

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 March 2018

	Note	<u>GROUP</u>		<u>BANK</u>	
		31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
ASSETS					
Cash and short-term funds		2,768,758	1,381,779	1,715,961	1,618,617
Deposits and placements with banks and other financial institutions		77,283	-	77,283	-
Amounts due from clients and brokers	A12	101,305	113,022	-	-
Financial assets held-for-trading	A13	63,750	335,260	48,771	259,701
Financial investments available-for-sale	A14	8,505,189	10,239,557	6,406,448	8,099,450
Financial investments held-to-maturity	A15	293,612	917,092	344,703	658,201
Derivative financial assets	B11	84,455	86,345	84,455	86,345
Loans, advances and financing	A16	39,989,515	38,991,689	31,546,564	31,371,907
Other assets	A17	105,728	110,340	140,727	105,141
Tax recoverable		2,004	9,726	-	-
Statutory deposits		1,408,316	1,437,444	1,092,566	1,129,366
Investments in subsidiaries		-	-	989,102	892,820
Investment in former associate		-	-	-	230
Investment in joint venture		693	763	-	-
Property, plant and equipment		69,373	73,948	67,834	71,883
Deferred tax assets		22,664	14,738	9,223	4,088
Intangible assets		409,402	377,361	292,981	261,986
TOTAL ASSETS		53,902,047	54,089,064	42,816,618	44,559,735
LIABILITIES AND EQUITY					
Deposits from customers	A18	42,740,460	44,445,720	33,508,370	36,112,501
Deposits and placements of banks and other financial institutions	A19	873,871	862,904	439,238	649,729
Financial liabilities designated at fair value	A20	682,238	402,734	682,238	402,734
Amounts due to clients and brokers	A21	75,103	69,066	-	-
Derivative financial liabilities	B11	154,686	81,892	154,686	81,892
Recourse obligations on loans and financing sold to Cagamas		1,102,363	502,713	601,696	502,713
Other liabilities	A22	1,399,302	1,348,770	1,283,477	1,201,606
Provision for taxation		22,661	19,753	23,190	14,098
Provision for zakat		252	206	-	-
Deferred tax liabilities		11,907	9,960	-	-
Other borrowings		-	5,070	-	5,070
Subordinated obligations		1,379,614	1,226,078	1,379,024	1,225,664
TOTAL LIABILITIES		48,442,457	48,974,866	38,071,919	40,196,007
Share capital		1,548,106	1,548,106	1,548,106	796,517
Reserves		3,911,484	3,639,929	3,196,593	3,567,211
Shares held for Employees' Share Scheme		-	(73,837)	-	-
TOTAL EQUITY		5,459,590	5,114,198	4,744,699	4,363,728
TOTAL LIABILITIES AND EQUITY		53,902,047	54,089,064	42,816,618	44,559,735
COMMITMENTS AND CONTINGENCIES	A29	22,641,134	26,493,954	20,272,725	24,538,276
Net assets per share attributable to Equity holders of the Bank (RM)*		3.53	3.30	3.06	5.48

* The net assets per share attributable to equity holders of the Bank is computed as total capital and reserves attributable to the equity holders of the Bank divided by total number of ordinary shares in circulation.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2017.

ALLIANCE BANK MALAYSIA BERHAD

(88103-W)

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period/Year Ended 31 March 2018**

GROUP	Note	4th Quarter Ended		Twelve Months Ended	
			Restated		Restated
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		RM'000	RM'000	RM'000	RM'000
Interest income	A23	474,822	470,726	1,921,697	1,880,213
Interest expense	A24	(250,439)	(257,976)	(1,029,186)	(1,032,668)
Net interest income		224,383	212,750	892,511	847,545
Net income from Islamic banking business	A25	83,399	76,480	318,245	297,037
		307,782	289,230	1,210,756	1,144,582
Fee and commission income	A26	73,392	75,499	303,464	297,075
Fee and commission expense	A26	(24,102)	(28,686)	(96,677)	(99,872)
Investment income	A26	40,880	38,574	126,757	143,496
Other income	A26	5,578	(7,367)	27,723	(15,858)
Other operating income	A26	95,748	78,020	361,267	324,841
Net income		403,530	367,250	1,572,023	1,469,423
Other operating expenses	A27	(212,131)	(181,165)	(794,021)	(691,907)
Operating profit before allowance		191,399	186,085	778,002	777,516
Allowance for impairment losses on loans, advances and financing and other receivables	A28	(37,634)	(27,596)	(93,386)	(94,988)
Allowance for impairment losses on other assets		(62)	-	(62)	(1,208)
Operating profit after allowance		153,703	158,489	684,554	681,320
Share of results of joint venture		46	27	43	84
Profit before taxation		153,749	158,516	684,597	681,404
Taxation	B6	(40,878)	(41,128)	(191,369)	(169,281)
Net profit for the financial period/year		112,871	117,388	493,228	512,123
Net profit for the financial period/year attributable to: Equity holders of the Bank		112,871	117,388	493,228	512,123
Earnings per share attributable to Equity holders of the Bank					
- Basic (sen)	B14(a)	7.3	7.7	31.9	33.5
- Diluted (sen)	B14(b)	7.3	7.7	31.9	33.5

ALLIANCE BANK MALAYSIA BERHAD**(88103-W)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period/Year Ended 31 March 2018 (contd.)**

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
GROUP				
Net profit for the financial period/year	112,871	117,388	493,228	512,123
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments available-for-sale				
- Net (loss)/gain from change in fair values	(25,458)	5,372	25,539	(14,735)
- Realised gain transferred to statement of income on disposal and impairment	101	-	(4,857)	(5,684)
- Transfer from/(to) deferred tax	6,086	(1,289)	(4,963)	4,901
Other comprehensive (expense)/income, net of tax	(19,271)	4,083	15,719	(15,518)
Total comprehensive income for the financial period/year	93,600	121,471	508,947	496,605
Total comprehensive income for the financial period/year attributable to:				
Equity holders of the Bank	93,600	121,471	508,947	496,605

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2017.

ALLIANCE BANK MALAYSIA BERHAD

(88103-W)

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statements of Income
for the Financial Period/Year Ended 31 March 2018**

	Note	4th Quarter Ended		Twelve Months Ended	
		31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
BANK					
Interest income	A23	467,701	460,962	1,898,299	1,852,165
Interest expense	A24	(241,580)	(252,572)	(998,364)	(1,016,231)
Net interest income		226,121	208,390	899,935	835,934
Fee and commission income	A26	60,783	64,796	259,228	259,627
Fee and commission expense	A26	(20,910)	(24,805)	(84,373)	(88,459)
Investment income	A26	41,031	38,468	159,630	192,437
Other income	A26	5,193	(7,424)	27,222	(18,708)
Other operating income	A26	86,097	71,035	361,707	344,897
Net income		312,218	279,425	1,261,642	1,180,831
Other operating expenses	A27	(172,134)	(141,137)	(635,229)	(538,496)
Operating profit before allowance		140,084	138,288	626,413	642,335
Allowance for impairment losses					
on loans, advances and financing and other					
receivables	A28	(29,916)	(17,937)	(43,107)	(47,986)
Allowance for impairment losses on other assets		(62)	-	(62)	-
Profit before taxation		110,106	120,351	583,244	594,349
Taxation	B6	(29,873)	(31,407)	(156,334)	(134,175)
Net profit for the financial period/year		80,233	88,944	426,910	460,174
Net profit for the financial period/year attributable to:					
Equity holders of the Bank		80,233	88,944	426,910	460,174
Earnings per share attributable to					
Equity holders of the Bank					
- Basic (sen)	B14(a)	5.2	6.1	28.3	31.8
- Diluted (sen)	B14(b)	5.2	6.1	28.3	31.8

ALLIANCE BANK MALAYSIA BERHAD**(88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period/Year Ended 31 March 2018**

	Note	4th Quarter Ended		Twelve Months Ended	
		31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
<u>BANK</u>					
Net profit for the financial period/year		80,233	88,944	426,910	460,174
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Revaluation reserve on financial investments available-for-sale					
- Net (loss)/gain from change in fair values		(25,223)	2,674	16,134	(7,465)
- Realised gain transferred to statement of income on disposal and impairment		-	-	(2,987)	(3,372)
- Transfer from/(to) deferred tax		6,053	(642)	(3,156)	2,601
Other comprehensive (expense)/income, net of tax		(19,170)	2,032	9,991	(8,236)
Total comprehensive income for the financial period/year		61,063	90,976	436,901	451,938
Total comprehensive income for the financial period/year attributable to: Equity holders of the Bank		61,063	90,976	436,901	451,938

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2017.

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statements of Changes in Equity for the Financial Year Ended 31 March 2018

	←----- Attributable to Equity holders of the Bank -----→										
	Ordinary shares RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserves RM'000	Capital reserves RM'000	Revaluation reserves RM'000	Equity contribution from former holding company RM'000	Employees' share scheme (‘ESS’) reserve RM'000	Shares held for ESS RM'000	Retained profits RM'000	Total equity RM'000
GROUP											
At 1 April 2017											
As previously reported	796,517	401,517	1,223,525	157,900	10,018	99,268	6,062	-	-	2,306,158	5,000,965
Effect of group reorganisation	751,589	(401,517)	-	-	79,992	-	(6,062)	6,444	(73,837)	(243,376)	113,233
As restated	1,548,106	-	1,223,525	157,900	90,010	99,268	-	6,444	(73,837)	2,062,782	5,114,198
Net profit after taxation	-	-	-	-	-	-	-	-	-	493,228	493,228
Other comprehensive income	-	-	-	-	-	15,719	-	-	-	-	15,719
Total comprehensive income for the financial year	-	-	-	-	-	15,719	-	-	-	493,228	508,947
Share-based payment under ESS	-	-	-	-	-	-	-	204	-	-	204
ESS on share lapsed:											
- employees of subsidiaries	-	-	-	-	-	-	-	(157)	-	157	-
- employees of the Bank	-	-	-	-	-	-	-	(1,037)	-	1,037	-
ESS shares grant vested to:											
- employees of subsidiaries	-	-	-	-	-	-	-	(488)	488	-	-
- employees of joint venture	-	-	-	-	-	-	-	(111)	111	-	-
- employees of the Bank	-	-	-	-	-	-	-	(3,099)	3,099	-	-
ESS shares option exercised by:											
- employees of subsidiaries	-	-	-	-	-	-	-	(22)	22	-	-
- employees of the Bank	-	-	-	-	-	-	-	(96)	96	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	-	4,032	-	4,032
Transfer of ESS recharged											
difference on shares vested	-	-	-	-	-	-	-	(1,638)	-	1,638	-
Disposal of ESS share	-	-	-	-	-	-	-	-	65,989	-	65,989
Gain from disposal of ESS share	-	-	-	-	-	-	-	-	-	11,247	11,247
Transfer (from)/to reserves	-	-	(1,223,525)	28,164	10,140	-	-	-	-	1,185,221	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(247,697)	(247,697)
Dividends added back for shares held in trust	-	-	-	-	-	-	-	-	-	2,670	2,670
At 31 March 2018	1,548,106	-	-	186,064	100,150	114,987	-	-	-	3,510,283	5,459,590

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Condensed Interim Financial Statements (Contd.)
Unaudited Statements of Changes in Equity for the Financial Year Ended 31 March 2018 (Contd.)

	←----- Attributable to Equity holders of the Bank -----→										
	Ordinary shares RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserves RM'000	Capital reserves RM'000	Revaluation reserves RM'000	Equity contribution from former holding company RM'000	ESS reserve RM'000	Shares held for ESS RM'000	Retained profits RM'000	Total equity RM'000
GROUP											
At 1 April 2016											
As previously reported	796,517	401,517	1,200,019	157,174	10,018	114,786	10,896	-	-	2,047,248	4,738,175
Effect of group reorganisation	751,589	(401,517)	-	-	67,644	-	(10,896)	11,516	(79,897)	(234,606)	103,833
As restated	1,548,106	-	1,200,019	157,174	77,662	114,786	-	11,516	(79,897)	1,812,642	4,842,008
Net profit after taxation	-	-	-	-	-	-	-	-	-	512,123	512,123
Other comprehensive income	-	-	-	-	-	(15,518)	-	-	-	-	(15,518)
Total comprehensive (expense)/income for the financial year	-	-	-	-	-	(15,518)	-	-	-	512,123	496,605
Share-based payment under ESS	-	-	-	-	-	-	-	2,241	-	-	2,241
ESS shares grant vested to:											
- employees of subsidiaries	-	-	-	-	-	-	-	(369)	-	369	-
- employees of joint venture	-	-	-	-	-	-	-	(47)	-	-	(47)
- employees of the Bank	-	-	-	-	-	-	-	(1,857)	-	1,857	-
ESS on shares lapsed:											
- employees of subsidiaries	-	-	-	-	-	-	-	(412)	412	-	-
- employees of joint venture	-	-	-	-	-	-	-	(92)	92	-	-
- employees of the Bank	-	-	-	-	-	-	-	(3,110)	3,110	-	-
ESS share options exercised by:											
- employees of the Bank	-	-	-	-	-	-	-	(129)	129	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	-	2,317	-	2,317
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	-	(1,297)	-	1,297	-
Transfer to reserves	-	-	23,506	726	12,348	-	-	-	-	(36,580)	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(232,216)	(232,216)
Dividends added back for shares held in trust	-	-	-	-	-	-	-	-	-	3,290	3,290
At 31 March 2017	1,548,106	-	1,223,525	157,900	90,010	99,268	-	6,444	(73,837)	2,062,782	5,114,198

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ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statements of Changes in Equity for the Financial Year Ended 31 March 2018

	Non-distributable reserves						Equity contribution from former holding company	Distributable reserves	
	Ordinary shares	Share premium	Statutory reserve	Capital reserve	Regulatory reserves	Revaluation reserves		Retained profits	Total equity
BANK	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2017	796,517	401,517	835,401	-	144,349	64,916	5,523	2,115,505	4,363,728
Net profit after taxation	-	-	-	-	-	-	-	426,910	426,910
Other comprehensive income	-	-	-	-	-	9,991	-	-	9,991
Total comprehensive income for the financial year	-	-	-	-	-	9,991	-	426,910	436,901
Issuance of shares to former holding company	100,000	-	-	-	-	-	-	-	100,000
Bonus issue	651,589	(401,517)	-	-	-	-	-	(250,072)	-
Acquisition of subsidiary under group reorganisation	-	-	-	95,515	-	-	-	-	95,515
Share-based payment under ESS	-	-	-	-	-	-	188	-	188
Payment for ESS recharged from former holding company	-	-	-	-	-	-	(3,195)	-	(3,195)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	(1,479)	1,479	-
ESS on share options lapsed	-	-	-	-	-	-	(1,037)	1,037	-
Transfer to retained profits	-	-	(835,401)	-	15,680	-	-	819,721	-
Dividends paid	-	-	-	-	-	-	-	(248,438)	(248,438)
At 31 March 2018	1,548,106	-	-	95,515	160,029	74,907	-	2,866,142	4,744,699
At 1 April 2016	796,517	401,517	835,401	-	140,864	73,152	10,064	1,888,285	4,145,800
Net profit after taxation	-	-	-	-	-	-	-	460,174	460,174
Other comprehensive expense	-	-	-	-	-	(8,236)	-	-	(8,236)
Total comprehensive (expense)/income for the financial year	-	-	-	-	-	(8,236)	-	460,174	451,938
Share-based payment under ESS	-	-	-	-	-	-	1,733	-	1,733
Payment for ESS recharged from former holding company	-	-	-	-	-	-	(3,240)	-	(3,240)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	(1,177)	1,177	-
ESS on share options lapsed	-	-	-	-	-	-	(1,857)	1,857	-
Transfer to regulatory reserves	-	-	-	-	3,485	-	-	(3,485)	-
Dividends paid	-	-	-	-	-	-	-	(232,503)	(232,503)
At 31 March 2017	796,517	401,517	835,401	-	144,349	64,916	5,523	2,115,505	4,363,728

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2017.

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(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Year Ended 31 March 2018

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	684,597	681,404	583,244	594,349
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(79,830)	(73,946)	(77,155)	(73,010)
Allowance for losses on loans, advances and financing	105,575	103,914	54,703	57,330
Allowance for losses on other receivables	4,047	2,570	3,169	2,290
Allowance for impairment losses on goodwill	-	1,208	-	-
Amortisation of computer software	24,161	22,397	23,346	21,834
Computer software written off	372	213	284	208
Depreciation of property, plant and equipment	20,731	21,352	19,986	20,544
Allowance for impairment losses on commitment and contingencies	-	2,301	-	2,301
Dividends from financial investments available-for-sale	(1,861)	(3,218)	(1,311)	(2,440)
Dividends from subsidiaries	-	-	(33,913)	(51,856)
Interest expense on subordinated obligations	72,617	69,366	72,735	69,485
Interest expense on other borrowings	167	238	167	238
Interest expense on loans sold to Cagamas	36,326	21,770	24,142	21,770
Interest income from financial investments held-to-maturity	(17,593)	(26,691)	(17,242)	(21,650)
Interest income from financial investments available-for-sale	(267,241)	(246,536)	(260,478)	(246,210)
Interest income from financial assets held-for-trading	(3,566)	(6,178)	(3,566)	(6,178)
Allowance for impairment losses on property, plant and equipment	62	-	62	-
Loss/(gain) on disposal of property, plant and equipment	105	346	(1)	346
Loss on disposal of computer software	-	-	675	-
Net gain from sale of financial assets held-for-trading	(761)	(988)	(761)	(988)
Net gain from sale of financial investments available-for-sale	(21,863)	(5,239)	(21,331)	(3,154)
Property, plant and equipment written off	291	233	277	231
Share options/grants under ESS	189	2,154	191	1,733
Share of results of joint venture	(43)	(84)	-	-
Allowance for/(write-back of) losses from amounts due from clients	5	(2)	-	-
Unrealised loss on revaluation of financial assets held-for-trading	48	1,147	6	1,199
Unrealised loss/(gain) on revaluation of derivative financial instruments	74,593	(144,553)	74,593	(144,553)
Unrealised (gain)/loss arising from financial liabilities designated at fair value	(25,555)	6,555	(25,555)	6,555
Zakat	150	143	-	-
Cash flow from operating activities before capital changes	605,723	429,876	416,267	250,374
Changes in working capital:				
Amounts due to/(from) clients and brokers	17,749	(16,543)	-	-
Deposits and placements of banks and other financial institutions	10,967	(294,346)	(210,491)	(367,703)
Deposits and placements with banks and other financial institutions	(77,283)	195,865	(77,283)	195,865
Deposits from customers	(1,705,260)	(965,889)	(2,604,131)	(1,110,739)
Financial liabilities designated at fair value	305,059	157,043	305,059	157,043
Financial assets held-for-trading	272,407	(201,848)	211,887	(126,634)
Loans, advances and financing	(1,103,401)	(684,879)	(229,360)	(183,759)
Other assets	662	(10,220)	(38,666)	2,145
Other liabilities	55,187	84,437	86,271	98,115
Statutory deposits	29,128	(26,516)	36,800	(11,726)
Cash used in operations	(1,589,062)	(1,333,020)	(2,103,647)	(1,097,019)
Taxation paid	(196,351)	(127,946)	(159,931)	(106,141)
Zakat paid	(104)	(59)	-	-
Net cash used in operating activities	(1,785,517)	(1,461,025)	(2,263,578)	(1,203,160)

ALLIANCE BANK MALAYSIA BERHAD

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Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Year Ended 31 March 2018 (contd.)

	GROUP		BANK	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received from financial investments available-for-sale	1,861	3,218	1,311	2,440
Dividends received from subsidiaries	-	-	33,913	51,856
Capital injection into subsidiaries	-	-	(537)	-
Interest received from financial investments held-to-maturity	20,760	28,929	18,934	21,706
Interest received from financial investments available-for-sale	260,342	232,838	257,081	233,433
Interest received from financial assets held-for-trading	5,677	5,825	5,102	5,825
Purchase of computer software	(56,574)	(38,197)	(55,300)	(36,729)
Purchase of property, plant and equipment	(16,670)	(9,399)	(16,291)	(8,649)
Proceeds from disposal of property, plant and equipment	56	270	16	270
Proceeds from disposal of financial investments held-to-maturity (net of purchase)	699,136	285,522	389,106	135,264
Proceeds from redemption/disposal of financial investments available-for-sale (net of purchase)	1,782,543	(1,677,931)	1,728,991	(843,319)
Net cash generated from/(used in) investing activities	<u>2,697,131</u>	<u>(1,168,925)</u>	<u>2,362,326</u>	<u>(437,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders of the company	(245,027)	(228,926)	(248,438)	(232,503)
Interest paid on other borrowings	(237)	(238)	(237)	(238)
Interest paid on loan sold to Cagamas	(36,674)	(21,782)	(25,152)	(21,782)
Interest paid on subordinated obligations	(68,654)	(83,434)	(68,654)	(83,434)
Recourse obligations on loans and financing sold to Cagamas	599,998	-	99,993	-
Settlement on other borrowings	(5,000)	-	(5,000)	-
Subscription of shares from former holding company	-	-	100,000	-
Payment for ESS recharged from former parent	-	-	(3,195)	(3,240)
Proceeds from ESS exercised by employees/joint venture	4,150	2,409	-	-
Proceeds from disposal of share held in trust	77,236	-	-	-
Proceeds from issuance of/(redemption on) subordinated notes	150,000	(600,000)	150,000	(600,000)
Transaction costs paid on issuance of subordinated notes	(427)	-	(721)	-
Net cash generated from/(used in) financing activities	<u>475,365</u>	<u>(931,971)</u>	<u>(1,404)</u>	<u>(941,197)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,386,979	(3,561,921)	97,344	(2,582,260)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	1,381,779	4,943,700	1,618,617	4,200,877
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>2,768,758</u>	<u>1,381,779</u>	<u>1,715,961</u>	<u>1,618,617</u>
Cash and cash equivalents comprise the following:				
Cash and short-term funds	<u>2,768,758</u>	<u>1,381,779</u>	<u>1,715,961</u>	<u>1,618,617</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2017.

Explanatory Notes

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") and Guidelines on Financial Reporting Issued by Bank Negara Malaysia ("BNM")

A1 Basis of Preparation

The unaudited condensed interim financial statements for the fourth financial quarter and the financial year ended 31 March 2018 have been prepared under the historical cost convention, as modified by the financial investments available-for-sale and financial assets/liabilities (including derivative instruments) at fair value through profit and loss.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB"), Paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited annual financial statements of the Group and the Bank for the financial year ended 31 March 2017.

On 26 September 2017, the Group completed the group reorganisation exercise upon the transfer of listing status from Alliance Financial Group Berhad ("AFG") to the Bank on the Main Market of Bursa Malaysia Securities Berhad. AFG is now wholly-owned subsidiary of the Bank, as disclosed in Note A8 and A11.

In the group reorganisation, the assets and liabilities of AFG are included in the consolidated financial statements of the Group at their existing carrying amounts without fair value uplift. The difference between the consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) is recognised in equity. No goodwill is recognised. AFG's assets and liabilities are incorporated in the consolidated financial statements of the Group as if the entities had always been, prior to the group corporate reorganisation.

The comparative financial information of the Group are restated arising from the group corporate reorganisation and restatement are disclosed in Note B15.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2017, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2017:

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative"
- Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"
- MFRS 12 "Disclosures of Interest in Other Entities"
- Annual Improvements to MFRSs 2014 - 2016 Cycles.

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

A1 Basis of Preparation (Contd.)

With effective from the financial year beginning on or after 1 April 2018, the Group and the Bank will apply MFRS 9 "Financial Instruments", replacing MFRS 139 "Financial Instruments: Recognition and Measurement", and includes requirements for classification and measurement for financial asset and liabilities and impairment of financial assets. MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

MFRS9 established three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income. The basis of classification depends on entity's business model and cash flow characteristics of the financial asset.

The combined application of the entity's business model and cash flow characteristics of the financial assets do not result in the significant change in the classification of financial asset other than the unquoted equity instruments currently classified as available-for-sale, which will be reclassified to FVPTL. The reclassification will result in an increase in the Group's and the Bank's opening retained profits as of 1 April 2018 due to the transfer of related fair value gains from financial instruments available-for-sale revaluation reserves to retained earnings.

The new standard requires more extensive disclosures especially in the areas of ECL. Based on the preliminary assessments performed, the Group and the Bank expect an increase in the impairment on loans, financing and other losses arising from the new impairment requirements, which will result in a reduction in the Group's and the Bank's opening retained profits and overall capital position as of 1 April 2018.

The Group and the Bank are now progressing to the finalisation of the implementation of the identified changes and will complete this process prior to the releasing of the interim results for the financial period ending 30 June 2018.

Other than MFRS 9, the following MFRS have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2018, and have yet to be adopted by the Group and the Bank:

- MFRS 15 "Revenue from Contracts with Customers" (effective from 1 January 2018)
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective from 1 January 2018)
- Amendments to MFRS 9 "Prepayment features with negative compensation" (effective 1 January 2019)
- MFRS 16 "Leases" (effective from 1 January 2019)
- Amendments to MFRS 128 "Long-term Interest in Associates and Joint Ventures" effective from 1 January 2019)
- Annual Improvements to MFRSs 2015 - 2017 Cycles
- IC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective 1 January 2019)

The preparation of unaudited condensed interim financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Bank and Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the annual financial statements for the financial year ended 31 March 2017 was not subject to any qualification.

A3 Seasonality or Cyclicity of Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations in the fourth financial quarter and the financial year ended 31 March 2018.

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A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the fourth financial quarter and the financial year ended 31 March 2018 other than disclosed in Note A8 and B15.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the fourth financial quarter and the financial year ended 31 March 2018.

A6 Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities during the fourth financial quarter and the financial year ended 31 March 2018 other than disclosed as below:

- (a) On 25 August 2017, the Bank issued RM100,000,000 new Shares at an issue price of RM1.00 each to AFG, the former holding company. On 26 August 2017, the Bank has increased its issued and paid-up share capital from RM896,517,043 to RM1,548,105,929 via a bonus issue of RM651,588,886 new shares to AFG.
- (b) The Bank has established RM1.0 billion Additional Tier 1 Capital Securities Programme on 3 October 2017 and completed its first issuance as below:

Issuance Date	Nominal Amount	Tenure	Call Date	Distribution Rate
8 November 2017	RM150.0 million	Perpetual Non-callable Five (5)- years	8 November 2022 and thereafter on every distribution payment date	6.25% per annum

- (c) 18,964,900 shares held in trust for ESS which were in excess of the AFG Bhd ESS were disposed at an average market price of RM4.00 per share by 8 March 2018.

A7 Dividend Paid

- (a) The Bank had on 20 June 2017, paid a single tier second interim dividend of 14.67 sen, on 796,517,043 ordinary shares amounting to approximately RM116,849,000 in respect of the financial year ended 31 March 2017 to the former holding company AFG, and was eliminated at Group level.
- (b) AFG had on 22 June 2017, paid a single tier second interim dividend of 7.5 sen, on 1,548,105,929 ordinary shares amounting to approximately RM116,108,000 in respect of the financial year ended 31 March 2017 to the shareholders. Subsequent to the completion of the group reorganisation exercise, the Bank becomes the holding company for AFG, as a result, the dividend paid by AFG to the shareholders will be reflected at the Group.
- (c) The Bank had on 28 December 2017, paid a single tier first interim dividend of approximately 8.5 sen on 1,548,105,929 ordinary shares amounting to RM131,589,000 in respect of the financial year ending 31 March 2018 to the shareholders subsequent to the completion of the group reorganisation exercise.

An amount of RM1,121,000 and RM1,549,000 being dividends paid for shares held in Trust were added back to the appropriation of retained profits in respect of the first and second interim dividend, for financial year ended 31 March 2018 and 31 March 2017 respectively.

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A8 Significant Events

On 21 September 2016, AFG, the former holding company of the Bank announced that it proposed to undertake a group reorganisation exercise whereby the listing status of AFG will be assumed by the Bank. The proposal involved, among others, the shareholders of AFG exchanging their existing AFG shares for the Bank's shares on a 1-for-1 basis, where their number of shares held and percentage shareholdings in AFG will be the same in the Bank upon completion of the group reorganisation exercise. This will enable the existing shareholders of AFG to have direct participation in the equity and future growth of the Bank.

The shareholders of AFG had, at the Extraordinary General Meeting held on 12 July 2017, approved the group reorganisation exercise.

On 26 September 2017, the group reorganisation exercise was completed upon the transfer of the listing of AFG on the Main Market of Bursa Malaysia Securities Berhad to the Bank. AFG is now a wholly-owned subsidiary of the Bank.

A9 Material Event Subsequent to the End of the Financial Reporting Period

There was no material event subsequent to the end of financial reporting period that require disclosure or adjustment to the unaudited condensed interim financial statements.

A10 Related Party Transactions

All related party transactions within the Group have been entered into in the normal course of business.

A11 Changes in the Composition of the Group

- (a) Following the completion of the group corporation reorganisation exercise as disclosed in Note A8, AFG had on 26 September 2017 effectively become the subsidiary of the Bank.
- (b) AIBB Nominess (Asing) Sdn. Bhd. and Rothputra Nominees (Tempatan) Sdn Bhd, a wholly-owned subsidiary of Alliance Investment Bank Berhad, which in turn is a wholly-owned subsidiary of Alliance Bank Malaysia Berhad had been dissolved by way of members' voluntary winding up pursuant to Section 272(5) f the companies Act, 1965 on 11 October 2017 and 28 February 2018 respectively.

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A12 Amounts Due From Clients And Brokers

	GROUP	
	31 March 2018 RM'000	31 March 2017 RM'000
Due from clients	101,475	96,499
Due from brokers	670	17,358
	<u>102,145</u>	<u>113,857</u>
Less:		
Allowance for losses	(840)	(835)
	<u>101,305</u>	<u>113,022</u>

These represent amounts receivable by Alliance Investment Bank Berhad ("AIBB") from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

AIBB's normal trade credit terms for non-margin clients is three (3) market days in accordance with the Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

Included in the balances due from clients and brokers are impaired accounts for contra losses, as follows:

	GROUP	
	31 March 2018 RM'000	31 March 2017 RM'000
Classified as doubtful	228	101
Classified as bad	851	846
	<u>1,079</u>	<u>947</u>

The movements in allowance for losses are as follows:

At beginning of financial year	835	837
Allowance for/(write-back) during the financial year (net)	5	(2)
At end of financial year	<u>840</u>	<u>835</u>

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A13 Financial Assets Held-for-trading

	<u>GROUP</u>		<u>BANK</u>	
	As at 31 March 2018 RM'000	As at 31 March 2017 RM'000	As at 31 March 2018 RM'000	As at 31 March 2017 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government investment issues	-	20,049	-	20,049
Commercial papers	40,905	104,773	25,926	69,908
Negotiable instruments of deposits	-	-	-	-
	40,905	144,947	25,926	110,082
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	22,845	190,313	22,845	149,619
	22,845	190,313	22,845	149,619
Total financial assets held-for-trading	63,750	335,260	48,771	259,701

A14 Financial Investments Available-for-sale

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	1,698,601	1,890,820	1,586,503	1,729,625
Malaysian Government investment issues	2,063,704	1,849,621	1,196,560	1,166,584
Negotiable instruments of deposits	398,898	2,332,427	1,058,671	2,529,876
Commercial papers	14,978	49,491	14,978	49,491
Khazanah bonds	113,549	138,731	113,549	138,731
	4,289,730	6,261,090	3,970,261	5,614,307
<u>Quoted securities in Malaysia:</u>				
Shares	21	26	21	26
Accumulated impairment losses	(11)	(11)	(11)	(11)
	10	15	10	15
<u>Unquoted securities:</u>				
Shares	178,846	166,719	121,634	111,377
Accumulated impairment losses	-	(1,440)	-	-
	178,846	165,279	121,634	111,377
Unit Trust Funds	-	4,960	-	-
	-	4,960	-	-
Corporate bonds and sukuk	4,046,012	4,040,124	2,314,543	2,509,432
Accumulated impairment losses	(9,409)	(231,911)	-	(135,681)
	4,036,603	3,808,213	2,314,543	2,373,751
	4,215,449	3,978,452	2,436,177	2,485,128
Total financial investments available-for-sale	8,505,189	10,239,557	6,406,448	8,099,450

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A15 Financial Investments Held-to-maturity

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	141,686	689,470	121,271	568,160
Malaysian Government investment issues	-	80,957	-	-
Khazanah bonds	147,181	141,920	93,036	89,704
	288,867	912,347	214,307	657,864
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	18,938	18,938	131,690	1,631
Accumulated impairment losses	(14,193)	(14,193)	(1,294)	(1,294)
	4,745	4,745	130,396	337
Total financial investments held-to-maturity	293,612	917,092	344,703	658,201

A16 Loans, Advances and Financing

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Overdrafts	3,410,188	2,763,678	2,544,606	2,248,119
Term loans/financing				
- Housing loans/financing	14,013,987	14,437,368	11,568,619	12,015,876
- Syndicated term loans/financing	328,508	363,508	183,539	217,224
- Hire purchase receivables	1,160,135	1,299,638	728,742	764,163
- Other term loans/financing	13,838,846	13,674,780	10,807,750	10,680,430
Bills receivables	345,530	502,836	340,283	494,267
Trust receipts	215,712	199,515	187,088	172,842
Claims on customers under acceptance credits	3,041,120	2,616,395	2,282,838	2,060,637
Staff loans [Note a]	26,123	29,864	7,744	10,123
Credit/charge card receivables	604,110	604,197	604,110	604,197
Revolving credits	2,069,989	1,745,060	1,510,347	1,480,339
Share margin financing	1,253,125	1,098,842	1,004,670	898,084
Gross loans, advances and financing	40,307,373	39,335,681	31,770,336	31,646,301
Add: Sales commissions and handling fees	54,591	35,963	61,630	24,390
Less: Allowance for impairment on loans, advances and financing				
- Individual assessment allowance	(75,733)	(66,627)	(64,967)	(64,147)
- Collective assessment allowance	(296,716)	(313,328)	(220,435)	(234,637)
Total net loans, advances and financing	39,989,515	38,991,689	31,546,564	31,371,907

Note a:

Included in staff loans of the Group and the Bank are loan to Directors amounting to RM Nil (2017: RM Nil)

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A16 Loans, Advances and Financing (contd.)**A16a** By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Domestic non-bank financial institutions	451,720	351,484	374,409	300,971
Domestic business enterprises				
- Small and medium enterprises	10,232,690	9,786,917	8,040,287	7,641,456
- Others	8,005,100	7,632,297	6,065,223	6,345,144
Government and statutory bodies	3,667	5,952	3,667	5,287
Individuals	20,690,312	20,523,924	16,455,658	16,428,669
Other domestic entities	164,843	188,394	162,138	181,071
Foreign entities	759,041	846,713	668,954	743,703
Gross loans, advances and financing	40,307,373	39,335,681	31,770,336	31,646,301

A16b By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Fixed rate				
- Housing loans/financing	35,331	40,638	4,151	5,541
- Hire purchase receivables	1,131,382	1,262,655	699,989	727,180
- Other fixed rate loans/financing	2,699,007	2,417,180	1,295,655	990,381
Variable rate				
- Base lending rate plus	26,055,850	26,754,482	21,606,411	22,182,402
- Base rate plus	3,259,928	1,807,725	2,510,143	1,693,697
- Cost plus	6,973,819	6,721,766	5,501,931	5,715,865
- Other variable rates loans/financing	152,056	331,235	152,056	331,235
Gross loans, advances and financing	40,307,373	39,335,681	31,770,336	31,646,301

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A16 Loans, Advances and Financing (contd.)

A16c By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Purchase of securities	1,245,600	1,109,188	997,145	908,430
Purchase of transport vehicles	933,698	1,078,821	525,290	563,845
Purchase of landed property	22,079,479	22,487,331	18,335,356	18,825,353
of which: - Residential	15,051,340	15,506,791	12,566,335	13,066,242
- Non-residential	7,028,139	6,980,540	5,769,021	5,759,111
Purchase of fixed assets excluding land & buildings	302,307	291,617	256,498	254,742
Personal use	3,309,928	2,656,823	1,938,753	1,457,449
Credit card	604,110	604,197	604,110	604,197
Construction	451,297	655,891	433,393	641,281
Mergers and acquisitions	117,705	117,688	117,705	117,688
Working capital	8,832,929	7,844,844	6,774,400	6,277,761
Others	2,430,320	2,489,281	1,787,686	1,995,555
Gross loans, advances and financing	40,307,373	39,335,681	31,770,336	31,646,301

A16d By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Northern region	2,835,527	2,652,319	2,139,991	2,082,450
Central region	28,946,946	28,237,847	23,158,486	22,856,016
Southern region	4,951,821	4,652,964	3,820,900	3,584,358
Sabah region	2,606,218	2,530,304	1,992,524	2,029,525
Sarawak region	966,861	1,262,247	658,435	1,093,952
Gross loans, advances and financing	40,307,373	39,335,681	31,770,336	31,646,301

A16e By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Within one year	11,169,395	9,595,942	8,623,585	7,993,587
One year to three years	1,320,249	1,480,000	951,258	1,149,354
Three years to five years	2,475,345	2,467,214	1,882,787	1,862,734
Over five years	25,342,384	25,792,525	20,312,706	20,640,626
Gross loans, advances and financing	40,307,373	39,335,681	31,770,336	31,646,301

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A16 Loans, Advances and Financing (contd.)
A16f Movements in impaired loans, advances and financing ("impaired loans") are as follows:

	GROUP		BANK	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
At beginning of financial year	393,349	487,868	339,580	373,199
Impaired during the financial year	848,111	600,685	635,366	446,621
Reclassified as unimpaired during the financial year	(352,268)	(419,465)	(271,181)	(284,275)
Recoveries	(198,592)	(176,471)	(165,034)	(142,857)
Amount written-off	(113,081)	(99,268)	(68,085)	(53,108)
At end of financial year	577,519	393,349	470,646	339,580
Individual assessment allowance	(75,733)	(66,627)	(64,967)	(64,147)
Collective assessment allowance (impaired portion)	(107,070)	(94,714)	(83,699)	(74,410)
Net impaired loans, advances and financing	394,716	232,008	321,980	201,023
Gross impaired loans as % of gross loans, advances and financing	1.4%	1.0%	1.5%	1.1%

A16g Impaired loans analysed by economic purposes are as follows:

	GROUP		BANK	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Purchase of securities	50	7	50	7
Purchase of transport vehicles	13,671	11,497	10,131	7,695
Purchase of landed property	347,159	231,786	281,386	207,435
of which: - Residential	188,970	176,996	155,226	158,701
- Non-residential	158,189	54,790	126,160	48,734
Purchase of fixed assets excluding land & buildings	5,635	1,206	4,754	1,206
Personal use	56,852	43,475	35,527	25,390
Credit card	9,074	10,201	9,074	10,201
Construction	11,771	3,888	11,771	3,888
Working capital	98,433	71,965	89,864	66,453
Others	34,874	19,324	28,089	17,305
Gross impaired loans	577,519	393,349	470,646	339,580

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A16 Loans, Advances and Financing (contd.)**A16h Impaired loans by geographical distribution:**

	GROUP		BANK	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Northern region	42,540	30,552	34,658	28,290
Central region	417,859	277,515	336,653	238,742
Southern region	78,417	58,562	65,560	49,829
Sabah region	28,145	23,737	24,263	20,245
Sarawak region	10,558	2,983	9,512	2,474
Gross impaired loans	577,519	393,349	470,646	339,580

A16i Movements in the allowance for impairment on loans, advances and financing are as follows:

	GROUP		BANK	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Individual assessment allowance				
At beginning of financial year	66,627	68,331	64,147	58,061
Net allowance made during the financial year	31,876	23,506	24,085	21,344
Amount written-off	(25,229)	(21,875)	(24,617)	(12,003)
Transfers from/(to) collective assessment allowance	2,459	(3,335)	1,352	(3,255)
At end of financial year	75,733	66,627	64,967	64,147

	GROUP		BANK	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Collective assessment allowance				
At beginning of financial year	313,328	306,978	234,637	236,501
Net allowance made during the financial year	73,699	80,408	30,618	35,986
Amount written-off	(87,852)	(77,393)	(43,468)	(41,105)
Transfers (to)/from individual assessment allowance	(2,459)	3,335	(1,352)	3,255
At end of financial year	296,716	313,328	220,435	234,637

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A17 Other Assets

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Other receivables	32,173	53,410	18,281	42,173
Derivative margin	37,136	22,381	36,902	22,381
Settlement account	42,924	34,923	42,924	34,923
Deposits	8,690	9,245	8,020	8,464
Prepayment	16,430	19,529	14,992	18,498
Amounts due from subsidiaries	-	-	46,794	2,696
Amounts due from other related companies	-	-	-	37
Amount due from joint venture	392	387	392	378
	137,745	139,875	168,305	129,550
Less:				
Allowance for impairment losses on other receivables	(32,017)	(29,535)	(27,578)	(24,409)
	105,728	110,340	140,727	105,141

A18 Deposits from Customers

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Demand deposits	14,161,040	13,605,203	11,752,631	11,347,501
Savings deposits	1,792,710	1,864,445	1,468,774	1,523,658
Fixed/investment deposits	24,142,700	24,232,158	18,393,938	19,355,858
Money market deposits	2,277,386	1,412,241	1,716,143	1,142,226
Negotiable instruments of deposits	366,624	3,331,673	176,884	2,743,258
	42,740,460	44,445,720	33,508,370	36,112,501

Structured investments of the Group and the Bank which are not principal guaranteed were reclassified from Deposit from Customers to Financial Liabilities Designated at Fair Value and Other Liabilities to conform with Bank Negara Malaysia's Policy Document on Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013.

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A18 Deposits from Customers (contd.)**A18b** By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	As at 31 March 2018 RM'000	Restated As at 31 March 2017 RM'000	As at 31 March 2018 RM'000	As at 31 March 2017 RM'000
Domestic financial institutions	358,990	3,299,060	190,812	2,845,588
Domestic non-bank financial institutions	2,676,350	2,292,516	1,854,863	2,069,893
Government and statutory bodies	4,312,577	3,647,891	2,106,387	1,265,071
Business enterprises	16,354,335	15,562,716	12,945,816	11,979,574
Individuals	17,941,780	18,553,298	15,432,649	16,964,325
Foreign entities	596,011	638,800	534,617	584,019
Others	500,417	451,439	443,226	404,031
	42,740,460	44,445,720	33,508,370	36,112,501

A18c The maturity structure of fixed/investment deposits, money market deposits and negotiable instruments of deposits are as follow:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Due within six months	17,234,419	21,189,833	13,695,607	16,533,626
Six months to one year	8,371,649	7,566,156	5,709,738	6,611,177
One year to three years	1,018,884	32,637	869,862	64,464
Three years to five years	161,758	187,446	11,758	32,075
	26,786,710	28,976,072	20,286,965	23,241,342

A19 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Licensed banks	203,995	273,325	63,619	273,325
Licensed investment banks	22,004	-	-	-
Bank Negara Malaysia	619,467	589,579	375,619	376,404
Other financial institutions	28,405	-	-	-
	873,871	862,904	439,238	649,729

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A20 Financial Liabilities Designated at Fair Value

Structured investments designated at fair value for the Group and the Bank include investments with embedded equity linked options, interest rate linked index investment, and foreign currency options.

During the financial year, the Group and the Bank designated certain structured investments at fair value through profit or loss. This designation is permitted under MFRS 139 "Financial Instruments: Recognition and Measurement" as it includes embedded derivatives that are not closely related to its underlying investments. The structured investments are recorded at fair value.

The fair value changes of the structured investments that are attributable to the changes in own risk are not significant.

	GROUP/BANK	
	31 March	31 March
	2018	2017
	RM'000	RM'000
Structured investments	731,703	426,644
Fair value changes arising from designation at fair value through profit or loss	(49,465)	(23,910)
	<u>682,238</u>	<u>402,734</u>

Structured investments that are not principal guaranteed which are applying fair value option are reclassified from Deposit to Customers to Financial Liabilities Designated at Fair Value in order to conform with Bank Negara Malaysia's Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013.

A21 Amounts Due To Clients And Brokers

	GROUP	
	31 March	31 March
	2018	2017
	RM'000	RM'000
Due to clients	75,103	69,066
	<u>75,103</u>	<u>69,066</u>

These mainly relate to amounts payable to non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

The Group's normal trade credit terms for non-margin clients is three (3) market days according to the Bursa's FDSS trading rules.

Following the issuance of FRSIC Consensus 18, the Group no longer recognises trust monies balances in the statement of financial position, as the Group does not have any control over the trust monies to obtain the future economic benefits embodied in the trust monies. The trust monies maintained by the Group amounting to RM71,652,000 (31.3.17: RM75,447,000) have been excluded accordingly.

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A22 Other Liabilities

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Other payables	254,276	243,811	205,527	189,311
Derivative premium	32,751	-	32,751	-
Bills payable	157,335	203,663	143,126	194,225
Settlement account	53,882	30,116	53,882	30,116
Clearing account	201,208	331,384	161,741	253,267
Sundry deposits	54,924	43,340	47,306	35,835
Provision and accruals	131,272	99,829	131,524	89,426
Remisiers account	5,866	8,279	-	-
Allowance for impairment losses on commitment and contingencies	148	2,301	148	2,301
Finance lease liabilities	3,329	5,805	3,329	5,805
Structured investments	504,143	379,982	504,143	379,982
Amounts due to subsidiaries	-	-	-	21,338
Amounts due to joint venture	168	260	-	-
	1,399,302	1,348,770	1,283,477	1,201,606

Structured investments that are not principal guaranteed and are accounted separately from the embedded derivative are reclassified from Deposit to Customers to Other Liabilities in order to conform with Bank Negara Malaysia's Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013.

A23 Interest Income

	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
GROUP				
Loans, advances and financing	379,799	369,982	1,522,604	1,491,006
Money at call and deposit placements with financial institutions	3,799	2,457	12,546	23,975
Financial assets held-for-trading	432	1,274	3,566	6,178
Financial investments available-for-sale	63,897	68,887	267,241	246,536
Financial investments held-to-maturity	1,838	6,583	17,593	26,691
Others	4,701	3,474	18,317	11,881
	454,466	452,657	1,841,867	1,806,267
Accretion of discount less amortisation of premium	20,356	18,069	79,830	73,946
	474,822	470,726	1,921,697	1,880,213

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A23 Interest Income (contd.)

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2017 RM'000	31 March 2017 RM'000
<u>BANK</u>				
Loans, advances and financing	374,277	360,375	1,504,903	1,464,874
Money at call and deposit placements with financial institutions	3,852	4,092	16,640	28,363
Financial assets held-for-trading	432	1,274	3,566	6,178
Financial investments available-for-sale	61,509	68,929	260,478	246,210
Financial investments held-to-maturity	3,085	5,334	17,242	21,650
Others	4,700	3,474	18,315	11,880
	447,855	443,478	1,821,144	1,779,155
Accretion of discount less amortisation of premium	19,846	17,484	77,155	73,010
	467,701	460,962	1,898,299	1,852,165

A24 Interest Expense

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
<u>GROUP</u>				
Deposits and placements of banks and other financial institutions	7,254	3,281	25,294	15,572
Deposits from customers	199,285	221,274	846,632	888,191
Recourse obligations on loans and financing sold to Cagamas	7,649	5,420	24,142	21,770
Other borrowings	-	59	167	238
Subordinated obligations	19,345	17,018	72,617	69,366
Others	16,906	10,924	60,334	37,531
	250,439	257,976	1,029,186	1,032,668

	4th Quarter Ended		Twelve Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
<u>BANK</u>				
Deposits and placements of banks and other financial institutions	3,882	2,437	13,833	13,201
Deposits from customers	193,763	216,703	827,153	874,006
Recourse obligations on loans and financing sold to Cagamas	7,649	5,420	24,142	21,770
Other borrowings	-	59	167	238
Subordinated obligations	19,380	17,029	72,735	69,485
Others	16,906	10,924	60,334	37,531
	241,580	252,572	998,364	1,016,231

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A25 Net Income from Islamic Banking Business

	4th Quarter Ended		Twelve Months Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
GROUP				
Income derived from investment of depositors' funds and others	126,363	118,365	488,710	471,698
Income derived from investment of Islamic Banking funds	14,135	12,544	54,332	47,429
Income attributable to the depositors and financial institutions	(57,099)	(54,429)	(224,797)	(222,090)
	83,399	76,480	318,245	297,037

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A26 Other Operating Income

GROUP	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	21,652	22,524	89,165	87,570
Service charges and fees	6,825	7,136	31,076	30,938
Corporate advisory fees	1,063	280	3,221	1,785
Underwriting commissions	-	-	472	85
Brokerage fees	9,731	9,663	36,811	29,795
Guarantee fees	3,971	4,116	15,807	18,427
Processing fees	2,978	1,339	11,368	12,857
Commitment fees	4,126	4,115	16,413	15,972
Cards related income	22,296	25,593	96,130	96,643
Other fee income	750	733	3,001	3,003
	73,392	75,499	303,464	297,075
(b) <u>Fee and commission expense:</u>				
Commissions expense	(563)	(449)	(1,624)	(1,965)
Brokerage fees expense	(3,193)	(3,884)	(12,311)	(11,420)
Guarantee fees expense	(2)	(397)	(461)	(1,047)
Cards related expense	(20,344)	(23,956)	(82,281)	(85,440)
	(24,102)	(28,686)	(96,677)	(99,872)
(c) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial assets held-for-trading	332	(1,568)	761	988
- Financial investments available-for-sale	18,183	-	21,863	5,239
Marked-to-market revaluation of gain/(loss):				
- Financial assets held-for-trading	(7)	2,537	(48)	(1,147)
- Derivative instruments	19,738	(66,261)	(74,593)	144,553
- Financial liabilities designated at fair value	6,991	(3,254)	25,555	(6,555)
Realised (loss)/gain on derivative instruments	(4,357)	107,067	151,358	(2,800)
Gross dividend income from:				
- Financial investments available-for-sale	-	53	1,861	3,218
	40,880	38,574	126,757	143,496
(d) <u>Other income :</u>				
Foreign exchange (loss)/gain	(743)	(13,183)	1,163	(43,706)
Gain/(loss) on disposal of property, plant and equipment	1	-	(105)	(346)
Others	6,320	5,816	26,665	28,194
	5,578	(7,367)	27,723	(15,858)
Total other operating income	95,748	78,020	361,267	324,841

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A26 Other Operating Income (contd.)

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	21,652	22,524	89,165	87,570
Service charges and fees	6,632	6,949	30,242	30,310
Guarantee fees	3,971	3,986	15,807	18,165
Processing fees	1,368	902	8,508	7,993
Commitment fees	4,114	4,111	16,376	15,947
Cards related income	22,296	25,593	96,130	96,643
Other fee income	750	731	3,000	2,999
	60,783	64,796	259,228	259,627
(b) <u>Fee and commission expense:</u>				
Commissions expense	(563)	(450)	(1,624)	(1,965)
Brokerage fees expense	(1)	(2)	(7)	(7)
Guarantee fees expense	(2)	(397)	(461)	(1,047)
Cards related expense	(20,344)	(23,956)	(82,281)	(85,440)
	(20,910)	(24,805)	(84,373)	(88,459)
(c) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial assets held-for-trading	332	(1,568)	761	988
- Financial investments available-for-sale	18,344	-	21,331	3,154
Marked-to-market revaluation gain/(loss) of:				
- Financial assets held-for-trading	(17)	2,485	(6)	(1,199)
- Derivative instruments	19,738	(66,261)	(74,593)	144,553
- Financial liabilities designated at fair value	6,991	(3,254)	25,555	(6,555)
Realised (loss)/gain on derivative instruments	(4,357)	107,067	151,358	(2,800)
Gross dividend income from:				
- Financial investments available-for-sale	-	-	1,311	2,440
- Subsidiaries	-	-	33,913	51,856
	41,031	38,469	159,630	192,437
(d) <u>Other income:</u>				
Foreign exchange (loss)/gain	(876)	(13,274)	804	(44,129)
Rental income	169	171	680	698
Gain/(loss) on disposal of property, plant and equipment	1	-	1	(346)
Others	5,899	5,679	25,737	25,069
	5,193	(7,424)	27,222	(18,708)
Total other operating income	86,097	71,036	361,707	344,897

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A27 Other Operating Expenses

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
GROUP				
Personnel costs				
- Salaries, allowances and bonuses	93,410	85,728	354,861	337,104
- Contribution to EPF	14,403	12,590	55,857	53,839
- Share options/grants under ESS	-	427	189	2,154
- Termination benefits	-	-	42,365	-
- Others	17,077	7,635	51,028	34,611
	124,890	106,380	504,300	427,708
Establishment costs				
- Depreciation of property, plant and equipment	5,132	5,243	20,731	21,352
- Amortisation of computer software	5,639	5,698	24,161	22,397
- Rental of premises	7,418	7,834	29,648	30,660
- Water and electricity	1,978	1,891	7,991	7,799
- Repairs and maintenance	2,784	2,590	9,980	9,905
- Information technology expenses	13,537	12,763	50,010	48,140
- Others	4,925	3,495	13,982	13,146
	41,413	39,514	156,503	153,399
Marketing expenses				
- Promotion and advertisement	9,242	3,030	14,193	7,416
- Branding and publicity	8,160	5,562	13,160	10,727
- Others	1,911	1,727	7,096	7,463
	19,313	10,319	34,449	25,606
Administration and general expenses				
- Communication expenses	3,399	3,556	10,708	13,874
- Printing and stationery	770	820	2,829	3,176
- Insurance	2,828	2,935	11,345	10,959
- Professional fees	8,390	5,819	27,853	22,019
- Others	11,128	11,822	46,034	35,166
	26,515	24,952	98,769	85,194
Total other operating expenses	212,131	181,165	794,021	691,907

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A27 Other Operating Expenses (contd.)

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
<u>BANK</u>				
Personnel costs				
- Salaries, allowances and bonuses	73,494	65,633	272,572	258,404
- Contribution to EPF	11,345	9,499	43,188	41,415
- Share options/grants under ESS	-	444	191	1,733
- Termination benefits	-	-	42,225	-
- Others	13,665	6,161	42,470	28,462
	98,504	81,737	400,646	330,014
Establishment costs				
- Depreciation of property, plant and equipment	4,941	5,066	19,986	20,545
- Amortisation of computer software	5,379	5,544	23,346	21,834
- Rental of premises	5,805	5,966	23,104	23,715
- Water and electricity	1,545	1,348	5,905	5,662
- Repairs and maintenance	2,334	1,881	7,947	7,382
- Information technology expenses	11,207	10,273	40,538	37,739
- Others	2,890	1,032	5,480	3,735
	34,101	31,110	126,306	120,612
Marketing expenses				
- Promotion and advertisement	8,960	3,457	13,437	6,851
- Branding and publicity	7,663	4,322	11,633	9,092
- Others	1,249	962	4,340	4,266
	17,872	8,741	29,410	20,209
Administration and general expenses				
- Communication expenses	2,977	3,066	8,197	11,116
- Printing and stationery	623	703	2,277	2,594
- Insurance	2,593	2,712	10,384	10,118
- Professional fees	5,446	3,461	20,838	15,176
- Others	10,018	9,607	37,171	28,657
	21,657	19,549	78,867	67,661
Total other operating expenses	172,134	141,137	635,229	538,496

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A28 Allowance for Impairment Losses on Loans, Advances and Financing and Other Receivables

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
GROUP				
Allowance for impairment losses on loans and financing and other receivables:				
(a) Individual assessment allowance				
- made during the period/year (net)	8,705	7,996	31,876	23,506
(b) Collective assessment allowance				
- made during the period/year (net)	36,219	20,747	73,699	80,408
(c) Bad debts on loans and financing				
- Recovered	(13,417)	(8,902)	(37,099)	(33,552)
- Written-off	4,978	5,108	20,858	19,757
	36,485	24,949	89,334	90,119
Allowance for impairment losses on other receivables (net)	1,149	346	4,047	2,570
Allowance for/(write-back of) losses from amounts due from clients	-	-	5	(2)
Allowance for impairment losses on commitment and contingencies	-	2,301	-	2,301
	37,634	27,596	93,386	94,988
	4th Quarter Ended		Twelve Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
BANK				
Allowance for impairment losses on loans and financing and other receivables:				
(a) Individual assessment allowance				
- made during the period/year (net)	7,786	7,214	24,085	21,344
(b) Collective assessment allowance				
- made during the period/year (net)	27,498	11,786	30,618	35,986
(c) Bad debts on loans and financing				
- Recovered	(9,166)	(6,383)	(25,698)	(24,720)
- Written-off	2,941	2,690	10,933	10,785
	29,059	15,307	39,938	43,395
Allowance for impairment losses on other receivables, net	857	329	3,169	2,290
Allowance for impairment losses on commitment and contingencies	-	2,301	-	2,301
	29,916	17,937	43,107	47,986

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A29 Commitments and Contingencies

The off-balance sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	719,148	757,816	564,446	649,782
Transaction-related contingent items	739,535	710,106	651,896	653,885
Short-term self-liquidating trade-related contingencies	235,056	138,588	215,445	114,249
Irrevocable commitments to extend credit:				
- maturity exceeding one year	1,056,899	1,111,249	744,972	927,426
- maturity not exceeding one year	7,543,400	6,527,092	5,748,870	4,943,831
Unutilised credit card lines	1,750,064	1,584,784	1,750,064	1,584,784
	12,044,102	10,829,635	9,675,693	8,873,957
<u>Derivative financial instruments [Note a]</u>				
Foreign exchange related contracts:				
- one year or less	5,057,347	11,082,789	5,057,347	11,082,789
- over one year to three years	73,015	116,546	73,015	116,546
- over three years	17,385	37,817	17,385	37,817
Interest rate related contracts:				
- one year or less	1,206,130	750,000	1,206,130	750,000
- over one year to three years	1,990,360	1,988,572	1,990,360	1,988,572
- over three years	2,146,310	1,605,860	2,146,310	1,605,860
Equity related contracts				
- one year or less	38,825	52,405	38,825	52,405
- over one year to three years	67,660	30,330	67,660	30,330
	10,597,032	15,664,319	10,597,032	15,664,319
	22,641,134	26,493,954	20,272,725	24,538,276

Note

- (a) These derivatives are valued on gross position basis and the unrealised gains or losses have been reflected in the statements of income and statements of financial position as derivatives financial assets and derivatives financial liabilities. The fair value of derivatives are disclosed under Note B11.

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A30 Segment Information

The following segment information has been prepared in accordance with MFRS 8 Operating Segments, which defines the requirements for the disclosure of financial information of an entity's operating segments. The operating segments results are prepared based on the Group's internal management reporting reflective of the organisation's management reporting structure.

Funds are allocated between segments and inter-segment funding cost transfers are reflected in net interest income. In addition to the operating segments, the segment information disclosed also includes inter-segment eliminations. Transactions between reportable segments are eliminated based on principles of consolidation as described in accounting policy. Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in inter-segment eliminations.

The Group is organised into the following key operating segments:

(i) Consumer Banking

Consumer Banking provides a wide range of personal banking solutions covering mortgages, term loans, personal loans, hire purchase facilities, credit cards, wealth management (cash management, investment services, share trading, bancassurance and will writing). Consumer banking customers are serviced via branch network, call centre, electronic/internet banking channels, and direct sales channels.

(ii) Business Banking

Business Banking segment covers Small and Medium Enterprise ("SME"), Corporate and Commercial Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Corporate and Commercial Banking serves public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including loans, trade finance, cash management, treasury and structured solutions.

(iii) Financial Markets

Financial Markets provide foreign exchange, money market, hedging and investment (capital market instruments) solutions for banking customers. It also manages the assets and liabilities, liquidity and statutory reserve requirements of the banking entities in the Group.

(iv) Stockbroking and Corporate Advisory

Stockbroking and Corporate Advisory covers stockbroking activities and corporate advisory which includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

(v) Others

Others refer to mainly other business operations such as alternative distribution channels, trustee services and head office.

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A30 Segment information (contd.)

Group	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Stockbroking and Corporate Advisory RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
4th Quarter ended 31 March 2018								
Net interest income								
- external income	116,393	82,326	31,792	3,525	686	234,722	(10,339)	224,383
- inter-segment	(34,275)	19,038	17,308	(2,071)	-	-	-	-
	82,118	101,364	49,100	1,454	686	234,722	(10,339)	224,383
Net income from Islamic banking business	29,426	26,969	14,233	-	-	70,628	12,771	83,399
Other operating income	19,060	46,137	21,412	9,247	3,000	98,856	(3,108)	95,748
Net income	130,604	174,470	84,745	10,701	3,686	404,206	(676)	403,530
Other operating expenses	(76,697)	(96,167)	(14,866)	(9,021)	(4,980)	(201,731)	371	(201,360)
Depreciation and amortisation	(5,929)	(3,788)	(707)	(345)	(2)	(10,771)	-	(10,771)
Operating profit/(loss)	47,978	74,515	69,172	1,335	(1,296)	191,704	(305)	191,399
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(14,533)	(22,969)	25	(156)	(1)	(37,634)	-	(37,634)
Segment results	33,445	51,546	69,135	1,179	(1,297)	154,008	(305)	153,703
Share of results of joint venture								46
Taxation								(40,878)
Net profit for the financial period								112,871
Segment assets	21,323,742	18,239,957	15,998,118	51,675	126,171	55,739,663	(2,341,752)	53,397,911
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								693
Property, plant and equipment								69,373
Tax recoverable and deferred tax assets								24,668
Intangible assets								409,402
Total assets								53,902,047

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A30 Segment information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Stockbroking and Corporate Advisory	Others	Total Operations	Inter-segment Elimination	Total
Twelve months ended 31 March 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income								
- external income	416,778	329,102	158,108	13,005	2,582	919,575	(27,064)	892,511
- inter-segment	(88,599)	80,102	16,222	(7,725)	-	-	-	-
	328,179	409,204	174,330	5,280	2,582	919,575	(27,064)	892,511
Net income from Islamic banking business	113,858	99,461	56,929	-	-	270,248	47,997	318,245
Other operating income	112,495	166,369	51,242	32,423	22,553	385,082	(23,815)	361,267
Net income	554,532	675,034	282,501	37,703	25,135	1,574,905	(2,882)	1,572,023
Other operating expenses	(305,031)	(290,864)	(51,790)	(37,404)	(68,500)	(753,589)	4,460	(749,129)
Depreciation and amortisation	(25,830)	(15,205)	(2,657)	(1,194)	(6)	(44,892)	-	(44,892)
Operating profit/(loss)	223,671	368,965	228,054	(895)	(43,371)	776,424	1,578	778,002
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(81,284)	(11,855)	36	58	(341)	(93,386)	-	(93,386)
Allowance for impairment losses on other assets	-	-	(62)	-	-	(62)	-	(62)
Segment results	142,387	357,110	228,028	(837)	(43,712)	682,976	1,578	684,554
Share of results of joint venture								43
Taxation								(191,369)
Net profit for the financial year								493,228
Segment assets	21,323,742	18,239,957	15,998,118	51,675	126,171	55,739,663	(2,341,752)	53,397,911
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								693
Property, plant and equipment								69,373
Tax recoverable and deferred tax assets								24,668
Intangible assets								409,402
Total assets								53,902,047

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A30 Segment information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Stockbroking and Corporate Advisory	Others	Total Operations	Inter-segment Elimination	Total
Restated								
4th Quarter ended 31 March 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	90,043	81,930	41,145	2,611	884	216,613	(3,863)	212,750
- inter-segment	(10,910)	20,602	(8,103)	(1,589)	-	-	-	-
	79,133	102,532	33,042	1,022	884	216,613	(3,863)	212,750
Net income from Islamic banking business	29,069	22,368	13,307	-	-	64,744	11,736	76,480
Other operating income	29,142	35,754	6,379	6,825	3,327	81,427	(3,407)	78,020
Net income	137,344	160,654	52,728	7,847	4,211	362,784	4,466	367,250
Other operating expenses	(77,482)	(66,856)	(12,375)	(9,251)	(5,506)	(171,470)	1,246	(170,224)
Depreciation and amortisation	(5,944)	(3,977)	(770)	(249)	(1)	(10,941)	-	(10,941)
Operating profit/(loss)	53,918	89,821	39,583	(1,653)	(1,296)	180,373	5,712	186,085
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(15,441)	(12,152)	25	(19)	(9)	(27,596)	-	(27,596)
Segment results	38,477	77,669	39,608	(1,672)	(1,305)	152,777	5,712	158,489
Share of results of joint venture								27
Taxation								(41,128)
Net profit for the financial period								117,388
Segment assets	21,282,364	17,367,429	16,945,999	352,657	1,881,976	57,830,425	(4,217,897)	53,612,528
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								763
Property, plant and equipment								73,948
Tax recoverable and deferred tax assets								24,464
Intangible assets								377,361
Total assets								54,089,064

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A30 Segment information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Stockbroking and Corporate Advisory	Others	Total Operations	Inter-segment Elimination	Total
Restated								
Twelve months ended 31 March 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	420,521	322,142	109,647	10,437	5,756	868,503	(20,958)	847,545
- inter-segment	(96,259)	79,839	22,660	(6,240)	-	-	-	-
	<u>324,262</u>	<u>401,981</u>	<u>132,307</u>	<u>4,197</u>	<u>5,756</u>	<u>868,503</u>	<u>(20,958)</u>	<u>847,545</u>
Net income from Islamic banking business	113,828	87,274	51,667	-	-	252,769	44,268	297,037
Other operating income	115,631	158,064	24,011	29,067	25,114	351,887	(27,046)	324,841
Net income	<u>553,721</u>	<u>647,319</u>	<u>207,985</u>	<u>33,264</u>	<u>30,870</u>	<u>1,473,159</u>	<u>(3,736)</u>	<u>1,469,423</u>
Other operating expenses	(300,217)	(254,721)	(44,391)	(36,788)	(17,910)	(654,027)	5,869	(648,158)
Depreciation and amortisation	(23,478)	(16,058)	(3,143)	(895)	(175)	(43,749)	-	(43,749)
Operating profit/(loss)	<u>230,026</u>	<u>376,540</u>	<u>160,451</u>	<u>(4,419)</u>	<u>12,785</u>	<u>775,383</u>	<u>2,133</u>	<u>777,516</u>
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(68,860)	(26,159)	10	30	(9)	(94,988)	-	(94,988)
Allowance for impairment on other assets	-	-	-	(1,208)	-	(1,208)	-	(1,208)
Segment results	<u>161,166</u>	<u>350,381</u>	<u>160,461</u>	<u>(5,597)</u>	<u>12,776</u>	<u>679,187</u>	<u>2,133</u>	<u>681,320</u>
Share of results of joint venture								84
Taxation								<u>(169,281)</u>
Net profit for the financial year								<u><u>512,123</u></u>
Segment assets	<u>21,282,364</u>	<u>17,367,429</u>	<u>16,945,999</u>	<u>352,657</u>	<u>1,881,976</u>	<u>57,830,425</u>	<u>(4,217,897)</u>	<u>53,612,528</u>
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								763
Property, plant and equipment								73,948
Tax recoverable and deferred tax assets								24,464
Intangible assets								<u>377,361</u>
Total assets								<u><u>54,089,064</u></u>

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A31 Capital Adequacy

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. The Framework sets out the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Group and the Bank are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The capital adequacy ratios of the Group and the Bank are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018	Restated 31 March 2017	31 March 2018	31 March 2017
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.695%	13.334%	11.680%	11.558%
Tier I capital ratio	14.123%	13.334%	12.217%	11.558%
Total capital ratio	18.638%	17.999%	17.122%	16.347%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.393%	12.990%	11.302%	11.136%
Tier I capital ratio	13.821%	12.990%	11.839%	11.136%
Total capital ratio	18.337%	17.655%	16.744%	15.924%

(a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
<u>CET I Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	796,517
Share Premium	-	-	-	401,517
Retained profits	3,510,283	2,062,782	2,866,142	2,115,505
Statutory reserves	-	1,223,525	-	835,401
Revaluation reserves	114,987	99,268	74,907	64,916
Capital reserves	100,150	90,010	95,515	-
	5,273,526	5,023,691	4,584,670	4,213,856
Less: Regulatory adjustments				
- Goodwill and other intangibles	(409,402)	(377,361)	(292,981)	(261,986)
- Deferred tax assets	(22,664)	(14,738)	(9,223)	(4,088)
- 55% of revaluation reserves	(63,243)	(54,597)	(41,199)	(35,704)
- Direct/indirect investment in own ordinary shares	-	(73,837)	-	-
- Investment in subsidiaries, associate and joint venture	(693)	(610)	(989,102)	(714,440)
Total CET I Capital	4,777,524	4,502,548	3,252,165	3,197,638
Additional Tier 1 Capital Securities	149,293	-	149,316	-
Total Additional Tier 1 Capital	149,293	-	149,316	-
Total Tier I Capital	4,926,817	4,502,548	3,401,481	3,197,638

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A31 Capital Adequacy (Contd.)

(a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows: (Contd.)

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
<u>Tier II Capital</u>				
Subordinated obligations	1,199,675	1,199,177	1,199,062	1,198,764
Collective assessment allowance and regulatory reserves	375,710	376,514	296,765	304,576
Less: Regulatory adjustments				
- Investment in subsidiaries, associate and joint venture	-	(153)	-	(178,610)
- Investment in Tier 2 capital instruments	-	-	(130,000)	-
Total Tier II Capital	1,575,385	1,575,538	1,365,827	1,324,730
Total Capital	6,502,202	6,078,086	4,767,308	4,522,368

(b) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Credit risk	31,973,585	30,938,021	25,299,261	25,162,190
Market risk	110,857	126,042	110,389	104,490
Operational risk	2,801,473	2,704,544	2,433,159	2,398,898
Total RWA and capital requirements	34,885,915	33,768,607	27,842,809	27,665,578

(c) The capital adequacy ratios of the banking subsidiaries are as follows:

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
31 March 2018		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	12.569%	86.830%
Tier I capital ratio	12.569%	86.830%
Total capital ratio	15.421%	87.642%
<u>After deducting proposed dividends</u>		
CET I capital ratio	12.198%	85.079%
Tier I capital ratio	12.198%	85.079%
Total capital ratio	15.050%	85.892%

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A31 Capital Adequacy (Contd.)

(c) The capital adequacy ratios of the banking subsidiaries are as follows:(Contd.)

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
31 March 2017		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	13.430%	84.804%
Tier I capital ratio	13.430%	84.804%
Total capital ratio	14.509%	85.516%
<u>After deducting proposed dividends</u>		
CET I capital ratio	13.430%	83.729%
Tier I capital ratio	13.430%	83.729%
Total capital ratio	14.509%	84.441%

A32 Fair Value Measurements**(a) Determination of fair value and fair value hierarchy**

MFRS 13 Fair Value Measurement requires disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following level of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. This includes listed equities and corporate debt securities which are actively traded.

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A32 Fair Value Measurements (Contd.)**(ii) Financial instruments in Level 2**

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities, corporate notes, repurchase agreements and most of the Group's and the Bank's derivatives.

(iii) Financial instruments in Level 3

The Group and the Bank classify financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include net tangible assets, discounted cash flows, and other appropriate valuation models. These includes private equity investments.

(b) Financial instruments measured at fair value and the fair value hierarchy

The following tables show the Group's and the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

<u>GROUP</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2018	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	40,905	-	40,905
- Unquoted securities	-	22,845	-	22,845
Financial investments available-for-sale				
- Money market instruments	-	4,289,730	-	4,289,730
- Quoted securities in Malaysia	10	-	-	10
- Unquoted securities	-	4,036,603	178,846	4,215,449
Derivative financial assets	-	84,455	-	84,455
<u>Liabilities</u>				
Financial liabilities designated at fair value	-	682,238	-	682,238
Derivative financial liabilities	-	154,686	-	154,686

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A32 Fair Value Measurements (Contd.)**(b) Financial instruments measured at fair value and the fair value hierarchy (Contd.)**

The following tables show the Group's and the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (Contd.):

<u>BANK</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2018	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	25,926	-	25,926
- Unquoted securities	-	22,845	-	22,845
Financial investments available-for-sale				
- Money market instruments	-	3,970,261	-	3,970,261
- Quoted securities in Malaysia	10	-	-	10
- Unquoted securities	-	2,314,543	121,634	2,436,177
Derivative financial assets	-	84,455	-	84,455
<u>Liabilities</u>				
Financial liabilities designated at fair value	-	682,238	-	682,238
Derivative financial liabilities	-	154,686	-	154,686
<u>GROUP</u>				
31 March 2017	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	144,947	-	144,947
- Unquoted securities	-	190,313	-	190,313
Financial investments available-for-sale				
- Money market instruments	-	6,261,090	-	6,261,090
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	3,808,213	170,239	3,978,452
Derivative financial assets	-	86,345	-	86,345
<u>Liabilities</u>				
Financial liabilities designated at fair value	-	402,734	-	402,734
Derivative financial liabilities	-	81,892	-	81,892

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A32 Fair Value Measurements (Contd.)**(b) Financial instruments measured at fair value and the fair value hierarchy (Contd.)**

The following tables show the Group's and the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (Contd.):

<u>BANK</u> 31 March 2017	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	110,082	-	110,082
- Unquoted securities	-	149,619	-	149,619
Financial investments available-for-sale				
- Money market instruments	-	5,614,307	-	5,614,307
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	2,373,751	111,377	2,485,128
Derivative financial assets	-	86,345	-	86,345
<u>Liabilities</u>				
Financial liabilities designated at fair value	-	402,734	-	402,734
Derivative financial liabilities	-	81,892	-	81,892

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
At beginning of financial period/year	170,239	157,333	111,377	102,657
Disposal	(4,970)	-	-	-
Total gains/(losses) recognised in:				
- Other comprehensive income				
(i) Revaluation reserves	13,607	12,906	10,257	8,720
- Statement of income				
(i) Loss arising from sales of financial investments available-for-sales	(30)	-	-	-
At end of financial period/year	178,846	170,239	121,634	111,377

The Group's and the Bank's exposure to financial instruments measured using unobservable inputs (level 3) constitutes a small component of the Group's and the Bank's portfolio of financial instruments. Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets and liabilities of level 3 of the fair value hierarchy.

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A33 Offsetting Financial Assets And Financial Liabilities

In accordance with MFRS 132 Financial Instruments: Presentation, the Group and the Bank reports financial assets and financial liabilities on a net basis on the balance sheet, only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- (i) all financial assets and liabilities that are reported net on the balance sheet; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for balance sheet netting.

(a) Financial assets

	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amounts of financial assets presented in the statement of financial position RM'000	Related amounts not set off in the statement of financial position		Net Amount RM'000
				Financial Instruments RM'000	Cash collateral received RM'000	
GROUP						
March 2018						
Derivative financial assets	84,455	-	84,455	(6,271)	(32,751)	45,433
Amounts due from clients and brokers	188,129	(86,824)	101,305	-	-	101,305
	<u>272,584</u>	<u>(86,824)</u>	<u>185,760</u>	<u>(6,271)</u>	<u>(32,751)</u>	<u>146,738</u>
BANK						
March 2018						
Derivative financial assets	84,455	-	84,455	(6,271)	(32,751)	45,433
GROUP						
March 2017						
Derivative financial assets	86,345	-	86,345	(18,681)	-	67,664
Amounts due from clients and brokers	213,368	(100,346)	113,022	-	-	113,022
Total	<u>299,713</u>	<u>(100,346)</u>	<u>199,367</u>	<u>(18,681)</u>	<u>-</u>	<u>180,686</u>
BANK						
March 2017						
Derivative financial assets	86,345	-	86,345	(18,681)	-	67,664

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A33 Offsetting Financial Assets And Financial Liabilities (Contd.)**(b) Financial liabilities**

	Gross amounts of recognised financial assets set off in the statement of financial position RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amounts of financial liabilities presented in the balance sheet of financial position RM'000	Related amounts not set off in the statement of financial position		Net Amount RM'000
				Financial Instruments RM'000	Cash collateral received RM'000	
GROUP						
March 2018						
Derivative financial liabilities	154,686	-	154,686	(6,271)	(36,901)	111,514
Amounts due to clients and brokers	161,927	(86,824)	75,103	-	-	75,103
Total	<u>316,613</u>	<u>(86,824)</u>	<u>229,789</u>	<u>(6,271)</u>	<u>(36,901)</u>	<u>186,617</u>
BANK						
December 2017						
Derivative financial liabilities	<u>154,686</u>	<u>-</u>	<u>154,686</u>	<u>(6,271)</u>	<u>(36,901)</u>	<u>111,514</u>
GROUP						
March 2017						
Derivative financial liabilities	81,892	-	81,892	(18,681)	(22,381)	40,830
Amounts due to clients and brokers	169,412	(100,346)	69,066	-	-	69,066
Total	<u>251,304</u>	<u>(100,346)</u>	<u>150,958</u>	<u>(18,681)</u>	<u>(22,381)</u>	<u>109,896</u>
BANK						
March 2017						
Derivative financial liabilities	<u>81,892</u>	<u>-</u>	<u>81,892</u>	<u>(18,681)</u>	<u>(22,381)</u>	<u>40,830</u>

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements, each agreement between the Group and the Bank and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

A34 Credit Transactions And Exposures With Connected Parties

	<u>BANK</u>	
	31 March 2018 RM'000	31 March 2017 RM'000
Outstanding credit exposures with connected parties	<u>44,698</u>	<u>96,182</u>
of which:		
Total credit exposure which is impaired or in default	<u>-</u>	<u>-</u>
Total credit exposures	<u>44,389,189</u>	<u>45,970,955</u>
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	<u>0.10%</u>	<u>0.21%</u>
- which is impaired or in default	<u>0.00%</u>	<u>0.00%</u>

The disclosure on Credit Transactions and Exposures with Connected Parties above is presented in accordance with paragraph 9.1 of Bank Negara Malaysia's Guidelines on Credit Transactions and Exposures with Connected Parties, which became effective on 1 January 2008.

Based on these guidelines, a connected party refers to the following:

- (i) Directors of the Bank and their close relatives;
- (ii) Controlling shareholder and his close relatives;
- (iii) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Bank, and his close relatives;
- (iv) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;
- (v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- (vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
- (vii) Subsidiary of or an entity controlled by the Bank and its connected parties.

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and loan commitments. It also includes holdings of equities and private debt securities issued by the connected parties.

[B] Explanatory Notes Pursuant To Appendix 9B Of Bursa Securities' Listing Requirements

B1 Financial Review for Financial Quarter and Financial Year to Date

GROUP

	4th Quarter Ended 31 March 2018 RM'000	Restated 4th Quarter Ended 31 March 2017 RM'000	Changes %
Net income/revenue	403,530	367,250	9.9
Operating profit before allowance	191,399	186,085	2.9
Operating profit after allowance	153,703	158,489	(3.0)
Profit before taxation	153,749	158,516	(3.0)
Profit after taxation	112,871	117,388	(3.8)
Profit attributable to equity holders of the Bank	112,871	117,388	(3.8)

	Twelve Months Ended 31 March 2018 RM'000	Restated Twelve Months Ended 31 March 2017 RM'000	Changes %
Net income/revenue	1,572,023	1,469,423	7.0
Operating profit before allowance	778,002	777,516	0.1
Operating profit after allowance	684,554	681,320	0.5
Profit before taxation	684,597	681,404	0.5
Profit after taxation	493,228	512,123	(3.7)
Profit attributable to equity holders of the Bank	493,228	512,123	(3.7)

	4th Quarter Ended 31 March 2018 RM'000	3rd Quarter Ended 31 December 2017 RM'000	Changes %
Net income/revenue	403,530	388,004	4.0
Operating profit before allowance	191,399	172,707	10.8
Operating profit after allowance	153,703	180,678	(14.9)
Profit before taxation	153,749	180,674	(14.9)
Profit after taxation	112,871	122,554	(7.9)
Profit attributable to equity holders of the Bank	112,871	122,554	(7.9)

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B1 Financial Review for Financial Quarter and Financial Year to Date (Contd.)

Bank

	4th Quarter Ended 31 March 2018 RM'000	4th Quarter Ended 31 March 2017 RM'000	Changes %
Net income/revenue	312,218	279,425	11.7
Operating profit before allowance	140,084	138,288	1.3
Operating profit after allowance	110,106	120,351	(8.5)
Profit before taxation	110,106	120,351	(8.5)
Profit after taxation	80,233	88,944	(9.8)
Profit attributable to equity holders of the Bank	80,233	88,944	(9.8)
	Twelve Months Ended 31 March 2018 RM'000	Twelve Months Ended 31 March 2017 RM'000	Changes %
Net income/revenue	1,261,642	1,180,831	6.8
Operating profit before allowance	626,413	642,335	(2.5)
Operating profit after allowance	583,244	594,349	(1.9)
Profit before taxation	583,244	594,349	(1.9)
Profit after taxation	426,910	460,174	(7.2)
Profit attributable to equity holders of the Bank	426,910	460,174	(7.2)
	4th Quarter Ended 31 March 2018 RM'000	3rd Quarter Ended 31 December 2017 RM'000	Changes %
Net income/revenue	312,218	328,451	(4.9)
Operating profit before allowance	140,084	152,517	(8.2)
Operating profit after allowance	110,106	167,565	(34.3)
Profit before taxation	110,106	167,565	(34.3)
Profit after taxation	80,233	119,121	(32.6)
Profit attributable to equity holders of the Bank	80,233	119,121	(32.6)

B2 Review Of Performance

Current Year-to-Date vs. Previous Year-to-Date

For FYE 31 March 2018, the Group's net profit after taxation was RM493.2 million.

The Group's net income grew by RM102.6 million or 7.0% due to expansion of total gross loans/financing to RM40.3 billion. Net Interest Margin recorded at 240bps from 226bps last financial year.

Other operating income including Islamic Banking income improved by RM40.7 million or 11.9% mainly contributed from investment income and foreign exchange gain by RM29.6 million coupled with fee based income by RM11.8 million.

Operating expenses increased by RM102.1 million or 14.8% on higher due to restructuring cost and strategic initiatives. Cost to income ratio is recorded at 50.5%. Excluding restructuring cost and strategic initiatives, cost to income ratio stood at 46.0%.

Gross impaired loans recorded at 1.4%. While loan loss coverage including regulatory reserves was at 96.7%.

The Current Account/Savings Account ratio improved to 37.3% from 34.8% last year. Loans-to-deposits ratio increased to 94.3% as at 31 March 2018, from 88.5% last year, while loan-to-fund ratio stood at 85.3%.

After deducting proposed dividend, the Group's total capital ratio stood healthy at 18.3%, with a Common Equity Tier 1 Capital ratio of 13.4% and Tier 1 Capital ratio at 13.8% as at 31 March 2018.

The Group declared a second interim dividend of RM105.3 million, bringing the total dividend declared for the financial year ended 31 March 2018 to RM236.9 million (FYE2017: RM247.7million).

Performance by business segment:

The Group's businesses are presented in the following business segments: Consumer Banking, Business Banking, Financial Markets and Stock broking and Corporate Advisory Services. Please refer to Note A30 on Segment Information for the composition of each business segment.

Consumer Banking profit before tax stood at RM142.4 million where the net income was higher by RM0.8 million or 0.1% offset by higher operating expenses by RM7.2 million or 2.2% compared to last year. Allowance for loans, advances and financing was higher by RM12.4 million. Segment asset was RM41.4 billion or 0.2% higher.

Business Banking profit before tax stood at RM357.1 million where the net income was higher by RM27.7 million or 4.3% offset by higher operating expenses by RM35.3 million or 13.0% compared to last year. Allowance for loans, advances and financing improved by RM14.3 million. Segment asset registered growth of RM0.9 billion or 5.0%.

Financial Markets profit before tax stood at RM228.0 million where the operating profit was higher by RM67.6 million or 42.1% mainly due to increase in the revenue by RM74.5 million or 35.8% compared to last year. Segment asset was RM0.9 billion or 5.6% lower compare to last year.

Stockbroking and Corporate Advisory Services loss before tax improved by RM4.8 million compared to last year mainly due to higher brokerage income.

B2 Review Of Performance (Contd.)

Current Quarter vs Previous Year Corresponding Quarter

The Group's profit after taxation of RM112.9 million for the fourth quarter ended 31 March 2018 was RM4.5 million or 3.8% lower than the corresponding quarter ended 31 March 2017.

Key quarter-on-quarter performance highlights:

- Revenue grew RM36.3 million or 9.9% mainly from net interest income and other operating income
- Net Interest Margin recorded at 250bps, which was 20bps higher than the corresponding quarter;
- Other operating income strengthen by RM19.0 million or 23.1% mainly from higher investment income;
- Operating expense increased by RM31.0 million or 17.1% mainly due to the restructuring costs.

B3 Review Of Performance

Comparison with Immediate Preceding Quarter (4 Quarter FY2018 vs 3 Quarter FY2018)

The Group's recorded profit after taxation of RM112.9 million for the fourth quarter ended 31 March 2018

Key quarter-on-quarter performance highlights:

- Net profit after taxation decreased by 7.9% as there were write-back in net bad debts in preceding quarter;
- Revenue grew RM15.5 million or 4.0% mainly from net interest income and other operating income;
- Net Interest Margin recorded at 250bps, which was 12bps higher than the preceding quarter;
- Other operating income strengthen by RM7.6 million, mainly from higher investment income;
- Operating expense improved by RM3.2 million;
- Net bad debts recorded a one off write-back in preceding quarter resulted a higher charged in current quarter.

B4 Prospect for Next Financial Year

The Group will leverage on its franchise strength to deliver sustainable profitability and to fulfill the financial needs of our customers.

The Group will continue to optimize and strengthen its foundation by improving balance sheet efficiency with better risk adjusted return loans, liquidity management, and mitigating credit risk. We will also continue maximizing the linkages across Consumer Banking, Business Banking, Financial Markets, Investment Banking and Islamic Banking to bring to bear the full suite of solutions and capabilities that the Group has to offer to our clients. This is aligned with our vision of 'Building Alliances to Improve Lives'.

In the coming year, we will be scaling up for growth in our core businesses. We will also be digitizing key processes to deliver enhanced customer experience and to improve the efficiency of our operations. This will position us as a Bank that uses innovation to bring simple, fast and responsive solutions that are always aligned to our customers' needs.

Our strategic transformation initiatives will start having a positive impact on the financial trajectory for the coming year. We therefore expect profitability to improve.

B5 Profit Forecast

There was no profit forecast issued by the Group and the Bank.

B6 Taxation

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	Restated 31 March 2017 RM'000
Group				
Taxation				
- Income tax	45,488	53,045	191,044	174,953
- Under/(over) provision in prior financial period	11,882	99	11,267	(817)
- Deferred tax	(16,492)	(12,016)	(10,942)	(4,855)
	<u>40,878</u>	<u>41,128</u>	<u>191,369</u>	<u>169,281</u>
Bank				
Taxation				
- Income tax	32,847	41,740	153,605	140,537
- Under/(over) provision in prior financial period	10,086	-	11,020	(988)
- Deferred tax	(13,060)	(10,333)	(8,291)	(5,374)
	<u>29,873</u>	<u>31,407</u>	<u>156,334</u>	<u>134,175</u>

The Group's and the Bank's effective tax rate for the fourth financial quarter and the financial year ended 31 March 2018 was higher than the current statutory tax rate of 24% due to certain expenses being disallowed for tax purpose.

B7 Profit/(Loss) On Sale Of Unquoted Investments Or Properties

There was no material profit/(loss) on sale of unquoted investments or properties for the fourth financial quarter and the financial year ended 31 March 2018 other than in the ordinary course of business.

B8 Purchase And Disposal Of Quoted Securities

There was no purchase or disposal of quoted securities for the fourth financial quarter and twelve months ended 31 March 2018 other than disclosed as below:

- (a) 18,964,900 shares held in trust for ESS which were in excess of AFG Bhd ESS were disposed at an average market price of RM4.00 per share as at 8 March 2018;
- (b) Investments held by the Group and the Bank whose activities are regulated by law relating to banking companies and are subject to supervision by Bank Negara Malaysia ("BNM").

B9 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the financial reporting date.

B10 Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2018 RM'000	Restated 31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	25,606,068	28,755,989	19,405,345	23,144,803
- More than one year (medium/long term)	1,180,642	220,083	881,620	96,539
	26,786,710	28,976,072	20,286,965	23,241,342
Others	15,953,750	15,469,648	13,221,405	12,871,159
	42,740,460	44,445,720	33,508,370	36,112,501
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	302,397	309,563	105,366	298,740
- More than one year (medium/long term)	571,474	553,341	333,872	350,989
	873,871	862,904	439,238	649,729
(c) Other borrowings				
Senior Medium Term Notes (unsecured)				
- One year or less (short term)	-	5,070	-	5,070
(d) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,226,622	1,226,078	1,226,009	1,225,664
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	152,992	-	153,015	-
	1,379,614	1,226,078	1,379,024	1,225,664

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B11 Derivative Financial Assets/(Liabilities)

Derivative financial instruments measured at fair values together with their corresponding contract/notional amounts:

BANK/GROUP	As at 31 March 2018			As at 31 March 2017		
	Principal RM'000	Fair value		Principal RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Foreign exchange and commodity contracts						
Currency forwards						
- one year or less	1,450,034	8,365	(84,502)	1,282,544	45,673	(4,340)
- over one year to three years	73,015	-	(8,573)	72,316	73	(569)
- over three years	17,385	-	(2,987)	37,817	42	(200)
Currency swaps						
- one year or less	3,240,897	47,110	(13,774)	9,631,122	15,809	(34,170)
- over one year to three years	-	-	-	44,230	-	(12,700)
Currency spots						
- one year or less	167,966	245	(185)	40,255	56	(60)
Currency options						
- one year or less	198,450	1,449	(1,616)	128,868	265	(24)
	5,147,747	57,169	(111,637)	11,237,152	61,918	(52,063)
Interest rate derivatives						
Interest rate swap						
- one year or less	5,342,800	26,882	(26,667)	4,344,432	24,339	(24,455)
- over one year to three years	1,206,130	1,057	(1,421)	750,000	227	(697)
- over three years	1,990,360	7,504	(5,729)	1,988,572	8,336	(8,937)
	2,146,310	18,321	(19,517)	1,605,860	15,776	(14,821)
Equity related derivatives						
- one year or less	38,825	404	(4,745)	52,405	58	(4,005)
- over one year to three years	67,660	-	(11,637)	30,330	30	(1,369)
Total derivatives assets/(liabilities)	10,597,032	84,455	(154,686)	15,664,319	86,345	(81,892)

(i) The Group's and the Bank's derivative are subject to credit risk, market risk and liquidity risk as follow:

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the counterparties to fulfil their contractual obligations to settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 31 March 2018, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM84,455,000 (31.3.2017: RM86,345,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

B11 Derivative Financial Assets/(Liabilities) (Contd.)

- (i) The Group's and the Bank's derivative are subject to credit risk, market risk and liquidity risk as follow:

Market Risk

Market Risk is the risk of loss of earnings arising from changes in interest rates, foreign exchange rates, equity prices, commodity prices and in their implied volatilities.

The Group has established a framework of approved risk policies, measurement methodologies and risk limits as approved by the Group Risk Management Committee to manage market risk. Market risk arising from the trading activities is controlled via position limits, sensitivity limits and regular revaluation of positions versus market prices, where available.

Liquidity Risk

Liquidity risk is the inability of the Group to meet financial commitment when due.

The Group's liquidity risk profile is managed using liquidity risk management strategies set in Liquidity Risk Management Policy. Liquidity Risk Measures are monitored against approved threshold by Group Assets and Liabilities Management Committee and Group Risk Management Committee. A contingency funding plan is also established by the Group as a forward-looking measure to ensure that liquidity risk can be addressed according to the degrees of key risk indicators, and which incorporates alternative funding strategies which are ready to be implemented on a timely basis to mitigate the impact of unforeseen adverse changes in liquidity in the market place.

- (ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 31 March 2018, the Group and the Bank had posted cash collateral of RM36,901,000 (31.3.2017: RM22,381,000) on their derivative contracts.

- (iii) Related accounting policies

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception except for options and subsequently re-measured at their fair value. The fair value of options at inception is normally equivalent to the premium received (for options written) or paid (for options purchased). All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value are recognised in the statement of comprehensive income.

Interest income and expenses associated with interest rate swaps are recognised over the life of the swap agreement as a component of interest income or interest expense.

- (iv) There have been no changes since the end of the previous financial year in respect of the following:
- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
 - (b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
 - (c) the related accounting policies.

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risks with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2017.

B12 Changes in Material Litigation

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and the Bank for the fourth financial quarter and the financial year ended 31 March 2018.

B13 Dividend Declared

On 31 May 2018, the Board of Directors have declared a second interim dividend of approximately 6.8 sen per share amounting to RM105,271,000 under single tier tax system, in respect of the financial year ending 31 March 2018 to be paid on 28 June 2018. The entitlement date for the second interim dividend payment is on 20 June 2018. The Directors do not proposed any final dividend in respect of the financial year ended 31 March 2018.

The total dividend declared for the financial year ended 31 March 2018 is 15.3 sen (2017: 16.0 sen) per share.

B14 Earnings Per Share

(a) Basic

The calculation of the basic earnings per share is based on the net profit attributable to Equity holders of the Bank divided by the weighted average number of ordinary shares of RM1.00 each in issue during the financial period, excluding the number of shares held for ESS.

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018	Restated 31 March 2017	31 March 2018	Restated 31 March 2017
<u>GROUP</u>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	<u>112,871</u>	<u>117,388</u>	<u>493,228</u>	<u>512,123</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	<u>1,548,106</u>	<u>1,548,106</u>	<u>1,548,106</u>
Shares held for ESS ('000)	<u>-</u>	<u>(21,195)</u>	<u>-</u>	<u>(21,195)</u>
	<u>1,548,106</u>	<u>1,526,911</u>	<u>1,548,106</u>	<u>1,526,911</u>
Basic earnings per share (sen)	<u>7.3</u>	<u>7.7</u>	<u>31.9</u>	<u>33.5</u>
<u>BANK</u>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	<u>80,233</u>	<u>88,944</u>	<u>426,910</u>	<u>460,174</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	<u>1,448,106</u>	<u>1,506,439</u>	<u>1,448,106</u>
Basic earnings per share (sen)	<u>5.2</u>	<u>6.1</u>	<u>28.3</u>	<u>31.8</u>

B14 Earnings Per Share (contd.)

(b) Diluted

The calculation of the diluted earnings per share is based on the net profit attributable to Equity holders of the Bank divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period, excluding the weighted average shares held for ESS after taking into account the assumed Share Grants to employees under ESS number of vested to the employees as at 31 March 2018.

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018	Restated 31 March 2017	31 March 2018	Restated 31 March 2017
GROUP				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	112,871	117,388	493,228	512,123
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Shares held for ESS ('000)	-	(21,195)	-	(21,195)
Share Grants under ESS ('000)	-	1,324	-	1,324
	1,548,106	1,528,235	1,548,106	1,528,235
Diluted earnings per share (sen)	7.3	7.7	31.9	33.5

	4th Quarter Ended		Twelve Months Ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
BANK				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	80,233	88,944	426,910	460,174
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,448,106	1,506,439	1,448,106
	1,548,106	1,448,106	1,506,439	1,448,106
Diluted earnings per share (sen)	5.2	6.1	28.3	31.8

B15 Restatement for Comparatives

(a) Restatement of comparatives due to group reorganisation

The comparatives of the Group was restated in order to reflect the completion of group corporate reorganisation exercise on 26 September 2017 as below:

- (i) AFG subscription of RM100,000,000 new shares of the Bank at the issue price of RM1.00 per share;
- (ii) The bonus issue by the Bank of RM651,588,886 new shares to AFG;
- (iii) The transfer of AFG and its non-banking subsidiaries to the Bank is accounted for as internal organisation within the AFG Group. Consequently the assets, liabilities and equity of AFG Group, at their carrying amounts, are included in the consolidated financial statements of the ABMB Group, as disclosed in Note A8.

B15 Restatement for Comparatives (Contd.)

(b) Reclassification of structured investments

Structured investments of the Group and the Bank which are not principal guaranteed and designated at fair value were reclassified from Deposit from Customers to Financial Liabilities Designated at Fair Value, while those that are not principal guaranteed and accounted for separately from the embedded derivative are reclassified from Deposit from Customers to Other Liabilities. This conforms with Bank Negara Malaysia's Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013.

The effects of items (a) and (b) to the Group and the Bank are as follow:

GROUP

Statements of Financial Position as at 31 March 2017

	As previously stated RM'000	Effect of group reorganisation RM'000 (a)	Structured investments reclassification RM'000 (b)	As restated RM'000
ASSETS				
Cash and short-term funds	1,368,636	13,143	-	1,381,779
Other assets	109,908	432	-	110,340
Statutory deposits	1,437,344	100	-	1,437,444
Investment in associate	530	(530)	-	-
Investment in joint venture	650	113	-	763
Property, plant and equipment	73,789	159	-	73,948
Deferred tax assets	14,033	705	-	14,738
LIABILITIES				
Deposits from customers	45,330,615	(102,179)	(782,716)	44,445,720
Financial liabilities designated at fair value	-	-	402,734	402,734
Other liabilities	965,906	2,882	379,982	1,348,770
Provision for taxation	19,567	186	-	19,753
EQUITY				
Share capital	796,517	751,589	-	1,548,106
Reserves	4,204,448	(564,519)	-	3,639,929
Shares held for Employees' Share Scheme	-	(73,837)	-	(73,837)

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B15 Restatement for Comparatives (Contd.)
Statements of Financial Position as at 31 March 2017

	As previously stated RM'000	Structured investments reclassification RM'000 (b)	After reclassification RM'000
LIABILITIES AND EQUITY			
Deposits from customers	36,895,217	(782,716)	36,112,501
Financial liabilities designated at fair value	-	402,734	402,734
Other liabilities	821,624	379,982	1,201,606

GROUP
Statements of Comprehensive Income

	4th Quarter Ended 31 March 2017			Twelve Months Ended 31 March 2017		
	As previously stated RM'000	Effect of group reorganisation RM'000 (a)	As restated RM'000	As previously stated RM'000	Effect of group reorganisation RM'000 (a)	As restated RM'000
Statements of Comprehensive Income						
Interest income	470,627	99	470,726	1,879,859	354	1,880,213
Interest expense	(258,733)	757	(257,976)	(1,035,935)	3,267	(1,032,668)
Net interest income	211,894	856	212,750	843,924	3,621	847,545
Net income from Islamic banking business	76,480	-	76,480	297,037	-	297,037
	288,374	856	289,230	1,140,961	3,621	1,144,582
Fee and commission income	75,497	2	75,499	297,571	(496)	297,075
Fee and commission expense	(28,686)	-	(28,686)	(99,872)	-	(99,872)
Investment income	127,140	(88,566)	38,574	143,496	-	143,496
Other income	(95,948)	88,581	(7,367)	(15,992)	134	(15,858)
Other operating income	78,003	17	78,020	325,203	(362)	324,841
Net income	366,377	873	367,250	1,466,164	3,259	1,469,423
Other operating expenses	(179,837)	(1,328)	(181,165)	(689,675)	(2,232)	(691,907)
Operating profit before allowances	186,540	(455)	186,085	776,489	1,027	777,516
Allowance for losses on loans, advances and financing and other receivables	(27,587)	(9)	(27,596)	(94,979)	(9)	(94,988)
Allowance for impairment on other assets	-	-	-	(1,208)	-	(1,208)
Operating profit after allowances	158,953	(464)	158,489	680,302	1,018	681,320
Share of results of associate	3	(3)	-	10	(10)	-
Share of results of joint venture	27	-	27	84	-	84
Profit before taxation	158,983	(467)	158,516	680,396	1,008	681,404
Taxation	(41,145)	17	(41,128)	(168,096)	(1,185)	(169,281)
Net profit for the financial period	117,838	(450)	117,388	512,300	(177)	512,123
Net profit for the financial period attributable to: Equity holders of the Bank	117,838	(450)	117,388	512,300	(177)	512,123
Earnings per share attributable to Equity holders of the Bank						
- Basic (sen)	14.8	(7.1)	7.7	64.0	(30.5)	33.5
- Diluted (sen)	14.8	(7.1)	7.7	64.0	(30.5)	33.5

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B15 Restatement and Comparatives (Contd.)
GROUP
Statements of Comprehensive Income

	4th Quarter Ended 31 March 2017			Twelve Months Ended 31 March 2017		
	As previously stated RM'000	Effect of group reorganisation RM'000	As restated RM'000	As previously stated RM'000	Effect of group reorganisation RM'000	As restated RM'000
Net profit for the financial period	117,838	(450)	117,388	512,300	(177)	512,123
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Revaluation reserve on financial investments available-for-sale						
- Net gain from change in fair value	5,372	-	5,372	(14,735)	-	(14,735)
- Realised gain transferred to statement of income on disposal and impairment	-	-	-	(5,684)	-	(5,684)
- Transfer to deferred tax	(1,289)	-	(1,289)	4,901	-	4,901
Other comprehensive income, net of tax	4,083	-	4,083	(15,518)	-	(15,518)
Total comprehensive income for the financial period	121,921	(450)	121,471	496,782	(177)	496,605
Total comprehensive income for the financial period attributable to: Equity holders of the Bank	121,921	(450)	121,471	496,782	(177)	496,605

Statements of Changes in Equity as at 31 March 2016

	As previously stated	Effect of group reorganisation (a)	As restated
Ordinary shares	796,517	751,589	1,548,106
Share premium	401,517	(401,517)	-
Capital reserve	10,018	67,644	77,662
Equity contribution from parent	10,896	(10,896)	-
ESS reserve	-	11,516	11,516
Shares held for ESS	-	(79,897)	(79,897)
Retained profits	2,047,248	(234,606)	1,812,642
Total Equity	4,738,175	103,833	4,842,008

Statements of Changes in Equity as at 31 March 2017

	As previously stated	Effect of group reorganisation (a)	As restated
Ordinary shares	796,517	751,589	1,548,106
Share premium	401,517	(401,517)	-
Capital reserve	10,018	79,992	90,010
Equity contribution from parent	6,062	(6,062)	-
ESS reserve	-	6,444	6,444
Shares held for ESS	-	(73,837)	(73,837)
Retained profits	2,306,158	(243,376)	2,062,782
Total Equity	5,000,965	113,233	5,114,198

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B15 Restatement and Comparatives (Contd.)

	As previously stated	GROUP Effect of group reorganisation (a)	As restated
Statements of Cash Flows for the Financial Period Ended 31 March 2017			
Profit before taxation	680,396	1,008	681,404
Net cash used in operating activities	(1,455,167)	(5,858)	(1,461,025)
Net cash generated from investing activities	(1,168,914)	(11)	(1,168,925)
Net cash used in financing activities	(941,481)	9,510	(931,971)
Net changes in cash and cash equivalents	(3,565,562)	3,641	(3,561,921)
Capital Adequacy as at 31 March 2017			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	12.891%	0.443%	13.334%
Tier I capital ratio	12.891%	0.443%	13.334%
Total capital ratio	17.518%	0.481%	17.999%
<u>After deducting proposed dividends</u>			
CET I capital ratio	12.548%	0.442%	12.990%
Tier I capital ratio	12.548%	0.442%	12.990%
Total capital ratio	17.175%	0.480%	17.655%

By Order of the Board**LEE WEI YEN (MAICSA 7001798)**

Group Company Secretary

Kuala Lumpur

31 May 2018