

Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 December 2022

		ECONOMIC ENTITY		BANK	
		31 December	31 March	31 December	31 March
		2022	2022	2022	2022
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		12,255	8,378	12,255	8,378
Financial assets at fair value through profit or loss	A12	-	74,353	-	74,353
Financial investments at fair value through other comprehensive income	A13	552,916	570,931	552,916	570,931
Financial investments at amortised cost	A14	-	16	-	16
Loans, advances and financing	A15	69,675	124,514	69,675	124,514
Other assets	A16	3,445	1,897	3,445	1,897
Tax recoverable		9,336	3,055	9,336	3,055
Statutory deposits with Bank Negara Malaysia		7,200	-	7,200	-
Investment in an associate		238	237	230	230
Investment in joint venture		1,083	1,048	394	394
Right-of-use assets		45	1,499	45	1,499
Property, plant and equipment		71	108	71	108
Deferred tax assets		3,146	5,180	3,146	5,180
Intangible assets		21,148	21,585	23,707	24,145
		680,558	812,801	682,420	814,700
Assets held for sale	A26	-	224,506	-	224,506
TOTAL ASSETS		680,558	1,037,307	682,420	1,039,206
LIABILITIES AND EQUITY					
Deposits from customers	A17	5,988	356,370	5,988	356,370
Deposits and placements of banks and other financial institutions	A18	354,482	143,451	354,482	143,451
Lease liabilities		124	1,597	124	1,597
Other liabilities	A19	6,766	20,702	6,766	20,702
		367,360	522,120	367,360	522,120
Liabilities held for sale	A26	-	57,980	-	57,980
TOTAL LIABILITIES		367,360	580,100	367,360	580,100
Share capital		215,962	365,962	215,962	365,962
Reserves		97,236	91,245	99,098	93,144
TOTAL EQUITY		313,198	457,207	315,060	459,106
TOTAL LIABILITIES AND EQUITY		680,558	1,037,307	682,420	1,039,206
COMMITMENTS AND CONTINGENCIES					
	A29	2,391	315,498	2,391	315,498

ALLIANCE INVESTMENT BANK BERHAD**197401004393 (21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Consolidated Statements of Income
for the Financial Period Ended 31 December 2022**

ECONOMIC ENTITY	Note	3rd Quarter Ended		Nine Months Ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A20	5,653	6,931	18,096	24,438
Interest expense	A21	(2,490)	(2,311)	(6,234)	(8,453)
Net interest income		3,163	4,620	11,862	15,985
Net income from Islamic banking business	A33	704	677	2,065	2,004
		3,867	5,297	13,927	17,989
Fee and commission income		72	33	85	46
Investment income		-	3,593	3,964	21,892
Other income		330	5	323	46
Other operating income	A22	402	3,631	4,372	21,984
Net income		4,269	8,928	18,299	39,973
Other operating expenses	A23	(1,841)	(1,074)	(3,937)	(3,190)
Operating profit before allowances		2,428	7,854	14,362	36,783
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	A24	85	(62)	188	1,233
Write-back of expected credit losses on financial investments	A25	124	43	204	37
Operating profit after allowances		2,637	7,835	14,754	38,053
Share of results in an associate		1	-	2	1
Share of results of joint venture		9	14	35	45
Profit before taxation from continuing operations		2,647	7,849	14,791	38,099
Taxation		(689)	(1,880)	(2,545)	(7,992)
Net profit from continuing operations		1,958	5,969	12,246	30,107
Net (loss)/profit from discontinued operations	A27	-	(1,276)	(1,042)	1,557
Net profit for the financial period		1,958	4,693	11,204	31,664
Net profit for the financial period attributable to:					
Equity holder of the Bank		1,958	4,693	11,204	31,664
Earnings/(loss) per share attributable to Equity holder of the Bank:					
- Continuing operations basic/diluted (sen)	A28	0.6	1.6	3.9	8.3
- Discontinued operations basic/diluted (sen)	A28	-	(0.4)	(0.3)	0.4
		0.6	1.2	3.6	8.7

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 2022.

ALLIANCE INVESTMENT BANK BERHAD**197401004393 (21605-D)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income
for the Financial Period Ended 31 December 2022**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
<u>ECONOMIC ENTITY</u>	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	1,958	4,693	11,204	31,664
Other comprehensive income/(expense):				
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/(loss) from change in fair value	4,719	(4,582)	(6,659)	(4,246)
- Realised gain transferred to statements of income on disposal	-	(3,593)	-	(17,098)
- Transfer (to)/from deferred tax	(1,133)	1,962	1,598	5,123
- Changes in expected credit losses	(140)	(43)	(152)	(37)
Other comprehensive income/(expense), net of tax	3,446	(6,256)	(5,213)	(16,258)
Total comprehensive income/(expense) for the financial period:				
Continuing operations	5,404	(287)	7,033	13,849
Discontinued operations	-	(1,276)	(1,042)	1,557
	5,404	(1,563)	5,991	15,406
Total comprehensive income/(expense) for the financial period attributable to:				
Equity holder of the Bank	5,404	(1,563)	5,991	15,406

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 2022.

ALLIANCE INVESTMENT BANK BERHAD**197401004393 (21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statements of Income
for the Financial Period Ended 31 December 2022**

		3rd Quarter Ended		Nine Months Ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
<u>BANK</u>	Note	RM'000	RM'000	RM'000	RM'000
Interest income	A20	5,653	6,931	18,096	24,438
Interest expense	A21	(2,490)	(2,311)	(6,234)	(8,453)
Net interest income		3,163	4,620	11,862	15,985
Net income from Islamic banking business	A33	704	677	2,065	2,004
		3,867	5,297	13,927	17,989
Fee and commission income		72	33	85	46
Investment income		-	3,593	3,964	21,892
Other income		330	5	323	46
Other operating income	A22	402	3,631	4,372	21,984
Net income		4,269	8,928	18,299	39,973
Other operating expenses	A23	(1,841)	(1,074)	(3,937)	(3,190)
Operating profit before allowances		2,428	7,854	14,362	36,783
Write-back of/(allowance for) expected credit losses on loans, advances and financing and other financial assets	A24	85	(62)	188	1,233
Write-back of expected credit losses on financial investments	A25	124	43	204	37
Profit before taxation from continuing operations		2,637	7,835	14,754	38,053
Taxation		(689)	(1,880)	(2,545)	(7,992)
Net profit from continuing operations		1,948	5,955	12,209	30,061
Net profit/(loss) from discontinued operations	A27	-	(1,276)	(1,042)	1,557
Net profit for the financial period		1,948	4,679	11,167	31,618
Net profit for the financial period attributable to:					
Equity holder of the Bank		1,948	4,679	11,167	31,618
Earnings/(loss) per share attributable to Equity holder of the Bank:					
- Continuing operations basic/diluted (sen)	A28	0.6	1.6	3.9	8.3
- Discontinued operations basic/diluted (sen)	A28	-	(0.4)	(0.3)	0.4
		0.6	1.2	3.6	8.7

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 2022.

ALLIANCE INVESTMENT BANK BERHAD**197401004393 (21605-D)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 31 December 2022**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	1,948	4,679	11,167	31,618
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net gain/(loss) from change in fair value	4,719	(4,582)	(6,659)	(4,246)
- Realised gain transferred to statements of income on disposal	-	(3,593)	-	(17,098)
- Transfer (to)/from deferred tax	(1,133)	1,962	1,598	5,123
- Changes in expected credit losses	(140)	(43)	(152)	(37)
Other comprehensive income/(expense), net of tax	3,446	(6,256)	(5,213)	(16,258)
Total comprehensive income/(expense) for the financial period:				
Continuing operations	5,394	(301)	6,996	13,803
Discontinuing operations	-	(1,276)	(1,042)	1,557
	5,394	(1,577)	5,954	15,360
Total comprehensive income/(expense) for the financial period attributable to:				
Equity holder of the Bank	5,394	(1,577)	5,954	15,360

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 31 December 2022

	← Attributable to Equity holder of the Bank →				
<u>ECONOMIC ENTITY</u>	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2022	365,962	6,045	(34)	85,234	457,207
Net profit for the financial period	-	-	-	11,204	11,204
Other comprehensive expense	-	-	(5,213)	-	(5,213)
Total comprehensive (expense)/income for the financial period	-	-	(5,213)	11,204	5,991
Capital repatriation to holding company	(150,000)	-	-	-	(150,000)
At 31 December 2022	215,962	6,045	(5,247)	96,438	313,198
At 1 April 2021	365,962	6,434	21,240	72,758	466,394
Net profit for the financial period	-	-	-	31,664	31,664
Other comprehensive expense	-	-	(16,258)	-	(16,258)
Total comprehensive (expense)/income for the financial period	-	-	(16,258)	31,664	15,406
Transfer from regulatory reserves	-	(389)	-	389	-
Dividends paid	-	-	-	(20,951)	(20,951)
At 31 December 2021	365,962	6,045	4,982	83,860	460,849

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 2022.

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 31 December 2022

	← Non-distributable reserves →			Distributable reserves	
	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
<u>BANK</u>					
At 1 April 2022	365,962	6,045	(34)	87,133	459,106
Net profit for the financial period	-	-	-	11,167	11,167
Other comprehensive expense	-	-	(5,213)	-	(5,213)
Total comprehensive (expense)/income for the financial period	-	-	(5,213)	11,167	5,954
Capital repatriation to holding company	(150,000)	-	-	-	(150,000)
At 31 December 2022	215,962	6,045	(5,247)	98,300	315,060
At 1 April 2021	365,962	6,434	21,240	74,658	468,294
Net profit for the financial period	-	-	-	31,618	31,618
Other comprehensive expense	-	-	(16,258)	-	(16,258)
Total comprehensive (expense)/income for the financial period	-	-	(16,258)	31,618	15,360
Transfer from regulatory reserves	-	(389)	-	389	-
Dividends paid	-	-	-	(20,951)	(20,951)
At 31 December 2021	365,962	6,045	4,982	85,714	462,703

ALLIANCE INVESTMENT BANK BERHAD**197401004393 (21605-D)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2022**

	<u>ECONOMIC ENTITY</u>		<u>BANK</u>	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation from:				
Continuing operations	14,791	38,099	14,754	38,053
Discontinued operations	19	2,138	19	2,138
Total profit before taxation	14,810	40,237	14,773	40,191
Adjustments for non-cash items	(16,907)	(39,471)	(16,870)	(39,425)
Cash flow from operating activities				
before working capital changes	(2,097)	766	(2,097)	766
Changes in working capital	99,500	(398,632)	99,500	(398,632)
Taxation paid	(6,136)	(9,886)	(6,136)	(9,886)
Net cash generated from/(used in) operating activities	91,267	(407,752)	91,267	(407,752)
Net cash generated from investing activities	25,760	392,570	25,760	392,570
Net cash used in financing activities	(150,419)	(21,792)	(150,419)	(21,792)
Net change in cash and cash equivalents	(33,392)	(36,974)	(33,392)	(36,974)
Cash and cash equivalents at beginning of financial period	45,647	56,058	45,647	56,058
Cash and cash equivalents at end of financial period	12,255	19,084	12,255	19,084
Cash and cash equivalent comprise from:				
Cash and short-term funds	12,255	19,084	12,255	19,084

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 2022.

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 financial period ended 31 December 2022 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 Economic Entity for the financial year ended 31 March 2022. 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 Economic Entity and the Bank since the financial year ended 31 March 2022.

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 2022 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2022:

- Amendment to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021";
- Amendments to MFRS 3 "Reference to the Conceptual Framework";
- Amendments to MFRS 116 "Proceeds before Intended Use";
- Amendments to MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract";
- Annual improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities";
- Annual improvements to MFRS 1 "Subsidiary as First-time Adopter"; and
- Annual improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives.

The adoption of the above standards, amendments to published standards and interpretations to existing standards did not give rise to any significant impact on the financial statements of the Economic Entity 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 Economic Entity'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 from these estimates.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2022 was not qualified.

A3 Seasonality or Cyclicity of Operations

The operations of the Economic Entity and the Bank were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 31 December 2022.

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 Economic Entity and the Bank during the financial period ended 31 December 2022.

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 financial period ended 31 December 2022.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities during the financial period ended 31 December 2022.

A7 Dividends Paid

No dividend has been paid for the financial period ended 31 December 2022.

A8 Significant Events

- (a) The Bank had on 16 March 2022 obtained Vesting Order in Kuala Lumpur High Court and completed the transfer of the Capital Market Business to Alliance Islamic Bank Berhad ("AIS") on 31 March 2022.
- (b) The Bank had on 21 June 2022 obtained Vesting Order in Kuala Lumpur High Court and completed the sale of its stockbroking business to Phillip Capital Sdn. Bhd. (formerly known as Phillip Futures Sdn. Bhd.) on 30 July 2022.
- (c) On 26 September 2022, the Bank obtained an Order in Kuala Lumpur High Court confirming the Bank's proposed share capital reduction under Sections 115(a) and 116 of the Companies Act 2016 where the share capital and issued number of shares of the Bank shall be reduced from RM365,962,500 comprising 365,000,000 ordinary shares to RM215,962,500 comprising 215,000,000 ordinary shares, vide cancellation of 150,000,000 ordinary shares held by the Bank. The amount of RM150,000,000 arising from the said shares cancellation was returned to Alliance Bank Malaysia Berhad, the holding company of the Bank on 29 September 2022.

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 Economic Entity 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 31 December 2022.

A12 Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At fair value		
<u>Unquoted securities:</u>		
Shares	-	74,353
Total financial assets at FVTPL	-	<u>74,353</u>

A13 Financial Investments at Fair Value Through Other Comprehensive Income

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December 2022	31 March 2022
	RM'000	RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government securities	160,859	163,173
Malaysian Government investment issues	180,941	182,525
	341,800	345,698
<u>Unquoted securities:</u>		
Corporate bonds and sukuk	211,116	225,233
	211,116	225,233
 Total financial investments at FVOCI	 552,916	 570,931

Movements in allowance for expected credit losses are as follows:

<u>ECONOMIC ENTITY/BANK</u>	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 2022	53	160	-	213
Transfer to Stage 1	11	(149)		(138)
Changes due to change in credit risk	(3)	(11)	-	(14)
Total write-back from income statement	8	(160)	-	(152)
At 31 December 2022	61	-	-	61
At 1 April 2021	18	117	-	135
Financial investments derecognised other than write-off	(2)	(14)	-	(16)
Changes due to change in credit risk	37	57	-	94
Total charge to income statement	35	43	-	78
At 31 March 2022	53	160	-	213

Note:

There were no credit impaired exposure of financial investments at FVOCI.

A14 Financial Investments at Amortised Cost

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At amortised cost		
Unquoted securities:		
Corporate bonds and sukuk	223	291
Less: Allowance for expected credit losses	(223)	(275)
Total financial investments at amortised cost	-	16

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
<u>ECONOMIC ENTITY/BANK</u>				
At 1 April 2022	-	-	275	275
Total write-back from income statement due to change in credit risk	-	-	(52)	(52)
At 31 December 2022	-	-	223	223
At 1 April 2021/31 March 2022	-	-	275	275

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

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At beginning of financial year	291	291
Write-back during the financial period	(68)	-
At end of financial period/year	223	291

A15 Loans, Advances and Financing

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At amortised cost		
Term loans	67,160	70,820
Staff loans (Directors loan: RM Nil)	68	87
Revolving credits	3,001	3,001
Share margin financing	-	51,153
Gross loans, advances and financing	70,229	125,061
Less: Allowance for expected credit losses on loans, advances and financing	(554)	(547)
Total net loans, advances and financing	69,675	124,514

A15 Loans, Advances and Financing (Contd.)

A15a By maturity structure:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Within one year	69,976	98,000
One year to three years	60	26,828
Three years to five years	86	73
Over five years	107	160
Gross loans, advances and financing	70,229	125,061

A15b By type of customers:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Domestic business enterprises - Others	69,967	93,035
Individuals	262	32,026
Gross loans, advances and financing	70,229	125,061

A15c By interest/profit rate sensitivity:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Fixed rate	68	87
Variable rate		
- Base lending rate plus	23	31
- Base rate plus	64	51,223
- Cost plus	70,074	73,720
Gross loans, advances and financing	70,229	125,061

A15d By economic purposes:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Purchase of securities	-	51,153
Purchase of landed property - Residential	262	294
Working capital	3,001	3,001
Others	66,966	70,613
Gross loans, advances and financing	70,229	125,061

A15 Loans, Advances and Financing (Contd.)

A15e By economic sectors:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Construction	46,943	50,603
Financing, insurance, real estate and business services	23,024	42,431
Household	262	32,027
Gross loans, advances and financing	<u>70,229</u>	<u>125,061</u>

A15f By geographical distribution:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Central region	70,229	125,061
Gross loans, advances and financing	<u>70,229</u>	<u>125,061</u>

A15g Movements in credit impaired loans, advances and financing ("impaired loans") under stage 3:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At beginning of financial year	175	182
Impaired during the financial period/year	108	20
Reclassified as unimpaired during the financial period/year	(122)	(27)
At end of financial period/year	<u>161</u>	<u>175</u>
Gross impaired loans ratio	0.23%	0.14%
Net impaired loans ratio	0.23%	0.14%

A15h Credit impaired loans analysed by economic purposes:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Purchase of landed properties - Residential	161	175
Gross impaired loans	<u>161</u>	<u>175</u>

A15 Loans, Advances and Financing (Contd.)

A15i Credit impaired loans analysed by economic sectors:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Household	161	175
Gross impaired loans	161	175

A15j Credit impaired loans by geographical distribution:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Central region	161	175
Gross impaired loans	161	175

A15k 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
<u>ECONOMIC ENTITY/BANK</u>				
At 1 April 2022	110	437	-	547
Total (write-back) from/charged to income statement due to change in credit risk	(64)	71		7
At 31 December 2022	46	508	-	554
At 1 April 2021	220	462	-	682
Transferred to assets held for sale	(2)	-	-	(2)
Financial assets derecognised other than write-off	(33)	-	-	(33)
Changes due to change in credit risk	(75)	(25)	-	(100)
Total write-back from income statement	(108)	(25)	-	(133)
At 31 March 2022	110	437	-	547

A16 Other Assets

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Other receivables, deposits and prepayments	4,308	2,490
Less: Allowance for expected credit losses on other receivables [Note]	(863)	(593)
	3,445	1,897

Note:

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

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
<u>Lifetime ECL</u>		
At beginning of financial year	593	2,387
Transferred to assets held for sale	-	(62)
New financial assets originated or purchased	144	55
Financial assets derecognised other than write-off	(43)	(65)
Changes due to change in credit risk	169	(957)
Total charge to/(write-back from) income statement	270	(967)
Write-off	-	(765)
At end of financial period/year	863	593

As at 31 December 2022, the Economic Entity's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM863,000 (31 March 2022: RM593,000).

A17 Deposits from Customers

A17a By type of deposits:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Fixed deposits	-	223,457
Money market deposits	5,988	72,879
Negotiable instruments of deposits	-	60,034
	5,988	356,370

A17b The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposits are as follows:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Due within six months	5,988	356,370

A17 Deposits from Customers (Contd.)

A17c The deposits are sourced from the following type of customers:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Government and statutory bodies	-	16,982
Business enterprises	5,988	74,283
Domestic financial institutions	-	60,034
Domestic non-bank financial institutions	-	205,071
	5,988	356,370

A18 Deposits and Placements of Banks and Other Financial Institutions

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Licensed banks	154,243	80,008
Licensed investment banks	200,239	23,441
Other financial institutions	-	40,002
	354,482	143,451

A19 Other Liabilities

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Other payables	214	1,061
Provision and accruals	5,558	19,130
Amount due to joint venture	3	115
Amount due to other related company	-	3
Amount due to holding company	918	338
Allowance for expected credit losses on commitments and contingencies	73	55
	6,766	20,702

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

	12-month ECL	Lifetime ECL	Lifetime ECL	
	(Stage 1)	not-credit	credit	
	(Stage 1)	impaired	impaired	Total
<u>ECONOMIC ENTITY/BANK</u>	RM'000	RM'000	RM'000	RM'000
At 1 April 2022	17	38	-	55
Total charge to income statement				
due to change in credit risk	6	12	-	18
At 31 December 2022	23	50	-	73

A19 Other Liabilities (Contd.)

Movements in allowance for expected credit losses on commitments and contingencies are as follows: (contd.)

<u>ECONOMIC ENTITY/BANK</u>	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	<u>Total</u> RM'000
At 1 April 2021	18	42	-	60
Net write-back from income statement due to change in credit risk	(1)	(4)	-	(5)
At 31 March 2022	17	38	-	55

Note:

There were no credit impaired exposure of commitments and contingencies

A20 Interest Income

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Loans, advances and financing	1,010	2,213	4,077	6,557
Money at call and deposit placements with financial institutions	-	-	40	-
Financial investments at fair value through other comprehensive income	4,964	4,945	14,930	18,242
	5,974	7,158	19,047	24,799
Accretion of discount less amortisation of premium (net)	(321)	(227)	(951)	(361)
	5,653	6,931	18,096	24,438

A21 Interest Expense

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Deposits and placements of banks and other financial institutions	2,448	718	3,551	3,672
Deposits from customers	40	1,570	2,661	4,712
Lease liabilities	2	23	22	69
	2,490	2,311	6,234	8,453

A22 Other Operating Income

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee and commission income:</u>				
Guarantee fees	7	7	20	20
Arrangement and related fees	65	26	65	26
	<u>72</u>	<u>33</u>	<u>85</u>	<u>46</u>
(b) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	-	-	3,604	-
- Financial investments at fair value through other comprehensive income	-	3,593	-	17,098
Unrealised gain from revaluation of:				
- Financial assets at fair value through profit or loss	-	-	-	4,159
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	-	360	580
- Associate	-	-	-	55
	<u>-</u>	<u>3,593</u>	<u>3,964</u>	<u>21,892</u>
(c) <u>Other income:</u>				
Foreign exchange gain/(loss)	-	5	(7)	46
Others	330	-	330	-
	<u>330</u>	<u>5</u>	<u>323</u>	<u>46</u>
Total other operating income	<u>402</u>	<u>3,631</u>	<u>4,372</u>	<u>21,984</u>

A23 Other Operating Expenses

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	612	193	1,319	598
- Contribution to EPF	89	30	182	92
- Others	288	14	327	26
	<u>989</u>	<u>237</u>	<u>1,828</u>	<u>716</u>
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	13	161	45	538
- Depreciation of right-of-use assets	15	179	377	541
- Amortisation of computer software	97	179	440	565
- Water and electricity	29	1	30	1
- Repairs and maintenance	-	3	24	9
- Information technology expenses	302	216	522	450
- Others	15	26	34	76
	<u>471</u>	<u>765</u>	<u>1,472</u>	<u>2,180</u>

A23 Other Operating Expenses (Contd.)

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Marketing expenses</u>				
- Advertisement and publicity	(2)	-	4	7
- Others	-	1	-	1
	<u>(2)</u>	<u>1</u>	<u>4</u>	<u>8</u>
<u>Administration and general expenses</u>				
- Communication expenses	3	1	7	6
- Printing and stationeries	1	1	1	2
- Professional fees	109	2	225	79
- Others	270	67	400	199
	<u>383</u>	<u>71</u>	<u>633</u>	<u>286</u>
Total other operating expenses	<u>1,841</u>	<u>1,074</u>	<u>3,937</u>	<u>3,190</u>

A24 (Write-back of)/Allowance for Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Write-back of expected credit losses on:				
(a) Loans, advances and financing				
- Allowance/(write-back) during the financial period	159	(10)	7	(199)
(b) Credit impaired loans, advances and financing				
- Recovered during the financial period	(479)	(5)	(483)	(12)
(c) Commitments and contingencies on loans, advances and financing				
- Allowance/(write-back) during the financial period	40	(2)	18	(10)
	<u>(280)</u>	<u>(17)</u>	<u>(458)</u>	<u>(221)</u>
Allowance for/(write-back of) expected credit losses on:				
- Other receivables	195	79	270	(1,012)
	<u>(85)</u>	<u>62</u>	<u>(188)</u>	<u>(1,233)</u>

A25 Write-back of Expected Credit Losses on Financial Investments

	<u>ECONOMIC ENTITY/BANK</u>			
	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Write-back)/allowance for expected credit losses on:				
(a) Financial investments at fair value through other comprehensive income	(140)	(43)	(152)	(37)
(b) Financial investments at amortised cost	16	-	(52)	-
	<u>(124)</u>	<u>(43)</u>	<u>(204)</u>	<u>(37)</u>

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(Incorporated in Malaysia)

A26 Assets and Liabilities Classified as Held for Sale

As disclosed in Note A8(a) and A8(b), the transfer of assets and liabilities of Capital Market Business and Stockbroking Business are as follows:

<u>ECONOMIC ENTITY/BANK</u>	31 December 2022 RM'000	31 March 2022 RM'000
ASSETS		
Cash and short-term funds	-	37,269
Amounts due from clients and brokers	-	55,040
Loans, advances and financing	-	121,406
Other assets	-	10,455
Right-of-use assets	-	226
Property, plant and equipment	-	89
Intangible assets	-	21
TOTAL ASSETS	-	224,506
LIABILITIES		
Amounts due to clients and brokers	-	28,404
Lease liabilities	-	226
Other liabilities	-	29,350
TOTAL LIABILITIES	-	57,980

A27 Discontinued Operations

The income statements of the Capital Market Business and Stockbroking Business Transfer as per Note A8(a) and A8(b) are as follows:

<u>ECONOMIC ENTITY/BANK</u>	3rd Quarter Ended		Nine Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Interest income	-	696	775	1,997
Interest expense	-	(10)	-	(38)
Net interest income	-	686	775	1,959
Fee and commission income	-	9,026	6,031	35,123
Fee and commission expense	-	(3,070)	(2,141)	(11,252)
Investment income	-	103	-	381
Other income	-	395	2,973	1,277
Other operating income	-	6,454	6,863	25,529
Net income	-	7,140	7,638	27,488
Other operating expenses	-	(8,388)	(7,625)	(24,910)
Operating profit before allowances	-	(1,248)	13	2,578
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	-	(383)	6	(440)
(Loss)/profit before taxation	-	(1,631)	19	2,138
Taxation	-	355	(1,061)	(581)
Net (loss)/profit from discontinued operations	-	(1,276)	(1,042)	1,557

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 Economic Entity and the Bank by the weighted average number of ordinary shares in issue during the financial period.

	3rd Quarter Ended		Nine Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<u>ECONOMIC ENTITY</u>				
Net profit attributable to Equity holder of the Bank (RM'000)				
- Continuing operations	1,958	5,969	12,246	30,107
- Discontinuing operations	-	(1,276)	(1,042)	1,557
	1,958	4,693	11,204	31,664
Weighted average numbers of ordinary shares in issue ('000)	313,727	365,000	313,727	365,000
Basic/diluted earnings per share from:				
- Continuing operations (sen)	0.6	1.6	3.9	8.3
- Discontinuing operations (sen)	-	(0.4)	(0.3)	0.4
	0.6	1.2	3.6	8.7
<u>BANK</u>				
Net profit attributable to Equity holder of the Bank (RM'000)				
- Continuing operations	1,948	5,955	12,209	30,061
- Discontinuing operations	-	(1,276)	(1,042)	1,557
	1,948	4,679	11,167	31,618
Weighted average numbers of ordinary shares in issue ('000)	313,727	365,000	313,727	365,000
Basic/diluted earnings per share from:				
- Continuing operations (sen)	0.6	1.6	3.9	8.3
- Discontinuing operations (sen)	-	(0.4)	(0.3)	0.4
	0.6	1.2	3.6	8.7

A29 Commitments and Contingencies

In the normal course of business, the Economic Entity 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 notional amounts of the commitments and contingencies of the Economic Entity and the Bank are as follows:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
<u>Commitments and Contingencies</u>		
Transaction-related contingent items	1,050	1,050
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	-	313,107
- maturity exceeding one year	1,341	1,341
Total	<u>2,391</u>	<u>315,498</u>

A30 Capital Adequacy

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions took effect on 9 December 2020. This allows the Economic Entity 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 Economic Entity and the Bank have sufficient capital under both conditions with or without the Transitional Arrangement.

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

	<u>ECONOMIC ENTITY</u>		<u>BANK</u>	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
(i) With transitional arrangements:				
CET 1 capital ratio	126.715%	87.272%	126.793%	87.301%
Tier 1 capital ratio	126.715%	87.272%	126.793%	87.301%
Total capital ratio	127.265%	88.145%	127.343%	88.174%
(ii) Without transitional arrangements:				
CET 1 capital ratio	126.660%	87.211%	126.738%	87.240%
Tier 1 capital ratio	126.660%	87.211%	126.738%	87.240%
Total capital ratio	127.210%	88.084%	127.288%	88.113%

A30 Capital Adequacy (Contd.)

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

	<u>ECONOMIC ENTITY</u>		<u>BANK</u>	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
<u>CET I Capital/Tier I Capital</u>				
Paid-up share capital	215,962	365,962	215,962	365,962
Retained profits	94,481	85,234	96,352	87,133
FVOCI reserves	(5,308)	(247)	(5,308)	(247)
Regulatory reserves	6,045	6,045	6,045	6,045
	311,180	456,994	313,051	458,893
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(21,148)	(21,606)	(23,707)	(24,166)
- Deferred tax assets	(3,146)	(5,180)	(3,146)	(5,180)
- Regulatory reserves	(6,045)	(6,045)	(6,045)	(6,045)
- Investment in associate and joint venture	(1,321)	(1,285)	(624)	(624)
- Transitional arrangements	122	295	122	295
Total CET I Capital / Total Tier I Capital	279,642	423,173	279,651	423,173
<u>Tier II Capital</u>				
Expected credit losses and regulatory reserves	1,214	4,231	1,214	4,231
Total Tier II Capital	1,214	4,231	1,214	4,231
Total Capital	280,856	427,404	280,865	427,404

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

	<u>ECONOMIC ENTITY</u>		<u>BANK</u>	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Credit risk	97,089	338,467	97,089	338,467
Market risk	-	180	-	180
Operational risk	123,597	146,243	123,468	146,083
Total RWA and capital requirements	220,686	484,890	220,557	484,730

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 Economic Entity 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 market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. 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 Economic Entity 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 Economic Entity'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>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>ECONOMIC ENTITY/BANK</u>				
<u>Assets</u>				
Financial assets at FVTPL				
- Unquoted securities	-	-	-	-
Financial investments at FVOCI				
- Money market instruments	-	341,800	-	341,800
- Unquoted securities	-	211,116	-	211,116
<hr/>				
31 March 2022				
<u>Assets</u>				
Financial assets at FVTPL				
- Unquoted securities	-	-	74,353	74,353
Financial investments at FVOCI				
- Money market instruments	-	345,698	-	345,698
- Unquoted securities	-	225,233	-	225,233
<hr/>				

There were no transfers between levels of the fair value hierarchy for the Economic Entity and the Bank during the financial period/year ended 31 December 2022 and 31 March 2022.

The table below outlines the reconciliation of movements in Level 3 financial instruments:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At beginning of financial year	74,353	70,194
Disposal during the period	(74,353)	-
Total gain recognised in statements of income:		
- Unrealised gain from revaluation	-	4,159
At end of financial period/year	-	74,353

The Economic Entity's and the Bank's exposure to financial instruments measured using unobservable inputs (Level 3) constitutes a small component of the Economic Entity'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 Level 3 financial instruments.

A32 Offsetting Financial Assets And Financial Liabilities

In accordance with MFRS 132 Financial Instruments: Presentation, the Economic Entity 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>ECONOMIC ENTITY/BANK</u>			
31 December 2022			
Amounts due from clients and brokers	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
31 March 2022			
Amounts due from clients and brokers	84,883	(29,843)	55,040
Total	<u>84,883</u>	<u>(29,843)</u>	<u>55,040</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>ECONOMIC ENTITY/BANK</u>			
31 December 2022			
Amounts due to clients and brokers	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
31 March 2022			
Amounts due to clients and brokers	58,247	(29,843)	28,404
Total	<u>58,247</u>	<u>(29,843)</u>	<u>28,404</u>

A33 Islamic Banking Business

A33a Unaudited Statements of Financial Position as at 31 December 2022

		ECONOMIC ENTITY/BANK	
		31 December	31 March
		2022	2022
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		10,914	8,458
Financial investments at fair value through other comprehensive income	A33d	70,585	71,168
Other assets		-	59
Deferred tax assets		544	498
Total Assets		82,043	80,183
LIABILITIES AND ISLAMIC BANKING FUNDS			
Other liabilities		4,742	4,800
Provision for taxation		1,931	1,436
Total Liabilities		6,673	6,236
Islamic Banking Funds		56,000	56,000
Reserves		19,370	17,947
Total Islamic Banking Funds		75,370	73,947
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		82,043	80,183

A33 Islamic Banking Business (Contd.)

A33b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 31 December 2022

		3rd Quarter Ended		Nine Months Ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
<u>ECONOMIC ENTITY/BANK</u>					
Income derived from investment of Islamic banking funds	A33e	704	677	2,065	2,002
Income derived from investment of depositors' funds and others	A33f	-	-	-	5
Total distributable income		704	677	2,065	2,007
Income attributable to the depositors and financial institutions	A33g	-	-	-	(3)
Total net income		704	677	2,065	2,004
Other operating expenses	A33h	-	-	-	(6)
Profit before taxation		704	677	2,065	1,998
Taxation		(169)	(163)	(496)	(480)
Net profit after taxation		535	514	1,569	1,518
Other comprehensive (expense)/income:					
Items that may be classified subsequently to profit or loss:					
Revaluation reserve on financial investments at FVOCI					
- Net gain/(loss) from change in fair value		1,769	(287)	(192)	(313)
- Transfer (to)/from deferred tax		(425)	68	46	75
Other comprehensive income/(expense), net of tax		1,344	(219)	(146)	(238)
Total comprehensive income for the financial period		1,879	295	1,423	1,280

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	704	677	2,065	2,002
Income derived from investment of depositors' funds and others	-	-	-	5
	704	677	2,065	2,007

A33 Islamic Banking Business (Contd.)

A33c Unaudited Statement of Changes in Equity for the Financial Period Ended 31 December 2022

	Funds allocated from Head Office (HO) RM'000	Non-distributable reserves FVOCI reserves RM'000	Distributable reserves Retained profits RM'000	Total equity RM'000
<u>ECONOMIC ENTITY/BANK</u>				
At 1 April 2022	56,000	(1,577)	19,524	73,947
Net profit for the financial period	-	-	1,569	1,569
Other comprehensive expense	-	(146)	-	(146)
Total comprehensive (expense)/income for the financial period	-	(146)	1,569	1,423
At 31 December 2022	56,000	(1,723)	21,093	75,370
At 1 April 2021	56,000	(114)	18,418	74,304
Net profit for the financial period	-	-	1,518	1,518
Other comprehensive expense	-	(238)	-	(238)
Total comprehensive (expense)/income for the financial period	-	(238)	1,518	1,280
Dividends paid	-	-	(913)	(913)
At 31 December 2021	56,000	(352)	19,023	74,671

A33d Financial Investments at Fair Value Through Other Comprehensive Income

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December 2022 RM'000	31 March 2022 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government investment issues	60,925	61,488
	60,925	61,488
<u>Unquoted securities:</u>		
Sukuk	9,660	9,680
	9,660	9,680
Total financial investments at FVOCI	70,585	71,168

There was no expected credit losses for financial investments at FVOCI during the financial period/year.

A33 Islamic Banking Business (Contd.)

A33e Income derived from investment of Islamic Banking Funds

<u>ECONOMIC ENTITY/BANK</u>	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financial investments at fair value through other comprehensive income	726	726	2,164	2,158
Money at call and deposit placements with financial institutions	71	41	170	105
	<u>797</u>	<u>767</u>	<u>2,334</u>	<u>2,263</u>
Accretion of discount less amortisation of premium (net)	(93)	(90)	(269)	(261)
Total finance income and hibah	<u>704</u>	<u>677</u>	<u>2,065</u>	<u>2,002</u>

A33f Income derived from investment of depositors' funds and others

<u>ECONOMIC ENTITY/BANK</u>	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financial investments at fair value through other comprehensive income	-	-	-	6
Accretion of discount less amortisation of premium (net)	-	-	-	(1)
Total finance income and hibah	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

A33g Income attributable to the depositors and financial institutions

<u>ECONOMIC ENTITY/BANK</u>	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>

A33h Other operating expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Administration and general expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>

A33 Islamic Banking Business (Contd.)

A33i Capital Adequacy

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

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
With and without transitional arrangements:		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	925.050%	819.012%
Tier I capital ratio	925.050%	819.012%
Total capital ratio	925.050%	819.012%
<u>After deducting proposed dividends</u>		
CET I capital ratio	925.050%	819.012%
Tier I capital ratio	925.050%	819.012%
Total capital ratio	925.050%	819.012%

(i) CET I, Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows:

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
<u>CET I Capital/Tier 1 Capital</u>		
Funds allocated from Head Office	56,000	56,000
Retained profits	20,558	19,524
FVOCI reserves	(1,723)	(1,577)
	74,835	73,947
Less: Regulatory adjustments		
- Deferred tax assets	(544)	(498)
Total CET I Capital / Total Tier I Capital / Total Capital	74,291	73,449

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

	<u>ECONOMIC ENTITY/BANK</u>	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Credit risk	2,180	1,746
Operational risk	5,851	7,222
Total RWA and capital requirements	8,031	8,968

PART B – Business Review of Performance & Current Year Prospect

B1 Business Review for the period ended 31 December 2022

Profitability

The Bank's net profit after taxation was RM11.2 million for nine months ended 31 December 2022, lower by RM20.5 million or 64.6% year-on-year ("YOY"). The decrease was largely due to lower revenue.

Net interest income recorded at RM14.7 million. It is lower by RM5.2 million or 26.3% YOY. The net interest margin ("NIM") stood at 2.62% (Dec 21: 2.66%).

Other operating income recorded at RM11.2 million, lower by RM36.3 million or 76.4% mainly from lower treasury and investment income, lower brokerage and arrangement fees resulting from the disposal of Capital Market and Stockbroking business.

Operating expenses were lower by RM16.5 million or 58.9%. The cost to income ratio stood at 44.6% (Dec 21: 41.7%).

Proactive Capital Management

Both Total Capital and Common Equity Tier 1 ratio continue to remain strong at 127.3% and 126.7% respectively as at 31 December 2022.

B2 Prospect for The Current Financial Period

The Group has completed the sale of stockbroking business and the proceeds from the sale were repatriated to the Group via a capital reduction to accelerate growth in the Group's core businesses.

We continue to operate as usual the remaining businesses such as Group Financial Markets and Group Corporate & Commercial.