

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statements of Financial Position as at 31 December 2022**

	Note	<b>GROUP</b>		<b>BANK</b>	
		<b>31 December 2022</b>	<b>31 March 2022</b>	<b>31 December 2022</b>	<b>31 March 2022</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>					
Cash and short-term funds		<b>4,529,839</b>	3,228,574	<b>2,492,396</b>	1,805,402
Deposits and placements with banks and other financial institutions		-	168,184	-	168,184
Amounts due from clients and brokers	A11	-	55,040	-	-
Financial assets at fair value through profit or loss	A12	<b>305,933</b>	541,615	<b>305,933</b>	467,261
Financial investments at fair value through other comprehensive income	A13	<b>8,387,319</b>	9,119,699	<b>6,686,031</b>	6,739,619
Financial investments at amortised cost	A14	<b>2,834,795</b>	2,129,608	<b>2,706,602</b>	2,244,436
Derivative financial assets	B9	<b>295,305</b>	86,294	<b>296,726</b>	86,294
Loans, advances and financing	A15	<b>46,253,805</b>	45,123,745	<b>34,510,909</b>	33,608,197
Other assets	A16	<b>680,255</b>	470,102	<b>762,591</b>	526,064
Tax recoverable		<b>12,942</b>	11,554	-	-
Statutory deposits		<b>960,479</b>	99,536	<b>696,179</b>	68,999
Investments in subsidiaries		-	-	<b>959,102</b>	1,109,102
Investment in joint venture		<b>1,083</b>	1,048	-	-
Right-of-use assets		<b>109,263</b>	121,931	<b>109,060</b>	121,701
Property, plant and equipment		<b>58,043</b>	55,433	<b>57,670</b>	54,846
Deferred tax assets		<b>220,692</b>	203,285	<b>158,334</b>	143,544
Intangible assets		<b>438,235</b>	432,205	<b>336,066</b>	330,151
<b>TOTAL ASSETS</b>		<b>65,087,988</b>	61,847,853	<b>50,077,599</b>	47,473,800
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A17	<b>48,990,749</b>	48,186,371	<b>35,612,019</b>	35,531,268
Deposits and placements of banks and other financial institutions	A18	<b>1,908,303</b>	1,688,994	<b>1,371,993</b>	1,337,749
Amounts due to clients and brokers	A19	-	28,404	-	-
Financial liabilities designated at fair value through profit or loss	A20	<b>1,803,213</b>	1,025,196	<b>1,803,213</b>	1,025,196
Obligations on securities sold under repurchase agreements		<b>743,190</b>	-	<b>743,190</b>	-
Derivative financial liabilities	B9	<b>474,112</b>	212,588	<b>474,369</b>	212,588
Recourse obligations on loans and financing sold to Cagamas		<b>321,524</b>	650,564	<b>221,394</b>	300,115
Lease liabilities		<b>113,494</b>	125,475	<b>113,285</b>	125,249
Other liabilities	A21	<b>2,602,291</b>	1,895,183	<b>2,426,726</b>	1,689,341
Provision for taxation		<b>18,393</b>	44,029	<b>16,617</b>	42,500
Provision for zakat		<b>968</b>	1,162	-	-
Deferred tax liabilities		-	426	-	-
Subordinated obligations		<b>1,561,027</b>	1,572,785	<b>1,459,294</b>	1,472,454
<b>TOTAL LIABILITIES</b>		<b>58,537,264</b>	55,431,177	<b>44,242,100</b>	41,736,460
Share capital		<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Reserves		<b>5,002,618</b>	4,868,570	<b>4,287,393</b>	4,189,234
<b>TOTAL EQUITY</b>		<b>6,550,724</b>	6,416,676	<b>5,835,499</b>	5,737,340
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>65,087,988</b>	61,847,853	<b>50,077,599</b>	47,473,800
<b>COMMITMENTS AND CONTINGENCIES</b>	A29	<b>47,058,276</b>	33,911,195	<b>44,119,023</b>	31,158,471
<b>Net assets per share attributable to equity holders of the Bank (RM)*</b>		<b>4.23</b>	4.14	<b>3.77</b>	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 31 December 2022**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>GROUP</b>		RM'000	RM'000	RM'000	RM'000
Interest income	A22	<b>526,340</b>	432,758	<b>1,442,623</b>	1,269,757
Interest expense	A23	<b>(198,540)</b>	(137,981)	<b>(515,260)</b>	(424,242)
Net interest income		<b>327,800</b>	294,777	<b>927,363</b>	845,515
Net income from Islamic banking business	A24	<b>121,666</b>	106,863	<b>345,920</b>	302,140
		<b>449,466</b>	401,640	<b>1,273,283</b>	1,147,655
Fee and commission income	A25	<b>53,145</b>	67,080	<b>163,472</b>	201,061
Fee and commission expense	A25	<b>(24,042)</b>	(28,904)	<b>(78,283)</b>	(80,954)
Investment income	A25	<b>47,004</b>	38,536	<b>71,229</b>	119,217
Other income	A25	<b>(29,027)</b>	1,830	<b>21,492</b>	29,140
Other operating income	A25	<b>47,080</b>	78,542	<b>177,910</b>	268,464
Net income		<b>496,546</b>	480,182	<b>1,451,193</b>	1,416,119
Other operating expenses	A26	<b>(221,723)</b>	(214,950)	<b>(640,375)</b>	(603,900)
Operating profit before allowances		<b>274,823</b>	265,232	<b>810,818</b>	812,219
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	<b>(36,813)</b>	(15,155)	<b>(93,827)</b>	(144,000)
Write-back of expected credit losses on financial investments	A28	<b>225</b>	232	<b>547</b>	355
Operating profit after allowances		<b>238,235</b>	250,309	<b>717,538</b>	668,574
Share of results of joint venture		<b>9</b>	14	<b>35</b>	45
Profit before taxation		<b>238,244</b>	250,323	<b>717,573</b>	668,619
Taxation	B6	<b>(61,144)</b>	(99,302)	<b>(169,893)</b>	(198,843)
Net profit for the financial period		<b>177,100</b>	151,021	<b>547,680</b>	469,776
<b>Net profit for the financial period attributable to equity holders of the Bank</b>		<b>177,100</b>	151,021	<b>547,680</b>	469,776
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	<b>11.4</b>	9.8	<b>35.4</b>	30.3
- Diluted (sen)	B12(b)	<b>11.4</b>	9.8	<b>35.4</b>	30.3

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 31 December 2022**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2022</b>	2021	<b>2022</b>	2021
<b><u>GROUP</u></b>	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit for the financial period</b>	<b>177,100</b>	151,021	<b>547,680</b>	469,776
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")	<b>74,542</b>	(56,901)	<b>(70,214)</b>	(105,384)
- Net gain/(loss) from change in fair value	<b>98,397</b>	(58,679)	<b>(91,863)</b>	(83,233)
- Realised gain transferred to statements of income on disposal	-	(16,053)	<b>(44)</b>	(55,331)
- Transfer (to)/from deferred tax	<b>(23,615)</b>	17,935	<b>22,058</b>	33,255
- Changes in expected credit losses	<b>(240)</b>	(104)	<b>(365)</b>	(75)
Net change in cash flow hedges	<b>9</b>	(29)	<b>262</b>	8
- Changes in cash flow hedges	<b>12</b>	(39)	<b>345</b>	10
- Transfer to deferred tax	<b>(3)</b>	10	<b>(83)</b>	(2)
Other comprehensive income/(expense), net of tax	<b>74,551</b>	(56,930)	<b>(69,952)</b>	(105,376)
<b>Total comprehensive income for the financial period</b>	<b>251,651</b>	94,091	<b>477,728</b>	364,400
Total comprehensive income for the financial period attributable to equity holders of the Bank	<b>251,651</b>	94,091	<b>477,728</b>	364,400

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 31 December 2022**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>BANK</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A22	<b>519,781</b>	423,879	<b>1,418,716</b>	1,239,710
Interest expense	A23	<b>(197,652)</b>	(135,870)	<b>(511,158)</b>	(416,234)
Net interest income		<b>322,129</b>	288,009	<b>907,558</b>	823,476
Fee and commission income	A25	<b>53,014</b>	58,234	<b>157,219</b>	165,804
Fee and commission expense	A25	<b>(23,910)</b>	(25,833)	<b>(76,009)</b>	(69,702)
Investment income	A25	<b>93,443</b>	55,691	<b>154,904</b>	147,010
Other income	A25	<b>(29,230)</b>	1,976	<b>19,262</b>	29,281
Other operating income	A25	<b>93,317</b>	90,068	<b>255,376</b>	272,393
Net income		<b>415,446</b>	378,077	<b>1,162,934</b>	1,095,869
Other operating expenses	A26	<b>(176,428)</b>	(168,326)	<b>(503,784)</b>	(465,471)
Operating profit before allowances		<b>239,018</b>	209,751	<b>659,150</b>	630,398
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	<b>(21,321)</b>	(21,039)	<b>(47,055)</b>	(97,844)
Write-back of expected credit losses on financial investments	A28	<b>109</b>	225	<b>20</b>	168
Profit before taxation		<b>217,806</b>	188,937	<b>612,115</b>	532,722
Taxation	B6	<b>(45,370)</b>	(73,662)	<b>(123,124)</b>	(148,993)
Net profit for the financial period		<b>172,436</b>	115,275	<b>488,991</b>	383,729
<b>Net profit for the financial period attributable to equity holders of the Bank</b>		<b>172,436</b>	115,275	<b>488,991</b>	383,729
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	<b>11.1</b>	7.4	<b>31.6</b>	24.8
- Diluted (sen)	B12(b)	<b>11.1</b>	7.4	<b>31.6</b>	24.8

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Statements of Comprehensive Income  
for the Financial Period Ended 31 December 2022**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
<b><u>BANK</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit for the financial period</b>	<b>172,436</b>	<b>115,275</b>	<b>488,991</b>	<b>383,729</b>
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	<b>58,657</b>	(35,462)	<b>(47,414)</b>	(61,537)
- Net gain/(loss) from change in fair value	<b>77,328</b>	(38,844)	<b>(62,079)</b>	(57,131)
- Realised gain transferred to statements of income on disposal	-	(7,746)	<b>(44)</b>	(23,785)
- Transfer (to)/from deferred tax	<b>(18,558)</b>	11,182	<b>14,910</b>	19,420
- Changes in expected credit losses	<b>(113)</b>	(54)	<b>(201)</b>	(41)
Net change in cash flow hedges	<b>9</b>	(29)	<b>262</b>	8
- Changes in cash flow hedges	<b>12</b>	(39)	<b>345</b>	10
- Transfer to deferred tax	<b>(3)</b>	10	<b>(83)</b>	(2)
Other comprehensive income/(expense), net of tax	<b>58,666</b>	(35,491)	<b>(47,152)</b>	(61,529)
<b>Total comprehensive income for the financial period</b>	<b>231,102</b>	<b>79,784</b>	<b>441,839</b>	<b>322,200</b>
Total comprehensive income for the financial period attributable to equity holders of the Bank	<b>231,102</b>	<b>79,784</b>	<b>441,839</b>	<b>322,200</b>

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 31 December 2022**

<b>GROUP</b>	← Attributable to equity holders of the Bank →						
	<u>Share capital</u>	<u>Regulatory reserves</u>	<u>Capital reserves</u>	<u>FVOCI reserves</u>	<u>Hedging reserves</u>	<u>Retained profits</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	547,680	547,680
Other comprehensive (expense)/income	-	-	-	(70,214)	262	-	(69,952)
Total comprehensive (expense)/income for the financial period	-	-	-	(70,214)	262	547,680	477,728
Dividends paid to shareholders	-	-	-	-	-	(343,680)	(343,680)
<b>At 31 December 2022</b>	<b>1,548,106</b>	<b>47,686</b>	<b>100,150</b>	<b>(214,441)</b>	<b>9</b>	<b>5,069,214</b>	<b>6,550,724</b>
At 1 April 2021	1,548,106	86,440	100,150	51,320	-	4,471,771	6,257,787
Net profit for the financial period	-	-	-	-	-	469,776	469,776
Other comprehensive (expense)/income	-	-	-	(105,384)	8	-	(105,376)
Total comprehensive (expense)/income for the financial period	-	-	-	(105,384)	8	469,776	364,400
Transfer from regulatory reserves	-	(38,754)	-	-	-	38,754	-
Dividends paid to shareholders	-	-	-	-	-	(218,128)	(218,128)
At 31 December 2021	1,548,106	47,686	100,150	(54,064)	8	4,762,173	6,404,059

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 Changes in Equity for the Financial Period Ended 31 December 2022 (Contd.)**

	← Non-Distributable reserves →					Distributable reserves	
	Share capital RM'000	Regulatory reserves RM'000	Capital reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained profits RM'000	Total equity RM'000
<b><u>BANK</u></b>							
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	-	-	-	-	-	488,991	488,991
Other comprehensive (expense)/income	-	-	-	(47,414)	262	-	(47,152)
Total comprehensive (expense)/income for the financial period	-	-	-	(47,414)	262	488,991	441,839
Dividends paid to shareholders	-	-	-	-	-	(343,680)	(343,680)
<b>At 31 December 2022</b>	<b>1,548,106</b>	<b>41,641</b>	<b>15,515</b>	<b>(185,502)</b>	<b>9</b>	<b>4,415,730</b>	<b>5,835,499</b>
At 1 April 2021	1,548,106	80,006	15,515	(4,907)	-	3,985,966	5,624,686
Net profit for the financial period	-	-	-	-	-	383,729	383,729
Other comprehensive (expense)/income	-	-	-	(61,537)	8	-	(61,529)
Total comprehensive (expense)/income for the financial period	-	-	-	(61,537)	8	383,729	322,200
Transfer from regulatory reserves	-	(38,365)	-	-	-	38,365	-
Dividends paid to shareholders	-	-	-	-	-	(218,128)	(218,128)
At 31 December 2021	1,548,106	41,641	15,515	(66,444)	8	4,189,932	5,728,758

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 31 December 2022**

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December 2022 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 December 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation	<b>717,573</b>	668,619	<b>612,115</b>	532,722
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	<b>(13,440)</b>	472	<b>(14,391)</b>	111
Allowance for expected credit losses on loans, advances and financing	<b>105,709</b>	154,932	<b>59,060</b>	90,458
Allowance for/(write-back of) expected credit losses on commitments and contingencies	<b>1,880</b>	(25,299)	<b>772</b>	(5,508)
Write-back of expected credit losses on financial investments	<b>(547)</b>	(355)	<b>(20)</b>	(168)
Allowance for expected credit losses on amounts due from clients and brokers	-	3	-	-
Allowance for expected credit losses on other receivables	<b>3,145</b>	1,814	<b>2,181</b>	2,399
Write-back of expected credit losses on deposits and placements with banks	<b>(8)</b>	(4)	<b>(8)</b>	(4)
Amortisation of computer software	<b>35,449</b>	33,574	<b>34,685</b>	32,779
Depreciation of property, plant and equipment	<b>15,102</b>	14,919	<b>14,874</b>	14,181
Depreciation of right-of-use assets	<b>19,400</b>	19,149	<b>19,374</b>	19,101
Dividends from financial assets at fair value through profit or loss	<b>(1,341)</b>	(1,377)	<b>(980)</b>	(796)
Dividends from subsidiaries	-	-	<b>(84,507)</b>	(48,253)
Interest expense on lease liabilities	<b>4,188</b>	4,784	<b>4,184</b>	4,770
Interest expense on subordinated obligations	<b>49,125</b>	46,326	<b>49,275</b>	46,475
Interest expense on recourse obligations on loans and financing sold to Cagamas	<b>11,558</b>	10,238	<b>11,558</b>	10,238
Interest income from financial investments at amortised cost	<b>(59,883)</b>	(54,724)	<b>(64,346)</b>	(60,112)
Interest income from financial investments at fair value through other comprehensive income	<b>(204,294)</b>	(217,176)	<b>(189,364)</b>	(198,934)
Loss on disposal of property, plant and equipment	<b>37</b>	-	<b>37</b>	-
Computer software written-off	<b>1</b>	3	<b>1</b>	3
Property, plant and equipment written-off	<b>108</b>	-	<b>74</b>	-
Net gain from sale of financial assets at fair value through profit or loss	<b>(6,744)</b>	(3,191)	<b>(3,141)</b>	(2,811)
Net gain from sale of financial investments at fair value through other comprehensive income	<b>(44)</b>	(39,125)	<b>(44)</b>	(23,785)
Net gain from sale of financial investments at amortised cost	<b>(1,482)</b>	-	<b>(1,482)</b>	-
Unrealised loss arising from derivative instruments	<b>71,446</b>	105,846	<b>68,314</b>	105,846
Unrealised gain arising from financial assets at fair value through profit or loss	<b>(17,476)</b>	(26,337)	<b>(17,476)</b>	(22,178)
Net loss arising from hedging activities	<b>345</b>	10	<b>345</b>	10
Unrealised gain arising from financial liabilities designated at fair value through profit or loss	<b>(7,735)</b>	(88,574)	<b>(7,735)</b>	(88,574)
Share of results of joint venture	<b>(35)</b>	(45)	-	-
Cash flows from operating activities before working capital changes carried forward	<b>722,037</b>	604,482	<b>493,355</b>	407,970



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

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**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2022 (Contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b>Cash flows from operating activities (contd.)</b>				
Cash flows from operating activities before working capital changes brought forward	722,037	604,482	493,355	407,970
Changes in working capital:				
Amounts due to clients and brokers	26,636	14,727	-	-
Deposits from customers	804,378	(2,063,731)	80,751	(1,537,134)
Deposits and placements of banks and other financial institutions	219,309	79,603	34,244	458,059
Deposits and placements with banks and other financial institutions	168,192	41,481	168,192	41,481
Financial liabilities designated at fair value through profit or loss	785,752	601,501	785,752	601,501
Financial assets at fair value through profit or loss	256,666	(2,378)	178,709	(2,759)
Loans, advances and financing	(1,235,768)	(439,423)	(961,772)	(324,208)
Other assets	(215,778)	(131,067)	(241,515)	(97,554)
Other liabilities	705,126	66,480	736,511	97,150
Obligations on securities sold under repurchase agreements	743,190	-	743,190	-
Statutory deposits	(860,943)	3,446	(627,180)	9,546
Cash generated from/(used in) operations	2,118,797	(1,224,879)	1,390,237	(345,948)
Taxation paid	(190,225)	(101,081)	(146,162)	(75,238)
Zakat paid	(194)	(150)	-	-
Net cash generated from/(used in) operating activities	1,928,378	(1,326,110)	1,244,075	(421,186)
<b>Cash flows from investing activities</b>				
Dividends from financial assets at fair value through profit or loss	1,341	1,377	980	796
Dividends from subsidiaries	-	-	84,507	48,253
Interest received from financial assets at fair value through profit or loss	3,237	6,835	3,237	6,835
Interest received from financial investments at fair value through other comprehensive income	222,693	244,333	206,256	219,508
Interest received from financial investments at amortised cost	50,971	54,453	57,392	58,108
Interest (paid)/received for derivative instruments	(18,933)	2,599	(16,965)	2,599
Purchase of computer software	(41,502)	(32,567)	(40,601)	(31,755)
Purchase of property, plant and equipment	(18,279)	(10,585)	(18,141)	(10,417)
Proceeds from subsidiary capital repatriation	-	-	150,000	-
Proceeds from disposal of property, plant and equipment	422	-	332	-
Proceeds from disposal of computer software	21	-	-	-
Purchase of:				
- financial investments at fair value through other comprehensive income	(395,644)	(913,768)	(937,000)	(586,914)
- financial investments at amortised cost	(843,686)	-	(610,820)	-
Proceeds from redemption/disposal of:				
- financial investments at fair value through other comprehensive income	1,005,890	2,271,499	900,696	1,165,590
- financial investments at amortised cost	174,384	63,914	182,219	38,313
Net cash generated from/(used in) investing activities	140,915	1,688,090	(37,908)	910,916

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2022 (Contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders of the company	<b>(343,680)</b>	(218,128)	<b>(343,680)</b>	(218,128)
Interest paid on subordinated obligations	<b>(60,952)</b>	(56,790)	<b>(62,436)</b>	(58,274)
Interest paid on recourse obligations on loans and financing sold to Cagamas	<b>(10,531)</b>	(10,150)	<b>(10,241)</b>	(10,230)
Repayment from recourse obligations on loans and financing sold to Cagamas	<b>(330,067)</b>	-	<b>(80,039)</b>	-
Repayment of lease liabilities	<b>(22,798)</b>	(22,937)	<b>(22,777)</b>	(22,872)
Net cash used in financing activities	<b>(768,028)</b>	(308,005)	<b>(519,173)</b>	(309,504)
<b>Net change in cash and cash equivalents</b>	<b>1,301,265</b>	53,975	<b>686,994</b>	180,226
<b>Cash and cash equivalents at beginning of financial period</b>	<b>3,228,574</b>	3,088,245	<b>1,805,402</b>	1,779,243
<b>Cash and cash equivalents at end of financial period</b>	<b>4,529,839</b>	3,142,220	<b>2,492,396</b>	1,959,469
<b>Cash and cash equivalents comprise the following:</b>				
Cash and short-term funds	<b>4,529,839</b>	3,142,220	<b>2,492,396</b>	1,959,469

*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 financial period ended 31 December 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:

- Amendment to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021";
- Amendments to MFRS 3 "Reference to the 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 during the financial period ended 31 December 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 during the financial period ended 31 December 2022.

**A5 Changes in Estimates**

There were no material changes in estimates of the amounts reported in prior financial years that have a material effect during the financial period ended 31 December 2022.

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

The issuance and repayment of debt and equity securities during the financial period ended 31 December 2022 are disclosed as below:

- (i) The Bank had on 30 June 2022 issued RM150.0 million Additional Tier 1 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

- (ii) The Bank had on 8 November 2022 redeemed its existing RM150.0 million Capital Securities which was issued on 8 November 2017 under the Bank's Additional Tier 1 Capital Securities Programme.

**A7 Dividend Paid**

- (i) 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.
- (ii) A Single Tier First Interim Dividend of 12.00 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM185,773,000 in respect of financial year ending 31 March 2023, was paid on 28 December 2022.

**A8 Significant Events**

- (i) Alliance Investment Bank Berhad ("AIBB"), a wholly-owned subsidiary of the Bank, has completed the sale of its stockbroking business to Phillip Capital Sdn. Bhd. (formerly known as Phillip Futures Sdn. Bhd.) on 30 July 2022.
- (ii) On 26 September 2022, AIBB obtained an Order in Kuala Lumpur High Court confirming AIBB's proposed share capital reduction under Sections 115(a) and 116 of the Companies Act 2016 where the share capital and issued number of shares of AIBB shall be reduced from RM365,962,500 comprising 365,000,000 ordinary shares to RM215,962,500 comprising 215,000,000 ordinary shares, vide cancellation of 150,000,000 ordinary shares held by the Bank. The amount of RM150,000,000 arising from the said shares cancellation was returned to the Bank on 29 September 2022.

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

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

**A10 Related Party Transactions**

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

**A11 Amounts Due From Clients And Brokers**

	<u>GROUP</u>	
	31 December 2022 RM'000	31 March 2022 RM'000
Due from brokers	-	7,913
Due from clients	-	47,130
Less: Allowance for expected credit losses	-	(3)
	<u>-</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 the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

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

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

<u>GROUP</u>	<u>Lifetime ECL</u>	
	31 December 2022 RM'000	31 March 2022 RM'000
At beginning of financial year	3	-
Disposal of business	(3)	-
Allowance made during the financial period/year (net)	-	3
At end of financial period/year	<u>-</u>	<u>3</u>

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

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
<b>At fair value</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	39,471	286,173	39,471	286,173
Malaysian Government investment issues	5,077	4,643	5,077	4,643
	<u>44,548</u>	<u>290,816</u>	<u>44,548</u>	<u>290,816</u>
<u>Unquoted securities:</u>				
Shares	257,206	245,842	257,206	171,488
Corporate bonds and sukuk	4,179	4,957	4,179	4,957
	<u>261,385</u>	<u>250,799</u>	<u>261,385</u>	<u>176,445</u>
Total financial assets at FVTPL	<u>305,933</u>	<u>541,615</u>	<u>305,933</u>	<u>467,261</u>

**A13 Financial Investments at Fair Value Through Other Comprehensive Income**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
<b>At fair value - debt instruments</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	2,249,906	2,239,673	2,089,046	2,076,500
Malaysian Government investment issues	2,082,023	2,128,842	1,399,659	1,439,125
Negotiable instruments of deposits	-	-	595,034	60,048
Commercial papers	-	19,966	-	19,966
	<b>4,331,929</b>	<b>4,388,481</b>	<b>4,083,739</b>	<b>3,595,639</b>
<u>Quoted securities:</u>				
Shares	15	13	15	13
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,055,375	4,731,205	2,602,277	3,143,967
Total financial investments at FVOCI	<b>8,387,319</b>	<b>9,119,699</b>	<b>6,686,031</b>	<b>6,739,619</b>

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
<b>GROUP</b>				
At 1 April 2022	642	281	-	923
Transfer to Stage 1	19	(261)	-	(242)
New financial investments originated or purchased	38	-	-	38
Financial investments derecognised other than write-off	(13)	-	-	(13)
Changes due to change in credit risk	(128)	(20)	-	(148)
Total write-back from income statement	(84)	(281)	-	(365)
<b>At 31 December 2022</b>	<b>558</b>	<b>-</b>	<b>-</b>	<b>558</b>
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

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

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

	12-Month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL not-credit impaired <u>(Stage 2)</u> RM'000	Lifetime ECL credit impaired <u>(Stage 3)</u> RM'000	<u>Total</u> RM'000
<b><u>BANK</u></b>				
At 1 April 2022	451	121	-	572
Transfer to Stage 1	8	(112)	-	(104)
New financial investments originated or purchased	18	-	-	18
Financial investments derecognised other than write-off	(9)	-	-	(9)
Changes due to change in credit risk	(97)	(9)	-	(106)
Total write-back from income statement	(80)	(121)	-	(201)
<b>At 31 December 2022</b>	<b>371</b>	<b>-</b>	<b>-</b>	<b>371</b>
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:

(a) The transfers between stages are inclusive of net remeasurement of allowances.

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

**A14 Financial Investments at Amortised Cost**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
<b>At amortised cost</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	484,775	285,299	484,775	285,299
Malaysian Government investment issues	1,975,233	1,834,031	1,656,743	1,623,917
Negotiable instruments of deposits	-	-	201,305	195,226
	<b>2,460,008</b>	2,119,330	<b>2,342,823</b>	2,104,442
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	375,436	11,109	364,842	140,876
Less: Allowance for expected credit losses	(649)	(831)	(1,063)	(882)
	<b>374,787</b>	10,278	<b>363,779</b>	139,994
Total financial investments at amortised cost	<b>2,834,795</b>	2,129,608	<b>2,706,602</b>	2,244,436

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

(a) 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
<b>GROUP</b>				
At 1 April 2022	1	-	830	831
New financial investments originated or purchased	412	-	-	412
Financial investments derecognised other than write-off	(1)	-	-	(1)
Changes due to change in credit risk	(412)	-	(181)	(593)
Total write-back from income statement	(1)	-	(181)	(182)
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>649</b>	<b>649</b>
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
<b>BANK</b>				
At 1 April 2022	326	-	556	882
New financial investments originated or purchased	645	-	-	645
Financial investments derecognised other than write-off	(328)	-	-	(328)
Changes due to change in credit risk	(6)	-	(130)	(136)
Total charge to/(write-back from) income statement	311	-	(130)	181
<b>At 31 December 2022</b>	<b>637</b>	<b>-</b>	<b>426</b>	<b>1,063</b>
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

Note:

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

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

	<b>GROUP</b>		<b>BANK</b>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
At beginning of financial year	846	846	556	556
Write-back during the financial period	(197)	-	(130)	-
At end of financial period/year	<b>649</b>	<b>846</b>	<b>426</b>	<b>556</b>



**A15 Loans, Advances and Financing**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
<b>At amortised cost</b>				
Overdrafts	2,906,290	3,211,650	1,726,593	1,867,543
Term loans/financing				
- Housing loans/financing	14,346,908	13,854,317	10,924,380	10,433,646
- Syndicated term loans/financing	405,423	450,932	405,423	450,932
- Hire purchase receivables	468,678	503,545	387,792	396,032
- Other term loans/financing	21,857,331	20,478,471	15,728,844	15,156,490
Bills receivables	459,578	401,713	450,382	390,972
Trust receipts	253,184	337,871	195,313	275,330
Claims on customers under acceptance credits	3,247,131	3,287,105	2,447,964	2,370,612
Staff loans/financing (Loan to Directors: RM Nil)	14,222	15,816	2,594	2,988
Credit/charge card receivables	554,607	496,564	554,607	496,564
Revolving credits	1,351,734	1,633,184	920,125	1,069,069
Share margin financing	1,410,612	1,517,944	1,410,612	1,345,384
Gross loans, advances and financing	47,275,698	46,189,112	35,154,629	34,255,562
Add: Sales commissions and handling fees	119,925	94,475	114,115	103,075
Less: Allowance for expected credit losses on loans, advances and financing	(1,141,818)	(1,159,842)	(757,835)	(750,440)
Total net loans, advances and financing	46,253,805	45,123,745	34,510,909	33,608,197

**A15a** By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Within one year	10,550,042	11,107,483	7,955,955	7,948,690
One year to three years	1,591,087	1,718,863	1,250,441	1,342,705
Three years to five years	4,102,790	4,110,728	3,066,356	3,236,199
Over five years	31,031,779	29,252,038	22,881,877	21,727,968
Gross loans, advances and financing	47,275,698	46,189,112	35,154,629	34,255,562

**A15b** By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Domestic banking institutions	4,098	-	4,098	-
Domestic non-bank financial institutions	602,891	723,452	516,660	558,736
Domestic business enterprises				
- Small and medium enterprises	16,385,127	15,409,759	12,179,978	11,663,713
- Others	6,521,723	6,914,111	5,171,974	5,346,250
Government and statutory bodies	61,891	81,213	61,891	81,213
Individuals	23,096,305	22,432,555	16,699,109	16,077,012
Other domestic entities	13,637	26,253	2,506	3,268
Foreign entities	590,026	601,769	518,413	525,370
Gross loans, advances and financing	47,275,698	46,189,112	35,154,629	34,255,562

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

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Fixed rate				
- Housing loans/financing	20,570	23,052	3,945	4,243
- Hire purchase receivables	464,039	495,932	383,153	388,420
- Other fixed rate loans/financing	7,797,313	7,595,903	5,319,822	5,207,562
Variable rate				
- Base lending rate plus	24,015,755	24,064,380	18,766,867	19,146,732
- Base rate plus	10,605,243	9,359,437	7,193,311	5,900,313
- Cost plus	4,372,778	4,650,408	3,487,531	3,608,292
Gross loans, advances and financing	<b>47,275,698</b>	<b>46,189,112</b>	<b>35,154,629</b>	<b>34,255,562</b>

**A15d** By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Purchase of securities	1,547,727	1,675,368	1,547,727	1,502,809
Purchase of transport vehicles	314,793	332,321	219,585	242,773
Purchase of landed property	23,259,861	22,164,919	17,965,907	17,143,071
of which: - Residential	15,027,772	14,603,585	11,552,514	11,129,634
- Non-residential	8,232,089	7,561,334	6,413,393	6,013,437
Purchase of fixed assets excluding land & buildings	369,748	341,425	307,284	289,263
Personal use	5,953,074	5,715,439	2,972,596	2,946,028
Credit card	554,607	496,564	554,607	496,564
Construction	1,060,706	1,056,091	916,604	933,211
Working capital	10,604,017	10,779,300	7,989,096	7,997,558
Others	3,611,165	3,627,685	2,681,223	2,704,285
Gross loans, advances and financing	<b>47,275,698</b>	<b>46,189,112</b>	<b>35,154,629</b>	<b>34,255,562</b>

**A15e** By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Primary agriculture	1,138,688	1,108,508	740,306	718,092
Mining and quarrying	255,725	267,776	230,493	236,517
Manufacturing	4,588,948	5,007,037	3,383,852	3,608,137
Electricity, gas and water	73,242	47,504	65,274	42,889
Construction	1,806,108	1,668,412	1,324,366	1,250,033
Wholesale, retail trade, restaurants and hotels	8,394,443	7,868,406	6,390,139	6,110,370
Transport, storage and communication	857,948	810,542	650,292	642,483
Financing, insurance, real estate and business services	6,028,521	6,004,445	4,809,865	4,760,363
Community, social and personal services	445,101	373,764	341,877	287,613
Household	23,686,331	23,029,625	17,217,522	16,597,683
Others	643	3,093	643	1,382
Gross loans, advances and financing	<b>47,275,698</b>	<b>46,189,112</b>	<b>35,154,629</b>	<b>34,255,562</b>

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

**A15f** By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Northern region	3,687,236	3,455,628	2,326,536	2,238,828
Central region	33,751,685	32,675,559	25,606,796	24,751,854
Southern region	5,431,508	5,451,964	4,129,611	4,137,984
Sabah region	3,219,839	3,327,317	2,163,302	2,243,381
Sarawak region	1,185,430	1,278,644	928,384	883,515
Gross loans, advances and financing	<b>47,275,698</b>	<b>46,189,112</b>	<b>35,154,629</b>	<b>34,255,562</b>

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
At beginning of financial year	853,266	1,032,436	574,757	735,568
Impaired during the financial period/year	733,860	850,259	454,117	509,912
Recovered during the financial period/year	(53,873)	(56,902)	(40,725)	(45,741)
Reclassified as unimpaired during the financial period/year	(381,547)	(750,792)	(255,080)	(486,330)
Financial assets derecognised other than write-off during the financial period/year	(80,756)	(94,466)	(61,073)	(50,727)
Amount written-off	(157,524)	(127,269)	(72,448)	(87,925)
At end of financial period/year	<b>913,426</b>	<b>853,266</b>	<b>599,548</b>	<b>574,757</b>
Gross impaired loans ratio	1.93%	1.85%	1.71%	1.68%
Net impaired loans ratio	1.24%	1.14%	1.05%	1.08%

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Purchase of securities	476	17,143	476	17,143
Purchase of transport vehicles	14,989	15,599	12,020	10,900
Purchase of landed property	447,846	429,830	296,256	309,616
of which: - Residential	378,905	328,994	240,795	223,770
- Non-residential	68,941	100,836	55,461	85,846
Purchase of fixed assets excluding land & buildings	6,284	5,586	5,690	4,994
Personal use	238,991	172,179	114,400	94,214
Credit card	5,646	4,708	5,646	4,708
Construction	8,101	8,102	8,101	8,102
Working capital	139,288	140,053	109,019	82,759
Others	51,805	60,066	47,940	42,321
Gross impaired loans	<b>913,426</b>	<b>853,266</b>	<b>599,548</b>	<b>574,757</b>

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

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

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December</b> <b>2022</b> <b>RM'000</b>	31 March 2022 RM'000	<b>31 December</b> <b>2022</b> <b>RM'000</b>	31 March 2022 RM'000
Primary agriculture	1,202	1,089	137	6
Mining and quarrying	1,615	1,246	1,615	1,246
Manufacturing	76,624	61,041	70,169	52,158
Construction	36,248	69,603	23,129	17,912
Wholesale, retail trade, restaurants and hotels	84,291	98,856	63,368	75,825
Transport, storage and communication	4,107	3,798	3,477	3,244
Financing, insurance, real estate and business services	54,893	67,538	54,380	66,983
Community, social and personal services	7,555	7,170	3,235	3,286
Household	646,891	542,925	380,038	354,097
Gross impaired loans	<b>913,426</b>	853,266	<b>599,548</b>	574,757

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

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December</b> <b>2022</b> <b>RM'000</b>	31 March 2022 RM'000	<b>31 December</b> <b>2022</b> <b>RM'000</b>	31 March 2022 RM'000
Northern region	81,781	66,114	49,223	39,156
Central region	668,344	616,851	442,040	427,522
Southern region	126,162	134,400	82,620	88,780
Sabah region	30,423	28,823	19,995	13,574
Sarawak region	6,716	7,078	5,670	5,725
Gross impaired loans	<b>913,426</b>	853,266	<b>599,548</b>	574,757

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

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>GROUP</b>				
At 1 April 2022	270,674	557,650	331,518	1,159,842
Transfer to Stage 1	133,281	(213,213)	(19,263)	(99,195)
Transfer to Stage 2	(148,861)	349,379	(81,830)	118,688
Transfer to Stage 3	(1,191)	(178,091)	216,567	37,285
New financial assets originated or purchased	56,835	150,015	7,461	214,311
Financial assets derecognised other than write-off	(43,286)	(157,797)	(12,943)	(214,026)
Changes due to change in credit risk	(51,590)	87,141	13,017	48,568
Other adjustment	26	52	-	78
	<b>(54,786)</b>	<b>37,486</b>	<b>123,009</b>	<b>105,709</b>
Unwinding of discount	-	-	(2,898)	(2,898)
Total (write-back from)/charge to income statement	<b>(54,786)</b>	<b>37,486</b>	<b>120,111</b>	<b>102,811</b>
Write-off	-	(2,176)	(118,659)	(120,835)
<b>At 31 December 2022</b>	<b>215,888</b>	<b>592,960</b>	<b>332,970</b>	<b>1,141,818</b>
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 adjustment	11	5	-	16
	<b>39,650</b>	<b>60,710</b>	<b>133,635</b>	<b>233,995</b>
Unwinding of discount	-	-	2,178	2,178
Total charge to income statement	<b>39,650</b>	<b>60,710</b>	<b>135,813</b>	<b>236,173</b>
Write-off	(1)	(1,836)	(81,700)	(83,537)
At 31 March 2022	<b>270,674</b>	<b>557,650</b>	<b>331,518</b>	<b>1,159,842</b>

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

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2022	174,486	368,542	207,412	750,440
Transfer to Stage 1	80,420	(134,127)	(19,125)	(72,832)
Transfer to Stage 2	(83,461)	204,030	(51,236)	69,333
Transfer to Stage 3	(528)	(105,393)	135,029	29,108
New financial assets originated or purchased	38,521	137,321	4,015	179,857
Financial assets derecognised other than write-off	(30,154)	(141,540)	(7,834)	(179,528)
Changes due to change in credit risk	(42,508)	61,657	13,895	33,044
Other adjustment	26	52	-	78
	<b>(37,684)</b>	<b>22,000</b>	<b>74,744</b>	<b>59,060</b>
Unwinding of discount	-	-	(2,132)	(2,132)
Total (write-back from)/charge to income statement	<b>(37,684)</b>	<b>22,000</b>	<b>72,612</b>	<b>56,928</b>
Write-off	-	(909)	(48,624)	(49,533)
<b>At 31 December 2022</b>	<b>136,802</b>	<b>389,633</b>	<b>231,400</b>	<b>757,835</b>
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 adjustment	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)
<b>At 31 March 2022</b>	<b>174,486</b>	<b>368,542</b>	<b>207,412</b>	<b>750,440</b>

**Note:**

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

**A16 Other Assets**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Other receivables	104,304	109,021	132,803	125,907
Collateral pledged for derivative transactions	148,524	118,485	148,524	118,485
Settlement account	424,838	234,689	424,838	234,689
Deposits	8,670	8,961	8,120	8,357
Prepayment	36,258	40,939	32,656	35,034
Amounts due from subsidiaries	-	-	53,405	41,630
Amount due from joint venture	-	-	-	109
	<b>722,594</b>	<b>512,095</b>	<b>800,346</b>	<b>564,211</b>
Less: Allowance for expected credit losses on other receivables [Note]	<b>(42,339)</b>	<b>(41,993)</b>	<b>(37,755)</b>	<b>(38,147)</b>
	<b>680,255</b>	<b>470,102</b>	<b>762,591</b>	<b>526,064</b>

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 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	144	390	-	-
Financial assets derecognised other than write-off	(43)	(669)	-	-
Changes due to change in credit risk	3,044	3,079	2,181	3,364
Total charge to income statement	3,145	2,800	2,181	3,364
Write-off	(2,799)	(1,088)	(2,573)	(158)
<b>At end of financial period/year</b>	<b>42,339</b>	<b>41,993</b>	<b>37,755</b>	<b>38,147</b>

As at 31 December 2022, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM42,339,000 and RM37,755,000 (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>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Demand deposits	20,368,349	21,323,706	16,020,632	16,091,465
Savings deposits	2,082,031	2,253,040	1,665,500	1,803,826
Fixed/investment deposits	21,412,150	21,224,606	15,098,588	15,202,615
Money market deposits	4,827,890	3,121,454	2,526,970	2,169,797
Negotiable instruments of deposits	300,329	263,565	300,329	263,565
	<b>48,990,749</b>	<b>48,186,371</b>	<b>35,612,019</b>	<b>35,531,268</b>

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Due within six months	21,317,245	19,804,835	14,715,487	14,077,434
Six months to one year	4,936,761	4,640,627	3,180,215	3,501,660
One year to three years	280,468	160,250	24,290	53,373
Three years to five years	5,895	3,913	5,895	3,510
	<b>26,540,369</b>	<b>24,609,625</b>	<b>17,925,887</b>	<b>17,635,977</b>

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Domestic financial institutions	353,180	253,444	354,481	285,206
Domestic non-bank financial institutions	5,283,103	4,501,331	3,016,683	2,985,038
Government and statutory bodies	3,318,957	3,318,166	1,692,049	1,853,610
Business enterprises	16,839,922	16,250,835	12,961,499	12,314,918
Individuals	21,224,096	21,947,570	15,922,699	16,464,080
Foreign entities	779,453	836,669	682,253	728,208
Others	1,192,038	1,078,356	982,355	900,208
	<b>48,990,749</b>	<b>48,186,371</b>	<b>35,612,019</b>	<b>35,531,268</b>



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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Licensed banks	357,515	365,146	207,393	285,139
Licensed investment banks	244,612	23,441	44,373	-
Bank Negara Malaysia	1,306,176	1,260,405	1,120,227	1,052,610
Other financial institutions	-	40,002	-	-
	<u>1,908,303</u>	<u>1,688,994</u>	<u>1,371,993</u>	<u>1,337,749</u>

**A19 Amounts Due To Clients And Brokers**

	<u>GROUP</u>	
	31 December 2022 RM'000	31 March 2022 RM'000
Due to clients	-	28,404
	<u>-</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 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 RM Nil (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.

	<b>GROUP/BANK</b>	
	<b>31 December</b>	31 March
	<b>2022</b>	2022
	<b>RM'000</b>	RM'000
Structured investments	<b>1,953,075</b>	1,167,323
Fair value changes arising from designation at fair value through profit or loss	<b>(149,862)</b>	(142,127)
	<b><u>1,803,213</u></b>	<u>1,025,196</u>

**A21 Other Liabilities**

	<b>GROUP</b>		<b>BANK</b>	
	<b>31 December</b>	31 March	<b>31 December</b>	31 March
	<b>2022</b>	2022	<b>2022</b>	2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Other payables	<b>1,415,383</b>	1,087,970	<b>1,327,483</b>	1,003,188
Bills payable	<b>191,792</b>	128,601	<b>151,171</b>	120,850
Collateral pledged for derivative transactions	<b>110,708</b>	12,370	<b>110,708</b>	12,370
Settlement account	<b>66,214</b>	22,761	<b>66,214</b>	22,761
Clearing account	<b>153,367</b>	187,918	<b>123,991</b>	130,994
Sundry deposits	<b>62,206</b>	54,843	<b>54,915</b>	49,682
Provision and accruals	<b>136,711</b>	197,782	<b>130,812</b>	157,761
Remisiers accounts	-	8,002	-	-
Structured investments	<b>439,210</b>	170,114	<b>439,210</b>	170,114
Amounts due to subsidiaries	-	-	-	177
Amount due to joint venture	<b>7</b>	6	<b>7</b>	-
Allowance for expected credit losses on commitments and contingencies	<b>26,693</b>	24,816	<b>22,215</b>	21,444
	<b><u>2,602,291</u></b>	<u>1,895,183</u>	<b><u>2,426,726</u></b>	<u>1,689,341</u>

**A21 Other Liabilities (Contd.)**

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>GROUP</b>				
At 1 April 2022	6,894	16,504	1,418	24,816
Transfer to Stage 1	406	(3,456)	(50)	(3,100)
Transfer to Stage 2	(525)	10,290	(292)	9,473
Transfer to Stage 3	-	(454)	827	373
New financial assets originated or purchased	3,659	4,468	-	8,127
Financial assets derecognised other than write-off	(1,897)	(6,832)	(2,203)	(10,932)
Changes due to change in credit risk	(2,156)	(1,449)	1,515	(2,090)
Other adjustment	8	21		29
	(505)	2,588	(203)	1,880
Unwinding of discount	-	-	(3)	(3)
Total (write-back from)/charge to income statement	(505)	2,588	(206)	1,877
<b>At 31 December 2022</b>	<b>6,389</b>	<b>19,092</b>	<b>1,212</b>	<b>26,693</b>
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)
<b>At 31 March 2022</b>	<b>6,894</b>	<b>16,504</b>	<b>1,418</b>	<b>24,816</b>

**A21 Other Liabilities (Contd.)**

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2022	5,698	14,331	1,415	21,444
Transfer to Stage 1	367	(2,952)	(50)	(2,635)
Transfer to Stage 2	(478)	9,101	(288)	8,335
Transfer to Stage 3	-	(419)	576	157
New financial assets originated or purchased	3,048	4,217	-	7,265
Financial assets derecognised other than write-off	(1,485)	(6,500)	(911)	(8,896)
Changes due to change in credit risk	(1,888)	(1,757)	165	(3,480)
Other adjustment	7	19		26
	(429)	1,709	(508)	772
Unwinding of discount	-	-	(1)	(1)
Total (write-back from)/charge to income statement	(429)	1,709	(509)	771
<b>At 31 December 2022</b>	<b>5,269</b>	<b>16,040</b>	<b>906</b>	<b>22,215</b>
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

**Note:**

(a) The transfers between stages are inclusive of net remeasurement of allowances.

(b) As at 31 December 2022, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired was at RM5,391,000 and RM4,756,000 (31 March 2022: RM5,760,000 and RM5,562,000) respectively.



**A23 Interest Expense**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>GROUP</b>				
Deposits and placements of banks and other financial institutions	<b>4,252</b>	2,968	<b>11,097</b>	12,470
Deposits from customers	<b>162,441</b>	112,777	<b>419,829</b>	345,220
Recourse obligations on loans and financing sold to Cagamas	<b>4,707</b>	3,387	<b>11,558</b>	10,238
Subordinated obligations	<b>16,186</b>	15,495	<b>49,125</b>	46,326
Lease liabilities	<b>1,429</b>	1,542	<b>4,188</b>	4,784
Others	<b>9,525</b>	1,812	<b>19,463</b>	5,204
	<b>198,540</b>	137,981	<b>515,260</b>	424,242

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>BANK</b>				
Deposits and placements of banks and other financial institutions	<b>3,340</b>	2,361	<b>9,403</b>	8,964
Deposits from customers	<b>162,430</b>	111,227	<b>417,275</b>	340,583
Recourse obligations on loans and financing sold to Cagamas	<b>4,707</b>	3,387	<b>11,558</b>	10,238
Subordinated obligations	<b>16,230</b>	15,543	<b>49,275</b>	46,475
Lease liabilities	<b>1,420</b>	1,540	<b>4,184</b>	4,770
Others	<b>9,525</b>	1,812	<b>19,463</b>	5,204
	<b>197,652</b>	135,870	<b>511,158</b>	416,234

**A24 Net Income from Islamic Banking Business**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>GROUP</b>				
Income derived from investment of depositors' funds and others	<b>188,533</b>	147,491	<b>509,267</b>	433,300
Income derived from investment of Islamic Banking funds	<b>18,847</b>	16,565	<b>51,095</b>	45,852
Income attributable to the depositors and financial institutions	<b>(85,714)</b>	(57,193)	<b>(214,442)</b>	(177,012)
	<b>121,666</b>	106,863	<b>345,920</b>	302,140

Note:

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**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b>GROUP</b>				
<b>(a) Fee and commission income:</b>				
Commissions	20,173	22,730	63,193	69,622
Service charges and fees	7,608	7,201	19,748	18,829
Corporate advisory fees	-	963	-	3,151
Underwriting commissions	-	13	-	1,121
Brokerage fees	-	7,089	5,483	27,153
Guarantee fees	3,598	3,407	10,261	9,565
Processing fees	1,230	2,104	2,784	6,560
Commitment fees	4,270	4,875	13,266	14,450
Cards related income	14,766	17,198	44,237	45,110
Other fee income	1,500	1,500	4,500	5,500
	<b>53,145</b>	<b>67,080</b>	<b>163,472</b>	<b>201,061</b>
<b>(b) Fee and commission expense:</b>				
Commissions expense	(412)	(505)	(1,133)	(1,519)
Service charges and fees expense	(526)	(441)	(1,354)	(1,369)
Brokerage fees expense	(153)	(3,085)	(2,322)	(11,296)
Guarantee fees expense	(4,061)	(4,443)	(11,871)	(12,910)
Cards related expense	(18,890)	(20,430)	(61,603)	(53,860)
	<b>(24,042)</b>	<b>(28,904)</b>	<b>(78,283)</b>	<b>(80,954)</b>
<b>(c) Investment income:</b>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	1,954	2,185	6,744	3,191
- Financial investments at fair value through other comprehensive income	-	11,338	44	39,125
- Financial investments at amortised cost	-	-	1,482	-
- Derivative instruments	109,654	22,012	108,198	66,469
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	1,224	1,812	17,476	26,337
- Derivative instruments	26,693	(37,520)	(71,446)	(105,846)
- Financial liabilities designated at fair value through profit or loss	(92,509)	38,670	7,735	88,574
Net (loss)/gain arising from hedging activities	(12)	39	(345)	(10)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	1,341	1,377
	<b>47,004</b>	<b>38,536</b>	<b>71,229</b>	<b>119,217</b>
<b>(d) Other (expense)/income:</b>				
Foreign exchange (loss)/gain	(32,824)	(3,108)	5,592	11,945
Rental income	21	47	65	124
Loss on disposal of property, plant and equipment	(22)	-	(37)	-
Others	3,798	4,891	15,872	17,071
	<b>(29,027)</b>	<b>1,830</b>	<b>21,492</b>	<b>29,140</b>
Total other operating income	<b>47,080</b>	<b>78,542</b>	<b>177,910</b>	<b>268,464</b>

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b><u>BANK</u></b>				
<b>(a) <u>Fee and commission income:</u></b>				
Commissions	20,173	22,730	63,193	69,622
Service charges and fees	7,532	6,953	19,404	18,141
Guarantee fees	3,591	3,400	10,241	9,545
Processing fees	1,182	1,578	2,378	3,436
Commitment fees	4,270	4,875	13,266	14,450
Cards related income	14,766	17,198	44,237	45,110
Other fee income	1,500	1,500	4,500	5,500
	<b>53,014</b>	<b>58,234</b>	<b>157,219</b>	<b>165,804</b>
<b>(b) <u>Fee and commission expense:</u></b>				
Commissions expense	(412)	(505)	(1,133)	(1,519)
Service charges and fees expense	(526)	(441)	(1,354)	(1,369)
Brokerage fees expense	(21)	(14)	(48)	(44)
Guarantee fees expense	(4,061)	(4,443)	(11,871)	(12,910)
Cards related expense	(18,890)	(20,430)	(61,603)	(53,860)
	<b>(23,910)</b>	<b>(25,833)</b>	<b>(76,009)</b>	<b>(69,702)</b>
<b>(c) <u>Investment income:</u></b>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	1,955	1,805	3,141	2,811
- Financial investments at fair value through other comprehensive income	-	7,746	44	23,785
- Financial investments at amortised cost	-	-	1,482	-
- Derivative instruments	109,654	22,012	108,198	66,469
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	1,224	1,812	17,476	22,178
- Derivative instruments	29,966	(37,520)	(68,314)	(105,846)
- Financial liabilities designated at fair value through profit or loss	(92,509)	38,670	7,735	88,574
Net (loss)/gain arising from hedging activities	(12)	39	(345)	(10)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	980	796
- Subsidiaries	43,165	21,127	84,507	48,253
	<b>93,443</b>	<b>55,691</b>	<b>154,904</b>	<b>147,010</b>
<b>(d) <u>Other (expense)/income:</u></b>				
Foreign exchange (loss)/gain	(32,824)	(3,348)	5,412	11,126
Rental income	255	551	1,157	1,492
Loss on disposal of property, plant and equipment	(22)	-	(37)	-
Others	3,361	4,773	12,730	16,663
	<b>(29,230)</b>	<b>1,976</b>	<b>19,262</b>	<b>29,281</b>
Total other operating income	<b>93,317</b>	<b>90,068</b>	<b>255,376</b>	<b>272,393</b>



**A26 Other Operating Expenses**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2022 RM'000</b>	<b>31 December 2021 RM'000</b>	<b>31 December 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>GROUP</b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	<b>112,096</b>	102,846	<b>331,436</b>	308,524
- Contribution to EPF	<b>18,348</b>	16,342	<b>53,112</b>	48,758
- Others	<b>15,482</b>	9,005	<b>38,184</b>	30,313
	<b>145,926</b>	128,193	<b>422,732</b>	387,595
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	<b>4,999</b>	4,799	<b>15,102</b>	14,919
- Depreciation of right-of-use assets	<b>6,554</b>	6,377	<b>19,400</b>	19,149
- Amortisation of computer software	<b>12,082</b>	11,148	<b>35,449</b>	33,574
- Rental of premises	<b>505</b>	513	<b>1,482</b>	1,669
- Water and electricity	<b>1,608</b>	1,477	<b>4,992</b>	4,538
- Repairs and maintenance	<b>1,913</b>	2,076	<b>6,181</b>	5,889
- Information technology expenses	<b>19,055</b>	20,894	<b>55,344</b>	52,375
- Others	<b>2,605</b>	1,990	<b>8,143</b>	7,152
	<b>49,321</b>	49,274	<b>146,093</b>	139,265
<u>Marketing expenses</u>				
- Promotion and advertisement	<b>3,355</b>	5,011	<b>11,316</b>	9,630
- Branding and publicity	<b>248</b>	1,732	<b>1,475</b>	4,245
- Others	<b>1,121</b>	1,010	<b>4,979</b>	2,880
	<b>4,724</b>	7,753	<b>17,770</b>	16,755
<u>Administration and general expenses</u>				
- Communication expenses	<b>2,825</b>	3,225	<b>8,120</b>	9,065
- Printing and stationery	<b>392</b>	336	<b>1,174</b>	1,057
- Insurance	<b>3,480</b>	2,104	<b>10,626</b>	6,142
- Professional fees	<b>8,721</b>	14,602	<b>21,953</b>	25,942
- Others	<b>6,334</b>	9,463	<b>11,907</b>	18,079
	<b>21,752</b>	29,730	<b>53,780</b>	60,285
Total other operating expenses	<b>221,723</b>	214,950	<b>640,375</b>	603,900

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b><u>BANK</u></b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	87,951	76,645	257,026	229,711
- Contribution to EPF	14,525	12,267	41,403	36,529
- Others	12,582	6,795	32,554	24,405
	<b>115,058</b>	<b>95,707</b>	<b>330,983</b>	<b>290,645</b>
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	4,935	4,568	14,874	14,181
- Depreciation of right-of-use assets	6,554	6,364	19,374	19,101
- Amortisation of computer software	11,872	10,884	34,685	32,779
- Rental of premises	415	403	1,239	1,393
- Water and electricity	1,233	1,112	3,899	3,415
- Repairs and maintenance	1,539	1,647	5,053	4,463
- Information technology expenses	12,379	13,178	33,568	31,563
- Others	2,103	1,498	6,566	4,716
	<b>41,030</b>	<b>39,654</b>	<b>119,258</b>	<b>111,611</b>
<u>Marketing expenses</u>				
- Promotion and advertisement	3,069	4,707	10,137	8,869
- Branding and publicity	122	1,947	1,127	3,615
- Others	260	641	1,966	1,764
	<b>3,451</b>	<b>7,295</b>	<b>13,230</b>	<b>14,248</b>
<u>Administration and general expenses</u>				
- Communication expenses	2,241	2,517	6,434	6,943
- Printing and stationery	290	248	861	788
- Insurance	2,582	1,750	7,945	4,877
- Professional fees	6,907	12,948	16,307	21,204
- Others	4,869	8,207	8,766	15,155
	<b>16,889</b>	<b>25,670</b>	<b>40,313</b>	<b>48,967</b>
Total other operating expenses	<b>176,428</b>	<b>168,326</b>	<b>503,784</b>	<b>465,471</b>

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b>GROUP</b>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	44,548	26,864	105,709	154,932
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(23,442)	(9,323)	(53,026)	(27,824)
- Write-off during the financial period	14,368	18,364	36,095	40,390
(c) Commitments and contingencies on loans, advances and financing				
- (Write-back)/allowance made during the financial period	(148)	(22,382)	1,880	(25,299)
	<b>35,326</b>	<b>13,523</b>	<b>90,658</b>	<b>142,199</b>
Allowance for/(write-back of) expected credit losses on:				
- Amounts due from clients and brokers	-	-	-	3
- Other receivables	1,485	1,644	3,145	1,814
- Cash and short-term funds	2	(12)	32	(12)
- Deposits and placements with banks and other financial institutions	-	-	(8)	(4)
	<b>36,813</b>	<b>15,155</b>	<b>93,827</b>	<b>144,000</b>

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b>BANK</b>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	27,759	13,615	59,060	90,458
(b) Credit impaired loans, advance and financing				
- Recovered during the financial period	(14,958)	(5,419)	(34,689)	(18,629)
- Write-off during the financial period	8,222	14,650	19,707	29,140
(c) Commitments and contingencies on loans, advances and financing				
- (Write-back)/allowance made during the financial period	(770)	(2,991)	772	(5,508)
	<b>20,253</b>	<b>19,855</b>	<b>44,850</b>	<b>95,461</b>
Allowance for/(write-back of) expected credit losses on:				
- Other receivables	1,066	1,196	2,181	2,399
- Cash and short-term funds	2	(12)	32	(12)
- Deposits and placements with banks and other financial institutions	-	-	(8)	(4)
	<b>21,321</b>	<b>21,039</b>	<b>47,055</b>	<b>97,844</b>

**A28 Write-back of Expected Credit Losses on Financial Investments**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>GROUP</u></b>				
(a) Financial investments at fair value through other comprehensive income				
- Write-back during the financial period	<b>(240)</b>	(104)	<b>(365)</b>	(75)
(b) Financial investments at amortised cost				
- Allowance made/(write-back) during the financial period	<b>15</b>	(128)	<b>(182)</b>	(280)
	<b>(225)</b>	(232)	<b>(547)</b>	(355)
<b><u>BANK</u></b>				
(a) Financial investments at fair value through other comprehensive income				
- Write-back during the financial period	<b>(113)</b>	(54)	<b>(201)</b>	(41)
(b) Financial investments at amortised cost				
- Allowance made/(write-back) during the financial period	<b>4</b>	(171)	<b>181</b>	(127)
	<b>(109)</b>	(225)	<b>(20)</b>	(168)

**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>	
	<b>31 December 2022 RM'000</b>	31 March 2022 RM'000	<b>31 December 2022 RM'000</b>	31 March 2022 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	<b>534,468</b>	498,689	<b>451,783</b>	428,454
Transaction-related contingent items	<b>651,972</b>	561,778	<b>584,701</b>	499,745
Short-term self-liquidating trade-related contingencies	<b>133,765</b>	211,549	<b>111,727</b>	192,299
Forward assets purchase	<b>223,299</b>	-	<b>223,299</b>	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	<b>2,812,393</b>	1,747,771	<b>2,354,221</b>	1,462,876
- maturity not exceeding one year	<b>11,209,229</b>	10,049,097	<b>8,602,142</b>	7,732,786
Unutilised credit card lines	<b>1,466,492</b>	1,333,057	<b>1,466,492</b>	1,333,057
	<b>17,031,618</b>	14,401,941	<b>13,794,365</b>	11,649,217
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	<b>16,242,882</b>	10,370,880	<b>16,242,882</b>	10,370,880
- over one year to three years	<b>914,002</b>	917,134	<b>914,002</b>	917,134
- over three years	<b>447,302</b>	257,757	<b>447,302</b>	257,757
Interest rate related contracts:				
- one year or less	<b>2,506,568</b>	2,158,436	<b>2,506,568</b>	2,158,436
- over one year to three years	<b>2,733,399</b>	3,307,815	<b>2,733,399</b>	3,307,815
- over three years	<b>6,690,814</b>	1,948,660	<b>6,988,814</b>	1,948,660
Equity related contracts				
- one year or less	<b>387,691</b>	332,492	<b>387,691</b>	332,492
- over one year to three years	<b>104,000</b>	216,080	<b>104,000</b>	216,080
	<b>30,026,658</b>	19,509,254	<b>30,324,658</b>	19,509,254
	<b>47,058,276</b>	33,911,195	<b>44,119,023</b>	31,158,471

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**A30 Segment Information**

The following segment information has been prepared in accordance with MFRS 8 Operating Segments, which defines the requirements for the disclosure of financial information of an entity's operating segments. The operating segments results are prepared 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 the 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 cover stockbroking activities and corporate advisory which includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

**(v) Others**

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

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**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
<b>3rd Quarter ended 31 December 2022</b>								
Net interest income								
- external income	116,455	143,794	65,041	(2)	15	325,303	2,497	327,800
- inter-segment	(16,692)	19,745	(3,053)	-	-	-	-	-
	99,763	163,539	61,988	(2)	15	325,303	2,497	327,800
Net income from Islamic banking business	48,945	41,501	23,073	3,227	27	116,773	4,893	121,666
Other operating income/(expense)	22,620	36,629	(10,073)	399	3,504	53,079	(5,999)	47,080
Net income	171,328	241,669	74,988	3,624	3,546	495,155	1,391	496,546
Other operating expenses	(97,139)	(77,389)	(9,979)	(2,991)	(10,662)	(198,160)	72	(198,088)
Depreciation and amortisation	(11,437)	(10,220)	(1,681)	(186)	(337)	(23,861)	226	(23,635)
Operating profit/(loss) before allowance	62,752	154,060	63,328	447	(7,453)	273,134	1,689	274,823
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(12,842)	(23,171)	3	(580)	(223)	(36,813)	-	(36,813)
(Allowance for)/write-back of expected credit losses on financial investments	-	(16)	236	-	-	220	5	225
Segment results	49,910	130,873	63,567	(133)	(7,676)	236,541	1,694	238,235
Share of results of joint venture								9
Taxation								(61,144)
Net profit for the financial period								177,100
Segment assets	23,789,547	23,567,081	16,828,477	3,296	2,279,808	66,468,209	(2,111,216)	64,356,993
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,083
Property, plant and equipment								58,043
Tax recoverable and deferred tax assets								233,634
Intangible assets								438,235
Total assets								65,087,988

**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
<b>Nine months ended 31 December 2022</b>								
Net interest income								
- external income	318,686	408,269	191,400	1,835	57	920,247	7,116	927,363
- inter-segment	(46,840)	46,730	1,055	(945)	-	-	-	-
	271,846	454,999	192,455	890	57	920,247	7,116	927,363
Net income/(expense) from Islamic banking business	140,264	118,990	71,473	7,535	(391)	337,871	8,049	345,920
Other operating income/(expense)	76,320	107,818	(11,757)	8,036	15,410	195,827	(17,917)	177,910
Net income	488,430	681,807	252,171	16,461	15,076	1,453,945	(2,752)	1,451,193
Other operating expenses	(278,018)	(220,514)	(28,296)	(15,008)	(29,835)	(571,671)	1,247	(570,424)
Depreciation and amortisation	(33,832)	(30,199)	(4,801)	(1,041)	(1,039)	(70,912)	961	(69,951)
Operating profit/(loss) before allowance	176,580	431,094	219,074	412	(15,798)	811,362	(544)	810,818
Allowance for expected credit losses on loans, advances and financing and other financial assets	(37,190)	(55,205)	(14)	(1,165)	(252)	(93,826)	(1)	(93,827)
(Allowance for)/write-back of expected credit losses on financial investments	-	(15)	250	-	-	235	312	547
Segment results	139,390	375,874	219,310	(753)	(16,050)	717,771	(233)	717,538
Share of results of joint venture								35
Taxation								(169,893)
Net profit for the financial period								<u>547,680</u>
Segment assets	23,789,547	23,567,081	16,828,477	3,296	2,279,808	66,468,209	(2,111,216)	64,356,993
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,083
Property, plant and equipment								58,043
Tax recoverable and deferred tax assets								233,634
Intangible assets								438,235
Total assets								<u>65,087,988</u>



**ALLIANCE BANK MALAYSIA BERHAD**  
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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
<b>3rd Quarter ended 31 December 2021</b>								
Net interest income/(expense)								
- external income/(expense)	98,366	133,741	59,378	1,885	(4)	293,366	1,411	294,777
- inter-segment	(13,961)	(704)	15,575	(910)	-	-	-	-
	84,405	133,037	74,953	975	(4)	293,366	1,411	294,777
Net income from Islamic banking business	39,913	35,538	29,408	-	18	104,877	1,986	106,863
Other operating income	27,100	35,704	10,943	6,455	954	81,156	(2,614)	78,542
Net income	151,418	204,279	115,304	7,430	968	479,399	783	480,182
Other operating expenses	(87,751)	(71,477)	(10,633)	(8,291)	(14,647)	(192,799)	173	(192,626)
Depreciation and amortisation	(10,107)	(10,255)	(1,631)	(615)	(100)	(22,708)	384	(22,324)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	53,560	122,547	103,040	(1,476)	(13,779)	263,892	1,340	265,232
Write-back of expected credit losses on financial investments	(19,055)	4,339	25	(461)	(3)	(15,155)	-	(15,155)
Segment results	-	127	248	-	-	375	(143)	232
Share of results of joint venture	34,505	127,013	103,313	(1,937)	(13,782)	249,112	1,197	250,309
Taxation								14
Net profit for the financial period								(99,302)
								<u>151,021</u>
Segment assets	22,768,363	21,333,746	14,306,811	225,201	1,820,938	60,455,059	(1,620,882)	58,834,177
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,039
Property, plant and equipment								52,930
Tax recoverable and deferred tax assets								131,422
Intangible assets								430,249
Total assets								<u>59,449,817</u>

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

**A30 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
<b>Nine months ended 31 December 2021</b>								
Net interest income/(expense)								
- external income/(expense)	286,415	369,295	180,240	5,572	(39)	841,483	4,032	845,515
- inter-segment	(42,618)	6,759	38,586	(2,727)	-	-	-	-
	243,797	376,054	218,826	2,845	(39)	841,483	4,032	845,515
Net income from Islamic banking business	107,195	100,402	88,945	-	115	296,657	5,483	302,140
Other operating income	83,438	99,141	61,937	25,530	9,349	279,395	(10,931)	268,464
Net income	434,430	575,597	369,708	28,375	9,425	1,417,535	(1,416)	1,416,119
Other operating expenses	(252,936)	(201,241)	(27,852)	(24,621)	(31,082)	(537,732)	1,474	(536,258)
Depreciation and amortisation	(30,796)	(30,801)	(4,960)	(1,924)	(300)	(68,781)	1,139	(67,642)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	150,698	343,555	336,896	1,830	(21,957)	811,022	1,197	812,219
	(154,048)	10,533	36	(518)	(3)	(144,000)	-	(144,000)
Write-back of expected credit losses on financial investments	-	150	141	130	-	421	(66)	355
Segment results	(3,350)	354,238	337,073	1,442	(21,960)	667,443	1,131	668,574
Share of results of joint venture								45
Taxation								(198,843)
Net profit for the financial period								469,776
Segment assets	22,768,363	21,333,746	14,306,811	225,201	1,820,938	60,455,059	(1,620,882)	58,834,177
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,039
Property, plant and equipment								52,930
Tax recoverable and deferred tax assets								131,422
Intangible assets								430,249
Total assets								59,449,817

**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>	
	31 December 2022	31 March 2022	31 December 2022	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>15.140%</b>	16.372%	<b>14.639%</b>	15.614%
Tier I capital ratio	<b>16.015%</b>	17.287%	<b>15.468%</b>	16.489%
Total capital ratio	<b>20.146%</b>	21.401%	<b>20.136%</b>	21.134%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>15.140%</b>	15.959%	<b>14.639%</b>	15.061%
Tier I capital ratio	<b>16.015%</b>	16.874%	<b>15.468%</b>	15.936%
Total capital ratio	<b>20.146%</b>	20.988%	<b>20.136%</b>	20.581%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>14.182%</b>	14.993%	<b>13.812%</b>	14.397%
Tier I capital ratio	<b>15.058%</b>	15.908%	<b>14.641%</b>	15.272%
Total capital ratio	<b>19.189%</b>	20.173%	<b>19.309%</b>	20.137%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>14.182%</b>	14.580%	<b>13.812%</b>	13.844%
Tier I capital ratio	<b>15.058%</b>	15.495%	<b>14.641%</b>	14.719%
Total capital ratio	<b>19.189%</b>	19.760%	<b>19.309%</b>	19.584%

**A31 Capital Adequacy (Contd.)**

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
<b><u>CET I Capital/Tier I Capital</u></b>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	4,892,114	4,865,214	4,243,294	4,270,419
Regulatory reserves	47,686	47,686	41,641	41,641
Hedging reserves	9	(253)	9	(253)
FVOCI reserves	(214,999)	(145,150)	(185,873)	(138,660)
Capital reserves	100,150	100,150	15,515	15,515
	<b>6,373,066</b>	6,415,753	<b>5,662,692</b>	5,736,768
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(438,235)	(432,205)	(336,066)	(330,151)
- Deferred tax assets	(220,692)	(203,285)	(158,334)	(143,544)
- Regulatory reserves	(47,686)	(47,686)	(41,641)	(41,641)
- Investment in subsidiaries and joint venture	(1,083)	(1,048)	(959,102)	(1,109,102)
- Transitional arrangements	382,450	527,033	249,522	347,580
Total CET I Capital	<b>6,047,820</b>	6,258,562	<b>4,417,071</b>	4,459,910
Additional Tier I Capital Securities	349,864	349,753	250,000	249,888
Total Additional Tier I Capital	<b>349,864</b>	349,753	<b>250,000</b>	249,888
Total Tier I Capital	<b>6,397,684</b>	6,608,315	<b>4,667,071</b>	4,709,798
<b><u>Tier II Capital</u></b>				
Subordinated obligations	1,199,406	1,199,264	1,199,070	1,198,848
Expected credit losses and regulatory reserves	450,789	373,502	339,542	258,031
Less: Regulatory adjustment - Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	<b>1,650,195</b>	1,572,766	<b>1,408,612</b>	1,326,879
<b>Total Capital</b>	<b>8,047,879</b>	8,181,081	<b>6,075,683</b>	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>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Credit risk	36,063,090	34,492,797	27,163,327	25,662,376
Market risk	362,543	353,608	362,536	353,574
Operational risk	3,521,558	3,381,129	2,647,316	2,547,781
Total RWA and capital requirements	<b>39,947,191</b>	38,227,534	<b>30,173,179</b>	28,563,731

**A31 Capital Adequacy (Contd.)**

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

	<b>Alliance Islamic Bank</b>		<b>Alliance Investment Bank</b>	
	<b><u>Berhad</u></b>		<b><u>Berhad</u></b>	
	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
<b>(i) With transitional arrangements</b>				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>13.493%</b>	14.904%	<b>126.793%</b>	87.301%
Tier I capital ratio	<b>14.505%</b>	15.966%	<b>126.793%</b>	87.301%
Total capital ratio	<b>16.979%</b>	18.510%	<b>127.343%</b>	88.174%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>13.493%</b>	14.463%	<b>126.793%</b>	87.301%
Tier I capital ratio	<b>14.505%</b>	15.525%	<b>126.793%</b>	87.301%
Total capital ratio	<b>16.979%</b>	18.069%	<b>127.343%</b>	88.174%
<b>(ii) Without transitional arrangements</b>				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>12.144%</b>	12.995%	<b>126.738%</b>	87.240%
Tier I capital ratio	<b>13.156%</b>	14.057%	<b>126.738%</b>	87.240%
Total capital ratio	<b>15.630%</b>	16.601%	<b>127.288%</b>	88.113%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>12.144%</b>	12.554%	<b>126.738%</b>	87.240%
Tier I capital ratio	<b>13.156%</b>	13.616%	<b>126.738%</b>	87.240%
Total capital ratio	<b>15.630%</b>	16.160%	<b>127.288%</b>	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 include private equity investments.

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

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

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

<u>GROUP</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2022	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	44,548	-	44,548
- Unquoted securities	-	4,179	257,206	261,385
Financial investments at FVOCI				
- Money market instruments	-	4,331,929	-	4,331,929
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	4,055,375	-	4,055,375
Derivative financial assets	-	295,305	-	295,305
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,803,213	-	1,803,213
Derivative financial liabilities	-	474,112	-	474,112
<u>BANK</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2022	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	44,548	-	44,548
- Unquoted securities	-	4,179	257,206	261,385
Financial investments at FVOCI				
- Money market instruments	-	4,083,739	-	4,083,739
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	2,602,277	-	2,602,277
Derivative financial assets	-	296,726	-	296,726
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,803,213	-	1,803,213
Derivative financial liabilities	-	474,369	-	474,369

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

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

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

<u>GROUP</u> 31 March 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	-	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> 31 March 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	-	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.)**

The table below outlines the reconciliation of movements in Level 3 financial instruments:

	<u>GROUP</u>		<u>BANK</u>	
	<b>31 December 2022 RM'000</b>	31 March 2022 RM'000	<b>31 December 2022 RM'000</b>	31 March 2022 RM'000
At beginning of financial period/year	<b>245,842</b>	224,676	<b>171,488</b>	154,482
Acquisition during the period	-	-	<b>71,035</b>	-
Disposal during the period	<b>(3,319)</b>	-	-	-
Total gains recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	<b>14,686</b>	21,166	<b>14,686</b>	17,006
- Write-off	<b>(3)</b>	-	<b>(3)</b>	-
At end of financial period/year	<b><u>257,206</u></b>	<u>245,842</u>	<b><u>257,206</u></b>	<u>171,488</u>

The Group's and the Bank's exposure to financial instruments measured using unobservable inputs ("Level 3") constitutes a small component of the Group's and the Bank's portfolio of financial instruments. Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for 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 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	Cash collateral received RM'000	Net amount RM'000
<b>GROUP</b>						
31 December 2022						
Derivative financial assets	295,305	-	295,305	(157,043)	(110,708)	27,554
Amounts due from clients and brokers	-	-	-	-	-	-
	<u>295,305</u>	<u>-</u>	<u>295,305</u>	<u>(157,043)</u>	<u>(110,708)</u>	<u>27,554</u>
<b>BANK</b>						
31 December 2022						
Derivative financial assets	296,726	-	296,726	(157,043)	(110,708)	28,975
<b>GROUP</b>						
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>
<b>BANK</b>						
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	
<b>GROUP</b>						
31 December 2022						
Derivative financial liabilities	474,112	-	474,112	(157,043)	(148,524)	168,545
Amounts due to clients and brokers	-	-	-	-	-	-
<b>Total</b>	<b>474,112</b>	<b>-</b>	<b>474,112</b>	<b>(157,043)</b>	<b>(148,524)</b>	<b>168,545</b>
<b>BANK</b>						
31 December 2022						
Derivative financial liabilities	474,369	-	474,369	(157,043)	(148,524)	168,802
<b>GROUP</b>						
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
<b>Total</b>	<b>270,835</b>	<b>(29,843)</b>	<b>240,992</b>	<b>(59,617)</b>	<b>(118,485)</b>	<b>62,890</b>
<b>BANK</b>						
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**

	<b>3rd Quarter Ended 31 December 2022 RM'000</b>	<b>3rd Quarter Ended 31 December 2021 RM'000</b>	<b>Changes %</b>
Net income/revenue	496,546	480,182	3.4
Operating profit before allowance	274,823	265,232	3.6
Operating profit after allowance	238,235	250,309	(4.8)
Profit before taxation	238,244	250,323	(4.8)
Profit after taxation	177,100	151,021	17.3
Profit attributable to ordinary equity holders of the Bank	177,100	151,021	17.3
	<b>Nine Months Ended 31 December 2022 RM'000</b>	<b>Nine Months Ended 31 December 2021 RM'000</b>	<b>Changes %</b>
Net income/revenue	1,451,193	1,416,119	2.5
Operating profit before allowance	810,818	812,219	(0.2)
Operating profit after allowance	717,538	668,574	7.3
Profit before taxation	717,573	668,619	7.3
Profit after taxation	547,680	469,776	16.6
Profit attributable to ordinary equity holders of the Bank	547,680	469,776	16.6
	<b>3rd Quarter Ended 31 December 2022 RM'000</b>	<b>2nd Quarter Ended 30 September 2022 RM'000</b>	<b>Changes %</b>
Net income/revenue	496,546	480,574	3.3
Operating profit before allowance	274,823	272,483	0.9
Operating profit after allowance	238,235	198,446	20.1
Profit before taxation	238,244	198,457	20.0
Profit after taxation	177,100	158,424	11.8
Profit attributable to ordinary equity holders of the Bank	177,100	158,424	11.8

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

**BANK**

	<b>3rd Quarter Ended 31 December 2022 RM'000</b>	3rd Quarter Ended 31 December 2021 RM'000	Changes %
Net income/revenue	415,446	378,077	9.9
Operating profit before allowance	239,018	209,751	14.0
Operating profit after allowance	217,806	188,937	15.3
Profit before taxation	217,806	188,937	15.3
Profit after taxation	172,436	115,275	49.6
Profit attributable to ordinary equity holders of the Bank	172,436	115,275	49.6
	<b>Nine Months Ended 31 December 2022 RM'000</b>	Nine Months Ended 31 December 2021 RM'000	Changes %
Net income/revenue	1,162,934	1,095,869	6.1
Operating profit before allowance	659,150	630,398	4.6
Operating profit after allowance	612,115	532,722	14.9
Profit before taxation	612,115	532,722	14.9
Profit after taxation	488,991	383,729	27.4
Profit attributable to ordinary equity holders of the Bank	488,991	383,729	27.4
	<b>3rd Quarter Ended 31 December 2022 RM'000</b>	2nd Quarter Ended 30 September 2022 RM'000	Changes %
Net income/revenue	415,446	351,687	18.1
Operating profit before allowance	239,018	187,888	27.2
Operating profit after allowance	217,806	137,874	58.0
Profit before taxation	217,806	137,874	58.0
Profit after taxation	172,436	113,485	51.9
Profit attributable to ordinary equity holders of the Bank	172,436	113,485	51.9

## **B2 Review Of Performance**

### **(a) Business Review for the period ended 31 December 2022**

#### Profitability

The Group's net profit after taxation was RM547.7 million for the nine months ended 31 December 2022, an increase of RM77.9 million or 16.6% 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 RM138.4 million or 12.4% YOY mainly due to higher loan growth and the increase in the Overnight Policy Rate ("OPR"). Net interest margin ("NIM") came in higher at 2.68% (Dec 21: 2.54%).

#### Loan Growth

The Group's loans, advances and financing continues to grow by 6.2% YOY to RM47.3 billion mainly driven by growth across major lines of business.

#### Other Operating Income

The Group recorded other operating income of RM199.7 million, lower by RM103.3 million or 34.1% YOY. The decrease was due to lower treasury and investment income arising from the challenging investment environment and lower brokerage income, offset by higher trade fees and wealth management income.

#### Operating Expenses

Operating expenses increased by RM36.5 million or 6.0% YOY, mainly from the continued investments in the sales force, marketing and establishment costs. The cost-to-income ratio ("CIR") stood at 44.1% (Dec 21: 42.6%). 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 charge of RM93.3 million, a decrease of RM50.4 million or 35.1% YOY. The net credit cost was at 20.0bps (Dec 21: 32.4bps). Loan loss coverage (including regulatory reserves) was at 130.2% (Dec 21: 127.0%).

#### Healthy Funding and Liquidity Position

The Group maintained a high current account/savings account ("CASA") ratio of 45.8%. Its customer-based funding stood at RM50.9 billion. Through our funding strategy, the Group's liquidity coverage and loans-to-funds ratios stood at 152.3% and 86.8% 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 14.2%, Tier-1 Capital ratio at 15.1% and Total Capital Ratio at 19.2%.

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

### **(b) 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 RM139.4 million, an increase of RM142.7 million YOY. Net income was higher by RM54.0 million or 12.4% to RM488.4 million mainly due to the increase in net interest income by RM62.8 million offset by lower other operating income by RM8.8 million. Operating expenses was higher by RM28.1 million or 9.9%. Allowance for expected credit losses was lower by RM116.9 million. The segment assets recorded at RM23.8 billion.

The Group Business Banking segment, comprising Corporate, Commercial and Small Medium Enterprise ("SME") banking, recorded a profit before tax of RM375.9 million, an increase of RM21.6 million or 6.1% YOY. Net income increased by RM106.2 million or 18.5% to RM681.8 due to higher net interest income by RM99.1 million and higher other operating income by RM7.1 million. Operating expenses increased by RM18.7 million or 8.0%. Allowance for expected credit losses was higher by RM65.9 million. Segment assets recorded at RM23.6 billion.

The Group Financial Markets segment recorded a profit before tax of RM219.3 million, a decrease of RM117.8 million or 34.9% YOY. Net income was lower by RM117.5 million or 31.8% due to lower net interest income and other operating income. Operating expenses increased by RM0.3 million or 0.9%. Segment assets recorded at RM16.8 billion.

The Stockbroking and Corporate Advisory segment recorded a loss before tax of RM0.8 million mainly due to lower brokerage fees resulting from the disposal of Stockbroking business.

The Islamic Banking segment, which consist of Consumer Banking, Business Banking and Financial Markets, recorded a net profit after taxation of RM132.9 million, representing an increase of RM27.1 million or 25.7% compared to the corresponding period last year due to higher revenue from net profit income. Net income was higher by RM41.2 million or 14.0%. Net profit income was higher by RM57.0 million while other operating income was lower by RM15.9 million. Operating expenses increased by RM12.6 million or 12.6%. Allowance for expected credit losses stood at RM47.0 million. Total assets stood at RM16.3 billion.

### **(c) Current Quarter Against Previous Year Corresponding Quarter**

The Group's profit after taxation of RM177.1 million for the quarter was RM26.1 million or 17.3% higher compared to the previous year corresponding quarter, mainly due to higher net interest income.

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

- Net interest income increased by RM48.6 million or 12.5% mainly due to higher loan growth and OPR hikes.
- NIM was at 2.75% (3QFY22: 2.66%).
- Other operating income decreased by RM32.2 million or 35.7%. This was mainly due to lower treasury and investment income and wealth management income, offset by higher trade fees.
- Operating expenses were higher by RM6.8 million or 3.2% mainly from personnel cost.
- Net credit cost was at 7.7bps (3QFY22: 3.2bps).

## **ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

### **B3 Comparison of Current Quarter Against Immediate Preceding Quarter**

In comparison with the immediate preceding quarter, the Group's profit after taxation of RM177.1 million for the quarter was higher by RM18.7 million or 11.8% mainly due to higher net interest income and lower net credit cost.

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

- Net interest income increased by RM17.6 million or 4.2% mainly due to higher loan growth and OPR hikes.
- NIM was at 2.75% (2QFY23: 2.70%).
- Other operating income decreased by RM1.6 million or 2.7% mainly due to lower treasury and investment income and wealth management income offset by higher cards income.
- Operating expenses were higher by RM13.6 million or 6.6% mainly from higher personnel, administrative and establishment cost.
- Net credit cost was at 7.7bps (2QFY23: 16.0bps).

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

The Ministry of Finance (MOF) has projected healthy gross domestic product (GDP) growth of 4.5% in 2023. Despite expectations for a weaker global growth in 2023, Malaysia can take comfort from the relatively resilient domestic demand. Private consumption continues to be the key growth driver, underpinned by a robust labour market and continued policy support.

The MOF expects inflation to range between 2.8%-3.8% for 2023. Price pressures are expected to remain relatively elevated due to cost-pass through effects and increasing demand-driven pressure.

For financial year ending 31 March 2023, the Group will continue to focus on growing the business prudently in the three areas:

- (i) Acquiring more customers by scaling up the Group's core segments of SME and Consumer Banking;
- (ii) Focus on deepening customer engagement; and
- (iii) Enhancing productivity and efficiencies by streamlining process and improving customer digital adoption.

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

In addition to the above, the Group has also embarked on a strategy refresh which takes on an 8-pronged approach over the next four years beginning from the next financial year 2024. The strategy refresh was designed to accelerate the growth and entrench the Group among the leading financial services provider in the country.

The new strategy refresh will cover eight pillars which are i) continue velocity on SME expansion strategy; ii) supporting our business customers through their life cycle; iii) broaden consumer business by targeting new market segments; iv) targeting resilient ecosystems across their value chain; v) become regional champion for selected economic corridors; vi) drive synergies and value creation in our corporate and capital market business; vii) accelerate our Islamic business by leveraging unique propositions; and viii) leverage partnerships to scale product offering, distribution and drive value.



**B5 Profit Forecast**

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

**B6 Taxation**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
<b>GROUP</b>				
- Income tax	65,158	53,067	175,234	155,498
- Deferred tax	(4,014)	46,235	4,142	43,486
- Real property gain tax	-	-	-	(141)
- Over provision for taxation in prior financial year	-	-	(9,483)	-
	<b>61,144</b>	<b>99,302</b>	<b>169,893</b>	<b>198,843</b>
<b>BANK</b>				
- Income tax	50,805	36,400	131,660	109,119
- Deferred tax	(5,435)	37,262	36	40,015
- Real property gain tax	-	-	-	(141)
- Over provision for taxation in prior financial year	-	-	(8,572)	-
	<b>45,370</b>	<b>73,662</b>	<b>123,124</b>	<b>148,993</b>

The Group's effective tax rate for the current financial period ended 31 December 2022 was lower than the current statutory tax rate of 24% mainly due to over provision for taxation in prior financial year.

**B7 Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at the financial report date.

**B8 Deposits from Customers, Deposits and Placements of Banks and Other Financial Institutions and Debts Securities**

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
<b>(a) Deposits from customers</b>				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	<b>26,254,006</b>	24,445,462	<b>17,895,702</b>	17,579,094
- More than one year (medium/long term)	<b>286,363</b>	164,163	<b>30,185</b>	56,883
	<b>26,540,369</b>	24,609,625	<b>17,925,887</b>	17,635,977
Others	<b>22,450,380</b>	23,576,746	<b>17,686,132</b>	17,895,291
	<b>48,990,749</b>	48,186,371	<b>35,612,019</b>	35,531,268
<b>(b) Deposits and placements of banks and other financial institutions</b>				
- One year or less (short term)	<b>626,740</b>	494,455	<b>260,002</b>	312,903
- More than one year (medium/long term)	<b>1,281,563</b>	1,194,539	<b>1,111,991</b>	1,024,846
	<b>1,908,303</b>	1,688,994	<b>1,371,993</b>	1,337,749
<b>(c) Subordinated obligations</b>				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	<b>1,207,711</b>	1,218,893	<b>1,207,374</b>	1,218,476
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	<b>353,316</b>	353,892	<b>251,920</b>	253,978
	<b>1,561,027</b>	1,572,785	<b>1,459,294</b>	1,472,454

**B9 Derivative Financial Assets/(Liabilities)**

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

<b>GROUP</b>	<b>As at 31 December 2022 Fair value</b>			<b>As at 31 March 2022 Fair value</b>		
	<b>Contract/ notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>	<b>Contract/ notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b><u>Trading derivatives</u></b>						
Foreign exchange contracts						
Currency forwards						
- one year or less	3,397,092	13,240	(77,516)	2,859,459	5,026	(9,509)
- over one year to three years	460,113	204	(10,088)	475,630	-	(20,067)
- over three years	237,762	-	(8,721)	109,317	-	(4,032)
Currency swaps						
- one year or less	11,616,523	164,628	(123,454)	6,468,485	10,879	(5,912)
- over one year to three years	453,889	1,451	(16,265)	441,504	2,903	(1,679)
- over three years	209,540	6,586	-	148,440	899	(864)
Currency spots						
- one year or less	253,344	402	(581)	427,461	439	(632)
Currency options						
- one year or less	931,893	3,581	(1,748)	363,205	422	(77)
	<b>17,560,156</b>	<b>190,092</b>	<b>(238,373)</b>	<b>11,293,501</b>	<b>20,568</b>	<b>(42,772)</b>
Interest rate related contracts						
Interest rate swaps						
- one year or less	8,932,781	103,933	(137,737)	7,414,911	65,122	(89,554)
- over one year to three years	2,506,568	13,176	(1,972)	2,158,436	9,743	(5,412)
- over three years	2,733,399	59,277	(34,341)	3,307,815	37,099	(16,566)
	<b>3,692,814</b>	<b>31,480</b>	<b>(101,424)</b>	<b>1,948,660</b>	<b>18,280</b>	<b>(67,576)</b>
Equity related contracts						
- one year or less	387,691	189	(66,534)	332,492	345	(61,682)
- over one year to three years	104,000	252	(10,056)	216,080	90	(17,846)
<b><u>Hedging derivatives</u></b>						
Foreign exchange contracts						
Currency swaps						
- one year or less	44,030	-	(3,209)	252,270	169	(734)
Interest rate related contracts						
Interest rate swaps						
- over three years	2,998,000	839	(18,203)	-	-	-
<b>Total derivatives assets/(liabilities)</b>	<b>30,026,658</b>	<b>295,305</b>	<b>(474,112)</b>	<b>19,509,254</b>	<b>86,294</b>	<b>(212,588)</b>

**B9 Derivative Financial Assets/(Liabilities) (Contd.)**

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

	As at 31 December 2022			As at 31 March 2022		
	Fair value			Fair value		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
<b><u>BANK</u></b>						
<b><u>Trading derivatives</u></b>						
Foreign exchange contracts						
Currency forwards						
- one year or less	3,397,092	13,240	(77,516)	2,859,459	5,026	(9,509)
- over one year to three years	460,113	204	(10,088)	475,630	-	(20,067)
- over three years	237,762	-	(8,721)	109,317	-	(4,032)
Currency swaps						
- one year or less	11,616,523	164,628	(123,454)	6,468,485	10,879	(5,912)
- over one year to three years	453,889	1,451	(16,265)	441,504	2,903	(1,679)
- over three years	209,540	6,586	-	148,440	899	(864)
Currency spots						
- one year or less	253,344	402	(581)	427,461	439	(632)
Currency options						
- one year or less	931,893	3,581	(1,748)	363,205	422	(77)
	<b>17,560,156</b>	<b>190,092</b>	<b>(238,373)</b>	<b>11,293,501</b>	<b>20,568</b>	<b>(42,772)</b>
Interest rate related contracts						
Interest rate swaps						
- one year or less	9,528,781	105,617	(139,365)	7,414,911	65,122	(89,554)
- over one year to three years	2,506,568	13,176	(1,972)	2,158,436	9,743	(5,412)
- over three years	2,733,399	59,277	(34,341)	3,307,815	37,099	(16,566)
	<b>4,288,814</b>	<b>33,164</b>	<b>(103,052)</b>	<b>1,948,660</b>	<b>18,280</b>	<b>(67,576)</b>
Equity related contracts						
- one year or less	387,691	189	(66,534)	332,492	345	(61,682)
- over one year to three years	104,000	252	(10,056)	216,080	90	(17,846)
<b><u>Hedging derivatives</u></b>						
Foreign exchange contracts						
Currency swaps						
- one year or less	44,030	-	(3,209)	252,270	169	(734)
Interest rate related contracts						
Interest rate swaps						
- over three years	2,700,000	576	(16,832)	-	-	-
<b>Total derivatives assets/(liabilities)</b>	<b>30,324,658</b>	<b>296,726</b>	<b>(474,369)</b>	<b>19,509,254</b>	<b>86,294</b>	<b>(212,588)</b>

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

**Credit Risk**

Credit risk is the risk of financial loss resulting from the failure of the Group's borrowers or counterparties to fulfil their contractual obligations to repay their loans or settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 31 December 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM295,305,000 and RM296,726,000 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.

**B9 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, loss limits, sensitivity limits and valuation via daily mark-to-market, where available.

Liquidity Risk

Liquidity risk is the inability of the Group and the Bank to meet financial commitments when due.

The Group's and the Bank's liquidity risk profile are managed using liquidity risk management strategies set in the 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 and the Bank as a forward-looking measure to ensure that liquidity risk can be addressed according to the degrees of key risk indicators, and which incorporates alternative funding strategies which are ready to be implemented on a timely basis to mitigate the impact of unforeseen adverse changes in liquidity in the market place.

- (ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 31 December 2022, the Group and the Bank had posted cash collateral of RM148,524,000 (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.

**B9 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.

**B10 Changes in Material Litigation**

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and the Bank for the current financial period ended 31 December 2022.

**B11 Dividend Declared**

(a) No dividend has been declared for the third financial quarter ended 31 December 2022.

(b) The total dividend declared for the current financial period ended 31 December 2022 is 12.0 sen (31 December 2021: 8.3 sen)

**B12 Earnings Per Share**

**(a) Basic**

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

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2022</b>	31 December 2021	<b>31 December 2022</b>	31 December 2021
<b><u>GROUP</u></b>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>177,100</b>	151,021	<b>547,680</b>	469,776
Weighted average numbers of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Basic earnings per share (sen)	<b>11.4</b>	9.8	<b>35.4</b>	30.3
<b><u>BANK</u></b>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>172,436</b>	115,275	<b>488,991</b>	383,729
Weighted average numbers of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Basic earnings per share (sen)	<b>11.1</b>	7.4	<b>31.6</b>	24.8

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**B12 Earnings Per Share (Contd.)**

**(b) Diluted**

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

There were no dilutive potential ordinary shares outstanding as at 31 December 2022 and 31 December 2021 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial period ended 31 December 2022 and 31 December 2021.

**By Order of the Board**

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

Group Company Secretary

Kuala Lumpur

28 February 2023