



AmBank Group

9MFY2017 - Results Investor Presentation

24 February 2017



9MFY2017 – Results

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9MFY2017

- Quick take on our results

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GCEO

- 9MFY2017 progress
- Strategic priorities
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GCFO

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- FY2017 expectations

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Supplementary information

- Group performance & financial details
- Divisional performance
- Economic data

Performance indicators

RM' mil	Q3FY17	9MFY17	QoQ Growth	YoY Growth	Forecast FY17	Progress Status
Total Income	853.4	2,758.9	▼10.6%	▼1.2%		
Expenses	517.9	1,577.9	▼1.3%	▲1.6%		
Allowances	(73.3)	(179.5)	▼73.0%	▼18.4%		
PATMI	313.2	988.8	▼11.2%	▼3.3%	Circa 5%	●
ROE	8.0%	8.5%	▼1.0%	▼0.7%	Circa 8.5-9%	●
CTI	60.7%	57.2%	▲5.7%	▲1.5%	≤57%	●
NIM	2.02%	1.96%			Circa 1.93%	●
Gross Impaired Loans ratio		1.54%			<2.0%	●
CASA Composition		21.5%			Circa 22%	●
Capital¹ and Dividend						
- CET 1		11.6% ²			10% +/-1%	●
- Tier 1		12.6% ²				
- Total		16.1% ²				
- Dividend Payout					Circa ~ 40%	●

Note:

1. Based on Aggregated Banking Entities

2. Proforma, based on Retained Earnings as at 31 December 2016

9MFY2017 update

Performance highlights:

- **PATMI** ↓ 3.3% YoY reflecting margin pressures offsetting higher recoveries and NoII benefits
- **QoQ NIM** ↑10 bps as COF eased from optimisation of funding and deposits whilst managing pricing
- **Lower** performing provisions and higher recoveries reflecting improving asset quality
- **Process re-engineering** and prudent cost management has yielded RM116 million in savings
- **Sustaining** asset quality (Q3 GIL @ 1.54%) and fully loaded indicative CET 1 ratio at 10.9%¹
- **Improving loans growth** movement, 3.2%↑YoY led by Mortgage, SME and Trade loans
- YTD CASA movement flat, CASA ratio improved marginally to 21.5%
- **Strong liquidity** with LCRs for all banking entities above regulatory requirements

Top 4 progress update (including Running the Bank Better and Changing the Bank):

- The initial phase of Top 4 strategic initiatives **achieving 77% of estimated benefits** for FY17. Key emphasis for FY17 include building up SME, Cards & merchants, CASA penetration, markets (FX) and cost optimisation initiatives.
- **People and culture**: Senior management succession plan nearing completion
- **Challenges**: YoY NIM compression, speed of growth in CASA penetration, continuing to sustain asset quality (O&G and non-residential property sectors)
- **Sustainable growth expected in 2017**: Focus on preferred segments vis-à-vis risk appetite, profitability opportunities and customer expectations

1. Proforma, based on Retained Earnings as at 31 December 2016

Recap: AmBank Group's Top 4 Aspirations

Our aspirations by the year 2020 in key segments



How we measure ourselves

Financial metrics

1. Market capitalisation (relative)
2. Revenue growth
3. ROE
4. P/E
5. NIM
6. CTI
7. GIL ratio

Non-financial metrics

8. Customer turnaround time and customer satisfaction
9. Trusted brand
10. Employee engagement and attractiveness to best talent

Our Strategic Priorities

Considering growth areas, white spaces and our capabilities

Strategic Priorities	Firing up new growth engines	Attain market leadership in key segments & products	Setting up for success	Optimise current engines
	<p>Win in fast growing, underserved segment:</p> <ul style="list-style-type: none"> SME Mid Corp Mass Affluent Affluent 	<ul style="list-style-type: none"> Build up Transaction Banking and Markets cross sell business Develop an integrated cards and merchant ecosystem Lead the market with an advisory-led wealth management proposition 	<ul style="list-style-type: none"> Digital transformation – channels, processes, productivity, analytics Leverage distribution footprint, partnerships and new digital channels Breakdown organisational silos, people focus, talent & culture Risk and compliance 	<ul style="list-style-type: none"> Leverage strengths in corporate and investment banking Strengthen retail deposit franchise Harness value in Mass Market customer base

Strategic Initiatives	Retail & Islamic	Wholesale	Digital & Analytics	Enablers
	<ol style="list-style-type: none"> Focus on mass affluent proposition & wealth management Drive merchant & cards solutions Drive CASA growth Continue to enhance Retail SME proposition Penetration into Islamic “blue ocean” 	<ol style="list-style-type: none"> Identify needs-based segments & develop proposition – SME & Mid Corp Boost transaction banking capabilities Amplify wealth solutions Service differentiation through industry insight, upgrade RM capacity, product solutions, etc. 	<ol style="list-style-type: none"> Enhance sales tools & system to support frontline Integrated online banking platform with online acquisition capabilities Develop analytic capabilities Digitise processes and develop straight through processing <p><i>Building digital capability</i></p>	<ol style="list-style-type: none"> Talent management & role based development Initiate performance culture change programme Re-engineer & digitise credit process Cost & resource optimisation Brand re-positioning

Retail Banking **Heartbeat ...**

Mortgage

Stronger net acceptance, doubled MRTA income
Focus on secondary market to drive disbursements for more immediate income recognition
Improving returns via reducing cost to serve and managing attrition

Auto Finance

New partnership with national carmakers is increasing share of new launches
Improved asset quality – lower delinquencies and impaired loans

Deposits

Repositioned CASA to manage portfolio returns
Leveraging on Transaction Banking to increase penetration of payroll accounts
Increasing penetration to Merchant CASA via enhanced value proposition

Cards

Introducing product innovation through Co-branded cards/partnerships to drive increased usage
Launched AmBank BonusLink VISA Credit Card

Merchants

Chain store strategy driving merchant acquisitions and volumes (merchants up 1% QoQ and volumes up 6.2% YTD)
Merchant CASA proposition – 29% penetration as of Dec 16
Enhanced onboarding process

Wealth

- Intensifying focus through new collaboration and expanded sales staff
- Appointed agent for ASNB in early Jan'17

Wholesale Banking **Heartbeat ...**

SME

A major growth catalyst has been new strategic tie-ups (e.g. CGC)
Collaboration with CGC encouraging with extension of a further RM300m via Portfolio Guarantee scheme
New product value proposition driving new business and recent loans growth momentum

Mid Corp

- Improving credit approval efficiency to heighten growth: TAT reduced by 50%
- Reactivation of inactive e-AmBiz customers in progress through new engagements and financial solutions

Transaction Banking

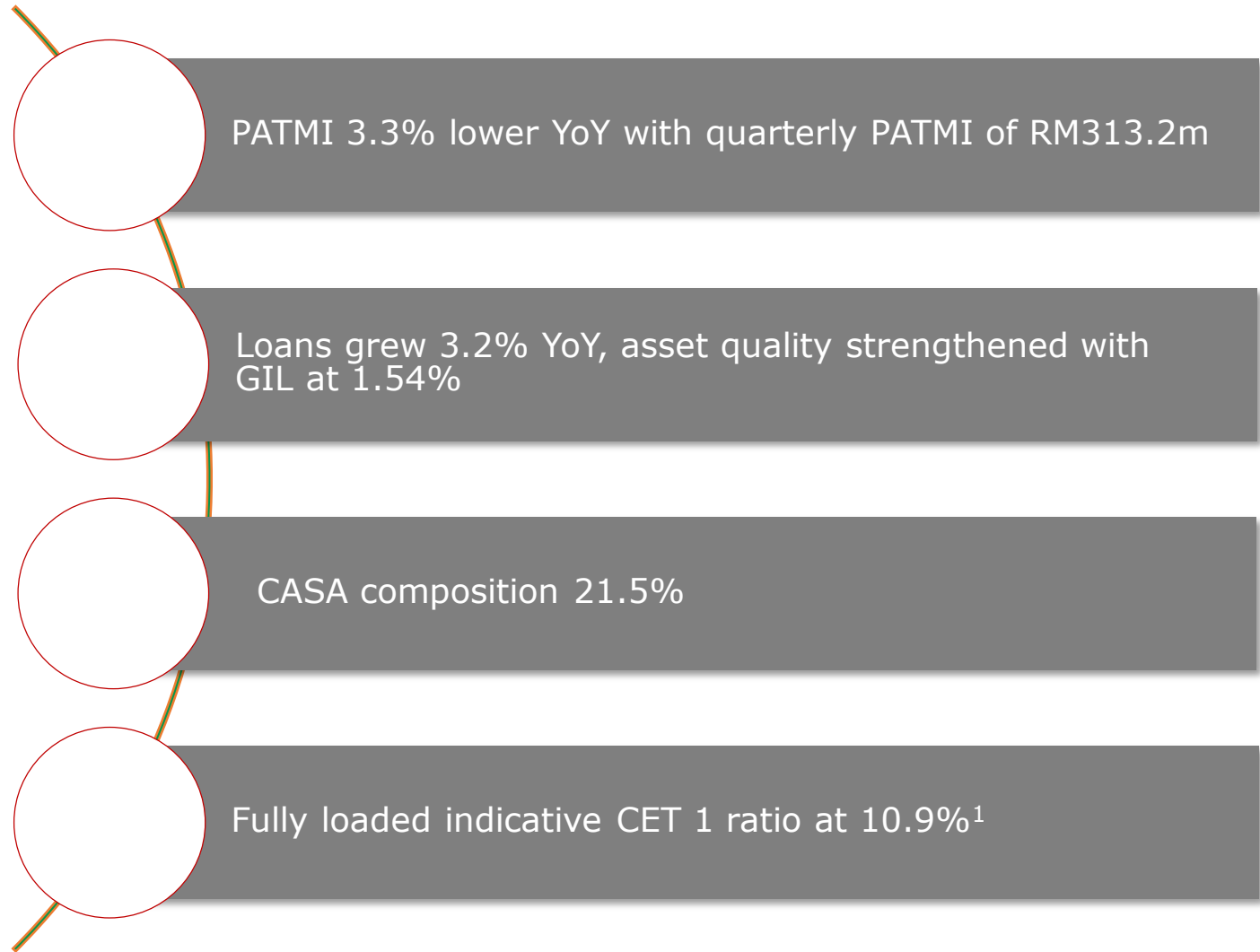
Revamped & simplified onboarding process for improved customer experience
Innovating cash management solutions for seamless customer experience
Strategic focus on customers payroll and JomPay Billers to facilitate higher CASA balances

Markets

- Continue to manage fixed income trading activities vis-à-vis yield curve changes from recent "global events"
- Focusing on offering FX and derivative solutions to preferred customer segments



9MFY17 results



1. Proforma, based on Retained Earnings as at 31 December 2016

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



Profit sustained through improved NII and higher recoveries in Q3FY17

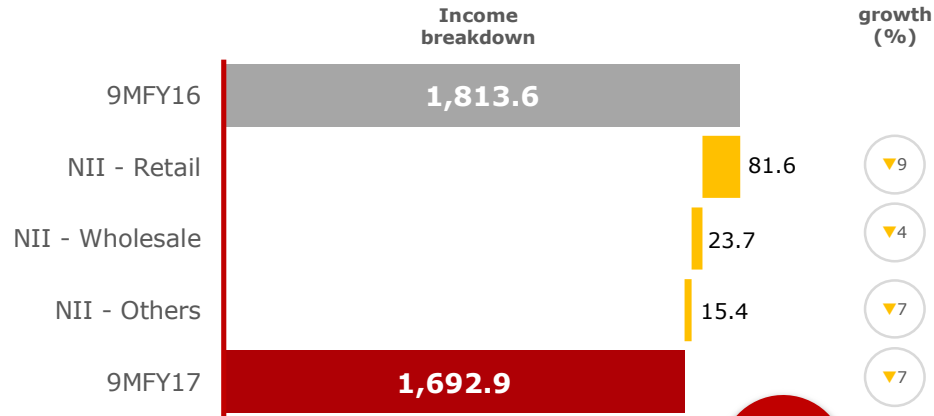
RM' mil	9MFY17	9MFY16	85%		15%	1,022.2	QoQ growth (%)	YoY growth (%)
Net Interest Income	1,692.9	1,813.6					▲5	▼7
Non-Interest Income	1,066.0	977.7	NoII%: 38.6%	NIM: 1.96%			▼32	▲9
Total Income	2,758.9	2,791.3					▼11	▼1
Expenses	1,577.9	1,553.7	CTI: 57.2%				▼1	▲2
PBP	1,181.0	1,237.6					▼22	▼5
Allowances/ (Write-backs)	(179.5)	(151.6)	GIL: 1.54%	Credit Cost: -0.23%			▼73	▼18
PBT	1,360.5	1,389.2					▼13	▼2
Tax & Zakat	308.4	300.9	Effective tax rate: 22.6%				▼6	▲2
PAT	1,052.1	1,088.3					▼15	▼3
MI	63.3	66.1					▼81	▼4
PATMI	988.8	1,022.2	85%		15%	988.8	▼11	▼3

Conventional PATMI
 Islamic PATMI
 Positive growth in 9MFY17
 Contraction in 9MFY17



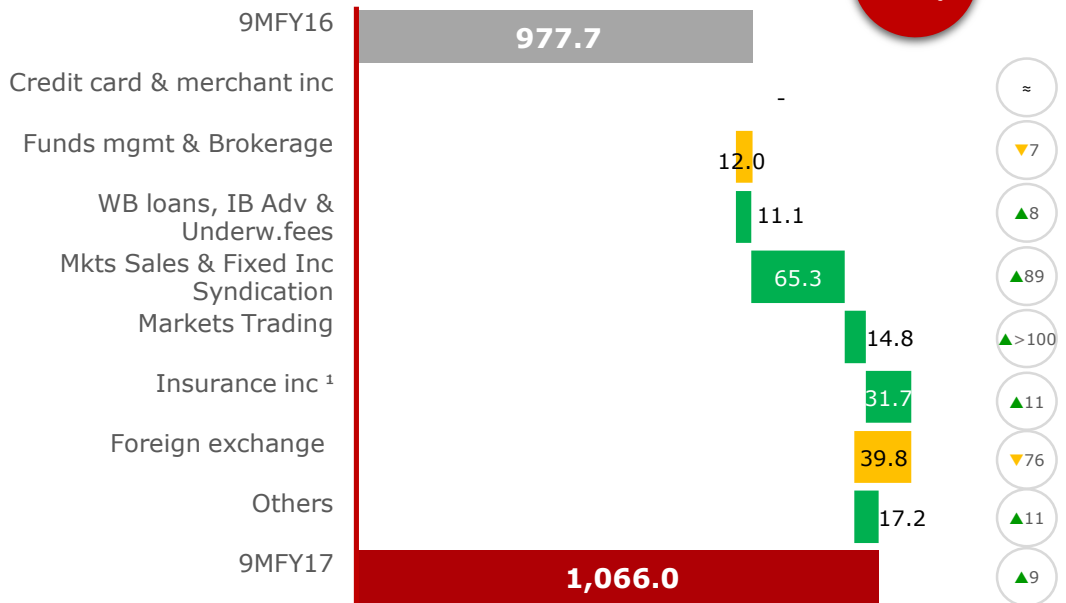
Income impacted by NIM compression and market volatility

Net Interest Income (RM' mil)



Non-interest income / Total income:
 9MFY16 – RM977.7m / 35.0%
 9MFY17 – RM1,066.0m / 38.6%

Non-Interest Income (RM' mil)



NoII%: 38.6%

Composition (%)

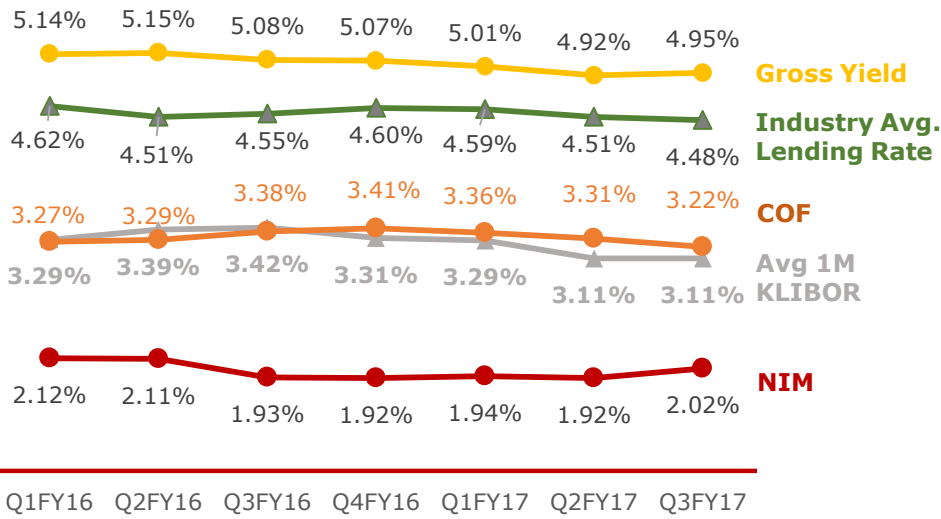
- 50 • Higher loans growth from Mortgage negated by YoY portfolio margin compression
 - 38 • Impacted by YoY margin compression
 - 12
-
- 9
 - 16 • Decline from lower Bursa turnover
 - 15 • Increase driven by higher loan underwriting fees and commission on trade facilities
 - 13 • Trading gain from fixed income syndication
 - 1
 - 29 • Improved historical claims experience
 - 1 • Depreciation of MYR against USD led to balance sheet revaluation loss
 - 16

1. Include investment income from General Insurance business

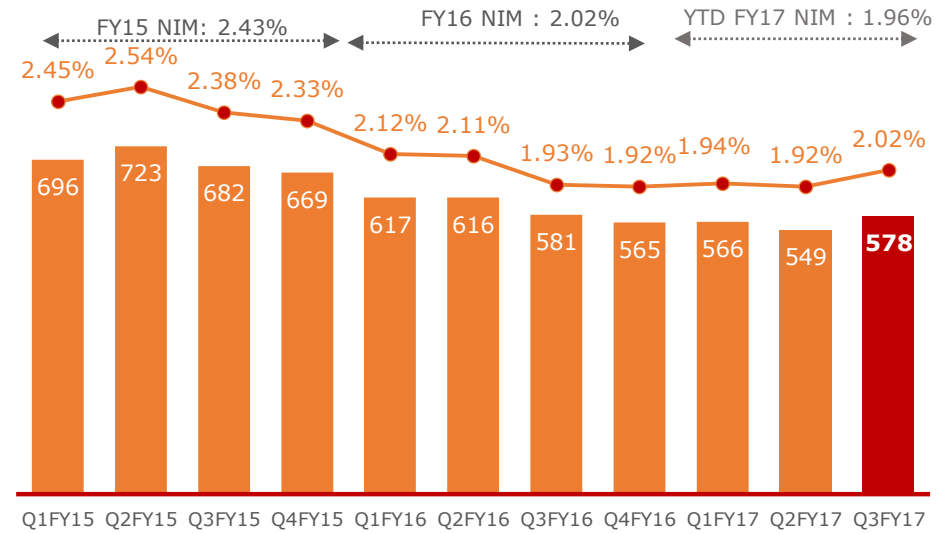


Margin management beginning to yield results

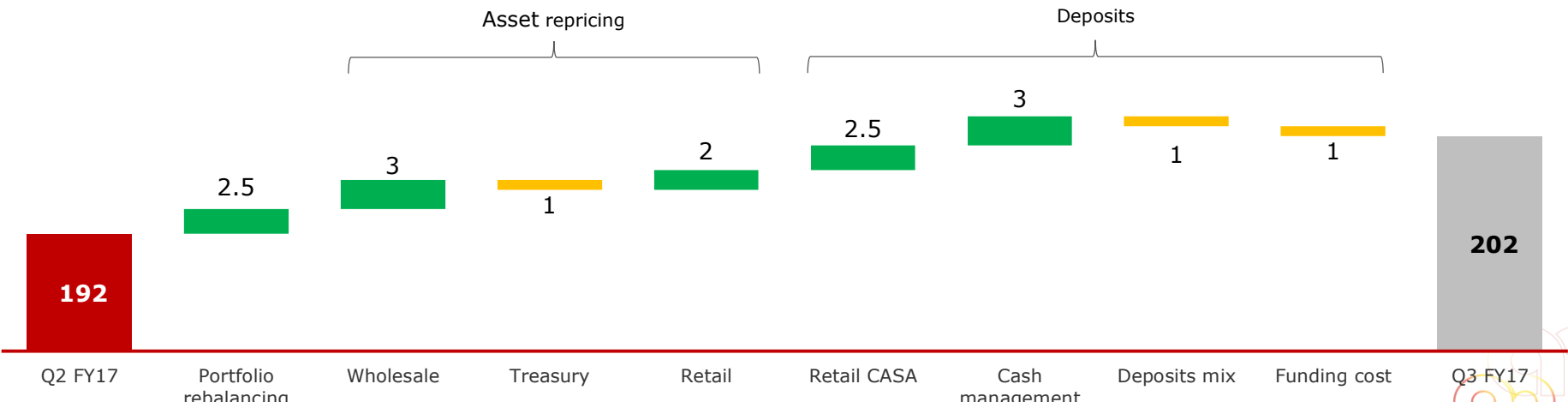
NIM QoQ trend vs. industry



Quarterly net interest income (RM'mil) & NIM movement

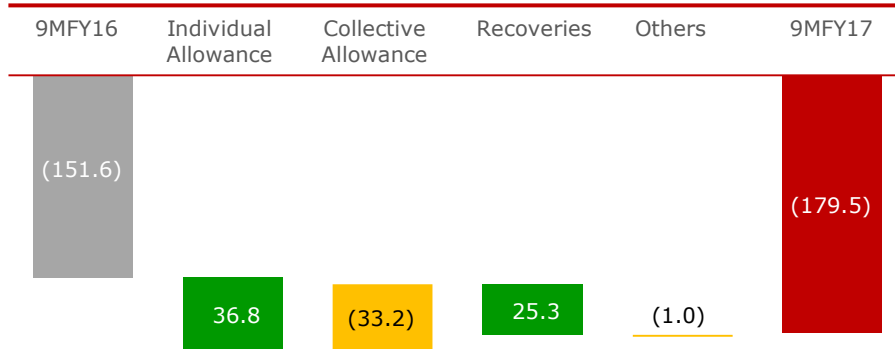


QoQ NIM movement (bps)

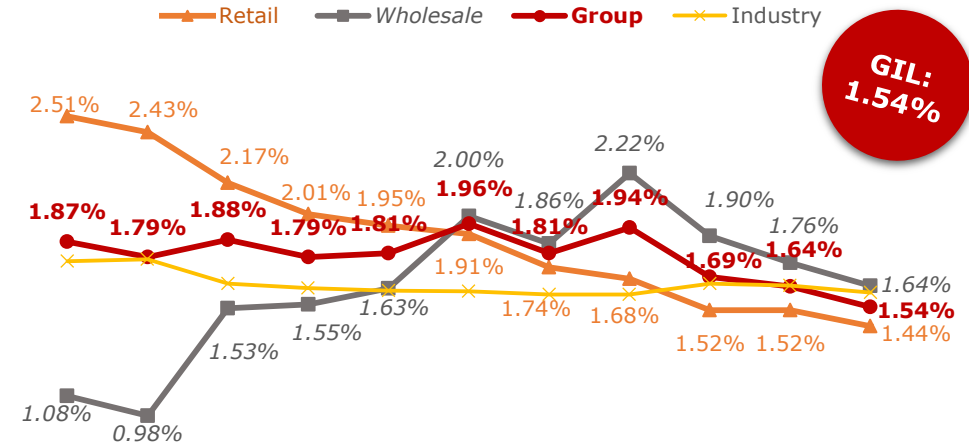


Credit costs underpinned by sound asset quality and recoveries

Allowances (RM' mil)

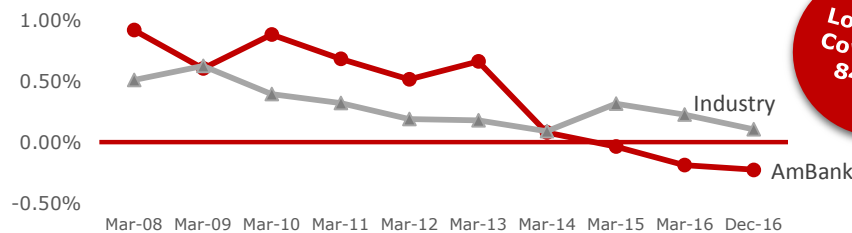


Gross impaired loans ratios



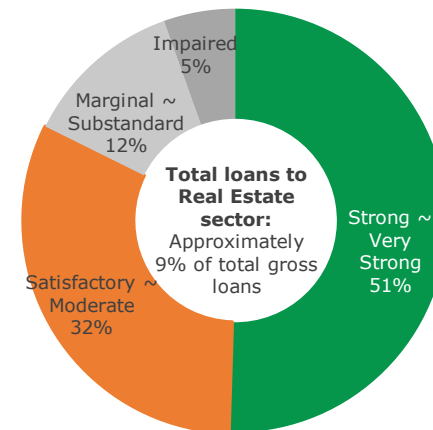
Credit costs (vs. industry¹)

AmBank Group	FY13	FY14	FY15	FY16	9MFY16	9MFY17
Credit cost	0.21%	0.08%	-0.04%	-0.19%	-0.19%	-0.23%
Credit cost (excluding recoveries)	0.90%	0.94%	0.69%	0.46%	0.37%	0.47%

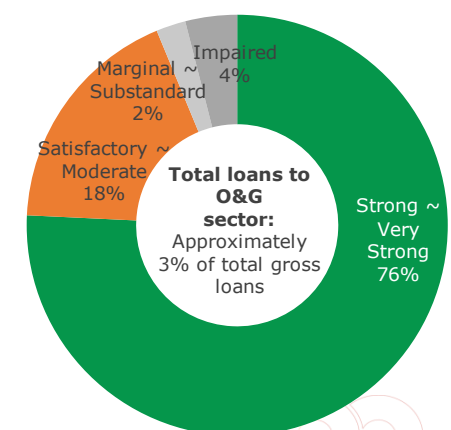


Q1FY15 Q2FY15 Q3FY15 Q4FY15 Q1FY16 Q2FY16 Q3FY16 Q4FY16 Q1FY17 Q2FY17 Q3FY17

Exposure to real estate sector by internal risk grades



Exposure to oil & gas sector by internal risk grades



1. An average of eight peer domestic banks. Latest industry data available as at Sep-16 only



Loans growth reflecting target segments

Gross loans movement (RM'bil)

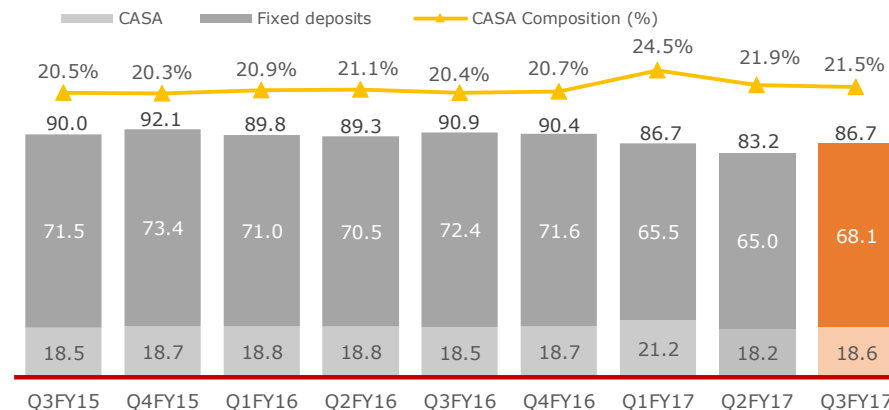


Total deposits reflect balancing of LDR and funding costs

- CASA growth driven by Retail
- YTD deposit growth reflects management of funding costs

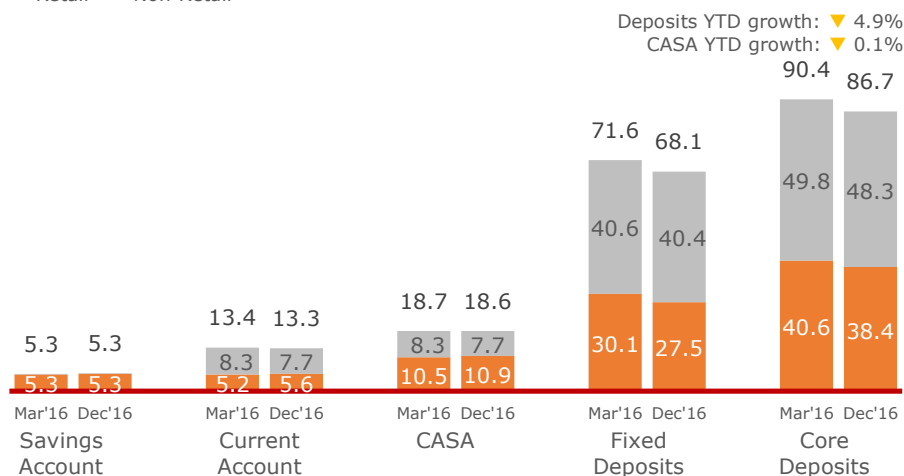
Deposits and CASA balance (RM' bil)

Deposits QoQ growth: ▲ 4%
CASA QoQ growth: ▲ 2%



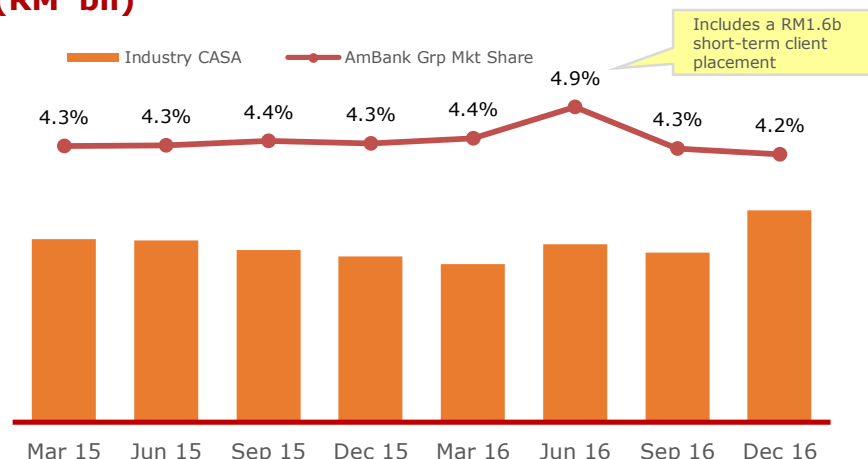
Deposits by type of customers (RM' bil)

■ Retail ■ Non-Retail



CASA%: 22%

CASA market share and industry CASA balance¹ (RM' bil)



1. Based on BNM data as at December 2016



Adequate capital levels

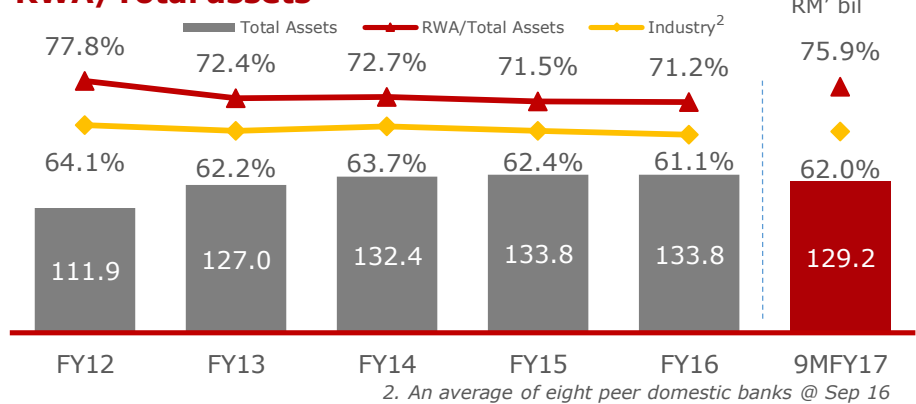
- Group capital ratios remain adequate, whilst we are optimising capital structure and RWA efficiency for Basel III FHC @ FY2020
- Positioning for MFRS 9 and impact assessment in progress
- Basel III FHC indicative ratio as at 31 December 2016 – CET 1: 10.9%¹
- Double leverage ratio: 1.12x; Leverage ratio: 10.5%; Total leverage ratio: 8.2%



Basel III FHC indicative ratio Dec-16 CET 1: 10.9%¹

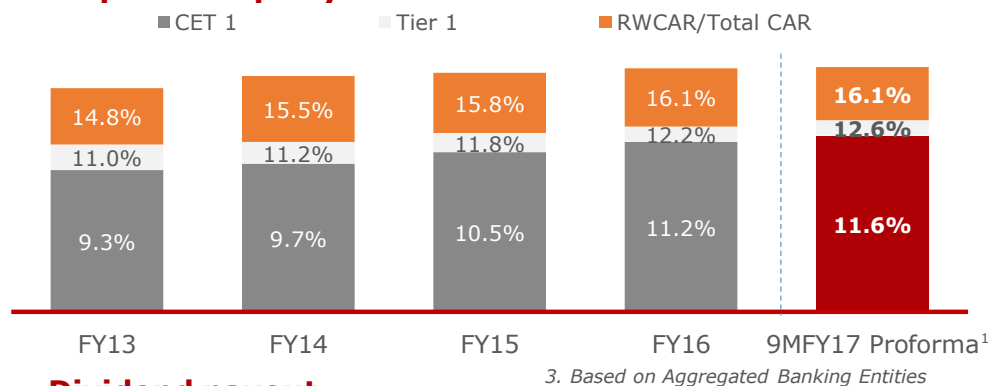
1. Proforma, based on Retained Earnings as at 31 December 2016
 2. The fully loaded indicative CET 1 calculation for Q2FY17 is restated to reflect changes in interpretation for Credit RWA. Continued refinements are expected during the observation period.

RWA/Total assets



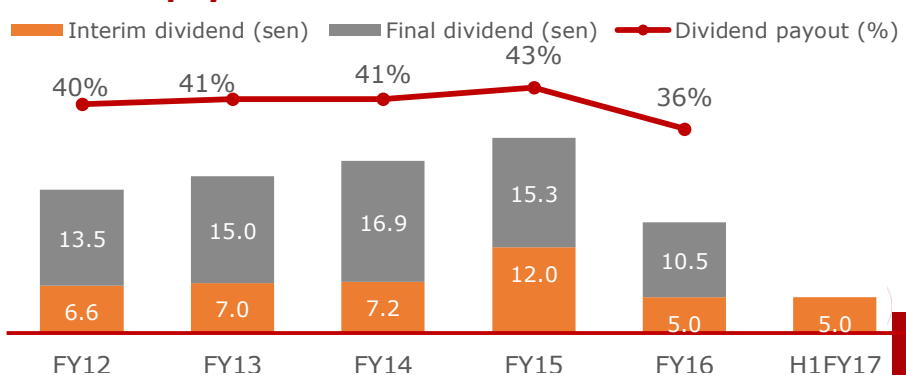
2. An average of eight peer domestic banks @ Sep 16

Capital adequacy ratios³



3. Based on Aggregated Banking Entities

Dividend payout



Performance guidance for **FY2017 - FY2018**

FY17-18
Targets

Reported

	ROE¹	PATMI¹	CTI	Dividend	Capital Proforma ±1%
FY17	8.5 - 9%	Circa 5% Growth	≤57%	Circa ~ 40% payout	CET 1: 10%
FY18²	Circa 10%	Circa 10% Growth	Circa 50%		Total: 15% <small>Refers to FHC CAR</small>

1. Based on projected 2016 GDP growth of 4%, revised down from 4.2%
2. Will be refined as part of our 2018 target setting strategy

Expectations for **FY2017:**

Ongoing focus on
balancing loans
growth, asset quality
and margins

Targeting negative
expense growth
through cost
management, with
increasing benefits
from efficiency agenda

Expecting stronger
performance in
targeted segments,
with stronger
momentum in SME

Overall asset quality
expected to remain
sound with balance
sheet positioned to
weather potential NPL
increase

Momentum is building
towards our FY2017-
2020 "Top 4"
Aspirations

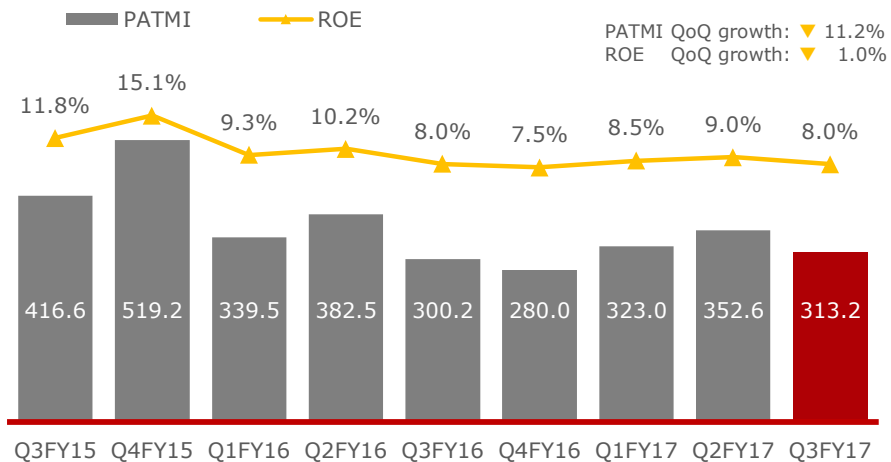


Group Performance

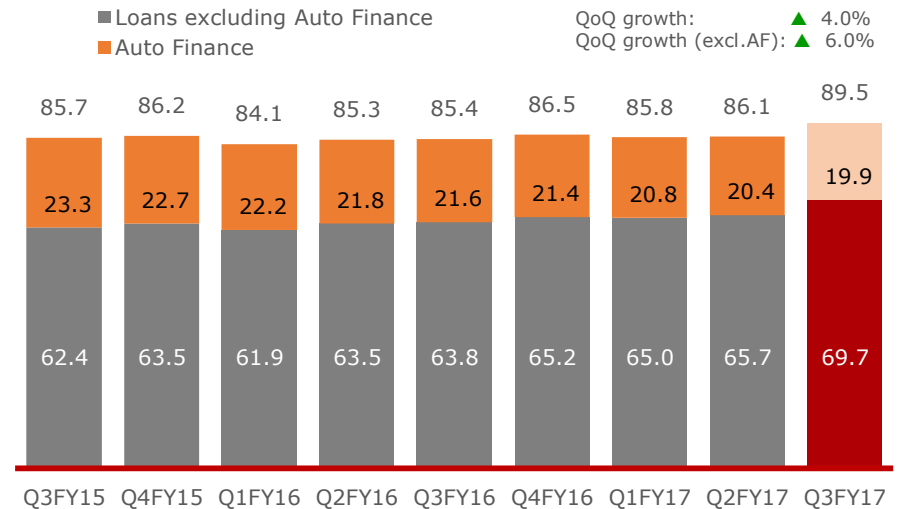


Quarterly performance

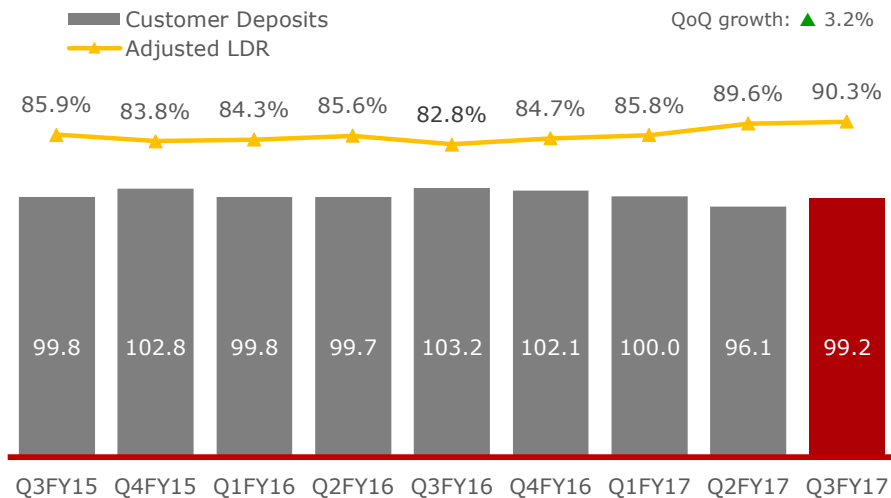
PATMI (RM' mil) & ROE (%)



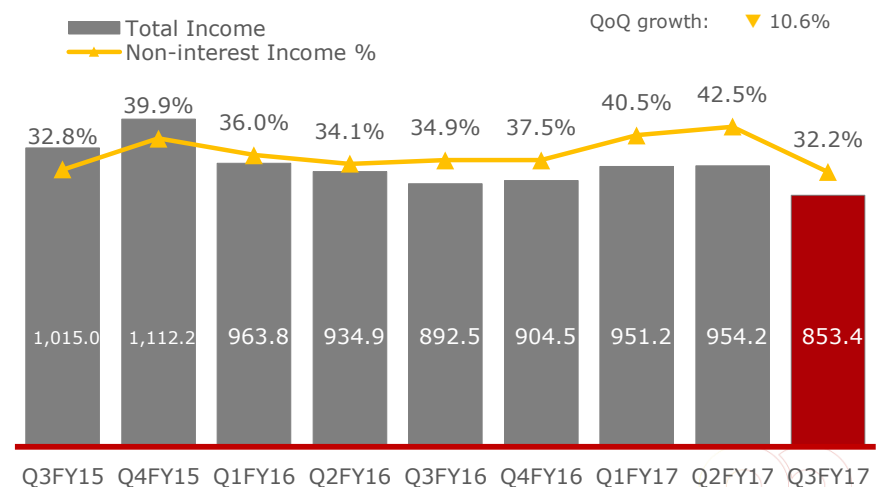
Net lending (RM' bil)



Customer deposits¹ (RM' bil) and LDR (%)



Total income (RM' mil) and non-interest income (%)

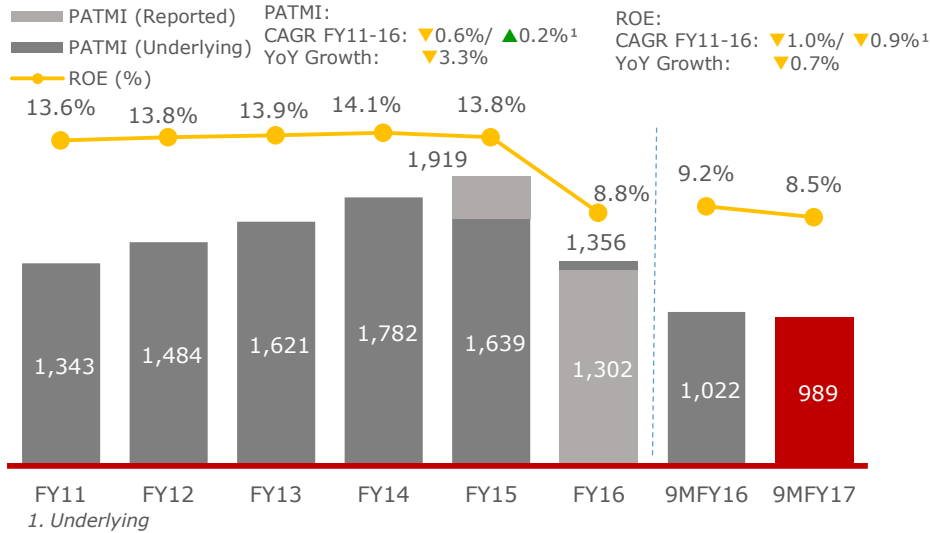


1. Customer deposits include stable funding sources

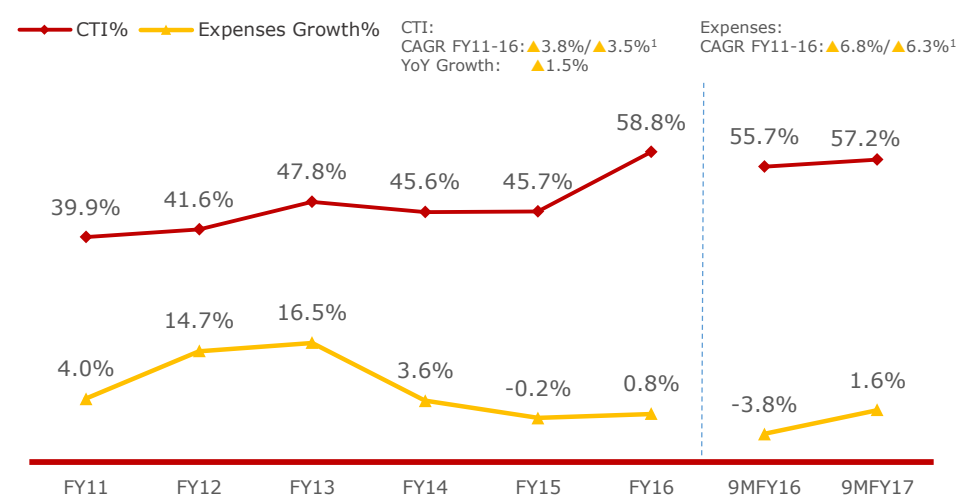


Yearly performance

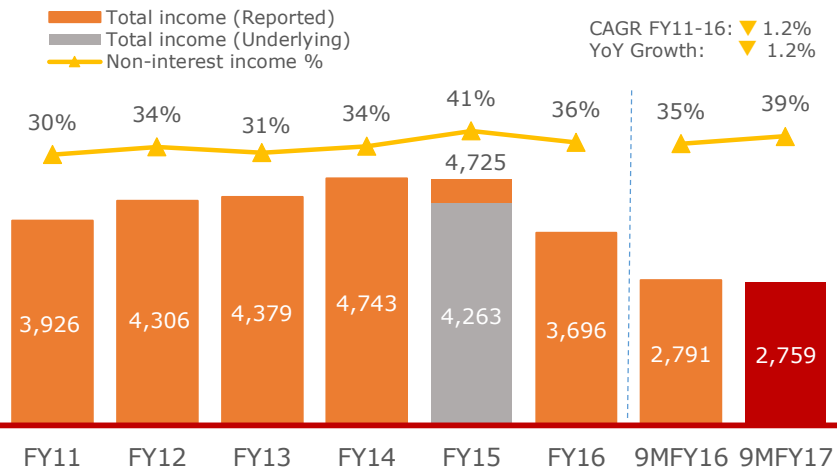
PATMI (RM' mil) & ROE (%)



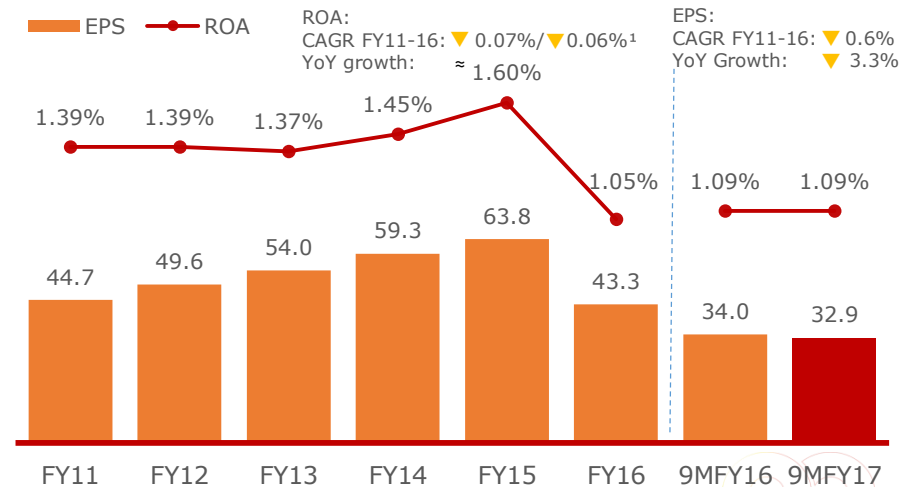
Cost to income ratio and expenses growth (%)



Total income (RM' mil) and non-interest income (%)



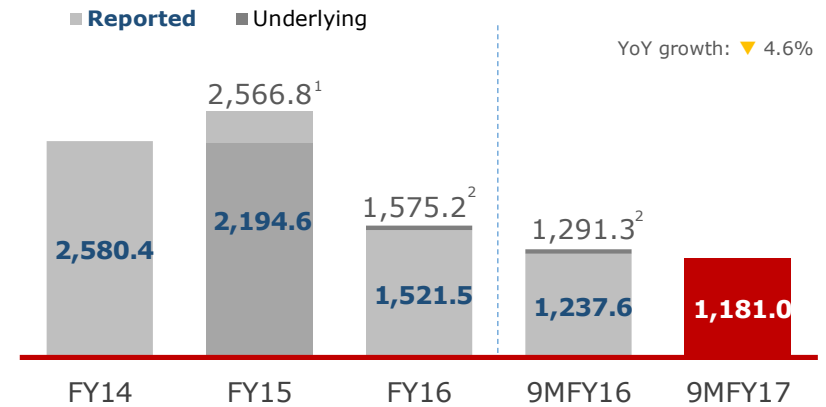
ROA (%) and EPS (Basic)



9MFY17 results reflect subdued operating environment

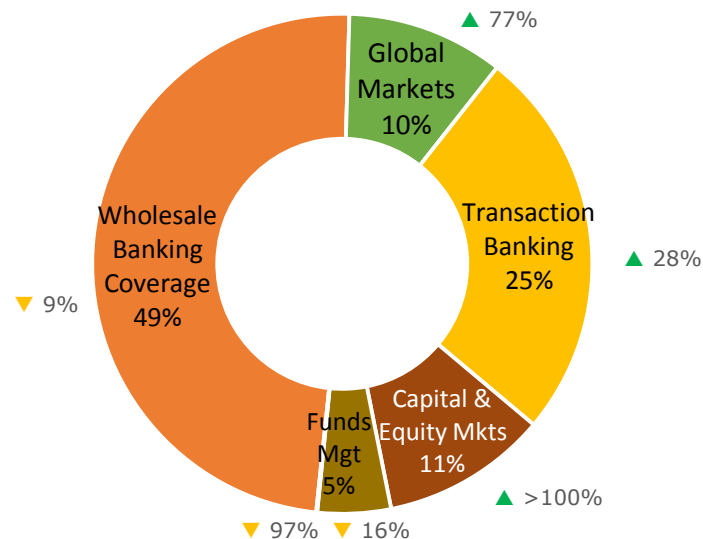
- Top line growth influenced by:
 - NIM compression
 - Volatile equity and debt markets
- Wholesale Bank's improved bottom line supported by stronger trading gain
- Retail Bank's results affected by prolonged margin compression despite stronger Mortgage loans growth
- General Insurance income sustained supported by Gross Premiums and improved historical claims experience

Profit before provision (RM'mil)

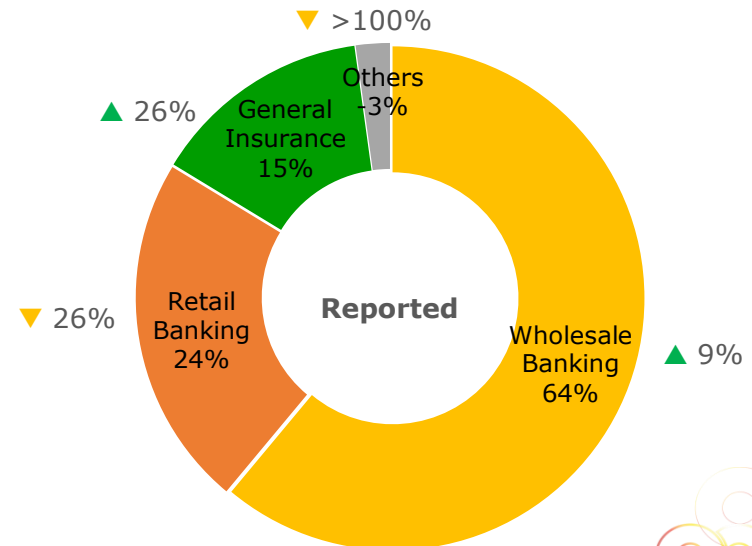


1. Divestment gains from AmLife, AmFamily Takaful and AmFraser
2. Regulatory penalty incurred

WB YoY PAT (RM' mil)



Divisional PAT Contribution (YoY)

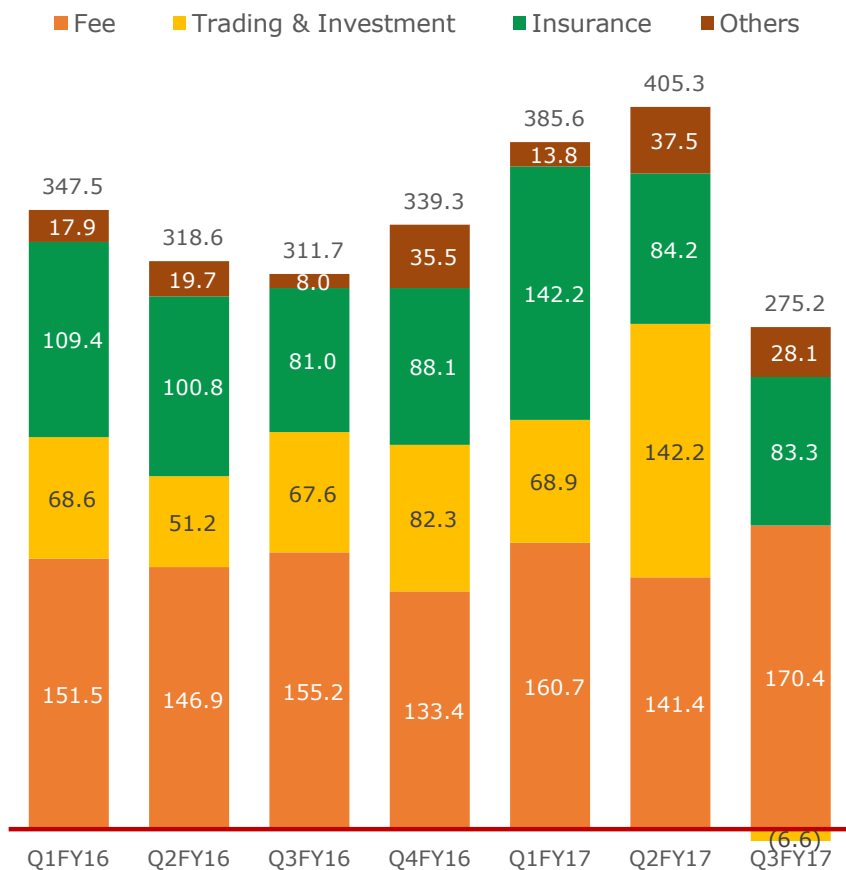


Resilient NoII amid softer market underpinned by trading and investment income

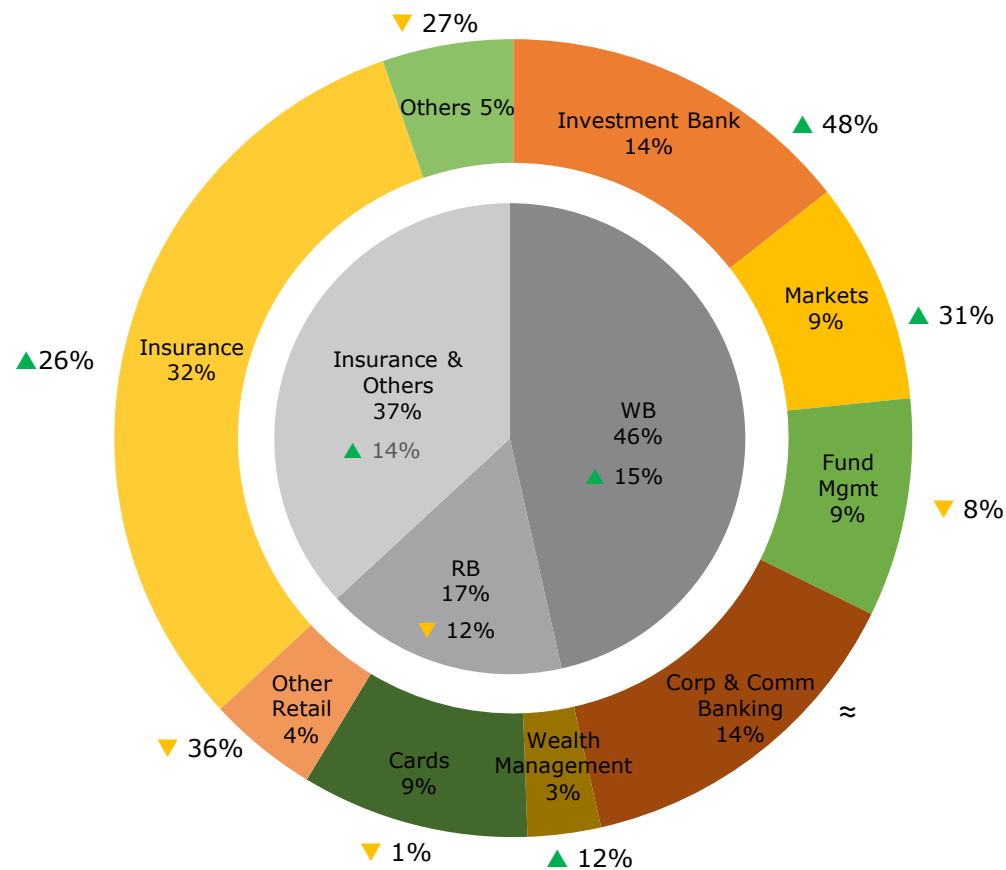
Non-Int
Income

Non-interest income (RM'mil)

QoQ growth: ▼ 32.1%
YoY growth: ▲ 9.0%



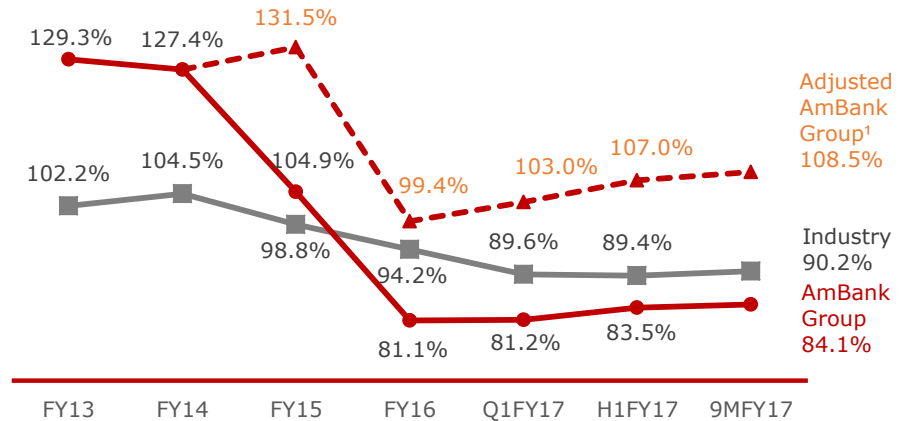
Non-interest income by lines of business (YoY)



Sound asset quality and healthy coverage ratios

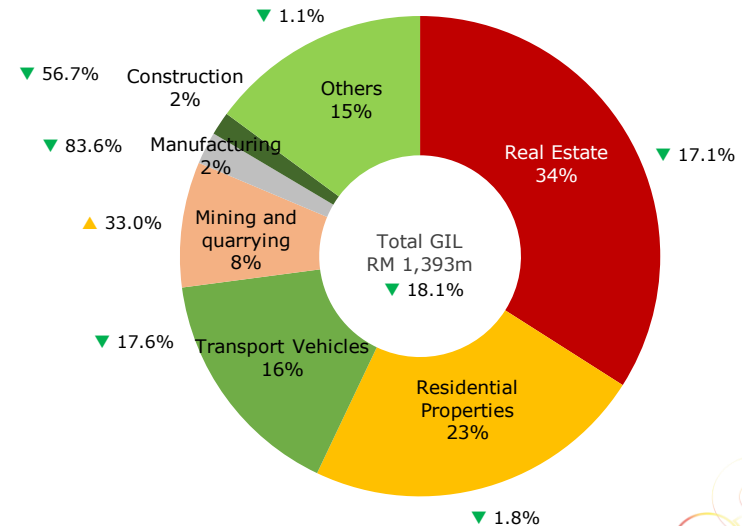
- LLC higher with improvement in asset quality from consistent credit underwriting standards
- Impaired loans down 18.1% to RM1,393 million as we remain vigilant in managing O&G and non-residential real estate exposures
- 57% of impaired loans exposure are in real estate and residential properties; these are generally well collateralised

Loan loss coverage vs. industry



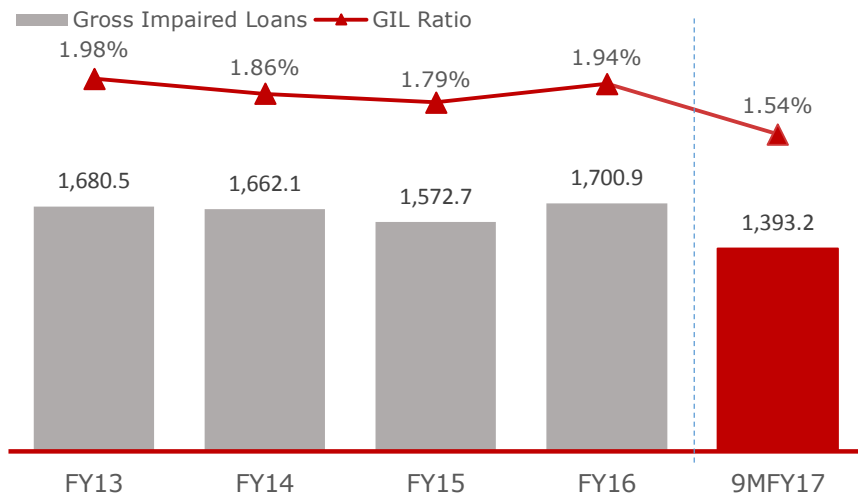
1. Adjusted AmBank Group LLC excludes a single large and well-secured impaired corporate loan

Impaired loans by sectors and YTD movement

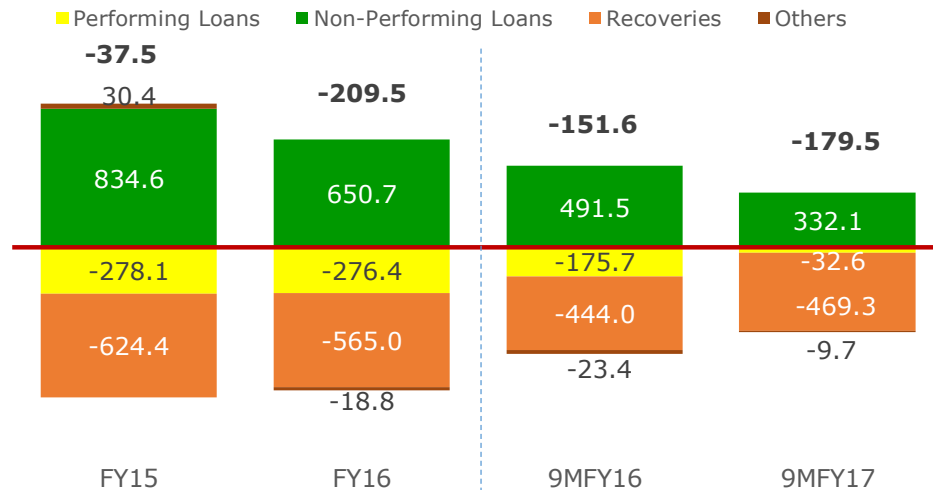


Improved asset quality attributed to portfolio rebalancing initiatives

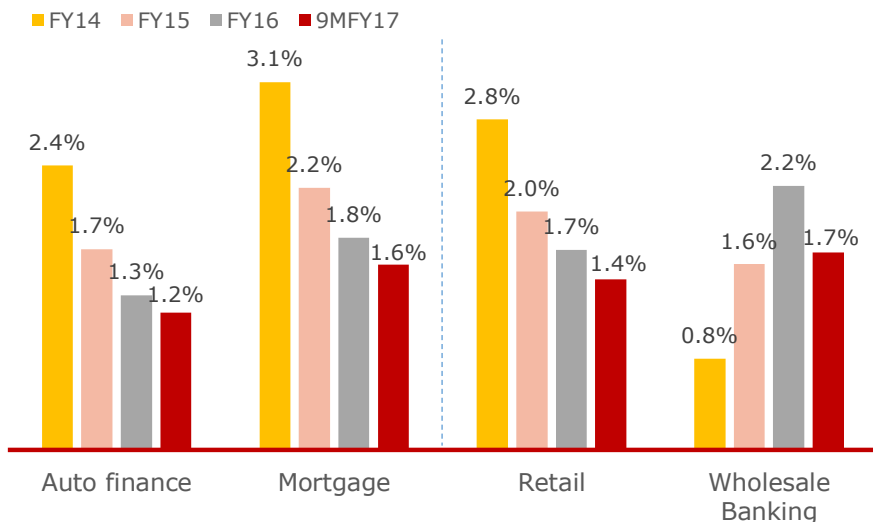
Impaired loans (RM' mil)



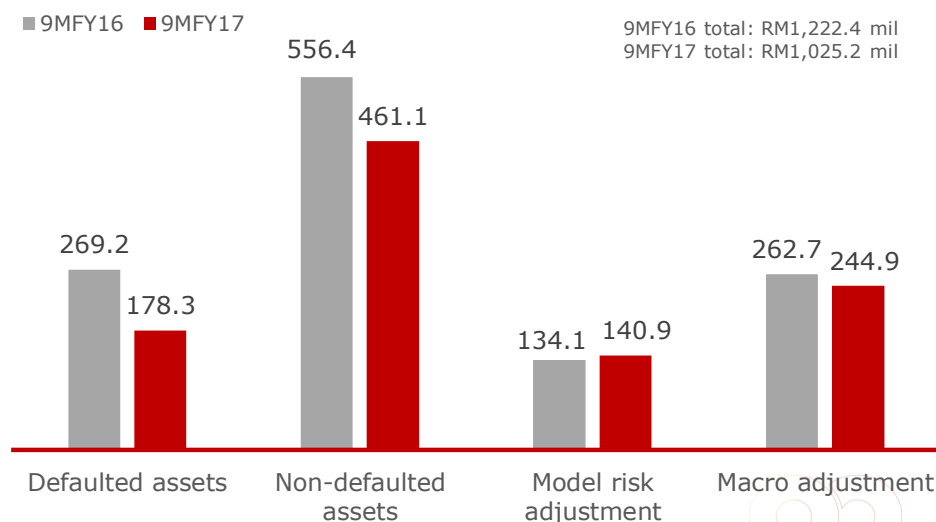
Provision charges/(Writebacks) (RM' mil)



Impaired loans – key segments



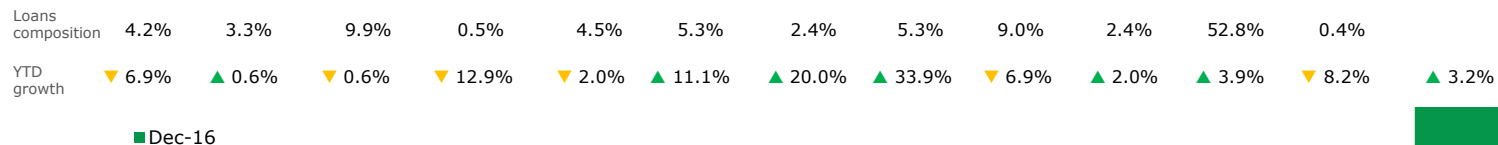
Collective allowance balance (RM' mil)



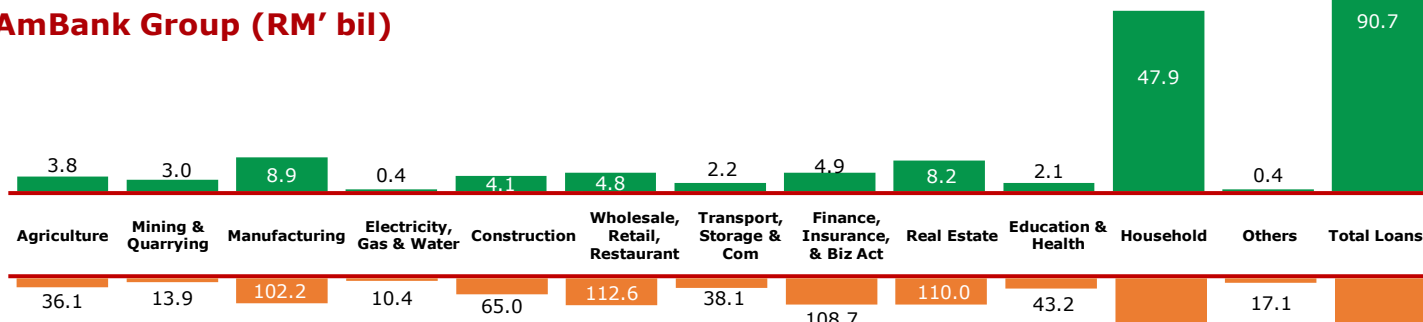
Loans by sector & by purpose vs. industry

Loans vs Industry

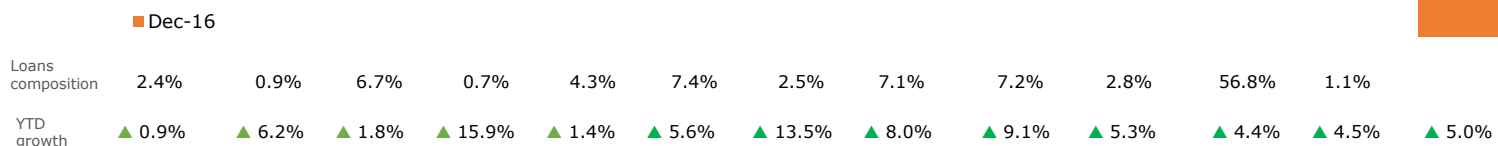
Loans by sector



AmBank Group (RM' bil)



Industry (RM' bil)



Loans by purpose	Dec-16 RM' bil	YTD growth	Composition
Purchase of transport vehicles	20.4	-7.6%	22.4%
Working capital	28.5	+9.4%	31.5%
Purchase of resi property	21.3	+16.4%	23.5%
Purchase of non-resi property	7.0	-3.2%	7.8%
Other purpose	4.3	-6.1%	4.7%
Purchase of securities	2.4	-6.6%	2.6%
Construction	2.8	-6.5%	3.1%
Personal use	1.8	+7.7%	2.0%
Credit card	1.3	-4.7%	1.4%
Purchase of fixed assets	0.9	-13.6%	1.0%
Consumer durables	0.0	+0.0%	0.0%
Total	90.7	+3.2%	100.0%

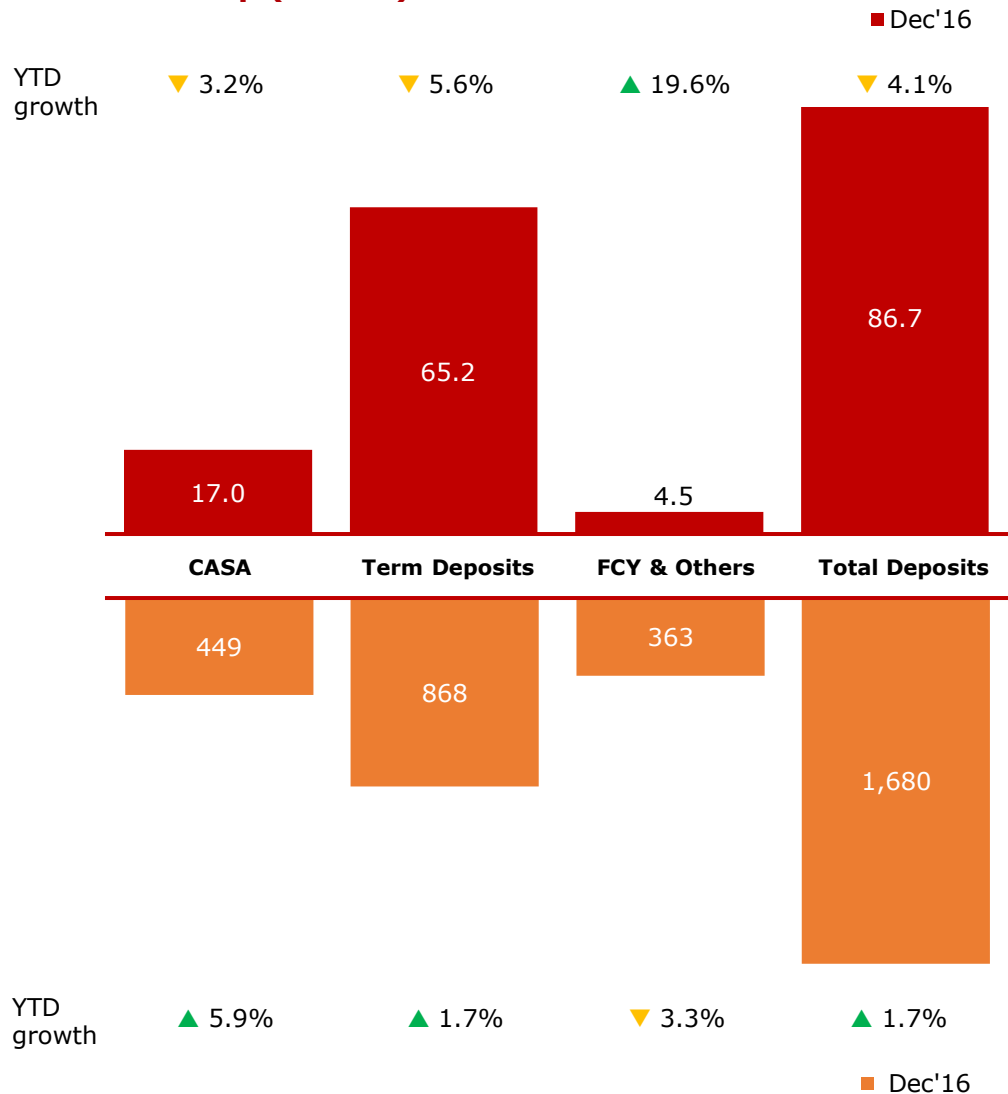
Loans by purpose	Dec-16 RM' bil	YTD growth	Composition
Purchase of transport vehicles	167.8	-0.6%	11.0%
Working capital	368.7	+6.1%	24.2%
Purchase of resi property	477.3	+6.7%	31.4%
Purchase of non-resi property	209.0	+4.5%	13.7%
Other purpose	65.0	+5.5%	4.3%
Purchase of securities	74.4	+4.1%	4.9%
Construction	45.6	+3.4%	3.0%
Personal use	66.7	+4.1%	4.4%
Credit card	36.9	+5.7%	2.4%
Purchase of fixed assets	10.0	+3.6%	0.7%
Consumer durables	0.1	+4.6%	0.0%
Total	1,521.5	+5.0%	100.0%

Source : BNM, financial statements

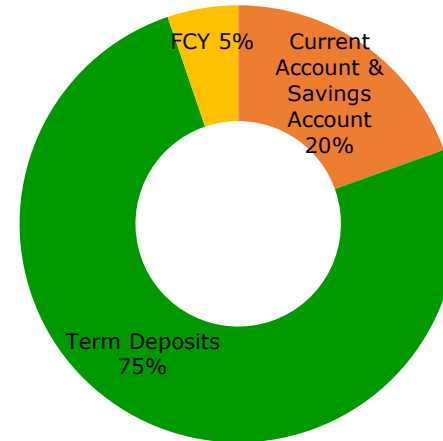


Deposits movement

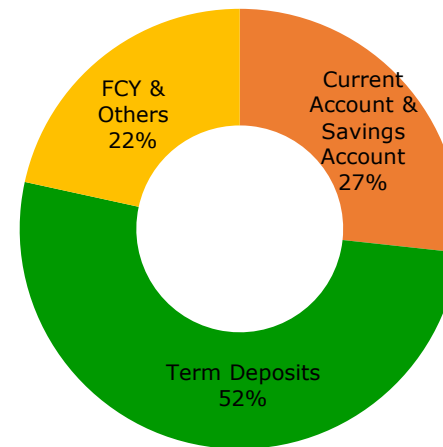
AmBank Group (RM' bil)



Deposits Composition (AmBank Group)



Deposits Composition (Industry)



Industry (RM' bil)

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
- LDR¹ >100% supported by improving loan growth momentum against contraction in deposits

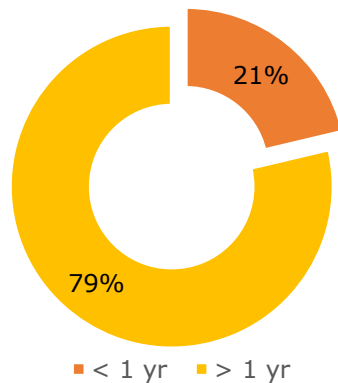
Funding composition vs. industry

	FY10	FY13	FY15	FY16	9MFY17	Industry Ave ¹
Equity & debt capital	15%	14%	15%	16%	16%	15%
Customer deposits	77%	75%	74%	73%	72%	74%
Term funding & loans with recourse >1year	2%	7%	8%	8%	8%	5%
Term funding & loans with recourse <1year	1%	1%	1%	2%	2%	
Deposits from banks & FIs	5%	3%	2%	1%	2%	6%

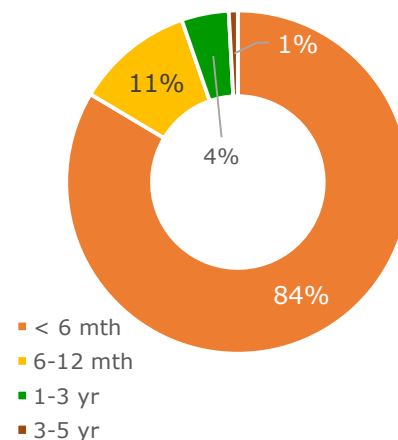
1. Based on an average of eight peer domestic banks – industry data as at Sept 16

Funding maturity profiles

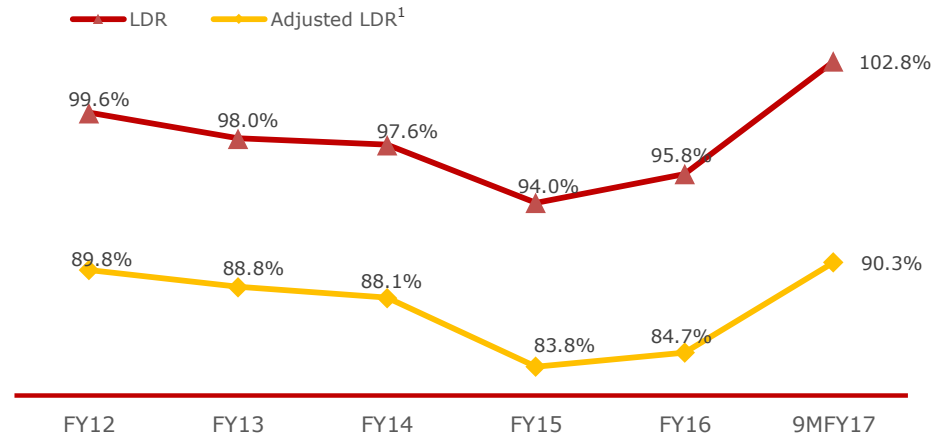
Term funding & Debt capital



Deposits from customers and Banks & FIs



Loan-to-deposit ratio



1. Includes stable funding sources

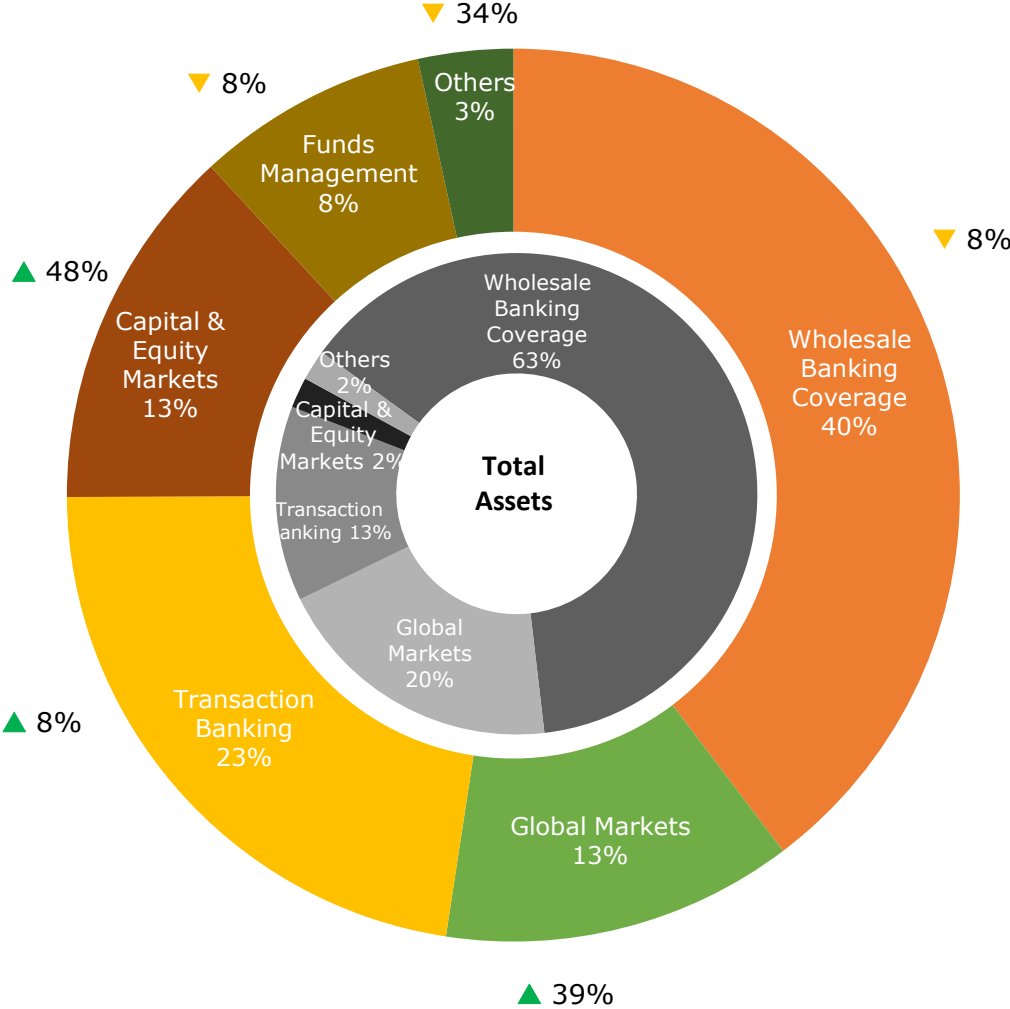


Divisional Performance and Business Insights

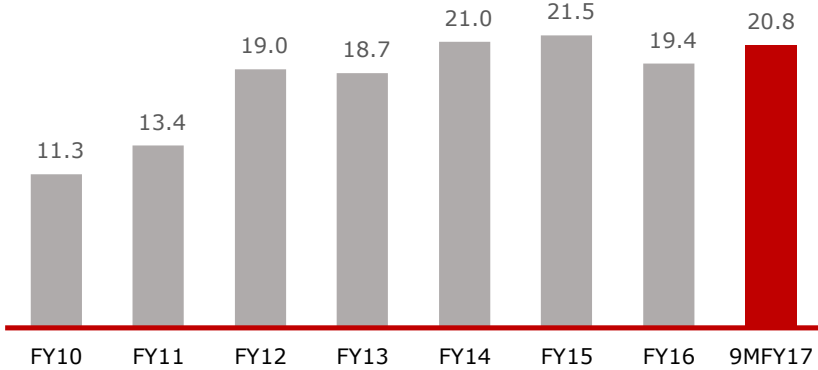


Wholesale banking overview

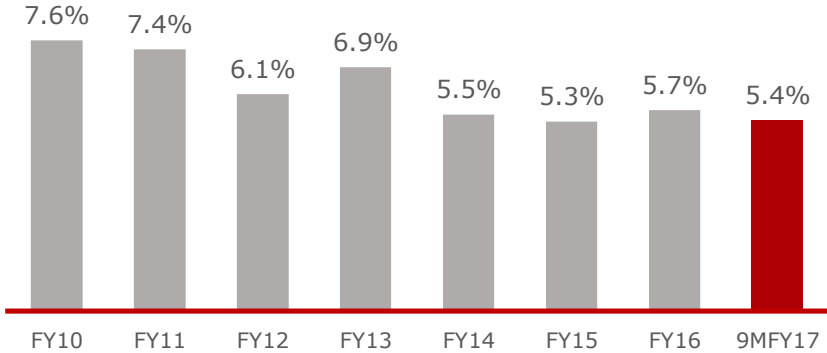
Total income (YoY movement) and total assets by line of business (RM' mil)



Unit Trust – FUM (RM' bil)



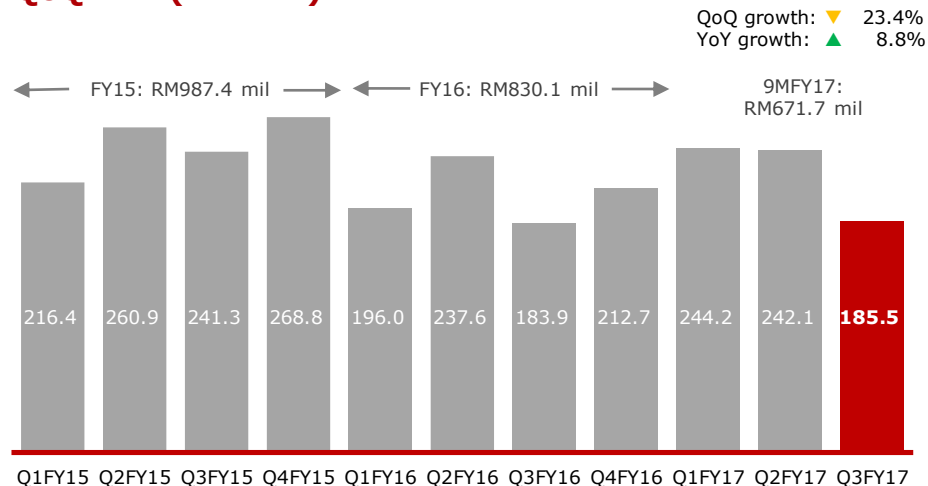
Market Share of Volume Traded on Bursa (KLSE)



Wholesale banking uplift driven by NoII and recoveries

- NII decreased 3.5% YoY from margin compression and large repayments from corporate loans
- Trading and investment income grew 69% driven by trading gain from sale of syndicated fixed income
- Gross loans grew 4.3% YoY supported by healthy growth in SME and trade finance

QoQ PAT (RM' mil)



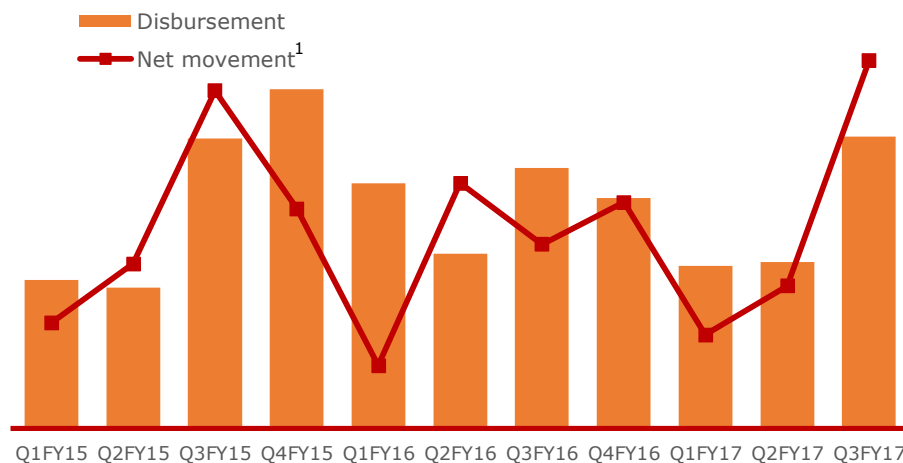
Source: FY16, Q1FY17, Q2FY17 and Q3FY17 numbers have been restated due to realignment of business

League table

	Market Share ² As At 31 Dec 16 (%)	Rank ³
DCM	17.7%	3 ↑
Syndicated Loans	16.4%	4 ↓
MYR Islamic Bonds	17.5%	4 ↔
FUM ¹	9.6%	4 ↔

1. FUM data consists of unit trust funds only. Data as at 30 Nov 16
 2. Calendar Year data
 3. Comparing rank movement versus 30 Sep 16

Net loan and disbursement movement (RM)

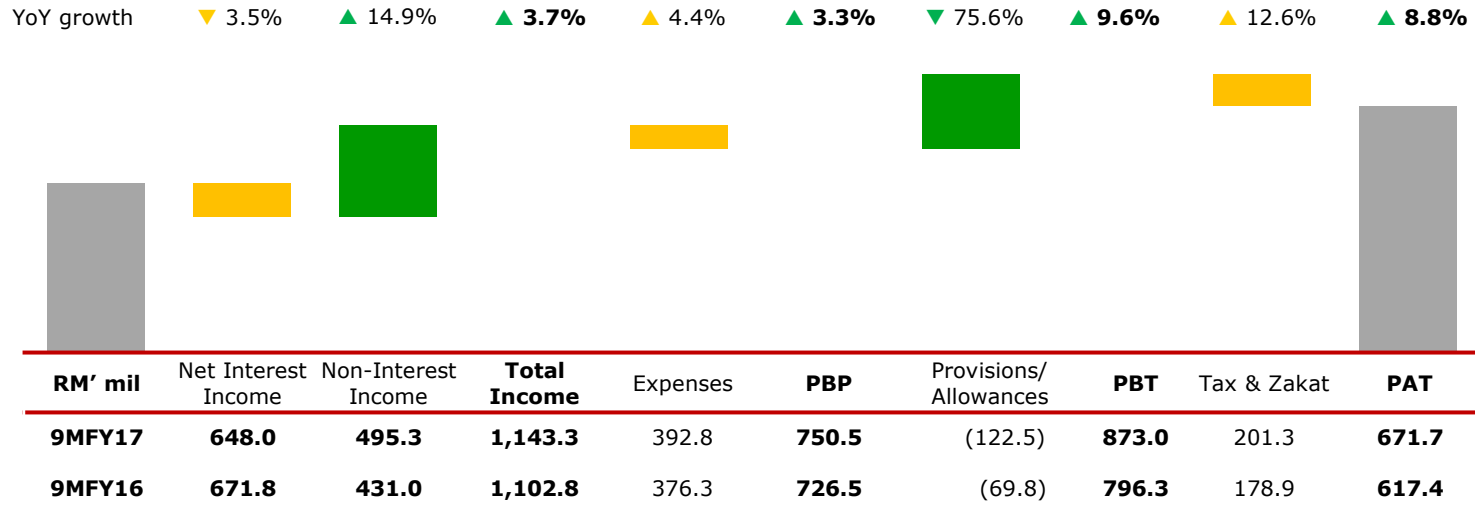


1. Net movement equals to disbursement less repayment



Wholesale banking

Income Statement (RM'mil)

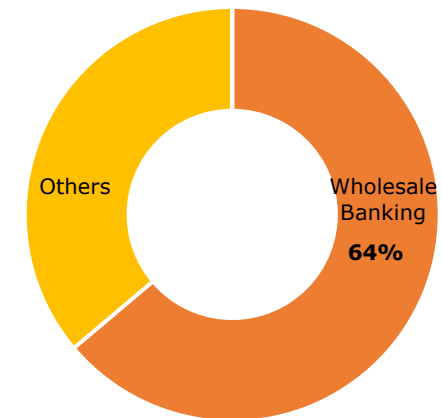


Balance Sheet (RM'mil/%)

		9MFY16	9MFY17	9MFY17 vs 9MFY16
Gross Loans / Financing		41,165.6	42,948.4	▲ +4.3%
Gross Impaired Loans	1.64%	763.4	706.4	▼ -7.5%
Customer Deposits		52,346.2	50,876.2	▼ -2.8%
CASA Deposits		8,919.5	8,584.8	▼ -3.8%
ROA		1.59%	1.71%	▲ +0.12%
CTI		34.1%	34.4%	▲ +0.2%
Allowance Coverage		72.9%	40.6%	▼ -32.3%
Ave Assets Management		47,095.9	46,405.6	▼ -1.5%

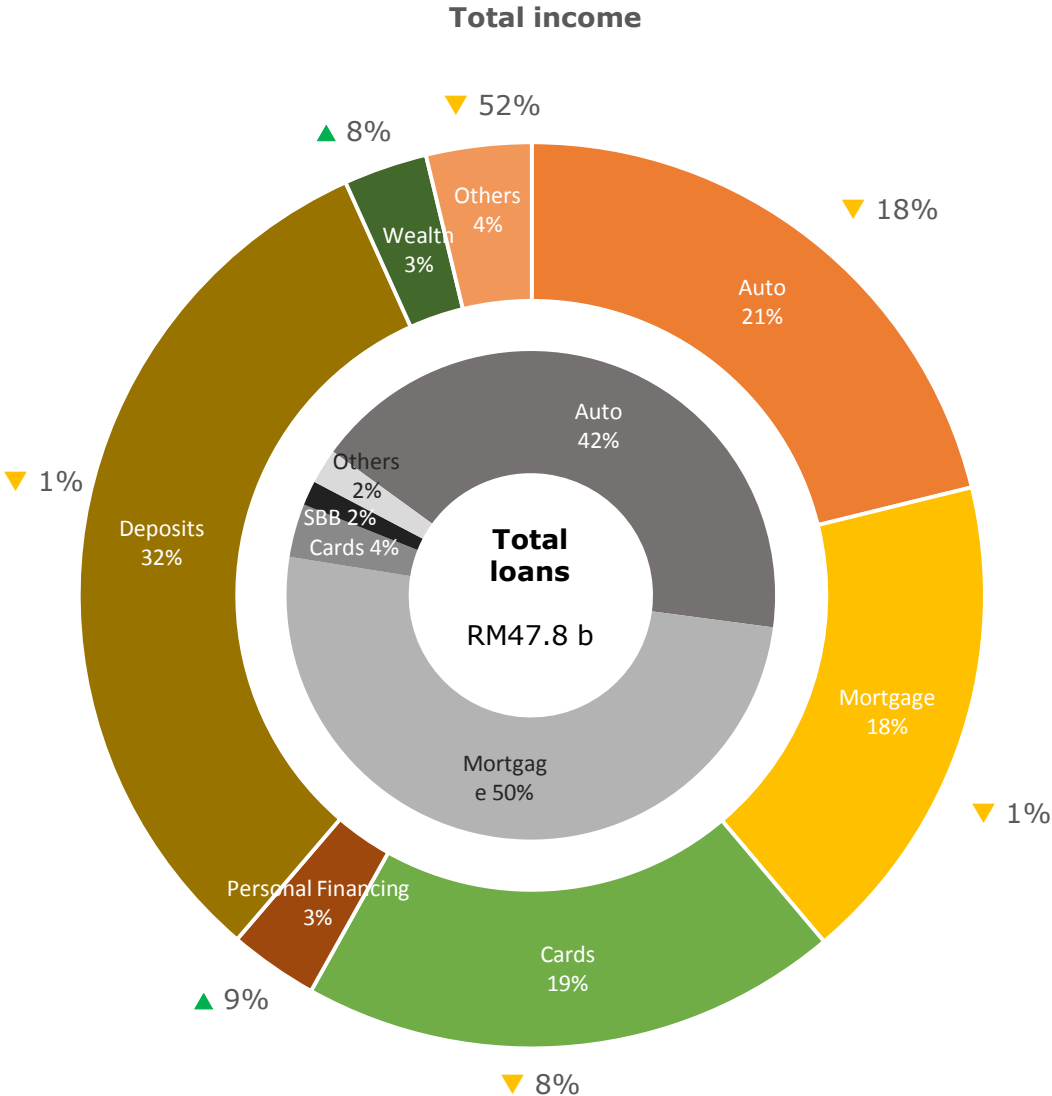
9MFY17 PAT
 9MFY17 PAT
 Positive growth in 9MFY17
 Contraction in 9MFY17

9MFY17 PAT
(composition of Group)



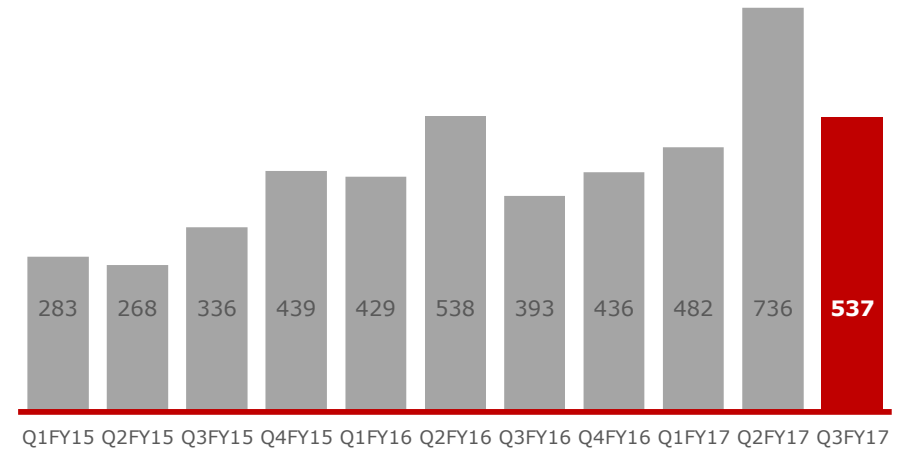
Retail banking overview

Total income (YoY movement) and loans by line of business



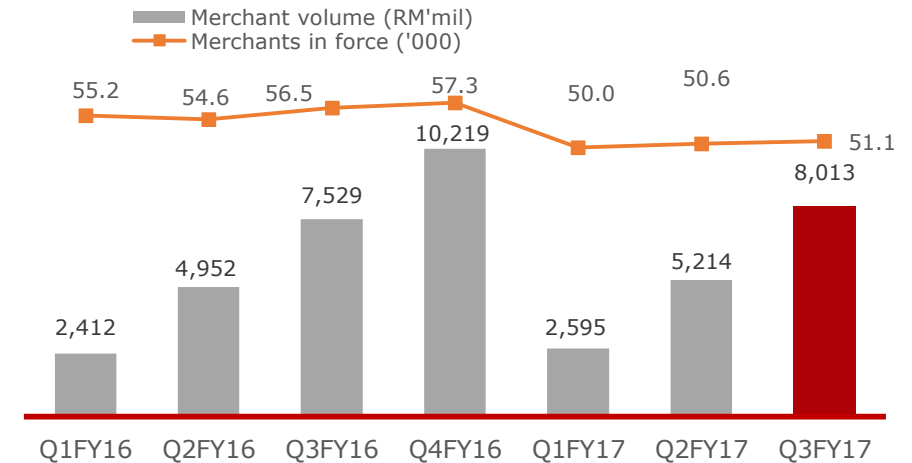
Wealth Sales (RM' mil)

QoQ growth: ▼ 27%
YoY growth: ▲ 29%



Merchant Volume

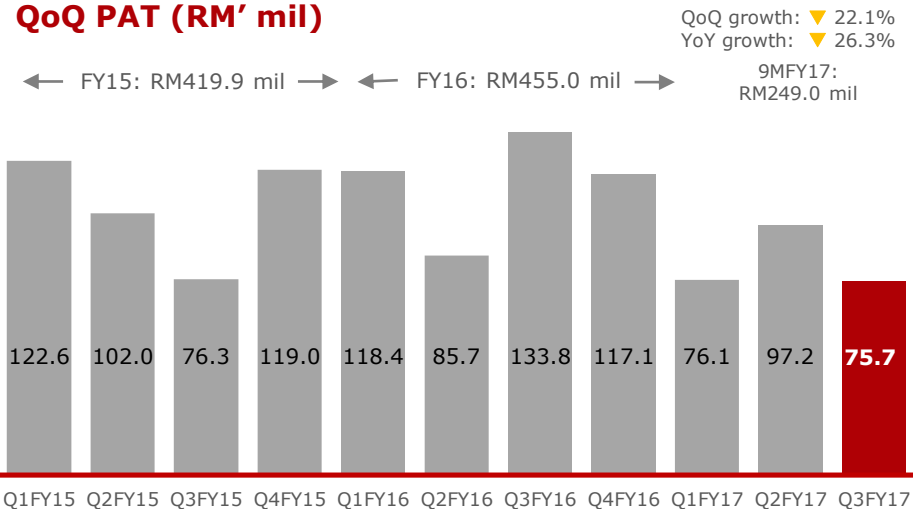
QoQ growth: ▲ 53.7%
YoY growth: ▲ 6.2%



Retail banking results reflect margin compression

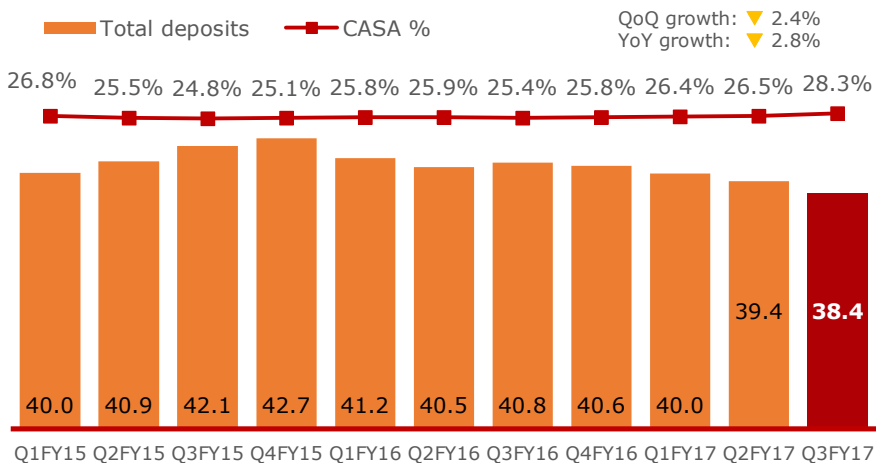
- Retails loans base up 4% YoY supported by robust growth in Mortgages partially offset by contraction in Auto Finance
- Fee income growth driven by Cards and Wealth Management
- CASA grew 5% YoY though total deposits declined as we faced challenges in sustaining Retail FDs

QoQ PAT (RM' mil)

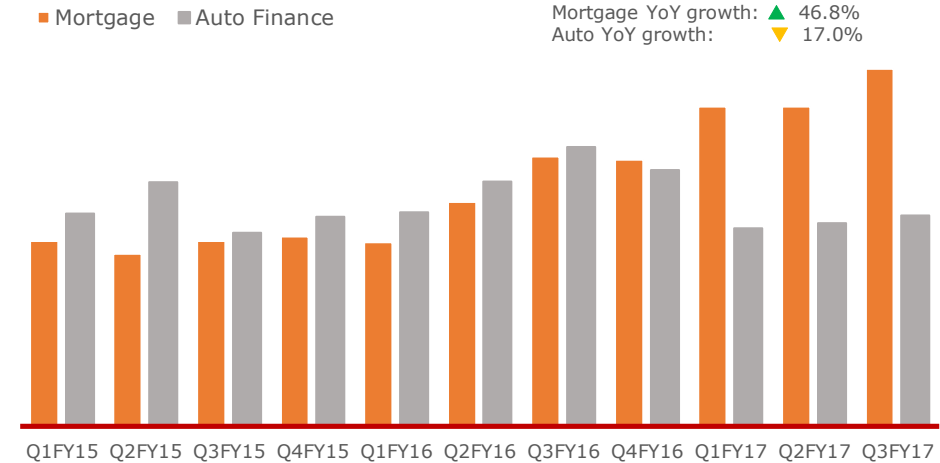


Source: FY16, Q1FY17, Q2FY17 and Q3FY17 numbers have been restated due to realignment of business

QoQ deposit balance (RM'bil)



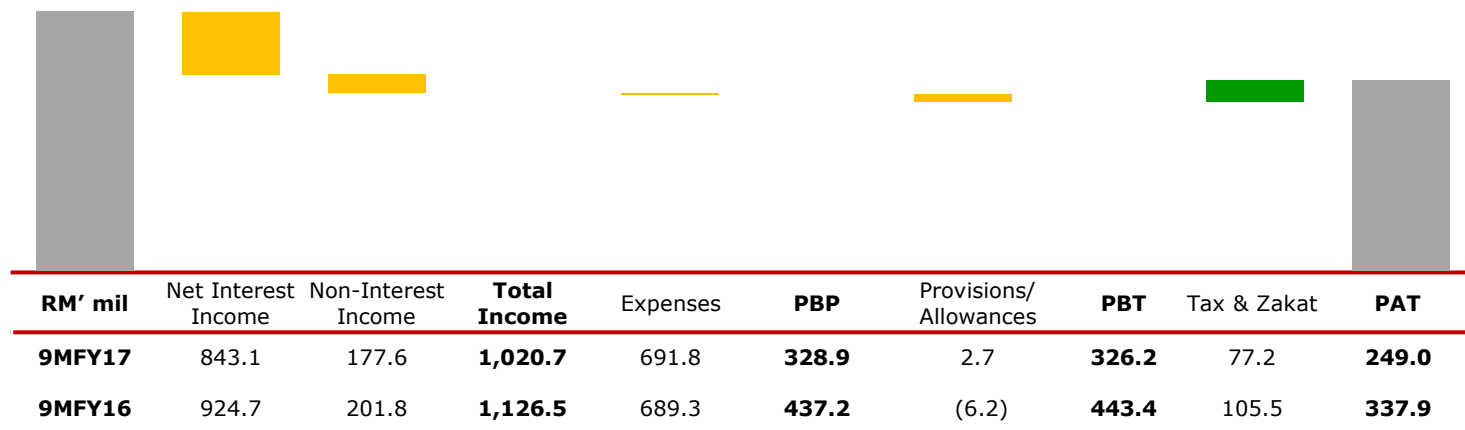
Mortgage and auto finance disbursement QoQ (RM' bil)



Retail banking

Income Statement (RM'mil)

YoY growth ▼ 8.8% ▼ 12.0% ▼ 9.4% ▲ 0.4% ▼ 24.8% ▲ >100.0% ▼ 26.4% ▼ 26.8% ▼ 26.3%

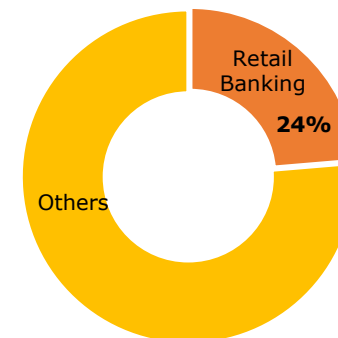


Balance Sheet (RM'mil/%)

		9MFY16	9MFY17	9MFY17 vs 9MFY16
Gross Loans / Financing		45,754.3	47,803.4	▲ +4.5%
Gross Impaired Loans		800.0 1.44%	686.8	▼ -14.1%
Customer Deposits		40,812.8	38,405.4	▼ -5.9%
CASA Deposits		10,379.1	10,880.0	▲ +4.8%
ROA		0.97%	0.70%	▼ -0.27%
CTI		61.2%	67.8%	▲ +6.6%
Allowance Coverage		65.7%	72.7%	▲ +7.0%

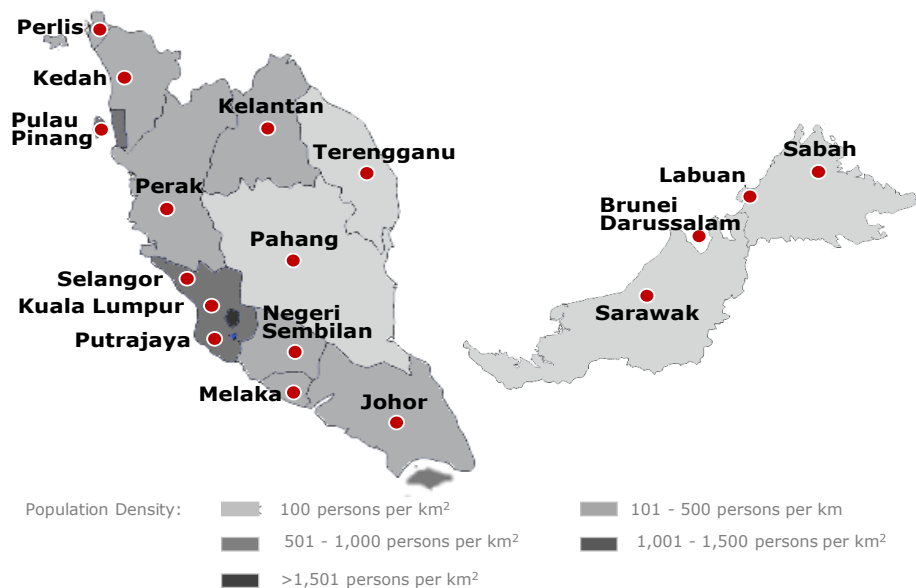
■ 9MFY17 PAT ■ 9MFY17 PAT ■ Positive growth in 9MFY17 ■ Contraction in 9MFY17

9MFY17 PAT
(composition Group)



Retail banking – Distribution channels

Nationwide Branch Network



	Branches	ATM	RO ¹
Perlis	1	4	
Kedah	6	29	1
Pulau Pinang	14	52	1
Perak	18	50	1
Selangor	38	242	2
Kuala Lumpur	23	127	3
Putrajaya	1	3	
Negeri Sembilan	7	42	
Melaka	6	39	1
Johor	21	91	1
Pahang	9	33	1
Terengganu	4	21	
Kelantan	2	22	
Sabah	9	41	1
Labuan	1	3	
Sarawak	15	56	1
	175	855	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	3	75	342	183	AmOnline AmGenie	29 branches 3 counters	15 branches 48 agencies	7 retail broking 6 corporate	25

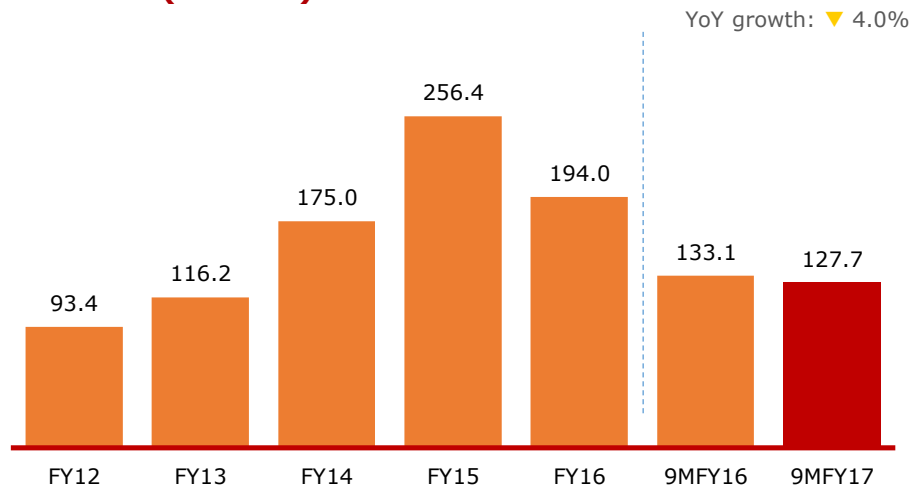
1. RO – Regional Offices

2. MBC – Merchant Business Centres

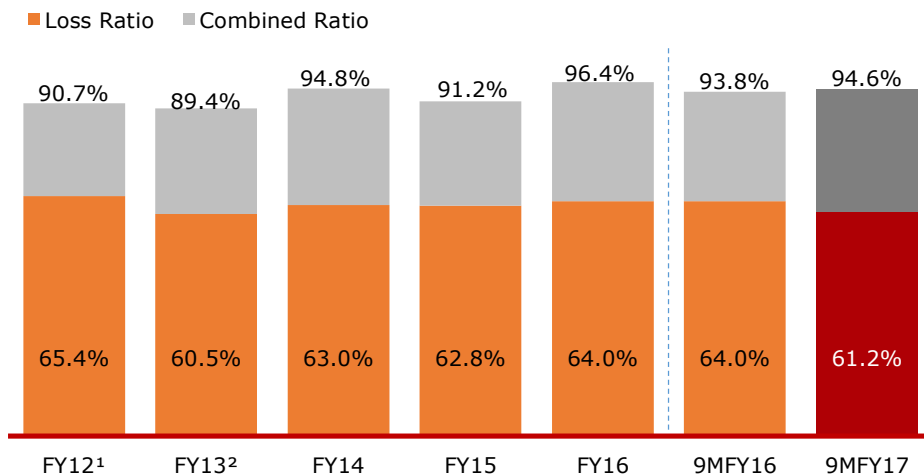
General insurance sustained Gross Premium and improved historical claims experience

- PBT increased 3.6% YoY from improved historical claims experience
- Gross premium sustained on higher non-motor insurance
- Key operating ratios remained strong with YTD combined ratio improving to 94.6% and loss ratio to 61.2% due to improved prior year development for Motor Act

YoY PAT (RM' mil)

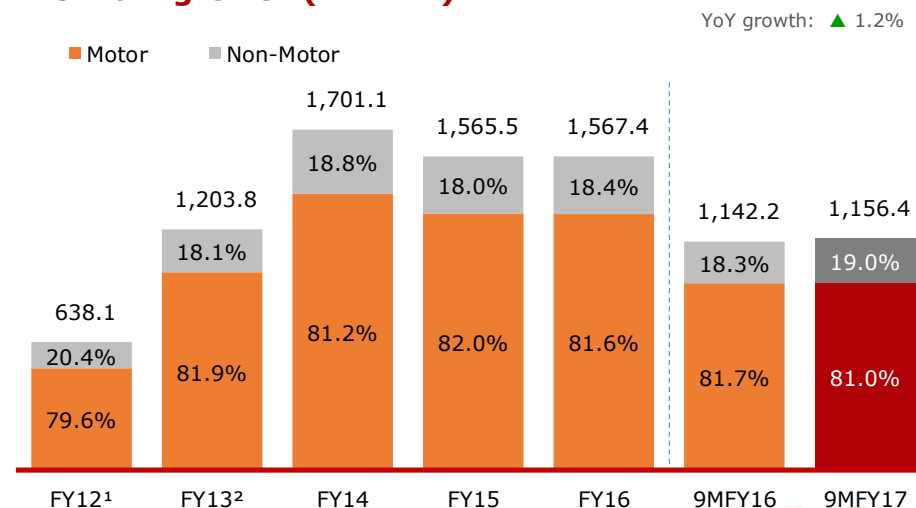


Loss ratio and combined ratio



1. Before Kurnia acquisition
 2. Included 6 months of Kurnia (Acquisition of Kurnia on 26 Sept 2012)

Premium growth (RM' mil)

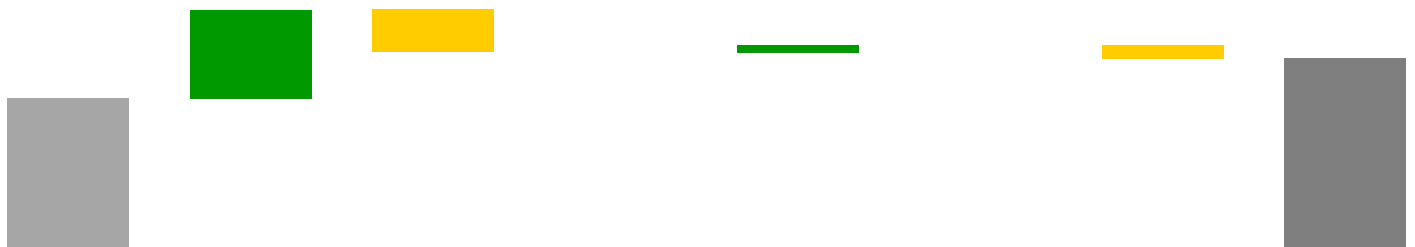


NB: The Malaysian Competition Commission is investigating the wider general insurance industry in connection with agreements implemented by PIAM (the General Insurance Association of Malaysia) in relation to the automobile repair industry.

Insurance and Group Funding & Others

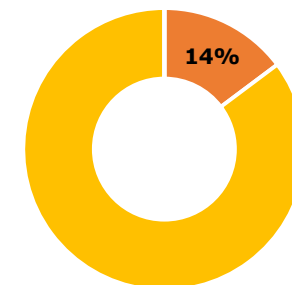
Income Statement – Insurance (General & Life/Takaful) (RM'mil)

YoY growth ▲ **19.5%** ▲ 15.7% ▲ **25.0%** ▼ >100.0% ▲ **29.8%** ▲ 48.8% ▲ **26.3%**



RM' mil	Total Income	Expenses	PBP	Provisions/ Allowances	PBT	Tax & Zakat	PAT
9MFY17	437.9	250.2	187.7	(1.3)	189.0	33.6	155.4
9MFY16	366.4	216.2	150.2	4.6	145.6	22.6	123.0

9MFY17 PAT (composition of Group)



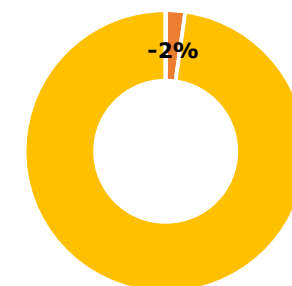
Income Statement – Group Funding & Others (RM'mil)

YoY growth ▼ **19.8%** ▼ 10.6% ▼ **12.9%** ▲ 27.2% ▼ >100.0% ▲ 37.7% ▼ >100.0% ▼ 4.0% ▼ **56.6%**



RM' mil	Total Income	Expenses	PBP	Provisions/ Allowances	PBT	Tax & Zakat	PAT	MI	PATMI
9MFY17	156.9	243.1	(86.2)	58.4	(27.8)	(3.8)	(24.0)	62.6	(86.6)
9MFY16	195.6	271.9	(76.3)	80.1	3.8	(6.1)	9.9	65.2	(55.3)

9MFY17 PAT (composition of Group)



■ H1FY17 PAT ■ H1FY17 PAT ■ Positive growth in H1FY17 ■ Contraction in H1FY17

AmGeneral Insurance 3 - Year Strategy Overview

Where we want to be by FY18/19?:

To be the Most Trusted Insurer in Malaysia

How will we grow our businesses in FY16/17 to achieve our FY18/19 goals?

Priorities:

1. **Be the No.1 Motor Insurer**
2. **Lead in Select Personal Lines**
3. **Grow in Select Commercial Lines**
4. **Build a Customer Oriented Organization**
5. **Create a High Performance Culture**

Where do we want to play?

Segment Play:

- Motor
- Personal Lines
- Commercial Lines

Value proposition:

- Simplified and practical solutions for customer across all touch points for increased customer satisfaction
- Superior Claims Service and improved Turnaround Time (TAT)
- Innovative Digital Offerings
- Competitive Underwriting
- Innovative products that customers want

What are the enablers to grow our business in FY16/17?

Distribution	People	Claims	Customer	Technology	Product	Pricing	Brand	Risk	Data & Analytics
Develop the best sales capability & effective distribution model	Attract & develop people to be the best	Drive a balanced outcome on service, quality and cost management	Become a customer oriented organization, applying customer centric principles to all customer touch points	Invest in technology capabilities to gain competitive edge & reduce complexity to increase speed to market	Deliver easy to understand and competitive products	Lead the market with pricing capability	Develop sustainable competitive advantage via a valuable and differentiating brand position	Take a leadership role to help manage risk in the community and our organization	Optimize data management to make more informed business decisions



Roadmap & Strategy Focus:

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

2015 - 2016

Revitalise Distribution
Strengthen Foundation

2017

Accelerate Business

2018 and beyond

Customer-centric Organisation

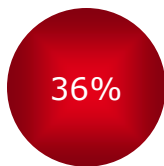
Multi-channel distribution	Strengthen foundation	Digitalisation
----------------------------	-----------------------	----------------

- Revitalise & rebuild professional Agency Force
- Expand Bancassurance Specialist distribution
- Leverage on MetLife global expertise to expand Employee Benefits to multinational corporations

- Enhance technology support
- Expand product offerings
- Build high-performing employee culture

- Going digital for customers and sales intermediaries
- Drive operational efficiency
- Simplified customer-centric service delivery

2016 Key Achievements:



Agency Manpower Growth



Diversified Products



Employee Benefits Co-brand Card

Modern, Trusted, Customer-centric



Islamic Banking

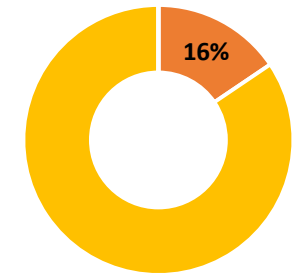
Income Statement (RM'mil)

YoY growth ▼ 3.0% ▼ 1.5% ▼ 5.4% ▲ 44.3% ▼ 9.6% ▼ 24.2% ▼ 4.6%



RM' mil	Total Income	Expenses	PBP	Provisions/ Allowances	PBT	Tax & Zakat	PATZ
9MFY17	651.1	414.5	236.6	28.2	208.4	44.9	163.6
9MFY16	671.1	420.9	250.2	19.5	230.7	59.2	171.4

9MFY17 PAT (composition of Group)

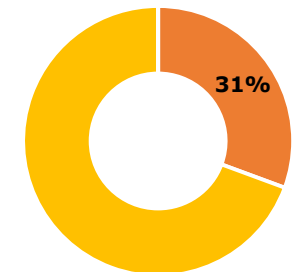


Balance Sheet (RM'mil/%)

		9MFY16	9MFY17	9MFY17 vs 9MFY16
Gross Financing		27,905.2	27,775.7	▼ -0.5%
Gross Impaired Financing	1.98%	623.8	550.2	▼ -11.8%
Customer Deposits		29,513.7	24,625.0	▼ -16.6%
CASA Deposits		5,628.0	6,087.4	▲ +8.2%
ROA		0.57%	0.59%	▲ +0.02%
CTI		62.7%	63.7%	▲ +0.9%
Allowance Coverage		73.8%	69.8%	▼ -4.1%

PATZ: profit after tax and zakat

9MFY17 Gross Financing (composition of Group)



■ 9MFY17 PAT ■ 9MFY17 PAT ■ Positive growth in 9MFY17 ■ Contraction in 9MFY17

Funding sources and maturity profile

Funding diversity underpinned by

LDR¹ of 90.3%

CASA: RM18.3 billion

Fixed deposits: RM65.0 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

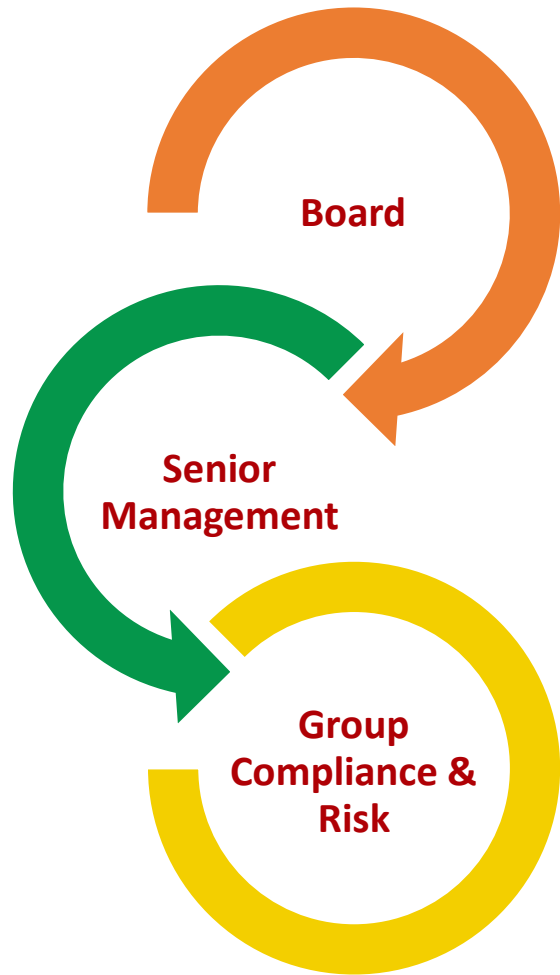
1. Includes stable funding sources from additional Tier 1 and Tier 2 capital which do not meet all qualifying criteria for full recognition of capital instruments under Basel III

2. 1st senior notes issuance by a financial institution in Malaysia



Strengthening fundamentals:

Governance, Risk & Compliance





Value proposition

- Seconding ANZ staff into key roles
- Providing technical expertise
- Support new product development
- Two-way customer referrals
- Joint account planning
- Access to regional network & connectivity

Board representation – AMMB Holdings Berhad

- Graham Hodges – Director (Deputy Chief Executive Officer, ANZ)
- Suzette Corr – Director (General Manager HR Institutional, ANZ)

Management representation

- Mandy Simpson – Chief Financial Officer
- Nigel Denby – Chief Risk Officer, completed contract on 31 January 2017
- Tan Chin Aun - Senior Vice President, Transaction Banking



Value proposition

- Involved in the management of AmGeneral Insurance, offering skills transfer, partnership and relationship models of IAG
- Adding value through claims re-engineering savings, increased revenue via product development, underwriting and pricing

Board representation

- Duncan Brain – Director (CEO, IAG Asia)
- Aidan Pallister – Director (Deputy CEO and Chief Operating Officer)

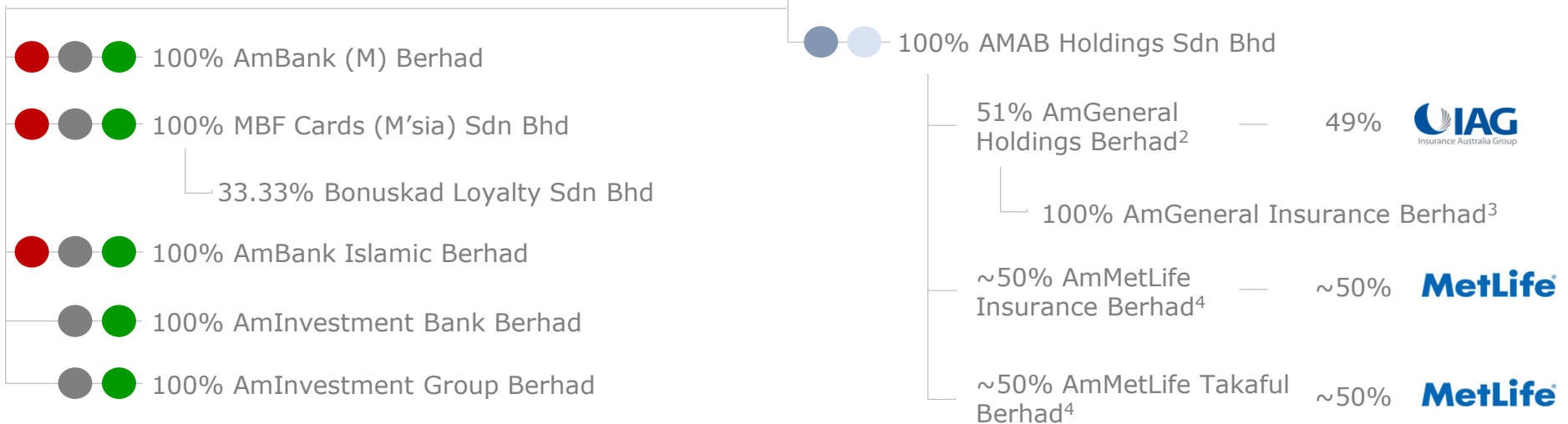
Management representation

- Derek Roberts – CEO, AmGeneral Insurance Berhad
- Luke Boyle – Senior Vice President, Digital and Business Support
- Darren Ryan – Senior Vice President, Claims
- Chris Tandy – Senior Vice President, Product Strategy
- Simon Herbert – Senior Vice President, Product, Pricing & Underwriting
- Troy Johns – Senior Vice President, Supply Chain

Shareholding structure & franchise value



AMMB Holdings Berhad



Foreign shareholding excluding ANZ

FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	9MFY17
27%	26%	29%	31%	29%	26%	25%

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	Sept-16	
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

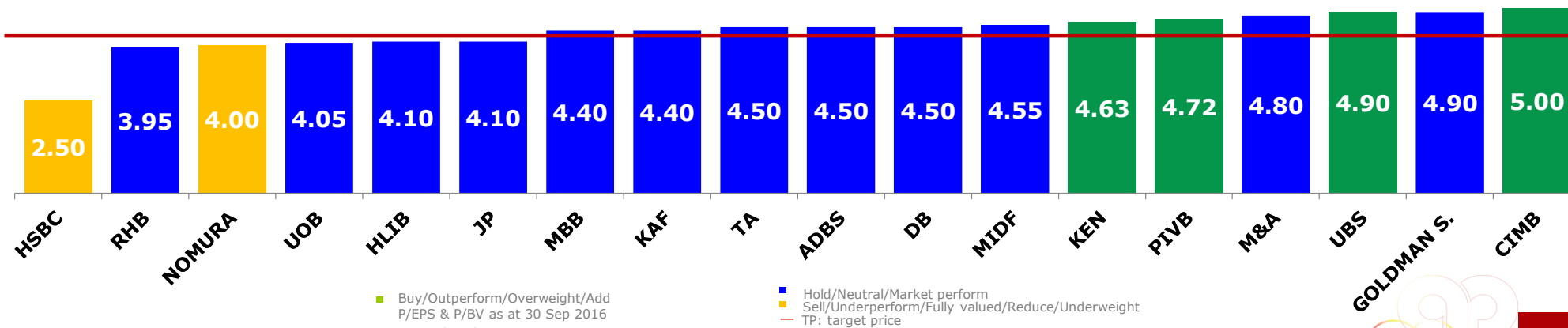
+1 Notches of ratings upgrades since 2007

Target Price and Recommendations

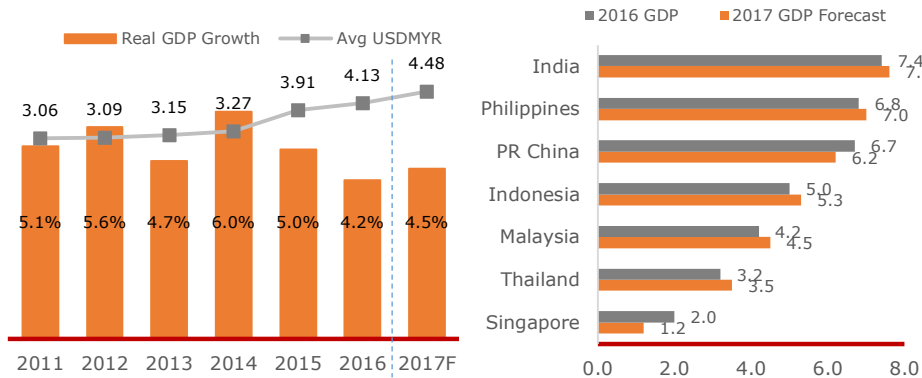
P/EPS : 10.32
P/BV : 0.84

Market Price: RM ▲ 4.31

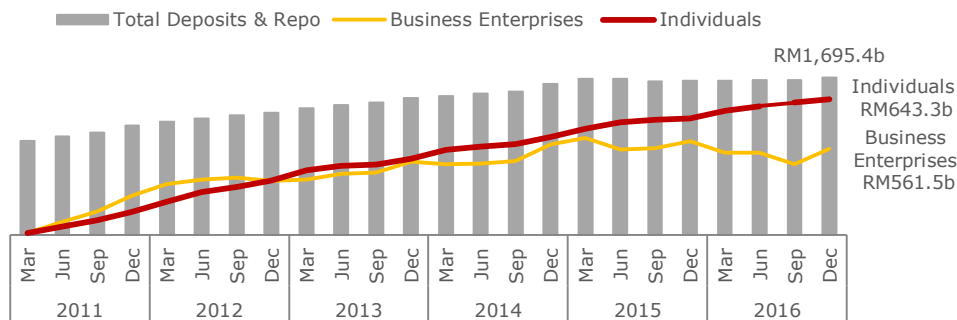
Average TP : RM 4.35
Buy : 4 (24%)
Hold : 11 (65%)
Sell : 2 (12%)
Ave. TP/ CP : 1.01x



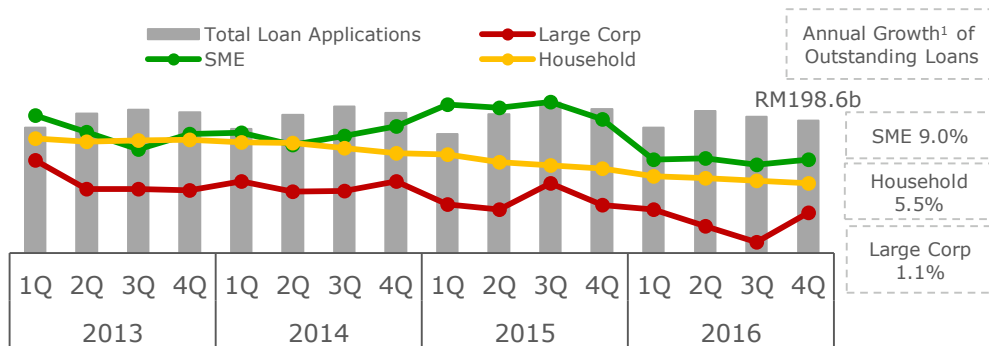
Opportunities and outlook



Source: Bank Negara Malaysia, Bloomberg, CEIC



Source: Bank Negara Malaysia



1. Annual growth is for end-period

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 4-5% for CY17 led by domestic demand, primarily from the private sector while the public sector continues to consolidate

Industry Deposits Growth (RM'bil)

- System deposit growth relatively flat ~ 2%
- Margins expected to remain under pressure

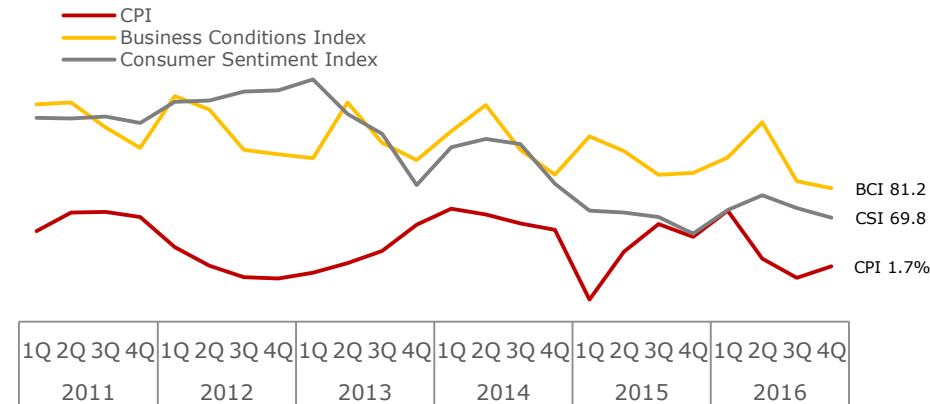
Total Loan Applications (RM'bil) and Industry Loan Growth

- Industry loan growth from both business and consumer segments have held up

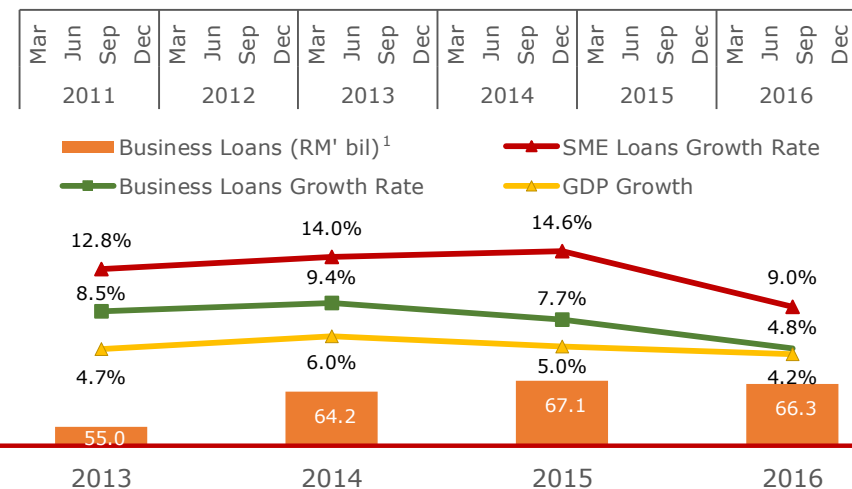
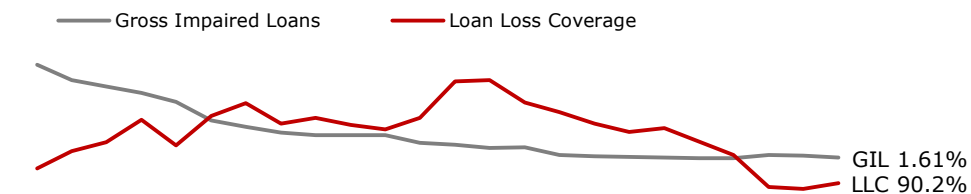
Source: Bank Negara Malaysia



Opportunities and outlook



Source: Bank Negara Malaysia, MIER



1. Monthly average of loan disbursements to businesses, including SMEs

Source : Bank Negara Malaysia

9MFY2017 Results - Investor Presentation

Business and consumer confidence recovering

- Underlying inflationary pressure expected to remain with bulk of it contributed by weaker ringgit, firmer commodity and crude oil prices
- Consumer Sentiments Index retreating reflecting lackluster financial outlook

Industry Asset Quality

- Managing asset quality in an uncertain economic environment remains a core focus for industry players and stakeholders alike

System SME loans growth outpaced GDP growth

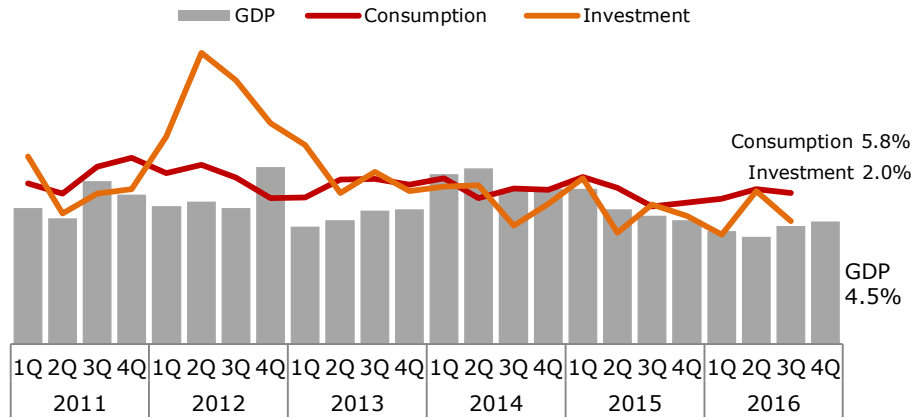
- SME loan growth continued to outpace GDP growth
- The 2017 National Budget provides continued impetus to drive domestic consumption

Source: Bank Negara Malaysia

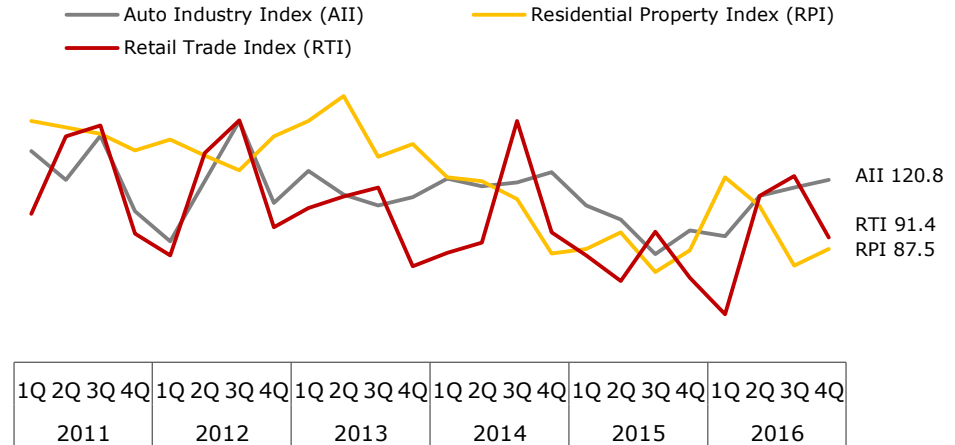


Key economy indicators

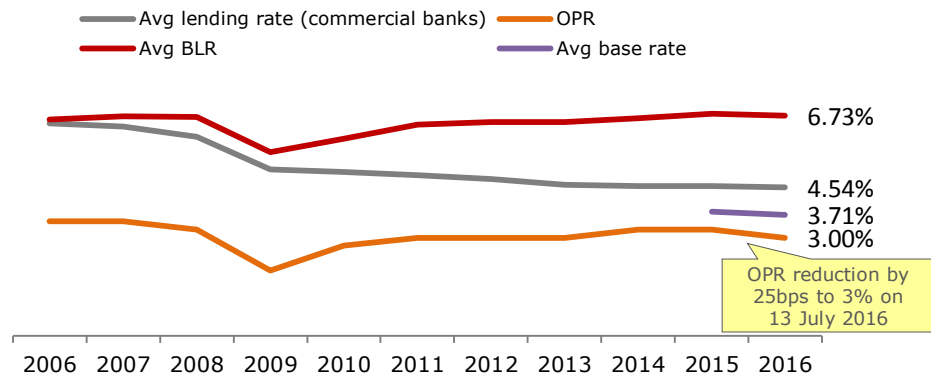
GDP, consumption and investment growth



Consumer Indices

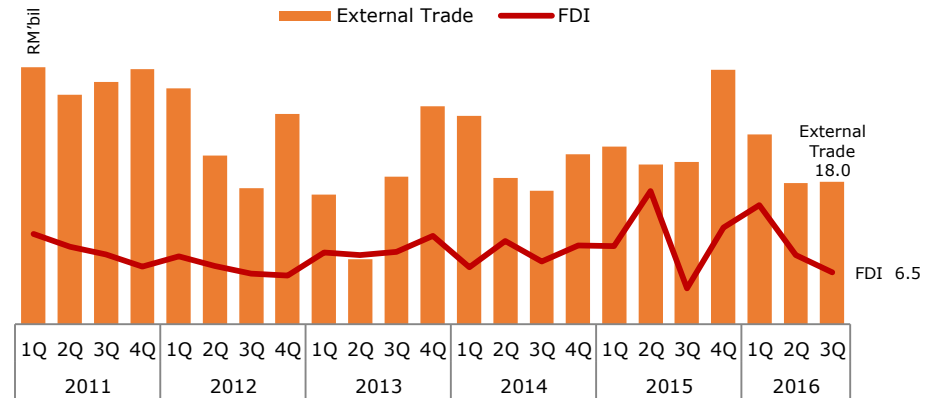


Key interest rates



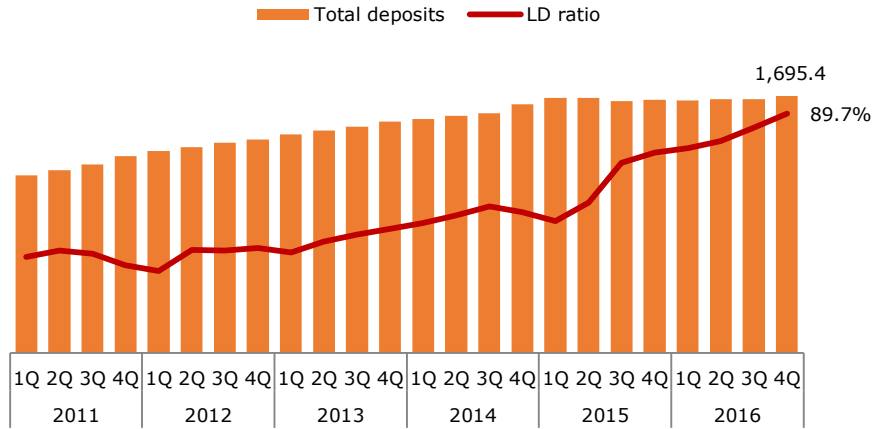
* Effective 2 January 2015, the Base Rate would replace the Base Lending Rate as the main reference rate for new retail floating rate loans

FDI flow and trade balance

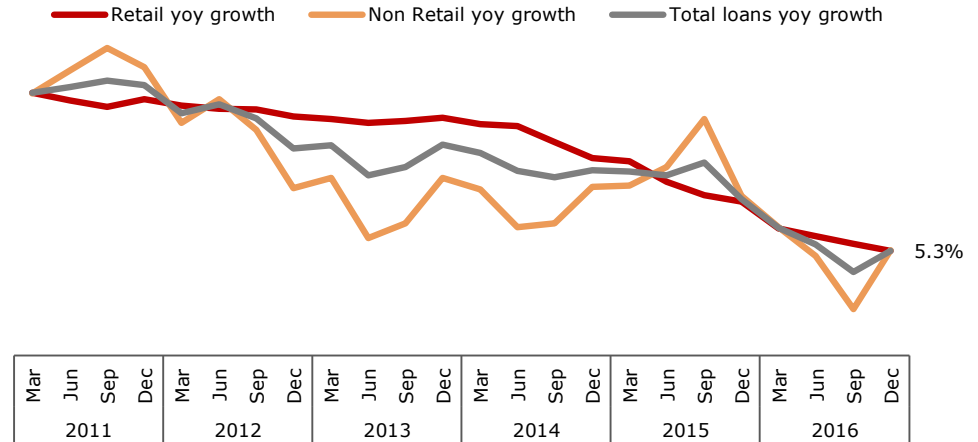


Banking system data

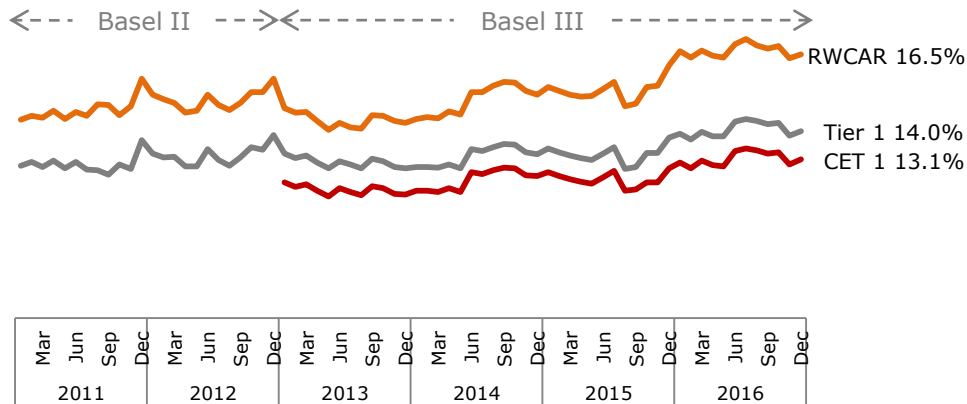
Deposits growth



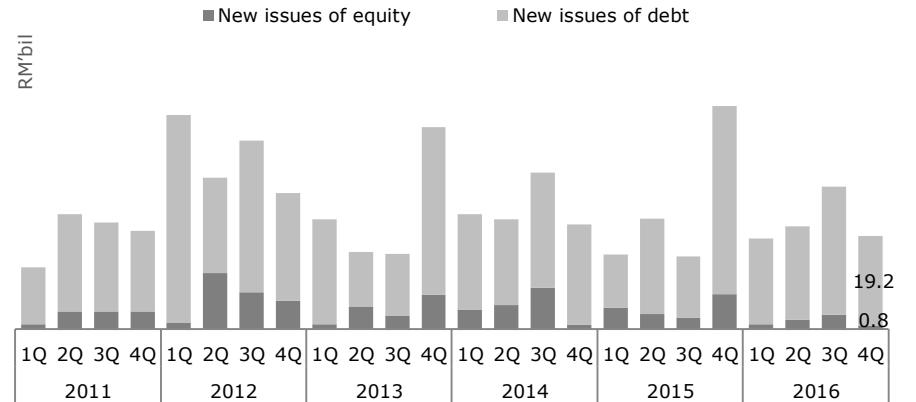
Loans growth



Capital ratios



Capital activities



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

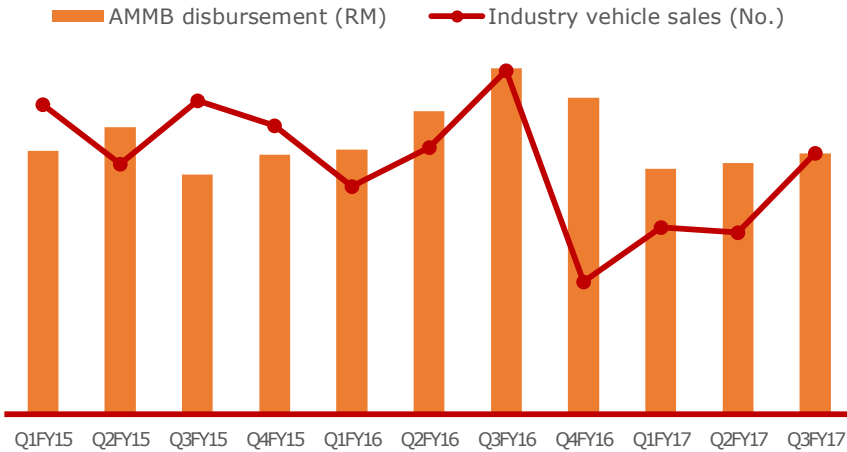
Source: BNM

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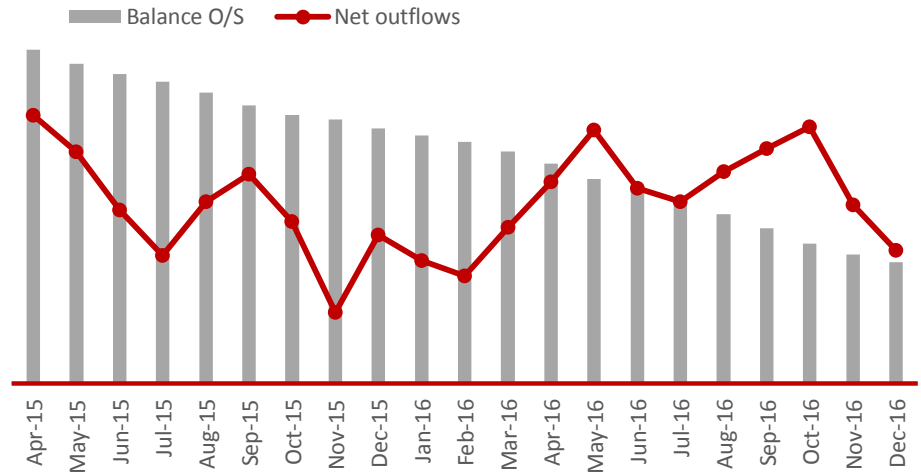


Auto Finance

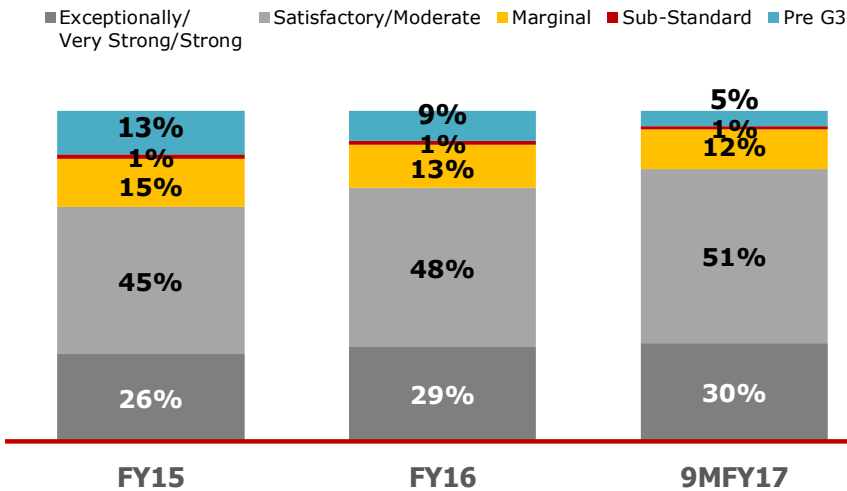
Auto Finance loans vs industry vehicle sales



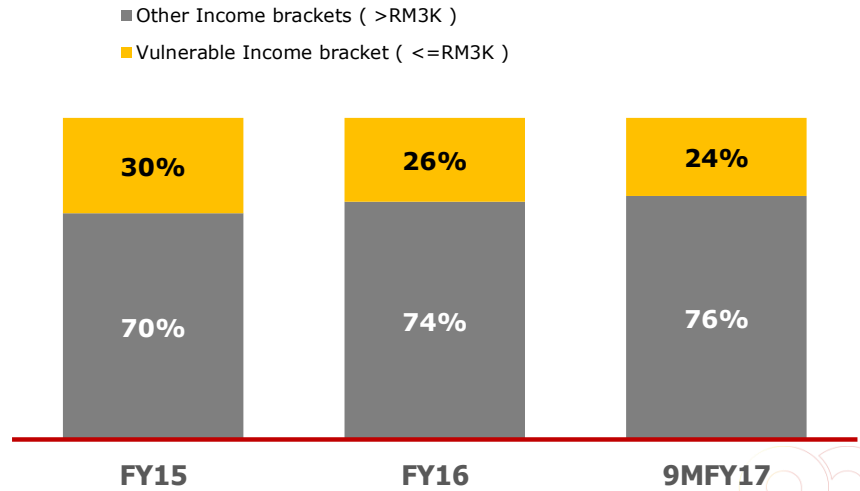
Auto Finance monthly balance vs. net outflows



Risk grades (% of loans outstanding)



Household income group (% of loans outstanding)



Glossary / Disclaimer of warranty and limitation of liability

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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