



ALLIANCE BANK

Alliance Bank Malaysia Berhad (88103-W)

PILLAR 3 REPORT

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

CONTENTS	PAGE
Overview	1
1.0 Scope of Application	1
2.0 Capital	2 - 9
2.1 Capital Adequacy Ratios	2 - 3
2.2 Capital Structure	4 - 5
2.3 Risk-Weighted Assets and Capital Requirements	6 - 9
3.0 Credit Risk	10 - 35
3.1 Distribution of Credit Exposures	10 - 15
3.2 Past Due Loans, Advances and Financing Analysis	16
3.3 Impaired Loans, Advances and Financing Analysis	17 - 20
3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach	21 - 28
3.5 Credit Risk Mitigation	29 - 32
3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk	33 - 35
4.0 Market Risk	36
5.0 Equity Exposures in Banking Book	37
6.0 Interest Rate Risk/Rate of Return Risk in the Banking Book	38
7.0 Shariah Governance Disclosures and Profit Sharing Investment Account ("PSIA")	38

PILLAR 3 REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

Overview

The Group's Pillar 3 Disclosure is governed by the Group Disclosure Policy on Basel II Risk-Weighted Capital Adequacy Framework - Pillar 3 which sets out the minimum disclosure standards, the approach for determining the appropriateness of information disclosed and the internal controls over the disclosure process which covers the verification and review of the accuracy of information disclosed.

1.0 Scope of Application

The Pillar 3 Disclosure was prepared on a consolidated basis and comprises information on Alliance Bank Malaysia Berhad ("the Bank"), its subsidiaries and associate companies. The Group offers Conventional and Islamic banking services. The latter includes the acceptance of deposits and granting of financing under the Shariah principles via the Bank's wholly-owned subsidiary, Alliance Islamic Bank Berhad.

The basis of consolidation for the use of regulatory capital purposes is similar to that for financial accounting purposes, except for investments in subsidiaries engaged in nominees activities and sales distribution which are excluded from the regulatory consolidation and are deducted from regulatory capital.

There were no significant restrictions or other major impediments on transfer of funds or regulatory capital within the Group.

There were no capital deficiencies in any of the subsidiaries of the Group that were not included in the consolidation for regulatory purposes as at the financial period end.

The capital adequacy information was computed in accordance with BNM's Capital Adequacy Framework. The Group has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk.

2.0 Capital

2.1 Capital Adequacy Ratios

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.

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

	<u>BANK</u>	<u>GROUP</u>
30 September 2013		
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	12.115%	11.276%
Tier 1 capital ratio	13.472%	12.681%
Total capital ratio	13.472%	15.303%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	11.504%	10.763%
Tier 1 capital ratio	12.861%	12.167%
Total capital ratio	12.861%	14.790%
31 March 2013		
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	12.235%	11.221%
Tier 1 capital ratio	13.617%	12.657%
Total capital ratio	13.617%	15.369%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	11.514%	10.620%
Tier 1 capital ratio	12.896%	12.056%
Total capital ratio	12.896%	14.769%

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

2.0 Capital (contd.)

2.1 Capital Adequacy Ratios (contd.)

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

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
30 September 2013		
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	14.069%	87.585%
Tier 1 capital ratio	14.069%	87.585%
Total capital ratio	14.823%	87.621%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	13.777%	86.431%
Tier 1 capital ratio	13.777%	86.431%
Total capital ratio	14.531%	86.467%
31 March 2013		
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	12.927%	96.235%
Tier 1 capital ratio	12.927%	96.235%
Total capital ratio	13.718%	96.398%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	12.927%	94.956%
Tier 1 capital ratio	12.927%	94.956%
Total capital ratio	13.718%	95.119%

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

2.0 Capital (contd.)

2.2 Capital Structure

The following tables present the components of Common Equity Tier 1 ("CET 1"), Tier 1 and Tier 2 under the revised Capital Adequacy Framework.

	<u>BANK</u>	<u>GROUP</u>
	RM'000	RM'000
30 September 2013		
<u>CET 1 Capital</u>		
Paid-up share capital	596,517	596,517
Share premium	201,517	201,517
Retained profits	1,718,192	1,832,609
Statutory reserves	601,561	905,438
Revaluation reserves	43,022	65,242
Other reserves	-	10,018
	<u>3,160,809</u>	<u>3,611,341</u>
Less: Regulatory adjustment		
- Goodwill and other intangibles	(239,109)	(353,421)
- Deferred tax assets	-	(11,070)
- 55% of revaluation reserve	<u>(23,662)</u>	<u>(35,883)</u>
Total CET 1 Capital	<u>2,898,038</u>	<u>3,210,967</u>
<u>Tier 1 Capital</u>		
ICPS	4,000	4,000
Share premium	396,000	396,000
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	<u>(75,504)</u>	<u>-</u>
Total additional Tier 1 Capital	<u>324,496</u>	<u>400,000</u>
Total Tier 1 Capital	<u>3,222,534</u>	<u>3,610,967</u>
<u>Tier 2 Capital</u>		
Subordinated obligations	538,729	538,729
Collective assessment allowance	178,817	212,218
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	<u>(717,546)</u>	<u>(4,123)</u>
Total Tier 2 Capital	<u>-</u>	<u>746,824</u>
Total Capital	<u>3,222,534</u>	<u>4,357,791</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

2.0 Capital (contd.)

2.2 Capital Structure (contd.)

The following tables present the components of Common Equity Tier 1 ("CET 1"), Tier 1 and Tier 2 under the revised Capital Adequacy Framework.

	<u>BANK</u>	<u>GROUP</u>
	RM'000	RM'000
31 March 2013		
<u>CET 1 Capital</u>		
Paid-up share capital	596,517	596,517
Share premium	201,517	201,517
Retained profits	1,641,549	1,749,256
Statutory reserves	601,561	885,744
Revaluation reserves	85,257	115,397
Other reserves	-	10,018
	<u>3,126,401</u>	<u>3,558,449</u>
Less: Regulatory adjustment		
- Goodwill and other intangibles	(241,961)	(358,275)
- Deferred tax assets	-	(11,040)
- 55% of revaluation reserve	<u>(46,891)</u>	<u>(63,468)</u>
Total CET 1 Capital	<u>2,837,549</u>	<u>3,125,666</u>
<u>Tier 1 Capital</u>		
ICPS	4,000	4,000
Share premium	396,000	396,000
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	<u>(79,467)</u>	<u>-</u>
Total additional Tier 1 Capital	<u>320,533</u>	<u>400,000</u>
Total Tier 1 Capital	<u>3,158,082</u>	<u>3,525,666</u>
<u>Tier 2 Capital</u>		
Subordinated obligations	538,495	538,495
Collective assessment allowance	183,932	221,153
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	<u>(722,427)</u>	<u>(4,117)</u>
Total Tier 2 Capital	<u>-</u>	<u>755,531</u>
Total Capital	<u><u>3,158,082</u></u>	<u><u>4,281,197</u></u>

2.0 Capital (contd.)

2.3 Risk-Weighted Assets ("RWA") and Capital Requirements

Regulatory Capital Requirements

The following tables present the minimum regulatory capital requirement of the Bank and the Group:

BANK 30 September 2013 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirements RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	6,240,551	6,240,551	-	-
Public sector entities	50,415	50,415	10,083	807
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	2,971,133	2,965,202	904,337	72,347
Insurance companies, securities firms and fund managers	728	728	728	58
Corporates	10,093,884	9,305,033	7,304,014	584,321
Regulatory retail	9,637,373	8,430,733	6,323,048	505,844
Residential mortgages	6,909,501	6,900,382	3,012,383	240,991
Higher risk assets	6,612	6,601	9,904	792
Other assets	465,087	465,087	204,724	16,378
Equity exposures	110,501	110,501	122,394	9,792
Defaulted exposures	203,558	202,655	224,862	17,989
Total on-balance sheet exposures	<u>36,689,343</u>	<u>34,677,888</u>	<u>18,116,477</u>	<u>1,449,319</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	4,125,821	4,119,447	3,510,075	280,806
Derivative financial instruments	169,322	169,322	83,165	6,653
Defaulted exposures	6,211	6,202	9,303	744
Total off-balance sheet exposures	<u>4,301,354</u>	<u>4,294,971</u>	<u>3,602,543</u>	<u>288,203</u>
Total on and off-balance sheet exposures	<u>40,990,697</u>	<u>38,972,859</u>	<u>21,719,020</u>	<u>1,737,522</u>
(ii) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest rate risk	4,967	(2,015)	1,374	110
Foreign currency risk	82,872	(2,862)	82,872	6,630
Total	<u>87,839</u>	<u>(4,877)</u>	<u>84,246</u>	<u>6,740</u>
(iii) <u>Operational Risk</u>	-	-	2,117,177	169,374
Total	<u>40,990,697</u>	<u>38,972,859</u>	<u>23,920,443</u>	<u>1,913,636</u>

2.0 Capital (contd.)

2.3 RWA and Capital Requirements (contd.)

Regulatory Capital Requirements

The following tables present the minimum regulatory capital requirement of the Bank and the Group (contd.):

GROUP 30 September 2013 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirements RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	8,695,891	8,695,891	-	-
Public sector entities	50,415	50,415	10,083	807
Banks, DFIs and MDBs	3,316,417	3,310,486	746,403	59,712
Insurance companies, securities firms and fund managers	743	743	743	59
Corporates	12,005,117	11,021,513	8,542,099	683,368
Regulatory retail	11,758,285	10,506,633	7,892,619	631,410
Residential mortgages	8,347,566	8,337,841	3,697,349	295,788
Higher risk assets	6,669	6,657	9,987	799
Other assets	609,730	609,730	349,367	27,949
Equity exposures	151,491	151,491	163,383	13,071
Defaulted exposures	259,607	258,675	287,375	22,990
Total on-balance sheet exposures	<u>45,201,931</u>	<u>42,950,075</u>	<u>21,699,408</u>	<u>1,735,953</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	4,686,869	4,679,345	3,939,218	315,137
Derivative financial instruments	169,322	169,322	83,165	6,653
Defaulted exposures	7,338	7,329	10,994	880
Total off-balance sheet exposures	<u>4,863,529</u>	<u>4,855,996</u>	<u>4,033,377</u>	<u>322,670</u>
Total on and off-balance sheet exposures	<u>50,065,460</u>	<u>47,806,071</u>	<u>25,732,785</u>	<u>2,058,623</u>
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	111,799	(2,015)	6,428	514
Foreign currency risk	82,872	(2,862)	82,872	6,630
Total	<u>194,671</u>	<u>(4,877)</u>	<u>89,300</u>	<u>7,144</u>
(iii) Operational Risk				
	-	-	2,654,111	212,329
Total	<u>50,065,460</u>	<u>47,806,071</u>	<u>28,476,196</u>	<u>2,278,096</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

2.0 Capital (contd.)

2.3 RWA and Capital Requirements (contd.)

Regulatory Capital Requirements (contd.)

The following tables present the minimum regulatory capital requirement of the Bank and the Group (contd.):

BANK 31 March 2013 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirements RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	4,428,064	4,428,064	-	-
Public sector entities	50,615	50,615	10,123	810
Banks, DFIs and MDBs	4,235,331	4,229,449	1,070,873	85,670
Insurance companies, securities firms and fund managers	7,691	770	770	62
Corporates	9,494,895	8,839,664	7,452,448	596,196
Regulatory retail	8,350,281	7,401,539	5,551,155	444,092
Residential mortgages	6,754,731	6,745,505	2,920,155	233,612
Higher risk assets	6,765	6,756	10,133	811
Other assets	470,311	470,311	226,797	18,144
Equity exposures	99,472	99,472	109,432	8,755
Defaulted exposures	239,338	237,881	276,250	22,100
Total on-balance sheet exposures	<u>34,137,494</u>	<u>32,510,026</u>	<u>17,628,136</u>	<u>1,410,252</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,940,937	3,934,084	3,365,606	269,248
Derivative financial instruments	102,250	102,250	44,484	3,559
Defaulted exposures	12,433	12,422	18,633	1,491
Total off-balance sheet exposures	<u>4,055,620</u>	<u>4,048,756</u>	<u>3,428,723</u>	<u>274,298</u>
Total on and off-balance sheet exposures	<u>38,193,114</u>	<u>36,558,782</u>	<u>21,056,859</u>	<u>1,684,550</u>
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	1,270,537	(3,229)	10,236	819
Foreign currency risk	63,818	(2,733)	63,818	5,105
Total	<u>1,334,355</u>	<u>(5,962)</u>	<u>74,054</u>	<u>5,924</u>
(iii) Operational Risk				
	-	-	2,060,540	164,843
Total	<u>38,193,114</u>	<u>36,558,782</u>	<u>23,191,453</u>	<u>1,855,317</u>

2.0 Capital (contd.)

2.3 RWA and Capital Requirements (contd.)

Regulatory Capital Requirements (contd.)

The following tables present the minimum regulatory capital requirement of the Bank and the Group (contd.):

GROUP	Gross	Net	Risk-Weighted	Capital
31 March 2013	Exposures	Exposures	Assets	Requirements
Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	6,293,224	6,293,224	-	-
Public sector entities	50,615	50,615	10,123	810
Banks, DFIs and MDBs	4,366,278	4,360,396	936,747	74,940
Insurance companies, securities firms and fund managers	7,712	790	790	63
Corporates	11,438,538	10,530,451	8,772,591	701,807
Regulatory retail	10,534,294	9,542,026	7,169,014	573,521
Residential mortgages	8,108,149	8,098,296	3,567,034	285,363
Higher risk assets	6,833	6,823	10,235	819
Other assets	584,149	584,149	332,896	26,632
Equity exposures	137,392	137,392	147,352	11,788
Defaulted exposures	295,977	293,908	339,208	27,137
Total on-balance sheet exposures	<u>41,823,161</u>	<u>39,898,070</u>	<u>21,285,990</u>	<u>1,702,880</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	4,546,740	4,538,237	3,825,953	306,076
Derivative financial instruments	102,250	102,250	44,484	3,559
Defaulted exposures	12,891	12,880	19,319	1,546
Total off-balance sheet exposures	<u>4,661,881</u>	<u>4,653,367</u>	<u>3,889,756</u>	<u>311,181</u>
Total on and off-balance sheet exposures	<u>46,485,042</u>	<u>44,551,437</u>	<u>25,175,746</u>	<u>2,014,061</u>
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	1,525,169	(3,229)	12,227	978
Foreign currency risk	63,818	(2,733)	63,818	5,105
Total	<u>1,588,987</u>	<u>(5,962)</u>	<u>76,045</u>	<u>6,083</u>
(iii) Operational Risk				
	-	-	2,603,941	208,315
Total	<u>46,485,042</u>	<u>44,551,437</u>	<u>27,855,732</u>	<u>2,228,459</u>

Note:

Under Islamic banking, the Group does not use Profit-sharing Investment Account ("PSIA") as a risk absorbent mechanism.

The Bank and the Group do not have exposure to any Large Exposure Risk for equity holdings as specified under BNM's Guidelines on Investment in Shares, Interest-in-Shares and Collective Investment Schemes.

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk

3.1 Distribution of Credit Exposures

(a) Geographical Distribution

The following tables represent the Bank's and the Group's major type of gross credit exposure by geographical distribution. Exposure are allocated to the region in which the customer is located and are disclosed before taking account of any collateral held or other credit enhancements and after allowance for impairment where appropriate.

	Geographical region				
BANK	Northern	Central	Southern	Sabah	Sarawak
30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	996,631	-	-	-
Deposits and placements with banks and other financial institutions	-	576,065	-	-	-
Financial assets held-for-trading	-	-	-	-	-
Financial investments available-for-sale	-	8,318,966	-	-	-
Financial investments held-to-maturity	-	609,608	-	-	-
Derivative financial assets	-	59,573	-	-	-
Loans, advances and financing	1,628,501	18,749,219	2,220,672	1,743,540	304,553
Total on-balance sheet	1,628,501	29,310,062	2,220,672	1,743,540	304,553
Financial guarantees	53,158	303,019	30,594	28,061	7,273
Credit related commitments and contingencies	652,324	8,960,165	893,813	667,519	133,004
Total off-balance sheet	705,482	9,263,184	924,407	695,580	140,277
Total credit exposure	2,333,983	38,573,246	3,145,079	2,439,120	444,830

	Geographical region				
GROUP	Northern	Central	Southern	Sabah	Sarawak
30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	1,381,421	-	-	-
Deposits and placements with banks and other financial institutions	-	626,091	-	-	-
Balances due from clients and brokers	20,438	61,407	3,858	-	-
Financial assets held-for-trading	-	107,573	-	-	-
Financial investments available-for-sale	-	10,490,663	-	-	-
Financial investments held-to-maturity	-	1,198,101	-	-	-
Derivative financial assets	-	59,573	-	-	-
Loans, advances and financing	1,849,859	22,486,709	2,758,639	2,056,024	365,930
Total on-balance sheet	1,870,297	36,411,538	2,762,497	2,056,024	365,930
Financial guarantees	84,619	350,082	39,347	32,293	7,273
Credit related commitments and contingencies	754,484	9,846,431	1,044,644	1,060,433	138,332
Total off-balance sheet	839,103	10,196,513	1,083,991	1,092,726	145,605
Total credit exposure	2,709,400	46,608,051	3,846,488	3,148,750	511,535

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(a) Geographical Distribution (contd.)

	Geographical region				
BANK	Northern	Central	Southern	Sabah	Sarawak
31 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	1,123,142	-	-	-
Deposits and placements with banks and other financial institutions	-	124,946	-	-	-
Financial assets held-for-trading	-	1,265,298	-	-	-
Financial investments available-for-sale	-	8,328,534	-	-	-
Financial investments held-to-maturity	-	101,717	-	-	-
Derivative financial assets	-	19,792	-	-	-
Loans, advances and financing	1,558,192	17,355,446	1,947,550	1,688,915	314,297
Total on-balance sheet	1,558,192	28,318,875	1,947,550	1,688,915	314,297
Financial guarantees	55,768	312,230	26,042	26,470	5,011
Credit related commitments and contingencies	638,075	8,407,125	811,711	660,890	149,672
Total off-balance sheet	693,843	8,719,355	837,753	687,360	154,683
Total credit exposure	2,252,035	37,038,230	2,785,303	2,376,275	468,980

	Geographical region				
GROUP	Northern	Central	Southern	Sabah	Sarawak
31 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	1,044,219	-	-	-
Deposits and placements with banks and other financial institutions	-	153,236	-	-	-
Balances due from clients and brokers	13,105	32,510	4,507	-	-
Financial assets held-for-trading	-	1,519,930	-	-	-
Financial investments available-for-sale	-	10,225,058	-	-	-
Financial investments held-to-maturity	-	596,949	-	-	-
Derivative financial assets	-	19,792	-	-	-
Loans, advances and financing	1,797,137	21,147,476	2,450,937	1,983,475	368,781
Total on-balance sheet	1,797,137	34,756,782	2,450,937	1,983,475	368,781
Financial guarantees	74,505	356,286	34,764	29,692	5,011
Credit related commitments and contingencies	738,443	9,397,039	974,144	1,062,980	157,591
Total off-balance sheet	812,948	9,753,325	1,008,908	1,092,672	162,602
Total credit exposure	2,610,085	44,510,107	3,459,845	3,076,147	531,383

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(b) Industry Distribution

The following tables represent the Bank's and the Group's major type of gross credit exposure by sector. The analysis is based on the sector in which the customers are engaged.

	Government and Central bank	Financial, insurance & business services	Transport, storage & communication	Agriculture, manufacturing, wholesale & retail trade	Construction	Residential mortgage	Motor vehicle financing	Other consumer loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>									
30 September 2013									
Cash and short-term funds	425,267	571,364	-	-	-	-	-	-	996,631
Deposits and placements with banks and other financial institutions	-	576,065	-	-	-	-	-	-	576,065
Financial investments available-for-sale	4,324,164	3,164,967	168,136	464,908	125,433	-	-	71,358	8,318,966
Financial investments held-to-maturity	609,051	557	-	-	-	-	-	-	609,608
Derivative financial assets	-	59,549	-	-	-	-	-	24	59,573
Loans, advances and financing	-	2,731,236	96,869	6,699,416	375,064	10,033,719	530,406	4,179,775	24,646,485
Total on-balance sheet	5,358,482	7,103,738	265,005	7,164,324	500,497	10,033,719	530,406	4,251,157	35,207,328
Financial guarantees	-	29,993	21,491	302,979	29,890	-	-	37,752	422,105
Credit related commitments and contingencies	-	1,004,966	60,181	2,780,071	960,674	3,779,383	682	2,720,868	11,306,825
Total off-balance sheet	-	1,034,959	81,672	3,083,050	990,564	3,779,383	682	2,758,620	11,728,930
Total credit risk	5,358,482	8,138,697	346,677	10,247,374	1,491,061	13,813,102	531,088	7,009,777	46,936,258
<u>GROUP</u>									
30 September 2013									
Cash and short-term funds	787,505	593,916	-	-	-	-	-	-	1,381,421
Deposits and placements with banks and other financial institutions	-	626,091	-	-	-	-	-	-	626,091
Balances due from clients and brokers	-	-	-	-	-	-	-	85,703	85,703
Financial assets held-for-trading	19,826	87,747	-	-	-	-	-	-	107,573
Financial investments available-for-sale	5,589,013	3,863,982	227,695	561,267	162,057	-	-	86,649	10,490,663
Financial investments held-to-maturity	1,192,336	609	5,156	-	-	-	-	-	1,198,101
Derivative financial assets	-	59,549	-	-	-	-	-	24	59,573
Loans, advances and financing	-	3,104,670	116,572	7,800,052	424,692	12,159,675	732,169	5,179,331	29,517,161
Total on-balance sheet	7,588,680	8,336,564	349,423	8,361,319	586,749	12,159,675	732,169	5,351,707	43,466,286
Financial guarantees	-	32,617	21,584	388,919	32,375	-	-	38,119	513,614
Credit related commitments and contingencies	-	1,125,477	61,225	3,271,305	978,395	4,271,923	938	3,135,061	12,844,324
Total off-balance sheet	-	1,158,094	82,809	3,660,224	1,010,770	4,271,923	938	3,173,180	13,357,938
Total credit risk	7,588,680	9,494,658	432,232	12,021,543	1,597,519	16,431,598	733,107	8,524,887	56,824,224

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(b) Industry Distribution (contd.)

The following tables represent the Bank's and the Group's major type of gross credit exposure by sector. The analysis is based on the sector in which the customers are engaged (contd.).

	Government and Central bank	Financial, insurance & business services	Transport, storage & communication	Agriculture, manufacturing, wholesale & retail trade	Construction	Residential mortgage	Motor vehicle financing	Other consumer loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BANK									
31 March 2013									
Cash and short-term funds	618,890	504,252	-	-	-	-	-	-	1,123,142
Deposits and placements with banks and other financial institutions	-	124,946	-	-	-	-	-	-	124,946
Financial assets held-for-trading	1,265,298	-	-	-	-	-	-	-	1,265,298
Financial investments available-for-sale	2,712,779	5,052,209	97,688	336,345	57,589	-	-	71,924	8,328,534
Financial investments held-to-maturity	101,256	461	-	-	-	-	-	-	101,717
Derivative financial assets	-	19,629	-	-	-	-	-	163	19,792
Loans, advances and financing	-	2,564,541	88,553	6,509,323	380,132	9,383,562	365,548	3,572,741	22,864,400
Total on-balance sheet	4,698,223	8,266,038	186,241	6,845,668	437,721	9,383,562	365,548	3,644,828	33,827,829
Financial guarantees	-	28,767	20,375	299,282	37,971	-	-	39,126	425,521
Credit related commitments and contingencies	-	950,781	53,517	2,533,398	814,259	3,554,550	400	2,760,568	10,667,473
Total off-balance sheet	-	979,548	73,892	2,832,680	852,230	3,554,550	400	2,799,694	11,092,994
Total credit risk	4,698,223	9,245,586	260,133	9,678,348	1,289,951	12,938,112	365,948	6,444,522	44,920,823
GROUP									
31 March 2013									
Cash and short-term funds	738,087	306,132	-	-	-	-	-	-	1,044,219
Deposits and placements with banks and other financial institutions	-	153,236	-	-	-	-	-	-	153,236
Balances due from clients and brokers	-	-	-	-	-	-	-	50,122	50,122
Financial assets held-for-trading	1,519,930	-	-	-	-	-	-	-	1,519,930
Financial investments available-for-sale	3,653,718	5,828,940	158,284	418,331	78,449	-	-	87,336	10,225,058
Financial investments held-to-maturity	591,264	513	5,172	-	-	-	-	-	596,949
Derivative financial assets	-	19,629	-	-	-	-	-	163	19,792
Loans, advances and financing	-	2,895,855	111,178	7,626,069	438,726	11,362,649	575,222	4,738,107	27,747,806
Total on-balance sheet	6,502,999	9,204,305	274,634	8,044,400	517,175	11,362,649	575,222	4,875,728	41,357,112
Financial guarantees	-	32,582	20,468	369,636	38,080	-	-	39,492	500,258
Credit related commitments and contingencies	-	1,091,666	55,548	2,988,350	847,321	4,155,453	618	3,191,241	12,330,197
Total off-balance sheet	-	1,124,248	76,016	3,357,986	885,401	4,155,453	618	3,230,733	12,830,455
Total credit risk	6,502,999	10,328,553	350,650	11,402,386	1,402,576	15,518,102	575,840	8,106,461	54,187,567

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(c) Residual Contractual Maturity

The following tables represent the residual contractual maturity for major types of gross credit exposures for on-balance sheet exposures of financial assets of the Bank and the Group:

<u>BANK</u>	<u>Up to 1 month</u>	<u>>1-3 months</u>	<u>>3-6 months</u>	<u>>6-12 months</u>	<u>>1 year</u>	<u>Total</u>
30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,256,993	-	-	-	-	1,256,993
Deposits and placements with banks and other financial institutions	-	458,269	52,264	65,532	-	576,065
Financial investments	179,314	650,269	217,308	60,455	7,931,729	9,039,075
Loans, advances and financing	5,198,850	1,574,086	781,159	566,604	16,571,545	24,692,244
Other asset balances	39,107	32,221	15,636	20,379	2,329,266	2,436,609
Total on-balance sheet exposure	6,674,264	2,714,845	1,066,367	712,970	26,832,540	38,000,986

GROUP

30 September 2013

Cash and short-term funds	1,641,784	-	-	-	-	1,641,784
Deposits and placements with banks and other financial institutions	-	508,295	52,264	65,532	-	626,091
Balances due from clients and brokers	70,750	-	-	-	14,953	85,703
Financial investments	465,890	1,132,003	709,640	132,719	9,507,576	11,947,828
Loans, advances and financing	6,016,665	1,831,058	951,518	717,297	20,027,024	29,543,562
Other asset balances	40,163	32,258	15,691	20,488	1,949,523	2,058,123
Total on-balance sheet exposure	8,235,252	3,503,614	1,729,113	936,036	31,499,076	45,903,091

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(c) Residual Contractual Maturity (contd.)

The following tables represent the residual contractual maturity for major types of gross credit exposures for on-balance sheet exposures of financial assets of the Bank and the Group (contd.):

<u>BANK</u>	<u>Up to 1 month</u>	<u>>1-3 months</u>	<u>>3-6 months</u>	<u>>6-12 months</u>	<u>>1 year</u>	<u>Total</u>
31 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,366,644	11	-	-	-	1,366,655
Deposits and placements with banks and other financial institutions	-	124,946	-	-	-	124,946
Financial investments	1,905,852	2,390,975	72,412	24,448	5,401,334	9,795,021
Loans, advances and financing	4,901,622	1,363,982	812,040	492,046	15,337,583	22,907,273
Other asset balances	43,806	13,383	10,353	5,954	2,207,323	2,280,819
Total on-balance sheet exposure	8,217,924	3,893,297	894,805	522,448	22,946,240	36,474,714

<u>GROUP</u>						
31 March 2013						
Cash and short-term funds	1,287,723	11	-	-	-	1,287,734
Deposits and placements with banks and other financial institutions	-	153,062	174	-	-	153,236
Balances due from clients and brokers	35,060	-	-	-	15,062	50,122
Financial investments	2,438,861	2,966,195	442,597	112,258	6,519,418	12,479,329
Loans, advances and financing	5,653,977	1,647,590	1,012,443	652,699	18,805,032	27,771,741
Other asset balances	69,998	13,406	10,388	6,023	1,811,983	1,911,798
Total on-balance sheet exposure	9,485,619	4,780,264	1,465,602	770,980	27,151,495	43,653,960

3.0 Credit Risk (contd.)

3.2 Past Due Loans, Advances and Financing Analysis

Past due but not impaired loans, advances and financing are loans where the customers have failed to make a principal or interest payment when contractually due, and includes loans which are due one or more days after the contractual due date but less than 3 months.

Past due loans, advances and financing are analysed as follows:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2013 RM'000	31 March 2013 RM'000	30 September 2013 RM'000	31 March 2013 RM'000
Past due up to 1 month	823,852	714,766	1,041,606	925,366
Past due > 1 - 2 months	146,874	126,995	213,595	188,773
Past due > 2 - 3 months	10,298	5,097	21,733	17,599
	<u>981,024</u>	<u>846,858</u>	<u>1,276,934</u>	<u>1,131,738</u>

Past due loans, advances and financing analysed by sector are as follows:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2013 RM'000	31 March 2013 RM'000	30 September 2013 RM'000	31 March 2013 RM'000
Financial, insurance & business services	36,031	13,948	36,695	14,840
Transport, storage & communication	14,700	2,741	15,836	3,279
Agriculture, manufacturing, wholesale & retail trade	66,481	79,249	75,637	91,412
Construction	11,496	10,028	11,878	10,634
Residential mortgage	582,301	534,919	697,813	627,621
Motor vehicle financing	100,695	66,442	156,789	126,990
Other consumer loans	169,320	139,531	282,286	256,962
	<u>981,024</u>	<u>846,858</u>	<u>1,276,934</u>	<u>1,131,738</u>

Past due loans, advances and financing analysed by significant geographical areas:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2013 RM'000	31 March 2013 RM'000	30 September 2013 RM'000	31 March 2013 RM'000
Northern region	89,767	77,948	99,352	90,397
Central region	679,663	583,123	912,911	807,049
Southern region	128,131	109,411	168,614	144,953
Sabah region	66,450	64,579	75,902	74,382
Sarawak region	17,013	11,797	20,155	14,957
	<u>981,024</u>	<u>846,858</u>	<u>1,276,934</u>	<u>1,131,738</u>

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis

Impaired loans, advances and financing analysed by sectors:

	BANK		GROUP	
	30 September 2013 RM'000	31 March 2013 RM'000	30 September 2013 RM'000	31 March 2013 RM'000
Financial, insurance & business services	46,770	60,724	47,287	60,803
Transport, storage & communication	9,645	9,673	10,194	10,334
Agriculture, manufacturing, wholesale & retail trade	97,823	153,076	154,243	209,557
Construction	16,585	16,302	21,096	22,416
Residential mortgage	196,664	184,625	225,250	210,480
Motor vehicle financing	3,051	1,567	5,651	4,487
Other consumer loans	45,427	46,566	59,537	61,156
	415,965	472,533	523,258	579,233

Impairment allowances on impaired loans, advances and financing analysed by sectors:

	Individual impairment allowance RM'000	Collective impairment allowance RM'000	Individual impairment net (write-back)/ charge for the year RM'000	Individual impairment write-off for the year RM'000
<u>BANK</u>				
30 September 2013				
Financial, insurance & business services	2,812	22,119	814	(335)
Transport, storage & communication	9,547	1,312	10	-
Agriculture, manufacturing, wholesale & retail trade	54,671	124,650	3,021	(3,137)
Construction	11,305	5,927	(384)	-
Residential mortgage	8,414	90,146	(797)	(1,639)
Motor vehicle financing	-	2,669	-	-
Other consumer loans	1,538	36,639	(2,799)	(990)
	88,287	283,462	(135)	(6,101)
<u>GROUP</u>				
30 September 2013				
Financial, insurance & business services	2,854	24,572	814	(335)
Transport, storage & communication	9,547	1,726	10	-
Agriculture, manufacturing, wholesale & retail trade	81,692	142,541	6,146	(3,852)
Construction	14,406	6,889	(796)	-
Residential mortgage	9,576	101,962	(306)	(2,568)
Motor vehicle financing	-	4,690	-	-
Other consumer loans	4,196	48,833	(2,799)	(990)
	122,271	331,213	3,069	(7,745)

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis (contd.)

Impairment allowances on impaired loans, advances and financing analysed by sectors (contd.):

	Individual impairment allowance RM'000	Collective impairment allowance RM'000	Individual impairment net (write-back)/ charge for the year RM'000	Individual impairment write-off for the year RM'000
<u>BANK</u>				
31 March 2013				
Financial, insurance & business services	3,148	21,387	(321)	(1,311)
Transport, storage & communication	9,536	1,271	117	(1,489)
Agriculture, manufacturing, wholesale & retail trade	55,977	132,884	5,847	(32,067)
Construction	11,867	5,420	49	(12,581)
Residential mortgage	10,930	94,519	6,890	(191)
Motor vehicle financing	-	1,685	-	-
Other consumer loans	3,824	38,668	(345)	-
	<u>95,282</u>	<u>295,834</u>	<u>12,237</u>	<u>(47,639)</u>
<u>GROUP</u>				
31 March 2013				
Financial, insurance & business services	3,190	24,151	(321)	(1,311)
Transport, storage & communication	9,536	1,804	117	(1,489)
Agriculture, manufacturing, wholesale & retail trade	80,589	155,365	14,642	(32,077)
Construction	15,379	6,804	(3,615)	(12,581)
Residential mortgage	13,295	105,338	9,196	(191)
Motor vehicle financing	-	4,278	-	-
Other consumer loans	6,482	51,463	(345)	-
	<u>128,471</u>	<u>349,203</u>	<u>19,674</u>	<u>(47,649)</u>

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis (contd.)

Impaired loans, advances and financing and the related impairment allowances by geographical areas:

<u>BANK</u>	<u>Impaired</u>	<u>Individual</u>	<u>Collective</u>
30 September 2013	loans, advances	impairment	impairment
	and financing	allowance	allowance
	RM'000	RM'000	RM'000
Northern region	63,320	27,844	40,402
Central region	293,694	58,864	186,441
Southern region	28,934	218	29,527
Sabah region	26,443	1,361	21,863
Sarawak region	3,574	-	5,229
	<u>415,965</u>	<u>88,287</u>	<u>283,462</u>

<u>GROUP</u>			
30 September 2013			
Northern region	80,795	41,064	43,657
Central region	374,845	79,098	221,520
Southern region	35,114	748	35,967
Sabah region	28,510	1,361	24,519
Sarawak region	3,994	-	5,550
	<u>523,258</u>	<u>122,271</u>	<u>331,213</u>

<u>BANK</u>	<u>Impaired</u>	<u>Individual</u>	<u>Collective</u>
31 March 2013	loans, advances	impairment	impairment
	and financing	allowance	allowance
	RM'000	RM'000	RM'000
Northern region	86,889	28,616	39,948
Central region	307,875	61,404	196,573
Southern region	33,245	1,822	32,524
Sabah region	41,882	3,440	21,992
Sarawak region	2,642	-	4,797
	<u>472,533</u>	<u>95,282</u>	<u>295,834</u>

<u>GROUP</u>			
31 March 2013			
Northern region	112,029	42,819	44,441
Central region	379,755	79,860	235,943
Southern region	40,911	2,352	39,148
Sabah region	43,154	3,440	24,273
Sarawak region	3,384	-	5,398
	<u>579,233</u>	<u>128,471</u>	<u>349,203</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis (contd.)

Movements in loans impairment allowances are analysed as follows:

	<u>BANK</u>		<u>GROUP</u>	
	30 September	31 March	30 September	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
(Write-back of)/allowance made during the period/year (net)	(135)	12,237	3,069	19,674
Amount written-off	(6,101)	(47,639)	(7,745)	(47,649)
Transfers to collective assessment allowance	(759)	(1,579)	(1,524)	(1,520)
At end of period/year	88,287	95,282	122,271	128,471
Collective assessment allowance:				
At beginning of year	295,834	332,345	349,203	393,872
Allowance made/(write-back) during the period/year (net)	3,306	(8,301)	6,582	8,034
Amount written-off	(16,437)	(29,789)	(26,096)	(54,223)
Transfers from individual assessment allowance	759	1,579	1,524	1,520
At end of period/year	283,462	295,834	331,213	349,203

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach

The following tables present the credit exposures by risk-weights and after credit risk mitigation:

	Exposures after netting and credit risk mitigation											
BANK				Insurance companies, Securities firms and Fund managers				Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total Risk-Weighted Assets
30 September 2013	Sovereigns /Central banks	Public sector entities	Banks, DFIs and MDBs		Corporates	Regulatory retail	Residential mortgages					
<u>Risk-Weights</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	6,240,551	-	-	-	375,002	-	-	-	260,363	-	6,875,916	-
20%	2,448	50,415	2,000,667	-	1,991,843	-	-	-	-	-	4,045,373	809,074
35%	-	-	-	-	-	-	4,199,345	-	-	-	4,199,345	1,469,771
50%	-	-	1,089,119	-	69,739	15,793	1,965,035	-	-	-	3,139,686	1,569,844
75%	-	-	-	-	-	10,841,224	762,724	-	-	-	11,603,948	8,702,960
100%	-	-	-	4,740	8,611,176	36,270	47,405	-	204,724	86,717	8,991,032	8,991,032
150%	-	-	-	-	33,928	48,277	-	11,569	-	23,785	117,559	176,339
Total exposures	6,242,999	50,415	3,089,786	4,740	11,081,688	10,941,564	6,974,509	11,569	465,087	110,502	38,972,859	21,719,020
Risk-weighted assets by exposures	490	10,083	944,693	4,740	9,095,307	8,247,499	3,071,736	17,354	204,724	122,394	21,719,020	
Average risk-weight	0%	20%	31%	100%	82%	75%	44%	150%	44%	111%	56%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables present the credit exposures by risk- weights and after credit risk mitigation (contd.):

Exposures after netting and credit risk mitigation												
GROUP				Insurance companies, Securities firms and Fund managers				Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total Risk-Weighted Assets
30 September 2013	Sovereigns /Central banks	Public sector entities	Banks, DFIs and MDBs		Corporates	Regulatory retail	Residential mortgages					
Risk-Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	8,755,891	-	-	-	494,455	-	-	-	260,363	-	9,510,709	-
20%	2,448	50,415	3,102,587	-	2,436,676	-	-	-	-	-	5,592,126	1,118,425
35%	-	-	-	-	-	-	4,844,916	-	-	-	4,844,916	1,695,721
50%	-	-	332,483	-	77,376	18,725	2,509,857	-	-	-	2,938,441	1,469,221
75%	-	-	-	-	-	13,146,267	1,014,534	-	-	-	14,160,801	10,620,601
100%	-	-	-	4,755	9,984,800	95,550	57,422	-	349,367	127,707	10,619,601	10,619,601
150%	-	-	-	-	44,352	59,673	-	11,667	-	23,785	139,477	209,216
Total exposures	8,758,339	50,415	3,435,070	4,755	13,037,659	13,320,215	8,426,729	11,667	609,730	151,492	47,806,071	25,732,785
Risk-weighted assets by exposures	490	10,083	786,759	4,755	10,577,352	10,054,123	3,768,972	17,501	349,367	163,383	25,732,785	
Average risk-weight	0%	20%	23%	100%	81%	75%	45%	150%	57%	108%	54%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables present the credit exposures by risk- weights and after credit risk mitigation (contd.):

	Exposures after netting and credit risk mitigation											Total exposures after netting and credit risk mitigation	Total Risk-Weighted Assets
BANK	Sovereigns	Public	Banks,	Insurance									
31 March 2013	/Central	sector	DFIs and	companies,		Regulatory	Residential	Higher	Other	Equity			
<u>Risk-Weights</u>	<u>banks</u>	<u>entities</u>	<u>MDBs</u>	<u>firms and</u>	<u>Corporates</u>	<u>retail</u>	<u>mortgages</u>	<u>assets</u>	<u>assets</u>	<u>exposures</u>	<u>mitigation</u>		<u>Assets</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	4,430,381	-	-	-	-	-	-	-	243,514	-	-	4,673,895	-
20%	-	50,615	3,530,657	-	1,734,020	-	-	-	-	-	-	5,315,292	1,063,058
35%	-	-	-	-	-	-	4,131,069	-	-	-	-	4,131,069	1,445,874
50%	-	-	780,663	-	4,124	15,925	1,969,737	-	-	-	-	2,770,449	1,385,225
75%	-	-	-	-	-	9,665,749	666,129	-	-	-	-	10,331,878	7,748,909
100%	-	-	-	4,788	8,794,821	33,126	41,928	-	226,797	79,551	-	9,181,011	9,181,011
150%	-	-	-	-	87,991	35,520	-	11,756	-	19,921	-	155,188	232,782
Total exposures	4,430,381	50,615	4,311,320	4,788	10,620,956	9,750,320	6,808,863	11,756	470,311	99,472	-	36,558,782	21,056,859
Risk-weighted assets by exposures	-	10,123	1,096,463	4,788	9,275,673	7,343,681	2,972,268	17,634	226,797	109,432	-	21,056,859	
Average risk-weight	-	20%	25%	100%	87%	75%	44%	150%	48%	110%	-	58%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables present the credit exposures by risk- weights and after credit risk mitigation (contd.):

<u>GROUP</u>	Exposures after netting and credit risk mitigation											Total exposures after netting and credit risk mitigation	Total Risk-Weighted Assets
	Sovereigns /Central banks	Public sector entities	Banks, DFIs and MDBs	Insurance companies, Securities firms and Fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Equity exposures			
<u>Risk-Weights</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	6,355,541	-	-	-	-	-	-	-	251,253	-	-	6,606,794	-
20%	-	50,615	4,195,990	-	2,197,323	-	-	-	-	-	-	6,443,928	1,288,786
35%	-	-	-	-	-	-	4,726,878	-	-	-	-	4,726,878	1,654,407
50%	-	-	246,277	-	6,232	18,725	2,491,321	-	-	-	-	2,762,555	1,381,277
75%	-	-	-	-	-	12,089,352	905,419	-	-	-	-	12,994,771	9,746,078
100%	-	-	-	4,808	10,241,260	90,217	52,485	-	332,896	117,471	-	10,839,137	10,839,137
150%	-	-	-	-	97,557	48,030	-	11,866	-	19,921	-	177,374	266,061
Total exposures	6,355,541	50,615	4,442,267	4,808	12,542,372	12,246,324	8,176,103	11,866	584,149	137,392	-	44,551,437	25,175,746
Risk-weighted assets by exposures	-	10,123	962,337	4,808	10,830,176	9,238,638	3,631,617	17,799	332,896	147,352	-	25,175,746	
Average risk-weight	-	20%	22%	100%	86%	75%	44%	150%	57%	107%	-	57%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

For the purpose of determining counterparty risk-weights, the Group uses external credit assessments from Rating Agency Malaysia ("RAM"), Malaysian Rating Corporation ("MARC"), Standard and Poor ("S&P"), Moody's and Fitch. In the context of the Group's portfolio, external credit assessments are mainly applicable to banks / financial institutions and rated corporations. The Group follows the process prescribed under BNM CAF-Basel II to map the ratings to the relevant risk-weights. The ratings are monitored and updated regularly to ensure that the latest and most appropriate risk-weights are applied in the capital computation.

The following tables show the rated exposures according to rating by Eligible Credit Assessment Institutions ("ECAIs") or as prescribed under CAF:

BANK

30 September 2013

Exposure Class	Ratings by Approved ECAIs						Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	Unrated	
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
Sovereigns and Central Banks(See Note 1)		-	6,243,000	-	-	-	6,243,000
Corporates		-	375,002	-	-	-	375,002
		-	6,618,002	-	-	-	6,618,002
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, MDBs and FDIs		20,556	-	-	-	745,341	765,897
Exposures risk weighted using Banking Institutions short term rating							
Banks, MDBs and FDIs		1,336,903	-	-	-	992,917	2,329,820
		1,357,459	-	-	-	1,738,258	3,095,717
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities		50,415	-	-	-	-	50,415
Corporates		1,954,553	68,041	1,400	-	9,475,013	11,499,007
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	4,740	4,740
Exposures risk weighted using Corporate short term rating							
Public Sector Entities		-	-	-	-	-	-
Corporates		-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-	-
		2,004,968	68,041	1,400	-	9,479,753	11,554,162

Note 1: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the CAF.

*Upper Range = Long Term Rating, Lower Range = Short Term Rating

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables show the rated exposures according to rating by ECAs (contd):

Group
30 September 2013

Exposure Class	Ratings by Approved ECAs						Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	Unrated	
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	
On and Off Balance-Sheet Exposures							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
Sovereigns and Central Banks	-	8,758,339	-	-	-	8,758,339	
Corporates	-	494,455	-	-	-	494,455	
	-	9,252,794	-	-	-	9,252,794	
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, MDBs and FDIs	20,556	-	-	-	-	20,556	
Exposures risk weighted using Banking Institutions short term rating							
Banks, MDBs and FDIs	2,390,473	-	-	-	1,029,972	3,420,445	
	2,411,029	-	-	-	1,029,972	3,441,001	
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities	50,415	-	-	-	-	50,415	
Corporates	2,368,540	74,197	1,400	-	11,086,330	13,530,467	
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	4,755	4,755	
Exposures risk weighted using Corporate short term rating							
Public Sector Entities	-	-	-	-	-	-	
Corporates	-	-	-	-	-	-	
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	
	2,418,955	74,197	1,400	-	11,091,085	13,585,637	

Note 1: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the CAF.

*Upper Range = Long Term Rating, Lower Range = Short Term Rating

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables show the rated exposures according to rating by ECAs (contd):

BANK
31 March 2013

Exposure Class	Ratings by Approved ECAs						Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	Unrated	
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
Sovereigns and Central Banks(See Note 1)		-	4,430,381	-	-	-	4,430,381
		-	4,430,381	-	-	-	4,430,381
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, MDBs and FDIs		20,738	-	-	-	749,403	770,141
Exposures risk weighted using Banking Institutions short term rating							
Banks, MDBs and FDIs		2,952,937	-	-	-	594,124	3,547,061
		2,973,675	-	-	-	1,343,527	4,317,202
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities		50,615	-	-	-	-	50,615
Corporates		1,850,747	226,298	-	-	9,202,297	11,279,342
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	11,709	11,709
Exposures risk weighted using Corporate short term rating							
Public Sector Entities		-	-	-	-	-	-
Corporates		-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-	-
		1,901,362	226,298	-	-	9,214,006	11,341,666

Note 1: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the CAF.

*Upper Range = Long Term Rating, Lower Range = Short Term Rating

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables show the rated exposures according to rating by ECAIs (contd):

Group
31 March 2013

Exposure Class	Ratings by Approved ECAIs					Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	
		RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures						
(i) Exposures risk weighted using Sovereigns and Central Banks rating						
Sovereigns and Central Banks		-	6,355,542	-	-	6,355,542
		-	6,355,542	-	-	6,355,542
(ii) Exposures risk weighted using Banking Institutions long term rating						
Banks, MDBs and FDIs		20,738	-	-	-	20,738
Exposures risk weighted using Banking Institutions short term rating						
Banks, MDBs and FDIs		4,040,485	-	-	386,926	4,427,411
		4,061,223	-	-	386,926	4,448,149
(iii) Exposures risk weighted using Corporate long term rating						
Public Sector Entities		50,615	-	-	-	50,615
Corporates		2,314,050	326,884	-	10,813,585	13,454,519
Insurance Cos, Securities Firms & Fund Managers		-	-	-	11,730	11,730
Exposures risk weighted using Corporate short term rating						
Public Sector Entities		-	-	-	-	-
Corporates		-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-
		2,364,665	326,884	-	10,825,315	13,516,864

Note 1: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the CAF.

*Upper Range = Long Term Rating, Lower Range = Short Term Rating

There is no outstanding securitisation contract at the Bank and the Group that required disclosure of ratings and short term rating of securitisation by approved ECAIs.

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM")

The following tables represent the Bank's and the Group's credit exposure including off-balance sheet items under the standardised approach, the total exposure (after eligible netting benefits, where applicable) that is covered by eligible guarantees and credit derivatives; and eligible collateral after haircuts allowed under the Capital Adequacy Framework.

BANK	Exposure	Exposures	Exposures	Exposures
30 September 2013	before CRM	covered by	covered by	covered by
Exposure Class	RM'000	guarantees/ credit derivatives	financial collateral	other eligible collateral
		RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	6,240,551	-	-	-
Public sector entities	50,415	-	-	-
Banks, DFIs and MDBs	2,971,133	-	5,932	-
Insurance companies, securities firms and fund managers	728	-	-	-
Corporates	10,093,884	-	788,852	-
Regulatory retail	9,637,373	-	1,206,640	-
Residential mortgages	6,909,501	-	9,120	-
Higher risk assets	6,612	-	10	-
Other assets	465,087	-	-	-
Equity exposure	110,501	-	-	-
Defaulted exposures	203,558	-	903	-
Total on-balance sheet exposures	36,689,343	-	2,011,457	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives				
	4,295,143	-	6,374	-
Defaulted exposures	6,211	-	9	-
Total off-balance sheet exposures	4,301,354	-	6,383	-
Total on and off-balance sheet exposures	40,990,697	-	2,017,840	-

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM") (contd.)

GROUP	Exposure	Exposures	Exposures	Exposures
30 September 2013	before CRM	covered by	covered by	covered by
Exposure Class	RM'000	guarantees/ credit derivatives	eligible financial collateral	other eligible collateral
		RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	8,695,891	-	-	-
Public sector entities	50,415	-	-	-
Banks, DFIs and MDBs	3,316,417	-	5,932	-
Insurance companies, securities firms and fund managers	743	-	-	-
Corporates	12,005,117	-	983,604	-
Regulatory retail	11,758,285	-	1,251,651	-
Residential mortgages	8,347,566	-	9,725	-
Higher risk assets	6,669	-	10	-
Other assets	609,730	-	-	-
Equity exposure	151,491	-	-	-
Defaulted exposures	259,607	-	933	-
Total on-balance sheet exposures	45,201,931	-	2,251,855	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,856,191	-	7,524	-
Defaulted exposures	7,338	-	9	-
Total off-balance sheet exposures	4,863,529	-	7,533	-
Total on and off-balance sheet exposures	50,065,460	-	2,259,388	-

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM") (contd.)

BANK	Exposure	Exposures	Exposures	Exposures
31 March 2013	before CRM	covered by	covered by	covered by
Exposure Class	RM'000	guarantees/ credit derivatives	eligible financial collateral	other eligible collateral
		RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	4,428,064	-	-	-
Public sector entities	50,615	-	-	-
Banks, DFIs and MDBs	4,235,331	-	5,882	-
Insurance companies, securities firms and fund managers	7,691	-	6,921	-
Corporates	9,494,895	-	655,230	-
Regulatory retail	8,350,281	-	948,742	-
Residential mortgages	6,754,731	-	9,226	-
Higher risk assets	6,765	-	10	-
Other assets	470,311	-	-	-
Equity exposure	99,472	-	-	-
Defaulted exposures	239,338	-	1,456	-
Total on-balance sheet exposures	<u>34,137,494</u>	<u>-</u>	<u>1,627,467</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,043,187	-	6,853	-
Defaulted exposures	12,433	-	11	-
Total off-balance sheet exposures	<u>4,055,620</u>	<u>-</u>	<u>6,864</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>38,193,114</u>	<u>-</u>	<u>1,634,331</u>	<u>-</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM") (contd.)

GROUP	Exposure	Exposures	Exposures	Exposures
31 March 2013	before CRM	covered by	covered by	covered by
Exposure Class	RM'000	guarantees/ credit derivatives	financial collateral	other eligible collateral
		RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	6,293,224	-	-	-
Public sector entities	50,615	-	-	-
Banks, DFIs and MDBs	4,366,278	-	5,882	-
Insurance companies, securities firms and fund managers	7,712	-	6,921	-
Corporates	11,438,538	-	908,087	-
Regulatory retail	10,534,294	-	992,269	-
Residential mortgages	8,108,149	-	9,853	-
Higher risk assets	6,833	-	10	-
Other assets	584,149	-	-	-
Equity exposure	137,392	-	-	-
Defaulted exposures	295,977	-	2,069	-
Total on-balance sheet exposures	<u>41,823,161</u>	<u>-</u>	<u>1,925,091</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,648,990	-	8,503	-
Defaulted exposures	12,891	-	12	-
Total off-balance sheet exposures	<u>4,661,881</u>	<u>-</u>	<u>8,515</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>46,485,042</u>	<u>-</u>	<u>1,933,606</u>	<u>-</u>

3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk

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

<u>BANK</u>	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 September 2013				
<u>Credit-related exposures</u>				
Direct credit substitutes	329,258	-	329,258	329,258
Transaction-related contingent items	538,074	-	269,037	269,037
Short-term self-liquidating trade- related contingencies	112,768	-	22,554	22,554
Irrevocable commitments to extent credit:				
- maturity exceeding one year	4,538,057	-	2,269,029	1,799,505
- maturity not exceeding one year	4,870,411	-	974,082	888,008
Unutilised credit card lines	1,340,362	-	268,072	211,016
	<u>11,728,930</u>	<u>-</u>	<u>4,132,032</u>	<u>3,519,378</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	4,481,652	54,224	115,446	61,327
Interest rate related contracts:				
- one year or less	650,000	313	1,263	253
- over one year to three years	1,635,000	2,760	22,109	4,422
- over three years	552,436	1,894	25,323	13,884
Equity related contracts:				
- one year or less	6,764	39	441	277
- over one year to three years	54,032	343	4,740	3,002
	<u>7,379,884</u>	<u>59,573</u>	<u>169,322</u>	<u>83,165</u>
	<u>19,108,814</u>	<u>59,573</u>	<u>4,301,354</u>	<u>3,602,543</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk (contd.)

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

GROUP	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 September 2013				
<u>Credit-related exposures</u>				
Direct credit substitutes	378,823	-	378,823	378,823
Transaction-related contingent items	569,625	-	284,812	284,812
Short-term self-liquidating trade-related contingencies	154,710	-	30,942	30,942
Irrevocable commitments to extent credit:				
- maturity exceeding one year	5,162,245	-	2,581,122	2,049,233
- maturity not exceeding one year	5,752,173	-	1,150,435	995,385
Unutilised credit card lines	1,340,362	-	268,072	211,016
	<u>13,357,938</u>	<u>-</u>	<u>4,694,206</u>	<u>3,950,211</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- less than one year	4,481,652	54,224	115,446	61,327
Interest rate related contracts:				
- one year or less	650,000	313	1,263	253
- over one year to three years	1,635,000	2,760	22,109	4,422
- over three years	552,436	1,894	25,323	13,884
Equity related contracts:				
- one year or less	6,764	39	441	277
- over one year to three years	54,032	343	4,740	3,002
	<u>7,379,884</u>	<u>59,573</u>	<u>169,322</u>	<u>83,165</u>
	<u>20,737,822</u>	<u>59,573</u>	<u>4,863,528</u>	<u>4,033,376</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk (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>BANK</u>				
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 extent 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 years	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>
<u>GROUP</u>				
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 extent 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 years	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>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

4.0 Market Risk

Regulatory capital requirements

The risk-weighted assets and capital requirements for the various categories of risk under market risk are as follows:

	<u>BANK</u>		<u>GROUP</u>	
	Risk-Weighted Assets	Capital Requirements	Risk-Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
30 September 2013				
Interest rate risk				
- General interest rate risk	824	66	3,164	253
- Specific interest rate risk	550	44	3,264	261
	<u>1,374</u>	<u>110</u>	<u>6,428</u>	<u>514</u>
Foreign exchange risk	82,872	6,630	82,872	6,630
	<u>84,246</u>	<u>6,740</u>	<u>89,300</u>	<u>7,144</u>
31 March 2013				
Interest rate risk				
- General interest rate risk	9,874	790	11,865	949
- Specific interest rate risk	362	29	362	29
	<u>10,236</u>	<u>819</u>	<u>12,227</u>	<u>978</u>
Foreign exchange risk	63,818	5,105	63,818	5,105
	<u>74,054</u>	<u>5,924</u>	<u>76,045</u>	<u>6,083</u>

5.0 Equity Exposures in Banking Book

The following table shows the equity exposures in banking book:

	<u>BANK</u>		<u>GROUP</u>	
	Gross credit exposures	Risk-weighted assets	Gross credit exposures	Risk-weighted assets
	RM'000	RM'000	RM'000	RM'000
30 September 2013				
Publicly traded				
Holding of equity investments	10	15	10	15
Privately held				
For socio-economic purposes	86,717	86,717	127,707	127,707
Not for socio-economic purposes	23,774	35,661	23,774	35,661
	<u>110,501</u>	<u>122,393</u>	<u>151,491</u>	<u>163,383</u>
31 March 2013				
Publicly traded				
Holding of equity investments	9	13	9	13
Privately held				
For socio-economic purposes	79,551	79,551	117,471	117,471
Not for socio-economic purposes	19,912	29,868	19,912	29,868
	<u>99,472</u>	<u>109,432</u>	<u>137,392</u>	<u>147,352</u>

Gains and losses on equity exposures in the banking book

The table below present the gains and losses on equity exposures in banking book:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2013	31 March 2013	30 September 2013	31 March 2013
	RM'000	RM'000	RM'000	RM'000
Realised gains/(losses) recognised in the statement of comprehensive income				
- Publicly traded equity investments	-	-	-	1,350
- Privately held equity investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350</u>
Unrealised gains/(losses) recognised in revaluation reserve				
- Publicly traded equity investments	1	(4)	1	(784)
- Privately held equity investments	11,029	4,568	14,099	1,495
	<u>11,030</u>	<u>4,564</u>	<u>14,100</u>	<u>711</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

6.0 Interest Rate Risk/Rate of Return Risk in the Banking Book

The following tables present the Bank's projected sensitivity to a 100 basis point parallel shock to interest rates across all maturities applied on the Bank's interest sensitivity gap as at reporting date.

	BANK		GROUP	
	- 100 bps Increase/(Decrease) RM'000	+ 100 bps RM'000	- 100 bps Increase/(Decrease) RM'000	+ 100 bps RM'000
30 September 2013				
Impact on net interest income ("NII")				
Ringgit Malaysia	<u>(25,327)</u>	<u>25,327</u>	<u>(26,157)</u>	<u>26,157</u>
Impact on Economic Value ("EV")				
Ringgit Malaysia	<u>(366,740)</u>	<u>366,740</u>	<u>(356,528)</u>	<u>356,528</u>
31 March 2013				
Impact on net interest income ("NII")				
Ringgit Malaysia	<u>(55,661)</u>	<u>55,661</u>	<u>(56,563)</u>	<u>56,563</u>
Impact on Economic Value ("EV")				
Ringgit Malaysia	<u>(260,623)</u>	<u>260,623</u>	<u>(267,717)</u>	<u>267,717</u>

Note:

The foreign currency impact on NII/EV are consider insignificant as the exposure is less than 5% of Banking Book assets/liabilities.

7.0 Shariah Governance Disclosures and Profit Sharing Investment Account ("PSIA")

The disclosures under this section can be referred to Note 6.0 of Alliance Islamic Bank Berhad's Pillar 3 report.