

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	C1	432,025	418,371	1,772,407	1,601,346
Interest expense	C2	(245,915)	(217,346)	(951,818)	(822,711)
Net interest income		186,110	201,025	820,589	778,635
Net income from Islamic banking business	C3	58,211	52,567	225,057	210,917
		244,321	253,592	1,045,646	989,552
Fee and commission income		70,023	65,779	309,296	314,012
Fee and commission expense		(27,911)	(25,756)	(113,649)	(103,878)
Investment income		15,097	42,577	86,830	103,958
Other income		4,517	5,222	54,866	45,320
Other operating income	C4	61,726	87,822	337,343	359,412
Net income		306,047	341,414	1,382,989	1,348,964
Other operating expenses	C5	(165,466)	(165,266)	(646,922)	(628,161)
Operating profit before allowance		140,581	176,148	736,067	720,803
(Allowance made for)/write-back of losses on loans, advances and financing and other assets	C6	(17,490)	17,573	(39,604)	13,621
Write-back of impairment on securities and amount due from subsidiaries		1,539	14,025	6,728	14,927
Operating profit after allowance		124,630	207,746	703,191	749,351
Share of profit of equity-accounted joint venture, net of tax		2	-	16	-
Profit before taxation and zakat		124,632	207,746	703,207	749,351
Taxation and zakat	B5	(31,363)	(49,733)	(172,427)	(185,803)
Net profit for the financial year		93,269	158,013	530,780	563,548
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		88,455	10,716	113,466	(110,428)
- Realised loss/(gain) transferred to statement of income on disposal and impairment		1,615	(18,033)	(14,977)	(38,986)
- Transfer (to)/from deferred tax		(21,605)	5,564	(27,328)	41,088
Other comprehensive income/(expense), net of tax		68,465	(1,753)	71,161	(108,326)
Total comprehensive income for the year		161,734	156,260	601,941	455,222
Net profit for the financial year attributable to:					
Owners of the parent		93,269	158,013	530,780	563,548
Total comprehensive income attributable to:					
Owners of the parent		161,734	156,260	601,941	455,222
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B13(a)	6.1	10.4	34.8	37.2
- Diluted (sen)	B13(b)	6.1	10.4	34.8	37.1

(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

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		UNAUDITED	AS AT
		31.03.2015	31.03.2014
		RM'000	RM'000
ASSETS			
Cash and short-term funds		2,696,183	2,129,782
Deposits and placements with banks and other financial institutions		298,167	655,305
Balances due from clients and brokers	C7	102,743	76,265
Financial assets held-for-trading	C8	10,037	110,172
Financial investments available-for-sale	C9	9,753,856	9,738,760
Financial investments held-to-maturity	C10	1,319,035	1,320,122
Derivative financial assets	B10	132,460	39,677
Loans, advances and financing	C11	36,566,032	31,818,991
Other assets	C12	90,053	94,969
Investment in joint venture		509	-
Tax recoverable		27,017	99
Statutory deposits		1,675,426	1,584,244
Property, plant and equipment		97,711	92,633
Intangible assets		359,935	353,256
Deferred tax assets		12,357	32,671
		53,141,521	48,046,946
Non-current assets held for sale	C13	-	27,748
TOTAL ASSETS		53,141,521	48,074,694
LIABILITIES AND EQUITY			
Deposits from customers	B9(a), C14	44,606,815	39,237,077
Deposits and placements of banks and other financial institutions	B9(b), C15	1,489,775	3,059,357
Balances due to clients and brokers	C16	62,833	44,834
Bills and acceptances payable		801,578	-
Derivative financial liabilities	B10	115,224	64,874
Amount due to Cagamas Berhad		7,003	14,014
Other liabilities	C17	934,595	859,623
Subordinated obligations	B9(c)	613,267	612,718
Provision for taxation and zakat		2,285	10,814
Deferred tax liabilities		13,041	5,367
TOTAL LIABILITIES		48,646,416	43,908,678
Share capital		1,548,106	1,548,106
Reserves		3,033,720	2,730,173
Shares held for Employees' Share Scheme		(86,721)	(112,263)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		4,495,105	4,166,016
TOTAL LIABILITIES AND EQUITY		53,141,521	48,074,694
COMMITMENTS AND CONTINGENCIES	C19	22,745,783	24,146,075
Net assets per share attributable to owners of the parent (RM)*		2.90	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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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

	← 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	
31 March 2014												
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	-	-	-	-	-	-	-	-	563,548	563,548	-	563,548
Other comprehensive expense	-	-	-	-	(108,326)	-	-	-	-	(108,326)	-	(108,326)
Total comprehensive (expense)/income for the financial year	-	-	-	-	(108,326)	-	-	-	563,548	455,222	-	455,222
Transfer to statutory reserve	-	-	43,311	-	-	-	-	-	(43,311)	-	-	-
Purchase of shares pursuant to ESS	-	-	-	-	-	-	-	(47,500)	-	(47,500)	-	(47,500)
Transfer PER to retained profits	-	-	-	-	-	-	(1,033)	-	1,033	-	-	-
Share-based payment under ESS	-	-	-	-	-	10,589	-	-	-	10,589	-	10,589
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(289,033)	(289,033)	-	(289,033)
ESS shares grant vested to:												
- employees of subsidiaries	-	-	-	-	-	(4,167)	-	4,167	-	-	-	-
- own employees	-	-	-	-	-	(84)	-	84	-	-	-	-
ESS shares option exercised by:												
- employees of subsidiaries	-	-	-	-	-	(822)	-	822	-	-	-	-
- own employees	-	-	-	-	-	(80)	-	80	-	-	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	6,316	-	6,316	-	6,316
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(1,263)	-	-	1,263	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(4,747)	(4,747)
At 31 March 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

(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)

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

	← Attributable to Owners of the Parent →								
	Share Capital	Share Premium	Statutory Reserve	Capital Reserve	Revaluation Reserve	Employees' Share Scheme ("ESS") Reserve	Shares held for ESS	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2015									
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
Net profit after taxation and zakat	-	-	-	-	-	-	-	530,780	530,780
Other comprehensive income	-	-	-	-	71,161	-	-	-	71,161
Total comprehensive income for the financial year	-	-	-	-	71,161	-	-	530,780	601,941
Transfer to statutory reserve	-	-	140,610	-	-	-	-	(140,610)	-
Share-based payment under ESS	-	-	-	-	-	6,116	-	-	6,116
Transfer to retained profits on share lapsed:									
- employees of subsidiaries	-	-	-	-	-	(363)	-	363	-
- own employees	-	-	-	-	-	(13)	-	13	-
Dividends paid to shareholders	-	-	-	-	-	-	-	(296,166)	(296,166)
ESS shares grant vested to:									
- employees of subsidiaries	-	-	-	-	-	(7,493)	7,493	-	-
- own employees	-	-	-	-	-	(156)	156	-	-
ESS shares option exercised by:									
- employees of subsidiaries	-	-	-	-	-	(695)	695	-	-
Proceeds from share option exercised	-	-	-	-	-	-	17,198	-	17,198
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(4,364)	-	4,364	-
At 31 March 2015	1,548,106	304,289	827,627	7,013	78,232	11,944	(86,721)	1,804,615	4,495,105

(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 FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

	Unaudited 12 Months Ended 31.03.2015 RM'000	Unaudited 12 Months Ended 31.03.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	703,207	749,351
Adjustments for:		
Accretion of discount less amortisation of premium of financial investments	(62,935)	(76,491)
Depreciation of property, plant and equipment	21,471	21,262
Dividends from financial investments available-for-sale	(2,179)	(5,430)
(Gain)/loss on disposal of property, plant and equipment	(2)	58
Gain on disposal of a subsidiary	-	(1,169)
Gain on disposal of non-current assets held for sale	(21,605)	-
Net gain from redemption of financial investments held-to-maturity	-	(3,742)
Net (gain)/loss from sale of financial assets held-for-trading	(873)	450
Net gain from sale of financial investments available-for-sale	(14,977)	(38,986)
Unrealised (gain)/loss on revaluation of financial assets held-for-trading	(33)	142
Unrealised (gain)/loss on revaluation of derivative financial instruments	(36,249)	15,007
Unrealised gain arising from financial liabilities designated at fair value	(3,737)	-
Interest expense on subordinated obligations	29,470	29,444
Interest income from financial investments held-to-maturity	(26,908)	(19,791)
Interest income from financial investments available-for-sale	(315,183)	(302,038)
Interest income from financial assets held-for-trading	(428)	(1,539)
Allowance for loans, advances and financing	81,668	17,359
Allowance for other assets	2,041	3,622
Net write-back of financial investments held-to-maturity	(4,969)	(2,691)
Net write-back of financial investments available-for-sale	(1,759)	(12,236)
Amortisation of computer software	18,325	19,621
Share options/grants under ESS	6,017	10,589
Property, plant and equipment written off	957	622
Computer software written off	658	11
Share of profit of equity-accounted joint venture, net of tax	(16)	-
Operating profit before working capital changes	371,961	403,425
Changes in working capital:		
Deposits from customers	5,366,991	3,232,762
Deposits and placements of banks and other financial institutions	(1,212,444)	547,292
Bills and acceptances payable	801,578	(73,713)
Balance due to clients and brokers	(8,479)	(12,160)
Other liabilities	74,687	35,987
Financial assets held-for-trading	101,034	1,415,953
Loans, advances and financing	(4,828,710)	(4,064,609)
Other assets	3,462	(7,930)
Statutory deposits with Bank Negara Malaysia	(91,182)	(253,272)
Amount due to Cagamas Berhad	(7,011)	(2,276)
Cash generated from operations	571,887	1,221,459
Taxes and zakat paid	(207,214)	(200,075)
Net cash generated from operating activities	364,673	1,021,384

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015 (contd.)

	Unaudited 12 Months Ended 31.03.2015 RM'000	Unaudited 12 Months Ended 31.03.2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from financial investments available-for-sale	2,179	5,339
Interest received from financial investments held-to-maturity	26,908	19,791
Interest received from financial investments available-for-sale	315,183	302,038
Interest received from financial assets held-for-trading	428	1,539
Acquisition of joint venture company net of cash acquired	(394)	-
Purchase of property, plant and equipment	(27,506)	(35,535)
Purchase of computer software	(25,662)	(17,130)
Proceeds from disposal of property, plant and equipment	2	4,176
Proceeds from disposal of non-current assets held for sale	49,353	-
Net cash outflow from disposal of a subsidiary held for sale	-	(236)
Purchase of financial investments held-to-maturity, net of proceeds for redemption and maturity	75,704	(658,217)
Purchase of financial investments available-for-sale, net of proceeds	93,421	536,603
Net cash generated from investing activities	<u>509,616</u>	<u>158,368</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of shares held for ESS	-	(47,500)
Proceeds from share option exercised by employees	17,198	6,316
Interest paid on subordinated obligations	(28,920)	(28,920)
Dividends paid to shareholders of the Company	(296,166)	(289,033)
Net cash used in financing activities	<u>(307,888)</u>	<u>(359,137)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	566,401	820,615
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,129,782</u>	<u>1,309,167</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,696,183</u>	<u>2,129,782</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>2,696,183</u>	<u>2,129,782</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 fourth financial quarter and the financial year ended 31 March 2015 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"), IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") 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:

- Amendments 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)
- Amendments to MFRS 139 "Financial instruments: Recognition and measurement" – Novation of derivatives and continuation of hedge accounting (effective 1 January 2014)
- Amendments to MFRS 136 "Recoverable Amount Disclosures for Non-Financial assets (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 2015, and have yet to be adopted by the Group:

- Annual Improvements to MFRSs 2010 - 2012 Cycle" (effective 1 January 2015)
- Annual Improvements to MFRSs 2011 - 2013 Cycle" (effective 1 January 2015)
- Amendments to MFRS 11 "Joint Arrangement" (effective from 1 January 2016)
- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets" (effective from 1 January 2016)
- Amendments to MFRS 10 and MFRS 128 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective 1 January 2016)
- Amendments to MFRS 127 "Separate Financial Statements - Equity Method in Separate Financial Statements" (effective 1 January 2016)
- Annual Improvements to MFRSs 2012 - 2014 Cycle" (effective 1 January 2016)
- MFRS 15 "Revenue from Contracts with Customers (effective from 1 January 2017)
- MFRS 9 "Financial instruments - Classification and measurement of financial assets and financial liabilities" (effective 1 January 2018)

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 judgements 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 fourth financial quarter and the financial year ended 31 March 2015.

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 fourth financial quarter and the financial year ended 31 March 2015 were not substantially affected by any item of a material and unusual nature.

A5. Changes In Estimates

Other than changes in estimates on MFRS 139 collective assessment on impairment for certain loan portfolio that have a material effect in the last financial year, there were no material changes in estimates for the fourth financial quarter and the financial year ended 31 March 2015.

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 fourth financial quarter and the financial year ended 31 March 2015.

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.

A first interim dividend of 9.0 sen per share, tax exempt under the single tier tax system in respect of the financial year ended 31 March 2015, on 1,548,105,929 ordinary shares amounting to RM136,933,000 was paid on 30 December 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 for in the total equity. An amount of RM3,318,000 and RM2,397,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the special dividend and the first interim 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 unit trust, asset management, alternative distribution channels, trustee services and holding company operations.

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

A8. Segment Information (contd.)

Group 4th Financial Quarter Ended 31 March 2015	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	79,897	67,444	39,238	1,365	980	188,924	(2,814)	186,110
- inter-segment	(22,715)	19,664	4,093	(1,042)	-	-	-	-
	57,182	87,108	43,331	323	980	188,924	(2,814)	186,110
Net income from Islamic banking business	21,846	17,360	11,364	-	-	50,570	7,641	58,211
Other operating income/(expense)	24,024	36,652	(3,038)	5,493	5,385	68,516	(6,790)	61,726
Net income	103,052	141,120	51,657	5,816	6,365	308,010	(1,963)	306,047
Other operating expenses	(66,502)	(59,190)	(15,950)	(8,778)	(6,555)	(156,975)	2,303	(154,672)
Depreciation and amortisation	(6,041)	(3,593)	(1,014)	(133)	(13)	(10,794)	-	(10,794)
Operating profit/(loss)	30,509	78,337	34,693	(3,095)	(203)	140,241	340	140,581
(Allowance made for)/write-back of losses on loans, advances and financing and other assets	(3,633)	(14,010)	70	83	-	(17,490)	-	(17,490)
Write-back of impairment	-	39	-	-	1,500	1,539	-	1,539
Segment result	26,876	64,366	34,763	(3,012)	1,297	124,290	340	124,630
Share of profit of equity-accounted joint venture, net of tax								2
Taxation and zakat								(31,363)
Net profit after taxation and zakat								93,269
Segment assets	21,836,416	14,592,555	18,280,083	63,524	1,924,206	56,696,784	(4,052,792)	52,643,992
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								509
Property, plant and equipment								97,711
Unallocated assets								39,374
Intangible assets								359,935
Total assets								53,141,521
Segment liabilities	19,239,768	18,905,387	11,826,134	89,021	16,942	50,077,252	(1,446,162)	48,631,090
Unallocated liabilities								15,326
Total liabilities								48,646,416

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

A8. Segment Information (contd.)

Group Twelve months ended 31 March 2015	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	381,726	304,902	136,548	6,733	3,537	833,446	(12,857)	820,589
- inter-segment	(79,848)	41,971	42,814	(4,937)	-	-	-	-
	301,878	346,873	179,362	1,796	3,537	833,446	(12,857)	820,589
Net income from Islamic banking business	84,601	68,240	43,914	-	-	196,755	28,302	225,057
Other operating income	107,491	154,316	29,864	25,290	412,242	729,203	(391,860)	337,343
Net income	493,970	569,429	253,140	27,086	415,779	1,759,404	(376,415)	1,382,989
Other operating expenses	(267,350)	(219,669)	(52,549)	(41,344)	(37,708)*	(618,620)	11,494	(607,126)
Depreciation and amortisation	(22,022)	(13,385)	(3,786)	(552)	(51)	(39,796)	-	(39,796)
Operating profit/(loss)	204,598	336,375	196,805	(14,810)	378,020	1,100,988	(364,921)	736,067
(Allowance made for)/write-back of losses on loans, advances and financing and other assets	(42,719)	2,136	80	899	-	(39,604)	-	(39,604)
Write-back of impairment	-	4,395	833	-	2,827	8,055	(1,327)	6,728
Segment result	161,879	342,906	197,718	(13,911)	380,847	1,069,439	(366,248)	703,191
Share of profit of equity-accounted joint venture, net of tax								16
Taxation and zakat								(172,427)
Net profit after taxation and zakat								530,780
Segment assets	21,836,416	14,592,555	18,280,083	63,524	1,924,206	56,696,784	(4,052,792)	52,643,992
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								509
Property, plant and equipment								97,711
Unallocated assets								39,374
Intangible assets								359,935
Total assets								53,141,521
Segment liabilities	19,239,768	18,905,387	11,826,134	89,021	16,942	50,077,252	(1,446,162)	48,631,090
Unallocated liabilities								15,326
Total liabilities								48,646,416

* Includes rationalisation cost of RM10,648,000

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A8. Segment Information (contd.)

Group	Consumer	Business	Financial	Investment	Others	Total	Inter-	Total
4th Financial Quarter Ended	Banking	Banking	Markets	Banking		Operations	segment	Total
31 March 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Elimination	RM'000
							RM'000	RM'000
Net interest income/(expense)								
- external income	91,024	77,714	34,447	1,602	189	204,976	(3,951)	201,025
- inter-segment	(7,897)	3,830	5,048	(981)	-	-	-	-
	83,127	81,544	39,495	621	189	204,976	(3,951)	201,025
Net income from Islamic banking business	21,263	14,757	9,252	-	-	45,272	7,295	52,567
Other operating income	26,448	34,016	22,592	4,753	6,885	94,694	(6,872)	87,822
Net income	130,838	130,317	71,339	5,374	7,074	344,942	(3,528)	341,414
Other operating expenses	(71,695)	(59,268)	(12,929)	(7,291)	(8,084)	(159,267)	3,656	(155,611)
Depreciation and amortisation	(5,091)	(3,396)	(1,000)	(155)	(13)	(9,655)	-	(9,655)
Operating profit/(loss)	54,052	67,653	57,410	(2,072)	(1,023)	176,020	128	176,148
Write-back of/(allowance made for) losses on loans, advances and financing and other assets	6,535	11,319	(541)	262	(2)	17,573	-	17,573
Write-back of impairment	-	11,025	3,000	-	941	14,966	(941)	14,025
Segment result	60,587	89,997	59,869	(1,810)	(84)	208,559	(813)	207,746
Taxation and zakat								(49,733)
Net profit after taxation and zakat								158,013
Segment assets	19,197,500	12,367,653	17,684,359	156,808	59,044	49,465,364	(1,869,329)	47,596,035
Reconciliation of segment assets to consolidated assets:								
Property, plant and equipment								92,633
Unallocated assets								32,770
Intangible assets								353,256
Total assets								48,074,694
Segment liabilities	18,727,368	15,076,238	11,049,774	73,003	49,141	44,975,524	(1,083,027)	43,892,497
Unallocated liabilities								16,181
Total liabilities								43,908,678

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2015

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Twelve months ended 31 March 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	318,220	306,112	159,877	6,646	2,306	793,161	(14,526)	778,635
- inter-segment	(9,652)	24,296	(10,521)	(4,123)	-	-	-	-
	308,568	330,408	149,356	2,523	2,306	793,161	(14,526)	778,635
Net income from Islamic banking business	85,986	61,464	33,842	-	-	181,292	29,625	210,917
Other operating income	134,102	139,373	65,013	23,467	433,084	795,039	(435,627)	359,412
Net income	528,656	531,245	248,211	25,990	435,390	1,769,492	(420,528)	1,348,964
Other operating expenses	(264,005)	(209,923)	(45,896)	(26,361)	(53,297) *	(599,482)	12,204	(587,278)
Depreciation and amortisation	(21,103)	(13,984)	(5,144)	(601)	(51)	(40,883)	-	(40,883)
Operating profit/(loss)	243,548	307,338	197,171	(972)	382,042	1,129,127	(408,324)	720,803
(Allowance made for)/write-back of losses on loans, advances and financing and other assets	(19,179)	32,545	(630)	235	650	13,621	-	13,621
Write-back of impairment	-	11,647	3,280	-	1,413	16,340	(1,413)	14,927
Segment result	224,369	351,530	199,821	(737)	384,105	1,159,088	(409,737)	749,351
Taxation and zakat								(185,803)
Net profit after taxation and zakat								563,548
Segment assets	19,197,500	12,367,653	17,684,359	156,808	59,044	49,465,364	(1,869,329)	47,596,035
Reconciliation of segment assets to consolidated assets:								
Property, plant and equipment								92,633
Unallocated assets								32,770
Intangible assets								353,256
Total assets								48,074,694
Segment liabilities	18,727,368	15,076,238	11,049,774	73,003	49,141	44,975,524	(1,083,027)	43,892,497
Unallocated liabilities								16,181
Total liabilities								43,908,678

* Includes rationalisation cost of RM22,328,000

A9. Material Event During The Financial Reporting Period

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

On 23 June 2014 and 26 January 2015, the Company awarded the following share grants to employees of the Company and its subsidiaries under the Share Grant Plan who have met the criteria of eligibility for the participation in the ESS:

- (i) On 23 June 2014, 2,143,600 share grants 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.

- (ii) On 26 January 2015, 34,500 share grants 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 MFRS 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 financial year ended 31 March 2015, the Trustee of the ESS had not purchased any shares in the Company from the open market.

In the financial year ended 31 March 2015, 6,994,750 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 31 March 2015, the Trustee of the ESS held 24,877,900 ordinary shares representing 1.61% of the issued and paid-up capital of the Company.

A9. Material Event During The Financial Reporting Period (contd.)

(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, 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 is to 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 received the approvals from Bank Negara Malaysia and the Securities Commission on 11 March 2014 and 1 April 2014 respectively and was completed on 6 May 2014. 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 fourth financial quarter and the financial year ended 31 March 2015, 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

(a) Current Year-to-Date vs. Previous Year-to-Date

For the financial year ended 31 March 2015, the Group's net profit after taxation and zakat was RM530.8 million, a decrease of RM32.8 million or 5.8% compared to FYE2014, primarily due to higher allowance for losses, in line with balance sheet size and loans growth.

Revenue growth was not commensurate, owing to continued margin pressures: net interest income, including Islamic Banking income, grew by RM56.1 million or 5.7%, lagging the 14.7% expansion of total gross loans to RM36.9 billion.

Other operating income declined by RM22.1 million or 6.1% due to lower gain from sale/redemption of financial investments.

While the size and growth of the balance sheet drove higher provisioning for losses, the reduction in the impaired loans continued, albeit more moderately.

This resulted in a better impaired loans ratio from 1.4% to 1.0%.

The loan loss coverage improved from 92.7% to 102.7%, reflecting a healthy book and strong performance from new origination.

Operating expenses increased by RM18.8 million or 3.0% on higher marketing spend and personnel costs.

Customer deposits registered a very healthy growth rate of 13.7% to RM44.6 billion. In particular, CASA deposits grew by RM1.7 billion or 12.5%.

As a result, the CASA ratio stood at 33.6%, while the loans-to-deposits ratio rose only slightly to 82.8% as at 31 March 2015, from 82.1% last year.

The Group's total capital ratio remained sound at 13.0%, with a Common Equity Tier 1 Capital ratio of 11.1% as at 31 March 2015.

The Group declared a second interim dividend of RM99.1 million, bringing the total dividend declared for the financial year ended 31 March 2015 to RM238.4 million (FYE2014: RM456.7 million which included a special dividend of RM162.6 million).

Performance by business segment

The Group's businesses are presented in the following business segments: Consumer Banking, Business Banking, Financial Markets and Investment Banking. Please refer to Note A8 on Segment Information for the composition of each business segment.

Consumer Banking's profit before taxation of RM161.9 million for the financial year ended 31 March 2015, was RM62.5 million or 27.9% lower compared to last financial year. This was mainly due to lower operating income, lower net interest income and higher allowance for impairment of loans, advances and financing. Segment assets increased by RM2.6 billion or 13.7% year-on-year to RM21.8 billion as at 31 March 2015.

Business Banking's profit before taxation of RM342.9 million for the for the financial year ended 31 March 2015, was RM8.6 million or 2.5% lower compared to last financial year, mainly due to lower write-back of impairment on loans, advances and financing by RM30.4 million. Operating profit before allowance improved by RM29.0 million or 9.4% to RM336.4 million on higher net interest income, other operating income and net income from Islamic banking business. Segment assets increased by RM2.2 billion or 18.0% year-on-year to RM14.6 billion as at 31 March 2015.

B1. Review Of Performance (Contd.)

(a) Current Year-to-Date vs. Previous Year-to-Date (contd.)

Financial Markets' profit before taxation of RM197.7 million for the financial year ended 31 March 2015, was RM2.1 million or 1.1% lower compared to last financial year due to lower other operating income.

Investment Banking covers stockbroking, capital market activities and corporate advisory services. It incurred a loss of RM13.9 million for the financial year ended 31 March 2015, mainly attributed to higher operating expenses while net income only grew marginally.

(b) Current Quarter vs. Previous Year Corresponding Quarter

The Group's profit after taxation and zakat of RM93.3 million for the quarter ended 31 March 2015 was RM64.7 million or 41.0% lower than the corresponding quarter ended 31 March 2014.

The decrease in profit was mainly due to allowance for loan losses of RM17.5 million as credit cost normalized compared to a net write-back of RM17.6 million in the corresponding quarter of the previous year.

In addition, two significant non-recurring items affect the comparison: an exceptional write-back on legacy financial assets of RM14.0 million in Q4 FYE2014 and a one-off accounting adjustment in interest income of RM18.4 million in the current quarter.

B2. Comparison With Immediate Preceding Quarter

The Group's profit after taxation and zakat of RM93.3 million for the fourth quarter ended 31 March 2015 was RM33.1 million or 26.2% lower than the immediate preceding quarter ended 31 December 2014.

The decrease in profit was mainly due to a one-off accounting adjustment in interest income of RM18.4 million and marked-to-market revaluation loss increase of RM10.6 million on derivative financial instruments which we also expect to be non-recurrent.

B3. Current Year Prospect

With the Malaysian economy expected to register a steady gross domestic product ("GDP") growth in the range of 4.5% to 5.5% in 2015, the Group will continue to capitalise on its strengths to generate sustainable revenue from Consumer Banking, Transactional Banking and Business Banking. The focus will be to further improve asset efficiency, ensuring deposits growth exceeds loans growth and risk adjusted returns by expanding business activities where the Group has competitive advantage.

The Group will continue to capitalize on its strength in the SME segment as well as Transactional and Business Banking to generate sustainable revenue growth.

It will also centre its Consumer Banking activities around Wealth Management, cards and unsecured lending, with a strong focus on fulfilling the financial needs of the owners, employees and clients of our SME and Business Banking partners.

The focus areas for Financial Year 2016 will be to improve asset efficiency as measured by risk adjusted returns, ensure that deposits growth exceeds loans growth and continue to grow customer based non-interest income.

Financial markets will focus on helping our customers with their foreign exchange and treasury products needs, as well as on optimizing the balance sheet for returns within a prudent risk management framework.

Investment Banking, having built its capabilities in the debt and equity markets, will support our SME and Business Banking customers with enhanced access to capital markets in addition to growing its institutional broking business.

The Group expects that these actions will position its businesses for sustainable revenue and profit growth in financial year 2016.

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B4. Profit Forecast

There was no profit forecast issued by the Group.

B5. Taxation And Zakat

GROUP	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Income tax	39,293	54,825	167,748	184,566
- Under provision in prior year	-	130	3,962	323
	39,293	54,955	171,710	184,889
- Deferred tax	(8,024)	(5,421)	660	715
	31,269	49,534	172,370	185,604
Zakat	94	199	57	199
	31,363	49,733	172,427	185,803

The Group's effective tax rate for the financial year ended 31 March 2015 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 fourth financial quarter and the financial year ended 31 March 2015 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 fourth financial quarter and the financial year ended 31 March 2015 other than investments held by the Group whose activities are regulated by law relating to banking companies and are subject to supervision by Bank Negara Malaysia ("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	
	31.03.2015	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)	29,168,229	25,517,740
- More than one year (medium/long term)	<u>54,533</u>	<u>68,589</u>
	<u>29,222,762</u>	<u>25,586,329</u>
Others	<u>15,384,053</u>	<u>13,650,748</u>
	<u>44,606,815</u>	<u>39,237,077</u>
 (b) Deposits and placements of banks and other financial institutions		
- One year or less (short term)	1,214,218	2,727,564
- More than one year (medium/long term)	<u>275,557</u>	<u>331,793</u>
	<u>1,489,775</u>	<u>3,059,357</u>
 (c) Subordinated obligations		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated Medium Term Notes	<u>613,267</u>	<u>612,718</u>

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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 31 March 2015			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	1,083,171	70,152	(5,529)	561,345	4,292	(2,955)
Currency swaps						
- one year or less	3,184,221	56,121	(76,726)	5,711,425	24,997	(40,929)
- over one year to three years	69,675	234	(4,133)	32,835	293	-
- over three years	31,515	-	(5,562)	31,515	-	(1,186)
Currency spots						
- less than one year	219,795	347	(869)	190,557	254	(309)
Currency options						
- one year or less	307,337	1,562	(803)	388,046	2,125	(1,344)
DCI Gold						
- one year or less	-	-	-	7,878	32	(107)
	4,895,714	128,416	(93,622)	6,923,601	31,993	(46,830)
Interest rate derivatives:						
Interest rate swap						
- one year or less	3,645,000	4,044	(9,276)	2,645,000	6,814	(1,988)
- over one year to three years	1,635,000	1,749	(561)	250,000	160	-
- over three years	800,000	1,030	(2,440)	2,135,000	5,178	(520)
	1,210,000	1,265	(6,275)	260,000	1,476	(1,468)
Equity related derivatives:						
- one year or less	23,460	-	(3,554)	57,582	870	(870)
- over one year to three years	12,780	-	(70)	-	-	-
<u>Hedging derivatives</u>						
Interest rate swap						
- over three years	280,422	-	(8,702)	538,376	-	(15,186)
Total derivatives assets/(liabilities)	8,857,376	132,460	(115,224)	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 2015.

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

On 27 May 2015, the Directors has declared a second interim dividend of 6.4 sen per share, tax exempt under the single tier tax system, in respect of financial year ended 31 March 2015 to be paid on 30 June 2015. The entitlement date for the second interim dividend payment is on 15 June 2015. The Directors do not propose any final dividend in respect of the financial year ended 31 March 2015.

The total dividend paid/declared for the financial year ended 31 March 2015 is 15.4 sen per share, tax exempt under the single tier tax system (2014: 29.5 sen per share, tax exempt under the single tier tax system).

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.

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Net profit attributable to owners of the parent (RM'000)	93,269	158,013	530,780	563,548
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)	(24,878)	(31,872)	(24,878)	(31,872)
	1,523,228	1,516,234	1,523,228	1,516,234
Basic earnings per share (sen)	6.1	10.4	34.8	37.2

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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 31 March 2015.

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Net profit attributable to owners of the parent (RM'000)	93,269	158,013	530,780	563,548
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)	(24,878)	(31,872)	(24,878)	(31,872)
Effect of Share Grants under ESS ('000)	2,998	3,329	2,998	3,329
	1,526,226	1,519,563	1,526,226	1,519,563
Diluted earnings per share (sen)	6.1	10.4	34.8	37.1

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/Year Ended	
	31.03.2015 RM'000	31.03.2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	2,023,336	1,934,970
- Unrealised	123,187	54,440
	2,146,523	1,989,410
Total share of (losses)/profits from joint venture		
- Realised	(171)	-
- Unrealised	187	-
	2,146,539	1,989,410
Less: Consolidation adjustments	(341,924)	(283,539)
Total group retained profits as per consolidated accounts	1,804,615	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. Other Explanatory Notes

C1. Interest Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	328,136	310,359	1,330,504	1,186,571
Money at call and deposit placements with financial institutions	4,216	2,816	25,402	9,416
Financial assets held-for-trading	203	633	428	1,539
Financial investments available-for-sale	78,322	79,025	315,183	302,038
Financial investments held-to-maturity	6,685	6,619	26,908	19,791
Others	3,275	3,541	11,047	5,500
	420,837	402,993	1,709,472	1,524,855
Accretion of discount less amortisation of premium	11,188	15,378	62,935	76,491
	432,025	418,371	1,772,407	1,601,346

C2. Interest Expense

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	13,302	20,927	74,748	65,271
Deposits from customers	220,500	184,079	830,414	716,720
Subordinated obligations	7,306	7,299	29,470	29,444
Others	4,807	5,041	17,186	11,276
	245,915	217,346	951,818	822,711

C3. Net Income From Islamic Banking Business

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	98,480	75,189	364,828	302,186
Income derived from investment of Islamic Banking funds	8,670	7,911	33,641	31,783
Income attributable to depositors and financial institutions	(56,581)	(37,828)	(201,714)	(152,677)
	50,569	45,272	196,755	181,292
Add: Income due to head office eliminated at Group level	7,642	7,295	28,302	29,625
	58,211	52,567	225,057	210,917

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C4. Other Operating Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	18,593	16,177	78,212	77,723
Service charges and fees	7,314	7,255	31,752	30,446
Portfolio management fees	5	6	29	32
Corporate advisory fees	307	-	762	1,313
Brokerage fees	8,537	8,134	39,476	32,347
Guarantee fees	3,027	2,653	13,195	11,685
Processing fees	2,953	2,461	15,588	14,039
Commitment fees	3,737	3,639	15,214	14,662
Underwriting commissions	-	-	526	910
Other fee income	25,550	25,454	114,542	130,855
	70,023	65,779	309,296	314,012
(b) <u>Fee and commission expense:</u>				
Commissions expense	(625)	(386)	(2,275)	(1,474)
Brokerage fees expense	(4,123)	(3,960)	(19,328)	(16,120)
Guarantee fees expense	(6)	(277)	(737)	(626)
Other fee expense	(23,157)	(21,133)	(91,309)	(85,658)
	(27,911)	(25,756)	(113,649)	(103,878)
(c) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	866	413	873	(450)
- Financial investments available-for-sale	(1,615)	18,033	14,977	38,986
- Financial investments held-to-maturity	-	-	-	3,742
Marked-to-market revaluation of:				
- Financial assets held-for-trading	(9)	(24)	33	(142)
- Derivative financial instruments	(76,212)	(17,385)	36,249	(15,007)
- Unrealised gain arising from financial liabilities designated at fair value	3,737	-	3,737	-
Realised gain on derivative financial instruments	88,330	40,626	28,782	71,399
Gross dividend income from:				
- Financial investments available-for-sale	-	914	2,179	5,430
	15,097	42,577	86,830	103,958
(d) <u>Other income:</u>				
Foreign exchange (loss)/gain	(1,893)	(4,526)	4,628	19,877
Gain/(loss) on disposal of property, plant and equipment	1	(284)	2	(58)
Gain on disposal of non-current assets held for sale	-	-	21,605	-
Gain from disposal of a subsidiary	-	-	-	1,169
Others	6,409	10,032	28,631	24,332
	4,517	5,222	54,866	45,320
Total other operating income	61,726	87,822	337,343	359,412

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C5. Other Operating Expenses

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
<u>Personnel costs:</u>				
Salaries, allowances and bonuses	77,466	77,404	298,387	292,626
Contribution to EPF	12,605	11,998	50,259	48,672
Share options/grants under ESS	27	2,701	6,017	10,589
Others	11,801	6,308	48,795	47,201
	101,899	98,411	403,458	399,088
<u>Establishment costs:</u>				
Depreciation of property, plant and equipment	5,913	5,040	21,471	21,262
Amortisation of computer software	4,881	4,615	18,325	19,621
Rental of premises	7,279	6,996	28,177	28,089
Water and electricity	1,994	1,852	9,108	7,371
Repairs and maintenance	3,143	2,359	11,451	10,374
Information technology expenses	9,434	13,823	38,792	45,307
Others	4,587	3,722	16,891	14,255
	37,231	38,407	144,215	146,279
<u>Marketing expenses:</u>				
Promotion and advertisement	2,742	3,873	7,239	8,602
Branding and publicity	6,745	4,870	18,266	10,318
Others	1,668	1,178	7,746	5,002
	11,155	9,921	33,251	23,922
<u>Administration and general expenses:</u>				
Communication expenses	3,467	2,879	14,105	11,540
Printing and stationery	1,176	888	4,200	3,859
Insurance	3,051	2,789	10,499	9,235
Professional fees	3,423	8,524	18,188	22,739
Others	4,064	3,447	19,006	11,499
	15,181	18,527	65,998	58,872
Total other operating expenses	165,466	165,266	646,922	628,161

C6. Allowance Made for/(Write-back of) Losses On Loans, Advances And Financing And Other Assets

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Allowance made for/(write-back of) losses on loans, advances and financing and other assets:				
(a) Individual assessment allowance - made during the year, (net)	2,837	473	3,475	5,613
(b) Collective assessment allowance - made during the year, (net)	22,287	(3,386)	78,193	11,746
(c) Bad debts on loans and financing - Recovered	(13,274)	(21,344)	(61,849)	(59,113)
- Written off	4,761	5,310	17,744	24,511
	16,611	(18,947)	37,563	(17,243)
Allowance for other assets	879	1,374	2,041	3,622
	17,490	(17,573)	39,604	(13,621)

C7. Balances Due From Clients And Brokers

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Due from clients	60,289	77,459
Due from brokers	43,294	-
	103,583	77,459
Less: Allowance for other losses	(840)	(1,194)
	102,743	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 past due and impaired accounts, as follows:

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Classified as doubtful	128	102
Classified as bad	927	1,294
	1,055	1,396

Other balances are neither past due nor impaired.

The movements in allowance for other losses are as follows:

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
At beginning of year	1,194	1,215
Write-back during the year, (net)	(354)	(21)
At end of year	840	1,194

C8. Financial Assets Held-for-trading

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government securities	-	110,172
<u>Unquoted securities:</u>		
Medium term notes	10,037	-
Total financial assets held-for-trading	10,037	110,172

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C9. Financial Investments Available-for-sale

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government securities	2,607,781	2,897,516
Malaysian Government investment certificates	2,723,129	2,575,869
Negotiable instruments of deposits	1,241,534	861,808
Bankers' acceptances	105,531	361,979
Khazanah bonds	194,349	186,734
	6,872,324	6,883,906
<u>Quoted securities in Malaysia:</u>		
Shares	22	22
Accumulated impairment	(11)	(11)
	11	11
<u>Unquoted securities:</u>		
Shares	141,651	145,505
Debt securities and medium term notes	2,979,271	2,951,962
Accumulated impairment	(239,401)	(242,624)
	2,739,870	2,709,338
	2,881,521	2,854,843
Total financial investment available-for-sale	9,753,856	9,738,760

C10. Financial Investments Held-to-maturity

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government securities	701,521	702,507
Malaysian Government investment certificates	423,739	434,574
Khazanah bonds	183,932	177,514
At cost		
<u>Unquoted securities:</u>		
Debt securities	37,668	39,730
	1,346,860	1,354,325
Accumulated impairment	(27,825)	(34,203)
Total financial investments held-to-maturity	1,319,035	1,320,122

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C11. Loans, Advances And Financing

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Overdrafts	2,142,270	1,960,984
Term loans/financing		
- Housing loans/financing	14,257,710	12,576,157
- Syndicated term loans/financing	431,427	472,331
- Hire purchase receivables	1,564,527	1,219,366
- Other term loans/financing	11,751,901	9,721,105
Bills receivables	300,866	208,765
Trust receipts	182,437	153,840
Claims on customers under acceptance credits	2,567,211	2,513,103
Staff loans [including loans to Directors of a banking subsidiary of RM155,000 (2014: RM187,000)]	37,691	41,194
Credit/charge card receivables	653,068	601,297
Revolving credits	1,467,301	1,169,632
Share margin financing	1,566,703	1,561,622
Gross loans, advances and financing	36,923,112	32,199,396
Add: Sales commissions and handling fees	33,927	30,050
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(56,303)	(97,159)
- Collective assessment allowance	(334,704)	(313,296)
Total net loans, advances and financing	36,566,032	31,818,991

(a) By type of customer:

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Domestic non-bank financial institutions	576,252	530,796
Domestic business enterprises		
- Small and medium enterprises	7,481,367	5,899,643
- Others	6,890,104	6,283,048
Government and statutory bodies	8,258	9,653
Individuals	20,866,962	18,426,080
Other domestic entities	215,146	231,066
Foreign entities	885,023	819,110
Gross loans, advances and financing	36,923,112	32,199,396

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C11. Loans, Advances And Financing (contd.)

(b) By interest/profit rate sensitivity:

	Group	
	31.03.2015 RM'000	31.03.2014 RM'000
Fixed rate		
- Housing loans/financing	57,528	70,535
- Hire purchase receivables	1,512,488	1,219,366
- Other fixed rate loans/financing	2,248,229	2,038,485
Variable rate		
- Base lending rate plus	26,582,088	22,831,752
- Base rate plus	29,334	-
- Cost plus	6,253,494	5,850,762
- Other variable rate loans/financing	239,951	188,496
Gross loans, advances and financing	36,923,112	32,199,396

(c) By economic purposes:

	Group	
	31.03.2015 RM'000	31.03.2014 RM'000
Purchase of securities	1,597,174	1,607,281
Purchase of transport vehicles	1,426,986	1,117,797
Purchase of landed property	21,587,935	18,098,160
of which: - Residential	15,137,475	13,337,595
- Non-residential	6,450,460	4,760,565
Purchase of fixed assets excluding land and buildings	209,585	155,410
Personal use	2,276,090	2,047,339
Credit card	653,068	601,297
Construction	564,122	436,317
Merger and acquisition	117,687	369,151
Working capital	6,623,099	6,379,804
Others	1,867,366	1,386,840
Gross loans, advances and financing	36,923,112	32,199,396

(d) By geographical distribution:

	Group	
	31.03.2015 RM'000	31.03.2014 RM'000
Northern region	2,413,727	2,152,976
Central region	26,845,424	23,825,877
Southern region	4,246,477	3,389,910
Sabah region	2,634,948	2,346,894
Sarawak region	782,536	483,739
Gross loans, advances and financing	36,923,112	32,199,396

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C11. Loans, Advances And Financing (contd.)

(e) By maturity structure:

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Within one year	8,508,239	8,035,787
One year to three years	1,426,070	1,420,228
Three years to five years	1,825,760	1,685,425
Over five years	25,163,043	21,057,956
Gross loans, advances and financing	36,923,112	32,199,396

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

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
At beginning of year	442,781	579,233
Impaired during the year	688,569	555,392
Reclassified as unimpaired during the year	(412,159)	(381,732)
Recoveries	(235,458)	(225,534)
Amount written off	(103,021)	(84,578)
At end of year	380,712	442,781
Individual allowance for impairment	(56,303)	(97,159)
Collective allowance for impairment (impaired portion)	(102,533)	(109,070)
Net impaired loans, advances and financing	221,876	236,552
Gross impaired loans as a percentage of gross loans, advances and financing	1.0%	1.4%

(g) Impaired loans by economic purposes:

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Purchase of securities	515	5,207
Purchase of transport vehicles	8,263	9,765
Purchase of landed property	255,939	254,194
of which: - Residential	233,894	222,781
- Non-residential	22,045	31,413
Purchase of fixed assets excluding land and buildings	541	96
Personal use	27,164	30,263
Credit card	7,611	7,847
Construction	3,979	7,225
Working capital	58,158	92,830
Others	18,542	35,354
Gross impaired loans	380,712	442,781

C11. Loans, Advances And Financing (contd.)

(h) Impaired loans by geographical distribution:

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Northern region	45,294	69,548
Central region	267,873	304,328
Southern region	37,759	34,124
Sabah region	25,501	31,703
Sarawak region	4,285	3,078
Gross impaired loans	380,712	442,781

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

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Individual assessment allowance		
At beginning of year	97,159	128,471
Allowance made during the year, (net)	3,475	5,613
Amount written off	(43,873)	(30,655)
Transfers to collective assessment allowance	(458)	(6,270)
At end of year	56,303	97,159

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Collective assessment allowance		
At beginning of year	313,296	349,203
Allowance made during the year, (net)	78,193	11,746
Amount written-off	(57,243)	(53,923)
Transfers from individual assessment allowance	458	6,270
At end of year	334,704	313,296

C12. Other Assets

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Other receivables, deposits and prepayments	120,608	123,666
Trade receivables	49	46
Amounts due from joint venture	534	-
	121,191	123,712
Less: Allowance for other receivables	(31,138)	(28,743)
	90,053	94,969

C13. Non-current Assets Held for Sale

Investment Property

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Freehold land	-	27,748

The disposal exercise on the above investment property which has been identified as non-current assets held for sale was completed in August 2014.

C14. Deposits From Customers

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
<u>By type of deposits:</u>		
Amortised cost		
Demand deposits	13,222,335	11,559,004
Savings deposits	1,767,621	1,763,153
Fixed/investment deposits	21,049,678	18,637,176
Money market deposits	4,171,150	3,211,369
Negotiable instruments of deposits	4,001,934	3,737,784
Structured deposits	330,602	328,591
	44,543,320	39,237,077
At fair value through profit and loss		
Structured deposits	63,495	-
	44,606,815	39,237,077

Note:

- (a) Structured deposits issued by the Group include foreign currency time deposits with embedded foreign exchange, gold commodity, equity linked options and interest rate index linked placements.
- (b) The Group has undertaken a fair value hedge on the interest rate risk of certain the structured deposits amounting to RM281,371,000 (2014: RM269,952,000) using interest rate swaps.

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Structured deposits	281,371	269,952
Fair value changes arising from fair value hedges	(8,702)	(15,186)
	272,669	254,766

The fair value gain of the interest rate swap in this hedge transaction as at financial year ended 31 March 2015 was RM8,702,000 (2014: RM15,186,000). There were no ineffectiveness.

C14. Deposits From Customers (contd.)

Note: (contd.)

- (c) During the financial year, the Group designated certain structured deposits at fair value through profit or loss. This designation is permitted under MFRS 139 "Financial Instruments: Recognition and Measurement" as it significantly reduces accounting mismatch. These instruments are managed by the Bank on the basis of its fair value and includes embedded derivatives that are not closely related to its underlying deposits. The structured deposits are recorded at fair value. The carrying amount of the structured deposits were RM3,479,000 lower than the contractual amount at maturity.

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Structured deposits	67,232	-
Fair value changes arising from designation at fair value through profit or loss	(3,737)	-
	63,495	-

The fair value changes of the structured deposits that are attributable to the changes in own credit risk at

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
(i) <u>By type of customers:</u>		
Domestic financial institutions	4,057,149	3,868,358
Domestic non-bank financial institutions	4,443,347	2,230,725
Government and statutory bodies	2,998,668	3,016,502
Business enterprises	14,134,110	11,577,166
Individuals	17,906,583	17,564,502
Foreign entities	591,360	491,440
Others	475,598	488,384
	44,606,815	39,237,077

	Group	
	31.03.2015	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	24,011,868	20,059,225
Six months to one year	5,156,361	5,458,515
One year to three years	48,134	59,470
Three years to five years	6,399	9,119
	29,222,762	25,586,329

C15. Deposits And Placements Of Banks And Other Financial Institutions

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Licensed banks	852,198	1,998,196
Licensed investment banks	-	351,649
Licensed Islamic banks	200,020	145,017
Bank Negara Malaysia	437,557	464,487
Other financial institutions	-	100,008
	1,489,775	3,059,357

C16. Balances Due To Clients And Brokers

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Due to clients	62,833	22,623
Due to brokers	-	22,211
	62,833	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 RM78,850,000 (2014: RM128,020,000) have been excluded accordingly.

C17. Other Liabilities

	Group	
	31.03.2015	31.03.2014
	RM'000	RM'000
Other payable and accruals	902,991	827,023
Remisiers' accounts	21,305	20,950
Finance lease liabilities	10,299	11,650
	934,595	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:

	31.03.2015	31.03.2014
<u>Before deducting proposed dividends</u>		
CET I capital ratio	11.301%	10.908%
Tier I capital ratio	11.301%	11.961%
Total capital ratio	13.160%	14.201%
<u>After deducting proposed dividends</u>		
CET I capital ratio	11.108%	10.379%
Tier I capital ratio	11.108%	11.433%
Total capital ratio	12.967%	13.673%

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

	31.03.2015	31.03.2014
	RM'000	RM'000
<u>CET I Capital</u>		
Paid-up share capital	796,517	596,517
Share premium	401,517	201,517
Retained profits	2,005,815	1,957,952
Statutory reserves	1,069,665	929,055
Revaluation reserves	78,232	7,071
Other reserves	10,018	10,018
	4,361,764	3,702,130
Less: Regulatory adjustment		
- Goodwill and other intangibles	(359,935)	(353,256)
- Deferred tax assets	(12,020)	(32,343)
- 55% of revaluation reserve	(43,028)	(3,889)
- Investment in subsidiaries, associate and joint venture	(1,816)	(824)
Total CET I Capital	3,944,965	3,311,818
<u>Tier I Capital</u>		
ICPS	-	3,200
Share premium	-	316,800
Total additional Tier I Capital	-	320,000
Total Tier I Capital	3,944,965	3,631,818
<u>Tier II Capital</u>		
Subordinated obligations	419,581	479,082
Collective assessment allowance	232,171	204,226
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	(2,725)	(3,297)
Total Tier II Capital	649,027	680,011
Total Capital	4,593,992	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
31 March 2015			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	11.291%	11.013%	94.504%
Tier I capital ratio	11.291%	11.013%	94.504%
Total capital ratio	11.751%	11.731%	94.504%
<u>After deducting proposed dividends</u>			
CET I capital ratio	11.058%	11.013%	93.448%
Tier I capital ratio	11.058%	11.013%	93.448%
Total capital ratio	11.518%	11.731%	93.448%
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:

	31.03.2015 RM'000	31.03.2014 RM'000
Credit risk	32,011,298	27,484,255
Market risk	125,778	201,614
Operational risk	2,770,484	2,676,791
Total RWA and capital requirements	34,907,560	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	31.03.2015 RM'000	31.03.2014 RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	789,038	471,930
Transaction-related contingent items	653,199	590,667
Short-term self-liquidating trade-related contingencies	164,832	169,493
Irrevocable commitments to extend credit:		
- maturity exceeding one year	4,189,365	5,108,092
- maturity not exceeding one year	6,634,666	6,225,736
Unutilised credit card lines	1,457,307	1,415,598
	13,888,407	13,981,516
<u>Derivative financial instruments</u>		
Foreign exchange related contracts:		
- one year or less	4,794,524	6,859,251
- over one year to three years	69,675	32,835
- over three years	31,515	31,515
Interest rate related contracts:		
- one year or less	2,085,000	250,000
- over one year to three years	828,153	2,135,000
- over three years	1,012,269	798,376
Equity related contracts:		
- one year or less	23,460	57,582
- over one year to three years	12,780	-
	8,857,376	10,164,559
	22,745,783	24,146,075

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 Group recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. This includes listed equities and corporate debt securities which are actively traded.

(ii) Financial instruments in Level 2

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities, corporate notes, repurchase agreements and most of the Group's derivatives.

(iii) Financial instruments in Level 3

The Group classifies financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include net tangible assets, discounted cash flows, and other appropriate valuation models. These includes private equity investments.

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C20. Fair Value Measurements (contd.)

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

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>
31 March 2015	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading	-	10,037	-	10,037
Financial investments available-for-sale	-	9,613,634	140,222	9,753,856
Derivative financial assets	-	132,460	-	132,460
<u>Liabilities</u>				
Derivative financial liabilities	-	115,224	-	115,224
	<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
<u>Liabilities</u>				
Derivative financial liabilities	-	64,874	-	64,874

There were no transfers between levels 1 and 2 of the fair value hierarchy for the Group during the financial year ended 31 March 2015 and 31 March 2014.

Reconciliation of movements in level 3 financial instruments:

	Group	
	31.03.2015	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	11,224	12,509
- Other comprehensive income		
Revaluation reserves	1,976	6,922
Disposal	(14,089)	(15,712)
At end of year	140,222	141,111

The Group's exposure to financial instruments measured using unobservable inputs (level 3) constitutes a small component of the Group's portfolio of financial instruments. Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets and liabilities of level 3 of the fair value hierarchy.

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary

Kuala Lumpur

27 May 2015