

**Condensed Interim Financial Statements**  
**Unaudited Statements of Financial Position as at 30 June 2023**

	<b><u>ECONOMIC ENTITY</u></b>		<b><u>BANK</u></b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
Note	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS AND LIABILITIES HELD FOR SALE</b>				
Cash and short-term funds	<b>19,950</b>	13,084	<b>19,950</b>	13,084
Financial investments at fair value through other comprehensive income	A12	-	548,448	-
Financial investments at amortised cost	A13	-	-	-
Loans, advances and financing	A14	-	49,350	-
Other assets	A15	<b>4,812</b>	3,727	<b>4,812</b>
Tax recoverable		<b>9,214</b>	9,227	<b>9,214</b>
Statutory deposits with Bank Negara Malaysia		-	6,490	-
Investment in an associate		-	239	-
Investment in joint venture		<b>1,106</b>	1,094	<b>394</b>
Right-of-use assets		-	30	-
Property, plant and equipment		-	55	-
Deferred tax assets		-	1,856	-
Intangible assets		-	21,067	-
<b>TOTAL ASSETS HELD FOR SALE</b>		<b>35,082</b>	<b>654,667</b>	<b>34,370</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and placements of banks and other financial institutions	A16	-	329,859	-
Lease liabilities		-	113	-
Other liabilities	A17	<b>294</b>	82,685	<b>294</b>
<b>TOTAL LIABILITIES HELD FOR SALE</b>		<b>294</b>	<b>412,657</b>	<b>294</b>
Share capital		<b>4,962</b>	215,962	<b>4,962</b>
Reserves		<b>29,826</b>	26,048	<b>29,114</b>
<b>TOTAL EQUITY</b>		<b>34,788</b>	<b>242,010</b>	<b>34,076</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>35,082</b>	<b>654,667</b>	<b>34,370</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A25	-	2,391	-

Note:  
As disclosed in Note A8, the Economic Entity and the Bank had transferred it's remaining assets and liabilities ("business transfer") to Alliance Bank Malaysia Berhad ("ABMB"), the holding company of the bank on 1 April 2023.

The assets and liabilities of the Economic Entity and the Bank are classified under assets and liabilities held for sale in the statements of financial position; and the Profit and Loss are classified under discontinued operation in the statements of income in accordance to MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

**Condensed Interim Financial Statements**  
**Unaudited Consolidated Statements of Income**  
**for the Financial Period Ended 30 June 2023**

<u>ECONOMIC ENTITY</u>	Note	1st Quarter Ended		Three Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>DISCONTINUED OPERATIONS</b>					
Interest income	A18	36	7,055	36	7,055
Interest expense	A19	83	(2,253)	83	(2,253)
Net interest income		119	4,802	119	4,802
Net income from Islamic banking business	A28	84	669	84	669
		203	5,471	203	5,471
Fee and commission income		-	4,962	-	4,962
Fee and commission expense		-	(1,785)	-	(1,785)
Investment income		-	3,964	-	3,964
Other income		-	341	-	341
Other operating income	A20	-	7,482	-	7,482
Net income		203	12,953	203	12,953
Other operating expenses	A21	5,287	(7,420)	5,287	(7,420)
Operating profit before allowances		5,490	5,533	5,490	5,533
Write-back of expected credit losses on loans, advances and financing and other financial assets	A22	162	3	162	3
Write-back of expected credit losses on financial investments	A23	-	6	-	6
Operating profit after allowances		5,652	5,542	5,652	5,542
Share of results of joint venture		9	15	9	15
Profit before taxation		5,661	5,557	5,661	5,557
Taxation		(1,671)	(460)	(1,671)	(460)
Net profit for the financial period		3,990	5,097	3,990	5,097
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		3,990	5,097	3,990	5,097
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A24	2.9	1.4	2.9	1.4

**Condensed Interim Financial Statements**  
**Unaudited Consolidated Statements of Comprehensive Income**  
**for the Financial Period Ended 30 June 2023**

<u>ECONOMIC ENTITY</u>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>DISCONTINUED OPERATIONS</b>				
<b>Net profit for the financial period</b>	<b>3,990</b>	5,097	<b>3,990</b>	5,097
<b>Other comprehensive expense:</b>				
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 from change in fair value	-	(10,674)	-	(10,674)
- Transfer from deferred tax	-	2,561	-	2,561
- Changes in expected credit losses	-	(6)	-	(6)
Other comprehensive expense, net of tax	-	(8,119)	-	(8,119)
<b>Total comprehensive income/(expense) for the financial period</b>	<b>3,990</b>	(3,022)	<b>3,990</b>	(3,022)
<b>Total comprehensive income/(expense) for the financial period attributable to:</b>				
Equity holder of the Bank	<b>3,990</b>	(3,022)	<b>3,990</b>	(3,022)

**Condensed Interim Financial Statements**  
**Unaudited Statements of Income**  
**for the Financial Period Ended 30 June 2023**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>DISCONTINUED OPERATIONS</b>					
Interest income	A18	36	7,055	36	7,055
Interest expense	A19	83	(2,253)	83	(2,253)
Net interest income		119	4,802	119	4,802
Net income from Islamic banking business	A28	84	669	84	669
		203	5,471	203	5,471
Fee and commission income		-	4,962	-	4,962
Fee and commission expense		-	(1,785)	-	(1,785)
Investment income		-	3,964	-	3,964
Other income		5	341	5	341
Other operating income	A20	5	7,482	5	7,482
Net income		208	12,953	208	12,953
Other operating expenses	A21	5,287	(7,420)	5,287	(7,420)
Operating profit before allowances		5,495	5,533	5,495	5,533
Write-back of expected credit losses on loans, advances and financing and other financial assets	A22	162	3	162	3
(Allowance for)/write-back of expected credit losses on financial investments	A23	(2,559)	6	(2,559)	6
Profit before taxation		3,098	5,542	3,098	5,542
Taxation		(1,671)	(460)	(1,671)	(460)
Net profit for the financial period		1,427	5,082	1,427	5,082
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		1,427	5,082	1,427	5,082
Earnings per share attributable to Equity holder of the Bank:					
- Basic/diluted (sen)	A24	1.0	1.4	1.0	1.4

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Economic Entity and the Bank for the financial year ended 31 March 2023.

**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the Financial Period Ended 30 June 2023**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
<u>BANK</u>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>DISCONTINUED OPERATIONS</b>				
<b>Net profit for the financial period</b>	<b>1,427</b>	<b>5,082</b>	<b>1,427</b>	<b>5,082</b>
<b>Other comprehensive expense:</b>				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on FVOCI				
- Net loss from change in fair value	-	(10,674)	-	(10,674)
- Transfer from deferred tax	-	2,561	-	2,561
- Changes in expected credit losses	-	(6)	-	(6)
Other comprehensive expense, net of tax	-	(8,119)	-	(8,119)
<b>Total comprehensive income/(expense) for the financial period:</b>	<b>1,427</b>	<b>(3,037)</b>	<b>1,427</b>	<b>(3,037)</b>
<b>Total comprehensive income/(expense) for the financial period attributable to:</b>				
Equity holder of the Bank	<b>1,427</b>	<b>(3,037)</b>	<b>1,427</b>	<b>(3,037)</b>

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

**Condensed Interim Financial Statements**  
**Unaudited Consolidated Statements of Changes in Equity for the Financial Period Ended 30 June 2023**

	←----- 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	
<b><u>ECONOMIC ENTITY</u></b>					
<b>DISCONTINUED OPERATIONS</b>					
At 1 April 2023	215,962	6,045	(618)	20,621	242,010
Total comprehensive income for the financial period	-	-	-	3,990	3,990
Transfer to retained profit upon the business					
transfer to holding company	-	-	618	(830)	(212)
Transfer from regulatory reserves	-	(6,045)	-	6,045	-
Capital repatriation to holding company	(211,000)	-	-	-	(211,000)
<b>At 30 June 2023</b>	<b>4,962</b>	<b>-</b>	<b>-</b>	<b>29,826</b>	<b>34,788</b>
At 1 April 2022	365,962	6,045	(34)	85,234	457,207
Net profit for the financial period	-	-	-	5,097	5,097
Other comprehensive expense	-	-	(8,119)	-	(8,119)
Total comprehensive (expense)/income for the financial period	-	-	(8,119)	5,097	(3,022)
At 30 June 2022	365,962	6,045	(8,153)	90,331	454,185

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Economic Entity and the Bank for the financial year ended 31 March 2023.

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

**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2023**

	← Non-distributable reserves →			Distributable reserves	Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	
<b>BANK</b>					
<b>DISCONTINUED OPERATIONS</b>					
At 1 April 2023	215,962	6,045	(618)	22,472	243,861
Total comprehensive income for the financial period	-	-	-	1,427	1,427
Transfer to retained profit upon the business					
transfer to holding company	-	-	618	(830)	(212)
Transfer from regulatory reserves	-	(6,045)	-	6,045	-
Capital repatriation to holding company	(211,000)	-	-	-	(211,000)
<b>At 30 June 2023</b>	<b>4,962</b>	<b>-</b>	<b>-</b>	<b>29,114</b>	<b>34,076</b>
At 1 April 2022	365,962	6,045	(34)	87,133	459,106
Net profit for the financial period	-	-	-	5,082	5,082
Other comprehensive expense	-	-	(8,119)	-	(8,119)
Total comprehensive (expense)/income for the financial period	-	-	(8,119)	5,082	(3,037)
At 30 June 2022	365,962	6,045	(8,153)	92,215	456,069

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Economic Entity and the Bank for the financial year ended 31 March 2023.

**Condensed Interim Financial Statements**  
**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2023**

	<b><u>ECONOMIC ENTITY</u></b>		<b><u>BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>
<b>DISCONTINUED OPERATIONS</b>				
Profit before taxation	<b>5,661</b>	5,557	<b>3,098</b>	5,542
Adjustments for non-cash items	<b>(91)</b>	(8,176)	<b>(82)</b>	(8,161)
Cash flow from operating activities before working capital changes	<b>5,570</b>	(2,619)	<b>3,016</b>	(2,619)
Changes in working capital	<b>(336,773)</b>	(15,847)	<b>(334,219)</b>	(15,847)
Taxation paid	<b>(14)</b>	(3,155)	<b>(14)</b>	(3,155)
Net cash used in operating activities	<b>(331,217)</b>	(21,621)	<b>(331,217)</b>	(21,621)
Net cash generated from investing activities	<b>549,084</b>	4,968	<b>549,084</b>	4,968
Net cash used in financing activities	<b>(211,000)</b>	(252)	<b>(211,000)</b>	(252)
Net change in cash and cash equivalents	<b>6,867</b>	(16,905)	<b>6,867</b>	(16,905)
Cash and cash equivalents at beginning of financial period	<b>13,083</b>	45,647	<b>13,083</b>	45,647
Cash and cash equivalents at end of financial period	<b>19,950</b>	28,742	<b>19,950</b>	28,742
Cash and cash equivalent comprise from:				
Cash and short-term funds	<b>19,950</b>	28,742	<b>19,950</b>	28,742
	<b>19,950</b>	28,742	<b>19,950</b>	28,742



## **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 June 2023 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 2023. 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 2023.

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 2023 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2023:

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 "Disclosure of Accounting Policies" and "Definition of Accounting Estimates"
- Amendments to MFRS 112 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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 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.

As disclosed in Note A8, the Economic Entity and the Bank had transferred its business transfer to ABMB on 1 April 2023.

The assets and liabilities of the Economic Entity and the Bank are classified under assets and liabilities held for sale in the statements of financial position; and the Profit and Loss are classified under discontinued operation in the statements of income in accordance to MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2023 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 in the current financial period ended 30 June 2023.

**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 in the current financial period ended 30 June 2023, other than those disclosed in the significant events.

**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 June 2023.

**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 June 2023.

**A7 Dividends Paid**

A single tier interim dividend of 35.39 sen per share, on 215,000,000 ordinary shares amounting to approximately RM76,089,000 in respect of the financial year ended 31 March 2023, was paid on 20 April 2023.

**A8 Significant Events**

- (a) The Bank had completed the transfer of the remaining assets and liabilities (excluding certain excluded assets and liabilities) to ABMB on 1 April 2023.
- (b) On 29 May 2023, the Bank had completed its share reduction exercise where the share capital and issued number of shares of the Bank was reduced from RM215,962,500 (comprising 215,000,000 ordinary shares) to RM4,962,500 (comprising 4,000,000 ordinary shares) via cancellation of 211,000,000 ordinary shares held by ABMB. The amount of RM211,000,000 arising from the said shares cancellation was returned to ABMB.
- (c) The Bank had on 1 June 2023 completed the disposal of its 20% equity shareholding in Alliance Trustee Berhad to Areca Private Equity Sdn. Bhd..

**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 30 June 2023.

**A12 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b>ECONOMIC ENTITY/BANK</b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	-	152,597
Malaysian Government investment issues	-	182,466
	-	335,063
<u>Unquoted securities:</u>		
Corporate bonds and sukuk	-	213,385
	-	213,385
Total financial investments at FVOCI	-	548,448

Movements in allowance for expected credit losses are as follows:

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2023	54	-	-	54
Effect of business transfer	(54)	-	-	(54)
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 1 April 2022	53	160	-	213
Transfer to Stage 1	11	(149)	-	(138)
Changes due to change in credit risk	(10)	(11)	-	(21)
Total charge to/(write-back from) income statement	1	(160)	-	(159)
At 31 March 2023	54	-	-	54

Note:

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

**A13 Financial Investments at Amortised Cost**

	<b>ECONOMIC ENTITY/BANK</b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>At amortised cost</b>		
<u>Unquoted securities:</u>		
Corporate bonds	-	223
Allowance for expected credit losses	-	(223)
Total financial investments at amortised cost	-	-

**A13 Financial Investments at Amortised Cost (Contd.)**

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
<b><u>ECONOMIC ENTITY/BANK</u></b>				
At 1 April 2023	-	-	223	223
Effect of business transfer	-	-	(223)	(223)
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 1 April 2022	-	-	275	275
Total write-back from income statement due to changes in credit risk	-	-	(52)	(52)
At 31 March 2023	-	-	223	223

**Note:**

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

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

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	30 June 2023 RM'000	31 March 2023 RM'000
At 1 April	223	291
Effect of business transfer	(223)	(68)
At 31 March	-	223

**A14 Loans, Advances and Financing**

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	30 June 2023 RM'000	31 March 2023 RM'000
<b>At amortised cost</b>		
Term loans	-	47,722
Staff loans (Loan to Directors: RM Nil [31 March 2023: RM Nil])	-	62
Revolving credits	-	3,001
Gross loans, advances and financing	-	50,785
Less: Allowance for expected credit losses on loans, advances and financing	-	(1,435)
Total net loans, advances and financing	-	49,350

**A14 Loans, Advances and Financing (Contd.)**

**A14a** By maturity structure:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Within one year	-	50,480
One year to three years	-	53
Three years to five years	-	100
Over five years	-	152
Gross loans, advances and financing	<u>-</u>	<u>50,785</u>

**A14b** By type of customers:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Domestic business enterprises - Others	-	50,474
Individuals	-	311
Gross loans, advances and financing	<u>-</u>	<u>50,785</u>

**A14c** By interest/profit rate sensitivity:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Fixed rate	-	63
Variable rate		
- Base lending rate plus	-	20
- Base rate plus	-	77
- Cost plus	-	50,625
Gross loans, advances and financing	<u>-</u>	<u>50,785</u>

**A14d** By economic purposes:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Purchase of landed property - Residential	-	311
Working capital	-	3,001
Others	-	47,473
Gross loans, advances and financing	<u>-</u>	<u>50,785</u>

**A14 Loans, Advances and Financing (Contd.)**

**A14e** By economic sectors:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Construction	-	46,705
Financing, insurance, real estate and business services	-	3,769
Household	-	311
Gross loans, advances and financing	<u>-</u>	<u>50,785</u>

**A14f** By geographical distribution:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Central region	-	50,785
Gross loans, advances and financing	<u>-</u>	<u>50,785</u>

**A14g** Movements in credit impaired loans, advances and financing ("impaired loans") under stage 3:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
At beginning of financial year	222	175
Effect of business transfer	(222)	-
Impaired during the financial period/year	-	178
Reclassified as unimpaired during the financial period/year	-	(131)
At end of financial period/year	<u>-</u>	<u>222</u>
Gross impaired loans ratio	<b>0.00%</b>	0.44%
Net impaired loans ratio	<b>0.00%</b>	0.33%

**A14 Loans, Advances and Financing (Contd.)**

**A14h** Credit impaired loans analysed by economic purposes:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of landed properties - Residential	-	222
Gross impaired loans	-	222
	<u>-</u>	<u>222</u>

**A14i** Credit impaired loans analysed by economic sectors:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Household	-	222
Gross impaired loans	-	222
	<u>-</u>	<u>222</u>

**A14j** Credit impaired loans by geographical distribution:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Central region	-	222
Gross impaired loans	-	222
	<u>-</u>	<u>222</u>

**A14k** Movements in allowance for expected credit losses on loans, advances and financing are as follows:

<b><u>ECONOMIC ENTITY/BANK</u></b>	<b>12-month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>(Stage 1)</b>	<b>Not-credit</b>	<b>Credit</b>	
	<b>RM'000</b>	<b>Impaired</b>	<b>Impaired</b>	<b>RM'000</b>
		<b>(Stage 2)</b>	<b>(Stage 3)</b>	
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 April 2023	5	1,373	57	1,435
Effect of business transfer	(5)	(1,373)	(57)	(1,435)
<b>At 30 June 2023</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 April 2022	110	437	-	547
Financial assets derecognised other than write-off	(4)	-	-	(4)
Changes due to change in credit risk	(101)	936	-	835
Total (write-back from)/charge to income statement	(105)	936	-	831
Other movements	-	-	57	57
At 31 March 2023	<u>5</u>	<u>1,373</u>	<u>57</u>	<u>1,435</u>

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

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

**A15 Other Assets**

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
Other receivables, deposits and prepayments	-	5,032
Amount due from other related company	108	-
Amount due from holding company	4,704	-
Less: Allowance for expected credit losses on other receivables [Note]	-	(1,305)
	<b>4,812</b>	<b>3,727</b>

Note:

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

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
<b><u>Lifetime ECL</u></b>		
At beginning of financial year	1,305	1,055
Effect of business transfer	(1,305)	(454)
New financial assets originated or purchased	-	607
Financial assets derecognised other than write-off	-	(299)
Changes due to change in credit risk	-	402
Total charge to/(write-back from) income statement	-	710
Write-off	-	(6)
At end of financial period/year	-	1,305

As at 30 June 2023, there were no gross exposure of other receivables that are under lifetime expected credit losses (31 March 2023: RM1,305,000).

**A16 Deposits and Placements of Banks and Other Financial Institutions**

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
Licensed banks	-	329,859
	-	329,859

**A17 Other Liabilities**

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
Other payables	3	177
Provision and accruals	291	6,260
Amount due to holding company	-	76,089
Allowance for expected credit losses on commitments and contingencies [Note]	-	159
	<b>294</b>	<b>82,685</b>



**A17 Other Liabilities (Contd.)**

Note:

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

	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL not-credit impaired <u>(Stage 2)</u> RM'000	Lifetime ECL credit impaired <u>(Stage 3)</u> RM'000	<u>Total</u> RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>				
At 1 April 2023	10	149	-	159
Write-back from income statement due to financial assets derecognised other than write-off	<u>(10)</u>	<u>(149)</u>	-	<u>(159)</u>
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 1 April 2022	18	41	-	59
Financial assets derecognised other than write-off	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
Changes due to change in credit risk (Write-back from)/charge to income statement	<u>(3)</u>	<u>108</u>	<u>-</u>	<u>105</u>
At 31 March 2023	<u>10</u>	<u>149</u>	<u>-</u>	<u>159</u>

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

**A18 Interest Income**

	1st Quarter Ended		Three Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>				
Loans, advances and financing	-	2,395	-	2,395
Money at call and deposit placements with financial institutions	<b>36</b>	13	<b>36</b>	13
Financial investments at fair value through other comprehensive income	<u>-</u>	<u>4,960</u>	<u>-</u>	<u>4,960</u>
	<b>36</b>	7,368	<b>36</b>	7,368
Accretion of discount less amortisation of premium (net)	<u>-</u>	<u>(313)</u>	<u>-</u>	<u>(313)</u>
	<b>36</b>	7,055	<b>36</b>	7,055

**A19 Interest Expense**

	1st Quarter Ended		Three Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>				
Deposits and placements of banks and other financial institutions	-	562	-	562
Deposits from customers	-	1,672	-	1,672
Lease liabilities	<u>(83)</u>	<u>19</u>	<u>(83)</u>	<u>19</u>
	<b>(83)</b>	2,253	<b>(83)</b>	2,253

**A20 Other Operating Income**

	1st Quarter Ended		Three Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY</u></b>				
(a) <u>Fee and commission income:</u>				
Brokerage fees	-	4,584	-	4,584
Guarantee fees	-	6	-	6
Arrangement and related fees	-	130	-	130
Processing fees	-	126	-	126
Service charges and fees	-	116	-	116
	-	4,962	-	4,962
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	-	(1,785)	-	(1,785)
(c) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	-	3,604	-	3,604
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	360	-	360
	-	3,964	-	3,964
(d) <u>Other income:</u>				
Foreign exchange gain	-	170	-	170
Others	-	171	-	171
	-	341	-	341
Total other operating income	-	7,482	-	7,482
<b><u>BANK</u></b>				
(a) <u>Fee and commission income:</u>				
Brokerage fees	-	4,584	-	4,584
Guarantee fees	-	6	-	6
Arrangement and related fees	-	130	-	130
Processing fees	-	126	-	126
Service charges and fees	-	116	-	116
	-	4,962	-	4,962
(b) <u>Fee and commission expense:</u>				
Brokerage fees expense	-	(1,785)	-	(1,785)
(c) <u>Investment income:</u>				
Gain arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	-	3,604	-	3,604
Gross dividend income from:				
- Financial assets at fair value through profit or loss	-	360	-	360
	-	3,964	-	3,964
(d) <u>Other income:</u>				
Foreign exchange gain	-	170	-	170
Others	5	171	5	171
	5	341	5	341
Total other operating income	5	7,482	5	7,482

**A21 Other Operating Expenses**

	1st Quarter Ended		Three Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	18	3,573	18	3,573
- Contribution to EPF	3	557	3	557
- Others	19	273	19	273
	<b>40</b>	<b>4,403</b>	<b>40</b>	<b>4,403</b>
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	-	27	-	27
- Depreciation of right-of-use assets	-	225	-	225
- Amortisation of computer software	-	172	-	172
- Rental	-	12	-	12
- Water and electricity	-	73	-	73
- Repairs and maintenance	(26)	68	(26)	68
- Information technology expenses	-	1,317	-	1,317
- Others	-	22	-	22
	<b>(26)</b>	<b>1,916</b>	<b>(26)</b>	<b>1,916</b>
<u>Marketing expenses</u>				
- Advertisement and publicity	-	3	-	3
- Research cost	-	276	-	276
- Others	-	19	-	19
	-	<b>298</b>	-	<b>298</b>
<u>Administration and general expenses</u>				
- Communication expenses	2	110	2	110
- Printing and stationeries	-	6	-	6
- Professional fees	(2,523)	395	(2,523)	395
- Others	(2,780)	292	(2,780)	292
	<b>(5,301)</b>	<b>803</b>	<b>(5,301)</b>	<b>803</b>
Total other operating expenses	<b>(5,287)</b>	<b>7,420</b>	<b>(5,287)</b>	<b>7,420</b>

**A22 Write-back of Expected Credit Losses on Loans, Advances and Financing and Other Financial Assets**

	1st Quarter Ended		Three Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>				
Write-back of expected credit losses on:				
(a) Loans, advances and financing	-	(9)	-	(9)
(b) Commitments and contingencies on loans, advances and financing	(159)	(8)	(159)	(8)
(c) Other receivables	-	17	-	17
	<b>(159)</b>	<b>-</b>	<b>(159)</b>	<b>-</b>
(d) Credit impaired loans, advances and financing				
- Recovered during the financial period	(3)	(3)	(3)	(3)
	<b>(162)</b>	<b>(3)</b>	<b>(162)</b>	<b>(3)</b>

**A23 Allowance for/(Write-back of) Expected Credit Losses on Financial Investments and other assets**

	1st Quarter Ended		Three Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY</u></b>				
Write-back of expected credit losses on financial investments at fair value through other comprehensive income				
	-	(6)	-	(6)
<b><u>BANK</u></b>				
Allowance for/(write-back of) expected credit losses on:				
(a) Financial investments at fair value through other comprehensive income	-	(6)	-	(6)
(b) Goodwill written-off	2,559	-	2,559	-
	<b>2,559</b>	<b>(6)</b>	<b>2,559</b>	<b>(6)</b>

**A24 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.

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>30 June 2023</b>	30 June 2022	<b>30 June 2023</b>	30 June 2022
<b><u>ECONOMIC ENTITY</u></b>				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	<b>3,990</b>	5,097	<b>3,990</b>	5,097
Weighted average numbers of ordinary shares in issue ('000)	<b>138,484</b>	365,000	<b>138,484</b>	365,000
Basic/diluted earnings per share (sen)	<b>2.9</b>	1.4	<b>2.9</b>	1.4
<b><u>BANK</u></b>				
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	<b>1,427</b>	5,082	<b>1,427</b>	5,082
Weighted average numbers of ordinary shares in issue ('000)	<b>138,484</b>	365,000	<b>138,484</b>	365,000
Basic/diluted earnings per share (sen)	<b>1.0</b>	1.4	<b>1.0</b>	1.4

**A25 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:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June 2023 RM'000</b>	31 March 2023 RM'000
<b><u>Commitments and Contingencies</u></b>		
Transaction-related contingent items	-	1,050
Irrevocable commitments to extend credit:		
- maturity exceeding one year	-	1,341
<b>Total</b>	<b>-</b>	<b>2,391</b>

**A26 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>	
	<b>30 June 2023</b>	31 March 2023	<b>30 June 2023</b>	31 March 2023
<b>(i) With transitional arrangements:</b>				
CET 1 capital ratio	<b>26.943%</b>	99.627%	<b>29.298%</b>	99.686%
Tier 1 capital ratio	<b>26.943%</b>	99.627%	<b>29.298%</b>	99.686%
Total capital ratio	<b>26.943%</b>	100.198%	<b>29.298%</b>	100.257%
<b>(ii) Without transitional arrangements:</b>				
CET 1 capital ratio	<b>26.943%</b>	99.241%	<b>29.298%</b>	99.300%
Tier 1 capital ratio	<b>26.943%</b>	99.241%	<b>29.298%</b>	99.300%
Total capital ratio	<b>26.943%</b>	99.812%	<b>29.298%</b>	99.871%

(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>ECONOMIC ENTITY</u>		<u>BANK</u>	
	<b>30 June 2023 RM'000</b>	31 March 2023 RM'000	<b>30 June 2023 RM'000</b>	31 March 2023 RM'000
<b><u>CET I Capital/Tier I Capital</u></b>				
Paid-up share capital	<b>4,962</b>	215,962	<b>4,962</b>	215,962
Retained profits	<b>25,836</b>	20,621	<b>27,687</b>	22,472
FVOCI reserves	-	(672)	-	(672)
Regulatory reserves	-	6,045	-	6,045
	<b>30,798</b>	241,956	<b>32,649</b>	243,807
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	-	(21,067)	-	(23,627)
- Deferred tax assets	-	(1,856)	-	(1,856)
- Investment in associate and joint venture	<b>(1,106)</b>	(1,333)	<b>(394)</b>	(624)
- Regulatory reserves	-	(6,045)	-	(6,045)
- Transitional arrangements	-	823	-	823
Total CET I Capital / Total Tier I Capital	<b>29,692</b>	212,478	<b>32,255</b>	212,478
<b><u>Tier II Capital</u></b>				
Expected credit losses and regulatory reserves	-	1,218	-	1,218
Total Tier II Capital	-	1,218	-	1,218
<b>Total Capital</b>	<b>29,692</b>	213,696	<b>32,255</b>	213,696

**A26 Capital Adequacy (Contd.)**

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

	<b><u>ECONOMIC ENTITY</u></b>		<b><u>BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
Credit risk	<b>7,155</b>	97,469	<b>7,155</b>	97,469
Market risk	-	83	-	83
Operational risk	<b>103,048</b>	115,721	<b>102,936</b>	115,596
Total RWA and capital requirements	<b>110,203</b>	213,273	<b>110,091</b>	213,148

**A27 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 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 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.

**A27 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
<b><u>ECONOMIC ENTITY/BANK</u></b>				
31 March 2023				
<u>Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	335,063	-	335,063
- Unquoted securities	-	213,385	-	213,385
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

There were no transfers between levels of the fair value hierarchy for the Economic Entity and the Bank during the financial period/year ended 30 June 2022 and 31 March 2023.

Reconciliation of movements in Level 3 financial instruments:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
At beginning of financial year	-	74,353
Disposal during the period	-	(74,353)
At end of financial period/year	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

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.



**A28 Islamic Banking Business**

**A28a Unaudited Statements of Financial Position as at 30 June 2023**

		<b><u>ECONOMIC ENTITY/BANK</u></b>	
		<b>30 June</b>	31 March
		<b>2023</b>	2023
Note		<b>RM'000</b>	RM'000
<b>ASSETS AND LIABILITIES HELD FOR SALE</b>			
	Cash and short-term funds	<b>11,663</b>	11,579
	Financial investments at fair value through other comprehensive income	-	71,679
A28d	Other assets	<b>9,829</b>	-
	Deferred tax assets	-	289
	<b>Total Assets Held for Sale</b>	<b><u>21,492</u></b>	<u>83,547</u>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
	Other liabilities	<b>1</b>	4,741
	Provision for taxation	<b>8</b>	2,098
	<b>Total Liabilities Held for Sale</b>	<b><u>9</u></b>	<u>6,839</u>
	Islamic Banking Funds	<b>1,000</b>	56,000
	Reserves	<b>20,483</b>	20,708
	<b>Total Islamic Banking Funds</b>	<b><u>21,483</u></b>	<u>76,708</u>
	<b>TOTAL LIABILITES AND ISLAMIC BANKING FUNDS</b>	<b><u>21,492</u></b>	<u>83,547</u>

**A28 Islamic Banking Business (Contd.)**

**A28b Unaudited Consolidated Statements of Comprehensive Income for the Financial Period Ended 30 June 2023**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>					
Income derived from investment of Islamic banking funds	A33e	<u>84</u>	<u>669</u>	<u>84</u>	<u>669</u>
<b>Profit before taxation</b>		<b>84</b>	<b>669</b>	<b>84</b>	<b>669</b>
Taxation		<u>(20)</u>	<u>(161)</u>	<u>(20)</u>	<u>(161)</u>
<b>Net profit after taxation</b>		<b>64</b>	<b>508</b>	<b>64</b>	<b>508</b>
<b>Other comprehensive expense:</b>					
Items that may be classified subsequently to profit or loss:					
Revaluation reserve on financial investments at FVOCI					
- Net loss from change in fair value		-	(1,898)	-	(1,898)
- Transfer from deferred tax		-	456	-	456
Other comprehensive expense, net of tax		-	(1,442)	-	(1,442)
<b>Total comprehensive income/(expense) for the financial period</b>		<b>64</b>	<b>(934)</b>	<b>64</b>	<b>(934)</b>
Net income from Islamic banking business stated in the consolidated statement of comprehensive income is derived from:					
Income derived from investment of Islamic Banking Funds		<u>84</u>	<u>669</u>	<u>84</u>	<u>669</u>
		<u>84</u>	<u>669</u>	<u>84</u>	<u>669</u>

**A28 Islamic Banking Business (Contd.)**

**A28c Unaudited Statement of Changes in Equity for the Financial Period Ended 30 June 2023**

	Funds allocated from Head Office (HO) RM'000	Non-distributable <u>reserves</u> FVOCI <u>reserves</u> RM'000	Distributable <u>reserves</u> Retained <u>profits</u> RM'000	Total <u>equity</u> RM'000
<b><u>ECONOMIC ENTITY/BANK</u></b>				
At 1 April 2023	56,000	(914)	21,622	76,708
Total comprehensive income for the financial period	-	-	64	64
Transfer to retained profits upon the business transfer to holding company	-	914	(1,203)	(289)
Capital repatriation to holding company	(55,000)	-	-	(55,000)
<b>At 30 June 2023</b>	<b>1,000</b>	<b>-</b>	<b>20,483</b>	<b>21,483</b>
At 1 April 2022	56,000	(1,577)	19,524	73,947
Net profit for the financial period	-	-	508	508
Other comprehensive income	-	(1,442)	-	(1,442)
Total comprehensive income for the financial period	-	(1,442)	508	(934)
Transfer from regulatory reserves	-	-	-	-
At 30 June 2022	56,000	(3,019)	20,032	73,013

**A28d Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June 2023 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government investment issues	-	61,913
	-	61,913
<u>Unquoted securities:</u>		
Sukuk	-	9,766
	-	9,766
Total financial investments at FVOCI	-	71,679

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

**A28 Islamic Banking Business (Contd.)**

**A28e Income derived from investment of Islamic Banking Funds**

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>		
Financial investments at fair value through other comprehensive income	-	716
Money at call and deposit placements with financial institutions	<b>84</b>	<b>42</b>
	<b>84</b>	<b>758</b>
Accretion of discount less amortisation of premium (net)	-	(89)
Total finance income and hibah	<b>84</b>	<b>669</b>

**A28f 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 Bank are as follows:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>
<b>With and without transitional arrangements:</b>		
CET I capital ratio	<b>127.169%</b>	989.243%
Tier I capital ratio	<b>127.169%</b>	989.243%
Total capital ratio	<b>127.169%</b>	989.243%

(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:

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>CET I Capital/Tier 1 Capital</u></b>		
Funds allocated from Head Office	<b>1,000</b>	56,000
Retained profits	<b>20,419</b>	21,622
FVOCI reserves	-	(914)
	<b>21,419</b>	<b>76,708</b>
Less: Regulatory adjustments		
- Deferred tax assets	-	(289)
Total CET I Capital / Total Tier I Capital / Total Capital	<b>21,419</b>	<b>76,419</b>

**A28 Islamic Banking Business (Contd.)**

**A28f Capital Adequacy (Contd.)**

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

	<b><u>ECONOMIC ENTITY/BANK</u></b>	
	<b>30 June</b>	31 March
	<b>2023</b>	2023
	<b>RM'000</b>	RM'000
Credit risk	<b>12,159</b>	2,312
Operational risk	<b>4,684</b>	5,413
Total RWA and capital requirements	<b><u>16,843</u></b>	<u>7,725</u>

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

**B1 Business Review of Performance for Financial Period Ended 30 June 2023**

The Bank's net profit after taxation was RM4.0 million for the first financial quarter ended 30 June 2023, lower by RM1.1 million or 21.7% year-on-year ("YOY"). The decrease is mainly due to lower net income resulted from the transfer of its remaining assets and liabilities to ABMB on 1 April 2023.

The profit of RM4.0 million is mainly from the write-back of overprovisions of professional fees, litigation and allowance of expected credit losses.

**B2 Prospect for The Current Financial Year**

The Bank has completed the transfer of its remaining assets and liabilities (excluding certain assets and liabilities) to ABMB on 1 April 2023. Meanwhile, the Bank is in the midst of winding down all its operation.