

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	Note	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
ASSETS			
Cash and short-term funds:			
Cash and balances with banks and other financial institutions			
- General accounts		372,029	354,500
- Segregated accounts		595,144	523,634
Money at call and deposits placements with maturity within one month		840,500	656,230
Deposits and placements with banks and other financial institutions:			
Licensed banks		115,512	26,047
Licensed investment banks		25,000	50,000
Securities portfolio:			
Securities held-for-trading	A7(a)	30,685	46,870
Securities held-to-maturity	A7(b)	922,699	626,679
Securities available-for-sale	A7(c)	1,473,005	1,296,418
Derivative financial assets		1,241	2,326
Loans, advances and financing	A8	897,534	959,025
Tax recoverable		21,799	21,074
Other assets	A9	1,388,082	777,383
Statutory deposits with Central Banks		27,608	80,834
Deferred tax assets		16,219	6,366
Investments in associated companies		210,244	211,884
Investment property		112,600	112,600
Prepaid land lease payments		12,008	12,043
Plant and equipment		161,339	162,982
Intangible assets		211,727	211,780
TOTAL ASSETS		7,434,975	6,138,675

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (Cont'd)

	Note	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
LIABILITIES			
Deposits from customers	A10	3,209,415	2,370,633
Deposits and placements of banks and other financial institutions	A11	231,712	447,915
Obligations on securities sold under repurchase agreements		-	249
Derivative financial liabilities		7,497	5,783
Other liabilities	A12	1,969,294	1,316,705
Tax payable		11,697	10,178
Deferred tax liabilities		9,160	255
Borrowings	B10	209,263	207,573
Subordinated notes		100,000	100,000
TOTAL LIABILITIES		5,748,038	4,459,291
EQUITY			
Share capital		673,069	673,069
Less : Treasury shares	A5(b)	(29,779)	(29,779)
		643,290	643,290
Reserves		750,538	737,111
Equity attributable to equity holders of the Company		1,393,828	1,380,401
Minority interests		293,109	298,983
TOTAL EQUITY		1,686,937	1,679,384
TOTAL LIABILITIES AND EQUITY		7,434,975	6,138,675
Net Asset per share (RM) attributable to equity holders of the Company		2.15	2.13

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Current quarter ended 31.3.2009 RM'000	Comparative quarter ended 31.3.2008 RM'000	Current year to date ended 31.3.2009 RM'000	Preceding year to date ended 31.3.2008 RM'000
Revenue		131,668	228,454	131,668	228,454
Interest income	A13	49,843	49,746	49,843	49,746
Interest expense	A14	(28,334)	(27,387)	(28,334)	(27,387)
Net interest income		21,509	22,359	21,509	22,359
Other operating income	A15	76,779	178,708	76,779	178,708
Net income from Islamic Banking business	A26	1,638	-	1,638	-
Other operating expenses	A16	(85,448)	(132,913)	(85,448)	(132,913)
Allowance for losses on loans, advances and financing	A17	(1,041)	(563)	(1,041)	(563)
Write back of / (allowance for) bad and doubtful debts on trade and other receivables	A18	1,177	(1,174)	1,177	(1,174)
Impairment losses	A19	(126)	-	(126)	-
Share of losses of associated companies, net of tax		(4,536)	(1,242)	(4,536)	(1,242)
Profit before taxation		9,952	65,175	9,952	65,175
Income tax expense	B6	(3,815)	(19,274)	(3,815)	(19,274)
Profit after taxation for the period		6,137	45,901	6,137	45,901
Profit attributable to:					
Equity holders of the Company		3,959	40,733	3,959	40,733
Minority interests		2,178	5,168	2,178	5,168
		6,137	45,901	6,137	45,901
Earnings per share attributable to equity holders of the Company (sen):					
Basic	B14	0.61	6.28	0.61	6.28
Diluted	B14	0.61	6.26	0.61	6.26

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company											Minority interests	Total equity
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Equity compensation reserve	Foreign exchange reserve	Statutory reserve	Available -for-sale reserve	Other reserve	Retained profits	Total		
<u>Current year to date ended</u> <u>31 March 2009</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2009	673,069	(29,779)	-	58,919	1,964	(760)	164,129	(15,113)	34,686	493,286	1,380,401	298,983	1,679,384
Foreign currency translation gain	-	-	-	-	-	4,233	-	-	-	-	4,233	(113)	4,120
Share of other reserves in associated companies	-	-	-	-	-	-	-	-	958	-	958	-	958
Minority interest's share of other reserves in associated companies	-	-	-	-	-	-	-	-	-	-	-	877	877
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	-	-	-	4,277	-	-	4,277	-	4,277
Total net income recognised directly in equity	-	-	-	-	-	4,233	-	4,277	958	-	9,468	764	10,232
Profit for the period	-	-	-	-	-	-	-	-	-	3,959	3,959	2,178	6,137
Total net income for the period	-	-	-	-	-	4,233	-	4,277	958	3,959	13,427	2,942	16,369
Dividend paid to minority interests	-	-	-	-	-	-	-	-	-	-	-	(8,816)	(8,816)
As at 31 March 2009	673,069	(29,779)	-	58,919	1,964	3,473	164,129	(10,836)	35,644	497,245	1,393,828	293,109	1,686,937
<u>Preceding year to date ended</u>													
<u>31 March 2008</u>													
As at 1 January 2008													
As previously reported	672,111	(29,597)	99,363	58,919	2,352	(7,726)	89,983	-	20,506	555,049	1,460,960	377,225	1,838,185
Effects of adoption of BNM/GP8	-	-	-	-	-	-	-	4,569	-	30,510	35,079	37	35,116
As restated	672,111	(29,597)	99,363	58,919	2,352	(7,726)	89,983	4,569	20,506	585,559	1,496,039	377,262	1,873,301
Foreign currency translation loss	-	-	-	-	-	(2,069)	-	-	-	-	(2,069)	528	(1,541)
Share of other reserves in associated companies	-	-	-	-	-	-	-	-	(1,290)	-	(1,290)	-	(1,290)
Minority interests' share of: - other reserves in associated companies	-	-	-	-	-	-	-	-	441	-	441	(124)	317
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	-	-	-	(3,825)	-	-	(3,825)	-	(3,825)
Total net (expense)/income recognised directly in equity	-	-	-	-	-	(2,069)	-	(3,825)	(849)	-	(6,743)	404	(6,339)
Profit for the period	-	-	-	-	-	-	-	-	-	40,733	40,733	5,168	45,901
Total net (expense)/income for the period	-	-	-	-	-	(2,069)	-	(3,825)	(849)	40,733	33,990	5,572	39,562
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	-	(6,901)	(6,901)
Shares issued pursuant to exercise of ESOS	768	-	223	-	-	-	-	-	-	-	991	-	991
Transactional costs	-	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Reserve realised upon exercise of ESOS	-	-	-	-	(128)	-	-	-	-	128	-	-	-
As at 31 March 2008	672,879	(29,597)	99,585	58,919	2,224	(9,795)	89,983	744	19,657	626,420	1,531,019	375,933	1,906,952

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current year to date ended 31.3.2009 RM'000	Preceding year to date ended 31.3.2008 RM'000
Cash Flows From Operating Activities		
Profit before taxation	9,952	65,175
Adjustments for :-		
Interest expense	28,334	27,387
Interest income	(49,843)	(49,746)
Other non-cash and non-operating items	10,377	(18,391)
Share of losses of associated companies, net of taxation	4,536	1,242
Operating profit before working capital changes	<u>3,356</u>	<u>25,667</u>
<i>(Increase)/Decrease in operating assets:</i>		
Deposits and placements with banks and other financial institutions	(64,465)	(50,000)
Loans, advances and financing	60,249	(133,631)
Statutory deposits with Central Banks	53,226	(1,745)
Property development costs	-	(3,879)
Other operating assets	(1,119,688)	572,135
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits from customers	838,782	554,297
Deposits and placements of banks and other financial institutions	(216,204)	-
Obligations on securities sold under repurchase agreements	(249)	-
Other operating liabilities	649,594	(533,488)
Net cash generated from operations	<u>204,601</u>	<u>429,356</u>
Income tax paid net of refund	(8,238)	(17,312)
Interest received	37,855	61,800
Net cash generated from operating activities	<u>234,218</u>	<u>473,844</u>
Cash Flows From Investing Activities		
Acquisition of additional investment in associated company	(1,470)	(11,475)
Acquisition of intangible assets	-	(2)
Dividend received	39	958
Interest received	145	1,366
Proceed from disposal of securities held for trading	341	33,660
Proceeds from disposal of plant & equipment	196	306
Purchase of securities held for trading	-	(23,508)
Purchase of securities available for sales	-	(2,259)
Purchase from property and equipment	(2,108)	(5,175)
Purchase of software licence	(110)	(204)
Net cash used in investing activities	<u>(2,967)</u>	<u>(6,333)</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Cont'd)

	Current year to date ended 31.3.2009 RM'000	Preceding year to date ended 31.3.2008 RM'000
Cash Flows From Financing Activities		
Dividends paid to minority interests	(8,816)	(6,901)
Drawdown of term loan and revolving credits	1,869	1,927
Interest paid	(26,387)	(27,387)
Payments of BaIDS and borrowing expenses	-	(9)
Payments of finance lease instalments	(178)	(178)
Proceeds from issuance of shares for ESOS exercised	-	990
Net cash used in financing activities	<u>(33,512)</u>	<u>(31,558)</u>
Net increase in cash and cash equivalents	197,739	435,953
Effects of exchange rate changes	4,060	(1,377)
Cash and cash equivalents at beginning of period	1,010,730	743,305
Cash and cash equivalents at end of period	<u>1,212,529</u>	<u>1,177,881</u>
Cash and cash equivalents at end of period comprised:		
Cash, bank balances and deposits - General accounts	372,029	224,945
Bank overdrafts	-	(21,064)
Money at call and deposits placements with maturity within one month	840,500	974,000
	<u>1,212,529</u>	<u>1,177,881</u>

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

PART A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia ("BNM")

A1. Basis of Preparation

The quarterly report has been prepared in accordance with the requirements of FRS 134 issued by the MASB and the "Revised Guidelines on Financial Reporting for Licensed Institutions" ("BNM/GP8"). The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008 and the accompanying explanatory notes. These explanatory notes 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 December 2008.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the year ended 31 December 2008. The Group and the Company had not adopted the following FRSs and Interpretations which effective dates are as follows:

Financial Reporting Standards ("FRS"), Amendments and Interpretations		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

Reclassification of Securities under Specific Circumstances pursuant to BNM Circular

OSKIB has reclassified certain securities held-for-trading ("HFT") to held-to-maturity ("HTM") and available-for-sale category pursuant to the BNM Circular, "Reclassification of Securities under Specific Circumstances". The provisions for reclassification are being introduced after taking into account the exceptional circumstances in the global financial markets and the recent changes to the international accounting standards in response to this development. The provisions in the Circular shall override the existing requirements of BNM/GP8 in relation to the reclassification of securities into or out of the held-for-trading category and are effective from 1 July 2008 until 31 December 2009.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A1. Basis of Preparation (Cont'd)
Reclassification of Securities under Specific Circumstances pursuant to BNM Circular (Cont'd)
(a) Amounts reclassified

	RM'000
(i) Securities AFS to securities HTM on 29 December 2008	256,924
(ii) Securities HFT to securities AFS on 16 February 2009	61,160

(b) Carrying amounts and fair values

The carrying amount and fair value of securities reclassified (excluding reclassified investments that were disposed before the end of the quarter) are as follows:

	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
(i) Securities AFS reclassified to securities HTM		
- Carrying value	257,340	256,924
- Fair value	257,668	256,924
(ii) Securities HFT reclassified to securities AFS		
- Carrying value	48,698	-
- Fair value	48,698	-

(c) Fair value gain/(loss) recognised

	Current quarter ended 31.3.2009 RM'000	Comparative quarter ended 31.3.2008 RM'000	Current year to date ended 31.3.2009 RM'000	Preceding year to date ended 31.3.2008 RM'000
Income statement	-	-	-	-
Statement of Changes in Equity				
Available-for-sale reserve	(816)	-	(816)	-

(d) Effective interest rate and estimated amounts of cash flows as at dates of reclassification

	Effective interest rate %	Estimated cash inflows before discounting to present value RM'000
(i) Securities AFS to securities HTM on 29 December 2008	5.14 to 9.96	392,011
(ii) Securities HFT to securities AFS on 16 February 2009	5.09 to 5.73	75,238

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A2. Seasonal or cyclical factors

There were no significant seasonal or cyclical factors that will materially affect the business operations of the Group for the period under review.

A3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the financial statements for the current year to date.

A4. Material changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current year to date.

A5. Changes in debt and equity securities
(a) Executive Share Option Scheme (“ESOS”) of the Company

The Company do not issue any new ordinary shares during the current year to date. Summary of the ESOS at the respective exercise prices pursuant to the ESOS is as follows:

Date of offer	Exercise price (RM)	No. of options over ordinary shares of RM1 each				
		As at 1.1.2009	Granted	Exercised	Forfeited	As at 31.3.2009
27 Jun 2003	1.33	1,777,000	-	-	-	1,777,000
16 Mar 2004	1.95	5,157,440	-	-	-	5,157,440
29 Apr 2005	1.18	880,900	-	-	-	880,900
3 May 2006	1.36	4,346,300	-	-	-	4,346,300
		12,161,640	-	-	-	12,161,640

On 4 January 2007, the duration of ESOS which was due to expire on 17 February 2008 had been extended for another 5 years to 17 February 2013.

(b) Share buybacks / Treasury shares of the Company

The Company do not purchase any ordinary shares of RM1 each from the open market during the current year to date. The shares repurchased previously are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Summary of share buybacks is as follows:

	Number of shares	Highest price RM	Lowest price RM	Average cost (included transaction costs) RM	Total amount paid RM
As at 1 January 2009	24,147,412	2.82	0.90	1.23	29,778,856
As at 31 March 2009	24,147,412	2.82	0.90	1.23	29,778,856

Other than the above, there were no issuances, repurchase and repayments of debt and equity securities for the current year to date.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A6. Dividend paid

There were no payment of dividend during the current year to date.

A7. Securities portfolio
(a) Securities held-for-trading
At fair value

Money market instruments:

Malaysian Government Securities

Quoted securities:

Shares, warrants and exchange traded funds in Malaysia

Shares outside Malaysia

Trusts units in Malaysia

	As at 31.3.2009	As at 31.12.2008
	RM'000	RM'000
	-	29,734
	16,343	11,717
	12,926	5,253
	1,416	166
	30,685	17,136
	30,685	46,870

(b) Securities held-to-maturity
At amortised cost

Money market instruments:

Bankers' acceptance and Islamic accepted bills

Malaysian Government Investment Issues

Negotiable instruments of deposit

Unquoted securities:

Private debt securities in Malaysia

Islamic debt securities in Malaysia

	33,770	74,095
	90,549	70,323
	394,846	140,000
	519,165	284,418
	308,554	277,571
	94,980	64,690
	403,534	342,261
	922,699	626,679

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
A7. Securities portfolio (Cont'd)		
(c) Securities available-for-sale		
<i>At fair value</i>		
Money market instruments:		
Bankers' acceptance and Islamic accepted bills	92,290	67,456
Cagamas bonds	5,076	5,032
Khazanah bonds	29,727	29,367
Malaysian Government Securities	329,258	232,196
Malaysian Government Investment Issues	100,248	60,565
Negotiable instruments of deposit	31,399	31,240
	587,998	425,856
Quoted securities:		
Shares and warrants in Malaysia	9,386	8,316
USD Class Bonds outside Malaysia	-	184
	9,386	8,500
Unquoted securities:		
Shares and warrants in Malaysia	2,855	2,855
Shares outside Malaysia	68,620	68,604
Private debt securities in Malaysia	830,084	816,640
Trust units in Malaysia	148	49
	901,707	888,148
Less: Impairment loss		
Private debt securities in Malaysia	(26,086)	(26,086)
	875,621	862,062
	1,473,005	1,296,418

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
A8. Loans, advances and financing		
Term loans / financing	368,476	365,377
Staff loans	985	1,009
Share margin financing	553,236	617,155
	922,697	983,541
Less: Unearned interest and income	(2,489)	(2,723)
	920,208	980,818
Allowance for bad and doubtful debts		
- general	(5,244)	(5,338)
- specific	(17,430)	(16,455)
	897,534	959,025
(a) Analysis of gross loans, advances and financing		
(i) Analysed by type of customers:		
Domestic business enterprises		
- Small and medium enterprises	439,646	391,497
- Others	36,007	15,305
Individuals	431,448	554,520
Foreign entities	13,107	19,496
	920,208	980,818
(ii) Analysed by interest rate sensitivity:		
Fixed rate	875,850	938,559
Variable rate - cost plus	41,086	41,985
- base lending rate plus	-	60
- others	3,272	214
	920,208	980,818
(iii) Analysed by economic purpose:		
Working capital	148,881	154,733
Purchase of securities	732,080	803,769
Other purposes	39,247	22,316
	920,208	980,818

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
A8. Loans, advances and financing (Cont'd)		
(b) Non-performing loans/financing (NPL/NPF)		
Purchase of securities	35,918	34,590
Gross NPL	35,918	34,590
Movement in NPLs		
At beginning of period/year	34,590	18,981
Classified as non-performing	87,821	144,667
Reclassified as performing	(86,493)	(129,058)
At end of period/year	35,918	34,590
Specific allowance	(15,408)	(12,356)
Net non-performing loans, advances and financing	20,510	22,234
Ratio of net NPL and financing to net loans and financing	2.23%	2.27%
(c) Movement in allowance for bad and doubtful debts:		
General allowance		
At beginning of period/year	(5,338)	(5,826)
Allowance made	(33)	(2,126)
Allowance written back	127	2,614
At end of period/year	(5,244)	(5,338)
As % of gross loan, advances and financing less specific allowance	0.58%	0.55%
Specific allowance		
At beginning of period/year	(16,455)	(2,735)
Allowance made	(13,552)	(28,079)
Allowance written back	11,782	14,486
Amount recovered	1,137	-
Exchange difference	(342)	(127)
At end of period/year	(17,430)	(16,455)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	As at 31.3.2009 RM'000	As at 31.12.2008 RM'000
A9. Other assets		
Interest/ Income receivables	25,011	18,536
Security deposits and statutory funds	3,375	2,657
Trade receivables	1,335,035	733,447
Other receivables, deposits and prepayments	24,433	22,515
Transferable golf memberships	228	228
	1,388,082	777,383
A10. Deposits from customers		
(a) By type of deposit		
Demand deposits	420	283
Fixed deposits	1,908,903	1,042,774
Mudharabah general deposits	390,019	453,000
Negotiable instruments of deposit	482,381	395,747
Saving deposits	1,652	389
Short term deposits	426,030	478,393
Others	10	47
	3,209,415	2,370,633
(b) By type of customer		
Business enterprises	602,994	484,749
Domestic non-bank financial institutions	2,118,679	1,339,237
Government and statutory bodies	369,400	440,818
Individuals	105,416	93,177
Others	12,926	12,652
	3,209,415	2,370,633
A11. Deposits and placements of banks and other financial institutions		
Licensed banks	20,635	20,324
Licensed investment banks	40,000	40,000
Other financial institutions	171,077	387,591
	231,712	447,915
A12. Other liabilities		
Interest/Profit payable	25,754	23,807
Trade payables	1,868,584	1,135,332
Other payables, deposits and accruals	74,606	151,581
Amount due to an associated company	-	5,895
Profit Equalisation Reserve	350	90
	1,969,294	1,316,705

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	Current quarter ended 31.3.2009	Comparative quarter ended 31.3.2008	Current year to date ended 31.3.2009	Preceding year to date ended 31.3.2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements with financial institutions	8,434	10,204	8,434	10,204
Loans, advances and financing	19,634	22,120	19,634	22,120
Securities portfolio:				
Securities held-for-trading	291	282	291	282
Securities available-for-sale	10,513	15,985	10,513	15,985
Securities held-to-maturity	5,323	19	5,323	19
Stock-broking and futures and options broking	235	722	235	722
Others	46	382	46	382
	44,476	49,714	44,476	49,714
Amortisation of premium less accretion of discount	5,367	32	5,367	32
	49,843	49,746	49,843	49,746

A14. Interest expense

Accretion of discount on BaIDS	-	(537)	-	(537)
Borrowings	(2,228)	(4,303)	(2,228)	(4,303)
Deposits from customers	(24,212)	(21,638)	(24,212)	(21,638)
Deposits and placements of financial institutions	(35)	-	(35)	-
Finance lease	(7)	(20)	(7)	(20)
Obligations on securities sold under repurchase agreements	(1)	(4)	(1)	(4)
Profit payment on BaIDS	-	(875)	-	(875)
Subordinated notes	(1,849)	-	(1,849)	-
Others	(2)	(10)	(2)	(10)
	(28,334)	(27,387)	(28,334)	(27,387)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

Current quarter ended 31.3.2009	Comparative quarter ended 31.3.2008	Current year to date ended 31.3.2009	Preceding year to date ended 31.3.2008
RM'000	RM'000	RM'000	RM'000

A15. Other operating income
(a) Fees and commission

Advisory, agency and arrangement, placement and referral fees	6,332	7,911	6,332	7,911
Commission	4,738	3,720	4,738	3,720
Fees earned from management of unit trust funds	9,230	12,931	9,230	12,931
Gross brokerage fees	43,613	90,883	43,613	90,883
Loan processing, facility and commitment fees and carrying charges	3,363	5,835	3,363	5,835
Service charges on sale of trust units	1,811	5,774	1,811	5,774
Trustee and will-writing fees	1,310	1,200	1,310	1,200
Others	602	203	602	203
	70,999	128,457	70,999	128,457

**(b) Net gain/(loss) arising from sale
of securities and derivatives**

Securities held-for-trading	(521)	(1,445)	(521)	(1,445)
Securities available-for-sale	421	238	421	238
Derivative financial instruments	7,107	(50,710)	7,107	(50,710)
	7,007	(51,917)	7,007	(51,917)

(c) Gross dividend income

Securities held-for-trading	41	949	41	949
	41	949	41	949

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	Current quarter ended 31.3.2009 RM'000	Comparative quarter ended 31.3.2008 RM'000	Current year to date ended 31.3.2009 RM'000	Preceding year to date ended 31.3.2008 RM'000
A15. Other operating income (Cont'd)				
(d) Unrealised (loss)/gain on revaluation of trading securities and derivatives				
Securities held-for-trading	(3,215)	(3,323)	(3,215)	(3,323)
Derivative financial instruments	(3,651)	82,633	(3,651)	82,633
	(6,866)	79,310	(6,866)	79,310
(e) Unrealised losses from derivatives				
Unexpired structured warrants	(3,249)	-	(3,249)	-
	(3,249)	-	(3,249)	-
(f) Unrealised gains/ (losses) from foreign exchange translations				
	819	(2,206)	819	(2,206)
	819	(2,206)	819	(2,206)
(g) Others				
Net gain on disposal of plant and equipment (net)	128	48	128	48
Realised gain on foreign exchange	2,339	1,784	2,339	1,784
Net gain on interest rate swap	33	-	33	-
Rental income on premises	1,453	3,534	1,453	3,534
Revenue from property development projects	-	17,275	-	17,275
Sales of oil palm product	-	491	-	491
Others	4,075	983	4,075	983
	8,028	24,115	8,028	24,115
	76,779	178,708	76,779	178,708

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	Current quarter ended 31.3.2009	Comparative quarter ended 31.3.2008	Current year to date ended 31.3.2009	Preceding year to date ended 31.3.2008
	RM'000	RM'000	RM'000	RM'000
A16. Other operating expenses				
(a) Personnel expenses				
Salaries, allowances and bonuses	(32,235)	(39,526)	(32,235)	(39,526)
Pension costs, defined contribution plan	(3,991)	(7,207)	(3,991)	(7,207)
Others	(1,456)	(1,593)	(1,456)	(1,593)
	(37,682)	(48,326)	(37,682)	(48,326)
(b) Promotional, marketing and trading expenses				
Advertisement and promotion	(1,895)	(2,172)	(1,895)	(2,172)
Commission	(15,039)	(29,981)	(15,039)	(29,981)
Fees and charges	(6,514)	(8,721)	(6,514)	(8,721)
Online trading access fee	(1,059)	(163)	(1,059)	(163)
Property development costs	-	(14,200)	-	(14,200)
Others	(3,458)	(105)	(3,458)	(105)
	(27,965)	(55,342)	(27,965)	(55,342)
(c) Establishment related expenses				
Depreciation and amortisation	(3,682)	(3,583)	(3,682)	(3,583)
Information technology expenses	(485)	(595)	(485)	(595)
Insurance	(1,150)	(1,389)	(1,150)	(1,389)
Rental of equipment	(1,148)	(1,317)	(1,148)	(1,317)
Rental of premises	(4,051)	(2,539)	(4,051)	(2,539)
Repair and maintenance	(1,119)	(1,113)	(1,119)	(1,113)
Utility expenses	(1,181)	(1,389)	(1,181)	(1,389)
Others	(663)	(629)	(663)	(629)
	(13,479)	(12,554)	(13,479)	(12,554)
(d) General administrative expenses				
Communication expenses	(1,271)	(2,341)	(1,271)	(2,341)
Legal and professional fees	(841)	(4,236)	(841)	(4,236)
Printing and stationery	(1,170)	(2,250)	(1,170)	(2,250)
Others	(3,040)	(7,864)	(3,040)	(7,864)
	(6,322)	(16,691)	(6,322)	(16,691)
	(85,448)	(132,913)	(85,448)	(132,913)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

	Current quarter ended 31.3.2009	Comparative quarter ended 31.3.2008	Current year to date ended 31.3.2009	Preceding year to date ended 31.3.2008
	RM'000	RM'000	RM'000	RM'000

A17. Allowance for losses on loans, advances and financing

Specific allowance				
(Made)	(1,374)	(1,467)	(1,374)	(1,467)
Written back	40	-	40	-
General allowance (net)				
Written back	94	604	94	604
Bad debts on loans and financing				
Recovered	200	300	200	300
Written off	(1)	-	(1)	-
	(1,041)	(563)	(1,041)	(563)

A18. Write back of/ (Allowance for) bad and doubtful debts on trade and other receivables

Specific allowance				
(Made)	(830)	(1,245)	(830)	(1,245)
Written back	1,994	93	1,994	93
General allowance				
(Made)	(5)	(7)	(5)	(7)
Bad debts				
Recovered	18	3	18	3
Written off	-	(18)	-	(18)
	1,177	(1,174)	1,177	(1,174)

A19. Impairment losses

Goodwill on consolidation	(126)	-	(126)	-
	(126)	-	(126)	-

A20. Segmental information

Please refer to Appendix I.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

A21. Material events subsequent to the end of the quarter

Proposed delisting of GMO limited ("GMO") from the Alternative Investment Market of the London Stock Exchange ("Proposed Delisting")

On 21 April 2009, 18.96% owned associated company of OSK Venture International Berhad, GMO Limited ("GMO") is proposing to seek a delisting from the Alternative Investment Market of the London Stock Exchange ("LSE").

In conjunction with the Proposed Delisting, GMO proposes to make an exit offer to existing shareholders to acquire up to a limit of 10,100,000 ordinary shares of GMO ("Offer Shares"), applied on a first come, first served basis, at an offer price of 0.50 pence per Offer Share ("Proposed Offer"). Such Offer Shares bought back by GMO via the Proposed Offer will not be cancelled but held as treasury shares.

GMO has received irrevocable undertakings from several major shareholders, including amongst others, mTouche Technology Berhad, Green Packet Berhad and OSKVI, not to participate in the Proposed Offer in respect of an aggregate holding of 183,614,481 ordinary shares of GMO representing 94.8% of the total ordinary shares outstanding in GMO. As at 31 December 2008, the total issued and paid up share capital of GMO is USD27,255,000 comprising 193,714,481 ordinary shares.

Upon completion of the Proposed Offer, GMO intends to undertake an internal reorganisation to amongst others:-

- (i) transfer GMO's shares in Wisdom Choice Investments Ltd to GMO Global Limited, its wholly-owned subsidiary. Both companies are registered in the British Virgin Islands; and
- (ii) upon completion of the transfer, GMO will commence a summary winding up and during its winding up will make an in specie distribution of its remaining assets which comprises shares in GMO Global Limited to the remaining shareholders in GMO.

A22. Changes in the composition of the Group

Disposal of 30% Equity Interest in UOB-OSK Asset Management Sdn. Bhd. ("UOAM") by the Company to OSK Investment Bank Berhad

On 16 February 2009, the Company entered into a Sale and Purchase of Shares Agreement ("SPA") with its wholly-owned subsidiary, OSK Investment Bank Berhad ("OSKIB") to dispose its 30% equity interest in ("UOAM") comprising 1,200,000 ordinary shares of RM1.00 each in UOB-OSK for an indicative consideration of RM7.67 million in cash ("Proposed Disposal").

This will enable the OSKH Group to streamline its fund management company under OSKIB to achieve management and operational synergies as well as to facilitate efficient deployment of the resources.

On 2 March 2009, the Proposed Disposal has been completed, UOB-OSK Asset Management Sdn. Bhd. is now an associated company of OSK Investment Bank Berhad and an indirect associated company of the Company.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A23. Commitments and contingencies

Please refer to Appendix II.

A24. Interest/profit rate risk

Please refer to Appendix III.

A25. Capital adequacy

The Group is not required to maintain any capital adequacy ratio requirements. The capital adequacy ratios of the wholly-owned investment banking subsidiary, OSK Investment Bank Berhad ("OSKIB") are as follows:

	OSKIB As at 31.3.2009 RM'000	OSKIB As at 31.12.2008 RM'000
Issued and fully paid share capital	630,000	630,000
Retained profits	27,825	27,826
Statutory reserve	164,129	164,129
	821,954	821,955
Less: Goodwill	(46,516)	(46,516)
Less: Deferred tax assets	(2,686)	(1,635)
Tier I capital	772,752	773,804
General allowance for bad and doubtful debts and financing	2,765	2,888
Subordinated Debt Capital	100,000	100,000
Tier II capital	102,765	102,888
Total capital	875,517	876,692
Less: Investments in subsidiary companies	(335,436)	(335,436)
Capital base	540,081	541,256
<u>Before deducting proposed dividend</u>		
Core capital ratio	23.02%	28.22%
Risk-weighted capital ratio	23.02%	28.22%
<u>After deducting proposed dividend</u>		
Core capital ratio	23.02%	28.22%
Risk-weighted capital ratio	23.02%	28.22%

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A25. Capital adequacy (Cont'd)

The breakdown of risk-weighted assets ("RWA") of OSKIB in the various of risk-weights are as follows:

	As at 31.3.2009		As at 31.12.2008	
	Principal RM'000	Risk-weighted RM'000	Principal RM'000	Risk-weighted RM'000
0%	190,386	-	434,950	-
10%	-	-	-	-
20%	1,650,627	330,125	1,072,007	214,401
50%	73,985	36,993	37,375	18,688
100%	368,567	368,567	372,655	372,655
RWA for credit risk		735,685		605,744
RWA for market risk		1,048,648		750,942
RWA for operational risk (Basel II only)		558,864		558,864
RWA for large exposure risk		2,780		2,648
		2,345,977		1,918,198

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A26. Operations of Islamic Banking

The Islamic Banking operations of the wholly-owned investment banking subsidiary, OSK Investment Bank Berhad ("OSKIB") are as follows:

**(a) OSK INVESTMENT BANK BERHAD
UNAUDITED CONDENSED BALANCE SHEET
AS AT 31 MARCH 2009**

	Note	OSKIB As at 31.3.2009 RM'000	OSKIB As at 31.12.2008 RM'000
ASSETS			
Cash and short-term funds - General accounts			
Cash and balances with banks and financial institutions		38	43
Money at call and deposits placements with maturity within one month		96,900	301,280
Deposits and placement with bank and other financial institutions			
- Licensed banks		10,000	-
Securities portfolio - Securities held-to-maturity		335,755	202,958
Other assets	A26(c)	2,207	864
Statutory deposit with Bank Negara Malaysia		3	3
Plant and equipment		20	21
TOTAL ASSETS		444,923	505,169
LIABILITIES			
Deposits from customers	A26(d)	390,019	453,001
Other liabilities	A26(e)	2,542	1,220
Tax payable		600	246
TOTAL LIABILITIES		393,161	454,467
ISLAMIC BANKING CAPITAL FUNDS			
Islamic banking funds		50,000	50,000
Reserves		1,762	702
TOTAL ISLAMIC BANKING CAPITAL FUNDS		51,762	50,702
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		444,923	505,169

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A26. Operations of Islamic Banking (Cont'd)
**(b) OSK INVESTMENT BANK BERHAD
UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2009**

	OSKIB Current quarter ended 31.3.2009 RM'000	OSKIB Comparative quarter ended 31.3.2008 RM'000	OSKIB Current year to date ended 31.3.2009 RM'000	OSKIB Preceding year to date ended 31.3.2008 RM'000
Income derived from investment of depositors' funds and others	5,046	-	5,046	-
Transfer to profit equalisation reserve	(260)	-	(260)	-
Gross and total attributable income	4,786	-	4,786	-
Income attributable to the depositors	(3,148)	-	(3,148)	-
Income attributable to OSKIB	1,638	-	1,638	-
Other operating expenses	(224)	-	(224)	-
Profit before tax expense	1,414	-	1,414	-
Taxation	(353)	-	(353)	-
Profit after tax expense	1,061	-	1,061	-

Net income from Islamic banking business as reported in the income statements of the Group is derived as follows :-

Income derived from investment of depositors' funds	5,046	-	5,046	-
Income attributable to the depositors	(3,148)	-	(3,148)	-
Transfer from profit equalisation reserve	(260)	-	(260)	-
	1,638	-	1,638	-

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A26. Operations of Islamic Banking (Cont'd)

	OSKIB As at 31.3.2009 RM'000	OSKIB As at 31.12.2008 RM'000
(c) Other assets		
Income receivable	2,207	862
Prepayments	-	2
	2,207	864
(d) Deposits from customers		
(i) By type of deposit		
Mudharabah general deposits	390,019	453,001
(ii) By type of customer		
Business enterprises	77,834	73,749
Domestic non-bank financial institutions	232,063	154,434
Government and statutory bodies	80,122	224,818
	390,019	453,001
(e) Other liabilities		
Profit payables	1,109	1,018
Other payable	1,083	112
Profit Equalisation Reserve	350	90
	2,542	1,220
(f) Capital adequacy		
Tier I Capital		
Islamic Banking funds	50,000	50,000
Retained profits	702	702
Total Tier I capital and total capital and capital base	50,702	50,702
Core capital ratio	64.84%	79.11%
Risk-weighted capital ratio	64.84%	79.11%

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A26. Operations of Islamic Banking (Cont'd)
(f) Capital adequacy (cont'd.)

The breakdown of risk-weighted assets ("RWA") in the various categories of risk-weights are as follows:

	As at 31.3.2009		As at 31.12.2008	
	Principal RM'000	Risk- weighted RM'000	Principal RM'000	Risk- weighted RM'000
0%	106,941	-	301,326	-
10%	-	-	-	-
20%	-	-	-	-
50%	-	-	-	-
100%	2,226	2,226	885	885
RWA for credit risk		2,226		885
RWA for market risk		74,554		61,788
RWA for operational risk (Basel II only)		1,421		1,421
RWA for large exposure risk		-		-
		78,201		64,094

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

PART B - Explanatory Notes Pursuant to Chapter 9, Appendix 9B, Part A, of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

B1. Performance review of the Company and its principal subsidiaries for the current quarter and year to date

Despite the challenging environment caused by the global financial and economic crises, the Group has managed to make a profit in the first quarter of 2009.

The Group attained revenues of RM131.67 million for the period under review, representing a decline of 42% as compared to RM228.45 million for the previous corresponding period in 2008 and recorded profit before taxation ("PBT") of RM9.95 million as compared to the previous year corresponding period of RM65.18 million. The main reasons for the decline in revenue and profit were due to the lower trading volumes and fewer capital market transactions. However, the total interest income remained at approximately RM50 million which was mainly due to increase in interest income from fixed income instruments.

In term of geographical segmentation, the Group's overseas businesses made up 15% of PBT compared to 18% in the corresponding period.

B2. Material change in quarterly profit before taxation for the current quarter compared with the immediate preceding quarter

The Group recorded a PBT of RM9.95 million for Q1 2009 as compared to PBT of RM1.89 million achieved in the immediate preceding quarter. The Group was able to maintain a profitable performance despite the slow down in the global capital market activities in the present global financial and economic crises.

B3. Current year prospects and progress on previously announced revenue or profit forecast

(a) Current year prospects

(Commentary on the rest of year)

The outlook for global financial and economic landscape continues to be uncertain and the operating environment will continue to be challenging.

The Board of Directors is confident that the Group's results for the remaining year should be satisfactory.

(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Company.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Company.

B5. Profit forecast / profit guarantee

There was no profit forecast or profit guarantee issued by the Company.

B6. Taxation

	Current quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2009 RM'000
In respect of the current quarter / year to date		
- Malaysian income tax	3,016	3,016
- Foreign income tax	1,425	1,425
- Deferred taxation	(622)	(622)
	3,819	3,819
In respect of the prior year		
- Malaysian income tax	(4)	(4)
	3,815	3,815

The effective tax rate for the year to date is higher than the statutory tax rate of 25% mainly due to group relief is not available for losses incurred by overseas subsidiary companies and certain expenses incurred are non-allowable for tax deduction.

B7. Sales of unquoted investments and / or properties

There were no sales of unquoted investments except for the venture capital businesses which are exempted from disclosures on the net effect of sale of unquoted securities during the current year to date. There were no sales of properties during the current year to date.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B8. Purchase or disposal of quoted securities

Particulars of purchase and disposal of quoted securities by the Group are as follows:

- (a) Total purchase consideration, sale proceeds and profits results arising therefrom (except for the subsidiary companies engaged in stockbroking, investment banking and venture capital businesses which have been exempted from this disclosure):

	Current quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2009 RM'000
Total purchase consideration	-	-
Total sale proceeds	1	1
Net loss on disposals	(6)	(6)

- (b) Investments in quoted securities as at 31 March 2009 (except for the subsidiary companies engaged in stockbroking and investment banking which have been exempted from this disclosure):

	RM'000
Quoted shares at cost:	
In Malaysia	12,874
Outside Malaysia	6,276
	<u>19,150</u>
Fair value adjustments	(5,860)
	<u>13,290</u>
Market value of quoted shares:	
In Malaysia	11,364
Outside Malaysia	1,926
	<u>13,290</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B9. Status of corporate proposals and utilisation of proceeds

(a) Status of corporate proposals announced but not completed as at 22 May 2009

(i) Members' Voluntary Winding Up of Beneficial Services Berhad [formerly known as UOB Trustee (Malaysia) Bhd.] ("BSB")

On 23 January 2009, BSB, a wholly-owned subsidiary of OSKH, has initiated a Members' Voluntary Winding Up pursuant to Section 254(1)(b) of Companies Act, 1965 and that Mr. Chin Kim Chung and Mr. Roy Thean Chong of Rusell Bedford Malaysia Business Advisory Sdn. Bhd. of 10th Floor, Bangunan Yee Seng 15, Jalan Raja Chulan, 50200 Kuala Lumpur have been appointed as the Liquidators of BSB.

BSB was incorporated on 30 March 2004 with an issued share capital of RM1.0 million comprising of 100,000 ordinary shares of RM10.00 each and partly paid up to RM5.00 each.

Following the completion of transfer and merger of BSB's business as trustee agent, executor and administrator under the Trust Companies Act, 1949 effected pursuant to the Business Merger Agreement dated 16 January 2008 signed with OSK Trustee Berhad, BSB is no longer carrying on the said business.

(ii) Proposed Distribution-in-specie of up to 98,673,670 ordinary shares of RM1.00 each in OSK Ventures International Berhad ("OSKVI") to shareholders of the Company ("Proposed Distribution")

On 15 April 2009, the Company proposes to undertake the Proposed Distribution. The Proposed Distribution will be effected either through:-

- (a) a reduction in capital redemption reserve and/or share premium account (if any) pursuant to Section 64 of the Companies Act, 1965 ('Act') and the retained profits of the Company; or
- (b) a reduction in capital redemption reserve pursuant to Section 64 of the Act and the retained profits of the Company.

The Proposed Distribution will involve a distribution of up to 98,673,670 OSKVI shares held by the Company representing approximately 67.21% equity interest in OSKVI as at 31 March 2009 to its shareholders at an entitlement date to be determined later.

The aforesaid manner of distribution is subject to, among others, the sanction of the High Court in accordance with Section 64 of the Act. In the event the High Court's sanction is not obtained for the reduction of capital redemption reserve and/or share premium account, the Proposed Distribution will be effected solely through distribution out of retained profits of the Company. The net financial effect arising from any of the aforesaid manner of distribution remains the same.

The Proposed Distribution will reduce the net assets of the Group by an amount of approximately RM215.53 million (representing the net carrying value of investment in the 98,673,670 OSKVI Shares held by the Group).

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B9. Status of corporate proposals and utilisation of proceeds (Cont'd)

(a) Status of corporate proposals announced but not completed as at 22 May 2009 (Cont'd)

- (ii) Proposed Distribution-in-specie of up to 98,673,670 ordinary shares of RM1.00 each in OSK Ventures International Berhad ("OSKVI") to shareholders of the Company ("Proposed Distribution") (Cont'd)

The entitlement on a per share basis will depend on the total number of issued and paid-up ordinary shares of RM1.00 each in the Company ("OSKH Shares") as at the entitlement date for the Proposed Distribution which will be determined by the Company at a later date.

Indicative basis of allocation for the Proposed Distribution are:

- (a) 5 OSKVI Shares for every 33 OSKH Shares held; or
- (b) 5 OSKVI Shares for every 39 OSKH Shares held

The Proposed Distribution is in line with the Company's intention to streamline its business activities and asset base by focusing on the core business activities in the provision of investment banking, treasury, stockbroking, fund management and other related financial services.

On 18 May 2009, Securities Commission and Securities Commission (on behalf of Foreign Investment Committee) approved the Proposed Distribution.

The Proposed Distribution is subject to approvals being obtained from the following:-

- (i) Shareholders of the Company at an Extraordinary General Meeting ("EGM") to be convened;
- (ii) High Court of Malaya; and
- (iii) Any other relevant authorities, if required.

Subject to the required approvals and barring unforeseen circumstances, the Proposed Distribution is expected to be completed in the third quarter of 2009.

(b) The status of utilisation of proceeds raised by the Company

There were no proceeds raised from any corporate proposal by the Company.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B10. Borrowings

The Group's borrowings and debt securities (denominated in RM unless otherwise stated) at the end of the current year to date are as follows:-

	RM'000
Deposits from customers as disclosed in A10	3,209,415
Borrowings	209,263
Subordinated notes	100,000
	<u>3,518,678</u>
Borrowings consist of:	
<u>Short term:</u>	
<i>Unsecured:</i> Revolving credits	167,000
<i>Secured:</i> Syndicated term loan	25,000
Finance lease payables denominated in SGD	329
	<u>192,329</u>
<u>Long term:</u>	
<i>Secured:</i> Syndicated term loan	16,934
	<u>209,263</u>

B11. Off balance sheet financial instruments

As at 22 May 2009 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group did not enter into any contract involving financial instruments with off balance sheet risk other than as disclosed in A23.

B12. Material litigation

As at 22 May 2009 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), save as disclosed below, the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

Seremban High Court (the "Court") Suit No. 22-216-2003

Kamal, Lokman & Mustakim Holdings Sdn. Bhd. ("Chargor") and Ahmad Azari bin Mohd. Daud ("Azari") (collectively referred to as the "Plaintiffs") vs OSK Capital Sdn. Bhd. ("OSKC") and OSK Nominees (Tempatan) Sdn. Berhad. ("OSKNT") and Another (collectively referred to as the "Defendants")

The Plaintiffs commenced an action against the Defendants on 14 November 2003 seeking, inter-alia, a declaration that a charge registered in favour of OSKC is void, damages in the sum of RM20,000,000, general damages, interest and costs and claiming against OSKC/OSKNT for negligence, breach of duty, fiduciary duty and unjust enrichment in relation to a facility of RM13,000,000 granted to Azari by OSKC. OSKC and OSKNT have filed their defence on 17 February 2004.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
B12. Material litigation (Cont'd)

OSKC and OSKNT have also filed an application to strike out the Plaintiffs' Writ of Summons and Statement of Claim on the basis that the filing of the action by the Plaintiffs was frivolous and vexatious. The Court has on 13 March 2008 struck out with costs the Plaintiffs' Writ of Summons and Statement of Claim. The Chargor has since filed a Notice of Appeal against the said decision. On 5 May 2009, the Court has dismissed the Plaintiffs' appeal.

In view of the dismissal of the Plaintiffs' appeals, the Plaintiffs' action against OSKC and OSKNT have effectively been struck off.

B13. Dividend

No dividend has been declared or paid for the current year to date ended 31 March 2009 (Comparative quarter ended 31 March 2008: No dividend has been declared or paid).

B14. Earnings Per Share ("EPS") attributable to equity holders of the Company

	Current quarter ended 31.3.2009	Comparative quarter ended 31.3.2008	Current year to date ended 31.3.2009	Preceding year to date ended 31.3.2008
<u>Basic EPS</u>				
Profit attributable to equity holders of the Company (RM'000)	3,959	40,733	3,959	40,733
Weighted average number of ordinary shares in issue ('000 shares)	648,921	648,332	648,921	648,332
Basic EPS (sen)	0.61	6.28	0.61	6.28
<u>Diluted EPS</u>				
Profit attributable to equity holders of the Company (RM'000)	3,959	40,733	3,959	40,733
Weighted average number of ordinary shares in issue ('000 shares)	648,921	648,332	648,921	648,332
Effect of dilution on assumed exercise of Warrants B and options granted under ESOS ('000 shares)	-	2,870	-	2,870
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	648,921	651,202	648,921	651,202
Diluted EPS (sen)	0.61	6.26	0.61	6.26

B15. Auditors' report of preceding annual financial statements

The auditors' report of the Group's preceding year financial statements was not qualified.

By Order of the Board

Ong Leong Huat @ Wong Joo Hwa
Director

Kuala Lumpur
28 May 2009

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

A20. SEGMENTAL INFORMATION

The Group is organised into the following major business segments :

1. Investment Banking - Equity and Debt Capital Market, Derivatives and Structured Products, Corporate advisory, Treasury, Islamic Banking and Offshore Investment Banking.
2. Loan, Advances & Financing - Corporate Loans, Shares Margin Financing, Capital Financing and Commercial Banking Services.
3. Equity & Futures - Stockbroking & Futures Broking, Nominee Services and related services.
4. Funds Management - Unit Trust Fund Management and Asset Management.
5. Venture Capital - Provision of Venture Capital Services and Investee Entities, also known as Private Equity Business.
6. Capital Financing - Licensed money lender for initial public offers and share option schemes.
7. Property Investment - Management and Letting of Properties.
8. Holding Entities - Investment Holding Companies.
9. Others - Not significant to be separately disclosed.

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the companies concerned and are not more favourable than those arranged with independent third parties have been eliminated to arrive at the Group's results.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
A20. SEGMENTAL INFORMATION (Cont'd)
Secondary reporting format - Geographical Segments

In presenting information by geographical locations, segment revenue is based on geographical locations of operations. Segment assets are based on the geographical location of assets.

	Malaysia RM'000	Singapore RM'000	China and Hong Kong RM'000	Indonesia RM'000	Cambodia RM'000	Total RM'000
CURRENT YEAR TO DATE ENDED 31 MARCH 2009						
Revenue	94,621	23,080	7,924	5,416	627	131,668
Profit/(loss) before taxation	8,426	3,769	(4,235)	2,357	(365)	9,952
Total carrying amount of segment assets	5,779,314	1,193,068	217,927	145,373	61,275	7,396,957
Total capital expenditure	1,322	37	406	453	-	2,218
PRECEDING YEAR TO DATE ENDED 31 MARCH 2008						
Revenue	178,024	37,536	12,894	-	-	228,454
Profit before taxation	53,556	10,419	1,200	-	-	65,175
Total carrying amount of segment assets	5,470,759	2,508,374	246,426	-	-	8,225,559
Total capital expenditure	4,943	352	84	-	-	5,379

A23. Commitments and contingencies

The risk-weighted exposures of the Group are as follows:

	As at 31.3.2009			As at 31.12.2008		
	Principal amount RM'000	Credit equivalent* RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent* RM'000	Risk weighted amount RM'000
Obligations under underwriting agreements	275,000	137,500	27,500	265,000	132,500	26,500
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	943,753	-	-	975,514	-	-
Foreign exchange related contracts:						
- less than one year	20,008	20,008	4,002	2,142	2,142	428
Interest rate related contracts:						
- one year to less than five years	160,000	9,237	1,847	160,000	9,237	1,847
	1,398,761	166,745	33,349	1,402,656	143,879	28,775

* The credit equivalent amount and risk weighted amount are arrived at using the credit evaluation conversion factor as per Bank Negara Malaysia's Guidelines.

A24. Interest/profit rate risk

As at 31 March 2009	Non-trading book					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short-term funds	1,629,201	9,267	594	-	-	168,611	-	1,807,673	2.08
Deposits and placements with banks and other financial institutions	2,874	137,638	-	-	-	-	-	140,512	2.46
Securities portfolio									
Securities held-for-trading	-	-	-	-	-	-	30,685	30,685	-
Securities held-to-maturity	166,640	241,966	74,874	234,912	204,307	-	-	922,699	5.94
Securities available-for-sale	129,961	117,676	243,885	733,340	241,808	6,335	-	1,473,005	4.40
Derivative financial assets	-	-	-	-	-	1,241	-	1,241	-
Loans, advances and financing									
Performing	486,724	106,127	284,669	750	775	-	-	879,045	8.47
Non-performing	5,916	10,858	-	1,715	-	-	-	18,489	8.18
Statutory deposits with Central Bank	-	4,714	-	-	-	22,894	-	27,608	0.68
Other non-interest sensitive balance	-	-	-	-	-	2,134,018	-	2,134,018	-
Total Assets	2,421,316	628,246	604,022	970,717	446,890	2,333,099	30,685	7,434,975	

A24. Interest/profit rate risk (Cont'd)

	Non-trading book						Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31 March 2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
LIABILITIES									
Deposits from customers	1,587,343	419,077	1,103,120	99,875	-	-	-	3,209,415	2.63
Deposits and placements of banks and other financial institutions	131,248	19,750	51,324	29,390	-	-	-	231,712	3.40
Derivative financial liabilities	-	-	-	-	-	7,497	-	7,497	-
Borrowings	167,062	121	25,146	16,934	-	-	-	209,263	3.56
Subordinated notes	-	-	-	-	100,000	-	-	100,000	7.50
Other non-interest sensitive balance	-	-	-	-	-	1,990,151	-	1,990,151	-
Total Liabilities	1,885,653	438,948	1,179,590	146,199	100,000	1,997,648	-	5,748,038	
Shareholders' funds	-	-	-	-	-	1,393,828	-	1,393,828	
Minority interests	-	-	-	-	-	293,109	-	293,109	
Total Equity	-	-	-	-	-	1,686,937	-	1,686,937	
Total Liabilities and Equity	1,885,653	438,948	1,179,590	146,199	100,000	3,684,585	-	7,434,975	
On-balance sheet interest sensitivity gap	535,663	189,298	(575,568)	824,518	346,890	(1,351,486)	30,685	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	160,000	-	-	160,000	
Total Interest Sensitivity Gap	535,663	189,298	(575,568)	824,518	506,890	(1,351,486)	30,685	160,000	
Cumulative interest rate sensitivity gap	535,663	724,961	149,393	973,911	1,480,801	129,315	160,000	160,000	

A24. Interest/profit rate risk

	Non-trading book						Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31 December 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short-term funds	1,380,547	27,092	-	-	-	126,725	-	1,534,364	3.44
Deposits and placements with banks and other financial institutions	-	76,047	-	-	-	-	-	76,047	3.99
Securities portfolio									
Securities held-for-trading	-	-	-	5,122	24,612	1,096	16,040	46,870	5.40
Securities held-to-maturity	18,374	61,233	139,173	183,927	211,662	12,310	-	626,679	5.34
Securities available-for-sale	107,724	186,469	234,045	659,542	102,142	6,496	-	1,296,418	4.60
Derivative financial assets	-	-	-	-	-	2,326	-	2,326	-
Loans, advances and financing									
Performing	632,298	83,739	224,111	2,676	-	-	-	942,824	8.69
Non-performing	7,480	-	5,690	3,031	-	-	-	16,201	8.50
Statutory deposits with Central Bank	-	-	-	-	4,768	76,066	-	80,834	1.19
Other non-interest sensitive balance	-	-	-	-	-	1,516,112	-	1,516,112	-
Total Assets	2,146,423	434,580	603,019	854,298	343,184	1,741,131	16,040	6,138,675	

A24. Interest/profit rate risk (Cont'd)

	Non-trading book						Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31 December 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
LIABILITIES									
Deposits from customers	1,205,991	262,450	782,411	119,056	391	334		2,370,633	3.36
Deposits and placements of banks and other financial institutions	83,215	211,100	123,887	29,387	-	326	-	447,915	3.84
Obligations on securities sold under repurchase agreements	249	-	-	-	-	-	-	249	3.00
Derivative financial liabilities	-	-	-	-	-	5,783	-	5,783	
Borrowings	160,908	-	17,231	29,434	-	-	-	207,573	5.16
Subordinated notes	-	-	-	-	100,000	-	-	100,000	7.50
Other non-interest sensitive balance	-	-	-	-	-	1,327,138	-	1,327,138	
Total Liabilities	1,450,363	473,550	923,529	177,877	100,391	1,333,581	-	4,459,291	
Shareholders' funds	-	-	-	-	-	1,380,401	-	1,380,401	
Minority interests	-	-	-	-	-	298,983	-	298,983	
Total Equity	-	-	-	-	-	1,679,384	-	1,679,384	
Total Liabilities and Equity	1,450,363	473,550	923,529	177,877	100,391	3,012,965	-	6,138,675	
On-balance sheet interest sensitivity gap	696,060	(38,970)	(320,510)	676,421	242,793	(1,271,834)	16,040	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	160,000	-	-	160,000	
Total Interest Sensitivity Gap	696,060	(38,970)	(320,510)	676,421	402,793	(1,271,834)	16,040	160,000	
Cumulative interest rate sensitivity gap	696,060	657,090	336,580	1,013,001	1,415,794	143,960	160,000	160,000	