

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	1st Quarter Ended		Cumulative 3 Months Ended	
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
		RM'000	RM'000	RM'000	RM'000
Interest income	C1	423,485	374,997	423,485	374,997
Interest expense	C2	(223,664)	(190,536)	(223,664)	(190,536)
Net interest income		199,821	184,461	199,821	184,461
Net income from Islamic banking business	C3	53,674	53,857	53,674	53,857
		253,495	238,318	253,495	238,318
Fee and commission income		74,386	106,835	74,386	106,835
Fee and commission expense		(27,677)	(25,833)	(27,677)	(25,833)
Investment income		33,136	26,016	33,136	26,016
Other income		3,399	18,841	3,399	18,841
Other operating income	C4	83,244	125,859	83,244	125,859
Net income		336,739	364,177	336,739	364,177
Other operating expenses	C5	(161,668)	(174,853)	(161,668)	(174,853)
Operating profit before allowance		175,071	189,324	175,071	189,324
Allowance for losses on loans, advances and financing and other losses	C6	(1,752)	(5,368)	(1,752)	(5,368)
Profit before taxation and zakat		173,319	183,956	173,319	183,956
Taxation and zakat	B5	(42,509)	(46,165)	(42,509)	(46,165)
Net profit after taxation and zakat		130,810	137,791	130,810	137,791
Other comprehensive income/(expense):					
Items that may be reclassified subsequently to profit and loss:					
Revaluation reserve on financial investments available-for-sale					
- Net gain/(loss) from change in fair value		10,079	(37,975)	10,079	(37,975)
- Transfer (to)/from deferred tax		(3,980)	9,494	(3,980)	9,494
Other comprehensive income/(expense), net of tax		6,099	(28,481)	6,099	(28,481)
Total comprehensive income for the period		136,909	109,310	136,909	109,310
Profit attributable to:					
Owners of the parent		130,810	137,791	130,810	137,791
Total comprehensive income attributable to:					
Owners of the parent		136,909	109,310	136,909	109,310
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B13(a)	8.6	9.0	8.6	9.0
- Diluted (sen)	B13(b)	8.6	9.0	8.6	9.0

(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 2014)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		UNAUDITED	
		AS AT	AS AT
		30.06.2014	31.03.2014
		<u>RM'000</u>	<u>RM'000</u>
ASSETS			
Cash and short-term funds		2,107,588	2,129,782
Deposits and placements with banks and other financial institutions		931,138	655,305
Balances due from clients and brokers	C7	171,163	76,265
Financial assets held-for-trading	C8	299,331	110,172
Financial investments available-for-sale	C9	10,188,414	9,738,760
Financial investments held-to-maturity	C10	1,323,771	1,320,122
Derivative financial assets	B10	36,587	39,677
Loans, advances and financing	C11	32,821,626	31,818,991
Other assets	C12	115,620	94,969
Investment in joint venture		417	-
Tax recoverable		9,399	99
Statutory deposits		1,636,509	1,584,244
Property, plant and equipment		91,114	92,633
Intangible assets		354,484	353,256
Deferred tax assets		18,505	32,671
		50,105,666	48,046,946
Non-current assets held for sale	C13	27,748	27,748
TOTAL ASSETS		50,133,414	48,074,694
LIABILITIES AND EQUITY			
Deposits from customers	B9(a), C14	39,614,072	39,237,077
Deposits and placements of banks and other financial institutions	B9(b), C15	4,527,184	3,059,357
Balances due to clients and brokers	C16	143,235	44,834
Derivative financial liabilities	B10	54,297	64,874
Amount due to Cagamas Berhad		13,424	14,014
Other liabilities	C17	1,018,303	859,623
Subordinated obligations	B9(c)	605,605	612,718
Provision for taxation		3,399	10,814
Deferred tax liabilities		6,131	5,367
TOTAL LIABILITIES		45,985,650	43,908,678
Share capital		1,548,106	1,548,106
Reserves		2,710,420	2,730,173
Shares held for Employees' Share Scheme		(110,762)	(112,263)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		4,147,764	4,166,016
TOTAL LIABILITIES AND EQUITY		50,133,414	48,074,694
COMMITMENTS AND CONTINGENCIES	C19	22,917,876	24,146,075
Net assets per share attributable to owners of the parent (RM)*		2.68	2.69

* The net assets per share attributable to owners of the parent is computed as total equity 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 2014)

ALLIANCE FINANCIAL GROUP BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014

	← Attributable to Owners of the Parent →											
	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	Non- controlling Interests	Total Equity
						RM'000	RM'000	RM'000	RM'000		RM'000	
30 June 2014												
At 1 April 2014	1,548,106	304,289	687,017	7,013	7,071	18,912	-	(112,263)	1,705,871	4,166,016	-	4,166,016
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	130,810	130,810	-	130,810
Other comprehensive income	-	-	-	-	6,099	-	-	-	-	6,099	-	6,099
Total comprehensive income for the period	-	-	-	-	6,099	-	-	-	130,810	136,909	-	136,909
Share-based payment under ESS	-	-	-	-	-	2,869	-	-	-	2,869	-	2,869
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(159,233)	(159,233)	-	(159,233)
ESS shares option exercised by:												
- employees of subsidiaries	-	-	-	-	-	(298)	-	298	-	-	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	1,203	-	1,203	-	1,203
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(28)	-	-	28	-	-	-
At 30 June 2014	1,548,106	304,289	687,017	7,013	13,170	21,455	-	(110,762)	1,677,476	4,147,764	-	4,147,764
30 June 2013												
At 1 April 2013	1,548,106	304,289	643,706	7,013	115,397	14,739	1,033	(76,232)	1,472,371	4,030,422	4,747	4,035,169
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	137,791	137,791	-	137,791
Other comprehensive expense	-	-	-	-	(28,481)	-	-	-	-	(28,481)	-	(28,481)
Total comprehensive (expense)/income for the period	-	-	-	-	(28,481)	-	-	-	137,791	109,310	-	109,310
Share-based payment under ESS	-	-	-	-	-	2,228	-	-	-	2,228	-	2,228
ESS shares option exercise by:												
- employees of subsidiaries	-	-	-	-	-	(259)	-	259	-	-	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	1,015	-	1,015	-	1,015
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(55)	-	-	55	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	93	93	(4,747)	(4,654)
At 30 June 2013	1,548,106	304,289	643,706	7,013	86,916	16,653	1,033	(74,958)	1,610,310	4,143,068	-	4,143,068

(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 2014)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014

	Unaudited 3 Months Ended 30.06.2014 RM'000	Unaudited 3 Months Ended 30.06.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	173,319	183,956
Adjustments for:		
Accretion of discount less amortisation of premium of financial investments	(17,411)	(28,106)
Depreciation of property, plant and equipment	5,183	5,794
Dividends from financial investments available-for-sale	(1,613)	(3,880)
(Gain)/loss on disposal of property, plant and equipment	(1)	5
Gain on disposal of a subsidiary	-	(1,169)
Net gain from redemption of financial investments held-to-maturity	-	(1,002)
Net loss from sale of financial assets held-for-trading	28	841
Net gain from sale of financial investments available-for-sale	(6,976)	(16,436)
Unrealised (gain)/loss on revaluation of financial assets held-for-trading	(24)	139
Unrealised gain on revaluation of derivative instruments	(11,419)	(3,165)
Interest expense on subordinated obligations	7,308	7,302
Interest income from financial investments held-to-maturity	(6,755)	(1,659)
Interest income from financial investments available-for-sale	(78,569)	(61,289)
Interest income from financial assets held-for-trading	(214)	(837)
Allowance for loans, advances and financing (net of recoveries)	9,591	11,661
Allowance for other assets	678	270
Amortisation of computer software	4,437	5,322
Share options/grants under ESS	2,846	2,228
Property, plant and equipment written off	200	76
Computer software written off	4	5
Operating profit before working capital changes	80,612	100,056
Changes in working capital:		
Deposits from customers	376,995	(296,585)
Deposits and placements of banks and other financial institutions	1,191,994	225,061
Bills and acceptances payable	-	(73,543)
Balance due from/(to) clients and brokers	3,503	(6,505)
Other liabilities	158,680	57,494
Financial assets held-for-trading	(189,164)	922,726
Loans, advances and financing	(1,012,227)	(603,881)
Other assets	(17,388)	(7,008)
Statutory deposits with Bank Negara Malaysia	(52,265)	9,130
Amount due to Cagamas Berhad	(590)	(561)
Cash generated from operations	540,150	326,384
Taxes and zakat paid	(48,271)	(58,316)
Net cash generated from operating activities	491,879	268,068

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014 (contd.)

	Unaudited 3 Months Ended 30.06.2014 RM'000	Unaudited 3 Months Ended 30.06.2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from financial investments available-for-sale	1,613	3,876
Interest received from financial investments held-to-maturity	6,755	1,659
Interest received from financial investments available-for-sale	78,569	61,289
Interest received from financial assets held-for-trading	214	837
Acquisition of joint venture company net of cash acquired	(394)	-
Purchase of property, plant and equipment	(3,876)	(3,336)
Purchase of computer software	(5,666)	(2,843)
Proceeds from disposal of property, plant and equipment	1	60
Proceeds from disposal of a subsidiary	-	12,250
Proceeds from share option exercised by own employees	1,203	1,015
Proceeds from redemption and maturity of financial investments held-to-maturity (net of purchase)	14,445	(242,660)
Purchase of financial investments available-for-sale, net of proceeds	<u>(433,284)</u>	<u>182,108</u>
Net cash (used in)/generated from investing activities	<u>(340,420)</u>	<u>14,255</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid on subordinated obligations	(14,420)	(14,420)
Dividends paid to shareholders of the Company	<u>(159,233)</u>	<u>-</u>
Net cash used in financing activities	<u>(173,653)</u>	<u>(14,420)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(22,194)	271,044
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,129,782</u>	<u>1,296,681</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,107,588</u>	<u>1,567,725</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>2,107,588</u>	<u>1,567,725</u>

(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 2014)

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

A1. Basis Of Preparation

The unaudited condensed interim financial statements for the first financial quarter ended 30 June 2014 have been prepared under the historical cost convention, as modified by the available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") 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 2014. 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 2014.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2014, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2014:

- Amendment to MFRS 132 "Financial instruments: Presentation" (effective from 1 January 2014)
- Amendments to MFRS 10, MFRS 12 and MFRS 127 (effective from 1 January 2014)
- IC Interpretation 21, 'Levies' (effective from 1 January 2014)
- Amendment to MFRS 139 "Financial instruments: Recognition and measurement" – Novation of derivatives and continuation of hedge accounting (effective 1 January 2014)

The adoption of the above standards, amendments to published standards and interpretation to existing standards are not anticipated to have any significant impact on the financial statements of the Group.

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 April 2014, and have yet to be adopted by the Group:

- MFRS 9 "Financial instruments - Classification and measurement of financial assets and financial liabilities" (effective 1 January 2017)

A1. Basis Of Preparation (contd.)

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

A2. Declaration Of Audit Confirmation

The auditors' report on the annual financial statements for the financial year ended 31 March 2014 was not subject to any qualification.

A3. Seasonal And Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical fluctuations in the first financial quarter ended 30 June 2014.

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 first financial quarter ended 30 June 2014 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 first financial quarter ended 30 June 2014.

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 first financial quarter ended 30 June 2014.

A7. Dividends Paid

A special dividend of 10.5 sen per share, tax exempt under the single tier tax system in respect of the financial year ended 31 March 2014, on 1,548,105,929 ordinary shares amounting to RM159,233,000 was paid on 26 June 2014.

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 in the total equity. An amount of RM3,317,806 being dividend paid for those shares were added back to the appropriation of retained profits in respect of the special dividend respectively.

A8. Segment Information

The following segment information has been prepared in accordance with MFRS 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.

Funds are allocated between segments and inter-segment funding cost transfers are reflected in net interest income. In addition to the operating segments, the segment information disclosed also includes inter-segment eliminations. Transactions between reportable segments are eliminated based on principles of consolidation as described in accounting policy. Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in inter-segment eliminations.

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 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 includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

(v) Others

Others refer to mainly other business operations such as alternative distribution channels, trustee services and holding company operations.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
1st Financial Quarter Ended 30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income/(expense)	84,483	77,948	38,352	1,710	591	203,084	(3,263)	199,821
- inter-segment	(10,888)	2,023	10,085	(1,220)	-	-	-	-
	<u>73,595</u>	<u>79,971</u>	<u>48,437</u>	<u>490</u>	<u>591</u>	<u>203,084</u>	<u>(3,263)</u>	<u>199,821</u>
Net income from Islamic banking business	20,228	16,168	9,687	-	-	46,083	7,591	53,674
Other operating income	28,558	37,238	11,773	5,566	167,797	250,932	(167,688)	83,244
	<u>122,381</u>	<u>133,377</u>	<u>69,897</u>	<u>6,056</u>	<u>168,388</u>	<u>500,099</u>	<u>(163,360)</u>	<u>336,739</u>
Other operating expenses	(63,221)	(52,610)	(11,580)	(9,951)	(18,647)*	(156,009)	3,961	(152,048)
Depreciation and amortisation	(5,222)	(3,311)	(921)	(153)	(13)	(9,620)	-	(9,620)
	<u>53,938</u>	<u>77,456</u>	<u>57,396</u>	<u>(4,048)</u>	<u>149,728</u>	<u>334,470</u>	<u>(159,399)</u>	<u>175,071</u>
Operating profit/(loss)								
(Allowance for)/write-back of losses on loans, advances and financing and other losses	(14,399)	12,837	(240)	50	-	(1,752)	-	(1,752)
Write-back of impairment	-	-	-	-	1,312	1,312	(1,312)	-
	<u>39,539</u>	<u>90,293</u>	<u>57,156</u>	<u>(3,998)</u>	<u>151,040</u>	<u>334,030</u>	<u>(160,711)</u>	<u>173,319</u>
Segment result								
Taxation and zakat								(42,509)
Net profit after taxation and zakat								<u>130,810</u>
Segment assets	<u>19,982,106</u>	<u>12,622,842</u>	<u>18,567,943</u>	<u>263,563</u>	<u>1,859,913</u>	<u>53,296,367</u>	<u>(3,636,872)</u>	<u>49,659,495</u>
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								417
Property, plant and equipment								91,114
Unallocated assets								27,904
Intangible assets								354,484
Total assets								<u>50,133,414</u>
Segment liabilities	<u>18,980,367</u>	<u>14,487,729</u>	<u>13,344,537</u>	<u>168,721</u>	<u>61,024</u>	<u>47,042,378</u>	<u>(1,066,258)</u>	<u>45,976,120</u>
Unallocated liabilities								9,530
Total liabilities								<u>45,985,650</u>

* Includes rationalisation cost of RM10,648,000

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Three months ended 30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income/(expense)	84,483	77,948	38,352	1,710	591	203,084	(3,263)	199,821
- inter-segment	(10,888)	2,023	10,085	(1,220)	-	-	-	-
	73,595	79,971	48,437	490	591	203,084	(3,263)	199,821
Net income from Islamic banking business	20,228	16,168	9,687	-	-	46,083	7,591	53,674
Other operating income	28,558	37,238	11,773	5,566	167,797	250,932	(167,688)	83,244
Net income	122,381	133,377	69,897	6,056	168,388	500,099	(163,360)	336,739
Other operating expenses	(63,221)	(52,610)	(11,580)	(9,951)	(18,647)	(156,009)	3,961	(152,048)
Depreciation and amortisation	(5,222)	(3,311)	(921)	(153)	(13)	(9,620)	-	(9,620)
Operating profit/(loss)	53,938	77,456	57,396	(4,048)	149,728	334,470	(159,399)	175,071
(Allowance for)/write-back of losses on loans, advances and financing and other losses	(14,399)	12,837	(240)	50	-	(1,752)	-	(1,752)
Write-back of impairment	-	-	-	-	1,312	1,312	(1,312)	-
Segment result	39,539	90,293	57,156	(3,998)	151,040	334,030	(160,711)	173,319
Taxation and zakat								(42,509)
Net profit after taxation and zakat								130,810
Segment assets	19,982,106	12,622,842	18,567,943	263,563	1,859,913	53,296,367	(3,636,872)	49,659,495
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								417
Property, plant and equipment								91,114
Unallocated assets								27,904
Intangible assets								354,484
Total assets								50,133,414
Segment liabilities	18,980,367	14,487,729	13,344,537	168,721	61,024	47,042,378	(1,066,258)	45,976,120
Unallocated liabilities								9,530
Total liabilities								45,985,650

* Includes rationalisation cost of RM10,648,000

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FIRST FINANCIAL QUARTER ENDED 30 JUNE 2014

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
1st Financial Quarter Ended 30 June 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income/(expense)	66,795	74,681	43,800	1,561	294	187,131	(2,670)	184,461
- inter-segment	6,028	5,460	(10,373)	(1,115)	-	-	-	-
	<u>72,823</u>	<u>80,141</u>	<u>33,427</u>	<u>446</u>	<u>294</u>	<u>187,131</u>	<u>(2,670)</u>	<u>184,461</u>
Net income from Islamic banking business	22,965	15,838	7,548	-	-	46,351	7,506	53,857
Other operating income	58,557	35,041	26,551	8,253	4,735	133,137	(7,278)	125,859
	<u>154,345</u>	<u>131,020</u>	<u>67,526</u>	<u>8,699</u>	<u>5,029</u>	<u>366,619</u>	<u>(2,442)</u>	<u>364,177</u>
Other operating expenses	(64,193)	(50,945)	(11,724)	(6,442)	(32,829)*	(166,133)	2,396	(163,737)
Depreciation and amortisation	(5,642)	(3,717)	(1,593)	(151)	(13)	(11,116)	-	(11,116)
	<u>84,510</u>	<u>76,358</u>	<u>54,209</u>	<u>2,106</u>	<u>(27,813)</u>	<u>189,370</u>	<u>(46)</u>	<u>189,324</u>
Operating profit/(loss)								
(Allowance for)/write-back of losses on loans, advances and financing and other losses	(8,246)	2,171	45	16	646	(5,368)	-	(5,368)
	<u>76,264</u>	<u>78,529</u>	<u>54,253</u>	<u>2,122</u>	<u>(27,167)</u>	<u>184,001</u>	<u>(46)</u>	<u>183,956</u>
Segment result								
Taxation and zakat								(46,165)
								<u>137,791</u>
Net profit after taxation and zakat								
Segment assets	17,032,741	11,043,101	17,239,684	200,019	1,860,826	47,376,371	(3,708,279)	43,668,092
Reconciliation of segment assets to consolidated assets:								
Property, plant and equipment								80,598
Unallocated assets								12,500
Intangible assets								353,644
Total assets								<u>44,114,834</u>
Segment liabilities	17,002,005	13,962,260	9,995,517	64,175	51,048	41,075,005	(1,132,963)	39,942,042
Unallocated liabilities								29,724
Total liabilities								<u>39,971,766</u>

* Includes rationalisation cost of RM22,328,000

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A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Three months ended 30 June 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income/(expense)	66,795	74,681	43,800	1,561	294	187,131	(2,670)	184,461
- inter-segment	6,028	5,460	(10,373)	(1,115)	-	-	-	-
	<u>72,823</u>	<u>80,141</u>	<u>33,427</u>	<u>446</u>	<u>294</u>	<u>187,131</u>	<u>(2,670)</u>	<u>184,461</u>
Net income from Islamic banking business	22,965	15,838	7,548	-	-	46,351	7,506	53,857
Other operating income	58,557	35,041	26,551	8,253	4,735	133,137	(7,278)	125,859
	<u>154,345</u>	<u>131,020</u>	<u>67,526</u>	<u>8,699</u>	<u>5,029</u>	<u>366,619</u>	<u>(2,442)</u>	<u>364,177</u>
Other operating expenses	(64,193)	(50,945)	(11,724)	(6,442)	(32,829)*	(166,133)	2,396	(163,737)
Depreciation and amortisation	(5,642)	(3,717)	(1,593)	(151)	(13)	(11,116)	-	(11,116)
	<u>84,510</u>	<u>76,358</u>	<u>54,209</u>	<u>2,106</u>	<u>(27,813)</u>	<u>189,370</u>	<u>(46)</u>	<u>189,324</u>
Operating profit/(loss)								
(Allowance for)/write-back of losses on loans, advances and financing and other losses	(8,246)	2,171	45	16	646	(5,368)	-	(5,368)
	<u>76,264</u>	<u>78,529</u>	<u>54,254</u>	<u>2,122</u>	<u>(27,167)</u>	<u>184,002</u>	<u>(46)</u>	<u>183,956</u>
Segment result								
Taxation and zakat								(46,165)
								<u>137,791</u>
Net profit after taxation and zakat								
Segment assets	17,032,741	11,043,101	17,239,684	200,019	1,860,826	47,376,371	(3,708,279)	43,668,092
Reconciliation of segment assets to consolidated assets:								
Property, plant and equipment								80,598
Unallocated assets								12,500
Intangible assets								353,644
Total assets								<u>44,114,834</u>
Segment liabilities	17,002,005	13,962,260	9,995,517	64,175	51,048	41,075,005	(1,132,963)	39,942,042
Unallocated liabilities								29,724
Total liabilities								<u>39,971,766</u>

* Includes rationalisation cost of RM22,328,000

A9. Material Event During The Financial Reporting Period

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

On 23 June 2014, the Company awarded the share grants to employees of the Company and its subsidiaries who have met the criteria of eligibility for the participation in the ESS.

Total 2,143,600 shares were awarded under the Share Grant Plan. The first 33.3% of the share grants are to be vested at the end of the first year, the second 33.3% are to be vested at the end of the second year and the remaining 33.4% of the share grants are to be vested at the end of the third year from the date on which an award is made.

The Company operates an equity-settled, share-based compensation plan pursuant to the ESS. Under the MFRS2 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 three months ended 30 June 2014, the Trustee of the ESS had not purchased shares in the Company from the open market.

In the three months ended 30 June 2014, 429,600 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 and Share Option Plan of the ESS. As at 30 June 2014, the Trustee of the ESS held 31,443,050 ordinary shares representing 2.03% of the issued and paid-up capital of the Company.

(c) Acquisition by Alliance Investment Bank Berhad of 1,275,000 ordinary shares of RM1.00 each representing 51% equity interest in AllianceDBS Research Sdn. Bhd. (formerly known as HwangDBS Vickers Research Sdn. Bhd)

Alliance Investment Bank Berhad ("AIBB"), a wholly-owned subsidiary of Alliance Bank Malaysia Berhad ("ABMB"), which in turn a wholly-owned subsidiary of the Company, has entered into a conditional Share Sale and Purchase Agreement with HwangDBS (Malaysia) Berhad ("HDBS") on 3 April 2014 for the acquisition of its 51% equity interest in HwangDBS Vickers Research Sdn. Bhd. ("HDBSV") comprising 1,275,000 ordinary shares of RM1.00 each fully paid for a total cash consideration of RM393,945 ("the Acquisition").

The Acquisition will enhance the Group's equity research capabilities and its institutional broking business by leveraging on DBS Vickers Securities Holdings Pte Ltd's ("DBS Vickers") network of overseas clients to execute their trades on Bursa Malaysia via AIBB, in order to further expand the Group's investment banking business, especially the stock broking institutional business. In addition to providing coverage on Malaysia equities, the Group will be able to leverage on the capabilities of HDBSV to provide coverage on the regional equities for its institutional clients.

The Acquisition is not expected to have any material effect on the net assets per share, earnings per share and gearing of the Company for the financial year ending 31 March 2015.

Upon completion of the Acquisition, the entire business and operations of Alliance Research Sdn. Bhd. ("ARSB"), a wholly-owned subsidiary of AIBB, will be transferred to and integrated into HDBSV. Upon completion of the integration, the equities research business of the Group will be operated under HDBSV on a 51:49 joint-venture basis with DBS Vickers.

The Acquisition has received the approvals from Bank Negara Malaysia and the Securities Commission on 11 March 2014 and 1 April 2014 respectively. The Acquisition has been completed on 6 May 2014 and HDBSV has subsequently changed its name to AllianceDBS Research Sdn. Bhd.

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

There was no change in the composition of the Group during the first financial quarter ended 30 June 2014, other than as disclosed in Note A9(c).

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

Please refer to Note C19.

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

B1. Review Of Performance

Current Year-to-Date vs. Previous Year-to-Date

The Group recorded a net profit after taxation and zakat of RM130.8 million for the first quarter ended 30 June 2014, a decrease of RM7.0 million or 5.1% over the corresponding period last year.

Net interest income grew by RM15.4 million or 8.3% driven by year-on-year loans growth of 15.7% to RM32.8 billion as at 30 June 2014. Other operating income (non-interest income) was lower than last year by RM42.6 million or 33.9% mainly due to a one-off sign-on fee of RM30 million from a bancassurance arrangement recognised last year, and lower gain from sale of financial investments in view of the sluggish treasury and capital markets. Other operating expenses remain contained and decreased by RM13.2 million or 7.5%.

Total deposits from customers registered a growth of 10.9% to RM39.6 billion as at 30 June 2014 compared to a year ago, with CASA deposits increasing by RM1.0 billion or 7.6% to RM13.7 billion. CASA ratio remains strong at 34.7%.

The Group's total capital ratio remained strong at 13.2%, with Common Equity Tier 1 ratio of 10.0% as at 30 June 2014.

Performance by business segment

The Group's businesses are presented in the following business segments: Consumer Banking, Business Banking, Financial Markets and Investment Banking.

Consumer Banking's profit before taxation of RM39.5 million for the first quarter ended 30 June 2014 was RM36.7 million or 48.2% lower compared to the corresponding period last year. This was mainly due to a one-off sign-on fee of RM30 million from a bancassurance arrangement recognised last year. Segment assets increased by RM2.9 billion or 17.3% year-on-year to RM20.0 billion as at 30 June 2014.

Business Banking's profit before taxation of RM90.3 million for the first quarter ended 30 June 2014 was RM11.8 million or 15.0% higher compared to the corresponding period last year, mainly due to higher write-back of allowance for impaired loans of RM10.7 million. Segment assets increased by RM1.6 billion or 14.3% year-on-year to RM12.6 billion as at 30 June 2014.

Financial Markets' profit before taxation of RM57.2 million for the first quarter ended 30 June 2014 was RM2.9 million or 5.4% higher compared to the corresponding period last year on higher net interest income.

Investment Banking incurred a loss of RM4.0 million for the first quarter ended 30 June 2014, mainly attributed to higher operating expenses and lower fee income.

B2. Comparison With Immediate Preceding Quarter

The Group's profit after taxation and zakat of RM130.8 million for the first quarter ended 30 June 2014 was RM27.2 million or 17.2% lower than the immediate preceding quarter ended 31 March 2014. The decrease in profit was mainly due to lower write-back of losses on loans and advances and impairment.

B3. Current Year Prospect

With the Malaysian economy expecting to register a moderate gross domestic product ("GDP") growth in the upper-end of the range of 4.5% to 5.5% in 2014, the Group will continue to capitalise on its strengths to generate sustainable revenue from Consumer Banking and Business Banking, while expanding opportunities in Wealth Management, Transaction Banking, Treasury and Investment Banking.

The Group expects sustainable loans growth in Consumer Banking, driven mainly by mortgage lending, hire purchase, personal loans, credit cards and share margin financing. In addition to balance sheet growth, Consumer Banking will also focus on growing its non-interest income through its holistic wealth management solutions.

Lending activities of Business Banking are expected to grow in tandem with the continuing demand for credit by businesses, arising from the implementation of projects under the Economic Transformation Programme. Business Banking will continue to focus on cross-selling efforts to grow non-interest income in transaction banking, foreign exchange, investment banking, wealth management products, and business platinum card by capitalising on technology advancements.

Financial Markets will continue to focus on the trading of fixed income securities, primarily Government securities and private debt securities, foreign exchange as well as treasury sales.

Investment Banking's priority will be to expand its research business to provide greater depth in equities research coverage, build its corporate finance advisory business and debt capital market capabilities. It will also continue to focus on improving efficiency and productivity.

The Group expects to deliver a satisfactory performance for the financial year ending 31 March 2015.

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B4. Profit Forecast

There was no profit forecast issued by the Group.

B5. Taxation And Zakat

GROUP	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Taxation	31,562	45,047	31,562	45,047
Deferred tax	10,947	1,118	10,947	1,118
	42,509	46,165	42,509	46,165

The Group's effective tax rate for the financial year ended 30 June 2014 was lower than the current statutory tax rate mainly due to non-taxable of certain income.

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

There was no material profit/(loss) on sale of unquoted investments or properties for the first financial quarter ended 30 June 2014 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 first financial quarter ended 30 June 2014 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.

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

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
(a) Deposits from customers		
Fixed deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	25,432,723	25,517,740
- More than one year (medium/long term)	66,035	68,589
	25,498,758	25,586,329
Others	14,115,314	13,650,748
	39,614,072	39,237,077
(b) Deposits and placements of banks and other financial institutions		
- One year or less (short term)	4,232,608	2,727,564
- More than one year (medium/long term)	294,576	331,793
	4,527,184	3,059,357
(c) Subordinated obligations		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated Medium Term Notes	605,605	612,718

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B10. Derivative Financial Assets/(Liabilities)

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

	As at 30 June 2014			As at 31 March 2014		
	Principal RM'000	Fair value		Principal RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
Foreign exchange and commodity contracts:						
Currency forwards						
- one year or less	669,264	2,016	(7,404)	561,345	4,292	(2,955)
Currency swaps						
- one year or less	4,226,730	22,640	(25,177)	5,711,425	24,997	(40,929)
- over one year to three years	32,835	773	-	32,835	293	-
- over three years	31,515	-	(708)	31,515	-	(1,186)
Currency spots						
- less than one year	236,410	519	(88)	190,557	254	(309)
Currency options						
- one year or less	386,689	1,887	(351)	388,046	2,125	(1,344)
DCI Gold						
- one year or less	-	-	-	7,878	32	(107)
	5,583,443	27,835	(33,728)	6,923,601	31,993	(46,830)
Interest rate derivatives:						
Interest rate swap	2,545,000	8,149	(2,790)	2,645,000	6,814	(1,988)
- one year or less	600,000	1,694	-	250,000	160	-
- one year to three years	1,685,000	5,035	(1,285)	2,135,000	5,178	(520)
- over three years	260,000	1,420	(1,505)	260,000	1,476	(1,468)
Equity related derivatives:						
- one year or less	39,267	603	(603)	57,582	870	(870)
<u>Hedging derivatives</u>						
Interest rate swap						
- over three years	627,946	-	(17,176)	538,376	-	(15,186)
Total derivatives assets/(liabilities)	8,795,656	36,587	(54,297)	10,164,559	39,677	(64,874)

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 2014.

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.

B10. Derivative Financial Assets/(Liabilities) (contd.)

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.

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. Dividend Declared

No dividend has been declared during the first financial quarter ended 30 June 2014.

B12. 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.

B13. 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.

	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Net profit attributable to owners of the parent (RM'000)	130,810	137,791	130,810	137,791
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)	(31,443)	(25,286)	(31,443)	(25,286)
	1,516,663	1,522,820	1,516,663	1,522,820
Basic earnings per share (sen)	8.6	9.0	8.6	9.0

B13. Earnings Per Share (EPS) (contd.)

(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 June 2014.

	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Net profit attributable to owners of the parent (RM'000)	130,810	137,791	130,810	137,791
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)	(31,443)	(25,286)	(31,443)	(25,286)
Effect of Share Grants under ESS ('000)	3,268	3,693	3,268	3,693
	1,519,931	1,526,513	1,519,931	1,526,513
Diluted earnings per share (sen)	8.6	9.0	8.6	9.0

B14. Realised And Unrealised Unappropriated Profits Disclosure

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 25 March 2010, is as follows:

	Period Ended	
	30.06.2014 RM'000	31.03.2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	1,920,874	1,934,970
- Unrealised	41,482	54,440
	1,962,356	1,989,410
Less: Consolidation adjustments	(284,880)	(283,539)
Total group retained profits as per consolidated accounts	1,677,476	1,705,871

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.

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

C1. Interest Income

Group	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	312,447	279,379	312,447	279,379
Money at call and deposit placements with financial institutions	5,759	3,497	5,759	3,497
Financial assets held-for-trading	214	837	214	837
Financial investments available-for-sale	78,569	61,289	78,569	61,289
Financial investments held-to-maturity	6,755	1,659	6,755	1,659
Others	2,330	230	2,330	230
	406,074	346,891	406,074	346,891
Accretion of discount less amortisation of premium	17,411	28,106	17,411	28,106
	423,485	374,997	423,485	374,997

C2. Interest Expense

Group	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	19,775	9,904	19,775	9,904
Deposits from customers	192,698	172,240	192,698	172,240
Subordinated obligations	7,308	7,302	7,308	7,302
Others	3,883	1,090	3,883	1,090
	223,664	190,536	223,664	190,536

C3. Net Income From Islamic Banking Business

Group	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	83,227	74,870	83,227	74,870
Income derived from investment of Islamic Banking funds	8,051	8,026	8,051	8,026
Income attributable to depositors and financial institutions	(45,195)	(36,545)	(45,195)	(36,545)
	46,083	46,351	46,083	46,351
Add: Income due to head office eliminated at Group level	7,591	7,506	7,591	7,506
	53,674	53,857	53,674	53,857

C4. Other Operating Income

Group	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	18,676	22,182	18,676	22,182
Service charges and fees	8,362	8,342	8,362	8,342
Portfolio management fees	7	7	7	7
Corporate advisory fees	165	1,293	165	1,293
Brokerage fees	9,550	8,740	9,550	8,740
Guarantee fees	3,417	2,877	3,417	2,877
Processing fees	3,541	5,569	3,541	5,569
Commitment fees	3,737	3,594	3,737	3,594
Other fee income	26,931	54,231	26,931	54,231
	74,386	106,835	74,386	106,835
(b) <u>Fee and commission expense:</u>				
Commissions expense	(422)	(347)	(422)	(347)
Brokerage fees expense	(4,771)	(4,454)	(4,771)	(4,454)
Guarantee fees expense	(446)	(185)	(446)	(185)
Other fee expense	(22,038)	(20,847)	(22,038)	(20,847)
	(27,677)	(25,833)	(27,677)	(25,833)
(c) <u>Investment income:</u>				
(Loss)/gain arising from sale/redemption of:				
- Financial assets held-for-trading	(28)	(841)	(28)	(841)
- Financial investments available-for-sale	6,976	16,436	6,976	16,436
- Financial investments held-to-maturity	-	1,002	-	1,002
Marked-to-market revaluation of:				
- Financial assets held-for-trading	24	(139)	24	(139)
- Derivative financial instruments	11,419	3,165	11,419	3,165
Realised gain on revaluation of derivative instruments	13,132	2,513	13,132	2,513
Gross dividend income from:				
- Financial investments available-for-sale	1,613	3,880	1,613	3,880
	33,136	26,016	33,136	26,016
(d) <u>Other income:</u>				
Foreign exchange (loss)/gain	(2,744)	13,303	(2,744)	13,303
Gain/(loss) on disposal of property, plant and equipment	1	(5)	1	(5)
Gain from disposal of a subsidiary	-	1,169	-	1,169
Others	6,142	4,374	6,142	4,374
	3,399	18,841	3,399	18,841
Total other operating income	83,244	125,859	83,244	125,859

C5. Other Operating Expenses

Group	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
<u>Personnel costs:</u>				
Salaries, allowances and bonuses	71,563	74,215	71,563	74,215
Contribution to EPF	13,005	12,748	13,005	12,748
Share options/grants under ESS	2,846	2,228	2,846	2,228
Others	17,601	31,299	17,601	31,299
	105,015	120,490	105,015	120,490
<u>Establishment costs:</u>				
Depreciation of property, plant and equipment	5,183	5,794	5,183	5,794
Amortisation of computer software	4,437	5,322	4,437	5,322
Rental of premises	6,962	7,149	6,962	7,149
Water and electricity	2,261	1,841	2,261	1,841
Repairs and maintenance	2,576	3,175	2,576	3,175
Information technology expenses	8,176	9,834	8,176	9,834
Others	4,350	3,388	4,350	3,388
	33,945	36,503	33,945	36,503
<u>Marketing expenses:</u>				
Promotion and advertisement	1,561	1,409	1,561	1,409
Branding and publicity	3,094	691	3,094	691
Others	1,975	1,145	1,975	1,145
	6,630	3,245	6,630	3,245
<u>Administration and general expenses:</u>				
Communication expenses	3,369	2,879	3,369	2,879
Printing and stationery	1,096	1,318	1,096	1,318
Insurance	2,131	2,058	2,131	2,058
Professional fees	5,387	5,703	5,387	5,703
Others	4,095	2,657	4,095	2,657
	16,078	14,615	16,078	14,615
Total other operating expenses	161,668	174,853	161,668	174,853

C6. Allowance for Losses On Loans, Advances And Financing And Other Losses

Group	1st Quarter Ended		Cumulative 3 Months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Allowance for/(write-back of) impaired loans and financing:				
(a) Individual assessment allowance				
- (write-back)/made during the period (net)	(5,972)	6,620	(5,972)	6,620
(b) Collective assessment allowance				
- made during the period (net)	15,563	5,041	15,563	5,041
(c) Bad debts on loans and financing				
- Recovered	(12,688)	(11,735)	(12,688)	(11,735)
- Written off	4,171	5,172	4,171	5,172
	1,074	5,098	1,074	5,098
Allowance for other assets	678	270	678	270
	1,752	5,368	1,752	5,368

C7. Balances Due From Clients And Brokers

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Due from clients	95,804	77,459
Due from brokers	76,552	-
	172,356	77,459
Less: Allowance for other losses	(1,193)	(1,194)
	171,163	76,265

These represent amounts receivable by Alliance Investment Bank Berhad ("AIBB") from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the 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	
	30.06.2014	31.03.2014
	RM'000	RM'000
Classified as doubtful	48	102
Classified as bad	1,282	1,294
	1,330	1,396

The movements in allowance for other losses are as follows:

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
At beginning of year	1,194	1,215
Write-back during the year, (net)	(1)	(21)
At end of period/year	1,193	1,194

C8. Financial Assets Held-for-trading

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Bank Negara Malaysia bills	299,331	-
Malaysian Government securities	-	110,172
Total financial assets held-for-trading	299,331	110,172

C9. Financial Investments Available-for-sale

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government securities	2,852,388	2,897,516
Malaysian Government investment certificates	2,930,370	2,575,869
Negotiable instruments of deposits	1,280,339	861,808
Bankers' acceptances	199,027	361,979
Khazanah bonds	187,846	186,734
<u>Quoted securities in Malaysia:</u>		
Shares	22	22
<u>Unquoted securities:</u>		
Shares	136,663	145,505
Debt securities and medium term notes	2,842,894	2,951,962
	10,429,549	9,981,395
Accumulated impairment	(241,135)	(242,635)
	10,188,414	9,738,760

C10. Financial Investments Held-to-maturity

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government securities	705,176	702,507
Malaysian Government investment certificates	433,876	434,574
Khazanah bonds	179,092	177,514
<u>Unquoted securities:</u>		
Debt securities	39,830	39,730
	1,357,974	1,354,325
Accumulated impairment	(34,203)	(34,203)
Total financial investments held-to-maturity	1,323,771	1,320,122

C11. Loans, Advances And Financing

	Group	
	30.06.2014 RM'000	31.03.2014 RM'000
Overdrafts	1,960,252	1,960,984
Term loans/financing		
- Housing loans/financing	13,050,411	12,576,157
- Syndicated term loans/financing	459,103	472,331
- Hire purchase receivables	1,317,770	1,219,366
- Other term loans/financing	10,160,409	9,721,105
Bills receivables	172,509	208,765
Trust receipts	157,442	153,840
Claims on customers under acceptance credits	2,529,187	2,513,103
Staff loans [including loans to Directors of a banking subsidiary of RM179,000 (2014: RM187,000)]	39,263	41,194
Credit/charge card receivables	625,215	601,297
Revolving credits	1,130,338	1,169,632
Share margin financing	1,595,257	1,561,622
Gross loans, advances and financing	33,197,156	32,199,396
Add: Sales commissions and handling fees	32,512	30,050
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(92,344)	(97,159)
- Collective assessment allowance	(315,698)	(313,296)
Total net loans, advances and financing	32,821,626	31,818,991

(a) By type of customer:

	Group	
	30.06.2014 RM'000	31.03.2014 RM'000
Domestic non-bank financial institutions	535,655	530,796
Domestic business enterprises		
- Small and medium enterprises	6,312,302	5,899,643
- Others	6,144,862	6,283,048
Government and statutory bodies	9,286	9,653
Individuals	19,131,490	18,426,080
Other domestic entities	225,469	231,066
Foreign entities	838,092	819,110
Gross loans, advances and financing	33,197,156	32,199,396

C11. Loans, Advances And Financing (contd.)

(b) By interest/profit rate sensitivity:

	Group	
	30.06.2014 RM'000	31.03.2014 RM'000
Fixed rate		
- Housing loans/financing	67,515	70,535
- Hire purchase receivables	1,317,770	1,219,366
- Other fixed rate loans/financing	2,052,165	2,038,485
Variable rate		
- Base lending rate plus	23,820,785	22,831,752
- Cost plus	5,789,550	5,850,762
- Other variable rate loans/financing	149,371	188,496
Gross loans, advances and financing	33,197,156	32,199,396

(c) By economic purposes:

	Group	
	30.06.2014 RM'000	31.03.2014 RM'000
Purchase of securities	1,628,042	1,607,281
Purchase of transport vehicles	1,209,522	1,117,797
Purchase of landed property	18,925,397	18,098,160
of which: - Residential	13,844,550	13,337,595
- Non-residential	5,080,847	4,760,565
Purchase of fixed assets excluding land and buildings	171,430	155,410
Personal use	2,081,918	2,047,339
Credit card	625,215	601,297
Construction	461,251	436,317
Merger and acquisition	347,751	369,151
Working capital	6,303,512	6,379,804
Others	1,443,118	1,386,840
Gross loans, advances and financing	33,197,156	32,199,396

(d) By geographical distribution:

	Group	
	30.06.2014 RM'000	31.03.2014 RM'000
Northern region	2,260,405	2,036,287
Central region	24,305,876	24,315,069
Southern region	3,636,359	3,217,794
Sabah region	2,440,273	2,175,692
Sarawak region	554,243	454,554
Gross loans, advances and financing	33,197,156	32,199,396

C11. Loans, Advances And Financing (contd.)

(e) By residual contractual maturity:

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Within one year	8,695,689	8,691,796
One year to three years	790,405	764,219
Three years to five years	1,942,194	1,685,425
Over five years	21,768,868	21,057,956
Gross loans, advances and financing	33,197,156	32,199,396

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

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
At beginning of year	442,781	579,233
Impaired during the period/year	167,573	555,392
Reclassified as unimpaired during the period/year	(92,235)	(381,732)
Recoveries	(53,620)	(225,534)
Amount written off	(12,004)	(84,578)
At end of period/year	452,495	442,781
Individual allowance for impairment	(92,344)	(97,159)
Collective allowance for impairment (impaired portion)	(111,934)	(109,070)
Net impaired loans, advances and financing	248,217	236,552
Gross impaired loans as a percentage of gross loans, advances and financing	1.4%	1.4%

(g) Impaired loans by economic purposes:

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Purchase of securities	4,940	5,207
Purchase of transport vehicles	11,561	9,765
Purchase of landed property	265,623	254,194
of which: - Residential	241,807	222,781
- Non-residential	23,816	31,413
Purchase of fixed assets excluding land and buildings	100	96
Personal use	29,695	30,263
Credit card	9,669	7,847
Construction	13,351	7,225
Working capital	89,966	92,830
Others	27,590	35,354
Gross impaired loans	452,495	442,781

C11. Loans, Advances And Financing (contd.)

(h) Impaired loans by geographical distribution:

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Northern region	72,968	69,548
Central region	308,959	304,328
Southern region	37,170	34,124
East Malaysia region	29,834	31,703
Sarawak region	3,564	3,078
Gross impaired loans	452,495	442,781

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

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Individual assessment allowance		
At beginning of year	97,159	128,471
(Write-back)/allowance made during the period/year (net)	(5,972)	5,613
Amount written off	(88)	(30,655)
Transfers from/(to) collective assessment allowance	1,245	(6,270)
At end of period/year	92,344	97,159

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Collective assessment allowance		
At beginning of year	313,296	349,203
Allowance made during the period/year (net)	15,563	11,746
Amount written-off	(11,916)	(53,923)
Transfers (to)/from individual assessment allowance	(1,245)	6,270
At end of period/year	315,698	313,296

C12. Other Assets

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Other receivables, deposits and prepayments	144,996	123,666
Trade receivables	47	46
	145,043	123,712
Less: Allowance for other losses	(29,423)	(28,743)
	115,620	94,969

C13. Non-current Assets Held for Sale

Investment Property

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Freehold land	27,748	27,748

Investment property where deposits have been received from buyers of the property and where a definitive buyer have been identified will be classified as non-current assets held for sale.

The fair value of the freehold land was RM45,000,000 (2014: RM45,000,000) is derived based on an independent professional valuation using the open market value on a direct comparison basis.

C14. Deposits From Customers

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
<u>By type of deposits:</u>		
Demand deposits	11,982,659	11,559,004
Savings deposits	1,766,446	1,763,153
Fixed/investment deposits	17,839,082	18,637,176
Money market deposits	3,542,345	3,211,369
Negotiable instruments of deposits	4,117,331	3,737,784
Structured deposits [Note]	366,209	328,591
	39,614,072	39,237,077

Note:

- (a) Structured deposits represent foreign currency time deposits with embedded foreign exchange, gold commodity linked options and interest rate index linked placements.
- (b) The Group has undertaken a fair value hedge on the interest rate risk of the structured deposits amounting to RM319,068,000 (2014: RM269,952,000) using interest rate swaps.

C14. Deposits From Customers (contd.)

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Structured deposits	319,068	269,952
Fair value changes arising from fair value hedges	(17,775)	(15,186)
	301,293	254,766

The fair value loss of the interest rate swap in this hedge transaction as at financial period ended 30 June 2014 is RM17,775,000 (2014: RM15,186,000).

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
(i) <u>By type of customers:</u>		
Domestic financial institutions	4,237,653	3,868,358
Government and statutory bodies	2,468,613	3,002,636
Business enterprises	12,624,345	12,207,731
Individuals	17,694,310	17,564,502
Others	2,589,151	2,593,850
	39,614,072	39,237,077

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
(ii) <u>The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposit are as follows:</u>		
Due within six months	21,051,251	20,059,225
Six months to one year	4,381,472	5,458,515
One year to three years	58,817	59,470
Three years to five years	7,218	9,119
	25,498,758	25,586,329

C15. Deposits And Placements Of Banks And Other Financial Institutions

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Licensed banks	2,605,728	1,998,196
Licensed investment banks	462,460	351,649
Licensed Islamic banks	50,119	145,017
Bank Negara Malaysia	1,258,845	464,487
Other financial institutions	150,032	100,008
	4,527,184	3,059,357

C16. Balances Due To Clients And Brokers

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Due to clients	143,235	22,623
Due to brokers	-	22,211
	143,235	44,834

These mainly relate 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.

The Group's normal trade credit terms for non-margin client is three (3) market days according to the Bursa's FDSS trading rules.

Following the issuance of FRSIC Consensus 18, the Group no longer recognises trust monies balances in the statement of financial position, as the Group does not have any control over the trust monies to obtain the future economic benefits embodied in the trust monies. The trust monies maintained by the Group amounting to RM105,102,000 (2014: RM128,020,000) have been excluded accordingly.

C17. Other Liabilities

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
Other payable and accruals	985,586	827,023
Remisiers' accounts	21,067	20,950
Finance lease liabilities	11,650	11,650
	1,018,303	859,623

C18. Capital Adequacy

The capital adequacy ratios of the Banking Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework issued on 28 November 2012. The Framework sets out the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Group are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The capital adequacy ratios of the Banking Group are as follows:

	30.06.2014	31.03.2014
<u>Before deducting proposed dividends</u>		
CET I capital ratio	10.045%	10.908%
Tier I capital ratio	11.059%	11.961%
Total capital ratio	13.214%	14.201%
<u>After deducting proposed dividends</u>		
CET I capital ratio	10.045%	10.379%
Tier I capital ratio	11.059%	11.433%
Total capital ratio	13.214%	13.673%

(a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital are as follows:

	30.06.2014	31.03.2014
	RM'000	RM'000
<u>CET I Capital</u>		
Paid-up share capital	596,517	596,517
Share premium	201,517	201,517
Retained profits	1,797,489	1,957,952
Statutory reserves	929,055	929,055
Revaluation reserves	13,170	7,071
Other reserves	10,018	10,018
	3,547,766	3,702,130
Less: Regulatory adjustment		
- Goodwill and other intangibles	(354,484)	(353,256)
- Deferred tax assets	(18,157)	(32,343)
- 55% of revaluation reserve	(7,244)	(3,889)
- Investment in subsidiaries and an associate	(903)	(824)
Total CET I Capital	3,166,978	3,311,818
<u>Tier I Capital</u>		
ICPS	3,200	3,200
Share premium	316,800	316,800
Total additional Tier I Capital	320,000	320,000
Total Tier I Capital	3,486,978	3,631,818
<u>Tier II Capital</u>		
Subordinated obligations	479,159	479,082
Collective assessment allowance	203,764	204,226
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	(3,614)	(3,297)
Total Tier II Capital	679,309	680,011
Total Capital	4,166,287	4,311,829

C18. Capital Adequacy (contd.)

(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 June 2014			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	10.049%	12.572%	80.631%
Tier I capital ratio	11.252%	12.572%	80.631%
Total capital ratio	11.297%	13.317%	80.631%
<u>After deducting proposed dividends</u>			
CET I capital ratio	10.049%	12.572%	80.631%
Tier I capital ratio	11.252%	12.572%	80.631%
Total capital ratio	11.297%	13.317%	80.631%
31 March 2014			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	10.987%	13.426%	93.737%
Tier I capital ratio	12.235%	13.426%	93.737%
Total capital ratio	12.295%	14.134%	93.767%
<u>After deducting proposed dividends</u>			
CET I capital ratio	10.361%	13.113%	92.148%
Tier I capital ratio	11.609%	13.113%	92.148%
Total capital ratio	11.670%	13.821%	92.178%

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

	30.06.2014 RM'000	31.03.2014 RM'000
Credit risk	28,701,442	27,484,255
Market risk	131,978	201,614
Operational risk	2,696,045	2,676,791
Total RWA and capital requirements	31,529,465	30,362,660

C19. Commitments And Contingencies

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

Group	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 June 2014				
<u>Credit-related exposures</u>				
Direct credit substitutes	474,067	-	474,067	474,067
Transaction-related contingent items	603,790	-	301,895	301,895
Short-term self-liquidating trade-related contingencies	152,443	-	30,489	30,489
Obligations under an on-going underwriting agreement	14,340	-	7,170	7,170
Irrevocable commitments to extend credit:				
- maturity exceeding one year	4,685,248	-	2,342,624	1,854,300
- maturity not exceeding one year	6,762,169	-	1,352,434	1,130,132
Unutilised credit card lines	1,430,163	-	286,033	225,824
	<u>14,122,220</u>	<u>-</u>	<u>4,794,712</u>	<u>4,023,877</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	5,519,093	27,062	84,467	33,236
- over one year to three years	32,835	773	2,955	591
- over three years	31,515	-	4,096	819
Interest rate related contracts:				
- one year or less	600,000	1,694	2,968	594
- over one year to three years	1,685,000	5,035	22,385	4,476
- over three years	887,946	1,420	56,298	39,669
Equity related contracts:				
- one year or less	39,267	603	3,032	1,776
	<u>8,795,656</u>	<u>36,587</u>	<u>176,201</u>	<u>81,161</u>
	<u>22,917,876</u>	<u>36,587</u>	<u>4,970,913</u>	<u>4,105,038</u>

C19. Commitments And Contingencies

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

Group	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
As at 31 March 2014				
<u>Credit-related exposures</u>				
Direct credit substitutes	471,930	-	471,930	471,930
Transaction-related contingent items	590,667	-	295,334	295,334
Short-term self-liquidating trade-related contingencies	169,493	-	33,899	33,442
Irrevocable commitments to extend credit:				
- maturity exceeding one year	5,108,092	-	2,554,046	2,023,308
- maturity not exceeding one year	6,225,736	-	1,245,147	1,065,474
Unutilised credit card lines	1,415,598	-	283,120	223,570
	<u>13,981,516</u>	<u>-</u>	<u>4,883,476</u>	<u>4,113,058</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	6,859,251	31,700	103,465	34,619
- over one year to three years	32,835	293	2,955	591
- over three years	31,515	-	4,097	819
Interest rate related contracts:				
- one year or less	250,000	161	485	97
- over one year to three years	2,135,000	5,178	27,028	5,406
- over three years	798,376	1,475	34,497	18,167
Equity related contracts:				
- over one year to three years	57,582	870	4,510	3,045
	<u>10,164,559</u>	<u>39,677</u>	<u>177,037</u>	<u>62,744</u>
	<u>24,146,075</u>	<u>39,677</u>	<u>5,060,513</u>	<u>4,175,802</u>

C20. Fair Value Measurements

(a) Determination of fair value and fair value hierarchy

MFRS 13 Fair Value Measurements require disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following level of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables show the Group's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
30 June 2014	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading	-	299,331	-	299,331
Financial investments available-for-sale	-	10,054,645	133,769	10,188,414
Derivative financial assets	-	36,587	-	36,587
<hr/>				
<u>Liabilities</u>				
Derivative financial liabilities	-	54,297	-	54,297
<hr/>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2014	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading	-	110,172	-	110,172
Financial investments available-for-sale	-	9,597,649	141,111	9,738,760
Derivative financial assets	-	39,677	-	39,677
<hr/>				
<u>Liabilities</u>				
Derivative financial liabilities	-	64,874	-	64,874
<hr/>				

C20. Fair Value Measurements (contd.)

(b) Financial instruments measured at fair value and the fair value hierarchy

Reconciliation of movements in level 3 financial instruments:

	Group	
	30.06.2014	31.03.2014
	RM'000	RM'000
At beginning of year	141,111	137,392
Total gains/(losses) recognised in:		
- Statement of comprehensive income		
Gain arising from sales financial investments available-for-sale	5,799	12,509
- Other comprehensive (expense)/income		
Revaluation reserves	(5,843)	6,922
Purchases	-	-
Disposal	(7,298)	(15,712)
At end of period/year	133,769	141,111

C21. Comparatives

The following comparatives were restated to conform with the current year's presentation:

<u>Statements of Comprehensive Income</u> <u>for the financial year ended 30 June 2013</u>	Group		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
Fee and commission income	-	106,835	106,835
Fee and commission expense	-	(25,833)	(25,833)
Investment income	-	22,479	26,016
Other income	-	22,378	18,841
Other operating income	125,859	(125,859)	-
Other operating income (restated)	125,859	-	125,859

The restatement is in relation to reclassification of fee and commission income, fee and commission expense, investment income and other income which was previously summed as other operating income now separated as respective categories. This does not have any impact on the financial results and earnings per share of the comparative financial year.

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary
 Kuala Lumpur
 11 August 2014