

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 September 2022

		GROUP		BANK	
		30 September	31 March	30 September	31 March
		2022	2022	2022	2022
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		4,316,702	3,228,574	2,952,361	1,805,402
Deposits and placements with banks and other financial institutions		-	168,184	-	168,184
Amounts due from clients and brokers	A11	-	55,040	-	-
Financial assets at fair value through profit or loss	A12	315,353	541,615	315,353	467,261
Financial investments at fair value through other comprehensive income	A13	8,546,437	9,119,699	6,376,135	6,739,619
Financial investments at amortised cost	A14	2,621,706	2,129,608	2,642,996	2,244,436
Derivative financial assets	B11	369,318	86,294	369,554	86,294
Loans, advances and financing	A15	45,756,285	45,123,745	34,151,054	33,608,197
Other assets	A16	769,843	470,102	930,960	526,064
Tax recoverable		13,287	11,554	-	-
Statutory deposits		142,509	99,536	87,571	68,999
Investments in subsidiaries		-	-	959,102	1,109,102
Investment in joint venture		1,074	1,048	-	-
Right-of-use assets		115,084	121,931	115,082	121,701
Property, plant and equipment		57,649	55,433	57,265	54,846
Deferred tax assets		240,844	203,285	171,461	143,544
Intangible assets		434,855	432,205	332,979	330,151
TOTAL ASSETS		63,700,946	61,847,853	49,461,873	47,473,800
LIABILITIES AND EQUITY					
Deposits from customers	A17	49,081,320	48,186,371	36,185,524	35,531,268
Deposits and placements of banks and other financial institutions	A18	1,504,240	1,688,994	1,207,572	1,337,749
Amounts due to clients and brokers	A19	-	28,404	-	-
Financial liabilities designated at fair value through profit or loss	A20	1,686,650	1,025,196	1,686,650	1,025,196
Derivative financial liabilities	B11	563,609	212,588	565,190	212,588
Recourse obligations on loans and financing sold to Cagamas		400,251	650,564	300,123	300,115
Lease liabilities		118,826	125,475	118,826	125,249
Other liabilities	A21	2,112,368	1,895,183	1,966,041	1,689,341
Provision for taxation		22,685	44,029	16,852	42,500
Provision for zakat		968	1,162	-	-
Deferred tax liabilities		-	426	-	-
Subordinated obligations		1,725,183	1,572,785	1,624,925	1,472,454
TOTAL LIABILITIES		57,216,100	55,431,177	43,671,703	41,736,460
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		4,936,740	4,868,570	4,242,064	4,189,234
TOTAL EQUITY		6,484,846	6,416,676	5,790,170	5,737,340
TOTAL LIABILITIES AND EQUITY		63,700,946	61,847,853	49,461,873	47,473,800
COMMITMENTS AND CONTINGENCIES	A29	44,425,099	33,911,195	41,626,090	31,158,471
Net assets per share attributable to equity holders of the Bank (RM)*					
		4.19	4.14	3.74	3.71

* 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 2022.

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 30 September 2022

		2nd Quarter Ended		Six Months Ended	
		30 September	30 September	30 September	30 September
		2022	2021	2022	2021
GROUP	Note	RM'000	RM'000	RM'000	RM'000
Interest income	A22	477,734	416,567	916,283	836,999
Interest expense	A23	(168,545)	(142,437)	(316,720)	(286,261)
Net interest income		309,189	274,130	599,563	550,738
Net income from Islamic banking business	A24	117,821	91,385	224,254	195,277
		427,010	365,515	823,817	746,015
Fee and commission income	A25	52,609	61,855	110,327	133,981
Fee and commission expense	A25	(29,990)	(26,149)	(54,241)	(52,050)
Investment (expense)/income	A25	(6,545)	35,811	24,225	80,681
Other income	A25	37,490	15,950	50,519	27,310
Other operating income	A25	53,564	87,467	130,830	189,922
Net income		480,574	452,982	954,647	935,937
Other operating expenses	A26	(208,091)	(195,603)	(418,652)	(388,950)
Operating profit before allowances		272,483	257,379	535,995	546,987
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(74,295)	(33,575)	(57,014)	(128,845)
Write-back of expected credit losses on financial investments	A28	258	154	322	123
Operating profit after allowances		198,446	223,958	479,303	418,265
Share of results of joint venture		11	14	26	31
Profit before taxation		198,457	223,972	479,329	418,296
Taxation	B6	(40,033)	(51,231)	(108,749)	(99,541)
Net profit for the financial period		158,424	172,741	370,580	318,755
Net profit for the financial period attributable to equity holders of the Bank		158,424	172,741	370,580	318,755
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B14(a)	10.2	11.2	23.9	20.6
- Diluted (sen)	B14(b)	10.2	11.2	23.9	20.6

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 30 September 2022**

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
<u>GROUP</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	158,424	172,741	370,580	318,755
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")	1,080	(68,094)	(144,756)	(48,483)
- Net gain/(loss) from change in fair value	1,515	(77,491)	(190,260)	(24,554)
- Realised gain transferred to statements of income on disposal	(13)	(12,095)	(44)	(39,278)
- Transfer (to)/from deferred tax	(360)	21,501	45,673	15,320
- Changes in expected credit losses	(62)	(9)	(125)	29
Net change in cash flow hedges	119	37	253	37
- Changes in cash flow hedges	157	49	333	49
- Transfer to deferred tax	(38)	(12)	(80)	(12)
Other comprehensive income/(expense), net of tax	1,199	(68,057)	(144,503)	(48,446)
Total comprehensive income for the financial period	159,623	104,684	226,077	270,309
Total comprehensive income for the financial period attributable to equity holders of the Bank	159,623	104,684	226,077	270,309

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 2022.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Income****for the Financial Period Ended 30 September 2022**

		2nd Quarter Ended		Six Months Ended	
		30 September	30 September	30 September	30 September
		2022	2021	2022	2021
<u>BANK</u>	Note	RM'000	RM'000	RM'000	RM'000
Interest income	A22	468,646	407,703	898,935	815,831
Interest expense	A23	(167,416)	(139,997)	(313,506)	(280,364)
Net interest income		301,230	267,706	585,429	535,467
Fee and commission income	A25	51,488	50,885	104,205	107,570
Fee and commission expense	A25	(29,633)	(22,474)	(52,099)	(43,869)
Investment (expense)/income	A25	(6,686)	28,088	61,461	91,319
Other income	A25	35,288	15,863	48,492	27,305
Other operating income	A25	50,457	72,362	162,059	182,325
Net income		351,687	340,068	747,488	717,792
Other operating expenses	A26	(163,799)	(148,722)	(327,356)	(297,145)
Operating profit before allowances		187,888	191,346	420,132	420,647
Allowance for expected credit losses on loans, advances and financing and other financial assets	A27	(50,197)	(22,310)	(25,734)	(76,805)
Write-back of/(allowance for) expected credit losses on financial investments	A28	183	26	(89)	(57)
Profit before taxation		137,874	169,062	394,309	343,785
Taxation	B6	(24,389)	(38,649)	(77,754)	(75,331)
Net profit for the financial period		113,485	130,413	316,555	268,454
Net profit for the financial period attributable to equity holders of the Bank		113,485	130,413	316,555	268,454
Earnings per share attributable to equity holders of the Bank:					
- Basic (sen)	B14(a)	7.3	8.4	20.4	17.3
- Diluted (sen)	B14(b)	7.3	8.4	20.4	17.3

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Comprehensive Income****for the Financial Period Ended 30 September 2022**

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	113,485	130,413	316,555	268,454
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI	3,896	(47,938)	(106,071)	(26,075)
- Net gain/(loss) from change in fair value	5,200	(56,510)	(139,407)	(18,287)
- Realised gain transferred to statements of income on disposal	(13)	(6,566)	(44)	(16,039)
- Transfer (to)/from deferred tax	(1,245)	15,138	33,468	8,238
- Changes in expected credit losses	(46)	-	(88)	13
Net change in cash flow hedges	119	37	253	37
- Changes in cash flow hedges	157	49	333	49
- Transfer to deferred tax	(38)	(12)	(80)	(12)
Other comprehensive income/(expense), net of tax	4,015	(47,901)	(105,818)	(26,038)
Total comprehensive income for the financial period	117,500	82,512	210,737	242,416
Total comprehensive income for the financial period attributable to equity holders of the Bank	117,500	82,512	210,737	242,416

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 2022.

Condensed Interim Financial Statements

Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 September 2022

	← Attributable to equity holders of the Bank →						
<u>GROUP</u>	Share capital RM'000	Regulatory reserves RM'000	Capital reserves RM'000	FVOCI reserves RM'000	Hedging reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2022	1,548,106	47,686	100,150	(144,227)	(253)	4,865,214	6,416,676
Net profit for the financial period	-	-	-	-	-	370,580	370,580
Other comprehensive (expense)/income	-	-	-	(144,756)	253	-	(144,503)
Total comprehensive (expense)/income for the financial period	-	-	-	(144,756)	253	370,580	226,077
Dividends paid to shareholders	-	-	-	-	-	(157,907)	(157,907)
At 30 September 2022	1,548,106	47,686	100,150	(288,983)	-	5,077,887	6,484,846
At 1 April 2021	1,548,106	86,440	100,150	51,320	-	4,471,771	6,257,787
Net profit for the financial period	-	-	-	-	-	318,755	318,755
Other comprehensive (expense)/income	-	-	-	(48,483)	37	-	(48,446)
Total comprehensive (expense)/income for the financial period	-	-	-	(48,483)	37	318,755	270,309
Transfer from regulatory reserves	-	(38,754)	-	-	-	38,754	-
Dividends paid to shareholders	-	-	-	-	-	(89,635)	(89,635)
At 30 September 2021	1,548,106	47,686	100,150	2,837	37	4,739,645	6,438,461

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 2022.

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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 September 2022 (Contd.)

	Non-Distributable reserves					Distributable reserves	
	Share capital	Regulatory reserves	Capital reserves	FVOCI reserves	Hedging reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>							
At 1 April 2022	1,548,106	41,641	15,515	(138,088)	(253)	4,270,419	5,737,340
Net profit for the financial period	-	-	-	-	-	316,555	316,555
Other comprehensive (expense)/income	-	-	-	(106,071)	253	-	(105,818)
Total comprehensive (expense)/income for the financial period	-	-	-	(106,071)	253	316,555	210,737
Dividends paid to shareholders	-	-	-	-	-	(157,907)	(157,907)
At 30 September 2022	1,548,106	41,641	15,515	(244,159)	-	4,429,067	5,790,170
At 1 April 2021	1,548,106	80,006	15,515	(4,907)	-	3,985,966	5,624,686
Net profit for the financial period	-	-	-	-	-	268,454	268,454
Other comprehensive (expense)/income	-	-	-	(26,075)	37	-	(26,038)
Total comprehensive (expense)/income for the financial period	-	-	-	(26,075)	37	268,454	242,416
Transfer from regulatory reserves	-	(38,365)	-	-	-	38,365	-
Dividends paid to shareholders	-	-	-	-	-	(89,635)	(89,635)
At 30 September 2021	1,548,106	41,641	15,515	(30,982)	37	4,203,150	5,777,467

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 2022.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2022**

	GROUP		BANK	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	479,329	418,296	394,309	343,785
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(5,496)	57	(6,125)	(77)
Allowance for expected credit losses on loans, advances and financing	61,161	128,068	31,301	76,843
Allowance for/(write-back of) expected credit losses on commitments and contingencies	2,028	(2,917)	1,542	(2,517)
(Write-back of)/allowance for expected credit losses on financial investments	(322)	(123)	89	57
Allowance for expected credit losses on amounts due from clients and brokers	-	3	-	-
Allowance for expected credit losses on other receivables	1,660	170	1,115	1,203
Write-back of expected credit losses on deposits and placements with banks	(8)	(4)	(8)	(4)
Amortisation of computer software	23,367	22,426	22,813	21,895
Depreciation of property, plant and equipment	10,103	10,120	9,939	9,613
Depreciation of right-of-use assets	12,846	12,772	12,820	12,737
Dividends from financial assets at fair value through profit or loss	(1,341)	(1,377)	(980)	(796)
Dividends from subsidiaries	-	-	(41,342)	(27,126)
Interest expense on lease liabilities	2,759	3,242	2,764	3,230
Interest expense on subordinated obligations	32,939	30,831	33,045	30,932
Interest expense on recourse obligations on loans and financing sold to Cagamas	6,851	6,851	6,851	6,851
Interest income from financial investments at amortised cost	(37,381)	(36,405)	(40,386)	(39,990)
Interest income from financial investments at fair value through other comprehensive income	(136,351)	(147,137)	(126,385)	(133,839)
Loss on disposal of property, plant and equipment	15	-	15	-
Computer software written-off	1	-	1	-
Property, plant and equipment written-off	106	-	72	-
Net gain from sale of financial assets at fair value through profit or loss	(4,790)	(1,006)	(1,186)	(1,006)
Net gain from sale of financial investments at fair value through other comprehensive income	(44)	(27,787)	(44)	(16,039)
Net gain from sale of financial investments at amortised cost	(1,482)	-	(1,482)	-
Unrealised loss arising from derivative instruments	98,139	68,326	98,280	68,326
Unrealised gain arising from financial assets at fair value through profit or loss	(16,252)	(24,525)	(16,252)	(20,366)
Net loss arising from hedging activities	333	49	333	49
Unrealised gain arising from financial liabilities designated at fair value through profit or loss	(100,244)	(49,904)	(100,244)	(49,904)
Share of results of joint venture	(26)	(31)	-	-
Cash flows from operating activities before working capital changes carried forward	427,900	409,995	280,855	283,857

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Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2022 (Contd.)**

	GROUP		BANK	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (contd.)				
Cash flows from operating activities before working capital changes brought forward	427,900	409,995	280,855	283,857
Changes in working capital:				
Amounts due to clients and brokers	26,636	4,705	-	-
Deposits from customers	894,949	(2,178,345)	654,256	(1,444,155)
Deposits and placements of banks and other financial institutions	(184,754)	243,651	(130,177)	451,188
Deposits and placements with banks and other financial institutions	168,192	(42,259)	168,192	(42,259)
Financial liabilities designated at fair value through profit or loss	761,698	426,261	761,698	426,261
Financial assets at fair value through profit or loss	244,155	(29,432)	166,198	(29,432)
Loans, advances and financing	(693,699)	246,631	(574,158)	132,256
Other assets	(303,918)	(61,933)	(408,837)	(70,418)
Other liabilities	215,159	184,597	275,161	197,232
Statutory deposits	(42,973)	(4,146)	(18,572)	(1,046)
Cash generated from/(used in) operations	1,513,345	(800,275)	1,174,616	(96,516)
Taxation paid	(121,668)	(100,803)	(95,123)	(73,029)
Zakat paid	(194)	(50)	-	-
Net cash generated from/(used in) operating activities	1,391,483	(901,128)	1,079,493	(169,545)
Cash flows from investing activities				
Dividends from financial assets at fair value through profit or loss	1,341	1,377	980	796
Dividends from subsidiaries	-	-	41,342	27,126
Interest received from financial assets at fair value through profit or loss	3,149	6,195	3,149	6,195
Interest received from financial investments at fair value through other comprehensive income	139,729	155,613	128,549	137,826
Interest received from financial investments at amortised cost	33,044	36,780	34,132	40,238
Interest (paid)/received for derivative instruments	(30,142)	1,732	(28,938)	1,732
Purchase of computer software	(26,018)	(21,448)	(25,642)	(21,206)
Purchase of property, plant and equipment	(12,653)	(6,402)	(12,602)	(6,263)
Proceeds from subsidiary capital repatriation	-	-	150,000	-
Proceeds from disposal of property, plant and equipment	212	-	155	-
Purchase of:				
- financial investments at fair value through other comprehensive income	(500,379)	(913,768)	(400,000)	(586,914)
- financial investments at amortised cost	(642,706)	-	(542,705)	-
Proceeds from redemption/disposal of:				
- financial investments at fair value through other comprehensive income	871,294	1,618,290	613,835	916,796
- financial investments at amortised cost	170,828	43,151	165,907	29,117
Net cash generated from investing activities	7,699	921,520	128,162	545,443

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Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 September 2022 (Contd.)**

	<u>GROUP</u>		<u>BANK</u>	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid to shareholders of the company	(157,907)	(89,635)	(157,907)	(89,635)
Interest paid on subordinated obligations	(30,590)	(30,590)	(30,574)	(30,574)
Interest paid on recourse obligations on loans and financing sold to Cagamas	(7,142)	(6,760)	(6,843)	(6,843)
Repayment from recourse obligations on loans and financing sold to Cagamas	(250,022)	-	-	-
Repayment of lease liabilities	(15,393)	(14,672)	(15,372)	(14,627)
Proceeds from issuance of subordinated notes	150,000	-	150,000	-
Net cash used in financing activities	(311,054)	(141,657)	(60,696)	(141,679)
Net change in cash and cash equivalents	1,088,128	(121,265)	1,146,959	234,219
Cash and cash equivalents at beginning of financial period	3,228,574	3,088,245	1,805,402	1,779,243
Cash and cash equivalents at end of financial period	4,316,702	2,966,980	2,952,361	2,013,462
Cash and cash equivalents comprise the following:				
Cash and short-term funds	4,316,702	2,966,980	2,952,361	2,013,462

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 2022.

Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2022 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 2022. 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 2022.

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 2022 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2022:

- Amendments to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021";
- Amendments to MFRS 3 "Reference to the Conceptual Framework";
- Amendments to MFRS 116 "Proceeds before Intended Use";
- Amendments to MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract";
- Annual Improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities";
- Annual improvements to MFRS 1 "Subsidiary as First-time Adopter"; and
- Annual improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives.

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

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

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2022 was not qualified.

A3 Seasonality or Cyclicity of Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 2022.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial period ended 30 September 2022.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the financial period ended 30 September 2022.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities during the financial period ended 30 September 2022 other than those disclosed as below:

The Bank had on 30 June 2022 issued RM150.0 million Capital Securities pursuant to the Bank's Additional Tier 1 Capital Securities Programme of up to RM1.0 billion in nominal value as below:

Nominal Amount	Tenure	Call Date	Coupon Rate
RM150.0 million	Perpetual Non-Callable Five (5)-years	30 June 2027 and thereafter on every distribution payment date	5.50% p.a

A7 Dividend Paid

A Single Tier Second Interim Dividend of 10.20 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM157,907,000 in respect of financial year ended 31 March 2022, was paid on 30 June 2022.

A8 Significant Events

- (i) Alliance Investment Bank Berhad ("AIBB"), a wholly-owned subsidiary of the Bank, has completed the transfer of its stockbroking business to Phillip Capital Sdn. Bhd. (formerly known as Phillip Futures Sdn. Bhd.) on 30 July 2022.
- (ii) On 26 September 2022, AIBB obtained an Order in Kuala Lumpur High Court confirming AIBB's proposed share capital reduction under Sections 115(a) and 116 of the Companies Act 2016 where the share capital and issued number of shares of AIBB shall be reduced from RM365,962,500 comprising 365,000,000 ordinary shares to RM215,962,500 comprising 215,000,000 ordinary shares, vide cancellation of 150,000,000 ordinary shares held by the Bank. The amount of RM150,000,000 arising from the said shares cancellation was returned to the Bank on 29 September 2022.

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	
	30 September 2022 RM'000	31 March 2022 RM'000
Due from brokers	-	7,913
Due from clients	-	47,130
Less: Allowance for expected credit losses	-	(3)
	<u>-</u>	<u>55,040</u>

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

AIBB's normal trade credit terms for non-margin clients is two (2) market days in accordance with 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	
	30 September 2022 RM'000	31 March 2022 RM'000
GROUP		
At beginning of financial year	3	-
Disposal of business	(3)	-
Allowance made during the financial period/year (net)	-	3
At end of financial period/year	<u>-</u>	<u>3</u>

As at 30 September 2022, the Group's gross exposure of amounts due from clients and brokers that are credit impaired was at RM Nil (31 March 2022: RM3,000).

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

	GROUP		BANK	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government securities	47,030	286,173	47,030	286,173
Malaysian Government investment issues	5,206	4,643	5,206	4,643
	<u>52,236</u>	<u>290,816</u>	<u>52,236</u>	<u>290,816</u>
<u>Unquoted securities:</u>				
Shares	257,209	245,842	257,209	171,488
Corporate bonds and sukuk	5,908	4,957	5,908	4,957
	<u>263,117</u>	<u>250,799</u>	<u>263,117</u>	<u>176,445</u>
Total financial assets at FVTPL	<u>315,353</u>	<u>541,615</u>	<u>315,353</u>	<u>467,261</u>

A13 Financial Investments at Fair Value Through Other Comprehensive Income

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At fair value - debt instruments				
<u>Money market instruments:</u>				
Malaysian Government securities	2,179,067	2,239,673	2,019,199	2,076,500
Malaysian Government investment issues	2,072,885	2,128,842	1,401,751	1,439,125
Negotiable instruments of deposits	-	-	98,832	60,048
Commercial papers	-	19,966	-	19,966
	4,251,952	4,388,481	3,519,782	3,595,639
<u>Quoted securities:</u>				
Shares	15	13	15	13
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	4,294,470	4,731,205	2,856,338	3,143,967
Total financial investments at FVOCI	8,546,437	9,119,699	6,376,135	6,739,619

Movements in allowance for expected credit losses are as follows:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	642	281	-	923
Financial investments derecognised other than write-off	(4)	-	-	(4)
Changes due to change in credit risk	(105)	(16)	-	(121)
Total write-back from income statement	(109)	(16)	-	(125)
At 30 September 2022	533	265	-	798
At 1 April 2021	96	231	-	327
New financial investments originated or purchased	62	-	-	62
Financial investments derecognised other than write-off	(3)	(29)	-	(32)
Changes due to change in credit risk	487	79	-	566
Total charge to income statement	546	50	-	596
At 31 March 2022	642	281	-	923

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

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2022	451	121	-	572
Financial investments derecognised other than write-off	(3)	-	-	(3)
Changes due to change in credit risk	(78)	(7)	-	(85)
Total write-back from income statement	(81)	(7)	-	(88)
At 30 September 2022	370	114	-	484
At 1 April 2021	61	114	-	175
New financial investments originated or purchased	52	-	-	52
Financial investments derecognised other than write-off	(1)	(16)	-	(17)
Changes due to change in credit risk	339	23	-	362
Total charge to income statement	390	7	-	397
At 31 March 2022	451	121	-	572

Note:

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

(b) There were no credit impaired exposures of financial investments at FVOCI.

A14 Financial Investments at Amortised Cost

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	437,408	285,299	437,408	285,299
Malaysian Government investment issues	1,902,791	1,834,031	1,663,214	1,623,917
Negotiable instruments of deposits	-	-	199,258	195,226
	2,340,199	2,119,330	2,299,880	2,104,442
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	282,141	11,109	344,175	140,876
Less: Allowance for expected credit losses	(634)	(831)	(1,059)	(882)
	281,507	10,278	343,116	139,994
Total financial investments at amortised cost	2,621,706	2,129,608	2,642,996	2,244,436

A14 Financial Investments at Amortised Cost (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	1	-	830	831
Financial investments derecognised other than write-off	(1)	-	-	(1)
Changes due to change in credit risk	-	-	(196)	(196)
Total write-back from income statement	(1)	-	(196)	(197)
At 30 September 2022	-	-	634	634
At 1 April 2021	423	-	830	1,253
Financial investments derecognised other than write-off	(139)	-	-	(139)
Changes due to change in credit risk	(283)	-	-	(283)
Total write-back from income statement	(422)	-	-	(422)
At 31 March 2022	1	-	830	831
BANK				
At 1 April 2022	326	-	556	882
New financial investments originated or purchased	644	-	-	644
Financial investments derecognised other than write-off	(327)	-	-	(327)
Changes due to change in credit risk	(11)	-	(129)	(140)
Total charge to/(write-back from) income statement	306	-	(129)	177
At 30 September 2022	632	-	427	1,059
At 1 April 2021	366	-	556	922
Financial investments derecognised other than write-off	(34)	-	-	(34)
Changes due to change in credit risk	(6)	-	-	(6)
Total write-back from income statement	(40)	-	-	(40)
At 31 March 2022	326	-	556	882

Note:

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

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

	GROUP		BANK	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
At beginning of financial year	846	846	556	556
Write-back during the financial period	(196)	-	(129)	-
At end of financial period/year	650	846	427	556

A15 Loans, Advances and Financing

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	2,867,715	3,211,650	1,697,982	1,867,543
Term loans/financing				
- Housing loans/financing	14,073,723	13,854,317	10,660,182	10,433,646
- Syndicated term loans/financing	422,331	450,932	422,331	450,932
- Hire purchase receivables	479,166	503,545	391,726	396,032
- Other term loans/financing	21,502,897	20,478,471	15,563,518	15,156,490
Bills receivables	424,155	401,713	418,412	390,972
Trust receipts	257,573	337,871	200,217	275,330
Claims on customers under acceptance credits	3,283,174	3,287,105	2,453,003	2,370,612
Staff loans/financing (Loan to Directors: RM Nil)	14,569	15,816	2,710	2,988
Credit/charge card receivables	523,812	496,564	523,812	496,564
Revolving credits	1,519,526	1,633,184	1,052,890	1,069,069
Share margin financing	1,405,500	1,517,944	1,405,500	1,345,384
Gross loans, advances and financing	46,774,141	46,189,112	34,792,283	34,255,562
Add: Sales commissions and handling fees	107,071	94,475	105,105	103,075
Less: Allowance for expected credit losses on loans, advances and financing	(1,124,927)	(1,159,842)	(746,334)	(750,440)
Total net loans, advances and financing	45,756,285	45,123,745	34,151,054	33,608,197

A15a By maturity structure:

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Within one year	10,602,596	11,107,483	7,977,119	7,948,690
One year to three years	1,579,262	1,718,863	1,230,446	1,342,705
Three years to five years	4,341,997	4,110,728	3,273,247	3,236,199
Over five years	30,250,286	29,252,038	22,311,471	21,727,968
Gross loans, advances and financing	46,774,141	46,189,112	34,792,283	34,255,562

A15b By type of customers:

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	616,960	723,452	535,686	558,736
Domestic business enterprises				
- Small and medium enterprises	15,964,284	15,409,759	11,944,609	11,663,713
- Others	6,791,010	6,914,111	5,420,275	5,346,250
Government and statutory bodies	70,022	81,213	70,022	81,213
Individuals	22,716,652	22,432,555	16,300,685	16,077,012
Other domestic entities	23,499	26,253	3,395	3,268
Foreign entities	591,714	601,769	517,611	525,370
Gross loans, advances and financing	46,774,141	46,189,112	34,792,283	34,255,562

A15 Loans, Advances and Financing (Contd.)

A15c By interest/profit rate sensitivity:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Fixed rate				
- Housing loans/financing	21,333	23,052	4,045	4,243
- Hire purchase receivables	473,547	495,932	386,106	388,420
- Other fixed rate loans/financing	7,804,154	7,595,903	5,285,280	5,207,562
Variable rate				
- Base lending rate plus	23,822,301	24,064,380	18,717,943	19,146,732
- Base rate plus	10,083,370	9,359,437	6,704,843	5,900,313
- Cost plus	4,569,436	4,650,408	3,694,066	3,608,292
Gross loans, advances and financing	46,774,141	46,189,112	34,792,283	34,255,562

A15d By economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Purchase of securities	1,560,133	1,675,368	1,560,133	1,502,809
Purchase of transport vehicles	307,683	332,321	234,915	242,773
Purchase of landed property	22,816,465	22,164,919	17,668,779	17,143,071
of which: - Residential	14,779,599	14,603,585	11,311,457	11,129,634
- Non-residential	8,036,866	7,561,334	6,357,322	6,013,437
Purchase of fixed assets excluding land & buildings	360,110	341,425	297,308	289,263
Personal use	5,878,762	5,715,439	2,877,188	2,946,028
Credit card	523,812	496,564	523,812	496,564
Construction	1,082,648	1,056,091	952,701	933,211
Working capital	10,608,734	10,779,300	7,971,382	7,997,558
Others	3,635,794	3,627,685	2,706,065	2,704,285
Gross loans, advances and financing	46,774,141	46,189,112	34,792,283	34,255,562

A15e By economic sectors:

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Primary agriculture	1,107,370	1,108,508	725,416	718,092
Mining and quarrying	248,411	267,776	220,399	236,517
Manufacturing	4,831,188	5,007,037	3,577,573	3,608,137
Electricity, gas and water	78,739	47,504	56,120	42,889
Construction	1,764,021	1,668,412	1,279,964	1,250,033
Wholesale, retail trade, restaurants and hotels	7,998,907	7,868,406	6,137,211	6,110,370
Transport, storage and communication	814,480	810,542	641,001	642,483
Financing, insurance, real estate and business services	6,178,546	6,004,445	4,991,829	4,760,363
Community, social and personal services	443,279	373,764	343,640	287,613
Household	23,308,366	23,029,625	16,818,296	16,597,683
Others	834	3,093	834	1,382
Gross loans, advances and financing	46,774,141	46,189,112	34,792,283	34,255,562

A15 Loans, Advances and Financing (Contd.)

A15f By geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Northern region	3,630,205	3,455,628	2,312,932	2,238,828
Central region	33,180,100	32,675,559	25,128,175	24,751,854
Southern region	5,495,620	5,451,964	4,186,191	4,137,984
Sabah region	3,286,581	3,327,317	2,250,296	2,243,381
Sarawak region	1,181,635	1,278,644	914,689	883,515
Gross loans, advances and financing	<u>46,774,141</u>	<u>46,189,112</u>	<u>34,792,283</u>	<u>34,255,562</u>

A15g Movements in credit impaired loans, advances and financing ("impaired loans") in Stage 3:

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	853,266	1,032,436	574,757	735,568
Impaired during the financial period/year	459,336	850,259	295,961	509,912
Recovered during the financial period/year	(34,548)	(56,902)	(25,344)	(45,741)
Reclassified as unimpaired during the financial period/year	(246,964)	(750,792)	(171,181)	(486,330)
Financial assets derecognised other than write-off during the financial period/year	(35,871)	(94,466)	(24,567)	(50,727)
Amount written-off	(118,983)	(127,269)	(50,085)	(87,925)
At end of financial period/year	<u>876,236</u>	<u>853,266</u>	<u>599,541</u>	<u>574,757</u>
Gross impaired loans ratio	1.87%	1.85%	1.72%	1.68%
Net impaired loans ratio	<u>1.22%</u>	<u>1.14%</u>	<u>1.11%</u>	<u>1.08%</u>

A15h Credit impaired loans analysed by economic purposes:

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	478	17,143	478	17,143
Purchase of transport vehicles	15,542	15,599	12,092	10,900
Purchase of landed property	447,111	429,830	313,956	309,616
of which: - Residential	347,581	328,994	227,521	223,770
- Non-residential	99,530	100,836	86,435	85,846
Purchase of fixed assets excluding land & buildings	6,331	5,586	5,628	4,994
Personal use	218,601	172,179	109,556	94,214
Credit card	4,844	4,708	4,844	4,708
Construction	8,100	8,102	8,100	8,102
Working capital	131,604	140,053	104,922	82,759
Others	43,625	60,066	39,965	42,321
Gross impaired loans	<u>876,236</u>	<u>853,266</u>	<u>599,541</u>	<u>574,757</u>

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	1,081	1,089	6	6
Mining and quarrying	1,616	1,246	1,616	1,246
Manufacturing	72,570	61,041	68,060	52,158
Construction	33,345	69,603	20,364	17,912
Wholesale, retail trade, restaurants and hotels	81,240	98,856	61,337	75,825
Transport, storage and communication	3,746	3,798	3,209	3,244
Financing, insurance, real estate and business services	83,291	67,538	82,745	66,983
Community, social and personal services	6,409	7,170	2,528	3,286
Household	592,938	542,925	359,676	354,097
Gross impaired loans	876,236	853,266	599,541	574,757

A15j Credit impaired loans by geographical distribution:

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Northern region	73,748	66,114	44,546	39,156
Central region	643,040	616,851	453,279	427,522
Southern region	117,031	134,400	75,812	88,780
Sabah region	35,318	28,823	20,416	13,574
Sarawak region	7,099	7,078	5,488	5,725
Gross impaired loans	876,236	853,266	599,541	574,757

A15 Loans, Advances and Financing (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	270,674	557,650	331,518	1,159,842
Transfer to Stage 1	86,577	(134,893)	(19,081)	(67,397)
Transfer to Stage 2	(101,926)	222,216	(50,426)	69,864
Transfer to Stage 3	(1,025)	(112,306)	138,207	24,876
New financial assets originated or purchased	37,663	107,473	4,514	149,650
Financial assets derecognised other than write-off	(30,531)	(112,011)	(8,712)	(151,254)
Changes due to change in credit risk	(27,297)	54,836	7,749	35,288
Other adjustment	61	73	-	134
	(36,478)	25,388	72,251	61,161
Unwinding of discount	-	-	(437)	(437)
Total (write-back from)/charge to income statement	(36,478)	25,388	71,814	60,724
Write-off	-	(1,326)	(94,313)	(95,639)
At 30 September 2022	234,196	581,712	309,019	1,124,927
At 1 April 2021	231,025	498,776	277,405	1,007,206
Transfer to Stage 1	139,012	(500,239)	(1,598)	(362,825)
Transfer to Stage 2	(85,699)	730,176	(206,437)	438,040
Transfer to Stage 3	(627)	(308,235)	288,619	(20,243)
New financial assets originated or purchased	93,426	228,198	14,727	336,351
Financial assets derecognised other than write-off	(69,683)	(250,735)	(23,389)	(343,807)
Changes due to change in credit risk	(36,790)	161,540	61,713	186,463
Other adjustment	11	5	-	16
	39,650	60,710	133,635	233,995
Unwinding of discount	-	-	2,178	2,178
Total charge to income statement	39,650	60,710	135,813	236,173
Write-off	(1)	(1,836)	(81,700)	(83,537)
At 31 March 2022	270,674	557,650	331,518	1,159,842

A15 Loans, Advances and Financing (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2022	174,486	368,542	207,412	750,440
Transfer to Stage 1	51,056	(83,925)	(19,067)	(51,936)
Transfer to Stage 2	(57,191)	131,858	(33,209)	41,458
Transfer to Stage 3	(453)	(69,195)	90,265	20,617
New financial assets originated or purchased	24,390	101,012	2,349	127,751
Financial assets derecognised other than write-off	(20,997)	(102,789)	(5,252)	(129,038)
Changes due to change in credit risk	(24,059)	37,096	9,278	22,315
Other adjustment	61	73	-	134
	(27,193)	14,130	44,364	31,301
Unwinding of discount	-	-	(340)	(340)
Total (write-back from)/charge to income statement	(27,193)	14,130	44,024	30,961
Write-off	-	(636)	(34,431)	(35,067)
At 30 September 2022	147,293	382,036	217,005	746,334
At 1 April 2021	154,241	314,669	197,689	666,599
Transfer to Stage 1	86,573	(314,557)	(1,581)	(229,565)
Transfer to Stage 2	(52,603)	442,526	(124,959)	264,964
Transfer to Stage 3	(446)	(157,496)	156,394	(1,548)
New financial assets originated or purchased	61,935	165,809	9,067	236,811
Financial assets derecognised other than write-off	(46,658)	(190,470)	(13,382)	(250,510)
Changes due to change in credit risk	(28,566)	108,957	39,378	119,769
Other adjustment	11	5	-	16
	20,246	54,774	64,917	139,937
Unwinding of discount	-	-	2,287	2,287
Total charge to income statement	20,246	54,774	67,204	142,224
Write-off	(1)	(901)	(57,481)	(58,383)
At 31 March 2022	174,486	368,542	207,412	750,440

Note:

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

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A16 Other Assets

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables	107,880	109,021	146,474	125,907
Collateral pledged for derivative transactions	353,197	118,485	353,197	118,485
Settlement account	304,171	234,689	304,171	234,689
Deposits	8,699	8,961	8,114	8,357
Prepayment	36,750	40,939	31,819	35,034
Amounts due from subsidiaries	-	-	123,874	41,630
Amount due from joint venture	-	-	-	109
	810,697	512,095	967,649	564,211
Less: Allowance for expected credit losses on other receivables [Note]	(40,854)	(41,993)	(36,689)	(38,147)
	769,843	470,102	930,960	526,064

Note:

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

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
<u>Lifetime ECL</u>				
At beginning of financial year	41,993	40,281	38,147	34,941
New financial assets originated or purchased	84	390	-	-
Financial assets derecognised				
other than write-off	(44)	(669)	-	-
Changes due to change in credit risk	1,620	3,079	1,115	3,364
Total charge to income statement	1,660	2,800	1,115	3,364
Write-off	(2,799)	(1,088)	(2,573)	(158)
At end of financial period/year	40,854	41,993	36,689	38,147

As at 30 September 2022, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM40,854,000 and RM36,689,000 (31 March 2022: RM41,993,000 and RM38,147,000) respectively.

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

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Demand deposits	21,711,227	21,323,706	16,933,268	16,091,465
Savings deposits	2,168,033	2,253,040	1,729,781	1,803,826
Fixed/investment deposits	21,340,043	21,224,606	15,395,031	15,202,615
Money market deposits	3,811,986	3,121,454	2,077,413	2,169,797
Negotiable instruments of deposits	50,031	263,565	50,031	263,565
	49,081,320	48,186,371	36,185,524	35,531,268

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

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Due within six months	20,687,551	19,804,835	14,352,704	14,077,434
Six months to one year	4,104,681	4,640,627	3,123,519	3,501,660
One year to three years	403,827	160,250	40,302	53,373
Three years to five years	6,001	3,913	5,950	3,510
	25,202,060	24,609,625	17,522,475	17,635,977

A17c The deposits are sourced from the following types of customers:

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Domestic financial institutions	157,014	253,444	157,692	285,206
Domestic non-bank financial institutions	4,142,835	4,501,331	2,341,198	2,985,038
Government and statutory bodies	3,987,291	3,318,166	2,733,279	1,853,610
Business enterprises	16,889,392	16,250,835	12,738,434	12,314,918
Individuals	21,910,406	21,947,570	16,510,711	16,464,080
Foreign entities	791,700	836,669	696,637	728,208
Others	1,202,682	1,078,356	1,007,573	900,208
	49,081,320	48,186,371	36,185,524	35,531,268

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A18 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Licensed banks	132,531	365,146	102,508	285,139
Licensed investment banks	75,021	23,441	-	-
Bank Negara Malaysia	1,296,688	1,260,405	1,105,064	1,052,610
Other financial institutions	-	40,002	-	-
	<u>1,504,240</u>	<u>1,688,994</u>	<u>1,207,572</u>	<u>1,337,749</u>

A19 Amounts Due To Clients And Brokers

	<u>GROUP</u>	
	30 September 2022 RM'000	31 March 2022 RM'000
Due to clients	-	28,404
	<u>-</u>	<u>28,404</u>

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

The Group's normal trade credit terms for non-margin clients is 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 statements 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 RM Nil (31 March 2022: RM99,843,000) 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	
	30 September	31 March
	2022	2022
	RM'000	RM'000
Structured investments	1,929,021	1,167,323
Fair value changes arising from designation at fair value through profit or loss	(242,371)	(142,127)
	1,686,650	1,025,196

A21 Other Liabilities

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Other payables	1,182,612	1,087,970	1,099,864	1,003,188
Bills payable	155,249	128,601	150,537	120,850
Collateral pledged for derivative transactions	7,807	12,370	7,807	12,370
Settlement account	28,220	22,761	28,220	22,761
Clearing account	192,993	187,918	152,995	130,994
Sundry deposits	59,685	54,843	54,360	49,682
Provision and accruals	127,790	197,782	117,087	157,761
Remisiers accounts	-	8,002	-	-
Structured investments	331,149	170,114	331,149	170,114
Amounts due to subsidiaries	-	-	1,033	177
Amount due to joint venture	21	6	6	-
Allowance for expected credit losses on commitments and contingencies	26,842	24,816	22,983	21,444
	2,112,368	1,895,183	1,966,041	1,689,341

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A21 Other Liabilities (Contd.)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
GROUP				
At 1 April 2022	6,894	16,504	1,418	24,816
Transfer to Stage 1	259	(2,091)	-	(1,832)
Transfer to Stage 2	(378)	7,701	(131)	7,192
Transfer to Stage 3	-	(235)	390	155
New financial assets originated or purchased	2,449	3,643	-	6,092
Financial assets derecognised other than write-off	(1,318)	(5,729)	(1,417)	(8,464)
Changes due to change in credit risk	(1,431)	(1,057)	1,373	(1,115)
	(419)	2,232	215	2,028
Unwinding of discount	-	-	(2)	(2)
Total (write-back from)/charge to income statement	(419)	2,232	213	2,026
At 30 September 2022	6,475	18,736	1,631	26,842
At 1 April 2021	9,722	36,512	3,109	49,343
Transfer to Stage 1	626	(4,508)	-	(3,882)
Transfer to Stage 2	(690)	6,809	(564)	5,555
Transfer to Stage 3	-	(1,348)	1,119	(229)
New financial assets originated or purchased	5,188	3,118	-	8,306
Financial assets derecognised other than write-off	(4,109)	(25,703)	(3,325)	(33,137)
Changes due to change in credit risk	(3,843)	1,624	779	(1,440)
	(2,828)	(20,008)	(1,991)	(24,827)
Unwinding of discount	-	-	300	300
Total write-back from income statement	(2,828)	(20,008)	(1,691)	(24,527)
At 31 March 2022	6,894	16,504	1,418	24,816

A21 Other Liabilities (Contd.)

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

	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<u>BANK</u>				
At 1 April 2022	5,698	14,331	1,415	21,444
Transfer to Stage 1	242	(1,778)	-	(1,536)
Transfer to Stage 2	(356)	6,976	(130)	6,490
Transfer to Stage 3	-	(219)	296	77
New financial assets originated or purchased	2,039	3,500	-	5,539
Financial assets derecognised other than write-off	(1,074)	(5,528)	(125)	(6,727)
Changes due to change in credit risk	(1,219)	(1,097)	15	(2,301)
	(368)	1,854	56	1,542
Unwinding of discount	-	-	(3)	(3)
Total (write-back from)/charge to income statement	(368)	1,854	53	1,539
At 30 September 2022	5,330	16,185	1,468	22,983
At 1 April 2021	8,056	15,020	3,109	26,185
Transfer to Stage 1	558	(3,839)	-	(3,281)
Transfer to Stage 2	(592)	6,010	(556)	4,862
Transfer to Stage 3	-	(1,237)	1,113	(124)
New financial assets originated or purchased	4,441	2,733	-	7,174
Financial assets derecognised other than write-off	(3,716)	(6,032)	(3,325)	(13,073)
Changes due to change in credit risk	(3,049)	1,676	774	(599)
	(2,358)	(689)	(1,994)	(5,041)
Unwinding of discount	-	-	300	300
Total write-back from income statement	(2,358)	(689)	(1,694)	(4,741)
At 31 March 2022	5,698	14,331	1,415	21,444

Note:

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

(b) As at 30 September 2022, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired was at RM5,766,000 and RM5,433,000 (31 March 2022: RM5,760,000 and RM5,562,000) respectively.

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A22 Interest Income

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
Loans, advances and financing	372,276	324,338	712,141	649,242
Money at call and deposit placements with financial institutions	12,628	2,242	23,152	3,770
Financial investments at fair value through other comprehensive income	67,610	72,062	136,351	147,137
Financial investments at amortised cost	19,613	18,211	37,381	36,405
Others	1,285	322	1,762	502
	473,412	417,175	910,787	837,056
Accretion of discount less amortisation of premium (net)	4,322	(608)	5,496	(57)
	477,734	416,567	916,283	836,999

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Loans, advances and financing	366,201	319,023	700,853	637,616
Money at call and deposit placements with financial institutions	12,848	2,267	23,424	3,807
Financial investments at fair value through other comprehensive income	62,604	66,611	126,385	133,839
Financial investments at amortised cost	21,071	20,014	40,386	39,990
Others	1,285	322	1,762	502
	464,009	408,237	892,810	815,754
Accretion of discount less amortisation of premium (net)	4,637	(534)	6,125	77
	468,646	407,703	898,935	815,831

Note:

Included in the interest income on loan, advances and financing for the current financial period was interest/profit on impaired loans/financing of the Group and the Bank of RM1,534,000 (30 September 2021: RM3,080,000).

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A23 Interest Expense

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
GROUP				
Deposits and placements of banks and other financial institutions	3,286	4,280	6,845	9,502
Deposits from customers	136,519	115,847	257,388	232,443
Recourse obligations on loans and financing sold to Cagamas	3,425	3,425	6,851	6,851
Subordinated obligations	17,589	15,505	32,939	30,831
Lease liabilities	1,780	1,596	2,759	3,242
Others	5,946	1,784	9,938	3,392
	168,545	142,437	316,720	286,261

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
BANK				
Deposits and placements of banks and other financial institutions	3,012	3,321	6,063	6,603
Deposits from customers	135,598	114,322	254,845	229,356
Recourse obligations on loans and financing sold to Cagamas	3,425	3,425	6,851	6,851
Subordinated obligations	17,647	15,561	33,045	30,932
Lease liabilities	1,788	1,584	2,764	3,230
Others	5,946	1,784	9,938	3,392
	167,416	139,997	313,506	280,364

A24 Net Income from Islamic Banking Business

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
GROUP				
Income derived from investment of depositors' funds and others	169,275	135,198	320,734	285,809
Income derived from investment of Islamic Banking funds	16,970	13,923	32,248	29,287
Income attributable to the depositors and financial institutions	(68,424)	(57,736)	(128,728)	(119,819)
	117,821	91,385	224,254	195,277

Note:

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.

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A25 Other Operating Income

	2nd Quarter Ended		Six Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
GROUP				
(a) <u>Fee and commission income:</u>				
Commissions	21,163	21,299	43,020	46,892
Service charges and fees	5,968	5,076	12,140	11,628
Corporate advisory fees	-	1,197	-	2,188
Underwriting commissions	-	-	-	1,108
Brokerage fees	899	8,740	5,483	20,064
Guarantee fees	3,301	3,202	6,663	6,158
Processing fees	836	2,045	1,554	4,457
Commitment fees	4,453	4,845	8,996	9,574
Cards related income	14,489	13,451	29,471	27,912
Other fee income	1,500	2,000	3,000	4,000
	52,609	61,855	110,327	133,981
(b) <u>Fee and commission expense:</u>				
Commissions expense	(358)	(485)	(721)	(1,014)
Service charges and fees expense	(327)	(414)	(828)	(928)
Brokerage fees expense	(371)	(3,686)	(2,169)	(8,211)
Guarantee fees expense	(4,034)	(4,668)	(7,810)	(8,467)
Cards related expense	(24,900)	(16,896)	(42,713)	(33,430)
	(29,990)	(26,149)	(54,241)	(52,050)
(c) <u>Investment (expense)/income:</u>				
Realised (loss)/gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	(1,310)	(3,792)	4,790	1,006
- Financial investments at fair value through other comprehensive income	13	9,649	44	27,787
- Financial investments at amortised cost	-	-	1,482	-
- Derivative instruments	(29,118)	20,061	(1,456)	44,457
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	15,788	23,208	16,252	24,525
- Derivative instruments	(32,823)	(25,387)	(98,139)	(68,326)
- Financial liabilities designated at fair value through profit or loss	40,783	11,481	100,244	49,904
Net loss arising from hedging activities	(157)	(49)	(333)	(49)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	279	640	1,341	1,377
	(6,545)	35,811	24,225	80,681
(d) <u>Other income/(expense):</u>				
Foreign exchange gain	29,916	11,823	38,416	15,053
Rental income	22	46	44	77
Loss on disposal of property, plant and equipment	-	-	(15)	-
Others	7,552	4,081	12,074	12,180
	37,490	15,950	50,519	27,310
Total other operating income	53,564	87,467	130,830	189,922

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A25 Other Operating Income (Contd.)

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
(a) <u>Fee and commission income:</u>				
Commissions	21,163	21,299	43,020	46,892
Service charges and fees	5,884	4,876	11,872	11,188
Guarantee fees	3,295	3,196	6,650	6,145
Processing fees	704	1,217	1,196	1,858
Commitment fees	4,453	4,846	8,996	9,575
Cards related income	14,489	13,451	29,471	27,912
Other fee income	1,500	2,000	3,000	4,000
	51,488	50,885	104,205	107,570
(b) <u>Fee and commission expense:</u>				
Commissions expense	(358)	(485)	(721)	(1,014)
Service charges and fees expense	(327)	(414)	(828)	(928)
Brokerage fees expense	(14)	(11)	(27)	(30)
Guarantee fees expense	(4,034)	(4,668)	(7,810)	(8,467)
Cards related expense	(24,900)	(16,896)	(42,713)	(33,430)
	(29,633)	(22,474)	(52,099)	(43,869)
(c) <u>Investment (expense)/income:</u>				
Realised (loss)/gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	(1,310)	(3,792)	1,186	1,006
- Financial investments at fair value through other comprehensive income	13	6,566	44	16,039
- Financial investments at amortised cost	-	-	1,482	-
- Derivative instruments	(29,118)	20,061	(1,456)	44,457
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	15,788	19,049	16,252	20,366
- Derivative instruments	(32,964)	(25,387)	(98,280)	(68,326)
- Financial liabilities designated at fair value through profit or loss	40,783	11,481	100,244	49,904
Net loss arising from hedging activities	(157)	(49)	(333)	(49)
Gross dividend income from:				
- Financial assets at fair value through profit or loss	279	159	980	796
- Subsidiaries	-	-	41,342	27,126
	(6,686)	28,088	61,461	91,319
(d) <u>Other income/(expense):</u>				
Foreign exchange gain	29,906	11,375	38,236	14,474
Rental income	404	534	902	941
Loss on disposal of property, plant and equipment	-	-	(15)	-
Others	4,978	3,954	9,369	11,890
	35,288	15,863	48,492	27,305
Total other operating income	50,457	72,362	162,059	182,325

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A26 Other Operating Expenses

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	107,996	101,961	219,340	205,678
- Contribution to EPF	17,456	16,049	34,764	32,416
- Others	12,190	11,810	22,702	21,308
	137,642	129,820	276,806	259,402
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,091	4,807	10,103	10,120
- Depreciation of right-of-use assets	6,407	6,364	12,846	12,772
- Amortisation of computer software	11,826	10,942	23,367	22,426
- Rental of premises	465	577	977	1,156
- Water and electricity	1,640	1,496	3,384	3,061
- Repairs and maintenance	2,197	1,914	4,268	3,813
- Information technology expenses	18,458	16,491	36,289	31,481
- Others	2,775	2,703	5,538	5,162
	48,859	45,294	96,772	89,991
<u>Marketing expenses</u>				
- Promotion and advertisement	4,736	2,328	7,961	4,619
- Branding and publicity	108	2,130	1,227	2,513
- Others	2,919	800	3,858	1,870
	7,763	5,258	13,046	9,002
<u>Administration and general expenses</u>				
- Communication expenses	2,547	3,230	5,295	5,840
- Printing and stationery	458	364	782	721
- Insurance	3,565	1,987	7,146	4,038
- Professional fees	6,647	5,417	13,232	11,340
- Others	610	4,233	5,573	8,616
	13,827	15,231	32,028	30,555
Total other operating expenses	208,091	195,603	418,652	388,950

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A26 Other Operating Expenses (Contd.)

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	83,503	75,829	169,075	153,066
- Contribution to EPF	13,497	12,023	26,878	24,262
- Others	11,182	9,757	19,972	17,610
	108,182	97,609	215,925	194,938
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	5,013	4,552	9,939	9,613
- Depreciation of right-of-use assets	6,401	6,339	12,820	12,737
- Amortisation of computer software	11,548	10,698	22,813	21,895
- Rental of premises	383	535	824	990
- Water and electricity	1,328	1,106	2,666	2,303
- Repairs and maintenance	1,823	1,483	3,514	2,816
- Information technology expenses	10,927	9,166	21,189	18,385
- Others	2,143	2,255	4,463	3,218
	39,566	36,134	78,228	71,957
<u>Marketing expenses</u>				
- Promotion and advertisement	5,030	1,921	7,068	4,162
- Branding and publicity	73	1,596	1,005	1,668
- Others	1,674	499	1,706	1,123
	6,777	4,016	9,779	6,953
<u>Administration and general expenses</u>				
- Communication expenses	1,996	2,468	4,193	4,426
- Printing and stationery	327	287	571	540
- Insurance	2,667	1,532	5,363	3,127
- Professional fees	4,925	4,000	9,400	8,256
- Others	(641)	2,676	3,897	6,948
	9,274	10,963	23,424	23,297
Total other operating expenses	163,799	148,722	327,356	297,145

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

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	73,979	41,342	61,161	128,068
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(15,703)	(9,478)	(29,584)	(18,501)
- Write-off during the financial period	12,337	3,601	21,727	22,026
(c) Commitments and contingencies on loans, advances and financing				
- Allowance made/(write-back) during the financial period	2,763	(1,417)	2,028	(2,917)
	73,376	34,048	55,332	128,676
Allowance for expected credit losses on:				
- Amounts due from clients and brokers	-	-	-	3
- Other receivables	936	(491)	1,660	170
- Cash and short-term funds	(17)	18	30	-
- Deposits and placements with banks and other financial institutions	-	-	(8)	(4)
	74,295	33,575	57,014	128,845

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	48,987	26,823	31,301	76,843
(b) Credit impaired loans, advance and financing				
- Recovered during the financial period	(11,052)	(7,301)	(19,731)	(13,210)
- Write-off during the financial period	7,864	3,669	11,485	14,490
(c) Commitments and contingencies on loans, advances and financing				
- Allowance made/(write-back) during the financial period	3,746	(1,475)	1,542	(2,517)
	49,545	21,716	24,597	75,606
Allowance for expected credit losses on:				
- Other receivables	669	576	1,115	1,203
- Cash and short-term funds	(17)	18	30	-
- Deposits and placements with banks and other financial institutions	-	-	(8)	(4)
	50,197	22,310	25,734	76,805

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

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
(a) Financial investments at fair value through other comprehensive income				
- (Write-back)/allowance made during the financial period	(62)	(9)	(125)	29
(b) Financial investments at amortised cost				
- Write-back during the financial period	(196)	(145)	(197)	(152)
	(258)	(154)	(322)	(123)

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
(a) Financial investments at fair value through other comprehensive income				
- (Write-back)/allowance made during the financial period	(46)	-	(88)	13
(b) Financial investments at amortised cost				
- (Write-back)/allowance made during the financial period	(137)	(26)	177	44
	(183)	(26)	89	57

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A29 Commitments and Contingencies

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

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	511,249	498,689	431,408	428,454
Transaction-related contingent items	597,552	561,778	531,155	499,745
Short-term self-liquidating trade-related contingencies	149,010	211,549	129,845	192,299
Forward assets purchase	48,944	-	48,944	-
Irrevocable commitments to extend credit:				
- maturity exceeding one year	2,587,015	1,747,771	2,145,196	1,462,876
- maturity not exceeding one year	10,688,499	10,049,097	8,198,712	7,732,786
Unutilised credit card lines	1,427,458	1,333,057	1,427,458	1,333,057
	16,009,727	14,401,941	12,912,718	11,649,217
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	15,374,206	10,370,880	15,374,206	10,370,880
- over one year to three years	997,974	917,134	997,974	917,134
- over three years	539,262	257,757	539,262	257,757
Interest rate related contracts:				
- one year or less	2,527,021	2,158,436	2,527,021	2,158,436
- over one year to three years	2,365,294	3,307,815	2,365,294	3,307,815
- over three years	6,023,521	1,948,660	6,321,521	1,948,660
Equity related contracts				
- one year or less	433,374	332,492	433,374	332,492
- over one year to three years	154,720	216,080	154,720	216,080
	28,415,372	19,509,254	28,713,372	19,509,254
	44,425,099	33,911,195	41,626,090	31,158,471

A30 Segment Information

The following segment information has been prepared in accordance with MFRS 8 Operating Segments, which defines the requirements for the disclosure of financial information of an entity's operating segments. The operating segments results are prepared 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 Enterprises ("SMEs"), and Corporate and Commercial Banking. SME Banking customers comprise the self-employed, and small and medium scale enterprises. Corporate and Commercial Banking serves the public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including loans, trade finance, cash management, treasury and structured solutions.

(iii) Financial Markets

Financial Markets 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 cover stockbroking activities and corporate advisory which includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

(v) Others

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

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A30 Segment information (Contd.)

GROUP

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

A30 Segment information (Contd.)

GROUP

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

A30 Segment information (Contd.)

GROUP

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
2nd Quarter ended 30 September 2021								
Net interest income								
- external income	92,170	119,494	59,198	1,852	(63)	272,651	1,479	274,130
- inter-segment	(15,254)	3,258	12,920	(924)	-	-	-	-
	76,916	122,752	72,118	928	(63)	272,651	1,479	274,130
Net income from Islamic banking business	29,772	32,363	27,152	-	20	89,307	2,078	91,385
Other operating income	23,730	29,030	26,687	7,964	8,188	95,599	(8,132)	87,467
Net income	130,418	184,145	125,957	8,892	8,145	457,557	(4,575)	452,982
Other operating expenses	(85,700)	(64,583)	(8,611)	(7,616)	(7,185)	(173,695)	205	(173,490)
Depreciation and amortisation	(9,935)	(10,203)	(1,605)	(642)	(101)	(22,486)	373	(22,113)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	34,783	109,359	115,741	634	859	261,376	(3,997)	257,379
	(47,651)	14,101	(15)	(10)	-	(33,575)	-	(33,575)
Write-back of expected credit losses on financial investments	-	148	2	-	-	150	4	154
Segment results	(12,868)	123,608	115,728	624	859	227,951	(3,993)	223,958
Share of results of joint venture								14
Taxation								(51,231)
Net profit for the financial period								172,741
Segment assets	22,391,965	20,161,639	17,159,210	325,285	497,535	60,535,634	(1,651,089)	58,884,545
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,025
Property, plant and equipment								53,545
Tax recoverable and deferred tax assets								174,650
Intangible assets								430,281
Total assets								59,544,046

A30 Segment information (Contd.)

GROUP

	Consumer <u>Banking</u> RM'000	Business <u>Banking</u> RM'000	Financial <u>Markets</u> RM'000	Stockbroking and Corporate <u>Advisory</u> RM'000	<u>Others</u> RM'000	Total <u>Operations</u> RM'000	Inter-segment <u>Elimination</u> RM'000	Total <u>Total</u> RM'000
Six months ended 30 September 2021								
Net interest income								
- external income	188,049	235,554	120,862	3,687	(35)	548,117	2,621	550,738
- inter-segment	(28,657)	7,463	23,011	(1,817)	-	-	-	-
	159,392	243,017	143,873	1,870	(35)	548,117	2,621	550,738
Net income from Islamic banking business	67,282	64,864	59,537	-	97	191,780	3,497	195,277
Other operating income	56,338	63,437	50,994	19,075	8,395	198,239	(8,317)	189,922
Net income	283,012	371,318	254,404	20,945	8,457	938,136	(2,199)	935,937
Other operating expenses	(165,185)	(129,764)	(17,219)	(16,330)	(16,435)	(344,933)	1,301	(343,632)
Depreciation and amortisation	(20,689)	(20,546)	(3,329)	(1,309)	(200)	(46,073)	755	(45,318)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	97,138	221,008	233,856	3,306	(8,178)	547,130	(143)	546,987
	(134,993)	6,194	11	(57)	-	(128,845)	-	(128,845)
Write-back of/(allowance for) expected credit losses on financial investments	-	23	(107)	130	-	46	77	123
Segment results	(37,855)	227,225	233,760	3,379	(8,178)	418,331	(66)	418,265
Share of results of joint venture								31
Taxation								(99,541)
Net profit for the financial period								318,755
Segment assets	22,391,965	20,161,639	17,159,210	325,285	497,535	60,535,634	(1,651,089)	58,884,545
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								1,025
Property, plant and equipment								53,545
Tax recoverable and deferred tax assets								174,650
Intangible assets								430,281
Total assets								59,544,046

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A31 Capital Adequacy

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

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.581%	16.372%	15.226%	15.614%
Tier I capital ratio	16.848%	17.287%	16.569%	16.489%
Total capital ratio	21.017%	21.401%	21.283%	21.134%
<u>After deducting proposed dividends</u>				
CET I capital ratio	15.110%	15.959%	14.603%	15.061%
Tier I capital ratio	16.377%	16.874%	15.945%	15.936%
Total capital ratio	20.546%	20.988%	20.659%	20.581%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	14.599%	14.993%	14.381%	14.397%
Tier I capital ratio	15.866%	15.908%	15.724%	15.272%
Total capital ratio	20.035%	20.173%	20.438%	20.137%
<u>After deducting proposed dividends</u>				
CET I capital ratio	14.128%	14.580%	13.758%	13.844%
Tier I capital ratio	15.395%	15.495%	15.100%	14.719%
Total capital ratio	19.564%	19.760%	19.814%	19.584%

A31 Capital Adequacy (Contd.)

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	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	5,077,887	4,865,214	4,429,067	4,270,419
Regulatory reserves	47,686	47,686	41,641	41,641
Hedging reserves	-	(253)	-	(253)
FVOCI reserves	(289,781)	(145,150)	(244,643)	(138,660)
Capital reserves	100,150	100,150	15,515	15,515
	<u>6,484,048</u>	<u>6,415,753</u>	<u>5,789,686</u>	<u>5,736,768</u>
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(434,855)	(432,205)	(332,979)	(330,151)
- Deferred tax assets	(240,844)	(203,285)	(171,461)	(143,544)
- Regulatory reserves	(47,686)	(47,686)	(41,641)	(41,641)
- Investment in subsidiaries and joint venture	(1,074)	(1,048)	(959,102)	(1,109,102)
- Transitional arrangements	387,316	527,033	251,754	347,580
Total CET I Capital	<u>6,146,905</u>	<u>6,258,562</u>	<u>4,536,257</u>	<u>4,459,910</u>
Additional Tier I Capital Securities	499,833	349,753	399,970	249,888
Total Additional Tier I Capital	<u>499,833</u>	<u>349,753</u>	<u>399,970</u>	<u>249,888</u>
Total Tier I Capital	<u>6,646,738</u>	<u>6,608,315</u>	<u>4,936,227</u>	<u>4,709,798</u>
<u>Tier II Capital</u>				
Subordinated obligations	1,199,362	1,199,264	1,199,000	1,198,848
Expected credit losses and regulatory reserves	445,466	373,502	335,502	258,031
Less: Regulatory adjustment				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	<u>1,644,828</u>	<u>1,572,766</u>	<u>1,404,502</u>	<u>1,326,879</u>
Total Capital	<u>8,291,566</u>	<u>8,181,081</u>	<u>6,340,729</u>	<u>6,036,677</u>

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Credit risk	35,637,310	34,492,797	26,840,149	25,662,376
Market risk	339,393	353,608	339,368	353,574
Operational risk	3,474,937	3,381,129	2,612,867	2,547,781
Total RWA and capital requirements	<u>39,451,640</u>	<u>38,227,534</u>	<u>29,792,384</u>	<u>28,563,731</u>

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A31 Capital Adequacy (Contd.)

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

	Alliance Islamic Bank Berhad		Alliance Investment Bank Berhad	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.979%	14.904%	118.869%	87.301%
Tier I capital ratio	15.005%	15.966%	118.869%	87.301%
Total capital ratio	17.500%	18.510%	119.402%	88.174%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.534%	14.463%	118.869%	87.301%
Tier I capital ratio	14.561%	15.525%	118.869%	87.301%
Total capital ratio	17.055%	18.069%	119.402%	88.174%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.581%	12.995%	118.869%	87.240%
Tier I capital ratio	13.608%	14.057%	118.869%	87.240%
Total capital ratio	16.102%	16.601%	119.402%	88.113%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.136%	12.554%	118.869%	87.240%
Tier I capital ratio	13.163%	13.616%	118.869%	87.240%
Total capital ratio	15.658%	16.160%	119.402%	88.113%

A32 Fair Value Measurements

(a) Determination of fair value and fair value hierarchy

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

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

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

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

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

(i) Financial instruments in Level 1

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

(ii) Financial instruments in Level 2

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

(iii) Financial instruments in Level 3

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

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

A32 Fair Value Measurements (Contd.)

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

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

<u>GROUP</u> 30 September 2022	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	52,236	-	52,236
- Unquoted securities	-	5,908	257,209	263,117
Financial investments at FVOCI				
- Money market instruments	-	4,251,952	-	4,251,952
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	4,294,470	-	4,294,470
Derivative financial assets	-	369,318	-	369,318
<u>Liabilities</u>				
Financial liabilities designated at FVTPL	-	1,686,650	-	1,686,650
Derivative financial liabilities	-	563,609	-	563,609
<u>BANK</u> 30 September 2022				
	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	52,236	-	52,236
- Unquoted securities	-	5,908	257,209	263,117
Financial investments at FVOCI				
- Money market instruments	-	3,519,782	-	3,519,782
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	2,856,338	-	2,856,338
Derivative financial assets	-	369,554	-	369,554
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss	-	1,686,650	-	1,686,650
Derivative financial liabilities	-	565,190	-	565,190

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

The following tables show the Group's 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 2022	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	290,816	-	290,816
- Unquoted securities	-	4,957	245,842	250,799
Financial investments at FVOCI				
- Money market instruments	-	4,388,481	-	4,388,481
- Quoted securities in Malaysia	13	-	-	13
- Unquoted securities	-	4,731,205	-	4,731,205
Derivative financial assets	-	86,294	-	86,294
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss	-	1,025,196	-	1,025,196
Derivative financial liabilities	-	212,588	-	212,588
<u>BANK</u>				
31 March 2022	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	290,816	-	290,816
- Unquoted securities	-	4,957	171,488	176,445
Financial investments at FVOCI				
- Money market instruments	-	3,595,639	-	3,595,639
- Quoted securities in Malaysia	13	-	-	13
- Unquoted securities	-	3,143,967	-	3,143,967
Derivative financial assets	-	86,294	-	86,294
<u>Liabilities</u>				
Financial liabilities designated at fair value through profit or loss	-	1,025,196	-	1,025,196
Derivative financial liabilities	-	212,588	-	212,588

A32 Fair Value Measurements (Contd.)

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

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of financial period/year	245,842	224,676	171,488	154,482
Acquisition during the period	-	-	71,035	-
Disposal during the period	(3,319)	-	-	-
Total gains recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	14,686	21,166	14,686	17,006
At end of financial period/year	257,209	245,842	257,209	171,488

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.

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A33 Offsetting Financial Assets And Financial Liabilities

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

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

(a) Financial assets

	Gross amounts of recognised financial liabilities set off in the statements of financial position RM'000	Gross amounts of recognised financial assets presented in the statements of financial position RM'000	Net amounts of financial assets set off in the statements of financial position RM'000	Related amounts not set off in the statements of financial position	Cash collateral received RM'000	Net amount RM'000
	<u>Gross amounts of recognised financial assets RM'000</u>	<u>statements of financial position RM'000</u>	<u>the statements of financial position RM'000</u>	<u>Financial instruments RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
GROUP						
30 September 2022						
Derivative financial assets	369,318	-	369,318	(127,531)	(7,807)	233,980
Amounts due from clients and brokers	-	-	-	-	-	-
	<u>369,318</u>	<u>-</u>	<u>369,318</u>	<u>(127,531)</u>	<u>(7,807)</u>	<u>233,980</u>
BANK						
30 September 2022						
Derivative financial assets	369,554	-	369,554	(127,531)	(7,807)	234,216
GROUP						
31 March 2022						
Derivative financial assets	86,294	-	86,294	(59,617)	(12,370)	14,307
Amounts due from clients and brokers	84,883	(29,843)	55,040	-	-	55,040
Total	<u>171,177</u>	<u>(29,843)</u>	<u>141,334</u>	<u>(59,617)</u>	<u>(12,370)</u>	<u>69,347</u>
BANK						
31 March 2022						
Derivative financial assets	86,294	-	86,294	(59,617)	(12,370)	14,307

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

	Gross amounts of recognised financial assets set off in the statements of financial position RM'000	Gross amounts of recognised financial liabilities RM'000	Net amounts of financial liabilities presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position	Cash collateral pledged RM'000	Net amount RM'000
	Gross amounts of recognised financial liabilities RM'000			Financial instruments RM'000		
GROUP						
30 September 2022						
Derivative financial liabilities	563,609	-	563,609	(127,531)	(353,197)	82,881
Amounts due to clients and brokers	-	-	-	-	-	-
Total	563,609	-	563,609	(127,531)	(353,197)	82,881
BANK						
30 September 2022						
Derivative financial liabilities	565,190	-	565,190	(127,531)	(353,197)	84,462
GROUP						
31 March 2022						
Derivative financial liabilities	212,588	-	212,588	(59,617)	(118,485)	34,486
Amounts due to clients and brokers	58,247	(29,843)	28,404	-	-	28,404
Total	270,835	(29,843)	240,992	(59,617)	(118,485)	62,890
BANK						
31 March 2022						
Derivative financial liabilities	212,588	-	212,588	(59,617)	(118,485)	34,486

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.

A34 Credit Transactions And Exposures With Connected Parties

	BANK	
	30 September 2022	31 March 2022
	RM'000	RM'000
Outstanding credit exposures with connected parties	371,393	323,772
of which:		
Total credit exposure which is impaired or in default	122	132
Total credit exposures	52,665,040	49,560,984
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	0.71%	0.65%
- which is impaired or in default	0.00%	0.00%

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PART B - Explanatory Notes Pursuant To Appendix 9B Of Bursa Securities' Listing Requirements**B1 Financial Review for Financial Quarter and Financial Year to Date****GROUP**

	2nd Quarter Ended 30 September 2022 RM'000	2nd Quarter Ended 30 September 2021 RM'000	Changes %
Net income/revenue	480,574	452,982	6.1
Operating profit before allowance	272,483	257,379	5.9
Operating profit after allowance	198,446	223,958	(11.4)
Profit before taxation	198,457	223,972	(11.4)
Profit after taxation	158,424	172,741	(8.3)
Profit attributable to ordinary equity holders of the Bank	158,424	172,741	(8.3)

	Six Months Ended 30 September 2022 RM'000	Six Months Ended 30 September 2021 RM'000	Changes %
Net income/revenue	954,647	935,937	2.0
Operating profit before allowance	535,995	546,987	(2.0)
Operating profit after allowance	479,303	418,265	14.6
Profit before taxation	479,329	418,296	14.6
Profit after taxation	370,580	318,755	16.3
Profit attributable to ordinary equity holders of the Bank	370,580	318,755	16.3

	2nd Quarter Ended 30 September 2022 RM'000	1st Quarter Ended 30 June 2022 RM'000	Changes %
Net income/revenue	480,574	474,073	1.4
Operating profit before allowance	272,483	263,512	3.4
Operating profit after allowance	198,446	280,857	(29.3)
Profit before taxation	198,457	280,872	(29.3)
Profit after taxation	158,424	212,156	(25.3)
Profit attributable to ordinary equity holders of the Bank	158,424	212,156	(25.3)

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

	2nd Quarter Ended 30 September 2022 RM'000	2nd Quarter Ended 30 September 2021 RM'000	Changes %
Net income/revenue	351,687	340,068	3.4
Operating profit before allowance	187,888	191,346	(1.8)
Operating profit after allowance	137,874	169,062	(18.4)
Profit before taxation	137,874	169,062	(18.4)
Profit after taxation	113,485	130,413	(13.0)
Profit attributable to ordinary equity holders of the Bank	113,485	130,413	(13.0)

	Six Months Ended 30 September 2022 RM'000	Six Months Ended 30 September 2021 RM'000	Changes %
Net income/revenue	747,488	717,792	4.1
Operating profit before allowance	420,132	420,647	(0.1)
Operating profit after allowance	394,309	343,785	14.7
Profit before taxation	394,309	343,785	14.7
Profit after taxation	316,555	268,454	17.9
Profit attributable to ordinary equity holders of the Bank	316,555	268,454	17.9

	2nd Quarter Ended 30 September 2022 RM'000	1st Quarter Ended 30 June 2022 RM'000	Changes %
Net income/revenue	351,687	395,801	(11.1)
Operating profit before allowance	187,888	232,244	(19.1)
Operating profit after allowance	137,874	256,435	(46.2)
Profit before taxation	137,874	256,435	(46.2)
Profit after taxation	113,485	203,070	(44.1)
Profit attributable to ordinary equity holders of the Bank	113,485	203,070	(44.1)

B2 Review Of Performance

Business Review for the period ended 30 September 2022

Profitability

The Group's net profit after taxation was RM370.6 million for the six months ended 30 September 2022, an increase of RM51.8 million or 16.3% year-on-year ("YOY"). The higher profits were largely due to higher net interest income and lower allowance for expected credit losses.

Net interest income improved by RM89.8 million or 12.4% YOY mainly due to higher loan growth and the increase in the Overnight Policy Rate ("OPR"). Net interest margin ("NIM") came in higher at 2.64% (1HFY2022: 2.49%).

Loan Growth

The Group's loans, advances and financing continues to grow by 6.7% YOY to RM46.8 billion mainly driven by the growth across all lines of business.

Other Operating Income

The Group recorded other operating income of RM141.7 million, lower by RM71.1 million or 33.4% YOY. The decrease was due to lower treasury and investment income arising from the challenging investment environment, lower income from brokerage, offset by higher wealth management income and trade fees.

Operating Expenses

Operating expenses increased by RM29.7 million or 7.6% YOY, mainly from the continued investments in the sales force, marketing cost, administrative and establishment costs. The cost-to-income ratio ("CIR") stood at 43.9% (1HFY2022: 41.6%). The Group will continue to be vigilant in managing the cost for the financial year.

Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing and other financial assets recorded a charge of RM56.7 million, a decrease of RM72.0 million or 56.0% YOY. The net credit cost recorded at 12.3bps (1HFY2022: 29.3bps). Loan loss coverage (including regulatory reserves) was at 133.8% (1HFY2022: 111.1%).

Healthy Funding and Liquidity Position

The Group maintained a high current account/savings account ("CASA") ratio of 48.7%. Its customer-based funding stood at RM51.0 billion. Through our funding strategy, the Group's liquidity coverage and loans-to-funds ratios stood at 164.4% and 85.7% respectively. The Group will continue to maintain ample liquidity ratios and ensure sufficient liquidity buffers.

Proactive Capital Management

Our conservative capital management approach resulted in the Group maintaining a robust capital position. We continued to maintain one of the strongest capital levels in the industry, with Common Equity Tier-1 (CET 1) ratio at 15.1%, Tier-1 Capital ratio at 16.4% and Total Capital Ratio at 20.5%.

B2 Review Of Performance (Contd.)

Business Review for the period ended 30 September 2022 (contd.)

Performance by Business Segment and Subsidiary

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

The Group Consumer Banking segment recorded a profit before tax of RM89.5 million, an increase of RM127.3 million YOY. Net income was higher by RM34.1 million or 12.0% mainly due to the increase in net interest income by RM37.8 million offset by lower other operating income by RM3.7 million. Operating expenses was higher by RM17.4 million or 9.4%. Allowance for expected credit losses was lower by RM110.6 million. The segment assets recorded at RM23.1 billion.

The Group Business Banking segment, comprising Corporate, Commercial and Small Medium Enterprise ("SME") banking, recorded a profit before tax of RM245.0 million, an increase of RM17.8 million or 7.8% YOY. Net income increased by RM68.8 million or 18.5% due to higher net interest income by RM61.4 million and higher other operating income by RM7.4 million. Operating expenses increased by RM12.8 million or 8.5%. Allowance for expected credit losses was higher by RM38.3 million. Segment assets recorded at RM22.6 billion.

The Group Financial Markets segment recorded a profit before tax of RM155.7 million, a decrease of RM78.0 million or 33.4% YOY. Net income was lower by RM77.2 million or 30.4% due to lower net interest income and other operating income. Operating expenses increased by RM0.9 million or 4.3%. Segment assets recorded at RM18.8 billion.

The Stockbroking and Corporate Advisory segment recorded a loss before tax of RM0.6 million mainly due to lower brokerage fees.

The Islamic Banking segment, which consist of Consumer Banking, Business Banking and Financial Markets, recorded a net profit after taxation of RM86.3 million, representing an increase of RM33.5 million or 63.3% compared to the corresponding period last year due to higher revenue from net profit income, lower operating expense and lower allowance for expected credit losses. Net income was higher by RM29.3 million or 15.4%. Net profit income was higher by RM41.2 million while other operating income was lower by RM11.9 million. Operating expenses increased by RM7.4 million or 11.1%. Allowance for expected credit losses stood at RM31.4 million. Total assets stood at RM15.4 billion.

Current Quarter vs Previous Year Corresponding Quarter

The Group's profit after taxation of RM158.4 million for the quarter was RM14.3 million or 8.3% lower compared to the previous year corresponding quarter, mainly due to higher net credit cost and operating expenses.

Key Quarter-on-Quarter Performance Highlights

- Net interest income increased by RM62.3 million or 17.4% mainly due to higher loan growth and OPR hikes.
- NIM was at 2.70% (2QFY2022: 2.47%).
- Other operating income decreased by RM34.7 million or 36.8%. This was mainly due to lower treasury and investment income, brokerage and unit trust fee income.
- Operating expenses were higher by RM12.5 million or 6.4% mainly from personnel cost, establishment and marketing cost.
- Net credit cost recorded at 16.0bps (2QFY2022: 7.5bps).

B3 Comparison with Immediate Preceding Quarter

In comparison with the immediate preceding quarter, the Group's profit after taxation of RM158.4 million for the quarter was lower by RM53.7 million or 25.3% mainly due to higher net credit cost.

Key Quarter-on-Quarter Performance Highlights

- Net interest income increased by RM28.8 million or 7.4% mainly due to higher loan growth and OPR hikes.
- NIM was at 2.70% (1QFY2023: 2.57%).
- Other operating income decreased by RM22.3 million or 27.2% mainly due to lower treasury and investment income and lower cards income.
- Operating expenses were lower by RM2.5 million or 1.2% mainly from lower personnel and administrative cost.
- Net credit cost recorded at 16.0bps (1QFY2023: -3.7bps).

B4 Business Outlook For The Financial Year 2023

Prospects For The Financial Period

The Ministry of Finance (MOF) projects strong gross domestic product (GDP) growth of 6.5% - 7.0% in 2022 (prev. projection: 5.3% - 6.3%) for Malaysia. This is attributed to stronger domestic demand, favourable labour market conditions and improvement in international travel activities.

The MOF expects inflation of 3.3% for this year. Further upward pressure is expected in 3Q2022 due to the removal of the electricity discount under the PEMULIH package in place last year, cost-pass through effects, currency weakness and increasing demand-driven pressure.

Notwithstanding the above, the Group will focus on growing the business prudently in three areas:

- (i) Acquiring more customers by scaling up the Group's core segments of SME and Consumer Banking, adding on sales force capacity and improving productivity by equipping relationship managers with digital tools to serve high-value customers. The Group will also focus on securing more customers via digital channels and diversifying our corporate customer base by focusing on family owned corporates;
- (ii) Capitalising on our Consumer and Business Banking franchises, 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.

In addition to the above, the Group will continue to focus on managing its asset quality by continuing to prioritise customer engagement and continue managing its loan portfolio with refined credit underwriting to support the above business growth.

With these focus areas, and 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

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
- Income tax	53,221	58,083	110,076	102,431
- Deferred tax	(3,705)	(6,852)	8,156	(2,749)
- Real property gain tax	-	-	-	(141)
- Over provision for taxation in prior financial year	(9,483)	-	(9,483)	-
	<u>40,033</u>	<u>51,231</u>	<u>108,749</u>	<u>99,541</u>
	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
- Income tax	37,394	42,725	80,855	72,719
- Deferred tax	(4,433)	(4,076)	5,471	2,753
- Real property gain tax	-	-	-	(141)
- Over provision for taxation in prior financial year	(8,572)	-	(8,572)	-
	<u>24,389</u>	<u>38,649</u>	<u>77,754</u>	<u>75,331</u>

The Group's effective tax rate for the current financial period ended 30 September 2022 was lower than the current statutory tax rate of 24% mainly due to over provision for taxation in prior financial year.

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 current financial period ended 30 September 2022 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 current financial period ended 30 September 2022 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>	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
(a) Deposits from customers				
Fixed deposits, negotiable instruments of deposits and money market deposits:				
- One year or less (short term)	24,792,232	24,445,462	17,476,223	17,579,094
- More than one year (medium/long term)	409,828	164,163	46,252	56,883
	25,202,060	24,609,625	17,522,475	17,635,977
Others	23,879,260	23,576,746	18,663,049	17,895,291
	49,081,320	48,186,371	36,185,524	35,531,268
(b) Deposits and placements of banks and other financial institutions				
- One year or less (short term)	241,170	494,455	112,576	312,903
- More than one year (medium/long term)	1,263,070	1,194,539	1,094,996	1,024,846
	1,504,240	1,688,994	1,207,572	1,337,749
(c) Subordinated obligations				
Tier II Subordinated Medium Term Notes (unsecured)				
- More than one year (medium/long term)	1,219,116	1,218,893	1,218,753	1,218,476
Additional Tier 1 Capital Securities (unsecured)				
- One year or less (short term)	153,713	-	153,695	-
- More than one year (medium/long term)	352,354	353,892	252,477	253,978
	1,725,183	1,572,785	1,624,925	1,472,454

B11 Derivative Financial Assets/(Liabilities)

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

GROUP	As at 30 September 2022 Fair value			As at 31 March 2022 Fair value		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
Foreign exchange contracts						
Currency forwards						
- one year or less	3,298,276	108,674	(8,868)	2,859,459	5,026	(9,509)
- over one year to three years	490,570	13,275	-	475,630	-	(20,067)
- over three years	300,820	4,476	-	109,317	-	(4,032)
Currency swaps						
- one year or less	11,141,384	142,119	(224,844)	6,468,485	10,879	(5,912)
- over one year to three years	507,404	-	(39,398)	441,504	2,903	(1,679)
- over three years	238,442	-	(3,942)	148,440	899	(864)
Currency spots						
- one year or less	149,663	298	(438)	427,461	439	(632)
Currency options						
- one year or less	784,883	3,911	(2,764)	363,205	422	(77)
	16,911,442	272,753	(280,254)	11,293,501	20,568	(42,772)
Interest rate related contracts						
Interest rate swaps	8,513,836	88,849	(163,501)	7,414,911	65,122	(89,554)
- one year or less	2,527,021	9,691	(2,873)	2,158,436	9,743	(5,412)
- over one year to three years	2,365,294	44,936	(24,564)	3,307,815	37,099	(16,566)
- over three years	3,621,521	34,222	(136,064)	1,948,660	18,280	(67,576)
Equity related contracts						
- one year or less	433,374	498	(98,839)	332,492	345	(61,682)
- over one year to three years	154,720	-	(20,258)	216,080	90	(17,846)
<u>Hedging derivatives</u>						
Foreign exchange contracts						
Currency swaps						
- one year or less	-	-	-	252,270	169	(734)
Interest rate related contracts						
Interest rate swaps						
- over three years	2,402,000	7,218	(757)	-	-	-
Total derivatives assets/(liabilities)	28,415,372	369,318	(563,609)	19,509,254	86,294	(212,588)

B11 Derivative Financial Assets/(Liabilities) (Contd.)

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

	As at 30 September 2022 Fair value			As at 31 March 2022 Fair value		
BANK	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange contracts						
Currency forwards						
- one year or less	3,298,276	108,674	(8,868)	2,859,459	5,026	(9,509)
- over one year to three years	490,570	13,275	-	475,630	-	(20,067)
- over three years	300,820	4,476	-	109,317	-	(4,032)
Currency swaps						
- one year or less	11,141,384	142,119	(224,844)	6,468,485	10,879	(5,912)
- over one year to three years	507,404	-	(39,398)	441,504	2,903	(1,679)
- over three years	238,442	-	(3,942)	148,440	899	(864)
Currency spots						
- one year or less	149,663	298	(438)	427,461	439	(632)
Currency options						
- one year or less	784,883	3,911	(2,764)	363,205	422	(77)
- over one year to three years	-	-	-	-	-	-
	16,911,442	272,753	(280,254)	11,293,501	20,568	(42,772)
Interest rate related contracts						
Interest rate swaps	8,513,836	88,849	(163,501)	7,414,911	65,122	(89,554)
- one year or less	2,527,021	9,691	(2,873)	2,158,436	9,743	(5,412)
- over one year to three years	2,365,294	44,936	(24,564)	3,307,815	37,099	(16,566)
- over three years	3,621,521	34,222	(136,064)	1,948,660	18,280	(67,576)
Equity related contracts						
- one year or less	433,374	498	(98,839)	332,492	345	(61,682)
- over one year to three years	154,720	-	(20,258)	216,080	90	(17,846)
Hedging derivatives						
Foreign exchange contracts						
Currency swaps						
- one year or less	-	-	-	252,270	169	(734)
Interest rate related contracts						
Interest rate swaps						
- over three years	2,700,000	7,454	(2,338)	-	-	-
Total derivatives assets/(liabilities)	28,713,372	369,554	(565,190)	19,509,254	86,294	(212,588)

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

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the Group's borrowers or counterparties to fulfil their contractual obligations to repay their loans or settle commitments. Exposure to credit risk may be categorised as primary or secondary. This exposure is monitored on an on-going basis against predetermined counterparty limits. As at 30 September 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM369,318,000 and RM369,554,000 respectively (31 March 2022: RM86,294,000). 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, loss limits, sensitivity limits and valuation via daily mark-to-market, where available.

Liquidity Risk

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

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

- (ii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Group's and the Bank's credit ratings. As at 30 September 2022, the Group and the Bank had posted cash collateral of RM353,197,000 (31 March 2022: RM118,485,000) on their derivative contracts.

- (iii) Related accounting policies

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception except for options and subsequently re-measured at their fair value. The fair value of options at inception is normally equivalent to the premium received (for options written) or paid (for options purchased). All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value are recognised in the statement of comprehensive income.

Interest income and expenses associated with interest rate swaps are recognised over the life of the swap agreement as a component of investment income.

- (iv) There have been no changes since the end of the previous financial year in respect of the following:

- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- (c) the related accounting policies.

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B11 Derivative Financial Assets/(Liabilities) (Contd.)(iv) There have been no changes since the end of the previous financial year in respect of the following: (contd.)

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risks with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2022.

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 current financial period ended 30 September 2022.

B13 Dividend Declared

The Board of Directors has declared a single tier first interim dividend of 12.00 sen per share amounting to approximately RM185,773,000 in respect of financial year ending 31 March 2023, to be paid on 28 December 2022 to shareholders registered in the Records of Depositors at the close of business on 15 December 2022.

B14 Earnings Per Share**(a) Basic**

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

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
<u>GROUP</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	158,424	172,741	370,580	318,755
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)	10.2	11.2	23.9	20.6

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
<u>BANK</u>				
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	113,485	130,413	316,555	268,454
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)	7.3	8.4	20.4	17.3

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B14 Earnings Per Share (Contd.)

(b) Diluted

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

There were no dilutive potential ordinary shares outstanding as at 30 September 2022 and 30 September 2021 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial period ended 30 September 2022 and 30 September 2021.

By Order of the Board

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

Group Company Secretary

Kuala Lumpur

29 November 2022