



## Alliance Bank 9MFY2023 Net Profit Increases 16.6% year-on-year to RM547.7m

**Kuala Lumpur, 28 February 2023** - Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) today announced a net profit after tax of RM547.7 million for the nine months ended 31 December 2022 (“9MFY2023”), an increase of 16.6% year-on-year (“YOY”).

9MFY2023 revenue rose 2.5% YOY to RM1.45 billion driven by net interest income improvement of 12.4% YOY to RM1.25 billion. Accordingly, net interest margin improved 15 basis points (“bps”) to 2.68% since March 2022. Client-based fee income (excluding brokerage) grew 2.5% YOY to RM211.9 million, driven by higher wealth management, foreign exchange sales and trade fees. Cost-to-income ratio was 44.1%.

Overall loans grew by 6.2% YOY with SME and Consumer Banking loans growing by 12.9% and 3.5% YOY respectively. Meanwhile, customer-based funding grew 7.9% YOY and saw a shift towards fixed deposits, which increased by 4.6%. The Bank’s CASA ratio remained one of the highest in the industry at 45.8%.

The Bank’s net credit cost for the period improved by 12.5 bps YOY to 20.0 bps. Loans under relief decreased to RM1.35 billion, representing 2.9% of the Bank’s total loan book. Alliance Bank continues to provide support to customers who need further financial assistance.

Alliance Bank maintained its robust capital and liquidity positions with Common Equity Tier-1 (“CET 1”) ratio at 15.1% and Tier-1 Capital at 16.0% as at 31 December 2022. Total capital ratio was at 20.1%. The Bank’s liquidity coverage ratio stood at 154.2%, and loan to fund ratio was 86.8%.

New-to-bank customer acquisition grew 73% YOY to approximately 65,000 customers. At the same time, the Bank doubled the acquisition of dual-relationship business owners to 6,000 new business owners with both business and personal products. It also doubled its average monthly disbursement of personal loans via its digital channels. Overall, customer digital adoption continued to improve, with digital transactions registering a 15% increase YOY.

### **A Strategy Refresh to Acceler8 Growth Momentum**

With the launch of the Bank’s refreshed strategy Acceler8 in January this year, the Bank is now targeting new market segments and business verticals, driving expansion in key economic corridors, championing sustainability as well as pursuing synergies and value creation through digital innovations and partnerships.

Alliance Bank Group Chief Executive Officer Mr Kellee Kam said, “Alliance Bank has shown resilient growth particularly in the SME business where our market share has grown from 3.4% to 5% within 4 years. Acceler8 will broaden growth beyond the SME segment, build competitive advantages and drive long-term sustainable growth. Our formula for success in the SME segment will now be brought into other attractive segments, sectors, and ecosystems. We are continuing the velocity within the SME segment while extending this same challenger mindset to other high-growth areas identified.”

One of the new priorities under Acceler8 is to drive higher acquisition in consumer segments such as young professionals and high-net-worth clients including accelerating the Bank's mortgage growth. Moving forward, the Bank aims to grow its consumer loans above industry growth rates. The Bank will also be more actively engaging the neighbourhoods in which it operates through its branch network.

"We want our branches to be a focal point in the communities. For example, through our #SupportLokal initiative, we are partnering with merchants and our business clients in the neighbourhoods surrounding our branches to promote their local products and services via joint promotions with the Bank. This is an expansion of what we've been doing over the past 3 years since the pandemic to help local businesses to grow their customer base," explained Kam.

Kam also added, "We have mobilised a Group Transformation office to drive and track the transformation progress against key milestones. Over 40 initiatives have been mapped out and will be implemented in phases."

### **Solid Sustainability Progress**

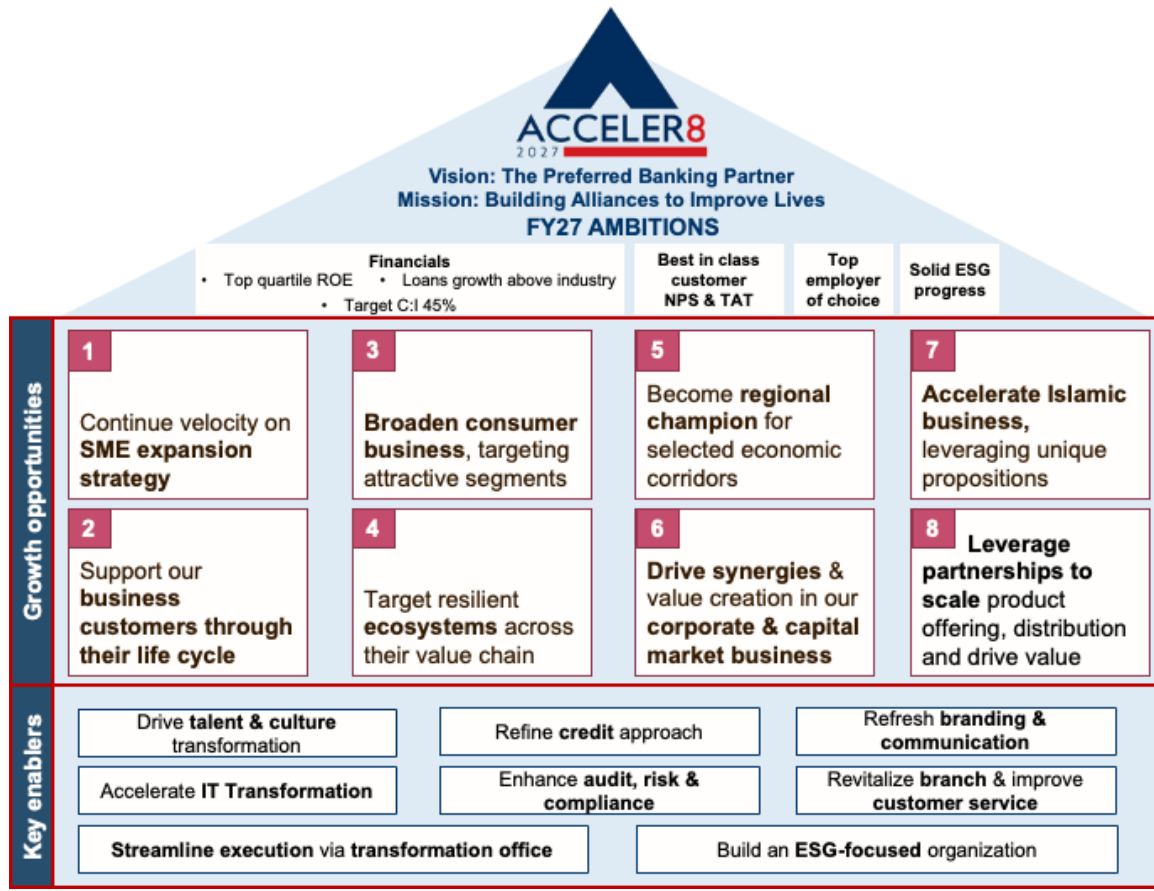
Alliance Bank also made significant progress in its FY2023 sustainability goals. In the first nine months of FY2023, the Bank recorded RM4.9 billion in new sustainable banking business, exceeding its FY2023 target of RM2.6 billion. Alliance Bank has launched a BeESG sustainability campaign in collaboration with the United Nations Global Compact Network Malaysia and Brunei, Bursa Malaysia and Malaysian Green Technology and Climate Change Corporation. "We want to create awareness, provide the necessary advice and enable our customers to adopt sustainable practices. We have recently concluded a large scale ESG survey among SMEs in Malaysia to understand the challenges and barriers to ESG adoption. We will be publishing these key insights soon to help SMEs on their sustainability journey," said Kam.

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 9MFY2023**

- *9MFY2023 overall revenue grew 2.5% YOY to RM1.45 billion*
- *9MFY2023 net interest income grew 12.4% YOY*
  - *Net interest margin improved to 2.68%*
  - *Gross loans grew 6.2% YOY*
  - *Customer based funding grew 7.9% YOY*
  - *CASA ratio at 45.8%, one of the highest in the industry*
- *Client-based fee income (excluding brokerage) increased 2.5% YOY*
- *9MFY2023 cost-to-income ratio at 44.1%*
- *Net credit cost improved to 20.0 bps*
- *Net profit after tax increased 16.6% to RM547.7 million*
- *Healthy liquidity coverage ratio at 154.2%*
- *Common Equity Tier-1 ratio was at 15.1%; the Tier-1 capital ratio was 16.0%, and the total capital ratio of the Bank was at 20.1%*

## Appendix 1



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### About Alliance Bank Malaysia Berhad

Alliance Bank Malaysia Berhad and its subsidiary, Alliance Islamic Bank Berhad, offers banking and financial solutions through its consumer, SME, corporate, commercial and Islamic banking, and stockbroking business. The Bank provides easy access to its broad base of customers throughout the country via multi-pronged delivery channels that include retail branches, Privilege Banking Centres, Business Centres, Investment Bank branches, and mobile and Internet banking.

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