

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 March 2021

		GROUP		BANK	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Note					
ASSETS					
Cash and short-term funds		3,088,245	3,119,214	1,779,243	2,488,527
Deposits and placements with banks and other financial institutions		41,477	-	41,477	-
Amounts due from clients and brokers	A11	105,041	51,165	-	-
Financial assets at fair value through profit or loss	A12	237,922	650,114	167,728	585,722
Financial investments at fair value through other comprehensive income	A13	10,424,669	11,544,507	7,303,866	8,426,778
Financial investments at amortised cost	A14	2,270,504	121,299	2,294,765	170,405
Derivative financial assets	B11	153,735	436,910	153,735	436,910
Loans, advances and financing	A15	43,233,506	43,110,007	32,395,127	32,207,545
Other assets	A16	293,653	262,622	349,416	266,770
Tax recoverable		44,357	70,834	9,600	38,789
Statutory deposits		88,012	949,049	69,574	700,355
Investments in subsidiaries		-	-	1,109,102	909,102
Investment in joint venture		994	903	-	-
Right-of-use assets		120,457	129,139	120,439	129,077
Property, plant and equipment		57,264	64,486	55,930	63,448
Deferred tax assets		130,100	28,125	95,200	14,074
Intangible assets		431,259	437,086	329,004	332,680
TOTAL ASSETS		60,721,195	60,975,460	46,274,206	46,770,182
LIABILITIES AND EQUITY					
Deposits from customers	A17	48,488,513	48,425,852	36,150,316	36,702,989
Deposits and placements of banks and other financial institutions	A18	1,392,652	1,543,646	659,377	733,564
Amounts due to clients and brokers	A19	63,416	22,292	-	-
Financial liabilities designated at fair value through profit or loss	A20	472,695	427,085	472,695	427,085
Obligations on securities sold under repurchase agreements		-	369,469	-	221,387
Derivative financial liabilities	B11	149,410	348,877	149,410	348,877
Recourse obligations on loans and financing sold to Cagamas		650,499	800,695	300,100	300,053
Lease liabilities		123,494	130,223	123,475	130,150
Other liabilities	A21	1,546,070	1,388,066	1,322,169	1,253,186
Provision for zakat		848	1,245	-	-
Provision for taxation		760	-	-	-
Deferred tax liabilities		2,333	8,379	-	-
Subordinated obligations		1,572,718	1,520,637	1,471,978	1,480,254
TOTAL LIABILITIES		54,463,408	54,986,466	40,649,520	41,597,545
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		4,709,681	4,440,888	4,076,580	3,624,531
TOTAL EQUITY		6,257,787	5,988,994	5,624,686	5,172,637
TOTAL LIABILITIES AND EQUITY		60,721,195	60,975,460	46,274,206	46,770,182
COMMITMENTS AND CONTINGENCIES	A30	30,367,400	36,971,704	27,636,885	34,144,629
Net assets per share attributable to equity holders of the Bank (RM)*					
		4.04	3.87	3.63	3.34

* 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 2020.

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period/Year Ended 31 March 2021

GROUP	Note	4th Quarter Ended		Financial Year Ended	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A22	422,989	515,729	1,793,421	2,069,887
Interest expense	A23	(155,654)	(261,269)	(776,765)	(1,089,053)
Net interest income		267,335	254,460	1,016,656	980,834
Net income from Islamic banking business	A24	97,699	92,026	378,500	377,896
		365,034	346,486	1,395,156	1,358,730
Fee and commission income	A25	82,755	73,737	313,957	283,272
Fee and commission expense	A25	(29,585)	(22,126)	(111,623)	(87,118)
Investment income	A25	22,213	5,390	248,559	87,565
Other income/(expense)	A25	5,397	30,922	(28,482)	46,871
Other operating income	A25	80,780	87,923	422,411	330,590
Net income		445,814	434,409	1,817,567	1,689,320
Other operating expenses	A26	(232,135)	(205,412)	(800,658)	(807,019)
Operating profit before allowances		213,679	228,997	1,016,909	882,301
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(136,581)	(98,389)	(532,916)	(273,234)
Write-back of/(allowance for) expected credit losses on financial investments	A28	109	407	(96)	(36,997)
Allowance for impairment losses on non-financial assets	A29	-	(631)	-	(4,317)
Operating profit after allowances		77,207	130,384	483,897	567,753
Share of results of joint venture		18	17	91	101
Profit before taxation		77,225	130,401	483,988	567,854
Taxation	B6	(27,153)	(32,344)	(125,203)	(143,591)
Net profit for the financial period/year		50,072	98,057	358,785	424,263
Net profit for the financial period/year attributable to:					
Equity holders of the Bank		50,072	98,057	358,785	424,263
Earnings per share attributable to					
Equity holders of the Bank					
- Basic (sen)	B14(a)	3.2	6.3	23.2	27.4
- Diluted (sen)	B14(b)	3.2	6.3	23.2	27.4

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period/Year Ended 31 March 2021**

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
<u>GROUP</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year	50,072	98,057	358,785	424,263
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net (loss)/gain from change in fair value	(293,402)	(30,447)	(17,029)	112,932
- Realised gain transferred to statement of income on disposal	(10,266)	(635)	(101,357)	(17,634)
- Transfer from/(to) deferred tax	72,881	7,459	28,413	(22,872)
- Changes in expected credit losses	(211)	(42)	(19)	(9,627)
Other comprehensive (expense)/income, net of tax	(230,998)	(23,665)	(89,992)	62,799
Total comprehensive (expense)/income for the financial period/year	(180,926)	74,392	268,793	487,062
Total comprehensive (expense)/income for the financial period/year attributable to:				
Equity holders of the Bank	(180,926)	74,392	268,793	487,062

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 2020.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Income****for the Financial Period/Year Ended 31 March 2021**

	Note	4th Quarter Ended		Financial Year Ended	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
<u>BANK</u>		RM'000	RM'000	RM'000	RM'000
Interest income	A22	410,801	498,156	1,743,871	2,019,369
Interest expense	A23	(151,735)	(252,300)	(760,356)	(1,046,424)
Net interest income		259,066	245,856	983,515	972,945
Fee and commission income	A25	63,564	64,252	236,609	248,493
Fee and commission expense	A25	(21,967)	(19,324)	(81,665)	(78,700)
Investment income	A25	22,213	5,390	469,340	126,885
Other income/(expense)	A25	5,349	31,142	(28,545)	48,012
Other operating income	A25	69,159	81,460	595,739	344,690
Net income		328,225	327,316	1,579,254	1,317,635
Other operating expenses	A26	(175,078)	(155,869)	(616,515)	(621,229)
Operating profit before allowances		153,147	171,447	962,739	696,406
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(78,859)	(59,631)	(319,409)	(168,495)
Write-back of/(allowance for) expected credit losses on financial investments	A28	226	345	53	(22,996)
Allowance for of impairment losses on non-financial assets	A29	-	(306)	-	(306)
Profit before taxation		74,514	111,855	643,383	504,609
Taxation	B6	(25,987)	(27,743)	(106,593)	(115,471)
Net profit for the financial period/year		48,527	84,112	536,790	389,138
Net profit for the financial period/year attributable to:					
Equity holders of the Bank		48,527	84,112	536,790	389,138
Earnings per share attributable to					
Equity holders of the Bank					
- Basic (sen)	B14(a)	3.1	5.4	34.7	25.1
- Diluted (sen)	B14(b)	3.1	5.4	34.7	25.1

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Comprehensive Income****for the Financial Period/Year Ended 31 March 2021**

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year	48,527	84,112	536,790	389,138
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI				
- Net (loss)/gain from change in fair value	(216,686)	(18,065)	(35,487)	71,196
- Realised gain transferred to statement of income on disposal	(8,030)	(635)	(75,953)	(14,402)
- Transfer from/(to) deferred tax	53,932	4,488	26,746	(13,631)
- Changes in expected credit losses	(119)	(26)	(47)	(160)
Other comprehensive (expense)/income, net of tax	(170,903)	(14,238)	(84,741)	43,003
Total comprehensive (expense)/income for the financial period/year	(122,376)	69,874	452,049	432,141
Total comprehensive (expense)/income for the financial period/year attributable to:				
Equity holders of the Bank	(122,376)	69,874	452,049	432,141

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 2020.

Condensed Interim Financial Statements

Unaudited Consolidated Statements of Changes in Equity for the Financial Year Ended 31 March 2021

	◀----- Attributable to Equity holders of the Bank -----▶					
GROUP	Ordinary <u>shares</u> RM'000	Regulatory <u>reserves</u> RM'000	Capital <u>reserves</u> RM'000	FVOCI <u>reserves</u> RM'000	Retained <u>profits</u> RM'000	Total <u>equity</u> RM'000
At 1 April 2020	1,548,106	224,579	100,150	141,312	3,974,847	5,988,994
Net profit for the financial year	-	-	-	-	358,785	358,785
Other comprehensive expense	-	-	-	(89,992)	-	(89,992)
Total comprehensive (expense)/income for the financial year	-	-	-	(89,992)	358,785	268,793
Transfer from regulatory reserves	-	(138,139)	-	-	138,139	-
At 31 March 2021	1,548,106	86,440	100,150	51,320	4,471,771	6,257,787
At 1 April 2019						
As previously stated	1,548,106	178,397	100,150	78,513	3,827,676	5,732,842
Effects of adoption of MFRS 16	-	-	-	-	(9,526)	(9,526)
As restated	1,548,106	178,397	100,150	78,513	3,818,150	5,723,316
Net profit for the financial year	-	-	-	-	424,263	424,263
Other comprehensive income	-	-	-	62,799	-	62,799
Total comprehensive income for the financial year	-	-	-	62,799	424,263	487,062
Transfer to regulatory reserves	-	46,182	-	-	(46,182)	-
Liquidation of subsidiaries	-	-	-	-	(1,553)	(1,553)
Dividends paid to shareholders	-	-	-	-	(219,831)	(219,831)
At 31 March 2021	1,548,106	224,579	100,150	141,312	3,974,847	5,988,994

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 2020.

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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Year Ended 31 March 2021 (Contd.)

	Non-Distributable reserves				Distributable reserves	
	Ordinary <u>shares</u>	Regulatory <u>reserves</u>	Capital <u>reserves</u>	FVOCI <u>reserves</u>	Retained <u>profits</u>	Total <u>equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>						
At 1 April 2020	1,548,106	182,292	15,515	79,834	3,346,890	5,172,637
Net profit for the financial period	-	-	-	-	536,790	536,790
Other comprehensive expense	-	-	-	(84,741)	-	(84,741)
Total comprehensive (expense)/income for the financial year	-	-	-	(84,741)	536,790	452,049
Transfer from regulatory reserves	-	(102,286)	-	-	102,286	-
At 31 March 2021	1,548,106	80,006	15,515	(4,907)	3,985,966	5,624,686
At 1 April 2019						
As previously stated	1,548,106	160,798	95,515	36,831	3,128,589	4,969,839
Effects of adoption of MFRS 16	-	-	-	-	(9,512)	(9,512)
As restated	1,548,106	160,798	95,515	36,831	3,119,077	4,960,327
Net profit for the financial period	-	-	-	-	389,138	389,138
Other comprehensive income	-	-	-	43,003	-	43,003
Total comprehensive income for the financial year	-	-	-	43,003	389,138	432,141
Transfer to regulatory reserves	-	21,494	-	-	(21,494)	-
Return to capital from a subsidiary	-	-	(80,000)	-	80,000	-
Dividends paid to shareholders	-	-	-	-	(219,831)	(219,831)
At 31 March 2020	1,548,106	182,292	15,515	79,834	3,346,890	5,172,637

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 2020.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 March 2021**

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	483,988	567,854	643,383	504,609
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(11,125)	(83,215)	(11,282)	(83,950)
Allowance for expected credit losses on loans, advances and financing	485,776	286,760	302,286	184,092
Allowance for/(write-back of) expected credit losses on commitment and contingencies on loans, advances and financing	25,108	(8,076)	6,502	(8,599)
Allowance for/(write-back of) expected credit losses on financial investments	96	36,997	(53)	22,996
(Write-back of)/allowance for expected credit losses on amounts due from clients and brokers	(3)	3	-	-
Allowance for expected credit losses on other receivables	2,086	3,827	1,815	3,539
Allowance for/(write-back of) expected credit losses on short term funds	19	(37)	19	(37)
Allowance for expected credit losses deposits and placements with banks	4	-	4	-
Allowance for impairment losses on non-financial assets	-	4,317	-	306
Amortisation of computer software	41,558	36,864	40,120	35,366
Depreciation of property, plant and equipment	21,479	22,661	20,470	22,110
Depreciation of right-of-use assets	25,363	24,259	25,319	24,213
Dividends from financial assets at fair value through profit or loss	(1,480)	(4,419)	(931)	(2,668)
Dividends from subsidiaries	-	-	(238,929)	(48,031)
Interest expense on lease liabilities	6,741	6,577	6,738	6,572
Interest expense on subordinated obligations	76,971	84,538	77,248	84,732
Interest expense on recourse obligations on loans and financing sold to Cagamas	13,591	13,627	13,591	13,627
Interest income from financial investments at amortised cost	(38,640)	(6,818)	(45,790)	(12,866)
Interest income from financial investments at fair value through other comprehensive income	(320,203)	(318,454)	(286,130)	(292,218)
Computer software written-off	-	4,399	-	4,399
Property, plant and equipment written-off	85	174	81	104
Gain on disposal of property, plant and equipment	-	(5,319)	-	(5,319)
Net gain from sale of financial assets at fair value through profit or loss	(10,405)	(15,481)	(10,405)	(15,361)
Net gain from sale of financial investments at fair value through other comprehensive income	(87,750)	(17,634)	(75,953)	(14,402)
Net loss/(gain) from sale of other investments	5	(5)	5	(5)
Unrealised loss/(gain) arising from derivative instruments	74,657	(63,991)	74,657	(63,991)
Unrealised gain arising from financial assets at fair value through profit or loss	(30,121)	(23,207)	(24,319)	(19,599)
Unrealised (gain)/loss arising from financial liabilities designated at fair value through profit or loss	(7,042)	11,742	(7,042)	11,742
Share of results of joint venture	(91)	(101)	-	-
Zakat	(34)	655	-	-
Cash flow from operating activities before working capital changes carried forward	750,633	558,497	511,404	351,361

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 March 2021 (Contd.)

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (contd.)				
Cash flow from operating activities before working capital changes brought forward:	750,633	558,497	511,404	351,361
Changes in working capital:				
Amounts due (from)/to clients and brokers	(12,752)	(3,029)	-	-
Deposits from customers	62,661	3,408,220	(552,673)	1,720,127
Deposits and placements of banks and other financial institutions	(150,994)	684,938	(74,187)	388,729
Deposits and placements with banks and other financial institutions	(41,481)	500	(41,481)	-
Financial liabilities designated at fair value through profit or loss	52,652	(363,080)	52,652	(363,080)
Proceeds from redemption/disposal of financial assets at fair value through profit or loss (net of purchase)	440,518	(388,929)	440,518	(389,048)
Loans, advances and financing	(609,276)	(1,076,422)	(489,868)	231,340
Other assets	(33,180)	(68,945)	(84,028)	48,856
Other liabilities	132,896	(350,683)	59,591	(315,151)
Obligations on securities sold under repurchase agreements	(369,469)	369,469	(221,387)	221,387
Statutory deposits	861,037	572,543	630,781	441,753
Cash generated from operations	1,083,245	3,343,079	231,322	2,336,274
Taxation paid	(174,609)	(158,537)	(128,894)	(118,809)
Zakat paid	(326)	(95)	-	-
Net cash generated from operating activities	908,310	3,184,447	102,428	2,217,465
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends from financial assets at fair value through profit or loss	1,480	4,419	931	2,668
Dividends from subsidiaries	-	-	238,929	48,031
Capital injection into subsidiaries	-	-	(200,000)	-
Interest received from financial assets at fair value through profit or loss	12,200	7,943	12,200	7,943
Interest received from financial investments at fair value through other comprehensive income	332,181	312,289	293,593	285,523
Interest received from financial investments at amortised costs	19,942	8,311	29,281	14,645
Net cash flow from subsidiaries	-	-	-	80,000
Net interest received/(paid) for derivative instruments	9,051	(26,145)	9,051	(26,145)
Purchase of computer software	(36,953)	(49,705)	(36,444)	(48,947)
Purchase of property, plant and equipment	(13,145)	(26,854)	(13,058)	(26,514)
Proceeds from disposal of property, plant and equipment	25	6,101	25	6,101
Purchase of:				
- financial investments at fair value through other comprehensive income	(3,970,475)	(5,056,202)	(3,913,031)	(4,213,537)
- financial investments at amortised cost	(2,426,730)	(100,000)	(2,078,053)	(20,000)
Proceed from redemption/disposal of:				
- financial investments at fair value through other comprehensive income	5,029,031	3,095,935	4,974,480	2,714,366
- financial investments at amortised cost	323,396	262,767	-	223,690
Net cash used in investing activities	(719,997)	(1,561,141)	(682,096)	(952,176)

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 March 2021 (Contd.)

	<u>GROUP</u>		<u>BANK</u>	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to shareholders of the company	-	(219,831)	-	(219,831)
Interest paid on subordinated obligations	(84,890)	(84,123)	(85,524)	(84,058)
Interest paid on recourse obligations on loans and financing sold to Cagamas	(13,787)	(13,601)	(13,544)	(13,650)
Repayment from recourse obligations on loans and financing sold to Cagamas	(150,000)	-	-	-
Repayment of lease liabilities	(30,605)	(31,271)	(30,548)	(31,218)
Proceeds from issuance of subordinated notes	60,000	40,000	-	-
Net cash used in financing activities	(219,282)	(308,826)	(129,616)	(348,757)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(30,969)	1,314,480	(709,284)	916,532
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	3,119,214	1,804,734	2,488,527	1,571,995
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	3,088,245	3,119,214	1,779,243	2,488,527
Cash and cash equivalents comprise the following:				
Cash and short-term funds	3,088,245	3,119,214	1,779,243	2,488,527

Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the fourth financial quarter and financial year ended 31 March 2021 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial investment at fair value through other comprehensive income, derivative financial instruments and financial liabilities designated at fair value through profit or loss that are measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited annual financial statements of the Group and the Bank for the financial year ended 31 March 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and Bank since the financial year ended 31 March 2020.

- (a) 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 2020 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2020:

- Amendments to MFRS 3 "Definition of a Business"
- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- Amendments to the Conceptual Framework for Financial Reporting
- Amendments to MFRS 9, MFRS 139 and MFRS 7 "Interest Rate Benchmark Reform"
- Amendments to MFRS 16 "COVID-19 Related Rent Concessions"

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

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

(b) Measures to Assist Individuals, Small-Medium Enterprises ("SMEs") and Corporates Affected by COVID-19

On 24 March 2020, BNM had announced that banking institutions would grant a 6 months automatic moratorium on repayments of loans and financing from 1 April 2020 to all small and medium enterprises and individuals to alleviate the financial difficulties of customers impacted by the COVID-19 pandemic. The 6 months moratorium granted is applicable for loans denominated in Ringgit Malaysia (does not apply to credit card balances), that have not been in arrears for more than 90 days as at 1 April 2020.

Banking institutions will also facilitate requests by corporate customers to defer or restructure their loans or financing repayments in a way that will enable viable corporations to preserve jobs and resume economic activities when conditions stabilised and improved.

The moratorium should not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the annual financial statements for the financial year ended 31 March 2020 was not qualified.

A3 Seasonality or Cyclicalities of Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations during the fourth financial quarter and financial year ended 31 March 2021.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the fourth financial quarter and financial year ended 31 March 2021.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the fourth financial quarter and financial year ended 31 March 2021.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities during the fourth financial quarter and financial year ended 31 March 2021 other than disclosed as below:

- (i) The Bank had fully redeemed its existing RM900.0 million and RM300.0 million Subordinated Medium Term Notes ("Sub-MTN") which were issued on 27 October 2015 and 18 December 2015 respectively under Sub-MTN Programme of RM2.0 billion in nominal value ("Sub-MTN Programme"); and
- (ii) The Bank had on 27 October 2020 completed the issuance of three (3) new tranches of Sub-MTNs totalling RM1.2 billion in nominal value pursuant to the Sub-MTN Programme. The details of the Sub-MTN Issuance are summarised as follows:

Nominal Amount	Tenure	Call Date	Coupon Rate
RM400.0 million	Ten (10)-years Non-Callable Five (5)-years	27 October 2025 and thereafter on every coupon payment date	3.60% p.a
RM350.0 million	Ten (12)-years Non-Callable Five (7)-years	27 October 2027 and thereafter on every coupon payment date	3.80% p.a
RM450.0 million	Ten (15)-years Non-Callable Five (10)-years	28 October 2030 and thereafter on every coupon payment date	4.05% p.a

The Sub-MTN issued will qualify as Basel III compliant Tier 2 capital of ABMB pursuant to Bank Negara Malaysia ("BNM")'s Capital Adequacy Framework (Capital Components). The approval from BNM for the Sub-MTN Issuance had been obtained on 29 July 2020 (subject to the terms and conditions contained therein).

A7 Dividend Paid

No dividend has been paid during the fourth financial quarter and financial year ended 31 March 2021.

A8 Significant Events

On 21 December 2020, the Bank has subscribed for 69,204,152 ordinary shares at an issue price of RM2.89 per share amounting to RM200,000,000 issued by its wholly owned subsidiary Alliance Islamic Bank Berhad.

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

There were no material events 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 and the Bank have been entered into in the normal course of business.

A11 Amounts Due From Clients And Brokers

	GROUP	
	31 March 2021 RM'000	31 March 2020 RM'000
Due from clients	105,041	51,168
Less: Allowance for expected credit losses	-	(3)
	105,041	51,165

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.

Alliance Investment Bank Berhad's normal trade credit terms for non-margin clients is two (2) market days in accordance with the Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

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

	Lifetime ECL	
	31 March 2021 RM'000	31 March 2020 RM'000
GROUP		
At beginning of financial year	3	839
(Write-back of)/allowance made during the financial year (net)	(3)	3
Write-off during the financial year	-	(839)
At end of financial year	-	3

As at 31 March 2021, the Group's gross exposure of amounts due from clients and brokers that are credit impaired was at RM Nil (31 March 2020: RM20,000).

A12 Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

	GROUP		BANK	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	10,036	281,147	10,036	281,147
Malaysian Government investment issues	3,210	156,782	3,210	156,782
	13,246	437,929	13,246	437,929
<u>Unquoted securities:</u>				
Shares	224,676	202,160	154,482	137,768
Corporate bonds and sukuk	-	10,025	-	10,025
	224,676	212,185	154,482	147,793
Total financial assets at FVTPL	237,922	650,114	167,728	585,722

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A13 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government securities	2,007,478	2,629,580	1,912,391	2,423,247
Malaysian Government investment issues	3,471,755	3,678,013	2,289,793	2,335,412
Negotiable instruments of deposits	-	-	-	505,225
Commercial papers	-	169,217	-	139,532
	5,479,233	6,476,810	4,202,184	5,403,416
<u>Quoted securities:</u>				
Shares	15	5	15	5
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,945,421	5,067,692	3,101,667	3,023,357
Total financial investments at FVOCI	10,424,669	11,544,507	7,303,866	8,426,778

Movements in allowance for expected credit losses are as follows:

	12 months	Lifetime ECL	Lifetime ECL	
	ECL	Not-credit	Credit	
	(Stage 1)	Impaired	Impaired	Total
	RM'000	RM'000	RM'000	RM'000
GROUP				
At 1 April 2020	138	208	-	346
Transfer to Stage 1	40	(337)	-	(297)
Transfer to Stage 2	(40)	677	-	637
New financial investments originated or purchased	14	-	-	14
Financial investments derecognised other than write-off	(19)	(5)	-	(24)
Changes due to change in credit risk	(37)	(312)	-	(349)
Total (write-back from)/charge to income statement	(42)	23	-	(19)
At 31 March 2021	96	231	-	327
At 1 April 2019	120	444	9,409	9,973
New financial investments originated or purchased	59	-	-	59
Financial investments derecognised other than write-off	(29)	-	-	(29)
Changes due to change in credit risk	(12)	(236)	-	(248)
Total charge to/(write-back from) income statement	18	(236)	-	(218)
Write-off	-	-	(9,409)	(9,409)
At 31 March 2020	138	208	-	346

A13 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI") (Contd.)

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

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2020	71	151	-	222
Transfer to Stage 1	23	(154)	-	(131)
Transfer to Stage 2	(23)	310	-	287
New financial investments originated or purchased	14	-	-	14
Financial investments derecognised				
Financial investments derecognised other than write-off	(7)	(5)	-	(12)
Changes due to change in credit risk	(17)	(188)	-	(205)
Total write-back from income statement	(10)	(37)	-	(47)
At 31 March 2021	61	114	-	175
At 1 April 2019	55	327	-	382
New financial investments originated or purchased	43	-	-	43
Financial investments derecognised				
Financial investments derecognised other than write-off	(25)	-	-	(25)
Changes due to change in credit risk	(2)	(176)	-	(178)
Total charge to/(write-back from) income statement	16	(176)	-	(160)
At 31 March 2020	71	151	-	222

Note:

The transfer between stages are inclusive of net remeasurement allowances.

The Group's and the Bank's gross exposure of financial investments at FVOCI that are credit impaired are as follows:

	31 March 2021 RM'000	31 March 2020 RM'000
<u>GROUP</u>		
At beginning of financial year	-	9,409
Write-off during the financial year	-	(9,409)
At end of financial year	-	-

A14 Financial Investments at Amortised Cost

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	289,741	-	289,741	-
Malaysian Government investment issues	1,859,678	-	1,647,210	-
Negotiable instruments of deposits	-	-	187,404	-
	2,149,419	-	2,124,355	-
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	122,338	170,681	171,332	195,455
Less: Allowance for expected credit losses	(1,253)	(49,382)	(922)	(25,050)
	121,085	121,299	170,410	170,405
Total financial investments at amortised cost	2,270,504	121,299	2,294,765	170,405

A14 Financial Investments at Amortised Cost (Contd.)

Movements in allowance for expected credit losses are as follows:

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2020	308	-	49,074	49,382
New financial investments originated or purchased	-	-	569	569
Financial investments derecognised other than write-off	-	-	(569)	(569)
Changes due to change in credit risk	115	-	-	115
Total charge to income statement	115	-	-	115
Write-off	-	-	(48,244)	(48,244)
At 31 March 2021	423	-	830	1,253
At 1 April 2019	42	540	14,193	14,775
Transfer to Stage 3	-	(1,652)	50,000	48,348
New financial investments originated or purchased	131	-	-	131
Financial investments derecognised other than write-off	(26)	-	-	(26)
Changes due to change in credit risk	161	1,112	(12,511)	(11,238)
Total charge to/(write-back from) income statement	266	(540)	37,489	37,215
Write-off	-	-	(2,608)	(2,608)
At 31 March 2020	308	-	49,074	49,382
BANK				
At 1 April 2020	372	-	24,678	25,050
New financial investments originated or purchased	-	-	373	373
Financial investments derecognised other than write-off	-	-	(373)	(373)
Changes due to change in credit risk	(6)	-	-	(6)
Total write-back from income statement	(6)	-	-	(6)
Write-off	-	-	(24,122)	(24,122)
At 31 March 2021	366	-	556	922
At 1 April 2019	330	270	1,294	1,894
Transfer to Stage 3	-	(826)	25,000	24,174
New financial investments originated or purchased	23	-	-	23
Financial investments derecognised other than write-off	(23)	-	-	(23)
Changes due to change in credit risk	42	556	(1,616)	(1,018)
Total charge to/(write-back from) income statement	42	(270)	23,384	23,156
At 31 March 2020	372	-	24,678	25,050

Note:

The transfer between stages are inclusive of net remeasurement allowances.

A14 Financial Investments at Amortised Cost (Contd.)

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

	GROUP		BANK	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
At beginning of financial year	49,090	18,565	24,678	1,294
Impaired during the financial year	-	50,000	-	25,000
Write-back during the financial year	-	(16,867)	-	(1,616)
Write-off during the financial year	(48,244)	(2,608)	(24,122)	-
At end of financial year	846	49,090	556	24,678

A15 Loans, Advances and Financing

	GROUP		BANK	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
At amortised cost				
Overdrafts	3,431,705	4,310,148	2,036,340	2,611,587
Term loans/financing				
- Housing loans/financing	14,074,492	14,215,071	10,572,066	10,795,294
- Syndicated term loans/financing	318,900	387,090	318,900	344,603
- Hire purchase receivables	616,512	794,286	455,966	579,454
- Other term loans/financing	18,195,036	16,484,532	13,839,763	12,518,922
Bills receivables	483,030	544,009	452,195	494,913
Trust receipts	286,407	234,538	225,407	180,322
Claims on customers under acceptance credits	2,969,016	3,198,311	2,216,600	2,399,619
Staff loans				
(Loan to Directors: RM Nil [31 March 2020: RM Nil])	19,463	20,799	3,987	4,893
Credit/charge card receivables	513,331	591,475	513,331	591,475
Revolving credits	1,902,028	1,914,081	1,157,634	1,216,715
Share margin financing	1,337,422	974,005	1,160,548	816,975
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772
Add: Sales commissions and handling fees	93,370	100,930	108,989	112,016
Less: Allowance for expected credit losses on loans, advances and financing	(1,007,206)	(659,268)	(666,599)	(459,243)
Total net loans, advances and financing	43,233,506	43,110,007	32,395,127	32,207,545

- (a) The Bank has entered into an arrangement on Commodity Murabahah Term Financing ("CMTF") with Alliance Islamic Bank Berhad ("AIS"), the Bank's wholly owned subsidiary. The contract is based on Wakalah principle where the Bank will provide the funds, while the assets are managed by AIS (as the Wakeel or agent). The risk and rewards of the underlying assets are recognised and borne by the Bank. Hence, the underlying assets and allowances for expected credit losses/impairment losses are recognised and accounted for by the Bank. The total loans, advances and financing for CMTF was at RM34,379,000 as at 31 March 2021 (31 March 2020: RM74,795,000).
- (b) As at 31 March 2021, the modification loss net off unwinding arising from the 6-month payment moratorium and Payment Relief Assistance amounting to RM68,319,000 and RM32,373,000 for the Group and the Bank respectively is netted off against the gross loans, advances and financing balance.

A15 Loans, Advances and Financing (Contd.)

A15a By maturity structure:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Within one year	11,166,171	12,002,775	7,928,048	8,492,153
One year to three years	1,719,702	1,818,830	1,271,822	1,420,933
Three years to five years	3,116,175	2,566,390	2,513,766	1,839,745
Over five years	28,145,294	27,280,350	21,239,101	20,801,941
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772

A15b By type of customers:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Domestic banking institutions	-	7	-	7
Domestic non-bank financial institutions	662,237	378,014	473,893	313,198
Domestic business enterprises				
- Small and medium enterprises	13,947,747	12,028,450	10,831,042	9,313,262
- Others	6,139,562	7,920,797	4,654,521	5,949,200
Government and statutory bodies	58,149	61,158	58,149	61,158
Individuals	22,674,971	22,586,345	16,374,290	16,329,172
Other domestic entities	26,155	28,176	2,079	1,955
Foreign entities	638,521	665,398	558,763	586,820
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772

A15c By interest/profit rate sensitivity:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	26,509	29,878	4,815	5,717
- Hire purchase receivables	604,335	779,425	443,788	564,614
- Other fixed rate loans/financing	7,022,940	6,491,640	4,940,093	4,348,004
Variable rate				
- Base lending rate plus	24,074,135	24,771,256	19,597,887	20,145,220
- Base rate plus	8,515,744	7,296,462	5,086,299	4,293,863
- Cost plus	3,903,679	4,299,684	2,879,855	3,197,354
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772

A15 Loans, Advances and Financing (Contd.)

A15d By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Purchase of securities	1,492,946	1,075,829	1,316,073	918,799
Purchase of transport vehicles	451,486	591,753	311,972	403,320
Purchase of landed property	21,934,318	22,253,657	17,016,276	17,374,582
of which: - Residential	14,920,966	15,139,741	11,351,588	11,644,268
- Non-residential	7,013,352	7,113,916	5,664,688	5,730,314
Purchase of fixed assets excluding land & buildings	263,770	310,707	211,595	253,435
Personal use	5,710,480	5,596,799	3,118,591	2,992,022
Credit card	513,332	591,475	513,332	591,475
Construction	954,464	917,764	851,640	821,135
Working capital	9,920,052	9,834,498	7,368,494	7,304,339
Others	2,906,494	2,495,863	2,244,764	1,895,665
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772

A15e By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Primary agriculture	1,197,847	1,182,797	790,151	785,972
Mining and quarrying	234,646	217,775	196,106	170,095
Manufacturing	4,840,945	4,649,052	3,647,230	3,457,224
Electricity, gas and water	31,632	64,751	29,462	64,102
Construction	1,412,197	1,450,390	1,100,732	1,119,984
Wholesale, retail trade, restaurants and hotels	7,272,701	7,205,291	5,741,712	5,704,536
Transport, storage and communication	714,287	734,344	570,932	558,353
Financing, insurance, real estate and business services	4,755,068	4,526,853	3,649,734	3,514,669
Community, social and personal services	366,379	365,025	288,610	248,597
Household	23,313,491	23,241,404	16,933,053	16,905,652
Others	8,149	30,663	5,015	25,588
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772

A15f By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Northern region	3,184,084	3,201,596	2,172,904	2,213,240
Central region	31,220,193	31,069,178	23,751,261	23,443,133
Southern region	5,457,765	5,398,941	4,168,512	4,108,062
Sabah region	3,171,129	2,935,679	2,093,429	2,047,712
Sarawak region	1,114,171	1,062,951	766,631	742,625
Gross loans, advances and financing	44,147,342	43,668,345	32,952,737	32,554,772

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A15 Loans, Advances and Financing (Contd.)**A15g** Movements in credit impaired loans, advances and financing ("impaired loans") in Stage 3:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	871,340	476,602	638,343	369,124
Impaired during the financial year	962,546	1,170,873	643,618	839,485
Recovered during the financial year	(47,121)	(76,964)	(34,657)	(64,860)
Reclassified as unimpaired during the financial year	(439,787)	(441,903)	(306,693)	(336,748)
Financial assets derecognised other than write-off during the financial year	(127,162)	(100,252)	(78,622)	(64,291)
Amount written-off	(187,380)	(157,016)	(126,421)	(104,367)
At end of financial year	1,032,436	871,340	735,568	638,343
Gross impaired loans ratio	2.34%	2.00%	2.23%	1.96%
Net impaired loans ratio	1.72%	1.33%	1.64%	1.30%

A15h Credit impaired loans analysed by economic purposes:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Purchase of transport vehicles	24,162	24,748	17,497	18,904
Purchase of landed property	574,055	443,777	421,511	326,689
of which: - Residential	453,817	364,862	320,166	275,103
- Non-residential	120,238	78,915	101,345	51,586
Purchase of fixed assets excluding land & buildings	12,664	22,100	12,307	21,748
Personal use	269,955	194,075	153,655	112,748
Credit card	8,530	11,153	8,530	11,153
Construction	8,102	8,120	8,102	8,120
Working capital	84,288	131,961	66,278	106,223
Others	50,680	35,406	47,688	32,758
Gross impaired loans	1,032,436	871,340	735,568	638,343

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A15 Loans, Advances and Financing (Contd.)**A15i** Credit impaired loans analysed by economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	1,133	1,706	17	578
Mining and quarrying	1,373	1,478	1,373	1,478
Manufacturing	63,974	76,982	60,440	69,081
Construction	32,417	48,823	19,706	34,653
Wholesale, retail trade, restaurants and hotels	87,927	112,821	67,259	81,132
Transport, storage and communication	4,682	6,138	4,177	4,090
Financing, insurance, real estate and business services	74,201	30,232	73,016	29,031
Community, social and personal services	3,109	3,101	3,109	3,101
Household	762,453	588,904	505,304	414,044
Others	1,167	1,155	1,167	1,155
Gross impaired loans	1,032,436	871,340	735,568	638,343

A15j Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Northern region	77,759	85,202	52,270	60,317
Central region	764,325	623,066	543,371	449,333
Southern region	142,789	118,968	107,890	94,908
Sabah region	37,812	32,649	24,456	24,474
Sarawak region	9,751	11,455	7,581	9,311
Gross impaired loans	1,032,436	871,340	735,568	638,343

A15 Loans, Advances and Financing (Contd.)

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

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<u>GROUP</u>				
At 1 April 2020	96,553	269,287	293,428	659,268
Transfer to Stage 1	153,279	(303,936)	(4,481)	(155,138)
Transfer to Stage 2	(101,032)	483,008	(76,882)	305,094
Transfer to Stage 3	(738)	(158,088)	233,223	74,397
New financial assets originated or purchased	77,896	178,021	15,316	271,233
Financial assets derecognised other than write-off	(64,721)	(189,434)	(35,550)	(289,705)
Changes due to change in credit risk	69,812	220,087	(9,933)	279,966
Other adjustments	(21)	(37)	(13)	(71)
	134,475	229,621	121,680	485,776
Unwinding of discount	-	-	(7,853)	(7,853)
Total charge to income statement	134,475	229,621	113,827	477,923
Write-off	(3)	(132)	(129,850)	(129,985)
At 31 March 2021	231,025	498,776	277,405	1,007,206
At 1 April 2019	72,679	212,519	217,465	502,663
Transfer to Stage 1	31,354	(165,725)	(4,458)	(138,829)
Transfer to Stage 2	(44,896)	286,244	(105,254)	136,094
Transfer to Stage 3	(98)	(135,779)	342,624	206,747
New financial assets originated or purchased	57,681	139,436	19,768	216,885
Financial assets derecognised other than write-off	(26,835)	(138,100)	(27,367)	(192,302)
Changes due to change in credit risk	6,655	71,828	(20,379)	58,104
Other adjustments	16	33	12	61
	23,877	57,937	204,946	286,760
Unwinding of discount	-	-	(9,410)	(9,410)
Total charge to income statement	23,877	57,937	195,536	277,350
Write-off	(3)	(1,169)	(119,573)	(120,745)
At 31 March 2020	96,553	269,287	293,428	659,268

A15 Loans, Advances and Financing (Contd.)

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

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2020	63,677	177,196	218,370	459,243
Transfer to Stage 1	94,945	(199,432)	(2,495)	(106,982)
Transfer to Stage 2	(62,825)	300,659	(50,694)	187,140
Transfer to Stage 3	(606)	(90,925)	142,613	51,082
New financial assets originated or purchased	53,856	139,571	11,287	204,714
Financial assets derecognised other than write-off	(42,782)	(141,429)	(24,205)	(208,416)
Changes due to change in credit risk	48,000	129,081	(2,262)	174,819
Other adjustments	(21)	(37)	(13)	(71)
	90,567	137,488	74,231	302,286
Unwinding of discount	-	-	(4,550)	(4,550)
Total charge to income statement	90,567	137,488	69,681	297,736
Write-off	(3)	(15)	(90,362)	(90,380)
At 31 March 2021	154,241	314,669	197,689	666,599
At 1 April 2019	49,135	142,622	171,332	363,089
Transfer to Stage 1	21,575	(116,457)	(3,908)	(98,790)
Transfer to Stage 2	(29,604)	197,930	(75,350)	92,976
Transfer to Stage 3	(81)	(82,648)	238,931	156,202
New financial assets originated or purchased	35,395	113,212	12,829	161,436
Financial assets derecognised other than write-off	(17,721)	(114,040)	(18,108)	(149,869)
Changes due to change in credit risk	4,962	37,191	(20,077)	22,076
Other adjustments	16	33	12	61
	14,542	35,221	134,329	184,092
Unwinding of discount	-	-	(6,612)	(6,612)
Total charge to income statement	14,542	35,221	127,717	177,480
Write-off	-	(647)	(80,679)	(81,326)
At 31 March 2020	63,677	177,196	218,370	459,243

Note:

The transfer between stages are inclusive of net remeasurement allowances.

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A16 Other Assets

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Other receivables	98,079	65,827	120,168	50,114
Collateral pledged for derivative transactions	61,381	137,005	61,381	136,767
Settlement account	128,658	56,352	128,658	56,352
Deposits	8,834	8,984	8,210	8,330
Prepayment	36,788	32,495	33,220	29,361
Amounts due from subsidiaries	-	-	32,397	18,680
Amount due from joint venture	194	171	323	309
	333,934	300,834	384,357	299,913
Less: Allowance for expected credit losses on other receivables [Note (a)]	(40,281)	(38,212)	(34,941)	(33,143)
	293,653	262,622	349,416	266,770

Note:

(a) Movements for allowance for expected credit losses on other receivables are as follows:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Lifetime ECL</u>				
At beginning of financial year	38,212	34,385	33,143	29,604
New financial assets originated or purchased	170	299	-	-
Financial assets derecognised other than write-off	(265)	(179)	-	-
Changes due to change in credit risk	2,181	3,707	1,815	3,539
Total charge to income statement	2,086	3,827	1,815	3,539
Write-off	(17)	-	(17)	-
At end of financial year	40,281	38,212	34,941	33,143

As at 31 March 2021, the Group and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM40,281,000 and RM34,941,000 (31 March 2020: RM38,212,000 and RM33,143,000) respectively.

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A17 Deposits from Customers**A17a** By type of deposits:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amortised cost				
Demand deposits	20,606,556	16,336,793	15,447,892	12,940,524
Savings deposits	2,193,143	1,794,343	1,753,279	1,455,337
Fixed/investment deposits	22,421,659	26,860,214	16,821,977	20,127,431
Money market deposits	2,885,258	3,091,717	1,756,823	1,848,021
Negotiable instruments of deposits	381,897	342,785	370,345	331,676
	48,488,513	48,425,852	36,150,316	36,702,989

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

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Due within six months	20,632,259	21,708,936	14,962,791	16,266,375
Six months to one year	4,517,179	7,853,476	3,902,026	5,868,205
One year to three years	529,542	619,982	75,096	165,879
Three years to five years	9,834	112,322	9,232	6,669
	25,688,814	30,294,716	18,949,145	22,307,128

A17c By type of customers:

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Domestic financial institutions	423,503	346,226	469,651	378,170
Domestic non-bank financial institutions	4,001,957	2,867,100	2,433,197	1,749,057
Government and statutory bodies	3,782,518	4,553,365	1,654,808	2,663,444
Business enterprises	15,474,724	17,528,515	12,508,806	13,143,178
Individuals	23,097,231	21,637,127	17,645,753	17,491,535
Foreign entities	842,730	813,970	729,873	712,076
Others	865,850	679,549	708,228	565,529
	48,488,513	48,425,852	36,150,316	36,702,989

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A18 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Licensed banks	122,576	814,332	2,263	464,076
Licensed investment banks	340,162	250,137	-	-
Bank Negara Malaysia	929,914	479,177	657,114	269,488
	<u>1,392,652</u>	<u>1,543,646</u>	<u>659,377</u>	<u>733,564</u>

Included as part of Deposit and Placement of Banks and Other Financial Institutions is government financing scheme received by the Group and the Bank amounting to RM771,385,000 and RM601,385,000 respectively for the purpose of SMEs lending at a below market/concession rate.

A19 Amounts Due To Clients And Brokers

	<u>GROUP</u>	
	31 March 2021 RM'000	31 March 2020 RM'000
Due to clients	57,554	18,133
Due to brokers	5,862	4,159
	<u>63,416</u>	<u>22,292</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 trade payable for non-margin clients is two (2) 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 RM123,393,000 (31 March 2020: RM100,252,000) have been excluded accordingly.

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A20 Financial Liabilities Designated at Fair Value Through Profit or Loss

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

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

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

	GROUP/BANK	
	31 March	31 March
	2021	2020
	RM'000	RM'000
Structured investments	504,651	451,999
Fair value changes arising from designation at fair value through profit or loss	(31,956)	(24,914)
	472,695	427,085

A21 Other Liabilities

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Other payables	728,404	433,803	621,643	355,982
Bills payable	162,447	118,840	137,565	113,128
Collateral pledged for derivative transactions	27,810	82,766	27,810	82,766
Settlement account	9,925	15,226	9,925	15,226
Clearing account	179,949	97,244	137,906	73,638
Sundry deposits	50,909	51,136	45,791	46,615
Provision and accruals	171,309	127,500	150,153	115,285
Remisiers accounts	9,274	6,453	-	-
Structured investments	156,700	430,759	156,700	430,759
Amount due to subsidiaries	-	-	8,491	-
Allowance for expected credit losses on commitments and contingencies	49,343	24,339	26,185	19,787
	1,546,070	1,388,066	1,322,169	1,253,186

A21 Other Liabilities (Contd.)

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

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2020	8,582	10,996	4,761	24,339
Transfer to Stage 1	2,730	(7,701)	(101)	(5,072)
Transfer to Stage 2	(1,293)	12,385	(100)	10,992
Transfer to Stage 3	-	(1,143)	2,745	1,602
New financial assets originated or purchased	3,557	4,498	-	8,055
Financial assets derecognised other than write-off	(3,130)	(5,193)	(3,478)	(11,801)
Changes due to change in credit risk	(715)	22,674	(614)	21,345
Other adjustments	(9)	(4)	-	(13)
	1,140	25,516	(1,548)	25,108
Unwinding of discount	-	-	(104)	(104)
Total charge to/(write-back from) income statement	1,140	25,516	(1,652)	25,004
At 31 March 2021	9,722	36,512	3,109	49,343
At 1 April 2019	6,833	16,664	9,107	32,604
Transfer to Stage 1	2,266	(19,976)	(81)	(17,791)
Transfer to Stage 2	(1,390)	15,583	(647)	13,546
Transfer to Stage 3	(1)	(399)	764	364
New financial assets originated or purchased	2,528	7,732	-	10,260
Financial assets derecognised other than write-off	(1,636)	(8,075)	(4,391)	(14,102)
Changes due to change in credit risk	(21)	(541)	198	(364)
Other adjustments	3	8	-	11
	1,749	(5,668)	(4,157)	(8,076)
Unwinding of discount	-	-	(189)	(189)
Total charge to/(write-back from) income statement	1,749	(5,668)	(4,346)	(8,265)
At 31 March 2020	8,582	10,996	4,761	24,339

A21 Other Liabilities (Contd.)

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

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2020	7,471	7,555	4,761	19,787
Transfer to Stage 1	2,258	(6,408)	(101)	(4,251)
Transfer to Stage 2	(1,115)	10,727	(98)	9,514
Transfer to Stage 3	-	(355)	1,125	770
New financial assets originated or purchased	2,891	4,059	-	6,950
Financial assets derecognised other than write-off	(2,717)	(4,084)	(1,860)	(8,661)
Changes due to change in credit risk	(723)	3,529	(614)	2,192
Other adjustments	(9)	(3)	-	(12)
	585	7,465	(1,548)	6,502
Unwinding of discount	-	-	(104)	(104)
Total charge/(write-back from) to income statement	585	7,465	(1,652)	6,398
At 31 March 2021	8,056	15,020	3,109	26,185
At 1 April 2019	6,097	13,483	9,002	28,582
Transfer to Stage 1	1,821	(16,370)	(80)	(14,629)
Transfer to Stage 2	(1,187)	12,910	(645)	11,078
Transfer to Stage 3	-	(399)	759	360
New financial assets originated or purchased	2,174	5,891	-	8,065
Financial assets derecognised other than write-off	(1,429)	(7,265)	(4,286)	(12,980)
Changes due to change in credit risk	(7)	(703)	207	(503)
Other adjustments	2	8	-	10
	1,374	(5,928)	(4,045)	(8,599)
Unwinding of discount	-	-	(196)	(196)
Total charge to/(write-back from) income statement	1,374	(5,928)	(4,241)	(8,795)
At 31 March 2020	7,471	7,555	4,761	19,787

Note:

a) As at 31 March 2021, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were RM14,824,000 and RM12,152,000 respectively (31 March 2020: RM8,829,000 and RM7,820,000).

b) The transfer between stages are inclusive of net remeasurement of allowances.

Note:

(b) During the financial year, the Group and the Bank granted an automatic moratorium on certain financing repayments/payments (except for credit card balances), by individuals and SMEs for a period of six months from 1 April 2020. In addition, the Group and the Bank also granted Payment Relief Assistance after the automatic moratorium ended. The automatic moratorium and Payment Relief Assistance were applicable to financing that are not in arrears exceeding 90 days and denominated in Malaysian Ringgit. This measure was to assist borrowers experiencing temporary financial constraints due to the COVID-19 pandemic. As a result of the payment moratorium, the Group and the Bank recognised a modification loss of RM32,373,000 arising from the modification of contractual cash flows of the financing.

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A23 Interest Expense

GROUP

Deposits and placements of banks and

other financial institutions

Deposits from customers

Recourse obligations on loans

and financing sold to Cagamas

Subordinated obligations

Lease liabilities

Others

4th Quarter Ended		Financial Year Ended	
31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
6,211	8,339	18,013	33,178
127,411	226,399	653,548	946,241
3,352	3,389	13,591	13,627
15,305	21,049	76,971	84,538
1,643	951	6,741	6,577
1,732	1,142	7,901	4,892
155,654	261,269	776,765	1,089,053

BANK

Deposits and placements of banks and

other financial institutions

Deposits from customers

Recourse obligations on loans

and financing sold to Cagamas

Subordinated obligations

Lease liabilities

Others

4th Quarter Ended		Financial Year Ended	
31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
3,872	3,842	9,647	14,977
125,768	221,889	645,231	921,624
3,352	3,389	13,591	13,627
15,369	21,088	77,248	84,732
1,642	950	6,738	6,572
1,732	1,142	7,901	4,892
151,735	252,300	760,356	1,046,424

A24 Net Income from Islamic Banking Business

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP				
Income derived from investment of depositors' funds and others	143,585	161,182	607,850	647,244
Income derived from investment of Islamic Banking funds	15,292	15,584	63,093	64,966
Income attributable to the depositors and financial institutions	(61,178)	(84,740)	(292,443)	(334,314)
	97,699	92,026	378,500	377,896

Note:

- (a) Net income from Islamic Banking business comprises income generated from Alliance Islamic Bank Berhad ("AIS"), and Islamic banking business of Alliance Investment Bank Berhad ("AIBB"). Both AIS and AIBB are wholly-owned subsidiaries of the Bank.
- (b) During the financial year, the Group granted an automatic moratorium on certain financing repayments/payments, by individuals and SMEs for a period of six months from 1 April 2020. In addition, the Group also granted Payment Relief Assistance after the automatic moratorium ended. The automatic moratorium and Payment Relief Assistance were applicable to financing that are not in arrears exceeding 90 days and denominated in Malaysian Ringgit. This measure was to assist borrowers experiencing temporary financial constraints due to the COVID-19 pandemic. As a result of the payment moratorium, the Group recognised a modification loss of RM35,946,000 arising from the modification of contractual cash flows of the financing.

The Group also received a government financing scheme for the purpose of on lending/financing to SMEs at below market/concession rate. The lending/financing by the Group is to provide support for SMEs in sustaining business operations, safeguard jobs and encourage domestic investments during the COVID-19 pandemic. The benefit arising from the government financing scheme amounting to RM39,074,000 is applied to address the financial and accounting impact incurred for COVID-19 related relief measures.

A25 Other Operating Income

GROUP	4th Quarter Ended		Financial Year Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	31,033	28,769	99,845	93,500
Service charges and fees	5,818	5,964	26,287	29,837
Corporate advisory fees	1,006	1,018	3,718	3,502
Underwriting commissions	61	445	1,484	2,205
Brokerage fees	17,284	7,913	69,186	26,558
Guarantee fees	3,186	4,016	13,738	14,704
Processing fees	1,078	1,896	4,417	9,604
Commitment fees	4,704	4,458	18,899	17,544
Cards related income	16,584	17,758	68,380	79,815
Other fee income	2,001	1,500	8,003	6,003
	82,755	73,737	313,957	283,272
(b) <u>Fee and commission expense:</u>				
Commissions expense	(819)	(681)	(2,574)	(5,223)
Service charges and fees expense	(447)	(264)	(1,417)	(1,025)
Brokerage fees expense	(7,630)	(2,815)	(30,024)	(8,859)
Guarantee fees expense	(3,510)	(2,037)	(11,322)	(4,405)
Cards related expense	(17,179)	(16,329)	(66,286)	(67,606)
	(29,585)	(22,126)	(111,623)	(87,118)
(c) <u>Investment income:</u>				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	(1,851)	6,970	10,405	15,481
- Financial investments at fair value through other comprehensive income	8,030	635	87,750	17,634
- Derivative instruments	(15,635)	(93,335)	186,423	(25,430)
- Other investments	-	-	(5)	5
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	534	284	30,121	23,207
- Derivative instruments	15,916	72,990	(74,657)	63,991
- Financial liabilities designated at fair value through profit or loss	15,219	17,846	7,042	(11,742)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	1,480	4,419
	22,213	5,390	248,559	87,565
(d) <u>Other income/(expense):</u>				
Foreign exchange gain/(loss)	1,152	20,895	(44,362)	22,712
Rental income	46	28	151	196
Gain on disposal of property, plant and equipment	-	5,319	-	5,319
Others	4,199	4,680	15,729	18,644
	5,397	30,922	(28,482)	46,871
Total other operating income	80,780	87,923	422,411	330,590

A25 Other Operating Income (Contd.)

	4th Quarter Ended		Financial Year Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	31,033	28,769	99,845	93,500
Service charges and fees	5,542	5,830	25,234	29,290
Guarantee fees	3,179	4,010	13,711	14,678
Processing fees	522	1,932	2,540	7,710
Commitment fees	4,704	4,453	18,899	17,500
Cards related income	16,584	17,758	68,380	79,815
Other fee income	2,000	1,500	8,000	6,000
	63,564	64,252	236,609	248,493
(b) <u>Fee and commission expense:</u>				
Commissions expense	(819)	(681)	(2,574)	(5,634)
Service charges and fees expense	(447)	(264)	(1,417)	(1,025)
Brokerage fees expense	(12)	(13)	(66)	(30)
Guarantee fees expense	(3,510)	(2,037)	(11,322)	(4,405)
Cards related expense	(17,179)	(16,329)	(66,286)	(67,606)
	(21,967)	(19,324)	(81,665)	(78,700)
(c) <u>Investment income:</u>				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	(1,851)	6,970	10,405	15,361
- Financial investments at fair value through other comprehensive income	8,030	635	75,953	14,402
- Derivative instruments	(15,635)	(93,335)	186,423	(25,430)
- Other investments	-	-	(5)	5
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	534	284	24,319	19,599
- Derivative instruments	15,916	72,990	(74,657)	63,991
- Financial liabilities designated at fair value through profit or loss	15,219	17,846	7,042	(11,742)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	931	2,668
- Subsidiaries	-	-	238,929	48,031
	22,213	5,390	469,340	126,885
(d) <u>Other income/(expense):</u>				
Foreign exchange gain/(loss)	785	20,785	(45,368)	22,343
Rental income	534	479	1,854	2,316
Gain on disposal of property, plant and equipment	-	5,319	-	5,319
Others	4,030	4,559	14,969	18,034
	5,349	31,142	(28,545)	48,012
Total other operating income	69,159	81,460	595,739	344,690

A26 Other Operating Expenses

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP				
Personnel costs				
- Salaries, allowances and bonuses	105,038	97,980	396,117	398,200
- Contribution to EPF	16,499	15,980	64,150	64,472
- Others	19,440	11,832	51,390	53,402
	140,977	125,792	511,657	516,074
Establishment costs				
- Depreciation of property, plant and equipment	5,713	5,103	21,479	22,661
- Depreciation of right-of-use assets	6,318	5,661	25,363	24,259
- Amortisation of computer software	10,466	9,545	41,558	36,864
- Rental of premises	429	170	2,017	1,872
- Water and electricity	1,636	1,841	6,790	7,782
- Repairs and maintenance	2,686	2,698	10,154	9,969
- Information technology expenses	19,572	18,014	65,022	69,434
- Others	2,906	2,643	10,847	10,680
	49,726	45,675	183,230	183,521
Marketing expenses				
- Promotion and advertisement	4,340	6,458	15,509	11,489
- Branding and publicity	4,040	4,358	8,503	12,071
- Others	1,025	1,828	4,478	7,719
	9,405	12,644	28,490	31,279
Administration and general expenses				
- Communication expenses	3,678	3,433	13,107	10,835
- Printing and stationery	504	643	1,812	2,352
- Insurance	592	3,032	5,943	11,682
- Professional fees	19,602	6,672	36,072	27,472
- Others	7,651	7,521	20,347	23,804
	32,027	21,301	77,281	76,145
Total other operating expenses	232,135	205,412	800,658	807,019

A26 Other Operating Expenses (Contd.)

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Personnel costs				
- Salaries, allowances and bonuses	76,251	74,006	297,234	302,135
- Contribution to EPF	11,937	12,123	48,426	49,103
- Others	9,632	8,417	35,268	41,224
	97,820	94,546	380,928	392,462
Establishment costs				
- Depreciation of property, plant and equipment	5,045	4,983	20,470	22,110
- Depreciation of right-of-use assets	6,307	5,649	25,319	24,213
- Amortisation of computer software	10,162	9,166	40,120	35,366
- Rental of premises	305	176	1,734	1,126
- Water and electricity	1,207	1,337	5,031	5,785
- Repairs and maintenance	2,235	2,071	7,988	7,868
- Information technology expenses	11,017	12,904	38,977	51,048
- Others	3,293	130	7,183	658
	39,571	36,416	146,822	148,174
Marketing expenses				
- Promotion and advertisement	2,766	5,259	13,682	9,339
- Branding and publicity	2,647	3,070	5,794	8,267
- Others	608	1,167	2,720	5,081
	6,021	9,496	22,196	22,687
Administration and general expenses				
- Communication expenses	2,573	2,534	9,718	8,113
- Printing and stationery	407	512	1,407	1,823
- Insurance	592	2,588	5,048	10,091
- Professional fees	15,698	4,666	28,426	20,666
- Others	12,396	5,111	21,970	17,213
	31,666	15,411	66,569	57,906
Total other operating expenses	175,078	155,869	616,515	621,229

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

	4th Quarter Ended		Financial Year Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
GROUP				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period/year	113,778	101,189	485,776	286,760
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period/year	(13,580)	(7,751)	(39,347)	(46,063)
- Write-off during the financial period/year	27,322	8,707	59,273	36,820
(c) Commitments and contingencies on loans, advances and financing				
- Allowance made/(write-back) during the financial period/year	8,479	(4,659)	25,108	(8,076)
	<u>135,999</u>	<u>97,486</u>	<u>530,810</u>	<u>269,441</u>

Allowance for/(write-back of) expected credit losses on:

- Amounts due from clients and brokers	-	3	(3)	3
- Other receivables	576	900	2,086	3,827
- Cash and short-term funds	10	-	19	(37)
- Deposits and placements with banks and other financial institutions	(4)	-	4	-
	<u>136,581</u>	<u>98,389</u>	<u>532,916</u>	<u>273,234</u>

	4th Quarter Ended		Financial Year Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
BANK				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period/year	72,479	63,181	302,286	184,092
(b) Credit impaired loans, advance and financing				
- Recovered during the financial period/year	(10,294)	(5,012)	(28,672)	(32,889)
- Write-off during the financial period/year	16,581	5,324	37,455	22,389
(c) Commitments and contingencies on loans, advances and financing				
- (Write-back)/allowance made during the financial period/year	(466)	(4,671)	6,502	(8,599)
	<u>78,300</u>	<u>58,822</u>	<u>317,571</u>	<u>164,993</u>

Allowance for/(write-back of) expected credit losses on:

- Other receivables	553	809	1,815	3,539
- Cash and short-term funds	10	-	19	(37)
- Deposits and placements with banks and other financial institutions	(4)	-	4	-
	<u>78,859</u>	<u>59,631</u>	<u>319,409</u>	<u>168,495</u>

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

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP				
(a) Financial investments at fair value through other comprehensive income				
- Write-back during the financial period/year	(211)	(42)	(19)	(218)
(b) Financial investments at amortised cost				
- Allowance/(write-back) during the financial period/year	102	(356)	115	37,215
- Commitment and contingencies	-	(9)	-	-
	<u>(109)</u>	<u>(407)</u>	<u>96</u>	<u>36,997</u>

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
BANK				
(a) Financial investments at fair value through other comprehensive income				
- Write-back during the financial period/year	(119)	(26)	(47)	(160)
(b) Financial investments at amortised cost				
- (Write-back)/allowance made during the financial period/year	(107)	(319)	(6)	23,156
	<u>(226)</u>	<u>(345)</u>	<u>(53)</u>	<u>22,996</u>

A29 Allowance for Impairment Losses on Non-Financial Assets

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP				
Intangible assets - goodwill	-	631	-	4,317

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
BANK				
Intangible assets - goodwill	-	306	-	306

A30 Commitments and Contingencies

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

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Commitments and contingencies</u>				
Direct credit substitutes	687,790	814,317	511,039	622,481
Transaction-related contingent items	554,612	621,684	492,119	559,957
Short-term self-liquidating trade-related contingencies	145,128	130,924	119,337	110,898
Forward assets purchase	20,800	-	20,800	-
Obligations under an on-going underwriting agreement	20,000	51,150	-	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	867,310	1,239,933	711,536	871,143
- maturity not exceeding one year	9,625,561	9,273,334	7,335,855	7,139,788
Unutilised credit card lines	1,299,366	1,356,566	1,299,366	1,356,566
	13,220,567	13,487,908	10,490,052	10,660,833
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,718,029	12,470,667	7,718,029	12,470,667
- over one year to three years	681,661	621,349	681,661	621,349
- over three years	661,606	315,762	661,606	315,762
Interest rate related contracts:				
- one year or less	2,099,218	3,505,421	2,099,218	3,505,421
- over one year to three years	3,984,245	3,386,675	3,984,245	3,386,675
- over three years	1,492,030	2,230,984	1,492,030	2,230,984
Equity related contracts				
- one year or less	295,184	533,770	295,184	533,770
- over one year to three years	214,860	273,868	214,860	273,868
- over three years	-	145,300	-	145,300
	17,146,833	23,483,796	17,146,833	23,483,796
	30,367,400	36,971,704	27,636,885	34,144,629

A31 Segment Information

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

Based on the results presented to chief operating decision maker, funds are allocated between segments and inter-segment funding cost transfers are reflected in net interest income. In addition to the operating segments, the segment information disclosed also includes inter-segment eliminations. Transactions between reportable segments are eliminated based on principles of consolidation as described in accounting policy. Intercompany transactions, balances and unrealised gains and losses on transactions between Group's companies are eliminated in inter-segment eliminations.

The Group is organised into the following key operating segments:

(i) Consumer Banking

Consumer Banking provides a wide range of personal banking solutions covering mortgages, term loans, personal loans, hire purchase facilities, credit cards and wealth management (cash management, investment services, share trading, bancassurance and will writing). Consumer Banking customers are serviced via branch network, call centre, electronic/internet banking channels, and direct sales channels.

(ii) Business Banking

Business Banking segment covers Small and Medium 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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A31 Segment information (Contd.)

GROUP	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Stockbroking and Corporate Advisory RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
4th Quarter ended 31 March 2021								
Net interest income								
- external income	89,542	114,408	60,546	1,681	14	266,191	1,144	267,335
- inter-segment	(4,989)	2,871	2,889	(771)	-	-	-	-
	84,553	117,279	63,435	910	14	266,191	1,144	267,335
Net income from Islamic banking business	41,932	30,792	23,181	-	17	95,922	1,777	97,699
Other operating income	33,265	31,233	4,238	11,985	12,120	92,841	(12,061)	80,780
Net income	159,750	179,304	90,854	12,895	12,151	454,954	(9,140)	445,814
Other operating expenses	(94,707)	(75,302)	(14,165)	(13,511)	(21,192)	(218,877)	9,239	(209,638)
Depreciation and amortisation	(10,092)	(9,389)	(2,197)	(1,102)	(101)	(22,881)	384	(22,497)
Operating profit/(loss)	54,951	94,613	74,492	(1,718)	(9,142)	213,196	483	213,679
(Allowance for)/write-back of expected credit losses on loans, advances and other financial assets	(87,619)	(48,976)	(2)	16	-	(136,581)	-	(136,581)
Write-back of/(allowance for) expected credit losses on financial investments	-	766	338	(130)	(735)	239	(130)	109
Segment result	(32,668)	46,403	74,828	(1,832)	(9,877)	76,854	353	77,207
Share of results of joint venture								18
Taxation								(27,153)
Net profit for the financial period								50,072
Segment assets	22,054,323	27,449,428	11,474,860	359,446	440,154	61,778,211	(1,720,990)	60,057,221
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								994
Property, plant and equipment								57,264
Tax recoverable and deferred tax assets								174,457
Intangible assets								431,259
Total assets								60,721,195

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A31 Segment information (Contd.)

<u>GROUP</u>	Consumer <u>Banking</u>	Business <u>Banking</u>	Financial <u>Markets</u>	Stockbroking and <u>Corporate Advisory</u>	<u>Others</u>	Total <u>Operations</u>	Inter-segment <u>Elimination</u>	<u>Total</u>
Full Year ended 31 March 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income								
- external income	316,343	436,632	258,542	7,184	76	1,018,777	(2,121)	1,016,656
- inter-segment	21,807	41,058	(59,521)	(3,344)	-	-	-	-
	338,150	477,690	199,021	3,840	76	1,018,777	(2,121)	1,016,656
Net income from Islamic banking business	165,601	125,908	69,861	-	86	361,456	17,044	378,500
Other operating income	112,321	128,101	135,925	49,563	20,376	446,286	(23,875)	422,411
Net income	616,072	731,699	404,807	53,403	20,538	1,826,519	(8,952)	1,817,567
Other operating expenses	(338,029)	(266,219)	(44,274)	(37,714)	(36,095)	(722,331)	10,073	(712,258)
Depreciation and amortisation	(40,360)	(37,473)	(8,704)	(3,024)	(411)	(89,972)	1,572	(88,400)
Operating profit/(loss)	237,683	428,007	351,829	12,665	(15,968)	1,014,216	2,693	1,016,909
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(377,335)	(155,978)	247	150	-	(532,916)	-	(532,916)
Write-back of/(allowance for) expected credit losses on financial assets	-	753	250	(130)	(735)	138	(234)	(96)
Segment result	(139,652)	272,782	352,326	12,685	(16,703)	481,438	2,459	483,897
Share of results of joint venture								91
Taxation								(125,203)
Net profit for the financial period								358,785
Segment assets	22,054,323	27,449,428	11,474,860	359,446	440,154	61,778,211	(1,720,990)	60,057,221
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								994
Property, plant and equipment								57,264
Tax recoverable and deferred tax assets								174,457
Intangible assets								431,259
Total assets								60,721,195

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A31 Segment information (Contd.)

GROUP	Consumer Banking	Business Banking	Financial Markets	Stockbroking and Corporate Advisory	Others	Total Operations	Inter-segment Elimination	Total
4th Quarter ended 31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income								
- external income	98,170	96,083	57,057	2,772	71	254,153	307	254,460
- inter-segment	(7,061)	18,160	(9,438)	(1,661)	-	-	-	-
	91,109	114,243	47,619	1,111	71	254,153	307	254,460
Net income from Islamic banking business	41,886	29,919	13,745	-	33	85,583	6,443	92,026
Other operating income	24,098	40,354	10,860	7,464	9,622	92,398	(4,475)	87,923
Net income	157,093	184,516	72,224	8,575	9,726	432,134	2,275	434,409
Other operating expenses	(89,182)	(71,081)	(10,713)	(9,774)	(4,422)	(185,172)	69	(185,103)
Depreciation and amortisation	(9,484)	(8,624)	(1,832)	(633)	(105)	(20,678)	369	(20,309)
Operating profit/(loss)	58,427	104,811	59,679	(1,832)	5,199	226,284	2,713	228,997
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(79,186)	(19,016)	24	(212)	1	(98,389)	-	(98,389)
(Allowance for)/write-back of expected credit losses on financial investments	-	(1,005)	(261)	936	735	405	2	407
Allowance for impairment losses on non-financial assets	-	-	-	(3,928)	-	(3,928)	3,297	(631)
Segment result	(20,759)	84,790	59,442	(5,036)	5,935	124,372	6,012	130,384
Share of results of joint venture								17
Taxation								(32,344)
Net profit for the financial period								98,057
Segment assets	24,115,445	25,558,326	12,242,497	269,954	47,365	62,233,587	(1,859,561)	60,374,026
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								903
Property, plant and equipment								64,486
Tax recoverable and deferred tax assets								98,959
Intangible assets								437,086
Total assets								60,975,460

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A31 Segment information (Contd.)

GROUP	Consumer <u>Banking</u>	Business <u>Banking</u>	Financial <u>Markets</u>	Stockbroking and <u>Corporate Advisory</u>	<u>Others</u>	Total <u>Operations</u>	Inter-segment <u>Elimination</u>	<u>Total</u>
Full Year ended 31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income								
- external income	397,303	370,302	228,099	13,043	281	1,009,028	(28,194)	980,834
- inter-segment	(50,798)	81,828	(23,099)	(7,931)	-	-	-	-
	346,505	452,130	205,000	5,112	281	1,009,028	(28,194)	980,834
Net income from Islamic banking business	160,735	117,754	61,477	-	165	340,131	37,765	377,896
Other operating income	101,271	161,209	35,096	27,385	22,978	347,939	(17,349)	330,590
Net income	608,511	731,093	301,573	32,497	23,424	1,697,098	(7,778)	1,689,320
Other operating expenses	(343,113)	(276,305)	(47,969)	(38,062)	(18,101)	(723,550)	315	(723,235)
Depreciation and amortisation	(39,656)	(35,105)	(7,593)	(2,633)	(492)	(85,479)	1,695	(83,784)
Operating profit/(loss)	225,742	419,683	246,011	(8,198)	4,831	888,069	(5,768)	882,301
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(218,220)	(54,807)	152	(360)	1	(273,234)	-	(273,234)
(Allowance for)/write-back of expected credit losses on financial investments	-	(38,584)	(74)	936	735	(36,987)	(10)	(36,997)
Allowance for impairment losses on non-financial assets	-	-	-	(9,230)	-	(9,230)	4,913	(4,317)
Segment result	7,522	326,292	246,089	(16,852)	5,567	568,618	(865)	567,753
Share of results of joint venture								101
Taxation								(143,591)
Net profit for the financial period								424,263
Segment assets	24,115,445	25,558,326	12,242,497	269,954	47,365	62,233,587	(1,859,561)	60,374,026
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								903
Property, plant and equipment								64,486
Tax recoverable and deferred tax assets								98,959
Intangible assets								437,086
Total assets								60,975,460

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A32 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 Group and the Bank have also adopted the transitional arrangements on provisions for expected credit losses in accordance with Bank Negara Malaysia's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions effective on 9 December 2020.

This allow the Group and the Bank to add back a portion of Stage 1 (S1) and Stage 2 (S2) provisions with an "add-back factor", to the CET1 capital from Financial Year 2021 to Financial Year 2024.

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

	GROUP		BANK	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	16.463%	-	15.654%	-
Tier I capital ratio	17.418%	-	16.566%	-
Total capital ratio	21.816%	-	21.549%	-
<u>After deducting proposed dividends</u>				
CET I capital ratio	16.218%	-	15.327%	-
Tier I capital ratio	17.173%	-	16.238%	-
Total capital ratio	21.571%	-	21.222%	-
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.232%	13.826%	14.646%	12.899%
Tier I capital ratio	16.187%	14.593%	15.557%	13.771%
Total capital ratio	20.588%	18.902%	20.582%	18.634%
<u>After deducting proposed dividends</u>				
CET I capital ratio	14.987%	13.826%	14.318%	12.899%
Tier I capital ratio	15.942%	14.593%	15.230%	13.771%
Total capital ratio	20.343%	18.902%	20.255%	18.634%

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A32 Capital Adequacy (Contd.)

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

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	4,471,771	3,974,847	3,985,966	3,346,890
Regulatory reserves	86,440	224,579	80,006	182,292
FVOCI reserves	50,993	140,966	(5,082)	79,612
Capital reserves	100,150	100,150	15,515	15,515
	6,257,460	5,988,648	5,624,511	5,172,415
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(431,259)	(437,086)	(329,004)	(332,680)
- Deferred tax assets	(130,100)	(28,125)	(95,200)	(14,074)
- 55% of FVOCI reserves	(28,046)	(77,531)	-	(43,787)
- Regulatory reserves	(86,440)	(224,579)	(80,006)	(182,292)
- Investment in subsidiaries, associate and joint venture	(994)	(903)	(1,109,102)	(909,102)
- Transitional arrangements	451,004	-	276,161	-
Total CET I Capital	6,031,625	5,220,424	4,287,360	3,690,480
Additional Tier I Capital Securities	349,899	289,844	249,732	249,584
Total Additional Tier I Capital	349,899	289,844	249,732	249,584
Total Tier I Capital	6,381,524	5,510,268	4,537,092	3,940,064
<u>Tier II Capital</u>				
Subordinated obligations	1,199,077	1,199,829	1,198,554	1,199,719
Expected credit losses and regulatory reserves	412,255	427,020	296,396	321,754
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	1,611,332	1,626,849	1,364,950	1,391,473
Total Capital	7,992,856	7,137,117	5,902,042	5,331,537

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

	GROUP		BANK	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Credit risk	33,065,592	34,161,647	24,611,480	25,740,333
Market risk	322,652	472,308	322,331	472,308
Operational risk	3,249,393	3,125,054	2,454,737	2,398,815
Total RWA and capital requirements	36,637,637	37,759,009	27,388,548	28,611,456

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A32 Capital Adequacy (Contd.)

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

	Alliance Islamic Bank <u>Berhad</u>		Alliance Investment Bank <u>Berhad</u>	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.035%	-	72.580%	-
Tier I capital ratio	16.158%	-	72.580%	-
Total capital ratio	18.783%	-	73.506%	-
<u>After deducting proposed dividends</u>				
CET I capital ratio	15.035%	-	69.000%	-
Tier I capital ratio	16.158%	-	69.000%	-
Total capital ratio	18.783%	-	69.926%	-
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.065%	10.507%	72.550%	98.737%
Tier I capital ratio	14.188%	11.617%	72.550%	98.737%
Total capital ratio	16.813%	14.233%	73.476%	99.682%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.065%	10.507%	68.970%	97.246%
Tier I capital ratio	14.188%	11.617%	68.970%	97.246%
Total capital ratio	16.813%	14.233%	69.896%	98.190%

A33 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 Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

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

(ii) Financial instruments in Level 2

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use 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 and most of the Group's and the Bank's derivatives.

(iii) Financial instruments in Level 3

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

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

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A33 Fair Value Measurements (Contd.)**(b) Financial instruments measured at fair value and the fair value hierarchy**

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

<u>GROUP</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2021	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at fair value through profit or loss				
- Money market instruments	-	13,246	-	13,246
- Unquoted securities	-	-	224,676	224,676
Financial investments at fair value through other comprehensive income				
- Money market instruments	-	5,479,233	-	5,479,233
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	4,945,421	-	4,945,421
Derivative financial assets	-	153,735	-	153,735
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	472,695	-	472,695
Derivative financial liabilities	-	149,410	-	149,410
<u>BANK</u>				
31 March 2021	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at fair value through profit or loss				
- Money market instruments	-	13,246	-	13,246
- Unquoted securities	-	-	154,482	154,482
Financial investments at fair value through other comprehensive income				
- Money market instruments	-	4,202,184	-	4,202,184
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	3,101,667	-	3,101,667
Derivative financial assets	-	153,735	-	153,735
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss				
	-	472,695	-	472,695
Derivative financial liabilities	-	149,410	-	149,410

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A33 Fair Value Measurements (Contd.)**(b) Financial instruments measured at fair value and the fair value hierarchy (contd.)**

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

<u>GROUP</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2020	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at				
fair value through profit or loss				
- Money market instruments	-	437,929	-	437,929
- Unquoted securities	-	10,025	202,160	212,185
Financial investments at fair value				
through other comprehensive income				
- Money market instruments	-	6,476,810	-	6,476,810
- Quoted securities in Malaysia	5	-	-	5
- Unquoted securities	-	5,067,692	-	5,067,692
Derivative financial assets	-	436,910	-	436,910
<u>Liabilities</u>				
Financial liabilities designated				
at fair value through profit or loss	-	427,085	-	427,085
Derivative financial liabilities	-	348,877	-	348,877
<u>BANK</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2020	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at				
fair value through profit or loss				
- Money market instruments	-	437,929	-	437,929
- Unquoted securities	-	10,025	137,768	147,793
Financial investments at fair value				
through other comprehensive income				
- Money market instruments	-	5,403,416	-	5,403,416
- Quoted securities in Malaysia	5	-	-	5
- Unquoted securities	-	3,023,357	-	3,023,357
Derivative financial assets	-	436,910	-	436,910
<u>Liabilities</u>				
Financial liabilities designated				
at fair value through profit or loss	-	427,085	-	427,085
Derivative financial liabilities	-	348,877	-	348,877

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A33 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>	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	202,160	187,517	137,768	126,733
Partial distribution on liquidating shares	(243)	(106)	(243)	(106)
Total gain recognised in:				
- Statement of income				
(i) Revaluation gain from financial assets at fair value through profit or loss	22,759	14,749	16,957	11,141
At end of financial year	224,676	202,160	154,482	137,768

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

A34 Credit Transactions And Exposures With Connected Parties

	<u>BANK</u>	
	31 March	31 March
	2021	2020
	RM'000	RM'000
Outstanding credit exposures with connected parties	329,573	11,378
of which:		
Total credit exposure which is impaired or in default	206	241
Total credit exposures	48,187,666	48,581,617
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	0.68%	0.02%
- which is impaired or in default	0.00%	0.00%

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A35 Offsetting Financial Assets And Financial Liabilities

In accordance with MFRS 132 Financial Instruments: Presentation, the Group and the Bank report financial assets and financial liabilities on a net basis on the statement of financial position, only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- (i) all financial assets and liabilities that are reported net on the statement of financial position; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statement of financial position netting.

(a) Financial assets

	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Gross amounts of recognised financial assets presented in the statement of financial position RM'000	Net amounts of financial assets presented in the statement of financial position RM'000	Related amounts not set off in the statement of financial position RM'000	Cash collateral received RM'000	Net Amount RM'000
GROUP						
31 March 2021						
Derivative financial assets	153,735	-	153,735	(49,769)	(27,810)	76,156
Amounts due from clients and brokers	193,562	(88,521)	105,041	-	-	105,041
	<u>347,297</u>	<u>(88,521)</u>	<u>258,776</u>	<u>(49,769)</u>	<u>(27,810)</u>	<u>181,197</u>
BANK						
31 March 2021						
Derivative financial assets	153,735	-	153,735	(49,769)	(27,810)	76,156
GROUP						
31 March 2020						
Derivative financial assets	436,910	-	436,910	(105,271)	(82,765)	248,874
Amounts due from clients and brokers	84,014	(32,849)	51,165	-	-	51,165
Total	<u>520,924</u>	<u>(32,849)</u>	<u>488,075</u>	<u>(105,271)</u>	<u>(82,765)</u>	<u>300,039</u>
BANK						
31 March 2020						
Derivative financial assets	436,910	-	436,910	(105,271)	(82,765)	248,874

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A35 Offsetting Financial Assets And Financial Liabilities (Contd.)
(b) Financial liabilities

	Gross amounts of recognised financial assets set off in the statement of financial position RM'000	Gross amounts of recognised financial liabilities presented in the statement of financial position RM'000	Net amounts of financial liabilities presented in the statement of financial position RM'000	Related amounts not set off in the statement of financial position	Cash collateral pledged RM'000	Net Amount RM'000
	Gross amounts of recognised financial liabilities RM'000			Financial Instruments RM'000		
GROUP						
31 March 2021						
Derivative financial liabilities	149,410	-	149,410	(49,769)	(61,381)	38,260
Amounts due to clients and brokers	151,937	(88,521)	63,416	-	-	63,416
Total	301,347	(88,521)	212,826	(49,769)	(61,381)	101,676
BANK						
31 March 2021						
Derivative financial liabilities	149,410	-	149,410	(49,769)	(61,381)	38,260
GROUP						
31 March 2020						
Derivative financial liabilities	348,877	-	348,877	(105,271)	(136,766)	106,840
Amounts due to clients and brokers	55,141	(32,849)	22,292	-	-	22,292
Total	404,018	(32,849)	371,169	(105,271)	(136,766)	129,132
BANK						
31 March 2020						
Derivative financial liabilities	348,877	-	348,877	(105,271)	(136,766)	106,840

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

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

B1 Financial Review for Financial Quarter and Financial Year to Date

GROUP

	4th Quarter Ended 31 March 2021 RM'000	4th Quarter Ended 31 March 2020 RM'000	Changes %
Net income/revenue	445,814	434,409	2.6
Operating profit before allowance	213,679	228,997	(6.7)
Operating profit after allowance	77,207	130,384	(40.8)
Profit before taxation	77,225	130,401	(40.8)
Profit after taxation	50,072	98,057	(48.9)
Profit attributable to ordinary equity holders of the Bank	50,072	98,057	(48.9)
	Full Year Ended 31 March 2021 RM'000	Full Year Ended 31 March 2020 RM'000	Changes %
Net income/revenue	1,817,567	1,689,320	7.6
Operating profit before allowance	1,016,909	882,301	15.3
Operating profit after allowance	483,897	567,753	(14.8)
Profit before taxation	483,988	567,854	(14.8)
Profit after taxation	358,785	424,263	(15.4)
Profit attributable to ordinary equity holders of the Bank	358,785	424,263	(15.4)
	4th Quarter Ended 31 March 2021 RM'000	3rd Quarter Ended 31 December 2020 RM'000	Changes %
Net income/revenue	445,814	475,699	(6.3)
Operating profit before allowance	213,679	284,520	(24.9)
Operating profit after allowance	77,207	133,991	(42.4)
Profit before taxation	77,225	134,011	(42.4)
Profit after taxation	50,072	100,457	(50.2)
Profit attributable to ordinary equity holders of the Bank	50,072	100,457	(50.2)

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

BANK

	4th Quarter Ended 31 March 2021 RM'000	4th Quarter Ended 31 March 2020 RM'000	Changes %
Net income/revenue	328,225	327,316	0.3
Operating profit before allowance	153,147	171,447	(10.7)
Operating profit after allowance	74,514	111,855	(33.4)
Profit before taxation	74,514	111,855	(33.4)
Profit after taxation	48,527	84,112	(42.3)
Profit attributable to ordinary equity holders of the Bank	48,527	84,112	(42.3)
	Full Year Ended 31 March 2021 RM'000	Full Year Ended 31 March 2020 RM'000	Changes %
Net income/revenue	1,579,254	1,317,635	19.9
Operating profit before allowance	962,739	696,406	38.2
Operating profit after allowance	643,383	504,609	27.5
Profit before taxation	643,383	504,609	27.5
Profit after taxation	536,790	389,138	37.9
Profit attributable to ordinary equity holders of the Bank	536,790	389,138	37.9
	4th Quarter Ended 31 March 2021 RM'000	3rd Quarter Ended 31 December 2020 RM'000	Changes %
Net income/revenue	328,225	580,229	(43.4)
Operating profit before allowance	153,147	430,675	(64.4)
Operating profit after allowance	74,514	352,882	(78.9)
Profit before taxation	74,514	352,882	(78.9)
Profit after taxation	48,527	321,500	(84.9)
Profit attributable to ordinary equity holders of the Bank	48,527	321,500	(84.9)

B2 Review Of Performance

Business Review For Financial Year Ended 31 March 2021 ("FY2021")

Profitability

The Group's net profit after taxation was RM358.8 million for the full year ended 31 March 2021. The decline was RM65.5 million or 15.4% year-on-year ("YOY"). The lower profits were largely due to higher credit cost as a result of provisioning, mostly in the consumer portfolio.

Nevertheless, pre-provision operating profit ("PPOP") was up by 15.3%, mainly driven by net financing income growth, lower cost of funds and tighter cost management. Net income improved by RM128.2 million or 7.6% YOY. Net interest margin ("NIM") came in lower at 2.30%, mainly due to Overnight Policy Rate ("OPR") cuts.

Loans Grew Marginally

Gross loans and advances stood at RM44.1 billion, recording an increase of 1.1% YOY driven by the small and medium enterprise ("SME") and consumer segments, growing by 6.4% and 0.4% respectively.

Other Operating Income Continues to Improve

The Group recorded other operating income of RM456.7 million, higher by RM90.9 million or 24.8% YOY despite the challenging external environment. The higher revenue came from higher treasury and investment income, helped by increases in bond prices and brokerage and wealth management income.

Managing Operating Expenses

Operating expenses decreased by RM6.4 million or 0.8%, mainly due to our initiatives in managing marketing, administrative and compensation costs. The cost-to-income ratio ("CIR") decreased by 3.7% to 44.1%. The Group will continue to focus on cost-saving efforts as we navigate through the COVID-19 pandemic.

Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing and other debts increased by RM218.5 million or 69.5% to RM533.0 million as compared to the previous financial year. Included in the allowance for expected credit losses on loans, advances, financing and other debts were reserves that the Group built up via management overlays amounting to RM312.7 million in anticipation of the impacts of COVID-19 on the economy. As a result, the Group recorded a net credit cost of 121.4 bps.

We enhanced our credit risk framework in each line of business by stratifying customers according to risk levels and prioritising customer calls or visits. We also provided Payment Relief Assistance programmes to help borrowers while managing the Group's credit risk. In addition, the Group continued to help its customers through the three-month extended moratorium for those who lost their sources of income.

The Group will continue to improve its control of credit cost by refining credit policies, tightening credit underwriting and increasing collection efforts. Loan loss coverage (including regulatory reserves) was at 105.9%.

Healthy Funding and Liquidity Position

The Group's customer-based funding stood at RM48.7 billion. We were able to maintain a high current account/savings account ("CASA") ratio of 47.0%, driven by Alliance SavePlus and Alliance@Work. We will continue to grow CASA through Alliance SavePlus and garner CASA balances from businesses and their employees under the Alliance@Work channel.

B2 Review Of Performance (Contd.)

Business Review For Financial Year Ended 31 March 2021 ("FY2021") (contd.)

Healthy Funding and Liquidity Position (contd.)

The Group's customer-based funding stood at RM48.7 billion. We were able to maintain a high current account/savings account ("CASA") ratio of 47.0%, driven by Alliance SavePlus and Alliance@Work. We will continue to grow CASA through Alliance SavePlus and garner CASA balances from businesses and their employees under the Alliance@Work channel.

The Group's liquidity coverage and loans-to-funds ratios stood at 150.0% and 84.3% respectively. The Group will continue to maintain ample liquidity ratios and ensure a sufficient liquidity buffer to mitigate any payment shocks resulting from the uncertainties caused by COVID-19.

Proactive Capital Management

Our conservative capital management approach resulted in the Bank maintaining a robust capital position. Our capital ratios were boosted by 1.2%, due to a transitional arrangement since December 2020 to recognize stage 1 and 2 expected credit losses as CET1. We maintained one of the strongest capital levels in the industry, with Common Equity Tier-1 (CET 1) ratio at 16.2%, Tier- 1 Capital ratio at 17.2% and total capital ratio at 21.6%.

The Group will continue to prioritise capital conservation in order to support business expansion as we navigate through the COVID-19 pandemic. On 21 December 2020, Alliance Islamic Bank Berhad received a capital injection of RM200 million in the form of new ordinary shares from Alliance Bank Malaysia Berhad. The Bank has also reissued RM1.2 billion of new Tier-2 Subordinated Medium Term Notes successfully on 27 October 2020, which was utilised to fully redeem all our existing Tier-2 Subordinated Medium Term Notes.

The Group declared an interim dividend of RM89.6 million for the financial year ended 31 March 2021.

Performance by Business Segment and Subsidiary

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

The Group Consumer Banking segment recorded a loss before tax of RM139.7 million due to the build up of allowances for expected credit losses related to the economic impact of COVID-19 on our more vulnerable customers. Net income was higher by RM7.6 million or 1.2%. Net interest income increased by RM1.0 million while other operating income increased by RM6.6 million. Operating expenses decreased by RM4.4 million or 1.1%. Allowances for expected credit losses were higher by RM159.1 million largely due to management overlays amounting to RM240.6 million. The segment assets stood at RM22.1 billion.

The Group Business Banking segment, comprising corporate, commercial and SME banking, recorded a profit before tax of RM272.8 million, which was 16.4% lower than the previous financial year. Net income increased by RM0.6 million or 0.1% YOY mainly due to higher net interest income. Operating expenses decreased by RM7.7 million or 2.5%. Allowances for expected credit losses were higher by RM61.8 million. Segment assets registered a growth of RM1.9 billion or 7.4%.

Profit before tax in the Group Financial Markets segment increased by 43.2% or RM106.2 million YOY to RM352.3 million. Net income was higher by RM103.2 million or 34.2% YOY due to gains from the bond portfolio. Operating expenses decreased by RM2.6 million or 4.7% YOY. Segment assets stood at RM11.5 billion.

The Investment Banking segment recorded a profit before tax of RM12.7 million due to higher brokerage income.

B2 Review Of Performance (Contd.)

Performance by Business Segment and Subsidiary (Contd.)

The Islamic Banking segment which consist of Consumer Banking, Business Banking and Financial Markets, recorded a net profit after taxation of RM6.7 million, representing a decrease of RM67.5 million compared to the previous financial year due to the build up of allowances for expected credit losses related to the economic impact of COVID-19 on our more vulnerable customers. Net income was higher by RM21.4 million or 6.4%. Net profit income increased by RM28.0 million while other operating income decreased by RM6.6 million. Operating expenses increased by RM0.2 million or 0.2%. Allowances for expected credit losses were higher by RM108.8 million largely due to management overlays amounting to RM123.6 million. The total assets stood at RM14.6 billion.

Current Quarter vs Previous Year Corresponding Quarter

The Group's profit after taxation of RM50.1 million for the quarter was 48.9% or RM48.0 million lower compared to the previous corresponding quarter, mainly due to higher operating expenses and credit cost.

Key Quarter-on-Quarter Performance Highlights

- Net income was higher by RM11.4 million or 2.6% mainly due to higher net interest income.
- NIM grew by 8 bps to 2.51%.
- Other operating income decreased by RM6.4 million or 6.8% due to lower treasury and investment income.
- Operating expenses were higher by RM26.7 million or 13.0% mainly from personnel cost and professional fees.
- Net credit cost was 30.1 bps

B3 Comparison with Immediate Preceding Quarter

As compared to the immediate preceding quarter, the Group's profit after taxation of RM50.1 million for the quarter was lower by 50.2% or RM50.4 million.

Key Quarter-on-Quarter Performance Highlights

- Net income was lower by RM29.9 million or 6.3% mainly due to lower other operating income.
- NIM was at 2.51%
- Other operating income decreased by RM52.0 million or 37.2% as there was higher disposal gain from financial investment in the preceding quarter.
- Operating expenses were higher by RM41.0 million or 21.4% mainly from personnel cost and professional fees.
- Net credit cost was 30.1 bps

B4 Business Outlook For FY2022

Given the ongoing impact of the COVID-19 pandemic, the Group will continue to prioritise customer engagement to address asset quality concerns. Meanwhile, it will support targeted customers that remain affected by the pandemic. The Group will also continue managing its loan portfolio with tighter credit underwriting.

Notwithstanding the above, the Group will focus on growing the business via the following three key focus areas:

- (i) Acquiring more customers where the Group intends to scale up in its core segments of SME and Consumer Banking by enhancing and equipping relationship managers with digital tools to serve high-value customers. The Group will also focus on securing more customers via digital channels;
- (ii) Capitalising on our Consumer and Business Banking franchises, whereby we will focus on accelerating cross-selling value propositions to our customers to increase market penetration and generate fee-based income; and
- (iii) Enhancing productivity and efficiencies by streamlining processes, automating through digital tools/channels, centralising functions and improving branch productivity.

With these focus areas, and the Group's continuing effort to apply prudent management practices, the Group expects to deliver sustainable returns to our shareholders while strengthening our market presence.

B5 Profit Forecast

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

B6 Taxation

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
- Income tax	122,536	47,709	200,992	159,856
- Deferred tax	(101,449)	(15,939)	(81,688)	(16,488)
- Real property gain tax	-	-	-	183
- Under provision for taxation in prior financial period	6,066	574	5,899	40
	27,153	32,344	125,203	143,591
	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
- Income tax	94,184	39,614	156,207	122,548
- Deferred tax	(74,219)	(12,568)	(56,277)	(7,718)
- Real property gain tax	-	-	-	183
- Under provision for taxation in prior financial period	6,022	697	6,663	458
	25,987	27,743	106,593	115,471

The Group's effective tax rate for the fourth financial quarter and financial year ended 31 March 2021 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 fourth financial quarter and full year ended 31 March 2021 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 fourth financial quarter and full year ended 31 March 2021 ended 31 March 2020 other than 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 was no corporate proposal announced but not completed as at financial report date.

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B10 Deposits from Customers, Deposits and Placements of Banks and Other Financial Institutions and Debts Securities

	<u>GROUP</u>		<u>BANK</u>	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	25,149,438	29,562,412	18,864,817	22,134,580
- More than one year (medium/long term)	539,376	732,304	84,328	172,548
	<u>25,688,814</u>	<u>30,294,716</u>	<u>18,949,145</u>	<u>22,307,128</u>
Others	22,799,699	18,131,136	17,201,171	14,395,861
	<u>48,488,513</u>	<u>48,425,852</u>	<u>36,150,316</u>	<u>36,702,989</u>
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	651,349	1,235,071	111,480	576,985
- More than one year (medium/long term)	741,303	308,575	547,897	156,579
	<u>1,392,652</u>	<u>1,543,646</u>	<u>659,377</u>	<u>733,564</u>
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- One year or less (short term)	-	1,226,681	-	1,226,571
- More than one year (medium/long term)	1,218,706	-	1,218,182	-
Additional Tier 1 Capital Securities (unsecured)				
- More than one year (medium/long term)	354,012	293,956	253,796	253,683
	<u>1,572,718</u>	<u>1,520,637</u>	<u>1,471,978</u>	<u>1,480,254</u>

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B11 Derivative Financial Assets/(Liabilities)

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

GROUP/BANK	As at 31 March 2021			As at 31 March 2020		
	Principal RM'000	Fair value Assets RM'000	Liabilities RM'000	Principal RM'000	Fair value Assets RM'000	Liabilities RM'000
Foreign exchange and commodity contracts						
Currency forwards						
- one year or less	2,861,246	46,035	(3,795)	2,428,377	65,254	(14,980)
- over one year to three years	399,396	637	(5,650)	332,529	11,435	(884)
- over three years	321,470	1,280	(3,428)	186,439	3,106	(304)
Currency swaps						
- one year or less	4,551,148	3,910	(37,962)	9,848,691	129,672	(111,432)
- over one year to three years	282,265	1,780	(273)	271,577	-	(7,705)
- over three years	340,136	6,781	-	129,323	-	(2,282)
Currency spots						
- one year or less	125,653	234	(84)	40,337	146	(102)
Currency options						
- one year or less	179,982	271	(55)	153,262	302	(131)
- over one year to three years	-	-	-	17,243	-	(261)
	9,061,296	60,928	(51,247)	13,407,778	209,915	(138,081)
Interest rate derivatives						
Interest rate swap	7,575,493	79,784	(50,355)	9,123,080	102,793	(62,213)
- one year or less	2,099,218	11,054	(6,050)	3,505,421	7,073	(5,117)
- over one year to three years	3,984,245	52,302	(35,587)	3,386,675	45,023	(28,965)
- over three years	1,492,030	16,428	(8,718)	2,230,984	50,697	(28,131)
Equity related derivatives						
- one year or less	295,184	12,356	(35,606)	533,770	91,660	(114,219)
- over one year to three years	214,860	667	(12,202)	273,868	32,542	(32,542)
- over three years	-	-	-	145,300	-	(1,822)
Total derivatives assets/(liabilities)	17,146,833	153,735	(149,410)	23,483,796	436,910	(348,877)

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the 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 March 2021, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM153,735,000 (31 March 2020: RM436,910,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

(ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 31 March 2021, the Group and the Bank had posted cash collateral of RM61,381,000 (31 March 2020: RM137,766,000) 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 2020.

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 fourth financial quarter and full year ended 31 March 2021.

B13 Dividend Declared

On 31 May 2021, the Board of Directors declared an interim dividend of 5.79 sen per share amounting to approximately RM89,635,000 under single tier tax system, in respect of the financial year ended 31 March 2021 to be paid on 30 June 2021. The entitlement date for the interim dividend payment is on 17 June 2021. The Directors do not propose any final dividend in respect of the financial year ended 31 March 2021.

B14 Earnings Per Share

(a) Basic

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

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
<u>GROUP</u>				
Net profit for the financial period/year attributable to Equity holders of the Bank (RM'000)	50,072	98,057	358,785	424,263
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Basic earnings per share (sen)	3.2	6.3	23.2	27.4

	4th Quarter Ended		Financial Year Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
<u>BANK</u>				
Net profit for the financial period/year attributable to Equity holders of the Bank (RM'000)	48,527	84,112	536,790	389,138
Weighted average numbers of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Basic earnings per share (sen)	3.1	5.4	34.7	25.1

B14 Earnings Per Share (Contd.)

(b) Diluted

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

There were no dilutive potential ordinary shares outstanding as at 31 March 2021 and 31 March 2020 respectively. As a result, the dilutive earnings per share equal to basic earnings per share for financial period/year ended 31 March 2021 and 31 March 2020.

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary

Kuala Lumpur

31 May 2021