

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>ASSETS</b>			
Cash and short term funds		2,399,121	1,552,881
Deposits and placements with a bank		50,000	-
Securities purchased under resale agreements		-	111,486
Securities held-for-trading	A7(a)	313,340	648,996
Securities held-to-maturity	A7(b)	639,896	662,427
Securities available-for-sale	A7(c)	3,230,790	2,795,866
Securities portfolio		4,184,026	4,107,289
Derivative financial assets		8,401	90,297
Loans, advances and financing	A8	1,640,507	1,347,447
Tax recoverable		10,805	6,930
Trade receivables	A9	1,523,629	2,042,502
Other assets	A10	121,462	96,236
Statutory and reserve deposits with Central Banks		213,334	69,678
Deferred tax assets		11,957	481
Investments in associated companies and a jointly controlled entity		23,394	21,146
Investment property		149,000	134,000
Property and equipment		199,754	184,441
Intangible assets		232,037	223,888
<b>TOTAL ASSETS</b>		<b>10,767,427</b>	<b>9,988,702</b>
<b>LIABILITIES</b>			
Deposits from customers	A11	4,710,153	3,872,805
Deposits and placements of banks and other financial institutions	A12	658,749	669,769
Obligations on securities sold under repurchase agreements		291,083	-
Derivative financial liabilities		108,867	149,749
Trade payables	A13	2,387,974	2,657,196
Other liabilities	A14	205,969	209,423
Tax payable		11,182	23,878
Deferred tax liabilities		4,106	1,812
Borrowings	B8	239,117	410,619
Subordinated notes	B8	400,000	300,000
<b>TOTAL LIABILITIES</b>		<b>9,017,200</b>	<b>8,295,251</b>
<b>EQUITY</b>			
Share capital		964,145	962,211
Treasury shares, at cost	A5(b)	(29,789)	(29,785)
		934,356	932,426
Reserves		514,683	516,284
Equity attributable to owners of the Company		1,449,039	1,448,710
Non-controlling interests		301,188	244,741
<b>TOTAL EQUITY</b>		<b>1,750,227</b>	<b>1,693,451</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,767,427</b>	<b>9,988,702</b>
Net Assets per share attributable to owners of the Company (RM)		1.54	1.54

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Current quarter ended <b>31.12.2011</b> RM'000	Comparative quarter ended 31.12.2010 RM'000	Current year to date ended <b>31.12.2011</b> RM'000	Preceding year to date ended 31.12.2010 RM'000
Revenue		<b>216,180</b>	302,061	<b>1,051,384</b>	1,012,205
Interest income	A15	<b>76,181</b>	76,127	<b>300,789</b>	262,335
Interest expense	A16	<b>(47,641)</b>	(43,796)	<b>(200,040)</b>	(140,542)
Net interest income		<b>28,540</b>	32,331	<b>100,749</b>	121,793
Non-interest income	A17	<b>143,225</b>	240,155	<b>725,329</b>	744,878
Net income from Islamic banking operations	A28	<b>2,665</b>	1,185	<b>8,984</b>	6,085
Other operating expenses	A18	<b>(158,174)</b>	(196,037)	<b>(669,872)</b>	(626,282)
Allowance for impairment losses on loans, advances and financing	A19	<b>(578)</b>	(3,293)	<b>(2,048)</b>	(6,691)
Allowance for impairment losses on trade and other receivables	A20	<b>(1,768)</b>	(19)	<b>(2,681)</b>	(1,327)
Allowance for impairment losses on investments and intangibles	A21	<b>(62,583)</b>	(19,898)	<b>(70,083)</b>	(46,508)
Share of results after tax of associated companies		<b>748</b>	966	<b>2,802</b>	3,023
<b>(Loss)/Profit before tax</b>		<b>(47,925)</b>	55,390	<b>93,180</b>	194,971
Income tax benefit/(expense)	B6	<b>19,811</b>	(7,255)	<b>(21,399)</b>	(43,716)
<b>(Loss)/Profit after tax for the period/year</b>		<b>(28,114)</b>	48,135	<b>71,781</b>	151,255
(Loss)/Profit attributable to:					
Owners of the Company		<b>(29,629)</b>	40,631	<b>51,415</b>	117,613
Non-controlling interests		<b>1,515</b>	7,504	<b>20,366</b>	33,642
		<b>(28,114)</b>	48,135	<b>71,781</b>	151,255
<b>(Loss)/Earnings per share attributable to owners of the Company (sen):</b>					
Basic	B11	<b>(3.15)</b>	4.33	<b>5.47</b>	12.78
Diluted	B11	<b>(3.15)</b>	4.32	<b>5.46</b>	12.74

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Current quarter ended 31.12.2011</b>	Comparative quarter ended 31.12.2010	<b>Current year to date ended 31.12.2011</b>	Preceding year to date ended 31.12.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>(Loss)/Profit after tax for the period/year</b>	<b>(28,114)</b>	48,135	<b>71,781</b>	151,255
<b>Other comprehensive (loss)/income</b>				
Foreign currency translation (loss)/gain	<b>(16,668)</b>	5,730	<b>11,895</b>	(34,388)
Reversal of available-for-sale deficit upon impairment	-	-	-	3,391
Reversal of available-for-sale gain upon disposal	<b>(3,168)</b>	(8)	<b>(6,020)</b>	(2,623)
Unrealised net gain/(loss) on revaluation of securities available-for-sale	<b>1,996</b>	(12,932)	<b>1,889</b>	6,861
Share of other reserves in associated group	<b>(8)</b>	-	<b>(846)</b>	-
Income tax relating to components of other comprehensive income	<b>179</b>	3,237	<b>1,935</b>	(1,907)
<b>Other comprehensive (loss)/income for the period/year, net of tax</b>	<b>(17,669)</b>	(3,973)	<b>8,853</b>	(28,666)
<b>Total comprehensive (loss)/income for the period/year, net of tax</b>	<b>(45,783)</b>	44,162	<b>80,634</b>	122,589
Total comprehensive (loss)/income attributable to:				
Owners of the Company	<b>(41,438)</b>	34,369	<b>49,400</b>	96,072
Non-controlling interests	<b>(4,345)</b>	9,793	<b>31,234</b>	26,517
	<b>(45,783)</b>	44,162	<b>80,634</b>	122,589

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Note	Distributable		Non-Distributable						Distributable		Non-controlling interests	Total equity	
	Attributable to owners of the Company												
	Share capital	Treasury shares	Share premium	Equity compensation reserve	Foreign exchange reserves	Statutory reserves	Available-for-sale reserves	Other reserve	Retained profits	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1.1.2011</b>	<b>962,211</b>	<b>(29,785)</b>	<b>-</b>	<b>779</b>	<b>(20,652)</b>	<b>228,992</b>	<b>(1,439)</b>	<b>-</b>	<b>308,604</b>	<b>1,448,710</b>	<b>244,741</b>	<b>1,693,451</b>	
Total comprehensive income/(loss)	-	-	-	-	7,661	-	(8,830)	(846)	51,415	49,400	31,234	80,634	
Dividends paid to owners of the Company	A6	-	-	-	-	-	-	-	(52,828)	(52,828)	-	(52,828)	
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(11,936)	(11,936)	
Shares issued pursuant to exercise of ESOS	A5(a)	1,934	-	-	-	-	-	-	-	1,934	-	1,934	
Share buybacks by the Company	A5(b)	-	(4)	-	-	-	-	-	-	(4)	-	(4)	
Reserve reversed upon exercise and forfeiture of ESOS		-	-	-	(198)	-	-	-	198	-	-	-	
Accretion on deemed disposals of interest in associated group		-	-	-	-	-	-	-	1,665	1,665	-	1,665	
Accretion on acquisition of a subsidiary company		-	-	-	-	-	-	-	-	-	(43)	(43)	
Accretion on additional interest in a subsidiary company		-	-	-	-	-	-	-	162	162	(162)	-	
Share options exercised by non-controlling interests in a subsidiary company		-	-	-	-	-	-	-	-	-	25	25	
Acquisition of subsidiary companies		-	-	-	-	-	-	-	-	-	103,724	103,724	
Acquisition of shares from non-controlling interests		-	-	-	-	-	-	-	-	-	(98,487)	(98,487)	
Dilution of interests from subscription of additional shares in a subsidiary company by non-controlling interests		-	-	-	-	-	-	-	-	-	22	22	
Subscription of additional shares in subsidiary companies by non-controlling interests		-	-	-	-	-	-	-	-	-	32,070	32,070	
Transfer to statutory reserves		-	-	-	-	10,545	-	-	(10,545)	-	-	-	
Total transactions with owners		1,934	(4)	-	(198)	10,545	-	-	(61,348)	(49,071)	25,213	(23,858)	
<b>As at 31.12.2011</b>		<b>964,145</b>	<b>(29,789)</b>	<b>-</b>	<b>581</b>	<b>(12,991)</b>	<b>239,537</b>	<b>(10,269)</b>	<b>(846)</b>	<b>298,671</b>	<b>1,449,039</b>	<b>301,188</b>	<b>1,750,227</b>
As at 1.1.2010		678,665	(29,782)	502	1,094	6,616	206,078	(9,024)	-	432,992	1,287,141	224,547	1,511,688
Effect of 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	224,547	1,510,221
Total comprehensive (loss)/income		-	-	-	-	(27,268)	-	5,727	-	117,613	96,072	26,517	122,589
Dividends paid to owners of the Company		-	-	-	-	-	-	-	(52,710)	(52,710)	-	(52,710)	
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(8,699)	(8,699)	
Shares issued pursuant to:													
- exercise of ESOS		2,550	-	30	-	-	-	-	-	2,580	-	2,580	
- conversion of Warrant B 2000/2010		116,324	-	803	-	-	-	-	-	117,127	-	117,127	
- bonus issue		164,672	-	(1,335)	-	-	-	-	(163,337)	-	-	-	
Share buybacks by the Company		-	(3)	-	-	-	-	-	-	(3)	-	(3)	
Reserve reversed upon exercise of ESOS		-	-	-	(315)	-	-	-	315	-	-	-	
Dilution arising from subscription of additional shares in a subsidiary company		-	-	-	-	-	-	-	(30)	(30)	30	-	
Acquisition of shares from non-controlling interests		-	-	-	-	-	-	-	-	-	(1,254)	(1,254)	
Subscription of additional shares in a subsidiary company by non-controlling interests		-	-	-	-	-	-	-	-	-	3,600	3,600	
Transfer to statutory reserve		-	-	-	-	22,914	-	-	(22,914)	-	-	-	
Total transactions with owners		283,546	(3)	(502)	(315)	-	22,914	-	(238,676)	66,964	(6,323)	60,641	
As at 31.12.2010		962,211	(29,785)	-	779	(20,652)	228,992	(1,439)	-	308,604	1,448,710	244,741	1,693,451

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Current year to date ended <b>31.12.2011</b> RM'000	Preceding year to date ended 31.12.2010 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	<b>93,180</b>	194,971
Adjustments for :-		
Interest income	<b>(25,802)</b>	(28,274)
Interest expense	<b>7,671</b>	8,522
Other non-cash and non-operating items	<b>19,861</b>	53,947
Share of results after tax of associated companies	<b>(2,802)</b>	(3,023)
Operating profit before working capital changes	<b>92,108</b>	226,143
<i>(Increase)/Decrease in operating assets:</i>		
Deposits and placements with banks and other financial institutions	<b>(50,000)</b>	50,000
Securities purchased under resale agreement	<b>111,486</b>	(111,117)
Loans, advances and financing	<b>(296,835)</b>	(483,787)
Statutory and reserve deposits with Central Banks	<b>(143,656)</b>	(22,005)
Securities held-for-trading	<b>355,832</b>	(415,632)
Securities held-to-maturity	<b>(20,062)</b>	362,180
Securities available-for-sale	<b>(376,621)</b>	(66,691)
Trade and other receivables	<b>520,461</b>	569,735
Other operating assets	<b>(98,493)</b>	(130,804)
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits from customers	<b>837,348</b>	(482,891)
Deposits and placements of banks and other financial institutions	<b>(11,020)</b>	495,546
Obligations on securities sold under repurchase agreements	<b>291,083</b>	-
Trade and other payables	<b>(288,556)</b>	(420,174)
Other operating liabilities	<b>42,355</b>	36,987
Cash generated from/(used in) operations	<b>965,430</b>	(392,510)
Income tax paid net of refund	<b>(46,201)</b>	(44,517)
Net cash generated from/(used in) operating activities	<b>919,229</b>	(437,027)
<b>Cash Flows From Investing Activities</b>		
Net cash outflow from acquisition of subsidiary companies	A24(c)&(e) <b>(20,529)</b>	-
Acquisition of additional shares from non-controlling interests	<b>(98,487)</b>	(1,254)
Additional investment in an associated company	A24(a) <b>(2,000)</b>	-
Dividends received	<b>6,142</b>	4,354
Subscription of shares in subsidiary company by non-controlling interests	<b>25</b>	-
Interest received	<b>31</b>	135
Proceeds from disposals of property and equipment	<b>624</b>	2,674
Proceeds from disposals of intangible assets	<b>2,962</b>	-
Purchase of property and equipment	<b>(33,210)</b>	(30,313)
Purchase of software licences	<b>(9,217)</b>	(10,565)
Payment for trademarks	<b>(31)</b>	(22)
Payment for licenses	<b>-</b>	(6,229)
Balance carried forward	<b>(153,690)</b>	(41,220)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011  
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	<b>Current year to date ended 31.12.2011</b>	<b>Preceding year to date ended 31.12.2010</b>
Note	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Investing Activities (Contd.)</b>		
Balance brought forward	(153,690)	(41,220)
Net cash outflow from members' voluntary winding up of subsidiary companies	(8)	-
Investment in a jointly controlled entity	(10)	-
Net cash used in investing activities	<u>(153,708)</u>	<u>(41,220)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to non-controlling interests	(11,936)	(8,699)
Dividends paid to owners of the Company (Repayment)/drawdown of revolving credit	(52,828)	(52,710)
Interest paid	(167,189)	121,645
Repayment of term loans	(7,671)	(8,522)
Payments for share buybacks by the Company	(4,435)	(25,000)
Proceeds from issuance of shares:		
- exercise of ESOS	(4)	(3)
- conversion of Warrant B 2000/2010	1,934	2,580
Proceeds from issuance of subordinated notes	-	117,127
Proceeds from subscription of shares by non-controlling interests	100,000	200,000
	32,070	3,600
Net cash (used in)/generated from financing activities	<u>(110,059)</u>	<u>350,018</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>655,462</b>	<b>(128,229)</b>
Effects of exchange rate changes	18,612	(33,870)
<b>Cash and cash equivalents at beginning of year</b>	<b>664,479</b>	<b>826,578</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>1,338,553</u></b>	<b><u>664,479</u></b>
<b>Cash and cash equivalents at end of year comprised:</b>		
Cash, bank balances and deposits - General accounts	557,828	358,602
Money at call and deposits placements with maturity within one month	780,847	305,877
Bank overdraft	(122)	-
	<u>1,338,553</u>	<u>664,479</u>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****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 Banking 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 Banking Institutions ("BNM/GP8"). The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010 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 2010.

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 2010 except for the adoption of the following FRSs, amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TR") effective for annual periods beginning on and after:

**1 March 2010**

Amendments to FRS 132                      Financial Instruments: Presentation - Classification of Rights Issues

**1 July 2010**

FRS 1    First-time Adoption of Financial Reporting Standards  
FRS 3    Business Combinations (Revised)  
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 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

**30 August 2010**

Amendments to IC Interpretation 15                      Agreements for the Construction of Real Estate

**31 December 2010**

TR 3    Guidance on Disclosures of Transition to IFRSs

**1 January 2011**

Amendments to FRS 1                        Limited Exemption from Comparative FRS 7  
    Disclosures for First-time Adopters  
Amendments to FRS 1                        Additional Exemptions for First-time Adopters  
Amendments to FRS 1                        First-time Adoption of Financial Reporting Standards

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****A1. Basis of preparation (Cont'd)****1 January 2011 (Cont'd)**

Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 13	Customer Loyalty Programmes
TR i-4	Shariah Compliant Sale Contracts

The adoption of Amendments to FRS 7 which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy, will only affect disclosures and will not have any impact on the results of the Group. Adoption of other FRSs, amendments to FRSs, IC Interpretations and TR did not have any significant effect on the financial performance or position of the Group. The adoption of FRSs and amendments to FRSs are discussed below:

**(a) FRS 3 Business Combinations (Revised) and Amendments to FRS 3**

The revised FRS 3 and Amendments to FRS 3 introduce changes in the accounting for business combination occurring after 1 July 2010 and 1 January 2011 respectively and are applied prospectively. The FRS and amendment establish principles for recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in acquiree. Each identifiable asset and liability is measured at its acquisition-date fair value. Any non-controlling interests in an acquiree is measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's net identifiable assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs.

Goodwill is measured at the difference between the aggregate of the consideration transferred, any non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, as compared to the net identifiable assets acquired. If the acquirer has made a gain from a bargain purchase, that gain is recognised in the income statement. The FRS also provides accounting requirements for reacquired rights, contingent liabilities, contingent consideration and indemnification assets.



**A1. Basis of preparation (Cont'd)****(a) FRS 3 Business Combinations (Revised) and Amendments to FRS 3 (Contd.)**

Acquisition-related costs are no longer capitalised but are recognised as expenses in the periods in which the costs are incurred and the services are received.

**(b) FRS 127 Consolidated and Separate Financial Statements**

The main changes include the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity instead of in the income statement. When an entity loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary, any remaining investment retained is remeasured at fair value at the date when control is lost and a gain or loss is recognised in the income statement. The term "minority interests" was replaced by the term "non-controlling interests", with a new definition. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance.

The revised FRS 127 requires retrospective application with certain exceptions as permitted under this standard.

**(c) IC Interpretations issued but not yet effective**

The Group and the Company have not adopted the following IC Interpretations which have effective dates as follows:

<b>IC Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
IC Interpretation 19	Extinguishing Financial Liabilities with Equity	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

The above IC Interpretations are not expected to have a material impact to the financial statements of the Group in the initial period of application.

**A1. Basis of preparation (Cont'd)**

**(d) Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A1. Basis of preparation (Cont'd)**

**Reclassification of securities**

During the prior financial years, OSK Investment Bank Berhad ("OSKIB"), a wholly-owned subsidiary company, had reclassified certain securities held-for-trading ("HFT") to available-for-sale ("AFS") category pursuant to the BNM Circular, "Reclassification of Securities under Specific Circumstances". The provisions for reclassification were introduced after taking into account the exceptional circumstances in the global financial markets and the changes to the international accounting standards in response to that development. The provisions in the Circular overrode the then requirements of BNM/GP8 in relation to the reclassification of securities into or out of the HFT category and were permissible from 1 July 2008 until 31 December 2009.

On 15 September 2009, FRS 139 was amended to allow for the reclassification of securities AFS to amortised cost category (i.e. securities held-to-maturity ("HTM") or loan and receivables) if the entity has the intention and ability to hold the financial asset until maturity for the foreseeable future. FRS 139 was also amended to allow reclassification out of HFT category in rare circumstances, subject to the conditions stated in FRS 139.

OSKIB had reclassified certain securities AFS to HTM category and certain securities HFT to AFS category in prior years as shown below:

**(a) Amounts reclassified on date of reclassification**

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

**(b) Carrying amounts and fair values**

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

	<b>As at 31.12.2011 RM'000</b>	<b>As at 31.12.2010 RM'000</b>
(i) Securities AFS reclassified to securities HTM		
- Carrying value	<b>73,899</b>	126,256
- Fair value	<b>108,868</b>	119,881
(ii) Securities HFT reclassified to securities AFS		
- Carrying value	<b>41,840</b>	42,312
- Fair value	<b>41,840</b>	42,312

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A1. Basis of preparation (Cont'd)**
**(c) Fair value (loss)/gain recognised**

	<b>Current quarter ended 31.12.2011 RM'000</b>	<b>Comparative quarter ended 31.12.2010 RM'000</b>	<b>Current year to date ended 31.12.2011 RM'000</b>	<b>Preceding year to date ended 31.12.2010 RM'000</b>
<b>Income Statements</b>				
Impairment loss on securities HTM	<b>(33,863)</b>	(6,844)	<b>(33,863)</b>	(6,844)
<b>Statements of Other Comprehensive Income</b>				
AFS reserve	<b>232</b>	41	<b>257</b>	803

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

	<b>Effective interest rate %</b>	<b>Estimated cash inflows before discounting to present value RM'000</b>
(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. Changes in estimates**

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**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 1,933,849 new ordinary shares of RM1.00 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 RM1,933,849. The movement in the number of ESOS during the current year to date is as follows:

Date of offer	Exercise price* (RM)	No. of options over ordinary shares of RM1.00 each			
		As at 1.1.2011	Exercised	Forfeited	As at 31.12.2011
27.6.2003	1.00	610,225	(89,125)	-	521,100
16.3.2004	1.00	2,820,350	(1,118,550)	(46,600)	1,655,200
29.4.2005	1.00	876,650	(244,750)	-	631,900
3.5.2006	1.00	2,451,824	(481,424)	-	1,970,400
		<b>6,759,049</b>	<b>(1,933,849)</b>	<b>(46,600)</b>	<b>4,778,600</b>

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 in the previous financial year.

**(b) Share buybacks / Treasury shares of the Company**

During the current year to date, the Company has purchased 2,000 ordinary shares for a total cash consideration of RM3,486 from the open market at an average cost of RM1.74 per share. 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 1.1.2011	24,151,412	2.82	0.90	1.23	29,785,136
May	1,000	1.68	1.68	1.72	1,723
November	1,000	1.72	1.72	1.76	1,763
	2,000	1.72	1.68	1.74	3,486
As at 31.12.2011	24,153,412	2.82	0.90	1.23	29,788,622

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A6. Dividends paid**

The dividends paid by the Company are as follows:

	<b>RM'000</b>
(a) A final dividend of 5.0 sen per share less 25% income tax in respect of the preceding financial year ended 31 December 2010 was paid on 19 May 2011.	35,214
(b) An interim dividend of 2.5 sen per share less 25% income tax for the current financial year was paid on 14 September 2011.	17,614
	<u>52,828</u>

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

Money market instruments:

Malaysian Government Investment Issues	<b>40,901</b>	-
Malaysian Government Securities	<b>30,482</b>	-
	<u><b>71,383</b></u>	-

Quoted securities:

Shares and exchange traded funds		
- in Malaysia	<b>159,903</b>	228,571
- outside Malaysia	<b>35,800</b>	70,313
	<u><b>195,703</b></u>	<u>298,884</u>
Trust units		
- in Malaysia	<b>1,918</b>	1,049
- outside Malaysia	<b>10,324</b>	-
	<u><b>12,242</b></u>	<u>1,049</u>

Private debt securities outside Malaysia	<b>9,075</b>	-
	<u><b>217,020</b></u>	<u>299,933</u>

Unquoted securities:

Private debt securities		
- in Malaysia	-	41,100
- outside Malaysia	<b>24,937</b>	307,963
	<u><b>24,937</b></u>	<u>349,063</u>
	<u><b>313,340</b></u>	<u>648,996</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A7. Securities portfolio (Cont'd)</b>		
<b>(b) Securities held-to-maturity</b>		
<b>At amortised cost</b>		
Money market instruments:		
Bankers' acceptance and Islamic accepted bills	-	9,789
Cagamas bonds	5,014	5,037
Malaysian Government Investment Issues	140,145	185,441
Negotiable instruments of deposits	70,000	110,000
	<b>215,159</b>	<b>310,267</b>
Unquoted securities:		
Private and Islamic debt securities		
- in Malaysia	339,584	346,143
- outside Malaysia	138,612	12,861
	<b>478,196</b>	<b>359,004</b>
Less: Accumulated impairment losses	(53,459)	(6,844)
	<b>424,737</b>	<b>352,160</b>
	<b>639,896</b>	<b>662,427</b>
<b>(c) Securities available-for-sale</b>		
<b>At fair value</b>		
Money market instruments:		
Bankers' acceptance and Islamic accepted bills	300,132	431,730
Cagamas bonds	5,008	7,041
Malaysian Government Investment Issues	408,233	160,620
Malaysian Government Securities	432,145	610,456
Negotiable instruments of deposits	159,637	80,301
	<b>1,305,155</b>	<b>1,290,148</b>
Quoted securities:		
Shares and warrants		
- in Malaysia	6,759	940
- outside Malaysia	3,268	8,784
	<b>10,027</b>	<b>9,724</b>
Trust units		
- in Malaysia	2,645	-
- outside Malaysia	17,427	9,200
	<b>20,072</b>	<b>9,200</b>
	<b>30,099</b>	<b>18,924</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A7. Securities portfolio (Cont'd)</b>		
<b>(c) Securities available-for-sale (Cont'd)</b>		
Unquoted securities:		
Shares and warrants		
- in Malaysia	5,481	7,284
- outside Malaysia	19,816	3,228
	<b>25,297</b>	10,512
Private and Islamic debt securities		
- in Malaysia	916,587	1,040,274
- outside Malaysia *	1,041,911	500,798
	<b>1,958,498</b>	1,541,072
Less: Accumulated impairment losses	(88,259)	(64,790)
	<b>1,870,239</b>	1,476,282
	<b>1,895,536</b>	1,486,794
	<b>3,230,790</b>	2,795,866

\* Included securities available-for-sale are securities sold under repurchase agreements of RM351.36 million (2010: Nil).

**A8. Loans, advances and financing**

Term loans	1,013,296	673,717
Share margin financing	566,557	628,984
Revolving credits	89,786	70,300
Staff loans	1,543	1,766
Gross loans, advances and financing	<b>1,671,182</b>	1,374,767
Allowance for impairment:		
- Collective assessment	(20,573)	(17,130)
- Individual assessment	(10,102)	(10,190)
Net loans, advances and financing	<b>1,640,507</b>	1,347,447



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A8. Loans, advances and financing (Cont'd)</b>		
<b>(a) Analysis of gross loans, advances and financing</b>		
<b>(i) By type of customers</b>		
Domestic small and medium enterprises	883,819	673,992
Foreign entities	159,665	99,716
Individuals	627,698	601,059
	<b>1,671,182</b>	<b>1,374,767</b>
<b>(ii) By interest/profit rate sensitivity</b>		
Fixed rate	1,460,378	1,247,277
Variable rate		
- Cost plus	38,585	60,262
- Other variable rates	172,219	67,228
	<b>1,671,182</b>	<b>1,374,767</b>
<b>(iii) By economic purpose</b>		
Working capital	333,621	275,881
Purchase of securities	853,893	852,959
Others	483,668	245,927
	<b>1,671,182</b>	<b>1,374,767</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A8. Loans, advances and financing (Cont'd)</b>		
<b>(a) Analysis of gross loans, advances and financing (Cont'd)</b>		
<b>(iv) By geographical distribution</b>		
Malaysia	1,238,366	1,059,542
Singapore	150,190	121,180
Hong Kong	38,585	60,262
Indonesia	38,183	47,923
Cambodia	183,096	85,860
Thailand	22,762	-
	<b>1,671,182</b>	<b>1,374,767</b>
<b>(v) By maturity structure</b>		
Up to 3 months	620,101	696,588
3-12 months	661,001	345,172
1-5 years	277,685	286,158
Over 5 years	112,395	46,849
	<b>1,671,182</b>	<b>1,374,767</b>
<b>(vi) By sectors</b>		
Manufacturing	104,301	132,175
Construction	63,474	1,273
Wholesale & retail trade and restaurants and hotels	191,406	193,616
Transport, storage and communication	66,673	14,192
Finance, insurance and business activities	631,594	400,136
Household	570,900	626,006
Mining and quarrying	9,943	7,369
Real estate	2,972	-
Agriculture, hunting, forestry and fishing	666	-
Electricity, gas and water supply	29,253	-
	<b>1,671,182</b>	<b>1,374,767</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A8. Loans, advances and financing (Cont'd)</b>		
<b>(b) Analysis of impaired loans, advances and financing</b>		
<b>(i) Movement in impaired loans, advances and financing</b>		
At beginning of year	26,121	22,993
Effects of FRS 139 *	-	2,080
As restated	<u>26,121</u>	<u>25,073</u>
Amount arising from acquisition of a subsidiary company	2,024	-
Classified as impaired *	4,434	10,826
Reclassified as non-impaired *	(14,061)	(2,335)
Amount recovered	(1,380)	(7,216)
Amount written off	(2,012)	-
Exchange differences *	11	(227)
At end of year	<u>15,137</u>	<u>26,121</u>
Individual assessment	(10,102)	(10,190)
Net impaired loans, advances and financing	<u>5,035</u>	<u>15,931</u>
Ratio of net impaired loans, advances and financing to net loans, advances and financing	<u>0.31%</u>	<u>1.18%</u>

\* Included amounts previously referred to as 'interest-in-suspense'.

Analysis of impaired loans, advances and financing

● **By geographical distribution**

Malaysia	14,588	25,749
Hong Kong	-	41
Indonesia	-	38
Cambodia	549	293
	<u>15,137</u>	<u>26,121</u>

● **By economic purpose**

Working capital	224	293
Purchase of securities	14,364	21,620
Other purpose	549	4,208
	<u>15,137</u>	<u>26,121</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A8. Loans, advances and financing (Cont'd)</b>		
<b>(b) Analysis of impaired loans, advances and financing (Cont'd)</b>		
<b>(ii) Movement in allowance for impaired loans, advances and financing</b>		
<b>Collective assessment</b>		
At beginning of year	(17,130)	-
Adoption of FRS 139	-	(10,628)
As restated	(17,130)	(10,628)
Made	(3,382)	(6,573)
Exchange difference	(61)	71
At end of year	(20,573)	(17,130)
As % of gross loans, advances and financing less individual assessment	1.24%	1.26%
Collective assessment for impaired loans, advances and financing according to economic purpose allocated on a pro-rated basis, are as follows:		
Working capital	(4,106)	(3,163)
Purchase of securities	(10,512)	(10,394)
Others	(5,955)	(3,573)
	(20,573)	(17,130)
<b>Individual assessment</b>		
At beginning of year		
As previously reported	(10,190)	-
Adoption of FRS 139 *	-	(10,732)
As restated	(10,190)	(10,732)
Amount arising from an acquisition of a subsidiary company	(2,024)	-
Made *	(4,519)	(4,362)
Written back *	6,564	3,162
Written off	38	1,691
Recovered	38	-
Exchange difference *	(9)	51
At end of year	(10,102)	(10,190)

\* Included amounts previously referred to as 'interest-in-suspense'.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 <u>RM'000</u>	As at 31.12.2010 <u>RM'000</u>
<b>A8. Loans, advances and financing (Cont'd)</b>		
<b>(b) Analysis of impaired loans, advances and financing (Cont'd)</b>		
<b>(ii) Movement in allowance for impaired loans, advances and financing (Cont'd)</b>		
Individual assessment for impaired loans, advances and financing according to economic purpose, are as follows:		
Purchase of securities	(9,827)	(10,031)
Others	(275)	(159)
	<u>(10,102)</u>	<u>(10,190)</u>
<b>A9. Trade receivables</b>		
Amount owing by clients, net of allowance for impairment	829,324	972,093
Amounts owing by:		
- brokers	304,365	371,627
- domestic derivative clearing house	50,710	43,861
- derivatives clearing houses	5,755	8,552
- foreign securities clearing houses and stock exchanges	307,705	624,860
Unit trust receivables	19,107	16,973
Others	6,663	4,536
	<u>1,523,629</u>	<u>2,042,502</u>
<b>A10. Other assets</b>		
Interest/income receivables	44,401	38,366
Security deposits and statutory funds	11,343	8,870
Other receivables, deposits and prepayments	65,386	48,729
Transferable golf club memberships	332	271
	<u>121,462</u>	<u>96,236</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
<b>A11. Deposits from customers</b>		
<b>Non-Mudharabah Funds</b>		
Demand deposits	43,725	8,856
Fixed deposits	2,314,405	2,146,033
Negotiable instruments of deposits	303,633	119,331
Saving deposits	18,452	12,415
Short term deposits	844,350	757,270
Others	65	299
	<b>3,524,630</b>	<b>3,044,204</b>
<b>Mudharabah Funds</b>		
Mudharabah general deposits	1,185,523	828,601
	<b>4,710,153</b>	<b>3,872,805</b>
<b>(a) By type of customers</b>		
Business enterprises	810,288	1,180,287
Domestic non-bank financial institutions	2,677,331	1,854,829
Foreign customers	106,962	10,713
Individuals	208,389	133,011
Local government and statutory bodies	906,887	693,666
Others	296	299
	<b>4,710,153</b>	<b>3,872,805</b>
<b>(b) By maturity structure</b>		
Up to 3 months	3,526,485	3,284,145
3-12 months	1,129,059	566,665
1-5 years	54,609	21,995
	<b>4,710,153</b>	<b>3,872,805</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	As at 31.12.2011 <u>RM'000</u>	As at 31.12.2010 <u>RM'000</u>
<b>A12. Deposits and placements of banks and other financial institutions</b>		
<b>Non-Mudharabah Funds</b>		
Licensed banks	521,001	280,193
Licensed investment banks	80,000	170,000
Other financial institutions	41,860	219,576
	<u>642,861</u>	<u>669,769</u>
<b>Mudharabah Fund</b>		
Licensed banks	15,888	-
	<u>658,749</u>	<u>669,769</u>
<b>A13. Trade payables</b>		
Amounts due to:		
Clients	1,816,075	1,735,374
Brokers	520,132	821,450
Foreign clearing houses	46,888	93,364
Trade payables for unit trust activities	4,879	7,008
	<u>2,387,974</u>	<u>2,657,196</u>
<b>A14. Other liabilities</b>		
Interest/income payable	45,655	39,943
Other payables, deposits and accruals	155,724	165,420
Amount due to an associated company	2,305	3,064
Profit equalisation reserve of Islamic banking operations	2,285	996
	<u>205,969</u>	<u>209,423</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	<b>Current quarter ended 31.12.2011</b>	Comparative quarter ended 31.12.2010	<b>Current year to date ended 31.12.2011</b>	Preceding year to date ended 31.12.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>A15. Interest income</b>				
Loans, advances and financing	<b>32,373</b>	30,162	<b>122,397</b>	95,136
Deposits and placements with financial institutions	<b>10,419</b>	3,709	<b>35,621</b>	20,861
Securities held-for-trading	<b>1,692</b>	3,297	<b>9,286</b>	8,346
Securities held-to-maturity	<b>2,939</b>	53	<b>11,422</b>	16,442
Securities available-for-sale	<b>22,543</b>	21,344	<b>86,908</b>	84,952
Stockbroking and futures broking business	<b>1,548</b>	4,000	<b>8,370</b>	8,088
Others	<b>436</b>	227	<b>1,013</b>	371
	<b>71,950</b>	62,792	<b>275,017</b>	234,196
Accretion of discount less amortisation of premium	<b>4,231</b>	13,335	<b>25,772</b>	28,139
	<b>76,181</b>	76,127	<b>300,789</b>	262,335

**A16. Interest expense**

Deposits from customers	<b>(37,361)</b>	(30,782)	<b>(147,920)</b>	(108,879)
Deposits and placements of financial institutions	<b>(1,024)</b>	(1,739)	<b>(14,569)</b>	(2,732)
Subordinated notes	<b>(6,837)</b>	(5,489)	<b>(25,643)</b>	(17,361)
Borrowings	<b>(2,412)</b>	(4,560)	<b>(11,884)</b>	(10,036)
Others	<b>(7)</b>	(1,226)	<b>(24)</b>	(1,534)
	<b>(47,641)</b>	(43,796)	<b>(200,040)</b>	(140,542)



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year to date ended</b>	Preceding year to date ended
	<b>31.12.2011</b>	31.12.2010	<b>31.12.2011</b>	31.12.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000

**A17. Non-interest income**
**(a) Fees and commission**

Advisory, agency, arrangement, placement and referral fees	<b>14,245</b>	28,683	<b>49,067</b>	75,167
Commission	<b>2,925</b>	8,066	<b>16,061</b>	18,782
Fees earned from management of unit trust funds	<b>12,828</b>	13,964	<b>53,199</b>	54,990
Gross brokerage fees	<b>85,023</b>	125,036	<b>409,542</b>	425,544
Loan processing, facility and commitment fees and carrying charges	<b>4,140</b>	11,311	<b>18,473</b>	25,453
Service charges on sale of trust units	<b>5,457</b>	14,175	<b>48,952</b>	33,809
Trustee and will-writing fees	<b>2,843</b>	1,447	<b>8,965</b>	5,733
Others	<b>1,272</b>	1,410	<b>3,754</b>	2,843
	<b>128,733</b>	204,092	<b>608,013</b>	642,321

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

Securities held-for-trading	<b>2,583</b>	25,923	<b>(15,733)</b>	30,667
Securities held-to-maturity	-	881	-	1,879
Securities available-for-sale	<b>689</b>	2,178	<b>8,293</b>	6,828
Derivative financial instruments	<b>8,598</b>	(681)	<b>98,163</b>	8,127
	<b>11,870</b>	28,301	<b>90,723</b>	47,501

**(c) Gross dividend income**

Securities held-for-trading	<b>722</b>	907	<b>1,974</b>	2,312
Securities available-for-sale	<b>100</b>	(264)	<b>1,023</b>	49
	<b>822</b>	643	<b>2,997</b>	2,361

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	<b>Current quarter ended 31.12.2011 RM'000</b>	Comparative quarter ended 31.12.2010 RM'000	<b>Current year to date ended 31.12.2011 RM'000</b>	Preceding year to date ended 31.12.2010 RM'000
<b>A17. Non-interest income (Cont'd)</b>				
<b>(d) Unrealised gain/(loss) on revaluation of trading securities and derivatives</b>				
Securities held-for-trading	21,774	(1,382)	15,840	694
Derivative financial instruments	(27,900)	(93,579)	(21,825)	(73,466)
	<b>(6,126)</b>	<b>(94,961)</b>	<b>(5,985)</b>	<b>(72,772)</b>
<b>(e) Unrealised (loss)/gain on derivatives</b>				
Unexpired structured warrants	(20,556)	41,040	(50,792)	47,334
<b>(f) Unrealised (loss)/gain from foreign exchange translations</b>	<b>(6,102)</b>	<b>20,810</b>	<b>(26,393)</b>	<b>20,116</b>
<b>(g) Other (loss)/income</b>				
Net (loss)/gain on disposals of property and equipment	(6)	127	165	518
Gain on disposals of intangible assets	18	-	2,197	-
Realised gain on foreign exchange	12,480	11,191	57,182	16,457
Net gain on interest rate swaps	3,922	3,372	16,301	6,205
Rental income	1,787	2,125	7,354	8,700
Sales of oil palm produce	202	56	202	172
Loss on members' voluntary winding up of subsidiary companies	(164)	-	(455)	-
Gain on revaluation of an investment property	15,000	21,400	15,000	21,400
Negative goodwill on acquisition of a subsidiary company	-	-	87	-
Others	1,345	1,959	8,733	4,565
	<b>34,584</b>	<b>40,230</b>	<b>106,766</b>	<b>58,017</b>
	<b>143,225</b>	<b>240,155</b>	<b>725,329</b>	<b>744,878</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	<b>Current quarter ended 31.12.2011</b>	Comparative quarter ended 31.12.2010	<b>Current year to date ended 31.12.2011</b>	Preceding year to date ended 31.12.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>A18. Other operating expenses</b>				
<b>(a) Personnel costs</b>				
Salaries, allowances, bonuses and gratuity	<b>(59,354)</b>	(67,317)	<b>(252,592)</b>	(222,145)
Pension costs - defined contribution plan	<b>(4,773)</b>	(4,501)	<b>(18,499)</b>	(14,351)
Others	<b>(6,533)</b>	(4,526)	<b>(15,389)</b>	(12,896)
	<b>(70,660)</b>	(76,344)	<b>(286,480)</b>	(249,392)
<b>(b) Promotional, marketing and trading expenses</b>				
Advertisement and promotion	<b>(5,454)</b>	(2,040)	<b>(6,021)</b>	(13,274)
Commission	<b>(34,762)</b>	(62,362)	<b>(182,294)</b>	(186,855)
Fees and charges	<b>(11,773)</b>	(20,957)	<b>(61,489)</b>	(58,705)
Others	<b>(1,443)</b>	(1,326)	<b>(6,438)</b>	(6,272)
	<b>(53,432)</b>	(86,685)	<b>(256,242)</b>	(265,106)
<b>(c) Establishment costs</b>				
Depreciation and amortisation	<b>(5,891)</b>	(4,746)	<b>(21,156)</b>	(16,889)
Insurance	<b>(445)</b>	(522)	<b>(2,384)</b>	(2,418)
Rental of equipment	<b>(1,209)</b>	(1,083)	<b>(4,999)</b>	(4,802)
Rental of premises	<b>(5,619)</b>	(5,048)	<b>(20,835)</b>	(18,932)
Repair and maintenance	<b>(2,436)</b>	(2,395)	<b>(9,318)</b>	(8,284)
Utility expenses	<b>(1,743)</b>	(1,519)	<b>(6,781)</b>	(5,925)
Others	<b>(1,893)</b>	(1,690)	<b>(6,533)</b>	(6,398)
	<b>(19,236)</b>	(17,003)	<b>(72,006)</b>	(63,648)
<b>(d) General administrative expenses</b>				
Communication expenses	<b>(3,893)</b>	(4,094)	<b>(14,690)</b>	(12,913)
Legal and professional fees	<b>(2,683)</b>	(2,116)	<b>(9,288)</b>	(5,914)
Printing and stationery	<b>(1,556)</b>	(1,904)	<b>(6,556)</b>	(6,777)
Administrative expenses	<b>(6,448)</b>	(6,983)	<b>(24,204)</b>	(20,457)
Others	<b>(266)</b>	(908)	<b>(406)</b>	(2,075)
	<b>(14,846)</b>	(16,005)	<b>(55,144)</b>	(48,136)
	<b>(158,174)</b>	(196,037)	<b>(669,872)</b>	(626,282)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	<b>Current quarter ended 31.12.2011 RM'000</b>	<b>Comparative quarter ended 31.12.2010 RM'000</b>	<b>Current year to date ended 31.12.2011 RM'000</b>	<b>Preceding year to date ended 31.12.2010 RM'000</b>
<b>A19. Allowance for impairment losses on loans, advances and financing</b>				
Individual assessment				
- Made	(232)	(196)	(1,414)	(2,823)
- Written back	2,018	165	3,071	3,161
Collective assessment (net)				
- Made	(365)	(3,623)	(3,382)	(6,573)
	<b>1,421</b>	<b>(3,654)</b>	<b>(1,725)</b>	<b>(6,235)</b>
Bad debts				
- Recovered	48	361	1,724	381
- Written off	(2,047)	-	(2,047)	(837)
	<b>(578)</b>	<b>(3,293)</b>	<b>(2,048)</b>	<b>(6,691)</b>
<b>A20. Allowance for impairment losses on trade and other receivables</b>				
Individual assessment				
- Made	(2,731)	(643)	(6,566)	(6,045)
- Written back	1,074	623	4,080	4,653
Collective assessment (net)				
- Written back	3	-	3	-
	<b>(1,654)</b>	<b>(20)</b>	<b>(2,483)</b>	<b>(1,392)</b>
Bad debts				
- Recovered	-	1	2	65
- Written off	(114)	-	(200)	-
	<b>(1,768)</b>	<b>(19)</b>	<b>(2,681)</b>	<b>(1,327)</b>
<b>A21. Allowance for impairment losses on investments and intangibles</b>				
Securities held-to-maturity	(42,815)	(1,600)	(46,615)	(7,600)
Securities available-for-sale	(19,768)	(18,300)	(23,468)	(38,700)
Trading rights	-	2	-	(208)
	<b>(62,583)</b>	<b>(19,898)</b>	<b>(70,083)</b>	<b>(46,508)</b>
<b>A22. Segmental information</b>				
Please refer to Appendix I.				

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A23. Events after the end of the quarter**

- (a) Application to Bank Negara Malaysia ("BNM") for OSK Holdings Berhad to commence negotiations with RHB Capital Berhad ("RHBC") for a possible merger of businesses between OSK investment banking group and RHB banking group ("Possible Merger")

As disclosed in Note B7(a), the Company submitted an application to BNM to seek relevant approval in relation to the Possible Merger from the Minister of Finance via BNM on 11 January 2012.

- (b) Acquisition of additional shares in BFIT Securities Public Company Limited, now known as OSK Securities (Thailand) Public Company Limited ("OSKST") by OSKIB

Between 1 January 2012 and 27 February 2012, OSKIB acquired additional 103,800 ordinary shares in OSKST from the open market for a total consideration of THB254,046 (approximately RM25,166), thereby increasing its equity interest in OSKST from 97.34% to 97.35%.

- (c) Subscription of 51% interest by OSK International Investment Hong Kong Limited ("OSKIIHK") in OSK Fideus Asia and Emerging Markets Value Fund Ltd ("OSK Fideus")

OSKIIHK, a wholly-owned subsidiary of OSK Holdings Hong Kong Limited, which in turn is 93.50%-owned by OSKIB, which in turn is a wholly-owned subsidiary of OSKH, has subscribed for a 51% interest in a fund company, OSK Fideus incorporated under the laws of Cayman Islands.

OSK Fideus was incorporated on 25 November 2011 as an exempted company and will be registered as a professional mutual fund under the Mutual Fund Law of the Cayman Islands, with a business strategy of investing in Asia and emerging market equities. The authorised capital of OSK Fideus is US\$50,000 divided into 100 Management Shares (with voting rights) at par value of US\$1.00 each and 4,990,000 Participating Shares (without voting rights) at par value of US\$0.01 each. On 24 February 2012, the issued and paid-up capital of OSK Fideus is US\$100 divided into 100 Management Shares of which OSKIIHK has subscribed for 51 Management Shares or 51% amounting to US\$51 (equivalent to approximately RM154), thus making OSK Fideus an indirect subsidiary of OSKH. The remaining 49% is being held by Alpheus Advisor ("Alpheus").

Alpheus, a company incorporated in 2002 under the laws of Greece, is an affiliate of the Alpheus Group Ltd. (registered in Bermuda) ("Alpheus Group"), which is engaged in the securities investment management services and the provision of family office services. Alpheus Group operates family offices in Athens, London and Zurich with significant allocation to fund strategies. Alpheus Group is also involved in managing The Gale Invest II (Cayman) Fund, an open-ended series of unit trusts established under the laws of the Cayman Islands in 2006, where one of the funds is also focused on Asian and emerging markets.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****A24. Changes in the composition of the Group****(a) Dilution of equity interest in iFast-OSK Sdn. Bhd.**

iFast-OSK Sdn. Bhd., an associated company of OSKIB had increased its issued and paid-up ordinary share capital as follows for working capital purposes:

- 26 January 2011, from RM15,000,000 to RM16,000,000 by issuance of 1 million ordinary shares of RM1.00 each.
- 25 March 2011, from RM16,000,000 to RM18,000,000 by issuance of 2 million ordinary shares of RM1.00 each.
- 26 August 2011, from RM18,000,000 to RM21,000,000 by issuance of 3 million ordinary shares of RM1.00 each.
- 30 November 2011, from RM21,000,000 to RM22,000,000 by issuance of 1 million ordinary shares of RM1.00 each.

OSKIB only subscribed for 2 million ordinary shares in iFast-OSK Sdn. Bhd. on 26 August 2011 and did not partake in the other issues. Consequently, OSKIB's equity interest in iFast-OSK Sdn. Bhd. was diluted from 42.47% to 38.05%.

**(b) Subscription of additional shares in OSK Nominees (Tempatan) Sdn. Berhad ("OSKNT") and OSK Nominees (Asing) Sdn. Berhad ("OSKNA")**

On 14 June 2011, the issued and fully paid share capital of OSKNT was increased from RM1,500,000 divided into 1,500,000 ordinary shares of RM1.00 each to RM3,670,000 divided into 3,670,000 ordinary shares of RM1.00 each by the issuance of 2,170,000 new ordinary shares of RM1.00 each to OSKIB.

On 14 June 2011, the authorised share capital of OSKNA was increased from RM500,000 divided into 500,000 ordinary shares of RM1.00 each to RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each by the creation of 4,500,000 new ordinary shares of RM1.00 each. On even date, the issued and fully paid share capital of OSKNA was increased from RM500,000 divided into 500,000 ordinary shares of RM1.00 each to RM2,670,000 divided into 2,670,000 ordinary shares of RM1.00 each by the issuance of 2,170,000 new ordinary shares of RM1.00 each to OSKIB.

The equity interests of OSKIB in OSKNT and OSKNA remain at 100% each. The rationale of increasing the issued and fully paid share capital is to facilitate the acquisition of Malaysian Trustees Berhad as disclosed in Note A24(c).

**(c) Acquisition of 100% equity interest in Malaysian Trustees Berhad ("MTB")**

On 15 June 2011, the Company and its subsidiaries, OSKIB, OSKNT, OSKNA, and OSK Futures And Options Sdn Bhd ("OSKFO") have collectively acquired 110,000 ordinary shares of RM10.00 each partly paid to RM5.00 each ("MTB Share"), representing 100% of the issued and paid-up capital of MTB for a total cash consideration of approximately RM10.85 million ("the Acquisition of MTB") or RM98.61 per MTB Share through the following arrangements:-

**A24. Changes in the composition of the Group (Cont'd)**

(c) Acquisition of 100% equity interest in Malaysian Trustees Berhad ("MTB") (Cont'd)

- (i) Acquisition of 95.45% equity interest comprising 105,000 MTB Share pursuant to a share sale agreement entered into between OSKIB, OSKH, OSKNT, OSKNA, OSKFO and the respective shareholders of MTB; and
- (ii) Acquisition of 4.55% equity interest comprising 5,000 MTB Share by the Company from the remaining shareholder.

The purchase consideration was arrived at willing buyer willing seller basis taking into consideration the net assets and future earnings potential of MTB.

The shareholding structure in MTB is as follows:-

	Number of shares	%
(i) the Company	22,000	20
(ii) OSKIB	22,000	20
(iii) OSKNT	22,000	20
(iv) OSKNA	22,000	20
(v) OSKFO	22,000	20
	<u>110,000</u>	<u>100</u>

MTB was incorporated in 1975 and its principal activities are engaging in the business as trustee agents, executors and administrators pursuant to the Trust Companies Act, 1949. MTB is a leading trustee company in the private debt securities.

The effect of the acquisition on cash flows is as follows:

	<b>RM'000</b>
Purchase consideration satisfied by cash	10,847
Cash and cash equivalents of subsidiary company acquired	(2,536)
Net cash outflow on acquisition	<u>8,311</u>

The acquisition had the following effect on the Group's financial results for the year:

	<b>Date of acquisition to 31.12.2011 RM'000</b>
Revenue	3,017
Profit before tax	1,675
Profit for the period	<u>1,262</u>

If the acquisition had been effected on 1 January 2011, the financial results contributed by MTB for the current year would have been:

	<b>1.1.2011 to 31.12.2011 RM'000</b>
Revenue	5,450
Profit before tax	3,025
Profit for the year	<u>2,300</u>

**A24. Changes in the composition of the Group (Cont'd)**

(c) Acquisition of 100% equity interest in Malaysian Trustees Berhad ("MTB") (Cont'd)

The fair values of assets and liabilities of MTB recognised upon acquisition on the date of completion, 15 June 2011, were as follows:

	<b>RM'000</b>
Cash and short term funds	2,536
Securities available-for-sale	8,426
Other assets	1,514
Property and equipment	53
Intangible assets	66
Other liabilities	(3,300)
Tax payable	(252)
Deferred tax liabilities	(31)
Fair value of total net assets	<u>9,012</u>
Add: Goodwill on consolidation	<u>1,835</u>
Total acquisition costs	<u>10,847</u>

(d) Subscription of PT OSK Nusadana Securities Indonesia ("OSKNSI") Rights Issue by OSKIB

On 30 June 2011, OSKNSI increased its authorised capital from IDR200 billion to IDR400 billion divided into 400,000 shares each having a nominal value of IDR1 million. On 30 June 2011, OSKNSI increased its paid-up share capital from 102,041 shares to 204,082 shares of IDR1 million each via a rights issue with the exercise price of IDR1.8 million for each share.

OSKIB has subscribed to its full entitlement of 52,041 shares for IDR1.8 million each, amounting to IDR93,673.8 million (approximately RM33.0 million). Upon completion of the subscription, the equity interest held by OSKIB in OSKNSI remains at 51%.

(e) Acquisition of BFIT Securities Public Company Limited, now known as OSK Securities (Thailand) Public Company Limited ("OSKST") and subsequent Mandatory Tender Offer by OSKIB

On 21 July 2011, OSKIB completed the acquisition of 399,999,860 fully paid ordinary shares of OSKST ("OSKST Shares") from Bangkok First Investment & Trust Public Company Limited ("BFIT") for a purchase consideration of THB1,029.80 million (approximately RM103.56 million). On the same day, OSKIB acquired an additional 18,450,600 OSKST Shares from other shareholders of OSKST for a purchase consideration of THB47.50 million (approximately RM4.78 million). The total of 418,450,460 OSKST Shares was acquired for a total purchase consideration of THB1,077.30 million (approximately RM108.34 million) equivalent to a purchase price of THB2.57449 per share and representing 51.10% of the issued and paid up capital of OSKST as at 30 June 2011 ("the Acquisition of OSKST").

Upon completion of the above acquisition, OSKST became a 51.10% owned subsidiary company of OSKIB.

OSKST is a member of the Thailand Stock Exchange and holds licences to engage in securities brokerage, securities trading, underwriting, securities registrar, financial advisory and derivatives trading business.



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A24. Changes in the composition of the Group (Cont'd)**

- (e) Acquisition of BFIT Securities Public Company Limited, now known as OSK Securities (Thailand) Public Company Limited (“OSKST”) and subsequent Mandatory Tender Offer by OSKIB (Cont'd)

The effect of the acquisition on cash flows is as follows:

	<b>RM'000</b>
Purchase consideration satisfied by cash	108,337
Cash and cash equivalents of subsidiary company acquired	(96,119)
Net cash outflow on acquisition	<u>12,218</u>

The acquisition had the following effect on the Group's financial results for the year:

	<b>Date of acquisition to 31.12.2011 RM'000</b>
Revenue	9,437
Profit before tax	597
Profit for the period	<u>535</u>

If the acquisition had been effected on 1 January 2011, the financial results contributed by OSKST for the current year would have been:

	<b>1.1.2011 to 31.12.2011 RM'000</b>
Revenue	20,673
Profit before tax	3,308
Profit for the year	<u>2,691</u>

The fair values of assets and liabilities of OSKST recognised upon acquisition on the date of completion, 21 July 2011, were as follows:

	<b>RM'000</b>
Cash and short term funds	96,119
Securities held for trading	20,259
Other assets	108,034
Property and equipment	549
Intangible assets	779
Other liabilities	(13,084)
Tax payable	(551)
Fair value of total net assets	<u>212,105</u>
Less: Negative goodwill on consolidation	<u>(87)</u>
	212,018
Non-controlling interests	(103,681)
Total acquisition costs	<u>108,337</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A24. Changes in the composition of the Group (Cont'd)**

- (e) Acquisition of BFIT Securities Public Company Limited, now known as OSK Securities (Thailand) Public Company Limited ("OSKST") and subsequent Mandatory Tender Offer by OSKIB (Cont'd)

After the completion of the Acquisition of OSKST, OSKIB made a Mandatory Tender Offer ("MTO") for all the remaining shares not already held by OSKIB, pursuant to the Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, issued by the Securities and Exchange Commission of Thailand. The MTO was effective from 5 August 2011 to 9 September 2011 (for 25 business days) at an offer price of THB2.57 per share. OSKIB acquired 378,425,275 ordinary shares in OSKST at total consideration of THB974.26 million (approximately RM98.36 million). Following the acquisition via MTO, the equity interest of OSKIB in OSKST increased from 51.10% to 97.28%.

Subsequent to 9 September 2011, OSKIB acquired an additional 514,000 ordinary shares from the open market at a total consideration of THB1,243,222 (approximately RM126,320), thereby increasing its equity interest in OSKST from 97.28% to 97.34% as of 31 December 2011.

Following the above, additional shares purchased by OSKIB is disclosed in Note A23(b).

- (f) 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 the 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 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 Group had on 2 November 2007 acquired entire equity interests in BSB (formerly known as UOB Trustee Malaysia Berhad). The principal activities of BSB were engaged in the business of trust agent, executor and administrator under the Trust Companies Act, 1949. On 29 December 2008, the business of BSB was transferred to OSK Trustees Berhad pursuant to the Vesting Order granted by the High Court of Malaya dated 25 June 2008. Since then, BSB remained dormant. The winding up of BSB had no material impact on the earnings and net assets of the Group.

On 8 June 2009 and 23 June 2011, the Liquidators of BSB made first interim and second and final returns of surplus of assets of RM400,000 and RM48,000 respectively to the shareholders of BSB, representing a total of RM4.48 per ordinary share of RM10.00 each.

On 22 September 2011, BSB held its final meeting for the Members' Voluntary Winding-Up. Pursuant to Section 272(5) of the Companies Act, 1965 and BSB has been dissolved on 29 December 2011.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A24. Changes in the composition of the Group (Cont'd)**

- (g) Subscription of shares in OSK International Asset Management Pte Ltd ("OSKIAML") by OSK International Investments Pte Ltd ("OSKIIL")

On 13 September 2011, OSKIIL subscribed for SGD\$850,000 new ordinary shares in OSKIAML for additional working capital purpose. The issued and paid up share capital of OSKIAML increased from SGD\$3,000,000 to SGD\$3,850,000.

OSKIAML is a wholly-owned subsidiary company of OSKIIL which in turn is a wholly-owned subsidiary company of OSKIB, a wholly-owned subsidiary of the Company. Upon completion of the subscription, the equity interest held by OSKIIL in OSKIAML remains the same.

- (h) 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 the 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 of OSKWP pursuant to Section 258(1) of the Act. OSKWP is a wholly-owned subsidiary company of OSK-UOB Investment Management Berhad (formerly known as OSK-UOB Unit Trust Management Berhad) which in turn is a 70%-owned subsidiary of OSKIB, 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 2.15 million ordinary shares of RM1.00 each. The winding up of OSKWP will not have any material impact on the earnings and net assets of the Group.

On 10 October 2011, the Liquidators of OSKWP made first interim and second and final returns of surplus of assets of RM8,000.00 and RM6,462.00 respectively to the shareholder of OSKWP, representing a total of RM0.0067 per ordinary share of RM1.00 each.

On 23 November 2011, OSKWP held its final meeting for the Members' Voluntary Winding-Up. Pursuant to Section 272(5) of the Companies Act, 1965 and OSKWP has been dissolved on 25 February 2012.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A24. Changes in the composition of the Group (Cont'd)**

- (i) Subscription of 1,000,000 shares of RM1.00 each in OSK-UOB Islamic Fund Management Berhad ("OUIFM") by OSK-UOB Investment Management Berhad ("OUIM")

On 23 December 2011, the issued and paid up share capital of OUIFM has increased by RM1,000,000 from RM12,000,000 to RM13,000,000 of RM1.00 each. OUIM has subscribed its full entitlement for 700,000 ordinary shares of RM1.00 each, representing 70% of the increased issued and fully paid capital for a total consideration of RM700,000 for working capital purpose.

OUIFM is a 70%-owned subsidiary company of OUIM which in turn is a 70%-owned subsidiary company of the OSKIB, a wholly-owned subsidiary of the Company. Upon completion of the subscription, the equity interest held by OUIM in OUIFM remains at 70%.

- (j) Subscription of 25,000 shares of IDR1,000,000.00 each in PT. OSK Nusadana Asset Management ("OSKNAM")

On 28 December 2011, OSKNSI, has subscribed for 25,000 new ordinary shares of IDR1 million each in OSKNAM for working capital purpose. The issued and fully paid share capital of OSKNAM has increased from 25 billion to 50 billion of IDR1 million each.

OSKNAM is a 99.23%-owned subsidiary company of OSKNSI which in turn a 51%-owned subsidiary company of the OSKIB. Upon completion of the subscription, the equity interest held by OSKNSI in OSKNAM increased from 99.23% to 99.62%.

- (k) Joint Venture between OSK International Asset Management Pte Ltd ("OSKIAML"), Gryphus Capital Partners Pte Ltd ("Gryphus") and Dejoera Holdings Ltd ("Dejoera")

On 30 December 2011, OSKIAML, a wholly-owned subsidiary company of OSK International Investments Pte Ltd, which in turn is a wholly-owned subsidiary company of OSKIB, a wholly-owned subsidiary of the Company, has entered into a Shareholders' Agreement with Gryphus and Dejoera, in relation to a joint venture company established in Singapore, namely OSK GC-Millennium Capital Pte Ltd ("OSKGC"), to act as General Partner to one or more approved funds to be set up in Singapore.

The issued and paid-up capital of OSKGC is SGD10,000 divided into 10,000 ordinary shares at par value of SGD1.00 each. OSKIAML owns 40% at SGD4,000 (equivalent to approximately RM10,000) and the remaining is shared equally between Gryphus and Dejoera, at 30% each.

OSKGC, as General Partner, will be responsible for the management of the overall business operation and administration of the approved funds. It will engage OSKIAML as its fund manager to provide an operating platform under which Gryphus' expertise will be incorporated and Dejoera will market the approved funds to potential investors.

**A24. Changes in the composition of the Group (Cont'd)**

- (k) Joint Venture between OSK International Asset Management Pte Ltd (“OSKIAML”), Gryphus Capital Partners Pte Ltd (“Gryphus”) and Dejoera Holdings Ltd (“Dejoera”) (Cont'd)

OSKIAML is incorporated in Singapore as a fund management company and is an Exempt Fund Manager under the Monetary Authority of Singapore regulatory regime.

Gryphus was incorporated in 2000 in Singapore as an investment advisor for private equity investment in the Asia Pacific region. Gryphus has provided investment fund management and advisory services to several reputable financial institutions for various private equity investment transactions in Singapore, USA, China, India, Japan, Korea, and South East Asia across different industry sectors. Gryphus is an Exempt Fund Manager under the Monetary Authority of Singapore regulatory regime.

Dejoera, a company incorporated under the laws of British Virgin Islands, is engaged in the business of assisting the Chinese investors to source investment opportunities overseas, especially in the emerging industries. It has offices in Beijing, Hong Kong and Singapore. Dejoera’s wholly-owned subsidiary, Beijing Dejoera Investment Co. Ltd. has over 18 years experience in equity and private equity investments in China.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A25. Commitments and contingencies**

Please refer to Appendix II.

**A26. Interest/profit rate risk**

Please refer to Appendix III.

**A27. Capital Adequacy**

**(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:**

The capital base and risk weighted assets ("RWA") of OSKIB Group and OSKIB 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 the Company are not required to maintain any capital adequacy ratio.

	<b>OSKIB Group</b>		<b>OSKIB <sup>^</sup></b>	
	<b>As at 31.12.2011</b>	As at 31.12.2010	<b>As at 31.12.2011</b>	As at 31.12.2010
<b>Before deducting proposed dividends:</b>				
Core capital ratio	<b>25.07%</b>	27.12%	<b>19.12%</b>	24.58%
Risk weighted capital ratio	<b>33.36%</b>	34.22%	<b>19.12%</b>	24.58%
<b>After deducting proposed dividends:</b>				
Core capital ratio	<b>25.07%</b>	27.12%	<b>19.12%</b>	24.58%
Risk weighted capital ratio	<b>33.36%</b>	34.22%	<b>19.12%</b>	24.58%

<sup>^</sup> 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.

In assessing the adequacy of its internal capital levels to support current and future activities, the Group ensures that it complies with the minimum requirements at Bank Negara Malaysia of at least 8% in risk weighted capital ratio.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. 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 31.12.2011	As at 31.12.2010	As at 31.12.2011	As at 31.12.2010
	RM'000	RM'000	RM'000	RM'000
Issued and fully paid share capital	<b>660,000</b>	660,000	<b>660,000</b>	660,000
Retained profits - audited	<b>162,421</b>	155,771	<b>64,441</b>	54,046
Statutory reserves	<b>239,537</b>	228,992	<b>239,387</b>	228,992
Tier 1 non-controlling interests	<b>304,125</b>	245,759	-	-
	<b>1,366,083</b>	1,290,522	<b>963,828</b>	943,038
Less: Goodwill	<b>(94,283)</b>	(92,889)	<b>(46,516)</b>	(46,516)
Deferred tax assets	<b>(11,957)</b>	(481)	<b>(10,330)</b>	-
<b>Tier I capital</b>	<b>1,259,843</b>	1,197,152	<b>906,982</b>	896,522
Loans, advances and financing				
- Collective allowance	<b>16,970</b>	13,138	<b>15,144</b>	12,315
Maximum allowance subordinated debt capital	<b>400,000</b>	300,000	<b>400,000</b>	300,000
<b>Tier II capital</b>	<b>416,970</b>	313,138	<b>415,144</b>	312,315
Total capital	<b>1,676,813</b>	1,510,290	<b>1,322,126</b>	1,208,837
Less: Investments in subsidiary companies	-	-	<b>(701,801)</b>	(455,488)
<b>Capital base</b>	<b>1,676,813</b>	1,510,290	<b>620,325</b>	753,349

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% (2010: 8.0%) for the risk weighted capital ratio.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A27. 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:**

	<b>OSKIBL</b>	
	<b>As at 31.12.2011</b>	<b>As at 31.12.2010</b>
<b>Before deducting proposed dividends:</b>		
Core capital ratio	#	#
Solvency ratio	<b>46.49%</b>	93.30%
<b>After deducting proposed dividends:</b>		
Core capital ratio	#	#
Solvency ratio	<b>46.49%</b>	93.30%

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. This ratio is 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.

**(iii) The capital adequacy ratios and capital base of the wholly-owned subsidiary of the Company, OSK Investment Bank (Labuan) Limited ("OSKL"), are as follows:**

	<b>OSKL</b>	
	<b>As at 31.12.2011</b>	<b>As at 31.12.2010</b>
<b>Before deducting proposed dividends:</b>		
Core capital ratio	<b>64.40%</b>	60.30%
Risk weighted capital ratio	<b>64.40%</b>	60.30%
<b>After deducting proposed dividends:</b>		
Core capital ratio	<b>64.40%</b>	60.30%
Risk weighted capital ratio	<b>64.40%</b>	60.30%

The capital adequacy ratios of OSKL for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier 1 capital ratio and risk-weighted capital ratio respectively.



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(b) Risk weighted assets and capital requirements for credit risk, market risk, operational risk and large exposures risk**

As at 31.12.2011

**OSKIB Group**

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weights Assets RM'000	Capital Require- ments RM'000
<b>(i) Credit risk</b>				
<i>On-Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	1,577,135	1,577,135	-	-
Banks, development financial institutions and multilateral development banks	3,990,014	3,990,014	974,888	77,991
Insurance companies, securities firms and fund managers	100,246	100,246	20,049	1,604
Corporates	2,355,096	1,777,754	1,271,829	101,746
Other assets	557,236	557,236	557,236	44,579
<b>Total on-balance sheet exposures</b>	<b>8,579,727</b>	<b>8,002,385</b>	<b>2,824,002</b>	<b>225,920</b>
<i>Off-Balance Sheet Exposures:</i>				
Over-the-counter ("OTC") derivatives	978	978	204	16
Credit derivatives	-	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	189,730	189,730	82,730	6,618
Defaulted exposures	-	-	-	-
<b>Total off-balance sheet exposures</b>	<b>190,708</b>	<b>190,708</b>	<b>82,934</b>	<b>6,634</b>
<b>Total on and off-balance sheet exposures</b>	<b>8,770,435</b>	<b>8,193,093</b>	<b>2,906,936</b>	<b>232,554</b>
<b>(ii) Large exposures risk requirement</b>	-	-	-	-
	<div style="display: flex; justify-content: space-around; border-top: 1px solid black; border-bottom: 1px solid black;"> <span><b>Long Position RM'000</b></span> <span><b>Short Position RM'000</b></span> </div>			
<b>(iii) Market risk</b>				
Interest rate risk	1,221,139	1,119,432	126,345	10,108
Foreign currency risk	887,721	-	887,720	71,018
Equity risk	22,147	-	34,185	2,735
Option risk	-	-	50	4
<b>Total</b>	<b>2,131,007</b>	<b>1,119,432</b>	<b>1,048,300</b>	<b>83,865</b>
<b>(iv) Operational risk</b>			<b>1,070,911</b>	<b>85,673</b>
<b>(v) Total RWA and capital requirements</b>			<b>5,026,147</b>	<b>402,092</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. 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 31.12.2010

OSKIB Group	Gross	Net	Risk-	Capital
Exposure class	Exposures	Exposures	Weights	Require
	RM'000	RM'000	Assets	-ments
			RM'000	RM'000
<b>(i) Credit risk</b>				
<i>On-Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	1,271,766	1,271,766	-	-
Banks, development financial institutions and multilateral development banks	2,650,318	2,650,318	665,938	53,275
Insurance companies, securities firms and fund managers	71,389	71,389	14,277	1,142
Corporates	2,323,432	1,691,154	1,024,397	81,951
Other assets	280,898	280,898	280,898	22,472
<b>Total on-balance sheet exposures</b>	<b>6,597,803</b>	<b>5,965,525</b>	<b>1,985,510</b>	<b>158,840</b>
<i>Off-Balance Sheet Exposures:</i>				
Over-the-counter ("OTC") derivatives	44,448	44,448	11,329	907
Credit derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	519,069	519,069	168,707	13,497
Defaulted exposures	-	-	-	-
<b>Total off-balance sheet exposures</b>	<b>563,517</b>	<b>563,517</b>	<b>180,036</b>	<b>14,404</b>
<b>Total on and off-balance sheet exposures</b>	<b>7,161,320</b>	<b>6,529,042</b>	<b>2,165,546</b>	<b>173,244</b>
<b>(ii) Large exposures risk requirement</b>	44	44	44	-
<b>(iii) Market risk</b>	<b>Long</b>	<b>Short</b>		
	<b>Position</b>	<b>Position</b>		
	<b>RM'000</b>	<b>RM'000</b>		
Interest rate risk	520,240	211,892	362,019	28,962
Foreign currency risk	668,121	-	668,120	53,450
Equity risk	79,233	-	214,295	17,144
Option risk	107,114	-	34,060	2,725
<b>Total</b>	<b>1,374,708</b>	<b>211,892</b>	<b>1,278,494</b>	<b>102,281</b>
<b>(iv) Operational risk</b>			<b>969,816</b>	<b>77,585</b>
<b>(v) Total RWA and capital requirements</b>			<b>4,413,900</b>	<b>353,110</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. 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 31.12.2011

OSKIB					
Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weights Assets RM'000	Capital Require-ments RM'000	
<b>(i) Credit risk</b>					
<i>On-Balance Sheet Exposures:</i>					
Sovereigns/Central Banks	1,509,776	1,509,776	-	-	
Banks, development financial institutions and multilateral development banks	3,163,256	3,163,256	811,437	64,915	
Insurance companies, securities firms and fund managers	100,246	100,246	20,049	1,604	
Corporates	1,929,858	1,612,813	1,107,198	88,576	
Other assets	473,820	473,820	473,820	37,906	
<b>Total on-balance sheet exposures</b>	<b>7,176,956</b>	<b>6,859,911</b>	<b>2,412,504</b>	<b>193,001</b>	
<i>Off-Balance Sheet Exposures:</i>					
Over-the-counter ("OTC") derivatives	978	978	204	16	
Credit derivatives	-	-	-	-	
Off-balance sheet exposures other than OTC derivatives or credit derivatives	177,162	177,162	70,162	5,613	
Defaulted exposures	-	-	-	-	
<b>Total off-balance sheet exposures</b>	<b>178,140</b>	<b>178,140</b>	<b>70,366</b>	<b>5,629</b>	
<b>Total on and off-balance sheet exposures</b>	<b>7,355,096</b>	<b>7,038,051</b>	<b>2,482,870</b>	<b>198,630</b>	
<b>(ii) Large exposures risk requirement</b>					
	<table border="0"> <tr> <td style="text-align: center;">Long Position RM'000</td> <td style="text-align: center;">Short Position RM'000</td> </tr> </table>	Long Position RM'000	Short Position RM'000		
Long Position RM'000	Short Position RM'000				
<b>(iii) Market risk</b>					
Interest rate risk	1,199,671	1,119,432	115,255	9,220	
Foreign currency risk	64,252	-	64,253	5,140	
Equity risk	5,943	-	14,391	1,151	
Option risk	-	-	50	4	
<b>Total</b>	<b>1,269,866</b>	<b>1,119,432</b>	<b>193,949</b>	<b>15,515</b>	
<b>(iv) Operational risk</b>			<b>568,402</b>	<b>45,472</b>	
<b>(v) Total RWA and capital requirements</b>			<b>3,245,221</b>	<b>259,617</b>	

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. 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 31.12.2010

OSKIB	Gross	Net	Risk-	Capital
Exposure Class	Exposures	Exposures	Weights	Require
	RM'000	RM'000	Assets	-ments
			RM'000	RM'000
<b>(i) Credit risk</b>				
<i>On-Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	1,205,533	1,205,533	-	-
Banks, development financial institutions and multilateral development banks	2,043,038	2,043,038	545,686	43,655
Insurance companies, securities firms and fund managers	71,389	71,389	14,277	1,142
Corporates	2,006,283	1,606,119	939,363	75,149
Other assets	229,360	229,360	229,360	18,349
<b>Total on-balance sheet exposures</b>	<b>5,555,603</b>	<b>5,155,439</b>	<b>1,728,686</b>	<b>138,295</b>
<i>Off-Balance Sheet Exposures:</i>				
Over-the-counter ("OTC") derivatives	44,448	44,448	11,329	907
Credit derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	513,265	513,265	162,902	13,032
Defaulted exposures	-	-	-	-
<b>Total off-balance sheet exposures</b>	<b>557,713</b>	<b>557,713</b>	<b>174,231</b>	<b>13,939</b>
<b>Total on and off-balance sheet exposures</b>	<b>6,113,316</b>	<b>5,713,152</b>	<b>1,902,917</b>	<b>152,234</b>
<b>(ii) Large exposures risk requirement</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>-</b>
<b>(iii) Market risk</b>				
	<b>Long</b>	<b>Short</b>		
	<b>Position</b>	<b>Position</b>		
	<b>RM'000</b>	<b>RM'000</b>		
Interest rate risk	520,240	211,892	362,023	28,962
Foreign currency risk	202,989	(189)	202,987	16,239
Equity risk	7,373	-	17,462	1,397
Option risk	107,114	-	34,061	2,725
<b>Total</b>	<b>837,716</b>	<b>211,703</b>	<b>616,533</b>	<b>49,323</b>
<b>(iv) Operational risk</b>			<b>545,109</b>	<b>43,609</b>
<b>(v) Total RWA and capital requirements</b>			<b>3,064,603</b>	<b>245,166</b>

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(c) Credit Risk exposures by risk weights**

As at 31.12.2011

OSKIB Group

Risk Weights	Exposures after Netting and Credit Risk Mitigation					Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns/ Central Banks	Banks, Development Financial Institutions & Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Corporates	Other Assets		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	1,577,135	9,577	-	-	-	1,586,712	-
20%	-	3,518,455	100,925	623,550	-	4,242,930	848,586
35%	-	-	-	-	-	-	-
50%	-	596,028	-	59,275	-	655,303	327,650
75%	-	-	-	-	-	-	-
100%	-	-	-	1,105,809	557,236	1,663,045	1,663,045
150%	-	-	-	45,103	-	45,103	67,655
<b>Total</b>	<b>1,577,135</b>	<b>4,124,060</b>	<b>100,925</b>	<b>1,833,737</b>	<b>557,236</b>	<b>8,193,093</b>	<b>2,906,936</b>
Risk weighted assets by exposures	-	1,001,705	20,185	1,327,810	557,236	2,906,936	
Average risk weight	0%	24%	20%	72%	100%	35%	
Deduction from capital base	-	-	-	-	-	-	

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(c) Credit Risk exposures by risk weights (Contd.)**

As at 31.12.2010

OSKIB Group

Risk Weights	Exposures after Netting and Credit Risk Mitigation					Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns/ Central Banks	Banks, Development Financial Institutions & Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Corporates	Other Assets		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	1,271,766	6,086	-	-	-	1,277,852	-
20%	-	2,726,717	107,620	803,407	-	3,637,744	727,549
35%	-	-	-	-	-	-	-
50%	-	294,704	8,131	131,592	-	434,427	217,213
75%	-	-	-	-	-	-	-
100%	-	60,850	-	753,743	280,897	1,095,490	1,095,490
150%	-	-	-	83,529	-	83,529	125,294
<b>Total</b>	<b>1,271,766</b>	<b>3,088,357</b>	<b>115,751</b>	<b>1,772,271</b>	<b>280,897</b>	<b>6,529,042</b>	<b>2,165,546</b>
Risk weighted assets by exposures	-	753,545	25,590	1,105,514	280,897	2,165,546	
Average risk weight	0%	24%	22%	62%	100%	33%	
Deduction from capital base	-	-	-	-	-	-	

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(c) Credit Risk exposures by risk weights (Contd.)**

As at 31.12.2011

OSKIB

Risk Weights	Exposures after Netting and Credit Risk Mitigation					Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns/ Central Banks	Banks, Development Financial Institutions & Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Corporates	Other Assets		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	1,509,776	73	-	-	-	1,509,849	-
20%	-	2,701,201	100,925	623,545	-	3,425,671	685,134
35%	-	-	-	-	-	-	-
50%	-	596,028	-	58,669	-	654,697	327,349
75%	-	-	-	-	-	-	-
100%	-	-	-	928,911	473,820	1,402,731	1,402,731
150%	-	-	-	45,103	-	45,103	67,656
<b>Total</b>	<b>1,509,776</b>	<b>3,297,302</b>	<b>100,925</b>	<b>1,656,228</b>	<b>473,820</b>	<b>7,038,051</b>	<b>2,482,870</b>
Risk weighted assets by exposures	-	838,254	20,185	1,150,611	473,820	2,482,870	
Average risk weight	0%	25%	20%	69%	100%	35%	
Deduction from capital base	-	-	-	-	-	-	

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(c) Credit Risk exposures by risk weights (Contd.)**

As at 31.12.2010

OSKIB

Risk Weights	Exposures after Netting and Credit Risk Mitigation					Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns/ Central Banks	Banks, Development Financial Institutions & Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Corporates	Other Assets		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	1,205,533	66	-	-	-	1,205,599	-
20%	-	2,125,457	107,620	803,407	-	3,036,484	607,297
35%	-	-	-	-	-	-	-
50%	-	294,704	8,131	131,592	-	434,427	217,213
75%	-	-	-	-	-	-	-
100%	-	60,850	-	662,904	229,359	953,113	953,113
150%	-	-	-	83,529	-	83,529	125,294
<b>Total</b>	<b>1,205,533</b>	<b>2,481,077</b>	<b>115,751</b>	<b>1,681,432</b>	<b>229,359</b>	<b>5,713,152</b>	<b>1,902,917</b>
Risk weighted assets by exposures	-	633,293	25,590	1,014,675	229,359	1,902,917	
Average risk weight	0%	26%	22%	60%	100%	33%	
Deduction from capital base	-	-	-	-	-	-	



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A27. Capital Adequacy (Cont'd)**

**(d) Rated exposures**

As at 31.12.2011

OSKIB Group

RM'000	Sovereigns/Central Banks		Banks, Development Financial Institutions & Multilateral Development Banks		Insurance Companies, Securities Firms and Fund Managers		Corporates		Other Assets		Total Exposures after Netting & CRM	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Investment Grade (BBB* equivalent and above)	1,577,135	-	4,124,061	1,001,705	100,925	20,185	682,825	154,347	-	-	6,484,946	1,176,237
Non Rated or Non Investment Grade	-	-	-	-	-	-	1,150,911	1,173,463	557,236	557,236	1,708,147	1,730,699
<b>Total</b>	<b>1,577,135</b>	<b>-</b>	<b>4,124,061</b>	<b>1,001,705</b>	<b>100,925</b>	<b>20,185</b>	<b>1,833,736</b>	<b>1,327,810</b>	<b>557,236</b>	<b>557,236</b>	<b>8,193,093</b>	<b>2,906,936</b>

\* The ratings of foreign securities are based on Moodys, S&P and Fitch and local securities are based on RAM and MARC.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(d) Rated exposures (Cont'd)**

As at 31.12.2010

OSKIB Group

RM'000	Sovereigns/Central Banks		Banks, Development Financial Institutions & Multilateral Development Banks		Insurance Companies, Securities Firms and Fund Managers		Corporates		Other Assets		Total Exposures after Netting & CRM	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Investment Grade (BBB* equivalent and above)	1,271,766	-	3,027,507	692,695	115,751	25,590	934,999	226,477	-	-	5,350,023	944,762
Non Rated or Non Investment Grade	-	-	60,850	60,850	-	-	837,272	879,037	280,897	280,897	1,179,019	1,220,784
<b>Total</b>	<b>1,271,766</b>	<b>-</b>	<b>3,088,357</b>	<b>753,545</b>	<b>115,751</b>	<b>25,590</b>	<b>1,772,271</b>	<b>1,105,514</b>	<b>280,897</b>	<b>280,897</b>	<b>6,529,042</b>	<b>2,165,546</b>

\* The ratings of foreign securities are based on Moodys, S&amp;P and Fitch and local securities are based on RAM and MARC.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A27. Capital Adequacy (Cont'd)**

**(d) Rated exposures (Cont'd)**

As at 31.12.2011

OSKIB

RM'000	Sovereigns/Central Banks		Banks, Development Financial Institutions & Multilateral Development Banks		Insurance Companies, Securities Firms and Fund Managers		Corporates		Other Assets		Total Exposures after Netting & CRM	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Investment Grade (BBB* equivalent and above)	1,509,776	-	3,297,302	838,254	100,925	20,185	682,212	154,044	-	-	5,590,215	1,012,483
Non Rated or Non Investment Grade	-	-	-	-	-	-	974,016	996,567	473,820	473,820	1,447,836	1,470,387
<b>Total</b>	<b>1,509,776</b>	<b>-</b>	<b>3,297,302</b>	<b>838,254</b>	<b>100,925</b>	<b>20,185</b>	<b>1,656,228</b>	<b>1,150,611</b>	<b>473,820</b>	<b>473,820</b>	<b>7,038,051</b>	<b>2,482,870</b>

\* The ratings of foreign securities are based on Moodys, S&P and Fitch and local securities are based on RAM and MARC.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(d) Rated exposures (Cont'd)**

As at 31.12.2010

OSKIB

RM'000	Sovereigns/Central Banks		Banks, Development Financial Institutions & Multilateral Development Banks		Insurance Companies, Securities Firms and Fund Managers		Corporates		Other Assets		Total Exposures after Netting & CRM	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Investment Grade (BBB* equivalent and above)	1,205,533	-	2,420,227	572,443	115,751	25,590	934,999	226,477	-	-	4,676,510	824,510
Non Rated or Non Investment Grade	-	-	60,850	60,850	-	-	746,433	788,198	229,359	229,359	1,036,642	1,078,407
<b>Total</b>	<b>1,205,533</b>	<b>-</b>	<b>2,481,077</b>	<b>633,293</b>	<b>115,751</b>	<b>25,590</b>	<b>1,681,432</b>	<b>1,014,675</b>	<b>229,359</b>	<b>229,359</b>	<b>5,713,152</b>	<b>1,902,917</b>

\* The ratings of foreign securities are based on Moodys, S&amp;P and Fitch and local securities are based on RAM and MARC.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(e) Off-balance sheet exposures and counterparty credit risk**
**As at 31.12.2011**
**OSKIB Group**

<b>Description</b>	<b>Principal Amount RM'000</b>	<b>Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
Obligations under an on-going underwriting agreements	-		-	-
Foreign exchange related contracts One year or less	166,916	324	48,813	9,762
Interest/profit rate related contracts Over one year to five years	1,966,290	7,946	84,936	16,987
Equity related contracts One year or less	2,832	-	2,832	2,832
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	19,302	131	978	204
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	106,298		53,149	53,149
Any commitments that are cancelled at any time by OSKIB Group without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,699,221		-	-
<b>Total</b>	<b>3,960,859</b>	<b>8,401</b>	<b>190,708</b>	<b>82,934</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(e) Off-balance sheet exposures and counterparty credit risk (Cont'd)**
**As at 31.12.2010**
**OSKIB Group**

<b>Description</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
Obligations under an on-going underwriting agreements	24,731	██████████	12,365	12,365
Foreign exchange related contracts One year or less	771,882	2,127	358,682	71,736
Interest/profit rate related contracts Over one year to five years	885,973	37,452	79,270	15,854
Equity related contracts One year or less	1,932	11	1,932	1,932
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	164,854	50,707	44,448	11,329
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	133,640	██████████	66,820	66,820
Any commitments that are cancelled at any time by OSKIB Group without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,352,610	██████████	-	-
<b>Total</b>	<b>3,335,622</b>	<b>90,297</b>	<b>563,517</b>	<b>180,036</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(e) Off-balance sheet exposures and counterparty credit risk (Cont'd)**
**As at 31.12.2011**
**OSKIB**

<b>Description</b>	<b>Principal Amount RM'000</b>	<b>Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
Obligations under an on-going underwriting agreements	-	█	-	-
Foreign exchange related contracts One year or less	166,916	324	48,813	9,762
Interest/profit rate related contracts Over one year to five years	1,966,290	7,946	84,936	16,987
Equity related contracts One year or less	2,832	-	2,832	2,832
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	19,302	131	978	204
Other commitments, such as formal facilities and credit lines, with an original maturity of over one year	81,168	█	40,581	40,581
Any commitments that are cancelled at any time by OSKIB without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	454,667	█	-	-
<b>Total</b>	<b>2,691,175</b>	<b>8,401</b>	<b>178,140</b>	<b>70,366</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(e) Off-balance sheet exposures and counterparty credit risk (Cont'd)**
**As at 31.12.2010**
**OSKIB**

<b>Description</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
Obligations under an on-going underwriting agreements	24,731		12,365	12,365
Foreign exchange related contracts One year or less	771,882	2,127	358,683	71,736
Interest/profit rate related contracts Over one year to five years	885,973	37,452	79,270	15,854
Equity related contracts One year or less	1,932	-	1,932	1,932
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	164,854	50,707	44,448	11,329
Other commitments, such as formal facilities credit lines, with an original maturity of over one year	122,032		61,015	61,015
Any commitments that are cancelled at any time by the OSKIB without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	426,491		-	-
<b>Total</b>	<b>2,397,895</b>	<b>90,286</b>	<b>557,713</b>	<b>174,231</b>



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A27. Capital Adequacy (Cont'd)**
**(f) Risk weighted assets and capital requirements for variances categories of risk under Market Risk**

	<b>OSKIB Group</b>		<b>OSKIB</b>	
	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest rate risk				
- General interest rate risk	9,374	12,606	8,837	12,606
- Specific interest rate risk	734	16,356	383	16,356
	<u>10,108</u>	<u>28,962</u>	<u>9,220</u>	<u>28,962</u>
Equity position risk				
- General risk	629	6,339	475	589
- Specific risk	2,106	10,805	676	808
	<u>2,735</u>	<u>17,144</u>	<u>1,151</u>	<u>1,397</u>
Foreign exchange risk	71,018	53,450	5,140	16,239
Option risk	4	2,725	4	2,725
	<u>83,865</u>	<u>102,281</u>	<u>15,515</u>	<u>49,323</u>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad**

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION**

	Note	As at <b>31.12.2011</b> RM'000	As at 31.12.2010 RM'000
<b>ASSETS</b>			
Cash and short term funds		<b>395,163</b>	233,536
Securities held-to-maturity	A28(a)	<b>292,950</b>	300,988
Securities available-for-sale	A28(b)	<b>631,105</b>	351,631
Other assets	A28(c)	<b>5,664</b>	6,773
Equipment		<b>18</b>	18
Intangible assets		<b>766</b>	133
<b>TOTAL ASSETS</b>		<b>1,325,666</b>	893,079
<b>LIABILITIES</b>			
Deposits from customers	A28(d)	<b>1,185,523</b>	828,601
Deposits and placements of banks and other financial institutions	A28(e)	<b>15,888</b>	-
Other liabilities	A28(f)	<b>5,831</b>	3,890
Tax payable		<b>4,405</b>	2,578
Deferred tax liabilities		<b>221</b>	88
<b>TOTAL LIABILITIES</b>		<b>1,211,868</b>	835,157
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic banking funds		<b>100,000</b>	50,000
Reserves		<b>13,798</b>	7,922
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>113,798</b>	57,922
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>1,325,666</b>	893,079

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**
**UNAUDITED CONDENSED INCOME STATEMENTS**

	<b>Current quarter ended 31.12.2011</b>	Preceding quarter ended 31.12.2010	<b>Current year to date ended 31.12.2011</b>	Preceding year to date ended 31.12.2010
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Income derived from investment of depositors' funds and others	<b>9,391</b>	7,197	<b>37,107</b>	26,392
Transfer to profit equalisation reserve	<b>(1,525)</b>	(132)	<b>(1,289)</b>	(237)
<b>Gross and total attributable income</b>	<b>7,866</b>	7,065	<b>35,818</b>	26,155
Income attributable to depositors	<b>(7,584)</b>	(5,862)	<b>(29,993)</b>	(20,178)
<b>Income attributable to OSKIB</b>	<b>282</b>	1,203	<b>5,825</b>	5,977
Income/(loss) derived from investment of Islamic banking funds	<b>2,383</b>	(18)	<b>3,159</b>	108
<b>Total net income</b>	<b>2,665</b>	1,185	<b>8,984</b>	6,085
Other operating expenses	<b>(508)</b>	(375)	<b>(1,675)</b>	(1,217)
<b>Profit before tax and zakat for the period/year</b>	<b>2,157</b>	810	<b>7,309</b>	4,868
Income tax expense and zakat	<b>(544)</b>	(205)	<b>(1,831)</b>	(1,255)
<b>Profit after tax and zakat for the period/year</b>	<b>1,613</b>	605	<b>5,478</b>	3,613

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

Income derived from investment of depositors' funds and others	<b>9,391</b>	7,197	<b>37,107</b>	26,392
Income attributable to depositors	<b>(7,584)</b>	(5,862)	<b>(29,993)</b>	(20,178)
Income/(loss) derived from investments of Islamic banking funds	<b>2,383</b>	(18)	<b>3,159</b>	108
Transfer to profit equalisation reserve	<b>(1,525)</b>	(132)	<b>(1,289)</b>	(237)
Net income from Islamic banking operations reported in the consolidated income statement	<b>2,665</b>	1,185	<b>8,984</b>	6,085

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Current quarter ended 31.12.2011 RM'000</b>	<b>Preceding quarter ended 31.12.2010 RM'000</b>	<b>Current year to date ended 31.12.2011 RM'000</b>	<b>Preceding year to date ended 31.12.2010 RM'000</b>
<b>Profit after tax and zakat for the period/year</b>	<b>1,613</b>	605	<b>5,478</b>	3,613
<b>Other comprehensive (loss)/income</b>				
Unrealised net (loss)/gain on revaluation of securities available-for-sale	<b>(964)</b>	74,870	<b>531</b>	75
Income tax benefit/(expense) relating to component of other comprehensive income	<b>241</b>	(18,717)	<b>(133)</b>	(19)
<b>Other comprehensive (loss)/income for the period/year, net of tax and zakat</b>	<b>(723)</b>	56,153	<b>398</b>	56
<b>Total comprehensive income for the period/year, net of tax and zakat</b>	<b>890</b>	56,758	<b>5,876</b>	3,669
<b>Total comprehensive income attributable to owner of OSKIB</b>	<b>890</b>	56,758	<b>5,876</b>	3,669

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN ISLAMIC BANKING FUND**

	<b>Islamic Banking Fund</b>	<b>Available- for-sale reserve</b>	<b>Retained Profits</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1.1.2011</b>	<b>50,000</b>	<b>263</b>	<b>7,659</b>	<b>57,922</b>
Total comprehensive income	-	<b>398</b>	<b>5,478</b>	<b>5,876</b>
Injection of fund	<b>50,000</b>	-	-	<b>50,000</b>
<b>As at 31.12.2011</b>	<b>100,000</b>	<b>661</b>	<b>13,137</b>	<b>113,798</b>
<b>As at 1.1.2010</b>				
As previously reported	50,000	244	4,046	54,290
Adoption of FRS 139	-	(37)	-	(37)
As restated	50,000	207	4,046	54,253
Total comprehensive income	-	56	3,613	3,669
As at 31.12.2010	50,000	263	7,659	57,922

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

	<b>As at 31.12.2011</b>	<b>As at 31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Securities held-to-maturity</b>		
<b>At amortised cost</b>		
Money market instruments:		
Cagamas bonds	5,014	5,037
Malaysian Government Investment Issues	120,100	165,361
	<b>125,114</b>	170,398
Unquoted securities:		
Islamic private debt securities	167,836	130,590
	<b>292,950</b>	300,988
The maturity structure of above securities are as follows:		
Within one year	50,059	55,220
Two to five years	177,332	207,040
More than five years	65,559	38,728
	<b>292,950</b>	300,988
<b>(b) Securities available-for-sale</b>		
<b>At fair value</b>		
Money market instruments:		
Islamic accepted bills	139,027	64,526
Malaysian Government Investment Issues	89,462	25,324
Negotiable instruments of deposit	129,520	49,926
	<b>358,009</b>	139,776
Unquoted securities:		
Islamic private debt securities	273,096	211,855
	<b>631,105</b>	351,631
<b>(c) Other assets</b>		
Income receivable	5,664	6,773

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

	As at <b>31.12.2011</b>	As at 31.12.2010
	<b>RM'000</b>	<b>RM'000</b>
<b>(d) Deposits from customers</b>		
<b>(i) By type of deposit</b>		
Mudharabah Fund		
Mudharabah general investment deposits	<b>1,185,523</b>	828,601
<b>(ii) By type of customer</b>		
Government and statutory bodies	<b>521,802</b>	442,798
Business enterprises	<b>219,668</b>	103,912
Domestic non-bank financial institutions*	<b>444,053</b>	281,891
	<b>1,185,523</b>	828,601
<b>(iii) By maturity structure</b>		
Up to 3 months	<b>771,659</b>	726,326
3-12 months	<b>194,626</b>	102,275
1-5 years	<b>219,238</b>	-
	<b>1,185,523</b>	828,601
* Domestic non-bank financial institutions include unit trust companies, trust funds and insurance companies.		
<b>(e) Deposits and placements of banks and other financial institutions</b>		
<b>(i) By type of deposit</b>		
Mudharabah Fund		
Mudharabah general investment deposits	<b>15,888</b>	-
<b>(ii) By type of customer</b>		
Licensed bank	<b>15,888</b>	-
<b>(f) Other liabilities</b>		
Income payable	<b>3,529</b>	2,798
Profit equalisation reserve	<b>2,285</b>	996
Other payable and accruals	<b>17</b>	96
	<b>5,831</b>	3,890

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**(g) 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.

**(i) Risk weighted capital ratios and Tier I and Tier II capital**

The capital adequacy ratios and capital base are as follows:

	<b>As at 31.12.2011</b>	<b>As at 31.12.2010</b>
<b>Before deducting proposed dividends:</b>		
Core capital ratio	<b>54.82%</b>	40.02%
Risk weighted capital ratio	<b>54.82%</b>	40.02%
<b>After deducting proposed dividends:</b>		
Core capital ratio	<b>54.82%</b>	40.02%
Risk weighted capital ratio	<b>54.82%</b>	40.02%
	<b>RM'000</b>	<b>RM'000</b>
Islamic banking funds	<b>100,000</b>	50,000
Retained profits - audited	<b>13,137</b>	7,659
	<b>113,137</b>	57,659

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 Risk Weighted Capital Adequacy Framework (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% (2010: 8.0%) for the risk weighted capital ratio.



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**(g) 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 31.12.2011

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk Weights Assets RM'000	Capital Requirements RM'000
<b>(a) Credit risk</b>				
<i>On-Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	398,785	398,785	-	-
Banks, development financial institutions and multilateral development banks	614,069	614,069	125,824	10,066
Corporates	313,300	313,300	67,536	5,403
Other assets	149	149	149	12
<b>Total on-balance sheet exposures</b>	<b>1,326,303</b>	<b>1,326,303</b>	<b>193,509</b>	<b>15,481</b>
<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	-	-	-	-
<b>Total off-balance sheet exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total on and off balance sheet exposures</b>	<b>1,326,303</b>	<b>1,326,303</b>	<b>193,509</b>	<b>15,481</b>
<b>(b) Large exposures risk requirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(c) Market risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(d) Operational risk</b>			12,878	1,030
<b>(e) Total RWA and capital requirements</b>			<b>206,387</b>	<b>16,511</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**
**(g) 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 (Cont'd)**
**As at 31.12.2010**

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weights Assets RM'000	Capital Requirements RM'000
<b>(a) Credit risk</b>				
<i>On-Balance Sheet Exposures:</i>				
Sovereigns/Central Banks	256,405	256,405	-	-
Banks, development financial institutions and multilateral development banks	360,179	360,179	75,054	6,004
Corporates	275,639	275,639	59,862	4,789
Other assets	1,019	1,019	1,019	82
<b>Total on balance sheet exposures</b>	<b>893,242</b>	<b>893,242</b>	<b>135,935</b>	<b>10,875</b>
<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	-	-	-	-
<b>Total off-balance sheet exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total on and off-balance sheet exposures:</b>	<b>893,242</b>	<b>893,242</b>	<b>135,935</b>	<b>10,875</b>
<b>(b) Large exposures risk requirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(c) Market risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(d) Operational risk</b>			<b>8,132</b>	<b>651</b>
<b>(e) Total RWA and capital requirements</b>			<b>144,067</b>	<b>11,526</b>

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**
**(g) Capital adequacy of Islamic banking operations (Cont'd)**
**(iii) Credit risk exposures by risk weights**
**As at 31.12.2011**

Risk Weights	Exposures after Netting and Credit Risk Mitigation						Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns/ Central Banks RM'000	Banks, Development Financial Institutions & Multi-lateral Development Banks RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corpo- rates RM'000	Other Assets RM'000	Total		
0%	398,785	-	-	-	-	398,785	-	
20%	-	604,035	-	307,205	-	911,240	182,249	
35%	-	-	-	-	-	-	-	
50%	-	10,034	-	-	-	10,034	5,016	
75%	-	-	-	-	-	-	-	
100%	-	-	-	6,095	149	6,244	6,244	
150%	-	-	-	-	-	-	-	
<b>Total</b>	<b>398,785</b>	<b>614,069</b>	<b>-</b>	<b>313,300</b>	<b>149</b>	<b>1,326,303</b>	<b>193,509</b>	
Risk weighted assets by exposures	-	125,824	-	67,536	149	193,509		
Average risk weight	0%	20%	0%	22%	100%	15%		
Deduction from capital base	-	-	-	-	-	-		

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**(g) Capital adequacy of Islamic banking operations (Cont'd)**

**(iii) Credit risk exposures by risk weights (Cont'd)**

As at 31.12.2010

Risk Weights	Exposures after Netting and Credit Risk Mitigation						Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns/ Central Banks RM'000	Banks, Development Financial Institutions & Multi-lateral Development Banks RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corpo- rates RM'000	Other Assets RM'000	Total		
0%	256,405	-	-	-	-	-	256,405	-
20%	-	350,119	-	269,721	-	-	619,840	123,969
35%	-	-	-	-	-	-	-	-
50%	-	10,060	-	-	-	-	10,060	5,029
75%	-	-	-	-	-	-	-	-
100%	-	-	-	5,918	1,019	-	6,937	6,937
150%	-	-	-	-	-	-	-	-
<b>Total</b>	<b>256,405</b>	<b>360,179</b>	<b>-</b>	<b>275,639</b>	<b>1,019</b>	<b>-</b>	<b>893,242</b>	<b>135,935</b>
Risk weighted assets by exposures	-	75,054	-	59,862	1,019	-	135,935	
Average risk weight	0%	21%	0%	22%	100%	-	15%	
Deduction from capital base	-	-	-	-	-	-	-	

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**(g) Capital adequacy of Islamic banking operations (Cont'd)**

**(iv) Rated exposures**

As at 31.12.2011

RM'000	Sovereigns/Central Banks		Banks, Development Financial Institutions & Multilateral Development Banks		Insurance Companies, Securities Firms and Fund Managers		Corporates		Other Assets		Total Exposures after Netting & CRM	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Investment Grade (BBB* equivalent and above)	398,785	-	614,069	125,824	-	-	307,205	61,441	-	-	1,320,059	187,265
Non Rated or Non Investment Grade	-	-	-	-	-	-	6,095	6,095	149	149	6,244	6,244
<b>Total</b>	<b>398,785</b>	<b>-</b>	<b>614,069</b>	<b>125,824</b>	<b>-</b>	<b>-</b>	<b>313,300</b>	<b>67,536</b>	<b>149</b>	<b>149</b>	<b>1,326,303</b>	<b>193,509</b>

\* The ratings of foreign securities are based on Moodys, S&P and Fitch and local securities are based on RAM and MARC.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**(g) Capital adequacy of Islamic banking operations (Cont'd)**

**(iv) Rated exposures (Cont'd)**

As at 31.12.2010

RM'000	Sovereigns/Central Banks		Banks, Development Financial Institutions & Multilateral Development Banks		Insurance Companies, Securities Firms and Fund Managers		Corporates		Other Assets		Total Exposures after Netting & CRM	Total Risk Weighted Assets
	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset	Exposures after Netting & CRM	Risk Weighted Asset		
Investment Grade (BBB* equivalent and above)	256,405	-	360,179	75,054	-	-	269,721	53,944	-	-	886,305	128,998
Non Rated or Non Investment Grade	-	-	-	-	-	-	5,918	5,918	1,019	1,019	6,937	6,937
<b>Total</b>	<b>256,405</b>	<b>-</b>	<b>360,179</b>	<b>75,054</b>	<b>-</b>	<b>-</b>	<b>275,639</b>	<b>59,862</b>	<b>1,019</b>	<b>1,019</b>	<b>893,242</b>	<b>135,935</b>

\* The ratings of foreign securities are based on Moodys, S&P and Fitch and local securities are based on RAM and MARC.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**A28. Islamic banking operations of OSK Investment Bank Berhad (Cont'd)**

**(g) Capital adequacy of Islamic banking operations (Cont'd)**

**(v) Off-balance sheet exposures and counterparty credit risk**

As at reporting date, the Islamic banking operations of OSKIB do not have any off-balance sheet exposures and their related counterparty credit risk.

**(vi) Risk weighted assets and capital requirements for variances categories of risk under Market Risk**

	<b>As at 31.12.2011 RM'000</b>	<b>As at 31.12.2010 RM'000</b>
Interest rate risk		
- General interest rate risk	-	-
- Specific interest rate risk	-	-
	<hr/>	<hr/>
	-	-
Equity position risk		
- General risk	-	-
- Specific risk	-	-
	<hr/>	<hr/>
	-	-
Foreign exchange risk	-	-
Option risk	-	-
	<hr/>	<hr/>
	-	-

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****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 analysis of the Group for the current quarter and year to date***Current Year To Date Compared with Preceding Year To Date*

The Group recorded total revenue of RM1.05 billion for the financial year ended 31 December 2011 ("FY11"), up by 4% from financial year ended 31 December 2010 ("FY10") of RM1.01 billion. The Group's pre-tax profit declined by half to RM93.18 million after taking into account the one-off impairment losses of RM70.08 million (FY10: RM46.51 million), non-recurring operating costs of RM25.07 million (FY10: Nil), and a gain on revaluation of property of RM15.00 million (FY10: RM21.40 million). The Group provided for additional impairment losses based on the Group's policy where material triggering events existed as at 31 December 2011 and in view of market volatilities and uncertainties. Consequently, the Group profit attributable to the owners of the Company or profit after tax and non-controlling interests ("PATMI") declined by 56% from RM117.61 million in FY10 to RM51.42 million in FY11 which translated into an earnings per share of 5.47 sen (FY10: 12.78 sen).

Operation-wise, excluding the one-off effects of RM80.15 million (FY10: RM25.11 million), the Group would have reported a pre-tax profit of RM173.33 million in FY11 (FY10: RM220.08 million), representing a decline of 21% as compared to the previous year. The Group's relatively weaker performance in FY11 was caused by a combined effects of increased interest expense by RM59.50 million (42%) as a result of higher level of deposits taking and issuance of additional subordinated notes, as well as higher operating expenses by RM43.59 million (7%) which was mainly due to the increase in personnel costs resulting from business expansion, including strengthening the management team and staff force in the newly acquired subsidiaries in FY11. Nonetheless, at the end of FY11, the total assets of the Group rose by 8% to RM10.77 billion from RM9.99 billion at the end of FY10 and the Group maintained its shareholders' funds of RM1.45 billion at the end of FY11.

Performance analysis of the respective operating business segments for FY11 as compared to FY10 is described as follows:-

- 1) Investment banking - This segment reported a pre-tax loss of RM9.47 million in FY11 as compared to pre-tax profit of RM61.05 million in FY10 after taking into account one-off impairment losses of RM70.08 million (FY10: RM46.51 million), unrealised loss on derivatives of RM50.79 million and unrealised loss from foreign exchange translations of RM26.39 million. Without the one-off impairment losses, Derivatives and Structured Products and Treasury would have been the main profit contributors in FY11, followed by Corporate Advisory. The Islamic Banking Operations contributed RM4.32 million, up by RM1.33 million (45%) from FY10. Labuan Investment Banking, Equities and Debt Capital Market contributed lower profits following lower level of capital market activities in the region.
- 2) Loans and Financing - Pre-tax profit increased by RM27.74 million (61%) to RM73.20 million from RM45.46 million in FY10, mainly driven by continued loan growth predominantly in Malaysia and Cambodia. At the end of FY11, total loans stood at RM1.67 billion (FY10: RM1.37 billion), up by RM296 million (22%) on the back of customer deposits growth, notwithstanding the 1.5% collective impairment allowance set aside for the loan growth.



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****B1. Performance analysis of the Group for the current quarter and year to date (Cont'd.)***Current Year To Date Compared with Preceding Year To Date (Cont'd.)*

- 3) Equities and Futures - This segment recorded a pre-tax loss of RM1.10 million (FY10: pre-tax profit of RM52.94 million), primarily due to the recent uncertainties in the external environment as well as the softness of market sentiments in the region which had led to lower trading volumes, aggravated in part by the incidental costs incurred when the new stockbroking company in Thailand was acquired.
- 4) Wealth Management - Pre-tax profit decreased by RM2.15 million (39%) to RM3.39 million in FY11, mainly attributable to lower management fee earned on lower average net asset value of the funds under management.
- 5) Property Investment - Pre-tax profit decreased by RM4.88 million (16%) to RM25.18 million (FY10: RM30.06 million), on account of lower gain on revaluation of property. Excluding the one-off gain on revaluation, pre-tax profit would have increased by RM1.52 million (18%) to RM10.18 million in FY11 from RM8.66 million in FY10, on the back of higher rental income.
- 6) Holding Entities - This segment recorded pre-tax loss of RM4.84 million (FY10: pre-tax profit RM0.70 million), mainly due to unrealised losses on investments.
- 7) Others - This segment includes trustee services, share of profits after tax of associate and other businesses. This segment recorded a pre-tax profit of RM6.82 million in FY11 (FY10: pre-tax loss of RM0.78 million), which was derived mainly from the sale of a membership in the Chinese Gold and Silver Exchange Society in Hong Kong and higher pre-tax profit from trustee services, including the recently acquired subsidiary, Malaysian Trustees Berhad.

Performance analysis of the respective operating geographical segments for FY11 as compared to FY10 is described as follows:-

- 1) Domestic - Malaysian entities registered a pre-tax profits of RM71.38 million, accounting for 77% of the Group pre-tax profit (FY10: RM137.68 million, 71% of the Group pre-tax profit). Excluding the one-off effects of RM80.15 million (FY10: RM25.11 million) as mentioned above, the Malaysian entities would have reported a pre-tax profit of RM151.53 million (FY10: RM162.79 million).
- 2) Foreign Countries - Overseas subsidiaries contributed a pre-tax profit of RM21.80 million, representing 23% of the Group pre-tax profit (FY10: RM57.30 million, 29% of the Group pre-tax profit). Singapore remained as the main profit contributor and reported a pre-tax profit of RM30.01 million (FY10: RM58.22 million), followed by Indonesia of RM5.97 million (FY10: RM10.43 million). The lower profits generated were mainly due to much lower trading volumes in the respective countries in view of the macroeconomic and geopolitical uncertainties. The recent acquisition of a securities company in Thailand, OSK Securities (Thailand) Public Company Limited (formerly known as BFIT Securities Public Company Limited) contributed a pre-tax profit of RM0.68 million since 21 July 2011. On the other hand, Hong Kong and Cambodia reported pre-tax losses as the Group revamped its business model in Hong Kong, continued building its relatively young commercial banking business and set up its securities business in Cambodia, resulting in higher operating and expansionary expenses.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****B1. Performance analysis of the Group for the current quarter and year to date (Cont'd.)***Current Quarter (“4Q11”) Compared with Comparative Quarter of Preceding Year (“4Q10”)*

For the fourth quarter ended 31 December 2011 (“4Q11”), the Group reported a pre-tax loss of RM47.93 million after taking into account RM62.58 million impairment losses and a revaluation gain of RM15.00 million. The Group would have achieved a break-even position in 4Q11 if the said impairment losses and revaluation gain were excluded. The weaker performance was mainly due to prolonged uncertainties in the equities market and rising concerns over global economic growth which had led to lower capital market activities. Non-interest income was also lower followed by lower market trading activities which has resulted in a decrease in gross brokerage income by RM40.02 million to RM85.02 million (4Q10: RM125.04 million) as well as related fees income from equities and unit trust activities. Nonetheless, net income from Islamic banking operations has improved by 125% to RM2.67 million with higher income derived from investment of Islamic banking funds. The interest income from loans, advances and financing as well as deposits and placements with financial institutions had shown an improvement by 26% to RM42.79 million. The Group recorded a loss per share of 3.15 sen in 4Q11 as compared to an earnings per share of 4.33 sen in 4Q10.

**B2. Current Quarter (“4Q11”) Compared with Immediate Preceding Quarter (“3Q11”)**

The Group reported a pre-tax loss of RM47.93 million in 4Q11 as compared to a pre-tax profit of RM50.72 million in 3Q11. The significant switch was principally due to the impairment losses on investments of RM62.58 million (3Q11: RM7.50 million) recorded in 4Q11 and the reduction of non-interest income from RM196.31 million to RM143.23 million in 4Q11, resulting from lower market activities which had led to lower gross brokerage income and related fee income as well as income from service charges on sale of trust units. However, the unfavourable result was partly offset by the revaluation gain of RM15.00 million (3Q11: Nil) on a piece of freehold land.

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

**(a) Prospects for 2012**

Weaker economic growth in the fourth quarter on the back of the uncertain external environment could linger into the first quarter of 2012. While some softness in real GDP could be expected, the economies of Indonesia, Malaysia, Singapore and Thailand remain on the growth trajectory in 2012. We expect fiscal measures in Indonesia, Malaysia and Thailand to provide support for their economies in 2012. Downside risks still exist, including policy being too loose for too long in Indonesia, the efficacy of rebuilding efforts in Thailand and the specter of much slower growth in the global economy. Singapore is likely to underperform compared to its ASEAN peers with growth moderating in the quarters ahead.

Economic growth should continue to remain the focus of governments in 2012, but not at the expense of prudent inflation management. In 2012, inflation is likely to slow in Malaysia and Singapore due to base effects, while strong private consumption in Indonesia and the rebuilding efforts in Thailand could push inflation higher.

*The Prospects of Each Business Segments*

Investment banking - In 2012, the capital market is expected to remain competitive and increasingly challenging for the banking industry as a whole. With the weak economic sentiment, there may be a slower implementation of investment banking in the areas of IPOs and other funds raising activities, leading to a softening of investment banking income. In contrast, the Group expects potential upside in Mergers and Acquisitions area. Despite these conditions, the Group will continue to leverage on its strong regional network and its collaboration with strategic partners in other countries, in order to expand its market reach and grow its market share.

Loans and Financing - In 2012, the growth in the domestic corporate loans of the Group should sustain at the current moderate level, supported by the growth in customers deposits, while the retail and corporate loans in Cambodia is expected to achieve its targeted growth. The growth of the shares financing business in the region, depending on the challenges in the equities and capital markets, will continue to rely on the speed of approval process, effectiveness of disbursement channels and exploitation of regional business network.

Equities and Futures - In 2012, the regional capital market is expected to remain competitive and volatile. The growth in the Group's Equities and Futures businesses is dependent on the market sentiments in the region we are operating in. In view of the increasingly challenging operating environment, the Group expects to maintain its leading market positions in Malaysia and Singapore, and to expand its securities businesses, particularly in Indonesia and Thailand where there are opportunities to gain higher market share. The equities business in Hong Kong is expected to achieve higher trading turnover as the institutional sales momentum continues to improve and the revamp of retail team is targeted to bring renewed vigour into the entity's level of trade volume.

Wealth Management - In 2012, the domestic unit trust fund management business is projected to grow steadily and the Group remains focus in maintaining its position as one of the market leaders in the fund management business in Malaysia. Regionally, the Group seeks to develop its fund management business in Indonesia, Singapore and Hong Kong by growing the assets under management ("AUM") in the respective countries.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

**B3. Current year prospects and progress on previously announced revenue or profit forecast (Cont'd.)**

**(a) Prospects for 2012 (Cont'd.)**

Property Investment - This is predominantly operating in Malaysia and provides a stable income stream for the Group. The Group will continue to explore and evaluate opportunities and improve the performance of the existing assets held.

Others - The Group expects its leadership in the Private Debts Securities ("PDS") sector of the professional trustees business, through the newly acquired Malaysian Trustees Berhad, to sustain in 2012. To further grow its trustees business, the Group plans to enhance value from synergies, which include synchronizing business plans, products and services and human resources.

*Financial Impact from Recently Completed Acquisitions*

In 2011, the Group acquired two subsidiaries, namely OSK Securities (Thailand) Public Company Limited ("OSKST") and Malaysian Trustees Berhad ("MTB"). OSKST contributed total revenue of RM9.44 million with a pre-tax profit RM0.68 million, while MTB provided total revenue of RM3.02 million and a pre-tax profit of RM1.68 million, since the respective dates of acquisitions. The Board is of the view that these newly acquired subsidiaries will continue to contribute profitable results to the Group in 2012.

The Board is confident that the Group will perform satisfactorily in 2012.

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

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

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

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

**B5. Profit forecast/profit guarantee**

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

**B6. Income tax benefit/(expense)**

	Current quarter ended 31.12.2011 RM'000	Current year to date ended 31.12.2011 RM'000
In respect of the current quarter/year to date		
- Zakat	-	(5)
- Malaysian income tax	13,472	(12,333)
- Foreign income tax	418	(7,962)
	<u>13,890</u>	<u>(20,300)</u>
In respect of the prior year		
- Malaysian income tax	(263)	(8,444)
- Foreign income tax	-	60
	<u>(263)</u>	<u>(8,384)</u>
Deferred taxation	6,184	7,285
Income tax benefit/(expense)	<u>19,811</u>	<u>(21,399)</u>

The Group's effective tax rate for the current year is lower than the Malaysian statutory tax rate of 25% mainly due to the effects of lower tax rates in other tax jurisdictions.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****B7. Status of corporate proposals and utilisation of proceeds**

- (a) **Status of corporate proposals announced but not completed as at 22 February 2012 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)**

Application to Bank Negara Malaysia ("BNM") for OSK to commence negotiations with RHB Capital Berhad ("RHBC") for a possible merger of businesses between OSK investment banking group and RHB banking group ("Possible Merger")

On 29 September 2011, the Company submitted an application letter to BNM to seek an approval in principle to commence negotiations with RHBC for a possible merger of businesses between OSK investment banking group and RHB banking group.

On 13 October, 2011, BNM stated that it has no objection in principle for the Company to commence negotiations with RHBC for the possible merger of businesses. The approval to commence negotiations is valid for a period of 3 months.

On 11 January 2012, the Company has submitted an application to BNM to seek relevant approval in relation to the Possible Merger from the Minister of Finance via BNM.

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

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

**B8. Borrowings and debt securities as at the end of the reporting period**

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:-

	<b>RM'000</b>
Short term borrowings - Unsecured	
Revolving credits	<b>177,970</b>
Revolving credits denominated in USD	<b>27,592</b>
Short term loans denominated in HKD	<b>20,854</b>
Short term loans denominated in USD	<b>10,198</b>
Short term loans denominated in SGD	<b>2,381</b>
Overdraft denominated in SGD	<b>122</b>
	<hr/>
	<b>239,117</b>
Long term subordinated notes - Unsecured	<b>400,000</b>
	<hr/>
Total borrowings and debt securities	<b>639,117</b>

**B9. Material litigations**

As at 22 February 2012 (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. Berhad (“OSKNT”) and Another (collectively referred to as the “Defendants”) (Seremban High Court Suit No. 22-216-2003)**

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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 million, 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 million granted to Azari by OSKC. OSKC and OSKNT have 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 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. On 1st August 2011, Azari withdrew his Appeal against the Defendants.

The Chargor’s Appeal was heard on 22 February 2012 and was dismissed with costs.

**B9. Material litigations (Cont'd)**

**Kuala Lumpur High Court Summons No:D-22-NCC-1390-2010, Ahmad Azari bin Mohd. Daud (“the Plaintiff”) vs. OSK Capital Sdn. Bhd. (“the Defendant”)**

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The Defendant was served with a Writ of Summons by the Plaintiff on 19 July 2010 claiming the sum of RM11,720,246.88 together with costs and interests against the Defendant. The said sum is allegedly due from the balance of auction proceeds from the sale of 222 pieces of land located in Seremban, Negeri Sembilan held on 22 February 2006. The Order for sale was made in the Seremban High Court Civil Suit No:24-882-2001 on 18 April 2005 in the suit between the Defendant and Kamal, Lokman & Mustakim Holdings Sdn. Bhd..

The Defendant had on 23 July 2010 filed its Memorandum of Appearance and on 11 August 2010 filed its Defence and Counter claim. Subsequently, the Defendant had on 27 September 2010 filed an application to strike out the Plaintiff’s claim and it was heard on 1 March 2011 and was fixed for decision on 14 March 2011. On 14 March 2011, the Court dismissed the Plaintiff’s claims against the Defendant. The Defendant’s counterclaim was earlier fixed for trial on 4 and 5 April 2011 but had been postponed to 21 and 22 June 2011. The trial dates were further postponed by the Court to 3 August 2011 pending settlement between the parties. On 3 August 2011, the Defendant withdrew the counter claim against the Plaintiff since the Plaintiff had on 1 August 2011 withdrawn his appeal under the Seremban High Court Suit No. 22-216-2003.



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**B10. Dividends**

(a) The Board of Directors recommends final dividends of : (i) 2.0 sen per share less 25% income tax; and (ii) one (1) treasury share for every forty (40) ordinary shares held, for the current financial year ended 31 December 2011 (2010: 5.0 sen per share less 25% income tax). The proposed dividends are subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date to the final dividends shall be determined by the Board of Directors at the subsequent stage.

(b) An interim dividend of 2.5 sen per share less 25% income tax in respect of the current year was paid on 14 September 2011 (2010: Interim 2.5 sen per share less 25% income tax).

Total dividends for the year under review is 4.5 sen per share less 25% income tax and one (1) treasury share for every forty (40) ordinary shares held (2010: 7.5 sen per share less 25% income tax).

**B11. (Loss)/Earnings Per Share (“LPS/EPS”) attributable to owners of the Company**

	<b>Current quarter ended</b> <b>31.12.2011</b>	Comparative quarter ended 31.12.2010	<b>Current year to date ended</b> <b>31.12.2011</b>	Preceding year to date ended 31.12.2010
<b><u>Basic</u></b>				
(Loss)/profit attributable to owners of the Company (RM'000)	<b>(29,629)</b>	40,631	<b>51,415</b>	117,613
Weighted average number of ordinary shares in issue ('000 shares)	<b>939,730</b>	937,536	<b>939,130</b>	920,374
<b>Basic (LPS)/EPS (sen)</b>	<b>(3.15)</b>	4.33	<b>5.47</b>	12.78
<b><u>Diluted</u></b>				
(Loss)/profit attributable to owners of the Company (RM'000)	<b>(29,629)</b>	40,631	<b>51,415</b>	117,613
Weighted average number of ordinary shares in issue ('000 shares)	<b>939,730</b>	937,536	<b>939,130</b>	920,374
Effect of dilution on assumed exercise of options granted under ESOS (2010 preceding year to date: including assumed conversion of Warrants B 2000/2010 that expired on 1 March 2010) ('000 shares)	<b>1,562</b>	3,174	<b>2,015</b>	2,713
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	<b>941,292</b>	940,710	<b>941,145</b>	923,087
<b>Diluted (LPS)/EPS (sen)</b>	<b>(3.15)</b>	4.32	<b>5.46</b>	12.74

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****B12. Auditors' report of preceding annual financial statements**

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

**B13. Realised and Unrealised Profits**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the reporting date, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued a guidance on the disclosure and the format required.

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

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

Based on the above criteria, the breakdown of retained profits of the Group as at the reporting date is as follows:

	<b>As at 31.12.2011 RM'000</b>	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	<b>204,087</b>	250,438
- Unrealised	<b>179,349</b>	116,018
	<b>383,436</b>	366,456
Total share of retained profits from associated companies		
- Realised	<b>11,432</b>	11,195
- Unrealised	-	-
	<b>394,868</b>	377,651
Less : Consolidation adjustments	<b>(96,197)</b>	(69,047)
	<b>298,671</b>	308,604

**B14. Specific disclosures**

All the income and expenses as specifically required to be included in the consolidated income statements and statements of comprehensive income has been disclosed in the statements or in the respective notes to the statements, other than allowance for and write off of inventories, gains or loss on disposal of properties and exceptional items are not applicable to the Group.

**By Order of the Board**

**Ong Leong Huat**  
**Director**

Kuala Lumpur  
28 February 2012

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011****A22. Segmental information**

For management purposes, the Group is organised into the following major business segments based on products and services, which are regularly provided to and reviewed by the chief operating decision makers :

1. Investment Banking - Equities and Debt Capital Market, Derivatives and Structured Products, Corporate Advisory, Treasury, Islamic Banking and Labuan Investment Banking.
2. Loans & Financing - Corporate Loans, Shares Margin Financing, Capital Financing and Commercial Banking Services.
3. Equities & Futures - Stockbroking & Futures Broking, Nominee Services and related services.
4. Wealth Management - Unit Trust Fund Management, Islamic Funds Services and Asset Management.
5. Property Investment - Management and Letting of Properties.
6. Holding Entities - Investment Holding Companies.
7. 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 segments concerned and are not more favourable than those arranged with independent third parties and have been eliminated to arrive at the Group's results.



**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A22. Segmental information (Cont'd)**
**Geographical Segments**

The Group operates in six geographical locations: Malaysia (Domestic), Singapore, China and Hong Kong, Indonesia, Cambodia and Thailand. 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 and jointly controlled entity, Investment property, Property and equipment and Intangible assets.

Domestic	Foreign Countries						Total
Malaysia	Singapore	China and Hong Kong	Indonesia	Cambodia	Thailand	Sub-total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

**CURRENT YEAR TO DATE ENDED 31.12.2011**

Revenue	<b>763,946</b>	<b>146,178</b>	<b>52,287</b>	<b>63,596</b>	<b>15,853</b>	<b>9,524</b>	<b>287,438</b>	<b>1,051,384</b>
Profit/(loss) before tax	<b>71,378</b>	<b>30,013</b>	<b>(11,037)</b>	<b>5,970</b>	<b>(3,827)</b>	<b>683</b>	<b>21,802</b>	<b>93,180</b>
Non-current assets as at 31.12.2011	<b>563,260</b>	<b>11,288</b>	<b>4,453</b>	<b>6,235</b>	<b>15,750</b>	<b>3,199</b>	<b>40,925</b>	<b>604,185</b>

**PRECEDING YEAR TO DATE ENDED 31.12.2010**

Revenue	689,180	191,982	60,602	59,632	10,809	-	323,025	1,012,205
Profit/(loss) before tax	137,676	58,222	(8,544)	10,431	(2,814)	-	57,295	194,971
Non-current assets as at 31.12.2010	531,757	2,871	5,833	6,089	16,925	-	31,718	563,475

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
**A25. Commitments and contingencies**

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

	As at 31.12.2011			As at 31.12.2010		
	Principal amount	Credit equivalent*	Risk weighted*	Principal amount	Credit equivalent*	Risk weighted*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Obligations under underwriting agreements	-	-	-	24,731	12,365	12,365
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	<b>1,699,221</b>	-	-	1,352,610	-	-
- maturity exceeding one year	<b>106,298</b>	<b>45,610</b>	<b>45,610</b>	133,641	63,338	63,338
Foreign exchange related contracts:						
- less than one year	<b>166,916</b>	<b>48,812</b>	<b>9,762</b>	771,882	358,686	71,740
Interest rate related contracts:						
- one year to less than five years	<b>1,966,290</b>	<b>84,935</b>	<b>16,987</b>	885,973	79,270	15,854
	<b>3,938,725</b>	<b>179,357</b>	<b>72,359</b>	3,168,837	513,659	163,297

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

OSKIB has adopted the Standardised Approach for credit risk and market risk and the Basic Indicator Approach for operational risk computation.

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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**A26. Interest/profit rate risk**

	Non-trading book					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years				
As at 31.12.2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>ASSETS</b>									
Cash and short term funds	1,695,727	11,528	14,198	12,494	5,000	660,174	-	2,399,121	3.26
Deposits and placements with a bank	-	50,000	-	-	-	-	-	50,000	3.20
Securities held-for-trading	-	-	-	-	-	-	313,340	313,340	-
Securities held-to-maturity	-	89,514	67,491	236,965	245,926	-	-	639,896	3.40
Securities available-for-sale	168,196	318,801	231,790	1,270,137	1,186,471	55,395	-	3,230,790	3.70
Derivative financial assets *	-	-	-	-	-	8,401	-	8,401	-
Loans, advances and financing									
- Non-impaired	451,894	111,556	686,675	281,804	103,543	-	-	1,635,472	8.38
- Impaired	-	-	-	-	-	5,035	-	5,035	-
Trade receivables	33,512	-	-	-	-	1,490,117	-	1,523,629	2.11
Statutory and reserve deposits with with Central Banks	-	-	-	-	33,724	179,610	-	213,334	0.07
Other assets	-	100	100	-	-	121,262	-	121,462	3.36
Other non-interest sensitive assets	-	-	-	-	-	626,947	-	626,947	-
<b>Total Assets</b>	<b>2,349,329</b>	<b>581,499</b>	<b>1,000,254</b>	<b>1,801,400</b>	<b>1,574,664</b>	<b>3,146,941</b>	<b>313,340</b>	<b>10,767,427</b>	

\* Interest rate exposure of interest rate swaps classified as derivative financial assets is disclosed under off-balance sheet interest sensitivity gap on the following page.



## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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**A26. Interest/profit rate risk (Cont'd)**

	Non-trading book						Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31.12.2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>LIABILITIES</b>									
Deposits from customers	2,824,894	685,679	1,109,726	47,832	-	42,022	-	4,710,153	3.48
Deposits and placements of banks and other financial institutions	271,768	333,187	53,794	-	-	-	-	658,749	3.07
Obligations on securities sold under repurchase agreements	291,083	-	-	-	-	-	-	291,083	0.47
Derivative financial liabilities	-	-	-	-	-	108,867	-	108,867	-
Trade payables	-	-	-	-	-	2,387,974	-	2,387,974	-
Borrowings	238,996	-	121	-	-	-	-	239,117	3.90
Subordinated notes	-	-	-	-	400,000	-	-	400,000	6.86
Other non-interest sensitive liabilities	-	-	-	-	-	221,257	-	221,257	-
<b>Total Liabilities</b>	<b>3,626,741</b>	<b>1,018,866</b>	<b>1,163,641</b>	<b>47,832</b>	<b>400,000</b>	<b>2,760,120</b>	<b>-</b>	<b>9,017,200</b>	
Equity attributable to owners of the Company	-	-	-	-	-	1,449,039	-	1,449,039	
Non-controlling interests	-	-	-	-	-	301,188	-	301,188	
<b>Total Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,750,227</b>	<b>-</b>	<b>1,750,227</b>	
<b>Total Liabilities and Equity</b>	<b>3,626,741</b>	<b>1,018,866</b>	<b>1,163,641</b>	<b>47,832</b>	<b>400,000</b>	<b>4,510,347</b>	<b>-</b>	<b>10,767,427</b>	
On-balance sheet interest sensitivity gap	(1,277,412)	(437,367)	(163,387)	1,753,568	1,174,664	(1,363,406)	313,340	-	
Off-balance sheet interest sensitivity gap	-	19,062	1,319,216	642,825	12,708	-	-	1,993,811	
<b>Total Interest Sensitivity Gap</b>	<b>(1,277,412)</b>	<b>(418,305)</b>	<b>1,155,829</b>	<b>2,396,393</b>	<b>1,187,372</b>	<b>(1,363,406)</b>	<b>313,340</b>	<b>1,993,811</b>	
Cumulative interest rate sensitivity gap	(1,277,412)	(1,695,717)	(539,888)	1,856,505	3,043,877	1,680,471	1,993,811	1,993,811	

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

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**A26. Interest/profit rate risk (Cont'd)**

	Non-trading book						Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31.12.2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>ASSETS</b>									
Cash and short term funds	985,322	51,888	4,773	-	-	510,898	-	1,552,881	2.69
Securities purchased under resale agreements	59,886	-	-	-	-	51,600	-	111,486	2.77
Securities held-for-trading	-	-	-	-	-	-	648,996	648,996	-
Securities held-to-maturity	60,000	59,789	108,634	306,795	127,209	-	-	662,427	4.44
Securities available-for-sale	315,068	245,107	387,851	1,449,709	368,694	29,437	-	2,795,866	4.07
Derivative financial assets *	-	-	-	-	-	90,297	-	90,297	-
Loans, advances and financing									
- Non-impaired	478,317	129,554	338,243	282,770	46,355	60,222	-	1,335,461	8.76
- Impaired	-	-	-	-	-	11,986	-	11,986	-
Trade receivables	31,374	-	-	-	-	2,011,128	-	2,042,502	1.88
Statutory and reserve deposits									
with Central Banks	-	-	-	-	24,468	45,210	-	69,678	0.15
Other assets	-	-	100	-	-	96,136	-	96,236	3.15
Other non-interest sensitive assets	-	-	-	-	-	570,886	-	570,886	-
<b>Total Assets</b>	<b>1,929,967</b>	<b>486,338</b>	<b>839,601</b>	<b>2,039,274</b>	<b>566,726</b>	<b>3,477,800</b>	<b>648,996</b>	<b>9,988,702</b>	

\* Interest rate exposure of interest rate swaps classified as derivative financial assets is disclosed under off-balance sheet interest sensitivity gap on the following page.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

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**A26. Interest/profit rate risk (Cont'd)**

	Non-trading book						Trading book	Total	Effective interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31.12.2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>LIABILITIES</b>									
Deposits from customers	2,190,733	1,034,555	616,665	21,995	-	8,857	-	3,872,805	3.07
Deposits and placements of banks and other financial institutions	304,357	145,193	220,136	-	-	83	-	669,769	3.09
Derivative financial liabilities	-	-	-	-	-	149,749	-	149,749	-
Trade payables	-	-	-	-	-	2,657,196	-	2,657,196	-
Borrowings	333,792	4,435	72,392	-	-	-	-	410,619	4.17
Subordinated notes	-	-	-	-	300,000	-	-	300,000	7.41
Other non-interest sensitive liabilities	-	-	-	-	-	235,113	-	235,113	-
<b>Total Liabilities</b>	<b>2,828,882</b>	<b>1,184,183</b>	<b>909,193</b>	<b>21,995</b>	<b>300,000</b>	<b>3,050,998</b>	<b>-</b>	<b>8,295,251</b>	
Equity attributable to owners of the Company	-	-	-	-	-	1,448,710	-	1,448,710	
Non-controlling interests	-	-	-	-	-	244,741	-	244,741	
<b>Total Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,693,451</b>	<b>-</b>	<b>1,693,451</b>	
<b>Total Liabilities and Equity</b>	<b>2,828,882</b>	<b>1,184,183</b>	<b>909,193</b>	<b>21,995</b>	<b>300,000</b>	<b>4,744,449</b>	<b>-</b>	<b>9,988,702</b>	
On-balance sheet interest sensitivity gap	(898,915)	(697,845)	(69,592)	2,017,279	266,726	(1,266,649)	648,996	-	
Off-balance sheet interest sensitivity gap	-	-	505,145	289,940	53,961	-	-	849,046	
<b>Total Interest Sensitivity Gap</b>	<b>(898,915)</b>	<b>(697,845)</b>	<b>435,553</b>	<b>2,307,219</b>	<b>320,687</b>	<b>(1,266,649)</b>	<b>648,996</b>	<b>849,046</b>	
Cumulative interest rate sensitivity gap	(898,915)	(1,596,760)	(1,161,207)	1,146,012	1,466,699	200,050	849,046	849,046	