

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		31.3.2011	31.3.2010	31.3.2011	31.3.2010
		RM'000	RM'000	RM'000	RM'000
Interest income	C1	309,451	259,479	1,203,438	1,063,067
Interest expense	C2	(149,621)	(103,991)	(533,176)	(477,539)
Net interest income		159,830	155,488	670,262	585,528
Net income from Islamic banking business	C3	58,504	71,074	232,732	245,821
		218,334	226,562	902,994	831,349
Other operating income	C4	52,201	50,996	225,722	233,170
Net income		270,535	277,558	1,128,716	1,064,519
Other operating expenses	C5	(146,315)	(138,701)	(544,900)	(554,631)
Share of loss in an associate		(1,470)	-	(1,470)	-
Operating profit		122,750	138,857	582,346	509,888
(Allowance for)/write-back of loss on loans, advances and financing and other losses	C6	(9,304)	(19,439)	(33,309)	31,931
Write-back of/(allowance for) impairment		916	(12,016)	4,076	(132,881)
Profit before taxation and zakat		114,362	107,402	553,113	408,938
Taxation and zakat	B5	(29,456)	(30,153)	(143,962)	(107,438)
Net profit after taxation and zakat		84,906	77,249	409,151	301,500
Other comprehensive income:					
Revaluation reserve on financial investments available-for-sale					
- Net loss from change in fair value		(9,305)	(10,363)	(7,925)	(16,979)
- Transfer from deferred tax assets		2,326	2,591	1,981	4,245
Other comprehensive loss, net of tax		(6,979)	(7,772)	(5,944)	(12,734)
Total comprehensive income for the year		77,927	69,477	403,207	288,766
Profit attributable to:					
Equity holders of the Company		84,934	77,253	409,202	301,424
Minority interests		(28)	(4)	(51)	76
Net profit after taxation and zakat		84,906	77,249	409,151	301,500
Total comprehensive income attributable to:					
Equity holders of the Company		77,955	69,481	403,258	288,690
Minority interests		(28)	(4)	(51)	76
Total comprehensive income for the year		77,927	69,477	403,207	288,766
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	B14(a)	5.5	5.0	26.7	19.7
- Diluted (sen)	B14(b)	5.5	5.0	26.7	19.6

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2010)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		UNAUDITED AS AT 31.3.2011	AUDITED AS AT 31.3.2010
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		914,038	3,564,545
Deposits and placements with banks and other financial institutions		100,228	150,156
Financial assets held-for-trading	C7	1,938,250	-
Financial investments available-for-sale	C8	9,259,940	5,154,828
Financial investments held-to-maturity	C9	940,726	931,420
Derivative financial assets	B10	32,047	44,698
Loans, advances and financing	C10	21,796,319	20,705,491
Balances due from clients and brokers	C11	80,519	72,568
Investment properties		27,748	27,748
Other assets	C12	87,621	129,661
Tax recoverable		3,244	24,316
Statutory deposits		291,108	258,506
Investment in associate		28,530	-
Property, plant and equipment		104,837	135,093
Intangible assets		357,682	361,858
Deferred tax assets		109,099	102,727
TOTAL ASSETS		36,071,936	31,663,615
LIABILITIES AND EQUITY			
Deposits from customers	B9(a), C13	28,345,647	23,628,331
Deposits and placements of banks and other financial institutions	B9(b), C14	1,952,200	2,289,666
Derivative financial liabilities	B10	33,347	50,175
Amount due to Cagamas Berhad		125,776	28,077
Bills and acceptances payable		111,159	538,350
Balances due to clients and brokers	C15	86,743	80,249
Other liabilities	C16	811,890	892,880
Subordinated bonds	B9(c)	600,000	600,000
Long term borrowings	B9(d)	601,272	600,000
Provision for taxation		40,507	4,201
Deferred tax liabilities		6,792	5
TOTAL LIABILITIES		32,715,333	28,711,934
Share capital		1,548,106	1,548,106
Reserves		1,847,175	1,445,732
Shares held for Employees' Share Scheme		(43,167)	(46,697)
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS		3,352,114	2,947,141
Minority interests		4,489	4,540
TOTAL EQUITY		3,356,603	2,951,681
TOTAL LIABILITIES AND EQUITY		36,071,936	31,663,615
COMMITMENTS AND CONTINGENCIES	C17	15,909,028	14,293,097
Net assets per share attributable to ordinary equity holders of the Company (RM)*		2.17	1.90

* 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 Statements of Financial Position should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2010)

ALLIANCE FINANCIAL GROUP BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

-----<----- Attributable to Equity Holders of the Company ----->-----

	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
31 MARCH 2011												
At 1 April 2010, as previously stated	1,548,106	304,289	493,477	7,013	7,440	12,341	26,388	(46,697)	594,784	2,947,141	4,540	2,951,681
Effects of adopting FRS 139	-	-	-	-	67,124	-	-	-	36,330	103,454	-	103,454
At 1 April 2010, as restated	1,548,106	304,289	493,477	7,013	74,564	12,341	26,388	(46,697)	631,114	3,050,595	4,540	3,055,135
Net profit/(loss) after taxation and zakat	-	-	-	-	-	-	-	-	409,202	409,202	(51)	409,151
Other comprehensive income	-	-	-	-	(5,944)	-	-	-	-	(5,944)	-	(5,944)
Total comprehensive income for the year	-	-	-	-	(5,944)	-	-	-	409,202	403,258	(51)	403,207
Transfer to statutory reserve	-	-	50,891	-	-	-	-	-	(50,891)	-	-	-
Transfer from PER	-	-	-	-	-	-	(25,355)	-	25,355	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(107,086)	(107,086)	-	(107,086)
Share-based payment under ESS	-	-	-	-	-	5,347	-	-	-	5,347	-	5,347
ESS shares vested to:												
- employees of subsidiaries	-	-	-	-	-	(3,485)	-	3,485	-	-	-	-
- own employees	-	-	-	-	-	(45)	-	45	-	-	-	-
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(390)	-	-	390	-	-	-
At 31 March 2011	1,548,106	304,289	544,368	7,013	68,620	13,768	1,033	(43,167)	908,084	3,352,114	4,489	3,356,603
31 MARCH 2010												
At 1 April 2009	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
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	301,424	301,424	76	301,500
Other comprehensive income	-	-	-	-	(12,734)	-	-	-	-	(12,734)	-	(12,734)
Total comprehensive income 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)	-	-	-
Purchase of shares pursuant to ESS	-	-	-	-	-	-	-	(12,570)	-	(12,570)	-	(12,570)
Share-based payment under ESS	-	-	-	-	-	7,020	-	-	-	7,020	-	7,020
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(97,884)	(97,884)	-	(97,884)
Dissolution of subsidiaries	-	-	-	-	-	-	-	-	-	-	(189)	(189)
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	-	-	-
At 31 March 2010	1,548,106	304,289	493,477	7,013	7,440	12,341	26,388	(46,697)	594,784	2,947,141	4,540	2,951,681

(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 2010)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	Unaudited 12 Months Ended 31.3.2011	Audited 12 Months Ended 31.3.2010
	RM'000	RM'000
Profit before taxation and zakat	553,113	408,938
Adjustments for non-cash items	(104,127)	(13,092)
Operating profit before changes in working capital	448,986	395,846
Changes in working capital	937,646	(2,267,722)
Taxes and zakat paid	(118,616)	(35,573)
Net cash generated from/(used in) operating activities	1,268,016	(1,907,449)
Net cash used in investing activities	(3,746,344)	587,975
Net cash used in financing activities	(165,434)	(154,441)
Net change in cash and cash equivalents	(2,643,762)	(1,473,915)
Cash and cash equivalents at beginning of year	3,470,296	4,944,211
Cash and cash equivalents at end of year	826,534	3,470,296

Cash and cash equivalents comprise the following:

Cash and short-term funds	914,038	3,564,545
Less: Monies held in trust	(87,504)	(94,249)
	826,534	3,470,296

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited Annual Financial Statements of the Group for the financial year ended 31 March 2010)

**[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 financial quarter and the financial year ended 31 March 2011 have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), Bank Negara Malaysia's ("BNM") Revised Guidelines on Financial Reporting for Licensed Institutions 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 2010. 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 2010.

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 2010, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2010:

- FRS 7 "Financial Instruments: Disclosures"
- FRS 8 "Operating Segments"
- FRS 101 "Presentation of Financial Statements"
- FRS 123 "Borrowing Costs"
- FRS 139 "Financial Instruments: Recognition and Measurement"
- Amendments to FRS 139 "Financial Instruments: Recognition and Measurement", FRS 7 "Financial Instruments: Disclosures"
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations"
- Amendment to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation
- IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions"
- IC Interpretation 13 "Customer Loyalty Programmes"
- Amendment to FRS 132 "Financial Instruments: Presentation" - Classification of rights issues
- TR i-3 "Presentation of Financial Statements of Islamic Financial Institutions"
- Improvements to FRSs (2009)

A1. Basis Of Preparation (cont'd.)

From 1 April 2010, the Group is required to apply the amended FRS 139 "Financial Instruments: Recognition and Measurement" ("FRS 139") for the first time in the presentation of its annual consolidated financial statements. The amendments to FRS 139 above include an additional transitional arrangement for entities in the financial sector, whereby BNM prescribed the use of an alternative basis for collective assessment of impairment by banking institutions. This transitional arrangement, as prescribed in BNM's guidelines on Classification and Impairment Provisions for Loans/Financing issued in January 2010, and its principal effects is also disclosed in Note C19.

In preparing these financial information, management has used its best knowledge of expected standards and interpretations, facts and circumstances, and accounting policies that will be applied when the Group prepares its interim financial statements in accordance with FRS 134 "Interim Financial Reporting" as at 31 March 2011, which is inclusive of FRS 139.

The following revised FRSs, new IC Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 July 2010, and have yet to be adopted by the Group:

- FRS 1 "First-time Adoption of Financial Reporting Standards"
- FRS 3 "Business Combinations"
- FRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
- FRS 101 "Presentation of Financial Statements"
- FRS 124 "Related Party Disclosure"
- FRS 127 "Consolidated and Separate Financial Statements"
- FRS 138 "Intangible Assets"
- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations"
- Amendments to FRS 7 "Financial Instruments: Disclosures"
- IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 4 "Determining whether an Arrangement contains a Leases"
- IC Interpretation 17 "Distribution of Non-cash Assets to Owners"
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"

A2. Declaration Of Audit Confirmation

The annual audited report on the financial statements for the financial year ended 31 March 2010 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 financial quarter and the financial year ended 31 March 2011.

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 financial quarter and the financial year ended 31 March 2011 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 financial quarter and the financial year ended 31 March 2011.

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 financial quarter and the financial year ended 31 March 2011.

A7. Dividends Paid

- (a) A First Interim Dividend of 3.3 sen per share, tax exempt under the single tier tax system in respect of the financial year ended 31 March 2011, on 1,548,105,929 ordinary shares amounting to RM50,458,000 was paid on 27 August 2010.
- (b) A Second Interim Dividend of 3.7 sen per share, tax exempt under the single tier tax system in respect of the financial year ended 31 March 2011, on 1,548,105,929 ordinary shares amounting to RM56,628,000 was paid on 28 February 2011.

** 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 RM629,000 and RM652,000 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

The following segment information has been prepared in accordance with FRS 8 Operating Segments, which defines the requirements for the disclosure of financial information of an entity's operating segments. The operating segments results are prepared based on the Group's internal management reporting reflective of the organisation's management reporting structure.

The Group is organised into the following key operating segments:

(i) Consumer Banking

Consumer Banking provides a wide range of personal banking solutions covering mortgages, term loans, personal loans, hire purchase facilities, credit cards, wealth management (cash management, investment services, share trading, bancassurance and will writing). Consumer banking customers are serviced via branch network, call centre, electronic/internet banking channels, and direct sales channels.

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

(ii) **Business Banking**

Business Banking segment covers Small and Medium Enterprise ("SME"), Commercial and Corporate Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Commercial and Corporate Banking serve larger business customers, with Commercial Banking targeting family-owned businesses while Corporate Banking focus on public-listed and large corporate. Business Banking provides a wide range of services and products covering loans, trade finance, cash management, treasury and structured solutions.

(iii) **Financial Markets**

Financial Markets provide foreign exchange, money market, hedging, wealth management and investment (capital market instruments) solutions for banking customers. It also manages the assets and liabilities, liquidity and statutory reserve requirements of the banking entities in the Group.

(iv) **Investment Banking**

Investment Banking covers stockbroking activities and corporate advisory which include initial public offering, equity and debt fund raising, loan syndication, mergers and acquisition, as well as corporate restructuring.

(v) **Others**

Others refer to mainly other business operations such as alternative distribution channels, unit trust, asset management, trustee services and head office.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

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

GROUP As at 31 March 2011	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter- segment Elimination RM'000	Total RM'000
Net interest income/(expense)								
- external income/(expense)	222,475	245,160	198,381	4,574	(2,660)	667,930	2,332	670,262
- inter-segment	41,922	47,967	(87,173)	(2,716)	-	-	-	-
	264,397	293,127	111,208	1,858	(2,660)	667,930	2,332	670,262
Net income from Islamic banking business	116,889	55,832	35,027	-	-	207,748	24,984	232,732
Other operating income	73,499	102,130	39,638	29,615	170,806	415,688	(189,966)	225,722
Net income	454,785	451,089	185,873	31,473	168,146	1,291,366	(162,650)	1,128,716
Other operating expenses	(236,522)	(166,875)	(33,987)	(32,608)	(24,495)	(494,487)	3,598	(490,889)
Depreciation and amortisation	(27,180)	(15,164)	(7,445)	(3,960)	(262)	(54,011)	-	(54,011)
Operating profit	191,083	269,050	144,441	(5,095)	143,389	742,868	(159,052)	583,816
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(37,035)	2,972	412	644	(302)	(33,309)	-	(33,309)
Write-back of impairment	-	1,139	2,937	-	-	4,076	-	4,076
Segment result	154,048	273,161	147,790	(4,451)	143,087	713,635	(159,052)	554,583
Share of results in an associate								(1,470)
Taxation and zakat								(143,962)
Net profit after taxation and zakat								409,151
Segment assets	12,730,209	9,134,341	15,449,464	248,641	2,502,007	40,064,662	(4,596,118)	35,468,544
Reconciliation of segment assets to consolidated assets:								
Investment in an associate								28,530
Property, plant and equipment								104,837
Unallocated assets								112,343
Intangible assets								357,682
Total assets								36,071,936
Segment liabilities	15,677,949	9,272,735	8,953,812	116,286	658,497	34,679,279	(2,011,245)	32,668,034
Unallocated liabilities								47,299
Total liabilities								32,715,333

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

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

GROUP As at 31 March 2010	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter- segment Elimination RM'000	Total RM'000
Net interest income/(expense)								
- external income/(expense)	184,324	218,300	176,233	5,494	(2,269)	582,082	3,446	585,528
- inter-segment	50,089	28,573	(76,532)	(2,130)	-	-	-	-
	234,413	246,873	99,701	3,364	(2,269)	582,082	3,446	585,528
Net income from Islamic banking business	149,901	58,972	17,607	-	-	226,480	19,341	245,821
Other operating income	77,664	99,864	49,433	31,739	162,588	421,288	(188,118)	233,170
Net income	461,978	405,709	166,741	35,103	160,319	1,229,850	(165,331)	1,064,519
Other operating expenses	(225,803)	(165,686)	(64,895)	(21,346)	(23,456)	(501,186)	2,713	(498,473)
Depreciation and amortisation	(25,365)	(14,997)	(11,435)	(4,105)	(256)	(56,158)	-	(56,158)
Operating profit	210,810	225,026	90,411	9,652	136,607	672,506	(162,618)	509,888
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(58,175)	90,251	(128)	310	(327)	31,931	-	31,931
Write-back of/(Allowance for) impairment	-	3,281	(134,746)	(4,252)	(2,055)	(137,772)	4,891	(132,881)
Segment result	152,635	318,558	(44,463)	5,710	134,225	566,665	(157,727)	408,938
Taxation and zakat								(107,438)
Net profit after taxation and zakat								301,500
Segment assets	12,538,126	8,256,399	12,441,012	240,976	2,488,658	35,965,171	(4,925,550)	31,039,621
Reconciliation of segment assets to consolidated assets:								
Property, plant and equipment								135,093
Unallocated assets								127,043
Intangible assets								361,858
Total assets								31,663,615
Segment liabilities	13,923,858	9,063,520	7,286,408	117,038	649,692	31,040,516	(2,332,788)	28,707,728
Unallocated liabilities								4,206
Total liabilities								28,711,934

A9. Material Event During The Financial Reporting Period

Employees' Share Scheme ("ESS")

On 23 September 2010, 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) 7,959,300 share options under the Share Option Plan at an option price of RM3.15 per share which will be vested subject to the achievement of performance conditions.
- (ii) 2,169,200 share grants under the Share Grant Plan. The first 50% of the share grants are to be vested at the end of the 2nd year and the remaining 50% of the share grants are to be vested at the end of the 3rd 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.

A10. Material Events Subsequent To The End Of The Financial Reporting Period

(a) Tier-2 Subordinated Medium Term Notes Programme of Up to RM 1.5 billion in nominal value ("Subordinated MTN Programme")

On 8 April 2011, Alliance Bank Malaysia Berhad ("ABMB"), a wholly-owned subsidiary of AFGB had completed the issuance of RM600 million Subordinated Medium Term Notes ("Subordinated Notes") under the RM1.5 billion Subordinated MTN Programme.

The Subordinated MTN Programme was earlier approved by Bank Negara Malaysia ("BNM") and the Securities Commission ("SC") on 30 December 2010 and 25 February 2011 respectively. The Subordinated Notes are eligible for inclusion as Tier-2 capital of ABMB under BNM's capital adequacy regulations.

The Subordinated Notes have been assigned a long term rating of A2 by RAM Rating Services Berhad with tenure of 10 years, callable five (5) years after the issue date and on every coupon payment date thereafter, subject to BNM's approval.

The coupon rate for the Subordinated Notes is fixed at 4.82% per annum, payable semi-annually throughout the entire tenure and was issued at discount. The proceeds shall be used to redeem the existing RM600 million Subordinated Bonds of ABMB callable on 26 May 2011.

(b) Dissolution Of Subsidiary

KLCS Asset Management Sdn. Bhd., a subsidiary of Alliance Investment Bank Berhad was dissolved on 28 April 2011 pursuant to Section 272(5) of the Companies Act, 1965.

A11. Changes In The Composition Of The Group

(a) Dissolution Of Subsidiary

During the financial year ended 31 March 2011, Matrix Core Options & Futures Sdn. Bhd., a subsidiary of the Company, was dissolved on 14 March 2011 pursuant to Section 272(5) of the Companies Act, 1965.

(b) Investment In An Associate

On 18 November 2010, ABMB, a wholly-owned subsidiary of the Company had entered into a Shareholders Agreement with American International Assurance Berhad ("AIA") for the setting up of a joint-venture company known as "AIA AFG Takaful Berhad", with 30% equity participation by ABMB and 70% by AIA, to carry out family takaful business.

AIA AFG Takaful Berhad was incorporated on 6 December 2010 with an authorised share capital of RM200,000,000 divided into 200,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each fully paid. AIA AFG Takaful Berhad officially commenced its business on 28 January 2011.

A12. Changes In Contingent Liabilities Since The Last Annual Financial Reporting Date

Please refer to Note C17.

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

B1. Review Of Performance

For the 12 months ended 31 March 2011, the Group recorded profit before taxation of RM553.1 million, an increase of 35.3% compared to the corresponding period last year. The higher profit was due to higher net income, lower overheads and lower impairment charge.

For the year under review, the Group registered an increase in net interest income of 14.5% due to growth in loans and financing. Gross loans and financing grew by 4.8% year-on-year to RM22.4 billion compared to RM21.4 billion as at 31 March 2010. Similarly, net interest margin improved from 2.48% as of 31 March 2010 to 2.69% as of 31 March 2011.

Costs were contained at RM544.9 million, a savings of 1.8% over the corresponding period last year. Consequently, cost-to-income ratio improved from 52.1% to 48.3%.

The impairment on loans and financing and other losses for the current year recorded a net charge of RM33.3 million compared to net write-back of RM31.9 million in the corresponding period last year. The net write-back of RM31.9 million was mainly due to one-off recovery and write-back of general provisions ("GP") arising from reduction in GP rate from 1.8% to 1.5%.

For the current 12 months ended 31 March 2011, the Group recorded an impairment write-back of RM4.1 million on the Collateralised Loan Obligation ("CLO") upon partial repayment. During the corresponding period last year, total impairment loss of RM132.9 million was incurred for a CLO for which full provision was made in the last financial year.

Gross impaired loans ratio reduced from 3.8% as of 31 March 2010 to 3.3% as of 31 March 2011.

The Group's risk-weighted capital ratio as at 31 March 2011 remained strong at 16.1%, with core capital ratio at 12.0% compared to 15.4% and 11.1% as at 31 March 2010.

For the current quarter under review, the Group recorded profit before taxation of RM114.4 million, an increase of 6.5% compared to the corresponding quarter last year. The improvement was due to lower impairment charge this year as well as change of accounting treatment on Islamic banking Profit Equalization Reserves whereby an amount of RM14.5 million was written-back to statements of comprehensive income in the 4th quarter last year.

B2. Comparison With Immediate Preceding Quarter

For the 4th quarter ended 31 March 2011, the Group recorded profit before taxation of RM114.4 million, a reduction of 24.2% compared to the 3rd quarter ended 31 December 2010. Lower profit was contributed by shorter number of days in the 4th quarter as well as increase in interest expenses attributable to increase in customer deposits which recorded a growth of 7.5% over the past six months.

For the current quarter, the Group also recorded RM1.5 million losses from our joint venture investment, AIA AFG Takaful Berhad, which commenced business operations in January 2011.

B3. Prospects For Next Financial Year

In the Bank Negara Annual Report 2010, BNM anticipates the real gross domestic product ("GDP") to grow between 5% and 6% in 2011; growth momentum is expected to accelerate in the second half of the year with stronger expansion of domestic demand, especially in private consumption and investment. This is supported by favourable labour market conditions, implementation of Government initiatives and continued access to credit. A flexible and accommodative monetary policy remains in place to ensure continued access to competitive financing by all sectors while managing risks to inflation.

At the Group level, we approach the financial year with cautious optimism. Across the Group, we intend to rebuild broad revenue whilst concurrently investing in underlying capabilities and systems to ensure a more diverse range of earnings across our franchises. The Group is committed to building internal capabilities to enable all businesses and key operational areas to support its growth in the future. In addition, we will deliver top-line growth to meet and/or surpass market expectations.

The Group will focus on driving revenue growth especially in Consumer Banking, SME Banking and Treasury, whilst significantly enhancing our non-interest income. We will invest and manage our priorities to address operational, infrastructure, service and human capital aspects of our business in realising our long-term ambitions.

The Group expects to continue to record satisfactory performance in the new financial year ending 31 March 2012.

B4. Profit Forecast

There was no profit forecast issued by the Group.

B5. Taxation And Zakat

GROUP	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Income tax	43,519	28,700	153,755	91,204
- Deferred tax	(14,169)	401	(10,133)	15,623
	29,350	29,101	143,622	106,827
- Under/(over) provision of income tax expense in prior years	21,896	1,007	21,928	(5,868)
- (Over)/under provision of deferred tax in prior years	(21,950)	45	(21,950)	6,386
	29,296	30,153	143,600	107,345
Zakat	160	-	362	93
	29,456	30,153	143,962	107,438

The Group's effective tax rate for the financial period ended 31 March 2011 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 financial quarter and the financial year ended 31 March 2011 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 financial quarter and the financial year ended 31 March 2011 other than investments held by the Group whose activities are regulated by law relating to banking companies and are subject to supervision by BNM.

B8. Status Of Corporate Proposals

There were no corporate proposals announced but not completed other than as disclosed in Note A10(a).

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

	GROUP	
	31.3.2011	31.3.2010
	RM'000	RM'000
(a) Deposits from customers		
Fixed/investment deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	18,547,810	13,649,990
- More than one year (medium/long term)	67,786	135,366
	18,615,596	13,785,356
Others	9,730,051	9,842,975
	28,345,647	23,628,331
(b) Deposits and placements of banks and other financial institutions		
- One year or less (short term)	1,069,289	1,546,206
- More than one year (medium/long term)	882,911	743,460
	1,952,200	2,289,666
(c) Subordinated bonds		
Unsecured and more than one year (medium/long term) (6.09% Tier II Subordinated bonds 2006/2016)	600,000	600,000
(d) Long term borrowings		
<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.)	401,189	400,000
Floating rate term loan (Tenor of 4 years with all in interest rate of Cost of Fund plus 0.5% p.a.)	200,083	200,000
	601,272	600,000

B10. Derivative Financial Instruments

Derivative financial instruments measured at fair values together with their corresponding contract/notional amounts:

	As at 31 March 2011			As at 31 March 2010		
	Principal RM'000	Fair value		Principal RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange and commodity contracts:</u>						
Currency forwards						
- one year or less	442,706	1,217	(7,713)	432,551	5,037	(10,194)
Currency swaps						
- one year or less	1,819,102	18,692	(18,042)	1,810,451	33,075	(32,981)
Currency spots						
- one year or less	76,047	70	(37)	142,983	224	(179)
Currency options						
- one year or less	24,473	90	(57)	66,418	252	(158)
Gold options						
- one year or less	482,299	2,499	(2,499)	-	-	-
	2,844,627	22,568	(28,348)	2,452,403	38,588	(43,512)
<u>Interest rate contracts:</u>						
Interest rate swap	2,112,000	9,479	(4,999)	1,050,000	6,110	(6,663)
- one year or less	380,000	257	(252)	560,000	491	(1,655)
- over one year to three years	1,447,000	6,465	(3,766)	270,000	1,370	(3,114)
- over three years	285,000	2,757	(981)	220,000	4,249	(1,894)
Total derivatives assets/(liabilities)	4,956,627	32,047	(33,347)	3,502,403	44,698	(50,175)

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risk with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2010.

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.

Spots

Spots refer to the buying and selling of the currency where the settlement date is two business days.

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.

B10. Derivative Financial Instruments (cont'd)

Related accounting policies

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 the statement of comprehensive income.

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.

B11. 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) 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 the ABMB's participation was RM18.5 million. In 2002, the credit facilities were restructured to a loan of RM30.0 million, of which the ABMBs 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.

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

- (b) 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 ABMB 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 against ABMB by dismissing its claim and granted judgement 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 filed an appeal to the Court of Appeal against the High Court judgement and applied to the High Court for a 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 then filed an appeal to the Court of Appeal against the said decision.

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

The Court of Appeal has on 18 January 2011 allowed ABMB's appeal by dismissing the counter-claim against ABMB and allowing ABMB's claim against the Defendants. The Defendants have since filed an application for leave to appeal at the Federal Court against the said decision. The Defendant's Notice of Motion for leave to appeal to the Federal Court came up for hearing on 21 March 2011 and the judges adjourned the leave application to another date yet to be fixed pending receipt of Grounds of Judgment from the Court of Appeal.

Hearing for the assessment of damages which was initially fixed for decision on 14 March 2011 has been rescheduled for mention on 15 June 2011 pending outcome of the Defendants application for leave to appeal at the Federal Court.

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

B11. Material Litigation (cont'd)

- (c) (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.

The Court had fixed the matter for trial from 23 February 2011 to 25 February 2011.

However, the individual borrower had also filed an application to consolidate the present suit with the suit stated under B11(c)(ii) below. On 27 January 2011, the judge allowed the said application. In view of this decision, the trial dates above have been vacated to another date and suit will be consolidated for hearing together with the suit under section B11(c)(ii) below.

The Court has fixed the matter for further case management on 15 April 2011.

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

- (ii) Arising from the above-mentioned suit (Note B11(c)(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.

The Court has set the matter down for trial from 13 June 2011 to 15 June 2011.

Court has fixed next case management on 15 April 2011 for clarification on the validity of the order to consolidate the present suit with B11(c)(i) above.

Meanwhile, the third party had filed an application for further interrogatories. On 9 December 2010, the Court allowed the third party's application for further interrogatories in part with costs in the cause. On 15 December 2010, ABMB filed its Notice of Appeal against the said decision. The Court has fixed hearing of the appeal on 9 February 2011. On 9 February 2011, the judge allowed the Bank's appeal with costs in the cause. The third party has since filed an appeal against the said decision at the Court of Appeal.

Our 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.

B12. Dividend Declared

No dividend has been proposed or declared for the 4th quarter ended 31 March 2011.

The total dividend paid/declared for the financial year ended 31 March 2011 is 7.0 sen per share, tax exempt under the single tier tax system (2010: 6.4 sen per share, tax exempt under the single tier tax system).

B13. 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.

B14. 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.

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Net profit attributable to equity holders of the Company (RM'000)	84,934	77,253	409,202	301,424
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Effect of shares bought back for ESS ('000)	(17,629)	(17,424)	(17,629)	(17,424)
	1,530,477	1,530,682	1,530,477	1,530,682
Basic earnings per share (sen)	5.5	5.0	26.7	19.7

(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 2011.

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Net profit attributable to equity holders of the Company (RM'000)	84,934	77,253	409,202	301,424
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Effect of shares bought back for ESS ('000)	(17,629)	(17,424)	(17,629)	(17,424)
Effect of Share Grants under ESS ('000)	4,238	4,837	4,238	4,837
	1,534,715	1,535,519	1,534,715	1,535,519
Diluted earnings per share (sen)	5.5	5.0	26.7	19.6

B15. Realised And Unrealised Unappropriated Profits Disclosure

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	2011 Group RM'000
Total retained profits of the Company and its subsidiaries	
- Realised	1,045,846
- Unrealised	144,761
	<u>1,190,607</u>
Less: Consolidation adjustments	<u>(282,523)</u>
Total group retained profits as per consolidated accounts	<u>908,084</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C. Explanatory Notes Pursuant To Appendix C Of Revised BNM/GP8

C1. Interest Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	206,030	194,035	841,945	778,248
Money at call and deposit placements with financial institutions	5,272	11,497	36,855	55,936
Financial assets held-for-trading	452	-	1,044	684
Financial investments available-for-sale	58,889	45,311	206,340	177,797
Financial investments held-to-maturity	7,987	7,525	30,682	17,251
Others	1,185	1,440	4,393	6,024
	279,815	259,808	1,121,259	1,035,940
Accretion of discount less amortisation of premium	29,636	(329)	82,179	27,127
	309,451	259,479	1,203,438	1,063,067

Included in interest income on loan, advances and financing for the current year is interest accrued on impaired loans of the Group of RM8,093,000. Interest income accrued on impaired loans for the comparative financial year, prior to the adoption of FRS 139, was suspended.

C2. Interest Expense

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	11,882	9,225	55,345	39,176
Deposits from customers	120,814	78,165	411,329	370,620
Loans sold to Cagamas Berhad	642	-	642	254
Subordinated bonds	9,010	9,010	36,540	36,540
Long term borrowings	5,325	4,935	21,382	20,017
Others	1,948	2,656	7,938	10,932
	149,621	103,991	533,176	477,539

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C3. Net Income From Islamic Banking Business

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	77,359	62,317	292,564	210,509
Income derived from investment of Islamic Banking funds	6,972	6,460	27,988	25,043
Transfer from profit equalisation reserve ("PER") (Note a)	-	14,490	-	50,058
Income attributable to depositors and financial institutions	(31,848)	(17,628)	(112,805)	(59,130)
	52,483	65,639	207,747	226,480
Add: Income due to head office eliminated at Group level	6,021	5,435	24,985	19,341
	58,504	71,074	232,732	245,821

Note:

- (a) Beginning with the financial period ended 31 March 2010, appropriations to PER were made out of retained profits, whereas in the preceding financial periods such appropriations were made out of gross income.
- (b) 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 ABMB, which in turn is a wholly-owned subsidiary of the Company.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C4. Other Operating Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	8,643	7,114	35,031	30,105
Service charges and fees	8,827	8,070	34,529	36,204
Portfolio management fees	1,711	1,609	6,628	6,290
Corporate advisory fees	1,613	6	3,064	1,130
Underwriting commissions	-	-	949	-
Brokerage fees	5,444	5,760	17,837	26,613
Guarantee fees	1,778	1,703	8,603	7,256
Processing fees	1,490	1,044	11,779	6,000
Commitment fees	3,402	3,570	14,042	13,768
Other fee income	426	3,931	14,645	20,976
	33,334	32,807	147,107	148,342
(b) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	199	(460)	417	(228)
- Financial investments held-to-maturity	-	-	3	-
- Financial investments available-for-sale	-	1,028	3,509	11,556
Unrealised (loss)/gain from revaluation of:				
- Financial assets held-for-trading	(277)	-	256	(5,152)
- Derivative instruments	(6,889)	(3,911)	4,149	3,266
Realised gain on revaluation of derivative instruments	18,462	12,019	43,925	35,533
Gross dividend income from:				
- Financial investments available-for-sale	288	132	3,705	6,321
	11,783	8,808	55,964	51,296
(c) <u>Other income:</u>				
Foreign exchange gain	1,919	4,663	7,415	11,673
Rental income	25	(140)	-	88
(Loss)/gain on disposal of property, plant and equipment	(126)	163	(329)	362
Loss on liquidation of subsidiaries	-	(50)	(7)	(50)
Gain/(loss) on disposal of foreclosed properties	-	1,372	(38)	7,029
Others	5,266	3,373	15,610	14,430
	7,084	9,381	22,651	33,532
Total other operating income	52,201	50,996	225,722	233,170

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C5. Other Operating Expenses

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	65,048	68,081	254,506	255,630
Contribution to EPF	11,373	10,528	42,523	40,246
Share options/grants under ESS	1,271	374	5,347	7,020
Others	7,945	7,555	30,962	28,936
	85,637	86,538	333,338	331,832
Establishment costs:				
Depreciation of property, plant and equipment	8,539	11,743	39,592	39,851
Amortisation of computer software	3,659	4,273	14,420	16,307
Rental of premises	6,647	6,678	26,290	30,402
Water and electricity	948	1,426	5,470	7,280
Repairs and maintenance	3,366	2,515	10,470	8,672
Information technology expenses	7,053	2,869	29,339	29,048
Others	(183)	13,593	13,406	24,888
	30,029	43,097	138,987	156,448
Marketing expenses:				
Promotion and advertisement	4,235	3,101	8,912	9,420
Branding and publicity	1,775	1,077	4,861	2,790
Others	1,321	982	4,805	4,297
	7,331	5,160	18,578	16,507
Administration and general expenses:				
Communication expenses	3,540	2,899	11,681	11,849
Printing and stationery	1,462	1,119	4,619	4,493
Insurance	3,332	(8,728)	10,501	4,530
Professional fees	6,935	3,898	13,668	11,538
Others	8,049	4,718	13,528	17,434
	23,318	3,906	53,997	49,844
Total other operating expenses	146,315	138,701	544,900	554,631

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C6. Allowance For/(Write-back Of) Losses On Loans, Advances And Financing And Other Losses

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Allowance for/(write-back of) losses on loans and financing:				
(a) Individual assessment allowance				
- made during the year (net)	14,267	-	87,812	-
(b) Collective assessment allowance				
- made during the year (net)	11,760	-	15,992	-
(c) Specific allowance				
- made during the year	-	80,488	-	331,471
- written back during the year	-	(56,357)	-	(292,765)
(d) General allowance				
- made during the year	-	13,724	-	59,732
- written back during the year	-	(7,344)	-	(77,041)
(e) Bad debts on loans and financing				
- recovered	(18,603)	(12,228)	(80,844)	(59,246)
- written off	891	113	3,988	435
	8,315	18,396	26,948	(37,414)
Allowance for commitments and contingencies	(921)	-	59	1,433
Allowance for other assets	1,910	1,043	6,302	4,050
	9,304	19,439	33,309	(31,931)

C7. Financial Assets Held-for-trading

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Bank Negara Malaysia bills	1,848,299	-
Malaysian Government securities	59,951	-
Malaysian Government treasury bills	30,000	-
Total financial assets held-for-trading	1,938,250	-

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C8. Financial Investments Available-for-sale

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government securities	3,244,713	1,748,115
Malaysian Government investment certificates	764,371	566,495
Cagamas bonds	35,396	205,629
Negotiable instruments of deposits	1,741,201	459,444
Bankers' acceptances	1,388,637	799,951
<u>Quoted securities in Malaysia:</u>		
Shares	3,875	3,919
Debt securities	7,818	7,591
<u>Unquoted securities:</u>		
Shares	117,587	11,377
Debt securities	1,956,342	1,352,307
Total financial investments available-for-sale	9,259,940	5,154,828

C9. Financial Investments Held-to-maturity

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government securities	804,820	811,208
Malaysian Government investment certificates	105,624	39,368
At cost		
<u>Quoted securities in Malaysia:</u>		
Debt securities	4,902	4,902
<u>Unquoted securities:</u>		
Shares	-	22,021
Debt securities	116,711	152,248
Accumulated impairment	(91,331)	(98,327)
Total financial investments held-to-maturity	940,726	931,420

The table below shows the movements in accumulated impairment during the financial year for the Group:

	<u>Group</u>
	2011
	RM'000
At beginning of year	
- As previously stated	98,327
- Effects of adopting FRS 139	(3,505)
As restated	94,822
Write-back during the year	(3,491)
At end of year	91,331

The Group has applied FRS 7 prospectively in accordance with the transitional provision and hence, the comparative are not shown.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C10. Loans, Advances And Financing

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Overdrafts	1,753,908	1,632,204
Term loans/financing		
- Housing loans/financing	8,325,550	8,054,424
- Syndicated term loans/financing	287,171	278,248
- Hire purchase receivables	784,046	950,585
- Lease receivables	-	104
- Other term loans/financing	6,310,426	6,043,582
Bills receivables	179,607	56,017
Trust receipts	176,527	161,042
Claims on customers under acceptance credits	2,202,863	2,025,751
Staff loans [include RM121,000 loans to Directors of banking subsidiary (31.3.2010: RM182,000)]	60,938	69,271
Credit/charge card receivables	663,059	685,003
Revolving credits	1,347,748	1,114,634
Other loans	347,518	339,071
Gross loans, advances and financing	22,439,361	21,409,936
Add: Sales commissions and handling fees	24,969	57,046
Less: Allowance for losses on loan, advances and financing		
- Individual assessment allowance	(328,375)	-
- Collective assessment allowance	(339,636)	-
- Specific allowance	-	(438,582)
- General allowance	-	(322,909)
Total net loans, advances and financing	21,796,319	20,705,491

(a) By types of customer:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Domestic non-bank financial institutions		
- Stockbroking companies	20,002	20,001
- Others	187,410	168,766
Domestic business enterprises		
- Small and medium enterprises	4,784,162	4,430,883
- Others	4,531,690	4,133,379
Government and statutory bodies	18,224	16,590
Individuals	12,349,218	12,157,289
Other domestic entities	14,671	5,088
Foreign entities	533,984	477,940
Gross loans, advances and financing	22,439,361	21,409,936

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C10. Loans, Advances And Financing (cont'd)

(b) By interest/profit rate sensitivity:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	107,669	316,948
- Hire purchase receivables	784,046	950,134
- Other fixed rate loans/financing	2,208,270	2,188,491
Variable rate		
- Base lending rate plus	14,983,540	14,097,157
- Cost plus	4,125,070	3,753,267
- Other variable rates	230,766	103,939
Gross loans, advances and financing	22,439,361	21,409,936

(c) By economic purposes:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Purchase of securities	354,975	351,976
Purchase of transport vehicles	703,969	907,561
Purchase of landed property	11,514,820	11,092,067
of which: - Residential	8,671,706	8,408,597
- Non-residential	2,843,114	2,683,470
Purchase of fixed assets excluding land and buildings	99,836	66,540
Personal use	2,093,967	2,007,919
Credit card	663,059	685,003
Construction	253,621	293,211
Working capital	6,116,583	5,514,660
Others	638,531	490,999
Gross loans, advances and financing	22,439,361	21,409,936

(d) By geographical distribution:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Northern region	1,882,761	1,775,991
Central region	16,442,221	15,626,298
Southern region	2,014,167	1,942,685
East Malaysia region	2,100,212	2,064,962
Gross loans, advances and financing	22,439,361	21,409,936

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C10. Loans, Advances And Financing (cont'd)

(e) By residual contractual maturity:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Within one year	6,854,057	6,307,079
One year to less than three years	786,069	906,149
Three years to less than five years	1,389,240	1,408,276
Over five years	13,409,995	12,788,432
Gross loans, advances and financing	22,439,361	21,409,936

(f) Movements in impaired loans, advances and financing ("impaired loans"):

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
At 1 April 2010		
- As previously stated	806,279	875,070
- Effects of adopting FRS 139	37,587	-
As restated	843,866	875,070
Impaired during the year	564,613	670,112
Reclassified as non-impaired during the year	(328,118)	(412,025)
Recoveries	(190,022)	(194,930)
Amount written off	(149,015)	(131,948)
At end of year	741,324	806,279
Gross impaired loans as a percentage of gross loans, advances and financing	3.3%	3.8%

(g) Impaired loans analysed by economic purposes:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Purchase of securities	10,268	16,399
Purchase of transport vehicles	8,959	13,992
Purchase of landed property	283,410	336,433
of which: - Residential	209,057	240,152
- Non-residential	74,353	96,281
Purchase of fixed assets excluding land & buildings	182	198
Personal use	37,151	40,451
Credit card	12,694	14,188
Construction	12,777	14,905
Working capital	315,987	321,637
Others	59,896	48,076
Gross impaired loans	741,324	806,279

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C10. Loans, Advances And Financing (cont'd)

(h) Impaired loans by geographical distribution:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Northern region	104,487	76,455
Central region	500,546	543,900
Southern region	68,965	95,821
East Malaysia region	67,326	90,103
	<u>741,324</u>	<u>806,279</u>

(i) Movements in the allowance for impaired loans are as follows:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Individual assessment allowance		
At 1 April 2010		
- As previously stated	-	-
- Effects of adopting FRS 139	389,578	-
As restated	389,578	-
Allowance made during the year (net)	87,812	-
Amount written off	(149,015)	-
	<u>328,375</u>	<u>-</u>
At end of year		
Collective assessment allowance		
At 1 April 2010		
- As previously stated	-	-
- Effects of adopting FRS 139	323,644	-
As restated	323,644	-
Allowance made during the year (net)	15,992	-
	<u>339,636</u>	<u>-</u>
At end of year		
As % of gross loans, advances and financing less individual assessment allowance	<u>1.5%</u>	<u>-</u>

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C10. Loans, Advances And Financing (cont'd)

- (j) Movements in the allowance for impaired loans are as follows (contd.):

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Specific Allowance		
At 1 April 2010		
- As previously stated	438,582	531,824
- Effects of adopting FRS 139	(438,582)	-
As restated	-	531,824
Allowance made during the year	-	331,471
Amount written back in respect of recoveries	-	(292,765)
Amount written off	-	(131,948)
At end of year	-	438,582

Included in specific allowance of the Group are allowances made for high risk accounts which are still performing amounting to RM NIL (31.3.2010: RM23,414,000).

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
General Allowance		
At 1 April 2010		
- As previously stated	322,909	340,218
- Effects of adopting FRS 139	(322,909)	-
As restated	-	340,218
Allowance made during the year	-	59,732
Amount written back	-	(77,041)
At end of year	-	322,909
As % of gross loans, advances and financing less specific allowance	-	1.5%

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C11. Balances Due From Clients And Brokers

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Due from clients	96,318	89,050
Due from brokers	-	-
	96,318	89,050
Less: Allowance for other losses	(15,799)	(16,482)
	80,519	72,568

These represent amounts receivable by AIBB from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

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

Included in the balances due from clients and brokers are impaired accounts, as follows:

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Classified as doubtful	976	691
Classified as bad	15,856	16,150
	16,832	16,841

The movements in allowance for other losses are as follows:

At beginning of year	16,482	17,530
Allowance made during the year	2,214	848
Reversal of allowance	(2,897)	(959)
Bad debts written off against allowance	-	(937)
	15,799	16,482

C12. Other Assets

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Other receivables, deposits and prepayments	103,113	85,942
Interest/income receivable	-	61,191
Trade receivables	2,190	32
Foreclosed properties	4,200	4,349
	109,503	151,514
Less: Allowance for other losses	(21,882)	(21,853)
	87,621	129,661

C13. Deposits From Customers

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
<u>By type of deposits:</u>		
Demand deposits	8,010,395	8,122,263
Savings deposits	1,633,845	1,679,449
Fixed/investment deposits	14,580,270	12,215,318
Money market deposits	3,042,274	1,160,946
Negotiable instruments of deposits	993,052	409,092
Structured deposits [Note (a)]	85,811	41,263
	28,345,647	23,628,331

Note:

(a) Structured deposits represent foreign currency time deposits with embedded foreign exchange and gold commodity linked options.

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
<u>(b) By type of customers:</u>		
Domestic financial institutions	998,676	415,986
Government and statutory bodies	1,069,088	837,472
Business enterprises	10,111,082	8,152,109
Individuals	15,227,162	13,531,116
Others	939,639	691,648
	28,345,647	23,628,331

(c) The maturity structure of fixed/ investment deposits, money market deposits and negotiable instruments of deposit are as follow:

Due within six months	14,449,496	9,977,806
Six months to one year	4,098,314	3,672,184
One year to three years	54,539	105,240
Three years to five years	13,247	30,126
	18,615,596	13,785,356

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C14. Deposits And Placements Of Banks And Other Financial Institutions

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Licensed banks	744,993	1,385,564
Licensed investment banks	280,380	80,000
Licensed Islamic banks	6,000	75,000
Bank Negara Malaysia	920,827	749,102
	1,952,200	2,289,666

C15. Balances Due To Clients And Brokers

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Due to clients	80,460	75,984
Due to brokers	6,283	4,265
	86,743	80,249

These mainly relates to amounts payable to non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. 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.

C16. Other Liabilities

	Group	
	31.3.2011	31.3.2010
	RM'000	RM'000
Other payables and accruals	787,517	768,853
Interest/income payable	-	100,573
Remisiers' accounts	24,373	23,454
	811,890	892,880

C17. Capital Adequacy

The capital adequacy ratios of the banking group are computed in accordance with BNM's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The banking group has adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.3.2010: 8.0%) for the risk-weighted capital ratio.

(a) The capital adequacy ratios of the banking group are as follows:

	31.3.2011	31.3.2010
<u>Before deducting proposed dividends</u>		
Core capital ratio	12.40%	11.39%
Risk-weighted capital ratio	<u>16.54%</u>	<u>15.65%</u>
<u>After deducting proposed dividends</u>		
Core capital ratio	11.95%	11.13%
Risk-weighted capital ratio	<u>16.09%</u>	<u>15.40%</u>

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

	31.3.2011	31.3.2010
	RM'000	RM'000
Tier I Capital (Core Capital)		
Paid-up share capital	596,517	596,517
Irredeemable convertible preference shares	4,000	4,000
Share premium	597,517	597,517
Retained profits	1,194,222	882,471
Statutory reserves	786,406	735,515
Other reserves	10,018	10,018
Minority interests	4,488	4,539
	<u>3,193,168</u>	<u>2,830,577</u>
Less: Purchased goodwill/goodwill on consolidation	(302,065)	(302,065)
Deferred tax assets	(108,808)	(99,347)
Total Tier I capital	<u>2,782,295</u>	<u>2,429,165</u>
Tier II Capital		
Subordinated bonds	600,000	600,000
Collective assessment allowance	333,466	-
General allowance	-	322,933
Total Tier II capital	<u>933,466</u>	<u>922,933</u>
Total Capital	3,715,761	3,352,098
Less: Investments in subsidiaries	(3,620)	(12,760)
Total Capital Base	<u>3,712,141</u>	<u>3,339,338</u>

The capital adequacy ratios of the banking group consist of capital base and risk-weighted assets derived from consolidated balances of ABMB and its subsidiaries.

C17. Capital Adequacy (cont'd)

(b) The capital adequacy ratios of the banking subsidiaries are as follows:

	Alliance Bank Malaysia Berhad	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
31 March 2011			
<u>Before deducting proposed dividends</u>			
Core capital ratio	14.63%	11.65%	57.17%
Risk-weighted capital ratio	14.98%	13.37%	57.33%
<u>After deducting proposed dividends</u>			
Core capital ratio	14.09%	11.65%	55.51%
Risk-weighted capital ratio	14.44%	13.37%	55.67%
31 March 2010			
<u>Before deducting proposed dividends</u>			
Core capital ratio	13.57%	11.41%	55.58%
Risk-weighted capital ratio	13.91%	13.21%	55.88%
<u>After deducting proposed dividends</u>			
Core capital ratio	13.28%	11.41%	55.58%
Risk-weighted capital ratio	13.61%	13.21%	55.88%

Note:

- (i) The capital adequacy ratios of Alliance Islamic Bank Berhad ("AIS") are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (CAFIB). AIS has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.3.2010: 8.0%) for the risk-weighted capital ratio.
- (ii) The capital adequacy ratios of Alliance Investment Bank Berhad ("AIBB") are computed in accordance with BNM's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). AIBB has adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.3.2010: 8.0%) for the risk-weighted capital ratio.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

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

Group As at 31 March 2011 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirements RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	5,693,101	5,693,101	-	-
Public sector entities	50,115	50,115	10,023	802
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	3,544,007	3,544,007	707,997	56,640
Insurance companies, Securities Firms and Fund Managers	20,508	20,508	20,508	1,641
Corporates	8,307,011	7,964,488	6,802,410	544,192
Regulatory retail	7,947,769	7,335,513	6,629,408	530,352
Residential mortgages	7,065,748	7,054,380	1,925,014	154,001
Higher risk assets	15,699	15,698	23,548	1,884
Other assets	693,557	693,557	510,783	40,863
Equity exposures	152,540	152,540	224,096	17,928
Defaulted exposures	366,240	360,740	427,503	34,200
Total on-balance sheet exposures	33,856,295	32,884,647	17,281,290	1,382,503
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,171,389	3,166,633	2,777,424	222,194
Derivative financial instruments	123,208	123,208	50,068	4,005
	27,047	27,015	40,523	3,242
Total off-balance sheet exposures	3,321,644	3,316,856	2,868,015	229,441
Total on and off-balance sheet exposures	37,177,939	36,201,503	20,149,305	1,611,944
(ii) Market Risk (Note C17 (f))				
	Long Position	Short Position		
Interest rate risk	1,947,728	(5,004)	48,460	3,877
Equity risk	3,419	-	9,412	753
Foreign currency risk	14,012	(3,158)	14,012	1,121
Total	1,965,159	(8,162)	71,884	5,751
(iii) Operational Risk	-	-	2,222,953	177,836
Total RWA and capital requirements	37,177,939	36,201,503	22,444,142	1,795,531

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

(c) The breakdown of RWA by exposures in each major risk category are as follows (cont'd):

Group As at 31 March 2010 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirements RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	5,182,234	5,182,234	-	-
Public sector entities	50,809	50,809	10,162	813
Banks, DFIs, MDBs	2,821,041	2,821,042	582,524	46,602
Insurance companies, Securities Firms and Fund Managers	20,204	20,204	20,204	1,616
Corporates	7,432,449	7,149,098	6,197,422	495,794
Regulatory retail	7,946,216	7,446,260	5,580,751	446,460
Residential mortgages	6,669,658	6,657,174	2,949,854	235,988
Higher risk assets	7,522	7,530	11,296	904
Other assets	747,641	747,640	548,695	43,895
Equity exposures	34,317	34,317	46,761	3,741
Defaulted exposures	359,469	357,170	441,834	35,347
Total on-balance sheet exposures	31,271,560	30,473,478	16,389,503	1,311,160
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,154,545	3,147,948	2,766,939	221,355
Derivative financial instruments	86,119	86,119	33,275	2,662
Total off-balance sheet exposures	3,240,664	3,234,067	2,800,214	224,017
Total on and off-balance sheet exposures	34,512,224	33,707,545	19,189,717	1,535,177
(ii) Market Risk (Note C17(f))				
	Long Position	Short Position		
Foreign Currency Risk	9,074	(19,663)	19,663	1,573
(iii) Operational Risk	-	-	2,126,663	170,133
Total RWA and capital requirements	34,512,224	33,707,545	21,336,043	1,706,883

Note:

The banking group does not has any issuance of Profit-sharing Investment Account ("PSIA") used as a risk absorbent or any large exposures risk.

The banking group does not has exposure to any Large Exposure Risk for equity holdings specified in BNM's Guidelines on Investment in Shares, Interest-in-Shares and Collective Investment Schemes.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

(d) The breakdown of credit risk exposures by risk-weights are as follows:

Disclosures by risk-weights

GROUP As at 31 March 2011 Risk- Weights	Exposures after netting and Credit risk mitigation										Total exposures after netting and Credit risk mitigation	Total Risk- Weighted Assets
	Sovereigns/ Central banks	Public Sector entities	Banks, DFIs and MDBs	Insurance companies, Securities Firms and Fund Managers	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Equity Exposures			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	5,711,101	-	-	-	-	-	-	-	182,775	-	5,893,876	-
20%	-	50,115	3,608,621	-	1,456,973	-	-	-	-	-	5,115,709	1,023,142
35%	-	-	-	-	-	-	3,991,155	-	-	-	3,991,155	1,396,904
50%	-	-	47,610	-	2,475	15,058	2,575,396	-	-	-	2,640,539	1,320,269
75%	-	-	-	-	-	8,823,274	496,195	-	-	-	9,319,469	6,989,603
100%	-	-	-	20,510	8,233,748	41,220	67,800	-	510,783	9,429	8,883,490	8,883,490
150%	-	-	-	-	113,949	75,895	-	24,310	-	143,111	357,265	535,897
Total exposures	5,711,101	50,115	3,656,231	20,510	9,807,145	8,955,447	7,130,546	24,310	693,558	152,540	36,201,503	20,149,305
Risk-weighted assets by exposures	-	10,023	745,529	20,510	8,697,304	6,780,046	3,124,549	36,465	510,783	224,096	20,149,305	
Average risk-weight	-	20%	20%	100%	89%	76%	44%	150%	74%	147%	56%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

(d) The breakdown of credit risk exposures by risk-weights are as follows (Contd.):

Disclosures by risk-weights

GROUP As at 31 March 2010 Risk- Weights	Exposures after netting and Credit risk mitigation										Total exposures after netting and Credit risk mitigation	Total Risk- Weighted Assets	
	Sovereigns/ Central banks	Public Sector entities	Banks, DFIs and MDBs	Insurance companies, Securities Firms and Fund Managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Equity Exposures			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	5,192,234	-	-	-	-	-	-	-	198,945	-	5,391,179	-	
20%	-	50,809	2,811,286	-	1,182,762	-	-	-	-	-	4,044,857	808,972	
35%	-	-	-	-	-	3,505,236	-	-	-	-	3,505,236	1,226,833	
50%	-	-	93,545	-	6,618	15,326	2,571,166	-	-	-	2,686,655	1,343,327	
75%	-	-	-	-	-	8,964,756	586,082	-	-	-	9,550,838	7,163,128	
100%	-	-	-	20,468	7,585,506	44,448	82,879	-	548,695	9,429	8,291,425	8,291,425	
150%	-	-	-	-	103,685	93,973	-	14,809	-	24,888	237,355	356,032	
Total exposures	5,192,234	50,809	2,904,831	20,468	8,878,571	9,118,503	6,745,363	14,809	747,640	34,317	33,707,545	19,189,717	
Risk-weighted assets by exposures	-	10,162	609,030	20,468	7,980,895	6,916,637	3,034,856	22,213	548,695	46,761	19,189,717		
Average risk-weight	-	20%	21%	100%	90%	76%	45%	150%	73%	136%	57%		
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

(e) The off-balance sheet exposures and their related counterparty credit risk of the Group are as follows:

Group As at 31 March 2011	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	423,539		423,539	423,539
Transaction-related contingent items	515,311		257,655	257,655
Short-term self-liquidating trade-related contingencies	143,281		28,656	28,656
Irrevocable commitments to extent credit:				
- maturity exceeding one year	1,715,131		857,565	727,272
- maturity not exceeding one year	8,155,139		1,631,028	1,380,827
	<u>10,952,401</u>		<u>3,198,443</u>	<u>2,817,949</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	2,844,627	22,568	77,079	40,842
Interest rate related contracts:				
- one year or less	380,000	257	637	127
- over one year to three years	1,447,000	6,465	29,535	5,907
- over three years	285,000	2,757	15,957	3,192
	<u>4,956,627</u>	<u>32,047</u>	<u>123,208</u>	<u>50,068</u>
	<u>15,909,028</u>	<u>32,047</u>	<u>3,321,651</u>	<u>2,868,017</u>

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

(e) The off-balance sheet exposures and their related counterparty credit risk of the Group are as follows (cont'd):

Group As at 31 March 2010	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	501,940		501,940	501,940
Transaction-related contingent items	456,421		228,211	228,211
Short-term self-liquidating trade-related contingencies	167,968		33,594	33,594
Irrevocable commitments to extent credit:				
- maturity exceeding one year	1,526,427		763,214	626,319
- maturity not exceeding one year	8,137,938		1,627,586	1,376,875
	<u>10,790,694</u>		<u>3,154,545</u>	<u>2,766,939</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	2,452,403	38,588	64,501	28,951
Interest rate related contracts:				
- one year or less	560,000	491	2,745	549
- over one year to three years	270,000	1,370	5,423	1,085
- over three years	220,000	4,249	13,450	2,690
	<u>3,502,403</u>	<u>44,698</u>	<u>86,119</u>	<u>33,275</u>
	<u>14,293,097</u>	<u>44,698</u>	<u>3,240,664</u>	<u>2,800,214</u>

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C17. Capital Adequacy (cont'd)

(f) The RWA and capital requirements for the various categories of risk under market risk are as follows:

	Group Risk-Weighted Assets RM'000	Capital Requirements RM'000
As at 31 March 2011		
Interest rate risk		
- General interest rate risk	47,610	3,809
- Specific interest rate risk	850	68
	<u>48,460</u>	<u>3,877</u>
Equity risk		
- General interest rate risk	3,425	274
- Specific interest rate risk	5,987	479
	<u>9,412</u>	<u>753</u>
Foreign exchange risk	14,012	1,121
	<u>71,884</u>	<u>5,751</u>
As at 31 March 2010		
Interest rate risk		
- General interest rate risk	-	-
- Specific interest rate risk	-	-
	<u>-</u>	<u>-</u>
Equity risk		
- General interest rate risk	-	-
- Specific interest rate risk	-	-
	<u>-</u>	<u>-</u>
Foreign exchange risk	19,663	1,573
	<u>19,663</u>	<u>1,573</u>

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

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 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	411,998	-	-	-	-	-	502,040	-	914,038	2.90
Deposits and placements with banks and other financial institutions	-	100,000	160	-	-	-	68	-	100,228	3.05
Financial assets held-for-trading	-	-	-	-	-	-	-	1,938,250	1,938,250	2.82
Financial investments available-for-sale	1,246,175	2,147,162	593,503	140,837	2,761,012	2,187,048	184,203	-	9,259,940	3.50
Financial investments held-to-maturity	10,009	-	633,480	-	292,381	-	4,856	-	940,726	2.75
Loans, advances and financing	16,882,804	1,413,040	336,274	222,518	1,458,636	1,409,734	73,313 *	-	21,796,319	5.67
Balances due from clients and brokers	1,070	-	-	-	-	-	79,449	-	80,519	12.00
Other non-interest/profit sensitive balances	-	-	-	-	-	-	1,009,869	32,047	1,041,916	-
TOTAL ASSETS	18,552,056	3,660,202	1,563,417	363,355	4,512,029	3,596,782	1,853,798	1,970,297	36,071,936	
LIABILITIES										
Deposits from customers	13,893,485	3,176,893	2,484,735	4,129,928	91,335	-	4,569,271	-	28,345,647	2.19
Deposits and placements of banks and other financial institutions	968,458	61,196	8,952	23,447	882,911	-	7,236	-	1,952,200	2.13
Amount due to Cagamas Berhad	-	-	-	100,000	25,134	-	642	-	125,776	3.77
Bills and acceptances payable	86,161	24,948	50	-	-	-	-	-	111,159	3.04
Balances due to clients and brokers	34,516	-	-	-	-	-	52,227	-	86,743	2.55
Subordinated bonds	-	600,000	-	-	-	-	-	-	600,000	6.09
Long term borrowings	-	-	-	-	600,000	-	1,272	-	601,272	3.60
Other non-interest/profit sensitive balances	-	-	-	-	-	-	859,189	33,347	892,536	-
TOTAL LIABILITIES	14,982,620	3,863,037	2,493,737	4,253,375	1,599,380	-	5,489,837	33,347	32,715,333	
Equity	-	-	-	-	-	-	3,352,114	-	3,352,114	-
Minority interests	-	-	-	-	-	-	4,489	-	4,489	-
TOTAL LIABILITIES AND EQUITY	14,982,620	3,863,037	2,493,737	4,253,375	1,599,380	-	8,846,440	33,347	36,071,936	

* Impaired loans, individual assessment allowance and collective assessment allowance of the Group are classified as non-interest/profit sensitive column.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

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				
As at 31 March 2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
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
Financial investments available-for-sale	96,539	1,303,340	230,086	176,628	3,292,957	39,982	15,296	-	5,154,828	3.22
Financial investments 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	359,248	1,644,367	1,366,142	44,788 *	-	20,705,491	5.40
Balances due from clients and brokers	441	-	-	-	-	-	72,127	-	72,568	12.00
Other non-interest/profit sensitive balances	-	-	-	-	-	-	1,039,909	44,698	1,084,607	-
TOTAL ASSETS	18,578,271	2,720,539	781,567	593,195	5,784,673	1,411,323	1,749,349	44,698	31,663,615	
LIABILITIES										
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	-
TOTAL LIABILITIES	12,788,748	2,584,863	2,037,603	3,681,862	2,107,523	-	5,461,160	50,175	28,711,934	
Equity	-	-	-	-	-	-	2,947,141	-	2,947,141	-
Minority interests	-	-	-	-	-	-	4,540	-	4,540	-
TOTAL LIABILITIES AND EQUITY	12,788,748	2,584,863	2,037,603	3,681,862	2,107,523	-	8,412,841	50,175	31,663,615	

* Impaired loans, individual assessment allowance and collective assessment allowance of the Group are classified as non-interest/profit sensitive column.

C19. Change In Accounting Policies

During the current reporting period, the Group adopted the following significant standards and amendments to FRS:

- (i) FRS 139 Financial Instruments: Recognition and Measurement
- (ii) IC Interpretation 9 Reassessment of Embedded Derivatives
- (iii) FRS 7 Financial Instruments: Disclosures
- (iv) Amendments to FRS 139 "Financial Instruments: Recognition and Measurement", FRS 7 "Financial Instruments: Disclosures" and IC Interpretation 9 "Reassessment of Embedded Derivatives"

The objectives of FRS 139 is to establish principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Since the adoption of BNM's revised BNM/GP8 - Guidelines on Financial Reporting for Licensed Institutions on 1 January 2005, certain principles in connection with the recognition, derecognition and measurement of financial instruments, including derivatives instruments which are similar to those prescribed by FRS 139 have been adopted by the Group. With the full adoption of FRS 139 with effect from 1 April 2010 for the Group, this has resulted in the following material changes in accounting policies as follows:

(a) Impairment of loans and advances

Impairment losses are calculated on individual loans and loans assessed collectively.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- (a) significant financial difficulty of the issuer or obligor;
- (b) a breach of contract, such as a default or delinquency in interest or principal payments;
- (c) it becomes probable that the borrower will enter bankruptcy or winding up petition is served on the borrower, significant shareholder or significant guarantor;
- (d) adverse Center Credit Reference Information System ("CCRIS") findings or unfavorable industry developments for that borrower; and
- (e) observable data indicating that there is a measurable decrease in the estimated future cash flows including adverse changes in the repayment behavior of the borrower or downgrade of the borrower's credit ratings.

The estimated period between a loss occurring and its identification is determined by the Group for each identified portfolio. In general, the periods used vary between 6 months and 12 months.

The Group assesses individually whether objective evidence of impairment exists for all assets deemed to be individually significant. If there is objective evidence that an impairment has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment is the current effective interest rate determined under the contract.

C19. Change In Accounting Policies (cont'd)

(a) Impairment of loans and advances (cont'd)

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purposes of measuring the impairment. The interest income is recognised as interest income.

In the amendment to FRS 139, MASB has included an additional transitional arrangement for entities in the financial sector, whereby BNM may prescribe an alternative basis for collective assessment of impairment by banking institutions. The transitional arrangement is prescribed in the guidelines on 'Classification and Impairment Provisions for Loans/Financing' issued on 8 January 2010. For the purposes of a collective evaluation of impairment, the Group is currently reporting under the BNM's transitional arrangement as prescribed in the guidelines issued by BNM.

In accordance with the transitional arrangement under paragraph 103AA of FRS 139, the changes arising from the implementation of FRS 139 have been adjusted to opening retained profits.

(b) Interest income recognition

FRS 139 prescribes that financial assets classified as held-to-maturity and loans and receivables are measured at amortised cost using the effective interest method. Whilst the Group's financial investments held-to-maturity are already measured on this basis under the requirements of BNM's revised BNM/GP8 effective from 1 April 2005, interest income on its loans and receivables continued to be recognised based on contractual interest rates. Upon the full adoption of FRS 139, interest income is recognised using effective interest rates ("EIR"), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loans or, where appropriate, a shorter period to the net carrying amount of the loan. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the loans but does not consider future credit losses. The calculation includes significant fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

In accordance with the transitional arrangement under paragraph 103AA of FRS 139, the changes arising from the implementation of FRS 139 have been adjusted to opening retained profits.

(c) Fair value on unquoted shares previously recorded at amortised cost

BNM's Guideline on Financial Reporting for Licensed Institutions (BNM/GP8) issued in 5 October 2004, allowed the unquoted shares held for purposes of specific socio-economic reasons, to be classified as held-to-maturity and measured at amortised cost.

Upon the adoption of FRS 139, all equity instruments (both quoted and unquoted equity) are required to be measured at fair value. Therefore, the Group had reclassified all the unquoted shares held for purposes of specific socio-economic reasons previously classified as held-to-maturity to available-for-sales portfolio and accordingly, they are to be measured at fair value.

In accordance with the transitional arrangement under paragraph 103AA of FRS 139, the changes arising from the implementation of FRS 139 have been adjusted to opening revaluation reserves.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C19. Change In Accounting Policies (cont'd)

Adjustments due to change in accounting policies

	Audited as at 1 April 2010 RM'000	FRS 139 Fair value/ impairment RM'000	Reclassification RM'000	Adjusted As at 1 April 2010 RM'000
Statements of Financial Position				
ASSETS				
Cash and short-term funds	3,564,545	-	-	3,564,545
Deposits and placements with banks and other financial institutions	150,156	-	-	150,156
Financial investments available-for-sale	5,154,828	89,499	18,516	5,262,843
Financial investments held-to-maturity	931,420	-	(18,516)	912,904
Derivative financial assets	44,698	-	-	44,698
Loans, advances and financing	20,648,445	57,471	-	20,705,916
Balances due from clients and brokers	72,568	-	-	72,568
Land held for investment	27,748	-	-	27,748
Other assets	186,707	(9,034)	-	177,673
Tax recoverable	24,316	-	-	24,316
Statutory deposits	258,506	-	-	258,506
Leasehold land	11,119	-	-	11,119
Property, plant and equipment	123,974	-	-	123,974
Intangible assets	361,858	-	-	361,858
Deferred tax assets	102,727	(34,482)	-	68,245
TOTAL ASSETS	31,663,615	103,454	-	31,767,069
LIABILITIES AND EQUITY				
Deposits from customers	23,628,331	-	-	23,628,331
Deposits and placements of banks and other financial institutions	2,289,666	-	-	2,289,666
Derivative financial liabilities	50,175	-	-	50,175
Amount due to Cagamas Berhad	28,077	-	-	28,077
Bills and acceptances payable	538,350	-	-	538,350
Balances due to clients and brokers	80,249	-	-	80,249
Other liabilities	892,880	-	-	892,880
Subordinated bonds	600,000	-	-	600,000
Long term borrowings	600,000	-	-	600,000
Provision for taxation	4,201	-	-	4,201
Deferred tax liabilities	5	-	-	5
TOTAL LIABILITIES	28,711,934	-	-	28,711,934
Share capital	1,548,106	-	-	1,548,106
Reserves	1,445,732	103,454	-	1,549,186
Shares held for Employees' Share Scheme	(46,697)	-	-	(46,697)
CAPITAL AND RESERVES	2,947,141	103,454	-	3,050,595
ATTRIBUTABLE TO EQUITY HOLDERS	2,947,141	103,454	-	3,050,595
Minority interests	4,540	-	-	4,540
TOTAL EQUITY	2,951,681	103,454	-	3,055,135
TOTAL LIABILITIES AND EQUITY	31,663,615	103,454	-	31,767,069

C20. Comparative Figures

(i) FRS 101: Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, income statements of the Group for the comparative financial year ended 31 March 2010 have been re-presented as a combined statements of total comprehensive income comprising components of profit or loss and other comprehensive income. All non-owner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of other comprehensive income are not presented in the statement of changes in equity. Since these changes only affect presentation aspects, there is no impact to the results, performance and earnings per ordinary share of the Group.

(ii) FRS 7: Financial Instruments: Disclosures

The adoption of FRS 7 during the financial year will result in additional disclosures to be made in the annual accounts of the Group. The standard also require disclosure of the statement of financial position and statement of comprehensive income to be made by categories of financial assets and liabilities, which has minimal impact on the comparative disclosures of the Group, as the presentation is already made by categories of financial assets and liabilities.

In addition to the adoption of FRS 101 and FRS 7 that resulted representation of the comparative, the following comparatives have been reclassified to conform with the current period's presentation.

	Group	
	As restated	As previously
	RM'000	reported
		RM'000
(i) <u>Statements of Financial Position as at 31 March 2010</u>		
Loans, advances and financing	20,705,491	20,648,445
Other assets	129,661	186,707
Property, plant and equipment	135,093	123,974
Leasehold land	-	11,119
	_____	_____

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2011

C20. Comparative Figures (contd.)

	4th Quarter Ended		Group Cumulative 12 Months Ended	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
(ii) <u>Statements of Comprehensive Income</u> <u>for the financial period ended</u> <u>31 March 2010</u>				
Interest income	259,479	269,588	1,063,067	1,094,407
Other operating income	50,996	41,027	233,170	201,830
Other operating expenses	(138,701)	(138,841)	(554,631)	(554,631)

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary

Kuala Lumpur

25 May 2011