

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statements of Financial Position as at 30 June 2018**

		<b>BANK</b>		<b>GROUP</b>	
		<b>30 June</b>	31 March	<b>30 June</b>	31 March
		<b>2018</b>	2018	<b>2018</b>	2018
	Note	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>ASSETS</b>					
Cash and short-term funds		<b>23,223</b>	26,926	<b>23,607</b>	27,983
Deposits and placements with banks and other financial institutions		<b>1,000</b>	-	<b>1,000</b>	-
Amounts due from clients and brokers	A12	<b>455,471</b>	101,305	<b>455,471</b>	101,305
Financial assets at fair value through profit or loss	A13	<b>79,050</b>	-	<b>79,050</b>	-
Financial investments at fair value through other comprehensive income	A14	<b>1,018,241</b>	-	<b>1,018,241</b>	-
Financial investments at amortised cost	A15	<b>79,224</b>	-	<b>79,224</b>	-
Financial assets held-for-trading	A16	-	14,978	-	14,978
Financial investments available-for-sale	A17	-	1,089,418	-	1,089,418
Financial investments held-to-maturity	A18	-	78,969	-	78,969
Loans, advances and financing	A19	<b>473,007</b>	452,895	<b>473,007</b>	452,895
Other assets	A20	<b>9,610</b>	9,309	<b>9,736</b>	9,437
Tax recoverable		-	-	<b>186</b>	490
Statutory deposits with Bank Negara Malaysia		<b>36,332</b>	38,762	<b>36,332</b>	38,762
Investment in an associate		<b>230</b>	230	<b>276</b>	274
Investment in joint venture		<b>394</b>	394	<b>713</b>	693
Property, plant and equipment		<b>1,047</b>	1,183	<b>1,047</b>	1,183
Deferred tax assets		<b>2,393</b>	-	<b>2,393</b>	-
Intangible assets		<b>62,332</b>	62,429	<b>55,653</b>	55,749
<b>TOTAL ASSETS</b>		<b><u>2,241,554</u></b>	<b><u>1,876,798</u></b>	<b><u>2,235,936</u></b>	<b><u>1,872,136</u></b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A21	<b>632,292</b>	624,340	<b>632,292</b>	624,340
Deposits and placements of banks and other financial institutions	A22	<b>496,383</b>	490,838	<b>496,383</b>	490,838
Amounts due to clients and brokers	A23	<b>428,345</b>	75,103	<b>428,345</b>	75,103
Other liabilities	A24	<b>32,668</b>	34,900	<b>31,428</b>	34,346
Provision for taxation		<b>293</b>	129	-	129
Deferred tax liabilities		-	11,788	-	11,788
<b>TOTAL LIABILITIES</b>		<b><u>1,589,981</u></b>	<b><u>1,237,098</u></b>	<b><u>1,588,448</u></b>	<b><u>1,236,544</u></b>
Share capital		<b>365,962</b>	365,962	<b>365,962</b>	365,962
Reserves		<b>285,611</b>	273,738	<b>281,526</b>	269,630
<b>TOTAL EQUITY</b>		<b><u>651,573</u></b>	<b><u>639,700</u></b>	<b><u>647,488</u></b>	<b><u>635,592</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2,241,554</u></b>	<b><u>1,876,798</u></b>	<b><u>2,235,936</u></b>	<b><u>1,872,136</u></b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A31	<b>308,485</b>	328,529	<b>308,485</b>	328,529

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Statements of Income  
for the Financial Period Ended 30 June 2018**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
<b><u>BANK</u></b>					
Interest income	A25	17,602	16,807	17,602	16,807
Interest expense	A26	(9,282)	(8,974)	(9,282)	(8,974)
Net interest income		8,320	7,833	8,320	7,833
Net income from Islamic banking business	A36	1,082	1,041	1,082	1,041
		9,402	8,874	9,402	8,874
Fee and commission income		10,140	12,359	10,140	12,359
Fee and commission expense		(2,552)	(3,722)	(2,552)	(3,722)
Investment income		389	1,098	389	1,098
Other income		374	266	374	266
Other operating income	A27	8,351	10,001	8,351	10,001
Net income		17,753	18,875	17,753	18,875
Other operating expenses	A28	(10,556)	(10,197)	(10,556)	(10,197)
Operating profit before allowance		7,197	8,678	7,197	8,678
Write-back of credit losses on loans, advances and financing and other receivables	A29	232	54	232	54
Write-back of credit losses on other assets		86	-	86	-
Profit before taxation		7,515	8,732	7,515	8,732
Taxation		(1,746)	(2,058)	(1,746)	(2,058)
Net profit for the financial period		5,769	6,674	5,769	6,674
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		5,769	6,674	5,769	6,674
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A30	1.6	1.8	1.6	1.8

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Statements of Comprehensive Income  
for the Financial Period Ended 30 June 2018**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b><u>BANK</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit for the financial period	<b>5,769</b>	6,674	<b>5,769</b>	6,674
<b>Other comprehensive (expense)/income:</b>				
Items that may be classified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net loss from change in fair value	<b>(4,841)</b>	-	<b>(4,841)</b>	-
- Realised gain transferred to statement of income on disposal and write-back of credit losses	<b>(86)</b>	-	<b>(86)</b>	-
- Transfer from deferred tax	<b>1,162</b>	-	<b>1,162</b>	-
	<b>(3,765)</b>	-	<b>(3,765)</b>	-
Revaluation reserve on financial investments available-for-sale				
- Net gain from change in fair value	-	3,407	-	3,407
- Realised gain transferred to statement of income on disposal and impairment	-	(718)	-	(718)
- Transfer to deferred tax	-	(645)	-	(645)
	-	2,044	-	2,044
Other comprehensive income, net of tax	<b>(3,765)</b>	2,044	<b>(3,765)</b>	2,044
<b>Total comprehensive income for the financial period</b>	<b>2,004</b>	8,718	<b>2,004</b>	8,718
<b>Total comprehensive income attributable to:</b>				
Equity holder of the Bank	<b>2,004</b>	8,718	<b>2,004</b>	8,718

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018

**ALLIANCE INVESTMENT BANK BERHAD**
**(21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Consolidated Statements of Income  
for the Financial Period Ended 30 June 2018**

		1st Quarter Ended		Three Months Ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
<b>GROUP</b>	Note	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A25	17,602	16,810	17,602	16,810
Interest expense	A26	(9,282)	(8,974)	(9,282)	(8,974)
Net interest income		8,320	7,836	8,320	7,836
Net income from Islamic banking business	A36	1,082	1,041	1,082	1,041
		9,402	8,877	9,402	8,877
Fee and commission income		10,140	12,359	10,140	12,359
Fee and commission expense		(2,552)	(3,722)	(2,552)	(3,722)
Investment income		389	1,098	389	1,098
Other income		375	266	375	266
Other operating income	A27	8,352	10,001	8,352	10,001
Net income		17,754	18,878	17,754	18,878
Other operating expenses	A28	(10,556)	(10,199)	(10,556)	(10,199)
Operating profit before allowance		7,198	8,679	7,198	8,679
Write-back of credit losses on loans, advances and financing and other receivables	A29	232	54	232	54
Write-back of credit losses on other assets		86	-	86	-
Operating profit after allowance		7,516	8,733	7,516	8,733
Share of results in an associate		2	2	2	2
Share of results of joint venture		20	21	20	21
Profit before taxation		7,538	8,756	7,538	8,756
Taxation		(1,746)	(2,058)	(1,746)	(2,058)
Net profit for the financial period		5,792	6,698	5,792	6,698
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		5,792	6,698	5,792	6,698
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A30	1.6	1.8	1.6	1.8

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements  
Unaudited Consolidate Statements of Comprehensive Income  
for the Financial Period Ended 30 June 2018**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b><u>GROUP</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit for the financial period	<b>5,792</b>	6,698	<b>5,792</b>	6,698
<b>Other comprehensive (expense)/income:</b>				
Items that may be classified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net loss from change in fair value	<b>(4,841)</b>	-	<b>(4,841)</b>	-
- Realised gain transferred to statement of income on disposal and write-back of credit losses	<b>(86)</b>	-	<b>(86)</b>	-
- Transfer from deferred tax	<b>1,162</b>	-	<b>1,162</b>	-
	<b>(3,765)</b>	-	<b>(3,765)</b>	-
Revaluation reserve on financial investments available-for-sale				
- Net gain from change in fair value	-	3,407	-	3,407
- Realised gain transferred to statement of income on disposal and impairment	-	(718)	-	(718)
- Transfer to deferred tax	-	(645)	-	(645)
	-	2,044	-	2,044
Other comprehensive income, net of tax	<b>(3,765)</b>	2,044	<b>(3,765)</b>	2,044
<b>Total comprehensive income for the financial period</b>	<b>2,027</b>	8,742	<b>2,027</b>	8,742
<b>Total comprehensive income attributable to:</b>				
Equity holder of the Bank	<b>2,027</b>	8,742	<b>2,027</b>	8,742

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018

**ALLIANCE INVESTMENT BANK BERHAD**  
**(21605-D)**  
(Incorporated in Malaysia)

**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2018**

	Non-distributable reserves					Distributable reserves			
	Ordinary shares	Share premium	Statutory reserve	Regulatory reserves	Revaluation reserves	Equity contribution from former ultimate holding company	FVOCI reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>BANK</u></b>									
At 1 April 2018									
As previously stated	365,962	-	-	4,605	42,530	-	-	226,603	639,700
Effect of adoption of MFRS 9	-	-	-	3,773	(42,530)	-	9,486	50,200	20,929
As restated	365,962	-	-	8,378	-	-	9,486	276,803	660,629
Net profit after taxation	-	-	-	-	-	-	-	5,769	5,769
Other comprehensive expense	-	-	-	-	-	-	(3,765)	-	(3,765)
Total comprehensive expense for the financial period	-	-	-	-	-	-	(3,765)	5,769	2,004
Transfer to regulatory reserves	-	-	-	3,265	-	-	-	(3,265)	-
Dividend paid	-	-	-	-	-	-	-	(11,060)	(11,060)
<b>At 30 June 2018</b>	<b>365,962</b>	<b>-</b>	<b>-</b>	<b>11,643</b>	<b>-</b>	<b>-</b>	<b>5,721</b>	<b>268,247</b>	<b>651,573</b>
At 1 April 2017	365,000	962	201,383	3,660	37,949	264	-	21,904	631,122
Net profit after taxation	-	-	-	-	-	-	-	6,674	6,674
Other comprehensive income	-	-	-	-	2,044	-	-	-	2,044
Total comprehensive income for the financial period	-	-	-	-	2,044	-	-	6,674	8,718
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	(10)	-	-	(10)
Payment for ESS recharged from former ultimate holding company	-	-	-	-	-	(159)	-	-	(159)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	(44)	-	44	-
Transfer to regulatory reserves	-	-	-	202	-	-	-	(202)	-
Transfer to retained profits	-	-	(201,383)	-	-	-	-	201,383	-
Dividend paid	-	-	-	-	-	-	-	(6,899)	(6,899)
<b>At 30 June 2017</b>	<b>365,000</b>	<b>962</b>	<b>-</b>	<b>3,862</b>	<b>39,993</b>	<b>51</b>	<b>-</b>	<b>222,904</b>	<b>632,772</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018.

**ALLIANCE INVESTMENT BANK BERHAD**  
**(21605-D)**  
(Incorporated in Malaysia)

**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2018 (contd.)**

	← Attributable to Equity holder of the Bank →								
	Ordinary shares RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserves RM'000	Revaluation reserves RM'000	Equity contribution from former ultimate holding company RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
<b>GROUP</b>									
At 1 April 2018									
As previously stated	365,962	-	-	4,605	42,530	-	-	222,495	635,592
Effect of adoption of MFRS 9	-	-	-	3,773	(42,530)	-	9,486	50,200	20,929
As restated	365,962	-	-	8,378	-	-	9,486	272,695	656,521
Net profit after taxation	-	-	-	-	-	-	-	5,792	5,792
Other comprehensive expense	-	-	-	-	-	-	(3,765)	-	(3,765)
Total comprehensive expense for the financial period	-	-	-	-	-	-	(3,765)	5,792	2,027
Transfer to regulatory reserves	-	-	-	3,265	-	-	-	(3,265)	-
Dividend paid	-	-	-	-	-	-	-	(11,060)	(11,060)
<b>At 30 June 2018</b>	<b>365,962</b>	<b>-</b>	<b>-</b>	<b>11,643</b>	<b>-</b>	<b>-</b>	<b>5,721</b>	<b>264,162</b>	<b>647,488</b>
At 1 April 2017	365,000	962	201,383	3,660	37,949	298	-	17,726	626,978
Net profit after taxation	-	-	-	-	-	-	-	6,698	6,698
Other comprehensive income	-	-	-	-	2,044	-	-	-	2,044
Total comprehensive income for the financial period	-	-	-	-	2,044	-	-	6,698	8,742
Share-based payment under ESS	-	-	-	-	-	(10)	-	-	(10)
Payment for ESS recharged from former ultimate holding company	-	-	-	-	-	(159)	-	-	(159)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	(44)	-	44	-
Transfer to regulatory reserves	-	-	-	202	-	-	-	(202)	-
Transfer to retained profits	-	-	(201,383)	-	-	-	-	201,383	-
Dividends paid	-	-	-	-	-	-	-	(6,899)	(6,899)
<b>At 30 June 2017</b>	<b>365,000</b>	<b>962</b>	<b>-</b>	<b>3,862</b>	<b>39,993</b>	<b>85</b>	<b>-</b>	<b>218,750</b>	<b>628,652</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018.

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flow for the Financial Period Ended 30 June 2018**

	<b>BANK</b>		<b>GROUP</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit before taxation	<b>7,515</b>	8,732	<b>7,538</b>	8,756
Adjustments for non-cash items	<b>(10,493)</b>	(11,132)	<b>(10,516)</b>	(11,155)
Operating loss before changes in working capital	<b>(2,978)</b>	(2,400)	<b>(2,978)</b>	(2,399)
Changes in working capital	<b>(18,038)</b>	49,614	<b>(18,711)</b>	49,437
Taxes paid	<b>(403)</b>	-	<b>(403)</b>	(179)
Net cash (used in)/generated from operating activities	<b>(21,419)</b>	47,214	<b>(22,092)</b>	46,859
Net cash generated from/(used in) investing activities	<b>28,504</b>	(49,400)	<b>28,504</b>	(49,400)
Net cash used in financing activities	<b>(10,788)</b>	(7,057)	<b>(10,788)</b>	(7,057)
Net change in cash and cash equivalents	<b>(3,703)</b>	(9,243)	<b>(4,376)</b>	(9,598)
Cash and cash equivalents at beginning of the financial year	<b>26,926</b>	42,993	<b>27,983</b>	44,420
Cash and cash equivalents at end of the financial period	<b>23,223</b>	33,750	<b>23,607</b>	34,822
Cash and cash equivalent comprise the following:				
Cash and short-term funds	<b>23,223</b>	33,750	<b>23,607</b>	34,822

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2018



**Explanatory Notes**

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

**A1 Basis of Preparation**

The unaudited condensed interim financial statements for the first financial quarter and three months ended 30 June 2018 have been prepared under the historical cost convention.

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

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of Alliance Investment Bank Berhad ("the Bank") and the Group for the financial year ended 31 March 2018. 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 Bank and the Group since the financial year ended 31 March 2018.

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 2018, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2018:

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"
- Annual Improvements to MFRSs 2014 - 2016 Cycles.
  - Amendments to MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".
  - Amendments to MFRS 12 "Investments in Associates and Joint Ventures".
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration".

The adoption the above standards, amendments to published standards and interpretation to existing standards are not anticipated to have any significant impact on the financial statements of the Bank and the Group other than the adoption of MFRS 9 where the impact are shown in Note A35.

The following MFRS have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2019, and have yet to be adopted by the Group and the Bank:

- MFRS 16 "Leases" (effective from 1 January 2019)
- MFRS 9 "Prepayment features with negative compensation" (effective from 1 January 2019)
- MFRS 128 "Long-term Interest In Associates and Joint Ventures"
- Annual Improvement to MFRS's 2015-2017 Cycle (effective from 1 January 2019)
  - Amendments to MFRS 3 "Business Combinations"
  - Amendments to MFRS 11 "Joint Arrangements"
  - Amendments to MFRS 112 "Income Taxes"
  - Amendments to MFRS 123 "Borrowing Costs"
- IC interpretation 23 "Uncertainty over Income Tax Treatments" (effective from 1 January 2019)

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 judgment in the process of applying the Bank and Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

(Incorporated in Malaysia)

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

The auditors' report on the annual financial statements for the financial year ended 31 March 2018 was not subject to any qualification.

**A3 Seasonality or Cyclicity of Operations**

The operations of the Bank and the Group were not materially affected by any seasonal or cyclical fluctuations in the first financial quarter and three months ended 30 June 2018.

**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 Bank and the Group in the first financial quarter and three months ended 30 June 2018.

**A5 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the first financial quarter and three months ended 30 June 2018.

**A6 Issuance and Repayment of Debt and Equity Securities**

There were no issuance nor repayment of debt and equity securities during the first financial quarter and three months ended 30 June 2018.

**A7 Dividend Paid**

A single tier second interim dividend of 3.03 sen, tax exempt under the single tier tax system on 365,000,000 ordinary shares amounting to approximately RM11,060,000 in respect of the financial year ended 31 March 2018, was paid on 21 June 2018.

**A8 Significant Event**

There was no significant event for the first financial quarter and three months ended 30 June 2018.

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

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

**A10 Related Party Transactions**

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

**A11 Proposed Dividend**

No dividend has been proposed or declared for the first financial quarter and three months ended 30 June 2018.

**A12 Amounts Due From Clients and Brokers**

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	31 March
	<b>2018</b>	2018
	<b>RM'000</b>	RM'000
Due from clients	<b>447,352</b>	101,475
Due from brokers	<b>8,966</b>	670
	<b>456,318</b>	102,145
Less: Allowance for other credit losses	<b>(847)</b>	(840)
	<b>455,471</b>	101,305

These represent amounts receivable 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.

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

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**A12 Amounts Due From Clients and Brokers (Contd.)**

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

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	31 March
	<b>2018</b>	2018
	<b>RM'000</b>	RM'000
Classified as doubtful	66	228
Classified as bad	862	851
	<b>928</b>	<b>1,079</b>

Other balances are neither past due nor impaired.

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

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	31 March
	<b>2018</b>	2018
	<b>RM'000</b>	RM'000
At beginning of financial period/year	840	835
Allowance during the financial period/year	7	5
At the end of financial period/year	<b>847</b>	<b>840</b>

**A13 Financial Assets at Fair Value Through Profit or Loss ("FVTPL")**

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	31 March
	<b>2018</b>	2018
	<b>RM'000</b>	RM'000
<b>At fair value</b>		
<u>Money market instruments:</u>		
Commercial papers	21,838	-
<u>Unquoted securities:</u>		
Shares	57,212	-
Total financial assets at FVTPL	<b>79,050</b>	<b>-</b>

The financial assets at FVTPL category was introduced upon the adoption of MFRS 9 on 1 April 2018. Comparative figures are not restated in line with transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A35.

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**A14 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b>BANK/GROUP</b>	
	<b>30 June 2018 RM'000</b>	<b>31 March 2018 RM'000</b>
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	111,670	-
Malaysian Government investment certificates	232,261	-
Negotiable instruments of deposits	6,068	-
Commercial papers	24,816	-
	<u>374,815</u>	<u>-</u>
<u>Unquoted securities in Malaysia:</u>		
Corporate bonds and sukuk	643,426	-
	<u>643,426</u>	<u>-</u>
Total financial investments at FVOCI	<u><b>1,018,241</b></u>	<u><b>-</b></u>

The financial investments at FVOCI category was introduced upon the adoption of MFRS 9 on 1 April 2018. Comparative figures are not restated in line with transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A35 .

	<b>Non-credit Impaired Collectively Assessed</b>		<b>Credit Impaired Individually Assessed</b>	
	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (Stage 2) RM'000</b>	<b>Lifetime ECL (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>BANK/GROUP</b>				
At 1 April 2018				
As previously stated	-	-	-	-
Effect of adoption of MFRS 9	<u>34</u>	<u>233</u>	<u>9,410</u>	<u>9,677</u>
As restated	34	233	9,410	9,677
Financial assets derecognised other than write off	(5)	-	-	(5)
Changes due to change in credit risk	<u>(9)</u>	<u>(72)</u>	<u>-</u>	<u>(81)</u>
At 30 June 2018	<u><b>20</b></u>	<u><b>161</b></u>	<u><b>9,410</b></u>	<u><b>9,591</b></u>

**A15 Financial Investments at Amortised Cost**

	<b>BANK/GROUP</b>	
	<b>30 June 2018 RM'000</b>	<b>31 March 2018 RM'000</b>
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	20,178	-
Khazanah bonds	54,639	-
	<u>74,817</u>	<u>-</u>
<u>Unquoted securities:</u>		
Corporate bonds	17,306	-
Less: Allowance for credit losses	<u>(12,899)</u>	<u>-</u>
	<u>4,407</u>	<u>-</u>
Total financial investments at amortised cost	<u><b>79,224</b></u>	<u><b>-</b></u>

The financial investments at amortised cost category was introduced upon the adoption of MFRS 9 on 1 April 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A35.

**A15 Financial Investments at Amortised Cost (Contd.)**

Movements in allowances for credit losses are as follows:

<b><u>BANK/GROUP</u></b>	<b><u>Credit Impaired</u></b>		<b>Total</b> RM'000
	<b><u>Collectively</u></b>	<b><u>Individually</u></b>	
	<b><u>Assessed</u></b> <b><u>Lifetime ECL (Stage 3)</u></b> RM'000	<b><u>Assessed</u></b> RM'000	
At 1 April 2018			
As previously stated	-	-	-
Effect of adoption of MFRS 9	583	12,316	12,899
As restated	583	12,316	12,899
Transfer from collective assessment to individual assessment	(583)	583	-
At 30 June 2018	-	12,899	12,899

**A16 Financial assets Held-for-Trading**

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b> <b>2018</b> RM'000	<b>31 March</b> <b>2018</b> RM'000
<b>At fair value</b>		
<u>Money market instruments:</u>		
Commercial papers	-	14,978
Total financial assets held-for-trading	-	14,978

The financial assets held-for-trading category was removed upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A35.

**A17 Financial Investments Available-for-Sale**

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b> <b>2018</b> RM'000	<b>31 March</b> <b>2018</b> RM'000
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	-	112,098
Malaysian Government investment certificates	-	234,023
Negotiable instruments of deposits	-	4,880
	-	351,001
 <u>Unquoted securities:</u>		
Shares	-	57,212
	-	57,212
 Corporate bonds and sukuk	-	690,615
Less: Accumulated impairment	-	(9,410)
	-	681,205
 Total financial investments available-for-sale	-	1,089,418

The financial investments available-for-sale category was removed upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A35.

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**A18 Financial Investments Held-to-Maturity**

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	-	20,415
Khazanah bonds	-	54,147
	-	74,562
<u>Unquoted securities:</u>		
Corporate bonds	-	17,306
Less: Accumulated impairment	-	(12,899)
	-	4,407
Total financial investments held-to-maturity	-	78,969

The financial investments held-to-maturity category was removed upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note A35.

**A19 Loans, Advances and Financing**

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loans/financing	170,022	180,112
- Syndicated term loans/financing	143,877	144,969
- Other term loans/financing	26,145	35,143
Staff loans (Directors loan: RM Nil)	270	278
Revolving credits	34,345	24,890
Share margin financing	269,732	248,455
Gross loans, advances and financing	474,369	453,735
Less: Allowance for credit losses on loans, advances and financing		
- Individual assessment allowance	(483)	-
- Collective assessment allowance	(879)	(840)
Total net loans, advances and financing	473,007	452,895

(i) By maturity structure:

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	304,607	282,122
One year to three years	7,583	7,581
Three years to five years	10,415	10,268
Over five years	151,764	153,764
Gross loans, advances and financing	474,369	453,735

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**A19 Loans, Advances and Financing (Contd.)**

(ii) By type of customer:

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic business enterprises		
- Small and medium enterprises	<b>60,327</b>	67,681
- Others	<b>197,101</b>	191,802
Individuals	<b>214,018</b>	191,351
Other domestic entities	<b>2,754</b>	2,704
Foreign entities	<b>169</b>	197
Gross loans, advances and financing	<b>474,369</b>	453,735

(iii) By interest/profit rate sensitivity:

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate loans/financing	<b>29,902</b>	29,821
Variable rate		
- Base lending rate plus	<b>38,761</b>	42,650
- Base rate plus	<b>226,959</b>	201,975
- Cost plus	<b>178,747</b>	179,289
Gross loans, advances and financing	<b>474,369</b>	453,735

(iv) By economic purposes:

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of securities	<b>269,731</b>	248,455
Purchase of transport vehicles	<b>15</b>	29
Purchase of landed property	<b>46,365</b>	48,297
of which: - Residential	<b>891</b>	2,743
- Non-residential	<b>45,474</b>	45,554
Personal use	<b>56</b>	148
Working capital	<b>101,881</b>	92,858
Others	<b>56,321</b>	63,948
Gross loans, advances and financing	<b>474,369</b>	453,735

(v) By geographical distribution:

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Northern region	<b>62,316</b>	40,916
Central region	<b>380,750</b>	384,531
Southern region	<b>31,303</b>	28,288
Gross loans, advances and financing	<b>474,369</b>	453,735

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**A19 Loans, Advances and Financing (Contd.)**(vi) Movements in credit impaired loans, advances and financing ('impaired loans') under stage 3:

	<b>BANK/GROUP</b>
	<b>30 June</b>
	<b>2018</b>
	<b>RM'000</b>
At beginning of financial period	
As previously stated	2,641
Effect of adoption of MFRS 9	(1,556)
As restated	1,085
Impaired during the financial period	41
Changes in loans, advances & financing	(391)
At end of financial period	735
Gross impaired loans as % of gross loans, advances and financing	0.2%

(vi) Movements in impaired loans under MFRS 139:

	<b>BANK/GROUP</b>
	<b>31 March</b>
	<b>2018</b>
	<b>RM'000</b>
At beginning of financial year	2,380
Impaired during the financial year	374
Reclassified as non-impaired during the financial year	(77)
Recoveries	(36)
At end of financial year	2,641
Gross impaired loans as % of gross loans, advances and financing	0.6%

(vii) Credit impaired loans analysed by economic purposes are as follows:

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of transport vehicle	15	29
Purchase of landed properties	496	2,295
<i>of which: - Residential</i>	496	2,295
Personal use	57	148
Others	167	169
Gross impaired loans	735	2,641

(viii) Credit impaired loans by geographical distribution:

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Central region	735	2,641
Gross impaired loans	735	2,641



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**A19 Loans, Advances and Financing (Contd.)**

(ix) Movements in the allowance for credit losses on loans, advances and financing are as follows:

	June 2018				March 2018
	Non-credit impaired		Credit Impaired		Total
	Collectively Assessed		Collectively Assessed	Individually Assessed	Collectively Assessed
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)		
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>BANK/GROUP</u>					
At beginning of financial period/year					
As previously stated					<b>840</b>
Effects of adoption of MFRS 9					<b>874</b>
As restated	619	11	183	901	<b>1,714</b>
New financial assets originated or purchased	36	-	-	-	<b>36</b>
Changes due to change in credit risk	35	(11)	-	(26)	<b>(2)</b>
Financial assets derecognised other than write-off	(22)	-	-	-	<b>(22)</b>
Other adjustments	-	-	28	(392)	<b>(364)</b>
Total charged/(write-back) to income statement	<b>49</b>	<b>(11)</b>	<b>28</b>	<b>(418)</b>	<b>(352)</b>
Write-back	-	-	-	-	-
At the end of financial period/year	<b>668</b>	-	<b>211</b>	<b>483</b>	<b>1,362</b>

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**A20 Other Assets**

	<b>BANK</b>		<b>GROUP</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	11,631	11,302	11,757	11,430
Amount due from related company	99	-	99	-
Less: Allowance for credit losses in other receivables	(2,120)	(1,993)	(2,120)	(1,993)
	<u>9,610</u>	<u>9,309</u>	<u>9,736</u>	<u>9,437</u>

**A21 Deposits from Customers**

	<b>BANK</b>		<b>GROUP</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed/investment deposits	296,505	306,438	296,505	306,438
Money market deposits	290,779	302,899	290,779	302,899
Negotiable instruments of deposits	45,008	15,003	45,008	15,003
	<u>632,292</u>	<u>624,340</u>	<u>632,292</u>	<u>624,340</u>

- (i) The maturity structure of fixed/investment deposits, money market deposits and negotiable instruments of deposits are as follows:

	<b>BANK</b>		<b>GROUP</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due within six months	632,292	624,340	632,292	624,340
	<u>632,292</u>	<u>624,340</u>	<u>632,292</u>	<u>624,340</u>

- (ii) The deposits are sourced from the following types of customers:

	<b>BANK</b>		<b>GROUP</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	355,128	364,730	355,128	364,730
Domestic financial institutions	45,008	15,003	45,008	15,003
Domestic non-bank financial institutions	232,156	244,607	232,156	244,607
	<u>632,292</u>	<u>624,340</u>	<u>632,292</u>	<u>624,340</u>

**A22 Deposits and Placements of Banks and Other Financial Institutions**

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	346,356	440,429
Licensed investment banks	100,018	22,004
Other financial institutions	50,009	28,405
	<u>496,383</u>	<u>490,838</u>

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**A23 Amounts Due To Clients And Brokers**

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Due to clients	<b>428,345</b>	<b>75,103</b>
	<b>428,345</b>	<b>75,103</b>

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

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

Following the issuance of FRSIC Consensus 18, the Bank and the Group no longer recognises trust monies balances in the statement of financial position, as the Bank and the Group do 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 Bank and the Group amounting to RM66,322,000 (31 March 2018: RM71,652,000) have been excluded accordingly.

**A24 Other Liabilities**

	<b><u>BANK</u></b>		<b><u>GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	<b>22,675</b>	22,334	<b>21,411</b>	21,746
Provision and accruals	<b>3,417</b>	6,410	<b>3,441</b>	6,444
Remisier's accounts	<b>5,754</b>	5,866	<b>5,754</b>	5,866
Amount due to joint venture	<b>152</b>	168	<b>152</b>	168
Amount due to holding company	<b>411</b>	122	<b>411</b>	122
Allowance for credit losses on commitment and contingencies	<b>259</b>	-	<b>259</b>	-
	<b>32,668</b>	34,900	<b>31,428</b>	34,346

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

	<b><u>Non-credit impaired</u></b>	
	<b><u>Collectively Assessed</u></b>	
	<b><u>12 months ECL</u></b>	
	<b><u>(Stage 1)</u></b>	
	<b><u>RM'000</u></b>	
<b><u>BANK/GROUP</u></b>		<b><u>Total</u></b>
		<b><u>RM'000</u></b>
At 1 April 2018		
As previously stated	-	-
Effects of adoption of MFRS 9	248	<b>248</b>
As restated	248	<b>248</b>
Changes due to change in credit risk	11	<b>11</b>
At 30 June 2018	259	<b>259</b>

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**A25 Interest Income**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK</u></b>				
Loans, advances and financing	7,452	6,475	7,452	6,475
Money at call and deposit placements with financial institutions	60	16	60	16
Financial investments at FVOCI	9,375	-	9,375	-
Financial investments at amortised cost	219	-	219	-
Financial investments available-for-sale	-	8,444	-	8,444
Financial investments held-to-maturity	-	1,263	-	1,263
	<b>17,106</b>	<b>16,198</b>	<b>17,106</b>	<b>16,198</b>
Accretion of discount less amortisation of premium of securities	496	609	496	609
	<b>17,602</b>	<b>16,807</b>	<b>17,602</b>	<b>16,807</b>
	<b>1st Quarter Ended</b>	<b>30 June</b>	<b>Three Months Ended</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>GROUP</u></b>				
Loans, advances and financing	7,452	6,475	7,452	6,475
Money at call and deposit placement with financial institutions	60	19	60	19
Financial investments at FVOCI	9,375	-	9,375	-
Financial investments at amortised cost	219	-	219	-
Financial investments available-for-sale	-	8,444	-	8,444
Financial investments held-to-maturity	-	1,263	-	1,263
	<b>17,106</b>	<b>16,201</b>	<b>17,106</b>	<b>16,201</b>
Accretion of discount less amortisation of premium of securities	496	609	496	609
	<b>17,602</b>	<b>16,810</b>	<b>17,602</b>	<b>16,810</b>

**A26 Interest Expense**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK</u></b>				
Deposits and placements of banks and other financial institutions	4,302	3,865	4,302	3,865
Deposits from customers	4,980	5,109	4,980	5,109
	<b>9,282</b>	<b>8,974</b>	<b>9,282</b>	<b>8,974</b>
	<b>1st Quarter Ended</b>	<b>30 June</b>	<b>Three Months Ended</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>GROUP</u></b>				
Deposits and placements of banks and other financial institutions	4,302	3,865	4,302	3,865
Deposits from customers	4,980	5,109	4,980	5,109
	<b>9,282</b>	<b>8,974</b>	<b>9,282</b>	<b>8,974</b>

**ALLIANCE INVESTMENT BANK BERHAD**
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**A27 Other Operating Income**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK</u></b>				
(a) <u>Fee and commission income:</u>				
Brokerage fees	<b>8,285</b>	10,785	<b>8,285</b>	10,785
Corporate advisory fees	<b>787</b>	726	<b>787</b>	726
Processing fees	<b>105</b>	197	<b>105</b>	197
Arrangement and related fees	<b>881</b>	302	<b>881</b>	302
Commitment fees	-	6	-	6
Service charges	<b>82</b>	175	<b>82</b>	175
Underwriting commissions	-	168	-	168
	<b>10,140</b>	12,359	<b>10,140</b>	12,359
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	<b>(2,552)</b>	(3,722)	<b>(2,552)</b>	(3,722)
(c) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of securities:				
- Financial assets at FVTPL	<b>1</b>	-	<b>1</b>	-
- Financial investments at FVOCI	<b>(1)</b>	-	<b>(1)</b>	-
- Financial investments available-for-sale	-	688	-	688
Unrealised gain/(loss) from revaluation of				
- Financial assets at FVTPL	<b>29</b>	-	<b>29</b>	-
- Financial assets held-for-trading	-	(20)	-	(20)
Gross dividend income from:				
- Financial investments at FVOCI	<b>360</b>	-	<b>360</b>	-
- Financial investments available-for-sale	-	430	-	430
	<b>389</b>	1,098	<b>389</b>	1,098
(d) <u>Other income:</u>				
Foreign exchange gain	<b>152</b>	64	<b>152</b>	64
Rental income	-	4	-	4
Other non-operating income	<b>222</b>	198	<b>222</b>	198
	<b>374</b>	266	<b>374</b>	266
Total other operating income	<b>8,351</b>	10,001	<b>8,351</b>	10,001

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**A27 Other Operating Income (Contd.)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>GROUP</u></b>				
(a) <u>Fee and commission income:</u>				
Brokerage fees	<b>8,285</b>	10,785	<b>8,285</b>	10,785
Corporate advisory fees	<b>787</b>	726	<b>787</b>	726
Processing fees	<b>105</b>	197	<b>105</b>	197
Arrangement and related fees	<b>881</b>	302	<b>881</b>	302
Commitment fees	-	6	-	6
Service charges	<b>82</b>	175	<b>82</b>	175
Underwriting commissions	-	168	-	168
	<b>10,140</b>	12,359	<b>10,140</b>	12,359
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	<b>(2,552)</b>	(3,722)	<b>(2,552)</b>	(3,722)
(c) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of securities:				
- Financial assets at FVTPL	<b>1</b>	-	<b>1</b>	-
- Financial investments at FVOCI	<b>(1)</b>	-	<b>(1)</b>	-
- Financial investments available-for-sale	-	688	-	688
Unrealised gain/(loss) from revaluation of				
- Financial assets at FVTPL	<b>29</b>	-	<b>29</b>	-
- Financial assets held-for-trading	-	(20)	-	(20)
Gross dividend income from:				
- Financial investments at FVOCI	<b>360</b>	-	<b>360</b>	-
- Financial investments available-for-sale	-	430	-	430
	<b>389</b>	1,098	<b>389</b>	1,098
(d) <u>Other income:</u>				
Foreign exchange gain	<b>152</b>	64	<b>152</b>	64
Rental income	-	4	-	4
Other non-operating income	<b>223</b>	198	<b>223</b>	198
	<b>375</b>	266	<b>375</b>	266
Total other operating income	<b>8,352</b>	10,001	<b>8,352</b>	10,001

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

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**A28 Other Operating Expenses**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK</u></b>				
<b><u>Personnel costs</u></b>				
- Salaries, allowances and bonuses	<b>5,550</b>	5,321	<b>5,550</b>	5,321
- Contribution to EPF	<b>799</b>	729	<b>799</b>	729
- Shares options/grants under ESS	<b>-</b>	(10)	<b>-</b>	(10)
- Others	<b>423</b>	405	<b>423</b>	405
	<b>6,772</b>	6,445	<b>6,772</b>	6,445
<b><u>Establishment costs</u></b>				
- Depreciation of property, plant and equipment	<b>151</b>	157	<b>151</b>	157
- Amortisation of computer software	<b>128</b>	99	<b>128</b>	99
- Rental	<b>360</b>	389	<b>360</b>	389
- Water and electricity	<b>98</b>	279	<b>98</b>	279
- Repairs & maintenance	<b>101</b>	121	<b>101</b>	121
- Information technology expenses	<b>1,102</b>	707	<b>1,102</b>	707
- Others	<b>253</b>	328	<b>253</b>	328
	<b>2,193</b>	2,080	<b>2,193</b>	2,080
<b><u>Marketing expenses</u></b>				
- Advertisement and publicity	<b>163</b>	83	<b>163</b>	83
- Research cost	<b>460</b>	516	<b>460</b>	516
- Others	<b>89</b>	83	<b>89</b>	83
	<b>712</b>	682	<b>712</b>	682
<b><u>Administration and general expenses</u></b>				
- Communication expenses	<b>103</b>	199	<b>103</b>	199
- Printing and stationeries	<b>15</b>	18	<b>15</b>	18
- Professional fees	<b>302</b>	241	<b>302</b>	241
- Others	<b>459</b>	532	<b>459</b>	532
	<b>879</b>	990	<b>879</b>	990
<b>Total other operating expenses</b>	<b>10,556</b>	10,197	<b>10,556</b>	10,197

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**A28 Other Operating Expenses (Contd.)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>GROUP</u></b>				
<b><u>Personnel costs</u></b>				
- Salaries, allowances and bonuses	<b>5,550</b>	5,321	<b>5,550</b>	5,321
- Contribution to EPF	<b>799</b>	729	<b>799</b>	729
- Shares options/grants under ESS	-	(10)	-	(10)
- Others	<b>423</b>	405	<b>423</b>	405
	<b>6,772</b>	6,445	<b>6,772</b>	6,445
<b><u>Establishment costs</u></b>				
- Depreciation of property, plant and equipment	<b>151</b>	157	<b>151</b>	157
- Amortisation of computer software	<b>128</b>	99	<b>128</b>	99
- Rental	<b>360</b>	389	<b>360</b>	389
- Water and electricity	<b>98</b>	279	<b>98</b>	279
- Repairs & maintenance	<b>101</b>	121	<b>101</b>	121
- Information technology expenses	<b>1,102</b>	707	<b>1,102</b>	707
- Others	<b>253</b>	328	<b>253</b>	328
	<b>2,193</b>	2,080	<b>2,193</b>	2,080
<b><u>Marketing expenses</u></b>				
- Advertisement and publicity	<b>163</b>	83	<b>163</b>	83
- Research cost	<b>460</b>	516	<b>460</b>	516
- Others	<b>89</b>	83	<b>89</b>	83
	<b>712</b>	682	<b>712</b>	682
<b><u>Administration and general expenses</u></b>				
- Communication expenses	<b>103</b>	199	<b>103</b>	199
- Printing and stationeries	<b>15</b>	18	<b>15</b>	18
- Professional fees	<b>302</b>	243	<b>302</b>	243
- Others	<b>459</b>	532	<b>459</b>	532
	<b>879</b>	992	<b>879</b>	992
<b>Total other operating expenses</b>	<b>10,556</b>	10,199	<b>10,556</b>	10,199



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**A29 Write-back of Credit Losses on Loans, Advances and Financing and Other Receivables**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK</u></b>				
(Write-back of)/allowance for credit losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance				
- Net write-back during the financial period	<b>(418)</b>	-	<b>(418)</b>	-
(b) Collective assessment allowance				
- Net charged/(write-back) during the financial period	<b>65</b>	(73)	<b>65</b>	(73)
(c) Bad debts on loans and financing				
- Recovered	<b>(24)</b>	-	<b>(24)</b>	-
(d) Commitment and contingencies	<b>11</b>	-	<b>11</b>	-
	<b>(366)</b>	(73)	<b>(366)</b>	(73)
Allowance for credit losses on:				
(a) Other receivables	<b>127</b>	19	<b>127</b>	19
(b) Amounts due to clients and brokers	<b>7</b>	-	<b>7</b>	-
	<b>(232)</b>	(54)	<b>(232)</b>	(54)

**GROUP**

(Write-back of)/allowance for credit losses on loans, advances and financing and other receivables:

(a) Individual assessment allowance				
- Net write-back during the financial period	<b>(418)</b>	-	<b>(418)</b>	-
(b) Collective assessment allowance				
- Net charged/(write-back) during the financial period	<b>65</b>	(73)	<b>65</b>	(73)
(c) Bad debts on loans and financing				
- Recovered	<b>(24)</b>	-	<b>(24)</b>	-
(d) Commitment and contingencies	<b>11</b>	-	<b>11</b>	-
	<b>(366)</b>	(73)	<b>(366)</b>	(73)
Allowance for credit losses on:				
(a) Other receivables	<b>127</b>	19	<b>127</b>	19
(b) Amounts due to clients and brokers	<b>7</b>	-	<b>7</b>	-
	<b>(232)</b>	(54)	<b>(232)</b>	(54)

**A30 Earnings Per Share****Basic/Diluted**

Basic/diluted earnings per share amounts are calculated by dividing profit for the financial period attributable to Equity holder of the Bank and the Group by the weighted average number of ordinary shares in issue during the financial period.

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b><u>BANK</u></b>				
Net profit attributable to Equity holder of the Bank (RM'000)	<b>5,769</b>	6,674	<b>5,769</b>	6,674
Weighted average numbers of ordinary shares in issued ('000)	<b>365,000</b>	365,000	<b>365,000</b>	365,000
Basic/diluted earnings per share (sen)	<b>1.6</b>	1.8	<b>1.6</b>	1.8

**A30 Earnings Per Share (Contd.)**

**Basic/Diluted (Contd.)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>GROUP</b>				
Net profit attributable to Equity holder of the Bank (RM'000)	<b>5,792</b>	6,698	<b>5,792</b>	6,698
Weighted average numbers of ordinary shares in issued ('000)	<b>365,000</b>	365,000	<b>365,000</b>	365,000
Basic/diluted earnings per share (sen)	<b>1.6</b>	1.8	<b>1.6</b>	1.8

**A31 Commitments And Contingencies**

In the normal course of business, the Bank and the Group makes 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 exposures and their related counterparty credit risk of the Bank and the Group are as follows:

	<b>BANK/GROUP</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>BANK/GROUP</b>		
<u>Credit-related exposures</u>		
Transaction-related contingent items	<b>10,500</b>	10,500
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	<b>275,893</b>	295,937
- maturity exceeding one year	<b>22,092</b>	22,092
<b>Total</b>	<b>308,485</b>	328,529

**A32 Capital Adequacy**

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

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

	<b>BANK</b>		<b>GROUP</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	<b>56.219%</b>	86.830%	<b>56.346%</b>	86.862%
Tier 1 capital ratio	<b>56.219%</b>	86.830%	<b>56.346%</b>	86.862%
Total capital ratio	<b>57.309%</b>	87.642%	<b>57.434%</b>	87.672%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	<b>56.219%</b>	85.079%	<b>56.346%</b>	85.118%
Tier 1 capital ratio	<b>56.219%</b>	85.079%	<b>56.346%</b>	85.118%
Total capital ratio	<b>57.309%</b>	85.892%	<b>57.434%</b>	85.928%

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**A32 Capital Adequacy (Contd.)**

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

	<b><u>BANK</u></b>		<b><u>GROUP</u></b>	
	<b>30 June</b>	31 March	<b>30 June</b>	31 March
	<b>2018</b>	2018	<b>2018</b>	2018
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>CET I Capital</u></b>				
Paid-up share capital	<b>365,962</b>	365,962	<b>365,962</b>	365,962
Retained profits	<b>262,478</b>	226,603	<b>258,370</b>	222,495
Revaluation reserves	<b>(3,870)</b>	42,530	<b>(3,870)</b>	42,530
	<b>624,570</b>	635,095	<b>620,462</b>	630,987
Less: Regulatory adjustment				
- Goodwill and other intangibles	<b>(62,332)</b>	(62,429)	<b>(55,653)</b>	(55,749)
- 55% of revaluation reserve	-	(23,392)	-	(23,392)
- Deferred tax assets	<b>(2,393)</b>	-	<b>(2,393)</b>	-
- Investment in subsidiaries, associate and joint venture	<b>(624)</b>	(624)	<b>(989)</b>	(967)
<b>Total CET I Capital / Total Tier I Capital</b>	<b>559,221</b>	548,650	<b>561,427</b>	550,879
<b><u>Tier II Capital</u></b>				
Collective assessment allowance and regulatory reserves	<b>10,838</b>	5,133	<b>10,844</b>	5,133
<b>Total Tier II Capital</b>	<b>10,838</b>	5,133	<b>10,844</b>	5,133
<b>Total Capital</b>	<b>570,059</b>	553,783	<b>572,271</b>	556,012

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

	<b><u>BANK</u></b>		<b><u>GROUP</u></b>	
	<b>30 June</b>	31 March	<b>30 June</b>	31 March
	<b>2018</b>	2018	<b>2018</b>	2018
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Credit risk	<b>867,051</b>	517,333	<b>867,555</b>	518,478
Market risk	<b>11,380</b>	468	<b>11,380</b>	468
Operational risk	<b>116,281</b>	114,069	<b>117,460</b>	115,252
<b>Total RWA and capital requirements</b>	<b>994,712</b>	631,870	<b>996,395</b>	634,198

### **A33 Fair Value Measurements**

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

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

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

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

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

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

##### **(i) Financial instruments in Level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement 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 Bank and the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities and corporate notes.

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

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

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b><u>BANK/GROUP</u></b>				
30 June 2018				
Financial assets FVTPL				
- Money market instrument:	-	21,838	57,212	79,050
Financial investments FVOCI				
- Money market instruments:	-	374,815	-	374,815
- Unquoted securities	-	643,426	-	643,426

**BANK/GROUP**

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Financial assets held-for-trading

- Money market instrument:	-	14,978	-	14,978
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Financial investments available-for-sale

- Money market instrument:	-	351,001	-	351,001
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- Unquoted securities	-	681,205	57,212	738,417
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There were no transfers between levels 1 and 2 of the fair value hierarchy for the Bank and the Group during the financial period/year ended 30 June 2018 and 31 March 2018.

Reconciliation of movements in Level 3 financial instruments:

	<b><u>BANK/GROUP</u></b>	
	<b>30 June 2018 RM'000</b>	<b>31 March 2018 RM'000</b>
At beginning of financial year	57,212	58,862
Disposal	-	(4,970)
Total gain/(loss) recognised in:		
Disposal/redemption		
(i) Revaluation reserves	-	3,350
- Statement of comprehensive income		
(i) Loss arising from sales of financial investments available-for-sale	-	(30)
At end of financial period/year	<b>57,212</b>	<b>57,212</b>

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

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**A34 Offsetting Financial Assets And Financial Liabilities**

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

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

**(a) Financial assets**

	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amount RM'000
<u>BANK/GROUP</u>			
June 2018			
Amounts due from clients and brokers	<b>525,873</b>	<b>(70,402)</b>	<b>455,471</b>
Total	<b>525,873</b>	<b>(70,402)</b>	<b>455,471</b>
<u>BANK/GROUP</u>			
March 2018			
Amounts due from clients and brokers	188,129	(86,824)	101,305
Total	188,129	(86,824)	101,305

**(b) Financial liabilities**

	Gross amounts of recognised financial liabilities RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amount RM'000
<u>BANK/GROUP</u>			
June 2018			
Amounts due to clients and brokers	<b>498,747</b>	<b>(70,402)</b>	<b>428,345</b>
Total	<b>498,747</b>	<b>(70,402)</b>	<b>428,345</b>
<u>BANK/GROUP</u>			
March 2018			
Amounts due to clients and brokers	161,927	(86,824)	75,103
Total	161,927	(86,824)	75,103

### **A35 Changes in Accounting Policy**

With effective from the financial year beginning on or after 1 April 2018, the Bank and the Group adopt MFRS 9 “Financial Instruments”, replacing MFRS 139 “Financial Instruments: Recognition and Measurement”, and includes requirements for classification and measurement for financial asset and liabilities and impairment of financial assets.

#### **(a) Classification and Measurement**

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss (“FVTPL”) and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

The combined application of the entity's business model and cash flow characteristics of the financial assets do not result in the significant change in the classification of financial asset other than the unquoted equity instruments which was previously classified as available-for-sale, is now reclassified to financial assets at FVTPL. The reclassification has resulted in an increase in the Bank's and the Group's opening retained profits due to the transfer of related fair value gains from financial instruments available-for-sale revaluation reserves to retained earnings.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes are:

(i) For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.

(ii) When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognised immediately in profit or loss.

There will be no changes to the Bank's and the Group's accounting for financial liabilities. All the financial liabilities, except for financial liabilities designated at fair value and derivatives financial liabilities which is at FVTPL, will remain as amortised cost as there has not been significant change in the requirements for financial liabilities under MFRS 9.

#### **(b) Impairment of Financial Assets**

MFRS 9 introduces an expected credit loss (“ECL”) model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The new impairment model requires the recognition of impairment allowances based on ECL rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments, financial guarantee contracts and other loan commitments.

**A35 Changes in Accounting Policy (Contd.)**

**(b) Impairment of Financial Assets (Contd.)**

Under MFRS 9, impairment will be measured on each reporting date according to a three-stage expected credit loss impairment model:

(i) Stage 1 – from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months (12-month ECL).

(ii) Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset (Lifetime ECL).

(iii) Stage 3 – when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised (Lifetime ECL).

As all financial assets within the scope of MFRS 9 impairment model will be assessed for at least 12-month ECL, and the population of financial assets to which full lifetime ECL applies is larger than the population of impaired loans for which there is objective evidence of impairment in accordance with MFRS 139, the total allowance for credit losses is expected to increase under MFRS 9 relative to the allowance for credit losses under MFRS 139.

In addition, changes in the required credit loss allowance, including the impact of movements between Stage 1 (12-month ECL) and Stage 2 (lifetime ECL) and the application of forward looking information, will be recorded in profit or loss, allowance for credit losses will be more volatile under MFRS 9.



**A35 Changes in Accounting Policy (Contd.)**

**(c) Impact on Adoption of MFRS 9**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	Original classification under MFRS 139	New classification under MFRS 9	MFRS 139 carrying amount RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount RM'000
<b><u>BANK</u></b>						
<b>ASSETS</b>						
Cash and short-term funds	Receivables	Amortised Cost	26,926	-	-	26,926
Amounts due from clients and brokers	Receivables	Amortised Cost	101,305	-	-	101,305
Financial investments at FVTPL	FVTPL	FVTPL	-	72,190	-	72,190
Financial investments at FVOCI	AFS	FVOCI	-	1,041,616	-	1,041,616
Financial investments at amortised cost	HTM	Amortised Cost	-	91,868	(12,899)	78,969
Financial assets held-for-trading	FVTPL	FVTPL	14,978	(14,978)	-	-
Financial investments available-for-sale ("AFS")	AFS	FVOCI	1,089,418	(1,098,828)	9,410	-
- <i>Debt instrument</i>	AFS	FVOCI	1,032,206	(1,041,616)	9,410	-
- <i>Unquoted equity instrument</i>	AFS	FVTPL	57,212	(57,212)	-	-
Financial investments held-to-maturity ("HTM")	HTM	Amortised Cost	78,969	(91,868)	12,899	-
Loans, advances and financing	Loans and receivables	Amortised Cost	452,895	(1,556)	(874)	450,465
Other assets	Receivables	Amortised Cost	9,309	-	-	9,309
Tax Recoverable			-	244	-	244
Statutory deposits	Receivables	Amortised Cost	38,762	-	-	38,762
Investment in associate			230	-	-	230
Investment in joint venture			394	-	-	394
Property, plant and equipment			1,183	-	-	1,183
Deferred tax assets			-	1,703	333	2,036
Intangible assets			62,429	-	-	62,429
<b>TOTAL ASSETS</b>			<b>1,876,798</b>	<b>391</b>	<b>8,869</b>	<b>1,886,058</b>
<b>LIABILITIES AND EQUITY</b>						
Deposits from customers			624,340	-	-	624,340
Deposits and placements of banks and other financial institutions			490,838	-	-	490,838
Amounts due to clients and brokers			75,103	-	-	75,103
Other liabilities			34,900	-	248	35,148
Provision for taxation			129	(129)	-	-
Deferred tax liabilities			11,788	(11,788)	-	-
<b>TOTAL LIABILITIES</b>			<b>1,237,098</b>	<b>(11,917)</b>	<b>248</b>	<b>1,225,429</b>
Share capital			365,962	-	-	365,962
Reserves			273,738	12,308	8,621	294,667
- <i>Regulatory reserve</i>			4,605	-	3,773	8,378
- <i>FVOCI reserve</i>			-	(191)	9,677	9,486
- <i>Revaluation reserve</i>			42,530	(42,530)	-	-
- <i>Retained profit</i>			226,603	55,029	(4,829)	276,803
<b>TOTAL EQUITY</b>			<b>639,700</b>	<b>12,308</b>	<b>8,621</b>	<b>660,629</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>1,876,798</b>	<b>391</b>	<b>8,869</b>	<b>1,886,058</b>

A35 Changes in Accounting Policy (Contd.)

(c) Impact on Adoption of MFRS 9 (contd.)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Original classification under MFRS 139	New classification under MFRS 9	MFRS 139 carrying amount RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount RM'000
<b>GROUP</b>						
<b>ASSETS</b>						
Cash and short-term funds	Receivables	Amortised Cost	27,983	-	-	27,983
Amounts due from clients and brokers	Receivables	Amortised Cost	101,305	-	-	101,305
Financial investments at FVTPL	FVTPL	FVTPL	-	72,190	-	72,190
Financial investments at FVOCI	AFS	FVOCI	-	1,041,616	-	1,041,616
Financial investments at amortised cost	HTM	Amortised Cost	-	91,868	(12,899)	78,969
Financial assets held-for-trading	FVTPL	FVTPL	14,978	(14,978)	-	-
Financial investments available-for-sale ("AFS")	AFS	FVOCI	1,089,418	(1,098,828)	9,410	-
- <i>Debt instrument</i>	AFS	FVOCI	1,032,206	(1,041,616)	9,410	-
- <i>Unquoted equity instrument</i>	AFS	FVTPL	57,212	(57,212)	-	-
Financial investments held-to-maturity ("HTM")	HTM	Amortised Cost	78,969	(91,868)	12,899	-
Loans, advances and financing	Loans and receivables	Amortised Cost	452,895	(1,556)	(874)	450,465
Other assets	Receivables	Amortised Cost	9,437	-	-	9,437
Tax recoverable			490	244	-	734
Statutory deposits with Bank Negara Malaysia	Receivables	Amortised Cost	38,762	-	-	38,762
Investment in associate			274	-	-	274
Investment in joint venture			693	-	-	693
Property, plant and equipment			1,183	-	-	1,183
Deferred tax assets			-	1,703	333	2,036
Intangible assets			55,749	-	-	55,749
<b>TOTAL ASSETS</b>			<b>1,872,136</b>	<b>391</b>	<b>8,869</b>	<b>1,881,396</b>
<b>LIABILITIES AND EQUITY</b>						
Deposits from customers			624,340	-	-	624,340
Deposits and placements of banks and other financial institutions			490,838	-	-	490,838
Amounts due to clients and brokers			75,103	-	-	75,103
Other liabilities			34,346	-	248	34,594
Provision for taxation			129	(129)	-	-
Deferred tax liabilities			11,788	(11,788)	-	-
<b>TOTAL LIABILITIES</b>			<b>1,236,544</b>	<b>(11,917)</b>	<b>248</b>	<b>1,224,875</b>
Share capital			365,962	-	-	365,962
Reserves			269,630	12,308	8,621	290,559
- <i>Regulatory reserve</i>			4,605	-	3,773	8,378
- <i>FVOCI reserve</i>			-	(191)	9,677	9,486
- <i>Revaluation reserve</i>			42,530	(42,530)	-	-
- <i>Retained profit</i>			222,495	55,029	(4,829)	272,695
<b>TOTAL EQUITY</b>			<b>635,592</b>	<b>12,308</b>	<b>8,621</b>	<b>656,521</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>1,872,136</b>	<b>391</b>	<b>8,869</b>	<b>1,881,396</b>

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**A36 Islamic Banking Business****A36a Unaudited Statements of Financial Position as at 30 June 2018**

	<b><u>BANK/GROUP</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	23	26
Financial investments at FVOCI	105,811	-
Financial investments available-for-sale	-	105,186
Other assets	6,494	6,499
Deferred tax	265	154
<b>Total Assets</b>	<b>112,593</b>	<b>111,865</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>		
Other liabilities	-	2
Provision for taxation	1,313	1,054
<b>Total Liabilities</b>	<b>1,313</b>	<b>1,056</b>
Islamic Banking Funds	56,000	56,000
Reserves	55,280	54,809
<b>Total Islamic Banking Funds</b>	<b>111,280</b>	<b>110,809</b>
<b>TOTAL LIABILITES AND ISLAMIC BANKING FUNDS</b>	<b>112,593</b>	<b>111,865</b>

**ALLIANCE INVESTMENT BANK BERHAD****(21605-D)**

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**A36 Islamic Banking Business (Contd.)****A36b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 30 June 2018**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>BANK/GROUP</u></b>				
Income derived from investment of Islamic banking funds	<b>1,082</b>	1,041	<b>1,082</b>	1,041
<b>Total net income/Profit before taxation</b>	<b>1,082</b>	1,041	<b>1,082</b>	1,041
Taxation	<b>(260)</b>	(250)	<b>(260)</b>	(250)
<b>Net profit after taxation</b>	<b>822</b>	791	<b>822</b>	791
<b>Other comprehensive (expense)/income:</b>				
Items that may be classified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI				
- Net loss from change in fair value	<b>(463)</b>	-	<b>(463)</b>	-
- Transfer from deferred tax	<b>112</b>	-	<b>112</b>	-
	<b>(351)</b>	-	<b>(351)</b>	-
Revaluation reserve on financial investments available-for-sale				
- Net gain from change in fair value	-	233	-	233
- Transfer to deferred tax	-	(55)	-	(55)
	-	<b>178</b>	-	<b>178</b>
Other comprehensive (expense)/income, net of tax	<b>(351)</b>	178	<b>(351)</b>	178
<b>Total comprehensive income for the financial period</b>	<b>471</b>	969	<b>471</b>	969
Net income from Islamic banking business stated in the consolidated statement of comprehensive income is derived from :				
Income derived from investment of Islamic Banking funds	<b>1,082</b>	1,041	<b>1,082</b>	1,041
	<b>1,082</b>	1,041	<b>1,082</b>	1,041

**PART B – Review of Performance & Current Year Prospect**

**B1 Review of Performance**

The Group recorded a net profit after taxation stood at RM5.8 million for the first quarter ended 30 June 2018.

Net interest income including Islamic banking income increased by RM0.5 million or 5.9% as year on year gross loan has increased by RM20.7 million or 4.5%.

Fee base income was at RM7.6 million where arrangement fees and advisory fees increased by RM0.6 million and RM0.1 million offset by lower brokerage income and investment income by RM1.3 million and RM0.7 million.

Operating Expenses increased by RM0.4 million or 3.5% mainly due to higher personnel cost.

Both Total Capital and Common Equity Tier 1 ratios recorded at 57.4% and 56.3% respectively as at 30 June 2018.

**B2 Current Year Prospect**

Industry competition in the target markets will continue to be strong in 2018. We will continue to grow our business this financial year by focusing on:

(a) building on the growth of Corporate Finance and Debt Capital Markets businesses through the collaboration with Group Corporate, Commercial and Transactions ("GCCT") business segment of Alliance Bank Malaysia Berhad;

(b) delivering better customer experience for its retail broking customers at all Alliance Bank Group branches and enhancing customer engagement to improve activation rate of new accounts and trading activity of existing accounts

(c) prudently growing loans on our balance sheet that meet risk-adjusted returns that commensurate with the Group's risk appetite.

Against the backdrop of these business initiatives, the Group's financial performance is expected to be satisfactory.