

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 June 2018

	Note	GROUP		BANK	
		30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
ASSETS					
Cash and short-term funds		1,580,059	2,768,758	1,022,476	1,715,961
Deposits and placements with banks and other financial institutions		162,672	77,283	161,672	77,283
Amounts due from clients and brokers	A11	455,471	101,305	-	-
Financial assets at fair value through profit or loss	A12	337,643	-	223,269	-
Financial investments at fair value through other comprehensive income	A13	8,734,186	-	6,383,035	-
Financial investments at amortised cost	A14	293,998	-	346,322	-
Financial assets held-for-trading	A15	-	63,750	-	48,771
Financial investments available-for-sale	A16	-	8,505,189	-	6,406,448
Financial investments held-to-maturity	A17	-	293,612	-	344,703
Derivative financial assets	B11	88,252	84,455	88,252	84,455
Loans, advances and financing	A18	40,041,843	39,989,515	31,361,588	31,546,564
Other assets	A19	121,245	105,728	127,737	140,727
Tax recoverable		4,286	2,004	-	-
Statutory deposits		1,427,404	1,408,316	1,102,584	1,092,566
Investments in subsidiaries		-	-	989,102	989,102
Investment in joint venture		713	693	-	-
Property, plant and equipment		73,087	69,373	71,708	67,834
Deferred tax assets		74,165	22,664	44,817	9,223
Intangible assets		416,135	409,402	299,827	292,981
TOTAL ASSETS		53,811,159	53,902,047	42,222,389	42,816,618
LIABILITIES AND EQUITY					
Deposits from customers	A20	41,995,340	42,740,460	32,538,302	33,508,370
Deposits and placements of banks and other financial institutions	A21	1,164,868	873,871	775,730	439,238
Financial liabilities designated at fair value through profit or loss	A22	714,999	682,238	714,999	682,238
Amounts due to clients and brokers	A23	428,345	75,103	-	-
Derivative financial liabilities	B11	94,661	154,686	94,661	154,686
Recourse obligations on loans and financing sold to Cagamas		1,102,461	1,102,363	601,812	601,696
Other liabilities	A24	1,560,432	1,399,302	1,417,296	1,283,477
Provision for taxation		659	22,661	4,372	23,190
Provision for zakat		316	252	-	-
Deferred tax liabilities		-	11,907	-	-
Subordinated obligations		1,360,364	1,379,614	1,359,671	1,379,024
TOTAL LIABILITIES		48,422,445	48,442,457	37,506,843	38,071,919
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		3,840,608	3,911,484	3,167,440	3,196,593
TOTAL EQUITY		5,388,714	5,459,590	4,715,546	4,744,699
TOTAL LIABILITIES AND EQUITY		53,811,159	53,902,047	42,222,389	42,816,618
COMMITMENTS AND CONTINGENCIES	A31	26,394,124	22,641,134	23,899,351	20,272,725
Net assets per share attributable to Equity holders of the Bank (RM)*		3.48	3.53	3.05	3.06

* 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 2018.

ALLIANCE BANK MALAYSIA BERHAD

(88103-W)

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 30 June 2018**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	Restated 30 June 2017 RM'000
Interest income	A25	491,978	472,497	491,978	472,497
Interest expense	A26	(248,041)	(247,199)	(248,041)	(247,199)
Net interest income		243,937	225,298	243,937	225,298
Net income from Islamic banking business	A27	82,834	77,978	82,834	77,978
		326,771	303,276	326,771	303,276
Fee and commission income	A28	74,203	77,475	74,203	77,475
Fee and commission expense	A28	(21,860)	(24,974)	(21,860)	(24,974)
Investment income	A28	15,264	25,181	15,264	25,181
Other income	A28	6,694	5,655	6,694	5,655
Other operating income	A28	74,301	83,337	74,301	83,337
Net income		401,072	386,613	401,072	386,613
Other operating expenses	A29	(183,180)	(176,439)	(183,180)	(176,439)
Operating profit before allowances		217,892	210,174	217,892	210,174
Allowance for credit losses on loans, advances and financing and other receivables	A30	(37,273)	(30,200)	(37,273)	(30,200)
Write-back of credit losses on other assets		421	-	421	-
Operating profit after allowances		181,040	179,974	181,040	179,974
Share of results of joint venture		20	21	20	21
Profit before taxation		181,060	179,995	181,060	179,995
Taxation	B6	(44,693)	(44,991)	(44,693)	(44,991)
Net profit for the financial period		136,367	135,004	136,367	135,004
Net profit for the financial period attributable to: Equity holders of the Bank		136,367	135,004	136,367	135,004
Earnings per share attributable to Equity holders of the Bank					
- Basic (sen)	B14(a)	8.8	8.8	8.8	8.8
- Diluted (sen)	B14(b)	8.8	8.8	8.8	8.8

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 30 June 2018 (contd.)**

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	Restated 30 June 2017 RM'000
GROUP				
Net profit for the financial period	136,367	135,004	136,367	135,004
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on fair value through other comprehensive income ("FVOCI")				
- Net loss from change in fair value	(26,326)	-	(26,326)	-
- Realised gain transferred to statement of income on disposal and write-back of credit losses	(421)	-	(421)	-
- Transfer from deferred tax	6,319	-	6,319	-
	<u>(20,428)</u>	-	<u>(20,428)</u>	-
Revaluation reserve on financial investments available-for-sale				
- Net gain from change in fair value	-	27,829	-	27,829
- Realised gain transferred to statement of income on disposal and impairment	-	(4,044)	-	(4,044)
- Transfer to deferred tax	-	(5,708)	-	(5,708)
	-	18,077	-	18,077
Other comprehensive (expense)/income, net of tax	<u>(20,428)</u>	18,077	<u>(20,428)</u>	18,077
Total comprehensive income for the financial period	115,939	153,081	115,939	153,081
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	<u>115,939</u>	153,081	<u>115,939</u>	153,081

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 2018.

ALLIANCE BANK MALAYSIA BERHAD

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**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 June 2018 (contd.)**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
BANK					
Interest income	A25	484,125	464,663	484,125	464,663
Interest expense	A26	(240,503)	(240,245)	(240,503)	(240,245)
Net interest income		243,622	224,418	243,622	224,418
Fee and commission income	A28	64,123	65,025	64,123	65,025
Fee and commission expense	A28	(19,308)	(21,252)	(19,308)	(21,252)
Investment income	A28	52,364	30,983	52,364	30,983
Other income	A28	6,467	5,484	6,467	5,484
Other operating income	A28	103,646	80,240	103,646	80,240
Net income		347,268	304,658	347,268	304,658
Other operating expenses	A29	(141,802)	(136,925)	(141,802)	(136,925)
Operating profit before allowances		205,466	167,733	205,466	167,733
Allowance for credit losses on loans, advances and financing and other receivables	A30	(34,205)	(10,622)	(34,205)	(10,622)
Write-back of credit losses on other assets		448	-	448	-
Profit before taxation		171,709	157,111	171,709	157,111
Taxation	B6	(33,937)	(37,496)	(33,937)	(37,496)
Net profit for the financial period		137,772	119,615	137,772	119,615
Net profit for the financial period attributable to: Equity holders of the Bank		137,772	119,615	137,772	119,615
Earnings per share attributable to Equity holders of the Bank					
- Basic (sen)	B14(a)	8.9	8.3	8.9	8.3
- Diluted (sen)	B14(b)	8.9	8.3	8.9	8.3

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

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**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 June 2018 (contd.)**

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
<u>BANK</u>				
Net profit for the financial period	137,772	119,615	137,772	119,615
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net loss from change in fair value	(20,497)	-	(20,497)	-
- Realised gain transferred to statement of income on disposal and write-back of credit losses	(315)	-	(315)	-
- Transfer from deferred tax	4,920	-	4,920	-
	<u>(15,892)</u>	-	<u>(15,892)</u>	-
Revaluation reserve on financial investments available-for-sale				
- Net gain from change in fair value	-	20,197	-	20,197
- Realised gain transferred to statement of income on disposal and impairment	-	(2,561)	-	(2,561)
- Transfer to deferred tax	-	(4,233)	-	(4,233)
	-	13,403	-	13,403
Other comprehensive (expenses)/income, net of tax	<u>(15,892)</u>	13,403	<u>(15,892)</u>	13,403
Total comprehensive income for the financial period	<u>121,880</u>	133,018	<u>121,880</u>	133,018
Earnings per share attributable to Equity holders of the Bank	<u>121,880</u>	133,018	<u>121,880</u>	133,018

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 2018.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2018

	←----- Attributable to Equity holders of the Bank -----→						
	Ordinary <u>shares</u>	Regulatory <u>reserve</u>	Capital <u>reserve</u>	FVOCI <u>reserve</u>	Revaluation <u>reserve</u>	Retained <u>profits</u>	Total <u>equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>							
At 1 April 2018							
As previously stated	1,548,106	186,064	100,150	-	114,987	3,510,283	5,459,590
Effect of adoption of MFRS 9	-	(17,330)	-	16,923	(114,987)	33,850	(81,544)
As restated	1,548,106	168,734	100,150	16,923	-	3,544,133	5,378,046
Net profit after taxation	-	-	-	-	-	136,367	136,367
Other comprehensive expense	-	-	-	(20,428)	-	-	(20,428)
Total comprehensive (expense)/income for the period	-	-	-	(20,428)	-	136,367	115,939
Transfer to regulatory reserve	-	11,489	-	-	-	(11,489)	-
Dividend paid	-	-	-	-	-	(105,271)	(105,271)
At 30 June 2018	1,548,106	180,223	100,150	(3,505)	-	3,563,740	5,388,714

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ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements (Contd.)
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2018 (Contd.)

<u>Restated</u>	←----- Attributable to Equity holders of the Bank -----→										
	<u>Ordinary shares</u>	<u>Share premium</u>	<u>Statutory reserves</u>	<u>Regulatory reserves</u>	<u>Capital reserves</u>	<u>Revaluation reserves</u>	<u>Equity contribution from former holding company</u>	<u>Employees' share scheme ('ESS') reserve</u>	<u>Shares held for ESS</u>	<u>Retained profits</u>	<u>Total equity</u>
<u>GROUP</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	-	-	-	-	-	-	-	135,004	135,004
Other comprehensive income	-	-	-	-	-	18,077	-	-	-	-	18,077
Total comprehensive income for the financial period	-	-	-	-	-	18,077	-	-	-	135,004	153,081
Share-based payment under ESS	-	-	-	-	-	-	-	197	-	-	197
ESS on share lapsed:											
- employees of subsidiaries	-	-	-	-	-	-	-	(808)	-	808	-
ESS shares grant vested to:											
- employees of subsidiaries	-	-	-	-	-	-	-	(488)	488	-	-
- employees of joint venture	-	-	-	-	-	-	-	(111)	111	-	-
- bank employees	-	-	-	-	-	-	-	(3,060)	3,060	-	-
ESS share options exercised by:											
- employees of subsidiaries	-	-	-	-	-	-	-	(16)	16	-	-
- bank employees	-	-	-	-	-	-	-	(44)	44	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	-	2,222	-	2,222
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	-	(1,157)	-	1,157	-
Transfer to retained profits	-	-	(1,223,525)	(7,404)	-	-	-	-	-	1,230,929	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(116,108)	(116,108)
Dividends added back for shares held in trust	-	-	-	-	-	-	-	-	-	1,549	1,549
At 30 June 2017	1,548,106	-	-	150,496	90,010	117,345	-	957	(67,896)	3,316,121	5,155,139

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ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2018

	← <u>Non-distributable reserves</u> →					→ <u>Distributable reserves</u>	<u>Total equity</u> RM'000
	<u>Ordinary shares</u> RM'000	<u>Regulatory reserve</u> RM'000	<u>Capital reserve</u> RM'000	<u>FVOCI reserve</u> RM'000	<u>Revaluation reserve</u> RM'000	<u>Retained profits</u> RM'000	
<u>BANK</u>							
At 1 April 2018							
As previously stated	1,548,106	160,029	95,515	-	74,907	2,866,142	4,744,699
Effect of adoption of MFRS 9	-	327	-	9,814	(74,907)	19,004	(45,762)
As restated	1,548,106	160,356	95,515	9,814	-	2,885,146	4,698,937
Net profit after taxation	-	-	-	-	-	137,772	137,772
Other comprehensive expense	-	-	-	(15,892)	-	-	(15,892)
Total comprehensive (expense)/income for the period	-	-	-	(15,892)	-	137,772	121,880
Transfer to regulatory reserve	-	4,784	-	-	-	(4,784)	-
Dividends paid	-	-	-	-	-	(105,271)	(105,271)
At 30 June 2018	1,548,106	165,140	95,515	(6,078)	-	2,912,863	4,715,546

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ALLIANCE BANK MALAYSIA BERHAD

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Condensed Interim Financial Statements (Contd.)

Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2018 (Contd.)

	← Non-distributable reserves →					Distributable reserves		Total equity
	Ordinary shares	Share premium	Statutory reserves	Regulatory reserves	Revaluation reserves	Contribution from former holding Company	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BANK								
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	-	-	-	-	-	-	119,615	119,615
Other comprehensive income	-	-	-	-	13,403	-	-	13,403
Total comprehensive income for the financial period	-	-	-	-	13,403	-	119,615	133,018
Share-based payment under Employee Shares Scheme ("ESS")	-	-	-	-	-	184	-	184
Payment for ESS recharged from former holding company	-	-	-	-	-	(3,104)	-	(3,104)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	(990)	990	-
ESS on share options lapsed	-	-	-	-	-	(793)	793	-
Transfer to regulatory reserves	-	-	-	(782)	-	-	782	-
Transfer to retained profits	-	-	(835,401)	-	-	-	835,401	-
Dividends paid	-	-	-	-	-	-	(116,849)	(116,849)
At 30 June 2017	796,517	401,517	-	143,567	78,319	820	2,956,237	4,376,977

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ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2018

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	181,060	179,995	171,709	157,111
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(21,483)	(18,855)	(20,987)	(18,246)
Allowance for credit losses on loans, advances and financing	57,046	33,231	38,614	13,657
(Write-back of)/allowance for credit losses on commitment and contingencies	(12,115)	-	205	-
Write-back of credit losses on financial investments	(421)	-	(448)	-
Allowance for credit losses on amount due from clients	7	1,114	246	651
Allowance for credit losses on other receivables	453	-	-	-
Amortisation of computer software	4,331	6,018	4,147	5,858
Depreciation of property, plant and equipment	4,925	5,281	4,746	5,102
Dividends from financial investments at FVOCI	(837)	-	(477)	-
Dividends from financial investments available-for-sale	-	(1,109)	-	(679)
Dividends from subsidiaries	-	-	(37,490)	(6,899)
Interest expense on recourse obligations on loans and financing sold to Cagamas	6,841	5,481	6,841	5,481
Interest expense on other borrowings	-	59	-	59
Interest expense on subordinated obligations	19,499	17,148	19,552	17,183
Interest income from financial assets at FVTPL	(437)	-	(437)	-
Interest income from financial investments at FVOCI	(64,916)	-	(63,070)	-
Interest income from financial investments at amortised cost	(1,332)	-	(2,896)	-
Interest income from financial assets held-for-trading	-	(1,796)	-	(1,796)
Interest income from financial investments available-for-sale	-	(69,659)	-	(68,711)
Interest income from financial investments held-to-maturity	-	(6,558)	-	(5,296)
Property, plant and equipment written-off	383	38	383	32
Computer software written-off	466	139	466	50
Net gain from sale of financial assets at FVTPL	2	-	3	-
Net gain from sale of financial investments at FVOCI	(83)	-	(84)	-
Net gain from sale of financial assets held-for-trading	-	(115)	-	(115)
Net gain from sale of financial investments available-for-sale	-	(3,249)	-	(2,561)
Unrealised loss on revaluation of financial assets held-for-trading	-	52	-	31
Unrealised gain on revaluation of financial assets at FVTPL	(69)	-	(39)	-
Unrealised (gain)/loss on revaluation of derivative instruments	(63,804)	29,465	(63,804)	29,466
Unrealised loss/(gain) arising from financial liabilities designated at fair value through profit or loss	10,205	(1,614)	10,205	(1,614)
Share options/grants under Employees' Share Scheme	-	182	-	184
Share of results of joint venture	(20)	(21)	-	-
Zakat	81	-	-	-
Cash flow from operating activities before capital changes carried forward	119,782	175,227	67,385	128,948

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Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2018 (contd.)

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (contd.)				
Cash flow from operating activities before capital changes brought forward:	119,782	175,227	67,385	128,948
Changes in working capital:				
Deposits from customers	(745,120)	(253,858)	(970,068)	(267,560)
Deposits and placements of banks and other financial institutions	290,997	346,815	336,492	27,729
Other liabilities	129,281	(30,677)	106,358	14,853
Deposits and placements with banks and other financial institutions	(85,389)	-	(84,389)	-
Financial liabilities designated at fair value through profit or loss	22,555	35,670	22,555	35,670
Financial assets held-for-trading	-	193,281	-	190,828
Proceeds from redemption/disposal of financial assets at FVTPL (net of purchase)	(93,850)	-	(52,189)	-
Loans, advances and financing	(230,351)	313,858	86,556	247,063
Other assets	(15,994)	(3,597)	12,224	(1,731)
Amounts due (to)/from clients and brokers	(931)	10,903	-	-
Statutory deposits	(19,088)	712	(10,018)	6,837
Cash (used in)/generated from operations	(628,108)	788,334	(485,094)	382,637
Taxation paid	(52,402)	(39,742)	(41,191)	(32,463)
Zakat paid	-	(27)	-	-
Net cash (used in)/generated from operating activities	(680,510)	748,565	(526,285)	350,174
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends from financial investments at FVOCI	837	-	477	-
Dividends from financial investments available-for-sale	-	1,109	-	679
Dividends from subsidiaries	-	-	37,490	6,899
Interest received from financial assets at FVTPL	(262)	-	73	-
Interest received from financial investments at FVOCI	68,045	-	70,721	-
Interest received from financial investments at amortised costs	2,317	-	1,879	-
Interest received from financial investment assets held-for-trading	-	3,158	-	2,627
Interest received from financial investments available-for-sale	-	73,028	-	59,762
Interest received from financial investments held-to-maturity	-	4,672	-	3,308
Purchase of property, plant and equipment	(9,024)	(3,843)	(9,004)	(3,836)
Purchase of computer software	(11,530)	(15,908)	(11,459)	(15,709)
Proceeds from redemption/disposal of amortised cost (net of purchase)	20,434	-	20,434	-
Proceeds from redemption/disposal financial investments at FVOCI (net of purchase)	(428,086)	-	(126,909)	-
Proceeds from redemption/disposal of financial investments held-to-maturity (net of purchase)	-	97,787	-	17,757
Proceeds from redemption/disposal of financial investments available-for-sale (net of purchase)	-	(250,057)	-	(550,368)
ESS recharge amount received from joint venture for share grants	-	111	-	-
Net cash used in investing activities	(357,269)	(89,943)	(16,298)	(478,881)

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Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2018 (contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders of the company	(105,271)	(114,559)	(105,271)	(116,849)
Interest on recourse obligations on loans and financing sold to Cagamas	(6,744)	(4,990)	(6,726)	(5,449)
Interest on other borrowings	-	(119)	-	(118)
Interest paid on subordinated obligations	(38,905)	(34,256)	(38,905)	(34,256)
Recourse obligations on loans and financing sold to Cagamas	-	350,000	-	-
Proceeds from ESS exercised by employees/joint venture	-	2,222	-	-
Payment for ESS recharged from former parent	-	-	-	(3,104)
Net cash (used in)/generated from financing activities	(150,920)	198,298	(150,902)	(159,776)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,188,699)	856,920	(693,485)	(288,483)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	2,768,758	1,381,779	1,715,961	1,618,617
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,580,059	2,238,699	1,022,476	1,330,134
Cash and cash equivalents comprise the following:				
Cash and short-term funds	1,580,059	2,238,699	1,022,476	1,330,134

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 2018.

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 first financial quarter and three months ended 30 June 2018 have been prepared under the historical cost convention.

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"), Chapter 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 2018.

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 2018, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2018:

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"
- Annual Improvements to MFRSs 2014 - 2016 Cycles.
 - Amendments to MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".
 - Amendments to MFRS 12 "Investments in Associates and Joint Ventures".
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration".

The adoption of the above standards, amendments to published standards and interpretation to existing standards are not anticipated to have any significant impact on the financial statements of the Group and the Bank other than the adoption of MFRS 9 where the impact is shown in Note A36.

The following MFRS have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2019, and have yet to be adopted by the Group and the Bank:

- MFRS 16 "Leases" (effective from 1 January 2019)
- Amendments to MFRS 9 "Prepayment features with negative comparison".
- Amendments to MFRS 128 "Long-term Interest in Associates and Joint Ventures".
- Annual Improvements to MFRSs 2015 - 2017 Cycles.
 - Amendments to MFRS 3 "Business Combinations and MFRS 11 Joint Arrangements".
 - Amendments to MFRS 112 "Income Taxes".
 - Amendments to MFRS 123 "Borrowing Costs".
- IC interpretation 23 "Uncertainty over Income Tax Treatments".

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 Group and the Bank'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 2018 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 first financial quarter and three months ended 30 June 2018.

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 into the first financial quarter and three months ended 30 June 2018.

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 first financial quarter ended 30 June 2018.

A6 Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities during the first financial quarter and three months ended 30 June 2018.

A7 Dividend Paid

The Bank had on 28 June 2018, paid a second interim dividend of 6.8 sen, tax exempt under the single tier tax system, on 1,548,105,929 ordinary shares amounting to approximately RM105,271,000 in respect of the financial year ended 31 March 2018.

A8 Significant Events

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

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 and the Bank have been entered into in the normal course of business.

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A11 Amounts Due From Clients And Brokers

	GROUP	
	30 June	31 March
	2018	2018
	RM'000	RM'000
Due from clients	447,352	101,475
Due from brokers	8,966	670
	456,318	102,145
Less:		
Allowance for other credit losses	(847)	(840)
	455,471	101,305

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 amounts due from clients and brokers are credit impaired accounts for contra losses, as follows:

	GROUP	
	30 June	31 March
	2018	2018
	RM'000	RM'000
Classified as doubtful	66	228
Classified as bad	862	851
	928	1,079

The movements in allowance for other credit losses are as follows:

At beginning of financial year	840	835
Allowance during the financial period/year (net)	7	5
At end of financial period/year	847	840

A12 Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

	GROUP		BANK	
	30 June	31 March	30 June	31 March
	2018	2018	2018	2018
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Money market instruments:</u>				
Commercial papers	77,772	-	40,958	-
Malaysian Government securities	48,375	-	48,375	-
	126,147	-	89,333	-
<u>Unquoted securities:</u>				
Shares	178,651	-	121,439	-
Corporate bonds and sukuk	32,845	-	12,497	-
	211,496	-	133,936	-
Total financial assets at FVTPL	337,643	-	223,269	-

The financial assets at FVTPL category was introduced upon the adoption of MFRS 9 on 1 April 2018. Comparative figures are not restated in line with transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A36.

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A13 Financial Investments at Fair Value Through Other Comprehensive Income

	GROUP		BANK	
	30 June	31 March	30 June	31 March
	2018	2018	2018	2018
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government securities	1,756,891	-	1,645,219	-
Malaysian Government investment certificates	2,210,305	-	1,238,768	-
Negotiable instruments of deposits	490,508	-	983,887	-
Commercial papers	72,474	-	32,682	-
Khazanah bonds	114,544	-	114,544	-
	4,644,722	-	4,015,100	-
<u>Quoted securities:</u>				
Shares	21	-	21	-
Accumulated credit losses	(11)	-	(11)	-
	10	-	10	-
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,089,454	-	2,367,925	-
	4,089,454	-	2,367,925	-
Total financial investments at FVOCI	8,734,186	-	6,383,035	-

The financial investments at FVOCI category was introduced upon the adoption of MFRS 9 on 1 April 2018. Comparative figures are not restated in line with transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A36.

Movements in allowances for impairment which reflect the ECL model on impairment are as follows:

	Non-credit impaired		Credit Impaired		Total
	Collectively Assessed		Individually Assessed		
	12-Month	Lifetime	Lifetime		
	ECL	ECL	ECL		
	(Stage 1)	(Stage 2)	(Stage 3)		
	RM'000	RM'000	RM'000		RM'000
GROUP					
At 1 April 2018					
As previously stated	-	-	-		-
Effect of adoption of MFRS 9	241	1,106	9,409		10,756
As restated	241	1,106	9,409		10,756
New financial assets originated or purchased	7	-	-		7
Financial assets derecognised other than write off	(6)	-	-		(6)
Changes due to change in credit risk	(78)	(343)	-		(421)
At 30 June 2018	164	763	9,409		10,336
BANK					
At 1 April 2018					
As previously stated	-	-	-		-
Effect of adoption of MFRS 9	134	872	-		1,006
As restated	134	872	-		1,006
Changes due to change in credit risk	(43)	(272)	-		(315)
At 30 June 2018	91	600	-		691

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A14 Financial Investments at Amortised Cost

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
At cost				
<u>Money market instruments:</u>				
Malaysian Government securities	140,729	-	120,551	-
Khazanah bonds	148,524	-	93,886	-
	<u>289,253</u>	<u>-</u>	<u>214,437</u>	<u>-</u>
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	18,938	-	133,472	-
Accumulated impairment losses	(14,193)	-	(1,587)	-
	<u>4,745</u>	<u>-</u>	<u>131,885</u>	<u>-</u>
Total financial investments at amortised cost	<u>293,998</u>	<u>-</u>	<u>346,322</u>	<u>-</u>

The financial investments at amortised cost category was introduced upon the adoption of MFRS 9 on 1 April 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A36.

Movements in allowances for impairment which reflect the ECL model on impairment are as follows:

	Non-credit impaired	Credit Impaired		Total RM'000
	Collectively Assessed	Collectively Assessed	Individually Assessed	
	12-Month ECL (Stage 1) RM'000	Lifetime ECL (Stage 3) RM'000		
GROUP				
At 1 April 2018				
As previously stated	-	-	-	-
Effect of adoption of MFRS 9	-	1,695	12,498	14,193
As restated	-	1,695	12,498	14,193
Other adjustment	-	(1,695)	1,695	-
At 30 June 2018	<u>-</u>	<u>-</u>	<u>14,193</u>	<u>14,193</u>
BANK				
At 1 April 2018				
As previously stated	-	-	-	-
Effect of adoption of MFRS 9	425	1,112	182	1,719
As restated	425	1,112	182	1,719
Changes due to change in credit risk	(132)	-	-	(132)
Other adjustment	-	(1,112)	1,112	-
At 30 June 2018	<u>293</u>	<u>-</u>	<u>1,294</u>	<u>1,587</u>

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A15 Financial Assets Held-for-trading

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
At fair value				
<u>Money market instruments:</u>				
Commercial papers	-	40,905	-	25,926
	<u>-</u>	<u>40,905</u>	<u>-</u>	<u>25,926</u>
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	-	22,845	-	22,845
	<u>-</u>	<u>22,845</u>	<u>-</u>	<u>22,845</u>
Total financial investments held-for-trading	<u>-</u>	<u>63,750</u>	<u>-</u>	<u>48,771</u>

The financial assets held-for-trading category was removed upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A36.

A16 Financial Investments Available-for-sale

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	-	1,698,601	-	1,586,503
Malaysian Government investment issues	-	2,063,704	-	1,196,560
Negotiable instruments of deposits	-	398,898	-	1,058,671
Commercial papers	-	14,978	-	14,978
Khazanah bonds	-	113,549	-	113,549
	<u>-</u>	<u>4,289,730</u>	<u>-</u>	<u>3,970,261</u>
<u>Quoted securities in Malaysia:</u>				
Shares	-	21	-	21
Accumulated impairment losses	-	(11)	-	(11)
	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>
<u>Unquoted securities:</u>				
Shares	-	178,846	-	121,634
Corporate bonds and sukuk	-	4,046,012	-	2,314,543
Accumulated impairment losses	-	(9,409)	-	-
	<u>-</u>	<u>4,215,449</u>	<u>-</u>	<u>2,436,177</u>
Total financial investments available-for-sale	<u>-</u>	<u>8,505,189</u>	<u>-</u>	<u>6,406,448</u>

The financial investments available-for-sale category was removed upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A36.

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A17 Financial Investments Held-to-maturity

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	-	141,686	-	121,271
Khazanah bonds	-	147,181	-	93,036
	<u>-</u>	<u>288,867</u>	<u>-</u>	<u>214,307</u>
At cost				
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	-	18,938	-	131,690
Accumulated impairment losses	-	(14,193)	-	(1,294)
	<u>-</u>	<u>4,745</u>	<u>-</u>	<u>130,396</u>
Total financial investments held-to-maturity	<u>-</u>	<u>293,612</u>	<u>-</u>	<u>344,703</u>

The financial investments held-to-maturity category was removed upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A36.

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A18 Loans, Advances and Financing

	GROUP		BANK	
	30 June	31 March	30 June	31 March
	2018	2018	2018	2018
	RM'000	RM'000	RM'000	RM'000
Overdrafts	3,460,723	3,410,188	2,534,657	2,544,606
Term loans/financing				
- Housing loans/financing	14,051,529	14,013,987	11,512,810	11,568,619
- Syndicated term loans/financing	323,154	328,508	179,277	183,539
- Hire purchase receivables	1,125,617	1,160,135	729,005	728,742
- Other term loans/financing	14,060,446	13,838,846	10,969,517	10,807,750
Bills receivables	350,008	345,530	341,755	340,283
Trust receipts	204,249	215,712	173,084	187,088
Claims on customers under acceptance credits	3,086,584	3,041,120	2,305,960	2,282,838
Staff loans				
[Loan to Directors:Nil; 31 March 2018: Nil]	25,001	26,123	7,876	7,744
Credit/charge card receivables	610,987	604,110	610,987	604,110
Revolving credits	1,918,470	2,069,989	1,296,539	1,510,347
Share margin financing	1,253,811	1,253,125	984,079	1,004,670
Gross loans, advances and financing	40,470,579	40,307,373	31,645,546	31,770,336
Add: Sales commissions and handling fees	79,073	54,591	91,964	61,630
Less: Allowance for impairment on loans, advances and financing				
- Individual assessment allowance	(158,154)	(75,733)	(138,942)	(64,967)
- Collective assessment allowance	(349,655)	(296,716)	(236,980)	(220,435)
Total net loans, advances and financing	40,041,843	39,989,515	31,361,588	31,546,564

A18a By type of customers:

	GROUP		BANK	
	30 June	31 March	30 June	31 March
	2018	2018	2018	2018
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	315,257	451,720	237,963	374,409
Domestic business enterprises				
- Small and medium enterprises	10,295,042	10,232,690	8,120,978	8,040,287
- Others	7,965,554	8,005,100	5,929,684	6,065,223
Government and statutory bodies	3,247	3,667	3,247	3,667
Individuals	20,935,792	20,690,312	16,488,909	16,455,658
Other domestic entities	158,656	164,843	155,902	162,138
Foreign entities	797,031	759,041	708,863	668,954
Gross loans, advances and financing	40,470,579	40,307,373	31,645,546	31,770,336

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A18 Loans, Advances and Financing (contd.)

A18b By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Fixed rate				
- Housing loans/financing	64,183	35,331	3,954	4,151
- Hire purchase receivables	1,098,908	1,131,382	702,296	699,989
- Other fixed rate loans/financing	2,810,405	2,699,007	1,390,007	1,295,655
Variable rate				
- Base lending rate plus	25,860,519	26,055,850	21,260,070	21,606,411
- Base rate plus	3,552,867	3,259,928	2,752,201	2,510,143
- Cost plus	6,935,123	6,973,819	5,388,444	5,501,931
- Other variable rates loans/financing	148,574	152,056	148,574	152,056
Gross loans, advances and financing	40,470,579	40,307,373	31,645,546	31,770,336

A18c By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Purchase of securities	1,245,432	1,245,600	975,700	997,145
Purchase of transport vehicles	892,590	933,698	517,917	525,290
Purchase of landed property	22,121,922	22,079,479	18,292,335	18,335,356
of which: - Residential	15,079,466	15,051,340	12,499,353	12,566,335
- Non-residential	7,042,456	7,028,139	5,792,982	5,769,021
Purchase of fixed assets excluding land & buildings	324,492	302,307	278,380	256,498
Personal use	3,590,249	3,309,928	2,103,121	1,938,753
Credit card	610,987	604,110	610,987	604,110
Construction	430,634	451,297	411,695	433,393
Mergers and acquisitions	117,705	117,705	117,705	117,705
Working capital	8,703,854	8,832,929	6,598,401	6,774,400
Others	2,432,714	2,430,320	1,739,305	1,787,686
Gross loans, advances and financing	40,470,579	40,307,373	31,645,546	31,770,336

A18d By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Northern region	2,946,620	2,835,527	2,181,502	2,139,991
Central region	28,957,079	28,946,946	22,994,458	23,158,486
Southern region	4,984,929	4,951,821	3,854,784	3,820,900
Sabah region	2,553,852	2,606,218	1,923,739	1,992,524
Sarawak region	1,028,099	966,861	691,063	658,435
Gross loans, advances and financing	40,470,579	40,307,373	31,645,546	31,770,336

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A18 Loans, Advances and Financing (contd.)

A18e By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Within one year	10,997,316	11,169,395	8,289,396	8,623,585
One year to three years	1,305,734	1,320,249	936,404	951,258
Three years to five years	2,638,613	2,475,345	1,993,360	1,882,787
Over five years	25,528,916	25,342,384	20,426,386	20,312,706
Gross loans, advances and financing	<u>40,470,579</u>	<u>40,307,373</u>	<u>31,645,546</u>	<u>31,770,336</u>

A18f Movements in credit impaired loans, advances and financing ("impaired loans") in stage 3 are as follows:

	<u>GROUP</u>	<u>BANK</u>
	30 June 2018 RM'000	30 June 2018 RM'000
At 1 April 2018		
As previously reported	577,519	470,646
Effect of adoption of MFRS 9	(20,317)	(18,052)
As restated	<u>557,202</u>	<u>452,594</u>
Impaired during the financial period	231,727	173,517
Changes in loans, advances & financing	(18,783)	(11,384)
Reclassified as unimpaired during the financial period	(90,320)	(67,369)
Financial assets derecognised during the period other than write-off	(13,798)	(11,458)
Amount written-off	<u>(28,797)</u>	<u>(17,575)</u>
At end of financial period	<u>637,231</u>	<u>518,325</u>
Gross impaired loans as % of gross loans, advances and financing	<u>1.6%</u>	<u>1.6%</u>

Movements in impaired loans under MFRS 139 are as follows:

	<u>GROUP</u>	<u>BANK</u>
	31 March 2018 RM'000	31 March 2018 RM'000
At beginning of financial year	393,349	339,580
Impaired during the financial year	848,111	635,366
Reclassified as unimpaired during the financial year	(352,268)	(271,181)
Recoveries	(198,592)	(165,034)
Amount written-off	<u>(113,081)</u>	<u>(68,085)</u>
At end of financial year	<u>577,519</u>	<u>470,646</u>
Gross impaired loans as % of gross loans, advances and financing	<u>1.4%</u>	<u>1.5%</u>

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A18 Loans, Advances and Financing (contd.)

A18g Credit impaired loans analysed by economic purposes are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Purchase of securities	-	50	-	50
Purchase of transport vehicles	14,277	13,671	9,920	10,131
Purchase of landed property	377,439	347,159	306,886	281,386
of which: - Residential	195,308	188,970	166,279	155,226
- Non-residential	182,131	158,189	140,607	126,160
Purchase of fixed assets excluding land & buildings	6,888	5,635	6,139	4,754
Personal use	61,030	56,852	37,834	35,527
Credit card	9,476	9,074	9,476	9,074
Construction	9,359	11,771	9,359	11,771
Working capital	117,651	98,433	103,560	89,864
Others	41,111	34,874	35,151	28,089
Gross impaired loans	637,231	577,519	518,325	470,646

A18h Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Northern region	46,648	42,540	38,543	34,658
Central region	469,992	417,859	378,779	336,653
Southern region	84,244	78,417	69,443	65,560
Sabah region	24,736	28,145	20,797	24,263
Sarawak region	11,611	10,558	10,763	9,512
Gross impaired loans	637,231	577,519	518,325	470,646

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A18 Loans, Advances and Financing (contd.)

A18i Movements in the allowance for impairment on loans, advances and financing are as follows:

	30 June 2018					31 March 2018	
	Non-credit impaired		Credit Impaired		Total	Collectively Assessed	Individually Assessed
	Collectively Assessed		Collectively Assessed	Individually Assessed			
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
GROUP							
At 1 April 2018							
As previously stated					372,449	313,328	66,627
Effect of adoption of MFRS 9					101,387	-	-
As restated	65,439	198,694	75,144	134,559	473,836	313,328	66,627
Transfer to 12 month ECL	5,494	(30,211)	(231)	-	(24,948)	-	-
Transfer to lifetime ECL non credit-impaired	(10,214)	55,940	(7,927)	(13,328)	24,471	-	-
Transfer to lifetime ECL credit-impaired	(42)	(32,392)	33,727	39,665	40,958	-	-
New financial assets originated or purchased	17,303	38,556	8,351	180	64,390	-	-
Changes due to change in credit risk	(1,379)	4,070	(3,819)	4,009	2,881	73,699	31,876
Financial assets derecognised other than write-off	(9,284)	(39,754)	(1,693)	(1,311)	(52,042)	-	-
Other adjustments	23	83	4,004	(2,774)	1,336	(2,459)	2,459
Total charge/(write-back) to income statement	1,901	(3,708)	32,412	26,441	57,046	71,240	34,335
Unwind of discount	-	-	-	(2,720)	(2,720)	-	-
Write-off	-	(12)	(20,215)	(126)	(20,353)	(87,852)	(25,229)
At end of financial period/year	67,340	194,974	87,341	158,154	507,809	296,716	75,733
BANK							
At 1 April 2018							
As previously stated					285,402	234,637	64,147
Effect of adoption of MFRS 9					66,363	-	-
As restated	43,076	134,895	57,564	116,230	351,765	234,637	64,147
Transfer to 12 month ECL	3,530	(21,523)	(119)	-	(18,112)	-	-
Transfer to lifetime ECL non credit-impaired	(6,054)	35,564	(3,138)	(11,868)	14,504	-	-
Transfer to lifetime ECL credit-impaired	(42)	(20,639)	19,846	35,634	34,799	-	-
New financial assets originated or purchased	11,340	29,317	891	180	41,728	-	-
Changes due to change in credit risk	(545)	87	(1,776)	4,021	1,787	30,618	24,085
Financial assets derecognised other than write-off	(6,274)	(29,360)	(1,622)	(919)	(38,175)	-	-
Other adjustments	23	83	4,014	(2,037)	2,083	(1,352)	1,352
Total charge/(write-back) to income statement	1,978	(6,471)	18,096	25,011	38,614	29,266	25,437
Unwind of discount	-	-	-	(2,173)	(2,173)	-	-
Write-off	-	-	(12,158)	(126)	(12,284)	(43,468)	(24,617)
At end of financial period/year	45,054	128,424	63,502	138,942	375,922	220,435	64,967

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A19 Other Assets

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Other receivables	41,292	32,173	24,412	18,281
Derivative margin	43,626	37,136	43,392	36,902
Settlement account	37,428	42,924	37,428	42,924
Deposits	8,627	8,690	7,966	8,020
Prepayment	21,444	16,430	19,802	14,992
Amounts due from subsidiaries	-	-	21,262	46,794
Amount due from joint venture	1,800	392	1,800	392
	154,217	137,745	156,062	168,305
Less:				
Allowance for credit losses on other receivables	(32,972)	(32,017)	(28,325)	(27,578)
	121,245	105,728	127,737	140,727

A20 Deposits from Customers

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
A20a By type of deposits:				
Amortised cost				
Demand deposits	13,888,542	14,161,040	11,343,906	11,752,631
Savings deposits	1,800,957	1,792,710	1,471,127	1,468,774
Fixed/investment deposits	24,132,894	24,142,700	18,061,373	18,393,938
Money market deposits	1,696,752	2,277,386	1,185,701	1,716,143
Negotiable instruments of deposits	476,195	366,624	476,195	176,884
	41,995,340	42,740,460	32,538,302	33,508,370

A20b By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Domestic financial institutions	459,764	358,990	482,060	190,812
Domestic non-bank financial institutions	1,914,621	2,676,350	1,544,683	1,854,863
Government and statutory bodies	3,988,620	4,312,577	1,713,632	2,106,387
Business enterprises	15,646,082	16,354,335	12,185,521	12,945,816
Individuals	18,586,825	17,941,780	15,570,695	15,432,649
Foreign entities	621,093	596,011	553,815	534,617
Others	778,335	500,417	487,896	443,226
	41,995,340	42,740,460	32,538,302	33,508,370

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A20 Deposits from Customers (contd.)

A20c The maturity structure of fixed/investment deposits, money market deposits and negotiable instruments of deposits are as follow:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Due within six months	17,867,898	17,234,419	13,723,780	13,695,607
Six months to one year	7,264,959	8,371,649	5,118,244	5,709,738
One year to three years	1,010,774	1,018,884	870,024	869,862
Three years to five years	162,210	161,758	11,221	11,758
	26,305,841	26,786,710	19,723,269	20,286,965

A21 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Licensed banks	267,973	203,995	267,973	63,619
Licensed Investment banks	240,043	22,004	146,377	-
Bank Negara Malaysia	606,843	619,467	361,380	375,619
Others	50,009	28,405	-	-
	1,164,868	873,871	775,730	439,238

A22 Financial Liabilities Designated at Fair Value Through Profit or Loss

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 period/year, the Group and the Bank designated certain structured investments at fair value through profit or loss. 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.

	<u>GROUP/BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000
Structured investments	754,258	731,703
Fair value changes arising from designation at fair value through profit or loss	(39,259)	(49,465)
	714,999	682,238

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A23 Amounts Due To Clients And Brokers

	<u>GROUP/BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000
Due to clients	428,345	75,103
	428,345	75,103

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 RM66,322,000 (31.3.18: RM71,652,000) have been excluded accordingly.

A24 Other Liabilities

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
Other payables	251,961	254,276	188,274	205,527
Derivative premium	2,355	32,751	2,355	32,751
Bills payable	235,735	157,335	218,498	143,126
Settlement account	79,304	53,882	79,304	53,882
Clearing account	272,105	201,208	224,725	161,741
Sundry deposits	48,407	54,924	41,882	47,306
Provision and accruals	75,884	131,420	77,870	131,672
Remisiers account	5,754	5,866	-	-
Allowance for credit losses on commitment and contingencies	31,854	-	27,466	-
Finance lease liabilities	2,684	3,329	2,684	3,329
Structured investments	554,238	504,143	554,238	504,143
Amount due to joint venture	151	168	-	-
	1,560,432	1,399,302	1,417,296	1,283,477

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A24 Other Liabilities (contd.)
Movement for allowance for credit losses on commitment and contingencies are as follows:

	30 June 2018				
	Non-credit impaired		Credit Impaired		Total
	Collectively Assessed		Collectively Assessed	Individually Assessed	
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)		
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP					
At 1 April 2018					-
As previously reported					-
Effect of adoption of MFRS 9					43,977
As restated	8,534	21,280	9,998	4,165	43,977
Transfer to 12 month ECL	306	(2,808)	-	-	(2,502)
Transfer to lifetime ECL non credit-impaired	(330)	3,129	-	(114)	2,685
Transfer to lifetime ECL credit-impaired	-	(112)	-	267	155
New financial assets originated or purchased	1,463	1,285	-	-	2,748
Changes due to change in credit risk	(1,100)	(5,026)	(7,480)	(1,076)	(14,682)
Other adjustments	4	14	(2,500)	1,962	(520)
Total charge/(write-back) to income statement	343	(3,518)	(9,980)	1,039	(12,116)
Unwind of discount	-	-	-	(7)	(7)
At end of financial period/year	8,877	17,762	18	5,197	31,854
BANK					
At 1 April 2018					-
As previously reported					-
Effect of adoption of MFRS 9					24,268
As restated	7,493	15,572	38	4,165	27,268
Transfer to 12 month ECL	266	(2,424)	-	-	(2,158)
Transfer to lifetime ECL non credit-impaired	(290)	2,888	-	(114)	2,484
Transfer to lifetime ECL credit-impaired	-	(112)	-	264	152
New financial assets originated or purchased	1,261	1,011	-	-	2,272
Changes due to change in credit risk	(1,008)	(2,415)	(19)	859	(2,583)
Other adjustment	3	8	-	27	38
Total charge/(write-back) to income statement	232	(1,044)	(19)	1,036	205
Unwind of discount	-	-	-	(7)	(7)
At end of financial period/year	7,725	14,528	19	5,194	27,466

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A26 Interest Expense

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	Restated 30 June 2017 RM'000
GROUP				
Deposits and placements of banks and other financial institutions	6,045	6,792	6,045	6,792
Deposits from customers	214,383	216,873	214,383	216,873
Recourse obligations on loans and financing sold to Cagamas	6,841	5,481	6,841	5,481
Other borrowings	-	59	-	59
Subordinated obligations	19,499	17,148	19,499	17,148
Others	1,273	846	1,273	846
	248,041	247,199	248,041	247,199

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000

BANK

Deposits and placements of banks and other financial institutions	3,239	4,070	3,239	4,070
Deposits from customers	209,598	212,606	209,598	212,606
Recourse obligations on loans and financing sold to Cagamas	6,841	5,481	6,841	5,481
Other borrowings	-	59	-	59
Subordinated obligations	19,552	17,183	19,552	17,183
Others	1,273	846	1,273	846
	240,503	240,245	240,503	240,245

A27 Net Income from Islamic Banking Business

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
GROUP				
Income derived from investment of depositors' funds and others	142,331	119,776	142,331	119,776
Income derived from investment of Islamic Banking funds	14,443	12,726	14,443	12,726
Income attributable to the depositors and financial institutions	(73,940)	(54,524)	(73,940)	(54,524)
	82,834	77,978	82,834	77,978

A28 Other Operating Income

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	Restated 30 June 2017 RM'000
GROUP				
(a) <u>Fee and commission income:</u>				
Commissions	24,153	23,100	24,153	23,100
Service charges and fees	8,753	8,365	8,753	8,365
Corporate advisory fees	787	726	787	726
Underwriting commissions	-	168	-	168
Brokerage fees	8,285	10,785	8,285	10,785
Guarantee fees	4,293	4,369	4,293	4,369
Processing fees	1,545	1,323	1,545	1,323
Commitment fees	4,268	4,023	4,268	4,023
Cards related income	21,369	23,866	21,369	23,866
Other fee income	750	750	750	750
	74,203	77,475	74,203	77,475
(b) <u>Fee and commission expense:</u>				
Commissions expense	(250)	(394)	(250)	(394)
Brokerage fees expense	(2,554)	(3,722)	(2,554)	(3,722)
Guarantee fees expense	(108)	(255)	(108)	(255)
Cards related expense	(18,948)	(20,603)	(18,948)	(20,603)
	(21,860)	(24,974)	(21,860)	(24,974)
(c) <u>Investment income:</u>				
Loss arising from sale/redemption of:				
- Financial assets at FVTPL	(2)	-	(2)	-
- Financial investments at FVOCI	83	-	83	-
- Financial assets held-for-trading	-	115	-	115
- Financial investments available-for-sale	-	3,249	-	3,249
Marked-to-market revaluation of gain/(loss):				
- Financial assets at FVTPL	69	-	69	-
- Financial assets held-for-trading	-	(52)	-	(52)
- Derivative instruments	51,421	(37,345)	51,421	(37,345)
- Financial liabilities designated at fair value through profit or loss	(10,206)	1,614	(10,206)	1,614
Realised (loss)/gain on derivative instruments	(26,938)	56,491	(26,938)	56,491
Gross dividend income from:				
- Financial investments at FVOCI	837	-	837	-
- Financial investments available-for-sale	-	1,109	-	1,109
	15,264	25,181	15,264	25,181
(d) <u>Other income :</u>				
Foreign exchange loss	(2,912)	(1,271)	(2,912)	(1,271)
Others	9,606	6,926	9,606	6,926
	6,694	5,655	6,694	5,655
Total other operating income	74,301	83,337	74,301	83,337

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A28 Other Operating Income (contd.)

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	24,153	23,100	24,153	23,100
Service charges and fees	8,630	8,099	8,630	8,099
Guarantee fees	4,293	4,369	4,293	4,369
Processing fees	668	824	668	824
Commitment fees	4,260	4,017	4,260	4,017
Cards related income	21,369	23,866	21,369	23,866
Other fee income	750	750	750	750
	64,123	65,025	64,123	65,025
(b) <u>Fee and commission expense:</u>				
Commissions expense	(250)	(394)	(250)	(394)
Brokerage fees expense	(2)	-	(2)	-
Guarantee fees expense	(108)	(255)	(108)	(255)
Cards related expense	(18,948)	(20,603)	(18,948)	(20,603)
	(19,308)	(21,252)	(19,308)	(21,252)
(c) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets at FVTPL	(3)	-	(3)	-
- Financial investments at FVOCI	84	-	84	-
- Financial assets held-for-trading	-	115	-	115
- Financial investments available-for-sale	-	2,561	-	2,561
Marked-to-market revaluation gain/(loss) of:				
- Financial assets at FVTPL	39	-	39	-
- Financial assets held-for-trading	-	(31)	-	(31)
- Derivative instruments	51,421	(37,345)	51,421	(37,345)
- Financial liabilities designated at fair value through profit or loss	(10,206)	1,614	(10,206)	1,614
Realised gain/(loss) on derivative instruments	(26,938)	56,491	(26,938)	56,491
Gross dividend income from:				
- Financial investments at FVOCI	477	-	477	-
- Financial investments available-for-sale	-	679	-	679
- Subsidiaries	37,490	6,899	37,490	6,899
	52,364	30,983	52,364	30,983
(d) <u>Other income:</u>				
Foreign exchange loss	(3,063)	(1,335)	(3,063)	(1,335)
Rental income	177	113	177	113
Others	9,353	6,706	9,353	6,706
	6,467	5,484	6,467	5,484
Total other operating income	103,646	80,240	103,646	80,240

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A29 Other Operating Expenses

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	Restated 30 June 2017 RM'000
GROUP				
Personnel costs				
- Salaries, allowances and bonuses	94,926	88,666	94,926	88,666
- Contribution to EPF	14,832	13,719	14,832	13,719
- Share options/grants under ESS	-	182	-	182
- Others	12,368	10,644	12,368	10,644
	122,126	113,211	122,126	113,211
Establishment costs				
- Depreciation of property, plant and equipment	4,925	5,281	4,925	5,281
- Amortisation of computer software	4,331	6,018	4,331	6,018
- Rental of premises	7,390	7,461	7,390	7,461
- Water and electricity	1,761	1,996	1,761	1,996
- Repairs and maintenance	2,578	2,486	2,578	2,486
- Information technology expenses	12,739	11,357	12,739	11,357
- Others	3,149	3,498	3,149	3,498
	36,873	38,097	36,873	38,097
Marketing expenses				
- Promotion and advertisement	2,095	1,513	2,095	1,513
- Branding and publicity	261	1,422	261	1,422
- Others	1,819	1,576	1,819	1,576
	4,175	4,511	4,175	4,511
Administration and general expenses				
- Communication expenses	3,422	3,262	3,422	3,262
- Printing and stationery	745	725	745	725
- Insurance	2,747	2,857	2,747	2,857
- Professional fees	5,593	4,845	5,593	4,845
- Others	7,499	8,931	7,499	8,931
	20,006	20,620	20,006	20,620
Total other operating expenses	183,180	176,439	183,180	176,439

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A29 Other Operating Expenses (contd.)

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
<u>BANK</u>				
Personnel costs				
- Salaries, allowances and bonuses	73,533	67,372	73,533	67,372
- Contribution to EPF	11,597	10,512	11,597	10,512
- Share options/grants under ESS	-	184	-	184
- Others	10,420	9,564	10,420	9,564
	95,550	87,632	95,550	87,632
Establishment costs				
- Depreciation of property, plant and equipment	4,747	5,102	4,747	5,102
- Amortisation of computer software	4,146	5,858	4,146	5,858
- Rental of premises	5,806	5,737	5,806	5,737
- Water and electricity	1,295	808	1,295	808
- Repairs and maintenance	1,815	1,966	1,815	1,966
- Information technology expenses	10,051	8,974	10,051	8,974
- Others	1,200	1,813	1,200	1,813
	29,060	30,258	29,060	30,258
Marketing expenses				
- Promotion and advertisement	1,677	1,370	1,677	1,370
- Branding and publicity	255	910	255	910
- Others	416	881	416	881
	2,348	3,161	2,348	3,161
Administration and general expenses				
- Communication expenses	2,548	2,319	2,548	2,319
- Printing and stationery	569	579	569	579
- Insurance	2,454	2,544	2,454	2,544
- Professional fees	4,294	3,735	4,294	3,735
- Others	4,979	6,697	4,979	6,697
	14,844	15,874	14,844	15,874
Total other operating expenses	141,802	136,925	141,802	136,925

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A30 Allowance for Credit Losses on Loans, Advances and Financing and Other Receivables

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	Restated 30 June 2017 RM'000	30 June 2018 RM'000	Restated 30 June 2017 RM'000
GROUP				
Allowance for credit losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance - made during the period	26,441	7,763	26,441	7,763
(b) Collective assessment allowance - made during the period	30,605	25,468	30,605	25,468
(c) Bad debts on loans and financing				
- Recovered	(16,469)	(9,604)	(16,469)	(9,604)
- Written-off	8,352	5,459	8,352	5,459
(d) Allowance for credit losses on commitments and contingencies	(12,116)	-	(12,116)	-
	<u>36,813</u>	<u>29,086</u>	<u>36,813</u>	<u>29,086</u>
Allowance for credit losses on:				
- Amounts due to clients and brokers	7	-	7	-
- Other receivables	453	1,114	453	1,114
	<u>37,273</u>	<u>30,200</u>	<u>37,273</u>	<u>30,200</u>

	1st Quarter Ended		Three Months Ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
BANK				
Allowance for credit losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance - made during the period	25,011	5,139	25,011	5,139
(b) Collective assessment allowance - made during the period	13,603	8,518	13,603	8,518
(c) Bad debts on loans and financing				
- Recovered	(9,994)	(6,546)	(9,994)	(6,546)
- Written-off	5,134	2,861	5,134	2,861
(d) Allowance for credit losses on commitments and contingencies	205	-	205	-
	<u>33,959</u>	<u>9,972</u>	<u>33,959</u>	<u>9,972</u>
Allowance for credit losses on other receivables				
	246	650	246	650
	<u>34,205</u>	<u>10,622</u>	<u>34,205</u>	<u>10,622</u>

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A31 Commitments and Contingencies

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

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	733,640	719,148	574,808	564,446
Transaction-related contingent items	798,954	739,535	719,557	651,896
Short-term self-liquidating trade-related contingencies	253,619	235,056	212,782	215,445
Irrevocable commitments to extend credit:				
- maturity exceeding one year	1,117,483	1,056,899	705,319	744,972
- maturity not exceeding one year	7,957,632	7,543,400	6,154,089	5,748,870
Unutilised credit card lines	1,709,925	1,750,064	1,709,925	1,750,064
	12,571,253	12,044,102	10,076,480	9,675,693
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,803,876	5,057,347	7,803,876	5,057,347
- over one year to three years	108,851	73,015	108,851	73,015
- over three years	16,156	17,385	16,156	17,385
Interest rate related contracts:				
- one year or less	1,290,100	1,206,130	1,290,100	1,206,130
- over one year to three years	2,096,242	1,990,360	2,096,242	1,990,360
- over three years	2,397,906	2,146,310	2,397,906	2,146,310
Equity related contracts				
- one year or less	40,760	38,825	40,760	38,825
- over one year to three years	68,980	67,660	68,980	67,660
	13,822,871	10,597,032	13,822,871	10,597,032
	26,394,124	22,641,134	23,899,351	20,272,725

A32 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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A32 Segment information (contd.)

GROUP	Consumer Banking	Business Banking	Financial Markets	Stockbroking and Corporate Advisory	Others	Total Operations	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1st Quarter and three months ended 30 June 2018								
Net interest income								
- external income	114,444	81,306	52,421	3,773	228	252,172	(8,235)	243,937
- inter-segment	(32,652)	22,955	12,171	(2,474)	-	-	-	-
	81,792	104,261	64,592	1,299	228	252,172	(8,235)	243,937
Net income from Islamic banking business	29,106	27,770	13,274	-	-	70,150	12,684	82,834
Other operating income	25,623	42,490	(5,843)	7,953	9,380	79,603	(5,302)	74,301
Net income	136,521	174,521	72,023	9,252	9,608	401,925	(853)	401,072
Other operating expenses	(88,226)	(67,161)	(11,705)	(9,779)	(4,194)	(181,065)	(181)	(181,246)
Depreciation and amortisation	(766)	(465)	(424)	(279)	-	(1,934)	-	(1,934)
Operating profit/(loss)	47,529	106,895	59,894	(806)	5,414	218,926	(1,034)	217,892
(Allowance for)/write-back of credit losses on loans, advances and financing and other receivables	(40,013)	1,866	373	7	494	(37,273)		(37,273)
Write-back of/(allowance for) credit losses on other assets	-	495	2	86	(30)	553	(132)	421
Segment result	7,516	109,256	60,269	(713)	5,878	182,206	(1,166)	181,040
Share of results of joint venture								20
Taxation								(44,693)
Net profit for the financial period								136,367
Segment assets	21,466,323	18,239,755	15,552,303	47,875	405,086	55,711,342	(2,468,569)	53,242,773
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								713
Property, plant and equipment								73,087
Tax recoverable and deferred tax assets								78,451
Intangible assets								416,135
Total assets								53,811,159

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A32 Segment information (contd.)

GROUP	Consumer	Business	Financial	Stockbroking and	Others	Total	Inter-segment	Total
Restated	Banking	Banking	Markets	Corporate Advisory		Operations	Elimination	Total
1st Quarter and three months ended 30 June 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	93,274	88,695	47,376	2,905	922	233,172	(7,874)	225,298
- inter-segment	(12,125)	13,519	387	(1,781)	-	-	-	-
	81,149	102,214	47,763	1,124	922	233,172	(7,874)	225,298
Net income from Islamic banking business	28,281	23,571	14,838	-	-	66,690	11,288	77,978
Other operating income	31,428	36,894	6,051	8,969	5,905	89,247	(5,910)	83,337
Net income	140,858	162,679	68,652	10,093	6,827	389,109	(2,496)	386,613
Other operating expenses	(76,224)	(63,825)	(12,430)	(9,484)	(4,785)	(166,748)	1,608	(165,140)
Depreciation and amortisation	(6,566)	(3,819)	(656)	(256)	(2)	(11,299)		(11,299)
Operating profit	58,068	95,035	55,566	353	2,040	211,062	(888)	210,174
(Allowance for)/write-back of impairment on loans, advances and financing and other receivables	(20,827)	(9,014)	6	(19)	(346)	(30,200)	-	(30,200)
Segment result	37,241	86,021	55,572	334	1,694	180,862	(888)	179,974
Share of results of joint venture								21
Taxation								(44,991)
Net profit for the financial period								135,004
Segment assets	21,183,171	17,058,074	17,797,051	62,745	143,793	56,244,834	(2,125,746)	54,119,088
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								688
Property, plant and equipment								72,465
Tax recoverable and deferred tax assets								16,885
Intangible assets								387,111
Total assets								54,596,237

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A33 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 Bank and the Group 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:

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.833%	13.695%	10.999%	11.680%
Tier I capital ratio	13.253%	14.123%	11.532%	12.217%
Total capital ratio	17.757%	18.638%	16.475%	17.122%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.833%	13.393%	10.999%	11.302%
Tier I capital ratio	13.253%	13.821%	11.532%	11.839%
Total capital ratio	17.757%	18.337%	16.475%	16.744%

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

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	3,427,373	3,510,283	2,775,091	2,866,142
Revaluation reserves	(13,841)	114,987	(6,768)	74,907
Capital reserves	100,150	100,150	95,515	95,515
	5,061,788	5,273,526	4,411,944	4,584,670
Less: Regulatory adjustment				
- Goodwill and other intangibles	(416,135)	(409,402)	(299,827)	(292,981)
- Deferred tax assets	(74,165)	(22,664)	(44,817)	(9,223)
- 55% of revaluation reserves	-	(63,243)	-	(41,199)
- Investment in subsidiaries, associate and joint venture	(713)	(693)	(989,102)	(989,102)
Total CET I Capital	4,570,775	4,777,524	3,078,198	3,252,165
Additional Tier 1 Capital Securities	149,754	149,293	149,344	149,316
Total Additional Tier 1 Capital	149,754	149,293	149,344	149,316
Total Tier I Capital	4,720,529	4,926,817	3,227,542	3,401,481

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A33 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.)

Tier II Capital

Subordinated obligations	1,199,404	1,199,675	1,199,121	1,199,062
Collective assessment allowance and regulatory reserves	404,746	375,710	314,268	296,765
Less: Regulatory adjustment - Investment in Tier 2 capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	1,604,150	1,575,385	1,383,389	1,365,827
Total Capital	6,324,679	6,502,202	4,610,931	4,767,308

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
	RM'000	RM'000	RM'000	RM'000
Credit risk	32,379,802	31,973,585	25,141,480	25,299,261
Market risk	402,071	110,857	389,570	110,389
Operational risk	2,836,576	2,801,473	2,455,788	2,433,159
Total RWA and capital requirements	35,618,449	34,885,915	27,986,838	27,842,809

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

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
30 June 2018		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	11.184%	56.219%
Tier I capital ratio	11.184%	56.219%
Total capital ratio	14.101%	57.309%
<u>After deducting proposed dividends</u>		
CET I capital ratio	11.184%	56.219%
Tier I capital ratio	11.184%	56.219%
Total capital ratio	14.101%	57.309%
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%

A34 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.

(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 and the Bank 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 and the Bank's derivatives.

(iii) Financial instruments in Level 3

The Group and the Bank classifies 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.

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A34 Fair Value Measurements (contd.)**(b) Financial instruments measured at fair value and the fair value hierarchy**

The following tables show the Group'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> 30 June 2018	<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 at FVTPL				
- Money market instruments	-	126,147	-	126,147
- Unquoted securities	-	32,845	178,651	211,496
Financial investments at FVOCI				
- Money market instruments	-	4,644,722	-	4,644,722
- Quoted securities in Malaysia	10	-	-	10
- Unquoted securities	-	4,089,444	-	4,089,444
Derivative financial assets	-	88,252	-	88,252
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
Derivative financial liabilities	-	714,999	-	714,999
	-	94,661	-	94,661

<u>BANK</u> 30 June 2018	<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 at FVTPL				
- Money market instruments	-	89,333	-	89,333
- Unquoted securities	-	12,497	121,439	133,936
Financial investments at FVOCI				
- Money market instruments	-	4,015,100	-	4,015,100
- Quoted securities in Malaysia	10	-	-	10
- Unquoted securities	-	2,367,915	-	2,367,915
Derivative financial assets	-	88,252	-	88,252
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
Derivative financial liabilities	-	714,999	-	714,999
	-	94,661	-	94,661

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A34 Fair Value Measurements (contd.)

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

The following tables show the Group'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>GROUP</u> 31 March 2018	<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	-	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 through profit or loss	-	682,238	-	682,238
Derivative financial liabilities	-	154,686	-	154,686

<u>BANK</u> 31 March 2018	<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	-	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 through profit or loss	-	682,238	-	682,238
Derivative financial liabilities	-	154,686	-	154,686

A34 Fair Value Measurements (contd.)

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

Reconciliation of movements in Level 3 financial instruments:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
At beginning of financial period/year	178,846	170,239	121,634	111,377
Disposal	-	(4,970)	-	-
Returned from investments	(195)	-	(195)	-
Total gains/(losses) recognised in:				
- Other comprehensive income				
(i) Revaluation reserves	-	13,607	-	10,257
- Statement of income				
Loss arising from sales of financial investments available-for-sales	-	(30)	-	-
At end of financial period/year	<u>178,651</u>	<u>178,846</u>	<u>121,439</u>	<u>121,634</u>

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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A35 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 statement of financial position; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statement of financial position 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						
June 2018						
Derivative financial assets	88,252	-	88,252	(15,037)	(2,170)	71,045
Amounts due from clients and brokers	525,873	(70,402)	455,471	-	-	455,471
	<u>614,125</u>	<u>(70,402)</u>	<u>543,723</u>	<u>(15,037)</u>	<u>(2,170)</u>	<u>526,516</u>
BANK						
June 2018						
Derivative financial assets	88,252	-	88,252	(15,037)	(2,170)	71,045
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
Total	<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

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A35 Offsetting Financial Assets And Financial Liabilities (Contd.)**(b) Financial liabilities**

	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						
June 2018						
Derivative financial liabilities	94,661	-	94,661	(15,037)	(43,124)	36,500
Amounts due to clients and brokers	498,747	(70,402)	428,345	-	-	428,345
Total	593,408	(70,402)	523,006	(15,037)	(43,124)	464,845
BANK						
June 2018						
Derivative financial liabilities	94,661	-	94,661	(15,037)	(43,124)	36,500
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	316,613	(86,824)	229,789	(6,271)	(36,901)	186,617
BANK						
March 2018						
Derivative financial liabilities	154,686	-	154,686	(6,271)	(36,901)	111,514

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.

A36 Changes in Accounting Policy

With effective from the financial year beginning on or after 1 April 2018, the Group and the Bank adopt 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.

A36 Changes in Accounting Policy (Contd.)

(a) Classification and Measurement

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

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 which was previously classified as available-for-sale, is now reclassified to financial assets at FVTPL. The reclassification has resulted in an increase in the Group's and the Bank's opening retained profits due to the transfer of related fair value gains from financial instruments available-for-sale revaluation reserves to retained earnings.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes are:

- (i) For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.
- (ii) When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognised immediately in profit or loss.

There will be no changes to the Group's and the Bank's accounting for financial liabilities. All the financial liabilities, except for financial liabilities designated at fair value and derivatives financial liabilities which is at FVTPL, will remain as amortised cost as there has not been significant change in the requirements for financial liabilities under MFRS 9.

A36 Changes in Accounting Policy (Contd.)

(b) 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 ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The new impairment model requires the recognition of impairment allowances based on ECL rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments, financial guarantee contracts and other loan commitments.

Under MFRS 9, impairment will be measured on each reporting date according to a three-stage expected credit loss impairment model:

(i) Stage 1 – from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months (12-month ECL).

(ii) Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset (Lifetime ECL).

(iii) Stage 3 – when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised (Lifetime ECL).

As all financial assets within the scope of MFRS 9 impairment model will be assessed for at least 12-month ECL, and the population of financial assets to which full lifetime ECL applies is larger than the population of impaired loans for which there is objective evidence of impairment in accordance with MFRS 139, the total allowance for credit losses is expected to increase under MFRS 9 relative to the allowance for credit losses under MFRS 139.

In addition, changes in the required credit loss allowance, including the impact of movements between Stage 1 (12-month ECL) and Stage 2 (lifetime ECL) and the application of forward looking information, will be recorded in profit or loss, allowance for credit losses will be more volatile under MFRS 9.

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A36 Changes in Accounting Policy (Contd.)

(c) Impact on Adoption of MFRS 9

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

<u>GROUP</u>	Original classification under MFRS 139	New classification under MFRS 9	MFRS 139 carrying amount RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount RM'000
ASSETS						
Cash and short-term funds	Receivables	Amortised Cost	2,768,758	-	(501)	2,768,257
Deposits and placements with banks and other financial institutions	Receivables	Amortised Cost	77,283	-	-	77,283
Amounts due from clients and brokers	Receivables	Amortised Cost	101,305	-	-	101,305
Financial investments at FVTPL	FVTPL	FVTPL	-	242,596	-	242,596
Financial assets held-for-trading	FVTPL	FVTPL	63,750	(63,750)	-	-
Financial investments at FVOCI	AFS	FVOCI	-	8,335,752	-	8,335,752
Financial investments available-for-sale ("AFS")	AFS	FVOCI	8,505,189	(8,514,598)	9,409	-
- <i>Debt instrument</i>	AFS	FVOCI	8,326,333	(8,335,742)	9,409	-
- <i>Quoted equity instrument</i>	AFS	FVOCI	10	(10)	-	-
- <i>Unquoted equity instrument</i>	AFS	FVTPL	178,846	(178,846)	-	-
Financial investments at amortised cost	HTM	Amortised Cost	-	307,805	(14,193)	293,612
Financial investments held-to-maturity ("HTM")	HTM	Amortised Cost	293,612	(307,805)	14,193	-
Derivative financial assets	FVTPL	FVTPL	84,455	-	-	84,455
Loans, advances and financing	Loans and receivables	Amortised Cost	39,989,515	(19,592)	(101,387)	39,868,536
Other assets	Receivables	Amortised Cost	105,728	-	-	105,728
Tax recoverable			2,004	-	-	2,004
Statutory deposits	Receivables	Amortised Cost	1,408,316	-	-	1,408,316
Investment in joint venture			693	-	-	693
Property, plant and equipment			69,373	-	-	69,373
Deferred tax assets			22,664	34,364	23,531	80,559
Intangible assets			409,402	-	-	409,402
TOTAL ASSETS			53,902,047	14,772	(68,948)	53,847,871

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A36 Changes in Accounting Policy (Contd.)

(c) Impact on Adoption of MFRS 9

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

<u>GROUP</u>	Original classification under MFRS 139	New classification under MFRS 9	MFRS 139 carrying amount RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount RM'000
LIABILITIES AND EQUITY						
Deposits from customers			42,740,460	-	-	42,740,460
Deposits and placements of banks and other financial institutions			873,871	-	-	873,871
Financial liabilities designated at fair value through profit or loss			682,238	-	-	682,238
Amounts due to clients and brokers			75,103	-	-	75,103
Derivative financial liabilities			154,686	-	-	154,686
Recourse obligations on loans and financing sold to Cagamas			1,102,363	-	-	1,102,363
Other liabilities			1,399,302	-	43,977	1,443,279
Provision for taxation			22,661	(4,702)	-	17,959
Provision for zakat			252	-	-	252
Deferred tax liabilities			11,907	-	(11,907)	-
Subordinated obligations			1,379,614	-	-	1,379,614
TOTAL LIABILITIES			48,442,457	(4,702)	32,070	48,469,825
Share capital			1,548,106	-	-	1,548,106
Reserves			3,911,484	19,474	(101,018)	3,829,940
- <i>Regulatory reserve</i>			186,064	-	(17,330)	168,734
- <i>FVOCI reserve</i>			-	6,167	10,756	16,923
- <i>Revaluation reserve</i>			114,987	(114,987)	-	-
- <i>Retained profit</i>			3,510,283	128,294	(94,444)	3,544,133
- <i>Capital reserve</i>			100,150	-	-	100,150
TOTAL EQUITY			5,459,590	19,474	(101,018)	5,378,046
TOTAL LIABILITIES AND EQUITY			53,902,047	14,772	(68,948)	53,847,871

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A36 Changes in Accounting Policy (Contd.)

(c) Impact on Adoption of MFRS 9 (contd.)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

<u>BANK</u>	Original classification under MFRS 139	New classification under MFRS 9	MFRS 139 carrying amount RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount RM'000
ASSETS						
Cash and short-term funds	Receivables	Amortised Cost	1,715,961	-	(501)	1,715,460
Deposits and placements with banks and other financial institutions	Receivables	Amortised Cost	77,283	-	-	77,283
Financial investments at FVTPL	FVTPL	FVTPL	-	170,405	-	170,405
Financial assets held-for-trading	FVTPL	FVTPL	48,771	(48,771)	-	-
Financial investments at FVOCI	AFS	FVOCI	-	6,284,814	-	6,284,814
Financial investments available-for-sale ("AFS")	AFS	FVOCI	6,406,448	(6,406,448)	-	-
- Debt instrument	AFS	FVOCI	6,284,804	(6,284,804)	-	-
- Quoted equity instrument	AFS	FVOCI	10	(10)	-	-
- Unquoted equity instrument	AFS	FVTPL	121,634	(121,634)	-	-
Financial investments at amortised cost	HTM	Amortised Cost	-	345,997	(1,719)	344,278
Financial investments held-to-maturity ("HTM")	HTM	Amortised Cost	344,703	(345,997)	1,294	-
Derivative financial assets	FVTPL	FVTPL	84,455	-	-	84,455
Loans, advances and financing	Loans and receivables	Amortised Cost	31,546,564	6,557	(66,364)	31,486,757
Other assets	Receivables	Amortised Cost	140,727	-	-	140,727
Statutory deposits	Receivables	Amortised Cost	1,092,566	-	-	1,092,566
Investment in joint venture			989,102	-	-	989,102
Property, plant and equipment			67,834	-	-	67,834
Deferred tax assets			9,223	20,873	22,940	53,036
Intangible assets			292,981	-	-	292,981
TOTAL ASSETS			42,816,618	27,430	(44,350)	42,799,698

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A36 Changes in Accounting Policy (Contd.)

(c) Impact on Adoption of MFRS 9 (contd.)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

<u>BANK</u>	Original classification under MFRS 139	New classification under MFRS 9	MFRS 139 carrying amount RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount RM'000
LIABILITIES AND EQUITY						
Deposits from customers			33,508,370	-	-	33,508,370
Deposits and placements of banks and other financial institutions			439,238	-	-	439,238
Financial liabilities designated at fair value through profit or loss			682,238	-	-	682,238
Derivative financial liabilities			154,686	-	-	154,686
Recourse obligations on loans and financing sold to Cagamas			601,696	-	-	601,696
Other liabilities			1,283,477	-	27,268	1,310,745
Provision for taxation			23,190	1,574	-	24,764
Subordinated obligations			1,379,024	-	-	1,379,024
TOTAL LIABILITIES			38,071,919	1,574	27,268	38,100,761
Share capital			1,548,106	-	-	1,548,106
Reserves			3,196,593	25,856	(71,618)	3,150,831
- <i>Regulatory reserve</i>			160,029	-	327	160,356
- <i>FVOCI reserve</i>			-	8,808	1,006	9,814
- <i>Revaluation reserve</i>			74,907	(74,907)	-	-
- <i>Retained profit</i>			2,866,142	91,955	(72,951)	2,885,146
- <i>Capital reserve</i>			95,515	-	-	95,515
TOTAL EQUITY			4,744,699	25,856	(71,618)	4,698,937
TOTAL LIABILITIES AND EQUITY			42,816,618	27,430	(44,350)	42,799,698

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A37 Restatement and Comparatives

- (i) The comparatives of the Group was restated in order to reflect the completion of group reorganisation exercise on 26 September 2017 upon the transfer of the listing of Alliance Financial Group Berhad on the Main Market of Bursa Malaysia Securities Berhad to the Bank.
- (ii) Interest income and interest expense for derivatives which are measured at FVTPL are reclassified to investment income.

Unaudited Consolidated Statements of Income
for 1st Quarter and Three Months Ended 30 June 2017

GROUP	As previously	Effect of		As
	stated RM'000	group reorganisation RM'000 (i)	Reclassification RM'000 (ii)	restated RM'000
Interest income	476,428	104	(4,035)	472,497
Interest expense	(259,897)	783	11,915	(247,199)
Net interest income	216,531	887	7,880	225,298
Net income from Islamic banking business	77,978	-	-	77,978
	294,509	887	7,880	303,276
Fee and commission income	77,475	-	-	77,475
Fee and commission expense	(24,974)	-	-	(24,974)
Investment income	33,061	-	(7,880)	25,181
Other income	5,634	21	-	5,655
Other operating income	91,196	21	(7,880)	83,337
Net income	385,705	908	-	386,613
Other operating expenses	(176,488)	49	-	(176,439)
Operating profit before allowances	209,217	957	-	210,174
Allowance for impairment losses on loans, advances and financing and other receivables	(29,854)	(346)	-	(30,200)
Operating profit after allowances	179,363	611	-	179,974
Share of results of associate	3	(3)	-	-
Share of results of joint venture	21	-	-	21
Profit before taxation	179,387	608	-	179,995
Taxation	(44,503)	(488)	-	(44,991)
Net profit for the financial period	134,884	120	-	135,004
Net profit for the financial period attributable to: Equity holders of the Bank	134,884	120	-	135,004

Other comprehensive expense:

Items that may be reclassified subsequently to profit or loss:

Revaluation reserve on financial investments available-for-sale				
- Net loss from change in fair value	27,829	-	-	27,829
- Realised gain transferred to statement of income on disposal and impairment	(4,044)	-	-	(4,044)
- Transfer from deferred tax	(5,708)	-	-	(5,708)
Other comprehensive expense, net of tax	18,077	-	-	18,077
Total comprehensive income for the financial period	152,961	120	-	153,081

Total comprehensive income for the financial period attributable to:
Equity holders of the Bank

	152,961	120	-	153,081
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	As previously stated RM'000	Effect of group reorganisation RM'000 (i)	As restated RM'000
Statements of Changes in Equity as at 31 March 2017			
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 former holding Company	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

A37 Restatement and Comparatives (contd.)

<u>BANK</u>	As previously stated RM'000	Reclassification RM'000 (ii)	As restated RM'000
Interest income	468,698	(4,035)	464,663
Interest expense	(252,160)	11,915	(240,245)
Net interest income	216,538	7,880	224,418
Fee and commission income	65,025	-	65,025
Fee and commission expense	(21,252)	-	(21,252)
Investment income	38,863	(7,880)	30,983
Other income	5,484	-	5,484
Other operating income	88,120	(7,880)	80,240
Net income	304,658	-	304,658
Other operating expenses	(136,925)	-	(136,925)
Operating profit before allowances	167,733	-	167,733
Allowance for impairment losses on loans, advances and financing and other receivables	(10,622)	-	(10,622)
Profit before taxation	157,111	-	157,111
Taxation	(37,496)	-	(37,496)
Net profit for the financial period	119,615	-	119,615
Net profit for the financial period attributable to: Equity holders of the Bank	119,615	-	119,615
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss:			
Revaluation reserve on financial investments available-for-sale			
- Net loss from change in fair value	20,197	-	20,197
- Realised gain transferred to statement of income on disposal and impairment	(2,561)	-	(2,561)
- Transfer from deferred tax	(4,233)	-	(4,233)
Other comprehensive expense, net of tax	13,403	-	13,403
Total comprehensive income for the financial period	133,018	-	133,018
Total comprehensive income for the financial period attributable to: Equity holders of the Bank	133,018	-	133,018

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

B1 Financial Review for Financial Quarter and Financial Year to Date

GROUP

	1st Quarter and Three Months Ended 30 June 2018 RM'000	Restated 1st Quarter and Three Months Ended 30 June 2017 RM'000	Changes %
Net income/revenue	401,072	386,613	3.7
Operating profit before allowances	217,892	210,174	3.7
Operating profit after allowances	181,040	179,974	0.6
Profit before tax	181,060	179,995	0.6
Profit after tax	136,367	135,004	1.0
Profit attributable to ordinary equity holders of the Bank	136,367	135,004	1.0
	1st Quarter Ended 30 June 2018 RM'000	4th Quarter Ended 31 March 2018 RM'000	Changes %
Net income/revenue	401,072	403,530	(0.6)
Operating profit before allowances	217,892	191,399	13.8
Operating profit after allowances	181,040	153,703	17.8
Profit before tax	181,060	153,749	17.8
Profit after tax	136,367	112,871	20.8
Profit attributable to ordinary equity holders of the Bank	136,367	112,871	20.8

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

Bank

	1st Quarter and Three Months Ended 30 June 2018 RM'000	1st Quarter and Three Months Ended 30 June 2017 RM'000	Changes %
Net income/revenue	347,268	304,658	14.0
Operating profit before allowances	205,466	167,733	22.5
Operating profit after allowances	171,709	157,111	9.3
Profit before tax	171,709	157,111	9.3
Profit after tax	137,772	119,615	15.2
Profit attributable to ordinary equity holders of the Bank	137,772	119,615	15.2
	1st Quarter Ended 30 June 2018 RM'000	4th Quarter Ended 31 March 2018 RM'000	Changes %
Net income/revenue	347,268	312,218	11.2
Operating profit before allowances	205,466	140,084	46.7
Operating profit after allowances	171,709	110,106	55.9
Profit before tax	171,709	110,106	55.9
Profit after tax	137,772	80,233	71.7
Profit attributable to ordinary equity holders of the Bank	137,772	80,233	71.7

B2 Review Of Performance

Review of Performance for the First Quarter Ended 30 June 2018

The Group's recorded a Net Profit After Taxation of RM136.4 million for the first quarter ended 30 June 2018, representing an increase of 1.0% or RM1.4 million compared to the last corresponding period.

The Group's net income grew by RM14.5 million or 3.7% due to expansion of total gross loans/financing by RM1.5 billion. Net Interest Margin recorded at 243bps from 232bps last corresponding period.

Other operating income including Islamic Banking income recorded at RM79.8 million.

Operating expenses increased by RM6.8 million or 3.8% on higher due to strategic initiatives. Cost to income ratio is recorded at 45.7%.

Gross impaired loans recorded at 1.6%. While loan loss coverage was at 79.7%.

The Current Account/Savings Account ratio was at 37.4%. Loans-to-deposits ratio increased to 96.4% as at 30 June 2018, while loan-to-fund ratio stood at 87.0%.

The Group's total capital ratio stood healthy at 17.8%, with a Common Equity Tier 1 Capital ratio of 12.8% and Tier 1 Capital ratio at 13.3% as at 30 June 2018.

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 A32 on Segment Information for the composition of each business segment.

Consumer Banking profit before tax stood at RM7.5 million. Net income was lower by RM4.3 million or 3.1%, while operating expenses higher by RM6.2 million or 7.5% compared to last corresponding period. Allowance for expected credit losses for loans, advances and financing recorded at RM40.0 million. Segment asset was RM0.3 billion or 1.3% higher.

Business Banking profit before tax was higher by RM23.2 million or 27.0% where the net income was higher by RM11.8 million or 7.3%. Operating expenses remains stable. Write-back of expected credit losses on loans, advances and financing recorded at RM2.4 million. Segment asset registered growth of RM1.2 billion or 6.9%.

Financial Markets profit before tax was higher by RM5.7 million or 10.4% where operating profit was higher by RM5.4 million or 9.7% mainly due to increase in the net income by RM4.5 million or 6.5% compared to last corresponding period. Segment asset was RM2.2 billion or 12.6% lower compare to last year.

Stockbroking and Corporate Advisory Services recorded a loss before tax of RM1.8 million.

B3 Review Of Performance

Comparison with Immediate Preceding Quarter

The Group's recorded profit after taxation of RM136.4 million for the first quarter ended 30 June 2018

Key quarter-on-quarter performance highlights:

- Net profit after tax increased by 20.8% or RM23.5 million;
- Net interest income grew RM7.5 million;
- Other operating income lower by RM10.1 million as there was a gain on available for sale investment in previous quarter;
- Operating expense improved by RM28.9 million or 13.6%;

B4 Prospect for the Current Financial Period

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

In Financial Year ("FY") 2019, we will be scaling up for growth in our core businesses i.e. consumer lending and SME Banking. For these businesses, we will drive productivity and increase our sales capacity to accelerate loans growth; aiming to outpace industry growth. This will be achieved via loan process automation to reduce processing and turnaround time. We will also enhance our leads generation and sales management through better customer and market analytics.

In addition, Alliance@Work (our bank-at-work program) will continue to be an important acquisition channel to garner consumer CASA and business CASA (via company payroll and online cash management).

We will also be digitizing key in-branch processes to deliver enhanced customer experience and to improve the efficiency of our operations.

These efforts are aligned to our brand promise to use innovation to bring fast, simple, and responsive solutions that meet our customers' needs.

In FY19, we expect the Group's profitability to improve, driven by the positive impact of our transformation initiatives.

B5 Profit Forecast

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

B6 Taxation

	1st Quarter Ended		Three Months Ended	
		Restated		Restated
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
GROUP				
Taxation				
- Income tax	31,983	35,437	31,983	35,437
- Over provision in prior financial period	(712)	-	(712)	-
- Deferred tax	13,422	9,554	13,422	9,554
	44,693	44,991	44,693	44,991
	1st Quarter Ended		Three Months Ended	
		Restated		Restated
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
Taxation				
- Income tax	20,799	30,213	20,799	30,213
- Over provision in prior financial period	-	(18)	-	(18)
- Deferred tax	13,138	7,301	13,138	7,301
	33,937	37,496	33,937	37,496

The Group's effective tax rate for the first financial quarter ended 30 June 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 first financial quarter and three months ended 30 June 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 first quarter ended 30 June 2018 other than 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 proposal announced but not completed as at financial report date.

B10 Deposits from Customers, Deposits and Placements of Banks and Other Financial Institutions and Debts Securities

	GROUP		BANK	
	30 June 2018 RM'000	31 March 2018 RM'000	30 June 2018 RM'000	31 March 2018 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	25,132,857	25,606,068	18,842,024	19,405,345
- More than one year (medium/long term)	1,172,984	1,180,642	881,245	881,620
	26,305,841	26,786,710	19,723,269	20,286,965
Others	15,689,499	15,953,750	12,815,033	13,221,405
	41,995,340	42,740,460	32,538,302	33,508,370
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	607,354	302,397	450,555	105,366
- More than one year (medium/long term)	557,514	571,474	325,175	333,872
	1,164,868	873,871	775,730	439,238
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,209,224	1,226,622	1,008,940	1,226,009
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	151,140	152,992	150,731	153,015
	1,360,364	1,379,614	1,159,671	1,379,024

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)
(Incorporated in Malaysia)

B11 Derivative Financial Assets/(Liabilities)

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

GROUP/BANK	As at 30 June 2018			As at 31 March 2018		
	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	1,506,727	17,103	(36,148)	1,450,035	8,365	(84,502)
- over one year to three years	108,851	635	(4,645)	73,015	-	(8,573)
- over three years	16,156	-	(2,140)	17,385	-	(2,987)
Currency swaps						
- one year or less	5,652,228	35,339	(15,899)	3,240,897	47,110	(13,774)
Currency spots						
- one year or less	494,840	1,233	(1,124)	167,965	245	(185)
Currency options						
- one year or less	150,081	429	(431)	198,450	1,449	(1,616)
	7,928,883	54,739	(60,387)	5,147,747	57,169	(111,637)
Interest rate derivatives						
Interest rate swap						
- one year or less	5,784,248	31,877	(30,919)	5,342,800	26,882	(26,667)
- over one year to three years	1,290,100	1,708	(1,852)	1,206,130	1,057	(1,421)
- over three years	2,096,242	6,032	(4,002)	1,990,360	7,504	(5,729)
	2,397,906	24,137	(25,065)	2,146,310	18,321	(19,517)
Equity related derivatives						
- one year or less	40,760	-	(1,230)	38,825	404	(4,745)
- over one year to three years	68,980	1,636	(2,125)	67,660	-	(11,637)
Total derivatives assets/(liabilities)	13,822,871	88,252	(94,661)	10,597,032	84,455	(154,686)

(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 30 June 2018, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM88,252,000 (31.3.2018: RM84,455,000). 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 (contd.):

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 30 June 2018, the Group and the Bank had posted cash collateral of RM43,124,000 (31.3.2018: RM36,901,000) 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 2018.

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 first financial quarter and three months ended 30 June 2018.

B13 Dividend Declared

No dividend has been declared during the first financial quarter and three months ended 30 June 2018.

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.

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2018	2017	2018	2017
<u>GROUP</u>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	<u>136,367</u>	<u>135,004</u>	<u>136,367</u>	<u>135,004</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	1,548,106	<u>1,548,106</u>	1,548,106
Shares held for ESS ('000)	<u>-</u>	(19,501)	<u>-</u>	(19,501)
	<u>1,548,106</u>	<u>1,528,605</u>	<u>1,548,106</u>	<u>1,528,605</u>
Basic earnings per share (sen)	<u>8.8</u>	<u>8.8</u>	<u>8.8</u>	<u>8.8</u>
	1st Quarter Ended	30 June	30 June	30 June
	2018	2017	2018	2017
<u>BANK</u>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	<u>137,772</u>	<u>119,615</u>	<u>137,772</u>	<u>119,615</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	<u>1,448,106</u>	<u>1,548,106</u>	<u>1,448,106</u>
Basic earnings per share (sen)	<u>8.9</u>	<u>8.3</u>	<u>8.9</u>	<u>8.3</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.

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2018	2017	2018	2017
<u>GROUP</u>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	136,367	135,004	136,367	135,004
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)	-	(19,501)	-	(19,501)
Share Grants under ESS ('000)	-	12	-	12
	1,548,106	1,528,617	1,548,106	1,528,617
Diluted earnings per share (sen)	8.8	8.8	8.8	8.8

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2018	2017	2018	2017
<u>BANK</u>				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	137,772	119,615	137,772	119,615
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,448,106	1,548,106	1,448,106
Diluted earnings per share (sen)	8.9	8.3	8.9	8.3

By Order of the Board

LEE WEI YEN (MAICSA 7001798)
Group Company Secretary
Kuala Lumpur
Date: 30 August 2018