

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
		RM'000	RM'000	RM'000	RM'000
Interest income	A13	492,810	432,025	1,920,414	1,772,407
Interest expense	A14	(281,719)	(245,915)	(1,072,622)	(951,818)
Net interest income		211,091	186,110	847,792	820,589
Net income from Islamic banking business	A15	61,328	58,211	244,151	225,057
		272,419	244,321	1,091,943	1,045,646
Fee and commission income		69,358	70,023	285,248	309,296
Fee and commission expense		(24,172)	(27,911)	(106,772)	(113,649)
Investment income		3,144	16,597	92,298	86,830
Other income		31,958	4,517	61,421	54,866
Other operating income	A16	80,288	63,226	332,195	337,343
Net income		352,707	307,547	1,424,138	1,382,989
Other operating expenses	A17	(180,612)	(165,560)	(688,950)	(646,979)
Operating profit before allowance		172,095	141,987	735,188	736,010
Allowance for losses on loans, advances and financing and other receivables	A18	(5,534)	(17,490)	(48,328)	(39,604)
Write-back of impairment on securities		5,338	39	7,765	6,728
Operating profit after allowance		171,899	124,536	694,625	703,134
Share of profit of equity-accounted joint venture, net of tax		17	2	156	16
Profit before taxation		171,916	124,538	694,781	703,150
Taxation	B5	(42,068)	(31,269)	(172,743)	(172,370)
Net profit for the financial period/year		129,848	93,269	522,038	530,780
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Revaluation reserve on financial investments available-for-sale					
- Net gain from change in fair value		57,449	89,955	55,757	113,466
- Realised (gain)/loss transferred to statement of income on disposal and impairment		(5,322)	115	(7,659)	(14,977)
- Transfer to deferred tax		(12,511)	(21,605)	(11,544)	(27,328)
Other comprehensive income, net of tax		39,616	68,465	36,554	71,161
Total comprehensive income for the period/year		169,464	161,734	558,592	601,941
Net profit for the financial period/year attributable to:					
Owners of the parent		129,848	93,269	522,038	530,780
Total comprehensive income attributable to:					
Owners of the parent		169,464	161,734	558,592	601,941
Earnings per share attributable to owners of the parent:					
- Basic (sen)	B15(a)	8.5	6.1	34.2	34.8
- Diluted (sen)	B15(b)	8.5	6.1	34.2	34.8

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

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QUARTERLY REPORT RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	<i>Note</i>	4th Quarter Ended		Cumulative 12 Months Ended	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
		RM'000	RM'000	RM'000	RM'000
Interest income	A13	452	584	2,092	2,075
Other income	A16	614	670	195,023	328,950
		<u>1,066</u>	<u>1,254</u>	<u>197,115</u>	<u>331,025</u>
Other operating expenses	A17	(503)	(961)	(2,820)	(3,117)
Operating profit		<u>563</u>	<u>293</u>	<u>194,295</u>	<u>327,908</u>
Write-back of impairment on amount due from subsidiaries		-	-	-	1,327
Profit before taxation		<u>563</u>	<u>293</u>	<u>194,295</u>	<u>329,235</u>
Taxation	B5	(139)	(502)	(1,012)	(1,250)
Net profit/(loss) for the financial period/year		<u>424</u>	<u>(209)</u>	<u>193,283</u>	<u>327,985</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

CONDENSED STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		UNAUDITED		UNAUDITED	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		4,943,700	2,696,183	56,837	75,357
Deposits and placements with banks and other financial institutions		195,865	298,167	-	-
Balances due from clients and brokers	A19	104,659	102,743	-	-
Financial assets held-for-trading	A20	132,229	10,037	-	-
Financial investments available-for-sale	A21	8,565,696	9,753,856	-	-
Financial investments held-to-maturity	A22	1,129,307	1,319,035	-	-
Derivative financial assets	B11	133,651	132,460	-	-
Loans, advances and financing	A23	38,410,724	36,566,032	-	-
Other assets	A24	102,690	90,053	905	1,184
Investment in subsidiaries		-	-	1,781,579	1,780,679
Investment in a joint venture		731	509	165	99
Tax recoverable		36,492	27,017	-	-
Statutory deposits		1,410,928	1,675,426	-	-
Property, plant and equipment		86,750	97,711	323	368
Intangible assets		362,982	359,935	-	-
Deferred tax assets		10,639	12,357	435	334
TOTAL ASSETS		55,627,043	53,141,521	1,840,244	1,858,021
LIABILITIES AND EQUITY					
Deposits from customers	B10(a), A25	46,024,939	44,606,815	-	-
Deposits and placements of banks and other financial institutions	B10(b), A26	1,157,250	1,489,775	-	-
Balances due to clients and brokers	A27	77,246	62,833	-	-
Bills and acceptances payable		-	801,578	-	-
Derivative financial liabilities	B11	279,541	115,224	-	-
Amount due to Cagamas Berhad		502,725	7,003	-	-
Other liabilities	A28	882,054	934,595	2,623	1,999
Subordinated obligations	B10(c)	1,840,147	613,267	-	-
Other Borrowings	B10(d)	5,071	-	-	-
Provision for taxation		322	2,157	271	254
Provision for zakat		123	128	-	-
Deferred tax liabilities		15,617	13,041	-	-
TOTAL LIABILITIES		50,785,035	48,646,416	2,894	2,253
Share capital		1,548,106	1,548,106	1,548,106	1,548,106
Reserves		3,373,799	3,033,720	369,141	394,383
Shares held for Employees' Share Scheme		(79,897)	(86,721)	(79,897)	(86,721)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		4,842,008	4,495,105	1,837,350	1,855,768
TOTAL LIABILITIES AND EQUITY		55,627,043	53,141,521	1,840,244	1,858,021
COMMITMENTS AND CONTINGENCIES	A30	21,832,427	22,745,783	-	-
Net assets per share attributable to owners of the parent (RM)*		3.13	2.90	1.19	1.20

* The net assets per share attributable to owners of the parent is computed as total equity divided by total number of ordinary shares in circulation.

(The Condensed Statements of Financial Position should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

ALLIANCE FINANCIAL GROUP BERHAD

(Company Number : 6627-X)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016

Group	← Attributable to Owners of the Parent →									
	Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Capital Reserves RM'000	Revaluation Reserves RM'000	Regulatory Reserves RM'000	Employees' Share Scheme ("ESS") Reserves RM'000	Shares held for ESS RM'000	Retained Profits RM'000	Total Equity RM'000
31 March 2016										
At 1 April 2015	1,548,106	304,289	827,627	7,013	78,232	-	11,944	(86,721)	1,804,615	4,495,105
Net profit for the financial year	-	-	-	-	-	-	-	-	522,038	522,038
Other comprehensive income	-	-	-	-	36,554	-	-	-	-	36,554
Total comprehensive income					36,554				522,038	558,592
for the financial year					36,554				522,038	558,592
Transfer to reserves	-	-	130,354	-	-	157,174	-	-	(287,528)	-
Share-based payment under ESS	-	-	-	-	-	-	6,632	-	-	6,632
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(219,497)	(219,497)
Transfer to retained profits on share lapsed:										
- employees of subsidiaries	-	-	-	-	-	-	(12)	-	12	-
ESS shares grant vested to:										
- employees of subsidiaries	-	-	-	-	-	-	(5,406)	5,406	-	-
- employees of joint venture	-	-	-	-	-	-	-	87	-	87
- own employees	-	-	-	-	-	-	(152)	152	-	-
ESS shares option exercised by:										
- employees of subsidiaries	-	-	-	-	-	-	(90)	90	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	1,089	-	1,089
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	(1,400)	-	1,400	-
At 31 March 2016	1,548,106	304,289	957,981	7,013	114,786	157,174	11,516	(79,897)	1,821,040	4,842,008
31 March 2015										
At 1 April 2014	1,548,106	304,289	687,017	7,013	7,071	-	18,912	(112,263)	1,705,871	4,166,016
Net profit for the financial year	-	-	-	-	-	-	-	-	530,780	530,780
Other comprehensive income	-	-	-	-	71,161	-	-	-	-	71,161
Total comprehensive income for					71,161				530,780	601,941
the financial year					71,161				530,780	601,941
Transfer to statutory reserves	-	-	140,610	-	-	-	-	-	(140,610)	-
Share-based payment under ESS	-	-	-	-	-	-	6,116	-	-	6,116
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(296,166)	(296,166)
Transfer to retained profits on share lapsed:										
- employees of subsidiaries	-	-	-	-	-	-	(363)	-	363	-
- own employees	-	-	-	-	-	-	(13)	-	13	-
ESS shares grant vested to:										
- employees of subsidiaries	-	-	-	-	-	-	(7,493)	7,493	-	-
- own employees	-	-	-	-	-	-	(156)	156	-	-
ESS shares option exercised by:										
- employees of subsidiaries	-	-	-	-	-	-	(695)	695	-	-
Proceeds from share option exercised	-	-	-	-	-	-	-	17,198	-	17,198
Transfer of ESS shares purchase price difference on shares vested	-	-	-	-	-	-	(4,364)	-	4,364	-
At 31 March 2015	1,548,106	304,289	827,627	7,013	78,232	-	11,944	(86,721)	1,804,615	4,495,105

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016

<u>Company</u>	← Non-Distributable →			<Distributable>		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Employees' Share Scheme ("ESS") Reserves RM'000	Shares held for ESS RM'000	Retained Profits RM'000	
31 March 2016						
At 1 April 2015	1,548,106	304,289	11,944	(86,721)	78,150	1,855,768
Net profit for the financial year	-	-	-	-	193,283	193,283
Share-based payment under ESS	-	-	6,632	-	-	6,632
Dividends paid to shareholders	-	-	-	-	(219,497)	(219,497)
Transfer to retained profits on share lapsed:						
- employees of subsidiaries	-	-	(12)	-	-	(12)
ESS recharge amount received from:						
- employees of subsidiaries	-	-	-	5,406	-	5,406
- employees of joint venture	-	-	-	87	-	87
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(5,406)	-	-	(5,406)
- own employees	-	-	(152)	152	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(90)	90	-	-
Proceeds from share option exercised	-	-	-	1,089	-	1,089
Transfer of ESS shares purchase price difference on shares vested	-	-	(1,400)	-	1,400	-
At 31 March 2016	1,548,106	304,289	11,516	(79,897)	53,336	1,837,350
31 March 2015						
At 1 April 2014	1,548,106	304,289	18,912	(112,263)	41,954	1,800,998
Net profit for the financial year	-	-	-	-	327,985	327,985
Share-based payment under ESS	-	-	6,116	-	-	6,116
Dividends paid to shareholders	-	-	-	-	(296,166)	(296,166)
Transfer to retained profits on share lapsed:						
- employees of subsidiaries	-	-	(363)	-	-	(363)
- own employees	-	-	(13)	-	13	-
ESS recharge amount received from subsidiaries	-	-	-	7,493	-	7,493
ESS shares grant vested to:						
- employees of subsidiaries	-	-	(7,493)	-	-	(7,493)
- own employees	-	-	(156)	156	-	-
ESS shares option exercised by:						
- employees of subsidiaries	-	-	(695)	695	-	-
Proceeds from share option exercised	-	-	-	17,198	-	17,198
Transfer of ESS shares purchase price difference on shares vested	-	-	(4,364)	-	4,364	-
At 31 March 2015	1,548,106	304,289	11,944	(86,721)	78,150	1,855,768

(The Condensed Statement of Changes In Equity should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

ALLIANCE FINANCIAL GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016

	Unaudited 12 Months Ended 31.03.2016	Unaudited 12 Months Ended 31.03.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	694,781	703,150
Adjustments for:		
Accretion of discount less amortisation of premium of financial investments	(68,125)	(62,935)
Depreciation of property, plant and equipment	23,014	21,471
Dividends from financial investments available-for-sale	(3,190)	(2,179)
Loss/(gain) on disposal of property, plant and equipment	11	(2)
Gain on disposal of non-current assets held for sale	-	(21,605)
Net loss from redemption of financial investments held-to-maturity	34	-
Net loss/(gain) from sale of financial assets held-for-trading	281	(873)
Net gain from sale of financial investments available-for-sale	(6,125)	(14,977)
Unrealised gain on revaluation of financial assets held-for-trading	(1,253)	(33)
Unrealised loss/(gain) on revaluation of derivative financial instruments	166,215	(36,249)
Unrealised gain arising from financial liabilities designated at fair value	(26,728)	(3,737)
Interest expense on subordinated obligations	56,861	29,470
Interest expense on other borrowings	71	-
Interest expense on securities sold under repurchase agreements	272	-
Interest income from financial investments held-to-maturity	(26,871)	(26,908)
Interest income from financial investments available-for-sale	(306,319)	(315,183)
Interest income from financial assets held-for-trading	(4,242)	(428)
Allowance for loans, advances and financing	64,806	81,668
Allowance for other receivables	4,092	2,041
Net write-back of financial investments held-to-maturity	(1,715)	(4,969)
Net write-back of financial investments available-for-sale	(6,050)	(1,759)
Amortisation of computer software	21,750	18,325
Share options/grants under ESS	6,566	6,017
Property, plant and equipment written off	762	957
Computer software written off	74	658
Share of results of joint venture	(156)	(16)
Zakat	56	57
Operating profit before working capital changes	588,872	371,961
Changes in working capital:		
Deposits from customers	1,441,763	5,366,991
Deposits and placements of banks and other financial institutions	(332,525)	(1,569,582)
Deposits and placements with banks and other financial institutions	102,302	357,138
Bills and acceptances payable	(801,578)	801,578
Balances due to/(from) clients and brokers	12,497	(8,479)
Other liabilities	(52,541)	74,687
Financial assets held-for-trading	(121,068)	101,034
Loans, advances and financing	(1,909,498)	(4,828,710)
Other assets	(16,729)	3,462
Statutory deposits	264,498	(91,182)
Amount due to Cagamas Berhad	495,722	(7,011)
Cash (used in)/generated from operations	(328,285)	571,887
Taxes paid	(191,303)	(207,061)
Zakat paid	(61)	(153)
Net cash (used in)/generated from operating activities	(519,649)	364,673

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016 (contd.)

	Unaudited 12 Months Ended 31.03.2016 RM'000	Unaudited 12 Months Ended 31.03.2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from financial investments available-for-sale	3,190	2,179
Interest received from financial investments held-to-maturity	27,006	26,908
Interest received from financial investments available-for-sale	318,150	315,183
Interest received from financial assets held-for-trading	4,242	428
Acquisition of joint venture company	-	(394)
Purchase of property, plant and equipment	(12,984)	(27,506)
Purchase of computer software	(24,871)	(25,662)
Proceeds from disposal of property, plant and equipment	158	2
Proceeds from disposal of non-current assets held for sale	-	49,353
Proceeds from disposal of financial investments held-to-maturity (net of purchase)	268,189	75,704
Proceeds from disposal of financial investments available-for-sale (net of purchase)	1,227,661	93,421
ESS recharge amount received from joint venture for share grants	87	-
Net cash generated from investing activities	1,810,828	509,616
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of subordinated notes	1,200,000	-
Transaction costs paid on issuance of subordinated notes	(1,062)	-
Proceeds from other borrowings	5,000	-
Proceeds from ESS exercised by employees/joint venture	1,089	17,198
Interest paid on subordinated obligations	(28,920)	(28,920)
Interest paid on securities sold under repurchase agreements	(272)	-
Dividends paid to shareholders of the Company	(219,497)	(296,166)
Net cash generated from/(used in) financing activities	956,338	(307,888)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,247,517	566,401
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	2,696,183	2,129,782
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4,943,700	2,696,183
Cash and cash equivalents comprise the following:		
Cash and short-term funds	4,943,700	2,696,183

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS - COMPANY FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2016

	Unaudited 12 Months Ended 31.03.2016 RM'000	Unaudited 12 Months Ended 31.03.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	194,295	329,235
Adjustments for:		
Depreciation of property, plant and equipment	48	51
Interest income from money at call and deposit placements with financial institutions	(2,092)	(2,075)
Write-back of impairment losses on amount due from subsidiaries	-	(1,327)
Share options/grants under ESS	217	150
Gross dividend income from a subsidiary	(192,439)	(326,013)
Operating profit before working capital changes	29	21
Changes in working capital:		
Receivables	(148)	103
Payables	395	102
Cash generated from operations	276	226
Taxes paid	(1,096)	(960)
Net cash used in operating activities	(820)	(734)
CASH FLOWS FROM INVESTING ACTIVITIES		
Amount due from subsidiaries	435	934
Amount due from a joint venture	(8)	-
ESS recharge amount received from subsidiaries for share grants	5,406	7,493
ESS recharge amount received from joint venture for share grants	87	-
ESS recharge amount received from subsidiaries for share options	90	695
Interest received from deposits and placements with banks and other financial institutions	2,092	2,075
Purchase of property, plant and equipment	(3)	-
Dividends received	192,439	326,013
Net cash generated from investing activities	200,538	337,210
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(219,497)	(296,166)
Proceeds from share option exercised	1,089	17,198
Amount due to subsidiaries	170	49
Net cash used in financing activities	(218,238)	(278,919)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,520)	57,557
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	75,357	17,800
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	56,837	75,357
Cash and cash equivalents comprise the following:		
Cash and short-term funds	56,837	75,357

(The Condensed Statement of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 31 March 2015)

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

A1. Basis Of Preparation

The unaudited condensed interim financial statements for the fourth financial quarter ended 31 March 2016 have been prepared under the historical cost convention, as modified by the available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and Appendix 9B of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 March 2015.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2015, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2015:

- Amendments to MFRS 119 "Defined Benefit Plans: Employee Contributions"
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2010 - 2012 Cycle"
 - MFRS 2 "Share-based Payment"
 - MFRS 3 "Business Combinations"
 - MFRS 8 "Operating Segments"
 - MFRS 13 "Fair Value Measurement"
 - MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets"
 - MFRS 124 "Related Party Disclosure"
- Amendment to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011 - 2013 Cycle"
 - MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"
 - MFRS 3 "Business Combinations"
 - MFRS 13 "Fair Value Measurement"
 - MFRS 140 "Investment Property"

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

A1. Basis Of Preparation (contd.)

The following MFRS have been issued by the MASB and are effective for annual period commencing on or after 1 April 2015, and have yet to be adopted by the Group and the Company:

- Amendments to MFRS 11 "Accounting for Acquisition of Interests in Joint Operations" (effective 1 January 2016)
- Amendments to MFRS 116 & MFRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective 1 January 2016)
- Amendments to MFRS 127 "Equity Method in Separate Financial Statements" (effective 1 January 2016)
- Amendments to MFRS 10, 12 & 128 "Investment entities - Applying the Consolidation Exception" (effective 1 January 2016)
- Amendments to MFRS 10 & MFRS 128 "Sale or Contribution of assets between an Investor and its Associate or Joint Venture" (effective 1 January 2016)
- Amendments to MFRS 101 "Presentation of financial statements - Disclosure Initiative" (effective 1 January 2016)
- Annual Improvements to MFRSs 2012 – 2014 (effective 1 January 2016)
- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative" (effective 1 January 2017)
- Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses" (effective 1 January 2017)
- MFRS 15 "Revenue from Contracts with Customer" (effective 1 January 2018)
- MFRS 9 "Financial Instruments" (effective 1 January 2018)
- MFRS 16 "Leases" will supersede MFRS 117 "Leases" and the related interpretations (effective 1 Jan 2019)

The preparation of unaudited condensed interim financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ.

A2. Declaration Of Audit Confirmation

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2015 was not subject to any qualification.

A3. Seasonal And Cyclical Factors

The operations of the Group and the Company were not materially affected by any seasonal or cyclical fluctuations during the fourth financial quarter ended 31 March 2016.

A4. Nature And Amount Of Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows That Are Unusual Because Of Their Nature, Size Or Incidence

The assets, liabilities, equity, net income and cash flows of the Group and the Company in the fourth financial quarter ended 31 March 2016 were not substantially affected by any item of a material and unusual nature.

A5. Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the fourth financial quarter ended 31 March 2016.

A6. Changes In Debt And Equity Securities

Other than detailed below, there were no other issuance of equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for fourth financial quarter ended 31 March 2016:-

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

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

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

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

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

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

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

On 27 January 2016, ABMB has fully redeemed its RM5.0 million CPs Programme which had matured on 27 January 2016.

A7. Dividends Paid

A second single tier interim dividend of 6.4 sen per share, in respect of the financial year ended 31 March 2015, on 1,548,105,929 ordinary shares amounting to RM99,079,000 was paid on 30 June 2015.

A first single tier interim dividend of 8.0 sen per share, in respect of the financial year ended 31 March 2016, on 1,548,105,929 ordinary shares amounting to RM123,848,000 was paid on 30 December 2015.

Dividends paid on the shares held in Trust pursuant to the Company's ESS which are classified as shares held for ESS are not accounted for in the total equity. An amount of RM1,576,000 and RM1,854,000 being dividends paid for those shares were added back to the appropriation of retained profits in respect of the second single tier interim dividend and the first single tier interim dividend respectively.

A8. Segment Information

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

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

The Group is organised into the following key operating segments:

(i) Consumer Banking

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

(ii) Business Banking

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

(iii) Financial Markets

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

(iv) Investment Banking

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

(v) Others

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

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A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
4th Financial Quarter Ended 31 March 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	114,271	78,352	12,778	1,400	847	207,648	3,443	211,091
- inter-segment	(35,447)	19,693	16,747	(993)	-	-	-	-
	78,824	98,045	29,525	407	847	207,648	3,443	211,091
Net income from Islamic banking business	22,878	17,217	15,556	-	-	55,651	5,677	61,328
Other operating income	27,883	36,562	12,133	5,910	9,736	92,224	(11,936)	80,288
Net income	129,585	151,824	57,214	6,317	10,583	355,523	(2,816)	352,707
Other operating expenses	(82,650)	(76,825)	(1,179)	(6,293)	(4,849)	(171,796)	2,647	(169,149)
Depreciation and amortisation	(6,262)	(4,186)	(828)	(175)	(12)	(11,463)	-	(11,463)
Operating profit/(loss)	40,673	70,813	55,207	(151)	5,722	172,264	(169)	172,095
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(9,732)	2,204	25	(31)	-	(7,534)	2,000	(5,534)
Write-back of impairment on securities	-	13	5,325	-	-	5,338	-	5,338
Segment result	30,941	73,030	60,557	(182)	5,722	170,068	1,831	171,899
Share of profit of equity-accounted joint venture, net of tax								17
Taxation								(42,068)
Net profit for the financial period								<u>129,848</u>
Segment assets	22,172,958	16,079,638	18,758,136	284,496	1,908,423	59,203,651	(4,074,202)	55,129,449
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								731
Property, plant and equipment								86,750
Unallocated assets								47,131
Intangible assets								362,982
Total assets								<u>55,627,043</u>
Segment liabilities	22,087,698	20,354,741	9,572,956	104,007	16,178	52,135,580	(1,366,607)	50,768,973
Unallocated liabilities								16,062
Total liabilities								<u>50,785,035</u>

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A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Twelve months ended 31 March 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	449,008	326,818	71,312	4,730	3,734	855,602	(7,810)	847,792
- inter-segment	(128,972)	63,271	69,387	(3,686)	-	-	-	-
	320,036	390,089	140,699	1,044	3,734	855,602	(7,810)	847,792
Net income from Islamic banking business	90,296	73,656	53,790	-	-	217,742	26,409	244,151
Other operating income	105,953	147,477	57,880	23,540	217,464	552,314	(220,119)	332,195
Net income	516,285	611,222	252,369	24,584	221,198	1,625,658	(201,520)	1,424,138
Other operating expenses	(303,974)	(251,403)	(42,596)	(34,917)	(21,658)	(654,548)	10,362	(644,186)
Depreciation and amortisation	(24,216)	(16,269)	(3,600)	(631)	(48)	(44,764)	-	(44,764)
Operating profit/(loss)	188,095	343,550	206,173	(10,964)	199,492	926,346	(191,158)	735,188
Allowance for losses on loans, advances and financing and other receivables	(38,209)	(10,035)	(60)	(24)	-	(48,328)	-	(48,328)
Write-back of impairment on securities	-	16	7,749	-	-	7,765	-	7,765
Segment result	149,886	333,531	213,862	(10,988)	199,492	885,783	(191,158)	694,625
Share of profit of equity-accounted joint venture, net of tax								156
Taxation								(172,743)
Net profit for the financial year								522,038
Segment assets	22,172,958	16,079,638	18,758,136	284,496	1,908,423	59,203,651	(4,074,202)	55,129,449
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								731
Property, plant and equipment								86,750
Unallocated assets								47,131
Intangible assets								362,982
Total assets								55,627,043
Segment liabilities	22,087,698	20,354,741	9,572,956	104,007	16,178	52,135,580	(1,366,607)	50,768,973
Unallocated liabilities								16,062
Total liabilities								50,785,035

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A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
4th Financial Quarter Ended 31 March 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	79,897	67,444	39,238	1,365	980	188,924	(2,814)	186,110
- inter-segment	(23,910)	18,046	6,906	(1,042)	-	-	-	-
	55,987	85,490	46,144	323	980	188,924	(2,814)	186,110
Net income from Islamic banking business	21,845	17,360	11,364	-	-	50,569	7,642	58,211
Other operating income/(expense)	24,024	36,651	(3,038)	5,493	6,886	70,016	(6,790)	63,226
Net income	101,856	139,501	54,470	5,816	7,866	309,509	(1,962)	307,547
Other operating expenses	(66,501)	(59,189)	(15,950)	(8,778)	(6,650)	(157,068)	2,302	(154,766)
Depreciation and amortisation	(6,041)	(3,593)	(1,014)	(133)	(13)	(10,794)	-	(10,794)
Operating profit/(loss)	29,314	76,719	37,506	(3,095)	1,203	141,647	340	141,987
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(3,633)	(14,010)	70	83	-	(17,490)	-	(17,490)
Write-back of impairment on securities	-	39	-	-	-	39	-	39
Segment result	25,681	62,748	37,576	(3,012)	1,203	124,196	340	124,536
Share of profit of equity-accounted joint venture, net of tax								2
Taxation								(31,269)
Net profit for the financial period								93,269
Segment assets	21,836,416	14,592,555	18,280,083	63,524	1,924,206	56,696,784	(4,052,792)	52,643,992
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								509
Property, plant and equipment								97,711
Unallocated assets								39,374
Intangible assets								359,935
Total assets								53,141,521
Segment liabilities	19,239,768	18,905,387	11,826,134	89,021	16,942	50,077,252	(1,446,162)	48,631,090
Unallocated liabilities								15,326
Total liabilities								48,646,416

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A8. Segment Information (contd.)

Group	Consumer Banking	Business Banking	Financial Markets	Investment Banking	Others	Total Operations	Inter-segment Elimination	Total
Twelve months ended 31 March 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)								
- external income	381,726	304,902	136,548	6,733	3,537	833,446	(12,857)	820,589
- inter-segment	(79,848)	41,971	42,814	(4,937)	-	-	-	-
	301,878	346,873	179,362	1,796	3,537	833,446	(12,857)	820,589
Net income from Islamic banking business	84,601	68,240	43,914	-	-	196,755	28,302	225,057
Other operating income	107,491	154,316	29,864	25,290	412,242	729,203	(391,860)	337,343
Net income	493,970	569,429	253,140	27,086	415,779	1,759,404	(376,415)	1,382,989
Other operating expenses	(267,350)	(219,669)	(52,549)	(41,344)	(37,765)	(618,677)	11,494	(607,183)
Depreciation and amortisation	(22,022)	(13,385)	(3,786)	(552)	(51)	(39,796)	-	(39,796)
Operating profit/(loss)	204,598	336,375	196,805	(14,810)	377,963	1,100,931	(364,921)	736,010
(Allowance for)/write-back of impairment losses on loans, advances and financing and other receivables	(42,719)	2,136	80	899	-	(39,604)	-	(39,604)
Write-back of impairment on securities	-	4,395	833	-	2,827	8,055	(1,327)	6,728
Segment result	161,879	342,906	197,718	(13,911)	380,790	1,069,382	(366,248)	703,134
Share of profit of equity-accounted joint venture, net of tax								16
Taxation								(172,370)
Net profit for the financial year								530,780
Segment assets	21,836,416	14,592,555	18,280,083	63,524	1,924,206	56,696,784	(4,052,792)	52,643,992
Reconciliation of segment assets to consolidated assets:								
Investment in a joint venture								509
Property, plant and equipment								97,711
Unallocated assets								39,374
Intangible assets								359,935
Total assets								53,141,521
Segment liabilities	19,239,768	18,905,387	11,826,134	89,021	16,942	50,077,252	(1,446,162)	48,631,090
Unallocated liabilities								15,326
Total liabilities								48,646,416

A9. Material Event During The Financial Reporting Period

(a) Employees' Share Scheme ("ESS")

On 22 June 2015, the Company awarded share grants to employees of the Company and its subsidiaries who have met the criteria of eligibility for the participation in the ESS.

A total 1,844,700 shares were awarded under the Share Grant Plan. The first 33.0% of the share grants are to be vested at the end of the first year and the remaining 67.0% of the share grants are to be vested at the end of the second year from the date on which the award was made.

The Company operates an equity-settled, share-based compensation plan pursuant to the ESS. Under the MFRS2 'Share-based Payment', the compensation expense relating to the share scheme is recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

(b) Shares Purchased pursuant to ESS

During the financial year ended 31 March 2016, the Trustee of the ESS had not purchased any shares in the Company from the open market.

In the financial year ended 31 March 2016, 1,951,400 shares have been vested and transferred from the Trustee to the eligible employees of the Company and its subsidiaries in accordance with the terms under the Share Grant Plan and Share Option Plan of the ESS. As at 31 March 2016, the Trustee of the ESS held 22,926,500 ordinary shares representing 1.48% of the issued and paid-up capital of the Company.

(c) Establishment of New Debt Issuance Programmes

On 21 September 2015, the Company announced that Alliance Bank Malaysia Berhad ("ABMB"), a wholly-owned subsidiary of the Company has established the following New Debt Issuance Programmes:

- (i) RM1.5 billion Thirty (30)-years Senior-MTN Programme;
- (ii) RM2.0 billion Thirty (30)-years Sub-MTN Programme; and
- (iii) RM500.0 million Seven (7)-years CPs Programme

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

On 8 April 2016, ABMB has fully redeemed its RM600.0 million Sub-MTN which was issued on 8 April 2011 under ABMB's RM1.5 billion Sub-MTNs Programme.

A11. Changes In The Composition Of The Group

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

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

Please refer to Note A30.

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A13. Interest Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Loans, advances and financing	382,551	328,136	1,486,756	1,330,504
Money at call and deposit placements with financial institutions	9,955	4,216	17,417	25,402
Financial assets held-for-trading	1,026	203	4,242	428
Financial investments available-for-sale	71,898	78,322	306,319	315,183
Financial investments held-to-maturity	6,674	6,685	26,871	26,908
Others	2,681	3,275	10,684	11,047
	474,785	420,837	1,852,289	1,709,472
Accretion of discount less amortisation of premium of financial investments	18,025	11,188	68,125	62,935
	492,810	432,025	1,920,414	1,772,407
Company				
Money at call and deposit placements with financial institutions	452	584	2,092	2,075

A14. Interest Expense

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Deposits and placements of banks and other financial institutions	8,885	13,302	51,545	74,748
Deposits from customers	238,290	220,500	936,314	830,414
Securities sold under repurchase agreements	246	-	272	-
Other borrowings	40	-	71	-
Subordinated obligations	24,637	7,306	56,861	29,470
Others	9,621	4,807	27,559	17,186
	281,719	245,915	1,072,622	951,818

A15. Net Income From Islamic Banking Business

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Income derived from investment of depositors' funds and others	110,073	98,481	429,182	364,828
Income derived from investment of Islamic Banking funds	10,328	8,668	38,139	33,641
Income attributable to depositors and financial institutions	(64,750)	(56,580)	(249,579)	(201,714)
	55,651	50,569	217,742	196,755
Add: Income due to head office eliminated at Group level	5,677	7,642	26,409	28,302
	61,328	58,211	244,151	225,057

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A16. Other Operating Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
<u>Fee and commission income:</u>				
Commissions	18,527	18,593	77,843	78,212
Service charges and fees	7,801	7,314	31,250	31,752
Portfolio management fees	-	5	-	29
Corporate advisory fees	339	307	1,639	762
Brokerage fees	8,202	8,537	33,793	39,476
Guarantee fees	4,416	3,027	15,430	13,195
Processing fees	2,049	2,953	8,061	15,588
Commitment fees	3,793	3,737	15,445	15,214
Underwriting commissions	-	-	375	526
Other fee income	24,231	25,550	101,412	114,542
	69,358	70,023	285,248	309,296
<u>Fee and commission expense:</u>				
Commissions expense	(620)	(625)	(2,050)	(2,275)
Guarantee fees expense	(10)	(6)	(898)	(737)
Brokerage fees expense	(3,576)	(4,123)	(15,778)	(19,328)
Other fee expense	(19,966)	(23,157)	(88,046)	(91,309)
	(24,172)	(27,911)	(106,772)	(113,649)
<u>Investment income:</u>				
Gain/(loss) arising from sale/redemption of:				
- Financial assets held-for-trading	979	866	(281)	873
- Financial investments available-for-sale	3,788	(115)	6,125	14,977
- Financial investments held-to-maturity	(34)	-	(34)	-
Marked-to-market revaluation of:				
- Financial assets held-for-trading	780	(9)	1,253	33
- Derivative financial instruments	(149,335)	(76,212)	(166,215)	36,249
- Unrealised gain arising from financial liabilities designated at fair value	7,573	3,737	26,728	3,737
Realised gain on derivative financial instruments	139,348	88,330	221,532	28,782
Gross dividend income from:				
- Financial investments available-for-sale	45	-	3,190	2,179
	3,144	16,597	92,298	86,830
<u>Other income:</u>				
Foreign exchange gain/(loss)	25,513	(1,893)	32,646	4,628
Gain/(loss) on disposal of property, plant and equipment	-	1	(11)	2
Gain on disposal of non-current assets held for sale	-	-	-	21,605
Others	6,445	6,409	28,786	28,631
	31,958	4,517	61,421	54,866
Total other operating income	80,288	63,226	332,195	337,343
Company				
<u>Investment income:</u>				
Gross dividend income from:				
- Subsidiary	-	-	192,439	326,013
<u>Other income:</u>				
Others	614	670	2,584	2,937
Total other operating income	614	670	195,023	328,950

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A17. Other Operating Expenses

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	85,463	77,466	334,317	298,387
Contribution to EPF	13,462	12,605	53,289	50,259
Share options/grants under ESS	1,109	27	6,566	6,017
Others	10,362	11,801	36,550	48,795
	110,396	101,899	430,722	403,458
Establishment costs				
Depreciation of property, plant and equipment	5,779	5,913	23,014	21,471
Amortisation of computer software	5,684	4,881	21,750	18,325
Rental of premises	7,826	7,279	30,810	28,177
Water and electricity	2,028	1,994	8,210	9,108
Repairs and maintenance	2,710	3,202	9,278	11,510
Information technology expenses	10,432	9,434	41,529	38,792
Others	3,626	4,587	14,268	16,891
	38,085	37,290	148,859	144,274
Marketing expenses				
Promotion and advertisement	1,538	2,742	4,459	7,239
Branding and publicity	6,015	6,745	13,984	18,266
Others	1,703	1,668	7,758	7,746
	9,256	11,155	26,201	33,251
Administration and general expenses				
Communication expenses	3,844	3,455	13,356	14,093
Printing and stationery	1,253	1,176	3,455	4,200
Insurance	3,168	3,051	20,410	10,499
Professional fees	6,293	3,423	19,149	18,188
Others	8,317	4,111	26,798	19,016
	22,875	15,216	83,168	65,996
Total other operating expenses	180,612	165,560	688,950	646,979

Company

Personnel costs				
Salaries, allowances and bonuses	72	309	505	569
Contribution to EPF	12	28	79	98
Share options/grants under ESS	53	(20)	217	150
Others	9	58	110	141
	146	375	911	958
Establishment costs				
Depreciation of property, plant and equipment	12	13	48	51
Rental of premises	57	57	229	229
Water and electricity	1	2	3	4
Repairs and maintenance	28	27	114	108
Information technology expenses	-	(3)	-	2
Others	13	132	112	186
	111	228	506	580
Administration and general expenses				
Communication expenses	1	1	11	11
Printing and stationery	-	1	1	2
Insurance	-	11	-	11
Professional fees	32	107	122	186
Others	213	238	1,269	1,369
	246	358	1,403	1,579
Total other operating expenses	503	961	2,820	3,117

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

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Allowance for losses on loans, advances and financing and other receivables:				
(a) Individual assessment allowance				
- made during the financial period/year, (net)	9,673	2,837	24,229	3,475
(b) Collective assessment allowance				
- made during the financial period/year, (net)	(971)	22,287	40,577	78,193
(c) Bad debts on loans, advances and financing				
- Recovered	(9,072)	(13,274)	(37,799)	(61,849)
- Written off	4,788	4,761	17,229	17,744
	4,418	16,611	44,236	37,563
Allowance for other receivables	1,116	879	4,092	2,041
	5,534	17,490	48,328	39,604

A19. Balances Due From Clients And Brokers

	Group	
	31.03.2016 RM'000	31.03.2015 RM'000
Due from clients	97,680	60,289
Due from brokers	7,816	43,294
	105,496	103,583
Less: Allowance for other losses	(837)	(840)
	104,659	102,743

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

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

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

	Group	
	31.03.2016 RM'000	31.03.2015 RM'000
Classified as doubtful	52	128
Classified as bad	848	927
	900	1,055

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A19. Balances Due From Clients And Brokers (contd.)

The movements in allowance for other losses are as follows:

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
At beginning of financial year	840	1,194
Write-back during the financial year, (net)	(3)	(354)
At end of financial year	<u>837</u>	<u>840</u>

A20. Financial Assets Held-for-trading

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
At fair value		
<u>Money market instruments</u>		
Malaysian Government investment certificates	40,441	-
<u>Unquoted securities</u>		
Medium term notes	91,788	10,037
Total financial assets held-for-trading	<u>132,229</u>	<u>10,037</u>

A21. Financial Investments Available-for-sale

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
At fair value		
<u>Money market instruments</u>		
Malaysian Government securities	1,277,948	2,607,781
Malaysian Government investment certificates	2,338,432	2,723,129
Negotiable instruments of deposits	1,684,516	1,241,534
Bankers' acceptances	-	105,531
Khazanah bonds	202,673	194,349
	<u>5,503,569</u>	<u>6,872,324</u>
<u>Quoted securities in Malaysia</u>		
Shares	26	22
Accumulated impairment	(11)	(11)
	<u>15</u>	<u>11</u>
<u>Unquoted securities</u>		
Shares	153,781	141,651
Accumulated impairment	(1,440)	(1,440)
	<u>152,341</u>	<u>140,211</u>
Unit Trust Funds	4,992	-
	<u>4,992</u>	<u>-</u>
Debt securities and medium term notes	3,136,690	2,979,271
Accumulated impairment	(231,911)	(237,961)
	<u>2,904,779</u>	<u>2,741,310</u>
	<u>3,062,112</u>	<u>2,881,521</u>
Total financial investment available-for-sale	<u>8,565,696</u>	<u>9,753,856</u>

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A22. Financial Investments Held-to-maturity

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
At amortised cost		
<u>Money market instruments</u>		
Malaysian Government securities	700,570	701,521
Malaysian Government investment certificates	233,390	423,739
Khazanah bonds	<u>190,602</u>	<u>183,932</u>
	1,124,562	1,309,192
At cost		
<u>Unquoted securities</u>		
Debt securities	18,938	37,668
Accumulated impairment	<u>(14,193)</u>	<u>(27,825)</u>
	4,745	9,843
Total financial investments held-to-maturity	<u>1,129,307</u>	<u>1,319,035</u>

A23. Loans, Advances And Financing

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Overdrafts	2,641,243	2,142,270
Term loans/financing		
- Housing loans/financing	14,842,860	14,257,710
- Syndicated term loans/financing	261,668	431,427
- Hire purchase receivables	1,351,475	1,564,527
- Other term loans/financing	13,039,019	11,751,901
Bills receivables	306,143	300,866
Trust receipts	179,935	182,437
Claims on customers under acceptance credits	2,519,809	2,567,211
Staff loans [including loans to Directors of a banking subsidiary of RM123,000 (31.03.15: RM155,000)]	34,395	37,691
Credit/charge card receivables	646,321	653,068
Revolving credits	1,660,665	1,467,301
Share margin financing	<u>1,264,135</u>	<u>1,566,703</u>
Gross loans, advances and financing	38,747,668	36,923,112
Add: Sales commissions and handling fees	38,365	33,927
Less: Allowance for impairment on loans, advances and financing		
- Individual assessment allowance	(68,331)	(56,303)
- Collective assessment allowance	<u>(306,978)</u>	<u>(334,704)</u>
Total net loans, advances and financing	<u>38,410,724</u>	<u>36,566,032</u>

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A23. Loans, Advances And Financing (contd.)

(a) By type of customer

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Domestic non-bank financial institutions	375,434	576,252
Domestic business enterprises		
- Small and medium enterprises	8,956,673	7,481,367
- Others	7,058,880	6,890,104
Government and statutory bodies	6,816	8,258
Individuals	21,306,301	20,866,962
Other domestic entities	201,401	215,146
Foreign entities	842,163	885,023
Gross loans, advances and financing	38,747,668	36,923,112

(b) By interest/profit rate sensitivity

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	46,476	57,528
- Hire purchase receivables	1,306,547	1,512,488
- Other fixed rate loans/financing	2,379,044	2,248,229
Variable rate		
- Base lending rate plus	27,543,664	26,582,088
- Base rate plus	847,853	29,334
- Cost plus	6,350,612	6,253,494
- Other variable rate loans/financing	273,472	239,951
Gross loans, advances and financing	38,747,668	36,923,112

(c) By economic purposes

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Purchase of securities	1,285,780	1,597,174
Purchase of transport vehicles	1,218,632	1,426,986
Purchase of landed property	22,624,255	21,587,935
of which: - Residential	15,846,729	15,137,475
- Non-residential	6,777,526	6,450,460
Purchase of fixed assets excluding land and buildings	192,901	209,585
Personal use	2,560,230	2,276,090
Credit card	646,321	653,068
Construction	663,866	564,122
Merger and acquisition	117,688	117,687
Working capital	7,186,477	6,623,099
Others	2,251,518	1,867,366
Gross loans, advances and financing	38,747,668	36,923,112

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A23. Loans, Advances And Financing (contd.)

(d) By geographical distribution

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Northern region	2,569,926	2,413,727
Central region	27,917,362	26,845,424
Southern region	4,581,547	4,246,477
Sabah region	2,586,488	2,634,948
Sarawak region	1,092,345	782,536
Gross loans, advances and financing	<u>38,747,668</u>	<u>36,923,112</u>

(e) By maturity structure

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Within one year	9,201,769	8,508,239
One year to three years	1,318,284	1,426,070
Three years to five years	2,050,419	1,825,760
Over five years	26,177,196	25,163,043
Gross loans, advances and financing	<u>38,747,668</u>	<u>36,923,112</u>

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
At beginning of financial year	380,712	442,781
Impaired during the financial year	688,435	688,569
Reclassified as unimpaired during the financial year	(342,996)	(412,159)
Recoveries	(157,779)	(235,458)
Amount written off	(80,504)	(103,021)
At end of financial year	<u>487,868</u>	<u>380,712</u>
Individual allowance for impairment	(68,331)	(56,303)
Collective allowance for impairment (impaired portion)	(109,347)	(102,533)
Net impaired loans, advances and financing	<u>310,190</u>	<u>221,876</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>1.3%</u>	<u>1.0%</u>

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A23. Loans, Advances And Financing (contd.)

(g) Impaired loans by economic purposes

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Purchase of securities	-	515
Purchase of transport vehicles	14,742	8,263
Purchase of landed property	307,795	255,939
of which: - Residential	220,145	233,894
- Non-residential	87,650	22,045
Purchase of fixed assets excluding land and buildings	651	541
Personal use	37,029	27,164
Credit card	9,421	7,611
Construction	3,892	3,979
Working capital	96,211	67,634
Others	18,127	9,066
Gross impaired loans	487,868	380,712

(h) Impaired loans by geographical distribution

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Northern region	46,072	45,294
Central region	372,422	267,873
Southern region	40,279	37,759
Sabah region	25,088	25,501
Sarawak region	4,007	4,285
Gross impaired loans	487,868	380,712

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Individual assessment allowance		
At beginning of financial year	56,303	97,159
Allowance made during the financial year, (net)	24,229	3,475
Amount written off	(14,060)	(43,873)
Transfers from/(to) collective assessment allowance	1,859	(458)
At end of financial year	68,331	56,303

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Collective assessment allowance		
At beginning of financial year	334,704	313,296
Allowance made during the financial year, (net)	40,577	78,193
Amount written-off	(66,444)	(57,243)
Transfers (to)/from individual assessment allowance	(1,859)	458
At end of financial year	306,978	334,704

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A24. Other Assets

	Group		Company	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Other receivables	105,339	96,227	76	35
Deposits	9,192	9,348	103	98
Prepayment	14,985	15,033	115	13
Trade receivables	49	49	-	-
Amounts due from subsidiaries	-	-	603	1,038
Amounts due from a joint venture	198	534	8	-
	129,763	121,191	905	1,184
Less: Allowance for other receivables	(27,073)	(31,138)	-	-
	102,690	90,053	905	1,184

A25. Deposits From Customers

	Group	
	31.03.2016 RM'000	31.03.2015 RM'000
<u>By type of deposit</u>		
Amortised cost		
Demand deposits	12,984,455	13,222,335
Savings deposits	1,787,163	1,767,621
Fixed/investment deposits	22,890,873	21,049,678
Money market deposits	2,594,183	4,171,150
Negotiable instruments of deposits	5,268,944	4,001,934
Structured deposits	260,185	330,602
	45,785,803	44,543,320
At fair value through profit and loss		
Structured deposits	239,136	63,495
	46,024,939	44,606,815

Note:

- (a) Structured deposits issued by the Group include foreign currency time deposits with embedded foreign exchange, gold commodity, equity linked options and interest rate index linked placements.
- (b) The Group has undertaken a fair value hedge on the interest rate risk of certain the structured deposits amounting to RM200,913,000 (2015: RM281,371,000) using interest rate swaps.

	Group	
	31.03.2016 RM'000	31.03.2015 RM'000
Structured deposits	200,913	281,371
Fair value changes arising from fair value hedges	(5,832)	(8,702)
	195,081	272,669

The fair value gain of the interest rate swap in this hedge transaction for the fourth financial quarter ended 31 March 2016 was RM5,832,000 (2015: RM8,702,000). There were no ineffectiveness.

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A25. Deposits From Customers (contd.)

- (c) During the financial year ended 31 March 2016, the Group designated certain structured deposits at fair value through profit or loss. This designation is permitted under MFRS 139 "Financial Instruments: Recognition and Measurement" as it significantly reduces accounting mismatch. These instruments are managed by the Bank on the basis of its fair value and includes embedded derivatives that are not closely related to its underlying deposits. The structured deposits are recorded at fair value. The carrying amount of the structured deposits were RM10,745,000 lower than the contractual amount at maturity.

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Structured deposits	269,601	67,232
Fair value changes arising from designation at fair value through profit or loss	<u>(30,465)</u>	<u>(3,737)</u>
	<u>239,136</u>	<u>63,495</u>

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
(i) <u>By type of customer</u>		
Domestic financial institutions	5,349,252	4,057,149
Domestic non-bank financial institutions	2,724,792	4,443,347
Government and statutory bodies	3,962,637	2,998,668
Business enterprises	14,678,060	14,134,110
Individuals	18,221,964	17,906,583
Foreign entities	593,398	591,360
Others	494,836	475,598
	<u>46,024,939</u>	<u>44,606,815</u>

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
(ii) <u>The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposit are as follows:</u>		
Due within six months	25,104,425	24,011,868
Six months to one year	5,464,888	5,156,361
One year to three years	53,992	48,134
Three years to five years	130,695	6,399
	<u>30,754,000</u>	<u>29,222,762</u>

A26. Deposits And Placements Of Banks And Other Financial Institutions

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Licensed banks	708,074	852,198
Licensed Islamic banks	-	200,020
Bank Negara Malaysia	449,176	437,557
	<u>1,157,250</u>	<u>1,489,775</u>

A27. Balances Due To Clients And Brokers

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Due to clients	77,246	62,833
Due to brokers	-	-
	<u>77,246</u>	<u>62,833</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 client is three (3) market days according to the Bursa's FDSS trading rules.

Following the issuance of FRSIC Consensus 18, the Group no longer recognises trust monies balances in the statement of financial position, as the Group does not have any control over the trust monies to obtain the future economic benefits embodied in the trust monies. The trust monies maintained by the Group amounting to RM83,067,000 (2015: RM78,850,000) have been excluded accordingly.

A28. Other Liabilities

	Group		Company	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Other payables	756,653	821,776	137	-
Provision and accruals	95,111	81,215	1,977	1,660
Remisers and dealers accounts	22,165	21,305	-	-
Finance lease liabilities	8,125	10,299	-	-
Amount due to subsidiaries	-	-	509	339
	<u>882,054</u>	<u>934,595</u>	<u>2,623</u>	<u>1,999</u>

A29. Capital Adequacy

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

The minimum regulatory capital adequacy ratios, as required under BNM's Capital Adequacy Framework (Capital Components) which includes transitional arrangements for year 2015, are set out as follows:

	Common Equity Tier 1 ("CET I") Capital Ratio	Tier I Capital Ratio	Total Capital Ratio
Calendar Year	%	%	%
2015 onwards*	4.5	6.0	8.0

* Before including capital conservation buffer of 2.5% and countercyclical capital buffer

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

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

On 13 October 2015, BNM issued the revised Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) ("Revised Framework") which is effective from 1 January 2016. Under the Revised Framework, a countercyclical capital buffer is required to be maintained if this buffer is applied by regulators in countries which the Group has exposures to, determined based on the weighted average of prevailing countercyclical capital buffer rates applied in that jurisdictions. The countercyclical buffer which is in a range of between 0% and 2.5% is not a requirement for exposures in Malaysia but may be applied by regulators in the future.

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

	Group	
	31.03.2016	31.03.2015
<u>Before deducting proposed dividends</u>		
CET I capital ratio	12.070%	11.301%
Tier I capital ratio	12.070%	11.301%
Total capital ratio	17.657%	13.160%
<u>After deducting proposed dividends</u>		
CET I capital ratio	11.775%	11.108%
Tier I capital ratio	11.775%	11.108%
Total capital ratio	17.362%	12.967%

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A29. Capital Adequacy (contd.)

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
<u>CET I Capital</u>		
Paid-up share capital	796,517	796,517
Share premium	401,517	401,517
Retained profits	2,047,248	2,005,815
Statutory reserves	1,200,019	1,069,665
Revaluation reserves	114,786	78,232
Capital reserves	10,018	10,018
	4,570,105	4,361,764
Less: Regulatory adjustments		
- Goodwill and other intangibles	(362,982)	(359,935)
- Deferred tax assets	(10,201)	(12,020)
- 55% of revaluation reserves	(63,132)	(43,028)
- Investment in subsidiaries, associates and joint venture	(2,824)	(1,816)
Total CET I capital/Total Tier I capital	4,130,966	3,944,965
<u>Tier II Capital</u>		
Subordinated obligations	1,559,074	419,581
Collective assessment allowance and regulatory reserves	354,805	232,171
Less: Regulatory adjustment		
- Investment in subsidiaries and associates	(1,882)	(2,725)
Total Tier II Capital	1,911,997	649,027
Total Capital	6,042,963	4,593,992

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A29. Capital Adequacy (contd.)

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

	Alliance Bank Malaysia Berhad	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
31 March 2016			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	11.237%	13.375%	103.287%
Tier I capital ratio	11.237%	13.375%	103.287%
Total capital ratio	16.528%	14.399%	103.641%
<u>After deducting proposed dividends</u>			
CET I capital ratio	10.880%	13.044%	101.292%
Tier I capital ratio	10.880%	13.044%	101.292%
Total capital ratio	16.170%	14.068%	101.646%
31 March 2015			
<u>Before deducting proposed dividends</u>			
CET I capital ratio	11.291%	11.013%	94.504%
Tier I capital ratio	11.291%	11.013%	94.504%
Total capital ratio	11.751%	11.731%	94.504%
<u>After deducting proposed dividends</u>			
CET I capital ratio	11.058%	11.013%	93.448%
Tier I capital ratio	11.058%	11.013%	93.448%
Total capital ratio	11.518%	11.731%	93.448%

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
Credit risk	31,241,896	32,011,298
Market risk	123,843	125,778
Operational risk	2,858,987	2,770,484
Total RWA and capital requirements	34,224,726	34,907,560

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A30. Commitments And Contingencies

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	717,319	789,038
Transaction-related contingent items	677,126	653,199
Short-term self-liquidating trade-related contingencies	137,524	164,832
Irrevocable commitments to extend credit:		
- maturity exceeding one year	2,287,572	4,189,365
- maturity not exceeding one year	6,327,855	6,634,666
Unutilised credit card lines	1,597,855	1,457,307
	11,745,251	13,888,407
<u>Derivative financial instruments</u>		
Foreign exchange related contracts:		
- one year or less	7,255,690	4,794,524
- over one year to three years	39,135	69,675
- over three years	-	31,515
Interest rate related contracts:		
- one year or less	380,000	2,085,000
- over one year to three years	809,755	828,153
- over three years	1,490,776	1,012,269
Equity related contracts:		
- one year or less	92,940	23,460
- over one year to three years	18,880	12,780
	10,087,176	8,857,376
	21,832,427	22,745,783

A31. Fair Value Measurements

(a) Determination of fair value and fair value hierarchy

MFRS 13 Fair Value Measurements require disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following level of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. This includes listed equities and corporate debt securities which are actively traded.

(ii) Financial instruments in Level 2

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities, corporate notes, repurchase agreements and most of the Group's derivatives.

(iii) Financial instruments in Level 3

The Group classifies financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include net tangible assets, discounted cash flows, and other appropriate valuation models. These includes private equity investments.

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A31. Fair Value Measurements (contd.)

(b) Financial instruments measured at fair value and the fair value hierarchy

The following tables show the Group's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2016	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Money market instruments	-	40,441	-	40,441
- Unquoted securities	-	91,788	-	91,788
Financial investments available-for-sale				
- Money market instruments	-	5,503,569	-	5,503,569
- Quoted securities in Malaysia	15	-	-	15
- Unquoted securities	-	2,909,771	152,341	3,062,112
Derivative financial assets	-	133,651	-	133,651
<u>Liabilities</u>				
Derivative financial liabilities	-	279,541	-	279,541
31 March 2015				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Financial assets held-for-trading				
- Unquoted securities	-	10,037	-	10,037
Financial investments available-for-sale				
- Money market instruments	-	6,872,324	-	6,872,324
- Quoted securities in Malaysia	11	-	-	11
- Unquoted securities	-	2,741,310	140,211	2,881,521
Derivative financial assets	-	132,460	-	132,460
<u>Liabilities</u>				
Derivative financial liabilities	-	115,224	-	115,224

Reconciliation of movements in level 3 financial instruments:

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
At beginning of financial year	140,211	141,100
Total (losses)/gains recognised in:		
- Statement of comprehensive income		
(Loss)/gain arising from sales financial investments available-for-sale	(549)	11,224
- Other comprehensive income		
Revaluation reserves	12,705	1,976
Disposal	(26)	(14,089)
At end of financial year	152,341	140,211

The Group's exposure to financial instruments measured using unobservable inputs (level 3) constitutes a small component of the Group's portfolio of financial instruments. Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets and liabilities of level 3 of the fair value hierarchy.

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

B1. Review Of Performance

(a) Current Year-to-Date vs. Previous Year-to-Date

For the Financial Year Ended (“FYE”) 31 March 2016, the Group’s net profit after taxation was RM522.0 million, a decrease of RM8.7 million or 1.6% compared to FYE 2015.

Revenue grew by RM41.1 million or 3.0%, primarily from higher net interest income, including Islamic Banking income, which grew by RM46.3 million due to expansion of total gross loans to RM38.7 billion. Net Interest Margin remained at 215bps despite rising cost of funds of 26bps.

Other operating income declined by RM5.1 million or 1.5%.

Gross impaired loans increased moderately to 1.3%.

The loan loss coverage improved from 102.7% to 109.1%, reflecting a healthy book.

Operating expenses increased by RM42.0 million or 6.5% on higher personnel costs.

Customer deposits registered a healthy growth rate of 3.2% to RM46.0 billion.

The Current Account Savings Account (“CASA”) ratio stood at 32.1%, while the loans-to-deposits ratio rose to 84.2% as at 31 March 2016, from 82.8% last year.

The Group’s total capital ratio stood healthy at 17.4%, with a Common Equity Tier 1 Capital ratio of 11.8% as at 31 March 2016.

The Group declared a second interim dividend of RM100.6 million, bringing the total dividend declared for the financial year ended 31 March 2016 to RM224.5 million (FYE2015: RM238.6 million).

Performance by business segment

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

Consumer Banking profit before tax was lower by RM12.0 million or 7.4% compared to the last financial year. The revenue was RM22.3 million or 4.5% higher compared to last financial year. Operating profit was lower by 8.1% mainly due to higher operating expenses. Impairment on loans, advances and financing was lower by 10.6%. Segment asset growth was RM0.3 billion or 1.5% higher, while liabilities registered growth of RM2.8 billion or 14.8% higher.

Business Banking profit before tax was lower by RM9.4 million or 2.7% compared to the last financial year, mainly due to increase in operating expenses of RM34.6 million and increase of RM16.6 million in allowance for impairment on loans, advances and financing. Revenue was RM41.8 million or 7.3% higher compared to the last financial year. Operating profit was RM7.2 million or 2.1% higher. Segment asset growth was RM1.5 billion or 10.2%, while liabilities registered growth of RM1.4 billion or 7.7%.

Financial Markets profit before tax was RM16.1 million or 8.2% higher compared to the last financial year due to higher other operating income by RM28.0 million, higher impairment write-back by RM6.9 million and lower other operating expenses by RM10.1 million.

Investment Banking segment covers stockbroking, capital market activities and corporate advisory services. Investment Banking’s loss of RM11.0 million for financial year ended 31 March 2016 was RM2.9 million, an improvement over the loss of RM13.9 million incurred during the last financial year.

B1. Review Of Performance (contd.)

(b) Current Quarter vs. Previous Year Corresponding Quarter

The Group's profit after taxation of RM129.8 million for the quarter ended 31 March 2016 was RM36.6 million or 39.2% higher than the corresponding quarter ended 31 March 2015.

Key quarter-on-quarter performance highlights:

- NPAT growth of 39.2% driven by higher revenue and lower net bad debts.
- Net Interest Margin recorded at 2.12% despite cost of fund increase of 27bps.
- Other operating income increased by RM17.1 million or 27.0% mainly from Non Client Based income of realized and unrealized gain from financial instruments, derivative and FX Income; and Client Based income of Bank Assurance and Cards income.

B2. Comparison With Immediate Preceding Quarter (4Q FY2016 vs. 3Q FY2016)

The Group's profit after taxation of RM129.8 million for the fourth quarter ended 31 March 2016 was RM5.8 million or 4.2% lower than the immediate preceding quarter ended 31 December 2015.

Key quarter-on-quarter performance highlights:

- NPAT decrease by 4.2% mainly from lower revenue and higher operating expenses.
- Net Interest Margin recorded at 2.12% despite cost of fund increase of 11bps.
- Other operating income decreased by RM1.9 million, mainly due to drop in Client Based income.

B3. Prospect for Financial Year 2017

The Malaysian economy is expected to grow at a moderate pace with gross domestic product ("GDP") growth of 4.0% and 4.5% in 2016. The Group will leverage on its franchise strength to deliver sustainable profitability and to fulfill the financial needs of our customers.

The Group will continue to improve balance sheet efficiency by focusing on better risk adjusted return loans namely Small Medium Enterprise ("SME"), commercial and consumer financing, and optimising funding cost and mix.

The Group strategy is to focus on the success of business owners (and their families); while helping them to create value for their other stakeholders, such as their employees, customers, and business partners.

In the coming year, we will be rolling out a number of new and differentiated value propositions to our customers. We will also be investing in the required Information Technology enablers to support the Bank's strategic initiatives and focus on streamlining to improve the efficiency of our operations.

We are also maximising the linkages across Consumer Banking, Business Banking, Financial Markets, Investment Banking and Islamic Banking to bring to bear the full suite of solutions and capabilities that the Group has to offer to our clients.

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

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B4. Profit Forecast

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

B5. Taxation

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Group	RM'000	RM'000	RM'000	RM'000
Taxation				
- Income tax	43,989	39,293	172,468	167,748
- Under provision in prior financial period/year	7,525	-	7,525	3,962
- Deferred tax	(9,446)	(8,024)	(7,250)	660
	42,068	31,269	172,743	172,370
Company				
Taxation				
- Income tax	257	534	1,113	1,244
- Under provision in prior financial period/year	-	15	-	15
- Deferred tax	(118)	(47)	(101)	(9)
	139	502	1,012	1,250

The Group's and the Company's effective tax rate for the fourth quarter ended 31 March 2016 was higher than the current statutory tax rate of 24% due to certain expenses being disallowed for tax purpose.

B6. Profit/(Loss) On Sale Of Unquoted Investments Or Properties

There was no material profit/(loss) on sale of unquoted investments or properties for the fourth financial quarter ended 31 March 2016 other than in the ordinary course of business.

B7. Purchase And Disposal Of Quoted Securities

There was no purchase or disposal of quoted securities for the fourth financial quarter ended 31 March 2016 other than investments held by the Group whose activities are regulated by law relating to banking companies and are subject to supervision by Bank Negara Malaysia ("BNM").

B8. Status Of Corporate Proposals

There were no corporate proposals announced but not completed as at the financial reporting date.

B9. Status of Utilisation of Proceeds raised from Corporate Proposals

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

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

	Group	
	31.03.2016	31.03.2015
	RM'000	RM'000
(a) Deposits from customers		
Fixed deposits, negotiable instruments of deposits and money market deposits:		
- One year or less (short term)	30,569,313	29,168,229
- More than one year (medium/long term)	184,687	54,533
	<u>30,754,000</u>	<u>29,222,762</u>
Others	15,270,939	15,384,053
	<u>46,024,939</u>	<u>44,606,815</u>
(b) Deposits and placements of banks and other financial institutions		
- One year or less (short term)	766,754	1,214,218
- More than one year (medium/long term)	390,496	275,557
	<u>1,157,250</u>	<u>1,489,775</u>
(c) Subordinated obligations		
Unsecured and more than one year (medium/long term)		
- Tier II Subordinated Medium Term Notes	1,840,147	613,267
	<u>1,840,147</u>	<u>613,267</u>
(d) Other borrowings		
Unsecured and more than one year (medium/long term)		
- Senior Medium Term Notes	5,071	-
	<u>5,071</u>	<u>-</u>

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B11. Derivative Financial Assets/(Liabilities)

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

	As at 31 March 2016			As at 31 March 2015		
	Contract/ Notional Amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange and commodity contracts:						
Currency forwards						
- one year or less	1,316,549	25,079	(53,190)	1,083,171	70,152	(5,529)
Currency swaps						
- one year or less	5,520,405	90,660	(174,450)	3,184,221	56,121	(76,726)
- over one year to three years	39,135	-	(7,656)	69,675	234	(4,133)
- over three years	-	-	-	31,515	-	(5,562)
Currency spots						
- one year or less	258,309	646	(615)	219,795	347	(869)
Currency options						
- one year or less	160,427	1,349	(404)	307,337	1,562	(803)
	7,294,825	117,734	(236,315)	4,895,714	128,416	(93,622)
Interest rate related contracts:						
Interest rate swap	2,480,312	15,917	(10,333)	3,645,000	4,044	(9,276)
- one year or less	380,000	136	(87)	1,635,000	1,749	(561)
- over one year to three years	763,000	1,813	(3,410)	800,000	1,030	(2,440)
- over three years	1,337,312	13,968	(6,836)	1,210,000	1,265	(6,275)
Equity related contracts:						
- one year or less	92,940	-	(23,782)	23,460	-	(3,554)
- over one year to three years	18,880	-	(3,279)	12,780	-	(70)
Hedging derivatives						
Interest rate swap						
- over one year to three years	46,755	-	(1,592)	28,153	-	(429)
- over three years	153,464	-	(4,240)	252,269	-	(8,273)
Total derivatives assets/(liabilities)	10,087,176	133,651	(279,541)	8,857,376	132,460	(115,224)

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risk with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2015.

Forwards

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

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

Swaps

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

Spots

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

Options

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

Related accounting policies

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

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

B12. Changes in Material Litigation

The Group and the Company do not have any material litigation which would materially and adversely affect the financial position of the Group and the Company for the fourth financial quarter ended 31 March 2016.

B13. Dividend Declared

On 26 May 2016, the Directors has declared a second single tier interim dividend of 6.5 sen per share, in respect of financial year ended 31 March 2016 to be paid on 30 June 2016. The entitlement date for the second interim dividend payment will be on 15 June 2016. The Directors do not propose any final dividend in respect of the financial year ended 31 March 2016.

The total single tier dividend paid/declared for the financial year ended 31 March 2016 is 14.5 sen per share (2015: single tier dividend 15.4 sen per share).

B14. Related Party Transactions

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

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B15. Earnings Per Share (EPS)

(a) Basic

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

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net profit for the financial period attributable to owners of the parent (RM'000)	129,848	93,269	522,038	530,780
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Effect of shares bought back for ESS ('000)	(22,927)	(24,878)	(22,927)	(24,878)
	1,525,179	1,523,228	1,525,179	1,523,228
Basic earnings per share (sen)	8.5	6.1	34.2	34.8

(b) Diluted

The calculation of the diluted earnings per share is based on the net profit attributable to owners of the parent divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period, excluding the weighted average shares held for ESS and taken into account the assumed Share Grants to employees under ESS were vested to the employees as at 31 March 2016.

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net profit for the financial period attributable to owners of the parent (RM'000)	129,848	93,269	522,038	530,780
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,548,106	1,548,106	1,548,106
Effect of shares bought back for ESS ('000)	(22,927)	(24,878)	(22,927)	(24,878)
Effect of Share Grants under ESS ('000)	2,546	2,998	2,546	2,998
	1,527,725	1,526,226	1,527,725	1,526,226
Diluted earnings per share (sen)	8.5	6.1	34.2	34.8

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B16. Realised And Unrealised Unappropriated Profits Disclosure

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

	Group		Company	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Total retained profits				
- Realised	2,039,388	2,023,336	52,901	77,816
- Unrealised	132,310	123,187	435	334
	2,171,698	2,146,523	53,336	78,150
Total share of profits/(losses) from joint venture				
- Realised	15	(171)	-	-
- Unrealised	141	187	-	-
	2,171,854	2,146,539	53,336	78,150
Less: Consolidation adjustments	(350,814)	(341,924)	-	-
Total retained profits	1,821,040	1,804,615	53,336	78,150

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised retained profits of the Group and the Company as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these gains and losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary

Kuala Lumpur

26 May 2016