

# MALAYSIAN PLANTATIONS BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2007

(The figures have not been audited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS

|  | <i>Note</i> | 1st Quarter Ended |           | Cumulative 3 Months Ended |                  |
|--|-------------|-------------------|-----------|---------------------------|------------------|
|  |             | 30.6.2007         | 30.6.2006 | 30.6.2007                 | 30.6.2006        |
|  |             | RM'000            | RM'000    | RM'000                    | RM'000           |
| Operating Revenue  |             | <b>403,313</b>    | 360,002   | <b>403,313</b>            | 360,002          |
| Interest income  | <i>C1</i>   | <b>301,302</b>    | 274,559   | <b>301,302</b>            | 274,559          |
| Interest expense   | <i>C2</i>   | <b>(152,715)</b>  | (141,527) | <b>(152,715)</b>          | <b>(141,527)</b> |
| Net interest income  |             | <b>148,587</b>    | 133,032   | <b>148,587</b>            | 133,032          |
| Net income from Islamic banking business                           |             | <b>38,437</b>     | 26,498    | <b>38,437</b>             | 26,498           |
|  |             | <b>187,024</b>    | 159,530   | <b>187,024</b>            | 159,530          |
| Other operating income   | <i>C3</i>   | <b>66,615</b>     | 62,445    | <b>66,615</b>             | 62,445           |
| Net income   |             | <b>253,639</b>    | 221,975   | <b>253,639</b>            | 221,975          |
| Other operating expenses   | <i>C4</i>   | <b>(138,056)</b>  | (122,913) | <b>(138,056)</b>          | (122,913)        |
| Operating profit   |             | <b>115,583</b>    | 99,062    | <b>115,583</b>            | 99,062           |
| Write-back/(allowance) for losses on loans, advances and financing | <i>C5</i>   | <b>57,840</b>     | (39,330)  | <b>57,840</b>             | (39,330)         |
| Impairment loss net of write back                                  |             | <b>(41,860)</b>   | -         | <b>(41,860)</b>           | -                |
| Profit before taxation   |             | <b>131,563</b>    | 59,732    | <b>131,563</b>            | 59,732           |
| Taxation   | <i>B5</i>   | <b>(36,419)</b>   | (20,088)  | <b>(36,419)</b>           | (20,088)         |
| Profit after taxation for the period                               |             | <b>95,144</b>     | 39,644    | <b>95,144</b>             | 39,644           |
| Attributable to:-  |             |                   |           |                           |                  |
| Equity holders of the Company                                      |             | <b>95,157</b>     | 39,562    | <b>95,157</b>             | 39,562           |
| Minority interests   |             | <b>(13)</b>       | 82        | <b>(13)</b>               | 82               |
| Profit after taxation for the period                               |             | <b>95,144</b>     | 39,644    | <b>95,144</b>             | 39,644           |
| Earnings per share (sen):-   |             |                   |           |                           |                  |
| - Basic  | <i>B15</i>  | <b>7.07</b>       | 3.39      | <b>7.07</b>               | 3.39             |
| - Diluted  | <i>B15</i>  | <b>-</b>          | 2.96      | <b>-</b>                  | 2.96             |

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 March 2007)

# MALAYSIAN PLANTATIONS BERHAD

(Company Number : 6627-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED BALANCE SHEET

|  |      | UNAUDITED<br>AS AT<br>30.6.2007 | AUDITED<br>AS AT<br>31.3.2007 |
|--|------|---------------------------------|-------------------------------|
|  | Note | RM'000                          | RM'000                        |
| <b>ASSETS</b>  |      |                                 |                               |
| Cash and short-term funds  |      | 5,389,120                       | 4,159,880                     |
| Deposits and placements with other financial institutions                                |      | 991,602                         | 2,419,434                     |
| Securities held-for-trading  | C6   | 180,018                         | 14,978                        |
| Securities available-for-sale  | C7   | 3,666,354                       | 2,052,983                     |
| Securities held-to-maturity  | C8   | 1,112,939                       | 2,430,081                     |
| Loans, advances and financing  | C9   | 13,664,006                      | 13,310,628                    |
| Balances due from clients and brokers  | C10  | 451,634                         | 521,067                       |
| Land held for property development   |      | 28,922                          | 28,922                        |
| Other assets   | C11  | 252,798                         | 250,309                       |
| Tax recoverable  |      | 18,484                          | 38,380                        |
| Statutory deposits with Bank Negara Malaysia   |      | 599,010                         | 581,955                       |
| Leasehold lands  |      | 10,858                          | 10,951                        |
| Property, plant and equipment  |      | 145,695                         | 128,578                       |
| Intangible assets  |      | 327,762                         | 330,840                       |
| Deferred tax assets  |      | 130,841                         | 120,303                       |
| <b>TOTAL ASSETS</b>  |      | <b>26,970,043</b>               | <b>26,399,289</b>             |
| <b>LIABILITIES AND EQUITY</b>  |      |                                 |                               |
| Deposits from customers  | C12  | 20,002,069                      | 19,111,063                    |
| Deposits and placements of banks and other financial institutions                        | C13  | 390,570                         | 482,358                       |
| Obligations on securities sold under repurchase agreements                               |      | 858,402                         | 2,010,098                     |
| Recourse obligations on loans sold to Cagamas  |      | 301,877                         | 313,578                       |
| Bills and acceptances payable  |      | 878,958                         | 481,271                       |
| Balances due to clients and brokers  | C14  | 308,527                         | 378,440                       |
| Other liabilities  | C15  | 966,646                         | 865,939                       |
| Subordinated bonds   |      | 600,000                         | 600,000                       |
| Short term borrowings  |      | 200,000                         | 200,000                       |
| Provision for taxation   |      | 9,180                           | 1,191                         |
| Deferred tax liabilities   |      | 7,824                           | 7,818                         |
| <b>TOTAL LIABILITIES</b>   |      | <b>24,524,053</b>               | <b>24,451,756</b>             |
| Share capital  |      | 1,548,106                       | 1,217,670                     |
| Share premium  |      | 560,630                         | 491,238                       |
| Statutory reserve  |      | 268,125                         | 268,125                       |
| Capital reserves   |      | 7,013                           | 7,013                         |
| Revaluation reserves   |      | 16,390                          | 12,905                        |
| Accumulated profit/(losses)  |      | 40,928                          | (54,229)                      |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>   |      | <b>2,441,192</b>                | <b>1,942,722</b>              |
| Minority interests of the Company  |      | 4,798                           | 4,811                         |
| <b>TOTAL EQUITY</b>  |      | <b>2,445,990</b>                | <b>1,947,533</b>              |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |      | <b>26,970,043</b>               | <b>26,399,289</b>             |
| <b>COMMITMENTS AND CONTINGENCIES</b>   | B10  | <b>10,221,296</b>               | <b>7,973,462</b>              |
| <b>Net assets per share attributable to ordinary equity holders of the Company (RM)*</b> |      | <b>1.58</b>                     | <b>1.60</b>                   |

\* The net assets per share attributable to ordinary equity holders of the Company (RM) is computed as total equity (excluding minority interests) divided by total number of ordinary share in circulation.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 March 2007)

# MALAYSIAN PLANTATIONS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | ----- Attributable to Equity Holders of the Company ----- |                  |                      |                     |                         |                                |                  | Total<br>Shareholders'<br>Equity | Minority<br>Interest | Total<br>Equity |
|--|---|------------------|----------------------|---------------------|-------------------------|--------------------------------|------------------|----------------------------------|----------------------|-----------------|
|  | <----- Non-distributable----->                            |                  |                      |                     | <Distributable>         |                                |                  |                                  |                      |                 |
|  | Share<br>Capital  | Share<br>Premium | Statutory<br>Reserve | Capital<br>Reserves | Revaluation<br>Reserves | Accumulated<br>Profit/(Losses) | RM'000           |                                  |                      |                 |
|  | RM'000  | RM'000           | RM'000               | RM'000              | RM'000                  | RM'000                         | RM'000           | RM'000                           | RM'000               |                 |
| <b>30 JUNE 2007</b>  |   |                  |                      |                     |                         |                                |                  |                                  |                      |                 |
| <b>At 1 April 2007</b>   | <b>1,217,670</b>  | <b>491,238</b>   | <b>268,125</b>       | <b>7,013</b>        | <b>12,905</b>           | <b>(54,229)</b>                | <b>1,942,722</b> | <b>4,811</b>                     | <b>1,947,533</b>     |                 |
| Net profit/(loss) for the period                                       | -   | -                | -                    | -                   | -                       | 95,157                         | 95,157           | (13)                             | 95,144               |                 |
| Exercise of warrants   | 330,436   | 69,392           | -                    | -                   | -                       | -                              | 399,828          | -                                | 399,828              |                 |
| Unrealised net gain on revaluation<br>of securities available-for-sale | -   | -                | -                    | -                   | 3,485                   | -                              | 3,485            | -                                | 3,485                |                 |
| <b>At 30 June 2007</b>   | <b>1,548,106</b>  | <b>560,630</b>   | <b>268,125</b>       | <b>7,013</b>        | <b>16,390</b>           | <b>40,928</b>                  | <b>2,441,192</b> | <b>4,798</b>                     | <b>2,445,990</b>     |                 |
| <b>30 JUNE 2006</b>  |   |                  |                      |                     |                         |                                |                  |                                  |                      |                 |
| At 1 April 2006  | 1,167,978   | 480,803          | 238,107              | 7,013               | 12,959                  | (131,469)                      | 1,775,391        | 5,026                            | 1,780,417            |                 |
| Net profit for the period  | -   | -                | -                    | -                   | -                       | 39,562                         | 39,562           | 82                               | 39,644               |                 |
| Exercise of warrants   | 2,796   | 588              | -                    | -                   | -                       | -                              | 3,384            | -                                | 3,384                |                 |
| Unrealised net loss on revaluation<br>of securities available-for-sale | -   | -                | -                    | -                   | (11,367)                | -                              | (11,367)         | -                                | (11,367)             |                 |
| At 30 June 2006  | 1,170,774   | 481,391          | 238,107              | 7,013               | 1,592                   | (91,907)                       | 1,806,970        | 5,108                            | 1,812,078            |                 |

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 March 2007)

# MALAYSIAN PLANTATIONS BERHAD

(Company Number : 6627-X)

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

|  | <b>Unaudited<br/>Three Months<br/>Ended<br/>30.6.2007<br/>RM'000</b> | Unaudited<br>Three Months<br>Ended<br>30.6.2006<br>RM'000 |
|--|--|---|
| Profit before taxation   | 131,563  | 59,732  |
| Adjustment for non-operating and non-cash items                            | 15,111   | 23,980  |
| Operating profit before changes in working capital                         | <u>146,674</u>   | <u>83,712</u>   |
| Changes in working capital   | (415,508)  | 394,416   |
| Taxes paid   | (20,230)   | (778)   |
| Net cash (used in)/generated from operating activities                     | <u>(289,064)</u>   | <u>477,350</u>  |
| Net cash outflow from investing activities                                 | (300,245)  | (327,275)   |
| Net cash inflow from financing activities                                  | 390,717  | 53,086  |
| Net (decrease)/increase in cash and cash equivalents                       | <u>(198,592)</u>   | <u>203,161</u>  |
| Cash and cash equivalents at beginning of the period                       | 6,579,314  | 3,731,743   |
| Cash and cash equivalents at end of the period                             | <u><u>6,380,722</u></u>  | <u><u>3,934,904</u></u>                                   |
| <br>Cash and cash equivalents at end of the period comprise the following: |  |   |
| Cash and short-term funds  | 5,389,120  | 3,550,810   |
| Deposits and placements with banks and other financial institutions        | 991,602  | 384,094   |
|  | <u><u>6,380,722</u></u>  | <u><u>3,934,904</u></u>                                   |

*(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited Annual Financial Statements of the Group for the year ended 31 March 2007)*

**[A] Explanatory Notes Pursuant to Financial Reporting Standard 134 (FRS 134) :  
Interim Financial Reporting**

**A1. Basis Of Preparation**

The unaudited condensed interim financial statements for the 1st quarter ended 30 June 2007 have been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) 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 for the year ended 31 March 2007. 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 since the year ended 31 March 2007.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 March 2007, except for the adoption of revised FRS 117 Leases and FRS 124 Related Party Disclosures issued by MASB that is effective for the Group's annual reporting date, 31 March 2008. The adoption of the revised FRS 124 will not result in changes in accounting policies of the Group except for the format and extent of disclosures presented in the financial statements. The principal effects of the change in accounting policy resulting from the adoption of the revised FRS 117 are disclosed in Note A14.

The allowance for bad and doubtful debts and financing of the Group are computed based on the requirement of BNM/GP3 which is consistent with the adoption made in the previous audited annual financial statements.

**A2. Declaration Of Audit Confirmation**

The annual audited report on the financial statements for the financial year ended 31 March 2007 did not contain any qualification.

**A3. Seasonal And Cyclical Factors**

The operations of the Group were not materially affected by any seasonal or cyclical fluctuation in the 1st quarter ended 30 June 2007.

**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 in the 1st quarter ended 30 June 2007 were not substantially affected by any item of a material and unusual nature, except for the changes disclosed in Note A5.

**A5. Changes In Estimates**

During the 1st quarter ended 30 June 2007, the Group strengthen its provisioning policy by adopting a 50% and 100% markdown on NPL property collateral value which is shared with other facilities within the same borrower that have yet to exceed 5 years and 7 years in default respectively. This change in allowance estimates has resulted in an additional specific allowance of RM14.5 million in the current quarter.

**MALAYSIAN PLANTATIONS BERHAD (6627-X)**  
**FIRST FINANCIAL QUARTER ENDED 30 JUNE 2007**

**A6. Changes In Debt And Equity Securities**

There were no issuance nor repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 June 2007, other than the issued and paid-up share capital of the Company was increased from RM1,217,669,947 as at 31 March 2007 to RM1,548,105,929 arising from the issuance of 330,435,982 new shares of RM1.00 each from the exercise of 330,435,982 warrants 2002/2007 at the exercise price of RM1.21 per share.

**A7. Dividend Paid**

There was no dividend paid during the financial quarter ended 30 June 2007.

**A8. Segment Information**

Segment information on Revenue, Profit Before Tax and Total Assets:

|  | <b>1st Quarter Ended<br/>&lt;- 30 June 2007 -&gt;</b> |                                  | <b>Cumulative 3 Months Ended<br/>&lt;----- 30 June 2007 -----&gt;</b> |                                  |                         |
|--|---|----------------------------------|---|----------------------------------|-------------------------|
|  | <b>Revenue</b>  | <b>Profit<br/>Before<br/>Tax</b> | <b>Revenue</b>  | <b>Profit<br/>Before<br/>Tax</b> | <b>Total<br/>Assets</b> |
| <b>Group</b>   | RM'000  | RM'000                           | RM'000  | RM'000                           | RM'000                  |
| Commercial banking                                       | 357,563   | 122,193                          | 357,563   | 122,193                          | 24,491,055              |
| Investment banking                                       | 42,728  | 14,391                           | 42,728  | 14,391                           | 1,915,191               |
| Others <sup>N1</sup>                                     | 40,299  | 26,434                           | 40,299  | 26,434                           | 86,710                  |
|  | <u>440,590</u>  | <u>163,018</u>                   | <u>440,590</u>  | <u>163,018</u>                   | <u>26,492,956</u>       |
| Inter-segment eliminations/<br>Consolidation adjustments | (37,277)  | (31,455)                         | (37,277)  | (31,455)                         | -                       |
|  | <u>403,313</u>  | <u>131,563</u>                   | <u>403,313</u>  | <u>131,563</u>                   | <u>26,492,956</u>       |
| Intangible assets  | -   | -                                | -   | -                                | 327,762                 |
| Unallocated corporate assets                             | -   | -                                | -   | -                                | 149,325                 |
|  | <u>403,313</u>  | <u>131,563</u>                   | <u>403,313</u>  | <u>131,563</u>                   | <u>26,970,043</u>       |
|  | <b>1st Quarter Ended<br/>&lt;- 30 June 2006 -&gt;</b> |                                  | <b>Cumulative 3 Months Ended<br/>&lt;----- 30 June 2006 -----&gt;</b> |                                  |                         |
|  | <b>Revenue</b>  | <b>Profit<br/>Before<br/>Tax</b> | <b>Revenue</b>  | <b>Profit<br/>Before<br/>Tax</b> | <b>Total<br/>Assets</b> |
| <b>Group</b>   | RM'000  | RM'000                           | RM'000  | RM'000                           | RM'000                  |
| Commercial banking                                       | 324,057   | 51,042                           | 324,057   | 51,042                           | 20,774,403              |
| Investment banking                                       | 34,016  | 11,879                           | 34,016  | 11,879                           | 2,287,208               |
| Others <sup>N1</sup>                                     | 2,806   | (3,184)                          | 2,806   | (3,184)                          | 66,903                  |
|  | <u>360,879</u>  | <u>59,737</u>                    | <u>360,879</u>  | <u>59,737</u>                    | <u>23,128,514</u>       |
| Inter-segment eliminations/<br>Consolidation adjustments | (877)   | (5)                              | (877)   | (5)                              | -                       |
|  | <u>360,002</u>  | <u>59,732</u>                    | <u>360,002</u>  | <u>59,732</u>                    | <u>23,128,514</u>       |
| Intangible assets  | -   | -                                | -   | -                                | 338,916                 |
| Unallocated corporate assets                             | -   | -                                | -   | -                                | 169,121                 |
|  | <u>360,002</u>  | <u>59,732</u>                    | <u>360,002</u>  | <u>59,732</u>                    | <u>23,636,551</u>       |

<sup>N1</sup> Others comprises investment holding, unit trust, asset management and non-banking business.

**A9. Valuation Of Properties, Plant And Equipment**

Properties, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

**A10. Material Events During The Balance Sheet Date**

- (a) Rationalisation of the unit trust management business of Alliance Unit Trust Management Berhad ("AUTM") and the asset management business of Alliance Capital Asset Management Sdn. Bhd. ("ACAM").

Pursuant to a Vesting Order granted by the High court of Malaya at Kuala Lumpur on 28 March 2007 and as part of the rationalised exercise of the Group, the asset management business of ACAM, a 70% subsidiary of Alliance Investment Bank Berhad, was vested to AUTM, a 70% subsidiary of Alliance Bank Malaysia Berhad, on 2 April 2007.

On 4 April 2007, AUTM changed its name to Alliance Investment Management Berhad and on 7 June 2007, ACAM was placed under Members' Voluntary Winding Up pursuant to Section 254 of the Companies Act, 1965.

- (b) The 2002/2007 Warrants of the Company had expired on 8 June 2007. There were 2,013,228 warrants not exercised by the expiry date and have accordingly lapsed. The 2002/2007 Warrants was removed from the Official List of Bursa Malaysia Securities Berhad on 11 June 2007.

**A11. Material Events Subsequent To The Balance Sheet Date**

There was no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

**A12. Changes In The Composition Of The Group**

- (a) Alliance Bank Malaysia Berhad, a wholly-owned subsidiary of the Company has on 13 June 2007, incorporated a new subsidiary known as Alliance Islamic Bank Berhad to undertake the Islamic banking business of the Group.
- (b) Cosmoplex Sdn Bhd, a wholly-owned subsidiary of the Company, had been dissolved pursuant to Section 272(5) of the Companies Act, 1965 with effect from 2 June 2007.

**A13. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date**

Please refer to Note B10.

**A14. Change In Accounting Policies**

During the 1st quarter ended 30 June 2007, the Group has adopted the revised FRS 117 issued by MASB that are applicable for the financial year ending 31 March 2008, which resulted in a change of accounting policy during the quarter.

FRS 117: Leases

Prior to 1 April 2007, lease of land and buildings held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117 Leases in the financial year ending 31 March 2008 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under the revised FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and building elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease. The upfront payment represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group have applied the change accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised carrying amount of prepaid land lease payment is classified as leasehold lands. The reclassification of leasehold lands has been accounted for retrospectively. Certain comparatives of the balance sheets of the Group as at 31 March 2007 have been restated as set out in Note C17.



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

**B1. Review of Performance**

The Group achieved an increase of 120% in its profit before taxation of RM131.5 million for the first quarter ended 30 June 2007 compared to the corresponding quarter last year. The better result was due to increase in operating profit by 17% and higher recoveries, in particular from one large account.

The Group's net income grew by 14% or RM31.7 million compared to the corresponding period last year. This is attributed mainly to improved interest margins and higher operating income particularly from brokerage fees.

The operating expense increased by 12% to RM138.1 million was mainly due to investment in development of human capital and upgrading of branches.

Asset quality has improved with net non-performing loans (NPLs) ratio declining from 5.6% as at 31 March 2007 to 5.0% as at 30 June 2007. Gross NPLs provisioning coverage further improved to 70% compared to 67% as of 31 March 2007.

The Group's gross loans and advances for the quarter increased by 2.4% to RM14.7 billion compared to 31 March 2007. Consumer loans registered a 4.1% growth compared to 31 March 2007, on the back of 4.5% housing loan growth and 8.8% credit card growth. Similarly, Commercial loans also registered a 2.0% growth during the first quarter of the financial year ending 31 March 2008. The Group's risk-weighted capital ratio remained strong at 15.8% compared to industry average at 13.1%.

**B2. Comparisons with Preceding Quarter's Results**

The Group recorded a profit before taxation of RM131.5 million for the 1st quarter ended 30 June 2007 compared to RM66.3 million for the preceding quarter ended 31 March 2007. Higher recoveries coupled with improvement in net income has contributed to the better results.

**B3. Current Year Prospects**

The Malaysian economy is expected to continue to grow in 2007. The banking sector is projected to remain stable but challenging due to increased competition from the liberalization of the sector.

The Group will continue to focus on its growth strategy and growing its market share in both consumer and commercial/SME banking. Barring any unforeseen circumstances, the Group expects to continue to record satisfactory performance in 2007/8.

**B4. Profit Forecast**

There was no profit forecast issued by the Group.

**B5. Taxation**

|                                 | 1st Quarter Ended |               | Cumulative 3 Months Ended |               |
|---------------------------------|-------------------|---------------|---------------------------|---------------|
|                                 | 30.6.2007         | 30.6.2006     | 30.6.2007                 | 30.6.2006     |
| <b><u>GROUP</u></b>             | <b>RM'000</b>     | <b>RM'000</b> | <b>RM'000</b>             | <b>RM'000</b> |
| Company & subsidiaries:-        |                   |               |                           |               |
| - Current year                  | <b>49,886</b>     | 3,286         | <b>49,886</b>             | 3,286         |
| - Deferred tax                  | <b>(13,467)</b>   | 15,312        | <b>(13,467)</b>           | 15,312        |
|                                 | <b>36,419</b>     | 18,598        | <b>36,419</b>             | 18,598        |
| - Under provision in prior year | -                 | 1,490         | -                         | 1,490         |
| Tax expense                     | <b>36,419</b>     | 20,088        | <b>36,419</b>             | 20,088        |

The Group's effective tax rate for the financial quarter ended 30 June 2007 was higher than statutory tax rate mainly due to non deductibility of certain expenses.

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

There was no material profit/(loss) on sale of unquoted investment or properties for the financial quarter ended 30 June 2007 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 current quarter 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.

**B8. Status Of Corporate Proposals**

The Company has announced the following proposals:-

- (a) Proposed Employees' Share Scheme (announced on 10 July 2007).
- (b) Proposed Change of Name to Alliance Financial Group Berhad (announced on 11 July 2007).
- (c) Proposed Amendments to the Memorandum and Articles of Association (announced on 11 July 2007).
- (d) Proposed Reduction of the Share Premium Account of the Company by an aggregate amount of RM256.341 million (announced on 18 July 2007).

The above proposals are pending approval of the Shareholders of the Company at the forthcoming Extraordinary General Meeting to be held on 28 August 2007.

**B9. Group Borrowings, Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities**

|   | <b>GROUP</b>      |                  |
|---|-------------------|------------------|
|   | <b>30.6.2007</b>  | <b>31.3.2007</b> |
|   | RM'000            | RM'000           |
| <b>(a) Deposit From Customers</b>   |                   |                  |
| Fixed deposit and negotiable instruments of deposits  |                   |                  |
| - One year or less (short term)   | <b>12,742,222</b> | 12,083,912       |
| - More than one year (medium/long term)   | <b>758,488</b>    | 769,507          |
|   | <b>13,500,710</b> | 12,853,419       |
| Others  | <b>6,501,359</b>  | 6,257,644        |
|   | <b>20,002,069</b> | 19,111,063       |
| <b>(b) Deposit And Placements Of Banks And Other Financial Institutions</b>   |                   |                  |
| - One year or less (short term)   | <b>116,115</b>    | 239,707          |
| - More than one year (medium/long term)   | <b>274,455</b>    | 242,651          |
|   | <b>390,570</b>    | 482,358          |
| <b>(c) Short Term Borrowings</b>  |                   |                  |
| Secured and one year less (short term)  |                   |                  |
| Commercial Papers (1 year commercial papers 2006/2007 with all in rate of 4.58% p.a. maturing on 18 September 2007) | <b>200,000</b>    | 200,000          |

**B9. Group Borrowings, Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Debts Securities (cont'd)**

|   | <b>GROUP</b>     |                  |
|---|------------------|------------------|
| (d) Subordinated Bonds  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|   | RM'000           | RM'000           |
| Unsecured and more than one year (medium/long term)<br>(6.09% Tier II Subordinated bonds 2006/2016) | <b>600,000</b>   | <b>600,000</b>   |

**B10. Commitments And Contingencies**

In the normal course of business, the Group made various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

Risk weighted exposure of the Group as at:

|   | <----- 30.6.2007 -----> |                                 |                             | <----- 31.3.2007 -----> |                                 |                             |
|---|-------------------------|---------------------------------|-----------------------------|-------------------------|---------------------------------|-----------------------------|
|   | Principal<br>Amount     | Credit<br>Equivalent<br>Amount* | Risk-<br>Weighted<br>Amount | Principal<br>Amount     | Credit<br>Equivalent<br>Amount* | Risk-<br>Weighted<br>Amount |
|   | RM'000                  | RM'000                          | RM'000                      | RM'000                  | RM'000                          | RM'000                      |
| Direct credit substitutes                               | <b>348,538</b>          | <b>348,538</b>                  | <b>309,388</b>              | 346,911                 | 346,911                         | 302,322                     |
| Transaction related contingent items                    | <b>726,547</b>          | <b>363,274</b>                  | <b>357,529</b>              | 732,621                 | 366,311                         | 345,469                     |
| Short-term self-liquidating trade-related contingencies | <b>99,352</b>           | <b>19,870</b>                   | <b>19,859</b>               | 137,397                 | 27,479                          | 27,469                      |
| Irrevocable commitments to extend credit:-              |                         |                                 |                             |                         |                                 |                             |
| - maturity exceeding one year                           | <b>437,874</b>          | <b>218,937</b>                  | <b>218,937</b>              | 396,208                 | 198,104                         | 198,104                     |
| - maturity not exceeding one year                       | <b>5,831,454</b>        | -                               | -                           | 5,536,659               | -                               | -                           |
| Foreign exchange related contracts less than one year   | <b>2,617,155</b>        | <b>51,782</b>                   | <b>11,315</b>               | 585,023                 | 18,458                          | 4,363                       |
| Underwriting liabilities                                | <b>28,685</b>           | <b>14,343</b>                   | <b>14,343</b>               | 27,000                  | 13,500                          | 13,500                      |
| Other commitments and contingencies                     | <b>131,691</b>          | -                               | -                           | 211,643                 | -                               | -                           |
| <b>Total</b>  | <b>10,221,296</b>       | <b>1,016,744</b>                | <b>931,371</b>              | 7,973,462               | 970,763                         | 891,227                     |

\* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia's guidelines.

**B11. Financial Instruments With Off-Balance Sheet Risk**

Details of financial instruments with off-balance sheet risk as at 30 June 2007:

Value of contracts classified by remaining period to maturity or next repricing date (whichever is earlier).

**Alliance Banking Group**

| Items                              | Principal Amount<br>RM'000 | 1 month or less<br>RM'000 | >1-3 months<br>RM'000 | >3-6 months<br>RM'000 | >6-12 months<br>RM'000 | >1-5 years<br>RM'000 | >5 years<br>RM'000 | Margin requirements<br>RM'000 |
|------------------------------------|----------------------------|---------------------------|-----------------------|-----------------------|------------------------|----------------------|--------------------|-------------------------------|
| Foreign exchange related contracts |                            |                           |                       |                       |                        |                      |                    |                               |
| - forward                          | 171,466                    | 23,627                    | 65,924                | 81,915                | -                      | -                    | -                  | -                             |
| - swaps                            | 2,445,689                  | 658,000                   | 429,142               | 750,951               | 607,596                | -                    | -                  | -                             |
| Interest rate related contracts    |                            |                           |                       |                       |                        |                      |                    |                               |
| - forward                          | -                          | -                         | -                     | -                     | -                      | -                    | -                  | -                             |
| - futures                          | -                          | -                         | -                     | -                     | -                      | -                    | -                  | -                             |
| - swaps                            | -                          | -                         | -                     | -                     | -                      | -                    | -                  | -                             |
| <b>Total</b>                       | <b>2,617,155</b>           | <b>681,627</b>            | <b>495,066</b>        | <b>832,866</b>        | <b>607,596</b>         | <b>-</b>             | <b>-</b>           | <b>-</b>                      |

Foreign exchange, interest rate and equity and commodity related contracts are subject to market risk and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 30 June 2007, the amount of contracts which were not hedged and hence, exposed to market risk was RM15,632,000 (31 March 2007: RM742,000).

Credit risk

Credit risk arise from the possibility that a counterparty may be unable to meet the terms of a contract in which the Alliance Banking group has a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices. As at 30 June 2007, the amounts of credit risk, measured in terms of cost to replace the profitable contracts, was RM9,429,000 (31 March 2007: RM7,176,000).

Related accounting policies

Alliance Bank acts as an intermediary with counterparties who wish to swap their interest obligations. Alliance Bank also uses interest rate swaps, futures, forward and option contracts in its trading account activities and its overall interest rate risk management.

Interest income and interest expenses associated with interest rate swaps that qualify as hedges are recognised over the life of the swap agreement as a component of interest income or interest expenses. Gains and losses on interest rate futures, forward and option contracts that qualify as hedged assets or liabilities are generally deferred and amortised over the life of the hedged assets or liabilities as adjustments to interest income or interest expenses.

Gains and losses on interest rate swaps, futures, forward and option contracts that do not qualify as hedges are recognised in the current period using the mark-to-market method, and are included in the net result from dealing securities.

Unmatured forward exchange contracts are valued at forward rates as at balance sheet date, applicable to their respective dates of maturity, and unrealised losses and gains are recognised in the income statement in the period in which they arises.

**B12. Material Litigation**

As at the date of this report, there was no pending material litigation in the ordinary course of business which would materially and adversely affect the financial position of the Group.

**B13. Proposed Dividends**

- (a) An interim dividend of 1.75 sen less 27% tax has been declared by the directors;
- (b) Amount per share: 1.75 sen less 27% tax;
- (c) Previous corresponding period: Nil;
- (d) Payment date: 20 September 2007; and
- (e) In respect of deposited securities, entitlement to the interim dividend will be determined on the basis of the record of depositors as at 6 September 2007.

**B14. Related Party Transactions**

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

**B15. Earnings Per Share (EPS)**

**Basic**

The calculation of the basic earnings per share is based on the net profit attributable to the equity holders of the Company for the 1st quarter ended 30 June 2007 divided by the weighted average number of ordinary shares of RM1.00 each in issue during the 1st quarter ended 30 June 2007.

|   | <b>1st Quarter Ended</b> |                   | <b>Cumulative 3 Months Ended</b> |                   |
|---|--------------------------|-------------------|----------------------------------|-------------------|
|   | <b>30.06.2007</b>        | <b>30.06.2006</b> | <b>30.06.2007</b>                | <b>30.06.2006</b> |
| Net profit attributable to equity holders of the Company (RM'000) | <u>95,157</u>            | <u>39,562</u>     | <u>95,157</u>                    | <u>39,562</u>     |
| Weighted average number of ordinary shares in issue ('000)        | <u>1,346,257</u>         | <u>1,168,063</u>  | <u>1,346,257</u>                 | <u>1,168,063</u>  |
| Basic earnings per share (sen)                                    | <u>7.07</u>              | <u>3.39</u>       | <u>7.07</u>                      | <u>3.39</u>       |

**Diluted**

The calculation of the diluted earnings per share for the corresponding period last year is based on the net profit attributable to the equity holders of the Company for the 1st quarter ended 30 June 2006 divided by the weighted average number of ordinary shares of RM1.00 each in issue and taken into account the assumed exercise of the outstanding Warrants 2002/2007 for the period ended 30 June 2006.

Diluted EPS is not applicable in the current quarter ended 30 June 2007, as the Warrants 2002/2007 of the Company had expired on 8 June 2007.

|  | <b>1st Quarter Ended</b> | <b>Cumulative 3 Months Ended</b> |
|--|--------------------------|----------------------------------|
|  | <b>30.06.2006</b>        | <b>30.06.2006</b>                |
| Net profit attributable to equity holders of the Company (RM'000)                | <u>39,562</u>            | <u>39,562</u>                    |
| Weighted average number of ordinary shares in issue ('000)                       | 1,168,063                | 1,168,063                        |
| Effect of exercise of warrants ('000)  | <u>169,753</u>           | <u>169,753</u>                   |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | <u>1,337,816</u>         | <u>1,337,816</u>                 |
| Diluted earnings per share (sen)   | <u>2.96</u>              | <u>2.96</u>                      |

**C. Explanatory Notes Pursuant To Appendix C of Revised BNM/GP8**

**C1. Interest Income**

| <b>Group</b>                                       | <b>1st Quarter Ended</b> |                  | <b>Cumulative 3 Months Ended</b> |                  |
|--|--------------------------|------------------|----------------------------------|------------------|
|  | <b>30.6.2007</b>         | <b>30.6.2006</b> | <b>30.6.2007</b>                 | <b>30.6.2006</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| Loans, advances and financing                      |                          |                  |                                  |                  |
| - Interest income other than recoveries from NPLs  | <b>185,316</b>           | 185,538          | <b>185,316</b>                   | 185,538          |
| - Recoveries from NPLs                             | <b>23,675</b>            | 31,390           | <b>23,675</b>                    | 31,390           |
|  | <b>208,991</b>           | 216,928          | <b>208,991</b>                   | 216,928          |
| Money at call and deposit placements               |                          |                  |                                  |                  |
| with financial institutions                        | <b>52,260</b>            | 32,533           | <b>52,260</b>                    | 32,533           |
| Securities held-for-trading                        | <b>82</b>                | 243              | <b>82</b>                        | 243              |
| Securities available-for-sale                      | <b>24,178</b>            | 8,316            | <b>24,178</b>                    | 8,316            |
| Securities held-to-maturity                        | <b>8,615</b>             | 15,336           | <b>8,615</b>                     | 15,336           |
| Others   | <b>1,816</b>             | 226              | <b>1,816</b>                     | 226              |
|  | <b>295,942</b>           | 273,582          | <b>295,942</b>                   | 273,582          |
| Accretion of discount less amortisation of premium | <b>11,598</b>            | 16,853           | <b>11,598</b>                    | 16,853           |
| Net interest/income suspended                      | <b>(6,238)</b>           | (15,876)         | <b>(6,238)</b>                   | (15,876)         |
|  | <b>301,302</b>           | 274,559          | <b>301,302</b>                   | 274,559          |

**C2. Interest Expenses**

| <b>Group</b>  | <b>1st Quarter ended</b> |                  | <b>Cumulative 3 Months ended</b> |                  |
|---|--------------------------|------------------|----------------------------------|------------------|
|   | <b>30.6.2007</b>         | <b>30.6.2006</b> | <b>30.6.2007</b>                 | <b>30.6.2006</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| Deposits and placements of banks and other financial institutions | <b>1,196</b>             | 4,747            | <b>1,196</b>                     | 4,747            |
| Deposits from customers   | <b>119,041</b>           | 102,246          | <b>119,041</b>                   | 102,246          |
| Loans sold to Cagamas   | <b>2,276</b>             | 3,274            | <b>2,276</b>                     | 3,274            |
| Subordinated bonds  | <b>9,110</b>             | 12,805           | <b>9,110</b>                     | 12,805           |
| Short/Long term borrowings  | <b>2,284</b>             | 2,493            | <b>2,284</b>                     | 2,493            |
| Others  | <b>18,808</b>            | 15,962           | <b>18,808</b>                    | 15,962           |
|   | <b>152,715</b>           | 141,527          | <b>152,715</b>                   | 141,527          |

**C3. Other Operating Income**

| <b>Group</b>                            | <b>1st Quarter ended</b> |                  | <b>Cumulative 3 Months ended</b> |                  |
|---|--------------------------|------------------|----------------------------------|------------------|
|   | <b>30.6.2007</b>         | <b>30.6.2006</b> | <b>30.6.2007</b>                 | <b>30.6.2006</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| (a) <u>Fee income:</u>                  |                          |                  |                                  |                  |
| Commissions                             | <b>6,957</b>             | 8,475            | <b>6,957</b>                     | 8,475            |
| Service charges and fees                | <b>6,730</b>             | 7,580            | <b>6,730</b>                     | 7,580            |
| Portfolio management                    | <b>1,844</b>             | 1,914            | <b>1,844</b>                     | 1,914            |
| Corporate advisory fees                 | <b>1,847</b>             | 1,745            | <b>1,847</b>                     | 1,745            |
| Underwriting commissions                | <b>961</b>               | 77               | <b>961</b>                       | 77               |
| Brokerage fees                          | <b>14,321</b>            | 7,031            | <b>14,321</b>                    | 7,031            |
| Guarantee fees                          | <b>1,944</b>             | 3,194            | <b>1,944</b>                     | 3,194            |
| Processing fees                         | <b>3,968</b>             | 3,113            | <b>3,968</b>                     | 3,113            |
| Commitment fees                         | <b>3,209</b>             | 3,283            | <b>3,209</b>                     | 3,283            |
| Other fee income                        | <b>5,467</b>             | 3,189            | <b>5,467</b>                     | 3,189            |
|   | <b>47,248</b>            | 39,601           | <b>47,248</b>                    | 39,601           |
| (b) <u>Investment income:</u>           |                          |                  |                                  |                  |
| <u>Gains/(losses) arising from sale</u> |                          |                  |                                  |                  |
| <u>of securities:</u>                   |                          |                  |                                  |                  |
| Net gain/(loss) from sale of securities |                          |                  |                                  |                  |
| - held-for-trading                      | <b>365</b>               | 288              | <b>365</b>                       | 288              |
| - held-to-maturity                      | <b>642</b>               | (756)            | <b>642</b>                       | (756)            |
| - available-for-sale                    | <b>6,435</b>             | 9,249            | <b>6,435</b>                     | 9,249            |
| Unrealised gain/(loss) on revaluation   |                          |                  |                                  |                  |
| of securities held-for-trading          | <b>1,742</b>             | 714              | <b>1,742</b>                     | 714              |
| Gain from investment in Staple          |                          |                  |                                  |                  |
| Bonds                                   | -                        | 890              | -                                | 890              |
| Gross dividend income from:             |                          |                  |                                  |                  |
| - securities held-to-maturity           | <b>802</b>               | 1,991            | <b>802</b>                       | 1,991            |
|   | <b>9,986</b>             | 12,376           | <b>9,986</b>                     | 12,376           |
| (c) <u>Other income:</u>                |                          |                  |                                  |                  |
| Foreign exchange profit/(loss)          |                          |                  |                                  |                  |
| - realised                              | <b>16,958</b>            | 4,866            | <b>16,958</b>                    | 4,866            |
| - unrealised                            | <b>(10,017)</b>          | 2,603            | <b>(10,017)</b>                  | 2,603            |
| Rental income                           | <b>95</b>                | 128              | <b>95</b>                        | 128              |
| Gain on disposal of property            |                          |                  |                                  |                  |
| and equipment                           | <b>402</b>               | 192              | <b>402</b>                       | 192              |
| Gain on disposal of foreclosed          |                          |                  |                                  |                  |
| property                                | <b>13</b>                | -                | <b>13</b>                        | -                |
| Others                                  | <b>1,930</b>             | 2,679            | <b>1,930</b>                     | 2,679            |
|   | <b>9,381</b>             | 10,468           | <b>9,381</b>                     | 10,468           |
| Total other operating income            | <b>66,615</b>            | 62,445           | <b>66,615</b>                    | 62,445           |



**C4. Other Operating Expenses**

| <b>Group</b>                                       | <b>1st Quarter ended</b> |                  | <b>Cumulative 3 Months ended</b> |                  |
|--|--------------------------|------------------|----------------------------------|------------------|
|  | <b>30.6.2007</b>         | <b>30.6.2006</b> | <b>30.6.2007</b>                 | <b>30.6.2006</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| <b><u>Personnel costs:</u></b>                     |                          |                  |                                  |                  |
| Salaries, allowances and bonuses                   | <b>67,468</b>            | 50,593           | <b>67,468</b>                    | 50,593           |
| Pension costs                                      | <b>10,126</b>            | 7,622            | <b>10,126</b>                    | 7,622            |
| Other personnel related expenses                   | <b>9,479</b>             | 11,969           | <b>9,479</b>                     | 11,969           |
|  | <b>87,073</b>            | 70,184           | <b>87,073</b>                    | 70,184           |
| <b><u>Establishment costs:</u></b>                 |                          |                  |                                  |                  |
| Depreciation                                       | <b>5,929</b>             | 5,258            | <b>5,929</b>                     | 5,258            |
| Amortisation of computer software                  | <b>3,382</b>             | 3,615            | <b>3,382</b>                     | 3,615            |
| Rental   | <b>6,623</b>             | 6,759            | <b>6,623</b>                     | 6,759            |
| Water and electricity                              | <b>1,905</b>             | 1,535            | <b>1,905</b>                     | 1,535            |
| Repairs & maintenance                              | <b>2,038</b>             | 2,166            | <b>2,038</b>                     | 2,166            |
| EDP expenses                                       | <b>7,885</b>             | 8,348            | <b>7,885</b>                     | 8,348            |
| Others   | <b>3,391</b>             | 2,579            | <b>3,391</b>                     | 2,579            |
|  | <b>31,153</b>            | 30,260           | <b>31,153</b>                    | 30,260           |
| <b><u>Marketing expenses:</u></b>                  |                          |                  |                                  |                  |
| Promotion and advertisement                        | <b>4,888</b>             | 4,995            | <b>4,888</b>                     | 4,995            |
| Branding and publicity                             | <b>1,911</b>             | 2,314            | <b>1,911</b>                     | 2,314            |
| Others   | <b>1,908</b>             | 1,741            | <b>1,908</b>                     | 1,741            |
|  | <b>8,707</b>             | 9,050            | <b>8,707</b>                     | 9,050            |
| <b><u>Administration and general expenses:</u></b> |                          |                  |                                  |                  |
| Communication expenses                             | <b>3,206</b>             | 3,577            | <b>3,206</b>                     | 3,577            |
| Printing & stationeries                            | <b>1,361</b>             | 1,830            | <b>1,361</b>                     | 1,830            |
| Insurance  | <b>761</b>               | 1,320            | <b>761</b>                       | 1,320            |
| Professional fees                                  | <b>2,504</b>             | 3,445            | <b>2,504</b>                     | 3,445            |
| Others   | <b>3,291</b>             | 3,247            | <b>3,291</b>                     | 3,247            |
|  | <b>11,123</b>            | 13,419           | <b>11,123</b>                    | 13,419           |
| <b>Total Other Operating Expenses</b>              | <b>138,056</b>           | 122,913          | <b>138,056</b>                   | 122,913          |

C5. Write-back/(allowance) for Losses on Loans, Advances and Financing

| <u>Group</u>  | 1st Quarter ended |           | Cumulative 3 Months ended |           |
|---|-------------------|-----------|---------------------------|-----------|
|   | 30.6.2007         | 30.6.2006 | 30.6.2007                 | 30.6.2006 |
|   | RM'000            | RM'000    | RM'000                    | RM'000    |
| Allowance for bad and doubtful debts and financing: |                   |           |                           |           |
| (a) Specific allowance                              |                   |           |                           |           |
| - Made during the period/year                       | <b>110,813</b>    | 67,148    | <b>110,813</b>            | 67,148    |
| - Written back during the period/year               | <b>(104,992)</b>  | (27,418)  | <b>(104,992)</b>          | (27,418)  |
| (b) General allowance                               |                   |           |                           |           |
| - Made during the period/year                       | <b>11,229</b>     | 6,232     | <b>11,229</b>             | 6,232     |
| -Written back during the period year                | <b>(6,530)</b>    | (6,847)   | <b>(6,530)</b>            | (6,847)   |
| Bad debts on loans and financing                    |                   |           |                           |           |
| - Recovered   | <b>(72,026)</b>   | (10,182)  | <b>(72,026)</b>           | (10,182)  |
| - Written off                                       | <b>120</b>        | 6,779     | <b>120</b>                | 6,779     |
|   | <b>(61,386)</b>   | 35,712    | <b>(61,386)</b>           | 35,712    |
| Allowance on commitments and contingencies          | -                 | 2,149     | -                         | 2,149     |
| Allowance on other receivable                       | <b>3,546</b>      | 1,469     | <b>3,546</b>              | 1,469     |
|   | <b>(57,840)</b>   | 39,330    | <b>(57,840)</b>           | 39,330    |

**C6. Securities Held-for-trading**

|                                     | <b>Group</b>     |                  |
|-------------------------------------|------------------|------------------|
|                                     | <b>30.6.2007</b> | <b>31.3.2007</b> |
|                                     | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>At fair value</b>                |                  |                  |
| <u>Money Market Instruments:-</u>   |                  |                  |
| Malaysian Government treasury bills | 59,515           | -                |
| Bank Negara Malaysia bills          | 85,855           | -                |
| Negotiable instruments of deposits  | 20,339           | -                |
| <br>                                |                  |                  |
| <u>Quoted Securities:</u>           |                  |                  |
| Shares in Malaysia                  | 5,497            | 5,744            |
| Debt securities                     | 8,812            | 9,234            |
| Total securities held-for-trading   | <u>180,018</u>   | <u>14,978</u>    |

**C7. Securities Available-for-sale**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>At fair value</b>                         |                  |                  |
| <u>Money Market Instruments:</u>             |                  |                  |
| Malaysian Government securities              | 319,090          | 285,274          |
| Malaysian Government investment certificates | 552,598          | 145,710          |
| Cagamas bonds                                | 100,393          | 125,727          |
| Negotiable instruments of deposits           | 1,024,703        | 499,902          |
| Commercial papers                            | 35,650           | 45,568           |
| Bankers acceptances                          | 681,578          | 228,099          |
| <br>   |                  |                  |
| <u>Quoted Securities:</u>                    |                  |                  |
| Shares in Malaysia                           | 2,040            | 3,205            |
| Debts securities                             | 8,500            | -                |
| <br>   |                  |                  |
| <u>Unquoted Securities:</u>                  |                  |                  |
| Shares                                       | 1,121            | 1,121            |
| Debts securities                             | 940,681          | 718,377          |
|  | <u>3,666,354</u> | <u>2,052,983</u> |

**C8. Securities Held-to-maturity**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>At amortised cost</b>                     |                  |                  |
| <u>Money Market Instruments:</u>             |                  |                  |
| Malaysian Government securities              | <b>164,329</b>   | 165,370          |
| Malaysian Government investment certificates | <b>140,229</b>   | 188,989          |
| Bank Negara Malaysia bills                   | -                | 49,747           |
| Cagamas bonds                                | <b>139,900</b>   | 174,928          |
| Negotiable instruments of deposits           | -                | 440,000          |
| Khazanah bonds                               | <b>271,425</b>   | 269,034          |
| Bankers acceptances                          | <b>25,533</b>    | 705,050          |
| <br><u>Quoted Securities:</u>                |                  |                  |
| Debts securities                             | <b>25,587</b>    | 25,587           |
| <br><u>Unquoted securities:</u>              |                  |                  |
| Shares                                       | <b>21,496</b>    | 21,496           |
| Debts securities                             | <b>485,177</b>   | 521,941          |
|  | <b>1,273,676</b> | 2,562,142        |
| Accumulated impairment losses                | <b>(160,737)</b> | (132,061)        |
| Total securities held-to-maturity            | <b>1,112,939</b> | 2,430,081        |

**C9. Loans, Advances and Financing**

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <b>30.6.2007</b>  | <b>31.3.2007</b>  |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Overdrafts   | 2,011,642         | 2,061,174         |
| Term loans/financing                                   |                   |                   |
| - Housing loans/financing                              | 4,725,850         | 4,522,181         |
| - Syndicated term loan/financing                       | 306,203           | 291,141           |
| - Hire purchase receivables                            | 1,517,522         | 1,542,585         |
| - Lease receivables                                    | 17,124            | 24,104            |
| - Other term loans/financing                           | 4,127,666         | 3,998,350         |
| Bills receivables                                      | 98,142            | 155,711           |
| Trust receipts   | 124,035           | 102,119           |
| Claims on customers under acceptance credit            | 1,247,134         | 1,150,641         |
| Staff loans  | 109,834           | 109,088           |
| Credit/charge card receivables                         | 434,730           | 399,447           |
| Revolving credits                                      | 669,280           | 660,143           |
| Other loans  | 140,005           | 122,761           |
|  | <b>15,529,167</b> | <b>15,139,445</b> |
| Unearned interest and income                           | <b>(826,282)</b>  | <b>(779,134)</b>  |
| Gross loans, advances and financing                    | <b>14,702,885</b> | <b>14,360,311</b> |
| Allowance for bad and doubtful debts<br>and financing: |                   |                   |
| - Specific   | <b>(789,931)</b>  | <b>(805,434)</b>  |
| - General  | <b>(248,948)</b>  | <b>(244,249)</b>  |
| Net loans, advances and financing                      | <b>13,664,006</b> | <b>13,310,628</b> |

(a) By type of customer:

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <b>30.6.2007</b>  | <b>31.3.2007</b>  |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Domestic non-bank financial institutions |                   |                   |
| - Stockbroking companies                 | 16                | 11,233            |
| - Others                                 | 118,526           | 104,081           |
| Domestic business enterprises            |                   |                   |
| - Small and medium enterprises           | 3,971,830         | 3,954,960         |
| - Others                                 | 3,123,373         | 3,118,752         |
| Government and statutory bodies          | 18,374            | 18,457            |
| Individuals                              | 7,387,432         | 7,086,074         |
| Other domestic entities                  | 5,940             | 7,200             |
| Foreign entities                         | 77,394            | 59,554            |
| Gross loans, advances and financing      | <b>14,702,885</b> | <b>14,360,311</b> |

C9. Loans, Advances and Financing (cont'd)

(b) By interest/profit rate sensitivity:

|                                     | Group      |            |
|-------------------------------------|------------|------------|
|                                     | 30.6.2007  | 31.3.2007  |
|                                     | RM'000     | RM'000     |
| Fixed rate                          |            |            |
| - Housing loans/financing           | 160,467    | 159,172    |
| - Hire purchase receivables         | 1,329,277  | 1,347,758  |
| - Other fixed rate loans/financing  | 1,296,353  | 1,242,306  |
| Variable rate                       |            |            |
| - Base lending rate plus            | 9,393,108  | 9,235,174  |
| - Cost plus                         | 2,475,232  | 2,270,889  |
| - Other variable rates              | 48,448     | 105,012    |
| Gross loans, advances and financing | 14,702,885 | 14,360,311 |

(c) By economic sectors:

|   | Group      |            |
|---|------------|------------|
|   | 30.6.2007  | 31.3.2007  |
|   | RM'000     | RM'000     |
| Purchase of securities                      | 217,670    | 211,739    |
| Purchase of transport vehicles              | 1,426,144  | 1,435,005  |
| Purchase of landed property                 | 6,207,193  | 5,998,690  |
| of which: - Residential                     | 4,689,976  | 4,510,848  |
| - Non-residential                           | 1,517,217  | 1,487,842  |
| Purchase fixed assets excl. land & building | 25,203     | 26,426     |
| Personal use                                | 818,097    | 736,871    |
| Credit card                                 | 434,730    | 399,469    |
| Purchase of durable goods                   | 186        | 186        |
| Construction                                | 328,344    | 339,725    |
| Working capital                             | 4,709,288  | 4,715,359  |
| Others                                      | 536,030    | 496,841    |
| Gross loans, advances and financing         | 14,702,885 | 14,360,311 |

**C9. Loans, Advances and Financing (cont'd)**

(d) Non-performing loans/financing ("NPLs/NPF")

Movements in NPLs, advances and financing are as follows:-

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| At beginning of year   | <b>1,560,172</b> | 2,126,228        |
| Non-performing during the period/year  | <b>251,567</b>   | 1,527,519        |
| Reclassified as performing   | <b>(214,085)</b> | (1,115,054)      |
| Loans/financing converted to securities  | <b>(11,726)</b>  | (1,464)          |
| Recoveries   | <b>(92,022)</b>  | (545,462)        |
| Amount written off   | <b>(9,598)</b>   | (431,595)        |
| At end of period/year  | <b>1,484,308</b> | 1,560,172        |
| Specific allowance   | <b>(789,931)</b> | (805,434)        |
| Net NPLs, advances<br>and financing  | <b>694,377</b>   | 754,738          |
| Net NPL as a % of gross loans, advances<br>and financing less specific allowance | <b>5.0%</b>      | <b>5.6%</b>      |

(e) Movements in the allowance for bad and doubtful debts and financing are as follows:

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>General Allowance</b>   |                  |                  |
| At beginning of year   | <b>244,249</b>   | 206,388          |
| Allowance made during the period/year                                  | <b>11,229</b>    | 75,340           |
| Amount written back  | <b>(6,530)</b>   | (37,479)         |
| At end of period/year  | <b>248,948</b>   | 244,249          |
| As % of gross loans, advances and<br>financing less specific allowance | <b>1.8%</b>      | 1.8%             |

**C9. Loans, Advances and Financing (cont'd)**

(e) Movements in the allowance for bad and doubtful debts and financing are as follows: (cont'd)

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>Specific Allowance</b>                    |                  |                  |
| At beginning of year                         | <b>805,434</b>   | 825,160          |
| Allowance made during the period/year        | <b>110,813</b>   | 639,362          |
| Amount written-back in respect of recoveries | <b>(104,992)</b> | (226,029)        |
| Loan/financing converted to securities       | <b>(11,726)</b>  | (1,464)          |
| Amount written off                           | <b>(9,598)</b>   | (431,595)        |
|  | <b>789,931</b>   | 805,434          |

(f) NPLs/NPF by sector

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>30.6.2007</b> | <b>31.3.2007</b> |
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| Purchase of securities                      | <b>59,593</b>    | 64,567           |
| Purchase of transport vehicles              | <b>68,536</b>    | 101,294          |
| Purchase of landed property                 | <b>663,837</b>   | 683,989          |
| <i>of which: - Residential</i>              | <b>427,353</b>   | 418,691          |
| <i>- Non-residential</i>                    | <b>236,484</b>   | 265,298          |
| Purchase fixed assets excl. land & building | <b>1,275</b>     | 1,498            |
| Personal use                                | <b>43,204</b>    | 47,636           |
| Credit card                                 | <b>8,883</b>     | 8,473            |
| Construction                                | <b>48,233</b>    | 53,199           |
| Working capital                             | <b>562,262</b>   | 571,639          |
| Others                                      | <b>28,485</b>    | 27,877           |
| Gross NPLs                                  | <b>1,484,308</b> | 1,560,172        |



**C10. Balances Due From Clients And Brokers**

|                                      | <b>Group</b>     |                  |
|--------------------------------------|------------------|------------------|
|                                      | <b>30.6.2007</b> | <b>31.3.2007</b> |
|                                      | <b>RM'000</b>    | <b>RM'000</b>    |
| Due from clients                     | <b>349,771</b>   | 317,808          |
| Due from brokers                     | <b>135,807</b>   | 234,010          |
|                                      | <b>485,578</b>   | 551,818          |
| Less:                                |                  |                  |
| Allowance for bad and doubtful debts | <b>(33,944)</b>  | (30,751)         |
|                                      | <b>451,634</b>   | 521,067          |

These represent amount receivable by Investment banking subsidiary from margin clients, non margin clients and outstanding contracts entered into on behalf of clients where settlement via the Central Depository System has yet to be made, and amount receivable from provision of corporate financial services.

The Investment banking subsidiary's normal trade credit terms for non-margin clients is 3 market days in accordance with Bursa Malaysia Securities Berhad Fixed Delivery and Settlement System ("FDSS") trading rules. The credit terms of other receivables of the Investment banking subsidiary are assessed and approved on a case-by-case basis.

Included in the balances due from clients and brokers are non-performing accounts as follows:

|                        | <b>Group</b>     |                  |
|------------------------|------------------|------------------|
|                        | <b>30.6.2007</b> | <b>31.3.2007</b> |
|                        | <b>RM'000</b>    | <b>RM'000</b>    |
| Classified as doubtful | <b>6,102</b>     | 3,991            |
| Classified as bad      | <b>52,437</b>    | 48,056           |
|                        | <b>58,539</b>    | 52,047           |

The movements in allowance for bad and doubtful debts are as follows:

|                                       |                |         |
|---------------------------------------|----------------|---------|
| At beginning of year                  | <b>30,751</b>  | 28,874  |
| Allowance made during the period/year | <b>4,893</b>   | 8,869   |
| Reversal of allowance                 | <b>(1,700)</b> | (6,992) |
| At end of period/year                 | <b>33,944</b>  | 30,751  |

**C11. Other Assets**

|   | <b>Group</b>          |                       |
|---|-----------------------|-----------------------|
|   | <b>30.6.2007</b>      | <b>31.3.2007</b>      |
|   | <b>RM'000</b>         | <b>RM'000</b>         |
| Trade receivables                           | 171                   | 230                   |
| Interest/income receivables                 | 39,171                | 47,119                |
| Other receivables, deposits and prepayments | 215,278               | 205,120               |
| Manager's stocks                            | 2,191                 | 1,258                 |
| Foreclosed properties                       | 12,724                | 12,966                |
|   | <u>269,535</u>        | <u>266,693</u>        |
| Allowance for bad and doubtful debts        | (16,737)              | (16,384)              |
|   | <u><u>252,798</u></u> | <u><u>250,309</u></u> |

**C12. Deposits From Customers**

|                                    | <b>Group</b>      |                   |
|------------------------------------|-------------------|-------------------|
|                                    | <b>30.6.2007</b>  | <b>31.3.2007</b>  |
|                                    | <b>RM'000</b>     | <b>RM'000</b>     |
| <u>By type of deposits:</u>        |                   |                   |
| Demand deposits                    | 4,954,698         | 4,736,729         |
| Savings deposits                   | 1,546,660         | 1,520,915         |
| Fixed/investment deposits          | 12,665,604        | 12,835,219        |
| Short-term corporate deposits      | 816,802           | -                 |
| Negotiable instruments of deposits | 18,305            | 18,200            |
|                                    | <u>20,002,069</u> | <u>19,111,063</u> |

|                                 | <b>Group</b>      |                   |
|---------------------------------|-------------------|-------------------|
|                                 | <b>30.6.2007</b>  | <b>31.3.2007</b>  |
|                                 | <b>RM'000</b>     | <b>RM'000</b>     |
| <u>By type of customer:</u>     |                   |                   |
| Government and statutory bodies | 883,502           | 978,380           |
| Business enterprises            | 7,147,192         | 6,670,598         |
| Individuals                     | 11,112,545        | 10,630,492        |
| Others                          | 858,830           | 831,593           |
|                                 | <u>20,002,069</u> | <u>19,111,063</u> |

**C13. Deposits and Placements of Banks and Other Financial Institutions**

|                         | <b>Group</b>          |                       |
|-------------------------|-----------------------|-----------------------|
|                         | <b>30.6.2007</b>      | <b>31.3.2007</b>      |
|                         | <b>RM'000</b>         | <b>RM'000</b>         |
| Licensed banks          | 94,532                | 222,982               |
| Licensed merchant banks | 800                   | -                     |
| Bank Negara Malaysia    | 295,238               | 259,376               |
|                         | <u><b>390,570</b></u> | <u><b>482,358</b></u> |

**C14. Balances Due To Clients and Brokers**

|                | <b>Group</b>          |                       |
|----------------|-----------------------|-----------------------|
|                | <b>30.6.2007</b>      | <b>31.3.2007</b>      |
|                | <b>RM'000</b>         | <b>RM'000</b>         |
| Due to clients | 163,697               | 188,823               |
| Due to brokers | 144,830               | 189,617               |
|                | <u><b>308,527</b></u> | <u><b>378,440</b></u> |

These mainly related to amounts payable to margin clients, non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Central Depository System have yet to be made.

The Investment banking subsidiary's normal trade credit terms for non-margin client is 3 market day according to Bursa Malaysia Securities Berhad's FDSS trading rules. The credit terms of other payables are assessed and approved on a case-by-case basis.

**C15. Other Liabilities**

|                             | <b>Group</b>          |                       |
|-----------------------------|-----------------------|-----------------------|
|                             | <b>30.6.2007</b>      | <b>31.3.2007</b>      |
|                             | <b>RM'000</b>         | <b>RM'000</b>         |
| Other liabilities           | 817,753               | 721,335               |
| Interest/income payable     | 108,020               | 101,949               |
| Remiser's accounts          | 26,044                | 26,042                |
| Profit Equalisation Reserve | 14,829                | 16,613                |
|                             | <u><b>966,646</b></u> | <u><b>865,939</b></u> |

**C16. Capital Adequacy**

The capital adequacy ratios of the Alliance Banking group are as follows:

|                             | <b>30.6.2007</b> | <b>31.3.2007</b> |
|-----------------------------|------------------|------------------|
|                             | %                | %                |
| <u>Capital Ratios</u>       |                  |                  |
| Core capital ratio          | <b>10.28</b>     | 10.89            |
| Risk-weighted capital ratio | <b>15.83</b>     | 16.62            |

Components of Tier-I and Tier-II capital of the Alliance Banking group are as follows:-

|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|--|------------------|------------------|
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>Tier-I Capital</b>                                      |                  |                  |
| Paid-up share capital                                      | <b>596,517</b>   | 596,517          |
| Preference shares  | <b>2,000</b>     | 2,000            |
| Share premium  | <b>399,517</b>   | 399,517          |
| Retained profits   | <b>480,187</b>   | 504,137          |
| Statutory reserves   | <b>511,450</b>   | 511,450          |
| Other reserves   | <b>10,035</b>    | 10,035           |
| Minority interests   | <b>4,797</b>     | 4,810            |
|  | <b>2,004,503</b> | 2,028,466        |
| Less: Purchased goodwill/goodwill on consolidation         | <b>(304,149)</b> | (304,149)        |
| Deferred tax assets  | <b>(130,841)</b> | (120,303)        |
| Total Tier-I capital                                       | <b>1,569,513</b> | 1,604,014        |
| <b>Tier-II Capital</b>                                     |                  |                  |
| Subordinated bonds   | <b>600,000</b>   | 600,000          |
| General allowance for bad and doubtful debts and financing | <b>248,948</b>   | 244,249          |
| Total Tier-II capital                                      | <b>848,948</b>   | 844,249          |
| Total Capital  | <b>2,418,461</b> | 2,448,263        |
| Less: Investment in subsidiaries                           | -                | -                |
| <b>Total Capital Base</b>                                  | <b>2,418,461</b> | 2,448,263        |

Analysis of the Alliance Banking group's risk-weighted assets in the various categories of risk-weighted is as follows:

| <b>Group</b>                               | <b>30.6.2007</b>  |                      | <b>31.3.2007</b> |                      |
|--|-------------------|----------------------|------------------|----------------------|
|  | <b>Notional</b>   | <b>Risk-Weighted</b> | <b>Notional</b>  | <b>Risk-Weighted</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>        | <b>RM'000</b>    | <b>RM'000</b>        |
| 0%   | <b>7,626,709</b>  | -                    | 7,803,143        | -                    |
| 10%  | <b>116,519</b>    | <b>11,652</b>        | 153,335          | 15,334               |
| 20%  | <b>3,250,532</b>  | <b>650,106</b>       | 3,028,275        | 605,655              |
| 50%  | <b>4,217,334</b>  | <b>2,108,667</b>     | 4,026,518        | 2,013,259            |
| 100%                                       | <b>12,431,230</b> | <b>12,431,230</b>    | 12,026,987       | 12,026,987           |
| Risk-weighted assets for market risk       | -                 | <b>45,797</b>        | -                | 46,767               |
| Risk-weighted assets for counterparty risk | -                 | <b>26,522</b>        | -                | 18,437               |
| <b>Total Risk-Weighted Assets</b>          | <b>27,642,324</b> | <b>15,273,974</b>    | 27,038,258       | 14,726,439           |

**C17. Comparative Figures**

The following comparative figures have been reclassified to conform with the current year's presentation:-

|   | <b>Group</b>       |                      |
|---|--------------------|----------------------|
|   | <b>As restated</b> | <b>As previously</b> |
|   | <b>RM'000</b>      | <b>reported</b>      |
|   |                    | <b>RM'000</b>        |
| <u>Income statement for the cumulative three months</u> |                    |                      |
| <u>ended 30 June 2006</u>                               |                    |                      |
| Operating revenue                                       | <b>360,002</b>     | 360,121              |
| Other operating income                                  | <b>62,445</b>      | 62,776               |
| Other operating expenses                                | <b>(122,913)</b>   | (123,244)            |
|   | <hr/> <hr/>        | <hr/> <hr/>          |
| <u>Balance sheet as at 31 March 2007</u>                |                    |                      |
| Cash and short-term funds                               | <b>4,159,880</b>   | 4,144,057            |
| Deposits and placements with financial institutions     | <b>2,419,434</b>   | 2,435,257            |
| Leasehold lands   | <b>10,951</b>      | -                    |
| Property, plant and equipment                           | <b>128,578</b>     | 139,529              |
|   | <hr/> <hr/>        | <hr/> <hr/>          |

**MALAYSIAN PLANTATIONS BERHAD (6627-X)**  
**FIRST FINANCIAL QUARTER ENDED 30 JUNE 2007**

**C18. Interest Rate Risk**

| <b>GROUP</b><br>As at 30 June 2007                                     | <b>Up to</b><br><b>1 month</b><br>RM'000 | <b>&gt;1-3</b><br><b>months</b><br>RM'000 | <b>&gt;3-6</b><br><b>months</b><br>RM'000 | <b>&gt;6-12</b><br><b>months</b><br>RM'000 | <b>&gt;1-5</b><br><b>years</b><br>RM'000 | <b>over 5</b><br><b>years</b><br>RM'000 | <b>Non-</b><br><b>interest</b><br><b>sensitive</b><br>RM'000 | <b>Trading</b><br><b>book</b><br>RM'000 | <b>Total</b><br>RM'000 | <b>Effective</b><br><b>interest</b><br><b>rate</b><br>% |
|--|--|---|---|--|--|---|--|---|------------------------|---|
| <b>ASSETS</b>  |  |   |   |  |  |   |  |   |                        |   |
| Cash and short-term funds  | 4,912,889                                | -   | -   | -  | -  | -                                       | 476,231  | -                                       | 5,389,120              | 3.61  |
| Deposits and placements with banks<br>and other financial institutions | -  | 991,302                                   | 100                                       | 200  | -  | -                                       | -  | -                                       | 991,602                | 3.97  |
| Securities held-for-trading  | -  | -   | -   | -  | -  | -                                       | -  | 180,018                                 | 180,018                | 3.07  |
| Securities available-for-sale  | 1,050,987                                | 686,760                                   | 109,700                                   | 50,667                                     | 1,056,390                                | 704,570                                 | -  | 7,280                                   | 3,666,354              | 4.15  |
| Securities held-to-maturity  | 38,582                                   | 47,568                                    | 63,490                                    | 304,322                                    | 612,111                                  | 26,810                                  | 20,056   | -                                       | 1,112,939              | 3.46  |
| Loans, advances and financing  | 11,800,030                               | 134,530                                   | 223,029                                   | 230,260                                    | 1,544,233                                | 770,803                                 | (1,038,879) *  | -                                       | 13,664,006             | 7.38  |
| Balances due from clients and brokers                                  | 295,158                                  | 139,301                                   | -   | -  | -  | -                                       | 17,175   | -                                       | 451,634                | 8.91  |
| Other non-interest sensitive balances                                  | -  | -   | -   | -  | -  | -                                       | 1,514,370  | -                                       | 1,514,370              | -   |
| <b>TOTAL ASSETS</b>  | <b>18,097,646</b>                        | <b>1,999,461</b>                          | <b>396,319</b>                            | <b>585,449</b>                             | <b>3,212,734</b>                         | <b>1,502,183</b>                        | <b>988,953</b>   | <b>187,298</b>                          | <b>26,970,043</b>      |   |
| <b>LIABILITIES</b>   |  |   |   |  |  |   |  |   |                        |   |
| Deposits from customers  | 11,837,160                               | 1,738,718                                 | 2,106,423                                 | 3,561,280                                  | 758,488                                  | -                                       | -  | -                                       | 20,002,069             | 2.79  |
| Deposits and placements of banks<br>and other financial institutions   | 76,048                                   | 24,054                                    | 2,188                                     | 13,825                                     | 274,455                                  | -                                       | -  | -                                       | 390,570                | 1.65  |
| Obligations on securities sold under<br>repurchase agreements          | 858,402                                  | -   | -   | -  | -  | -                                       | -  | -                                       | 858,402                | 3.15  |
| Bills and acceptances payable  | 240,235                                  | 511,203                                   | 127,520                                   | -  | -  | -                                       | -  | -                                       | 878,958                | 3.74  |
| Subordinated bonds   | -  | -   | -   | -  | 600,000                                  | -                                       | -  | -                                       | 600,000                | 6.09  |
| Recourse obligations on loans sold<br>to Cagamas                       | -  | -   | 17,240                                    | -  | 284,637                                  | -                                       | -  | -                                       | 301,877                | 3.46  |
| Balances due to clients and brokers                                    | 308,148                                  | -   | -   | -  | -  | -                                       | 379  | -                                       | 308,527                | 2.50  |
| Short term borrowing   | -  | -   | 200,000                                   | -  | -  | -                                       | -  | -                                       | 200,000                | 4.58  |
| Other non-interest sensitive balances                                  | -  | -   | -   | -  | -  | -                                       | 983,650  | -                                       | 983,650                | -   |
| <b>TOTAL LIABILITIES</b>   | <b>13,319,993</b>                        | <b>2,273,975</b>                          | <b>2,453,371</b>                          | <b>3,575,105</b>                           | <b>1,917,580</b>                         | <b>-</b>                                | <b>984,029</b>   | <b>-</b>                                | <b>24,524,053</b>      |   |
| Shareholders' Equity   | -  | -   | -   | -  | -  | -                                       | 2,441,192  | -                                       | 2,441,192              |   |
| Minority interests   | -  | -   | -   | -  | -  | -                                       | 4,798  | -                                       | 4,798                  |   |
| <b>TOTAL LIABILITIES AND</b><br><b>EQUITY</b>                          | <b>13,319,993</b>                        | <b>2,273,975</b>                          | <b>2,453,371</b>                          | <b>3,575,105</b>                           | <b>1,917,580</b>                         | <b>-</b>                                | <b>3,430,019</b>   | <b>-</b>                                | <b>26,970,043</b>      |   |
| On-balance sheet interest<br>sensitivity gap                           | 4,777,653                                | (274,514)                                 | (2,057,052)                               | (2,989,656)                                | 1,295,154                                | 1,502,183                               | (2,441,066)  | 187,298                                 | -                      |   |
| Off-balance sheet interest<br>sensitivity gap                          | -  | -   | -   | -  | -  | -                                       | -  | -                                       | -                      |   |
| <b>Total interest sensitivity gap</b>                                  | <b>4,777,653</b>                         | <b>(274,514)</b>                          | <b>(2,057,052)</b>                        | <b>(2,989,656)</b>                         | <b>1,295,154</b>                         | <b>1,502,183</b>                        | <b>(2,441,066)</b>   | <b>187,298</b>                          | <b>-</b>               |   |

\* Specific allowance and general allowance of the Group are classified under the non interest sensitive column.

**MALAYSIAN PLANTATIONS BERHAD (6627-X)**  
**FIRST FINANCIAL QUARTER ENDED 30 JUNE 2007**

C18. Interest Rate Risk (cont'd)

| <b>GROUP</b><br>As at 31 March 2007                                    | <b>Up to</b><br><b>1 month</b><br>RM'000 | <b>&gt;1-3</b><br><b>months</b><br>RM'000 | <b>&gt;3-6</b><br><b>months</b><br>RM'000 | <b>&gt;6-12</b><br><b>months</b><br>RM'000 | <b>&gt;1-5</b><br><b>years</b><br>RM'000 | <b>over 5</b><br><b>years</b><br>RM'000 | <b>Non-</b><br><b>interest</b><br><b>sensitive</b><br>RM'000 | <b>Trading</b><br><b>book</b><br>RM'000 | <b>Total</b><br>RM'000 | <b>Effective</b><br><b>interest</b><br><b>rate</b><br>% |
|--|--|---|---|--|--|---|--|---|------------------------|---|
| <b>ASSETS</b>  |  |   |   |  |  |   |  |   |                        |   |
| Cash and short-term funds  | 3,707,301                                | -   | -   | -  | -  | -                                       | 452,579  | -                                       | 4,159,880              | 3.57  |
| Deposits and placements with banks<br>and other financial institutions | 900                                      | 2,418,134                                 | -   | 400  | -  | -                                       | -  | -                                       | 2,419,434              | 3.60  |
| Securities held-for-trading  | -  | -   | -   | -  | -  | -                                       | -  | 14,978                                  | 14,978                 |   |
| Securities available-for-sale  | 16,316                                   | 562,735                                   | 226,979                                   | 108,674                                    | 935,029                                  | 198,923                                 | -  | 4,327                                   | 2,052,983              | 4.40  |
| Securities held-to-maturity  | 573,233                                  | 698,124                                   | 80,828                                    | 181,087                                    | 841,884                                  | 34,869                                  | 20,056   | -                                       | 2,430,081              | 3.49  |
| Loans, advances and financing  | 11,282,507                               | 183,787                                   | 163,092                                   | 214,407                                    | 1,528,952                                | 987,566                                 | (1,049,683) *  | -                                       | 13,310,628             | 7.28  |
| Balances due from clients and brokers                                  | 371,837                                  | 131,908                                   | -   | -  | -  | -                                       | 17,322   | -                                       | 521,067                | 8.84  |
| Other non-interest sensitive balances                                  | -  | -   | -   | -  | -  | -                                       | 1,490,238  | -                                       | 1,490,238              | -   |
| <b>TOTAL ASSETS</b>  | <b>15,952,094</b>                        | <b>3,994,688</b>                          | <b>470,899</b>                            | <b>504,568</b>                             | <b>3,305,865</b>                         | <b>1,221,358</b>                        | <b>930,512</b>   | <b>19,305</b>                           | <b>26,399,289</b>      |   |
| <b>LIABILITIES</b>   |  |   |   |  |  |   |  |   |                        |   |
| Deposits from customers  | 11,202,055                               | 1,545,867                                 | 1,948,138                                 | 3,645,496                                  | 769,507                                  | -                                       | -  | -                                       | 19,111,063             | 2.75  |
| Deposits and placements of banks<br>and other financial institutions   | 189,343                                  | 36,891                                    | 2,888                                     | 10,585                                     | 117,651                                  | 125,000                                 | -  | -                                       | 482,358                | 2.20  |
| Obligations on securities sold under<br>repurchase agreements          | 2,010,098                                | -   | -   | -  | -  | -                                       | -  | -                                       | 2,010,098              | 3.25  |
| Bills and acceptances payable  | 148,840                                  | 224,248                                   | 108,183                                   | -  | -  | -                                       | -  | -                                       | 481,271                | 3.76  |
| Subordinated bonds   | -  | -   | -   | -  | 600,000                                  | -                                       | -  | -                                       | 600,000                | 6.09  |
| Recourse obligations on loans sold<br>to Cagamas                       | -  | -   | -   | 18,895                                     | 294,683                                  | -                                       | -  | -                                       | 313,578                | 3.46  |
| Balances due to clients and brokers                                    | 378,147                                  | -   | -   | -  | -  | -                                       | 293  | -                                       | 378,440                | 2.50  |
| Short term borrowing   | -  | -   | -   | 200,000                                    | -  | -                                       | -  | -                                       | 200,000                | 4.58  |
| Other non-interest sensitive balances                                  | -  | -   | -   | -  | -  | -                                       | 874,948  | -                                       | 874,948                | -   |
| <b>TOTAL LIABILITIES</b>   | <b>13,928,483</b>                        | <b>1,807,006</b>                          | <b>2,059,209</b>                          | <b>3,874,976</b>                           | <b>1,781,841</b>                         | <b>125,000</b>                          | <b>875,241</b>   | <b>-</b>                                | <b>24,451,756</b>      |   |
| Shareholders' Equity   | -  | -   | -   | -  | -  | -                                       | 1,942,722  | -                                       | 1,942,722              |   |
| Minority interests   | -  | -   | -   | -  | -  | -                                       | 4,811  | -                                       | 4,811                  |   |
| <b>TOTAL LIABILITIES AND</b><br><b>EQUITY</b>                          | <b>13,928,483</b>                        | <b>1,807,006</b>                          | <b>2,059,209</b>                          | <b>3,874,976</b>                           | <b>1,781,841</b>                         | <b>125,000</b>                          | <b>2,822,774</b>   | <b>-</b>                                | <b>26,399,289</b>      |   |
| On-balance sheet interest<br>sensitivity gap                           | 2,023,611                                | 2,187,682                                 | (1,588,310)                               | (3,370,408)                                | 1,524,024                                | 1,096,358                               | (1,892,262)  | 19,305                                  | -                      |   |
| Off-balance sheet interest<br>sensitivity gap                          | -  | -   | -   | -  | -  | -                                       | -  | -                                       | -                      |   |
| <b>Total interest sensitivity gap</b>                                  | <b>2,023,611</b>                         | <b>2,187,682</b>                          | <b>(1,588,310)</b>                        | <b>(3,370,408)</b>                         | <b>1,524,024</b>                         | <b>1,096,358</b>                        | <b>(1,892,262)</b>   | <b>19,305</b>                           | <b>-</b>               |   |

\* Specific allowance and general allowance of the Group are classified under the non interest sensitive column.

**C19. Operations of Islamic Banking**

**(a) Balance Sheets (Unaudited)**

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>30.6.2007</b> | <b>31.3.2007</b> |
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>ASSETS</b>   |                  |                  |
| Cash and short term funds   | 514,351          | 401,305          |
| Deposits and placements with financial institutions               | 20,000           | 40,000           |
| Security held-to-maturity   | 352,768          | 480,657          |
| Security available-for-sale                                       | 240,440          | 155,795          |
| Financing, advances and other loans                               | 2,040,348        | 2,085,780        |
| Other assets  | 116,857          | 42,544           |
| Statutory deposits with Bank Negara Malaysia                      | 63,250           | 73,178           |
| Deferred tax assets   | 14,232           | 14,105           |
| Property, plant and equipment                                     | 208              | 227              |
| Intangible assets   | 316              | 337              |
| <b>TOTAL ASSETS</b>   | <b>3,362,770</b> | <b>3,293,928</b> |
| <b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>                      |                  |                  |
| Deposits from customers   | 2,016,745        | 1,941,744        |
| Deposits and placements of banks and other financial institutions | 59,760           | 161,505          |
| Obligations on securities sold under repurchase agreements        | 123,509          | 88,722           |
| Bills and acceptances payable                                     | 6                | 71               |
| Other liabilities   | 112,573          | 92,038           |
| Provision for taxation  | 71,137           | 58,907           |
| <b>TOTAL LIABILITIES</b>  | <b>2,383,730</b> | <b>2,342,987</b> |
| Islamic Banking Funds   | 792,100          | 792,100          |
| Reserves  | 186,940          | 158,841          |
| <b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>                | <b>3,362,770</b> | <b>3,293,928</b> |
| <b>COMMITMENTS AND CONTINGENCIES</b>                              | <b>354,811</b>   | <b>335,568</b>   |



C19. Operations of Islamic Banking (cont'd)

(b) Income Statement (Unaudited)

|   | GROUP                                    |                     |  |                     |
|---|--|---------------------|--|---------------------|
|   | 1st Quarter ended<br>30.6.2007<br>RM'000 | 30.6.2006<br>RM'000 | Cumulative 3 Months ended<br>30.6.2007<br>RM'000 | 30.6.2006<br>RM'000 |
| Income derived from investment of depositors' funds and financial institutions              | 38,224                                   | 29,843              | 38,224   | 29,843              |
| Allowance for losses on financing, advances and other loans                                 | 7,236                                    | (1,364)             | 7,236  | (1,364)             |
| Transfer from/(to) profit equalisation reserve  | 1,784                                    | (2,894)             | 1,784  | (2,894)             |
| <b>Total attributable income</b>  | <b>47,244</b>                            | 25,585              | <b>47,244</b>                                    | 25,585              |
| Income attributable to the depositors and financial institutions                            | (16,008)                                 | (14,254)            | (16,008)   | (14,254)            |
| <b>Income attributable to the reporting institutions</b>                                    | <b>31,236</b>                            | 11,331              | <b>31,236</b>                                    | 11,331              |
| Income derived from investment of Islamic banking funds                                     | 14,437                                   | 13,803              | 14,437   | 13,803              |
| <b>Total net income</b>   | <b>45,673</b>                            | 25,134              | <b>45,673</b>                                    | 25,134              |
| Other operating expenses  | (954)                                    | (787)               | (954)  | (787)               |
| Impairment loss   | (3,951)                                  | -                   | (3,951)  | -                   |
| <b>Profit before taxation</b>   | <b>40,768</b>                            | 24,347              | <b>40,768</b>                                    | 24,347              |
| Taxation  | (12,230)                                 | (7,304)             | (12,230)   | (7,304)             |
| <b>Profit after taxation</b>  | <b>28,538</b>                            | 17,043              | <b>28,538</b>                                    | 17,043              |
| Net income from Islamic banking business stated in the income statements is derived from :- |  |                     |  |                     |
| Income derived from investment of depositors' funds and financial institutions              | 38,224                                   | 29,843              | 38,224   | 29,843              |
| Transfer from/(to) profit equalisation reserve  | 1,784                                    | (2,894)             | 1,784  | (2,894)             |
| Income attributable to depositors and financial institutions                                | (16,008)                                 | (14,254)            | (16,008)   | (14,254)            |
| Income derived from investment of Islamic Banking funds                                     | 14,437                                   | 13,803              | 14,437   | 13,803              |
|   | <b>38,437</b>                            | 26,498              | <b>38,437</b>                                    | 26,498              |

**C19. Operations of Islamic Banking (cont'd)**

**(c) Financing, Advances and Other Loans**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| (i) <u>By type</u>   |                  |                  |
| Cash line financing  | 37,921           | 32,468           |
| Term loans/financing   |                  |                  |
| - Housing loans/financing  | 384,359          | 362,127          |
| - Hire purchase receivables  | 779,770          | 824,321          |
| - Lease receivables  | 17,020           | 24,000           |
| - Other term loans/financing   | 1,320,295        | 1,270,166        |
| Trust receipts   | 14,483           | 6,317            |
| Claims on customers under acceptance credits   | 135,163          | 120,572          |
| Staff loans  | 37,399           | 32,242           |
| Revolving credits  | 132,827          | 196,090          |
|  | <u>2,859,237</u> | <u>2,868,303</u> |
| Unearned income  | (737,878)        | (693,580)        |
| Gross financing, advances and other loans  | <u>2,121,359</u> | <u>2,174,723</u> |
| Allowance for bad and doubtful debts and financing:-   |                  |                  |
| - Specific   | (47,706)         | (55,045)         |
| - General  | (33,305)         | (33,898)         |
| Total net financing, advances and other loans  | <u>2,040,348</u> | <u>2,085,780</u> |
| (ii) Movements in non-performing financing, advances and other loans ("NPF") including income receivables are as follows:- |                  |                  |
|  | <b>Group</b>     |                  |
|  | <b>30.6.2007</b> | <b>31.3.2007</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| At beginning of year   | 85,110           | 59,775           |
| Non-performing during the period/year  | 23,146           | 192,347          |
| Reclassified as performing during the period/year  | (19,713)         | (158,990)        |
| Recoveries   | (8,633)          | (3,604)          |
| Amount written off   | (691)            | (4,418)          |
| At end of period/year  | <u>79,219</u>    | <u>85,110</u>    |
| Specific allowance   | (47,706)         | (55,045)         |
| Net non-performing financing, advances and other loans   | <u>31,513</u>    | <u>30,065</u>    |
| Net NPLs as a % of gross financing, advances and other loans less specific allowance                                       | <u>1.5%</u>      | <u>1.4%</u>      |

**C19. Operations of Islamic Banking (cont'd)**

**(c) Financing, Advances and Other Loans (cont'd)**

(iii) Movements in the allowance for bad and doubtful debts and financing are as follows:-

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>30.6.2007</b> | <b>31.3.2007</b> |
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>General Allowance</b>  |                  |                  |
| At beginning of year  | <b>33,898</b>    | 30,604           |
| Allowance made during the period/year   | <b>1,597</b>     | 8,934            |
| Amount written back   | <b>(2,190)</b>   | (5,640)          |
| At end of period/year   | <b>33,305</b>    | 33,898           |
|   | <hr/> <hr/>      | <hr/> <hr/>      |
| As % of total gross financing, advances and other loans less specific allowance | <b>1.6%</b>      | 1.6%             |
|   | <hr/> <hr/>      | <hr/> <hr/>      |
| <b>Specific Allowance</b>   |                  |                  |
| At beginning of year  | <b>55,045</b>    | 19,014           |
| Allowance made during the period/year   | <b>18,133</b>    | 74,068           |
| Amount written back in respect of recoveries                                    | <b>(24,781)</b>  | (33,619)         |
| Amount written off  | <b>(691)</b>     | (4,418)          |
| At end of period/year   | <b>47,706</b>    | 55,045           |
|   | <hr/> <hr/>      | <hr/> <hr/>      |

**(d) Deposits From Customers**

|                             | <b>Group</b>     |                  |
|-----------------------------|------------------|------------------|
|                             | <b>30.6.2007</b> | <b>31.3.2007</b> |
|                             | <b>RM'000</b>    | <b>RM'000</b>    |
| (i) <u>By type</u>          |                  |                  |
| <u>Non-Mudharabah Fund</u>  |                  |                  |
| Demand deposits             | <b>607,496</b>   | 598,909          |
| Savings deposits            | <b>194,508</b>   | 184,708          |
| <u>Mudharabah Fund</u>      |                  |                  |
| General investment deposits | <b>1,214,741</b> | 1,158,127        |
|                             | <b>2,016,745</b> | 1,941,744        |
|                             | <hr/> <hr/>      | <hr/> <hr/>      |

**By Order of the Board**

**LEE WEI YEN (MAICSA 7001798)**

Group Company Secretary

Kuala Lumpur

17 August 2007