

Press Release
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The Asian Banker Excellence in Retail Financial Services Awards 2010

Alliance Bank (Malaysia) wins Excellence in Business Model Innovation Award for the year 2009

- *For the first time, Alliance Bank (Malaysia) wins the prestigious Excellence in Business Model Innovation Award, for its innovative response to a deteriorating operating environment in 2009.*
- *Over 120 banks and financial institutions from 23 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 19 March 2010 – Alliance Bank (Malaysia) has won the Excellence in Business Model Innovation award for 2009 in the ninth Asian Banker Excellence in Retail Financial Services Awards Programme. The bank received the award at The Asian Banker Excellence in Retail Financial Services Awards 2010 ceremony, held in conjunction with the region's foremost retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the JW Marriot in Shanghai on the evening of March 18th, 2010.

About 120 senior bankers from award winning banks in 22 countries across the Asia Pacific, the Gulf and Central Asian regions attended the formal gala dinner, the industry's celebration of the region's best retail bankers that recognizes their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three month-long evaluation process, based on a balanced and transparent scorecard, determined the winners and the position of the different retail banks in the region. A full list of winners is attached.

For the first time, Alliance Bank (Malaysia) wins the prestigious Excellence in Business Model Innovation Award, for its innovative response to a deteriorating operating environment in 2009

Alliance Bank (Malaysia) wins Excellence in Business Model Innovation Award for its innovative response to the deteriorating operating environment in 2009. The bank reacted to declining revenues with a new business model for the personal loan segment and diversified its portfolio.

Alliance Bank (Malaysia) launched its new cooperative personal loan business model, which targets at civil servants. By doing so, Alliance bank expanded its business to an under-served niche segment with far less competition than the conventional personal loan business in Malaysia. The bank re-engineered its existing personal loan model to a salary deduction model for the civil service sector, and thus benefited from the stability and low risk of public service sector.

Despite smaller margins for the cooperative model compared with traditional personal loans, the new model enabled the bank's net bad debts ratio to decline substantially by around 50% in 2009. Profit contribution of the cooperative business to total consumer banking profits was more than 15%, up 2% from the year before.

“The bank stood out in terms of innovation with its new business model and a brave and excellent attempt to explore a new niche. The re-engineered personal loan model had a big impact on the profitability of Alliance bank and thus convinced the judges that this thinking-out-of-the-box is worth the award for Business Model Innovation”, said Mr. Chris Kapfer, Head of the Excellence in Retail Financial Services Programme at The Asian Banker.

Over 120 banks and financial institutions from 23 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme

“This year over 120 banks and financial institutions in 23 countries across the region were evaluated as part of the Excellence in Retail Financial Services Programme. It has become the single most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions available almost anywhere in the world today,” said Philippe Paillart, Chairman of The Asian Banker Excellence in Retail Financial Services Programme.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks' retail banking businesses that involve extensive research and probing interviews, and taps on the combined experience of a team of experienced researchers.

Philippe Paillart, formerly vice chairman and CEO of DBS Bank and a pioneer in the retail banking industry in the Asia Pacific region, added: “The Asian Banker Excellence Programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time.”

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence on the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training

and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company's website is www.theasianbanker.com.

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