

## **Alliance Bank Reports RM994.4 Million Revenue and RM335.9 Million Net Profit in 1HFY2024**

**Kuala Lumpur, 30 November 2023** – Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) today reported a net profit after tax of RM335.9 million in the first half of the financial year ending 31 March 2024 (“1HFY2024”).

Net interest income increased 2.2% year-on-year (“YOY”), attributable to higher loans growth. Net interest margin improved 10 bps quarter-on-quarter (“QOQ”) to 2.53%. The Bank recorded a 20.0% rise in non-interest income (excluding brokerage) to RM163.1 million due to higher wealth management income and foreign exchange fees. Total revenue grew 4.2% YOY to RM994.4 million while cost-to-income ratio was at 48.0%.

Overall loans accelerated 10.0% YOY to RM51.5 billion with SME, Commercial and Consumer Banking loans growing 15.0%, 12.2% and 8.8% YOY respectively. The Bank's customer-based funding saw a 4.4% YOY increase. CASA ratio also improved to 44.2% and remains one of the highest in the industry.

1HFY2024 net credit cost was 14.8 bps, with a healthy loan loss coverage ratio of 120%. The Bank remains committed to engaging with customers, providing assistance to meet their financial needs.

The capital position (without Transitional Arrangement) of the Bank remained robust with Common Equity Tier-1 ratio (“CET 1”) at 12.9% and Tier-1 Capital ratio at 13.7% respectively as at 30 September 2023. Total capital ratio was at 17.5%. The Bank's liquidity position is also strong with coverage ratio of 154.3% (industry average: 151.5%) and loan to fund ratio of 88.6%.

The Bank declared a first interim dividend of 10.85 sen per share, representing a total dividend payout ratio of 50%.

### **Acceler8 Forward**

In the financial period under review, Alliance Bank made significant progress towards its Acceler8 strategy targets and continues to strive towards becoming a bank for the community.

“As set out in our Acceler8 strategy, we aim to create value for stakeholders through robust financial performance, exceptional customer service and ESG advancements. We recently unveiled a new tagline, The Bank for Life, which exemplifies the Bank's dedication to deliver solutions tailored to the evolving needs of our customers throughout their lives or at different stages of their business,” said Alliance Bank Group Chief Executive Officer Mr. Kellee Kam.

In 1HFY2024, Alliance Bank acquired 61,000 new-to-bank customers, representing more than 40% YOY increase. The Bank's continued focus on digitalisation and targeted approach towards high-net-worth individuals and young professionals has led to a record first half expansion of 42% YOY in new-to-bank acquisition in the consumer banking segment. In tandem with this, consumer banking loans grew about 1.6 times faster than industry average. Meanwhile, in the business banking segment, Alliance Bank acquired 6,200 new-to-bank business customers representing a 30% YOY growth. SME loans continued its strong growth, outpacing industry growth by 1.8 times. Additionally, the Bank intensified its cross-sell approach which bolstered the business banking client fee income.

"Our efforts to broaden our growth focus across key segments are starting to yield positive results as our total loan market share has started expanding," said Mr. Kam.

In the Islamic financing business, the Bank continues its momentum with a 7% YOY growth, driven by the Bank's flagship Halal in One programme which offers business owners venturing into the halal space end-to-end solutions including business advisory, business matching services, and shariah-compliant financing.

Recently, the Bank successfully organised its inaugural Heritage Run in Penang to strengthen its relations with the community and its footprint in fast-growing economic corridors. The event saw more than 3,500 participants celebrating George Town's vibrant culture and heritage and was a focal point to engage customers and local communities. Complementing this effort towards being a regional champion, the Bank intends to open two new branches in Penang and Sarawak to increase the Bank's presence in these two states.

## **Sustainability Achievements**

During the first half of the financial year 2024, Alliance Bank made further progress in achieving its sustainability targets.

The Bank successfully recorded RM12 billion in new sustainable banking business towards the RM15 billion FY2027 goal. Alliance Bank has piloted an SME climate action programme for suppliers of partner Mah Sing Group through Bursa Malaysia's Centralised Sustainability Intelligence Platform. At the same time, the Bank has also collaborated with key partners such as InvestSarawak, Solarvest Holdings Bhd, Monash University Malaysia, INCEIF University and SME Corporation Malaysia to help more SMEs adopt and implement ESG practices.

### **Financial Highlights for 1HFY2024**

#### **Key Results**

- *Revenue grew 4.2% YOY to RM994.4 million*
- *Net interest income increased 2.2% YOY, mainly from higher loans volume*
  - *Net interest margin improved 10bps QOQ to 2.53% in 2QFY24*
  - *Overall loans grew 10.0% YOY*
  - *Customer based funding grew 4.4% YOY*
  - *CASA ratio improved to 44.2%, one of the highest in the industry*
- *Non-interest income (excluding brokerage) grew 20.0% YOY to RM163.1 million*
- *Cost-to-income ratio was at 48.0%*

- *Net credit cost was at 14.8 bps*
- *Net profit after tax at RM335.9 million*
- *Healthy liquidity coverage ratio at 154.3%*
- *Capital position (without Transitional Arrangement) Common Equity Tier-1 ratio was at 12.9%; the Tier-1 capital ratio was 13.7%, and the total capital ratio of the Bank was at 17.5%*

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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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