



Alliance Bank Records 1QFY2024 Net Profit of RM150.5 million

Kuala Lumpur, 29 August 2023 – Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) today reported a net profit after tax of RM150.5 million in the first quarter of the financial year ending 31 March 2024 (“1QFY2024”).

Net interest income rose 2.4% year-on-year (“YOY”) attributable to higher loans volume while net interest margin moderated to 2.43%. The Bank recorded a client-based fee income (excluding brokerage) at RM78.6 million. Overall revenue stood at RM466.3 million while cost-to-income ratio was at 49.3%.

Overall loans growth continued its momentum, expanding 7.9% YOY to RM49.7 billion as SME, Commercial and Consumer Banking loans grew 13.4%, 11.7% and 7.1% YOY respectively. Customer-based funding increased 6.5%, bolstered by a rise in fixed deposits. CASA ratio remained healthy and is among the highest in the industry at 43.9%.

1QFY2024 net credit cost was 7.1 bps, with a loan loss coverage ratio of 120%. The Bank continues to proactively engage with customers to assist them in managing their financial commitments.

The Bank maintained a strong capital position with Common Equity Tier-1 ratio (“CET 1”) at 13.7% and Tier-1 Capital ratio at 14.6% respectively as at 30 June 2023. Total capital ratio was at 18.5%. The Bank’s liquidity position is also robust with coverage ratio of 163.2% (industry average: 155.3%) and loan to fund ratio of 85.8%.

Acceler8 Growth

Alliance Bank made substantial strides towards achieving its Acceler8 strategy targets as the Bank evolves towards being a bank for the community.

“In our pursuit of delivering value to stakeholders via strong financial performance, best-in-class customer service and solid ESG progress, we continue to prioritise resources to drive momentum within the eight Acceler8 growth pillars. We will leverage our strengths of speed, service and personalisation to position the Bank as the preferred banking partner,” said Alliance Bank Group Chief Executive Officer Mr Kellee Kam.

Alliance Bank’s Acceler8 strategy is yielding positive results, evidenced by the acquisition of more than 3,000 new-to-bank business customers (representing a 40% YOY growth). In addition, SME loans grew by 11% YOY. The Bank also intensified its cross-sell approach and established a business-to-business supply chain financing programme as part of the commitment to provide innovative products and services to serve businesses throughout their life cycle.

The Bank's digital channels continue to contribute favourably towards its consumer banking growth. Over 25,000 consumer customers were acquired during the period which is a 40% increase YOY. Alliance Bank's Visa Virtual Credit Card (VCC) with Malaysia's first dynamic card number feature bolstered the Bank's credit card user base to 160,000 as at the end of July 2023 (+33% from the VCC launch in April 2023). The Bank is also refining its product propositions and credit approach for the high-net-worth and young professional segments.

In line with the Bank's focus of being an ESG-focused organisation, a total of RM177 million in financing was approved under the Alliance Bank Sustainability Assistance Programme, representing about 60% of the Bank's FY2024 green financing target.

Alliance Bank is also expanding in fast-growing economic corridors, strengthening its footprint in Sarawak and Penang and enhancing its branch network to better serve the local communities. The Bank is expanding its branch footprint to 83 locations by year-end, up from the current 79. This is complemented by its digital solutions such as Digital SME and e-KYC in the Bank's omni-channel approach to customer service.

The Bank's Islamic financing business grew 7% YOY driven by innovative propositions such as its Halal in One programme.

Kam said, "We are committed to supporting our customers through the different stages of their life via innovative, customer-centric solutions. This includes providing sustainability solutions to help our customers adopt lower-carbon practices in their lifestyle and business operations."

Sustainability Achievements

In 1QFY2024, Alliance Bank continued to advance towards its sustainability top-line goals.

The Bank successfully achieved RM10 billion in new sustainable banking business, ahead of the original FY2025 timeline. Accordingly, Alliance Bank has revised the target to RM15 billion in new sustainable banking business by FY2027. To drive its new target, the Bank is rolling out a sustainable product framework and climate action programme for SMEs, in addition to the ongoing sustainable financing initiatives such as #financing4ESG, solar panel financing and sustainable mortgage financing packages. Alliance Bank continues to work closely with its customers and their supply chain vendors and business partners to enable their ESG transition alongside its strategic partners.

Financial Highlights for 1QFY2024

Key Results

- *Revenue stood at RM466.3 million*
- *Net interest income increased 2.4% YOY, mainly from higher loans volume*
 - *Net interest margin moderated to 2.43%*
 - *Overall loans grew 7.9% YOY*
 - *Customer based funding grew 6.5% YOY*
 - *CASA ratio at 43.9%, one of the highest in the industry*

- *Client-based fee income (excluding brokerage) was at RM78.6 million*
- *Cost-to-income ratio was at 49.3%*
- *Net credit cost was at 7.1 bps*
- *Net profit after tax at RM150.5 million*
- *Healthy liquidity coverage ratio at 163.2%*
- *Common Equity Tier-1 ratio was at 13.7%; the Tier-1 capital ratio was 14.6%, and the total capital ratio of the Bank was at 18.5%*

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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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