

# ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A13	492,525	459,142	1,427,604	1,340,382
Interest expense	A14	(276,713)	(245,623)	(790,903)	(705,903)
Net interest income		215,812	213,519	636,701	634,479
Net income from Islamic banking business	A15	63,219	58,357	182,823	166,847
		<b>279,031</b>	271,876	<b>819,524</b>	801,326
Fee and commission income		75,137	74,769	215,890	239,273
Fee and commission expense		(28,024)	(29,143)	(82,600)	(85,738)
Investment income		28,830	15,865	89,154	70,233
Other income		6,203	16,710	29,463	50,349
Other operating income	A16	82,146	78,201	251,907	274,117
Net income		361,177	350,077	1,071,431	1,075,443
Other operating expenses	A17	(174,959)	(156,623)	(508,338)	(481,420)
Operating profit before allowance		186,218	193,454	563,093	594,023
Allowance made for loans advances and financing and other receivables	A18	(6,418)	(26,950)	(42,794)	(22,114)
Write-back of impairment on securities		1,751	1,743	2,427	6,689
Operating profit after allowance		181,551	168,247	522,726	578,598
Share of profit of equity-accounted, net of tax joint venture		19	8	139	14
Profit before taxation		181,570	168,255	522,865	578,612
Taxation	B5	(45,972)	(41,882)	(130,675)	(141,101)
Net profit for the financial period		135,598	126,373	392,190	437,511
Other comprehensive income/(expense):					
Items that may be reclassified subsequently to profit or loss:					
Revaluation reserve on financial investments available-for-sale					
- Net gain/(loss) from change in fair value		58,431	(37,600)	(1,692)	23,511
- Realised gain transferred to statement of income on disposal and impairment		(1,301)	(512)	(2,337)	(15,092)
- Transfer (to)/from deferred tax		(13,711)	9,140	967	(5,723)
Other comprehensive income/(expense), net of tax		43,419	(28,972)	(3,062)	2,696
Total comprehensive income for the period		179,017	97,401	389,128	440,207
Net profit for the financial period attributable to:					
Owners of the parent		135,598	126,373	392,190	437,511
Total comprehensive income attributable to:					
Owners of the parent		179,017	97,401	389,128	440,207
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B15(a)	8.9	8.3	25.7	28.8
- Diluted (sen)	B15(b)	8.9	8.3	25.7	28.7

(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

(Company Number : 6627-X)

(Incorporated in Malaysia)

## QUARTERLY REPORT RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	<i>Note</i>	3rd Quarter Ended		Cumulative 9 Months Ended	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
		RM'000	RM'000	RM'000	RM'000
Interest income	A13	542	720	1,640	1,491
Other income	A16	125,693	166,266	194,409	328,280
		<u>126,235</u>	<u>166,986</u>	<u>196,049</u>	<u>329,771</u>
Other operating expenses	A17	(761)	(752)	(2,317)	(2,156)
Operating profit		<u>125,474</u>	<u>166,234</u>	<u>193,732</u>	<u>327,615</u>
Write-back of impairment on amount due from subsidiaries		-	-	-	1,327
Profit before taxation		<u>125,474</u>	<u>166,234</u>	<u>193,732</u>	<u>328,942</u>
Taxation	B5	(367)	(86)	(873)	(748)
Net profit for the financial period		<u>125,107</u>	<u>166,148</u>	<u>192,859</u>	<u>328,194</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
		31.12.2015	31.03.2015	31.12.2015	31.03.2015
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds		1,215,798	2,696,183	53,365	75,357
Deposits and placements with banks and other financial institutions		-	298,167	-	-
Balances due from clients and brokers	A19	190,401	102,743	-	-
Financial assets held-for-trading	A20	185,566	10,037	-	-
Financial investments available-for-sale	A21	10,945,458	9,753,856	-	-
Financial investments held-to-maturity	A22	1,133,878	1,319,035	-	-
Derivative financial assets	B11	124,949	132,460	-	-
Loans, advances and financing	A23	38,297,146	36,566,032	-	-
Other receivables	A24	135,914	90,053	2,975	1,184
Investment in subsidiaries		-	-	1,781,364	1,780,679
Investment in a joint venture		677	509	128	99
Tax recoverable		39,376	27,017	-	-
Statutory deposits with Bank Negara Malaysia		1,674,814	1,675,426	-	-
Property, plant and equipment		90,597	97,711	335	368
Intangible assets		365,307	359,935	-	-
Deferred tax assets		13,798	12,357	317	334
<b>TOTAL ASSETS</b>		<b>54,413,679</b>	<b>53,141,521</b>	<b>1,838,484</b>	<b>1,858,021</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	B10(a), A25	43,539,543	44,606,815	-	-
Deposits and placements of banks and other financial institutions	B10(b), A26	3,056,676	1,489,775	-	-
Obligations on securities sold under repurchase agreements		97,105	-	-	-
Balances due to clients and brokers	A27	162,976	62,833	-	-
Bills and acceptances payable		-	801,578	-	-
Derivative financial liabilities	B11	129,448	115,224	-	-
Amount due to Cagamas Berhad		6,225	7,003	-	-
Other liabilities	A28	909,249	934,595	2,474	1,999
Subordinated obligations	B10(c)	1,815,509	613,267	-	-
Other Borrowings	B10(d)	9,997	-	-	-
Provision for taxation		342	2,157	244	254
Provision for zakat		70	128	-	-
Deferred tax liabilities		15,155	13,041	-	-
<b>TOTAL LIABILITIES</b>		<b>49,742,295</b>	<b>48,646,416</b>	<b>2,718</b>	<b>2,253</b>
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		3,204,049	3,033,720	368,431	394,383
Shares held for Employees' Share Scheme		(80,771)	(86,721)	(80,771)	(86,721)
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>4,671,384</b>	<b>4,495,105</b>	<b>1,835,766</b>	<b>1,855,768</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>54,413,679</b>	<b>53,141,521</b>	<b>1,838,484</b>	<b>1,858,021</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A30	<b>24,003,239</b>	<b>22,745,783</b>	<b>-</b>	<b>-</b>
<b>Net assets per share attributable to owners of the parent (RM)*</b>		<b>3.02</b>	<b>2.90</b>	<b>1.19</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 THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015

Group	← Attributable to Owners of the Parent →						Employees' Share Scheme ("ESS")			
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Regulatory reserve RM'000	Revaluation Reserve RM'000	Reserve RM'000	Shares held for ESS RM'000	Retained Profits RM'000	Total Equity RM'000
<b>31 December 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	-	-	-	-	-	-	-	-	392,190	392,190
Other comprehensive expense	-	-	-	-	-	(3,062)	-	-	-	(3,062)
Total comprehensive (expense)/income for the financial period	-	-	-	-	-	(3,062)	-	-	392,190	389,128
Transfer to statutory reserve	-	-	64,318	-	-	-	-	-	(64,318)	-
Transfer to regulatory reserve	-	-	-	-	135,619	-	-	-	(135,619)	-
Share-based payment under ESS	-	-	-	-	-	-	5,573	-	-	5,573
Transfer to retained profits on share lapsed:										
- employees of subsidiaries	-	-	-	-	-	-	(12)	-	12	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(219,497)	(219,497)
ESS shares grant vested to:										
- employees of subsidiaries	-	-	-	-	-	-	(4,546)	4,546	-	-
- employees of joint venture	-	-	-	-	-	-	(87)	87	-	-
- own employees	-	-	-	-	-	-	(152)	152	-	-
ESS shares option exercised by:										
- employees of subsidiaries	-	-	-	-	-	-	(90)	90	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	1,075	-	1,075
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	(1,222)	-	1,222	-
<b>At 31 December 2015</b>	<b>1,548,106</b>	<b>304,289</b>	<b>891,945</b>	<b>7,013</b>	<b>135,619</b>	<b>75,170</b>	<b>11,408</b>	<b>(80,771)</b>	<b>1,778,605</b>	<b>4,671,384</b>
<b>31 December 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	-	-	-	-	-	-	-	-	437,511	437,511
Other comprehensive income	-	-	-	-	-	2,696	-	-	-	2,696
Total comprehensive income for the financial period	-	-	-	-	-	2,696	-	-	437,511	440,207
Transfer to statutory reserve	-	-	9,806	-	-	-	-	-	(9,806)	-
Share-based payment under ESS	-	-	-	-	-	-	6,088	-	-	6,088
Transfer to retained profits on share lapsed:										
- employees of subsidiaries	-	-	-	-	-	-	(363)	-	363	-
- own employees	-	-	-	-	-	-	(13)	-	13	-
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(296,166)	(296,166)
ESS shares grant vested to:										
- employees of subsidiaries	-	-	-	-	-	-	(6,715)	6,715	-	-
- own employees	-	-	-	-	-	-	(156)	156	-	-
ESS shares option exercised by:										
- employees of subsidiaries	-	-	-	-	-	-	(683)	683	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	11,108	-	11,108
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	(3,059)	-	3,059	-
<b>At 31 December 2014</b>	<b>1,548,106</b>	<b>304,289</b>	<b>696,823</b>	<b>7,013</b>	<b>-</b>	<b>9,767</b>	<b>14,011</b>	<b>(93,601)</b>	<b>1,840,845</b>	<b>4,327,253</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 THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015

<u>Company</u>	← Non-Distributable →			→ <Distributable>		Total Equity
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Employees' Share Scheme ("ESS") Reserve RM'000	Shares held for ESS RM'000	Retained Profits RM'000	
<b>31 December 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	-	-	-	-	192,859	192,859
Share-based payment under ESS	-	-	5,573	-	-	5,573
Transfer to retained profits on share lapsed:						
- employees of subsidiaries	-	-	(12)	-	-	(12)
Dividends paid to shareholders	-	-	-	-	(219,497)	(219,497)
ESS recharge amount received from subsidiaries	-	-	-	4,546	-	4,546
ESS recharge amount received from joint venture	-	-	-	87	-	87
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(4,546)	-	-	(4,546)
- employees of joint venture	-	-	(87)	-	-	(87)
- own employees	-	-	(152)	152	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(90)	90	-	-
Proceeds from share option exercised	-	-	-	1,075	-	1,075
Transfer of ESS shares purchase price difference on shares vested	-	-	(1,222)	-	1,222	-
<b>At 31 December 2015</b>	<b>1,548,106</b>	<b>304,289</b>	<b>11,408</b>	<b>(80,771)</b>	<b>52,734</b>	<b>1,835,766</b>
<b>31 December 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	-	-	-	-	328,194	328,194
Share-based payment under ESS	-	-	6,088	-	-	6,088
Transfer to retained profits on share lapsed:						
- employees of subsidiaries	-	-	(363)	-	-	(363)
- own employees	-	-	(13)	-	13	-
Dividends paid to shareholders	-	-	-	-	(296,166)	(296,166)
ESS recharge amount received from subsidiaries	-	-	-	6,715	-	6,715
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(6,715)	-	-	(6,715)
- own employees	-	-	(156)	156	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(683)	683	-	-
Proceeds from share option exercised	-	-	-	11,108	-	11,108
Transfer of ESS shares purchase price difference on shares vested	-	-	(3,059)	-	3,059	-
<b>At 31 December 2014</b>	<b>1,548,106</b>	<b>304,289</b>	<b>14,011</b>	<b>(93,601)</b>	<b>77,054</b>	<b>1,849,859</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 THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015

	<b>Unaudited 9 Months Ended 31.12.2015</b>	<b>Unaudited 9 Months Ended 31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	522,865	578,612
Adjustments for:		
Accretion of discount less amortisation of premium of financial investments	(50,100)	(51,747)
Depreciation of property, plant and equipment	17,235	15,558
Dividends from financial investments available-for-sale	(3,145)	(2,179)
Loss/(gain) on disposal of property, plant and equipment	11	(1)
Gain on disposal of non-current assets held for sale	-	(21,605)
Net loss/(gain) from sale of financial assets held-for-trading	1,260	(7)
Net gain from sale of financial investments available-for-sale	(2,337)	(15,092)
Unrealised gain on revaluation of financial assets held-for-trading	(473)	(42)
Unrealised loss/(gain) on revaluation of derivative financial instruments	16,880	(112,461)
Unrealised gain arising from financial liabilities designated at fair value	(19,155)	-
Interest expense on subordinated obligations	32,224	22,164
Interest on other borrowings	31	-
Interest on securities sold under repurchase agreements	26	-
Interest income from financial investments held-to-maturity	(20,197)	(20,223)
Interest income from financial investments available-for-sale	(234,421)	(236,861)
Interest income from financial assets held-for-trading	(3,216)	(225)
Allowance for loans, advances and financing	56,104	56,544
Allowance for other receivables	2,976	1,162
Net write-back of financial investments held-to-maturity	(1,676)	(4,930)
Net write-back of financial investments available-for-sale	(750)	(1,759)
Amortisation of computer software	16,066	13,444
Share options/grants under ESS	5,457	5,990
Property, plant and equipment written off	360	664
Computer software written off	28	4
Share of profit of equity-accounted, net of tax joint venture	(139)	(14)
Zakat	2	(37)
Operating profit before working capital changes	<b>335,916</b>	226,959
Changes in working capital:		
Deposits from customers	(1,043,262)	2,215,599
Deposits and placements of banks and other financial institutions	1,865,068	1,018,147
Bills and acceptances payable	(801,578)	-
Balances due from clients and brokers	12,485	2,699
Other liabilities	(25,386)	13,265
Financial assets held-for-trading	(176,193)	105,151
Loans, advances and financing	(1,787,218)	(3,526,350)
Other receivables	(48,837)	23,263
Statutory deposits with Bank Negara Malaysia	612	(95,650)
Amount due to Cagamas Berhad	(778)	(6,698)
Obligation on securities sold under repurchase agreements	97,105	-
Cash used in operations	<b>(1,572,066)</b>	(23,615)
Taxes paid	(143,209)	(153,414)
Zakat paid	(61)	(198)
Net cash used in operating activities	<b>(1,715,336)</b>	(177,227)

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015 (contd.)

	<b>Unaudited 9 Months Ended 31.12.2015 RM'000</b>	<b>Unaudited 9 Months Ended 31.12.2014 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from financial investments available-for-sale	3,145	2,179
Interest received from financial investments held-to-maturity	20,197	20,223
Interest received from financial investments available-for-sale	234,421	236,861
Interest received from financial assets held-for-trading	3,216	225
Acquisition of joint venture, net of cash acquired	-	(396)
Purchase of property, plant and equipment	(10,598)	(19,221)
Purchase of computer software	(21,466)	(17,167)
Proceeds from disposal of property, plant and equipment	104	7
Proceeds from disposal of non-current assets held for sale	-	49,353
Proceed from disposal of financial investments held-to-maturity	244,111	59,609
Purchase of financial investments available-for-sale	<u>(1,199,843)</u>	<u>(120,996)</u>
Net cash (used in)/generated from investing activities	<u>(726,713)</u>	<u>210,677</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of subordinated bonds	1,200,000	-
Interest paid on subordinated obligations	(29,982)	(28,920)
Proceeds from other borrowings	9,981	-
Proceeds from ESS exercised by employees/joint venture	1,162	11,108
Dividends paid to shareholders of the Company	<u>(219,497)</u>	<u>(296,166)</u>
Net cash generated from/(used in) financing activities	<u>961,664</u>	<u>(313,978)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,480,385)</b>	<b>(280,528)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,696,183</b>	<b>2,129,782</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>1,215,798</u></b>	<b><u>1,849,254</u></b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and short-term funds	<u>1,215,798</u>	<u>1,849,254</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 THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015

	<b>Unaudited 9 Months Ended 31.12.2015 RM'000</b>	<b>Unaudited 9 Months Ended 31.12.2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	193,732	328,942
Adjustments for:		
Depreciation of property, plant and equipment	36	38
Interest income from money at call and deposit placements with financial institutions	(1,640)	(1,491)
Write-back of impairment losses on amount due from subsidiaries	-	(1,327)
Share options/grants under ESS	164	170
Gross dividend income from a subsidiary	(192,439)	(326,013)
Operating (loss)/profit before working capital changes	(147)	319
Changes in working capital:		
Receivables	(1,937)	59
Payables	(23)	(35)
Cash (used in)/generated from operations	(2,107)	343
Taxes paid	(866)	(690)
Net cash used in operating activities	(2,973)	(347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Amount due from subsidiaries	154	1,108
Amount due from a joint venture	(8)	(2)
ESS recharge amount received from subsidiaries for share grants	4,546	6,715
ESS recharge amount received from joint venture for share grants	87	-
ESS recharge amount received from subsidiaries for share options	90	683
Interest received from deposits and placements with banks and other financial institutions	1,640	1,491
Purchase of property, plant and equipment	(3)	-
Dividends received	192,439	326,013
Net cash generated from investing activities	198,945	336,008
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(219,497)	(296,166)
Proceeds from share option exercised	1,075	11,108
Amount due to subsidiaries	458	36
Net cash used in financing activities	(217,964)	(285,022)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(21,992)</b>	<b>50,639</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>53,365</b>	<b>68,440</b>

**Cash and cash equivalents comprise the following:**

Cash and short-term funds	<b>53,365</b>	<b>68,440</b>
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*(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 third financial quarter ended 31 December 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)
- 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 third financial quarter ended 31 December 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 third financial quarter ended 31 December 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 third financial quarter ended 31 December 2015.

**A6. Changes In Debt And Equity Securities**

Other than detailed below, there were no other issuance of equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for third financial quarter ended 31 December 2015:-

- (i) RM1.5 billion Thirty (30)-years Senior Medium Term Notes ("Senior-MTN") Programme (A1 rating by RAM Rating Services Berhad ("RAM"));

Issuance Date	Nominal Amount	Tenure	Coupon Rate
14 December 2015	RM5.0 million	2 years	4.75% p.a

- (ii) RM2.0 billion Thirty (30)-years Subordinated Medium Term Notes ("Sub-MTN") Programme (A2 rating by RAM); and

Tranche	Issuance Date	Nominal Amount	Tenure	Call Date	Coupon Rate
First	27 October 2015	RM900.0 million	Ten (10)-years Non-Callable Five (5)-years	27 October 2020 and thereafter on every coupon payment date	5.75% p.a
Second	18 December 2015	RM300.0 million	Ten (10)-years Non-Callable Five (5)-years	18 December 2020 and thereafter on every coupon payment date	5.65% p.a

The Sub-MTN issued will qualify as Basel III compliant Tier 2 capital of ABMB pursuant to Bank Negara Malaysia ("BNM")'s Capital Adequacy Framework (Capital Components). The approval from BNM for the Sub-MTN Issuance had been obtained on 28 August 2015 (subject to the terms and conditions contained therein).

- (iii) RM500.0 million Seven (7)-years Commercial Papers ("CPs") Programme (P1 rating by RAM)

Issuance Date	Nominal Amount	Tenure	Discount Rate
27 November 2015	RM5.0 million	2 months	4.10% p.a

**A7. Dividends Paid**

A second single tier interim dividend of 6.4 sen per share, 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.

A first single tier interim dividend of 8.0 sen per share, in respect of the financial year ending 31 March 2016, on 1,548,105,929 ordinary shares amounting to RM123,848,000 was paid on 30 December 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 and RM1,854,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the second single tier interim dividend and the first single tier interim dividend respectively.*

**A8. Segment Information**

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

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

The Group is organised into the following key operating segments:

**(i) Consumer Banking**

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

**(ii) Business Banking**

Business Banking segment covers Small and Medium Enterprise ("SME") and Wholesale Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Wholesale Banking serves public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including loans, trade finance, cash management, treasury and structured solutions.

**(iii) Financial Markets**

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

**(iv) Investment Banking**

Investment Banking covers stockbroking activities and corporate advisory which includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

**(v) Others**

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

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 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>3rd Financial Quarter Ended 31 December 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	123,861	87,060	9,291	1,069	975	222,256	(6,444)	215,812
- inter-segment	(39,263)	13,087	27,022	(846)	-	-	-	-
	84,598	100,147	36,313	223	975	222,256	(6,444)	215,812
Net income from Islamic banking business	22,661	19,964	13,666	-	-	56,291	6,928	63,219
Other operating income	25,247	36,232	14,175	6,525	196,590	278,769	(196,623)	82,146
Net income	132,506	156,343	64,154	6,748	197,565	557,316	(196,139)	361,177
Other operating expenses	(76,176)	(60,479)	(13,696)	(9,829)	(7,391)	(167,571)	3,827	(163,744)
Depreciation and amortisation	(6,098)	(4,045)	(895)	(166)	(11)	(11,215)	-	(11,215)
Operating profit/(loss)	50,232	91,819	49,563	(3,247)	190,163	378,530	(192,312)	186,218
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(7,542)	3,219	(80)	(15)	-	(4,418)	(2,000)	(6,418)
Write-back of impairment	-	-	1,751	-	-	1,751	-	1,751
Segment result	42,690	95,038	51,234	(3,262)	190,163	375,863	(194,312)	181,551
Share of profit of equity-accounted joint venture, net of tax								19
Taxation								(45,972)
Net profit for the financial period								135,598
Segment assets	22,455,548	15,795,025	17,265,177	246,205	1,903,945	57,665,900	(3,761,976)	53,903,924
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								677
Property, plant and equipment								90,597
Unallocated assets								53,174
Intangible assets								365,307
Total assets								54,413,679
Segment liabilities	20,964,637	18,556,103	11,057,250	189,264	16,209	50,783,463	(1,056,735)	49,726,728
Unallocated liabilities								15,567
Total liabilities								49,742,295

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 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>Nine months ended 31 December 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	334,737	248,466	58,534	3,330	2,887	647,954	(11,253)	636,701
- inter-segment	(93,525)	43,578	52,640	(2,693)	-	-	-	-
	241,212	292,044	111,174	637	2,887	647,954	(11,253)	636,701
Net income from Islamic banking business	67,418	56,439	38,234	-	-	162,091	20,732	182,823
Other operating income	78,070	110,915	45,747	17,630	207,728	460,090	(208,183)	251,907
Net income	386,700	459,398	195,155	18,267	210,615	1,270,135	(198,704)	1,071,431
Other operating expenses	(221,324)	(174,578)	(41,417)	(28,624)	(16,809)	(482,752)	7,715	(475,037)
Depreciation and amortisation	(17,954)	(12,083)	(2,772)	(456)	(36)	(33,301)	-	(33,301)
Operating profit/(loss)	147,422	272,737	150,966	(10,813)	193,770	754,082	(190,989)	563,093
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(28,477)	(12,239)	(85)	7	-	(40,794)	(2,000)	(42,794)
Write-back of impairment	-	3	2,424	-	-	2,427	-	2,427
Segment result	118,945	260,501	153,305	(10,806)	193,770	715,715	(192,989)	522,726
Share of profit of equity-accounted joint venture, net of tax								139
Taxation								(130,675)
Net profit for the financial period								392,190
Segment assets	22,455,548	15,795,025	17,265,177	246,205	1,903,945	57,665,900	(3,761,976)	53,903,924
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								677
Property, plant and equipment								90,597
Unallocated assets								53,174
Intangible assets								365,307
Total assets								54,413,679
Segment liabilities	20,964,637	18,556,103	11,057,250	189,264	16,209	50,783,463	(1,056,735)	49,726,728
Unallocated liabilities								15,567
Total liabilities								49,742,295

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 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>3rd Financial Quarter Ended 31 December 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	107,466	77,283	29,046	1,825	1,121	216,741	(3,222)	213,519
- inter-segment	(25,701)	13,441	13,530	(1,270)	-	-	-	-
	81,765	90,724	42,576	555	1,121	216,741	(3,222)	213,519
Net income from Islamic banking business	21,894	18,344	11,257	-	-	51,495	6,862	58,357
Other operating income	23,539	40,267	8,307	6,015	177,393	255,521	(177,320)	78,201
Net income	127,198	149,335	62,140	6,570	178,514	523,757	(173,680)	350,077
Other operating expenses	(68,148)	(52,057)	(11,935)	(10,467)	(6,818)*	(149,425)	2,647	(146,778)
Depreciation and amortisation	(5,469)	(3,302)	(932)	(129)	(13)	(9,845)	-	(9,845)
Operating profit/(loss)	53,581	93,976	49,273	(4,026)	171,683	364,487	(171,033)	193,454
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(10,022)	(16,413)	(649)	134	-	(26,950)	-	(26,950)
Write-back of impairment	-	1,743	-	-	-	1,743	-	1,743
Segment result	43,559	79,306	48,624	(3,892)	171,683	339,280	(171,033)	168,247
Share of profit of equity-accounted joint venture, net of tax								8
Taxation								(41,882)
Net profit for the financial period								126,373
Segment assets	21,213,323	13,873,326	17,541,398	196,569	1,915,983	54,740,599	(3,988,651)	50,751,948
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								506
Property, plant and equipment								95,615
Unallocated assets								32,148
Intangible assets								356,977
Total assets								51,237,194
Segment liabilities	19,130,814	16,643,658	12,390,604	102,723	15,741	48,283,540	(1,382,333)	46,901,207
Unallocated liabilities								8,734
Total liabilities								46,909,941

\* Includes rationalisation cost of RM10,648,000

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 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>Nine months ended 31 December 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	301,829	237,458	97,310	5,368	2,557	644,522	(10,043)	634,479
- inter-segment	(55,938)	23,925	35,908	(3,895)	-	-	-	-
	245,891	261,383	133,218	1,473	2,557	644,522	(10,043)	634,479
Net income from Islamic banking business	62,756	50,880	32,550	-	-	146,186	20,661	166,847
Other operating income	83,467	117,665	32,902	19,797	405,356	659,187	(385,070)	274,117
Net income	392,114	429,928	198,670	21,270	407,913	1,449,895	(374,452)	1,075,443
Other operating expenses	(200,849)	(160,480)	(36,599)	(32,566)	(31,115)*	(461,609)	9,191	(452,418)
Depreciation and amortisation	(15,981)	(9,792)	(2,772)	(419)	(38)	(29,002)	-	(29,002)
Operating profit/(loss)	175,284	259,656	159,299	(11,715)	376,760	959,284	(365,261)	594,023
(Allowance made for)/write-back of losses on loans, advances and financing and other receivables	(39,086)	16,146	10	816	-	(22,114)	-	(22,114)
Write-back of impairment	-	4,356	833	-	2,827	8,016	(1,327)	6,689
Segment result	136,198	280,158	160,142	(10,899)	379,587	945,186	(366,588)	578,598
Share of profit of equity-accounted joint venture, net of tax								14
Taxation								(141,101)
Net profit for the financial period								437,511
Segment assets	21,213,323	13,873,326	17,541,398	196,569	1,915,983	54,740,599	(3,988,651)	50,751,948
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								506
Property, plant and equipment								95,615
Unallocated assets								32,148
Intangible assets								356,977
Total assets								51,237,194
Segment liabilities	19,130,814	16,643,658	12,390,604	102,723	15,741	48,283,540	(1,382,333)	46,901,207
Unallocated liabilities								8,734
Total liabilities								46,909,941

\* 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 nine months ended 31 December 2015, the Trustee of the ESS had not purchased any shares in the Company from the open market.

In the nine months ended 31 December 2015, 1,704,650 shares have been vested and transferred from the Trustee to the eligible employees of the Company and its subsidiaries in accordance with the terms under the Share Grant Plan and Share Option Plan of the ESS. As at 31 December 2015, the Trustee of the ESS held 23,173,250 ordinary shares representing 1.50% of the issued and paid-up capital of the Company.

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

On 21 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-MTN Programme;
- (ii) RM2.0 billion Thirty (30)-years Sub-MTN Programme; and
- (iii) RM500.0 million Seven (7)-years CPs Programme

**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**

The wholly-owned subsidiaries of the Company, Pridunia Sdn. Bhd. and Alliance Investment Futures Sdn. Bhd., have been dissolved with effect from 9 December 2015 by way of Members' Voluntary Winding-Up pursuant to Section 272(5) of the Companies Act, 1965.

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

Please refer to Note A30.

**ALLIANCE FINANCIAL GROUP BERHAD (6627-X)**  
**THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2015**

**A13. Interest Income**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Loans, advances and financing	<b>378,246</b>	349,769	<b>1,104,205</b>	1,002,368
Money at call and deposit placements with financial institutions	<b>1,569</b>	4,524	<b>7,462</b>	21,186
Financial assets held-for-trading	<b>1,508</b>	11	<b>3,216</b>	225
Financial investments available-for-sale	<b>84,463</b>	78,172	<b>234,421</b>	236,861
Financial investments held-to-maturity	<b>6,781</b>	6,772	<b>20,197</b>	20,223
Others	<b>2,510</b>	2,385	<b>8,003</b>	7,772
	<b>475,077</b>	441,633	<b>1,377,504</b>	1,288,635
Accretion of discount less amortisation of premium	<b>17,448</b>	17,509	<b>50,100</b>	51,747
	<b>492,525</b>	459,142	<b>1,427,604</b>	1,340,382
<b>Company</b>				
Money at call and deposit placements with financial institutions	<b>542</b>	720	<b>1,640</b>	1,491

**A14. Interest Expense**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Deposits and placements of banks and other financial institutions	<b>18,634</b>	19,028	<b>42,660</b>	61,446
Deposits from customers	<b>234,121</b>	214,401	<b>698,024</b>	609,914
Securities sold under repurchase agreements	<b>26</b>	-	<b>26</b>	-
Other borrowings	<b>31</b>	-	<b>31</b>	-
Subordinated obligations	<b>17,438</b>	7,392	<b>32,224</b>	22,164
Others	<b>6,463</b>	4,802	<b>17,938</b>	12,379
	<b>276,713</b>	245,623	<b>790,903</b>	705,903

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

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Income derived from investment of depositors' funds and others	<b>109,740</b>	96,678	<b>319,109</b>	266,347
Income derived from investment of Islamic Banking funds	<b>9,784</b>	8,633	<b>27,811</b>	24,973
Income attributable to depositors and financial institutions	<b>(63,233)</b>	(53,815)	<b>(184,829)</b>	(145,133)
	<b>56,291</b>	51,496	<b>162,091</b>	146,187
Add: Income due to head office eliminated at Group level	<b>6,928</b>	6,861	<b>20,732</b>	20,660
	<b>63,219</b>	58,357	<b>182,823</b>	166,847

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**A16. Other Operating Income**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
<u>Fee and commission income:</u>				
Commissions	19,766	19,108	59,316	59,619
Service charges and fees	9,130	8,625	23,449	24,438
Portfolio management fees	-	8	-	24
Corporate advisory fees	620	90	1,300	455
Brokerage fees	8,495	9,558	25,591	30,939
Guarantee fees	3,793	3,672	11,014	10,168
Processing fees	2,060	2,284	6,012	12,635
Commitment fees	3,852	3,889	11,652	11,477
Underwriting commissions	375	210	375	526
Other fee income	27,046	27,325	77,181	88,992
	<b>75,137</b>	<b>74,769</b>	<b>215,890</b>	<b>239,273</b>
<u>Fee and commission expense:</u>				
Commissions expense	(642)	(504)	(1,430)	(1,650)
Guarantee fees expense	(255)	(225)	(888)	(731)
Brokerage fees expense	(3,958)	(4,520)	(12,202)	(15,205)
Other fee expense	(23,169)	(23,894)	(68,080)	(68,152)
	<b>(28,024)</b>	<b>(29,143)</b>	<b>(82,600)</b>	<b>(85,738)</b>
<u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	206	17	(1,260)	7
- Financial investments available-for-sale	1,301	512	2,337	15,092
Marked-to-market revaluation of:				
- Financial assets held-for-trading	895	18	473	42
- Derivative financial instruments	(48,435)	84,725	(16,880)	112,461
- Unrealised gain arising from financial liabilities designated at fair value	(3,075)	-	19,155	-
Realised gain/(loss) on derivative financial instruments	77,554	(69,695)	82,184	(59,548)
Gross dividend income from:				
- Financial investments available-for-sale	384	288	3,145	2,179
	<b>28,830</b>	<b>15,865</b>	<b>89,154</b>	<b>70,233</b>
<u>Other income:</u>				
Foreign exchange (loss)/gain	(2,111)	8,078	7,133	6,521
Gain/(loss) on disposal of property, plant and equipment	1	-	(11)	1
Gain on disposal of non-current assets held for sale	-	-	-	21,605
Others	8,313	8,632	22,341	22,222
	<b>6,203</b>	<b>16,710</b>	<b>29,463</b>	<b>50,349</b>
Total other operating income	<b>82,146</b>	<b>78,201</b>	<b>251,907</b>	<b>274,117</b>
<b>Company</b>				
<u>Investment income:</u>				
Gross dividend income from:				
- Subsidiary	125,053	165,550	192,439	326,013
<u>Other income:</u>				
Others	640	716	1,970	2,267
Total other operating income	<b>125,693</b>	<b>166,266</b>	<b>194,409</b>	<b>328,280</b>

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**A17. Other Operating Expenses**

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel costs</b>				
Salaries, allowances and bonuses	<b>86,016</b>	73,797	<b>248,854</b>	220,921
Contribution to EPF	<b>13,556</b>	12,384	<b>39,827</b>	37,654
Share options/grants under ESS	<b>1,566</b>	(360)	<b>5,457</b>	5,990
Others	<b>10,044</b>	9,565	<b>26,188</b>	36,994
	<b>111,182</b>	95,386	<b>320,326</b>	301,559
<b>Establishment costs</b>				
Depreciation of property, plant and equipment	<b>5,724</b>	5,332	<b>17,235</b>	15,558
Amortisation of computer software	<b>5,491</b>	4,513	<b>16,066</b>	13,444
Rental of premises	<b>7,571</b>	6,984	<b>22,984</b>	20,898
Water and electricity	<b>2,024</b>	2,277	<b>6,182</b>	7,114
Repairs and maintenance	<b>2,455</b>	2,944	<b>6,568</b>	8,308
Information technology expenses	<b>9,848</b>	10,848	<b>31,097</b>	29,358
Others	<b>3,486</b>	4,045	<b>10,642</b>	12,304
	<b>36,599</b>	36,943	<b>110,774</b>	106,984
<b>Marketing expenses</b>				
Promotion and advertisement	<b>1,760</b>	1,508	<b>4,621</b>	4,497
Branding and publicity	<b>2,612</b>	4,508	<b>6,269</b>	11,521
Others	<b>2,099</b>	2,094	<b>6,055</b>	6,078
	<b>6,471</b>	8,110	<b>16,945</b>	22,096
<b>Administration and general expenses</b>				
Communication expenses	<b>3,103</b>	3,540	<b>9,512</b>	10,638
Printing and stationery	<b>601</b>	1,136	<b>2,202</b>	3,024
Insurance	<b>5,056</b>	2,549	<b>17,242</b>	7,448
Professional fees	<b>5,250</b>	5,032	<b>12,856</b>	14,765
Others	<b>6,697</b>	3,927	<b>18,481</b>	14,906
	<b>20,707</b>	16,184	<b>60,293</b>	50,781
<b>Total other operating expenses</b>	<b>174,959</b>	156,623	<b>508,338</b>	481,420
<b>Company</b>				
<b>Personnel costs</b>				
Salaries, allowances and bonuses	<b>165</b>	101	<b>433</b>	260
Contribution to EPF	<b>21</b>	16	<b>67</b>	70
Share options/grants under ESS	<b>33</b>	(16)	<b>164</b>	170
Others	<b>48</b>	28	<b>101</b>	83
	<b>267</b>	129	<b>765</b>	583
<b>Establishment costs</b>				
Depreciation of property, plant and equipment	<b>11</b>	13	<b>36</b>	38
Rental of premises	<b>58</b>	58	<b>172</b>	172
Water and electricity	-	1	<b>2</b>	2
Repairs and maintenance	<b>29</b>	27	<b>86</b>	81
Information technology expenses	-	-	-	5
Others	<b>30</b>	17	<b>99</b>	54
	<b>128</b>	116	<b>395</b>	352
<b>Administration and general expenses</b>				
Communication expenses	<b>3</b>	4	<b>10</b>	10
Printing and stationery	<b>1</b>	-	<b>1</b>	1
Professional fees	<b>38</b>	25	<b>90</b>	79
Others	<b>324</b>	478	<b>1,056</b>	1,131
	<b>366</b>	507	<b>1,157</b>	1,221
<b>Total other operating expenses</b>	<b>761</b>	752	<b>2,317</b>	2,156

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**A18. Allowance Made for Losses On Loans, Advances And Financing And Other Receivables**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Allowance made for losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance				
- made during the period, (net)	<b>4,616</b>	2,996	<b>14,556</b>	638
(b) Collective assessment allowance				
- made during the period, (net)	<b>7,814</b>	28,645	<b>41,548</b>	55,906
(c) Bad debts on loans and financing				
- Recovered	<b>(11,146)</b>	(9,327)	<b>(28,727)</b>	(48,575)
- Written off	<b>4,425</b>	3,997	<b>12,441</b>	12,983
	<b>5,709</b>	26,311	<b>39,818</b>	20,952
Allowance for other receivables	<b>709</b>	639	<b>2,976</b>	1,162
	<b>6,418</b>	26,950	<b>42,794</b>	22,114

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

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
Due from clients	<b>191,239</b>	60,289
Due from brokers	-	43,294
	<b>191,239</b>	103,583
Less: Allowance made for the period/year	<b>(838)</b>	(840)
	<b>190,401</b>	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	
	31.12.2015 RM'000	31.03.2015 RM'000
Classified as doubtful	<b>99</b>	128
Classified as bad	<b>849</b>	927
	<b>948</b>	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	
	31.12.2015	31.03.2015
	RM'000	RM'000
At beginning of year	840	1,194
Write-back during the period/year, (net)	(2)	(354)
At end of period/year	<u>838</u>	<u>840</u>

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

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
<b>At fair value</b>		
<u>Money market instruments</u>		
Malaysian Government securities	59,669	-
Commercial Paper	9,979	-
<u>Unquoted securities</u>		
Medium term notes	115,918	10,037
Total financial assets held-for-trading	<u>185,566</u>	<u>10,037</u>

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

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
<b>At fair value</b>		
<u>Money market instruments</u>		
Malaysian Government securities	1,942,580	2,607,781
Malaysian Government investment certificates	2,463,255	2,723,129
Negotiable instruments of deposits	3,303,283	1,241,534
Bankers' acceptances	-	105,531
Khazanah bonds	200,061	194,349
	<u>7,909,179</u>	<u>6,872,324</u>
<u>Quoted securities in Malaysia</u>		
Shares	29	22
Accumulated impairment	(11)	(11)
	<u>18</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	3,116,143	2,979,271
Unit Trust Funds	4,989	-
Accumulated impairment	(237,211)	(237,961)
	<u>2,883,921</u>	<u>2,741,310</u>
	<u>3,036,261</u>	<u>2,881,521</u>
Total financial investment available-for-sale	<u>10,945,458</u>	<u>9,753,856</u>

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

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
<b>At amortised cost</b>		
<u>Money market instruments</u>		
Malaysian Government securities	703,777	701,521
Malaysian Government investment certificates	231,268	423,739
Khazanah bonds	<u>188,921</u>	<u>183,932</u>
	<b>1,123,966</b>	<b>1,309,192</b>
<b>At cost</b>		
<u>Unquoted securities</u>		
Debt securities	24,143	37,668
Accumulated impairment	<u>(14,231)</u>	<u>(27,825)</u>
	<b>9,912</b>	<b>9,843</b>
Total financial investments held-to-maturity	<b><u>1,133,878</u></b>	<b><u>1,319,035</u></b>

**A23. Loans, Advances And Financing**

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
Overdrafts	2,363,934	2,142,270
Term loans/financing		
- Housing loans/financing	14,754,633	14,257,710
- Syndicated term loans/financing	401,301	431,427
- Hire purchase receivables	1,391,776	1,564,527
- Other term loans/financing	12,916,693	11,751,901
Bills receivables	334,766	300,866
Trust receipts	186,424	182,437
Claims on customers under acceptance credits	2,473,927	2,567,211
Staff loans [including loans to Directors of a banking subsidiary of RM131,000 (31.03.15: RM155,000)]	34,964	37,691
Credit/charge card receivables	680,093	653,068
Revolving credits	1,640,476	1,467,301
Share margin financing	<u>1,470,882</u>	<u>1,566,703</u>
Gross loans, advances and financing	<b>38,649,869</b>	<b>36,923,112</b>
Add: Sales commissions and handling fees	36,295	33,927
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(59,537)	(56,303)
- Collective assessment allowance	<u>(329,481)</u>	<u>(334,704)</u>
Total net loans, advances and financing	<b><u>38,297,146</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	
	31.12.2015	31.03.2015
	RM'000	RM'000
Domestic non-bank financial institutions	480,875	576,252
Domestic business enterprises		
- Small and medium enterprises	8,501,844	7,481,367
- Others	7,149,342	6,890,104
Government and statutory bodies	7,185	8,258
Individuals	21,464,152	20,866,962
Other domestic entities	205,969	215,146
Foreign entities	840,502	885,023
Gross loans, advances and financing	<b>38,649,869</b>	<b>36,923,112</b>

(b) By interest/profit rate sensitivity

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	48,263	57,528
- Hire purchase receivables	1,344,526	1,512,488
- Other fixed rate loans/financing	2,621,108	2,248,229
Variable rate		
- Base lending rate plus	27,337,507	26,582,088
- Base rate plus	621,659	29,334
- Cost plus	6,407,456	6,253,494
- Other variable rate loans/financing	269,350	239,951
Gross loans, advances and financing	<b>38,649,869</b>	<b>36,923,112</b>

(c) By economic purposes

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
Purchase of securities	1,492,152	1,597,174
Purchase of transport vehicles	1,252,087	1,426,986
Purchase of landed property	22,457,502	21,587,935
of which: - Residential	<b>15,731,728</b>	<b>15,137,475</b>
- Non-residential	<b>6,725,774</b>	<b>6,450,460</b>
Purchase of fixed assets excluding land and buildings	201,304	209,585
Personal use	2,518,006	2,276,090
Credit card	680,094	653,068
Construction	661,297	564,122
Merger and acquisition	117,688	117,687
Working capital	6,911,669	6,623,099
Others	2,358,070	1,867,366
Gross loans, advances and financing	<b>38,649,869</b>	<b>36,923,112</b>



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

(d) By geographical distribution

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
Northern region	2,474,169	2,413,727
Central region	27,897,223	26,845,424
Southern region	4,570,646	4,246,477
Sabah region	2,675,342	2,634,948
Sarawak region	1,032,489	782,536
Gross loans, advances and financing	<u>38,649,869</u>	<u>36,923,112</u>

(e) By maturity structure

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
Within one year	9,203,917	8,508,239
One year to three years	1,378,886	1,426,070
Three years to five years	2,027,729	1,825,760
Over five years	26,039,337	25,163,043
Gross loans, advances and financing	<u>38,649,869</u>	<u>36,923,112</u>

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

	Group	
	31.12.2015	31.03.2015
	RM'000	RM'000
At beginning of year	380,712	442,781
Impaired during the period/year	461,547	688,569
Reclassified as unimpaired during the period/year	(255,321)	(412,159)
Recoveries	(110,592)	(235,458)
Amount written off	(58,093)	(103,021)
At end of period/year	<u>418,253</u>	<u>380,712</u>
Individual allowance for impairment	(59,537)	(56,303)
Collective allowance for impairment (impaired portion)	(101,744)	(102,533)
Net impaired loans, advances and financing	<u>256,972</u>	<u>221,876</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>1.1%</u>	<u>1.0%</u>

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

(g) Impaired loans by economic purposes

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
Purchase of securities	-	515
Purchase of transport vehicles	12,845	8,263
Purchase of landed property	267,336	255,939
of which: - Residential	220,893	233,894
- Non-residential	46,443	22,045
Purchase of fixed assets excluding land and buildings	971	541
Personal use	37,315	27,164
Credit card	8,798	7,611
Construction	3,846	3,979
Working capital	72,368	67,634
Others	14,774	9,066
<b>Gross impaired loans</b>	<b>418,253</b>	<b>380,712</b>

(h) Impaired loans by geographical distribution

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
Northern region	52,056	45,294
Central region	296,535	267,873
Southern region	40,531	37,759
Sabah region	25,443	25,501
Sarawak region	3,688	4,285
<b>Gross impaired loans</b>	<b>418,253</b>	<b>380,712</b>

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

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
<b>Individual assessment allowance</b>		
At beginning of year	56,303	97,159
Allowance made during the period/year, (net)	14,556	3,475
Amount written off	(11,668)	(43,873)
Transfers from/(to) collective assessment allowance	346	(458)
At end of period/year	<b>59,537</b>	<b>56,303</b>

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
<b>Collective assessment allowance</b>		
At beginning of year	334,704	313,296
Allowance made during the period/year, (net)	41,548	78,193
Amount written-off	(46,425)	(57,243)
Transfers (to)/from individual assessment allowance	(346)	458
At end of period/year	<b>329,481</b>	<b>334,704</b>

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**A24. Other Receivables**

	Group		Company	
	31.12.2015 RM'000	31.03.2015 RM'000	31.12.2015 RM'000	31.03.2015 RM'000
Other receivables, deposits and prepayments	161,847	120,608	2,083	146
Trade receivables	47	49	-	-
Amounts due from subsidiaries	-	-	884	1,038
Amounts due from a joint venture	198	534	8	-
	<b>162,092</b>	121,191	<b>2,975</b>	1,184
Less: Allowance for other receivables	<b>(26,178)</b>	(31,138)	-	-
	<b>135,914</b>	90,053	<b>2,975</b>	1,184

**A25. Deposits From Customers**

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
<u>By type of deposit</u>		
<b>Amortised cost</b>		
Demand deposits	13,479,697	13,222,335
Savings deposits	1,770,159	1,767,621
Fixed/investment deposits	19,909,230	21,049,678
Money market deposits	3,149,772	4,171,150
Negotiable instruments of deposits	4,775,051	4,001,934
Structured deposits	302,422	330,602
	<b>43,386,331</b>	44,543,320
<b>At fair value through profit and loss</b>		
Structured deposits	153,212	63,495
	<b>43,539,543</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 RM278,332,000 (2015: RM281,371,000) using interest rate swaps.

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
Structured deposits	278,332	281,371
Fair value changes arising from fair value hedges	(13,769)	(8,702)
	<b>264,563</b>	272,669

The fair value gain of the interest rate swap in this hedge transaction for the third financial quarter ended 31 December 2015 was RM13,769,000 (2015: RM8,702,000). There were no ineffectiveness.

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

- (c) During the financial period ended 31 December 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 RM9,070,000 lower than the contractual amount at maturity.

	<b>Group</b>	
	<b>31.12.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Structured deposits	<b>176,104</b>	67,232
Fair value changes arising from designation at fair value through profit or loss	<b>(22,892)</b>	<b>(3,737)</b>
	<b>153,212</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>31.12.2015</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>4,850,851</b>	4,057,149
Domestic non-bank financial institutions	<b>2,068,852</b>	4,443,347
Government and statutory bodies	<b>3,610,247</b>	2,998,668
Business enterprises	<b>14,494,990</b>	14,134,110
Individuals	<b>17,408,462</b>	17,906,583
Foreign entities	<b>595,051</b>	591,360
Others	<b>511,090</b>	475,598
	<b>43,539,543</b>	<b>44,606,815</b>

	<b>Group</b>	
	<b>31.12.2015</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>22,953,940</b>	24,011,868
Six months to one year	<b>4,744,217</b>	5,156,361
One year to three years	<b>30,632</b>	48,134
Three years to five years	<b>105,264</b>	6,399
	<b>27,834,053</b>	<b>29,222,762</b>

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

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
Licensed banks	2,583,804	852,198
Licensed investment banks	11,801	-
Licensed Islamic banks	-	200,020
Bank Negara Malaysia	411,067	437,557
Other financial institutions	50,004	-
	<b>3,056,676</b>	<b>1,489,775</b>

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

	Group	
	31.12.2015 RM'000	31.03.2015 RM'000
Due to clients	143,368	62,833
Due to brokers	19,608	-
	<b>162,976</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 RM80,054,000 (2015: RM78,850,000) have been excluded accordingly.

**A28. Other Liabilities**

	Group		Company	
	31.12.2015 RM'000	31.03.2015 RM'000	31.12.2015 RM'000	31.03.2015 RM'000
Other payable and accruals	878,433	902,991	1,677	1,660
Remisiers' accounts	22,132	21,305	-	-
Finance lease liabilities	8,684	10,299	-	-
Amount due to subsidiaries	-	-	797	339
	<b>909,249</b>	<b>934,595</b>	<b>2,474</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>31.12.2015</b>	<b>31.03.2015</b>
<u>Before deducting proposed dividends</u>		
CET I capital ratio	<b>11.310%</b>	11.301%
Tier I capital ratio	<b>11.310%</b>	11.301%
Total capital ratio	<b>17.101%</b>	13.160%
<u>After deducting proposed dividends</u>		
CET I capital ratio	<b>11.310%</b>	11.108%
Tier I capital ratio	<b>11.310%</b>	11.108%
Total capital ratio	<b>17.101%</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>31.12.2015</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>1,869,841</b>	2,005,815
Statutory reserves	<b>1,133,983</b>	1,069,665
Revaluation reserves	<b>75,170</b>	78,232
Other reserves	<b>10,018</b>	10,018
	<b>4,287,046</b>	4,361,764
Less: Regulatory adjustment		
- Goodwill and other intangibles	<b>(365,307)</b>	(359,935)
- Deferred tax assets	<b>(13,479)</b>	(12,020)
- 55% of revaluation reserve	<b>(41,344)</b>	(43,028)
- Investment in subsidiaries, associates and joint venture	<b>(1,875)</b>	(1,816)
Total CET I capital/Total Tier I capital	<b>3,865,041</b>	3,944,965
<b><u>Tier II Capital</u></b>		
Subordinated obligations	<b>1,618,488</b>	419,581
Collective assessment allowance and regulatory reserves	<b>363,356</b>	232,171
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	<b>(2,812)</b>	(2,725)
Total Tier II Capital	<b>1,979,032</b>	649,027
<b>Total Capital</b>	<b>5,844,073</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>31 December 2015</b>			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	11.198%	12.710%	84.581%
Tier I capital ratio	11.198%	12.710%	84.581%
Total capital ratio	<b>16.107%</b>	<b>13.853%</b>	<b>84.727%</b>
<u>After deducting proposed dividends</u>			
CET I capital ratio	11.198%	12.710%	84.581%
Tier I capital ratio	11.198%	12.710%	84.581%
Total capital ratio	<b>16.107%</b>	<b>13.853%</b>	<b>84.727%</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	<b>11.751%</b>	<b>11.731%</b>	<b>94.504%</b>
<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	<b>11.518%</b>	<b>11.731%</b>	<b>93.448%</b>

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

	<b>Group</b>	
	<b>31.12.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>31,195,963</b>	32,011,298
Market risk	<b>117,971</b>	125,778
Operational risk	<b>2,859,395</b>	2,770,484
Total RWA and capital requirements	<b>34,173,329</b>	<b>34,907,560</b>

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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>31.12.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Credit-related exposures</u>		
Direct credit substitutes	<b>750,288</b>	789,038
Transaction-related contingent items	<b>687,386</b>	653,199
Short-term self-liquidating trade-related contingencies	<b>146,048</b>	164,832
Irrevocable commitments to extend credit:		
- maturity exceeding one year	<b>2,740,794</b>	4,189,365
- maturity not exceeding one year	<b>6,591,534</b>	6,634,666
Unutilised credit card lines	<b>1,563,524</b>	1,457,307
	<b>12,479,574</b>	13,888,407
<u>Derivative financial instruments</u>		
Foreign exchange related contracts:		
- one year or less	<b>8,542,478</b>	4,794,524
- over one year to three years	<b>128,805</b>	69,675
- over three years	-	31,515
Interest rate related contracts:		
- one year or less	<b>480,000</b>	2,085,000
- over one year to three years	<b>798,227</b>	828,153
- over three years	<b>1,476,025</b>	1,012,269
Equity related contracts:		
- one year or less	<b>58,700</b>	23,460
- over one year to three years	<b>39,430</b>	12,780
	<b>11,523,665</b>	8,857,376
	<b>24,003,239</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>31 December 2015</b>	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading	-	<b>185,566</b>	-	<b>185,566</b>
Financial investments available-for-sale				
- Money market instruments	-	<b>7,909,179</b>	-	<b>7,909,179</b>
- Quoted securities in Malaysia	<b>18</b>	-	-	<b>18</b>
- Unquoted securities	-	<b>2,883,921</b>	<b>152,340</b>	<b>3,036,261</b>
Derivative financial assets	-	<b>124,949</b>	-	<b>124,949</b>
<u>Liabilities</u>				
Derivative financial liabilities	-	<b>129,448</b>	-	<b>129,448</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	11	-	-	11
- Unquoted securities	-	2,741,310	140,211	2,881,521
Derivative financial assets	-	132,460	-	132,460
<u>Liabilities</u>				
Derivative financial liabilities	-	115,224	-	115,224

Reconciliation of movements in level 3 financial instruments:

	<b>Group</b>	
	<b>31.12.2015</b>	<b>31.03.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	<b>140,211</b>	141,100
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>12,704</b>	1,976
Disposal	<b>(26)</b>	(14,089)
At end of period/year	<b>152,340</b>	140,211

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.

<u>Statements of Comprehensive Income for the</u> <u>3rd Quarter ended 31 December 2014</u>	<b>Group</b>		
	As previously stated RM'000	Restatement RM'000	As restated RM'000
Net income from Islamic banking business	58,279	78	58,357
Other income	16,541	169	16,710
Other operating expenses	(156,401)	(222)	(156,623)
Taxation	(41,857)	(25)	(41,882)
	<b>_____</b>	<b>_____</b>	<b>_____</b>
<u>Statements of Comprehensive Income for the</u> <u>financial period ended 31 December 2014</u>	As previously stated RM'000	Restatement RM'000	As restated RM'000
Net income from Islamic banking business	165,872	975	166,847
Investment income	71,733	(1,500)	70,233
Other income	48,459	1,890	50,349
Other operating expenses	(478,592)	(2,828)	(481,420)
Write-back of impairment on securities	5,189	1,500	6,689
Taxation	(141,064)	(37)	(141,101)
	<b>_____</b>	<b>_____</b>	<b>_____</b>
<u>Statements of Financial Position for the</u> <u>financial year ended 31 March 2015</u>	As previously stated RM'000	Restatement RM'000	As restated RM'000
Provision for taxation	2,285	(128)	2,157
Provision for zakat	-	128	128
	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**B1. Review Of Performance**

For the third quarter ended 31 December 2015, the Group reported a net profit after taxation of RM135.6 million, an increase of RM0.9 million or 0.7% quarter to quarter comparison (3Q ended December 15 vs 2Q ended September 2015), but a decrease of RM45.3 million or 10.4% over previous year's corresponding period (nine months ended December 2014), primarily due to lower bad debt recoveries.

**Current Year-to-Date vs. Previous Year-to-Date (3Q FY2016 vs. 3Q FY2015)**

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

- Revenue registered a dropped of RM4.0 million or 0.4% year-on-year.
- Lower NPAT due to normalising of credit costs.
- Gross interest margin improved 22 bps to 4.71% and gross loans growth of RM3.0 billion, driven by the focus towards higher risk-adjusted-return loans and better pricing discipline.
- Despite pressure on the cost of funds, Net Interest Margin only reduced marginally, by 3 bps to 217 bps.
- Non-interest income recorded a growth of RM24.9 million after excluding one-off income of corresponding prior period.
- Total expenses increased due to higher personnel cost and deposit insurance premium.
- Credit cost recorded at 15.1bps 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 for Consumer Banking is as follows:

- Profit before tax was RM17.3 million lower year-on-year. The revenue was RM5.4 million (or 1.4%) lower compared to the corresponding period last year.
- Operating profit was lower (15.9% decrease) year-on-year mainly due to higher operating expenses. Profit before tax was also 12.7% lower year-on-year.
- Asset growth was RM1.2 billion (or 5.9%) higher year-on-year, while liabilities registered growth of RM1.8 billion (or 9.6%) higher year-on-year.

The year-on-year performance comparison for Business Banking is as follows:

- Revenue was RM29.5 million (or 6.9%) higher compared to the corresponding period last year.
- Operating profit was RM13.1 million (or 5.0%) higher year-on-year. However profit before tax was RM19.7 million (or 7.0%) lower compared to the corresponding period last year, mainly due to higher allowance for impairment on loans, advances and financing by RM32.7 million and lower recoveries.
- Asset growth was RM1.9 billion (or 13.9%) higher year-on-year, while liabilities registered growth of RM1.9 billion (or 11.5%) higher year-on-year.

**B1. Review Of Performance** (contd.)

The year-on-year performance comparison for Financial Markets is as follows:

- Operating profit was RM8.3 million or 5.2% lower compared to the corresponding period last year due to lower net interest income of RM22.0 million, partially offset by higher net income from Islamic Banking Business of RM5.7 million and other operating income of RM12.8 million.

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

- Investment Banking's loss of RM10.8 million for the 9 months ended 31 December 2015, RM0.1 million lower from the loss of RM10.9 million incurred during the corresponding period last year.

**Comparison with Current Quarter vs Previous Year Quarter**

For 3Q 2016 ended 31 December 2015, the Group reported a net profit after taxation of RM135.6 million, an improvement of RM9.2 million or 7.3% compared to the corresponding quarter last year.

Key quarter-on-quarter performance highlights:

- NPAT growth of 7.3% driven by 3.2% higher revenue.
- Gross Interest Margin reported at 15bps higher despite industry-wide compression.
- Non-interest income increase by RM3.9 million or 5.0% mainly from non Client Based income from Forex Trading Income, Realized gain/ revaluation on Financial Instruments and Derivatives and Banca income.
- Cost to Income Ratio was at 48.4%.
- Credit cost is within original guidance and in line with industry.

**B2. Comparison With Immediate Preceding Quarter (3Q FY2016 vs. 2Q FY2016)**

For 3Q 2016 ended 31 December 2015, the Group reported a net profit after taxation of RM135.6 million, an improvement of RM0.9 million or 0.7% compared to the preceding quarter ended 30 September 2015.

Key quarter-on-quarter performance highlights:

- NPAT growth of 0.7% driven by RM4.9 million higher net interest income and Islamic income.
- Gross Interest Margin improved by 3bps despite industry-wide compression.
- Annualised loan growth recorded at 7.2%, mainly from better Risk-Adjusted-Return loans such as Personal Financing.
- Client Base Income increased by RM4.5 million, whilst Non Client Base declined by RM14.1 million.
- Cost to Income Ratio was at 48.4%.
- Credit cost is within original guidance and in line with industry.
- The Group's total capital ratio remained sound at 17.1% with a Common Equity Tier 1 Capital ratio of 11.3% as at 31 December 2015.

**B2. Comparison With Immediate Preceding Quarter (3Q FY2016 vs. 2Q FY2016) (contd.)**

**Performance by business segment:**

Consumer Banking's profit before taxation was RM42.7 million for the 3 months ended 31 December 2015, which was 14.4% higher compared to the preceding quarter ended 30 September 2015:

- Revenue was RM10.5 million (or 8.6%) higher compared to the preceding quarter (2Q FY2016).
- Operating profit was higher (15.4% increase) mainly due to higher net interest income.
- Asset growth was RM324.0 million (or 1.5%) higher and liabilities also registered at RM25.3 million (or 0.1%) higher.

Business Banking's profit before taxation was RM95.0 million for the 3 months ended 31 December 2015, which was 18.3% higher compared to the preceding quarter (2Q ended 30 September 2015):

- Revenue was RM1.7 million (or 1.1%) higher compared to the preceding quarter (2Q FY2016).
- Profit before tax registered quarter-on-quarter increased by RM14.7 million, mainly due to lower allowances for impairment on loans of RM16.0 million.

Financial Market's profit before taxation was RM51.2 million for the 3 months ended 31 December 2015, which was 16.9% lower compared to the preceding quarter (2Q ended 30 September 2015):

- Revenue was RM12.2 million (or 16.0%) lower compared to the preceding quarter (2Q FY2016).
- Profit before tax registered quarter-on-quarter decline by RM10.4 million, due to lower non interest income and net interest income.

Investment Banking segment registered a loss of RM3.3 million for the 3 months ended 31 December 2015, which improved of RM0.6 million compared to the preceding quarter (2Q ended 30 September 2015) due to higher revenue.

**B3. Current Year Prospect**

The Malaysian economy is expected to grow at a moderate pace with gross domestic product ("GDP") growth of 4.0%-4.5% in 2016. 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.

**B3. Current Year Prospect (contd.)**

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 segment, 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 Islamic Banking industry remains positive, with continued growth potential, albeit at a moderated level as a result of the more challenging economic environment. The Bank expects the demand for Islamic financial services to remain stable.

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>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation				
- Income tax	<b>51,564</b>	36,900	<b>128,479</b>	128,455
- Under provision in prior year	-	3,962	-	3,962
- Deferred tax	<b>(5,592)</b>	1,020	<b>2,196</b>	8,684
	<b>45,972</b>	41,882	<b>130,675</b>	141,101
<b>Company</b>				
Taxation				
- Income tax	<b>273</b>	134	<b>856</b>	710
- Deferred tax	<b>94</b>	(48)	<b>17</b>	38
	<b>367</b>	86	<b>873</b>	748

The Group's effective tax rate for the third quarter ended 31 December 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 third financial quarter ended 31 December 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 third financial quarter ended 31 December 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.

**B9. Status of Utilisation of Proceeds raised from Corporate Proposals**

The proceeds raised from the issuance of subordinated obligation have been used for working capital, general banking and other corporate purposes, as intended.

**B10. Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities**

	<b>Group</b>	
	<b>31.12.2015</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)	27,698,157	29,168,229
- More than one year (medium/long term)	135,896	54,533
	<u>27,834,053</u>	<u>29,222,762</u>
Others	15,705,490	15,384,053
	<u>43,539,543</u>	<u>44,606,815</u>
<b>(b) Deposits and placements of banks and other financial institutions</b>		
- One year or less (short term)	2,696,774	1,214,218
- More than one year (medium/long term)	359,902	275,557
	<u>3,056,676</u>	<u>1,489,775</u>
<b>(c) Subordinated obligations</b>		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated Medium Term Notes	1,815,509	613,267
	<u>1,815,509</u>	<u>613,267</u>
<b>(d) Other borrowings</b>		
Unsecured and one year or less than one year (short term)	4,985	-
- Commercial papers		
Unsecured and more than one year (medium/long term)		
- Senior Medium Term Notes	5,012	-
	<u>9,997</u>	<u>-</u>



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**B11. Derivative Financial Assets/(Liabilities)**

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

	As at 31 December 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	1,224,166	53,509	(4,779)	1,083,171	70,152	(5,529)
Currency swaps						
- one year or less	7,127,296	57,587	(66,290)	3,184,221	56,121	(76,726)
- over one year to three years	128,805	6,035	(21,446)	69,675	234	(4,133)
- over three years	-	-	-	31,515	-	(5,562)
Currency spots						
- one year or less	102,112	141	(14)	219,795	347	(869)
Currency options						
- one year or less	88,904	240	(131)	307,337	1,562	(803)
	<b>8,671,283</b>	<b>117,512</b>	<b>(92,660)</b>	<b>4,895,714</b>	<b>128,416</b>	<b>(93,622)</b>
Interest rate related contracts:						
Interest rate swap	2,477,000	7,428	(2,289)	3,645,000	4,044	(9,276)
- one year or less	480,000	371	(48)	1,635,000	1,749	(561)
- over one year to three years	733,000	1,324	(1,309)	800,000	1,030	(2,440)
- over three years	1,264,000	5,733	(932)	1,210,000	1,265	(6,275)
Equity related contracts:						
- one year or less	58,700	-	(16,536)	23,460	-	(3,554)
- over one year to three years	39,430	9	(4,194)	12,780	-	(70)
<b>Hedging derivatives</b>						
Interest rate swap						
- over one year to three years	65,227	-	(3,036)	28,153	-	(429)
- over three years	212,025	-	(10,733)	252,269	-	(8,273)
Total derivatives assets/(liabilities)	<b>11,523,665</b>	<b>124,949</b>	<b>(129,448)</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.

**B11. 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.

**B12. 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 third financial quarter ended 31 December 2015.

**B13. Dividend Declared**

No dividend has been declared during the third financial quarter ended 31 December 2015.

**B14. 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.

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**B15. 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.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net profit for the financial period attributable to owners of the parent (RM'000)	<b>135,598</b>	126,373	<b>392,190</b>	437,511
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>(23,173)</b>	(26,614)	<b>(23,173)</b>	(26,614)
	<b>1,524,933</b>	1,521,492	<b>1,524,933</b>	1,521,492
Basic earnings per share (sen)	<b>8.9</b>	8.3	<b>25.7</b>	28.8

**(b) Diluted**

The calculation of the diluted earnings per share is based on the net profit attributable to owners of the parent divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period, excluding the weighted average shares held for ESS and taken into account the assumed Share Grants to employees under ESS were vested to the employees as at 31 December 2015.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31.12.2015	31.12.2014 (Restated)	31.12.2015	31.12.2014 (Restated)
Net profit for the financial period attributable to owners of the parent (RM'000)	<b>135,598</b>	126,373	<b>392,190</b>	437,511
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>(23,173)</b>	(26,614)	<b>(23,173)</b>	(26,614)
Effect of Share Grants under ESS ('000)	<b>3,077</b>	3,228	<b>3,077</b>	3,228
	<b>1,528,010</b>	1,524,720	<b>1,528,010</b>	1,524,720
Diluted earnings per share (sen)	<b>8.9</b>	8.3	<b>25.7</b>	28.7

**B16. 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	
	31.12.2015	31.03.2015	31.12.2015	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiaries				
- Realised	<b>2,012,600</b>	2,023,336	<b>52,417</b>	77,816
- Unrealised	<b>116,495</b>	123,187	<b>317</b>	334
	<b>2,129,095</b>	2,146,523	<b>52,734</b>	78,150
Total share of (losses)/profits from joint venture				
- Realised	<b>179</b>	(171)	-	-
- Unrealised	<b>(40)</b>	187	-	-
	<b>2,129,234</b>	2,146,539	<b>52,734</b>	78,150
Less: Consolidation adjustments	<b>(350,629)</b>	(341,924)	-	-
Total retained profits as per accounts	<b>1,778,605</b>	1,804,615	<b>52,734</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

22 February 2016