

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Statements of Financial Position as at 31 December 2017**

|  | Note | <u>GROUP</u>                  |  | <u>BANK</u>                   |                            |
|--|------|-------------------------------|--|-------------------------------|----------------------------|
|  |      | 31 December<br>2017<br>RM'000 | Restated<br>31 March<br>2017<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 March<br>2017<br>RM'000 |
| <b>ASSETS</b>  |      |                               |  |                               |                            |
| Cash and short-term funds  |      | 1,591,562                     | 1,381,779                              | 1,379,485                     | 1,618,617                  |
| Amount due from clients and brokers  | A12  | 154,448                       | 113,022                                | -                             | -                          |
| Financial assets held-for-trading  | A13  | 174,073                       | 335,260                                | 174,073                       | 259,701                    |
| Financial investments available-for-sale   | A14  | 9,105,105                     | 10,239,557                             | 7,043,677                     | 8,099,450                  |
| Financial investments held-to-maturity   | A15  | 413,397                       | 917,092                                | 395,736                       | 658,201                    |
| Derivative financial assets  | B11  | 80,017                        | 86,345                                 | 80,017                        | 86,345                     |
| Loans, advances and financing  | A16  | 38,764,350                    | 38,991,689                             | 30,894,646                    | 31,371,907                 |
| Other assets   | A17  | 145,131                       | 110,340                                | 217,941                       | 105,141                    |
| Tax recoverable  |      | 3,757                         | 9,726                                  | -                             | -                          |
| Statutory deposits   |      | 1,418,396                     | 1,437,444                              | 1,092,821                     | 1,129,366                  |
| Investments in subsidiaries  |      | -                             | -                                      | 988,335                       | 892,820                    |
| Investment in associate  |      | -                             | -                                      | 230                           | 230                        |
| Investment in joint venture  |      | 647                           | 763                                    | -                             | -                          |
| Property, plant and equipment  |      | 70,650                        | 73,948                                 | 68,948                        | 71,883                     |
| Deferred tax assets  |      | 11,766                        | 14,738                                 | -                             | 4,088                      |
| Intangible assets  |      | 397,206                       | 377,361                                | 280,630                       | 261,986                    |
| <b>TOTAL ASSETS</b>  |      | <b>52,330,505</b>             | <b>54,089,064</b>                      | <b>42,616,539</b>             | <b>44,559,735</b>          |
| <b>LIABILITIES AND EQUITY</b>  |      |                               |  |                               |                            |
| Deposits from customers  | A18  | 40,357,358                    | 44,445,720                             | 32,693,527                    | 36,112,501                 |
| Deposits and placements of banks<br>and other financial institutions             | A19  | 1,628,842                     | 862,904                                | 862,229                       | 649,729                    |
| Financial liabilities designated at fair value                                   | A20  | 585,553                       | 402,734                                | 585,553                       | 402,734                    |
| Amount due to clients and brokers  | A21  | 120,748                       | 69,066                                 | -                             | -                          |
| Derivative financial liabilities   | B11  | 169,591                       | 81,892                                 | 169,591                       | 81,892                     |
| Amount due to Cagamas Berhad   |      | 1,153,376                     | 502,713                                | 802,862                       | 502,713                    |
| Other liabilities  | A22  | 1,572,814                     | 1,348,770                              | 1,415,051                     | 1,201,606                  |
| Provision for taxation   |      | 41,818                        | 19,753                                 | 38,595                        | 14,098                     |
| Provision for zakat  |      | 100                           | 206                                    | -                             | -                          |
| Deferred tax liabilities   |      | 17,609                        | 9,960                                  | 5,851                         | -                          |
| Other borrowings   |      | -                             | 5,070                                  | -                             | 5,070                      |
| Subordinated obligations   |      | 1,360,258                     | 1,226,078                              | 1,359,644                     | 1,225,664                  |
| <b>TOTAL LIABILITIES</b>   |      | <b>47,008,067</b>             | <b>48,974,866</b>                      | <b>37,932,903</b>             | <b>40,196,007</b>          |
| Share capital  |      | 1,548,106                     | 1,548,106                              | 1,548,106                     | 796,517                    |
| Reserves   |      | 3,809,548                     | 3,639,929                              | 3,135,530                     | 3,567,211                  |
| Shares held for Employees' Share Scheme  |      | (35,216)                      | (73,837)                               | -                             | -                          |
| <b>TOTAL EQUITY</b>  |      | <b>5,322,438</b>              | <b>5,114,198</b>                       | <b>4,683,636</b>              | <b>4,363,728</b>           |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |      | <b>52,330,505</b>             | <b>54,089,064</b>                      | <b>42,616,539</b>             | <b>44,559,735</b>          |
| <b>COMMITMENTS AND CONTINGENCIES</b>   | A29  | <b>23,925,095</b>             | <b>26,493,954</b>                      | <b>21,563,397</b>             | <b>24,538,276</b>          |
| <b>Net assets per share attributable to Equity<br/>holders of the Bank (RM)*</b> |      | <b>3.44</b>                   | <b>3.30</b>                            | <b>3.03</b>                   | <b>5.48</b>                |

\* 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 2017.

**ALLIANCE BANK MALAYSIA BERHAD**

**(88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Consolidated Statements of Comprehensive Income**

**for the Financial Period Ended 31 December 2017**

| <b>GROUP</b>  | Note | <b>3rd Quarter Ended</b> |             | <b>Nine Months Ended</b> |             |
|---|------|--------------------------|-------------|--------------------------|-------------|
|   |      | <b>31 December</b>       | Restated    | <b>31 December</b>       | Restated    |
|   |      | <b>2017</b>              | 31 December | <b>2017</b>              | 31 December |
|   |      | <b>RM'000</b>            | RM'000      | <b>RM'000</b>            | RM'000      |
| Interest income   | A23  | <b>478,089</b>           | 471,002     | <b>1,446,875</b>         | 1,409,487   |
| Interest expense  | A24  | <b>(257,776)</b>         | (252,553)   | <b>(778,747)</b>         | (774,692)   |
| Net interest income   |      | <b>220,313</b>           | 218,449     | <b>668,128</b>           | 634,795     |
| Net income from Islamic banking business  | A25  | <b>78,763</b>            | 74,768      | <b>234,846</b>           | 220,557     |
|   |      | <b>299,076</b>           | 293,217     | <b>902,974</b>           | 855,352     |
| Fee and commission income   | A26  | <b>76,600</b>            | 73,761      | <b>230,072</b>           | 221,576     |
| Fee and commission expense  | A26  | <b>(24,680)</b>          | (23,640)    | <b>(72,575)</b>          | (71,186)    |
| Investment income   | A26  | <b>22,739</b>            | 38,742      | <b>85,877</b>            | 104,922     |
| Other income  | A26  | <b>14,269</b>            | (3,438)     | <b>22,145</b>            | (8,491)     |
| Other operating income  | A26  | <b>88,928</b>            | 85,425      | <b>265,519</b>           | 246,821     |
| Net income  |      | <b>388,004</b>           | 378,642     | <b>1,168,493</b>         | 1,102,173   |
| Other operating expenses  | A27  | <b>(215,297)</b>         | (174,326)   | <b>(581,890)</b>         | (510,742)   |
| Operating profit before allowances  |      | <b>172,707</b>           | 204,316     | <b>586,603</b>           | 591,431     |
| Write-back of/(allowance for) losses on loans,<br>advances and financing and other<br>receivables | A28  | <b>7,971</b>             | (32,448)    | <b>(55,752)</b>          | (67,392)    |
| Allowance for impairment on other assets  |      | -                        | -           | -                        | (1,208)     |
| Operating profit after allowances   |      | <b>180,678</b>           | 171,868     | <b>530,851</b>           | 522,831     |
| Share of results of joint venture   |      | <b>(4)</b>               | 19          | <b>(3)</b>               | 57          |
| Profit before taxation  |      | <b>180,674</b>           | 171,887     | <b>530,848</b>           | 522,888     |
| Taxation  | B6   | <b>(58,120)</b>          | (42,205)    | <b>(150,491)</b>         | (128,153)   |
| Net profit for the financial period   |      | <b>122,554</b>           | 129,682     | <b>380,357</b>           | 394,735     |
| <b>Other comprehensive income:</b>  |      |                          |             |                          |             |
| <b>Items that may be reclassified subsequently<br/>to profit or loss:</b>                         |      |                          |             |                          |             |
| Revaluation reserve on financial<br>investments available-for-sale                                |      |                          |             |                          |             |
| - Net (loss)/gain from change in fair value   |      | <b>(27)</b>              | (95,828)    | <b>50,997</b>            | (20,107)    |
| - Realised gain transferred to statement<br>of income on disposal and impairment                  |      | -                        | (2,272)     | <b>(4,958)</b>           | (5,684)     |
| - Transfer from/(to) deferred tax   |      | <b>7</b>                 | 23,544      | <b>(11,049)</b>          | 6,190       |
| Other comprehensive (expense)/income, net of tax  |      | <b>(20)</b>              | (74,556)    | <b>34,990</b>            | (19,601)    |
| <b>Total comprehensive income for the<br/>financial period</b>                                    |      | <b>122,534</b>           | 55,126      | <b>415,347</b>           | 375,134     |

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

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**Condensed Interim Financial Statements****Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 31 December 2017 (contd.)**

|  | <b>3rd Quarter Ended</b> |                | <b>Nine Months Ended</b> |                |
|--|--------------------------|----------------|--------------------------|----------------|
|  |                          | Restated       |                          | Restated       |
|  | <b>31 December</b>       | 31 December    | <b>31 December</b>       | 31 December    |
|  | <b>2017</b>              | 2016           | <b>2017</b>              | 2016           |
| <b><u>GROUP</u></b>  | <b>RM'000</b>            | RM'000         | <b>RM'000</b>            | RM'000         |
| Net profit for the financial period attributable to:                 |                          |                |                          |                |
| Equity holders of the Bank   | <b><u>122,554</u></b>    | <u>129,682</u> | <b><u>380,357</u></b>    | <u>394,735</u> |
| Total comprehensive income for the financial period attributable to: |                          |                |                          |                |
| Equity holders of the Bank   | <b><u>122,534</u></b>    | <u>55,126</u>  | <b><u>415,347</u></b>    | <u>375,134</u> |
| Earnings per share attributable to Equity holders of the Bank        |                          |                |                          |                |
| - Basic (sen)  | B14(a) <b>8.0</b>        | 8.5            | <b>24.7</b>              | 25.9           |
| - Diluted (sen)  | B14(b) <b>8.0</b>        | 8.5            | <b>24.7</b>              | 25.8           |

*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 2017.*

**ALLIANCE BANK MALAYSIA BERHAD**

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**Condensed Interim Financial Statements  
Unaudited Statements of Comprehensive Income  
for the Financial Period Ended 31 December 2017**

|   | Note | 3rd Quarter Ended   |                     | Nine Months Ended   |                     |
|---|------|---------------------|---------------------|---------------------|---------------------|
|   |      | 31 December<br>2017 | 31 December<br>2016 | 31 December<br>2017 | 31 December<br>2016 |
| <b>BANK</b>   |      | RM'000              | RM'000              | RM'000              | RM'000              |
| Interest income   | A23  | 469,024             | 466,081             | 1,430,598           | 1,391,203           |
| Interest expense  | A24  | (249,489)           | (248,909)           | (756,784)           | (763,659)           |
| Net interest income   |      | 219,535             | 217,172             | 673,814             | 627,544             |
| Fee and commission income   | A26  | 66,839              | 66,045              | 198,445             | 194,831             |
| Fee and commission expense  | A26  | (21,860)            | (21,645)            | (63,463)            | (63,654)            |
| Investment income   | A26  | 49,633              | 60,231              | 118,599             | 153,969             |
| Other income  | A26  | 14,304              | (3,473)             | 22,029              | (11,284)            |
| Other operating income  | A26  | 108,916             | 101,158             | 275,610             | 273,862             |
| Net income  |      | 328,451             | 318,330             | 949,424             | 901,406             |
| Other operating expenses  | A27  | (175,934)           | (135,667)           | (463,095)           | (397,359)           |
| Operating profit before allowances  |      | 152,517             | 182,663             | 486,329             | 504,047             |
| Write-back of/(allowance for) losses on loans,<br>advances and financing and other<br>receivables | A28  | 15,048              | (15,010)            | (13,191)            | (30,049)            |
| Profit before taxation  |      | 167,565             | 167,653             | 473,138             | 473,998             |
| Taxation  | B6   | (48,444)            | (35,146)            | (126,461)           | (102,768)           |
| Net profit for the financial period   |      | 119,121             | 132,507             | 346,677             | 371,230             |

**Other comprehensive income:**

**Items that may be reclassified subsequently  
to profit or loss:**

|  |  |      |          |         |          |
|--|--|------|----------|---------|----------|
| Revaluation reserve on financial<br>investments available-for-sale               |  |      |          |         |          |
| - Net gain/(loss) from change in fair value                                      |  | 349  | (63,326) | 41,357  | (10,139) |
| - Realised gain transferred to statement<br>of income on disposal and impairment |  | -    | (2,273)  | (2,987) | (3,372)  |
| - Transfer (to)/from deferred tax  |  | (84) | 15,744   | (9,209) | 3,243    |
| Other comprehensive income/(expense), net of tax                                 |  | 265  | (49,855) | 29,161  | (10,268) |

**Total comprehensive income for the  
financial period**

|  |         |        |         |         |
|--|---------|--------|---------|---------|
|  | 119,386 | 82,652 | 375,838 | 360,962 |
|--|---------|--------|---------|---------|

Earnings per share attributable to

Equity holders of the Bank

|                 |        |     |     |      |      |
|-----------------|--------|-----|-----|------|------|
| - Basic (sen)   | B14(a) | 7.7 | 9.2 | 23.2 | 25.6 |
| - Diluted (sen) | B14(b) | 7.7 | 9.2 | 23.2 | 25.6 |

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 2017.

**ALLIANCE BANK MALAYSIA BERHAD**
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**Condensed Interim Financial Statements**
**Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2017**

|   | ←----- Attributable to Equity holders of the Bank -----> |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
|---|--|----------------------------|---------------------------------|----------------------------------|-------------------------------|-----------------------------------|---|---|-------------------------------------|-------------------------------|---------------------------|
|   | Ordinary<br>shares<br>RM'000                             | Share<br>premium<br>RM'000 | Statutory<br>reserves<br>RM'000 | Regulatory<br>reserves<br>RM'000 | Capital<br>reserves<br>RM'000 | Revaluation<br>reserves<br>RM'000 | Equity<br>contribution<br>from parent<br>RM'000 | Employees'<br>share<br>scheme<br>(‘ESS’)<br>reserve<br>RM'000 | Shares<br>held for<br>ESS<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>GROUP</b>  |  |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
| At 1 April 2017                                     |  |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
| As previously reported                              | 796,517  | 401,517                    | 1,223,525                       | 157,900                          | 10,018                        | 99,268                            | 6,062   | -   | -                                   | 2,306,158                     | 5,000,965                 |
| Effect of group reorganisation                      | 751,589  | (401,517)                  | -                               | -                                | 79,992                        | -                                 | (6,062)   | 6,444   | (73,837)                            | (243,376)                     | 113,233                   |
| As restated   | 1,548,106  | -                          | 1,223,525                       | 157,900                          | 90,010                        | 99,268                            | -   | 6,444   | (73,837)                            | 2,062,782                     | 5,114,198                 |
| Net profit after taxation                           | -  | -                          | -                               | -                                | -                             | -                                 | -   | -   | -                                   | 380,357                       | 380,357                   |
| Other comprehensive income                          | -  | -                          | -                               | -                                | -                             | 34,990                            | -   | -   | -                                   | -                             | 34,990                    |
| Total comprehensive income for the financial period | -  | -                          | -                               | -                                | -                             | 34,990                            | -   | -   | -                                   | 380,357                       | 415,347                   |
| Share-based payment under ESS                       | -  | -                          | -                               | -                                | -                             | -                                 | -   | 204   | -                                   | -                             | 204                       |
| ESS on share lapsed:                                |  |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
| - employees of subsidiaries                         | -  | -                          | -                               | -                                | -                             | -                                 | -   | (157)   | -                                   | 157                           | -                         |
| - own employees                                     | -  | -                          | -                               | -                                | -                             | -                                 | -   | (1,037)   | -                                   | 1,037                         | -                         |
| ESS shares grant vested to:                         |  |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
| - employees of subsidiaries                         | -  | -                          | -                               | -                                | -                             | -                                 | -   | (488)   | 488                                 | -                             | -                         |
| - employees of joint venture                        | -  | -                          | -                               | -                                | -                             | -                                 | -   | (111)   | 111                                 | -                             | -                         |
| - own employees                                     | -  | -                          | -                               | -                                | -                             | -                                 | -   | (3,099)   | 3,099                               | -                             | -                         |
| ESS shares option exercised by:                     |  |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
| - employees of subsidiaries                         | -  | -                          | -                               | -                                | -                             | -                                 | -   | (22)  | 22                                  | -                             | -                         |
| - own employees                                     | -  | -                          | -                               | -                                | -                             | -                                 | -   | (96)  | 96                                  | -                             | -                         |
| Proceeds from share option exercised                | -  | -                          | -                               | -                                | -                             | -                                 | -   | -   | 4,032                               | -                             | 4,032                     |
| Transfer of ESS recharged                           |  |                            |                                 |                                  |                               |                                   |   |   |                                     |                               |                           |
| difference on shares vested                         | -  | -                          | -                               | -                                | -                             | -                                 | -   | (1,638)   | -                                   | 1,638                         | -                         |
| Disposal of ESS share                               | -  | -                          | -                               | -                                | -                             | -                                 | -   | -   | 30,773                              | -                             | 30,773                    |
| Gain from disposal of ESS share                     | -  | -                          | -                               | -                                | -                             | -                                 | -   | -   | -                                   | 4,032                         | 4,032                     |
| Transfer (from)/to reserves                         | -  | -                          | (1,223,525)                     | 26,900                           | 10,140                        | -                                 | -   | -   | -                                   | 1,186,485                     | -                         |
| Dividends paid to shareholders                      | -  | -                          | -                               | -                                | -                             | -                                 | -   | -   | -                                   | (247,697)                     | (247,697)                 |
| Dividends added back for shares held in trust       | -  | -                          | -                               | -                                | -                             | -                                 | -   | -   | -                                   | 1,549                         | 1,549                     |
| <b>At 31 December 2017</b>                          | <b>1,548,106</b>   | <b>-</b>                   | <b>-</b>                        | <b>184,800</b>                   | <b>100,150</b>                | <b>134,258</b>                    | <b>-</b>  | <b>-</b>  | <b>(35,216)</b>                     | <b>3,390,340</b>              | <b>5,322,438</b>          |

**ALLIANCE BANK MALAYSIA BERHAD**
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**Condensed Interim Financial Statements (Contd.)**
**Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2017 (Contd.)**

←----- Attributable to Equity holders of the Bank ----->

| <b>GROUP</b>   | Ordinary<br>shares<br>RM'000 | Share<br>premium<br>RM'000 | Statutory<br>reserves<br>RM'000 | Regulatory<br>reserves<br>RM'000 | Capital<br>reserves<br>RM'000 | Revaluation<br>reserves<br>RM'000 | Equity<br>contribution<br>from parent<br>RM'000 | ESS<br>reserve<br>RM'000 | Shares<br>held for<br>ESS<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>equity<br>RM'000 |
|--|------------------------------|----------------------------|---------------------------------|----------------------------------|-------------------------------|-----------------------------------|---|--------------------------|-------------------------------------|-------------------------------|---------------------------|
| At 1 April 2016  |                              |                            |                                 |                                  |                               |                                   |   |                          |                                     |                               |                           |
| As previously reported   | 796,517                      | 401,517                    | 1,200,019                       | 157,174                          | 10,018                        | 114,786                           | 10,896  | -                        | -                                   | 2,047,248                     | 4,738,175                 |
| Effect of group reorganisation                                       | 751,589                      | (401,517)                  | -                               | -                                | 67,644                        | -                                 | (10,896)  | 11,516                   | (79,897)                            | (234,606)                     | 103,833                   |
| As restated  | 1,548,106                    | -                          | 1,200,019                       | 157,174                          | 77,662                        | 114,786                           | -   | 11,516                   | (79,897)                            | 1,812,642                     | 4,842,008                 |
| Net profit after taxation  | -                            | -                          | -                               | -                                | -                             | -                                 | -   | -                        | -                                   | 394,735                       | 394,735                   |
| Other comprehensive income   | -                            | -                          | -                               | -                                | -                             | (19,601)                          | -   | -                        | -                                   | -                             | (19,601)                  |
| Total comprehensive income for the financial period                  | -                            | -                          | -                               | -                                | -                             | (19,601)                          | -   | -                        | -                                   | 394,735                       | 375,134                   |
| Share-based payment under ESS  | -                            | -                          | -                               | -                                | -                             | -                                 | -   | 2,246                    | -                                   | -                             | 2,246                     |
| ESS shares grant vested to:  |                              |                            |                                 |                                  |                               |                                   |   |                          |                                     |                               |                           |
| - employees of subsidiaries  | -                            | -                          | -                               | -                                | -                             | -                                 | -   | (412)                    | 412                                 | -                             | -                         |
| - employees of joint ventures  | -                            | -                          | -                               | -                                | -                             | -                                 | -   | (92)                     | 92                                  | -                             | -                         |
| - own employees  | -                            | -                          | -                               | -                                | -                             | -                                 | -   | (3,070)                  | 3,070                               | -                             | -                         |
| ESS share options exercised by:                                      |                              |                            |                                 |                                  |                               |                                   |   |                          |                                     |                               |                           |
| - own employees  | -                            | -                          | -                               | -                                | -                             | -                                 | -   | (116)                    | 116                                 | -                             | -                         |
| Proceeds from share option exercised                                 | -                            | -                          | -                               | -                                | -                             | -                                 | -   | -                        | 1,754                               | -                             | 1,754                     |
| Transfer of ESS shares purchase price<br>difference on shares vested | -                            | -                          | -                               | -                                | -                             | -                                 | -   | (1,162)                  | -                                   | 1,162                         | -                         |
| Transfer to reserves   | -                            | -                          | 11,789                          | (553)                            | -                             | -                                 | -   | -                        | -                                   | (11,236)                      | -                         |
| Dividends paid to shareholders                                       | -                            | -                          | -                               | -                                | -                             | -                                 | -   | -                        | -                                   | (232,216)                     | (232,216)                 |
| Dividends added back for shares held in trust                        | -                            | -                          | -                               | -                                | -                             | -                                 | -   | -                        | -                                   | 3,290                         | 3,290                     |
| At 31 December 2016  | 1,548,106                    | -                          | 1,211,808                       | 156,621                          | 77,662                        | 95,185                            | -   | 8,910                    | (74,453)                            | 1,968,377                     | 4,992,216                 |

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 2017.

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**Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2017**

|   | Non-distributable reserves |                         |                              |                           |                               |                                | Distributable reserves |                            | Total equity<br>RM'000 |
|---|----------------------------|-------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------|------------------------|----------------------------|------------------------|
|   | Ordinary shares<br>RM'000  | Share premium<br>RM'000 | Statutory reserves<br>RM'000 | Capital reserve<br>RM'000 | Regulatory reserves<br>RM'000 | Revaluation reserves<br>RM'000 | ESS reserve<br>RM'000  | Retained profits<br>RM'000 |                        |
| <b>BANK</b>   |                            |                         |                              |                           |                               |                                |                        |                            |                        |
| At 1 April 2017                                       | 796,517                    | 401,517                 | 835,401                      | -                         | 144,349                       | 64,916                         | 5,523                  | 2,115,505                  | 4,363,728              |
| Net profit after taxation                             | -                          | -                       | -                            | -                         | -                             | -                              | -                      | 346,677                    | 346,677                |
| Other comprehensive income                            | -                          | -                       | -                            | -                         | -                             | 29,161                         | -                      | -                          | 29,161                 |
| Total comprehensive income for the financial period   | -                          | -                       | -                            | -                         | -                             | 29,161                         | -                      | 346,677                    | 375,838                |
| Issuance of shares to former holding company          | 100,000                    | -                       | -                            | -                         | -                             | -                              | -                      | -                          | 100,000                |
| Bonus issue   | 651,589                    | (401,517)               | -                            | -                         | -                             | -                              | -                      | (250,072)                  | -                      |
| Acquisition of subsidiary under group reorganisation  | -                          | -                       | -                            | 95,515                    | -                             | -                              | -                      | -                          | 95,515                 |
| Share-based payment under ESS                         | -                          | -                       | -                            | -                         | -                             | -                              | 188                    | -                          | 188                    |
| Payment for ESS recharged from former holding company | -                          | -                       | -                            | -                         | -                             | -                              | (3,195)                | -                          | (3,195)                |
| Transfer of ESS recharged difference on shares vested | -                          | -                       | -                            | -                         | -                             | -                              | (1,479)                | 1,479                      | -                      |
| ESS on share options lapsed                           | -                          | -                       | -                            | -                         | -                             | -                              | (1,037)                | 1,037                      | -                      |
| Transfer to retained profits                          | -                          | -                       | (835,401)                    | -                         | 23,285                        | -                              | -                      | 812,116                    | -                      |
| Dividends paid  | -                          | -                       | -                            | -                         | -                             | -                              | -                      | (248,438)                  | (248,438)              |
| <b>At 31 December 2017</b>                            | <b>1,548,106</b>           | <b>-</b>                | <b>-</b>                     | <b>95,515</b>             | <b>167,634</b>                | <b>94,077</b>                  | <b>-</b>               | <b>2,778,304</b>           | <b>4,683,636</b>       |
| At 1 April 2016                                       | 796,517                    | 401,517                 | 835,401                      | -                         | 140,864                       | 73,152                         | 10,064                 | 1,888,285                  | 4,145,800              |
| Net profit after taxation                             | -                          | -                       | -                            | -                         | -                             | -                              | -                      | 371,230                    | 371,230                |
| Other comprehensive income                            | -                          | -                       | -                            | -                         | -                             | (10,268)                       | -                      | -                          | (10,268)               |
| Total comprehensive income for the financial period   | -                          | -                       | -                            | -                         | -                             | (10,268)                       | -                      | 371,230                    | 360,962                |
| Share-based payment under ESS                         | -                          | -                       | -                            | -                         | -                             | -                              | 1,834                  | -                          | 1,834                  |
| Payment for ESS recharged from former holding company | -                          | -                       | -                            | -                         | -                             | -                              | (3,187)                | -                          | (3,187)                |
| Transfer of ESS recharged difference on shares vested | -                          | -                       | -                            | -                         | -                             | -                              | (1,041)                | 1,041                      | -                      |
| Transfer to regulatory reserves                       | -                          | -                       | -                            | -                         | 4,942                         | -                              | -                      | (4,942)                    | -                      |
| Dividends paid  | -                          | -                       | -                            | -                         | -                             | -                              | -                      | (232,503)                  | (232,503)              |
| At 31 December 2016                                   | 796,517                    | 401,517                 | 835,401                      | -                         | 145,806                       | 62,884                         | 7,670                  | 2,023,111                  | 4,272,906              |

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 2017.

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**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2017**

|  | <u>GROUP</u>                  |   | <u>BANK</u>                   |                               |
|--|-------------------------------|---|-------------------------------|-------------------------------|
|  | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                               |   |                               |                               |
| Profit before taxation   | <b>530,848</b>                | 522,888                                   | <b>473,138</b>                | 473,998                       |
| Adjustments for:   |                               |   |                               |                               |
| Accretion of discount less amortisation of premium of financial investments        | <b>(59,474)</b>               | (55,877)                                  | <b>(57,309)</b>               | (55,526)                      |
| Allowance for losses on loans, advances and financing                              | <b>60,650</b>                 | 75,171                                    | <b>19,418</b>                 | 38,330                        |
| Allowance for other receivables  | <b>2,904</b>                  | 2,222                                     | <b>2,313</b>                  | 1,962                         |
| Amortisation of computer software  | <b>18,522</b>                 | 16,699                                    | <b>17,967</b>                 | 16,290                        |
| Computer software written off  | <b>325</b>                    | 120                                       | <b>236</b>                    | 120                           |
| Depreciation of property, plant and equipment                                      | <b>15,599</b>                 | 16,109                                    | <b>15,045</b>                 | 15,479                        |
| Dividends from financial investments available-for-sale                            | <b>(1,861)</b>                | (3,165)                                   | <b>(1,311)</b>                | (2,440)                       |
| Dividends from subsidiaries  | -                             | -   | <b>(33,913)</b>               | (51,856)                      |
| Interest expense on subordinated obligations                                       | <b>53,272</b>                 | 52,348                                    | <b>53,355</b>                 | 52,456                        |
| Interest expense on other borrowings   | <b>167</b>                    | 179                                       | <b>167</b>                    | 179                           |
| Interest expense on loan sold to Cagamas Berhad                                    | <b>16,493</b>                 | 16,350                                    | <b>16,493</b>                 | 16,350                        |
| Interest income from financial investments held-to-maturity                        | <b>(15,755)</b>               | (20,108)                                  | <b>(14,157)</b>               | (16,316)                      |
| Interest income from financial investments available-for-sale                      | <b>(203,344)</b>              | (177,649)                                 | <b>(198,969)</b>              | (177,281)                     |
| Interest income from financial assets held-for-trading                             | <b>(3,134)</b>                | (4,904)                                   | <b>(3,134)</b>                | (4,904)                       |
| Allowance for impairment on other assets   | -                             | 1,208                                     | -                             | -                             |
| Provision on other liabilities   | <b>4,615</b>                  | -   | <b>4,400</b>                  | -                             |
| Loss on disposal of property, plant and equipment                                  | <b>106</b>                    | 346                                       | -                             | 346                           |
| Net gain from sale of financial assets held-for-trading                            | <b>(429)</b>                  | (2,556)                                   | <b>(429)</b>                  | (2,556)                       |
| Net gain from sale of financial investments available-for-sale                     | <b>(3,680)</b>                | (5,239)                                   | <b>(2,987)</b>                | (3,154)                       |
| Property, plant and equipment written off  | <b>175</b>                    | 181                                       | <b>167</b>                    | 181                           |
| Share options/grants under ESS   | <b>189</b>                    | 2,173                                     | <b>191</b>                    | 1,834                         |
| Share of results of joint venture  | <b>3</b>                      | (57)                                      | -                             | -                             |
| Unrealised loss on revaluation of financial assets held-for-trading                | <b>41</b>                     | 3,684                                     | <b>(11)</b>                   | 3,684                         |
| Unrealised loss/(gain) on revaluation of derivative financial instruments          | <b>94,331</b>                 | (210,814)                                 | <b>94,331</b>                 | (212,007)                     |
| Unrealised (gain)/loss arising from financial liabilities designated at fair value | <b>(18,564)</b>               | 3,301                                     | <b>(18,564)</b>               | 4,494                         |
| Zakat  | <b>4</b>                      | 1   | -                             | -                             |
| Operating profit before working capital changes                                    | <b>492,003</b>                | 232,611                                   | <b>366,437</b>                | 99,663                        |
| Changes in working capital:  |                               |   |                               |                               |
| Amount due to/(from) clients and brokers   | <b>10,256</b>                 | (2,444)                                   | -                             | -                             |
| Deposits and placements of banks and other financial institutions                  | <b>765,938</b>                | (161,436)                                 | <b>212,500</b>                | (213,113)                     |
| Deposits and placements with banks and other financial institution                 | -                             | 195,865                                   | -                             | 195,865                       |
| Deposits from customers  | <b>(4,088,362)</b>            | (674,865)                                 | <b>(3,418,974)</b>            | (234,149)                     |
| Financial liabilities designated at fair value                                     | <b>201,382</b>                | 2,314                                     | <b>201,382</b>                | 2,314                         |
| Financial assets held-for-trading  | <b>162,374</b>                | (27,557)                                  | <b>87,018</b>                 | (27,194)                      |
| Loans, advances and financing  | <b>166,688</b>                | (589,846)                                 | <b>457,843</b>                | (144,435)                     |
| Other assets   | <b>(37,990)</b>               | (21,062)                                  | <b>(115,418)</b>              | (20,274)                      |
| Other liabilities  | <b>224,044</b>                | (253,600)                                 | <b>213,445</b>                | (232,211)                     |
| Statutory deposits   | <b>19,048</b>                 | (7,831)                                   | <b>36,545</b>                 | 5,337                         |
| Cash used in operations  | <b>(2,084,619)</b>            | (1,307,851)                               | <b>(1,959,222)</b>            | (568,197)                     |
| Taxes paid   | <b>(127,554)</b>              | (89,380)                                  | <b>(105,632)</b>              | (75,543)                      |
| Zakat paid   | <b>(102)</b>                  | (26)                                      | -                             | -                             |
| Net cash used in operating activities  | <b>(2,212,275)</b>            | (1,397,257)                               | <b>(2,064,854)</b>            | (643,740)                     |



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**Condensed Interim Financial Statements**

**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2017 (contd.)**

|   | <b>GROUP</b>            |                              | <b>BANK</b>             |                         |
|---|-------------------------|------------------------------|-------------------------|-------------------------|
|   | <b>31 December 2017</b> | Restated<br>31 December 2016 | <b>31 December 2017</b> | 31 December 2016        |
|   | <b>RM'000</b>           | RM'000                       | <b>RM'000</b>           | RM'000                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                         |                              |                         |                         |
| Dividends received from financial investments available-for-sale                                | 1,861                   | 3,165                        | 1,311                   | 2,440                   |
| Dividends received from subsidiaries  | -                       | -                            | 33,913                  | 51,856                  |
| Interest received from financial investments held-to-maturity                                   | 17,858                  | 20,078                       | 13,970                  | 14,161                  |
| Interest received from financial investments available-for-sale                                 | 199,566                 | 167,610                      | 190,460                 | 158,716                 |
| Interest received from financial assets held-for-trading  | 4,010                   | 4,904                        | 3,435                   | 4,540                   |
| Purchase of computer software   | (38,693)                | (24,913)                     | (36,847)                | (23,500)                |
| Purchase of property, plant and equipment   | (12,630)                | (6,034)                      | (12,277)                | (5,312)                 |
| Proceeds from disposal of property, plant and equipment   | 39                      | 270                          | -                       | 271                     |
| Proceeds from disposal of financial investments held-to-maturity (net of purchase)              | 559,902                 | 258,245                      | 319,872                 | 108,029                 |
| Proceeds from redemption/disposal of financial investments available-for-sale (net of purchase) | 1,187,482               | (2,089,361)                  | 1,104,476               | (1,778,318)             |
| Net cash generated from/(used in) investing activities  | <u>1,919,395</u>        | <u>(1,666,036)</u>           | <u>1,618,313</u>        | <u>(1,467,117)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                         |                              |                         |                         |
| Dividends paid to shareholders of the company   | (246,148)               | (228,926)                    | (248,438)               | (232,503)               |
| Interest paid on other borrowings   | (238)                   | (238)                        | (238)                   | (238)                   |
| Interest paid on loan sold to Cagamas   | (15,839)                | (16,337)                     | (16,351)                | (16,337)                |
| Interest paid on subordinated obligations   | (68,654)                | (83,434)                     | (68,654)                | (83,434)                |
| Amount due to Cagamas Berhad  | 650,008                 | -                            | 300,006                 | -                       |
| Settlement on other borrowings  | (5,000)                 | -                            | (5,000)                 | -                       |
| Subscription of shares from former holding company  | -                       | -                            | 100,000                 | -                       |
| Payment for ESS recharged from former parent  | -                       | -                            | (3,195)                 | (3,186)                 |
| Payment for deferral cash awards  | -                       | -                            | -                       | -                       |
| Proceeds from ESS exercised by employees/joint venture  | 4,143                   | 1,846                        | -                       | -                       |
| Proceeds from disposal of share held in trust   | 34,829                  | -                            | -                       | -                       |
| Proceeds from issuance of/(Redemption on) subordinated notes                                    | 150,000                 | (600,000)                    | 150,000                 | (600,000)               |
| Transaction costs paid on issuance of subordinated notes  | (438)                   | -                            | (721)                   | -                       |
| Net cash generated from/(used in) financing activities  | <u>502,663</u>          | <u>(927,089)</u>             | <u>207,409</u>          | <u>(935,698)</u>        |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>  | <b>209,783</b>          | <b>(3,990,382)</b>           | <b>(239,132)</b>        | <b>(3,046,555)</b>      |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>                               | <b>1,381,779</b>        | <b>4,943,700</b>             | <b>1,618,617</b>        | <b>4,300,877</b>        |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>                                     | <b><u>1,591,562</u></b> | <b><u>953,318</u></b>        | <b><u>1,379,485</u></b> | <b><u>1,254,322</u></b> |
| <b>Cash and cash equivalents comprise the following:</b>  |                         |                              |                         |                         |
| Cash and short-term funds   | <u>1,591,562</u>        | <u>953,318</u>               | <u>1,379,485</u>        | <u>1,254,322</u>        |

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 2017.

## **Explanatory Notes**

### **PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("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 third financial quarter and nine months ended 31 December 2017 have been prepared under the historical cost convention, as modified by the financial investments available-for-sale and financial assets/liabilities (including derivative instruments) at fair value through profit and loss.

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"), IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB"), 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 2017.

On 26 September 2016, the Group has completed the corporate reorganisation exercise upon the transfer of listing from Alliance Financial Group Berhad ("AFG") to the Bank on the Main Market of Bursa Malaysia Securities Berhad. AFG is now the wholly-owned subsidiary of the Bank, as disclosed in Note A8.

In a group reorganisation, the assets and liabilities of AFG are included in the consolidated financial statements of the Group at their existing carrying amounts without fair value uplift. The difference between the consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) is recognised in equity. No goodwill is recognised. AFG's assets and liabilities are incorporated in the consolidated financial statements of the Group as if the entities had always been, prior to the group reorganisation.

The comparative financial information of the Group are restated arising from the group reorganisation and restatement are disclosed in Note B15.

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 2017, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2017:

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative"
- Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"

The adoption of the above standards, amendments to published standards and interpretation to existing standards are not anticipated to have any significant impact on the financial statements of the Group and the Bank.

The following MFRS have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2018, and have yet to be adopted by the Group and the Bank:

- IC Interpretation 22 'Foreign Currency Transactions and Advance Consideration' (effective from 1 January 2018)
- MFRS 9 "Financial Instruments" (effective from 1 January 2018)
- MFRS 15 "Revenue from Contracts with Customers" (effective from 1 January 2018)
- MFRS 16 "Leases" (effective from 1 January 2019)

**A1 Basis of Preparation (Contd.)**

The preparation of unaudited condensed interim financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Bank and Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

**A2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the annual financial statements for the financial year ended 31 March 2017 was not subject to any qualification.

**A3 Seasonality or Cyclicity of Operations**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations in the third financial quarter and nine months ended 31 December 2017.

**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 in the third financial quarter and nine months ended 31 December 2017 other than disclosed in Note A8 and B15.

**A5 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the third financial quarter and nine months ended 31 December 2017.

**A6 Debt and Equity Securities**

There were no issuance nor repayment of debt and equity securities during the third financial quarter and nine months ended 31 December 2017 other than disclosed as below:

- (a) On 26 August 2017, the Bank has increased its issued and paid-up share capital from RM796,517,043 to RM1,548,105,929 via bonus issue by the Bank of RM651,588,886 of the Bank's new Shares to AFG, after taking into consideration of RM100,000,000 of the Bank's new Shares issued pursuant to the AFG subscription on 25 August 2017;
- (b) Alliance Islamic Bank Berhad a wholly owned subsidiary of the Bank, has established RM180.0 million, thirty (30)-years of Subordinated Sukuk Murabahah Programme on 18 September 2017 and completed its first issuance as below:

| <b>Issuance Date</b> | <b>Nominal Amount</b> | <b>Tenure</b>                              | <b>Call Date</b>  | <b>Profit Rate</b> |
|----------------------|-----------------------|--|---|--------------------|
| 29 September 2017    | RM130.0 million       | Ten (10)-years Non-Callable Five (5)-years | 29 September 2022 and thereafter on every periodic payment date | 5.50% per annum    |

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**A6 Debt and Equity Securities (Contd.)**

- (c) The Bank has established RM1.0 billion Additional Tier 1 Capital Securities Programme on 3 October 2017 and completed its first issuance as below:

| <b>Issuance Date</b> | <b>Nominal Amount</b> | <b>Tenure</b>                                | <b>Call Date</b>  | <b>Distribution Rate</b> |
|----------------------|-----------------------|--|---|--------------------------|
| 8 November 2017      | RM150.0 million       | Perpetual<br>Non-callable Five (5)-<br>years | 8 November 2022 and<br>thereafter on every<br>distribution payment date | 6.25% per annum          |

- (d) The total number of 8,843,800 shares held in trust for ESS was disposed at an average market price of RM3.88 per share as at 31 December 2017.

**A7 Dividend Paid**

- (a) The Bank had on 20 June 2017, paid a second interim dividend of 14.67 sen, tax exempt under the single tier tax system, on 796,517,043 ordinary shares amounting to approximately RM116,849,000 in respect of the financial year ended 31 March 2017 to the former holding company AFG, and was eliminated at Group level.
- (b) AFG had on 22 June 2017, paid a second interim dividend of 7.5 sen, tax exempt under single tier tax system, on 1,548,105,929 ordinary shares amounting to approximately RM116,108,000 in respect of the financial year ended 31 March 2017 to the shareholders. Subsequent to the completion of the group reorganisation exercise, the Bank becomes the holding company for AFG, as a result, the dividend paid by AFG to the shareholders will be reflected at the Group.

Dividends paid on the shares held in Trust pursuant to the Group's ESS which are classified as shares held for ESS are not accounted for in the total equity. An amount of RM1,549,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the second interim dividend for financial year ended 31 March 2017.

- (c) The Bank had on 28 December 2017, paid a first interim dividend of approximately 8.5 sen, tax exempt under the single tier tax system, on 1,548,105,929 ordinary shares amounting to RM131,589,000 in respect of the financial year ended 31 March 2018.

**A8 Significant Events**

On 21 September 2016, AFG, the former holding company of the Bank announced that it proposed to undertake a corporate reorganisation exercise whereby the listing status of AFG will be assumed by the Bank. The proposal involved, among others, the shareholders of AFG exchanging their existing AFG shares for the Bank's shares on a 1-for-1 basis, where their number of shares held and percentage shareholdings in AFG will be the same in the Bank upon completion of the corporate reorganisation exercise. This will enable the existing shareholders of AFG to have direct participation in the equity and future growth of the Bank.

On 26 September 2017, the corporate reorganisation exercise was completed upon the transfer of listing from AFG to the Bank on the Main Market of Bursa Malaysia Securities Berhad. AFG is now the wholly-owned subsidiary of the Bank.

A circular to shareholders and notice of Extraordinary General Meeting in relation to the corporate reorganisation exercise was issued on 19 June 2017 and the shareholders of AFG had, at the Extraordinary General Meeting held on 12 July 2017, approved the group reorganisation. Refer to the circular for further details.

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

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

**A10 Related Party Transactions**

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

**A11 Changes in the Composition of the Group**

Following the completion of the corporation reorganisation exercise, the former holding company, AFG and its non-banking subsidiaries had on 26 September 2017 as disclosed in Note A8 effectively become the subsidiaries of the Bank.

**A12 Amount Due From Clients And Brokers**

|                            | <b><u>GROUP</u></b>                    |  |
|----------------------------|--|--|
|                            | <b>31 December<br/>2017<br/>RM'000</b> | Restated<br>31 March<br>2017<br>RM'000 |
| Due from clients           | <b>108,282</b>                         | 96,499                                 |
| Due from brokers           | <b>47,006</b>                          | 17,358                                 |
|                            | <b>155,288</b>                         | 113,857                                |
| Less:                      |  |  |
| Allowance for other losses | <b>(840)</b>                           | (835)                                  |
|                            | <b>154,448</b>                         | 113,022                                |

These represent amounts receivable by Alliance Investment Bank Berhad ("AIBB") from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

AIBB's normal trade credit terms for non-margin clients is three (3) market days in accordance with the Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

Included in the balances due from clients and brokers are impaired accounts for contra losses, as follows:

|                        | <b><u>GROUP</u></b>                    |  |
|------------------------|--|--|
|                        | <b>31 December<br/>2017<br/>RM'000</b> | Restated<br>31 March<br>2017<br>RM'000 |
| Classified as doubtful | <b>35</b>                              | 101                                    |
| Classified as bad      | <b>860</b>                             | 846                                    |
|                        | <b>895</b>                             | 947                                    |

The movements in allowance for other losses are as follows:

|   |            |     |
|---|------------|-----|
| At beginning of financial year                                    | <b>835</b> | 837 |
| Allowance for/(write-back) during the financial period/year (net) | <b>5</b>   | (2) |
| At end of financial year  | <b>840</b> | 835 |

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**A13 Financial Assets Held-for-trading**

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| <b>At fair value</b>                         |  |   |  |                                     |
| <u>Money market instruments:</u>             |  |   |  |                                     |
| Malaysian Government investment certificates | 50,726                                 | 20,049  | 50,726                                 | 20,049                              |
| Commercial papers                            | 84,813                                 | 104,773   | 84,813                                 | 69,908                              |
| Malaysia Government securities               | 10,258                                 | 20,125  | 10,258                                 | 20,125                              |
| Negotiable instruments of deposits           | 300                                    | -   | 300                                    | -                                   |
|  | <b>146,097</b>                         | <b>144,947</b>                                  | <b>146,097</b>                         | <b>110,082</b>                      |
| <u>Unquoted securities:</u>                  |  |   |  |                                     |
| Corporate bonds and sukuk                    | 27,976                                 | 190,313   | 27,976                                 | 149,619                             |
|  | <b>27,976</b>                          | <b>190,313</b>                                  | <b>27,976</b>                          | <b>149,619</b>                      |
| Total financial assets held-for-trading      | <b>174,073</b>                         | <b>335,260</b>                                  | <b>174,073</b>                         | <b>259,701</b>                      |

**A14 Financial Investments Available-for-sale**

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| <b>At fair value</b>                           |  |   |  |                                     |
| <u>Money market instruments:</u>               |  |   |  |                                     |
| Malaysian Government securities                | 1,706,745                              | 1,890,820                                       | 1,593,977                              | 1,729,625                           |
| Malaysian Government investment certificates   | 2,079,982                              | 1,849,621                                       | 1,191,794                              | 1,166,584                           |
| Negotiable instruments of deposits             | 781,622                                | 2,332,427                                       | 1,594,450                              | 2,529,876                           |
| Commercial papers                              | 54,899                                 | 49,491  | 14,980                                 | 49,491                              |
| Khazanah bonds                                 | 112,615                                | 138,731   | 112,615                                | 138,731                             |
|  | <b>4,735,863</b>                       | <b>6,261,090</b>                                | <b>4,507,816</b>                       | <b>5,614,307</b>                    |
| <u>Quoted securities in Malaysia:</u>          |  |   |  |                                     |
| Shares   | 23                                     | 26  | 23                                     | 26                                  |
| Accumulated impairment                         | (11)                                   | (11)  | (11)                                   | (11)                                |
|  | <b>12</b>                              | <b>15</b>                                       | <b>12</b>                              | <b>15</b>                           |
| <u>Unquoted securities:</u>                    |  |   |  |                                     |
| Shares   | 182,442                                | 166,719   | 123,789                                | 111,377                             |
| Accumulated impairment                         | (1,440)                                | (1,440)   | -                                      | -                                   |
|  | <b>181,002</b>                         | <b>165,279</b>                                  | <b>123,789</b>                         | <b>111,377</b>                      |
| Unit Trust Funds                               | -                                      | 4,960   | -                                      | -                                   |
|  | -                                      | 4,960   | -                                      | -                                   |
| Corporate bonds and sukuk                      | 4,213,578                              | 4,040,124                                       | 2,412,060                              | 2,509,432                           |
| Accumulated impairment                         | (25,350)                               | (231,911)                                       | -                                      | (135,681)                           |
|  | <b>4,188,228</b>                       | <b>3,808,213</b>                                | <b>2,412,060</b>                       | <b>2,373,751</b>                    |
|  | <b>4,369,230</b>                       | <b>3,978,452</b>                                | <b>2,535,849</b>                       | <b>2,485,128</b>                    |
| Total financial investments available-for-sale | <b>9,105,105</b>                       | <b>10,239,557</b>                               | <b>7,043,677</b>                       | <b>8,099,450</b>                    |

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**A15 Financial Investments Held-to-maturity**

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| <b>At amortised cost</b>                     |  |   |  |                                     |
| <u>Money market instruments:</u>             |  |   |  |                                     |
| Malaysian Government securities              | 262,785                                | 689,470   | 171,355                                | 568,160                             |
| Malaysian Government investment certificates | -                                      | 80,957  | -                                      | -                                   |
| Khazanah bonds                               | 145,867                                | 141,920   | 92,203                                 | 89,704                              |
|  | <u>408,652</u>                         | <u>912,347</u>                                  | <u>263,558</u>                         | <u>657,864</u>                      |
| <u>Unquoted securities:</u>                  |  |   |  |                                     |
| Corporate bonds and sukuk                    | 18,938                                 | 18,938  | 133,472                                | 1,631                               |
| Accumulated impairment                       | (14,193)                               | (14,193)  | (1,294)                                | (1,294)                             |
|  | <u>4,745</u>                           | <u>4,745</u>                                    | <u>132,178</u>                         | <u>337</u>                          |
| Total financial investments held-to-maturity | <u>413,397</u>                         | <u>917,092</u>                                  | <u>395,736</u>                         | <u>658,201</u>                      |

**A16 Loans, Advances and Financing**

|   | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|---|--|---|--|-------------------------------------|
|   | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Overdrafts  | 3,033,707                              | 2,763,678                                       | 2,351,952                              | 2,248,119                           |
| Term loans/financing  |  |   |  |                                     |
| - Housing loans/financing                                       | 14,013,112                             | 14,437,368                                      | 11,634,262                             | 12,015,876                          |
| - Syndicated term loans/financing                               | 328,644                                | 363,508   | 183,681                                | 217,224                             |
| - Hire purchase receivables                                     | 1,193,448                              | 1,299,638                                       | 729,836                                | 764,163                             |
| - Other term loans/financing                                    | 13,572,882                             | 13,674,780                                      | 10,614,676                             | 10,680,430                          |
| Bills receivables   | 220,277                                | 502,836   | 216,513                                | 494,267                             |
| Trust receipts  | 200,723                                | 199,515   | 181,379                                | 172,842                             |
| Claims on customers under acceptance credits                    | 2,794,580                              | 2,616,395                                       | 2,188,677                              | 2,060,637                           |
| Staff loans   | 28,266                                 | 29,864  | 8,611                                  | 10,123                              |
| Credit/charge card receivables                                  | 631,651                                | 604,197   | 631,651                                | 604,197                             |
| Revolving credits   | 1,797,961                              | 1,745,060                                       | 1,349,527                              | 1,480,339                           |
| Share margin financing  | 1,249,308                              | 1,098,842                                       | 1,008,689                              | 898,084                             |
| Gross loans, advances and financing                             | <u>39,064,559</u>                      | <u>39,335,681</u>                               | <u>31,099,454</u>                      | <u>31,646,301</u>                   |
| Add: Sales commissions and handling fees                        | 51,644                                 | 35,963  | 59,079                                 | 24,390                              |
| Less: Allowance for impairment on loans, advances and financing |  |   |  |                                     |
| - Individual assessment allowance                               | (68,703)                               | (66,627)  | (59,036)                               | (64,147)                            |
| - Collective assessment allowance                               | (283,150)                              | (313,328)                                       | (204,851)                              | (234,637)                           |
| Total net loans, advances and financing                         | <u>38,764,350</u>                      | <u>38,991,689</u>                               | <u>30,894,646</u>                      | <u>31,371,907</u>                   |

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**A16 Loans, Advances and Financing (contd.)**

**A16a** By type of customers:

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Domestic non-bank financial institutions | 373,160                                | 351,484   | 295,798                                | 300,971                             |
| Domestic business enterprises            |  |   |  |                                     |
| - Small and medium enterprises           | 9,945,921                              | 9,786,917                                       | 7,753,303                              | 7,641,456                           |
| - Others                                 | 7,298,785                              | 7,632,297                                       | 5,767,375                              | 6,345,144                           |
| Government and statutory bodies          | 4,630                                  | 5,952   | 4,082                                  | 5,287                               |
| Individuals                              | 20,475,582                             | 20,523,924                                      | 16,415,266                             | 16,428,669                          |
| Other domestic entities                  | 173,918                                | 188,394   | 166,792                                | 181,071                             |
| Foreign entities                         | 792,563                                | 846,713   | 696,838                                | 743,703                             |
| Gross loans, advances and financing      | <u>39,064,559</u>                      | <u>39,335,681</u>                               | <u>31,099,454</u>                      | <u>31,646,301</u>                   |

**A16b** By interest/profit rate sensitivity:

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Fixed rate                             |  |   |  |                                     |
| - Housing loans/financing              | 36,506                                 | 40,638  | 4,468                                  | 5,541                               |
| - Hire purchase receivables            | 1,162,833                              | 1,262,655                                       | 699,221                                | 727,180                             |
| - Other fixed rate loans/financing     | 2,609,069                              | 2,417,180                                       | 1,245,395                              | 990,381                             |
| Variable rate                          |  |   |  |                                     |
| - Base lending rate plus               | 26,174,271                             | 26,754,482                                      | 21,525,696                             | 22,182,402                          |
| - Base rate plus                       | 2,474,380                              | 1,807,725                                       | 2,235,791                              | 1,693,697                           |
| - Cost plus                            | 6,515,044                              | 6,721,766                                       | 5,296,427                              | 5,715,865                           |
| - Other variable rates loans/financing | 92,456                                 | 331,235   | 92,456                                 | 331,235                             |
| Gross loans, advances and financing    | <u>39,064,559</u>                      | <u>39,335,681</u>                               | <u>31,099,454</u>                      | <u>31,646,301</u>                   |



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**A16 Loans, Advances and Financing (contd.)**
**A16c By economic purposes:**

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Purchase of securities                                 | 1,240,701                              | 1,109,188                                       | 1,000,082                              | 908,430                             |
| Purchase of transport vehicles                         | 963,817                                | 1,078,821                                       | 523,814                                | 563,845                             |
| Purchase of landed property                            | 21,957,039                             | 22,487,331                                      | 18,355,900                             | 18,825,353                          |
| of which: - Residential                                | 15,092,655                             | 15,506,791                                      | 12,676,152                             | 13,066,242                          |
| - Non-residential                                      | 6,864,384                              | 6,980,540                                       | 5,679,748                              | 5,759,111                           |
| Purchase of fixed assets<br>excluding land & buildings | 303,887                                | 291,617   | 257,814                                | 254,742                             |
| Personal use   | 3,044,860                              | 2,656,823                                       | 1,789,365                              | 1,457,449                           |
| Credit card  | 631,651                                | 604,197   | 631,651                                | 604,197                             |
| Construction   | 423,112                                | 655,891   | 406,874                                | 641,281                             |
| Mergers and acquisitions                               | 117,718                                | 117,688   | 117,718                                | 117,688                             |
| Working capital  | 7,954,105                              | 7,844,844                                       | 6,162,539                              | 6,277,761                           |
| Others   | 2,427,669                              | 2,489,281                                       | 1,853,697                              | 1,995,555                           |
| Gross loans, advances and financing                    | <b>39,064,559</b>                      | <b>39,335,681</b>                               | <b>31,099,454</b>                      | <b>31,646,301</b>                   |

**A16d By geographical distribution:**

|                                     | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|-------------------------------------|--|---|--|-------------------------------------|
|                                     | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Northern region                     | 2,682,463                              | 2,652,319                                       | 2,064,305                              | 2,082,450                           |
| Central region                      | 28,249,131                             | 28,237,847                                      | 22,733,025                             | 22,856,016                          |
| Southern region                     | 4,783,934                              | 4,652,964                                       | 3,708,185                              | 3,584,358                           |
| Sabah region                        | 2,470,677                              | 2,530,304                                       | 1,946,834                              | 2,029,525                           |
| Sarawak region                      | 878,354                                | 1,262,247                                       | 647,105                                | 1,093,952                           |
| Gross loans, advances and financing | <b>39,064,559</b>                      | <b>39,335,681</b>                               | <b>31,099,454</b>                      | <b>31,646,301</b>                   |

**A16e By maturity structure:**

|                                     | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|-------------------------------------|--|---|--|-------------------------------------|
|                                     | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Within one year                     | 10,148,372                             | 9,595,942                                       | 8,105,218                              | 7,993,587                           |
| One year to three years             | 1,349,903                              | 1,480,000                                       | 941,131                                | 1,149,354                           |
| Three years to five years           | 2,447,791                              | 2,467,214                                       | 1,885,641                              | 1,862,734                           |
| Over five years                     | 25,118,493                             | 25,792,525                                      | 20,167,464                             | 20,640,626                          |
| Gross loans, advances and financing | <b>39,064,559</b>                      | <b>39,335,681</b>                               | <b>31,099,454</b>                      | <b>31,646,301</b>                   |

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**A16 Loans, Advances and Financing (contd.)**
**A16f** Movements in impaired loans, advances and financing ("impaired loans") are as follows:

|   | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|---|--|---|--|-------------------------------------|
|   | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| At beginning of financial year                                      | 393,349                                | 487,868   | 339,580                                | 373,199                             |
| Impaired during the financial period/year                           | 542,829                                | 600,685   | 387,855                                | 446,621                             |
| Reclassified as unimpaired during the<br>financial period/year      | (242,067)                              | (419,465)                                       | (183,697)                              | (284,275)                           |
| Recoveries  | (143,531)                              | (176,471)                                       | (118,239)                              | (142,857)                           |
| Amount written-off  | (88,753)                               | (99,268)  | (54,316)                               | (53,108)                            |
| At end of financial period/year                                     | 461,827                                | 393,349   | 371,183                                | 339,580                             |
| Individual allowance for impairment                                 | (68,703)                               | (66,627)  | (59,036)                               | (64,147)                            |
| Collective allowance for impairment<br>(impaired portion)           | (96,218)                               | (94,714)  | (71,786)                               | (74,410)                            |
| Net impaired loans, advances and financing                          | 296,906                                | 232,008   | 240,361                                | 201,023                             |
| Gross impaired loans as % of gross loans,<br>advances and financing | 1.2%                                   | 1.0%  | 1.2%                                   | 1.1%                                |

**A16g** Impaired loans analysed by economic purposes are as follows:

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Purchase of securities                                 | 48                                     | 7   | 48                                     | 7                                   |
| Purchase of transport vehicles                         | 11,371                                 | 11,497  | 8,033                                  | 7,695                               |
| Purchase of landed property                            | 267,703                                | 231,786   | 219,588                                | 207,435                             |
| of which: - Residential                                | 183,555                                | 176,996   | 154,360                                | 158,701                             |
| - Non-residential                                      | 84,148                                 | 54,790  | 65,228                                 | 48,734                              |
| Purchase of fixed assets<br>excluding land & buildings | 3,294                                  | 1,206   | 2,054                                  | 1,206                               |
| Personal use   | 56,997                                 | 43,475  | 33,702                                 | 25,390                              |
| Credit card  | 13,560                                 | 10,201  | 13,560                                 | 10,201                              |
| Construction   | 3,865                                  | 3,888   | 3,865                                  | 3,888                               |
| Working capital  | 78,070                                 | 71,965  | 68,747                                 | 66,453                              |
| Others   | 26,919                                 | 19,324  | 21,586                                 | 17,305                              |
| Gross impaired loans                                   | 461,827                                | 393,349   | 371,183                                | 339,580                             |

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**A16 Loans, Advances and Financing (contd.)**

**A16h Impaired loans by geographical distribution:**

|                      | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|----------------------|--|---|--|-------------------------------------|
|                      | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Northern region      | 38,724                                 | 30,552  | 36,241                                 | 28,290                              |
| Central region       | 318,490                                | 277,515   | 250,218                                | 238,742                             |
| Southern region      | 73,530                                 | 58,562  | 56,953                                 | 49,829                              |
| Sabah region         | 25,019                                 | 23,737  | 21,931                                 | 20,245                              |
| Sarawak region       | 6,064                                  | 2,983   | 5,840                                  | 2,474                               |
| Gross impaired loans | <b>461,827</b>                         | <b>393,349</b>                                  | <b>371,183</b>                         | <b>339,580</b>                      |

**A16i Movements in the allowance for impairment on loans, advances and financing are as follows:**

|   | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|---|--|---|--|-------------------------------------|
|   | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| <b>Individual assessment allowance</b>              |  |   |  |                                     |
| At beginning of financial year                      | 66,627                                 | 68,331  | 64,147                                 | 58,061                              |
| Net allowance made during the financial period/year | 23,171                                 | 23,506  | 16,299                                 | 21,344                              |
| Amount written-off                                  | (22,506)                               | (21,875)  | (22,187)                               | (12,003)                            |
| Transfers from/(to) collective assessment allowance | 1,411                                  | (3,335)   | 777                                    | (3,255)                             |
| At end of financial period/year                     | <b>68,703</b>                          | <b>66,627</b>                                   | <b>59,036</b>                          | <b>64,147</b>                       |

|   | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|---|--|---|--|-------------------------------------|
|   | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| <b>Collective assessment allowance</b>              |  |   |  |                                     |
| At beginning of financial year                      | 313,328                                | 306,978   | 234,637                                | 236,501                             |
| Net allowance made during the financial period/year | 37,480                                 | 80,408  | 3,120                                  | 35,986                              |
| Amount written-off                                  | (66,247)                               | (77,393)  | (32,129)                               | (41,105)                            |
| Transfers (to)/from individual assessment allowance | (1,411)                                | 3,335   | (777)                                  | 3,255                               |
| At end of financial period/year                     | <b>283,150</b>                         | <b>313,328</b>                                  | <b>204,851</b>                         | <b>234,637</b>                      |

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**A17 Other Assets**

|                                   | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|-----------------------------------|--|---|--|-------------------------------------|
|                                   | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Other receivables                 | 46,111                                 | 53,361  | 33,794                                 | 42,173                              |
| Derivative margin                 | 27,893                                 | 22,381  | 27,893                                 | 22,381                              |
| Settlement account                | 58,675                                 | 34,923  | 58,675                                 | 34,923                              |
| Deposits                          | 8,829                                  | 9,245   | 8,041                                  | 8,464                               |
| Prepayment                        | 34,124                                 | 19,529  | 32,135                                 | 18,498                              |
| Trade receivables                 | -                                      | 49  | -                                      | -                                   |
| Amount due from subsidiaries      | -                                      | -   | 83,753                                 | 2,696                               |
| Amount due from related companies | -                                      | -   | -                                      | 37                                  |
| Amount due from associate         | -                                      | -   | 3                                      | -                                   |
| Amount due from joint venture     | 368                                    | 387   | 368                                    | 378                                 |
|                                   | <b>176,000</b>                         | <b>139,875</b>                                  | <b>244,662</b>                         | <b>129,550</b>                      |
| Less:                             |  |   |  |                                     |
| Allowance for other receivables   | (30,869)                               | (29,535)  | (26,721)                               | (24,409)                            |
|                                   | <b>145,131</b>                         | <b>110,340</b>                                  | <b>217,941</b>                         | <b>105,141</b>                      |

**A18 Deposits from Customers**

|                                    | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|------------------------------------|--|---|--|-------------------------------------|
|                                    | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| <b>Amortised cost</b>              |  |   |  |                                     |
| Demand deposits                    | 14,099,342                             | 13,605,203                                      | 11,736,423                             | 11,347,501                          |
| Savings deposits                   | 1,835,116                              | 1,864,445                                       | 1,509,846                              | 1,523,658                           |
| Fixed/investment deposits          | 21,316,658                             | 24,232,158                                      | 17,123,861                             | 19,355,858                          |
| Money market deposits              | 2,390,549                              | 1,412,241                                       | 1,746,631                              | 1,142,226                           |
| Negotiable instruments of deposits | 715,693                                | 3,331,673                                       | 576,766                                | 2,743,258                           |
|                                    | <b>40,357,358</b>                      | <b>44,445,720</b>                               | <b>32,693,527</b>                      | <b>36,112,501</b>                   |

**A18a** By type of deposits:

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**A18 Deposits from Customers (contd.)**

**A18b** By type of customers:

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Domestic financial institutions          | 702,094                                | 3,299,060                                       | 585,522                                | 2,845,588                           |
| Domestic non-bank financial institutions | 2,343,988                              | 2,292,516                                       | 1,741,832                              | 2,069,893                           |
| Government and statutory bodies          | 3,826,878                              | 3,647,891                                       | 1,673,203                              | 1,265,071                           |
| Business enterprises                     | 16,054,450                             | 15,562,716                                      | 12,830,397                             | 11,979,574                          |
| Individuals                              | 16,366,351                             | 18,553,298                                      | 14,900,845                             | 16,964,325                          |
| Foreign entities                         | 579,370                                | 638,800   | 527,048                                | 584,019                             |
| Others                                   | 484,227                                | 451,439   | 434,680                                | 404,031                             |
|  | <b>40,357,358</b>                      | <b>44,445,720</b>                               | <b>32,693,527</b>                      | <b>36,112,501</b>                   |

**A18c** The maturity structure of fixed/investment deposits, money market deposits and negotiable instruments of deposits are as follow:

|                           | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|---------------------------|--|---|--|-------------------------------------|
|                           | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Due within six months     | 18,385,930                             | 21,189,833                                      | 14,425,162                             | 16,533,626                          |
| Six months to one year    | 5,003,583                              | 7,566,156                                       | 4,239,413                              | 6,611,177                           |
| One year to three years   | 896,747                                | 32,637  | 771,750                                | 64,464                              |
| Three years to five years | 136,640                                | 187,446   | 10,933                                 | 32,075                              |
|                           | <b>24,422,900</b>                      | <b>28,976,072</b>                               | <b>19,447,258</b>                      | <b>23,241,342</b>                   |

**A19 Deposits and Placements of Banks and Other Financial Institutions**

|                      | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|----------------------|--|---|--|-------------------------------------|
|                      | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Licensed banks       | 1,005,190                              | 273,325   | 480,880                                | 273,325                             |
| Bank Negara Malaysia | 623,652                                | 589,579   | 381,349                                | 376,404                             |
|                      | <b>1,628,842</b>                       | <b>862,904</b>                                  | <b>862,229</b>                         | <b>649,729</b>                      |

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**A20 Financial Liabilities Designated at Fair Value**

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

During the financial period/year, the Group and the Bank designated certain structured investments at fair value through profit or loss. This designation is permitted under MFRS 139 "Financial Instruments: Recognition and Measurement" as it includes embedded derivatives that are not closely related to its underlying investments. The structured investments are recorded at fair value.

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

|   | <b><u>GROUP/BANK</u></b> |                |
|---|--------------------------|----------------|
|   | <b>As at</b>             | Restated       |
|   | <b>31 December</b>       | As at          |
|   | <b>2017</b>              | 31 March       |
|   | <b>RM'000</b>            | 2017           |
|   |                          | RM'000         |
| Structured investments  | <b>628,027</b>           | 426,644        |
| Fair value changes arising from designation<br>at fair value through profit or loss | <b>(42,474)</b>          | (23,910)       |
|   | <b><u>585,553</u></b>    | <u>402,734</u> |

Structured investments that are not principal guaranteed which are applying fair value option are reclassified from Deposit to Customers to Financial Liabilities Designated at Fair Value in order to conform with Bank Negara Malaysia's Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013 presentation.

**A21 Amount Due To Clients And Brokers**

|                | <b><u>GROUP</u></b>   |               |
|----------------|-----------------------|---------------|
|                | <b>As at</b>          | Restated      |
|                | <b>31 December</b>    | As at         |
|                | <b>2017</b>           | 31 March      |
|                | <b>RM'000</b>         | 2017          |
|                |                       | RM'000        |
| Due to clients | <b>120,748</b>        | 69,066        |
| Due to brokers | -                     | -             |
|                | <b><u>120,748</u></b> | <u>69,066</u> |

These mainly relate to amounts payable to non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

The Group's normal trade credit terms for non-margin clients is three (3) market days according to the Bursa's FDSS trading rules.

Following the issuance of FRSIC Consensus 18, the Group no longer recognises trust monies balances in the statement of financial position, as the Group does not have any control over the trust monies to obtain the future economic benefits embodied in the trust monies. The trust monies maintained by the Group amounting to RM65,476,000 (31.3.17: RM75,447,000) have been excluded accordingly.

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**A22 Other Liabilities**

|  | <u>GROUP</u>                           |   | <u>BANK</u>                            |                                     |
|--|--|---|--|-------------------------------------|
|  | As at<br>31 December<br>2017<br>RM'000 | Restated<br>As at<br>31 March<br>2017<br>RM'000 | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 March<br>2017<br>RM'000 |
| Other payables                             | 261,551                                | 228,941   | 216,653                                | 189,311                             |
| Bills payable                              | 174,139                                | 203,663   | 167,643                                | 194,225                             |
| Settlement account                         | 67,808                                 | 30,116  | 67,808                                 | 30,116                              |
| Clearing account                           | 339,473                                | 331,384   | 262,605                                | 253,267                             |
| Sundry deposits                            | 58,479                                 | 43,340  | 50,371                                 | 35,835                              |
| Provision and accruals                     | 103,245                                | 99,829  | 104,399                                | 89,426                              |
| Remisiers account                          | 22,635                                 | 23,149  | -                                      | -                                   |
| Allowance for commitment and contingencies | 153                                    | 2,301   | 153                                    | 2,301                               |
| Finance lease liabilities                  | 3,964                                  | 5,805   | 3,964                                  | 5,805                               |
| Structured investments                     | 541,229                                | 379,982   | 541,229                                | 379,982                             |
| Amount due to subsidiaries                 | -                                      | -   | 226                                    | 21,338                              |
| Amount due to joint venture                | 138                                    | 260   | -                                      | -                                   |
|  | <b>1,572,814</b>                       | <b>1,348,770</b>                                | <b>1,415,051</b>                       | <b>1,201,606</b>                    |

Structured investments that are not principal guaranteed and are accounted separately from the embedded derivative are reclassified from Deposit to Customers to Other Liabilities in order to conform with Bank Negara Malaysia's Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013 presentation.

**A23 Interest Income**

|   | <u>3rd Quarter Ended</u>      |   | <u>Nine Months Ended</u>      |   |
|---|-------------------------------|---|-------------------------------|---|
|   | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 |
| <b>GROUP</b>  |                               |   |                               |   |
| Loans, advances and financing                                       | 378,661                       | 376,047                                   | 1,142,805                     | 1,121,024                                 |
| Money at call and deposit placements<br>with financial institutions | 3,427                         | 4,893                                     | 8,747                         | 21,518                                    |
| Financial assets held-for-trading                                   | 858                           | 1,746                                     | 3,134                         | 4,904                                     |
| Financial investments available-for-sale                            | 66,544                        | 60,259                                    | 203,344                       | 177,649                                   |
| Financial investments held-to-maturity                              | 3,061                         | 6,760                                     | 15,755                        | 20,108                                    |
| Others  | 5,081                         | 2,903                                     | 13,616                        | 8,407                                     |
|   | <b>457,632</b>                | <b>452,608</b>                            | <b>1,387,401</b>              | <b>1,353,610</b>                          |
| Accretion of discount less<br>amortisation of premium               | 20,457                        | 18,394                                    | 59,474                        | 55,877                                    |
|   | <b>478,089</b>                | <b>471,002</b>                            | <b>1,446,875</b>              | <b>1,409,487</b>                          |

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**A23 Interest Income (contd.)**

|   | 3rd Quarter Ended             |                               | Nine Months Ended             |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| <b><u>BANK</u></b>  |                               |                               |                               |                               |
| Loans, advances and financing                                       | <b>370,468</b>                | 370,545                       | <b>1,130,626</b>              | 1,104,499                     |
| Money at call and deposit placements<br>with financial institutions | <b>4,348</b>                  | 6,368                         | <b>12,788</b>                 | 24,271                        |
| Financial assets held-for-trading                                   | <b>858</b>                    | 1,746                         | <b>3,134</b>                  | 4,904                         |
| Financial investments available-for-sale                            | <b>64,641</b>                 | 60,776                        | <b>198,969</b>                | 177,281                       |
| Financial investments held-to-maturity                              | <b>3,901</b>                  | 5,492                         | <b>14,157</b>                 | 16,316                        |
| Others  | <b>5,081</b>                  | 2,903                         | <b>13,615</b>                 | 8,406                         |
|   | <b>449,297</b>                | 447,830                       | <b>1,373,289</b>              | 1,335,677                     |
| Accretion of discount less<br>amortisation of premium               | <b>19,727</b>                 | 18,251                        | <b>57,309</b>                 | 55,526                        |
|   | <b>469,024</b>                | 466,081                       | <b>1,430,598</b>              | 1,391,203                     |

**A24 Interest Expense**

|  | 3rd Quarter Ended             |   | Nine Months Ended             |   |
|--|-------------------------------|---|-------------------------------|---|
|  | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 |
| <b><u>GROUP</u></b>  |                               |   |                               |   |
| Deposits and placements of banks and<br>other financial institutions | <b>6,309</b>                  | 4,032                                     | <b>18,040</b>                 | 12,291                                    |
| Deposits from customers  | <b>210,928</b>                | 217,325                                   | <b>647,347</b>                | 666,917                                   |
| Loan sold to Cagamas   | <b>5,562</b>                  | 5,450                                     | <b>16,493</b>                 | 16,350                                    |
| Other borrowings   | <b>48</b>                     | 60  | <b>167</b>                    | 179                                       |
| Subordinated obligations   | <b>18,727</b>                 | 17,335                                    | <b>53,272</b>                 | 52,348                                    |
| Others   | <b>16,202</b>                 | 8,351                                     | <b>43,428</b>                 | 26,607                                    |
|  | <b>257,776</b>                | 252,553                                   | <b>778,747</b>                | 774,692                                   |

|  | 3rd Quarter Ended             |                               | Nine Months Ended             |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| <b><u>BANK</u></b>   |                               |                               |                               |                               |
| Deposits and placements of banks and<br>other financial institutions | <b>2,898</b>                  | 3,386                         | <b>9,951</b>                  | 10,764                        |
| Deposits from customers  | <b>206,016</b>                | 214,292                       | <b>633,390</b>                | 657,303                       |
| Loan sold to Cagamas   | <b>5,562</b>                  | 5,450                         | <b>16,493</b>                 | 16,350                        |
| Other borrowings   | <b>48</b>                     | 60                            | <b>167</b>                    | 179                           |
| Subordinated obligations   | <b>18,763</b>                 | 17,370                        | <b>53,355</b>                 | 52,456                        |
| Others   | <b>16,202</b>                 | 8,351                         | <b>43,428</b>                 | 26,607                        |
|  | <b>249,489</b>                | 248,909                       | <b>756,784</b>                | 763,659                       |



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**A25 Net Income from Islamic Banking Business**

|  | <b>3rd Quarter Ended</b> |               | <b>Nine Months Ended</b> |                |
|--|--------------------------|---------------|--------------------------|----------------|
|  |                          | Restated      |                          | Restated       |
|  | <b>31 December</b>       | 31 December   | <b>31 December</b>       | 31 December    |
|  | <b>2017</b>              | 2016          | <b>2017</b>              | 2016           |
|  | <b>RM'000</b>            | RM'000        | <b>RM'000</b>            | RM'000         |
| <b><u>GROUP</u></b>  |                          |               |                          |                |
| Income derived from investment of depositors' funds and others   | <b>119,899</b>           | 117,039       | <b>362,347</b>           | 353,333        |
| Income derived from investment of Islamic Banking funds          | <b>14,135</b>            | 12,260        | <b>40,197</b>            | 34,885         |
| Income attributable to the depositors and financial institutions | <b>(55,271)</b>          | (54,531)      | <b>(167,698)</b>         | (167,661)      |
|  | <b><u>78,763</u></b>     | <u>74,768</u> | <b><u>234,846</u></b>    | <u>220,557</u> |

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**A26 Other Operating Income**

| <u>GROUP</u>   | 3rd Quarter Ended             |   | Nine Months Ended             |   |
|--|-------------------------------|---|-------------------------------|---|
|  | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 |
| (a) <u>Fee and commission income:</u>                |                               |   |                               |   |
| Commissions  | 21,563                        | 21,705                                    | 67,513                        | 65,046                                    |
| Service charges and fees                             | 8,546                         | 8,931                                     | 24,251                        | 23,802                                    |
| Corporate advisory fees                              | 427                           | 160                                       | 2,158                         | 1,505                                     |
| Underwriting commissions                             | 304                           | -   | 472                           | 85  |
| Brokerage fees                                       | 8,469                         | 5,837                                     | 27,080                        | 20,132                                    |
| Guarantee fees                                       | 4,018                         | 4,900                                     | 11,836                        | 14,311                                    |
| Processing fees                                      | 3,955                         | 3,752                                     | 8,390                         | 11,518                                    |
| Commitment fees                                      | 4,129                         | 4,033                                     | 12,287                        | 11,857                                    |
| Cards related income                                 | 24,438                        | 23,672                                    | 73,834                        | 71,050                                    |
| Other fee income                                     | 751                           | 771                                       | 2,251                         | 2,270                                     |
|  | <b>76,600</b>                 | <b>73,761</b>                             | <b>230,072</b>                | <b>221,576</b>                            |
| (b) <u>Fee and commission expense:</u>               |                               |   |                               |   |
| Commissions expense                                  | (340)                         | (465)                                     | (1,061)                       | (1,516)                                   |
| Brokerage fees expense                               | (2,826)                       | (1,999)                                   | (9,118)                       | (7,536)                                   |
| Guarantee fees expense                               | (93)                          | (155)                                     | (459)                         | (650)                                     |
| Cards related expense                                | (21,421)                      | (21,021)                                  | (61,937)                      | (61,484)                                  |
|  | <b>(24,680)</b>               | <b>(23,640)</b>                           | <b>(72,575)</b>               | <b>(71,186)</b>                           |
| (c) <u>Investment income:</u>                        |                               |   |                               |   |
| Gain arising from sale/redemption of:                |                               |   |                               |   |
| - Financial assets held-for-trading                  | 119                           | 549                                       | 429                           | 2,556                                     |
| - Financial investments available-for-sale           | -                             | 2,272                                     | 3,680                         | 5,239                                     |
| Marked-to-market revaluation of gain/(loss):         |                               |   |                               |   |
| - Financial assets held-for-trading                  | 36                            | (3,046)                                   | (41)                          | (3,684)                                   |
| - Derivative instruments                             | (14,497)                      | 119,376                                   | (94,331)                      | 210,814                                   |
| - Financial liabilities designated at fair value     | 14,491                        | (788)                                     | 18,564                        | (3,301)                                   |
| Realised gain/(loss) on derivative instruments       | 21,838                        | (79,931)                                  | 155,715                       | (109,867)                                 |
| Gross dividend income from:                          |                               |   |                               |   |
| - Financial investments available-for-sale           | 752                           | 310                                       | 1,861                         | 3,165                                     |
|  | <b>22,739</b>                 | <b>38,742</b>                             | <b>85,877</b>                 | <b>104,922</b>                            |
| (d) <u>Other income :</u>                            |                               |   |                               |   |
| Foreign exchange loss                                | 6,778                         | (10,110)                                  | 1,906                         | (30,523)                                  |
| Loss on disposal of property,<br>plant and equipment | (106)                         | 1   | (106)                         | (346)                                     |
| Others   | 7,597                         | 6,671                                     | 20,345                        | 22,378                                    |
|  | <b>14,269</b>                 | <b>(3,438)</b>                            | <b>22,145</b>                 | <b>(8,491)</b>                            |
| Total other operating income                         | <b>88,928</b>                 | <b>85,425</b>                             | <b>265,519</b>                | <b>246,821</b>                            |

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**A26 Other Operating Income (contd.)**

|  | 3rd Quarter Ended             |                               | Nine Months Ended             |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| <b><u>BANK</u></b>                                   |                               |                               |                               |                               |
| (a) <u>Fee and commission income:</u>                |                               |                               |                               |                               |
| Commissions  | 21,563                        | 21,705                        | 67,513                        | 65,046                        |
| Service charges and fees                             | 8,355                         | 8,785                         | 23,610                        | 23,361                        |
| Guarantee fees                                       | 4,018                         | 4,900                         | 11,836                        | 14,179                        |
| Processing fees                                      | 3,597                         | 2,187                         | 7,140                         | 7,091                         |
| Commitment fees                                      | 4,118                         | 4,027                         | 12,262                        | 11,836                        |
| Cards related income                                 | 24,438                        | 23,672                        | 73,834                        | 71,050                        |
| Other fee income                                     | 750                           | 769                           | 2,250                         | 2,268                         |
|  | <b>66,839</b>                 | <b>66,045</b>                 | <b>198,445</b>                | <b>194,831</b>                |
| (b) <u>Fee and commission expense:</u>               |                               |                               |                               |                               |
| Commissions expense                                  | (346)                         | (469)                         | (1,067)                       | (1,520)                       |
| Guarantee fees expense                               | (93)                          | (155)                         | (459)                         | (650)                         |
| Cards related expense                                | (21,421)                      | (21,021)                      | (61,937)                      | (61,484)                      |
|  | <b>(21,860)</b>               | <b>(21,645)</b>               | <b>(63,463)</b>               | <b>(63,654)</b>               |
| (c) <u>Investment income:</u>                        |                               |                               |                               |                               |
| Gain arising from sale/redemption of:                |                               |                               |                               |                               |
| - Financial assets held-for-trading                  | 119                           | 549                           | 429                           | 2,556                         |
| - Financial investments available-for-sale           | -                             | 2,272                         | 2,987                         | 3,154                         |
| Marked-to-market revaluation gain/(loss) of:         |                               |                               |                               |                               |
| - Financial assets held-for-trading                  | 36                            | (3,046)                       | 11                            | (3,684)                       |
| - Derivative instruments                             | (14,497)                      | 119,376                       | (94,331)                      | 210,814                       |
| - Financial liabilities designated at fair value     | 14,491                        | (788)                         | 18,564                        | (3,301)                       |
| Realised gain/(loss) on derivative instruments       | 21,838                        | (79,931)                      | 155,715                       | (109,867)                     |
| Gross dividend income from:                          |                               |                               |                               |                               |
| - Financial investments available-for-sale           | 632                           | 159                           | 1,311                         | 2,440                         |
| - Subsidiaries                                       | 27,014                        | 21,640                        | 33,913                        | 51,857                        |
|  | <b>49,633</b>                 | <b>60,231</b>                 | <b>118,599</b>                | <b>153,969</b>                |
| (d) <u>Other income:</u>                             |                               |                               |                               |                               |
| Foreign exchange loss                                | 6,672                         | (10,213)                      | 1,680                         | (30,855)                      |
| Rental income  | 170                           | 200                           | 511                           | 527                           |
| Loss on disposal of property,<br>plant and equipment | -                             | 1                             | -                             | (346)                         |
| Others   | 7,462                         | 6,539                         | 19,838                        | 19,390                        |
|  | <b>14,304</b>                 | <b>(3,473)</b>                | <b>22,029</b>                 | <b>(11,284)</b>               |
| Total other operating income                         | <b>108,916</b>                | <b>101,158</b>                | <b>275,610</b>                | <b>273,862</b>                |

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**A27 Other Operating Expenses**

|  | 3rd Quarter Ended             |   | Nine Months Ended             |   |
|--|-------------------------------|---|-------------------------------|---|
|  | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 |
| <b>GROUP</b>                                       |                               |   |                               |   |
| Personnel costs                                    |                               |   |                               |   |
| - Salaries, allowances and bonuses                 | <b>87,628</b>                 | 83,087                                    | <b>261,451</b>                | 251,376                                   |
| - Contribution to EPF                              | <b>13,924</b>                 | 13,962                                    | <b>41,454</b>                 | 41,249                                    |
| - Share options/grants under ESS                   | <b>3</b>                      | 525                                       | <b>189</b>                    | 2,173                                     |
| - Others   | <b>42,221</b>                 | 7,618                                     | <b>76,316</b>                 | 26,530                                    |
|  | <b>143,776</b>                | 105,192                                   | <b>379,410</b>                | 321,328                                   |
| Establishment costs                                |                               |   |                               |   |
| - Depreciation of property, plant<br>and equipment | <b>5,121</b>                  | 5,217                                     | <b>15,599</b>                 | 16,109                                    |
| - Amortisation of computer software                | <b>6,244</b>                  | 5,606                                     | <b>18,522</b>                 | 16,699                                    |
| - Rental of premises                               | <b>7,382</b>                  | 7,507                                     | <b>22,230</b>                 | 22,826                                    |
| - Water and electricity                            | <b>1,785</b>                  | 2,059                                     | <b>6,013</b>                  | 5,908                                     |
| - Repairs and maintenance                          | <b>2,302</b>                  | 2,535                                     | <b>7,196</b>                  | 7,315                                     |
| - Information technology expenses                  | <b>13,113</b>                 | 12,611                                    | <b>36,473</b>                 | 35,377                                    |
| - Others   | <b>2,653</b>                  | 3,042                                     | <b>9,057</b>                  | 9,651                                     |
|  | <b>38,600</b>                 | 38,577                                    | <b>115,090</b>                | 113,885                                   |
| Marketing expenses                                 |                               |   |                               |   |
| - Promotion and advertisement                      | <b>1,628</b>                  | 1,556                                     | <b>4,951</b>                  | 4,386                                     |
| - Branding and publicity                           | <b>1,543</b>                  | 3,484                                     | <b>5,000</b>                  | 5,165                                     |
| - Others   | <b>1,856</b>                  | 1,886                                     | <b>5,185</b>                  | 5,736                                     |
|  | <b>5,027</b>                  | 6,926                                     | <b>15,136</b>                 | 15,287                                    |
| Administration and general expenses                |                               |   |                               |   |
| - Communication expenses                           | <b>2,134</b>                  | 3,759                                     | <b>7,309</b>                  | 10,318                                    |
| - Printing and stationery                          | <b>625</b>                    | 771                                       | <b>2,059</b>                  | 2,356                                     |
| - Insurance  | <b>2,778</b>                  | 2,771                                     | <b>8,517</b>                  | 8,024                                     |
| - Professional fees                                | <b>6,815</b>                  | 6,142                                     | <b>19,463</b>                 | 16,200                                    |
| - Others   | <b>15,542</b>                 | 10,188                                    | <b>34,906</b>                 | 23,344                                    |
|  | <b>27,894</b>                 | 23,631                                    | <b>72,254</b>                 | 60,242                                    |
| Total other operating expenses                     | <b>215,297</b>                | 174,326                                   | <b>581,890</b>                | 510,742                                   |

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**A27 Other Operating Expenses (contd.)**

|  | 3rd Quarter Ended             |                               | Nine Months Ended             |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| <b><u>BANK</u></b>                                 |                               |                               |                               |                               |
| Personnel costs                                    |                               |                               |                               |                               |
| - Salaries, allowances and bonuses                 | <b>67,893</b>                 | 63,774                        | <b>199,078</b>                | 192,771                       |
| - Contribution to EPF                              | <b>10,806</b>                 | 10,838                        | <b>31,843</b>                 | 31,916                        |
| - Share options/grants under ESS                   | <b>3</b>                      | 453                           | <b>191</b>                    | 1,834                         |
| - Others   | <b>39,837</b>                 | 5,617                         | <b>71,030</b>                 | 21,756                        |
|  | <b>118,539</b>                | 80,682                        | <b>302,142</b>                | 248,277                       |
| Establishment costs                                |                               |                               |                               |                               |
| - Depreciation of property, plant<br>and equipment | <b>4,930</b>                  | 4,967                         | <b>15,045</b>                 | 15,479                        |
| - Amortisation of computer software                | <b>6,012</b>                  | 5,451                         | <b>17,967</b>                 | 16,290                        |
| - Rental of premises                               | <b>5,791</b>                  | 5,927                         | <b>17,299</b>                 | 17,749                        |
| - Water and electricity                            | <b>1,364</b>                  | 1,532                         | <b>4,360</b>                  | 4,314                         |
| - Repairs and maintenance                          | <b>1,828</b>                  | 1,959                         | <b>5,613</b>                  | 5,501                         |
| - Information technology expenses                  | <b>10,781</b>                 | 10,066                        | <b>29,331</b>                 | 27,466                        |
| - Others   | <b>600</b>                    | 830                           | <b>2,590</b>                  | 2,703                         |
|  | <b>31,306</b>                 | 30,732                        | <b>92,205</b>                 | 89,502                        |
| Marketing expenses                                 |                               |                               |                               |                               |
| - Promotion and advertisement                      | <b>1,512</b>                  | 1,088                         | <b>4,477</b>                  | 3,394                         |
| - Branding and publicity                           | <b>1,383</b>                  | 3,234                         | <b>3,970</b>                  | 4,770                         |
| - Others   | <b>1,091</b>                  | 1,083                         | <b>3,091</b>                  | 3,304                         |
|  | <b>3,986</b>                  | 5,405                         | <b>11,538</b>                 | 11,468                        |
| Administration and general expenses                |                               |                               |                               |                               |
| - Communication expenses                           | <b>1,541</b>                  | 2,984                         | <b>5,220</b>                  | 8,050                         |
| - Printing and stationery                          | <b>500</b>                    | 625                           | <b>1,654</b>                  | 1,891                         |
| - Insurance  | <b>2,541</b>                  | 2,552                         | <b>7,791</b>                  | 7,406                         |
| - Professional fees                                | <b>5,394</b>                  | 4,038                         | <b>15,392</b>                 | 11,715                        |
| - Others   | <b>12,127</b>                 | 8,649                         | <b>27,153</b>                 | 19,050                        |
|  | <b>22,103</b>                 | 18,848                        | <b>57,210</b>                 | 48,112                        |
| Total other operating expenses                     | <b>175,934</b>                | 135,667                       | <b>463,095</b>                | 397,359                       |

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**A28 (Write-back of)/Allowance for Losses on Loans, Advances and Financing and Other Receivables**

|  | 3rd Quarter Ended             |   | Nine Months Ended             |   |
|--|-------------------------------|---|-------------------------------|---|
|  | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 |
| <b>GROUP</b>   |                               |   |                               |   |
| Allowance for loans<br>and financing and other receivables:          |                               |   |                               |   |
| (a) Individual assessment allowance                                  |                               |   |                               |   |
| - made during the period (net)                                       | 5,524                         | 5,179                                     | 23,171                        | 15,510                                    |
| (b) Collective assessment allowance                                  |                               |   |                               |   |
| - (write-back)/made during the period (net)                          | (14,722)                      | 29,848                                    | 37,480                        | 59,661                                    |
| (c) Bad debts on loans and financing                                 |                               |   |                               |   |
| - Recovered  | (4,850)                       | (7,979)                                   | (23,682)                      | (24,650)                                  |
| - Written-off  | 5,110                         | 4,777                                     | 15,880                        | 14,649                                    |
|  | <b>(8,938)</b>                | 31,825                                    | <b>52,849</b>                 | 65,170                                    |
| Allowance for other receivables, net                                 | 962                           | 623                                       | 2,898                         | 2,224                                     |
| Allowance for/(write-back of) losses from<br>amount due from clients | 5                             | -   | 5                             | (2)                                       |
|  | <b>(7,971)</b>                | 32,448                                    | <b>55,752</b>                 | 67,392                                    |

|   | 3rd Quarter Ended             |                               | Nine Months Ended             |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| <b>BANK</b>   |                               |                               |                               |                               |
| Allowance for loans<br>and financing and other receivables: |                               |                               |                               |                               |
| (a) Individual assessment allowance                         |                               |                               |                               |                               |
| - made during the period (net)                              | 4,040                         | 4,253                         | 16,299                        | 14,130                        |
| (b) Collective assessment allowance                         |                               |                               |                               |                               |
| - (write-back)/made during the period (net)                 | (18,721)                      | 13,054                        | 3,120                         | 24,200                        |
| (c) Bad debts on loans and financing                        |                               |                               |                               |                               |
| - Recovered   | (3,759)                       | (5,687)                       | (16,532)                      | (18,337)                      |
| - Written-off   | 2,535                         | 2,824                         | 7,992                         | 8,095                         |
|   | <b>(15,905)</b>               | 14,444                        | <b>10,879</b>                 | 28,088                        |
| Allowance for other receivables, net                        | 857                           | 566                           | 2,312                         | 1,961                         |
|   | <b>(15,048)</b>               | 15,010                        | <b>13,191</b>                 | 30,049                        |

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**A29 Commitments and Contingencies**

The off-balance sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows:

|   | <u>GROUP</u>                           |  | <u>BANK</u>                            |                            |
|---|--|--|--|----------------------------|
|   | <b>31 December<br/>2017<br/>RM'000</b> | Restated<br>31 March<br>2017<br>RM'000 | <b>31 December<br/>2017<br/>RM'000</b> | 31 March<br>2017<br>RM'000 |
| <u>Credit-related exposures</u>                         |  |  |  |                            |
| Direct credit substitutes                               | <b>732,498</b>                         | 757,816                                | <b>593,011</b>                         | 649,782                    |
| Transaction-related contingent items                    | <b>743,380</b>                         | 710,106                                | <b>671,572</b>                         | 653,885                    |
| Short-term self-liquidating trade-related contingencies | <b>180,188</b>                         | 138,588                                | <b>138,251</b>                         | 114,249                    |
| Irrevocable commitments to extend credit:               |  |  |  |                            |
| - maturity exceeding one year                           | <b>1,117,108</b>                       | 1,111,249                              | <b>787,311</b>                         | 927,426                    |
| - maturity not exceeding one year                       | <b>7,541,167</b>                       | 6,527,092                              | <b>5,762,498</b>                       | 4,943,831                  |
| Unutilised credit card lines                            | <b>1,694,485</b>                       | 1,584,784                              | <b>1,694,485</b>                       | 1,584,784                  |
|   | <b>12,008,826</b>                      | 10,829,635                             | <b>9,647,128</b>                       | 8,873,957                  |
| <u>Derivative financial instruments</u>                 |  |  |  |                            |
| Foreign exchange related contracts:                     |  |  |  |                            |
| - one year or less                                      | <b>6,895,963</b>                       | 11,082,789                             | <b>6,895,963</b>                       | 11,082,789                 |
| - over one year to three years                          | <b>160,349</b>                         | 116,546                                | <b>160,349</b>                         | 116,546                    |
| - over three years                                      | <b>20,267</b>                          | 37,817                                 | <b>20,267</b>                          | 37,817                     |
| Interest rate related contracts:                        |  |  |  |                            |
| - one year or less                                      | <b>746,324</b>                         | 750,000                                | <b>746,324</b>                         | 750,000                    |
| - over one year to three years                          | <b>2,032,059</b>                       | 1,988,572                              | <b>2,032,059</b>                       | 1,988,572                  |
| - over three years                                      | <b>1,907,402</b>                       | 1,605,860                              | <b>1,907,402</b>                       | 1,605,860                  |
| Equity related contracts                                |  |  |  |                            |
| - one year or less                                      | <b>103,205</b>                         | 52,405                                 | <b>103,205</b>                         | 52,405                     |
| - over one year to three years                          | <b>50,700</b>                          | 30,330                                 | <b>50,700</b>                          | 30,330                     |
|   | <b>11,916,269</b>                      | 15,664,319                             | <b>11,916,269</b>                      | 15,664,319                 |
|   | <b>23,925,095</b>                      | 26,493,954                             | <b>21,563,397</b>                      | 24,538,276                 |

### **A30 Segment Information**

The following segment information has been prepared in accordance with MFRS 8 Operating Segments, which defines the requirements for the disclosure of financial information of an entity's operating segments. The operating segments results are prepared based on the Group's internal management reporting reflective of the organisation's management reporting structure.

Funds are allocated between segments and inter-segment funding cost transfers are reflected in net interest income. In addition to the operating segments, the segment information disclosed also includes inter-segment eliminations. Transactions between reportable segments are eliminated based on principles of consolidation as described in accounting policy. Intercompany transactions, balances and unrealised gains and losses on transactions between Group 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, wealth management (cash management, investment services, share trading, bancassurance and will writing). Consumer banking customers are serviced via branch network, call centre, electronic/internet banking channels, and direct sales channels.

#### **(ii) Business Banking**

Business Banking segment covers Small and Medium Enterprise ("SME"), Corporate and Commercial Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Corporate and Commercial Banking serves public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including loans, trade finance, cash management, treasury and structured solutions.

#### **(iii) Financial Markets**

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

#### **(iv) Stockbroking and Corporate Advisory**

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

#### **(v) Others**

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



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**A30 Segment information (contd.)**

| <b>Group</b>  | Consumer<br>Banking<br>RM'000 | Business<br>Banking<br>RM'000 | Financial<br>Markets<br>RM'000 | Stockbroking and<br>Corporate Advisory<br>RM'000 | Others<br>RM'000 | Total<br>Operations<br>RM'000 | Inter-segment<br>Elimination<br>RM'000 | Total<br>RM'000 |
|---|-------------------------------|-------------------------------|--------------------------------|--|------------------|-------------------------------|--|-----------------|
| <b>3rd Quarter ended 31 December 2017</b>   |                               |                               |                                |  |                  |                               |  |                 |
| Net interest income   |                               |                               |                                |  |                  |                               |  |                 |
| - external income   | 102,297                       | 80,070                        | 42,050                         | 3,355  | 317              | 228,089                       | (7,776)                                | 220,313         |
| - inter-segment   | (24,970)                      | 24,620                        | 2,282                          | (1,932)  | -                | -                             | -                                      | -               |
|   | 77,327                        | 104,690                       | 44,332                         | 1,423  | 317              | 228,089                       | (7,776)                                | 220,313         |
| Net income from Islamic banking business  | 28,265                        | 23,535                        | 14,016                         | -  | -                | 65,816                        | 12,947                                 | 78,763          |
| Other operating income  | 30,542                        | 43,535                        | 8,544                          | 7,212  | 6,330            | 96,163                        | (7,235)                                | 88,928          |
| Net income  | 136,134                       | 171,760                       | 66,892                         | 8,635  | 6,647            | 390,068                       | (2,064)                                | 388,004         |
| Other operating expenses  | (77,863)                      | (68,461)                      | (13,568)                       | (9,442)  | (35,622)         | (204,956)                     | 1,024                                  | (203,932)       |
| Depreciation and amortisation   | (6,666)                       | (3,758)                       | (611)                          | (329)  | (1)              | (11,365)                      | -                                      | (11,365)        |
| Operating profit/(loss)   | 51,605                        | 99,541                        | 52,713                         | (1,136)  | (28,976)         | 173,747                       | (1,040)                                | 172,707         |
| (Allowance for)/write-back of impairment<br>on loans, advances and financing<br>and other receivables | (23,696)                      | 31,727                        | (22)                           | (44)   | 6                | 7,971                         | -                                      | 7,971           |
| Segment result  | 27,909                        | 131,268                       | 52,691                         | (1,180)  | (28,970)         | 181,718                       | (1,040)                                | 180,678         |
| Share of results of joint venture   |                               |                               |                                |  |                  |                               |  | (4)             |
| Taxation  |                               |                               |                                |  |                  |                               |  | (58,120)        |
| Net profit for the financial period   |                               |                               |                                |  |                  |                               |  | 122,554         |
| Segment assets  | 21,180,283                    | 17,186,063                    | 15,592,734                     | 101,250  | 118,955          | 54,179,285                    | (2,332,806)                            | 51,846,479      |
| Reconciliation of segment assets to<br>consolidated assets:   |                               |                               |                                |  |                  |                               |  |                 |
| Investment in joint venture   |                               |                               |                                |  |                  |                               |  | 647             |
| Property, plant and equipment   |                               |                               |                                |  |                  |                               |  | 70,650          |
| Tax recoverable and deferred tax assets   |                               |                               |                                |  |                  |                               |  | 15,523          |
| Intangible assets   |                               |                               |                                |  |                  |                               |  | 397,206         |
| Total assets  |                               |                               |                                |  |                  |                               |  | 52,330,505      |
| Segment liabilities   | 23,322,653                    | 21,465,043                    | 3,214,985                      | 221,034  | 6,871            | 48,230,586                    | (1,282,046)                            | 46,948,540      |
| Provision for taxation and zakat and<br>deferred tax liabilities                                      |                               |                               |                                |  |                  |                               |  | 59,527          |
| Total liabilities   |                               |                               |                                |  |                  |                               |  | 47,008,067      |

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**A30 Segment information (contd.)**

| <b>Group</b>  | Consumer<br>Banking | Business<br>Banking | Financial<br>Markets | Stockbroking and<br>Corporate Advisory | Others   | Total<br>Operations | Inter-segment<br>Elimination | Total      |
|---|---------------------|---------------------|----------------------|--|----------|---------------------|------------------------------|------------|
| <b>Nine months ended 31 December 2017</b>   | RM'000              | RM'000              | RM'000               | RM'000                                 | RM'000   | RM'000              | RM'000                       | RM'000     |
| Net interest income   |                     |                     |                      |  |          |                     |                              |            |
| - external income   | 300,385             | 246,776             | 126,316              | 9,480                                  | 1,896    | 684,853             | (16,725)                     | 668,128    |
| - inter-segment   | (54,324)            | 61,064              | (1,086)              | (5,654)                                | -        | -                   | -                            | -          |
|   | 246,061             | 307,840             | 125,230              | 3,826                                  | 1,896    | 684,853             | (16,725)                     | 668,128    |
| Net income from Islamic banking business  | 84,432              | 72,492              | 42,696               | -                                      | -        | 199,620             | 35,226                       | 234,846    |
| Other operating income  | 93,435              | 120,232             | 29,830               | 23,176                                 | 19,553   | 286,226             | (20,707)                     | 265,519    |
| Net income  | 423,928             | 500,564             | 197,756              | 27,002                                 | 21,449   | 1,170,699           | (2,206)                      | 1,168,493  |
| Other operating expenses  | (228,334)           | (194,697)           | (36,924)             | (28,383)                               | (63,520) | (551,858)           | 4,089                        | (547,769)  |
| Depreciation and amortisation   | (19,901)            | (11,417)            | (1,950)              | (849)                                  | (4)      | (34,121)            | -                            | (34,121)   |
| Operating profit/(loss)   | 175,693             | 294,450             | 158,882              | (2,230)                                | (42,075) | 584,720             | 1,883                        | 586,603    |
| (Allowance for)/write-back of impairment<br>on loans, advances and financing<br>and other receivables | (66,751)            | 11,114              | 11                   | 214                                    | (340)    | (55,752)            | -                            | (55,752)   |
| Segment result  | 108,942             | 305,564             | 158,893              | (2,016)                                | (42,415) | 528,968             | 1,883                        | 530,851    |
| Share of results of joint venture   |                     |                     |                      |  |          |                     |                              | (3)        |
| Taxation  |                     |                     |                      |  |          |                     |                              | (150,491)  |
| Net profit for the financial period   |                     |                     |                      |  |          |                     |                              | 380,357    |
| Segment assets  | 21,180,283          | 17,186,063          | 15,592,734           | 101,250                                | 118,955  | 54,179,285          | (2,332,806)                  | 51,846,479 |
| Reconciliation of segment assets to<br>consolidated assets:   |                     |                     |                      |  |          |                     |                              |            |
| Investment in joint venture   |                     |                     |                      |  |          |                     |                              | 647        |
| Property, plant and equipment   |                     |                     |                      |  |          |                     |                              | 70,650     |
| Tax recoverable and deferred tax assets   |                     |                     |                      |  |          |                     |                              | 15,523     |
| Intangible assets   |                     |                     |                      |  |          |                     |                              | 397,206    |
| Total assets  |                     |                     |                      |  |          |                     |                              | 52,330,505 |
| Segment liabilities   | 23,322,653          | 21,465,043          | 3,214,985            | 221,034                                | 6,871    | 48,230,586          | (1,282,046)                  | 46,948,540 |
| Provision for taxation and zakat and<br>deferred tax liabilities                                      |                     |                     |                      |  |          |                     |                              | 59,527     |
| Total liabilities   |                     |                     |                      |  |          |                     |                              | 47,008,067 |

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**A30 Segment information (contd.)**

| <b>Group</b>  | Consumer<br>Banking | Business<br>Banking | Financial<br>Markets | Stockbroking and<br>Corporate Advisory | Others    | Total<br>Operations | Inter-segment<br>Elimination | Total      |
|---|---------------------|---------------------|----------------------|--|-----------|---------------------|------------------------------|------------|
| <b>Restated</b>   | RM'000              | RM'000              | RM'000               | RM'000                                 | RM'000    | RM'000              | RM'000                       | RM'000     |
| Net interest income/(expense)   |                     |                     |                      |  |           |                     |                              |            |
| - external income   | 107,773             | 82,649              | 30,746               | 2,599                                  | 986       | 224,753             | (6,304)                      | 218,449    |
| - inter-segment   | (24,276)            | 21,663              | 4,177                | (1,564)                                | -         | -                   | -                            | -          |
|   | 83,497              | 104,312             | 34,923               | 1,035                                  | 986       | 224,753             | (6,304)                      | 218,449    |
| Net income from Islamic banking business  | 29,402              | 22,656              | 12,671               | -                                      | -         | 64,729              | 10,039                       | 74,768     |
| Other operating income  | 29,923              | 41,935              | 9,065                | 8,002                                  | 7,865     | 96,790              | (11,365)                     | 85,425     |
| Net income  | 142,822             | 168,903             | 56,659               | 9,037                                  | 8,851     | 386,272             | (7,630)                      | 378,642    |
| Other operating expenses  | (75,470)            | (63,955)            | (11,360)             | (9,610)                                | (4,535)   | (164,930)           | 1,427                        | (163,503)  |
| Depreciation and amortisation   | (5,782)             | (3,954)             | (765)                | (245)                                  | (77)      | (10,823)            | -                            | (10,823)   |
| Operating profit/(loss)   | 61,570              | 100,994             | 44,534               | (818)                                  | 4,239     | 210,519             | (6,203)                      | 204,316    |
| (Allowance for)/write-back of impairment<br>on loans, advances and financing<br>and other receivables | (20,154)            | (12,332)            | (16)                 | 54                                     | -         | (32,448)            | -                            | (32,448)   |
| Segment result  | 41,416              | 88,662              | 44,518               | (764)                                  | 4,239     | 178,071             | (6,203)                      | 171,868    |
| Share of results of joint venture   |                     |                     |                      |  |           |                     |                              | 19         |
| Taxation  |                     |                     |                      |  |           |                     |                              | (42,205)   |
| Net profit for the financial period   |                     |                     |                      |  |           |                     |                              | 129,682    |
| Segment assets  | 21,487,200          | 17,083,526          | 16,802,363           | 282,669                                | 1,916,250 | 57,572,008          | (4,201,193)                  | 53,370,815 |
| Reconciliation of segment assets to<br>consolidated assets:   |                     |                     |                      |  |           |                     |                              |            |
| Investment in joint venture   |                     |                     |                      |  |           |                     |                              | 768        |
| Property, plant and equipment   |                     |                     |                      |  |           |                     |                              | 75,867     |
| Tax recoverable and deferred tax assets   |                     |                     |                      |  |           |                     |                              | 22,022     |
| Intangible assets   |                     |                     |                      |  |           |                     |                              | 369,868    |
| Total assets  |                     |                     |                      |  |           |                     |                              | 53,839,340 |
| Segment liabilities   | 23,019,092          | 20,304,083          | 6,929,485            | 58,121                                 | 6,260     | 50,317,041          | (1,493,430)                  | 48,823,611 |
| Provision for taxation and zakat and<br>deferred tax liabilities                                      |                     |                     |                      |  |           |                     |                              | 23,513     |
| Total liabilities   |                     |                     |                      |  |           |                     |                              | 48,847,124 |

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**A30 Segment information (contd.)**

| <b>Group</b>  | Consumer<br>Banking | Business<br>Banking | Financial<br>Markets | Stockbroking and<br>Corporate Advisory | Others    | Total<br>Operations | Inter-segment<br>Elimination | Total      |
|---|---------------------|---------------------|----------------------|--|-----------|---------------------|------------------------------|------------|
| <b>Restated</b>   |                     |                     |                      |  |           |                     |                              |            |
| <b>Nine months ended 31 December 2016</b>   | RM'000              | RM'000              | RM'000               | RM'000                                 | RM'000    | RM'000              | RM'000                       | RM'000     |
| Net interest income/(expense)   |                     |                     |                      |  |           |                     |                              |            |
| - external income   | 330,478             | 240,212             | 68,502               | 7,826                                  | 4,872     | 651,890             | (17,095)                     | 634,795    |
| - inter-segment   | (85,349)            | 59,237              | 30,763               | (4,651)                                | -         | -                   | -                            | -          |
|   | 245,129             | 299,449             | 99,265               | 3,175                                  | 4,872     | 651,890             | (17,095)                     | 634,795    |
| Net income from Islamic banking business  | 84,759              | 64,906              | 38,360               | -                                      | -         | 188,025             | 32,532                       | 220,557    |
| Other operating income  | 86,489              | 122,310             | 17,632               | 22,242                                 | 21,787    | 270,460             | (23,639)                     | 246,821    |
| Net income  | 416,377             | 486,665             | 155,257              | 25,417                                 | 26,659    | 1,110,375           | (8,202)                      | 1,102,173  |
| Other operating expenses  | (222,735)           | (187,865)           | (32,016)             | (27,537)                               | (12,404)  | (482,557)           | 4,623                        | (477,934)  |
| Depreciation and amortisation   | (17,534)            | (12,081)            | (2,373)              | (646)                                  | (174)     | (32,808)            | -                            | (32,808)   |
| Operating profit/(loss)   | 176,108             | 286,719             | 120,868              | (2,766)                                | 14,081    | 595,010             | (3,579)                      | 591,431    |
| (Allowance for)/write-back of impairment<br>on loans, advances and financing<br>and other receivables | (53,419)            | (14,007)            | (15)                 | 49                                     | -         | (67,392)            | -                            | (67,392)   |
| Allowance for impairment on other assets  | -                   | -                   | -                    | (1,208)                                | -         | (1,208)             | -                            | (1,208)    |
| Segment result  | 122,689             | 272,712             | 120,853              | (3,925)                                | 14,081    | 526,410             | (3,579)                      | 522,831    |
| Share of results of joint venture   |                     |                     |                      |  |           |                     |                              | 57         |
| Taxation  |                     |                     |                      |  |           |                     |                              | (128,153)  |
| Net profit for the financial period   |                     |                     |                      |  |           |                     |                              | 394,735    |
| Segment assets  | 21,487,200          | 17,083,526          | 16,802,363           | 282,669                                | 1,916,250 | 57,572,008          | (4,201,193)                  | 53,370,815 |
| Reconciliation of segment assets to<br>consolidated assets:   |                     |                     |                      |  |           |                     |                              |            |
| Investment in joint venture   |                     |                     |                      |  |           |                     |                              | 768        |
| Property, plant and equipment   |                     |                     |                      |  |           |                     |                              | 75,867     |
| Tax recoverable and deferred tax assets   |                     |                     |                      |  |           |                     |                              | 22,022     |
| Intangible assets   |                     |                     |                      |  |           |                     |                              | 369,868    |
| Total assets  |                     |                     |                      |  |           |                     |                              | 53,839,340 |
| Segment liabilities   | 23,019,092          | 20,304,083          | 6,929,485            | 58,121                                 | 6,260     | 50,317,041          | (1,493,430)                  | 48,823,611 |
| Provision for taxation and zakat and<br>deferred tax liabilities                                      |                     |                     |                      |  |           |                     |                              | 23,513     |
| Total liabilities   |                     |                     |                      |  |           |                     |                              | 48,847,124 |

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**A31 Capital Adequacy**

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 capital adequacy 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 Group and the Bank are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The capital adequacy ratios of the Group and the Bank are as follows:

|  | <u>GROUP</u>        |                              | <u>BANK</u>         |                  |
|--|---------------------|------------------------------|---------------------|------------------|
|  | 31 December<br>2017 | Restated<br>31 March<br>2017 | 31 December<br>2017 | 31 March<br>2017 |
| <u>Before deducting proposed dividends</u> |                     |                              |                     |                  |
| CET I capital ratio                        | <b>13.567%</b>      | 13.334%                      | <b>12.024%</b>      | 11.558%          |
| Tier I capital ratio                       | <b>14.013%</b>      | 13.334%                      | <b>12.579%</b>      | 11.558%          |
| Total capital ratio                        | <b>18.716%</b>      | 17.999%                      | <b>16.930%</b>      | 16.347%          |
| <u>After deducting proposed dividends</u>  |                     |                              |                     |                  |
| CET I capital ratio                        | <b>13.567%</b>      | 12.990%                      | <b>12.024%</b>      | 11.136%          |
| Tier I capital ratio                       | <b>14.013%</b>      | 12.990%                      | <b>12.579%</b>      | 11.136%          |
| Total capital ratio                        | <b>18.716%</b>      | 17.655%                      | <b>16.930%</b>      | 15.924%          |

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

|   | <u>GROUP</u>                  |  | <u>BANK</u>                   |                            |
|---|-------------------------------|--|-------------------------------|----------------------------|
|   | 31 December<br>2017<br>RM'000 | Restated<br>31 March<br>2017<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 March<br>2017<br>RM'000 |
| <b><u>CET I Capital</u></b>                               |                               |  |                               |                            |
| Paid-up share capital                                     | <b>1,548,106</b>              | 1,548,106                              | <b>1,548,106</b>              | 796,517                    |
| Share Premium   | -                             | -                                      | -                             | 401,517                    |
| Retained profits  | <b>3,267,786</b>              | 2,062,782                              | <b>2,659,183</b>              | 2,115,505                  |
| Statutory reserves  | -                             | 1,223,525                              | -                             | 835,401                    |
| Revaluation reserves                                      | <b>134,258</b>                | 99,268                                 | <b>94,077</b>                 | 64,916                     |
| Capital reserves  | <b>100,150</b>                | 90,010                                 | <b>95,515</b>                 | -                          |
|   | <b>5,050,300</b>              | 5,023,691                              | <b>4,396,881</b>              | 4,213,856                  |
| Less: Regulatory adjustment                               |                               |  |                               |                            |
| - Goodwill and other intangibles                          | <b>(397,206)</b>              | (377,361)                              | <b>(280,630)</b>              | (261,986)                  |
| - Deferred tax assets                                     | <b>(11,766)</b>               | (14,738)                               | -                             | (4,088)                    |
| - 55% of revaluation reserves                             | <b>(73,842)</b>               | (54,597)                               | <b>(51,742)</b>               | (35,704)                   |
| - Direct/indirect investment in own ordinary shares       | <b>(35,216)</b>               | (73,837)                               | <b>(35,216)</b>               | -                          |
| - Investment in subsidiaries, associate and joint venture | <b>(518)</b>                  | (610)                                  | <b>(790,852)</b>              | (714,440)                  |
| Total CET I Capital                                       | <b>4,531,752</b>              | 4,502,548                              | <b>3,238,441</b>              | 3,197,638                  |
| Additional Tier 1 Capital Securities                      | <b>149,280</b>                | -                                      | <b>149,282</b>                | -                          |
| Total Additional Tier 1 Capital                           | <b>149,280</b>                | -                                      | <b>149,282</b>                | -                          |
| Total Tier I Capital                                      | <b>4,681,032</b>              | 4,502,548                              | <b>3,387,723</b>              | 3,197,638                  |

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**A31 Capital Adequacy (Contd.)**

- (a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows: (Contd.)

**Tier II Capital**

|   |                  |           |                  |           |
|---|------------------|-----------|------------------|-----------|
| Subordinated obligations                                  | <b>1,199,301</b> | 1,199,177 | <b>1,198,968</b> | 1,198,764 |
| Collective assessment allowance and regulatory reserves   | <b>371,732</b>   | 376,514   | <b>300,699</b>   | 304,576   |
| Less: Regulatory adjustment                               |                  |           |                  |           |
| - Investment in subsidiaries, associate and joint venture | <b>(129)</b>     | (153)     | <b>(197,713)</b> | (178,610) |
| - Investment in Tier 2 capital instruments                | -                | -         | <b>(130,000)</b> | -         |
| <b>Total Tier II Capital</b>                              | <b>1,570,904</b> | 1,575,538 | <b>1,171,954</b> | 1,324,730 |
| <b>Total Capital</b>                                      | <b>6,251,936</b> | 6,078,086 | <b>4,559,677</b> | 4,522,368 |

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

|   | <b><u>GROUP</u></b>     |                           | <b><u>BANK</u></b>      |               |
|---|-------------------------|---------------------------|-------------------------|---------------|
|   | <b>31 December 2017</b> | Restated<br>31 March 2017 | <b>31 December 2017</b> | 31 March 2017 |
|   | <b>RM'000</b>           | RM'000                    | <b>RM'000</b>           | RM'000        |
| Credit risk                               | <b>30,507,018</b>       | 30,938,021                | <b>24,388,338</b>       | 25,162,190    |
| Market risk                               | <b>146,610</b>          | 126,042                   | <b>146,610</b>          | 104,490       |
| Operational risk                          | <b>2,750,237</b>        | 2,704,544                 | <b>2,397,580</b>        | 2,398,898     |
| <b>Total RWA and capital requirements</b> | <b>33,403,865</b>       | 33,768,607                | <b>26,932,528</b>       | 27,665,578    |

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

|  | Alliance Islamic Bank Berhad | Alliance Investment Bank Berhad |
|--|------------------------------|---------------------------------|
| <b>31 December 2017</b>                    |                              |                                 |
| <u>Before deducting proposed dividends</u> |                              |                                 |
| CET I capital ratio                        | <b>13.085%</b>               | <b>79.667%</b>                  |
| Tier I capital ratio                       | <b>13.085%</b>               | <b>79.667%</b>                  |
| Total capital ratio                        | <b>16.088%</b>               | <b>80.376%</b>                  |
| <u>After deducting proposed dividends</u>  |                              |                                 |
| CET I capital ratio                        | <b>13.085%</b>               | <b>79.667%</b>                  |
| Tier I capital ratio                       | <b>13.085%</b>               | <b>79.667%</b>                  |
| Total capital ratio                        | <b>16.088%</b>               | <b>80.376%</b>                  |
| <b>31 March 2017</b>                       |                              |                                 |
| <u>Before deducting proposed dividends</u> |                              |                                 |
| CET I capital ratio                        | 13.430%                      | 84.804%                         |
| Tier I capital ratio                       | 13.430%                      | 84.804%                         |
| Total capital ratio                        | 14.509%                      | 85.516%                         |
| <u>After deducting proposed dividends</u>  |                              |                                 |
| CET I capital ratio                        | 13.430%                      | 83.729%                         |
| Tier I capital ratio                       | 13.430%                      | 83.729%                         |
| Total capital ratio                        | 14.509%                      | 84.441%                         |

## **A32 Fair Value Measurements**

### **(a) Determination of fair value and fair value hierarchy**

MFRS 13 Fair Value Measurement requires disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following level 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 Bank and the Group 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 balance sheet 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 then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. 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, repurchase agreements and most of the Group's derivatives.

#### **(iii) Financial instruments in Level 3**

The Group classifies 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, discounted cash flows, and other appropriate valuation models. These includes private equity investments.

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

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

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

| <u>GROUP</u>                             | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|----------------|----------------|----------------|--------------|
| 31 December 2017                         | RM'000         | RM'000         | RM'000         | RM'000       |
| <u>Assets</u>                            |                |                |                |              |
| Financial assets held-for-trading        |                |                |                |              |
| - Money market instruments               | -              | 146,097        | -              | 146,097      |
| - Unquoted securities                    | -              | 27,976         | -              | 27,976       |
| Financial investments available-for-sale |                |                |                |              |
| - Money market instruments               | -              | 4,735,863      | -              | 4,735,863    |
| - Quoted securities in Malaysia          | 12             | -              | -              | 12           |
| - Unquoted securities                    | -              | 4,188,228      | 181,002        | 4,369,230    |
| Derivative financial assets              | -              | 80,017         | -              | 80,017       |
| <u>Liabilities</u>                       |                |                |                |              |
| Derivative financial liabilities         | -              | 169,591        | -              | 169,591      |

| <u>BANK</u>                              | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|----------------|----------------|----------------|--------------|
| 31 December 2017                         | RM'000         | RM'000         | RM'000         | RM'000       |
| <u>Assets</u>                            |                |                |                |              |
| Financial assets held-for-trading        |                |                |                |              |
| - Money market instruments               | -              | 146,097        | -              | 146,097      |
| - Unquoted securities                    | -              | 27,976         | -              | 27,976       |
| Financial investments available-for-sale |                |                |                |              |
| - Money market instruments               | -              | 4,507,816      | -              | 4,507,816    |
| - Quoted securities in Malaysia          | 12             | -              | -              | 12           |
| - Unquoted securities                    | -              | 2,412,060      | 123,789        | 2,535,849    |
| Derivative financial assets              | -              | 80,017         | -              | 80,017       |
| <u>Liabilities</u>                       |                |                |                |              |
| Derivative financial liabilities         | -              | 169,591        | -              | 169,591      |



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

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

The following tables show the Group's 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><br>31 March 2017            | <u>Level 1</u><br>RM'000 | <u>Level 2</u><br>RM'000 | <u>Level 3</u><br>RM'000 | <u>Total</u><br>RM'000 |
|--|--------------------------|--------------------------|--------------------------|------------------------|
| <u>Assets</u>                            |                          |                          |                          |                        |
| Financial assets held-for-trading        |                          |                          |                          |                        |
| - Money market instruments               | -                        | 144,947                  | -                        | 144,947                |
| - Unquoted securities                    | -                        | 190,313                  | -                        | 190,313                |
| Financial investments available-for-sale |                          |                          |                          |                        |
| - Money market instruments               | -                        | 6,261,090                | -                        | 6,261,090              |
| - Quoted securities in Malaysia          | 15                       | -                        | -                        | 15                     |
| - Unquoted securities                    | -                        | 3,808,213                | 170,239                  | 3,978,452              |
| Derivative financial assets              | -                        | 86,345                   | -                        | 86,345                 |
| <u>Liabilities</u>                       |                          |                          |                          |                        |
| Derivative financial liabilities         | -                        | 81,892                   | -                        | 81,892                 |

| <u>BANK</u><br>31 March 2017             | <u>Level 1</u><br>RM'000 | <u>Level 2</u><br>RM'000 | <u>Level 3</u><br>RM'000 | <u>Total</u><br>RM'000 |
|--|--------------------------|--------------------------|--------------------------|------------------------|
| <u>Assets</u>                            |                          |                          |                          |                        |
| Financial assets held-for-trading        |                          |                          |                          |                        |
| - Money market instruments               | -                        | 110,082                  | -                        | 110,082                |
| - Unquoted securities                    | -                        | 149,619                  | -                        | 149,619                |
| Financial investments available-for-sale |                          |                          |                          |                        |
| - Money market instruments               | -                        | 5,614,307                | -                        | 5,614,307              |
| - Quoted securities in Malaysia          | 15                       | -                        | -                        | 15                     |
| - Unquoted securities                    | -                        | 2,373,751                | 111,377                  | 2,485,128              |
| Derivative financial assets              | -                        | 86,345                   | -                        | 86,345                 |
| <u>Liabilities</u>                       |                          |                          |                          |                        |
| Derivative financial liabilities         | -                        | 81,892                   | -                        | 81,892                 |

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**A32 Fair Value Measurements (contd.)****(b) Financial instruments measured at fair value and the fair value hierarchy (contd.)**

Reconciliation of movements in Level 3 financial instruments:

|   | <u>GROUP</u>                           |  | <u>BANK</u>                            |                            |
|---|--|--|--|----------------------------|
|   | <b>31 December<br/>2017<br/>RM'000</b> | Restated<br>31 March<br>2017<br>RM'000 | <b>31 December<br/>2017<br/>RM'000</b> | 31 March<br>2017<br>RM'000 |
| At beginning of financial period/year                                       | <b>170,239</b>                         | 157,333                                | <b>111,377</b>                         | 102,657                    |
| Disposal  | <b>(4,970)</b>                         | -                                      | -                                      | -                          |
| Total gains/(losses) recognised in:   |  |  |  |                            |
| - Other comprehensive income  |  |  |  |                            |
| (i) Revaluation reserves  | <b>15,763</b>                          | 12,906                                 | <b>12,412</b>                          | 8,720                      |
| - Statement of comprehensive income   |  |  |  |                            |
| (i) Loss arising from sales of financial<br>investments available-for-sales | <b>(30)</b>                            | -                                      | -                                      | -                          |
| At end of financial period/year   | <b><u>181,002</u></b>                  | <u>170,239</u>                         | <b><u>123,789</u></b>                  | <u>111,377</u>             |

The Bank's and the Group's exposure to financial instruments measured using unobservable inputs (level 3) constitutes a small component of the Bank's and the Group's portfolio of financial instruments. Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets and liabilities of level 3 of the fair value hierarchy.

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**A33 Offsetting Financial Assets And Financial Liabilities**

In accordance with MFRS 132 Financial Instruments: Presentation, the Bank and the Group reports financial assets and financial liabilities on a net basis on the balance sheet, 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 balance sheet; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for balance sheet netting.

**(a) Financial assets**

|                                     | Gross amounts of recognised financial assets<br>RM'000 | Gross amounts of recognised financial liabilities set off in the balance sheet<br>RM'000 | Net amounts of financial assets presented in the balance sheet<br>RM'000 | Related amounts not set off in the balance sheet |                                    | Net Amount<br>RM'000 |
|-------------------------------------|--|--|--|--|------------------------------------|----------------------|
|                                     |  |  |  | Financial Instruments<br>RM'000                  | Cash collateral received<br>RM'000 |                      |
| <b>GROUP</b>                        |  |  |  |  |                                    |                      |
| December 2017                       |  |  |  |  |                                    |                      |
| Derivative financial assets         | 80,017   | -  | 80,017   | (7,320)  | (14,210)                           | 58,487               |
| Amount due from clients and brokers | 226,747  | (72,299)   | 154,448  | -  | -                                  | 154,448              |
|                                     | <u>306,764</u>   | <u>(72,299)</u>  | <u>234,465</u>   | <u>(7,320)</u>                                   | <u>(14,210)</u>                    | <u>212,935</u>       |
| <b>BANK</b>                         |  |  |  |  |                                    |                      |
| December 2017                       |  |  |  |  |                                    |                      |
| Derivative financial assets         | 80,017   | -  | 80,017   | (7,320)  | (14,210)                           | 58,487               |
| <b>GROUP</b>                        |  |  |  |  |                                    |                      |
| Restated                            |  |  |  |  |                                    |                      |
| March 2017                          |  |  |  |  |                                    |                      |
| Derivative financial assets         | 86,345   | -  | 86,345   | (18,681)   | -                                  | 67,664               |
| Amount due from clients and brokers | 213,368  | (100,346)  | 113,022  | -  | -                                  | 113,022              |
| Total                               | <u>299,713</u>   | <u>(100,346)</u>   | <u>199,367</u>   | <u>(18,681)</u>                                  | <u>-</u>                           | <u>180,686</u>       |
| <b>BANK</b>                         |  |  |  |  |                                    |                      |
| March 2017                          |  |  |  |  |                                    |                      |
| Derivative financial assets         | 86,345   | -  | 86,345   | (18,681)   | -                                  | 67,664               |

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**A33 Offsetting Financial Assets And Financial Liabilities (Contd.)****(b) Financial liabilities**

|                                   | Gross<br>amounts<br>of recognised<br>financial<br>liabilities<br>RM'000 | Gross<br>amounts<br>of recognised<br>financial<br>assets set<br>off in the<br>balance sheet<br>RM'000 | Net<br>amounts<br>of financial<br>liabilities<br>presented in<br>the balance<br>sheet<br>RM'000 | Related amounts not set<br>off in the balance sheet |  | Net<br>Amount<br>RM'000 |
|-----------------------------------|---|---|---|---|--|-------------------------|
|                                   |   |   |   | Financial<br>Instruments<br>RM'000                  | Cash<br>collateral<br>received<br>RM'000 |                         |
| <b>GROUP</b>                      |   |   |   |   |  |                         |
| December 2017                     |   |   |   |   |  |                         |
| Derivative financial liabilities  | 169,591   | -   | 169,591   | (7,320)   | (27,888)                                 | 134,383                 |
| Amount due to clients and brokers | 193,047   | (72,299)  | 120,748   | -   | -  | 120,748                 |
| <b>Total</b>                      | <b>362,638</b>  | <b>(72,299)</b>   | <b>290,339</b>  | <b>(7,320)</b>                                      | <b>(27,888)</b>                          | <b>255,131</b>          |
| <b>BANK</b>                       |   |   |   |   |  |                         |
| December 2017                     |   |   |   |   |  |                         |
| Derivative financial liabilities  | 169,591   | -   | 169,591   | (7,320)   | (27,888)                                 | 134,383                 |
| <b>GROUP</b>                      |   |   |   |   |  |                         |
| Restated                          |   |   |   |   |  |                         |
| March 2017                        |   |   |   |   |  |                         |
| Derivative financial liabilities  | 81,892  | -   | 81,892  | (18,681)  | (22,381)                                 | 40,830                  |
| Amount due to clients and brokers | 169,412   | (100,346)   | 69,066  | -   | -  | 69,066                  |
| <b>Total</b>                      | <b>251,304</b>  | <b>(100,346)</b>  | <b>150,958</b>  | <b>(18,681)</b>                                     | <b>(22,381)</b>                          | <b>109,896</b>          |
| <b>BANK</b>                       |   |   |   |   |  |                         |
| March 2017                        |   |   |   |   |  |                         |
| Derivative financial liabilities  | 81,892  | -   | 81,892  | (18,681)  | (22,381)                                 | 40,830                  |

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements, each agreement between the Group 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.

**[B] Explanatory Notes Pursuant To Appendix 9B Of Bursa Securities' Listing Requirements**

**B1 Financial Review for Financial Quarter and Financial Year to Date**

**GROUP**

|  | <b>3rd Quarter<br/>Ended<br/>31 December<br/>2017<br/>RM'000</b> | Restated<br>3rd Quarter<br>Ended<br>31 December<br>2016<br>RM'000 | Changes<br>% |
|--|--|---|--------------|
| Net income/revenue                                   | 388,004  | 378,642   | 2.5          |
| Operating profit before allowances                   | 172,707  | 204,316   | (15.5)       |
| Operating profit after allowances                    | 180,678  | 171,868   | 5.1          |
| Profit before tax                                    | 180,674  | 171,887   | 5.1          |
| Profit after tax                                     | 122,554  | 129,682   | (5.5)        |
| Profit attributable to equity<br>holders of the Bank | 122,554  | 129,682   | (5.5)        |

|  | <b>Nine Months<br/>Ended<br/>31 December<br/>2017<br/>RM'000</b> | Restated<br>Nine Months<br>Ended<br>31 December<br>2016<br>RM'000 | Changes<br>% |
|--|--|---|--------------|
| Net income/revenue                                   | 1,168,493  | 1,102,173   | 6.0          |
| Operating profit before allowances                   | 586,603  | 591,431   | (0.8)        |
| Operating profit after allowances                    | 530,851  | 522,831   | 1.5          |
| Profit before tax                                    | 530,848  | 522,888   | 1.5          |
| Profit after tax                                     | 380,357  | 394,735   | (3.6)        |
| Profit attributable to equity<br>holders of the Bank | 380,357  | 394,735   | (3.6)        |

|  | <b>3rd Quarter<br/>Ended<br/>31 December<br/>2017<br/>RM'000</b> | 2nd Quarter<br>Ended<br>30 September<br>2017<br>RM'000 | Changes<br>% |
|--|--|--|--------------|
| Net income/revenue                                   | 388,004  | 393,876  | (1.5)        |
| Operating profit before allowances                   | 172,707  | 203,722  | (15.2)       |
| Operating profit after allowances                    | 180,678  | 170,199  | 6.2          |
| Profit before tax                                    | 180,674  | 170,179  | 6.2          |
| Profit after tax                                     | 122,554  | 122,799  | (0.2)        |
| Profit attributable to equity<br>holders of the Bank | 122,554  | 122,799  | (0.2)        |

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

**Bank**

|  | <b>3rd Quarter<br/>Ended<br/>31 December<br/>2017<br/>RM'000</b> | 3rd Quarter<br>Ended<br>31 December<br>2016<br>RM'000  | Changes<br>% |
|--|--|--|--------------|
| Net income/revenue                                   | 328,451  | 318,330  | 3.2          |
| Operating profit before allowances                   | 152,517  | 182,663  | (16.5)       |
| Operating profit after allowances                    | 167,565  | 167,653  | (0.1)        |
| Profit before tax                                    | 167,565  | 167,653  | (0.1)        |
| Profit after tax                                     | 119,121  | 132,507  | (10.1)       |
| Profit attributable to equity<br>holders of the Bank | 119,121  | 132,507  | (10.1)       |
|  | <b>Nine Months<br/>Ended<br/>31 December<br/>2017<br/>RM'000</b> | Nine Months<br>Ended<br>31 December<br>2016<br>RM'000  | Changes<br>% |
| Net income/revenue                                   | 949,424  | 901,406  | 5.3          |
| Operating profit before allowances                   | 486,329  | 504,047  | (3.5)        |
| Operating profit after allowances                    | 473,138  | 473,998  | (0.2)        |
| Profit before tax                                    | 473,138  | 473,998  | (0.2)        |
| Profit after tax                                     | 346,677  | 371,230  | (6.6)        |
| Profit attributable to equity<br>holders of the Bank | 346,677  | 371,230  | (6.6)        |
|  | <b>3rd Quarter<br/>Ended<br/>31 December<br/>2017<br/>RM'000</b> | 2nd Quarter<br>Ended<br>30 September<br>2017<br>RM'000 | Changes<br>% |
| Net income/revenue                                   | 328,451  | 316,315  | 3.8          |
| Operating profit before allowances                   | 152,517  | 166,079  | (8.2)        |
| Operating profit after allowances                    | 167,565  | 148,462  | 12.9         |
| Profit before tax                                    | 167,565  | 148,462  | 12.9         |
| Profit after tax                                     | 119,121  | 107,941  | 10.4         |
| Profit attributable to equity<br>holders of the Bank | 119,121  | 107,941  | 10.4         |

## **B2 Review Of Performance**

### **Current Year-to-Date vs. Previous Year-to-Date**

For 9 months ended 31 December 2017, the Group's net profit after taxation was RM380.4 million.

Revenue grew by RM66.3 million or 6.0%, primarily from higher net interest income and Islamic Banking Income which increased by RM44.6 million or 5.3% mainly due to expansion of average loan base and better asset and deposit mix. Consequently net interest margin improved by 10bps to 236bps.

Other operating income improved by RM21.8 million or 8.4% mainly from higher treasury income, brokerage fees, cards income and wealth management income.

Operating expenses increased by RM71.1 million or 13.9% due to restructuring cost and strategic initiatives. Cost to income ratio is recorded at 49.8%. Excluding restructuring cost and strategic initiatives, cost to income ratio stood at 44.9%.

Credit cost recorded at 19.0 bps, maintaining within expected level.

Gross impaired loans ratio increased moderately to 1.2%. While loan loss coverage stood at 116.2%, reflecting a healthy book.

The Current Account/Savings Account ratio improved to 39.5% from 34.8% last year. The loan-to-fund ratio stood at 87.2%.

The Group's total capital ratio stood healthy at 18.7%, with a Common Equity Tier 1 Capital ratio of 13.6% and Additional Tier 1 Capital ratio at 14.0% as at 31 December 2017.

### **Performance by business segment:**

The Group's businesses are presented in the following business segments: Consumer Banking, Business Banking, Financial Markets and Stockbroking and Corporate Advisory Services. Please refer to Note A30 on Segment Information for the composition of each business segment.

Consumer Banking profit before tax stood at RM108.9 million where the net income was higher by RM7.6 million or 1.8% offset by higher operating expenses by RM8.0 million or 3.3% compared to last corresponding period. Allowance for loans, advances and financing was higher by RM13.3 million. Segment asset was RM0.3 billion or 1.4% lower, while liabilities registered growth of RM0.3 billion or 1.3% higher.

Business Banking profit before tax stood at RM305.6 million where the operating profit was higher by RM7.7 million or 2.7% mainly due to increase in the revenue by RM13.9 million or 2.9% compared to last corresponding period. Allowance for loans, advances and financing improved by RM25.1 million. Segment asset and liabilities registered growth of RM0.1 billion or 0.6% and RM1.1 billion or 5.7% respectively.

Financial Markets profit before tax stood at RM158.9 million where the operating profit was higher by RM38.0 million or 31.5% mainly due to increase in the revenue by RM42.5 million or 27.4% compared to last corresponding period. Segment asset and liabilities was RM1.2 billion or 7.2% and RM3.7 billion or 53.6% lower respectively.

Stockbroking and Corporate Advisory Services profit before tax improved by RM1.9 million compared to last corresponding period mainly due to higher brokerage income.

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

### **Current Quarter vs Previous Year Corresponding Quarter**

The Group's profit after taxation of RM122.6 million for the quarter ended 31 December 2017.

Key quarter-on-quarter performance highlights:

- Revenue was higher by RM9.4 million or 2.5% mainly from net interest income and other operating income;
- NIM was recorded at 238bps, which was 6bps higher than last corresponding period;
- Other operating income was higher by RM3.6 million or 4.0% due to higher fee income and treasury income; and
- Operating expense increased by RM41.0 million or 23.5% mainly due to the restructuring costs.

## **B3 Review Of Performance**

### **Comparison With Immediate Preceding Quarter (3Q FY2018 vs. 2Q FY2018)**

The Group's profit after taxation of RM122.6 million for the quarter ended 31 December 2017.

Key quarter-on-quarter performance highlights:

- Net profit after tax was slightly lower by RM0.2 million or 0.2%;
- Net income was lower RM5.9 million or 1.5% mainly due to lower net interest income while offset by higher other operating income;
- Net Interest Margin remains stable at 238bps;
- Other operating income increased by RM2.7 million or 3.0% mainly from higher treasury income by RM2.2 million; and
- Other operating expenses increased RM25.1 million mainly due to restructuring costs.

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

The Group will leverage on its franchise strength to deliver sustainable profitability and to fulfill the financial needs of our customers.

The Group will continue to improve balance sheet efficiency by focusing on better risk adjusted return loans, liquidity management and mitigating credit risk. We will also continue maximizing the linkages across Consumer Banking, Business Banking, Financial Markets, Investment Banking and Islamic Banking to bring to bear the full suite of solutions and capabilities that the Group has to offer to our clients.

The Group's strategic intent is to be the most important relationship for the financial success of business owners, through our vision of 'Building Alliances to Improve Lives'.

This year, we have launched a number of new and differentiated value propositions and will continue to scale them up for our customers. We will also be investing in the required Information Technology enablers to support the Bank's strategic initiatives and focus on streamlining to improve the efficiency of our operations.

This will position us as a Bank that provides innovative solutions that are fast, simple and responsive and aligned to our customers' needs, which is the essence of our brand promise.

While we expect these strategic investments to significantly lift our level of performance in the longer term over the next three to five years, we would expect the profitability of the current financial year will be somewhat impacted.



**B5 Profit Forecast**

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

**B6 Taxation**

|  | 3rd Quarter Ended             |   | Nine Months Ended             |   |
|--|-------------------------------|---|-------------------------------|---|
|  | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | Restated<br>31 December<br>2016<br>RM'000 |
| <b>Group</b>                                       |                               |   |                               |   |
| Taxation   |                               |   |                               |   |
| - Income tax                                       | 55,994                        | 44,356                                    | 145,556                       | 121,908                                   |
| - Over provision in prior financial period         | (1,438)                       | (916)                                     | (615)                         | (916)                                     |
| - Deferred tax                                     | 3,564                         | (1,235)                                   | 5,550                         | 7,161                                     |
|  | <u>58,120</u>                 | <u>42,205</u>                             | <u>150,491</u>                | <u>128,153</u>                            |
| <b>Bank</b>  |                               |   |                               |   |
| Taxation   |                               |   |                               |   |
| - Income tax                                       | 46,200                        | 37,093                                    | 120,758                       | 98,798                                    |
| - Under/(over) provision in prior financial period | 952                           | (989)                                     | 934                           | (989)                                     |
| - Deferred tax                                     | 1,292                         | (958)                                     | 4,769                         | 4,959                                     |
|  | <u>48,444</u>                 | <u>35,146</u>                             | <u>126,461</u>                | <u>102,768</u>                            |

The Group's and the Bank effective tax rate for the third financial quarter and nine months ended 31 December 2017 was higher than the current statutory tax rate of 24% due to certain expenses being disallowed for tax purpose.

**B7 Profit/(Loss) On Sale Of Unquoted Investments Or Properties**

There was no material profit/(loss) on sale of unquoted investments or properties for the third financial quarter and nine months ended 31 December 2017 other than in the ordinary course of business.

**B8 Purchase And Disposal Of Quoted Securities**

There was no purchase or disposal of quoted securities for the third financial quarter and nine months ended 31 December 2017 other than disclosed as below:

- The total number of 8,843,800 shares held in trust for ESS was disposed at an average market price of RM3.88 per share as at 31 December 2017;
- Investments held by the Group and the Bank whose activities are regulated by law relating to banking companies and are subject to supervision by Bank Negara Malaysia ("BNM").

**B9 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the financial reporting date.

**B10 Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities**

|   | <u>GROUP</u>                           |  | <u>BANK</u>                            |                            |
|---|--|--|--|----------------------------|
|   | <b>31 December<br/>2017<br/>RM'000</b> | Restated<br>31 March<br>2017<br>RM'000 | <b>31 December<br/>2017<br/>RM'000</b> | 31 March<br>2017<br>RM'000 |
| <b>(a) Deposits from customers</b>  |  |  |  |                            |
| Fixed deposits, negotiable instruments of deposits and money market deposits: |  |  |  |                            |
| - One year or less (short term)   | <b>23,389,513</b>                      | 28,755,989                             | <b>18,664,575</b>                      | 23,144,803                 |
| - More than one year (medium/long term)                                       | <b>1,033,387</b>                       | 220,083                                | <b>782,683</b>                         | 96,539                     |
|   | <b>24,422,900</b>                      | 28,976,072                             | <b>19,447,258</b>                      | 23,241,342                 |
| Others  | <b>15,934,458</b>                      | 15,469,648                             | <b>13,246,269</b>                      | 12,871,159                 |
|   | <b>40,357,358</b>                      | 44,445,720                             | <b>32,693,527</b>                      | 36,112,501                 |
| <b>(b) Deposits and placements of banks and other financial institutions</b>  |  |  |  |                            |
| - One year or less (short term)   | <b>1,049,148</b>                       | 309,563                                | <b>520,006</b>                         | 298,740                    |
| - More than one year (medium/long term)                                       | <b>579,694</b>                         | 553,341                                | <b>342,223</b>                         | 350,989                    |
|   | <b>1,628,842</b>                       | 862,904                                | <b>862,229</b>                         | 649,729                    |
| <b>(c) Other borrowings</b>   |  |  |  |                            |
| Senior Medium Term Notes (unsecured)  |  |  |  |                            |
| - One year or less (short term)   | -                                      | 5,070                                  | -                                      | 5,070                      |
| <b>(d) Subordinated obligations</b>   |  |  |  |                            |
| Tier II Subordinated Medium Term Notes (unsecured)                            |  |  |  |                            |
| - More than one year (medium/long term)                                       | <b>1,209,591</b>                       | 1,226,078                              | <b>1,208,975</b>                       | 1,225,664                  |
| Additional Tier 1 Capital Securities (unsecured)                              |  |  |  |                            |
| - More than one year (medium/long term)                                       | <b>150,667</b>                         | -                                      | <b>150,669</b>                         | -                          |
|   | <b>1,360,258</b>                       | 1,226,078                              | <b>1,359,644</b>                       | 1,225,664                  |

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**B11 Derivative Financial Assets/(Liabilities)**

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

| <b>BANK/GROUP</b>                             | <b>As at<br/>31 December 2017</b> |                          |                               | <b>As at<br/>31 March 2017</b> |                          |                               |
|---|-----------------------------------|--------------------------|-------------------------------|--------------------------------|--------------------------|-------------------------------|
|   | <b>Principal<br/>RM'000</b>       | <b>Fair value</b>        |                               | <b>Principal<br/>RM'000</b>    | <b>Fair value</b>        |                               |
|   |                                   | <b>Assets<br/>RM'000</b> | <b>Liabilities<br/>RM'000</b> |                                | <b>Assets<br/>RM'000</b> | <b>Liabilities<br/>RM'000</b> |
| Foreign exchange and commodity contracts      |                                   |                          |                               |                                |                          |                               |
| Currency forwards                             |                                   |                          |                               |                                |                          |                               |
| - one year or less                            | 1,373,697                         | 6,689                    | (62,329)                      | 1,282,544                      | 45,673                   | (4,340)                       |
| - over one year to three years                | 127,280                           | -                        | (6,326)                       | 72,316                         | 73                       | (569)                         |
| - over three years                            | 20,267                            | -                        | (1,606)                       | 37,817                         | 42                       | (200)                         |
| Currency swaps                                |                                   |                          |                               |                                |                          |                               |
| - one year or less                            | 4,996,277                         | 39,787                   | (57,119)                      | 9,631,122                      | 15,809                   | (34,170)                      |
| - over one year to three years                | -                                 | -                        | -                             | 44,230                         | -                        | (12,700)                      |
| Currency spots                                |                                   |                          |                               |                                |                          |                               |
| - one year or less                            | 323,209                           | 297                      | (419)                         | 40,255                         | 56                       | (60)                          |
| Currency options                              |                                   |                          |                               |                                |                          |                               |
| - one year or less                            | 202,780                           | 1,577                    | (784)                         | 128,868                        | 265                      | (24)                          |
| - over one year to three years                | 33,069                            | 604                      | (125)                         | -                              | -                        | -                             |
|   | <b>7,076,579</b>                  | <b>48,954</b>            | <b>(128,708)</b>              | <b>11,237,152</b>              | <b>61,918</b>            | <b>(52,063)</b>               |
| Interest rate derivatives                     |                                   |                          |                               |                                |                          |                               |
| Interest rate swap                            |                                   |                          |                               |                                |                          |                               |
| - one year or less                            | 4,685,785                         | 30,346                   | (28,990)                      | 4,344,432                      | 24,339                   | (24,455)                      |
| - over one year to three years                | 746,324                           | 1,269                    | (1,427)                       | 750,000                        | 227                      | (697)                         |
| - over three years                            | 2,032,059                         | 7,980                    | (5,586)                       | 1,988,572                      | 8,336                    | (8,937)                       |
|   | <b>1,907,402</b>                  | <b>21,097</b>            | <b>(21,977)</b>               | <b>1,605,860</b>               | <b>15,776</b>            | <b>(14,821)</b>               |
| Equity related derivatives                    |                                   |                          |                               |                                |                          |                               |
| - one year or less                            | 103,205                           | 684                      | (6,871)                       | 52,405                         | 58                       | (4,005)                       |
| - over one year to three years                | 50,700                            | 33                       | (5,022)                       | 30,330                         | 30                       | (1,369)                       |
| <b>Total derivatives assets/(liabilities)</b> | <b>11,916,269</b>                 | <b>80,017</b>            | <b>(169,591)</b>              | <b>15,664,319</b>              | <b>86,345</b>            | <b>(81,892)</b>               |

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the counterparties to fulfil their contractual obligations to settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 31 December 2017, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM80,017,000 (31.3.2017: RM86,345,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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**B11 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 detail. (Contd.)

Market Risk

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

The Group has established a framework of approved risk policies, measurement methodologies and risk limits as approved by the Group Risk Management Committee to manage market risk. Market risk arising from the trading activities is controlled via position limits, sensitivity limits and regular revaluation of positions versus market prices, where available.

Liquidity Risk

Liquidity risk is the inability of the Group to meet financial commitment when due.

The Group's liquidity risk profile is managed using Bank Negara Malaysia's Liquidity Coverage Ratio Guideline, other internal policies and GALCO benchmarks. A contingency funding plan is also established by the Group as a forward-looking measure to ensure that liquidity risk can be addressed according to the degrees of key risk indicators, and which incorporates alternative funding strategies which are ready to be implemented on a timely basis to mitigate the impact of unforeseen adverse changes in liquidity in the market place.

- (ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 31 December 2017, the Group and the Bank had posted cash collateral of RM27,888,000 (31.3.2017: RM22,381,000) 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 interest income or interest expense.

- (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 2017.

**B12 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 third financial quarter and nine months ended 31 December 2017.

**B13 Dividend Declared**

No dividend has been declared during the third financial quarter and nine months ended 31 December 2017.

**B14 Earnings Per Share**

**(a) Basic**

The calculation of the basic earnings per share is based on the net profit attributable to Equity holders of the Bank divided by the weighted average number of ordinary shares of RM1.00 each in issue during the financial period, excluding the number of shares held for ESS.

|   | 3rd Quarter Ended   |                                 | Nine Months Ended   |                                 |
|---|---------------------|---------------------------------|---------------------|---------------------------------|
|   | 31 December<br>2017 | Restated<br>31 December<br>2016 | 31 December<br>2017 | Restated<br>31 December<br>2016 |
| <b><u>GROUP</u></b>   |                     |                                 |                     |                                 |
| Net profit for the financial period attributable to Equity holders of the Bank (RM'000) | <u>122,554</u>      | <u>129,682</u>                  | <u>380,357</u>      | <u>394,735</u>                  |
| Weighted average numbers of ordinary shares in issue ('000)                             | <u>1,548,106</u>    | 1,548,106                       | <u>1,548,106</u>    | 1,548,106                       |
| Shares held for ESS ('000)  | <u>(10,121)</u>     | (21,379)                        | <u>(10,121)</u>     | (21,379)                        |
|   | <u>1,537,985</u>    | <u>1,526,727</u>                | <u>1,537,985</u>    | <u>1,526,727</u>                |
| Basic earnings per share (sen)  | <u>8.0</u>          | 8.5                             | <u>24.7</u>         | 25.9                            |
| <b><u>BANK</u></b>  |                     |                                 |                     |                                 |
| Net profit for the financial period attributable to Equity holders of the Bank (RM'000) | <u>119,121</u>      | <u>132,507</u>                  | <u>346,677</u>      | <u>371,230</u>                  |
| Weighted average numbers of ordinary shares in issue ('000)                             | <u>1,548,106</u>    | 1,448,106                       | <u>1,492,550</u>    | 1,448,106                       |
| Basic earnings per share (sen)  | <u>7.7</u>          | 9.2                             | <u>23.2</u>         | 25.6                            |

**B14 Earnings Per Share (contd.)**

**(b) Diluted**

The calculation of the diluted earnings per share is based on the net profit attributable to Equity holders of the Bank divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period, excluding the weighted average shares held for ESS after taking into account the assumed Share Grants to employees under ESS number of vested to the employees as at 31 December 2017.

|   | 3rd Quarter Ended   |                                 | Nine Months Ended   |                                 |
|---|---------------------|---------------------------------|---------------------|---------------------------------|
|   | 31 December<br>2017 | Restated<br>31 December<br>2016 | 31 December<br>2017 | Restated<br>31 December<br>2016 |
| <b>GROUP</b>  |                     |                                 |                     |                                 |
| Net profit for the financial period attributable to Equity holders of the Bank (RM'000) | <b>122,554</b>      | 129,682                         | <b>380,357</b>      | 394,735                         |
| Weighted average numbers of ordinary shares in issue ('000)                             | <b>1,548,106</b>    | 1,548,106                       | <b>1,548,106</b>    | 1,548,106                       |
| Shares held for ESS ('000)  | <b>(10,121)</b>     | (21,379)                        | <b>(10,121)</b>     | (21,379)                        |
| Share Grants under ESS ('000)   | -                   | 1,324                           | -                   | 1,324                           |
|   | <b>1,537,985</b>    | 1,528,051                       | <b>1,537,985</b>    | 1,528,051                       |
| Diluted earnings per share (sen)  | <b>8.0</b>          | 8.5                             | <b>24.7</b>         | 25.8                            |

|  | 3rd Quarter Ended   |                     | Nine Months Ended   |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 31 December<br>2017 | 31 December<br>2016 | 31 December<br>2017 | 31 December<br>2016 |
| <b>BANK</b>  |                     |                     |                     |                     |
| Net profit for the financial period attributable to Equity holder of the Bank (RM'000) | <b>119,121</b>      | 132,507             | <b>346,677</b>      | 371,230             |
| Weighted average numbers of ordinary shares in issue ('000)                            | <b>1,548,106</b>    | 1,448,106           | <b>1,492,550</b>    | 1,448,106           |
| Diluted earnings per share (sen)   | <b>7.7</b>          | 9.2                 | <b>23.2</b>         | 25.6                |

**B15 Restatement for Comparatives**

**(a) Restatement of comparatives due to corporate reorganisation**

The comparatives of the Group was restated in order to reflect the completion of group corporate reorganisation exercise on 26 September 2017 as below:

- (i) AFG subscription of RM100,000,000 new ABMB Shares at the issue price of RM1.00 per share;
- (ii) The bonus issue by the Bank of RM651,588,886 new ABMB Shares to AFG, after taking into consideration the RM100,000,000 new ABMB Shares issued pursuant to AFG Subscription;
- (iii) The transfer of AFG and its non-banking subsidiaries to the Bank is accounted for as an internal reorganisation within the AFG Group. Consequently the assets, liabilities and equity of AFG Group, at their carrying amounts, are included in the consolidated financial statements of the ABMB Group, as disclosed in note A8.

**B15 Restatement for Comparatives (Contd.)**

**(b) Reclassification of structured investments**

Structured investments of the Group and the Bank which are not principal guaranteed were reclassified from Deposit from Customers to Financial Liabilities Designated at Fair Value and Other Liabilities to conform with Bank Negara Malaysia's Classification and regulatory Treatment for Structured Products under Financial Services Act 2013 and Islamic Financial Services Act 2013 presentation.

The effects of items (a) and (b) to the Group and the Bank are as follow:

**GROUP**

**Statements of Financial Position as at 31 March 2017**

|  | As previously<br>stated<br>RM'000 | Effect of<br>corporate<br>reorganisation<br>RM'000<br>(a) | Structured<br>investments<br>reclassification<br>RM'000<br>(b) | As<br>restated<br>RM'000 |
|--|-----------------------------------|---|--|--------------------------|
| <b>ASSETS</b>  |                                   |   |  |                          |
| Cash and short-term funds  | 1,368,636                         | 13,143  | -  | 1,381,779                |
| Amount due from clients and brokers                                  | 113,022                           | -   | -  | 113,022                  |
| Financial assets held-for-trading                                    | 335,260                           | -   | -  | 335,260                  |
| Financial investments available-for-sale                             | 10,239,557                        | -   | -  | 10,239,557               |
| Financial investments held-to-maturity                               | 917,092                           | -   | -  | 917,092                  |
| Derivative financial assets  | 86,345                            | -   | -  | 86,345                   |
| Loans, advances and financing  | 38,991,689                        | -   | -  | 38,991,689               |
| Other assets   | 109,908                           | 432   | -  | 110,340                  |
| Tax recoverable  | 9,726                             | -   | -  | 9,726                    |
| Statutory deposits   | 1,437,344                         | 100   | -  | 1,437,444                |
| Investment in associate  | 530                               | (530)   | -  | -                        |
| Investment in joint venture  | 650                               | 113   | -  | 763                      |
| Property, plant and equipment  | 73,789                            | 159   | -  | 73,948                   |
| Deferred tax assets  | 14,033                            | 705   | -  | 14,738                   |
| Intangible assets  | 377,361                           | -   | -  | 377,361                  |
| <b>TOTAL ASSETS</b>  | <b>54,074,942</b>                 | <b>14,122</b>   | <b>-</b>   | <b>54,089,064</b>        |
| <b>LIABILITIES AND EQUITY</b>  |                                   |   |  |                          |
| Deposits from customers  | 45,330,615                        | (102,179)   | (782,716)  | 44,445,720               |
| Deposits and placements of banks<br>and other financial institutions | 862,904                           | -   | -  | 862,904                  |
| Financial liabilities designated at fair value                       | -                                 | -   | 402,734  | 402,734                  |
| Amount due to clients and brokers                                    | 69,066                            | -   | -  | 69,066                   |
| Derivative financial liabilities                                     | 81,892                            | -   | -  | 81,892                   |
| Amount due to Cagamas Berhad   | 502,713                           | -   | -  | 502,713                  |
| Other liabilities  | 965,906                           | 2,882   | 379,982  | 1,348,770                |
| Provision for taxation   | 19,567                            | 186   | -  | 19,753                   |
| Provision for zakat  | 206                               | -   | -  | 206                      |
| Deferred tax liabilities   | 9,960                             | -   | -  | 9,960                    |
| Other borrowings   | 5,070                             | -   | -  | 5,070                    |
| Subordinated obligations   | 1,226,078                         | -   | -  | 1,226,078                |
| <b>TOTAL LIABILITIES</b>   | <b>49,073,977</b>                 | <b>(99,111)</b>   | <b>-</b>   | <b>48,974,866</b>        |
| Share capital  | 796,517                           | 751,589   | -  | 1,548,106                |
| Reserves   | 4,204,448                         | (564,519)   | -  | 3,639,929                |
| Shares held for Employees' Share Scheme                              | -                                 | (73,837)  | -  | (73,837)                 |
| <b>TOTAL EQUITY</b>  | <b>5,000,965</b>                  | <b>113,233</b>  | <b>-</b>   | <b>5,114,198</b>         |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                  | <b>54,074,942</b>                 | <b>14,122</b>   | <b>-</b>   | <b>54,089,064</b>        |

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**B15 Restatement for Comparatives (Contd.)**

**BANK**

**Statements of Financial Position as at 31 March 2017**

|  | As previously<br>stated<br>RM'000 | Structured<br>investments<br>reclassification<br>RM'000<br>(b) | After<br>reclassification<br>RM'000 |
|--|-----------------------------------|--|-------------------------------------|
| <b>ASSETS</b>  |                                   |  |                                     |
| Cash and short-term funds  | 1,618,617                         | -  | 1,618,617                           |
| Financial assets held-for-trading                                    | 259,701                           | -  | 259,701                             |
| Financial investments available-for-sale                             | 8,099,450                         | -  | 8,099,450                           |
| Financial investments held-to-maturity                               | 658,201                           | -  | 658,201                             |
| Derivative financial assets  | 86,345                            | -  | 86,345                              |
| Loans, advances and financing  | 31,371,907                        | -  | 31,371,907                          |
| Other assets   | 105,141                           | -  | 105,141                             |
| Statutory deposits with Bank Negara Malaysia                         | 1,129,366                         | -  | 1,129,366                           |
| Investments in subsidiaries  | 892,820                           | -  | 892,820                             |
| Investment in associate  | 230                               | -  | 230                                 |
| Investment in joint venture  | -                                 | -  | -                                   |
| Property, plant and equipment  | 71,883                            | -  | 71,883                              |
| Deferred tax assets  | 4,088                             | -  | 4,088                               |
| Intangible assets  | 261,986                           | -  | 261,986                             |
| <b>TOTAL ASSETS</b>  | <b>44,559,735</b>                 | <b>-</b>   | <b>44,559,735</b>                   |
| <b>LIABILITIES AND EQUITY</b>  |                                   |  |                                     |
| Deposits from customers  | 36,895,217                        | (782,716)  | 36,112,501                          |
| Deposits and placements of banks<br>and other financial institutions | 649,729                           | -  | 649,729                             |
| Financial liabilities designated at fair value                       | -                                 | 402,734  | 402,734                             |
| Derivative financial liabilities                                     | 81,892                            | -  | 81,892                              |
| Amount due to Cagamas Berhad   | 502,713                           | -  | 502,713                             |
| Other liabilities  | 821,624                           | 379,982  | 1,201,606                           |
| Provision for taxation   | 14,098                            | -  | 14,098                              |
| Other borrowings   | 5,070                             | -  | 5,070                               |
| Subordinated obligations   | 1,225,664                         | -  | 1,225,664                           |
| <b>TOTAL LIABILITIES</b>   | <b>40,196,007</b>                 | <b>-</b>   | <b>40,196,007</b>                   |
| Share capital  | 796,517                           | -  | 796,517                             |
| Reserves   | 3,567,211                         | -  | 3,567,211                           |
| <b>TOTAL EQUITY</b>  | <b>4,363,728</b>                  | <b>-</b>   | <b>4,363,728</b>                    |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                  | <b>44,559,735</b>                 | <b>-</b>   | <b>44,559,735</b>                   |



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**B15 Restatement and Comparatives (Contd.)**

| <b>GROUP</b>  | <b>3rd Quarter Ended<br/>31 December 2016</b> |   |                          | <b>Nine Months Ended<br/>31 December 2016</b> |   |                          |
|---|---|---|--------------------------|---|---|--------------------------|
|   | As previously<br>stated<br>RM'000             | Effect of<br>corporate<br>reorganisation<br>RM'000<br>(a) | As<br>restated<br>RM'000 | As previously<br>stated<br>RM'000             | Effect of<br>corporate<br>reorganisation<br>RM'000<br>(a) | As<br>restated<br>RM'000 |
| <b>Statements of Comprehensive Income</b>   |   |   |                          |   |   |                          |
| Interest income   | 470,913                                       | 89  | 471,002                  | 1,409,232                                     | 255   | 1,409,487                |
| Interest expense  | (253,402)                                     | 849   | (252,553)                | (777,202)                                     | 2,510   | (774,692)                |
| Net interest income   | 217,511                                       | 938   | 218,449                  | 632,030                                       | 2,765   | 634,795                  |
| Net income from Islamic banking business  | 74,768  | -   | 74,768                   | 220,557                                       | -   | 220,557                  |
|   | 292,279                                       | 938   | 293,217                  | 852,587                                       | 2,765   | 855,352                  |
| Fee and commission income   | 74,259  | (498)   | 73,761                   | 222,074                                       | (498)   | 221,576                  |
| Fee and commission expense  | (23,640)                                      | -   | (23,640)                 | (71,186)                                      | -   | (71,186)                 |
| Investment income   | 38,742  | -   | 38,742                   | 104,922                                       | -   | 104,922                  |
| Other income  | (3,452)                                       | 14  | (3,438)                  | (8,610)                                       | 119   | (8,491)                  |
| Other operating income  | 85,909  | (484)   | 85,425                   | 247,200                                       | (379)   | 246,821                  |
| Net income  | 378,188                                       | 454   | 378,642                  | 1,099,787                                     | 2,386   | 1,102,173                |
| Other operating expenses  | (173,688)                                     | (638)   | (174,326)                | (509,838)                                     | (904)   | (510,742)                |
| Operating profit before allowances  | 204,500                                       | (184)   | 204,316                  | 589,949                                       | 1,482   | 591,431                  |
| Allowance for losses on loans, advances<br>and financing and other receivables                        | (32,448)                                      | -   | (32,448)                 | (67,392)                                      | -   | (67,392)                 |
| Allowance for impairment on other assets  | -   | -   | -                        | (1,208)                                       | -   | (1,208)                  |
| Operating profit after allowances   | 172,052                                       | (184)   | 171,868                  | 521,349                                       | 1,482   | 522,831                  |
| Share of results of associate   | 3   | (3)   | -                        | 7   | (7)   | -                        |
| Share of results of joint venture   | 19  | -   | 19                       | 57  | -   | 57                       |
| Profit before taxation  | 172,074                                       | (187)   | 171,887                  | 521,413                                       | 1,475   | 522,888                  |
| Taxation  | (41,952)                                      | (253)   | (42,205)                 | (126,951)                                     | (1,202)   | (128,153)                |
| Net profit for the financial period   | 130,122                                       | (440)   | 129,682                  | 394,462                                       | 273   | 394,735                  |
| <b>Other comprehensive income:</b>  |   |   |                          |   |   |                          |
| <b>Items that may be reclassified subsequently<br/>to profit or loss:</b>                             |   |   |                          |   |   |                          |
| Revaluation reserve on financial<br>investments available-for-sale                                    |   |   |                          |   |   |                          |
| - Net gain from change in fair value  | (95,828)                                      | -   | (95,828)                 | (20,107)                                      | -   | (20,107)                 |
| - Realised gain transferred to statement<br>of income on disposal and impairment                      | (2,272)                                       | -   | (2,272)                  | (5,684)                                       | -   | (5,684)                  |
| - Transfer to deferred tax  | 23,544  | -   | 23,544                   | 6,190   | -   | 6,190                    |
| Other comprehensive income, net of tax  | (74,556)                                      | -   | (74,556)                 | (19,601)                                      | -   | (19,601)                 |
| <b>Total comprehensive income for the<br/>financial period</b>  | <b>55,566</b>                                 | <b>(440)</b>  | <b>55,126</b>            | <b>374,861</b>                                | <b>273</b>  | <b>375,134</b>           |
| Net profit for the financial period attributable to:<br>Equity holders of the Bank                    | 130,122                                       | (440)   | 129,682                  | 394,462                                       | 273   | 394,735                  |
| Total comprehensive income for the<br>financial period attributable to:<br>Equity holders of the Bank | 55,566  | (440)   | 55,126                   | 374,861                                       | 273   | 375,134                  |
| Earnings per share attributable to<br>Equity holders of the Bank                                      |   |   |                          |   |   |                          |
| - Basic (sen)   | 16.3  | (7.8)   | 8.5                      | 49.5  | (23.6)  | 25.9                     |
| - Diluted (sen)   | 16.3  | (7.8)   | 8.5                      | 49.5  | (23.7)  | 25.8                     |

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**B15 Restatement and Comparatives (Contd.)**

|  | As previously<br>stated | <b>GROUP</b><br>Effect of<br>corporate<br>reorganisation<br>(a) | As<br>restated |
|--|-------------------------|---|----------------|
| <b>Statements of Changes in Equity as at 31 March 2017</b> |                         |   |                |
| Ordinary shares  | 796,517                 | 751,589   | 1,548,106      |
| Share premium  | 401,517                 | (401,517)   | -              |
| Capital reserve  | 10,018                  | 79,992  | 90,010         |
| Equity contribution from parent                            | 99,268                  | (99,268)  | -              |
| ESS reserve  | 6,062                   | 382   | 6,444          |
| Shares held fro ESS  | -                       | (73,837)  | (73,837)       |
| Retained profits   | 2,306,158               | (243,376)   | 2,062,782      |
| Total Equity   | 5,000,965               | 113,233   | 5,114,198      |

|   | As previously<br>stated | <b>GROUP</b><br>Effect of<br>corporate<br>reorganisation<br>(a) | As<br>restated |
|---|-------------------------|---|----------------|
| <b>Statements of Cash Flows for the Financial Period Ended 31 December 2016</b> |                         |   |                |
| Profit before taxation  | 521,413                 | 1,475   | 522,888        |
| Net cash used in operating activities   | (1,407,592)             | 10,335  | (1,397,257)    |
| Net cash generated from investing activities                                    | (1,666,926)             | 890   | (1,666,036)    |
| Net cash used in financing activities   | (919,404)               | (7,685)   | (927,089)      |
| Net changes in cash and cash equivalents  | (3,993,922)             | 3,540   | (3,990,382)    |

|   | As previously<br>stated | <b>GROUP</b><br>Effect of<br>corporate<br>reorganisation<br>(a) | As<br>restated |
|---|-------------------------|---|----------------|
| <b>Capital Adequacy as at 31 March 2017</b> |                         |   |                |
| <u>Before deducting proposed dividends</u>  |                         |   |                |
| CET I capital ratio                         | 12.891%                 | 0.443%  | 13.334%        |
| Tier I capital ratio                        | 12.891%                 | 0.443%  | 13.334%        |
| Total capital ratio                         | 17.518%                 | 0.481%  | 17.999%        |
| <u>After deducting proposed dividends</u>   |                         |   |                |
| CET I capital ratio                         | 12.548%                 | 0.442%  | 12.990%        |
| Tier I capital ratio                        | 12.548%                 | 0.442%  | 12.990%        |
| Total capital ratio                         | 17.175%                 | 0.480%  | 17.655%        |

**By Order of the Board****LEE WEI YEN (MAICSA 7001798)**

Group Company Secretary

Kuala Lumpur

26 February 2018