

# ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	<i>Note</i>	4th Quarter Ended		Cumulative 12 Months Ended	
		31.3.2010	31.3.2009	31.3.2010	31.3.2009
		RM'000	RM'000	RM'000	RM'000
Interest income	<i>C1</i>	<b>269,588</b>	300,618	<b>1,094,407</b>	1,250,599
Interest expense	<i>C2</i>	<b>(103,991)</b>	(143,852)	<b>(477,539)</b>	(595,975)
Net interest income		<b>165,597</b>	156,766	<b>616,868</b>	654,624
Net income from Islamic banking business	<i>C19</i>	<b>71,074</b>	40,011	<b>245,821</b>	165,128
		<b>236,671</b>	196,777	<b>862,689</b>	819,752
Other operating income	<i>C3</i>	<b>41,027</b>	63,866	<b>201,830</b>	235,038
Net income		<b>277,698</b>	260,643	<b>1,064,519</b>	1,054,790
Other operating expenses	<i>C4</i>	<b>(138,841)</b>	(161,952)	<b>(554,631)</b>	(559,406)
Operating profit		<b>138,857</b>	98,691	<b>509,888</b>	495,384
(Allowance for)/write-back of losses on loans, advances and financing and other losses	<i>C5</i>	<b>(19,439)</b>	(35,728)	<b>31,931</b>	(115,131)
Allowance for impairment		<b>(12,016)</b>	(57,290)	<b>(132,881)</b>	(76,941)
Profit before taxation and zakat		<b>107,402</b>	5,673	<b>408,938</b>	303,312
Taxation and zakat	<i>B5</i>	<b>(30,153)</b>	(4,830)	<b>(107,438)</b>	(74,424)
Net profit after taxation and zakat		<b>77,249</b>	843	<b>301,500</b>	228,888
Attributable to:					
Equity holders of the Company		<b>77,253</b>	897	<b>301,424</b>	229,121
Minority interests		<b>(4)</b>	(54)	<b>76</b>	(233)
Net profit after taxation and zakat		<b>77,249</b>	843	<b>301,500</b>	228,888
Earnings per share (sen):					
- Basic	<i>B15(a)</i>	<b>5.0</b>	0.1	<b>19.7</b>	14.9
- Diluted	<i>B15(b)</i>	<b>5.0</b>	0.1	<b>19.6</b>	14.8

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2009)

# ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED BALANCE SHEET

		UNAUDITED AS AT 31.3.2010 RM'000	AUDITED AS AT 31.3.2009 RM'000
<b>ASSETS</b>			
Cash and short-term funds		3,564,545	4,990,686
Deposits and placements with banks and other financial institutions		150,156	198,523
Securities held-for-trading	C6	-	46,055
Securities available-for-sale	C7	5,154,828	6,320,122
Securities held-to-maturity	C8	931,420	314,620
Derivative financial assets		44,698	40,858
Loans, advances and financing	C9	20,648,445	18,718,097
Balances due from clients and brokers	C10	72,568	44,680
Land held for investment		27,748	27,748
Other assets	C11	186,707	235,626
Tax recoverable		24,316	71,397
Statutory deposits		258,506	199,024
Leasehold land		11,119	12,136
Property, plant and equipment		123,974	137,567
Intangible assets		361,858	368,512
Deferred tax assets		102,727	120,517
<b>TOTAL ASSETS</b>		<b>31,663,615</b>	<b>31,846,168</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	C12	23,628,331	25,575,441
Deposits and placements of banks and other financial institutions	C13	2,289,666	1,183,387
Derivative financial liabilities		50,175	49,564
Amount due to Cagamas Berhad		28,077	58,391
Bills and acceptances payable		538,350	2,215
Balances due to clients and brokers	C14	80,249	51,856
Other liabilities	C15	892,880	956,532
Subordinated bonds	B9(c)	600,000	600,000
Long term borrowings	B9(d)	600,000	600,000
Provision for taxation		4,201	2,213
Deferred tax liabilities		5	31
<b>TOTAL LIABILITIES</b>		<b>28,711,934</b>	<b>29,079,630</b>
Share capital		1,548,106	1,548,106
Reserves		1,445,732	1,249,906
Shares held for Employees' Share Scheme		(46,697)	(36,127)
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>2,947,141</b>	<b>2,761,885</b>
Minority interests		4,540	4,653
<b>TOTAL EQUITY</b>		<b>2,951,681</b>	<b>2,766,538</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>31,663,615</b>	<b>31,846,168</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	B10	<b>14,293,097</b>	<b>15,081,294</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b>		<b>1.90</b>	<b>1.78</b>

\* The net assets per share attributable to ordinary equity holders of the Company is computed as total equity (excluding minority interests) divided by total number of ordinary shares in circulation.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2009)

## ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)  
(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2010

	----- Attributable to Equity Holders of the Company ----->											
	<----- Non-distributable ----->						<Distributable>					
	Share Capital	Share Premium	Statutory Reserve	Capital Reserve	Revaluation Reserve	Employees' Share Scheme (“ESS”) Reserve	Profit Equalisation Reserve (“PER”)	Shares held for ESS	Retained Profits	Total	Minority Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>31 MARCH 2010</b>												
<b>At 1 April 2009</b>	1,548,106	304,289	429,915	7,013	20,174	7,742	-	(36,127)	480,773	2,761,885	4,653	2,766,538
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(16,979)	-	-	-	-	(16,979)	-	(16,979)
Deferred tax assets	-	-	-	-	4,245	-	-	-	-	4,245	-	4,245
Income and expense recognised directly in equity	-	-	-	-	(12,734)	-	-	-	-	(12,734)	-	(12,734)
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	301,424	301,424	76	301,500
Total recognised income and expense for the year	-	-	-	-	(12,734)	-	-	-	301,424	288,690	76	288,766
Transfer to statutory reserve	-	-	63,562	-	-	-	-	-	(63,562)	-	-	-
Transfer to PER	-	-	-	-	-	26,388	-	-	(26,388)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(97,884)	(97,884)	-	(97,884)
Dissolution of subsidiaries	-	-	-	-	-	-	-	-	-	-	(189)	(189)
Share-based payment under ESS	-	-	-	-	-	7,020	-	-	-	7,020	-	7,020
Purchase of shares pursuant to ESS	-	-	-	-	-	-	-	(12,570)	-	(12,570)	-	(12,570)
ESS shares vested to:												
- employees of subsidiaries	-	-	-	-	-	(1,978)	-	1,978	-	-	-	-
- own employees	-	-	-	-	-	(22)	-	22	-	-	-	-
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(421)	-	-	421	-	-	-
<b>At 31 March 2010</b>	<b>1,548,106</b>	<b>304,289</b>	<b>493,477</b>	<b>7,013</b>	<b>7,440</b>	<b>12,341</b>	<b>26,388</b>	<b>(46,697)</b>	<b>594,784</b>	<b>2,947,141</b>	<b>4,540</b>	<b>2,951,681</b>
<b>31 MARCH 2009</b>												
<b>At 1 April 2008</b>	1,548,106	304,289	366,910	7,013	(22,776)	1,438	-	(26,254)	410,712	2,589,438	4,950	2,594,388
Unrealised gain on revaluation of securities available-for-sale	-	-	-	-	10,704	-	-	-	-	10,704	-	10,704
Transfer to income statement	-	-	-	-	46,562	-	-	-	-	46,562	-	46,562
Deferred tax assets	-	-	-	-	(14,316)	-	-	-	-	(14,316)	-	(14,316)
Income and expense recognised directly in equity	-	-	-	-	42,950	-	-	-	-	42,950	-	42,950
Net profit/(loss) after taxation and zakat	-	-	-	-	-	-	-	-	229,121	229,121	(233)	228,888
Total recognised income and expense for the year	-	-	-	-	42,950	-	-	-	229,121	272,071	(233)	271,838
Transfer to statutory reserve	-	-	63,005	-	-	-	-	-	(63,005)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(96,055)	(96,055)	-	(96,055)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(64)	(64)
Share-based payment under ESS	-	-	-	-	-	6,304	-	-	-	6,304	-	6,304
Purchase of shares pursuant to ESS	-	-	-	-	-	-	-	(9,873)	-	(9,873)	-	(9,873)
<b>At 31 March 2009</b>	<b>1,548,106</b>	<b>304,289</b>	<b>429,915</b>	<b>7,013</b>	<b>20,174</b>	<b>7,742</b>	<b>-</b>	<b>(36,127)</b>	<b>480,773</b>	<b>2,761,885</b>	<b>4,653</b>	<b>2,766,538</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2009)

# ALLIANCE FINANCIAL GROUP BERHAD

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2010

	<b>Unaudited 12 Months Ended 31.3.2010 RM'000</b>	<b>Unaudited 12 Months Ended 31.3.2009 RM'000</b>
Profit before taxation and zakat	<b>408,938</b>	303,312
Adjustments for non-cash items	<b>(13,092)</b>	89,558
Operating profit before changes in working capital	<b>395,846</b>	392,870
Changes in working capital	<b>(2,267,722)</b>	1,014,613
Taxes and zakat paid	<b>(35,573)</b>	(85,338)
Net cash (used in)/generated from operating activities	<b>(1,907,449)</b>	1,322,145
Net cash generated from/(used in) investing activities	<b>587,975</b>	(2,559,194)
Net cash (used in)/generated from financing activities	<b>(154,441)</b>	464,881
Net change in cash and cash equivalents	<b>(1,473,915)</b>	(772,168)
Cash and cash equivalents at beginning of year	<b>4,944,211</b>	5,716,379
Cash and cash equivalents at end of year	<b>3,470,296</b>	4,944,211

Cash and cash equivalents comprise the following:

Cash and short-term funds	<b>3,564,545</b>	4,990,686
Less: Monies held in trust	<b>(94,249)</b>	(46,475)
	<b>3,470,296</b>	4,944,211

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2009)*

**[A] Explanatory Notes Pursuant To Financial Reporting Standard 134 ("FRS 134") :  
Interim Financial Reporting**

**A1. Basis Of Preparation**

The unaudited condensed interim financial statements for the 4th quarter and the financial year ended 31 March 2010 have been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions ("revised BNM/GP8") and Appendix 9B of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 March 2009. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2009.

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 2009.

In the last financial year ended 31 March 2009, the Group had reclassified 1 (one) of its security from securities held-for-trading to the securities available-for-sale portfolio based on current market price at the relevant date of reclassification. The reclassification is disclosed in Note C7. There was no new security reclassified during the 4th quarter and the financial year ended 31 March 2010.

The reclassification is permitted under BNM's circular dated 20 October 2008 which is effective from 1 July 2008 to 31 December 2009. The reclassification is made at the fair value at the date of the reclassification. The fair value of the security becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made. The effective interest rate for the securities reclassified to held-to-maturity category is determined at the reclassification date. Further changes in estimates of future cash flows are recognised as an adjustment to the effective interest rate.

The allowance for bad and doubtful debts and financing of the Group are computed in conformity with Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts (BNM/GP3). Consistent with previous years, the Group classified the loans, advances and financing as non-performing when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

The Group has also adopted a more stringent basis for specific allowances on non-performing loans by making a 100% specific allowance on the balance of non-performing loans which are more than 3 months-in-arrears and not covered by realisable value of collateral.

**A2. Declaration Of Audit Confirmation**

The annual audited report on the financial statements for the financial year ended 31 March 2009 did not contain any qualification.

**A3. Seasonal And Cyclical Factors**

The operations of the Group were not materially affected by any seasonal or cyclical fluctuations in the 4th quarter and the financial year ended 31 March 2010.

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2010**

**A4. Nature And Amount Of Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows That Are Unusual Because Of Their Nature, Size Or Incidence**

The assets, liabilities, equity, net income and cash flows of the Group in the 4th quarter and the financial year ended 31 March 2010 were not substantially affected by any item of a material and unusual nature.

**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 4th quarter and the financial year ended 31 March 2010.

**A6. Changes In Debt And Equity Securities**

There were no issuance or repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the 4th quarter and the financial year ended 31 March 2010.

**A7. Dividends Paid**

- (a) A First Interim Dividend of 1.3 sen per share, tax exempt under the single tier tax system in respect of the financial year ended 31 March 2010, on 1,548,105,929 ordinary shares amounting to RM19,904,000 was paid on 26 August 2009; and
- (b) A Second Interim Dividend of 5.1 sen per share, tax exempt under the single tier tax system in respect of the financial year ended 31 March 2010, on 1,548,105,929 ordinary shares amounting to RM77,980,000 was paid on 26 March 2010.

*Dividends paid on the shares held in Trust pursuant to the Company's ESS which are classified as shares held for ESS are not accounted for in the total equity. An amount of RM222,000 and RM973,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the first and second interim dividends respectively.*

**A8. Segment Information**

Segment information on Revenue, Profit Before Tax and Total Assets:

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>		
	<b>&lt;- 31 March 2010-&gt;</b>		<b>&lt;----- 31 March 2010 -----&gt;</b>		
	<b>Revenue</b>	<b>Profit Before Tax</b>	<b>Revenue</b>	<b>Profit Before Tax</b>	<b>Total Assets</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Commercial banking	290,309	54,003	1,219,455	253,220	24,419,921
Investment banking	26,005	8,840	101,387	64,745	1,855,936
Islamic banking	64,264	41,823	221,792	113,264	4,861,728
Others <sup>N1</sup>	97,797	85,047	180,150	134,219	37,129
	<b>478,375</b>	<b>189,713</b>	<b>1,722,784</b>	<b>565,448</b>	<b>31,174,714</b>
Inter-segment eliminations/ Consolidation adjustments	<b>(96,809)</b>	<b>(82,311)</b>	<b>(186,955)</b>	<b>(156,510)</b>	<b>-</b>
	<b>381,566</b>	<b>107,402</b>	<b>1,535,829</b>	<b>408,938</b>	<b>31,174,714</b>
Intangible assets	-	-	-	-	361,858
Unallocated corporate assets	-	-	-	-	127,043
	<b>381,566</b>	<b>107,402</b>	<b>1,535,829</b>	<b>408,938</b>	<b>31,663,615</b>

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2010**

**A8. Segment Information (cont'd)**

Segment information on Revenue, Profit Before Tax and Total Assets (cont'd):

<b>Group</b>	<b>4th Quarter Ended &lt;- 31 March 2009 -&gt;</b>		<b>Cumulative 12 Months Ended &lt;----- 31 March 2009 -----&gt;</b>		
	<b>Revenue RM'000</b>	<b>Profit Before Tax RM'000</b>	<b>Revenue RM'000</b>	<b>Profit Before Tax RM'000</b>	<b>Total Assets RM'000</b>
Commercial banking	344,692	(4,162)	1,398,671	314,052	26,477,579
Investment banking	29,124	2,740	108,453	(26,789)	1,620,010
Islamic banking	31,547	9,553	137,351	42,434	3,147,934
Others <sup>N1</sup>	11,718	451	156,987	119,859	40,219
	<u>417,081</u>	<u>8,582</u>	<u>1,801,462</u>	<u>449,556</u>	<u>31,285,742</u>
Inter-segment eliminations/ Consolidation adjustments	(12,706)	(2,909)	(161,076)	(146,244)	-
	<u>404,375</u>	<u>5,673</u>	<u>1,640,386</u>	<u>303,312</u>	<u>31,285,742</u>
Intangible assets	-	-	-	-	368,512
Unallocated corporate assets	-	-	-	-	191,914
	<u>404,375</u>	<u>5,673</u>	<u>1,640,386</u>	<u>303,312</u>	<u>31,846,168</u>

<sup>N1</sup> Category "Others" consist of businesses from investment holding (the Company), unit trust, asset management and non-banking subsidiaries within the Group.

Included in the revenue and profit before tax under category "Others" for the financial year ended 31 March 2010, an amount of RM136,321,000 (31.3.2009: RM122,601,000) being the dividend income received by the Company from its subsidiary, Alliance Bank Malaysia Berhad. The dividend amounts were eliminated as inter-segment consolidation adjustments to derive the Group's revenue and profit before tax.

**A9. Material Event During The Balance Sheet Date**

**(a) Employees' Share Scheme ("ESS")**

On 25 August 2009, the Company offered/awarded the following share options and share grants to Directors and employees of the Company and its subsidiaries who have met the criteria of eligibility for the participation in the ESS:

- (i) 10,189,800 share options under the Share Option Plan at an option price of RM2.38 per share which will be vested subject to the achievement of performance conditions.
- (ii) 2,620,800 share grants under the Share Grant Plan. The first 50% of the share grants are to be vested at the end of the second year and the remaining 50% of the share grants are to be vested at the end of the third year from the date on which an award is made.

The Company operates an equity-settled, share-based compensation plan pursuant to the ESS. Under the FRS 2 - Share-based Payment, the compensation expense relating to the share scheme is recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

**(b) Shares Purchased Pursuant to Employees' Share Scheme ("ESS ")**

During the financial year ended 31 March 2010, the Trustee of the ESS had purchased 5,581,700 ordinary shares of RM1.00 each fully paid in the Company from the open market at an average price of RM2.25 per share. The total consideration paid for the purchase including transaction costs was RM12,570,000. The shares purchased are being held in trust by the Trustee of the ESS in accordance with the Trust Deed dated 3 December 2007.

During the financial year ended 31 March 2010, 816,900 shares have been vested and transferred from the Trustee to the eligible employees of the Company and its subsidiaries in accordance with the terms under the Share Grant Plan of the ESS. As at 31 March 2010, the Trustee of the ESS held 19,070,300 ordinary shares representing 1.23% of the issued and paid-up capital of the Company.



**A10. Material Events Subsequent To The Balance Sheet Date**

There were no material events subsequent to the balance sheet date that require disclosure or adjustment to the unaudited condensed interim financial statements.

**A11. Changes In The Composition Of The Group**

During the financial year ended 31 March 2010, the following subsidiaries of the Company were dissolved pursuant to Section 272(5) of the Companies Act, 1965:

(a) Subsidiary of the Company

- (i) ABG Capital Management Sdn Bhd (subsidiary of Syabas Sutra Sdn. Bhd.) was dissolved on 1 July 2009; and
- (ii) Syabas Sutra Sdn. Bhd. was dissolved on 2 July 2009.

(b) Subsidiary of Alliance Bank Malaysia Berhad

- (i) AFB Nominees (Tempatan) Sdn. Bhd. was dissolved on 2 July 2009.

(c) Subsidiaries of Alliance Investment Bank Berhad

- (i) Alliance Capital Asset Management Sdn. Bhd. was dissolved on 1 April 2009;
- (ii) Alliance Asset Management (L) Limited was dissolved on 6 April 2009;
- (iii) Alliance Merchant Nominees (Tempatan) Sdn. Bhd. was dissolved on 2 July 2009;
- (iv) Alliance Merchant Nominees (Asing) Sdn. Bhd. was dissolved on 2 July 2009; and
- (v) Rothputra Nominees (Asing) Sdn. Bhd. was dissolved on 2 July 2009.

**A12. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date**

Please refer to Note B10.

**[B] Explanatory Notes Pursuant To Appendix 9B of Bursa Securities' Listing Requirements**

**B1. Review Of Performance**

For the current quarter under review, the Group recorded profit before taxation of RM107.4 million, an increase of RM101.7 million compared to the corresponding quarter last year. The improvement was due to higher operating profit as well as lower allowance for losses on loans and financing.

For the financial year ended 31 March 2010, the Group recorded profit before taxation of RM408.9 million compared to RM303.3 million registered in the last financial year. The improvement was due to increase in operating profit by RM14.5 million and write-back of loan allowances for a corporate loan and reduction of general allowance rate to 1.5%. The improvement was offset by further impairment made in relation to a Collateralised Loan Obligations (“CLO”).

The Group’s other operating income decreased by 14.1% or RM33.2 million largely attributed to a lower gain from the realisation of investment securities despite higher brokerage fees income.

Net non-performing loans (“NPL”) remained at 1.8% as at 31 March 2010. Gross loans loss coverage stood at 94.4% as at 31 March 2010 compared to 99.7% as at 31 March 2009 mainly due to write-back of loan allowances which were no longer required. For the financial year ended 31 March 2010, the Group’s gross loans and advances increased by 9.3% to RM21.4 billion compared to 31 March 2009.

The Group’s risk-weighted capital ratio and core capital ratio improved to 15.4% and 11.1% from 14.6% and 10.3% respectively compared to 31 March 2009.

**B2. Comparison With Immediate Preceding Quarter**

For the fourth quarter ended 31 March 2010, the Group recorded profit before taxation of RM107.4 million, a decrease of RM23.6 million or 18% compared to the third quarter ended 31 December 2009. This was primarily due to lower recoveries on loans and financing and further provision on a CLO.

**B3. Prospects For Next Financial Year**

The Government expects 4.5-5.5% real gross domestic product growth for the Malaysian economy in 2010, supported by both strong domestic demand and continued improvement in external demand, especially from the regional economies. At the current Overnight Policy Rate level, the stance of monetary policy continues to remain accommodative and supportive of economic growth.

The Group’s top priority is to ensure that our underlying business momentum remains intact and sustains growth. Our customer segmentation model will enable the further development of customer relationships while our business model has been steadily transformed to enable the best customer service delivery and maximise synergies between various lines of business. The small-to-medium enterprise sector remains one of our strengths and we are well-positioned to take advantage the sector’s expected role of being a strong growth driver for the country. The Group expects to continue to record satisfactory performance in the financial year ending 31 March 2011.

**B4. Profit Forecast**

There was no profit forecast issued by the Group.

**B5. Taxation and zakat**

<b><u>GROUP</u></b>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation				
- Income tax	<b>28,700</b>	3,376	<b>91,204</b>	101,300
- Deferred tax	<b>447</b>	45,950	<b>22,009</b>	26,492
	<b>29,147</b>	49,326	<b>113,213</b>	127,792
- Over provision of income tax expense in prior years	<b>1,006</b>	(44,526)	<b>(5,868)</b>	(53,398)
	<b>30,153</b>	4,800	<b>107,345</b>	74,394
Zakat	-	30	<b>93</b>	30
	<b>30,153</b>	4,830	<b>107,438</b>	74,424

The Group's effective tax rate for the financial year ended 31 March 2010 was higher than the current statutory tax rate mainly due to non-deductibility of certain expenses.

**B6. Profit/(Loss) On Sale Of Unquoted Investments Or Properties**

There was no material profit/(loss) on sale of unquoted investments or properties for 4th quarter and the financial year ended 31 March 2010 other than in the ordinary course of business.

**B7. Purchase And Disposal Of Quoted Securities**

There was no purchase or disposal of quoted securities for the 4th quarter and the financial year ended 31 March 2010 other than investments held by the Group whose activities are regulated by law relating to banking companies and are subject to supervision by Bank Negara Malaysia.

**B8. Status Of Corporate Proposals**

There were no corporate proposals announced as at the reporting date.

**B9. Group Borrowings, Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities**

	<b>GROUP</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Deposits From Customers</b>		
Fixed/investment deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	<b>13,649,990</b>	16,890,804
- More than one year (medium/long term)	<b>135,366</b>	237,102
	<b>13,785,356</b>	17,127,906
Others	<b>9,842,975</b>	8,447,535
	<b>23,628,331</b>	25,575,441
<b>(b) Deposits And Placements Of Banks And Other Financial Institutions</b>		
- One year or less (short term)	<b>1,546,206</b>	588,606
- More than one year (medium/long term)	<b>743,460</b>	594,781
	<b>2,289,666</b>	1,183,387
<b>(c) Subordinated Bonds</b>		
Unsecured and more than one year (medium/long term) (6.09% Tier II Subordinated bonds 2006/2016)	<b>600,000</b>	600,000
<b>(d) Long Term Borrowings</b>		
<u>Unsecured</u>		
Fixed rate term loan (Tenor of 3 years plus extension option of one year with all in interest rate of 3.5% p.a.)	<b>400,000</b>	400,000
Floating rate term loan (Tenor of 4 years with all in interest rate of Cost of Fund plus 0.5% p.a.)	<b>200,000</b>	200,000
	<b>600,000</b>	600,000

**B10. Commitments And Contingencies**

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

Risk-weighted exposure of the Group are as follows:

	<----- 31.3.2010 ----->			<----- 31.3.2009 ----->		
	Principal Amount	Credit Equivalent Amount*	Risk- Weighted Amount*	Principal Amount	Credit Equivalent Amount*	Risk- Weighted Amount*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	501,940	501,940	501,940	448,370	448,370	448,370
Transaction-related contingent items	456,421	228,211	228,211	505,920	252,960	252,960
Short-term self-liquidating trade-related contingencies	167,968	33,594	33,594	112,406	22,481	22,481
Irrevocable commitments to extend credit:						
- maturity exceeding one year	1,526,427	763,214	626,319	2,051,099	1,025,549	825,344
- maturity not exceeding one year	8,137,938	1,627,586	1,376,875	8,439,276	1,687,856	1,437,642
Foreign exchange related contracts less than one year	2,452,403	64,501	28,951	2,474,223	58,004	27,695
Interest rate related contracts:						
- one year or less	560,000	2,745	549	-	-	-
- over one year to five years	430,000	13,030	2,606	990,000	30,124	6,025
- over five years	60,000	5,843	1,169	60,000	7,019	1,404
<b>Total</b>	<b>14,293,097</b>	<b>3,240,664</b>	<b>2,800,214</b>	<b>15,081,294</b>	<b>3,532,363</b>	<b>3,021,921</b>

\* The credit equivalent amount and risk-weighted amount of the Group are computed in accordance with Bank Negara Malaysia's ("BNM") revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II) and for Islamic bank subsidiary in accordance with BNM Capital Adequacy Framework for Islamic Banks ("CAFIB"). The Group have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

**B11. Financial Instruments With Off-Balance Sheet Risk**

Details of financial instruments with off-balance sheet risk as at 31 March 2010:

Value of contracts classified by remaining period to maturity or next repricing date (whichever is earlier).

Alliance Bank Malaysia Berhad

Items	Principal amount RM'000	1 month or less RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	>5 years RM'000	Margin requirements RM'000
Foreign exchange related contracts								
- forward	432,551	117,572	181,204	108,804	24,971	-	-	-
- swaps	1,810,451	914,955	242,396	555,135	97,965	-	-	-
- options	66,418	64,295	2,123	-	-	-	-	-
- spot	142,983	142,983	-	-	-	-	-	-
Interest rate related contracts								
- swaps	1,050,000	-	150,000	100,000	310,000	430,000	60,000	-
<b>Total</b>	<b>3,502,403</b>	<b>1,239,805</b>	<b>575,723</b>	<b>763,939</b>	<b>432,936</b>	<b>430,000</b>	<b>60,000</b>	<b>-</b>

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risks associated with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2009.

Forwards

Forwards are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market.

Swaps

Swaps are contractual agreements between two parties to exchange exposures in foreign currency or interest rates.

Options

Options are contractual agreements under which the seller grants the purchaser the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date during a set period, a specific amount of an underlying asset at a predetermined price. The seller receives a premium from the purchaser in consideration of risk. Options may be either exchange-traded or negotiated between the purchaser and the seller in the over-the-counter market.

Related accounting policies

Alliance Bank Malaysia Berhad acts as an intermediary with counterparties who wish to swap their interest rate obligations. Alliance Bank Malaysia Berhad also uses interest rate swaps, futures, forward and option contracts in its trading account activities and its overall interest rate risk management.

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception except for options and subsequently re-measured at their fair value. The fair value of options at inception is normally equivalent to the premium received (for options written) or paid (for options purchased). All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value are recognised in profit or loss.

Interest income and expenses associated with interest rate swaps are recognised over the life of the swap agreement as a component of interest income or interest expense.

## **B12. Material Litigation**

As at the date of this report, there was no pending material litigation in the ordinary course of business which would materially and adversely affect the financial position of the Group, other than the following:

- (a) Alliance Bank Malaysia Berhad's ("ABMB") wholly-owned subsidiary, Alliance Investment Bank Berhad ("AIBB") was served with a Writ of Summons and Statement of Claim dated 10 July 2008 ("the Suit") by Celcom (Malaysia) Berhad ("Celcom").

The Suit was filed by one Mohd Shuaib Ishak as a derivative action on behalf of Celcom pursuant to Section 181A(1) of the Companies Act, 1965.

The Suit arises from the Amended and Restated Supplemental Agreement dated 4 April 2002 entered into between among others Celcom and DeTe Asia Holding GmbH ("DeTeAsia"), the acquisition of Celcom shares by Telekom Enterprise Sdn Bhd ("TESB"), the consequent Mandatory General Offer exercise implemented by Telekom Malaysia Berhad ("TM") and the de-merger exercise of the mobile and fixed-line businesses of the TM Group.

AIBB has been named as one of the 21 defendants in the Suit for its role as advisor to Celcom. Celcom is claiming against the defendants jointly and/or severally for the sum of US\$232,999,745.80 plus damages and interest.

The Court of Appeal had on 27 March 2009 allowed the appeal brought by Celcom against the leave granted to Mohd Shuaib Ishak to commence the derivative action on behalf of Celcom. Mohd Shuaib Ishak has since filed an application for leave to appeal to the Federal Court against the said decision and the same is fixed for hearing on 2 November 2009. Hearing adjourned to 19 January 2010. On 19 January 2010, the leave application was adjourned to another date to be confirmed by the Federal Court.

Meanwhile, AIBB has filed an application to cease being a party to the proceedings on the ground that it has been improperly and unnecessarily been made a party to the proceedings on 16 July 2009. The application is fixed for mention on 6 November 2009 pending the exchange of affidavits between the parties. Parties have completed exchanging/filing of all the affidavits. The Court has fixed the application for hearing on 29 January 2010. The Court has adjourned the application for hearing on 23 March 2010. On 23 March 2010, the Court heard submissions from both parties and fixed 16 April 2010 to deliver decision. On 16 April 2010, the Court had granted AIBB's application to cease being a party to the proceedings. The Plaintiff had on 22 April 2010 filed an appeal against the decision and the matter has been fixed for case management on 22 June 2010.

- (b) A corporate borrower had issued a Writ of Summons in 2005 against an agent bank for a syndicate of lenders comprising three banks of which ABMB is one of them, claiming for general, special and exemplary damages alleging a breach of duty and contract.

The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by the syndicate lenders of which ABMB's participation was RM18.5 million. In 2002, the credit facilities were restructured to a loan of RM30.0 million, of which ABMB's participation was RM8.31 million, payable over seven years. The syndicated lenders had also filed a suit against the corporate borrower for the recovery of the above-mentioned loan.

The two suits were then consolidated and heard together. On 6 May 2009, judgment was delivered against the agent bank for special damages amounting to RM115.0 million together with interest at the rate of 6% per annum from date of disbursement to date of realisation with general damages to be assessed by the Court.

**B12. Material Litigation (cont'd)**

(b) (cont'd)

The agent bank's solicitors have since filed an appeal against the said decision. The Court had on 24 June 2009 granted a stay of execution of the judgment pending appeal to the Court of Appeal.

The corporate borrower has since filed an appeal to the Court of Appeal against the stay order granted by the High Court.

On 24 November 2009, the Court of Appeal dismissed the corporate borrower's appeal against the order for stay of execution granted by the High Court in favour of the agent Bank with cost of RM20,000.

Next case management fixed for 3 June 2010 pending receipt of the Grounds of Judgment and Notes of Proceedings which are still not available for the agent bank to file the Record of Appeal.

The advice from the agent bank's solicitors is that they have a better than even chance of succeeding in the said appeal.

(c) ABMB had in 1999 filed a suit against a corporate borrower, hereinafter referred to as the first defendant and the second defendant as guarantor (collectively called "Defendants") for money outstanding due to a default in banking facility amounting to RM2.36 million. The Defendants in turn counter-claimed against the Bank for special damages amounting to RM15.5 million and general damages to be assessed by the Court for negligence and/or wrongful termination of the banking facilities, statutory interest on judgment sum, costs and such other and/or further relief deemed fit by the Court.

On 4 May 2009, the High Court in Kota Kinabalu granted judgment in favour of the Defendants with damages to be assessed by the Deputy Registrar.

At a clarification hearing held on 25 May 2009, the Court clarified that ABMB's liability to pay damages under the counter-claim is only in respect of general damages to be assessed by the Court and not special damages.

ABMB has since filed its appeal and application for stay of execution against the said judgment.

On 3 August 2009, the High Court dismissed ABMB's application for stay of execution of the judgment granted in favour of the Defendants. ABMB has since filed an appeal to the Court of Appeal against the said decision.

On 16 November 2009, the Court of Appeal had dismissed the ABMB's appeal for stay of execution with no order as to cost and directed that an early hearing date would be scheduled for the ABMB's appeal proper.

In light of the above, the High Court fixed the matter for mention on 12 January 2010 in order to fix a hearing date for assessment of damages (counter claim). The Court fixed hearing for assessment of damages fixed from 17 May 2010 to 19 May 2010. On 17 May 2010, the Court fixed the matter for continued hearing of the assessment of damages from 21 June 2010 to 22 June 2010.

Based on the advice from ABMB's solicitors, ABMB has a fair chance of success in its appeal.



**B12. Material Litigation (cont'd)**

- (d) (i) ABMB had commenced a civil suit against an individual borrower in March 2007 for recovery of an overdraft facility secured by shares from the individual borrower and shares from a third party. The individual borrower counter-claimed against ABMB for various declarations amongst others that ABMB had acted wrongfully or in bad faith in demanding repayment of the facility and that there was in existence a collateral contract between the individual borrower, ABMB and the third party. In addition, the individual borrower is also claiming for general damages to be assessed by the courts.

ABMB filed its reply and defence to counter-claim on 7 July 2007. Case management has been fixed for 25 November 2009.

The matter has been fixed for further case management on 18 January 2010 for parties to comply with the directions given by the Court. The Court has further adjourned the matter to 25 February 2010 for parties to comply with the directions given by the Court.

On 25 February 2010, the Court suggested parties consider mediation as an alternative to the ordinary dispute resolution trial process and fixed the matter for continued case management on 24 March 2010. The matter has been fixed for further case management on 23 June 2010.

ABMB's solicitors are of the firm view that ABMB has good defence to the counter-claim.

- (ii) Arising from the above-mentioned suit (Note B12 d(i)), the third party in September 2008 filed a separate suit against ABMB for force selling the shares pledged by the third party. The third party alleges amongst others that ABMB sold the pledged shares off-market without notice to them in breach of the collateral contract between the third party and ABMB. The third party is claiming for damages for loss of the benefit of the shares pledged to ABMB, damages for conversion, damages for misrepresentation and for breach of contract.

ABMB had filed its defence to the suit on 13 November 2008. Pending setting down of the matter for trial by the Plaintiff.

ABMB's solicitors are of the firm view that there is no such collateral contract and that ABMB has good defence to the claim brought by the third party.

**B13. Proposed Dividend**

No dividend has been proposed or declared for the 4th quarter ended 31 March 2010.

The total dividend paid/declared for the financial year ended 31 March 2010 is 6.40 sen per share, tax exempt under the single tier tax system (2009: 6.25 sen per share, tax exempt under the single tier tax system).

**B14. Related Party Transactions**

All related party transactions within the Group have been entered into in the normal course of business and were carried out on normal commercial terms.

**B15. Earnings Per Share (EPS)**

(a) **Basic**

The calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period excluding the weighted average shares held for ESS.

	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
Net profit attributable to equity holders of the Company (RM'000)	<b>77,253</b>	897	<b>301,424</b>	229,121
Weighted average number of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Effect of shares bought back for ESS ('000)	<b>(17,424)</b>	(11,033)	<b>(17,424)</b>	(11,033)
	<b>1,530,682</b>	1,537,073	<b>1,530,682</b>	1,537,073
Basic earnings per share (sen)	<b>5.0</b>	0.1	<b>19.7</b>	14.9

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**B15. Earnings Per Share (EPS)**

**(b) Diluted**

The calculation of the diluted earnings per share is based on the net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period, excluding the weighted average shares held for ESS and taken into account the assumed Share Grants to employees under ESS were vested to the employees as at 31 March 2010.

	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
Net profit attributable to equity holders of the Company (RM'000)	<b>77,253</b>	897	<b>301,424</b>	229,121
Weighted average number of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Effect of shares bought back for ESS ('000)	<b>(17,424)</b>	(11,033)	<b>(17,424)</b>	(11,033)
Effect of Share Grants under ESS ('000)	<b>4,837</b>	4,116	<b>4,837</b>	4,116
	<b>1,535,519</b>	1,541,189	<b>1,535,519</b>	1,541,189
Diluted earnings per share (sen)	<b>5.0</b>	0.1	<b>19.6</b>	14.8

**C. Explanatory Notes Pursuant To Appendix C of Revised BNM/GP8**

**C1. Interest Income**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing				
- Interest income other than recoveries from NPLs/NPFs	<b>192,624</b>	198,877	<b>777,276</b>	850,339
- Recoveries from NPLs/NPFs	<b>15,680</b>	22,276	<b>51,796</b>	67,548
	<b>208,304</b>	221,153	<b>829,072</b>	917,887
Money at call and deposit placements with financial institutions	<b>11,497</b>	25,094	<b>55,936</b>	127,624
Securities held-for-trading	-	73	<b>684</b>	134
Securities available-for-sale	<b>45,311</b>	34,497	<b>177,797</b>	111,492
Securities held-to-maturity	<b>7,525</b>	2,081	<b>17,251</b>	13,085
Others	<b>1,440</b>	715	<b>6,024</b>	1,495
	<b>274,077</b>	283,613	<b>1,086,764</b>	1,171,717
Accretion of discount less amortisation of premium	<b>(329)</b>	22,914	<b>27,127</b>	99,244
Net interest suspended	<b>(4,160)</b>	(5,909)	<b>(19,484)</b>	(20,362)
	<b>269,588</b>	300,618	<b>1,094,407</b>	1,250,599

**C2. Interest Expense**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	<b>9,225</b>	(890)	<b>39,176</b>	23,522
Deposits from customers	<b>78,165</b>	131,614	<b>370,620</b>	526,972
Loans sold to Cagamas	-	276	<b>254</b>	3,426
Subordinated bonds	<b>9,010</b>	9,010	<b>36,540</b>	36,540
Long term borrowings	<b>4,935</b>	2,460	<b>20,017</b>	2,460
Others	<b>2,656</b>	1,382	<b>10,932</b>	3,055
	<b>103,991</b>	143,852	<b>477,539</b>	595,975

**C3. Other Operating Income**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) <u>Fee income:</u>				
Commissions [Note (i)]	<b>1,313</b>	6,447	<b>14,251</b>	22,921
Service charges and fees	<b>8,070</b>	8,275	<b>36,204</b>	31,379
Portfolio management fees	<b>1,609</b>	1,374	<b>6,290</b>	6,044
Corporate advisory fees	<b>6</b>	299	<b>1,130</b>	3,638
Underwriting commissions	-	-	-	81
Brokerage fees	<b>5,760</b>	2,616	<b>26,613</b>	13,842
Guarantee fees	<b>1,703</b>	1,199	<b>7,256</b>	8,674
Processing fees	<b>1,044</b>	1,986	<b>6,000</b>	11,015
Commitment fees	<b>3,570</b>	3,211	<b>13,768</b>	13,259
Other fee income	<b>3,931</b>	2,992	<b>20,976</b>	22,144
	<b>27,006</b>	28,399	<b>132,488</b>	132,997
(b) <u>Investment income:</u>				
(Loss)/gain arising from sale/redemption of:				
- Securities held-for-trading	<b>(460)</b>	(271)	<b>(228)</b>	420
- Securities available-for-sale	<b>1,028</b>	21,210	<b>11,556</b>	20,197
- Securities held-to-maturity	-	1,722	-	16,841
Unrealised (loss)/gain from revaluation of:				
- Securities held-for-trading	-	839	<b>(5,152)</b>	(1,154)
- Derivative instruments	<b>(3,911)</b>	(25,317)	<b>3,266</b>	(4,823)
Realised gain on derivative instruments	<b>12,019</b>	49,803	<b>35,533</b>	64,022
Gross dividend income from:				
- Securities held-to-maturity	<b>132</b>	197	<b>6,321</b>	5,390
	<b>8,808</b>	48,183	<b>51,296</b>	100,893
(c) <u>Other income:</u>				
Foreign exchange gain/(loss)	<b>4,663</b>	(16,457)	<b>11,673</b>	(10,740)
Rental income	-	48	<b>88</b>	224
Gain on disposal of property, plant and equipment	<b>40</b>	75	<b>1,011</b>	203
Gain/(loss) on disposal of leasehold land	<b>123</b>	-	<b>(649)</b>	-
Loss on liquidation of subsidiaries	<b>(50)</b>	-	<b>(50)</b>	-
Gain on disposal of foreclosed properties	<b>1,372</b>	3,227	<b>7,029</b>	7,414
Return on capital from investment	-	88	-	88
Others	<b>(935)</b>	303	<b>(1,056)</b>	3,959
	<b>5,213</b>	(12,716)	<b>18,046</b>	1,148
Total other operating income	<b>41,027</b>	63,866	<b>201,830</b>	235,038

Note (i): The commission income is net-of an amount of RM15,867,000 (2009: RM11,573,000) being sales commission expense which was amortised over the expected life of loan products.

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**C4. Other Operating Expenses**

<u>Group</u>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs:</u>				
Salaries, allowances and bonuses	<b>68,098</b>	69,370	<b>255,630</b>	257,990
Contribution to EPF	<b>10,528</b>	10,870	<b>40,246</b>	42,877
Share options/grants under ESS	<b>374</b>	1,942	<b>7,020</b>	6,304
Others	<b>7,538</b>	10,568	<b>28,936</b>	31,176
	<b>86,538</b>	92,750	<b>331,832</b>	338,347
<u>Establishment costs:</u>				
Depreciation of property, plant and equipment	<b>11,709</b>	9,283	<b>39,713</b>	36,494
Amortisation of computer software	<b>4,273</b>	2,737	<b>16,307</b>	14,654
Amortisation of leasehold land	<b>34</b>	35	<b>138</b>	139
Rental of premises	<b>6,818</b>	7,256	<b>30,402</b>	27,641
Water and electricity	<b>1,426</b>	1,734	<b>7,280</b>	7,661
Repairs and maintenance	<b>2,515</b>	2,718	<b>8,672</b>	9,916
Information technology expenses	<b>2,869</b>	10,680	<b>29,048</b>	36,625
Others	<b>13,593</b>	3,346	<b>24,888</b>	11,161
	<b>43,237</b>	37,789	<b>156,448</b>	144,291
<u>Marketing expenses:</u>				
Promotion and advertisement	<b>3,101</b>	4,623	<b>9,420</b>	6,081
Branding and publicity	<b>1,077</b>	1,800	<b>2,790</b>	6,022
Others	<b>982</b>	1,409	<b>4,297</b>	6,192
	<b>5,160</b>	7,832	<b>16,507</b>	18,295
<u>Administration and general expenses:</u>				
Communication expenses	<b>2,899</b>	3,127	<b>11,849</b>	14,531
Printing and stationery	<b>1,119</b>	1,625	<b>4,493</b>	6,127
Insurance	<b>(8,728)</b>	4,415	<b>4,530</b>	(2,250)
Professional fees	<b>3,898</b>	11,112	<b>11,538</b>	20,276
Others	<b>4,718</b>	3,302	<b>17,434</b>	19,789
	<b>3,906</b>	23,581	<b>49,844</b>	58,473
Total other operating expenses	<b>138,841</b>	161,952	<b>554,631</b>	559,406

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**C5. Allowance for/(Write-back of) Losses on Loans, Advances and Financing and Other Losses**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for/(write-back of) bad and doubtful debts and financing:				
(a) Specific allowance				
- Made during the period	<b>80,488</b>	108,702	<b>331,471</b>	416,100
- Written back during the period	<b>(56,357)</b>	(69,458)	<b>(292,765)</b>	(284,154)
(b) General allowance				
- Made during the period	<b>13,724</b>	14,082	<b>59,732</b>	78,854
- Written back during the period	<b>(7,344)</b>	(9,246)	<b>(77,041)</b>	(27,932)
(c) Bad debts on loans and financing				
- Recovered	<b>(12,228)</b>	(11,088)	<b>(59,246)</b>	(69,742)
- Written off	<b>113</b>	481	<b>435</b>	1,872
	<b>18,396</b>	33,473	<b>(37,414)</b>	114,998
Allowance for commitments and contingencies	-	-	<b>1,433</b>	-
Allowance for other assets	<b>1,043</b>	2,255	<b>4,050</b>	133
	<b>19,439</b>	35,728	<b>(31,931)</b>	115,131

**C6. Securities Held-for-trading**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<u>Money market instruments:</u>		
Commercial papers	-	9,951
Malaysian Government securities	-	24,690
<u>Quoted securities in Malaysia:</u>		
Shares	-	2,470
Debt securities	-	8,942
<u>Unquoted securities:</u>		
Debt securities	-	2
Total securities held-for-trading	-	46,055

**C7. Securities Available-for-sale**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	<b>1,748,115</b>	1,647,355
Malaysian Government investment certificates	<b>566,495</b>	113,849
Malaysian Government treasury bills	-	132,492
Bank Negara Malaysia bills	-	74,525
Cagamas bonds	<b>205,629</b>	-
Negotiable instruments of deposits	<b>459,444</b>	1,696,057
Commercial papers	-	98,906
Bankers acceptances	<b>799,951</b>	1,578,533
Khazanah bonds	-	9,909
<u>Quoted securities in Malaysia:</u>		
Shares [Note (a)]	<b>3,919</b>	3,010
Debt securities	<b>7,591</b>	6,071
<u>Unquoted securities:</u>		
Shares	<b>11,377</b>	6,877
Debt securities	<b>1,352,307</b>	952,538
Total securities available-for-sale	<b>5,154,828</b>	6,320,122

Note:

(a) Disclosures of the reclassification from securities held-for-trading ("HFT") to securities available-for-sale ("AFS") portfolio in the financial statements of the Group is as follows:

(i) Amount reclassified from security HFT to AFS portfolio on 31 December 2008:

	<b>Group</b>
	<b>RM'000</b>
Fair value of security HFT reclassified to AFS portfolio as at reclassification date	<u>3,419</u>

There was no new security reclassified during the financial year ended 31 March 2010.

(ii) Carrying amount and fair value of security HFT reclassified to AFS portfolio as at the end of the financial year:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Security HFT reclassified to AFS portfolio		
Carrying amount	<b>3,902</b>	3,010
Fair value	<b>3,902</b>	3,010



**C7. Securities Available-for-sale (cont'd)**

Note: (cont'd)

- (a) (iii) The fair value loss recognised in respect of the security HFT reclassified to AFS portfolio during the financial year:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Unrealised loss recognised in equity	<b>483</b>	<b>409</b>

- (iv) Effective interest rate for the security reclassified from HFT to AFS portfolio is not applicable as the security reclassified is an equity portfolio.

**C8. Securities Held-to-maturity**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government securities	<b>811,208</b>	-
Malaysian Government investment certificates	<b>39,368</b>	53,770
Cagamas bonds	-	20,000
Khazanah bonds	-	53,896
<b>At cost</b>		
<u>Quoted securities in Malaysia:</u>		
Debt securities	<b>4,902</b>	4,902
<u>Unquoted securities:</u>		
Shares	<b>22,021</b>	22,021
Debt securities	<b>152,248</b>	266,865
	<b>1,029,747</b>	421,454
Accumulated impairment	<b>(98,327)</b>	(106,834)
Total securities held-to-maturity	<b>931,420</b>	314,620

**C9. Loans, Advances And Financing**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	<b>1,632,204</b>	1,610,636
Term loans/financing		
- Housing loans/financing	<b>9,081,024</b>	7,842,479
- Syndicated term loans/financing	<b>259,826</b>	314,794
- Hire purchase receivables	<b>1,070,593</b>	1,360,731
- Lease receivables	<b>104</b>	104
- Other term loans/financing	<b>7,261,555</b>	5,858,653
Bills receivables	<b>56,173</b>	71,906
Trust receipts	<b>161,254</b>	154,941
Claims on customers under acceptance credits	<b>2,025,751</b>	1,735,910
Staff loans [including RM182,000 loans to Directors of banking subsidiary (31.3.2009: RM1,437,000)]	<b>102,583</b>	117,974
Credit/charge card receivables	<b>685,003</b>	645,058
Revolving credits	<b>1,115,275</b>	995,713
Other loans	<b>339,071</b>	257,432
	<b>23,790,416</b>	20,966,331
Less: Unearned interest and income	<b>(2,380,480)</b>	(1,376,192)
Gross loans, advances and financing	<b>21,409,936</b>	19,590,139
Less: Allowance for losses on loans, advances and financing		
- Specific	<b>(438,582)</b>	(531,824)
- General	<b>(322,909)</b>	(340,218)
Total net loans, advances and financing	<b>20,648,445</b>	18,718,097

(a) By types of customer:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions		
- Stockbroking companies	<b>20,001</b>	-
- Others	<b>168,766</b>	276,429
Domestic business enterprises		
- Small and medium enterprises	<b>4,393,907</b>	4,185,864
- Others	<b>4,170,355</b>	3,861,118
Government and statutory bodies	<b>16,590</b>	17,345
Individuals	<b>12,157,289</b>	10,886,992
Other domestic entities	<b>5,088</b>	4,356
Foreign entities	<b>477,940</b>	358,035
Gross loans, advances and financing	<b>21,409,936</b>	19,590,139

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**C9. Loans, Advances And Financing (cont'd)**

(b) By interest/profit rate sensitivity:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- Housing loans/financing	<b>316,948</b>	171,467
- Hire purchase receivables	<b>950,134</b>	1,197,050
- Other fixed rate loans/financing	<b>2,188,491</b>	1,503,071
Variable rate		
- Base lending rate plus	<b>14,097,157</b>	13,223,436
- Cost plus	<b>3,753,267</b>	3,381,339
- Other variable rates	<b>103,939</b>	113,776
Gross loans, advances and financing	<b>21,409,936</b>	19,590,139

(c) By economic purposes:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of securities	<b>351,976</b>	273,541
Purchase of transport vehicles	<b>907,561</b>	1,190,239
Purchase of landed property	<b>11,092,067</b>	10,477,736
of which: - Residential	<b>8,408,597</b>	7,730,962
- Non-residential	<b>2,683,470</b>	2,746,774
Purchase of fixed assets excluding land and buildings	<b>66,540</b>	61,094
Personal use	<b>2,007,919</b>	1,155,811
Credit card	<b>685,003</b>	645,058
Purchase of durable goods	-	15
Construction	<b>293,211</b>	313,552
Working capital	<b>5,384,583</b>	4,846,438
Others	<b>621,076</b>	626,655
Gross loans, advances and financing	<b>21,409,936</b>	19,590,139

**C9. Loans, Advances And Financing (cont'd)**

(d) Non-performing loans/financing ("NPL/NPF"):

Movements in non-performing loans, advances and financing are as follows:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	875,070	1,158,506
Non-performing during the year	670,112	775,826
Reclassified as performing during the year	(412,025)	(493,941)
Recoveries	(194,930)	(328,770)
Amount written off	(131,948)	(236,551)
At end of year	806,279	875,070
Specific allowance	(438,582)	(531,824)
- on non-performing loans	(415,168)	(451,554)
- on performing loans	(23,414)	(80,270)
Net non-performing loans, advances and financing	<b>367,697</b>	343,246
Net NPL as % of gross loans, advances and financing less specific allowance		
- Including specific allowance on performing loans/financing	1.8%	1.8%
- Excluding specific allowance on performing loans/financing	1.9%	2.2%

(e) Movements in the allowance for losses on loans, advances and financing are as follows:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>General Allowance</b>		
At beginning of year	340,218	289,296
Allowance made during the year	59,732	78,854
Amount written back	(77,041)	(27,932)
At end of year	<b>322,909</b>	340,218
As % of gross loans, advances and financing less specific allowance	<b>1.5%</b>	1.8%

**C9. Loans, Advances And Financing (cont'd)**

(e) Movements in the allowance for losses on loans, advances and financing are as follows: (cont'd)

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Specific Allowance</b>		
At beginning of year	<b>531,824</b>	636,429
Allowance made during the year	<b>331,471</b>	416,100
Amount written back in respect of recoveries	<b>(292,765)</b>	(284,154)
Amount written off	<b>(131,948)</b>	(236,551)
	<b>438,582</b>	531,824

Included in specific allowance of the Group are allowances made for high risk accounts which are still performing amounting to RM23,414,000 (31.3.2009: RM80,270,000).

(f) NPL/NPF by economic purposes:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of securities	<b>16,399</b>	16,347
Purchase of transport vehicles	<b>13,992</b>	26,376
Purchase of landed property	<b>336,433</b>	399,985
<i>of which: - Residential</i>	<b>240,152</b>	273,500
<i>- Non-residential</i>	<b>96,281</b>	126,485
Purchase of fixed assets excluding land and buildings	<b>198</b>	630
Personal use	<b>40,451</b>	55,927
Credit card	<b>14,188</b>	17,518
Construction	<b>14,905</b>	22,674
Working capital	<b>321,637</b>	307,833
Others	<b>48,076</b>	27,780
	<b>806,279</b>	875,070

**C10. Balances Due From Clients And Brokers**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Due from clients	<b>89,050</b>	59,688
Due from brokers	-	2,522
	<b>89,050</b>	62,210
Less: Allowance for bad and doubtful debts	<b>(16,482)</b>	(17,530)
	<b>72,568</b>	44,680

These represent amounts receivable by Alliance Investment Bank Berhad ("AIBB") from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Central Depository System has yet to be made.

AIBB's normal trade credit terms for non-margin clients is three (3) market days in accordance with Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

Included in the balances due from clients and brokers are non-performing accounts, as follows:

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Classified as doubtful	<b>691</b>	841
Classified as bad	<b>16,150</b>	18,091
	<b>16,841</b>	18,932

The movements in allowance for bad and doubtful debts are as follows:

At beginning of year	<b>17,530</b>	24,665
Allowance made during the year	<b>848</b>	2,828
Reversal of allowance	<b>(959)</b>	(5,789)
Amount written off	<b>(937)</b>	(4,174)
At end of year	<b>16,482</b>	17,530

**C11. Other Assets**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	141,971	172,414
Interest/income receivable	61,191	77,231
Trade receivables	32	34
Manager's stocks	1,017	1,243
Foreclosed properties	4,349	4,883
	<b>208,560</b>	<b>255,805</b>
Less: Allowance for other assets	<b>(21,853)</b>	<b>(20,179)</b>
	<b>186,707</b>	<b>235,626</b>

**C12. Deposits From Customers**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>By type of deposits:</u>		
Demand deposits	8,122,263	6,815,306
Savings deposits	1,679,449	1,628,580
Fixed/investment deposits	12,215,318	14,085,022
Money market deposits	1,160,946	2,063,280
Negotiable instruments of deposits	409,092	979,604
Structured deposits [Note (a)]	41,263	3,649
	<b>23,628,331</b>	<b>25,575,441</b>

Note:

(a) Structured deposits represent foreign currency time deposits with embedded foreign exchange options.

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
(b) <u>By type of customers:</u>		
Domestic financial institutions	415,986	249,681
Government and statutory bodies	837,472	1,360,896
Business enterprises	8,152,109	9,552,952
Individuals	13,531,116	13,660,573
Others	691,648	751,339
	<b>23,628,331</b>	<b>25,575,441</b>

**C13. Deposits And Placements Of Banks And Other Financial Institutions**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	1,385,564	425,996
Licensed investment banks	80,000	140,000
Licensed Islamic banks	75,000	-
Bank Negara Malaysia	749,102	617,391
	<b>2,289,666</b>	<b>1,183,387</b>

**C14. Balances Due To Clients And Brokers**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Due to clients	75,984	51,856
Due to brokers	4,265	-
	<b>80,249</b>	<b>51,856</b>

These mainly relates to amounts payable to non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Central Depository System has yet to be made.

AIBB's normal trade credit terms for non-margin client is three (3) market days according to Bursa Malaysia Securities Berhad's FDSS trading rules.

**C15. Other Liabilities**

	<b>Group</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Other payable and accruals	768,853	744,690
Interest/income payable	100,573	138,384
Remisier's accounts	23,454	23,400
Profit equalisation reserve	-	50,058
	<b>892,880</b>	<b>956,532</b>



**C16. Capital Adequacy**

The capital adequacy ratios of the ABMB group are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The ABMB group has adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The capital adequacy ratios of the ABMB group are as follows:

	<b>31.3.2010</b>	<b>31.3.2009</b>
<u>Before deducting proposed dividends</u>		
Core capital ratio	<b>11.39%</b>	10.41%
Risk-weighted capital ratio	<b>15.65%</b>	14.76%
<u>After deducting proposed dividends</u>		
Core capital ratio	<b>11.13%</b>	10.30%
Risk-weighted capital ratio	<b>15.40%</b>	14.65%

Components of Tier I and Tier II capital are as follows:

	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier I Capital (Core Capital)</b>		
Paid-up share capital	<b>596,517</b>	596,517
Irredeemable convertible preference shares	<b>4,000</b>	4,000
Share premium	<b>597,517</b>	597,517
Retained profits	<b>882,471</b>	772,867
Statutory reserves	<b>735,515</b>	671,953
Other reserves	<b>10,018</b>	10,035
Minority interests	<b>4,539</b>	4,652
	<b>2,830,577</b>	2,657,541
Less: Purchased goodwill/goodwill on consolidation	<b>(302,065)</b>	(304,149)
Deferred tax assets	<b>(99,347)</b>	(119,305)
Total Tier I capital	<b>2,429,165</b>	2,234,087
<b>Tier II Capital</b>		
Subordinated bonds	<b>600,000</b>	600,000
General allowance for losses on loans, advances and financing	<b>322,933</b>	340,246
Total Tier II capital	<b>922,933</b>	940,246
Total Capital	<b>3,352,098</b>	3,174,333
Less: Investment in subsidiaries	<b>(12,760)</b>	(7,066)
<b>Total Capital Base</b>	<b>3,339,338</b>	3,167,267

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**C16. Capital Adequacy (cont'd)**

Analysis of the risk-weighted assets ("RWA") in the various categories of risk-weighted are as follows:

<b>Group</b>	<b>31.3.2010</b>		<b>31.3.2009</b>	
	<b>Net Exposure</b>	<b>Risk-Weighted</b>	<b>Net Exposure</b>	<b>Risk-Weighted</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	<b>5,391,179</b>	-	4,568,126	-
20%	<b>4,044,857</b>	<b>808,972</b>	6,486,634	1,297,327
35%	<b>3,505,236</b>	<b>1,226,833</b>	2,795,907	978,567
50%	<b>2,686,655</b>	<b>1,343,327</b>	2,567,685	1,283,843
75%	<b>9,550,838</b>	<b>7,163,128</b>	9,321,837	6,991,378
100%	<b>8,291,425</b>	<b>8,291,425</b>	8,352,819	8,352,819
150%	<b>237,355</b>	<b>356,032</b>	299,781	449,671
Total RWA equivalent for Credit risk	<b>33,707,545</b>	<b>19,189,717</b>	34,392,789	19,353,605
Total RWA equivalent for Market risk	-	<b>19,663</b>	-	59,902
Total RWA equivalent for Operational risk	-	<b>2,126,663</b>	-	2,041,388
<b>Total Risk-Weighted Assets</b>	<b>33,707,545</b>	<b>21,336,043</b>	34,392,789	21,454,895

**C17. Comparative Figures**

The following comparatives have been reclassified to conform with the current year's presentation:

	<b>Group</b>	
	<b>As restated</b>	As previously
	<b>RM'000</b>	reported
		<b>RM'000</b>
(i) <u>Balance sheet as at 31 March 2009</u>		
Cash and short-term funds	<b>4,990,686</b>	4,998,175
Derivative financial assets	<b>40,858</b>	17,310
Balances due from clients and brokers	<b>44,680</b>	69,525
Land held for investment	<b>27,748</b>	28,922
Other assets	<b>235,626</b>	233,930
Deposits and placements of banks and other financial institutions	<b>(1,183,387)</b>	(1,190,782)
Derivative financial liabilities	<b>(49,564)</b>	(26,016)
Balances due to clients and brokers	<b>(51,856)</b>	(76,701)
Other liabilities	<b>(956,532)</b>	(954,930)
Deferred tax liabilities	<b>(31)</b>	(1,205)

	<b>Group</b>			
	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	As restated	As previously	As restated	As previously
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
(ii) <u>Income statement for the</u> <u>financial year ended</u> <u>31 March 2009</u>				
Interest income	<b>300,618</b>	304,857	<b>1,250,599</b>	1,250,187
Interest expense	<b>(143,852)</b>	(151,560)	<b>(595,975)</b>	(588,618)
Net income from				
Islamic banking business	<b>40,011</b>	39,319	<b>165,128</b>	163,935
Other operating income	<b>63,866</b>	60,083	<b>235,038</b>	232,618
Other operating expenses	<b>(161,952)</b>	(155,956)	<b>(559,406)</b>	(564,429)
Allowance for losses on loans, advances and financing and other losses	<b>(35,728)</b>	(34,684)	<b>(115,131)</b>	(112,042)
Allowance for impairment	<b>(57,290)</b>	(56,386)	<b>(76,941)</b>	(78,339)

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
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**C18. Interest Rate Risk**

GROUP	----- Non-trading book -----						Non-interest/ profit sensitive	Trading book	Total	Effective interest/ profit rate %
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-5 years	Over 5 years				
As at 31 March 2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>ASSETS</b>										
Cash and short-term funds	3,006,169	-	-	-	-	-	558,376	-	3,564,545	2.21
Deposits and placements with banks and other financial institutions	-	150,000	156	-	-	-	-	-	150,156	2.38
Securities available-for-sale	96,539	1,303,340	230,086	176,628	3,292,957	39,982	15,296	-	5,154,828	3.22
Securities held-to-maturity	-	2,700	-	57,319	847,349	5,199	18,853	-	931,420	2.81
Loans, advances and financing	15,475,122	1,264,499	551,325	358,905	1,601,953	1,351,853	44,788 *	-	20,648,445	5.40
Balances due from clients and brokers	441	-	-	-	-	-	72,127	-	72,568	12.00
Other non-interest/profit sensitive balances	-	-	-	-	-	-	1,096,955	44,698	1,141,653	-
<b>TOTAL ASSETS</b>	<b>18,578,271</b>	<b>2,720,539</b>	<b>781,567</b>	<b>592,852</b>	<b>5,742,259</b>	<b>1,397,034</b>	<b>1,806,395</b>	<b>44,698</b>	<b>31,663,615</b>	
<b>LIABILITIES</b>										
Deposits from customers	11,636,012	1,768,370	1,889,989	3,680,162	135,986	-	4,517,812	-	23,628,331	1.53
Deposits and placements of banks and other financial institutions	875,212	531,017	135,775	1,700	743,460	-	2,502	-	2,289,666	1.96
Amount due to Cagamas Berhad	-	-	-	-	28,077	-	-	-	28,077	4.54
Bills and acceptances payable	241,035	285,476	11,839	-	-	-	-	-	538,350	2.45
Balances due to clients and brokers	36,489	-	-	-	-	-	43,760	-	80,249	1.50
Subordinated bonds	-	-	-	-	600,000	-	-	-	600,000	6.09
Long term borrowings	-	-	-	-	600,000	-	-	-	600,000	3.33
Other non-interest/profit sensitive balances	-	-	-	-	-	-	897,086	50,175	947,261	-
<b>TOTAL LIABILITIES</b>	<b>12,788,748</b>	<b>2,584,863</b>	<b>2,037,603</b>	<b>3,681,862</b>	<b>2,107,523</b>	<b>-</b>	<b>5,461,160</b>	<b>50,175</b>	<b>28,711,934</b>	
Equity	-	-	-	-	-	-	2,947,141	-	2,947,141	-
Minority interests	-	-	-	-	-	-	4,540	-	4,540	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>12,788,748</b>	<b>2,584,863</b>	<b>2,037,603</b>	<b>3,681,862</b>	<b>2,107,523</b>	<b>-</b>	<b>8,412,841</b>	<b>50,175</b>	<b>31,663,615</b>	
On-balance sheet interest/profit sensitivity gap	5,789,523	135,676	(1,256,036)	(3,089,010)	3,634,736	1,397,034	(6,606,446)	(5,477)	-	
Off-balance sheet interest/ptofit sensitivity gap	-	-	-	-	-	-	-	-	-	
<b>Total interest/profit sensitivity gap</b>	<b>5,789,523</b>	<b>135,676</b>	<b>(1,256,036)</b>	<b>(3,089,010)</b>	<b>3,634,736</b>	<b>1,397,034</b>	<b>(6,606,446)</b>	<b>(5,477)</b>	<b>-</b>	

\* Non-performing loans, specific allowance and general allowance of the Group are classified as non-interest/profit sensitive.

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C18. Interest Rate Risk (cont'd)

GROUP	----- Non-trading book -----						Non-interest/ profit sensitive	Trading book	Total	Effective interest/ profit rate
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-5 years	Over 5 years				
<b>As at 31 March 2009</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>ASSETS</b>										
Cash and short-term funds	4,533,432	-	-	-	-	-	457,254	-	4,990,686	2.00
Deposits and placements with banks and other financial institutions	-	195,860	2,663	-	-	-	-	-	198,523	1.57
Securities held-for-trading	-	-	-	-	-	-	-	46,055	46,055	3.30
Securities available-for-sale	682,878	1,915,832	951,476	233,214	2,306,065	220,770	9,887	-	6,320,122	3.11
Securities held-to-maturity	15,000	116,000	40,130	26,366	93,044	5,227	18,853	-	314,620	4.79
Loans, advances and financing	13,724,402	929,957	512,891	618,787	2,131,856	797,176	3,028*	-	18,718,097	5.45
Balances due from clients and brokers	880	-	-	-	-	-	43,800	-	44,680	12.00
Other non-interest/profit sensitive balances	-	-	-	-	-	-	1,172,527	40,858	1,213,385	-
<b>TOTAL ASSETS</b>	<b>18,956,592</b>	<b>3,157,649</b>	<b>1,507,160</b>	<b>878,367</b>	<b>4,530,965</b>	<b>1,023,173</b>	<b>1,705,349</b>	<b>86,913</b>	<b>31,846,168</b>	
<b>LIABILITIES</b>										
Deposits from customers	12,796,023	2,115,330	2,295,656	4,212,964	237,102	-	3,918,366	-	25,575,441	2.22
Deposits and placements of banks and other financial institutions	443,236	127,973	5,367	4,883	594,781	-	7,147	-	1,183,387	1.43
Amount due to Cagamas Berhad	-	12,051	15,914	30,426	-	-	-	-	58,391	3.66
Bills and acceptances payable	2,097	45	73	-	-	-	-	-	2,215	2.91
Balances due to clients and brokers	30,680	-	-	-	-	-	21,176	-	51,856	2.50
Subordinated bonds	-	-	-	-	600,000	-	-	-	600,000	6.09
Long term borrowings	-	-	-	-	600,000	-	-	-	600,000	3.33
Other non-interest/profit sensitive balances	-	-	-	-	-	-	958,776	49,564	1,008,340	-
<b>TOTAL LIABILITIES</b>	<b>13,272,036</b>	<b>2,255,399</b>	<b>2,317,010</b>	<b>4,248,273</b>	<b>2,031,883</b>	<b>-</b>	<b>4,905,465</b>	<b>49,564</b>	<b>29,079,630</b>	
Equity	-	-	-	-	-	-	2,761,885	-	2,761,885	-
Minority interests	-	-	-	-	-	-	4,653	-	4,653	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13,272,036</b>	<b>2,255,399</b>	<b>2,317,010</b>	<b>4,248,273</b>	<b>2,031,883</b>	<b>-</b>	<b>7,672,003</b>	<b>49,564</b>	<b>31,846,168</b>	
On-balance sheet interest/profit sensitivity gap	5,684,556	902,250	(809,850)	(3,369,906)	2,499,082	1,023,173	(5,966,654)	37,349	-	
Off-balance sheet interest/ptofit sensitivity gap	-	-	-	-	-	-	-	-	-	
<b>Total interest/profit sensitivity gap</b>	<b>5,684,556</b>	<b>902,250</b>	<b>(809,850)</b>	<b>(3,369,906)</b>	<b>2,499,082</b>	<b>1,023,173</b>	<b>(5,966,654)</b>	<b>37,349</b>	<b>-</b>	

\* Non-performing loans, specific allowance and general allowance of the Group are classified as non-interest/profit sensitive.

**C19. Net Income from Islamic Banking Business**

	<b>GROUP</b>			
	<b>4th Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31.3.2010</b>	<b>31.3.2009</b>	<b>31.3.2010</b>	<b>31.3.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	<b>61,138</b>	44,682	<b>212,251</b>	186,724
Income derived from investment of Islamic Banking funds	<b>6,296</b>	4,860	<b>25,212</b>	22,543
Transfer from/(to) profit equalisation reserve	<b>14,490</b>	(968)	<b>50,058</b>	1,867
Income attributable to depositors and financial institutions	<b>(17,628)</b>	(15,173)	<b>(59,130)</b>	(69,564)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	<b>1,343</b>	(823)	<b>(1,911)</b>	(2,949)
	<b>65,639</b>	32,578	<b>226,480</b>	138,621
Add: Income due to head office eliminated at Group level	<b>5,435</b>	7,433	<b>19,341</b>	26,507
	<b>71,074</b>	40,011	<b>245,821</b>	165,128

Note:

Net income from Islamic banking business comprises income generated from both Alliance Islamic Bank Berhad ("AIS") and Islamic banking business currently residing in Alliance Investment Bank Berhad ("AIBB"). Both AIS and AIBB are wholly-owned subsidiaries of Alliance Bank Malaysia Berhad, which in turn is a wholly-owned subsidiary of the Company.

**By Order of the Board**

**LEE WEI YEN (MAICSA 7001798)**

Group Company Secretary

Kuala Lumpur

31 May 2010