



## PRESS RELEASE

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### **ALLIANCE FINANCIAL GROUP REGISTERS 35% INCREASE IN PRE-TAX PROFIT FOR FYE 31 MARCH 2010**

#### **Highlights of this news release:**

- The Alliance Financial Group recorded profit before taxation of RM408.9 million for the financial year ended 31 March 2010. The improvement is due to its operating profit increase by RM14.5 million and write-back of loan allowances for a corporate loan and reduction of general allowance rate to 1.5%. The improvement is also offset by further impairment made in relation to Collateralised Loan Obligations (“CLO”).
- The Group’s other operating income decreased by 14.1% or RM33.2 million largely attributed to a lower gain from the realisation of investment securities despite higher brokerage fees income.
- Net non-performing loans (“NPL”) remained at 1.8% as at 31 March 2010. Gross loans loss coverage stood at 94.4% as at 31 March 2010 compared with 99.7% as at 31 March 2009. This is mainly due to write-back of loan allowances which were no longer required.
- Overall, the Group’s risk-weighted capital ratio and core capital ratio improved to 15.4% and 11.1% from 14.6% and 10.3% respectively compared with 31 March 2009.

**Kuala Lumpur, 31 May 2010** – Alliance Financial Group (“the Group”) recorded profit before taxation of RM408.9 million for the financial year ended 31 March 2010. Compared to RM303.3 million registered in the last financial year, the improvement is due to its operating profit increase by RM14.5 million and write-back of loan allowances for a corporate loan and reduction of general allowance rate to 1.5%. The improvement is also offset by further impairment made in relation to Collateralised Loan Obligations (“CLO”).

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“Despite challenging expectations and in response to local and global economic conditions, the Group focused on strengthening its risk management practices to maintain the credit quality of its loan portfolios, improve cost efficiencies, and to ensure its liquidity and capital positions stay strong.

In line with our efforts to meet our customers’ expectations, we have put in place a customer segmentation model across our businesses. This model affords us the opportunity to address and personalise customers’ distinct financial needs. Since the implementation of the programme at the beginning of the financial year, we have seen positive developments in assets under management (AUM) from our customer base,” said Datuk Oh Chong Peng, Chairman of Alliance Financial Group Berhad.

For the current quarter under review, the Group recorded profit before taxation of RM107.4 million, an increase of RM101.7 million compared with the corresponding quarter last year. The improvement is contributed by higher operating profit as well as lower allowance for losses on loans and financing.

Overall, the Group’s risk-weighted capital ratio and core capital ratio improved to 15.4% and 11.1% from 14.6% and 10.3% respectively compared with 31 March 2009.

“The Group’s top priority is to ensure that our underlying business momentum remains intact and sustains growth. Our customer segmentation model will enable further development of customer relationships while our business model has been steadily transformed to enable best customer service delivery and maximise synergies between various lines of business. The small-to-medium enterprise (SME) sector is expected to be a strong growth driver in the country’s plan to achieve its goal of a high income nation, as supported by the recently announced New Economic Model (NEM),” said Datuk Oh.

The SME sector remains one of Alliance Bank’s areas of strength and it is well-positioned to take advantage of this renewed outlook for the sector.

The Group expects to continue to record satisfactory performance in the new financial year ending 31 March 2011.

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# ALLIANCE FINANCIAL GROUP

## **About Alliance Financial Group**

Alliance Financial Group is a dynamic, integrated financial services group offering end-to-end financing solutions through its consumer banking, SME banking, commercial 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 Personal branches, Alliance Rakan branches, Privilege Banking Centres, Islamic Banking Centres, 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.