



# ALLIANCE FINANCIAL GROUP

## PRESS RELEASE

For more information on this press release, please contact Karen De Cruz, Group Corporate Communications, Tel : 03-2730 2340, Fax : 03-2696 4692 or e-mail [karen@alliancebq.com.my](mailto:karen@alliancebq.com.my)

### **ALLIANCE FINANCIAL GROUP RECORDS PRE-TAX PROFIT OF RM166.9 MILLION FOR 1Q ended 30 June 2008 *Asset quality improves, net NPL ratio down to 2.7 per cent***

**Kuala Lumpur, 8 AUGUST 2008** – Alliance Financial Group achieved a profit before taxation of **RM166.9 million** for the first quarter ended 30 June 2008, an increase of RM35.4 million or 26.9 per cent compared to the corresponding period last year. The improvement was primarily due to higher operating profit contributed by higher net income.

Datuk Bridget Lai, Director of Alliance Financial Group Berhad and Group Chief Executive Officer of Alliance Bank said, "The Group's **net income grew by RM35.9 million or 14.2 per cent** attributable to improved interest income mainly from loans growth in Consumer and Commercial/SME banking together with a write-back of over-provision of RM10.8 million on the deposit insurance."

Other operating income increased marginally by 4.2 per cent compared to the corresponding period last year mainly due to higher foreign exchange profit and gain arising from the sale of investment securities. These gains were offset by a reduction in stock brokerage fees in view of the current weak stock market.

Asset quality continued to improve with net non-performing loans (NPL) ratio declining from 3.3 per cent as at 31 March 2008 to **2.7 per cent as at 30 June 2008**. Gross loans loss provisioning coverage further improved to 85.5 per cent compared to 79.9 per cent as at 31 March 2008.

"Our continued improvement in asset quality as shown by our declining net NPL ratio is very encouraging and reflects the effectiveness of the Group's robust risk management," said Datuk Bridget Lai.

The Group's gross loans and advances increased by 4.6 per cent to RM17.3 billion compared to 31 March 2008. The Group's risk-weighted capital ratio was at 15.1 per cent.



The second half of the year is expected to be more challenging but the Group will continue building its competitive position. Barring any unforeseen circumstances, the Group expects to record satisfactory performance for the financial year ending 31 March 2009.

- END -

### **About Alliance Financial Group**

Alliance Financial Group is a dynamic, integrated financial services group offering end-to-end financing solutions through its consumer banking, commercial banking, wholesale banking, Islamic banking, investment banking and stock broking businesses as well as unit trust and asset management by providing products and services that are suited for every customer at every stage of their life.

The Group has five decades of proud history in contributing to the financial community in Malaysia with its innovative and entrepreneurial business spirit. Today, the Group is involved in the provision of financial services through its principal subsidiaries, Alliance Bank Malaysia Berhad, Alliance Investment Bank Berhad, Alliance Investment Management Berhad and Alliance Islamic Bank Berhad. It provides easy access throughout the country by serving its broad base of customers via multi-pronged delivery channels which include retail branches, Alliance Rakan branches, Privilege Banking Centres, Hire Purchase hubs, Business Centres, Investment Bank branches, direct marketing offices and unit trust agent offices located nationwide in a mix of rural and urban areas.

The Group's aspiration is to be Malaysia's premier integrated financial services group delivering the best customer experience and creating long-term shareholder value. Strategic alliances, enhanced group synergy, excellent technology and human capital will be the key to creating long-term value for all stakeholders.