



Alliance Bank Extends RM14 billion in Financial Assistance to Clients

Kuala Lumpur, 27 August 2021 - Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) today reported that it had extended RM14 billion in financial assistance to businesses and individuals to date. This accounts for 32% of the Bank’s loan book.

Of the total, RM9.8 billion were approved under the Pakej Perlindungan Rakyat dan Pemulihan Ekonomi (PEMULIH) initiative.

The Bank has also been providing non-financial assistance through its business support programmes to help customers adapt to the realities of the COVID-19 pandemic. The BizSmart® Solution portal helps business owners transform and digitise their business, access relevant business solutions and resources as well as manage operational expenses. At the same time, the #SupportLokal initiative helps fast-track the listing of local businesses’ products and services on popular e-commerce sites through partnerships with Shopee and Pybli.

The Growth Priorities Moving Forward

“In addition to providing immediate financial and non-financial assistance, we are also helping our customers plan and reposition for growth so they can quickly expand once the market recovers,” said Mr Joel Kornreich, Group Chief Executive Officer of Alliance Bank.

The Bank aims to be The Preferred Bank of Business Owners. It will build scale in its SME, Commercial and key consumer segments such as wealth management.

To reach its SME ambitions, the Bank will enhance its product propositions and adopt a multi-channel approach in serving these customers. It recently launched a new Digital SME unit to acquire and serve the smaller SME segment using remote interactions. Smaller SMEs can now apply for loans digitally and conveniently manage their transactions on the go with the Bank’s mobile banking solution.

In the Consumer segment, the Bank aims to serve the personal banking needs of business owners more effectively. It intends to establish consumer banking relationships with 70% of its business owner base by FY2026 and acquire over 100,000 new customers per year. In line with this, the Bank has introduced a new Universal Banker role to serve the personal and business needs of business owners.

“In the first quarter of FY2022, we enrolled 900 business owner clients to be our new consumer banking customers, and aim to sign up 8,000 this financial year,” said Mr Kornreich.

To grow its wealth management business, the Bank will continue to introduce innovative wealth solutions such as the portfolio financing programme, and equip its relationship managers with enhanced digital tools to provide relevant financial advice. It has recently introduced a digital wealth platform that enables its relationship managers to carry out transactions remotely. The

Bank will also launch a number of financial advisory hubs in key locations to serve customers better.

In tandem with the Bank's growth ambitions, its Islamic subsidiary aims to contribute more than 25% to the Group's pre-provision operating profit by FY2025. Alliance Islamic Bank will also drive the Group's overall environment, social and governance (ESG) agenda, focusing on climate change and social responsibility. "Together with business owners, we aim to make a difference by enabling them to make sustainable business choices and deliver positive climate impact and social outcomes," said Mr Kornreich. By FY2025, the Bank plans to provide RM5 billion in sustainable financing.

To achieve greater efficiency, the Bank will transform, automate and streamline its branch operations, and drive employee productivity.

"Underlying all our initiatives, we will apply the Alliance Way, our differentiated customer engagement approach, to provide an empathetic, fast and simple banking experience," added Mr Kornreich.

Financial Performance

For the first quarter of the financial year ending 31 March 2022 ("1QFY2022"), the Bank posted revenue of RM483 million. The Bank's net interest income (including the Islamic Banking segment) improved to RM364.5 million, mainly driven by the optimisation of deposit mix and repricing of Fixed Deposits (FD). Net interest margin was 2.5%.

Improved revenue and prudent expense management saw pre-provision operating profit grow to RM289.6 million. At the same time, the cost-to-income ratio was lower at 40%.

The Bank's 1QFY2022 net credit cost remained at 21.8 bps, which includes a management overlay of 14.9 bps. The overlay accounts for risks related to vulnerable sectors and increased loan modifications due to the COVID-19 impact.

The Bank's CASA deposits grew RM4.6 billion or 25.0% YOY driven by robust sign-ups of Alliance SavePlus Account. This resulted in an improved CASA ratio of 49.4%, which is one of the highest in the industry.

The Bank's liquidity is well above industry average and capital positions remained strong. Common Equity Tier-1 ("CET 1") ratio was at 16.9%, while Tier-1 Capital ratio was at 17.9% and total capital ratio was at 22.2%. Liquidity coverage ratio was at 170.3% (industry: 149.1%). The Bank's loan to fund ratio stood at 84.8%.

For more information on Alliance Bank and its products and services, please visit www.alliancebank.com.my.

Performance Summary for 1QFY2022

Key Results

- 1QFY2022 overall revenue was RM483 million
- 1QFY2022 net interest income was RM364.5 million, mainly from funding optimisation
 - Net interest margin was 2.50%
 - CASA grew 25% YOY to RM4.6 billion
 - CASA ratio at 49.4%, one of the highest in the industry
- 1QFY2022 cost-to-income ratio improved to 40%
- Pre-Provision Operating Profit grew to RM289.6 million
- Net credit cost (including management overlay of 14.9 bps) stood at 21.8 bps
- Net profit after tax was RM146 million
- Healthy liquidity coverage ratio at 170.3%
- Common Equity Tier-1 ratio was at 16.9%; the Tier-1 capital ratio was 17.9%, and the total capital ratio of the Bank was at 22.2%

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About Alliance Bank Malaysia Berhad

Alliance Bank Malaysia Berhad and its subsidiaries, Alliance Investment Bank Berhad and Alliance Islamic Bank Berhad, is a dynamic, integrated financial services group offering banking and financial solutions through its consumer banking, SME banking, corporate and commercial banking, Islamic banking, investment banking, and stockbroking business. The Bank provides its broad base of customers throughout the country easy access via multi-pronged delivery channels that include retail branches, Privilege Banking Centres, Business Centres, and Investment Bank branches, as well as mobile and Internet banking.

For more information on this press release, please contact Agnes Ong at 03-2604 3378, or e-mail at agnesong@alliancefg.com.