



Alliance Bank Advances Strategic Priorities and Sustainability Goals

Kuala Lumpur, 30 August 2022 - Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) reported that it has made significant progress towards its strategic priorities and sustainability goals in the first quarter of the financial year ending 31 March 2023 (“1QFY2023”).

The Bank continues to advance forward with its broader vision of becoming the Preferred Bank of Business Owners through its three key strategic priorities of acquiring customers in the small and medium enterprise (“SME”) and consumer segments, deepening stakeholder engagements, and gaining operational efficiencies.

New-to-bank customer acquisition kept its positive momentum, growing 70% year-on-year (“YOY”), which puts the Bank on track to achieving its target of acquiring 80,000 new-to-bank customers by the end of FY2023.

The Bank also improved the growth of new dual-relationship with business owners, on-boarding approximately 1,800 business owners, a 60% YOY increase. The new-to-bank attachment rate now stands at between 50% and 60%.

At the same time, total transactions across all channels grew 19% YOY, with the Bank’s digital transactions surpassing the 75% mark. Digital solutions such as BizSmart[®] eTrade, BizSmart[®] mobile app and allianceonline mobile app contributed towards a 24% growth in digital channels transactions. Meanwhile, acquisitions through digital channels have also accelerated. For example, digital personal loans contributed 50% of all personal loans booked over the past 3 quarters.

Financial Performance

For 1QFY2023, the Bank’s net interest income improved 7.6% YOY to RM392.1 million due to higher loans volume and Overnight Policy Rate (“OPR”) hike, while client-based fee income (excluding brokerage income) grew 7.5% YOY due to higher wealth management income, FX sales and trade fees.

The Bank posted revenue of RM474.1 million, and pre-provision operating profit at RM263.5 million for 1QFY2023. The cost-to-income ratio stood at 44.4%, within management’s guidance.

Proactive credit management by the Bank has resulted in 1QFY2023 net credit cost decreasing 25.5 basis points (“bps”) YOY to -3.7 bps. Net profit after tax for 1QFY2023 increased 45.3% YOY to RM212.2 million.

CASA deposits in the Bank grew 5.3% YOY or RM1.2 billion, resulting in an improved CASA ratio of 50.0%, the highest in the industry.

Overall loans grew 6.7% YOY, fuelled by growth in business banking (SME, Corporate and Commercial) loans, which increased 13.7% YOY.



During the pandemic, the Bank had extended payment relief assistance (“PRA”) to individuals and businesses. The financial assistance portfolio has been reduced to RM3.7 billion, representing 8% of the loan book.

The Bank’s liquidity and capital positions are strong. Common Equity Tier-1 (“CET 1”) ratio was at 15.4%, while the Tier-1 Capital ratio was at 16.7%, and the total capital ratio was at 20.9%. Liquidity coverage ratio was at 162.9% (industry: 148.4%). The Bank’s loan-to-fund ratio stood at 85.3% (industry: 81.8%).

“Our focus on delivering greater value, support and convenience to our customers through enhanced digital solutions has put the Bank in good stead to accelerate moving forward,” said Mr Joel Kornreich, Group Chief Executive Officer of Alliance Bank.

Advancing the Sustainability Agenda

The Bank continues to help SMEs adopt sustainable practices through its Environmental, Social and Governance-focused (“ESG”) Sustainability Assistance Programme. The Programme extends ESG advisory and workshops to assist businesses in their transition towards becoming more socially responsible and eco-conscious and provides convenient access to a suite of relevant solutions.

Complementing the Programme, the Bank also rolled out the Low Carbon Transition Facility for SMEs. The facility enables SMEs to reduce their carbon emissions while improving cash flow and obtaining cost savings via solar rooftop panel installations.

In 1QFY2023, the Bank achieved RM1.9 billion in new sustainable business, more than half its FY2023 target of RM2.6 billion.

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

Performance Summary for 1QFY2023

Key Results

- *1QFY2023 overall revenue was RM474.1 million*
- *1QFY2023 net interest income was RM392.1 million, mainly from higher loans volume and OPR hike*
 - *Net interest margin was 2.57%*
 - *CASA grew 5.3% YOY*
 - *CASA ratio at 50.0%, remaining top of the industry*
- *1QFY2023 cost-to-income ratio was 44.4%*
- *Pre-Provision Operating Profit was at RM263.5 million*
- *Net credit cost decreased by 25.5 bps YOY to -3.7 bps*
- *Net profit after tax increased 45.3% YOY to RM212.2 million*
- *Healthy liquidity coverage ratio at 162.9%*
- *Common Equity Tier-1 ratio was at 15.4%; the Tier-1 capital ratio was 16.7%, and the total capital ratio of the Bank was at 20.9%*

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About Alliance Bank Malaysia Berhad

Alliance Bank Malaysia Berhad and its subsidiary, Alliance Islamic Bank Berhad, offer banking and financial solutions through its consumer banking, SME banking, corporate and commercial banking, Islamic 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, and Business Centres, as well as mobile and Internet banking.

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