ALLIANCE BANK

THE MARKET

Alliance Bank is principally engaged in the banking business, including Islamic Banking and the provision of financial related services. Although the smallest anchor bank, it is the smallness in size which gives them the agility to provide efficient and speedier service.

Today, Alliance Bank has grown to a network of 74 branches and 103 ATMs, with total assets (as of 30 September 2001) amounting to approximately RM15,043.6 million and a staff strength of 3,011.

ACHIEVEMENTS

Previously building on its business strength of corporate banking, Alliance Bank recently shifted its focus to being a consumer bank to better meet consumers' needs. This move has responded favourably and contributed no doubt to its growth of turnover – a PBT (Profit Before Taxation) of RM97.4 million was recorded for the 6 months, from April to September 2001.

The substantial increase of RM35.4 million in PBT from RM62.03 million achieved during January to June 2000 represents a 57% growth, contributed partly by the enlarged loan and asset base arising from the merger.

The bank's net interest income of RM225.6 million reflected a 37.2% improvement from RM164.3 million for January to June 2000. Non-interest income rose from RM32.7 million for January to June 2000, to RM41.7 million in the first six months, from April to September 2001.

The Bank's shareholders' fund also reflected a significant increase from RM896.5 million as at 31 March 2001 financial year-end, to RM1,257 million as at 30 September 2001.

Besides its financial achievements, Alliance Bank's advertising efforts have also been outstanding with the sweep of awards at the recent Kancil Awards 2001 (the "Grammy's" of Malaysian advertising). Winning four out of the ten awards given to the financial industry, Alliance Bank won Special Merit Awards for the following categories: film - best banking

and financial services ('cheerful boy' tv commercial), non-publication print - direct marketing (**alliance**online launch electronic invitation), non-publication print - direct marketing (**alliance**online launch event) and campaigns - best direct marketing campaign (**alliance**online launch).

HISTORY

In 1984, Multi-Purpose Holdings Berhad, through its subsidiary, Multi-Purpose Capital Holdings Berhad, acquired a 70% stake in the Malaysian French Bank Berhad (incorporated in 1982) to assume the banking business of its two branches operating under the Banque de L'Indochine name). It wasn't until 1996 that the Malaysian French Bank Berhad assumed the Multi-Purpose Bank Berhad name to reflect the Bank's parentage – the Multi-Purpose Group. The next year, Multi-Purpose Management Sdn Bhd (another Multi-Purpose Holdings Berhad subsidiary), purchased the remaining 30% stake in Multi-Purpose Bank Berhad, resulting in 100% ownership by Multi-Purpose Holdings Berhad.

In 1999, Multi-Purpose Bank Berhad was selected to be an anchor bank in the Malaysian government's bank consolidation effort. Multi-Purpose Bank Berhad successfully anchored the merger on 1 January 2001, with International Bank Malaysia Berhad, Sabah Bank Berhad, Sabah Finance Berhad, Bolton Finance Berhad, Amanah Merchant Bank Berhad and Bumiputra Merchant Bankers Berhad. The merger brought a staff strength of more than 3,000, with total assets valued at more than RM18 billion (as at 30 June 2000), customer access to 73 commercial bank branches, nine finance company branches and 97 Automated Teller Machines (ATMs) nationwide.

On 19 January 2001, the newly merged entity's name and logo were unveiled to the public for the first time as the Alliance Banking Group. The group now consists of Alliance Bank Malaysia Berhad, Alliance Finance Berhad and Alliance Merchant Bank Berhad.

PRODUCT

With the successful completion of the merger, Alliance Bank is in a better and stronger position to harness its capabilities more efficiently via a wider range of products and services and a larger base of highly dedicated professionals.

Besides providing consumer banking and financing facilities such as loans, deposits and bancassurance, Alliance Bank offers Islamic, corporate, commercial, internet banking, and credit cards.

In August 2001, Alliance Bank embarked on an affinity programme with a significant professional body to increase its market share of the credit card division. The Alliance Bank-CPA Australia Visa Gold and Gold MasterCard credit cards are exclusively for some 7,000 members of the Chartered Practising Accountants (CPA) Australia, Malaysian branch. The cards serve as a convenience for members to make payments for their subscriptions, CPA programme modules

and other services in the programme. A special feature is that CPA Australia would take a percentage from these credit card transactions and place it in a fund which provides, among other benefits, scholarships for the CPA Australia programme.

Investing a total of RM6 million for its e-banking implementation since 1996, internet banking (**alliance**online) was launched June 2001. Providing services such as **alliance**online PERSONAL, **alliance**online BUSINESS and **alliance**online DST (Desktop Share Trading) mundane banking activities could now be rechanneled to more cost-effective and cost-saving areas. In addition to its 10,000 corporate and personal customers, about 4% of its 25,000 business customers are believed to utilise this facility.

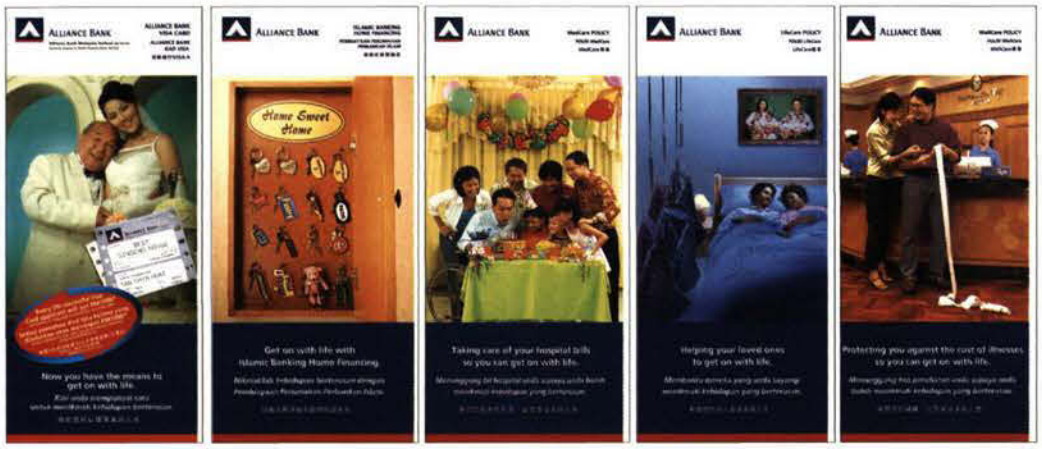
RECENT DEVELOPMENTS

The partners in the Alliance Banking Group: Alliance Bank, Alliance Finance and Alliance Merchant Bank whose systems and services are fully integrated and functioning as "one bank, one system," add value to the quality of banking for the benefit and convenience of its customers.

Alliance Bank aims to be a leading bank providing unique financial solutions with unparalleled service excellence, capitalising on their new corporate identity to strengthen existing relationships with customers and to attract new customers by offering financial products and services that help people get on with their lives. These other new services introduced include Alliance Privilege Banking, Platinum Card and Bancassurance. Building on a more sales and service-oriented culture, Alliance Bank recently introduced the cross selling of financial services such as unit trusts and bancassurance. Following a tie-up with Allianz and its wholly-owned subsidiary Allianz Life Insurance Malaysia Berhad, Alliance Bank has used its well-developed branch network and customer base to the success of bancassurance.

PROMOTION

Alliance Bank has invested heavily in advertising and promotions, and its recent steal at the prestigious Kancil Awards is obvious proof of that. In the case of above-the-line advertising, Alliance Bank developed TV commercials with the purpose of creating brand awareness whilst supporting the various business units. Other activities included various print campaigns and radio commercials.



These promotions were supported by below-the-line activities, such as product leaflets, posters, buntings, banners, product road shows, trade shows and exhibitions, product launches and other marketing collaterals.

Apart from these, Alliance Bank has also participated in various sponsorships and even developed a philanthropy programme in line with its business objectives and brand values.

In promoting public awareness of the bank, three TV advertisements were developed under the theme, "Get on with life, with Alliance Bank." Adopting a light-humoured approach while clearly demonstrating the benefits of the bank, the campaign was a natural success. Alliance Bank believes in being creative and making an impact. That is their style, and a point clearly illustrated on the day of the **alliance**online launch. As guests arrived, a series of three launch acts were developed to meet them. A man was found sleeping in the middle of the walkway with a message on his blanket that said, "with **alliance**online, I can sleep all day and bank all night". Further down the walkway, guests noticed a lady taking her time to select her clothes. Her t-shirt read, "with **alliance**online, I can take my time to go to the bank". And lastly, a man busy snipping away at his bonsai. His shirt said, "with **alliance**online, I have all the time to do my banking".

BRAND VALUES

Alliance Bank was founded by the merging of various financial institutions. Both its name and logo express this coming together of diverse financial institutions to create a greater value and brighter future. By pooling resources and expertise together, the strong alliance is confident of facing competition and challenging the best.

Reflected in its logo, the Alliance Bank logo has a strong base representing stability; vital in today's fast-changing world. From its foundation, the energies of the merged financial institutions work together and flow upwards, culminating in an apex – the pinnacle of success. The logo's colours represent values – blue for trust and stability, red for energy and dynamism. At the same time, the 'Alliance' name also reflects the importance placed on partnerships built with all its customers and business associates, which really is its priority. Alliance Bank knows that people have more important things to do in life apart from banking. Its positioning of, "Get on with life," aptly describes Alliance Bank's stand and commitment in helping people get on with their lives.

Thus, the Alliance name is a personification of unity, synergy, trust, relationships, warmth and honesty.

THINGS YOU DIDN'T KNOW ABOUT ALLIANCE BANK

- As a result of a merger, Alliance Bank is made up of seven banks with the anchor bank being Multi-Purpose Bank Berhad.
- The triangular and mountain-like logo of Alliance Bank is derived from the idea of a "paragon" – a peerless example and model of excellence.
- In its first year of operation, Alliance Bank won four out of the ten awards awarded to the financial industry for advertising at the Kancil Awards 2001.