

**ALLIANCE BANK MALAYSIA BERHAD**
**198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**
**Unaudited Statements of Financial Position as at 31 December 2021**

	Note	<b>GROUP</b>		<b>BANK</b>	
		31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
<b>ASSETS</b>					
Cash and short-term funds		3,142,220	3,088,245	1,959,469	1,779,243
Deposits and placements with banks and other financial institutions		-	41,477	-	41,477
Amounts due from clients and brokers	A11	40,046	105,041	-	-
Financial assets at fair value through profit or loss	A12	262,992	237,922	188,639	167,728
Financial investments at fair value through other comprehensive income	A13	8,926,531	10,424,669	6,634,036	7,303,866
Financial investments at amortised cost	A14	2,220,480	2,270,504	2,271,922	2,294,765
Derivative financial assets	B11	92,140	153,735	92,140	153,735
Loans, advances and financing	A15	43,517,997	43,233,506	32,628,876	32,395,127
Other assets	A16	423,025	293,653	444,694	349,416
Tax recoverable		13,465	44,357	-	9,600
Statutory deposits		84,566	88,012	60,028	69,574
Investments in subsidiaries		-	-	1,109,102	1,109,102
Investment in joint venture		1,039	994	-	-
Right-of-use assets		124,180	120,457	123,926	120,439
Property, plant and equipment		52,930	57,264	52,166	55,930
Deferred tax assets		117,957	130,100	74,602	95,200
Intangible assets		430,249	431,259	327,977	329,004
<b>TOTAL ASSETS</b>		<b>59,449,817</b>	<b>60,721,195</b>	<b>45,967,577</b>	<b>46,274,206</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A17	46,424,782	48,488,513	34,613,182	36,150,316
Deposits and placements of banks and other financial institutions	A18	1,472,255	1,392,652	1,117,436	659,377
Amounts due to clients and brokers	A19	13,148	63,416	-	-
Financial liabilities designated at fair value through profit or loss	A20	985,622	472,695	985,622	472,695
Derivative financial liabilities	B11	196,260	149,410	196,260	149,410
Recourse obligations on loans and financing sold to Cagamas		650,589	650,499	300,108	300,100
Lease liabilities		128,193	123,494	127,942	123,475
Other liabilities	A21	1,587,149	1,546,070	1,413,808	1,322,169
Provision for taxation		24,282	760	24,282	-
Provision for zakat		798	848	-	-
Deferred tax liabilities		426	2,333	-	-
Subordinated obligations		1,562,254	1,572,718	1,460,179	1,471,978
<b>TOTAL LIABILITIES</b>		<b>53,045,758</b>	<b>54,463,408</b>	<b>40,238,819</b>	<b>40,649,520</b>
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		4,855,953	4,709,681	4,180,652	4,076,580
<b>TOTAL EQUITY</b>		<b>6,404,059</b>	<b>6,257,787</b>	<b>5,728,758</b>	<b>5,624,686</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>59,449,817</b>	<b>60,721,195</b>	<b>45,967,577</b>	<b>46,274,206</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A29	<b>30,159,297</b>	<b>30,367,400</b>	<b>27,222,055</b>	<b>27,636,885</b>
<b>Net assets per share attributable to equity holders of the Bank (RM)*</b>		<b>4.14</b>	<b>4.04</b>	<b>3.70</b>	<b>3.63</b>

\* 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 2021.

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Consolidated Statements of Income  
for the Financial Period Ended 31 December 2021**

<b>GROUP</b>	Note	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
		<b>31 December</b>	31 December	<b>31 December</b>	31 December
		<b>2021</b>	2020	<b>2021</b>	2020
		<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Interest income	A22	<b>432,758</b>	429,122	<b>1,269,757</b>	1,370,432
Interest expense	A23	<b>(137,981)</b>	(175,934)	<b>(424,242)</b>	(621,111)
Net interest income		<b>294,777</b>	253,188	<b>845,515</b>	749,321
Net income from Islamic banking business	A24	<b>106,863</b>	93,189	<b>302,140</b>	280,801
		<b>401,640</b>	346,377	<b>1,147,655</b>	1,030,122
Fee and commission income	A25	<b>67,080</b>	83,989	<b>201,061</b>	231,202
Fee and commission expense	A25	<b>(28,904)</b>	(30,375)	<b>(80,954)</b>	(82,038)
Investment income	A25	<b>38,536</b>	88,509	<b>119,217</b>	226,346
Other income/(expense)	A25	<b>1,830</b>	(12,801)	<b>29,140</b>	(33,879)
Other operating income	A25	<b>78,542</b>	129,322	<b>268,464</b>	341,631
Net income		<b>480,182</b>	475,699	<b>1,416,119</b>	1,371,753
Other operating expenses	A26	<b>(214,950)</b>	(191,179)	<b>(603,900)</b>	(568,523)
Operating profit before allowances		<b>265,232</b>	284,520	<b>812,219</b>	803,230
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	<b>(15,155)</b>	(150,785)	<b>(144,000)</b>	(396,335)
Write-back of/(allowance for) expected credit losses on financial investments	A28	<b>232</b>	256	<b>355</b>	(205)
Operating profit after allowances		<b>250,309</b>	133,991	<b>668,574</b>	406,690
Share of results of joint venture		<b>14</b>	20	<b>45</b>	73
Profit before taxation		<b>250,323</b>	134,011	<b>668,619</b>	406,763
Taxation	B6	<b>(99,302)</b>	(33,554)	<b>(198,843)</b>	(98,050)
Net profit for the financial period		<b>151,021</b>	100,457	<b>469,776</b>	308,713
<b>Net profit for the financial period attributable to equity holders of the Bank</b>		<b>151,021</b>	100,457	<b>469,776</b>	308,713
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B14(a)	<b>9.8</b>	6.5	<b>30.3</b>	19.9
- Diluted (sen)	B14(b)	<b>9.8</b>	6.5	<b>30.3</b>	19.9

**ALLIANCE BANK MALAYSIA BERHAD****198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 31 December 2021**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
<b><u>GROUP</u></b>	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit for the financial period</b>	<b>151,021</b>	100,457	<b>469,776</b>	308,713
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net (loss)/gain from change in fair value	<b>(58,679)</b>	(42,660)	<b>(83,233)</b>	276,373
- Realised gain transferred to statements of income on disposal	<b>(16,053)</b>	(57,211)	<b>(55,331)</b>	(91,091)
- Transfer from/(to) deferred tax	<b>17,935</b>	23,969	<b>33,255</b>	(44,468)
- Changes in expected credit losses	<b>(104)</b>	(220)	<b>(75)</b>	192
Net change in cash flow hedges	<b>(29)</b>	-	<b>8</b>	-
Other comprehensive (expense)/income, net of tax	<b>(56,930)</b>	(76,122)	<b>(105,376)</b>	141,006
<b>Total comprehensive income for the financial period</b>	<b>94,091</b>	24,335	<b>364,400</b>	449,719
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	<b>94,091</b>	24,335	<b>364,400</b>	449,719

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 2021.

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Statements of Income**

**for the Financial Period Ended 31 December 2021**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b><u>BANK</u></b>					
Interest income	A22	423,879	416,380	1,239,710	1,333,070
Interest expense	A23	(135,870)	(173,108)	(416,234)	(608,621)
Net interest income		288,009	243,272	823,476	724,449
Fee and commission income	A25	58,234	63,426	165,804	173,045
Fee and commission expense	A25	(25,833)	(21,877)	(69,702)	(59,698)
Investment income	A25	55,691	308,302	147,010	447,127
Other income/(expense)	A25	1,976	(12,894)	29,281	(33,894)
Other operating income	A25	90,068	336,957	272,393	526,580
Net income		378,077	580,229	1,095,869	1,251,029
Other operating expenses	A26	(168,326)	(149,554)	(465,471)	(441,437)
Operating profit before allowances		209,751	430,675	630,398	809,592
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(21,039)	(78,034)	(97,844)	(240,550)
Write-back of/(allowance for) expected credit losses on financial investments	A28	225	241	168	(173)
Profit before taxation		188,937	352,882	532,722	568,869
Taxation	B6	(73,662)	(31,382)	(148,993)	(80,606)
Net profit for the financial period		115,275	321,500	383,729	488,263
<b>Net profit for the financial period attributable to equity holders of the Bank</b>		<b>115,275</b>	<b>321,500</b>	<b>383,729</b>	<b>488,263</b>
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B14(a)	7.4	20.8	24.8	31.5
- Diluted (sen)	B14(b)	7.4	20.8	24.8	31.5

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**Condensed Interim Financial Statements  
Unaudited Statements of Comprehensive Income  
for the Financial Period Ended 31 December 2021**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2021</b>	31 December 2020	<b>31 December 2021</b>	31 December 2020
<b><u>BANK</u></b>	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit for the financial period</b>	<b>115,275</b>	321,500	<b>383,729</b>	488,263
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI				
- Net (loss)/gain from change in fair value	<b>(38,844)</b>	(31,643)	<b>(57,131)</b>	181,199
- Realised gain transferred to statements of income on disposal	<b>(7,746)</b>	(35,026)	<b>(23,785)</b>	(67,923)
- Transfer from/(to) deferred tax	<b>11,182</b>	16,001	<b>19,420</b>	(27,186)
- Changes in expected credit losses	<b>(54)</b>	(138)	<b>(41)</b>	72
Net change in cash flow hedges	<b>(29)</b>	-	<b>8</b>	-
Other comprehensive (expense)/income, net of tax	<b>(35,491)</b>	(50,806)	<b>(61,529)</b>	86,162
<b>Total comprehensive income for the financial period</b>	<b>79,784</b>	270,694	<b>322,200</b>	574,425
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	<b>79,784</b>	270,694	<b>322,200</b>	574,425

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 2021.

**Condensed Interim Financial Statements**  
**Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 31 December 2021**

←----- Attributable to Equity holders of the Bank -----→

<b>GROUP</b>	Share capital RM'000	Regulatory reserves RM'000	Capital reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2021	1,548,106	86,440	100,150	51,320	-	4,471,771	6,257,787
Net profit for the financial period	-	-	-	-	-	469,776	469,776
Other comprehensive (expense)/income	-	-	-	(105,384)	8	-	(105,376)
Total comprehensive (expense)/income for the financial period	-	-	-	(105,384)	8	469,776	364,400
Transfer from regulatory reserves	-	(38,754)	-	-	-	38,754	-
Dividends paid to shareholders	-	-	-	-	-	(218,128)	(218,128)
<b>At 31 December 2021</b>	<b>1,548,106</b>	<b>47,686</b>	<b>100,150</b>	<b>(54,064)</b>	<b>8</b>	<b>4,762,173</b>	<b>6,404,059</b>
At 1 April 2020	1,548,106	224,579	100,150	141,312	-	3,974,847	5,988,994
Net profit for the financial period	-	-	-	-	-	308,713	308,713
Other comprehensive income	-	-	-	141,006	-	-	141,006
Total comprehensive income for the financial period	-	-	-	141,006	-	308,713	449,719
Transfer from regulatory reserves	-	(72,954)	-	-	-	72,954	-
At 31 December 2020	1,548,106	151,625	100,150	282,318	-	4,356,514	6,438,713

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Statements of Changes in Equity for the Financial Year Ended 31 December 2021 (Contd.)**

	← Non-Distributable reserves →					Distributable reserves	
	<u>Share capital</u>	<u>Regulatory reserves</u>	<u>Capital reserves</u>	<u>FVOCI reserves</u>	<u>Hedging reserves</u>	<u>Retained profits</u>	<u>Total equity</u>
<b><u>BANK</u></b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	1,548,106	80,006	15,515	(4,907)	-	3,985,966	5,624,686
Net profit for the financial period	-	-	-	-	-	383,729	383,729
Other comprehensive (expense)/income	-	-	-	(61,537)	8	-	(61,529)
Total comprehensive (expense)/income for the financial period	-	-	-	(61,537)	8	383,729	322,200
Transfer from regulatory reserves	-	(38,365)	-	-	-	38,365	-
Dividends paid to shareholders	-	-	-	-	-	(218,128)	(218,128)
<b>At 31 December 2021</b>	<b>1,548,106</b>	<b>41,641</b>	<b>15,515</b>	<b>(66,444)</b>	<b>8</b>	<b>4,189,932</b>	<b>5,728,758</b>
At 1 April 2020	1,548,106	182,292	15,515	79,834	-	3,346,890	5,172,637
Net profit for the financial period	-	-	-	-	-	488,263	488,263
Other comprehensive income	-	-	-	86,162	-	-	86,162
Total comprehensive income for the financial period	-	-	-	86,162	-	488,263	574,425
Transfer from regulatory reserves	-	(40,501)	-	-	-	40,501	-
At 31 December 2020	1,548,106	141,791	15,515	165,996	-	3,875,654	5,747,062

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 2021.

**ALLIANCE BANK MALAYSIA BERHAD****198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2021**

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation	<b>668,619</b>	406,763	<b>532,722</b>	568,869
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	<b>472</b>	(11,389)	<b>111</b>	(11,431)
Allowance for expected credit losses on loans, advances and financing	<b>154,932</b>	371,998	<b>90,458</b>	229,807
(Write-back of)/allowance for expected credit losses on commitments and contingencies	<b>(25,299)</b>	16,629	<b>(5,508)</b>	6,968
(Write-back of)/allowance for expected credit losses on financial investments	<b>(355)</b>	205	<b>(168)</b>	173
Allowance for/(write-back of) expected credit losses on amounts due from clients and brokers	<b>3</b>	(3)	-	-
Allowance for expected credit losses on other receivables	<b>1,814</b>	1,510	<b>2,399</b>	1,262
(Write-back of)/allowance for expected credit losses on short-term funds	<b>(12)</b>	9	<b>(12)</b>	9
Allowance for expected credit losses on deposits and placements with banks	<b>(4)</b>	8	<b>(4)</b>	8
Amortisation of computer software	<b>33,574</b>	31,092	<b>32,779</b>	29,958
Depreciation of property, plant and equipment	<b>14,919</b>	15,766	<b>14,181</b>	15,425
Depreciation of right-of-use assets	<b>19,149</b>	19,045	<b>19,101</b>	19,012
Dividends from financial assets				
at fair value through profit or loss	<b>(1,377)</b>	(1,480)	<b>(796)</b>	(931)
Dividends from subsidiaries	-	-	<b>(48,253)</b>	(238,929)
Interest expense on lease liabilities	<b>4,784</b>	5,098	<b>4,770</b>	5,096
Interest expense on subordinated obligations	<b>46,326</b>	61,666	<b>46,475</b>	61,879
Interest expense on recourse obligations on loans and financing sold to Cagamas	<b>10,238</b>	10,239	<b>10,238</b>	10,239
Interest income from financial investments at amortised cost	<b>(54,724)</b>	(21,813)	<b>(60,112)</b>	(27,200)
Interest income from financial investments at fair value through other comprehensive income	<b>(217,176)</b>	(246,470)	<b>(198,934)</b>	(221,000)
Computer software written-off	<b>3</b>	-	<b>3</b>	-
Property, plant and equipment written-off	-	76	-	76
Net gain from sale of financial assets at fair value through profit or loss	<b>(3,191)</b>	(12,406)	<b>(2,811)</b>	(12,406)
Net gain from sale of financial investments at fair value through other comprehensive income	<b>(39,125)</b>	(79,720)	<b>(23,785)</b>	(67,923)
Net loss from sale of financial investments at amortised cost	-	150	-	150
Net loss from sale of other investments	-	5	-	5
Unrealised loss arising from derivative instruments	<b>105,846</b>	90,573	<b>105,846</b>	90,573
Unrealised loss arising from hedging activities	<b>10</b>	-	<b>10</b>	-
Unrealised gain arising from financial assets at fair value through profit or loss	<b>(26,337)</b>	(29,587)	<b>(22,178)</b>	(23,785)
Unrealised gain/(loss) arising from financial liabilities designated at fair value through profit or loss	<b>(88,574)</b>	8,177	<b>(88,574)</b>	8,177
Share of results of joint venture	<b>(45)</b>	(73)	-	-
Zakat	-	549	-	-
Cash flow from operating activities before working capital changes carried forward	<b>604,470</b>	636,617	<b>407,958</b>	444,081



**ALLIANCE BANK MALAYSIA BERHAD****198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2021 (Contd.)**

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Cash flows from operating activities (contd.)</b>				
Cash flow from operating activities before working capital changes brought forward	<b>604,470</b>	636,617	<b>407,958</b>	444,081
Changes in working capital:				
Amounts due to clients and brokers	<b>14,727</b>	(21,205)	-	-
Deposits from customers	<b>(2,063,731)</b>	(2,344,837)	<b>(1,537,134)</b>	(2,295,342)
Deposits and placements of banks and other financial institutions	<b>79,603</b>	(239,663)	<b>458,059</b>	(13,117)
Deposits and placements with banks and other financial institutions	<b>41,481</b>	(241,026)	<b>41,481</b>	(271,030)
Financial liabilities designated at fair value through profit or loss	<b>601,501</b>	(9,807)	<b>601,501</b>	(9,807)
Financial assets at fair value through profit or loss	<b>(2,378)</b>	392,977	<b>(2,759)</b>	392,977
Loans, advances and financing	<b>(439,423)</b>	387,470	<b>(324,208)</b>	99,125
Other assets	<b>(131,055)</b>	(4,873)	<b>(97,542)</b>	(32,950)
Other liabilities	<b>66,480</b>	309,723	<b>97,150</b>	434,276
Obligations on securities sold under repurchase agreements	-	(369,469)	-	(221,387)
Statutory deposits	<b>3,446</b>	863,509	<b>9,546</b>	644,403
Cash used in from operations	<b>(1,224,879)</b>	(640,584)	<b>(345,948)</b>	(828,771)
Taxation paid	<b>(101,081)</b>	(79,152)	<b>(75,238)</b>	(61,852)
Zakat paid	<b>(150)</b>	(247)	-	-
Net cash used in operating activities	<b>(1,326,110)</b>	(719,983)	<b>(421,186)</b>	(890,623)

**Cash flows from investing activities**

Dividends from financial assets at fair value through profit or loss	<b>1,377</b>	1,480	<b>796</b>	931
Dividends from subsidiaries	-	-	<b>48,253</b>	238,929
Capital injection into subsidiaries	-	-	-	(200,000)
Interest received from financial assets at fair value through profit or loss	<b>6,835</b>	10,935	<b>6,835</b>	10,935
Interest received from financial investments at fair value through other comprehensive income	<b>244,333</b>	271,471	<b>219,508</b>	244,142
Interest received from financial investments at amortised cost	<b>54,453</b>	6,049	<b>58,108</b>	12,354
Interest received for derivative instruments	<b>2,599</b>	7,911	<b>2,599</b>	7,911
Purchase of computer software	<b>(32,567)</b>	(31,363)	<b>(31,755)</b>	(31,075)
Purchase of property, plant and equipment	<b>(10,585)</b>	(6,913)	<b>(10,417)</b>	(6,694)
Purchase of:				
- financial investments at fair value through other comprehensive income	<b>(913,768)</b>	(2,195,155)	<b>(586,914)</b>	(2,167,995)
- financial investments at amortised cost	-	(1,973,395)	-	(1,800,387)
Proceeds from redemption/disposal of:				
- financial investments at fair value through other comprehensive income	<b>2,271,499</b>	3,807,748	<b>1,165,590</b>	3,844,625
- financial investments at amortised cost	<b>63,914</b>	194,341	<b>38,313</b>	46,606
Net cash generated from investing activities	<b>1,688,090</b>	93,109	<b>910,916</b>	200,282

**ALLIANCE BANK MALAYSIA BERHAD****198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2021 (Contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders of the company	<b>(218,128)</b>	-	<b>(218,128)</b>	-
Interest paid on subordinated obligations	<b>(56,790)</b>	(79,495)	<b>(58,274)</b>	(81,014)
Interest paid on recourse obligations on loans and financing sold to Cagamas	<b>(10,150)</b>	(10,244)	<b>(10,230)</b>	(10,196)
Repayment of lease liabilities	<b>(22,937)</b>	(22,317)	<b>(22,872)</b>	(22,274)
Proceeds from issuance of subordinated notes	-	59,171	-	(1,410)
Net cash used in from financing activities	<b><u>(308,005)</u></b>	<b><u>(52,885)</u></b>	<b><u>(309,504)</u></b>	<b><u>(114,894)</u></b>
<b>Net change in cash and cash equivalents</b>	<b>53,975</b>	(679,759)	<b>180,226</b>	(805,235)
<b>Cash and cash equivalents at beginning of financial period</b>	<b><u>3,088,245</u></b>	<u>3,119,214</u>	<b><u>1,779,243</u></b>	<u>2,488,527</u>
<b>Cash and cash equivalents at end of financial period</b>	<b><u><u>3,142,220</u></u></b>	<u><u>2,439,455</u></u>	<b><u><u>1,959,469</u></u></b>	<u><u>1,683,292</u></u>
<b>Cash and cash equivalents comprise the following:</b>				
Cash and short-term funds	<b><u><u>3,142,220</u></u></b>	<u><u>2,439,455</u></u>	<b><u><u>1,959,469</u></u></b>	<u><u>1,683,292</u></u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2021.*

## **Explanatory Notes**

### **PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("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 current financial period ended 31 December 2021 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial investment at fair value through other comprehensive income, derivative financial instruments and financial liabilities designated at fair value through profit or loss that are measured at fair value.

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"), 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 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and Bank since the financial year ended 31 March 2021.

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 2021 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2021:

- Interest rate benchmark reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
- Amendment to MFRS 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above standards, amendments to published standards and interpretations to existing standards did not give rise to any significant impact on the financial statements of the Group and the Bank.

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's 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 audited annual financial statements for the financial year ended 31 March 2021 was not qualified.

#### **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 current financial period ended 31 December 2021.

#### **A4 Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the current financial period ended 31 December 2021.

#### **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 current financial period ended 31 December 2021.

**A6 Issuance and Repayment of Debt and Equity Securities**

There were no issuance nor repayment of debt and equity securities in the current financial period ended 31 December 2021.

**A7 Dividend Paid**

(a) A single tier interim dividend of 5.79 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM89,635,000 in respect of financial year ended 31 March 2021 was paid on 30 June 2021.

(b) A single tier first interim dividend of 8.30 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM128,493,000 in respect of financial year ending 31 March 2022 was paid on 30 December 2021.

**A8 Significant Events**

On the 2 December 2021, the Board of Directors of the Bank announced that Alliance Investment Bank Berhad (AIBB), a wholly owned subsidiary of the Bank has entered into a conditional business sale and purchase agreement (BSPA) with Phillip Futures Sdn Bhd (PFSB) for the proposed disposal of AIBB's stockbroking business (as a going concern), subsisting as at the specified transfer point, together with the assets and liabilities as specified in the BSPA (Proposed Disposal of Stockbroking Business) for a cash consideration based on an aggregate of:

(a) an amount in cash equal to the net asset value of the Stockbroking Business as at the completion date of the Proposed Disposal of Stockbroking Business; and

(b) an amount in cash equal to 60% of the aggregate brokerage fee in respect of all brokerage transactions concluded by PFSB in respect of the 12-month period from the specified transfer point until the date that is the 12-month anniversary of the completion date less the brokerage transaction costs; and less an amount in cash equal to the receivable shortfall.

In connection with the Proposed Disposal of Stockbroking Business, AIBB has also on the 2 December 2021 entered into a separate conditional business sale and purchase agreement with Alliance Islamic Bank Berhad (AIS), a wholly owned subsidiary of the Bank, for the transfer of AIBB's corporate finance, equity capital markets and debt capital markets business (excluding all non-shariah compliant mandates) (the Capital Markets Business) to AIS, for a cash consideration based on an amount equal to the net asset value taking into consideration the total assets and total liabilities of the Capital Markets Business.

Bank Negara Malaysia had on 1 December 2021 granted its approval to AIBB in relation to the above Proposals (ie. Proposed Disposal of Stockbroking Business and Proposed Capital Markets Business Transfer). In addition, the Securities Commission Malaysia (SC) had granted its conditional approval in relation to the Proposed Disposal of Stockbroking Business via a letter dated 1 November 2021 to PFSB and a letter dated 3 November 2021 to AIBB in relation to the Proposed Capital Markets Business Transfer. The SC Approval to AIBB states that given that AIS is a registered person within Part 1, Schedule 4 to the Capital Markets and Services Act, 2007, AIS is allowed to carry out the Capital Markets Business.

The Proposals above will not have any material impact to the consolidated financial results of the Bank for the financial year ending 31 March 2022.

Barring any unforeseen circumstances, the Proposals are expected to be completed in financial year ending 31 March 2023.

**A9 Material Events Subsequent to the End of the Financial Reporting Period**

There were no material events 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.

**A11 Amounts Due From Clients And Brokers**

	<b>GROUP</b>	
	<b>31 December</b>	31 March
	<b>2021</b>	2021
	<b>RM'000</b>	RM'000
Due from clients	<b>40,049</b>	105,041
Due from brokers	<b>-</b>	-
	<b>40,049</b>	105,041
Less: Allowance for expected credit losses	<b>(3)</b>	-
	<b>40,046</b>	105,041

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 Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

AIBB's normal trade credit terms for non-margin clients is two (2) market days in accordance with Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

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

	<b>Lifetime ECL</b>	
	<b>31 December</b>	31 March
	<b>2021</b>	2021
	<b>RM'000</b>	RM'000
<b>GROUP</b>		
At beginning of financial year	-	3
Allowance made/(write-back of) during the financial period/year (net)	<b>3</b>	(3)
At end of financial period/year	<b>3</b>	-

As at 31 December 2021, the Group's gross exposure of amounts due from clients and brokers that are credit impaired was at RM3,000 (31 March 2021: RM Nil).

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

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December</b>	31 March	<b>31 December</b>	31 March
	<b>2021</b>	2021	<b>2021</b>	2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>At fair value - debt instruments</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	<b>101</b>	10,036	<b>101</b>	10,036
Malaysian Government investment issues	<b>14,710</b>	3,210	<b>14,710</b>	3,210
	<b>14,811</b>	13,246	<b>14,811</b>	13,246
<u>Unquoted securities:</u>				
Shares	<b>245,585</b>	224,676	<b>171,232</b>	154,482
Corporate bonds and sukuk	<b>2,596</b>	-	<b>2,596</b>	-
	<b>248,181</b>	224,676	<b>173,828</b>	154,482
Total financial assets at FVTPL	<b>262,992</b>	237,922	<b>188,639</b>	167,728

**A13 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December 2021 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b>At fair value</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	<b>2,240,961</b>	2,007,478	<b>2,107,202</b>	1,912,391
Malaysian Government investment issues	<b>1,995,793</b>	3,471,755	<b>1,427,412</b>	2,289,793
Commercial papers	<b>29,901</b>	-	<b>19,947</b>	-
	<b>4,266,655</b>	5,479,233	<b>3,554,561</b>	4,202,184
<u>Quoted securities:</u>				
Shares	<b>17</b>	15	<b>17</b>	15
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	<b>4,659,859</b>	4,945,421	<b>3,079,458</b>	3,101,667
Total financial investments at FVOCI	<b>8,926,531</b>	10,424,669	<b>6,634,036</b>	7,303,866

Movements in allowance for expected credit losses are as follows:

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL Not-credit Impaired (Stage 2) RM'000</b>	<b>Lifetime ECL Credit Impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>GROUP</b>				
At 1 April 2021	<b>96</b>	<b>231</b>	-	<b>327</b>
New financial investments originated or purchased	<b>31</b>	-	-	<b>31</b>
Financial investments derecognised other than write-off	<b>(3)</b>	<b>(19)</b>	-	<b>(22)</b>
Changes due to change in credit risk	<b>(13)</b>	<b>(71)</b>	-	<b>(84)</b>
Total charge to/(write-back from) income statement	<b>15</b>	<b>(90)</b>	-	<b>(75)</b>
<b>At 31 December 2021</b>	<b>111</b>	<b>141</b>	-	<b>252</b>
At 1 April 2020	138	208	-	346
Transfer to Stage 1	40	(337)	-	(297)
Transfer to Stage 2	(40)	677	-	637
New financial investments originated or purchased	14	-	-	14
Financial investments derecognised other than write-off	(19)	(5)	-	(24)
Changes due to change in credit risk	(37)	(312)	-	(349)
Total (write-back from)/charge to income statement	(42)	23	-	(19)
At 31 March 2021	96	231	-	327

**A13 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI") (Contd.)**

Movements in allowance for expected credit losses are as follows (Contd.):

	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	<u>Total</u> RM'000
<b><u>BANK</u></b>				
At 1 April 2021	61	114	-	175
New financial investments originated or purchased	25	-	-	25
Financial investments derecognised other than write-off	(1)	(16)	-	(17)
Changes due to change in credit risk	(7)	(42)	-	(49)
Total charge to/(write-back from) income statement	17	(58)	-	(41)
<b>At 31 December 2021</b>	<b>78</b>	<b>56</b>	<b>-</b>	<b>134</b>
At 1 April 2020	71	151	-	222
Transfer to Stage 1	23	(154)	-	(131)
Transfer to Stage 2	(23)	310	-	287
New financial investments originated or purchased	14	-	-	14
Financial investments derecognised other than write-off	(7)	(5)	-	(12)
Changes due to change in credit risk	(17)	(188)	-	(205)
Total write-back from income statement	(10)	(37)	-	(47)
At 31 March 2021	61	114	-	175

Note:

The transfer between stages are inclusive of net remeasurement of allowances.

The Group and Bank do not have gross exposure of financial investments at FVOCI that are credit impaired.

**A14 Financial Investments at Amortised Cost**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
<b>At amortised cost</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	287,653	289,741	287,653	289,741
Malaysian Government investment issues	1,838,965	1,859,678	1,628,899	1,647,210
Negotiable instruments of deposits	-	-	193,240	187,404
	<b>2,126,618</b>	<b>2,149,419</b>	<b>2,109,792</b>	<b>2,124,355</b>
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	94,835	122,338	162,925	171,332
Less: Allowance for expected credit losses	(973)	(1,253)	(795)	(922)
	<b>93,862</b>	<b>121,085</b>	<b>162,130</b>	<b>170,410</b>
Total financial investments at amortised cost	<b>2,220,480</b>	<b>2,270,504</b>	<b>2,271,922</b>	<b>2,294,765</b>

**A14 Financial Investments at Amortised Cost (Contd.)**

Movements in allowance for expected credit losses are as follows:

	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	Lifetime ECL Credit Impaired <u>(Stage 3)</u> RM'000	<u>Total</u> RM'000
<b>GROUP</b>				
At 1 April 2021	423	-	830	1,253
Total write-back from income statement due to change in credit risk	<u>(280)</u>	-	-	<u>(280)</u>
<b>At 31 December 2021</b>	<b>143</b>	<b>-</b>	<b>830</b>	<b>973</b>
At 1 April 2020	308	-	49,074	49,382
New financial investments originated or purchased	-	-	569	569
Financial investments derecognised other than write-off	-	-	(569)	(569)
Changes due to change in credit risk	115	-	-	115
Total charge to income statement	115	-	-	115
Write-off	-	-	(48,244)	(48,244)
At 31 March 2021	<u>423</u>	<u>-</u>	<u>830</u>	<u>1,253</u>
	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	Lifetime ECL Credit Impaired <u>(Stage 3)</u> RM'000	<u>Total</u> RM'000
<b>BANK</b>				
At 1 April 2021	366	-	556	922
Total write-back from income statement due to change in credit risk	<u>(127)</u>	-	-	<u>(127)</u>
<b>At 31 December 2021</b>	<b>239</b>	<b>-</b>	<b>556</b>	<b>795</b>
At 1 April 2020	372	-	24,678	25,050
New financial investments originated or purchased	-	-	373	373
Financial investments derecognised other than write-off	-	-	(373)	(373)
Changes due to change in credit risk	(6)	-	-	(6)
Total write-back from income statement	(6)	-	-	(6)
Write-off	-	-	(24,122)	(24,122)
At 31 March 2021	<u>366</u>	<u>-</u>	<u>556</u>	<u>922</u>

Note:

The transfer between stages are inclusive of net remeasurement of allowances.



**A14 Financial Investments at Amortised Cost (Contd.)**

Movements in allowance for expected credit losses are as follows (Contd.):

The Group's and the Bank's gross exposure of financial investments at amortised cost that are credit impaired are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
At beginning of financial year	846	49,090	556	24,678
Write-off during the financial period/year	-	(48,244)	-	(24,122)
At end of financial period/year	<b>846</b>	<b>846</b>	<b>556</b>	<b>556</b>

**A15 Loans, Advances and Financing**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
<b>At amortised cost</b>				
Overdrafts	2,947,436	3,431,705	1,731,047	2,036,340
Term loans/financing				
- Housing loans/financing	13,868,649	14,074,492	10,424,256	10,572,066
- Syndicated term loans/financing	310,829	318,900	310,829	318,900
- Hire purchase receivables	525,740	616,512	405,302	455,966
- Other term loans/financing	19,473,461	18,195,036	14,554,730	13,839,763
Bills receivables	355,403	483,030	350,423	452,195
Trust receipts	662,901	286,407	516,585	225,407
Claims on customers under acceptance credits	2,752,466	2,969,016	2,054,838	2,216,600
Staff loans/financing				
(Loan to Directors: RM Nil [31 March 2021: RM Nil])	16,650	19,463	3,160	3,987
Credit/charge card receivables	506,008	513,331	506,008	513,331
Revolving credits	1,585,213	1,902,028	1,038,175	1,157,634
Share margin financing	1,510,508	1,337,422	1,337,771	1,160,548
Gross loans, advances and financing	44,515,264	44,147,342	33,233,124	32,952,737
Add: Sales commissions and handling fees	96,134	93,370	104,255	108,989
Less: Allowance for expected credit losses on loans, advances and financing	(1,093,401)	(1,007,206)	(708,503)	(666,599)
Total net loans, advances and financing	<b>43,517,997</b>	<b>43,233,506</b>	<b>32,628,876</b>	<b>32,395,127</b>

Note:

The Bank has entered into an arrangement on Commodity Murabahah Term Financing ("CMTF") with Alliance Islamic Bank Berhad ("AIS"), the Bank's wholly owned subsidiary. The contract is based on Wakalah principle where the Bank will provide the funds, while the assets are managed by AIS (as the Wakeel or agent). The risk and rewards of the underlying assets are recognised and borne by the Bank. Hence, the underlying assets and allowances for expected credit losses/impairment losses are recognised and accounted for by the Bank. The total loans, advances and financing for CMTF was at RM4,795,000 as at 31 December 2021 (31 March 2021: RM34,379,000).

**A15 Loans, Advances and Financing (Contd.)**

**A15a** By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Within one year	10,521,184	11,166,171	7,648,301	7,928,048
One year to three years	1,634,033	1,719,702	1,249,025	1,271,822
Three years to five years	3,806,843	3,116,175	3,008,735	2,513,766
Over five years	28,553,204	28,145,294	21,327,063	21,239,101
Gross loans, advances and financing	<b>44,515,264</b>	<b>44,147,342</b>	<b>33,233,124</b>	<b>32,952,737</b>

**A15b** By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Domestic non-bank financial institutions	569,373	662,237	442,420	473,893
Domestic business enterprises				
- Small and medium enterprises	14,588,567	13,947,747	11,157,030	10,831,042
- Others	6,193,395	6,139,562	4,848,817	4,654,521
Government and statutory bodies	82,287	58,149	82,287	58,149
Individuals	22,424,179	22,674,971	16,147,052	16,374,290
Other domestic entities	26,725	26,155	3,260	2,079
Foreign entities	630,738	638,521	552,258	558,763
Gross loans, advances and financing	<b>44,515,264</b>	<b>44,147,342</b>	<b>33,233,124</b>	<b>32,952,737</b>

**A15c** By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Fixed rate				
- Housing loans/financing	24,040	26,509	4,400	4,815
- Hire purchase receivables	516,923	604,335	396,486	443,788
- Other fixed rate loans/financing	6,978,123	7,022,940	4,912,887	4,940,093
Variable rate				
- Base lending rate plus	23,913,934	24,074,135	19,270,375	19,597,887
- Base rate plus	9,113,032	8,515,744	5,658,758	5,086,299
- Cost plus	3,969,212	3,903,679	2,990,218	2,879,855
Gross loans, advances and financing	<b>44,515,264</b>	<b>44,147,342</b>	<b>33,233,124</b>	<b>32,952,737</b>

**A15 Loans, Advances and Financing (Contd.)**

**A15d** By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Purchase of securities	1,666,391	1,492,946	1,493,653	1,316,073
Purchase of transport vehicles	360,805	451,486	259,713	311,972
Purchase of landed property	21,742,776	21,934,318	16,840,447	17,016,276
of which: - Residential	14,643,219	14,920,966	11,136,581	11,351,588
- Non-residential	7,099,557	7,013,352	5,703,866	5,664,688
Purchase of fixed assets excluding land & buildings	271,400	263,770	217,149	211,595
Personal use	5,679,409	5,710,480	3,019,139	3,118,591
Credit card	506,008	513,332	506,008	513,332
Construction	1,020,189	954,464	905,348	851,640
Working capital	9,993,980	9,920,052	7,552,638	7,368,494
Others	3,274,306	2,906,494	2,439,029	2,244,764
Gross loans, advances and financing	44,515,264	44,147,342	33,233,124	32,952,737

**A15e** By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Primary agriculture	1,184,601	1,197,847	797,371	790,151
Mining and quarrying	222,211	234,646	188,153	196,106
Manufacturing	4,617,407	4,840,945	3,392,055	3,647,230
Electricity, gas and water	35,939	31,632	32,328	29,462
Construction	1,562,792	1,412,197	1,204,240	1,100,732
Wholesale, retail trade, restaurants and hotels	7,449,817	7,272,701	5,920,718	5,741,712
Transport, storage and communication	688,007	714,287	571,121	570,932
Financing, insurance, real estate and business services	5,360,587	4,755,068	4,170,602	3,649,734
Community, social and personal services	359,870	366,379	279,853	288,610
Household	23,030,678	23,313,491	16,675,071	16,933,053
Others	3,355	8,149	1,612	5,015
Gross loans, advances and financing	44,515,264	44,147,342	33,233,124	32,952,737

**A15f** By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Northern region	3,242,515	3,184,084	2,144,913	2,172,904
Central region	31,670,415	31,220,193	24,069,743	23,751,261
Southern region	5,424,319	5,457,765	4,140,674	4,168,512
Sabah region	3,020,402	3,171,129	2,024,705	2,093,429
Sarawak region	1,157,613	1,114,171	853,089	766,631
Gross loans, advances and financing	44,515,264	44,147,342	33,233,124	32,952,737

**A15 Loans, Advances and Financing (Contd.)**

**A15g** Movements in credit impaired loans, advances and financing ("impaired loans") in Stage 3:

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December 2021 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
At beginning of financial year	<b>1,032,436</b>	871,340	<b>735,568</b>	638,343
Impaired during the financial period/year	<b>589,747</b>	962,546	<b>371,263</b>	643,618
Recovered during the financial period/year	<b>(41,866)</b>	(47,121)	<b>(35,066)</b>	(34,657)
Reclassified as unimpaired during the financial period/year	<b>(501,804)</b>	(439,787)	<b>(333,876)</b>	(306,693)
Financial assets derecognised other than write-off during the financial period/year	<b>(70,129)</b>	(127,162)	<b>(40,080)</b>	(78,622)
Amount written-off	<b>(109,768)</b>	(187,380)	<b>(76,392)</b>	(126,421)
At end of financial period/year	<b>898,616</b>	1,032,436	<b>621,417</b>	735,568
Gross impaired loans ratio	<b>2.02%</b>	2.34%	<b>1.87%</b>	2.23%
Net impaired loans ratio	<b>1.28%</b>	1.72%	<b>1.19%</b>	1.64%

**A15h** Credit impaired loans analysed by economic purposes:

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December 2021 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Purchase of securities	<b>17,225</b>	-	<b>17,225</b>	-
Purchase of transport vehicles	<b>19,868</b>	24,162	<b>13,997</b>	17,497
Purchase of landed property	<b>432,657</b>	574,055	<b>309,341</b>	421,511
of which: - Residential	<b>342,642</b>	453,817	<b>233,003</b>	320,166
- Non-residential	<b>90,015</b>	120,238	<b>76,338</b>	101,345
Purchase of fixed assets excluding land & buildings	<b>5,400</b>	12,664	<b>5,045</b>	12,307
Personal use	<b>261,285</b>	269,955	<b>139,377</b>	153,655
Credit card	<b>14,324</b>	8,530	<b>14,324</b>	8,530
Construction	<b>8,104</b>	8,102	<b>8,104</b>	8,102
Working capital	<b>97,915</b>	84,288	<b>74,704</b>	66,278
Others	<b>41,838</b>	50,680	<b>39,300</b>	47,688
Gross impaired loans	<b>898,616</b>	1,032,436	<b>621,417</b>	735,568

**A15 Loans, Advances and Financing (Contd.)**

**A15i** Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December</b> <b>2021</b> <b>RM'000</b>	31 March 2021 RM'000	<b>31 December</b> <b>2021</b> <b>RM'000</b>	31 March 2021 RM'000
Primary agriculture	<b>1,098</b>	1,133	<b>6</b>	17
Mining and quarrying	<b>1,298</b>	1,373	<b>1,298</b>	1,373
Manufacturing	<b>60,515</b>	63,974	<b>51,669</b>	60,440
Construction	<b>33,280</b>	32,416	<b>18,856</b>	19,705
Wholesale, retail trade, restaurants and hotels	<b>72,816</b>	87,927	<b>63,186</b>	67,258
Transport, storage and communication	<b>4,484</b>	4,683	<b>4,079</b>	4,179
Financing, insurance, real estate and business services	<b>63,115</b>	74,203	<b>62,551</b>	73,017
Community, social and personal services	<b>7,175</b>	3,109	<b>3,289</b>	3,109
Household	<b>654,835</b>	762,451	<b>416,483</b>	505,303
Others	-	1,167	-	1,167
Gross impaired loans	<b>898,616</b>	1,032,436	<b>621,417</b>	735,568

**A15j** Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December</b> <b>2021</b> <b>RM'000</b>	31 March 2021 RM'000	<b>31 December</b> <b>2021</b> <b>RM'000</b>	31 March 2021 RM'000
Northern region	<b>77,657</b>	77,759	<b>47,188</b>	52,270
Central region	<b>656,164</b>	764,325	<b>464,094</b>	543,371
Southern region	<b>124,364</b>	142,789	<b>87,598</b>	107,890
Sabah region	<b>32,186</b>	37,812	<b>16,208</b>	24,456
Sarawak region	<b>8,245</b>	9,751	<b>6,329</b>	7,581
Gross impaired loans	<b>898,616</b>	1,032,436	<b>621,417</b>	735,568

**A15 Loans, Advances and Financing (Contd.)**

**A15k** Movements in allowance for expected credit losses on loans, advances and financing are as follows:

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL Not-credit Impaired (Stage 2) RM'000</b>	<b>Lifetime ECL Credit Impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>GROUP</u></b>				
At 1 April 2021	231,025	498,776	277,405	1,007,206
Transfer to Stage 1	87,824	(406,145)	(197)	(318,518)
Transfer to Stage 2	(56,459)	526,939	(96,662)	373,818
Transfer to Stage 3	(370)	(194,279)	174,469	(20,180)
New financial assets originated or purchased	70,441	191,880	10,412	272,733
Financial assets derecognised other than write-off	(52,547)	(195,295)	(17,108)	(264,950)
Changes due to change in credit risk	(32,424)	93,573	50,876	112,025
Other adjustments	4	-	-	4
	<b>16,469</b>	<b>16,673</b>	<b>121,790</b>	<b>154,932</b>
Unwinding of discount	-	-	1,384	1,384
Total charge to income statement	<b>16,469</b>	<b>16,673</b>	<b>123,174</b>	<b>156,316</b>
Write-off	-	(1,522)	(68,599)	(70,121)
<b>At 31 December 2021</b>	<b>247,494</b>	<b>513,927</b>	<b>331,980</b>	<b>1,093,401</b>
At 1 April 2020	96,553	269,287	293,428	659,268
Transfer to Stage 1	153,279	(303,936)	(4,481)	(155,138)
Transfer to Stage 2	(101,032)	483,008	(76,882)	305,094
Transfer to Stage 3	(738)	(158,088)	233,223	74,397
New financial assets originated or purchased	77,896	178,021	15,316	271,233
Financial assets derecognised other than write-off	(64,721)	(189,434)	(35,550)	(289,705)
Changes due to change in credit risk	69,812	220,087	(9,933)	279,966
Other adjustments	(21)	(37)	(13)	(71)
	<b>134,475</b>	<b>229,621</b>	<b>121,680</b>	<b>485,776</b>
Unwinding of discount	-	-	(7,853)	(7,853)
Total charge to income statement	<b>134,475</b>	<b>229,621</b>	<b>113,827</b>	<b>477,923</b>
Write-off	(3)	(132)	(129,850)	(129,985)
<b>At 31 March 2021</b>	<b>231,025</b>	<b>498,776</b>	<b>277,405</b>	<b>1,007,206</b>

**A15 Loans, Advances and Financing (Contd.)**

**A15k** Movements in allowance for expected credit losses on loans, advances and financing are as follows: (contd.)

	<b>12 month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL Not-credit Impaired (Stage 2) RM'000</b>	<b>Lifetime ECL Credit Impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2021	154,241	314,669	197,689	666,599
Transfer to Stage 1	55,877	(256,058)	(185)	(200,366)
Transfer to Stage 2	(35,488)	330,580	(61,342)	233,750
Transfer to Stage 3	(240)	(110,607)	110,792	(55)
New financial assets originated or purchased	47,405	132,601	6,608	186,614
Financial assets derecognised other than write-off	(35,112)	(147,915)	(9,946)	(192,973)
Changes due to change in credit risk	(23,177)	55,130	31,531	63,484
Other adjustments	4	-	-	4
	<b>9,269</b>	<b>3,731</b>	<b>77,458</b>	<b>90,458</b>
Unwinding of discount	-	-	1,505	1,505
Total charge to income statement	<b>9,269</b>	<b>3,731</b>	<b>78,963</b>	<b>91,963</b>
Write-off	-	(767)	(49,292)	(50,059)
<b>At 31 December 2021</b>	<b>163,510</b>	<b>317,633</b>	<b>227,360</b>	<b>708,503</b>
At 1 April 2020	63,677	177,196	218,370	459,243
Transfer to Stage 1	94,945	(199,432)	(2,495)	(106,982)
Transfer to Stage 2	(62,825)	300,659	(50,694)	187,140
Transfer to Stage 3	(606)	(90,925)	142,613	51,082
New financial assets originated or purchased	53,856	139,571	11,287	204,714
Financial assets derecognised other than write-off	(42,782)	(141,429)	(24,205)	(208,416)
Changes due to change in credit risk	48,000	129,081	(2,262)	174,819
Other adjustments	(21)	(37)	(13)	(71)
	90,567	137,488	74,231	302,286
Unwinding of discount	-	-	(4,550)	(4,550)
Total charge to income statement	90,567	137,488	69,681	297,736
Write-off	(3)	(15)	(90,362)	(90,380)
At 31 March 2021	154,241	314,669	197,689	666,599

**Note:**

The transfer between stages are inclusive of net remeasurement of allowances.

**A16 Other Assets**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Other receivables	108,381	98,079	127,090	120,168
Collateral pledged for derivative transactions	103,257	61,381	103,257	61,381
Settlement account	210,879	128,658	210,879	128,658
Deposits	8,973	8,834	8,349	8,210
Prepayment	33,208	36,788	30,207	33,220
Amounts due from subsidiaries	-	-	1,886	32,397
Amount due from joint venture	124	194	232	323
	<b>464,822</b>	<b>333,934</b>	<b>481,900</b>	<b>384,357</b>
Less: Allowance for expected credit losses on other receivables [Note]	<b>(41,797)</b>	<b>(40,281)</b>	<b>(37,206)</b>	<b>(34,941)</b>
	<b>423,025</b>	<b>293,653</b>	<b>444,694</b>	<b>349,416</b>

Note:

Movements for allowance for expected credit losses on other receivables are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
<b><u>Lifetime ECL</u></b>				
At beginning of financial year	40,281	38,212	34,941	33,143
New financial assets originated or purchased	204	170	-	-
Financial assets derecognised other than write-off	(285)	(265)	-	-
Changes due to change in credit risk	1,895	2,181	2,399	1,815
Total charge to income statement	1,814	2,086	2,399	1,815
Write-off	(298)	(17)	(134)	(17)
<b>At end of financial period/year</b>	<b>41,797</b>	<b>40,281</b>	<b>37,206</b>	<b>34,941</b>

As at 31 December 2021, the Group and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM41,797,000 and RM37,206,000 (31 March 2021: RM40,281,000 and RM34,941,000) respectively.



**A17 Deposits from Customers**

**A17a** By type of deposits:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Demand deposits	20,969,246	20,606,556	15,659,769	15,447,892
Savings deposits	2,265,485	2,193,143	1,809,546	1,753,279
Fixed/investment deposits	20,472,716	22,421,659	15,000,488	16,821,977
Money market deposits	2,383,391	2,885,258	1,821,332	1,756,823
Negotiable instruments of deposits	333,944	381,897	322,047	370,345
	<b>46,424,782</b>	<b>48,488,513</b>	<b>34,613,182</b>	<b>36,150,316</b>

**A17b** The maturity structure of fixed/investment deposits, money market deposits and negotiable instruments of deposits are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Due within six months	18,756,748	20,632,259	13,810,276	14,962,791
Six months to one year	4,224,578	4,517,179	3,282,749	3,902,026
One year to three years	205,017	529,542	47,536	75,096
Three years to five years	3,708	9,834	3,306	9,232
	<b>23,190,051</b>	<b>25,688,814</b>	<b>17,143,867</b>	<b>18,949,145</b>

**A17c** By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Domestic financial institutions	342,622	423,503	360,314	469,651
Domestic non-bank financial institutions	3,632,584	4,001,957	2,423,357	2,433,197
Government and statutory bodies	3,096,379	3,782,518	1,395,803	1,654,808
Business enterprises	15,720,816	15,474,724	12,095,072	12,508,806
Individuals	21,901,585	23,097,231	16,862,065	17,645,753
Foreign entities	808,755	842,730	704,398	729,873
Others	922,041	865,850	772,173	708,228
	<b>46,424,782</b>	<b>48,488,513</b>	<b>34,613,182</b>	<b>36,150,316</b>

**A18 Deposits and Placements of Banks and Other Financial Institutions**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Licensed banks	363,275	122,576	295,227	2,263
Licensed investment banks	75,974	340,162	19,901	-
Bank Negara Malaysia	1,033,006	929,914	802,308	657,114
	<u>1,472,255</u>	<u>1,392,652</u>	<u>1,117,436</u>	<u>659,377</u>

**A19 Amounts Due To Clients And Brokers**

	<u>GROUP</u>	
	31 December 2021 RM'000	31 March 2021 RM'000
Due to clients	9,983	57,554
Due to brokers	3,165	5,862
	<u>13,148</u>	<u>63,416</u>

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

The Group's normal trade credit terms for trade payable for non-margin clients is two (2) 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 RM92,813,000 (31 March 2021: RM123,393,000) have been excluded accordingly.

**A20 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 index linked options and foreign currency options.

The Group and the Bank have 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 credit risk are not significant.

	<b>GROUP/BANK</b>	
	<b>31 December</b>	31 March
	<b>2021</b>	2021
	<b>RM'000</b>	RM'000
Structured investments	<b>1,106,152</b>	504,651
Fair value changes arising from designation at fair value through profit or loss	<b>(120,530)</b>	(31,956)
	<b>985,622</b>	472,695

**A21 Other Liabilities**

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December</b>	31 March	<b>31 December</b>	31 March
	<b>2021</b>	2021	<b>2021</b>	2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Other payables	<b>895,405</b>	728,404	<b>800,510</b>	621,643
Bills payable	<b>119,611</b>	162,447	<b>111,162</b>	137,565
Collateral pledged for derivative transactions	<b>24,121</b>	27,810	<b>24,121</b>	27,810
Settlement account	<b>3,430</b>	9,925	<b>3,430</b>	9,925
Clearing account	<b>174,732</b>	179,949	<b>131,180</b>	137,906
Sundry deposits	<b>51,995</b>	50,909	<b>47,266</b>	45,791
Provision and accruals	<b>172,889</b>	171,309	<b>148,525</b>	150,153
Remisiers accounts	<b>7,552</b>	9,274	-	-
Structured investments	<b>113,070</b>	156,700	<b>113,070</b>	156,700
Amount due to subsidiaries	-	-	<b>13,567</b>	8,491
Allowance for expected credit losses on commitments and contingencies [Note]	<b>24,344</b>	49,343	<b>20,977</b>	26,185
	<b>1,587,149</b>	1,546,070	<b>1,413,808</b>	1,322,169

**A21 Other Liabilities (Contd.)**

Note:

Movements in allowance for expected credit losses on commitments and contingencies are as follows:

	12-month ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<b>GROUP</b>				
At 1 April 2021	9,722	36,512	3,109	49,343
Transfer to Stage 1	439	(3,076)	-	(2,637)
Transfer to Stage 2	(528)	4,930	(518)	3,884
Transfer to Stage 3	-	(652)	942	290
New financial assets originated or purchased	4,048	2,401	-	6,449
Financial assets derecognised other than write-off	(3,428)	(24,518)	(3,305)	(31,251)
Changes due to change in credit risk	(1,028)	(1,777)	771	(2,034)
	(497)	(22,692)	(2,110)	(25,299)
Unwinding of discount	-	-	300	300
Total (write-back from)/charge to income statement	(497)	(22,692)	(1,810)	(24,999)
<b>At 31 December 2021</b>	<b>9,225</b>	<b>13,820</b>	<b>1,299</b>	<b>24,344</b>
At 1 April 2020	8,582	10,996	4,761	24,339
Transfer to Stage 1	2,730	(7,701)	(101)	(5,072)
Transfer to Stage 2	(1,293)	12,385	(100)	10,992
Transfer to Stage 3	-	(1,143)	2,745	1,602
New financial assets originated or purchased	3,557	4,498	-	8,055
Financial assets derecognised other than write-off	(3,130)	(5,193)	(3,478)	(11,801)
Changes due to change in credit risk	(715)	22,674	(614)	21,345
Other adjustments	(9)	(4)	-	(13)
	1,140	25,516	(1,548)	25,108
Unwinding of discount	-	-	(104)	(104)
Total charge to/(write-back from) income statement	1,140	25,516	(1,652)	25,004
At 31 March 2021	9,722	36,512	3,109	49,343

**ALLIANCE BANK MALAYSIA BERHAD**  
**198201008390 (88103-W)**  
(Incorporated in Malaysia)

**A21 Other Liabilities (Contd.)**

Note:

Movements in allowance for expected credit losses on commitments and contingencies are as follows: (contd.)

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL Not-credit Impaired (Stage 2) RM'000</b>	<b>Lifetime ECL Credit Impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2021	8,056	15,020	3,109	26,185
Transfer to Stage 1	388	(2,486)	-	(2,098)
Transfer to Stage 2	(436)	4,450	(510)	3,504
Transfer to Stage 3	-	(652)	940	288
New financial assets originated or purchased	3,514	2,129	-	5,643
Financial assets derecognised other than write-off	(3,115)	(5,357)	(3,305)	(11,777)
Changes due to change in credit risk	(577)	(1,257)	766	(1,068)
	(226)	(3,173)	(2,109)	(5,508)
Unwinding of discount	-	-	300	300
Total (write-back from)/charge to income statement	(226)	(3,173)	(1,809)	(5,208)
<b>At 31 December 2021</b>	<b>7,830</b>	<b>11,847</b>	<b>1,300</b>	<b>20,977</b>
At 1 April 2020	7,471	7,555	4,761	19,787
Transfer to Stage 1	2,258	(6,408)	(101)	(4,251)
Transfer to Stage 2	(1,115)	10,727	(98)	9,514
Transfer to Stage 3	-	(355)	1,125	770
New financial assets originated or purchased	2,891	4,059	-	6,950
Financial assets derecognised other than write-off	(2,717)	(4,084)	(1,860)	(8,661)
Changes due to change in credit risk	(723)	3,529	(614)	2,192
Other adjustments	(9)	(3)	-	(12)
	585	7,465	(1,548)	6,502
Unwinding of discount	-	-	(104)	(104)
Total charge to/(write-back from) income statement	585	7,465	(1,652)	6,398
At 31 March 2021	8,056	15,020	3,109	26,185

As at 31 December 2021, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were RM5,206,000 and RM5,140,000 (31 March 2021: RM14,824,000 and RM12,152,000) respectively.

The transfer between stages are inclusive of net remeasurement of allowances.

**A22 Interest Income**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b>GROUP</b>				
Loans, advances and financing	341,236	331,485	990,478	1,061,935
Money at call and deposit placements with financial institutions	3,307	9,939	7,077	28,224
Financial investments at fair value through other comprehensive income	70,039	74,518	217,176	246,470
Financial investments at amortised cost	18,319	13,117	54,724	21,813
Others	272	82	774	601
	<b>433,173</b>	<b>429,141</b>	<b>1,270,229</b>	<b>1,359,043</b>
Accretion of discount less amortisation of premium (net)	(415)	(19)	(472)	11,389
	<b>432,758</b>	<b>429,122</b>	<b>1,269,757</b>	<b>1,370,432</b>

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b>BANK</b>				
Loans, advances and financing	335,167	325,115	972,783	1,042,792
Money at call and deposit placements with financial institutions	3,411	10,365	7,218	30,046
Financial investments at fair value through other comprehensive income	65,095	65,772	198,934	221,000
Financial investments at amortised cost	20,122	14,919	60,112	27,200
Others	272	82	774	601
	<b>424,067</b>	<b>416,253</b>	<b>1,239,821</b>	<b>1,321,639</b>
Accretion of discount less amortisation of premium (net)	(188)	127	(111)	11,431
	<b>423,879</b>	<b>416,380</b>	<b>1,239,710</b>	<b>1,333,070</b>

**A23 Interest Expense**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b>GROUP</b>				
Deposits and placements of banks and other financial institutions	2,968	3,458	12,470	11,802
Deposits from customers	112,777	146,127	345,220	526,137
Recourse obligations on loans and financing sold to Cagamas	3,387	3,388	10,238	10,239
Subordinated obligations	15,495	19,396	46,326	61,666
Lease liabilities	1,542	1,697	4,784	5,098
Others	1,812	1,868	5,204	6,169
	<b>137,981</b>	<b>175,934</b>	<b>424,242</b>	<b>621,111</b>

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b>BANK</b>				
Deposits and placements of banks and other financial institutions	2,361	2,229	8,964	5,775
Deposits from customers	111,227	144,423	340,583	519,463
Recourse obligations on loans and financing sold to Cagamas	3,387	3,388	10,238	10,239
Subordinated obligations	15,543	19,503	46,475	61,879
Lease liabilities	1,540	1,697	4,770	5,096
Others	1,812	1,868	5,204	6,169
	<b>135,870</b>	<b>173,108</b>	<b>416,234</b>	<b>608,621</b>

**A24 Net Income from Islamic Banking Business**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b>GROUP</b>				
Income derived from investment of depositors' funds and others	147,491	145,300	433,300	464,265
Income derived from investment of Islamic Banking funds	16,565	14,672	45,852	47,801
Income attributable to the depositors and financial institutions	(57,193)	(66,783)	(177,012)	(231,265)
	<b>106,863</b>	<b>93,189</b>	<b>302,140</b>	<b>280,801</b>

Net income from Islamic Banking business comprises income generated from Alliance Islamic Bank Berhad ("AIS"), and Islamic banking business of Alliance Investment Bank Berhad ("AIBB"). Both AIS and AIBB are wholly-owned subsidiaries of the Bank.

**A25 Other Operating Income**

<u>GROUP</u>	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee and commission income:</u>				
Commissions	22,730	26,540	69,622	68,812
Service charges and fees	7,201	8,234	18,829	20,469
Corporate advisory fees	963	791	3,151	2,712
Underwriting commissions	13	1,397	1,121	1,423
Brokerage fees	7,089	17,723	27,153	51,902
Guarantee fees	3,407	3,441	9,565	10,552
Processing fees	2,104	818	6,560	3,339
Commitment fees	4,875	4,825	14,450	14,195
Cards related income	17,198	18,220	45,110	51,796
Other fee income	1,500	2,000	5,500	6,002
	<b>67,080</b>	<b>83,989</b>	<b>201,061</b>	<b>231,202</b>
(b) <u>Fee and commission expense:</u>				
Commissions expense	(505)	(627)	(1,519)	(1,755)
Service charges and fees expense	(441)	(381)	(1,369)	(970)
Brokerage fees expense	(3,085)	(8,515)	(11,296)	(22,394)
Guarantee fees expense	(4,443)	(2,818)	(12,910)	(7,812)
Cards related expense	(20,430)	(18,034)	(53,860)	(49,107)
	<b>(28,904)</b>	<b>(30,375)</b>	<b>(80,954)</b>	<b>(82,038)</b>
(c) <u>Investment income:</u>				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,185	3,103	3,191	12,406
- Financial investments at fair value through other comprehensive income	11,338	45,840	39,125	79,720
- Financial investments at amortised cost	-	(150)	-	(150)
- Derivative instruments	22,012	63,378	66,469	202,058
- Other investments	-	(5)	-	(5)
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	1,812	1,355	26,337	29,587
- Derivative instruments	(37,520)	(6,498)	(105,846)	(90,573)
- Financial liabilities designated at fair value through profit or loss	38,670	(18,514)	88,574	(8,177)
Net loss arising from hedging activities	39	-	(10)	-
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	1,377	1,480
	<b>38,536</b>	<b>88,509</b>	<b>119,217</b>	<b>226,346</b>
(d) <u>Other income/(expense):</u>				
Foreign exchange (loss)/gain	(3,108)	(17,174)	11,945	(45,514)
Rental income	47	31	124	105
Others	4,891	4,342	17,071	11,530
	<b>1,830</b>	<b>(12,801)</b>	<b>29,140</b>	<b>(33,879)</b>
Total other operating income	<b>78,542</b>	<b>129,322</b>	<b>268,464</b>	<b>341,631</b>



**A25 Other Operating Income (Contd.)**

<b><u>BANK</u></b>	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) <u>Fee and commission income:</u>				
Commissions	<b>22,730</b>	26,540	<b>69,622</b>	68,812
Service charges and fees	<b>6,953</b>	7,936	<b>18,141</b>	19,692
Guarantee fees	<b>3,400</b>	3,434	<b>9,545</b>	10,532
Processing fees	<b>1,578</b>	471	<b>3,436</b>	2,018
Commitment fees	<b>4,875</b>	4,825	<b>14,450</b>	14,195
Cards related income	<b>17,198</b>	18,220	<b>45,110</b>	51,796
Other fee income	<b>1,500</b>	2,000	<b>5,500</b>	6,000
	<b>58,234</b>	63,426	<b>165,804</b>	173,045
(b) <u>Fee and commission expense:</u>				
Commissions expense	<b>(505)</b>	(627)	<b>(1,519)</b>	(1,755)
Service charges and fees expense	<b>(441)</b>	(381)	<b>(1,369)</b>	(970)
Brokerage fees expense	<b>(14)</b>	(17)	<b>(44)</b>	(54)
Guarantee fees expense	<b>(4,443)</b>	(2,818)	<b>(12,910)</b>	(7,812)
Cards related expense	<b>(20,430)</b>	(18,034)	<b>(53,860)</b>	(49,107)
	<b>(25,833)</b>	(21,877)	<b>(69,702)</b>	(59,698)
(c) <u>Investment income:</u>				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	<b>1,805</b>	3,103	<b>2,811</b>	12,406
- Financial investments at fair value through other comprehensive income	<b>7,746</b>	35,026	<b>23,785</b>	67,923
- Financial investments at amortised cost	-	(150)	-	(150)
- Derivative instruments	<b>22,012</b>	63,378	<b>66,469</b>	202,058
- Other investments	-	(5)	-	(5)
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	<b>1,812</b>	1,355	<b>22,178</b>	23,785
- Derivative instruments	<b>(37,520)</b>	(6,498)	<b>(105,846)</b>	(90,573)
- Financial liabilities designated at fair value through profit or loss	<b>38,670</b>	(18,514)	<b>88,574</b>	(8,177)
Net loss arising from hedging activities	<b>39</b>	-	<b>(10)</b>	-
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	<b>796</b>	931
- Subsidiaries	<b>21,127</b>	230,607	<b>48,253</b>	238,929
	<b>55,691</b>	308,302	<b>147,010</b>	447,127
(d) <u>Other income/(expense):</u>				
Foreign exchange (loss)/gain	<b>(3,348)</b>	(17,470)	<b>11,126</b>	(46,153)
Rental income	<b>551</b>	407	<b>1,492</b>	1,320
Others	<b>4,773</b>	4,169	<b>16,663</b>	10,939
	<b>1,976</b>	(12,894)	<b>29,281</b>	(33,894)
Total other operating income	<b>90,068</b>	336,957	<b>272,393</b>	526,580

**A26 Other Operating Expenses**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>GROUP</b>				
Personnel costs				
- Salaries, allowances and bonuses	102,846	96,375	308,524	291,079
- Contribution to EPF	16,342	15,746	48,758	47,651
- Others	9,005	10,406	30,313	31,950
	<b>128,193</b>	<b>122,527</b>	<b>387,595</b>	<b>370,680</b>
Establishment costs				
- Depreciation of property, plant and equipment	4,799	5,116	14,919	15,766
- Depreciation of right-of-use assets	6,377	6,447	19,149	19,045
- Amortisation of computer software	11,148	10,996	33,574	31,092
- Rental of premises	513	541	1,669	1,588
- Water and electricity	1,477	1,711	4,538	5,154
- Repairs and maintenance	2,076	2,237	5,889	7,468
- Information technology expenses	20,894	15,912	52,375	45,450
- Others	1,990	2,662	7,152	7,941
	<b>49,274</b>	<b>45,622</b>	<b>139,265</b>	<b>133,504</b>
Marketing expenses				
- Promotion and advertisement	5,011	6,389	9,630	11,169
- Branding and publicity	1,732	1,541	4,245	4,463
- Others	1,010	1,229	2,880	3,453
	<b>7,753</b>	<b>9,159</b>	<b>16,755</b>	<b>19,085</b>
Administration and general expenses				
- Communication expenses	3,225	3,243	9,065	9,429
- Printing and stationery	336	414	1,057	1,308
- Insurance	2,104	592	6,142	5,351
- Professional fees	14,602	5,518	25,942	16,470
- Others	9,463	4,104	18,079	12,696
	<b>29,730</b>	<b>13,871</b>	<b>60,285</b>	<b>45,254</b>
Total other operating expenses	<b>214,950</b>	<b>191,179</b>	<b>603,900</b>	<b>568,523</b>

**A26 Other Operating Expenses (Contd.)**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b><u>BANK</u></b>				
Personnel costs				
- Salaries, allowances and bonuses	<b>76,645</b>	74,699	<b>229,711</b>	220,983
- Contribution to EPF	<b>12,267</b>	12,334	<b>36,529</b>	36,489
- Others	<b>6,795</b>	8,884	<b>24,405</b>	25,636
	<b>95,707</b>	95,917	<b>290,645</b>	283,108
Establishment costs				
- Depreciation of property, plant and equipment	<b>4,568</b>	5,008	<b>14,181</b>	15,425
- Depreciation of right-of-use assets	<b>6,364</b>	6,437	<b>19,101</b>	19,012
- Amortisation of computer software	<b>10,884</b>	10,614	<b>32,779</b>	29,958
- Rental of premises	<b>403</b>	415	<b>1,393</b>	1,429
- Water and electricity	<b>1,112</b>	1,286	<b>3,415</b>	3,824
- Repairs and maintenance	<b>1,647</b>	1,711	<b>4,463</b>	5,753
- Information technology expenses	<b>13,178</b>	9,139	<b>31,563</b>	27,960
- Others	<b>1,498</b>	2,197	<b>4,716</b>	3,890
	<b>39,654</b>	36,807	<b>111,611</b>	107,251
Marketing expenses				
- Promotion and advertisement	<b>4,707</b>	6,087	<b>8,869</b>	10,916
- Branding and publicity	<b>1,947</b>	1,308	<b>3,615</b>	3,147
- Others	<b>641</b>	799	<b>1,764</b>	2,112
	<b>7,295</b>	8,194	<b>14,248</b>	16,175
Administration and general expenses				
- Communication expenses	<b>2,517</b>	2,453	<b>6,943</b>	7,145
- Printing and stationery	<b>248</b>	317	<b>788</b>	1,000
- Insurance	<b>1,750</b>	592	<b>4,877</b>	4,456
- Professional fees	<b>12,948</b>	4,373	<b>21,204</b>	12,728
- Others	<b>8,207</b>	901	<b>15,155</b>	9,574
	<b>25,670</b>	8,636	<b>48,967</b>	34,903
Total other operating expenses	<b>168,326</b>	149,554	<b>465,471</b>	441,437

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**A27 Allowance for Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>GROUP</b>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	<b>26,864</b>	149,812	<b>154,932</b>	371,998
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	<b>(9,323)</b>	(8,953)	<b>(27,824)</b>	(25,767)
- Write-off during the financial period	<b>18,364</b>	7,075	<b>40,390</b>	31,951
(c) Commitments and contingencies on loans, advances and financing				
- (Write-back)/allowance made during the financial period	<b>(22,382)</b>	2,568	<b>(25,299)</b>	16,629
	<b>13,523</b>	150,502	<b>142,199</b>	394,811
Allowance for/(write-back of) expected credit losses on:				
- Amounts due from clients and brokers	-	-	<b>3</b>	(3)
- Other receivables	<b>1,644</b>	300	<b>1,814</b>	1,510
- Cash and short-term funds	<b>(12)</b>	(18)	<b>(12)</b>	9
- Deposits and placements with banks and other financial institutions	-	1	<b>(4)</b>	8
	<b>15,155</b>	150,785	<b>144,000</b>	396,335

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>BANK</b>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	<b>13,615</b>	78,736	<b>90,458</b>	229,807
(b) Credit impaired loans, advance and financing				
- Recovered during the financial period	<b>(5,419)</b>	(5,912)	<b>(18,629)</b>	(18,378)
- Write-off during the financial period	<b>14,650</b>	4,610	<b>29,140</b>	20,874
(c) Commitments and contingencies on loans, advances and financing				
- (Write-back)/allowance made during the financial period	<b>(2,991)</b>	383	<b>(5,508)</b>	6,968
	<b>19,855</b>	77,817	<b>95,461</b>	239,271
Allowance for/(write-back of) expected credit losses on:				
- Other receivables	<b>1,196</b>	234	<b>2,399</b>	1,262
- Cash and short-term funds	<b>(12)</b>	(18)	<b>(12)</b>	9
- Deposits and placements with banks and other financial institutions	-	1	<b>(4)</b>	8
	<b>21,039</b>	78,034	<b>97,844</b>	240,550

**A28 (Write-back of)/Allowance for Expected Credit Losses on Financial Investments**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>GROUP</u></b>				
(a) Financial investments at fair value through other comprehensive income				
- (Write-back)/allowance made during the financial period	<b>(104)</b>	(220)	<b>(75)</b>	192
(b) Financial investments at amortised cost				
- (Write-back)/allowance made during the financial period	<b>(128)</b>	(36)	<b>(280)</b>	13
	<b>(232)</b>	(256)	<b>(355)</b>	205

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>BANK</u></b>				
(a) Financial investments at fair value through other comprehensive income				
- (Write-back)/allowance made during the financial period	<b>(54)</b>	(138)	<b>(41)</b>	72
(b) Financial investments at amortised cost				
- (Write-back)/allowance made during the financial period	<b>(171)</b>	(103)	<b>(127)</b>	101
	<b>(225)</b>	(241)	<b>(168)</b>	173

**A29 Commitments and Contingencies**

In the normal course of business, the Group and Bank makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The notional amounts of the commitments and contingencies of the Group and Bank are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December 2021 RM'000</b>	31 March 2021 RM'000	<b>31 December 2021 RM'000</b>	31 March 2021 RM'000
<u>Commitments and contingencies</u>				
Direct credit substitutes	<b>541,531</b>	687,790	<b>470,540</b>	511,039
Transaction-related contingent items	<b>538,658</b>	554,612	<b>477,509</b>	492,119
Short-term self-liquidating trade-related contingencies	<b>159,639</b>	145,128	<b>140,202</b>	119,337
Forward assets purchase	-	20,800	-	20,800
Obligations under an on-going underwriting agreement	-	20,000	-	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	<b>1,266,328</b>	867,310	<b>1,048,325</b>	711,536
- maturity not exceeding one year	<b>10,659,264</b>	9,625,561	<b>8,091,602</b>	7,335,855
Unutilised credit card lines	<b>1,283,603</b>	1,299,366	<b>1,283,603</b>	1,299,366
	<b>14,449,023</b>	13,220,567	<b>11,511,781</b>	10,490,052
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	<b>6,502,478</b>	7,718,029	<b>6,502,478</b>	7,718,029
- over one year to three years	<b>905,285</b>	681,661	<b>905,285</b>	681,661
- over three years	<b>299,444</b>	661,606	<b>299,444</b>	661,606
Interest rate related contracts:				
- one year or less	<b>2,307,737</b>	2,099,218	<b>2,307,737</b>	2,099,218
- over one year to three years	<b>3,556,358</b>	3,984,245	<b>3,556,358</b>	3,984,245
- over three years	<b>1,547,900</b>	1,492,030	<b>1,547,900</b>	1,492,030
Equity related contracts				
- one year or less	<b>422,422</b>	295,184	<b>422,422</b>	295,184
- over one year to three years	<b>168,650</b>	214,860	<b>168,650</b>	214,860
	<b>15,710,274</b>	17,146,833	<b>15,710,274</b>	17,146,833
	<b>30,159,297</b>	30,367,400	<b>27,222,055</b>	27,636,885

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**A30 Segment Information**

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

Based on the results presented to chief operating decision maker, 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's 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 and 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.

**ALLIANCE BANK MALAYSIA BERHAD**  
**198201008390 (88103-W)**  
(Incorporated in Malaysia)

**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	Others RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total RM'000
<b>3rd Quarter ended 31 December 2021</b>								
Net interest income/(expense)								
- external income/(expense)	98,366	133,741	59,378	1,885	(4)	293,366	1,411	294,777
- inter-segment	(13,961)	(704)	15,575	(910)	-	-	-	-
	84,405	133,037	74,953	975	(4)	293,366	1,411	294,777
Net income from Islamic banking business	39,913	35,538	29,408	-	18	104,877	1,986	106,863
Other operating income	27,100	35,704	10,943	6,455	954	81,156	(2,614)	78,542
Net income	151,418	204,279	115,304	7,430	968	479,399	783	480,182
Other operating expenses	(87,751)	(71,477)	(10,633)	(8,291)	(14,647)	(192,799)	173	(192,626)
Depreciation and amortisation	(10,107)	(10,255)	(1,631)	(615)	(100)	(22,708)	384	(22,324)
Operating profit/(loss)	53,560	122,547	103,040	(1,476)	(13,779)	263,892	1,340	265,232
(Allowance for)/write-back of expected credit losses on loans, advances and other financial assets	(19,055)	4,339	25	(461)	(3)	(15,155)	-	(15,155)
Write-back of expected credit losses on financial investments	-	127	248	-	-	375	(143)	232
Segment result	34,505	127,013	103,313	(1,937)	(13,782)	249,112	1,197	250,309
Share of results of joint venture								14
Taxation								(99,302)
Net profit for the financial period								151,021
Segment assets	18,974,456	25,746,079	15,116,562	166,430	451,532	60,455,059	(1,620,882)	58,834,177
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,039
Property, plant and equipment								52,930
Tax recoverable and deferred tax assets								131,422
Intangible assets								430,249
Total assets								59,449,817



**ALLIANCE BANK MALAYSIA BERHAD**  
**198201008390 (88103-W)**  
(Incorporated in Malaysia)

**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
<b>Nine months ended 31 December 2021</b>								
Net interest income/(expense)								
- external income/(expense)	286,415	369,295	180,240	5,572	(39)	841,483	4,032	845,515
- inter-segment	(42,618)	6,759	38,586	(2,727)	-	-	-	-
	243,797	376,054	218,826	2,845	(39)	841,483	4,032	845,515
Net income from Islamic banking business	107,195	100,402	88,945	-	115	296,657	5,483	302,140
Other operating income	83,438	99,141	61,937	25,530	9,349	279,395	(10,931)	268,464
Net income	434,430	575,597	369,708	28,375	9,425	1,417,535	(1,416)	1,416,119
Other operating expenses	(252,936)	(201,241)	(27,852)	(24,621)	(31,082)	(537,732)	1,474	(536,258)
Depreciation and amortisation	(30,796)	(30,801)	(4,960)	(1,924)	(300)	(68,781)	1,139	(67,642)
Operating profit/(loss)	150,698	343,555	336,896	1,830	(21,957)	811,022	1,197	812,219
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(154,048)	10,533	36	(518)	(3)	(144,000)	-	(144,000)
Write-back of expected credit losses on financial assets	-	150	141	130	-	421	(66)	355
Segment result	(3,350)	354,238	337,073	1,442	(21,960)	667,443	1,131	668,574
Share of results of joint venture								45
Taxation								(198,843)
Net profit for the financial period								469,776
Segment assets	18,974,456	25,746,079	15,116,562	166,430	451,532	60,455,059	(1,620,882)	58,834,177
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,039
Property, plant and equipment								52,930
Tax recoverable and deferred tax assets								131,422
Intangible assets								430,249
Total assets								59,449,817

**ALLIANCE BANK MALAYSIA BERHAD**  
**198201008390 (88103-W)**  
(Incorporated in Malaysia)

**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
<b>3rd Quarter ended 31 December 2020</b>								
Net interest income/(expense)								
- external income	74,558	111,775	63,977	1,777	24	252,111	1,077	253,188
- inter-segment	3,718	10,124	(13,071)	(771)	-	-	-	-
	78,276	121,899	50,906	1,006	24	252,111	1,077	253,188
Net income from Islamic banking business	37,395	33,048	18,455	-	24	88,922	4,267	93,189
Other operating income	30,272	34,881	53,901	13,022	5,505	137,581	(8,259)	129,322
Net income	145,943	189,828	123,262	14,028	5,553	478,614	(2,915)	475,699
Other operating expenses	(81,650)	(64,066)	(10,560)	(7,681)	(4,748)	(168,705)	85	(168,620)
Depreciation and amortisation	(10,429)	(9,597)	(2,194)	(622)	(101)	(22,943)	384	(22,559)
Operating profit	53,864	116,165	110,508	5,725	704	286,966	(2,446)	284,520
Allowance for expected credit losses on loans, advances and financing and other financial assets	(129,717)	(21,058)	16	(26)	-	(150,785)	-	(150,785)
Write-back of expected credit losses on financial investments	-	37	308	-	-	345	(89)	256
Segment result	(75,853)	95,144	110,832	5,699	704	136,526	(2,535)	133,991
Share of results of joint venture								20
Taxation								(33,554)
Net profit for the financial period								100,457
Segment assets	21,313,902	24,306,018	13,794,673	313,144	444,595	60,172,332	(1,913,974)	58,258,358
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								976
Property, plant and equipment								55,557
Tax recoverable and deferred tax assets								96,324
Intangible assets								437,357
Total assets								58,848,572

**ALLIANCE BANK MALAYSIA BERHAD**  
**198201008390 (88103-W)**  
(Incorporated in Malaysia)

**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
<b>Nine months ended 31 December 2020</b>								
Net interest income								
- external income	226,801	322,224	197,996	5,503	62	752,586	(3,265)	749,321
- inter-segment	26,796	38,187	(62,410)	(2,573)	-	-	-	-
	253,597	360,411	135,586	2,930	62	752,586	(3,265)	749,321
Net income from Islamic banking business	123,669	95,116	46,680	-	69	265,534	15,267	280,801
Other operating income	79,056	96,868	131,687	37,578	8,256	353,445	(11,814)	341,631
Net income	456,322	552,395	313,953	40,508	8,387	1,371,565	188	1,371,753
Other operating expenses	(243,322)	(190,917)	(30,109)	(24,203)	(14,903)	(503,454)	834	(502,620)
Depreciation and amortisation	(30,268)	(28,084)	(6,507)	(1,922)	(310)	(67,091)	1,188	(65,903)
Operating profit/(loss)	182,732	333,394	277,337	14,383	(6,826)	801,020	2,210	803,230
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(289,716)	(107,002)	249	134	-	(396,335)	-	(396,335)
Allowance for expected credit losses on financial investments	-	(13)	(88)	-	-	(101)	(104)	(205)
Segment result	(106,984)	226,379	277,498	14,517	(6,826)	404,584	2,106	406,690
Share of results of joint venture								73
Taxation								(98,050)
Net profit for the financial period								308,713
Segment assets	21,313,902	24,306,018	13,794,673	313,144	444,595	60,172,332	(1,913,974)	58,258,358
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								976
Property, plant and equipment								55,557
Tax recoverable and deferred tax assets								96,324
Intangible assets								437,357
Total assets								58,848,572

**ALLIANCE BANK MALAYSIA BERHAD****198201008390 (88103-W)**

(Incorporated in Malaysia)

**A31 Capital Adequacy**

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

The Group and the Bank have also adopted the transitional arrangements on provisions for expected credit losses in accordance with Bank Negara Malaysia's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions effective on 9 December 2020.

This allow the Group and the Bank to add back a portion of Stage 1 ("S1") and Stage 2 ("S2") provisions with an "add-back factor", to the Common Equity Tier I ("CET I") capital from Financial Year 2021 to Financial Year 2024.

The capital adequacy ratios with and without transitional arrangements for the Group and the Bank are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021	31 March 2021	31 December 2021	31 March 2021
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>16.537%</b>	16.463%	<b>15.633%</b>	15.654%
Tier I capital ratio	<b>17.484%</b>	17.418%	<b>16.532%</b>	16.566%
Total capital ratio	<b>21.737%</b>	21.816%	<b>21.306%</b>	21.549%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>16.537%</b>	16.218%	<b>15.633%</b>	15.327%
Tier I capital ratio	<b>17.484%</b>	17.173%	<b>16.532%</b>	16.238%
Total capital ratio	<b>21.737%</b>	21.571%	<b>21.306%</b>	21.222%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>15.296%</b>	15.232%	<b>14.609%</b>	14.646%
Tier I capital ratio	<b>16.242%</b>	16.187%	<b>15.508%</b>	15.557%
Total capital ratio	<b>20.610%</b>	20.588%	<b>20.473%</b>	20.582%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>15.296%</b>	14.987%	<b>14.609%</b>	14.318%
Tier I capital ratio	<b>16.242%</b>	15.942%	<b>15.508%</b>	15.230%
Total capital ratio	<b>20.610%</b>	20.343%	<b>20.473%</b>	20.255%

**A31 Capital Adequacy (Contd.)**

(a) Components of CET I, Tier I and Tier II capital under the Capital Adequacy Framework with transitional arrangements are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
<b><u>CET I Capital/Tier I Capital</u></b>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	4,611,152	4,471,771	4,074,657	3,985,966
Regulatory reserves	47,686	86,440	41,641	80,006
Hedging reserves	8	-	8	-
FVOCI reserves	(54,316)	50,993	(66,578)	(5,082)
Capital reserves	100,150	100,150	15,515	15,515
	<b>6,252,786</b>	6,257,460	<b>5,613,349</b>	5,624,511
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(430,249)	(431,259)	(327,977)	(329,004)
- Deferred tax assets	(117,957)	(130,100)	(74,602)	(95,200)
- 55% of FVOCI reserves	-	(28,046)	-	-
- Regulatory reserves	(47,686)	(86,440)	(41,641)	(80,006)
- Investment in subsidiaries and joint venture	(1,039)	(994)	(1,109,102)	(1,109,102)
- Transitional arrangements	459,062	451,004	284,812	276,161
Total CET I Capital	<b>6,114,917</b>	6,031,625	<b>4,344,839</b>	4,287,360
Additional Tier I Capital Securities	349,942	349,899	249,846	249,732
Total Additional Tier I Capital	<b>349,942</b>	349,899	<b>249,846</b>	249,732
Total Tier I Capital	<b>6,464,859</b>	6,381,524	<b>4,594,685</b>	4,537,092
<b><u>Tier II Capital</u></b>				
Subordinated obligations	1,199,213	1,199,077	1,198,767	1,198,554
Expected credit losses and regulatory reserves	373,502	412,255	258,031	296,396
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	<b>1,572,715</b>	1,611,332	<b>1,326,798</b>	1,364,950
<b>Total Capital</b>	<b>8,037,574</b>	7,992,856	<b>5,921,483</b>	5,902,042

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
Credit risk	33,264,460	33,065,592	24,907,747	24,611,480
Market risk	360,393	322,652	360,515	322,331
Operational risk	3,351,702	3,249,393	2,523,732	2,454,737
Total RWA and capital requirements	<b>36,976,555</b>	36,637,637	<b>27,791,994</b>	27,388,548

**A31 Capital Adequacy (Contd.)**

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

	<b>Alliance Islamic Bank Berhad</b>		<b>Alliance Investment Bank Berhad</b>	
	<b>31 December 2021</b>	<b>31 March 2021</b>	<b>31 December 2021</b>	<b>31 March 2021</b>
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>15.140%</b>	15.035%	<b>89.002%</b>	72.580%
Tier I capital ratio	<b>16.261%</b>	16.158%	<b>89.002%</b>	72.580%
Total capital ratio	<b>18.878%</b>	18.783%	<b>89.861%</b>	73.506%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>15.140%</b>	15.035%	<b>89.002%</b>	69.000%
Tier I capital ratio	<b>16.261%</b>	16.158%	<b>89.002%</b>	69.000%
Total capital ratio	<b>18.878%</b>	18.783%	<b>89.861%</b>	69.926%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>13.179%</b>	13.065%	<b>89.002%</b>	72.550%
Tier I capital ratio	<b>14.301%</b>	14.188%	<b>89.002%</b>	72.550%
Total capital ratio	<b>16.918%</b>	16.813%	<b>89.861%</b>	73.476%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>13.179%</b>	13.065%	<b>89.002%</b>	68.970%
Tier I capital ratio	<b>14.301%</b>	14.188%	<b>89.002%</b>	68.970%
Total capital ratio	<b>16.918%</b>	16.813%	<b>89.861%</b>	69.896%

**A32 Fair Value Measurements**

**(a) Determination of fair value and fair value hierarchy**

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

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

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

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

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

**(i) Financial instruments in Level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statements of financial position 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 and most of the Group's and the Bank's derivatives.

**(iii) Financial instruments in Level 3**

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

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

**A32 Fair Value Measurements (Contd.)**

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

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

<u>GROUP</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2021	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	14,811	-	14,811
- Unquoted securities	-	2,596	245,585	248,181
Financial investments at FVOCI				
- Money market instruments	-	4,266,655	-	4,266,655
- Quoted securities in Malaysia	17	-	-	17
- Unquoted securities	-	4,659,859	-	4,659,859
Derivative financial assets	-	92,140	-	92,140
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	985,622	-	985,622
Derivative financial liabilities	-	196,260	-	196,260
<u>BANK</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2021	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	14,811	-	14,811
- Unquoted securities	-	2,596	171,232	173,828
Financial investments at FVOCI				
- Money market instruments	-	3,554,561	-	3,554,561
- Quoted securities in Malaysia	17	-	-	17
- Unquoted securities	-	3,079,458	-	3,079,458
Derivative financial assets	-	92,140	-	92,140
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	985,622	-	985,622
Derivative financial liabilities	-	196,260	-	196,260



**A32 Fair Value Measurements (Contd.)**

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

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

<u>GROUP</u> 31 March 2021	<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	-	13,246	-	13,246
- Unquoted securities	-	-	224,676	224,676
Financial investments at FVOCI				
- Money market instruments	-	5,479,233	-	5,479,233
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	4,945,421	-	4,945,421
Derivative financial assets	-	153,735	-	153,735
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	472,695	-	472,695
Derivative financial liabilities	-	149,410	-	149,410
<u>BANK</u> 31 March 2021	<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	-	13,246	-	13,246
- Unquoted securities	-	-	154,482	154,482
Financial investments at FVOCI				
- Money market instruments	-	4,202,184	-	4,202,184
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	3,101,667	-	3,101,667
Derivative financial assets	-	153,735	-	153,735
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	472,695	-	472,695
Derivative financial liabilities	-	149,410	-	149,410

**ALLIANCE BANK MALAYSIA BERHAD****198201008390 (88103-W)**

(Incorporated in Malaysia)

**A32 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>	
	<b>31 December</b>	31 March	<b>31 December</b>	31 March
	<b>2021</b>	2021	<b>2021</b>	2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
At beginning of financial year	<b>224,676</b>	202,160	<b>154,482</b>	137,768
Distribution on liquidating shares	-	(243)	-	(243)
Total gains recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	<b>20,909</b>	22,759	<b>16,750</b>	16,957
At end of financial period/year	<b>245,585</b>	224,676	<b>171,232</b>	154,482

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 Level 3 financial instruments.

**A33 Offsetting Financial Assets And Financial Liabilities**

In accordance with MFRS 132 Financial Instruments: Presentation, the Group and the Bank report financial assets and financial liabilities on a net basis on the statements of financial position, 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 statements 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 statements of financial position netting.

**(a) Financial assets**

	Gross amounts of recognised financial liabilities set off in the statements of financial position	Gross amounts of recognised financial assets	Net amounts of financial assets presented in the statements of financial position	Related amounts not set off in the statements of financial position		Net amount
	RM'000	RM'000	RM'000	Financial instruments RM'000	Cash collateral received RM'000	RM'000
<b>GROUP</b>						
31 December 2021						
Derivative financial assets	92,140	-	92,140	(43,098)	(24,071)	24,971
Amounts due from clients and brokers	57,832	(17,786)	40,046	-	-	40,046
	<u>149,972</u>	<u>(17,786)</u>	<u>132,186</u>	<u>(43,098)</u>	<u>(24,071)</u>	<u>65,017</u>
<b>BANK</b>						
31 December 2021						
Derivative financial assets	92,140	-	92,140	(43,098)	(24,071)	24,971
<b>GROUP</b>						
31 March 2021						
Derivative financial assets	153,735	-	153,735	(49,769)	(27,810)	76,156
Amounts due from clients and brokers	193,562	(88,521)	105,041	-	-	105,041
Total	<u>347,297</u>	<u>(88,521)</u>	<u>258,776</u>	<u>(49,769)</u>	<u>(27,810)</u>	<u>181,197</u>
<b>BANK</b>						
31 March 2021						
Derivative financial assets	153,735	-	153,735	(49,769)	(27,810)	76,156

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

**(b) Financial liabilities**

	Gross amounts of recognised financial assets set off in the statements of financial position RM'000	Gross amounts of recognised financial liabilities RM'000	Net amounts of financial liabilities presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'000	Cash collateral pledged RM'000	
<b>GROUP</b>						
31 December 2021						
Derivative financial liabilities	196,260	-	196,260	(43,098)	(103,257)	49,905
Amounts due to clients and brokers	30,934	(17,786)	13,148	-	-	13,148
<b>Total</b>	<b>227,194</b>	<b>(17,786)</b>	<b>209,408</b>	<b>(43,098)</b>	<b>(103,257)</b>	<b>63,053</b>
<b>BANK</b>						
31 December 2021						
Derivative financial liabilities	196,260	-	196,260	(43,098)	(103,257)	49,905
<b>GROUP</b>						
31 March 2021						
Derivative financial liabilities	149,410	-	149,410	(49,769)	(61,381)	38,260
Amounts due to clients and brokers	151,937	(88,521)	63,416	-	-	63,416
<b>Total</b>	<b>301,347</b>	<b>(88,521)</b>	<b>212,826</b>	<b>(49,769)</b>	<b>(61,381)</b>	<b>101,676</b>
<b>BANK</b>						
31 March 2021						
Derivative financial liabilities	149,410	-	149,410	(49,769)	(61,381)	38,260

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.

**PART B - Explanatory Notes Pursuant To Appendix 9B Of Bursa Securities' Listing Requirements**

**B1 Financial Review for Financial Quarter and Financial Period to Date**

**GROUP**

	<b>3rd Quarter Ended 31 December 2021 RM'000</b>	3rd Quarter Ended 31 December 2020 RM'000	Changes %
Net income/revenue	480,182	475,699	0.9
Operating profit before allowance	265,232	284,520	(6.8)
Operating profit after allowance	250,309	133,991	86.8
Profit before taxation	250,323	134,011	86.8
Profit after taxation	151,021	100,457	50.3
Profit attributable to ordinary equity holders of the Bank	151,021	100,457	50.3

	<b>Nine Months Ended 31 December 2021 RM'000</b>	Nine Months Ended 31 December 2020 RM'000	Changes %
Net income/revenue	1,416,119	1,371,753	3.2
Operating profit before allowance	812,219	803,230	1.1
Operating profit after allowance	668,574	406,690	64.4
Profit before taxation	668,619	406,763	64.4
Profit after taxation	469,776	308,713	52.2
Profit attributable to ordinary equity holders of the Bank	469,776	308,713	52.2

	<b>3rd Quarter Ended 31 December 2021 RM'000</b>	2nd Quarter Ended 30 September 2021 RM'000	Changes %
Net income/revenue	480,182	452,982	6.0
Operating profit before allowance	265,232	257,379	3.1
Operating profit after allowance	250,309	223,958	11.8
Profit before taxation	250,323	223,972	11.8
Profit after taxation	151,021	172,741	(12.6)
Profit attributable to ordinary equity holders of the Bank	151,021	172,741	(12.6)

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

**BANK**

	<b>3rd Quarter Ended 31 December 2021 RM'000</b>	3rd Quarter Ended 31 December 2020 RM'000	Changes %
Net income/revenue	378,077	580,229	(34.8)
Operating profit before allowance	209,751	430,675	(51.3)
Operating profit after allowance	188,937	352,882	(46.5)
Profit before taxation	188,937	352,882	(46.5)
Profit after taxation	115,275	321,500	(64.1)
Profit attributable to ordinary equity holders of the Bank	115,275	321,500	(64.1)
	<b>Nine Months Ended 31 December 2021 RM'000</b>	Nine Months Ended 31 December 2020 RM'000	Changes %
Net income/revenue	1,095,869	1,251,029	(12.4)
Operating profit before allowance	630,398	809,592	(22.1)
Operating profit after allowance	532,722	568,869	(6.4)
Profit before taxation	532,722	568,869	(6.4)
Profit after taxation	383,729	488,263	(21.4)
Profit attributable to ordinary equity holders of the Bank	383,729	488,263	(21.4)
	<b>3rd Quarter Ended 31 December 2021 RM'000</b>	2nd Quarter Ended 30 September 2021 RM'000	Changes %
Net income/revenue	378,077	340,068	11.2
Operating profit before allowance	209,751	191,346	9.6
Operating profit after allowance	188,937	169,062	11.8
Profit before taxation	188,937	169,062	11.8
Profit after taxation	115,275	130,413	(11.6)
Profit attributable to ordinary equity holders of the Bank	115,275	130,413	(11.6)

## **B2 Review Of Performance**

### **Review of Performance for the Third Quarter Ended 31 December 2021**

#### Profitability

The Group's net profit after taxation (taking into consideration of the impact of Cukai Makmur as announced in the recent Budget 2022) was RM469.8 million for the nine months ended 31 December 2021, an increase of RM161.1 million or 52.2% year-on-year ("YOY"). The higher profits were largely due to higher revenue from net interest income and lower allowance for expected credit losses.

Net interest income improved by RM110.5 million or 11.0% YOY. Net interest margin ("NIM") came in higher at 2.54% (3QFY2021: 2.23%).

#### Loan Growth

The Group's loans, advances and financing increased by 0.8% driven by the small and medium enterprise ("SME") and commercial segments, grew by 5.8% and 4.8% respectively.

#### Other Operating Income

The Group recorded other operating income of RM303.0 million, lower by RM66.1 million or 17.9% YOY. The decrease was due to lower treasury and investment income, lower income from brokerage, service charges and credit card fees offset by higher wealth management fees and trade fee income.

#### Managing Operating Expenses

Operating expenses increased by RM35.4 million or 6.2%, mainly from investments in the sales force, the expansion of the collections team, higher professional fees and establishment costs. The cost-to-income ratio ("CIR") stood at 42.6% (3QFY2021: 41.6%). The Group will continue to be vigilant on managing the cost as we navigate through the COVID-19 pandemic.

#### Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing and other financial assets for 3QFY2022 stood at RM143.6 million. Given the impact of COVID-19 on the economy, included in the allowance for expected credit losses on loans, advances, financing and other financial assets for 3QFY2022 were reserves that the Group continued to build up via management overlays amounting to RM117.0 million. The net credit cost was at 32.5bps for 3QFY2022 (3QFY2021: 91.3bps). Loan loss coverage (including regulatory reserves) was at 127.0% (3QFY2021: 101.1%).

The Group will continue to be vigilant in its implementation of the credit risk framework in each line of business by stratifying customers according to risk levels and prioritising customer calls or visits and its control of credit cost by refining credit policies, tightening credit underwriting and increasing collection efforts.

#### Healthy Funding and Liquidity Position

The Group maintained a high current account/savings account ("CASA") ratio of 50.0%. Its customer-based funding stood at RM47.2 billion. Through our funding strategy, the Group's liquidity coverage and loans-to-funds ratios stood at 167.7% and 87.5% respectively. The Group will continue to maintain ample liquidity ratios and ensure sufficient liquidity buffers.

## **B2 Review Of Performance (Contd.)**

### **Review of Performance for the Third Quarter Ended 31 December 2021 (contd.)**

#### Proactive Capital Management

Our conservative capital management approach resulted in the Group maintaining a robust capital position. We continue to maintain one of the strongest capital levels in the industry, with Common Equity Tier-1 (CET 1) ratio at 16.5%, Tier- 1 Capital ratio at 17.5% and total capital ratio at 21.7%.

#### **Performance by Business Segment and Subsidiary**

The Group's business segments comprise Consumer Banking, Business Banking, Financial Markets and Investment Banking.

The Group Consumer Banking segment recorded a loss before tax of RM3.4 million, reduced by 96.9% YOY. Net income was lower by RM21.9 million or 4.8% mainly due to net interest income decreased by RM27.6 million while other operating income increased by RM5.7 million. Operating expenses increased by RM10.1 million or 3.7%. Allowance for expected credit losses were lower by RM135.7 million. The segment assets recorded at RM19.0 billion.

The Group Business Banking segment, comprising corporate, commercial and SME banking, recorded a profit before tax of RM354.2 million, an increase of 56.5% YOY. Net income increased by RM23.2 million or 4.2% due to higher net interest income by RM20.1 million and higher other operating income by RM3.1 million. Operating expenses increased by RM13.0 million or 6.0%. Allowance for expected credit losses were lower by RM117.7 million. Segment assets recorded at RM25.7 billion.

Profit before tax in the Group Financial Markets segment increased by 21.5% or RM59.6 million YOY to RM337.1 million. Net income was higher by RM55.8 million or 17.8% due to higher net interest income. Operating expenses decreased by RM3.8 million or 10.4%. Segment assets recorded at RM15.1 billion.

The Investment Banking segment recorded a profit before tax of RM1.4 million.

The Islamic Banking segment which consist of Consumer Banking, Business Banking and Financial Markets, recorded a net profit after taxation of RM105.8 million, representing an increase of RM95.8 million compared to the corresponding period last year due to higher revenue from net profit income, other operating income and lower allowance for expected credit losses. Net income was higher by RM35.2 million or 13.5%. Net profit income was higher by RM21.7 million while other operating income was higher by RM13.5 million. Operating expenses increased by RM11.7 million or 13.2%. Allowance for expected credit losses stood at RM46.7 million. Total assets stood at RM14.0 billion.

#### **Current Quarter vs Previous Year Corresponding Quarter**

The Group's profit after taxation of RM151.0 million for the quarter was 50.3% or RM50.6 million higher compared to the previous corresponding quarter, mainly due to higher interest income and lower credit cost.

#### **Key Quarter-on-Quarter Performance Highlights**

- Net interest income was higher by RM53.8 million or 16.0% mainly due to lower funding cost.
- NIM grew by 40bps to 2.66%.
- Other operating income decreased by RM49.3 million or 35.3% due to lower treasury and investment income and wealth management income, service charges and credit card fees offset by higher foreign exchange sales contract by the customers.
- Operating expenses were higher by RM23.8 million or 12.4% mainly from professional fees, personnel cost and establishment cost.
- Net credit cost was 3.2bps



## **ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

### **B3 Comparison with Immediate Preceding Quarter**

As compared to the immediate preceding quarter, the Group's profit after taxation of RM151.0 million for the quarter was lower by RM21.7 million or 12.6%, mainly due to higher operating expenses and the impact of Cukai Makmur.

#### Key Quarter-on-Quarter Performance Highlights

- Net interest income increased by RM31.3 million or 8.7% mainly due to higher interest income from loans, advances and financing.
- NIM was at 2.66%, higher by 19bps.
- Other operating income decreased by RM4.1 million or 4.4% due to lower treasury and investment income.
- Operating expenses were higher by RM19.3 million or 9.9% from professional fees, establishment and marketing cost.
- Net credit cost was 3.2bps, improved by 4.3bps.
- Increase in effective tax rate by 16.8% due to Cukai Makmur.

### **B4 Prospect for the Current Financial Period**

Bank Negara Malaysia (BNM) projects Malaysia's gross domestic product (GDP) growth to range between 5.5% and 6.5% in 2022 (2021: 3.0% - 4.0%). GDP growth in 2022 is expected to be underpinned by the normalisation of economic activities amid higher vaccination rates nationwide, resumption of infrastructure projects and tourism-related activities, as well as continuous robust external demand. However, downside risks remains due to the emergence of new COVID-19 variants, shortages in the labour market, potential commodity supply shocks and geopolitical uncertainties.

As a result of the impact from the COVID-19 pandemic and inline with the Government's relief packages i.e. PEMERKASA and PEMULIH, the Group has given out Payment Relief Assistance ("PRA") packages to help individuals and businesses facing cash flow constraints. To date, the Group has provided over RM14.5 billion in payment relief assistance of which close to RM11.2 billion in moratoria to businesses and individuals. Notwithstanding the end of the PEMULIH aid packages that ended on the 31 December 2021, the Group continues to be committed to providing financial assistance to customers who are facing challenges due to Covid-19 pandemic under the Financial Management and Resilience Programme ("URUS") which is a payment relief assistance programme for the B50 customer segment.

The Group has also disbursed more than RM1.1 billion government guaranteed funds including RM600 million Bank Negara Malaysia's Special Relief Facility and RM480 million from Bank Negara Malaysia's Targeted Relief and Recovery Facility. The Group will continue to facilitate applications for government relief funds such as the Targeted Relief and Recovery Facility, Micro Enterprises Facility and High Tech Facility on behalf of our customers.

Notwithstanding the above, the Group will focus on growing the business in three areas:

- (i) Scale up SME and Consumer Banking, by equipping relationship managers with digital tools to serve high-value customers and growing its Commercial teams.
- (ii) Accelerate the cross-selling value propositions to our customers to increase market penetration and fee-based income.
- (iii) Enhance productivity and efficiency by streamlining processes through centralising functions and improving branch productivity.

With these focus areas, and the Group's continuing effort to apply prudent management practices, the Group expects to deliver sustainable returns to our shareholders while strengthening our market presence.

**B5 Profit Forecast**

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

**B6 Taxation**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b><u>GROUP</u></b>				
- Income tax	<b>53,067</b>	70,914	<b>155,498</b>	78,456
- Deferred tax	<b>46,235</b>	(36,839)	<b>43,486</b>	19,761
- Real property gain tax	-	-	<b>(141)</b>	-
- Under provision for taxation in prior financial period	-	(521)	-	(167)
	<b>99,302</b>	33,554	<b>198,843</b>	98,050
<b><u>BANK</u></b>				
	<b>36,400</b>	62,023	<b>109,119</b>	62,023
- Deferred tax	<b>37,262</b>	(31,015)	<b>40,015</b>	17,942
- Real property gain tax	-	-	<b>(141)</b>	-
- Under provision for taxation in prior financial period	-	374	-	641
	<b>73,662</b>	31,382	<b>148,993</b>	80,606

The Group's effective tax rate for the current financial period ended 31 December 2021 was higher mainly due to Cukai Makmur from the announcement of Budget 2022 and income not subject to tax.

**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 current financial period ended 31 December 2021 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 current financial period ended 31 December 2021 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 was no corporate proposal announced but not completed as at financial report date other than disclosed proposals disclosed in Note A8.

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2021 RM'000	31 March 2021 RM'000	31 December 2021 RM'000	31 March 2021 RM'000
<b>(a) Deposits from customers</b>				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	<b>22,981,326</b>	25,149,438	<b>17,093,025</b>	18,864,817
- More than one year (medium/long term)	<b>208,725</b>	539,376	<b>50,842</b>	84,328
	<b>23,190,051</b>	25,688,814	<b>17,143,867</b>	18,949,145
Others	<b>23,234,731</b>	22,799,699	<b>17,469,315</b>	17,201,171
	<b>46,424,782</b>	48,488,513	<b>34,613,182</b>	36,150,316
<b>(b) Deposits and placements of banks and other financial institutions</b>				
- One year or less (short term)	<b>536,150</b>	651,349	<b>353,703</b>	111,480
- More than one year (medium/long term)	<b>936,105</b>	741,303	<b>763,733</b>	547,897
	<b>1,472,255</b>	1,392,652	<b>1,117,436</b>	659,377
<b>(c) Subordinated obligations</b>				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	<b>1,207,518</b>	1,218,706	<b>1,207,072</b>	1,218,182
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	<b>354,736</b>	354,012	<b>253,107</b>	253,796
	<b>1,562,254</b>	1,572,718	<b>1,460,179</b>	1,471,978

**B11 Derivative Financial Assets/(Liabilities)**

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

<u>GROUP/BANK</u>	As at 31 December 2021			As at 31 March 2021		
	Principal RM'000	Fair value		Principal RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading Derivatives</b>						
Foreign exchange and commodity contracts						
Currency forwards						
- one year or less	2,355,828	3,892	(13,801)	2,861,246	46,035	(3,795)
- over one year to three years	467,555	48	(12,239)	399,396	637	(5,650)
- over three years	152,114	-	(3,146)	321,470	1,280	(3,428)
Currency swaps						
- one year or less	3,603,204	25,218	(11,202)	4,551,148	3,910	(37,962)
- over one year to three years	437,730	6,405	(422)	282,265	1,780	(273)
- over three years	147,330	1,336	(31)	340,136	6,781	-
Currency spots						
- one year or less	107,564	73	(97)	125,653	234	(84)
Currency options						
- one year or less	227,507	291	(94)	179,982	271	(55)
	<b>7,498,832</b>	<b>37,263</b>	<b>(41,032)</b>	<b>9,061,296</b>	<b>60,928</b>	<b>(51,247)</b>
Interest rate derivatives						
Interest rate swap						
- one year or less	7,411,995	51,526	(67,045)	7,575,493	79,784	(50,355)
- over one year to three years	2,307,737	8,413	(6,421)	2,099,218	11,054	(6,050)
- over three years	3,556,358	35,316	(20,602)	3,984,245	52,302	(35,587)
	<b>1,547,900</b>	<b>7,797</b>	<b>(40,022)</b>	<b>1,492,030</b>	<b>16,428</b>	<b>(8,718)</b>
Equity related derivatives						
- one year or less	422,422	2,942	(76,366)	295,184	12,356	(35,606)
- over one year to three years	168,650	185	(11,318)	214,860	667	(12,202)
<b>Hedging derivatives</b>						
Currency swaps						
- one year or less	208,375	224	(499)	-	-	-
Total derivatives assets/(liabilities)	<b>15,710,274</b>	<b>92,140</b>	<b>(196,260)</b>	<b>17,146,833</b>	<b>153,735</b>	<b>(149,410)</b>

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the counterparties to fulfil their contractual obligations to settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 31 December 2021, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM92,140,000 (31 March 2021: RM153,735,000). 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 31 Decemberr 2021, the Group and the Bank had posted cash collateral of RM103,257,000 (31 March 2021: RM61,381,000) on their derivative contracts.

- (iii) Related accounting policies

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

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

- (iv) There have been no changes since the end of the previous financial year in respect of the following:

- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- (c) the related accounting policies.

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risks with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2021.

**B12 Changes in Material Litigation**

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and the Bank for the current financial period ended 31 December 2021.

**B13 Dividend Declared**

No dividend has been declared for the third financial quarter ended 31 December 2021.

**B14 Earnings Per Share**

**(a) Basic**

Basic earnings per share is calculated by dividing profit for the financial period attributable to Equity holders of the Bank by the weighted average number of ordinary shares in issue during the financial period.

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
<b><u>GROUP</u></b>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	<b>151,021</b>	100,457	<b>469,776</b>	308,713
Weighted average numbers of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Basic earnings per share (sen)	<b>9.8</b>	6.5	<b>30.3</b>	19.9

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
<b><u>BANK</u></b>				
Net profit for the financial period attributable to Equity holders of the Bank (RM'000)	<b>115,275</b>	321,500	<b>383,729</b>	488,263
Weighted average numbers of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Basic earnings per share (sen)	<b>7.4</b>	20.8	<b>24.8</b>	31.5

**B14 Earnings Per Share (Contd.)**

**(b) Diluted**

For the purpose of calculating diluted earnings per share, the profit for the financial period attributable to Equity holders of the Bank and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, (non-cumulative).

There were no dilutive potential ordinary shares outstanding as at 31 December 2021 and 31 December 2020 respectively. As a result, the dilutive earnings per share equal to basic earnings per share for financial period ended 31 December 2021 and 31 December 2020.

**By Order of the Board**

**LEE WEI YEN (MAICSA 7001798) (SSM PC No. 202008002080)**

Group Company Secretary

Kuala Lumpur

28 February 2022