

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statements of Financial Position as at 31 December 2012

	Note	BANK			GROUP		
		31 December 2012	31 March 2012 (Restated)	1 April 2011 (Restated)	31 December 2012	31 March 2012 (Restated)	1 April 2011 (Restated)
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
Cash and short-term funds		988,820	1,730,290	958,111	1,226,375	1,875,994	911,761
Deposits and placements with banks and other financial institutions		95,796	143,461	954,610	89,376	93,438	100,228
Balances due from clients and brokers	A13	-	-	-	68,736	61,764	80,543
Financial assets held-for-trading	A14	99,671	1,342,302	1,176,190	314,357	1,491,995	1,938,250
Financial investments available-for-sale	A15	7,778,203	7,419,911	6,329,994	9,582,234	9,123,201	9,259,940
Financial investments held-to-maturity	A16	102,990	228,622	633,521	595,170	795,256	940,726
Derivative financial assets	A31	17,371	23,712	32,047	17,371	23,712	32,047
Loans, advances and financing	A17	21,891,591	19,812,605	17,794,354	26,712,709	24,488,832	21,893,950
Other assets	A18	117,123	79,901	103,509	66,453	77,799	87,008
Tax recoverable		-	-	-	-	-	2,442
Statutory deposits with Bank Negara Malaysia		1,061,650	901,250	225,300	1,342,502	1,162,983	291,008
Investments in subsidiaries		792,820	801,664	801,664	-	-	-
Investments in associates		30,230	30,230	30,230	23,124	27,035	29,038
Property, plant and equipment		83,808	87,696	100,847	85,014	89,778	104,553
Deferred tax assets		-	-	56,294	11,850	15,038	83,792
Intangible assets		243,400	238,588	241,141	357,576	354,902	357,682
		33,303,473	32,840,232	29,437,812	40,492,847	39,681,727	36,112,968
Non-current assets and subsidiary held for sale	A19	9,229	3,814	-	24,850	3,814	-
TOTAL ASSETS		33,312,702	32,844,046	29,437,812	40,517,697	39,685,541	36,112,968
LIABILITIES AND EQUITY							
Deposits from customers	A20	25,670,135	26,958,903	23,418,868	31,499,131	32,209,594	29,036,879
Deposits and placements of banks and other financial institutions	A21	2,619,673	1,186,730	1,390,331	3,431,843	2,161,005	1,952,200
Balances due to clients and brokers	A22	-	-	-	47,862	20,626	46,987
Bills and acceptances payable		57	131	111,140	95	178	111,159
Derivative financial liabilities	A31	13,384	26,241	33,347	13,384	26,241	33,347
Amount due to Cagamas Berhad		16,844	22,044	125,776	16,844	22,044	125,776
Other liabilities	A23	892,766	720,819	663,533	969,043	866,788	810,317
Provision for taxation		44,594	7,281	35,206	47,742	24,527	40,507
Deferred tax liabilities		20,749	12,191	-	30,126	23,012	6,190
Subordinated obligations		604,900	611,615	600,000	604,900	611,615	600,000
		29,883,102	29,545,955	26,378,201	36,660,970	35,965,630	32,763,362
Liabilities directly associated with non-current assets and subsidiary held for sale	A19	-	-	-	8,623	-	-
TOTAL LIABILITIES		29,883,102	29,545,955	26,378,201	36,669,593	35,965,630	32,763,362
Share capital		600,517	600,517	600,517	600,517	600,517	600,517
Reserves		2,829,083	2,697,574	2,459,094	3,242,866	3,114,489	2,744,601
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNER OF THE PARENT		3,429,600	3,298,091	3,059,611	3,843,383	3,715,006	3,345,118
Non-controlling interests		-	-	-	4,721	4,905	4,488
TOTAL EQUITY		3,429,600	3,298,091	3,059,611	3,848,104	3,719,911	3,349,606
TOTAL LIABILITIES AND EQUITY		33,312,702	32,844,046	29,437,812	40,517,697	39,685,541	36,112,968
COMMITMENTS AND CONTINGENCIES	A30	17,748,511	16,775,305	14,758,344	19,670,944	18,741,373	15,909,028

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 31 December 2012

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December	31 December	31 December	31 December
		2012	2011	2012	2011
			(Restated)		(Restated)
BANK		RM'000	RM'000	RM'000	RM'000
Interest income	A24	336,313	311,559	1,014,731	940,536
Interest expense	A25	(166,272)	(153,142)	(494,540)	(460,590)
Net interest income		170,041	158,417	520,191	479,946
Other operating income	A27	85,384	82,010	296,020	238,825
Net income		255,425	240,427	816,211	718,771
Other operating expenses	A28	(112,503)	(107,264)	(344,701)	(312,479)
Operating profit before allowance		142,922	133,163	471,510	406,292
Write-back of/(allowance for) losses on loans, advances and financing and other losses	A29	12,109	(4,097)	38,185	(5,585)
Write-back of impairment		-	7,336	-	8,395
Profit before taxation		155,031	136,402	509,695	409,102
Taxation		(39,452)	(35,442)	(119,526)	(105,615)
Net profit after taxation		115,579	100,960	390,169	303,487
Other comprehensive income/(expense):					
Revaluation reserve on financial investments available-for-sale					
- Net gain/(loss) from change in fair value		8,515	(2,781)	7,219	77,988
- Transfer (to)/from deferred tax		(2,129)	695	(1,805)	(19,497)
Other comprehensive income/(expense), net of tax		6,386	(2,086)	5,414	58,491
Total comprehensive income for the period		121,965	98,874	395,583	361,978
Earnings per share attributable to owner of the parent					
- Basic (sen)		19.4	16.9	65.4	50.9
- Diluted (sen)		14.5	12.7	49.0	38.1

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Consolidated Statements of Comprehensive Income
for the Financial Period Ended 31 December 2012

GROUP	Note	3rd Quarter Ended		Nine Months Ended	
		31 December	31 December	31 December	31 December
		2012	2011	2012	2011
			(Restated)		(Restated)
		RM'000	RM'000	RM'000	RM'000
Interest income	A24	355,198	325,984	1,068,478	994,102
Interest expense	A25	(177,444)	(161,435)	(526,761)	(487,744)
Net interest income		177,754	164,549	541,717	506,358
Net income from Islamic banking business	A26	60,463	66,440	184,874	193,990
		238,217	230,989	726,591	700,348
Other operating income	A27	80,781	79,434	250,109	231,722
Net income		318,998	310,423	976,700	932,070
Other operating expenses	A28	(151,695)	(147,383)	(465,864)	(432,825)
Operating profit before allowance		167,303	163,040	510,836	499,245
Write-back of/(allowance for) losses on loans, advances and financing and other losses	A29	12,901	(2,263)	28,978	5,720
Write-back of impairment		-	10,194	473	11,253
Operating profit after allowance		180,204	170,971	540,287	516,218
Share of results of associates		(1,801)	(424)	(3,912)	(1,350)
Profit before taxation and zakat		178,403	170,547	536,375	514,868
Taxation and zakat		(45,673)	(43,325)	(136,314)	(130,225)
Net profit after taxation and zakat		132,730	127,222	400,061	384,643
Other comprehensive income/(expense):					
Revaluation reserve on financial investments available-for-sale					
- Net gain/(loss) from change in fair value		12,923	(7,952)	(9,901)	104,316
- Transfer (to)/from deferred tax		(3,231)	1,988	2,475	(26,079)
Other comprehensive income/(expense), net of tax		9,692	(5,964)	(7,426)	78,237
Total comprehensive income for the period		142,422	121,258	392,635	462,880
Profit for the period attributable to:					
Owner of the parent		132,706	127,091	400,008	384,189
Non-controlling interests		24	131	53	454
Net profit after taxation and zakat		132,730	127,222	400,061	384,643

ALLIANCE BANK MALAYSIA BERHAD**(88103-W)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 31 December 2012 (contd.)**

<u>GROUP</u>	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income for the period attributable to:				
Owner of the parent	142,398	121,127	392,582	462,426
Non-controlling interests	24	131	53	454
Total comprehensive income for the period	142,422	121,258	392,635	462,880
Earnings per share attributable to owner of the parent				
- Basic (sen)	22.2	21.3	67.1	64.4
- Diluted (sen)	16.7	16.0	50.2	48.2

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2012

	Non-distributable reserves					Distributable reserves		
	Ordinary shares	Irredeemable (Non-cumulative) Convertible Preference Shares ("ICPS")	Share premium	Statutory reserve	Revaluation reserves	Equity contribution from parent	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BANK								
At 1 April 2012								
- As previously stated	596,517	4,000	597,517	601,561	88,334	12,274	1,333,979	3,234,182
- Effect of change in accounting policy	-	-	-	-	-	-	63,909	63,909
As restated	596,517	4,000	597,517	601,561	88,334	12,274	1,397,888	3,298,091
Net profit after taxation	-	-	-	-	-	-	390,169	390,169
Other comprehensive income	-	-	-	-	5,414	-	-	5,414
Total comprehensive income for the period	-	-	-	-	5,414	-	390,169	395,583
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	5,772	-	5,772
Payment for ESS recharged from parent	-	-	-	-	-	(4,230)	-	(4,230)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	130	(130)	-
Transfer to retained profits on share options lapsed	-	-	-	-	-	(2,174)	2,174	-
Dividends paid	-	-	-	-	-	-	(265,616)	(265,616)
At 31 December 2012	596,517	4,000	597,517	601,561	93,748	11,772	1,524,485	3,429,600
At 1 April 2011								
- As previously stated	596,517	4,000	597,517	601,561	43,051	11,803	1,148,228	3,002,677
- Effect of change in accounting policy	-	-	-	-	-	-	56,934	56,934
As restated	596,517	4,000	597,517	601,561	43,051	11,803	1,205,162	3,059,611
Net profit after taxation	-	-	-	-	-	-	303,487	303,487
Other comprehensive income	-	-	-	-	58,491	-	-	58,491
Total comprehensive income for the period	-	-	-	-	58,491	-	303,487	361,978
Share-based payment under ESS	-	-	-	-	-	4,438	-	4,438
Payment for ESS recharged from parent	-	-	-	-	-	(3,161)	-	(3,161)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	156	(156)	-
Transfer to retained profits on share options lapsed	-	-	-	-	-	(2,479)	2,479	-
Dividends paid	-	-	-	-	-	-	(204,324)	(204,324)
At 31 December 2011	596,517	4,000	597,517	601,561	101,542	10,757	1,306,648	3,218,542

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 31 December 2012 (contd.)

GROUP	Attributable to owner of the parent							Profit		Non-		Total equity
	Ordinary shares RM'000	ICPS RM'000	Share premium RM'000	Statutory reserve RM'000	Other reserves RM'000	Revaluation reserves RM'000	Equity contribution from parent RM'000	Equalisation Reserve ("PER") RM'000	Retained profits RM'000	Total RM'000	controlling interests RM'000	
At 1 April 2012												
- As previously stated	596,517	4,000	597,517	842,167	10,018	132,769	13,733	1,033	1,420,731	3,618,485	4,905	3,623,390
- Effect of change in accounting policy	-	-	-	-	-	-	-	-	96,521	96,521	-	96,521
As restated	596,517	4,000	597,517	842,167	10,018	132,769	13,733	1,033	1,517,252	3,715,006	4,905	3,719,911
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	400,008	400,008	53	400,061
Other comprehensive expense	-	-	-	-	-	(7,426)	-	-	-	(7,426)	-	(7,426)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(7,426)	-	-	400,008	392,582	53	392,635
Share-based payment under ESS	-	-	-	-	-	-	6,079	-	-	6,079	-	6,079
Payment for ESS recharged from parent	-	-	-	-	-	-	(4,668)	-	-	(4,668)	-	(4,668)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	132	-	(132)	-	-	-
Transfer to retained profits on share options lapsed	-	-	-	-	-	-	(2,544)	-	2,544	-	-	-
Transfer to statutory reserve	-	-	-	23,481	-	-	-	-	(23,481)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(265,616)	(265,616)	(237)	(265,853)
At 31 December 2012	596,517	4,000	597,517	865,648	10,018	125,343	12,732	1,033	1,630,575	3,843,383	4,721	3,848,104
At 1 April 2011												
- As previously stated	596,517	4,000	597,517	786,406	10,018	68,620	13,544	1,033	1,194,222	3,271,877	4,488	3,276,365
- Effect of change in accounting policy	-	-	-	-	-	-	-	-	73,241	73,241	-	73,241
As restated	596,517	4,000	597,517	786,406	10,018	68,620	13,544	1,033	1,267,463	3,345,118	4,488	3,349,606
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	384,189	384,189	454	384,643
Other comprehensive income	-	-	-	-	-	78,237	-	-	-	78,237	-	78,237
Total comprehensive income for the period	-	-	-	-	-	78,237	-	-	384,189	462,426	454	462,880
Share-based payment under ESS	-	-	-	-	-	-	4,823	-	-	4,823	-	4,823
Payment for ESS recharged from parent	-	-	-	-	-	-	(3,558)	-	-	(3,558)	-	(3,558)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	172	-	(172)	-	-	-
Transfer to retained profits on share options lapsed	-	-	-	-	-	-	(2,919)	-	2,919	-	-	-
Transfer to statutory reserve	-	-	-	26,233	-	-	-	-	(26,233)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(204,324)	(204,324)	(67)	(204,391)
At 31 December 2011	596,517	4,000	597,517	812,639	10,018	146,857	12,062	1,033	1,423,842	3,604,485	4,875	3,609,360

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

ALLIANCE BANK MALAYSIA BERHAD**(88103-W)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 31 December 2012**

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2012	31 December 2011 (Restated)	31 December 2012	31 December 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	509,695	409,102	536,375	514,868
Adjustments for non-cash items	(333,560)	(270,210)	(275,174)	(276,885)
Operating profit before changes in working capital	176,135	138,892	261,201	237,983
Changes in working capital	(659,982)	1,652,847	(547,232)	1,221,796
Taxation and zakat paid	(66,005)	(108,099)	(100,319)	(129,299)
Net cash (used in)/generated from operating activities	(549,852)	1,683,640	(386,350)	1,330,480
Net cash generated from investing activities	102,839	1,710,916	31,425	2,489,516
Net cash used in financing activities	(294,457)	(239,736)	(294,694)	(239,803)
Net changes in cash and cash equivalents	(741,470)	3,154,820	(649,619)	3,580,193
Cash and cash equivalents at beginning of the year	1,730,290	958,111	1,875,994	911,761
Cash and cash equivalents at end of the period	988,820	4,112,931	1,226,375	4,491,954
Cash and cash equivalents comprise:				
Cash and short-term funds	988,820	4,112,931	1,226,375	4,491,954

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

Explanatory Notes

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") and Revised Guidelines on Financial Reporting for Banking Institutions ("BNM/GP8") Issued by Bank Negara Malaysia ("BNM")

A1 Basis of Preparation

The unaudited condensed interim financial statements for the 3rd quarter and nine months ended 31 December 2012 have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and BNM's Revised Guidelines on Financial Reporting for Banking Institutions ("revised BNM/GP8").

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of Alliance Bank Malaysia Berhad ("the Bank") and the Group for the financial year ended 31 March 2012. 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 Bank and the Group since the financial year ended 31 March 2012.

These unaudited condensed interim financial statements are the Bank's and the Group's first MFRS condensed interim financial statements for part of the period covered by the Bank's and the Group's first MFRS annual financial statements for the year ending 31 March 2013. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2012, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2012:

- MFRS 124 (revised) "Related party disclosure"
- MFRS 139 "Financial instruments: Recognition and measurement"
- Amendments to MFRS 1 "First time adoption on fixed dates and hyperinflation"
- Amendments to MFRS 7 "Financial instruments: Disclosures on transfer of financial assets"
- Amendments to MFRS 112 "Income taxes"
- IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Bank and the Group, except for the adoption of MFRS 139 and FRSIC 18.

Previously, the Bank and the Group applied the Amendment to FRS 139, which included an additional transitional arrangement for financial sectors, whereby BNM may prescribed the use of an alternative basis for collective assessment of impairments on loans, advances and financing. This transitional arrangement is prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010, whereby banking institutions are required to maintain collective assessment allowance of at least 1.5% of total outstanding loans/financing, net of individual impairment allowance under the transitional provisions in the guidelines.

With effect from 1 January 2012, BNM has removed the transitional provision for banking institution on collective evaluation of loan impairment assessment and loan loss provisioning to comply with MFRS 139 requirements. Exposures not individually known to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for losses that have been incurred but not identified yet. The required loan loss allowance is estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the collective pool. The historical loss experience is adjusted based on current observable data.

A1 Basis of Preparation (contd.)

The change in accounting policies mentioned above have been accounted for retrospectively by re-measuring the relevant financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to the Bank's and the Group's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note A35.

The following revised MFRSs, new IC Interpretations and Amendments to MFRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2013, and have yet to be adopted by the Bank and the Group:

- MFRS 9 "Financial instruments - Classifications and measurement of financial assets and financial liabilities" (effective 1 January 2015)
- MFRS 10 "Consolidated financial statements" (effective 1 January 2013)
- MFRS 11 "Joint arrangements" (effective 1 January 2013)
- MFRS 12 "Disclosures of interests in other entities" (effective 1 January 2013)
- MFRS 13 "Fair value measurement" (effective 1 January 2013)
- MFRS 127 (revised) "Separate financial statements" (effective 1 January 2013)
- MFRS 128 (revised) "Investments in associates and joint ventures" (effective 1 January 2013)
- Amendment to MFRS 7 "Financial instruments: Disclosures" (effective 1 January 2013)
- Amendment to MFRS 101 "Presentation of items of other comprehensive income" (effective 1 July 2012)
- Amendment to MFRS 119 "Employee benefits" (effective 1 January 2013)
- Amendment to MFRS 132 "Financial instruments: Presentations" (effective 1 January 2014)

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 income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Bank and Group's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the annual financial statements for the financial year ended 31 March 2012 was not subject to any qualification.

A3 Seasonality or Cyclicity of Operations

The operations of the Bank and the Group were not materially affected by any seasonal or cyclical fluctuations in the 3rd quarter and nine months ended 31 December 2012.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank and the Group in the 3rd quarter and nine months ended 31 December 2012.

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 3rd quarter and nine months ended 31 December 2012.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance or repayment of debt and equity securities during the 3rd quarter and nine months ended 31 December 2012.

A7 Dividend Paid

a) Ordinary shares

A final dividend of 28.7 sen, less 25% taxation on 596,517,043 ordinary shares amounting to approximately RM128,400,000 (gross dividend: RM171,200,000) in respect of the financial year ended 31 March 2012, was paid on 20 July 2012.

An interim dividend of 26.2 sen, less 25% taxation on 596,517,043 ordinary shares amounting to RM117,216,000 (gross dividend: RM156,287,000) in respect of financial year ending 31 March 2013, was paid on 27 November 2012.

b) Preference shares

A dividend of 5 sen per share on 400,000,000 preference shares amounting to RM20,000,000 in respect of financial year ending 31 March 2013, was paid on 27 November 2012.

A8 Significant Events

(a) Alliance Financial Group Berhad Employees' Share Scheme ("AFG Bhd ESS")

On 6 July 2012, Alliance Financial Group Berhad, the holding company of the Bank offered/awarded the following share options and share grants to Directors and employees of the Company and its subsidiaries who have met the criteria of eligibility for the participation in the ESS:

- (i) 13,021,400 share options under the Share Option Plan at an option price of RM4.22 per share which will be vested subject to the achievement of performance conditions.
- (ii) 1,705,300 share grants under the Share Grant Plan. The first 50% of the share grants are to be vested at the end of the 2nd year and the remaining 50% of the share grants are to be vested at the end of the 3rd year from the date on which an award is made.

Save for the Group Chief Executive Officer of the Bank, none of the other Directors of the Company were offered/awarded any share options/share grants.

The holding company operates an equity-settled, share-based compensation plan pursuant to the ESS. Under the MFRS 2 Share-based Payment, the compensation expense relating to the share scheme is recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

(b) On 25 September 2012, an announcement was made to Bursa Malaysia on the proposed disposal by the Bank, its 70% equity interest in Alliance Investment Management Berhad for a total consideration of RM12,250,000.

The proposed disposal, which is subject to the approval of the Securities Commission is not expected to have any material effect on the net assets per share, earning per share and gearing of the Bank for the financial year ending 31 March 2013.

A9 Material Event 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.

A10 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.

A11 Proposed Dividends

No dividend has been proposed or declared for the 3rd quarter ended 31 December 2012.

A12 Material Litigation

A corporate borrower had issued a Writ of Summons in 2005 against an agent bank for a syndicate of lenders comprising three banks of which our Bank is one of them, claiming for general, special and exemplary damages alleging a breach of duty and contract. The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by the syndicate lenders of which the Bank's participation was RM18.5 million. In 2002, the credit facilities were restructured to a loan of RM30.0 million, of which the Bank's participation was RM8.31 million, payable over seven years. The syndicated lenders had also filed a suit against the corporate borrower for the recovery of the abovementioned loan.

The two suits were then consolidated and heard together. On 6 May 2009, judgment was delivered against the agent bank for special damages amounting to RM115.5 million together with interest at the rate of 6% per annum from date of disbursement to date of realisation with general damages to be assessed by the Court. The agent bank's solicitors has filed an appeal against the said decision. The High Court on 24 June 2009 granted the agent bank a stay of execution of the judgment pending disposal of its appeal at the Court of Appeal.

Prior to the hearing at the Court of Appeal, the advice from the agent bank's solicitors is that there is a better than even chance of succeeding in the said appeal.

On 23 January 2013, after hearing all parties the Court of Appeal have reserved its decision to a date to be notified by the Court.

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A13 Balances Due From Clients And Brokers

	GROUP	
	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000
Due from clients	63,343	58,060
Due from brokers	6,638	4,900
	69,981	62,960
Less:		
Allowance for other losses	(1,245)	(1,196)
	68,736	61,764

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 December 2012	31 March 2012 (Restated)
	RM'000	RM'000
Classified as doubtful	104	165
Classified as bad	1,362	1,420
	1,466	1,585

The movements in allowance for other losses are as follows:

At beginning of year		
- As previously stated	1,262	15,799
- Effect of change in accounting policy	(66)	(24)
As restated	1,196	15,775
Allowance made during the period/year	134	1,405
Reversal of allowance	(85)	(1,534)
Amount written-off	-	(14,450)
At end of period/year	1,245	1,196

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A14 Financial Assets Held-for-trading

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Bank Negara Malaysia bills	99,650	1,222,003	314,336	1,371,696
Malaysian Government securities	-	20,053	-	20,053
Malaysian Government investment certificates	-	100,246	-	100,246
Medium term notes	21	-	21	-
Total financial assets held-for-trading	99,671	1,342,302	314,357	1,491,995

A15 Financial Investments Available-for-sale

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government securities	1,540,470	1,894,220	1,869,596	2,316,772
Malaysian Government investment certificates	1,950,577	1,132,121	2,774,073	1,833,967
Negotiable instruments of deposits	1,231,002	1,344,854	919,505	884,535
Bankers' acceptances	1,273,462	1,532,859	1,645,739	1,944,074
Cagamas bonds	-	20,137	-	35,254
<u>Quoted securities in Malaysia:</u>				
Shares	10	13	10	4,212
Debt securities	3,854	4,768	3,854	4,768
<u>Unquoted securities:</u>				
Shares	97,062	94,895	136,482	135,888
Debt securities and medium term notes	1,681,766	1,396,044	2,232,975	1,963,731
Total financial investments available-for-sale	7,778,203	7,419,911	9,582,234	9,123,201

A16 Financial Investments Held-to-maturity

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
At amortised cost	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government securities	102,326	227,177	154,148	328,639
Malaysian Government investment certificates	-	-	435,026	439,463
<u>Unquoted securities:</u>				
Debt securities	13,670	18,858	48,302	74,283
	115,996	246,035	637,476	842,385
Accumulated impairment	(13,006)	(17,413)	(42,306)	(47,129)
Total financial investments held-to-maturity	102,990	228,622	595,170	795,256

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A17 Loans, Advances and Financing

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Overdrafts	1,677,472	1,689,325	1,855,753	1,854,599
Term loans/financing				
- Housing loans/financing	8,567,325	7,769,654	10,499,826	9,269,933
- Syndicated term loans/financing	446,937	464,662	454,945	475,520
- Hire purchase receivables	484,932	310,514	745,800	654,393
- Other term loans/financing	6,702,430	5,710,639	8,418,808	7,729,424
Bills receivables	238,559	308,453	239,029	308,770
Trust receipts	157,187	184,050	180,648	207,515
Claims on customers under acceptance credits	1,776,749	1,947,273	2,206,139	2,337,986
Staff loans [including loans to Directors of a subsidiary of RMNil (31.03.12: RM92,000)]	25,481	28,602	51,249	54,567
Credit/charge card receivables	617,536	623,563	617,536	623,563
Revolving credits	945,160	844,824	1,128,157	1,044,595
Other loans	603,747	357,647	768,792	451,282
Gross loans, advances and financing	22,243,515	20,239,206	27,166,682	25,012,147
Add: Sales commissions and handling fees	42,230	38,007	25,718	28,523
Less: Allowance for impairment on loans, advances and financing				
- Individual assessment allowance	(93,799)	(132,263)	(122,398)	(157,966)
- Collective assessment allowance	(300,355)	(332,345)	(357,293)	(393,872)
Total net loans, advances and financing	21,891,591	19,812,605	26,712,709	24,488,832

A17a By type of customers:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Domestic non-bank financial institutions				
- Others	322,200	136,428	392,810	207,164
Domestic business enterprises				
- Small and medium enterprises	5,072,403	4,682,227	5,897,420	5,474,004
- Others	4,221,250	4,209,083	4,945,171	4,975,449
Government and statutory bodies	11,217	12,477	11,217	12,618
Individuals	11,759,611	10,393,832	14,956,705	13,469,972
Other domestic entities	251,824	247,403	252,032	247,679
Foreign entities	605,010	557,756	711,327	625,261
Gross loans, advances and financing	22,243,515	20,239,206	27,166,682	25,012,147

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A17 Loans, Advances and Financing (contd.)

A17b By interest/profit rate sensitivity:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	17,832	20,472	84,988	90,842
- Hire purchase receivables	484,931	310,515	745,799	654,394
- Other fixed rate loans/financing	790,264	679,678	1,783,669	1,997,715
Variable rate				
- Base lending rate plus	15,852,875	14,453,299	18,719,502	16,761,836
- Cost plus	4,893,482	4,493,636	5,614,317	5,203,667
- Other variable rates	204,131	281,606	218,407	303,693
Gross loans, advances and financing	22,243,515	20,239,206	27,166,682	25,012,147

A17c By economic purposes:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	658,248	362,378	823,294	456,014
Purchase of transport vehicles	394,251	212,087	661,786	561,821
Purchase of landed property	12,329,688	11,195,180	14,669,297	13,116,463
of which: - Residential	9,213,579	8,327,146	11,081,904	9,761,038
- Non-residential	3,116,109	2,868,034	3,587,393	3,355,425
Purchase of fixed assets				
excluding land & buildings	113,443	115,605	114,376	117,110
Personal use	969,766	866,287	1,981,666	2,147,220
Credit card	617,536	623,563	617,536	623,563
Construction	301,119	236,719	312,247	249,710
Mergers and acquisition	369,198	207,265	369,198	207,265
Working capital	5,230,996	5,508,272	6,093,737	6,338,755
Others	1,259,270	911,850	1,523,545	1,194,226
Gross loans, advances and financing	22,243,515	20,239,206	27,166,682	25,012,147

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A17 Loans, Advances and Financing (contd.)

A17d By geographical distribution:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Northern region	1,616,885	1,646,984	1,888,257	1,915,373
Central region	16,821,688	15,062,479	20,658,555	18,846,423
Southern region	1,903,266	1,694,344	2,377,857	2,102,419
East Malaysia region	1,901,676	1,835,399	2,242,013	2,147,932
Gross loans, advances and financing	22,243,515	20,239,206	27,166,682	25,012,147

A17e By residual contractual maturity:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Within one year	6,393,678	6,085,546	7,316,580	7,038,788
One year to three years	669,645	549,249	876,416	823,437
Three years to five years	944,284	726,074	1,437,757	1,253,739
Over five years	14,235,908	12,878,337	17,535,929	15,896,183
Gross loans, advances and financing	22,243,515	20,239,206	27,166,682	25,012,147

A17f Movements in impaired loans, advances and financing ("impaired loans")

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
At beginning of year				
- As previously stated	511,985	592,458	601,135	741,324
- Effect of change in accounting policy	23,927	30,608	28,101	34,157
As restated	535,912	623,066	629,236	775,481
Impaired during the period/year	292,448	338,213	386,390	435,383
Reclassified as non-impaired during the period/year	(183,347)	(268,690)	(231,058)	(361,159)
Recoveries	(101,873)	(75,220)	(123,472)	(106,986)
Amount written-off	(70,261)	(81,457)	(88,358)	(113,483)
At end of period/year	472,879	535,912	572,738	629,236
Gross impaired loans as a percentage of gross loans, advances and financing	2.1%	2.6%	2.1%	2.5%

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A17 Loans, Advances and Financing (contd.)

A17g Impaired loans by economic purposes:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	9,609	4,085	10,960	5,436
Purchase of transport vehicles	2,193	2,733	6,061	5,710
Purchase of landed property	237,475	235,940	276,482	266,682
of which: - Residential	182,758	173,008	210,160	191,394
- Non-residential	54,717	62,932	66,322	75,288
Purchase of fixed assets				
excluding land & buildings	204	190	204	190
Personal use	20,598	20,156	33,837	31,130
Credit card	9,511	9,908	9,511	9,908
Construction	11,578	11,869	11,578	11,870
Working capital	154,369	214,981	194,616	256,919
Others	27,342	36,050	29,489	41,391
Gross impaired loans	472,879	535,912	572,738	629,236

A17h Impaired loans by geographical distribution:

	BANK		GROUP	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Northern region	84,419	113,654	110,217	139,407
Central region	309,165	316,587	374,387	378,774
Southern region	33,720	48,921	41,198	53,056
East Malaysia region	45,575	56,750	46,936	57,999
Gross impaired loans	472,879	535,912	572,738	629,236

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A17 Loans, Advances and Financing (contd.)

A17i Movements in the allowance for impairment on loans, advances and financing are as follows:

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2012	31 March 2012 (Restated)	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Individual assessment allowance				
At beginning of year				
- As previously stated	225,092	273,141	266,349	328,375
- Transfers to collective assessment allowance	(92,829)	(132,557)	(108,383)	(148,952)
As restated	132,263	140,584	157,966	179,423
Allowance made during the period/year (net)	9,753	11,734	12,697	3,108
Amount written-off	(47,149)	(20,055)	(47,159)	(24,565)
Transfers to collective assessment allowance	(1,068)	-	(1,106)	-
At end of period/year	93,799	132,263	122,398	157,966

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2012	31 March 2012 (Restated)	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Collective assessment allowance				
At beginning of year				
- As previously stated	300,801	270,378	386,017	339,636
- Effect of change in accounting policy	(61,285)	(45,304)	(100,528)	(63,474)
- Transfers from individual assessment allowance	92,829	132,557	108,383	148,952
As restated	332,345	357,631	393,872	425,114
(Write-back)/allowance made during the period/year (net)	(9,946)	29,027	3,513	49,582
Amount written-off	(23,112)	(54,313)	(41,198)	(80,824)
Transfers from individual assessment allowance	1,068	-	1,106	-
At end of period/year	300,355	332,345	357,293	393,872

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A18 Other Assets

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayment	85,834	89,703	89,995	95,756
Trade receivables	-	-	1	2,475
Amount due from subsidiaries	47,629	2,891	-	-
Amount due from holding company	-	358	-	358
	133,463	92,952	89,996	98,589
Less:				
Allowance for other losses	(16,340)	(13,051)	(23,543)	(20,790)
	117,123	79,901	66,453	77,799

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A19 Non-current Assets/Liabilities Directly Associated with Non-current Assets and Subsidiary Held for Sale

(a) Property, plant and equipment

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	RM'000	RM'000	RM'000
Freehold land	-	1,009	-	1,009
Leasehold land	-	352	-	352
Buildings	385	2,453	385	2,453
	385	3,814	385	3,814

The disposal exercise on the above property, plant and equipment which have been identified as non-current assets held for sales has been completed.

(b) Subsidiary held for sale

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	-	-	6,540	-
Deposits and placements with banks and other financial institutions	-	-	7,138	-
Other assets	-	-	8,055	-
Tax recoverable	-	-	307	-
Investments in subsidiaries	8,844	-	-	-
Property, plant and equipment	-	-	10	-
Deferred tax assets	-	-	233	-
Computer software	-	-	75	-
	8,844	-	22,358	-
Goodwill	-	-	2,107	-
Total Assets of subsidiary held for sale	8,844	-	24,465	-
LIABILITIES				
Other liabilities	-	-	8,623	-
Total liabilities of subsidiary held for sale	-	-	8,623	-

The assets and liabilities of the above subsidiary held for sale is related to Alliance Investment Management Berhad ("AIMB"), a 70% owned subsidiary of the Bank. On 25 September 2012, an announcement was made to Bursa Malaysia on the proposed disposal by the Bank, its 70% equity interest in Alliance Investment Management Berhad for a total consideration of RM12,250,000. The disposal is expected to be completed in this financial year.

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A20 Deposits from Customers

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	RM'000	RM'000	(Restated) RM'000
A20a <u>By type of deposits:</u>				
Demand deposits	8,352,422	7,581,985	10,320,316	9,141,235
Savings deposits	1,383,285	1,378,296	1,679,908	1,700,686
Fixed/investment deposits	13,604,595	13,773,745	15,674,753	15,617,675
Money market deposits	1,441,213	2,922,394	2,568,142	4,147,702
Negotiable instruments of deposits	763,328	1,107,512	1,130,720	1,407,325
Structured deposits [Note]	125,292	194,971	125,292	194,971
	25,670,135	26,958,903	31,499,131	32,209,594

Note

- (a) Structured deposits represent foreign currency time deposits with embedded foreign exchange, gold commodity linked options and interest rate index linked placements.
- (b) The Bank and the Group has undertaken a fair value hedge on the interest rate risk of the structured deposits amounting to RM95,013,000 (31.03.12: RM14,115,000) using interest rate swaps.

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	RM'000	RM'000	RM'000
Structured deposits	95,013	14,115	95,013	14,115
Fair value changes arising from fair value hedges	(1,791)	(423)	(1,791)	(423)
	93,222	13,692	93,222	13,692

The fair value loss of the interest rate swap in this hedge transaction as at financial period ended 31 December 2012 is RM1,791,000 (31.03.12: RM423,000).

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A20 Deposits from Customers (contd.)

A20b By type of customers:

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2012	31 March 2012	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Domestic financial institutions	766,310	1,111,825	1,133,702	1,411,638
Government and statutory bodies	919,907	951,889	1,519,023	1,396,323
Business enterprises	8,453,901	9,349,112	10,860,884	11,868,424
Individuals	14,674,974	14,240,778	16,004,412	15,707,697
Others	855,043	1,305,299	1,981,110	1,825,512
	<u>25,670,135</u>	<u>26,958,903</u>	<u>31,499,131</u>	<u>32,209,594</u>

A20c The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposit are as follows:

	<u>BANK</u>		<u>GROUP</u>	
	31 December 2012	31 March 2012	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Due within six months	12,162,036	13,985,773	15,192,897	16,545,876
Six months to one year	3,578,158	3,726,121	4,102,828	4,532,514
One year to three years	52,122	71,826	59,393	72,776
Three years to five years	16,820	19,931	18,497	21,536
	<u>15,809,136</u>	<u>17,803,651</u>	<u>19,373,615</u>	<u>21,172,702</u>

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A21 Deposits and Placements of Banks and Other Financial Institutions

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	RM'000	RM'000	RM'000
Licensed banks	1,744,649	495,393	2,183,319	976,450
Licensed Investment banks	200,050	-	348,905	180,036
Licensed Islamic banks	-	-	152,777	245,468
Bank Negara Malaysia	594,948	691,337	666,816	759,051
Other financial institutions	80,026	-	80,026	-
	<u>2,619,673</u>	<u>1,186,730</u>	<u>3,431,843</u>	<u>2,161,005</u>

A22 Balances Due To Clients And Brokers

	<u>GROUP</u>	
	31 December	31 March
	2012	2012
	RM'000	(Restated) RM'000
Due to clients	47,862	20,626
	<u>47,862</u>	<u>20,626</u>

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 clients 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 RM53,875,000 (31.3.12: RM54,289,000) have been excluded accordingly.

A23 Other Liabilities

	<u>BANK</u>		<u>GROUP</u>	
	31 December	31 March	31 December	31 March
	2012	2012	2012	2012
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Other payable and accruals	892,700	704,243	947,637	845,558
Remisier's accounts	-	-	21,328	21,230
Amount due to holding company	66	16,576	78	-
	<u>892,766</u>	<u>720,819</u>	<u>969,043</u>	<u>866,788</u>

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A24 Interest Income

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Loans, advances and financing	245,830	218,886	734,984	646,710
Money at call and deposit placements with financial institutions	2,289	21,789	9,196	45,729
Financial assets held-for-trading	321	675	2,489	2,921
Financial investments available-for-sale	60,429	45,530	169,485	160,170
Financial investments held-to-maturity	1,135	2,133	4,454	14,951
Others	422	751	1,199	2,685
	310,426	289,764	921,807	873,166
Accretion of discount less amortisation of premium	25,887	21,795	92,924	67,370
	336,313	311,559	1,014,731	940,536
<u>GROUP</u>				
Loans, advances and financing	255,070	227,897	763,160	680,029
Money at call and deposit placements with financial institutions	1,724	14,103	6,345	18,295
Financial assets held-for-trading	321	675	2,489	2,986
Financial investments available-for-sale	63,855	56,476	181,372	199,492
Financial investments held-to-maturity	1,751	3,050	10,806	19,760
Others	424	751	1,201	2,685
	323,145	302,952	965,373	923,247
Accretion of discount less amortisation of premium	32,053	23,032	103,105	70,855
	355,198	325,984	1,068,478	994,102

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A25 Interest Expense

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Deposits and placements of banks and other financial institutions	12,423	4,500	31,452	22,975
Deposits from customers	145,506	139,643	438,125	404,908
Loans sold to Cagamas Berhad	-	894	-	2,674
Subordinated obligations	7,379	7,375	22,126	27,147
Others	964	730	2,837	2,886
	166,272	153,142	494,540	460,590
<u>GROUP</u>				
Deposits and placements of banks and other financial institutions	17,214	5,139	44,607	27,683
Deposits from customers	151,851	147,283	457,089	427,279
Loans sold to Cagamas Berhad	-	894	-	2,674
Subordinated obligations	7,379	7,375	22,126	27,147
Others	1,000	744	2,939	2,961
	177,444	161,435	526,761	487,744

A26 Net Income from Islamic Banking Business

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
<u>GROUP</u>				
Income derived from investment of depositors' funds and others	81,937	85,284	248,446	253,545
Income derived from investment of Islamic Banking funds	8,526	8,470	25,582	24,073
Income attributable to depositors and financial institutions	(37,390)	(33,949)	(111,710)	(103,447)
	53,073	59,805	162,318	174,171
Add: Income due to head office eliminated at Group level	7,390	6,635	22,556	19,819
	60,463	66,440	184,874	193,990

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A27 Other Operating Income

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	20,575	13,837	55,963	40,736
Service charges and fees	7,750	7,876	22,154	21,930
Guarantee fees	2,665	2,391	6,873	6,558
Processing fees	3,443	2,538	4,856	6,706
Commitment fees	3,706	3,668	11,086	10,652
Other fee income	2,741	2,961	9,781	9,558
	40,880	33,271	110,713	96,140
(b) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	405	(914)	271	3,215
- Financial investments available-for-sale	8,334	13,292	33,891	35,260
- Financial investments held-to-maturity	3,486	1,183	4,973	13,177
Unrealised gain/(loss) on revaluation of:				
- Financial assets held-for-trading	45	992	(32)	(92)
- Derivative instruments	(6,940)	22,086	5,513	19,033
Realised gain on revaluation of derivative instruments	16,688	752	30,710	15,334
Gross dividend income from:				
- Financial investments available-for-sale	616	6,041	2,973	9,405
- Subsidiaries	11,826	11,827	74,648	34,732
	34,460	55,259	152,947	130,064
(c) <u>Other income:</u>				
Unrealised foreign exchange translation gain/(loss)	5,917	(10,689)	11,345	(2,274)
Rental income	160	85	300	235
Gain on disposal of property, plant and equipment	-	(45)	7,508	43
Others	3,967	4,129	13,207	14,617
	10,044	(6,520)	32,360	12,621
Total other operating income	85,384	82,010	296,020	238,825

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A27 Other Operating Income (contd.)

GROUP	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	20,600	13,821	55,942	40,269
Service charges and fees	8,055	8,235	23,261	23,012
Portfolio management fees	1,640	1,701	5,044	5,279
Corporate advisory fees	642	845	3,899	5,383
Brokerage fees	2,442	3,481	7,851	10,423
Guarantee fees	2,779	2,391	6,987	6,821
Processing fees	3,732	2,913	5,693	7,646
Commitment fees	3,724	3,668	11,104	10,652
Underwriting commissions	13	99	705	290
Other fee income	2,723	3,321	9,766	10,458
	46,350	40,475	130,252	120,233
(b) <u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	405	(914)	271	3,346
- Financial investments available-for-sale	9,574	14,985	41,121	38,133
- Financial investments held-to-maturity	3,485	1,183	5,884	13,177
Unrealised gain/(loss) on revaluation of:				
- Financial assets held-for-trading	38	954	(32)	(128)
- Derivative instruments	(6,940)	22,087	5,513	19,033
Realised gain on revaluation of derivative instruments	16,688	752	30,710	15,334
Gross dividend income from:				
- Financial investments available-for-sale	1,067	6,280	3,709	9,930
	24,317	45,327	87,176	98,825
(c) <u>Other income :</u>				
Unrealised foreign exchange translation gain/(loss)	5,971	(10,649)	11,546	(2,110)
(Loss)/gain on disposal of property, plant and equipment	-	(45)	7,420	26
Others	4,143	4,326	13,715	14,748
	10,114	(6,368)	32,681	12,664
Total other operating income	80,781	79,434	250,109	231,722

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A28 Other Operating Expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Personnel costs				
- Salaries, allowances and bonuses	54,465	49,556	171,631	151,117
- Contribution to EPF	8,762	8,495	27,631	25,355
- Share options/grants under ESS	1,950	1,874	5,772	4,438
- Others	5,475	9,013	16,289	17,986
	70,652	68,938	221,323	198,896
Establishment costs				
- Depreciation of property, plant and equipment	6,103	6,877	19,596	20,357
- Amortisation of computer software	4,893	4,495	14,499	12,891
- Rental of premises	5,309	5,053	15,786	15,006
- Water and electricity	1,354	1,216	3,826	4,125
- Repairs and maintenance	1,931	1,735	5,673	4,898
- Information technology expenses	7,238	5,895	23,501	17,711
- Others	1,544	791	291	4,536
	28,372	26,062	83,172	79,524
Marketing expenses				
- Promotion and advertisement	1,489	2,049	5,228	5,339
- Branding and publicity	1,117	718	3,376	2,620
- Others	959	981	2,993	2,659
	3,565	3,748	11,597	10,618
Administration and general expenses				
- Communication expenses	2,437	2,142	7,246	6,991
- Printing and stationery	493	699	1,913	1,624
- Insurance	1,714	1,751	5,226	4,100
- Professional fees	3,070	2,483	7,118	6,816
- Others	2,200	1,441	7,106	3,910
	9,914	8,516	28,609	23,441
Total other operating expenses	112,503	107,264	344,701	312,479

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A28 Other Operating Expenses (contd.)

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
GROUP				
Personnel costs				
- Salaries, allowances and bonuses	76,292	69,307	238,186	210,931
- Contribution to EPF	12,216	11,697	38,169	34,961
- Share options/grants under ESS	2,028	2,043	6,079	4,823
- Others	8,302	12,417	23,455	26,332
	98,838	95,464	305,889	277,047
Establishment costs				
- Depreciation of property, plant and equipment	6,301	7,390	20,100	22,299
- Amortisation of computer software	4,949	4,635	14,685	13,209
- Rental of premises	7,108	6,937	21,503	20,395
- Water and electricity	2,393	1,478	5,333	4,739
- Repairs and maintenance	2,642	2,403	7,724	7,038
- Information technology expenses	9,755	8,301	31,667	23,930
- Others	3,936	3,978	9,026	15,192
	37,084	35,122	110,038	106,802
Marketing expenses				
- Promotion and advertisement	1,653	2,587	6,513	7,356
- Branding and publicity	1,050	718	3,312	2,634
- Others	1,306	1,225	3,941	3,511
	4,009	4,530	13,766	13,501
Administration and general expenses				
- Communication expenses	3,421	2,977	9,727	9,544
- Printing and stationery	718	982	2,636	2,569
- Insurance	1,927	1,887	5,967	4,039
- Professional fees	3,776	3,497	9,855	9,533
- Others	1,922	2,924	7,986	9,790
	11,764	12,267	36,171	35,475
Total other operating expenses	151,695	147,383	465,864	432,825

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A29 (Write-back of)/Allowance for Losses on Loans, Advances and Financing and Other Losses

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
(Write-back of)/allowance for impaired loans and financing:				
(a) Individual assessment allowance				
- allowance made during the period (net)	4,347	1,698	9,753	2,582
(b) Collective assessment allowance				
- (write-back)/allowance made during the period (net)	(1,890)	(4,181)	(9,946)	15,011
(c) Bad debts on loans and financing				
- Recovered	(18,917)	(7,758)	(52,739)	(28,806)
- Written-off	3,116	12,882	11,058	13,100
	(13,344)	2,641	(41,874)	1,887
Write-back of commitments and contingencies	-	-	-	(592)
Allowance for other assets	1,235	1,456	3,689	4,290
	(12,109)	4,097	(38,185)	5,585
<u>GROUP</u>				
(Write-back of)/allowance for impaired loans and financing:				
(a) Individual assessment allowance				
- allowance made/(write-back) during the period (net)	3,200	(3,011)	12,697	(5,001)
(b) Collective assessment allowance				
- allowance made during the period (net)	3,354	9,158	3,513	27,491
(c) Bad debts on loans and financing				
- Recovered	(25,610)	(14,913)	(65,507)	(52,069)
- Written-off	4,916	9,948	16,519	20,595
	(14,140)	1,182	(32,778)	(8,984)
Write-back of commitments and contingencies	(91)	(481)	(196)	(1,443)
Allowance for other assets	1,330	1,562	3,996	4,707
	(12,901)	2,263	(28,978)	(5,720)

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A30 Commitments and Contingencies

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

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
<u>Bank</u>				
31 December 2012				
<u>Credit-related exposures</u>				
Direct credit substitutes	358,649	-	358,649	358,649
Transaction-related contingent items	580,722	-	290,361	290,361
Short-term self-liquidating trade-related contingencies	122,834	-	24,567	24,567
Irrevocable commitments to extent credit:				
- maturity exceeding one year	4,575,175	-	2,287,587	1,867,557
- maturity not exceeding one year	4,619,419	-	923,884	836,619
unutilised credit card lines	2,104,483	-	420,897	331,972
	<u>12,361,282</u>	<u>-</u>	<u>4,305,945</u>	<u>3,709,725</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	3,152,203	11,787	49,560	22,731
Interest rate related contracts:				
- one year or less	960,000	1,006	3,286	657
- over one year to three years	875,000	2,578	16,578	3,316
- over three years	400,026	2,000	20,485	9,469
	<u>5,387,229</u>	<u>17,371</u>	<u>89,909</u>	<u>36,173</u>
	<u>17,748,511</u>	<u>17,371</u>	<u>4,395,854</u>	<u>3,745,898</u>
<u>Group</u>				
31 December 2012				
<u>Credit-related exposures</u>				
Direct credit substitutes	407,641	-	407,641	407,641
Transaction-related contingent items	618,396	-	309,198	309,198
Short-term self-liquidating trade-related contingencies	162,477	-	32,495	32,495
Irrevocable commitments to extent credit:				
- maturity exceeding one year	5,329,470	-	2,664,735	2,163,558
- maturity not exceeding one year	5,661,248	-	1,132,250	975,709
unutilised credit card lines	2,104,483	-	420,897	331,972
	<u>14,283,715</u>	<u>-</u>	<u>4,967,216</u>	<u>4,220,573</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	3,152,203	11,787	49,560	22,731
Interest rate related contracts:				
- one year or less	960,000	1,006	3,286	657
- over one year to three years	875,000	2,578	16,578	3,316
- over three years	400,026	2,000	20,485	9,469
	<u>5,387,229</u>	<u>17,371</u>	<u>89,909</u>	<u>36,173</u>
	<u>19,670,944</u>	<u>17,371</u>	<u>5,057,125</u>	<u>4,256,746</u>

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A30 Commitments and Contingencies

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

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
<u>Bank</u>				
31 March 2012				
<u>Credit-related exposures</u>				
Direct credit substitutes	354,758	-	354,758	354,758
Transaction-related contingent items	515,510	-	257,755	257,755
Short-term self-liquidating trade-related contingencies	126,778	-	25,356	25,356
Irrevocable commitments to extent credit:				
- maturity exceeding one year	3,645,632	-	1,822,816	1,518,664
- maturity not exceeding one year	4,675,582	-	935,116	858,102
unutilised credit card lines	2,188,661	-	437,732	340,525
	<u>11,506,921</u>	<u>-</u>	<u>3,833,533</u>	<u>3,355,160</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	3,147,488	17,730	64,522	38,478
Interest rate related contracts:				
- one year or less	587,000	130	912	182
- over one year to three years	1,110,000	2,592	14,192	2,838
- over three years	423,896	3,260	20,055	6,467
	<u>5,268,384</u>	<u>23,712</u>	<u>99,681</u>	<u>47,965</u>
	<u>16,775,305</u>	<u>23,712</u>	<u>3,933,214</u>	<u>3,403,125</u>
<u>Group</u>				
31 March 2012				
<u>Credit-related exposures</u>				
Direct credit substitutes	397,029	-	397,029	397,029
Transaction-related contingent items	549,766	-	274,883	274,883
Short-term self-liquidating trade-related contingencies	153,561	-	30,712	30,712
Obligation under on-going underwriting agreement	70,122	-	35,061	35,061
Irrevocable commitments to extent credit:				
- maturity exceeding one year	4,320,657	-	2,160,328	1,786,192
- maturity not exceeding one year	5,793,193	-	1,158,639	1,004,648
unutilised credit card lines	2,188,661	-	437,732	340,525
	<u>13,472,989</u>	<u>-</u>	<u>4,494,384</u>	<u>3,869,050</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	3,147,488	17,730	64,522	38,478
Interest rate related contracts:				
- one year or less	587,000	130	912	182
- over one year to three years	1,110,000	2,592	14,192	2,838
- over three years	423,896	3,260	20,055	6,467
	<u>5,268,384</u>	<u>23,712</u>	<u>99,681</u>	<u>47,965</u>
	<u>18,741,373</u>	<u>23,712</u>	<u>4,594,065</u>	<u>3,917,015</u>

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A31 Derivative Financial Assets/(Liabilities)

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

BANK/GROUP	As at 31 December 2012			As at 31 March 2012		
	Principal RM'000	Fair value Assets RM'000	Liabilities RM'000	Principal RM'000	Fair value Assets RM'000	Liabilities RM'000
Foreign exchange and commodity contracts						
Currency forwards						
- one year or less	759,297	1,513	(5,690)	859,253	4,792	(6,243)
Currency swaps						
- one year or less	2,209,875	9,870	(1,997)	1,690,284	9,774	(8,784)
Currency spots						
- one year or less	109,845	67	(75)	258,209	185	(150)
Currency options						
- one year or less	73,186	337	(239)	122,204	467	(324)
Gold options						
- one year or less	-	-	-	217,538	2,512	(1,102)
	3,152,203	11,787	(8,001)	3,147,488	17,730	(16,603)
Interest rate derivatives						
Interest rate swap	2,140,013	5,584	(3,592)	2,106,781	5,982	(9,215)
- one year or less	960,000	1,006	(597)	587,000	130	(105)
- over one year to three years	875,000	2,578	(1,511)	1,110,000	2,592	(2,030)
- over three years	305,013	2,000	(1,484)	409,781	3,260	(7,080)
Hedging Derivatives						
Interest rate swap						
- over three years	95,013	-	(1,791)	14,115	-	(423)
Total derivatives assets/(liabilities)	5,387,229	17,371	(13,384)	5,268,384	23,712	(26,241)

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risks with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2012.

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.

Swaps

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

A31 Derivative Financial Assets/(Liabilities) (Contd.)

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.

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A32 Interest Rate Risk

<u>BANK</u> As at 31 December 2012	Non-Trading Book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000			
Assets									
Cash and short-term funds	284,477	-	-	-	-	-	704,343	988,820	2.81
Deposits and placements with banks and other financial institutions	-	95,243	-	-	-	-	553	95,796	3.46
Financial assets held-for-trading	-	-	-	-	-	-	99,671	99,671	3.05
Financial investments available-for-sale	838,086	909,976	269,804	91,160	2,505,632	3,015,224	148,321	7,778,203	3.51
Financial investments held-to-maturity	-	-	-	-	101,129	-	1,861	102,990	3.73
Derivative financial assets									
- Trading derivatives	-	-	-	-	-	-	17,371	17,371	-
Loans, advances and financing	17,622,240	789,652	257,779	852,802	892,742	1,397,651	78,725 *	21,891,591	5.15
Other non-interest sensitive balances	-	-	-	-	-	-	2,338,260	2,338,260	-
Total assets	18,744,803	1,794,871	527,583	943,962	3,499,503	4,412,875	3,272,063	33,312,702	
Liabilities									
Deposits from customers	11,053,336	3,316,319	2,433,027	3,567,012	68,918	93,222	5,138,301	25,670,135	2.22
Deposits and placements of banks and other financial institutions	1,442,525	463,308	186,737	108,988	408,467	-	9,648	2,619,673	2.41
Bills and acceptances payable	2	27	28	-	-	-	-	57	3.23
Derivative financial liabilities									
- Trading derivatives	-	-	-	-	-	-	11,593	11,593	-
- Hedging derivatives	-	-	-	-	-	1,791	-	1,791	n/a
Amount due to Cagamas Berhad	-	-	-	-	16,844	-	-	16,844	4.61
Subordinated obligations	-	-	-	-	598,166	-	6,734	604,900	4.92
Other non-interest sensitive balances	-	-	-	-	-	-	958,109	958,109	-
Total liabilities	12,495,863	3,779,654	2,619,792	3,676,000	1,092,395	95,013	6,112,792	29,883,102	
Equity	-	-	-	-	-	-	3,429,600	3,429,600	-
Total liabilities and equity	12,495,863	3,779,654	2,619,792	3,676,000	1,092,395	95,013	9,542,392	33,312,702	
On-balance sheet interest sensitivity gap	6,248,940	(1,984,783)	(2,092,209)	(2,732,038)	2,407,108	4,317,862	(6,270,329)	105,449	-

* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest sensitive column.

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A32 Interest Rate Risk (contd.)

GROUP As at 31 December 2012	Non-Trading Book							Trading book RM'000	Total RM'000	Effective Interest/ profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets										
Cash and short-term funds	372,366	-	-	-	-	-	854,009	-	1,226,375	2.82
Deposits and placements with banks and other financial institutions	-	88,744	-	171	-	-	461	-	89,376	3.17
Balances due from clients and brokers	577	-	-	-	-	-	68,159	-	68,736	12.00
Financial assets held-for-trading	-	-	-	-	-	-	-	314,357	314,357	3.05
Financial investments available-for-sale	1,202,141	1,255,812	410,259	170,026	2,809,371	3,538,059	196,566	-	9,582,234	3.80
Financial investments held-to-maturity	-	-	-	-	538,481	50,975	5,714	-	595,170	3.72
Derivative financial assets										
- Trading derivatives	-	-	-	-	-	-	-	17,371	17,371	-
Loans, advances and financing	20,916,677	993,402	328,684	882,743	1,354,364	2,143,792	93,047 *	-	26,712,709	5.21
Other non-interest sensitive balances	-	-	-	-	-	-	1,911,369	-	1,911,369	
Total assets	22,491,761	2,337,958	738,943	1,052,940	4,702,216	5,732,826	3,129,325	331,728	40,517,697	
Liabilities										
Deposits from customers	14,737,361	4,281,563	3,019,954	4,087,725	77,863	93,222	5,201,443	-	31,499,131	2.26
Deposits and placements of banks and other financial institutions	2,002,525	643,308	189,792	109,721	476,547	-	9,950	-	3,431,843	2.52
Balances due to clients and brokers	-	-	-	-	-	-	47,862	-	47,862	-
Bills and acceptances payable	2	38	52	3	-	-	-	-	95	3.45
Derivative financial liabilities										
- Trading derivatives	-	-	-	-	-	-	-	11,593	11,593	-
- Hedging derivatives	-	-	-	-	-	1,791	-	-	1,791	n/a
Amount due to Cagamas Berhad	-	-	-	-	16,844	-	-	-	16,844	4.61
Subordinated obligations	-	-	-	-	598,166	-	6,734	-	604,900	4.92
Other non-interest sensitive balances	-	-	-	-	-	-	1,055,534	-	1,055,534	-
Total liabilities	16,739,888	4,924,909	3,209,798	4,197,449	1,169,420	95,013	6,321,523	11,593	36,669,593	
Equity	-	-	-	-	-	-	3,843,383	-	3,843,383	-
Non-controlling interests	-	-	-	-	-	-	4,721	-	4,721	-
Total liabilities and equity	16,739,888	4,924,909	3,209,798	4,197,449	1,169,420	95,013	10,169,627	11,593	40,517,697	
On-balance sheet interest sensitivity gap	5,751,873	(2,586,951)	(2,470,855)	(3,144,509)	3,532,796	5,637,813	(7,040,302)	320,135	-	

* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest/profit sensitive column.

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A32 Interest Rate Risk (contd.)

<u>BANK</u> As at 31 March 2012 (Restated)	Non-Trading Book						Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000				
Assets										
Cash and short-term funds	1,292,323	-	-	-	-	-	437,967	-	1,730,290	3.01
Deposits and placements with banks and other financial institutions	-	143,138	-	-	-	-	323	-	143,461	2.49
Financial assets held-for-trading	-	-	-	-	-	-	-	1,342,302	1,342,302	3.00
Financial investments available-for-sale	633,474	1,522,660	86,863	38,602	2,390,021	2,599,499	148,792	-	7,419,911	3.47
Financial investments held-to-maturity	-	50,081	75,943	28	-	101,293	1,277	-	228,622	3.59
Derivative financial assets										
- Trading derivatives	-	-	-	-	-	-	-	23,712	23,712	-
Loans, advances and financing	16,192,162	848,676	280,215	559,845	906,070	954,333	71,304 *	-	19,812,605	5.20
Other non-interest sensitive balances	-	-	-	-	-	-	2,143,143	-	2,143,143	-
Total assets	18,117,959	2,564,555	443,021	598,475	3,296,091	3,655,125	2,802,806	1,366,014	32,844,046	
Liabilities										
Deposits from customers	12,355,332	3,180,174	2,126,444	4,403,520	91,742	40,278	4,761,413	-	26,958,903	2.30
Deposits and placements of banks and other financial institutions	154,255	171,662	226,140	61,340	564,482	-	8,851	-	1,186,730	1.36
Bills and acceptances payable	2	18	111	-	-	-	-	-	131	3.24
Derivative financial liabilities										
- Trading derivatives	-	-	-	-	-	-	-	25,818	25,818	-
- Hedging derivatives	-	-	-	-	-	423	-	-	423	n/a
Amount due to Cagamas Berhad	-	-	1,634	9,566	10,844	-	-	-	22,044	4.54
Subordinated obligations	-	-	-	-	597,829	-	13,786	-	611,615	4.92
Other non-interest sensitive balances	-	-	-	-	-	-	740,291	-	740,291	-
Total liabilities	12,509,589	3,351,854	2,354,329	4,474,426	1,264,897	40,701	5,524,341	25,818	29,545,955	
Equity	-	-	-	-	-	-	3,298,091	-	3,298,091	-
Total liabilities and equity	12,509,589	3,351,854	2,354,329	4,474,426	1,264,897	40,701	8,822,432	25,818	32,844,046	
On-balance sheet interest sensitivity gap	5,608,370	(787,299)	(1,911,308)	(3,875,951)	2,031,194	3,614,424	(6,019,626)	1,340,196	-	

* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest sensitive column.

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A32 Interest Rate Risk (contd.)

GROUP As at 31 March 2012 (Restated)	Non-Trading Book							Trading book RM'000	Total RM'000	Effective Interest/ profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets										
Cash and short-term funds	1,385,735	-	-	-	-	-	490,259	-	1,875,994	3.04
Deposits and placements with banks and other financial institutions	-	93,138	165	-	-	-	135	-	93,438	2.42
Balances due from clients and brokers	1,631	-	-	-	-	-	60,133	-	61,764	12.00
Financial assets held-for-trading	-	-	-	-	-	-	-	1,491,995	1,491,995	3.00
Financial investments available-for-sale	953,177	1,910,031	150,485	88,717	2,493,255	3,314,235	213,301	-	9,123,201	3.79
Financial investments held-to-maturity	-	50,081	134,359	11,992	357,154	233,114	8,556	-	795,256	3.55
Derivative financial assets										
- Trading derivatives	-	-	-	-	-	-	-	23,712	23,712	-
Loans, advances and financing	18,988,098	1,013,570	338,603	608,585	1,485,718	1,976,860	77,398 *	-	24,488,832	5.46
Other non-interest sensitive balances	-	-	-	-	-	-	1,731,349	-	1,731,349	-
Total assets	21,328,641	3,066,820	623,612	709,294	4,336,127	5,524,209	2,581,131	1,515,707	39,685,541	
Liabilities										
Deposits from customers	16,004,975	3,716,695	2,369,875	5,203,955	87,647	40,278	4,786,169	-	32,209,594	2.32
Deposits and placements of banks and other financial institutions	771,753	462,662	226,140	61,329	628,462	-	10,659	-	2,161,005	2.02
Balances due to clients and brokers	-	-	-	-	-	-	20,626	-	20,626	2.90
Bills and acceptances payable	14	40	124	-	-	-	-	-	178	3.36
Derivative financial liabilities										
- Trading derivatives	-	-	-	-	-	-	-	25,818	25,818	-
- Hedging derivatives	-	-	-	-	-	423	-	-	423	n/a
Amount due to Cagamas Berhad	-	-	1,634	9,566	10,844	-	-	-	22,044	4.54
Subordinated obligations	-	-	-	-	597,829	-	13,786	-	611,615	4.92
Other non-interest sensitive balances	-	-	-	-	-	-	914,327	-	914,327	-
Total liabilities	16,776,742	4,179,397	2,597,773	5,274,850	1,324,782	40,701	5,745,567	25,818	35,965,630	
Equity	-	-	-	-	-	-	3,715,006	-	3,715,006	-
Non-controlling interests	-	-	-	-	-	-	4,905	-	4,905	-
Total liabilities and equity	16,776,742	4,179,397	2,597,773	5,274,850	1,324,782	40,701	9,465,478	25,818	39,685,541	
On-balance sheet interest sensitivity gap	4,551,899	(1,112,577)	(1,974,161)	(4,565,556)	3,011,345	5,483,508	(6,884,347)	1,489,889	-	

* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest/profit sensitive column.

A33 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.

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 head office.

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A33 Segment information (contd.)

Group	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
3rd Quarter ended 31 December 2012								
Net interest income								
- External income	48,624	75,849	53,805	2,259	4,906	185,443	(7,689)	177,754
- inter-segment	16,236	(285)	(14,320)	(1,631)	-	-	-	-
	64,860	75,564	39,485	628	4,906	185,443	(7,689)	177,754
Net income from Islamic banking business	26,848	16,187	10,036	1	-	53,072	7,391	60,463
Other operating income	23,599	39,002	24,588	3,673	2,924	93,786	(13,005)	80,781
Net income	115,307	130,753	74,109	4,302	7,830	332,301	(13,303)	318,998
Other operating expenses	(65,379)	(52,266)	(10,556)	(7,116)	(6,874)	(142,191)	1,746	(140,445)
Depreciation and amortisation	(5,299)	(4,115)	(1,777)	(49)	(10)	(11,250)	-	(11,250)
Operating profit/(loss)	44,629	74,372	61,776	(2,863)	946	178,860	(11,557)	167,303
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(22,943)	35,754	(44)	134	-	12,901	-	12,901
Write-back of impairment	-	-	-	-	-	-	-	-
Segment result	21,686	110,126	61,732	(2,729)	946	191,761	(11,557)	180,204
Share of results of associates								(1,801)
Taxation and zakat								(45,673)
Net profit after taxation and zakat								132,730
Segment assets	15,819,542	12,102,696	13,620,876	189,132	46,448	41,778,694	(1,738,561)	40,040,133
Reconciliation of segment assets to consolidated assets:								
Investments in associates								23,124
Property, plant and equipment								85,014
Unallocated assets								11,850
Intangible assets								357,576
Total assets								40,517,697
Segment Liabilities	16,031,731	9,769,379	11,597,208	65,588	22,735	37,486,641	(894,916)	36,591,725
Unallocated liabilities								77,868
Total liabilities								36,669,593

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A33 Segment information (contd.)

Group	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
As at 31 December 2012								
Net interest income								
- External income	140,397	239,332	164,198	5,455	542	549,924	(8,207)	541,717
- inter-segment	60,458	(3,034)	(53,405)	(4,019)	-	-	-	-
	200,855	236,298	110,793	1,436	542	549,924	(8,207)	541,717
Net income from Islamic banking business	81,514	48,045	32,758	1	-	162,318	22,556	184,874
Other operating income	81,294	106,487	117,430	13,901	22,642	341,754	(91,645)	250,109
Net income	363,663	390,830	260,981	15,338	23,184	1,053,996	(77,296)	976,700
Other operating expenses	(200,367)	(160,267)	(33,132)	(23,161)	(19,397)	(436,324)	5,245	(431,079)
Depreciation and amortisation	(16,517)	(12,713)	(5,082)	(438)	(35)	(34,785)	-	(34,785)
Operating profit/(loss)	146,779	217,850	222,767	(8,261)	3,752	582,887	(72,051)	510,836
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(44,274)	73,013	116	123	-	28,978	-	28,978
Write-back of impairment	-	-	473	-	-	473	-	473
Segment result	102,505	290,863	223,356	(8,138)	3,752	612,338	(72,051)	540,287
Share of results of associates								(3,912)
Taxation and zakat								(136,314)
Net profit after taxation and zakat								400,061
Segment assets	15,819,542	12,102,696	13,620,876	189,132	46,448	41,778,694	(1,738,561)	40,040,133
Reconciliation of segment assets to consolidated assets:								
Investments in associates								23,124
Property, plant and equipment								85,014
Unallocated assets								11,850
Intangible assets								357,576
Total assets								40,517,697
Segment Liabilities	16,031,731	9,769,379	11,597,208	65,588	22,735	37,486,641	(894,916)	36,591,725
Unallocated liabilities								77,868
Total liabilities								36,669,593

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A33 Segment information (contd.)

Group	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
3rd Quarter ended 31 December 2011 (Restated)								
Net interest income								
- External income	32,148	80,827	51,881	1,419	-	166,275	(1,726)	164,549
- inter-segment	22,568	(5,823)	(15,722)	(1,023)	-	-	-	-
	54,716	75,004	36,159	396	-	166,275	(1,726)	164,549
Net income from Islamic banking business	31,061	16,590	12,154	-	-	59,805	6,635	66,440
Other operating income	18,907	31,644	33,393	5,087	2,694	91,725	(12,291)	79,434
Net income	104,684	123,238	81,706	5,483	2,694	317,805	(7,382)	310,423
Other operating expenses	(62,501)	(49,728)	(9,497)	(8,319)	(6,305)	(136,350)	992	(135,358)
Depreciation and amortisation	(5,862)	(4,040)	(1,573)	(562)	12	(12,025)	-	(12,025)
Operating profit/(loss)	36,321	69,470	70,636	(3,398)	(3,599)	169,430	(6,390)	163,040
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(8,509)	5,976	309	(39)	-	(2,263)	-	(2,263)
Write-back of impairment	-	222	8,512	-	1,460	10,194	-	10,194
Segment result	27,812	75,668	79,457	(3,437)	(2,139)	177,361	(6,390)	170,971
Share of results of associates								(424)
Taxation and zakat								(43,325)
Net profit after taxation and zakat								127,222
Segment assets	12,935,539	10,791,801	16,118,240	244,562	77,454	40,167,596	(2,023,092)	38,144,504
Reconciliation of segment assets to consolidated assets:								
Investments in associates								27,688
Property, plant and equipment								96,500
Unallocated assets								80,354
Intangible assets								355,587
Total assets								38,704,633
Segment Liabilities	15,227,696	9,937,934	10,870,400	126,198	51,643	36,213,871	(1,186,405)	35,027,466
Unallocated liabilities								40,623
Total liabilities								35,068,089

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A33 Segment information (contd.)

Group	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
As at 31 December 2011 (Restated)								
Net interest income								
- External income	101,346	229,338	169,532	3,712	-	503,928	2,430	506,358
- inter-segment	73,571	(4,970)	(65,796)	(2,805)	-	-	-	-
	174,917	224,368	103,736	907	-	503,928	2,430	506,358
Net income from Islamic banking business	91,737	50,705	31,729	-	-	174,171	19,819	193,990
Other operating income	62,177	97,354	83,547	17,740	23,397	284,215	(52,493)	231,722
Net income	328,831	372,427	219,012	18,647	23,397	962,314	(30,244)	932,070
Other operating expenses	(183,587)	(147,627)	(28,843)	(22,869)	(16,080)	(399,006)	1,689	(397,317)
Depreciation and amortisation	(17,209)	(11,818)	(4,555)	(1,901)	(25)	(35,508)	-	(35,508)
Operating profit	128,035	212,982	185,614	(6,123)	7,292	527,800	(28,555)	499,245
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(6,262)	13,283	(1,289)	(12)	-	5,720	-	5,720
Write-back of impairment	-	2,741	8,512	-	-	11,253	-	11,253
Segment result	121,773	229,006	192,837	(6,135)	7,292	544,773	(28,555)	516,218
Share of results of associates								(1,350)
Taxation and zakat								(130,225)
Net profit after taxation and zakat								384,643
Segment assets	12,935,539	10,791,801	16,118,240	244,562	77,454	40,167,596	(2,023,092)	38,144,504
Reconciliation of segment assets to consolidated assets:								
Investments in associates								27,688
Property, plant and equipment								96,500
Unallocated assets								80,354
Intangible assets								355,587
Total assets								38,704,633
Segment Liabilities	15,227,696	9,937,934	10,870,400	126,198	51,643	36,213,871	(1,186,405)	35,027,466
Unallocated liabilities								40,623
Total liabilities								35,068,089

A34 Capital Adequacy

The capital adequacy ratios of the Bank and the Group are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). The Bank and the Group have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.03.2012: 8.0%) for the risk-weighted capital ratio.

(a) The capital adequacy ratios of the Bank and the Group are as follows:

	BANK		GROUP	
	31 December 2012	31 March 2012 (Restated)	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
<u>Before deducting proposed dividends</u>				
Core capital ratio	-	14.23%	-	12.37%
Risk-weighted capital ratio	-	14.28%	-	15.62%
<u>After deducting proposed dividends</u>				
Core capital ratio	13.23%	13.63%	11.88%	11.88%
Risk-weighted capital ratio	13.23%	13.68%	14.88%	15.13%

Components of Tier I and Tier II capital are as follows:

	BANK		GROUP	
	31 December 2012	31 March 2012 (Restated)	31 December 2012	31 March 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
<u>Tier I Capital (Core Capital)</u>				
Paid-up share capital	596,517	596,517	596,517	596,517
ICPS	4,000	4,000	4,000	4,000
Share premium	597,517	597,517	597,517	597,517
Retained profits	1,408,906	1,397,888	1,497,869	1,517,252
Statutory reserves	601,561	601,561	865,648	842,167
Other reserves	-	-	10,018	10,018
Non-controlling interests	-	-	4,721	4,905
	3,208,501	3,197,483	3,576,290	3,572,376
Less: Purchased goodwill/goodwill on consolidation	(186,272)	(186,272)	(302,065)	(302,065)
Deferred tax assets	-	-	(11,850)	(15,038)
Total Tier I capital	3,022,229	3,011,211	3,262,375	3,255,273
<u>Tier II Capital</u>				
Subordinated obligations	598,166	597,829	598,166	597,829
Collective assessment allowance	188,451	214,419	227,565	260,666
Total Tier II capital	786,617	812,248	825,731	858,495
Total Capital	3,808,846	3,823,459	4,088,106	4,113,768
Less: Investment in subsidiaries	(792,820)	(801,664)	(3,620)	(3,620)
Total Capital Base	3,016,026	3,021,795	4,084,486	4,110,148

The comparative capital adequacy ratios and components of capital base have been restated for the effects of the change in accounting policy on collective assessment allowance for loans, advances and financing during the financial period. Please refer to Note A35 Changes in Accounting Policies for a summary of the changes.

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A34 Capital Adequacy (contd.)

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

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
31 December 2012		
<u>Before deducting proposed dividends</u>		
Core capital ratio	-	-
Risk-weighted capital ratio	-	-
<u>After deducting proposed dividends</u>		
Core capital ratio	12.72%	80.44%
Risk-weighted capital ratio	13.57%	80.67%
31 March 2012 (Restated)		
<u>Before deducting proposed dividends</u>		
Core capital ratio	13.00%	58.39%
Risk-weighted capital ratio	14.04%	58.51%
<u>After deducting proposed dividends</u>		
Core capital ratio	12.17%	57.13%
Risk-weighted capital ratio	13.21%	57.25%

Note

- (i) The capital adequacy ratios of Alliance Islamic Bank Berhad are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.03.2012: 8.0%) for the risk-weighted capital ratio.
- (ii) The capital adequacy ratios of AIBB are computed in accordance with BNM's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Bank and the Group have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.03.2012: 8.0%) for the risk-weighted capital ratio.

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

	BANK		GROUP	
	31 December 2012 RM'000	31 March 2012 RM'000	31 December 2012 RM'000	31 March 2012 RM'000
Credit risk	20,711,798	19,074,667	24,820,350	23,601,495
Market risk	74,251	157,119	75,870	265,432
Operational risk	2,009,323	1,925,797	2,553,731	2,445,524
Total RWA and capital requirements	22,795,372	21,157,583	27,449,951	26,312,451

A35 Change in Accounting Policies

(i) MFRS 139

During the current reporting period, the Bank and the Group adopted MFRS 139 "Financial Instruments: Recognition and Measurement" ("MFRS 139") - Accounting Policy on Collective Assessment Allowance for Loans, Advances and Financing ("loans/financing").

Prior to the transition of MFRS 139, the Bank and the Group had maintained collective assessment allowance at 1.5% of total outstanding loans/financing, net of individual assessment allowance, in line with Bank Negara Malaysia's transitional provisions under its Guidelines on Classification and Impairment Provisions for Loans/Financing. Upon the adoption of MFRS 139 on 1 January 2012, these transitional provisions, which were allowed under the previous FRS framework, were removed. The Bank and the Group have applied the requirements of MFRS 139 in the determination of collective assessment allowance.

Under MFRS 139, collective assessment is performed on loans/financing which are not individually significant based on the incurred loss approach. Loans/financing which are individually assessed and where there is no objective evidence of impairment are also included in the group of loans/financing for collective assessment. These loans/financing are pooled into groups with similar credit risk characteristics and the future cash flows for each group is estimated on the basis of the historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flows against the carrying value of the group of loans/financing.

This change in accounting policy has been accounted for retrospectively and has resulted in a decrease in the collective assessment allowance charged in the statements of comprehensive income and a write-back of collective assessment allowance to the opening retained profits and opening collective assessment allowance in the statements of financial position.

A35 Change in Accounting Policies (Contd.)

(ii) FRSIC 18 Consensus

During the current reporting period, the Group has changed its accounting policy in relation to the recognition of balances due to clients and brokers following the adoption of FRSIC 18 Consensus "Monies Held in Trust by Participating Organisation of Bursa Malaysia Securities Berhad", which was developed by the Financial Reporting Standards Implementation Committee ("FRSIC") and issued by the Malaysian Institute of Accountants ("MIA") on 18 September 2012.

Following the adoption of FRSIC 18 Consensus as mentioned in the preceding paragraph, the Group no longer recognises monies held in trust as the Group does not have any control over trust monies to obtain the future economic benefits embodied in the trust monies with the corresponding liability of balances due to clients and brokers as at the end of the reporting period as it does not have any contractual or statutory obligation to these balances that would result in an outflow of resources embodying economic benefits from it.

This change in accounting policy has been accounted for retrospectively and has resulted in a decrease of cash and short-term funds and balances due to clients and brokers as recorded in the statements of financial position of the Group.

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows:

(a) Impact on the statements of financial position

As at 31 March 2012	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
<u>BANK</u>			
<u>ASSETS</u>			
Loans, advances and financing	19,727,393	85,212	19,812,605
- Gross loans, advances and financing	20,215,279	23,927	20,239,206
- Individual assessment allowance	(225,092)	92,829	(132,263)
- Collective assessment allowance	(300,801)	(31,544)	(332,345)
Tax recoverable	14,022	(14,022)	-
<u>LIABILITIES AND EQUITY</u>			
Provision for taxation	-	(7,281)	(7,281)
Retained profits	(1,333,979)	(63,909)	(1,397,888)

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A35 Change in Accounting Policies (Contd.)

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows (contd.):

(a) Impact on the statements of financial position (contd.)

	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
As at 31 March 2012			
<u>GROUP</u>			
ASSETS			
Cash and short-term funds	1,874,332	1,662	1,875,994
Balances Due From Clients And Brokers	61,698	66	61,764
Loans, advances and financing	24,360,203	128,629	24,488,832
- Gross loans, advances and financing	24,984,046	28,101	25,012,147
- Individual assessment allowance	(266,349)	108,383	(157,966)
- Collective assessment allowance	(386,017)	(7,855)	(393,872)
Tax recoverable	15,019	(15,019)	-
LIABILITIES AND EQUITY			
Deposits from customers	(32,153,643)	(55,951)	(32,209,594)
Balances due to clients and brokers	(74,915)	54,289	(20,626)
Provision for taxation	(7,372)	(17,155)	(24,527)
Retained profits	(1,420,731)	(96,521)	(1,517,252)
As at 1 April 2011			
<u>BANK</u>			
ASSETS			
Loans, advances and financing	17,718,442	75,912	17,794,354
- Gross loans, advances and financing	18,224,239	30,608	18,254,847
- Individual assessment allowance	(273,141)	132,557	(140,584)
- Collective assessment allowance	(270,378)	(87,253)	(357,631)
Deferred tax assets	75,272	(18,978)	56,294
LIABILITIES AND EQUITY			
Retained profits	(1,148,228)	(56,934)	(1,205,162)

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A35 Change in Accounting Policies (Contd.)

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows (contd.):

(a) Impact on the statements of financial position (contd.)

As at 1 April 2011	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
<u>GROUP</u>			
ASSETS			
Cash and short-term funds	911,730	31	911,761
Balances Due From Clients And Brokers	80,519	24	80,543
Loans, advances and financing	21,796,319	97,631	21,893,950
- Gross loans, advances and financing	22,439,361	34,157	22,473,518
- Individual assessment allowance	(328,375)	148,952	(179,423)
- Collective assessment allowance	(339,636)	(85,478)	(425,114)
Deferred tax assets	108,808	(25,016)	83,792
LIABILITIES AND EQUITY			
Deposits from customers	(28,997,092)	(39,787)	(29,036,879)
Balances due to clients and brokers	(86,743)	39,756	(46,987)
Deferred tax liabilities	(6,792)	602	(6,190)
Retained profits	(1,194,222)	(73,241)	(1,267,463)

(b) Impact on the statements of comprehensive income

Nine months ended 31 December 2011	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
<u>BANK</u>			
Interest income	946,028	(5,492)	940,536
Allowance for losses on loans, advances and financing and other losses	(7,928)	2,343	(5,585)
Profit before taxation	412,251	(3,149)	409,102
Taxation	(106,402)	787	(105,615)
Net profit after taxation	305,849	(2,362)	303,487
Earnings per share attributable to owner of the parent			
- Basic (sen)	51.3	(0.4)	50.9
- Diluted (sen)	38.4	(0.3)	38.1

A35 Change in Accounting Policies (Contd.)

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows (contd.):

(b) Impact on the statements of comprehensive income (contd.)

	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
Nine months ended 31 December 2011			
<u>GROUP</u>			
Interest income	999,685	(5,583)	994,102
Net income from Islamic banking business	193,792	198	193,990
Allowance for losses on loans, advances and financing and other losses	(10,760)	16,480	5,720
Profit before taxation	503,773	11,095	514,868
Taxation	(127,452)	(2,773)	(130,225)
Net profit after taxation	376,321	8,322	384,643
Earnings per share attributable to owner of the parent			
- Basic (sen)	63.0	1.4	64.4
- Diluted (sen)	47.2	1.0	48.2
	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
3rd Quarter ended 31 December 2011			
<u>BANK</u>			
Interest income	312,819	(1,260)	311,559
Allowance for losses on loans, advances and financing and other losses	(10,924)	6,827	(4,097)
Profit before taxation	130,835	5,567	136,402
Taxation	(34,050)	(1,392)	(35,442)
Net profit after taxation	96,785	4,175	100,960
Earnings per share attributable to owner of the parent			
- Basic (sen)	16.2	0.7	16.9
- Diluted (sen)	12.2	0.5	12.7

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A35 Change in Accounting Policies (Contd.)

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows (contd.):

(b) Impact on the statements of comprehensive income (contd.)

	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
3rd Quarter ended 31 December 2011			
<u>GROUP</u>			
Interest income	327,233	(1,249)	325,984
Net income from Islamic banking business	66,436	4	66,440
Allowance for losses on loans, advances and financing and other losses	(9,979)	7,716	(2,263)
Profit before taxation	164,076	6,471	170,547
Taxation	(41,708)	(1,617)	(43,325)
Net profit after taxation	122,368	4,854	127,222
Earnings per share attributable to owner of the parent			
- Basic (sen)	20.5	0.8	21.3
- Diluted (sen)	15.3	0.7	16.0

(c) Impact on capital adequacy

	<u>BANK</u>		<u>GROUP</u>	
	As previously reported RM'000	As restated RM'000	As previously reported RM'000	As restated RM'000
As at 31 March 2012				
<u>Before deducting proposed dividends</u>				
Core capital ratio	13.93%	14.23%	12.00%	12.37%
Risk-weighted capital ratio	14.37%	14.28%	15.71%	15.62%
<u>After deducting proposed dividends</u>				
Core capital ratio	13.32%	13.63%	11.52%	11.88%
Risk-weighted capital ratio	13.76%	13.68%	15.22%	15.13%
Total Tier I capital	2,947,302	3,011,211	3,158,752	3,255,273
Total Tier II capital	894,327	812,248	978,848	858,495
Total Capital Base	3,039,965	3,021,795	4,133,980	4,110,148

PART B - Review of Performance & Current Year Prospect

B1 Review of Performance

For the current quarter under review, the Group recorded profit before taxation of RM178.4 million, an increase of 4.6% compared to the corresponding quarter last year. For the 9 months ended 31 December 2012, the Group's profit before taxation was RM536.4 million, an increase of 4.2% compared to the corresponding period last year. The increase was due to higher net income and net bad debt write-back due to better asset quality and prudent credit risk management.

The Group's net interest income, including Islamic financing income, for the 9 months ended 31 December 2012 grew by 3.7% on the back of 12.3% year-on-year loans growth. The total loans outstanding has risen from RM24.2 billion a year ago to RM27.2 billion as at end-December 2012; while customer deposits have risen to RM31.5 billion. The loans-to-deposits ratio increased to 86.2% as at 31 December 2012, from 77.1% last year in line with the Bank's objective to ensure more effective utilisation of the balance sheet.

Non-interest income registered 7.9% growth for the 9 months ended 31 December 2012 mainly due to higher fee income and gains from treasury trading and investment activities. Accordingly, the non-interest income ratio has improved from 26.2% a year ago to 27.2%. Overhead expenses rose by 7.6% as the Group continues its investment in human capital and upgrading of technology and infrastructure to support the on-going business expansion. Consequently, the Group's overheads to total income ratio has increased marginally to 47.7%, from 46.4% a year ago.

Reflecting on the Group's on-going efforts to improve asset quality, the gross impaired loans ratio has improved further to 2.1%, as compared with 2.6% as of 31 December 2011. The risk-weighted capital ratio remained strong at 14.9%, with core capital ratio at 11.9%.

Performance by business segment

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

Consumer Banking provides a wide range of personal banking solutions including mortgages, term loans, personal loans, hire purchase facilities, credit cards and wealth management. For the 9 months ended 31 December 2012, Consumer Banking registered profit before taxation of RM102.5 million, which is 15.8% lower compared to same period last year. The decrease is due to higher collective provisions as loans growth has accelerated to 14.6%, from 5.4% in the corresponding period. This was mitigated by higher net income from loans growth and fee based income. Segment assets increased by 22.3% to RM15.8 billion as at 31 December 2012.

Business Banking covers Small-and-Medium Enterprise and Wholesale Banking. For the 9 months ended 31 December 2012, Business Banking registered a profit before taxation of RM290.9 million, 27.0% higher compared to RM229.0 million during the same period last year. The increase was mainly due to growth in net income as well as higher write-back of net bad debts as a result of loan recoveries. Segment assets increased by 12.1% to RM12.1 billion as at 31 December 2012.

Financial Markets provides foreign exchange, money market, hedging, and investment (capital market instruments) solutions for banking customers. For the 9 months ended 31 December 2012, Financial Markets recorded profit before taxation of RM223.4 million, an improvement of 15.8% compared to same period last year. The increase was mainly due to higher net income and capital gains from active portfolio management of the trading and available for sale securities.

B1 Review of Performance (Contd.)

Investment Banking covers stockbroking activities and corporate advisory. It reported a loss before taxation of RM8.1 million for the 9 months ended 31 December 2012, due to lower net income as a result of the drop in retail trading volumes on Bursa Malaysia.

The figures for the comparative period ended 31 December 2011 referred to above have been restated, where applicable, in accordance to the Malaysian Financial Reporting Standards ("MFRS") accounting framework adopted by the Group with effect from 1 April 2012.

B2 Current Year Prospect

Against the background of gross domestic product ("GDP") growth of between 4.5% and 5.0% in 2012, the Group expects demand for financing and non-interest income business activities to be sustained. The Group will continue to focus on existing business opportunities in Consumer and Business Banking, while enhancing Treasury and Transaction Banking and developing the Wealth Management and Investment Banking business.

In FY2013, we expect sustainable loans growth in Consumer Banking, driven mainly by mortgage lending, hire purchase, personal loans, credit cards and share margin financing. It will also focus on growing non-interest income through further expansion of its wealth management, bancassurance and treasury business activities, and enhancing customer experience.

The Business Banking segment covers Small-and-Medium Enterprise ("SME") and Wholesale Banking. In FY2013, the lending activities of Business Banking are expected to grow moderately, in tandem with GDP growth and the continuing demand for credit by businesses, arising from the implementation of projects under the Economic Transformation Programme.

Business Banking will also continue to focus on cross-selling efforts to grow non-interest income in transaction banking, foreign exchange, investment banking and business platinum card by capitalising on technology advancements, such as the recent launch of the Alliance BizSmart solutions.

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

Capital markets are expected to remain competitive and volatile in view of the on-going Eurozone crisis. However, the introduction of the Capital Markets and Services (Amendment) Act 2012, together with the issuance of several guidelines in December 2012, are expected to promote greater vibrancy in Malaysia's capital market, while strengthening investor protection. The Group's investment banking will expand its business operations by leveraging on the Group's Business Banking customers. This segment will also continue to improve its brokerage business, both retail and institutional broking, by further strengthening its service delivery channels and research capabilities.

Conclusion

The Group expects to deliver a satisfactory performance for the financial year ending 31 March 2013.