

Alliance Bank Achieves Highest Ever Revenue of RM2.02b for FY2024

Kuala Lumpur, 30 May 2024 – Alliance Bank Malaysia Berhad (“Alliance Bank” or the “Bank”) today announced a record high RM2.02 billion revenue for the financial year ended 31 March 2024 (“FY2024”) on the back of 5.2% year-on-year (“YOY”) growth. Correspondingly, net profit after tax rose 1.9% YOY to RM690.5 million, which is also the highest on record.

The revenue growth was attributed by improvements in both net interest income (“NII”) and non-interest income (“NOII”). The NII grew 4.1% YOY to RM1.72 billion with net interest margin staying within guidance, at 2.48%. Meanwhile, the 15.1% YOY NOII (excluding brokerage) growth to RM300.2 million was driven by higher wealth management income, foreign exchange fees and banking services fees. Cost-to-income ratio for the year was at 48.2%.

Total gross loans grew 13.6% to RM55.7 billion, exceeding industry growth of 6.0%. Strong performance is also evident in growth across all segments, namely SME, Commercial, Corporate, and Consumer, which grew 15.8%, 13.8%, 13.0%, and 12.5% YOY respectively. The Bank’s CASA ratio remained one of the highest in the industry at 41.6%, on the back of a 12.9% YOY increase in customer deposits.

Net credit cost for FY2024 recorded a 6.1 bps improvement YOY to 25.8 bps, with loan loss coverage coming in at 113.8%. The Bank’s capital position without Transitional Arrangement for Common Equity Tier-1 Ratio (“CET 1”) stands at 12.5% and Tier-1 Capital Ratio at 13.2%. Total capital ratio remained at 16.8%. In terms of liquidity position, Alliance Bank is resilient with a coverage ratio of 156.8% and loan to fund ratio of 87.0%.

Alliance Bank has proposed a second interim dividend of 11.45 sen per share, bringing the total dividend to 22.3 sen per share for a 50% total dividend payout ratio. This brings the total dividend declared for the financial year to RM345.2 million.

Acceler8 Towards Becoming The Bank For Life

The Acceler8 transformation strategy continues to yield positive results across all eight of its growth pillars which has enabled Alliance Bank to make significant strides towards becoming The Bank For Life for its stakeholders.

The Bank maintained its positive trajectory and momentum on the SME front, acquiring 12,000 NTB customers, representing more than 18% YOY growth. The Bank registered double-digit YOY expansion of its SME loan portfolio at 12% compared to an industry average 7%, with corresponding increase of market share to 5.3% (FY2023: 5%). Business banking client fee income grew 24% YOY, driven by foreign exchange revenue, bancassurance, as well as loan-related service charges.

Alliance Bank's efforts to broaden its consumer business is gaining traction with a 13% YOY loan growth while acquiring its highest ever NTB customers, representing more than 37% YOY increase to 107,000. This was driven by strong digital acquisition and solid growth in the HENRY (High Earners Not Rich Yet) segment.

The Bank's focus on ESG-centric solutions, driven by strong partnerships, such as with United Nations Global Compact Malaysia and Brunei (UNGCMYB) and state-wide collaborations, led to significant uplift in its approved loans via the Sustainability Impact Programme. With a cumulative RM420 million in loans approved, Alliance Bank has achieved over 140% of its FY2024 green financing target of RM300 million.

The expansion into key regional economic corridors in Sarawak and Penang continues to accelerate with regional deposit and loans registering 48% and 18% growth YOY respectively. The Bank's opening of its new Saradise branch in Kuching, Sarawak earlier this year with another new branch in Jalan Kelawai, Penang on track for a FY2025 opening will further bolster operations in those states.

Corporate revenue achieved a 13% YOY growth, driven mainly by fee-based income and forex sales. Meanwhile, Alliance Bank's Islamic business recorded a 11% YOY financing growth as it focused on scaling up its flagship Halal in One initiative to help business owners succeed in the halal sector. It also continues to expand unique Shariah-compliant and Value-Based Intermediation propositions to drive incremental franchise growth.

"The FY2024 results affirm the direction and strong execution of our Acceler8 strategy. Our full-year performance validates our strategic direction as we continue to transform to fulfil our brand purpose of becoming The Bank For Life for our customers, delivering value and serving as a dependable partner at every step of their financial journey," said Alliance Bank Group Chief Executive Officer Mr. Kellee Kam.

Financial Highlights for FY2024

Key Results

- Revenue grew 5.2% YOY to RM2.02 billion
- Net interest income grew 4.1% YOY
 - Net interest margin at 2.48%
 - Overall loans grew 13.6% YOY, more than double the industry
 - CASA ratio stood at 41.6%, one of the highest in the industry
- Non-interest income (excluding brokerage) grew 15.1% YOY to RM300.2 million
- Cost-to-income ratio was at 48.2%
- Net credit cost was at 25.8 bps
- Net profit after tax at RM690.5 million
- Robust liquidity coverage ratio at 156.8%
- Capital position (without Transitional Arrangement): Common Equity Tier-1 ratio at 12.5%; Tier-1 capital ratio at 13.2%, and Total Capital Ratio at 16.8%

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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.

For more information on this press release, please contact Pearly Ong at 03-2604 3138, or e-mail at pearlyong@alliancefg.com.