

## JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

WE ARE  
COMMITTED TO  
BE THE BANK  
FOR THE ENTIRE  
LIFETIME OF OUR  
CUSTOMERS

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**TAN SRI DATO' AHMAD  
BIN MOHD DON**  
CHAIRMAN, ALLIANCE BANK



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### DEAR VALUED SHAREHOLDERS,

We are pleased to present to you the Annual Report of Alliance Bank Malaysia Berhad (“Alliance Bank” or “the Bank”) for the financial year ended 31 March 2024 (“FY2024”). The report details insights into our FY2024 journey and reflects the accomplishments for the year in review.

### A FOUNDATION FOR THE FUTURE – TRANSFORMING FOR GROWTH

During a year marked by challenges in the local and global economies, Alliance Bank made remarkable progress through its dedicated focus on the ACCELER8 2027 (“Acceler8”) transformation strategy. Building upon the successes the Bank has achieved in growing its small and medium enterprise (“SME”) business, the new strategy is anchored in a challenger mindset with the goal of broadening our growth engines to the other key segments. In FY2024, the Bank made significant strides in advancing our strategic initiatives across the eight (8) pillars of growth to deliver strong performance across key financial and non-financial metrics.

#### POSITIVE PROGRESS ON OUR STRATEGIC PRIORITIES



Revenue  
**RM2.02 billion**



Return On Equity  
**10.2%**



Net Interest Margin  
**2.48%**



**RM12.6 billion**  
achieved in new sustainable  
banking business since FY2022



Earnings Per Share  
**44.6 sen**

Our robust performance in FY2024 is a testament to our Acceler8 strategy bearing fruit as we continue to shape ourselves to be the preferred banking partner for the entire lifetime of our customers. We focused our efforts on tapping into new market segments and business verticals, regional expansion, championing sustainability, as well as driving synergies and value creation through digital innovations and partnerships.

#### Improved Market Share

Through the Acceler8 strategy, we diversified our portfolio, gaining access to new markets and consumer segments. In FY2024, we successfully grew the overall bank loan market share from 2.41% in FY2023 to 2.58% in FY2024, driven by higher loan volumes in the SME, Consumer and Corporate segments. At a time when banks faced margin compression owing to stiff competition for deposits, our net interest margin (“NIM”) of 2.48% remained one of the best in the industry despite upward pressure of funding costs.

#### Higher New-to-Bank Acquisition and Profitability

We constantly provide our customers with innovative products and services to meet their financial needs. By providing fast, convenient and personalised solutions, we achieved our best-ever new-to-bank (“NTB”) customer acquisition results with 119,000 NTB customers, comprising both the business and consumer banking segments. Moreover, we attained a return on equity (“ROE”) of 10.2%, which is ahead of the industry average. In FY2024, we achieved another new record high, where our annual revenues crossed the RM2 billion mark for the first time. Net profit after tax improved by 1.9% YOY to RM690.5 million, which is also our highest achievement on record.

#### Continued Velocity on SME Expansion

Amid challenges in the year, the Bank was agile in effectively adapting to the changing operating environment. We expanded our core business in the SME sector, driving our SME sales productivity upwards by 25% year-on-year (“YOY”) leading to continued gains in our SME loans market share. Our NTB acquisition accelerated by more than 18% YOY from digital acquisition through technologically driven innovations and solutions such as our electronic Know-Your-Customer (“eKYC”) account opening and digital loans. Additionally, with the new automated Bank Statement Analyser capability, we have transformed our SME credit underwriting processes to deliver superior turnaround time. In FY2024, Alliance Bank won the “Best SME Bank in Malaysia” Award at The Asian Banker - Global Excellence in Retail Finance Awards 2024 for its outstanding service and innovations in this segment.

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**IT'S ALL ABOUT  
BUILDING  
RELATIONSHIPS  
AND DELIVERING  
ACTUAL  
VALUE TO OUR  
CUSTOMERS AND  
THE COMMUNITY**

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**KELLEE KAM**

*GROUP CEO, ALLIANCE BANK*



## JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER



### Support Our Business Customers Through Their Lifecycle

Through the year, we continued empowering our customers at various business lifecycles and provided tailored solutions to help them succeed and further grow their businesses. With that, our Business Banking FX revenues recorded positive advancements with more than 20% YOY growth from better margins and structured customer engagement initiatives. We also enhanced our value proposition by enabling businesses to effectively manage their cashflow through our vendor financing programme.

### Broaden Our Consumer Business

In Consumer Banking, NTB customer acquisition surged by 37% YOY and our consumer loans portfolio recorded significant growth of 13% YOY. This was driven by strong acceleration in the emerging affluent segment. For the year in review, we also introduced the Alliance Bank Visa Virtual Credit Card ("VCC"), which was a first-of-its-kind card product in ASEAN that has a Dynamic Card Number feature. It generates a 16-digit randomised and one-time-use only card number for every digital transaction a customer makes. This innovative and highly popular card product won 14 awards both regionally and internationally in FY2024.

Additionally, we are further digitising our credit processes by collaborating with CTOS Malaysia to launch the next-generation Retail Loan Origination System ("RLOS"), which will deliver superior experience and turnaround time for our customers.

### Target Resilient Ecosystems Across the Value Chain

Over the past year, the Bank successfully built a dynamic Economic, Social and Governance ("ESG") ecosystem and collaborated with government agencies, subject matter experts such as the United Nations Global Compact Malaysia and Brunei ("UNGCMYB"), widely renown academic institutions, corporate partners and green solution providers, to provide relevant financial and non-financial solutions to businesses and the wider community. Through these purposeful alliances, we have been championing the adoption of sustainability practices among our customers, and solidifying our position as a trusted banking partner and ESG thought leader in Malaysia. Since FY2022, the Bank has successfully grown its new sustainable banking business to RM12.6 billion to-date, which moves us much closer to our goal of RM15 billion by FY2027. In addition, our Sustainability Impact Programme ("SIP"), provided RM420 million in sustainable financing to SMEs and companies across Malaysia.

### Become a Regional Champion

In FY2024, the Bank focused on strengthening its market presence and reach across the country, particularly in key economic growth corridors such as Penang and Sarawak. By becoming the preferred Bank for Life to consumers, businesses and local communities that we serve, we recorded strong growth of 48% YOY in deposits and 18% YOY in loans across these states. We will continue reinforcing our core business segments in these geographies, with Johor being added as one of our key focus areas in FY2025. Our regional expansion plans have been progressing successfully with the opening of new branches in Saradise, Kuching, Sarawak and soon at Jalan Kelawai, Penang. In FY25, we will continue to outfit and energise our branch network with the Bank's refreshed brand outlook to fortify the Bank's positioning.



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### Drive Synergy & Value Creation in the Corporate & Capital Markets

For FY2024, we are pleased to report positive growth of 13% YOY in our corporate loans portfolio. As part of the Acceler8 transformation, we increased our sales capacity, further improved our processes in both client targeting and account planning as well as equipped our Relationship Managers with digital tools to help them better serve our clients' needs. As a result of these efforts, our productivity in this segment rose by 27% YOY.

### Accelerate the Islamic Business

In Islamic Banking, we sustained our momentum at 11% YOY financing growth by intensifying our efforts in expanding our distinctive value propositions such as the Halal in One ("HiO") Programme, our new bancatakaful and shariah-compliant investment offerings plus the recently launched Zakat Microfinancing. This new Zakat Microfinancing programme, Malaysia's first Islamic social funding initiative utilising *zakat wakalah*, aims to help uplift the livelihoods of underserved *asnaf* micro-entrepreneurs.

### Leverage on Partnerships to Scale Offering, Distribution & Drive Value

In FY2024, we diversified our offerings to create more financial opportunities and long-term value for our customers, as we continued fostering meaningful connections and strategic alliances with like-minded partners. By leveraging on our strengths as well as those of our strategic partners, we effectively scaled our product offerings and distribution channels and expanded our services to our partners' vendors and supply chains. Over the past year, we provided financing to SMEs, public listed companies ("PLCs") and their vendors via the Bursa Centralised Sustainability Intelligence Platform, as well as through joint initiatives with the UNGCMYB.

### REFRESHED BRANDING TO STRENGTHEN MARKET POSITION

As we embarked on the first year of our transformation journey, we reviewed the key drivers that contributed to the Bank's success and refined them for the years ahead. This resulted in a refreshed Vision, Mission, Core Values and Brand Purpose for the Bank in FY2024.

As the brand is one of the key assets for the Bank, we focused on refreshing our Bank's image, new brand tagline and narrative in FY2024. Our refreshed brand purpose "The Bank For Life" embodies our strong commitment in meeting our customers' diverse needs and best interests, serving as their trusted partner at every step of their financial path in life.

We believe that banking should go beyond just a transactional experience or an account number. We aim to be the lifelong banking partner for all our customers, supporting them at every phase of their lives and helping to bring their aspirations to life. "The Bank For Life" encapsulates Alliance Bank's goals, mission and purpose, guiding the Bank's multistakeholder approach in creating value for our customers, businesses, employees, shareholders and the community. In tandem with this, we promoted our refreshed branding through Above-the-Line advertising, mainly billboards in high-traffic areas within Klang Valley, Below-the-Line collaterals at all our nationwide branches, on-ground advertising at our events and roadshows as well as digitally via a new sleek design and enhanced user experience on our corporate website and social media platforms.

### MAKING GREAT STRIDES IN OUR SUSTAINABILITY JOURNEY

The firm commitment from our Board, Management and employees forms the foundation of our stakeholders' trust in us. We continued upholding high standards of governance, and responsible operational and business practices; as well as focused on advancing ESG efforts within the communities we serve.

On our journey towards becoming a sustainability-driven organisation, we have implemented strategies and key initiatives to help drive the ESG agenda forward. We raised awareness in the market and inspired the local community to take meaningful action through a variety of sustainability-themed events, programmes and green solutions. Our ESG survey report and holistic 3As approach (Advocacy, Advice and Answers) have now been referenced by many industry players in their efforts to promote ESG to their stakeholders.

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### ADVOCACY

We drive advocacy by creating awareness through relevant and impactful activities such as research, partnerships and events to encourage adoption among our customers, partners, employees and the community.

*Our collaboration on the inaugural survey report “ESG Insights from Malaysian SMEs: Building a Better Future Together” provided findings on awareness, adoption and challenges of SMEs striving to integrate ESG factors into their businesses.*



### ADVICE

We provide advice, aided by the tools and programmes developed alongside our strategic partners, to help businesses at different lifecycle stages to enable their ESG journey.

*Together with UNGCMYB, we launched a digital climate assessment tool “Promoting Green Resilient & Sustainable SMES (“PROGRESS”) plus the “Climate Inclusive Financing & Development Programme” involving InvestSarawak to accelerate ESG transition among SMEs.*



### ANSWERS

We offer financial and non-financial solutions to support SMEs on their ESG journey through our tailored financing, a list of green solution partners as well as information on Bank Negara Malaysia’s (“BNM”) green funds such as the Low Carbon Transition Facility (“LCTF”).

*We also worked with Bursa Malaysia to help eligible PLCs access sustainable financing via the #financing4ESG programme. In addition, we provide collateral-free financing in partnership with CGC and SJPP. Plus, collaborated with Sedania to launch the ESG4SME Programme offering support on energy-saving solutions for offices and buildings.*



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**Ranked 10<sup>th</sup>**  
in Malaysia's  
Top 100 Leading  
Graduate  
Employers 2023.



Invested over  
**RM6.9 million**  
in staff upskilling  
initiatives



### FOSTERING HIGH PERFORMANCE WORKFORCE IN TEAM ALLIANCE

At Alliance Bank, we strive to be the best organisation for the best talent with the right values as stewards of responsible and meaningful growth. On this front, we are committed to recruiting high calibre professionals to join Team Alliance and continuously upskilled our people to be future-ready for the next phase of growth. In FY2024, we invested RM6.9 million on future-proofing our workforce through internal and external training as well as Human Resources (“HR”) system enhancements.

Last year, in tandem with our refreshed branding exercise, we introduced our new Core Values (A.G.I.L.E.) to reflect a progressive work culture with a winning mindset. We also launched the Alliance Customer Promise (“GREAT”) which is representative of the five key principles that we prioritise at the Bank; namely Good Advice, Relevant Solutions, Easy, Accurate and Timely, focusing on us being efficient and effective in serving our customers.

Additionally, we rolled out our new Human Experience Management System “Connexion”; marking a significant milestone in our ongoing efforts to simplify processes and enhance overall employee experience.

#### Team Alliance Values (A.G.I.L.E.)

**A**

##### Accountability

We are responsible and take ownership

**G**

##### Growth-driven

We work together to grow sustainably

**I**

##### Integrity

We are fair, transparent and inclusive

**L**

##### Leadership

We take charge with respect and empathy

**E**

##### Excellence

We deliver superior outcomes

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### LOOKING AHEAD: BUILDING ALLIANCES FOR FUTURE PROSPECTS

For 2024, BNM projects that the Malaysian economy is expected to grow between 4% and 5%, underpinned by continued expansion in demand from the domestic front that will be further fuelled by uplifts in external demand. This growth will be driven largely by resilient domestic expenditure, with some support from recoveries in the electrical & electronic (“E&E”) exports. Continued employment and wage growth remain supportive of household spending whilst tourism is expected to further increase. With our steady domestic fundamentals, the outlook remains conducive to sustainable economic growth, and we are optimistic that the banking industry is well positioned to progress and navigate the potential headwinds.

To fulfil our growth ambitions under Acceler8, we will continue delivering on our commitments in putting our customers first with greater value propositions and innovative digital transformation whilst remaining adaptable to the changes within our operating environment.

### ACKNOWLEDGEMENT

On behalf of the Board of Directors, we express our sincere gratitude to our valued shareholders whose confidence in the Bank continues to inspire us to do better. Additionally, we wish to thank our community and all our customers and business partners for placing their faith and trust in us.

We would also like to convey our deep appreciation to the regulators, policymakers, and corporate governance custodians, in particular BNM, the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, as well as other regulatory authorities for their continued support and guidance.

Our heartfelt gratitude to Team Alliance – our Management Team and employees – for their dedication, diligence and commitment to excellence which continues to help the Bank grow from strength to strength.

Last but not least, to our esteemed Board of Directors, we are indeed grateful for your astute counsel and continued support in making Alliance Bank, “The Bank For Life”.

### AHMAD BIN MOHD DON

CHAIRMAN

ALLIANCE BANK MALAYSIA BERHAD

### KELLEE KAM

GROUP CHIEF EXECUTIVE OFFICER

ALLIANCE BANK MALAYSIA BERHAD