

ALLIANCE INVESTMENT BANK BERHAD
197401004393 (21605-D)
(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 June 2020

	Note	<u>GROUP</u>		<u>BANK</u>	
		30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
ASSETS					
Cash and short-term funds		73,063	44,783	73,063	44,783
Amounts due from clients and brokers	A12	146,581	51,165	146,581	51,165
Financial assets at fair value through profit or loss	A13	64,392	64,392	64,392	64,392
Financial investments at fair value through other comprehensive income	A14	1,274,353	1,381,815	1,274,353	1,381,815
Financial investments at amortised cost	A15	16	16	16	16
Loans, advances and financing	A16	301,648	292,575	301,648	292,575
Other assets	A17	8,839	8,926	8,839	8,926
Tax recoverable		49	1,934	49	1,934
Statutory deposits with Bank Negara Malaysia		-	29,106	-	29,106
Investment in an associate		287	286	230	230
Investment in joint venture		925	903	394	394
Right-of-use assets		400	672	400	672
Property, plant and equipment		387	430	387	430
Intangible assets		24,322	24,578	26,881	27,138
TOTAL ASSETS		1,895,262	1,901,581	1,897,233	1,903,576
LIABILITIES AND EQUITY					
Deposits from customers	A18	399,665	485,007	399,665	485,007
Deposits and placements of banks and other financial institutions	A19	650,693	692,678	650,693	692,678
Amounts due to clients and brokers	A20	109,788	22,292	109,788	22,292
Lease liabilities		344	629	344	629
Other liabilities	A21	32,951	35,468	32,951	35,468
Deferred tax liabilities		13,474	6,669	13,474	6,669
TOTAL LIABILITIES		1,206,915	1,242,743	1,206,915	1,242,743
Share capital		365,962	365,962	365,962	365,962
Reserves		322,385	292,876	324,356	294,871
TOTAL EQUITY		688,347	658,838	690,318	660,833
TOTAL LIABILITIES AND EQUITY		1,895,262	1,901,581	1,897,233	1,903,576
COMMITMENTS AND CONTINGENCIES	A29	378,387	388,760	378,387	388,760

ALLIANCE INVESTMENT BANK BERHAD
197401004393 (21605-D)
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Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 30 June 2020

GROUP	Note	1st Quarter Ended		Three Months Ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income	A22	15,950	21,062	15,950	21,062
Interest expense	A23	(6,541)	(11,869)	(6,541)	(11,869)
Net interest income		9,409	9,193	9,409	9,193
Net income from Islamic banking business	A33	2,877	2,024	2,877	2,024
		12,286	11,217	12,286	11,217
Fee and commission income		14,407	9,250	14,407	9,250
Fee and commission expense		(4,847)	(1,939)	(4,847)	(1,939)
Investment income		360	430	360	430
Other income		454	356	454	356
Other operating income	A24	10,374	8,097	10,374	8,097
Net income		22,660	19,314	22,660	19,314
Other operating expenses	A25	(9,708)	(10,178)	(9,708)	(10,178)
Operating profit before allowance		12,952	9,136	12,952	9,136
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	A26	(272)	821	(272)	821
Write-back of/(allowance for) expected credit losses on financial investments	A27	195	(24,666)	195	(24,666)
Operating profit/(loss) after allowance		12,875	(14,709)	12,875	(14,709)
Share of results in an associate		2	2	2	2
Share of results of joint venture		22	31	22	31
Profit/(loss) before taxation		12,899	(14,676)	12,899	(14,676)
Taxation		(3,060)	3,651	(3,060)	3,651
Net profit/(loss) for the financial period		9,839	(11,025)	9,839	(11,025)
Net profit/(loss) for the financial period attributable to:					
Equity holder of the Bank		9,839	(11,025)	9,839	(11,025)
Earnings/(loss) per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A28	2.7	(3.0)	2.7	(3.0)

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

ALLIANCE INVESTMENT BANK BERHAD
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Condensed Interim Financial Statements
Unaudited Consolidated Statements of Comprehensive Income
for the Financial Period Ended 30 June 2020

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP				
Net profit/(loss) for the financial period	9,839	(11,025)	9,839	(11,025)
Other comprehensive income:				
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	27,765	14,443	27,765	14,443
- Realised gain transferred to statement of income on disposal	(1,627)	(570)	(1,627)	(570)
- Transfer to deferred tax	(6,273)	(3,329)	(6,273)	(3,329)
- Changes in expected credit losses	(195)	(9,479)	(195)	(9,479)
Other comprehensive income, net of tax	19,670	1,065	19,670	1,065
Total comprehensive income/(expense) for the financial period	29,509	(9,960)	29,509	(9,960)
Total comprehensive income/(expense) for the financial period attributable to:				
Equity holder of the Bank	29,509	(9,960)	29,509	(9,960)

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

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Condensed Interim Financial Statements
Unaudited Statements of Income
for the Financial Period Ended 30 June 2020

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>BANK</u>					
Interest income	A22	15,950	21,062	15,950	21,062
Interest expense	A23	(6,541)	(11,869)	(6,541)	(11,869)
Net interest income		9,409	9,193	9,409	9,193
Net income from Islamic banking business	A33	2,877	2,024	2,877	2,024
		12,286	11,217	12,286	11,217
Fee and commission income		14,407	9,250	14,407	9,250
Fee and commission expense		(4,847)	(1,939)	(4,847)	(1,939)
Investment income		360	430	360	430
Other income		454	356	454	356
Other operating income	A24	10,374	8,097	10,374	8,097
Net income		22,660	19,314	22,660	19,314
Other operating expenses	A25	(9,708)	(10,178)	(9,708)	(10,178)
Operating profit before allowance		12,952	9,136	12,952	9,136
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	A26	(272)	821	(272)	821
Write-back of/(allowance for) expected credit losses on financial investments	A27	195	(24,666)	195	(24,666)
Profit/(loss) before taxation		12,875	(14,709)	12,875	(14,709)
Taxation		(3,060)	3,651	(3,060)	3,651
Net profit/(loss) for the financial period		9,815	(11,058)	9,815	(11,058)
Net profit/(loss) for the financial period attributable to:					
Equity holder of the Bank		9,815	(11,058)	9,815	(11,058)
Earnings/(loss) per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A28	2.7	(3.0)	2.7	(3.0)

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

ALLIANCE INVESTMENT BANK BERHAD
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Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 June 2020

	1st Quarter Ended		Three Months Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	9,815	(11,058)	9,815	(11,058)
Other comprehensive income:				
Items that may be classified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net gain from change in fair value	27,765	14,443	27,765	14,443
- Realised gain transferred to statement of income on disposal	(1,627)	(570)	(1,627)	(570)
- Transfer to deferred tax	(6,273)	(3,329)	(6,273)	(3,329)
- Changes in expected credit losses	(195)	(9,479)	(195)	(9,479)
Other comprehensive income, net of tax	19,670	1,065	19,670	1,065
Total comprehensive income/(expense) for the financial period	29,485	(9,993)	29,485	(9,993)
Total comprehensive income/(expense) for the financial period attributable to:				
Equity holder of the Bank	29,485	(9,993)	29,485	(9,993)

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

ALLIANCE INVESTMENT BANK BERHAD
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Condensed Interim Financial Statements
Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 June 2020

	← Attributable to Equity holder of the Bank →				
	Ordinary shares RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
GROUP					
At 1 April 2020	365,962	7,540	26,449	258,887	658,838
Net profit after taxation	-	-	-	9,839	9,839
Other comprehensive income	-	-	19,670	-	19,670
Total comprehensive income for the financial period	-	-	19,670	9,839	29,509
Transfer to regulatory reserves	-	305	-	(305)	-
At 30 June 2020	365,962	7,845	46,119	268,421	688,347
At 1 April 2019					
As previously stated	365,962	8,539	21,446	250,537	646,484
Effect of adoption of MFRS 16	-	-	-	(61)	(61)
As restated	365,962	8,539	21,446	250,476	646,423
Net loss after taxation	-	-	-	(11,025)	(11,025)
Other comprehensive income	-	-	1,065	-	1,065
Total comprehensive income/(expense) for the financial period	-	-	1,065	(11,025)	(9,960)
Transfer to regulatory reserves	-	1,096	-	(1,096)	-
At 30 June 2019	365,962	9,635	22,511	238,355	636,463

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2020

	Non-distributable reserves			Distributable reserves	Total equity RM'000
	Ordinary shares RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	
<u>BANK</u>					
At 1 April 2020	365,962	7,540	26,449	260,882	660,833
Net profit after taxation	-	-	-	9,815	9,815
Other comprehensive income	-	-	19,670	-	19,670
Total comprehensive income for the financial period	-	-	19,670	9,815	29,485
Transfer to regulatory reserves	-	305	-	(305)	-
At 30 June 2020	365,962	7,845	46,119	270,392	690,318
At 1 April 2019					
As previously stated	365,962	8,539	21,446	251,616	647,563
Effect of adoption of MFRS 16	-	-	-	(61)	(61)
As restated	365,962	8,539	21,446	251,555	647,502
Net loss after taxation	-	-	-	(11,058)	(11,058)
Other comprehensive income	-	-	1,065	-	1,065
Total comprehensive income/(expense) for the financial period	-	-	1,065	(11,058)	(9,993)
Transfer to regulatory reserves	-	1,096	-	(1,096)	-
At 30 June 2019	365,962	9,635	22,511	239,401	637,509

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

ALLIANCE INVESTMENT BANK BERHAD
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Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2020

	GROUP		BANK	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Profit/(loss) before taxation	12,899	(14,676)	12,875	(14,709)
Adjustments for non-cash items	(13,190)	10,787	(13,166)	10,821
Operating loss before changes in working capital	(291)	(3,889)	(291)	(3,888)
Changes in working capital	(117,856)	60,987	(117,856)	60,987
Net tax paid	(642)	(1,827)	(642)	(1,827)
Net cash (used in)/generated from operating activities	(118,789)	55,271	(118,789)	55,272
Net cash generated from/(used in) investing activities	147,427	(56,239)	147,427	(56,239)
Net cash used in financing activities	(358)	(324)	(358)	(324)
Net change in cash and cash equivalents	28,280	(1,292)	28,280	(1,291)
Cash and cash equivalents at beginning of financial period	44,783	36,373	44,783	35,989
Cash and cash equivalents at end of financial period	73,063	35,081	73,063	34,698
Cash and cash equivalent comprise the following:				
Cash and short-term funds	73,063	35,081	73,063	34,698

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 March 2020.

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Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the first financial quarter and three months ended 30 June 2020 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial investments at fair value through other comprehensive income, that is measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB").

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 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 March 2020.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2020, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2020:

- Amendments to MFRS 3 "Definition of a Business"
- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- Revised Conceptual Framework

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

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

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the annual financial statements for the financial year ended 31 March 2020 was not subject to any qualification.

A3 Seasonality or Cyclicity of Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations during the first financial quarter and three months ended 30 June 2020.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the first financial quarter and three months ended 30 June 2020.

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 first financial quarter and three months ended 30 June 2020.

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 2020.

A7 Dividend Paid

No dividend has been paid for the first financial quarter and three months ended 30 June 2020.

A8 Significant Events

There were no significant events for the first financial quarter and three months ended 30 June 2020.

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

There were no material events 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 and the Bank 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 2020.

A12 Amounts Due From Clients and Brokers

	<u>GROUP/BANK</u>	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Due from clients	146,585	51,168
Less: Allowance for expected credit losses	(4)	(3)
	<u>146,581</u>	<u>51,165</u>

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

A12 Amounts Due From Clients and Brokers (Contd.)

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
At beginning of financial period/year	3	839
Allowance made during the financial period/year	1	3
Write-off during the financial period/year	-	(839)
At end of financial period/year	<u>4</u>	<u>3</u>

As at 30 June 2020, the Group's and the Bank's gross exposure of amounts due from clients and brokers that are credit impaired was at RM17,000 (31 March 2020: RM20,000) and was collateralised.

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
At fair value		
<u>Unquoted securities:</u>		
Shares	64,392	64,392
Total financial assets at FVTPL	<u>64,392</u>	<u>64,392</u>

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government securities	210,344	206,333
Malaysian Government investment issues	293,620	326,011
Commercial papers	29,922	29,685
	<u>533,886</u>	<u>562,029</u>
<u>Unquoted securities in Malaysia:</u>		
Corporate bonds and sukuk	740,467	819,786
	<u>740,467</u>	<u>819,786</u>
Total financial investments at FVOCI	<u>1,274,353</u>	<u>1,381,815</u>

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

Movements in allowance for expected credit losses are as follows:

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
GROUP/BANK				
At 1 April 2020	241	57	-	298
Financial assets derecognised other than write-off	(3)	-	-	(3)
Changes due to change in credit risk	(182)	(10)	-	(192)
Total write-back from income statement	(185)	(10)	-	(195)
At 30 June 2020	56	47	-	103
At 1 April 2019	248	116	9,410	9,774
New financial assets originated or purchased	9	-	-	9
Financial assets derecognised other than write-off	(2)	-	-	(2)
Changes due to change in credit risk	(14)	(59)	-	(73)
Total write-back from income statement	(7)	(59)	-	(66)
Write-off	-	-	(9,410)	(9,410)
At 31 March 2020	241	57	-	298

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

	GROUP/BANK	
	30 June 2020 RM'000	31 March 2020 RM'000
At beginning of financial period/year	-	9,410
Write-off during the financial period/year	-	(9,410)
At end of financial period/year	-	-

A15 Financial Investments at Amortised Cost

	GROUP/BANK	
	30 June 2020 RM'000	31 March 2020 RM'000
At amortised cost		
<u>Unquoted securities:</u>		
Corporate bonds and sukuk	24,413	24,413
Less: Allowance for expected credit losses	(24,397)	(24,397)
Total financial investments at amortised cost	16	16

A15 Financial Investments at Amortised Cost (Contd.)

Movements in allowance for expected credit losses are as follows:

<u>GROUP/BANK</u>	12 months ECL	Lifetime ECL	Lifetime ECL	<u>Total</u>
	(Stage 1)	Not-credit Impaired (Stage 2)	Credit Impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 April/30 June 2020	-	-	24,397	24,397
At 1 April 2019	-	270	12,899	13,169
Transfer to Stage 3	-	(826)	25,000	24,174
New financial assets originated or purchased	-	-	196	196
Financial assets derecognised other than write-off	(3)	-	(196)	(199)
Changes due to change in credit risk	3	556	(10,894)	(10,335)
Total (write-back from)/charge to income statement	-	(270)	14,106	13,836
Write-off	-	-	(2,608)	(2,608)
At 31 March 2020	-	-	24,397	24,397

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

	<u>GROUP/BANK</u>	
	30 June 2020 RM'000	31 March 2020 RM'000
At beginning of financial period/year	24,413	17,271
Impaired during the financial period/year	-	25,000
Write-back during the financial period/year	-	(15,250)
Write-off during the financial period/year	-	(2,608)
At end of financial period/year	24,413	24,413

A16 Loans, Advances and Financing

	<u>GROUP/BANK</u>	
	30 June 2020 RM'000	31 March 2020 RM'000
At amortised cost		
Term loans	126,757	128,453
- Syndicated term loans	42,451	42,486
- Other term loans	84,306	85,967
Staff loans (Directors loan: RM Nil)	125	127
Revolving credits	8,006	8,008
Share margin financing	168,018	157,030
Gross loans, advances and financing	302,906	293,618
Less: Allowance for expected credit losses on loans, advances and financing	(1,258)	(1,043)
Total net loans, advances and financing	301,648	292,575

A16 Loans, Advances and Financing (Contd.)

(i) By maturity structure:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Within one year	219,846	165,380
One year to three years	3	43,860
Three years to five years	40,354	41,589
Over five years	42,703	42,789
Gross loans, advances and financing	302,906	293,618

(ii) By type of customers:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Domestic business enterprises		
- Small and medium enterprises	4,372	4,585
- Others	151,550	153,687
Individuals	145,274	133,611
Other domestic entities	1,710	1,714
Foreign entities	-	21
Gross loans, advances and financing	302,906	293,618

(iii) By interest/profit rate sensitivity:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Fixed rate	1,642	1,223
Variable rate		
- Base lending rate plus	27,513	25,729
- Base rate plus	139,167	130,383
- Cost plus	134,584	136,283
Gross loans, advances and financing	302,906	293,618

(iv) By economic purposes:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Purchase of securities	168,018	157,030
Purchase of landed property	42,906	43,282
of which: - Residential	455	796
- Non-residential	42,451	42,486
Working capital	8,006	8,008
Others	83,976	85,298
Gross loans, advances and financing	302,906	293,618

A16 Loans, Advances and Financing (Contd.)

(v) By economic sectors:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Manufacturing	40,556	41,903
Construction	52,466	52,419
Financing, insurance, real estate and business services	20,449	21,463
Community, social and personal services	42,451	42,486
Household	145,274	133,632
Others	1,710	1,715
Gross loans, advances and financing	302,906	293,618

(vi) By geographical distribution:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Northern region	23,424	19,960
Central region	262,132	262,726
Southern region	17,350	10,932
Gross loans, advances and financing	302,906	293,618

(vii) Movements in credit impaired loans, advances and financing ("impaired loans") under stage 3:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
At beginning of financial period/year	428	553
Impaired during the financial period/year	2	231
Recovered during the financial period/year	(186)	(56)
Reclassified as unimpaired during the financial period/year	-	(171)
Financial assets derecognised other than write-off during the financial period/year	(81)	-
Amount written-off during the financial period/year	(77)	(129)
At end of financial period/year	86	428
Gross impaired loans as % of gross loans, advances and financing	0.03%	0.15%

(viii) Credit impaired loans by economic purposes:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Purchase of landed properties	86	428
<i>of which: - Residential</i>	86	428
Gross impaired loans	86	428

A16 Loans, Advances and Financing (Contd.)

(ix) Credit impaired loans by economic sectors:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Household	86	428
Gross impaired loans	86	428

(x) Credit impaired loans by geographical distribution:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Central region	86	428
Gross impaired loans	86	428

A16 Loans, Advances and Financing (Contd.)

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

<u>GROUP/BANK</u>	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	701	-	342	1,043
Transfer to Stage 2	(222)	786	-	564
Financial assets derecognised other than write-off	(12)	-	(81)	(93)
Changes due to change in credit risk	5	-	(184)	(179)
Total (write-back from)/charge to income statement	(229)	786	(265)	292
Write-off	-	-	(77)	(77)
At 30 June 2020	472	786	-	1,258
At 1 April 2019	512	-	552	1,064
Transfer to Stage 2	-	1	(103)	(102)
Transfer to Stage 3	-	(1)	-	(1)
New financial assets originated or purchased	97	-	-	97
Financial assets derecognised other than write-off	(107)	-	-	(107)
Changes due to change in credit risk	199	-	21	220
Total charge to/(write-back from) income statement	189	-	(82)	107
Write-off	-	-	(128)	(128)
At 31 March 2020	701	-	342	1,043

A17 Other Assets

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Other receivables, deposits and prepayments	11,133	11,202
Less : Allowance for expected credit losses on other receivable [Note (a)]	(2,294)	(2,276)
	8,839	8,926

Note:

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

	GROUP/BANK	
	Lifetime ECL	
	30 June	31 March
	2020	2020
	RM'000	RM'000
At beginning of financial period/year	2,276	2,097
New financial assets originated or purchased	10	251
Financial assets derecognised other than write-off	(14)	(179)
Changes due to change in credit risk	22	107
Total charge to income statement	18	179
At end of financial period/year	2,294	2,276

As at 30 June 2020, the Group's and the Bank's gross exposure of other receivables that are under lifetime ecl was at RM2,294,000 (31 March 2020: RM2,276,000).

A18 Deposits from Customers

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Fixed deposits	263,692	277,025
Money market deposits	135,973	207,982
	399,665	485,007

(i) The maturity structure of fixed deposits and money market deposits are as follows:

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Due within six months	399,665	485,007

A18 Deposits from Customers (Contd.)

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Business enterprises	204,864	213,747
Domestic non-bank financial institutions	194,801	271,260
	399,665	485,007

A19 Deposits and Placements of Banks and Other Financial Institutions

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Licensed banks	438,564	442,541
Licensed investment banks	180,117	250,137
Other financial institutions	32,012	-
	650,693	692,678

A20 Amounts Due To Clients And Brokers

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Due to clients	51,832	18,133
Due to brokers	57,956	4,159
	109,788	22,292

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 and the Bank's normal trade credit terms for trade payable for non-margin client is two (2) market days according to Bursa's FDSS trading rules.

Following the issuance of FRSIC Consensus 18, the Group and the Bank no longer recognises trust monies balances in the statement of financial position, as the Group and the Bank 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 Group and the Bank amounting to RM91,774,000 (31 March 2020: RM100,252,000) have been excluded accordingly.

A21 Other Liabilities

	GROUP/BANK	
	30 June 2020 RM'000	31 March 2020 RM'000
Other payables	20,536	21,799
Provision and accruals	4,579	6,723
Remisier's accounts	7,444	6,452
Amount due to joint venture	153	138
Amount due to related company	3	3
Amount due to holding company	174	254
Allowance for expected credit losses on commitments and contingencies	62	99
	32,951	35,468

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

GROUP/BANK	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit impaired (Stage 2) RM'000	Total RM'000
	At 1 April 2020	99	-
Transfer to Stage 2	(7)	36	29
Financial assets derecognised other than write-off	(7)	-	(7)
Changes due to change in credit risk	(59)	-	(59)
Total (write-back from)/charge to income statement	(73)	36	(37)
At 30 June 2020	26	36	62
At 1 April 2019	24	-	24
New financial assets originated or purchased	34	-	34
Financial assets derecognised other than write-off	(3)	-	(3)
Changes due to change in credit risk	44	-	44
Total charge to income statement	75	-	75
At 31 March 2020	99	-	99

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A22 Interest Income

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP/BANK				
Loans, advances and financing	3,863	7,194	3,863	7,194
Money at call and deposit placements with financial institutions	28	46	28	46
Financial investments at FVOCI	11,923	12,956	11,923	12,956
Financial investments at amortised cost	-	368	-	368
	15,814	20,564	15,814	20,564
Accretion of discount less amortisation of premium	136	498	136	498
	15,950	21,062	15,950	21,062

A23 Interest Expense

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP/BANK				
Deposits and placements of banks and other financial institutions	3,474	3,902	3,474	3,902
Deposits from customers	3,059	7,942	3,059	7,942
Lease liabilities	8	25	8	25
	6,541	11,869	6,541	11,869

A24 Other Operating Income

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP/BANK				
(a) <u>Fee and commission income:</u>				
Brokerage fees	13,010	6,258	13,010	6,258
Corporate advisory fees	776	1,035	776	1,035
Guarantee fees	7	7	7	7
Processing fees	140	83	140	83
Arrangement and related fees	321	432	321	432
Service charges and fees	149	91	149	91
Underwriting commissions and placement fees	4	1,344	4	1,344
	14,407	9,250	14,407	9,250
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	(4,847)	(1,939)	(4,847)	(1,939)
(c) <u>Investment income:</u>				
Gross dividend income from:				
- Financial assets at fair value through profit or loss	360	430	360	430
	360	430	360	430
(d) <u>Other income:</u>				
Foreign exchange gain	279	102	279	102
Other non-operating income	175	254	175	254
	454	356	454	356
Total other operating income	10,374	8,097	10,374	8,097

A25 Other Operating Expenses

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>GROUP/BANK</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	4,759	4,824	4,759	4,824
- Contribution to EPF	800	782	800	782
- Others	635	1,128	635	1,128
	6,194	6,734	6,194	6,734
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	72	94	72	94
- Depreciation of right-of-use assets	272	283	272	283
- Amortisation of computer software	312	294	312	294
- Rental	11	129	11	129
- Water and electricity	135	80	135	80
- Repairs & maintenance	21	36	21	36
- Information technology expenses	1,211	943	1,211	943
- Others	257	328	257	328
	2,291	2,187	2,291	2,187
<u>Marketing expenses</u>				
- Advertisement and publicity	44	79	44	79
- Research cost	406	416	406	416
- Others	30	76	30	76
	480	571	480	571
<u>Administration and general expenses</u>				
- Communication expenses	112	102	112	102
- Printing and stationeries	20	12	20	12
- Professional fees	310	328	310	328
- Others	301	244	301	244
	743	686	743	686
Total other operating expenses	9,708	10,178	9,708	10,178

A26 Allowance for/(Write-Back of) Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP/BANK				
Allowance for/(write-back of) expected credit losses on:				
(a) Loan, advances and financing				
- Allowance made/(write-back) during the financial period	292	(201)	292	(201)
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(2)	(533)	(2)	(533)
(c) Commitments and contingencies on loans, advances and financing				
- Write-back during the financial period	(37)	(5)	(37)	(5)
	<u>253</u>	<u>(739)</u>	<u>253</u>	<u>(739)</u>
Allowance for/(write-back of) expected credit losses on:				
(a) Other receivables	18	(90)	18	(90)
(b) Amounts due from clients and brokers	1	8	1	8
	<u>272</u>	<u>(821)</u>	<u>272</u>	<u>(821)</u>

A27 (Write-Back of)/Allowance for Expected Credit Losses on Financial Investments

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP/BANK				
(a) Financial investments at fair value through other comprehensive income				
- Write-back during the financial period	(195)	(69)	(195)	(69)
(b) Financial investments at amortised cost				
- Allowance made during the financial period	-	24,730	-	24,730
- Commitments and contingencies	-	5	-	5
	<u>(195)</u>	<u>24,666</u>	<u>(195)</u>	<u>24,666</u>

A28 Earnings Per Share

Basic/Diluted

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

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
GROUP				
Net profit/(loss) attributable to Equity holder of the Bank (RM'000)	9,839	(11,025)	9,839	(11,025)
Weighted average numbers of ordinary shares in issued ('000)	365,000	365,000	365,000	365,000
Basic/diluted earnings/(loss) per share (sen)	2.7	(3.0)	2.7	(3.0)
BANK				
Net profit/(loss) attributable to Equity holder of the Bank (RM'000)	9,815	(11,058)	9,815	(11,058)
Weighted average numbers of ordinary shares in issued ('000)	365,000	365,000	365,000	365,000
Basic/diluted earnings/(loss) per share (sen)	2.7	(3.0)	2.7	(3.0)

A29 Commitments and Contingencies

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

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
<u>Commitments and Contingencies</u>		
Transaction-related contingent items	1,050	1,575
Obligations under an on-going underwriting agreement	51,150	51,150
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	324,846	334,694
- maturity exceeding one year	1,341	1,341
Total	378,387	388,760

A30 Capital Adequacy

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

A30 Capital Adequacy (Contd.)

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2020	31 March 2020	30 June 2020	31 March 2020
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	93.156%	98.780%	93.124%	98.737%
Tier 1 capital ratio	93.156%	98.780%	93.124%	98.737%
Total capital ratio	94.140%	99.725%	94.108%	99.682%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	93.156%	97.288%	93.124%	97.246%
Tier 1 capital ratio	93.156%	97.288%	93.124%	97.246%
Total capital ratio	94.140%	98.233%	94.108%	98.190%

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
<u>CET I Capital</u>				
Paid-up share capital	365,962	365,962	365,962	365,962
Retained profits	250,261	258,887	252,255	260,882
FVOCI reserves	46,016	26,151	46,016	26,151
Regulatory reserves	7,845	7,540	7,845	7,540
	670,084	658,540	672,078	660,535
Less: Regulatory adjustments				
- Goodwill and other intangibles	(24,322)	(24,578)	(26,881)	(27,138)
- 55% of FVOCI reserves	(25,309)	(14,383)	(25,309)	(14,383)
- Investment in subsidiaries, associate and joint venture	(1,212)	(1,189)	(624)	(624)
- Regulatory reserves	(7,845)	(7,540)	(7,845)	(7,540)
- Additional Tier 1 Sukuk Wakalah	(10,000)	(60,000)	(10,000)	(60,000)
Total CET I Capital / Total Tier I Capital	601,396	550,850	601,419	550,850
<u>Tier II Capital</u>				
Expected credit losses and regulatory reserves	6,351	5,269	6,351	5,269
Total Tier II Capital	6,351	5,269	6,351	5,269
Total Capital	607,747	556,119	607,770	556,119

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Credit risk	508,052	421,514	508,052	421,514
Market risk	42	22	42	22
Operational risk	137,486	136,115	137,729	136,358
Total RWA and capital requirements	645,580	557,651	645,823	557,894

A31 Fair Value Measurements

(a) Determination of fair value and fair value hierarchy

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

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

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

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

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

(i) Financial instruments in Level 1

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

(iii) Financial instruments in Level 3

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

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

A31 Fair Value Measurements (Contd.)

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>GROUP/BANK</u>				
30 June 2020				
Financial Assets				
Financial assets at fair value through profit or loss				
- Unquoted securities	-	-	64,392	64,392
Financial investments at fair value through other comprehensive income				
- Money market instruments	-	533,886	-	533,886
- Unquoted securities	-	740,467	-	740,467
31 March 2020				
Financial Assets				
Financial assets at fair value through profit or loss				
- Unquoted securities	-	-	64,392	64,392
Financial investments at fair value through other comprehensive income				
- Money market instrument	-	562,029	-	562,029
- Unquoted securities	-	819,786	-	819,786

There were no transfers between levels 1 and 2 of the fair value hierarchy for the Group and the Bank during the financial period/year ended 30 June 2020 and 31 March 2020.

Reconciliation of movements in Level 3 financial instruments:

	<u>GROUP/BANK</u>	
	30 June 2020 RM'000	31 March 2020 RM'000
At beginning of financial period/year	64,392	60,784
Statement of income		
- Unrealised gain from revaluation	-	3,608
At end of financial period/year	64,392	64,392

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

A32 Offsetting Financial Assets And Financial Liabilities

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

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

(a) Financial assets

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
	RM'000	RM'000	RM'000
<u>GROUP/BANK</u>			
30 June 2020			
Amounts due from clients and brokers	221,488	(74,907)	146,581
Total	221,488	(74,907)	146,581
31 March 2020			
Amounts due from clients and brokers	84,014	(32,849)	51,165
Total	84,014	(32,849)	51,165

(b) Financial liabilities

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position
	RM'000	RM'000	RM'000
<u>GROUP/BANK</u>			
30 June 2020			
Amounts due to clients and brokers	184,695	(74,907)	109,788
Total	184,695	(74,907)	109,788
31 March 2020			
Amounts due to clients and brokers	55,141	(32,849)	22,292
Total	55,141	(32,849)	22,292

A33 Islamic Banking Business

A33a Unaudited Statements of Financial Position as at 30 June 2020

		GROUP/BANK	
		30 June	31 March
		2020	2020
Note		RM'000	RM'000
ASSETS			
Cash and short-term funds		41,390	11,176
Financial investments at fair value through other comprehensive income	A33d	81,236	107,472
Other assets		4,766	4,768
Total Assets		127,392	123,416
LIABILITIES AND ISLAMIC BANKING FUNDS			
Provision for taxation		4,571	3,839
Deferred tax liabilities		501	237
Total Liabilities		5,072	4,076
Islamic Banking Funds		56,000	56,000
Reserves		66,320	63,340
Total Islamic Banking Funds		122,320	119,340
TOTAL LIABILITES AND ISLAMIC BANKING FUNDS		127,392	123,416

A33 Islamic Banking Business (Contd.)

A33b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 30 June 2020

	1st Quarter Ended		Three Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
GROUP/BANK				
Income derived from investment of Islamic Banking Funds	2,877	2,028	2,877	2,028
Total distributable income	2,877	2,028	2,877	2,028
Income attributable to the depositors and financial institutions	-	(4)	-	(4)
Total net income	2,877	2,024	2,877	2,024
Other operating expenses	(1)	-	(1)	-
Write-back of/(allowance for) expected credit losses on financial investments	177	(156)	177	(156)
Profit before taxation	3,053	1,868	3,053	1,868
Taxation	(733)	(448)	(733)	(448)
Net profit after taxation	2,320	1,420	2,320	1,420
Other comprehensive income:				
Items that may be classified subsequently to profit or loss:				
Revaluation reserve on financial investments at FVOCI				
- Net gain from change in fair value	2,728	2,163	2,728	2,163
- Realised gain transferred to statement of income on disposal	(1,627)	(570)	(1,627)	(570)
- Transfer to deferred tax	(264)	(382)	(264)	(382)
- Changes in expected credit losses	(177)	156	(177)	156
Other comprehensive income, net of tax	660	1,367	660	1,367
Total comprehensive income for the financial period	2,980	2,787	2,980	2,787
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	2,877	2,028	2,877	2,028
Income attributable to depositors and financial institutions	-	(4)	-	(4)
	2,877	2,024	2,877	2,024

A33 Islamic Banking Business (Contd.)

A33c Unaudited Statement of Changes in Equity for the Financial Period Ended 30 June 2020

	Non-distributable reserves			Distributable reserves	Total equity
	Funds allocated from Head Office (HO) RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	
GROUP/BANK					
At 1 April 2020	56,000	48	960	62,332	119,340
Net profit after taxation	-	-	-	2,320	2,320
Other comprehensive income	-	-	660	-	660
Total comprehensive income for the financial period	-	-	660	2,320	2,980
Transfer to regulatory reserves	-	185	-	(185)	-
At 30 June 2020	56,000	233	1,620	64,467	122,320
At 1 April 2019	56,000	-	(4)	57,489	113,485
Net profit after taxation	-	-	-	1,420	1,420
Other comprehensive income	-	-	1,367	-	1,367
Total comprehensive income for the financial period	-	-	1,367	1,420	2,787
At 30 June 2019	56,000	-	1,363	58,909	116,272

A33d Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")

	GROUP/BANK	
	30 June 2020 RM'000	31 March 2020 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government investment issues	33,622	10,995
	33,622	10,995
<u>Unquoted securities:</u>		
Sukuk	47,614	96,477
	47,614	96,477
Total financial investments at FVOCI	81,236	107,472

Movements in allowance for expected credit losses are as follows:

	12 months ECL (Stage 1)	
	30 June 2020 RM'000	31 March 2020 RM'000
GROUP/BANK		
At beginning of financial period/year	211	-
Changes due to change in credit risk	(177)	55
Other adjustments	-	156
Total (write-back from)/charge to income statement	(177)	211
At end of financial period/year	34	211

A33 Islamic Banking Business (Contd.)

A33e Capital Adequacy

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

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	374.389%	272.347%
Tier 1 capital ratio	374.389%	272.347%
Total capital ratio	375.229%	273.076%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	374.389%	249.652%
Tier 1 capital ratio	374.389%	249.652%
Total capital ratio	375.229%	250.381%

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
<u>CET I Capital</u>		
Funds allocated from Head Office	56,000	56,000
Retained profits	57,259	62,332
FVOCI reserves	1,585	749
Regulatory reserves	233	48
	115,077	119,129
Less: Regulatory adjustments		
- 55% of FVOCI reserves	(872)	(412)
- Regulatory reserves	(233)	(48)
- Additional Tier 1 Sukuk Wakalah	(10,000)	(60,000)
Total CET I Capital / Total Tier I Capital	103,972	58,669
<u>Tier II Capital</u>		
Expected credit losses	233	157
Total Capital Base	104,205	58,826

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

	GROUP/BANK	
	30 June	31 March
	2020	2020
	RM'000	RM'000
Credit risk	18,659	12,560
Operational risk	9,112	8,982
Total RWA and capital requirements	27,771	21,542

PART B – Review of Performance & Current Year Prospect

B1 Review of Performance

Profitability:

The Bank's net profit after taxation grew RM20.9 million year-on-year (YOY) to RM9.8 million for the first financial quarter ended 30 June 2020 ("1QFY21") due to higher other operating income from brokerage and lower credit cost.

Net income reported a growth of 17.3% or RM3.3 million YOY driven by higher other operating income while net interest income remained stable. Net interest margin (NIM) improved to 2.50%.

Loans Growth:

Gross loans and advances declined by 38.0% to RM302.9 million mainly due to the repayment of Corporate loans.

Higher Other Operating Income:

Other operating income increased by 38.5% to RM12.0 million mainly due to higher brokerage fees in line with higher Bursa trading volume during 1QFY21 and investment income.

Operating Expenses

Operating Expenses improved by 4.6% to RM9.7 million, mainly due to lower personnel expenses. Cost to income ratio was lower at 42.8%, an improvement of 9.9% YOY.

Asset Quality:

Credit cost has improved compared to the last corresponding period where the Bank had taken an impairment for a RM25.0 million debt instrument.

Proactive Capital Management:

Both Total Capital and Common Equity Tier 1 ratios remained strong at 94.1% and 93.2% respectively as at 30 June 2020.

B2 Current Year Prospect

Global headwinds coupled with the COVID-19 pandemic have led to severe difficulties for businesses all over the world and continued to dampen the Malaysian economy, especially during the second quarter.

In the context of the stockbroking business, we expect the market to continue to be volatile. The retail business will continue to see larger volumes of trades. As a result the Bank expects to see an increase in fee income from this business segment.

For capital markets, the COVID-19 pandemic has disrupted the timeline for the completion of existing mandates. Nevertheless for financial year ending 2021 we see our business performing sustainably going forward.

In the remaining quarters of the financial year, the Bank's performance will be impacted by the increased market volatility and challenging environment. We will continue to prioritize the health and safety of our employees and invest in developing their skills and knowledge. Our focus remains on helping our clients to emerge from this challenging period on better footing. Addressing the needs of our customers at this juncture will help us strengthen our relationships for the long term success of both the Bank and our clients.