

ALLIANCE FINANCIAL GROUP BERHAD

(formerly known as Malaysian Plantations Berhad)

(Company Number : 6627-X)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2008

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		31.3.2008	31.3.2007	31.3.2008	31.3.2007
		RM'000	RM'000	RM'000	RM'000
Operating Revenue		415,427	373,276	1,586,010	1,458,827
Interest income	C1	303,998	279,899	1,216,363	1,122,882
Interest expense	C2	(143,585)	(124,501)	(579,475)	(549,538)
Net interest income		160,413	155,398	636,888	573,344
Net income from Islamic banking business C19b		31,549	45,214	115,162	135,035
		191,962	200,612	752,050	708,379
Other operating income	C3	80,686	51,253	265,439	213,770
Net income		272,648	251,865	1,017,489	922,149
Other operating expenses	C4	(134,592)	(121,213)	(470,082)	(491,921)
Operating profit		138,056	130,652	547,407	430,228
(Allowance)/Write-back for losses on loans, advances and financing	C5	(8,703)	(74,595)	60,718	(289,619)
(Provision)/Write-back of impairment loss		(21,013)	10,193	(106,075)	10,203
Profit before taxation		108,340	66,250	502,050	150,812
Taxation and zakat	B5	(27,836)	(11,048)	(121,955)	(43,449)
Profit for the period		80,504	55,202	380,095	107,363
Attributable to:-					
Equity holders of the Company		80,506	55,212	379,956	107,258
Minority interests		(2)	(10)	139	105
Profit for the period		80,504	55,202	380,095	107,363
Earnings per share (sen):-					
- Basic	B15	5.21	4.72	25.41	9.13
- Diluted	B15	-	4.06	-	7.92

(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)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEET

		UNAUDITED AS AT 31.3.2008 RM'000	AUDITED AS AT 31.3.2007 RM'000
ASSETS			
Cash and short-term funds		5,774,055	4,149,722
Deposits and placements with financial institutions		532,835	2,428,901
Securities held-for-trading	C6	100,129	14,978
Securities available-for-sale	C7	3,091,018	2,052,983
Securities held-to-maturity	C8	821,294	2,430,081
Loans, advances and financing	C9	15,618,971	13,433,594
Balances due from clients and brokers	C10	119,333	389,159
Land held for investment		28,922	28,922
Other assets	C11	254,849	251,000
Tax recoverable		71,359	38,380
Statutory deposits		622,086	581,955
Leasehold land		12,275	10,967
Property, plant and equipment		129,615	114,432
Intangible assets		353,665	344,970
Deferred tax assets		151,985	120,303
TOTAL ASSETS		27,682,391	26,390,347
LIABILITIES AND EQUITY			
Deposits from customers	C12	21,351,760	19,104,412
Deposits and placements of banks and other financial institutions	C13	1,454,124	482,358
Obligations on securities sold under repurchase agreements		-	2,010,098
Recourse obligations on loans sold to Cagamas		255,391	313,578
Bills and acceptances payable		161,418	481,271
Balances due to clients and brokers	C14	112,626	369,498
Other liabilities	C15	1,120,527	872,590
Subordinated bonds		600,000	600,000
Short term borrowing		-	200,000
Provision for taxation		30,741	1,191
Deferred tax liabilities		1,416	7,818
TOTAL LIABILITIES		25,088,003	24,442,814
Share capital		1,548,106	1,217,670
Reserves		1,067,586	725,052
Shares held for Employees' Share Scheme		(26,254)	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		2,589,438	1,942,722
Minority interests of the Company		4,950	4,811
TOTAL EQUITY		2,594,388	1,947,533
TOTAL LIABILITIES AND EQUITY		27,682,391	26,390,347
COMMITMENTS AND CONTINGENCIES	B10	13,976,101	7,973,462
Net assets per share attributable to ordinary equity holders of the Company (RM)*		1.67	1.60

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

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	<----- Attributable to Equity Holders of the Company ----->										
	<----- Non-distributable ----->						<Distributable>				
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Employees' Share Scheme Reserve RM'000	Shares Held for Employees' Share Scheme RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total Shareholders' Equity RM'000	Minority Interest RM'000	Total Equity RM'000
31 MARCH 2008											
At 1 April 2007	1,217,670	491,238	268,125	7,013	12,905	-	-	(54,229)	1,942,722	4,811	1,947,533
Net profit for the year	-	-	-	-	-	-	-	379,956	379,956	139	380,095
Exercise of warrants	330,436	69,392	-	-	-	-	-	-	399,828	-	399,828
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(35,681)	-	-	-	(35,681)	-	(35,681)
Transfer to statutory reserve	-	-	98,785	-	-	-	-	(98,785)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(72,571)	(72,571)	-	(72,571)
Share-based payment under Employees' Share Scheme	-	-	-	-	-	1,438	-	-	1,438	-	1,438
Purchased of shares pursuant to Employees' Share Scheme	-	-	-	-	-	-	(26,254)	-	(26,254)	-	(26,254)
Share premium reduction	-	(256,341)	-	-	-	-	-	256,341	-	-	-
At 31 March 2008	1,548,106	304,289	366,910	7,013	(22,776)	1,438	(26,254)	410,712	2,589,438	4,950	2,594,388
31 MARCH 2007											
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 year	-	-	-	-	-	-	-	107,258	107,258	105	107,363
Exercise of warrants	49,692	10,435	-	-	-	-	-	-	60,127	-	60,127
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(54)	-	-	-	(54)	-	(54)
Transfer to statutory reserve	-	-	30,018	-	-	-	-	(30,018)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(320)	(320)
At 31 March 2007	1,217,670	491,238	268,125	7,013	12,905	-	-	(54,229)	1,942,722	4,811	1,947,533

(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)

ALLIANCE FINANCIAL GROUP BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Unaudited 12 Months Ended 31.3.2008 RM'000	Audited 12 Months Ended 31.3.2007 RM'000
Profit before taxation	502,050	150,812
Adjustment for non-operating and non-cash items	66,108	326,653
Operating profit before changes in working capital	568,158	477,465
Changes in working capital	(1,336,851)	2,439,564
Taxes and zakat paid	(150,461)	(11,867)
Net cash (used in)/generated from operating activities	(919,154)	2,905,162
Net cash generated from/(used in) investing activities	560,972	(132,974)
Net cash generated from financing activities	86,449	74,692
Net change in cash and cash equivalents	(271,733)	2,846,880
Cash and cash equivalents at beginning of the year	6,578,623	3,731,743
Cash and cash equivalents at end of the year	6,306,890	6,578,623
 Cash and cash equivalents at end of the year comprise the following:		
Cash and short-term funds	5,774,055	4,149,722
Deposits and placements with financial institutions	532,835	2,428,901
	6,306,890	6,578,623

(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 4th quarter and the financial year ended 31 March 2008 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 the 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 4th quarter and the financial year ended 31 March 2008.

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 4th quarter and the financial year ended 31 March 2008 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 4th quarter and the financial year ended 31 March 2008, the Group strengthened 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 financial year.

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 4th quarter and the financial year ended 31 March 2008, other than the following:

(a) Share capital

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 2002/2007 Warrants at the exercise price of RM1.21 per share.

(b) Commercial paper 2006/2007

On 18 September 2007, the Company had fully redeemed the Special First Issuance of Commercial Papers of RM200 million upon its maturity.

A7. Dividends Paid

- (a) A first interim dividend of 1.75 sen per share, less 27% taxation in respect of the financial year ended 31 March 2008, on 1,548,105,929 ordinary shares amounting to RM19,777,021 was paid on 20 September 2007.
- (b) A second interim dividend of 4.50 sen per share comprising of 4.15 sen dividend less 26% taxation and 0.35 sen single-tier exempt dividend in respect of the financial year ended 31 March 2008, on 1,548,105,929 ordinary shares amounting to RM52,793,231* was paid on 26 March 2008.

* Dividends paid on the shares held in Trust pursuant to the Company's ESS which are classified as shares held for ESS are not accounted for in the shareholders' equity. An amount of RM167,000, being dividends paid for those shares were added back to the appropriation of retained profits in respect of the second interim dividend.

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FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2008

A8. Segment Information

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

Group	4th Quarter Ended <- 31 March 2008 ->		Cumulative 12 Months Ended <----- 31 March 2008 ----->		
	Revenue RM'000	Profit Before Tax RM'000	Revenue RM'000	Profit Before Tax RM'000	Total Assets RM'000
Commercial banking	385,916	119,657	1,437,124	508,410	24,880,682
Investment banking	24,574	(11,394)	140,476	8,440	2,181,343
Others ^{N1}	10,829	2,836	144,320	105,985	43,357
	<u>421,319</u>	<u>111,099</u>	<u>1,721,920</u>	<u>622,835</u>	<u>27,105,382</u>
Inter-segment eliminations/ Consolidation adjustments	(5,892)	(2,759)	(135,910)	(120,785)	-
	<u>415,427</u>	<u>108,340</u>	<u>1,586,010</u>	<u>502,050</u>	<u>27,105,382</u>
Intangible assets	-	-	-	-	353,665
Unallocated corporate assets	-	-	-	-	223,344
	<u>415,427</u>	<u>108,340</u>	<u>1,586,010</u>	<u>502,050</u>	<u>27,682,391</u>

Group	4th Quarter Ended <- 31 March 2007 ->		Cumulative 12 Months Ended <----- 31 March 2007 ----->		
	Revenue RM'000	Profit Before Tax RM'000	Revenue RM'000	Profit Before Tax RM'000	Total Assets RM'000
Commercial banking	335,305	58,435	1,308,070	156,262	23,458,996
Investment banking	39,752	32,717	144,193	35,771	2,363,633
Others ^{N1}	13,054	8,320	29,391	(1,082)	64,065
	<u>388,111</u>	<u>99,472</u>	<u>1,481,654</u>	<u>190,951</u>	<u>25,886,694</u>
Inter-segment eliminations/ Consolidation adjustments	(14,835)	(33,222)	(22,827)	(40,139)	-
	<u>373,276</u>	<u>66,250</u>	<u>1,458,827</u>	<u>150,812</u>	<u>25,886,694</u>
Intangible assets	-	-	-	-	344,970
Unallocated corporate assets	-	-	-	-	158,683
	<u>373,276</u>	<u>66,250</u>	<u>1,458,827</u>	<u>150,812</u>	<u>26,390,347</u>

^{N1} 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 Financial Year Ended 31 March 2008

(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") ("Rationalisation Exercise")

Pursuant to a Vesting Order granted by the High Court of Malaya at Kuala Lumpur on 28 March 2007 and as part of the rationalisation 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 carries on the business of management of unit trust funds, provision of fund management and investment advisory services.

On 7 June 2007, ACAM was placed under Members' Voluntary Winding Up pursuant to Section 254 of the Companies Act, 1965.

(b) Expiry of Warrants

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 were removed from the Official List of Bursa Malaysia Securities Berhad on 11 June 2007.

The Company received a total proceeds of RM466.475 million from the exercise of 385,516,561 of the 2002/2007 Warrants at an exercise price of RM1.21 over the exercise period from 9 September 2002 to 8 June 2007.

(c) Change of Name

The Company obtained approval from the shareholders on 28 August 2007 and changed its name from Malaysian Plantations Berhad to Alliance Financial Group Berhad with effect from 31 August 2007.

(d) Redemption of Commercial Papers/Medium Term Notes

On 18 September 2007, the Company had fully redeemed the Special First Issuance of Commercial Papers of RM200 million upon its maturity.

A10. Material Events During the Financial Year Ended 31 March 2008 (cont'd)

(e) Reduction of Share Premium Account of the Company

The Company obtained approval from the shareholders at the Extraordinary General Meeting of the Company held on 28 August 2007 to set off the entire audited accumulated losses of the Company as at 31 March 2007 amounting to RM256.341 million against RM256.341 million from the audited Share Premium Account which stood at RM491.238 million as at 31 March 2007 ("Share Premium Reduction").

The High Court of Malaya at Kuala Lumpur had on 11 December 2007 granted the Company's petition for an Order for the Share Premium Reduction and it became effective on 9 January 2008 upon lodgement of the sealed copy of the Court Order with the Companies Commission of Malaysia.

(f) Subscription for Irredeemable Non-Cumulative Convertible Preference Shares ("INCCPS") in Alliance Bank Malaysia Berhad ("ABMB")

On 26 March 2008, the Company had subscribed for 200,000,000 INCCPS of RM0.01 each in ABMB, a wholly-owned subsidiary of the Company at a subscription price of RM1.00 each.

Each INCCPS will carry a right to receive a non-cumulative preferential dividend of 5 sen per annum.

The subscription of INCCPS provides additional capital funds to ABMB for its continued future growth.

A11. Material Events Subsequent to the Balance Sheet Date

(a) Incorporation of Islamic Banking Subsidiary

Alliance Islamic Bank Berhad ("AIS") was incorporated on 13 June 2007 as a wholly-owned subsidiary of ABMB following the approval-in-principle granted by Bank Negara Malaysia in March 2007 for ABMB to undertake Islamic banking business pursuant to the Islamic Banking Act, 1983.

AIS had received an Islamic Banking license from the Minister of Finance pursuant to Section 3(4) of the Islamic Banking Act, 1983 to carry out the Islamic banking business effective 1 April 2008.

Pursuant to the Vesting Order granted by the High Court of Malaya on 15 February 2008, the entire Islamic banking business of ABMB had been vested to AIS on 1 April 2008.

In conjunction with the vesting of the entire Islamic banking business of ABMB to AIS, the issued and paid-up share capital of AIS had been increased from RM2.00 comprising two (2) ordinary shares of RM1.00 each to RM300,000,000 comprising of 300,000,000 ordinary shares of RM1.00 each on 1 April 2008.

Accordingly, AIS had commenced its Islamic banking business on 1 April 2008.

A11. Material Events Subsequent to the Balance Sheet Date (cont'd)

(b) Share Purchased Pursuant to ESS

The Trustee of the ESS had further acquired 1,370,800 ordinary shares of the Company between 1 April 2008 and 16 April 2008 from the open market for a total consideration of RM3,834,028. Accordingly, with the 9,374,700 shares acquired earlier, the Trustee of the ESS has acquired sufficient shares of the Company totaling 10,745,500 ordinary shares to satisfy the exercise of the share options/share grants offered/awarded under the ESS on 12 December 2007.

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 pursuant to the Islamic Banking Act, 1983.

(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 financial year ended 31 March 2008, the Group has adopted the revised FRS 117 issued by MASB that are applicable for the financial year ended 31 March 2008, which resulted in a change of accounting policy during the financial year.

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 ended 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 has applied the change in 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

For the current quarter under review, the Group registered a profit before taxation of RM108.3 million compared to a profit before taxation of RM66.2 million in the corresponding quarter last year. The improvement was mainly due to higher net income and recoveries.

The Group registered a profit before taxation of RM502.0 million for the 12 months ended 31 March 2008, an increase of RM351.2 million compared to last financial year. The improvement was primarily due to higher operating profit contributed by higher net income, other operating income and better recoveries.

The Group's net income grew by 10.3% to RM1,017.5 million compared to the last financial year. The growth in the Group's net income was attributed to improved interest income mainly from loans growth in Consumer and Commercial/SME banking and higher operating income.

Other operating expenses at RM470.1 million was 4.4% or RM21.8 million lower than the last financial year. This is mainly due to reversal of certain provisions for expenses, particularly marketing expenses and personnel related expenses with the introduction of the Employees' Share Scheme.

Asset quality continued to improve with net non-performing loans (NPLs) ratio declining from 5.5% as at 31 March 2007 to 3.3% as at 31 March 2008. Gross NPLs provisioning coverage further improved to 80% compared to 67% as at 31 March 2007.

The Group's gross loans and advances increased by 14.2% to RM16.5 billion compared to 31 March 2007. Consumer and Commercial loans registered 22.5% and 24.0% respectively for the 12-month period. The Group's risk-weighted capital ratio remained strong at 16.2% (after proposed dividend).

B2. Comparisons with Preceding Quarter's Results

For the 4th quarter ended 31 March 2008, the Group recorded a lower profit before taxation of RM108.3 million compared to the profit before taxation of RM138.3 million for the preceding quarter ended 31 December 2007. The decline was mainly due to higher loan loss provisioning and impairment loss in the current quarter.

B3. Prospects For Next Financial Year

The Malaysian economy performed well in 2007 with GDP growth of 6.3%. Going forward, the economic outlook will be influenced by possibility of sharper than expected global economic slowdown and uncertainties in the international financial markets. While this may impact consumer and business sentiments, the major underlying factors supporting domestic private sector activities are generally anticipated to remain intact. According to Bank Negara Malaysia, the Malaysian economy is expected to remain on a steady growth path by expanding 5% to 6% in 2008, supported by resilient domestic demand.

The Group will continue to focus on its growth strategy and expanding its market share in Malaysia. Barring any unforeseen circumstances, the Group is expected to continue to record satisfactory performance in the new financial year ending 31 March 2009.

B4. Profit Forecast

There was no profit forecast issued by the Group.

B5. Taxation and zakat

GROUP	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
- Income tax	21,560	27,063	166,180	45,049
- Deferred tax	9,888	(1,028)	(21,880)	12,609
	31,448	26,035	144,300	57,658
- (Over)/under provision of income tax expense in prior years	(2,210)	638	(18,273)	1,386
- Over provision of deferred tax expense in prior years	(1,402)	(15,625)	(4,102)	(15,625)
Taxation	27,836	11,048	121,925	43,419
Zakat	-	-	30	30
	27,836	11,048	121,955	43,449

The Group's effective tax rate for the financial year ended 31 March 2008 was lower than statutory tax rate mainly due to tax credit recognised in current year as a result of over-provision in previous years.

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 4th quarter and the financial year ended 31 March 2008 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 4th quarter and the financial year ended 31 March 2008 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

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

The ESS which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 August 2007, took effect on 3 December 2007.

On 12 December 2007, the Company offered/awarded the following share options and share grants to employees of the Company and its subsidiaries who have met the criteria of eligibility for participation in the ESS:-

- (i) 2,007,300 share grant under the Share Grant Plan.
- (ii) 8,738,200 share option under the Share Option Plan at an option price of RM3.07 per share which will be vested subject to the achievement of performance conditions.

Save for Datuk Bridget Anne Chin Hung Yee, who is the Group Chief Executive Officer of Alliance Bank Malaysia Berhad, none of the other directors of the Company were offered/awarded any share options/share grants during the financial year.

A trust has been established for the ESS and is administrated by an appointed trustee. The Trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as stipulated in the Trust Deed dated 3 December 2007 and the Trustee may purchase the Company's shares from the open market for the purposes of the ESS. The Trustee shall refrain from exercising any voting rights attached to these shares. In accordance with FRS 132: Financial Statements: Presentation and Disclosure, the shares purchased for the benefit of the ESS are recorded as "Share Held for ESS" in the equity on the balance sheet.

During the 4th quarter, the Trustee of the ESS had purchased 9,374,700 of the Company's issued ordinary shares from the open market at an average price of RM2.79 per share. The total consideration paid for the purchase including the transaction costs was RM26,253,810.

As at 31 March 2008, the Trustee of the ESS held 9,374,700 ordinary shares representing 0.61% of the issued and paid-up capital of the Company. There were no share options or share grants being vested during the financial year.

The Company operates an equity-settled, share-based compensation plan pursuant to the ESS. Under the FRS 2, the compensation expense relating to the share scheme is recognized in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

(b) Reduction of the Share Premium Account of the Company

The Company obtained approval from the shareholders at the Extraordinary General Meeting of the Company held on 28 August 2007 to set off the entire audited accumulated losses of the Company as at 31 March 2007 amounting to RM256.341 million against RM256.341 million from the audited Share Premium Account which stood at RM491.238 million as at 31 March 2007 ("Share Premium Reduction").

The High Court of Malaya at Kuala Lumpur had on 11 December 2007 granted the Company's petition for an Order for the Share Premium Reduction and it became effective on 9 January 2008 upon lodgement of the sealed copy of the Court Order with the Companies Commission of Malaysia.

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

	GROUP	
	31.3.2008	31.3.2007
	RM'000	RM'000
(a) Deposit From Customers		
Fixed/investment deposits, negotiable instruments of deposits and money market deposits		
- One year or less (short term)	13,421,993	12,077,261
- More than one year (medium/long term)	490,596	769,507
	13,912,589	12,846,768
Others	7,439,171	6,257,644
	21,351,760	19,104,412
(b) Deposit And Placements Of Banks And Other Financial Institutions		
- One year or less (short term)	1,083,573	239,707
- More than one year (medium/long term)	370,551	242,651
	1,454,124	482,358
(c) Short Term Borrowings		
Secured and one year less (short term)		
Commercial Papers (1 year commercial papers 2006/2007 with all in interest rate of 4.58% p.a. matured on 18 September 2007)	-	200,000
(d) Subordinated Bonds		
Unsecured and more than one year (medium/long term)		
(6.09% Tier II Subordinated bonds 2006/2016)	600,000	600,000

B10. Commitments And Contingencies

In the normal course of business, the Group made various commitments and incurred 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:

	Basel II <----- 31.3.2008 ----->			Basel I <----- 31.3.2007 ----->		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk- Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk- Weighted Amount RM'000
Direct credit substitutes	417,859	417,859	416,969	346,911	346,911	302,322
Transaction-related contingent items	593,608	296,804	296,804	732,621	366,311	345,469
Short-term self-liquidating trade-related contingencies	121,493	24,299	24,298	137,397	27,479	27,469
Irrevocable commitments to extend credit:-						
- maturity exceeding one year	1,964,122	982,061	789,060	396,208	198,104	198,104
- maturity not exceeding one year	7,318,045	1,463,608	1,250,607	5,536,659	-	-
Foreign exchange related contracts less than one year	3,560,974	107,963	51,475	585,023	18,458	4,363
Underwriting liabilities	-	-	-	27,000	13,500	13,500
Other commitments and contingencies	-	-	-	211,643	-	-
Total	13,976,101	3,292,594	2,829,213	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 31 March 2008:

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

Alliance Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	>5 years RM'000	Margin requirements RM'000
Foreign exchange related contracts								
- forward	163,056	19,972	47,087	77,892	18,105	-	-	-
- swaps	3,397,918	1,565,234	773,195	876,666	182,823	-	-	-
Interest rate related contracts								
- forward	-	-	-	-	-	-	-	-
- futures	-	-	-	-	-	-	-	-
- swaps	-	-	-	-	-	-	-	-
Total	3,560,974	1,585,206	820,282	954,558	200,928	-	-	-

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 31 March 2008, the amount of contracts which were not hedged and hence, exposed to market risk was RM3,963,000 (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 Bank 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 31 March 2008, the amounts of credit risk, measured in terms of cost to replace the profitable contracts was RM34,889,000 (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

No dividend had been proposed or declared for the 4th quarter ended 31 March 2008.

The total dividend paid/declared for the financial year ended 31 March 2008 is 6.25 sen per share comprising of 1.75 sen dividend less 27% tax, 4.15 sen dividend less 26% tax and 0.35 sen single-tier exempt dividend.

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 equity holders of the Company for the 4th quarter and the financial year ended 31 March 2008 divided by the weighted average number of ordinary shares of RM1.00 each in issue during the 4th quarter and the financial year ended 31 March 2008 excluding the weighted average shares held for ESS.

	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
Net profit attributable to equity holders of the Company (RM'000)	80,506	55,212	379,956	107,258
Weighted average number of ordinary shares in issue ('000)	1,548,106	1,170,897	1,496,004	1,174,337
Effect of shares bought back for ESS ('000)	(3,306)	-	(822)	-
	<u>1,544,800</u>	<u>1,170,897</u>	<u>1,495,182</u>	<u>1,174,337</u>
Basic earnings per share (sen)	<u>5.21</u>	<u>4.72</u>	<u>25.41</u>	<u>9.13</u>

Diluted

The calculation of the diluted earnings per share is based on the net profit attributable to equity holders of the Company for the 4th quarter and the financial year ended 31 March 2007 divided by the adjusted weighted average number of ordinary shares of RM1.00 each in issue and taken into account the assumed exercise of the outstanding 2002/2007 Warrants for the 4th quarter and the financial year ended 31 March 2007.

Diluted earnings per share is not applicable in the 4th quarter and the financial year ended 31 March 2008, as the 2002/2007 Warrants of the Company had expired on 8 June 2007.

	4th Quarter Ended	Cumulative
	31.3.2007	12 Months
	31.3.2007	31.3.2007
Net profit attributable to equity holders of the Company (RM'000)	55,212	107,258
Weighted average number of ordinary shares in issue ('000)	1,170,897	1,174,337
Effect of exercise of warrants ('000)	188,802	180,077
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,359,699</u>	<u>1,354,414</u>
Diluted earnings per share (sen)	<u>4.06</u>	<u>7.92</u>

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

C1. Interest Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	203,058	181,283	776,224	738,812
- Recoveries from NPLs	15,455	20,327	88,253	107,150
	218,513	201,610	864,477	845,962
Money at call and deposit placements				
with financial institutions	45,123	44,048	189,045	146,108
Securities held-for-trading	990	(207)	1,156	56
Securities available-for-sale	18,678	14,334	87,615	44,346
Securities held-to-maturity	5,969	13,988	29,045	59,859
Others	93	270	1,384	2,779
	289,366	274,043	1,172,722	1,099,110
Accretion of discount less amortisation of premium	18,930	13,812	63,992	63,824
Net interest/income suspended	(4,298)	(7,956)	(20,351)	(40,052)
	303,998	279,899	1,216,363	1,122,882

C2. Interest Expense

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	5,785	1,564	10,271	13,650
Deposits from customers	120,925	111,114	488,391	426,264
Loans sold to Cagamas	1,893	2,470	8,422	11,495
Subordinated bonds	9,010	9,010	36,540	40,235
Short term borrowing	-	2,259	4,268	9,880
Others	5,972	(1,916)	31,583	48,014
	143,585	124,501	579,475	549,538

C3. Other Operating Income

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
(a) <u>Fee income:</u>				
Commissions	2,301	3,298	22,112	25,694
Service charges and fees	5,299	5,337	23,450	22,835
Portfolio management	1,604	1,647	7,066	8,088
Corporate advisory fees	1,015	1,744	5,047	6,763
Underwriting commissions	589	33	3,667	543
Brokerage fees	6,737	16,684	44,310	35,948
Guarantee fees	3,752	4,680	10,359	13,865
Processing fees	1,965	1,725	13,345	16,558
Commitment fees	3,348	3,279	13,474	13,207
Other fee income	(1,265)	1,424	15,816	12,661
	25,345	39,851	158,646	156,162
(b) <u>Investment income:</u>				
<u>Gain/(loss) arising from sale</u>				
<u>of securities:</u>				
Net gain/(loss) from sale of securities				
- held-for-trading	38	216	1,652	2,382
- held-to-maturity	1,875	(66)	9,776	1,098
- available-for-sale	39,414	112	43,010	11,886
Unrealised (loss)/gain on revaluation of securities held-for-trading	(277)	1,289	(269)	(1,575)
Gain from investment in Staple Bonds	-	-	-	1,754
<u>Gross dividend income from:</u>				
- securities held-to-maturity	214	173	3,905	2,465
- securities available-for-sale	-	11	-	11
	41,264	1,735	58,074	18,021
(c) <u>Other income/(expense):</u>				
Foreign exchange profit/(loss)				
- realised	11,382	(185)	48,768	24,477
- unrealised	2,533	7,177	(8,283)	4,349
Rental income	97	247	327	453
Gain on disposal of property, plant and equipment	308	2,836	774	5,170
(Loss)/gain on disposal of leasehold land	(2)	-	184	(195)
(Loss)/gain on disposal of foreclosed properties	(38)	-	1,332	266
Return on capital from investment	15	8	15	8
Others (expense)/income	(218)	(416)	5,602	5,059
	14,077	9,667	48,719	39,587
Total other operating income	80,686	51,253	265,439	213,770

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C4. Other Operating Expenses

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	51,293	66,967	205,895	239,799
Pension costs	8,846	11,225	36,096	35,348
Share options/grants under ESS	1,438	-	1,438	-
Others	12,198	6,883	32,243	32,098
	73,775	85,075	275,672	307,245
Establishment costs:				
Depreciation of property, plant and equipment	7,509	3,454	34,934	17,794
Amortisation of computer software	3,355	3,558	14,510	14,309
Amortisation of leasehold land	126	235	126	235
Rental of premises	6,359	5,307	25,601	25,039
Water and electricity	1,077	990	5,835	5,537
Repairs and maintenance	2,289	1,945	7,074	8,788
EDP expenses	8,372	3,105	24,185	23,890
Others	4,953	1,207	14,964	9,033
	34,040	19,801	127,229	104,625
Marketing expenses:				
Promotion and advertisement	7,927	(4,472)	6,722	17,962
Branding and publicity	1,174	6,181	1,525	10,649
Others	1,660	1,146	6,264	5,752
	10,761	2,855	14,511	34,363
Administration and general expenses:				
Communication expenses	4,328	2,412	14,382	11,516
Printing and stationery	1,859	802	5,980	4,960
Insurance	403	452	2,362	3,253
Professional fees	6,215	3,676	14,783	10,897
Others	3,211	6,140	15,163	15,062
	16,016	13,482	52,670	45,688
Total other operating expenses	134,592	121,213	470,082	491,921

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

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Allowance/(Write-back) for bad and doubtful debts and financing				
(a) Specific allowance				
- Made during the period	90,473	233,465	342,536	641,980
- Written back during the period	(75,574)	(74,444)	(325,708)	(230,235)
(b) General allowance				
- Made during the period	17,125	51,948	69,252	75,959
- Written back during the period	(5,894)	(9,443)	(25,538)	(37,479)
Bad debts on loans and financing				
- Recovered	(20,110)	(131,421)	(131,671)	(180,439)
- Written off	1,340	4,061	5,410	14,183
	7,360	74,166	(65,719)	283,969
Allowance on commitments and contingencies	-	-	-	2,149
Allowance on other receivables	1,343	429	5,001	3,501
	8,703	74,595	(60,718)	289,619

C6. Securities Held-for-trading

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Bank Negara Malaysia bills	14,756	-
Commercial papers	27,917	-
<u>Quoted securities in Malaysia:</u>		
Shares	3,088	5,744
Debt securities	13,141	9,234
<u>Unquoted securities:-</u>		
Debt securities	41,227	-
Total securities held-for-trading	100,129	14,978

C7. Securities Available-for-sale

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government securities	10,088	285,274
Malaysian Government investment certificates	200,428	145,710
Cagamas bonds	5,012	125,727
Negotiable instruments of deposits	1,109,897	499,902
Commercial papers	35,972	45,568
Bankers acceptances	1,190,807	228,099
<u>Quoted securities in Malaysia:</u>		
Shares	-	3,205
Debt securities	10,383	-
<u>Unquoted securities:</u>		
Shares	6,711	1,121
Debt securities	521,720	718,377
Total securities available-for-sale	3,091,018	2,052,983

C8. Securities Held-to-maturity

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government securities	108,606	165,370
Malaysian Government investment certificates	53,046	188,989
Bank Negara Malaysia bills	-	49,747
Cagamas bonds	94,983	174,928
Negotiable instruments of deposits	-	440,000
Khazanah bonds	278,756	269,034
Bankers acceptances	124	705,050
<u>Quoted securities in Malaysia:</u>		
Debt securities	4,932	25,587
<u>Unquoted securities:</u>		
Shares	22,021	21,496
Debt securities	396,274	521,941
	958,742	2,562,142
Accumulated impairment losses	(137,448)	(132,061)
Total securities held-to-maturity	821,294	2,430,081

C9. Loans, Advances and Financing

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Overdrafts	1,787,614	2,061,174
Term loans/financing		
- Housing loans/financing	5,775,875	4,522,181
- Syndicated term loans/financing	297,179	291,141
- Hire purchase receivables	1,427,178	1,542,585
- Lease receivables	4,053	24,104
- Other term loans/financing	4,749,197	3,998,350
Bills receivables	152,046	155,711
Trust receipts	138,705	102,119
Claims on customers under acceptance credit	1,553,982	1,150,641
Staff loans [includes RM389,000 loan to Executive Director from a banking subsidiary (2007: RM498,000)]	112,779	109,088
Credit/charge card receivables	546,659	399,447
Revolving credits	600,847	660,143
Other loans	360,325	255,111
	17,506,439	15,271,795
Unearned interest and income	(961,743)	(779,134)
Gross loans, advances and financing	16,544,696	14,492,661
Allowance for bad and doubtful debts and financing:		
- Specific	(636,429)	(813,485)
- General	(289,296)	(245,582)
Net loans, advances and financing	15,618,971	13,433,594

(a) By type of customer:

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Domestic non-bank financial institutions		
- Stockbroking companies	21	11,233
- Others	168,373	111,658
Domestic business enterprises		
- Small and medium enterprises	4,106,594	3,954,960
- Others	3,170,758	3,136,152
Government and statutory bodies	17,955	18,457
Individuals	8,894,371	7,191,151
Other domestic entities	6,356	7,200
Foreign entities	180,268	61,850
Gross loans, advances and financing	16,544,696	14,492,661

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

(b) By interest/profit rate sensitivity:

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	164,468	159,172
- Hire purchase receivables	1,256,672	1,347,758
- Other fixed rate loans/financing	1,416,703	1,242,306
Variable rate		
- Base lending rate plus	10,803,036	9,235,174
- Cost plus	2,658,754	2,270,889
- Other variable rates	245,063	237,362
	16,544,696	14,492,661
Gross loans, advances and financing	16,544,696	14,492,661

(c) By economic purposes:

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Purchase of securities	396,072	344,089
Purchase of transport vehicles	1,340,553	1,435,005
Purchase of landed property	7,468,780	5,998,690
of which: - Residential	5,670,474	4,510,848
- Non-residential	1,798,306	1,487,842
Purchase of fixed assets excl. land & buildings	24,471	26,426
Personal use	1,075,353	736,871
Credit card	546,582	399,469
Purchase of durable goods	116	186
Construction	263,678	339,725
Working capital	4,971,564	4,715,359
Others	457,527	496,841
	16,544,696	14,492,661
Gross loans, advances and financing	16,544,696	14,492,661

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

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

Movements in NPLs, advances and financing are as follows:

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
At beginning of year	1,568,510	2,140,326
Non-performing during the year	762,791	1,527,519
Reclassified as performing during the year	(626,319)	(1,115,054)
Loans/financing converted to securities	(11,726)	(1,464)
Recoveries	(352,592)	(551,222)
Amount written off	(182,158)	(431,595)
At end of year	1,158,506	1,568,510
Specific allowance	(636,429)	(813,485)
Net NPLs, advances and financing	522,077	755,025
Net NPL as a % of gross loans, advances and financing less specific allowance	3.3%	5.5%

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

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
General Allowance		
At beginning of year	245,582	207,102
Allowance made during the year	69,252	75,959
Amount written back	(25,538)	(37,479)
At end of year	289,296	245,582
As % of gross loans, advances and financing less specific allowance	1.8%	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)

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Specific Allowance		
At beginning of year	813,485	834,799
Allowance made during the year	342,536	641,980
Amount written back in respect of recoveries	(325,708)	(230,235)
Loan/financing converted to securities	(11,726)	(1,464)
Amount written off	(182,158)	(431,595)
	<hr/>	<hr/>
At end of year	636,429	813,485
	<hr/>	<hr/>

(f) NPLs/NPF by economic purposes:

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Purchase of securities	62,099	72,905
Purchase of transport vehicles	32,055	101,294
Purchase of landed property	552,454	683,989
<i>of which: - Residential</i>	367,560	418,691
<i>- Non-residential</i>	184,894	265,298
Purchase of fixed assets excl. land & buildings	766	1,498
Personal use	46,168	47,636
Credit card	15,738	8,473
Construction	37,034	53,199
Working capital	383,060	571,639
Others	29,132	27,877
	<hr/>	<hr/>
Gross NPLs	1,158,506	1,568,510
	<hr/>	<hr/>

C10. Balances Due From Clients And Brokers

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Due from clients	95,717	176,516
Due from brokers	48,281	234,010
	<u>143,998</u>	<u>410,526</u>
Less:		
Allowance for bad and doubtful debts	(24,665)	(21,367)
	<u>119,333</u>	<u>389,159</u>

These represent amount receivable by Alliance Investment Bank Berhad ("AIBB") from 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.

AIBB'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 AIBB 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:

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Classified as doubtful	825	3,991
Classified as bad	25,290	24,580
	<u>26,115</u>	<u>28,571</u>

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

At beginning of year	21,367	19,220
Allowance made during the year	4,219	4,932
Reversal of allowance	(921)	(2,785)
	<u>24,665</u>	<u>21,367</u>
At end of year		

C11. Other Assets

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Trade receivables	15	230
Interest/income receivable	38,147	47,810
Other receivables, deposits and prepayments	221,263	205,120
Manager's stocks	3,257	1,258
Foreclosed properties	6,756	12,966
	269,438	267,384
Allowance for bad and doubtful debts	(14,589)	(16,384)
	254,849	251,000

C12. Deposits From Customers

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
<u>By type of deposits:</u>		
Demand deposits	5,790,214	4,736,729
Savings deposits	1,648,957	1,520,915
Fixed/investment deposits	12,868,850	12,828,568
Money market deposits	979,283	-
Negotiable instruments of deposits	64,456	18,200
	21,351,760	19,104,412

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
<u>By type of customers:</u>		
Government and statutory bodies	932,413	978,380
Business enterprises	7,631,613	6,663,947
Individuals	12,018,644	10,630,492
Others	769,090	831,593
	21,351,760	19,104,412

C13. Deposits and Placements of Banks and Other Financial Institutions

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Licensed commercial banks	783,829	222,982
Licensed investment banks	255,000	-
Bank Negara Malaysia	415,295	259,376
	1,454,124	482,358

C14. Balances Due To Clients and Brokers

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Due to clients	52,249	188,823
Due to brokers	60,377	180,675
	112,626	369,498

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

AIB'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

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
Other payable and accruals	935,870	721,335
Interest/income payable	105,301	108,600
Remisier's accounts	27,431	26,042
Profit equalisation reserve	51,925	16,613
	1,120,527	872,590

C16. Capital Adequacy

The Group implemented its Basel II risk weighted assets computation under the Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework with effect from 1 January 2008. The Group has adopted the Standardised Approach for credit risk and Basic Indicator Approach for operational risk computation.

The comparative figures have not been restated as the requirement for Basel II risk weighted assets computation took effect from 1 January 2008.

The capital adequacy ratios of the Alliance Bank group is as follows:

	<u>Basel II</u> 31.3.2008 %	<u>Basel I</u> 31.3.2007 %
<u>Before deducting proposed dividends</u>		
Core capital ratio	11.46	10.89
Risk-weighted capital ratio	16.39	16.62
<u>After deducting proposed dividends</u>		
Core capital ratio	11.23	10.73
Risk-weighted capital ratio	16.16	16.47

Components of Tier-I and Tier-II capital is as follows:-

	<u>Basel II</u> 31.3.2008 RM'000	<u>Basel I</u> 31.3.2007 RM'000
Tier-I Capital		
Paid-up share capital	596,517	596,517
Preference shares	4,000	2,000
Share premium	597,517	399,517
Retained profits	702,407	504,137
Statutory reserves	608,948	511,450
Other reserves	10,035	10,035
Minority interests	4,949	4,810
	2,524,373	2,028,466
Less: Purchased goodwill/goodwill on consolidation	(304,149)	(304,149)
Deferred tax assets	(151,985)	(120,303)
Total Tier-I capital	2,068,239	1,604,014
Tier-II Capital		
Subordinated bonds	600,000	600,000
General allowance for bad and doubtful debts and financing	289,296	245,582
Total Tier-II capital	889,296	845,582
Total Capital	2,957,535	2,449,596
Less: Investment in subsidiaries	-	-
Total Capital Base	2,957,535	2,449,596

C16. Capital Adequacy (cont'd)

Analysis of the risk-weighted assets in the various categories of risk-weighted is as follows:

Group	Basel II 31.3.2008		Basel I 31.3.2007	
	Notional RM'000	Risk- Weighted RM'000	Notional RM'000	Risk- Weighted RM'000
<u>Risk-weighted assets</u>				
Credit risk	29,212,069	16,016,103	27,038,258	14,661,235
Market risk	-	83,714	-	46,767
Operational risk	-	1,944,266	-	-
Counterparty risk	-	-	-	18,437
Total Risk-Weighted Assets	29,212,069	18,044,083	27,038,258	14,726,439

C17. Comparative Figures

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

	Group	
	As restated RM'000	As previously reported RM'000
<u>Income statements for the fourth quarter ended 31 March 2007</u>		
Operating revenue	373,276	374,554
Interest income	279,899	279,113
Other operating income	51,253	52,431
Other operating expenses	(121,213)	(121,605)
<u>Income statements for the cumulative twelve months ended 31 March 2007</u>		
Operating revenue	1,458,827	1,461,094
Interest income	1,122,882	1,122,096
Other operating income	213,770	216,123
Other operating expenses	(491,921)	(493,488)
<u>Balance sheet as at 31 March 2007</u>		
Cash and short-term funds	4,149,722	4,144,057
Deposits and placements with financial institutions	2,428,901	2,435,257
Loans, advances and financing	13,433,594	13,310,628
Balances due from clients and brokers	389,159	521,067
Leasehold land	10,967	-
Property, plant and equipment	114,432	139,529
Intangible assets	344,970	330,840
Other assets	251,000	250,309
Deposits from customers	(19,104,412)	(19,111,063)
Balances due to clients and brokers	(369,498)	(378,440)
Other liabilities	(872,590)	(865,939)

ALLIANCE FINANCIAL GROUP BERHAD (formerly known as Malaysian Plantations Berhad) (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2008

C18. Interest Rate Risk

GROUP	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
As at 31 March 2008										
ASSETS										
Cash and short-term funds	5,276,877	-	-	-	-	-	497,178	-	5,774,055	3.54
Deposits and placements with financial institutions	-	532,835	-	-	-	-	-	-	532,835	3.19
Securities held-for-trading	-	-	-	-	-	-	-	100,129	100,129	4.17
Securities available-for-sale	928,435	1,028,391	428,524	5,049	423,090	264,185	1,113	12,231	3,091,018	4.08
Securities held-to-maturity	25,183	149,437	282,944	27,840	311,521	5,253	19,116	-	821,294	3.45
Loans, advances and financing	11,219,410	1,029,481	259,665	331,198	1,862,176	684,260	232,781 *	-	15,618,971	7.10
Balances due from clients and brokers	98,481	-	-	-	-	-	20,852	-	119,333	12.00
Other non-interest sensitive balances	-	-	-	-	-	-	1,624,756	-	1,624,756	-
TOTAL ASSETS	17,548,386	2,740,144	971,133	364,087	2,596,787	953,698	2,395,796	112,360	27,682,391	
LIABILITIES										
Deposits from customers	13,498,073	1,893,926	2,083,198	3,385,967	490,596	-	-	-	21,351,760	2.53
Deposits and placements of banks and other financial institutions	1,022,923	24,537	15,469	20,644	370,551	-	-	-	1,454,124	2.73
Bills and acceptances payable	57,841	96,275	7,302	-	-	-	-	-	161,418	3.83
Subordinated bonds	-	-	-	-	600,000	-	-	-	600,000	6.09
Recourse obligations on loans sold to Cagamas	-	-	168,535	6,224	80,632	-	-	-	255,391	3.44
Balances due to clients and brokers	112,123	-	-	-	-	-	503	-	112,626	2.50
Other non-interest sensitive balances	-	-	-	-	-	-	1,152,684	-	1,152,684	-
TOTAL LIABILITIES	14,690,960	2,014,738	2,274,504	3,412,835	1,541,779	-	1,153,187	-	25,088,003	
Equity	-	-	-	-	-	-	2,589,438	-	2,589,438	
Minority interests	-	-	-	-	-	-	4,950	-	4,950	
TOTAL LIABILITIES AND EQUITY	14,690,960	2,014,738	2,274,504	3,412,835	1,541,779	-	3,747,575	-	27,682,391	
On-balance sheet interest sensitivity gap	2,857,426	725,406	(1,303,371)	(3,048,748)	1,055,008	953,698	(1,351,779)	112,360	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	2,857,426	725,406	(1,303,371)	(3,048,748)	1,055,008	953,698	(1,351,779)	112,360	-	

* Non performing loans, specific allowance and general allowance of the Group are classified as non-interest sensitive.

ALLIANCE FINANCIAL GROUP BERHAD (formerly known as Malaysian Plantations Berhad) (6627-X)
FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2008

C18. Interest Rate Risk (cont'd)

GROUP As at 31 March 2007	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
ASSETS										
Cash and short-term funds	3,697,143	-	-	-	-	-	452,579	-	4,149,722	3.57
Deposits and placements with financial institutions	900	2,427,601	-	400	-	-	-	-	2,428,901	3.60
Securities held-for-trading	-	-	-	-	-	-	-	14,978	14,978	3.26
Securities available-for-sale	16,316	562,735	226,979	108,674	935,029	198,923	1,113	3,214	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	3.55
Loans, advances and financing	8,692,438	1,019,326	468,922	392,464	1,547,551	803,450	509,443 *	-	13,433,594	7.28
Balances due from clients and brokers	371,837	-	-	-	-	-	17,322	-	389,159	11.00
Other non-interest sensitive balances	-	-	-	-	-	-	1,490,929	-	1,490,929	-
TOTAL ASSETS	13,351,867	4,707,786	776,729	682,625	3,324,464	1,037,242	2,491,442	18,192	26,390,347	
LIABILITIES										
Deposits from customers	11,195,404	1,545,867	1,948,138	3,645,496	769,507	-	-	-	19,104,412	2.75
Deposits and placements of banks 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 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 to Cagamas	-	-	-	18,895	294,683	-	-	-	313,578	3.46
Balances due to clients and brokers	369,205	-	-	-	-	-	293	-	369,498	2.50
Short term borrowing	-	-	-	200,000	-	-	-	-	200,000	4.58
Other non-interest sensitive balances	-	-	-	-	-	-	881,599	-	881,599	-
TOTAL LIABILITIES	13,912,890	1,807,006	2,059,209	3,874,976	1,781,841	125,000	881,892	-	24,442,814	
Equity	-	-	-	-	-	-	1,942,722	-	1,942,722	
Minority interests	-	-	-	-	-	-	4,811	-	4,811	
TOTAL LIABILITIES AND EQUITY	13,912,890	1,807,006	2,059,209	3,874,976	1,781,841	125,000	2,829,425	-	26,390,347	
On-balance sheet interest sensitivity gap	(561,023)	2,900,780	(1,282,480)	(3,192,351)	1,542,623	912,242	(337,983)	18,192	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	(561,023)	2,900,780	(1,282,480)	(3,192,351)	1,542,623	912,242	(337,983)	18,192	-	

* Non performing loans, specific allowance and general allowance of the Group are classified as non-interest sensitive.

C19. Operations of Islamic Banking

(a) Balance Sheet (Unaudited)

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
ASSETS		
Cash and short-term funds	724,084	411,305
Deposits and placements with financial institutions	20,000	30,000
Security held-to-maturity	274,524	480,657
Security available-for-sale	58,843	155,795
Financing, advances and other loans	2,020,503	2,085,780
Other assets	19,718	42,544
Statutory deposits with Bank Negara Malaysia	63,383	73,178
Deferred tax assets	25,405	14,105
Property, plant and equipment	176	147
Intangible assets	630	417
	<hr/>	<hr/>
TOTAL ASSETS	3,207,266	3,293,928
	<hr/>	<hr/>
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	1,911,739	1,941,744
Deposits and placements of banks and other financial institutions	43,128	161,505
Obligations on securities sold under repurchase agreements	-	88,722
Bills and acceptances payable	-	71
Other liabilities	133,655	92,038
Provision for taxation	96,722	58,907
	<hr/>	<hr/>
TOTAL LIABILITIES	2,185,244	2,342,987
	<hr/>	<hr/>
Islamic Banking Funds	792,100	792,100
Reserves	229,922	158,841
	<hr/>	<hr/>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	3,207,266	3,293,928
	<hr/>	<hr/>
COMMITMENTS AND CONTINGENCIES	498,504	335,568
	<hr/>	<hr/>

C19. Operations of Islamic Banking (cont'd)

(b) Income Statements (Unaudited)

	GROUP			
	4th Quarter Ended		Cumulative 12 Months Ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and financial institutions	38,386	42,250	146,468	139,444
Allowance for losses on financing, advances and other loans	(5,488)	(8,600)	(1,131)	(43,866)
Transfer (to)/from profit equalisation reserve	(10,555)	11,743	(35,312)	5,778
Total attributable income	22,343	45,393	110,025	101,356
Income attributable to the depositors and financial institutions	(11,843)	(15,155)	(55,693)	(60,291)
Income attributable to the reporting institutions	10,500	30,238	54,332	41,065
Income derived from investment of Islamic banking funds	15,561	6,376	59,699	50,104
Total net income	26,061	36,614	114,031	91,169
Other operating expenses	(1,283)	(810)	(3,780)	(3,091)
Impairment loss	-	-	(11,451)	-
Profit before taxation and zakat	24,778	35,804	98,800	88,078
Tax expense and zakat	(6,879)	(11,067)	(26,793)	(24,965)
Profit after taxation and zakat	17,899	24,737	72,007	63,113
Net income from Islamic banking business stated in the income statements is derived from:-				
Income derived from investment of depositors' funds and financial institutions	38,386	42,250	146,468	139,444
Transfer (to)/from profit equalisation reserve	(10,555)	11,743	(35,312)	5,778
Income attributable to depositors and financial institutions	(11,843)	(15,155)	(55,693)	(60,291)
Income derived from investment of Islamic Banking funds	15,561	6,376	59,699	50,104
	31,549	45,214	115,162	135,035

C19. Operations of Islamic Banking (cont'd)

(c) Financing, Advances and Other Loans

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
(i) <u>By type</u>		
Cash line financing	39,273	32,468
Term loans/financing		
- Housing loans/financing	479,859	417,879
- Hire purchase receivables	620,112	824,321
- Lease receivables	3,950	24,000
- Other term loans/financing	1,486,660	1,214,414
Bills receivable	-	4,362
Trust receipts	9,127	6,317
Claims on customers under acceptance credits	209,773	116,210
Staff loans/financing	50,791	32,242
Revolving credits	57,564	196,090
	2,957,109	2,868,303
Unearned income	(862,111)	(693,580)
Gross financing, advances and other loans	2,094,998	2,174,723
Allowance for bad and doubtful debts and financing:-		
- Specific	(38,985)	(55,045)
- General	(35,510)	(33,898)
Total net financing, advances and other loans	2,020,503	2,085,780

(ii) Movements in non-performing financing, advances and other loans ("NPF") including income receivable are as follows:-

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
At beginning of year	85,110	59,775
Non-performing during the year	79,726	192,347
Reclassified as performing during the year	(50,287)	(158,990)
Recoveries	(21,436)	(3,604)
Amount written off	(16,237)	(4,418)
At end of year	76,876	85,110
Specific allowance	(38,985)	(55,045)
Net non-performing financing, advances and other loans	37,891	30,065
Net NPLs as a % of gross financing, advances and other loans less specific allowance	1.8%	1.4%

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:-

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
General Allowance		
At beginning of year	33,898	30,604
Allowance made during the year	8,526	8,934
Amount written back	(6,914)	(5,640)
	<hr/>	<hr/>
At end of year	35,510	33,898
	<hr/>	<hr/>
As % of total gross financing, advances and other loans less specific allowance	1.7%	1.6%
	<hr/>	<hr/>
Specific Allowance		
At beginning of year	55,045	19,014
Allowance made during the year	61,194	74,068
Amount written back in respect of recoveries	(61,018)	(33,619)
Amount written off	(16,236)	(4,418)
	<hr/>	<hr/>
At end of year	38,985	55,045
	<hr/>	<hr/>

(d) Deposits From Customers

	Group	
	31.3.2008	31.3.2007
	RM'000	RM'000
<u>By type</u>		
<u>Non-Mudharabah Fund</u>		
Demand deposits	763,591	598,909
Savings deposits	241,962	184,708
Negotiable instruments of deposits	64,456	-
<u>Mudharabah Fund</u>		
General investment deposits	841,730	1,158,127
	<hr/>	<hr/>
	1,911,739	1,941,744
	<hr/>	<hr/>

By Order of the Board

LEE WEI YEN (MAICSA 7001798)

Group Company Secretary

Kuala Lumpur

26 May 2008