentation





9MFY2017 ... what remains a short-term task

Strategy



9MFY2017 Results – Investor Presentation



FY2017 Performance Highlights

Total income

3,765.6m

FY16: 3,695.8m
Change: ▲1.9%

Expenses

2,160.5m

FY16: 2,174.3m
Change: ▼0.6%

PBP

1,605.1m

FY16: 1,521.5m
Change: ▲5.5%

Net Allowances

-196.1m

FY16: -209.5m
Change: ▼6.4%

PATMI

1,324.6m

FY16: 1,302.2m
Change: ▲1.7%

ROE

8.5%

FY16: 8.8%
Change: ▼30bps

CTI

57.4%

FY16: 58.8%
Change: ▼140bps

NIM

1.98%

FY16: 2.02%
Change: ▼4bps

GIL

1.86%

FY16: 1.94%
Change: ▼8bps

EPS¹

44.06 sen

FY16: 43.33 sen
Change: ▲0.73 sen

CET¹²

11.6%

FY16: 11.3%
Change: ▲30bps

Dividend Payout

40%

FY16: 36%
Change: ▲4%

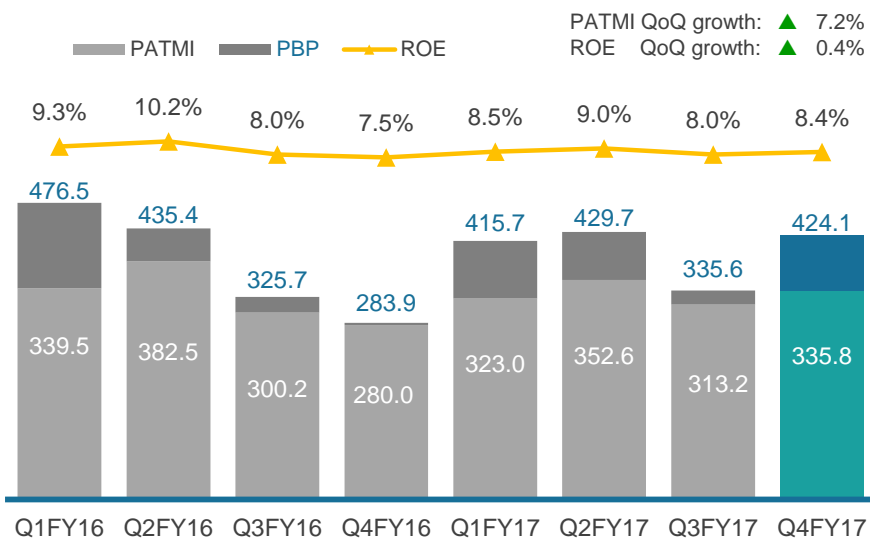
1. Basic Earnings Per Share

2. Based on Aggregated Banking Entities net of proposed dividend

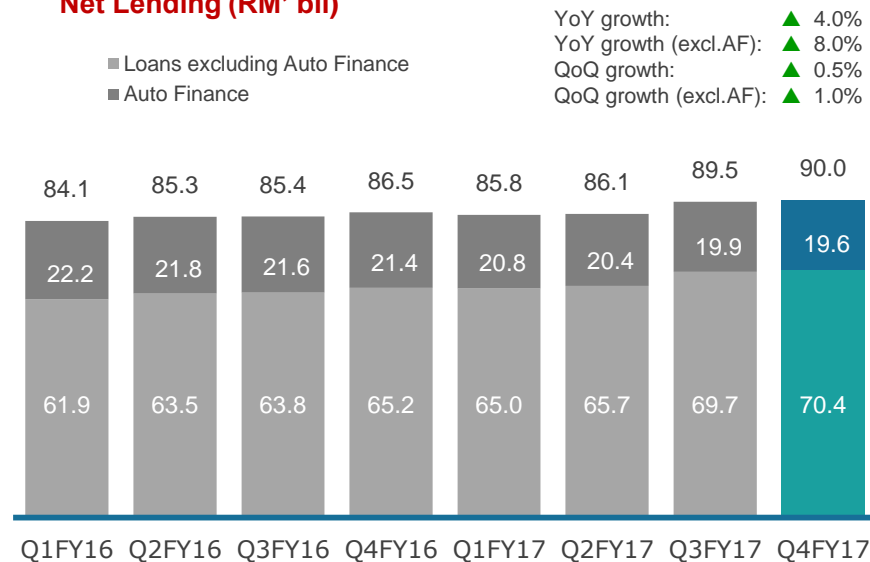


Quarterly Performance

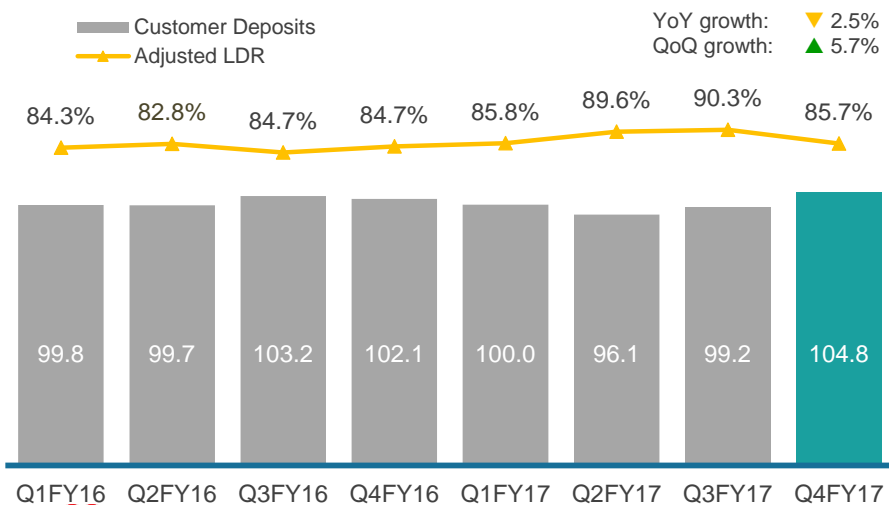
PATMI (RM' mil) & ROE (%)



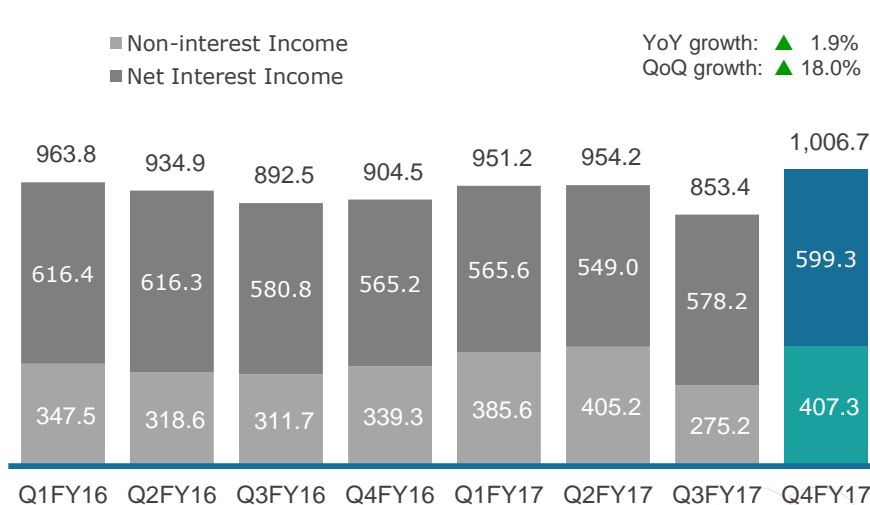
Net Lending (RM' bil)



Customer Deposits¹ (RM' bil) and LDR (%)



Total Income (RM' bil)



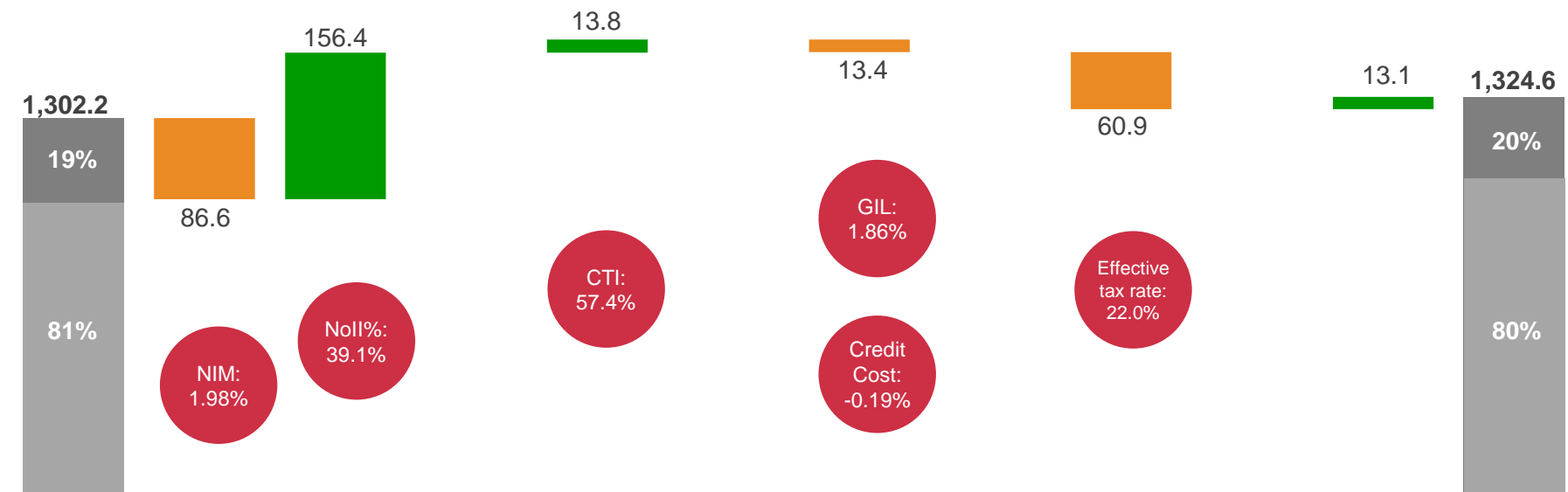
 1. Customer deposits include stable funding sources



PBP grew 5.5% YoY, PATMI up 1.7%

Profit underpinned by stronger Noll, improved asset quality and recoveries while expenses were well contained

YoY growth ▼ 4% ▲ 12% ▲ 2% ▼ 1% ▲ 5.5% ▼ 6% ▲ 4% ▲ 18% ▲ 1% ▼ 13% ▲ 1.7%

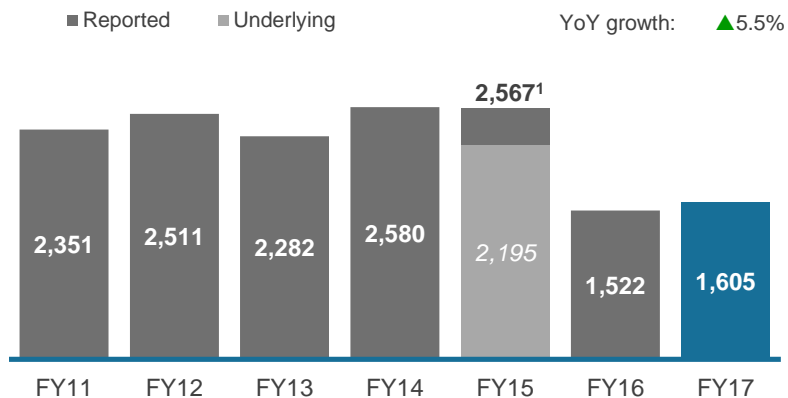


RM' mil	Net Interest Income	Non-Interest Income	Total Income	Expenses	PBP	Provisions/ Allowances	PBT	Tax & Zakat	PAT	MI	PATMI
FY17	2,292.2	1,473.4	3,765.6	2,160.5	1,605.1	(196.1)	1,801.2	392.4	1,408.8	84.2	1,324.6
FY16	2,378.8	1,317.0	3,695.8	2,174.3	1,521.5	(209.5)	1,731.0	331.5	1,399.5	97.3	1,302.2

■ Conventional PATMI
 ■ Islamic PAT
 ■ Positive growth in FY17
 ■ Contraction in FY17

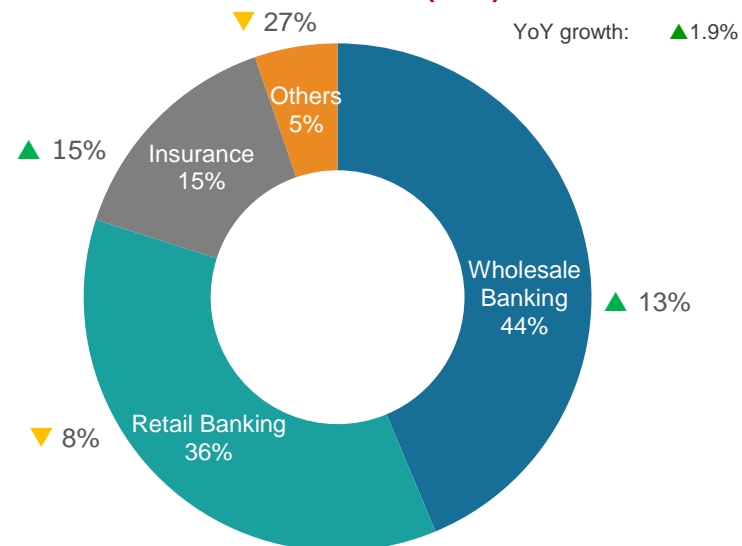
Income well diversified with improved Profit Before Provisioning

Profit Before Provision (RM'mil)

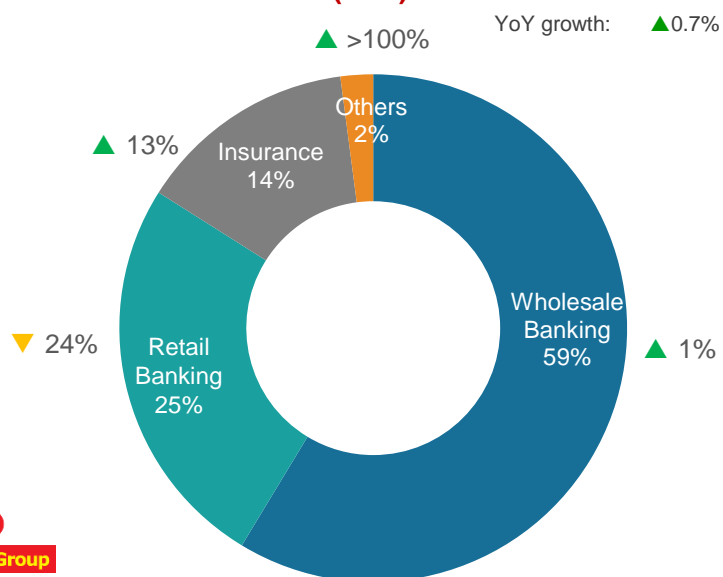


1. Includes divestment gains from AmLife and AmFamily Takaful

Divisional Income Contribution (YoY)



Divisional PAT Contribution (YoY)



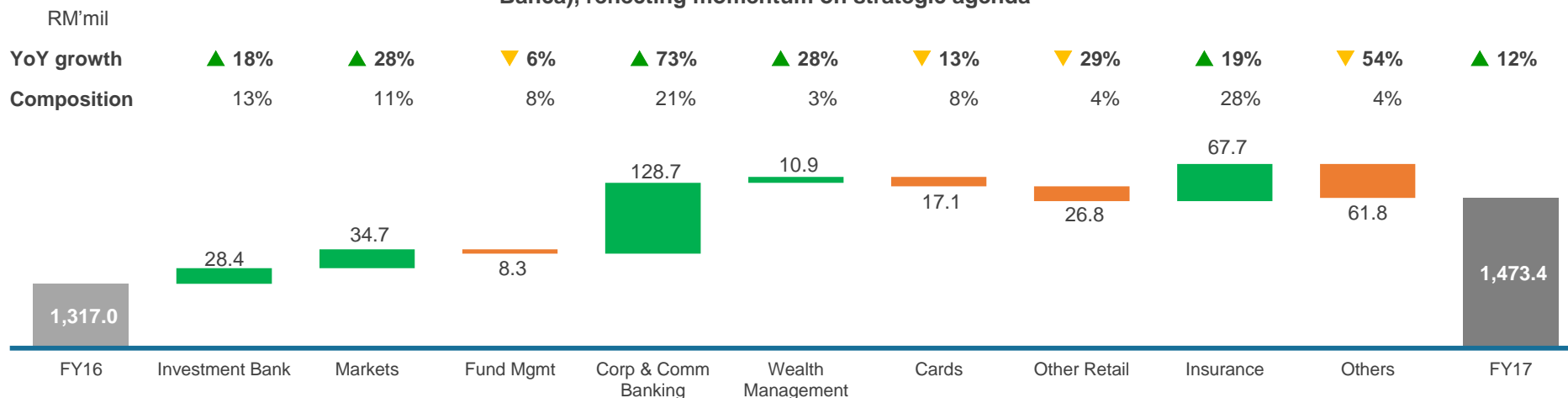
- Wholesale Bank's profit before provision up 17.6% YoY underpinned by Capital Market activities and stronger trading gains
- Retail Bank's profit was lower due to H2FY16 margin compression despite stronger Mortgage loans growth
- Insurance net profit higher, lifted by revaluation of Life & Takaful insurance liabilities. General Insurance recorded higher PBT though PAT down due to lower tax in FY16



Stronger non-interest income, offset by H2FY16 margin compression

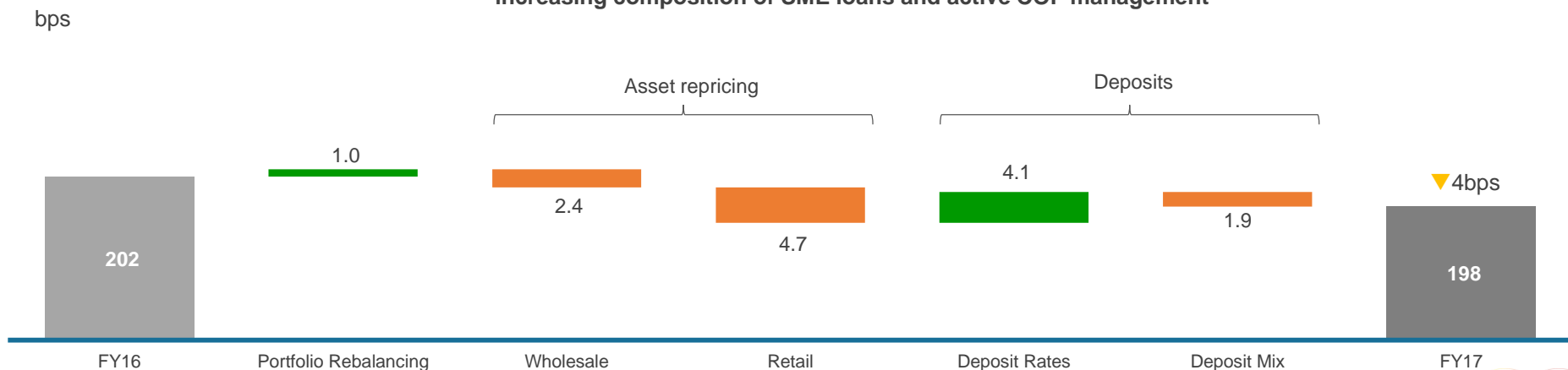
Non-interest Income Drivers

Strong YoY growth with encouraging momentum last few quarters in sustainable fees (eg Wealth & Banca), reflecting momentum on strategic agenda



Net Interest Margin Movement

Margin compression due to roll-off of higher yield legacy Retail loans and deposit mix, alleviated by increasing composition of SME loans and active COF management

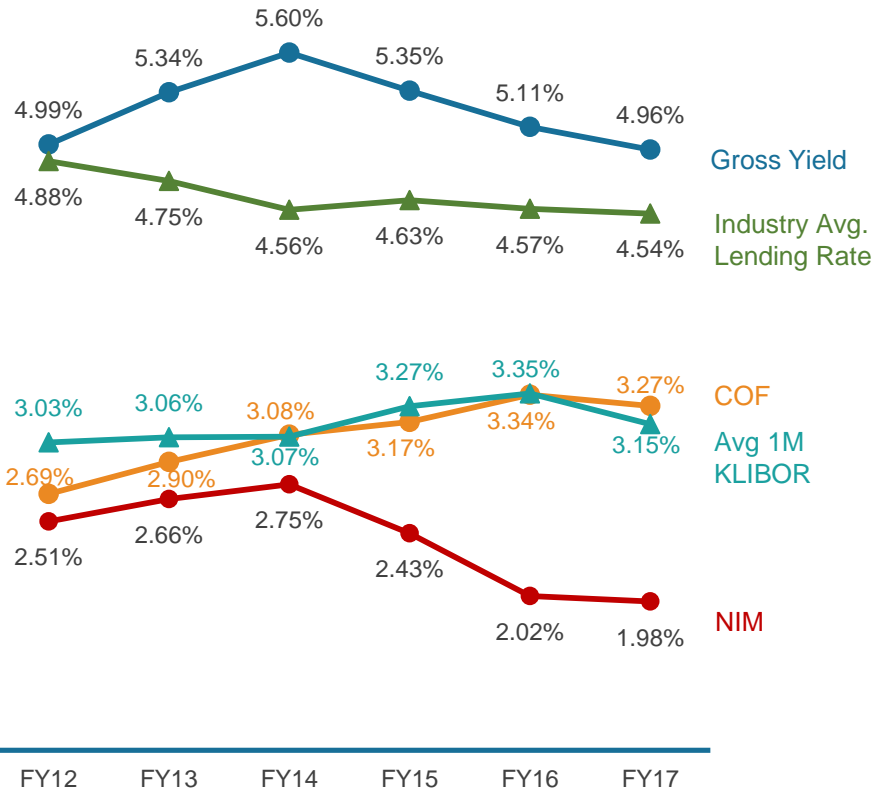


Improving margins QoQ, reflecting loans mix, disciplined pricing and COF management

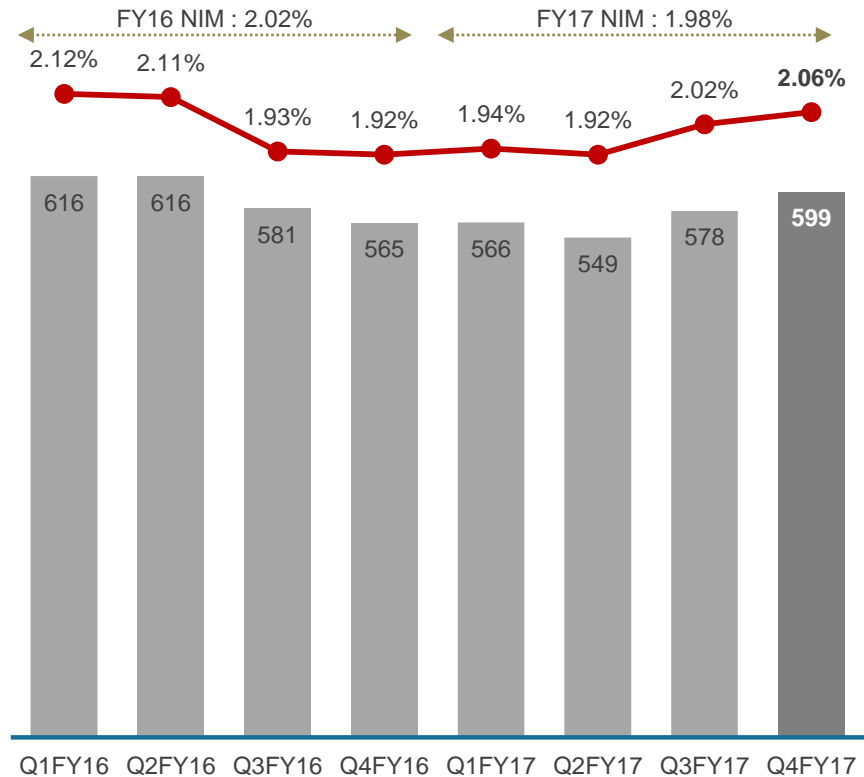


- COF down 7bps YoY from active management of funding mix and deposit costs
- H2FY17 NIM higher at 2.04%, up 11bps as compared to H1FY17's 1.93%

NIM YoY Trend vs. Industry



Quarterly Net Interest Income (RM'mil) & NIM Movement

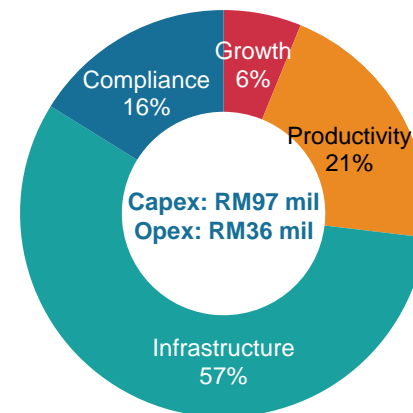


Expense growth contained through cost saving initiatives

As we move into FY18/19, focus will intensify on productivity and efficiency

Planned projects & investments spend in FY17

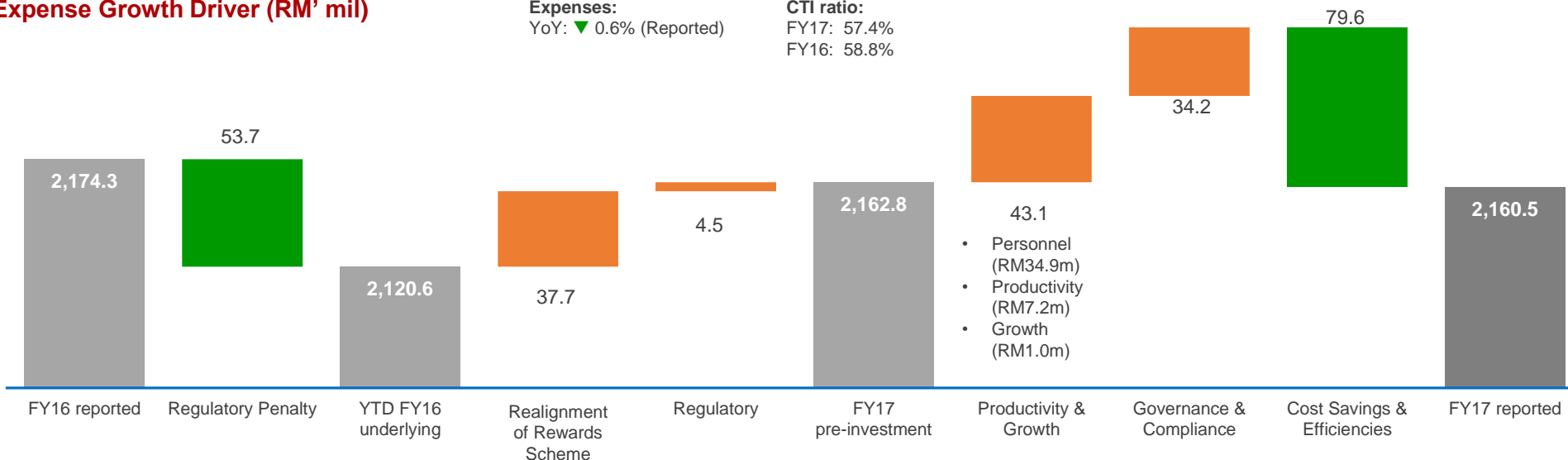
Efficiency Indicators	YoY Change
Total income per employee (RM'000)	▲ 4.5%
Total cost per employee (RM'000)	▲ 1.9%
Customer deposit per employee (RM'mil)	▲ 6.8%
Gross loans per employee (RM'mil)	▲ 6.2%



Expense Growth Driver (RM' mil)

Expenses:
YoY: ▼ 0.6% (Reported)

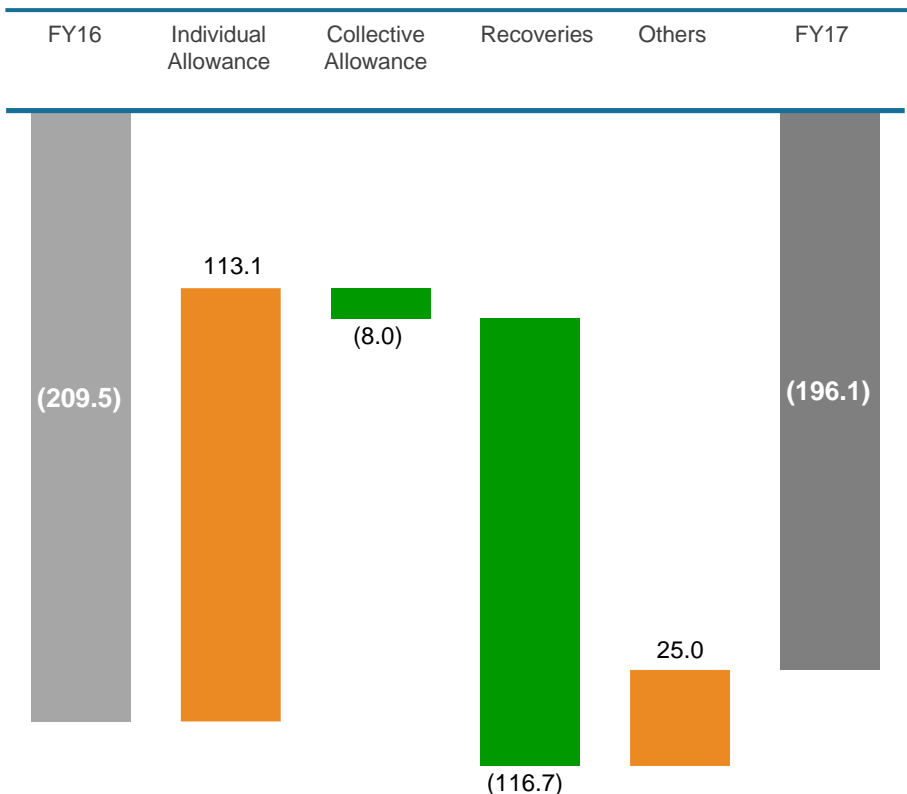
CTI ratio:
FY17: 57.4%
FY16: 58.8%



Net allowance writebacks underpinned by strong recoveries and improvement in Retail asset quality

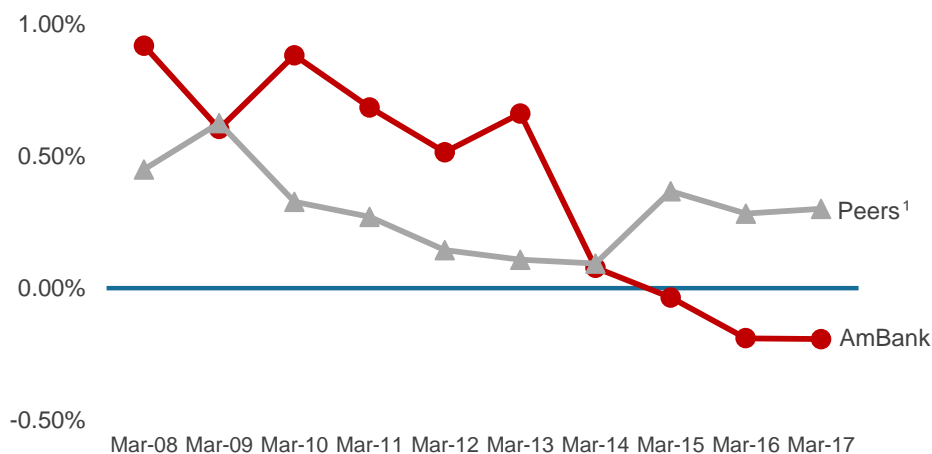


Allowances (RM' mil)



Credit Costs vs. Peers¹

AmBank Group	FY13	FY14	FY15	FY16	FY17
Credit cost	0.21%	0.08%	-0.04%	-0.19%	-0.19%
Credit cost (excluding recoveries)	0.90%	0.94%	0.69%	0.46%	0.57%



1. An average of our seven peer banks as at 31 December 2016

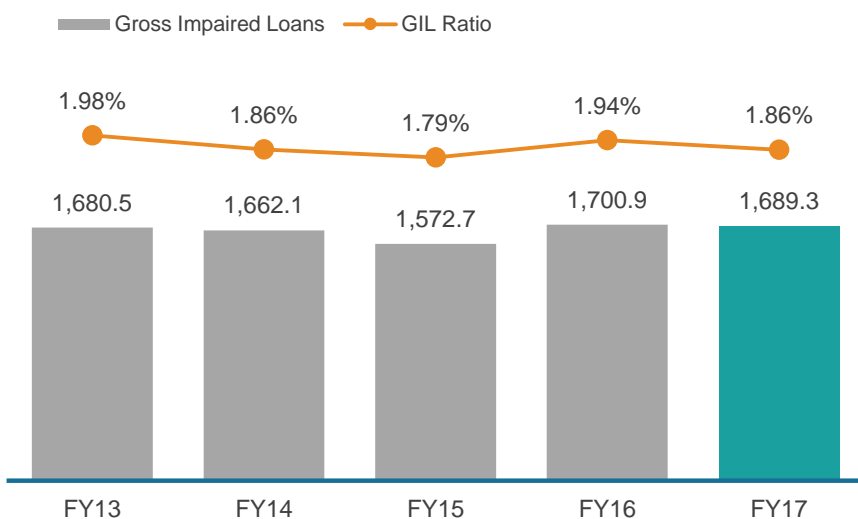


Retail asset quality continues to improve, whilst Wholesale impacted by impairments in Q4



- With focus on preferred segments, Retail GIL ratio continues to improve with active collection and preemptive efforts
- Loans exposure to Oil & Gas and Commercial Real Estate Sectors reduced 24% and 10% YoY respectively

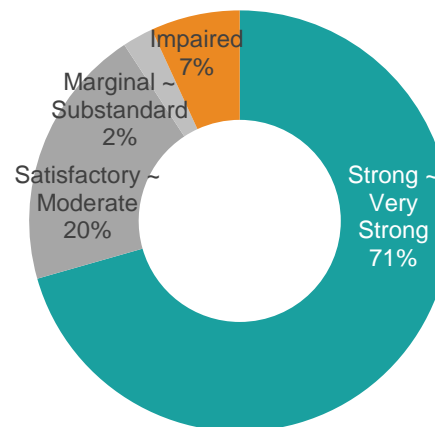
Gross Impaired Loans Ratios



GIL Ratio QoQ Breakdown

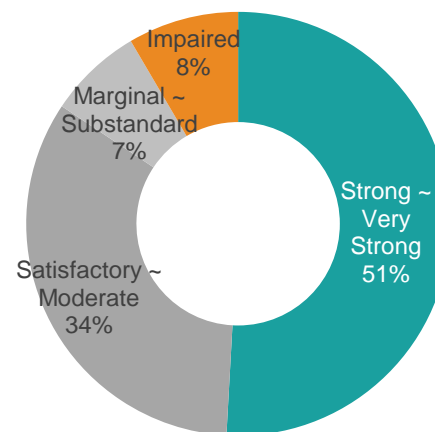
GIL Ratio	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Group	1.69%	1.64%	1.54%	1.86%
RB	1.52%	1.53%	1.44%	1.33%
WB	1.89%	1.75%	1.64%	2.46%

Exposure to Oil & Gas Sector by Internal Risk Grades



Total loans to O&G sector:
Approximately 2% of total gross loans

Exposure to Commercial Real Estate Sector by Internal Risk Grades



Total loans to Commercial Real Estate sector:
Approximately 9% of total gross loans

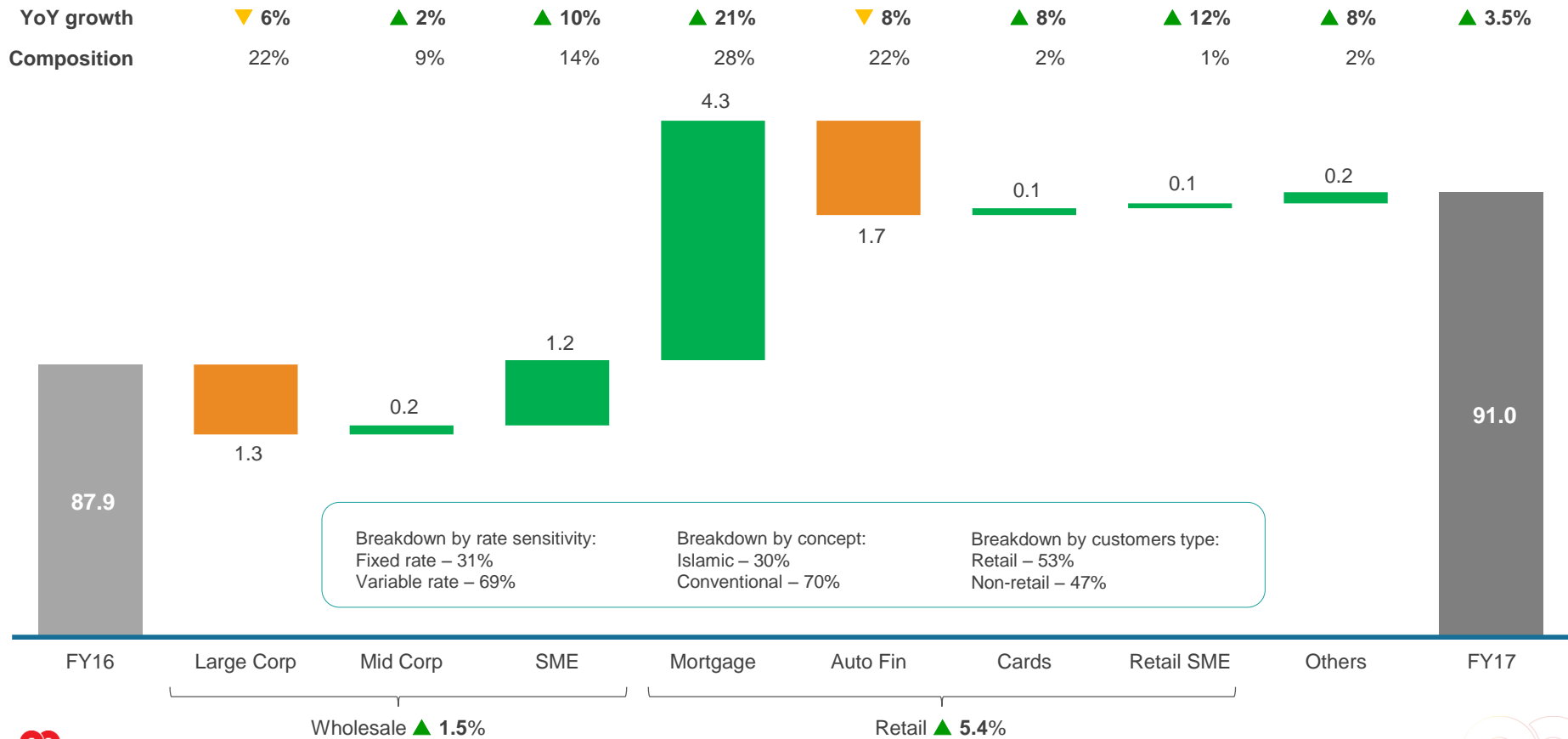


Loans growth reflecting focus on “new” targeted segments

YoY increase of 3.5% supported by good momentum in Retail and Wholesale SME

Gross Loans Movement Represented by Business (RM'bil)

ROA: 1.09%
LD Ratio: 85.7%

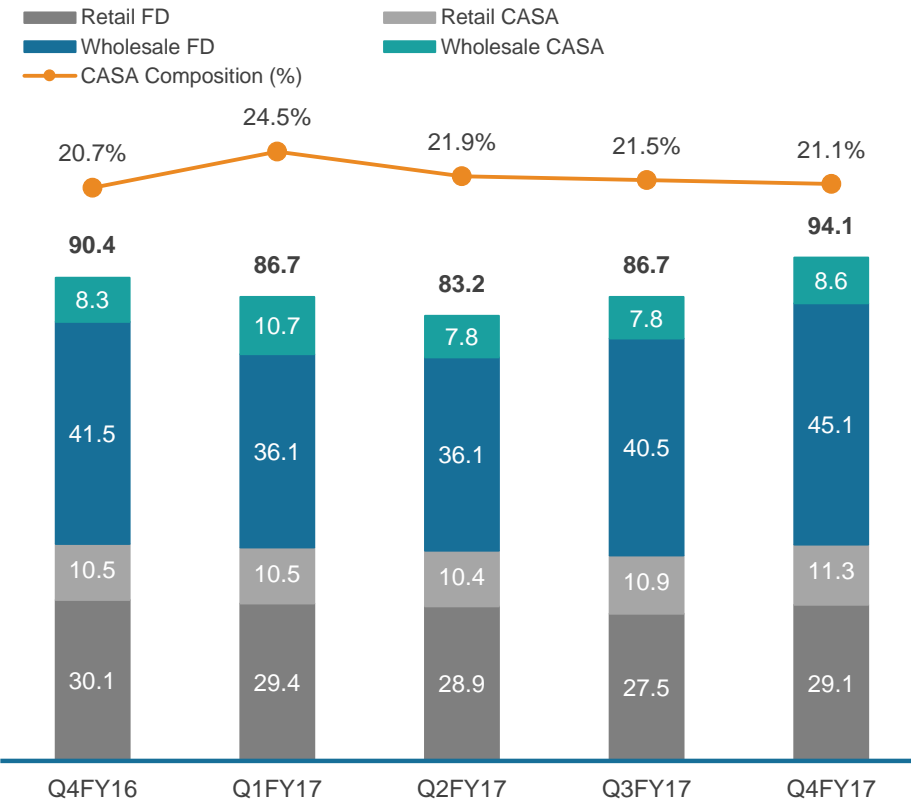


Deposits growth outpaced system

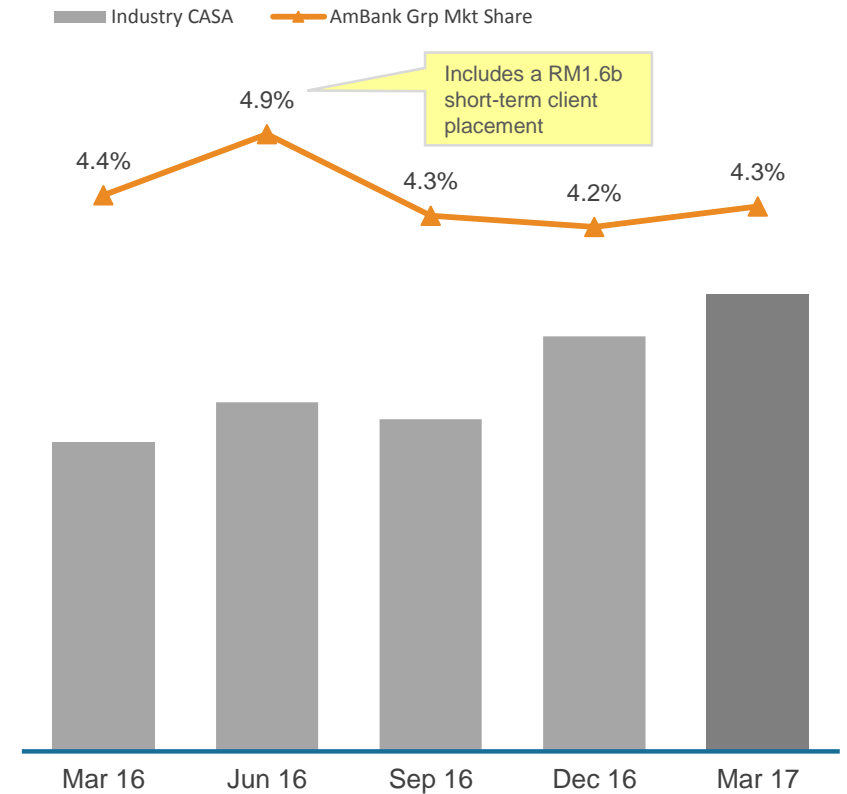
CASA growth was underpinned by Retail SME and payroll accounts whilst deposits base grew mainly from Wholesale Fixed Deposits

Deposits and CASA Balance (RM' bil)

Deposits YoY growth: ▲ 4.1%
CASA YoY growth: ▲ 6.1%



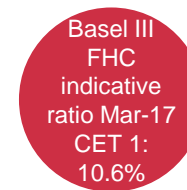
CASA Market Share and Industry CASA Balance¹ (RM' bil)



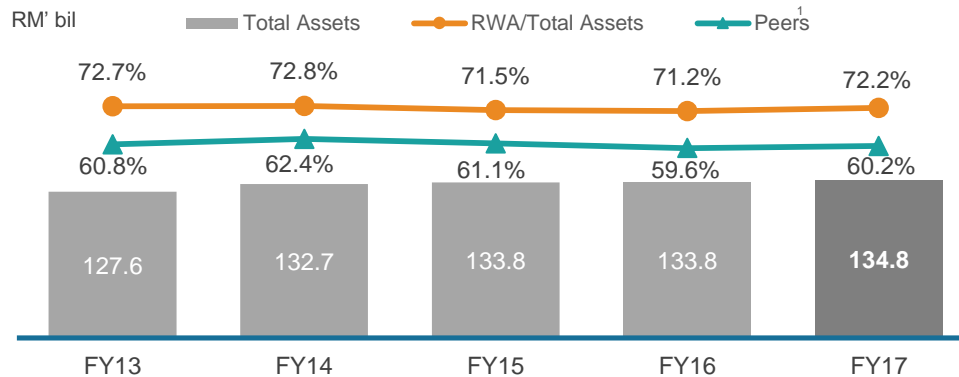
1. Based on BNM data as at 31 March 2017

Capital levels positioned for growth with headroom for efficiency

- Group capital ratios remain adequate, whilst we are progressively optimising capital structure and RWA efficiency for Basel III FHC @ FY2020
- Positioning for MFRS 9 and impact assessment in progress
- Basel III FHC indicative ratio as at 31 March 2017 – CET 1: 10.6%

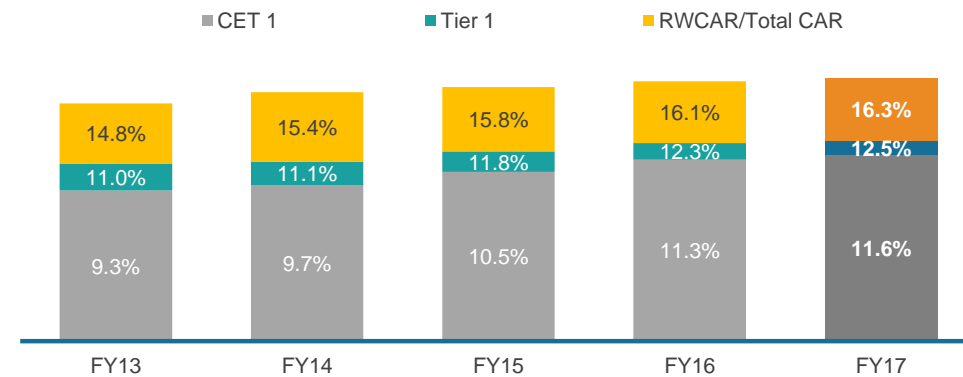


RWA/Total Assets



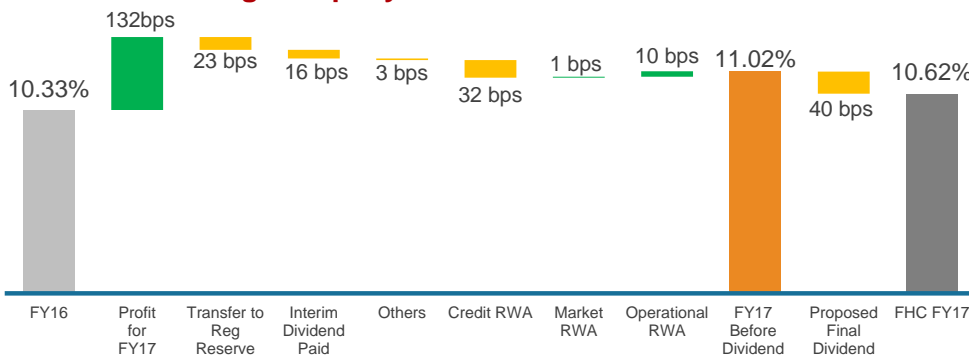
1. An average of our seven peer banks as at 31 December 2016

Capital Adequacy Ratios²

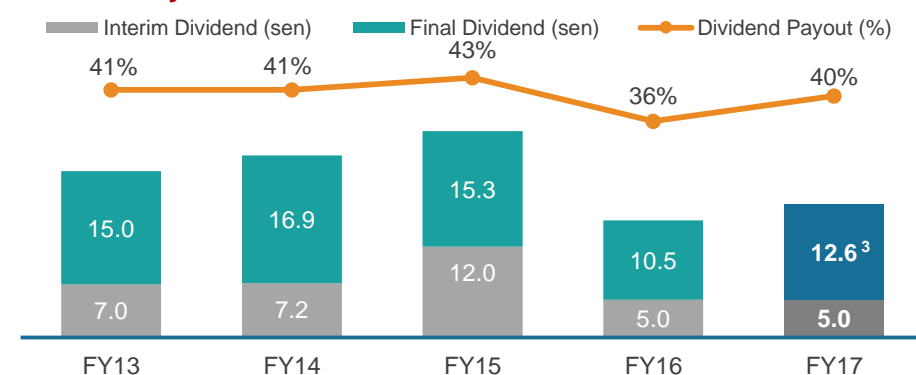


2. Based on Aggregated Banking Entities net of proposed dividend

Financial Holding Company Indicative Ratio



Dividend Payout



3. Proposed final dividend



Good
Progress....

More
To Do....

Sustaining NIMs and
improving deposit mix

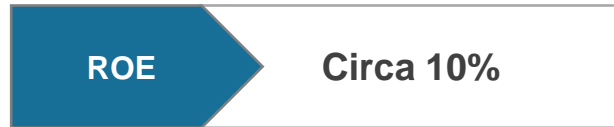
Accelerate top line growth
with continued emphasis
on efficiency & productivity

Close monitoring of asset
quality

Progressively improve
capital efficiency and return
on equity



Guidance & Expectations for FY2018/FY2019



PROFIT

Accelerating penetration in targeted segments & expanding into key GDP sectors



PEOPLE

Investing in an ecosystem providing employees with an environment to work effectively and innovatively



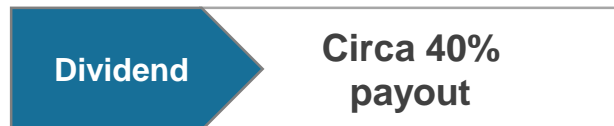
RETURNS

Balancing growth of quality assets, deposit mix and maximising fees to optimise returns



DIGITAL

Materialising digital transformation initiatives for unrivalled customer experience & distribution capabilities and efficiency



CAPITAL

Focusing on optimisation and improving risk adjusted returns



COMPLIANCE

Continue to invest in our compliance culture & infrastructure for business and regulatory requirements





FY2018-2020 Strategy



Wholesale Banking – To be the Top 4 bank with multi-product penetration

Aspirations	Transactional Banking	Global Markets	Debt Capital Market	Corporate Finance	Fund Management	Private Banking	Equity Markets	Mid Corporate
	<ul style="list-style-type: none"> • 10% market share 	<ul style="list-style-type: none"> • Top 4 PD and Top 3 iPD • Top 4 in FX and Derivatives in BNM League Table 	<ul style="list-style-type: none"> • Top 3 for Malaysian Corporate Bonds/ Sukuk • Top 5 for MYR Loan Indication 	<ul style="list-style-type: none"> • Top 4 IPO house • Top 3 M&A • Top 4 Equity Fund Raising 	<ul style="list-style-type: none"> • Top 3 in Unit Trust segment in Malaysia • Top 4 Private Retirement Scheme provider in Malaysia 	<ul style="list-style-type: none"> • Top 2 in Private Banking Services onshore 	<ul style="list-style-type: none"> • Top 4 Primary Distributor 	<ul style="list-style-type: none"> • Top 4 Bank to Mid Corporates



Expand into sectors strategic to GDP growth

Grow Fee Income by penetrating relationship beyond lending

Strengthen our capital market franchise

Re-align Mid Corp Sales focus and deepen Transaction Banking capabilities

Islamic First approach in aligning initiatives to national aspirations and building Islamic Funds

People:

Increase & diversify skillset of service team

Products:

Establish bespoke products to cater to customers

Technology:

Build new platforms with wider functionalities, establish bespoke payment solutions capabilities for SME, Govt related accounts

Distribution:

Digitise distribution (sales) & marketing channels



Business Banking – To be the Top 4 SME bank

Aspirations

Revenue	Loans Growth	Deposit Growth	Fee Income	Asset Quality
<ul style="list-style-type: none"> Revenue driven KPI from Relationship Managers onwards Preferred Banker Strategy Defend/Increase NIM – focusing on Higher Risk Adjusted Return (RAR) 	<ul style="list-style-type: none"> Working Capital focus via Enterprise Lending Programme Target Market – Risk Acceptance Criteria for Commercial Segment Portfolio Actions for Existing to Bank customers IHP business 	<ul style="list-style-type: none"> Dedicated Deposit Hunting team Non-Borrowing accounts Customer level LDR 	<ul style="list-style-type: none"> FX – Customer segmentation for volume/margin strategy Bancassurance/Keyman insurance financing Flow business focus from working capital 	<ul style="list-style-type: none"> Dedicated Collection/Early Warning/Rehabilitation team Independent Collateral Management Unit Dedicated Portfolio Review Forum Periodic credit scrubblings Existing to Bank focus

Run the Bank Better

- Formation of Hunters to capture New to Bank business
- Grow Non Interest Income through FX & Bancassurance
- Brand awareness via SOBA & AmBank SME Challenge

Change the Bank

- Programme Lending for Enterprises
- Focus on enablers and help customer succeed via educational series
- Fintech collaboration

People:

- Dedicated Enterprise Banking team to focus on SME segment
- Formation of 55 Enterprise Centers nationwide
- New set-up to be hunting focus

Digital:

- End to End Loan Origination System
- Cater for speed and volume
- Portfolio performance & monitoring

Resources:

- Dedicated Business Risk Team
- Ramping up credit administration team



Retail Banking – To be Top 4 in: Mass Affluent & Affluent, SME & Cards and Wealth Management

Aspirations

Firing up new growth engines

- Win in fast growing, underserved segments
 - Affluent
 - Mass Affluent
 - SME

Attain market leadership in key segments & products

- Develop an integrated cards and merchant ecosystem
- Lead the market with an advisory-led wealth management proposition

Setting up for success

- Digital transformation – channels, processes, productivity, analytics
- Leverage distribution footprint, partnerships and new digital channels
- Breakdown organisational silos, focus on talent & culture
- Risk & compliance

Optimise current engines

- Strengthen retail deposit franchise
- Harness value in Mass Market customer base



Build an **integrated cards and merchant ecosystem**

Lead the market with an **advisory-led wealth management proposition**

Win in **Mass Affluent, Affluent and SME**

Strengthen retail **deposit franchise**

Data & Analytics:

Leverage on analytics for portfolio actions

Distribution:

Expand sourcing to include more third party providers

Technology:

Fintech initiatives to enhance issuing & acquiring businesses

People:

Up-skilling staff to improve customer engagement

Merchants:

Expand new merchants recruitment & acceptance devices, POS network to grow network size & volumes

Customers:

Strengthen value proposition & improve current facilities for better customer experience

Product:

Expand product solutions to customise across customer's risk profiles & goals



Islamic Banking – To be the Top 4 Islamic bank

Aspirations	Revenue	Financing	Margin	Liquidity/deposits
	<ul style="list-style-type: none"> • Drive revenue increase via focused areas • Increase composition of non-funded income 	<ul style="list-style-type: none"> • Grow financing base in selected segments (e.g. SME) 	<ul style="list-style-type: none"> • Improve net financing margin via cost of funds reduction and grow profitable assets 	<ul style="list-style-type: none"> • Diversify depositor base • Grow low cost deposits



Grow low cost and retail deposits and auto financing	Push ASB financing	Diversify income via fee-based income from wealth, bancatakaful, remittances & cards	Intensify SME and Mid Corp clients via transaction banking solutions, FX, vendor and contract financing	Niche market segments (e.g. Halal players, religious bodies, affordable housing, Government sector)
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<p>People:</p> <ul style="list-style-type: none"> • Islamic banking knowledge of the distribution channels • Talent to drive new business areas 	<p>Technology:</p> <ul style="list-style-type: none"> • New AmOnline and mobile banking platforms • Upgraded cash management • Digital credit process • Front-end Straight-Through-processing 	<p>Pricing:</p> <ul style="list-style-type: none"> • Pricing of financing driven by cross-sell and non-funded income • Simplified pricing matrix 	<p>Product:</p> <ul style="list-style-type: none"> • Invoice Financing-i • Factoring-i • Foreign currency current account-i
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Aspirations

Digital Banking: Materialising digital transformation initiatives for unrivalled customer experience, enhanced distribution capabilities and overall efficiency

Customer engagement

- Digital Acquisition
- Omni-Channel
- Omni-Presence
- Customer Relationship

Sales tools

- Mobility
- Product / Services / Market Catalogue & Advice
- Mobile Acquiring
- Retention Mitigation

Analytics & Innovation

- Product Strategy
- Segmentation Strategy
- Targeted Cross / Up Sales
- Process Reengineering
- Acquisition & Retention

Aspirations

Group Operations – Build the Bank for step change in performance

Increase efficiency

- Build scalability and standardise system/process
- Re-engineering of underlying process to drive operating efficiency

Robotics Process Automation

- High degree of automation to reduce operating costs and facilitate agility in responding to customers' needs

Center of Excellence

- Provide the best promise for a range of competencies and scaling across the organisation

General Insurance – To be the Most Trusted Insurer in Malaysia

Aspirations

Be the No. 1 Motor Insurer

Lead in Select Personal Lines

Grow in Select Commercial Lines

Build a Customer Oriented Organisation

Create a High Performance Culture



- **Private Car Comprehensive**
- **Motorcycle Comprehensive**
- **Taxi Comprehensive cover only (Town, Chauffeur Driven & Limousine)**
- **Special Type (ie. backhoes, excavators)**

- **Personal Accident (PA)**
- **Medical Personal with age ≤ 45**
- **Fire: Householder/ Houseowner**
- **Misc: Household Guard**

- **Fire**
- **Terrorism**
- **Marine Cargo/ Goods-in-transit**
- **Group Medical**
- **Foreign Workers**
- **Public & General Liability**
- **Miscellaneous**
- **Construction**

- **Customer Advocacy Program**
- **Renewal Initiatives**
- **Digital Initiatives**
- **Face-to-face Channel Strategic Review**
- **Accident Assist Model Improvements**

- **Develop talent & development framework aligned to desired culture and behavioural competencies**
- **Design and rollout Structured Learning Roadmap for Mgr Development**
- **Rewards review initiative**

Data & Analytics

Optimise data management to make more informed business decisions

Distribution

Develop the best sales capability and effective distribution model

People

Attract and develop people to be their best

Pricing

Lead the market with pricing capability

Product

Deliver easy to understand and competitive products

Brand

Develop sustainable competitive advantage via a valuable & differentiating brand position

Risk

Take a leadership role to help manage risk in the community and our organisation

Customers

Become a customer oriented organisation, applying customer centric principles to all customer touch points

Claims

Drive a balanced outcome on service, quality and cost management via people, process and supply chain models

Technology

Invest in technology capabilities to gain competitive edge & reduce complexity to increase speed to market



AmBank Group

Aspirations

Life Assurance: Focusing on customer-centricity, AmMetLife wants to be the preferred life insurer of choice for all Malaysians

Optimise value and risk	Drive operational excellence	Deliver the right solutions for the right customers	Strengthen distribution advantage
<ul style="list-style-type: none"> Optimise unit cost acquisition with focus on Agency, Bancassurance & EB channels 	<ul style="list-style-type: none"> Invest in system capabilities to automate processes and build self-service eSolutions 	<ul style="list-style-type: none"> Innovative products and solutions to meet protection needs of customers during different life stages 	<ul style="list-style-type: none"> Digital solutions for professional agency forces and bancassurance specialists Gain EB market share through service delivery differentiation

Aspirations

Takaful: Deliver engaging customer and partner experiences that create competitive advantage and drive value

eChannel (direct)	Agency	Bancatakaful
<ul style="list-style-type: none"> To build an Online Straight Through process under 'Live Digital Project' On-line Takaful term plan Unique proposition to provide 'Warm Lead' to the intermediaries 	<ul style="list-style-type: none"> Organic growth for existing Agency Force Hybrid Agency Force i.e. leveraging with AmMetLife Insurance Agency Force 	<ul style="list-style-type: none"> Distribution via Takaful Specialist, Personal Banker/Wealth Specialist Muslim centric product for bank customers



People and Culture – To be the Top 4 Employer of Choice

Aspirations	Elevating the way we work	Leadership & Team Building	Managing Change	Inculcating performance driven culture
	<ul style="list-style-type: none"> • Technology Enabled workforce • Connected Access - anytime/ anywhere • Create a flexible workplace • Self productivity driven • Performance Driven 	<ul style="list-style-type: none"> • Leadership Bonding • Strategic Business Unit/ workforce bonding • Understanding our plans and the need for change • Regular Engagement 	<ul style="list-style-type: none"> • Scheduled Communications & Messaging • Strategic Change Management • Tactical Change Management • Channels and Cascade Network 	<ul style="list-style-type: none"> • Culture Alignment - What & Why • Enforcement - How • Living the Plan

Formal change programme elements

Informal change programme elements



Leadership alignment

Capability building

People processes

Change champions

Viral networks

Key behaviours



Role based development

Talent management

Organisation & KPI alignment

Culture



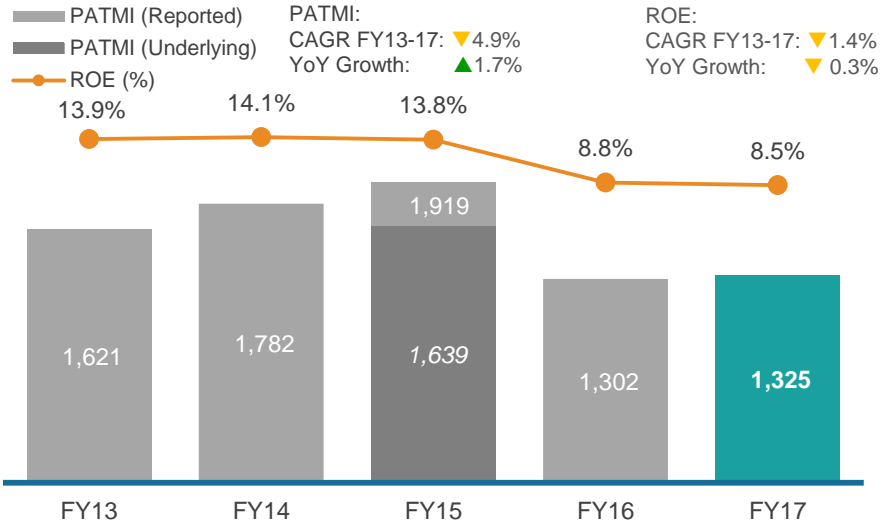


Group Performance

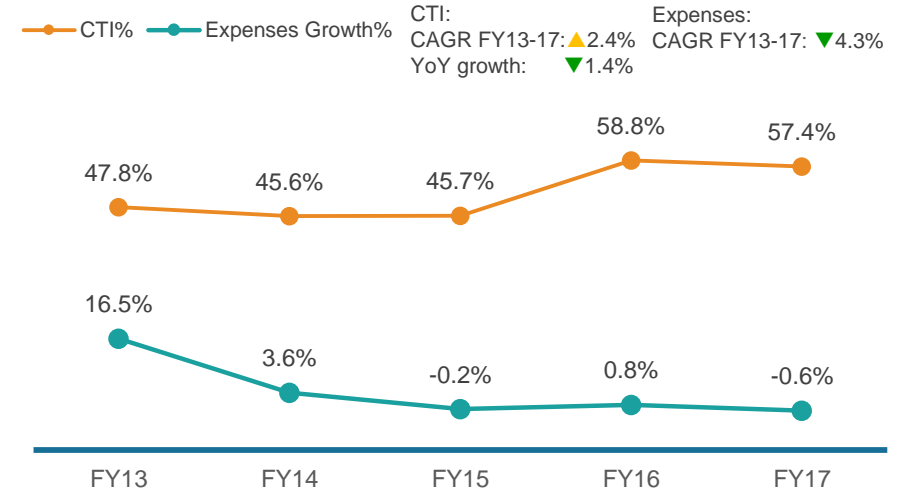


Yearly Performance

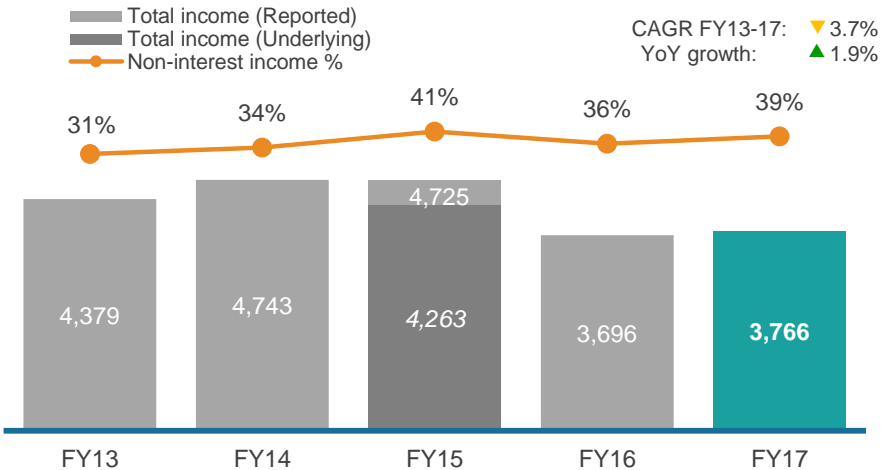
PATMI (RM' mil) & ROE (%)



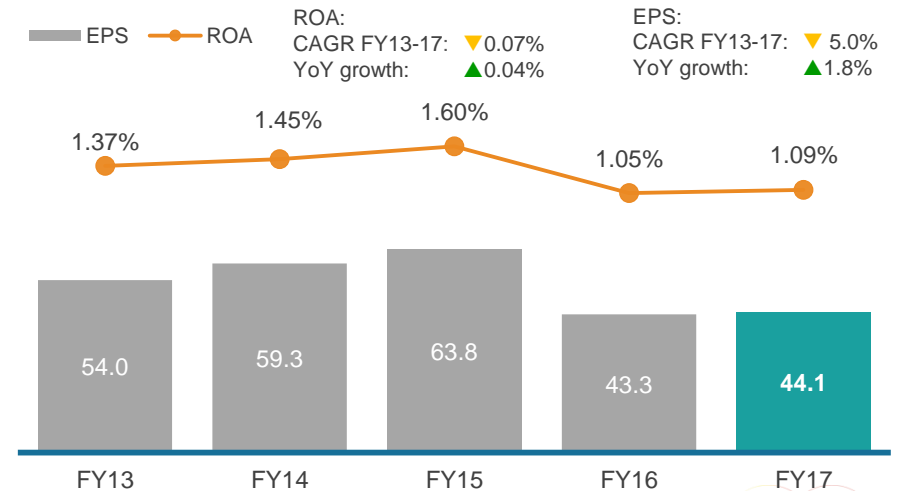
Cost to Income Ratio and Expenses Growth (%)



Total Income (RM' mil) and Non-interest Income (%)



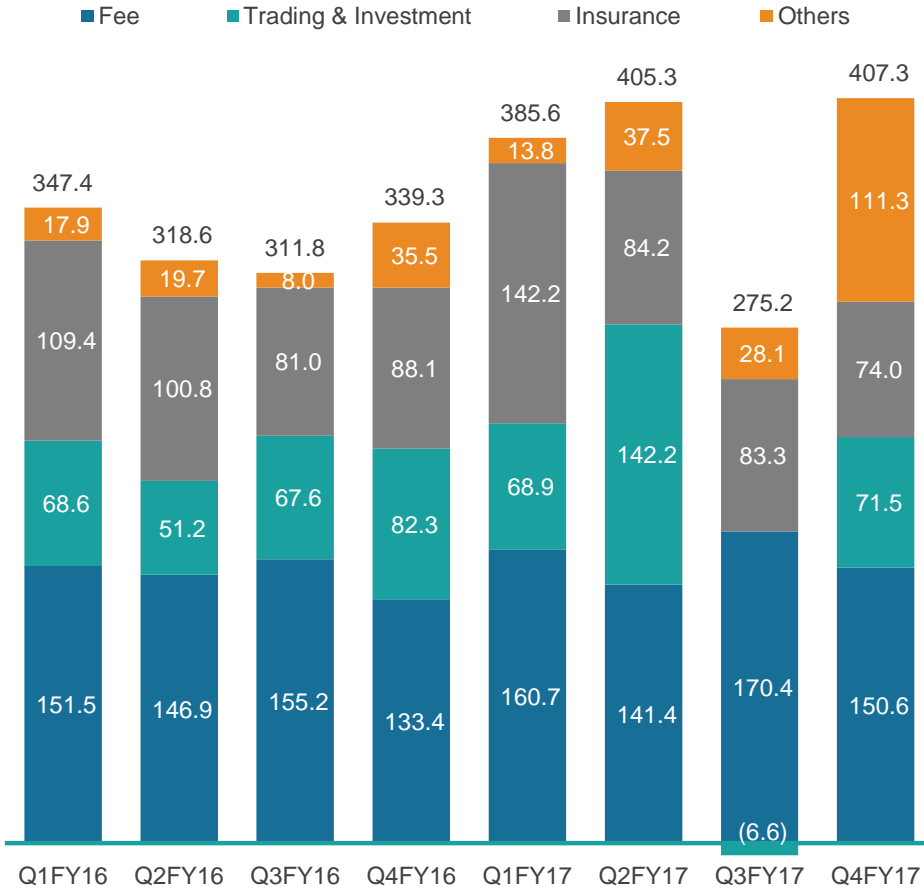
ROA (%) and EPS (Basic)



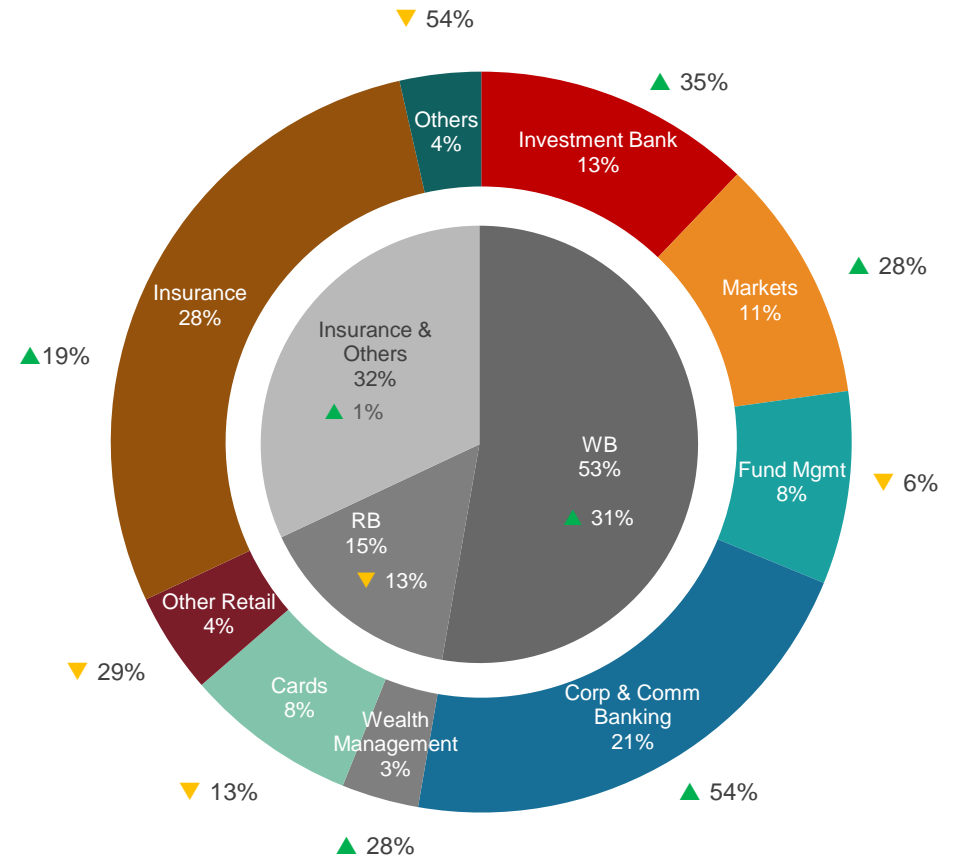
Stronger non-interest income, reflecting progress of Top 4 strategy

Non-interest Income (RM'mil)

QoQ growth: ▲ 48.0%
YoY growth: ▲ 11.9%



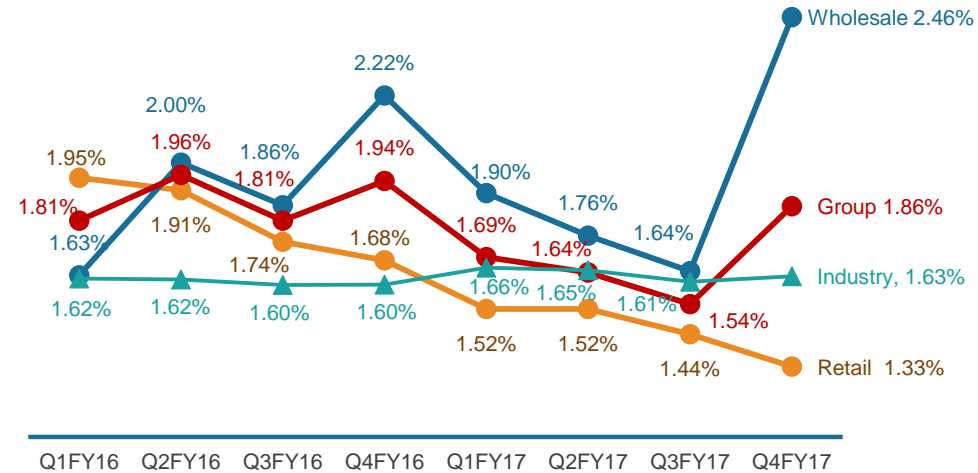
Non-interest Income by Lines of Business (YoY)



Sustaining Asset Quality in a challenging environment

- GIL improved 8 bps YoY driven by Retail while Wholesale was impacted by impairment of large corporate accounts in Q4FY17
- 61% of impaired loans exposure are in real estate and residential properties; these are generally well collateralised

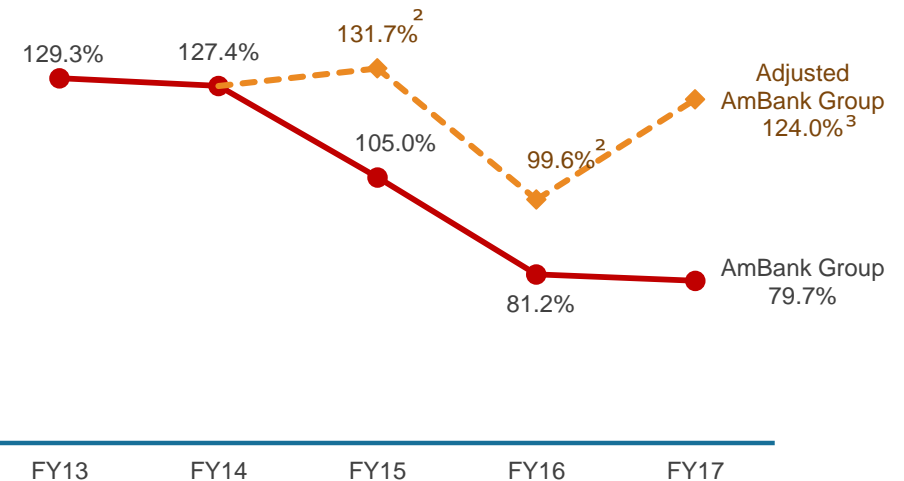
Impaired Loans (RM' mil)



Impaired Loans by Sectors and YoY Movement

Sector	Mar-17 RM' mil	YoY growth	Composition
Real Estate	707	▲ 23.6%	41.9%
Residential Properties	317	▼ 2.6%	18.7%
Transport Vehicles	202	▼ 24.7%	12.0%
Mining and quarrying	154	▲ 74.1%	9.1%
Manufacturing	95	▼ 48.9%	5.6%
Construction	16	▼ 64.9%	1.0%
Others	198	▼ 7.7%	11.7%
Total	1,689	▼ 0.7%	100.0%

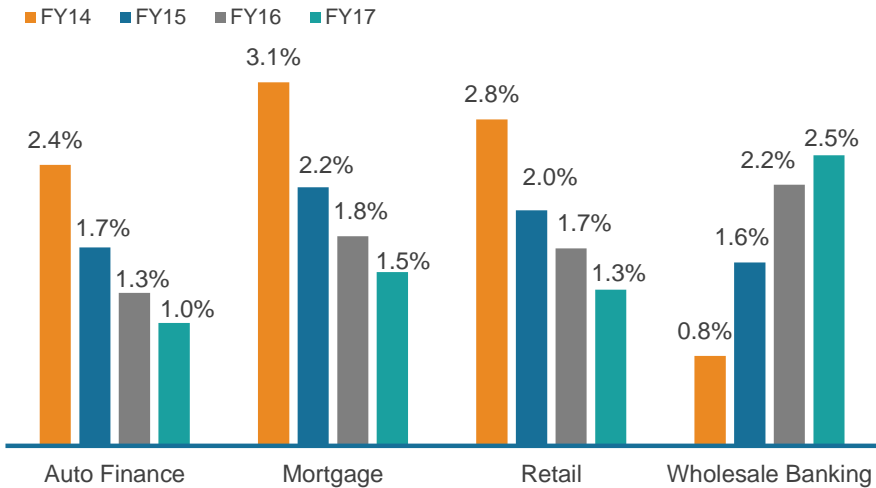
Loan Loss Coverage¹



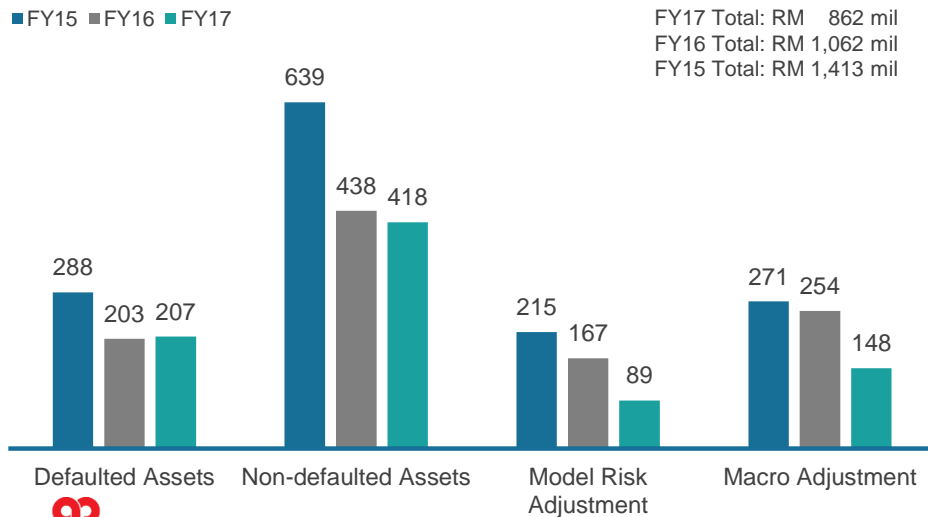
- Includes regulatory reserve
- Excludes a single large and well-secured impaired corporate loan
- Excludes 2 large and well-secured impaired corporate loans



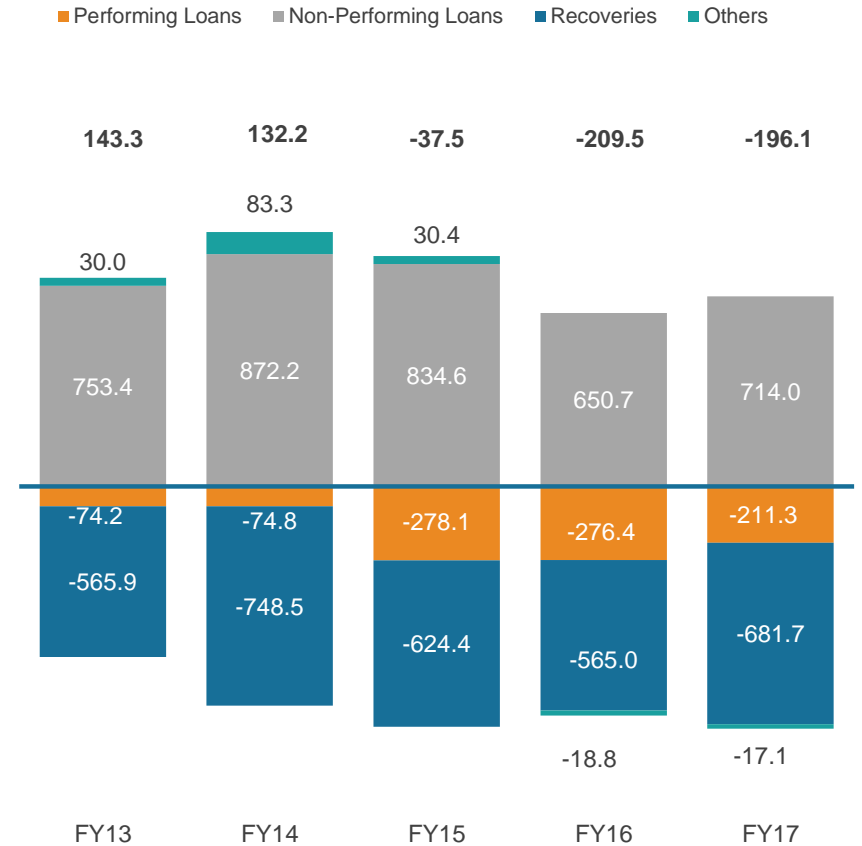
Impaired Loans – Key Segments



Collective Allowance Balance (RM' mil)



Provision Charges/(Writebacks)¹ (RM' mil)

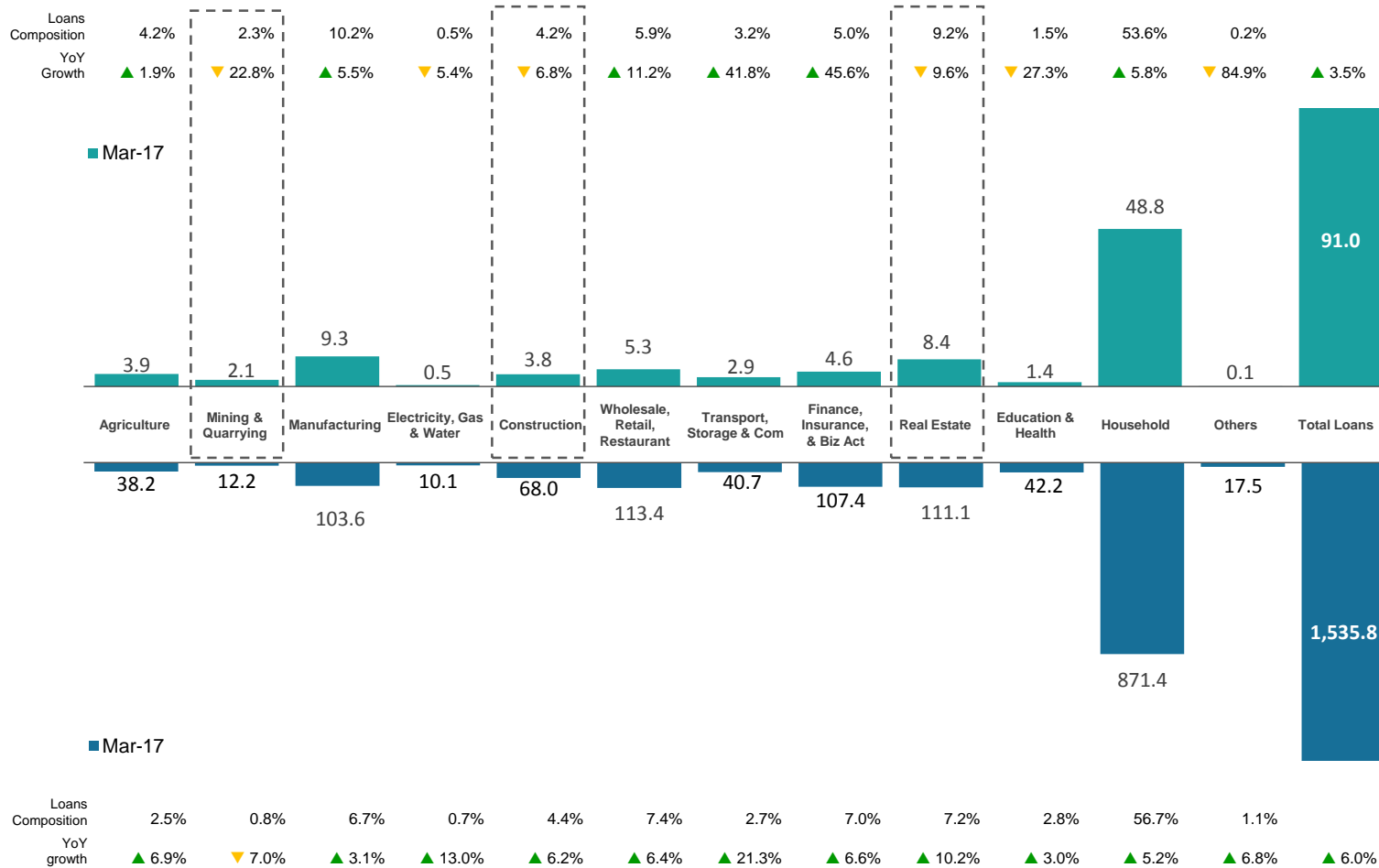


1. Includes provision for contingencies, securities, foreclosed property, trade and sundry debtors

Loans by sector & by purpose vs. industry

Loans by Sector

AmBank Group (RM' bil)



Industry (RM' bil)

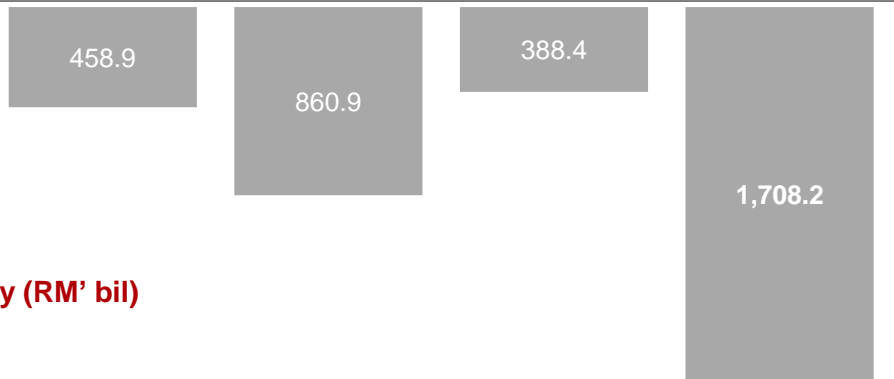
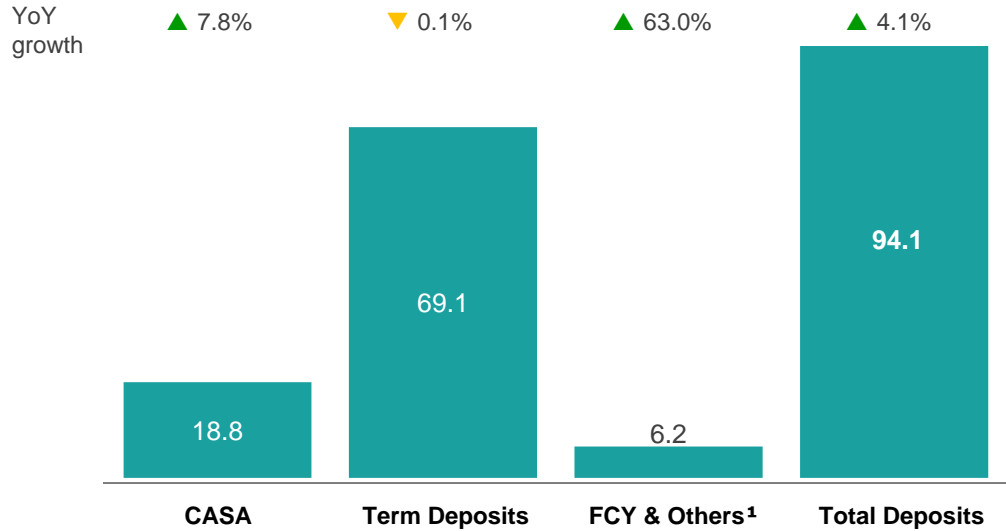
Loans by Purpose	Mar-17 RM' bil	YoY growth	Composition
Purchase of transport vehicles	20.1	-8.8%	22.1%
Working capital	28.9	+10.8%	31.8%
Purchase of resi property	22.3	+22.2%	24.5%
Purchase of non-resi property	6.9	-6.7%	7.5%
Other purpose	3.8	-12.9%	4.2%
Purchase of securities	2.2	-12.0%	2.4%
Construction	2.7	-11.9%	3.0%
Personal use	1.8	+10.4%	2.0%
Credit card	1.2	-6.6%	1.4%
Purchase of fixed assets	1.0	-17.8%	1.1%
Consumer durables	0.0	-28.6%	0.0%
Total	91.0	+3.5%	100.0%

Loans by Purpose	Mar-17 RM' bil	YoY growth	Composition
Purchase of transport vehicles	168.2	-0.3%	10.9%
Working capital	371.1	+6.8%	24.2%
Purchase of resi property	486.5	+8.8%	31.7%
Purchase of non-resi property	211.3	+5.6%	13.7%
Other purpose	65.9	+6.9%	4.3%
Purchase of securities	74.7	+4.5%	4.9%
Construction	45.8	+3.7%	3.0%
Personal use	66.9	+4.5%	4.4%
Credit card	35.5	+1.6%	2.3%
Purchase of fixed assets	9.8	+1.5%	0.6%
Consumer durables	0.1	+0.9%	0.0%
Total	1,535.8	+6.0%	100.0%

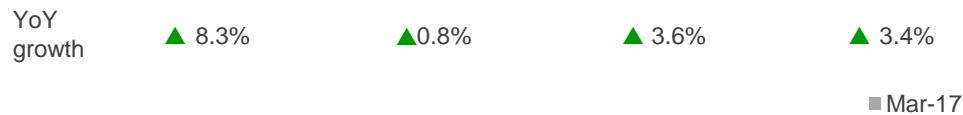


Deposits movement

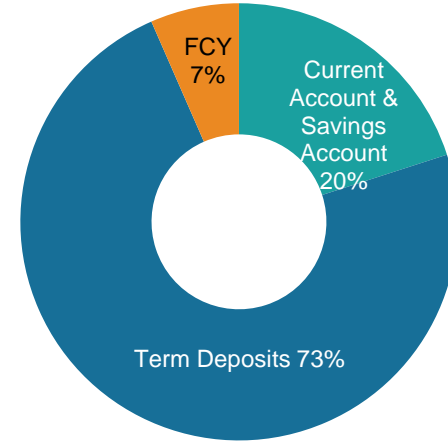
AmBank Group (RM' bil)



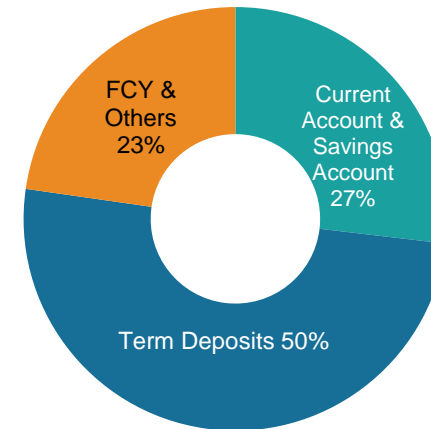
Industry (RM' bil)



Deposits Composition (AmBank Group)



Deposits Composition (Industry)



Source : BNM, financial statements



AmBank Group

1. Includes foreign currency CASA, term deposits & fixed deposits

Diversified funding sources, prudent liquidity management

- Conservative approach to liquidity management, LCRs for all banking entities above regulatory requirement
- Higher composition of stable medium term funding vis-à-vis industry, creates stability but weighs on cost of funds in the short term
- Liquidity well managed with LDR² maintained below 100% supported by improving deposits

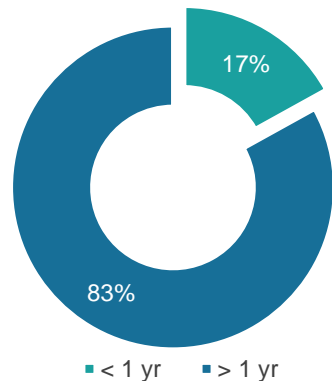
Funding Composition vs. Peers

	FY10	FY13	FY15	FY16	FY17	Industry Ave ¹
Equity & debt capital	15%	14%	15%	16%	16%	15%
Customer deposits	77%	75%	74%	73%	74%	73%
Term funding & loans with recourse >1year	2%	7%	8%	8%	8%	5%
Term funding & loans with recourse <1year	1%	1%	1%	2%	1%	
Deposits from banks & Fis	5%	3%	2%	1%	1%	7%

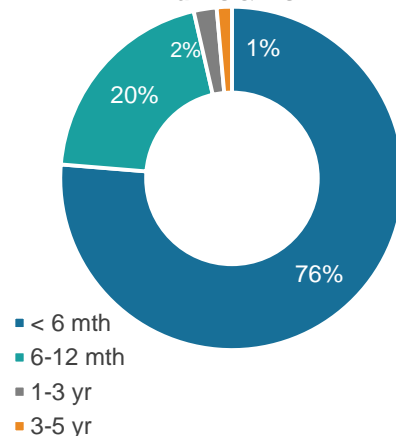
1. Based on an average of seven peer domestic banks – industry data as at Dec'16

Funding Maturity Profiles

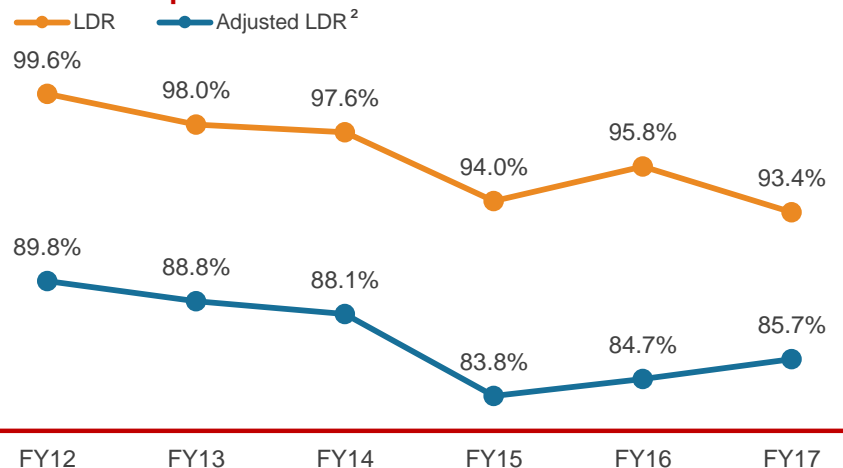
Term Funding and Debt Capital



Deposits from Customers and Banks & Fis



Loan-to-deposit Ratio



2. Includes stable funding sources



Divisional Performance & Economic and Banking Data

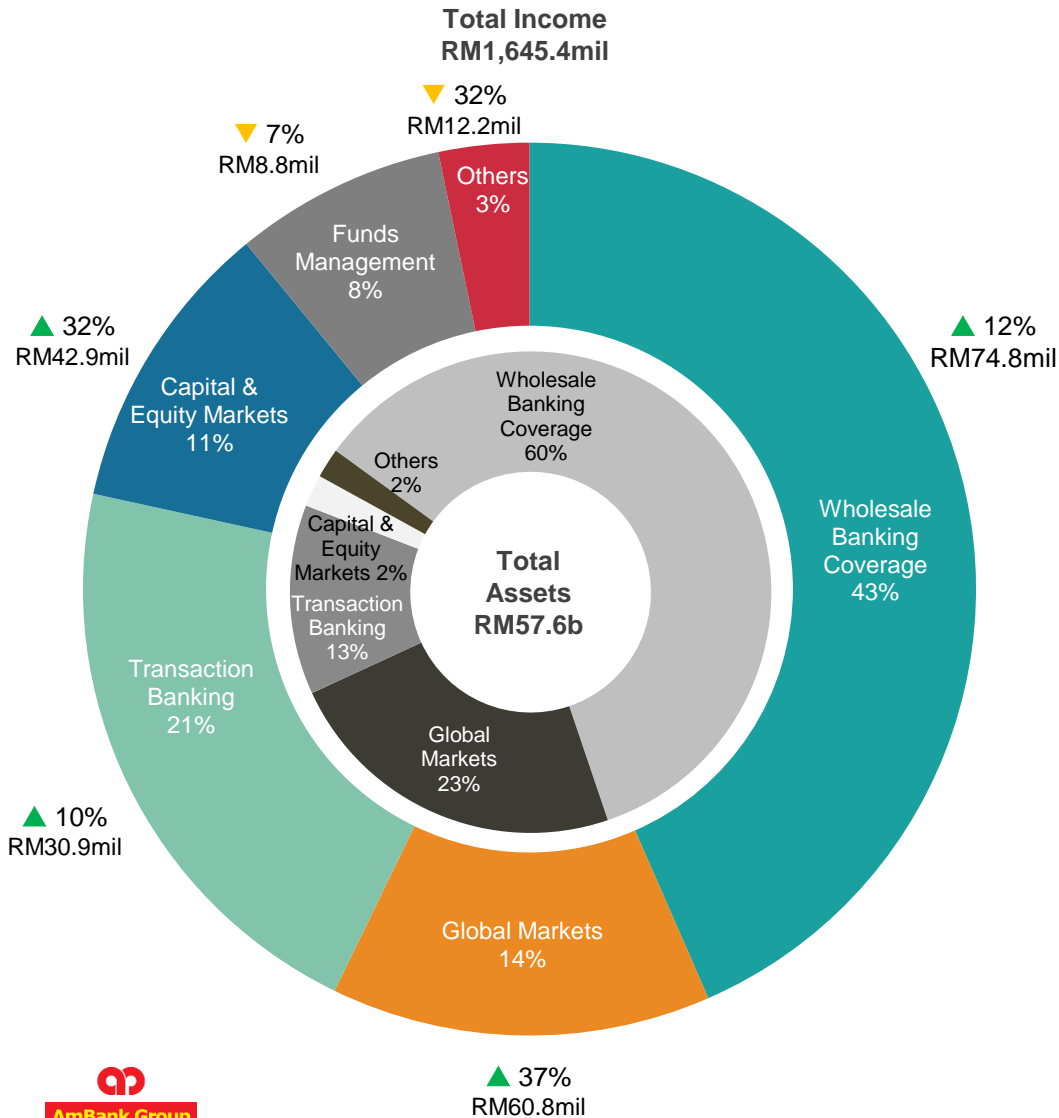


AmBank Group

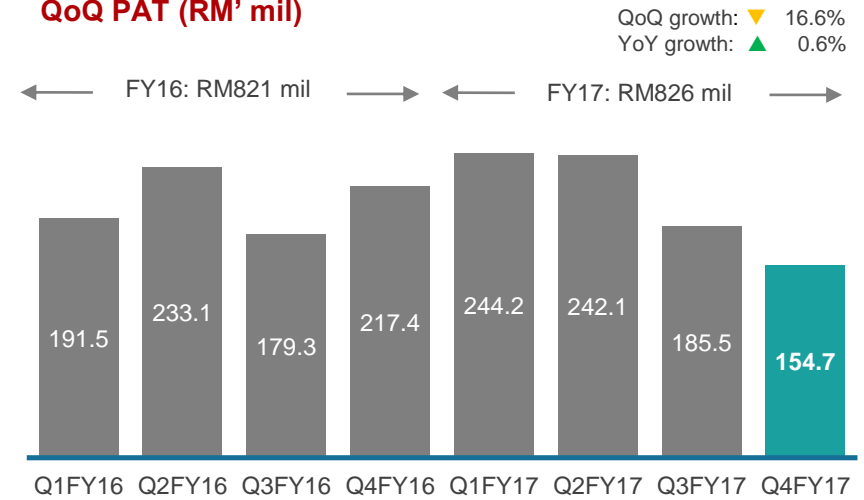
Wholesale Banking's income in key segments higher



Total Income (YoY Movement) and Total Assets by Line of Business



QoQ PAT (RM' mil)



Note: FY16, Q1FY17, Q2FY17 and Q3FY17 numbers have been restated due to realignment of business

- Wholesale Banking's total income up 13%
- Noll up 31% YoY reflecting trading gain from DCM syndication, higher fixed income trading and gain from disposal of foreclosed property
- NII benefits from SME segment growth and active COF management were offset by yield compression from Corporate loans
- PAT impacted by impairment of large corporate accounts in Q4FY17

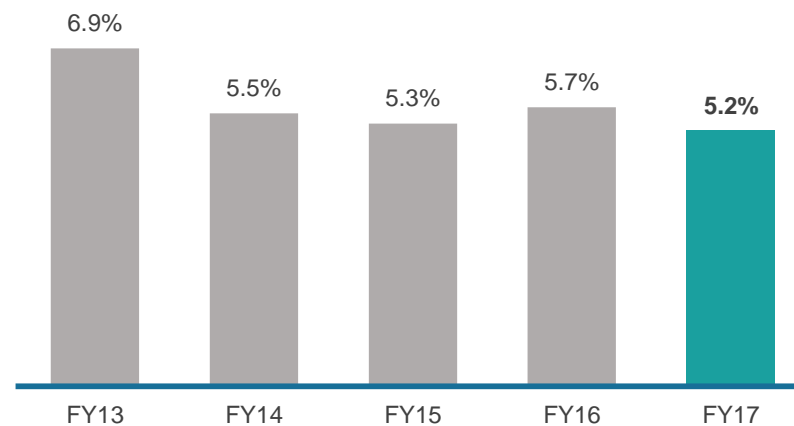
League Table

	Market Share ¹ As At 31 Mar 2017 (%)	Rank ²
DCM (Overall MYR Bonds)	29.5%	1 ▲
Islamic Sukuk	27.5%	1 ▲
Unit Trust	8.6%	5 ▼
Stockbroking	4.8%	7 ▶

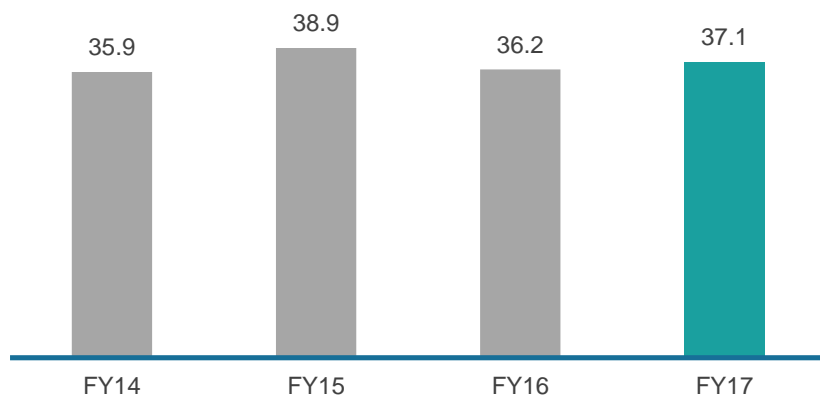
1. Calendar Year data

2. Comparing rank movement with 31 December 2016

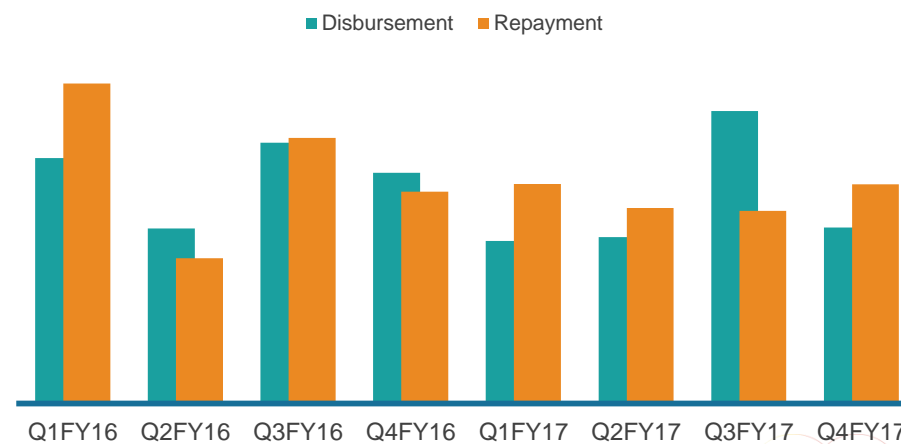
Market Share of Value Traded on Bursa (KLSE)



Unit Trust – AuM (RM' bil)



QoQ Loan Disbursement and Repayment (RM'bil)

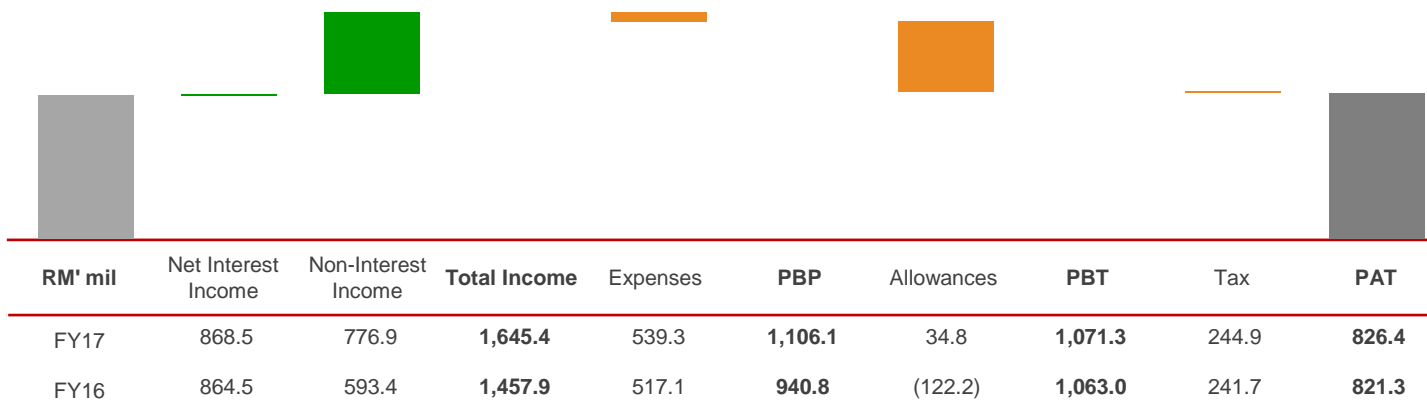


Wholesale Banking (Including Business Banking)



Income Statement (RM'mil)

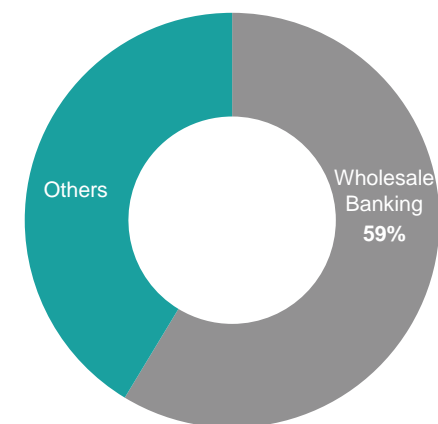
YoY growth ▲ 0.5% ▲ 30.9% ▲ 12.9% ▲ 4.3% ▲ 17.6% ▲ >100% ▲ 0.8% ▲ 1.3% ▲ 0.6%



Balance Sheet (RM'mil/%)

		FY16	FY17	FY17 vs FY16
Gross Loans / Financing		41,638.8	42,259.2	▲ +1.5%
Gross Impaired Loans	2.46%	924.7	1,040.2	▲ +12.5%
Customer Deposits		52,028.6	55,471.7	▲ +6.6%
CASA Deposits		8,994.7	9,351.3	▲ +4.0%
ROA		1.60%	1.55%	▼ -0.1%
CTI		35.2%	32.8%	▼ -2.4%
Allowance Coverage		52.5%	37.2%	▼ -15.4%
Ave Assets Management		46,774.3	46,500.2	▼ -0.6%

FY17 PAT
(composition of Group)



AmBank Group

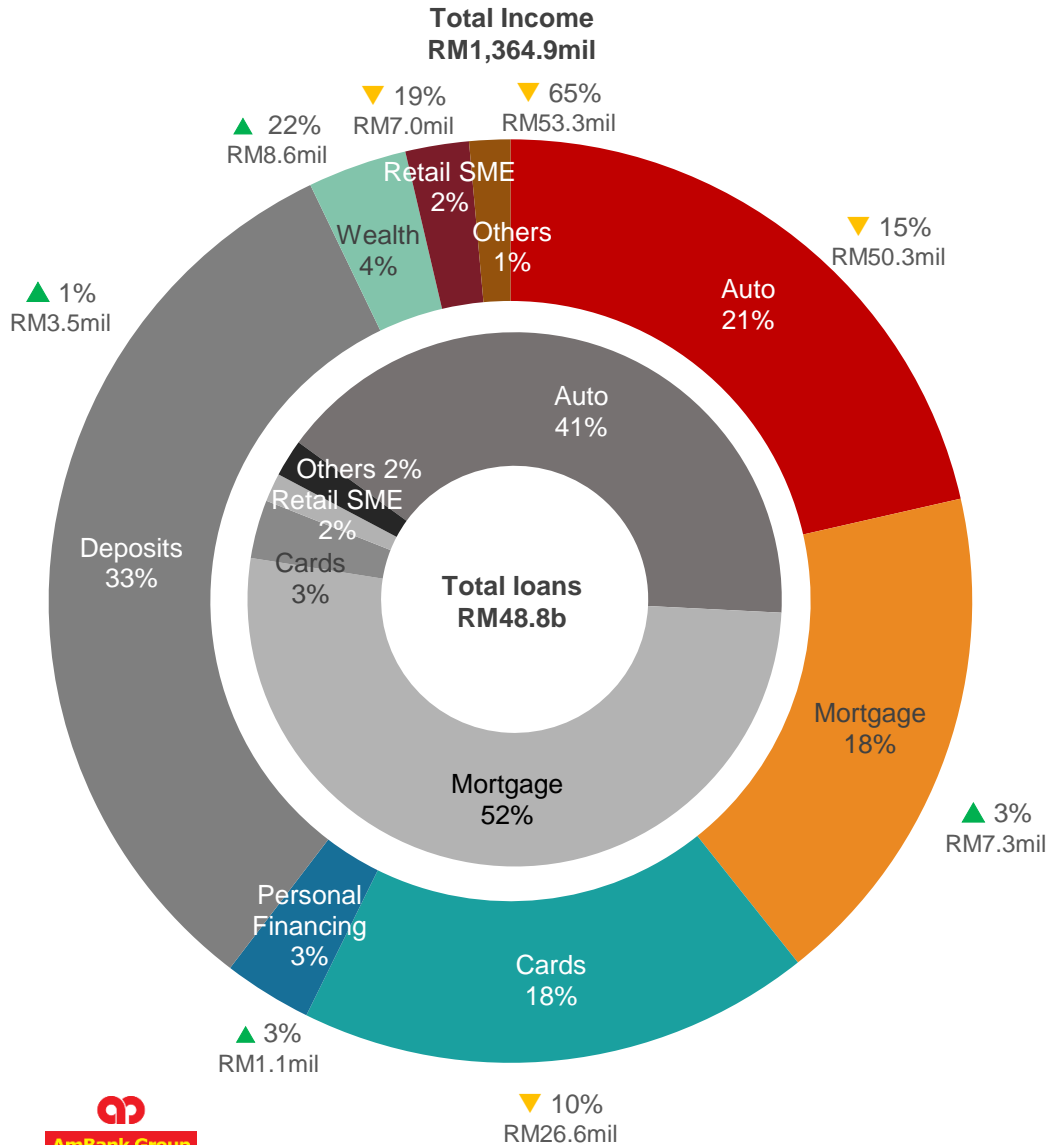
■ FY16 PAT ■ FY17 PAT ■ Positive growth in FY17 ■ Contraction in FY17



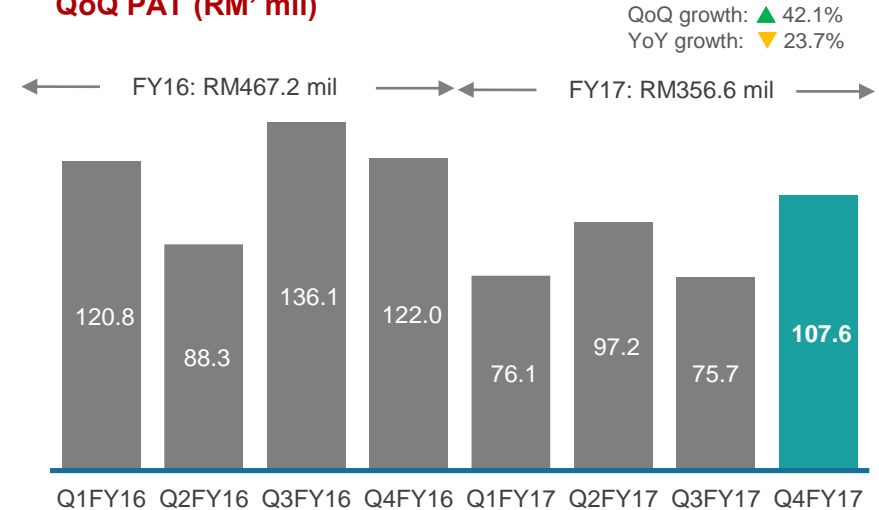
Retail Banking focusing on loans growth in preferred segments and higher non-interest income to mitigate margin compression



Total Income (YoY Movement) and Loans by Line of Business



QoQ PAT (RM' mil)



Note: FY16, Q1FY17, Q2FY17 and Q3FY17 numbers have been restated due to realignment of business

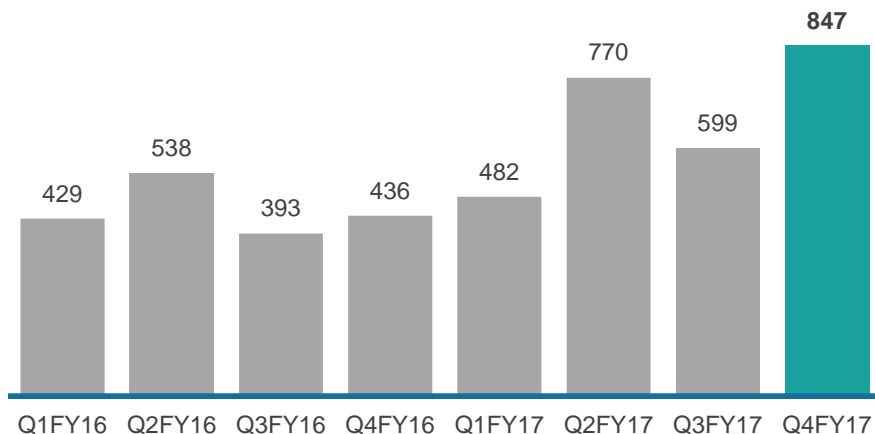
- Retail loans grew 5.4% driven by Mortgages and Cards. Auto loans contracted in line with lower domestic vehicle sales
- CASA up 7.7% contributed by payroll accounts and Retail SMEs
- Good growth momentum in sustainable fee income and leading indicators during the year such as Wealth Management sales, Cards acquisition & spending, Merchant volume and Mortgage net acceptance

Retail Banking Overview



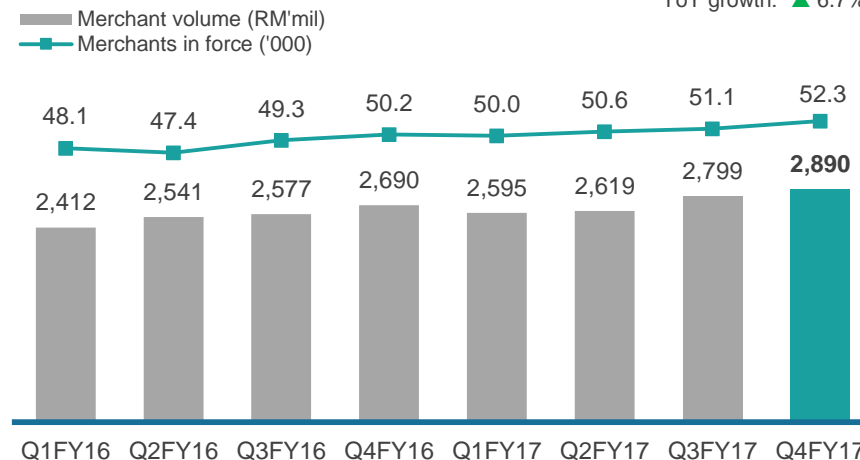
Wealth Sales (RM' mil)

QoQ growth: ▲ 41.4%
YoY growth: ▲ 150.2%



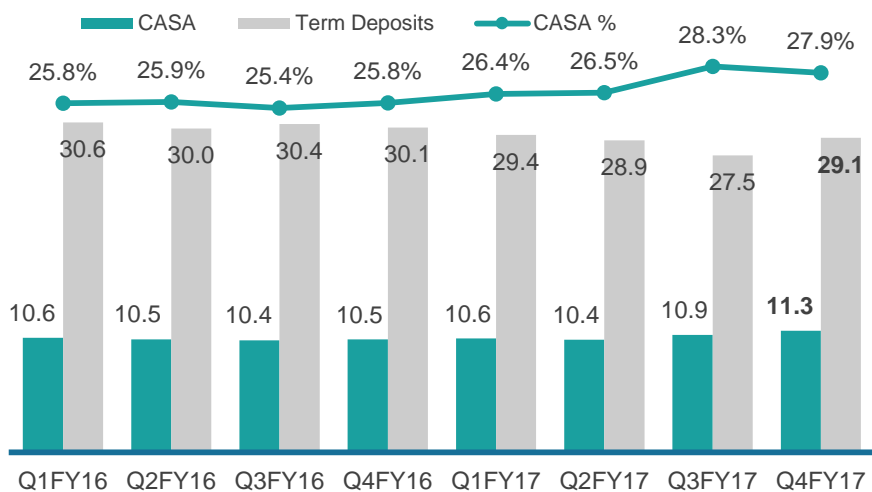
Merchant Volume

QoQ growth: ▲ 3.2%
YoY growth: ▲ 6.7%



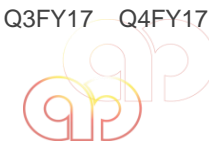
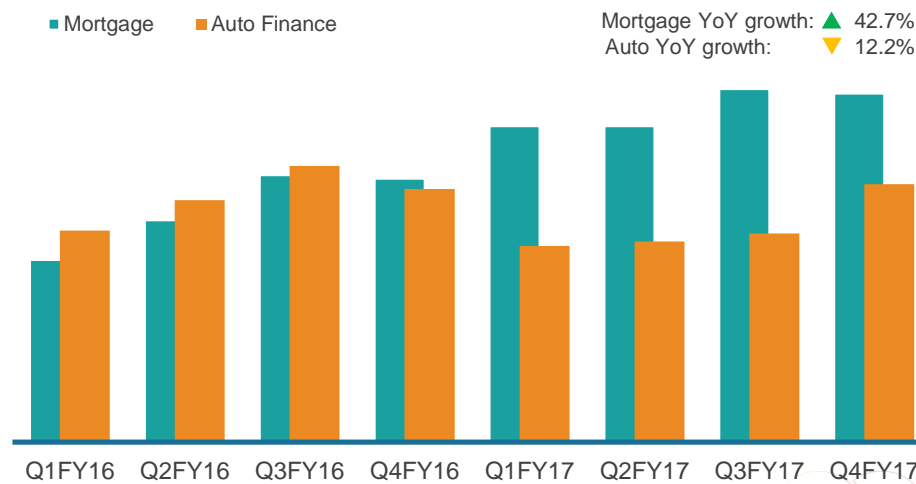
QoQ Deposit Balance (RM'bil)

YoY growth:
CASA: ▲ 7.7%
FD: ▼ 3.2%

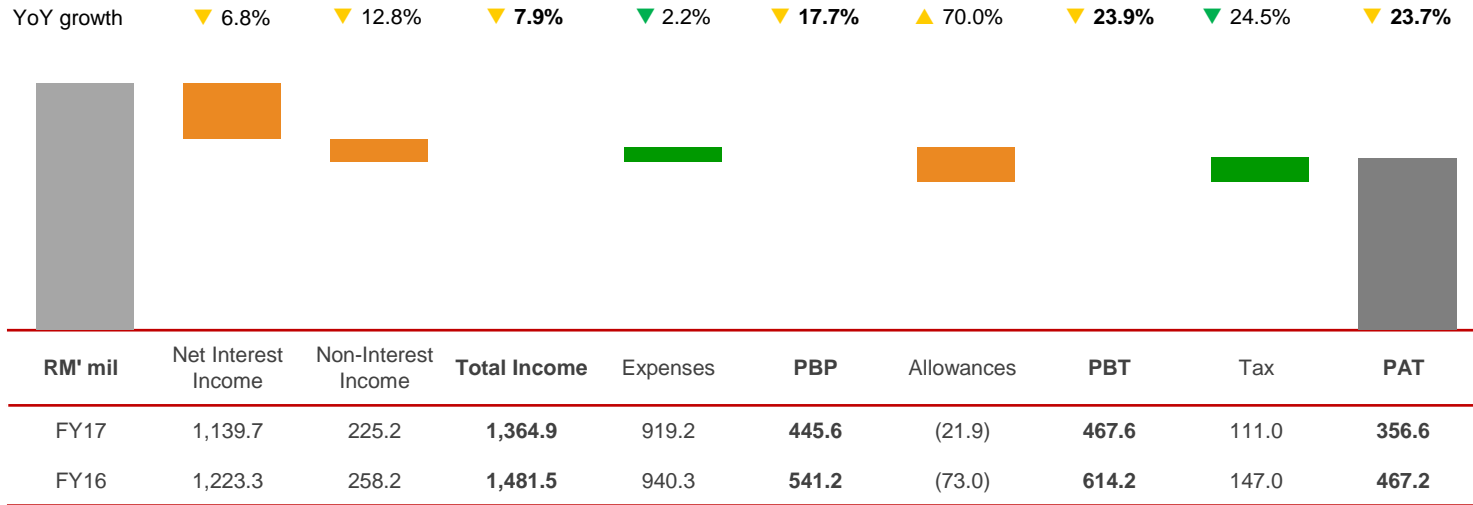


Mortgage and Auto Finance Disbursement QoQ (RM' bil)

Mortgage YoY growth: ▲ 42.7%
Auto YoY growth: ▼ 12.2%

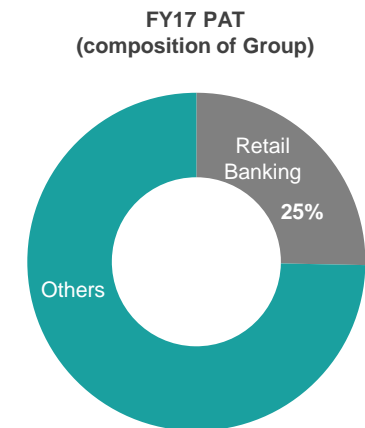


Income Statement (RM'mil)

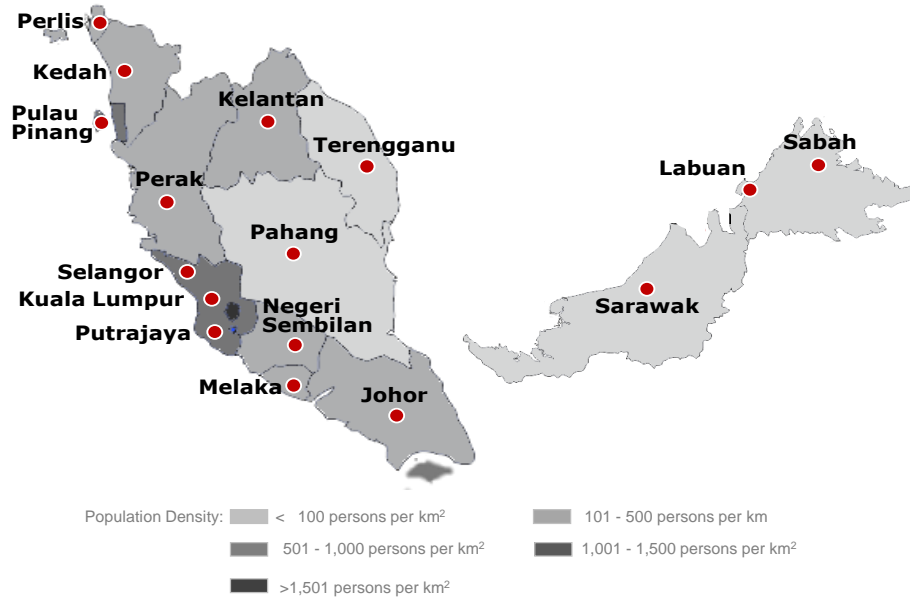


Balance Sheet (RM'mil/%)

		FY16	FY17	FY17 vs FY16
Gross Loans / Financing		46,302.6	48,782.5	▲ +5.4%
Gross Impaired Loans	 1.33%	775.7	649.1	▼ -16.3%
Customer Deposits		40,559.5	40,416.5	▼ -0.4%
CASA Deposits		10,461.6	11,271.3	▲ +7.7%
ROA		0.98%	0.74%	▼ -0.24%
CTI		63.5%	67.3%	▲ +3.8%
Allowance Coverage		60.1%	76.6%	▲ +16.5%



Retail Banking – Distribution channels



	Branches	ATM	Regional Offices
Perlis	1	3	
Kedah	6	24	1
Pulau Pinang	14	51	1
Perak	18	45	1
Selangor	38	221	2
Kuala Lumpur	23	105	3
Putrajaya	1	3	
Negeri Sembilan	7	38	
Melaka	6	34	1
Johor	21	81	1
Pahang	9	29	1
Terengganu	4	16	
Kelantan	2	16	
Sabah	9	40	1
Labuan	1	3	
Sarawak	15	57	1
	175	766	13

Other Customer Touch Points

SME branches	AmBank Islamic branches	Weekend banking branches	ATMs @ 7-Eleven	Electronic banking centres	Internet & mobile banking	AmGeneral	AmMetlife	AmInvestment Bank	AmCard Services MBC ²
175 (140 Cluster Branches)	3	29	266	183	AmOnline AmGenie	29 branches 3 counters	15 branches 48 agencies	7 retail broking 6 corporate	25

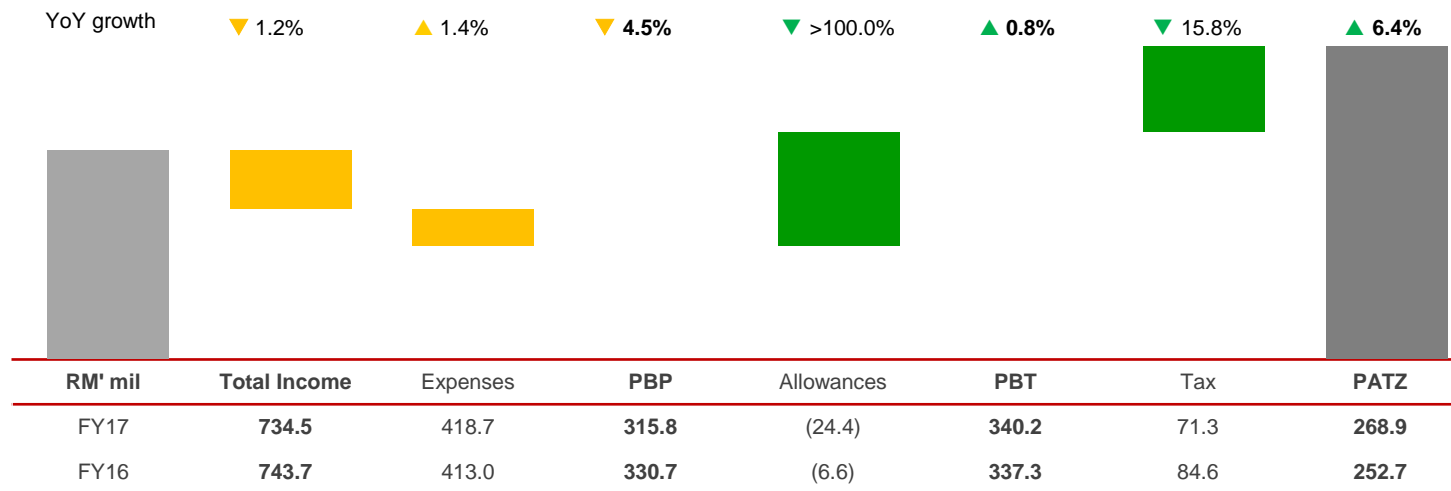


AmBank Group

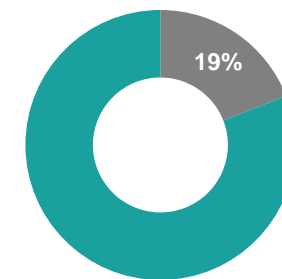
1. MBC – Merchant Business Centres



Income Statement (RM'mil)



FY17 PAT (composition of Group)

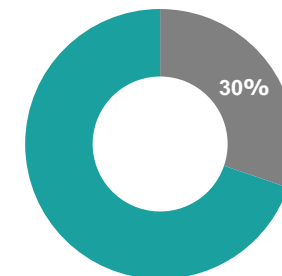


PATZ: profit after tax and zakat

Balance Sheet (RM'mil/%)

		FY16	FY17	FY17 vs FY16
Gross Financing		27,784.7	27,508.1	▼ -1.0%
Gross Impaired Financing		605.2	488.7	▼ -19.2%
Customer Deposits		28,383.8	26,891.7	▼ -5.3%
CASA Deposits		5,861.9	6,365.1	▲ +8.6%
ROA		0.64%	0.71%	▲ +0.07%
CTI		55.5%	57.0%	▲ +1.5%
Allowance Coverage		65.0%	54.9%	▼ -10.0%

FY17 Gross Financing (composition of Group)



General insurance sustained Gross Premium and improved historical claims experience



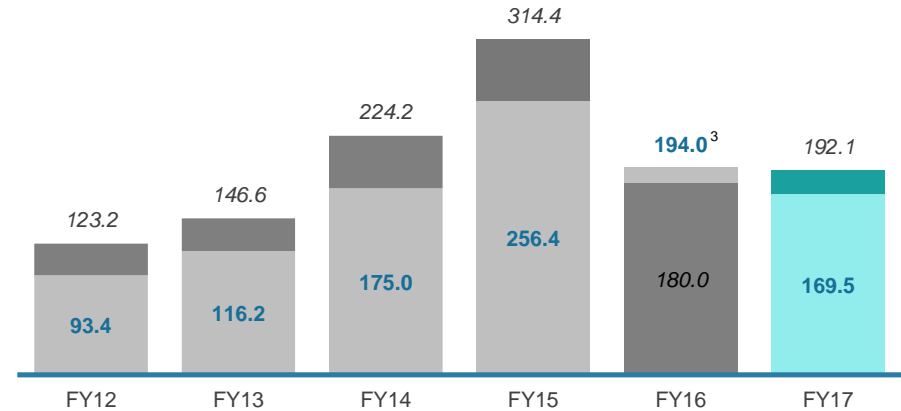
- PBT increased 6.7% YoY from improved historical claims experience and gain on disposal of properties, partially offset by higher expenses
- Gross written premium (GWP) sustained on higher non-motor insurance with a growth of 6.3% YoY. Lower motor sales impacted motor premiums
- Key operating ratios remained strong with combined ratio stable at 96.9% whilst loss ratio improved to 62.9%, driven by increase in tariff rates for Motor

YoY PAT (RM' mil)

■ PAT ■ PBT

YoY PAT growth: ▼ 12.6%

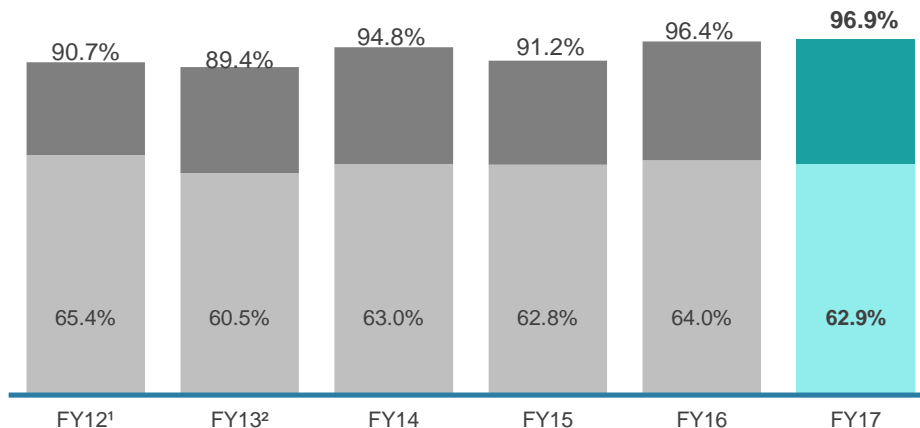
YoY PBT growth: ▲ 6.7%



3. Includes write-back of prior year tax provisions

Loss Ratio and Combined Ratio

■ Loss Ratio ■ Combined Ratio



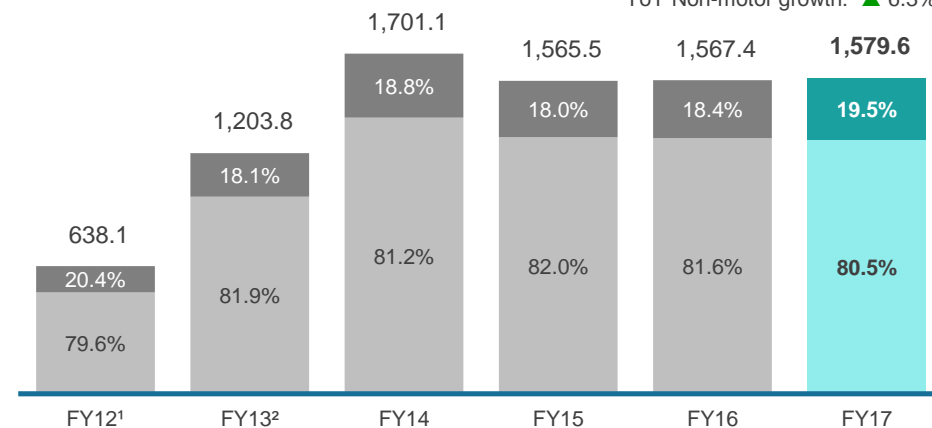
Premium Mix and Growth (RM' mil)

■ Motor ■ Non-Motor

YoY GWP growth: ▲ 0.8%

YoY Motor growth: ▼ 0.5%

YoY Non-motor growth: ▲ 6.3%



NB: The Malaysian Competition Commission is investigating the wider general insurance industry in connection with agreements implemented by PIAM (the General Insurance Association of Malaysia) in relation to the automobile repair industry.



AmBank Group

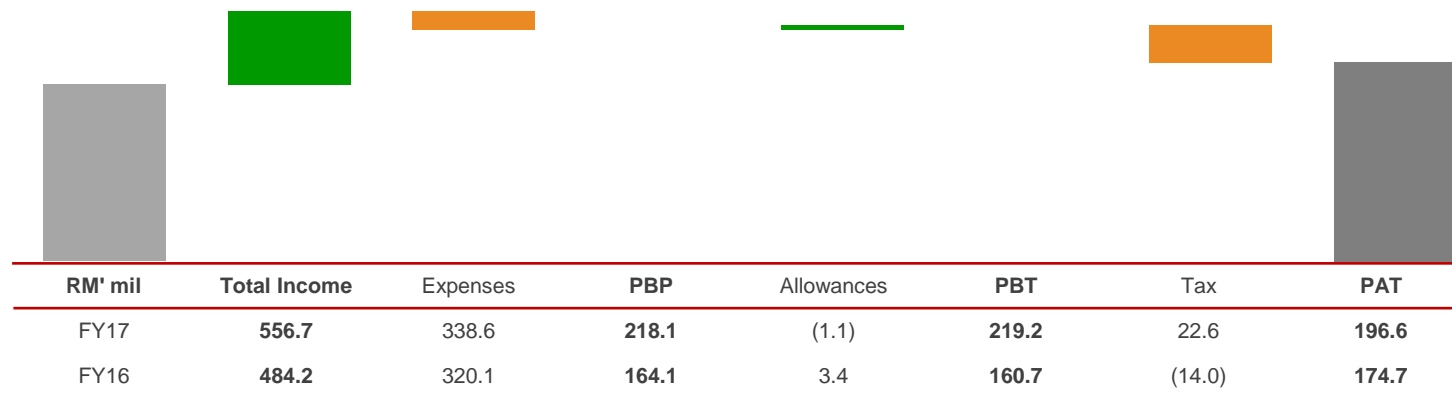
1. Before acquisition of Kurnia
2. Included 6 months of Kurnia's results (Acquisition of Kurnia completed on 26 Sep 2012)



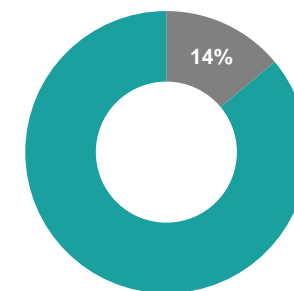
Insurance and Group Funding & Others

Income Statement – Insurance (General & Life/Takaful) (RM'mil)

YoY growth ▲ 15.0% ▲ 5.8% ▲ 32.9% ▼ >100.0% ▲ 36.4% ▲ >100.0% ▲ 12.5%

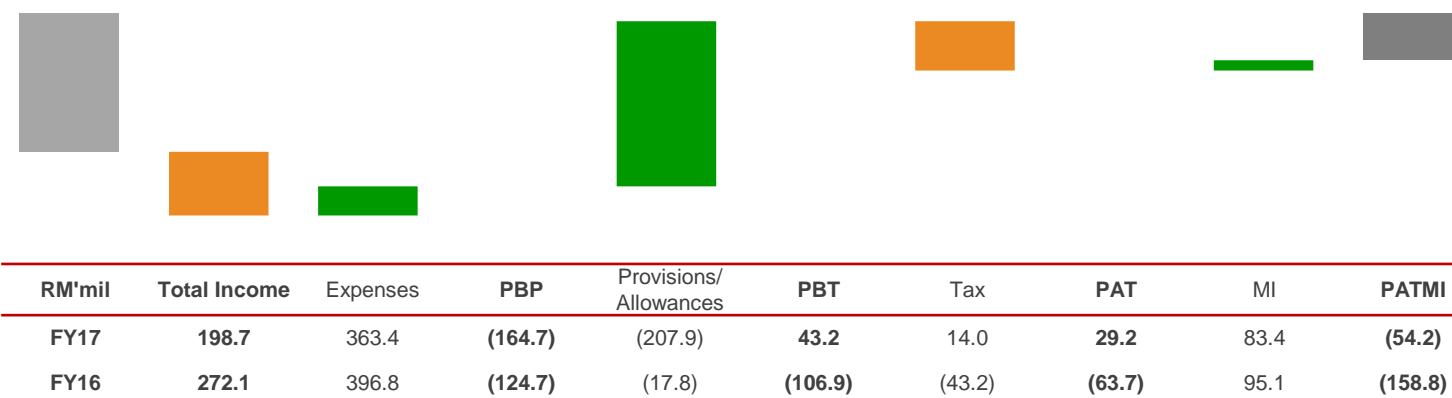


FY17 PAT
(composition of Group)

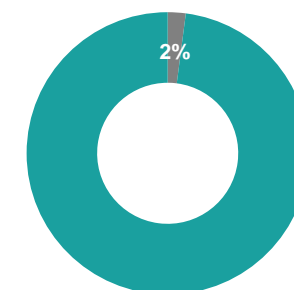


Income Statement – Group Funding & Others (RM'mil)

YoY growth ▼ 27.0% ▼ 8.4% ▼ 32.1% ▼ >100.0% ▲ >100.0% ▲ >100.0% ▲ >100.0% ▼ 12.3% ▲ 66.1%



FY17 PAT
(composition of Group)



Funding sources and maturity profile

Funding diversity underpinned by

LDR¹ of 85.7%

CASA: RM19.9 billion

Fixed deposits: RM74.2 billion

Supplemented by term funding & debt capital

AMMB Holdings Berhad

1. RM2b Medium Term Notes Programme (Senior and/or Subordinated)
2. RM10b Basel III-Compliant Tier 2 Subordinated Notes Programme

AmBank (M) Berhad

1. RM500m Innovative Tier-1 Capital Securities Programme
2. RM500m Non-innovative Tier 1 Capital Securities Programme
3. RM2b Medium Term Notes
4. RM4b Tier-2 Subordinated Notes
5. RM7b Senior Notes²
6. USD2b Euro Medium Term Notes

AmBank Islamic Berhad

1. RM2b Subordinated Sukuk Musharakah Programme
2. RM3b Senior Sukuk Musyarakah Programme
3. RM3b Basel III-compliant Subordinated Sukuk Murabahah Programme via Tawarruq arrangement

AmBank (M) Berhad & AmBank Islamic Berhad

Loans with Recourse

Recourse obligations on loans sold to Cagamas - maturing in 2017 and 2018

Islamic financing sold to Cagamas – maturing in 2018

Funding characteristics

- Improve funding stability, maturity gap and liquidity ratios
- Reduce dependence on short-dated deposits to fund long-dated fixed rate loan assets which incur liquidity risk and interest rate risk
- Diversifies investor base
- No obligation for buy back since we are not exposed to withdrawal risks and the notes are traded in the open market
- Enable depositors to invest in long and medium dated papers



AmBank Group

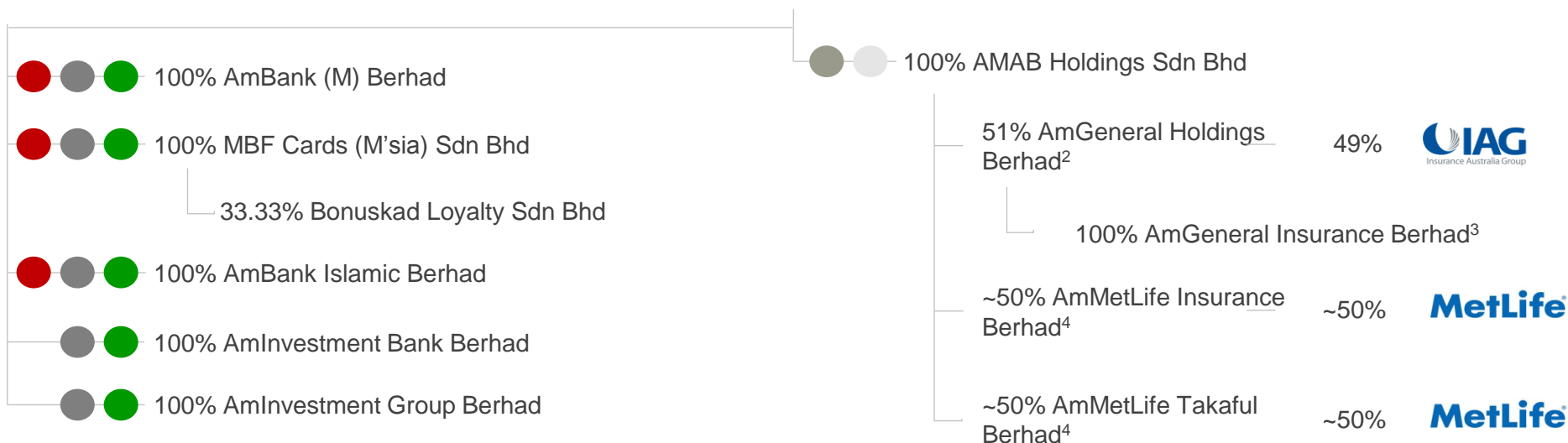
1. Includes stable funding sources from additional Tier 1 and Tier 2 capital which do not meet all qualifying criteria for full recognition of capital instruments under Basel III
2. 1st senior notes issuance by a financial institution in Malaysia



Shareholding structure



AMMB Holdings Berhad



Foreign shareholding excluding ANZ

FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
27%	26%	29%	31%	29%	26%	26%



1. ANZ: ANZ Funds Pty Ltd, a wholly owned subsidiary of Australia and New Zealand Banking Group Limited
 2. Formerly known as AmG Insurance Berhad
 3. Formerly known as Kurnia Insurans (Malaysia) Berhad
 4. MetLife owns 50% plus one share in AmMetLife Insurance Berhad, with the remaining shares held by AmBank Group, and AmBank Group owns 50% plus one share in AmMetLife Takaful Berhad, with the remaining shares owned by MetLife



Banking sector share price movement/target price and recommendations

Upgraded Ratings

	Ratings	FY2007	FY2017	
AmBank (M)	RAM	LT: A2, ST: P1 Outlook: Stable	LT: AA2, ST: P1 Outlook: Stable	+3
	S&P	LT: BBB-, ST: A-3 Outlook: Stable	LT: BBB+, ST: A-2 Outlook: Stable	+2
	Moody's	LT: Baa2, ST: P-3 Outlook: Stable BFSR: D-	LT: Baa1, ST: P-2 Outlook: Stable *BCA: baa3 *Adj BCA: baa3	+1
AmInvestment	RAM	LT: AA3, ST: P1 Outlook: Stable	LT: AA2, ST: P1 Outlook: Stable	+3
AmBank Islamic	RAM	LT: A2, ST: P1 Outlook: Stable	LT: AA2, ST: P1 Outlook: Stable	
AMMB	RAM	NA	LT: AA3, ST: P1 Outlook: Stable	+3

* Maintained since 16 Jun 15

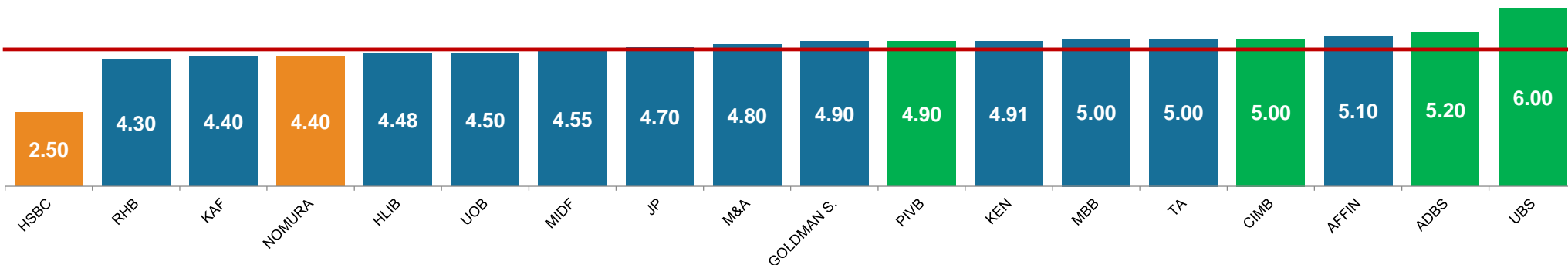
+1 Notches of ratings upgrades since 2007

Target Price and Recommendations

P/EPS : 10.80
P/BV : 0.96

Market Price: RM 5.17 ▲

Average TP : RM 4.70
Buy : 4 (22%)
Hold : 12 (67%)
Sell : 2 (11%)
Ave. TP/ CP : 1.00x



AmBank Group

■ Buy/Outperform/Overweight/Add P/EPS & P/BV

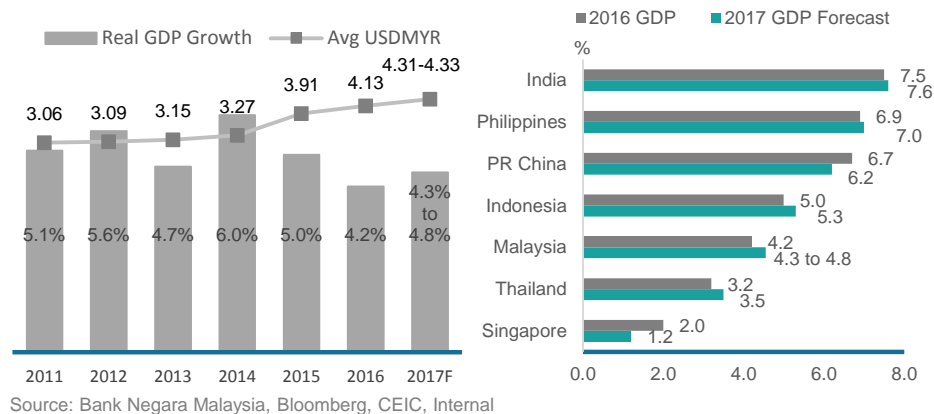
Source : Bloomberg as at 22 Apr 2017

■ Hold/Neutral/Market perform

■ Sell/Underperform/Fully valued/Reduce/Underweight

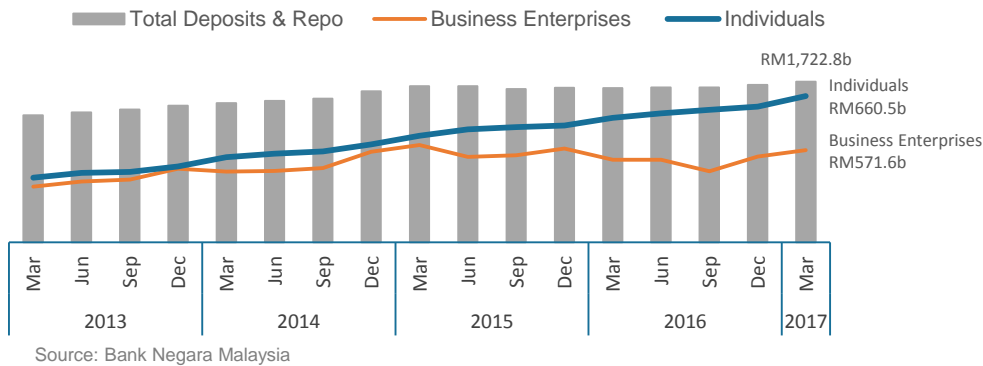
— TP: target price





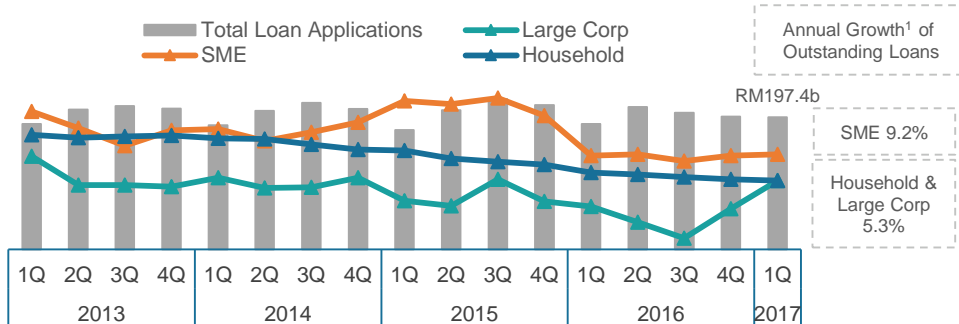
Malaysia's GDP Growth

- GDP grew 4.2% for CY16 supported by private consumption. Private investment moderated to 4.7% led by capital spending in services and manufacturing
- GDP forecast to grow at 4.3% – 4.8% for CY17 led by continued expansion in domestic activities and stronger exports from improving global economy
- 1Q2017 GDP recorded higher growth of 5.6% mainly driven by private sector activity and higher exports



Industry Deposits Growth (RM'bil)

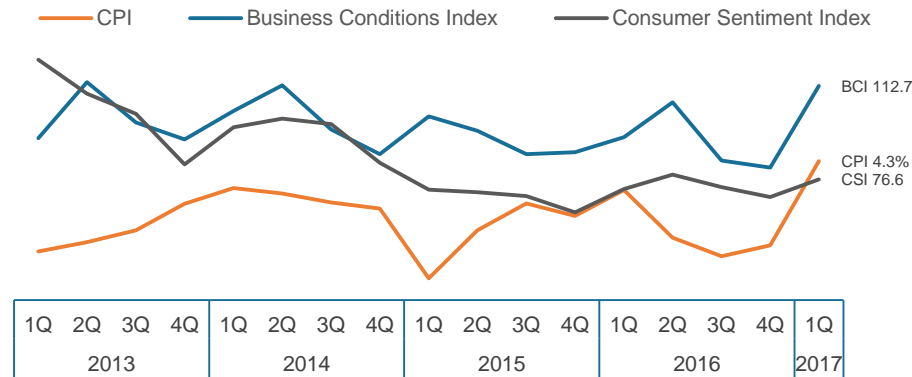
- The banking system's total deposits² grew 2.0% for CY16 (CY15: 2.3%) mainly due to a decline in deposits placed by businesses (CY16: -2.3%, CY15: 0.9%). Nevertheless, household deposits continued to register a healthy growth of 5.1% during the year (CY15: 5.3%)



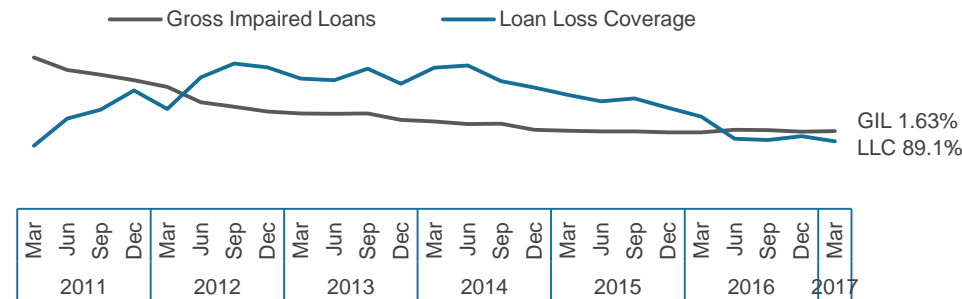
Total Loan Applications (RM'bil) and Industry Loan Growth

- The banking system's loans is expected to grow between 5.0% - 6.0% in CY17, supported by modest growth in retail loans especially in mortgage loans for affordable homes and improvement in business loans from higher exports and firmer commodity prices

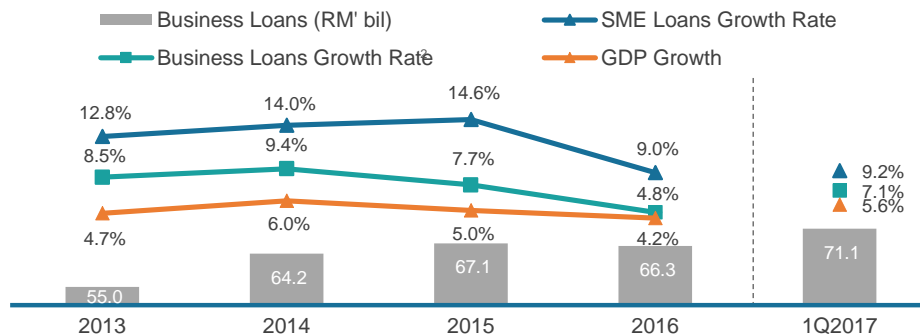
1. Annual growth is for end-period
 2. Excluding deposits by banks
 3. Source: Bank Negara Malaysia



Source: Bank Negara Malaysia, MIER



1. Source: Bank Negara Malaysia, excludes regulatory reserve



2. Monthly average of loan disbursements to businesses, including SMEs
Source: Bank Negara Malaysia

Business and Consumer Confidence Recovering

- Inflation is projected to be higher at 3.8% - 4.0% (CY16: 2.1%) reflecting the impact of persistent weakness of the ringgit and higher commodity prices, especially on retail fuel price
- Consumer Sentiment Index retreating affected by a confluence of global and domestic factors, including the heightened volatility in financial markets and the prolonged underperformance of the ringgit

Industry Asset Quality

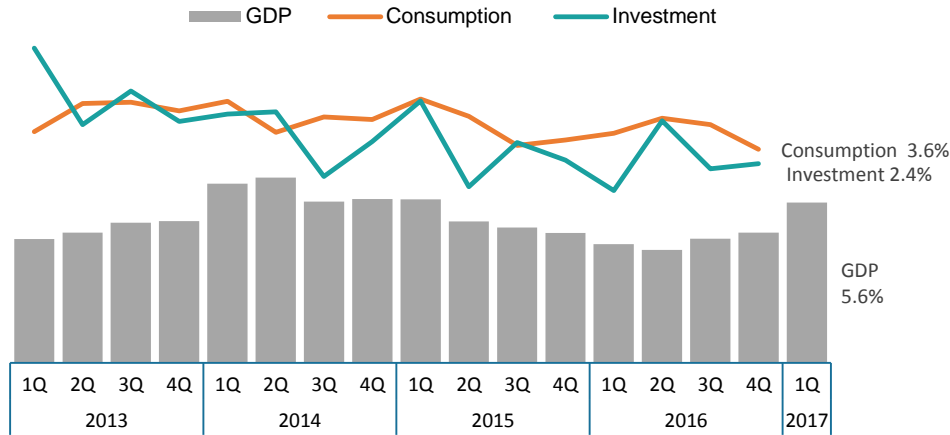
- In an environment of cautious business sentiment and continued uncertainty in the economy, managing asset quality remains a core focus for industry players and stakeholders alike

System SME loans Growth Outpaced GDP Growth

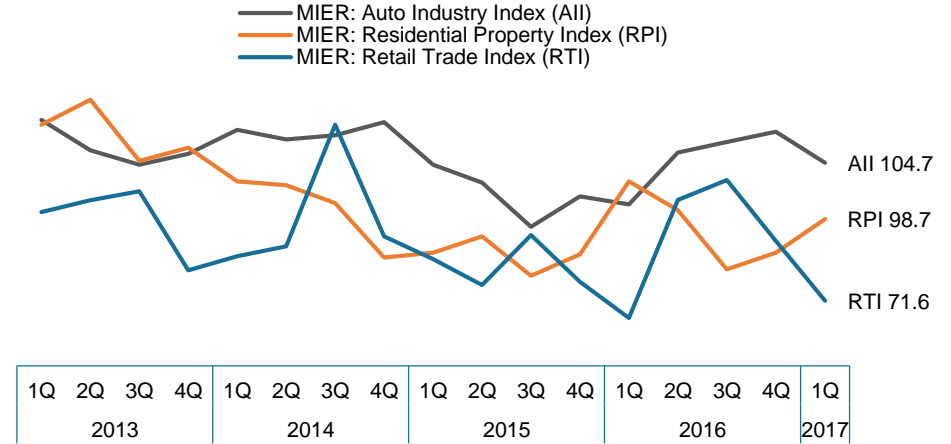
- The growth in financing to SMEs continued to remain healthy at 9.0% as at end-December 2016 benefitting from the various Governmental incentives aimed at spurring business activities and provide impetus to SMEs

Key economy indicators

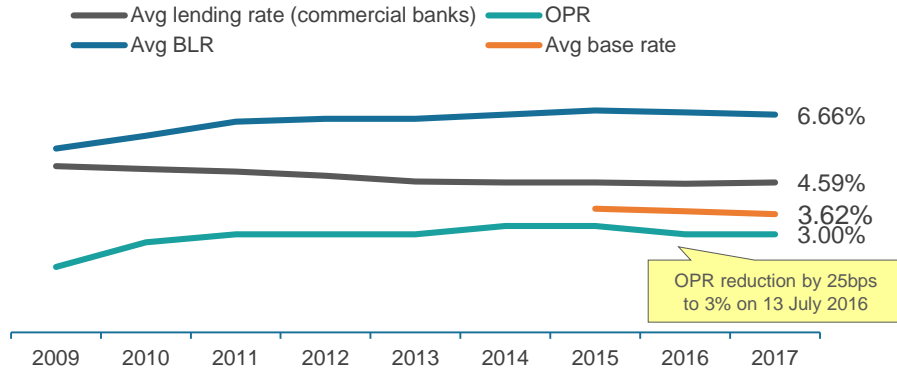
GDP, Consumption and Investment Growth



Consumer Indices

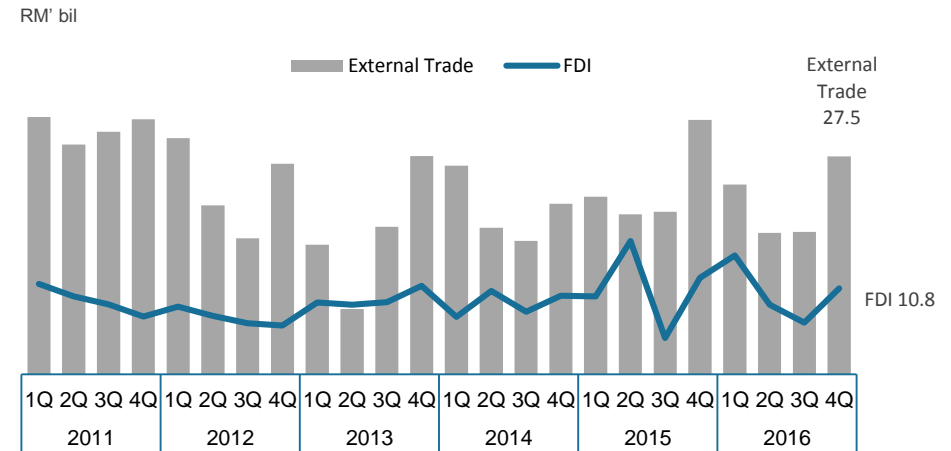


Key Interest Rates



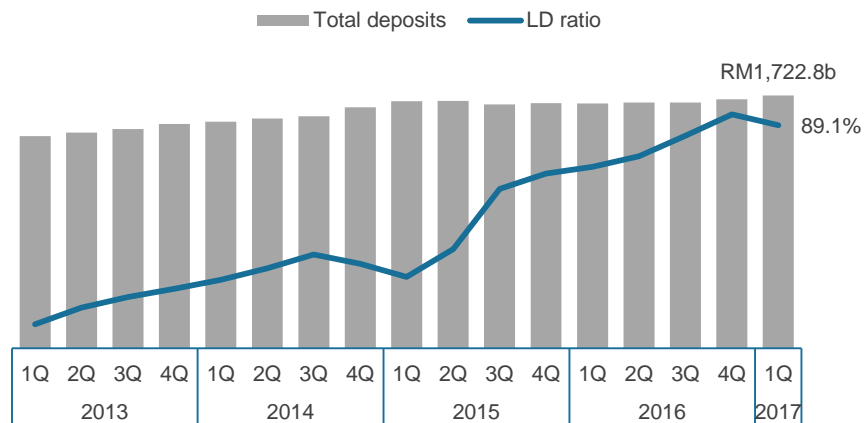
* Effective 2 January 2015, the Base Rate would replace the Base Lending Rate as the main reference rate for new retail floating rate loans

FDI Flow and Trade Balance

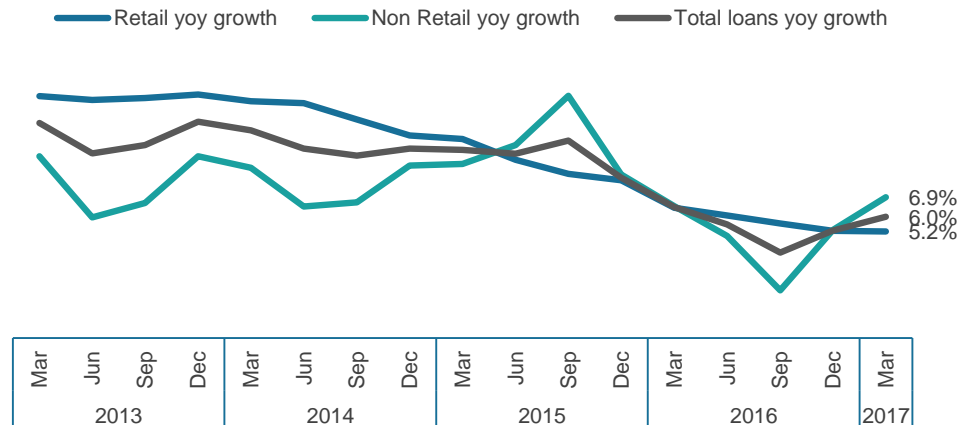


Banking system data

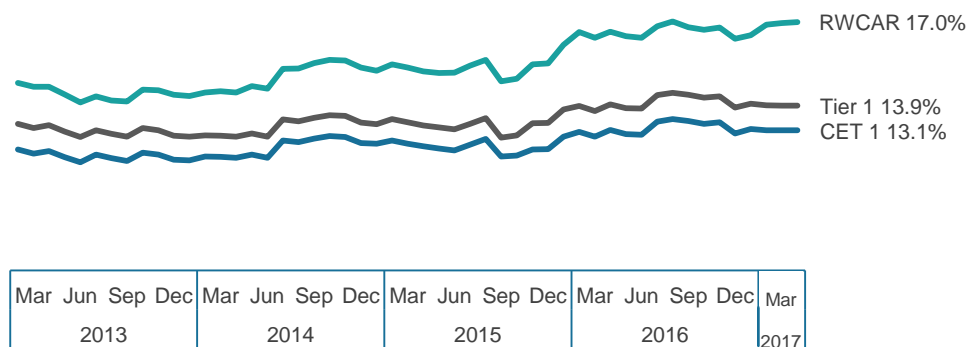
Deposits Growth



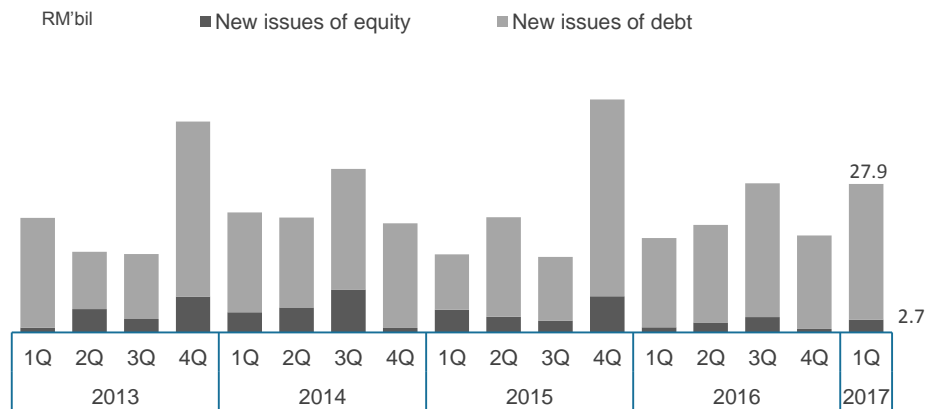
Loans Growth



Capital Ratios



Capital Activities



Beginning January 2013, capital components are reported based on Basel III Capital Adequacy Framework



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Reported Performance

Reported performance refers to the financial performance as reported in the audited financial statements and disclosed to the market

One Offs

One offs comprise those impacts on financial performance that arise from changes to :

- accounting and provisioning policies (eg 5 and 7 year rules)
- differences between economic and accounting hedges
- prior period catch ups (eg backdated salary costs)
- strategic investments and divestments (eg ANZ partnership), and
- tax and regulatory regimes (eg deferred tax asset write off due to reduction in corporate tax rates)

Underlying Performance

Underlying performance refers to the financial performance adjusted for one off impacts as above

Business Divisions

Business divisions

- comprise AmBank Group's core operating businesses that generate profits from direct customer transactions and interactions
- have relatively more stable income streams, incur the bulk of the costs and typically have a lower risk profile
- in most instances have market shares and growth metrics that can be measured and benchmarked externally

Operating Segments

Operating segments

- have more volatile and lumpy income streams, with the former a direct function of risk appetite
- include
 - income and expenses associated with shareholder funds, loan rehabilitation and legacy businesses, plus
 - costs associated with corporate, shared services and governance functions currently not charged back to the business units

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