

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statements of Financial Position as at 30 June 2013**

		<u>BANK</u>		<u>GROUP</u>	
		30 June 2013 RM'000	31 March 2013 RM'000	30 June 2013 RM'000	31 March 2013 RM'000
Note					
ASSETS					
Cash and short-term funds		1,633,060	1,366,655	1,558,711	1,287,734
Deposits and placements with banks and other financial institutions		507,931	124,946	543,572	153,236
Balances due from clients and brokers	A13	-	-	62,000	50,122
Financial assets held-for-trading	A14	130,104	1,265,298	602,733	1,519,930
Financial investments available-for-sale	A15	8,130,219	8,428,006	10,167,360	10,362,450
Financial investments held-to-maturity	A16	330,855	101,717	853,572	596,949
Derivative financial assets	A31	73,943	19,792	73,943	19,792
Loans, advances and financing	A17	23,511,503	22,907,273	28,363,960	27,771,741
Other assets	A18	122,897	78,016	82,909	75,502
Tax recoverable		-	-	405	-
Statutory deposits with Bank Negara Malaysia		1,054,150	1,057,450	1,321,742	1,330,872
Investments in subsidiaries		792,820	792,820	-	-
Investments in associates		230	230	500	497
Property, plant and equipment		79,312	81,706	80,144	82,748
Deferred tax assets		-	-	11,142	11,040
Intangible assets		239,289	241,961	353,644	356,168
		36,606,313	36,465,870	44,076,337	43,618,781
Non-current assets and subsidiary held for sale	A19	-	8,844	-	35,179
TOTAL ASSETS		36,606,313	36,474,714	44,076,337	43,653,960
LIABILITIES AND EQUITY					
Deposits from customers	A20	29,744,730	30,116,637	35,728,663	36,024,299
Deposits and placements of banks and other financial institutions	A21	1,731,045	1,310,109	2,625,393	2,009,996
Balances due to clients and brokers	A22	-	-	36,225	30,852
Bills and acceptances payable		94	73,683	170	73,713
Derivative financial liabilities	A31	70,598	15,870	70,598	15,870
Amount due to Cagamas Berhad		15,729	16,290	15,729	16,290
Other liabilities	A23	778,422	750,959	879,603	822,159
Provision for taxation		10,230	23,218	9,829	26,270
Deferred tax liabilities		12,095	15,859	19,739	24,430
Provision for zakat		-	-	149	-
Subordinated obligations		605,074	612,193	605,074	612,193
		32,968,017	32,934,818	39,991,172	39,656,072
Liabilities directly associated with non-current assets and subsidiary held for sale	A19	-	-	-	19,291
TOTAL LIABILITIES		32,968,017	32,934,818	39,991,172	39,675,363
Share capital		600,517	600,517	600,517	600,517
Reserves		3,037,779	2,939,379	3,484,648	3,373,333
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNER OF THE PARENT		3,638,296	3,539,896	4,085,165	3,973,850
Non-controlling interests		-	-	-	4,747
TOTAL EQUITY		3,638,296	3,539,896	4,085,165	3,978,597
TOTAL LIABILITIES AND EQUITY		36,606,313	36,474,714	44,076,337	43,653,960
COMMITMENTS AND CONTINGENCIES	A30	20,649,508	17,341,746	22,267,349	19,079,207

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 2013.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Period Ended 30 June 2013

	Note	1st Quarter Ended		Three Months Ended	
		30 June	30 June	30 June	30 June
		2013	2012	2013	2012
<u>BANK</u>		RM'000	RM'000	RM'000	RM'000
Interest income	A24	361,504	331,968	361,504	331,968
Interest expense	A25	(180,587)	(164,752)	(180,587)	(164,752)
Net interest income		180,917	167,216	180,917	167,216
Other operating income	A27	117,063	72,852	117,063	72,852
Net income		297,980	240,068	297,980	240,068
Other operating expenses	A28	(137,434)	(121,274)	(137,434)	(121,274)
Operating profit before allowance		160,546	118,794	160,546	118,794
(Allowance for)/write-back of losses on loans, advances and financing and other losses	A29	(1,283)	11,270	(1,283)	11,270
Profit before taxation		159,263	130,064	159,263	130,064
Taxation		(39,310)	(32,613)	(39,310)	(32,613)
Net profit after taxation		119,953	97,451	119,953	97,451
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently					
to profit and loss:					
Revaluation reserve on financial investments available-for-sale					
- Net (loss)/gain from change in fair value		(31,044)	29,513	(31,044)	29,513
- Transfer from/(to) deferred tax		7,761	(7,378)	7,761	(7,378)
Other comprehensive (expense)/income, net of tax		(23,283)	22,135	(23,283)	22,135
Total comprehensive income for the period		96,670	119,586	96,670	119,586
Earnings per share attributable to					
owner of the parent					
- Basic (sen)		20.1	16.3	20.1	16.3
- Diluted (sen)		15.1	12.2	15.1	12.2

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 2013.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Consolidated Statements of Comprehensive Income
for the Financial Period Ended 30 June 2013

GROUP	Note	1st Quarter Ended		Three Months Ended	
		30 June	30 June	30 June	30 June
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Interest income	A24	374,931	348,590	374,931	348,590
Interest expense	A25	(190,690)	(174,786)	(190,690)	(174,786)
Net interest income		184,241	173,804	184,241	173,804
Net income from Islamic banking business	A26	53,857	63,090	53,857	63,090
		238,098	236,894	238,098	236,894
Other operating income	A27	125,857	82,370	125,857	82,370
Net income		363,955	319,264	363,955	319,264
Other operating expenses	A28	(173,890)	(160,372)	(173,890)	(160,372)
Operating profit before allowance		190,065	158,892	190,065	158,892
(Allowance for)/write-back of losses on loans, advances and financing and other losses	A29	(6,014)	8,786	(6,014)	8,786
Write-back of impairment		-	473	-	473
Operating profit after allowance		184,051	168,151	184,051	168,151
Share of results of associates		3	(1,108)	3	(1,108)
Profit before taxation and zakat		184,054	167,043	184,054	167,043
Taxation and zakat		(46,158)	(41,770)	(46,158)	(41,770)
Net profit after taxation and zakat		137,896	125,273	137,896	125,273
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit and loss:					
Revaluation reserve on financial investments available-for-sale					
- Net (loss)/gain from change in fair value		(37,975)	14,531	(37,975)	14,531
- Transfer from/(to) deferred tax		9,494	(3,633)	9,494	(3,633)
Other comprehensive (expense)/income, net of tax		(28,481)	10,898	(28,481)	10,898
Total comprehensive income for the period		109,415	136,171	109,415	136,171
Profit for the period attributable to:					
Owner of the parent		137,896	125,228	137,896	125,228
Non-controlling interests		-	45	-	45
Net profit after taxation and zakat		137,896	125,273	137,896	125,273

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

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Condensed Interim Financial Statements**Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 30 June 2013 (contd.)**

<u>GROUP</u>	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income for the period attributable to:				
Owner of the parent	109,415	136,126	109,415	136,126
Non-controlling interests	-	45	-	45
Total comprehensive income for the period	109,415	136,171	109,415	136,171
Earnings per share attributable to owner of the parent				
- Basic (sen)	23.1	21.0	23.1	21.0
- Diluted (sen)	17.3	15.7	17.3	15.7

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 2013.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2013
BANK

	Non-distributable reserves					Distributable reserves		
	Ordinary shares RM'000	Irredeemable (Non-cumulative) Convertible Preference Shares ("ICPS") RM'000	Share premium RM'000	Statutory reserve RM'000	Revaluation reserves RM'000	Equity contribution from parent RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2013	596,517	4,000	597,517	601,561	85,257	13,495	1,641,549	3,539,896
Net profit after taxation	-	-	-	-	-	-	119,953	119,953
Other comprehensive expense	-	-	-	-	(23,283)	-	-	(23,283)
Total comprehensive (expense)/income for the period	-	-	-	-	(23,283)	-	119,953	96,670
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	1,934	-	1,934
Payment for ESS recharged from parent	-	-	-	-	-	(204)	-	(204)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	(55)	55	-
At 30 June 2013	596,517	4,000	597,517	601,561	61,974	15,170	1,761,557	3,638,296
At 1 April 2012	596,517	4,000	597,517	601,561	88,334	12,274	1,397,888	3,298,091
Net profit after taxation	-	-	-	-	-	-	97,451	97,451
Other comprehensive income	-	-	-	-	22,135	-	-	22,135
Total comprehensive income for the period	-	-	-	-	22,135	-	97,451	119,586
Share-based payment under ESS	-	-	-	-	-	1,973	-	1,973
At 30 June 2012	596,517	4,000	597,517	601,561	110,469	14,247	1,495,339	3,419,650

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 2013.

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Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2013 (contd.)

GROUP	Attributable to owner of the parent											
	Ordinary shares	ICPS	Share premium	Statutory reserve	Other reserves	Revaluation reserves	Equity contribution from parent	Profit Equalisation Reserve ("PER")	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2013	596,517	4,000	597,517	885,744	10,018	115,397	14,368	1,033	1,749,256	3,973,850	4,747	3,978,597
Net profit after taxation and zakat	-	-	-	-	-	-	-	-	137,896	137,896	-	137,896
Other comprehensive expense	-	-	-	-	-	(28,481)	-	-	-	(28,481)	-	(28,481)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(28,481)	-	-	137,896	109,415	-	109,415
Share-based payment under ESS	-	-	-	-	-	-	2,169	-	-	2,169	-	2,169
Payment for ESS recharged from parent	-	-	-	-	-	-	(204)	-	-	(204)	-	(204)
Transfer of ESS recharged difference on shares vested	-	-	-	-	-	-	(55)	-	55	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	(65)	-	-	(65)	(4,747)	(4,812)
At 30 June 2013	596,517	4,000	597,517	885,744	10,018	86,916	16,213	1,033	1,887,207	4,085,165	-	4,085,165
At 1 April 2012	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	-	-	-	-	-	-	-	-	125,228	125,228	45	125,273
Other comprehensive income	-	-	-	-	-	10,898	-	-	-	10,898	-	10,898
Total comprehensive income for the period	-	-	-	-	-	10,898	-	-	125,228	136,126	45	136,171
Share-based payment under ESS	-	-	-	-	-	-	1,984	-	-	1,984	-	1,984
At 30 June 2012	596,517	4,000	597,517	842,167	10,018	143,667	15,717	1,033	1,642,480	3,853,116	4,950	3,858,066

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 2013.

ALLIANCE BANK MALAYSIA BERHAD
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Condensed Interim Financial Statements

Unaudited Condensed Statements of Cash Flows for the Financial Period Ended 30 June 2013

	<u>BANK</u>		<u>GROUP</u>	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	159,263	130,064	184,054	167,043
Adjustments for non-cash items	(82,415)	(108,456)	(83,333)	(113,844)
Operating profit before changes in working capital	76,848	21,608	100,721	53,199
Changes in working capital	109,567	(893,565)	229,583	(870,378)
Taxation and zakat (paid)/refund	(48,301)	1,238	(58,155)	(13,131)
Net cash generated from/(used in) operating activities	138,114	(870,719)	272,149	(830,310)
Net cash generated from/(used in) investing activities	142,711	133,947	13,248	(115,114)
Net cash used in financing activities	(14,420)	(14,420)	(14,420)	(14,420)
Net changes in cash and cash equivalents	266,405	(751,192)	270,977	(959,844)
Cash and cash equivalents at beginning of the year	1,366,655	1,730,290	1,287,734	1,875,994
Cash and cash equivalents at end of the period	1,633,060	979,098	1,558,711	916,150
Cash and cash equivalents comprise:				
Cash and short-term funds	1,633,060	979,098	1,558,711	916,150

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 2013.

Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the 1st financial quarter ended 30 June 2013 have been prepared under the historical cost convention, as modified by the available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB").

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 2013. 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 2013.

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 2013, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2013:

- 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 134 "Interim financial reporting" (effective 1 January 2013)
- Amendments to MFRS 10, MFRS 11 and MFRS 12 "Consolidated financial statements, Joint arrangements and Disclosure of interests in other entities: Transition Guidance" (effective 1 January 2013)

The adoption of the above MFRSs and amendments to MFRSs did not have any financial impact to the Bank and the Group.

The following MFRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2014, 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)
- 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 2013 was not subject to any qualification.

A3 Seasonality or Cyclicalities of Operations

The operations of the Bank and the Group were not materially affected by any seasonal or cyclical fluctuations in the 1st financial quarter ended 30 June 2013.

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 1st financial quarter ended 30 June 2013.

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 1st financial quarter ended 30 June 2013.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance or repayment of debt and equity securities during the 1st financial quarter ended 30 June 2013.

A7 Dividend Paid

There were no dividend paid during the 1st financial quarter ended 30 June 2013.

A8 Significant Events

Disposal of 70% Equity interest in Alliance Investment Management Berhad ("AIMB")

The disposal of the 70% equity interest in AIMB by the Bank had been completed. AIMB ceased to be a subsidiary of the Bank with effect from 15 April 2013.

A9 Material Event Subsequent to the End of the Financial Reporting Period

There was no material event subsequent to the end of 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 1st financial quarter ended 30 June 2013.

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 (of which the Bank's exposure will be approximately RM32 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

	<u>GROUP</u>	
	30 June 2013 RM'000	31 March 2013 RM'000
Due from clients	63,197	34,205
Due from brokers	-	17,132
	63,197	51,337
Less:		
Allowance for other losses	(1,197)	(1,215)
	62,000	50,122

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:

	<u>GROUP</u>	
	30 June 2013 RM'000	31 March 2013 RM'000
Classified as doubtful	154	58
Classified as bad	1,231	1,290
	1,385	1,348

The movements in allowance for other losses are as follows:

At beginning of year	1,215	1,196
(Write-back)/allowance made during the period/year (net)	(18)	19
At end of period/year	1,197	1,215

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A14 Financial Assets Held-for-trading

	BANK		GROUP	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Bank Negara Malaysia bills	39,954	1,265,298	429,424	1,519,930
Malaysian Government securities	10,048	-	10,048	-
Malaysian Government investment certificates	80,102	-	80,102	-
Negotiable instruments of deposits	-	-	83,159	-
Total financial assets held-for-trading	130,104	1,265,298	602,733	1,519,930

A15 Financial Investments Available-for-sale

	BANK		GROUP	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government securities	1,662,059	971,385	1,994,071	1,265,606
Malaysian Government investment certificates	1,734,987	1,690,067	2,573,418	2,336,784
Negotiable instruments of deposits	1,338,462	1,801,738	1,197,292	1,676,828
Bankers' acceptances	749,067	1,669,269	1,063,408	2,113,749
Khazanah bonds	185,164	-	185,164	-
<u>Quoted securities in Malaysia:</u>				
Shares	9	9	9	9
<u>Unquoted securities:</u>				
Shares	109,130	99,463	150,119	137,383
Debt securities and medium term notes	2,351,341	2,196,075	3,003,879	2,832,091
Total financial investments available-for-sale	8,130,219	8,428,006	10,167,360	10,362,450

A16 Financial Investments Held-to-maturity

	BANK		GROUP	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
At amortised cost	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government securities	281,342	101,256	363,945	152,497
Malaysian Government investment certificates	-	-	434,801	438,766
Khazanah bonds	49,049	-	49,049	-
<u>Unquoted securities:</u>				
Debt securities	10,845	11,692	45,391	46,217
	341,236	112,948	893,186	637,480
Accumulated impairment	(10,381)	(11,231)	(39,614)	(40,531)
Total financial investments held-to-maturity	330,855	101,717	853,572	596,949

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A17 Loans, Advances and Financing

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Overdrafts	1,632,574	1,711,309	1,844,645	1,902,717
Term loans/financing				
- Housing loans/financing	9,239,394	8,918,988	11,380,045	10,980,836
- Syndicated term loans/financing	434,365	446,852	485,488	454,866
- Hire purchase receivables	686,940	583,118	904,141	820,934
- Other term loans/financing	7,012,898	6,888,893	8,564,874	8,511,897
Bills receivables	267,514	262,951	268,017	263,450
Trust receipts	157,522	155,090	174,869	176,776
Claims on customers under acceptance credits	1,719,372	1,797,526	2,178,528	2,262,586
Staff loans [including loans to Directors of a subsidiary of RM211,000 (31.03.13: RM219,000)]	22,197	23,984	46,711	50,120
Credit/charge card receivables	585,081	581,335	585,081	581,335
Revolving credits	976,427	1,029,328	1,139,649	1,197,953
Other loans	1,121,358	856,142	1,241,184	1,022,010
Gross loans, advances and financing	23,855,642	23,255,516	28,813,232	28,225,480
Add: Sales commissions and handling fees	43,803	42,873	24,730	23,935
Less: Allowance for impairment on loans, advances and financing				
- Individual assessment allowance	(96,393)	(95,282)	(131,601)	(128,471)
- Collective assessment allowance	(291,549)	(295,834)	(342,401)	(349,203)
Total net loans, advances and financing	23,511,503	22,907,273	28,363,960	27,771,741

A17a By type of customers:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions				
- Stockbroking companies	59,437	16,909	59,437	16,909
- Others	310,474	386,100	381,124	456,836
Domestic business enterprises				
- Small and medium enterprises	5,246,930	5,186,623	6,081,848	6,038,657
- Others	4,082,261	4,283,204	4,835,053	4,979,563
Government and statutory bodies	10,590	10,905	10,590	10,905
Individuals	13,242,594	12,478,558	16,424,787	15,714,244
Other domestic entities	247,441	248,195	247,602	248,380
Foreign entities	655,915	645,022	772,791	759,986
Gross loans, advances and financing	23,855,642	23,255,516	28,813,232	28,225,480

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A17 Loans, Advances and Financing (contd.)

A17b By interest/profit rate sensitivity:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	15,395	16,506	80,538	83,318
- Hire purchase receivables	686,940	583,118	904,141	820,934
- Other fixed rate loans/financing	1,190,591	948,731	2,003,716	1,843,089
Variable rate				
- Base lending rate plus	17,020,799	16,517,591	20,134,012	19,556,732
- Cost plus	4,704,791	4,964,962	5,435,817	5,668,573
- Other variable rates	237,126	224,608	255,008	252,834
Gross loans, advances and financing	23,855,642	23,255,516	28,813,232	28,225,480

A17c By economic purposes:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	1,176,474	910,565	1,296,300	1,076,433
Purchase of transport vehicles	595,208	493,059	819,187	737,908
Purchase of landed property	13,242,397	12,833,926	15,857,497	15,335,694
of which: - Residential	9,958,380	9,610,629	12,038,299	11,609,873
- Non-residential	3,284,017	3,223,297	3,819,198	3,725,821
Purchase of fixed assets				
excluding land & buildings	134,805	130,153	135,586	130,994
Personal use	1,052,568	1,010,044	1,925,296	1,952,851
Credit card	585,081	581,335	585,081	581,335
Construction	278,885	286,674	288,884	296,431
Mergers and acquisition	369,229	369,164	369,229	369,164
Working capital	5,144,200	5,374,053	6,032,870	6,266,473
Others	1,276,795	1,266,543	1,503,302	1,478,197
Gross loans, advances and financing	23,855,642	23,255,516	28,813,232	28,225,480

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A17 Loans, Advances and Financing (contd.)

A17d By geographical distribution:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Northern region	1,607,787	1,626,756	1,871,827	1,884,397
Central region	18,130,830	17,613,423	21,944,194	21,463,279
Southern region	2,101,188	1,981,896	2,619,051	2,492,437
East Malaysia region	2,015,837	2,033,441	2,378,160	2,385,367
Gross loans, advances and financing	23,855,642	23,255,516	28,813,232	28,225,480

A17e By residual contractual maturity:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Within one year	6,840,525	6,775,321	7,858,909	7,839,679
One year to three years	578,429	600,314	769,759	776,896
Three years to five years	979,193	971,161	1,333,152	1,318,636
Over five years	15,457,495	14,908,720	18,851,412	18,290,269
Gross loans, advances and financing	23,855,642	23,255,516	28,813,232	28,225,480

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

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
At beginning of year	472,533	535,912	579,233	629,236
Impaired during the period/year	101,939	388,936	141,854	524,030
Reclassified as non-impaired during the period/year	(62,454)	(249,057)	(79,504)	(315,366)
Recoveries	(59,555)	(125,830)	(66,529)	(156,795)
Amount written-off	(9,292)	(77,428)	(15,333)	(101,872)
At end of period/year	443,171	472,533	559,721	579,233
Gross impaired loans as a percentage of gross loans, advances and financing	1.9%	2.0%	1.9%	2.1%

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A17 Loans, Advances and Financing (contd.)

A17g Impaired loans by economic purposes:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	3,743	3,741	5,278	5,092
Purchase of transport vehicles	3,057	2,011	5,971	5,611
Purchase of landed property	244,532	238,687	294,111	282,371
of which: - Residential	197,647	186,289	231,379	213,718
- Non-residential	46,885	52,398	62,732	68,653
Purchase of fixed assets excluding land & buildings	202	204	202	204
Personal use	21,668	20,176	33,922	32,089
Credit card	9,346	9,107	9,346	9,107
Construction	8,875	11,330	8,875	11,330
Working capital	127,124	157,559	165,647	197,330
Others	24,624	29,718	36,369	36,099
Gross impaired loans	443,171	472,533	559,721	579,233

A17h Impaired loans by geographical distribution:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Northern region	64,818	86,889	90,117	112,029
Central region	300,623	307,875	382,896	379,755
Southern region	32,037	33,245	39,420	40,911
East Malaysia region	45,693	44,524	47,288	46,538
Gross impaired loans	443,171	472,533	559,721	579,233

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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>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Individual assessment allowance				
At beginning of year	95,282	132,263	128,471	157,966
Allowance made				
during the period/year (net)	3,031	12,237	6,620	19,674
Amount written-off	(741)	(47,639)	(1,456)	(47,649)
Transfers to collective assessment allowance	(1,179)	(1,579)	(2,034)	(1,520)
At end of period/year	96,393	95,282	131,601	128,471

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Collective assessment allowance				
At beginning of year	295,834	332,345	349,203	393,872
Allowance made/(write-back) during the period/year (net)	3,087	(8,301)	5,041	8,034
Amount written-off	(8,551)	(29,789)	(13,877)	(54,223)
Transfers from individual assessment allowance	1,179	1,579	2,034	1,520
At end of period/year	291,549	295,834	342,401	349,203

A18 Other Assets

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayment	103,550	94,030	107,600	99,139
Trade receivables	-	-	1	1
Amount due from subsidiaries	37,173	819	-	-
Amount due from holding company	-	122	1	122
	140,723	94,971	107,602	99,262
Less:				
Allowance for other losses	(17,826)	(16,955)	(24,693)	(23,760)
	122,897	78,016	82,909	75,502

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

Subsidiary held for sale

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	-	-	-	12,486
Deposits and placements with banks and other financial institutions	-	-	-	7,069
Other assets	-	-	-	12,802
Tax recoverable	-	-	-	338
Investments in subsidiaries	-	8,844	-	-
Property, plant and equipment	-	-	-	8
Deferred tax assets	-	-	-	301
Computer software	-	-	-	68
	-	8,844	-	33,072
Goodwill	-	-	-	2,107
Total Assets of subsidiary held for sale	-	8,844	-	35,179
LIABILITIES				
Other liabilities	-	-	-	19,291
Total liabilities of subsidiary held for sale	-	-	-	19,291

The disposal of the 70% equity interest in AIMB by the Bank had been completed. AIMB ceased to be a subsidiary of the Bank with effect from 15 April 2013.

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A20 Deposits from Customers

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
A20a <u>By type of deposits:</u>				
Demand deposits	9,426,337	8,776,633	11,046,806	10,386,444
Savings deposits	1,430,788	1,413,147	1,735,700	1,712,779
Fixed/investment deposits	14,057,277	14,702,976	16,656,880	17,125,909
Money market deposits	3,016,682	3,324,683	4,280,440	4,681,008
Negotiable instruments of deposits	1,609,483	1,754,640	1,804,674	1,973,601
Structured deposits [Note]	204,163	144,558	204,163	144,558
	29,744,730	30,116,637	35,728,663	36,024,299

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 RM161,408,000 (31.03.13: RM105,804,000) using interest rate swaps.

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2012
	RM'000	RM'000	RM'000	RM'000
Structured deposits	161,408	105,804	161,408	105,804
Fair value changes arising from fair value hedges	(5,406)	(1,748)	(5,406)	(1,748)
	156,002	104,056	156,002	104,056

The fair value loss of the interest rate swap in this hedge transaction as at financial period ended 30 June 2013 is RM5,406,000 (31.03.13: RM1,748,000).

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A20 Deposits from Customers (contd.)

A20b By type of customers:

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Domestic financial institutions	1,615,769	1,758,367	1,810,961	2,402,307
Government and statutory bodies	905,237	1,136,760	1,301,207	1,474,286
Business enterprises	11,226,790	10,715,081	13,508,044	12,934,165
Individuals	14,844,927	14,877,194	16,158,118	16,205,037
Others	1,152,007	1,632,235	2,950,333	3,008,504
	29,744,730	30,119,637	35,728,663	36,024,299

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

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Due within six months	15,151,048	15,821,917	17,581,586	19,182,840
Six months to one year	3,467,133	3,897,854	5,092,456	4,468,776
One year to three years	52,031	47,643	53,314	112,328
Three years to five years	13,230	14,885	14,638	16,574
	18,683,442	19,782,299	22,741,994	23,780,518

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A21 Deposits and Placements of Banks and Other Financial Institutions

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Licensed banks	570,473	590,161	1,070,731	790,228
Licensed Investment banks	-	150,837	100,076	425,940
Licensed Islamic banks	-	-	171,100	150,342
Bank Negara Malaysia	1,160,572	569,111	1,233,474	643,486
Other financial institutions	-	-	50,012	-
	<u>1,731,045</u>	<u>1,310,109</u>	<u>2,625,393</u>	<u>2,009,996</u>

A22 Balances Due To Clients And Brokers

	<u>GROUP</u>	
	30 June	31 March
	2013	2013
	RM'000	RM'000
Due to clients	30,533	30,852
Due to brokers	5,692	-
	<u>36,225</u>	<u>30,852</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 RM71,342,000 (31.3.13: RM63,290,000) have been excluded accordingly.

A23 Other Liabilities

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
Other payable and accruals	778,378	736,927	858,016	801,004
Remisier's accounts	-	-	21,523	21,108
Amount due to holding company	44	14,032	64	47
	<u>778,422</u>	<u>750,959</u>	<u>879,603</u>	<u>822,159</u>

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A24 Interest Income

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Loans, advances and financing	270,921	234,521	270,921	234,521
Money at call and deposit placements with financial institutions	5,155	4,529	5,155	4,529
Financial assets held-for-trading	683	1,280	683	1,280
Financial investments available-for-sale	58,715	54,609	58,715	54,609
Financial investments held-to-maturity	1,113	2,018	1,113	2,018
Others	230	375	230	375
	336,817	297,332	336,817	297,332
Accretion of discount less amortisation of premium	24,687	34,636	24,687	34,636
	361,504	331,968	361,504	331,968
<u>GROUP</u>				
Loans, advances and financing	279,379	243,723	279,379	243,723
Money at call and deposit placements with financial institutions	3,431	4,351	3,431	4,351
Financial assets held-for-trading	837	1,280	837	1,280
Financial investments available-for-sale	61,289	59,488	61,289	59,488
Financial investments held-to-maturity	1,659	2,933	1,659	2,933
Others	230	375	230	375
	346,825	312,150	346,825	312,150
Accretion of discount less amortisation of premium	28,106	36,440	28,106	36,440
	374,931	348,590	374,931	348,590

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A25 Interest Expense

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Deposits and placements of banks and other financial institutions	6,195	8,870	6,195	8,870
Deposits from customers	166,001	147,634	166,001	147,634
Subordinated obligations	7,301	7,296	7,301	7,296
Others	1,090	952	1,090	952
	180,587	164,752	180,587	164,752
<u>GROUP</u>				
Deposits and placements of banks and other financial institutions	9,904	13,072	9,904	13,072
Deposits from customers	172,394	153,435	172,394	153,435
Subordinated obligations	7,302	7,296	7,302	7,296
Others	1,090	983	1,090	983
	190,690	174,786	190,690	174,786

A26 Net Income from Islamic Banking Business

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>GROUP</u>				
Income derived from investment of depositors' funds and others	74,870	83,292	74,870	83,292
Income derived from investment of Islamic Banking funds	8,026	8,794	8,026	8,794
Income attributable to depositors and financial institutions	(36,545)	(36,456)	(36,545)	(36,456)
	46,351	55,630	46,351	55,630
Add: Income due to head office eliminated at Group level	7,506	7,460	7,506	7,460
	53,857	63,090	53,857	63,090

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A27 Other Operating Income

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
<u>BANK</u>	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	22,386	17,889	22,386	17,889
Service charges and fees	7,955	8,874	7,955	8,874
Guarantee fees	2,423	2,078	2,423	2,078
Processing fees	2,997	657	2,997	657
Commitment fees	3,588	3,633	3,588	3,633
Other fee income	33,382	2,263	33,382	2,263
	72,731	35,394	72,731	35,394
(b) <u>Investment income:</u>				
(Loss)/gain arising from sale/redemption of:				
- Financial assets held-for-trading	(841)	698	(841)	698
- Financial investments available-for-sale	14,384	12,933	14,384	12,933
- Financial investments held-to-maturity	856	20	856	20
Marked-to-market revaluation of:				
- Financial assets held-for-trading	(139)	145	(139)	145
- Derivative instruments	24	360	24	360
Realised gain on revaluation of derivative instruments	2,117	803	2,117	803
Gross dividend income from:				
- Financial investments available-for-sale	3,610	2,336	3,610	2,336
	20,011	17,295	20,011	17,295
(c) <u>Other income:</u>				
Foreign exchange gain	16,775	13,298	16,775	13,298
Rental income	99	83	99	83
(Loss)/gain on disposal of property, plant and equipment	(5)	1,654	(5)	1,654
Gain from disposal of a subsidiary	3,361	-	3,361	-
Others	4,091	5,128	4,091	5,128
	24,321	20,163	24,321	20,163
Total other operating income	117,063	72,852	117,063	72,852

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A27 Other Operating Income (contd.)

GROUP	1st Quarter Ended		Three Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
(a) <u>Fee income:</u>				
Commissions	21,835	17,828	21,835	17,828
Service charges and fees	8,342	9,284	8,342	9,284
Portfolio management fees	7	1,778	7	1,778
Corporate advisory fees	1,293	1,893	1,293	1,893
Brokerage fees	4,286	2,683	4,286	2,683
Guarantee fees	2,692	2,078	2,692	2,078
Processing fees	5,569	846	5,569	846
Commitment fees	3,594	3,633	3,594	3,633
Underwriting commissions	-	18	-	18
Other fee income	33,382	2,264	33,382	2,264
	81,000	42,305	81,000	42,305
(b) <u>Investment income:</u>				
(Loss)/gain arising from sale/redemption of:				
- Financial assets held-for-trading	(841)	698	(841)	698
- Financial investments available-for-sale	16,436	15,187	16,436	15,187
- Financial investments held-to-maturity	1,002	20	1,002	20
Marked-to-market revaluation of:				
- Financial assets held-for-trading	(139)	145	(139)	145
- Derivative instruments	24	360	24	360
Realised gain on revaluation of derivative instruments	2,117	803	2,117	803
Gross dividend income from:				
- Financial investments available-for-sale	3,880	2,622	3,880	2,622
	22,479	19,835	22,479	19,835
(c) <u>Other income :</u>				
Foreign exchange gain	16,840	13,369	16,840	13,369
(Loss)/gain on disposal of property, plant and equipment	(5)	1,578	(5)	1,578
Gain from disposal of a subsidiary	1,169	-	1,169	-
Others	4,374	5,283	4,374	5,283
	22,378	20,230	22,378	20,230
Total other operating income	125,857	82,370	125,857	82,370

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A28 Other Operating Expenses

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Personnel costs				
- Salaries, allowances and bonuses	53,972	62,659	53,972	62,659
- Contribution to EPF	9,331	9,949	9,331	9,949
- Share options/grants under ESS	1,934	1,973	1,934	1,973
- Others	30,289	5,295	30,289	5,295
	95,526	79,876	95,526	79,876
Establishment costs				
- Depreciation of property, plant and equipment	5,636	7,209	5,636	7,209
- Amortisation of computer software	5,253	4,898	5,253	4,898
- Rental of premises	5,464	5,161	5,464	5,161
- Water and electricity	1,299	1,235	1,299	1,235
- Repairs and maintenance	2,471	1,610	2,471	1,610
- Information technology expenses	7,746	7,811	7,746	7,811
- Others	771	(653)	771	(653)
	28,640	27,271	28,640	27,271
Marketing expenses				
- Promotion and advertisement	325	2,344	325	2,344
- Branding and publicity	636	826	636	826
- Others	879	1,039	879	1,039
	1,840	4,209	1,840	4,209
Administration and general expenses				
- Communication expenses	2,041	2,588	2,041	2,588
- Printing and stationery	1,100	682	1,100	682
- Insurance	1,906	1,753	1,906	1,753
- Professional fees	4,425	1,996	4,425	1,996
- Others	1,956	2,899	1,956	2,899
	11,428	9,918	11,428	9,918
Total other operating expenses	137,434	121,274	137,434	121,274

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A28 Other Operating Expenses (contd.)

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
GROUP				
Personnel costs				
- Salaries, allowances and bonuses	73,481	83,784	73,481	83,784
- Contribution to EPF	12,628	13,344	12,628	13,344
- Share options/grants under ESS	2,169	1,984	2,169	1,984
- Others	31,829	7,254	31,829	7,254
	120,107	106,366	120,107	106,366
Establishment costs				
- Depreciation of property, plant and equipment	5,781	7,317	5,781	7,317
- Amortisation of computer software	5,322	4,967	5,322	4,967
- Rental of premises	7,131	7,089	7,131	7,089
- Water and electricity	1,842	1,449	1,842	1,449
- Repairs and maintenance	3,152	2,270	3,152	2,270
- Information technology expenses	9,834	10,341	9,834	10,341
- Others	3,329	2,525	3,329	2,525
	36,391	35,958	36,391	35,958
Marketing expenses				
- Promotion and advertisement	1,409	2,991	1,409	2,991
- Branding and publicity	691	826	691	826
- Others	1,145	1,328	1,145	1,328
	3,245	5,145	3,245	5,145
Administration and general expenses				
- Communication expenses	2,879	3,412	2,879	3,412
- Printing and stationery	1,313	960	1,313	960
- Insurance	2,058	1,997	2,058	1,997
- Professional fees	5,663	3,097	5,663	3,097
- Others	2,234	3,437	2,234	3,437
	14,147	12,903	14,147	12,903
Total other operating expenses	173,890	160,372	173,890	160,372

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

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>				
Allowance for/(write-back of) for impaired loans and financing:				
(a) Individual assessment allowance				
- allowance made/(write-back) during the period (net)	3,031	(2,060)	3,031	(2,060)
(b) Collective assessment allowance				
- allowance made/(write-back) during the period (net)	3,087	(5,177)	3,087	(5,177)
(c) Bad debts on loans and financing				
- Recovered	(8,906)	(8,435)	(8,906)	(8,435)
- Written-off	3,201	2,981	3,201	2,981
	413	(12,691)	413	(12,691)
Allowance for other assets	870	1,421	870	1,421
	1,283	(11,270)	1,283	(11,270)
<u>GROUP</u>				
Allowance for/(write-back of) for impaired loans and financing:				
(a) Individual assessment allowance				
- allowance made/(write-back) during the period (net)	6,620	(3,624)	6,620	(3,624)
(b) Collective assessment allowance				
- allowance made/(write-back) during the period (net)	5,041	(239)	5,041	(239)
(c) Bad debts on loans and financing				
- Recovered	(11,735)	(10,914)	(11,735)	(10,914)
- Written-off	5,172	4,504	5,172	4,504
	5,098	(10,273)	5,098	(10,273)
Allowance for other assets	916	1,487	916	1,487
	6,014	(8,786)	6,014	(8,786)

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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>				
30 June 2013				
<u>Credit-related exposures</u>				
Direct credit substitutes	334,971	-	334,971	334,971
Transaction-related contingent items	556,741	-	278,370	278,370
Short-term self-liquidating trade-related contingencies	108,237	-	21,647	21,647
Irrevocable commitments to extend credit:				
- maturity exceeding one year	4,299,273	-	2,149,637	1,721,644
- maturity not exceeding one year	4,715,439	-	943,088	857,885
unutilised credit card lines	1,296,267	-	259,253	203,883
	<u>11,310,928</u>	<u>-</u>	<u>3,986,966</u>	<u>3,418,400</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	6,440,677	67,884	139,463	64,960
- over one year to three years	63,295	12	3,165	1,582
Interest rate related contracts:				
- one year or less	1,080,000	439	1,799	360
- over one year to three years	1,125,000	2,222	18,722	3,744
- over three years	532,816	1,867	25,613	13,561
Equity related contracts				
- one year or less	16,520	130	1,322	834
- over one year to three years	80,272	1,389	6,837	4,260
	<u>9,338,580</u>	<u>73,943</u>	<u>196,921</u>	<u>89,301</u>
	<u>20,649,508</u>	<u>73,943</u>	<u>4,183,887</u>	<u>3,507,701</u>

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A30 Commitments and Contingencies (contd.)

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>Group</u>				
30 June 2013				
<u>Credit-related exposures</u>				
Direct credit substitutes	383,066	-	383,066	383,066
Transaction-related contingent items	590,275	-	295,138	295,138
Short-term self-liquidating trade-related contingencies	124,747	-	24,949	24,949
Irrevocable commitments to extend credit:				
- maturity exceeding one year	4,943,167	-	2,471,583	1,973,665
- maturity not exceeding one year	5,591,247	-	1,118,249	963,929
unutilised credit card lines	1,296,267	-	259,253	203,883
	<u>12,928,769</u>	<u>-</u>	<u>4,552,238</u>	<u>3,844,630</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	6,440,677	67,884	139,463	64,960
- over one year to three years	63,295	12	3,165	1,582
Interest rate related contracts:				
- one year or less	1,080,000	439	1,799	360
- over one year to three years	1,125,000	2,222	18,722	3,744
- over three years	532,816	1,867	25,613	13,561
Equity related contracts				
- one year or less	16,520	130	1,322	834
- over one year to three years	80,272	1,389	6,837	4,260
	<u>9,338,580</u>	<u>73,943</u>	<u>196,921</u>	<u>89,301</u>
	<u>22,267,349</u>	<u>73,943</u>	<u>4,749,159</u>	<u>3,933,931</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
Bank				
31 March 2013				
<u>Credit-related exposures</u>				
Direct credit substitutes	338,044	-	338,044	338,044
Transaction-related contingent items	546,968	-	273,484	273,484
Short-term self-liquidating trade-related contingencies	114,653	-	22,931	22,931
Irrevocable commitments to extend credit:				
- maturity exceeding one year	4,334,151	-	2,167,075	1,739,319
- maturity not exceeding one year	4,370,367	-	874,073	792,789
unutilised credit card lines	1,388,811	-	277,762	217,673
	<u>11,092,994</u>	<u>-</u>	<u>3,953,369</u>	<u>3,384,240</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	3,938,112	14,407	58,978	28,489
Interest rate related contracts:				
- one year or less	1,060,000	640	2,374	475
- over one year to three years	775,000	2,521	15,521	3,104
- over three years	421,608	1,933	20,560	9,719
Equity related contracts:				
- over one year to three year	54,032	291	4,817	2,697
	<u>6,248,752</u>	<u>19,792</u>	<u>102,250</u>	<u>44,484</u>
	<u>17,341,746</u>	<u>19,792</u>	<u>4,055,619</u>	<u>3,428,724</u>
Group				
31 March 2013				
<u>Credit-related exposures</u>				
Direct credit substitutes	387,122	-	387,122	387,122
Transaction-related contingent items	585,435	-	292,717	292,717
Short-term self-liquidating trade-related contingencies	140,311	-	28,062	28,062
Irrevocable commitments to extend credit:				
- maturity exceeding one year	5,027,371	-	2,513,685	2,010,313
- maturity not exceeding one year	5,301,405	-	1,060,281	909,385
unutilised credit card lines	1,388,811	-	277,762	217,673
	<u>12,830,455</u>	<u>-</u>	<u>4,559,629</u>	<u>3,845,272</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	3,938,112	14,407	58,978	28,489
Interest rate related contracts:				
- one year or less	1,060,000	640	2,374	475
- over one year to three years	775,000	2,521	15,521	3,104
- over three years	421,608	1,933	20,560	9,719
Equity related contracts:				
- over one year to three year	54,032	291	4,817	2,697
	<u>6,248,752</u>	<u>19,792</u>	<u>102,250</u>	<u>44,484</u>
	<u>19,079,207</u>	<u>19,792</u>	<u>4,661,879</u>	<u>3,889,756</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 30 June 2013			As at 31 March 2013		
	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	808,259	11,113	(6,705)	766,579	2,571	(4,572)
Currency swaps						
- one year or less	5,410,124	52,791	(50,294)	2,972,174	11,465	(5,918)
- over one year to three years	63,295	12	-	-	-	-
Currency spots						
- one year or less	143,157	149	(367)	119,254	162	(152)
Currency options						
- one year or less	71,468	288	(146)	80,105	209	(105)
DCI Gold						
- one year or less	7,669	3,543	(3,535)	-	-	-
	6,503,972	67,896	(61,047)	3,938,112	14,407	(10,747)
Interest rate derivatives						
Interest rate swap	2,415,000	4,528	(2,626)	2,045,000	5,094	(3,084)
- one year or less	1,080,000	439	(483)	1,060,000	640	(753)
- over one year to three years	1,125,000	2,222	(802)	775,000	2,521	(892)
- over three years	210,000	1,867	(1,341)	210,000	1,933	(1,439)
Equity related contracts						
- one year or less	16,520	130	(130)	54,032	291	(291)
- over one year to three years	80,272	1,389	(1,389)	-	-	-
Hedging Derivatives						
Interest rate swap						
- over three years	322,816	-	(5,406)	211,608	-	(1,748)
Total derivatives assets/(liabilities)	9,338,580	73,943	(70,598)	6,248,752	19,792	(15,870)

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 2013.

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.

A32 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 alternative distribution channels, trustee services and head office.

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A32 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
1st Quarter ended 30 June 2013								
Net interest income								
- External income	66,795	74,681	43,800	1,561	74	186,911	(2,670)	184,241
- inter-segment	6,028	5,460	(10,373)	(1,115)	-	-	-	-
	<u>72,823</u>	<u>80,141</u>	<u>33,427</u>	<u>446</u>	<u>74</u>	<u>186,911</u>	<u>(2,670)</u>	<u>184,241</u>
Net income from Islamic banking business	22,965	15,838	7,548	-	-	46,351	7,506	53,857
Other operating income	58,557	35,041	26,551	8,253	4,173	132,575	(6,718)	125,857
Net income	<u>154,345</u>	<u>131,020</u>	<u>67,526</u>	<u>8,699</u>	<u>4,247</u>	<u>365,837</u>	<u>(1,882)</u>	<u>363,955</u>
Other operating expenses	(70,396)	(63,665)	(18,239)	(5,815)	(6,507)	(164,622)	1,835	(162,787)
Depreciation and amortisation	(5,642)	(3,717)	(1,593)	(151)	-	(11,103)	-	(11,103)
Operating profit/(loss)	<u>78,307</u>	<u>63,638</u>	<u>47,694</u>	<u>2,733</u>	<u>(2,260)</u>	<u>190,112</u>	<u>(47)</u>	<u>190,065</u>
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	<u>(8,246)</u>	<u>2,171</u>	<u>45</u>	<u>16</u>	<u>-</u>	<u>(6,014)</u>	<u>-</u>	<u>(6,014)</u>
Segment result	<u>70,061</u>	<u>65,809</u>	<u>47,739</u>	<u>2,749</u>	<u>(2,260)</u>	<u>184,098</u>	<u>(47)</u>	<u>184,051</u>
Share of results of associates								3
Taxation and zakat								<u>(46,158)</u>
Net profit after taxation and zakat								<u><u>137,896</u></u>
Segment assets	<u>17,032,741</u>	<u>11,043,101</u>	<u>17,239,684</u>	<u>200,019</u>	<u>21,430</u>	<u>45,536,975</u>	<u>(1,906,473)</u>	<u>43,630,502</u>
Reconciliation of segment assets to consolidated assets:								
Investments in associates								500
Property, plant and equipment								80,144
Unallocated assets								11,547
Intangible assets								<u>353,644</u>
Total assets								<u><u>44,076,337</u></u>
Segment Liabilities	<u>17,002,005</u>	<u>13,962,260</u>	<u>9,995,517</u>	<u>64,175</u>	<u>11,890</u>	<u>41,035,847</u>	<u>(1,074,392)</u>	<u>39,961,455</u>
Unallocated liabilities								<u>29,717</u>
Total liabilities								<u><u>39,991,172</u></u>

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A32 Segment information (contd.)

<u>Group</u> As at 30 June 2013	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Investment Banking RM'000	Others RM'000	Total Operations RM'000	Inter-segment Elimination RM'000	Total RM'000
Net interest income								
- External income	66,795	74,681	43,800	1,561	74	186,911	(2,670)	184,241
- inter-segment	6,028	5,460	(10,373)	(1,115)	-	-	-	-
	72,823	80,141	33,427	446	74	186,911	(2,670)	184,241
Net income from Islamic banking business	22,965	15,838	7,548	-	-	46,351	7,506	53,857
Other operating income	58,557	35,041	26,551	8,253	4,173	132,575	(6,718)	125,857
Net income	154,345	131,020	67,526	8,699	4,247	365,837	(1,882)	363,955
Other operating expenses	(70,396)	(63,665)	(18,239)	(5,815)	(6,507)	(164,622)	1,835	(162,787)
Depreciation and amortisation	(5,642)	(3,717)	(1,593)	(151)	-	(11,103)	-	(11,103)
Operating profit/(loss)	78,307	63,638	47,694	2,733	(2,260)	190,112	(47)	190,065
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(8,246)	2,171	45	16	-	(6,014)	-	(6,014)
Segment result	70,061	65,809	47,739	2,749	(2,260)	184,098	(47)	184,051
Share of results of associates								3
Taxation and zakat								(46,158)
Net profit after taxation and zakat								137,896
Segment assets	17,032,741	11,043,101	17,239,684	200,019	21,430	45,536,975	(1,906,473)	43,630,502
Reconciliation of segment assets to consolidated assets:								
Investments in associates								500
Property, plant and equipment								80,144
Unallocated assets								11,547
Intangible assets								353,644
Total assets								44,076,337
Segment Liabilities	17,002,005	13,962,260	9,995,517	64,175	11,890	41,035,847	(1,074,392)	39,961,455
Unallocated liabilities								29,717
Total liabilities								39,991,172

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A32 Segment information (contd.)

<u>Group</u>	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
1st Quarter ended 30 June 2012								
Net interest income								
- External income	42,111	72,664	59,377	1,505	(1,419)	174,238	(434)	173,804
- inter-segment	23,279	1,175	(23,380)	(1,074)	-	-	-	-
	65,390	73,839	35,997	431	(1,419)	174,238	(434)	173,804
Net income from Islamic banking business	28,250	15,685	11,695	-	-	55,630	7,460	63,090
Other operating income	24,276	33,236	18,066	4,803	9,108	89,489	(7,119)	82,370
Net income	117,916	122,760	65,758	5,234	7,689	319,357	(93)	319,264
Other operating expenses	(69,225)	(55,984)	(12,025)	(6,644)	(6,071)	(149,949)	1,861	(148,088)
Depreciation and amortisation	(5,780)	(4,528)	(1,882)	(80)	(14)	(12,284)	-	(12,284)
Operating profit/(loss)	42,911	62,248	51,851	(1,490)	1,604	157,124	1,768	158,892
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(4,026)	13,026	(164)	(50)	-	8,786	-	8,786
Write-back of impairment	-	-	473	-	-	473	-	473
Segment result	38,885	75,274	52,160	(1,540)	1,604	166,383	1,768	168,151
Share of results of associates								(1,108)
Taxation and zakat								(41,770)
Net profit after taxation and zakat								125,273
Segment assets	14,497,373	10,752,323	16,116,062	253,988	49,887	41,669,633	(2,125,513)	39,544,120
Reconciliation of segment assets to consolidated assets:								
Investments in associates								25,927
Property, plant and equipment								88,444
Unallocated assets								13,536
Intangible assets								356,032
Total assets								40,028,059
Segment Liabilities	16,457,492	10,658,798	10,119,075	109,919	18,977	37,364,261	(1,272,568)	36,091,693
Unallocated liabilities								78,300
Total liabilities								36,169,993

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A32 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 30 June 2012								
Net interest income								
- External income	42,111	72,664	59,377	1,505	(1,419)	174,238	(434)	173,804
- inter-segment	23,279	1,175	(23,380)	(1,074)	-	-	-	-
	65,390	73,839	35,997	431	(1,419)	174,238	(434)	173,804
Net income from Islamic banking business	28,250	15,685	11,695	-	-	55,630	7,460	63,090
Other operating income	24,276	33,236	18,066	4,803	9,108	89,489	(7,119)	82,370
Net income	117,916	122,760	65,758	5,234	7,689	319,357	(93)	319,264
Other operating expenses	(69,225)	(55,984)	(12,025)	(6,644)	(6,071)	(149,949)	1,861	(148,088)
Depreciation and amortisation	(5,780)	(4,528)	(1,882)	(80)	(14)	(12,284)	-	(12,284)
Operating profit	42,911	62,248	51,851	(1,490)	1,604	157,124	1,768	158,892
(Allowance for)/write-back of impairment on loans, advances and financing and other losses	(4,026)	13,026	(164)	(50)	-	8,786	-	8,786
Write-back of impairment	-	-	473	-	-	473	-	473
Segment result	38,885	75,274	52,160	(1,540)	1,604	166,383	1,768	168,151
Share of results of associates								(1,108)
Taxation and zakat								(41,770)
Net profit after taxation and zakat								125,273
Segment assets	14,497,373	10,752,323	16,116,062	253,988	49,887	41,669,633	(2,125,513)	39,544,120
Reconciliation of segment assets to consolidated assets:								
Investments in associates								25,927
Property, plant and equipment								88,444
Unallocated assets								13,536
Intangible assets								356,032
Total assets								40,028,059
Segment Liabilities	16,457,492	10,658,798	10,119,075	109,919	18,977	37,364,261	(1,272,568)	36,091,693
Unallocated liabilities								78,300
Total liabilities								36,169,993

A33 Capital Adequacy

The capital adequacy ratios of the Bank and the Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework issued on 28 November 2012. The Framework sets out the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Bank and the Group are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

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

	<u>BANK</u>		<u>GROUP</u>	
	30 June 2013	31 March 2013	30 June 2013	31 March 2013
<u>Before deducting proposed dividends</u>				
CET I capital ratio	11.859%	12.235%	10.928%	11.221%
Tier I capital ratio	13.240%	13.617%	12.330%	12.657%
Total capital ratio	13.240%	13.617%	14.974%	15.369%
<u>After deducting proposed dividends</u>				
CET I capital ratio	11.158%	11.514%	10.341%	10.620%
Tier I capital ratio	12.539%	12.896%	11.743%	12.056%
Total capital ratio	12.539%	12.896%	14.387%	14.769%

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A33 Capital Adequacy (contd.)

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

	<u>BANK</u>		<u>GROUP</u>	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	RM'000	RM'000	RM'000	RM'000
<u>CET I Capital</u>				
Paid-up share capital	596,517	596,517	596,517	596,517
Share premium	201,517	201,517	201,517	201,517
Retained profits	1,641,549	1,641,549	1,749,256	1,749,256
Statutory reserves	601,561	601,561	885,744	885,744
Revaluation reserves	61,974	85,257	86,916	115,397
Other reserves	-	-	10,018	10,018
	3,103,118	3,126,401	3,529,968	3,558,449
Less: Regulatory adjustment				
- Goodwill and other intangibles	(239,289)	(241,961)	(353,644)	(358,275)
- Deferred tax assets	-	-	(11,142)	(11,040)
- 55% of revaluation reserve	(34,086)	(46,891)	(47,804)	(63,468)
Total CET I capital	2,829,743	2,837,549	3,117,378	3,125,666
<u>Tier I Capital</u>				
ICPS	4,000	4,000	4,000	4,000
Share premium	396,000	396,000	396,000	396,000
Less: Regulatory adjustment				
- Investment in subsidiaries and associates	(70,408)	(79,467)	-	-
Total additional Tier I capital	329,592	320,533	400,000	400,000
Total Tier I capital	3,159,335	3,158,082	3,517,378	3,525,666
<u>Tier II Capital</u>				
Subordinated obligations	538,577	538,495	538,577	538,495
Collective assessment allowance	184,065	183,932	219,737	221,153
Less: Regulatory adjustment				
- Investment in subsidiaries and associates	(722,642)	(722,427)	(4,120)	(4,117)
Total Tier II capital	-	-	754,194	755,531
Total Capital	3,159,335	3,158,082	4,271,572	4,281,197

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A33 Capital Adequacy (contd.)

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

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
30 June 2013		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	13.043%	82.176%
Tier I capital ratio	13.043%	82.176%
Total capital ratio	13.812%	82.292%
<u>After deducting proposed dividends</u>		
CET I capital ratio	13.043%	81.080%
Tier I capital ratio	13.043%	81.080%
Total capital ratio	13.812%	81.196%
31 March 2013		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	12.927%	96.235%
Tier I capital ratio	12.927%	96.235%
Total capital ratio	13.718%	96.398%
<u>After deducting proposed dividends</u>		
CET I capital ratio	12.927%	94.956%
Tier I capital ratio	12.927%	94.956%
Total capital ratio	13.718%	95.119%

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

	BANK		GROUP	
	30 June 2013 RM'000	31 March 2013 RM'000	30 June 2013 RM'000	31 March 2013 RM'000
Credit risk	21,641,082	21,056,859	25,756,809	25,175,746
Market risk	115,264	74,054	122,793	76,045
Operational risk	2,105,061	2,060,540	2,647,498	2,603,941
Total RWA and capital requirements	23,861,407	23,191,453	28,527,100	27,855,732

PART B - Review of Performance & Current Year Prospect

B1 Review of Performance

The Group recorded profit before taxation and zakat of RM184.0 million for the first quarter ended 30 June 2013, an increase of 10.2% over the corresponding period last year. Net profit after taxation and zakat improved by RM12.6 million or 10.1% to RM137.9 million. The improved earnings were attributed to an increase of RM10.4 million or 6.0% in net interest income and higher other operating income by RM43.5 million or 52.8%. These were partly offset by allowance for impaired loans and financing of RM6.0 million and higher other operating expenses by RM13.5 million or 8.4% as business expanded.

The higher net interest income was driven by healthy loans growth of 11.5% to RM28.8 billion as at 30 June 2013 from RM25.8 billion a year ago. Total deposits from customers registered a growth of 13.1% to RM35.7 billion as at 30 June 2013, with CASA deposits increasing by RM1.5 billion or 13.6% to RM12.8 billion from 30 June 2012.

Other operating income registered a 52.8% growth mainly due to higher fee income. Accordingly, the non-interest income ratio had risen to 35.4%, from 27.3% a year ago.

Asset quality registered further improvement, with the gross impaired loans ratio declining to 1.9%, from 2.4% as of 30 June 2012. The net impaired loans ratio stood at 1.1%, and the Group's loan loss coverage was 84.7% as at 30 June 2013.

The Group's total capital ratio remained strong at 14.4%, with Common Equity Tier 1 ratio at 10.3%.

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 registered profit before taxation of RM70.1 million for the first quarter ended 30 June 2013, which was RM31.2 million higher compared to the corresponding period last year. The increase was due to higher fee income and net interest income as loans growth accelerated by 19.3% from a year ago. This was partly offset by lower net income from Islamic banking and higher collective loan loss allowance, arising from higher loans growth. Segment assets stood at RM17.0 billion, as at 30 June 2013.

Business Banking recorded profit before taxation of RM65.8 million for the first quarter ended 30 June 2013, which was 12.6% lower compared to the corresponding period last year due to lower write-back of allowance for impaired loans. Segment assets stood at RM11.0 billion as at 30 June 2013.

Financial Markets registered profit before taxation of RM47.7 million for the first quarter ended 30 June 2013, a reduction of 8.5% compared to the corresponding period last year due to higher other operating expenses.

Investment Banking reported profit before taxation of RM2.7 million for the first quarter ended 30 June 2013, with improvements from better fee and brokerage income.

B2 Current Year Prospect

With the Malaysian economy expected to register a gross domestic product (“GDP”) growth of between 5% - 6% in 2013, the Group will continue to capitalise on its strengths to generate sustainable revenue from Consumer Banking and Business Banking, while expanding the opportunities in Wealth Management, Transaction Banking, Treasury and Investment Banking.

For FY2014, the Group expects sustainable loans growth in Consumer Banking, driven mainly by mortgage lending, hire purchase, personal loans, credit cards and share margin financing. In addition to balance sheet growth, Consumer Banking will also focus on growing its non-interest income through its holistic wealth management solutions.

For FY2014, the lending activities of Business Banking are expected to grow moderately, in tandem with the continuing demand for credit by businesses, arising from the implementation of projects under the Economic Transformation Programme and Iskandar Malaysia development region.

Business Banking will also continue to focus on cross-selling efforts to grow non-interest income in transaction banking, foreign exchange, investment banking, wealth management products, and business platinum card by capitalising on technology advancements.

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.

Investment Banking has enhanced its Institutional Business in FY2013 and the priority in FY2014 will be to refine its retail broking business model to achieve operational efficiency. Investment Banking will continue to focus on effective cost management, as well as improving efficiency and productivity. In the corporate finance and advisory business, Investment Banking will continue to leverage on Group’s Business Banking customer base.

Conclusion

The Group expects to deliver a satisfactory performance for the financial year ending 31 March 2014.