



**AmBank Group**

# **H1FY2019 RESULTS INVESTOR PRESENTATION**

**22 NOVEMBER 2018**

# **GCEO PRESENTATION**

**Dato' Sulaiman Mohd Tahir**

- 3 H1FY19 Financial snapshot
- 4 - 5 First half business review & Franchise
- 6 Outlook for 2018

# H1FY19 Financial snapshot

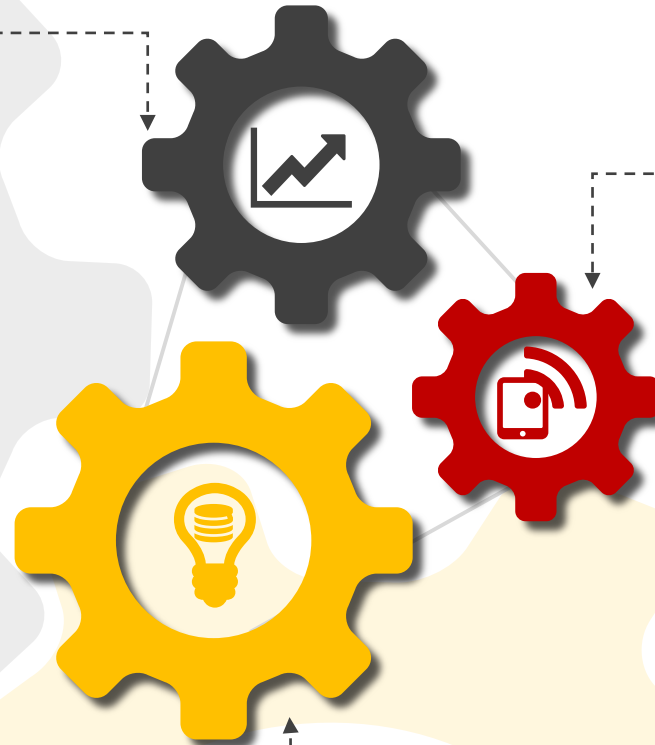
	H1FY19 Financials (YoY)			H1FY19 Improving trends	
<b>Profitability (RM' mil)</b>	Income	2,021 <i>H1FY18: 1,949</i>	▲ 4%	•	<b>Resilient growth</b>
	Expenses	1,018 <i>H1FY18: 1,116</i>	▼ 9%	•	<b>CTI 50.4%</b>
	PBP	1,003 <i>H1FY18: 833</i>	▲ 20%	•	<b>Improved operating leverage</b>
	Impairment	18 <i>H1FY18: (48)</i>	▲ >100%	•	<b>Negligible credit cost, LLC 111.3%</b>
	PATMI	696 <i>H1FY18: 660</i>	▲ 5%	•	<b>Improving profitability</b>
	ROE	8.2% <i>H1FY18: 8.1%</i>	▲ 10bps	•	<b>RoTE circa 10%</b>
<b>Assets &amp; Liabilities (RM' bil)</b>	Gross Loans	99.9 <i>FY18: 96.3</i>	▲ 4%	•	<b>Consistent loans growth</b>
	Deposits	100.8 <i>FY18: 95.8</i>	▲ 5%	•	<b>Resilient liquidity, CASA ~ 22%</b>
<b>Capital &amp; Dividend</b>	CET1 <sup>1</sup>	11.5% <i>FY18: 11.3%</i>	▲ 20bps	•	<b>Adequate capitalisation</b>
	FHC CET1	11.7% <i>FY18: 11.1%</i>	▲ 60bps		
	Dividend per share	5.0 sen <i>H1FY18: 5.0 sen</i>	≈		

1. After deducting proposed dividends, based on aggregated banking entities basis

# First half business review

## Growing topline

- Broad-based loans growth; gaining market share
- Wholesale Banking – deepen cash management solutions and improve ROCE
- Retail Banking – driving deposits and wealth management growth through AmBank Signature Priority Banking
- Business Banking – driving efficiency and branding
- Investment Banking – expanding retail customer base via new share trading platform, AmEquities



## Digital initiatives

- New AmOnline features every quarter, e.g. AMY (chatbot)
- > 500,000 AmOnline customers to-date, target 1 mil by year-end
- Strategic e-payment / e-wallet partnerships, e.g. Digi vcash QR
- Appointed as cash management bank for PayNet’s Direct Merchant Settlement services
- AmGeneral – expands distribution via partnership with GITOGO, an online insurance portal

## BET300

- RM100m cost savings target for FY19
- Group-wide & line of business (LOB) owned initiatives
- Focus on workforce efficiency, facilities management, procurement & pace investment
- Commenced “Go Green / Reduce Wastage Awareness” campaign



# Reinvigorating Franchise

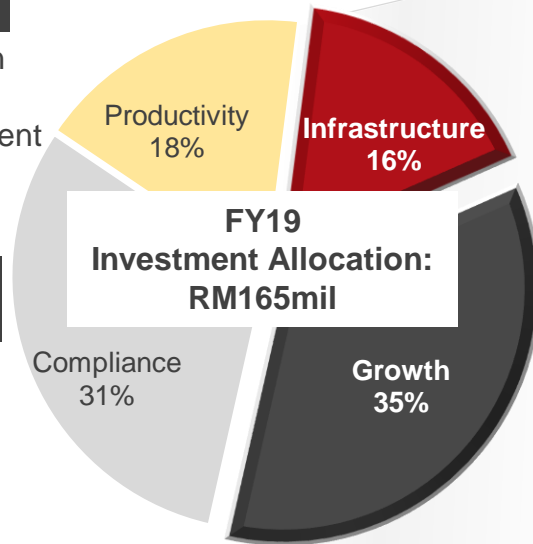


## Productivity

- Branch optimization
- Cost rationalisation
- Facilities management

## Community

- Go Green
- Reduce Printing
- Save Electricity



## Reinvestments



## Investments



Corporate & Business



Cash Management Services



1st Multilingual Online Banking Service



Mobile & Web Share Trading



Virtual Financial Assistant

## H1FY19 Key Achievements



e-AmBiz customers' daily avg. CASA balance: RM9,877 mil **▲ 11%<sup>1</sup>**



Virtual Account Balance: RM323 mil **▲ >100%<sup>1</sup>**



Internet Banking via Cash Management Platform (Apr'18 to Sept'18):  
 WB : 714k **▲ 33%<sup>2</sup>**  
 BB : 264k **▲ 51%<sup>2</sup>**  
 Retail SME : 616k **▲ 43%<sup>2</sup>**

AmOnline users: 498k **▲ 54%<sup>2</sup>**  
 Mobile users: 427k **▲ 41%<sup>2</sup>**  
 AmSignature Priority Banking: 80k **▲ 28%<sup>2</sup>**

## New Offerings

Launched on Oct 10, 2018

Launched on Oct 29, 2018

1. Represents YTD growth (Sept'18 vs Mar'18)  
 2. Represents YoY growth (Sept'18 vs Sept'17)

# Outlook for 2018

## Malaysia

GDP growth: 4.6%



Inflation: Circa 1.1%



Export growth:  
6.5% - 7.5%



USD/MYR outlook:  
4.18 - 4.20 by end 2018



## Banking Sector

Loans growth circa 5.5%



Asset quality stable



OPR stable at 3.25%



Healthy liquidity & capital positioning



# **GCFO Presentation**

**Jamie Ling**

- 8-21 Financial overview
- 22 H1FY19 Financial agenda
- 23 Guidance & Expectations

# Q2FY19 Financial overview

1

## Q2FY19 Results (QoQ)

- Income broadly stable at RM1,007 mil
- NII grew 1% to RM648 mil, in line with loans growth
- Noll down 3% to RM359 mil, impacted by weaker market sentiment
- NIM of 1.91%, down 11bps from higher funding cost
- Improved operating leverage, CTI of 50.2% (Q1FY19: 50.6%)
- PBP stable at RM502 mil
- Net impairment of RM11 mil
- PATMI stable at RM348 mil
- ROE of 8.2%, RoTE circa 10%

2

## Asset Quality

- GIL of 1.72% (Q1FY19: 1.77%)
- LLC<sup>1</sup> at 111.3% (Q1FY19: 106.3%)

3

## Capital & Funding

- Adequate capitalisation, FHC CET1 11.7%
- Funding sources more resilient
- FHC LCR of 144% (Q1FY19: 169%)
- NSFR<sup>2</sup>:
 

- AmBank (M) Berhad	117% (Q1FY19: 115%)
- AmBank Islamic Berhad	120% (Q1FY19: 119%)
- AmInvestment Bank Berhad	126% (Q1FY19: 122%)



# H1FY19 Performance summary – P&L

P&L (RM' mil)	Q2FY19		Q1FY19		QoQ Change		H1FY19		H1FY18		YoY Change	
Total Income	1,007	1,014	▼	1%	2,021	1,949	▲	4%				
Expenses	506	513	▼	1%	1,018	1,116	▼	9%				
PBP	502	501		≈	1,003	833	▲	20%				
Net Impairment	11	7	▲	57%	18	(48)	▲	>100%				
PATMI	348	348		≈	696	660	▲	5%				
Financial Indicators	Q2FY19		Q1FY19		QoQ Change		H1FY19		H1FY18		YoY Change	
CTI	50.2%	50.6%	▼	40bps	50.4%	57.2%	▼	>100bps				
NIM	1.91%	2.02%	▼	11bps	1.97%	1.99%	▼	2bps				
ROE	8.2%	8.3%	▼	10bps	8.2%	8.1%	▲	10bps				
EPS <sup>1</sup>	11.57 sen	11.56 sen	▲	0.01 sen	23.13 sen	21.94 sen	▲	1.19 sen				



# H1FY19 Performance summary – balance sheet

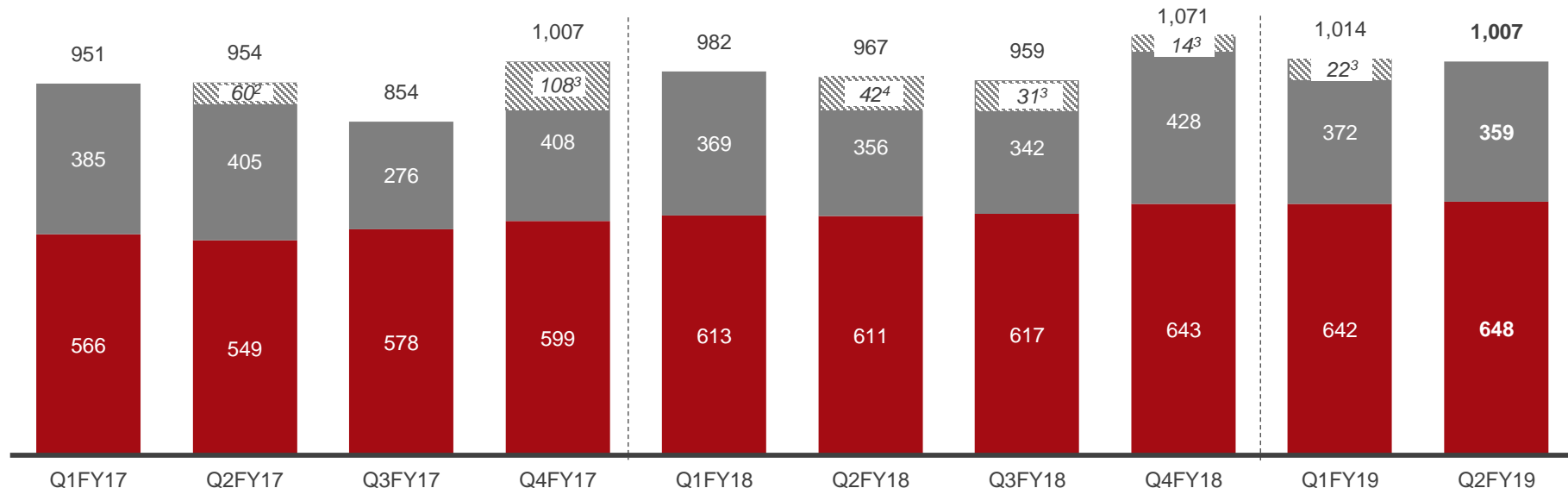
Balance Sheet (RM' bil)	Q2FY19		Q1FY19		QoQ Change		H1FY19		FY18		YTD Change	
Gross Loans	99.9	98.4	▲	2%	99.9	96.3	▲	4%				
GIL	1.72%	1.77%	▼	5bps	1.72%	1.70%	▲	2bps				
LLC <sup>1</sup>	111.3%	106.3%	▲	>100bps	111.3%	100.5%	▲	>100bps				
Customer Deposits	100.8	98.6	▲	2%	100.8	95.8	▲	5%				
CASA	22.0	20.8	▲	6%	22.0	20.4	▲	8%				
Capital Indicators	Q2FY19		Q1FY19		QoQ Change		H1FY19		FY18		YTD Change	
CET1 <sup>2</sup>	11.5%	11.6%	▼	10bps	11.5%	11.3%	▲	20bps				
Tier 1 <sup>2</sup>	12.2%	12.3%	▼	10bps	12.2%	12.0%	▲	20bps				
Total Capital <sup>2</sup>	16.2%	16.4%	▼	20bps	16.2%	16.6%	▼	40bps				
FHC CET1	11.7%	11.3%	▲	40bps	11.7%	11.1%	▲	60bps				



# Consistent growth

Business Segments (RM' mil)	Q2FY19		Q1FY19 <sup>1</sup>		QoQ Change		H1FY19		H1FY18		YoY Change	
Wholesale Banking	277		249		▲ 11%		526		477		▲ 10%	
Investment Banking	55		69		▼ 20%		124		160		▼ 22%	
Retail Banking	363		363		≈		726		757		▼ 4%	
Business Banking	78		75		▲ 5%		153		124		▲ 23%	
Group Funding & Others	65		76		▼ 15%		140		131		▲ 6%	
<b>Total Income – Banking</b>	<b>838</b>		<b>832</b>		<b>▲ 1%</b>		<b>1,669</b>		<b>1,649</b>		<b>▲ 1%</b>	
General Insurance	165	169	168	182	▼ 2%	▼ 7%	334	352	318	300	▲ 5%	▲ 17%
Life Insurance	4		14		▼ 70%		18		(18)		▲ >100%	
<b>Total Income</b>	<b>1,007</b>		<b>1,014</b>		<b>▼ 1%</b>		<b>2,021</b>		<b>1,949</b>		<b>▲ 4%</b>	

RM' mil

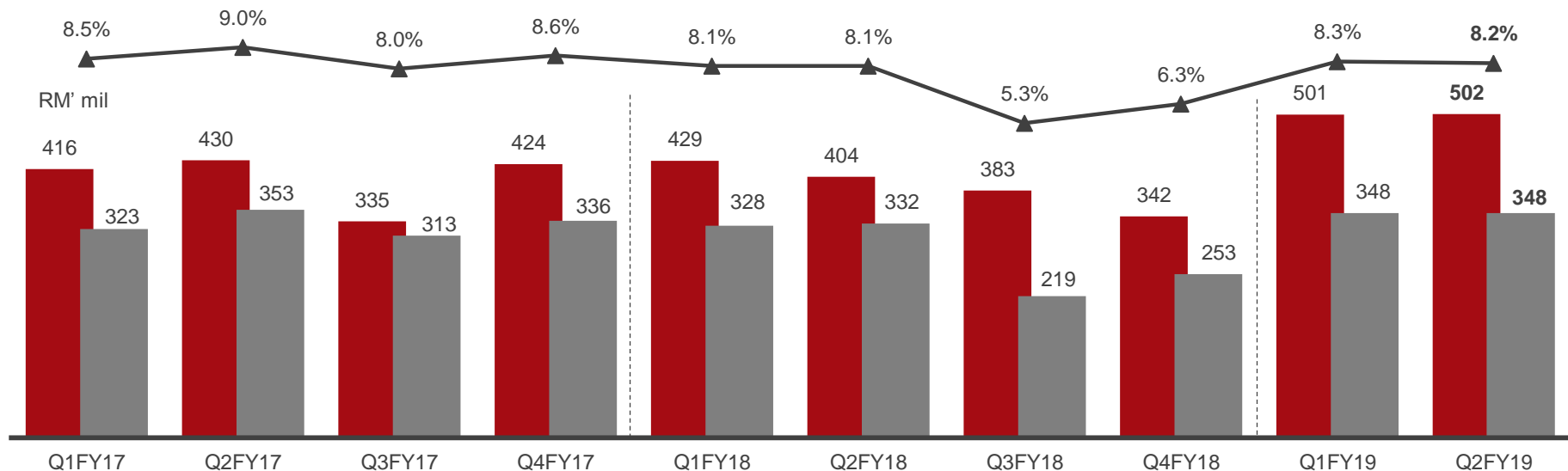


■ Net Interest Income ■ Non-interest Income

1. Q1FY19 numbers have been restated due to realignment of business
2. Fixed income trading gain
3. Gain on disposal of foreclosed properties
4. Investment share revaluation

# Improved operating leverage

Business Segments (RM' mil)	Q2FY19		Q1FY19 <sup>1</sup>		QoQ Change		H1FY19		H1FY18		YoY Change	
Wholesale Banking	206		184		▲ 12%		390		329		▲ 19%	
Investment Banking	14		24		▼ 42%		38		57		▼ 34%	
Retail Banking	169		142		▲ 20%		311		267		▲ 16%	
Business Banking	48		45		▲ 6%		94		73		▲ 29%	
Group Funding & Others	(16)		5		▼ >100%		(13)		(18)		▲ 28%	
<b>PBP – Banking</b>	<b>421</b>		<b>400</b>		<b>▲ 5%</b>		<b>820</b>		<b>708</b>		<b>▲ 16%</b>	
General Insurance	77	81	87	101	▼ 12%	▼ 20%	165	183	143	125	▲ 15%	▲ 45%
Life Insurance	4		14		18		(18)		▲ >100%			
<b>PBP</b>	<b>502</b>		<b>501</b>		<b>≈</b>		<b>1,003</b>		<b>833</b>		<b>▲ 20%</b>	



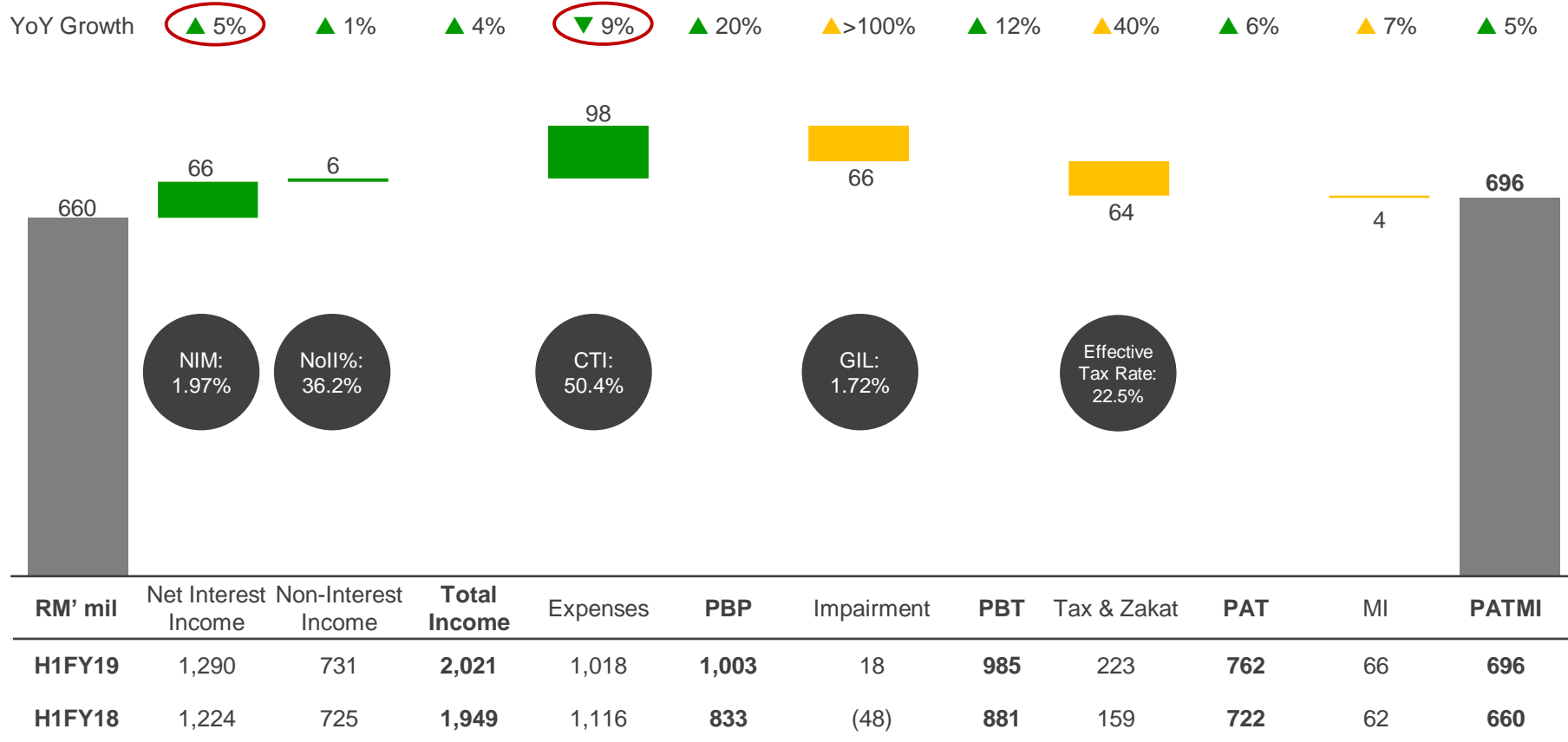
■ PBP

■ PATMI

▲ ROE

1. Q1FY19 numbers have been restated due to realignment of business

# Steady NII growth and assertive cost actions



# Increasing term structure for resiliency

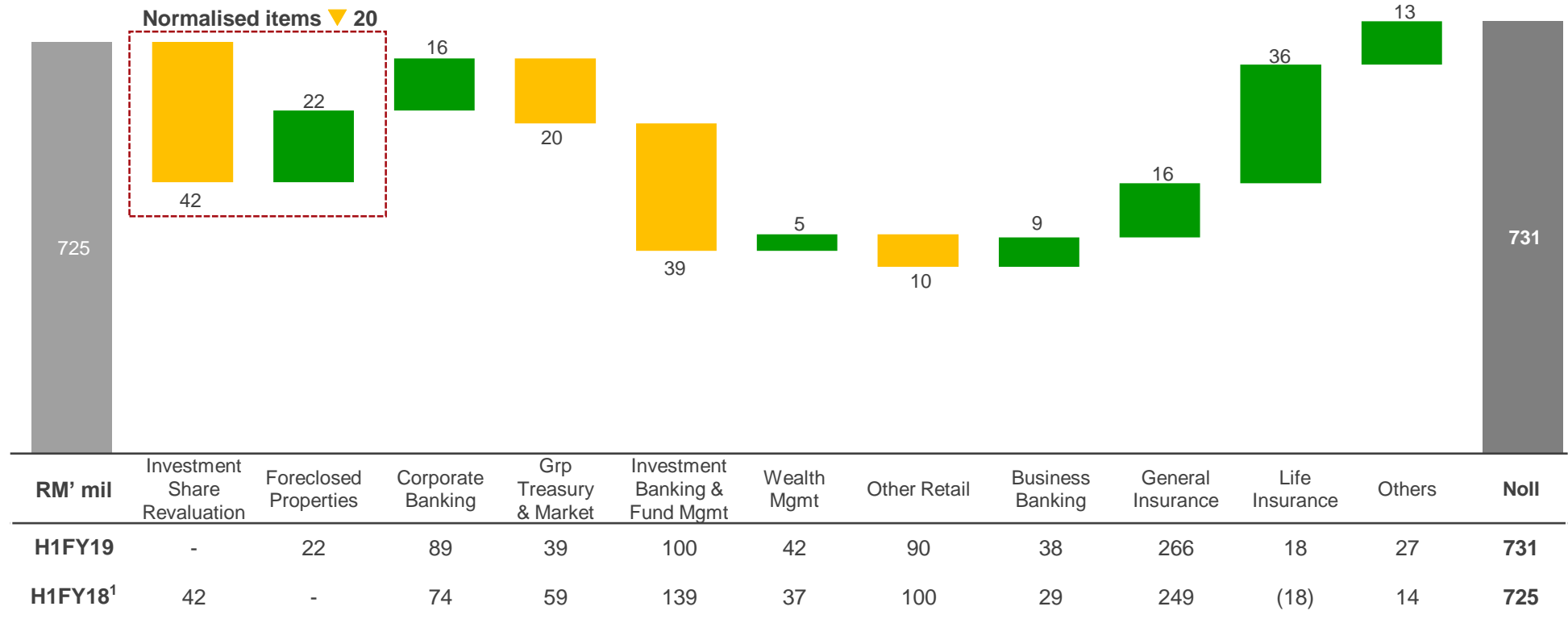
## Net Interest Margin (NIM) Movement



# Modest growth on cautious market sentiment

YoY Growth

▲ 21% ▼ 33% ▼ 28% ▲ 13% ▼ 10% ▲ 30% ▲ 7% ▲ >100% ▲ >100% ▲ 1%



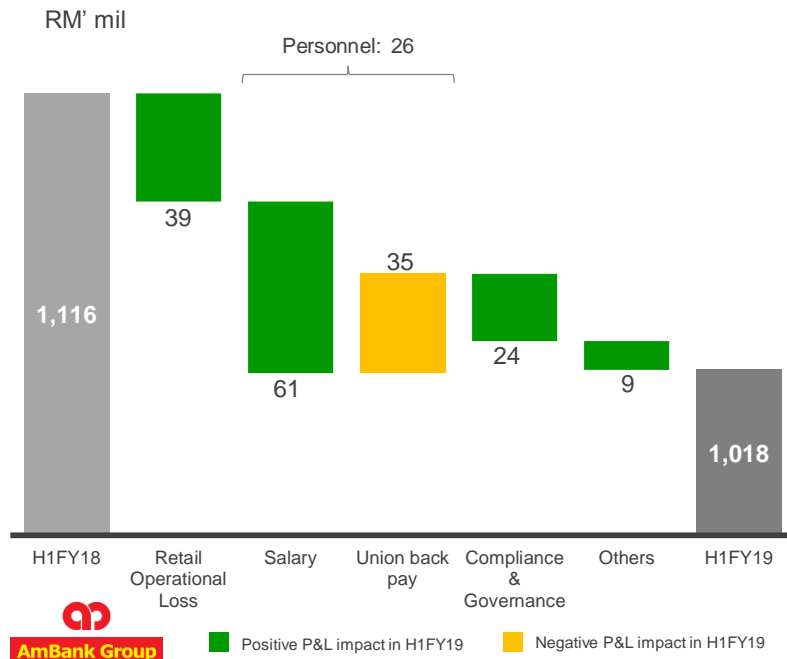
■ Positive growth in H1FY19 ■ Contraction in H1FY19 ■ H1FY18 Noll ■ H1FY19 Noll

1. H1FY18 numbers have been restated due to realignment of business

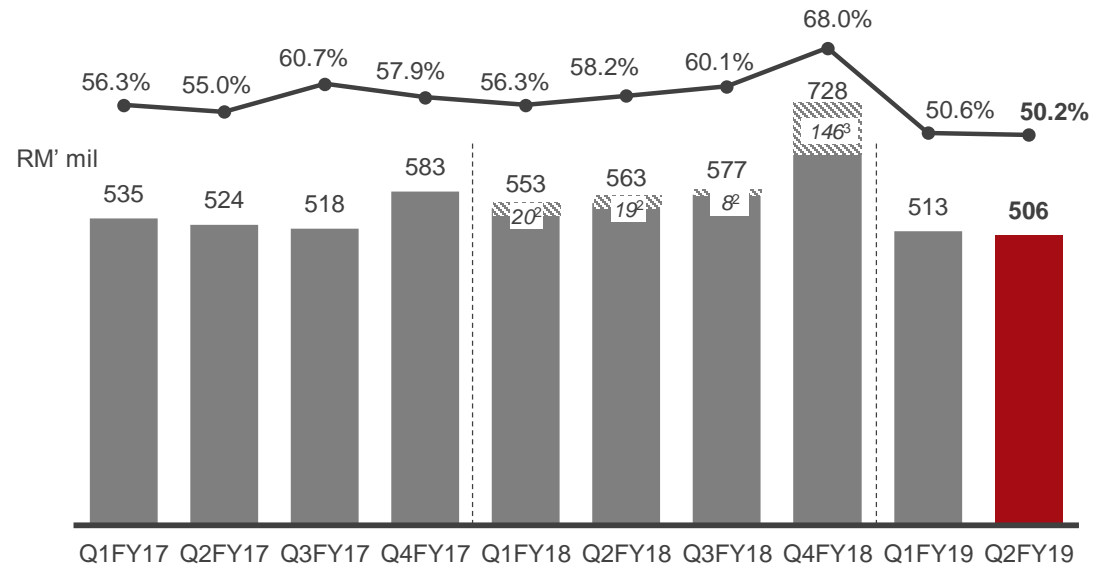
# Assertive cost actions

Business Segments (RM' mil)	Q2FY19	Q1FY19 <sup>1</sup>	QoQ Change	H1FY19	H1FY18	YoY Change
Wholesale Banking	70	65	▲ 8%	135	148	▼ 8%
Investment Banking	42	45	▼ 8%	87	102	▼ 15%
Retail Banking	194	222	▼ 13%	416	490	▼ 15%
Business Banking	30	29	▲ 3%	59	52	▲ 15%
Group Funding & Others	82	71	▲ 15%	152	149	▲ 2%
<b>Expenses – Banking</b>	<b>418</b>	<b>432</b>	<b>▼ 3%</b>	<b>849</b>	<b>941</b>	<b>▼ 10%</b>
Insurance (General, life, takaful)	88	81	▲ 9%	169	175	▼ 3%
<b>Expenses</b>	<b>506</b>	<b>513</b>	<b>▼ 1%</b>	<b>1,018</b>	<b>1,116</b>	<b>▼ 9%</b>

## Expense Growth Driver



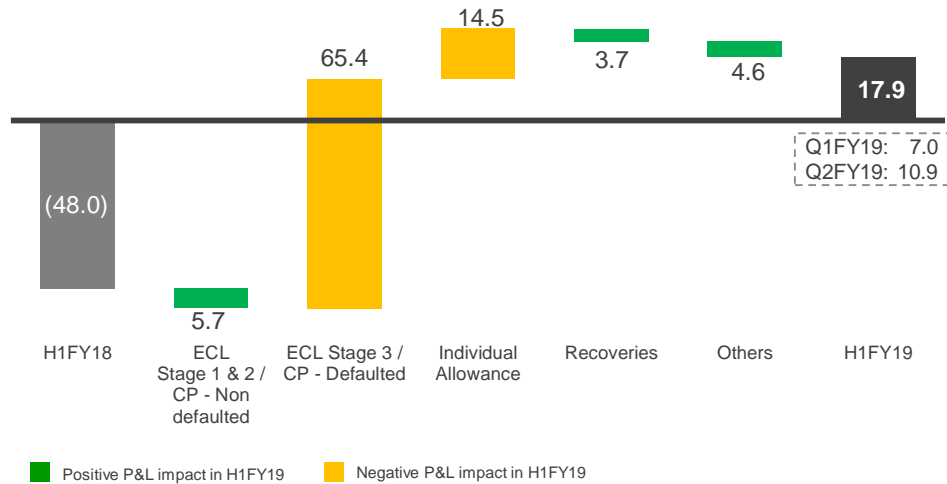
## Expense and CTI Trend



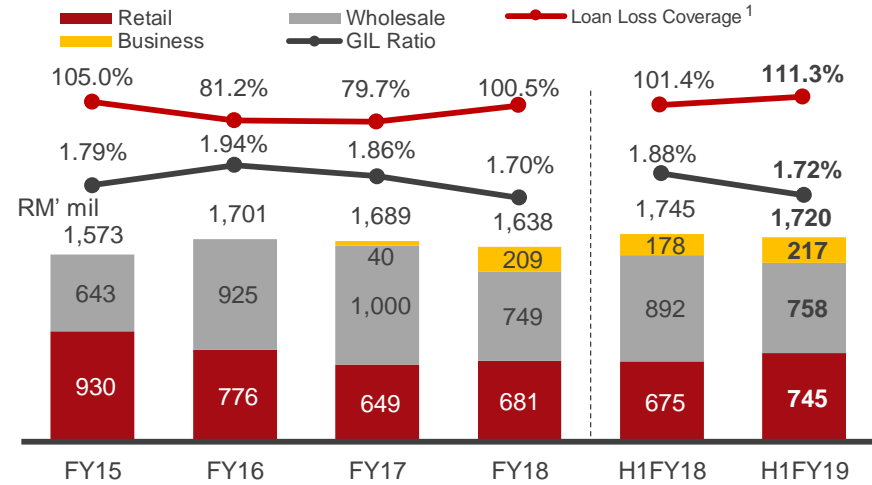
1. Q1FY19 numbers have been restated due to realignment of business
2. Retail Operational Loss
3. Mutual Separation Scheme

# Credit cost negligible, improved loss cover

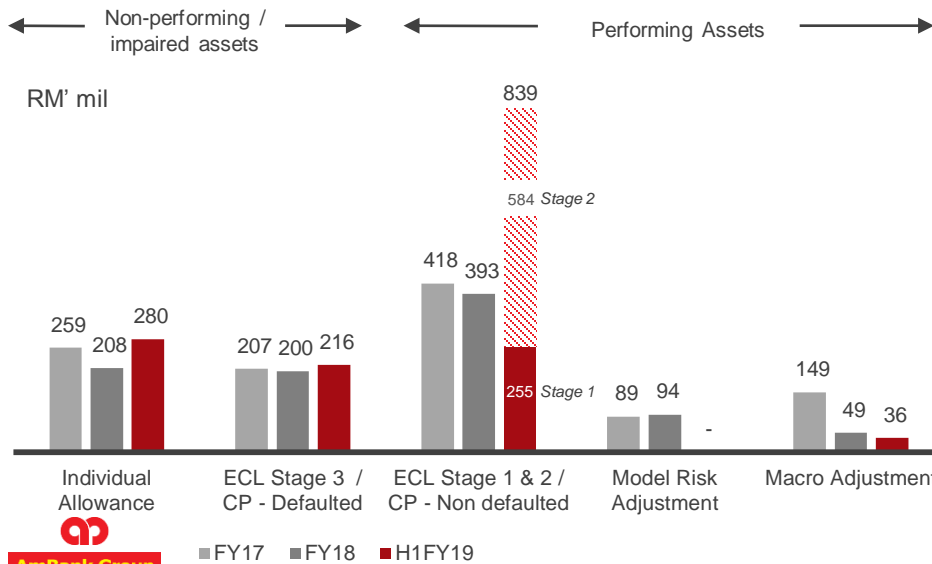
## Net Impairment (RM' mil)



## Gross Impaired Loans, GIL & LLC Ratios and Credit Costs

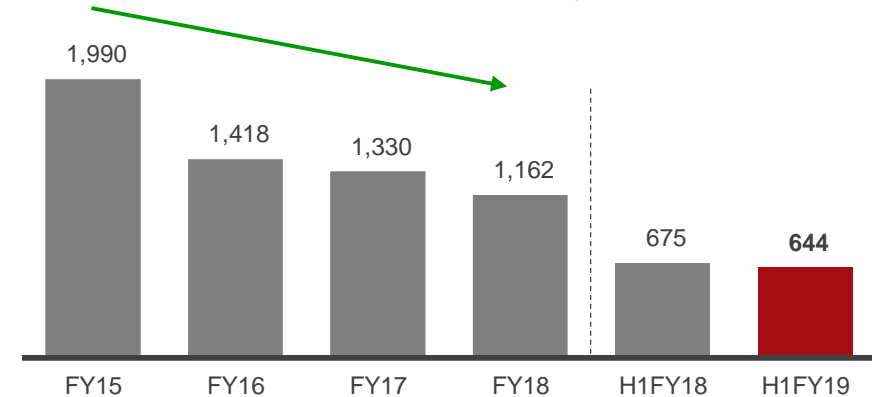


## Impairment Balance (Balance Sheet)



AmBank Group	FY15	FY16	FY17	FY18	H1FY18 <sup>2</sup>	H1FY19 <sup>2</sup>
Credit cost	-0.04%	-0.19%	-0.19%	0.00%	-0.10%	0.05%
Credit cost (excl. recoveries)	0.69%	0.47%	0.57%	0.47%	0.43%	0.56%

## New Impaired Loans Formation (RM' mil)



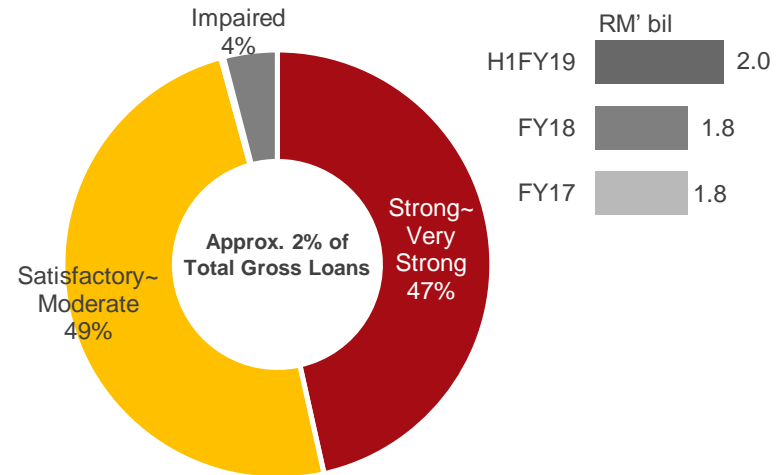
1. Includes regulatory reserve  
2. Annualised

# Asset quality in check

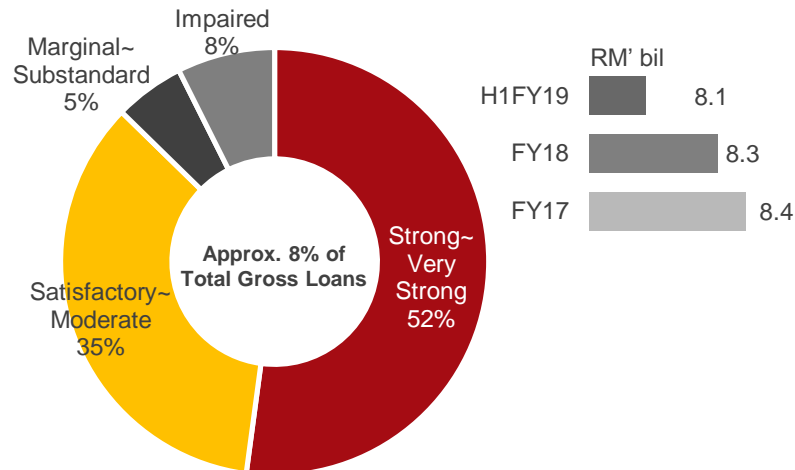
## Impaired Loans by Sector

Sector	Sep'18 RM' mil	YTD Growth	Composition
Real Estate	550	▼ 8%	32%
Residential Properties	355	▲ 7%	21%
Transport Vehicles	216	▲ 4%	13%
Manufacturing	160	▲ 93%	9%
Trading and hospitality	93	▲ >100%	5%
Mining and quarrying	80	▼ 8%	5%
Construction	32	▼ 30%	2%
Others	234	▼ 3%	13%
<b>Total</b>	<b>1,720</b>	<b>▲ 5%</b>	<b>100%</b>

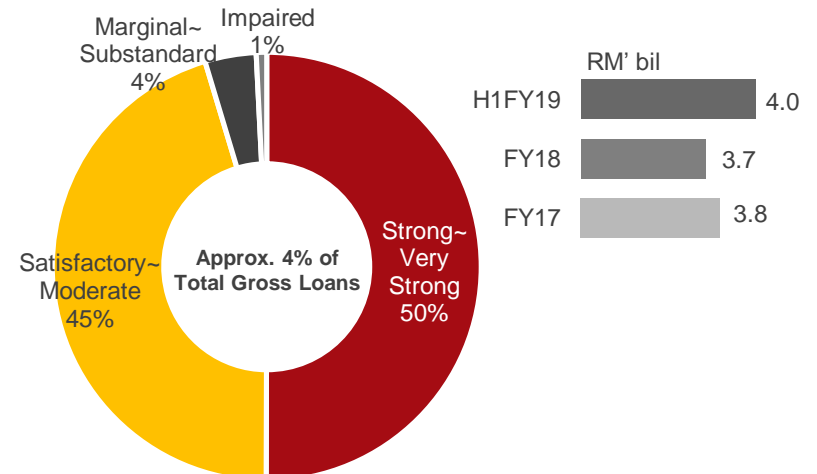
## Loans to Oil & Gas (O&G) Sector by Internal Risk Grades



## Loans to Real Estate Sector by Internal Risk Grades



## Loans to Construction Sector by Internal Risk Grades



# Sustained growth momentum in targeted segments

## Gross Loans Movement (RM' bil)

Breakdown by rate sensitivity:  
Fixed rate – 26%  
Variable rate – 74%

Breakdown by concept:  
Islamic – 29%  
Conventional – 71%

Breakdown by customers type:  
Retail – 56%  
Non-retail – 44%

ROA<sup>1</sup>:  
0.97%

RoTA<sup>1</sup>:  
0.99%

LTA<sup>2</sup>:  
84.2%

YTD Growth	▲ 4%	▲ 1%	▲ 5%	▲ 7%	▼ 8%	▲ 11%	▲ 26%	▲ 26%	▲ 11%	▲ 4%
Composition	13%	20%	2%	33%	17%	2%	2%	2%	9%	100%



	Gross loans trend	YTD Growth	Industry <sup>3</sup>
H1FY19	99.9	▲ 4%	▲ 3%
FY18	96.3	▲ 6%	▲ 4%
FY17	91.0	▲ 4%	▲ 6%



Positive growth in H1FY19

Contraction in H1FY19

1. Annualised

2. Loan-to-Available-Funds is gross loans (excluding financing funded by Islamic Investment Accounts and loans sold to Cagamas) divided by deposits + borrowings + subdebt

3. Based on BNM data

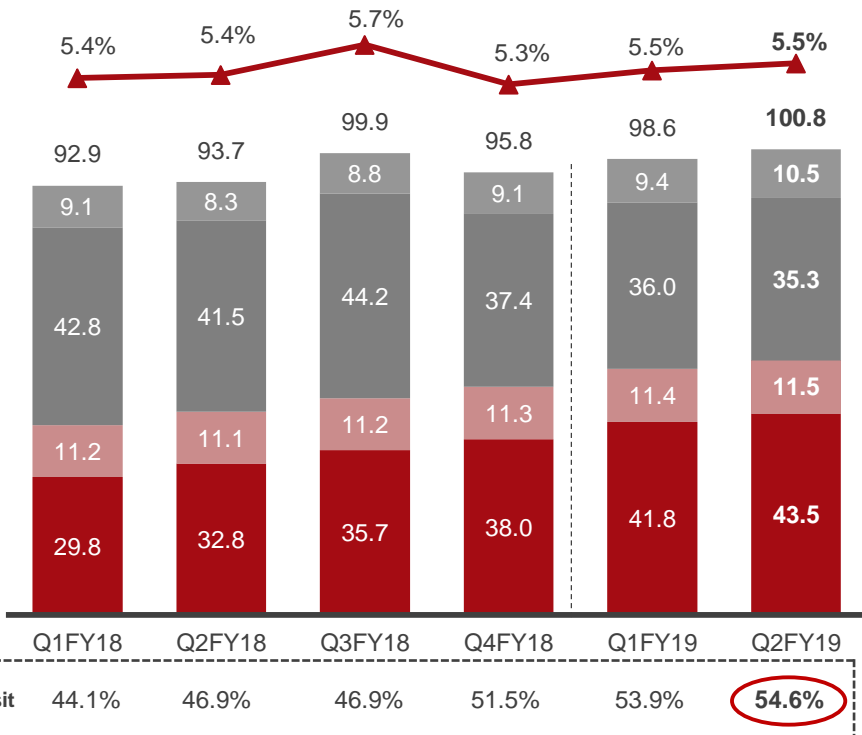
# Steady build of deposit base

## Deposits (RM' bil)

### Customer deposits trend

Period	Deposits (RM' bil)	YTD Growth	Industry <sup>2</sup>
H1FY19	100.8	▲ 5%	▲ 3%
FY18	95.8	▲ 2%	▲ 5%
FY17 <sup>1</sup>	93.9	▲ 4%	▲ 3%

■ Non-Retail CASA      ■ Non-Retail FD  
■ Retail CASA                      ■ Retail FD  
▲ AmBank Group Deposits Market Share (%)

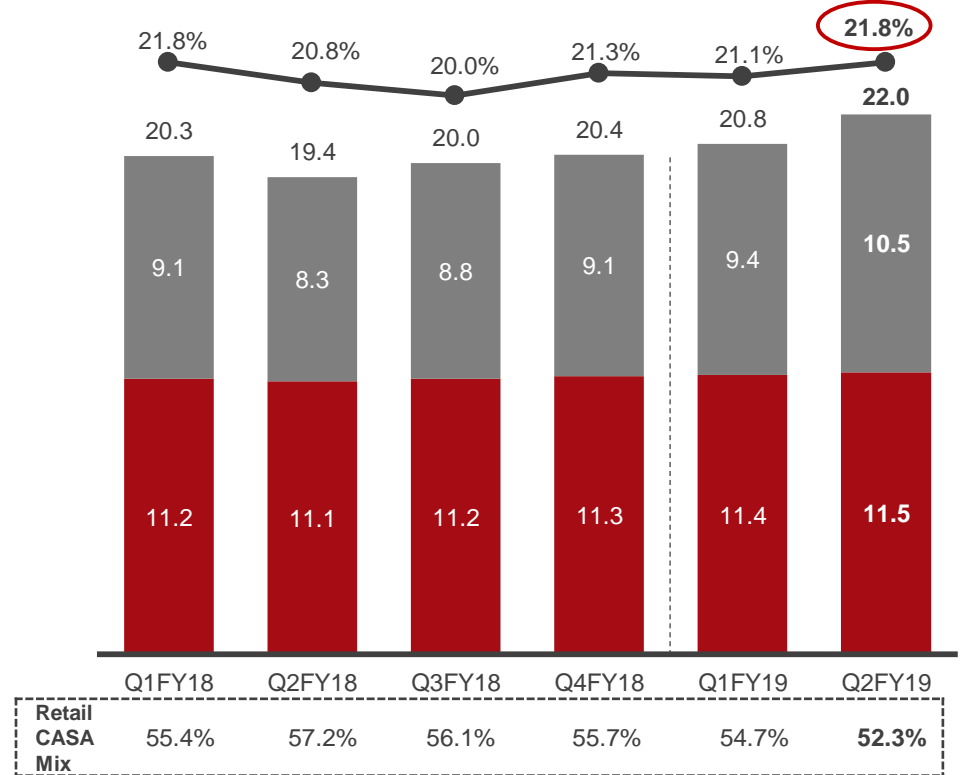


## CASA (RM' bil) and CASA Composition (%)

### CASA trend

Period	CASA (RM' bil)	YTD Growth	Industry <sup>2</sup>
H1FY19	22.0	▲ 8%	▼ 1%
FY18	20.4	▲ 3%	▲ 6%
FY17	19.9	▲ 6%	▲ 8%

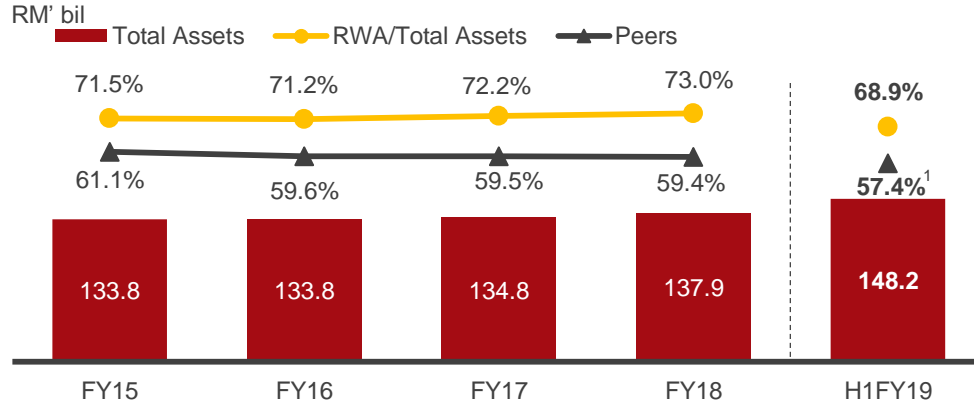
■ Retail CASA      ■ Non-Retail CASA      ● CASA Composition (%)



1. FY17 deposits were restated due to reclassification of structured deposits  
 2. Based on BNM data

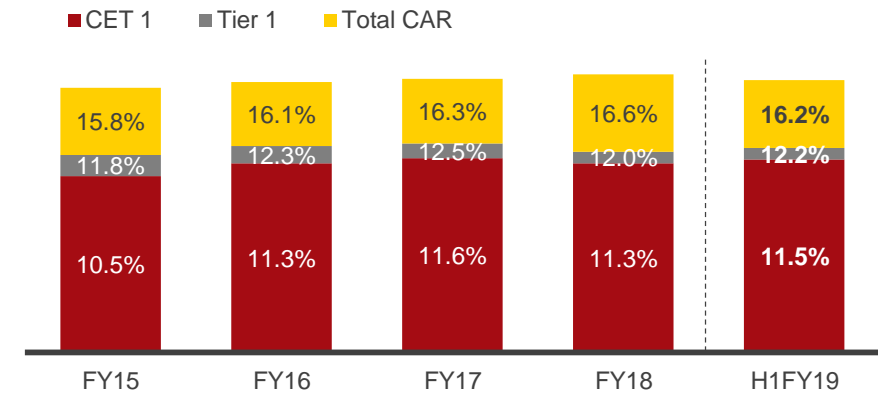
# Capital levels adequate

## RWA/Total Assets



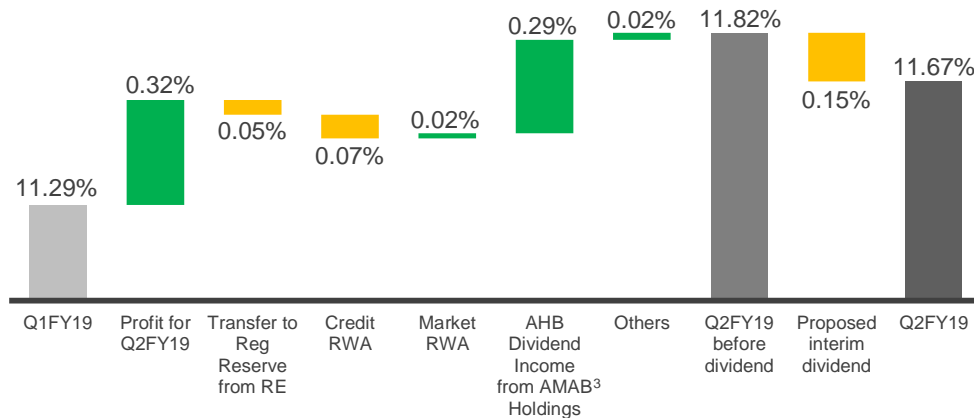
1. Based on an average of our seven peer domestic banks as at 30 June 2018

## Capital Adequacy Ratios<sup>2</sup>

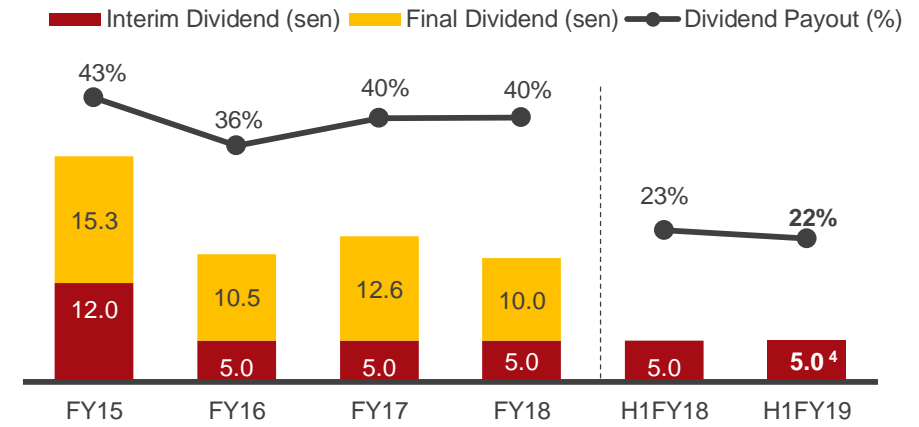


2. Based on aggregated banking entities after proposed dividend

## Financial Holding Company Indicative Ratio



## Dividend Payout

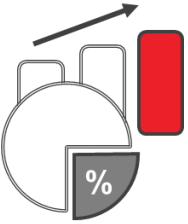


4. Proposed interim dividend

**AmBank Group** 3. AmBank Group's Insurance Holding  
■ Positive growth in H1FY19 ■ Contraction in H1FY19

# H1FY19 Financial agenda

## Targeted outcome



**Revenue growth**  
“Continue to build income momentum”



**BET300**  
“To achieve CTI of 55% by FY19 & cost savings of RM300m over 3 years”



**Capital accretive growth**  
“To strengthen our capital position and deliver sustainable dividend payout”

## FY19 priorities

- Grow income in Top 4 products & segments
- Achieving better assets yields
- Grow CASA

- Cost discipline
- Pacing investments

- Capital release options
- RWA efficiencies

## Key Metrics

- Revenue growth
- NIM

- CTI
- Positive JAWs

- CET1 ratio
- RWA growth
- ROE improvement

## Scorecard

- RM1 bil+ income for 3<sup>rd</sup> consecutive quarter
- Strong PBP growth of 20%
- NIM of 1.97%, slight pressure
- CASA grew 8% YTD

- Improved CTI of 50.4%
- Positive JAWS ~13%

- Capital accretion of circa RM250 mil
- RWA / Total Assets improved to 68.9%

# Guidance & Expectations

	H1FY19 Actual	FY19 Guidance
ROE	8.2%	≥ 8.5%
CTI	50.4%	≤ 55.0%
Dividend	5.0sen	Circa 40% payout
FHC CET1	11.7%	10.5% ± 1%

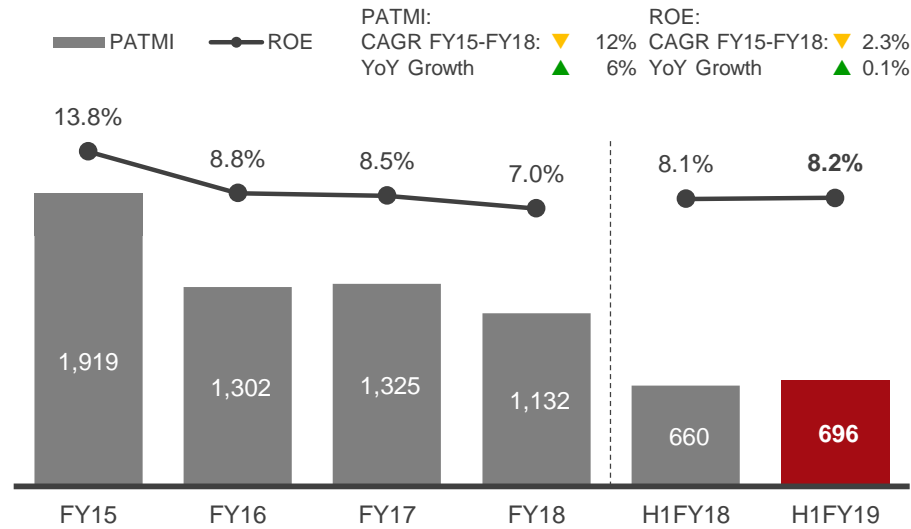


**Thank You**

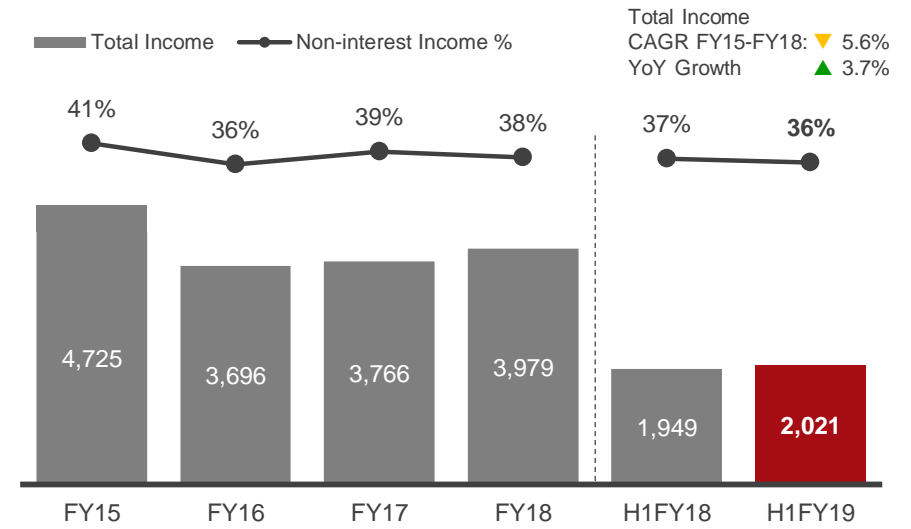
# **Group Performance**

# Yearly performance

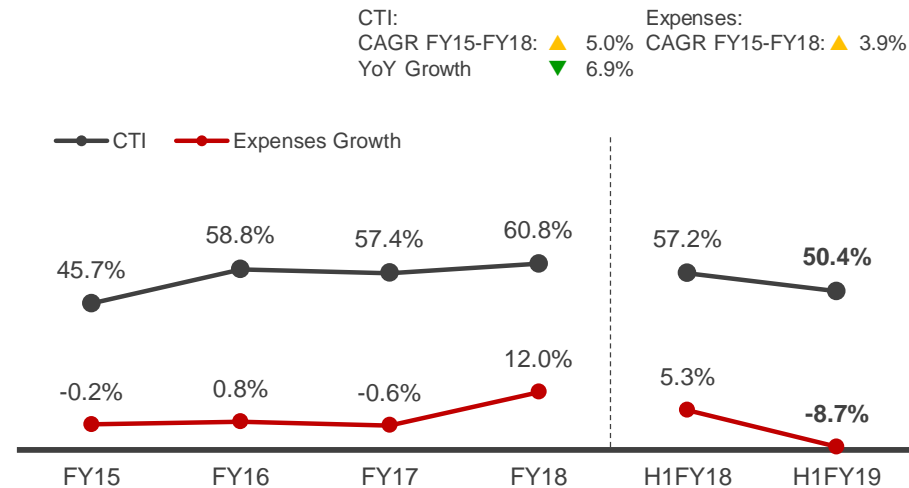
## PATMI (RM' mil) & ROE (%)



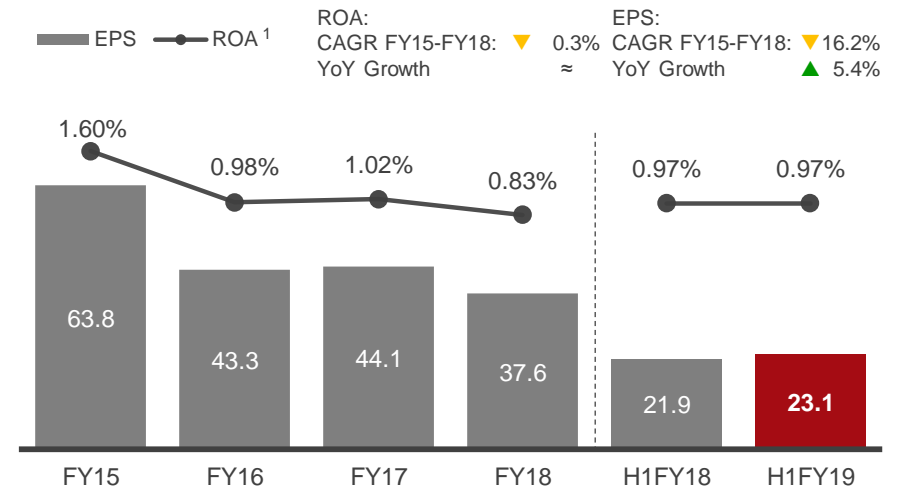
## Total Income (RM' mil) and Non-interest Income (%)



## Cost to Income Ratio and Expenses Growth (%)

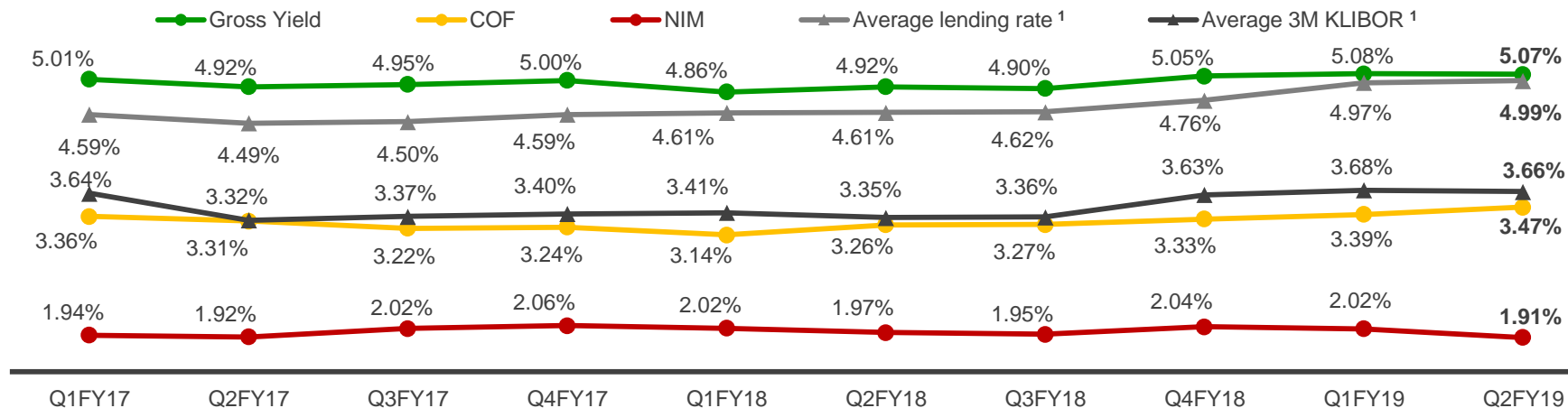


## ROA (%) and EPS (Basic)



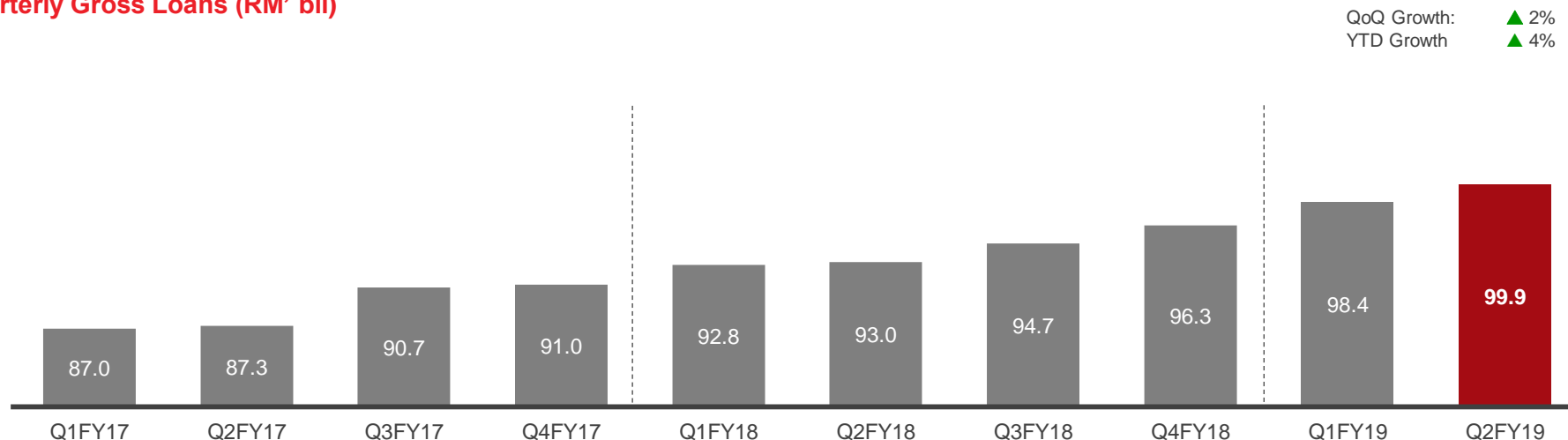
# Net interest margin and gross loans

## NIM Trend vs. Industry



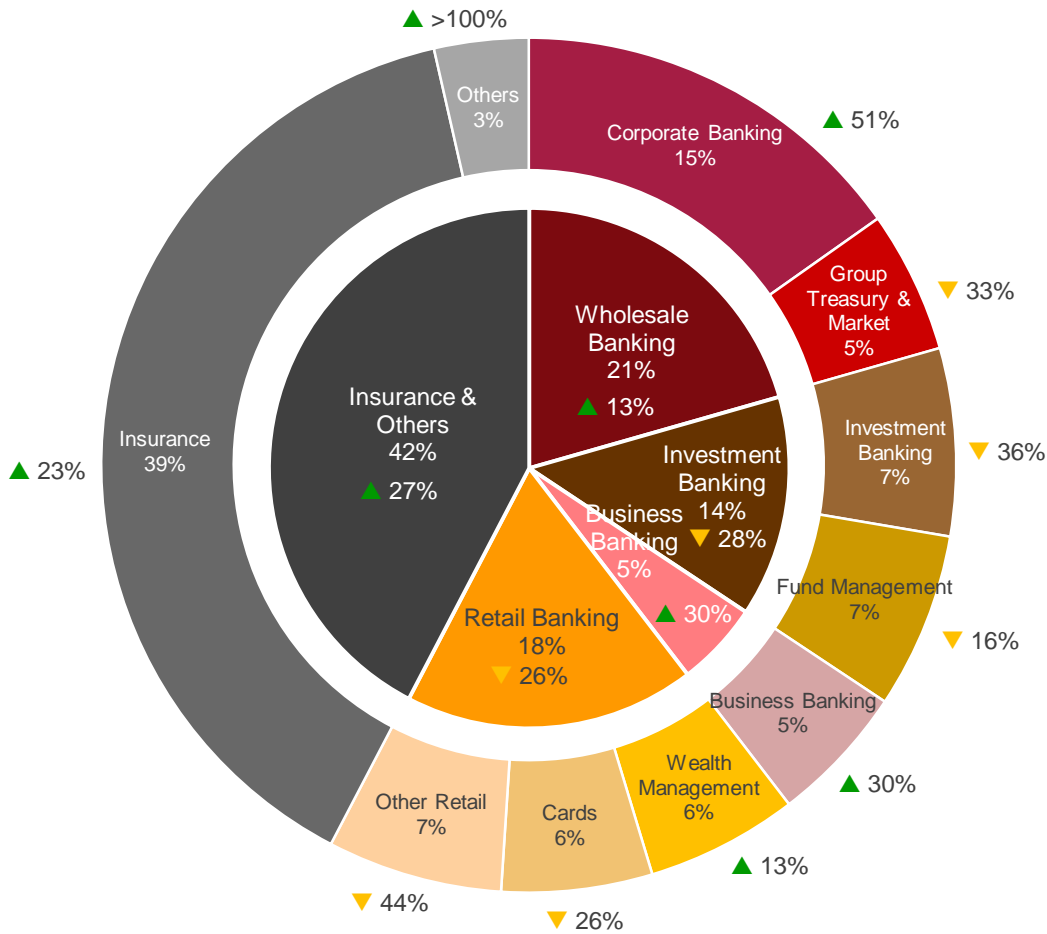
1. Source : BNM

## Quarterly Gross Loans (RM' bil)

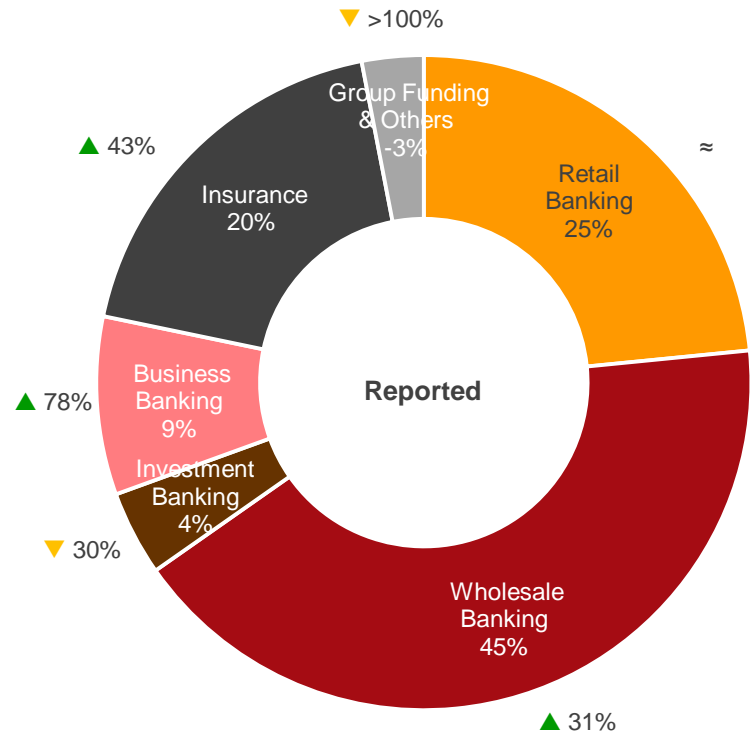


# Non-interest income and PATMI mix

**Non-interest Income by Lines of Business (YoY)**



**PATMI by Lines of Business (YoY)**



# Impairments

## Net Impairment / (Writebacks) and GIL Ratio

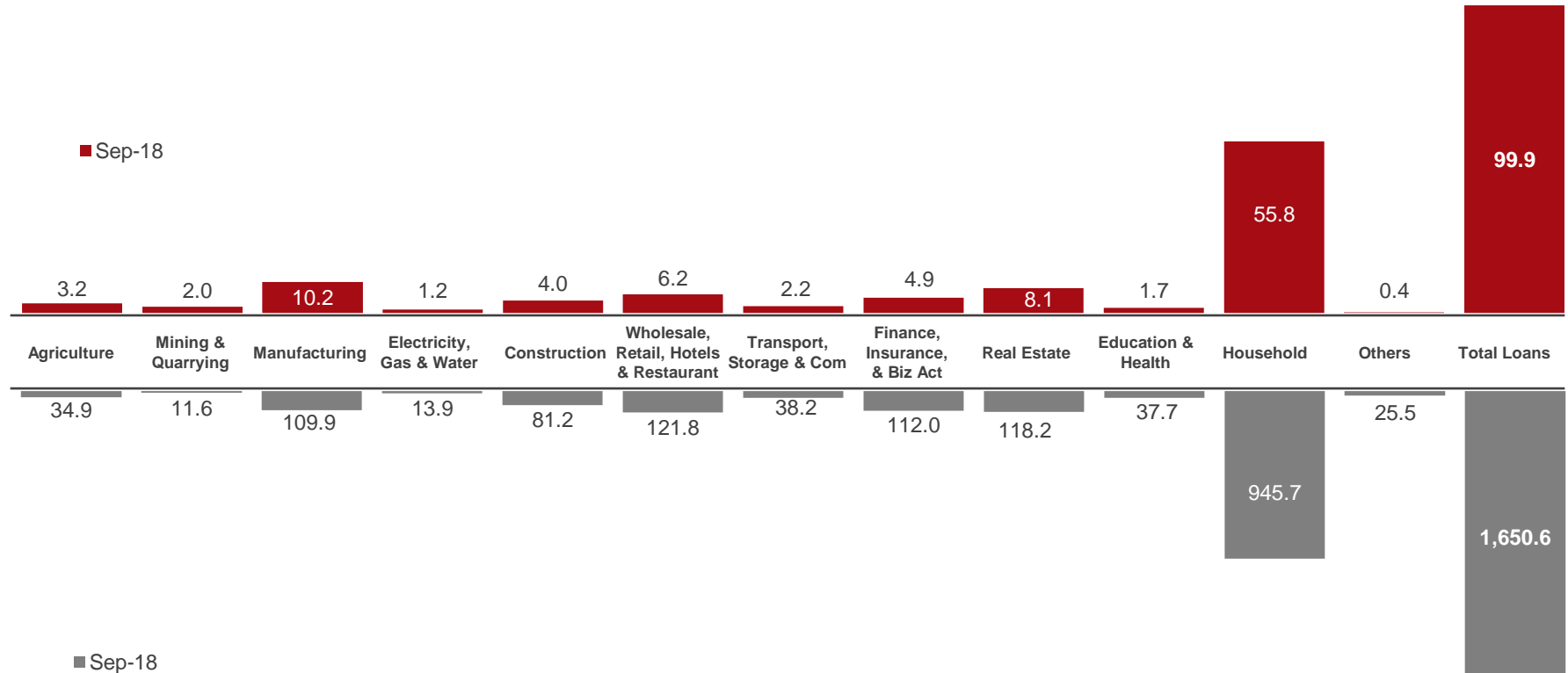
	← MFRS 139 →				MFRS 9							
Total impairments by category (RM' mil)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	QoQ Change	H1FY18	H1FY19	YoY Change		
ECL Stage 1 & 2 / CP – Non defaulted	(41)	(47)	(2)	(28)	(75)	(11)	▲ 86%	(88)	(86)	▲ 3%		
ECL Stage 3 / CP – Defaulted	132	83	123	126	136	144	▲ 6%	215	280	▲ 30%		
Individual Provisions	10	55	57	(17)	46	34	▼ 25%	65	80	▲ 22%		
Recoveries	(120)	(128)	(97)	(107)	(117)	(134)	▲ 15%	(248)	(251)	▼ 1%		
Other Provisions <sup>1</sup>	(1)	9	0	9	17	(22)	▼ >100%	8	(5)	▼ >100%		
<b>Total net impairments / (writeback)</b>	<b>(20)</b>	<b>(28)</b>	<b>81</b>	<b>(17)</b>	<b>7</b>	<b>11</b>	<b>▲ 57%</b>	<b>(48)</b>	<b>18</b>	<b>▲ &gt;100%</b>		
Total impairments by divisions (RM' mil)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	QoQ Change	H1FY18	H1FY19	YoY Change		
Wholesale Banking	2	(8)	50	(24)	(37)	(15)	▲ 59%	(6)	(53)	▼ >100%		
Investment Banking	(1)	0	0	2	(6)	0	▲ 100%	(1)	(5)	▼ >100%		
Retail Banking	13	6	22	9	42	19	▼ 56%	19	61	▲ >100%		
Business Banking	9	8	16	0	2	1	▼ 29%	17	3	▼ 82%		
Group Funding & Others	(43)	(33)	(10)	(2)	4	7	▲ 82%	(76)	11	▲ >100%		
General Insurance	0	(1)	3	(2)	2	(1)	▼ >100%	(1)	1	▲ >100%		
<b>Total net impairment / (writeback)</b>	<b>(20)</b>	<b>(28)</b>	<b>81</b>	<b>(17)</b>	<b>7</b>	<b>11</b>	<b>▲ 57%</b>	<b>(48)</b>	<b>18</b>	<b>▲ &gt;100%</b>		
GIL Ratio (%)	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	QoQ Change	YoY Change				
Wholesale Banking	2.50%	2.65%	2.37%	2.29%	2.54%	2.27%	▼ 27bps	▼ 38bps				
Investment Banking	0.11%	0.10%	0.10%	0.10%	0.10%	0.09%	▼ 1bps	▼ 1bps				
Retail Banking	1.42%	1.32%	1.27%	1.25%	1.26%	1.32%	▲ 6bps	≈				
Business Banking	2.39%	2.65%	3.06%	2.71%	2.41%	2.53%	▲ 12bps	▼ 12bps				
Group	1.88%	1.88%	1.77%	1.70%	1.77%	1.72%	▼ 5bps	▼ 16bps				
Industry	1.64%	1.67%	1.53%	1.57%	1.59%	1.53%	▼ 6bps	▼ 14bps				



# Loans by sector vs. industry

## AmBank Group (RM' bil)

Loans Composition	3%	2%	10%	1%	4%	6%	2%	5%	8%	2%	56%	1%	100%
YTD Growth	▼ 2%	▲ 7%	▲ 4%	▲ 2%	▲ 8%	▲ 3%	▲ 6%	▲ 10%	▼ 2%	▼ 2%	▲ 4%	▲ >100%	▲ 4%



Loans Composition	2%	1%	7%	1%	5%	7%	2%	7%	7%	2%	57%	2%	100%
YTD Growth	≈	▲ 9%	▲ 6%	▲ 15%	▲ 4%	▲ 5%	▲ 4%	▲ 5%	▲ 1%	▼ 6%	▲ 3%	▼ 8%	▲ 3%

## Industry (RM' bil)



Source : BNM, financial statements

AmBank Group

# Funding profile

## Funding Composition vs. Peers

	FY15	FY16	FY17	FY18	H1FY19	Peers <sup>1</sup>
Equity & debt capital	15%	16%	16%	16%	16%	16%
Customer deposits	74%	73%	74%	74%	72%	73%
Term funding & loans with recourse	9%	10%	9%	7%	7%	5%
Deposits from banks & FIs	2%	1%	1%	3%	5%	6%

1. Based on an average of our seven peer domestic banks as at 30 June 2018

## LDR / LTAF<sup>2</sup>

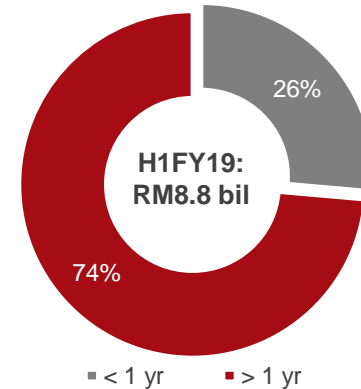
	FY15	FY16	FY17	FY18	H1FY19
LDR <sup>2</sup>	93.9%	96.4%	95.3%	98.1%	94.7%
LTAF <sup>3</sup>					84.6%

2. Loans-to-Deposits is gross loans divided by deposits from customers and financial institutions minus interbank borrowings

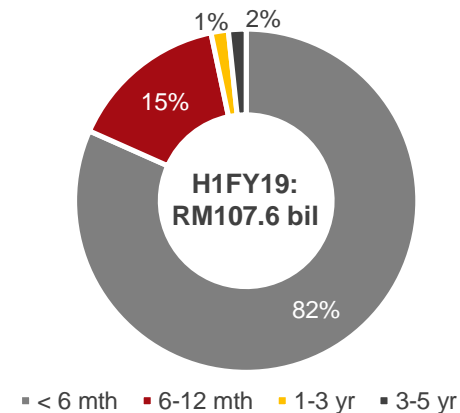
3. Loan-to-Available-Funds is gross loans (excluding financing funded by Islamic Investment Accounts and loans sold to Cagamas) divided by deposits plus borrowings plus subdebt

## Funding Maturity Profiles

### Term Funding and Debt Capital



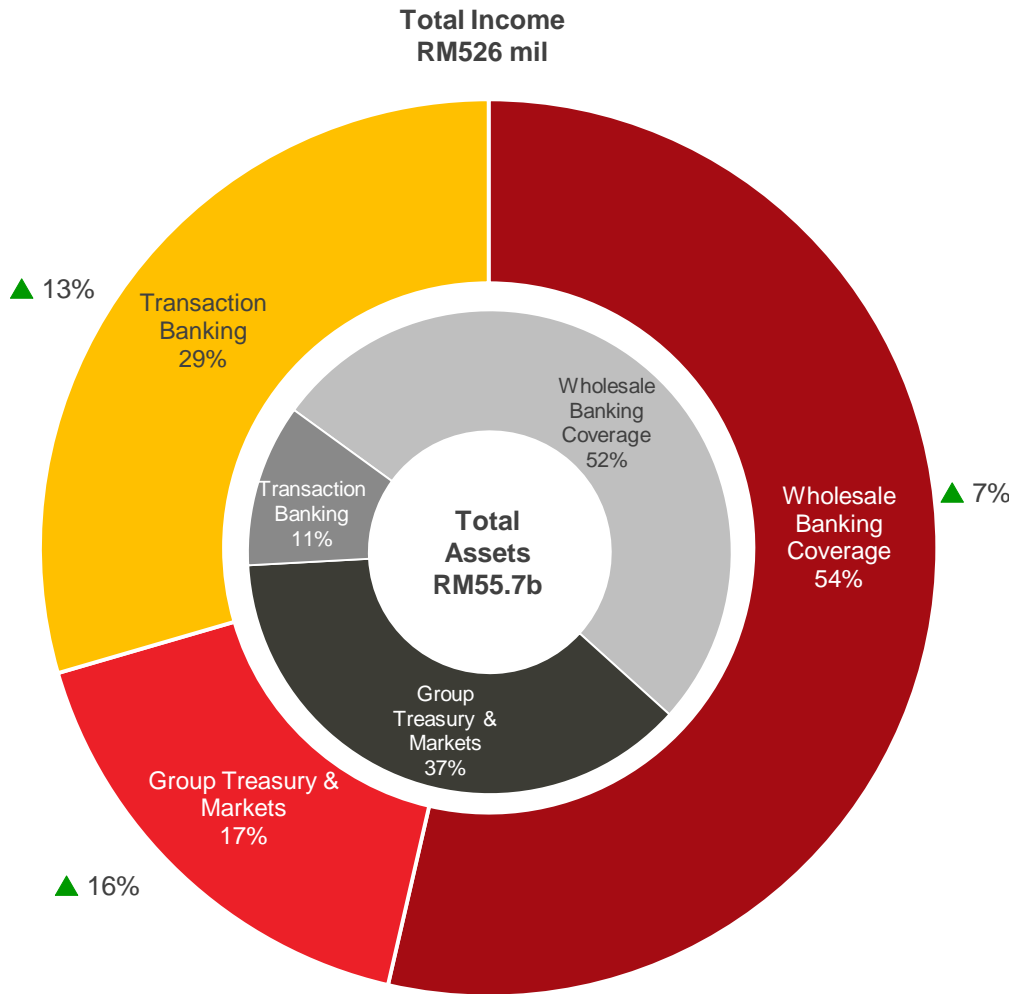
### Deposits from Customers, Banks & FIs



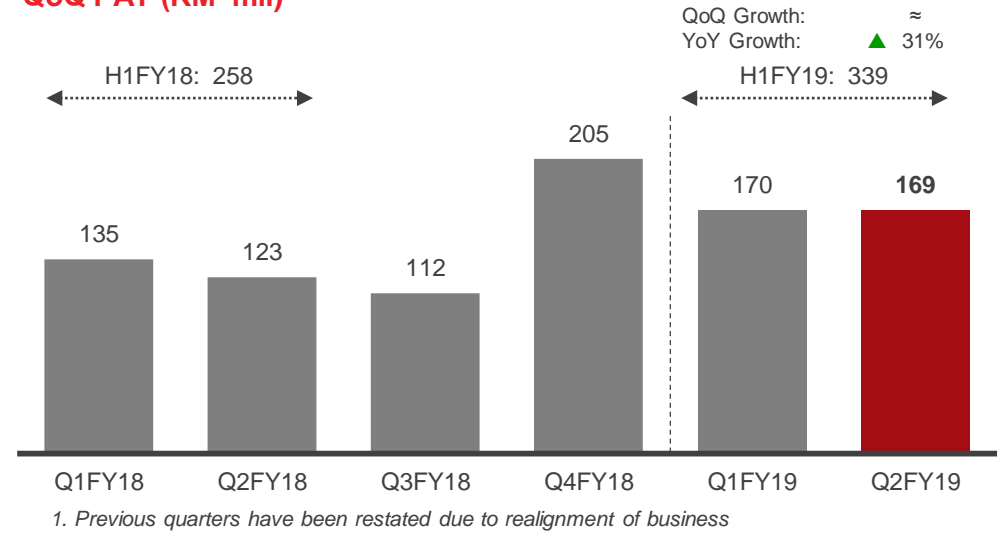
# **Divisional Performance**

# Wholesale Banking

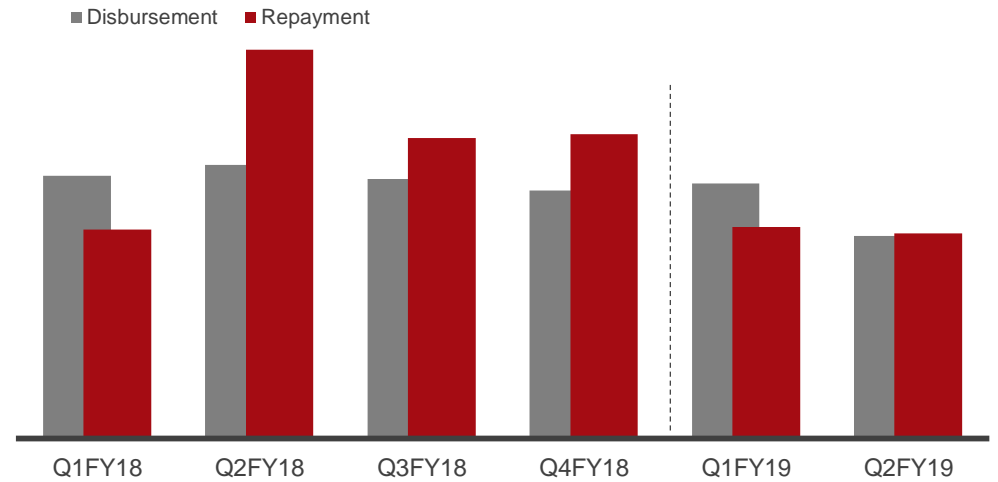
## Total Income (YoY Movement) and Total Assets by Line of Business



## QoQ PAT (RM' mil)

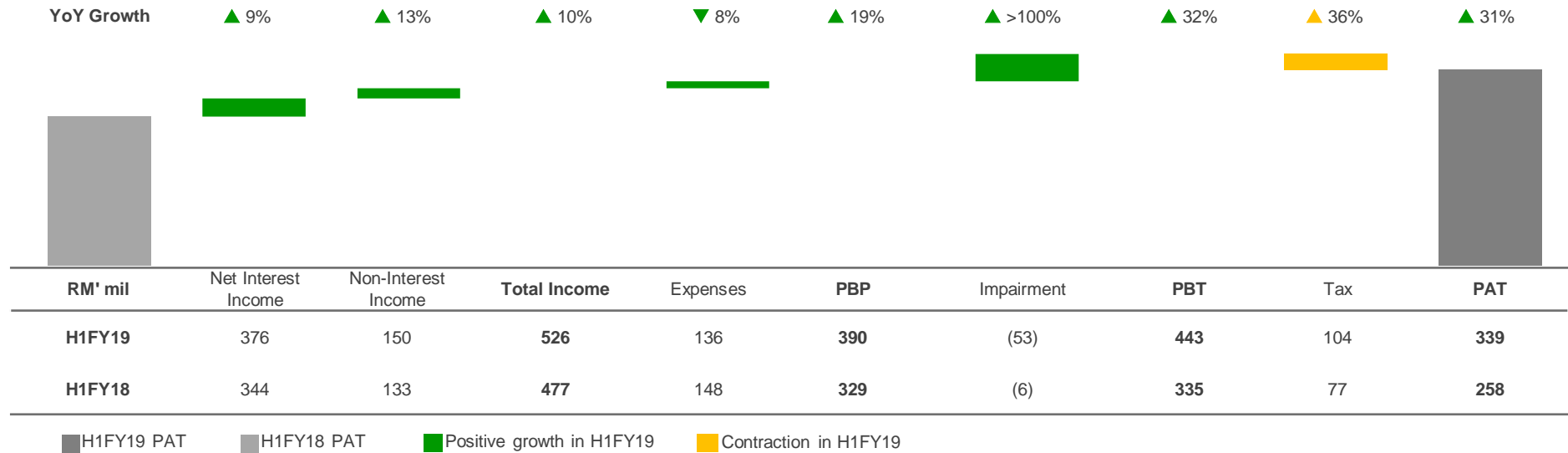


## Corporate Banking Loan Disbursement and Repayment



# Wholesale Banking

## Income Statement



## Balance Sheet (RM' mil/%)

	H1FY19	FY18	YTD Change
Gross Loans / Financing	33,333	32,575	▲ 2%
Gross Impaired Loans	756	747	▲ 1%
Customer Deposits	39,927	41,047	▼ 3%
CASA	9,020	7,712	▲ 17%

## Key Ratios

	H1FY19	FY18	YTD Change
GIL Ratio	2.27%	2.29%	▼ 2bps
CTI	25.7%	27.2%	▼ >100bps
Loan Loss Coverage <sup>2</sup>	68.9%	35.0%	▲ >100bps
ROA <sup>3</sup>	1.27%	1.17%	▲ 10bps
Ave Assets Management	1,653	1,665	▼ 1%



AmBank Group

1. H1FY18 and FY18 numbers have been restated due to realignment of business
2. Includes regulatory reserve
3. Annualised

# Investment Banking

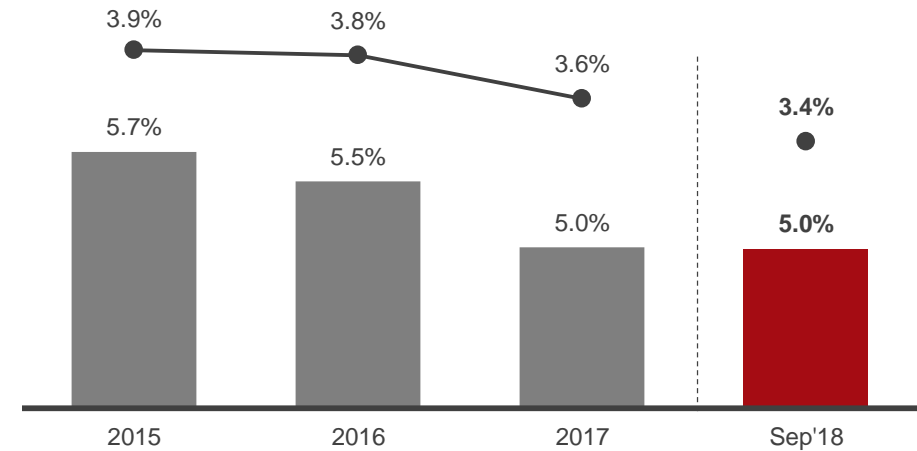
## League Table

	Market Share <sup>1</sup> As At 30 Sep 2018 (%)	Rank <sup>2</sup>
DCM (Overall MYR Bonds)	18.6%	3 ▲
Islamic Sukuk	16.9%	4 ►
Unit Trust	7.2%	5 ►
Stockbroking	5.0%	7 ►
M&A	15.2%	4 ▼
Fund Raising	13.0%	3 ►
MYR Loan	6.2%	5 ►

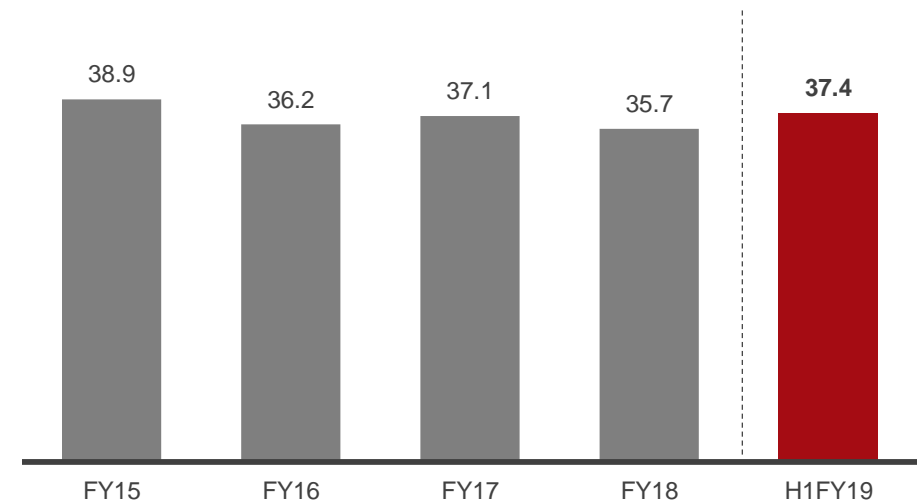
1. Calendar Year data

2. Comparing rank movement with 30 June 2018

## Market Share of Value and Volume Traded on Bursa (KLSE)<sup>1</sup>

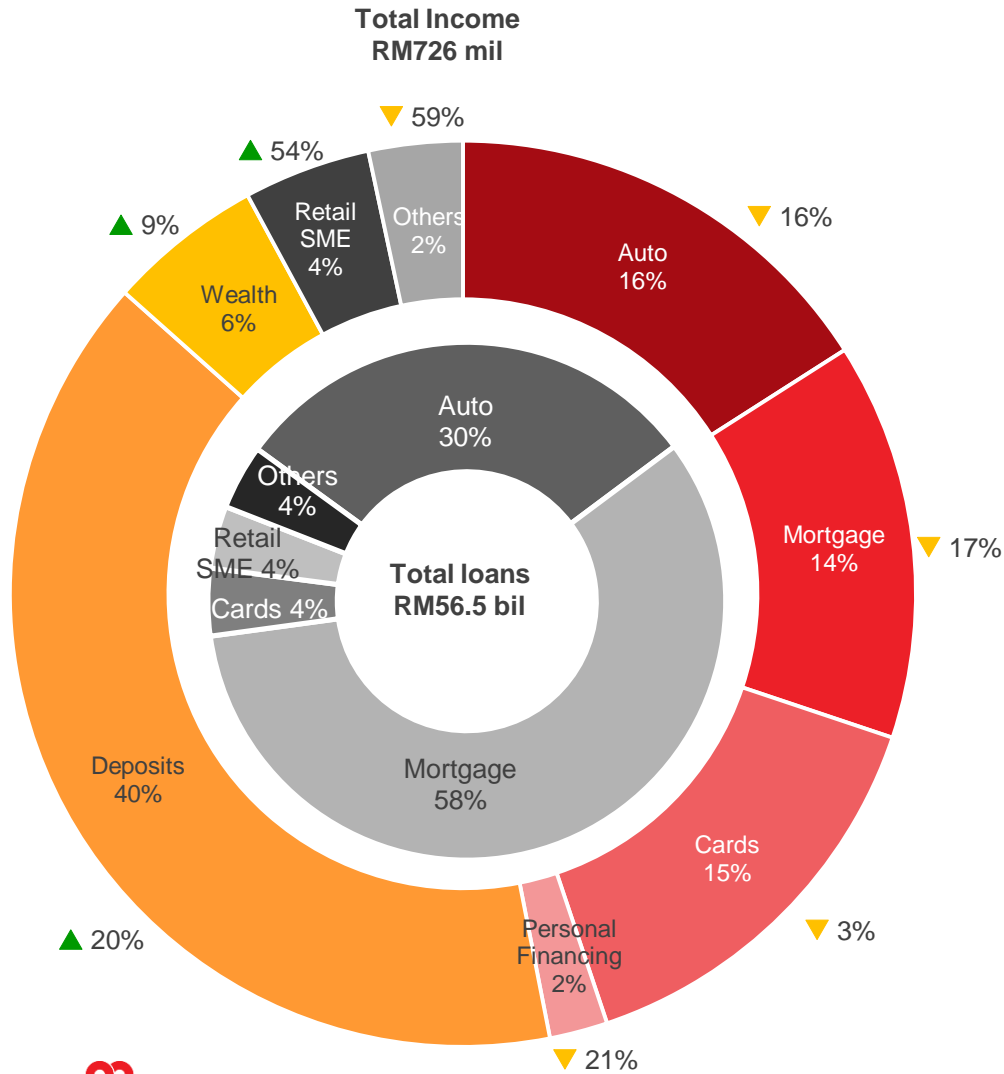


## Fund Management – AUM (RM' bil)

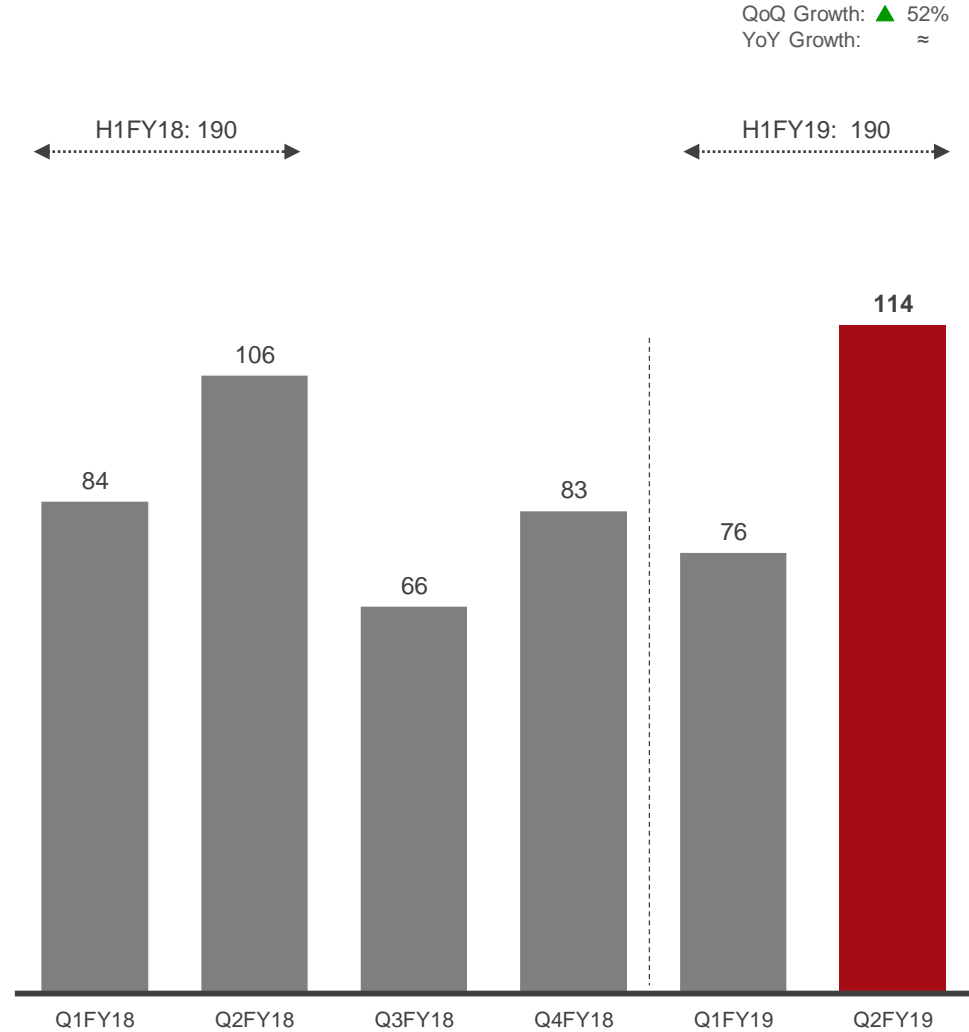


# Retail Banking

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



PAT Trend<sup>1</sup> (RM' mil)



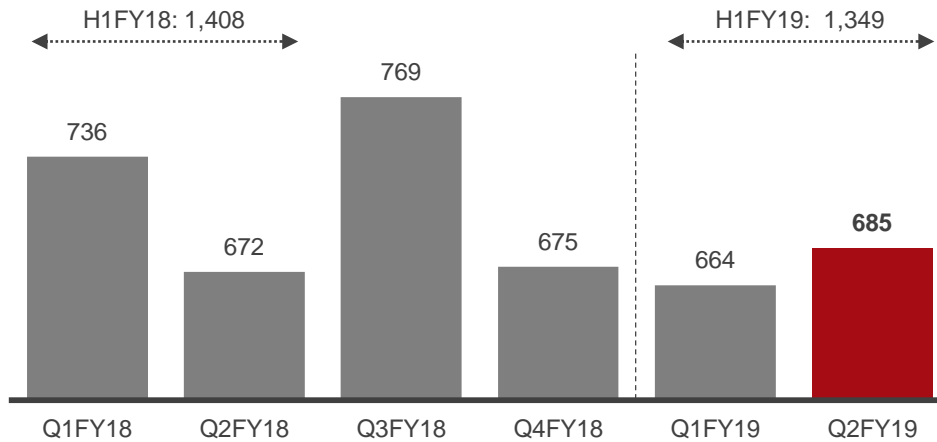
1. Numbers are restated



# Retail Banking

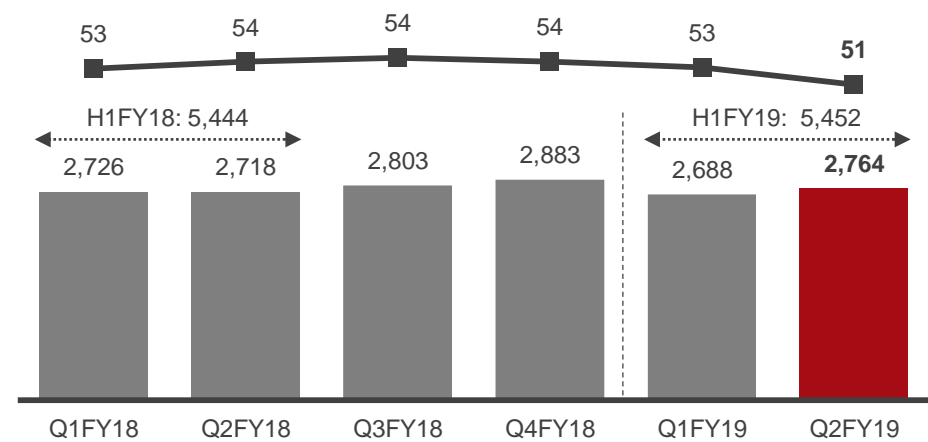
## Wealth Sales (RM' mil)

QoQ Growth: ▲ 3%  
YoY Growth: ▼ 4%



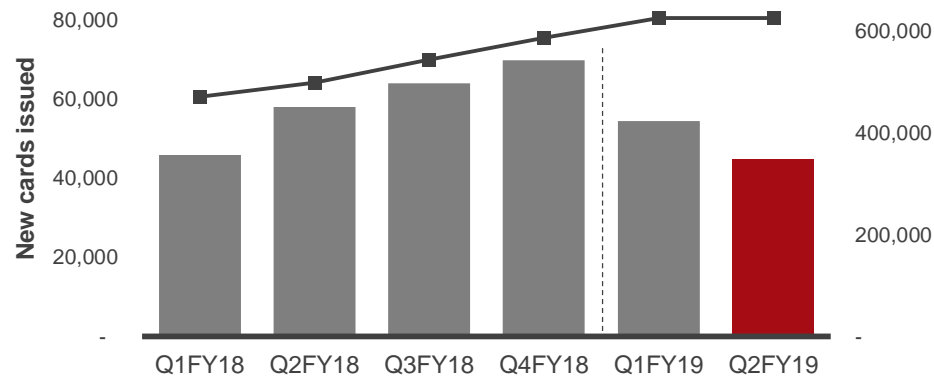
## Merchant Volume

Merchant volume (RM'mil) QoQ Growth: ▲ 3% YoY Growth: ≈  
Merchants in force ('000) QoQ Growth: ▼ 4% YoY Growth: ▼ 6%



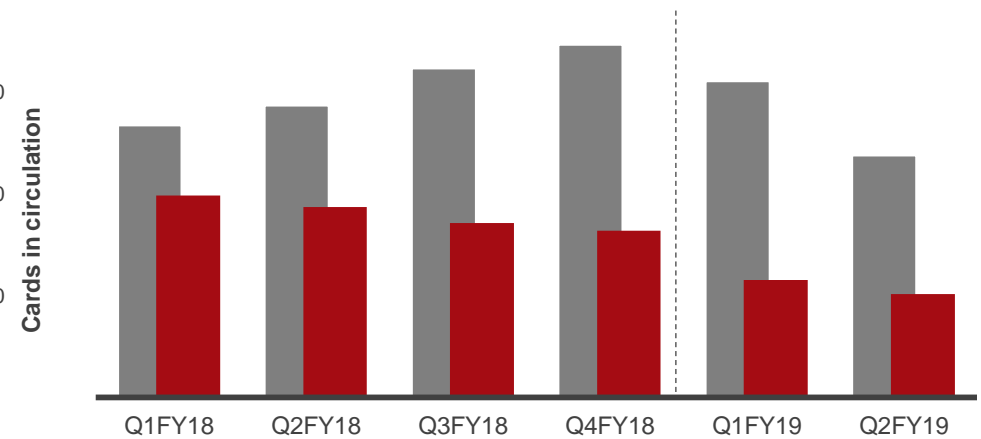
## Credit Cards

New cards issued ■ Cards in circulation



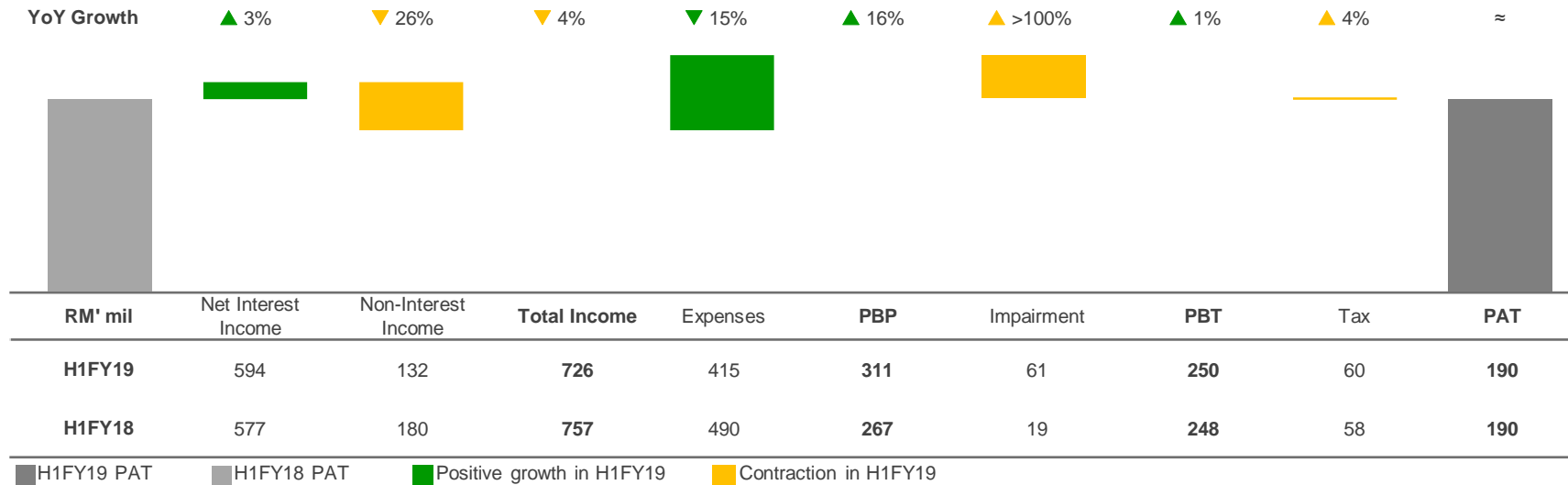
## Mortgage and Auto Finance Quarterly Disbursement

Mortgage ■ Auto Finance  
Mortgage QoQ Growth: ▼ 24%  
Auto Finance QoQ Growth: ▼ 12%



# Retail Banking

## Income Statement



## Balance Sheet (RM' mil/%)

	H1FY19	FY18	YTD Change	
Gross Loans / Financing	56,456	54,559	▲	3%
Gross Impaired Loans	745	681	▲	9%
Customer Deposits	55,023	49,310	▲	12%
CASA	11,496	11,333	▲	1%

## Key Ratios

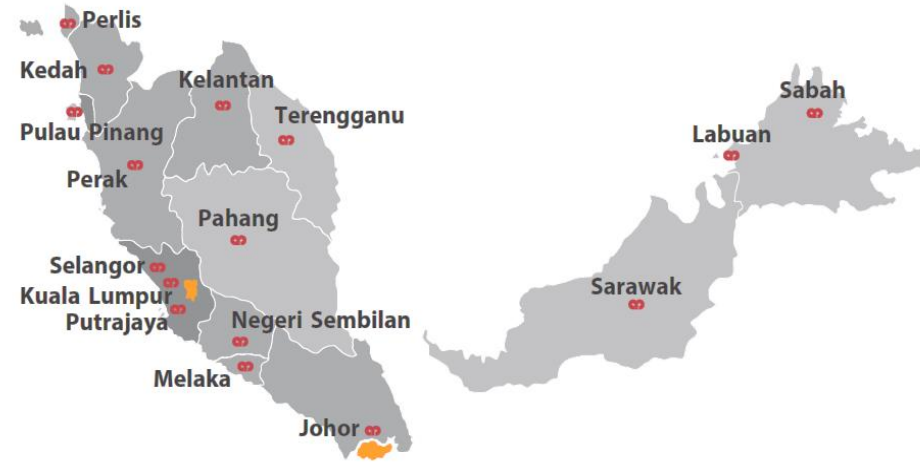
	H1FY19	FY18	YTD Change	
GIL Ratio	1.32%	1.25%	▲	7bps
CTI	57.2%	67.3%	▼	>100bps
Loan Loss Coverage <sup>2</sup>	108.8%	68.3%	▲	>100bps
ROA <sup>3</sup>	0.68%	0.63%	▲	5bps



AmBank Group

1. H1FY18 & FY18 numbers have been restated due to realignment of business
2. Includes regulatory reserve
3. Annualised

# Distribution Channels



## Population Density

- < 100 persons per km<sup>2</sup>
- 101-500 persons per km<sup>2</sup>
- > 1,501 persons per km<sup>2</sup>

	Branches	ATM	Regional Offices
Perlis	1	3	
Kedah	6	24	
Pulau Pinang	14	51	1
Perak	18	45	1
Selangor	36	218	2
Kuala Lumpur	24	105	2
Putrajaya	1	3	
Negeri Sembilan	7	38	
Melaka	6	34	1
Johor	21	82	1
Pahang	9	29	1
Terengganu	4	16	
Kelantan	2	16	
Sabah	9	40	1
Labuan	1	3	
Sarawak	15	57	1
<b>Total</b>	<b>174</b>	<b>764</b>	<b>11</b>

## Other Customer Touch Points

SME Customer Touch Points	AmBank Islamic branches	Weekend banking branches	ATMs @ 7-Eleven	Electronic banking centres	Internet & mobile banking	AmGeneral	AmMetlife	AmInvestment Bank	AmCard Services MBC <sup>1</sup>
174	3	2	265	182	AmOnline	29 branches 4 counters	15 branches 35 agencies	6 retail broking 7 branches	16

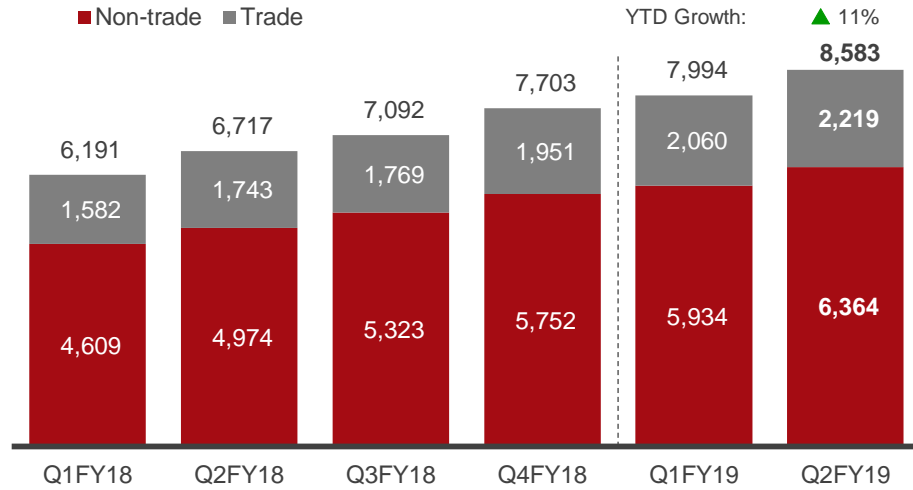


AmBank Group

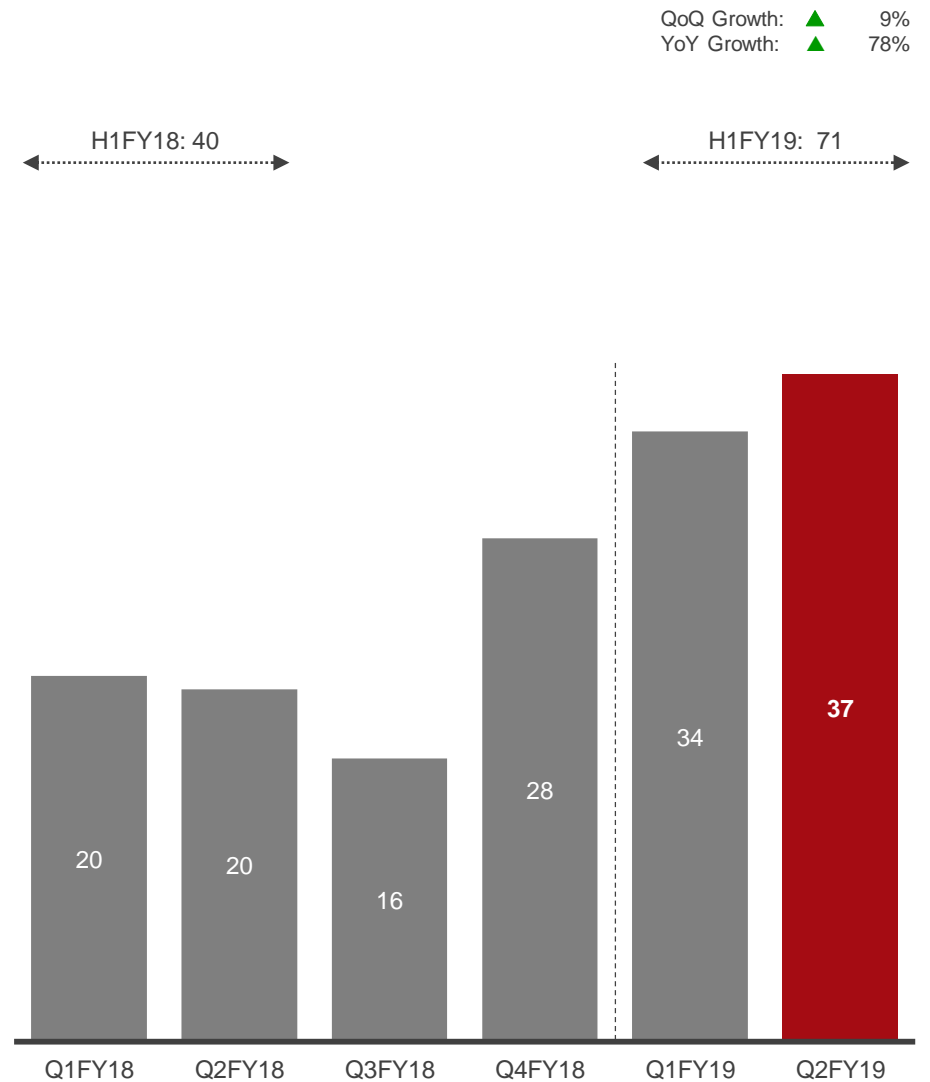
1. MBC – Merchant Business Centres

# Business Banking

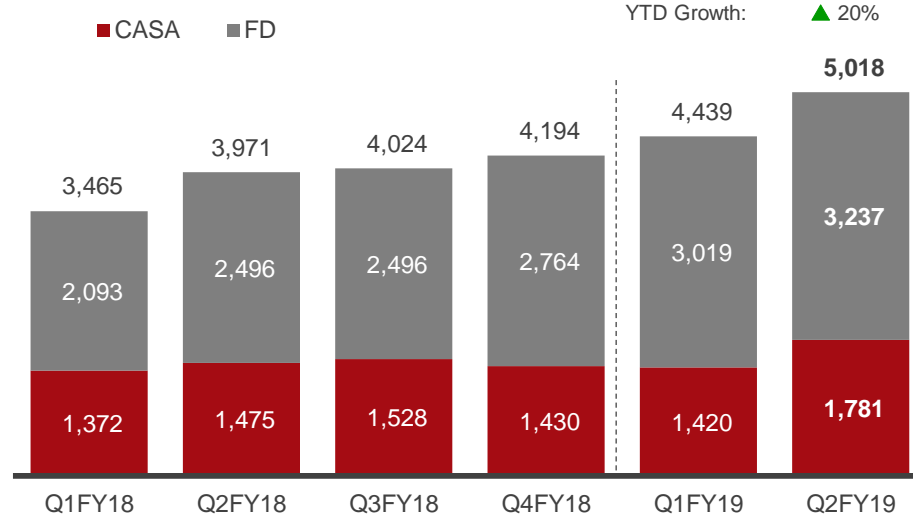
## Gross Loans (RM' mil)



## QoQ PAT (RM' mil)

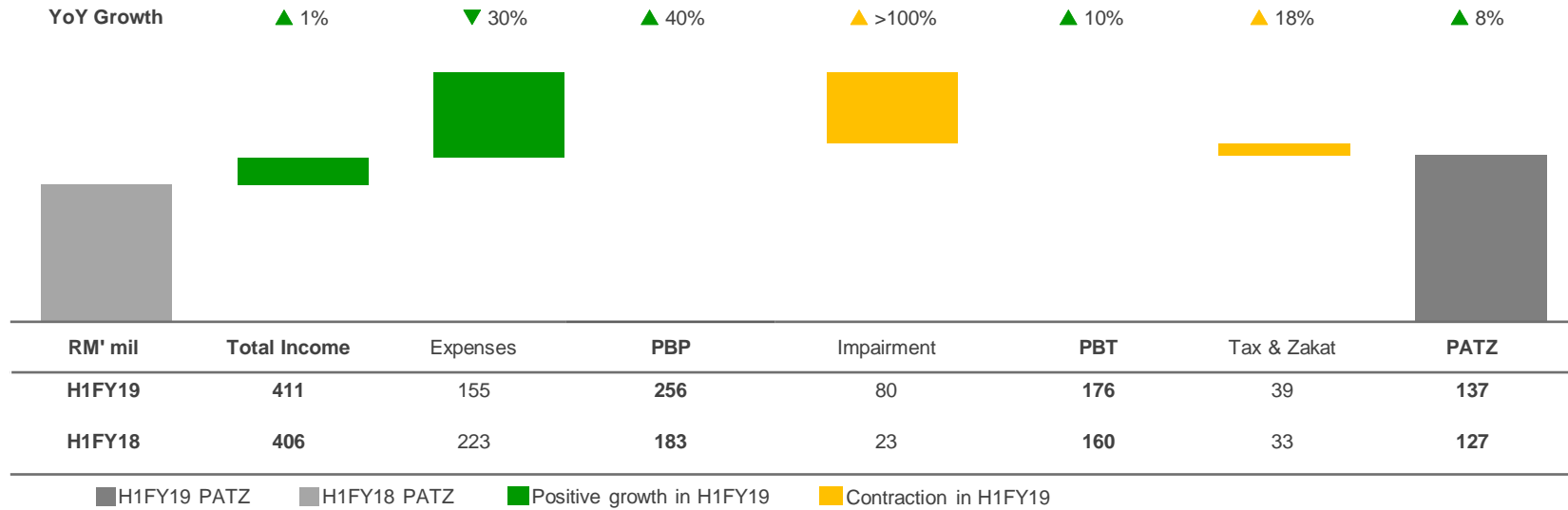


## Customer Deposits (RM' mil)



# Islamic Banking

## Income Statement



## Balance Sheet (RM' mil/%)

	H1FY19	FY18	YTD Change	
Gross Financing	28,995	28,034	▲	3%
Gross Impaired Financing	586	583	≈	
Customer Deposits	28,452	26,494	▲	7%
CASA Deposits	7,378	6,885	▲	7%

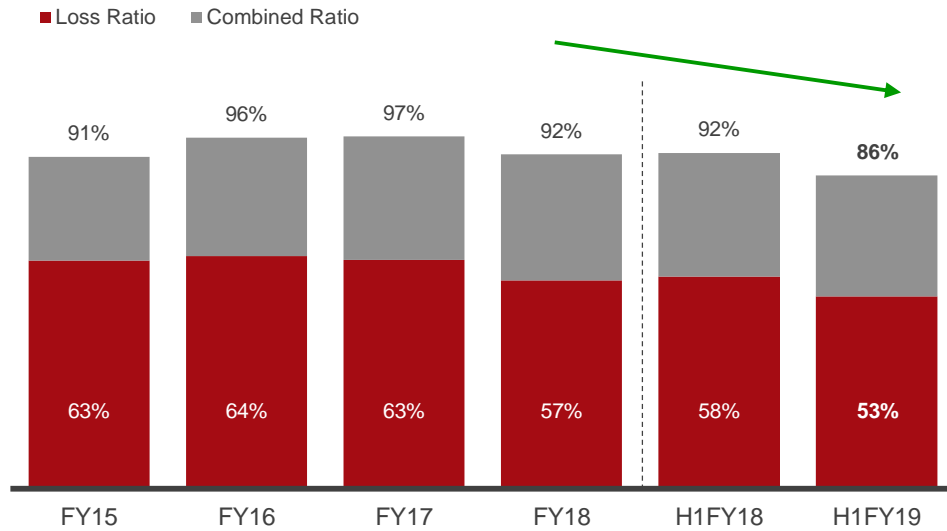
## Key Ratios

	H1FY19	FY18	YTD Change	
GIF Ratio	2.02%	2.08%	▼	6bps
CTI	37.7%	51.1%	▼	>100bps
Financing Loss Coverage <sup>1</sup>	101.7%	100.6%	▲	>100bps
ROA <sup>2</sup>	0.72%	0.73%	▼	1bps

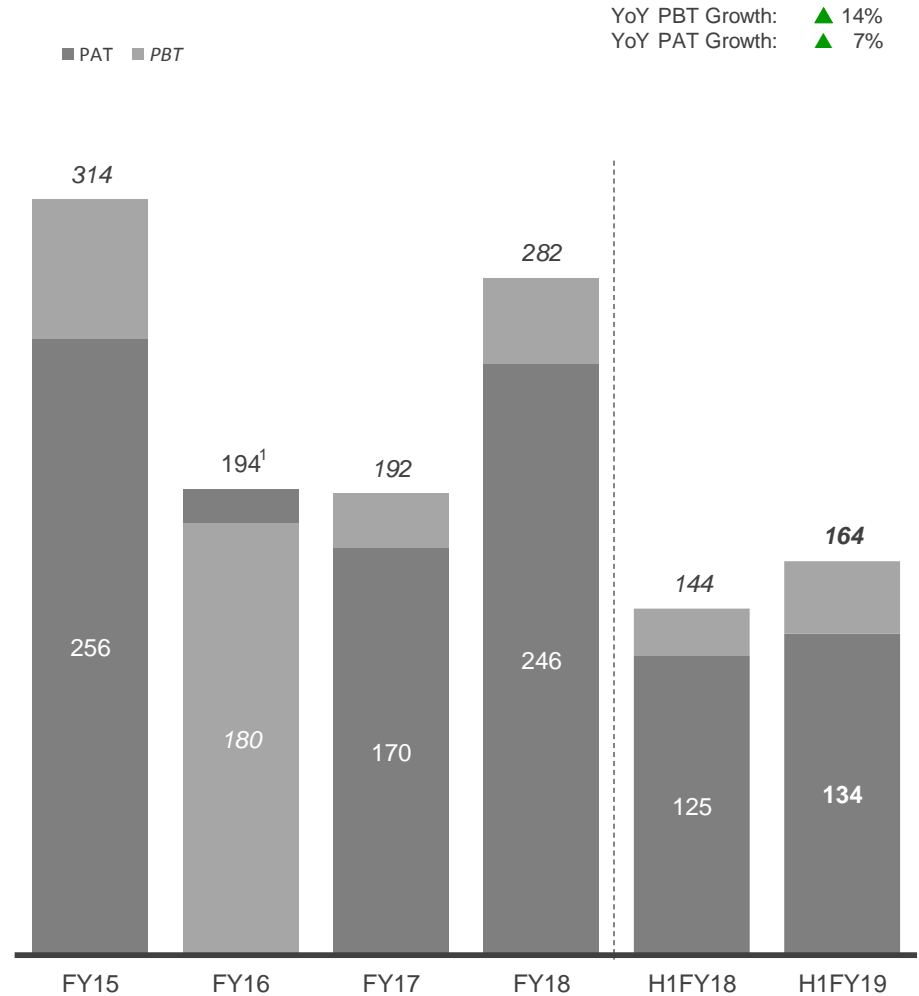


# General Insurance

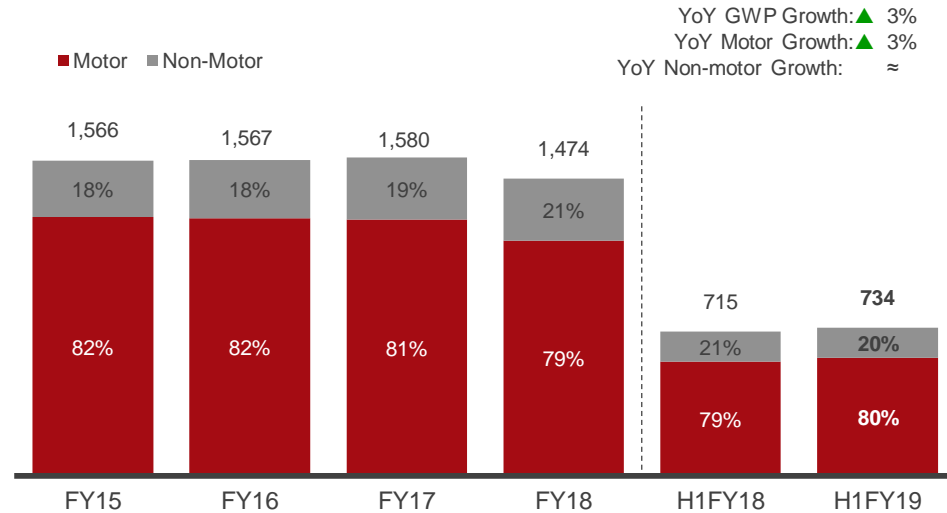
## Loss Ratio and Combined Ratio



## YoY PBT and PAT (RM' mil)



## Gross Premium Mix and Growth (RM' mil)

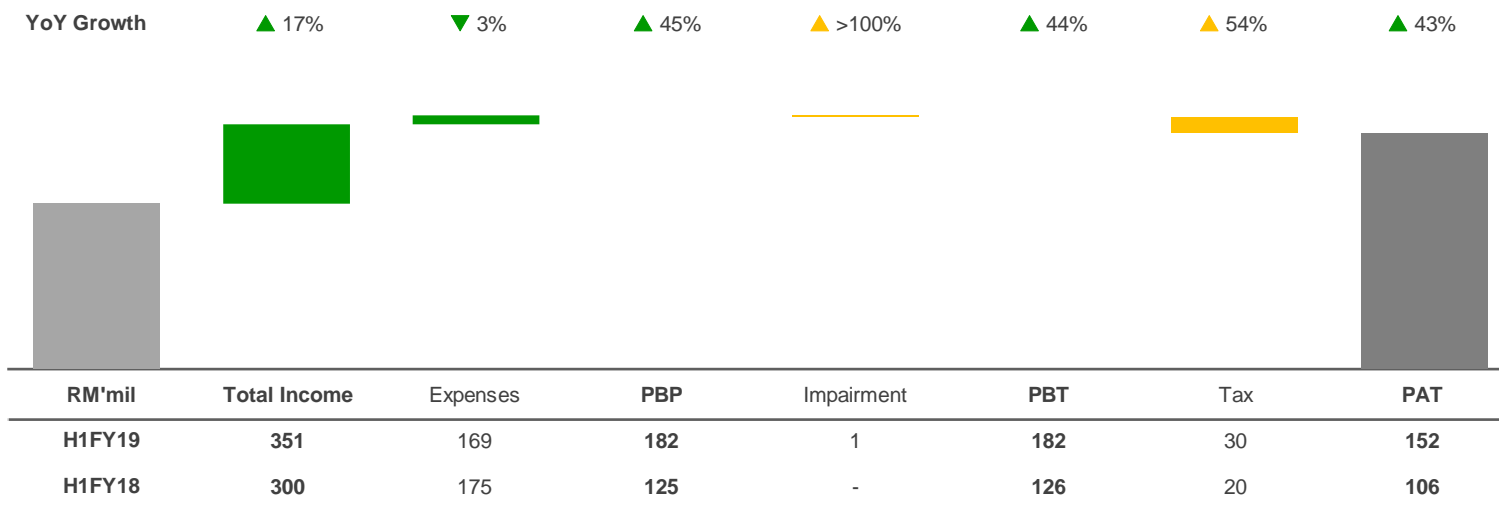


1. Includes write-back of prior year tax provisions

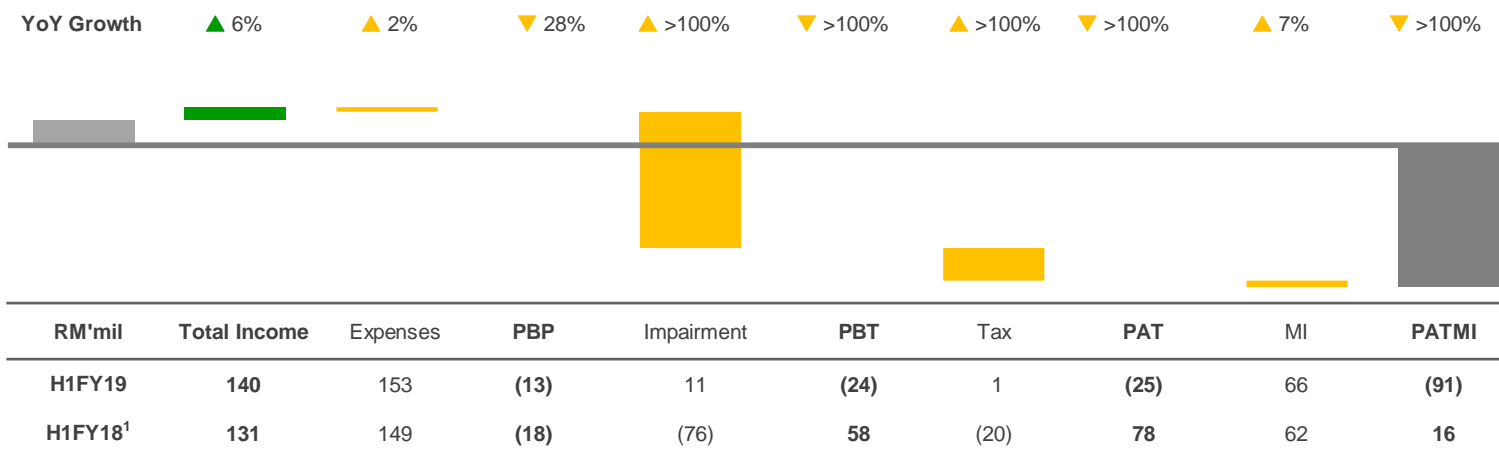


# Insurance and Group Funding & Others

## Income Statement – Insurance (General, Life & Takaful)



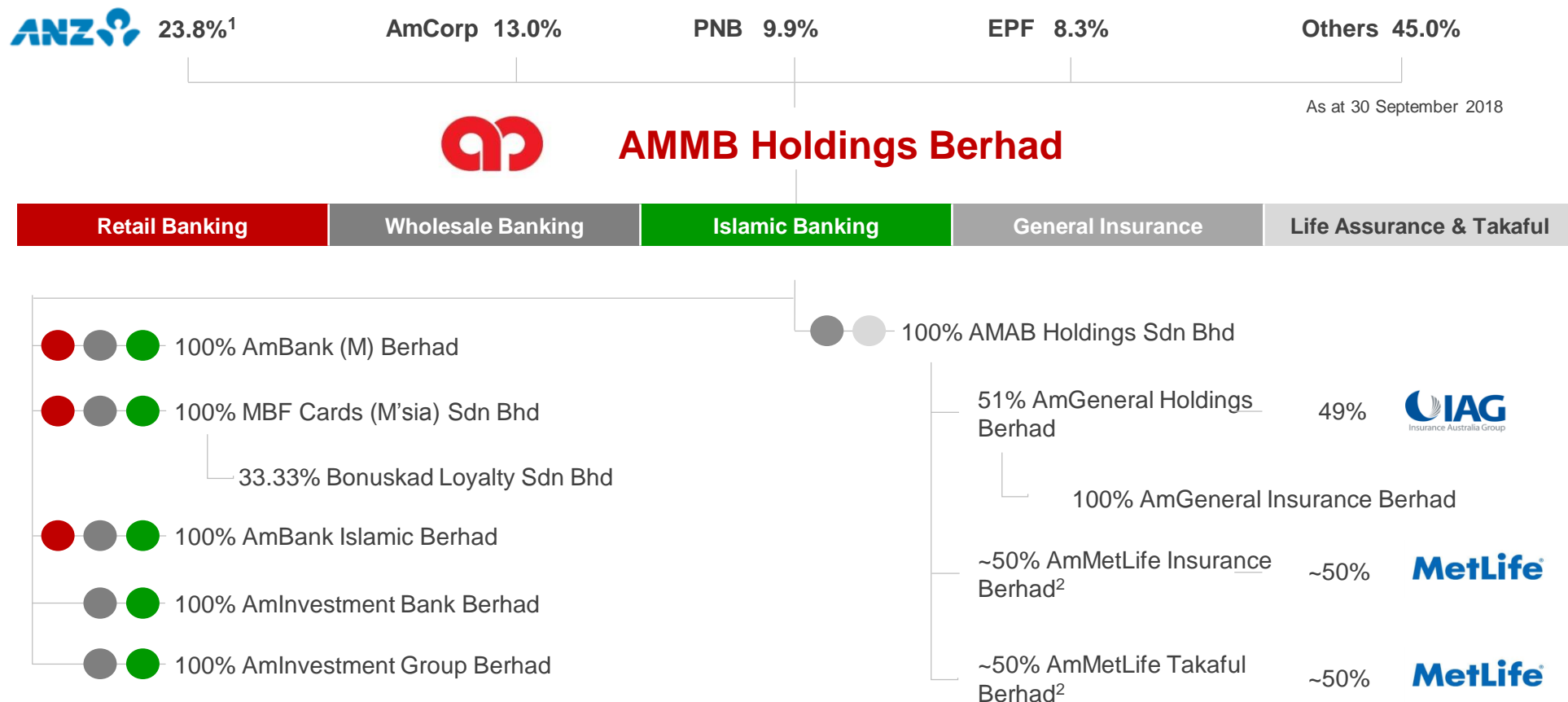
## Income Statement – Group Funding & Others



■ H1FY19 PAT   ■ H1FY18 PAT   ■ Positive growth in H1FY19   ■ Contraction in H1FY19

AmBank Group 1. H1FY18 & FY18 numbers have been restated due to realignment of business

# Shareholding structure



## Foreign shareholding excluding ANZ

FY15	FY16	FY17	FY18	H1FY19
29%	26%	26%	23%	23%

1. ANZ: ANZ Funds Pty Ltd, a wholly owned subsidiary of Australia and New Zealand Banking Group Limited

2. 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



AmBank Group

# Credit ratings, target price and recommendations

## Credit Ratings

	Ratings	FY2018
<b>AMMB</b>	RAM	LT: AA3, ST: P1 Outlook: Stable
<b>AmBank (M)</b>	RAM	LT: AA2, ST: P1 Outlook: Stable
	S&P	LT: BBB+, ST: A-2 Outlook: Stable
	Moody's	LT: Baa1, ST: P-2 Outlook: Stable *BCA: baa3 *Adj BCA: baa3
<b>AmBank Islamic</b>	RAM	LT: AA2, ST: P1 Outlook: Stable
<b>AmInvestment</b>	RAM	LT: AA2, ST: P1 Outlook: Stable

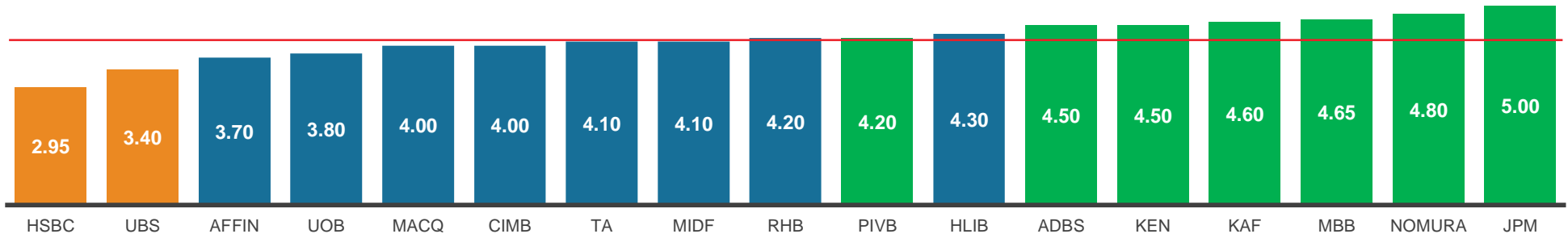
\* Maintained since 16 Jun 15

## Target Price and Recommendations

P/EPS : 9.92  
P/BV : 0.68

Closing Price: RM 3.80  
Market Cap: RM 11.45 bil

Average TP : RM 4.16  
Buy : 7 (41%)  
Hold : 8 (47%)  
Sell : 2 (12%)  
Ave. TP/ Ave. CP : 1.06x



Source : Bloomberg as at 31 October 2018

■ Buy / Outperform / Overweight / Add  
■ Hold / Neutral / Market perform  
■ Sell / Underperform / Fully valued / Reduce / Underweight  
— Average target price

# 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

## Growth Definition

QoQ growth refers to Q2FY19 vs Q1FY19

YoY growth refers to H1FY19 vs H1FY18

YTD growth refers to H1FY19 vs FY18

## 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

## Disclaimer on rounding differences

Numbers may not add up due to rounding

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