

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statements of Financial Position as at 30 September 2023**

	Note	<b>GROUP</b>		<b>BANK</b>	
		<b>30 September 2023</b>	<b>31 March 2023</b>	<b>30 September 2023</b>	<b>31 March 2023</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>					
Cash and short-term funds		<b>2,737,439</b>	3,570,656	<b>1,939,441</b>	2,425,584
Deposits and placements with banks and other financial institutions		-	88,553	-	88,553
Financial assets at fair value through profit or loss	A11	<b>417,223</b>	265,198	<b>417,223</b>	265,198
Financial investments at fair value through other comprehensive income	A12	<b>10,104,607</b>	8,484,398	<b>7,854,587</b>	6,182,516
Financial investments at amortised cost	A13	<b>3,502,005</b>	3,398,514	<b>3,263,565</b>	3,136,889
Derivative financial assets	B9	<b>286,913</b>	221,141	<b>286,913</b>	223,637
Loans, advances and financing	A14	<b>50,385,007</b>	47,926,003	<b>37,995,921</b>	35,790,763
Other assets	A15	<b>784,563</b>	548,647	<b>944,643</b>	689,276
Tax recoverable		<b>12,624</b>	20,712	-	1,574
Statutory deposits		<b>1,037,979</b>	979,601	<b>782,479</b>	728,111
Investments in subsidiaries		-	-	<b>646,656</b>	883,013
Investment in joint venture		<b>1,101</b>	1,094	<b>1,094</b>	-
Right-of-use assets		<b>125,857</b>	108,980	<b>125,857</b>	108,980
Property, plant and equipment		<b>60,806</b>	57,653	<b>60,564</b>	57,344
Deferred tax assets		<b>218,903</b>	198,920	<b>161,579</b>	141,327
Intangible assets		<b>453,212</b>	440,438	<b>451,151</b>	338,321
<b>TOTAL ASSETS</b>		<b>70,128,239</b>	66,310,508	<b>54,931,673</b>	51,061,086
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A16	<b>51,837,667</b>	50,849,030	<b>38,127,066</b>	36,896,353
Deposits and placements of banks and other financial institutions	A17	<b>1,866,010</b>	1,719,284	<b>1,686,540</b>	1,536,202
Financial liabilities designated at fair value through profit or loss	A18	<b>1,769,484</b>	1,785,157	<b>1,769,484</b>	1,785,157
Obligations on securities sold under repurchase agreements		<b>1,884,826</b>	675,640	<b>1,884,826</b>	675,640
Derivative financial liabilities	B9	<b>367,096</b>	366,140	<b>367,096</b>	366,165
Recourse obligations on loans and financing sold to Cagamas		<b>1,026,214</b>	321,484	<b>724,705</b>	221,352
Lease liabilities		<b>130,686</b>	113,251	<b>130,686</b>	113,251
Other liabilities	A19	<b>2,735,070</b>	2,161,441	<b>2,579,991</b>	2,011,672
Provision for taxation		<b>23,096</b>	-	<b>29,103</b>	-
Provision for zakat		<b>869</b>	930	-	-
Subordinated obligations		<b>1,571,770</b>	1,571,502	<b>1,471,541</b>	1,471,252
<b>TOTAL LIABILITIES</b>		<b>63,212,788</b>	59,563,859	<b>48,771,038</b>	45,077,044
Share capital		<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Reserves		<b>5,367,345</b>	5,198,543	<b>4,612,529</b>	4,435,936
<b>TOTAL EQUITY</b>		<b>6,915,451</b>	6,746,649	<b>6,160,635</b>	5,984,042
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>70,128,239</b>	66,310,508	<b>54,931,673</b>	51,061,086
<b>COMMITMENTS AND CONTINGENCIES</b>	A27	<b>55,361,806</b>	46,224,471	<b>51,735,354</b>	43,325,562
<b>Net assets per share attributable to equity holders of the Bank (RM)*</b>		<b>4.47</b>	4.36	<b>3.98</b>	3.87

\* 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 2023.

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Consolidated Statements of Income****for the Financial Period Ended 30 September 2023**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
<b>GROUP</b>		RM'000	RM'000	RM'000	RM'000
Interest income	A20	611,177	477,734	1,179,448	916,283
Interest expense	A21	(283,260)	(168,545)	(546,515)	(316,720)
Net interest income		327,917	309,189	632,933	599,563
Net income from Islamic banking business	A22	109,795	117,821	210,140	224,254
		437,712	427,010	843,073	823,817
Fee and commission income	A23	70,194	52,609	129,725	110,327
Fee and commission expense	A23	(27,865)	(29,990)	(52,785)	(54,241)
Investment income/(expense)	A23	38,423	(6,545)	73,113	24,225
Other income	A23	9,636	37,490	1,237	50,519
Other operating income	A23	90,388	53,564	151,290	130,830
Net income		528,100	480,574	994,363	954,647
Other operating expenses	A24	(246,734)	(208,091)	(476,816)	(418,652)
Operating profit before allowances		281,366	272,483	517,547	535,995
Allowance for expected credit losses on loans, advances and financing and other financial assets	A25	(39,692)	(74,295)	(74,390)	(57,014)
(Allowance for)/write-back of expected credit losses on financial investments	A26	(20)	258	(170)	322
Operating profit after allowances		241,654	198,446	442,987	479,303
Share of results of joint venture		9	11	22	26
Profit before taxation		241,663	198,457	443,009	479,329
Taxation and zakat	B6	(56,334)	(40,033)	(107,140)	(108,749)
Net profit for the financial period		185,329	158,424	335,869	370,580
<b>Net profit for the financial period attributable to equity holders of the Bank</b>		<b>185,329</b>	<b>158,424</b>	<b>335,869</b>	<b>370,580</b>
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	12.0	10.2	21.7	23.9
- Diluted (sen)	B12(b)	12.0	10.2	21.7	23.9

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 30 September 2023**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2023</b>	2022	<b>2023</b>	2022
<b><u>GROUP</u></b>	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit for the financial period</b>	<b>185,329</b>	158,424	<b>335,869</b>	370,580
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")	<b>(25,187)</b>	1,080	<b>(12,256)</b>	(144,756)
- Net (loss)/gain from change in fair value	<b>(28,105)</b>	1,515	<b>(11,426)</b>	(190,260)
- Realised gain transferred to statements of income on disposal	<b>(5,061)</b>	(13)	<b>(5,076)</b>	(44)
- Transfer from/(to) deferred tax	<b>7,960</b>	(360)	<b>3,961</b>	45,673
- Changes in expected credit losses	<b>19</b>	(62)	<b>285</b>	(125)
Net change in cash flow hedges	-	119	-	253
- Changes in cash flow hedges	-	157	-	333
- Transfer to deferred tax	-	(38)	-	(80)
Other comprehensive (expense)/income, net of tax	<b>(25,187)</b>	1,199	<b>(12,256)</b>	(144,503)
<b>Total comprehensive income for the financial period</b>	<b>160,142</b>	159,623	<b>323,613</b>	226,077
Total comprehensive income for the financial period attributable to equity holders of the Bank	<b>160,142</b>	159,623	<b>323,613</b>	226,077

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 2023.

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statements of Income****for the Financial Period Ended 30 September 2023**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
<b>BANK</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A20	<b>608,676</b>	468,646	<b>1,175,074</b>	898,935
Interest expense	A21	<b>(283,434)</b>	(167,416)	<b>(546,848)</b>	(313,506)
Net interest income		<b>325,242</b>	301,230	<b>628,226</b>	585,429
Fee and commission income	A23	<b>70,138</b>	51,488	<b>129,624</b>	104,205
Fee and commission expense	A23	<b>(27,865)</b>	(29,633)	<b>(52,785)</b>	(52,099)
Investment income/(expense)	A23	<b>39,718</b>	(6,686)	<b>110,590</b>	61,461
Other income	A23	<b>9,914</b>	35,288	<b>6,251</b>	48,492
Other operating income	A23	<b>91,905</b>	50,457	<b>193,680</b>	162,059
Net income		<b>417,147</b>	351,687	<b>821,906</b>	747,488
Other operating expenses	A24	<b>(197,759)</b>	(163,799)	<b>(383,443)</b>	(327,356)
Operating profit before allowances		<b>219,388</b>	187,888	<b>438,463</b>	420,132
Allowance for expected credit losses on loans, advances and financing and other financial assets	A25	<b>(30,006)</b>	(50,197)	<b>(47,447)</b>	(25,734)
(Allowance for)/write-back of expected credit losses on financial investments	A26	<b>(5)</b>	183	<b>(150)</b>	(89)
Profit before taxation		<b>189,377</b>	137,874	<b>390,866</b>	394,309
Taxation	B6	<b>(42,979)</b>	(24,389)	<b>(82,776)</b>	(77,754)
Net profit for the financial period		<b>146,398</b>	113,485	<b>308,090</b>	316,555
<b>Net profit for the financial period attributable to equity holders of the Bank</b>		<b>146,398</b>	113,485	<b>308,090</b>	316,555
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	<b>9.5</b>	7.3	<b>19.9</b>	20.4
- Diluted (sen)	B12(b)	<b>9.5</b>	7.3	<b>19.9</b>	20.4

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Statements of Comprehensive Income  
for the Financial Period Ended 30 September 2023**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
<b>BANK</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit for the financial period</b>	<b>146,398</b>	113,485	<b>308,090</b>	316,555
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	<b>(19,769)</b>	3,896	<b>(8,577)</b>	(106,071)
- Net (loss)/gain from change in fair value	<b>(22,476)</b>	5,200	<b>(8,361)</b>	(139,407)
- Realised gain transferred to statements of income on disposal	<b>(3,548)</b>	(13)	<b>(3,563)</b>	(44)
- Transfer from/(to) deferred tax	<b>6,246</b>	(1,245)	<b>3,075</b>	33,468
- Changes in expected credit losses	<b>9</b>	(46)	<b>272</b>	(88)
Net change in cash flow hedges	-	119	-	253
- Changes in cash flow hedges	-	157	-	333
- Transfer to deferred tax	-	(38)	-	(80)
Other comprehensive (expense)/income, net of tax	<b>(19,769)</b>	4,015	<b>(8,577)</b>	(105,818)
<b>Total comprehensive income for the financial period</b>	<b>126,629</b>	117,500	<b>299,513</b>	210,737
Total comprehensive income for the financial period attributable to equity holders of the Bank	<b>126,629</b>	117,500	<b>299,513</b>	210,737

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 2023.

**ALLIANCE BANK MALAYSIA BERHAD**  
**198201008390 (88103-W)**  
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**Condensed Interim Financial Statements**

**Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 September 2023**

<b>GROUP</b>	← Attributable to equity holders of the Bank →						Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	Capital reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained profits RM'000	
At 1 April 2023	1,548,106	257,241	100,150	(148,673)	-	4,989,825	6,746,649
Net profit for the financial year	-	-	-	-	-	335,869	335,869
Other comprehensive expense	-	-	-	(12,256)	-	-	(12,256)
Total comprehensive (expense)/income for the financial period	-	-	-	(12,256)	-	335,869	323,613
Transfer to regulatory reserves	-	74,719	-	-	-	(74,719)	-
Effect of subsidiary's capital return	-	-	(90,132)	-	-	90,132	-
Dividends paid to shareholders	-	-	-	-	-	(154,811)	(154,811)
<b>At 30 September 2023</b>	<b>1,548,106</b>	<b>331,960</b>	<b>10,018</b>	<b>(160,929)</b>	<b>-</b>	<b>5,186,296</b>	<b>6,915,451</b>
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	-	-	-	-	-	370,580	370,580
Other comprehensive (expense)/income	-	-	-	(144,756)	253	-	(144,503)
Total comprehensive (expense)/income for the financial period	-	-	-	(144,756)	253	370,580	226,077
Dividends paid to shareholders	-	-	-	-	-	(157,907)	(157,907)
At 30 September 2022	1,548,106	47,686	100,150	(288,983)	-	5,077,887	6,484,846

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 2023.

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Statements of Changes in Equity for the Financial Period Ended 30 September 2023 (Contd.)**

	← Non-Distributable reserves →					Distributable reserves	
	Share capital RM'000	Regulatory reserves RM'000	Capital reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained profits RM'000	Total equity RM'000
<b><u>BANK</u></b>							
At 1 April 2023	1,548,106	231,857	15,515	(135,652)	-	4,324,216	5,984,042
Net profit for the financial year	-	-	-	-	-	308,090	308,090
Other comprehensive expense	-	-	-	(8,577)	-	-	(8,577)
Total comprehensive (expense)/income for the financial period	-	-	-	(8,577)	-	308,090	299,513
Transfer to regulatory reserves	-	45,363	-	-	-	(45,363)	-
Effect of business transfer from subsidiary	-	6,045	-	(831)	-	26,677	31,891
Effect of subsidiary's capital return	-	-	(15,515)	-	-	15,515	-
Dividends paid to shareholders	-	-	-	-	-	(154,811)	(154,811)
<b>At 30 September 2023</b>	<b>1,548,106</b>	<b>283,265</b>	<b>-</b>	<b>(145,060)</b>	<b>-</b>	<b>4,474,324</b>	<b>6,160,635</b>
At 1 April 2022	1,548,106	41,641	15,515	(138,088)	(253)	4,270,419	5,737,340
Net profit for the financial year	-	-	-	-	-	316,555	316,555
Other comprehensive (expense)/income	-	-	-	(106,071)	253	-	(105,818)
Total comprehensive (expense)/income for the financial period	-	-	-	(106,071)	253	316,555	210,737
Dividends paid to shareholders	-	-	-	-	-	(157,907)	(157,907)
At 30 September 2022	1,548,106	41,641	15,515	(244,159)	-	4,429,067	5,790,170

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 2023.

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

**Condensed Interim Financial Statements**

**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2023**

	<b>GROUP</b>		<b>BANK</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation	<b>443,009</b>	479,329	<b>390,866</b>	394,309
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	<b>(19,953)</b>	(5,496)	<b>(19,953)</b>	(6,125)
Allowance for expected credit losses on loans, advances and financing	<b>57,224</b>	61,161	<b>37,977</b>	31,301
Allowance for expected credit losses on commitments and contingencies	<b>7,254</b>	2,028	<b>6,652</b>	1,542
Allowance for/(write-back of) expected credit losses on financial investments	<b>170</b>	(322)	<b>150</b>	89
Allowance for expected credit losses on other receivables	<b>11,991</b>	1,660	<b>8,145</b>	1,115
Write-back of expected credit losses on deposits and placements with banks	-	(8)	-	(8)
Amortisation of computer software	<b>23,956</b>	23,367	<b>23,693</b>	22,813
Depreciation of property, plant and equipment	<b>10,629</b>	10,103	<b>10,530</b>	9,939
Depreciation of right-of-use assets	<b>13,668</b>	12,846	<b>13,668</b>	12,820
Dividends from financial assets at fair value through profit or loss	<b>(1,356)</b>	(1,341)	<b>(1,356)</b>	(980)
Dividends from subsidiaries	-	-	<b>(39,830)</b>	(41,342)
Interest expense on lease liabilities	<b>2,814</b>	2,759	<b>2,814</b>	2,764
Interest expense on securities sold under repurchase agreement	<b>14,196</b>	-	<b>14,196</b>	-
Interest expense on subordinated obligations	<b>30,245</b>	32,939	<b>30,302</b>	33,045
Interest expense on recourse obligations on loans and financing sold to Cagamas	<b>12,831</b>	6,851	<b>12,831</b>	6,851
Interest income from financial investments at amortised cost	<b>(57,613)</b>	(37,381)	<b>(60,514)</b>	(40,386)
Interest income from financial investments at fair value through other comprehensive income	<b>(144,364)</b>	(136,351)	<b>(144,364)</b>	(126,385)
Loss on disposal of property, plant and equipment	-	15	-	15
Loss on disposal of joint venture company	<b>15</b>	-	-	-
Computer software written-off	-	1	-	1
Property, plant and equipment written-off	<b>19</b>	106	<b>19</b>	72
Net gain from sale of financial assets at fair value through profit or loss	<b>(5,550)</b>	(4,790)	<b>(5,550)</b>	(1,186)
Net gain from sale of financial investments at fair value through other comprehensive income	<b>(3,563)</b>	(44)	<b>(3,563)</b>	(44)
Net gain from sale of financial investments at amortised cost	-	(1,482)	-	(1,482)
Unrealised (gain)/loss arising from derivative instruments	<b>(52,452)</b>	98,139	<b>(50,099)</b>	98,280
Unrealised gain arising from financial assets at fair value through profit or loss	<b>(22,293)</b>	(16,252)	<b>(22,293)</b>	(16,252)
Net loss arising from hedging activities	-	333	-	333
Unrealised loss/(gain) arising from financial liabilities designated at fair value through profit or loss	<b>10,317</b>	(100,244)	<b>10,317</b>	(100,244)
Share of results of joint venture	<b>(22)</b>	(26)	-	-
Cash flows from operating activities before working capital changes carried forward	<b>331,172</b>	427,900	<b>214,638</b>	280,855



**Condensed Interim Financial Statements**

**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2023 (Contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>Cash flows from operating activities (contd.)</b>				
Cash flows from operating activities before working capital changes brought forward	331,172	427,900	214,638	280,855
Changes in working capital:				
Amounts due to clients and brokers	-	26,636	-	-
Deposits from customers	988,637	894,949	1,230,713	654,256
Deposits and placements of banks and other financial institutions	146,726	(184,754)	150,338	(130,177)
Deposits and placements with banks and other financial institutions	88,553	168,192	88,553	168,192
Financial assets at fair value through profit or loss	(124,727)	244,155	(124,727)	166,198
Financial liabilities designated at fair value through profit or loss	(25,990)	761,698	(25,990)	761,698
Loans, advances and financing	(2,516,228)	(693,699)	(2,243,134)	(574,158)
Other assets	(247,905)	(303,918)	(263,511)	(408,837)
Other liabilities	566,264	215,159	557,349	275,161
Obligations on securities sold under repurchase agreements	1,204,492	-	1,204,492	-
Statutory deposits	(58,378)	(42,973)	(54,368)	(18,572)
Cash generated from operations	352,616	1,513,345	734,353	1,174,616
Tax expense and zakat paid	(92,044)	(121,862)	(69,277)	(95,123)
Net cash generated from operating activities	260,572	1,391,483	665,076	1,079,493
<b>Cash flows from investing activities</b>				
Dividends from financial assets at fair value through profit or loss	1,357	1,341	1,357	980
Dividends from subsidiaries	-	-	39,830	41,342
Interest received from financial assets at fair value through profit or loss	544	3,149	544	3,149
Interest received from financial investments at fair value through other comprehensive income	113,625	139,729	115,495	128,549
Interest received from financial investments at amortised cost	41,677	33,044	46,378	34,132
Interest paid for derivative instruments	(12,364)	(30,142)	(12,246)	(28,938)
Purchase of goodwill	-	-	(20,722)	-
Purchase of computer software	(36,732)	(26,018)	(36,798)	(25,642)
Purchase of property, plant and equipment	(13,801)	(12,653)	(13,769)	(12,602)
Purchase of Joint Venture	-	-	(1,094)	-
Proceeds from subsidiary capital repatriation	-	-	189,245	150,000
Proceeds from disposal of property, plant and equipment	-	212	-	155
Purchase of:				
- financial investments at fair value through other comprehensive income	(2,740,383)	(500,379)	(2,257,853)	(400,000)
- financial investments at amortised cost	(158,437)	(642,706)	(148,149)	(542,705)
Redemption/disposal of:				
- financial investments at fair value through other comprehensive income	1,128,723	871,294	597,038	613,835
- financial investments at amortised cost	100,201	170,828	69,136	165,907
Net cash (used in)/generated from investing activities	(1,575,590)	7,699	(1,431,608)	128,162

**Condensed Interim Financial Statements**

**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2023 (Contd.)**

	<b>GROUP</b>		<b>BANK</b>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders of the company	<b>(154,811)</b>	(157,907)	<b>(154,811)</b>	(157,907)
Interest paid on obligation on securities sold under repurchase agreement	<b>(9,501)</b>	-	<b>(9,501)</b>	-
Interest paid on subordinated obligations	<b>(29,977)</b>	(30,590)	<b>(30,013)</b>	(30,574)
Interest paid on recourse obligations on loans and financing sold to Cagamas	<b>(8,121)</b>	(7,142)	<b>(9,490)</b>	(6,843)
Recourse obligations on loans and financing sold to Cagamas	<b>700,019</b>	(250,022)	<b>500,012</b>	-
Repayment of lease liabilities	<b>(15,808)</b>	(15,393)	<b>(15,808)</b>	(15,372)
Proceeds from issuance of subordinated notes	-	150,000	-	150,000
Net cash generating from/(used in) financing activities	<b>481,801</b>	(311,054)	<b>280,389</b>	(60,696)
<b>Net change in cash and cash equivalents</b>	<b>(833,217)</b>	1,088,128	<b>(486,143)</b>	1,146,959
<b>Cash and cash equivalents at beginning of financial period</b>	<b>3,570,656</b>	3,228,574	<b>2,425,584</b>	1,805,402
<b>Cash and cash equivalents at end of financial period</b>	<b>2,737,439</b>	4,316,702	<b>1,939,441</b>	2,952,361
<b>Cash and cash equivalents comprise the following:</b>				
Cash and short-term funds	<b>2,737,439</b>	4,316,702	<b>1,939,441</b>	2,952,361

**Explanatory Notes**

**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Guidelines on Financial Reporting Issued by Bank Negara Malaysia ("BNM")**

**A1 Basis of Preparation**

The unaudited condensed interim financial statements for the financial period ended 30 September 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 2023. 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 2023.

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 2023 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2023:

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 "Disclosure of Accounting Policies" and "Definition of Accounting Estimates"
- Amendments to MFRS 112 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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 2023 was not qualified.

**A3 Seasonality or Cyclicity of Operations**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 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 ended 30 September 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 ended 30 September 2023.

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

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

**A7 Dividend Paid**

A single tier second interim dividend of 10.00 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM154,811,000 in respect of financial year ended 31 March 2023, was paid on 28 June 2023.

**A8 Significant Events**

- (a) The Bank had on 2 March 2023 entered into an assets transfer agreement ("business transfer") with Alliance Investment Bank Berhad ("AIBB"), a wholly-owned subsidiary of the Bank to transfer the remaining assets and liabilities of AIBB (excluding certain excluded assets and liabilities) to the Bank. On 1 April 2023, the remaining assets and liabilities in AIBB were transferred to the Bank for a consideration based on an amount equal to the net asset value of the total assets and total liabilities.
- (b) The Bank and its wholly-owned subsidiaries namely, AIBB, Alliance Direct Marketing Sdn. Bhd., AllianceGroup Nominees (Tempatan) Sdn. Bhd. and AllianceGroup Nominees (Asing) Sdn. Bhd. had on 1 June 2023 completed the disposal of the entire 100% equity shareholding in Alliance Trustee Berhad 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.
- (c) The Bank had on 28 June 2023 subscribed for 25,890,575 ordinary shares at an issue price of RM1.4484 per share amounting to RM37,500,000 via rights issue in its wholly owned subsidiary Alliance Islamic Bank Berhad.
- (d) The Bank had entered into a Bancassurance Partnership Agreement with Manulife Insurance Berhad in Malaysia on 28 July 2023, to extend the Bank's exclusive Life bancassurance partnership for a further 15 years ('Banca Partnership').
- (e) The Bank had on 16 August 2023 acquired 51% of AllianceDBS Research Sdn Bhd stake from AIBB.

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

The Bank had on 9 October 2023 entered into a conditional Sale and Purchase Agreement ("SPA") with Oxley Rising Sdn Bhd ("ORSB") for the acquisition of 24 floors of office suites together with 4 adjoining retail lots on the 2-storey retail podium, all to be stratified and located at Tower 3 (Menara C) ("Properties"), which forms part of the ongoing mixed commercial cum residential development by ORSB located along Jalan Ampang, Kuala Lumpur City Centre (the "Project"), for a total purchase price of RM405,839,320 ("Purchase Price") ("Acquisition").

The Properties are intended to be the new Corporate Office of ABMB Group and expected to be completed by end of November 2024.

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
<b>At fair value</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	51,418	-	51,418	-
Malaysian Government investment issues	85,021	5,177	85,021	5,177
	<u>136,439</u>	<u>5,177</u>	<u>136,439</u>	<u>5,177</u>
<u>Unquoted securities:</u>				
Shares	277,973	257,206	277,973	257,206
Corporate bonds and sukuk	2,811	2,815	2,811	2,815
	<u>280,784</u>	<u>260,021</u>	<u>280,784</u>	<u>260,021</u>
Total financial assets at FVTPL	<u>417,223</u>	<u>265,198</u>	<u>417,223</u>	<u>265,198</u>

**A12 Financial Investments at Fair Value Through Other Comprehensive Income**

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
<b>At fair value - debt instruments</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	2,490,774	2,229,181	2,490,774	2,076,584
Malaysian Government investment issues	2,448,977	2,037,058	1,683,902	1,400,081
Negotiable instruments of deposits	299,794	-	77,018	-
Commercial papers	40,316	19,935	-	19,935
	<u>5,279,861</u>	<u>4,286,174</u>	<u>4,251,694</u>	<u>3,496,600</u>
<u>Quoted securities:</u>				
Shares	14	14	14	14
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,824,732	4,198,210	3,602,879	2,685,902
Total financial investments at FVOCI	<u>10,104,607</u>	<u>8,484,398</u>	<u>7,854,587</u>	<u>6,182,516</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
<b>GROUP</b>				
At 1 April 2023	598	-	-	598
New financial investments originated or purchased	341	-	-	341
Financial investments derecognised other than write-off	(12)	-	-	(12)
Changes due to change in credit risk	(44)	-	-	(44)
Total charge to income statement	285	-	-	285
<b>At 30 September 2023</b>	<u>883</u>	<u>-</u>	<u>-</u>	<u>883</u>

**A12 Financial Investments at Fair Value Through Other Comprehensive Income (Contd.)**

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>GROUP</u></b>				
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>
<b><u>BANK</u></b>				
At 1 April 2023	<b>407</b>	<b>-</b>	<b>-</b>	<b>407</b>
Effect of business transfer	<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>
New financial investments originated or purchased	<b>315</b>	<b>-</b>	<b>-</b>	<b>315</b>
Financial investments derecognised other than write-off	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>(8)</b>
Changes due to change in credit risk	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>(35)</b>
Total charge to income statement	<b>272</b>	<b>-</b>	<b>-</b>	<b>272</b>
<b>At 30 September 2023</b>	<b><u>733</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>733</u></b>
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	<u>407</u>	<u>-</u>	<u>-</u>	<u>407</u>

**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.

**A13 Financial Investments at Amortised Cost**

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
<b>At amortised cost</b>				
<u>Money market instruments:</u>				
Malaysian Government securities	681,202	639,267	681,202	639,267
Malaysian Government investment issues	2,255,554	2,225,049	1,834,247	1,784,802
Negotiable instruments of deposits	-	-	207,576	203,374
Commercial papers	-	24,626	-	24,626
	<b>2,936,756</b>	<b>2,888,942</b>	<b>2,723,025</b>	<b>2,652,069</b>
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	565,830	510,268	541,743	485,922
Allowance for expected credit losses	(581)	(696)	(1,203)	(1,102)
	<b>565,249</b>	<b>509,572</b>	<b>540,540</b>	<b>484,820</b>
Total financial investments at amortised cost	<b>3,502,005</b>	<b>3,398,514</b>	<b>3,263,565</b>	<b>3,136,889</b>

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>GROUP</b>				
At 1 April 2023	47	-	649	696
New financial investments originated or purchased	-	-	88	88
Financial investments derecognised other than write-off	-	-	(127)	(127)
Changes due to change in credit risk	-	-	(76)	(76)
Total write-back from income statement	-	-	(115)	(115)
<b>At 30 September 2023</b>	<b>47</b>	<b>-</b>	<b>534</b>	<b>581</b>
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 charge to/(write-back from) income statement	46	-	(181)	(135)
At 31 March 2023	47	-	649	696
<b>BANK</b>				
At 1 April 2023	676	-	426	1,102
Effect of business transfer	-	-	223	223
New financial investments originated or purchased	-	-	88	88
Financial investments derecognised other than write-off	-	-	(127)	(127)
Changes due to change in credit risk	(7)	-	(76)	(83)
Total write-back from income statement	(7)	-	(115)	(122)
<b>At 30 September 2023</b>	<b>669</b>	<b>-</b>	<b>534</b>	<b>1,203</b>

**A13 Financial Investments at Amortised Cost (Contd.)**

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2022	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	<u>676</u>	<u>-</u>	<u>426</u>	<u>1,102</u>

**Note:**

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

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

	<b><u>GROUP</u></b>		<b><u>BANK</u></b>	
	<b>30 September 2023 RM'000</b>	<b>31 March 2023 RM'000</b>	<b>30 September 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
At beginning of financial year	649	846	426	556
Effect of business transfer	-	-	223	-
Write-back during the financial period	(115)	(197)	(115)	(130)
At end of financial period/year	<u>534</u>	<u>649</u>	<u>534</u>	<u>426</u>



**A14 Loans, Advances and Financing**

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
<b>At amortised cost</b>				
Overdrafts	2,913,770	3,153,486	1,697,105	1,864,344
Term loans/financing				
- Housing loans/financing	15,215,448	14,609,486	11,721,933	11,173,594
- Syndicated term loans/financing	468,563	350,000	468,563	350,000
- Hire purchase receivables	361,728	443,256	295,995	367,336
- Other term loans/financing	24,033,756	22,413,373	17,418,295	16,135,251
Bills receivables	499,497	499,143	486,335	482,096
Trust receipts	237,411	260,996	190,989	207,617
Claims on customers under acceptance credits	3,475,487	3,625,667	2,573,836	2,658,268
Staff loans/financing (Loan to Directors: RM Nil)	14,670	14,296	2,527	2,674
Credit/charge card receivables	629,430	551,399	629,430	551,399
Revolving credits	1,739,848	1,659,565	1,319,470	1,241,240
Share margin financing	1,870,227	1,486,840	1,870,227	1,486,840
Gross loans, advances and financing	51,459,835	49,067,507	38,674,705	36,520,659
Add: Sales commissions and handling fees	141,845	125,970	133,296	119,732
Less: Allowance for expected credit losses on loans, advances and financing	(1,216,673)	(1,267,474)	(812,080)	(849,628)
Total net loans, advances and financing	50,385,007	47,926,003	37,995,921	35,790,763

**A14a** By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Within one year	11,763,294	11,550,557	9,123,832	8,711,167
One year to three years	2,150,968	1,839,195	1,764,255	1,478,327
Three years to five years	3,946,325	3,794,827	3,053,838	2,796,798
Over five years	33,599,248	31,882,928	24,732,780	23,534,367
Gross loans, advances and financing	51,459,835	49,067,507	38,674,705	36,520,659

**A14b** By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Domestic banking institutions	1,660	14	1,660	14
Domestic non-bank financial institutions	1,010,942	803,415	838,398	684,893
Domestic business enterprises				
- Small and medium enterprises	17,840,417	17,161,865	13,020,182	12,631,805
- Others	7,179,736	6,935,303	5,905,040	5,467,748
Government and statutory bodies	48,568	57,413	48,568	57,413
Individuals	24,723,579	23,489,829	18,294,180	17,141,960
Other domestic entities	13,990	13,371	3,838	2,568
Foreign entities	640,943	606,297	562,839	534,258
Gross loans, advances and financing	51,459,835	49,067,507	38,674,705	36,520,659

**A14 Loans, Advances and Financing (Contd.)**

**A14c** By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Fixed rate				
- Housing loans/financing	18,752	19,894	3,490	3,850
- Hire purchase receivables	359,266	439,355	293,533	363,435
- Other fixed rate loans/financing	8,381,813	8,266,809	5,782,866	5,656,836
Variable rate				
- Base lending rate plus	24,717,776	24,497,037	18,997,429	18,991,124
- Base rate plus	12,653,966	11,174,509	9,118,562	7,730,271
- Cost plus	5,328,262	4,669,903	4,478,825	3,775,143
Gross loans, advances and financing	<b>51,459,835</b>	<b>49,067,507</b>	<b>38,674,705</b>	<b>36,520,659</b>

**A14d** By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Purchase of securities	2,005,242	1,613,192	2,005,242	1,613,192
Purchase of transport vehicles	253,587	296,349	175,341	208,321
Purchase of landed property	24,910,543	23,763,899	19,228,649	18,329,293
of which: - Residential	15,855,821	15,278,815	12,306,455	11,789,395
- Non-residential	9,054,722	8,485,084	6,922,194	6,539,898
Purchase of fixed assets excluding land & buildings	321,589	357,304	261,332	292,587
Personal use	6,253,072	6,021,184	3,286,640	3,097,090
Credit card	629,430	551,399	629,430	551,399
Construction	1,224,535	1,116,977	1,024,435	950,416
Working capital	11,807,423	11,696,040	8,923,484	8,787,061
Others	4,054,414	3,651,163	3,140,152	2,691,300
Gross loans, advances and financing	<b>51,459,835</b>	<b>49,067,507</b>	<b>38,674,705</b>	<b>36,520,659</b>

**A14e** By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Primary agriculture	1,158,311	1,176,855	722,711	752,668
Mining and quarrying	284,299	288,773	263,208	265,401
Manufacturing	5,124,680	4,893,124	3,696,918	3,554,490
Electricity, gas and water	102,828	91,415	93,995	78,699
Construction	1,919,195	1,890,776	1,487,198	1,411,008
Wholesale, retail trade, restaurants and hotels	9,316,373	8,869,244	7,029,937	6,655,675
Transport, storage and communication	899,778	851,868	684,922	641,696
Financing, insurance, real estate and business services	6,660,564	6,400,336	5,332,954	5,088,981
Community, social and personal services	628,587	508,307	505,146	395,140
Household	25,364,523	24,096,125	18,857,019	17,676,217
Others	697	684	697	684
Gross loans, advances and financing	<b>51,459,835</b>	<b>49,067,507</b>	<b>38,674,705</b>	<b>36,520,659</b>

**A14 Loans, Advances and Financing (Contd.)**

**A14f** By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Northern region	4,170,082	3,924,088	2,629,369	2,457,661
Central region	36,765,486	35,001,737	28,312,918	26,674,930
Southern region	5,786,344	5,529,522	4,447,970	4,185,073
Sabah region	3,433,725	3,344,047	2,274,123	2,251,279
Sarawak region	1,304,198	1,268,113	1,010,325	951,716
Gross loans, advances and financing	<b>51,459,835</b>	<b>49,067,507</b>	<b>38,674,705</b>	<b>36,520,659</b>

**A14g** Movements in credit impaired loans, advances and financing ("impaired loans") in Stage 3:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
At beginning of financial year	1,232,773	853,266	879,717	574,757
Impaired during the financial period/year	707,310	1,289,124	451,050	875,777
Recovered during the financial period/year	(75,242)	(75,156)	(63,316)	(53,987)
Reclassified as unimpaired during the financial period/year	(367,753)	(532,102)	(217,824)	(345,465)
Financial assets derecognised other than write-off during the financial period/year	(49,570)	(97,179)	(30,972)	(70,122)
Amount written-off	(156,991)	(205,180)	(105,868)	(101,243)
At end of financial period	<b>1,290,527</b>	<b>1,232,773</b>	<b>912,787</b>	<b>879,717</b>
Gross impaired loans ratio	2.51%	2.51%	2.36%	2.41%
Net impaired loans ratio	1.46%	1.36%	1.31%	1.22%

**A14h** Credit impaired loans analysed by economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Purchase of securities	-	512	-	512
Purchase of transport vehicles	12,445	16,939	10,567	14,408
Purchase of landed property	562,967	531,033	379,131	365,362
of which: - Residential	449,986	420,074	287,638	273,577
- Non-residential	112,981	110,959	91,493	91,785
Purchase of fixed assets excluding land & buildings	9,933	7,504	9,237	6,815
Personal use	279,908	271,710	132,349	128,180
Credit card	6,555	8,343	6,555	8,343
Construction	10,301	14,617	10,301	14,617
Working capital	284,130	302,733	247,827	267,507
Others	124,288	79,382	116,820	73,973
Gross impaired loans	<b>1,290,527</b>	<b>1,232,773</b>	<b>912,787</b>	<b>879,717</b>

**A14 Loans, Advances and Financing (Contd.)**

**A14i** Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September</b>	31 March	<b>30 September</b>	31 March
	<b>2023</b>	2023	<b>2023</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Primary agriculture	<b>1,695</b>	1,253	<b>16</b>	10
Mining and quarrying	<b>1,557</b>	1,690	<b>1,557</b>	1,690
Manufacturing	<b>85,510</b>	109,719	<b>73,875</b>	100,143
Electricity, gas and water	<b>84</b>	-	<b>84</b>	-
Construction	<b>184,453</b>	154,119	<b>171,811</b>	140,891
Wholesale, retail trade, restaurants and hotels	<b>171,582</b>	150,988	<b>140,392</b>	122,543
Transport, storage and communication	<b>7,246</b>	5,749	<b>5,885</b>	4,610
Financing, insurance, real estate and business services	<b>74,346</b>	79,605	<b>73,262</b>	78,776
Community, social and personal services	<b>6,150</b>	5,644	<b>1,365</b>	1,052
Household	<b>757,904</b>	724,006	<b>444,540</b>	430,002
Gross impaired loans	<b><u>1,290,527</u></b>	<u>1,232,773</u>	<b><u>912,787</u></b>	<u>879,717</u>

**A14j** Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September</b>	31 March	<b>30 September</b>	31 March
	<b>2023</b>	2023	<b>2023</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Northern region	<b>93,513</b>	94,117	<b>58,281</b>	59,742
Central region	<b>973,347</b>	913,411	<b>700,250</b>	663,572
Southern region	<b>165,452</b>	172,504	<b>119,849</b>	121,736
Sabah region	<b>49,473</b>	45,698	<b>28,290</b>	28,216
Sarawak region	<b>8,742</b>	7,043	<b>6,117</b>	6,451
Gross impaired loans	<b><u>1,290,527</u></b>	<u>1,232,773</u>	<b><u>912,787</u></b>	<u>879,717</u>

**A14 Loans, Advances and Financing (Contd.)**

**A14k** Movements in the allowance for expected credit losses on loans, advances and financing are as follows:

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>GROUP</b>				
At 1 April 2023	171,832	523,852	571,790	1,267,474
Transfer to Stage 1	49,407	(131,254)	(20)	(81,867)
Transfer to Stage 2	(65,448)	261,507	(89,807)	106,252
Transfer to Stage 3	(856)	(140,653)	173,011	31,502
New financial assets originated or purchased	48,576	57,342	4,951	110,869
Financial assets derecognised other than write-off	(18,163)	(78,205)	(14,526)	(110,894)
Changes due to change in credit risk	(25,017)	15,966	10,363	1,312
Other adjustment	12	38	-	50
	(11,489)	(15,259)	83,972	57,224
Unwinding of discount	-	29	18,666	18,695
Total (write-back from)/charge to income statement	(11,489)	(15,230)	102,638	75,919
Write-off	-	(1,699)	(125,021)	(126,720)
<b>At 30 September 2023</b>	<b>160,343</b>	<b>506,923</b>	<b>549,407</b>	<b>1,216,673</b>
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)
<b>At 31 March 2023</b>	<b>171,832</b>	<b>523,852</b>	<b>571,790</b>	<b>1,267,474</b>

**A14 Loans, Advances and Financing (Contd.)**

**A14k** Movements in the allowance for expected credit losses on loans, advances and financing are as follows: (contd.)

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2023	105,782	302,859	440,987	849,628
Effect of business transfer	5	1,373	57	1,435
Transfer to Stage 1	29,089	(78,700)	(9)	(49,620)
Transfer to Stage 2	(37,918)	152,896	(50,694)	64,284
Transfer to Stage 3	(72)	(76,486)	101,309	24,751
New financial assets originated or purchased	32,447	39,887	3,128	75,462
Financial assets derecognised other than write-off	(12,255)	(48,080)	(9,244)	(69,579)
Changes due to change in credit risk	(17,061)	6,476	3,214	(7,371)
Other adjustment	12	38	-	50
	(5,758)	(3,969)	47,704	37,977
Unwinding of discount	-	29	13,330	13,359
Total (write-back from)/charge to income statement	(5,758)	(3,940)	61,034	51,336
Write-off	-	(1,318)	(89,001)	(90,319)
<b>At 30 September 2023</b>	<b>100,029</b>	<b>298,974</b>	<b>413,077</b>	<b>812,080</b>
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

**Note:**

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

**A15 Other Assets**

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
Other receivables	<b>94,058</b>	96,962	<b>123,503</b>	126,176
Collateral pledged for derivative transactions	<b>179,715</b>	158,626	<b>179,715</b>	158,626
Settlement account	<b>497,912</b>	285,085	<b>497,912</b>	285,085
Deposits	<b>28,878</b>	8,519	<b>28,644</b>	8,231
Prepayment	<b>39,358</b>	42,922	<b>34,907</b>	35,651
Amounts due from subsidiaries	-	-	<b>128,086</b>	114,232
Amount due from joint venture	<b>7</b>	-	<b>7</b>	-
	<b>839,928</b>	592,114	<b>992,774</b>	728,001
Less: Allowance for expected credit losses on other receivables [Note]	<b>(55,365)</b>	(43,467)	<b>(48,131)</b>	(38,725)
	<b>784,563</b>	548,647	<b>944,643</b>	689,276

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
<u>Lifetime ECL</u>				
At beginning of financial year	<b>43,467</b>	41,993	<b>38,725</b>	38,147
Effect of business transfer	-	-	<b>1,305</b>	-
New financial assets originated or purchased	<b>12,278</b>	1,826	<b>7,984</b>	170
Financial assets derecognised other than write-off	<b>(1,789)</b>	(2,378)	<b>(1,222)</b>	(338)
Changes due to change in credit risk	<b>1,502</b>	4,828	<b>1,383</b>	3,321
Total charge to income statement	<b>11,991</b>	4,276	<b>8,145</b>	3,153
Write-off	<b>(93)</b>	(2,802)	<b>(44)</b>	(2,575)
<b>At end of financial period/year</b>	<b>55,365</b>	43,467	<b>48,131</b>	38,725

As at 30 September 2023, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses were at RM57,810,000 and RM49,902,000 (31 March 2023: RM43,467,000 and RM38,725,000) respectively.

**A16 Deposits from Customers**

**A16a** By type of deposits:

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
Demand deposits	<b>20,948,158</b>	19,267,883	<b>16,457,189</b>	14,988,337
Savings deposits	<b>1,949,496</b>	2,026,815	<b>1,562,668</b>	1,618,996
Fixed/investment deposits	<b>25,274,299</b>	25,161,869	<b>17,799,041</b>	17,604,556
Money market deposits	<b>2,954,121</b>	3,991,002	<b>1,845,682</b>	2,283,003
Negotiable instruments of deposits	<b>711,593</b>	401,461	<b>462,486</b>	401,461
	<b>51,837,667</b>	50,849,030	<b>38,127,066</b>	36,896,353

**A16b** The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposits are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
Due within six months	<b>23,359,123</b>	22,477,236	<b>15,891,856</b>	15,781,534
Six months to one year	<b>5,373,214</b>	6,770,360	<b>4,190,710</b>	4,458,201
One year to three years	<b>205,525</b>	303,643	<b>22,492</b>	46,192
Three years to five years	<b>2,151</b>	3,093	<b>2,151</b>	3,093
	<b>28,940,013</b>	29,554,332	<b>20,107,209</b>	20,289,020

**A16c** The deposits are sourced from the following types of customers:

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
Domestic financial institutions	<b>720,256</b>	439,786	<b>471,526</b>	440,471
Domestic non-bank financial institutions	<b>3,911,809</b>	5,701,678	<b>2,713,494</b>	3,732,973
Government and statutory bodies	<b>4,474,715</b>	3,628,356	<b>2,304,255</b>	1,935,807
Business enterprises	<b>18,075,200</b>	17,292,460	<b>13,670,681</b>	12,885,486
Individuals	<b>22,499,708</b>	21,792,889	<b>17,120,050</b>	16,218,586
Foreign entities	<b>888,678</b>	795,224	<b>772,396</b>	693,188
Others	<b>1,267,301</b>	1,198,637	<b>1,074,664</b>	989,842
	<b>51,837,667</b>	50,849,030	<b>38,127,066</b>	36,896,353



**A17 Deposits and Placements of Banks and Other Financial Institutions**

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Licensed banks	489,837	403,166	489,837	403,166
Licensed investment banks	-	-	-	787
Bank Negara Malaysia	1,326,164	1,316,118	1,146,694	1,132,249
Other financial institutions	50,009	-	50,009	-
	<u>1,866,010</u>	<u>1,719,284</u>	<u>1,686,540</u>	<u>1,536,202</u>

**A18 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 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.

	<u>GROUP/BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000
Structured investments	1,878,305	1,904,295
Fair value changes arising from designation at fair value through profit or loss	(108,821)	(119,138)
	<u>1,769,484</u>	<u>1,785,157</u>

**A19 Other Liabilities**

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
Other payables	1,571,968	1,226,209	1,479,545	1,137,952
Bills payable	272,054	134,968	255,089	127,692
Collateral pledged for derivative transactions	-	26,334	-	26,334
Settlement account	94,470	39,507	94,469	39,507
Clearing account	193,016	229,586	164,645	197,503
Sundry deposits	63,590	59,812	54,468	50,998
Provision and accruals	111,746	167,097	107,234	156,844
Structured investments	391,674	248,611	391,674	248,611
Amount due to joint venture	-	16	-	16
Allowance for expected credit losses on commitments and contingencies	36,552	29,301	32,867	26,215
	<u>2,735,070</u>	<u>2,161,441</u>	<u>2,579,991</u>	<u>2,011,672</u>

**A19 Other Liabilities (Contd.)**

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>GROUP</b>				
At 1 April 2023	5,005	22,447	1,849	29,301
Transfer to Stage 1	356	(5,642)	-	(5,286)
Transfer to Stage 2	(354)	6,808	(1,042)	5,412
Transfer to Stage 3	-	(166)	1,279	1,113
New financial assets originated or purchased	1,790	10,495	25	12,310
Financial assets derecognised other than write-off	(915)	(7,943)	(2,986)	(11,844)
Changes due to change in credit risk	(370)	3,961	1,945	5,536
Other adjustments	3	10	-	13
	510	7,523	(779)	7,254
Unwinding of discount	-	-	(3)	(3)
Total charge to/(write-back from) income statement	510	7,523	(782)	7,251
<b>At 30 September 2023</b>	<b>5,515</b>	<b>29,970</b>	<b>1,067</b>	<b>36,552</b>
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 adjustments	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
<b>At 31 March 2023</b>	<b>5,005</b>	<b>22,447</b>	<b>1,849</b>	<b>29,301</b>

**A19 Other Liabilities (Contd.)**

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

	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b><u>BANK</u></b>				
At 1 April 2023	4,296	20,290	1,629	26,215
Transfer to Stage 1	264	(4,910)	-	(4,646)
Transfer to Stage 2	(267)	5,652	(986)	4,399
Transfer to Stage 3	-	(106)	879	773
New financial assets originated or purchased	1,390	10,251	25	11,666
Financial assets derecognised other than write-off	(703)	(3,951)	(2,735)	(7,389)
Changes due to change in credit risk	(528)	294	2,071	1,837
Other adjustments	2	10	-	12
	<b>158</b>	<b>7,240</b>	<b>(746)</b>	<b>6,652</b>
Total charge to/(write-back from) income statement	<b>158</b>	<b>7,240</b>	<b>(746)</b>	<b>6,652</b>
<b>At 30 September 2023</b>	<b>4,454</b>	<b>27,530</b>	<b>883</b>	<b>32,867</b>
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 adjustments	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	<b>4,296</b>	<b>20,290</b>	<b>1,629</b>	<b>26,215</b>

**Note:**

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

(b) As at 30 September 2023, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were at RM37,693,000 and RM36,643,000 (31 March 2023: RM38,680,000 and RM38,096,000) respectively.

**A20 Interest Income**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>GROUP</b>				
Loans, advances and financing	478,963	372,276	919,490	712,141
Money at call and deposit placements with financial institutions	14,495	12,628	34,773	23,152
Financial investments at fair value through other comprehensive income	76,286	67,610	144,364	136,351
Financial investments at amortised cost	29,212	19,613	57,613	37,381
Others	1,708	1,285	3,255	1,762
	<b>600,664</b>	<b>473,412</b>	<b>1,159,495</b>	<b>910,787</b>
Accretion of discount less amortisation of premium (net)	10,513	4,322	19,953	5,496
	<b>611,177</b>	<b>477,734</b>	<b>1,179,448</b>	<b>916,283</b>

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>BANK</b>				
Loans, advances and financing	475,003	366,201	912,163	700,853
Money at call and deposit placements with financial institutions	14,495	12,848	34,825	23,424
Financial investments at fair value through other comprehensive income	76,286	62,604	144,364	126,385
Financial investments at amortised cost	30,671	21,071	60,514	40,386
Others	1,708	1,285	3,255	1,762
	<b>598,163</b>	<b>464,009</b>	<b>1,155,121</b>	<b>892,810</b>
Accretion of discount less amortisation of premium (net)	10,513	4,637	19,953	6,125
	<b>608,676</b>	<b>468,646</b>	<b>1,175,074</b>	<b>898,935</b>

Note:

Included in interest income on loans, advances and financing is interest/profit on impaired loans/financing of the Group and the Bank of RM3,298,000 (30 September 2022: RM1,534,000).

**A21 Interest Expense**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>GROUP</b>				
Deposits and placements of banks and other financial institutions	6,826	3,286	10,797	6,845
Deposits from customers	235,028	136,519	461,763	257,388
Recourse obligations on loans and financing sold to Cagamas	7,361	3,425	12,831	6,851
Subordinated obligations	15,210	17,589	30,245	32,939
Lease liabilities	1,481	1,780	2,814	2,759
Others	17,354	5,946	28,065	9,938
	<b>283,260</b>	<b>168,545</b>	<b>546,515</b>	<b>316,720</b>

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>BANK</b>				
Deposits and placements of banks and other financial institutions	6,848	3,012	10,906	6,063
Deposits from customers	235,149	135,598	461,930	254,845
Recourse obligations on loans and financing sold to Cagamas	7,361	3,425	12,831	6,851
Subordinated obligations	15,241	17,647	30,302	33,045
Lease liabilities	1,481	1,788	2,814	2,764
Others	17,354	5,946	28,065	9,938
	<b>283,434</b>	<b>167,416</b>	<b>546,848</b>	<b>313,506</b>

**A22 Net Income from Islamic Banking Business**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>GROUP</b>				
Income derived from investment of depositors' funds and others	197,971	169,275	387,031	320,734
Income derived from investment of Islamic Banking funds	20,073	16,970	37,998	32,248
Income attributable to the depositors and financial institutions	(108,249)	(68,424)	(214,889)	(128,728)
	<b>109,795</b>	<b>117,821</b>	<b>210,140</b>	<b>224,254</b>

Note:

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

**A23 Other Operating Income**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>GROUP</b>				
<b>(a) Fee and commission income:</b>				
Commissions	21,774	21,163	44,745	43,020
Service charges and fees	6,207	5,968	15,902	12,140
Brokerage fees	-	899	-	5,483
Guarantee fees	3,347	3,301	6,899	6,663
Processing fees	3,731	836	8,367	1,554
Commitment fees	4,184	4,453	8,301	8,996
Cards related income	14,618	14,489	27,928	29,471
Other fee income	16,333	1,500	17,583	3,000
	<b>70,194</b>	<b>52,609</b>	<b>129,725</b>	<b>110,327</b>
<b>(b) Fee and commission expense:</b>				
Commissions expense	(496)	(358)	(851)	(721)
Service charges and fees expense	(597)	(327)	(1,159)	(828)
Brokerage fees expense	(27)	(371)	(52)	(2,169)
Guarantee fees expense	(4,167)	(4,034)	(8,211)	(7,810)
Cards related expense	(22,578)	(24,900)	(42,512)	(42,713)
	<b>(27,865)</b>	<b>(29,990)</b>	<b>(52,785)</b>	<b>(54,241)</b>
<b>(c) Investment income:</b>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,435	(1,310)	5,550	4,790
- Financial investments at fair value through other comprehensive income	3,548	13	3,563	44
- Financial investments at amortised cost	-	-	-	1,482
- Derivative instruments	27,723	(29,118)	(1,784)	(1,456)
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	21,698	15,788	22,293	16,252
- Derivative instruments	1,677	(32,823)	52,452	(98,139)
- Financial liabilities designated at fair value through profit or loss	(18,936)	40,783	(10,317)	100,244
Net loss arising from hedging activities	-	(157)	-	(333)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	278	279	1,356	1,341
	<b>38,423</b>	<b>(6,545)</b>	<b>73,113</b>	<b>24,225</b>
<b>(d) Other income:</b>				
Foreign exchange gain/(loss)	5,620	29,916	(9,031)	38,416
Rental income	22	22	43	44
Loss on disposal of property, plant and equipment	-	-	-	(15)
Others	3,994	7,552	10,225	12,074
	<b>9,636</b>	<b>37,490</b>	<b>1,237</b>	<b>50,519</b>
Total other operating income	<b>90,388</b>	<b>53,564</b>	<b>151,290</b>	<b>130,830</b>

**A23 Other Operating Income (Contd.)**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b><u>BANK</u></b>				
<b>(a) <u>Fee and commission income:</u></b>				
Commissions	21,774	21,163	44,745	43,020
Service charges and fees	6,151	5,884	15,801	11,872
Guarantee fees	3,347	3,295	6,899	6,650
Processing fees	3,731	704	8,367	1,196
Commitment fees	4,184	4,453	8,301	8,996
Cards related income	14,618	14,489	27,928	29,471
Other fee income	16,333	1,500	17,583	3,000
	<b>70,138</b>	<b>51,488</b>	<b>129,624</b>	<b>104,205</b>
<b>(b) <u>Fee and commission expense:</u></b>				
Commissions expense	(496)	(358)	(851)	(721)
Service charges and fees expense	(597)	(327)	(1,159)	(828)
Brokerage fees expense	(27)	(14)	(52)	(27)
Guarantee fees expense	(4,167)	(4,034)	(8,211)	(7,810)
Cards related expense	(22,578)	(24,900)	(42,512)	(42,713)
	<b>(27,865)</b>	<b>(29,633)</b>	<b>(52,785)</b>	<b>(52,099)</b>
<b>(c) <u>Investment income:</u></b>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,435	(1,310)	5,550	1,186
- Financial investments at fair value through other comprehensive income	3,548	13	3,563	44
- Financial investments at amortised cost	-	-	-	1,482
- Derivative instruments	27,723	(29,118)	(1,784)	(1,456)
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	21,698	15,788	22,293	16,252
- Derivative instruments	1,677	(32,964)	50,099	(98,280)
- Financial liabilities designated at fair value through profit or loss	(18,936)	40,783	(10,317)	100,244
Net loss arising from hedging activities	-	(157)	-	(333)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	278	279	1,356	980
- Subsidiaries	1,295	-	39,830	41,342
	<b>39,718</b>	<b>(6,686)</b>	<b>110,590</b>	<b>61,461</b>
<b>(d) <u>Other income:</u></b>				
Foreign exchange gain/(loss)	5,620	29,906	(9,031)	38,236
Rental income	256	404	510	902
Loss on disposal of property, plant and equipment	-	-	-	(15)
Others	4,038	4,978	14,772	9,369
	<b>9,914</b>	<b>35,288</b>	<b>6,251</b>	<b>48,492</b>
Total other operating income	<b>91,905</b>	<b>50,457</b>	<b>193,680</b>	<b>162,059</b>

**A24 Other Operating Expenses**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>GROUP</b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	125,596	107,996	243,524	219,340
- Contribution to EPF	20,208	17,456	40,092	34,764
- Others	14,779	12,190	27,637	22,702
	<b>160,583</b>	<b>137,642</b>	<b>311,253</b>	<b>276,806</b>
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,299	5,091	10,629	10,103
- Depreciation of right-of-use assets	6,808	6,407	13,668	12,846
- Amortisation of computer software	11,823	11,826	23,956	23,367
- Rental of premises	327	465	778	977
- Water and electricity	1,733	1,640	3,603	3,384
- Repairs and maintenance	2,516	2,197	4,577	4,268
- Information technology expenses	21,079	19,543	40,892	38,293
- Others	2,806	2,775	5,360	5,538
	<b>52,391</b>	<b>49,944</b>	<b>103,463</b>	<b>98,776</b>
<u>Marketing expenses</u>				
- Promotion and advertisement	5,533	4,736	13,731	7,961
- Branding and publicity	2,908	108	3,614	1,227
- Others	2,432	2,919	5,062	3,858
	<b>10,873</b>	<b>7,763</b>	<b>22,407</b>	<b>13,046</b>
<u>Administration and general expenses</u>				
- Communication expenses	3,426	2,547	6,134	5,295
- Printing and stationery	587	458	1,033	782
- Insurance	3,657	3,565	7,256	7,146
- Professional fees	9,457	5,562	14,574	11,228
- Others	5,760	610	10,696	5,573
	<b>22,887</b>	<b>12,742</b>	<b>39,693</b>	<b>30,024</b>
Total other operating expenses	<b>246,734</b>	<b>208,091</b>	<b>476,816</b>	<b>418,652</b>



**A24 Other Operating Expenses (Contd.)**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b><u>BANK</u></b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	97,720	83,503	187,002	169,075
- Contribution to EPF	15,834	13,497	31,010	26,878
- Others	11,627	11,182	22,516	19,972
	<b>125,181</b>	<b>108,182</b>	<b>240,528</b>	<b>215,925</b>
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,249	5,013	10,530	9,939
- Depreciation of right-of-use assets	6,808	6,401	13,668	12,820
- Amortisation of computer software	11,692	11,548	23,693	22,813
- Rental of premises	269	383	629	824
- Water and electricity	1,323	1,328	2,795	2,666
- Repairs and maintenance	2,057	1,823	3,779	3,514
- Information technology expenses	14,258	10,927	26,893	21,189
- Others	2,308	2,143	4,369	4,463
	<b>43,964</b>	<b>39,566</b>	<b>86,356</b>	<b>78,228</b>
<u>Marketing expenses</u>				
- Promotion and advertisement	5,659	5,030	13,434	7,068
- Branding and publicity	710	73	1,424	1,005
- Others	3,506	1,674	4,462	1,706
	<b>9,875</b>	<b>6,777</b>	<b>19,320</b>	<b>9,779</b>
<u>Administration and general expenses</u>				
- Communication expenses	2,836	1,996	5,085	4,193
- Printing and stationery	465	327	794	571
- Insurance	2,698	2,667	5,268	5,363
- Professional fees	7,504	4,925	13,270	9,400
- Others	5,236	(641)	12,822	3,897
	<b>18,739</b>	<b>9,274</b>	<b>37,239</b>	<b>23,424</b>
Total other operating expenses	<b>197,759</b>	<b>163,799</b>	<b>383,443</b>	<b>327,356</b>

**A25 Allowance for Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>GROUP</b>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing	28,623	73,979	57,224	61,161
(b) Commitments and contingencies on loans, advances and financing	1,460	2,763	7,254	2,028
(c) Other assets	12,435	936	11,991	1,660
(d) Cash and short-term funds	(9)	(17)	(66)	30
(e) Deposits and placements with banks and other financial institutions	-	-	-	(8)
	<b>42,509</b>	<b>77,661</b>	<b>76,403</b>	<b>64,871</b>
(f) Credit impaired loans, advances and financing				
- Recovered during the financial period	(20,629)	(15,703)	(35,726)	(29,584)
- Write-off during the financial period	17,812	12,337	33,713	21,727
	<b>39,692</b>	<b>74,295</b>	<b>74,390</b>	<b>57,014</b>

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>BANK</b>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing	19,777	48,987	37,977	31,301
(b) Commitments and contingencies on loans, advances and financing	4,811	3,746	6,652	1,542
(c) Other assets	8,367	669	8,145	1,115
(d) Cash and short-term funds	(9)	(17)	(66)	30
(e) Deposits and placements with banks and other financial institutions	-	-	-	(8)
	<b>32,946</b>	<b>53,385</b>	<b>52,708</b>	<b>33,980</b>
(f) Credit impaired loans, advances and financing				
- Recovered during the financial period	(13,614)	(11,052)	(24,173)	(19,731)
- Write-off during the financial period	10,674	7,864	18,912	11,485
	<b>30,006</b>	<b>50,197</b>	<b>47,447</b>	<b>25,734</b>

**A26 Allowance for/(Write-back of) Expected Credit Losses on Financial Investments**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>GROUP</u></b>				
Allowance made/(write-back of) expected credit losses:				
(a) Financial investments at fair value through other comprehensive income	<b>19</b>	<b>(62)</b>	<b>285</b>	<b>(125)</b>
(b) Financial investments at amortised cost	<b>1</b>	<b>(196)</b>	<b>(115)</b>	<b>(197)</b>
	<b>20</b>	<b>(258)</b>	<b>170</b>	<b>(322)</b>

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK</u></b>				
Allowance made/(write-back of) expected credit losses:				
(a) Financial investments at fair value through other comprehensive income	<b>9</b>	<b>(46)</b>	<b>272</b>	<b>(88)</b>
(b) Financial investments at amortised cost	<b>(4)</b>	<b>(137)</b>	<b>(122)</b>	<b>177</b>
	<b>5</b>	<b>(183)</b>	<b>150</b>	<b>89</b>

**A27 Commitments and Contingencies**

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

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

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	<b>502,053</b>	488,308	<b>415,419</b>	406,699
Transaction-related contingent items	<b>706,789</b>	666,236	<b>624,193</b>	592,687
Short-term self-liquidating trade-related contingencies	<b>162,704</b>	138,542	<b>144,547</b>	120,783
Forward assets purchase	<b>40,000</b>	241,988	-	226,988
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions.	<b>1,943,074</b>	-	<b>1,943,074</b>	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	<b>4,300,898</b>	3,162,549	<b>3,719,736</b>	2,665,690
- maturity not exceeding one year	<b>11,684,195</b>	10,812,148	<b>8,866,292</b>	8,300,015
Unutilised credit card lines	<b>1,709,640</b>	1,518,716	<b>1,709,640</b>	1,518,716
	<b>21,049,353</b>	17,028,487	<b>17,422,901</b>	13,831,578
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	<b>17,728,425</b>	15,710,254	<b>17,728,425</b>	15,710,254
- over one year to three years	<b>1,199,879</b>	951,319	<b>1,199,879</b>	951,319
- over three years	<b>314,480</b>	381,600	<b>314,480</b>	381,600
Interest rate related contracts:				
- one year or less	<b>1,228,438</b>	2,312,715	<b>1,228,438</b>	2,312,715
- over one year to three years	<b>4,377,869</b>	2,532,107	<b>4,377,869</b>	2,532,107
- over three years	<b>8,972,715</b>	6,849,073	<b>8,972,715</b>	7,147,073
Equity related contracts				
- one year or less	<b>354,157</b>	340,226	<b>354,157</b>	340,226
- over one year to three years	<b>136,490</b>	118,690	<b>136,490</b>	118,690
	<b>34,312,453</b>	29,195,984	<b>34,312,453</b>	29,493,984
	<b>55,361,806</b>	46,224,471	<b>51,735,354</b>	43,325,562

**ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

(Incorporated in Malaysia)

**A28 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 the 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 provides foreign exchange, money market, hedging and investment (capital market instruments) solutions for banking customers. It also manages the assets and liabilities, liquidity and statutory reserve requirements of the banking entities in the Group.

**(iv) Stockbroking and Corporate Advisory**

Stockbroking and Corporate Advisory covers stockbroking activities and corporate advisory which includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

**(v) Others**

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

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

**A28 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	<u>Total</u> RM'000
<b>2nd Quarter ended 30 September 2023</b>								
Net interest income								
- external income	111,958	143,919	70,239	-	(748)	325,368	2,549	327,917
- inter-segment	(23,624)	21,567	2,057	-	-	-	-	-
	88,334	165,486	72,296	-	(748)	325,368	2,549	327,917
Net income/(expense) from Islamic banking business	40,441	41,051	25,178	1,565	(22)	108,213	1,582	109,795
Other operating income/(expense)	37,623	44,299	7,576	114	9,142	98,754	(8,366)	90,388
Net income	166,398	250,836	105,050	1,679	8,372	532,335	(4,235)	528,100
Other operating expenses	(106,645)	(86,735)	(10,040)	(2,809)	(16,631)	(222,860)	56	(222,804)
Depreciation and amortisation	(11,899)	(10,465)	(1,360)	(97)	(362)	(24,183)	253	(23,930)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	47,854	153,636	93,650	(1,227)	(8,621)	285,292	(3,926)	281,366
Allowance for expected credit losses on financial investments	(18,507)	(21,244)	9	95	(45)	(39,692)	-	(39,692)
	-	(1)	(13)	-	(1)	(15)	(5)	(20)
Segment results	29,347	132,391	93,646	(1,132)	(8,667)	245,585	(3,931)	241,654
Share of results of joint venture								9
Taxation and zakat								(56,334)
Net profit for the financial period								185,329
Segment assets	26,494,982	26,116,258	17,701,367	13,247	403,220	70,729,074	(1,347,481)	69,381,593
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,101
Property, plant and equipment								60,806
Tax recoverable and deferred tax assets								231,527
Intangible assets								453,212
Total assets								70,128,239

**A28 Segment information (Contd.)**

**GROUP**

	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Stockbroking and Corporate Advisory RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
<b>Six months ended 30 September 2023</b>								
Net interest income								
- external income	221,538	260,481	147,363	83	(966)	628,499	4,434	632,933
- inter-segment	(41,790)	54,466	(12,676)	-	-	-	-	-
	179,748	314,947	134,687	83	(966)	628,499	4,434	632,933
Net income/(expense) from Islamic banking business	81,526	79,931	45,108	2,785	(48)	209,302	838	210,140
Other operating income/(expense)	65,534	86,615	(4,869)	259	10,662	158,201	(6,911)	151,290
Net income	326,808	481,493	174,926	3,127	9,648	996,002	(1,639)	994,363
Other operating expenses	(212,989)	(172,472)	(19,929)	(5,084)	(18,174)	(428,648)	85	(428,563)
Depreciation and amortisation	(24,043)	(21,064)	(2,812)	(247)	(698)	(48,864)	611	(48,253)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	89,776	287,957	152,185	(2,204)	(9,224)	518,490	(943)	517,547
(Allowance for)/write-back of expected credit losses on financial investments	(44,522)	(31,194)	69	446	811	(74,390)	-	(74,390)
	-	-	(295)	-	132	(163)	(7)	(170)
Segment results	45,254	256,763	151,959	(1,758)	(8,281)	443,937	(950)	442,987
Share of results of joint venture								22
Taxation and zakat								(107,140)
Net profit for the financial year								335,869
Segment assets	26,494,982	26,116,258	17,701,367	13,247	403,220	70,729,074	(1,347,481)	69,381,593
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,101
Property, plant and equipment								60,806
Tax recoverable and deferred tax assets								231,527
Intangible assets								453,212
Total assets								70,128,239

**A28 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	<u>Total</u> RM'000
<b>2nd Quarter ended 30 September 2022</b>								
Net interest income								
- external income	105,090	136,226	64,164	425	9	305,914	3,275	309,189
- inter-segment	(16,351)	15,197	1,376	(222)	-	-	-	-
	88,739	151,423	65,540	203	9	305,914	3,275	309,189
Net income/(expense) from Islamic banking business	47,955	40,601	25,388	2,773	(386)	116,331	1,490	117,821
Other operating income/(expense)	18,343	35,384	(4,122)	4,036	6,756	60,397	(6,833)	53,564
Net income	155,037	227,408	86,806	7,012	6,379	482,642	(2,068)	480,574
Other operating expenses	(90,108)	(72,261)	(8,120)	(3,791)	(10,574)	(184,854)	87	(184,767)
Depreciation and amortisation	(11,358)	(10,015)	(1,546)	(379)	(358)	(23,656)	332	(23,324)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	53,571	145,132	77,140	2,842	(4,553)	274,132	(1,649)	272,483
Write-back of/(allowance for) expected credit losses on financial investments	(35,468)	(38,514)	21	(304)	(29)	(74,294)	(1)	(74,295)
Segment results	-	1	266	-	-	267	(9)	258
Share of results of joint venture	18,103	106,619	77,427	2,538	(4,582)	200,105	(1,659)	198,446
Taxation and zakat								11
Net profit for the financial period								(40,033)
								<u>158,424</u>
Segment assets	23,059,778	22,585,423	18,785,992	5,718	469,708	64,906,619	(1,953,382)	62,953,237
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,074
Property, plant and equipment								57,649
Tax recoverable and deferred tax assets								254,131
Intangible assets								434,855
Total assets								<u>63,700,946</u>



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**A28 Segment information (Contd.)**

**GROUP**

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	<u>Total</u> RM'000
<b>Six months ended 30 September 2022</b>								
Net interest income								
- external income	202,231	264,475	126,359	1,837	42	594,944	4,619	599,563
- inter-segment	(30,148)	26,985	4,108	(945)	-	-	-	-
	172,083	291,460	130,467	892	42	594,944	4,619	599,563
Net income/(expense) from Islamic banking business	91,319	77,489	48,400	4,308	(418)	221,098	3,156	224,254
Other operating income/(expense)	53,700	71,189	(1,684)	7,637	11,906	142,748	(11,918)	130,830
Net income	317,102	440,138	177,183	12,837	11,530	958,790	(4,143)	954,647
Other operating expenses	(180,879)	(143,125)	(18,317)	(12,017)	(19,173)	(373,511)	1,175	(372,336)
Depreciation and amortisation	(22,395)	(19,979)	(3,120)	(855)	(702)	(47,051)	735	(46,316)
Operating profit/(loss) before allowance	113,828	277,034	155,746	(35)	(8,345)	538,228	(2,233)	535,995
Allowance for expected credit losses on loans, advances and financing and other financial assets	(24,348)	(32,034)	(17)	(585)	(29)	(57,013)	(1)	(57,014)
Write-back of expected credit losses on financial investments	-	1	14	-	-	15	307	322
Segment results	89,480	245,001	155,743	(620)	(8,374)	481,230	(1,927)	479,303
Share of results of joint venture								26
Taxation and zakat								(108,749)
Net profit for the financial period								<u>370,580</u>
Segment assets	23,059,778	22,585,423	18,785,992	5,718	469,708	64,906,619	(1,953,382)	62,953,237
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,074
Property, plant and equipment								57,649
Tax recoverable and deferred tax assets								254,131
Intangible assets								434,855
Total assets								<u>63,700,946</u>

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

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**A29 Capital Adequacy**

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions took effect on 9 December 2020. This allows the Group and the Bank to add back a portion of Stage 1 ("S1") and Stage 2 ("S2") provisions with an "add-back factor" to the Common Equity Tier I ("CET I") capital from Financial Year 2021 to Financial Year 2024. The Group and the Bank have sufficient capital under both conditions with or without the Transitional Arrangement.

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>13.710%</b>	14.868%	<b>13.954%</b>	14.608%
Tier I capital ratio	<b>14.496%</b>	15.714%	<b>14.693%</b>	15.410%
Total capital ratio	<b>18.326%</b>	19.748%	<b>18.980%</b>	19.970%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>13.332%</b>	14.494%	<b>13.458%</b>	14.111%
Tier I capital ratio	<b>14.119%</b>	15.340%	<b>14.196%</b>	14.913%
Total capital ratio	<b>17.949%</b>	19.374%	<b>18.484%</b>	19.473%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>13.285%</b>	14.145%	<b>13.635%</b>	14.082%
Tier I capital ratio	<b>14.071%</b>	14.991%	<b>14.373%</b>	14.885%
Total capital ratio	<b>17.901%</b>	19.025%	<b>18.661%</b>	19.445%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>12.907%</b>	13.771%	<b>13.139%</b>	13.586%
Tier I capital ratio	<b>13.694%</b>	14.617%	<b>13.877%</b>	14.388%
Total capital ratio	<b>17.524%</b>	18.651%	<b>18.165%</b>	18.948%

**A29 Capital Adequacy (Contd.)**

(a) Components of CET I, Tier I and Tier II capital are as follows:

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
<b><u>CET I Capital/Tier I Capital</u></b>				
Paid-up share capital	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Retained profits	<b>5,186,296</b>	4,989,825	<b>4,474,324</b>	4,324,216
Regulatory reserves	<b>331,960</b>	257,241	<b>283,265</b>	231,857
FVOCI reserves	<b>(161,812)</b>	(149,271)	<b>(145,793)</b>	(136,059)
Capital reserves	<b>10,018</b>	100,150	-	15,515
	<b>6,914,568</b>	6,746,051	<b>6,159,902</b>	5,983,635
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	<b>(453,212)</b>	(440,438)	<b>(451,151)</b>	(338,321)
- Deferred tax assets	<b>(218,903)</b>	(198,920)	<b>(161,579)</b>	(141,327)
- Regulatory reserves	<b>(331,960)</b>	(257,241)	<b>(283,265)</b>	(231,857)
- Investment in subsidiaries and joint venture	<b>(1,101)</b>	(1,094)	<b>(647,750)</b>	(883,013)
- Transitional arrangements	<b>189,078</b>	298,945	<b>108,069</b>	163,695
Total CET I Capital	<b>6,098,470</b>	6,147,303	<b>4,724,226</b>	4,552,812
Additional Tier I Capital Securities	<b>349,947</b>	349,895	<b>250,000</b>	250,000
Total Additional Tier I Capital	<b>349,947</b>	349,895	<b>250,000</b>	250,000
Total Tier I Capital	<b>6,448,417</b>	6,497,198	<b>4,974,226</b>	4,802,812
<b><u>Tier II Capital</u></b>				
Subordinated obligations	<b>1,199,560</b>	1,199,459	<b>1,199,310</b>	1,199,153
Expected credit losses and regulatory reserves	<b>504,177</b>	468,411	<b>382,249</b>	352,172
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	<b>(130,000)</b>	(130,000)
Total Tier II Capital	<b>1,703,737</b>	1,667,870	<b>1,451,559</b>	1,421,325
<b>Total Capital</b>	<b>8,152,154</b>	8,165,068	<b>6,425,785</b>	6,224,137

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

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
Credit risk	<b>40,334,175</b>	37,472,854	<b>30,579,944</b>	28,173,763
Market risk	<b>491,692</b>	316,648	<b>491,562</b>	316,525
Operational risk	<b>3,657,067</b>	3,556,380	<b>2,783,753</b>	2,677,121
Total RWA and capital requirements	<b>44,482,934</b>	41,345,882	<b>33,855,259</b>	31,167,409

**A29 Capital Adequacy (Contd.)**

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

	<b>Alliance Islamic Bank Berhad</b>		<b>Alliance Investment Bank Berhad</b>	
	<b>30 September 2023</b>	<b>31 March 2023</b>	<b>30 September 2023</b>	<b>31 March 2023</b>
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>12.890%</b>	13.717%	<b>33.166%</b>	99.686%
Tier I capital ratio	<b>13.819%</b>	14.694%	<b>33.166%</b>	99.686%
Total capital ratio	<b>16.185%</b>	17.122%	<b>33.166%</b>	100.257%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>12.890%</b>	13.715%	<b>33.166%</b>	99.686%
Tier I capital ratio	<b>13.819%</b>	14.692%	<b>33.166%</b>	99.686%
Total capital ratio	<b>16.185%</b>	17.120%	<b>33.166%</b>	100.257%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	<b>12.133%</b>	12.401%	<b>33.166%</b>	99.300%
Tier I capital ratio	<b>13.062%</b>	13.377%	<b>33.166%</b>	99.300%
Total capital ratio	<b>15.428%</b>	15.806%	<b>33.166%</b>	99.871%
<u>After deducting proposed dividends</u>				
CET I capital ratio	<b>12.133%</b>	12.399%	<b>33.166%</b>	99.300%
Tier I capital ratio	<b>13.062%</b>	13.375%	<b>33.166%</b>	99.300%
Total capital ratio	<b>15.428%</b>	15.804%	<b>33.166%</b>	99.871%

### **A30 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.

**A30 Fair Value Measurements (Contd.)**

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

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

<u>GROUP</u> 30 September 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	-	136,439	-	136,439
- Unquoted securities	-	2,811	277,973	280,784
Financial investments at FVOCI				
- Money market instruments	-	5,279,861	-	5,279,861
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	4,824,732	-	4,824,732
Derivative financial assets	-	286,913	-	286,913
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,769,484	-	1,769,484
Derivative financial liabilities	-	367,096	-	367,096

<u>BANK</u> 30 September 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	-	136,439	-	136,439
- Unquoted securities	-	2,811	277,973	280,784
Financial investments at FVOCI				
- Money market instruments	-	4,251,694	-	4,251,694
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	3,602,879	-	3,602,879
Derivative financial assets	-	286,913	-	286,913
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,769,484	-	1,769,484
Derivative financial liabilities	-	367,096	-	367,096

**A30 Fair Value Measurements (Contd.)**

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

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

<u>GROUP</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2023	RM'000	RM'000	RM'000	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>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2023	RM'000	RM'000	RM'000	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

**A30 Fair Value Measurements (Contd.)**

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

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

	<u>GROUP</u>		<u>BANK</u>	
	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000	<b>30 September 2023 RM'000</b>	31 March 2023 RM'000
At beginning of financial period/year	<b>257,206</b>	245,842	<b>257,206</b>	171,488
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	<b>20,767</b>	14,686	<b>20,767</b>	14,686
- Write-off	-	(3)	-	(3)
At end of financial period/year	<b><u>277,973</u></b>	<u>257,206</u>	<b><u>277,973</u></b>	<u>257,206</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.

**A31 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.



**A31 Offsetting Financial Assets And Financial Liabilities (Contd.)**

**(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 presented in the statements of financial position RM'000	Net amounts of financial assets presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'000	Cash collateral received RM'000	
<b>GROUP</b>						
30 September 2023						
Derivative financial assets	286,913	-	286,913	(105,102)	-	181,811
	<u>286,913</u>	<u>-</u>	<u>286,913</u>	<u>(105,102)</u>	<u>-</u>	<u>181,811</u>
<b>BANK</b>						
30 September 2023						
Derivative financial assets	286,913	-	286,913	(105,102)	-	181,811
	<u>286,913</u>	<u>-</u>	<u>286,913</u>	<u>(105,102)</u>	<u>-</u>	<u>181,811</u>
<b>GROUP</b>						
31 March 2023						
Derivative financial assets	221,141	-	221,141	(166,688)	(26,015)	28,438
Total	<u>221,141</u>	<u>-</u>	<u>221,141</u>	<u>(166,688)</u>	<u>(26,015)</u>	<u>28,438</u>
<b>BANK</b>						
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>

**A31 Offsetting Financial Assets And Financial Liabilities (Contd.)**

**(b) Financial liabilities**

	Gross amounts of recognised financial liabilities set off in the statements of financial position	Gross amounts of recognised financial assets set off in the statements of financial position	Net amounts of financial liabilities presented in the statements of financial position	Related amounts not set off in the statements of financial position		Net amount
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets	Net amounts of financial liabilities	Financial instruments	Cash collateral pledged	Net amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>GROUP</b>						
30 September 2023						
Derivative financial liabilities	367,096	-	367,096	(105,102)	(179,715)	82,279
Total	367,096	-	367,096	(105,102)	(179,715)	82,279
<b>BANK</b>						
30 September 2023						
Derivative financial liabilities	367,096	-	367,096	(105,102)	(179,715)	82,279
<b>GROUP</b>						
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
<b>BANK</b>						
31 March 2023						
Derivative financial liabilities	366,165	-	366,165	(166,688)	(158,626)	40,851

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.

**A32 Credit Transactions And Exposures With Connected Parties**

	<b>BANK</b>	
	30 September 2023	31 March 2023
	RM'000	RM'000
Outstanding credit exposures with connected parties	<b>409,492</b>	308,974
of which:		
Total credit exposure which is impaired or in default	<b>16</b>	141
Total credit exposures	<b>59,479,226</b>	54,822,012
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	<b>0.69%</b>	0.56%
- which is impaired or in default	<b>0.00%</b>	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**

	<b>2nd Quarter Ended 30 September 2023 RM'000</b>	<b>2nd Quarter Ended 30 September 2022 RM'000</b>	<b>Changes %</b>
Net income/revenue	528,100	480,574	9.9
Operating profit before allowance	281,366	272,483	3.3
Operating profit after allowance	241,654	198,446	21.8
Profit before taxation	241,663	198,457	21.8
Profit after taxation	185,329	158,424	17.0
Profit attributable to ordinary equity holders of the Bank	185,329	158,424	17.0
	<b>Six Months Ended 30 September 2023 RM'000</b>	<b>Six Months Ended 30 September 2022 RM'000</b>	<b>Changes %</b>
Net income/revenue	994,363	954,647	4.2
Operating profit before allowance	517,547	535,995	(3.4)
Operating profit after allowance	442,987	479,303	(7.6)
Profit before taxation	443,009	479,329	(7.6)
Profit after taxation	335,869	370,580	(9.4)
Profit attributable to ordinary equity holders of the Bank	335,869	370,580	(9.4)
	<b>2nd Quarter Ended 30 September 2023 RM'000</b>	<b>1st Quarter Ended 30 June 2023 RM'000</b>	<b>Changes %</b>
Net income/revenue	528,100	466,263	13.3
Operating profit before allowance	281,366	236,181	19.1
Operating profit after allowance	241,654	201,333	20.0
Profit before taxation	241,663	201,346	20.0
Profit after taxation	185,329	150,540	23.1
Profit attributable to ordinary equity holders of the Bank	185,329	150,540	23.1

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

**BANK**

	<b>2nd Quarter Ended 30 September 2023 RM'000</b>	2nd Quarter Ended 30 September 2022 RM'000	Changes %
Net income/revenue	417,147	351,687	18.6
Operating profit before allowance	219,388	187,888	16.8
Operating profit after allowance	189,377	137,874	37.4
Profit before taxation	189,377	137,874	37.4
Profit after taxation	146,398	113,485	29.0
Profit attributable to ordinary equity holders of the Bank	146,398	113,485	29.0
	<b>Six Months Ended 30 September 2023 RM'000</b>	Six Months Ended 30 September 2022 RM'000	Changes %
Net income/revenue	821,906	747,488	10.0
Operating profit before allowance	438,463	420,132	4.4
Operating profit after allowance	390,866	394,309	(0.9)
Profit before taxation	390,866	394,309	(0.9)
Profit after taxation	308,090	316,555	(2.7)
Profit attributable to ordinary equity holders of the Bank	308,090	316,555	(2.7)
	<b>2nd Quarter Ended 30 September 2023 RM'000</b>	1st Quarter Ended 30 June 2023 RM'000	Changes %
Net income/revenue	417,147	404,759	3.1
Operating profit before allowance	219,388	219,075	0.1
Operating profit after allowance	189,377	201,489	(6.0)
Profit before taxation	189,377	201,489	(6.0)
Profit after taxation	146,398	161,692	(9.5)
Profit attributable to ordinary equity holders of the Bank	146,398	161,692	(9.5)

## **B2 Review Of Performance**

### **(a) Business Review for the Financial Period ended 30 September 2023**

#### Profitability

The Group's net profit after taxation was RM335.9 million for the first half ended 30 September 2023, lower by RM34.7 million or 9.4% year-on-year ("YOY").

Net interest income improved by RM18.2 million or 2.2% YOY mainly due to higher loan growth and the increase in the Overnight Policy Rate ("OPR"). Net interest margin ("NIM") stood at 2.48% (Sep 22: 2.64%).

#### Loan Growth

Focused on the execution of the ACCELER8 strategic plan, the Group's loans, advances and financing continues to grow by 10.0% YOY to RM51.5 billion mainly driven by the growth across all lines of business.

#### Other Operating Income

The Group recorded other operating income of RM163.2 million, higher by RM21.5 million or 15.2% YOY. The increase was mainly due to higher wealth management and banca fee income, FX sales, trade fees and processing fees.

#### Operating Expenses

Operating expenses increased by RM58.2 million or 13.9% YOY. The cost-to-income ratio ("CIR") stood at 48.0% (Sep 22: 43.9%). The Group will continue to be vigilant in managing the cost for the financial year.

#### Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing and other financial assets recorded a net charge of RM74.6 million, an increase of RM17.9 million YOY. The net credit cost recorded at 14.8bps (Sep 22: 12.2bps). Loan loss coverage (including regulatory reserves) was at 120.0% (Sep 22: 133.8%).

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

#### Healthy Funding and Liquidity Position

The Group's current account/savings account ("CASA") ratio stood at 44.2%. Its customer-based funding stood at RM53.3 billion. Through our funding strategy, the Group's liquidity coverage and loans-to-funds ratios stood at 154.3% and 88.6%, respectively.

#### Proactive Capital Management

We continued to maintain a robust capital position. The Common Equity Tier-1 ("CET 1") ratio stood at 13.3%, Tier-1 Capital Ratio at 14.1% and Total Capital Ratio at 17.9% respectively, well above regulatory requirements.

The Bank has declared a first interim dividend of 10.85 sen per share in respect of the financial year ending 31 March 2024.

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

### **(b) Performance by Business Segment and Subsidiary**

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

The Consumer Banking segment recorded a profit before tax of RM45.3 million, a decrease of RM44.2 million YOY. Net income increased by RM9.7 million or 3.1% to RM326.8 million mainly due to higher other operating income by RM11.6 million offset by lower net interest income by RM1.9 million or 0.7%. Operating expenses were higher by RM33.8 million or 16.6%. Allowance for expected credit losses was higher by RM20.2 million. The segment assets recorded at RM26.5 billion.

The Business Banking segment, comprising corporate, commercial and SME banking, recorded a profit before tax of RM256.8 million, an increase of RM11.8 million or 4.8% YOY. Net income increased by RM41.4 million or 9.4% to RM481.5 million due to higher net interest income by RM25.8 million and higher other operating income by RM15.6 million. Operating expenses increased by RM30.4 million or 18.7%. Allowance for expected credit losses remained stable at RM31.2 million. Segment assets recorded at RM26.1 billion.

The Financial Markets segment recorded a profit before tax of RM152.0 million, a decrease of RM3.8 million or 2.4% YOY. Net income was lower by RM2.3 million or 1.3% due to lower net interest income by RM3.6 million and offset by higher other operating income by RM1.3 million. Operating expenses recorded higher by RM1.3 million or 6.1%. Segment assets recorded at RM17.7 billion.

The Islamic Banking segment, which consists of consumer banking, business banking and financial markets, recorded a net profit after taxation of RM70.6 million, lower by RM15.7 million or 18.2% YOY. Net income was lower by RM10.6 million or 4.8%. Net profit income was lower by RM13.8 million while other operating income was higher by RM3.3 million. Operating expenses increased by RM14.1 million or 19.1%. Allowance for expected credit losses stood at RM27.1 million. Total assets stood at RM16.5 billion.

### **Current Quarter against Previous Year Corresponding Quarter (2QFY2024 vs 2QFY2023)**

The Group's profit after taxation of RM185.3 million for the quarter was RM26.9 million or 17.0% higher compared to the previous year corresponding quarter, mainly due to higher revenue and lower expected credit losses.

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

- Net interest income recorded at RM429.8 million, higher by RM8.9 million or 2.1% mainly due to higher loan growth and OPR hike.
- NIM was at 2.53% (2QFY2023: 2.70%).
- Other operating income increased by RM38.6 million or 64.7% mainly due to higher wealth management income and lower hedging cost.
- Operating expenses increased by RM38.6 million or 18.6% mainly from higher personnel cost, marketing cost, administrative and establishment cost.
- Net credit cost was at 7.7bps (2QFY2023: 16.0 bps).

## **ALLIANCE BANK MALAYSIA BERHAD**

**198201008390 (88103-W)**

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### **B3 Comparison with Immediate Preceding Quarter (2QFY2024 vs 1QFY2024)**

In comparison with the immediate preceding quarter, the Group's profit after taxation of RM185.3 million for the quarter was higher by RM34.8 million or 23.1% mainly due to higher revenue.

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

- Net interest income recorded at RM429.8 million, higher by RM28.5 million or 7.1% mainly due to higher loan growth.
- NIM was at 2.53% (1QFY2024: 2.43%).
- Other operating income increased by RM33.4 million or 51.4% mainly due to higher wealth management income and higher revaluation gain.
- Operating expenses increased by RM16.7 million or 7.2% mainly from higher personnel cost, administrative and establishment cost.
- Net credit cost was at 7.7bps (1QFY2024: 7.1bps).

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

For calendar year 2023, Bank Negara Malaysia ("BNM") forecasts Malaysia's gross domestic product ("GDP") to grow 4.0%, 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. Nevertheless, we remain cautious and mindful of downside risks to growth stemming from external uncertainties especially escalating geopolitical tensions and tightening financial conditions.

The Group continues its strides towards achieving its ACCELER8 strategy targets in the second quarter, further evolving as a bank for the community.

The results from the ACCELER8 strategy remains on the uptrend, with positive momentum seen in the acquisition on new-to-bank business customers and the continued growth YoY in SME loans.

The Group's digital channels continues to gain traction largely contributed by Alliance Bank's Visa Virtual Credit Card (VCC). Continuous efforts are made to enhance product propositions, credit approach targeting high net worth, and young professional segments.

In line with the Group's aspiration of being an ESG-focused organisation, a total of RM288.0 million in financing was approved under the Alliance Bank Sustainability Assistance Programme, representing about 96% of the Group's FY2024 green financing target.

The Group will continue in expanding its business presence in fast-growing economic corridors and strengthen its footprint in Northern Peninsular and East Malaysia.

With prudent loans growth above the industry average, strong credit risk management, strengthening the deposit/CASA proposition and cost management, the Group aims to meet its performance guidance for the year.

**B5 Profit Forecast**

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

**B6 Taxation**

	2nd Quarter Ended		Six Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b><u>GROUP</u></b>				
- Income tax	90,185	53,221	123,163	110,076
- Deferred tax	(33,851)	(3,705)	(16,023)	8,156
- Over provision for taxation in prior financial year	-	(9,483)	-	(9,483)
	<u>56,334</u>	<u>40,033</u>	<u>107,140</u>	<u>108,749</u>
<b><u>BANK</u></b>				
- Income tax	74,856	37,394	99,954	80,855
- Deferred tax	(31,877)	(4,433)	(17,178)	5,471
- Over provision for taxation in prior financial year	-	(8,572)	-	(8,572)
	<u>42,979</u>	<u>24,389</u>	<u>82,776</u>	<u>77,754</u>

The Bank's effective tax rate for the current financial period ended 30 September 2023 was lower than the current statutory tax rate of 24% mainly due to income not subject to tax purposes for the financial period.

**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>	
	30 September 2023 RM'000	31 March 2023 RM'000	30 September 2023 RM'000	31 March 2023 RM'000
<b>(a) Deposits from customers</b>				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	<b>28,732,337</b>	29,247,596	<b>20,082,566</b>	20,239,735
- More than one year (medium/long term)	<b>207,676</b>	306,736	<b>24,643</b>	49,285
	<b>28,940,013</b>	29,554,332	<b>20,107,209</b>	20,289,020
Others	<b>22,897,654</b>	21,294,698	<b>18,019,857</b>	16,607,333
	<b>51,837,667</b>	50,849,030	<b>38,127,066</b>	36,896,353
<b>(b) Deposits and placements of banks and other financial institutions</b>				
- One year or less (short term)	<b>562,465</b>	426,719	<b>550,697</b>	412,116
- More than one year (medium/long term)	<b>1,303,545</b>	1,292,565	<b>1,135,843</b>	1,124,086
	<b>1,866,010</b>	1,719,284	<b>1,686,540</b>	1,536,202
<b>(c) Subordinated obligations</b>				
Tier II Subordinated Medium Term Notes (unsecured)				
- One year or less (short term)	-	-	-	-
- More than one year (medium/long term)	<b>1,219,314</b>	1,219,088	<b>1,219,064</b>	1,218,781
Additional Tier 1 Capital Securities (unsecured)				
- One year or less (short term)	<b>200,355</b>	200,335	<b>100,375</b>	100,391
- More than one year (medium/long term)	<b>152,102</b>	152,079	<b>152,102</b>	152,079
	<b>1,571,770</b>	1,571,502	<b>1,471,541</b>	1,471,252

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

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

GROUP	As at 30 September 2023			As at 31 March 2023		
	Fair value			Fair value		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
Foreign exchange contracts						
Currency forwards	5,141,405	116,573	(5,093)	4,217,222	35,688	(28,884)
- one year or less	4,344,530	103,084	(4,691)	3,557,478	35,488	(11,251)
- over one year to three years	625,781	12,924	(4)	461,159	200	(9,846)
- over three years	171,094	565	(398)	198,585	-	(7,787)
Currency swaps	12,468,874	76,547	(164,006)	11,811,185	88,267	(130,163)
- one year or less	11,751,390	76,228	(129,357)	11,138,010	79,857	(114,690)
- over one year to three years	574,098	11	(31,914)	490,160	2,378	(15,473)
- over three years	143,386	308	(2,735)	183,015	6,032	-
Currency spots						
- one year or less	199,752	302	(137)	408,652	572	(588)
Currency options						
- one year or less	1,432,753	5,039	(2,717)	606,114	1,022	(247)
	19,242,784	198,461	(171,953)	17,043,173	125,549	(159,882)
Interest rate related contracts						
Interest rate swaps	14,579,022	87,910	(158,922)	8,972,895	94,962	(120,208)
- one year or less	1,228,438	7,170	(4,567)	2,312,715	11,340	(2,089)
- over one year to three years	4,377,869	37,920	(29,712)	2,532,107	55,819	(31,022)
- over three years	8,972,715	42,820	(124,643)	4,128,073	27,803	(87,097)
Equity related contracts	490,647	542	(36,221)	458,916	605	(59,346)
- one year or less	354,157	542	(28,608)	340,226	178	(51,624)
- over one year to three years	136,490	-	(7,613)	118,690	427	(7,722)
<b>Hedging derivatives</b>						
Interest rate related contracts						
Interest rate swaps						
- over three years	-	-	-	2,721,000	25	(26,704)
<b>Total derivatives assets/(liabilities)</b>	<b>34,312,453</b>	<b>286,913</b>	<b>(367,096)</b>	<b>29,195,984</b>	<b>221,141</b>	<b>(366,140)</b>

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

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

	As at 30 September 2023			As at 31 March 2023		
	Fair value			Fair value		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
<b>BANK</b>						
<b>Trading derivatives</b>						
Foreign exchange contracts						
Currency forwards	5,141,405	116,573	(5,093)	4,217,222	35,688	(28,884)
- one year or less	4,344,530	103,084	(4,691)	3,557,478	35,488	(11,251)
- over one year to three years	625,781	12,924	(4)	461,159	200	(9,846)
- over three years	171,094	565	(398)	198,585	-	(7,787)
Currency swaps	12,468,874	76,547	(164,006)	11,811,185	88,267	(130,163)
- one year or less	11,751,390	76,228	(129,357)	11,138,010	79,857	(114,690)
- over one year to three years	574,098	11	(31,914)	490,160	2,378	(15,473)
- over three years	143,386	308	(2,735)	183,015	6,032	-
Currency spots						
- one year or less	199,752	302	(137)	408,652	572	(588)
Currency options						
- one year or less	1,432,753	5,039	(2,717)	606,114	1,022	(247)
	19,242,784	198,461	(171,953)	17,043,173	125,549	(159,882)
Interest rate related contracts						
Interest rate swaps	14,579,022	87,910	(158,922)	9,568,895	97,483	(122,729)
- one year or less	1,228,438	7,170	(4,567)	2,312,715	11,340	(2,089)
- over one year to three years	4,377,869	37,920	(29,712)	2,532,107	55,819	(31,022)
- over three years	8,972,715	42,820	(124,643)	4,724,073	30,324	(89,618)
Equity related contracts	490,647	542	(36,221)	458,916	605	(59,346)
- one year or less	354,157	542	(28,608)	340,226	178	(51,624)
- over one year to three years	136,490	-	(7,613)	118,690	427	(7,722)
<b>Hedging derivatives</b>						
Interest rate related contracts						
Interest rate swaps						
- over three years	-	-	-	2,423,000	-	(24,208)
<b>Total derivatives assets/(liabilities)</b>	<b>34,312,453</b>	<b>286,913</b>	<b>(367,096)</b>	<b>29,493,984</b>	<b>223,637</b>	<b>(366,165)</b>

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the Group's borrowers or counterparties to fulfil their contractual obligations to repay their loans or settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 30 September 2023, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM286,913,000 respectively (31 March 2023: RM221,141,000 and RM223,637,000 respectively). 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 30 September 2023, the Group and the Bank had posted cash collateral of RM179,715,000 (31 March 2023: RM158,626,000) 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.

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

(Incorporated in Malaysia)

**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 2023.

**B10 Changes in Material Litigation**

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and the Bank for the current financial period ended 30 September 2023.

**B11 Dividend Declared**

The Board of Directors has declared a first interim dividend of 10.85 sen per share on 1,548,105,929 ordinary shares amounting to approximately RM167,970,000 in respect of financial year ending 31 March 2024, to be paid on 28 December 2023 to shareholders registered in the Record of Depositors at the close of business on 15 December 2023.

**B12 Earnings Per Share****(a) Basic**

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

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2023</b>	2022	<b>2023</b>	2022
<b><u>GROUP</u></b>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>185,329</b>	158,424	<b>335,869</b>	370,580
Weighted average numbers of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Basic earnings per share (sen)	<b>12.0</b>	10.2	<b>21.7</b>	23.9
<b><u>BANK</u></b>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>146,398</b>	113,485	<b>308,090</b>	316,555
Weighted average numbers of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Basic earnings per share (sen)	<b>9.5</b>	7.3	<b>19.9</b>	20.4

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

**(b) Diluted**

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

There were no dilutive potential ordinary shares outstanding as at 30 September 2023 and 30 September 2022 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial period ended 30 September 2023 and 30 September 2022.

**By Order of the Board**

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

Group Company Secretary

Kuala Lumpur

30 November 2023