

Statement by Chairman of Alliance Bank Malaysia Berhad



Tan Sri Amirsham Bin A Aziz
Chairman

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DEAR VALUED SHAREHOLDERS,

I am pleased to share my first message as Chairman of Alliance Bank Malaysia Berhad, a position I assumed in October 2024.

I would like to put on record our sincere appreciation to the late Tan Sri Dato' Ahmad bin Mohd Don, our former Chairman, for his immense contributions to the Bank. I am inspired by his legacy and am committed to building upon his dedication to creating value for all stakeholders.

On behalf of the Board of Directors, I am privileged to share with you the Annual Report of Alliance Bank Malaysia Berhad ("Alliance Bank" or "the Bank") for the financial year ended 31 March 2025 ("FY2025"). This report provides insights into our journey and key accomplishments achieved during year under review.

ACCELER8 PROGRESS: ADVANCING FORWARD, ACHIEVING MILESTONES

In the past year, Alliance Bank continued to make significant strides under its Acceler8 2027 ("Acceler8") transformation strategy. Launched in January 2023, Acceler8 has been the driving force behind our growth, enabling us to achieve our milestones across financial and non-financial metrics. As we approach the midpoint of our Acceler8 strategy, we remain steadfast in our commitment to becoming "The Bank For Life" for our customers, delivering innovative, personalised and timely solutions to meet their evolving needs. I am delighted that our commitment to the Acceler8 strategy plan delivered remarkable results, especially in FY2025.

Driving Growth and Transformation

Over the past two years, we prioritised our efforts to position Alliance Bank as the preferred banking partner that supports customers through different life stages. Our strategy continues to guide us toward our ambitious 2027 goals by focusing on eight key growth pillars, driven by strategic transformations in technology, branding, culture, sustainability, customer service and other key capabilities.

Whether we are financing SMEs, expanding our wealth solutions, embedding innovative digital solutions into ecosystems, or helping clients fast-track growth through IPOs, we are focused on delivering value for our customers in more ways than ever before.

For FY2025, our revenue reached a record of RM2.3 billion, an increase of RM249.5 million over the previous year. We also recorded net interest margin of 2.45%, which is still the highest in the industry. In addition, we also achieved an all-time high net profit after tax of RM750.7 million, with a return on equity of 10.3%, while our cost to income ratio improved to 48.0%. The Bank also maintained a strong capital position with our total capital ratio at 16.7%.

Revenue
RM2.3 billion

Return On Equity
10.3%

Net Interest Margin
2.45%

RM14.4 billion
Achieved in new
sustainable banking
businesses since FY2022

Earnings Per Share
48.5 sen

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The year under review saw our earnings per share at 48.5 sen and net assets per share at RM4.95. In FY2025, we declared a total dividend of 19.4 sen, representing a dividend payout ratio of 40.0%.

New-to-Bank (“NTB”) customer acquisition kept its positive momentum with more than 85,000 new customers onboarded and higher revenue per customer achieved.

As we continued to streamline our processes to improve customer experience, we achieved a composite Net Promoter Score (“NPS”) of 39 compared to 33 in the previous year. NPS measures the willingness of our customers to recommend our products and services to others. This is the highest score we have recorded since we started measuring NPS in 2018.

Overall, the Bank successfully achieved broad-based market share growth to 2.75%, driven by all lines of businesses.

Our strategy of driving SME expansion saw the Bank’s SME market share grow from 5.19% to 5.39%, driven by strong loans growth of 12%.¹

Corporate and Commercial Banking loans also grew at 8.4% and 15.8% year-on-year (“YOY”). The Bank’s focus on providing personalised solutions at every stage of the business life cycle has contributed to business banking client fee income growth of 8.5%.

Meanwhile, consumer banking loans continued an upward trajectory (+12.6% YOY), supported by personal financing (+7.3% YOY) and mortgages (+12.9% YOY). Additionally, our wealth management fee income grew by 9.6% YOY excluding the one-time Banca business model fee in FY2024.

The Bank’s customer deposits expanded by 14.7% YOY, while the current account savings account (“CASA”) ratio remained one of the industry’s highest at 41.0%.

The strong results achieved in FY2025 is a testament to the successful execution of the Acceler8 strategy. Our notable performance has reinforced our long-term growth trajectory, as well as strengthened our financial position for FY2025.

¹ Based on BNM’s SME definition.

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CHARTING A PATH FOR THE FUTURE

Alliance Bank remains cautiously optimistic about Malaysia's economic outlook for 2025, anticipating healthy GDP growth supported by the Madani Economy Framework, which highlights the goals of creating a progressive, inclusive, and dynamic economy.

That said, the US tariffs and policies have introduced potential challenges for Malaysian businesses and our customers. We recognise that business, as in life, has its up and down cycles. As developments on the US tariffs and policies remain very fluid, we will continue to monitor these issues closely and actively work with our customers as we face these challenges together.

We are also on track to relocate our headquarters to Menara Alliance Bank in the second half of 2025, a move that aligns with our sustainability goals and enhances our branding and employee well-being. Furthermore, the new office is earmarked for Green Building certification, which is part of the Bank's direction to be a more sustainable and resilient organisation.

As we look ahead, we will continue to broaden and scale our core growth engines - SME, Corporate and Consumer Banking. We aim to achieve stronger sustainable financial performance in the coming year.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to extend my sincere thanks to our customers and valued stakeholders for their continued support and trust. We remain steadfast in our commitment to being The Bank For Life for all Malaysians.

I would also like to convey my deepest appreciation to the regulators, policymakers, corporate governance custodians, Bank Negara Malaysia, Securities Commission Malaysia and Bursa Malaysia Securities Berhad for their continued support and guidance.

The Board joins me in expressing our sincere appreciation to Mazidah Binti Abdul Malik, who retired as an Independent Director of Alliance Bank in January 2025, and to Tan Chian Khong, who will retire as an Independent Director upon conclusion of the forthcoming Annual General Meeting ("AGM") on 30 July 2025. We are grateful for their sterling services to Alliance Bank and our best wishes to them.

My heartfelt gratitude goes to Team Alliance - the Management Team and our employees - for their dedication and commitment to excellence, which continue to help the Bank grow from strength to strength.

I am truly grateful to our Board of Directors for their astute counsel and continued support, which will help us reach even greater heights in the years ahead.

The progress we have made under the Acceler8 strategy is a testament to the dedication and hard work of our team, trust of our customers and support of our stakeholders. As we move forward, we remain committed to delivering value, fostering innovation and championing sustainability, ensuring that Alliance Bank continues to be a trusted partner for life.

TAN SRI AMIRSHAM BIN A AZIZ

CHAIRMAN, ALLIANCE BANK MALAYSIA BERHAD