

TAB International Pte Ltd

10, Hoe Chiang Road, #14-06 Keppel Tower, Singapore 089315
Tel: (65) 6236 6520 Fax: (65) 6236 6530 www.theasianbanker.com

Press Release

FOR IMMEDIATE RELEASE

Alliance Bank (Malaysia) wins Best SME Bank Award for 2012

- Alliance Bank's focus on small and micro SMEs captured 30% of startup businesses in Malaysia
- Full suite online cash management services for businesses resulted in highest penetration of online banking users (for business)
- The only SME bank in Malaysia rated as a 'moderate' risk by Bank Negara Malaysia, showing proactive risk management

Seoul, South Korea, 22nd March 2013 –Alliance Bank Malaysia has won the Best SME Bank Award, for 2012. The bank received the award at The International Excellence in Retail Financial Services 2013 Awards ceremony, held in conjunction with the region's most prestigious retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Westin Chosun, Seoul in South Korea on March 22nd 2013.

Since 2009, Alliance Bank has made a successful turnaround in SME banking, with a focus on small and micro SMEs. The bank has been laying a stronger foundation using its hunter-farmer model and a new CRM system. Over the past year, the bank introduced a credit card aimed at SME customers. It also launched a new online banking for business service which offers a full range of cash management capabilities and is the first bank in Malaysia to extend this service to sole proprietors. The bank has also implemented a state-of-the-art Programme Lending Model which has led to one of the lowest loss rates in the industry at less than 2% compared to the industry average of 6%.

The bank's commitment to the SME sector has translated to the highest SME loans versus total loans in Malaysia, at about 25%, and it has also acquired over 30% of startup businesses in Malaysia. The bank's SME loans growth has substantially outpaced industry average in Malaysia, registering a 7% advantage during some months in 2012. It is also the only SME bank that has been granted a 'moderate' risk rating by Bank Negara Malaysia.

About 150 senior bankers from award-winning banks in 29 countries across the Asia Pacific, the Middle East, Central Asia and Africa attended the glittering event that recognises their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker 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 evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various retail banks in the region is attached.

About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Hong Kong and Shanghai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is www.theasianbanker.com

For more information please contact:

Ms. Janice Chua

Tel: (+65) 6236 6532

jchua@theasianbanker.com

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Evaluation Criteria for Excellence in Retail Financial Services Programme

The Excellence in Retail Financial Services Programme was instituted in 2001 to recognise the pursuit of excellence amongst retail financial institutions in the region. The programme is also a repository of evolving best practices from which players can benchmark their own products and processes over the long term.

The Excellence in Retail Financial Services programme is predicated by the belief statement below.

Core Belief:

“We believe that a well-run retail bank is one that demonstrates a long term, sustainable, profitable franchise with the customer as its core proposition.”

As per the belief, an outstanding player in the retail financial services industry should demonstrate the following attributes:

- 1. Outstanding annual performance of the retail banking unit**
- 2. Sustainability as a franchise over a long period of time and across economic cycles**
- 3. A well-defined franchise in the chosen marketplace**
- 4. Transparency and accountability of business model**
- 5. Clear sales and execution skills at the product level**
- 6. Rigorous risk management capabilities**
- 7. Superior business and operational processes and technology**
- 8. Strong penetration and efficiency of distribution channels**
- 9. Focus on developing human resources to support the bank’s strategy**
- 10. Ethical banking**

In addition, we have developed stringent evaluation criteria for each product or process. The decision-making process we use for these prestigious awards is made as transparent as possible so that banks in the region can understand where they stand as sustainable retail franchises, as well as use the process to re-examine their own products and processes.

Further information on the programme can be found at The Asian Banker website, Awards Programme, at www.theasianbanker.com.

For more information please contact:

Ms Durva Lakhani

Tel: (+65) 6236 6528

dlakhani@theasianbanker.com