

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Financial Position as at 31 December 2018**

	Note	<b>BANK</b>		<b>GROUP</b>	
		31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds		12,843	26,926	13,226	27,983
Deposits and placements with banks and other financial institutions		1,000	-	1,000	-
Amounts due from clients and brokers	A12	95,323	101,305	95,323	101,305
Financial assets at fair value through profit or loss	A13	60,784	-	60,784	-
Financial investments at fair value through other comprehensive income	A14	1,177,566	-	1,177,566	-
Financial investments at amortised cost	A15	24,554	-	24,554	-
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	488,875	452,895	488,875	452,895
Other assets	A20	8,986	9,309	9,112	9,437
Tax recoverable		782	-	1,261	490
Statutory deposits with Bank Negara Malaysia		39,886	38,762	39,886	38,762
Investment in an associate		230	230	279	274
Investment in joint venture		394	394	773	693
Property, plant and equipment		799	1,183	799	1,183
Deferred tax assets		754	-	754	-
Intangible assets		62,271	62,429	55,592	55,749
<b>TOTAL ASSETS</b>		<b>1,975,047</b>	<b>1,876,798</b>	<b>1,969,784</b>	<b>1,872,136</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A21	718,903	624,340	718,903	624,340
Deposits and placements of banks and other financial institutions	A22	489,764	490,838	489,764	490,838
Amounts due to clients and brokers	A23	72,170	75,103	72,170	75,103
Other liabilities	A24	34,281	34,900	33,716	34,346
Provision for taxation		-	129	-	129
Deferred tax liabilities		-	11,788	-	11,788
<b>TOTAL LIABILITIES</b>		<b>1,315,118</b>	<b>1,237,098</b>	<b>1,314,553</b>	<b>1,236,544</b>
Share capital		365,962	365,962	365,962	365,962
Reserves		293,967	273,738	289,269	269,630
<b>TOTAL EQUITY</b>		<b>659,929</b>	<b>639,700</b>	<b>655,231</b>	<b>635,592</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,975,047</b>	<b>1,876,798</b>	<b>1,969,784</b>	<b>1,872,136</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A31	<b>268,690</b>	<b>328,529</b>	<b>268,690</b>	<b>328,529</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 Income**  
**for the Financial Period Ended 31 December 2018**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b><u>BANK</u></b>					
Interest income	A25	18,565	17,847	52,971	51,910
Interest expense	A26	(10,001)	(9,609)	(28,319)	(28,191)
Net interest income		8,564	8,238	24,652	23,719
Net income from Islamic banking business	A36	1,089	1,073	3,380	3,333
		9,653	9,311	28,032	27,052
Fee and commission income		8,603	10,346	29,835	32,138
Fee and commission expense		(2,076)	(2,820)	(7,201)	(9,112)
Investment income		3,692	120	4,952	1,615
Other income		308	284	941	759
Other operating income	A27	10,527	7,930	28,527	25,400
Net income		20,180	17,241	56,559	52,452
Other operating expenses	A28	(10,548)	(10,387)	(30,613)	(31,091)
Operating profit before allowance (Allowance for)/write-back of credit losses on loans, advances and financing and other assets	A29	9,632	6,854	25,946	21,361
Write-back of credit losses on financial investments		(463)	318	(653)	700
Profit before taxation		45	-	127	-
Taxation		9,214	7,172	25,420	22,061
Net profit for the financial period		(805)	(1,703)	(4,689)	(5,948)
		8,409	5,469	20,731	16,113
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		8,409	5,469	20,731	16,113
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A30	2.3	1.5	5.7	4.4

**ALLIANCE INVESTMENT BANK BERHAD**  
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**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the Financial Period Ended 31 December 2018**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b><u>BANK</u></b>				
Net profit for the financial period	<b>8,409</b>	5,469	<b>20,731</b>	16,113
<b>Other comprehensive 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 gain from change in fair value	<b>451</b>	-	<b>3,264</b>	-
- Realised gain transferred to statement of income on disposal	-	-	<b>(558)</b>	-
- Transfer to deferred tax	<b>(109)</b>	-	<b>(650)</b>	-
- Changes in credit losses	<b>(45)</b>	-	<b>(127)</b>	-
	<b>297</b>	-	<b>1,929</b>	-
Revaluation reserve on financial investments available-for-sale				
- Net (loss)/gain from change in fair value	-	(211)	-	7,064
- Realised gain transferred to statement of income on disposal and impairment	-	-	-	(742)
- Transfer from/(to) deferred tax	-	50	-	(1,518)
	-	(161)	-	4,804
Other comprehensive income/(expense), net of tax	<b>297</b>	(161)	<b>1,929</b>	4,804
<b>Total comprehensive income for the financial period</b>	<b>8,706</b>	5,308	<b>22,660</b>	20,917
<b>Total comprehensive income for the financial period attributable to:</b>				
Equity holder of the Bank	<b>8,706</b>	5,308	<b>22,660</b>	20,917

**ALLIANCE INVESTMENT BANK BERHAD**
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**Condensed Interim Financial Statements  
Unaudited Consolidated Statements of Income  
for the Financial Period Ended 31 December 2018**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b>GROUP</b>					
Interest income	A25	18,565	17,847	52,971	51,915
Interest expense	A26	(10,001)	(9,609)	(28,319)	(28,191)
Net interest income		8,564	8,238	24,652	23,724
Net income from Islamic banking business	A36	1,089	1,073	3,380	3,333
		9,653	9,311	28,032	27,057
Fee and commission income		8,603	10,346	29,835	32,138
Fee and commission expense		(2,076)	(2,820)	(7,201)	(9,112)
Investment income		3,692	120	4,952	1,615
Other income		308	284	266	759
Other operating income	A27	10,527	7,930	27,852	25,400
Net income		20,180	17,241	55,884	52,457
Other operating expenses	A28	(10,548)	(10,388)	(30,613)	(31,117)
Operating profit before allowance		9,632	6,853	25,271	21,340
(Allowance for)/write-back of credit losses on loans, advances and financing and other assets	A29	(463)	318	(653)	700
Write-back of credit losses on financial investments		45	-	127	-
Operating profit after allowance		9,214	7,171	24,745	22,040
Share of results in an associate		1	1	4	4
Share of results of joint venture		29	(2)	81	(3)
Profit before taxation		9,244	7,170	24,830	22,041
Taxation		(805)	(1,704)	(4,689)	(5,950)
Net profit for the financial period		8,439	5,466	20,141	16,091
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		8,439	5,466	20,141	16,091
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A30	2.3	1.5	5.5	4.4

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**  
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**Condensed Interim Financial Statements**  
**Unaudited Consolidate Statements of Comprehensive Income**  
**for the Financial Period Ended 31 December 2018**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b><u>GROUP</u></b>				
Net profit for the financial period	<b>8,439</b>	5,466	<b>20,141</b>	16,091
<b>Other comprehensive income:</b>				
Items that may be classified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net gain from change in fair value	<b>451</b>	-	<b>3,264</b>	-
- Realised gain transferred to statement of income on disposal	-	-	<b>(558)</b>	-
- Transfer to deferred tax	<b>(109)</b>	-	<b>(650)</b>	-
- Changes in credit losses	<b>(45)</b>	-	<b>(127)</b>	-
	<b>297</b>	-	<b>1,929</b>	-
Revaluation reserve on financial investments available-for-sale				
- Net (loss)/gain from change in fair value	-	(211)	-	7,064
- Realised gain transferred to statement of income on disposal and impairment	-	-	-	(742)
- Transfer from/(to) deferred tax	-	50	-	(1,518)
	-	(161)	-	4,804
Other comprehensive income/(expense), net of tax	<b>297</b>	(161)	<b>1,929</b>	4,804
<b>Total comprehensive income for the financial period</b>	<b>8,736</b>	5,305	<b>22,070</b>	20,895
<b>Total comprehensive income for the financial period attributable to:</b>				
Equity holder of the Bank	<b>8,736</b>	5,305	<b>22,070</b>	20,895

*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**  
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**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2018**

	← Non-distributable reserves →						Distributable reserves		
	Ordinary shares	Share premium	Statutory reserves	Regulatory reserves	FVOCI reserves	Revaluation reserves	Equity contribution from former ultimate holding company	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	9,486	(42,530)	-	50,200	20,929
As restated	365,962	-	-	8,378	9,486	-	-	276,803	660,629
Net profit after taxation	-	-	-	-	-	-	-	20,731	20,731
Other comprehensive income	-	-	-	-	1,929	-	-	-	1,929
Total comprehensive income for the financial period	-	-	-	-	1,929	-	-	20,731	22,660
Transfer to regulatory reserves	-	-	-	608	-	-	-	(608)	-
Dividend paid	-	-	-	-	-	-	-	(23,360)	(23,360)
<b>At 31 December 2018</b>	<b>365,962</b>	<b>-</b>	<b>-</b>	<b>8,986</b>	<b>11,415</b>	<b>-</b>	<b>-</b>	<b>273,566</b>	<b>659,929</b>
At 1 April 2017	365,000	962	201,383	3,660	-	37,949	264	21,904	631,122
Net profit after taxation	-	-	-	-	-	-	-	16,113	16,113
Other comprehensive income	-	-	-	-	-	4,804	-	-	4,804
Total comprehensive income for the financial period	-	-	-	-	-	4,804	-	16,113	20,917
Transition to no par-value regime pursuant to Companies Act 2016	962	(962)	-	-	-	-	-	-	-
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	(10)	-	(10)
Payment for ESS recharged from former ultimate holding company	-	-	-	-	-	-	(166)	-	(166)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	(66)	66	-
Transfer to retained profits on share options lapsed	-	-	-	-	-	-	(22)	22	-
Transfer to regulatory reserves	-	-	-	707	-	-	-	(707)	-
Transfer from statutory reserves	-	-	(201,383)	-	-	-	-	201,383	-
Dividend paid	-	-	-	-	-	-	-	(17,543)	(17,543)
At 31 December 2017	365,962	-	-	4,367	-	42,753	-	221,238	634,320

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.

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**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2018 (Contd.)**

← Attributable to Equity holder of the Bank →

<b>GROUP</b>	Ordinary	Share	Statutory	Regulatory	FVOCI	Revaluation	Equity contribution from former ultimate holding company	Retained profits	Total equity
	shares	premium	reserves	reserves	reserves	reserves	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
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	9,486	(42,530)	-	50,200	20,929
As restated	365,962	-	-	8,378	9,486	-	-	272,695	656,521
Net profit after taxation	-	-	-	-	-	-	-	20,141	20,141
Other comprehensive income	-	-	-	-	1,929	-	-	-	1,929
Total comprehensive income for the financial period	-	-	-	-	1,929	-	-	20,141	22,070
Transfer to regulatory reserves	-	-	-	608	-	-	-	(608)	-
Dividend paid	-	-	-	-	-	-	-	(23,360)	(23,360)
<b>At 31 December 2018</b>	<b>365,962</b>	<b>-</b>	<b>-</b>	<b>8,986</b>	<b>11,415</b>	<b>-</b>	<b>-</b>	<b>268,868</b>	<b>655,231</b>
At 1 April 2017	365,000	962	201,383	3,660	-	37,949	298	17,726	626,978
Net profit after taxation	-	-	-	-	-	-	-	16,091	16,091
Other comprehensive income	-	-	-	-	-	4,804	-	-	4,804
Total comprehensive income for the financial period	-	-	-	-	-	4,804	-	16,091	20,895
Transition to no par-value regime pursuant to Companies Act 2016	962	(962)	-	-	-	-	-	-	-
Share-based payment under ESS	-	-	-	-	-	-	(10)	-	(10)
Payment for ESS recharged from former ultimate holding company	-	-	-	-	-	-	(166)	-	(166)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	(66)	66	-
Transfer to retained profits on share options lapsed	-	-	-	-	-	-	(56)	56	-
Transfer to regulatory reserves	-	-	-	707	-	-	-	(707)	-
Transfer from statutory reserves	-	-	(201,383)	-	-	-	-	201,383	-
Dividends paid	-	-	-	-	-	-	-	(17,543)	(17,543)
At 31 December 2017	365,962	-	-	4,367	-	42,753	-	217,072	630,154

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**  
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**Condensed Interim Financial Statements**

**Unaudited Condensed Statements of Cash Flow for the Financial Period Ended 31 December 2018**

	<b>BANK</b>		<b>GROUP</b>	
	<b>31 December 2018 RM'000</b>	<b>31 December 2017 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 December 2017 RM'000</b>
Profit before taxation	<b>25,420</b>	22,061	<b>24,830</b>	22,041
Adjustments for non-cash items	<b>(33,998)</b>	(33,017)	<b>(34,082)</b>	(33,019)
Operating loss before changes in working capital	<b>(8,578)</b>	(10,956)	<b>(9,252)</b>	(10,978)
Changes in working capital	<b>70,042</b>	38,598	<b>70,042</b>	38,610
Taxes paid	<b>(4,550)</b>	-	<b>(4,550)</b>	(181)
Net cash generated from operating activities	<b>56,914</b>	27,642	<b>56,240</b>	27,451
Net cash used in investing activities	<b>(47,637)</b>	(24,065)	<b>(47,637)</b>	(24,066)
Net cash used in financing activities	<b>(23,360)</b>	(19,385)	<b>(23,360)</b>	(19,563)
Net change in cash and cash equivalents	<b>(14,083)</b>	(15,808)	<b>(14,757)</b>	(16,178)
Cash and cash equivalents at beginning of the financial period	<b>26,926</b>	42,993	<b>27,983</b>	44,420
Cash and cash equivalents at end of the financial period	<b>12,843</b>	27,185	<b>13,226</b>	28,242
Cash and cash equivalent comprise the following:				
Cash and short-term funds	<b>12,843</b>	27,185	<b>13,226</b>	28,242

*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*



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**Explanatory Notes**

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

**A1 Basis of Preparation**

The unaudited condensed interim financial statements for the third financial quarter and nine months ended 31 December 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 Bank and the Group:

- MFRS 16 "Leases" (effective from 1 January 2019)
- Amendments to MFRS 9 "Prepayment features with negative compensation" (effective from 1 January 2019)
- Amendments to MFRS 128 "Long-term Interest In Associates and Joint Ventures" (effective from 1 January 2019)
- 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 the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

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

The auditors' report on the annual financial statements for the financial year ended 31 March 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 during the third financial quarter and nine months ended 31 December 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 during the third financial quarter and nine months ended 31 December 2018.

**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 third financial quarter and nine months ended 31 December 2018.

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

There were no issuance nor repayment of debt and equity securities during the third financial quarter and nine months ended 31 December 2018.

**A7 Dividend Paid**

(a) A 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.

(b) A first interim dividend of 3.37 sen, tax exempt under the single tier tax system, on 365,000,000 ordinary shares amounting to approximately RM12,300,000 in respect of the financial year ending 31 March 2019, was paid on 18 December 2018.

**A8 Significant Event**

AIBB Nominees (Tempatan) Sdn. Bhd., subsidiaries of the Bank was dissolved on 16 April 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 Bank and the Group have been entered into in the normal course of business.

**A11 Proposed Dividend**

No dividend has been proposed or declared for the third financial quarter and nine months ended 31 December 2018.

**A12 Amounts Due From Clients and Brokers**

	<b><u>BANK/GROUP</u></b>	
	<b>31 December 2018 RM'000</b>	<b>31 March 2018 RM'000</b>
Due from clients	<b>96,172</b>	101,475
Due from brokers	-	670
	<b>96,172</b>	102,145
Less: Allowance for other credit losses	<b>(849)</b>	(840)
	<b>95,323</b>	<b>101,305</b>

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

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 Bank's and 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.

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

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Classified as doubtful	<b>110</b>	228
Classified as bad	<b>908</b>	851
	<b><u>1,018</u></b>	<b><u>1,079</u></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>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial period/year	<b>840</b>	835
Allowance during the financial period/year	<b>9</b>	5
At the end of financial period/year	<b><u>849</u></b>	<b><u>840</u></b>

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

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<u>Unquoted securities:</u>		
Shares	<b>60,784</b>	-
Total financial assets at FVTPL	<b><u>60,784</u></b>	<b><u>-</u></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.

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

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	<b>160,722</b>	-
Malaysian Government investment certificates	<b>233,540</b>	-
Negotiable instruments of deposits	<b>28,360</b>	-
	<b><u>422,622</u></b>	<b><u>-</u></b>
<u>Unquoted securities in Malaysia:</u>		
Corporate bonds and sukuk	<b>754,944</b>	-
	<b><u>754,944</u></b>	<b><u>-</u></b>
Total financial investments at FVOCI	<b><u>1,177,566</u></b>	<b><u>-</u></b>

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**A14 Financial Investments at FVOCI (Contd.)**

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 .

Movements in allowances for credit losses are as follows:

	Non-credit Impaired		Credit Impaired	Total
	Collectively Assessed		Individually Assessed	
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
<b><u>BANK/GROUP</u></b>				
At 1 April 2018				
As previously stated	-	-	-	-
Effect of adoption of MFRS 9	34	233	9,410	9,677
As restated	34	233	9,410	9,677
New financial assets originated or purchased	5	-	-	5
Financial assets derecognised other than write-off during the period	(5)	-	-	(5)
Changes due to change in credit risk	(9)	(118)	-	(127)
Total write-back to income statement	(9)	(118)	-	(127)
At the end of financial period	<b>25</b>	<b>115</b>	<b>9,410</b>	<b>9,550</b>

**A15 Financial Investments at Amortised Cost**

	<b><u>BANK/GROUP</u></b>	
	31 December 2018 RM'000	31 March 2018 RM'000
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	20,147	-
	<b>20,147</b>	-
<u>Unquoted securities:</u>		
Corporate bonds	17,306	-
Less: Allowance for credit losses	(12,899)	-
	<b>4,407</b>	-
Total financial investments at amortised cost	<b>24,554</b>	-

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.

Movements in allowances for credit losses are as follows:

	Credit Impaired		Total
	Collectively Assessed	Individually Assessed	
	Lifetime ECL (Stage 3)		
	RM'000	RM'000	RM'000
<b><u>BANK/GROUP</u></b>			
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
Changes due to change in credit risk	(583)	583	-
At the end of financial period	<b>-</b>	<b>12,899</b>	<b>12,899</b>

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

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

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>BANK/GROUP</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<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
	<u>-</u>	<u>351,001</u>
<u>Unquoted securities:</u>		
Shares	-	57,212
	<u>-</u>	<u>57,212</u>
Corporate bonds and sukuk	-	690,615
Less: Accumulated impairment losses	-	(9,410)
	<u>-</u>	<u>681,205</u>
Total financial investments available-for-sale	<u>-</u>	<u>1,089,418</u>

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.

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

	<b>BANK/GROUP</b>	
	<b>31 December</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
	<u>-</u>	<u>74,562</u>
<u>Unquoted securities:</u>		
Corporate bonds	-	17,306
Less: Accumulated impairment losses	-	(12,899)
	<u>-</u>	<u>4,407</u>
Total financial investments held-to-maturity	<u>-</u>	<u>78,969</u>

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.

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**A19 Loans, Advances and Financing**

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loans/financing	<b>248,559</b>	180,112
- Syndicated term loans	<b>142,038</b>	144,969
- Other term loans	<b>106,521</b>	35,143
Staff loans (Directors loan: RM Nil)	<b>213</b>	278
Revolving credits	<b>5,005</b>	24,890
Share margin financing	<b>236,537</b>	248,455
Gross loans, advances and financing	<b>490,314</b>	453,735
Less: Allowance for credit losses on loans, advances and financing		
- Individual assessment allowance	<b>(483)</b>	-
- Collective assessment allowance	<b>(956)</b>	(840)
Total net loans, advances and financing	<b>488,875</b>	452,895

(i) By maturity structure:

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	<b>274,704</b>	282,122
One year to three years	<b>10,175</b>	7,581
Three years to five years	<b>104,547</b>	10,268
Over five years	<b>100,888</b>	153,764
Gross loans, advances and financing	<b>490,314</b>	453,735

(ii) By type of customer:

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</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>60,258</b>	67,681
- Others	<b>243,284</b>	191,802
Individuals	<b>184,005</b>	191,351
Other domestic entities	<b>2,736</b>	2,704
Foreign entities	<b>31</b>	197
Gross loans, advances and financing	<b>490,314</b>	453,735

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

(iii) By interest/profit rate sensitivity:

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate loans/financing	<b>28,936</b>	29,821
Variable rate		
- Base lending rate plus	<b>28,622</b>	42,650
- Base rate plus	<b>204,833</b>	201,975
- Cost plus	<b>227,923</b>	179,289
Gross loans, advances and financing	<b>490,314</b>	<b>453,735</b>

(iv) By economic purposes:

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of securities	<b>236,537</b>	248,455
Purchase of transport vehicles	<b>3</b>	29
Purchase of landed property	<b>45,947</b>	48,297
of which: - Residential	<b>822</b>	2,743
- Non-residential	<b>45,125</b>	45,554
Personal use	<b>56</b>	148
Working capital	<b>71,908</b>	92,858
Others	<b>135,863</b>	63,948
Gross loans, advances and financing	<b>490,314</b>	<b>453,735</b>

(v) By geographical distribution:

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Northern region	<b>43,097</b>	40,916
Central region	<b>417,333</b>	384,531
Southern region	<b>29,884</b>	28,288
Gross loans, advances and financing	<b>490,314</b>	<b>453,735</b>

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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>31 December</b>
	<b>2018</b>
	<b>RM'000</b>
At 1 April 2018	
As previously stated	2,641
Effect of adoption of MFRS 9	<u>(1,556)</u>
As restated	1,085
Impaired during the financial period	81
Recoveries during the financial period	(416)
Reclassified as unimpaired during the financial period	(82)
Financial assets derecognised other than write-off during the financial period	(6)
Amount written-off	<u>(7)</u>
At the end of financial period	<u><u>655</u></u>
Gross impaired loans as % of gross loans, advances and financing	<u><u>0.1%</u></u>

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 unimpaired during the financial year	(77)
Recoveries	<u>(36)</u>
At end of financial year	<u><u>2,641</u></u>
Gross impaired loans as % of gross loans, advances and financing	<u><u>0.6%</u></u>

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

	<b>BANK/GROUP</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of transport vehicle	3	29
Purchase of landed properties	427	2,295
of which: - Residential	<u>427</u>	<u>2,295</u>
Personal use	56	148
Others	<u>169</u>	<u>169</u>
Gross impaired loans	<u><u>655</u></u>	<u><u>2,641</u></u>

(viii) Credit impaired loans by geographical distribution:

	<b>BANK/GROUP</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Central region	<u>655</u>	<u>2,641</u>
Gross impaired loans	<u><u>655</u></u>	<u><u>2,641</u></u>



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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:

	31 December 2018					31 March 2018
	Non-credit impaired		Credit Impaired			Collectively Assessed
	Collectively Assessed		Collectively Assessed	Individually Assessed		
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	Lifetime ECL (Stage 3)		Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>BANK/GROUP</u>						
At 1 April 2018						
As previously stated					840	1,356
Effects of adoption of MFRS 9					874	-
As restated	619	11	183	901	1,714	1,356
Transfer to 12 month ECL	-	(1)	-	-	(1)	-
Transfer to lifetime ECL non credit-impaired	-	1	(2)	-	(1)	-
Transfer to lifetime ECL credit-impaired	-	(1)	-	-	(1)	-
New financial assets originated or purchased	558	-	-	-	558	-
Financial assets derecognised other than write-off during the period	(77)	-	(6)	-	(83)	-
Changes due to change in credit risk	(314)	(10)	2	(418)	(740)	(516)
Total charge/(write-back) to income statement	167	(11)	(6)	(418)	(268)	(516)
Write-off	-	-	(7)	-	(7)	-
At end of financial period/year	<b>786</b>	<b>-</b>	<b>170</b>	<b>483</b>	<b>1,439</b>	<b>840</b>

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**A20 Other Assets**

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
Other receivables, deposits and prepayments	11,940	11,302	12,066	11,430
Less :				
Allowance for credit losses on other receivables	(2,954)	(1,993)	(2,954)	(1,993)
	<b>8,986</b>	<b>9,309</b>	<b>9,112</b>	<b>9,437</b>

(a) Movements in the allowance for credit losses on other receivables of the Bank and of the Group are as follows:

	Non-credit impaired		Credit Impaired		Total RM'000
	Collectively Assessed	Collectively Assessed	Individually Assessed		
	12 months ECL (Stage 1)	Lifetime ECL (Stage 3)	Lifetime ECL (Stage 3)		
	RM'000	RM'000	RM'000		
<u>BANK/GROUP</u>					
At 1 April 2018					
As previously stated					1,993
Effects of adoption of MFRS 9					-
As restated	36	1,933	24		1,993
New financial assets originated or purchased	21	1,055	-		1,076
Financial assets derecognised other than write-off during the period	(316)	(53)	(22)		(391)
Changes due to change in credit risk	276	-	-		276
Total (write-back)/charge to income statement	(19)	1,002	(22)		961
At end of financial period	<b>17</b>	<b>2,935</b>	<b>2</b>		<b>2,954</b>

During the financial period, there were no credit losses under Stage 2.

**A21 Deposits from Customers**

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
Fixed/investment deposits	271,209	306,438	271,209	306,438
Money market deposits	447,694	302,899	447,694	302,899
Negotiable instruments of deposits	-	15,003	-	15,003
	<b>718,903</b>	<b>624,340</b>	<b>718,903</b>	<b>624,340</b>

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

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
Due within six months	718,903	624,340	718,903	624,340
	<b>718,903</b>	<b>624,340</b>	<b>718,903</b>	<b>624,340</b>

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**A21 Deposits from Customers (Contd.)**

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

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
Business enterprises	375,163	364,730	375,163	364,730
Domestic financial institutions	-	15,003	-	15,003
Domestic non-bank financial institutions	343,740	244,607	343,740	244,607
	<b>718,903</b>	<b>624,340</b>	<b>718,903</b>	<b>624,340</b>

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

	<u>BANK/GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000
Licensed banks	489,764	440,429
Licensed investment banks	-	22,004
Other financial institutions	-	28,405
	<b>489,764</b>	<b>490,838</b>

**A23 Amounts Due To Clients And Brokers**

	<u>BANK/GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000
Due to clients	17,651	75,103
Due to brokers	54,519	-
	<b>72,170</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 RM48,723,000 (31 March 2018: RM71,652,000) have been excluded accordingly.

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**A24 Other Liabilities**

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
Other payables	23,423	22,334	22,834	21,746
Provision and accruals	4,403	6,410	4,427	6,444
Remisier's accounts	5,454	5,866	5,454	5,866
Amount due to joint venture	144	168	144	168
Amount due to holding company	645	122	645	122
Allowance for credit losses on commitment and contingencies	212	-	212	-
	<b>34,281</b>	<b>34,900</b>	<b>33,716</b>	<b>34,346</b>

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

<u>BANK/GROUP</u>	<u>Non-credit Impaired Collectively Assessed 12 months ECL (Stage 1) RM'000</u>	<u>Total RM'000</u>
At 1 April 2018		
As previously stated	-	-
Effects of adoption of MFRS 9	248	248
As restated	248	248
New financial assets originated or purchased	16	16
Financial assets derecognised other than write-off during the period	(30)	(30)
Changes due to change in credit risk	(22)	(22)
Total write-back to income statement	(36)	(36)
At end of financial period	<b>212</b>	<b>212</b>

**A25 Interest Income**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<u>BANK</u>				
Loans, advances and financing	7,627	6,600	21,978	19,654
Money at call and deposit placements with financial institutions	45	38	151	150
Financial investments at FVOCI	10,603	-	29,338	-
Financial investments at amortised cost	220	-	658	-
Financial investments available-for-sale	-	9,517	-	26,927
Financial investments held-to-maturity	-	962	-	3,439
	<b>18,495</b>	<b>17,117</b>	<b>52,125</b>	<b>50,170</b>
Accretion of discount less amortisation of premium	70	730	846	1,740
	<b>18,565</b>	<b>17,847</b>	<b>52,971</b>	<b>51,910</b>

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**A25 Interest Income (Contd.)**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</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>GROUP</b>				
Loans, advances and financing	<b>7,627</b>	6,600	<b>21,978</b>	19,654
Money at call and deposit placement with financial institutions	<b>45</b>	38	<b>151</b>	155
Financial investments at FVOCI	<b>10,603</b>	-	<b>29,338</b>	-
Financial investments at amortised cost	<b>220</b>	-	<b>658</b>	-
Financial investments available-for-sale	-	9,517	-	26,927
Financial investments held-to-maturity	-	962	-	3,439
	<b>18,495</b>	17,117	<b>52,125</b>	50,175
Accretion of discount less amortisation of premium	<b>70</b>	730	<b>846</b>	1,740
	<b>18,565</b>	17,847	<b>52,971</b>	51,915

**A26 Interest Expense**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</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>BANK</b>				
Deposits and placements of banks and other financial institutions	<b>4,460</b>	4,585	<b>12,609</b>	12,740
Deposits from customers	<b>5,541</b>	5,024	<b>15,710</b>	15,451
	<b>10,001</b>	9,609	<b>28,319</b>	28,191

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</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>GROUP</b>				
Deposits and placements of banks and other financial institutions	<b>4,460</b>	4,585	<b>12,609</b>	12,740
Deposits from customers	<b>5,541</b>	5,024	<b>15,710</b>	15,451
	<b>10,001</b>	9,609	<b>28,319</b>	28,191

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**A27 Other Operating Income**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>BANK</u></b>				
<b>(a) <u>Fee and commission income:</u></b>				
Brokerage fees	<b>6,579</b>	8,469	<b>22,931</b>	27,080
Corporate advisory fees	<b>1,189</b>	427	<b>2,705</b>	2,158
Guarantee fees	<b>429</b>	-	<b>429</b>	-
Processing fees	<b>71</b>	145	<b>278</b>	485
Arrangement and related fees	<b>265</b>	905	<b>3,097</b>	1,570
Service charges	<b>70</b>	96	<b>247</b>	373
Underwriting commissions	-	304	<b>148</b>	472
	<b>8,603</b>	10,346	<b>29,835</b>	32,138
<b>(b) <u>Fee and commission expense:</u></b>				
Brokerage fees expense	<b>(2,076)</b>	(2,820)	<b>(7,201)</b>	(9,112)
<b>(c) <u>Investment income:</u></b>				
Gain arising from sale/redemption of:				
- Financial assets at FVTPL	-	-	<b>1</b>	-
- Financial investments at FVOCI	-	-	<b>558</b>	-
- Financial investments available-for-sale	-	-	-	693
Unrealised gain from revaluation of:				
- Financial assets at FVTPL	<b>3,572</b>	-	<b>3,843</b>	-
- Financial assets held-for-trading	-	-	-	372
Gross dividend income from:				
- Financial investments at FVTPL	<b>120</b>	-	<b>550</b>	-
- Financial investments available-for-sale	-	120	-	550
	<b>3,692</b>	120	<b>4,952</b>	1,615
<b>(d) <u>Other income:</u></b>				
Foreign exchange gain	<b>80</b>	106	<b>344</b>	226
Rental income	-	56	-	74
Other non-operating income	<b>228</b>	122	<b>597</b>	459
	<b>308</b>	284	<b>941</b>	759
<b>Total other operating income</b>	<b>10,527</b>	7,930	<b>28,527</b>	25,400

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b>GROUP</b>				
<b>(a) Fee and commission income:</b>				
Brokerage fees	6,579	8,469	22,931	27,080
Corporate advisory fees	1,189	427	2,705	2,158
Guarantee fees	429	-	429	-
Processing fees	71	145	278	485
Arrangement and related fees	265	905	3,097	1,570
Service charges	70	96	247	373
Underwriting commissions	-	304	148	472
	<b>8,603</b>	<b>10,346</b>	<b>29,835</b>	<b>32,138</b>
<b>(b) Fee and commission expense:</b>				
Brokerage fees expense	(2,076)	(2,820)	(7,201)	(9,112)
<b>(c) Investment income:</b>				
Gain arising from sale/redemption of:				
- Financial assets at FVTPL	-	-	1	-
- Financial investments at FVOCI	-	-	558	-
- Financial investments available-for-sale	-	-	-	693
Unrealised gain from revaluation of:				
- Financial assets at FVTPL	3,572	-	3,843	-
- Financial assets held-for-trading	-	-	-	372
Gross dividend income from:				
- Financial investments at FVTPL	120	-	550	-
- Financial investments available-for-sale	-	120	-	550
	<b>3,692</b>	<b>120</b>	<b>4,952</b>	<b>1,615</b>
<b>(d) Other income:</b>				
Foreign exchange gain	80	106	344	226
Rental income	-	56	-	74
Other non-operating income/(loss)	228	122	(78)	459
	<b>308</b>	<b>284</b>	<b>266</b>	<b>759</b>
Total other operating income	<b>10,527</b>	<b>7,930</b>	<b>27,852</b>	<b>25,400</b>

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**A28 Other Operating Expenses**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>BANK</u></b>				
<b><u>Personnel costs</u></b>				
- Salaries, allowances and bonuses	<b>4,781</b>	4,528	<b>14,924</b>	14,901
- Contribution to EPF	<b>759</b>	688	<b>2,266</b>	2,171
- Shares options/grants under ESS	-	-	-	(10)
- Others	<b>574</b>	746	<b>1,565</b>	1,764
	<b>6,114</b>	5,962	<b>18,755</b>	18,826
<b><u>Establishment costs</u></b>				
- Depreciation of property, plant and equipment	<b>104</b>	161	<b>420</b>	480
- Amortisation of computer software	<b>182</b>	168	<b>541</b>	369
- Rental	<b>361</b>	381	<b>1,072</b>	1,202
- Water and electricity	<b>281</b>	114	<b>485</b>	435
- Repairs & maintenance	<b>106</b>	162	<b>352</b>	439
- Information technology expenses	<b>1,133</b>	812	<b>2,941</b>	2,387
- Others	<b>486</b>	312	<b>982</b>	1,106
	<b>2,653</b>	2,110	<b>6,793</b>	6,418
<b><u>Marketing expenses</u></b>				
- Advertisement and publicity	<b>271</b>	115	<b>549</b>	324
- Research cost	<b>478</b>	585	<b>1,442</b>	1,556
- Others	<b>83</b>	79	<b>258</b>	235
	<b>832</b>	779	<b>2,249</b>	2,115
<b><u>Administration and general expenses</u></b>				
- Communication expenses	<b>99</b>	159	<b>309</b>	518
- Printing and stationeries	<b>12</b>	12	<b>39</b>	44
- Professional fees	<b>376</b>	252	<b>1,084</b>	931
- Others	<b>462</b>	1,113	<b>1,384</b>	2,239
	<b>949</b>	1,536	<b>2,816</b>	3,732
Total other operating expenses	<b>10,548</b>	10,387	<b>30,613</b>	31,091



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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b>GROUP</b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	4,781	4,528	14,924	14,901
- Contribution to EPF	759	688	2,266	2,171
- Shares options/grants under ESS	-	-	-	(10)
- Others	574	746	1,565	1,764
	<b>6,114</b>	<b>5,962</b>	<b>18,755</b>	<b>18,826</b>
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	104	161	420	480
- Amortisation of computer software	182	168	541	369
- Rental	361	381	1,072	1,202
- Water and electricity	281	114	485	435
- Repairs & maintenance	106	162	352	439
- Information technology expenses	1,133	812	2,941	2,387
- Others	486	312	982	1,106
	<b>2,653</b>	<b>2,110</b>	<b>6,793</b>	<b>6,418</b>
<u>Marketing expenses</u>				
- Advertisement and publicity	271	115	549	324
- Research cost	478	585	1,442	1,556
- Others	83	79	258	235
	<b>832</b>	<b>779</b>	<b>2,249</b>	<b>2,115</b>
<u>Administration and general expenses</u>				
- Communication expenses	99	159	309	518
- Printing and stationeries	12	12	39	44
- Professional fees	376	253	1,084	954
- Others	462	1,113	1,384	2,242
	<b>949</b>	<b>1,537</b>	<b>2,816</b>	<b>3,758</b>
Total other operating expenses	<b>10,548</b>	<b>10,388</b>	<b>30,613</b>	<b>31,117</b>

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**A29 Allowance for/(Write-back of) Credit Losses on Loans, Advances and Financing and Other Assets**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
<b><u>BANK</u></b>				
Allowance for/(write-back of) credit losses on loans, advances and financing:				
(a) Individual assessment allowance				
- Net write-back during the financial period	(2)	-	(418)	-
(b) Collective assessment allowance				
- Net charge/(write-back) during the financial period	145	(347)	150	(471)
(c) Bad debts on loans and financing				
- Recovered	(26)	(16)	(51)	(278)
- Written-off	1	-	38	-
(d) Commitment and contingencies				
- Net charge/(write-back) during the financial period	2	-	(36)	-
	<b>120</b>	<b>(363)</b>	<b>(317)</b>	<b>(749)</b>
Allowance for/(write-back of) credit losses on:				
(a) Other receivables	346	40	961	44
(b) Amounts due to clients and brokers	(3)	5	9	5
	<b>463</b>	<b>(318)</b>	<b>653</b>	<b>(700)</b>
<b><u>GROUP</u></b>				
Allowance for/(write-back of) credit losses on loans, advances and financing:				
(a) Individual assessment allowance				
- Net write-back during the financial period	(2)	-	(418)	-
(b) Collective assessment allowance				
- Net charge/(write-back) during the financial period	145	(347)	150	(471)
(c) Bad debts on loans and financing				
- Recovered	(26)	(16)	(51)	(278)
- Written-off	1	-	38	-
(d) Commitment and contingencies				
- Net charge/(write-back) during the financial period	2	-	(36)	-
	<b>120</b>	<b>(363)</b>	<b>(317)</b>	<b>(749)</b>
Allowance for/(write-back of) credit losses on:				
(a) Other receivables	346	40	961	44
(b) Amounts due to clients and brokers	(3)	5	9	5
	<b>463</b>	<b>(318)</b>	<b>653</b>	<b>(700)</b>

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**A30 Earnings Per Share**

**Basic/Diluted**

Basic/diluted earnings per share is 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.

	3rd Quarter Ended		Nine Months Ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
<b><u>BANK</u></b>				
Net profit attributable to Equity holder of the Bank (RM'000)	<b>8,409</b>	5,469	<b>20,731</b>	16,113
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>2.3</b>	1.5	<b>5.7</b>	4.4
<b><u>GROUP</u></b>				
Net profit attributable to Equity holder of the Bank (RM'000)	<b>8,439</b>	5,466	<b>20,141</b>	16,091
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>2.3</b>	1.5	<b>5.5</b>	4.4

**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><u>BANK/GROUP</u></b>	
	<b>31 December 2018 RM'000</b>	<b>31 March 2018 RM'000</b>
<b><u>BANK/GROUP</u></b>		
<b><u>Credit-related exposures</u></b>		
Transaction-related contingent items	<b>12,075</b>	10,500
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	<b>256,615</b>	295,937
- maturity exceeding one year	-	22,092
<b>Total</b>	<b>268,690</b>	<b>328,529</b>

**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.

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**A32 Capital Adequacy (Contd.)**

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

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018	31 March 2018	31 December 2018	31 March 2018
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	93.920%	86.830%	93.967%	86.862%
Tier 1 capital ratio	93.920%	86.830%	93.967%	86.862%
Total capital ratio	94.912%	87.642%	94.958%	87.672%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	93.920%	85.079%	93.967%	85.118%
Tier 1 capital ratio	93.920%	85.079%	93.967%	85.118%
Total capital ratio	94.912%	85.892%	94.958%	85.928%

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

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
<u>CET I Capital</u>				
Paid-up share capital	365,962	365,962	365,962	365,962
Retained profits	265,157	226,603	260,429	222,495
Revaluation reserves	1,865	42,530	1,865	42,530
Regulatory reserves	8,986	-	8,986	-
	<b>641,970</b>	635,095	<b>637,242</b>	630,987
Less: Regulatory adjustments				
- Goodwill and other intangibles	(62,271)	(62,429)	(55,592)	(55,749)
- 55% of revaluation reserve	(1,024)	(23,392)	(1,024)	(23,392)
- Deferred tax assets	(754)	-	(754)	-
- Investment in subsidiaries, associate and joint venture	(624)	(624)	(1,052)	(967)
- Regulatory reserves	(8,986)	-	(8,986)	-
<b>Total CET I Capital / Total Tier I Capital</b>	<b>568,311</b>	548,650	<b>569,834</b>	550,879
<u>Tier II Capital</u>				
Collective assessment allowance and regulatory reserves	6,004	5,133	6,009	5,133
<b>Total Tier II Capital</b>	<b>6,004</b>	5,133	<b>6,009</b>	5,133
<b>Total Capital</b>	<b>574,315</b>	553,783	<b>575,843</b>	556,012

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

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000	31 December 2018 RM'000	31 March 2018 RM'000
Credit risk	480,335	517,333	480,748	518,478
Market risk	-	468	-	468
Operational risk	124,766	114,069	125,671	115,252
<b>Total RWA and capital requirements</b>	<b>605,101</b>	631,870	<b>606,419</b>	634,198

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### **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.

**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
<u>BANK/GROUP</u>				
31 December 2018				
Financial assets FVTPL				
- Money market instrument:	-	-	60,784	60,784
Financial investments FVOCI				
- Money market instruments:	-	422,622	-	422,622
- Unquoted securities	-	754,944	-	754,944

BANK/GROUP

31 March 2018

Financial assets held-for-trading

- Money market instrument: - 14,978 - 14,978

Financial investments available-for-sale

- Money market instrument: - 351,001 - 351,001

- Unquoted securities - 681,205 57,212 738,417

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 31 December 2018 and 31 March 2018.

Reconciliation of movements in Level 3 financial instruments:

	<u>BANK/GROUP</u>	
	31 December 2018 RM'000	31 March 2018 RM'000
At beginning of financial period/year	57,212	58,862
Disposal	-	(4,970)
Total gain recognised in:		
- Other comprehensive income		
Disposal/redemption		
(i) Revaluation reserves	-	3,350
- Statement of income		
(i) Unrealised gain from revaluation	3,572	-
(ii) Loss arising from sales of financial investments available-for-sale	-	(30)
At end of financial period/year	<u>60,784</u>	<u>57,212</u>

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

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**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 statement of financial position, only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

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

**(a) Financial assets**

	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amounts of financial assets presented in the statement of financial position RM'000
<u>BANK/GROUP</u>			
31 December 2018			
Amounts due from clients and brokers	<b>123,797</b>	<b>(28,474)</b>	<b>95,323</b>
Total	<b>123,797</b>	<b>(28,474)</b>	<b>95,323</b>
<u>BANK/GROUP</u>			
31 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 assets set off in the statement of financial position RM'000	Net amounts of financial liabilities presented in the statement of financial position RM'000
<u>BANK/GROUP</u>			
31 December 2018			
Amounts due to clients and brokers	<b>100,644</b>	<b>(28,474)</b>	<b>72,170</b>
Total	<b>100,644</b>	<b>(28,474)</b>	<b>72,170</b>
<u>BANK/GROUP</u>			
31 March 2018			
Amounts due to clients and brokers	161,927	(86,824)	75,103
Total	161,927	(86,824)	75,103

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### **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 of RM56,212,000 in the Bank’s and the Group’s opening retained profits respectively 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.

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).



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

- (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.

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**(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 31 March 2018 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount 1 April 2018 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	HFT	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	HFT	FVTPL	14,978	(14,978)	-	-
Financial investments available-for-sale ("AFS")	AFS	FVOCI	1,089,418	(1,098,828)	9,410	-
- Debt instrument	AFS	FVOCI	1,032,206	(1,041,616)	9,410	-
- Unquoted equity instrument	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	333	577
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	-	1,703
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	Amortised Cost	Amortised Cost	624,340	-	-	624,340
Deposits and placements of banks and other financial institutions	Amortised Cost	Amortised Cost	490,838	-	-	490,838
Amounts due to clients and brokers	Amortised Cost	Amortised Cost	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
- Regulatory reserve			4,605	-	3,773	8,378
- FVOCI reserve			-	(191)	9,677	9,486
- Revaluation reserve			42,530	(42,530)	-	-
- Retained profits			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>

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**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 31 March 2018 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	MFRS 9 carrying amount 1 April 2018 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	HFT	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	HFT	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	333	1,067
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	-	1,703
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	Amortised Cost	Amortised Cost	624,340	-	-	624,340
Deposits and placements of banks and other financial institutions	Amortised Cost	Amortised Cost	490,838	-	-	490,838
Amounts due to clients and brokers	Amortised Cost	Amortised Cost	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 profits</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 31 December 2018**

		<b><u>BANK/GROUP</u></b>	
		<b>31 December</b>	<b>31 March</b>
		<b>2018</b>	<b>2018</b>
	Note	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds		<b>55</b>	26
Financial investments at FVOCI	A36d	<b>109,081</b>	-
Financial investments available-for-sale	A36e	-	105,186
Other assets		<b>4,742</b>	6,499
Deferred tax		<b>28</b>	154
<b>Total Assets</b>		<b><u>113,906</u></b>	<b><u>111,865</u></b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Other liabilities		-	2
Provision for taxation		<b>1,864</b>	1,054
<b>Total Liabilities</b>		<b><u>1,864</u></b>	<b><u>1,056</u></b>
Islamic Banking Funds		<b>56,000</b>	56,000
Reserves		<b>56,042</b>	54,809
<b>Total Islamic Banking Funds</b>		<b><u>112,042</u></b>	<b><u>110,809</u></b>
<b>TOTAL LIABILITES AND ISLAMIC BANKING FUNDS</b>		<b><u>113,906</u></b>	<b><u>111,865</u></b>

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**A36 Islamic Banking Business (Contd.)**
**A36b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 31 December 2018**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
<b><u>BANK/GROUP</u></b>				
Income derived from investment of islamic banking funds	<u>1,089</u>	<u>1,073</u>	<u>3,380</u>	<u>3,375</u>
<b>Total distributable income</b>	<b>1,089</b>	<b>1,073</b>	<b>3,380</b>	<b>3,375</b>
Income attributable to the depositors and financial institutions	-	-	-	(42)
<b>Total net income</b>	<b>1,089</b>	<b>1,073</b>	<b>3,380</b>	<b>3,333</b>
Other operating expenses	-	(5)	(1)	(6)
<b>Profit before taxation</b>	<b>1,089</b>	<b>1,068</b>	<b>3,379</b>	<b>3,327</b>
Taxation	(262)	(170)	(811)	(712)
<b>Net profit after taxation</b>	<b>827</b>	<b>898</b>	<b>2,568</b>	<b>2,615</b>
<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)/gain from change in fair value	(35)	-	647	-
- Realised gain transferred to statement of income on disposal	-	-	(120)	-
- Transfer from/(to) deferred tax	9	-	(126)	-
	<u>(26)</u>	<u>-</u>	<u>401</u>	<u>-</u>
Revaluation reserve on financial investments available-for-sale				
- Net (loss)/gain from change in fair value	-	(65)	-	258
- Realised gain transferred to statement of income on disposal and impairment	-	-	-	(19)
- Transfer from/(to) deferred tax	-	16	-	(57)
	<u>-</u>	<u>(49)</u>	<u>-</u>	<u>182</u>
Other comprehensive (expense)/income, net of tax				
	<u>(26)</u>	<u>(49)</u>	<u>401</u>	<u>182</u>
<b>Total comprehensive income for the financial period</b>	<b>801</b>	<b>849</b>	<b>2,969</b>	<b>2,797</b>

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	<u>1,089</u>	<u>1,073</u>	<u>3,380</u>	<u>3,375</u>
Income attributable to depositors and financial institutions	-	-	-	(42)
	<u>1,089</u>	<u>1,073</u>	<u>3,380</u>	<u>3,333</u>

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**A36 Islamic Banking Business (Contd.)**

**A36c Unaudited Statement of Changes in Equity for the Financial Period Ended 31 December 2018**

	Non-distributable reserves		Distributable reserves	
	Ordinary shares RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2018	56,000	(488)	55,297	110,809
Net profit after taxation	-	-	2,568	2,568
Other comprehensive income	-	401	-	401
Total comprehensive income for the period	-	401	2,568	2,969
Dividends paid	-	-	(1,736)	(1,736)
<b>At 31 December 2018</b>	<b>56,000</b>	<b>(87)</b>	<b>56,129</b>	<b>112,042</b>
At 1 April 2017	56,000	(509)	51,960	107,451
Net profit after taxation	-	-	2,615	2,615
Other comprehensive income	-	182	-	182
Total comprehensive income for the period	-	182	2,615	2,797
At 31 December 2017	56,000	(327)	54,575	110,248

**A36d Financial Investments at FVOCI**

	<b>BANK/GROUP</b>	
	<b>31 December 2018</b> RM'000	31 March 2018 RM'000
<b>At fair value</b>		
<u>Money market instruments:</u>		
Negotiable instruments of deposits	<b>28,360</b>	-
	<b>28,360</b>	-
<u>Unquoted securities:</u>		
Sukuk	<b>80,721</b>	-
	<b>80,721</b>	-
Total financial investments at FVOCI	<b>109,081</b>	-

**A36e Financial Investments Available-for-Sale**

	<b>BANK/GROUP</b>	
	<b>31 December 2018</b> RM'000	31 March 2018 RM'000
<b>At fair value</b>		
<u>Money market instruments:</u>		
Negotiable instruments of deposits	-	4,880
	-	4,880
<u>Unquoted securities:</u>		
Sukuk	-	100,306
	-	100,306
Total financial investments available-for-sale	-	105,186

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**A36 Islamic Banking Business (Contd.)****A36f Capital Adequacy**

The capital adequacy ratios of the islamic banking business are as follows:

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	<b>610.394%</b>	743.849%
Tier 1 capital ratio	<b>610.394%</b>	743.849%
Total capital ratio	<b>610.394%</b>	743.849%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	<b>610.394%</b>	743.849%
Tier 1 capital ratio	<b>610.394%</b>	743.849%
Total capital ratio	<b>610.394%</b>	743.849%

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

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>CET I Capital</u></b>		
Paid-up share capital	<b>56,000</b>	56,000
Retained profits	<b>55,303</b>	55,297
Revaluation reserves	<b>(87)</b>	(488)
	<b>111,216</b>	110,809
Less: Regulatory adjustment		
- Deferred tax assets	<b>(28)</b>	(154)
<b>Total CET I Capital / Total Tier I Capital</b>	<b>111,188</b>	110,655
<b><u>Tier II Capital</u></b>		
Collective assessment allowance	<b>-</b>	-
<b>Total Capital Base</b>	<b>111,188</b>	110,655

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

	<b><u>BANK/GROUP</u></b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2018</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>10,414</b>	7,474
Operational risk	<b>7,802</b>	7,402
Total RWA and capital requirements	<b>18,216</b>	14,876

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

#### **B1 Review of Performance**

The Group recorded a net profit after taxation of RM20.1 million for the 9 months ended 31 December 2018, representing an increase of 25.2% or RM4.1 million.

Net interest income including Islamic banking income increased by RM0.9 million or 3.2% as year on year gross loan has increased by RM52.7 million or 12.0%.

Other operating income was at RM28.0 million, an increase of RM2.6 million or 10.0% mainly from higher investment income and arrangement fees.

Operating Expenses reduced by RM0.5 million or 1.6% mainly from lower administrative cost.

Both Total Capital and Common Equity Tier 1 ratios recorded at 95.0% and 94.0% respectively as at 31 December 2018.

#### **B2 Current Year Prospect**

Industry competition in the target markets will continue to be challenging 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”) to identify potential investment banking (IB) opportunities;

(b) enhancing customer experience by offering retail broking customers seamless service at any Alliance Bank Group branches and to improve activation rate of new accounts and trading activity of existing accounts; and

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

Growing downside risk is weighing on Malaysia’s economic outlook. First, moderation of global economic growth suppresses our external trade. Second, the ongoing trade dispute between US and China is causing volatility in Malaysia’s financial and commodity markets. Lastly, the increased reliance on oil-related revenue amid commodity prices fluctuations and the high level of domestic public sector debt is dampening growth outlook.

Investment wise, we expect private sector investment on manufacturing and commodity related sectors remains robust, however external risks persisted. On the public spending, we foresee lower capital expenditure, in-line with government’s ongoing expenditure rationalization program such as cancellation or postponement of several mega projects.

Furthermore, the new government is taking bold initiatives and structural reforms to strengthen public sector governance, efficiency as well as emphasizing on transparency to gain investor confidence as well as to pursue more sustainable growth.

Notwithstanding the challenging economic outlook, we expect the Group performance to be satisfactory.