

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Group		Company	
		30 June 2016 RM'000	31 March 2016 RM'000	30 June 2016 RM'000	31 March 2016 RM'000
ASSETS					
Cash and short-term funds		4,457,081	4,943,700	58,222	56,837
Deposits and placements with banks and other financial institutions		200,019	195,865	-	-
Balances due from clients and brokers	A13	106,629	104,659	-	-
Financial assets held-for-trading	A14	156,578	132,229	-	-
Financial investments available-for-sale	A15	8,062,156	8,565,696	-	-
Financial investments held-to-maturity	A16	1,131,339	1,129,307	-	-
Derivative financial assets	B10	97,041	133,651	-	-
Loans, advances and financing	A17	38,135,549	38,410,724	-	-
Other assets	A18	127,699	102,690	5,870	905
Tax recoverable		24,580	36,492	-	-
Statutory deposits		1,521,808	1,410,928	-	-
Investment in subsidiaries		-	-	1,779,724	1,781,579
Investment in joint venture		716	731	131	165
Property, plant and equipment		82,382	86,750	313	323
Deferred tax assets		9,656	10,639	367	435
Intangible assets		362,774	362,982	-	-
TOTAL ASSETS		54,476,007	55,627,043	1,844,627	1,840,244
LIABILITIES AND EQUITY					
Deposits from customers	B9(a), A19	44,920,149	46,024,939	-	-
Deposits and placements of banks and other financial institutions	B9(b), A20	1,702,355	1,157,250	-	-
Balances due to clients and brokers	A21	80,000	77,246	-	-
Derivative financial liabilities	B10	197,014	279,541	-	-
Amount due to Cagamas Berhad		502,728	502,725	-	-
Other liabilities	A22	934,573	882,054	2,970	2,623
Provision for taxation		392	322	347	271
Provision for zakat		115	123	-	-
Deferred tax liabilities		31,551	15,617	-	-
Other borrowings	B9(c)	5,011	5,071	-	-
Subordinated obligations	B9(d)	1,208,728	1,840,147	-	-
TOTAL LIABILITIES		49,582,616	50,785,035	3,317	2,894
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		3,421,028	3,373,799	368,947	369,141
Shares held for Employees' Share Scheme		(75,743)	(79,897)	(75,743)	(79,897)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		4,893,391	4,842,008	1,841,310	1,837,350
TOTAL LIABILITIES AND EQUITY		54,476,007	55,627,043	1,844,627	1,840,244
COMMITMENTS AND CONTINGENCIES	A30	25,542,475	21,832,427	-	-
Net assets per share attributable to owners of the parent (RM)*		3.16	3.13	1.19	1.19

* 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 2016)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

Group	Note	1st Quarter Ended		Three Months Ended	
		30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Interest income	A23	474,941	463,765	474,941	463,765
Interest expense	A24	(262,828)	(255,999)	(262,828)	(255,999)
Net interest income		212,113	207,766	212,113	207,766
Net income from Islamic banking business	A25	67,335	58,552	67,335	58,552
		279,448	266,318	279,448	266,318
Fee and commission income		74,189	70,436	74,189	70,436
Fee and commission expense		(24,803)	(27,789)	(24,803)	(27,789)
Investment income		35,755	24,264	35,755	24,264
Other income		(775)	11,118	(775)	11,118
Other operating income	A26	84,366	78,029	84,366	78,029
Net income		363,814	344,347	363,814	344,347
Other operating expenses	A27	(169,076)	(167,350)	(169,076)	(167,350)
Operating profit before allowance		194,738	176,997	194,738	176,997
Allowance for losses on loans, advances and financing and other receivables	A28	(18,137)	(17,114)	(18,137)	(17,114)
(Allowance for)/write-back of impairment		(1,208)	676	(1,208)	676
Operating profit after allowance		175,393	160,559	175,393	160,559
Share of profit of equity-accounted, net of tax joint venture		19	103	19	103
Profit before taxation		175,412	160,662	175,412	160,662
Taxation	B5	(42,938)	(38,732)	(42,938)	(38,732)
Net profit for the financial period		132,474	121,930	132,474	121,930
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		21,729	(965)	21,729	(965)
- Realised gain transferred to statement of income on disposal and impairment		(849)	(1,318)	(849)	(1,318)
- Transfer (to)/from deferred tax		(5,011)	548	(5,011)	548
Other comprehensive income/(expense), net of tax		15,869	(1,735)	15,869	(1,735)
Total comprehensive income for the financial period		148,343	120,195	148,343	120,195
Net profit for the financial period attributable to:					
Owners of the parent		132,474	121,930	132,474	121,930
Total comprehensive income attributable to:					
Owners of the parent		148,343	120,195	148,343	120,195
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B14(a)	8.7	8.0	8.7	8.0
- Diluted (sen)	B14(b)	8.7	8.0	8.7	8.0

(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 2016)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED FINANCIAL STATEMENTS UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

Company	Note	1st Quarter Ended		Three Months Ended	
		30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Interest income	A23	571	697	571	697
Other operating income	A26	101,456	68,067	101,456	68,067
		102,027	68,764	102,027	68,764
Other operating expenses	A27	(756)	(816)	(756)	(816)
Profit before taxation		101,271	67,948	101,271	67,948
Taxation	B5	(351)	(194)	(351)	(194)
Net profit for the financial period		100,920	67,754	100,920	67,754

(The Condensed Statement of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2016)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

	← Attributable to Owners of the Parent →									
	Share Capital	Share Premium	Statutory Reserves	Capital Reserves	Revaluation Reserves	Regulatory Reserves	Employees' Share Scheme ("ESS") Reserves	Shares held for ESS	Retained Profits	Total Equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2016										
At 1 April 2016	1,548,106	304,289	957,981	7,013	114,786	157,174	11,516	(79,897)	1,821,040	4,842,008
Net profit for the financial period	-	-	-	-	-	-	-	-	132,474	132,474
Other comprehensive income	-	-	-	-	15,869	-	-	-	-	15,869
Total comprehensive income for the financial period	-	-	-	-	15,869	-	-	-	132,474	148,343
Transfer to reserves	-	-	(301)	-	-	1,841	-	-	(1,540)	-
Share-based payment under ESS	-	-	-	-	-	-	1,024	-	-	1,024
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(99,155)	(99,155)
ESS shares grant vested to:										
- employees of subsidiaries	-	-	-	-	-	-	(2,853)	2,853	-	-
- employees of joint venture	-	-	-	-	-	-	-	73	-	73
- own employees	-	-	-	-	-	-	(102)	102	-	-
ESS shares option exercised by:										
- employees of subsidiaries	-	-	-	-	-	-	(28)	28	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	1,098	-	1,098
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	(848)	-	848	-
At 30 June 2016	1,548,106	304,289	957,680	7,013	130,655	159,015	8,709	(75,743)	1,853,667	4,893,391
30 June 2015										
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	-	-	-	-	-	-	-	-	121,930	121,930
Other comprehensive expense	-	-	-	-	(1,735)	-	-	-	-	(1,735)
Total comprehensive expense for the financial period	-	-	-	-	(1,735)	-	-	-	121,930	120,195
Share-based payment under ESS	-	-	-	-	-	-	2,200	-	-	2,200
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(97,503)	(97,503)
ESS shares grant vested to:										
- employees of subsidiaries	-	-	-	-	-	-	(2,025)	2,025	-	-
- own employees	-	-	-	-	-	-	(68)	68	-	-
ESS shares option exercised by:										
- employees of subsidiaries	-	-	-	-	-	-	(66)	66	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	804	-	804
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	(661)	-	661	-
At 30 June 2015	1,548,106	304,289	827,627	7,013	76,497	-	11,324	(83,758)	1,829,703	4,520,801

(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 2016)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED FINANCIAL STATEMENTS UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

Company	← Non-Distributable →			<Distributable>		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Employees' Share Scheme ("ESS") Reserves RM'000	Shares held for ESS RM'000	Retained Profits RM'000	
30 June 2016						
At 1 April 2016	1,548,106	304,289	11,516	(79,897)	53,336	1,837,350
Net profit for the financial period	-	-	-	-	100,920	100,920
Share-based payment under ESS	-	-	1,024	-	-	1,024
Dividends paid to shareholders	-	-	-	-	(99,155)	(99,155)
ESS recharge amount received from:						
- employees of subsidiaries	-	-	-	2,853	-	2,853
- employees of joint venture	-	-	-	73	-	73
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(2,853)	-	-	(2,853)
- own employees	-	-	(102)	102	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(28)	28	-	-
Proceeds from share option exercised	-	-	-	1,098	-	1,098
Transfer of ESS shares purchase price difference on shares vested	-	-	(848)	-	848	-
At 30 June 2016	1,548,106	304,289	8,709	(75,743)	55,949	1,841,310
30 June 2015						
At 1 April 2015	1,548,106	304,289	11,944	(86,721)	78,150	1,855,768
Net profit for the financial period	-	-	-	-	67,754	67,754
Share-based payment under ESS	-	-	2,200	-	-	2,200
Dividends paid to shareholders	-	-	-	-	(97,503)	(97,503)
ESS recharge amount received from:						
- employees of subsidiaries	-	-	-	2,025	-	2,025
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(2,025)	-	-	(2,025)
- own employees	-	-	(68)	68	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(66)	66	-	-
Proceeds from share option exercised	-	-	-	804	-	804
Transfer of ESS shares purchase price difference on shares vested	-	-	(661)	-	661	-
At 30 June 2015	1,548,106	304,289	11,324	(83,758)	49,062	1,829,023

(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 2016)

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CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

Group	30 June 2016 RM'000	30 June 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	175,412	160,662
Adjustments for:		
Accretion of discount less amortisation of premium of financial investments	(18,590)	(16,514)
Allowance for losses on loans, advances and financing	20,239	21,630
Allowance for other receivables	758	919
Amortisation of computer software	5,520	5,167
Computer software written off	56	-
Depreciation of property, plant and equipment	5,577	5,831
Deferral cash awards under long term incentive	503	-
Dividends from financial investments available-for-sale	(2,496)	(2,761)
Interest expense on subordinated obligations	17,618	7,314
Interest expense on other borrowings	59	-
Interest income from financial investments held-to-maturity	(6,642)	(6,711)
Interest income from financial investments available-for-sale	(60,730)	(75,753)
Interest income from financial assets held-for-trading	(1,407)	(819)
Impairment on goodwill	1,208	-
Loss on disposal of property, plant and equipment	-	12
Net (gain)/loss from sale of financial assets held-for-trading	(1,601)	558
Net gain from sale of financial investments available-for-sale	(394)	(1,318)
Net write-back of financial investments held-to-maturity	-	(466)
Net write-back of financial investments available-for-sale	-	(210)
Property, plant and equipment written off	37	69
Share options/grants under ESS	1,058	2,166
Share of results of joint venture	(19)	(103)
Unrealised loss/(gain) on revaluation of financial assets held-for-trading	970	(101)
Unrealised (gain)/loss on revaluation of derivative financial instruments	(44,170)	46,166
Unrealised gain arising from financial liabilities designated at fair value	(3,676)	(3,160)
Operating profit before working capital changes	89,290	142,578
Changes in working capital:		
Amount due to Cagamas Berhad	3	(256)
Balances due to clients and brokers	784	5,770
Bills and acceptances payable	-	(767,209)
Deposits and placements of banks and other financial institutions	545,105	618,874
Deposits and placements with banks and other financial institutions	(4,154)	113,454
Deposits from customers	(1,102,861)	(699,112)
Financial assets held-for-trading	(23,553)	(86,377)
Loans, advances and financing	254,936	(440,018)
Other assets	(25,759)	(25,499)
Other liabilities	52,016	(33,886)
Statutory deposits	(110,880)	(77,220)
Cash used in operations	(325,073)	(1,248,901)
Taxes paid	(19,052)	(49,040)
Zakat paid	(7)	(2)
Net cash used in operating activities	(344,132)	(1,297,943)

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CONDENSED FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016 (contd.)

Group	30 June 2016 RM'000	30 June 2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from financial investments available-for-sale	2,496	2,761
ESS recharge amount received from joint venture for share grants	73	-
Interest received from financial investments held-to-maturity	5,979	6,711
Interest received from financial investments available-for-sale	69,696	75,753
Interest received from financial assets held-for-trading	1,407	819
Purchase of computer software	(6,576)	(8,303)
Purchase of property, plant and equipment	(1,253)	(3,640)
Proceeds from disposal of property, plant and equipment	-	49
Proceeds from redemption/disposal of financial investments held-to-maturity (net of purchase)	18,078	15,326
Proceeds from redemption/disposal of financial investments available-for-sale (net of purchase)	<u>514,826</u>	<u>266,609</u>
Net cash generated from investing activities	<u>604,726</u>	<u>356,085</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the company	(99,155)	(97,503)
Interest paid on other borrowings	(119)	-
Interest paid on subordinated obligations	(49,037)	(14,420)
Proceeds from ESS exercised by employees/joint venture	1,098	804
Redemption on subordinated notes	(600,000)	-
Net cash used in financing activities	<u>(747,213)</u>	<u>(111,119)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(486,619)	(1,052,977)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	4,943,700	2,696,183
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>4,457,081</u>	<u>1,643,206</u>
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<u>4,457,081</u>	<u>1,643,206</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 2016)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED FINANCIAL STATEMENTS UNAUDITED STATEMENT OF CASH FLOWS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

Company	30 June 2016 RM'000	30 June 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	101,271	67,948
Adjustments for:		
Depreciation of property, plant and equipment	11	13
Deferral cash awards under long term incentive	10	-
Gross dividend income from a subsidiary	(100,839)	(67,386)
Interest income from money at call and deposit placements with financial institutions	(571)	(697)
Share options/grants under ESS	53	63
Operating loss before working capital changes	(65)	(59)
Changes in working capital:		
Payables	(312)	209
Receivables	(1,435)	(1,684)
Cash used in operations	(1,812)	(1,534)
Taxes paid	(207)	(243)
Net cash used in operating activities	(2,019)	(1,777)
CASH FLOWS FROM INVESTING ACTIVITIES		
Amount due from joint venture	(87)	(4)
Amount due from subsidiaries	(3,443)	(2,246)
ESS recharge amount received from joint venture for share grants	73	-
ESS recharge amount received from subsidiaries for share options	28	66
ESS recharge amount received from subsidiaries for share grants	2,853	2,025
Dividends received	100,839	67,386
Interest received from deposits and placements with banks and other financial institutions	571	697
Net cash generated from investing activities	100,834	67,924
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to joint venture	15	-
Amount due to subsidiaries	612	611
Dividends paid	(99,155)	(97,503)
Proceeds from share option exercised	1,098	804
Net cash used in financing activities	(97,430)	(96,088)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,385	(29,941)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	56,837	75,357
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	58,222	45,416
Cash and cash equivalents comprise the following:		
Cash and short-term funds	58,222	45,416

(The Condensed Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2016)

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

A1. Basis Of Preparation

The unaudited condensed interim financial statements for the first financial quarter ended 30 June 2016 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 and the Company for the financial year ended 31 March 2016. 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 and the Company since the financial year ended 31 March 2016.

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 2016, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2016:

- Amendments to MFRS 11 "Joint Arrangements"
- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets"
- Amendments to MFRS 127 "Equity Method in Separate Financial Statements"
- Amendments to MFRS 10, 12 & 128 "Investment entities - Applying the Consolidation Exception"
- Amendments to MFRS 101 "Presentation of financial statements - Disclosure Initiative"
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012 - 2014 Cycle"
 - MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
 - MFRS 7 "Financial Instruments: Disclosures"
 - MFRS 119 "Employee Benefits"
 - MFRS 134 "Interim Financial Reporting"

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

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 2017, and have yet to be adopted by the Group and the Company:

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative" (effective from 1 January 2017)
- Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses" (effective from 1 January 2017)
- MFRS 15 "Revenue from Contracts with Customers" (effective from 1 January 2018)
- MFRS 9 "Financial Instruments" (effective from 1 January 2018)
- MFRS 16 "Leases" will supersede MFRS 117 "Leases" and the related interpretations (effective from 1 January 2019)

The preparation of unaudited condensed interim financial statements in conformity with MFRS 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 and the Company'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 2016 was not subject to any qualification.

A3. Seasonal And Cyclical Factors

The operations of the Group and the Company were not materially affected by any seasonal or cyclical fluctuations during the first financial quarter ended 30 June 2016.

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 and the Company in the first financial quarter ended 30 June 2016 were not substantially affected by any item of a material and unusual nature.

A5. Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the first financial quarter ended 30 June 2016.

A6. Changes In Debt And Equity Securities

There were no issuance or repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for first financial quarter ended 30 June 2016, other than disclosed on Note B9(d).

A7. Dividends Paid

A second single tier interim dividend of 6.5 sen per share, in respect of the financial year ended 31 March 2016, on 1,548,105,929 ordinary shares amounting to RM100,627,000 was paid on 30 June 2016.

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 RM1,472,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the second interim dividend.

A8. Segment Information

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

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

The Group is organised into the following key operating segments:

(i) Consumer Banking

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

(ii) Business Banking

Business Banking segment covers Small and Medium Enterprise ("SME"), Corporate and Commercial Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Corporate and Commercial Banking serves public-listed and large corporate business customer 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.

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A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
1st Financial Quarter Ended 30 June 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	110,914	80,045	18,297	2,470	987	212,713	(600)	212,113
- inter-segment	(30,467)	16,615	15,363	(1,511)	-	-	-	-
	80,447	96,660	33,660	959	987	212,713	(600)	212,113
Net income from Islamic banking business	27,666	19,673	12,781	-	-	60,120	7,215	67,335
Other operating income	28,694	41,719	8,383	5,678	108,610	193,084	(108,718)	84,366
Net income	136,807	158,052	54,824	6,637	109,597	465,917	(102,103)	363,814
Other operating expenses	(74,708)	(60,891)	(10,503)	(9,069)	(4,596)	(159,767)	1,788	(157,979)
Depreciation and amortisation	(5,999)	(4,097)	(803)	(187)	(11)	(11,097)	-	(11,097)
Operating profit/(loss)	56,100	93,064	43,518	(2,619)	104,990	295,053	(100,315)	194,738
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(16,686)	2,947	(19)	21	(4,400)	(18,137)	-	(18,137)
Allowance for impairment	-	-	-	(1,208)	-	(1,208)	-	(1,208)
Segment result	39,414	96,011	43,499	(3,806)	100,590	275,708	(100,315)	175,393
Share of profit of equity-accounted, net of tax joint venture								19
Taxation								(42,938)
Net profit for the financial period								132,474
Segment assets	21,882,589	16,036,447	18,066,190	264,666	1,919,353	58,169,245	(4,173,346)	53,995,899
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								716
Property, plant and equipment								82,382
Unallocated assets								34,236
Intangible assets								362,774
Total assets								54,476,007
Segment liabilities	21,434,752	20,180,585	9,275,103	104,383	19,358	51,014,181	(1,463,623)	49,550,558
Unallocated liabilities								32,058
Total liabilities								49,582,616

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Three months ended 30 June 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	110,914	80,045	18,297	2,470	987	212,713	(600)	212,113
- inter-segment	(30,467)	16,615	15,363	(1,511)	-	-	-	-
	80,447	96,660	33,660	959	987	212,713	(600)	212,113
Net income from Islamic banking business	27,666	19,673	12,781	-	-	60,120	7,215	67,335
Other operating income	28,694	41,719	8,383	5,678	108,610	193,084	(108,718)	84,366
Net income	136,807	158,052	54,824	6,637	109,597	465,917	(102,103)	363,814
Other operating expenses	(74,708)	(60,891)	(10,503)	(9,069)	(4,596)	(159,767)	1,788	(157,979)
Depreciation and amortisation	(5,999)	(4,097)	(803)	(187)	(11)	(11,097)	-	(11,097)
Operating profit/(loss)	56,100	93,064	43,518	(2,619)	104,990	295,053	(100,315)	194,738
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(16,686)	2,947	(19)	21	(4,400)	(18,137)	-	(18,137)
Allowance for impairment	-	-	-	(1,208)	-	(1,208)	-	(1,208)
Segment result	39,414	96,011	43,499	(3,806)	100,590	275,708	(100,315)	175,393
Share of profit of equity-accounted, net of tax joint venture								19
Taxation								(42,938)
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Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								716
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Unallocated assets								34,236
Intangible assets								362,774
Total assets								54,476,007
Segment liabilities	21,434,752	20,180,585	9,275,103	104,383	19,358	51,014,181	(1,463,623)	49,550,558
Unallocated liabilities								32,058
Total liabilities								49,582,616

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
1st Financial Quarter Ended 30 June 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	101,800	79,545	29,445	1,285	1,102	213,177	(5,411)	207,766
- inter-segment	(19,568)	16,214	4,350	(996)	-	-	-	-
	82,232	95,759	33,795	289	1,102	213,177	(5,411)	207,766
Net income from Islamic banking business	23,169	17,269	11,253	-	-	51,691	6,861	58,552
Other operating income	26,818	35,413	9,623	6,253	5,334	83,441	(5,412)	78,029
Net income	132,219	148,441	54,671	6,542	6,436	348,309	(3,962)	344,347
Other operating expenses	(72,687)	(56,650)	(14,244)	(10,057)	(5,001)	(158,639)	2,287	(156,352)
Depreciation and amortisation	(5,881)	(4,017)	(947)	(140)	(13)	(10,998)	-	(10,998)
Operating profit/(loss)	53,651	87,774	39,480	(3,655)	1,422	178,672	(1,675)	176,997
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(14,723)	(2,654)	242	21	-	(17,114)	-	(17,114)
Write-back of impairment on securities	-	3	673	-	-	676	-	676
Segment result	38,928	85,123	40,395	(3,634)	1,422	162,234	(1,675)	160,559
Share of profit of equity-accounted, net of tax joint venture								103
Taxation								(38,732)
Net profit for the financial period								121,930
Segment assets	22,069,041	14,750,429	16,639,825	34,092	1,897,121	55,390,508	(3,598,786)	51,791,722
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								645
Property, plant and equipment								95,378
Unallocated assets								55,746
Intangible assets								363,071
Total assets								52,306,562
Segment liabilities	21,017,924	18,409,464	9,226,053	87,260	15,880	48,756,581	(991,129)	47,765,452
Unallocated liabilities								20,309
Total liabilities								47,785,761

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Three months ended 30 June 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	101,800	79,545	29,445	1,285	1,102	213,177	(5,411)	207,766
- inter-segment	(19,568)	16,214	4,350	(996)	-	-	-	-
	82,232	95,759	33,795	289	1,102	213,177	(5,411)	207,766
Net income from Islamic banking business	23,169	17,269	11,253	-	-	51,691	6,861	58,552
Other operating income	26,818	35,413	9,623	6,253	5,334	83,441	(5,412)	78,029
Net income	132,219	148,441	54,671	6,542	6,436	348,309	(3,962)	344,347
Other operating expenses	(72,687)	(56,650)	(14,244)	(10,057)	(5,001)	(158,639)	2,287	(156,352)
Depreciation and amortisation	(5,881)	(4,017)	(947)	(140)	(13)	(10,998)	-	(10,998)
Operating profit/(loss)	53,651	87,774	39,480	(3,655)	1,422	178,672	(1,675)	176,997
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(14,723)	(2,654)	242	21	-	(17,114)	-	(17,114)
Write-back of impairment on securities	-	3	673	-	-	676	-	676
Segment result	38,928	85,123	40,395	(3,634)	1,422	162,234	(1,675)	160,559
Share of profit of equity-accounted, net of tax joint venture								103
Taxation								(38,732)
Net profit for the financial period								121,930
Segment assets	22,069,041	14,750,429	16,639,825	34,092	1,897,121	55,390,508	(3,598,786)	51,791,722
Reconciliation of segment assets to consolidated assets:								
Investment in joint venture								645
Property, plant and equipment								95,378
Unallocated assets								55,746
Intangible assets								363,071
Total assets								52,306,562
Segment liabilities	21,017,924	18,409,464	9,226,053	87,260	15,880	48,756,581	(991,129)	47,765,452
Unallocated liabilities								20,309
Total liabilities								47,785,761

A9. Material Event During The Financial Reporting Period

Shares Purchased pursuant to ESS

During the three months ended 30 June 2016, the Trustee of the ESS had not purchased any shares in the Company from the open market.

In the three months ended 30 June 2016, 1,163,700 shares have been vested and transferred from the Trustee to the eligible employees of the Company and its subsidiaries in accordance with the terms under the Share Grant Plan and Share Option Plan of the ESS. As at 30 June 2016, the Trustee of the ESS held 21,762,800 ordinary shares representing 1.41% of the issued and paid-up capital of the Company.

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

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

A11. Changes In The Composition Of The Group

There was no change in the composition of the Group during the first financial quarter ended 30 June 2016.

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

Please refer to Note A30.

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A13. Balances Due From Clients And Brokers

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Due from clients	80,237	97,680
Due from brokers	27,227	7,816
	107,464	105,496
Less: Allowance for other losses	(835)	(837)
	106,629	104,659

These represent amounts receivable by Alliance Investment Bank Berhad ("AIBB") from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

AIBB's normal trade credit terms for non-margin clients is three (3) market days in accordance with the Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

Included in the balances due from clients and brokers are impaired accounts, as follows:

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Classified as doubtful	72	52
Classified as bad	853	848
	925	900

The movements in allowance for other losses are as follows:

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
At beginning of financial year	837	840
Write-back during the financial period/year (net)	(2)	(3)
At end of financial period/year	835	837

A14. Financial Assets Held-for-trading

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
At fair value		
<u>Money market instruments</u>		
Malaysian Government investment certificates	-	40,441
Commercial papers	29,960	-
<u>Unquoted securities</u>		
Medium term notes	126,618	91,788
	156,578	132,229

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A15. Financial Investments Available-for-sale

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
At fair value		
<u>Money market instruments</u>		
Malaysian Government securities	1,294,461	1,277,948
Malaysian Government investment certificates	1,943,936	2,338,432
Negotiable instruments of deposits	1,281,147	1,684,516
Commercial papers	29,964	-
Khazanah bonds	204,639	202,673
	4,754,147	5,503,569
<u>Quoted securities in Malaysia</u>		
Shares	24	26
Accumulated impairment	(11)	(11)
	13	15
<u>Unquoted securities</u>		
Shares	153,781	153,781
Accumulated impairment	(1,440)	(1,440)
	152,341	152,341
Unit Trust Funds	4,991	4,992
	4,991	4,992
Debt securities and medium term notes	3,382,575	3,136,690
Accumulated impairment	(231,911)	(231,911)
	3,150,664	2,904,779
	3,307,996	3,062,112
	8,062,156	8,565,696

A16. Financial Investments Held-to-maturity

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
At amortised cost		
<u>Money market instruments</u>		
Malaysian Government securities	703,222	700,570
Malaysian Government investment certificates	231,074	233,390
Khazanah bonds	192,298	190,602
	1,126,594	1,124,562
At cost		
<u>Unquoted securities</u>		
Debt securities	18,938	18,938
Accumulated impairment	(14,193)	(14,193)
	4,745	4,745
	1,131,339	1,129,307

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
FIRST FINANCIAL QUARTER ENDED 30 JUNE 2016

A17. Loans, Advances And Financing

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Overdrafts	2,546,848	2,641,243
Term loans/financing		
- Housing loans/financing	14,796,833	14,842,860
- Syndicated term loans/financing	196,421	261,668
- Hire purchase receivables	1,319,702	1,351,475
- Other term loans/financing	13,189,074	13,039,019
Bills receivables	425,838	306,143
Trust receipts	195,357	179,935
Claims on customers under acceptance credits	2,471,432	2,519,809
Staff loans [including loans to Directors of a banking subsidiary of RM115,000 (31.03.16: RM123,000)]	33,391	34,395
Credit/charge card receivables	647,956	646,321
Revolving credits	1,541,618	1,660,665
Share margin financing	1,109,987	1,264,135
Gross loans, advances and financing	38,474,457	38,747,668
Add: Sales commissions and handling fees	39,216	38,365
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(71,908)	(68,331)
- Collective assessment allowance	(306,216)	(306,978)
Total net loans, advances and financing	38,135,549	38,410,724

(a) By type of customer

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Domestic non-bank financial institutions	354,003	375,434
Domestic business enterprises		
- Small and medium enterprises	8,894,994	8,956,673
- Others	7,116,342	7,055,672
Government and statutory bodies	6,442	6,816
Individuals	21,071,653	21,306,301
Other domestic entities	200,325	204,609
Foreign entities	830,698	842,163
Gross loans, advances and financing	38,474,457	38,747,668

ALLIANCE FINANCIAL GROUP BERHAD (6627-X)
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A17. Loans, Advances And Financing (contd.)

(b) By interest/profit rate sensitivity

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Fixed rate		
- Housing loans/financing	45,320	46,476
- Hire purchase receivables	1,277,042	1,306,547
- Other fixed rate loans/financing	2,258,434	2,379,044
Variable rate		
- Base lending rate plus	27,383,461	27,563,594
- Base rate plus	970,704	847,853
- Cost plus	6,225,031	6,350,612
- Other variable rate loans/financing	314,465	253,542
Gross loans, advances and financing	<u>38,474,457</u>	<u>38,747,668</u>

(c) By economic purposes

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Purchase of securities	1,130,144	1,285,780
Purchase of transport vehicles	1,177,075	1,218,632
Purchase of landed property	22,536,406	22,624,255
of which: - Residential	15,823,005	15,846,729
- Non-residential	6,713,401	6,777,526
Purchase of fixed assets excluding land and buildings	197,314	192,901
Personal use	2,595,805	2,560,230
Credit card	647,956	646,321
Construction	657,537	663,866
Merger and acquisition	117,688	117,688
Working capital	6,994,117	7,186,477
Others	2,420,415	2,251,518
Gross loans, advances and financing	<u>38,474,457</u>	<u>38,747,668</u>

(d) By geographical distribution

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Northern region	2,486,022	2,569,926
Central region	27,765,606	27,917,362
Southern region	4,547,948	4,581,547
Sabah region	2,531,138	2,586,488
Sarawak region	1,143,743	1,092,345
Gross loans, advances and financing	<u>38,474,457</u>	<u>38,747,668</u>

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A17. Loans, Advances And Financing (contd.)

(e) By maturity structure

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Within one year	8,940,927	9,201,769
One year to three years	1,385,537	1,318,284
Three years to five years	1,887,632	2,050,419
Over five years	26,260,361	26,177,196
Gross loans, advances and financing	38,474,457	38,747,668

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

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
At beginning of financial year	487,868	380,712
Impaired during the financial period/year	118,402	688,435
Reclassified as unimpaired during the financial period/year	(97,525)	(342,996)
Recoveries	(40,744)	(157,779)
Amount written off	(17,424)	(80,504)
Gross impaired loans, advances and financing	450,577	487,868
Individual allowance for impairment	(71,908)	(68,331)
Collective allowance for impairment (impaired portion)	(101,118)	(109,347)
Net impaired loans, advances and financing	277,551	310,190
Gross impaired loans as percentage of	1.2%	1.3%

(g) Impaired loans by economic purposes

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Purchase of transport vehicles	12,622	14,742
Purchase of landed property	281,735	307,795
of which: - Residential	205,857	220,145
- Non-residential	75,878	87,650
Purchase of fixed assets excluding land and buildings	631	651
Personal use	37,971	37,029
Credit card	8,467	9,421
Construction	3,879	3,892
Working capital	90,103	96,211
Others	15,169	18,127
Gross impaired loans	450,577	487,868

A17. Loans, Advances And Financing (contd.)

(h) Impaired loans by geographical distribution

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Northern region	41,241	46,072
Central region	343,582	372,422
Southern region	38,744	40,279
Sabah region	23,790	25,088
Sarawak region	3,220	4,007
Gross impaired loans	450,577	487,868

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

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Individual assessment allowance		
At beginning of financial year	68,331	56,303
Allowance made during the financial period/year (net)	5,679	24,229
Amount written off	(406)	(14,060)
Transfers (to)/from collective assessment allowance	(1,696)	1,859
At end of financial period/year	71,908	68,331

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Collective assessment allowance		
At beginning of financial year	306,978	334,704
Allowance made during the financial period/year (net)	14,560	40,577
Amount written-off	(17,018)	(66,444)
Transfers from/(to) individual assessment allowance	1,696	(1,859)
At end of financial period/year	306,216	306,978

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A18. Other Assets

	Group		Company	
	30 June 2016 RM'000	31 March 2016 RM'000	30 June 2016 RM'000	31 March 2016 RM'000
Other receivables	127,258	105,339	1,545	76
Deposits	9,249	9,192	103	103
Prepayment	18,548	14,985	81	115
Trade receivables	47	49	-	-
Amounts due from subsidiaries	-	-	4,046	603
Amounts due from joint venture	430	198	95	8
	155,532	129,763	5,870	905
Less: Allowance for other receivables	(27,833)	(27,073)	-	-
	127,699	102,690	5,870	905

A19. Deposits From Customers

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
<u>By type of deposits</u>		
Amortised cost		
Demand deposits	12,967,309	12,984,455
Savings deposits	1,793,197	1,787,163
Fixed/investment deposits	21,729,312	22,890,873
Money market deposits	2,570,253	2,594,183
Negotiable instruments of deposits	5,295,711	5,268,944
Structured deposits	281,045	260,185
	44,636,827	45,785,803
At fair value through profit and loss		
Structured deposits	283,322	239,136
	44,920,149	46,024,939

Note:

- (a) Structured deposits issued by the Group include foreign currency time deposits with embedded foreign exchange, 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 RM168,568,000 (31 March 2016: RM200,913,000) using interest rate swaps.

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Structured deposits	168,568	200,913
Fair value changes arising from fair value hedges	(4,026)	(5,832)
	164,542	195,081

The fair value gain of the interest rate swap in this hedge transaction for the first financial quarter ended 30 June 2016 was RM4,026,000 (31 March 2016: RM5,832,000). There were no ineffectiveness.

A19. Deposits From Customers (contd.)

- (c) During the first financial quarter ended 30 June 2016, 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 RM11,390,000 lower than the contractual amount at maturity.

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Structured deposits	317,463	269,601
Fair value changes arising from designation at fair value through profit or loss	(34,141)	(30,465)
	<u>283,322</u>	<u>239,136</u>

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

(i) By type of customers

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Domestic financial institutions	5,350,024	5,349,252
Domestic non-bank financial institutions	2,195,086	2,724,792
Government and statutory bodies	3,684,684	3,962,637
Business enterprises	15,316,636	14,678,060
Individuals	17,322,010	18,221,964
Foreign entities	588,421	593,398
Others	463,288	494,836
	<u>44,920,149</u>	<u>46,024,939</u>

- (ii) The maturity structure of fixed/investment deposits, money market deposits and negotiable instruments of deposit are as follows:

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Due within six months	25,446,160	25,104,425
Six months to one year	3,946,198	5,464,888
One year to three years	52,140	53,992
Three years to five years	150,778	130,695
	<u>29,595,276</u>	<u>30,754,000</u>

A20. Deposits And Placements Of Banks And Other Financial Institutions

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Licensed banks	409,451	708,074
Bank Negara Malaysia	1,292,904	449,176
	1,702,355	1,157,250

A21. Balances Due To Clients And Brokers

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
Due to clients	80,000	77,246
Due to brokers	-	-
	80,000	77,246

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 RM67,123,000 (31 March 2016: RM83,067,000) have been excluded accordingly.

A22. Other Liabilities

	Group		Company	
	30 June	31 March	30 June	31 March
	2016	2016	2016	2016
	RM'000	RM'000	RM'000	RM'000
Other payables	854,416	756,653	96	137
Provision and accruals	50,157	95,111	1,738	1,977
Remisers and dealers accounts	22,159	22,165	-	-
Finance lease liabilities	7,558	8,125	-	-
Amount due to subsidiaries	-	-	1,121	509
Amount due to joint venture	283	-	15	-
	934,573	882,054	2,970	2,623

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A23. Interest Income

Group	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	378,079	357,567	378,079	357,567
Money at call and deposit placements with financial institutions	6,839	3,343	6,839	3,343
Financial assets held-for-trading	1,407	819	1,407	819
Financial investments available-for-sale	60,730	75,753	60,730	75,753
Financial investments held-to-maturity	6,642	6,711	6,642	6,711
Others	2,654	3,058	2,654	3,058
	456,351	447,251	456,351	447,251
Accretion of discount less amortisation of premium of financial investments	18,590	16,514	18,590	16,514
	474,941	463,765	474,941	463,765
Company				
Money at call and deposit placements with financial institutions	571	697	571	697

A24. Interest Expense

Group	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	4,258	10,532	4,258	10,532
Deposits from customers	228,071	232,660	228,071	232,660
Other borrowings	59	-	59	-
Subordinated obligations	17,618	7,314	17,618	7,314
Others	12,822	5,493	12,822	5,493
	262,828	255,999	262,828	255,999

A25. Net Income From Islamic Banking Business

Group	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	112,469	101,872	112,469	101,872
Income derived from investment of Islamic Banking funds	10,591	8,938	10,591	8,938
Income attributable to depositors and financial institutions	(62,940)	(59,119)	(62,940)	(59,119)
	60,120	51,691	60,120	51,691
Add: Income due to head office eliminated at Group level	7,215	6,861	7,215	6,861
	67,335	58,552	67,335	58,552

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A26. Other Operating Income

Group	1st Quarter Ended		Three Months Ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
<u>Fee and commission income:</u>				
Commissions	20,788	17,848	20,788	17,848
Service charges and fees	8,247	7,612	8,247	7,612
Corporate advisory fees	560	486	560	486
Underwriting commissions	85	-	85	-
Brokerage fees	7,076	9,030	7,076	9,030
Guarantee fees	4,829	3,960	4,829	3,960
Processing fees	3,480	2,558	3,480	2,558
Commitment fees	3,926	3,747	3,926	3,747
Other fee income	25,198	25,195	25,198	25,195
	74,189	70,436	74,189	70,436
<u>Fee and commission expense:</u>				
Commissions expense	(537)	(222)	(537)	(222)
Brokerage fees expense	(3,106)	(4,196)	(3,106)	(4,196)
Guarantee fees expense	(358)	(507)	(358)	(507)
Other fee expense	(20,802)	(22,864)	(20,802)	(22,864)
	(24,803)	(27,789)	(24,803)	(27,789)
<u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	1,601	(558)	1,601	(558)
- Financial investments available-for-sale	394	1,318	394	1,318
Marked-to-market revaluation of:				
- Financial assets held-for-trading	(970)	101	(970)	101
- Derivative financial instruments	44,170	(46,166)	44,170	(46,166)
- Unrealised gain arising from financial liabilities designated at fair value	3,676	3,160	3,676	3,160
Realised (loss)/gain on derivative financial instruments	(15,612)	63,648	(15,612)	63,648
Gross dividend income from:				
- Financial investments available-for-sale	2,496	2,761	2,496	2,761
	35,755	24,264	35,755	24,264
<u>Other income:</u>				
Foreign exchange (loss)/gain	(8,513)	3,689	(8,513)	3,689
Loss on disposal of property, plant and equipment	-	(12)	-	(12)
Others	7,738	7,441	7,738	7,441
	(775)	11,118	(775)	11,118
Total other operating income	84,366	78,029	84,366	78,029

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A26. Other Operating Income (contd.)

Company	1st Quarter Ended		Three Months Ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
<u>Investment income:</u>				
Gross dividend income from:				
- Subsidiary	100,839	67,386	100,839	67,386
<u>Other income:</u>				
Others	617	681	617	681
Total other operating income	101,456	68,067	101,456	68,067

A27. Other Operating Expenses

Group	1st Quarter Ended		Three Months Ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
<u>Personnel costs</u>				
Salaries, allowances and bonuses	85,599	82,281	85,599	82,281
Contribution to EPF	13,947	13,261	13,947	13,261
Share options/grants under ESS	1,058	2,166	1,058	2,166
Others	7,917	6,887	7,917	6,887
	108,521	104,595	108,521	104,595
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	5,577	5,831	5,577	5,831
Amortisation of computer software	5,520	5,167	5,520	5,167
Rental of premises	7,673	7,790	7,673	7,790
Water and electricity	2,115	2,048	2,115	2,048
Repairs and maintenance	2,374	1,467	2,374	1,467
Information technology expenses	10,925	10,620	10,925	10,620
Others	3,691	4,076	3,691	4,076
	37,875	36,999	37,875	36,999
<u>Marketing expenses</u>				
Promotion and advertisement	1,573	1,774	1,573	1,774
Branding and publicity	652	1,175	652	1,175
Others	2,030	1,870	2,030	1,870
	4,255	4,819	4,255	4,819
<u>Administration and general expenses</u>				
Communication expenses	3,698	3,227	3,698	3,227
Printing and stationery	892	731	892	731
Insurance	2,405	6,965	2,405	6,965
Professional fees	5,163	4,495	5,163	4,495
Others	6,267	5,519	6,267	5,519
	18,425	20,937	18,425	20,937
Total other operating expenses	169,076	167,350	169,076	167,350

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A27. Other Operating Expenses (contd.)

Company	1st Quarter Ended		Three Months Ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
<u>Personnel costs</u>				
Salaries, allowances and bonuses	150	187	150	187
Contribution to EPF	20	28	20	28
Share options/grants under ESS	53	63	53	63
Others	35	21	35	21
	258	299	258	299
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	11	13	11	13
Rental of premises	57	57	57	57
Water and electricity	1	1	1	1
Repairs and maintenance	32	31	32	31
Information technology expenses	2	-	2	-
Others	29	37	29	37
	132	139	132	139
<u>Administration and general expenses</u>				
Communication expenses	7	5	7	5
Printing and stationery	1	-	1	-
Professional fees	9	17	9	17
Others	349	356	349	356
	366	378	366	378
Total other operating expenses	756	816	756	816

A28. Allowance for Losses On Loans, Advances And Financing And Other Receivables

Group	1st Quarter Ended		Three Months Ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Allowance for losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance				
- made during the financial period (net)	5,679	4,224	5,679	4,224
(b) Collective assessment allowance				
- made during the financial period (net)	14,560	17,406	14,560	17,406
(c) Bad debts on loans, advances and financing				
- Recovered	(7,958)	(8,777)	(7,958)	(8,777)
- Written off	5,098	3,342	5,098	3,342
	17,379	16,195	17,379	16,195
Allowance for other receivables	758	919	758	919
	18,137	17,114	18,137	17,114

A29. Capital Adequacy

The capital adequacy ratios of the Banking Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. 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 Banking Group are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

On 13 October 2015, BNM issued the revised Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) ("Revised Framework") which became effective from 1 January 2016 for all banking institutions and will take effect for all financial holding companies on 1 January 2019.

The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a capital conservation buffer of up to 2.5% and a countercyclical capital buffer above the minimum regulatory capital adequacy ratios. Under the transition arrangements, capital conservation buffer will be phased-in as follows:

Calendar Year	Capital Conservation Buffer
2016	0.625%
2017	1.250%
2018	1.875%
2019 onwards	2.500%

Under the Revised Framework, a countercyclical capital buffer is required to be maintained if this buffer is applied by regulators in countries which the Group has exposures to, determined based on the weighted average of prevailing countercyclical capital buffer rates applied in that jurisdictions. The countercyclical buffer which is in a range of between 0% and 2.5% is not a requirement for exposures in Malaysia but may be applied by regulators in the future.

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

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
<u>Before deducting proposed dividends</u>		
CET I capital ratio	11.748%	12.070%
Tier I capital ratio	11.748%	12.070%
Total capital ratio	16.291%	17.657%
<u>After deducting proposed dividends</u>		
CET I capital ratio	11.748%	11.775%
Tier I capital ratio	11.748%	11.775%
Total capital ratio	16.291%	17.362%

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

(a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows:

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
<u>CET I Capital</u>		
Paid-up share capital	796,517	796,517
Share premium	401,517	401,517
Retained profits	1,944,869	2,047,248
Statutory reserves	1,199,718	1,200,019
Revaluation reserves	130,655	114,786
Capital reserves	10,018	10,018
	4,483,294	4,570,105
Less: Regulatory adjustments		
- Goodwill and other intangibles	(362,774)	(362,982)
- Deferred tax assets	(9,286)	(10,201)
- 55% of revaluation reserves	(71,860)	(63,132)
- Investment in subsidiaries, associates and joint venture	(2,837)	(2,824)
Total CET I Capital/Total Tier I Capital	4,036,537	4,130,966
<u>Tier II Capital</u>		
Subordinated obligations	1,199,002	1,559,074
Collective assessment allowance and regulatory reserves	364,113	354,805
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	(1,891)	(1,882)
Total Tier II Capital	1,561,224	1,911,997
Total Capital	5,597,761	6,042,963

A29. Capital Adequacy (contd.)

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

	Alliance Bank Malaysia Berhad	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
30 June 2016			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	10.856%	12.985%	95.810%
Tier I capital ratio	10.856%	12.985%	95.810%
Total capital ratio	14.873%	14.015%	96.232%
<u>After deducting proposed dividends</u>			
CET I capital ratio	10.856%	12.985%	95.810%
Tier I capital ratio	10.856%	12.985%	95.810%
Total capital ratio	14.873%	14.015%	96.232%
31 March 2016			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	11.237%	13.375%	103.287%
Tier I capital ratio	11.237%	13.375%	103.287%
Total capital ratio	16.528%	14.399%	103.641%
<u>After deducting proposed dividends</u>			
CET I capital ratio	10.880%	13.044%	101.292%
Tier I capital ratio	10.880%	13.044%	101.292%
Total capital ratio	16.170%	14.068%	101.646%

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

	Group	
	30 June 2016 RM'000	31 March 2016 RM'000
Credit risk	31,393,458	31,241,896
Market risk	101,460	123,843
Operational risk	2,865,665	2,858,987
Total RWA and capital requirements	34,360,583	34,224,726

A30. Commitments And Contingencies

The off-balance sheet exposures of the Group are as follows:

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	764,899	717,319
Transaction-related contingent items	702,116	677,126
Short-term self-liquidating trade-related contingencies	176,970	137,524
Irrevocable commitments to extend credit:		
- maturity exceeding one year	1,902,898	2,287,572
- maturity not exceeding one year	6,612,326	6,327,855
Unutilised credit card lines	1,596,967	1,597,855
	11,756,176	11,745,251
<u>Derivative financial instruments</u>		
Foreign exchange related contracts:		
- one year or less	10,781,003	7,255,690
- over one year to three years	40,275	39,135
Interest rate related contracts:		
- one year or less	380,000	380,000
- over one year to three years	862,919	809,755
- over three years	1,595,692	1,490,776
Equity related contracts:		
- one year or less	111,990	92,940
- over one year to three years	14,420	18,880
	13,786,299	10,087,176
	25,542,475	21,832,427

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 reporting 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:

Group	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
30 June 2016	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	29,960	-	29,960
- Unquoted securities	-	126,618	-	126,618
Financial investments available-for-sale				
- Money market instruments	-	4,754,147	-	4,754,147
- Quoted securities in Malaysia	13	-	-	13
- Unquoted securities	-	3,155,655	152,341	3,307,996
Derivative financial assets	-	97,041	-	97,041
<u>Liabilities</u>				
Derivative financial liabilities	-	197,014	-	197,014
31 March 2016				
	<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				
- Money market instruments	-	40,441	-	40,441
- Unquoted securities	-	91,788	-	91,788
Financial investments available-for-sale				
- Money market instruments	-	5,503,569	-	5,503,569
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	2,909,771	152,341	3,062,112
Derivative financial assets	-	133,651	-	133,651
<u>Liabilities</u>				
Derivative financial liabilities	-	279,541	-	279,541

Reconciliation of movements in level 3 financial instruments:

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
At beginning of financial year	152,341	140,211
Total (losses)/gains recognised in:		
- Statement of comprehensive income		
Loss in arising from sales financial investments available-for-sale	-	(549)
- Other comprehensive income		
Revaluation reserves	-	12,705
Disposal	-	(26)
At end of financial period/year	152,341	152,341

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.

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

B1. Review Of Performance

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

For the 3 months ended 30 June 2016, the Group's net profit after taxation was RM132.5 million, an increase of RM10.6 million or 8.6% compared to corresponding period last year primarily due to increase in revenue.

Revenue grew by RM19.5 million or 5.7%, primarily from higher net interest income and other operating income.

Net interest income including Islamic banking income grew by RM13.1 million due to total gross loans growth of RM1.1 billion. Net Interest Margin recorded at 222bps, a 6bps increase.

Other operating income grew by RM6.4 million or 8.1% mainly from wealth management income, trade and guarantee fees.

Gross impaired loan was recorded at 1.2%, while the loan loss coverage was at 119.2%, reflecting a healthy book.

Operating expenses increased by RM1.7 million or 1.0% mainly on higher personnel costs.

The Current Account Savings Account ("CASA") ratio stood at 32.9%, while the loans-to-deposits ratio rose to 85.7% as at 30 June 2016, from 84.2% in 31 March 2016.

The Group's total capital ratio stood healthy at 16.3%, with a Common Equity Tier 1 Capital ratio of 11.7% as at 30 June 2016.

Performance by business segment:

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

Consumer Banking profit before tax was higher by RM0.5 million or 1.2% compared to corresponding period last year. The revenue was RM4.6 million or 3.5% higher compared to corresponding period last year. Operating profit was higher by RM2.5 million or 4.6% mainly due to higher Islamic Banking income and other operating income. Allowance for loans, advances and financing was higher by RM2.0 million or 13.3%. Segment asset was RM0.2 billion or 0.8% lower, while liabilities registered growth of RM0.4 billion or 2.0% higher.

Business Banking profit before tax was higher by RM10.9 million or 12.8% compared to corresponding period last year, mainly due to increase in other operating income by RM6.3 million or 17.8% and Islamic Banking income by RM2.4 million or 13.9%. Write-back of losses on loans, advances and financing was higher by RM5.6 million compared to corresponding period last year. Segment asset growth was RM1.3 billion or 8.7%, while liabilities registered growth of RM1.8 billion or 9.6%.

Financial Markets profit before tax was RM3.1 million or 7.7% higher compared to corresponding period last year mainly due to lower other operating expenses by RM3.9 million.

Investment Banking segment covers stockbroking, capital market activities and corporate advisory services. Investment Banking registered a loss of RM3.8 million for 3 months ended 30 June 2016, which was a deterioration of RM0.2 million or 4.7% compared to loss of RM3.6 million during the corresponding period last year.

B2. Comparison With Immediate Preceding Quarter (1Q FY2017 vs. 4Q FY2016)

The Group's profit after taxation of RM132.5 million for the first quarter ended 30 June 2016 was RM2.7 million or 2.0% higher than the immediate preceding quarter ended 31 March 2016.

Key quarter-on-quarter performance highlights:

- NPAT increased by 2.0% mainly from higher revenue and lower operating expenses.
- Net Interest Margin recorded at 2.22%.
- Other operating income increased by RM4.1 million, mainly due to increase in wealth management income.
- Other operating expenses decreased by RM11.5 million, mainly from marketing and personal costs.

B3. Prospect for the Current Financial Period

The Malaysian economy registered a gross domestic product ("GDP") growth of 4.2% in 1Q and is expected to continue growing at a moderate pace of 4.0% and 4.5% in 2016.

The Group will continue to improve its balance sheet efficiency and Risk Adjusted Returns (RAR), and focus on loan origination efforts in Small Medium Enterprise ("SME"), commercial, and consumer unsecured loans as well as optimize the funding cost and mix.

The Group will also focus on fulfilling the financial needs of business owners (and their families) as well as their other stakeholders such as their employees, customers, and business partners.

We are currently embarking on our transformation program to deploy new and differentiated value propositions to our customers. We will be investing in the required Information Technology enablers to support the Bank's strategic initiatives and focus on streamlining to improve the efficiency of our operations.

We are also maximizing our franchise linkages with joint collaboration between line-of-businesses (LOBs) across Consumer Banking, SME, Commercial and Corporate, Financial Markets, Investment Banking and Islamic Banking to provide full suite of product offerings to our clients.

The Group expects that these actions will position its businesses for sustainable revenue and profitability for the financial year 2017.

B4. Profit Forecast

There was no profit forecast issued by the Group and the Company.

B5. Taxation

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
Group	RM'000	RM'000	RM'000	RM'000
Taxation				
- Income tax	31,040	31,949	31,040	31,949
- Deferred tax	11,898	6,783	11,898	6,783
	42,938	38,732	42,938	38,732
Company				
Taxation				
- Income tax	283	234	283	234
- Deferred tax	68	(40)	68	(40)
	351	194	351	194

The Group's effective tax rate for the first quarter ended 30 June 2016 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 first financial quarter ended 30 June 2016 other than in the ordinary course of business.

B7. Purchase And Disposal Of Quoted Securities

There was no purchase or disposal of quoted securities for the first financial quarter ended 30 June 2016 other than investments held by the Group and the Company 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. Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities

	Group	
	30 June	31 March
	2016	2016
	RM'000	RM'000
(a) Deposits from customers		
Fixed deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	29,392,358	30,569,313
- More than one year (medium/long term)	202,918	184,687
	29,595,276	30,754,000
Others	15,324,873	15,270,939
	44,920,149	46,024,939
(b) Deposits and placements of banks and other financial institutions		
- One year or less (short term)	1,274,201	766,754
- More than one year (medium/long term)	428,154	390,496
	1,702,355	1,157,250
(c) Other borrowings		
Unsecured and more than one year (medium/long term)		
- Senior Medium Term Notes	5,011	5,071
(d) Subordinated obligations		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated Medium Term Notes	1,208,728	1,840,147

On 8 April 2016, the Group has fully redeemed its RM600 million Subordinated Medium Term Notes, which was issued on 8 April 2011 under the RM1.5 billion Subordinated Medium Term Notes Programme.

B10. Derivative Financial Assets/(Liabilities)

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

	As at 30 June 2016			As at 31 March 2016		
	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
Trading derivatives						
Foreign exchange and commodity contracts:						
Currency forwards						
- one year or less	1,352,646	13,612	(33,299)	1,316,549	25,079	(53,190)
Currency swaps						
- one year or less	8,810,097	63,196	(109,039)	5,520,405	90,660	(174,450)
- over one year to three years	40,275	-	(8,704)	39,135	-	(7,656)
Currency spots						
- one year or less	388,598	821	(607)	258,309	646	(615)
Currency options						
- one year or less	229,662	1,336	(287)	160,427	1,349	(404)
	10,821,278	78,965	(151,936)	7,294,825	117,734	(236,315)
Interest rate related contracts:						
Interest rate swap						
- one year or less	2,670,662	18,076	(12,064)	2,480,312	15,917	(10,333)
- over one year to three years	380,000	64	(61)	380,000	136	(87)
- over three years	763,000	1,796	(3,582)	763,000	1,813	(3,410)
	1,527,662	16,216	(8,421)	1,337,312	13,968	(6,836)
Equity related contracts:						
- one year or less	111,990	-	(26,977)	92,940	-	(23,782)
- over one year to three years	14,420	-	(2,011)	18,880	-	(3,279)
Hedging derivatives						
Interest rate swap						
- over one year to three years	99,919	-	(3,476)	46,755	-	(1,592)
- over three years	68,030	-	(550)	153,464	-	(4,240)
Total derivatives assets/(liabilities)	13,786,299	97,041	(197,014)	10,087,176	133,651	(279,541)

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 2016.

Forwards

Forwards are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market.

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

Swaps

Swaps are contractual agreements between two parties to exchange exposures in foreign currency or interest rates.

Spots

Spots refer to the buying and selling of the currency where the settlement date is two business days.

Options

Options are contractual agreements under which the seller grants the purchaser the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date during a set period, a specific amount of an underlying asset at a predetermined price. The seller receives a premium from the purchaser in consideration of risk. Options may be either exchange-traded or negotiated between the purchaser and the seller in the over-the-counter market.

Related accounting policies

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception except for options and subsequently re-measured at their fair value. The fair value of options at inception is normally equivalent to the premium received (for options written) or paid (for options purchased). All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value are recognised in the statement of comprehensive income.

Interest income and expenses associated with interest rate swaps are recognised over the life of the swap agreement as a component of interest income or interest expense.

B11. Changes in Material Litigation

The Group and the Company do not have any material litigation which would materially and adversely affect the financial position of the Group and the Company for the first financial quarter ended 30 June 2016.

B12. Dividend Declared

No dividend has been declared during the first financial quarter ended 30 June 2016.

B13. Related Party Transactions

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

B14. Earnings Per Share (EPS)

(a) Basic

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

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period attributable to owners of the parent (RM'000)	132,474	121,930	132,474	121,930
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Effect of shares bought back for ESS ('000)	(21,763)	(24,024)	(21,763)	(24,024)
	1,526,343	1,524,082	1,526,343	1,524,082
Basic earnings per share (sen)	8.7	8.0	8.7	8.0

(b) Diluted

The calculation of the diluted earnings per share is based on the net profit attributable to owners of the parent divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period, excluding the weighted average shares held for ESS and taken into account the assumed Share Grants to employees under ESS were vested to the employees as at 30 June 2016.

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period attributable to owners of the parent (RM'000)	132,474	121,930	132,474	121,930
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Effect of shares bought back for ESS ('000)	(21,763)	(24,024)	(21,763)	(24,024)
Effect of Share Grants under ESS ('000)	1,551	2,907	1,551	2,907
	1,527,894	1,526,989	1,527,894	1,526,989
Diluted earnings per share (sen)	8.7	8.0	8.7	8.0

B15. Realised And Unrealised Unappropriated Profits Disclosure

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

	Group		Company	
	30 June 2016 RM'000	31 March 2016 RM'000	30 June 2016 RM'000	31 March 2016 RM'000
Total retained profits				
- Realised	2,112,911	2,039,388	55,582	52,901
- Unrealised	92,364	132,310	367	435
	2,205,275	2,171,698	55,949	53,336
Total share of profits from joint venture				
- Realised	19	15	-	-
- Unrealised	-	141	-	-
	2,205,294	2,171,854	55,949	53,336
Less: Consolidation adjustments	(351,627)	(350,814)	-	-
Total retained profits	1,853,667	1,821,040	55,949	53,336

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 and the Company 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 the Company, 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 August 2016