

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

ASSETS	Note	31 March 2010 RM'000	31 December 2009 RM'000
Cash and short-term funds		833,842	1,344,923
Available-for-sale financial assets	12	785,046	1,140,553
Financing and advances	13	2,069,260	2,112,137
Other assets	15	142,380	229,130
Derivative assets	16	4,100	3,983
Statutory deposits with Bank Negara Malaysia		23,750	23,500
Property, plant and equipment		7,321	6,543
Deferred taxation asset		9,397	11,296
Tax recoverable		1,093	143
Total assets		<u>3,876,189</u>	<u>4,872,208</u>
 LIABILITIES			
Deposits from customers	17	2,809,399	3,720,288
Deposits and placements of financial institutions	18	525,630	559,552
Bills and acceptances payable		9,942	19,674
Subordinated bond	19	200,000	200,000
Other liabilities	20	108,151	158,076
Derivative liabilities	16	3,862	4,321
Zakat		14	10
Total liabilities		<u>3,656,998</u>	<u>4,661,921</u>
 Financed by:			
Share capital		65,000	65,000
Reserves		154,191	145,287
Shareholders' Equity		<u>219,191</u>	<u>210,287</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		<u>3,876,189</u>	<u>4,872,208</u>
 COMMITMENTS AND CONTINGENCIES			
	29	<u>1,556,031</u>	<u>1,145,428</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2010

	Note	1st Quarter Ended		Three Months Ended	
		31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Income derived from investment of depositors' funds	21	43,482	48,087	43,482	48,087
Allowance for impairment on financing and advances	22	(3,420)	(5,480)	(3,420)	(5,480)
Transfer from/(to) profit equalisation reserve (net)		8,073	(5,487)	8,073	(5,487)
Total attributable income		48,135	37,120	48,135	37,120
Income attributable to depositors	23	(20,452)	(19,598)	(20,452)	(19,598)
Income attributable to shareholders		27,683	17,522	27,683	17,522
Income derived from the investment of shareholder's funds	24	5,360	5,077	5,360	5,077
Total net income		33,043	22,599	33,043	22,599
Personnel expenses	25	(5,208)	(2,998)	(5,208)	(2,998)
Other overhead expenses	26	(14,741)	(12,262)	(14,741)	(12,262)
Profit before zakat and taxation		13,094	7,339	13,094	7,339
Taxation	27	(3,374)	(1,920)	(3,374)	(1,920)
Zakat		(4)	-	(4)	-
Net profit for the period		9,716	5,419	9,716	5,419
Basic earnings per share (sen)		14.95	8.34	14.95	8.34
Dividend per ordinary share		-	-	-	-

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND THREE MONTHS ENDED
31 MARCH 2010

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Net profit for the period	9,716	5,419	9,716	5,419
Other comprehensive income:				
Available-for-sale financial assets				
Revaluation gain/(loss) on available-for-sale financial assets (net)	382	(7,064)	382	(7,064)
Deferred tax on revaluation of available-for-sale financial assets	271	2,264	271	2,264
Realised loss on available-for-sale financial assets reclassified to income statement upon disposal	(1,465)	(1,992)	(1,465)	(1,992)
Other comprehensive income for the period	(812)	(6,792)	(812)	(6,792)
Total comprehensive income for the period attributable to shareholders	8,904	(1,373)	8,904	(1,373)

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2010

	Non-distributable Reserves			Fair value Reserve	Distributable Reserves	Total Equity
	Share Capital	Share Premium	Statutory Reserve		Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2010	65,000	130,000	8,660	(270)	6,897	210,287
Net profit for the period	-	-	-	-	9,716	9,716
Other comprehensive income for the period	-	-	-	(812)	-	(812)
Balance at 31 March 2010	65,000	130,000	8,660	(1,082)	16,613	219,191

	Non-distributable Reserves			Fair value Reserve	Distributable Reserves	Total Equity
	Share Capital	Share Premium	Statutory Reserve		Retained Profits/(Loss)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2009	65,000	130,000	-	3,310	(1,762)	196,548
Net profit for the period	-	-	-	-	5,419	5,419
Other comprehensive income for the period	-	-	-	(6,792)	-	(6,792)
Balance at 31 March 2009	65,000	130,000	-	(3,482)	3,657	195,175

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2010

	31 March 2010 RM'000	31 March 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before zakat and taxation	13,094	7,339
Adjustments for non-operating and non-cash items	(5,661)	9,472
Operating profit before changes in working capital	<u>7,433</u>	<u>16,811</u>
Changes in working capital:		
Net changes in Operating Assets	126,566	(113,443)
Net changes in Operating Liabilities	(996,735)	37,341
Tax / zakat paid	<u>(2,154)</u>	<u>(15)</u>
Net cash used in operating activities	(864,890)	(59,306)
Net cash generated / (used) in investing activities	353,809	(1,921)
Net decrease in cash and cash equivalents	<u>(511,081)</u>	<u>(61,227)</u>
Cash and cash equivalents at beginning of the period	1,344,923	656,635
Cash and cash equivalents at end of the period	<u><u>833,842</u></u>	<u><u>595,408</u></u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010

1. GENERAL INFORMATION

The Bank is a licensed Islamic Bank under the Islamic Banking Act, 1983 and principally engaged in all aspects of Islamic Banking business.

There have been no significant changes to these activities during the financial period.

2. REVIEW OF PERFORMANCE

The Bank recorded a net profit of RM9.7 million for the three-month period ended 31 March 2010 marking a 79.2% or RM4.3 million increase compared to the corresponding period last year. The increase was mainly due to a higher net income of RM10.4 million that was partially offset by higher overheads of RM4.7 million and taxation of RM1.4 million.

The increase in total overheads is attributable mainly to investments in the opening of new branches, higher personnel expenses and shared service fees.

Net financing assets stood at RM2.1 billion, while deposits from customers was RM2.8 billion. The Bank is well capitalised with a core capital ratio of 7.12% and risk weighted capital ratio of 11.04%.

3. ECONOMIC PERFORMANCE AND PROSPECTS

The Malaysian economy is projected to grow by between 4.5% - 5.5% in 2010 as the global economy gradually recovers from the preceding recession. The projected growth is expected to draw from the strengthening of domestic demand which would be mainly driven by the private sector. The growth itself is expected to be broad-based with improved performance in most sectors of the economy, while inflation is forecasted to remain in the region of 2.0% – 2.5% in 2010.

As economic growth gathers momentum during 2010, and faced with stiff competition from both existing and new players in the banking industry, the Bank will continue to introduce new innovative financial products and improve its services and delivery channels in order to meet its customers' needs.

Amidst the increasingly favourable economic conditions, the Bank will remain cautious and focus on preserving the quality of its assets whilst further strengthening its capital position during what is expected to be a gradual and uneven period of recovery.

4. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the period ended 31 March 2010 have been prepared in accordance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia ("BNM") guidelines.

The Bank's unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2009.

The accounting policies adopted for the interim financial statements are consistent with those adopted for the audited annual financial statements for the year ended 31 December 2009, except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSS, IC Interpretations and Technical Release ("TR") issued by MASB which are effective 1 January 2010 and 1 March 2010:

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

4. BASIS OF PREPARATION (continued)

<i>FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010</i>	
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards	
Amendments to FRS 7 Financial Instruments: disclosures	
Amendments to FRS 101, Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising From Liquidation	
Amendments to FRS 127, Consolidated and Separate Financial statements: Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 132 Financial Instruments Presentation - Puttable Financial Instruments and Obligations Arising From Liquidation - Separation of Compound Instrument	
Amendments to FRS 139 Financial Instruments Recognition and Measurement - Reclassification of Financial Assets - Collective Assessment of Impairment of Banking Institutions	
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions
<i>FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010</i>	
Amendments to FRS 132, Financial Instruments: Presentation - Classification of Rights Issues	

The adoption of the above FRSs, amendments to FRSs, IC Interpretations and TR did not have any material impact on the results of the Bank as the changes are presentation in nature except for FRS 139 and its related amendments and IC interpretation which is explained as below.

Pursuant to the adoption of FRS 101, the Bank's income statement for the financial period ended 31 March 2010 has been presented in two separate statements; comprising of an income statement and a statement of comprehensive income. The changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. As a result, components of comprehensive income are not separately presented in the statement of changes in equity.

The adoption of FRS 7 has resulted in changes to the disclosure of financial instruments, whereby the disclosures are now made by categories of financial assets and liabilities. The disclosure of comparative figures in the statement of financial position as at 31 December 2009 and the income statement for the financial period ended 31 March 2009 have been restated to conform with the current period's presentation.

FRS 139 establishes the principles for the recognition, derecognition and measurement of financial instruments and for hedge accounting. The adoption of BNM's Circular: Guidelines on Financial Reporting for Licensed Islamic Banks (GP8-i) has already aligned certain requirements related to the recognition, derecognition, measurement and presentation of financial instruments and derivative instruments.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

4. BASIS OF PREPARATION (continued)

Prior to adoption of FRS 139, allowances for impaired financing and advances were guided by BNM/GP3 Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts. The Bank has also adopted GP8-i where impaired financing and advances are measured at their estimated recoverable amount. Additional allowance is provided if the recoverable amount is lower than the net book value of the financing. Recoverable amount refers to the present value of estimated future cash flows discounted at original effective profit rate. Net book value is the outstanding amount of financing and advances net of individual allowances.

In the Amendments to FRS 139, MASB has included an additional transitional arrangement for entities in the financial sector, whereby BNM has prescribed an alternative basis for collective assessment of impairment for banking institutions. The guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 sets the minimum requirements for the Bank to ensure that their financing impairment assessment and provisioning comply with the requirements specified under FRS 139 subject to the transitional provisions provided in the guideline. The Bank maintains a collective assessment allowances of at least 1.5% of total outstanding financing, net of individual assessment allowance as at the reporting date based on this transitional arrangement issued by BNM.

Pursuant to the adoption of FRS 139 and the transitional arrangement under BNM's Guideline on the Classification and Impairment Provisions for Loans/Financing, there is no adjustment to the Bank's retained earnings. The Bank's existing accounting policies relating to the assessment of impairment of financial assets are largely in line with those prescribed in FRS 139.

The Bank has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Bank.

<i>FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010</i>	
FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
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	
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives	

5. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the financial year ended 31 December 2009 was not qualified.

6. SEASONAL OR CYCLICAL FACTORS

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

7. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Bank for the financial period ended 31 March 2010.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

8. CHANGE IN ACCOUNTING ESTIMATES

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements for the financial period ended 31 March 2010.

9. DEBT AND EQUITIES SECURITIES

There were no issuances, cancellations, repurchases, resale and repayment of debt securities during the financial period ended 31 March 2010.

10. DIVIDEND

No dividend was paid in respect of the financial period ended 31 March 2010.

11. SUBSEQUENT EVENTS

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

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 March 2010 RM'000	31 December 2009 RM'000
<u>At fair value</u>		
Malaysian Government Investment Issues	235,843	174,583
Islamic Private Debt Securities	345,760	324,049
Islamic Negotiable Instruments of Deposits	154,192	621,825
Cagamas Sanadat Bonds	20,027	20,096
Malaysian Government Islamic Treasury Bills	29,224	-
	<u>785,046</u>	<u>1,140,553</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

13. FINANCING AND ADVANCES

	31 March 2010 RM'000	31 December 2009 RM'000
i) By type of financing and advances		
<u>At amortised cost</u>		
Cash financing	335,051	333,541
Term financing :		
- House financing	94,565	95,632
- Syndicated term financing	350,414	355,780
- Hire purchase receivables	550,788	546,451
- Other term financing	439,572	499,753
Bills receivables	16,056	14,141
Revolving credits	376,287	365,446
Customer's liability under acceptance credits	216,869	213,116
Other financing	16,631	21,442
Less : Unearned income	(249,433)	(255,198)
Gross financing and advances	<u>2,146,800</u>	<u>2,190,104</u>
Less : Allowance for impaired financing and advances		
- individual	(39,601)	(39,252)
- collective	(37,939)	(38,715)
Net financing and advances	<u>2,069,260</u>	<u>2,112,137</u>
	31 March 2010 RM'000	31 December 2009 RM'000
ii) Financing analysed by concepts		
Al-Ijarah Thumma Al Bai	503,481	498,825
Al-Qardhul Hassan	283,100	503
Bai' Bithaman Ajil	726,063	772,030
Bai' Inah	247,797	245,784
Al Murabahah	216,917	221,534
Other principles	169,442	451,428
	<u>2,146,800</u>	<u>2,190,104</u>
	31 March 2010 RM'000	31 December 2009 RM'000
iii) Financing by type of customer		
Domestic non-bank financial institutions		
- Others	-	10,054
Domestic business enterprises		
- Small and medium enterprises	364,292	344,211
- Others	1,402,833	1,456,214
Individuals	311,715	309,505
Foreign entities	67,960	70,120
	<u>2,146,800</u>	<u>2,190,104</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

13. FINANCING AND ADVANCES (continued)

	31 March 2010 RM'000	31 December 2009 RM'000
iv) Financing by profit rate sensitivity		
Fixed rate		
- House financing	54,723	57,543
- Hire purchase receivables	503,481	498,825
- Other fixed rate financing	858,180	912,510
Variable rate		
- BFR plus	3,715	-
- Cost plus	726,701	721,226
	<u>2,146,800</u>	<u>2,190,104</u>
	31 March 2010 RM'000	31 December 2009 RM'000
v) Financing by sector		
Agriculture	580,270	576,461
Mining and quarrying	27,450	25,807
Manufacturing	604,607	602,046
Construction	124,636	143,444
Real Estate	89,943	95,861
Wholesale & retail trade and restaurants & hotels	155,168	171,696
Transport, storage and communication	132,085	136,948
Finance, insurance and business services	26,104	42,418
Community, social and personal services	25,326	15,010
Households, of which:		
i. Purchase of residential properties	61,233	60,484
ii. Purchase of non-residential properties	2,360	2,437
iii. Others	249,459	247,501
Others	68,159	69,991
	<u>2,146,800</u>	<u>2,190,104</u>
	31 March 2010 RM'000	31 December 2009 RM'000
vi) Financing by geographical distribution		
Malaysia	2,080,177	2,121,333
Singapore	66,623	68,771
	<u>2,146,800</u>	<u>2,190,104</u>
	31 March 2010 RM'000	31 December 2009 RM'000
vii) Financing by residual contractual maturity		
Within 1 year	733,830	730,315
1 to 5 years	729,024	755,636
Over 5 years	683,946	704,153
	<u>2,146,800</u>	<u>2,190,104</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

14. IMPAIRED FINANCING AND ADVANCES

- i) Movements in the impaired financing and advances are as follows :-

	31 March 2010 RM'000	31 December 2009 RM'000
At 1 January	53,598	43,947
Impaired during the period/year	15,003	51,373
Reclassified as non impaired during the period/year	(3,775)	(11,137)
Amount recovered	(4,972)	(8,318)
Amount written off	(4,597)	(22,267)
At 31 March / 31 December	<u>55,257</u>	<u>53,598</u>
Individual assessment allowance	<u>(39,601)</u>	<u>(39,252)</u>
Net impaired financing and advances	<u>15,656</u>	<u>14,346</u>

- ii) Movements in the allowance for impairment on financing and advances are as follows:

	31 March 2010 RM'000	31 December 2009 RM'000
<u>Collective assessment allowance</u>		
At 1 January	38,715	33,517
Allowance made during the period/year	(776)	5,198
At 31 March / 31 December	<u>37,939</u>	<u>38,715</u>

As % of gross financing and advances less individual
assessment allowance

1.80%	<u>1.80%</u>
-------	--------------

	31 March 2010 RM'000	31 December 2009 RM'000
<u>Individual assessment allowance</u>		
At 1 January	39,252	35,592
Allowance made during the period/year	12,224	41,024
Amount written back in respect of recoveries	(7,235)	(15,097)
Amount written off	(4,597)	(22,267)
Income recognised on impaired financing	(43)	-
At 31 March / 31 December	<u>39,601</u>	<u>39,252</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

14. IMPAIRED FINANCING AND ADVANCES (continued)

iii) Impaired financing and advances analysed by sectors are as follows:

	31 March 2010 RM'000	31 December 2009 RM'000
Agriculture	180	203
Manufacturing	28,759	28,085
Construction	6,897	5,395
Real Estate	49	96
Wholesale & retail trade and restaurants & hotels	4,166	3,861
Transport, storage and communication	571	694
Finance, insurance and business services	240	195
Community, social and personal services	273	273
Household, of which:		
i. Purchase of residential properties	3,407	3,358
ii. Purchase of non-residential properties	68	64
iii. Others	10,647	11,374
	<u>55,257</u>	<u>53,598</u>

	31 March 2010 RM'000	31 December 2009 RM'000
iv) Impaired financing and advances by geographical distribution		
Malaysia	<u>55,257</u>	<u>53,598</u>

15. OTHER ASSETS

	31 March 2010 RM'000	31 December 2009 RM'000
Profit receivable	6,162	6,229
Other debtors, deposits and prepayments	15,285	15,147
Shared service fee receivable from holding company	96	68
Amount due from holding company *	120,837	207,686
	<u>142,380</u>	<u>229,130</u>

* The amount due from holding company is the end of day balance arising from daily operations and is to be settled by cash the following day.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

16. DERIVATIVES

Details of derivatives are as follows:

	31 March 2010			31 December 2009		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Asset RM'000	Liability RM'000		Asset RM'000	Liability RM'000
	Financial derivatives					
Trading:						
Foreign exchange derivatives						
- forward	397,279	1,307	1,556	246,963	1,260	1,598
- swaps	163,828	487	-	-	-	-
- currency option	187,309	2,302	2,302	196,916	2,719	2,719
Equity related contracts						
- option	73,292	4	4	76,838	4	4
	<u>821,708</u>	<u>4,100</u>	<u>3,862</u>	<u>520,717</u>	<u>3,983</u>	<u>4,321</u>

17. DEPOSITS FROM CUSTOMERS

	31 March 2010 RM'000	31 December 2009 RM'000
i) By type of deposit		
Non-Mudharabah Fund:		
Demand deposits	841,670	700,441
Savings deposits	321,656	310,479
Negotiable instrument of deposits	264,617	867,020
Structured investments	133,503	133,763
	<u>1,561,446</u>	<u>2,011,703</u>
Mudharabah Fund:		
General investment deposits	866,133	1,504,980
Islamic short term Mudharabah Investment	381,820	203,605
	<u>1,247,953</u>	<u>1,708,585</u>
Total deposits from customers	<u>2,809,399</u>	<u>3,720,288</u>
ii) The deposits are sourced from the following customers:-		
Government and statutory bodies	245,804	286,907
Business enterprises	1,464,436	1,210,629
Individuals	467,989	455,664
Foreign entities	12,616	10,257
Others	618,554	1,756,831
	<u>2,809,399</u>	<u>3,720,288</u>
iii) Maturity structure of deposits are as follows:		
Within 6 months	2,646,319	3,497,382
6 months to 1 year	112,268	169,084
1 to 3 years	9,648	53,726
3 to 5 years	41,164	96
	<u>2,809,399</u>	<u>3,720,288</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

18. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS

	31 March 2010 RM'000	31 December 2009 RM'000
Non-Mudharabah Fund:		
Licensed banks	38,271	119,552
Mudharabah Fund:		
Licensed banks	487,359	440,000
Total deposits and placements of financial institutions	<u>525,630</u>	<u>559,552</u>

19. SUBORDINATED BONDS

On 1 December 2008, the Bank issued RM200 million non-tradeable non-transferable redeemable Islamic subordinated bonds due in 2021 and non-callable until 2016 under the principle of Mudharabah (profit sharing contract) at a projected constant rate of 5.45% for the period from the issue date up to 23 November 2016 and a step up of 100 basis points commencing from 24 November 2016 and ending on the date of full redemption of the subordinated bonds, subject to the availability of profits and the investors' entitlement under the profit sharing ratio. Unless the call option is exercised by the Bank, the subordinated bonds shall be redeemed in full by five equal and consecutive annual payments. The call option is subject to prior approval from Bank Negara Malaysia and Monetary Authority of Singapore (MAS), be redeemable in whole but not in part on 24 November 2016 and on every Profit Payment Date thereafter.

The restricted subordinated bonds qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank subject to up to a maximum of 50% of total Tier 1 capital.

20. OTHER LIABILITIES

	31 March 2010 RM'000	31 December 2009 RM'000
Profit payable	16,721	14,229
Other accruals and charges *	47,784	92,232
Profit Equalisation Reserves (a)	-	8,073
Shared service fee payable to holding company	3,646	3,542
Other financing with holding company	40,000	40,000
	<u>108,151</u>	<u>158,076</u>

* Includes accruals for personnel costs.

a) Profit Equalisation Reserves (PER)

At 1 January	8,073	16,161
Amount provided during the period/year	-	28,820
Amount written back during the period/year	(8,073)	(36,908)
At 31 March / 31 December	<u>-</u>	<u>8,073</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

21. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Income derived from investment of:				
(i) General investment deposits	11,292	10,043	11,292	10,043
(ii) Other funds	32,190	38,044	32,190	38,044
	<u>43,482</u>	<u>48,087</u>	<u>43,482</u>	<u>48,087</u>
 (i) Income derived from investment of general investment deposit:				
<u>Finance income and hibah:</u>				
Financing and advances	7,784	7,062	7,784	7,062
Available-for-sale financial assets	1,566	1,537	1,566	1,537
Money at call and deposit with financial institutions	1,584	1,054	1,584	1,054
	<u>10,934</u>	<u>9,653</u>	<u>10,934</u>	<u>9,653</u>
<u>Other operating income</u>				
Net gain from sale of available-for-sale financial assets	358	390	358	390
	<u>11,292</u>	<u>10,043</u>	<u>11,292</u>	<u>10,043</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
(ii) Income derived from investment of other funds:				
<u>Finance income and hibah:</u>				
Financing and advances	22,189	26,751	22,189	26,751
Available-for-sale financial assets	4,465	5,822	4,465	5,822
Money at call and deposit with financial institutions	4,516	3,992	4,516	3,992
	<u>31,170</u>	<u>36,565</u>	<u>31,170</u>	<u>36,565</u>
<u>Other operating income</u>				
Net gain from sale of available-for-sale financial assets	1,020	1,479	1,020	1,479
	<u>32,190</u>	<u>38,044</u>	<u>32,190</u>	<u>38,044</u>

22. ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Allowance for impairment on financing and advances:				
Individual assessment allowance				
- Made during the period	12,224	9,284	12,224	9,284
- Written back	(7,235)	(3,653)	(7,235)	(3,653)
Collective assessment allowance				
- (Written back)/made during the period	(776)	656	(776)	656
Bad debts and financing				
- Recovered	(793)	(807)	(793)	(807)
	<u>3,420</u>	<u>5,480</u>	<u>3,420</u>	<u>5,480</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

23. INCOME ATTRIBUTABLE TO DEPOSITORS

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Deposits from customers				
- Mudharabah Fund	11,012	10,733	11,012	10,733
- Non Mudharabah Fund	5,677	4,965	5,677	4,965
Deposits and placements of financial institutions				
- Mudharabah Fund	3,712	3,475	3,712	3,475
- Non Mudharabah Fund	51	425	51	425
	<u>20,452</u>	<u>19,598</u>	<u>20,452</u>	<u>19,598</u>

24. INCOME DERIVED FROM THE INVESTMENT OF SHAREHOLDER'S FUNDS

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
<u>Finance income and hibah:</u>				
Financing and advances	1,892	2,220	1,892	2,220
Money at call and deposits with financial institutions	385	331	385	331
Available-for-sale financial assets	381	483	381	483
	<u>2,658</u>	<u>3,034</u>	<u>2,658</u>	<u>3,034</u>
<u>Other operating income</u>				
Net gain from sale of available-for-sale financial assets	87	123	87	123
Net gain on revaluation of derivatives	844	290	844	290
Net (loss)/gain arising from dealing in foreign currency	(1,192)	92	(1,192)	92
<u>Fee and commission income:</u>				
Commission	1,913	1,005	1,913	1,005
Service charges and fees	1,050	533	1,050	533
	<u>5,360</u>	<u>5,077</u>	<u>5,360</u>	<u>5,077</u>

25. PERSONAL EXPENSES

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Salaries and wages	3,080	1,781	3,080	1,781
Allowances and bonuses	1,049	405	1,049	405
Equity compensation benefit (deferred share plan)	26	9	26	9
Defined contribution plan (EPF)	650	346	650	346
Others	403	457	403	457
	<u>5,208</u>	<u>2,998</u>	<u>5,208</u>	<u>2,998</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

26. OTHER OVERHEAD EXPENSES

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Establishment costs	1,164	766	1,164	766
- Rental of premises	460	276	460	276
- Depreciation of property, plant and equipment	268	132	268	132
- Repair and maintenance	1	17	1	17
- Others	435	341	435	341
Marketing expenses	199	459	199	459
- Transport and travelling	77	45	77	45
- Advertising and business promotion	117	401	117	401
- Others	5	13	5	13
Administration and general expenses	13,378	11,037	13,378	11,037
- Printing and stationery	167	71	167	71
- Postage and courier	64	52	64	52
- Telephone, telex and fax	102	108	102	108
- Legal and consultancy fees	37	299	37	299
- Shared service fees paid/payable to OCBCM	10,534	8,674	10,534	8,674
- Transaction processing fees paid/payable to related company	2,254	1,523	2,254	1,523
- Other administrative and general expenses	220	310	220	310
Total Other Overhead Expenses	14,741	12,262	14,741	12,262

27. TAXATION

	1st Quarter Ended		Three Months Ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Malaysian income tax - current period	1,204	1,988	1,204	1,988
Deferred taxation:				
- relating to originating and reversal of temporary differences	2,170	(68)	2,170	(68)
	<u>3,374</u>	<u>1,920</u>	<u>3,374</u>	<u>1,920</u>

28. CAPITAL COMMITMENTS

	31 March 2010 RM'000	31 December 2009 RM'000
Capital expenditure in respect of property, plant and equipment:		
- authorised and contracted for	872	1,854
- authorised but not contracted for	19,667	19,667
	<u>20,539</u>	<u>21,521</u>

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

29. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. There were no material losses anticipated as a result of these transactions.

	31 March 2010			31 December 2009		
	Principal Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	1,932	1,932	1,932	1,893	1,893	1,893
Transaction-related contingent items	97,997	48,998	48,998	100,049	50,024	50,024
Short-term self-liquidating trade-related contingencies	47,913	9,583	9,583	8,767	1,753	1,753
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	548,003	-	-	496,299	-	-
- maturity exceeding one year	38,478	17,867	17,867	17,703	7,480	7,480
Foreign exchange related contracts:						
- less than one year	654,114	10,902	2,245	338,269	6,510	1,307
- one year or less than five years	94,302	4,809	990	105,610	6,130	1,227
Equity related contracts	73,292	6,375	1,275	76,838	8,248	1,650
	<u>1,556,031</u>	<u>100,466</u>	<u>82,890</u>	<u>1,145,428</u>	<u>82,038</u>	<u>65,334</u>

The credit equivalent amount and risk weighted amount are arrived at using the credit conversion factors and risk weights as defined in Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 31 MARCH 2010 (continued)

30. CAPITAL ADEQUACY

	Basel II	Basel I
	31 March	31 December
	2010	2009
	RM'000	RM'000
Components of Tier-1 and Tier-2 capital are as follows:		
<u>Tier-1 capital</u>		
Paid-up share capital	65,000	65,000
Share premium	130,000	130,000
Accumulated loss	(4,309)	(4,309)
Other reserves	8,660	8,660
	<u>199,351</u>	<u>199,351</u>
<u>Tier-2 capital</u>		
General allowance	-	38,715
Subordinated bonds	99,675	99,675
Others	10,140	-
Total Tier-2 capital	<u>109,815</u>	<u>138,390</u>
Capital base	<u>309,166</u>	<u>337,741</u>
Risk weighted assets	2,801,575	2,573,754
<u>Capital Ratios</u>		
Core-capital ratio	7.12%	7.74%
Risk-weighted capital ratio	11.04%	13.12%

With effect from 1 January 2010, the capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (CAFIB-Basel II). The Bank has adopted the Internal Ratings Based Approach for Credit Risk, Standardised Approach for Market Risk, and Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0%. The comparative figures which have been computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (RWCAF-Basel 1) have not been restated.

The breakdown of risk-weighted assets by each major category is as follows:

	Basel II	Basel I
	31 March	31 December
	2010	2009
	RM'000	RM'000
Credit risk	2,661,352	2,546,361
Market risk	50,743	27,393
Operational risk	89,480	-
	<u>2,801,575</u>	<u>2,573,754</u>