

Alliance Bank Records 9MFY2024 Net Profit of RM512.7 Million

Kuala Lumpur, 27 February 2024 – Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) today announced a net profit after tax of RM512.7 million for the nine months ended 31 December 2023 (“9MFY2024”).

Net interest income grew 1.8% year-on-year (“YOY”), driven by higher loans volume while net interest margin was at 2.48%. Non-interest income (excluding brokerage) performed well, growing 18.9% to RM230.7 million, mainly from higher wealth management income, foreign exchange fees as well as banking services fees. Overall revenue grew 3.7% YOY to RM1.5 billion while cost-to-income ratio was at 48.2%.

Overall loans expanded at a faster pace of 12.9% YOY to RM53.4 billion, lifted by the growth momentum across our businesses in the Corporate, SME, Commercial and Consumer Banking segments which grew 12.5%, 16.4%, 14.2% and 10.8% YOY respectively. Customer deposits expanded 11.1% YOY and the CASA ratio stood at 45.1%, remaining one of the highest in the industry.

9MFY2024 net credit cost was 19.4 bps and the loan loss coverage ratio remained healthy, at 117%. The Bank continues to proactively engage with customers to assist them in managing their financial commitments.

The capital position (without Transitional Arrangement) of the Bank remained robust with Common Equity Tier-1 ratio (“CET 1”) at 12.8% and Tier-1 Capital ratio at 13.5% respectively as at 31 December 2023. Total capital ratio was at 17.2%. The Bank’s liquidity position is also strong with coverage ratio of 149.9% and loan to fund ratio of 87.5%.

Acceler8 Made Significant Strides

The Bank’s Acceler8 strategy continues to yield positive results, paving the way towards its aspiration to be bank for the community.

“Beyond just a transactional banking experience, we aim to be The Bank for Life for our customers, supporting them at every stage of their financial journey with timely and personalised solutions. Our goal is to be the trusted companion for our customers’ financial journey, supporting and empowering them at every phase of their life,” said Alliance Bank Group Chief Executive Officer Mr. Kellee Kam.

The Bank maintained its growth velocity in the business banking segment, acquiring 9,200 new-to-bank business customers and achieving double digit SME loan growth. This enabled the Bank to continue gaining SME loan market share, which has now exceeded 5.1%. The Bank’s focus on supporting

business customers through their life cycle has translated into strong growth in business banking client fee income (+28% YOY).

The consumer segment continued to expand at an accelerated pace with 80,000 new-to-bank customers, driven by digital acquisition and focus on the emerging affluent segment. Accordingly, consumer loans grew 10.8% YOY, outpacing the industry's 6.6% growth as at December 2023.

Alliance Bank also continued its expansion into fast-growing economic corridors by strengthening its footprint in Penang and Sarawak and revitalising its branch network to foster more meaningful engagements with customers. To strengthen the relationships with the local communities it serves, the Bank recently opened its Saradise branch in Sarawak, with another branch slated for opening in Jalan Kelawai in Penang to meet the communities' evolving banking needs.

The Bank's efforts in embedding ESG in its business strategy have led to its sustainability loans growth doubling YOY to RM380 million in financing approved via its Sustainability Assistance Programme ("SAP"), representing over 120% of the Bank's FY2024 target of RM300 million in green financing. SAP, which offers practical ESG consultations, diagnostic assessments, and personalised financial and non-financial assistance to support SMEs on their sustainability journey, was recently awarded with a Gold in the ESG category at the Qorus Reinvention Awards – APAC 2023.

On the Islamic banking front, the Bank sustained its momentum at 7% YOY growth driven by its flagship Halal in One Programme which helps business owners venture into and succeed in the halal sector. In December 2023, Alliance Islamic Bank launched the Zakat Microfinancing Programme, Malaysia's first Islamic social funding programme which utilises zakat wakalah to help uplift the livelihoods of underserved *asnaf* micro-entrepreneurs.

Alliance Bank continues to establish strategic partnerships with like-minded organisations to create more value for its customers. In November 2023, Alliance Bank partnered with state entity Invest Sarawak to accelerate an inclusive climate transition for SMEs by providing capacity building, advisory tools and banking solutions to help Sarawakian businesses become more sustainable. The Bank also extended financing initiatives to public listed companies and their supply chains through the Bursa Malaysia Centralised Sustainability Intelligence ("CSI") programme.

Sustainability Achievements

In 9MFY2024, Alliance Bank made further progress in achieving its sustainability top-line goals while adopting the 3As Approach (Advocacy, Advice and Answers) to assist SMEs in navigating the ESG landscape.

The Bank successfully achieved a cumulative RM12.3 billion of new sustainable banking business as it moves closer towards the RM15 billion FY2027 goal. The Bank further strengthened its partnership with UN Global Compact Network Malaysia & Brunei ("UNGCMYB") with an extended 3-year partnership announcement as well as jointly-launching a digital climate assessment tool called PROGRESS, enabling SMEs to assess their sustainability status and generate a Climate Action plan for their businesses. At the same time, the Bank will also run capacity building workshops with UNGCMYB

to assist SMEs in sustainable-trade readiness and business resiliency towards ESG compliance, supported by the Sarawak state government.

“In line with Alliance Bank’s aim of becoming an ESG-focused organisation, our sustainability purpose is to help businesses adopt ESG practices in a way that creates value for the business, the community and the environment in which they operate,” said Mr. Kam.

Financial Highlights for 9MFY2024

Key Results

- Revenue grew 3.7% YOY to RM1.50 billion
- Net interest income increased 1.8% YOY, mainly from higher loans volume
 - Net interest margin at 2.48% in 9MFY2024
 - Overall loans grew 12.9% YOY
 - CASA ratio stood at 45.1%, one of the highest in the industry
- Non-interest income (excluding brokerage) grew 18.9% YOY to RM230.7 million
- Cost-to-income ratio was at 48.2%
- Net credit cost was at 19.4 bps
- Net profit after tax at RM512.7 million
- Healthy liquidity coverage ratio at 149.9%
- Capital position (without Transitional Arrangement) Common Equity Tier-1 ratio was at 12.8%; the Tier-1 capital ratio was 13.5%, and the total capital ratio of the Bank was at 17.2%

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About Alliance Bank Malaysia Berhad

Alliance Bank is dedicated to offering differentiated financial and non-financial solutions across consumer, SME, corporate, commercial, and Islamic banking sectors. Embracing its 'The Bank for Life' brand purpose, Alliance Bank is committed to meeting the ever-evolving needs of its customers, serving as a dependable banking partner throughout their lifetime.

With a vision of community-centric banking, Alliance Bank deeply engages with the community through an omni-channel approach. Customers can interact with Alliance Bank through an extensive network of retail branches, Privilege Banking Centres, Business Centres, and Digital banking services. The Bank aims to foster meaningful connections within the communities it operates in.

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