

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

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 June 2021

	Note	<u>GROUP</u>		<u>BANK</u>	
		30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
ASSETS					
Cash and short-term funds		54,592	56,058	54,592	56,058
Deposits and placements with banks and other financial institutions		7,262	-	7,262	-
Amounts due from clients and brokers	A12	63,060	105,041	63,060	105,041
Financial assets at fair value through profit or loss	A13	70,194	70,194	70,194	70,194
Financial investments at fair value through other comprehensive income	A14	633,429	921,075	633,429	921,075
Financial investments at amortised cost	A15	16	16	16	16
Loans, advances and financing	A16	260,064	262,747	260,064	262,747
Other assets	A17	12,045	11,364	12,045	11,364
Tax recoverable		878	-	878	-
Investment in an associate		290	290	230	230
Investment in joint venture		1,011	994	394	394
Right-of-use assets		2,130	2,387	2,130	2,387
Property, plant and equipment		679	878	679	878
Intangible assets		22,125	22,332	24,684	24,892
TOTAL ASSETS		1,127,775	1,453,376	1,129,657	1,455,276
LIABILITIES AND EQUITY					
Deposits from customers	A18	317,598	338,287	317,598	338,287
Deposits and placements of banks and other financial institutions	A19	277,558	528,128	277,558	528,128
Amounts due to clients and brokers	A20	27,004	63,416	27,004	63,416
Lease liabilities		2,270	2,457	2,270	2,457
Other liabilities	A21	45,394	51,622	45,394	51,622
Provision for taxation		-	761	-	761
Deferred tax liabilities		1,551	2,311	1,551	2,311
TOTAL LIABILITIES		671,375	986,982	671,375	986,982
Share capital		365,962	365,962	365,962	365,962
Reserves		90,438	100,432	92,320	102,332
TOTAL EQUITY		456,400	466,394	458,282	468,294
TOTAL LIABILITIES AND EQUITY		1,127,775	1,453,376	1,129,657	1,455,276
COMMITMENTS AND CONTINGENCIES	A29	329,725	327,127	329,725	327,127

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 2021.

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

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 30 June 2021

GROUP	Note	1st Quarter Ended		Three Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Interest income	A22	10,597	15,950	10,597	15,950
Interest expense	A23	(3,596)	(6,541)	(3,596)	(6,541)
Net interest income		7,001	9,409	7,001	9,409
Net income from Islamic banking business	A33	661	2,877	661	2,877
		7,662	12,286	7,662	12,286
Fee and commission income		15,418	14,407	15,418	14,407
Fee and commission expense		(4,506)	(4,847)	(4,506)	(4,847)
Investment income		10,577	360	10,577	360
Other income		316	454	316	454
Other operating income	A24	21,805	10,374	21,805	10,374
Net income		29,467	22,660	29,467	22,660
Other operating expenses	A25	(9,853)	(9,708)	(9,853)	(9,708)
Operating profit before allowances		19,614	12,952	19,614	12,952
Allowance for expected credit losses on loans, advances and financing and other financial assets	A26	(128)	(272)	(128)	(272)
(Allowance for)/write-back of expected credit losses on financial investments	A27	(20)	195	(20)	195
Operating profit after allowances		19,466	12,875	19,466	12,875
Share of results in an associate		1	2	1	2
Share of results of joint venture		17	22	17	22
Profit before taxation		19,484	12,899	19,484	12,899
Taxation		(4,652)	(3,060)	(4,652)	(3,060)
Net profit for the financial period		14,832	9,839	14,832	9,839
Net profit for the financial period attributable to:					
Equity holder of the Bank		14,832	9,839	14,832	9,839
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A28	4.1	2.7	4.1	2.7

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 2021.

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Comprehensive Income
for the Financial Period Ended 30 June 2021

	1st Quarter Ended		Three Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
GROUP				
Net profit for the financial period	14,832	9,839	14,832	9,839
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net gain from change in fair value	5,297	27,765	5,297	27,765
- Realised gain transferred to statements of income on disposal	(10,422)	(1,627)	(10,422)	(1,627)
- Transfer from/(to) deferred tax	1,230	(6,273)	1,230	(6,273)
- Changes in expected credit losses	20	(195)	20	(195)
Other comprehensive (expense)/income, net of tax	(3,875)	19,670	(3,875)	19,670
Total comprehensive income for the financial period	10,957	29,509	10,957	29,509
Total comprehensive income for the financial period attributable to:				
Equity holder of the Bank	10,957	29,509	10,957	29,509

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

Condensed Interim Financial Statements
Unaudited Statements of Income
for the Financial Period Ended 30 June 2021

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
BANK					
Interest income	A22	10,597	15,950	10,597	15,950
Interest expense	A23	(3,596)	(6,541)	(3,596)	(6,541)
Net interest income		7,001	9,409	7,001	9,409
Net income from Islamic banking business	A33	661	2,877	661	2,877
		7,662	12,286	7,662	12,286
Fee and commission income		15,418	14,407	15,418	14,407
Fee and commission expense		(4,506)	(4,847)	(4,506)	(4,847)
Investment income		10,577	360	10,577	360
Other income		316	454	316	454
Other operating income	A24	21,805	10,374	21,805	10,374
Net income		29,467	22,660	29,467	22,660
Other operating expenses	A25	(9,853)	(9,708)	(9,853)	(9,708)
Operating profit before allowances		19,614	12,952	19,614	12,952
Allowance for expected credit losses on loans, advances and financing and other financial assets	A26	(128)	(272)	(128)	(272)
(Allowance for)/write-back of expected credit losses on financial investments	A27	(20)	195	(20)	195
Operating profit after allowances		19,466	12,875	19,466	12,875
Taxation		(4,652)	(3,060)	(4,652)	(3,060)
Net profit for the financial period		14,814	9,815	14,814	9,815
Net profit for the financial period attributable to:					
Equity holder of the Bank		14,814	9,815	14,814	9,815
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A28	4.1	2.7	4.1	2.7

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 2021.

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 June 2021

	1st Quarter Ended		Three Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	14,814	9,815	14,814	9,815
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net gain from change in fair value	5,297	27,765	5,297	27,765
- Realised gain transferred to statements of income on disposal	(10,422)	(1,627)	(10,422)	(1,627)
- Transfer from/(to) deferred tax	1,230	(6,273)	1,230	(6,273)
- Changes in expected credit losses	20	(195)	20	(195)
Other comprehensive (expense)/income, net of tax	(3,875)	19,670	(3,875)	19,670
Total comprehensive income for the financial period	10,939	29,485	10,939	29,485
Total comprehensive income for the financial period attributable to:				
Equity holder of the Bank	10,939	29,485	10,939	29,485

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

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 June 2021

←----- Attributable to Equity holder of the Bank ----->

<u>GROUP</u>	Ordinary shares RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2021	365,962	6,434	21,240	72,758	466,394
Net profit for the financial period	-	-	-	14,832	14,832
Other comprehensive income	-	-	(3,875)	-	(3,875)
Total comprehensive income	-	-	(3,875)	14,832	10,957
Transfer from regulatory reserves	-	(511)	-	511	-
Dividend paid	-	-	-	(20,951)	(20,951)
At 30 June 2021	365,962	5,923	17,365	67,150	456,400
At 1 April 2020	365,962	7,540	26,449	258,887	658,838
Net profit for the financial period	-	-	-	9,839	9,839
Other comprehensive income	-	-	19,670	-	19,670
Total comprehensive income	-	-	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

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 2021.

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

Condensed Interim Financial Statements

Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2021

	<u>Non-distributable reserves</u>			<u>Distributable reserves</u>	<u>Total equity</u> RM'000
	<u>Ordinary shares</u> RM'000	<u>Regulatory reserves</u> RM'000	<u>FVOCI reserves</u> RM'000	<u>Retained profits</u> RM'000	
<u>BANK</u>					
At 1 April 2021	365,962	6,434	21,240	74,658	468,294
Net profit for the financial period	-	-	-	14,814	14,814
Other comprehensive income	-	-	(3,875)	-	(3,875)
Total comprehensive income	-	-	(3,875)	14,814	10,939
Transfer from regulatory reserves	-	(511)	-	511	-
Dividend paid	-	-	-	(20,951)	(20,951)
At 30 June 2021	365,962	5,923	17,365	69,032	458,282
At 1 April 2020	365,962	7,540	26,449	260,882	660,833
Net profit for the financial period	-	-	-	9,815	9,815
Other comprehensive income	-	-	19,670	-	19,670
Total comprehensive income	-	-	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

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 2021.

Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2021

	<u>GROUP</u>		<u>BANK</u>	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	19,484	12,899	19,466	12,875
Adjustments for non-cash items	(17,633)	(13,190)	(17,615)	(13,166)
Operating profit/(loss) before changes in working capital	1,851	(291)	1,851	(291)
Changes in working capital	(277,311)	(117,856)	(277,311)	(117,856)
Net tax paid	(5,820)	(642)	(5,820)	(642)
Net cash used in operating activities	(281,280)	(118,789)	(281,280)	(118,789)
Net cash generated from investing activities	300,986	147,427	300,986	147,427
Net cash used in financing activities	(21,172)	(358)	(21,172)	(358)
Net change in cash and cash equivalents	(1,466)	28,280	(1,466)	28,280
Cash and cash equivalents at beginning of financial period	56,058	44,783	56,058	44,783
Cash and cash equivalents at end of financial period	54,592	73,063	54,592	73,063
Cash and cash equivalent comprise the following:				
Cash and short-term funds	54,592	73,063	54,592	73,063

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 ended 30 June 2021 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 are measured at fair value.

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

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 2021. 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 2021.

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 2021 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2021:

- Interest rate benchmark reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The adoption of the above standards, amendments to published standards and interpretation to existing standards are not expected 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 judgement in the process of applying the Group's and the Bank's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the annual financial statements for the financial year ended 31 March 2021 was not qualified.

A3 Seasonality or Cyclicity of Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical fluctuations during the first financial quarter ended 30 June 2021.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the first financial quarter ended 30 June 2021.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the first financial quarter ended 30 June 2021.

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 ended 30 June 2021.

A7 Dividends Paid

A single tier second interim dividend of 5.74 sen per share, on 365,000,000 ordinary shares amounting to RM20,951,000 in respect of the financial year ended 31 March 2021, was paid on 28 June 2021.

A8 Significant Events

There were no significant events during the first financial quarter ended 30 June 2021.

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 during the first financial quarter ended 30 June 2021.

A12 Amounts Due From Clients and Brokers

	<u>GROUP/BANK</u>	
	30 June 2021 RM'000	31 March 2021 RM'000
Due from clients	63,063	105,041
Less: Allowance for expected credit losses	(3)	-
	<u>63,060</u>	<u>105,041</u>

These represent amounts receivable from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via 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.)

Movements in the allowance for expected credit losses are as follows:

	<u>Lifetime ECL</u>	
	30 June 2021 RM'000	31 March 2021 RM'000
<u>GROUP/BANK</u>		
At beginning of financial period/year	-	3
Allowance made/(write-back of) during the financial period/year (net)	3	(3)
At end of financial period/year	<u>3</u>	<u>-</u>

As at 30 June 2021, the Group's and the Bank's gross exposure of amounts due from clients and brokers that are credit impaired was at RM3,000 (31 March 2021: RM Nil).

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

	<u>GROUP/BANK</u>	
	30 June 2021 RM'000	31 March 2021 RM'000
At fair value		
<u>Unquoted securities:</u>		
Shares	70,194	70,194
Total financial assets at FVTPL	<u>70,194</u>	<u>70,194</u>

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

	<u>GROUP/BANK</u>	
	30 June 2021 RM'000	31 March 2021 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government securities	95,359	95,086
Malaysian Government investment issues	149,712	199,551
	<u>245,071</u>	<u>294,637</u>
<u>Unquoted securities:</u>		
Corporate bonds and sukuk	388,358	626,438
Total financial investments at FVOCI	<u>633,429</u>	<u>921,075</u>

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

Movements in allowance for expected credit losses are as follows:

	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	Lifetime ECL Credit Impaired <u>(Stage 3)</u> RM'000	<u>Total</u> RM'000
<u>GROUP/BANK</u>				
At 1 April 2021	18	117	-	135
Financial investments derecognised other than write-off	(2)	-	-	(2)
Changes due to change in credit risk	3	19	-	22
Total charge to income statement	1	19	-	20
At 30 June 2021	19	136	-	155
At 1 April 2020	241	57	-	298
Transfer to Stage 1	17	(183)	-	(166)
Transfer to Stage 2	(17)	367	-	350
Financial investments derecognised other than write-off	(40)	-	-	(40)
Changes due to change in credit risk	(183)	(124)	-	(307)
Total (write-back from)/charge to income statement	(223)	60	-	(163)
At 31 March 2021	18	117	-	135

Note:

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

A15 Financial Investments at Amortised Cost

	<u>GROUP/BANK</u>	
	30 June 2021 RM'000	31 March 2021 RM'000
At amortised cost		
<u>Unquoted securities:</u>		
Corporate bonds and sukuk	291	291
Less: Allowance for expected credit losses	(275)	(275)
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>	<u>12-month ECL</u> <u>(Stage 1)</u> <u>RM'000</u>	<u>Lifetime ECL</u> <u>Not-credit</u> <u>Impaired</u> <u>(Stage 2)</u> <u>RM'000</u>	<u>Lifetime ECL</u> <u>Credit</u> <u>Impaired</u> <u>(Stage 3)</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
At 1 April 2021	-	-	275	275
New financial investments originated or purchased	-	-	130	130
Financial investments derecognised other than write-off	-	-	(130)	(130)
At 30 June 2021	-	-	275	275
At 1 April 2020	-	-	24,397	24,397
New financial investments originated or purchased	-	-	196	196
Financial investments derecognised other than write-off	-	-	(196)	(196)
Total charge to income statement	-	-	-	-
Write-off	-	-	(24,122)	(24,122)
At 31 March 2021	-	-	275	275

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

	<u>GROUP/BANK</u>	
	<u>30 June</u> <u>2021</u> <u>RM'000</u>	<u>31 March</u> <u>2021</u> <u>RM'000</u>
At beginning of financial period/year	291	24,413
New financial investments originated or purchased	130	196
Write-off during the financial period/year	-	(24,122)
Financial investments derecognised other than write-off	(130)	(196)
At end of financial period/year	291	291

A16 Loans, Advances and Financing

	<u>GROUP/BANK</u>	
	<u>30 June</u> <u>2021</u> <u>RM'000</u>	<u>31 March</u> <u>2021</u> <u>RM'000</u>
At amortised cost		
Term loans	76,285	78,441
Staff loans (Loan to Directors: RM Nil [31 March 2021: RM Nil])	101	107
Revolving credits	3,000	8,008
Share margin financing	181,442	176,873
Gross loans, advances and financing	260,828	263,429
Less: Allowance for expected credit losses on loans, advances and financing	(764)	(682)
Total net loans, advances and financing	260,064	262,747

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

A16 Loans, Advances and Financing (Contd.)

A16a By maturity structure:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Within one year	228,260	228,744
One year to three years	32,247	34,385
Three years to five years	124	101
Over five years	197	199
Gross loans, advances and financing	260,828	263,429

A16b By type of customers:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Domestic business enterprises		
- Small and medium enterprises	4,373	3,964
- Others	99,437	106,456
Individuals	155,175	151,222
Other domestic entities	1,742	1,734
Foreign entities	101	53
Gross loans, advances and financing	260,828	263,429

A16c By interest/profit rate sensitivity:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Fixed rate	2,160	2,154
Variable rate		
- Base lending rate plus	35,080	35,551
- Base rate plus	144,446	139,436
- Cost plus	79,142	86,288
Gross loans, advances and financing	260,828	263,429

A16d By economic purposes:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Purchase of securities	181,442	176,871
Purchase of landed property - Residential	347	371
Working capital	3,000	8,008
Others	76,039	78,179
Gross loans, advances and financing	260,828	263,429

A16 Loans, Advances and Financing (Contd.)

A16e By economic sectors:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Manufacturing	32,720	34,848
Construction	52,168	52,030
Financing, insurance, real estate and business services	18,794	23,543
Household	155,276	151,274
Others	1,870	1,734
Gross loans, advances and financing	260,828	263,429

A16f By geographical distribution:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Northern region	45,028	35,415
Central region	190,001	198,214
Southern region	25,799	29,800
Gross loans, advances and financing	260,828	263,429

A16g Movements in credit impaired loans, advances and financing ("impaired loans") under stage 3:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
At beginning of financial period/year	182	428
Impaired during the financial period/year	1	131
Recovered during the financial period/year	-	(186)
Reclassified as unimpaired during the financial period/year	-	(32)
Financial assets derecognised other than write-off during the financial period/year	-	(81)
Amount written-off during the financial period/year	-	(78)
At end of financial period/year	183	182
Gross impaired loans ratio	0.07%	0.07%
Net impaired loans ratio	0.07%	0.07%

A16h Credit impaired loans analysed by economic purposes:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Purchase of landed properties - Residential	183	182
Gross impaired loans	183	182

A16 Loans, Advances and Financing (Contd.)

A16i Credit impaired loans analysed by economic sectors:

	GROUP/BANK	
	30 June 2021 RM'000	31 March 2021 RM'000
Household	183	182
Gross impaired loans	183	182

A16j Credit impaired loans by geographical distribution:

	GROUP/BANK	
	30 June 2021 RM'000	31 March 2021 RM'000
Central region	183	182
Gross impaired loans	183	182

A16k Movements in allowance for expected credit losses on loans, advances and financing are as follows:

GROUP/BANK	12-month ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
	At 1 April 2021	220	462	-
Financial assets derecognised other than write-off	(33)	-	-	(33)
Changes due to change in credit risk	(12)	127	-	115
Total (write-back from)/charge to income statement	(45)	127	-	82
At 30 June 2021	175	589	-	764
At 1 April 2020	701	-	342	1,043
Transfer to Stage 2	(222)	787	-	565
Transfer to Stage 3	-	(2)	-	(2)
New financial assets originated or purchased	48	-	-	48
Financial assets derecognised other than write-off	(181)	-	(81)	(262)
Changes due to change in credit risk	(126)	(323)	(183)	(632)
Total (write-back from)/charge to income statement	(481)	462	(264)	(283)
Write-off	-	-	(78)	(78)
At 31 March 2021	220	462	-	682

Note:

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

A17 Other Assets

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Other receivables, deposits and prepayments	14,479	13,751
Less: Allowance for expected credit losses on other receivables [Note]	(2,434)	(2,387)
	12,045	11,364

Note:

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

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Lifetime ECL		
At beginning of financial period/year	2,387	2,276
New financial assets originated or purchased	59	170
Financial assets derecognised other than write-off	(27)	(265)
Changes due to change in credit risk	15	206
Total charge to income statement	47	111
At end of financial period/year	2,434	2,387

As at 30 June 2021, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM2,434,000 (31 March 2021: RM2,387,000).

A18 Deposits from Customers

A18a By type of deposits:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Fixed deposits	217,573	208,244
Money market deposits	100,025	130,043
	317,598	338,287

A18b The maturity structure of fixed deposits and money market deposits are as follows:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Due within six months	317,598	338,287

A18 Deposits from Customers (Contd.)

A18c By type of customers:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Domestic non-bank financial institutions	188,374	205,420
Business enterprises	104,216	132,867
Others	25,008	-
	<u>317,598</u>	<u>338,287</u>

A19 Deposits and Placements of Banks and Other Financial Institutions

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Licensed banks	177,509	187,966
Licensed investment banks	100,049	340,162
	<u>277,558</u>	<u>528,128</u>

A20 Amounts Due To Clients And Brokers

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Due to clients	26,137	57,554
Due to brokers	867	5,862
	<u>27,004</u>	<u>63,416</u>

These mainly relate to amounts payable to non-margin clients and outstanding contracts entered into on behalf of clients where settlement via 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 recognise trust monies balances in the statements 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 RM102,550,000 (31 March 2021: RM123,393,000) have been excluded accordingly.

A21 Other Liabilities

	GROUP/BANK	
	30 June 2021 RM'000	31 March 2021 RM'000
Other payables	22,358	25,484
Provision and accruals	14,617	16,629
Remisier's accounts	8,082	9,274
Amount due to joint venture	117	129
Amount due to other related company	3	3
Amount due to holding company	157	43
Allowance for expected credit losses on commitments and contingencies [Note]	60	60
	45,394	51,622

Note:

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

	12-month ECL (Stage 1) RM'000	Lifetime ECL Not-credit impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
GROUP/BANK				
At 1 April 2021	18	42	-	60
Total charge to/(write-back from) income statement due to change in credit risk	4	(4)	-	-
At 30 June 2021	22	38	-	60
At 1 April 2020	99	-	-	99
Transfer to Stage 2	(7)	36	-	29
New financial assets originated or purchased	1	-	-	1
Financial assets derecognised other than write-off	(8)	-	-	(8)
Changes due to change in credit risk	(67)	6	-	(61)
Total (write-back from)/charge to income statement	(81)	42	-	(39)
At 31 March 2021	18	42	-	60

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

A22 Interest Income

	1st Quarter Ended		Three Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
GROUP/BANK				
Loans, advances and financing	2,799	3,863	2,799	3,863
Money at call and deposit placements with financial institutions	10	28	10	28
Financial investments at fair value through other comprehensive income	7,847	11,923	7,847	11,923
	10,656	15,814	10,656	15,814
Accretion of discount less amortisation of premium (net)	(59)	136	(59)	136
	10,597	15,950	10,597	15,950

A23 Interest Expense

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
Deposits and placements of banks and other financial institutions	1,962	3,474	1,962	3,474
Deposits from customers	1,600	3,059	1,600	3,059
Lease liabilities	34	8	34	8
	3,596	6,541	3,596	6,541

A24 Other Operating Income

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
(a) <u>Fee and commission income:</u>				
Brokerage fees	11,324	13,010	11,324	13,010
Corporate advisory fees	991	776	991	776
Guarantee fees	7	7	7	7
Arrangement and related fees	1,650	321	1,650	321
Processing fees	163	140	163	140
Service charges and fees	175	149	175	149
Underwriting commissions and placement fees	1,108	4	1,108	4
	15,418	14,407	15,418	14,407
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	(4,506)	(4,847)	(4,506)	(4,847)
(c) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial investments at fair value through other comprehensive income	10,422	-	10,422	-
Gross dividend income from:				
- Financial assets at fair value through profit or loss	100	360	100	360
- Associate	55	-	55	-
	10,577	360	10,577	360
(d) <u>Other income:</u>				
Foreign exchange gain	130	279	130	279
Others	186	175	186	175
	316	454	316	454
Total other operating income	21,805	10,374	21,805	10,374

A25 Other Operating Expenses

	1st Quarter Ended		Three Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
GROUP/BANK				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	5,496	4,759	5,496	4,759
- Contribution to EPF	862	800	862	800
- Others	229	635	229	635
	6,587	6,194	6,587	6,194
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	206	72	206	72
- Depreciation of right-of-use assets	256	272	256	272
- Amortisation of computer software	208	312	208	312
- Rental	10	11	10	11
- Water and electricity	85	135	85	135
- Repairs and maintenance	21	21	21	21
- Information technology expenses	1,345	1,211	1,345	1,211
- Others	17	257	17	257
	2,148	2,291	2,148	2,291
<u>Marketing expenses</u>				
- Advertisement and publicity	54	44	54	44
- Research cost	308	406	308	406
- Others	24	30	24	30
	386	480	386	480
<u>Administration and general expenses</u>				
- Communication expenses	98	112	98	112
- Printing and stationeries	15	20	15	20
- Professional fees	286	310	286	310
- Others	333	301	333	301
	732	743	732	743
Total other operating expenses	9,853	9,708	9,853	9,708

A26 Allowance for Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets

	1st Quarter Ended		Three Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
GROUP/BANK				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	82	292	82	292
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(4)	(2)	(4)	(2)
(c) Commitments and contingencies on loans, advances and financing				
- Write-back during the financial period	-	(37)	-	(37)
	<u>78</u>	<u>253</u>	<u>78</u>	<u>253</u>
Allowance for expected credit losses on:				
(a) Other receivables	47	18	47	18
(b) Amounts due from clients and brokers	3	1	3	1
	<u>128</u>	<u>272</u>	<u>128</u>	<u>272</u>

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

	1st Quarter Ended		Three Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
GROUP/BANK				
Financial investments at fair value through other comprehensive income				
- Allowance made/(write-back) during the financial period	20	(195)	20	(195)
	<u>20</u>	<u>(195)</u>	<u>20</u>	<u>(195)</u>

A28 Earnings Per Share

Basic/Diluted

Basic/diluted earnings per share are 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
	2021	2020	2021	2020
GROUP				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	14,832	9,839	14,832	9,839
Weighted average numbers of ordinary shares in issue ('000)	365,000	365,000	365,000	365,000
Basic/diluted earnings per share (sen)	4.1	2.7	4.1	2.7
BANK				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	14,814	9,815	14,814	9,815
Weighted average numbers of ordinary shares in issue ('000)	365,000	365,000	365,000	365,000
Basic/diluted earnings per share (sen)	4.1	2.7	4.1	2.7

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
	2021	2021
	RM'000	RM'000
<u>Commitments and Contingencies</u>		
Transaction-related contingent items	1,050	1,050
Obligations under an on-going underwriting agreement	20,000	20,000
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	307,334	304,736
- maturity exceeding one year	1,341	1,341
Total	329,725	327,127

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.

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

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

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2021	31 March 2021	30 June 2021	31 March 2021
(i) With transitional arrangements:				
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	73.197%	72.608%	73.170%	72.580%
Tier 1 capital ratio	73.197%	72.608%	73.170%	72.580%
Total capital ratio	74.102%	73.534%	74.074%	73.506%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	73.197%	69.026%	73.170%	69.000%
Tier 1 capital ratio	73.197%	69.026%	73.170%	69.000%
Total capital ratio	74.102%	69.953%	74.074%	69.926%
(ii) Without transitional arrangements:				
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	73.148%	72.578%	73.121%	72.550%
Tier 1 capital ratio	73.148%	72.578%	73.121%	72.550%
Total capital ratio	74.052%	73.504%	74.025%	73.476%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	73.148%	68.997%	73.121%	68.970%
Tier 1 capital ratio	73.148%	68.997%	73.121%	68.970%
Total capital ratio	74.052%	69.923%	74.025%	69.896%

A30 Capital Adequacy (Contd.)

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

	<u>GROUP</u>		<u>BANK</u>	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	365,962	365,962	365,962	365,962
Retained profits	52,318	72,758	54,218	74,658
FVOCI reserves	17,210	21,105	17,210	21,105
Regulatory reserves	5,923	6,434	5,923	6,434
	441,413	466,259	443,313	468,159
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(22,125)	(22,332)	(24,684)	(24,892)
- 55% of FVOCI reserves	(9,466)	(11,608)	(9,466)	(11,608)
- Regulatory reserves	(5,923)	(6,434)	(5,923)	(6,434)
- Investment in associate and joint venture	(1,301)	(1,284)	(624)	(624)
- Transitional arrangements	273	175	273	175
Total CET I Capital / Total Tier I Capital	402,871	424,776	402,889	424,776
<u>Tier II Capital</u>				
Expected credit losses and regulatory reserves	4,978	5,421	4,978	5,421
Total Tier II Capital	4,978	5,421	4,978	5,421
Total Capital	407,849	430,197	407,867	430,197

(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 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Credit risk	398,200	433,700	398,200	433,700
Market risk	143	174	143	174
Operational risk	152,050	151,155	152,278	151,379
Total RWA and capital requirements	550,393	585,029	550,621	585,253

A31 Fair Value Measurements

(a) Determination of fair value and the fair value hierarchy

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

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

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

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

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

(i) Financial instruments in Level 1

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

(ii) Financial instruments in Level 2

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

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
GROUP/BANK				
30 June 2021				
Financial Assets				
Financial assets at fair value through profit or loss				
- Unquoted securities	-	-	70,194	70,194
Financial investments at fair value through other comprehensive income				
- Money market instruments	-	245,071	-	245,071
- Unquoted securities	-	388,358	-	388,358
31 March 2021				
Financial Assets				
Financial assets at FVTPL				
- Unquoted securities	-	-	70,194	70,194
Financial investments at FVOCI				
- Money market instruments	-	294,637	-	294,637
- Unquoted securities	-	626,438	-	626,438

There were no transfers between levels of the fair value hierarchy for the Group and the Bank during the financial period/year ended 30 June 2021 and 31 March 2021.

Reconciliation of movements in Level 3 financial instruments:

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
At beginning of financial period/year	70,194	64,392
Total gain recognised in:		
- Statements of income		
(i) Unrealised gain from revaluation	-	5,802
At end of financial period/year	<u>70,194</u>	<u>70,194</u>

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

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

(a) Financial assets

	Gross amounts of recognised financial assets <u>financial assets</u> RM'000	Gross amounts of recognised financial liabilities set off in the statements of <u>financial position</u> RM'000	Net amounts of financial assets presented in the statements of <u>financial position</u> RM'000
<u>GROUP/BANK</u>			
30 June 2021			
Amounts due from clients and brokers	105,873	(42,813)	63,060
Total	<u>105,873</u>	<u>(42,813)</u>	<u>63,060</u>
31 March 2021			
Amounts due from clients and brokers	193,562	(88,521)	105,041
Total	<u>193,562</u>	<u>(88,521)</u>	<u>105,041</u>

(b) Financial liabilities

	Gross amounts of recognised financial liabilities <u>financial liabilities</u> RM'000	Gross amounts of recognised financial assets set off in the statements of <u>financial position</u> RM'000	Net amounts of financial liabilities presented in the statements of <u>financial position</u> RM'000
<u>GROUP/BANK</u>			
30 June 2021			
Amounts due to clients and brokers	69,817	(42,813)	27,004
Total	<u>69,817</u>	<u>(42,813)</u>	<u>27,004</u>
31 March 2021			
Amounts due to clients and brokers	151,937	(88,521)	63,416
Total	<u>151,937</u>	<u>(88,521)</u>	<u>63,416</u>

A33 Islamic Banking Business

A33a Unaudited Statements of Financial Position as at 30 June 2021

	Note	GROUP/BANK	
		30 June 2021 RM'000	31 March 2021 RM'000
ASSETS			
Cash and short-term funds		17	6,404
Deposits and placements with banks and other financial institutions		7,261	-
Financial investments at fair value through other comprehensive income	A33d	73,723	73,447
Other assets		15	14
Deferred tax assets		-	36
Total Assets		81,016	79,901
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits and placements of banks and other financial institutions		912	-
Provision for taxation		5,622	5,465
Other liabilities		133	132
Deferred tax liabilities		83	-
Total Liabilities		6,750	5,597
Islamic Banking Funds		56,000	56,000
Reserves		18,266	18,304
Total Islamic Banking Funds		74,266	74,304
TOTAL LIABILITES AND ISLAMIC BANKING FUNDS		81,016	79,901

A33 Islamic Banking Business (Contd.)

A33b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 30 June 2021

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
GROUP/BANK					
Income derived from investment of Islamic banking funds	A33e	658	2,877	658	2,877
Income derived from investment of depositors' funds and others	A33f	3	-	3	-
Total net income		661	2,877	661	2,877
Other operating expenses		(5)	(1)	(5)	(1)
Write-back of expected credit losses on financial investments		-	177	-	177
Profit before taxation		656	3,053	656	3,053
Taxation		(157)	(733)	(157)	(733)
Net profit after taxation		499	2,320	499	2,320
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		495	2,728	495	2,728
- Realised gain transferred to statements of income on disposal		-	(1,627)	-	(1,627)
- Transfer to deferred tax		(119)	(264)	(119)	(264)
- Changes in expected credit losses		-	(177)	-	(177)
Other comprehensive income, net of tax		376	660	376	660
Total comprehensive income for the financial period		875	2,980	875	2,980

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	658	2,877	658	2,877
Income derived from investment of depositors' funds and others	3	-	3	-
	661	2,877	661	2,877

A33 Islamic Banking Business (Contd.)

A33c Unaudited Statement of Changes in Equity for the Financial Period Ended 30 June 2021

	← Non-distributable reserves →		Distributable reserves		Total equity RM'000
	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 2021	56,000	-	(114)	18,418	74,304
Net profit for the financial period	-	-	-	499	499
Other comprehensive income	-	-	376	-	376
Total comprehensive income for the financial period	-	-	376	499	875
Dividends paid	-	-	-	(913)	(913)
At 30 June 2021	56,000	-	262	18,004	74,266
At 1 April 2020	56,000	48	960	62,332	119,340
Net profit for the financial period	-	-	-	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

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

	GROUP/BANK	
	30 June 2021 RM'000	31 March 2021 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government investment issues	63,609	63,554
	63,609	63,554
<u>Unquoted securities:</u>		
Sukuk	10,114	9,893
	10,114	9,893
Total financial investments at FVOCI	73,723	73,447

Movements in allowance for expected credit losses are as follows:

	12 months ECL (Stage 1)	
	30 June 2021 RM'000	31 March 2021 RM'000
GROUP/BANK		
At beginning of financial period/year	-	211
Financial assets derecognised other than write-off	-	(35)
Changes due to change in credit risk	-	(176)
Total write-back from income statement	-	(211)
At end of financial period/year	-	-

A33 Islamic Banking Business (Contd.)

A33e Income derived from investment of Islamic Banking Funds

	GROUP/BANK	
	30 June	30 June
	2021	2020
	RM'000	RM'000
Finance income and hibah		
Financial investments at fair value through other comprehensive income	713	1,176
Money at call and deposit placements with financial institutions	31	116
	744	1,292
Accretion of discount less amortisation of premium (net)	(86)	(42)
Total finance income and hibah	658	1,250
Investment income	-	1,627
	658	2,877

A33f Income derived from investment of depositors' funds and others

	GROUP/BANK	
	30 June	30 June
	2021	2020
	RM'000	RM'000
Finance income and hibah		
Financial investments at fair value through other comprehensive income	3	-
Total finance income and hibah	3	-

A33g Capital Adequacy

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

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

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

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

	GROUP/BANK	
	30 June	31 March
	2021	2021
With and without transitional arrangements:		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	777.140%	776.781%
Tier I capital ratio	777.140%	776.781%
Total capital ratio	777.140%	776.781%

A33 Islamic Banking Business (Contd.)

A33g Capital Adequacy (contd.)

	GROUP/BANK	
	30 June	31 March
	2021	2021
With and without transitional arrangements: (contd.)		
<u>After deducting proposed dividends</u>		
CET I capital ratio	777.140%	767.231%
Tier I capital ratio	777.140%	767.231%
Total capital ratio	777.140%	767.231%

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

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
<u>CET I Capital/Tier 1 Capital</u>		
Funds allocated from Head Office	56,000	56,000
Retained profits	17,506	18,418
FVOCI reserves	262	(114)
	73,768	74,304
Less: Regulatory adjustments		
- 55% of FVOCI reserves	(144)	-
- Deferred tax assets	-	(36)
Total CET I Capital / Total Tier I Capital / Total Capital	73,624	74,268

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

	GROUP/BANK	
	30 June	31 March
	2021	2021
	RM'000	RM'000
Credit risk	1,467	1,291
Operational risk	8,007	8,270
Total RWA and capital requirements	9,474	9,561

PART B – Review of Performance & Current Year Prospect

B1 Review of Performance for Financial Period Ended 30 June 2021 ("1Q FY2022")

Profitability:

The Bank's net profit after taxation grew RM5.0 million year-on-year ("YOY") to RM14.8 million for the first financial quarter ended 30 June 2021 due to higher revenue from other operating income.

Net interest income recorded at RM7.7 million, lower by RM3.0 million or 28.3% YOY. Nevertheless, the interest margin (NIM) recorded higher at 2.63%.

Higher Other Operating Income:

Other operating income increased by RM9.8 million to RM21.8 million mainly due to higher treasury and investment income, underwriting commissions and arrangement fees.

Operating Expenses:

Operating expenses increased by 1.5% to RM9.9 million due to higher personnel cost. Cost to income ratio was lower at 33.4%, an improvement of 9.4%.

Proactive Capital Management:

Both Total Capital and Common Equity Tier 1 continue to remain strong at 74.1% and 73.2% respectively as at 30 June 2021.

B2 Current Year Prospect

The cumulative trading value for the stockbroking business for 1QFY2022 was RM450.4 billion, 26% lower than the immediate preceding quarter's RM609.4 billion. Retail investor participation remained robust, averaging 36.1% in 1QFY2022 (4QFY2021: 36.6%).

Despite the challenging capital markets environment, we continue to identify and capitalise on opportunities.

We will continue to prioritise the health and safety of our employees and our focus remains on helping our clients emerge from this challenging period on a better footing.