

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

(Incorporated in Malaysia)

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

	Note	GROUP		BANK	
		31 December 2023	31 March 2023	31 December 2023	31 March 2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		3,888,721	3,570,656	2,819,263	2,425,584
Deposits and placements with banks and other financial institutions		192,394	88,553	92,357	88,553
Financial assets at fair value through profit or loss	A11	664,752	265,198	664,752	265,198
Financial investments at fair value through other comprehensive income	A12	9,817,975	8,484,398	7,416,477	6,182,516
Financial investments at amortised cost	A13	3,294,021	3,398,514	3,078,079	3,136,889
Derivative financial assets	B9	177,713	221,141	177,713	223,637
Loans, advances and financing	A14	52,316,792	47,926,003	39,506,771	35,790,763
Other assets	A15	997,677	548,647	1,029,597	689,276
Tax recoverable		10,989	20,712	-	1,574
Statutory deposits		1,070,347	979,601	810,247	728,111
Investments in subsidiaries		-	-	646,656	883,013
Investment in joint venture		1,105	1,094	1,094	-
Right-of-use assets		128,060	108,980	128,060	108,980
Property, plant and equipment		105,472	57,653	105,247	57,344
Deferred tax assets		204,450	198,920	146,737	141,327
Intangible assets		459,222	440,438	456,919	338,321
TOTAL ASSETS		73,329,690	66,310,508	57,079,969	51,061,086
LIABILITIES AND EQUITY					
Deposits from customers	A16	54,409,674	50,849,030	39,854,702	36,896,353
Deposits and placements of banks and other financial institutions	A17	1,709,112	1,719,284	1,528,060	1,536,202
Financial liabilities designated at fair value through profit or loss	A18	1,976,435	1,785,157	1,976,435	1,785,157
Obligations on securities sold under repurchase agreements		2,274,688	675,640	2,274,688	675,640
Derivative financial liabilities	B9	294,327	366,140	294,327	366,165
Recourse obligations on loans and financing sold to Cagamas		1,227,690	321,484	724,823	221,352
Lease liabilities		130,750	113,251	130,750	113,251
Other liabilities	A19	2,723,931	2,161,441	2,621,929	2,011,672
Provision for taxation		37,388	-	39,259	-
Provision for zakat		1,004	930	-	-
Subordinated obligations		1,561,353	1,571,502	1,459,630	1,471,252
TOTAL LIABILITIES		66,346,352	59,563,859	50,904,603	45,077,044
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		5,435,232	5,198,543	4,627,260	4,435,936
TOTAL EQUITY		6,983,338	6,746,649	6,175,366	5,984,042
TOTAL LIABILITIES AND EQUITY		73,329,690	66,310,508	57,079,969	51,061,086
COMMITMENTS AND CONTINGENCIES	A27	58,381,878	46,224,471	54,665,584	43,325,562
Net assets per share attributable to equity holders of the Bank (RM)*		4.51	4.36	3.99	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 31 December 2023**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
GROUP		RM'000	RM'000	RM'000	RM'000
Interest income	A20	631,008	526,340	1,810,456	1,442,623
Interest expense	A21	(297,218)	(198,540)	(843,733)	(515,260)
Net interest income		333,790	327,800	966,723	927,363
Net income from Islamic banking business	A22	115,560	121,666	325,700	345,920
		449,350	449,466	1,292,423	1,273,283
Fee and commission income	A23	72,696	53,145	202,421	163,472
Fee and commission expense	A23	(31,752)	(24,042)	(84,537)	(78,283)
Investment income	A23	83,068	47,004	156,181	71,229
Other (expense)/income	A23	(63,444)	(29,027)	(62,207)	21,492
Other operating income	A23	60,568	47,080	211,858	177,910
Net income		509,918	496,546	1,504,281	1,451,193
Other operating expenses	A24	(247,732)	(221,723)	(724,548)	(640,375)
Operating profit before allowances		262,186	274,823	779,733	810,818
Allowance for expected credit losses on loans, advances and financing and other financial assets	A25	(24,661)	(36,813)	(99,051)	(93,827)
(Allowance for)/write-back of expected credit losses on financial investments	A26	(60)	225	(230)	547
Operating profit after allowances		237,465	238,235	680,452	717,538
Share of results of joint venture		4	9	26	35
Profit before taxation		237,469	238,244	680,478	717,573
Taxation and zakat	B6	(60,605)	(61,144)	(167,745)	(169,893)
Net profit for the financial period		176,864	177,100	512,733	547,680
Net profit for the financial period attributable to equity holders of the Bank		176,864	177,100	512,733	547,680
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	11.4	11.4	33.1	35.4
- Diluted (sen)	B12(b)	11.4	11.4	33.1	35.4

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

(Incorporated in Malaysia)

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
GROUP	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	176,864	177,100	512,733	547,680
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")	58,993	74,542	46,737	(70,214)
- Net gain/(loss) from change in fair value	72,712	98,397	61,286	(91,863)
- Realised loss/(gain) transferred to statements of income on disposal	5,089	-	13	(44)
- Transfer (to)/from deferred tax	(18,671)	(23,615)	(14,710)	22,058
- Changes in expected credit losses	(137)	(240)	148	(365)
Net change in cash flow hedges	-	9	-	262
- Changes in cash flow hedges	-	12	-	345
- Transfer to deferred tax	-	(3)	-	(83)
Other comprehensive income/(expense), net of tax	58,993	74,551	46,737	(69,952)
Total comprehensive income for the financial period	235,857	251,651	559,470	477,728
Total comprehensive income for the financial period attributable to equity holders of the Bank	235,857	251,651	559,470	477,728

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 31 December 2023**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
BANK		RM'000	RM'000	RM'000	RM'000
Interest income	A20	628,413	519,781	1,803,487	1,418,716
Interest expense	A21	(297,462)	(197,652)	(844,310)	(511,158)
Net interest income		330,951	322,129	959,177	907,558
Fee and commission income	A23	72,595	53,014	202,219	157,219
Fee and commission expense	A23	(31,752)	(23,910)	(84,537)	(76,009)
Investment income	A23	83,068	93,443	193,658	154,904
Other (expense)/income	A23	(63,320)	(29,230)	(57,069)	19,262
Other operating income	A23	60,591	93,317	254,271	255,376
Net income		391,542	415,446	1,213,448	1,162,934
Other operating expenses	A24	(197,412)	(176,428)	(580,855)	(503,784)
Operating profit before allowances		194,130	239,018	632,593	659,150
Allowance for expected credit losses on loans, advances and financing and other financial assets	A25	(16,843)	(21,321)	(64,290)	(47,055)
(Allowance for)/write-back of expected credit losses on financial investments	A26	(41)	109	(191)	20
Profit before taxation		177,246	217,806	568,112	612,115
Taxation	B6	(45,106)	(45,370)	(127,882)	(123,124)
Net profit for the financial period		132,140	172,436	440,230	488,991
Net profit for the financial period attributable to equity holders of the Bank		132,140	172,436	440,230	488,991
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B12(a)	8.5	11.1	28.4	31.6
- Diluted (sen)	B12(b)	8.5	11.1	28.4	31.6

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 31 December 2023**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	132,140	172,436	440,230	488,991
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	50,561	58,657	41,984	(47,414)
- Net gain/(loss) from change in fair value	62,662	77,328	54,301	(62,079)
- Realised loss/(gain) transferred to statements of income on disposal	4,074	-	511	(44)
- Transfer (to)/from deferred tax	(16,017)	(18,558)	(12,942)	14,910
- Changes in expected credit losses	(158)	(113)	114	(201)
Net change in cash flow hedges	-	9	-	262
- Changes in cash flow hedges	-	12	-	345
- Transfer to deferred tax	-	(3)	-	(83)
Other comprehensive income/(expense), net of tax	50,561	58,666	41,984	(47,152)
Total comprehensive income for the financial period	182,701	231,102	482,214	441,839
Total comprehensive income for the financial period attributable to equity holders of the Bank	182,701	231,102	482,214	441,839

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 Changes in Equity for the Financial Period Ended 31 December 2023

GROUP	← 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	-	-	-	-	-	512,733	512,733
Other comprehensive income	-	-	-	46,737	-	-	46,737
Total comprehensive income for the financial period	-	-	-	46,737	-	512,733	559,470
Transfer to regulatory reserves	-	244	-	-	-	(244)	-
Effect of subsidiary's capital return	-	-	(90,132)	-	-	90,132	-
Dividends paid to shareholders	-	-	-	-	-	(322,781)	(322,781)
At 31 December 2023	1,548,106	257,485	10,018	(101,936)	-	5,269,665	6,983,338
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	-	-	-	-	-	547,680	547,680
Other comprehensive (expense)/income	-	-	-	(70,214)	262	-	(69,952)
Total comprehensive (expense)/income for the financial period	-	-	-	(70,214)	262	547,680	477,728
Dividends paid to shareholders	-	-	-	-	-	(343,680)	(343,680)
At 31 December 2022	1,548,106	47,686	100,150	(214,441)	9	5,069,214	6,550,724

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 31 December 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
<u>BANK</u>							
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	-	-	-	-	-	440,230	440,230
Other comprehensive income	-	-	-	41,984	-	-	41,984
Total comprehensive income for the financial period	-	-	-	41,984	-	440,230	482,214
Transfer to regulatory reserves	-	2,583	-	-	-	(2,583)	-
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	-	-	-	-	-	(322,781)	(322,781)
At 31 December 2023	1,548,106	240,485	-	(94,499)	-	4,481,274	6,175,366
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	-	-	-	-	-	488,991	488,991
Other comprehensive (expense)/income	-	-	-	(47,414)	262	-	(47,152)
Total comprehensive (expense)/income for the financial period	-	-	-	(47,414)	262	488,991	441,839
Dividends paid to shareholders	-	-	-	-	-	(343,680)	(343,680)
At 31 December 2022	1,548,106	41,641	15,515	(185,502)	9	4,415,730	5,835,499

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
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(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2023

	GROUP		BANK	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	680,478	717,573	568,112	612,115
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(30,984)	(13,440)	(30,984)	(14,391)
Allowance for expected credit losses on loans, advances and financing	85,133	105,709	58,658	59,060
Allowance for expected credit losses on commitments and contingencies	7,455	1,880	5,877	772
Allowance for/(write-back of) expected credit losses on financial investments	230	(547)	191	(20)
Allowance for expected credit losses on other receivables	13,313	3,145	9,235	2,181
Write-back of expected credit losses on deposits and placements with banks	-	(8)	-	(8)
Amortisation of computer software	35,630	35,449	35,216	34,685
Depreciation of property, plant and equipment	16,298	15,102	16,150	14,874
Depreciation of right-of-use assets	20,508	19,400	20,508	19,374
Dividends from financial assets at fair value through profit or loss	(1,356)	(1,341)	(1,356)	(980)
Dividends from subsidiaries	-	-	(39,830)	(84,507)
Interest expense on lease liabilities	4,006	4,188	4,006	4,184
Interest expense on securities sold under repurchase agreement	30,024	-	30,024	-
Interest expense on subordinated obligations	45,447	49,125	45,531	49,275
Interest expense on recourse obligations on loans and financing sold to Cagamas	20,354	11,558	20,354	11,558
Interest income from financial investments at amortised cost	(86,908)	(59,883)	(91,267)	(64,346)
Interest income from financial investments at fair value through other comprehensive income	(215,594)	(204,294)	(215,594)	(189,364)
Loss on disposal of property, plant and equipment	-	37	-	37
Loss on disposal of joint venture company	15	-	-	-
Computer software written-off	-	1	-	1
Property, plant and equipment written-off	41	108	41	74
Net gain from sale of financial assets at fair value through profit or loss	(7,936)	(6,744)	(7,936)	(3,141)
Net loss/(gain) from sale of financial investments at fair value through other comprehensive income	511	(44)	511	(44)
Net gain from sale of financial investments at amortised cost	(31)	(1,482)	(31)	(1,482)
Unrealised (gain)/loss arising from derivative instruments	(661)	71,446	1,692	68,314
Unrealised gain arising from financial assets at fair value through profit or loss	(23,062)	(17,476)	(23,062)	(17,476)
Net loss arising from hedging activities	-	345	-	345
Unrealised loss/(gain) arising from financial liabilities designated at fair value through profit or loss	36,837	(7,735)	36,837	(7,735)
Share of results of joint venture	(26)	(35)	-	-
Cash flows from operating activities before working capital changes carried forward	629,722	722,037	442,883	493,355

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2023 (Contd.)**

	GROUP		BANK	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Cash flows from operating activities (contd.)				
Cash flows from operating activities before working capital changes brought forward	629,722	722,037	442,883	493,355
Changes in working capital:				
Amounts due to clients and brokers	-	26,636	-	-
Deposits from customers	3,560,644	804,378	2,958,349	80,751
Deposits and placements of banks and other financial institutions	(10,172)	219,309	(8,142)	34,244
Deposits and placements with banks and other financial institutions	(103,841)	168,192	(3,804)	168,192
Financial assets at fair value through profit or loss	(369,069)	256,666	(369,069)	178,709
Financial liabilities designated at fair value through profit or loss	154,441	785,752	154,441	785,752
Loans, advances and financing	(4,475,922)	(1,235,768)	(3,774,666)	(961,772)
Other assets	(462,337)	(215,778)	(349,557)	(241,515)
Other liabilities	554,926	705,126	597,936	736,511
Obligations on securities sold under repurchase agreements	1,591,264	743,190	1,591,264	743,190
Statutory deposits	(90,746)	(860,943)	(82,136)	(627,180)
Cash generated from operations	978,910	2,118,797	1,157,499	1,390,237
Tax expense and zakat paid	(140,805)	(190,419)	(105,402)	(146,162)
Net cash generated from operating activities	838,105	1,928,378	1,052,097	1,244,075
Cash flows from investing activities				
Dividends from financial assets at fair value through profit or loss	1,356	1,341	1,356	980
Dividends from subsidiaries	-	-	39,830	84,507
Interest received from financial assets at fair value through profit or loss	512	3,237	512	3,237
Interest received from financial investments at fair value through other comprehensive income	217,892	222,693	215,207	206,256
Interest received from financial investments at amortised cost	81,140	50,971	87,459	57,392
Interest paid for derivative instruments	(27,725)	(18,933)	(27,607)	(16,965)
Purchase of goodwill	-	-	(20,722)	-
Purchase of computer software	(54,415)	(41,502)	(54,088)	(40,601)
Purchase of property, plant and equipment	(64,161)	(18,279)	(64,093)	(18,141)
Purchase of Joint Venture	-	-	(1,094)	-
Proceeds from subsidiary capital repatriation	-	-	189,245	150,000
Proceeds from disposal of property, plant and equipment	-	422	-	332
Proceeds from disposal of computer software	-	21	-	-
Purchase of:				
- financial investments at fair value through other comprehensive income	(4,814,121)	(395,644)	(2,985,828)	(937,000)
- financial investments at amortised cost	(298,470)	(843,686)	(288,181)	(610,820)
Redemption/disposal of:				
- financial investments at fair value through other comprehensive income	3,524,732	1,005,890	1,792,253	900,696
- financial investments at amortised cost	453,965	174,384	402,370	182,219
Net cash (used in)/generated from investing activities	(979,295)	140,915	(713,381)	(37,908)

Condensed Interim Financial Statements

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Cash flows from financing activities				
Dividends paid to shareholders of the company	(322,781)	(343,680)	(322,781)	(343,680)
Interest paid on obligation on securities sold under repurchase agreement	(22,239)	-	(22,239)	-
Interest paid on subordinated obligations	(55,595)	(60,952)	(57,152)	(62,436)
Interest paid on recourse obligations on loans and financing sold to Cagamas	(14,171)	(10,531)	(16,896)	(10,241)
Recourse obligations on loans and financing sold to Cagamas	900,022	(330,067)	500,012	(80,039)
Repayment of lease liabilities	(25,981)	(22,798)	(25,981)	(22,777)
Net cash generating from/(used in) financing activities	<u>459,255</u>	<u>(768,028)</u>	<u>54,963</u>	<u>(519,173)</u>
Net change in cash and cash equivalents	318,065	1,301,265	393,679	686,994
Cash and cash equivalents at beginning of financial period	<u>3,570,656</u>	<u>3,228,574</u>	<u>2,425,584</u>	<u>1,805,402</u>
Cash and cash equivalents at end of financial period	<u>3,888,721</u>	<u>4,529,839</u>	<u>2,819,263</u>	<u>2,492,396</u>
Cash and cash equivalents comprise the following:				
Cash and short-term funds	<u>3,888,721</u>	<u>4,529,839</u>	<u>2,819,263</u>	<u>2,492,396</u>

Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 31 December 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 31 December 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 31 December 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 31 December 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

- (i) 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.
- (ii) A single tier 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, was paid on 28 December 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.
- (f) 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.

- (g) AIBB had on 13 December 2023 surrendered its investment banking license to Bank Negara Malaysia pursuant to Section 22(1) of the Financial Services Act 2013

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

There were no material events subsequent to financial period ended 31 December 2023.

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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	378,700	-	378,700	-
Malaysian Government investment issues	5,226	5,177	5,226	5,177
	<u>383,926</u>	<u>5,177</u>	<u>383,926</u>	<u>5,177</u>
<u>Unquoted securities:</u>				
Shares	277,973	257,206	277,973	257,206
Corporate bonds and sukuk	2,853	2,815	2,853	2,815
	<u>280,826</u>	<u>260,021</u>	<u>280,826</u>	<u>260,021</u>
Total financial assets at FVTPL	<u>664,752</u>	<u>265,198</u>	<u>664,752</u>	<u>265,198</u>

A12 Financial Investments at Fair Value Through Other Comprehensive Income

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At fair value - debt instruments				
<u>Money market instruments:</u>				
Malaysian Government securities	2,542,614	2,229,181	2,542,614	2,076,584
Malaysian Government investment issues	2,119,455	2,037,058	1,589,026	1,400,081
Negotiable instruments of deposits	697,771	-	-	-
Commercial papers	-	19,935	-	19,935
	<u>5,359,840</u>	<u>4,286,174</u>	<u>4,131,640</u>	<u>3,496,600</u>
<u>Quoted securities:</u>				
Shares	17	14	17	14
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,458,118	4,198,210	3,284,820	2,685,902
Total financial investments at FVOCI	<u>9,817,975</u>	<u>8,484,398</u>	<u>7,416,477</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
GROUP				
At 1 April 2023	598	-	-	598
New financial investments originated or purchased	416	-	-	416
Financial investments derecognised other than write-off	(16)	-	-	(16)
Changes due to change in credit risk	(252)	-	-	(252)
Total charge to income statement	148	-	-	148
At 31 December 2023	<u>746</u>	<u>-</u>	<u>-</u>	<u>746</u>

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

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>GROUP</u>				
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>
<u>BANK</u>				
At 1 April 2023	407	-	-	407
Effect of business transfer	54	-	-	54
New financial investments originated or purchased	365	-	-	365
Financial investments derecognised other than write-off	(12)	-	-	(12)
Changes due to change in credit risk	(239)	-	-	(239)
Total charge to income statement	114	-	-	114
At 31 December 2023	<u>575</u>	<u>-</u>	<u>-</u>	<u>575</u>
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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	677,172	639,267	677,172	639,267
Malaysian Government investment issues	1,907,503	2,225,049	1,508,105	1,784,802
Negotiable instruments of deposits	-	-	209,707	203,374
Commercial papers	-	24,626	-	24,626
	2,584,675	2,888,942	2,394,984	2,652,069
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	710,124	510,268	684,497	485,922
Allowance for expected credit losses	(778)	(696)	(1,402)	(1,102)
	709,346	509,572	683,095	484,820
Total financial investments at amortised cost	3,294,021	3,398,514	3,078,079	3,136,889

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2023	47	-	649	696
New financial investments originated or purchased	143	-	89	232
Financial investments derecognised other than write-off	-	-	(128)	(128)
Changes due to change in credit risk	54	-	(76)	(22)
Total charge to/(write-back from) income statement	197	-	(115)	82
At 31 December 2023	244	-	534	778
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
BANK				
At 1 April 2023	676	-	426	1,102
Effect of business transfer	-	-	223	223
New financial investments originated or purchased	143	-	89	232
Financial investments derecognised other than write-off	-	-	(128)	(128)
Changes due to change in credit risk	49	-	(76)	(27)
Total charge to/(write-back from) income statement	192	-	(115)	77
At 31 December 2023	868	-	534	1,402

A13 Financial Investments at Amortised Cost (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
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:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At amortised cost				
Overdrafts	2,854,623	3,153,486	1,655,521	1,864,344
Term loans/financing				
- Housing loans/financing	15,702,884	14,609,486	12,194,949	11,173,594
- Syndicated term loans/financing	455,699	350,000	455,699	350,000
- Hire purchase receivables	365,911	443,256	309,496	367,336
- Other term loans/financing	25,167,668	22,413,373	18,217,942	16,135,251
Bills receivables	607,611	499,143	575,673	482,096
Trust receipts	224,716	260,996	181,005	207,617
Claims on customers under acceptance credits	3,471,905	3,625,667	2,541,364	2,658,268
Staff loans/financing (Loan to Directors: RM Nil)	14,542	14,296	2,509	2,674
Credit/charge card receivables	682,639	551,399	682,639	551,399
Revolving credits	1,701,409	1,659,565	1,258,602	1,241,240
Share margin financing	2,105,984	1,486,840	2,105,984	1,486,840
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659
Add: Sales commissions and handling fees	160,878	125,970	138,619	119,732
Less: Allowance for expected credit losses on loans, advances and financing	(1,199,677)	(1,267,474)	(813,231)	(849,628)
Total net loans, advances and financing	52,316,792	47,926,003	39,506,771	35,790,763

A14a By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Within one year	11,996,260	11,550,557	9,304,095	8,711,167
One year to three years	2,924,527	1,839,195	2,409,557	1,478,327
Three years to five years	3,639,191	3,794,827	2,882,371	2,796,798
Over five years	34,795,613	31,882,928	25,585,360	23,534,367
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659

A14b By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Domestic banking institutions	28	14	28	14
Domestic non-bank financial institutions	1,143,769	803,415	874,178	684,893
Domestic business enterprises				
- Small and medium enterprises	18,456,559	17,161,865	13,416,855	12,631,805
- Others	7,526,729	6,935,303	6,293,135	5,467,748
Government and statutory bodies	43,640	57,413	43,640	57,413
Individuals	25,497,573	23,489,829	18,954,565	17,141,960
Other domestic entities	13,388	13,371	3,586	2,568
Foreign entities	673,905	606,297	595,396	534,258
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659

A14 Loans, Advances and Financing (Contd.)

A14c By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Fixed rate				
- Housing loans/financing	18,100	19,894	3,408	3,850
- Hire purchase receivables	364,056	439,355	307,642	363,435
- Other fixed rate loans/financing	8,488,240	8,266,809	5,732,594	5,656,836
Variable rate				
- Base lending rate plus	25,132,133	24,497,037	19,227,061	18,991,124
- Base rate plus	13,655,471	11,174,509	10,090,239	7,730,271
- Cost plus	5,697,591	4,669,903	4,820,439	3,775,143
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659

A14d By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Purchase of securities	2,229,126	1,613,192	2,229,126	1,613,192
Purchase of transport vehicles	246,473	296,349	175,335	208,321
Purchase of landed property	25,945,424	23,763,899	20,073,745	18,329,293
of which: - Residential	16,328,388	15,278,815	12,764,225	11,789,395
- Non-residential	9,617,036	8,485,084	7,309,520	6,539,898
Purchase of fixed assets excluding land & buildings	347,445	357,304	289,942	292,587
Personal use	6,320,031	6,021,184	3,249,807	3,097,090
Credit card	682,639	551,399	682,639	551,399
Construction	1,357,834	1,116,977	1,153,885	950,416
Working capital	12,239,971	11,696,040	9,243,315	8,787,061
Others	3,986,648	3,651,163	3,083,589	2,691,300
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659

A14e By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Primary agriculture	1,144,889	1,176,855	707,430	752,668
Mining and quarrying	282,828	288,773	263,324	265,401
Manufacturing	5,002,868	4,893,124	3,614,276	3,554,490
Electricity, gas and water	128,449	91,415	113,748	78,699
Construction	1,907,459	1,890,776	1,431,399	1,411,008
Wholesale, retail trade, restaurants and hotels	9,674,203	8,869,244	7,279,964	6,655,675
Transport, storage and communication	942,150	851,868	709,166	641,696
Financing, insurance, real estate and business services	7,484,353	6,400,336	6,042,385	5,088,981
Community, social and personal services	616,365	508,307	469,179	395,140
Household	26,171,477	24,096,125	19,549,962	17,676,217
Others	550	684	550	684
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659

A14 Loans, Advances and Financing (Contd.)

A14f By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Northern region	4,420,121	3,924,088	2,779,740	2,457,661
Central region	38,252,993	35,001,737	29,521,259	26,674,930
Southern region	5,915,592	5,529,522	4,570,687	4,185,073
Sabah region	3,399,399	3,344,047	2,251,618	2,251,279
Sarawak region	1,367,486	1,268,113	1,058,079	951,716
Gross loans, advances and financing	53,355,591	49,067,507	40,181,383	36,520,659

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 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	1,008,918	1,289,124	650,435	875,777
Recovered during the financial period/year	(102,521)	(75,156)	(82,619)	(53,987)
Reclassified as unimpaired during the financial period/year	(588,776)	(532,102)	(355,104)	(345,465)
Financial assets derecognised other than write-off during the financial period/year	(81,045)	(97,179)	(50,891)	(70,122)
Amount written-off	(223,794)	(205,180)	(140,916)	(101,243)
At end of financial period	1,245,555	1,232,773	900,622	879,717
Gross impaired loans ratio	2.33%	2.51%	2.24%	2.41%
Net impaired loans ratio	1.35%	1.36%	1.23%	1.22%

A14h Credit impaired loans analysed by economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Purchase of securities	-	512	-	512
Purchase of transport vehicles	11,245	16,939	9,592	14,408
Purchase of landed property	527,056	531,033	356,438	365,362
<i>of which: - Residential</i>	412,701	420,074	266,762	273,577
<i>- Non-residential</i>	114,355	110,959	89,676	91,785
Purchase of fixed assets excluding land & buildings	9,500	7,504	9,500	6,815
Personal use	274,970	271,710	136,125	128,180
Credit card	10,569	8,343	10,569	8,343
Construction	11,482	14,617	11,482	14,617
Working capital	274,295	302,733	250,992	267,507
Others	126,438	79,382	115,924	73,973
Gross impaired loans	1,245,555	1,232,773	900,622	879,717

A14 Loans, Advances and Financing (Contd.)

A14i Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Primary agriculture	1,747	1,253	9	10
Mining and quarrying	1,534	1,690	1,534	1,690
Manufacturing	85,038	109,719	65,926	100,143
Electricity, gas and water	93	-	93	-
Construction	184,235	154,119	172,016	140,891
Wholesale, retail trade, restaurants and hotels	164,627	150,988	147,479	122,543
Transport, storage and communication	8,060	5,749	7,072	4,610
Financing, insurance, real estate and business services	75,399	79,605	74,290	78,776
Community, social and personal services	6,372	5,644	1,549	1,052
Household	718,450	724,006	430,654	430,002
Gross impaired loans	<u>1,245,555</u>	<u>1,232,773</u>	<u>900,622</u>	<u>879,717</u>

A14j Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Northern region	99,245	94,117	59,941	59,742
Central region	952,944	913,411	696,718	663,572
Southern region	143,214	172,504	111,738	121,736
Sabah region	44,104	45,698	27,306	28,216
Sarawak region	6,048	7,043	4,919	6,451
Gross impaired loans	<u>1,245,555</u>	<u>1,232,773</u>	<u>900,622</u>	<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:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2023	171,832	523,852	571,790	1,267,474
Transfer to Stage 1	77,325	(204,688)	(25)	(127,388)
Transfer to Stage 2	(94,357)	413,017	(134,892)	183,768
Transfer to Stage 3	(897)	(203,544)	253,543	49,102
New financial assets originated or purchased	75,351	80,489	6,592	162,432
Financial assets derecognised other than write-off	(27,301)	(104,229)	(21,078)	(152,608)
Changes due to change in credit risk	(27,280)	(8,513)	5,584	(30,209)
Other adjustment	5	31	-	36
	2,846	(27,437)	109,724	85,133
Unwinding of discount	-	29	27,220	27,249
Total charge to/(write-back from) income statement	2,846	(27,408)	136,944	112,382
Write-off	-	(2,880)	(177,299)	(180,179)
At 31 December 2023	174,678	493,564	531,435	1,199,677
At 1 April 2022	270,674	557,650	331,518	1,159,842
Transfer to Stage 1	174,114	(305,106)	(19,728)	(150,720)
Transfer to Stage 2	(201,111)	498,496	(120,772)	176,613
Transfer to Stage 3	(1,896)	(366,161)	425,096	57,039
New financial assets originated or purchased	75,545	179,430	9,938	264,913
Financial assets derecognised other than write-off	(52,387)	(196,042)	(17,372)	(265,801)
Changes due to change in credit risk	(93,136)	158,320	17,373	82,557
Other adjustment	29	55	-	84
	(98,842)	(31,008)	294,535	164,685
Unwinding of discount	-	-	(4,490)	(4,490)
Total (write-back from)/charge to income statement	(98,842)	(31,008)	290,045	160,195
Other movements	-	-	100,512	100,512
Write-off	-	(2,790)	(150,285)	(153,075)
At 31 March 2023	171,832	523,852	571,790	1,267,474

A14 Loans, Advances and Financing (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2023	105,782	302,859	440,987	849,628
Effect of business transfer	5	1,373	57	1,435
Transfer to Stage 1	45,480	(123,318)	(11)	(77,849)
Transfer to Stage 2	(54,839)	245,949	(76,309)	114,801
Transfer to Stage 3	(86)	(113,566)	152,225	38,573
New financial assets originated or purchased	47,622	59,102	4,242	110,966
Financial assets derecognised other than write-off	(18,252)	(69,774)	(13,203)	(101,229)
Changes due to change in credit risk	(18,361)	(7,954)	(325)	(26,640)
Other adjustment	5	31	-	36
	1,569	(9,530)	66,619	58,658
Unwinding of discount	-	29	20,859	20,888
Total charge to/(write-back from) income statement	1,569	(9,501)	87,478	79,546
Write-off	-	(1,987)	(115,391)	(117,378)
At 31 December 2023	107,356	292,744	413,131	813,231
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.

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A15 Other Assets

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Other receivables	90,471	96,962	105,552	126,176
Collateral pledged for derivative transactions	123,427	158,626	123,427	158,626
Settlement account	709,674	285,085	709,674	285,085
Deposits	89,848	8,519	89,614	8,231
Prepayment	40,941	42,922	38,419	35,651
Amounts due from subsidiaries	-	-	12,128	114,232
Amount due from joint venture	3	-	3	-
	1,054,364	592,114	1,078,817	728,001
Less: Allowance for expected credit losses on other receivables [Note]	(56,687)	(43,467)	(49,220)	(38,725)
	997,677	548,647	1,029,597	689,276

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
<u>Lifetime ECL</u>				
At beginning of financial year	43,467	41,993	38,725	38,147
Effect of business transfer	-	-	1,305	-
New financial assets originated or purchased	12,631	1,826	8,103	170
Financial assets derecognised other than write-off	(2,100)	(2,378)	(1,297)	(338)
Changes due to change in credit risk	2,782	4,828	2,429	3,321
Total charge to income statement	13,313	4,276	9,235	3,153
Write-off	(93)	(2,802)	(45)	(2,575)
At end of financial period/year	56,687	43,467	49,220	38,725

As at 31 December 2023, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses were at RM59,363,000 and RM51,154,000 (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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Demand deposits	22,607,689	19,267,883	17,866,096	14,988,337
Savings deposits	1,921,913	2,026,815	1,543,917	1,618,996
Fixed/investment deposits	26,040,714	25,161,869	17,496,990	17,604,556
Money market deposits	3,287,339	3,991,002	2,495,640	2,283,003
Negotiable instruments of deposits	552,019	401,461	452,059	401,461
	<u>54,409,674</u>	<u>50,849,030</u>	<u>39,854,702</u>	<u>36,896,353</u>

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Due within six months	25,520,615	22,477,236	17,355,293	15,781,534
Six months to one year	4,069,660	6,770,360	3,058,240	4,458,201
One year to three years	286,897	303,643	28,256	46,192
Three years to five years	2,900	3,093	2,900	3,093
	<u>29,880,072</u>	<u>29,554,332</u>	<u>20,444,689</u>	<u>20,289,020</u>

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

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Domestic financial institutions	575,098	439,786	452,861	440,471
Domestic non-bank financial institutions	4,484,533	5,701,678	3,239,079	3,732,973
Government and statutory bodies	4,851,378	3,628,356	2,970,003	1,935,807
Business enterprises	18,847,703	17,292,460	14,576,640	12,885,486
Individuals	23,308,126	21,792,889	16,659,556	16,218,586
Foreign entities	905,280	795,224	796,026	693,188
Others	1,437,556	1,198,637	1,160,537	989,842
	<u>54,409,674</u>	<u>50,849,030</u>	<u>39,854,702</u>	<u>36,896,353</u>

A17 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Licensed banks	358,206	403,166	358,206	403,166
Licensed investment banks	-	-	-	787
Bank Negara Malaysia	1,350,906	1,316,118	1,169,854	1,132,249
	<u>1,709,112</u>	<u>1,719,284</u>	<u>1,528,060</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>	
	31 December 2023 RM'000	31 March 2023 RM'000
Structured investments	2,058,736	1,904,295
Fair value changes arising from designation at fair value through profit or loss	(82,301)	(119,138)
	<u>1,976,435</u>	<u>1,785,157</u>

A19 Other Liabilities

	<u>GROUP</u>		<u>BANK</u>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Other payables	1,735,633	1,226,209	1,637,393	1,137,952
Bills payable	180,628	134,968	172,390	127,692
Collateral pledged for derivative transactions	13,660	26,334	13,660	26,334
Settlement account	93,385	39,507	93,385	39,507
Clearing account	169,498	229,586	143,082	197,503
Sundry deposits	64,937	59,812	57,241	50,998
Provision and accruals	131,079	167,097	120,352	156,844
Structured investments	298,367	248,611	298,367	248,611
Amounts due to subsidiaries	-	-	53,970	-
Amount due to joint venture	-	16	-	16
Allowance for expected credit losses on commitments and contingencies	36,744	29,301	32,089	26,215
	<u>2,723,931</u>	<u>2,161,441</u>	<u>2,621,929</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:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2023	5,005	22,447	1,849	29,301
Transfer to Stage 1	568	(8,745)	-	(8,177)
Transfer to Stage 2	(542)	10,691	(1,185)	8,964
Transfer to Stage 3	-	(327)	2,155	1,828
New financial assets originated or purchased	3,603	12,362	25	15,990
Financial assets derecognised other than write-off	(1,858)	(12,297)	(3,021)	(17,176)
Changes due to change in credit risk	415	3,798	1,803	6,016
Other adjustments	1	9	-	10
	2,187	5,491	(223)	7,455
Unwinding of discount	-	-	(12)	(12)
Total charge to/(write-back from) income statement	2,187	5,491	(235)	7,443
At 31 December 2023	7,192	27,938	1,614	36,744
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
At 31 March 2023	5,005	22,447	1,849	29,301

A19 Other Liabilities (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2023	4,296	20,290	1,629	26,215
Transfer to Stage 1	442	(7,652)	-	(7,210)
Transfer to Stage 2	(433)	8,762	(1,129)	7,200
Transfer to Stage 3	-	(208)	1,444	1,236
New financial assets originated or purchased	2,786	11,807	25	14,618
Financial assets derecognised other than write-off	(1,439)	(8,013)	(2,770)	(12,222)
Changes due to change in credit risk	94	172	1,979	2,245
Other adjustments	1	9	-	10
	1,451	4,877	(451)	5,877
Unwinding of discount	-	-	(3)	(3)
Total charge to/(write-back from) income statement	1,451	4,877	(454)	5,874
At 31 December 2023	5,747	25,167	1,175	32,089
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	4,296	20,290	1,629	26,215

Note:

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

(b) As at 31 December 2023, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were at RM40,721,000 and RM38,791,000 (31 March 2023: RM38,680,000 and RM38,096,000) respectively.

A20 Interest Income

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
GROUP				
Loans, advances and financing	491,751	411,210	1,411,241	1,123,351
Money at call and deposit placements with financial institutions	25,899	14,453	60,672	37,605
Financial investments at fair value through other comprehensive income	71,230	67,943	215,594	204,294
Financial investments at amortised cost	29,295	22,502	86,908	59,883
Others	1,802	2,288	5,057	4,050
	619,977	518,396	1,779,472	1,429,183
Accretion of discount less amortisation of premium (net)	11,031	7,944	30,984	13,440
	631,008	526,340	1,810,456	1,442,623

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
BANK				
Loans, advances and financing	487,699	406,301	1,399,862	1,107,154
Money at call and deposit placements with financial institutions	25,898	15,987	60,723	39,411
Financial investments at fair value through other comprehensive income	71,230	62,979	215,594	189,364
Financial investments at amortised cost	30,753	23,960	91,267	64,346
Others	1,802	2,288	5,057	4,050
	617,382	511,515	1,772,503	1,404,325
Accretion of discount less amortisation of premium (net)	11,031	8,266	30,984	14,391
	628,413	519,781	1,803,487	1,418,716

Note:

Included in interest income on loans, advances and financing is interest/profit on impaired loans/financing of the Group and the Bank of RM5,220,000 (31 December 2022: RM3,446,000).

A21 Interest Expense

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
GROUP				
Deposits and placements of banks and other financial institutions	5,913	4,252	16,710	11,097
Deposits from customers	245,535	162,441	707,298	419,829
Recourse obligations on loans and financing sold to Cagamas	7,523	4,707	20,354	11,558
Subordinated obligations	15,202	16,186	45,447	49,125
Lease liabilities	1,192	1,429	4,006	4,188
Others	21,853	9,525	49,918	19,463
	297,218	198,540	843,733	515,260

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
BANK				
Deposits and placements of banks and other financial institutions	5,914	3,340	16,820	9,403
Deposits from customers	245,751	162,430	707,681	417,275
Recourse obligations on loans and financing sold to Cagamas	7,523	4,707	20,354	11,558
Subordinated obligations	15,229	16,230	45,531	49,275
Lease liabilities	1,192	1,420	4,006	4,184
Others	21,853	9,525	49,918	19,463
	297,462	197,652	844,310	511,158

A22 Net Income from Islamic Banking Business

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
GROUP				
Income derived from investment of depositors' funds and others	211,564	188,533	598,595	509,267
Income derived from investment of Islamic Banking funds	20,626	18,847	58,624	51,095
Income attributable to the depositors and financial institutions	(116,630)	(85,714)	(331,519)	(214,442)
	115,560	121,666	325,700	345,920

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
GROUP				
(a) Fee and commission income:				
Commissions	26,576	20,173	71,321	63,193
Service charges and fees	7,967	7,608	23,869	19,748
Brokerage fees	-	-	-	5,483
Guarantee fees	4,148	3,598	11,047	10,261
Processing fees	9,980	1,230	18,347	2,784
Commitment fees	4,310	4,270	12,611	13,266
Cards related income	17,715	14,766	45,643	44,237
Other fee income	2,000	1,500	19,583	4,500
	72,696	53,145	202,421	163,472
(b) Fee and commission expense:				
Commissions expense	(466)	(412)	(1,317)	(1,133)
Service charges and fees expense	(618)	(526)	(1,777)	(1,354)
Brokerage fees expense	(30)	(153)	(82)	(2,322)
Guarantee fees expense	(4,957)	(4,061)	(13,168)	(11,871)
Cards related expense	(25,681)	(18,890)	(68,193)	(61,603)
	(31,752)	(24,042)	(84,537)	(78,283)
(c) Investment income:				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,386	1,954	7,936	6,744
- Financial investments at fair value through other comprehensive income	(4,074)	-	(511)	44
- Financial investments at amortised cost	31	-	31	1,482
- Derivative instruments	162,267	109,654	160,483	108,198
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	769	1,224	23,062	17,476
- Derivative instruments	(51,791)	26,693	661	(71,446)
- Financial liabilities designated at fair value through profit or loss	(26,520)	(92,509)	(36,837)	7,735
Net loss arising from hedging activities	-	(12)	-	(345)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	1,356	1,341
	83,068	47,004	156,181	71,229
(d) Other income:				
Foreign exchange (loss)/gain	(69,193)	(32,824)	(78,224)	5,592
Rental income	21	21	64	65
Loss on disposal of property, plant and equipment	-	(22)	-	(37)
Others	5,728	3,798	15,953	15,872
	(63,444)	(29,027)	(62,207)	21,492
Total other operating income	60,568	47,080	211,858	177,910

A23 Other Operating Income (Contd.)

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	26,576	20,173	71,321	63,193
Service charges and fees	7,916	7,532	23,717	19,404
Guarantee fees	4,148	3,591	11,047	10,241
Processing fees	9,930	1,182	18,297	2,378
Commitment fees	4,310	4,270	12,611	13,266
Cards related income	17,715	14,766	45,643	44,237
Other fee income	2,000	1,500	19,583	4,500
	72,595	53,014	202,219	157,219
(b) <u>Fee and commission expense:</u>				
Commissions expense	(466)	(412)	(1,317)	(1,133)
Service charges and fees expense	(618)	(526)	(1,777)	(1,354)
Brokerage fees expense	(30)	(21)	(82)	(48)
Guarantee fees expense	(4,957)	(4,061)	(13,168)	(11,871)
Cards related expense	(25,681)	(18,890)	(68,193)	(61,603)
	(31,752)	(23,910)	(84,537)	(76,009)
(c) <u>Investment income:</u>				
Realised gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	2,386	1,955	7,936	3,141
- Financial investments at fair value through other comprehensive income	(4,074)	-	(511)	44
- Financial investments at amortised cost	31	-	31	1,482
- Derivative instruments	162,267	109,654	160,483	108,198
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	769	1,224	23,062	17,476
- Derivative instruments	(51,791)	29,966	(1,692)	(68,314)
- Financial liabilities designated at fair value through profit or loss	(26,520)	(92,509)	(36,837)	7,735
Net loss arising from hedging activities	-	(12)	-	(345)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	1,356	980
- Subsidiaries	-	43,165	39,830	84,507
	83,068	93,443	193,658	154,904
(d) <u>Other income:</u>				
Foreign exchange (loss)/gain	(69,193)	(32,824)	(78,224)	5,412
Rental income	256	255	766	1,157
Loss on disposal of property, plant and equipment	-	(22)	-	(37)
Others	5,617	3,361	20,389	12,730
	(63,320)	(29,230)	(57,069)	19,262
Total other operating income	60,591	93,317	254,271	255,376

A24 Other Operating Expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
GROUP				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	123,834	112,096	367,358	331,436
- Contribution to EPF	20,083	18,348	60,175	53,112
- Others	14,414	15,482	42,051	38,184
	158,331	145,926	469,584	422,732
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,669	4,999	16,298	15,102
- Depreciation of right-of-use assets	6,840	6,554	20,508	19,400
- Amortisation of computer software	11,674	12,082	35,630	35,449
- Rental of premises	231	505	1,009	1,482
- Water and electricity	1,777	1,608	5,380	4,992
- Repairs and maintenance	2,278	1,913	6,855	6,181
- Information technology expenses	23,101	20,263	63,993	58,556
- Others	2,737	2,605	8,097	8,143
	54,307	50,529	157,770	149,305
<u>Marketing expenses</u>				
- Promotion and advertisement	7,299	3,355	21,030	11,316
- Branding and publicity	2,833	248	6,447	1,475
- Others	3,573	1,121	8,635	4,979
	13,705	4,724	36,112	17,770
<u>Administration and general expenses</u>				
- Communication expenses	2,599	2,825	8,733	8,120
- Printing and stationery	546	392	1,579	1,174
- Insurance	3,517	3,480	10,773	10,626
- Professional fees	8,913	7,513	23,487	18,741
- Others	5,814	6,334	16,510	11,907
	21,389	20,544	61,082	50,568
Total other operating expenses	247,732	221,723	724,548	640,375

A24 Other Operating Expenses (Contd.)

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
<u>BANK</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	95,707	87,951	282,709	257,026
- Contribution to EPF	15,595	14,525	46,605	41,403
- Others	11,525	12,582	34,041	32,554
	122,827	115,058	363,355	330,983
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,620	4,935	16,150	14,874
- Depreciation of right-of-use assets	6,840	6,554	20,508	19,374
- Amortisation of computer software	11,523	11,872	35,216	34,685
- Rental of premises	191	415	820	1,239
- Water and electricity	1,434	1,233	4,229	3,899
- Repairs and maintenance	1,548	1,539	5,327	5,053
- Information technology expenses	16,009	13,587	42,902	36,780
- Others	2,161	2,103	6,530	6,566
	45,326	42,238	131,682	122,470
<u>Marketing expenses</u>				
- Promotion and advertisement	6,710	3,069	20,144	10,137
- Branding and publicity	1,301	122	2,725	1,127
- Others	3,280	260	7,742	1,966
	11,291	3,451	30,611	13,230
<u>Administration and general expenses</u>				
- Communication expenses	2,076	2,241	7,161	6,434
- Printing and stationery	396	290	1,190	861
- Insurance	2,558	2,582	7,826	7,945
- Professional fees	5,403	5,699	18,673	13,095
- Others	7,535	4,869	20,357	8,766
	17,968	15,681	55,207	37,101
Total other operating expenses	197,412	176,428	580,855	503,784

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

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
GROUP				
Allowance for expected credit losses on:				
(a) Loans, advances and financing	27,909	44,548	85,133	105,709
(b) Commitments and contingencies on loans, advances and financing	201	(148)	7,455	1,880
(c) Other assets	1,322	1,485	13,313	3,145
(d) Cash and short-term funds	132	2	66	32
(e) Deposits and placements with banks and other financial institutions	-	-	-	(8)
	29,564	45,887	105,967	110,758
(f) Credit impaired loans, advances and financing				
- Recovered during the financial period	(20,282)	(23,442)	(56,008)	(53,026)
- Write-off during the financial period	15,379	14,368	49,092	36,095
	24,661	36,813	99,051	93,827

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
BANK				
Allowance for expected credit losses on:				
(a) Loans, advances and financing	20,681	27,759	58,658	59,060
(b) Commitments and contingencies on loans, advances and financing	(775)	(770)	5,877	772
(c) Other assets	1,090	1,066	9,235	2,181
(d) Cash and short-term funds	132	2	66	32
(e) Deposits and placements with banks and other financial institutions	-	-	-	(8)
	21,128	28,057	73,836	62,037
(f) Credit impaired loans, advances and financing				
- Recovered during the financial period	(13,309)	(14,958)	(37,482)	(34,689)
- Write-off during the financial period	9,024	8,222	27,936	19,707
	16,843	21,321	64,290	47,055

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

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
GROUP				
Allowance made/(write-back of) expected credit losses:				
(a) Financial investments at fair value through other comprehensive income	(137)	(240)	148	(365)
(b) Financial investments at amortised cost	197	15	82	(182)
	60	(225)	230	(547)

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
BANK				
Allowance made/(write-back of) expected credit losses:				
(a) Financial investments at fair value through other comprehensive income	(158)	(113)	114	(201)
(b) Financial investments at amortised cost	199	4	77	181
	41	(109)	191	(20)

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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	507,771	488,308	418,452	406,699
Transaction-related contingent items	728,246	666,236	641,661	592,687
Short-term self-liquidating trade-related contingencies	166,757	138,542	149,551	120,783
Forward assets purchase	154,741	241,988	154,741	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.	2,395,370	-	2,395,370	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	4,992,449	3,162,549	4,351,632	2,665,690
- maturity not exceeding one year	12,152,202	10,812,148	9,269,835	8,300,015
Unutilised credit card lines	1,795,287	1,518,716	1,795,287	1,518,716
	22,892,823	17,028,487	19,176,529	13,831,578
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	18,121,857	15,710,254	18,121,857	15,710,254
- over one year to three years	1,035,163	951,319	1,035,163	951,319
- over three years	241,538	381,600	241,538	381,600
Interest rate related contracts:				
- one year or less	1,741,358	2,312,715	1,741,358	2,312,715
- over one year to three years	4,453,491	2,532,107	4,453,491	2,532,107
- over three years	9,409,211	6,849,073	9,409,211	7,147,073
Equity related contracts				
- one year or less	334,657	340,226	334,657	340,226
- over one year to three years	151,780	118,690	151,780	118,690
	35,489,055	29,195,984	35,489,055	29,493,984
	58,381,878	46,224,471	54,665,584	43,325,562

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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.

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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	Total <u>Total</u> RM'000
3rd Quarter ended 31 December 2023								
Net interest income								
- external income	118,225	143,241	71,030	-	(1,344)	331,152	2,638	333,790
- inter-segment	(31,948)	25,145	6,803	-	-	-	-	-
	86,277	168,386	77,833	-	(1,344)	331,152	2,638	333,790
Net income from Islamic banking business	47,175	42,432	22,395	2,013	25	114,040	1,520	115,560
Other operating income/(expense)	27,275	52,889	(20,088)	94	535	60,705	(137)	60,568
Net income	160,727	263,707	80,140	2,107	(784)	505,897	4,021	509,918
Other operating expenses	(110,575)	(89,905)	(10,378)	(2,836)	(9,914)	(223,608)	59	(223,549)
Depreciation and amortisation	(12,227)	(10,452)	(1,322)	(72)	(309)	(24,382)	199	(24,183)
Operating profit/(loss) before allowance	37,925	163,350	68,440	(801)	(11,007)	257,907	4,279	262,186
Allowance for expected credit losses on loans, advances and financing and other financial assets	(1,056)	(23,022)	(132)	(294)	(157)	(24,661)	-	(24,661)
(Allowance for)/write-back of expected credit losses on financial investments	-	(198)	136	-	-	(62)	2	(60)
Segment results	36,869	140,130	68,444	(1,095)	(11,164)	233,184	4,281	237,465
Share of results of joint venture								4
Taxation and zakat								(60,605)
Net profit for the financial period								176,864
Segment assets	27,602,492	27,372,846	18,351,398	15,273	406,008	73,748,017	(1,199,565)	72,548,452
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,105
Property, plant and equipment								105,472
Tax recoverable and deferred tax assets								215,439
Intangible assets								459,222
Total assets								73,329,690

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
Nine months ended 31 December 2023								
Net interest income								
- external income	339,763	403,722	218,393	83	(2,310)	959,651	7,072	966,723
- inter-segment	(73,738)	79,611	(5,873)	-	-	-	-	-
	266,025	483,333	212,520	83	(2,310)	959,651	7,072	966,723
Net income/(expense) from Islamic banking business	128,701	122,363	67,503	4,798	(23)	323,342	2,358	325,700
Other operating income/(expense)	92,809	139,504	(24,957)	353	11,197	218,906	(7,048)	211,858
Net income	487,535	745,200	255,066	5,234	8,864	1,501,899	2,382	1,504,281
Other operating expenses	(323,564)	(262,377)	(30,307)	(7,920)	(28,088)	(652,256)	144	(652,112)
Depreciation and amortisation	(36,270)	(31,516)	(4,134)	(319)	(1,007)	(73,246)	810	(72,436)
Operating profit/(loss) before allowance	127,701	451,307	220,625	(3,005)	(20,231)	776,397	3,336	779,733
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(45,578)	(54,216)	(63)	152	654	(99,051)	-	(99,051)
(Allowance for)/write-back of expected credit losses on financial investments	-	(198)	(159)	-	132	(225)	(5)	(230)
Segment results	82,123	396,893	220,403	(2,853)	(19,445)	677,121	3,331	680,452
Share of results of joint venture								26
Taxation and zakat								(167,745)
Net profit for the financial year								512,733
Segment assets	27,602,492	27,372,846	18,351,398	15,273	406,008	73,748,017	(1,199,565)	72,548,452
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,105
Property, plant and equipment								105,472
Tax recoverable and deferred tax assets								215,439
Intangible assets								459,222
Total assets								73,329,690

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

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

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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>	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.209%	14.868%	13.287%	14.608%
Tier I capital ratio	13.949%	15.714%	13.980%	15.410%
Total capital ratio	17.618%	19.748%	18.074%	19.970%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.209%	14.494%	13.287%	14.111%
Tier I capital ratio	13.949%	15.340%	13.980%	14.913%
Total capital ratio	17.618%	19.374%	18.074%	19.473%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.808%	14.145%	12.987%	14.082%
Tier I capital ratio	13.548%	14.991%	13.680%	14.885%
Total capital ratio	17.217%	19.025%	17.774%	19.445%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.808%	13.771%	12.987%	13.586%
Tier I capital ratio	13.548%	14.617%	13.680%	14.388%
Total capital ratio	17.217%	18.651%	17.774%	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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	5,269,665	4,989,825	4,481,274	4,324,216
Regulatory reserves	257,485	257,241	240,485	231,857
FVOCI reserves	(102,682)	(149,271)	(95,074)	(136,059)
Capital reserves	10,018	100,150	-	15,515
	6,982,592	6,746,051	6,174,791	5,983,635
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(459,222)	(440,438)	(456,919)	(338,321)
- Deferred tax assets	(204,450)	(198,920)	(146,737)	(141,327)
- Regulatory reserves	(257,485)	(257,241)	(240,485)	(231,857)
- Investment in subsidiaries and joint venture	(1,105)	(1,094)	(647,750)	(883,013)
- Transitional arrangements	189,619	298,945	108,244	163,695
Total CET I Capital	6,249,949	6,147,303	4,791,144	4,552,812
Additional Tier I Capital Securities	349,968	349,895	250,000	250,000
Total Additional Tier I Capital	349,968	349,895	250,000	250,000
Total Tier I Capital	6,599,917	6,497,198	5,041,144	4,802,812
<u>Tier II Capital</u>				
Subordinated obligations	1,199,606	1,199,459	1,199,383	1,199,153
Expected credit losses and regulatory reserves	536,272	468,411	406,679	352,172
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	1,735,878	1,667,870	1,476,062	1,421,325
Total Capital	8,335,795	8,165,068	6,517,206	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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Credit risk	42,901,750	37,472,854	32,534,319	28,173,763
Market risk	700,346	316,648	687,462	316,525
Operational risk	3,713,201	3,556,380	2,837,138	2,677,121
Total RWA and capital requirements	47,315,297	41,345,882	36,058,919	31,167,409

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A29 Capital Adequacy (Contd.)

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

	Alliance Islamic Bank Berhad	
	31 December 2023	31 March 2023
(i) With transitional arrangements		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	13.003%	13.717%
Tier I capital ratio	13.885%	14.694%
Total capital ratio	16.192%	17.122%
<u>After deducting proposed dividends</u>		
CET I capital ratio	13.003%	13.715%
Tier I capital ratio	13.885%	14.692%
Total capital ratio	16.192%	17.120%
(ii) Without transitional arrangements		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	12.281%	12.401%
Tier I capital ratio	13.163%	13.377%
Total capital ratio	15.470%	15.806%
<u>After deducting proposed dividends</u>		
CET I capital ratio	12.281%	12.399%
Tier I capital ratio	13.163%	13.375%
Total capital ratio	15.470%	15.804%

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>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2023	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	383,926	-	383,926
- Unquoted securities	-	2,853	277,973	280,826
Financial investments at FVOCI				
- Money market instruments	-	5,359,840	-	5,359,840
- Quoted securities in Malaysia	17	-	-	17
- Unquoted securities	-	4,458,118	-	4,458,118
Derivative financial assets	-	177,713	-	177,713
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,976,435	-	1,976,435
Derivative financial liabilities	-	294,327	-	294,327

<u>BANK</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2023	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	383,926	-	383,926
- Unquoted securities	-	2,853	277,973	280,826
Financial investments at FVOCI				
- Money market instruments	-	4,131,640	-	4,131,640
- Quoted securities in Malaysia	17	-	-	17
- Unquoted securities	-	3,284,820	-	3,284,820
Derivative financial assets	-	177,713	-	177,713
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,976,435	-	1,976,435
Derivative financial liabilities	-	294,327	-	294,327

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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At beginning of financial period/year	257,206	245,842	257,206	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	20,767	14,686	20,767	14,686
- Write-off	-	(3)	-	(3)
At end of financial period/year	<u>277,973</u>	<u>257,206</u>	<u>277,973</u>	<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	
GROUP						
31 December 2023						
Derivative financial assets	177,713	-	177,713	(114,406)	(13,660)	49,647
	<u>177,713</u>	<u>-</u>	<u>177,713</u>	<u>(114,406)</u>	<u>(13,660)</u>	<u>49,647</u>
BANK						
31 December 2023						
Derivative financial assets	177,713	-	177,713	(114,406)	(13,660)	49,647
	<u>177,713</u>	<u>-</u>	<u>177,713</u>	<u>(114,406)</u>	<u>(13,660)</u>	<u>49,647</u>
GROUP						
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>
BANK						
31 March 2023						
Derivative financial assets	223,637	-	223,637	(166,688)	(26,015)	30,934
	<u>223,637</u>	<u>-</u>	<u>223,637</u>	<u>(166,688)</u>	<u>(26,015)</u>	<u>30,934</u>

A31 Offsetting Financial Assets And Financial Liabilities (Contd.)

(b) Financial liabilities

	Gross amounts of recognised financial assets set off in the statements of financial position RM'000	Gross amounts of recognised financial liabilities set off in the statements of financial position RM'000	Net amounts of financial liabilities presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'000	Cash collateral pledged RM'000	
<u>GROUP</u>						
31 December 2023						
Derivative financial liabilities	294,327	-	294,327	(114,406)	(123,427)	56,494
Total	<u>294,327</u>	<u>-</u>	<u>294,327</u>	<u>(114,406)</u>	<u>(123,427)</u>	<u>56,494</u>
<u>BANK</u>						
31 December 2023						
Derivative financial liabilities	294,327	-	294,327	(114,406)	(123,427)	56,494
<u>GROUP</u>						
31 March 2023						
Derivative financial liabilities	366,140	-	366,140	(166,688)	(158,626)	40,826
Total	<u>366,140</u>	<u>-</u>	<u>366,140</u>	<u>(166,688)</u>	<u>(158,626)</u>	<u>40,826</u>
<u>BANK</u>						
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.

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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**

	3rd Quarter Ended 31 December 2023 RM'000	3rd Quarter Ended 31 December 2022 RM'000	Changes %
Net income/revenue	509,918	496,546	2.7
Operating profit before allowance	262,186	274,823	(4.6)
Operating profit after allowance	237,465	238,235	(0.3)
Profit before taxation	237,469	238,244	(0.3)
Profit after taxation	176,864	177,100	(0.1)
Profit attributable to ordinary equity holders of the Bank	176,864	177,100	(0.1)

	Nine Months Ended 31 December 2023 RM'000	Nine Months Ended 31 December 2022 RM'000	Changes %
Net income/revenue	1,504,281	1,451,193	3.7
Operating profit before allowance	779,733	810,818	(3.8)
Operating profit after allowance	680,452	717,538	(5.2)
Profit before taxation	680,478	717,573	(5.2)
Profit after taxation	512,733	547,680	(6.4)
Profit attributable to ordinary equity holders of the Bank	512,733	547,680	(6.4)

	3rd Quarter Ended 31 December 2023 RM'000	2nd Quarter Ended 30 September 2023 RM'000	Changes %
Net income/revenue	509,918	528,100	(3.4)
Operating profit before allowance	262,186	281,366	(6.8)
Operating profit after allowance	237,465	241,654	(1.7)
Profit before taxation	237,469	241,663	(1.7)
Profit after taxation	176,864	185,329	(4.6)
Profit attributable to ordinary equity holders of the Bank	176,864	185,329	(4.6)

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

BANK

	3rd Quarter Ended 31 December 2023 RM'000	3rd Quarter Ended 31 December 2022 RM'000	Changes %
Net income/revenue	391,542	415,446	(5.8)
Operating profit before allowance	194,130	239,018	(18.8)
Operating profit after allowance	177,246	217,806	(18.6)
Profit before taxation	177,246	217,806	(18.6)
Profit after taxation	132,140	172,436	(23.4)
Profit attributable to ordinary equity holders of the Bank	132,140	172,436	(23.4)
	Nine Months Ended 31 December 2023 RM'000	Nine Months Ended 31 December 2022 RM'000	Changes %
Net income/revenue	1,213,448	1,162,934	4.3
Operating profit before allowance	632,593	659,150	(4.0)
Operating profit after allowance	568,112	612,115	(7.2)
Profit before taxation	568,112	612,115	(7.2)
Profit after taxation	440,230	488,991	(10.0)
Profit attributable to ordinary equity holders of the Bank	440,230	488,991	(10.0)
	3rd Quarter Ended 31 December 2023 RM'000	2nd Quarter Ended 30 September 2023 RM'000	Changes %
Net income/revenue	391,542	417,147	(6.1)
Operating profit before allowance	194,130	219,388	(11.5)
Operating profit after allowance	177,246	189,377	(6.4)
Profit before taxation	177,246	189,377	(6.4)
Profit after taxation	132,140	146,398	(9.7)
Profit attributable to ordinary equity holders of the Bank	132,140	146,398	(9.7)

B2 Review Of Performance

(a) Business Review for the Financial Period ended 31 December 2023

Profitability

The Group's net profit after taxation was RM512.7 million for the nine months ended 31 December 2023, lower by RM34.9 million or 6.4% year-on-year ("YOY").

Net interest income improved by RM22.0 million or 1.8% YOY mainly due to higher loan growth and the increase in the Overnight Policy Rate ("OPR"). Net interest margin ("NIM") stood at 2.48% (Dec 22: 2.68%).

Loan Growth

With the ACCELER8 strategic plan in place, the Group's loans, advances and financing grew by 12.9% YOY to RM53.4 billion mainly driven by the growth across all lines of business.

Other Operating Income

The Group recorded other operating income of RM230.8 million, higher by RM31.1 million or 15.6% YOY. The increase was mainly due to higher wealth management and banca fee income, FX sales, processing fees and trade fees.

Operating Expenses

Operating expenses increased by RM84.2 million or 13.1% YOY. The cost-to-income ratio ("CIR") stood at 48.2% (Dec 22: 44.1%). 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 RM99.3 million, an increase of RM6.0 million YOY. The net credit cost was at 19.4ps (Dec 22: 20.0bps). Loan loss coverage (including regulatory reserves) was at 117.0% (Dec 22: 130.2%).

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 45.1%. Its customer-based funding stood at RM56.1 billion. Through our funding strategy, the Group's liquidity coverage and loans-to-funds ratios stood at 149.9% and 87.5%, respectively.

Proactive Capital Management

We continued to maintain a robust capital position. The Common Equity Tier-1 ("CET 1") ratio stood at 13.2%, Tier-1 Capital Ratio at 13.9% and Total Capital Ratio at 17.6% respectively, well above regulatory requirements.

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 RM82.1 million, a decrease of RM57.3 million YOY. Net income decreased by RM0.9 million or 0.2% to RM487.5 million mainly due to lower net interest income by RM17.5 million or 4.3% offset by higher other operating income by RM16.6 million. Operating expenses were higher by RM48.0 million or 15.4%. Allowance for expected credit losses was higher by RM8.4 million. The segment assets recorded at RM27.6 billion.

The Business Banking segment, comprising corporate, commercial and SME banking, recorded a profit before tax of RM396.9 million, an increase of RM21.0 million or 5.6% YOY. Net income increased by RM63.4 million or 9.3% to RM745.2 million due to higher net interest income by RM30.5 million and higher other operating income by RM32.9 million. Operating expenses increased by RM43.2 million or 17.2%. Allowance for expected credit losses was better by RM0.8 million. Segment assets recorded at RM27.4 billion.

The Financial Markets segment recorded a profit before tax of RM220.4 million, an increase of RM1.1 million or 0.5% YOY. Net income was higher by RM2.9 million or 1.1% due to higher net interest income by RM12.4 million and offset by lower other operating income by RM9.5 million. Operating expenses recorded higher by RM1.3 million or 4.1%. Segment assets recorded at RM18.4 billion.

The Islamic Banking segment, which consists of consumer banking, business banking and financial markets, recorded a net profit after taxation of RM117.1 million, lower by RM15.9 million or 11.9% YOY. Net income was lower by RM12.6 million or 3.7%. Net profit income was lower by RM15.2 million while other operating income was higher by RM2.6 million. Operating expenses increased by RM20.1 million or 17.9%. Allowance for expected credit losses stood at RM35.0 million. Total assets stood at RM17.4 billion.

Current Quarter against Previous Year Corresponding Quarter (3QFY2024 vs 3QFY2023)

The Group's profit after taxation of RM176.9 million for the quarter was marginally lower by RM0.2 million or 0.1% compared to the previous year's corresponding quarter, mainly due to higher operating expenses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income recorded at RM442.3 million, higher by RM3.8 million or 0.9% mainly due to higher loan growth and OPR hike.
- NIM was at 2.49% (3QFY2023: 2.75%).
- Other operating income increased by RM9.6 million or 16.5% mainly due to higher wealth management and banca fee income, FX sales, trade fees and processing fees.
- Operating expenses increased by RM26.0 million or 11.7% mainly from higher personnel cost, marketing cost and establishment cost.
- Net credit cost was at 4.6bps (3QFY2023: 7.7 bps).

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B3 Comparison with Immediate Preceding Quarter (3QFY2024 vs 2QFY2024)

In comparison with the immediate preceding quarter, the Group's profit after taxation of RM176.9 million for the quarter was lower by RM8.5 million or 4.6% mainly due to lower revenue and higher other operating expenses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income recorded at RM442.3 million, higher by RM12.5 million or 2.9% mainly due to higher loan growth.
- NIM was at 2.49% (2QFY2024: 2.53%).
- Other operating income decreased by RM30.7 million or 31.2% mainly due to lower treasury and investment income, wealth management income offset by higher processing fees and banking service charges.
- Operating expenses increased by RM1.0 million or 0.4% mainly from higher establishment cost and marketing cost.
- Net credit cost was at 4.6bps (2QFY2024: 7.7bps).

B4 Prospect for the Current Financial Year

For calendar year 2023, Bank Negara Malaysia ("BNM") forecasts Malaysia's gross domestic product ("GDP") to grow at 4.0%, compared to a growth of 8.7% in the preceding year. For 2024, BNM projects GDP growth to range between 4.0% to 5.0%.

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 has made substantial strides toward its Acceler8 strategy targets, majority of the transformation projects are on track and the key Pillars are yielding positive results.

The results from the ACCELER8 strategy remain on the uptrend, with positive momentum seen in the acquisition on new-to-bank business customers. SME loans continued its strong growth, outpacing the industry growth. The Corporate loans acceptance grew, forming a strong loan pipeline for the year. Additionally, the Group intensified its cross-sell approach, which bolstered the business banking client fee income.

The Group's digital channels continue 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 the Islamic financing business, the Bank continues its momentum with a 9.3% YOY financing growth. We continue to scale the Bank's flagship Halal in One programme which offers business owners venturing into the halal space end-to-end solutions including business advisory, business matching services, and Shariah-compliant financing.

The Group will continue in expanding its business presence in fast-growing economic corridors and strengthen its footprint in Northern Peninsular, Southern 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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
<u>GROUP</u>				
- Income tax	64,277	65,158	187,440	175,234
- Deferred tax	(4,220)	(4,014)	(20,243)	4,142
- Under/(Over) provision for taxation in prior financial year	548	-	548	(9,483)
	<u>60,605</u>	<u>61,144</u>	<u>167,745</u>	<u>169,893</u>
<u>BANK</u>				
- Income tax	46,281	50,805	146,235	131,660
- Deferred tax	(1,175)	(5,435)	(18,353)	36
- Over provision for taxation in prior financial year	-	-	-	(8,572)
	<u>45,106</u>	<u>45,370</u>	<u>127,882</u>	<u>123,124</u>

The Bank's effective tax rate for the current financial period ended 31 December 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>	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	29,590,275	29,247,596	20,413,533	20,239,735
- More than one year (medium/long term)	289,797	306,736	31,156	49,285
	29,880,072	29,554,332	20,444,689	20,289,020
Others	24,529,602	21,294,698	19,410,013	16,607,333
	54,409,674	50,849,030	39,854,702	36,896,353
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	377,746	426,719	367,426	412,116
- More than one year (medium/long term)	1,331,366	1,292,565	1,160,634	1,124,086
	1,709,112	1,719,284	1,528,060	1,536,202
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,207,910	1,219,088	1,207,687	1,218,781
Additional Tier 1 Capital Securities (unsecured)				
- One year or less (short term)	203,375	200,335	101,875	100,391
- More than one year (medium/long term)	150,068	152,079	150,068	152,079
	1,561,353	1,571,502	1,459,630	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 31 December 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
Trading derivatives						
Foreign exchange contracts						
Currency forwards	4,870,010	23,894	(53,089)	4,217,222	35,688	(28,884)
- one year or less	4,193,354	18,192	(52,593)	3,557,478	35,488	(11,251)
- over one year to three years	557,381	5,462	(131)	461,159	200	(9,846)
- over three years	119,275	240	(365)	198,585	-	(7,787)
Currency swaps	12,608,403	76,723	(75,924)	11,811,185	88,267	(130,163)
- one year or less	12,008,359	76,371	(57,072)	11,138,010	79,857	(114,690)
- over one year to three years	477,782	81	(17,208)	490,160	2,378	(15,473)
- over three years	122,262	271	(1,644)	183,015	6,032	-
Currency spots						
- one year or less	1,287,218	2,594	(3,348)	408,652	572	(588)
Currency options						
- one year or less	632,927	1,777	(604)	606,114	1,022	(247)
	19,398,558	104,988	(132,965)	17,043,173	125,549	(159,882)
Interest rate related contracts						
Interest rate swaps	15,604,060	69,086	(122,096)	8,972,895	94,962	(120,208)
- one year or less	1,741,358	10,912	(4,976)	2,312,715	11,340	(2,089)
- over one year to three years	4,453,491	27,285	(28,643)	2,532,107	55,819	(31,022)
- over three years	9,409,211	30,889	(88,477)	4,128,073	27,803	(87,097)
Equity related contracts	486,437	3,639	(39,266)	458,916	605	(59,346)
- one year or less	334,657	2,590	(33,746)	340,226	178	(51,624)
- over one year to three years	151,780	1,049	(5,520)	118,690	427	(7,722)
Hedging derivatives						
Interest rate related contracts						
Interest rate swaps						
- over three years	-	-	-	2,721,000	25	(26,704)
Total derivatives assets/(liabilities)	35,489,055	177,713	(294,327)	29,195,984	221,141	(366,140)

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

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

	As at 31 December 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
BANK						
Trading derivatives						
Foreign exchange contracts						
Currency forwards	4,870,010	23,894	(53,089)	4,217,222	35,688	(28,884)
- one year or less	4,193,354	18,192	(52,593)	3,557,478	35,488	(11,251)
- over one year to three years	557,381	5,462	(131)	461,159	200	(9,846)
- over three years	119,275	240	(365)	198,585	-	(7,787)
Currency swaps	12,608,403	76,723	(75,924)	11,811,185	88,267	(130,163)
- one year or less	12,008,359	76,371	(57,072)	11,138,010	79,857	(114,690)
- over one year to three years	477,782	81	(17,208)	490,160	2,378	(15,473)
- over three years	122,262	271	(1,644)	183,015	6,032	-
Currency spots						
- one year or less	1,287,218	2,594	(3,348)	408,652	572	(588)
Currency options						
- one year or less	632,927	1,777	(604)	606,114	1,022	(247)
	19,398,558	104,988	(132,965)	17,043,173	125,549	(159,882)
Interest rate related contracts						
Interest rate swaps	15,604,060	69,086	(122,096)	9,568,895	97,483	(122,729)
- one year or less	1,741,358	10,912	(4,976)	2,312,715	11,340	(2,089)
- over one year to three years	4,453,491	27,285	(28,643)	2,532,107	55,819	(31,022)
- over three years	9,409,211	30,889	(88,477)	4,724,073	30,324	(89,618)
Equity related contracts	486,437	3,639	(39,266)	458,916	605	(59,346)
- one year or less	334,657	2,590	(33,746)	340,226	178	(51,624)
- over one year to three years	151,780	1,049	(5,520)	118,690	427	(7,722)
Hedging derivatives						
Interest rate related contracts						
Interest rate swaps						
- over three years	-	-	-	2,423,000	-	(24,208)
Total derivatives assets/(liabilities)	35,489,055	177,713	(294,327)	29,493,984	223,637	(366,165)

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the Group's borrowers or counterparties to fulfil their contractual obligations to repay their loans or settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 31 December 2023, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM177,713,000 (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 31 December 2023, the Group and the Bank had posted cash collateral of RM123,427,000 (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.

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 31 December 2023.

B11 Dividend Declared

No dividend has been declared during the current financial period ended 31 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.

	3rd Quarter Ended		Nine Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<u>GROUP</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	176,864	177,100	512,733	547,680
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Basic earnings per share (sen)	11.4	11.4	33.1	35.4
<u>BANK</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	132,140	172,436	440,230	488,991
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Basic earnings per share (sen)	8.5	11.1	28.4	31.6

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(Incorporated in Malaysia)

B12 Earnings Per Share (Contd.)

(b) Diluted

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

There were no dilutive potential ordinary shares outstanding as at 31 December 2023 and 31 December 2022 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial period ended 31 December 2023 and 31 December 2022.

By Order of the Board

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

Group Company Secretary

Kuala Lumpur

27 February 2024