

# ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	2nd Quarter Ended		Cumulative 6 Months Ended	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A13	471,314	457,755	935,079	881,240
Interest expense	A14	(258,191)	(236,616)	(514,190)	(460,280)
Net interest income		213,123	221,139	420,889	420,960
Net income from Islamic banking business	A15	61,052	54,820	119,604	108,490
		<b>274,175</b>	275,959	<b>540,493</b>	529,450
Fee and commission income		70,317	90,118	140,753	164,504
Fee and commission expense		(26,787)	(28,918)	(54,576)	(56,595)
Investment income		36,060	22,732	60,324	54,368
Other income		12,142	30,191	23,260	33,639
Other operating income	A16	91,732	114,123	169,761	195,916
Net income		365,907	390,082	710,254	725,366
Other operating expenses	A17	(166,029)	(163,084)	(333,379)	(324,797)
Operating profit before allowance		199,878	226,998	376,875	400,569
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	A18	(19,262)	6,588	(36,376)	4,836
Write-back of impairment on securities		-	3,446	676	4,946
Operating profit after allowance		180,616	237,032	341,175	410,351
Share of profit of equity-accounted, net of tax joint venture		17	6	120	6
Profit before taxation		180,633	237,038	341,295	410,357
Taxation	B5	(45,971)	(56,710)	(84,703)	(99,219)
Net profit for the financial period		134,662	180,328	256,592	311,138
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit or loss:					
Revaluation reserve on financial investments available-for-sale					
- Net (loss)/gain from change in fair value		(59,158)	44,056	(60,123)	61,111
- Realised loss/(gain) transferred to statement of income on disposal and impairment		282	(7,604)	(1,036)	(14,580)
- Transfer from/(to) deferred tax		14,130	(10,883)	14,678	(14,863)
Other comprehensive (expense)/income, net of tax		(44,746)	25,569	(46,481)	31,668
Total comprehensive income for the period		89,916	205,897	210,111	342,806
Net profit for the financial period attributable to:					
Owners of the parent		134,662	180,328	256,592	311,138
Total comprehensive income attributable to:					
Owners of the parent		89,916	205,897	210,111	342,806
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B14(a)	8.8	11.9	16.8	20.5
- Diluted (sen)	B14(b)	8.8	11.8	16.8	20.4

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

# ALLIANCE FINANCIAL GROUP BERHAD

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(Incorporated in Malaysia)

## QUARTERLY REPORT RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

(The figures have not been audited)

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	<i>Note</i>	2nd Quarter Ended		Cumulative 6 Months Ended	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A13	401	198	1,098	771
Other income	A16	649	749	68,716	162,014
		<u>1,050</u>	<u>947</u>	<u>69,814</u>	<u>162,785</u>
Other operating expenses	A17	(740)	(734)	(1,556)	(1,404)
Operating profit		<u>310</u>	<u>213</u>	<u>68,258</u>	<u>161,381</u>
Write-back of impairment on amount due from subsidiaries		-	15	-	1,327
Profit before taxation		<u>310</u>	<u>228</u>	<u>68,258</u>	<u>162,708</u>
Taxation	B5	(312)	(336)	(506)	(662)
Net (loss)/profit for the financial period		<u>(2)</u>	<u>(108)</u>	<u>67,752</u>	<u>162,046</u>

*(The Condensed Statement of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)*

# ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## CONDENSED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
Cash and short-term funds	1,537,119	2,696,183	50,672	75,357
Deposits and placements with banks and other financial institutions	48,980	298,167	-	-
Balances due from clients and brokers A19	86,877	102,743	-	-
Financial assets held-for-trading A20	105,390	10,037	-	-
Financial investments available-for-sale A21	9,836,369	9,753,856	-	-
Financial investments held-to-maturity A22	1,131,669	1,319,035	-	-
Derivative financial assets B10	280,101	132,460	-	-
Loans, advances and financing A23	37,607,008	36,566,032	-	-
Other receivables A24	140,678	90,053	2,087	1,184
Investment in subsidiaries	-	-	1,780,004	1,780,679
Investment in a joint venture	619	509	89	99
Tax recoverable	43,967	27,017	-	-
Statutory deposits with Bank Negara Malaysia	1,712,421	1,675,426	-	-
Property, plant and equipment	92,664	97,711	342	368
Intangible assets	362,937	359,935	-	-
Deferred tax assets	15,828	12,357	411	334
<b>TOTAL ASSETS</b>	<b>53,002,627</b>	<b>53,141,521</b>	<b>1,833,605</b>	<b>1,858,021</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits from customers B9(a), A25	44,054,991	44,606,815	-	-
Deposits and placements of banks and other financial institutions B9(b), A26	2,530,630	1,489,775	-	-
Balances due to clients and brokers A27	52,490	62,833	-	-
Bills and acceptances payable	-	801,578	-	-
Derivative financial liabilities B10	241,227	115,224	-	-
Amount due to Cagamas Berhad	6,488	7,003	-	-
Other liabilities A28	880,671	934,595	2,246	1,999
Subordinated obligations B9(c)	613,633	613,267	-	-
Provision for taxation	93	2,157	364	254
Provision for zakat	74	128	-	-
Deferred tax liabilities	9,627	13,041	-	-
<b>TOTAL LIABILITIES</b>	<b>48,389,924</b>	<b>48,646,416</b>	<b>2,610</b>	<b>2,253</b>
Share capital	1,548,106	1,548,106	1,548,106	1,548,106
Reserves	3,145,614	3,033,720	363,906	394,383
Shares held for Employees' Share Scheme	(81,017)	(86,721)	(81,017)	(86,721)
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>4,612,703</b>	<b>4,495,105</b>	<b>1,830,995</b>	<b>1,855,768</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>53,002,627</b>	<b>53,141,521</b>	<b>1,833,605</b>	<b>1,858,021</b>
<b>COMMITMENTS AND CONTINGENCIES</b> A30	<b>21,419,546</b>	<b>22,745,783</b>	<b>-</b>	<b>-</b>
<b>Net assets per share attributable to owners of the parent (RM)*</b>	<b>2.98</b>	<b>2.90</b>	<b>1.18</b>	<b>1.20</b>

\* 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 Statements of Financial Position should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

## ALLIANCE FINANCIAL GROUP BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

	← Attributable to Owners of the Parent →								
						Employees' Share Scheme ("ESS") Reserve	Shares held for ESS	Retained Profits	Total Equity
<b>Group</b>	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 September 2015</b>									
At 1 April 2015	1,548,106	304,289	827,627	7,013	78,232	11,944	(86,721)	1,804,615	4,495,105
Net profit for the financial period	-	-	-	-	-	-	-	256,592	256,592
Other comprehensive expense	-	-	-	-	(46,481)	-	-	-	(46,481)
Total comprehensive (expense)/income for the financial period	-	-	-	-	(46,481)	-	-	256,592	210,111
Transfer to statutory reserve	-	-	64,318	-	-	-	-	(64,318)	-
Share-based payment under ESS	-	-	-	-	-	3,949	-	-	3,949
Transfer to retained profits on share lapsed:	-	-	-	-	-	-	-	12	-
- employees of subsidiaries	-	-	-	-	-	(12)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	-	(97,503)	(97,503)
ESS shares grant vested to:	-	-	-	-	-	-	-	-	-
- employees of subsidiaries	-	-	-	-	-	(4,337)	4,337	-	-
- employees of joint venture	-	-	-	-	-	(87)	87	-	-
- own employees	-	-	-	-	-	(152)	152	-	-
ESS shares option exercised by:	-	-	-	-	-	-	-	-	-
- employees of subsidiaries	-	-	-	-	-	(87)	87	-	-
Proceeds from share option exercised	-	-	-	-	-	-	1,041	-	1,041
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(1,172)	-	1,172	-
<b>At 30 September 2015</b>	<b>1,548,106</b>	<b>304,289</b>	<b>891,945</b>	<b>7,013</b>	<b>31,751</b>	<b>10,046</b>	<b>(81,017)</b>	<b>1,900,570</b>	<b>4,612,703</b>
<b>30 September 2014</b>									
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 for the financial period	-	-	-	-	-	-	-	311,138	311,138
Other comprehensive income	-	-	-	-	31,668	-	-	-	31,668
Total comprehensive income for the financial period	-	-	-	-	31,668	-	-	311,138	342,806
Transfer to statutory reserve	-	-	9,806	-	-	-	-	(9,806)	-
Share-based payment under ESS	-	-	-	-	-	6,422	-	-	6,422
Transfer to retained profits on share lapsed:	-	-	-	-	-	-	-	363	-
- employees of subsidiaries	-	-	-	-	-	(363)	-	-	-
- own employees	-	-	-	-	-	(13)	-	13	-
Dividends paid to shareholders	-	-	-	-	-	-	-	(159,233)	(159,233)
ESS shares grant vested to:	-	-	-	-	-	-	-	-	-
- employees of subsidiaries	-	-	-	-	-	(6,534)	6,534	-	-
- own employees	-	-	-	-	-	(156)	156	-	-
ESS shares option exercised by:	-	-	-	-	-	-	-	-	-
- employees of subsidiaries	-	-	-	-	-	(407)	407	-	-
Proceeds from share option exercised	-	-	-	-	-	-	4,109	-	4,109
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	(1,473)	-	1,473	-
<b>At 30 September 2014</b>	<b>1,548,106</b>	<b>304,289</b>	<b>696,823</b>	<b>7,013</b>	<b>38,739</b>	<b>16,388</b>	<b>(101,057)</b>	<b>1,849,819</b>	<b>4,360,120</b>

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

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## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

<u>Company</u>	← Non-Distributable			→ <Distributable>		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Employees' Share Scheme ("ESS") Reserve RM'000	Shares held for ESS RM'000	Retained Profits RM'000	
<b>30 September 2015</b>						
At 1 April 2015	1,548,106	304,289	11,944	(86,721)	78,150	1,855,768
Net profit for the financial period	-	-	-	-	67,752	67,752
Share-based payment under ESS	-	-	3,949	-	-	3,949
Transfer to retained profits on share lapsed:						
- employees of subsidiaries	-	-	(12)	-	-	(12)
Dividends paid to shareholders	-	-	-	-	(97,503)	(97,503)
ESS recharge amount received from subsidiaries	-	-	-	4,337	-	4,337
ESS recharge amount received from joint venture	-	-	-	87	-	87
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(4,337)	-	-	(4,337)
- employees of joint venture	-	-	(87)	-	-	(87)
- own employees	-	-	(152)	152	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(87)	87	-	-
Proceeds from share option exercised	-	-	-	1,041	-	1,041
Transfer of ESS shares purchase price difference on shares vested	-	-	(1,172)	-	1,172	-
<b>At 30 September 2015</b>	<b>1,548,106</b>	<b>304,289</b>	<b>10,046</b>	<b>(81,017)</b>	<b>49,571</b>	<b>1,830,995</b>
<b>30 September 2014</b>						
At 1 April 2014	1,548,106	304,289	18,912	(112,263)	41,954	1,800,998
Net profit for the financial period	-	-	-	-	162,046	162,046
Share-based payment under ESS	-	-	6,422	-	-	6,422
Transfer to retained profits on share lapsed:						
- employees of subsidiaries	-	-	(363)	-	-	(363)
- own employees	-	-	(13)	-	13	-
Dividends paid to shareholders	-	-	-	-	(159,233)	(159,233)
ESS recharge amount received from subsidiaries	-	-	-	6,534	-	6,534
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(6,534)	-	-	(6,534)
- own employees	-	-	(156)	156	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(407)	407	-	-
Proceeds from share option exercised	-	-	-	4,109	-	4,109
Transfer of ESS shares purchase price difference on shares vested	-	-	(1,473)	-	1,473	-
<b>At 30 September 2014</b>	<b>1,548,106</b>	<b>304,289</b>	<b>16,388</b>	<b>(101,057)</b>	<b>46,253</b>	<b>1,813,979</b>

(The Condensed Statement of Changes In Equity should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

# ALLIANCE FINANCIAL GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

	Unaudited 6 Months Ended 30.09.2015 RM'000	Unaudited 6 Months Ended 30.09.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	341,295	410,357
Adjustments for:		
Accretion of discount less amortisation of premium of financial investments	(32,652)	(34,238)
Depreciation of property, plant and equipment	11,511	10,226
Dividends from financial investments available-for-sale	(2,761)	(1,891)
Loss/(gain) on disposal of property, plant and equipment	12	(1)
Gain on disposal of non-current assets held for sale	-	(21,605)
Net loss from sale of financial assets held-for-trading	1,466	10
Net gain from sale of financial investments available-for-sale	(1,036)	(14,580)
Unrealised loss/(gain) on revaluation of financial assets held-for-trading	422	(24)
Unrealised gain on revaluation of derivative financial instruments	(31,555)	(27,736)
Unrealised gain arising from financial liabilities designated at fair value	(22,230)	-
Interest expense on subordinated obligations	14,786	14,772
Interest income from financial investments held-to-maturity	(13,416)	(13,451)
Interest income from financial investments available-for-sale	(149,958)	(158,689)
Interest income from financial assets held-for-trading	(1,708)	(214)
Allowance for loans, advances and financing	43,674	24,903
Allowance for other receivables	2,267	523
Net write-back of financial investments held-to-maturity	(469)	(4,687)
Net write-back of financial investments available-for-sale	(207)	(259)
Amortisation of computer software	10,575	8,931
Share options/grants under ESS	3,891	6,350
Property, plant and equipment written off	28	375
Computer software written off	-	4
Share of profit of equity-accounted, net of tax joint venture	(120)	(6)
Zakat	2	(12)
Operating profit before working capital changes	173,817	199,058
Changes in working capital:		
Deposits from customers	(519,677)	1,530,576
Deposits and placements of banks and other financial institutions	1,290,042	999,127
Bills and acceptances payable	(801,578)	186,449
Balances due from clients and brokers	5,523	(12,343)
Other liabilities	(53,942)	18,007
Financial assets held-for-trading	(97,259)	110,186
Loans, advances and financing	(1,084,650)	(2,319,502)
Other receivables	(52,892)	(2,480)
Statutory deposits with Bank Negara Malaysia	(36,995)	(33,380)
Amount due to Cagamas Berhad	(515)	(1,184)
Cash (used in)/generated from operations	(1,178,126)	674,514
Taxes paid	(95,922)	(101,322)
Zakat paid	(57)	(190)
Net cash (used in)/generated from operating activities	(1,274,105)	573,002

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (contd.)

	<b>Unaudited 6 Months Ended 30.09.2015 <u>RM'000</u></b>	<b>Unaudited 6 Months Ended 30.09.2014 <u>RM'000</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from financial investments available-for-sale	2,761	1,891
Interest received from financial investments held-to-maturity	13,416	13,451
Interest received from financial investments available-for-sale	149,958	158,689
Interest received from financial assets held-for-trading	1,708	214
Acquisition of joint venture, net of cash acquired	-	(396)
Purchase of property, plant and equipment	(6,567)	(11,978)
Purchase of computer software	(13,577)	(9,657)
Proceeds from disposal of property, plant and equipment	62	1
Proceeds from disposal of non-current assets held for sale	-	49,353
Proceed from disposal of financial investments held-to-maturity	225,239	34,554
Purchase of financial investments available-for-sale	<u>(147,164)</u>	<u>(436,623)</u>
Net cash generated from/(used in) investing activities	<u>225,836</u>	<u>(200,501)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from ESS exercised by employees/joint venture	1,128	4,109
Interest paid on subordinated obligations	(14,420)	(14,420)
Dividends paid to shareholders of the Company	<u>(97,503)</u>	<u>(159,233)</u>
Net cash used in financing activities	<u>(110,795)</u>	<u>(169,544)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,159,064)</b>	<b>202,957</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>2,696,183</u></b>	<b><u>2,129,782</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>1,537,119</u></b>	<b><u>2,332,739</u></b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and short-term funds	<u>1,537,119</u>	<u>2,332,739</u>

*(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)*

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## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS - COMPANY FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

	<b>Unaudited 6 Months Ended 30.09.2015 RM'000</b>	<b>Unaudited 6 Months Ended 30.09.2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	68,258	162,708
Adjustments for:		
Depreciation of property, plant and equipment	25	25
Interest income from money at call and deposit placements with financial institutions	(1,098)	(771)
Write-back of impairment losses on amount due from subsidiaries	-	(1,327)
Share options/grants under ESS	131	186
Gross dividend income from a subsidiary	(67,386)	(160,463)
Operating (loss)/profit before working capital changes	(70)	358
Changes in working capital:		
Receivables	(115)	39
Payables	(402)	(423)
Cash used in operations	(587)	(26)
Taxes paid	(473)	(482)
Net cash used in operating activities	<u>(1,060)</u>	<u>(508)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Amount due from subsidiaries	(764)	(880)
Amount due from a joint venture	(24)	-
ESS recharge amount received from subsidiaries for share grants	4,337	6,534
ESS recharge amount received from joint venture for share grants	87	-
ESS recharge amount received from subsidiaries for share options	87	407
Interest received from deposits and placements with banks and other financial institutions	1,098	771
Dividends received	67,386	160,463
Net cash generated from investing activities	<u>72,207</u>	<u>167,295</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(97,503)	(159,233)
Proceeds from share option exercised	1,041	4,109
Amount due to subsidiaries	630	141
Net cash used in financing activities	<u>(95,832)</u>	<u>(154,983)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(24,685)</b>	<b>11,804</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>75,357</b>	<b>17,801</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>50,672</u></b>	<b><u>29,605</u></b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and short-term funds	<u>50,672</u>	<u>29,605</u>

*(The Condensed Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)*



**[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 second financial quarter ended 30 September 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 2015. 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 2015.

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 2015, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2015:

- Amendments to MFRS 119 "Defined Benefit Plans: Employee Contributions" (effective 1 July 2014)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2010 - 2012 Cycle" (effective 1 January 2015)
  - MFRS 2 "Share-based Payment"
  - MFRS 3 "Business Combinations"
  - MFRS 8 "Operating Segments"
  - MFRS 13 "Fair Value Measurement"
  - MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets"
  - MFRS 124 "Related Party Disclosure"
- Amendment to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011 - 2013 Cycle" (effective 1 January 2015)
  - MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"
  - MFRS 3 "Business Combinations"
  - MFRS 13 "Fair Value Measurement"
  - MFRS 140 "Investment Property"

The adoption of the above amendments to MFRSs and annual improvements to MFRSs do not have any material impact to the Group's financial statements.

**A1. Basis Of Preparation (contd.)**

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:

- Amendments to MFRS 116 & MFRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation” (effective 1 January 2016)
- Amendments to MFRS 11 “Accounting for Acquisition of Interests in Joint Operations” (effective 1 January 2016)
- Amendments to MFRS 116 & MFRS 141 “Agriculture: Bearer Plants” (effective 1 January 2016)
- Amendments to MFRS 127 “Equity Method in Separate Financial Statements” (effective 1 January 2016)
- Amendments to MFRS 10 & MFRS 128 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective 1 January 2016)
- Annual Improvements to MFRSs 2012 – 2014 (effective 1 January 2016)
- Amendments to MFRS 10, 12 & 128 “Investment entities - Applying the Consolidation Exception” (effective 1 January 2016)
- Amendments to MFRS 101 “Presentation of financial statements - Disclosure Initiative” (effective 1 January 2016)
- MFRS 15 “Revenue from Contracts with Customer” (effective 1 January 2018)
- MFRS 9 “Financial Instruments” (effective 1 January 2018)

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 audited annual financial statements for the financial year ended 31 March 2015 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 during the second financial quarter ended 30 September 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 second financial quarter ended 30 September 2015 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 second financial quarter ended 30 September 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 second financial quarter ended 30 September 2015, other than as disclosed in Note A9.

**A7. Dividends Paid**

A second interim dividend of 6.4 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 RM99,079,000 was paid on 30 June 2015.

*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 RM1,576,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the second interim dividend.*

**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.

A8. **Segment Information** (contd.)

(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)**  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

A8. **Segment Information** (contd.)

<b>Group</b> <b>2nd Financial Quarter Ended</b> <b>30 September 2015</b>	<b>Consumer</b> <b>Banking</b> <b>RM'000</b>	<b>Business</b> <b>Banking</b> <b>RM'000</b>	<b>Financial</b> <b>Markets</b> <b>RM'000</b>	<b>Investment</b> <b>Banking</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total</b> <b>Operations</b> <b>RM'000</b>	<b>Inter-</b> <b>segment</b> <b>Elimination</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
Net interest income/(expense)								
- external income	109,076	81,861	19,798	976	810	212,521	602	213,123
- inter-segment	(34,694)	14,277	21,268	(851)	-	-	-	-
	74,382	96,138	41,066	125	810	212,521	602	213,123
Net income from Islamic banking business	21,588	19,206	13,315	-	-	54,109	6,943	61,052
Other operating income	26,005	39,270	21,949	4,852	5,804	97,880	(6,148)	91,732
Net income	121,975	154,614	76,330	4,977	6,614	364,510	1,397	365,907
Other operating expenses	(72,461)	(57,449)	(13,477)	(8,738)	(4,417)	(156,542)	1,601	(154,941)
Depreciation and amortisation	(5,975)	(4,021)	(930)	(150)	(12)	(11,088)	-	(11,088)
Operating profit/(loss)	43,539	93,144	61,923	(3,911)	2,185	196,880	2,998	199,878
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(6,212)	(12,804)	(247)	1	-	(19,262)	-	(19,262)
Segment result	37,327	80,340	61,676	(3,910)	2,185	177,618	2,998	180,616
Share of profit of equity-accounted joint venture, net of tax								17
Taxation								(45,971)
Net profit for the financial period								134,662
Segment assets	22,131,547	15,328,500	16,688,278	147,475	1,900,455	56,196,255	(3,709,643)	52,486,612
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								619
Property, plant and equipment								92,664
Unallocated assets								59,795
Intangible assets								362,937
Total assets								53,002,627
Segment liabilities	20,939,320	18,448,376	10,004,883	77,873	15,372	49,485,824	(1,105,694)	48,380,130
Unallocated liabilities								9,794
Total liabilities								48,389,924

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

**A8. Segment Information (contd.)**

<b>Group</b>	<b>Consumer Banking</b>	<b>Business Banking</b>	<b>Financial Markets</b>	<b>Investment Banking</b>	<b>Others</b>	<b>Total Operations</b>	<b>Inter-segment Elimination</b>	<b>Total</b>
<b>Six months ended 30 September 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net interest income/(expense)								
- external income	210,876	161,406	49,243	2,261	1,912	425,698	(4,809)	420,889
- inter-segment	(54,262)	30,491	25,618	(1,847)	-	-	-	-
	156,614	191,897	74,861	414	1,912	425,698	(4,809)	420,889
Net income from Islamic banking business	44,757	36,475	24,568	-	-	105,800	13,804	119,604
Other operating income	52,823	74,683	31,572	11,105	11,138	181,321	(11,560)	169,761
Net income	254,194	303,055	131,001	11,519	13,050	712,819	(2,565)	710,254
Other operating expenses	(145,148)	(114,099)	(27,721)	(18,795)	(9,418)	(315,181)	3,888	(311,293)
Depreciation and amortisation	(11,856)	(8,038)	(1,877)	(290)	(25)	(22,086)	-	(22,086)
Operating profit/(loss)	97,190	180,918	101,403	(7,566)	3,607	375,552	1,323	376,875
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(20,935)	(15,458)	(5)	22	-	(36,376)	-	(36,376)
Write-back of impairment	-	3	673	-	-	676	-	676
Segment result	76,255	165,463	102,071	(7,544)	3,607	339,852	1,323	341,175
Share of profit of equity-accounted joint venture, net of tax								120
Taxation								(84,703)
Net profit for the financial period								256,592
Segment assets	22,131,547	15,328,500	16,688,278	147,475	1,900,455	56,196,255	(3,709,643)	52,486,612
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								619
Property, plant and equipment								92,664
Unallocated assets								59,795
Intangible assets								362,937
Total assets								53,002,627
Segment liabilities	20,939,320	18,448,376	10,004,883	77,873	15,372	49,485,824	(1,105,694)	48,380,130
Unallocated liabilities								9,794
Total liabilities								48,389,924

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

**A8. Segment Information (contd.)**

<b>Group</b>	<b>Consumer Banking</b>	<b>Business Banking</b>	<b>Financial Markets</b>	<b>Investment Banking</b>	<b>Others</b>	<b>Total Operations</b>	<b>Inter-segment Elimination</b>	<b>Total</b>
<b>2nd Financial Quarter Ended 30 September 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net interest income/(expense)								
- external income	109,880	82,227	29,912	1,833	845	224,697	(3,558)	221,139
- inter-segment	(19,349)	8,461	12,293	(1,405)	-	-	-	-
	90,531	90,688	42,205	428	845	224,697	(3,558)	221,139
Net income from Islamic banking business	20,638	16,368	11,606	-	-	48,612	6,208	54,820
Other operating income	31,418	40,106	12,779	8,216	61,666	154,185	(40,062)	114,123
Net income	142,587	147,162	66,590	8,644	62,511	427,494	(37,412)	390,082
Other operating expenses	(69,532)	(55,759)	(13,041)	(12,148)	(5,650)*	(156,130)	2,583	(153,547)
Depreciation and amortisation	(5,290)	(3,179)	(919)	(137)	(12)	(9,537)	-	(9,537)
Operating profit/(loss)	67,765	88,224	52,630	(3,641)	56,849	261,827	(34,829)	226,998
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(14,665)	19,722	899	632	-	6,588	-	6,588
Write-back of impairment	-	2,613	833	-	15	3,461	(15)	3,446
Segment result	53,100	110,559	54,362	(3,009)	56,864	271,876	(34,844)	237,032
Share of profit of equity-accounted joint venture, net of tax								6
Taxation								(56,710)
Net profit for the financial period								180,328
Segment assets	20,608,063	13,259,908	18,084,940	233,591	1,877,040	54,063,542	(3,699,434)	50,364,108
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								471
Property, plant and equipment								93,999
Unallocated assets								15,807
Intangible assets								353,979
Total assets								50,828,364
Segment liabilities	18,629,654	15,974,004	12,848,115	84,113	17,723	47,553,609	(1,097,143)	46,456,466
Unallocated liabilities								11,778
Total liabilities								46,468,244

\* Includes rationalisation cost of RM10,648,000

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

**A8. Segment Information (contd.)**

<b>Group</b>	<b>Consumer Banking</b>	<b>Business Banking</b>	<b>Financial Markets</b>	<b>Investment Banking</b>	<b>Others</b>	<b>Total Operations</b>	<b>Inter-segment Elimination</b>	<b>Total</b>
<b>Six months ended 30 September 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net interest income/(expense)								
- external income	194,363	160,175	68,264	3,543	1,436	427,781	(6,821)	420,960
- inter-segment	(30,237)	10,484	22,378	(2,625)	-	-	-	-
	164,126	170,659	90,642	918	1,436	427,781	(6,821)	420,960
Net income from Islamic banking business	40,862	32,536	21,293	-	-	94,691	13,799	108,490
Other operating income	59,928	77,398	24,595	13,782	227,963	403,666	(207,750)	195,916
Net income	264,916	280,593	136,530	14,700	229,399	926,138	(200,772)	725,366
Other operating expenses	(132,701)	(108,423)	(24,664)	(22,099)	(24,297)*	(312,184)	6,544	(305,640)
Depreciation and amortisation	(10,512)	(6,490)	(1,840)	(290)	(25)	(19,157)	-	(19,157)
Operating profit/(loss)	121,703	165,680	110,026	(7,689)	205,077	594,797	(194,228)	400,569
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(29,064)	32,559	659	682	-	4,836	-	4,836
Write-back of impairment	-	2,613	833	-	2,827	6,273	(1,327)	4,946
Segment result	92,639	200,852	111,518	(7,007)	207,904	605,906	(195,555)	410,351
Share of profit of equity-accounted joint venture, net of tax						-		6
Taxation								(99,219)
Net profit for the financial period								311,138
Segment assets	20,608,063	13,259,908	18,084,940	233,591	1,877,040	54,063,542	(3,699,434)	50,364,108
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								471
Property, plant and equipment								93,999
Unallocated assets								15,807
Intangible assets								353,979
Total assets								50,828,364
Segment liabilities	18,629,654	15,974,004	12,848,115	84,113	17,723	47,553,609	(1,097,143)	46,456,466
Unallocated liabilities								11,778
Total liabilities								46,468,244

\* Includes rationalisation cost of RM10,648,000



**A9. Material Event During The Financial Reporting Period**

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

On 22 June 2015, the Company awarded share grants to employees of the Company and its subsidiaries who have met the criteria of eligibility for the participation in the ESS.

A total 1,844,700 shares were awarded under the Share Grant Plan. The first 33.0% of the share grants are to be vested at the end of the first year and the remaining 67.0% of the share grants are to be vested at the end of the second year from the date on which the award was 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 six months ended 30 September 2015, the Trustee of the ESS had not purchased any shares in the Company from the open market.

In the six months ended 30 September 2015, 1,633,950 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 September 2015, the Trustee of the ESS held 23,243,950 ordinary shares representing 1.50% of the issued and paid-up capital of the Company.

**(c) Establishment of New Debt Issuance Programmes**

On 18 September 2015, the Company announced that Alliance Bank Malaysia Berhad ("ABMB"), a wholly-owned subsidiary of the Company has established the following New Debt Issuance Programmes:

- (i) RM1.5 billion Thirty (30)-years Senior Medium Term Notes Programme (A1 rating by RAM Rating Services Berhad ("RAM"));
- (ii) RM2.0 billion Thirty (30)-years Subordinated Medium Term Notes Programme (A2 rating by RAM); and
- (iii) RM500.0 million Seven (7)-years Commercial Papers Programme (P1 rating by RAM)

**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 second financial quarter ended 30 September 2015.

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

Please refer to Note A30.

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

**A13. Interest Income**

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Loans, advances and financing	<b>368,392</b>	340,152	<b>725,959</b>	652,599
Money at call and deposit placements with financial institutions	<b>2,550</b>	10,903	<b>5,893</b>	16,662
Financial assets held-for-trading	<b>889</b>	-	<b>1,708</b>	214
Financial investments available-for-sale	<b>74,205</b>	80,120	<b>149,958</b>	158,689
Financial investments held-to-maturity	<b>6,705</b>	6,696	<b>13,416</b>	13,451
Others	<b>2,435</b>	3,057	<b>5,493</b>	5,387
	<b>455,176</b>	440,928	<b>902,427</b>	847,002
Accretion of discount less amortisation of premium	<b>16,138</b>	16,827	<b>32,652</b>	34,238
	<b>471,314</b>	457,755	<b>935,079</b>	881,240
<b>Company</b>				
Money at call and deposit placements with financial institutions	<b>401</b>	198	<b>1,098</b>	771

**A14. Interest Expense**

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Deposits and placements of banks and other financial institutions	<b>13,494</b>	22,643	<b>24,026</b>	42,418
Deposits from customers	<b>231,243</b>	202,815	<b>463,903</b>	395,513
Subordinated obligations	<b>7,472</b>	7,464	<b>14,786</b>	14,772
Others	<b>5,982</b>	3,694	<b>11,475</b>	7,577
	<b>258,191</b>	236,616	<b>514,190</b>	460,280

**A15. Net Income From Islamic Banking Business**

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Income derived from investment of depositors' funds and others	<b>107,497</b>	86,445	<b>209,369</b>	169,669
Income derived from investment of Islamic Banking funds	<b>9,089</b>	8,290	<b>18,027</b>	16,340
Income attributable to depositors and financial institutions	<b>(62,477)</b>	(46,123)	<b>(121,596)</b>	(91,318)
	<b>54,109</b>	48,612	<b>105,800</b>	94,691
Add: Income due to head office eliminated at Group level	<b>6,943</b>	6,208	<b>13,804</b>	13,799
	<b>61,052</b>	54,820	<b>119,604</b>	108,490

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

**A16. Other Operating Income**

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
<u>Fee and commission income:</u>				
Commissions	21,702	21,835	39,550	40,511
Service charges and fees	6,707	7,451	14,319	15,813
Portfolio management fees	-	9	-	16
Corporate advisory fees	194	200	680	365
Brokerage fees	8,066	11,831	17,096	21,381
Guarantee fees	3,261	3,079	7,221	6,496
Processing fees	1,394	6,810	3,952	10,351
Commitment fees	4,053	3,851	7,800	7,588
Underwriting commissions	-	316	-	316
Other fee income	24,940	34,736	50,135	61,667
	<b>70,317</b>	<b>90,118</b>	<b>140,753</b>	<b>164,504</b>
<u>Fee and commission expense:</u>				
Commissions expense	(566)	(724)	(788)	(1,146)
Guarantee fees expense	(126)	(60)	(633)	(506)
Brokerage fees expense	(4,048)	(5,914)	(8,244)	(10,685)
Other fee expense	(22,047)	(22,220)	(44,911)	(44,258)
	<b>(26,787)</b>	<b>(28,918)</b>	<b>(54,576)</b>	<b>(56,595)</b>
<u>Investment income:</u>				
(Loss)/gain arising from sale/redemption of:				
- Financial assets held-for-trading	(908)	18	(1,466)	(10)
- Financial investments available-for-sale	(282)	9,104	1,036	14,580
Marked-to-market revaluation of:				
- Financial assets held-for-trading	(523)	-	(422)	24
- Derivative financial instruments	77,721	16,317	31,555	27,736
- Unrealised gain arising from financial liabilities designated at fair value	19,070	-	22,230	-
Realised gain on derivative financial instruments	(59,018)	(2,985)	4,630	10,147
Gross dividend income from:				
- Financial investments available-for-sale	-	278	2,761	1,891
	<b>36,060</b>	<b>22,732</b>	<b>60,324</b>	<b>54,368</b>
<u>Other income:</u>				
Foreign exchange gain/(loss)	5,555	1,187	9,244	(1,557)
(Loss)/gain on disposal of property, plant and equipment	-	-	(12)	1
Gain on disposal of non-current assets held for sale	-	21,605	-	21,605
Others	6,587	7,399	14,028	13,590
	<b>12,142</b>	<b>30,191</b>	<b>23,260</b>	<b>33,639</b>
Total other operating income	<b>91,732</b>	<b>114,123</b>	<b>169,761</b>	<b>195,916</b>
<b>Company</b>				
<u>Investment income:</u>				
Gross dividend income from:				
- Subsidiary	-	-	67,386	160,463
<u>Other income:</u>				
Others	649	749	1,330	1,551
Total other operating income	<b>649</b>	<b>749</b>	<b>68,716</b>	<b>162,014</b>

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**A17. Other Operating Expenses**

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
<u>Personnel costs</u>				
Salaries, allowances and bonuses	80,557	75,561	162,838	147,124
Contribution to EPF	13,010	12,265	26,271	25,270
Share options/grants under ESS	1,725	3,504	3,891	6,350
Others	9,257	9,828	16,144	27,429
	<b>104,549</b>	<b>101,158</b>	<b>209,144</b>	<b>206,173</b>
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	5,680	5,043	11,511	10,226
Amortisation of computer software	5,408	4,494	10,575	8,931
Rental of premises	7,623	6,952	15,413	13,914
Water and electricity	2,110	2,576	4,158	4,837
Repairs and maintenance	2,646	2,788	4,113	5,364
Information technology expenses	10,629	10,334	21,249	18,510
Others	3,080	3,909	7,156	8,259
	<b>37,176</b>	<b>36,096</b>	<b>74,175</b>	<b>70,041</b>
<u>Marketing expenses</u>				
Promotion and advertisement	1,087	1,428	2,861	2,989
Branding and publicity	2,482	3,919	3,657	7,013
Others	2,086	2,009	3,956	3,984
	<b>5,655</b>	<b>7,356</b>	<b>10,474</b>	<b>13,986</b>
<u>Administration and general expenses</u>				
Communication expenses	3,182	3,729	6,409	7,098
Printing and stationery	870	792	1,601	1,888
Insurance	5,221	2,768	12,186	4,899
Professional fees	3,111	4,346	7,606	9,733
Others	6,265	6,839	11,784	10,979
	<b>18,649</b>	<b>18,474</b>	<b>39,586</b>	<b>34,597</b>
Total other operating expenses	<b>166,029</b>	<b>163,084</b>	<b>333,379</b>	<b>324,797</b>

**Company**

<u>Personnel costs</u>				
Salaries, allowances and bonuses	81	66	268	159
Contribution to EPF	18	39	46	54
Share options/grants under ESS	68	100	131	186
Others	32	32	53	55
	<b>199</b>	<b>237</b>	<b>498</b>	<b>454</b>
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	12	12	25	25
Rental of premises	57	57	114	114
Water and electricity	1	-	2	1
Repairs and maintenance	26	27	57	54
Information technology expenses	-	-	-	5
Others	32	22	69	37
	<b>128</b>	<b>118</b>	<b>267</b>	<b>236</b>
<u>Administration and general expenses</u>				
Communication expenses	2	2	7	6
Printing and stationery	-	1	-	1
Professional fees	35	8	52	54
Others	376	368	732	653
	<b>413</b>	<b>379</b>	<b>791</b>	<b>714</b>
Total other operating expenses	<b>740</b>	<b>734</b>	<b>1,556</b>	<b>1,404</b>

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**A18. Allowance Made for/(Write-back of) Losses On Loans, Advances And Financing And Other Receivables**

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Allowance made for/(write-back of) losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance				
- made/(write-back) during the period, (net)	5,716	3,614	9,940	(2,358)
(b) Collective assessment allowance				
- made during the period, (net)	16,328	11,698	33,734	27,261
(c) Bad debts on loans and financing				
- Recovered	(8,804)	(26,560)	(17,581)	(39,248)
- Written off	4,674	4,815	8,016	8,986
	17,914	(6,433)	34,109	(5,359)
Allowance for other receivables	1,348	(155)	2,267	523
	19,262	(6,588)	36,376	(4,836)

**A19. Balances Due From Clients And Brokers**

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
Due from clients	87,717	60,289
Due from brokers	-	43,294
	87,717	103,583
Less: Allowance made for the period/year	(840)	(840)
	86,877	102,743

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	
	30.09.2015	31.03.2015
	RM'000	RM'000
Classified as doubtful	66	128
Classified as bad	851	927
	917	1,055

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**A19. Balances Due From Clients And Brokers (contd.)**

The movements in allowance made for the period/year are as follows:

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
At beginning of year	840	1,194
Write-back during the period/year, (net)	-	(354)
At end of period/year	<u>840</u>	<u>840</u>

**A20. Financial Assets Held-for-trading**

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
<b>At fair value</b>		
<u>Money market instruments</u>		
Malaysian Government securities	20,059	-
Malaysian Government investment certificates	10,230	-
Commercial Paper	19,950	-
<u>Unquoted securities</u>		
Medium term notes	55,151	10,037
Total financial assets held-for-trading	<u>105,390</u>	<u>10,037</u>

**A21. Financial Investments Available-for-sale**

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
<b>At fair value</b>		
<u>Money market instruments</u>		
Malaysian Government securities	2,210,981	2,607,781
Malaysian Government investment certificates	2,445,227	2,723,129
Negotiable instruments of deposits	2,009,685	1,241,534
Bankers' acceptances	-	105,531
Khazanah bonds	197,308	194,349
	<u>6,863,201</u>	<u>6,872,324</u>
<u>Quoted securities in Malaysia</u>		
Shares	22	22
Accumulated impairment	(10)	(11)
	<u>12</u>	<u>11</u>
<u>Unquoted securities</u>		
Shares	153,780	141,651
Accumulated impairment	(1,440)	(1,440)
	<u>152,340</u>	<u>140,211</u>
Debt securities and medium term notes	3,058,570	2,979,271
Accumulated impairment	(237,754)	(237,961)
	<u>2,820,816</u>	<u>2,741,310</u>
	<u>2,973,156</u>	<u>2,881,521</u>
Total financial investment available-for-sale	<u>9,836,369</u>	<u>9,753,856</u>

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**A22. Financial Investments Held-to-maturity**

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
<b>At amortised cost</b>		
<u>Money market instruments</u>		
Malaysian Government securities	701,049	701,521
Malaysian Government investment certificates	233,559	423,739
Khazanah bonds	<u>187,237</u>	<u>183,932</u>
	<b>1,121,845</b>	<b>1,309,192</b>
<b>At cost</b>		
<u>Unquoted securities</u>		
Debt securities	25,263	37,668
Accumulated impairment	<u>(15,439)</u>	<u>(27,825)</u>
	<b>9,824</b>	<b>9,843</b>
Total financial investments held-to-maturity	<b><u>1,131,669</u></b>	<b><u>1,319,035</u></b>

**A23. Loans, Advances And Financing**

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
Overdrafts	2,281,767	2,142,270
Term loans/financing		
- Housing loans/financing	14,610,066	14,257,710
- Syndicated term loans/financing	424,756	431,427
- Hire purchase receivables	1,436,399	1,564,527
- Other term loans/financing	12,549,757	11,751,901
Bills receivables	360,007	300,866
Trust receipts	193,153	182,437
Claims on customers under acceptance credits	2,470,542	2,567,211
Staff loans [including loans to Directors of a banking subsidiary of RM139,000 (31.03.15: RM155,000)]	36,165	37,691
Credit/charge card receivables	663,133	653,068
Revolving credits	1,525,272	1,467,301
Share margin financing	<u>1,415,412</u>	<u>1,566,703</u>
Gross loans, advances and financing	<b>37,966,429</b>	<b>36,923,112</b>
Add: Sales commissions and handling fees	36,168	33,927
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(61,542)	(56,303)
- Collective assessment allowance	<u>(334,047)</u>	<u>(334,704)</u>
Total net loans, advances and financing	<b><u>37,607,008</u></b>	<b><u>36,566,032</u></b>

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**A23. Loans, Advances And Financing (contd.)**

(a) By type of customer

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
Domestic non-bank financial institutions	412,703	576,252
Domestic business enterprises		
- Small and medium enterprises	8,154,777	7,481,367
- Others	7,046,030	6,890,104
Government and statutory bodies	7,547	8,258
Individuals	21,278,730	20,866,962
Other domestic entities	205,041	215,146
Foreign entities	861,601	885,023
Gross loans, advances and financing	<b>37,966,429</b>	<b>36,923,112</b>

(b) By interest/profit rate sensitivity

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
Fixed rate		
- Housing loans/financing	50,969	57,528
- Hire purchase receivables	1,387,161	1,512,488
- Other fixed rate loans/financing	2,544,591	2,248,229
Variable rate		
- Base lending rate plus	27,013,097	26,582,088
- Base rate plus	475,139	29,334
- Cost plus	6,199,730	6,253,494
- Other variable rate loans/financing	295,742	239,951
Gross loans, advances and financing	<b>37,966,429</b>	<b>36,923,112</b>

(c) By economic purposes

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
Purchase of securities	1,435,394	1,597,174
Purchase of transport vehicles	1,305,880	1,426,986
Purchase of landed property	22,159,753	21,587,935
of which: - Residential	<b>15,544,892</b>	<b>15,137,475</b>
- Non-residential	<b>6,614,861</b>	<b>6,450,460</b>
Purchase of fixed assets excluding land and buildings	198,056	209,585
Personal use	2,465,247	2,276,090
Credit card	663,135	653,068
Construction	604,208	564,122
Merger and acquisition	117,687	117,687
Working capital	6,773,506	6,623,099
Others	2,243,563	1,867,366
Gross loans, advances and financing	<b>37,966,429</b>	<b>36,923,112</b>



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**A23. Loans, Advances And Financing (contd.)**

(d) By geographical distribution

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Northern region	<b>2,464,071</b>	2,413,727
Central region	<b>27,407,347</b>	26,845,424
Southern region	<b>4,458,551</b>	4,246,477
Sabah region	<b>2,674,871</b>	2,634,948
Sarawak region	<b>961,589</b>	782,536
Gross loans, advances and financing	<b>37,966,429</b>	36,923,112

(e) By maturity structure

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	<b>8,857,227</b>	8,508,239
One year to three years	<b>1,384,344</b>	1,426,070
Three years to five years	<b>1,866,579</b>	1,825,760
Over five years	<b>25,858,279</b>	25,163,043
Gross loans, advances and financing	<b>37,966,429</b>	36,923,112

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

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	<b>380,712</b>	442,781
Impaired during the period/year	<b>319,592</b>	688,569
Reclassified as unimpaired during the period/year	<b>(167,746)</b>	(412,159)
Recoveries	<b>(66,746)</b>	(235,458)
Amount written off	<b>(39,092)</b>	(103,021)
At end of period/year	<b>426,720</b>	380,712
Individual allowance for impairment	<b>(61,542)</b>	(56,303)
Collective allowance for impairment (impaired portion)	<b>(101,592)</b>	(102,533)
Net impaired loans, advances and financing	<b>263,586</b>	221,876
Gross impaired loans as a percentage of gross loans, advances and financing	<b>1.1%</b>	1.0%

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**A23. Loans, Advances And Financing (contd.)**

(g) Impaired loans by economic purposes

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
Purchase of securities	53	515
Purchase of transport vehicles	10,048	8,263
Purchase of landed property	281,900	255,939
of which: - Residential	233,482	233,894
- Non-residential	48,418	22,045
Purchase of fixed assets excluding land and buildings	1,190	541
Personal use	34,190	27,164
Credit card	8,723	7,611
Construction	3,556	3,979
Working capital	77,362	67,634
Others	9,698	9,066
Gross impaired loans	<b>426,720</b>	<b>380,712</b>

(h) Impaired loans by geographical distribution

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
Northern region	55,070	45,294
Central region	305,310	267,873
Southern region	37,115	37,759
Sabah region	24,473	25,501
Sarawak region	4,752	4,285
Gross impaired loans	<b>426,720</b>	<b>380,712</b>

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

	Group	
	30.09.2015	31.03.2015
	RM'000	RM'000
<b>Individual assessment allowance</b>		
At beginning of year	56,303	97,159
Allowance made during the period/year, (net)	9,940	3,475
Amount written off	(8,565)	(43,873)
Transfers from/(to) collective assessment allowance	3,864	(458)
At end of period/year	<b>61,542</b>	<b>56,303</b>
<b>Collective assessment allowance</b>		
At beginning of year	334,704	313,296
Allowance made during the period/year, (net)	33,734	78,193
Amount written-off	(30,527)	(57,243)
Transfers (to)/from individual assessment allowance	(3,864)	458
At end of period/year	<b>334,047</b>	<b>334,704</b>

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**A24. Other Receivables**

	Group		Company	
	30.09.2015 RM'000	31.03.2015 RM'000	30.09.2015 RM'000	31.03.2015 RM'000
Other receivables, deposits and prepayments	165,910	120,608	261	146
Trade receivables	47	49	-	-
Amounts due from subsidiaries	-	-	1,802	1,038
Amounts due from a joint venture	189	534	24	-
	<b>166,146</b>	121,191	<b>2,087</b>	1,184
Less: Allowance for other receivables	<b>(25,468)</b>	(31,138)	-	-
	<b>140,678</b>	90,053	<b>2,087</b>	1,184

**A25. Deposits From Customers**

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
<u>By type of deposit</u>		
<b>Amortised cost</b>		
Demand deposits	13,018,900	13,222,335
Savings deposits	1,790,744	1,767,621
Fixed/investment deposits	20,576,533	21,049,678
Money market deposits	3,514,714	4,171,150
Negotiable instruments of deposits	4,736,027	4,001,934
Structured deposits	309,299	330,602
	<b>43,946,217</b>	44,543,320
<b>At fair value through profit and loss</b>		
Structured deposits	108,774	63,495
	<b>44,054,991</b>	44,606,815

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 RM278,918,000 (2015: RM281,371,000) using interest rate swaps.

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
Structured deposits	278,918	281,371
Fair value changes arising from fair value hedges	(18,810)	(8,702)
	<b>260,108</b>	272,669

The fair value gain of the interest rate swap in this hedge transaction for the second financial quarter ended 30 September 2015 was RM18,810,000 (2015: RM8,702,000). There were no ineffectiveness.

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**A25. Deposits From Customers (contd.)**

- (c) During the financial period ended 30 September 2015, 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 RM8,467,000 lower than the contractual amount at maturity.

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Structured deposits	<b>134,741</b>	67,232
Fair value changes arising from designation at fair value through profit or loss	<b>(25,967)</b>	<b>(3,737)</b>
	<b>108,774</b>	<b>63,495</b>

The fair value changes of the structured deposits that are attributable to the changes in own credit risk are not significant.

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) <u>By type of customer</u>		
Domestic financial institutions	<b>4,730,962</b>	4,057,149
Domestic non-bank financial institutions	<b>2,860,071</b>	4,443,347
Government and statutory bodies	<b>3,536,433</b>	2,998,668
Business enterprises	<b>14,015,480</b>	14,134,110
Individuals	<b>17,735,732</b>	17,906,583
Foreign entities	<b>588,297</b>	591,360
Others	<b>588,016</b>	475,598
	<b>44,054,991</b>	<b>44,606,815</b>

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
(ii) <u>The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposit are as follows:</u>		
Due within six months	<b>24,281,305</b>	24,011,868
Six months to one year	<b>4,503,629</b>	5,156,361
One year to three years	<b>34,937</b>	48,134
Three years to five years	<b>7,403</b>	6,399
	<b>28,827,274</b>	<b>29,222,762</b>

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**A26. Deposits And Placements Of Banks And Other Financial Institutions**

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
Licensed banks	2,077,447	852,198
Licensed Islamic banks	-	200,020
Bank Negara Malaysia	406,039	437,557
Other financial institutions	47,144	-
	<b>2,530,630</b>	<b>1,489,775</b>

**A27. Balances Due To Clients And Brokers**

	Group	
	30.09.2015 RM'000	31.03.2015 RM'000
Due to clients	47,830	62,833
Due to brokers	4,660	-
	<b>52,490</b>	<b>62,833</b>

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 RM73,479,000 (2015: RM78,850,000) have been excluded accordingly.

**A28. Other Liabilities**

	Group		Company	
	30.09.2015 RM'000	31.03.2015 RM'000	30.09.2015 RM'000	31.03.2015 RM'000
Other payable and accruals	849,423	902,991	1,277	1,660
Remisiers' accounts	22,018	21,305	-	-
Finance lease liabilities	9,230	10,299	-	-
Amount due to subsidiaries	-	-	969	339
	<b>880,671</b>	<b>934,595</b>	<b>2,246</b>	<b>1,999</b>

**A29. 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:

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
<u>Before deducting proposed dividends</u>		
CET I capital ratio	<b>12.098%</b>	11.301%
Tier I capital ratio	<b>12.098%</b>	11.301%
Total capital ratio	<b>14.011%</b>	13.160%
<u>After deducting proposed dividends</u>		
CET I capital ratio	<b>11.729%</b>	11.108%
Tier I capital ratio	<b>11.729%</b>	11.108%
Total capital ratio	<b>13.643%</b>	12.967%

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

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>CET I Capital</u></b>		
Paid-up share capital	<b>796,517</b>	796,517
Share premium	<b>401,517</b>	401,517
Retained profits	<b>2,130,513</b>	2,005,815
Statutory reserves	<b>1,133,983</b>	1,069,665
Revaluation reserves	<b>31,751</b>	78,232
Other reserves	<b>10,018</b>	10,018
	<b>4,504,299</b>	4,361,764
Less: Regulatory adjustment		
- Goodwill and other intangibles	<b>(362,937)</b>	(359,935)
- Deferred tax assets	<b>(15,415)</b>	(12,020)
- 55% of revaluation reserve	<b>(17,463)</b>	(43,028)
- Investment in subsidiaries, associates and joint venture	<b>(1,866)</b>	(1,816)
Total CET I capital/Total Tier I capital	<b>4,106,618</b>	3,944,965
<b><u>Tier II Capital</u></b>		
Subordinated obligations	<b>419,782</b>	419,581
Collective assessment allowance	<b>232,455</b>	232,171
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	<b>(2,800)</b>	(2,725)
Total Tier II Capital	<b>649,437</b>	649,027
<b>Total Capital</b>	<b>4,756,055</b>	4,593,992

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**A29. Capital Adequacy (contd.)**

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

	<b>Alliance Bank Malaysia Berhad</b>	<b>Alliance Islamic Bank Berhad</b>	<b>Alliance Investment Bank Berhad</b>
<b>30 September 2015</b>			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	<b>12.238%</b>	<b>11.259%</b>	<b>90.819%</b>
Tier I capital ratio	<b>12.238%</b>	<b>11.259%</b>	<b>90.819%</b>
Total capital ratio	<b>12.701%</b>	<b>12.054%</b>	<b>90.819%</b>
<u>After deducting proposed dividends</u>			
CET I capital ratio	<b>11.788%</b>	<b>11.259%</b>	<b>90.819%</b>
Tier I capital ratio	<b>11.788%</b>	<b>11.259%</b>	<b>90.819%</b>
Total capital ratio	<b>12.251%</b>	<b>12.054%</b>	<b>90.819%</b>
<b>31 March 2015</b>			
<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%

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

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>30,952,537</b>	32,011,298
Market risk	<b>156,680</b>	125,778
Operational risk	<b>2,835,870</b>	2,770,484
Total RWA and capital requirements	<b>33,945,087</b>	34,907,560

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**A30. Commitments And Contingencies**

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

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Credit-related exposures</u>		
Direct credit substitutes	<b>760,617</b>	789,038
Transaction-related contingent items	<b>675,235</b>	653,199
Short-term self-liquidating trade-related contingencies	<b>177,663</b>	164,832
Irrevocable commitments to extend credit:		
- maturity exceeding one year	<b>3,355,032</b>	4,189,365
- maturity not exceeding one year	<b>6,538,991</b>	6,634,666
Unutilised credit card lines	<b>1,552,533</b>	1,457,307
	<b>13,060,071</b>	13,888,407
<u>Derivative financial instruments</u>		
Foreign exchange related contracts:		
- one year or less	<b>5,129,033</b>	4,794,524
- over one year to three years	<b>87,930</b>	69,675
- over three years	<b>43,965</b>	31,515
Interest rate related contracts:		
- one year or less	<b>630,000</b>	2,085,000
- over one year to three years	<b>872,978</b>	828,153
- over three years	<b>1,507,610</b>	1,012,269
Equity related contracts:		
- one year or less	<b>7,619</b>	23,460
- over one year to three years	<b>80,340</b>	12,780
	<b>8,359,475</b>	8,857,376
	<b>21,419,546</b>	22,745,783



**A31. 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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**A31. 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:

<b>Group</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>30 September 2015</b>	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading	-	<b>105,390</b>	-	<b>105,390</b>
Financial investments available-for-sale				
- Money market instruments	-	<b>6,863,201</b>	-	<b>6,863,201</b>
- Quoted securities in Malaysia	-	-	<b>12</b>	<b>12</b>
- Unquoted securities	-	<b>2,820,816</b>	<b>152,340</b>	<b>2,973,156</b>
Derivative financial assets	-	<b>280,101</b>	-	<b>280,101</b>
<u>Liabilities</u>				
Derivative financial liabilities	-	<b>241,227</b>	-	<b>241,227</b>
<b>31 March 2015</b>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	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				
- Money market instruments	-	6,872,324	-	6,872,324
- Quoted securities in Malaysia	-	-	<b>11</b>	<b>11</b>
- Unquoted securities	-	<b>2,741,310</b>	<b>140,211</b>	<b>2,881,521</b>
Derivative financial assets	-	<b>132,460</b>	-	<b>132,460</b>
<u>Liabilities</u>				
Derivative financial liabilities	-	<b>115,224</b>	-	<b>115,224</b>

Reconciliation of movements in level 3 financial instruments:

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	<b>140,222</b>	141,111
Total (losses)/gains recognised in:		
- Statement of comprehensive income		
(Loss)/gain arising from sales financial		
investments available-for-sale	<b>(549)</b>	11,224
- Other comprehensive income		
Revaluation reserves	<b>12,705</b>	1,976
Disposal	<b>(26)</b>	(14,089)
At end of period/year	<b>152,352</b>	<b>140,222</b>

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.

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**A32. Comparatives**

The following comparatives were reclassified to conform with presentation of audit and annual financial statement ended 31 March 2015. This does not have any impact on the financial results and earnings per share of the comparative financial year.

	<b>Group</b>		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
<u>Statements of Comprehensive Income for the for the 2nd Quarter ended 30 September 2014</u>			
Net income from Islamic banking business	53,919	901	54,820
Investment income	25,345	(2,613)	22,732
Other income	28,519	1,672	30,191
Other operating expenses	(160,523)	(2,561)	(163,084)
Write-back of impairment on securities	833	2,613	3,446
Taxation	(56,698)	(12)	(56,710)
<u>Statements of Comprehensive Income for the financial period ended 30 September 2014</u>			
	As previously stated RM'000	Restatement RM'000	As restated RM'000
Net income from Islamic banking business	107,593	897	108,490
Investment income	58,481	(4,113)	54,368
Other income	31,918	1,721	33,639
Other operating expenses	(322,191)	(2,606)	(324,797)
Write-back of impairment on securities	833	4,113	4,946
Taxation	(99,207)	(12)	(99,219)
<u>Statements of Financial Position for the financial year ended 31 March 2015</u>			
	As previously stated RM'000	Restatement RM'000	As restated RM'000
Provision for taxation and zakat	2,285	(2,285)	-
Provision for taxation	-	2,157	2,157
Provision for zakat	-	128	128

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

**B1. Review Of Performance**

For the first half ended 30 September 2015, the Group reported a net profit after taxation of RM256.6 million, an increase of RM12.7 million or 10.4% quarter to quarter comparison (2Q ended 30 September 2015 vs 1Q ended June 2015), but a decrease of RM54.5 million or 17.5% over previous year's corresponding period (1H ended September 2014), primarily due to higher allowance for losses on loans in 1H FY2016 and gain from disposal of land in 1H FY2015.

**Current Year-to-Date vs. Previous Year-to-Date (1H FY2016 vs. 1H FY2015)**

**Key year-on-year performance highlights:**

- Normalised revenue registered growth of RM6.0 million or 0.9% year-on-year.
- Lower NPAT due to normalising of credit costs.
- Gross interest margin improved 25 bps to 4.69% and gross loans growth of RM3.5 billion, driven by the focus towards higher risk-adjusted-return loans and better pricing discipline.
- Despite competitive market conditions, Net Interest Margin decreased marginally to 2.18% due to higher cost of funds.
- Non-interest income recorded a marginal growth after excluding one-off income.
- Total expenses increased due to higher deposit insurance premium and information technology.
- Credit cost recorded at 19.5bps is within original guidance and in line with the industry.
- Asset quality remains good, with the gross impaired loans ratio at 1.1%.

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.

The year-on-year performance comparison (1H FY2016 vs. 1H FY2015) for Consumer Banking is as follows:

- Profit before tax was RM16.4 million lower year-on-year. The revenue was RM10.7 million (or 4.1%) lower compared to the corresponding period last year.
- Asset growth was RM1.5 billion (or 7.4%) higher year-on-year, while liabilities registered growth of RM2.3 billion (or 12.4%) higher year-on-year.
- Operating profit was lower (20.1% decrease) year-on-year mainly due to higher operating expenses. Profit before tax was also 17.7% lower year-on-year.

The year-on-year performance comparison (1H FY2016 vs. 1H FY2015) for Business Banking is as follows:

- Revenue was RM22.5 million (or 8%) higher compared to the corresponding period last year.
- Asset growth was RM2.1 billion (or 15.6%) higher year-on-year, while liabilities registered growth of RM2.5 billion (or 15.5%) higher year-on-year.
- Operating profit was RM15.2 million (or 9.2%) higher year-on-year. However profit before tax was RM35.4 million (or 17.6%) lower compared to the corresponding period last year, mainly due to higher allowance for impairment on loans, advances and financing by RM48.0 million.

The year-on-year performance comparison (1H FY2016 vs. 1H FY2015) for Financial Markets is as follows:

- Operating profit was RM8.6 million or 7.8% lower compared to the corresponding period last year due to lower net interest income of RM15.8 million, partially offset by higher net income from Islamic Banking Business of RM3.3 million and other operating income of RM7.0 million.

Investment Banking covers stockbroking, capital market activities and corporate advisory services.

- Investment Bankings' loss of RM7.5 million for the 6 months ended 30 September 2015, RM0.5 million higher from the loss of RM7.0 million incurred during the corresponding period last year.

**B2. Comparison With Immediate Preceding Quarter (2Q FY2016 vs. 1Q FY2016)**

For 2Q 2016 ended 30 September 2015, the Group reported a net profit after taxation and zakat of RM134.7 million, an improvement of RM12.7 million or 10.4% compared to the preceding quarter ended 30 June 2015 (April 2015 to June 2015).

Key quarter-on-quarter performance highlights:

- NPAT growth of 10.4% driven by 6.3% higher revenue and lower expenses.
- For 2 consecutive quarters, Net Interest Margin (NIM) improved by 4 bps despite industry-wide compression and rising cost of funds.
- Annualised loan growth recorded at 5.7%, mainly from better Risk-Adjusted-Return loans such as SME and Personal Financing.
- Non-interest income improved by RM13.7 million or 17.6% driven by
  - Client Based income from Trade fees, FX Sales Income and Investment Income.
  - Non Client Based income from Forex Trading Income, Realized gain/ revaluation on Financial Instruments and Derivatives.
- Cost/ Income Ratio improved 3.2% due to more disciplined cost management.
- Credit cost is within original guidance and in line with industry.
- The Group's total capital ratio remained sound at 14.0% (13.6% after dividend), with a Common Equity Tier 1 Capital ratio of 12.1% (11.7% after dividend) as at 30 September 2015.

Performance by business segment:

Consumer Banking's profit before taxation was RM37.3 million for the 3 months ended 30 September 2015, which was 4.1% lower compared to the preceding quarter ended 30 June 2015:

- Revenue was RM10.2 million (or 7.8%) lower compared to the preceding quarter (1Q FY2016).
- Asset growth was RM62.5 million (or 0.3%) higher, while liabilities registered at RM78.6 million (or 0.4%) lower.
- Operating profit was lower (18.8% decrease) mainly due to higher operating expenses.

Business Banking's profit before taxation was RM80.3 million for the 3 months ended 30 September 2015, which was 5.6% lower compared to the preceding quarter (1Q ended 30 June 2015):

- Revenue was RM6.2 million (or 4.2%) higher compared to the preceding quarter (1Q FY2016).
- Profit before tax registered quarter-on-quarter decline by RM4.8 million, mainly due to higher allowances for impairment on loans of RM10.2 million.

Financial Markets' profit before taxation was RM61.7 million for the 3 months ended 30 September 2015, which was 52.7% higher compared to the preceding quarter (1Q ended 30 June 2015):

- Revenue was RM21.7 million (or 39.6%) higher compared to the preceding quarter (1Q FY2016).
- Profit before tax registered quarter-on-quarter strong growth of RM21.3 million, driven by revenue growth and lower operating expenses.

Investment Banking registered a loss of RM3.9 million for the 3 months ended 30 September 2015, which is a deterioration of RM0.3 million compared to the preceding quarter (1Q ended 30 June 2015) due to lower revenue.

**B3. Current Year Prospect**

The Malaysian economy is expected to grow at a slower rate with gross domestic product ("GDP") growth of 4.7% in 2015. The Group will leverage on its franchise strength to deliver sustainable profitability and to fulfill the financial needs of the business owners, their employees and their customers.

The Group will continue to improve its risk adjusted returns by focusing its loan origination efforts namely in SME, commercial and consumer unsecured loans.

The Group will also leverage on its franchise strength to deliver sustainable profitability and to fulfill the financial needs of the business owners, their employees and their customers.

It will centre its Consumer Banking activities around Wealth Management, cards and personal loans, to fulfill the financial needs of the business owners their employees and their customers.

In Business Banking, it will capitalize on its strengths in Transactional and Business Banking, focusing on Small Medium Enterprise ("SME") segment.

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 to deliver a satisfactory performance for financial year 2016.

**B4. Profit Forecast**

There was no profit forecast issued by the Group.

**B5. Taxation**

<b>Group</b>	<b>2nd Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>30.09.2015</b>	<b>30.09.2014</b>	<b>30.09.2015</b>	<b>30.09.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation				
- Income tax	<b>44,966</b>	59,993	<b>76,915</b>	91,555
- Deferred tax	<b>1,005</b>	(3,283)	<b>7,788</b>	7,664
	<b>45,971</b>	56,710	<b>84,703</b>	99,219
<b>Company</b>				
Taxation				
- Income tax	<b>349</b>	233	<b>583</b>	576
- Deferred tax	<b>(37)</b>	103	<b>(77)</b>	86
	<b>312</b>	336	<b>506</b>	662

The Group's effective tax rate for the second quarter ended 30 September 2015 was higher than the current statutory tax rate of 24% due to certain expenses being disallowed for tax purpose.

**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 second financial quarter ended 30 September 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 second financial quarter ended 30 September 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. Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities**

	<b>Group</b>	
	<b>30.09.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Deposits from customers</b>		
Fixed deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	<b>28,784,934</b>	29,168,229
- More than one year (medium/long term)	<b>42,340</b>	54,533
	<b>28,827,274</b>	29,222,762
Others	<b>15,227,717</b>	15,384,053
	<b>44,054,991</b>	44,606,815
<b>(b) Deposits and placements of banks and other financial institutions</b>		
- One year or less (short term)	<b>2,197,927</b>	1,214,218
- More than one year (medium/long term)	<b>332,703</b>	275,557
	<b>2,530,630</b>	1,489,775
<b>(c) Subordinated obligations</b>		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated Medium Term Notes	<b>613,633</b>	613,267



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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 September 2015			As at 31 March 2015		
	Contract/ Notional Amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
Foreign exchange and commodity contracts:						
Currency forwards						
- one year or less	1,428,812	115,092	(23,967)	1,083,171	70,152	(5,529)
Currency swaps						
- one year or less	3,450,377	148,458	(148,984)	3,184,221	56,121	(76,726)
- over one year to three years	87,930	6,739	(10,732)	69,675	234	(4,133)
- over three years	43,965	-	(12,118)	31,515	-	(5,562)
Currency spots						
- one year or less	67,610	177	(87)	219,795	347	(869)
Currency options						
- one year or less	182,234	924	(407)	307,337	1,562	(803)
	<b>5,260,928</b>	<b>271,390</b>	<b>(196,295)</b>	<b>4,895,714</b>	<b>128,416</b>	<b>(93,622)</b>
Interest rate related contracts:						
Interest rate swap	2,732,586	8,711	(3,354)	3,645,000	4,044	(9,276)
- one year or less	630,000	509	(138)	1,635,000	1,749	(561)
- over one year to three years	830,000	2,173	(1,296)	800,000	1,030	(2,440)
- over three years	1,272,586	6,029	(1,920)	1,210,000	1,265	(6,275)
Equity related contracts:						
- one year or less	7,619	-	(3,986)	23,460	-	(3,554)
- over one year to three years	80,340	-	(18,782)	12,780	-	(70)
<b>Hedging derivatives</b>						
Interest rate swap						
- over one year to three years	42,978	-	(1,716)	28,153	-	(429)
- over three years	235,024	-	(17,094)	252,269	-	(8,273)
Total derivatives assets/(liabilities)	<b>8,359,475</b>	<b>280,101</b>	<b>(241,227)</b>	<b>8,857,376</b>	<b>132,460</b>	<b>(115,224)</b>

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. Changes in Material Litigation**

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group for the second quarter ended 30 September 2015.

**B12. Dividend Declared**

The Board of Directors has declared a first interim dividend of 8.0 sen per share tax exempt under single tier tax system, in respect of the financial year ending 31 March 2016 (previous corresponding period: 9.0 sen) to be paid on 30 December 2015. The entitlement date for the first interim dividend payment is on 15 December 2015.

**B13. Related Party Transactions**

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

**B14. Earnings Per Share (EPS)**

(a) **Basic**

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

	<b>2nd Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>30.09.2015</b>	<b>30.09.2014</b>	<b>30.09.2015</b>	<b>30.09.2014</b>
Net profit for the financial period attributable to owners of the parent (RM'000)	<b>134,662</b>	180,328	<b>256,592</b>	311,138
Weighted average number of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Effect of shares bought back for ESS ('000)	<b>(23,244)</b>	(28,708)	<b>(23,244)</b>	(28,708)
	<b>1,524,862</b>	1,519,398	<b>1,524,862</b>	1,519,398
Basic earnings per share (sen)	<b>8.8</b>	11.9	<b>16.8</b>	20.5

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**B14. 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 September 2015.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Net profit for the financial period attributable to owners of the parent (RM'000)	<b>134,662</b>	180,328	<b>256,592</b>	311,138
Weighted average number of ordinary shares in issue ('000)	<b>1,548,106</b>	1,548,106	<b>1,548,106</b>	1,548,106
Effect of shares bought back for ESS ('000)	<b>(23,244)</b>	(28,708)	<b>(23,244)</b>	(28,708)
Effect of Share Grants under ESS ('000)	<b>3,255</b>	3,610	<b>3,255</b>	3,610
	<b>1,528,117</b>	1,523,008	<b>1,528,117</b>	1,523,008
Diluted earnings per share (sen)	<b>8.8</b>	11.8	<b>16.8</b>	20.4

**B15. 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:

	Group		Company	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiaries				
- Realised	<b>2,024,612</b>	2,023,336	<b>49,160</b>	77,816
- Unrealised	<b>226,030</b>	123,187	<b>411</b>	334
	<b>2,250,642</b>	2,146,523	<b>49,571</b>	78,150
Total share of (losses)/profits from joint venture				
- Realised	<b>156</b>	(171)	-	-
- Unrealised	<b>(36)</b>	187	-	-
	<b>2,250,762</b>	2,146,539	<b>49,571</b>	78,150
Less: Consolidation adjustments	<b>(350,192)</b>	(341,924)	-	-
Total retained profits as per accounts	<b>1,900,570</b>	1,804,615	<b>49,571</b>	78,150

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.

**By Order of the Board**

**LEE WEI YEN (MAICSA 7001798)**

Group Company Secretary

Kuala Lumpur

27 November 2015