

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
ASSETS			
Cash and short term funds		1,566,591	1,611,189
Deposits and placements with banks and other financial institutions		50,000	50,000
Reverse repurchase agreements		3,282	-
Securities held-for-trading	A7(a)	230,821	203,665
Securities held-to-maturity	A7(b)	668,204	1,024,096
Securities available-for-sale	A7(c)	3,084,324	2,731,301
Derivative financial assets	B11(a)	70,071	37,122
Loans, advances and financing	A8	1,050,193	932,657
Tax recoverable		9,422	9,789
Other assets	A9	2,394,678	2,720,139
Statutory and reserve deposits with Central Banks		56,426	47,673
Deferred tax assets		2,646	3,402
Investments in associated companies		20,999	20,369
Investment property		112,600	112,600
Property and equipment		173,506	173,262
Intangible assets		208,825	209,853
TOTAL ASSETS		9,702,588	9,887,117
LIABILITIES			
Deposits from customers	A10	4,361,739	4,355,697
Deposits and placements of banks and other financial institutions	A11	302,129	174,222
Derivative financial liabilities	B11(a)	52,484	51,861
Other liabilities	A12	3,074,400	3,445,463
Tax payable		40,267	30,198
Deferred tax liabilities		993	1,023
Borrowings	B10	135,080	216,966
Subordinated notes	B10	100,000	100,000
TOTAL LIABILITIES		8,067,092	8,375,430
EQUITY			
Share capital		960,749	678,665
Treasury shares, at cost	A5(c)	(29,782)	(29,782)
		930,967	648,883
Reserves		488,246	638,258
Issued share capital and reserves attributable to owners of the Company		1,419,213	1,287,141
Minority interests		216,283	224,546
TOTAL EQUITY		1,635,496	1,511,687
TOTAL LIABILITIES AND EQUITY		9,702,588	9,887,117
Net Asset per share attributable to owners of the Company (RM)		1.52	1.97

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

		Current quarter ended 31.3.2010	Comparative quarter ended 31.3.2009	Current year to date ended 31.3.2010	Preceding year to date ended 31.3.2009
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		245,463	131,668	245,463	131,668
Interest income	A13	64,719	49,843	64,719	49,843
Interest expense	A14	(28,144)	(28,334)	(28,144)	(28,334)
Net interest income		36,575	21,509	36,575	21,509
Other operating income	A15	174,228	76,779	174,228	76,779
Net income from Islamic banking operations	A26	1,889	1,638	1,889	1,638
Other operating expenses	A16	(136,731)	(85,448)	(136,731)	(85,448)
Allowance for impaired loans, advances and financing	A17	(3,248)	(1,041)	(3,248)	(1,041)
Write back of impaired trade and other receivables	A18	243	1,177	243	1,177
Allowance for impairment losses	A19	(15,400)	(126)	(15,400)	(126)
Share of results after tax of associated companies		630	(4,536)	630	(4,536)
Profit before tax		58,186	9,952	58,186	9,952
Income tax expense	B6	(18,138)	(3,815)	(18,138)	(3,815)
Profit after tax for the period		40,048	6,137	40,048	6,137
Profit attributable to:					
Owners of the Company		32,244	3,959	32,244	3,959
Minority interests		7,804	2,178	7,804	2,178
		40,048	6,137	40,048	6,137
Earnings per share attributable to equity holders of the Company (sen):					
Basic	B14	3.91	# 0.49	3.91	# 0.49
Diluted	B14	3.90	# 0.49	3.90	# 0.49

The weighted average number of ordinary shares in issue of the comparative quarter/preceding year to date has adjusted for the effect of bonus issue on the basis of one (1) new Share ("Bonus Share") for every four (4) existing Shares held, which was completed on 25 January 2010.

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter ended 31.3.2010 RM'000	Comparative quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
Profit after tax for the period	40,048	6,137	40,048	6,137
Other comprehensive (loss)/income				
Foreign currency translation (loss)/gain	(25,292)	4,120	(25,292)	4,120
Unrealised net gain on revaluation of securities available-for-sale	1,500	5,684	1,500	5,684
Share of other comprehensive income of associated companies	-	1,835	-	1,835
Income tax relating to components of other comprehensive income	(386)	(1,407)	(386)	(1,407)
Other comprehensive (loss)/income for the period, net of tax	(24,178)	10,232	(24,178)	10,232
Total comprehensive income for the period, net of tax	15,870	16,369	15,870	16,369
Total comprehensive income attributable to:				
Owners of the Company	15,294	13,427	15,294	13,427
Minority interests	576	2,942	576	2,942
	15,870	16,369	15,870	16,369

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

RM'000	Attributable to owners 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		
As at 1.1.2010													
As previously reported	678,665	(29,782)	502	-	1,094	6,616	206,078	(9,024)	-	432,992	1,287,141	224,546	1,511,687
Adoption of FRS 139	-	-	-	-	-	-	-	1,858	-	(3,325)	(1,467)	-	(1,467)
As restated	678,665	(29,782)	502	-	1,094	6,616	206,078	(7,166)	-	429,667	1,285,674	224,546	1,510,220
Total comprehensive income	-	-	-	-	-	(18,064)	-	1,114	-	32,244	15,294	576	15,870
Dividend to minority interests	-	-	-	-	-	-	-	-	-	-	-	(8,839)	(8,839)
Share issued pursuant to:													
- exercise of ESOS	1,087	-	30	-	-	-	-	-	-	-	1,117	-	1,117
- conversion of Warrant B 2000/2010	116,325	-	803	-	-	-	-	-	-	-	117,128	-	117,128
Bonus issue	164,672	-	(1,335)	-	-	-	-	-	-	(163,337)	-	-	-
Reserve realised upon exercise of ESOS	-	-	-	-	(163)	-	-	-	-	163	-	-	-
Total transactions with owner	282,084	-	(502)	-	(163)	-	-	-	-	(163,174)	118,245	(8,839)	109,406
As at 31.3.2010	960,749	(29,782)	-	-	931	(11,448)	206,078	(6,052)	-	298,737	1,419,213	216,283	1,635,496
As at 1.1.2009	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
Total comprehensive income	-	-	-	-	-	4,233	-	4,277	958	3,959	13,427	2,942	16,369
Dividends to minority interests	-	-	-	-	-	-	-	-	-	-	-	(8,816)	(8,816)
Total transactions with owner	-	-	-	-	-	-	-	-	-	-	-	(8,816)	(8,816)
As at 31.3.2009	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

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
Cash Flows From Operating Activities		
Profit before tax	58,186	9,952
Adjustments for :-		
Interest expense	1,546	2,227
Interest income	(18)	(203)
Other non-cash and non-operating items	13,876	5,010
Share of results after tax of associated companies	(630)	4,536
Operating profit before working capital changes	72,960	21,522
<i>(Increase)/Decrease in operating assets:</i>		
Deposits and placements with banks and other financial institutions	-	(64,465)
Reverse repurchase agreements	(2,912)	-
Loans, advances and financing	(120,785)	60,249
Statutory and reserve deposits with Central Banks	(8,753)	53,226
Securities held-for-trading	(25,957)	12,552
Securities held-to-maturity	352,237	(294,454)
Securities available-for-sale	(374,072)	(167,815)
Other operating assets	257,384	(676,106)
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits from customers	6,042	838,782
Deposits and placements of banks and other financial institutions	127,907	(216,204)
Obligations on securities sold under repurchase agreements	-	(249)
Other operating liabilities	(369,316)	651,541
Cash (used in)/generated from operations	(85,265)	218,579
Income tax paid net of refund	(7,025)	(8,238)
Net cash (used in)/generated from operating activities	(92,290)	210,341
Cash Flows From Investing Activities		
Acquisition of additional shares in an associated company	-	(1,470)
Dividend received	423	39
Interest received	18	203
Payment for intangible assets	(7)	(110)
Proceeds from disposal of equipment	211	196
Purchase of equipment	(5,349)	(2,108)
Net cash used in investing activities	(4,704)	(3,250)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont'd)

	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
Cash Flows From Financing Activities		
Dividends paid by a subsidiary company to minority shareholders	(8,839)	(8,816)
(Repayment)/drawdown of short term borrowing	(69,386)	1,869
Interest paid	(1,546)	(2,227)
Payments of finance lease instalments	-	(178)
Proceeds from issuance of shares:		
- exercise of ESOS	1,117	-
- conversion of Warrant B 2000/2010	117,128	-
Repayment of term loans	(12,500)	-
Net cash generated from/(used in) financing activities	<u>25,974</u>	<u>(9,352)</u>
Net (decrease)/increase in cash and cash equivalents	(71,020)	197,739
Effects of exchange rate changes	(22,518)	4,060
Cash and cash equivalents at beginning of period	826,578	1,010,730
Cash and cash equivalents at end of period	<u>733,040</u>	<u>1,212,529</u>
Cash and cash equivalents at end of period comprised:		
Cash, bank balances and deposits - General accounts	314,811	372,029
Money at call and deposits placements with maturity within one month	418,229	840,500
	<u>733,040</u>	<u>1,212,529</u>

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report.)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**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 2009 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 2009.

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 2009 except for the adoption of the following FRSs, amendments to FRSs, Issues Committee ("IC") Interpretations, Technical Releases ("TR") and Statement of Principles ("SOP") which effective for annual periods beginning on and after:

1 July 2009

FRS 8 Operating Segments

1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statements of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events After the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**A1. Basis of preparation (Cont'd)****1 January 2010 (Cont'd)**

Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 132	Financial Instruments: Presentation - paragraphs 95A, 97AA and 97AB
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendments to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions
SOP i-1	Financial Reporting from an Islamic Perspective

FRS 4, Amendments to FRS 120, 123 and FRS 129 and IC Interpretations 13 and 14 are not applicable to the Group. Adoption of amendments to FRSs, IC Interpretations, TR and SOP did not have any significant effect on the financial performance or position of the Group. The adoption of FRSs and amendments to FRS are discussed below:

- (a) FRS 8 Operating Segments – FRS 8 requires a retrospective disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the business segments previously adopted per FRS114 Segment Reporting. Adoption of FRS 8 did not have any effect on the financial position or performance of the Group.
- (b) FRS 7 Financial Instruments: Disclosures – FRS 7 requires a retrospective disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed during the period and at the reporting date, and how the entity manages those risks. The principles in this FRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in FRS 132 Financial Instruments: Presentation and FRS 139 Financial Instruments: Recognition and Measurement.

FRS 7 requires disclosures on the significant of financial instruments for financial position (i.e. Categories of financial assets and financial liabilities, Financial assets or financial liabilities at fair value through profit or loss, Reclassification, Derecognition, Collateral, Allowance account for credit losses, Compound financial instruments with multiple embedded derivatives and Defaults and breaches); performance (i.e. Items of income, expense, gains or losses); and other disclosures (i.e. Accounting policies, Hedge accounting and Fair value).

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A1. Basis of preparation (Cont'd)

FRS 7 also requires disclosures on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. The adoption of FRS 7 did not impact the financial position or results of the Group.

- (c) FRS 101 : Presentation of Financial Statements – FRS 101 requires the Group to present all owner changes in equity and all non-owner changes be presented in either in one statement of comprehensive income or in two separate statements of income and comprehensive income. FRS 101 also requires that the income tax effect of each component of comprehensive income be disclosed. FRS 101 requires retrospective restatement of comparative statement of financial position as at the beginning of the earliest comparative period.

The Group has adopted to present the comprehensive income in two separate statements of income and comprehensive income where the individual components of comprehensive income and the related tax effects have been disclosed therein. The Group has not provided a restated comparative set of financial position for the earliest comparative period, as it has not adopted any new accounting policies retrospectively, or has made a retrospective restatement, or retrospectively reclassified items in the financial statements. The adoption of FRS 101 did not impact the financial position or results of the Group as the changes introduced are presentational in nature.

- (d) FRS139 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of FRS 139 has resulted in changes in accounting policies. Retrospective application of FRS 139 is not permitted and financial effects for the current year are shown in financial statements and prior year effects are reflected as restatement of opening reserves as disclosed statement of changes in equity for the current year to date.

With effect from 1 January 2008, the Group adopted BNM/GP8 that comprised certain principles for recognising and measuring financial instruments, which are similar to those prescribed under FRS 139. These accounting policies are set out in Note 3 to annual financial statements for the year ended 31 December 2009.

BNM also issued the guidelines on Classification and Impairment Provisions for Loans/Financing which are effective for financial years beginning on and after 1 January 2010. The guidelines set out the minimum requirements on classification of impaired loans/financing and provisioning for loans/financing impairment with the adoption of FRS 139. The guidelines superseded the existing guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts (BNM/GP3) which was issued on 7 August 2008.

As a transitional provisions under the Amendments to FRS 139, the Financial Services sector is granted a transitional period for the purpose of complying with the collective assessment of impairment required under FRS 139. During the transitional period, the wholly-owned banking subsidiary, OSK Investment Bank Berhad ("OSKIB") is required to comply with the requirements on collective assessment of impairment of loans and financing under the guidelines on Classification and Impairment Provisions for Loans/Financing. OSKIB is required to maintain collective impairment provisions of at least 1.5% of total outstanding loans/financing, net of individual impairment allowance.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A1. Basis of preparation (Cont'd)

FRS 139 requires that financial assets classified as held-to-maturity and loans and receivables are measured at amortised cost using the effective interest method. The securities held-to-maturity of the Group had been measured on this basis under the requirements of BNM's revised BNM/GP8 effective from 1 January 2005 and interest income from loans and receivables continued to be recognised based on contractual interest rates. With adoption of FRS 139, interest income is recognised using effective interest rates. This change in accounting policy has been accounted for prospectively.

Prior to adoption of FRS 139, interest accrued and recognised as income prior to the date that a loan is classified as non-performing is reversed out of income and set-off against the interest receivable account in the statement of financial position. Subsequently, interest on the non-performing loan is recognised as income on a cash basis. FRS 139 requires interest income from an impaired loan be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

FRS 139 requires embedded derivatives to be separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to that of the host contract and the fair value of the resulting derivative can be reliably measured. There were no material embedded derivatives which were not closely related to the host contracts and which required bifurcation.

- (e) Amendments to FRS 117 – Prior to 1 January 2010, FRS 117 requires all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets; and also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Adoption of the amendments to FRS 117 has resulted in the unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and comparatives have been restated as shown below:

	As previously reported RM'000	Effect of amendments to FRS 117 RM'000	As Restated RM'000
As at 31.12.2009			
Prepaid land lease payments	11,903	(11,903)	-
Property and equipment	161,359	11,903	173,262

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**A1. Basis of preparation (Cont'd)**

The Group had not adopted the following FRSs, Amendments to FRSs, IC Interpretations, TR and SOP effective for annual periods beginning on and after:

1 March 2010

Amendments to FRS 132 Financial Instruments: Presentation - paragraphs 11, 16 and 97E

1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

1 January 2011

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments

FRS 1 and IC Interpretations 12 and 15 are not applicable to the Group. The other FRSs, amendments to FRSs, IC Interpretations above are expected to have no significant impact on the financial statements upon their initial application.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A1. Basis of preparation (Cont'd)

Reclassification of securities

During the previous financial years, OSK Investment Bank Berhad ("OSKIB"), a wholly-owned subsidiary company, has reclassified certain securities held-for-trading ("HFT") to 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 permissible from 1 July 2008 until 31 December 2009. OSKIB has also reclassified certain securities available-for-sales ("AFS") to held-to-maturity ("HTM") during the previous financial year as shown below:

(a) Amounts reclassified

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

(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 31.3.2010 RM'000	As at 31.12.2009 RM'000
(i) Securities AFS reclassified to securities HTM		
- Carrying value	177,441	238,227
- Fair value	170,029	<u>217,230</u>
(ii) Securities HFT reclassified to securities AFS		
- Carrying value	42,160	42,216
- Fair value	42,160	<u>42,216</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A1. Basis of preparation (Cont'd)

(c) Fair value loss recognised

	Current quarter ended 31.3.2010 RM'000	Comparative quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
Income statement	-	-	-	-
Statement of changes in equity				
Available-for-sale reserve	(889)	(816)	(889)	(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

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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
A5. Changes in debt and equity securities
(a) Executive Share Option Scheme (“ESOS”) of the Company

During the current year to date, the Company has issued 1,086,800 new ordinary shares of RM1 each for cash at the respective exercise prices pursuant to the ESOS and the total cash proceeds arising from the exercise of options amounted to RM1,116,890. The movement in the ESOS during the current year to date is as follows:

Date of offer	Exercise price* (RM)	No. of options over ordinary shares of RM1 each				As at 31.3.2010
		As at				
		1.1.2010	Bonus issue*	Exercised	Forfeited	
27.6.2003	1.00	963,900	201,875	(156,400)	-	1,009,375
16.3.2004	1.00	3,185,240	670,935	(546,500)	-	3,309,675
29.4.2005	1.00	713,800	225,725	-	-	939,525
3.5.2006	1.00	2,732,800	614,274	(383,900)	-	2,963,174
		7,595,740	1,712,809	(1,086,800)	-	8,221,749

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.

- * The ESOS committee on 6 October 2009 and 26 January 2010 approved the adjustments of ESOS exercise prices pursuant to Clause 18.3(c)(1) of the ESOS By-Laws based on the shares distribution in listed subsidiary companies and bonus issue exercise implemented. Additional 1,712,809 new options were issued consequential to the bonus issue as disclosed in Note A5(d).

(b) Warrant B 2000/2010 of the Company

On 25 January 2010, the subscription price of Warrant B 2000/2010 was revised downward from RM1.25 to RM1.00 and an additional 24,150,922 Warrant B 2000/2010 were issued pursuant to the bonus issue as disclosed in Note 5(d).

During the current year to date, the Company issued a total of 116,324,264 new ordinary shares of RM1 each for total cash proceed of RM117,127,847 out of which 3,214,332 warrants were converted for cash at RM1.25 each and 113,109,932 warrants were converted for cash at RM1.00 each.

On 1 March 2010, the balance 7,644,678 Warrant B 2000/2010 not exercised on expiry date were removed from the Official List of Bursa Securities.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**A5. Changes in debt and equity securities (Cont'd)****(c) Share buybacks / Treasury shares of the Company**

During the current year to date, the Company did not purchase any of its own ordinary shares from the open market. 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 1.1.10 / 31.3.10	24,149,412	2.82	0.90	1.23	29,781,821

(d) Bonus issue by the Company

On 25 January 2010, the Company issued additional 164,672,464 new ordinary shares of RM1.00 each as Bonus Shares and listed on 26 January 2010. The new ordinary shares rank pari passu in all respect with the existing ordinary shares of the Company.

Consequentially, pursuant to Condition 2 of the Second Schedule and Clause 2(b)(ii) of the Memorandum to the Deed Poll dated 6 January 2000 as amended by the supplemental deed poll dated 30 November 2004 ("Deed Poll") constituting the Warrant B 2000/2010, that the subscription price of the Warrant B 2000/2010 revised downwards from RM1.25 to RM1.00 and an additional 24,150,922 Warrant B 2000/2010 issued pursuant to the adjustment of the subscription price.

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

A6. Dividends paid

There were no dividend being paid during the current year to date.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
A7. Securities portfolio		
(a) Securities held-for-trading		
At fair value		
Money market instruments:		
Malaysian Government Securities	10,025	-
Quoted securities:		
Shares, exchange traded funds and warrants		
- in Malaysia	67,543	72,620
- outside Malaysia	48,840	38,241
Trusts units in Malaysia	1,880	2,847
	118,263	113,708
Unquoted securities:		
Private and Islamic debt securities outside Malaysia	102,533	89,957
	230,821	203,665
(b) Securities held-to-maturity		
At amortised cost		
Money market instruments:		
Bankers' acceptance and Islamic accepted bills	-	12,410
Cagamas bonds	5,054	5,059
Malaysian Government Investment Issues	155,709	155,831
Negotiable instruments of deposit	159,966	440,000
	320,729	613,300
Unquoted securities:		
Private and Islamic debt securities	347,475	410,796
	668,204	1,024,096

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
A7. Securities portfolio (Cont'd)		
(c) Securities available-for-sale		
At fair value		
Money market instruments:		
Bankers' acceptance and Islamic accepted bills	844,302	533,278
Cagamas bonds	12,105	12,117
Khazanah bonds	-	-
Malaysian Government Investment Issues	187,658	137,311
Malaysian Government Securities	534,261	574,599
Negotiable instruments of deposit	120,339	130,699
	1,698,665	1,388,004
Quoted securities:		
Shares and warrants in Malaysia	878	963
Shares outside Malaysia	104	91
	982	1,054
Unquoted securities:		
Shares		
- in Malaysia	2,855	2,855
- outside Malaysia	7,864	8,222
Private and Islamic debt securities	1,413,444	1,355,252
Impairment losses	(39,486)	(24,086)
	1,373,958	1,331,166
	1,384,677	1,342,243
	3,084,324	2,731,301

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
A8. Loans, advances and financing		
Term loans	335,263	312,670
Revolving credit	30,020	-
Staff loans	1,631	1,499
Share margin financing	708,066	639,869
	1,074,980	954,038
Unearned interest and income	(18)	(22)
	1,074,962	954,016
Interest-in-suspense*	(2,635)	(2,080)
	1,072,327	951,936
Allowance for impaired loans, advances & financing		
- Individual assessment	(10,722)	-
- Collective assessment	(11,412)	-
- Specific	-	(8,652)
- General	-	(10,627)
Total net loans, advances and financing	1,050,193	932,657

* In accordance with the Rules of Bursa Malaysia Securities Berhad

(a) Analysis of gross loans, advances and financing

(i) Analysed by type of customer

Domestic business enterprises		
- Small and medium enterprises	305,851	287,791
Foreign entities	125,162	107,187
Other domestic entities	62,230	28,733
Individuals	581,719	530,305
	1,074,962	954,016

(ii) Analysed by interest rate sensitivity

Fixed rate	962,792	881,909
Variable rate		
- cost plus	68,773	47,917
- others	43,397	24,190
	1,074,962	954,016

(iii) Analysed by economic purpose

Working capital	82,425	28,943
Purchase of securities	827,902	802,864
Others	164,635	122,209
	1,074,962	954,016

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
A8. Loans, advances and financing (Cont'd)		
(b) Impaired loans/financing		
Purchase of securities	27,504	22,993
Movement in impaired loans		
At beginning of period/year	22,993	34,590
Classified as impaired	4,889	9,135
Reclassified as non-impaired	(229)	(18,676)
Amount recovered	(18)	-
Amount written off	-	(3,304)
Exchange differences	(131)	1,248
At end of period/year	27,504	22,993
Individual assessment allowance	(5,728)	-
Specific allowance	-	(8,652)
Net impaired loans, advances and financing	21,776	14,341
Ratio of net impaired loans and financing to net loans and financing	2.07%	1.54%
(c) Movement in the allowance for impaired loans, advances and financing		
Individual assessment allowance		
At beginning of period/year		
As previously reported	-	-
Adoption of FRS139	(8,652)	-
As restated	(8,652)	-
Allowance made	(2,213)	-
Allowance written back	118	-
Exchange difference	25	-
At end of period/year	(10,722)	-

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
A8. Loans, advances and financing (Cont'd)		
(c) Movement in the allowance for impaired loans, advances and financing (Cont'd)		
Collective assessment allowance		
At beginning of period/year		
As previously reported	-	-
Adoption of FRS139	(10,627)	-
As restated	(10,627)	-
Allowance made	(3,309)	-
Allowance written back	2,491	-
Exchange difference	33	-
At end of period/year	(11,412)	-
As % of gross loan, advances and financing less individual assessment allowance	1.07%	0.00%
Specific allowance		
At beginning of period/year		
As previously reported	(8,652)	(16,455)
Adoption of FRS139	8,652	-
As restated	-	(16,455)
Allowance made	-	(3,686)
Allowance written back	-	9,412
Amount written off	-	2,421
Exchange difference	-	(344)
At end of year	-	(8,652)
General allowance		
At beginning of period/year		
As previously reported	(10,627)	(5,338)
Adoption of FRS139	10,627	-
As restated	-	(5,338)
Allowance made	-	(5,305)
Exchange difference	-	16
At end of year	-	(10,627)
As % of gross loan, advances and financing less specific allowance	0.00%	1.13%

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
A9. Other assets		
Interest/income receivable	44,014	37,807
Security deposits and statutory funds	5,454	4,188
Trade receivables	2,321,648	2,665,716
Less: Interest-in-suspense *	(4,105)	(3,883)
Individual assessment allowance	(13,492)	-
Specific allowance	-	(13,500)
Other receivables, deposits and prepayments	40,891	29,583
Transferable golf memberships	268	228
	2,394,678	2,720,139
* In accordance with the Rules of Bursa Malaysia Securities Berhad		
A10. Deposits from customers		
(a) By type of deposit		
Demand deposits	36,447	6,459
Fixed deposits	2,793,433	2,786,827
Mudharabah general deposits	674,279	775,823
Negotiable instruments of deposits	229,247	189,773
Saving deposits	7,894	6,833
Short term deposits	620,388	589,919
Others	51	63
	4,361,739	4,355,697
(b) By type of customer		
Business enterprises	1,413,308	1,341,004
Domestic non-bank financial institutions	2,355,520	2,275,142
Individuals	134,299	99,906
Local government and statutory bodies	458,004	629,534
Others	608	10,111
	4,361,739	4,355,697
A11. Deposits and placements of banks and other financial institutions		
Licensed banks	153,218	39,363
Licensed investment banks	40,000	60,000
Other financial institutions	108,911	74,859
	302,129	174,222
A12. Other liabilities		
Interest/income payable	31,426	29,158
Trade payables	2,917,187	3,270,053
Other payables, deposits and accruals	121,378	141,918
Amount due to an associated company	3,614	3,575
Profit equalisation reserve of Islamic banking operations	795	759
	3,074,400	3,445,463

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Current quarter ended 31.3.2010 RM'000	Comparative quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
A13. Interest income				
Loans, advances and financing	19,596	19,633	19,596	19,633
Deposits and placements with financial institutions	5,782	8,434	5,782	8,434
Securities held-for-trading	1,517	306	1,517	306
Securities held-to-maturity	6,663	5,323	6,663	5,323
Securities available-for-sale	21,395	10,513	21,395	10,513
Stock-broking and futures broking clients	785	235	785	235
Others	44	32	44	32
	55,782	44,476	55,782	44,476
Accretion of discount less amortisation of premium	8,937	5,367	8,937	5,367
	64,719	49,843	64,719	49,843

A14. Interest expense

Deposits from customers	(24,094)	(24,212)	(24,094)	(24,212)
Deposits and placements of financial institutions	(403)	(35)	(403)	(35)
Obligations on securities sold under repurchase agreements	-	(1)	-	(1)
Subordinated notes	(1,849)	(1,849)	(1,849)	(1,849)
Borrowings	(1,788)	(2,235)	(1,788)	(2,235)
Others	(10)	(2)	(10)	(2)
	(28,144)	(28,334)	(28,144)	(28,334)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

Current quarter ended 31.3.2010 RM'000	Comparative quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
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A15. Other operating income
(a) Fees and commission

Advisory, agency, arrangement, placement and referral fees	11,138	6,467	11,138	6,467
Commission	2,798	4,737	2,798	4,737
Fees earned from management of unit trust funds	13,687	9,230	13,687	9,230
Gross brokerage fees	103,536	43,613	103,536	43,613
Loan processing, facility and commitment fees and carrying charges	4,403	3,363	4,403	3,363
Service charges on sale of trust units	7,476	1,811	7,476	1,811
Trustee and will-writing fees	1,276	1,310	1,276	1,310
Others	547	468	547	468
	144,861	70,999	144,861	70,999

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

Securities held-for-trading	(195)	(521)	(195)	(521)
Securities available-for-sale	1,663	421	1,663	421
Derivative financial instruments	640	7,107	640	7,107
	2,108	7,007	2,108	7,007

(c) Gross dividend income

Securities held-for-trading	433	41	433	41
	433	41	433	41

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Current quarter ended 31.3.2010	Comparative quarter ended 31.3.2009	Current year to date ended 31.3.2010	Preceding year to date ended 31.3.2009
	RM'000	RM'000	RM'000	RM'000

A15. Other operating income (Cont'd)
**(d) Unrealised gain/(loss) on revaluation
of trading securities and derivatives**

Fund manager's stocks	120	65	15	209
Fund manager's portfolio	632	1,671	1,071	(244)
Marketable securities	(191)	934	4,174	(2,821)
Fixed income & Money Market Instrum	(17)	730	(2,239)	455
Share & warrants	(2,255)	(9,838)	(396)	(9,586)
Unquoted share - overseas	-	-	-	-
Securities held-for-trading	1,522	(3,215)	1,522	(3,215)
Derivative financial instruments	32,898	(3,651)	32,898	(3,651)
	34,420	(6,866)	34,420	(6,866)

(e) Unrealised gain/(loss) on derivatives

Unexpired structured warrants	2,537	(3,249)	2,537	(3,249)
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**(f) Unrealised (loss)/gains from
foreign exchange translations**

	(17,443)	819	(17,443)	819
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(g) Other income

Net gain on disposal of equipment	219	128	219	128
Realised gain on foreign exchange	3,546	2,341	3,546	2,341
Net gain on interest rate swaps	86	32	86	32
Rental income	1,791	1,452	1,791	1,452
Sales of oil palm produce	51	24	51	24
Others	1,619	4,051	1,619	4,051
	7,312	8,028	7,312	8,028

	174,228	76,779	174,228	76,779
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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Current quarter ended 31.3.2010 RM'000	Comparative quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
A16. Other operating expenses				
(a) Personnel expenses				
Salaries, allowances, bonuses and gratuity	(51,022)	(32,235)	(51,022)	(32,235)
Pension costs - defined contribution plan	(3,165)	(3,991)	(3,165)	(3,991)
Others	(2,574)	(1,456)	(2,574)	(1,456)
	(56,761)	(37,682)	(56,761)	(37,682)
(b) Promotional, marketing and trading expenses				
Advertisement and promotion	(2,828)	(1,895)	(2,828)	(1,895)
Commission	(37,967)	(15,039)	(37,967)	(15,039)
Fees and charges	(12,237)	(10,009)	(12,237)	(10,009)
Deposit insurance	597	-	597	-
Others	(1)	(307)	(1)	(307)
	(52,436)	(27,250)	(52,436)	(27,250)
(c) Establishment related expenses				
Depreciation and amortisation	(3,817)	(3,682)	(3,817)	(3,682)
Insurance	(405)	(1,150)	(405)	(1,150)
Rental of equipment	(1,197)	(1,148)	(1,197)	(1,148)
Rental of premises	(4,651)	(4,051)	(4,651)	(4,051)
Repair and maintenance	(2,172)	(1,119)	(2,172)	(1,119)
Utility expenses	(1,332)	(1,181)	(1,332)	(1,181)
Others	(915)	(1,148)	(915)	(1,148)
	(14,489)	(13,479)	(14,489)	(13,479)
(d) General administrative expenses				
Communication expenses	(2,658)	(1,271)	(2,658)	(1,271)
Legal and professional fees	(867)	(844)	(867)	(844)
Printing and stationery	(1,566)	(1,170)	(1,566)	(1,170)
Administrative	(7,699)	(3,415)	(7,699)	(3,415)
Others	(255)	(337)	(255)	(337)
	(13,045)	(7,037)	(13,045)	(7,037)
	(136,731)	(85,448)	(136,731)	(85,448)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Current quarter ended 31.3.2010 RM'000	Comparative quarter ended 31.3.2009 RM'000	Current year to date ended 31.3.2010 RM'000	Preceding year to date ended 31.3.2009 RM'000
A17. Allowance for impaired loans, advances and financing				
Specific allowance - Made	-	(1,374)	-	(1,374)
- Written back	-	40	-	40
General allowance (net) - Written back	-	94	-	94
Individual assessment allowance				
- Made	(2,214)	-	(2,214)	-
- Written back	118	-	118	-
Collective assessment allowance (net)				
- Made	(817)	-	(817)	-
Bad debts				
Recovered	-	200	-	200
Written off	(335)	(1)	(335)	(1)
	(3,248)	(1,041)	(3,248)	(1,041)
A18. Write back of impaired trade and other receivables				
Specific allowance - Made	-	(830)	-	(830)
- Written back	-	1,994	-	1,994
General allowance (net) - Made	-	(5)	-	(5)
Individual assessment allowance				
- Made	(1,276)	-	(1,276)	-
- Written back	1,512	-	1,512	-
Bad debts				
Recovered	7	18	7	18
Written off	-	-	-	-
	243	1,177	243	1,177
A19. Allowance for impairment losses				
Goodwill on consolidation	-	(126)	-	(126)
Securities available-for-sale	(15,400)	-	(15,400)	-
	(15,400)	(126)	(15,400)	(126)
A20. Segmental information				

Please refer to Appendix I.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A21. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the quarter.

A22. Changes in the composition of the Group

- (a) Proposed Transfer of 20% equity interest each in OSK Trustees Berhad (“OSKT”) by TCL Nominees (Tempatan) Sdn. Bhd. and KE-ZAN Nominees (Tempatan) Sdn. Bhd. to OSK Nominees (Asing) Sdn. Bhd. (“OSKNA”) and OSK Futures And Options Sdn. Bhd. (“OSKFO”) respectively

On 20 January 2010, the Group completed the Transfer and the shareholding in OSKT is held equally by the following companies within the OSK Group:-

- (i) the Company;
- (ii) OSK Investment Bank Berhad;
- (iii) OSK Nominees (Tempatan) Sdn. Berhad;
- (iv) OSK Nominees (Asing) Sdn. Berhad; and
- (v) OSK Futures And Options Sdn. Bhd.

- (b) Subscription of shares by OSKIB in OSK Indochina Bank Limited (“OSKIBL”)

On 11 February 2010, OSKIB increased its investment in a wholly-owned Cambodian banking subsidiary, OSKIBL, by the subscription of additional USD12.25 million (equivalent to RM42.115 million) of registered capital of OSKIBL for business expansion. The issued and paid-up share capital of OSKIBL has been increased to RM127.377 million from RM85.262 million.

- (c) Incorporation of OSK Indochina Securities Limited (“OSKISL”)

On 17 February 2010, OSK Indochina Bank Limited (“OSKIBL”), a wholly-owned subsidiary company of OSKIB, has incorporated a wholly-owned subsidiary company, OSKISL, to undertake stockbroking, corporate finance, underwriting, placement and other related activities in Cambodia. OSKISL was incorporated with an issued and paid-up share capital of USD10,000,000 divided into 10,000,000 ordinary shares of USD1.00 each.

A23. Commitments and contingencies

Please refer to Appendix II.

A24. Interest/profit rate risk

Please refer to Appendix III.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A25. Capital Adequacy

The capital base and risk weighted assets ("RWA"), as set out below are disclosed in accordance with Risk-Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements ("Pillar 3") issued by Bank Negara Malaysia.

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

(a) Risk weighted capital ratios and Tier I and Tier II capital

(i) The capital adequacy ratios and capital base of OSKIB Group and OSKIB are as follows:

	OSKIB Group		OSKIB [^]	
	As at 31.3.2010	As at 31.12.2009	As at 31.3.2010	As at 31.12.2009
Before deducting proposed dividends:				
Core capital ratio	26.01%	27.85%	19.43%	22.58%
Risk weighted capital ratio	28.56%	30.56%	19.43%	22.58%
After deducting proposed dividends:				
Core capital ratio	25.18%	26.97%	18.15%	21.21%
Risk weighted capital ratio	27.73%	29.68%	18.15%	21.21%

[^] In accordance with Section 7.3 of Guidelines on Risk Weighted Capital Adequacy Framework (General Requirements and Capital Components) issued by Bank Negara Malaysia, if deduction from Total Capital (i.e investment in subsidiary companies at OSKIB level) is more than eligible Tier 2 capital, the core capital ratio will be equal to the risk-weighted capital ratio.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
A25. Capital Adequacy (Cont'd)
(a) Risk weighted capital ratios and Tier I and Tier II capital (Cont'd)
(i) The capital adequacy ratios and capital base of OSKIB Group and OSKIB are as follows: (Cont'd)

	OSKIB Group		OSKIB	
	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
Issued and fully paid share capital	630,000	630,000	630,000	630,000
Retained profits - Audited	153,275	153,275	69,774	69,774
- Adoption of FRS139	(3,205)	-	(3,205)	-
Statutory reserve	206,078	206,078	206,078	206,078
Tier 1 minority interests	225,185	225,185	-	-
	1,211,333	1,214,538	902,647	905,852
Less: Goodwill	(99,959)	(99,959)	(46,516)	(46,516)
Deferred tax assets	(2,032)	(2,860)	(228)	(1,041)
Tier I capital	1,109,342	1,111,719	855,903	858,295
Collective assessment allowance	8,841	-	8,058	-
General allowance	-	8,179	-	7,630
Maximum allowance subordinated debt capital	100,000	100,000	100,000	100,000
Tier II capital	108,841	108,179	108,058	107,630
Total capital	1,218,183	1,219,898	963,961	965,925
Less: Investments in subsidiary companies	-	-	(424,022)	(381,907)
Capital base	1,218,183	1,219,898	539,939	584,018

The capital adequacy ratios of OSKIB Group consist of capital base and RWA derived from consolidated balances of OSKIB and its subsidiary companies. The capital adequacy ratios of OSKIB consist of capital base and RWA derived from OSKIB.

The capital adequacy ratios of OSKIB Group and OSKIB are computed in accordance with RWCAF-Basel II. OSKIB Group and OSKIB have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (2009: 8.0%) for the risk weighted capital ratio.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A25. Capital Adequacy (Cont'd)

(a) Risk weighted capital ratios and Tier I and Tier II capital (Cont'd)

(ii) The capital adequacy ratios and capital base of the wholly owned Cambodia banking subsidiary of OSKIB, OSK Indochina Bank Limited ("OSKIBL"), are as follows:

	OSKIBL	
	As at	As at
	31.3.2010	31.12.2008
Before deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	71.21%	69.31%
	<hr/>	<hr/>
After deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	71.21%	69.31%
	<hr/>	<hr/>

The Solvency Ratio of OSKIBL is the nearest equivalent regulatory compliance ratio in Cambodia computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. These ratios are derived as OSKIBL's net worth divided by its risk-weighted assets and off balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15.0%.

No equivalent ratio in Cambodia.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
A25. Capital Adequacy (Cont'd)
(b) Risk weighted assets and capital requirements for credit risk, market risk, operational risk and large exposures risk
As at 31.3.2010
OSKIB Group

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weights Assets RM'000	Capital Require- ments RM'000
(i) Credit risk				
<i>On Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	1,722,211	1,722,211	-	-
Banks, development financial institutions and multilateral development banks	2,347,724	2,347,724	623,094	49,848
Insurance companies, securities firms and fund managers	1,516,850	1,516,850	303,370	24,270
Corporates	2,405,173	1,700,392	1,120,704	89,656
Other assets	212,251	212,251	212,251	16,980
Total on balance sheet exposures	8,204,209	7,499,428	2,259,419	180,754
<i>Off Balance Sheet Exposures:</i>				
Over-the-counter ("OTC") derivatives	648,029	648,029	134,505	10,760
Credit derivatives	-	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	82,481	82,481	56,481	4,518
Defaulted exposures	-	-	-	-
Total off balance sheet exposures	730,510	730,510	190,986	15,278
Total on and off balance sheet exposures	8,934,719	8,229,938	2,450,405	196,032
(ii) Large exposures risk requirement	2,084	2,084	2,084	-
(iii) Market risk	Long Position	Short Position		
Interest rate risk	275,000	210,000	57,276	4,582
Foreign currency risk	668,322	(38,342)	668,326	53,466
Equity risk	22,656	-	60,439	4,835
Option risk	75,093	-	21,239	1,699
Total	1,041,071	171,658	807,280	64,582
(iv) Operational risk			1,005,974	80,478
(v) Total RWA and capital requirements			4,265,743	341,092

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
A25. Capital Adequacy (Cont'd)
(b) Risk weighted assets and capital requirements for credit risk, market risk, operational risk and large exposures risk (Cont'd)
As at 31.3.2010

OSKIB	Gross	Net	Risk-	Capital
Exposure Class	Exposures	Exposures	Weights	Require
	RM'000	RM'000	Assets	-ments
			RM'000	RM'000
(i) Credit risk				
<i>On Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	1,201,511	1,201,511	-	-
Banks, development financial institutions and multilateral development banks	2,344,061	2,344,061	622,362	49,789
Insurance companies, securities firms and fund managers	343,927	343,927	68,785	5,503
Corporates	1,803,856	1,377,236	797,547	63,804
Other assets	132,140	132,140	132,140	10,571
Total on balance sheet exposures	5,825,495	5,398,875	1,620,834	129,667
<i>Off Balance Sheet Exposures:</i>				
Over-the-counter ("OTC") derivatives	648,029	648,029	134,505	10,760
Credit derivatives	-	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	78,669	78,669	52,669	4,214
Defaulted exposures	-	-	-	-
Total off balance sheet exposures	726,698	726,698	187,174	14,974
Total on and off balance sheet exposures	6,552,193	6,125,573	1,808,008	144,641
(ii) Large exposures risk requirement	2,084	2,084	2,084	-
(iii) Market risk	Long	Short		
	Position	Position		
Interest rate risk	275,000	210,000	57,277	4,582
Foreign currency risk	272,150	(537)	272,150	21,772
Equity risk	4,165	-	11,002	880
Option risk	75,093	-	21,239	1,699
Total	626,408	209,463	361,668	28,933
(iv) Operational risk			607,166	48,573
(v) Total RWA and capital requirements			2,778,926	222,147

OSKIB Group and OSKIB do not have any issuances of Profit Sharing Investment Account ("PSIA") used as a risk absorbent.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. Islamic banking operations of OSK Investment Bank Berhad

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	OSKIB As at 31.3.2010 RM'000	OSKIB As at 31.12.2009 RM'000
ASSETS			
Cash and short term funds		157,317	174,834
Securities held-to-maturity	A26(a)	254,683	283,836
Securities available-for-sale	A26(b)	307,840	372,835
Other assets	A26(c)	13,920	2,995
Deferred tax assets		27	-
Equipment		19	20
TOTAL ASSETS		<u>733,806</u>	<u>834,520</u>
LIABILITIES			
Deposits from customers	A26(d)	674,279	775,823
Other liabilities	A26(e)	2,493	2,965
Tax payable		1,789	1,361
Deferred tax liabilities		-	81
TOTAL LIABILITIES		<u>678,561</u>	<u>780,230</u>
ISLAMIC BANKING CAPITAL FUNDS			
Islamic banking capital funds		50,000	50,000
Reserves		5,245	4,290
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>55,245</u>	<u>54,290</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>733,806</u>	<u>834,520</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)

UNAUDITED CONDENSED INCOME STATEMENTS

	OSKIB Current quarter ended 31.3.2010 RM'000	OSKIB Comparativ quarter ended 31.3.2009 RM'000	OSKIB Current date ended 31.3.2010 RM'000	OSKIB Preceding date ended 31.3.2009 RM'000
Income derived from investment of depositors' funds and others	6,394	5,046	6,394	5,046
Transfer to profit equalisation reserve	(36)	(260)	(36)	(260)
Total attributable income	6,358	4,786	6,358	4,786
Income attributable to the depositors	(4,591)	(3,148)	(4,591)	(3,148)
Income attributable to OSKIB	1,767	1,638	1,767	1,638
Income derived from investment of Islamic banking funds	122	-	122	-
Total net income	1,889	1,638	1,889	1,638
Other operating expenses	(172)	(224)	(172)	(224)
Profit before tax	1,717	1,414	1,717	1,414
Income tax expense	(427)	(353)	(427)	(353)
Profit after tax for the period	1,290	1,061	1,290	1,061

For amalgamation with the conventional operations, net income from Islamic banking scheme comprises the following items:

Income derived from investments : of depositors' funds and others	6,394	5,046	6,394	5,046
of Islamic banking capital funds	122	-	122	-
Income attributable to the depositors	(4,591)	(3,148)	(4,591)	(3,148)
Transfer to profit equalisation reserve	(36)	(260)	(36)	(260)
Net income from Islamic banking operations reported in Group-wide income statement	1,889	1,638	1,889	1,638

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter ended 31.3.2010	Comparativ quarter ended 31.3.2009	Current year to ended 31.3.2010	Preceding year to ended 31.3.2009
	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	1,290	1,061	1,290	1,061
Other comprehensive loss				
Unrealised net loss on revaluation of securities available-for-sale	(397)	-	(397)	-
Income tax relating to components of other comprehensive loss	99	-	99	-
Other comprehensive loss for the period, net of tax	(298)	-	(298)	-
Total comprehensive income for the period, net of tax	992	1,061	992	1,061
Total comprehensive income attributable to owner of OSKIB	992	1,061	992	1,061

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)

	OSKIB	OSKIB
	As at	As at
	31.3.2010	31.12.2009
	RM'000	RM'000
(a) Securities held-to-maturity		
At amortised cost		
Money market instruments:		
Islamic accepted bills	-	12,410
Cagamas bonds	5,054	5,059
Government Investment Issue	155,710	155,831
	160,764	173,300
Unquoted securities in Malaysia:		
Islamic private debt securities	93,919	110,536
	254,683	283,836
(b) Securities available-for-sale		
At fair value		
Money market instruments:		
Islamic accepted bills	75,119	197,145
Government Investment Issue	25,081	-
Negotiable instruments of deposits	89,751	99,907
	189,951	297,052
Unquoted securities in Malaysia:		
Islamic private debt securities	117,889	75,783
	307,840	372,835
(c) Other assets		
Income receivable	3,882	2,995
Trade receivables	9,997	-
Other receivables	41	-
	13,920	2,995

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)

	OSKIB	OSKIB
	As at	As at
	31.3.2010	31.12.2009
	RM'000	RM'000
(d) Deposits from customers		
(i) By type of deposit		
<i>Mudharabah Deposits</i>		
Mudharabah general investment deposits	674,279	775,823
(ii) By type of customer		
Government and statutory bodies	237,165	292,396
Domestic non-bank financial institutions	318,245	361,644
Business enterprises	118,869	121,783
	674,279	775,823
(e) Other liabilities		
Income payable	1,687	1,951
Profit equalisation reserve	795	759
Other payable and accruals	11	255
	2,493	2,965

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. (f) Capital adequacy of Islamic banking operations

The capital base and risk weighted assets, as set out below are disclosed in accordance with Risk-Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements ("Pillar 3") issued by Bank Negara Malaysia.

Risk weighted capital ratios and tier I and tier II capital

The capital adequacy ratios and capital base are as follows:

	As at 31.3.2010	As at 31.12.2009
Before deducting proposed dividends:		
Core capital ratio	43.27%	53.94%
Risk-weighted capital ratio	43.27%	53.94%
After deducting proposed dividends:		
Core capital ratio	43.27%	53.94%
Risk-weighted capital ratio	43.27%	53.94%
	RM'000	RM'000
Islamic banking funds	50,000	50,000
Retained profits - Audited	4,046	4,046
Less: Deferred tax assets	(27)	-
	<u>54,019</u>	<u>54,046</u>

OSKIB is the only entity in the Group that has Islamic banking operations. The capital adequacy ratios of the Islamic banking operations of OSKIB consist of capital base and risk weighted amounts derived from OSKIB.

The capital adequacy ratios of the Islamic banking operations of OSKIB is computed in accordance with RWCAF-Basel II. The Islamic banking operations of OSKIB has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (2009: 8.0%) for the risk weighted capital ratio.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

A26. (f) Capital adequacy of Islamic banking operations (Cont'd.)

(ii) Risk weighted assets and capital requirements for Credit Risk, Market Risk, Operational Risk and Large Exposures Risk

As at 31.3.2010

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weights Assets RM'000	Capital Requirements RM'000
(a) Credit risk				
<i>On Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	385,496	385,496	-	-
Banks, development financial institutions and multilateral development banks	134,948	134,948	26,990	2,159
Insurance companies, securities firms and fund managers	-	-	-	-
Corporates	203,269	203,269	79,621	6,370
Other assets	10,093	10,093	10,093	807
Total on balance sheet exposures	733,806	733,806	116,704	9,336
<i>Off Balance Sheet Exposures:</i>				
Over-the-counter ("OTC") derivatives	-	-	-	-
Credit derivatives	-	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	-	-	-	-
Defaulted exposures	-	-	-	-
Total off balance sheet exposures	-	-	-	-
Total on and off balance sheet exposures:	733,806	733,806	116,704	9,336
(b) Large exposures risk requirement	-	-	-	-
(c) Market risk	-	-	-	-
(d) Operational risk			8,149	652
(e) Total RWA and capital requirements			124,853	9,988

The Islamic banking operations of OSKIB does not has any issuances of Profit Sharing Investment Account ("PSIA") used as a risk absorbent.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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 subsidiary companies for the current quarter and year to date

The Group's profit before tax ("PBT") for the first quarter ended 31 March 2010 (1Q10) increased by more than 5.8 times year-on-year ("Y-o-Y") or RM48.23 million to RM58.19 million from RM9.95 million for the previous year corresponding quarter ended 31 March 2009 (1Q09). The Group registered a 86% surge in revenue to RM245.46 million compared to RM131.67 million in the previous year corresponding quarter. The significant improvement in financial performance was mainly due to improved earnings from the business expansion particularly in investment banking activities.

The Principal Subsidiaries' Performance

OSK Investment Bank Berhad ("OSKIB"), the wholly-owned subsidiary of the Company is the main contributor accounted for 61% of the Group's PBT; followed by Singapore subsidiary, DMG & Partners Securities Pte. Ltd. 25% and Malaysian unit trust fund manager, OSK-UOB Unit Trust Management Berhad 8%. Indonesian subsidiary, PT OSK Nusadana Securities Indonesia and Cambodian subsidiary, OSK Indochina Bank Limited, also contributed positive results and were able to offset the losses reported by Hong Kong subsidiary.

Business Segments Performance

Investment Banking which consists mainly of Treasury, Corporate Advisory, Capital Market and Structured Products contributed RM29.77 million or 51% of the Group's PBT for 1Q10 as compared to RM2.54 million or 26% in last year's corresponding period.

Loan, Advances and Financing and Fund Management reported improved earnings which contributed about RM8.99 million or 15% and RM3.14 million or 5% of the Group's PBT respectively.

Equities & Futures broking recorded RM14.31 million or 25% of the Group's PBT. For Malaysian equities business, the Bank continued to maintain our dominant position as market leader.

Geographical Segments Performance

Total PBT contribution from overseas businesses to the Group increased to RM13.95 million or 24% in 1Q10 from RM1.53 million or 15% in the previous year corresponding quarter.

Contribution from the Group's Singapore operations surged in 1Q10 with its PBT expanding more than 3 times to RM13.34 million from RM3.77 million in the previous corresponding quarter. OSK Indochina Bank Ltd, which commenced business operations on 10 October 2008 started to contribute a PBT of RM324,000 in 1Q10 compared to a loss of RM365,000 in 1Q09. The Indonesian subsidiary contributed PBT of RM1.40 million.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

The Group recorded a PBT of RM58.19 million for 1Q10, compared to RM59.21 million registered in the immediate preceding quarter, 4Q09. The decline was mainly due to the impairment loss of RM15.40 million provided in 1Q10 for securities available-for-sale. Without the effect of the impairment loss, the Group would have achieved a PBT of RM73.58 million.

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

(a) Current year prospects

(Commentary on the rest of year)

The recent economic indicators suggest that the domestic economy is on a recovery path. While we achieved positive growth in early 2010, the growth momentum of the economies where we operate in is likely to soften in the later part of 2010. The easy liquidity conditions in our system coupled with the government's policy to spur private sector growth could have some positive spillover effect into the capital markets in the form of fund raising activities. However, the ongoing uncertainties in Europe and the fear of contagion have led to increased market volatility lately. Although policymakers have to some extent responded promptly and decisively to continuing concerns of sovereign risk in Europe, the final outcome remains uncertain. Therefore, as the US and regional Asian economies continue on their cyclical recovery path at this juncture, unsettled financial markets over time could potentially soften the global economic recovery.

Barring negative outcome of external factors, the Board expects the Group's results to remain satisfactory for the rest of 2010.

(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.

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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**B6. Income tax expense**

	Current quarter ended 31.3.2010 RM'000	Current year to date ended 31.3.2010 RM'000
In respect of the current quarter / year to date		
- Malaysian income tax	13,946	13,946
- Foreign income tax	3,415	3,415
	17,361	17,361
In respect of the prior year		
- Malaysian income tax	11	11
- Foreign income tax	(125)	(125)
Deferred taxation	891	891
	18,138	18,138

The effective tax rate for FY 2010 is higher than the statutory tax rate of 25% mainly due to the unavailability of group relief for losses incurred by overseas subsidiary companies and the non-deductibility of certain expenses.

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 period under review. There were no sales of properties during the period under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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 there from (except for the subsidiary companies engaged in stockbroking and investment banking which have been exempted from this disclosure):

	Current quarter ended 31.3.2010 RM'000	Current year to date ended 31.3.2010 RM'000
Total purchase consideration	<u>26,295</u>	<u>26,295</u>
Total sale proceeds	<u>23,548</u>	<u>23,548</u>
Net gain on disposals	<u>373</u>	<u>373</u>

- (b) Investments in quoted securities as at 31 March 2010 (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	18,321
Outside Malaysia	<u>10,700</u>
	29,021
Fair value adjustments	<u>(506)</u>
	<u>28,515</u>
Market value of quoted shares:	
In Malaysia	17,876
Outside Malaysia	<u>10,639</u>
	<u>28,515</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

B9. Status of corporate proposals and utilisation of proceeds

(a) Status of corporate proposals announced but not completed as at 21 May 2010 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

(i) Members' Voluntary Winding Up of Beneficial Services Berhad ("BSB")

On 23 January 2009, BSB, a wholly-owned subsidiary company of the Group, has initiated a Members' Voluntary Winding Up pursuant to Section 254(1)(b) of Companies Act, 1965 ("the Act") 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 Joint and Several Liquidators of BSB pursuant to Section 258(1) of the Act.

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.

The winding up of BSB is not expected to have any impact on the earnings and net assets of the Group.

On 8 June 2009, the Liquidators of BSB made a first interim return of surplus of assets of RM400,000 to the shareholders of BSB, RM4.00 per ordinary share of RM10 each.

The above exercise is expected to be completed in the third quarter of 2010.

(ii) Members' Voluntary Winding Up of KPEN Sdn. Bhd. ("KPEN") and K.E. Malaysian Capital Partners Sdn. Bhd. ("KEMCP")

On 25 September 2009, KPEN and KEMCP, both wholly-owned subsidiary companies of KE-ZAN Holdings Berhad, which is in turn a wholly-owned subsidiary of the Company, had commenced Members' Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act, 1965 ("the Act") and that Mr. Chin Kim Chung and Mr. Yap Yue Loong of Russell Bedford Malaysia Business Advisory Sdn Bhd of 10th Floor, Bangunan Yee Seng, 15, Jalan Raja Chulan, 50200 Kuala Lumpur have been appointed to act as the Joint and Several Liquidators pursuant to Section 258(1) of the Act.

KPEN and KEMCP had ceased business operations in year 2001 and had since remained dormant. The winding up of KPEN and KEMCP are not expected to have any material impact on the earnings and net assets of the Group.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

(a) Status of corporate proposals announced but not completed as at 21 May 2010 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) (Cont'd.)

(ii) Members' Voluntary Winding Up of KPEN Sdn. Bhd. ("KPEN") and K.E. Malaysian Capital Partners Sdn. Bhd. ("KEMCP") (Cont'd)

KPEN was incorporated on 14 September 1982 with an issued share capital of RM100.75 million comprising of 100.75 million ordinary shares of RM1.00 each and the principal activities were stockbroking and related activities but it had been dormant since it surrendered its stockbroking licence on 28 May 2001. KEMCP was incorporated on 29 July 1999 with an issued share capital of RM1,200,000 divided into 500,000 ordinary shares of RM1.00 each and 700,000 5% convertible cumulative preference shares of RM1.00 each and the principal activities were provision of investment advisory services but it is presently dormant.

The above exercise is expected to be completed in the third quarter of year 2010.

(iii) Members' Voluntary Winding Up of OSK Wealth Planners Sdn. Bhd. ("OSKWP")

On 29 January 2010, OSKWP commenced Members' Voluntary Winding Up pursuant to Section 254(1)(b) of Companies Act, 1965 ("the Act") and that Mr. Chin Kim Chung and Mr. Roy Thean Chong of Russell Bedford Malaysia Business Advisory Sdn. Bhd. of 10th Floor, Bangunan Yee Seng, 15, Jalan Raja Chulan, 50200 Kuala Lumpur have been appointed as the Joint and Several Liquidators pursuant to Section 258(1) of the Act. OSKWP is a wholly-owned subsidiary company of OSK-UOB Unit Trust Management Berhad which in turn is a 70%-owned subsidiary of OSK Investment Bank Berhad, which in turn is a wholly-owned subsidiary company of the Company.

The winding-up of OSKWP was initiated as the company ceased its operations in financial planning upon the expiry of its Capital Markets Services Licence on 26 August 2009. OSKWP was incorporated on 22 April 2004 with an issued share capital of RM2.15 million comprising of 2.15 million ordinary shares of RM1.00 each.

The above exercise is expected to be completed in the fourth quarter of year 2010.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**B9. Status of corporate proposals and utilisation of proceeds (Cont'd)****(b) The status of utilisation of proceeds raised by the Company**

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

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
Short term borrowings	135,080
Subordinated notes - unsecured	100,000
	<hr/> 235,080 <hr/>
Short term borrowings consist of:	
<i>Unsecured:</i> Revolving credits	68,200
Bank loans denominated in SGD	12,844
Subordinated loans denominated in HKD	37,101
<i>Secured:</i> Syndicated term loan	16,935
	<hr/> 135,080 <hr/>

B11. Disclosure requirements pursuant to implementation of FRS 139**(a) Disclosure of derivatives****(i) Nature of outstanding derivatives as at end of period****Derivative financial assets:**

Equity related contracts

a) Options

Options are contractual agreements or embedded components in other financial instruments under which seller/issuer grants the purchaser the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date during a set period, a specific amount of an underlying assets at a predetermined price.

The seller may receive a premium from the purchaser in consideration of risk. Options may be either exchanged-traded, negotiated between the purchaser and the seller in the over-the-counter market or embedded components in other financial instruments.

b) Futures

Futures are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

B11. Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)

(a) Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)

c) Interest rate swaps

Interest Rate Swap (IRS) is a contract between two parties to exchange interest rate payment (cash flow) at a future date for a specific period. It allows flexibility to convert a fixed rate asset/liability to a floating rate asset/liability and vice versa.

d) Foreign currency spot, forward and swap contracts

Foreign currency spot contract is the buying and selling of currencies with delivery normally within 2 business days from the date of transaction.

Foreign currency forward contract is an agreement to buy or sell currencies at a future date (normally more than 2 business days) at a pre-determined price at a premium (i.e. higher than spot rate) or at a discount (lower than spot rate), depending on the interest rate differential between the two currencies. It is generally used to offset or hedge against future foreign exchange rate exposure on receivables or payables in other currencies.

Foreign currency swap is made up of an interest rate swap where payment flows are expressed in different currencies and computed based on the interest rate denominated in those currencies. There is normally an exchange of principal at the beginning of the swap contract and also upon the swap maturity, normally at the same exchange rate which is usually the spot rate at the inception of the transaction.

Derivative financial liabilities:

a) Structured warrants

Structured warrants are proprietary instruments issued by the Group that give holders the right, but not imposing an obligation, to buy or sell the underlying assets at a future date for a predetermined price in accordance with the term sheet. Call warrant gives the holder the right, but not the obligation, to buy the underlying share for a fixed price known as the exercise (strike) price at the future date. A put warrants gives the holder the right, but not the obligation, to sell the underlying share to the warrant issuer for the exercise price. Structured warrants can be cash-settled or equity-settled, depending on the terms of the instruments issued.

b) Structured investments

Structured investments are normally short to medium term structured products that are derived from and/or based on a single security or pool of securities and consisting of a contract to purchase equities at a specific time. The structures product redemption is linked to the performance of the underlying share(s). At maturity, the investor will receive either cash settlement equivalent to the face amount or pre-determined units of underlying share(s), depending on the performance of the underlying share(s) on the valuation date(s).

c) Foreign exchange swap contracts

Refer to (a)(i) d)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
B11. Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)
(a) Disclosure of derivatives
(ii) Contract/Notional value and fair value as at balance sheet date and maturity analysis
Derivative financial assets:

	As at 31.3.2010		As at 31.12.2009	
	Contract/ Notional value RM'000	Fair value RM'000	Contract/ Notional value RM'000	Fair value RM'000
Equity related contracts				
Less than 1 year	42,477	19,340	38,857	17,601
More than 3 years	-	15,633	-	16,358
	<u>42,477</u>	<u>34,973</u>	<u>38,857</u>	<u>33,959</u>
Interest rate swaps				
Less than 1 year	207,073	8,141	188,304	399
1 year to 3 years	245,787	1,048	245,787	(2,667)
More than 3 years	130,000	2,070	80,000	2,516
	<u>582,860</u>	<u>11,259</u>	<u>514,091</u>	<u>248</u>
Foreign currency spot, forward and swap contracts				
Less than 1 year	974,244	23,839	522,795	2,915
	<u>974,244</u>	<u>23,839</u>	<u>522,795</u>	<u>2,915</u>
	<u>1,599,581</u>	<u>70,071</u>	<u>1,075,743</u>	<u>37,122</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
B11. Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)
(a) Disclosure of derivatives (Cont'd)
(ii) Contract/Notional value and fair value as at balance sheet date and maturity analysis (Cont'd)
Derivative financial liabilities:

	As at 31.3.2010		As at 31.12.2009	
	Contract/ Notional value RM'000	Fair value RM'000	Contract/ Notional value RM'000	Fair value RM'000
Structured warrants				
Less than 1 year	46,174	43,610	47,558	46,390
1 year to 3 years	2,204	951	1,959	1,190
	48,378	44,561	49,517	47,580
Structured investments				
Less than 1 year	4,032	4,116	2,046	2,124
	4,032	4,116	2,046	2,124
Foreign exchange swap contracts				
Less than 1 year	293,115	3,807	203,915	2,157
	293,115	3,807	203,915	2,157
	345,525	52,484	255,478	51,861

(iii) The rationale for entering into new derivatives and the expected benefit accruing to the Group

There were no new derivatives during the current year to date.

(iv) Changes in derivatives since last financial year

There have been no changes since the end of the previous year in respect of the followings:

- a) the cash requirements of the derivatives, if any;
- b) the policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

B11. Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

(i) Gains/losses arising from fair value changes from:

	Current quarter ended 31.3.2010 RM'000	Current year to date ended 31.3.2010 RM'000
Structured warrants	3,019	3,019
Structured investments	(1,992)	(1,992)
Foreign exchange swap contracts	(1,650)	(1,650)
	<u>(623)</u>	<u>(623)</u>

(ii) Reasons for the gains/losses:

Market risk

The value of derivative financial instruments will fluctuate as a results of movement in the level of market rates or prices.

Interest rate risk

The value or yield of derivatives financial instruments will fluctuate due to changes in market interest rate.

Currency risk

The value of derivatives financial instruments will fluctuate due to changes in foreign exchange rates.

(iii) Bases in arriving at the fair value:

Over the counter equity related contracts (options)

Options is valued based on indicative bid price from counterparty.

Structured warrants

The fair value of structured warrants is based on daily closing prices of structured warrants quoted on Bursa Malaysia Securities Berhad.

Structured investments

Structured investments have been valued based on the strike price of the structured investments or the closing price of underlying assets whichever the lower.

Foreign currency spot, forward and swap contracts

Bid and offer price will be use as the base for the valuation for foreign currency spot, forward and swap contracts. The bid price will be use to value the financial assets and the offer price for financial liabilities.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**B11. Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)****(c) Breakdown of realised and unrealised retained profits of the Group as at end of reporting period**

	As at 31.3.2010
	RM'000
Realised retained profits	337,153
Unrealised retained profits *	(38,416)
	298,737

* Unrealised retained profits comprise unrealised foreign exchange gains or losses and unrealised market price changes for held-for-trading investments and derivative financial assets/liabilities at the balance sheet date.

Comparative figures are not required in the first year of implementation of FRS 139 pursuant to Section 10 of Bursa Securities's directive.

B12. Material litigation

As at 21 May 2010 (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.

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. Bhd. (“OSKNT”) and Another (collectively referred to as the “Defendants”) (Seremban High Court Suit No. 22-216-2003)

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 had filed their defence on 17 February 2004.

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 High court has dismissed the Plaintiffs' appeal. On 4 June 2009, the Plaintiffs have filed an appeal to the Court of Appeal against the High Court's decision. A hearing date is still pending.

B13. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2010 (Comparative quarter ended 31 March 2009: No dividend has been declared or paid).

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
B14. Earnings Per Share (“EPS”) attributable to owners of the Company

	Current quarter ended 31.3.2010	Comparative quarter ended 31.3.2009	Current year to date ended 31.3.2010	Preceding year to date ended 31.3.2009
<u>Basic</u>				
Profit attributable to owners of the Company (RM'000)	32,244	3,959	32,244	3,959
Weighted average number of ordinary shares in issue ('000 shares)	824,840	# 811,151	824,840	# 811,151
Basic EPS (sen)	3.91	0.49	3.91	0.49
<u>Diluted</u>				
Profit attributable to owners of the Company (RM'000)	32,244	3,959	32,244	3,959
Weighted average number of ordinary shares in issue ('000 shares)	824,840	# 811,151	824,840	# 811,151
Effect of dilution on assumed conversion of Warrants B 2000/2010 and exercise of options granted under ESOS ('000 shares)	1,984	-	1,984	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	826,824	811,151	826,824	811,151
Diluted EPS (sen)	3.90	0.49	3.90	0.49

The weighted average number of ordinary shares in issue of the comparative quarter/preceding year to date has adjusted for the effect of bonus issue on the basis of one (1) new Share ("Bonus Share") for every four (4) existing Shares held, which was completed on 25 January 2010.

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

Wong Chong Kim
Director

Kuala Lumpur
25 May 2010

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**A20. Segmental information**

The segment information has been prepared in accordance with the disclosure requirements of FRS 8 Operating Segments. For management purposes, the Group is organised into the following major business segments based products and services, which are regularly provided to and reviewed by the chief operating decision maker :

- | | |
|------------------------|---|
| 1. Investment Banking | - Equities and Debt Capital Market, Derivatives and Structured Products, Corporate Advisory, Treasury, Islamic Banking and Offshore Investment Banking. |
| 2. Loan & Financing | - Corporate Loans, Shares Margin Financing, Capital Financing and Commercial Banking Services. |
| 3. Equities & Futures | - Stockbroking & Futures Broking, Nominee Services and related services. |
| 4. Funds Management | - Unit Trust Fund Management, Islamic Funds Services and Asset Management. |
| 5. Venture Capital | - Provision of Venture Capital Services and Investee Entities, also known as Private Equity Business. |
| 6. Property Investment | - Management and Letting of Properties. |
| 7. Holding Entities | - Investment Holding Companies. |
| 8. 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 2010
A20. Segmental information (Cont'd)
Secondary reporting format - Geographical Segments

The Group operates in five geographical locations: Malaysia (Domestic), Singapore, China and Hong Kong, Indonesia and Cambodia. Revenue is based on geographical locations of business operations. Non-current assets are presented based on the geographical location of assets, which consist of Investments in associated companies, Prepaid land lease payments, Investment property, Property, plant and equipment, Intangible assets.

The comparative segment information for the year ended 31 December 2009 have been re-presented to conform with current year segments information.

Domestic	Foreign Countries				Total for Foreign Countries	Total
Malaysia	Singapore	China and Hong Kong	Indonesia	Cambodia		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

CURRENT YEAR TO DATE ENDED 31 MARCH 2010

Revenue	173,917	44,886	13,829	9,870	2,961	71,546	245,463
Profit/(loss) before tax	44,238	13,340	(1,112)	1,396	324	13,948	58,186
Non-current assets as at 31.3.2010	493,705	2,821	6,443	5,373	7,588	22,225	515,930

PRECEDING YEAR TO DATE ENDED 31 MARCH 2009

Revenue	94,621	23,080	7,924	5,416	627	37,047	131,668
Profit/(loss) before tax	8,426	3,769	(4,235)	2,357	(365)	1,526	9,952
Non-current assets as at 31.12.2009	494,976	2,355	6,349	4,212	8,192	21,108	516,084

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
A23. Commitments and contingencies

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

	31.3.2010			31.12.2009		
	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	75,093	37,546	11,546	255,000	127,500	25,500
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	1,030,432	-	-	1,315,744	2,072	2,072
- maturity exceeding one year	87,624	43,812	43,812	-	-	-
Foreign exchange related contracts:						
- less than one year	894,500	593,096	118,619	370,640	195,898	39,180
Interest rate related contracts:						
- one year to less than five years	318,390	24,649	4,930	508,167	16,002	3,200
	2,406,039	699,103	178,907	2,449,551	341,472	69,952

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
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A24. Interest/profit rate risk

As at 31.3.2010	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
ASSETS									
Cash and short term funds	964,620	93,997	-	-	-	507,974	-	1,566,591	2.07
Deposits and placements with banks and other financial institutions	-	50,000	-	-	-	-	-	50,000	2.28
Reverse repurchase agreements	3,282	-	-	-	-	-	-	3,282	0.13
Securities held-for-trading	-	-	-	-	-	-	230,821	230,821	-
Securities held-to-maturity	44,965	145,062	24,983	317,283	135,911	-	-	668,204	4.45
Securities available-for-sale	431,316	699,192	386,540	1,406,230	149,344	11,702	-	3,084,324	4.29
Derivative financial assets	-	-	-	-	-	70,071	-	70,071	-
Loans, advances and financing									
Performing	599,207	45,217	233,260	129,530	17,176	9,780	-	1,034,170	9.06
Non-performing	-	-	-	-	-	16,023	-	16,023	-
Statutory and reserve deposits with Central Banks	-	-	-	-	12,274	44,152	-	56,426	0.44
Other assets	16,114	100	-	-	-	729,621	-	745,835	1.88
Other non-interest sensitive assets	-	-	-	-	-	2,176,841	-	2,176,841	-
Total Assets	2,059,504	1,033,568	644,783	1,853,043	314,705	3,566,164	230,821	9,702,588	

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

As at 31.3.2010	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
LIABILITIES									
Deposits from customers	2,456,845	1,075,800	772,308	56,786	-	-	-	4,361,739	2.41
Deposits and placements of banks and other financial institutions	175,390	42,670	63,915	20,000	-	154	-	302,129	2.53
Derivative financial liabilities	-	-	-	-	-	52,484	-	52,484	-
Borrowings	118,146	-	12,500	4,434	-	-	-	135,080	3.70
Subordinated notes	-	-	-	-	100,000	-	-	100,000	7.50
Other non-interest sensitive liabilities	-	-	-	-	-	3,115,660	-	3,115,660	-
Total Liabilities	2,750,381	1,118,470	848,723	81,220	100,000	3,168,298	-	8,067,092	
Shareholders' funds	-	-	-	-	-	1,419,213	-	1,419,213	
Minority interests	-	-	-	-	-	216,283	-	216,283	
Total Equity	-	-	-	-	-	1,635,496	-	1,635,496	
Total Liabilities and Equity	2,750,381	1,118,470	848,723	81,220	100,000	4,803,794	-	9,702,588	
On-balance sheet interest sensitivity gap	(690,877)	(84,902)	(203,940)	1,771,823	214,705	(1,237,630)	230,821	-	
Off-balance sheet interest sensitivity gap	-	-	207,073	375,787	-	-	-	582,860	
Total Interest Sensitivity Gap	(690,877)	(84,902)	3,133	2,147,610	214,705	(1,237,630)	230,821	582,860	
Cumulative interest rate sensitivity gap	(690,877)	(775,779)	(772,646)	1,374,964	1,589,669	352,039	582,860	582,860	

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
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A24. Interest/profit rate risk (Cont'd)

As at 31.12.2009	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
ASSETS									
Cash and short term funds	1,233,294	102,825	9,336	-	-	265,734	-	1,611,189	1.75
Deposits and placements with banks and other financial institutions	-	50,000	-	-	-	-	-	50,000	6.37
Securities held-for-trading	-	-	-	-	-	-	203,665	203,665	-
Securities held-to-maturity	312,411	155,000	35,172	344,718	176,795	-	-	1,024,096	4.04
Securities available-for-sale	588,387	297,547	404,559	1,306,761	121,915	12,132	-	2,731,301	4.31
Derivative financial assets	-	-	-	-	-	37,122	-	37,122	-
Loans, advances and financing									
Performing	546,047	27,547	312,070	24,479	6,275	-	-	916,418	8.68
Non-performing	-	-	-	-	-	16,239	-	16,239	-
Statutory and reserve deposits with Central Banks	-	-	-	-	9,570	38,103	-	47,673	0.44
Other assets	30,822	-	100	-	-	2,689,217	-	2,720,139	-
Other non-interest sensitive assets	-	-	-	-	-	529,275	-	529,275	-
Total Assets	2,710,961	632,919	761,237	1,675,958	314,555	3,587,822	203,665	9,887,117	

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010
(Page 4 of 4)
A0. Interest/profit rate risk (Cont'd)

	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
LIABILITIES									
Deposits from customers	2,725,022	933,980	616,993	73,179	-	6,523	-	4,355,697	2.36
Deposits and placements of banks and other financial institutions	62,850	22,482	67,009	20,000	-	1,881	-	174,222	5.43
Derivative financial liabilities	-	-	-	-	-	51,861	-	51,861	-
Borrowings	187,532	12,500	12,500	4,434	-	-	-	216,966	3.39
Subordinated notes	-	-	-	-	100,000	-	-	100,000	7.50
Other non-interest sensitive liabilities	-	-	-	-	-	3,476,684	-	3,476,684	-
Total Liabilities	2,975,404	968,962	696,502	97,613	100,000	3,536,949	-	8,375,430	
Shareholders' funds	-	-	-	-	-	1,287,141	-	1,287,141	
Minority interests	-	-	-	-	-	224,546	-	224,546	
Total Equity	-	-	-	-	-	1,511,687	-	1,511,687	
Total Liabilities and Equity	2,975,404	968,962	696,502	97,613	100,000	5,048,636	-	9,887,117	
On-balance sheet interest sensitivity gap	(264,443)	(336,043)	64,735	1,578,345	214,555	(1,460,814)	203,665	-	
Off-balance sheet interest sensitivity gap	-	-	188,304	325,787	-	-	-	514,091	
Total Interest Sensitivity Gap	(264,443)	(336,043)	253,039	1,904,132	214,555	(1,460,814)	203,665	514,091	
Cumulative interest rate sensitivity gap	(264,443)	(600,486)	(347,447)	1,556,685	1,771,240	310,426	514,091	514,091	