



## Alliance Bank Continues to Provide Financial Assistance and Forges Ahead with Growth and Sustainability Initiatives

**Kuala Lumpur, 28 February 2022** – Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) continues to extend help to customers requiring financial assistance. Loans under payment relief amounted to RM9.25 billion, approximately 21% of its total loan portfolio, as at 16 February 2022.

The Bank has forged ahead with its strategic priorities of acquiring more clients in the SME and consumer segments, deepening customer engagement and improving efficiencies.

The Bank posted a 46% growth quarter-on-quarter in new-to-bank customers, surpassed 1,300 digital account openings a month through its eKYC solution, and expanded consumer banking relationships with over 4,000 business owners.

“In tandem with the re-opening of the economy, the Bank’s customer acquisition has accelerated. Our market share in SME loans has increased to 5% from 3.7% (in 2019), and we are confident of reaching the Top 4 position over the next four years through our expansion efforts. In fact, we are opening more business accounts now compared to pre-COVID levels, thanks to our digital marketing focus and partnerships,” said Mr Joel Kornreich, Group Chief Executive Officer of Alliance Bank.

“Our vision is also to serve the personal banking needs of business owners, their families and other stakeholders such as their employees. We are enhancing the benefits for our business clients when they also open a personal account with us, and making it very easy for them to do so. About 45% of our business clients have personal banking relationships with us today. We aim to increase that to at least 70%,” Mr Kornreich elaborated.

The adoption of digital channels among the Bank’s customers has also increased significantly. Today, about three quarters of all customer transactions are done digitally, contributed by a three-fold increase in digital volumes compared to three years ago. This is driven by the Bank’s continued focus on digital innovation to provide fast, simple and responsive service. For example, the Bank has recently enhanced its multi-award-winning BizSmart® eTrade platform to enable businesses to transact with over 85 countries in all major currencies. Today, BizSmart eTrade® accounts for 40% of the Bank’s trade transactions.

The Bank has made it easy for customers to apply for loans digitally. Personal loans originated digitally now constitute about 30% of total personal loans booked over the past year. Similarly, the digital SME loan launched over the past year enables businesses to apply for small ticket loans without any branch visits.

## Accelerating Sustainability Initiatives

The Bank plans to achieve RM5 billion in new sustainable banking business by the end of financial year 2025, reduce its greenhouse gas emissions, and help its business clients transition towards more sustainable practices. It recently launched a sustainability microsite to provide transparency on its sustainability disclosures.

“We have achieved RM1.6 billion in new sustainable business financing and will be launching several sustainable financing and investment propositions in 2022,” explained Mr Kornreich. The Bank has implemented ESG screening in its loan underwriting process, following Bank Negara Malaysia’s Climate Change and Principal-based Taxonomy to monitor the impact of climate risks.

“We will also continue reducing greenhouse gas emissions in our operations, and will disclose the reduction plans and targets soon,” added Mr Kornreich.

The Bank has established strategic alliances with Bursa Malaysia Berhad and Malaysian Green Technology Corporation to assist businesses with their sustainability plans.

Meanwhile, the Bank’s flagship programmes (such as the EcoBiz Challenge, Economic Empowerment Programme, Solidarity with Community Programme and AEIOU Challenge), continue to empower SMEs and individuals via training and relevant upskilling courses.

## Financial Performance

For the first nine months of the financial year ending 31 March 2022 (“9MFY2022”), Alliance Bank reported revenue of RM1.42 billion, a 3.2% YOY growth. Pre-provision operating profit grew to RM812.2 million and net profit after tax for the period was RM469.8 million.

The rise in revenue was largely due to net interest income growth of 11% YOY, driven by deposit mix optimisation and repricing of fixed deposits. Net interest margin increased 24 bps from 2.30% on 31 March 2021 to 2.54%.

Client-based fee income (excluding brokerage) grew by 3.2%, driven by increased wealth management, trade and FX income.

The Bank’s cost-to-income ratio is among the Top 3 in the industry at 42.6%.

The Bank’s 9MFY2022 net credit cost was 32.5 bps, including a management overlay of 26.4 bps. Business-as-usual net credit costs was 33.7 bps lower YOY due to lower provisions for the mortgage and personal loan portfolios in addition to lower business banking net credit cost of 14.1 bps. The Bank continues to extend the Financial Management and Resilience Programme (URUS) to the B50 borrower base.

Gross loans increased to RM44.5 billion, mainly from growth in SME, Commercial and Corporate Banking. “We will provide RM2 billion in financing comprising term loan, working capital and government assistance schemes before the end of this financial year to help businesses move towards recovery and revival,” said Mr Kornreich.

CASA deposits rose 13.1% YOY, contributed mainly by Alliance SavePlus Account and Alliance@Work sign-ups. CASA ratio improved to 50%, keeping the Bank at the top of the industry.

The Bank's capital positions remained strong. Common Equity Tier-1 ratio was at 16.5%, Tier-1 Capital ratio was at 17.5%, and total capital ratio was at 21.7%. The Bank's loan to fund ratio stood at 87.5%. The liquidity coverage ratio was 167.7%.

For more information on Alliance Bank and its products and services, please visit [www.alliancebank.com.my](http://www.alliancebank.com.my).

### **Performance Summary for 9MFY2022**

#### **Key Results**

- 9MFY2022 overall revenue grew 3.2% YOY to RM1.42 billion
- 9MFY2022 net interest income increased 11.0% YOY, mainly from funding optimisation
  - Net interest margin improved to 2.54%
  - CASA grew 13.1% YOY to RM23.2 billion
  - CASA ratio at 50.0%, remains at top end of the industry
- Client-based fee income (excluding brokerage) grew 3.2% YOY
- 9MFY2022 cost-to-income ratio moderated to 42.6%
- Pre-Provision Operating Profit grew to RM812.2 million
- Net credit cost (including management overlay of 26.4 bps) stood at 32.5 bps
- Net profit after tax was RM469.8 million
- Healthy liquidity coverage ratio at 167.7%
- Common Equity Tier-1 ratio was at 16.5%; the Tier-1 capital ratio was 17.5%, and the total capital ratio of the Bank was at 21.7%

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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 consumer banking, SME banking, corporate and commercial banking, Islamic banking, investment banking, and stockbroking businesses. The Bank provides easy access to its broad base of customers throughout the country via multi-pronged delivery channels, including retail branches, Privilege Banking Centres, Business Centres, Investment Bank branches, and mobile and Internet banking.

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