

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 June 2022

	Note	GROUP		BANK	
		30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
ASSETS					
Cash and short-term funds		5,126,140	3,228,574	3,323,464	1,805,402
Deposits and placements with banks and other financial institutions		44,073	168,184	44,073	168,184
Amounts due from clients and brokers	A11	34,044	55,040	-	-
Financial assets at fair value through profit or loss	A12	317,854	541,615	246,820	467,261
Financial investments at fair value through other comprehensive income	A13	8,605,758	9,119,699	6,573,492	6,739,619
Financial investments at amortised cost	A14	2,111,223	2,129,608	2,229,941	2,244,436
Derivative financial assets	B11	181,804	86,294	181,412	86,294
Loans, advances and financing	A15	45,114,337	45,123,745	33,772,950	33,608,197
Other assets	A16	637,489	470,102	680,178	526,064
Tax recoverable		14,784	11,554	-	-
Statutory deposits		101,199	99,536	69,661	68,999
Investments in subsidiaries		-	-	1,109,102	1,109,102
Investment in joint venture		1,063	1,048	-	-
Right-of-use assets		115,562	121,931	115,353	121,701
Property, plant and equipment		58,802	55,433	58,271	54,846
Deferred tax assets		237,416	203,285	168,311	143,544
Intangible assets		427,923	432,205	325,999	330,151
TOTAL ASSETS		63,129,471	61,847,853	48,899,027	47,473,800
LIABILITIES AND EQUITY					
Deposits from customers	A17	48,651,428	48,186,371	35,796,376	35,531,268
Deposits and placements of banks and other financial institutions	A18	1,733,554	1,688,994	1,445,357	1,337,749
Amounts due to clients and brokers	A19	9,012	28,404	-	-
Financial liabilities designated at fair value through profit or loss	A20	1,634,537	1,025,196	1,634,537	1,025,196
Obligations on securities sold under repurchase agreements		9,112	-	9,112	-
Derivative financial liabilities	B11	378,761	212,588	377,718	212,588
Recourse obligations on loans and financing sold to Cagamas		400,248	650,564	300,119	300,115
Lease liabilities		118,456	125,475	118,248	125,249
Other liabilities	A21	2,121,679	1,895,183	1,903,186	1,689,341
Provision for taxation		34,004	44,029	31,425	42,500
Provision for zakat		968	1,162	-	-
Deferred tax liabilities		426	426	-	-
Subordinated obligations		1,712,063	1,572,785	1,610,279	1,472,454
TOTAL LIABILITIES		56,804,248	55,431,177	43,226,357	41,736,460
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		4,777,117	4,868,570	4,124,564	4,189,234
TOTAL EQUITY		6,325,223	6,416,676	5,672,670	5,737,340
TOTAL LIABILITIES AND EQUITY		63,129,471	61,847,853	48,899,027	47,473,800
COMMITMENTS AND CONTINGENCIES	A29	45,067,209	33,911,195	41,547,655	31,158,471
Net assets per share attributable to equity holders of the Bank (RM)*		4.09	4.14	3.66	3.71

* 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 2022.

ALLIANCE BANK MALAYSIA BERHAD

198201008390 (88103-W)

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 30 June 2022**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
GROUP					
Interest income	A22	438,549	420,432	438,549	420,432
Interest expense	A23	(148,175)	(143,824)	(148,175)	(143,824)
Net interest income		290,374	276,608	290,374	276,608
Net income from Islamic banking business	A24	106,433	103,892	106,433	103,892
		396,807	380,500	396,807	380,500
Fee and commission income	A25	57,718	72,126	57,718	72,126
Fee and commission expense	A25	(24,251)	(25,901)	(24,251)	(25,901)
Investment income	A25	30,770	44,870	30,770	44,870
Other income	A25	13,029	11,360	13,029	11,360
Other operating income	A25	77,266	102,455	77,266	102,455
Net income		474,073	482,955	474,073	482,955
Other operating expenses	A26	(210,561)	(193,347)	(210,561)	(193,347)
Operating profit before allowances		263,512	289,608	263,512	289,608
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	A27	17,281	(95,270)	17,281	(95,270)
Write-back of/(allowance for) expected credit losses on financial investments	A28	64	(31)	64	(31)
Operating profit after allowances		280,857	194,307	280,857	194,307
Share of results of joint venture		15	17	15	17
Profit before taxation		280,872	194,324	280,872	194,324
Taxation	B6	(68,716)	(48,310)	(68,716)	(48,310)
Net profit for the financial period		212,156	146,014	212,156	146,014
Net profit for the financial period attributable to equity holders of the Bank		212,156	146,014	212,156	146,014
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B14(a)	13.7	9.4	13.7	9.4
- Diluted (sen)	B14(b)	13.7	9.4	13.7	9.4

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 30 June 2022**

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<u>GROUP</u>				
Net profit for the financial period	212,156	146,014	212,156	146,014
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")	(145,836)	19,611	(145,836)	19,611
- Net (loss)/gain from change in fair value	(191,775)	52,937	(191,775)	52,937
- Realised gain transferred to statements of income on disposal	(31)	(27,183)	(31)	(27,183)
- Transfer from/(to) deferred tax	46,033	(6,181)	46,033	(6,181)
- Changes in expected credit losses	(63)	38	(63)	38
Net change in cash flow hedges	134	-	134	-
- Changes in cash flow hedge	176	-	176	-
- Transfer to deferred tax	(42)	-	(42)	-
Other comprehensive (expense)/income, net of tax	(145,702)	19,611	(145,702)	19,611
Total comprehensive income for the financial period	66,454	165,625	66,454	165,625
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	66,454	165,625	66,454	165,625

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 2022.

ALLIANCE BANK MALAYSIA BERHAD

198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statements of Income

for the Financial Period Ended 30 June 2022

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<u>BANK</u>					
Interest income	A22	430,289	408,128	430,289	408,128
Interest expense	A23	(146,090)	(140,367)	(146,090)	(140,367)
Net interest income		284,199	267,761	284,199	267,761
Fee and commission income	A25	52,717	56,685	52,717	56,685
Fee and commission expense	A25	(22,466)	(21,395)	(22,466)	(21,395)
Investment income	A25	68,147	63,231	68,147	63,231
Other income	A25	13,204	11,442	13,204	11,442
Other operating income	A25	111,602	109,963	111,602	109,963
Net income		395,801	377,724	395,801	377,724
Other operating expenses	A26	(163,557)	(148,423)	(163,557)	(148,423)
Operating profit before allowances		232,244	229,301	232,244	229,301
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	A27	24,463	(54,495)	24,463	(54,495)
Allowance for expected credit losses on financial investments	A28	(272)	(83)	(272)	(83)
Profit before taxation		256,435	174,723	256,435	174,723
Taxation	B6	(53,365)	(36,682)	(53,365)	(36,682)
Net profit for the financial period		203,070	138,041	203,070	138,041
Net profit for the financial period attributable to equity holders of the Bank		203,070	138,041	203,070	138,041
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B14(a)	13.1	8.9	13.1	8.9
- Diluted (sen)	B14(b)	13.1	8.9	13.1	8.9

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

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**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 June 2022**

	1st Quarter Ended		Three Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	203,070	138,041	203,070	138,041
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	(109,967)	21,863	(109,967)	21,863
- Net (loss)/gain from change in fair value	(144,607)	38,223	(144,607)	38,223
- Realised gain transferred to statements of income on disposal	(31)	(9,473)	(31)	(9,473)
- Transfer from/(to) deferred tax	34,713	(6,900)	34,713	(6,900)
- Changes in expected credit losses	(42)	13	(42)	13
Net change in cash flow hedges	134	-	134	-
- Changes in cash flow hedge	176	-	176	-
- Transfer to deferred tax	(42)	-	(42)	-
Other comprehensive (expense)/income, net of tax	(109,833)	21,863	(109,833)	21,863
Total comprehensive income for the financial period	93,237	159,904	93,237	159,904
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	93,237	159,904	93,237	159,904

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 2022.

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 June 2022

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

<u>GROUP</u>	<u>Share capital</u> RM'000	<u>Regulatory reserves</u> RM'000	<u>Capital reserves</u> RM'000	<u>FVOCI reserves</u> RM'000	<u>Hedging reserves</u> RM'000	<u>Retained profits</u> RM'000	<u>Total equity</u> RM'000
At 1 April 2022	1,548,106	47,686	100,150	(144,227)	(253)	4,865,214	6,416,676
Net profit for the financial period	-	-	-	-	-	212,156	212,156
Other comprehensive (expense)/income	-	-	-	(145,836)	134	-	(145,702)
Total comprehensive (expense)/income for the financial period	-	-	-	(145,836)	134	212,156	66,454
Dividends paid to shareholders	-	-	-	-	-	(157,907)	(157,907)
At 30 June 2022	1,548,106	47,686	100,150	(290,063)	(119)	4,919,463	6,325,223
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	-	-	-	-	-	146,014	146,014
Other comprehensive income	-	-	-	19,611	-	-	19,611
Total comprehensive income for the financial period	-	-	-	19,611	-	146,014	165,625
Transfer from regulatory reserves	-	(38,876)	-	-	-	38,876	-
Dividends paid to shareholders	-	-	-	-	-	(89,635)	(89,635)
At 30 June 2021	1,548,106	47,564	100,150	70,931	-	4,567,026	6,333,777

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 2022.

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Condensed Interim Financial Statements

Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2022 (Contd.)

	← Non-Distributable reserves →					Distributable reserves	Total equity
	Share capital	Regulatory reserves	Capital reserves	FVOCI reserves	Hedging reserves	Retained profits	
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2022	1,548,106	41,641	15,515	(138,088)	(253)	4,270,419	5,737,340
Net profit for the financial period	-	-	-	-	-	203,070	203,070
Other comprehensive (expense)/income	-	-	-	(109,967)	134	-	(109,833)
Total comprehensive (expense)/income for the financial period	-	-	-	(109,967)	134	203,070	93,237
Dividends paid to shareholders	-	-	-	-	-	(157,907)	(157,907)
At 30 June 2022	1,548,106	41,641	15,515	(248,055)	(119)	4,315,582	5,672,670
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	-	-	-	-	-	138,041	138,041
Other comprehensive income	-	-	-	21,863	-	-	21,863
Total comprehensive income for the financial period	-	-	-	21,863	-	138,041	159,904
Transfer from regulatory reserves	-	(38,365)	-	-	-	38,365	-
Dividends paid to shareholders	-	-	-	-	-	(89,635)	(89,635)
At 30 June 2021	1,548,106	41,641	15,515	16,956	-	4,072,737	5,694,955

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 2022.

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 30 June 2022**

	<u>GROUP</u>		<u>BANK</u>	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	280,872	194,324	256,435	174,723
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(1,174)	(551)	(1,488)	(611)
(Write-back of)/allowance for expected credit losses on loans, advances and financing	(12,818)	86,726	(17,686)	50,020
Write-back of expected credit losses on commitments and contingencies	(735)	(1,500)	(2,204)	(1,042)
(Write-back of)/allowance for expected credit losses on financial investments	(64)	31	272	83
Allowance for expected credit losses on amounts due from clients and brokers	-	3	-	-
Allowance for expected credit losses on other receivables	724	661	446	627
Write-back of expected credit losses on deposits and placements with banks	(8)	(4)	(8)	(4)
Amortisation of computer software	11,541	11,484	11,265	11,197
Depreciation of property, plant and equipment	5,012	5,313	4,926	5,061
Depreciation of right-of-use assets	6,439	6,408	6,419	6,398
Dividends from financial assets at fair value through profit or loss	(1,062)	(737)	(701)	(637)
Dividends from subsidiaries	-	-	(41,342)	(27,126)
Interest expense on lease liabilities	979	1,646	976	1,646
Interest expense on subordinated obligations	15,350	15,326	15,398	15,371
Interest expense on recourse obligations on loans and financing sold to Cagamas	3,426	3,426	3,426	3,426
Interest income from financial investments at amortised cost	(17,768)	(18,194)	(19,315)	(19,976)
Interest income from financial investments at fair value through other comprehensive income	(68,741)	(75,075)	(63,781)	(67,228)
Loss on disposal of property, plant and equipment	15	-	15	-
Computer software written-off	1	-	1	-
Property, plant and equipment written-off	16	-	4	-
Net gain from sale of financial assets at fair value through profit or loss	(6,100)	(4,798)	(2,496)	(4,798)
Net gain from sale of financial investments at fair value through other comprehensive income	(31)	(18,138)	(31)	(9,473)
Net gain from sale of financial investments at amortised cost	(1,482)	-	(1,482)	-
Unrealised loss arising from derivative instruments	65,316	42,939	65,316	42,939
Unrealised gain arising from financial assets at fair value through profit or loss	(464)	(1,317)	(464)	(1,317)
Net loss arising from hedging activities	176	-	176	-
Unrealised gain arising from financial liabilities designated at fair value through profit or loss	(59,461)	(38,423)	(59,461)	(38,423)
Share of results of joint venture	(15)	(17)	-	-
Zakat	(77)	-	-	-
Cash flows from operating activities before working capital changes carried forward	219,867	209,533	154,616	140,856

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Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2022 (Contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Cash flows from operating activities (contd.)				
Cash flows from operating activities before working capital changes brought forward	219,867	209,533	154,616	140,856
Changes in working capital:				
Amounts due to clients and brokers	1,604	5,569	-	-
Deposits from customers	465,057	(1,710,801)	265,108	(1,512,920)
Deposits and placements of banks and other financial institutions	44,560	28,876	107,608	267,749
Deposits and placements with banks and other financial institutions	124,119	41,481	124,119	41,481
Financial liabilities designated at fair value through profit or loss	668,802	209,729	668,802	209,729
Financial assets at fair value through profit or loss	229,444	(288,754)	222,521	(288,754)
Loans, advances and financing	22,227	913,543	(147,066)	544,082
Other assets	(168,089)	(72,270)	(154,560)	(98,918)
Other liabilities	227,231	(53,528)	216,049	(23,048)
Obligations on securities sold under repurchase agreements	9,112	-	9,112	-
Statutory deposits	(1,663)	(6,715)	(662)	2,285
Cash generated from/(used in) operations	1,842,271	(723,337)	1,465,647	(717,458)
Taxation paid	(70,110)	(59,413)	(54,536)	(42,620)
Zakat paid	(117)	(50)	-	-
Net cash generated from/(used in) operating activities	1,772,044	(782,800)	1,411,111	(760,078)
Cash flows from investing activities				
Dividends from financial assets at fair value through profit or loss	1,062	737	701	637
Dividends from subsidiaries	-	-	41,342	27,126
Interest received from financial assets at fair value through profit or loss	880	622	880	622
Interest received from financial investments at fair value through other comprehensive income	83,883	92,984	78,547	82,831
Interest received from financial investments at amortised cost	18,522	17,697	18,467	18,151
Interest received for derivative instruments	5,173	2,124	4,521	2,124
Purchase of computer software	(7,262)	(3,258)	(7,115)	(3,202)
Purchase of property, plant and equipment	(8,569)	(13,185)	(8,525)	(12,961)
Proceeds from disposal of property, plant and equipment	155	-	155	-
Purchase of:				
- financial investments at fair value through other comprehensive income	(217,989)	(467,627)	(217,503)	(322,627)
- financial investments at amortised cost	(390,000)	-	(130,000)	-
Proceeds from redemption/disposal of:				
- financial investments at fair value through other comprehensive income	520,317	1,119,192	219,876	578,935
- financial investments at amortised cost	415,159	22,880	152,556	20,372
Net cash generated from investing activities	421,331	772,166	153,902	392,008

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(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2022 (Contd.)**

	GROUP		BANK	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid to shareholders of the company	(157,907)	(89,635)	(157,907)	(89,635)
Interest paid on subordinated obligations	(26,091)	(26,091)	(27,574)	(27,574)
Interest paid on recourse obligations on loans and financing sold to Cagamas	(3,716)	(3,377)	(3,422)	(3,421)
Repayment from recourse obligations on loans and financing sold to Cagamas	(250,026)	-	-	-
Repayment of lease liabilities	(8,069)	(7,149)	(8,048)	(7,134)
Proceeds from issuance of subordinated notes	150,000	-	150,000	-
Net cash used in financing activities	(295,809)	(126,252)	(46,951)	(127,764)
Net change in cash and cash equivalents	1,897,566	(136,886)	1,518,062	(495,834)
Cash and cash equivalents at beginning of financial year	3,228,574	3,088,245	1,805,402	1,779,243
Cash and cash equivalents at end of financial year	5,126,140	2,951,359	3,323,464	1,283,409
Cash and cash equivalents comprise the following:				
Cash and short-term funds	5,126,140	2,951,359	3,323,464	1,283,409

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 2022.

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 30 June 2022 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 2022. 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 2022.

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 2022 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2022:

- Amendments to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021";
- Amendments to MFRS 3 "Reference to Conceptual Framework";
- Amendments to MFRS 116 "Proceeds before Intended Use";
- Amendments to MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract";
- Annual Improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities";
- Annual improvements to MFRS 1 "Subsidiary as First-time Adopter"; and
- Annual improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives.

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 from those estimates.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2022 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 30 June 2022.

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 30 June 2022.

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 30 June 2022.

A6 Issuance and Repayment of Debt and Equity Securities

The Bank had on 30 June 2022 announced that it has completed the issuance of RM150.0 million Capital Securities pursuant to the Bank's Additional Tier 1 Capital Securities Programme of up to RM1.0 billion in nominal value as below:

Nominal Amount	Tenure	Call Date	Coupon Rate
RM150.0 million	Perpetual Non-Callable Five (5)-years	30 June 2027 and thereafter on every distribution payment date	5.50% p.a

A7 Dividend Paid

A Single Tier Second Interim Dividend of 10.20 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM157,907,000 in respect of financial year ended 31 March 2022, was paid on 30 June 2022.

A8 Significant Events

There were no significant events in the current financial period ended 30 June 2022.

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

The Bank had on 1 July 2022 announced that Alliance Investment Bank Berhad, a wholly-owned subsidiary of the Bank, has obtained Vesting Order from the High Court of Malaya and on schedule to complete the transfer of its stockbroking business to Philip Capital Sdn. Bhd. (formerly known as Philip Futures Sdn. Bhd.) on 30 July 2022.

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

	GROUP	
	30 June 2022 RM'000	31 March 2022 RM'000
Due from brokers	1,703	7,913
Due from clients	32,344	47,130
Less: Allowance for expected credit losses	(3)	(3)
	<u>34,044</u>	<u>55,040</u>

These balances 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.

A11 Amounts Due From Clients And Brokers (Contd.)

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

GROUP	Lifetime ECL	
	30 June 2022 RM'000	31 March 2022 RM'000
At beginning of financial year	3	-
Allowance made during the financial period/year (net)	-	3
At end of financial year	3	3

As at 30 June 2022, the Group's gross exposure of amounts due from clients and brokers that are credit impaired was at RM3,000 (31 March 2022: RM3,000).

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

	GROUP		BANK	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	67,953	286,173	67,953	286,173
Malaysian Government investment issues	4,433	4,643	4,433	4,643
	72,386	290,816	72,386	290,816
<u>Unquoted securities:</u>				
Shares	242,523	245,842	171,488	171,488
Corporate bonds and sukuk	2,945	4,957	2,946	4,957
	245,468	250,799	174,434	176,445
Total financial assets at FVTPL	317,854	541,615	246,820	467,261

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

	GROUP		BANK	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
At fair value - debt instruments				
<u>Money market instruments:</u>				
Malaysian Government securities	2,174,260	2,239,673	2,013,974	2,076,500
Malaysian Government investment issues	2,076,793	2,128,842	1,403,782	1,439,125
Negotiable instruments of deposits	-	-	259,831	60,048
Commercial papers	-	19,966	-	19,966
	4,251,053	4,388,481	3,677,587	3,595,639
<u>Quoted securities:</u>				
Shares	14	13	14	13
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,354,691	4,731,205	2,895,891	3,143,967
Total financial investments at FVOCI	8,605,758	9,119,699	6,573,492	6,739,619

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

Movements in allowance for expected credit losses 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
GROUP				
At 1 April 2022	642	281	-	923
Financial investments derecognised other than write-off	(4)	-	-	(4)
Changes due to change in credit risk	(50)	(9)	-	(59)
Total write-back from income statement	(54)	(9)	-	(63)
At 30 June 2022	588	272	-	860
At 1 April 2021	96	231	-	327
New financial investments originated or purchased	62	-	-	62
Financial investments derecognised other than write-off	(3)	(29)	-	(32)
Changes due to change in credit risk	487	79	-	566
Total charge to income statement	546	50	-	596
At 31 March 2022	642	281	-	923
BANK				
At 1 April 2022	451	121	-	572
Financial investments derecognised other than write-off	(2)	-	-	(2)
Changes due to change in credit risk	(36)	(4)	-	(40)
Total write-back from income statement	(38)	(4)	-	(42)
At 30 June 2022	413	117	-	530
At 1 April 2021	61	114	-	175
New financial investments originated or purchased	52	-	-	52
Financial investments derecognised other than write-off	(1)	(16)	-	(17)
Changes due to change in credit risk	339	23	-	362
Total charge to income statement	390	7	-	397
At 31 March 2022	451	121	-	572

Note:

There were no credit impaired exposures of financial investments at FVOCI.

A14 Financial Investments at Amortised Cost

	GROUP		BANK	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	285,383	285,299	285,383	285,299
Malaysian Government investment issues	1,825,824	1,834,031	1,616,969	1,623,917
Negotiable instruments of deposits	-	-	197,232	195,226
	2,111,207	2,119,330	2,099,584	2,104,442
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	846	11,109	131,553	140,876
Less: Allowance for expected credit losses	(830)	(831)	(1,196)	(882)
	16	10,278	130,357	139,994
Total financial investments at amortised cost	2,111,223	2,129,608	2,229,941	2,244,436

Movements in allowance for expected credit losses 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
GROUP				
At 1 April 2021	1	-	830	831
Total write-back from income statement due to derecognised other than write-off	(1)	-	-	(1)
At 30 June 2022	-	-	830	830
At 1 April 2021	423	-	830	1,253
Financial investments derecognised other than write-off	(139)	-	-	(139)
Changes due to change in credit risk	(283)	-	-	(283)
Total write-back from income statement	(422)	-	-	(422)
At 31 March 2022	1	-	830	831
BANK				
At 1 April 2021	326	-	556	882
New financial investments originated or purchased	644	-	-	644
Financial investments derecognised other than write-off	(327)	-	-	(327)
Changes due to change in credit risk	(3)	-	-	(3)
Total charge to income statement	314	-	-	314
At 30 June 2022	640	-	556	1,196
At 1 April 2021	366	-	556	922
Financial investments derecognised other than write-off	(34)	-	-	(34)
Changes due to change in credit risk	(6)	-	-	(6)
Total write-back from income statement	(40)	-	-	(40)
At 31 March 2022	326	-	556	882

A14 Financial Investments at Amortised Cost (Contd.)

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At beginning/end of the financial period/year	846	846	556	556

A15 Loans, Advances and Financing

	<u>GROUP</u>		<u>BANK</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	2,861,555	3,211,650	1,700,456	1,867,543
Term loans/financing				
- Housing loans/financing	13,901,108	13,854,317	10,497,970	10,433,646
- Syndicated term loans/financing	438,472	450,932	438,472	450,932
- Hire purchase receivables	489,682	503,545	393,704	396,032
- Other term loans/financing	20,888,440	20,478,471	15,288,670	15,156,490
Bills receivables	460,055	401,713	456,419	390,972
Trust receipts	274,879	337,871	224,673	275,330
Claims on customers under acceptance credits	3,301,262	3,287,105	2,423,404	2,370,612
Staff loans/financing				
(Loan to Directors: RM Nil [31 March 2022: RM Nil])	15,184	15,816	2,833	2,988
Credit/charge card receivables	501,783	496,564	501,783	496,564
Revolving credits	1,484,037	1,633,184	1,090,456	1,069,069
Share margin financing	1,481,074	1,517,944	1,367,553	1,345,384
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562
Add: Sales commissions and handling fees	101,101	94,475	103,724	103,075
Less: Allowance for expected credit losses on loans, advances and financing	(1,084,295)	(1,159,842)	(717,167)	(750,440)
Total net loans, advances and financing	45,114,337	45,123,745	33,772,950	33,608,197

A15a By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Within one year	10,609,164	11,107,483	7,911,662	7,948,690
One year to three years	1,705,225	1,718,863	1,344,587	1,342,705
Three years to five years	4,276,414	4,110,728	3,294,744	3,236,199
Over five years	29,506,728	29,252,038	21,835,400	21,727,968
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562

A15 Loans, Advances and Financing (Contd.)

A15b By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Domestic non-bank financial institutions	636,747	723,452	546,906	558,736
Domestic business enterprises				
- Small and medium enterprises	15,428,049	15,409,759	11,673,274	11,663,713
- Others	6,863,553	6,914,111	5,493,949	5,346,250
Government and statutory bodies	77,384	81,213	77,384	81,213
Individuals	22,478,939	22,432,555	16,079,670	16,077,012
Other domestic entities	26,040	26,253	3,628	3,268
Foreign entities	586,819	601,769	511,582	525,370
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562

A15c By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Fixed rate				
- Housing loans/financing	22,179	23,052	4,142	4,243
- Hire purchase receivables	483,119	495,932	387,140	388,420
- Other fixed rate loans/financing	7,662,562	7,595,903	5,221,404	5,207,562
Variable rate				
- Base lending rate plus	23,713,304	24,064,380	18,824,912	19,146,732
- Base rate plus	9,631,168	9,359,437	6,222,271	5,900,313
- Cost plus	4,585,199	4,650,408	3,726,524	3,608,292
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562

A15d By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Purchase of securities	1,637,711	1,675,368	1,524,190	1,502,809
Purchase of transport vehicles	319,700	332,321	240,869	242,773
Purchase of landed property	22,412,547	22,164,919	17,355,318	17,143,071
of which: - Residential	14,622,680	14,603,585	11,166,481	11,129,634
- Non-residential	7,789,867	7,561,334	6,188,837	6,013,437
Purchase of fixed assets excluding land & buildings	340,880	341,425	284,726	289,263
Personal use	5,758,346	5,715,439	2,879,157	2,946,028
Credit card	501,783	496,564	501,783	496,564
Construction	1,063,428	1,056,091	939,149	933,211
Working capital	10,463,571	10,779,300	7,975,194	7,997,558
Others	3,599,565	3,627,685	2,686,007	2,704,285
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562

A15 Loans, Advances and Financing (Contd.)

A15e By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	1,100,840	1,108,508	732,118	718,092
Mining and quarrying	250,389	267,776	221,749	236,517
Manufacturing	4,914,716	5,007,037	3,634,698	3,608,137
Electricity, gas and water	56,033	47,504	46,466	42,889
Construction	1,708,297	1,668,412	1,297,768	1,250,033
Wholesale, retail trade, restaurants and hotels	7,787,187	7,868,406	6,044,730	6,110,370
Transport, storage and communication	783,829	810,542	623,297	642,483
Financing, insurance, real estate and business services	6,045,939	6,004,445	4,902,806	4,760,363
Community, social and personal services	381,782	373,764	290,459	287,613
Household	23,065,758	23,029,625	16,591,252	16,597,683
Others	2,761	3,093	1,050	1,382
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562

A15f By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Northern region	3,483,493	3,455,628	2,249,832	2,238,828
Central region	32,773,105	32,675,559	24,925,403	24,751,854
Southern region	5,376,520	5,451,964	4,095,739	4,137,984
Sabah region	3,225,452	3,327,317	2,223,408	2,243,381
Sarawak region	1,238,961	1,278,644	892,011	883,515
Gross loans, advances and financing	46,097,531	46,189,112	34,386,393	34,255,562

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	853,266	1,032,436	574,757	735,568
Impaired during the financial year	207,858	850,259	141,411	509,912
Recovered during the financial year	(19,016)	(56,902)	(15,891)	(45,741)
Reclassified as unimpaired during the financial year	(101,439)	(750,792)	(70,414)	(486,330)
Financial assets derecognised other than write-off during the financial year	(15,909)	(94,466)	(10,415)	(50,727)
Amount written-off	(75,230)	(127,269)	(23,453)	(87,925)
At end of financial year	849,530	853,266	595,995	574,757
Gross impaired loans ratio	1.84%	1.85%	1.73%	1.68%
Net impaired loans ratio	1.19%	1.14%	1.12%	1.08%

A15 Loans, Advances and Financing (Contd.)

A15h Credit impaired loans analysed by economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Purchase of securities	481	17,143	481	17,143
Purchase of transport vehicles	14,947	15,599	11,417	10,900
Purchase of landed property	452,772	429,830	325,300	309,616
of which: - Residential	350,580	328,994	236,224	223,770
- Non-residential	102,192	100,836	89,076	85,846
Purchase of fixed assets excluding land & buildings	5,537	5,586	4,944	4,994
Personal use	201,258	172,179	108,330	94,214
Credit card	5,105	4,708	5,105	4,708
Construction	8,100	8,102	8,100	8,102
Working capital	116,990	140,053	90,440	82,759
Others	44,340	60,066	41,878	42,321
Gross impaired loans	849,530	853,266	595,995	574,757

A15i Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Primary agriculture	1,083	1,089	6	6
Mining and quarrying	1,671	1,246	1,671	1,246
Manufacturing	58,249	61,041	53,853	52,158
Electricity, gas and water				
Construction	31,066	69,603	19,173	17,912
Wholesale, retail trade, restaurants and hotels	90,397	98,856	70,780	75,825
Transport, storage and communication	3,781	3,798	3,228	3,244
Financing, insurance, real estate and business services	79,716	67,538	79,136	66,983
Community, social and personal services	6,227	7,170	2,342	3,286
Household	577,340	542,925	365,806	354,097
Gross impaired loans	849,530	853,266	595,995	574,757

A15j Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Northern region	69,553	66,114	42,896	39,156
Central region	614,760	616,851	442,207	427,522
Southern region	122,849	134,400	82,066	88,780
Sabah region	35,295	28,823	23,029	13,574
Sarawak region	7,073	7,078	5,797	5,725
Gross impaired loans	849,530	853,266	595,995	574,757

A15 Loans, Advances and Financing (Contd.)

A15k Movements in allowance for expected credit losses on loans, advances and financing 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
<u>GROUP</u>				
At 1 April 2022	270,674	557,650	331,518	1,159,842
Transfer to Stage 1	47,070	(71,117)	(17,603)	(41,650)
Transfer to Stage 2	(51,527)	100,675	(19,029)	30,119
Transfer to Stage 3	(480)	(55,463)	67,934	11,991
New financial assets originated or purchased	19,691	59,850	2,764	82,305
Financial assets derecognised other than write-off	(16,978)	(62,856)	(4,044)	(83,878)
Changes due to change in credit risk	(14,920)	(1,496)	4,637	(11,779)
Other adjustments	33	41	-	74
	(17,111)	(30,366)	34,659	(12,818)
Unwinding of discount	-	-	(774)	(774)
Total (write-back from)/charge to income statement	(17,111)	(30,366)	33,885	(13,592)
Write-off	-	(770)	(61,185)	(61,955)
At 30 June 2022	253,563	526,514	304,218	1,084,295
At 1 April 2021	231,025	498,776	277,405	1,007,206
Transfer to Stage 1	139,012	(500,239)	(1,598)	(362,825)
Transfer to Stage 2	(85,699)	730,176	(206,437)	438,040
Transfer to Stage 3	(627)	(308,235)	288,619	(20,243)
New financial assets originated or purchased	93,426	228,198	14,727	336,351
Financial assets derecognised other than write-off	(69,683)	(250,735)	(23,389)	(343,807)
Changes due to change in credit risk	(36,790)	161,540	61,713	186,463
Other adjustments	11	5	-	16
	39,650	60,710	133,635	233,995
Unwinding of discount	-	-	2,178	2,178
Total charge to income statement	39,650	60,710	135,813	236,173
Write-off	(1)	(1,836)	(81,700)	(83,537)
At 31 March 2022	270,674	557,650	331,518	1,159,842

A15 Loans, Advances and Financing (Contd.)

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

	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
<u>BANK</u>				
At 1 April 2022	174,486	368,542	207,412	750,440
Transfer to Stage 1	25,931	(41,870)	(17,602)	(33,541)
Transfer to Stage 2	(28,336)	60,145	(11,668)	20,141
Transfer to Stage 3	(382)	(36,627)	47,417	10,408
New financial assets originated or purchased	13,041	56,926	1,642	71,609
Financial assets derecognised other than write-off	(11,443)	(58,714)	(2,290)	(72,447)
Changes due to change in credit risk	(11,463)	(6,894)	4,427	(13,930)
Other adjustments	33	41	-	74
	(12,619)	(26,993)	21,926	(17,686)
Unwinding of discount	-	-	(547)	(547)
Total (write-back from)/charge to income statement	(12,619)	(26,993)	21,379	(18,233)
Write-off	-	(327)	(14,713)	(15,040)
At 30 June 2022	161,867	341,222	214,078	717,167
At 1 April 2021	154,241	314,669	197,689	666,599
Transfer to Stage 1	86,573	(314,557)	(1,581)	(229,565)
Transfer to Stage 2	(52,603)	442,526	(124,959)	264,964
Transfer to Stage 3	(446)	(157,496)	156,394	(1,548)
New financial assets originated or purchased	61,935	165,809	9,067	236,811
Financial assets derecognised other than write-off	(46,658)	(190,470)	(13,382)	(250,510)
Changes due to change in credit risk	(28,566)	108,957	39,378	119,769
Other adjustments	11	5	-	16
	20,246	54,774	64,917	139,937
Unwinding of discount	-	-	2,287	2,287
Total charge to income statement	20,246	54,774	67,204	142,224
Write-off	(1)	(901)	(57,481)	(58,383)
At 31 March 2022	174,486	368,542	207,412	750,440

Note:

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

A16 Other Assets

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Other receivables	122,952	109,021	144,667	125,907
Collateral pledged for derivative transactions	227,177	118,485	227,177	118,485
Settlement account	278,497	234,689	278,497	234,689
Deposits	8,875	8,961	8,271	8,357
Prepayment	40,795	40,939	34,358	35,034
Amounts due from subsidiaries	-	-	22,724	41,630
Amount due from joint venture	1,898	-	3,066	109
	680,194	512,095	718,760	564,211
Less: Allowance for expected credit losses on other receivables [Note]	(42,705)	(41,993)	(38,582)	(38,147)
	637,489	470,102	680,178	526,064

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
<u>Lifetime ECL</u>				
At beginning of financial year	41,993	40,281	38,147	34,941
New financial assets originated or purchased	10	390	-	-
Financial assets derecognised other than write-off	-	(669)	-	-
Changes due to change in credit risk	714	3,079	446	3,364
Total charge to income statement	724	2,800	446	3,364
Write-off	(12)	(1,088)	(11)	(158)
At end of financial year	42,705	41,993	38,582	38,147

As at 30 June 2022, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM42,705,000 and RM38,582,000 (31 March 2022: RM41,993,000 and RM38,147,000) respectively.

A17 Deposits from Customers

A17a By type of deposits:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Demand deposits	22,030,186	21,323,706	16,644,656	16,091,465
Savings deposits	2,278,687	2,253,040	1,810,346	1,803,826
Fixed/investment deposits	21,006,857	21,224,606	15,406,897	15,202,615
Money market deposits	3,185,613	3,121,454	1,784,392	2,169,797
Negotiable instruments of deposits	150,085	263,565	150,085	263,565
	48,651,428	48,186,371	35,796,376	35,531,268

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Due within six months	19,360,883	19,804,835	13,770,927	14,077,434
Six months to one year	4,568,380	4,640,627	3,519,501	3,501,660
One year to three years	406,909	160,250	44,965	53,373
Three years to five years	6,383	3,913	5,981	3,510
	24,342,555	24,609,625	17,341,374	17,635,977

A17c The deposits are sourced from the following types of customers:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Domestic financial institutions	175,173	253,444	197,302	285,206
Domestic non-bank financial institutions	4,515,201	4,501,331	2,728,453	2,985,038
Government and statutory bodies	3,534,807	3,318,166	2,308,013	1,853,610
Business enterprises	16,693,147	16,250,835	12,535,897	12,314,918
Individuals	21,857,699	21,947,570	16,441,748	16,464,080
Foreign entities	792,520	836,669	689,315	728,208
Others	1,082,881	1,078,356	895,648	900,208
	48,651,428	48,186,371	35,796,376	35,531,268

A18 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Licensed banks	446,066	365,146	356,059	285,139
Licensed investment banks	-	23,441	-	-
Bank Negara Malaysia	1,287,488	1,260,405	1,089,298	1,052,610
Other financial institutions	-	40,002	-	-
	<u>1,733,554</u>	<u>1,688,994</u>	<u>1,445,357</u>	<u>1,337,749</u>

A19 Amounts Due To Clients And Brokers

	<u>GROUP</u>	
	30 June 2022 RM'000	31 March 2022 RM'000
Due to clients	9,012	28,404
	<u>9,012</u>	<u>28,404</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 statements 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 RM108,535,000 (31 March 2022: RM99,843,000) 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.

	GROUP/BANK	
	30 June	31 March
	2022	2022
	RM'000	RM'000
Structured investments	1,836,125	1,167,323
Fair value changes arising from designation at fair value through profit or loss	(201,588)	(142,127)
	<u>1,634,537</u>	<u>1,025,196</u>

A21 Other Liabilities

	GROUP		BANK	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Other payables	1,135,988	1,087,970	1,044,191	1,003,188
Bills payable	198,553	128,601	185,499	120,850
Collateral pledged for derivative transactions	7,072	12,370	7,072	12,370
Settlement account	27,126	22,761	27,126	22,761
Clearing account	235,948	187,918	161,519	130,994
Sundry deposits	54,039	54,843	48,497	49,682
Provision and accruals	134,510	197,782	113,205	157,761
Remisiers accounts	7,759	8,002	-	-
Structured investments	296,603	170,114	296,603	170,114
Amount due to subsidiaries	-	-	234	177
Amount due to joint venture	-	6	-	-
Allowance for expected credit losses on commitments and contingencies [Note]	24,081	24,816	19,240	21,444
	<u>2,121,679</u>	<u>1,895,183</u>	<u>1,903,186</u>	<u>1,689,341</u>

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
GROUP				
At 1 April 2022	6,894	16,504	1,418	24,816
Transfer to Stage 1	123	(899)	-	(776)
Transfer to Stage 2	(106)	1,457	(1)	1,350
Transfer to Stage 3	-	(190)	61	(129)
New financial assets originated or purchased	1,155	2,934	-	4,089
Financial assets derecognised other than write-off	(768)	(4,149)	(117)	(5,034)
Changes due to change in credit risk	(453)	(1,085)	1,303	(235)
Total (write-back from)/charge to income statement	(49)	(1,932)	1,246	(735)
At 30 June 2022	6,845	14,572	2,664	24,081
At 1 April 2021	9,722	36,512	3,109	49,343
Transfer to Stage 1	626	(4,508)	-	(3,882)
Transfer to Stage 2	(690)	6,809	(564)	5,555
Transfer to Stage 3	-	(1,348)	1,119	(229)
New financial assets originated or purchased	5,188	3,118	-	8,306
Financial assets derecognised other than write-off	(4,109)	(25,703)	(3,325)	(33,137)
Changes due to change in credit risk	(3,843)	1,624	779	(1,440)
	(2,828)	(20,008)	(1,991)	(24,827)
Unwinding of discount	-	-	300	300
Total write-back from income statement	(2,828)	(20,008)	(1,691)	(24,527)
At 31 March 2022	6,894	16,504	1,418	24,816

A21 Other Liabilities (Contd.)

Note:

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

	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
<u>BANK</u>				
At 1 April 2022	5,698	14,331	1,415	21,444
Transfer to Stage 1	116	(849)	-	(733)
Transfer to Stage 2	(96)	1,067	-	971
Transfer to Stage 3	-	(187)	61	(126)
New financial assets originated or purchased	977	2,838	-	3,815
Financial assets derecognised other than write-off	(628)	(4,022)	(117)	(4,767)
Changes due to change in credit risk	(428)	(948)	12	(1,364)
Total write-back from income statement	(59)	(2,101)	(44)	(2,204)
At 30 June 2022	5,639	12,230	1,371	19,240
At 1 April 2021	8,056	15,020	3,109	26,185
Transfer to Stage 1	558	(3,839)	-	(3,281)
Transfer to Stage 2	(592)	6,010	(556)	4,862
Transfer to Stage 3	-	(1,237)	1,113	(124)
New financial assets originated or purchased	4,441	2,733	-	7,174
Financial assets derecognised other than write-off	(3,716)	(6,032)	(3,325)	(13,073)
Changes due to change in credit risk	(3,049)	1,676	774	(599)
	(2,358)	(689)	(1,994)	(5,041)
Unwinding of discount	-	-	300	300
Total write-back from income statement	(2,358)	(689)	(1,694)	(4,741)
At 31 March 2022	5,698	14,331	1,415	21,444

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

As at 30 June 2022, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired was at RM6,262,000 and RM4,725,000 (31 March 2022: RM5,760,000 and RM5,562,000) respectively.

A22 Interest Income

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
GROUP				
Loans, advances and financing	339,865	324,904	339,865	324,904
Money at call and deposit placements with financial institutions	10,524	1,528	10,524	1,528
Financial investments at fair value through other comprehensive income	68,741	75,075	68,741	75,075
Financial investments at amortised cost	17,768	18,194	17,768	18,194
Others	477	180	477	180
	437,375	419,881	437,375	419,881
Accretion of discount less amortisation of premium (net)	1,174	551	1,174	551
	438,549	420,432	438,549	420,432
	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
BANK				
Loans, advances and financing	334,652	318,593	334,652	318,593
Money at call and deposit placements with financial institutions	10,576	1,540	10,576	1,540
Financial investments at fair value through other comprehensive income	63,781	67,228	63,781	67,228
Financial investments at amortised cost	19,315	19,976	19,315	19,976
Others	477	180	477	180
	428,801	407,517	428,801	407,517
Accretion of discount less amortisation of premium (net)	1,488	611	1,488	611
	430,289	408,128	430,289	408,128

Included in the interest income on loan, advances and financing for the current financial period was interest/profit accrued on impaired loans/financing of the Group and the Bank of RM1,062,000 (30 June 2021: RM1,780,000) respectively.

A23 Interest Expense

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
GROUP				
Deposits and placements of banks and other financial institutions	3,559	5,222	3,559	5,222
Deposits from customers	120,869	116,596	120,869	116,596
Recourse obligations on loans and financing sold to Cagamas	3,426	3,426	3,426	3,426
Subordinated obligations	15,350	15,326	15,350	15,326
Lease liabilities	979	1,646	979	1,646
Others	3,992	1,608	3,992	1,608
	148,175	143,824	148,175	143,824

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
BANK				
Deposits and placements of banks and other financial institutions	3,051	3,282	3,051	3,282
Deposits from customers	119,247	115,034	119,247	115,034
Recourse obligations on loans and financing sold to Cagamas	3,426	3,426	3,426	3,426
Subordinated obligations	15,398	15,371	15,398	15,371
Lease liabilities	976	1,646	976	1,646
Others	3,992	1,608	3,992	1,608
	146,090	140,367	146,090	140,367

A24 Net Income from Islamic Banking Business

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
GROUP				
Income derived from investment of depositors' funds and others	151,459	150,611	151,459	150,611
Income derived from investment of Islamic Banking funds	15,278	15,364	15,278	15,364
Income attributable to the depositors and financial institutions	(60,304)	(62,083)	(60,304)	(62,083)
	106,433	103,892	106,433	103,892

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>	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	21,857	25,593	21,857	25,593
Service charges and fees	6,172	6,552	6,172	6,552
Corporate advisory fees	-	991	-	991
Underwriting commissions	-	1,108	-	1,108
Brokerage fees	4,584	11,324	4,584	11,324
Guarantee fees	3,362	2,956	3,362	2,956
Processing fees	718	2,412	718	2,412
Commitment fees	4,543	4,729	4,543	4,729
Cards related income	14,982	14,461	14,982	14,461
Other fee income	1,500	2,000	1,500	2,000
	57,718	72,126	57,718	72,126
(b) <u>Fee and commission expense:</u>				
Commissions expense	(363)	(529)	(363)	(529)
Service charges and fees expense	(501)	(514)	(501)	(514)
Brokerage fees expense	(1,798)	(4,525)	(1,798)	(4,525)
Guarantee fees expense	(3,776)	(3,799)	(3,776)	(3,799)
Cards related expense	(17,813)	(16,534)	(17,813)	(16,534)
	(24,251)	(25,901)	(24,251)	(25,901)
(c) <u>Investment income:</u>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	6,100	4,798	6,100	4,798
- Financial investments at fair value through other comprehensive income	31	18,138	31	18,138
- Financial investments at amortised cost	1,482	-	1,482	-
- Derivative instruments	27,662	24,396	27,662	24,396
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	464	1,317	464	1,317
- Derivative instruments	(65,316)	(42,939)	(65,316)	(42,939)
- Financial liabilities designated at fair value through profit or loss	59,461	38,423	59,461	38,423
Net loss arising from hedging activities	(176)	-	(176)	-
Gross dividend income from:				
- Financial assets at fair value through profit or loss	1,062	737	1,062	737
	30,770	44,870	30,770	44,870
(d) <u>Other income/(expense):</u>				
Foreign exchange gain	8,500	3,230	8,500	3,230
Rental income	22	31	22	31
Loss on disposal of property, plant and equipment	(15)	-	(15)	-
Others	4,522	8,099	4,522	8,099
	13,029	11,360	13,029	11,360
Total other operating income	77,266	102,455	77,266	102,455

A25 Other Operating Income (Contd.)

<u>BANK</u>	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	21,857	25,593	21,857	25,593
Service charges and fees	5,988	6,312	5,988	6,312
Guarantee fees	3,355	2,949	3,355	2,949
Processing fees	492	641	492	641
Commitment fees	4,543	4,729	4,543	4,729
Cards related income	14,982	14,461	14,982	14,461
Other fee income	1,500	2,000	1,500	2,000
	52,717	56,685	52,717	56,685
(b) <u>Fee and commission expense:</u>				
Commissions expense	(363)	(529)	(363)	(529)
Service charges and fees expense	(501)	(514)	(501)	(514)
Brokerage fees expense	(13)	(19)	(13)	(19)
Guarantee fees expense	(3,776)	(3,799)	(3,776)	(3,799)
Cards related expense	(17,813)	(16,534)	(17,813)	(16,534)
	(22,466)	(21,395)	(22,466)	(21,395)
(c) <u>Investment income:</u>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,496	4,798	2,496	4,798
- Financial investments at fair value through other comprehensive income	31	9,473	31	9,473
- Financial investments at amortised cost	1,482	-	1,482	-
- Derivative instruments	27,662	24,396	27,662	24,396
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	464	1,317	464	1,317
- Derivative instruments	(65,316)	(42,939)	(65,316)	(42,939)
- Financial liabilities designated at fair value through profit or loss	59,461	38,423	59,461	38,423
Net loss arising from hedging activities	(176)	-	(176)	-
Gross dividend income from:				
- Financial assets at fair value through profit or loss	701	637	701	637
- Subsidiaries	41,342	27,126	41,342	27,126
	68,147	63,231	68,147	63,231
(d) <u>Other income/(expense):</u>				
Foreign exchange gain	8,330	3,099	8,330	3,099
Rental income	498	407	498	407
Loss on disposal of property, plant and equipment	(15)	-	(15)	-
Others	4,391	7,936	4,391	7,936
	13,204	11,442	13,204	11,442
Total other operating income	111,602	109,963	111,602	109,963

A26 Other Operating Expenses

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
GROUP				
Personnel costs				
- Salaries, allowances and bonuses	111,344	103,717	111,344	103,717
- Contribution to EPF	17,308	16,367	17,308	16,367
- Others	10,512	9,498	10,512	9,498
	139,164	129,582	139,164	129,582
Establishment costs				
- Depreciation of property, plant and equipment	5,012	5,313	5,012	5,313
- Depreciation of right-of-use assets	6,439	6,408	6,439	6,408
- Amortisation of computer software	11,541	11,484	11,541	11,484
- Rental of premises	512	579	512	579
- Water and electricity	1,744	1,565	1,744	1,565
- Repairs and maintenance	2,071	1,899	2,071	1,899
- Information technology expenses	17,831	14,990	17,831	14,990
- Others	2,763	2,459	2,763	2,459
	47,913	44,697	47,913	44,697
Marketing expenses				
- Promotion and advertisement	3,225	2,291	3,225	2,291
- Branding and publicity	1,119	383	1,119	383
- Others	939	1,070	939	1,070
	5,283	3,744	5,283	3,744
Administration and general expenses				
- Communication expenses	2,748	2,610	2,748	2,610
- Printing and stationery	324	357	324	357
- Insurance	3,581	2,051	3,581	2,051
- Professional fees	6,585	5,923	6,585	5,923
- Others	4,963	4,383	4,963	4,383
	18,201	15,324	18,201	15,324
Total other operating expenses	210,561	193,347	210,561	193,347

A26 Other Operating Expenses (Contd.)

	1st Quarter Ended		Three Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<u>BANK</u>				
Personnel costs				
- Salaries, allowances and bonuses	85,572	77,237	85,572	77,237
- Contribution to EPF	13,381	12,239	13,381	12,239
- Others	8,790	7,853	8,790	7,853
	107,743	97,329	107,743	97,329
Establishment costs				
- Depreciation of property, plant and equipment	4,926	5,061	4,926	5,061
- Depreciation of right-of-use assets	6,419	6,398	6,419	6,398
- Amortisation of computer software	11,265	11,197	11,265	11,197
- Rental of premises	441	455	441	455
- Water and electricity	1,338	1,197	1,338	1,197
- Repairs and maintenance	1,691	1,333	1,691	1,333
- Information technology expenses	10,262	9,219	10,262	9,219
- Others	2,320	963	2,320	963
	38,662	35,823	38,662	35,823
Marketing expenses				
- Promotion and advertisement	2,038	2,241	2,038	2,241
- Branding and publicity	932	72	932	72
- Others	32	624	32	624
	3,002	2,937	3,002	2,937
Administration and general expenses				
- Communication expenses	2,197	1,958	2,197	1,958
- Printing and stationery	244	253	244	253
- Insurance	2,696	1,595	2,696	1,595
- Professional fees	4,475	4,256	4,475	4,256
- Others	4,538	4,272	4,538	4,272
	14,150	12,334	14,150	12,334
Total other operating expenses	163,557	148,423	163,557	148,423

ALLIANCE BANK MALAYSIA BERHAD

198201008390 (88103-W)

(Incorporated in Malaysia)

A27 (Write-back of)/Allowance for Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
GROUP				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- (Write-back)/allowance made during the financial period	(12,818)	86,726	(12,818)	86,726
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(13,881)	(9,023)	(13,881)	(9,023)
- Write-off during the financial period	9,390	18,425	9,390	18,425
(c) Commitments and contingencies on loans, advances and financing				
- Write-back during the financial period	(735)	(1,500)	(735)	(1,500)
	(18,044)	94,628	(18,044)	94,628
Allowance for expected credit losses on:				
- Amounts due from clients and brokers	-	3	-	3
- Other receivables	724	661	724	661
- Cash and short-term funds	47	(18)	47	(18)
- Deposits and placements with banks and other financial institutions	(8)	(4)	(8)	(4)
	(17,281)	95,270	(17,281)	95,270
BANK				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- (Write-back)/allowance made during the financial period	(17,686)	50,020	(17,686)	50,020
(b) Credit impaired loans, advance and financing				
- Recovered during the financial period	(8,679)	(5,909)	(8,679)	(5,909)
- Write-off during the financial period	3,621	10,821	3,621	10,821
(c) Commitments and contingencies on loans, advances and financing				
- Write-back during the financial period	(2,204)	(1,042)	(2,204)	(1,042)
	(24,948)	53,890	(24,948)	53,890
Allowance for expected credit losses on:				
- Other receivables	446	627	446	627
- Cash and short-term funds	47	(18)	47	(18)
- Deposits and placements with banks and other financial institutions	(8)	(4)	(8)	(4)
	(24,463)	54,495	(24,463)	54,495

A29 Commitments and Contingencies

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

The off-balance sheet notional exposures of the Group and the Bank are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	525,692	498,689	449,335	428,454
Transaction-related contingent items	570,055	561,778	503,476	499,745
Short-term self-liquidating trade-related contingencies	234,307	211,549	212,034	192,299
Irrevocable commitments to extend credit:				
- maturity exceeding one year	2,163,482	1,747,771	1,792,358	1,462,876
- maturity not exceeding one year	10,592,667	10,049,097	7,907,446	7,732,786
Unutilised credit card lines	1,381,732	1,333,057	1,381,732	1,333,057
	15,467,935	14,401,941	12,246,381	11,649,217
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	16,311,349	10,370,880	16,311,349	10,370,880
- over one year to three years	986,783	917,134	986,783	917,134
- over three years	228,376	257,757	228,376	257,757
Interest rate related contracts:				
- one year or less	2,288,312	2,158,436	2,288,312	2,158,436
- over one year to three years	2,931,213	3,307,815	2,931,213	3,307,815
- over three years	6,277,129	1,948,660	5,979,129	1,948,660
Equity related contracts				
- one year or less	335,452	332,492	335,452	332,492
- over one year to three years	240,660	216,080	240,660	216,080
	29,599,274	19,509,254	29,301,274	19,509,254
	45,067,209	33,911,195	41,547,655	31,158,471

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 Enterprises ("SMEs"), and Corporate and Commercial Banking. SME Banking customers comprise the self-employed, and 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.

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	<u>Total</u> RM'000
1st Quarter and three months ended 30 June 2022								
Net interest income								
- external income	97,141	128,249	62,195	1,412	33	289,030	1,344	290,374
- inter-segment	(13,797)	11,788	2,732	(723)	-	-	-	-
	83,344	140,037	64,927	689	33	289,030	1,344	290,374
Net income/(expense) from Islamic banking business	43,364	36,888	23,012	1,535	(32)	104,767	1,666	106,433
Other operating income	35,357	35,805	2,438	3,601	5,150	82,351	(5,085)	77,266
Net income	162,065	212,730	90,377	5,825	5,151	476,148	(2,075)	474,073
Other operating expenses	(90,771)	(70,864)	(10,197)	(8,226)	(8,599)	(188,657)	1,088	(187,569)
Depreciation and amortisation	(11,037)	(9,964)	(1,574)	(476)	(344)	(23,395)	403	(22,992)
Operating profit/(loss)	60,257	131,902	78,606	(2,877)	(3,792)	264,096	(584)	263,512
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	11,120	6,480	(38)	(281)	-	17,281	-	17,281
(Allowance for)/write-back of expected credit losses on financial assets	-	-	(252)	-	-	(252)	316	64
Segment result	71,377	138,382	78,316	(3,158)	(3,792)	281,125	(268)	280,857
Share of results of joint venture								15
Taxation								(68,716)
Net profit for the financial period								212,156
Segment assets	22,680,343	22,189,401	18,868,917	116,117	473,686	64,328,464	(1,938,981)	62,389,483
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,063
Property, plant and equipment								58,802
Tax recoverable and deferred tax assets								252,200
Intangible assets								427,923
Total assets								63,129,471

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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
1st Quarter and three months ended 30 June 2021								
Net interest income								
- external income	95,879	116,060	61,664	1,835	28	275,466	1,142	276,608
- inter-segment	(13,403)	4,205	10,091	(893)	-	-	-	-
	82,476	120,265	71,755	942	28	275,466	1,142	276,608
Net income from Islamic banking business	37,510	32,501	32,385	-	77	102,473	1,419	103,892
Other operating income	32,608	34,407	24,307	11,111	207	102,640	(185)	102,455
Net income	152,594	187,173	128,447	12,053	312	480,579	2,376	482,955
Other operating expenses	(79,485)	(65,181)	(8,608)	(8,714)	(9,250)	(171,238)	1,096	(170,142)
Depreciation and amortisation	(10,754)	(10,343)	(1,724)	(667)	(99)	(23,587)	382	(23,205)
Operating profit/(loss)	62,355	111,649	118,115	2,672	(9,037)	285,754	3,854	289,608
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(87,342)	(7,907)	26	(47)	-	(95,270)	-	(95,270)
(Allowance for)/write-back of expected credit losses on financial investments	-	(125)	(109)	130	-	(104)	73	(31)
Segment result	(24,987)	103,617	118,032	2,755	(9,037)	190,380	3,927	194,307
Share of results of joint venture								17
Taxation								(48,310)
Net profit for the financial period								146,014
Segment assets	22,496,843	19,426,749	17,507,016	303,928	516,147	60,250,683	(1,718,012)	58,532,671
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,011
Property, plant and equipment								55,208
Tax recoverable and deferred tax assets								178,122
Intangible assets								432,960
Total assets								59,199,972

A31 Capital Adequacy

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions took effect on 9 December 2020. This allows 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 Group and the Bank have sufficient capital under both conditions with or without the Transitional Arrangement.

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022	31 March 2022	30 June 2022	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.410%	16.372%	14.561%	15.614%
Tier I capital ratio	16.701%	17.287%	15.929%	16.489%
Total capital ratio	20.920%	21.401%	20.704%	21.134%
<u>After deducting proposed dividends</u>				
CET I capital ratio	15.410%	15.959%	14.561%	15.061%
Tier I capital ratio	16.701%	16.874%	15.929%	15.936%
Total capital ratio	20.920%	20.988%	20.704%	20.581%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	14.487%	14.993%	13.776%	14.397%
Tier I capital ratio	15.777%	15.908%	15.144%	15.272%
Total capital ratio	19.997%	20.173%	19.919%	20.137%
<u>After deducting proposed dividends</u>				
CET I capital ratio	14.487%	14.580%	13.776%	13.844%
Tier I capital ratio	15.777%	15.495%	15.144%	14.719%
Total capital ratio	19.997%	19.760%	19.919%	19.584%

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>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	4,919,463	4,865,214	4,315,582	4,270,419
Regulatory reserves	47,686	47,686	41,641	41,641
Hedging reserves	(119)	(253)	(119)	(253)
FVOCI reserves	(290,923)	(145,150)	(248,585)	(138,660)
Capital reserves	100,150	100,150	15,515	15,515
	6,324,363	6,415,753	5,672,140	5,736,768
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(427,923)	(432,205)	(325,999)	(330,151)
- Deferred tax assets	(237,416)	(203,285)	(168,311)	(143,544)
- Regulatory reserves	(47,686)	(47,686)	(41,641)	(41,641)
- Investment in subsidiaries and joint venture	(1,063)	(1,048)	(1,109,102)	(1,109,102)
- Transitional arrangements	357,617	527,033	229,344	347,580
Total CET I Capital	5,967,892	6,258,562	4,256,431	4,459,910
Additional Tier I Capital Securities	499,786	349,753	399,926	249,888
Total Additional Tier I Capital	499,786	349,753	399,926	249,888
Total Tier I Capital	6,467,678	6,608,315	4,656,357	4,709,798
<u>Tier II Capital</u>				
Subordinated obligations	1,199,308	1,199,264	1,198,916	1,198,848
Expected credit losses and regulatory reserves	434,888	373,502	326,896	258,031
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	1,634,196	1,572,766	1,395,812	1,326,879
Total Capital	8,101,874	8,181,081	6,052,169	6,036,677

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Credit risk	34,791,015	34,492,797	26,151,710	25,662,376
Market risk	507,275	353,608	497,376	353,574
Operational risk	3,429,126	3,381,129	2,583,379	2,547,781
Total RWA and capital requirements	38,727,416	38,227,534	29,232,465	28,563,731

A31 Capital Adequacy (Contd.)

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

	Alliance Islamic Bank		Alliance Investment Bank	
	<u>Berhad</u>		<u>Berhad</u>	
	30 June	31 March	30 June	31 March
	2022	2022	2022	2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	14.102%	14.904%	102.357%	87.301%
Tier I capital ratio	15.170%	15.966%	102.357%	87.301%
Total capital ratio	17.717%	18.510%	103.178%	88.174%
<u>After deducting proposed dividends</u>				
CET I capital ratio	14.102%	14.463%	102.357%	87.301%
Tier I capital ratio	15.170%	15.525%	102.357%	87.301%
Total capital ratio	17.717%	18.069%	103.178%	88.174%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.726%	12.995%	102.340%	87.240%
Tier I capital ratio	13.795%	14.057%	102.340%	87.240%
Total capital ratio	16.342%	16.601%	103.161%	88.113%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.726%	12.554%	102.340%	87.240%
Tier I capital ratio	13.795%	13.616%	102.340%	87.240%
Total capital ratio	16.342%	16.160%	103.161%	88.113%

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 levels 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 market parameters, including but not limited to yield curves, volatilities and foreign exchange rates, as inputs. 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> 30 June 2022	<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	-	72,386	-	72,386
- Unquoted securities	-	2,945	242,523	245,468
Financial investments at FVOCI				
- Money market instruments	-	4,251,053	-	4,251,053
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	4,354,691	-	4,354,691
Derivative financial assets	-	181,804	-	181,804
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,634,537	-	1,634,537
Derivative financial liabilities	-	378,761	-	378,761
<u>BANK</u> 30 June 2022	<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	-	72,386	-	72,386
- Unquoted securities	-	2,946	171,488	174,434
Financial investments at FVOCI				
- Money market instruments	-	3,677,587	-	3,677,587
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	2,895,891	-	2,895,891
Derivative financial assets	-	181,412	-	181,412
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,634,537	-	1,634,537
Derivative financial liabilities	-	377,718	-	377,718

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>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2022	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	290,816	-	290,816
- Unquoted securities	-	4,957	245,842	250,799
Financial investments at FVOCI				
- Money market instruments	-	4,388,481	-	4,388,481
- Quoted securities in Malaysia	13	-	-	13
- Unquoted securities	-	4,731,205	-	4,731,205
Derivative financial assets	-	86,294	-	86,294
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,025,196	-	1,025,196
Derivative financial liabilities	-	212,588	-	212,588
<u>BANK</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2022	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	290,816	-	290,816
- Unquoted securities	-	4,957	171,488	176,445
Financial investments at FVOCI				
- Money market instruments	-	3,595,639	-	3,595,639
- Quoted securities in Malaysia	13	-	-	13
- Unquoted securities	-	3,143,967	-	3,143,967
Derivative financial assets	-	86,294	-	86,294
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,025,196	-	1,025,196
Derivative financial liabilities	-	212,588	-	212,588

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>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
At beginning of financial year	245,842	224,676	171,488	154,482
Disposal during the period	(3,319)	-	-	-
Total gains recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	-	21,166	-	17,006
At end of financial year	242,523	245,842	171,488	171,488

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 RM'000	Gross amounts of recognised financial assets set off in the statements of financial position RM'000	Net amounts of financial assets 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 received RM'000	
GROUP						
30 June 2022						
Derivative financial assets	181,804	-	181,804	(86,221)	(7,072)	88,511
Amounts due from clients and brokers	48,947	(14,903)	34,044	-	-	34,044
	<u>230,751</u>	<u>(14,903)</u>	<u>215,848</u>	<u>(86,221)</u>	<u>(7,072)</u>	<u>122,555</u>
BANK						
30 June 2022						
Derivative financial assets	181,412	-	181,412	(86,221)	(7,072)	88,119
GROUP						
31 March 2022						
Derivative financial assets	86,294	-	86,294	(59,617)	(12,370)	14,307
Amounts due from clients and brokers	84,883	(29,843)	55,040	-	-	55,040
Total	<u>171,177</u>	<u>(29,843)</u>	<u>141,334</u>	<u>(59,617)</u>	<u>(12,370)</u>	<u>69,347</u>
BANK						
31 March 2022						
Derivative financial assets	86,294	-	86,294	(59,617)	(12,370)	14,307

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	
GROUP						
30 June 2022						
Derivative financial liabilities	378,761	-	378,761	(86,221)	(227,177)	65,363
Amounts due to clients and brokers	23,915	(14,903)	9,012	-	-	9,012
Total	402,676	(14,903)	387,773	(86,221)	(227,177)	74,375
BANK						
30 June 2022						
Derivative financial liabilities	377,718	-	377,718	(86,221)	(227,177)	64,320
GROUP						
31 March 2022						
Derivative financial liabilities	212,588	-	212,588	(59,617)	(118,485)	34,486
Amounts due to clients and brokers	58,247	(29,843)	28,404	-	-	28,404
Total	270,835	(29,843)	240,992	(59,617)	(118,485)	62,890
BANK						
31 March 2022						
Derivative financial liabilities	212,588	-	212,588	(59,617)	(118,485)	34,486

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 Year to Date

GROUP

	1st Quarter and Three Months Ended 30 June 2022 RM'000	1st Quarter and Three Months Ended 30 June 2021 RM'000	Changes %
Net income/revenue	474,073	482,955	(1.8)
Operating profit before allowance	263,512	289,608	(9.0)
Operating profit after allowance	280,857	194,307	44.5
Profit before taxation	280,872	194,324	44.5
Profit after taxation	212,156	146,014	45.3
Profit attributable to ordinary equity holders of the Bank	212,156	146,014	45.3

	1st Quarter Ended 30 June 2022 RM'000	4th Quarter Ended 31 March 2022 RM'000	Changes %
Net income/revenue	474,073	451,537	5.0
Operating profit before allowance	263,512	232,497	13.3
Operating profit after allowance	280,857	158,733	76.9
Profit before taxation	280,872	158,742	76.9
Profit after taxation	212,156	103,041	105.9
Profit attributable to ordinary equity holders of the Bank	212,156	103,041	105.9

BANK

	1st Quarter and Ended 30 June 2022 RM'000	1st Quarter and Ended 30 June 2021 RM'000	Changes %
Net income/revenue	395,801	377,724	4.8
Operating profit before allowance	232,244	229,301	1.3
Operating profit after allowance	256,435	174,723	46.8
Profit before taxation	256,435	174,723	46.8
Profit after taxation	203,070	138,041	47.1
Profit attributable to ordinary equity holders of the Bank	203,070	138,041	47.1

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

(Incorporated in Malaysia)

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

	1st Quarter Ended 30 June 2022 RM'000	4th Quarter Ended 31 March 2022 RM'000	Changes %
Net income/revenue	395,801	340,930	16.1
Operating profit before allowance	232,244	170,993	35.8
Operating profit after allowance	256,435	123,787	107.2
Profit before taxation	256,435	123,787	107.2
Profit after taxation	203,070	80,487	152.3
Profit attributable to ordinary equity holders of the Bank	203,070	80,487	152.3

B2 Review Of Performance**Business Review for the First Quarter Ended 30 June 2022**Profitability

The Group's net profit after taxation was RM212.2 million for the first financial quarter ended 30 June 2022, an increase of RM66.1 million year-on-year ("YOY"). The higher profits were largely due to higher net interest income and lower allowance for expected credit losses.

Net interest income improved by RM27.5 million or 7.6% YOY. Net interest margin ("NIM") came in higher at 2.57% (1QFY2022: 2.50%).

Loan Growth

The Group's loans, advances and financing remained stable at RM46.1 billion. Both commercial and consumer loans grew by 1.6% and 0.4%, partly offset by reduction in corporate loans resulting from higher repayments.

Other Operating Income

The Group recorded other operating income of RM82.0 million, lower by RM36.4 million or 30.8% YOY. The decrease was due to lower treasury and investment income, lower income from brokerage, cards income and processing fees offset by higher wealth management income and trade fees.

Managing Operating Expenses

Operating expenses increased by RM17.2 million or 8.9%, mainly from investments in the sales force, the expansion of the collections team, administrative and establishment costs. The cost-to-income ratio ("CIR") stood at 44.4% (1QFY2022: 40.0%). The Group will continue to be vigilant in managing the cost for the financial year.

Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing and other financial assets recorded a write-back of RM17.3 million primarily due to a recovery from a large account during the quarter. The net credit cost recorded at -3.7bps (1QFY2022: 21.8bps). Loan loss coverage (including regulatory reserves) was at 133.2% (1QFY2022: 109.8%).

B2 Review Of Performance (Contd.)

Business Review for the First Quarter Ended 30 June 2022 (contd.)

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 RM50.4 billion. Through our funding strategy, the Group’s liquidity coverage and loans-to-funds ratios stood at 162.9% and 85.3% respectively. The Group will continue to maintain ample liquidity ratios and ensure sufficient liquidity buffers.

Proactive Capital Management

Our conservative capital management approach resulted in the Group maintaining a robust capital position. We continued to maintain one of the strongest capital levels in the industry, with Common Equity Tier-1 (CET 1) ratio at 15.4%, Tier-1 Capital ratio at 16.7% and Total Capital Ratio at 20.9%.

Performance by Business Segment and Subsidiary

The Group’s business segments comprise Consumer Banking, Business Banking, Financial Markets and Stockbroking and Corporate Advisory.

The Group Consumer Banking segment recorded a profit before tax of RM71.4 million, an increase of RM96.4 million YOY. Net income was higher by RM9.5 million or 6.2% mainly due to the increase in net interest income by RM7.9 million and increase in other operating income by RM1.6 million. Operating expenses was higher by RM11.6 million. Allowance for expected credit losses was lower by RM98.5 million. The segment assets recorded at RM22.7 billion.

The Group Business Banking segment, comprising corporate, commercial and SME banking, recorded a profit before tax of RM138.4 million, an increase of 33.6% YOY. Net income increased by RM25.6 million or 13.7% due to higher net interest income by RM25.0 million and higher other operating income by RM0.6 million. Operating expenses increased by RM5.3 million or 7.0%. Allowance for expected credit losses was lower by RM14.5 million. Segment assets recorded at RM22.2 billion.

The Group Financial Markets segment recorded a profit before tax of RM78.3 million, a decrease of RM39.7 million or 33.6% YOY. Net income was lower by RM38.1 million or 29.6% due to lower other operating income. Operating expenses increased by RM1.4 million or 13.9%. Segment assets recorded at RM18.9 billion.

The Stockbroking and Corporate Advisory segment recorded a loss before tax of RM3.2 million due to lower brokerage fees.

The Islamic Banking segment, which consist of Consumer Banking, Business Banking and Financial Markets, recorded a net profit after taxation of RM45.5 million, representing an increase of RM23.9 million compared to the corresponding period last year due to higher revenue from net profit income and lower allowance for expected credit losses. Net income was higher by RM2.3 million or 2.2%. Net profit income was higher by RM13.5 million while other operating income was lower by RM11.2 million. Operating expenses increased by RM4.3 million or 13.4%. Allowance for expected credit losses stood at RM7.2 million. Total assets stood at RM15.1 billion.

B3 Comparison with Immediate Preceding Quarter

In comparison with the immediate preceding quarter, the Group's profit after taxation of RM212.2 million for the quarter was higher by RM109.1 million. This was mainly due to higher net interest income, lower operating expenses and credit cost.

Key Quarter-on-Quarter Performance Highlights

- Net interest income increased by RM25.0 million or 6.8% mainly due to higher interest income from loans, advances and financing and interbank placement.
- NIM was at 2.57% (4QFY2022: 2.50%).
- Other operating income decreased by RM2.4 million or 2.9%. This was attributed to lower cards income, processing fees and brokerage income.
- Operating expenses were lower by RM8.5 million or 3.9% from all lines of expense.
- Net credit cost recorded at -3.7bps (4QFY2022: 15.6bps).

B4 Business Outlook For The Financial Year 2023

Prospects For The Financial Period

Bank Negara Malaysia ("BNM") projects Malaysia's gross domestic product ("GDP") growth to range between 5.3% and 6.3% in 2022 (2021: 3.1%). External demand is expected to moderate given the global negative headwinds, however we expect this weakness to be offset by solid domestic demand this year.

Headline inflation has averaged 2.4%. It is projected to remain within the 2.2% - 3.2% forecast range for the year. The overall inflation outlook will continue to be subject to local and domestic uncertainties but the extent of upward pressures on inflation will remain partly contained by existing price controls, fuel subsidies and the continued spare capacity in the economy.

As such, we expect BNM to raise the OPR by another 25bps by year-end. This would bring the Overnight Policy Rate ("OPR") to 2.50% from 2.25% currently.

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

- (i) Acquiring more customers by scaling up the Group's core segments of SME and Consumer Banking, adding on sales force capacity and improving productivity by equipping relationship managers with digital tools to serve high-value customers. The Group will also focus on securing more customers via digital channels and diversifying our corporate customer base by focusing on family owned corporates;
- (ii) Capitalising on our Consumer and Business Banking franchises, we will focus on accelerating cross-selling value propositions to our customers to increase market penetration and generate fee-based income; and
- (iii) Enhancing productivity and efficiencies by streamlining processes, automating through digital tools/channels, centralising functions and improving branch productivity.

In addition to the above, the Group will continue to focus on addressing asset quality concerns by continuing to prioritise customer engagement and continue managing its loan portfolio with refined credit underwriting to support the above business growth.

With these focus areas, and 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

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
GROUP				
- Income tax	56,855	44,348	56,855	44,348
- Deferred tax	11,861	4,103	11,861	4,103
- Real property gain tax	-	(141)	-	(141)
	68,716	48,310	68,716	48,310

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
BANK				
- Income tax	43,461	29,994	43,461	29,994
- Deferred tax	9,904	6,829	9,904	6,829
- Real property gain tax	-	(141)	-	(141)
	53,365	36,682	53,365	36,682

The Group's effective tax rate for the current financial period ended 30 June 2022 was higher than the current statutory tax rate of 24% due to certain expenses being disallowed for tax purpose.

B7 Profit/(Loss) on Sale of Unquoted Investments or Properties

There was no material profit/(loss) on sale of unquoted investments or properties for the current financial period ended 30 June 2022 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 30 June 2022 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 proposal in Note A9.

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	23,929,263	24,445,462	17,290,428	17,579,094
- More than one year (medium/long term)	413,292	164,163	50,946	56,883
	24,342,555	24,609,625	17,341,374	17,635,977
Others	24,308,873	23,576,746	18,455,002	17,895,291
	48,651,428	48,186,371	35,796,376	35,531,268
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	539,015	494,455	420,511	312,903
- More than one year (medium/long term)	1,194,539	1,194,539	1,024,846	1,024,846
	1,733,554	1,688,994	1,445,357	1,337,749
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,207,486	1,218,893	1,207,095	1,218,476
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	504,577	353,892	403,184	253,978
	1,712,063	1,572,785	1,610,279	1,472,454

B11 Derivative Financial Assets/(Liabilities)

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

GROUP	As at 30 June 2022			As at 31 March 2022		
	Principal RM'000	Fair value		Principal RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange and commodity contracts						
Currency forwards						
- one year or less	3,185,942	78,102	(5,655)	2,859,459	5,026	(9,509)
- over one year to three years	498,152	3,471	(1,626)	475,630	-	(20,067)
- over three years	152,042	1,668	(12)	109,317	-	(4,032)
Currency swaps						
- one year or less	12,085,838	13,574	(98,935)	6,468,485	10,879	(5,912)
- over one year to three years	488,631	46	(20,041)	441,504	2,903	(1,679)
- over three years	76,334	31	(374)	148,440	899	(864)
Currency spots						
- one year or less	80,970	73	(71)	427,461	439	(632)
Currency options						
- one year or less	606,039	787	(203)	363,205	422	(77)
	17,173,948	97,752	(126,917)	11,293,501	20,568	(42,772)
Interest rate derivatives						
Interest rate swap	8,498,654	77,759	(140,618)	7,414,911	65,122	(89,554)
- one year or less	2,288,312	10,107	(3,565)	2,158,436	9,743	(5,412)
- over one year to three years	2,931,213	36,915	(22,260)	3,307,815	37,099	(16,566)
- over three years	3,279,129	30,737	(114,793)	1,948,660	18,280	(67,576)
Equity related derivatives						
- one year or less	335,452	272	(67,160)	332,492	345	(61,682)
- over one year to three years	240,660	91	(27,802)	216,080	90	(17,846)
Hedging derivatives						
Currency swaps						
- one year or less	352,560	4,322	(33)	252,270	169	(734)
Interest rate swaps						
- over three years	2,998,000	1,608	(16,231)	-	-	-
Total derivatives assets/(liabilities)	29,599,274	181,804	(378,761)	19,509,254	86,294	(212,588)

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

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

BANK	As at 30 June 2022			As at 31 March 2022		
	Principal RM'000	Fair value		Principal RM'000	Fair value	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives						
Foreign exchange and commodity contracts						
Currency forwards						
- one year or less	3,185,942	78,102	(5,655)	2,859,459	5,026	(9,509)
- over one year to three years	498,152	3,471	(1,626)	475,630	-	(20,067)
- over three years	152,042	1,668	(12)	109,317	-	(4,032)
Currency swaps						
- one year or less	12,085,838	13,574	(98,935)	6,468,485	10,879	(5,912)
- over one year to three years	488,631	46	(20,041)	441,504	2,903	(1,679)
- over three years	76,334	31	(374)	148,440	899	(864)
Currency spots						
- one year or less	80,970	73	(71)	427,461	439	(632)
Currency options						
- one year or less	606,039	787	(203)	363,205	422	(77)
	17,173,948	97,752	(126,917)	11,293,501	20,568	(42,772)
Interest rate derivatives						
Interest rate swap						
	8,498,654	77,759	(140,618)	7,414,911	65,122	(89,554)
- one year or less	2,288,312	10,107	(3,565)	2,158,436	9,743	(5,412)
- over one year to three years	2,931,213	36,915	(22,260)	3,307,815	37,099	(16,566)
- over three years	3,279,129	30,737	(114,793)	1,948,660	18,280	(67,576)
Equity related derivatives						
- one year or less	335,452	272	(67,160)	332,492	345	(61,682)
- over one year to three years	240,660	91	(27,802)	216,080	90	(17,846)
Hedging derivatives						
Currency swaps						
- one year or less	352,560	4,322	(33)	252,270	169	(734)
Interest rate swaps						
- over three years	2,700,000	1,216	(15,188)	-	-	-
Total derivatives assets/(liabilities)	29,301,274	181,412	(377,718)	19,509,254	86,294	(212,588)

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the counterparties to fulfil their contractual obligations to settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 30 June 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM181,804,000 and RM181,412,000 respectively (31 March 2022: RM86,294,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

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

Market Risk

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

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

Liquidity Risk

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

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

- (ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 30 June 2022, the Group and the Bank had posted cash collateral of RM227,177,000 (31 March 2022: RM118,485,000) 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 investment income.

- (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.

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

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

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 2022.

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 30 June 2022.

B13 Dividend Declared

No dividend has been declared during the current financial period ended 30 June 2022.

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.

	1st Quarter Ended		Three Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<u>GROUP</u>				
Profit for the financial period attributable to equity holders of the Bank (RM'000)	<u>212,156</u>	<u>146,014</u>	<u>212,156</u>	<u>146,014</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	<u>1,548,106</u>	<u>1,548,106</u>	<u>1,548,106</u>
Basic earnings per share (sen)	<u>13.7</u>	<u>9.4</u>	<u>13.7</u>	<u>9.4</u>
	1st Quarter Ended		Three Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<u>BANK</u>				
Profit for the financial period attributable to equity holders of the Bank (RM'000)	<u>203,070</u>	<u>138,041</u>	<u>203,070</u>	<u>138,041</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	<u>1,548,106</u>	<u>1,548,106</u>	<u>1,548,106</u>
Basic earnings per share (sen)	<u>13.1</u>	<u>8.9</u>	<u>13.1</u>	<u>8.9</u>

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 30 June 2022 and 30 June 2021 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for financial period ended 30 June 2022 and 30 June 2021.

By Order of the Board

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

Group Company Secretary
Kuala Lumpur
30 August 2022