

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 September 2024

	Note	GROUP		BANK	
		30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
ASSETS					
Cash and short-term funds		3,186,953	4,596,653	2,374,191	3,280,522
Deposits and placements with banks and other financial institutions		1,227,334	-	826,382	-
Financial assets at fair value through profit or loss	A11	405,072	335,238	405,072	335,238
Financial investments at fair value through other comprehensive income	A12	11,143,898	10,047,311	9,120,185	8,228,402
Financial investments at amortised cost	A13	3,934,757	3,870,445	3,274,093	3,400,709
Derivative financial assets	B9	625,901	183,035	625,901	183,035
Loans, advances and financing	A14	58,000,958	54,720,750	44,180,638	41,236,476
Other assets	A15	186,352	1,020,815	196,678	1,123,527
Tax recoverable		8,918	10,639	-	-
Statutory deposits		1,205,013	1,125,413	914,313	851,813
Investments in subsidiaries		-	-	704,610	646,656
Investment in joint venture		1,158	1,135	1,094	1,094
Right-of-use assets		118,147	120,970	118,147	120,970
Property, plant and equipment		288,164	234,093	287,984	233,908
Deferred tax assets		214,427	217,253	147,357	153,468
Intangible assets		476,001	462,372	474,108	460,219
TOTAL ASSETS		81,023,053	76,946,122	63,650,753	60,256,037
LIABILITIES AND EQUITY					
Deposits from customers	A16	58,965,851	57,397,495	43,602,332	42,526,469
Deposits and placements of banks and other financial institutions	A17	1,800,244	2,055,057	1,596,015	1,865,994
Financial liabilities designated at fair value through profit or loss	A18	1,915,225	1,928,111	1,915,225	1,928,111
Obligations on securities sold under repurchase agreements		3,798,355	2,022,726	3,798,355	2,022,726
Derivative financial liabilities	B9	855,197	287,067	855,197	287,067
Recourse obligations on loans and financing sold to Cagamas		1,328,515	1,227,674	825,614	724,796
Lease liabilities		121,894	124,712	121,894	124,712
Other liabilities	A19	2,433,905	3,134,385	2,299,361	2,947,355
Provision for taxation		19,819	20,933	10,121	11,567
Provision for zakat		853	916	-	-
Other Borrowings		502,754	-	301,678	-
Subordinated obligations		1,872,167	1,571,918	1,772,020	1,471,684
TOTAL LIABILITIES		73,614,779	69,770,994	57,097,812	53,910,481
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		5,860,168	5,627,022	5,004,835	4,797,450
TOTAL EQUITY		7,408,274	7,175,128	6,552,941	6,345,556
TOTAL LIABILITIES AND EQUITY		81,023,053	76,946,122	63,650,753	60,256,037
COMMITMENTS AND CONTINGENCIES	A27	65,028,503	58,359,769	61,095,850	54,726,409
Net assets per share attributable to equity holders of the Bank (RM)*		4.79	4.63	4.23	4.10

* 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 2024.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Income****for the Financial Period Ended 30 September 2024**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
GROUP					
Interest income	A20	715,456	611,177	1,395,718	1,179,448
Interest expense	A21	(351,161)	(283,260)	(685,347)	(546,515)
Net interest income		364,295	327,917	710,371	632,933
Net income from Islamic banking business	A22	137,495	109,795	267,562	210,140
		501,790	437,712	977,933	843,073
Fee and commission income	A23	74,459	70,194	141,281	129,725
Fee and commission expense	A23	(56,241)	(27,865)	(90,230)	(52,785)
Investment income	A23	87,388	38,423	122,403	73,113
Other (expense)/income	A23	(1,748)	9,636	(5,964)	1,237
Other operating income	A23	103,858	90,388	167,490	151,290
Net income		605,648	528,100	1,145,423	994,363
Other operating expenses	A24	(273,563)	(246,734)	(532,856)	(476,816)
Operating profit before allowances		332,085	281,366	612,567	517,547
Allowance for expected credit losses on loans, advances and financing and other financial assets	A25	(93,983)	(39,692)	(139,803)	(74,390)
Allowance for expected credit losses on financial investments	A26	(567)	(20)	(696)	(170)
Operating profit after allowances		237,535	241,654	472,068	442,987
Share of results of joint venture		12	9	24	22
Profit before taxation and zakat		237,547	241,663	472,092	443,009
Taxation and zakat	B6	(47,638)	(56,334)	(105,532)	(107,140)
Net profit for the financial period		189,909	185,329	366,560	335,869
Net profit for the financial period attributable to equity holders of the Bank		189,909	185,329	366,560	335,869
Earnings per share attributable to:					
Equity holders of the Bank	B12				
- Basic (sen)	(a)	12.3	12.0	23.7	21.7
- Diluted (sen)	(b)	12.3	12.0	23.7	21.7

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

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Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 30 September 2024**

	2nd Quarter Ended		Six Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
<u>GROUP</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	189,909	185,329	366,560	335,869
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")	46,452	(25,187)	43,844	(12,256)
- Net gain/(loss) from change in fair values	67,416	(28,105)	70,124	(11,426)
- Realised gain transferred to statements of income on disposal	(6,301)	(5,061)	(12,549)	(5,076)
- Transfer (to)/from deferred tax	(14,667)	7,960	(13,817)	3,961
- Changes in expected credit losses	4	19	86	285
Other comprehensive income/(expense), net of tax	46,452	(25,187)	43,844	(12,256)
Total comprehensive income for the financial period	236,361	160,142	410,404	323,613
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	236,361	160,142	410,404	323,613

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 2024.

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

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Condensed Interim Financial Statements**Unaudited Statements of Income****for the Financial Period Ended 30 September 2024**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
BANK		RM'000	RM'000	RM'000	RM'000
Interest income	A20	712,737	608,676	1,389,775	1,175,074
Interest expense	A21	(351,266)	(283,434)	(685,568)	(546,848)
Net interest income		361,471	325,242	704,207	628,226
Fee and commission income	A23	74,402	70,138	141,175	129,624
Fee and commission expense	A23	(56,241)	(27,865)	(90,230)	(52,785)
Investment income	A23	87,388	39,718	182,999	110,590
Other (expense)/income	A23	(1,453)	9,914	(5,418)	6,251
Other operating income	A23	104,096	91,905	228,526	193,680
Net income		465,567	417,147	932,733	821,906
Other operating expenses	A24	(220,308)	(197,759)	(425,764)	(383,443)
Operating profit before allowances		245,259	219,388	506,969	438,463
Allowance for expected credit losses on loans, advances and financing and other financial assets	A25	(60,597)	(30,006)	(74,300)	(47,447)
Allowance for expected credit losses on financial investments	A26	(1,029)	(5)	(1,183)	(150)
Profit before taxation		183,633	189,377	431,486	390,866
Taxation	B6	(39,705)	(42,979)	(85,931)	(82,776)
Net profit for the financial period		143,928	146,398	345,555	308,090
Net profit for the financial period attributable to equity holders of the Bank		143,928	146,398	345,555	308,090
Earnings per share attributable to:					
Equity holders of the Bank	B12				
- Basic (sen)	(a)	9.3	9.5	22.3	19.9
- Diluted (sen)	(b)	9.3	9.5	22.3	19.9

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

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**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 September 2024**

	2nd Quarter Ended		Six Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	143,928	146,398	345,555	308,090
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	40,281	(19,769)	39,088	(8,577)
- Net gain/(loss) from change in fair values	57,703	(22,476)	60,905	(8,361)
- Realised gain transferred to statements of income on disposal	(5,316)	(3,548)	(10,231)	(3,563)
- Transfer (to)/from deferred tax	(12,573)	6,246	(12,162)	3,075
- Changes in expected credit losses	467	9	576	272
Other comprehensive income/(expense), net of tax	40,281	(19,769)	39,088	(8,577)
Total comprehensive income for the financial period	184,209	126,629	384,643	299,513
Total comprehensive income for the financial period attributable to:				
Equity holders of the Bank	184,209	126,629	384,643	299,513

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 2024.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements

Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 September 2024

	← Attributable to equity holders of the Bank →					Total equity
	Share capital	Regulatory reserves	Capital reserves	FVOCI reserves	Retained profits	
<u>GROUP</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2024	1,548,106	155,485	10,018	(87,888)	5,549,407	7,175,128
Net profit for the financial period	-	-	-	-	366,560	366,560
Other comprehensive income	-	-	-	43,844	-	43,844
Total comprehensive income for the financial period	-	-	-	43,844	366,560	410,404
Transfer from regulatory reserves	-	(78,312)	-	-	78,312	-
Dividends paid to shareholders	-	-	-	-	(177,258)	(177,258)
At 30 September 2024	1,548,106	77,173	10,018	(44,044)	5,817,021	7,408,274
At 1 April 2023	1,548,106	257,241	100,150	(148,673)	4,989,825	6,746,649
Net profit for the financial period	-	-	-	-	335,869	335,869
Other comprehensive expense	-	-	-	(12,256)	-	(12,256)
Total comprehensive (expense)/income for the financial period	-	-	-	(12,256)	335,869	323,613
Transfer to regulatory reserves	-	74,719	-	-	(74,719)	-
Effect of subsidiary's capital return	-	-	(90,132)	-	90,132	-
Dividends paid to shareholders	-	-	-	-	(154,811)	(154,811)
At 30 September 2023	1,548,106	331,960	10,018	(160,929)	5,186,296	6,915,451

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 2024.

ALLIANCE BANK MALAYSIA BERHAD

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(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statements of Changes in Equity for the Financial Period Ended 30 September 2024 (Contd.)

	← Non-Distributable reserves →			Distributable reserves		Total equity
	Share capital	Regulatory reserves	Capital reserves	FVOCI reserves	Retained profits	
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2024	1,548,106	155,485	-	(83,022)	4,724,987	6,345,556
Net profit for the financial period	-	-	-	-	345,555	345,555
Other comprehensive income	-	-	-	39,088	-	39,088
Total comprehensive income for the financial period	-	-	-	39,088	345,555	384,643
Transfer from regulatory reserves	-	(78,312)	-	-	78,312	-
Dividends paid to shareholders	-	-	-	-	(177,258)	(177,258)
At 30 September 2024	1,548,106	77,173	-	(43,934)	4,971,596	6,552,941
At 1 April 2023	1,548,106	231,857	15,515	(135,652)	4,324,216	5,984,042
Net profit for the financial period	-	-	-	-	308,090	308,090
Other comprehensive expense	-	-	-	(8,577)	-	(8,577)
Total comprehensive (expense)/income for the financial period	-	-	-	(8,577)	308,090	299,513
Transfer to regulatory reserves	-	45,363	-	-	(45,363)	-
Effect of business transfer from subsidiary	-	6,045	-	(831)	26,677	31,891
Effect of subsidiary's capital return	-	-	(15,515)	-	15,515	-
Dividends paid to shareholders	-	-	-	-	(154,811)	(154,811)
At 30 September 2023	1,548,106	283,265	-	(145,060)	4,474,324	6,160,635

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 2024.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2024**

	GROUP		BANK	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	472,092	443,009	431,486	390,866
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(24,011)	(19,953)	(24,011)	(19,953)
Allowance for expected credit losses on loans, advances and financing	177,162	57,224	100,698	37,977
(Write-back of)/allowance for expected credit losses on commitments and contingencies	(14,595)	7,254	(12,480)	6,652
Allowance for expected credit losses on financial investments	696	170	1,183	150
Allowance for expected credit losses on other receivables	1,140	11,991	1,536	8,145
Allowance for expected credit losses on deposits and placements with banks	15	-	15	-
Amortisation of computer software	23,925	23,956	23,619	23,693
Depreciation of property, plant and equipment	11,461	10,629	11,406	10,530
Depreciation of right-of-use assets	14,847	13,668	14,847	13,668
Dividends from financial assets at fair value through profit or loss	(1,357)	(1,356)	(1,357)	(1,356)
Dividends from subsidiaries	-	-	(60,596)	(39,830)
Interest expense on lease liabilities	2,925	2,814	2,925	2,814
Interest expense on obligations of securities sold under repurchase agreements	56,630	14,196	56,630	14,196
Interest expense on other borrowings	1,677	-	1,677	-
Interest expense on subordinated obligations	30,211	30,245	30,270	30,302
Interest expense on recourse obligations on loans and financing sold to Cagamas	12,788	12,831	12,788	12,831
Interest income from financial investments at amortised cost	(60,836)	(57,613)	(63,737)	(60,514)
Interest income from financial investments at fair value through other comprehensive income	(168,525)	(144,364)	(168,650)	(144,364)
Loss on disposal of joint venture company	-	15	-	-
Computer software written-off	43	-	43	-
Property, plant and equipment written-off	1	19	1	19
Net gain from sale of financial assets at fair value through profit or loss	(10,850)	(5,550)	(10,850)	(5,550)
Net gain from sale of financial investments at fair value through other comprehensive income	(10,231)	(3,563)	(10,231)	(3,563)
Unrealised loss/(gain) arising from derivative instruments	162,984	(52,452)	162,984	(50,099)
Unrealised gain arising from financial assets at fair value through profit or loss	(30,087)	(22,293)	(30,087)	(22,293)
Unrealised loss arising from financial liabilities designated at fair value through profit or loss	24,518	10,317	24,518	10,317
Share of results of joint venture	(24)	(22)	-	-
Cash flows from operating activities before working capital changes carried forward	672,599	331,172	494,627	214,638

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Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2024 (Contd.)**

	GROUP		BANK	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash flows from operating activities (contd.)				
Cash flows from operating activities before working capital changes brought forward	672,599	331,172	494,627	214,638
Changes in working capital:				
Deposits from customers	1,568,356	988,637	1,075,863	1,230,713
Deposits and placements of banks and other financial institutions	(254,813)	146,726	(269,979)	150,338
Deposits and placements with banks and other financial institutions	(1,227,349)	88,553	(826,397)	88,553
Financial assets at fair value through profit or loss	(32,934)	(124,727)	(32,934)	(124,727)
Financial liabilities designated at fair value through profit or loss	(37,404)	(25,990)	(37,404)	(25,990)
Loans, advances and financing	(3,457,371)	(2,516,228)	(3,044,860)	(2,243,134)
Other assets	833,325	(247,905)	925,313	(263,511)
Other liabilities	(685,854)	566,264	(639,892)	557,349
Obligations on securities sold under repurchase agreements	1,768,573	1,204,492	1,768,573	1,204,492
Statutory deposits	(79,600)	(58,378)	(62,500)	(54,368)
Cash (used in)/generated from operations	(932,472)	352,616	(649,590)	734,353
Taxation and zakat paid	(116,012)	(92,044)	(93,427)	(69,277)
Net cash (used in)/generated from operating activities	(1,048,484)	260,572	(743,017)	665,076
Cash flows from investing activities				
Dividends from financial assets at fair value through profit or loss	1,357	1,357	1,357	1,357
Dividends from subsidiaries	-	-	60,596	39,830
Interest received on financial assets at fair value through profit or loss	4,038	544	4,038	544
Interest received from financial investments at fair value through other comprehensive income	176,129	113,625	173,266	115,495
Interest received from financial investments at amortised cost	74,415	41,677	76,012	46,378
Net interest expense for derivative instruments	(37,720)	(12,364)	(37,720)	(12,246)
Purchase of goodwill	-	-	-	(20,722)
Purchase of computer software	(37,596)	(36,732)	(37,551)	(36,798)
Purchase of property, plant and equipment	(65,533)	(13,801)	(65,482)	(13,769)
Purchase of joint venture	-	-	-	(1,094)
Proceeds from subsidiary capital repatriation	-	-	-	189,245
Subscription of subsidiary's ordinary shares	-	-	(57,954)	-
Purchase of:				
- financial investments at fair value through other comprehensive income	(2,632,693)	(2,740,383)	(2,108,884)	(2,257,853)
- financial investments at amortised cost	(302,104)	(158,437)	(104,081)	(148,149)
Redemption/disposal of:				
- financial investments at fair value through other comprehensive income	1,584,749	1,128,723	1,261,831	597,038
- financial investments at amortised cost	259,173	100,201	257,761	69,136
Net cash used in investing activities	(975,785)	(1,575,590)	(576,811)	(1,431,608)

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2024 (Contd.)

	GROUP		BANK	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash flows from financing activities				
Dividends paid to shareholders of the company	(177,258)	(154,811)	(177,258)	(154,811)
Repayment of obligations on securities sold under repurchase agreements	(49,574)	(9,501)	(49,574)	(9,501)
Net proceeds/(interest paid) from subordinated obligations	270,038	(29,977)	270,066	(30,013)
Repayment of lease liabilities	(17,767)	(15,808)	(17,767)	(15,808)
Net proceeds from recourse obligations on loans and financing sold to Cagamas	88,053	691,898	88,030	490,522
Net proceeds from other borrowings	501,077	-	300,000	-
Net cash generated from financing activities	614,569	481,801	413,497	280,389
Net change in cash and cash equivalents	(1,409,700)	(833,217)	(906,331)	(486,143)
Cash and cash equivalents at beginning of financial period	4,596,653	3,570,656	3,280,522	2,425,584
Cash and cash equivalents at end of financial period	3,186,953	2,737,439	2,374,191	1,939,441
Cash and cash equivalents comprise the following:				
Cash and short-term funds	3,186,953	2,737,439	2,374,191	1,939,441

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 2024.

Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2024 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 2024. 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 the Bank since the financial year ended 31 March 2024.

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 2024 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2024:

- Amendments to MFRS 16 "Lease Liability in a Sales and Leaseback"
- Amendments to MFRS 101 "Classification of Liabilities as Current or Non-current"
- Amendments to MFRS 101 "Non-current Liabilities with Covenants"

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 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 2024 was not qualified.

A3 Seasonality or Cyclicity of Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 2024.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial period ended 30 September 2024.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the financial period ended 30 September 2024.

A6 Issuance and Repayment of Debt and Equity Securities

The issuance of debt securities during the financial period ended 30 September 2024 are disclosed as below:

- (i) The Group had on 12 August 2024 issued RM150.0 million Seven (7)-years Senior Medium Term Notes ("Senior-MTN") (A1 rating by RAM Rating Services Berhad ("RAM")) as below:

Issuance Date	Nominal Amount	Tenure	Discount Rate
12 August 2024	RM150.0 million	Seven (7)-years	4.06% p.a.

- (ii) The Group had on 12 August 2024 issued RM150.0 million Ten (10)-years Senior Medium Term Notes ("Senior-MTN") (A1 rating by RAM) as below:

Issuance Date	Nominal Amount	Tenure	Discount Rate
12 August 2024	RM150.0 million	Ten (10)-years	4.10% p.a.

- (iii) The Group had on 12 August 2024 issued RM200.0 million Five (5)-years Senior Islamic Medium Term Notes (A1 rating by RAM) as below:

Issuance Date	Nominal Amount	Tenure	Discount Rate
12 August 2024	RM200.0 million	Five (5)-years	3.93% p.a.

- (iv) The Group had on 20 September 2024 issued RM300.0 million Additional Tier 1 Capital Securities ("AT1 Capital Securities") in nominal value pursuant to the existing AT1 Capital Securities Programme as below:

Nominal Amount	Tenure	Call Date	Coupon Rate
RM150.0 million	Perpetual Non-Callable Five (5) years	20 September 2029 and thereafter on every distribution payment date.	4.65% p.a.
RM150.0 million	Perpetual Non-Callable Seven (7) years	19 September 2031 and thereafter on every distribution payment date.	4.85% p.a.

- (v) The Group had on 20 September 2024 issued RM100.0 million Tier 2 Subordinated Sukuk Murabahah ("T2 Sub-sukuk Murabahah") in nominal value pursuant to the existing Alliance Islamic Bank's Perpetual Sukuk Programme as below:

Nominal Amount	Tenure	Call Date	Coupon Rate
RM100.0 million	Ten (10)-years Non-Callable Five (5)-years	20 September 2029 and thereafter on every profit payment date.	4.16% p.a.

A7 Dividend Paid

A single tier second interim dividend of 11.45 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM177,258,000 in respect of financial year ended 31 March 2024, was paid on 28 June 2024.

A8 Significant Events

There were no significant events in the current financial period ended 30 September 2024.

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

There were no material events subsequent to financial period ended 30 September 2024.

A10 Related Party Transactions

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

A11 Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	94,660	50,567	94,660	50,567
Malaysian Government investment issues	5,015	5,271	5,015	5,271
	<u>99,675</u>	<u>55,838</u>	<u>99,675</u>	<u>55,838</u>
<u>Unquoted securities:</u>				
Shares	303,785	277,973	303,785	277,973
Corporate bonds and sukuk	1,612	1,427	1,612	1,427
	<u>305,397</u>	<u>279,400</u>	<u>305,397</u>	<u>279,400</u>
Total financial assets at FVTPL	<u>405,072</u>	<u>335,238</u>	<u>405,072</u>	<u>335,238</u>

A12 Financial Investments at Fair Value Through Other Comprehensive Income

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
At fair value - debt instruments				
<u>Money market instruments:</u>				
Malaysian Government securities	3,382,344	3,073,753	3,382,344	3,073,753
Malaysian Government investment issues	2,840,027	2,488,031	1,950,547	1,786,955
Negotiable instruments of deposits	199,124	-	-	-
	<u>6,421,495</u>	<u>5,561,784</u>	<u>5,332,891</u>	<u>4,860,708</u>
<u>Quoted securities:</u>				
Shares	14	16	14	16
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,722,389	4,485,511	3,787,280	3,367,678
Total financial investments at FVOCI	<u>11,143,898</u>	<u>10,047,311</u>	<u>9,120,185</u>	<u>8,228,402</u>

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

Movements in allowance for expected credit losses are as follows:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Total RM'000
GROUP			
At 1 April 2024	971	65	1,036
Transfer to Stage 2	-	-	-
New financial investments originated or purchased	327	34	361
Financial investments derecognised other than write-off	(135)	(30)	(165)
Changes due to change in credit risk	(108)	(2)	(110)
Total charge to income statement	84	2	86
At 30 September 2024	1,055	67	1,122
At 1 April 2023	598	-	598
Transfer to Stage 2	(6)	65	59
New financial investments originated or purchased	576	-	576
Financial investments derecognised other than write-off	(50)	-	(50)
Changes due to change in credit risk	(147)	-	(147)
Total charge to income statement	373	65	438
At 31 March 2024	971	65	1,036
BANK			
At 1 April 2024	765	61	826
Transfer to Stage 2	-	-	-
New financial investments originated or purchased	764	34	798
Financial investments derecognised other than write-off	(97)	(30)	(127)
Changes due to change in credit risk	(95)	-	(95)
Total charge to income statement	572	4	576
At 30 September 2024	1,337	65	1,402
At 1 April 2023	407	-	407
Effect of business transfer	54	-	54
Transfer to Stage 2	(4)	61	57
New financial investments originated or purchased	502	-	502
Financial investments derecognised other than write-off	(33)	-	(33)
Changes due to change in credit risk	(161)	-	(161)
Total charge to income statement	304	61	365
At 31 March 2024	765	61	826

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

	GROUP		BANK	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	718,006	893,129	718,006	893,129
Malaysian Government investment issues	2,278,870	2,269,415	1,552,770	1,612,531
Negotiable instruments of deposits	-	-	216,238	211,862
	2,996,876	3,162,544	2,487,014	2,717,522
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	939,324	708,734	789,123	684,624
Allowance for expected credit losses	(1,443)	(833)	(2,044)	(1,437)
	937,881	707,901	787,079	683,187
Total financial investments at amortised cost	3,934,757	3,870,445	3,274,093	3,400,709

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

	Lifetime ECL		Total RM'000
	12-Month ECL (Stage 1) RM'000	credit impaired (Stage 3) RM'000	
GROUP			
At 1 April 2024	299	534	833
New financial investments originated or purchased	574	-	574
Financial investments derecognised other than write-off	-	-	-
Changes due to change in credit risk	36	-	36
Total charge to income statement	610	-	610
At 30 September 2024	909	534	1,443
At 1 April 2023	47	649	696
New financial investments originated or purchased	143	-	143
Financial investments derecognised other than write-off	-	(39)	(39)
Changes due to change in credit risk	109	(76)	33
Total charge to/(write-back from) income statement	252	(115)	137
At 31 March 2024	299	534	833
BANK			
At 1 April 2024	903	534	1,437
New financial investments originated or purchased	574	-	574
Financial investments derecognised other than write-off	-	-	-
Changes due to change in credit risk	33	-	33
Total charge to income statement	607	-	607
At 30 September 2024	1,510	534	2,044

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 credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>			
At 1 April 2023	676	426	1,102
Effect of business transfer	-	223	223
New financial investments originated or purchased	143	-	143
Financial investments derecognised other than write-off	-	(39)	(39)
Changes due to change in credit risk	84	(76)	8
Total charge to/(write-back from) income statement	227	(115)	112
At 31 March 2024	<u>903</u>	<u>534</u>	<u>1,437</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>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
At beginning of financial year	534	649	534	426
Effect of business transfer	-	-	-	223
Write-back during the financial period/year	-	(115)	-	(115)
At end of financial period/year	<u>534</u>	<u>534</u>	<u>534</u>	<u>534</u>

A14 Loans, Advances and Financing

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
At amortised cost				
Overdrafts	2,862,385	3,051,545	1,659,368	1,752,814
Term loans/financing				
- Housing loans/financing	17,577,296	16,251,542	13,923,073	12,702,773
- Syndicated term loans/financing	473,323	492,012	473,323	492,012
- Hire purchase receivables	369,071	372,128	326,576	321,237
- Other term loans/financing	27,639,722	25,996,109	20,033,011	18,689,252
Bills receivables	761,410	661,649	701,680	624,816
Trust receipts	238,475	241,794	194,953	198,477
Claims on customers under acceptance credits	3,805,564	3,758,156	2,700,207	2,692,155
Staff loans/financing (Loan to Directors: RM Nil)	14,627	14,660	2,268	2,428
Credit/charge card receivables	763,772	711,270	763,772	711,270
Revolving credits	2,149,562	1,993,170	1,671,405	1,521,180
Share margin financing	2,418,372	2,196,038	2,418,372	2,196,038
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452
Add: Sales commissions and handling fees	186,355	165,402	163,556	144,571
Less: Allowance for expected credit losses on loans, advances and financing	(1,258,976)	(1,184,725)	(850,926)	(812,547)
Total net loans, advances and financing	58,000,958	54,720,750	44,180,638	41,236,476

A14a By maturity structure:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Within one year	13,495,498	12,929,813	10,567,121	9,972,566
One year to three years	2,519,991	2,868,806	2,028,969	2,339,720
Three years to five years	4,183,449	4,008,867	3,423,208	3,236,278
Over five years	38,874,641	35,932,587	28,848,710	26,355,888
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452

A14b By type of customers:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Domestic banking institutions	9,019	31	9,019	31
Domestic non-bank financial institutions	1,221,664	1,204,534	948,151	917,382
Domestic business enterprises				
- Small and medium enterprises	20,367,793	19,227,995	14,611,704	13,863,981
- Others	8,503,593	8,214,826	7,228,548	6,828,906
Government and statutory bodies	29,935	39,102	29,935	39,102
Individuals	28,163,882	26,348,375	21,346,644	19,630,418
Other domestic entities	12,376	13,062	3,460	3,616
Foreign entities	765,317	692,148	690,547	621,016
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452

A14 Loans, Advances and Financing (Contd.)

A14c By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Fixed rate				
- Housing loans/financing	16,893	17,461	3,153	3,334
- Hire purchase receivables	368,389	370,746	325,894	319,856
- Other fixed rate loans/financing	9,144,430	8,918,659	5,968,209	5,861,484
Variable rate				
- Base lending rate plus	26,127,820	25,660,627	19,705,479	19,447,961
- Base rate plus	16,810,502	14,624,343	13,061,382	10,992,926
- Cost plus	6,605,545	6,148,237	5,803,891	5,278,891
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452

A14d By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Purchase of securities	2,500,137	2,312,204	2,500,137	2,312,204
Purchase of transport vehicles	210,261	231,061	153,752	166,486
Purchase of landed property	29,173,011	26,834,144	22,716,145	20,800,537
<i>of which: - Residential</i>	18,235,188	16,866,335	14,520,736	13,258,012
<i>- Non-residential</i>	10,937,823	9,967,809	8,195,409	7,542,525
Purchase of fixed assets excluding land & buildings	423,229	379,009	375,730	322,084
Personal use	6,637,155	6,438,217	3,433,617	3,237,243
Credit card	763,772	711,270	763,772	711,270
Construction	1,744,123	1,503,479	1,463,323	1,280,232
Working capital	13,365,401	13,141,260	10,085,881	9,834,392
Others	4,256,490	4,189,429	3,375,651	3,240,004
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452

A14e By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Primary agriculture	1,211,178	1,158,922	773,722	706,104
Mining and quarrying	343,284	311,375	328,818	293,974
Manufacturing	5,418,865	5,312,583	3,947,989	3,791,231
Electricity, gas and water	181,052	145,420	145,108	128,314
Construction	2,158,814	2,085,754	1,581,761	1,551,404
Wholesale, retail trade, restaurants and hotels	10,684,200	10,146,645	7,874,642	7,557,328
Transport, storage and communication	947,132	964,128	711,822	733,402
Financing, insurance, real estate and business services	8,511,623	7,905,111	6,919,425	6,362,556
Community, social and personal services	688,126	669,049	547,425	528,142
Household	28,929,200	27,040,523	22,037,191	20,251,434
Others	105	563	105	563
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452

A14 Loans, Advances and Financing (Contd.)

A14f By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Northern region	5,138,567	4,746,609	3,267,335	2,991,942
Central region	42,050,818	39,821,126	32,679,235	30,658,017
Southern region	6,595,362	6,128,907	5,193,728	4,755,553
Sabah region	3,786,033	3,636,286	2,551,464	2,409,822
Sarawak region	1,502,799	1,407,145	1,176,246	1,089,118
Gross loans, advances and financing	59,073,579	55,740,073	44,868,008	41,904,452

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
At beginning of financial year	1,178,027	1,232,773	862,570	879,717
Impaired during the financial period/year	692,118	1,369,715	448,038	894,772
Recovered during the financial period/year	(50,840)	(147,837)	(39,151)	(121,593)
Reclassified as unimpaired during the financial period/year	(416,064)	(844,482)	(273,441)	(515,008)
Financial assets derecognised other than write-off during the financial period/year	(57,922)	(134,710)	(24,749)	(85,663)
Amount written-off	(153,158)	(297,432)	(98,799)	(189,655)
At end of financial period/year	1,192,161	1,178,027	874,468	862,570
Gross impaired loans ratio	2.02%	2.11%	1.95%	2.06%
Net impaired loans ratio	1.13%	1.16%	1.02%	1.07%

A14h Credit impaired loans analysed by economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Purchase of transport vehicles	9,555	10,218	8,317	8,557
Purchase of landed property	474,731	478,773	321,351	325,158
of which: - Residential	373,229	368,533	240,253	240,593
- Non-residential	101,502	110,240	81,098	84,565
Purchase of fixed assets excluding land & buildings	8,477	8,747	8,329	8,589
Personal use	230,970	239,158	106,716	116,619
Credit card	9,842	10,202	9,842	10,202
Construction	2,228	3,438	2,228	3,438
Working capital	308,687	289,128	280,882	262,618
Others	147,671	138,363	136,803	127,389
Gross impaired loans	1,192,161	1,178,027	874,468	862,570

A14 Loans, Advances and Financing (Contd.)

A14i Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2024	2024	2024	2024
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	1,739	1,745	9	9
Mining and quarrying	686	816	686	816
Manufacturing	73,176	74,255	55,713	52,469
Electricity, gas and water	441	95	441	95
Construction	230,039	207,535	218,248	196,471
Wholesale, retail trade, restaurants and hotels	180,396	182,659	161,596	162,708
Transport, storage and communication	10,016	8,016	8,919	7,039
Financing, insurance, real estate and business services	46,501	53,938	44,497	52,235
Community, social and personal services	18,231	16,494	13,192	11,607
Household	630,936	632,474	371,167	379,121
Gross impaired loans	1,192,161	1,178,027	874,468	862,570

A14j Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2024	2024	2024	2024
	RM'000	RM'000	RM'000	RM'000
Northern region	111,611	103,907	67,971	63,187
Central region	929,226	907,287	700,243	682,833
Southern region	113,665	113,765	86,363	83,492
Sabah region	31,167	43,833	14,713	25,060
Sarawak region	6,492	9,235	5,178	7,998
Gross impaired loans	1,192,161	1,178,027	874,468	862,570

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 2024	223,351	426,406	534,968	1,184,725
Transfer to Stage 1	36,319	(121,886)	(1,213)	(86,780)
Transfer to Stage 2	(67,496)	323,008	(96,270)	159,242
Transfer to Stage 3	(142)	(148,720)	192,609	43,747
New financial assets originated or purchased	67,531	43,585	1,831	112,947
Financial assets derecognised other than write-off	(35,625)	(47,230)	(13,352)	(96,207)
Changes due to change in credit risk	3,810	27,712	12,830	44,352
Other adjustment	(82)	(57)	-	(139)
	4,315	76,412	96,435	177,162
Unwinding of discount	-	35	24,030	24,065
Total charge to income statement	4,315	76,447	120,465	201,227
Write-off	-	(2,516)	(124,460)	(126,976)
At 30 September 2024	227,666	500,337	530,973	1,258,976
At 1 April 2023	171,832	523,852	571,790	1,267,474
Transfer to Stage 1	137,220	(331,584)	(1,926)	(196,290)
Transfer to Stage 2	(118,337)	542,981	(194,146)	230,498
Transfer to Stage 3	(933)	(275,270)	362,341	86,138
New financial assets originated or purchased	112,549	104,043	8,394	224,986
Financial assets derecognised other than write-off	(40,643)	(131,613)	(29,954)	(202,210)
Changes due to change in credit risk	(38,351)	(2,063)	20,158	(20,256)
Other adjustment	14	49	-	63
	51,519	(93,457)	164,867	122,929
Unwinding of discount	-	29	29,136	29,165
Total charge to/(write-back from) income statement	51,519	(93,428)	194,003	152,094
Write-off	-	(4,018)	(230,825)	(234,843)
At 31 March 2024	223,351	426,406	534,968	1,184,725

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 2024	133,745	260,560	418,242	812,547
Transfer to Stage 1	22,186	(79,840)	(317)	(57,971)
Transfer to Stage 2	(37,666)	190,686	(60,700)	92,320
Transfer to Stage 3	(140)	(90,385)	117,403	26,878
New financial assets originated or purchased	45,270	32,324	956	78,550
Financial assets derecognised other than write-off	(24,043)	(36,304)	(5,889)	(66,236)
Changes due to change in credit risk	(314)	16,727	10,883	27,296
Other adjustment	(82)	(57)	-	(139)
	5,211	33,151	62,336	100,698
Unwinding of discount	-	35	18,066	18,101
Total charge to income statement	5,211	33,186	80,402	118,799
Write-off	-	(1,790)	(78,630)	(80,420)
At 30 September 2024	138,956	291,956	420,014	850,926
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	81,383	(202,069)	(1,905)	(122,591)
Transfer to Stage 2	(69,675)	329,596	(113,567)	146,354
Transfer to Stage 3	(104)	(155,493)	225,551	69,954
New financial assets originated or purchased	70,950	78,108	4,453	153,511
Financial assets derecognised other than write-off	(27,214)	(90,134)	(18,807)	(136,155)
Changes due to change in credit risk	(27,396)	(1,409)	11,385	(17,420)
Other adjustment	14	49	-	63
	27,958	(41,352)	107,110	93,716
Unwinding of discount	-	29	20,810	20,839
Total charge to/(write-back from) income statement	27,958	(41,323)	127,920	114,555
Write-off	-	(2,349)	(150,722)	(153,071)
At 31 March 2024	133,745	260,560	418,242	812,547

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

A15 Other Assets

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Other receivables	91,610	85,586	101,321	98,690
Collateral pledged for derivative transactions	60,738	154,394	60,738	154,394
Settlement account	21,388	767,126	21,388	767,126
Deposits	8,813	8,633	8,578	8,400
Prepayment	50,299	50,344	46,349	44,629
Amounts due from subsidiaries	-	-	1,514	91,874
Amount due from joint venture	-	95	-	95
	232,848	1,066,178	239,888	1,165,208
Less: Allowance for expected credit losses on other receivables [Note]	(46,496)	(45,363)	(43,210)	(41,681)
	186,352	1,020,815	196,678	1,123,527

Note:

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
<u>Lifetime ECL</u>				
At beginning of financial year	45,363	43,467	41,681	38,725
Effect of business transfer	-	-	-	1,305
New financial assets originated or purchased	672	1,155	127	151
Financial assets derecognised other than write-off	(1,820)	(3,106)	(211)	(1,766)
Changes due to change in credit risk	2,288	3,944	1,620	3,314
Total charge to income statement	1,140	1,993	1,536	1,699
Write-off	(7)	(97)	(7)	(48)
At end of financial period/year	46,496	45,363	43,210	41,681

As at 30 September 2024, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses were at RM46,495,000 and RM43,209,000 (31 March 2024: RM45,363,000 and RM41,681,000) respectively.

A16 Deposits from Customers

A16a By type of deposits:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Demand deposits	22,201,190	21,935,407	17,542,025	17,343,745
Savings deposits	1,900,501	1,928,980	1,522,092	1,551,648
Fixed/investment deposits	32,195,972	30,037,326	22,200,236	21,225,496
Money market deposits	2,467,653	3,473,714	2,137,444	2,383,512
Negotiable instruments of deposits	200,535	22,068	200,535	22,068
	58,965,851	57,397,495	43,602,332	42,526,469

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Due within six months	25,279,944	28,093,836	18,877,349	19,711,889
Six months to one year	9,559,780	5,152,363	5,637,034	3,891,044
One year to three years	20,790	283,962	20,403	25,196
Three years to five years	3,646	2,947	3,429	2,947
	34,864,160	33,533,108	24,538,215	23,631,076

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Domestic financial institutions	221,661	22,159	223,054	24,164
Domestic non-bank financial institutions	4,485,766	5,375,559	3,633,389	3,690,375
Government and statutory bodies	5,768,599	4,907,717	3,449,703	3,352,213
Business enterprises	20,667,133	19,876,183	15,498,504	15,078,413
Individuals	23,852,484	23,627,846	17,785,206	17,527,626
Foreign entities	1,021,409	1,020,122	873,618	873,248
Others	2,948,799	2,567,909	2,138,858	1,980,430
	58,965,851	57,397,495	43,602,332	42,526,469

A17 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Licensed banks	301,082	279,189	301,082	279,189
Licensed merchant banks	-	60,143	-	60,143
Bank Negara Malaysia	1,499,162	1,715,725	1,294,933	1,526,662
	<u>1,800,244</u>	<u>2,055,057</u>	<u>1,596,015</u>	<u>1,865,994</u>

A18 Financial Liabilities Designated at Fair Value Through Profit or Loss

Structured investments designated at fair value for the Group and the Bank include investments with embedded equity linked options, interest rate index linked options and foreign currency options.

The Group and the Bank designated certain structured investments at fair value through profit or loss. The structured investments are recorded at fair value.

The fair value changes of the structured investments that are attributable to the changes in own credit risk are not significant.

	<u>GROUP/BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000
Structured investments	1,973,824	2,011,228
Fair value changes arising from designation at fair value through profit or loss	(58,599)	(83,117)
	<u>1,915,225</u>	<u>1,928,111</u>

A19 Other Liabilities

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Other payables	1,034,515	1,776,754	921,049	1,667,901
Bills payable	283,277	355,840	236,848	338,981
Collateral pledged for derivative transactions	262,245	7,042	262,245	7,042
Settlement account	8,283	119,813	8,283	119,813
Clearing account	198,471	200,823	147,947	166,475
Sundry deposits	74,026	60,507	65,767	53,441
Provision and accruals	163,260	176,489	160,203	163,694
Structured investments	377,402	390,098	377,402	390,098
Amounts due to subsidiaries	-	-	92,169	-
Amount due to joint venture	28	17	28	-
Allowance for expected credit losses on commitments and contingencies	32,398	47,002	27,420	39,910
	<u>2,433,905</u>	<u>3,134,385</u>	<u>2,299,361</u>	<u>2,947,355</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 2024	10,710	34,305	1,987	47,002
Transfer to Stage 1	1,933	(15,934)	-	(14,001)
Transfer to Stage 2	(888)	6,035	(1,012)	4,135
Transfer to Stage 3	(118)	(2,088)	7,789	5,583
New financial assets originated or purchased	3,802	3,090	1	6,893
Financial assets derecognised other than write-off	(2,656)	(5,521)	(5,410)	(13,587)
Changes due to change in credit risk	(964)	(2,635)	9	(3,590)
Other adjustments	(27)	(1)	-	(28)
	1,082	(17,054)	1,377	(14,595)
Unwinding of discount	-	-	(9)	(9)
Total charge to/(write-back from) income statement	1,082	(17,054)	1,368	(14,604)
At 30 September 2024	11,792	17,251	3,355	32,398
At 1 April 2023	5,005	22,447	1,849	29,301
Transfer to Stage 1	1,069	(11,421)	-	(10,352)
Transfer to Stage 2	(736)	12,654	(1,241)	10,677
Transfer to Stage 3	-	(454)	2,732	2,278
New financial assets originated or purchased	5,867	16,287	26	22,180
Financial assets derecognised other than write-off	(2,705)	(14,977)	(3,354)	(21,036)
Changes due to change in credit risk	2,207	9,760	1,980	13,947
Other adjustments	3	9	-	12
	5,705	11,858	143	17,706
Unwinding of discount	-	-	(5)	(5)
Total charge to income statement	5,705	11,858	138	17,701
At 31 March 2024	10,710	34,305	1,987	47,002

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 2024	8,478	29,734	1,698	39,910
Transfer to Stage 1	1,454	(14,143)	-	(12,689)
Transfer to Stage 2	(824)	5,247	(819)	3,604
Transfer to Stage 3	(118)	(2,018)	7,346	5,210
New financial assets originated or purchased	3,101	2,848	1	5,950
Financial assets derecognised other than write-off	(2,270)	(5,385)	(4,771)	(12,426)
Changes due to change in credit risk	(999)	(738)	(367)	(2,104)
Other adjustments	(24)	(1)	-	(25)
	320	(14,190)	1,390	(12,480)
Unwinding of discount	-	-	(10)	(10)
Total charge to/(write-back from) income statement	320	(14,190)	1,380	(12,490)
At 30 September 2024	8,798	15,544	3,078	27,420
At 1 April 2023	4,296	20,290	1,629	26,215
Transfer to Stage 1	892	(9,622)	-	(8,730)
Transfer to Stage 2	(581)	10,457	(1,134)	8,742
Transfer to Stage 3	-	(304)	1,856	1,552
New financial assets originated or purchased	4,327	15,465	26	19,818
Financial assets derecognised other than write-off	(2,118)	(10,350)	(2,881)	(15,349)
Changes due to change in credit risk	1,660	3,789	2,208	7,657
Other adjustments	2	9	-	11
	4,182	9,444	75	13,701
Unwinding of discount	-	-	(6)	(6)
Total charge to income statement	4,182	9,444	69	13,695
At 31 March 2024	8,478	29,734	1,698	39,910

Note:

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

(b) As at 30 September 2024, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were at RM8,030,000 and RM6,762,000 (31 March 2024: RM6,406,000 and RM4,983,000) respectively.

A20 Interest Income

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
GROUP				
Loans, advances and financing	554,104	478,963	1,076,332	919,490
Money at call and deposit placements with financial institutions	32,497	14,495	63,587	34,773
Financial investments at fair value through other comprehensive income	85,505	76,286	168,525	144,364
Financial investments at amortised cost	30,140	29,212	60,836	57,613
Others	885	1,708	2,427	3,255
	703,131	600,664	1,371,707	1,159,495
Accretion of discount less amortisation of premium (net)	12,325	10,513	24,011	19,953
	715,456	611,177	1,395,718	1,179,448

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
BANK				
Loans, advances and financing	549,801	475,003	1,067,362	912,163
Money at call and deposit placements with financial institutions	32,497	14,495	63,588	34,825
Financial investments at fair value through other comprehensive income	85,630	76,286	168,650	144,364
Financial investments at amortised cost	31,599	30,671	63,737	60,514
Others	885	1,708	2,427	3,255
	700,412	598,163	1,365,764	1,155,121
Accretion of discount less amortisation of premium (net)	12,325	10,513	24,011	19,953
	712,737	608,676	1,389,775	1,175,074

Note:

Included in interest income on loans, advances and financing is interest/profit on impaired loans/financing of the Group and the Bank of RM2,980,000 (30 September 2023: RM3,298,000).

A21 Interest Expense

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
GROUP				
Deposits and placements of banks and other financial institutions	7,059	6,826	14,864	10,797
Deposits from customers	282,522	235,028	552,890	461,763
Recourse obligations on loans and financing sold to Cagamas	6,477	7,361	12,788	12,831
Subordinated obligations	15,385	15,210	30,211	30,245
Lease liabilities	1,439	1,481	2,925	2,814
Obligations on securities sold under repurchase agreements	30,310	10,299	56,630	14,196
Others	7,969	7,055	15,039	13,869
	351,161	283,260	685,347	546,515

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
BANK				
Deposits and placements of banks and other financial institutions	7,059	6,848	14,864	10,906
Deposits from customers	282,595	235,149	553,052	461,930
Recourse obligations on loans and financing sold to Cagamas	6,477	7,361	12,788	12,831
Subordinated obligations	15,417	15,241	30,270	30,302
Lease liabilities	1,439	1,481	2,925	2,814
Obligations on securities sold under repurchase agreements	30,310	10,299	56,630	14,196
Others	7,969	7,055	15,039	13,869
	351,266	283,434	685,568	546,848

A22 Net Income from Islamic Banking Business

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
GROUP				
Income derived from investment of depositors' funds and others	242,675	197,971	465,742	387,031
Income derived from investment of Islamic Banking funds	17,345	20,073	39,838	37,998
Income attributable to the depositors and financial institutions	(122,525)	(108,249)	(238,018)	(214,889)
	137,495	109,795	267,562	210,140

Note:

Net income from Islamic banking business comprises income generated from AISB, and Islamic banking business of AIBB (discontinued in previous financial year). Both AISB and AIBB are wholly-owned subsidiaries of the Bank.

A23 Other Operating Income

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
GROUP				
(a) Fee and commission income:				
Commissions	37,627	21,774	69,454	44,745
Service charges and fees	6,398	6,207	13,520	15,902
Guarantee fees	4,294	3,347	7,868	6,899
Processing fees	3,449	3,731	6,345	8,367
Commitment fees	4,320	4,184	8,410	8,301
Cards related income	15,692	14,618	31,005	27,928
Other fee income	2,679	16,333	4,679	17,583
	74,459	70,194	141,281	129,725
(b) Fee and commission expense:				
Commissions expense	(5,823)	(496)	(10,956)	(851)
Service charges and fees expense	(704)	(597)	(1,391)	(1,159)
Brokerage fees expense	(44)	(27)	(71)	(52)
Guarantee fees expense	(5,504)	(4,167)	(9,879)	(8,211)
Cards related expense	(44,166)	(22,578)	(67,933)	(42,512)
	(56,241)	(27,865)	(90,230)	(52,785)
(c) Investment income:				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	6,741	2,435	10,850	5,550
- Financial investments at fair value through other comprehensive income	5,316	3,548	10,231	3,563
- Derivative instruments	221,502	27,723	257,380	(1,784)
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	28,396	21,698	30,087	22,293
- Derivative instruments	(247,401)	1,677	(162,984)	52,452
- Financial liabilities designated at fair value through profit or loss	72,554	(18,936)	(24,518)	(10,317)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	280	278	1,357	1,356
	87,388	38,423	122,403	73,113
(d) Other (expense)/income:				
Foreign exchange (loss)/gain	(7,428)	5,620	(15,116)	(9,031)
Rental income	21	22	43	43
Others	5,659	3,994	9,109	10,225
	(1,748)	9,636	(5,964)	1,237
Total other operating income	103,858	90,388	167,490	151,290

A23 Other Operating Income (Contd.)

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	37,627	21,774	69,454	44,745
Service charges and fees	6,341	6,151	13,414	15,801
Guarantee fees	4,294	3,347	7,868	6,899
Processing fees	3,449	3,731	6,345	8,367
Commitment fees	4,320	4,184	8,410	8,301
Cards related income	15,692	14,618	31,005	27,928
Other fee income	2,679	16,333	4,679	17,583
	74,402	70,138	141,175	129,624
(b) <u>Fee and commission expense:</u>				
Commissions expense	(5,823)	(496)	(10,956)	(851)
Service charges and fees expense	(704)	(597)	(1,391)	(1,159)
Brokerage fees expense	(44)	(27)	(71)	(52)
Guarantee fees expense	(5,504)	(4,167)	(9,879)	(8,211)
Cards related expense	(44,166)	(22,578)	(67,933)	(42,512)
	(56,241)	(27,865)	(90,230)	(52,785)
(c) <u>Investment income:</u>				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	6,741	2,435	10,850	5,550
- Financial investments at fair value through other comprehensive income	5,316	3,548	10,231	3,563
- Derivative instruments	221,502	27,723	257,380	(1,784)
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	28,396	21,698	30,087	22,293
- Derivative instruments	(247,401)	1,677	(162,984)	50,099
- Financial liabilities designated at fair value through profit or loss	72,554	(18,936)	(24,518)	(10,317)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	280	278	1,357	1,356
- Subsidiaries	-	1,295	60,596	39,830
	87,388	39,718	182,999	110,590
(d) <u>Other (expense)/income:</u>				
Foreign exchange (loss)/gain	(7,428)	5,620	(15,116)	(9,031)
Rental income	259	256	517	510
Others	5,716	4,038	9,181	14,772
	(1,453)	9,914	(5,418)	6,251
Total other operating income	104,096	91,905	228,526	193,680

A24 Other Operating Expenses

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
GROUP				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	143,373	125,596	277,145	243,524
- Contribution to EPF	21,534	20,208	42,916	40,092
- Others	17,296	14,779	30,523	27,637
	182,203	160,583	350,584	311,253
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,656	5,299	11,461	10,629
- Depreciation of right-of-use assets	7,498	6,808	14,847	13,668
- Amortisation of computer software	11,851	11,823	23,925	23,956
- Rental of premises	56	327	454	778
- Water and electricity	1,948	1,733	3,653	3,603
- Repairs and maintenance	2,452	2,516	5,040	4,577
- Information technology expenses	26,913	21,079	53,399	40,892
- Others	3,050	2,806	5,708	5,360
	59,424	52,391	118,487	103,463
<u>Marketing expenses</u>				
- Promotion and advertisement	6,827	5,533	15,367	13,731
- Branding and publicity	3,046	2,908	5,045	3,614
- Others	3,034	2,432	5,700	5,062
	12,907	10,873	26,112	22,407
<u>Administration and general expenses</u>				
- Communication expenses	2,403	3,426	5,211	6,134
- Printing and stationery	497	587	954	1,033
- Insurance	3,323	3,657	6,224	7,256
- Professional fees	7,176	9,457	13,326	14,574
- Others	5,630	5,760	11,958	10,696
	19,029	22,887	37,673	39,693
Total other operating expenses	273,563	246,734	532,856	476,816

A24 Other Operating Expenses (Contd.)

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>BANK</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	113,504	97,720	217,927	187,002
- Contribution to EPF	16,942	15,834	33,806	31,010
- Others	14,466	11,627	25,318	22,516
	144,912	125,181	277,051	240,528
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,634	5,249	11,406	10,530
- Depreciation of right-of-use assets	7,498	6,808	14,847	13,668
- Amortisation of computer software	11,698	11,692	23,619	23,693
- Rental of premises	41	269	404	629
- Water and electricity	1,563	1,323	2,872	2,795
- Repairs and maintenance	2,013	2,057	4,002	3,779
- Information technology expenses	18,894	14,258	37,019	26,893
- Others	2,485	2,308	4,611	4,369
	49,826	43,964	98,780	86,356
<u>Marketing expenses</u>				
- Promotion and advertisement	6,366	5,659	13,810	13,434
- Branding and publicity	731	710	2,514	1,424
- Others	2,718	3,506	5,126	4,462
	9,815	9,875	21,450	19,320
<u>Administration and general expenses</u>				
- Communication expenses	1,996	2,836	4,363	5,085
- Printing and stationery	377	465	719	794
- Insurance	2,698	2,698	5,354	5,268
- Professional fees	4,436	7,504	8,244	13,270
- Others	6,248	5,236	9,803	12,822
	15,755	18,739	28,483	37,239
Total other operating expenses	220,308	197,759	425,764	383,443

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

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
GROUP				
Allowance for/(write-back of) expected credit losses on:				
(a) Loans, advances and financing	116,998	28,623	177,162	57,224
(b) Commitments and contingencies on loans, advances and financing	(8,271)	1,460	(14,595)	7,254
(c) Other assets	34	12,435	1,140	11,991
(d) Cash and short-term funds	13	(9)	(105)	(66)
(e) Deposits and placements with banks and other financial institutions	15	-	15	-
	108,789	42,509	163,617	76,403
(f) Credit impaired loans, advances and financing				
- Recovered during the financial period	(35,721)	(20,629)	(55,979)	(35,726)
- Written-off during the financial period	20,915	17,812	32,165	33,713
	93,983	39,692	139,803	74,390

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
BANK				
Allowance for/(write-back of) expected credit losses on:				
(a) Loans, advances and financing	77,502	19,777	100,698	37,977
(b) Commitments and contingencies on loans, advances and financing	(8,385)	4,811	(12,480)	6,652
(c) Other assets	700	8,367	1,536	8,145
(d) Cash and short-term funds	13	(9)	(105)	(66)
(e) Deposits and placements with banks and other financial institutions	15	-	15	-
	69,845	32,946	89,664	52,708
(f) Credit impaired loans, advances and financing				
- Recovered during the financial period	(24,292)	(13,614)	(37,947)	(24,173)
- Written-off during the financial period	15,044	10,674	22,583	18,912
	60,597	30,006	74,300	47,447

A26 Allowance for Expected Credit Losses on Financial Investments

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	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	4	19	86	285
(b) Financial investments at amortised cost	563	1	610	(115)
	567	20	696	170

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	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	467	9	576	272
(b) Financial investments at amortised cost	562	(4)	607	(122)
	1,029	5	1,183	150

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>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	554,611	504,102	470,720	415,371
Transaction-related contingent items	765,821	716,707	639,730	624,324
Short-term self-liquidating trade-related contingencies	141,317	242,230	126,999	225,444
Forward assets purchase	203,111	90,285	203,111	80,783
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions.	3,973,021	2,117,331	3,973,021	2,117,331
Irrevocable commitments to extend credit:				
- maturity exceeding one year	5,615,048	5,165,112	4,939,468	4,472,982
- maturity not exceeding one year	12,727,156	11,640,352	9,694,383	8,906,524
Unutilised credit card lines	2,011,746	1,889,873	2,011,746	1,889,873
	25,991,831	22,365,992	22,059,178	18,732,632
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	14,379,130	16,304,813	14,379,130	16,304,813
- over one year to three years	550,889	987,439	550,889	987,439
- over three years	8,243	120,483	8,243	120,483
Interest rate related contracts:				
- one year or less	3,235,960	1,633,954	3,235,960	1,633,954
- over one year to three years	8,136,930	6,177,524	8,136,930	6,177,524
- over three years	12,407,198	10,316,175	12,407,198	10,316,175
Equity related contracts				
- one year or less	232,102	311,349	232,102	311,349
- over one year to three years	86,220	142,040	86,220	142,040
	39,036,672	35,993,777	39,036,672	35,993,777
	65,028,503	58,359,769	61,095,850	54,726,409

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 and bancassurance). 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) Others

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

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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	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	<u>Total</u> RM'000
2nd Quarter ended 30 September 2024							
Net interest income							
- external income	154,942	131,562	75,939	(915)	361,528	2,767	364,295
- inter-segment	(36,920)	35,527	1,393	-	-	-	-
	118,022	167,089	77,332	(915)	361,528	2,767	364,295
Net income/(expense) from Islamic banking business	61,468	47,016	24,746	2,650	135,880	1,615	137,495
Other operating income	17,855	50,472	35,136	3,865	107,328	(3,470)	103,858
Net income	197,345	264,577	137,214	5,600	604,736	912	605,648
Other operating expenses	(110,922)	(97,610)	(10,124)	(29,964)	(248,620)	62	(248,558)
Depreciation and amortisation	(12,623)	(11,395)	(1,002)	(183)	(25,203)	198	(25,005)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	73,800	155,572	126,088	(24,547)	330,913	1,172	332,085
(Allowance for)/write-back of expected credit losses on financial investments	(49,488)	(45,183)	(28)	716	(93,983)	-	(93,983)
Segment results	-	(563)	(468)	-	(1,031)	464	(567)
Share of results of joint venture	24,312	109,826	125,592	(23,831)	235,899	1,636	237,535
Taxation and zakat							12
Net profit for the financial period							(47,638)
							189,909
Segment assets	30,719,491	30,984,664	19,309,076	408,302	81,421,533	(1,387,148)	80,034,385
Reconciliation of segment assets to consolidated assets:							
Investment in joint venture							1,158
Property, plant and equipment							288,164
Tax recoverable and deferred tax assets							223,345
Intangible assets							476,001
Total assets							81,023,053

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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	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	<u>Total</u> RM'000
Six months ended 30 September 2024							
Net interest income							
- external income	290,103	263,150	152,259	(1,176)	704,336	6,035	710,371
- inter-segment	(71,100)	70,952	148	-	-	-	-
	219,003	334,102	152,407	(1,176)	704,336	6,035	710,371
Net income/(expense) from Islamic banking business	116,060	93,446	50,061	4,903	264,470	3,092	267,562
Other operating income	46,679	96,088	23,922	20,003	186,692	(19,202)	167,490
Net income	381,742	523,636	226,390	23,730	1,155,498	(10,075)	1,145,423
Other operating expenses	(223,836)	(196,695)	(20,628)	(41,558)	(482,717)	94	(482,623)
Depreciation and amortisation	(25,146)	(22,751)	(2,358)	(375)	(50,630)	397	(50,233)
Operating profit/(loss) before allowance	132,760	304,190	203,404	(18,203)	622,151	(9,584)	612,567
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(107,022)	(33,284)	90	413	(139,803)	-	(139,803)
Allowance for expected credit losses on financial investments	-	(610)	(547)	-	(1,157)	461	(696)
Segment results	25,738	270,296	202,947	(17,790)	481,191	(9,123)	472,068
Share of results of joint venture							24
Taxation and zakat							(105,532)
Net profit for the financial year							<u>366,560</u>
Segment assets	30,719,491	30,984,664	19,309,076	408,302	81,421,533	(1,387,148)	80,034,385
Reconciliation of segment assets to consolidated assets:							
Investment in joint venture							1,158
Property, plant and equipment							288,164
Tax recoverable and deferred tax assets							223,345
Intangible assets							476,001
Total assets							<u>81,023,053</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	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
2nd Quarter ended 30 September 2023							
Net interest income							
- external income	111,958	143,919	70,239	(748)	325,368	2,549	327,917
- inter-segment	(23,624)	21,567	2,057	-	-	-	-
	88,334	165,486	72,296	(748)	325,368	2,549	327,917
Net income/(expense) from Islamic banking business	40,441	41,051	25,178	1,543	108,213	1,582	109,795
Other operating income/(expense)	37,623	44,299	7,576	9,256	98,754	(8,366)	90,388
Net income	166,398	250,836	105,050	10,051	532,335	(4,235)	528,100
Other operating expenses	(106,645)	(86,735)	(10,040)	(19,440)	(222,860)	56	(222,804)
Depreciation and amortisation	(11,899)	(10,465)	(1,360)	(459)	(24,183)	253	(23,930)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	47,854	153,636	93,650	(9,848)	285,292	(3,926)	281,366
Allowance for expected credit losses on financial investments	-	(1)	(13)	(1)	(15)	(5)	(20)
Segment results	29,347	132,391	93,646	(9,799)	245,585	(3,931)	241,654
Share of results of joint venture							9
Taxation and zakat							(56,334)
Net profit for the financial period							185,329
Segment assets	26,494,982	26,116,258	17,701,367	416,467	70,729,074	(1,347,481)	69,381,593
Reconciliation of segment assets to consolidated assets:							
Investment in joint venture							1,101
Property, plant and equipment							60,806
Tax recoverable and deferred tax assets							231,527
Intangible assets							453,212
Total assets							70,128,239

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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	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
Six months ended 30 September 2023							
Net interest income							
- external income	221,538	260,481	147,363	(883)	628,499	4,434	632,933
- inter-segment	(41,790)	54,466	(12,676)	-	-	-	-
	<u>179,748</u>	<u>314,947</u>	<u>134,687</u>	<u>(883)</u>	<u>628,499</u>	<u>4,434</u>	<u>632,933</u>
Net income/(expense) from Islamic banking business	81,526	79,931	45,108	2,737	209,302	838	210,140
Other operating income/(expense)	65,534	86,615	(4,869)	10,921	158,201	(6,911)	151,290
Net income	<u>326,808</u>	<u>481,493</u>	<u>174,926</u>	<u>12,775</u>	<u>996,002</u>	<u>(1,639)</u>	<u>994,363</u>
Other operating expenses	(212,989)	(172,472)	(19,929)	(23,258)	(428,648)	85	(428,563)
Depreciation and amortisation	(24,043)	(21,064)	(2,812)	(945)	(48,864)	611	(48,253)
Operating profit/(loss) before allowance	<u>89,776</u>	<u>287,957</u>	<u>152,185</u>	<u>(11,428)</u>	<u>518,490</u>	<u>(943)</u>	<u>517,547</u>
(Allowance for)/write-back of expected credit financing and other financial assets	(44,522)	(31,194)	69	1,257	(74,390)	-	(74,390)
(Allowance for)/write-back of expected credit losses on financial investments	-	-	(295)	132	(163)	(7)	(170)
Segment results	<u>45,254</u>	<u>256,763</u>	<u>151,959</u>	<u>(10,039)</u>	<u>443,937</u>	<u>(950)</u>	<u>442,987</u>
Share of results of joint venture							22
Taxation and zakat							<u>(107,140)</u>
Net profit for the financial period							<u><u>335,869</u></u>
Segment assets	<u>26,494,982</u>	<u>26,116,258</u>	<u>17,701,367</u>	<u>416,467</u>	<u>70,729,074</u>	<u>(1,347,481)</u>	<u>69,381,593</u>
Reconciliation of segment assets to consolidated assets:							
Investment in joint venture							1,101
Property, plant and equipment							60,806
Tax recoverable and deferred tax assets							231,527
Intangible assets							<u>453,212</u>
Total assets							<u><u>70,128,239</u></u>

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A29 Capital Adequacy

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions which took effect on 9 December 2020 has ended on 31 March 2024.

Effective from 1 April 2024, the capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. The Framework sets out the approach for computing regulatory ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Bank and the Group are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The Group and the Bank have sufficient capital as follows:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024	31 March 2024	30 September 2024	31 March 2024
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.668%	13.268%	12.785%	13.443%
Tier I capital ratio	13.909%	13.979%	14.151%	14.111%
Total capital ratio	17.336%	17.559%	17.692%	18.100%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.388%	12.907%	12.420%	12.970%
Tier I capital ratio	13.628%	13.619%	13.786%	13.637%
Total capital ratio	17.055%	17.199%	17.327%	17.627%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.668%	12.890%	12.785%	13.152%
Tier I capital ratio	13.909%	13.602%	14.151%	13.820%
Total capital ratio	17.336%	17.182%	17.692%	17.809%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.388%	12.530%	12.420%	12.679%
Tier I capital ratio	13.628%	13.242%	13.786%	13.346%
Total capital ratio	17.055%	16.822%	17.327%	17.336%

A29 Capital Adequacy (Contd.)

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 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	5,817,021	5,549,407	4,971,596	4,724,987
Regulatory reserves	77,173	155,485	77,173	155,485
FVOCI reserves	(45,166)	(88,924)	(45,336)	(83,848)
Capital reserves	10,018	10,018	-	-
	7,407,152	7,174,092	6,551,539	6,344,730
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(476,001)	(462,372)	(474,108)	(460,219)
- Deferred tax assets	(214,427)	(217,253)	(147,357)	(153,468)
- Regulatory reserves	(77,173)	(155,485)	(77,173)	(155,485)
- Investment in subsidiaries and joint venture	(1,158)	(1,135)	(705,704)	(647,750)
- Transitional arrangements	-	185,468	-	109,029
Total CET I Capital	6,638,393	6,523,315	5,147,197	5,036,837
Additional Tier I Capital Securities	650,000	350,000	550,000	250,000
Total Additional Tier I Capital	650,000	350,000	550,000	250,000
Total Tier I Capital	7,288,393	6,873,315	5,697,197	5,286,837
<u>Tier II Capital</u>				
Subordinated obligations	1,199,766	1,199,662	1,199,634	1,199,470
Expected credit losses and regulatory reserves	595,992	560,485	456,065	425,185
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	(230,000)	(130,000)
Total Tier II Capital	1,795,758	1,760,147	1,425,699	1,494,655
Total Capital	9,084,151	8,633,462	7,122,896	6,781,492

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
Credit risk	47,679,339	44,838,827	36,485,213	34,014,770
Market risk	780,087	560,041	740,738	559,800
Operational risk	3,942,322	3,768,311	3,033,954	2,892,670
Total RWA and capital requirements	52,401,748	49,167,179	40,259,905	37,467,240

A29 Capital Adequacy (Contd.)

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

	Alliance Islamic Bank Berhad			
	With transitional arrangements		Without transitional arrangements	
	30 September 2024	31 March 2024	30 September 2024	31 March 2024
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.519%	12.938%	12.519%	12.287%
Tier I capital ratio	13.334%	13.785%	13.334%	13.134%
Total capital ratio	16.364%	16.049%	16.364%	15.398%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.508%	12.930%	12.508%	12.279%
Tier I capital ratio	13.323%	13.778%	13.323%	13.127%
Total capital ratio	16.353%	16.042%	16.353%	15.391%

Note:

The capital adequacy ratios after deducting proposed dividends have included the Rights Issue of AISB.

A30 Fair Value Measurements

(a) Determination of fair value and fair value hierarchy

MFRS 13 Fair Value Measurement requires disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statements of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. This includes listed equities and corporate debt securities which are actively traded.

(ii) Financial instruments in Level 2

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use market parameters, including but not limited to yield curves, volatilities and foreign exchange rates, as inputs. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities, corporate notes and most of the Group's and the Bank's derivatives.

(iii) Financial instruments in Level 3

The Group and the Bank classify financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include net tangible assets, net asset value, discounted cash flows, and other appropriate valuation models. These include private equity investments.

A30 Fair Value Measurements (Contd.)

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

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

<u>GROUP</u> 30 September 2024	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	99,675	-	99,675
- Unquoted securities	-	1,612	303,785	305,397
Financial investments at FVOCI				
- Money market instruments	-	6,421,495	-	6,421,495
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	4,722,389	-	4,722,389
Derivative financial assets	-	625,901	-	625,901
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,915,225	-	1,915,225
Derivative financial liabilities	-	855,197	-	855,197
<u>BANK</u> 30 September 2024	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	99,675	-	99,675
- Unquoted securities	-	1,612	303,785	305,397
Financial investments at FVOCI				
- Money market instruments	-	5,332,891	-	5,332,891
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	3,787,280	-	3,787,280
Derivative financial assets	-	625,901	-	625,901
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,915,225	-	1,915,225
Derivative financial liabilities	-	855,197	-	855,197

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> 31 March 2024	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	55,838	-	55,838
- Unquoted securities	-	1,427	277,973	279,400
Financial investments at FVOCI				
- Money market instruments	-	5,561,784	-	5,561,784
- Quoted securities in Malaysia	16	-	-	16
- Unquoted securities	-	4,485,511	-	4,485,511
Derivative financial assets	-	183,035	-	183,035
<u>Liabilities</u>				
Financial liabilities designated at FVTPL				
	-	1,928,111	-	1,928,111
Derivative financial liabilities	-	287,067	-	287,067
<u>BANK</u> 31 March 2024	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	55,838	-	55,838
- Unquoted securities	-	1,427	277,973	279,400
Financial investments at FVOCI				
- Money market instruments	-	4,860,708	-	4,860,708
- Quoted securities in Malaysia	16	-	-	16
- Unquoted securities	-	3,367,678	-	3,367,678
Derivative financial assets	-	183,035	-	183,035
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	1,928,111	-	1,928,111
Derivative financial liabilities	-	287,067	-	287,067

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>	
	30 September	31 March	30 September	31 March
	2024	2024	2024	2024
	RM'000	RM'000	RM'000	RM'000
At beginning of financial period/year	277,973	257,206	277,973	257,206
Acquisition during the period	200	-	200	-
Total gain recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	25,612	20,767	25,612	20,767
At end of financial period/year	303,785	277,973	303,785	277,973

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.

(a) Financial assets

	Gross amounts of recognised financial assets RM'000	Net amounts of financial assets presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
			Financial instruments RM'000	Cash collateral received RM'000	
<u>GROUP/BANK</u>					
30 September 2024					
Derivative financial assets	625,901	625,901	(269,678)	(262,245)	93,978
<u>GROUP/BANK</u>					
31 March 2024					
Derivative financial assets	183,035	183,035	(95,755)	(7,042)	80,238

(b) Financial liabilities

	Gross amounts of recognised financial liabilities RM'000	Net amounts of financial liabilities presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
			Financial instruments RM'000	Cash collateral pledged RM'000	
<u>GROUP/BANK</u>					
30 September 2024					
Derivative financial liabilities	855,197	855,197	(269,678)	(60,738)	524,781
<u>GROUP/BANK</u>					
31 March 2024					
Derivative financial liabilities	287,067	287,067	(95,755)	(154,394)	36,918

A31 Offsetting Financial Assets And Financial Liabilities (Contd.)

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

A32 Credit Transactions And Exposures With Connected Parties

	BANK	
	30 September	31 March
	2024	2024
	RM'000	RM'000
Outstanding credit exposures with connected parties	265,048	386,896
of which:		
Total credit exposure which is impaired or in default	-	-
Total credit exposures	69,629,130	65,570,062
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	0.38%	0.59%
- which is impaired or in default	0.00%	0.00%

PART B - Explanatory Notes Pursuant To Appendix 9B Of Bursa Securities' Listing Requirements

B1 Financial Review for Financial Quarter and Financial Year to Date

GROUP

	2nd Quarter Ended 30 September 2024 RM'000	2nd Quarter Ended 30 September 2023 RM'000	Changes %
Net income/revenue	605,648	528,100	14.7
Operating profit before allowance	332,085	281,366	18.0
Operating profit after allowance	237,535	241,654	(1.7)
Profit before taxation and zakat	237,547	241,663	(1.7)
Profit after taxation and zakat	189,909	185,329	2.5
Profit attributable to ordinary equity holders of the Bank	189,909	185,329	2.5
	Six Months Ended 30 September 2024 RM'000	Six Months Ended 30 September 2023 RM'000	Changes %
Net income/revenue	1,145,423	994,363	15.2
Operating profit before allowance	612,567	517,547	18.4
Operating profit after allowance	472,068	442,987	6.6
Profit before taxation	472,092	443,009	6.6
Profit after taxation	366,560	335,869	9.1
Profit attributable to ordinary equity holders of the Bank	366,560	335,869	9.1
	2nd Quarter Ended 30 September 2024 RM'000	1st Quarter Ended 30 June 2024 RM'000	Changes %
Net income/revenue	605,648	539,775	12.2
Operating profit before allowance	332,085	280,482	18.4
Operating profit after allowance	237,535	234,533	1.3
Profit before taxation and zakat	237,547	234,545	1.3
Profit after taxation and zakat	189,909	176,651	7.5
Profit attributable to ordinary equity holders of the Bank	189,909	176,651	7.5

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

BANK

	2nd Quarter Three Months Ended 30 September 2024 RM'000	2nd Quarter Three Months Ended 30 September 2023 RM'000	Changes %
Net income/revenue	465,567	417,147	11.6
Operating profit before allowance	245,259	219,388	11.8
Operating profit after allowance	183,633	189,377	(3.0)
Profit before taxation	183,633	189,377	(3.0)
Profit after taxation	143,928	146,398	(1.7)
Profit attributable to ordinary equity holders of the Bank	143,928	146,398	(1.7)
	Six Months Ended 30 September 2024 RM'000	Six Months Ended 30 September 2023 RM'000	Changes %
Net income/revenue	932,733	821,906	13.5
Operating profit before allowance	506,969	438,463	15.6
Operating profit after allowance	431,486	390,866	10.4
Profit before taxation	431,486	390,866	10.4
Profit after taxation	345,555	308,090	12.2
Profit attributable to ordinary equity holders of the Bank	345,555	308,090	12.2
	2nd Quarter Ended 30 September 2024 RM'000	1st Quarter Ended 30 June 2024 RM'000	Changes %
Net income/revenue	465,567	467,166	(0.3)
Operating profit before allowance	245,259	261,710	(6.3)
Operating profit after allowance	183,633	247,853	(25.9)
Profit before taxation	183,633	247,853	(25.9)
Profit after taxation	143,928	201,627	(28.6)
Profit attributable to ordinary equity holders of the Bank	143,928	201,627	(28.6)

B2 Review Of Performance

(a) Business Review for the Financial Period ended 30 September 2024

Profitability

The Group recorded a net profit after taxation of RM366.6 million for the first half ended 30 September 2024, marking a year-on-year (“YoY”) increase of RM30.7 million or 9.1%. This growth was primarily driven by the increased revenue offset by higher allowance for expected credit losses and operating expenses.

Net interest income increased by RM124.7 million or 15.0% YoY, predominantly attributed to loan growth. The net interest margin (“NIM”) for the period was 2.47%.

The Group reported other operating income of RM189.5 million, marking an increase of RM26.3 million or 16.1% YoY. This growth primarily stemmed from increased revenue from treasury and investment income, foreign exchange sales and trade fees, offset by higher credit card fee expense.

Total revenue stood at RM1.1 billion, increased by RM151.1 million or 15.2% YoY.

Operating Expenses

Operating expenses saw a rise of RM56.0 million or 11.8% YoY. Cost-to-income ratio (“CIR”) stood at 46.5%. The Group remains committed to prudent cost management throughout the financial year.

Loan Growth

The implementation of the ACCELER8 strategic plan facilitated a notable expansion in the Group’s loans, advances, and financing, which increased by 14.8% YoY to reach RM59.1 billion. This growth was predominantly propelled by advancements across all business lines.

Asset Quality

The Group’s allowance for expected credit losses on loans, advances, financing, and other financial assets posted a net charge of RM140.5 million, marking an increase of RM65.9 million YoY. The net credit cost stood at 24.5 basis points, while the loan loss coverage, including regulatory reserves, reached 112.1%.

The Group will maintain a prudent approach by implementing the credit risk framework across all business lines. This involves stratifying customers based on the risk profiles and reaching out to customers. Additionally, the Group will focus on controlling credit costs by refining credit policies, tightening credit underwriting standards, and intensifying collection efforts.

Healthy Funding and Liquidity Position

The Group’s current/savings account (“CASA”) ratio was recorded at 40.9%, with customer deposits totalling RM59.0 billion. Our funding strategy has enabled the Group to maintain robust liquidity coverage ratio and loans-to-funds ratio, which stood at 149.5% and 88.7%, respectively.

Proactive Capital Management

We continued to maintain a robust capital position with the Common Equity Tier-1 (“CET 1”) ratio at 12.4%, the Tier-1 Capital Ratio at 13.6%, and the Total Capital Ratio at 17.1%, all comfortably surpassing regulatory thresholds.

The Group declared a first interim dividend of 9.50 sen per share for the financial year ending 31 March 2025.

B2 Review Of Performance (Contd.)

(b) Performance by Business Segment and Subsidiary

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

In the Consumer Banking segment, profit before tax was recorded at RM25.7 million, reflecting a decrease of RM19.5 million YoY. Net income saw an increase of RM54.9 million or 16.8% to RM381.7 million, driven primarily by a rise in net interest income by RM73.3 million offset by decrease in other operating income by RM18.4 million. Operating expenses increased by RM12.0 million or 5.0%, while the allowance for expected credit losses increased by RM62.5 million. Segment assets were recorded at RM30.7 billion.

For the Business Banking segment, comprising corporate, commercial, and SME banking, profit before tax rose to RM270.3 million, marking an increase of RM13.5 million or 5.3% YoY. Net income increased by RM42.1 million or 8.8% to RM523.6 million, driven by higher net interest income by RM28.1 million and higher other operating income by RM14.0 million. Operating expenses increased by RM25.9 million or 13.4%, while the allowance for expected credit losses increased by RM2.7 million. Segment assets were recorded at RM31.0 billion.

In the Financial Markets segment, profit before tax reached RM202.9 million, up by RM 51.0 million or 33.6% YoY. Net income increased by RM51.5 million or 29.4%, primarily due to higher net interest income by RM22.1 million and higher other operating income by RM29.4 million. Operating expenses rose by RM0.2 million. Segment assets recorded at RM19.3 billion.

The Islamic Banking segment, which includes consumer banking, business banking, and financial markets, recorded a net profit after taxation of RM82.4 million, increased by RM11.8 million or 16.7 % YoY. Net income increased by RM55.3 million or 26.4 %. Net profit income increased by RM47.5 million, while other operating income increased by RM 7.8 million. Operating expenses increased by RM8.6 million or 9.8%. The allowance for expected credit losses increased by RM38.4 million. Total assets stood at RM18.7 billion.

Current Quarter against Previous Year Corresponding Quarter (2QFY2025 vs 2QFY2024)

The Group's profit after taxation of RM189.9 million for the quarter was RM4.6 million or 2.5% higher compared to the previous year corresponding quarter, mainly due to higher revenue offset with higher allowance for expected credit losses and operating expenses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income recorded at RM491.2 million, higher by RM61.4 million or 14.3% mainly due to higher loan growth.
- NIM was at 2.49% (2QFY2024: 2.53%).
- Other operating income increased by RM16.2 million or 16.4% mainly due to higher treasury and investment income offset by higher credit card fee expense.
- Total revenue stood at RM605.6 million, increased by RM77.5 million or 14.7%.
- Operating expenses increased by RM26.8 million or 10.9% mainly from higher personnel costs, establishment costs and marketing costs.
- Net credit cost was at 16.4 basis points (2QFY2024: 7.7 basis points).

B3 Comparison with Immediate Preceding Quarter (2QFY2025 vs 1QFY2025)

Compared to the immediate preceding quarter, the Group's profit after taxation for the quarter stood at RM189.9 million, increased by RM13.3 million or 7.5%, primarily attributed to higher net interest income and other operating income offset with higher allowance for expected credit losses and operating expenses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income increased by RM26.5 million mainly from loans, advances and financing.
- The net interest margin (NIM) was recorded at 2.49% (1QFY2025: 2.45%).
- Other operating income increased by RM39.4 million or 52.4%, primarily driven by higher treasury and investment income offset by higher credit card fee expense.
- Total revenue stood at RM605.6 million, increased by RM65.9 million or 12.2%.
- Operating expenses higher by RM14.3 million or 5.5%, mainly stemming from higher personnel costs.
- The net credit cost was at 16.4 basis points (1QFY2025: 8.1 basis points).

B4 Prospect for the Current Financial Year

For calendar year 2024, Bank Negara Malaysia ("BNM") projects Malaysia's gross domestic product ("GDP") growth to range between 4% and 5%, an improvement from the 3.6% growth recorded in the preceding year.

We anticipate Malaysia's economic advancement will be bolstered by sustained domestic demand, propelled by ongoing enhancements in labour market conditions and renewed governmental efforts to stimulate growth. However, we are cognisant of the uneven nature of the overall recovery, with certain sectors experiencing continued strain. Furthermore, we maintain a cautious stance regarding potential downside risks to growth stemming from external uncertainties, such as escalating geopolitical tensions.

The Group remains optimistic in maintaining its positive financial performance and remains committed to realising growth objectives under ACCELER8. In FY2025, our focus areas include:

- i. Continuing momentum in customer acquisition through the expansion of new-to-bank acquisition channels, leveraging digital platforms, strategic partnerships, increased productivity, and branch enhancements;
- ii. Deepening client wallet share post-customer acquisition by enhancing product and channel offerings for key target segments and sectors in both Consumer and Business Banking, with the aim of driving fee income. Additionally, we will seek to maximise cross-business unit collaboration to provide more comprehensive customer service; and
- iii. Strengthening Islamic banking propositions to drive incremental growth, with a focus on scaling up differentiated Islamic banking solutions by expanding unique Shariah-compliant and Value Based Intermediation propositions.

The Group aims to continue its loans growth momentum in FY2025 with strong integrated risk management practices, while strengthening its funding base. In addition, the Group will continue to invest in upgrading its IT infrastructure and digital capabilities to enable innovative propositions for its clients.

B5 Profit Forecast

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

B6 Taxation and Zakat

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>GROUP</u>				
- Income tax	68,850	90,185	116,555	123,163
- Deferred tax	(21,182)	(33,851)	(10,993)	(16,023)
	<u>47,668</u>	<u>56,334</u>	<u>105,562</u>	<u>107,140</u>
- Zakat	(30)	-	(30)	-
	<u>47,638</u>	<u>56,334</u>	<u>105,532</u>	<u>107,140</u>
<u>BANK</u>				
- Income tax	59,941	74,856	91,981	99,954
- Deferred tax	(20,236)	(31,877)	(6,050)	(17,178)
	<u>39,705</u>	<u>42,979</u>	<u>85,931</u>	<u>82,776</u>

The Bank's effective tax rate for the current financial period ended 30 September 2024 was lower than the current statutory tax rate of 24%, mainly due to an increase in income not subject to tax and overprovision of income tax expense in prior years.

B7 Status of Corporate Proposals

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

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2024 RM'000	31 March 2024 RM'000	30 September 2024 RM'000	31 March 2024 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	34,839,724	33,246,199	24,514,383	23,602,933
- More than one year (medium/long term)	24,436	286,909	23,832	28,143
	<u>34,864,160</u>	<u>33,533,108</u>	<u>24,538,215</u>	<u>23,631,076</u>
Others	24,101,691	23,864,387	19,064,117	18,895,393
	<u>58,965,851</u>	<u>57,397,495</u>	<u>43,602,332</u>	<u>42,526,469</u>
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	308,202	687,065	303,202	676,561
- More than one year (medium/long term)	1,492,042	1,367,992	1,292,813	1,189,433
	<u>1,800,244</u>	<u>2,055,057</u>	<u>1,596,015</u>	<u>1,865,994</u>
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,219,269	1,219,416	1,219,136	1,219,224
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	652,898	352,502	552,884	252,460
	<u>1,872,167</u>	<u>1,571,918</u>	<u>1,772,020</u>	<u>1,471,684</u>

B9 Derivative Financial Assets/(Liabilities)

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

GROUP/BANK	As at 30 September 2024			As at 31 March 2024		
	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	4,191,184	19,786	(464,644)	4,932,844	70,605	(11,415)
- one year or less	3,909,374	19,786	(438,275)	4,361,350	55,115	(11,370)
- over one year to three years	273,567	-	(25,362)	495,914	14,452	(25)
- over three years	8,243	-	(1,007)	75,580	1,038	(20)
Currency swaps	9,647,148	488,241	(203,272)	11,466,692	40,603	(117,437)
- one year or less	9,369,826	465,063	(203,272)	10,930,264	40,597	(88,562)
- over one year to three years	277,322	23,178	-	491,525	6	(28,100)
- over three years	-	-	-	44,903	-	(775)
Currency spots						
- one year or less	299,711	762	(724)	291,108	320	(284)
Currency options						
- one year or less	800,219	1,224	(540)	722,091	1,397	(519)
	14,938,262	510,013	(669,180)	17,412,735	112,925	(129,655)
Interest rate related contracts						
Interest rate swaps	23,780,088	115,584	(152,545)	18,127,653	69,121	(120,690)
- one year or less	3,235,960	10,566	(8,318)	1,633,954	10,782	(4,973)
- over one year to three years	8,136,930	30,407	(53,075)	6,177,524	31,758	(29,413)
- over three years	12,407,198	74,611	(91,152)	10,316,175	26,581	(86,304)
Equity related contracts	318,322	304	(33,472)	453,389	989	(36,722)
- one year or less	232,102	269	(27,741)	311,349	910	(33,195)
- over one year to three years	86,220	35	(5,731)	142,040	79	(3,527)
Total derivatives assets/(liabilities)	39,036,672	625,901	(855,197)	35,993,777	183,035	(287,067)

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:

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the Group's borrowers or counterparties to fulfil their contractual obligations to repay their loans or settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 30 September 2024, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM625,901,000 (31 March 2024: RM183,035,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Market Risk

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

The Group has established a framework of approved risk policies, measurement methodologies and risk limits as approved by the Group Risk Management Committee to manage market risk. Market risk arising from the trading activities is controlled via position limits, loss limits, sensitivity limits and valuation via daily mark-to-market, where available.

Liquidity Risk

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

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

- (ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 30 September 2024, the Group and the Bank had posted cash collateral of RM60,738,000 (31 March 2024: RM154,394,000) 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.

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:

- (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.

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 2024.

B10 Changes in Material Litigation

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and the Bank for the current financial period ended 30 September 2024.

B11 Dividend Declared

The Board of Directors has declared a first interim dividend of 9.50 sen per share on 1,548,105,929 ordinary shares amounting to approximately RM147,071,000 in respect of financial year ending 31 March 2025, to be paid on 30 December 2024 to shareholders registered in the Record of Depositors at the close of business on 13 December 2024.

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.

	2nd Quarter Ended		Six Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
<u>GROUP</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<u>189,909</u>	185,329	<u>366,560</u>	<u>335,869</u>
Weighted average numbers of ordinary shares in issue ('000)	<u>1,548,106</u>	1,548,106	<u>1,548,106</u>	<u>1,548,106</u>
Basic earnings per share (sen)	<u>12.3</u>	12.0	<u>23.7</u>	<u>21.7</u>

B12 Earnings Per Share (Contd.)

(a) Basic (contd.)

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

	2nd Quarter Ended		Six Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
<u>BANK</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	143,928	146,398	345,555	308,090
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)	9.3	9.5	22.3	19.9

(b) Diluted

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

There were no dilutive potential ordinary shares outstanding as at 30 September 2024 and 30 September 2023 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial period ended 30 September 2024 and 30 September 2023.

By Order of the Board

LEE WEI YEN (MAICSA 7001798) (SSM PC No. 202008002080)
Group Company Secretary
Kuala Lumpur
28 November 2024