

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

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

	GROUP		BANK	
	30 September	31 March	30 September	31 March
	2021	2021	2021	2021
Note	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	64,484	56,058	64,484	56,058
Deposits and placements with banks and other financial institutions	6,970	-	6,970	-
Amounts due from clients and brokers	A12 126,175	105,041	126,175	105,041
Financial assets at fair value through profit or loss	A13 74,353	70,194	74,353	70,194
Financial investments at fair value through other comprehensive income	A14 651,730	921,075	651,730	921,075
Financial investments at amortised cost	A15 16	16	16	16
Loans, advances and financing	A16 260,381	262,747	260,381	262,747
Other assets	A17 12,733	11,364	12,733	11,364
Tax recoverable	875	-	875	-
Investment in an associate	291	290	230	230
Investment in joint venture	1,025	994	394	394
Right-of-use assets	2,084	2,387	2,084	2,387
Property, plant and equipment	491	878	491	878
Deferred tax assets	323	-	323	-
Intangible assets	21,952	22,332	24,512	24,892
TOTAL ASSETS	1,223,883	1,453,376	1,225,751	1,455,276
LIABILITIES AND EQUITY				
Deposits from customers	A18 341,843	338,287	341,843	338,287
Deposits and placements of banks and other financial institutions	A19 282,012	528,128	282,012	528,128
Amounts due to clients and brokers	A20 89,255	63,416	89,255	63,416
Lease liabilities	2,214	2,457	2,214	2,457
Other liabilities	A21 46,147	51,622	46,147	51,622
Provision for taxation	-	761	-	761
Deferred tax liabilities	-	2,311	-	2,311
TOTAL LIABILITIES	761,471	986,982	761,471	986,982
Share capital	365,962	365,962	365,962	365,962
Reserves	96,450	100,432	98,318	102,332
TOTAL EQUITY	462,412	466,394	464,280	468,294
TOTAL LIABILITIES AND EQUITY	1,223,883	1,453,376	1,225,751	1,455,276
COMMITMENTS AND CONTINGENCIES	A29 332,512	327,127	332,512	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
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Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 30 September 2021

GROUP	Note	2nd Quarter Ended		Six Months Ended	
		30 September	30 September	30 September	30 September
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A22	8,211	14,578	18,808	30,528
Interest expense	A23	(2,574)	(4,792)	(6,170)	(11,333)
Net interest income		5,637	9,786	12,638	19,195
Net income from Islamic banking business	A34	666	2,482	1,327	5,359
		6,303	12,268	13,965	24,554
Fee and commission income		10,970	23,215	26,388	37,622
Fee and commission expense		(3,676)	(8,995)	(8,182)	(13,842)
Investment income		7,722	7,852	18,299	8,212
Other income		607	348	923	802
Other operating income	A24	15,623	22,420	37,428	32,794
Net income		21,926	34,688	51,393	57,348
Other operating expenses	A25	(8,785)	(9,300)	(18,638)	(19,008)
Operating profit before allowances		13,141	25,388	32,755	38,340
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	A26	1,366	269	1,238	(3)
Write-back of/(allowance for) expected credit losses on financial investments	A27	14	(181)	(6)	14
Operating profit after allowances		14,521	25,476	33,987	38,351
Share of results in an associate		-	-	1	2
Share of results of joint venture		14	31	31	53
Profit before taxation		14,535	25,507	34,019	38,406
Taxation		(2,396)	(4,659)	(7,048)	(7,719)
Net profit for the financial period		12,139	20,848	26,971	30,687
Net profit for the financial period attributable to:					
Equity holder of the Bank		12,139	20,848	26,971	30,687
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A28	3.3	5.7	7.4	8.4

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 September 2021

GROUP	2nd Quarter Ended		Six Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	12,139	20,848	26,971	30,687
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 (loss)/gain from change in fair value	(4,961)	13,463	336	41,228
- Realised gain transferred to statements of income on disposal	(3,083)	(3,563)	(13,505)	(5,190)
- Transfer from/(to) deferred tax	1,931	(2,376)	3,161	(8,649)
- Changes in expected credit losses	(14)	181	6	(14)
Other comprehensive (expense)/income, net of tax	(6,127)	7,705	(10,002)	27,375
Total comprehensive income for the financial period	6,012	28,553	16,969	58,062
Total comprehensive income for the financial period attributable to:				
Equity holder of the Bank	6,012	28,553	16,969	58,062

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

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
BANK		RM'000	RM'000	RM'000	RM'000
Interest income	A22	8,211	14,578	18,808	30,528
Interest expense	A23	(2,574)	(4,792)	(6,170)	(11,333)
Net interest income		5,637	9,786	12,638	19,195
Net income from Islamic banking business	A34	666	2,482	1,327	5,359
		6,303	12,268	13,965	24,554
Fee and commission income		10,970	23,215	26,388	37,622
Fee and commission expense		(3,676)	(8,995)	(8,182)	(13,842)
Investment income		7,722	7,852	18,299	8,212
Other income		607	348	923	802
Other operating income	A24	15,623	22,420	37,428	32,794
Net income		21,926	34,688	51,393	57,348
Other operating expenses	A25	(8,785)	(9,300)	(18,638)	(19,008)
Operating profit before allowances		13,141	25,388	32,755	38,340
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	A26	1,366	269	1,238	(3)
Write-back of/(allowance for) expected credit losses on financial investments	A27	14	(181)	(6)	14
Operating profit after allowances		14,521	25,476	33,987	38,351
Taxation		(2,396)	(4,659)	(7,048)	(7,719)
Net profit for the financial period		12,125	20,817	26,939	30,632
Net profit for the financial period attributable to:					
Equity holder of the Bank		12,125	20,817	26,939	30,632
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A28	3.3	5.7	7.4	8.4

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 September 2021

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	12,125	20,817	26,939	30,632
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net (loss)/gain from change in fair value	(4,961)	13,463	336	41,228
- Realised gain transferred to statements of income on disposal	(3,083)	(3,563)	(13,505)	(5,190)
- Transfer from/(to) deferred tax	1,931	(2,376)	3,161	(8,649)
- Changes in expected credit losses	(14)	181	6	(14)
Other comprehensive (expense)/income, net of tax	(6,127)	7,705	(10,002)	27,375
Total comprehensive income for the financial period	5,998	28,522	16,937	58,007
Total comprehensive income for the financial period attributable to:				
Equity holder of the Bank	5,998	28,522	16,937	58,007

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

GROUP	←----- Attributable to Equity holder of the Bank -----→				Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	
At 1 April 2021	365,962	6,434	21,240	72,758	466,394
Net profit for the financial period	-	-	-	26,971	26,971
Other comprehensive expense	-	-	(10,002)	-	(10,002)
Total comprehensive (expense)/income	-	-	(10,002)	26,971	16,969
Transfer from regulatory reserves	-	(389)	-	389	-
Dividend paid	-	-	-	(20,951)	(20,951)
At 30 September 2021	365,962	6,045	11,238	79,167	462,412
At 1 April 2020	365,962	7,540	26,449	258,887	658,838
Net profit for the financial period	-	-	-	30,687	30,687
Other comprehensive income	-	-	27,375	-	27,375
Total comprehensive income	-	-	27,375	30,687	58,062
Transfer from regulatory reserves	-	(788)	-	788	-
Dividend paid	-	-	-	(8,322)	(8,322)
At 30 September 2020	365,962	6,752	53,824	282,040	708,578

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.

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

	<u>Non-distributable reserves</u>			<u>Distributable reserves</u>	<u>Total equity</u> RM'000
	<u>Share capital</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	-	-	-	26,939	26,939
Other comprehensive expense	-	-	(10,002)	-	(10,002)
Total comprehensive (expense)/income	-	-	(10,002)	26,939	16,937
Transfer from regulatory reserves	-	(389)	-	389	-
Dividend paid	-	-	-	(20,951)	(20,951)
At 30 September 2021	365,962	6,045	11,238	81,035	464,280
At 1 April 2020	365,962	7,540	26,449	260,882	660,833
Net profit for the financial period	-	-	-	30,632	30,632
Other comprehensive income	-	-	27,375	-	27,375
Total comprehensive income	-	-	27,375	30,632	58,007
Transfer from regulatory reserves	-	(788)	-	788	-
Dividend paid	-	-	-	(8,322)	(8,322)
At 30 September 2020	365,962	6,752	53,824	283,980	710,518

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 September 2021

	GROUP		BANK	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	34,019	38,406	33,987	38,351
Adjustments for non-cash items	(31,552)	(33,531)	(31,520)	(33,476)
Operating profit before changes in working capital	2,467	4,875	2,467	4,875
Changes in working capital	(248,088)	(187,023)	(248,088)	(187,023)
Net tax paid	(8,157)	(1,605)	(8,157)	(1,605)
Net cash used in operating activities	(253,778)	(183,753)	(253,778)	(183,753)
Net cash generated from investing activities	283,683	309,126	283,683	309,126
Net cash used in financing activities	(21,479)	(8,657)	(21,479)	(8,657)
Net change in cash and cash equivalents	8,426	116,716	8,426	116,716
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	64,484	161,499	64,484	161,499
Cash and cash equivalent comprise the following:				
Cash and short-term funds	64,484	161,499	64,484	161,499

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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 current financial period ended 30 September 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)
- Amendment to MFRS 16 Leases - Covid-19 Related Rent Concessions beyond 30 June 2021

The adoption of the above standards, amendments to published standards and interpretation to existing standards did not 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 audited 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 in the current financial period ended 30 September 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 in the current financial period ended 30 September 2021.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period ended 30 September 2021.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities in the current financial period ended 30 September 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 in the current financial period ended 30 September 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 for the current financial period ended 30 September 2021.

A12 Amounts Due From Clients and Brokers

	<u>GROUP/BANK</u>	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Due from clients	69,517	105,041
Due from brokers	56,661	-
	126,178	105,041
Less: Allowance for expected credit losses	(3)	-
	126,175	105,041

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.

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

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

As at 30 September 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")

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
At fair value		
<u>Unquoted securities:</u>		
Shares	74,353	70,194
Total financial assets at FVTPL	74,353	70,194

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

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government securities	135,507	95,086
Malaysian Government investment issues	199,212	199,551
	334,719	294,637
<u>Unquoted securities:</u>		
Corporate bonds and sukuk	317,011	626,438
Total financial investments at FVOCI	651,730	921,075

Movements in allowance for expected credit losses are as follows:

	12-month ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
GROUP/BANK				
At 1 April 2021	18	117	-	135
Financial investments derecognised other than write-off	(2)	-	-	(2)
Changes due to change in credit risk	2	6	-	8
Total charge to income statement	-	6	-	6
At 30 September 2021	18	123	-	141
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

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	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	<u>16</u>	<u>16</u>

Movements in allowance for expected credit losses are as follows:

	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(Stage 1)	Not-credit	Credit	Total
	RM'000	Impaired	Impaired	RM'000
	RM'000	(Stage 2)	(Stage 3)	RM'000
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
At 1 April 2021/30 September 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:

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

A16 Loans, Advances and Financing

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
At amortised cost		
Term loans	75,037	78,441
Staff loans (Loan to Directors: RM Nil [31 March 2021: RM Nil])	97	107
Revolving credits	3,000	8,008
Share margin financing	182,738	176,873
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>
Less: Allowance for expected credit losses on loans, advances and financing	(491)	(682)
Total net loans, advances and financing	<u>260,381</u>	<u>262,747</u>

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A16 Loans, Advances and Financing (Contd.)

A16a By maturity structure:

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Within one year	229,574	228,744
One year to three years	31,024	34,385
Three years to five years	77	101
Over five years	197	199
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>

A16b By type of customers:

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Domestic business enterprises		
- Small and medium enterprises	3,416	3,964
- Others	97,974	106,456
Individuals	157,617	151,222
Other domestic entities	1,720	1,734
Foreign entities	145	53
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>

A16c By interest/profit rate sensitivity:

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Fixed rate	1,873	2,154
Variable rate		
- Base lending rate plus	37,305	35,551
- Base rate plus	143,788	139,436
- Cost plus	77,906	86,288
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>

A16d By economic purposes:

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Purchase of securities	182,738	176,871
Purchase of landed property - Residential	331	371
Working capital	3,000	8,008
Others	74,803	78,179
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>

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A16 Loans, Advances and Financing (Contd.)

A16e By economic sectors:

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Manufacturing	492	488
Construction	51,701	52,030
Financing, insurance, real estate and business services	49,196	57,903
Household	157,762	151,274
Others	1,721	1,734
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>

A16f By geographical distribution:

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Northern region	45,595	35,415
Central region	186,754	198,214
Southern region	28,523	29,800
Gross loans, advances and financing	<u>260,872</u>	<u>263,429</u>

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

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
At beginning of financial year	182	428
Impaired during the financial period/year	2	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	<u>184</u>	<u>182</u>
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 September	31 March
	2021	2021
	RM'000	RM'000
Purchase of landed properties - Residential	184	182
Gross impaired loans	<u>184</u>	<u>182</u>

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A16 Loans, Advances and Financing (Contd.)

A16i Credit impaired loans analysed by economic sectors:

	GROUP/BANK	
	30 September 2021 RM'000	31 March 2021 RM'000
Household	184	182
Gross impaired loans	<u>184</u>	<u>182</u>

A16j Credit impaired loans by geographical distribution:

	GROUP/BANK	
	30 September 2021 RM'000	31 March 2021 RM'000
Central region	184	182
Gross impaired loans	<u>184</u>	<u>182</u>

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

	12-month ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
GROUP/BANK				
At 1 April 2021	220	462	-	682
Financial assets derecognised other than write-off	(33)	-	-	(33)
Changes due to change in credit risk	(61)	(97)	-	(158)
Total write-back from income statement	(94)	(97)	-	(191)
At 30 September 2021	<u>126</u>	<u>365</u>	<u>-</u>	<u>491</u>
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	<u>220</u>	<u>462</u>	<u>-</u>	<u>682</u>

Note:

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

A17 Other Assets

	<u>GROUP/BANK</u>	
	30 September 2021 RM'000	31 March 2021 RM'000
Other receivables, deposits and prepayments	14,101	13,751
Less: Allowance for expected credit losses on other receivables [Note]	<u>(1,368)</u>	<u>(2,387)</u>
	<u><u>12,733</u></u>	<u><u>11,364</u></u>

Note:

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

	<u>GROUP/BANK</u>	
	30 September 2021 RM'000	31 March 2021 RM'000
<u>Lifetime ECL</u>		
At beginning of financial year	2,387	2,276
New financial assets originated or purchased	177	170
Financial assets derecognised other than write-off	(224)	(265)
Changes due to change in credit risk	(972)	206
Total (write-back from)/charge to income statement	<u>(1,019)</u>	111
At end of financial period/year	<u><u>1,368</u></u>	<u><u>2,387</u></u>

As at 30 September 2021, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM1,368,000 (31 March 2021: RM2,387,000).

A18 Deposits from Customers

A18a By type of deposits:

	<u>GROUP/BANK</u>	
	30 September 2021 RM'000	31 March 2021 RM'000
Fixed deposits	240,216	208,244
Money market deposits	101,627	130,043
	<u><u>341,843</u></u>	<u><u>338,287</u></u>

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

	<u>GROUP/BANK</u>	
	30 September 2021 RM'000	31 March 2021 RM'000
Due within six months	<u><u>341,843</u></u>	<u><u>338,287</u></u>

A18 Deposits from Customers (Contd.)

A18c By type of customers:

	<u>GROUP/BANK</u>	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Domestic non-bank financial institutions	220,900	205,420
Business enterprises	120,943	132,867
	<u>341,843</u>	<u>338,287</u>

A19 Deposits and Placements of Banks and Other Financial Institutions

	<u>GROUP/BANK</u>	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Licensed banks	182,002	187,966
Licensed investment banks	100,010	340,162
	<u>282,012</u>	<u>528,128</u>

A20 Amounts Due To Clients And Brokers

	<u>GROUP/BANK</u>	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Due to clients	89,255	57,554
Due to brokers	-	5,862
	<u>89,255</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 RM93,654,000 (31 March 2021: RM123,393,000) have been excluded accordingly.

A21 Other Liabilities

	GROUP/BANK	
	30 September 2021 RM'000	31 March 2021 RM'000
Other payables	21,273	25,484
Provision and accruals	15,213	16,629
Remisier's accounts	9,324	9,274
Amount due to joint venture	100	129
Amount due to other related company	10	3
Amount due to holding company	175	43
Allowance for expected credit losses on commitments and contingencies [Note]	52	60
	46,147	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 write-back from income statement due to change in credit risk	(1)	(7)	-	(8)
At 30 September 2021	17	35	-	52
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

	2nd Quarter Ended		Six Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
GROUP/BANK				
Loans, advances and financing	2,826	3,311	5,625	7,174
Money at call and deposit placements with financial institutions	10	9	20	37
Financial investments at fair value through other comprehensive income	5,450	11,290	13,297	23,213
	8,286	14,610	18,942	30,424
Accretion of discount less amortisation of premium (net)	(75)	(32)	(134)	104
	8,211	14,578	18,808	30,528

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A23 Interest Expense

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
Deposits and placements of banks and other financial institutions	992	2,758	2,954	6,232
Deposits from customers	1,542	2,029	3,142	5,088
Lease liabilities	40	5	74	13
	2,574	4,792	6,170	11,333

A24 Other Operating Income

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
(a) <u>Fee and commission income:</u>				
Brokerage fees	8,740	21,169	20,064	34,179
Corporate advisory fees	1,197	1,145	2,188	1,921
Guarantee fees	6	6	13	13
Arrangement and related fees	704	394	2,354	715
Processing fees	182	230	345	370
Service charges and fees	141	249	316	398
Underwriting commissions and placement fees	-	22	1,108	26
	10,970	23,215	26,388	37,622
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	(3,676)	(8,995)	(8,182)	(13,842)
(c) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial investments at fair value through other comprehensive income	3,083	1,860	13,505	1,860
Unrealised gain from revaluation of:				
- Financial assets at fair value through profit or loss	4,159	5,802	4,159	5,802
Gross dividend income from:				
- Financial assets at fair value through profit or loss	480	190	580	550
- Associate	-	-	55	-
	7,722	7,852	18,299	8,212
(d) <u>Other income:</u>				
Foreign exchange gain	449	63	579	342
Others	158	285	344	460
	607	348	923	802
Total other operating income	15,623	22,420	37,428	32,794

A25 Other Operating Expenses

	2nd Quarter Ended		Six Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
GROUP/BANK				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	4,293	4,292	9,789	9,051
- Contribution to EPF	699	727	1,561	1,527
- Others	450	616	679	1,251
	5,442	5,635	12,029	11,829
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	207	74	413	146
- Depreciation of right-of-use assets	259	272	515	544
- Amortisation of computer software	180	305	388	617
- Rental	10	10	20	21
- Water and electricity	52	100	137	235
- Repairs and maintenance	35	48	56	69
- Information technology expenses	1,356	1,386	2,701	2,597
- Others	33	144	50	401
	2,132	2,339	4,280	4,630
<u>Marketing expenses</u>				
- Advertisement and publicity	163	70	217	114
- Research cost	224	254	532	660
- Others	12	46	36	76
	399	370	785	850
<u>Administration and general expenses</u>				
- Communication expenses	130	175	228	287
- Printing and stationeries	10	13	25	33
- Professional fees	308	434	594	744
- Others	364	334	697	635
	812	956	1,544	1,699
Total other operating expenses	8,785	9,300	18,638	19,008

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

	2nd Quarter Ended		Six Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
Allowance for expected credit losses on:				
(a) Loans, advances and financing				
- Allowance made during the financial period	(273)	(235)	(191)	57
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(19)	(72)	(23)	(74)
(c) Commitments and contingencies on loans, advances and financing				
- Write-back during the financial period	(8)	-	(8)	(37)
	<u>(300)</u>	<u>(307)</u>	<u>(222)</u>	<u>(54)</u>
(Write-back of)/Allowance for expected credit losses on:				
(a) Other receivables	(1,066)	42	(1,019)	60
(b) Amounts due from clients and brokers	-	(4)	3	(3)
	<u>(1,366)</u>	<u>(269)</u>	<u>(1,238)</u>	<u>3</u>

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

	2nd Quarter Ended		Six Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
GROUP/BANK				
Financial investments at fair value through other comprehensive income				
- (Write-back)/allowance made during the financial period	(14)	181	6	(14)
	<u>(14)</u>	<u>181</u>	<u>6</u>	<u>(14)</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.

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
<u>GROUP</u>				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	12,139	20,848	26,971	30,687
Weighted average numbers of ordinary shares in issue ('000)	365,000	365,000	365,000	365,000
Basic/diluted earnings per share (sen)	3.3	5.7	7.4	8.4
<u>BANK</u>				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	12,125	20,817	26,939	30,632
Weighted average numbers of ordinary shares in issue ('000)	365,000	365,000	365,000	365,000
Basic/diluted earnings per share (sen)	3.3	5.7	7.4	8.4

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:

	<u>GROUP/BANK</u>	
	30 September	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	310,121	304,736
- maturity exceeding one year	1,341	1,341
Total	332,512	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 September 2021	31 March 2021	30 September 2021	31 March 2021
(i) With transitional arrangements:				
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	74.947%	72.608%	74.971%	72.580%
Tier 1 capital ratio	74.947%	72.608%	74.971%	72.580%
Total capital ratio	75.860%	73.534%	75.885%	73.506%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	74.947%	69.026%	74.971%	69.000%
Tier 1 capital ratio	74.947%	69.026%	74.971%	69.000%
Total capital ratio	75.860%	69.953%	75.885%	69.926%
(ii) Without transitional arrangements:				
<u>Before deducting proposed dividends</u>				
CET 1 capital ratio	74.936%	72.578%	74.960%	72.550%
Tier 1 capital ratio	74.936%	72.578%	74.960%	72.550%
Total capital ratio	75.850%	73.504%	75.874%	73.476%
<u>After deducting proposed dividends</u>				
CET 1 capital ratio	74.936%	68.997%	74.960%	68.970%
Tier 1 capital ratio	74.936%	68.997%	74.960%	68.970%
Total capital ratio	75.850%	69.923%	75.874%	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 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	365,963	365,962	365,963	365,962
Retained profits	79,167	72,758	81,035	74,658
FVOCI reserves	11,097	21,105	11,097	21,105
Regulatory reserves	6,045	6,434	6,045	6,434
	462,272	466,259	464,140	468,159
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(21,952)	(22,332)	(24,512)	(24,892)
- Deferred tax assets	(323)	-	(323)	-
- 55% of FVOCI reserves	(6,103)	(11,608)	(6,103)	(11,608)
- Regulatory reserves	(6,045)	(6,434)	(6,045)	(6,434)
- Investment in associate and joint venture	(1,316)	(1,284)	(624)	(624)
- Transitional arrangements	62	175	62	175
Total CET I Capital / Total Tier I Capital	426,595	424,776	426,595	424,776
<u>Tier II Capital</u>				
Expected credit losses and regulatory reserves	5,199	5,421	5,199	5,421
Total Tier II Capital	5,199	5,421	5,199	5,421
Total Capital	431,794	430,197	431,794	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 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Credit risk	415,933	433,700	415,933	433,700
Market risk	195	174	195	174
Operational risk	153,067	151,155	152,884	151,379
Total RWA and capital requirements	569,195	585,029	569,012	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
<u>GROUP/BANK</u>				
30 September 2021				
Financial Assets				
Financial assets at fair value through profit or loss				
- Unquoted securities	-	-	74,353	74,353
Financial investments at fair value through other comprehensive income				
- Money market instruments	-	334,719	-	334,719
- Unquoted securities	-	317,011	-	317,011
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 September 2021 and 31 March 2021.

Reconciliation of movements in Level 3 financial instruments:

	<u>GROUP/BANK</u>	
	30 September	31 March
	2021	2021
	RM'000	RM'000
At beginning of financial year	70,194	64,392
Total gain recognised in statements of income:		
- Unrealised gain from revaluation	4,159	5,802
At end of financial period/year	74,353	70,194

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>RM'000</u>	Gross amounts of recognised financial liabilities set off in the statements of financial position <u>RM'000</u>	Net amounts of financial assets presented in the statements of financial position <u>RM'000</u>
<u>GROUP/BANK</u>			
30 September 2021			
Amounts due from clients and brokers	178,003	(51,828)	126,175
Total	<u>178,003</u>	<u>(51,828)</u>	<u>126,175</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>RM'000</u>	Gross amounts of recognised financial assets set off in the statements of financial position <u>RM'000</u>	Net amounts of financial liabilities presented in the statements of financial position <u>RM'000</u>
<u>GROUP/BANK</u>			
30 September 2021			
Amounts due to clients and brokers	141,083	(51,828)	89,255
Total	<u>141,083</u>	<u>(51,828)</u>	<u>89,255</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 Credit Transactions and Exposures with Connected Parties

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Outstanding credit exposures with connected parties	20,327	19,691
of which:		
Total credit exposure which is impaired or default	-	-
Total credit exposures	1,274,214	1,503,165
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	1.60%	1.31%
- which is impaired or in default	-	-

A34 Islamic Banking Business

A34a Unaudited Statements of Financial Position as at 30 September 2021

		GROUP/BANK	
		30 September	31 March
		2021	2021
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		14	6,404
Deposits and placements with banks and other financial institutions		6,970	-
Financial investments at fair value through other comprehensive income	A34d	73,248	73,447
Other assets		18	14
Deferred tax assets		42	36
Total Assets		80,292	79,901
LIABILITIES AND ISLAMIC BANKING FUNDS			
Provision for taxation		1,116	5,465
Other liabilities		4,800	132
Total Liabilities		5,916	5,597
Islamic Banking Funds		56,000	56,000
Reserves		18,376	18,304
Total Islamic Banking Funds		74,376	74,304
TOTAL LIABILITES AND ISLAMIC BANKING FUNDS		80,292	79,901

A34 Islamic Banking Business (Contd.)

A34b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 30 September 2021

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
GROUP/BANK					
Income derived from investment of Islamic banking funds	A34e	667	2,482	1,325	5,359
Income derived from investment of depositors' funds and others	A34f	2	-	5	-
Total distributable income		669	2,482	1,330	5,359
Income attributable to the depositors and financial institutions	A34g	(3)	-	(3)	-
Total net income		666	2,482	1,327	5,359
Other operating expenses		(1)	(2)	(6)	(3)
Write-back of expected credit losses on financial investments		-	34	-	211
Profit before taxation		665	2,514	1,321	5,567
Taxation		(160)	(602)	(317)	(1,335)
Net profit after taxation		505	1,912	1,004	4,232
Other comprehensive (expense)/income:					
Items that may be classified subsequently to profit or loss:					
Revaluation reserve on financial investments at FVOCI					
- Net (loss)/gain from change in fair value		(521)	1,398	(26)	4,126
- Realised gain transferred to statements of income on disposal		-	(1,703)	-	(3,330)
- Transfer from/(to) deferred tax		126	73	7	(191)
- Changes in expected credit losses		-	(34)	-	(211)
Other comprehensive (expense)/income, net of tax		(395)	(266)	(19)	394
Total comprehensive income for the financial period		110	1,646	985	4,626

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	667	2,482	1,325	5,359
Income derived from investment of depositors' funds and others	2	-	5	-
	669	2,482	1,330	5,359

A34 Islamic Banking Business (Contd.)

A34c Unaudited Statement of Changes in Equity for the Financial Period Ended 30 September 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	-	-	-	1,004	1,004
Other comprehensive expense	-	-	(19)	-	(19)
Total comprehensive (expense)/ income for the financial period	-	-	(19)	1,004	985
Dividends paid	-	-	-	(913)	(913)
At 30 September 2021	56,000	-	(133)	18,509	74,376
At 1 April 2020	56,000	48	960	62,332	119,340
Net profit for the financial period	-	-	-	4,232	4,232
Other comprehensive income	-	-	394	-	394
Total comprehensive income for the financial period	-	-	394	4,232	4,626
Transfer from regulatory reserves	-	(48)	-	48	-
Dividends paid	-	-	-	(4,889)	(4,889)
At 30 September 2020	56,000	-	1,354	61,723	119,077

A34d Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")

	GROUP/BANK	
	30 September 2021 RM'000	31 March 2021 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government investment issues	<u>63,364</u>	<u>63,554</u>
	<u>63,364</u>	<u>63,554</u>
<u>Unquoted securities:</u>		
Sukuk	<u>9,884</u>	<u>9,893</u>
	<u>9,884</u>	<u>9,893</u>
Total financial investments at FVOCI	<u><u>73,248</u></u>	<u><u>73,447</u></u>

Movements in allowance for expected credit losses are as follows:

	12 months ECL (Stage 1)	
	30 September 2021 RM'000	31 March 2021 RM'000
GROUP/BANK		
At beginning of financial 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	<u>-</u>	<u>-</u>

A34 Islamic Banking Business (Contd.)

A34e Income derived from investment of Islamic Banking Funds

<u>GROUP/BANK</u>	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financial investments at fair value through other comprehensive income	719	533	1,432	1,709
Money at call and deposit placements with financial institutions	33	315	64	431
	<u>752</u>	<u>848</u>	<u>1,496</u>	<u>2,140</u>
Accretion of discount less amortisation of premium (net)	(85)	(69)	(171)	(111)
Total finance income and hibah	<u>667</u>	<u>779</u>	<u>1,325</u>	<u>2,029</u>
Investment income	-	1,703	-	3,330
	<u>667</u>	<u>2,482</u>	<u>1,325</u>	<u>5,359</u>

A34f Income derived from investment of depositors' funds and others

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financial investments at fair value through other comprehensive income	3	-	6	-
Accretion of discount less amortisation of premium (net)	(1)	-	(1)	-
Total finance income and hibah	<u>2</u>	<u>-</u>	<u>5</u>	<u>-</u>

A34g Income Attributable to the Depositors and Financial Institutions

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	3	-	3	-
	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>

A34h 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.

A34 Islamic Banking Business (Contd.)

A34h Capital Adequacy (contd.)

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 September	31 March
	2021	2021
With and without transitional arrangements:		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	812.127%	776.781%
Tier I capital ratio	812.127%	776.781%
Total capital ratio	812.127%	776.781%
<u>After deducting proposed dividends</u>		
CET I capital ratio	812.127%	767.231%
Tier I capital ratio	812.127%	767.231%
Total capital ratio	812.127%	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 September	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	18,509	18,418
FVOCI reserves	(133)	(114)
	74,376	74,304
Less: Regulatory adjustments		
- Deferred tax assets	(42)	(36)
Total CET I Capital / Total Tier I Capital / Total Capital	74,334	74,268

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

	GROUP/BANK	
	30 September	31 March
	2021	2021
	RM'000	RM'000
Credit risk	1,411	1,291
Operational risk	7,742	8,270
Total RWA and capital requirements	9,153	9,561

PART B – Review of Performance & Current Year Prospect

B1 Review of Performance for Financial Period Ended 30 September 2021 ("1H FY2022")

Profitability

The Bank's net profit after taxation was RM27.0 million for the six months ended 30 September 2021, lower by RM3.7 million or 12.1% year-on-year ("YOY"). The decrease was largely due to lower net interest income.

Net interest income recorded at RM14.0 million, lower by RM7.3 million or 34.2% YOY. Nevertheless, the net interest margin (NIM) recorded higher at 2.66%.

Higher Other Operating Income

Other operating income increased by RM1.3 million to RM37.4 million mainly due to higher treasury and investment income, underwriting commissions and arrangement fees.

Operating Expenses

Operating expenses decreased by 1.9% to RM18.6 million due to establishment cost. The cost to income ratio stood at 36.3%.

Proactive Capital Management

Both Total Capital and Common Equity Tier 1 continue to remain strong at 75.9% and 74.9% respectively as at 30 September 2021.

B2 Current Year Prospect

The cumulative trading value for the stockbroking business for 2QFY2022 was RM358.0 billion, 21% lower than the immediate preceding quarter's RM450.4 billion. Local retail investor participation remained robust, averaging 34.6% in 2QFY2022 (1QFY2022: 36.1%).

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.