

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Financial Position as at 31 March 2023**

	Note	GROUP		BANK	
		31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
ASSETS					
Cash and short-term funds		3,570,656	3,228,574	2,425,584	1,805,402
Deposits and placements with banks and other financial institutions		88,553	168,184	88,553	168,184
Amounts due from clients and brokers	A11	-	55,040	-	-
Financial assets at fair value through profit or loss	A12	265,198	541,615	265,198	467,261
Financial investments at fair value through other comprehensive income	A13	8,484,398	9,119,699	6,182,516	6,739,619
Financial investments at amortised cost	A14	3,398,514	2,129,608	3,136,889	2,244,436
Derivative financial assets	B9	221,141	86,294	223,637	86,294
Loans, advances and financing	A15	47,926,003	45,123,745	35,790,763	33,608,197
Other assets	A16	548,647	470,102	689,276	526,064
Tax recoverable		20,712	11,554	1,574	-
Statutory deposits		979,601	99,536	728,111	68,999
Investments in subsidiaries		-	-	883,013	1,109,102
Investment in joint venture		1,094	1,048	-	-
Right-of-use assets		108,980	121,931	108,980	121,701
Property, plant and equipment		57,653	55,433	57,344	54,846
Deferred tax assets		198,920	203,285	141,327	143,544
Intangible assets		440,438	432,205	338,321	330,151
TOTAL ASSETS		66,310,508	61,847,853	51,061,086	47,473,800
LIABILITIES AND EQUITY					
Deposits from customers	A17	50,849,030	48,186,371	36,896,353	35,531,268
Deposits and placements of banks and other financial institutions	A18	1,719,284	1,688,994	1,536,202	1,337,749
Amounts due to clients and brokers	A19	-	28,404	-	-
Financial liabilities designated at fair value through profit or loss	A20	1,785,157	1,025,196	1,785,157	1,025,196
Obligations on securities sold under repurchase agreements		675,640	-	675,640	-
Derivative financial liabilities	B9	366,140	212,588	366,165	212,588
Recourse obligations on loans and financing sold to Cagamas		321,484	650,564	221,352	300,115
Lease liabilities		113,251	125,475	113,251	125,249
Other liabilities	A21	2,161,441	1,895,183	2,011,672	1,689,341
Provision for taxation		-	44,029	-	42,500
Provision for zakat		930	1,162	-	-
Deferred tax liabilities		-	426	-	-
Subordinated obligations		1,571,502	1,572,785	1,471,252	1,472,454
TOTAL LIABILITIES		59,563,859	55,431,177	45,077,044	41,736,460
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		5,198,543	4,868,570	4,435,936	4,189,234
TOTAL EQUITY		6,746,649	6,416,676	5,984,042	5,737,340
TOTAL LIABILITIES AND EQUITY		66,310,508	61,847,853	51,061,086	47,473,800
COMMITMENTS AND CONTINGENCIES	A29	46,224,471	33,911,195	43,325,562	31,158,471
Net assets per share attributable to equity holders of the Bank (RM)*		4.36	4.14	3.87	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/Year Ended 31 March 2023**

	Note	4th Quarter Ended		Financial Year Ended	
		31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
GROUP					
Interest income	A22	533,159	414,739	1,975,782	1,684,496
Interest expense	A23	(230,423)	(138,613)	(745,683)	(562,855)
Net interest income		302,736	276,126	1,230,099	1,121,641
Net income from Islamic banking business	A24	106,886	95,375	452,806	397,515
		409,622	371,501	1,682,905	1,519,156
Fee and commission income	A25	52,357	63,678	215,829	264,739
Fee and commission expense	A25	(26,703)	(22,311)	(104,986)	(103,265)
Investment income	A25	19,174	38,725	90,403	157,942
Other income/(expense)	A25	14,159	(56)	35,651	29,084
Other operating income	A25	58,987	80,036	236,897	348,500
Net income		468,609	451,537	1,919,802	1,867,656
Other operating expenses	A26	(240,978)	(219,040)	(881,353)	(822,940)
Operating profit before allowances		227,631	232,497	1,038,449	1,044,716
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(58,517)	(73,235)	(152,344)	(217,235)
(Allowance for)/write-back of expected credit losses on financial investments	A28	(87)	(529)	460	(174)
Operating profit after allowances		169,027	158,733	886,565	827,307
Share of results of joint venture		11	9	46	54
Profit before taxation		169,038	158,742	886,611	827,361
Taxation	B6	(38,872)	(55,701)	(208,765)	(254,544)
Net profit for the financial period/year		130,166	103,041	677,846	572,817
Net profit for the financial period/year attributable to equity holders of the Bank		130,166	103,041	677,846	572,817
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	8.4	6.7	43.8	37.0
- Diluted (sen)	B12(b)	8.4	6.7	43.8	37.0

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period/Year Ended 31 March 2023**

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>GROUP</u>				
Net profit for the financial period/year	130,166	103,041	677,846	572,817
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")	65,768	(90,163)	(4,446)	(195,547)
- Net gain/(loss) from change in fair value	90,130	(117,793)	(1,733)	(201,026)
- Realised gain transferred to statements of income on disposal	(3,646)	(1,725)	(3,690)	(57,056)
- Transfer (to)/from deferred tax	(20,756)	28,684	1,302	61,939
- Changes in expected credit losses	40	671	(325)	596
Net change in cash flow hedges	(9)	(261)	253	(253)
- Changes in cash flow hedges	(12)	(343)	333	(333)
- Transfer from/(to) deferred tax	3	82	(80)	80
Other comprehensive income/(expense), net of tax	65,759	(90,424)	(4,193)	(195,800)
Total comprehensive income for the financial period/year	195,925	12,617	673,653	377,017
Total comprehensive income for the financial period attributable to equity holders of the Bank	195,925	12,617	673,653	377,017

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/Year Ended 31 March 2023**

	Note	4th Quarter Ended		Financial Year Ended	
		31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
BANK					
Interest income	A22	526,134	406,133	1,944,850	1,645,843
Interest expense	A23	(229,423)	(136,672)	(740,581)	(552,906)
Net interest income		296,711	269,461	1,204,269	1,092,937
Fee and commission income	A25	52,249	54,043	209,468	219,847
Fee and commission expense	A25	(26,494)	(19,703)	(102,503)	(89,405)
Investment income	A25	20,806	37,000	175,710	184,010
Other income	A25	13,276	129	32,538	29,410
Other operating income	A25	59,837	71,469	315,213	343,862
Net income		356,548	340,930	1,519,482	1,436,799
Other operating expenses	A26	(192,883)	(169,937)	(696,667)	(635,408)
Operating profit before allowances		163,665	170,993	822,815	801,391
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(35,475)	(46,681)	(82,530)	(144,525)
Allowance for expected credit losses on financial investments	A28	(75)	(525)	(55)	(357)
Profit before taxation		128,115	123,787	740,230	656,509
Taxation	B6	(29,413)	(43,300)	(152,537)	(192,293)
Net profit for the financial period/year		98,702	80,487	587,693	464,216
Net profit for the financial period/year attributable to equity holders of the Bank		98,702	80,487	587,693	464,216
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	6.4	5.2	38.0	30.0
- Diluted (sen)	B12(b)	6.4	5.2	38.0	30.0

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period/Year Ended 31 March 2023**

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>BANK</u>				
Net profit for the financial period/year	98,702	80,487	587,693	464,216
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	49,850	(71,644)	2,436	(133,181)
- Net gain/(loss) from change in fair value	67,825	(94,844)	5,746	(151,975)
- Realised gain transferred to statements of income on disposal	(2,280)	-	(2,324)	(23,785)
- Transfer (to)/from deferred tax	(15,731)	22,762	(821)	42,182
- Changes in expected credit losses	36	438	(165)	397
Net change in cash flow hedges	(9)	(261)	253	(253)
- Changes in cash flow hedges	(12)	(343)	333	(333)
- Transfer from/(to) deferred tax	3	82	(80)	80
Other comprehensive income/(expense), net of tax	49,841	(71,905)	2,689	(133,434)
Total comprehensive income for the financial period/year	148,543	8,582	590,382	330,782
Total comprehensive income for the financial period attributable to equity holders of the Bank	148,543	8,582	590,382	330,782

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 Year Ended 31 March 2023

GROUP	← Attributable to equity holders of the Bank →						
	<u>Share capital</u> RM'000	<u>Regulatory reserves</u> RM'000	<u>Capital reserves</u> RM'000	<u>FVOCI reserves</u> RM'000	<u>Hedging reserves</u> RM'000	<u>Retained profits</u> RM'000	<u>Total equity</u> RM'000
At 1 April 2022	1,548,106	47,686	100,150	(144,227)	(253)	4,865,214	6,416,676
Net profit for the financial year	-	-	-	-	-	677,846	677,846
Other comprehensive (expense)/income	-	-	-	(4,446)	253	-	(4,193)
Total comprehensive (expense)/income for the financial year	-	-	-	(4,446)	253	677,846	673,653
Transfer to regulatory reserves	-	209,555	-	-	-	(209,555)	-
Dividends paid to shareholders	-	-	-	-	-	(343,680)	(343,680)
At 31 March 2023	1,548,106	257,241	100,150	(148,673)	-	4,989,825	6,746,649
At 1 April 2021	1,548,106	86,440	100,150	51,320	-	4,471,771	6,257,787
Net profit for the financial year	-	-	-	-	-	572,817	572,817
Other comprehensive expense	-	-	-	(195,547)	(253)	-	(195,800)
Total comprehensive (expense)/income for the financial year	-	-	-	(195,547)	(253)	572,817	377,017
Transfer from regulatory reserves	-	(38,754)	-	-	-	38,754	-
Dividends paid to shareholders	-	-	-	-	-	(218,128)	(218,128)
At 31 March 2022	1,548,106	47,686	100,150	(144,227)	(253)	4,865,214	6,416,676

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Changes in Equity for the Financial Year Ended 31 March 2023 (Contd.)**

	← Non-Distributable reserves →					Distributable reserves	Total equity
	<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>BANK</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2022	1,548,106	41,641	15,515	(138,088)	(253)	4,270,419	5,737,340
Net profit for the financial year	-	-	-	-	-	587,693	587,693
Other comprehensive (expense)/income	-	-	-	2,436	253	-	2,689
Total comprehensive (expense)/income for the financial year	-	-	-	2,436	253	587,693	590,382
Transfer to regulatory reserves	-	190,216	-	-	-	(190,216)	-
Dividends paid to shareholders	-	-	-	-	-	(343,680)	(343,680)
At 31 March 2023	1,548,106	231,857	15,515	(135,652)	-	4,324,216	5,984,042
At 1 April 2021	1,548,106	80,006	15,515	(4,907)	-	3,985,966	5,624,686
Net profit for the financial year	-	-	-	-	-	464,216	464,216
Other comprehensive expense	-	-	-	(133,181)	(253)	-	(133,434)
Total comprehensive (expense)/income for the financial year	-	-	-	(133,181)	(253)	464,216	330,782
Transfer from regulatory reserves	-	(38,365)	-	-	-	38,365	-
Dividends paid to shareholders	-	-	-	-	-	(218,128)	(218,128)
At 31 March 2022	1,548,106	41,641	15,515	(138,088)	(253)	4,270,419	5,737,340

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 Condensed Statements of Cash Flows for the Financial Year Ended 31 March 2023

	GROUP		BANK	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash flows from operating activities				
Profit before taxation	886,611	827,361	740,230	656,509
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(25,112)	604	(26,393)	(34)
Allowance for expected credit losses on loans, advances and financing	164,685	233,995	94,623	139,937
Allowance for/(write-back of) expected credit losses on commitments and contingencies	4,499	(24,827)	4,780	(5,041)
(Write-back of)/allowance for expected credit losses on financial investments	(460)	174	55	357
Allowance for expected credit losses on amounts due from clients and brokers	-	3	-	-
Allowance for expected credit losses on other receivables	4,276	2,800	3,153	3,364
Allowance for /(write-back of) expected credit losses on short-term funds	-	(12)	-	(12)
(Write-back of)/allowance for expected credit losses on deposits and placements with banks	(8)	4	(8)	4
Amortisation of computer software	47,900	45,063	46,939	43,987
Depreciation of property, plant and equipment	20,138	19,844	19,848	18,923
Depreciation of right-of-use assets	25,910	25,520	25,882	25,448
Dividends from financial assets at fair value through profit or loss	(2,301)	(1,377)	(1,940)	(796)
Dividends from subsidiaries	-	-	(84,507)	(48,253)
Interest expense on lease liabilities	5,534	6,301	5,539	6,292
Interest expense on securities sold under repurchase agreement	7,024	-	7,024	-
Interest expense on subordinated obligations	64,004	61,496	64,184	61,701
Interest expense on recourse obligations on loans and financing sold to Cagamas	13,675	13,591	13,675	13,591
Interest income from financial investments at amortised cost	(85,280)	(72,494)	(91,170)	(79,644)
Interest income from financial investments at fair value through other comprehensive income	(267,572)	(284,163)	(247,885)	(261,421)
Computer software written-off	6	368	1	368
Gain on disposal of property, plant and equipment	(80)	-	(80)	-
Property, plant and equipment written-off	112	3	77	3
Net gain from sale of financial assets at fair value through profit or loss	(9,580)	(4,529)	(5,977)	(4,149)
Net gain from sale of financial investments at fair value through other comprehensive income	(2,213)	(40,850)	(2,324)	(23,785)
Net gain from sale of other investments				
Net gain from sale of financial investments at amortised cost	(1,482)	-	(1,482)	-
Unrealised loss arising from derivative instruments	38,583	128,934	33,930	128,934
Unrealised loss/(gain) arising from hedging activities	333	(333)	333	(333)
Unrealised gain arising from financial assets at fair value through profit or loss	(17,889)	(26,987)	(17,889)	(22,828)
Unrealised loss/(gain) arising from financial liabilities designated at fair value through profit or loss	22,989	(110,171)	22,989	(110,171)
Share of results of joint venture	(46)	(54)	-	-
Zakat	885	503	-	-
Cash flows from operating activities before working capital changes carried forward	895,141	800,767	603,607	542,951

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Year Ended 31 March 2023 (Contd.)

	GROUP		BANK	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash flows from operating activities (contd.)				
Cash flows from operating activities before working capital changes brought forward	895,141	800,767	603,607	542,951
Changes in working capital:				
Amounts due to clients and brokers	26,639	14,986	-	-
Deposits from customers	2,662,659	(302,142)	1,365,085	(619,048)
Deposits and placements of banks and other financial institutions	30,290	296,342	198,453	678,372
Deposits and placements with banks and other financial institutions	79,639	(126,711)	79,639	(126,711)
Financial assets at fair value through profit or loss	299,726	(278,670)	221,769	(279,051)
Financial liabilities designated at fair value through profit or loss	736,972	662,672	736,972	662,672
Loans, advances and financing	(2,966,943)	(2,124,235)	(2,277,189)	(1,353,007)
Other assets	(85,387)	(179,045)	(93,095)	(179,804)
Other liabilities	261,624	373,640	317,411	371,913
Obligations on securities sold under repurchase agreements	675,242	-	675,242	-
Statutory deposits	(880,065)	(11,524)	(659,112)	575
Cash generated from/(used in) operations	1,735,537	(873,920)	1,168,782	(301,138)
Taxation paid	(254,242)	(191,545)	(192,487)	(146,277)
Zakat paid	(1,117)	(188)	-	-
Net cash generated from/(used in) operating activities	1,480,178	(1,065,653)	976,295	(447,415)
Cash flows from investing activities				
Dividends from financial assets at fair value through profit or loss	2,301	1,377	1,940	796
Dividends from subsidiaries	-	-	84,507	48,253
Interest received from financial assets at fair value through profit or loss	4,160	6,494	4,160	6,494
Interest received from financial investments at fair value through other comprehensive income	275,175	295,582	253,402	266,892
Interest received from financial investments at amortised cost	72,456	73,722	79,690	80,099
Interest received for derivative instruments	(19,878)	1,685	(17,696)	1,685
Purchase of computer software	(56,160)	(46,377)	(55,110)	(45,502)
Purchase of property, plant and equipment	(22,929)	(18,016)	(22,770)	(17,842)
Proceeds from subsidiary capital repatriation	-	-	150,000	-
Proceeds from disposal of property, plant and equipment	539	-	427	-
Proceeds from disposal of computer software	21	-	-	-
Purchase of:				
- financial investments at fair value through other comprehensive income	(570,139)	(1,043,704)	(1,295,139)	(776,850)
- financial investments at amortised cost	(1,405,723)	-	(1,041,745)	-
Redemption/disposal of:				
- financial investments at fair value through other comprehensive income	1,180,875	2,101,467	1,840,001	1,165,733
- financial investments at amortised cost	190,122	158,042	200,899	67,866
Net cash (used in)/generated from investing activities	(349,180)	1,530,272	182,566	797,624

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Year Ended 31 March 2023 (Contd.)

	GROUP		BANK	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash flows from financing activities				
Dividends paid to shareholders of the company	(343,680)	(218,128)	(343,680)	(218,128)
Interest paid on obligation on securities sold under repurchase agreement	(6,626)	-	(6,626)	-
Interest paid on subordinated obligations	(65,287)	(61,429)	(65,386)	(61,225)
Interest paid on recourse obligations on loans and financing sold to Cagamas	(12,694)	(13,526)	(12,402)	(13,576)
Repayment from recourse obligations on loans and financing sold to Cagamas	(330,061)	-	(80,036)	-
Repayment of lease liabilities	(30,568)	(31,207)	(30,549)	(31,121)
Net cash used in financing activities	(788,916)	(324,290)	(538,679)	(324,050)
Net change in cash and cash equivalents	342,082	140,329	620,182	26,159
Cash and cash equivalents at beginning of financial year	3,228,574	3,088,245	1,805,402	1,779,243
Cash and cash equivalents at end of financial year	3,570,656	3,228,574	2,425,584	1,805,402
Cash and cash equivalents comprise the following:				
Cash and short-term funds	3,570,656	3,228,574	2,425,584	1,805,402

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/year ended 31 March 2023 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"
- 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/year ended 31 March 2023.

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/year ended 31 March 2023.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the financial period/year ended 31 March 2023.

A6 Issuance and Repayment of Debt and Equity Securities

The issuance and repayment of debt and equity securities during the financial year ended 31 March 2023 are disclosed as below:

- (i) The Bank had on 30 June 2022 issued RM150.0 million Capital Securities pursuant to the Bank's Additional Tier 1 Capital Securities Programme of up to RM1.0 billion in nominal value as below:

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

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

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 transfer of its stockbroking business to Phillip Capital Sdn. Bhd. (formerly known as Phillip Futures Sdn. Bhd.) on 31 July 2022.
- (ii) On 29 September 2022, AIBB completed its share capital reduction exercise where the share capital and issued number of shares of AIBB was reduced from RM365,962,500 comprising 365,000,000 ordinary shares to RM215,962,500 comprising 215,000,000 ordinary shares via cancellation of 150,000,000 ordinary shares held by the Bank, and the amount of RM150,000,000 arising from the shares cancellation was returned to the Bank.

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

- (i) The Bank had on 2 March 2023 entered into an assets transfer agreement with AIBB to transfer the remaining assets and liabilities of AIBB (excluding certain excluded assets and liabilities) to the Bank for a consideration based on an amount equal to the net asset value of the assets and liabilities as at the completion date.

In this respect, AIBB had on 22 March 2023 obtained a vesting order from the High Court of Malaya for the transfer of the assets and liabilities to the Bank. The effective transfer date is on 1 April 2023.

- (ii) On 23 May 2023, AIBB obtained an Order from the High Court of Malaya 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 RM215,962,500 comprising 215,000,000 ordinary shares to RM4,962,500 comprising 4,000,000 ordinary shares via cancellation of 211,000,000 ordinary shares held by the Bank. The amount of RM211,000,000 arising from the said shares cancellation was returned to the Bank on 29 May 2023.

A9 Material Events Subsequent to the End of the Financial Reporting Period/Year (Contd.)

(iii) The Bank and its wholly-owned subsidiaries namely, Alliance Investment Bank Berhad, Alliance Direct Marketing Sdn. Bhd., AllianceGroup Nominees (Tempatan) Sdn. Bhd. and AllianceGroup Nominees (Asing) Sdn. Bhd. had on 26 May 2023, entered into a share sale and purchase agreement for the disposal of their entire equity shareholding (each holding 20% respectively) in Alliance Trustee Berhad, a wholly-owned subsidiary of the Bank, to Areca Capital Sdn. Bhd. and its related corporations, namely Areca Capital International Limited, Areca Private Equity Sdn. Bhd., Areca Frontier Sdn. Bhd. and Areca Eco Sdn. Bhd.. The consideration is based on an amount equal to the net asset value of Alliance Trustee Berhad as the completion date.

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 March 2023 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 Fixed Delivery and Settlement System ("FDSS") trading rules.

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

	<u>Lifetime ECL</u>	
<u>GROUP</u>	31 March 2023 RM'000	31 March 2022 RM'000
At beginning of financial year	3	-
Effect of business disposal	(3)	-
Allowance made during the financial year	-	3
At end of financial period/year	<u>-</u>	<u>3</u>

As at 31 March 2023, 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 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	-	286,173	-	286,173
Malaysian Government investment issues	5,177	4,643	5,177	4,643
	<u>5,177</u>	<u>290,816</u>	<u>5,177</u>	<u>290,816</u>
<u>Unquoted securities:</u>				
Shares	257,206	245,842	257,206	171,488
Corporate bonds and sukuk	2,815	4,957	2,815	4,957
	<u>260,021</u>	<u>250,799</u>	<u>260,021</u>	<u>176,445</u>
Total financial assets at FVTPL	<u>265,198</u>	<u>541,615</u>	<u>265,198</u>	<u>467,261</u>

A13 Financial Investments at Fair Value Through Other Comprehensive Income

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
At fair value - debt instruments				
<u>Money market instruments:</u>				
Malaysian Government securities	2,229,181	2,239,673	2,076,584	2,076,500
Malaysian Government investment issues	2,037,058	2,128,842	1,400,081	1,439,125
Negotiable instruments of deposits	-	-	-	60,048
Commercial papers	19,935	19,966	19,935	19,966
	<u>4,286,174</u>	<u>4,388,481</u>	<u>3,496,600</u>	<u>3,595,639</u>
<u>Quoted securities:</u>				
Shares	14	13	14	13
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,198,210	4,731,205	2,685,902	3,143,967
Total financial investments at FVOCI	<u>8,484,398</u>	<u>9,119,699</u>	<u>6,182,516</u>	<u>6,739,619</u>

Movements in allowance for expected credit losses are as follows:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	642	281	-	923
Transfer to Stage 1	19	(261)	-	(242)
New financial investments originated or purchased	134	-	-	134
Financial investments derecognised other than write-off	(14)	-	-	(14)
Changes due to change in credit risk	(183)	(20)	-	(203)
Total write-back from income statement	(44)	(281)	-	(325)
At 31 March 2023	<u>598</u>	<u>-</u>	<u>-</u>	<u>598</u>

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 (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2021	96	231	-	327
New financial investments originated or purchased	62	-	-	62
Financial investments derecognised other than write-off	(3)	(29)	-	(32)
Changes due to change in credit risk	487	79	-	566
Total charge to income statement	546	50	-	596
At 31 March 2022	642	281	-	923
BANK				
At 1 April 2022	451	121	-	572
Transfer to Stage 1	8	(111)	-	(103)
New financial investments originated or purchased	95	-	-	95
Financial investments derecognised other than write-off	(10)	-	-	(10)
Changes due to change in credit risk	(137)	(10)	-	(147)
Total write-back from income statement	(44)	(121)	-	(165)
At 31 March 2023	407	-	-	407
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

	GROUP		BANK	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	639,267	285,299	639,267	285,299
Malaysian Government investment issues	2,225,049	1,834,031	1,784,802	1,623,917
Negotiable instruments of deposits	-	-	203,374	195,226
Commercial papers	24,626	-	24,626	-
	2,888,942	2,119,330	2,652,069	2,104,442
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	510,268	11,109	485,922	140,876
Less: Allowance for expected credit losses	(696)	(831)	(1,102)	(882)
	509,572	10,278	484,820	139,994
Total financial investments at amortised cost	3,398,514	2,129,608	3,136,889	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
GROUP				
At 1 April 2022	1	-	830	831
New financial investments originated or purchased	636	-	-	636
Financial investments derecognised other than write-off	(1)	-	-	(1)
Changes due to change in credit risk	(589)	-	(181)	(770)
Total write-back from income statement	46	-	(181)	(135)
At 31 March 2023	47	-	649	696
At 1 April 2021	423	-	830	1,253
Financial investments derecognised other than write-off	(139)	-	-	(139)
Changes due to change in credit risk	(283)	-	-	(283)
Total write-back from income statement	(422)	-	-	(422)
At 31 March 2022	1	-	830	831
BANK				
At 1 April 2022	326	-	556	882
New financial investments originated or purchased	868	-	-	868
Financial investments derecognised other than write-off	(327)	-	-	(327)
Changes due to change in credit risk	(191)	-	(130)	(321)
Total charge to/(write-back from) income statement	350	-	(130)	220
At 31 March 2023	676	-	426	1,102
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:

	GROUP		BANK	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
At 1 April	846	846	556	556
Write-back during the financial year	(197)	-	(130)	-
At 31 March	649	846	426	556

A15 Loans, Advances and Financing

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
At amortised cost				
Overdrafts	3,153,486	3,211,650	1,864,344	1,867,543
Term loans/financing				
- Housing loans/financing	14,609,486	13,854,317	11,173,594	10,433,646
- Syndicated term loans/financing	350,000	450,932	350,000	450,932
- Hire purchase receivables	443,256	503,545	367,336	396,032
- Other term loans/financing	22,413,373	20,478,471	16,135,251	15,156,490
Bills receivables	499,143	401,713	482,096	390,972
Trust receipts	260,996	337,871	207,617	275,330
Claims on customers under acceptance credits	3,625,667	3,287,105	2,658,268	2,370,612
Staff loans/financing (Loan to Directors: RM Nil)	14,296	15,816	2,674	2,988
Credit/charge card receivables	551,399	496,564	551,399	496,564
Revolving credits	1,659,565	1,633,184	1,241,240	1,069,069
Share margin financing	1,486,840	1,517,944	1,486,840	1,345,384
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562
Add: Sales commissions and handling fees	125,970	94,475	119,732	103,075
Less: Allowance for expected credit losses on loans, advances and financing	(1,267,474)	(1,159,842)	(849,628)	(750,440)
Total net loans, advances and financing	47,926,003	45,123,745	35,790,763	33,608,197

A15a By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Within one year	11,550,557	11,107,483	8,711,167	7,948,690
One year to three years	1,839,195	1,718,863	1,478,327	1,342,705
Three years to five years	3,794,827	4,110,728	2,796,798	3,236,199
Over five years	31,882,928	29,252,038	23,534,367	21,727,968
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562

A15b By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Domestic banking institutions	14	-	14	-
Domestic non-bank financial institutions	803,415	723,452	684,893	558,736
Domestic business enterprises				
- Small and medium enterprises	17,161,865	15,409,759	12,631,805	11,663,713
- Others	6,935,303	6,914,111	5,467,748	5,346,250
Government and statutory bodies	57,413	81,213	57,413	81,213
Individuals	23,489,829	22,432,555	17,141,960	16,077,012
Other domestic entities	13,371	26,253	2,568	3,268
Foreign entities	606,297	601,769	534,258	525,370
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562

A15 Loans, Advances and Financing (Contd.)

A15c By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Fixed rate				
- Housing loans/financing	19,894	23,052	3,850	4,243
- Hire purchase receivables	439,355	495,932	363,435	388,420
- Other fixed rate loans/financing	8,266,809	7,595,903	5,656,836	5,207,562
Variable rate				
- Base lending rate plus	24,497,037	24,064,380	18,991,124	19,146,732
- Base rate plus	11,174,509	9,359,437	7,730,271	5,900,313
- Cost plus	4,669,903	4,650,408	3,775,143	3,608,292
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562

A15d By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Purchase of securities	1,613,192	1,675,368	1,613,192	1,502,809
Purchase of transport vehicles	296,349	332,321	208,321	242,773
Purchase of landed property	23,763,899	22,164,919	18,329,293	17,143,071
of which: - Residential	15,278,815	14,603,585	11,789,395	11,129,634
- Non-residential	8,485,084	7,561,334	6,539,898	6,013,437
Purchase of fixed assets excluding land & buildings	357,304	341,425	292,587	289,263
Personal use	6,021,184	5,715,439	3,097,090	2,946,028
Credit card	551,399	496,564	551,399	496,564
Construction	1,116,977	1,056,091	950,416	933,211
Working capital	11,696,040	10,779,300	8,787,061	7,997,558
Others	3,651,163	3,627,685	2,691,300	2,704,285
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562

A15e By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Primary agriculture	1,176,855	1,108,508	752,668	718,092
Mining and quarrying	288,773	267,776	265,401	236,517
Manufacturing	4,893,124	5,007,037	3,554,490	3,608,137
Electricity, gas and water	91,415	47,504	78,699	42,889
Construction	1,890,776	1,668,412	1,411,008	1,250,033
Wholesale, retail trade, restaurants and hotels	8,869,244	7,868,406	6,655,675	6,110,370
Transport, storage and communication	851,868	810,542	641,696	642,483
Financing, insurance, real estate and business services	6,400,336	6,004,445	5,088,981	4,760,363
Community, social and personal services	508,307	373,764	395,140	287,613
Household	24,096,125	23,029,625	17,676,217	16,597,683
Others	684	3,093	684	1,382
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562

A15 Loans, Advances and Financing (Contd.)

A15f By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Northern region	3,924,088	3,455,628	2,457,661	2,238,828
Central region	35,001,737	32,675,559	26,674,930	24,751,854
Southern region	5,529,522	5,451,964	4,185,073	4,137,984
Sabah region	3,344,047	3,327,317	2,251,279	2,243,381
Sarawak region	1,268,113	1,278,644	951,716	883,515
Gross loans, advances and financing	49,067,507	46,189,112	36,520,659	34,255,562

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

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 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	1,289,124	850,259	875,777	509,912
Recovered during the financial period/year	(75,156)	(56,902)	(53,987)	(45,741)
Reclassified as unimpaired during the financial period/year	(532,102)	(750,792)	(345,465)	(486,330)
Financial assets derecognised other than write-off during the financial period/year	(97,179)	(94,466)	(70,122)	(50,727)
Amount written-off	(205,180)	(127,269)	(101,243)	(87,925)
At end of financial year	1,232,773	853,266	879,717	574,757
Gross impaired loans ratio	2.51%	1.85%	2.41%	1.68%
Net impaired loans ratio	1.36%	1.14%	1.22%	1.08%

A15h Credit impaired loans analysed by economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Purchase of securities	512	17,143	512	17,143
Purchase of transport vehicles	16,939	15,599	14,408	10,900
Purchase of landed property	531,033	429,830	365,362	309,616
of which: - Residential	420,074	328,994	273,577	223,770
- Non-residential	110,959	100,836	91,785	85,846
Purchase of fixed assets excluding land & buildings	7,504	5,586	6,815	4,994
Personal use	271,710	172,179	128,180	94,214
Credit card	8,343	4,708	8,343	4,708
Construction	14,617	8,102	14,617	8,102
Working capital	302,733	140,053	267,507	82,759
Others	79,382	60,066	73,973	42,321
Gross impaired loans	1,232,773	853,266	879,717	574,757

A15 Loans, Advances and Financing (Contd.)

A15i Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Primary agriculture	1,253	1,089	10	6
Mining and quarrying	1,690	1,246	1,690	1,246
Manufacturing	109,719	61,041	100,143	52,158
Construction	154,119	69,603	140,891	17,912
Wholesale, retail trade, restaurants and hotels	150,988	98,856	122,543	75,825
Transport, storage and communication	5,749	3,798	4,610	3,244
Financing, insurance, real estate and business services	79,605	67,538	78,776	66,983
Community, social and personal services	5,644	7,170	1,052	3,286
Household	724,006	542,925	430,002	354,097
Gross impaired loans	<u>1,232,773</u>	<u>853,266</u>	<u>879,717</u>	<u>574,757</u>

A15j Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Northern region	94,117	66,114	59,742	39,156
Central region	913,411	616,851	663,572	427,522
Southern region	172,504	134,400	121,736	88,780
Sabah region	45,698	28,823	28,216	13,574
Sarawak region	7,043	7,078	6,451	5,725
Gross impaired loans	<u>1,232,773</u>	<u>853,266</u>	<u>879,717</u>	<u>574,757</u>

A15 Loans, Advances and Financing (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	270,674	557,650	331,518	1,159,842
Transfer to Stage 1	174,114	(305,106)	(19,728)	(150,720)
Transfer to Stage 2	(201,111)	498,496	(120,772)	176,613
Transfer to Stage 3	(1,896)	(366,161)	425,096	57,039
New financial assets originated or purchased	75,545	179,430	9,938	264,913
Financial assets derecognised other than write-off	(52,387)	(196,042)	(17,372)	(265,801)
Changes due to change in credit risk	(93,136)	158,320	17,373	82,557
Other adjustment	29	55	-	84
	(98,842)	(31,008)	294,535	164,685
Unwinding of discount	-	-	(4,490)	(4,490)
Total (write-back from)/charge to income statement	(98,842)	(31,008)	290,045	160,195
Other movements	-	-	100,512	100,512
Write-off	-	(2,790)	(150,285)	(153,075)
At 31 March 2023	171,832	523,852	571,790	1,267,474
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
	39,650	60,710	133,635	233,995
Unwinding of discount	-	-	2,178	2,178
Total charge to income statement	39,650	60,710	135,813	236,173
Write-off	(1)	(1,836)	(81,700)	(83,537)
At 31 March 2022	270,674	557,650	331,518	1,159,842

A15 Loans, Advances and Financing (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2022	174,486	368,542	207,412	750,440
Transfer to Stage 1	103,292	(191,727)	(19,584)	(108,019)
Transfer to Stage 2	(110,870)	286,433	(73,557)	102,006
Transfer to Stage 3	(686)	(258,945)	305,969	46,338
New financial assets originated or purchased	52,352	155,973	5,126	213,451
Financial assets derecognised other than write-off	(36,206)	(169,757)	(10,068)	(216,031)
Changes due to change in credit risk	(76,615)	113,432	19,977	56,794
Other adjustment	29	55	-	84
	(68,704)	(64,536)	227,863	94,623
Unwinding of discount	-	-	(3,106)	(3,106)
Total (write-back from)/charge to income statement	(68,704)	(64,536)	224,757	91,517
Other movements	-	-	76,997	76,997
Write-off	-	(1,147)	(68,179)	(69,326)
At 31 March 2023	105,782	302,859	440,987	849,628
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)
At 31 March 2022	174,486	368,542	207,412	750,440

Note:

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

A16 Other Assets

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Other receivables	96,962	109,021	126,176	125,907
Collateral pledged for derivative transactions	158,626	118,485	158,626	118,485
Settlement account	285,085	234,689	285,085	234,689
Deposits	8,519	8,961	8,231	8,357
Prepayment	42,922	40,939	35,651	35,034
Amounts due from subsidiaries	-	-	114,232	41,630
Amount due from joint venture	-	-	-	109
	592,114	512,095	728,001	564,211
Less: Allowance for expected credit losses on other receivables [Note]	(43,467)	(41,993)	(38,725)	(38,147)
	548,647	470,102	689,276	526,064

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 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	1,826	390	170	-
Financial assets derecognised other than write-off	(2,378)	(669)	(338)	-
Changes due to change in credit risk	4,828	3,079	3,321	3,364
Total charge to income statement	4,276	2,800	3,153	3,364
Write-off	(2,802)	(1,088)	(2,575)	(158)
At end of financial year	43,467	41,993	38,725	38,147

As at 31 March 2023, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses were at RM43,467,000 and RM38,725,000 (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 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Demand deposits	19,267,883	21,323,706	14,988,337	16,091,465
Savings deposits	2,026,815	2,253,040	1,618,996	1,803,826
Fixed/investment deposits	25,161,869	21,224,606	17,604,556	15,202,615
Money market deposits	3,991,002	3,121,454	2,283,003	2,169,797
Negotiable instruments of deposits	401,461	263,565	401,461	263,565
	50,849,030	48,186,371	36,896,353	35,531,268

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

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Due within six months	22,477,236	19,804,835	15,781,534	14,077,434
Six months to one year	6,770,360	4,640,627	4,458,201	3,501,660
One year to three years	303,643	160,250	46,192	53,373
Three years to five years	3,093	3,913	3,093	3,510
	29,554,332	24,609,625	20,289,020	17,635,977

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

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Domestic financial institutions	439,786	253,444	440,471	285,206
Domestic non-bank financial institutions	5,701,678	4,501,331	3,732,973	2,985,038
Government and statutory bodies	3,628,356	3,318,166	1,935,807	1,853,610
Business enterprises	17,292,460	16,250,835	12,885,486	12,314,918
Individuals	21,792,889	21,947,570	16,218,586	16,464,080
Foreign entities	795,224	836,669	693,188	728,208
Others	1,198,637	1,078,356	989,842	900,208
	50,849,030	48,186,371	36,896,353	35,531,268

A18 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Licensed banks	403,166	365,146	403,166	285,139
Licensed investment banks	-	23,441	787	-
Bank Negara Malaysia	1,316,118	1,260,405	1,132,249	1,052,610
Other financial institutions	-	40,002	-	-
	<u>1,719,284</u>	<u>1,688,994</u>	<u>1,536,202</u>	<u>1,337,749</u>

A19 Amounts Due To Clients And Brokers

	<u>GROUP</u>	
	31 March 2023 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 Malaysia Securities Berhad's FDSS trading rules.

Following the issuance of Financial Reporting Standards Implementation Committee ("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.

	GROUP/BANK	
	31 March	31 March
	2023	2022
	RM'000	RM'000
Structured investments	1,904,295	1,167,323
Fair value changes arising from designation at fair value through profit or loss	(119,138)	(142,127)
	<u>1,785,157</u>	<u>1,025,196</u>

A21 Other Liabilities

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other payables	1,226,209	1,087,970	1,137,952	1,003,188
Bills payable	134,968	128,601	127,692	120,850
Collateral pledged for derivative transactions	26,334	12,370	26,334	12,370
Settlement account	39,507	22,761	39,507	22,761
Clearing account	229,586	187,918	197,503	130,994
Sundry deposits	59,812	54,843	50,998	49,682
Provision and accruals	167,097	197,782	156,844	157,761
Remisiers accounts	-	8,002	-	-
Structured investments	248,611	170,114	248,611	170,114
Amounts due to subsidiaries	-	-	-	177
Amount due to joint venture	16	6	16	-
Allowance for expected credit losses on commitments and contingencies	29,301	24,816	26,215	21,444
	<u>2,161,441</u>	<u>1,895,183</u>	<u>2,011,672</u>	<u>1,689,341</u>

A21 Other Liabilities (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	6,894	16,504	1,418	24,816
Transfer to Stage 1	613	(7,059)	(50)	(6,496)
Transfer to Stage 2	(661)	13,049	(393)	11,995
Transfer to Stage 3	-	(608)	1,509	901
New financial assets originated or purchased	4,477	5,320	16	9,813
Financial assets derecognised other than write-off	(2,433)	(8,228)	(2,342)	(13,003)
Changes due to change in credit risk	(3,893)	3,448	1,705	1,260
Other adjustment	8	21	-	29
	(1,889)	5,943	445	4,499
Unwinding of discount	-	-	(14)	(14)
Total (write-back from)/charge to income statement	(1,889)	5,943	431	4,485
At 31 March 2023	5,005	22,447	1,849	29,301
At 1 April 2021	9,722	36,512	3,109	49,343
Transfer to Stage 1	626	(4,508)	-	(3,882)
Transfer to Stage 2	(690)	6,809	(564)	5,555
Transfer to Stage 3	-	(1,348)	1,119	(229)
New financial assets originated or purchased	5,188	3,118	-	8,306
Financial assets derecognised other than write-off	(4,109)	(25,703)	(3,325)	(33,137)
Changes due to change in credit risk	(3,843)	1,624	779	(1,440)
	(2,828)	(20,008)	(1,991)	(24,827)
Unwinding of discount	-	-	300	300
Total write-back from income statement	(2,828)	(20,008)	(1,691)	(24,527)
At 31 March 2022	6,894	16,504	1,418	24,816

A21 Other Liabilities (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2022	5,698	14,331	1,415	21,444
Transfer to Stage 1	553	(5,978)	(50)	(5,475)
Transfer to Stage 2	(601)	11,317	(288)	10,428
Transfer to Stage 3	-	(548)	1,081	533
New financial assets originated or purchased	3,690	4,777	16	8,483
Financial assets derecognised other than write-off	(1,900)	(7,117)	(927)	(9,944)
Changes due to change in credit risk	(3,151)	3,489	391	729
Other adjustment	7	19	-	26
	(1,402)	5,959	223	4,780
Unwinding of discount	-	-	(9)	(9)
Total (write-back from)/charge to income statement	(1,402)	5,959	214	4,771
At 31 March 2023	4,296	20,290	1,629	26,215
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 March 2023, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were at RM38,680,000 and RM38,096,000 (31 March 2022: RM5,760,000 and RM5,562,000) respectively.

A22 Interest Income

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
GROUP				
Loans, advances and financing	414,058	325,365	1,537,409	1,315,843
Money at call and deposit placements with financial institutions	17,456	4,433	55,061	11,510
Financial investments at fair value through other comprehensive income	63,278	66,987	267,572	284,163
Financial investments at amortised cost	25,397	17,770	85,280	72,494
Others	1,298	316	5,348	1,090
	521,487	414,871	1,950,670	1,685,100
Accretion of discount less amortisation of premium (net)	11,672	(132)	25,112	(604)
	533,159	414,739	1,975,782	1,684,496
	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
BANK				
Loans, advances and financing	408,732	319,172	1,515,886	1,291,955
Money at call and deposit placements with financial institutions	18,757	4,481	58,168	11,699
Financial investments at fair value through other comprehensive income	58,521	62,487	247,885	261,421
Financial investments at amortised cost	26,824	19,532	91,170	79,644
Others	1,298	316	5,348	1,090
	514,132	405,988	1,918,457	1,645,809
Accretion of discount less amortisation of premium (net)	12,002	145	26,393	34
	526,134	406,133	1,944,850	1,645,843

Note:

Included in interest income on loans, advances and financing for the current year was interest/profit on impaired loans/financing of the Group and the Bank of RM4,921,000 (2022: RM2,837,000).

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A23 Interest Expense

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
GROUP				
Deposits and placements of banks and other financial institutions	5,616	2,777	16,713	15,247
Deposits from customers	192,349	113,140	612,178	458,360
Recourse obligations on loans and financing sold to Cagamas	2,117	3,353	13,675	13,591
Subordinated obligations	14,879	15,170	64,004	61,496
Lease liabilities	1,346	1,517	5,534	6,301
Others	14,116	2,656	33,579	7,860
	230,423	138,613	745,683	562,855

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
BANK				
Deposits and placements of banks and other financial institutions	4,579	2,243	13,982	11,207
Deposits from customers	192,347	111,672	609,622	452,255
Recourse obligations on loans and financing sold to Cagamas	2,117	3,353	13,675	13,591
Subordinated obligations	14,909	15,226	64,184	61,701
Lease liabilities	1,355	1,522	5,539	6,292
Others	14,116	2,656	33,579	7,860
	229,423	136,672	740,581	552,906

A24 Net Income from Islamic Banking Business

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
GROUP				
Income derived from investment of depositors' funds and others	193,447	139,032	702,714	572,332
Income derived from investment of Islamic Banking funds	17,370	14,587	68,465	60,439
Income attributable to the depositors and financial institutions	(103,931)	(58,244)	(318,373)	(235,256)
	106,886	95,375	452,806	397,515

Note:

Net income from Islamic banking business comprises income generated from AISB, and Islamic banking business of AIBB. Both AISB and AIBB are wholly-owned subsidiaries of the Bank.

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A25 Other Operating Income

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
GROUP				
(a) Fee and commission income:				
Commissions	19,884	21,066	83,077	90,688
Service charges and fees	6,013	4,360	25,761	23,189
Corporate advisory fees	-	792	-	3,943
Underwriting commissions	-	-	-	1,121
Brokerage fees	-	6,818	5,483	33,971
Guarantee fees	3,717	3,860	13,978	13,425
Processing fees	2,393	5,091	5,177	11,650
Commitment fees	4,212	4,593	17,478	19,044
Cards related income	14,638	15,598	58,875	60,708
Other fee income	1,500	1,500	6,000	7,000
	52,357	63,678	215,829	264,739
(b) Fee and commission expense:				
Commissions expense	(698)	(693)	(1,831)	(2,212)
Service charges and fees expense	(675)	(451)	(2,029)	(1,820)
Brokerage fees expense	(233)	(2,625)	(2,555)	(13,921)
Guarantee fees expense	(3,851)	(4,334)	(15,722)	(17,244)
Cards related expense	(21,246)	(14,208)	(82,849)	(68,068)
	(26,703)	(22,311)	(104,986)	(103,265)
(c) Investment income:				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,836	1,338	9,580	4,529
- Financial investments at fair value through other comprehensive income	2,169	1,725	2,213	40,850
- Financial investments at amortised cost	-	-	1,482	-
- Derivative instruments	10,645	36,160	118,843	102,629
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	413	650	17,889	26,987
- Derivative instruments	32,863	(23,088)	(38,583)	(128,934)
- Financial liabilities designated at fair value through profit or loss	(30,724)	21,597	(22,989)	110,171
Net loss arising from hedging activities	12	343	(333)	333
Gross dividend income from:				
- Financial assets at fair value through profit or loss	960	-	2,301	1,377
	19,174	38,725	90,403	157,942
(d) Other income/(expense):				
Foreign exchange gain/(loss)	3,123	(8,509)	8,715	3,436
Rental income	21	30	86	154
Gain on disposal of property, plant and equipment	117	-	80	-
Others	10,898	8,423	26,770	25,494
	14,159	(56)	35,651	29,084
Total other operating income	58,987	80,036	236,897	348,500

A25 Other Operating Income (Contd.)

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	19,884	21,066	83,077	90,688
Service charges and fees	5,965	4,167	25,369	22,308
Guarantee fees	3,711	3,853	13,952	13,398
Processing fees	2,339	3,265	4,717	6,701
Commitment fees	4,212	4,594	17,478	19,044
Cards related income	14,638	15,598	58,875	60,708
Other fee income	1,500	1,500	6,000	7,000
	52,249	54,043	209,468	219,847
(b) <u>Fee and commission expense:</u>				
Commissions expense	(698)	(693)	(1,831)	(2,212)
Service charges and fees expense	(675)	(451)	(2,029)	(1,820)
Brokerage fees expense	(24)	(17)	(72)	(61)
Guarantee fees expense	(3,851)	(4,334)	(15,722)	(17,244)
Cards related expense	(21,246)	(14,208)	(82,849)	(68,068)
	(26,494)	(19,703)	(102,503)	(89,405)
(c) <u>Investment income:</u>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,836	1,338	5,977	4,149
- Financial investments at fair value through other comprehensive income	2,280	-	2,324	23,785
- Financial investments at amortised cost	-	-	1,482	-
- Derivative instruments	10,645	36,160	118,843	102,629
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	413	650	17,889	22,828
- Derivative instruments	34,384	(23,088)	(33,930)	(128,934)
- Financial liabilities designated at fair value through profit or loss	(30,724)	21,597	(22,989)	110,171
Net loss arising from hedging activities	12	343	(333)	333
Gross dividend income from:				
- Financial assets at fair value through profit or loss	960	-	1,940	796
- Subsidiaries	-	-	84,507	48,253
	20,806	37,000	175,710	184,010
(d) <u>Other income:</u>				
Foreign exchange gain/(loss)	3,123	(8,663)	8,535	2,463
Rental income	254	504	1,411	1,996
Gain on disposal of property, plant and equipment	117	-	80	-
Others	9,782	8,288	22,512	24,951
	13,276	129	32,538	29,410
Total other operating income	59,837	71,469	315,213	343,862

A26 Other Operating Expenses

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
GROUP				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	116,770	108,087	448,206	416,611
- Contribution to EPF	18,358	16,958	71,470	65,716
- Others	14,741	16,985	52,925	47,298
	149,869	142,030	572,601	529,625
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,036	4,925	20,138	19,844
- Depreciation of right-of-use assets	6,510	6,371	25,910	25,520
- Amortisation of computer software	12,451	11,489	47,900	45,063
- Rental of premises	420	490	1,902	2,159
- Water and electricity	1,766	1,663	6,758	6,201
- Repairs and maintenance	2,763	2,701	8,944	8,590
- Information technology expenses	20,581	18,676	75,925	71,051
- Others	2,763	2,969	10,906	10,121
	52,290	49,284	198,383	188,549
<u>Marketing expenses</u>				
- Promotion and advertisement	6,826	1,589	18,142	11,219
- Branding and publicity	962	2,408	2,437	6,653
- Others	4,173	1,742	9,152	4,622
	11,961	5,739	29,731	22,494
<u>Administration and general expenses</u>				
- Communication expenses	3,385	2,844	11,505	11,909
- Printing and stationery	444	392	1,618	1,449
- Insurance	3,453	3,337	14,079	9,479
- Professional fees	10,785	11,466	32,738	37,408
- Others	8,791	3,948	20,698	22,027
	26,858	21,987	80,638	82,272
Total other operating expenses	240,978	219,040	881,353	822,940

A26 Other Operating Expenses (Contd.)

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>BANK</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	92,498	81,193	349,524	310,904
- Contribution to EPF	14,528	12,783	55,931	49,312
- Others	11,577	11,058	44,131	35,463
	118,603	105,034	449,586	395,679
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	4,974	4,742	19,848	18,923
- Depreciation of right-of-use assets	6,508	6,347	25,882	25,448
- Amortisation of computer software	12,254	11,208	46,939	43,987
- Rental of premises	362	404	1,601	1,797
- Water and electricity	1,389	1,269	5,288	4,684
- Repairs and maintenance	2,348	2,152	7,401	6,615
- Information technology expenses	13,338	11,192	46,906	42,755
- Others	2,278	2,498	8,844	7,214
	43,451	39,812	162,709	151,423
<u>Marketing expenses</u>				
- Promotion and advertisement	5,529	1,934	15,666	10,803
- Branding and publicity	716	2,380	1,843	5,995
- Others	3,230	1,274	5,196	3,038
	9,475	5,588	22,705	19,836
<u>Administration and general expenses</u>				
- Communication expenses	2,605	2,010	9,039	8,953
- Printing and stationery	344	312	1,205	1,100
- Insurance	2,563	2,426	10,508	7,303
- Professional fees	6,305	10,000	22,612	31,204
- Others	9,537	4,755	18,303	19,910
	21,354	19,503	61,667	68,470
Total other operating expenses	192,883	169,937	696,667	635,408

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

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
GROUP				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period/year	58,976	79,063	164,685	233,995
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period/year	(19,094)	(12,152)	(72,120)	(39,976)
- Write-off during the financial period/year	14,814	4,858	50,909	45,248
(c) Commitments and contingencies on loans, advances and financing				
- Allowance made/(write-back) during the financial period/year	2,619	472	4,499	(24,827)
	57,315	72,241	147,973	214,440
Allowance for/(write-back of) expected credit losses on:				
- Amounts due from clients and brokers	-	-	-	3
- Other receivables	1,131	986	4,276	2,800
- Cash and short-term funds	71	-	103	(12)
- Deposits and placements with banks and other financial institutions	-	8	(8)	4
	58,517	73,235	152,344	217,235
BANK				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period/year	35,563	49,479	94,623	139,937
(b) Credit impaired loans, advance and financing				
- Recovered during the financial period/year	(12,989)	(7,797)	(47,678)	(26,426)
- Write-off during the financial period/year	7,850	3,559	27,557	32,699
(c) Commitments and contingencies on loans, advances and financing				
- (Write-back)/allowance made during the financial period/year	4,008	467	4,780	(5,041)
	34,432	45,708	79,282	141,169
Allowance for/(write-back of) expected credit losses on:				
- Other receivables	972	965	3,153	3,364
- Cash and short-term funds	71	-	103	(12)
- Deposits and placements with banks and other financial institutions	-	8	(8)	4
	35,475	46,681	82,530	144,525

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

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>GROUP</u>				
(a) Financial investments at fair value through other comprehensive income				
- Allowance made/(write-back) during the financial period/year	40	671	(325)	596
(b) Financial investments at amortised cost				
- Allowance made/(write-back) during the financial period/year	47	(142)	(135)	(422)
	87	529	(460)	174
	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
(a) Financial investments at fair value through other comprehensive income				
- Allowance made/(write-back) during the financial period/year	36	438	(165)	397
(b) Financial investments at amortised cost				
- Allowance made/(write-back) during the financial period/year	39	87	220	(40)
	75	525	55	357

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>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	488,308	498,689	406,699	428,454
Transaction-related contingent items	666,236	561,778	592,687	499,745
Short-term self-liquidating trade-related contingencies	138,542	211,549	120,783	192,299
Forward assets purchase	241,988	-	226,988	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	3,162,549	1,747,771	2,665,690	1,462,876
- maturity not exceeding one year	10,812,148	10,049,097	8,300,015	7,732,786
Unutilised credit card lines	1,518,716	1,333,057	1,518,716	1,333,057
	17,028,487	14,401,941	13,831,578	11,649,217
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	15,710,254	10,370,880	15,710,254	10,370,880
- over one year to three years	951,319	917,134	951,319	917,134
- over three years	381,600	257,757	381,600	257,757
Interest rate related contracts:				
- one year or less	2,312,715	2,158,436	2,312,715	2,158,436
- over one year to three years	2,532,107	3,307,815	2,532,107	3,307,815
- over three years	6,849,073	1,948,660	7,147,073	1,948,660
Equity related contracts				
- one year or less	340,226	332,492	340,226	332,492
- over one year to three years	118,690	216,080	118,690	216,080
	29,195,984	19,509,254	29,493,984	19,509,254
	46,224,471	33,911,195	43,325,562	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 ("SME"), 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
4th Quarter ended 31 March 2023								
Net interest income								
- external income	114,596	124,395	60,652	(1)	2	299,644	3,092	302,736
- inter-segment	(22,282)	23,515	(1,233)	-	-	-	-	-
	92,314	147,910	59,419	(1)	2	299,644	3,092	302,736
Net income from Islamic banking business	45,497	38,348	18,170	2,164	(42)	104,137	2,749	106,886
Other operating income/(expense)	27,069	37,352	(4,121)	1,094	7,455	68,849	(9,862)	58,987
Net income	164,880	223,610	73,468	3,257	7,415	472,630	(4,021)	468,609
Other operating expenses	(108,199)	(80,745)	(8,908)	(3,207)	(19,550)	(220,609)	3,628	(216,981)
Depreciation and amortisation	(11,730)	(10,427)	(1,567)	(164)	(329)	(24,217)	220	(23,997)
Operating profit/(loss) before allowance	44,951	132,438	62,993	(114)	(12,464)	227,804	(173)	227,631
Allowance for expected credit losses on loans, advances and financing and other financial assets	(27,786)	(30,476)	(71)	(107)	(77)	(58,517)	-	(58,517)
Allowance for expected credit losses on financial investments	-	(47)	(31)	-	-	(78)	(9)	(87)
Segment results	17,165	101,915	62,891	(221)	(12,541)	169,209	(182)	169,027
Share of results of joint venture								11
Taxation								(38,872)
Net profit for the financial period								130,166
Segment assets	24,718,131	24,994,115	17,274,116	10,627	432,474	67,429,463	(1,837,772)	65,591,691
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,094
Property, plant and equipment								57,653
Tax recoverable and deferred tax assets								219,632
Intangible assets								440,438
Total assets								66,310,508

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
Full Year ended 31 March 2023								
Net interest income								
- external income	433,282	532,664	252,052	1,834	59	1,219,891	10,208	1,230,099
- inter-segment	(69,122)	70,245	(178)	(945)	-	-	-	-
	364,160	602,909	251,874	889	59	1,219,891	10,208	1,230,099
Net income/(expense) from Islamic banking business	185,761	157,338	89,643	9,699	(433)	442,008	10,798	452,806
Other operating income/(expense)	103,389	145,170	(15,878)	9,130	22,865	264,676	(27,779)	236,897
Net income	653,310	905,417	325,639	19,718	22,491	1,926,575	(6,773)	1,919,802
Other operating expenses	(386,217)	(301,259)	(37,204)	(18,215)	(49,385)	(792,280)	4,875	(787,405)
Depreciation and amortisation	(45,562)	(40,626)	(6,368)	(1,205)	(1,368)	(95,129)	1,181	(93,948)
Operating profit/(loss) before allowance	221,531	563,532	282,067	298	(28,262)	1,039,166	(717)	1,038,449
Allowance for expected credit losses on loans, advances and financing and other financial assets	(64,976)	(85,681)	(85)	(1,272)	(329)	(152,343)	(1)	(152,344)
(Allowance for)/write-back of expected credit losses on financial investments	-	(62)	219	-	-	157	303	460
Segment results	156,555	477,789	282,201	(974)	(28,591)	886,980	(415)	886,565
Share of results of joint venture								46
Taxation								(208,765)
Net profit for the financial year								<u>677,846</u>
Segment assets	24,718,131	24,994,115	17,274,116	10,627	432,474	67,429,463	(1,837,772)	65,591,691
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,094
Property, plant and equipment								57,653
Tax recoverable and deferred tax assets								219,632
Intangible assets								440,438
Total assets								<u>66,310,508</u>

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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
4th Quarter ended 31 March 2022								
Net interest income/(expense)								
- external income/(expense)	90,396	125,076	56,660	1,687	93	273,912	2,214	276,126
- inter-segment	(15,369)	1,403	14,848	(882)	-	-	-	-
	<u>75,027</u>	<u>126,479</u>	<u>71,508</u>	<u>805</u>	<u>93</u>	<u>273,912</u>	<u>2,214</u>	<u>276,126</u>
Net income from Islamic banking business	36,046	33,652	23,682	-	28	93,408	1,967	95,375
Other operating income	<u>31,097</u>	<u>35,279</u>	<u>4,484</u>	<u>7,328</u>	<u>11,307</u>	<u>89,495</u>	<u>(9,459)</u>	<u>80,036</u>
Net income	142,170	195,410	99,674	8,133	11,428	456,815	(5,278)	451,537
Other operating expenses	(83,953)	(74,490)	(9,042)	(11,858)	(20,026)	(199,369)	3,114	(196,255)
Depreciation and amortisation	<u>(10,395)</u>	<u>(10,461)</u>	<u>(1,634)</u>	<u>(566)</u>	<u>(101)</u>	<u>(23,157)</u>	<u>372</u>	<u>(22,785)</u>
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	47,822	110,459	88,998	(4,291)	(8,699)	234,289	(1,792)	232,497
	(29,729)	(43,510)	(5)	10	-	(73,234)	(1)	(73,235)
Write-back of/(allowance) for expected credit losses on financial investments	-	142	(796)	-	-	(654)	125	(529)
Segment results	<u>18,093</u>	<u>67,091</u>	<u>88,197</u>	<u>(4,281)</u>	<u>(8,699)</u>	<u>160,401</u>	<u>(1,668)</u>	<u>158,733</u>
Share of results of joint venture								9
Taxation								(55,701)
Net profit for the financial period								<u>103,041</u>
Segment assets	<u>22,532,057</u>	<u>22,286,050</u>	<u>17,371,984</u>	<u>200,890</u>	<u>478,185</u>	<u>62,869,166</u>	<u>(1,724,838)</u>	<u>61,144,328</u>
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,048
Property, plant and equipment								55,433
Tax recoverable and deferred tax assets								214,839
Intangible assets								432,205
Total assets								<u>61,847,853</u>

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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
Full Year ended 31 March 2022								
Net interest income/(expense)								
- external income/(expense)	376,811	494,371	236,900	7,259	54	1,115,395	6,246	1,121,641
- inter-segment	(57,987)	8,162	53,434	(3,609)	-	-	-	-
	318,824	502,533	290,334	3,650	54	1,115,395	6,246	1,121,641
Net income from Islamic banking business	143,241	134,054	112,627	-	143	390,065	7,450	397,515
Other operating income	114,535	134,420	66,421	32,858	20,656	368,890	(20,390)	348,500
Net income	576,600	771,007	469,382	36,508	20,853	1,874,350	(6,694)	1,867,656
Other operating expenses	(336,889)	(275,731)	(36,894)	(36,479)	(51,108)	(737,101)	4,588	(732,513)
Depreciation and amortisation	(41,191)	(41,262)	(6,594)	(2,490)	(401)	(91,938)	1,511	(90,427)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	198,520	454,014	425,894	(2,461)	(30,656)	1,045,311	(595)	1,044,716
	(183,777)	(32,977)	31	(508)	(3)	(217,234)	(1)	(217,235)
Write-back of/(allowance) for expected credit losses on financial investments	-	292	(655)	130	-	(233)	59	(174)
Segment results	14,743	421,329	425,270	(2,839)	(30,659)	827,844	(537)	827,307
Share of results of joint venture								54
Taxation								(254,544)
Net profit for the financial year								572,817
Segment assets	22,532,057	22,286,050	17,371,984	200,890	478,185	62,869,166	(1,724,838)	61,144,328
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,048
Property, plant and equipment								55,433
Tax recoverable and deferred tax assets								214,839
Intangible assets								432,205
Total assets								61,847,853

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 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	14.868%	16.372%	14.608%	15.614%
Tier I capital ratio	15.714%	17.287%	15.410%	16.489%
Total capital ratio	19.748%	21.401%	19.970%	21.134%
<u>After deducting proposed dividends</u>				
CET I capital ratio	14.494%	15.959%	14.111%	15.061%
Tier I capital ratio	15.340%	16.874%	14.913%	15.936%
Total capital ratio	19.374%	20.988%	19.473%	20.581%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	14.145%	14.993%	14.082%	14.397%
Tier I capital ratio	14.991%	15.908%	14.885%	15.272%
Total capital ratio	19.025%	20.173%	19.445%	20.137%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.771%	14.580%	13.586%	13.844%
Tier I capital ratio	14.617%	15.495%	14.388%	14.719%
Total capital ratio	18.651%	19.760%	18.948%	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 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	4,989,825	4,865,214	4,324,216	4,270,419
Regulatory reserves	257,241	47,686	231,857	41,641
Hedging reserves	-	(253)	-	(253)
FVOCI reserves	(149,271)	(145,150)	(136,059)	(138,660)
Capital reserves	100,150	100,150	15,515	15,515
	6,746,051	6,415,753	5,983,635	5,736,768
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(440,438)	(432,205)	(338,321)	(330,151)
- Deferred tax assets	(198,920)	(203,285)	(141,327)	(143,544)
- Regulatory reserves	(257,241)	(47,686)	(231,857)	(41,641)
- Investment in subsidiaries and joint venture	(1,094)	(1,048)	(883,013)	(1,109,102)
- Transitional arrangements	298,945	527,033	163,695	347,580
Total CET I Capital	6,147,303	6,258,562	4,552,812	4,459,910
Additional Tier I Capital Securities	349,895	349,753	250,000	249,888
Total Additional Tier I Capital	349,895	349,753	250,000	249,888
Total Tier I Capital	6,497,198	6,608,315	4,802,812	4,709,798
<u>Tier II Capital</u>				
Subordinated obligations	1,199,459	1,199,264	1,199,153	1,198,848
Expected credit losses and regulatory reserves	468,411	373,502	352,172	258,031
Less: Regulatory adjustment - Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	1,667,870	1,572,766	1,421,325	1,326,879
Total Capital	8,165,068	8,181,081	6,224,137	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 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Credit risk	37,472,854	34,492,797	28,173,763	25,662,376
Market risk	316,648	353,608	316,525	353,574
Operational risk	3,556,380	3,381,129	2,677,121	2,547,781
Total RWA and capital requirements	41,345,882	38,227,534	31,167,409	28,563,731

A31 Capital Adequacy (Contd.)

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

	Alliance Islamic Bank Berhad		Alliance Investment Bank Berhad	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.717%	14.904%	99.686%	87.301%
Tier I capital ratio	14.694%	15.966%	99.686%	87.301%
Total capital ratio	17.122%	18.510%	100.257%	88.174%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.715%	14.463%	99.686%	87.301%
Tier I capital ratio	14.692%	15.525%	99.686%	87.301%
Total capital ratio	17.120%	18.069%	100.257%	88.174%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.401%	12.995%	99.300%	87.240%
Tier I capital ratio	13.377%	14.057%	99.300%	87.240%
Total capital ratio	15.806%	16.601%	99.871%	88.113%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.399%	12.554%	99.300%	87.240%
Tier I capital ratio	13.375%	13.616%	99.300%	87.240%
Total capital ratio	15.804%	16.160%	99.871%	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.

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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> 31 March 2023	<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	-	5,177	-	5,177
- Unquoted securities	-	2,815	257,206	260,021
Financial investments at FVOCI				
- Money market instruments	-	4,286,174	-	4,286,174
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	4,198,210	-	4,198,210
Derivative financial assets	-	221,141	-	221,141
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,785,157	-	1,785,157
Derivative financial liabilities	-	366,140	-	366,140
<u>BANK</u> 31 March 2023	<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	-	5,177	-	5,177
- Unquoted securities	-	2,815	257,206	260,021
Financial investments at FVOCI				
- Money market instruments	-	3,496,600	-	3,496,600
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	2,685,902	-	2,685,902
Derivative financial assets	-	223,637	-	223,637
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,785,157	-	1,785,157
Derivative financial liabilities	-	366,165	-	366,165

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>	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
At beginning of financial period/year	245,842	224,676	171,488	154,482
Acquisition during the period	-	-	71,035	-
Disposal during the period	(3,319)	-	-	-
Total gains recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	14,686	21,166	14,686	17,006
- Write-off	(3)	-	(3)	-
At end of financial year	<u>257,206</u>	<u>245,842</u>	<u>257,206</u>	<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		Net amount RM'000
				Financial instruments RM'000	Cash collateral received RM'000	
GROUP						
31 March 2023						
Derivative financial assets	221,141	-	221,141	(166,688)	(26,015)	28,438
	<u>221,141</u>	<u>-</u>	<u>221,141</u>	<u>(166,688)</u>	<u>(26,015)</u>	<u>28,438</u>
BANK						
31 March 2023						
Derivative financial assets	223,637	-	223,637	(166,688)	(26,015)	30,934
	<u>223,637</u>	<u>-</u>	<u>223,637</u>	<u>(166,688)</u>	<u>(26,015)</u>	<u>30,934</u>
GROUP						
31 March 2022						
Derivative financial assets	86,294	-	86,294	(59,617)	(12,370)	14,307
Amounts due from clients and brokers	84,883	(29,843)	55,040	-	-	55,040
Total	<u>171,177</u>	<u>(29,843)</u>	<u>141,334</u>	<u>(59,617)</u>	<u>(12,370)</u>	<u>69,347</u>
BANK						
31 March 2022						
Derivative financial assets	86,294	-	86,294	(59,617)	(12,370)	14,307
	<u>86,294</u>	<u>-</u>	<u>86,294</u>	<u>(59,617)</u>	<u>(12,370)</u>	<u>14,307</u>

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 set off in the statements of financial position RM'000	Net amounts of financial liabilities presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'000	Cash collateral pledged RM'000	
GROUP						
31 March 2023						
Derivative financial liabilities	366,140	-	366,140	(166,688)	(158,626)	40,826
Total	366,140	-	366,140	(166,688)	(158,626)	40,826
BANK						
31 March 2023						
Derivative financial liabilities	366,165	-	366,165	(166,688)	(158,626)	40,851
GROUP						
31 March 2022						
Derivative financial liabilities	212,588	-	212,588	(59,617)	(118,485)	34,486
Amounts due to clients and brokers	58,247	(29,843)	28,404	-	-	28,404
Total	270,835	(29,843)	240,992	(59,617)	(118,485)	62,890
BANK						
31 March 2022						
Derivative financial liabilities	212,588	-	212,588	(59,617)	(118,485)	34,486

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

A34 Credit Transactions And Exposures With Connected Parties

	BANK	
	31 March 2023 RM'000	31 March 2022 RM'000
Outstanding credit exposures with connected parties	308,974	323,772
of which:		
Total credit exposure which is impaired or in default	141	132
Total credit exposures	54,822,012	49,560,984
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	0.56%	0.65%
- which is impaired or in default	0.00%	0.00%

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

	4th Quarter Ended 31 March 2023 RM'000	4th Quarter Ended 31 March 2022 RM'000	Changes %
Net income/revenue	468,609	451,537	3.8
Operating profit before allowance	227,631	232,497	(2.1)
Operating profit after allowance	169,027	158,733	6.5
Profit before taxation	169,038	158,742	6.5
Profit after taxation	130,166	103,041	26.3
Profit attributable to ordinary equity holders of the Bank	130,166	103,041	26.3
	Full Year Ended 31 March 2023 RM'000	Full Year Ended 31 March 2022 RM'000	Changes %
Net income/revenue	1,919,802	1,867,656	2.8
Operating profit before allowance	1,038,449	1,044,716	(0.6)
Operating profit after allowance	886,565	827,307	7.2
Profit before taxation	886,611	827,361	7.2
Profit after taxation	677,846	572,817	18.3
Profit attributable to ordinary equity holders of the Bank	677,846	572,817	18.3
	4th Quarter Ended 31 March 2023 RM'000	3rd Quarter Ended 31 December 2022 RM'000	Changes %
Net income/revenue	468,609	496,546	(5.6)
Operating profit before allowance	227,631	274,823	(17.2)
Operating profit after allowance	169,027	238,235	(29.1)
Profit before taxation	169,038	238,244	(29.0)
Profit after taxation	130,166	177,100	(26.5)
Profit attributable to ordinary equity holders of the Bank	130,166	177,100	(26.5)

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

	4th Quarter Ended 31 March 2023 RM'000	4th Quarter Ended 31 March 2022 RM'000	Changes %
Net income/revenue	356,548	340,930	4.6
Operating profit before allowance	163,665	170,993	(4.3)
Operating profit after allowance	128,115	123,787	3.5
Profit before taxation	128,115	123,787	3.5
Profit after taxation	98,702	80,487	22.6
Profit attributable to ordinary equity holders of the Bank	98,702	80,487	22.6
	Full Year Ended 31 March 2023 RM'000	Full Year Ended 31 March 2022 RM'000	Changes %
Net income/revenue	1,519,482	1,436,799	5.8
Operating profit before allowance	822,815	801,391	2.7
Operating profit after allowance	740,230	656,509	12.8
Profit before taxation	740,230	656,509	12.8
Profit after taxation	587,693	464,216	26.6
Profit attributable to ordinary equity holders of the Bank	587,693	464,216	26.6
	4th Quarter Ended 31 March 2023 RM'000	3rd Quarter Ended 31 December 2022 RM'000	Changes %
Net income/revenue	356,548	415,446	(14.2)
Operating profit before allowance	163,665	239,018	(31.5)
Operating profit after allowance	128,115	217,806	(41.2)
Profit before taxation	128,115	217,806	(41.2)
Profit after taxation	98,702	172,436	(42.8)
Profit attributable to ordinary equity holders of the Bank	98,702	172,436	(42.8)

B2 Review Of Performance

(a) Business Review for the year ended 31 March 2023

Profitability

The Group's net profit after taxation was RM677.8 million for the financial year ended 31 March 2023, an increase of RM105.0 million or 18.3% 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 RM172.4 million or 11.6% YOY mainly due to higher loan growth and the increase in the Overnight Policy Rate ("OPR"). Net interest margin ("NIM") came in higher at 2.64% (FY2022: 2.53%).

Loan Growth

The Group's loans, advances and financing grew by 6.2% YOY to RM49.1 billion. The growth was mainly driven by the Commercial, Small and Medium Enterprises ("SME") and Consumer Banking, which grew by 14.8%, 13.1% and 5.2%, respectively.

Other Operating Income

The Group recorded other operating income of RM267.1 million, lower by RM120.3 million or 31.1% YOY. The decrease was due to lower treasury and investment income arising from the challenging investment environment, and lower brokerage income, offsetted by higher trade fees and wealth management income.

Operating Expenses

Operating expenses increased by RM58.4 million or 7.1% YOY, mainly from the continued investments in the sales force, marketing cost and establishment cost. The cost-to-income ratio ("CIR") stood at 45.9% (FY2022: 44.1%).

The Group will continue to be vigilant in managing the cost in the coming financial year.

Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing and other financial assets recorded a net charge of RM151.9 million, a decrease of RM65.5 million or 30.1% YOY. The net credit cost was at 31.9bps (FY2022: 48.1bps). Loan loss coverage (including regulatory reserves) was at 123.7% (FY2022: 141.5%).

Healthy Funding and Liquidity Position

The Group maintained a high current account/savings account ("CASA") ratio of 41.9%. Its customer-based funding stood at RM52.5 billion. Through our funding strategy, the Group's liquidity coverage and loans-to-funds ratios stood at 161.9% and 87.4%, respectively.

The Group will continue to maintain ample liquidity ratios and ensure sufficient liquidity buffers.

B2 Review Of Performance (Contd.)

(a) Business Review for the year ended 31 March 2023 (contd.)

Proactive Capital Management

We continued to maintain one of the strongest capital levels in the industry, with Common Equity Tier-1 (“CET 1”) ratio at 14.5%, Tier-1 Capital Ratio at 15.3% and Total Capital Ratio at 19.4%.

The Group declared a second interim dividend of 10.0 sen per share in respect of the financial year ended 31 March 2023.

(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 Consumer Banking segment recorded a profit before tax of RM156.6 million, an increase of RM141.8 million YOY. Net income was higher by RM76.7 million or 13.3% to RM653.3 million mainly due to the increase in net interest income by RM89.8 million, offset by lower other operating income by RM13.1 million. Operating expenses were higher by RM53.7 million or 14.2%. Allowance for expected credit losses was lower by RM118.8 million. The segment assets recorded at RM24.7 billion.

The Business Banking segment, comprising corporate, commercial and SME banking, recorded a profit before tax of RM477.8 million, an increase of RM56.5 million or 13.4% YOY. Net income increased by RM134.4 million or 17.4% to RM905.4 million due to higher net interest income by RM125.4 million and higher other operating income by RM9.0 million. Operating expenses increased by RM24.9 million or 7.9%. Allowance for expected credit losses was higher by RM53.1 million. Segment assets recorded at RM25.0 billion.

The Financial Markets segment recorded a profit before tax of RM282.2 million, a decrease of RM143.1 million or 33.6% YOY. Net income was lower by RM143.7 million or 30.6% due to lower net interest income and other operating income. Operating expenses increased by RM0.1 million or 0.2%. Segment assets recorded at RM17.3 billion.

The Stockbroking and Corporate Advisory segment recorded a loss before tax of RM1.0 million mainly due to lower brokerage fees resulting from the disposal of the stockbroking business.

The Islamic Banking segment, which consists of consumer banking, business banking and financial markets, recorded a net profit after taxation of RM162.2 million, representing an increase of RM37.2 million or 29.8% YOY due to higher revenue from net profit income. Net income was higher by RM51.8 million or 13.4%. Net profit income was higher by RM65.4 million while other operating income was lower by RM13.6 million. Operating expenses increased by RM21.2 million or 15.7%. Allowance for expected credit losses stood at RM68.7 million. Total assets stood at RM16.3 billion.

B2 Review Of Performance (Contd.)

(c) Current Quarter Against Previous Year Corresponding Quarter (4QFY2023 vs 4QFY2022)

The Group's profit after taxation of RM130.2 million for the quarter was RM27.1 million or 26.3% higher compared to the previous year corresponding quarter, mainly due to higher net interest income and lower allowance for expected credit losses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income increased by RM34.1 million or 9.3% mainly due to higher loan growth and OPR hikes.
- NIM was at 2.52% (4QFY2022: 2.50%).
- Other operating income decreased by RM17.0 million or 20.1%. This was mainly due to lower treasury and investment income, and lower cards income.
- Operating expenses were higher by RM21.9 million or 10.0% mainly from personnel, marketing, administrative and establishment costs.
- Net credit cost was at 11.9bps (4QFY2022: 15.6bps).

B3 Comparison of Current Quarter Against Immediate Preceding Quarter (4QFY2023 vs 3QFY2023)

In comparison with the immediate preceding quarter, the Group's profit after taxation of RM130.2 million for the quarter was lower by RM46.9 million or 26.5% mainly due to lower net interest income, higher operating expenses and higher allowance for expected credit losses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income decreased by RM37.3 million or 8.5% mainly due to higher interest expenses that resulted from increase in deposits.
- NIM was at 2.52% (3QFY2023: 2.75%).
- Other operating income increased by RM9.4 million or 16.2% mainly due to higher treasury and investment income, and higher cards income.
- Operating expenses were higher by RM19.3 million or 8.7% mainly from personnel, marketing, administrative and establishment costs.
- Net credit cost was at 11.9bps (3QFY2023: 7.7bps).

B4 Economic and Business Outlook for Next Financial Year

For 2023, Bank Negara Malaysia ("BNM") forecasts Malaysia's gross domestic product ("GDP") growth to range between 4% and 5%, compared to a growth of 8.7% in the preceding year.

We expect Malaysia's economic growth trajectory to be supported by sustained domestic demand due to the continued improvement of the labour market conditions. We believe that further normalisation to the OPR will continue this year as the existing OPR of 2.75% remains below the pre-pandemic level.

Nevertheless, we remain cautious and mindful of downside risks to growth stemming from external uncertainties especially escalating geopolitical tensions and tightening financial conditions.

Notwithstanding the above, the Group expects to continue a positive financial performance going into FY2024 and remains on track in fulfilling the growth ambitions under ACCELER8. The Group will broaden its focus and expand into new areas beyond SMEs to accelerate its growth and pay more attention to consumer banking, wealth management and Islamic Banking. The Group will also continue to build strategic partnerships to widen its product offering and distribution, create more value for its customers and expand its business presence in fast-growing states and secondary cities to capture the growth opportunities of these economic corridors.

With prudent loans growth above the industry average, strong credit risk management, controlled loan loss provisions, strengthening the deposit/CASA proposition and cost management, the Group aims to launch itself into the top quartile in the industry for Return on Equity.

B5 Profit Forecast

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

B6 Taxation

	4th Quarter Ended		Financial Year Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
GROUP				
- Income tax	41,413	118,920	216,647	274,418
- Deferred tax	1,019	(56,304)	5,161	(12,818)
- Real property gains tax	-	-	-	(141)
- Over provision for taxation in prior financial year	(3,560)	(6,915)	(13,043)	(6,915)
	38,872	55,701	208,765	254,544
BANK				
- Income tax	27,909	94,602	159,569	203,721
- Deferred tax	1,280	(45,214)	1,316	(5,199)
- Real property gains tax	-	-	-	(141)
- Under/(over) provision for taxation in prior financial year	224	(6,088)	(8,348)	(6,088)
	29,413	43,300	152,537	192,293

The Group's effective tax rate for the current financial year ended 31 March 2023 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 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 March 2022 RM'000	31 March 2022 RM'000	31 March 2022 RM'000	31 March 2022 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	29,247,596	24,445,462	20,239,735	17,579,094
- More than one year (medium/long term)	306,736	164,163	49,285	56,883
	29,554,332	24,609,625	20,289,020	17,635,977
Others	21,294,698	23,576,746	16,607,333	17,895,291
	50,849,030	48,186,371	36,896,353	35,531,268
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	426,719	494,455	412,116	312,903
- More than one year (medium/long term)	1,292,565	1,194,539	1,124,086	1,024,846
	1,719,284	1,688,994	1,536,202	1,337,749
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,219,088	1,218,893	1,218,781	1,218,476
Additional Tier 1 Capital Securities (unsecured)				
- One year or less (short term)	200,335	-	100,391	-
- More than one year (medium/long term)	152,079	353,892	152,079	253,978
	1,571,502	1,572,785	1,471,252	1,472,454

B9 Derivative Financial Assets/(Liabilities)

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

GROUP	As at 31 March 2023 Fair value			As at 31 March 2022 Fair value		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange contracts						
Currency forwards	4,217,222	35,688	(28,884)	3,444,406	5,026	(33,608)
- one year or less	3,557,478	35,488	(11,251)	2,859,459	5,026	(9,509)
- over one year to three years	461,159	200	(9,846)	475,630	-	(20,067)
- over three years	198,585	-	(7,787)	109,317	-	(4,032)
Currency swaps	11,811,185	88,267	(130,163)	7,058,429	14,681	(8,455)
- one year or less	11,138,010	79,857	(114,690)	6,468,485	10,879	(5,912)
- over one year to three years	490,160	2,378	(15,473)	441,504	2,903	(1,679)
- over three years	183,015	6,032	-	148,440	899	(864)
Currency spots						
- one year or less	408,652	572	(588)	427,461	439	(632)
Currency options						
- one year or less	606,114	1,022	(247)	363,205	422	(77)
	17,043,173	125,549	(159,882)	11,293,501	20,568	(42,772)
Interest rate related contracts						
Interest rate swaps	8,972,895	94,962	(120,208)	7,414,911	65,122	(89,554)
- one year or less	2,312,715	11,340	(2,089)	2,158,436	9,743	(5,412)
- over one year to three years	2,532,107	55,819	(31,022)	3,307,815	37,099	(16,566)
- over three years	4,128,073	27,803	(87,097)	1,948,660	18,280	(67,576)
Equity related contracts	458,916	605	(59,346)	548,572	435	(79,528)
- one year or less	340,226	178	(51,624)	332,492	345	(61,682)
- over one year to three years	118,690	427	(7,722)	216,080	90	(17,846)
Hedging derivatives						
Foreign exchange contracts						
Currency swaps						
- one year or less	-	-	-	252,270	169	(734)
Interest rate related contracts						
Interest rate swaps						
- over three years	2,721,000	25	(26,704)	-	-	-
Total derivatives assets/(liabilities)	29,195,984	221,141	(366,140)	19,509,254	86,294	(212,588)

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

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

	As at 31 March 2023			As at 31 March 2022		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
BANK						
Trading derivatives						
Foreign exchange contracts						
Currency forwards	4,217,222	35,688	(28,884)	3,444,406	5,026	(33,608)
- one year or less	3,557,478	35,488	(11,251)	2,859,459	5,026	(9,509)
- over one year to three years	461,159	200	(9,846)	475,630	-	(20,067)
- over three years	198,585	-	(7,787)	109,317	-	(4,032)
Currency swaps	11,811,185	88,267	(130,163)	7,058,429	14,681	(8,455)
- one year or less	11,138,010	79,857	(114,690)	6,468,485	10,879	(5,912)
- over one year to three years	490,160	2,378	(15,473)	441,504	2,903	(1,679)
- over three years	183,015	6,032	-	148,440	899	(864)
Currency spots						
- one year or less	408,652	572	(588)	427,461	439	(632)
Currency options						
- one year or less	606,114	1,022	(247)	363,205	422	(77)
	17,043,173	125,549	(159,882)	11,293,501	20,568	(42,772)
Interest rate related contracts						
Interest rate swaps	9,568,895	97,483	(122,729)	7,414,911	65,122	(89,554)
- one year or less	2,312,715	11,340	(2,089)	2,158,436	9,743	(5,412)
- over one year to three years	2,532,107	55,819	(31,022)	3,307,815	37,099	(16,566)
- over three years	4,724,073	30,324	(89,618)	1,948,660	18,280	(67,576)
Equity related contracts	458,916	605	(59,346)	548,572	435	(79,528)
- one year or less	340,226	178	(51,624)	332,492	345	(61,682)
- over one year to three years	118,690	427	(7,722)	216,080	90	(17,846)
Hedging derivatives						
Foreign exchange contracts						
Currency swaps						
- one year or less	-	-	-	252,270	169	(734)
Interest rate related contracts						
Interest rate swaps						
- over three years	2,423,000	-	(24,208)	-	-	-
Total derivatives assets/(liabilities)	29,493,984	223,637	(366,165)	19,509,254	86,294	(212,588)

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the 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 March 2023, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM221,141,000 and RM223,637,000 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 March 2023, the Group and the Bank had posted cash collateral of RM158,626,000 (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 year ended 31 March 2023.

B11 Dividend Declared

(a) The Board of Directors has declared a second interim dividend of 10.0 sen per share amounting to approximately RM154,811,000 in respect of financial year ended 31 March 2023, to be paid on 28 June 2023 to shareholders registered in the Records of Depositors at the close of business on 16 June 2023. The Directors do not propose any final dividend in respect of the financial year ended 31 March 2023.

(b) The total dividend declared for the current financial year ended 31 March 2023 is 22.0 sen (31 March 2022: 18.5 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.

	4th Quarter Ended		Financial Year Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
GROUP				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	130,166	103,041	677,846	572,817
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Basic earnings per share (sen)	8.4	6.7	43.8	37.0

B12 Earnings Per Share (Contd.)

(a) Basic (contd.)

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. (contd.)

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
<u>BANK</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	98,702	80,487	587,693	464,216
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Basic earnings per share (sen)	6.4	5.2	38.0	30.0

(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 March 2023 and 31 March 2022 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial period ended 31 March 2023 and 31 March 2022.

By Order of the Board

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

Group Company Secretary
Kuala Lumpur
30 May 2023