

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	2nd Quarter Ended		Cumulative 6 Months Ended	
		30.9.2011	30.9.2010	30.9.2011	30.9.2010
		RM'000	RM'000	RM'000	RM'000
Interest income	C1	343,535	311,551	672,486	588,255
Interest expense	C2	(167,552)	(137,382)	(327,766)	(244,979)
Net interest income		175,983	174,169	344,720	343,276
Net income from Islamic banking business	C3	65,529	58,733	127,356	114,339
		241,512	232,902	472,076	457,615
Other operating income	C4	73,089	64,078	152,300	115,588
Net income		314,601	296,980	624,376	573,203
Other operating expenses	C5	(143,024)	(136,415)	(287,100)	(261,217)
Share of result of associate		(211)	-	(909)	-
Operating profit		171,366	160,565	336,367	311,986
Allowance for losses on loans, advances and financing and other losses	C6	(8,996)	(22,828)	(1,079)	(23,348)
Write-back of/(allowance for) impairment		188	(99)	1,059	(723)
Profit before taxation and zakat		162,558	137,638	336,347	287,915
Taxation and zakat	B5	(41,490)	(35,227)	(85,513)	(74,983)
Net profit after taxation and zakat		121,068	102,411	250,834	212,932
Other comprehensive income:					
Revaluation reserve on financial investments available-for-sale					
- Net gain from change in fair value		67,033	26,611	112,268	27,560
- Transfer to deferred tax assets		(16,758)	(6,653)	(28,067)	(6,890)
Other comprehensive income, net of tax		50,275	19,958	84,201	20,670
Total comprehensive income for the period		171,343	122,369	335,035	233,602
Profit attributable to:					
Owners of the parent		120,954	102,273	250,511	213,009
Non-controlling interests		114	138	323	(77)
Net profit after taxation and zakat		121,068	102,411	250,834	212,932
Total comprehensive income attributable to:					
Owners of the parent		171,229	122,231	334,712	233,679
Non-controlling interests		114	138	323	(77)
Total comprehensive income for the year		171,343	122,369	335,035	233,602
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B14(a)	7.9	6.7	16.4	13.9
- Diluted (sen)	B14(b)	7.9	6.7	16.4	13.9

(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 2011)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		UNAUDITED AS AT 30.9.2011	AUDITED AS AT 31.3.2011
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		1,448,718	914,038
Deposits and placements with banks and other financial institutions		100,355	100,228
Financial assets held-for-trading	C7	981,009	1,938,250
Financial investments available-for-sale	C8	9,464,888	9,259,940
Financial investments held-to-maturity	C9	792,282	940,726
Derivative financial assets	B10	94,426	32,047
Loans, advances and financing	C10	22,891,806	21,796,319
Balances due from clients and brokers	C11	42,600	80,519
Investment properties		27,748	27,748
Other assets	C12	84,269	87,621
Tax recoverable		2,663	3,244
Statutory deposits		1,198,453	291,108
Investment in associate		27,621	28,530
Property, plant and equipment		99,358	104,837
Intangible assets		357,745	357,682
Deferred tax assets		72,167	109,099
TOTAL ASSETS		37,686,108	36,071,936
LIABILITIES AND EQUITY			
Deposits from customers	B9(a), C13	30,399,743	28,345,647
Deposits and placements of banks and other financial institutions	B9(b), C14	1,486,115	1,952,200
Derivative financial liabilities	B10	95,648	33,347
Amount due to Cagamas Berhad		126,036	125,776
Bills and acceptances payable		14,142	111,159
Balances due to clients and brokers	C15	100,713	86,743
Other liabilities	C16	832,160	811,890
Subordinated obligations	B9(c)	611,532	600,000
Long term borrowings	B9(d)	400,000	601,272
Provision for taxation		19,035	40,507
Deferred tax liabilities		12,129	6,792
TOTAL LIABILITIES		34,097,253	32,715,333
Share capital		1,548,106	1,548,106
Reserves		2,095,376	1,847,175
Shares held for Employees' Share Scheme		(59,372)	(43,167)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		3,584,110	3,352,114
Non-controlling interests		4,745	4,489
TOTAL EQUITY		3,588,855	3,356,603
TOTAL LIABILITIES AND EQUITY		37,686,108	36,071,936
COMMITMENTS AND CONTINGENCIES	C17	18,911,370	15,909,028
Net assets per share attributable to owners of the parent (RM)*		2.32	2.17

* The net assets per share attributable to owners of the parent is computed as total equity (excluding non-controlling 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 2011)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

	← Attributable to Owners of the Parent →											
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Employees' Share Scheme ("ESS") Reserve RM'000	Profit Equalisation Reserve ("PER") RM'000	Shares held for ESS RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
30 September 2011												
At 1 April 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
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	250,511	250,511	323	250,834
Other comprehensive income	-	-	-	-	84,201	-	-	-	-	84,201	-	84,201
Total comprehensive income for the period	-	-	-	-	84,201	-	-	-	250,511	334,712	323	335,035
Transfer to statutory reserve	-	-	26,233	-	-	-	-	-	(26,233)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(85,705)	(85,705)	(67)	(85,772)
Share-based payment under ESS	-	-	-	-	-	2,805	-	-	-	2,805	-	2,805
Purchase of shares pursuant to ESS	-	-	-	-	-	-	-	(19,816)	-	(19,816)	-	(19,816)
Transfer to retained profits on share options lapse	-	-	-	-	-	(2,980)	-	-	2,980	-	-	-
ESS shares vested to:												
- employees of subsidiaries	-	-	-	-	-	(3,558)	-	3,558	-	-	-	-
- own employees	-	-	-	-	-	(53)	-	53	-	-	-	-
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	175	-	-	(175)	-	-	-
At 30 September 2011	1,548,106	304,289	570,601	7,013	152,821	10,157	1,033	(59,372)	1,049,462	3,584,110	4,745	3,588,855
30 September 2010												
At 1 April 2010	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	-	-	-	-	-	-	-	-	213,009	213,009	(77)	212,932
Other comprehensive income	-	-	-	-	20,670	-	-	-	-	20,670	-	20,670
Total comprehensive income/(loss) for the period	-	-	-	-	20,670	-	-	-	213,009	233,679	(77)	233,602
Transfer to statutory reserve	-	-	29,266	-	-	-	-	-	(29,266)	-	-	-
Transfer to PER	-	-	-	-	-	-	(9,400)	-	9,400	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(50,458)	(50,458)	-	(50,458)
Share-based payment under ESS	-	-	-	-	-	2,778	-	-	-	2,778	-	2,778
ESS shares vested to:												
- employees of subsidiaries	-	-	-	-	-	(2,029)	-	2,029	-	-	-	-
- own employees	-	-	-	-	-	(23)	-	23	-	-	-	-
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(79)	-	-	79	-	-	-
At 30 September 2010	1,548,106	304,289	522,743	7,013	95,234	12,988	16,988	(44,645)	773,878	3,236,594	4,463	3,241,057

(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 2011)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

	Unaudited 6 Months Ended 30.9.2011 RM'000	Unaudited 6 Months Ended 30.9.2010 RM'000
Profit before taxation and zakat	336,347	287,915
Adjustments for non-cash items	(129,443)	(25,860)
Operating profit before changes in working capital	206,904	262,055
Changes in working capital	487,572	1,498,872
Taxes and zakat paid	(92,191)	(5,066)
Net cash generated from operating activities	602,285	1,755,861
Net cash generated from/(used in) investing activities	251,582	(3,068,350)
Net cash used in financing activities	(331,539)	(79,378)
Net changes in cash and cash equivalents	522,328	(1,391,867)
Cash and cash equivalents at beginning of year	826,534	3,470,296
Cash and cash equivalents at end of period	1,348,862	2,078,429

Cash and cash equivalents comprise the following:

Cash and short-term funds	1,448,718	2,144,250
Less: Monies held in trust	(99,856)	(65,821)
	1,348,862	2,078,429

(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 2011)

**[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 2nd financial quarter and the financial half year ended 30 September 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 2011. 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 2011.

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 2011, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2011:

- FRS 3 (revised) "Business Combinations"
- FRS 127 (revised) "Consolidated and Separate Financial Statements"
- Amendments to FRS 2 "Share-based Payment: Group Cash-settled Share-based Payment Transactions"
- Amendments to FRS 7 "Financial Instruments: Disclosures" and FRS 1 "First-time Adoption of Financial Reporting Standards"
- IC Interpretation 4 "Determining whether an Arrangement contains a Leases"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"
- Improvements to FRSs (2010)

The revised FRS 3 continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The application of this standard is not expected to have a material impact on the financial statements of the Group.

The revised FRS 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the statement of comprehensive income. The application of this standard is not expected to have a material impact on the financial statements of the Group.

A1. Basis Of Preparation (cont'd.)

The adoption of the Amendments to FRS 7 and FRS 1 require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendments require disclosure of fair value measurements by level of a fair value measurement hierarchy.

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 April 2012, and have yet to be adopted by the Group:

- FRS 124 "Related Party Transactions" (effective 1 January 2012)
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective from 1 July 2011)

The preparation of unaudited condensed interim financial statements in conformity with the Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ.

A2. Declaration Of Audit Confirmation

The annual audited report on the financial statements for the financial year ended 31 March 2011 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 2nd financial quarter and the financial half year ended 30 September 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 2nd financial quarter and the financial half year ended 30 September 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 2nd financial quarter and the financial half year ended 30 September 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 2nd financial quarter and the financial half year ended 30 September 2011, other than as disclosed in Note A9(c).

A7. Dividends Paid

A First Interim Dividend of 5.6 sen per share, tax exempt under the single tier tax system in respect of the financial year ending 31 March 2012, on 1,548,105,929 ordinary shares amounting to RM85,705,000 was paid on 26 August 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 RM988,610 being dividend paid for those shares were added back to the appropriation of retained profits in respect of the first interim dividend.*

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.

(ii) Business Banking

Business Banking segment covers Small and Medium Enterprise ("SME") and Wholesale Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Wholesale Banking serves public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including 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)
SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

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

GROUP As at 30 September 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)	72,510	149,583	117,601	2,293	(1,423)	340,564	4,156	344,720
- inter-segment	51,003	853	(50,074)	(1,782)	-	-	-	-
	123,513	150,436	67,527	511	(1,423)	340,564	4,156	344,720
Net income from Islamic banking business	60,659	33,938	19,575	-	-	114,172	13,184	127,356
Other operating income	43,270	65,710	50,154	12,653	154,393	326,180	(173,880)	152,300
Net income	227,442	250,084	137,256	13,164	152,970	780,916	(156,540)	624,376
Other operating expenses	(119,439)	(95,959)	(18,441)	(19,042)	(12,109)	(264,990)	1,400	(263,590)
Depreciation and amortisation	(11,347)	(7,778)	(2,982)	(1,339)	(64)	(23,510)	-	(23,510)
Operating profit	96,656	146,347	115,833	(7,217)	140,797	492,416	(155,140)	337,276
Write-back of/(allowance for) losses on loans, advances and financing and other losses	728	173	(1,620)	(62)	(298)	(1,079)	-	(1,079)
Write-back of/(allowance for) impairment	-	2,519	-	-	(1,460)	1,059	-	1,059
Segment result	97,384	149,039	114,213	(7,279)	139,039	492,396	(155,140)	337,256
Share of results in an associate								(909)
Taxation and zakat								(85,513)
Net profit after taxation and zakat								250,834
Segment assets	12,318,705	10,653,362	16,184,211	230,615	2,290,912	41,677,805	(4,551,251)	37,126,554
Reconciliation of segment assets to consolidated assets:								
Investment in an associate								27,621
Property, plant and equipment								99,358
Unallocated assets								74,830
Intangible assets								357,745
Total assets								37,686,108
Segment liabilities	15,627,524	9,864,099	9,962,405	133,303	456,294	36,043,625	(1,977,536)	34,066,089
Unallocated liabilities								31,164
Total liabilities								34,097,253

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

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

GROUP As at 30 September 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)	129,200	125,494	86,906	2,180	(1,418)	342,362	914	343,276
- inter-segment	14,185	19,486	(32,457)	(1,214)	-	-	-	-
	143,385	144,980	54,449	966	(1,418)	342,362	914	343,276
Net income from Islamic banking business	68,136	27,156	7,296	-	-	102,588	11,751	114,339
Other operating income	41,141	54,752	13,900	11,377	81,477	202,647	(87,059)	115,588
Net income	252,662	226,888	75,645	12,343	80,059	647,597	(74,394)	573,203
Other operating expenses	(116,114)	(80,925)	(21,044)	(9,183)	(11,219)	(238,485)	1,240	(237,245)
Depreciation and amortisation	(11,653)	(6,754)	(3,538)	(1,885)	(142)	(23,972)	-	(23,972)
Operating profit/(loss)	124,895	139,209	51,063	1,275	68,698	385,140	(73,154)	311,986
(Allowance for)/write-back of losses on loans, advances and financing and other losses	(13,784)	(9,820)	93	343	(180)	(23,348)	-	(23,348)
Write-back of/(allowance for) impairment	-	579	(1,302)	-	-	(723)	-	(723)
Segment result	111,111	129,968	49,854	1,618	68,518	361,069	(73,154)	287,915
Taxation and zakat								(74,983)
Net profit after taxation and zakat								212,932
Segment assets	12,643,541	8,622,841	16,028,843	210,829	2,505,919	40,011,973	(4,820,022)	35,191,951
Reconciliation of segment assets to consolidated assets:								
Property, plant and equipment								119,550
Unallocated assets								82,226
Intangible assets								360,150
Total assets								35,753,877
Segment liabilities	13,997,212	10,103,071	9,776,884	130,385	668,310	34,675,862	(2,233,667)	32,442,195
Unallocated liabilities								70,633
Total liabilities								32,512,828

A9. Material Event During The Financial Reporting Period

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

On 22 July 2011, 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) 9,764,000 share options under the Share Option Plan at an option price of RM3.58 per share which will be vested subject to the achievement of performance conditions.
- (ii) 2,127,600 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.

Save for Sng Seow Wah, who is the Group Chief Executive Officer of the Alliance Bank Malaysia Berhad, none of the other Directors of the Company were offered/awarded any share options/share grants.

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

(b) Shares Purchased pursuant to ESS

During the six months ended 30 September 2011, the Trustee of the ESS had purchased 5,991,200 ordinary shares of RM1.00 each fully paid in the Company from the open market at an average price of RM3.30 per share. The total consideration paid for the purchase including transaction costs was RM19,816,000. The shares purchased are being held in trust by the Trustee of the ESS in accordance with the Trust Deed dated 3 December 2007.

In the financial half-year ended 30 September 2011, 1,428,150 shares have been vested and transferred from the Trustee to the eligible employees of the Company and its subsidiaries in accordance with the terms under the Share Grant Plan of the ESS. As at 30 September 2011, the Trustee of the ESS held 22,191,800 ordinary shares representing 1.43% of the issued and paid-up capital of the Company.

(c) Tier-2 Subordinated Medium Term Notes Programme of Up to RM1.5 billion in nominal value ("Subordinated MTN Programme")

On 8 April 2011, Alliance Bank Malaysia Berhad ("ABMB"), a wholly-owned subsidiary of the Company 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 a discount. The proceeds have been used to redeem the existing RM600 million Subordinated Bonds of ABMB on 26 May 2011.

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

There was no material event subsequent to the end of the financial reporting period that require disclosure or adjustment to the unaudited condensed interim financial statements.

A11. Changes In The Composition Of The Group

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

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 current quarter under review, the Group recorded profit before taxation of RM162.6 million, an increase of 18.1% compared to the corresponding quarter last year. For the 6 months ended 30 September 2011, the Group recorded profit before taxation of RM336.3 million, an increase of 16.8% compared to the corresponding period last year.

The increase in profit was due to higher other operating income, net income from Islamic banking business and lower impairment charge.

For the 6 months ended 30 September 2011, the Group registered 14.3% growth in interest income due to the 8.1% expansion in loans. Net loan/financing registered year-on-year growth of 8.1%, driven mainly by the expansion in housing loans and SME lending. Meanwhile, the loan-to-deposit ratio has improved further to 77.3% as at September 2011, as compared with 82.8% a year ago, as deposits expanded by 15.3%. Current and Savings Account (CASA) accounted for 34.8% of the Group's customer deposits as at 30 September 2011.

Other operating income registered a 31.8% growth mainly due to higher fee income and gains from treasury trading and investment activities. The overall fee to total income ratio improved from 20.8% a year ago to 25.5%. Despite the moderate rise of 9.9% in overhead expenses due to the expansion in business operations, the Group's Cost-to-Income ratio is maintained at 46.0% similar to the corresponding period last year.

Reflecting the on-going efforts to improve the asset quality, the Group's net impaired loans ratio has declined further to 1.4%, as compared with 2.2% as of 30 September 2010. Risk-weighted capital ratio continues to remain strong at 15.8%, with core capital ratio at 11.9% compared to 16.1% and 11.9% a year ago.

B2. Comparison With Immediate Preceding Quarter

For the second quarter ended 30 September 2011, the Group reported a marginally lower profit before taxation of RM162.6 million, compared with RM173.8 million for the quarter ended 30 June 2011, as the first quarter results had included several one-off loan recoveries.

B3. Current Year Prospect

Arising from the challenging global external environment, the Group expects economic growth to moderate, and interest margins to compress further. Notwithstanding this, the Group is confident that the business strategies that have been implemented will enable the Group to further diversify its revenue, strengthen its operational and risk management infrastructure, service and human capital aspects of our business in realizing our long-term aspirations. Barring any unforeseen circumstances, the Group expects to report a satisfactory performance for the financial year ending 31 March 2012.

B4. Profit Forecast

There was no profit forecast issued by the Group.

B5. Taxation And Zakat

GROUP	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Income tax	52,318	34,428	86,892	73,973
- Deferred tax	(10,804)	597	(1,334)	808
	41,514	35,025	85,558	74,781
- Over provision of income tax expense in prior years	(40)	-	(61)	-
- Under provision of deferred tax in prior years	62	-	62	-
Zakat	(46)	202	(46)	202
	41,490	35,227	85,513	74,983

The Group's effective tax rate for the financial period ended 30 September 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 2nd financial quarter and the financial half year ended 30 September 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 2nd financial quarter and the financial half year ended 30 September 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 as at the financial reporting date.

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

	GROUP	
	30.9.2011	31.3.2011
	RM'000	RM'000
(a) Deposits from customers		
Fixed deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	19,608,372	18,547,810
- More than one year (medium/long term)	64,716	67,786
	19,673,088	18,615,596
Others	10,726,655	9,730,051
	30,399,743	28,345,647
(b) Deposits and placements of banks and other financial institutions		
- One year or less (short term)	838,033	1,069,289
- More than one year (medium/long term)	648,082	882,911
	1,486,115	1,952,200
(c) Subordinated obligations		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated bonds	-	600,000
- Tier II Subordinated Medium Term Notes	611,532	-
(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.)	400,000	401,189
Floating rate term loan (Tenor of 4 years with all in interest rate of Cost of Fund plus 0.5% p.a.)	-	200,083
	400,000	601,272

B10. Derivative Financial Instruments

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

	As at 30 September 2011			As at 31 March 2011		
	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	836,904	31,124	(2,716)	442,706	1,217	(7,713)
Currency swaps						
- one year or less	3,227,211	44,751	(80,257)	1,819,102	18,692	(18,042)
Currency spots						
- one year or less	78,662	219	(220)	76,047	70	(37)
Currency options						
- one year or less	91,324	466	(286)	24,473	90	(57)
Gold options						
- one year or less	404,462	7,896	(4,690)	482,299	2,499	(2,499)
- over one year to three years	46,622	1,649	(1,649)	-	-	-
	4,685,185	86,105	(89,818)	2,844,627	22,568	(28,348)
<u>Interest rate contracts:</u>						
Interest rate swap	1,982,000	8,321	(5,830)	2,112,000	9,479	(4,999)
- one year or less	457,000	814	(358)	380,000	257	(252)
- over one year to three years	1,190,000	3,654	(3,461)	1,447,000	6,465	(3,766)
- over three years	335,000	3,853	(2,011)	285,000	2,757	(981)
Total derivatives assets/(liabilities)	6,667,185	94,426	(95,648)	4,956,627	32,047	(33,347)

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 2011.

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

- (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 ABMB's participation was RM8.31 million, payable over seven years. The syndicated lenders had also filed a suit against the corporate borrower for the recovery of the above-mentioned loan.

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

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 17 November 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.

Trial scheduled on 17 October 2011, 18 October 2011 and 24 November 2011 respectively.

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

- (ii) Arising from the above-mentioned suit (Note 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 ABMB's appeal with costs in the cause. The third party has since filed an appeal against the said decision at the Court of Appeal.

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

On 16 June 2011, the Court of Appeal directed third party and ABMB to enter into a Consent Order which ABMB shall endeavour to produce supportive documents and deliver it to the Plaintiff.

B12. Dividend Declared

No dividend has been proposed or declared for the 2nd financial quarter ended 30 September 2011.

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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 owners of the parent 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.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Net profit attributable to owners of the parent (RM'000)	120,954	102,273	250,511	213,009
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)	(22,192)	(18,232)	(22,192)	(18,232)
	1,525,914	1,529,874	1,525,914	1,529,874
Basic earnings per share (sen)	7.9	6.7	16.4	13.9

(b) **Diluted**

The calculation of the diluted earnings per share is based on the net profit attributable to owners of the parent 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 30 September 2011.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Net profit attributable to owners of the parent (RM'000)	120,954	102,273	250,511	213,009
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)	(22,192)	(18,232)	(22,192)	(18,232)
Effect of Share Grants under ESS ('000)	4,348	3,600	4,348	3,600
	1,530,262	1,533,474	1,530,262	1,533,474
Diluted earnings per share (sen)	7.9	6.7	16.4	13.9

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:

	Period Ended	
	30.9.2011	31.03.2011
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	1,152,900	1,045,846
- Unrealised	178,371	144,761
	1,331,271	1,190,607
Less: Consolidation adjustments	(281,809)	(282,523)
Total group retained profits as per consolidated accounts	1,049,462	908,084

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.

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

C1. Interest Income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	235,532	217,176	456,466	424,859
Money at call and deposit placements with financial institutions	743	20,439	4,226	32,297
Financial assets held-for-trading	1,481	194	2,311	272
Financial investments available-for-sale	72,565	53,520	143,016	94,500
Financial investments held-to-maturity	8,539	7,292	16,710	15,003
Others	852	957	1,934	2,176
	319,712	299,578	624,663	569,107
Accretion of discount less amortisation of premium	23,823	11,973	47,823	19,148
	343,535	311,551	672,486	588,255

C2. Interest Expense

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	10,377	20,293	22,544	33,195
Deposits from customers	143,885	100,882	271,878	179,040
Loans sold to Cagamas Berhad	895	-	1,780	-
Subordinated obligations	7,446	9,210	19,772	18,320
Long term borrowings	4,115	5,412	9,575	10,600
Others	834	1,585	2,217	3,824
	167,552	137,382	327,766	244,979

C3. Net Income From Islamic Banking Business

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	85,725	74,539	168,178	136,838
Income derived from investment of Islamic Banking funds	8,017	6,866	15,492	13,792
Income attributable to depositors and financial institutions	(34,778)	(27,881)	(69,498)	(48,042)
	58,964	53,524	114,172	102,588
Add: Income due to head office eliminated at Group level	6,565	5,209	13,184	11,751
	65,529	58,733	127,356	114,339

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C4. Other Operating Income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	13,464	10,486	26,448	18,286
Service charges and fees	6,769	7,959	14,777	17,015
Portfolio management fees	1,777	1,617	3,578	3,225
Corporate advisory fees	2,431	627	4,538	961
Underwriting commissions	191	172	191	172
Brokerage fees	3,460	3,799	6,942	7,450
Guarantee fees	2,176	2,016	4,430	4,215
Processing fees	1,440	8,187	4,733	9,224
Commitment fees	3,566	3,613	6,984	7,157
Other fee income	2,772	4,521	7,148	8,579
	38,046	42,997	79,769	76,284
(b) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	3,394	95	4,260	(15)
- Financial investments available-for-sale	20,757	218	23,148	1,826
- Financial investments held-to-maturity	-	-	11,994	-
Unrealised (loss)/gain from revaluation of:				
- Financial assets held-for-trading	(717)	314	(1,082)	319
- Derivative instruments	(1,889)	17,298	(3,054)	5,329
Realised gain/(loss) on revaluation of derivative instruments	3,190	(7,973)	14,582	13,203
Gross dividend income from:				
- Financial investments available-for-sale	31	2,154	3,650	3,193
	24,766	12,106	53,498	23,855
(c) <u>Other income:</u>				
Foreign exchange gain	5,701	5,460	8,539	8,244
Rental income	-	25	-	25
(Loss)/gain on disposal of property, plant and equipment	(11)	2	71	(122)
Loss on disposal of foreclosed properties	-	(38)	-	(38)
Others	4,587	3,526	10,423	7,340
	10,277	8,975	19,033	15,449
Total other operating income	73,089	64,078	152,300	115,588

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C5. Other Operating Expenses

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs:</u>				
Salaries, allowances and bonuses	68,661	65,932	142,419	128,610
Contribution to EPF	11,568	10,254	23,429	20,746
Share options/grants under ESS	1,512	1,352	2,805	2,778
Others	7,323	8,776	13,325	14,322
	89,064	86,314	181,978	166,456
<u>Establishment costs:</u>				
Depreciation of property, plant and equipment	7,493	8,062	14,936	16,762
Amortisation of computer software	4,509	3,609	8,574	7,210
Rental of premises	7,347	6,584	13,604	13,415
Water and electricity	1,486	1,060	3,266	2,919
Repairs and maintenance	2,714	2,441	4,784	4,715
Information technology expenses	8,454	5,309	15,631	13,885
Others	4,469	5,456	11,214	9,355
	36,472	32,521	72,009	68,261
<u>Marketing expenses:</u>				
Promotion and advertisement	2,209	1,716	4,769	2,540
Branding and publicity	1,030	1,177	1,916	1,757
Others	1,188	1,310	2,288	2,306
	4,427	4,203	8,973	6,603
<u>Administration and general expenses:</u>				
Communication expenses	3,057	3,139	6,572	4,888
Printing and stationery	1,130	1,185	1,589	2,113
Insurance	1,893	2,426	2,153	4,769
Professional fees	3,209	3,075	6,113	4,063
Others	3,772	3,552	7,713	4,064
	13,061	13,377	24,140	19,897
Total other operating expenses	143,024	136,415	287,100	261,217

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

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Allowance/(write-back of) for losses on loans and financing:				
(a) Individual assessment allowance				
- made during the period (net)	15,781	38,218	11,590	50,161
(b) Collective assessment allowance				
- made during the period (net)	13,095	4,567	23,911	6,494
(c) Bad debts on loans and financing				
- recovered	(20,811)	(21,550)	(37,156)	(37,669)
- written off	88	346	261	468
	8,153	21,581	(1,394)	19,454
(Write-back of)/allowance for commitments and contingencies	(912)	-	(962)	980
Allowance for other assets	1,755	1,247	3,435	2,914
	8,996	22,828	1,079	23,348

C7. Financial Assets Held-for-trading

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Bank Negara Malaysia bills	866,020	1,848,299
Malaysian Government investment certificates	114,989	59,951
Malaysian Government treasury bills	-	30,000
Total financial assets held-for-trading	981,009	1,938,250

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C8. Financial Investments Available-for-sale

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government securities	2,313,861	3,244,713
Malaysian Government investment certificates	2,231,324	764,371
Negotiable instruments of deposits	1,280,560	1,741,201
Bankers' acceptances	1,499,681	1,388,637
Cagamas bonds	35,320	35,396
<u>Quoted securities in Malaysia:</u>		
Shares	3,725	3,875
Debt securities	7,989	7,818
<u>Unquoted securities:</u>		
Shares	137,448	117,587
Debt securities	1,954,980	1,956,342
Total financial investments available-for-sale	9,464,888	9,259,940

C9. Financial Investments Held-to-maturity

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government securities	328,800	804,820
Malaysian Government investment certificates	436,313	105,624
At cost		
<u>Quoted securities in Malaysia:</u>		
Debt securities	4,902	4,902
<u>Unquoted securities:</u>		
Debt securities	77,527	116,711
Accumulated impairment	(55,260)	(91,331)
Total financial investments held-to-maturity	792,282	940,726

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C10. Loans, Advances And Financing

	Group	
	30.9.2011 RM'000	31.3.2011 RM'000
Overdrafts	1,789,574	1,753,908
Term loans/financing		
- Housing loans/financing	8,567,169	8,325,550
- Syndicated term loans/financing	559,470	287,171
- Hire purchase receivables	715,987	784,046
- Other term loans/financing	7,105,793	6,310,426
Bills receivables	230,599	179,607
Trust receipts	191,306	176,527
Claims on customers under acceptance credits	2,278,042	2,202,863
Staff loans [include RM107,000 loans to Directors of banking subsidiary (31.3.2011: RM121,000)]	58,229	60,938
Credit/charge card receivables	621,038	663,059
Revolving credits	1,041,570	1,347,748
Other loans	343,356	347,518
Gross loans, advances and financing	23,502,133	22,439,361
Add: Sales commissions and handling fees	27,547	24,969
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(274,327)	(328,375)
- Collective assessment allowance	(363,547)	(339,636)
Total net loans, advances and financing	22,891,806	21,796,319

(a) By types of customer:

	Group	
	30.9.2011 RM'000	31.3.2011 RM'000
Domestic non-bank financial institutions		
- Stockbroking companies	-	20,002
- Others	145,006	187,410
Domestic business enterprises		
- Small and medium enterprises	5,061,058	4,784,192
- Others	5,092,369	4,531,660
Government and statutory bodies	14,949	18,224
Individuals	12,615,897	12,349,218
Other domestic entities	13,964	14,671
Foreign entities	558,890	533,984
Gross loans, advances and financing	23,502,133	22,439,361

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

(b) By interest/profit rate sensitivity:

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	96,222	107,669
- Hire purchase receivables	715,987	784,046
- Other fixed rate loans/financing	2,039,636	2,207,047
Variable rate		
- Base lending rate plus	15,601,967	14,989,061
- Cost plus	4,753,081	4,120,772
- Other variable rates	295,240	230,766
Gross loans, advances and financing	23,502,133	22,439,361

(c) By economic purposes:

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Purchase of securities	359,720	354,975
Purchase of transport vehicles	625,523	703,969
Purchase of landed property	11,888,629	11,514,820
of which: - Residential	9,020,429	8,671,706
- Non-residential	2,868,200	2,843,114
Purchase of fixed assets excluding land and buildings	110,863	99,836
Personal use	2,066,566	2,093,967
Credit card	621,037	663,059
Construction	184,725	253,621
Mergers and acquisition	200,592	-
Working capital	6,287,289	6,116,583
Others	1,157,189	638,531
Gross loans, advances and financing	23,502,133	22,439,361

(d) By geographical distribution:

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Northern region	1,928,395	1,882,761
Central region	17,429,169	16,442,221
Southern region	2,022,648	2,014,167
East Malaysia region	2,121,921	2,100,212
Gross loans, advances and financing	23,502,133	22,439,361

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

(e) By residual contractual maturity:

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Within one year	6,708,726	6,868,094
One year to three years	702,659	771,372
Three years to five years	1,541,271	1,389,244
Over five years	14,549,477	13,410,651
Gross loans, advances and financing	23,502,133	22,439,361

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

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
At beginning of year	741,324	843,866
Impaired during the period/year	197,724	564,613
Reclassified as non-impaired during the period/year	(208,873)	(328,118)
Recoveries	(63,275)	(190,022)
Amount written off	(65,638)	(149,015)
At end of period/year	601,262	741,324
Gross impaired loans as a percentage of gross loans, advances and financing	2.6%	3.3%

(g) Impaired loans analysed by economic purposes:

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Purchase of securities	9,870	10,268
Purchase of transport vehicles	5,528	8,959
Purchase of landed property	246,072	283,410
of which: - Residential	182,458	209,057
- Non-residential	63,614	74,353
Purchase of fixed assets excluding land & buildings	91	182
Personal use	30,192	37,151
Credit card	11,670	12,694
Construction	11,913	12,777
Working capital	235,601	315,987
Others	50,325	59,896
Gross impaired loans	601,262	741,324

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

(h) Impaired loans by geographical distribution:

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Northern region	97,273	104,487
Central region	389,771	500,546
Southern region	57,608	68,965
East Malaysia region	56,610	67,326
	601,262	741,324

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

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Individual assessment allowance		
At beginning of year	328,375	389,578
Allowance made during the period/year (net)	11,590	87,812
Amount written off	(65,638)	(149,015)
	274,327	328,375
Collective assessment allowance		
At beginning of year	339,636	323,644
Allowance made during the period/year (net)	23,911	15,992
	363,547	339,636

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C11. Balances Due From Clients And Brokers

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Due from clients	54,796	96,318
Due from brokers	3,572	-
	58,368	96,318
Less: Allowance for other losses	(15,768)	(15,799)
	42,600	80,519

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	
	30.9.2011	31.3.2011
	RM'000	RM'000
Classified as doubtful	86	976
Classified as bad	15,975	15,856
	16,061	16,832

The movements in allowance for other losses are as follows:

At beginning of year	15,799	16,482
Allowance made during the period/year	1,390	2,214
Reversal of allowance	(1,421)	(2,897)
At end of period/year	15,768	15,799

C12. Other Assets

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Other receivables, deposits and prepayments	107,217	103,113
Trade receivables	41	2,190
Foreclosed properties	-	4,200
	107,258	109,503
Less: Allowance for other losses	(22,989)	(21,882)
	84,269	87,621

C13. Deposits From Customers

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
<u>By type of deposits:</u>		
Demand deposits	8,912,913	8,010,395
Savings deposits	1,664,747	1,633,845
Fixed/investment deposits	14,265,850	14,580,270
Money market deposits	3,903,621	3,042,274
Negotiable instruments of deposits	1,503,617	993,052
Structured deposits [Note (a)]	148,995	85,811
	30,399,743	28,345,647

Note:

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

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
<u>(b) By type of customers:</u>		
Domestic financial institutions	1,507,961	998,676
Government and statutory bodies	1,499,060	1,069,088
Business enterprises	11,270,431	10,111,082
Individuals	15,225,990	15,227,162
Others	896,301	939,639
	30,399,743	28,345,647

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

Due within six months	16,171,598	14,449,496
Six months to one year	3,436,774	4,098,314
One year to three years	53,340	54,539
Three years to five years	11,376	13,247
	19,673,088	18,615,596

C14. Deposits And Placements Of Banks And Other Financial Institutions

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Licensed banks	364,408	744,993
Licensed investment banks	125,046	280,380
Licensed Islamic banks	251,083	6,000
Bank Negara Malaysia	745,578	920,827
	1,486,115	1,952,200

C15. Balances Due To Clients And Brokers

	Group	
	30.9.2011	31.3.2011
	RM'000	RM'000
Due to clients	100,713	80,460
Due to brokers	-	6,283
	100,713	86,743

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	
	30.9.2011	31.3.2011
	RM'000	RM'000
Other payables and accruals	808,710	787,517
Remisiers' accounts	23,450	24,373
	832,160	811,890

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% (31.3.2011: 8.0%) for the risk-weighted capital ratio.

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

	30.9.2011	31.3.2011
<u>Before deducting proposed dividends</u>		
Core capital ratio	12.32%	12.40%
Risk-weighted capital ratio	16.26%	16.54%
<u>After deducting proposed dividends</u>		
Core capital ratio	11.89%	11.95%
Risk-weighted capital ratio	15.83%	16.09%

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

	30.9.2011	31.3.2011
	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	1,324,599	1,194,222
Statutory reserves	812,639	786,406
Other reserves	10,018	10,018
Non-controlling interests	4,744	4,488
	3,350,034	3,193,168
Less: Purchased goodwill/goodwill on consolidation	(302,065)	(302,065)
Deferred tax assets	(71,978)	(108,808)
Total Tier I capital	2,975,991	2,782,295
Tier II Capital		
Subordinated obligations	597,587	600,000
Collective assessment allowance	358,659	333,466
Total Tier II capital	956,246	933,466
Total Capital	3,932,237	3,715,761
Less: Investments in subsidiaries	(3,620)	(3,620)
Total Capital Base	3,928,617	3,712,141

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
30 September 2011			
<u>Before deducting proposed dividends</u>			
Core capital ratio	14.28%	11.82%	64.51%
Risk-weighted capital ratio	14.66%	13.67%	65.02%
<u>After deducting proposed dividends</u>			
Core capital ratio	13.75%	11.82%	63.30%
Risk-weighted capital ratio	14.13%	13.67%	63.81%
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%

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% (31.3.2011: 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% (31.3.2011: 8.0%) for the risk-weighted capital ratio.

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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 30 September 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	7,475,363	7,475,363	-	-
Public sector entities	50,455	50,455	10,091	807
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	3,205,542	3,205,542	644,465	51,557
Insurance companies, Securities Firms and Fund Managers	504	504	504	40
Corporates	9,160,366	8,633,106	7,728,755	618,300
Regulatory retail	8,055,106	7,427,763	5,574,185	445,935
Residential mortgages	7,265,213	7,253,975	3,125,517	250,041
Higher risk assets	14,936	14,934	22,400	1,792
Other assets	591,858	591,858	416,406	33,312
Equity exposures	170,725	170,725	251,373	20,110
Defaulted exposures	329,115	324,164	395,821	31,666
Total on-balance sheet exposures	36,319,183	35,148,389	18,169,517	1,453,560
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,858,368	3,843,712	3,372,999	269,840
Derivative financial instruments	195,963	195,963	104,173	8,334
Defaulted exposures	22,184	22,170	33,255	2,660
Total off-balance sheet exposures	4,076,515	4,061,845	3,510,427	280,834
Total on and off-balance sheet exposures	40,395,698	39,210,234	21,679,944	1,734,394
(ii) Market Risk (Note C17 (f))				
	Long Position	Short Position		
Interest rate risk	987,407	(5,830)	80,341	6,428
Equity risk	3,419	-	9,412	753
Foreign currency risk	25,995	(2,272)	25,995	2,079
Total	1,016,821	(8,102)	115,748	9,260
(iii) Operational Risk	-	-	2,359,968	188,797
Total RWA and capital requirements	40,395,698	39,210,234	24,155,660	1,932,451

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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 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, DFIs and 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				
Derivative financial instruments	123,208	123,208	50,068	4,005
Defaulted exposures	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

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.

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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 30 September 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	Corporates	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	RM'000
0%	7,493,362	-	-	-	-	-	-	-	175,452	-	-	7,668,814	-
20%	-	50,455	3,265,870	-	1,134,843	-	-	-	-	-	-	4,451,168	890,233
35%	-	-	-	-	-	-	4,251,904	-	-	-	-	4,251,904	1,488,166
50%	-	-	81,796	-	1,185	10,076	2,465,078	-	-	-	-	2,558,135	1,279,068
75%	-	-	-	-	-	9,221,593	542,596	-	-	-	-	9,764,189	7,323,142
100%	-	-	-	4,509	9,596,864	52,930	69,266	-	416,406	9,429	-	10,149,404	10,149,404
150%	-	-	-	-	111,915	70,816	-	22,593	-	161,296	-	366,620	549,931
Total exposures	7,493,362	50,455	3,347,666	4,509	10,844,807	9,355,415	7,328,844	22,593	591,858	170,725	-	39,210,234	21,679,944
Risk-weighted assets by exposures	-	10,091	694,072	4,509	9,992,297	7,080,387	3,196,919	33,890	416,406	251,373	-	21,679,944	-
Average risk-weight	-	20%	21%	100%	92%	76%	44%	150%	70%	147%	-	55%	-
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	-

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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 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	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
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	-	-	-	-	-	-	-	-	-	-	-	-

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C17. Capital Adequacy (cont'd)

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

<u>Group</u>	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
As at 30 September 2011				
<u>Credit-related exposures</u>				
<u>Contingent Liabilities</u>				
Direct credit substitutes	395,664		395,664	395,664
Transaction-related contingent items	528,050		264,025	264,025
Short-term self-liquidating trade-related contingencies	152,779		30,556	30,556
<u>Commitments</u>				
Irrevocable commitments to extent credit:				
- maturity exceeding one year	3,189,227		1,594,614	1,356,690
- maturity not exceeding one year	5,249,982		1,049,996	938,326
unutilised credit card lines	2,728,483		545,697	420,993
	<u>12,244,185</u>		<u>3,880,552</u>	<u>3,406,254</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	4,638,563	84,456	151,272	92,916
- over one year to three years	46,622	1,649	4,879	3,294
Interest rate related contracts:				
- one year or less	457,000	814	1,956	391
- over one year to three years	1,190,000	3,654	20,053	4,011
- over three years	335,000	3,853	17,803	3,561
	<u>6,667,185</u>	<u>94,426</u>	<u>195,963</u>	<u>104,173</u>
	<u>18,911,370</u>	<u>94,426</u>	<u>4,076,515</u>	<u>3,510,427</u>
As at 31 March 2011				
<u>Credit-related exposures</u>				
<u>Contingent Liabilities</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
<u>Commitments</u>				
Irrevocable commitments to extent credit:				
- maturity exceeding one year	1,715,131		857,565	727,272
- maturity not exceeding one year	4,729,308		945,862	852,441
unutilised credit card lines	3,425,831		685,166	528,386
	<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>

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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 30 September 2011		
Interest rate risk		
- General interest rate risk	79,928	6,395
- Specific interest rate risk	413	33
	<u>80,341</u>	<u>6,428</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	25,995	2,079
	<u>115,748</u>	<u>9,260</u>
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>

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C18. Interest Rate Risk

GROUP	Non-trading book						Non-interest/ profit sensitive	Trading book	Total	Effective interest/ profit rate
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-5 years	Over 5 years				
As at 30 September 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	894,687	-	-	-	-	-	554,031	-	1,448,718	2.95
Deposits and placements with banks and other financial institutions	-	100,000	-	165	-	-	190	-	100,355	3.29
Financial assets held-for-trading	-	-	-	-	-	-	-	981,009	981,009	3.11
Financial investments available-for-sale	1,377,296	1,385,469	154,287	190,643	1,967,456	4,174,105	215,632	-	9,464,888	3.76
Financial investments held-to-maturity	-	-	-	184,827	218,016	384,361	5,078	-	792,282	3.53
Loans, advances and financing	17,690,507	1,152,805	287,749	406,302	1,387,460	2,003,595	(36,612)*	-	22,891,806	5.84
Balances due from clients and brokers	377	-	-	-	-	-	42,223	-	42,600	12.00
Other non-interest/profit sensitive balances	-	-	-	-	-	-	1,870,024	94,426	1,964,450	-
TOTAL ASSETS	19,962,867	2,638,274	442,036	781,937	3,572,932	6,562,061	2,650,566	1,075,435	37,686,108	
LIABILITIES										
Deposits from customers	16,877,191	4,436,126	2,645,630	3,466,945	75,900	-	2,897,951	-	30,399,743	2.35
Deposits and placements of banks and other financial institutions	437,983	304,162	11,481	78,860	648,082	-	5,547	-	1,486,115	2.28
Amount due to Cagamas Berhad	-	-	100,000	1,794	21,821	-	2,421	-	126,036	3.77
Bills and acceptances payable	14,091	18	33	-	-	-	-	-	14,142	3.40
Balances due to clients and brokers	72,576	-	-	-	-	-	28,137	-	100,713	2.90
Subordinated obligations	-	-	-	-	611,532	-	-	-	611,532	4.92
Long term borrowings	-	-	-	-	400,000	-	-	-	400,000	3.50
Other non-interest/profit sensitive balances	-	-	-	-	-	-	863,324	95,648	958,972	-
TOTAL LIABILITIES	17,401,841	4,740,306	2,757,144	3,547,599	1,757,335	-	3,797,380	95,648	34,097,253	
Equity	-	-	-	-	-	-	3,584,110	-	3,584,110	-
Non-controlling interests	-	-	-	-	-	-	4,745	-	4,745	-
TOTAL LIABILITIES AND EQUITY	17,401,841	4,740,306	2,757,144	3,547,599	1,757,335	-	7,386,235	95,648	37,686,108	

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

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C18. Interest Rate Risk (cont'd)

GROUP	Non-trading book						Non-interest/ profit sensitive	Trading book	Total	Effective interest/ profit rate
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-5 years	Over 5 years				
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	5.63
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 obligations	-	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	-
Non-controlling 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.

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary

Kuala Lumpur

16 November 2011