

RHB BANK BERHAD

**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 31 MARCH 2006**

Note	Group		Bank	
	As At	As At	As At	As At
	31 March 2006	31 Dec 2005	31 March 2006	31 Dec 2005
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	13,891,076	10,790,936	11,348,754	12,539,401
Securities purchased under resale agreements	3,220,078	2,219,491	3,220,078	2,219,491
Deposits and placements with banks and other financial institutions	2,529,868	2,431,491	2,424,542	1,981,441
Securities held for trading	8 1,708,782	1,761,937	881,453	890,492
Securities available-for-sale	9 1,750,854	1,895,580	1,571,427	1,726,819
Securities held-to-maturity	10 15,745,204	14,078,589	14,735,051	12,843,807
Loans, advances and financing	11 47,585,171	47,634,111	42,712,398	37,090,808
Other assets	13 536,516	430,409	663,839	689,033
Tax recoverable	52	17,449	-	-
Deferred taxation assets	234,869	240,038	200,984	171,138
Statutory deposits	1,501,018	1,619,025	1,320,189	1,233,745
Investment in subsidiaries	-	-	828,957	1,389,849
Investment in an associate	4,234	4,198	-	-
Property, plant and equipment	621,447	628,239	493,213	486,433
Goodwill	1,004,017	1,004,017	892,012	892,012
TOTAL ASSETS	90,333,186	84,755,510	81,292,897	74,154,469
LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY				
Deposits from customers	14 53,198,687	48,704,834	45,609,346	40,844,274
Deposits and placements of banks and other financial institutions	15 9,388,925	10,597,657	8,448,187	9,770,738
Obligations on securities sold under repurchase agreements	12,025,369	10,329,421	11,988,509	10,341,624
Bills and acceptances payable	3,656,765	3,313,060	3,624,651	3,279,024
Recourse obligation on loans sold to Cagamas Berhad	3,448,705	3,356,992	3,448,705	2,006,549
Other liabilities	16 1,450,793	1,363,876	1,288,729	1,074,223
Provision for taxation and zakat	48,967	19,214	43,376	15,675
Deferred taxation liabilities	7	8	-	-
Subordinated obligations	1,350,891	1,365,252	1,350,891	1,365,252
	84,569,109	79,050,314	75,802,394	68,697,359
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)	1,368,099	1,368,099	1,368,099	1,368,099
	85,937,208	80,418,413	77,170,493	70,065,458
Ordinary Share Capital	1,949,986	1,949,986	1,949,986	1,949,986
Reserves	2,445,992	2,387,111	2,172,418	2,139,025
Shareholders' equity	4,395,978	4,337,097	4,122,404	4,089,011
TOTAL LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY	90,333,186	84,755,510	81,292,897	74,154,469
COMMITMENTS AND CONTINGENCIES	24 42,418,949	40,364,815	39,847,974	37,682,648

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006

	Note	Group Individual Quarter		Bank Individual Quarter	
		Current Financial Quarter Ended 31 March 2006	Preceding Corresponding Quarter Ended 31 March 2005	Current Financial Quarter Ended 31 March 2006	Preceding Corresponding Quarter Ended 31 March 2005
		RM'000	RM'000	RM'000	RM'000
Interest income	17	926,781	746,064	889,542	631,654
Interest expense	18	(483,637)	(397,244)	(464,447)	(347,400)
Net interest income		443,144	348,820	425,095	284,254
Other operating income	19	123,585	125,953	121,437	120,752
		566,729	474,773	546,532	405,006
Income from Islamic banking business	31	46,727	28,254	-	23,685
Net income		613,456	503,027	546,532	428,691
Other operating expenses	20	(275,873)	(256,419)	(254,504)	(227,730)
Operating profit		337,583	246,608	292,028	200,961
Allowance for losses on loans and financing	21	(109,997)	(56,975)	(106,582)	(37,562)
Allowance for impairment losses	22	(14,605)	(18,705)	(14,605)	(18,705)
		212,981	170,928	170,841	144,694
Share of results of an associate		36	74	-	-
Profit before INCPS dividends, taxation and zakat		213,017	171,002	170,841	144,694
INCPS dividends		(33,734)	(33,734)	(33,734)	(33,734)
Profit after INCPS dividends but before taxation and zakat		179,283	137,268	137,107	110,960
Taxation		(56,382)	(33,162)	(47,630)	(29,991)
Zakat		-	(1)	-	-
Net profit for the financial period		122,901	104,105	89,477	80,969
Earning per ordinary share					
- Basic earnings per 50 sen share		3.15	2.67	2.29	2.08

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2006

Group	Distributable						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 01.01.2006	1,949,986	8,563	1,596,396	(3,252)	5,142	780,262	4,337,097
Currency translation differences	-	-	-	(5,445)	-	-	(5,445)
Net profit for the financial period	-	-	-	-	-	122,901	122,901
Transfer to statutory reserves	-	-	20,741	-	-	(20,741)	-
Reclassification from statutory reserves	-	-	(66,839)	-	-	66,839	-
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(15,910)	-	(15,910)
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	14,396	-	14,396
Deferred tax	-	-	-	-	503	-	503
Ordinary dividends paid during the period	-	-	-	-	-	(57,564)	(57,564)
Balance as at 31.03.2006	1,949,986	8,563	1,550,298	(8,697)	4,131	891,697	4,395,978
Balance as at 31.12.2004							
- as previously reported	1,949,986	8,563	1,445,168	11,854	-	710,157	4,125,728
- prior year adjustments	-	-	5,201	-	(21,420)	(146)	(16,365)
As restated	1,949,986	8,563	1,450,369	11,854	(21,420)	710,011	4,109,363
Currency translation differences	-	-	-	(15,106)	-	-	(15,106)
Net profit for the financial year	-	-	-	-	-	377,737	377,737
Transfer to statutory reserves	-	-	146,027	-	-	(146,027)	-
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(25,241)	-	(25,241)
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	63,527	-	63,527
Deferred tax	-	-	-	-	(11,724)	-	(11,724)
Ordinary dividends paid during the year	-	-	-	-	-	(161,459)	(161,459)
Balance as at 31.12.2005	1,949,986	8,563	1,596,396	(3,252)	5,142	780,262	4,337,097

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2006

Bank	← Non-distributable →				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 01.01.2006	1,949,986	8,563	1,529,557	(288)	8,080	593,113	4,089,011
Currency translation differences	-	-	-	2,889	-	-	2,889
Net profit for the financial period	-	-	-	-	-	89,477	89,477
Amount vested over from RHB Delta Finance	-	-	-	-	148	-	148
Transfer to statutory reserves	-	-	-	-	-	-	-
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(16,559)	-	(16,559)
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	14,396	-	14,396
Deferred tax	-	-	-	-	606	-	606
Ordinary dividends paid during the period	-	-	-	-	-	(57,564)	(57,564)
Balance as at 31.03.2006	1,949,986	8,563	1,529,557	2,601	6,671	625,026	4,122,404
Balance as at 31.12.2004							
- as previously reported	1,949,986	8,563	1,389,455	14,424	-	630,039	3,992,467
- prior year adjustments	-	-	5,201	-	(21,965)	(10,368)	(27,132)
As restated	1,949,986	8,563	1,394,656	14,424	(21,965)	619,671	3,965,335
Currency translation differences	-	-	-	(14,712)	-	-	(14,712)
Net profit for the financial year	-	-	-	-	-	269,802	269,802
Transfer to statutory reserves	-	-	134,901	-	-	(134,901)	-
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(21,649)	-	(21,649)
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	63,378	-	63,378
Deferred tax	-	-	-	-	(11,684)	-	(11,684)
Ordinary dividends paid during the year	-	-	-	-	-	(161,459)	(161,459)
Balance as at 31.12.2005	1,949,986	8,563	1,529,557	(288)	8,080	593,113	4,089,011

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006**

	31/03/2006	31/12/2005
<u>Group</u>	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	4,628,705	(2,159,930)
Zakat paid	(54)	(99)
Taxation paid	(13,043)	(164,966)
Net cash (used in)/generated from operating activities	4,615,608	(2,324,995)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,016)	(62,958)
Proceeds from disposal of property, plant and equipment	245	6,319
Net sale of securities available-for-sale	129,153	4,439,500
Net purchase of securities held-to-maturity	(1,664,830)	(3,424,052)
Interest received from securities available-for-sale	13,691	19,294
Interest received from securities held-to-maturity	103,327	404,075
Dividend income from securities available-for-sale	5	2,585
Net cash generated from/(used in) investing activities	(1,435,425)	1,384,763
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid :		
- INCPS	-	(98,503)
- ordinary shares	(57,564)	(161,459)
Net cash used in financing activities	(57,564)	(259,962)
Net (decrease)/increase in cash and cash equivalents	3,122,619	(1,200,194)
Effects of exchange rate differences	(22,479)	(8,523)
Cash and cash equivalents brought forward	10,790,936	11,999,653
Cash and cash equivalents carried forward	13,891,076	10,790,936
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	13,891,076	10,790,936

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006**

	31/03/2006	31/12/2005
<u>Bank</u>	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	(474,300)	871,608
Zakat paid	-	(2)
Taxation paid	(2,455)	(109,606)
Net cash (used in)/generated from operating activities	(476,755)	762,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,620)	(52,513)
Proceeds from disposal of property, plant and equipment	245	5,621
Net sale of securities available-for-sale	142,321	4,560,322
Net purchase of securities held-to-maturity	(1,638,270)	(3,474,456)
Interest received from securities available-for-sale	12,797	17,271
Interest received from securities held-to-maturity	98,874	378,332
Dividend income from securities available-for-sale	5	2,530
Dividend income from subsidiary companies	-	33,776
Net investment in subsidiaries	30,861	(75,000)
Net cash generated from/(used in) investing activities	(1,369,787)	1,395,883
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of finance lease	(114)	(434)
Dividends paid :		
- INCPS	-	(98,503)
- ordinary shares	(57,564)	(161,459)
Net cash used in financing activities	(57,678)	(260,396)
Net increase in cash and cash equivalents	(1,904,220)	1,897,487
Cash and cash equivalents vested over to RHB Islamic Bank	-	(1,273,377)
Cash and cash equivalents vested over from RHB Delta Finance	727,701	-
Effects of exchange rate differences	(14,128)	(10,136)
Cash and cash equivalents brought forward	12,539,401	11,925,427
Cash and cash equivalents carried forward	11,348,754	12,539,401
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	11,348,754	12,539,401

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006

1 Basis Of Preparation

The interim financial statements for the three months ended 31 March 2006 have been prepared in accordance with FRS134 (formerly known as MASB 26) issued by the Malaysian Accounting Standard Board (MASB). The interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2005.

The accounting policies and presentation adopted by the Group for the interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2005.

2 Audit Report

The audit report for the financial year ended 31 December 2005 was not subject to any qualification.

3 Seasonal or Cyclical Factors

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

4 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the three months ended 31 March 2006.

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the three months ended 31 March 2006.

The Group has changed the period of default for non-performing loans from 6 months to 3 months with effect from September 2005.

6 Changes In Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

7 Dividends Paid

The Bank has paid the final ordinary dividend for the Financial Year 2005 of 4.1% less tax amounting to RM57.56million on 22 March 2006.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

8 Securities Held For Trading

At fair value	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	175,851	25,030	175,851	25,030
Khazanah bonds	-	120,419	-	91,345
Government investment issues	49,975	208,083	-	189,507
Singapore government stocks	289,623	317,799	289,623	317,799
<u>Unquoted</u>				
Malaysia government treasury bills	50,539	19,807	993	-
Fixed rate notes	239,260	249,057	239,260	249,057
Fixed rate FC bonds	10,753	-	10,753	-
Bank Negara Malaysia bills	113,598	444,592	113,598	17,754
Bankers' acceptances & Islamic accepted bills	369,187	20,437	16,943	-
Private debts securities	186,613	118,551	34,432	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Shares	-	6,017	-	-
<u>Outside Malaysia</u>				
Other government securities	121,223	126,856	-	-
Bonds	102,160	105,289	-	-
Total securities held for trading	1,708,782	1,761,937	881,453	890,492

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

9 Securities Available-For-Sale

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
At fair value				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Cagamas bonds and Cagamas Mudharabah bonds	569,994	585,535	569,994	570,545
Government investment issues	34,487	-	-	-
Singapore government stocks	11,309	-	11,309	-
<u>Unquoted</u>				
Malaysia government treasury bills	119,706	42,534	-	9,677
Singapore government treasury bills	-	56,761	-	56,761
Bankers' acceptances & Islamic accepted bills	16,692	-	16,692	-
Private debt securities	507,461	598,090	507,461	598,090
Bank Negara Malaysia bills/ notes	6,553	99,575	-	-
Other government securities	4,724	4,546	4,724	4,546
	1,270,926	1,387,041	1,110,180	1,239,619
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Warrants	2	-	2	-
Corporate loan stocks	68,073	74,789	68,073	74,789
Shares	22,729	31,975	21,612	30,959
<u>Outside Malaysia</u>				
Floating rate notes	305	313	-	-
Shares	144	135	58	58
	91,253	107,212	89,745	105,806
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	185,518	193,691	168,920	177,189
Shares	170,573	165,952	169,998	162,521
Private debt securities	29,096	38,386	29,096	38,386
<u>Outside Malaysia</u>				
Private debt securities	3,488	3,298	3,488	3,298
Total securities available-for-sale	1,750,854	1,895,580	1,571,427	1,726,819

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

10 Securities Held-To-Maturity

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
At amortised cost				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	2,358,677	2,369,616	2,358,677	2,157,947
Cagamas bonds and Cagamas Mudharabah bonds	775,931	656,125	715,370	530,566
Khazanah bonds	567,359	585,764	-	-
<u>Unquoted</u>				
Malaysia government treasury bills	73,993	73,406	73,993	73,406
Thailand government treasury bills	18,642	47,235	18,642	47,235
Bankers' acceptances & Islamic accepted bills	803,864	714,033	803,864	714,033
Negotiable instruments of deposits	6,992,000	5,867,009	6,992,000	5,867,009
Prasarana bonds	1,983,989	1,954,850	1,983,989	1,954,850
Private debt securities	1,290,857	1,030,971	1,145,070	885,353
Other government securities	175,318	140,746	175,318	140,746
	15,040,630	13,439,755	14,266,923	12,371,145
<u>Quoted securities :</u>				
<u>In Malaysia</u>				
Floating rate notes	97,679	100,162	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Promissory notes	-	375	-	375
Bonds	29,047	29,047	860	834
Privates debt securities	394,613	399,183	394,613	399,183
Corporate loan stocks	188,377	187,992	188,377	187,992
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Callable range accrual notes	36,860	-	-	-
Credit link notes	73,720	37,797	-	-
	15,861,426	14,194,811	14,851,273	12,960,029
Accumulated impairment losses	(116,222)	(116,222)	(116,222)	(116,222)
Total securities held-to-maturity	15,745,204	14,078,589	14,735,051	12,843,807

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Overdrafts	6,624,885	6,465,593	6,563,564	6,407,163
Term Loans/financing				
Housing loans/financing	11,882,848	11,706,298	10,605,395	10,423,825
Syndicated term loans/financing	2,255,349	2,266,496	1,053,098	893,268
Hire purchase receivables	8,328,578	7,669,206	7,624,479	4,596
Lease receivables	295,884	295,953	-	-
Other term loans/financing	10,134,412	11,104,503	9,213,138	10,068,428
Bills receivable	1,660,075	1,628,524	1,028,066	1,130,178
Trust receipts	490,694	498,867	486,372	483,630
Claims on customers under acceptance credits	4,255,858	4,104,478	4,255,857	4,104,478
Staff loans/financing	414,609	417,836	410,708	406,508
Credit cards receivables	1,023,075	994,953	1,023,075	994,953
Revolving credit	4,352,233	4,433,111	4,242,978	4,388,445
Floor stocking	10,534	7,935	10,534	-
	51,729,034	51,593,753	46,517,264	39,305,472
Less : Unearned interest and income	(1,395,009)	(1,281,313)	(1,294,662)	(24,317)
Gross loans, advances and financing	50,334,025	50,312,440	45,222,602	39,281,155
Less : Allowance for bad and doubtful debts and financing:				
- General	(904,696)	(909,527)	(778,355)	(676,608)
- Specific	(1,844,158)	(1,768,802)	(1,731,849)	(1,513,739)
Net loans, advances and financing	47,585,171	47,634,111	42,712,398	37,090,808

(ii) By type of customer

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Domestic non-bank financial institutions				
- Stock broking companies	2,883	2,862	2,883	2,862
- Others	1,668,781	1,538,106	1,621,836	1,498,753
Domestic business enterprises				
- Small medium enterprises	11,284,710	9,094,506	10,034,196	6,852,556
- Others	14,934,569	17,902,451	12,595,400	15,079,773
Government and statutory bodies	163,719	167,350	163,719	166,956
Individuals	21,803,847	21,137,542	20,481,403	15,381,841
Other domestic entities	53,391	54,419	37,325	37,971
Foreign entities	422,125	415,204	285,840	260,443
	50,334,025	50,312,440	45,222,602	39,281,155

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Fixed rate				
Housing loans/financing	1,434,245	1,447,587	158,539	196,011
Hire purchase receivables	6,994,213	6,485,481	6,353,493	4,171
Other fixed rate loans/financing	2,960,315	2,953,207	1,457,788	1,456,431
Variance rate				
BLR plus	19,311,705	19,155,530	19,311,802	18,960,595
Cost-plus	15,384,778	16,075,401	14,931,511	15,695,727
Other variable rates	4,248,769	4,195,234	3,009,469	2,968,220
	50,334,025	50,312,440	45,222,602	39,281,155

(iv) By sector

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Agriculture, hunting, forestry & fishing	2,149,936	1,982,288	1,514,452	1,320,136
Mining and quarrying	60,889	56,176	55,663	42,824
Manufacturing	9,436,993	9,276,329	7,642,433	6,906,282
Electricity, gas and water	536,298	479,209	360,463	293,312
Construction	2,628,400	2,857,867	2,421,993	2,515,401
Real estate	1,158,577	1,167,228	955,006	959,986
Purchase of landed property :				
- Residential	12,352,753	12,216,589	11,076,337	10,929,483
- Non-residential	1,106,069	1,063,209	1,197,366	1,148,949
Wholesale & retail trade and restaurants & hotels	5,806,489	5,732,092	5,421,586	5,106,453
Transport, storage and communication	1,548,299	2,809,321	1,256,644	2,211,187
Finance, insurance and business services	2,786,909	2,544,844	3,111,010	2,739,949
Purchase of securities	1,974,081	1,862,810	1,625,123	1,514,389
Purchase of transport vehicles	4,837,401	4,446,697	4,828,970	24,543
Consumption credit	2,832,366	2,796,938	2,832,366	2,768,354
Others	1,118,565	1,020,843	923,190	799,907
	50,334,025	50,312,440	45,222,602	39,281,155

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

12 Non-Performing Loans/Financing (NPL/NPF)

(i) Movement in non-performing loans, advances and financing

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
At beginning of period/year	4,151,770	4,866,476	3,484,877	4,587,825
Amount vested over from RHB Delta Finance Berhad	-	-	375,910	-
Amount vested over to RHB Islamic Bank	-	-	-	(258,040)
Classified as non-performing during the period/year	1,112,193	2,474,971	1,030,593	1,814,499
Reclassified as performing during the period/year	(575,912)	(1,648,019)	(526,356)	(1,315,295)
Loans/financing converted to securities	(3,380)	(28,716)	(3,380)	(22,837)
Amount recovered	(175,984)	(391,096)	(171,443)	(274,148)
Amount written off	(46,307)	(1,118,358)	(46,276)	(1,044,495)
Exchange difference	(1,679)	(3,488)	117	(2,632)
At end of period/year	4,460,701	4,151,770	4,144,042	3,484,877
Specific allowance	(1,844,158)	(1,768,802)	(1,731,849)	(1,513,739)
Net non-performing loans, advances and financing	2,616,543	2,382,968	2,412,193	1,971,138
Ratio of net non-performing loans and financing to net loans and financing	5.4%	4.9%	5.5%	5.2%

(ii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
General allowance				
At beginning of period/year	909,527	809,746	676,608	684,630
Amount vested over from RHB Delta Finance Berhad	-	-	107,790	-
Amount vested over to RHB Islamic Bank	-	-	-	(77,059)
Allowance made/(written back) during the period/year	(3,897)	100,842	(6,106)	69,839
Exchange difference	(934)	(1,061)	63	(802)
At end of period/year	904,696	909,527	778,355	676,608
As % of gross loans, advances and financing less specific allowance	1.9%	1.9%	1.8%	1.8%

Specific allowance

At beginning of period/year	1,768,802	2,377,714	1,513,739	2,187,574
Amount vested over from RHB Delta Finance Berhad	-	-	142,534	-
Amount vested over to RHB Islamic Bank	-	-	-	(75,661)
Allowance made during the period/year	179,565	714,759	177,415	610,002
Transferred from allowance for commitments and contingencies	-	-	-	-
Transferred to accumulated impairment losses for securities	(3,380)	(12,332)	(3,380)	(12,332)
Amount recovered	(53,049)	(184,758)	(52,144)	(142,102)
Amount written off	(46,399)	(1,125,044)	(46,389)	(1,052,879)
Exchange difference	(1,381)	(1,537)	74	(863)
At end of period/year	1,844,158	1,768,802	1,731,849	1,513,739

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

12 Non-Performing Loans/Financing (NPL/NPF) (cont'd)

(iii) NPL/NPF by sector

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Agriculture, hunting, forestry & fishing	28,233	26,326	27,895	19,414
Mining and quarrying	2,209	2,102	2,209	1,962
Manufacturing	875,184	658,633	784,948	549,970
Electricity, gas and water	210,172	210,255	210,161	210,055
Construction	473,682	488,426	465,303	461,398
Real estate	248,110	250,987	244,999	248,378
Purchase of landed property :				
- Residential	1,192,917	1,173,787	1,035,523	1,007,099
- Non-residential	160,626	166,288	156,174	160,137
Wholesale & retail trade and restaurants & hotels	249,694	214,464	241,156	194,830
Transport, storage and communication	79,092	73,585	49,105	27,696
Finance, insurance and business services	313,852	287,889	301,920	272,780
Purchase of securities	55,435	77,720	55,377	77,598
Purchase of transport vehicles	306,357	262,348	306,349	1,133
Consumption credit	197,088	199,914	197,088	197,044
Others	68,050	59,046	65,835	55,383
	4,460,701	4,151,770	4,144,042	3,484,877

13 Other Assets

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Other debtors, deposits and prepayments	230,892	191,992	184,775	160,350
Accrued interest receivable	186,189	152,660	172,094	137,825
Amount recoverable from BNM	1,651	1,705	-	-
Amount due from immediate holding company	29,238	28,254	28,878	27,894
Amounts due from subsidiaries	-	-	190,684	309,992
Amounts due from related companies	7,820	11,960	7,792	9,409
Derivative assets	80,726	43,838	79,616	43,563
	536,516	430,409	663,839	689,033

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Demand deposits	14,127,623	13,671,301	12,454,637	12,240,434
Savings deposits	4,807,430	4,722,989	4,329,673	4,190,874
Fixed/Investment deposits	29,218,312	28,276,770	23,922,436	22,521,116
Negotiable instrument of deposits	5,045,322	2,033,774	4,902,600	1,891,850
	<u>53,198,687</u>	<u>48,704,834</u>	<u>45,609,346</u>	<u>40,844,274</u>

(ii) By type of customer

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Government and statutory bodies	3,401,926	3,181,957	2,136,992	1,973,312
Business enterprises	26,195,220	21,805,579	20,884,420	17,153,977
Individuals	23,311,158	22,823,334	22,443,364	21,563,514
Others	290,383	893,964	144,570	153,471
	<u>53,198,687</u>	<u>48,704,834</u>	<u>45,609,346</u>	<u>40,844,274</u>

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Licensed banks	6,912,333	7,089,159	6,550,100	6,462,596
Licensed finance companies	-	62,770	-	62,770
Licensed merchant banks	579,561	438,787	389,416	438,787
Bank Negara Malaysia	1,035,851	948,947	1,035,608	948,695
Other financial institutions	861,180	2,057,994	473,063	1,857,890
	<u>9,388,925</u>	<u>10,597,657</u>	<u>8,448,187</u>	<u>9,770,738</u>

16 Other Liabilities

	Group		Bank	
	31 Mar 2006 RM'000	31 Dec 2005 RM'000	31 Mar 2006 RM'000	31 Dec 2005 RM'000
Accrued interest payable	346,235	314,599	324,629	270,062
Accruals for operational expenses	89,495	120,551	87,555	110,735
Amount due to holding company	284	1,783	284	1,783
Amounts due to subsidiaries	-	-	24,697	79,710
Amounts due to related companies	1,961	1,955	1,720	1,095
Amount due to BNM	269,786	256,738	269,785	256,681
Amount due to Danaharta	1,693	1,909	1,693	1,909
Finance lease	-	-	1,528	1,642
Prepaid instalment	52,363	51,594	52,363	1,356
Lessee deposits	81,796	80,935	214	12
Derivatives liabilities	95,428	66,059	84,262	54,253
Short term employee benefits	36,242	58,454	34,277	54,530
Other accruals and charges	475,510	409,299	405,722	240,455
	<u>1,450,793</u>	<u>1,363,876</u>	<u>1,288,729</u>	<u>1,074,223</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

17 Interest Income

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	645,705	539,465	621,067	433,628
- Recoveries from NPLs	45,907	30,470	45,378	27,778
Money at call and deposit placements with banks				
other financial institutions	95,357	73,627	88,774	75,950
Securities held for trading	34,607	8,330	31,623	6,519
Securities available-for-sale	12,893	10,124	12,617	9,599
Securities held-to-maturity	129,635	99,172	127,251	94,579
Others	245	5,998	245	2,055
	<u>964,349</u>	<u>767,186</u>	<u>926,955</u>	<u>650,108</u>
Amortisation of premium less accretion of discount	(5,547)	(9,571)	(5,547)	(9,004)
Interest suspended clawback	(32,021)	(11,551)	(31,866)	(9,450)
Total interest income	<u>926,781</u>	<u>746,064</u>	<u>889,542</u>	<u>631,654</u>

18 Interest Expenses

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000
Deposits and placements of banks and other financial institutions	61,627	26,819	62,593	26,265
Deposits from customers	314,941	270,562	295,176	242,107
Subordinated obligations	22,763	23,011	22,763	23,012
Recourse obligation on loans sold to Cagamas Berhad	34,662	40,684	34,662	23,575
Obligations on securities sold under repurchase agreements	42,513	28,418	42,092	24,475
Others	7,131	7,750	7,161	7,966
	<u>483,637</u>	<u>397,244</u>	<u>464,447</u>	<u>347,400</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

19 Other Operating Income

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000
a) Fee Income				
Commission	27,157	24,240	26,970	23,707
Service charges and fees	30,537	32,979	28,934	29,256
Guarantee fees	8,339	5,663	8,339	5,663
Commitment fees	10,470	8,831	10,470	8,831
Underwriting fees	520	675	520	675
Other fee	3,274	3,311	3,347	3,327
	<u>80,297</u>	<u>75,699</u>	<u>78,580</u>	<u>71,459</u>
b) Gain/ losses arising from sale/redemption of securities:				
Net gain from sale of:				
- securities held for trading	3,690	2,421	3,404	2,421
- securities available-for-sale	209	28,366	209	28,365
Net gain from early redemption of securities	-	5,282	-	5,282
	<u>3,899</u>	<u>36,069</u>	<u>3,613</u>	<u>36,068</u>
c) Gross dividend income from				
Securities available-for-sale	5	-	5	-
	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
d) Unrealised gain/ (losses) on revaluation of securities				
- Securities held for trading	(2,923)	1,451	405	1,450
- Derivatives	6,176	(13,229)	4,701	(13,228)
	<u>3,253</u>	<u>(11,778)</u>	<u>5,106</u>	<u>(11,778)</u>
e) Other income				
Foreign exchange gain/ (loss)				
- Realised	36,435	13,701	34,860	13,248
- Unrealised	(2,293)	7,666	(2,293)	7,669
Gain on disposal of property, plant and equipment	245	17	245	6
Other operating income	(337)	3,593	(444)	3,436
Other non-operating income	2,081	986	1,765	644
	<u>36,131</u>	<u>25,963</u>	<u>34,133</u>	<u>25,003</u>
Total other operating income	<u>123,585</u>	<u>125,953</u>	<u>121,437</u>	<u>120,752</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

20 Other Operating Expenses

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	122,613	110,623	115,787	102,048
- Contributions to Employee Provident Fund	18,815	17,241	17,822	15,860
- Other staff related cost	9,660	12,242	8,972	11,616
	<u>151,088</u>	<u>140,106</u>	<u>142,581</u>	<u>129,524</u>
<u>Establishment costs</u>				
- Depreciation	23,848	23,664	23,416	22,718
- Rental of premises	10,086	10,351	10,146	10,082
- Rental equipment	1,502	1,347	1,459	1,333
- Insurance	5,803	2,136	5,491	2,108
- Water and electricity	3,417	3,334	3,181	3,048
- Repair and maintenance	9,302	10,080	9,032	9,674
- Information technology expenses	21,310	16,284	18,656	15,938
- Others	418	280	-	12
	<u>75,686</u>	<u>67,476</u>	<u>71,381</u>	<u>64,913</u>
<u>Marketing expenses</u>				
- Sale commission	4,082	1,170	4,075	1,169
- Advertisement and publicity	4,759	6,182	4,348	5,946
- Dealers' handling fees	11,227	11,202	11,179	-
- Others (Warranty fees)	5,608	3,710	5,393	3,518
	<u>25,676</u>	<u>22,264</u>	<u>24,995</u>	<u>10,633</u>
<u>Administration and general expenses</u>				
- Communication expenses	14,390	17,548	13,761	16,153
- Others	9,033	9,025	1,786	6,507
	<u>23,423</u>	<u>26,573</u>	<u>15,547</u>	<u>22,660</u>
	<u>275,873</u>	<u>256,419</u>	<u>254,504</u>	<u>227,730</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

21 Allowances For Losses On Loans And Financing

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000
Allowance for losses on loans and financing				
Specific allowance				
- Made in the financial period	179,565	82,655	177,415	72,503
- Written back	(53,049)	(51,057)	(52,144)	(50,897)
General allowance				
- Made/(Written back) in the financial period	(3,897)	31,491	(6,106)	21,934
Bad debts on loans and financing				
- Recovered	(12,622)	(6,114)	(12,583)	(5,978)
	<u>109,997</u>	<u>56,975</u>	<u>106,582</u>	<u>37,562</u>

22 Allowance For Impairment Losses

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000
Charged for the financial period				
- Securities available-for-sale	21,966	5,467	21,966	5,466
- Securities held-to-maturity	-	13,532	-	13,532
- Property, plant and equipment	-	-	-	-
Reversal for the financial period				
- Securities available-for-sale	(7,361)	(293)	(7,361)	(293)
- Securities held-to-maturity	-	(1)	-	-
	<u>14,605</u>	<u>18,705</u>	<u>14,605</u>	<u>18,705</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

23 Capital Adequacy

	Group		Bank	
	31/03/2006 RM'000	31/12/2005 RM'000	31/03/2006 RM'000	31/12/2005 RM'000
Tier I capital				
Paid-up ordinary share capital	1,949,986	1,949,986	1,949,986	1,949,986
Paid-up INCPS	1,368,099	1,368,099	1,368,099	1,368,099
Share premium	8,563	8,563	8,563	8,563
Retained profits	780,262	780,262	714,771	714,771
Other reserves	1,593,144	1,593,144	1,525,017	1,525,017
	5,700,054	5,700,054	5,566,436	5,566,436
Less : Goodwill	(1,004,017)	(1,004,017)	(892,012)	(892,012)
Deferred tax assets	(240,038)	(240,038)	(171,138)	(171,138)
Deferred tax liabilities	8	8	-	-
Total Tier I capital	4,456,007	4,456,007	4,503,286	4,503,286
Tier II capital				
Subordinated obligations	1,350,891	1,365,252	1,350,891	1,365,252
General allowance for bad and doubtful debts and financing	904,696	909,527	817,611	716,861
Total Tier II capital	2,255,587	2,274,779	2,168,502	2,082,113
Less : Investment in subsidiaries	-	-	(628,640)	(1,189,533)
Holdings of other banking institutions' capital instruments	(41,163)	(43,710)	(41,163)	(43,710)
Total capital base	6,670,431	6,687,076	6,001,985	5,352,156
Capital ratios				
Before proposed dividends:				
Core capital ratio	8.5%	8.6%	9.3%	10.6%
Risk-weighted capital ratio	12.8%	12.9%	12.4%	12.6%
After proposed dividends:				
Core capital ratio	8.5%	8.4%	9.3%	10.4%
Risk-weighted capital ratio	12.8%	12.8%	12.4%	12.5%

The Bank figures include the operations of RHB Bank (L) Ltd.

Persuant to Bank Negara Malaysia's circular, "Recognition of Deferred Tax Assets ('DTA') and Treatment of DTA for RWCR Purposes" dated 8 August 2003, deferred tax income/(expense) is excluded from the computation of Tier I Capital and deferred tax assets are excluded from the calculation of risk weighted assets.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

24 Commitments And Contingencies

Group	← 31/03/2006 →			← 31/12/2005 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,444,329	1,444,329	1,280,566	1,447,962	1,447,962	1,285,878
Transaction-related contingent items	1,307,838	653,920	439,212	1,143,457	571,730	451,548
Short-term self-liquidating trade related contingencies	2,004,717	400,943	221,485	1,978,963	395,793	211,859
Obligations under underwriting agreements	263,240	131,620	131,620	263,240	131,620	131,620
Housing loans sold directly and indirectly to Cagamas with recourse	43,430	43,430	21,715	44,062	44,062	22,031
Irrevocable commitments to extend credit :						
- maturity more than one year	3,543,854	1,771,927	1,469,762	3,418,856	1,709,427	1,377,879
- maturity less than one year	20,287,016	-	-	19,775,230	-	-
Foreign exchange related contracts						
- less than one year	8,674,854	131,396	45,538	7,905,085	116,061	38,091
- one year to less than five years	193,143	14,923	3,788	152,670	9,364	5,665
Interest rate related contracts						
- less than one year	382,000	475	95	344,000	601	120
- one year to less than five years	3,331,930	89,276	26,357	3,160,918	101,414	32,808
- more than five years	304,404	26,042	7,236	188,485	6,633	2,021
Miscellaneous	638,194	-	-	541,887	-	-
Total	42,418,949	4,708,281	3,647,374	40,364,815	4,534,667	3,559,520

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

24 Commitments And Contingencies

<u>Bank</u>	← 31/03/2006 →			← 31/12/2005 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,444,329	1,444,329	1,280,566	1,447,947	1,447,947	1,285,863
Transaction-related contingent items	1,227,954	613,977	400,836	1,072,126	536,064	417,451
Short-term self-liquidating trade related contingencies	1,842,287	368,457	188,999	1,864,530	372,906	188,973
Obligations under underwriting agreements	213,240	106,620	106,620	213,240	106,620	106,620
Housing loans sold directly and indirectly to Cagamas with recourse	-	-	-	-	-	-
Irrevocable commitments to extend credit :						
- maturity more than one year	2,938,086	1,469,043	1,190,630	2,544,013	1,272,007	960,386
- maturity less than one year	18,955,333	-	-	18,488,906	-	-
Foreign exchange related contracts						
- less than one year	8,661,779	131,228	45,454	7,893,755	115,864	38,017
- one year to less than five years	193,143	14,923	3,788	152,670	9,363	5,665
Interest rate related contracts						
- less than one year	382,000	475	95	344,000	601	120
- one year to less than five years	3,147,630	85,221	24,330	2,971,933	97,256	30,729
- more than five years	221,285	19,282	3,856	165,807	4,318	863
Miscellaneous	620,908	-	-	523,721	-	-
Total	39,847,974	4,253,555	3,245,174	37,682,648	3,962,946	3,034,687

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

25 Off-Balance Sheet Financial Instruments

Value of contracts classified by remaining period to maturity/ next re-pricing date (whichever earlier).

Group

Items	Principal Amount	1 month or less	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 - 5 years	> 5 years	Margin requirement
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contract								
- forwards	3,372,844	1,416,978	1,033,433	824,525	50,709	47,199	-	-
- swaps	4,281,137	3,194,891	823,605	196,965	48,641	17,035	-	-
- options	662,542	132,651	193,485	192,436	143,970	-	-	-
- spots	367,319	367,319	-	-	-	-	-	-
- cross currency interest rate swaps	184,155	-	55,246	-	-	128,909	-	-
Interest rate related contracts								
- futures	169,000	-	119,000	30,000	20,000	-	-	110
- swaps	3,849,334	83,720	248,699	48,000	100,000	3,147,630	221,285	-
Total	12,886,331	5,195,559	2,473,468	1,291,926	363,320	3,340,773	221,285	110

Bank

Items	Principal Amount	1 month or less	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 - 5 years	> 5 years	Margin requirement
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contract								
- forwards	3,359,769	1,410,528	1,029,705	821,628	50,709	47,199	-	-
- swaps	4,281,137	3,194,891	823,605	196,965	48,641	17,035	-	-
- options	662,542	132,651	193,485	192,436	143,970	-	-	-
- spots	367,319	367,319	-	-	-	-	-	-
- cross currency interest rate swaps	184,155	-	55,246	-	-	128,909	-	-
Interest rate related contracts								
- futures	169,000	-	119,000	30,000	20,000	-	-	-
- swaps	3,581,915	10,000	55,000	48,000	100,000	3,147,630	221,285	-
Total	12,605,837	5,115,389	2,276,041	1,289,029	363,320	3,340,773	221,285	-

The Group do not have any transaction in respect of equity and commodity related contracts.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

25 Off-Balance Sheet Financial Instruments (cont'd)

Foreign exchange and interest rate related contracts are subject to market and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on off-balance sheet positions. As at 31 March 2006, the amount of contracts which were not hedged and hence, exposed to market risk was RM373,644,948 (31.12.2005: RM169,462,353).

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. As at 31 March 2006, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM137,658,979 (31.12.2005: RM75,812,252). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Related accounting policies

Forward exchange related contracts

Unmatured forward exchange contracts are valued at forward rates as at the balance sheet date, applicable to their respective dates of maturity, and unrealised losses and gains are recognised in the income statements for the year. Positive fair value are carried as assets and negative fair value are as liabilities.

Interest rate related contracts

The Group and the Bank acts as an intermediary with counter parties who wish to swap their interest obligations. The Group and the Bank also uses interest rate swaps, futures and forward and option contracts in its trading account activities and in overall interest rate risk management.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

26 Interest/Profit Rate Risk

Group
31.03.2006

	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets									
Cash and short term funds	13,573,148	-	-	-	-	317,928	-	13,891,076	3.29
Securities purchased under resale agreements	739,747	2,307,185	173,146	-	-	-	-	3,220,078	3.24
Deposits and placements with banks and other financial institutions	430,000	1,602,674	497,194	-	-	-	-	2,529,868	3.43
Securities held for trading	-	-	-	-	-	-	1,708,782	1,708,782	3.54
Securities available-for-sale	91,893	457,274	530,098	429,675	211,684	30,230	-	1,750,854	3.47
Securities held-to-maturity	3,291,532	2,575,341	3,204,176	4,267,443	2,522,434	(115,722)	-	15,745,204	3.47
Loans, advances & financing									6.65
- performing	25,553,530	5,234,830	4,212,697	8,974,974	1,897,128	165	-	45,873,324	
- non-performing	-	-	-	-	-	1,711,847	-	1,711,847	
Other assets	20,904	-	-	-	-	434,886	80,726	536,516	5.64
Tax recoverable	-	-	-	-	-	52	-	52	
Deferred taxation assets	-	-	-	-	-	234,869	-	234,869	
Statutory deposits	-	-	-	-	-	1,501,018	-	1,501,018	
Investment in an associate	-	-	-	-	-	4,234	-	4,234	
Property, plant and equipment	-	-	-	-	-	621,447	-	621,447	
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	
Total assets	43,700,754	12,177,304	8,617,311	13,672,092	4,631,246	5,744,971	1,789,508	90,333,186	
Liabilities									
Deposits from customers	22,311,925	6,748,995	10,570,851	328,220	3,919	13,234,777	-	53,198,687	2.87
Deposits and placements of banks & other financial institutions	5,569,951	1,815,412	898,716	1,016,105	84,276	4,465	-	9,388,925	3.31
Obligations on securities sold under repurchase agreements	8,429,075	3,361,227	235,067	-	-	-	-	12,025,369	3.07
Bills and acceptances payable	1,166,360	1,564,517	579,634	-	-	346,254	-	3,656,765	3.67
Recourse obligation on loans sold to Cagamas Berhad	-	3,888	671,690	2,548,323	224,804	-	-	3,448,705	4.40
Other liabilities	269,785	-	-	-	-	1,085,580	95,428	1,450,793	3.21
Provision for taxation and zakat	-	-	-	-	-	48,967	-	48,967	
Deferred taxation liabilities	-	-	-	-	-	7	-	7	
Subordinated obligations	-	-	-	1,350,891	-	-	-	1,350,891	6.63-6.85
	37,747,096	13,494,039	12,955,958	5,243,539	312,999	14,720,050	95,428	84,569,109	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,395,978	-	4,395,978	
Total liabilities and shareholders' equity	37,747,096	13,494,039	12,955,958	6,611,638	312,999	19,116,028	95,428	90,333,186	
Total interest-sensitivity gap	5,953,658	(1,316,735)	(4,338,647)	7,060,454	4,318,247	(13,371,057)	1,694,080	-	

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Group	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			
31.12.2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short term funds	10,485,334	-	-	-	-	305,602	-	10,790,936	2.97
Securities purchased under resale agreements	907,147	1,252,377	59,967	-	-	-	-	2,219,491	3.00
Deposits and placements with banks and other financial institutions	250,000	2,181,441	50	-	-	-	-	2,431,491	3.07
Securities held for trading	-	-	-	-	-	-	1,761,937	1,761,937	3.23
Securities available-for-sale	145,143	430,281	424,569	678,608	153,426	63,553	-	1,895,580	3.46
Securities held-to-maturity	1,780,533	1,914,960	3,500,573	4,460,039	2,538,206	(115,722)	-	14,078,589	3.46
Loans, advances & financing									6.42
- performing	26,706,076	4,567,817	3,873,557	6,790,833	4,222,213	174	-	46,160,670	
- non-performing	-	-	-	-	-	1,473,441	-	1,473,441	
Other assets	20,904	-	-	-	-	365,667	43,838	430,409	4.92
Tax recoverable	-	-	-	-	-	17,449	-	17,449	-
Deferred taxation assets	-	-	-	-	-	240,038	-	240,038	-
Statutory deposits	-	-	-	-	-	1,619,025	-	1,619,025	-
Investment in an associate	-	-	-	-	-	4,198	-	4,198	-
Property, plant and equipment	-	-	-	-	-	628,239	-	628,239	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	40,295,137	10,346,876	7,858,716	11,929,480	6,913,845	5,605,681	1,805,775	84,755,510	
Liabilities									
Deposits from customers	19,169,461	5,929,194	10,211,308	523,227	3,865	12,867,779	-	48,704,834	2.76
Deposits and placements of banks & other financial institutions	5,781,587	2,601,811	991,412	1,139,611	79,556	3,680	-	10,597,657	2.97
Obligations on securities sold under repurchase agreements	7,862,441	1,846,642	620,338	-	-	-	-	10,329,421	2.86
Bills and acceptances payable	1,094,038	1,329,676	550,901	-	-	338,445	-	3,313,060	3.31
Recourse obligation on loans sold to Cagamas Berhad	-	-	441,711	1,600,025	1,315,256	-	-	3,356,992	4.44
Other liabilities	256,681	-	-	-	-	1,041,136	66,059	1,363,876	2.85
Provision for taxation and zakat	-	-	-	-	-	19,214	-	19,214	-
Deferred taxation liabilities	-	-	-	-	-	8	-	8	-
Subordinated obligations	-	-	-	1,365,252	-	-	-	1,365,252	6.63-6.85
Total liabilities	34,164,208	11,707,323	12,815,670	4,628,115	1,398,677	14,270,262	66,059	79,050,314	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,337,097	-	4,337,097	-
Total liabilities and shareholders' equity	34,164,208	11,707,323	12,815,670	5,996,214	1,398,677	18,607,359	66,059	84,755,510	
Total interest-sensitivity gap	6,130,929	(1,360,447)	(4,956,954)	5,933,266	5,515,168	(13,001,678)	1,739,716	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Bank

31.03.2006

	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets									
Cash and short term funds	11,137,197	-	-	-	-	211,557	-	11,348,754	3.33
Securities purchased under resale agreements	739,747	2,307,185	173,146	-	-	-	-	3,220,078	3.24
Deposits and placements with banks and other financial institutions	-	1,936,382	488,160	-	-	-	-	2,424,542	3.45
Securities held for trading	-	-	-	-	-	-	881,453	881,453	3.63
Securities available-for-sale	91,892	454,290	403,832	401,933	191,333	28,147	-	1,571,427	3.43
Securities held-to-maturity	3,291,531	2,451,860	3,051,114	3,645,906	2,410,362	(115,722)	-	14,735,051	3.45
Loans, advances & financing									6.80
- performing	25,512,325	4,119,582	3,316,512	7,081,686	1,048,455	-	-	41,078,560	
- non-performing	-	-	-	-	-	1,633,838	-	1,633,838	
Other assets	20,904	-	-	-	-	563,319	79,616	663,839	5.64
Tax recoverable	-	-	-	-	-	-	-	-	
Deferred taxation assets	-	-	-	-	-	200,984	-	200,984	
Statutory deposits	-	-	-	-	-	1,320,189	-	1,320,189	
Investment in subsidiaries	-	-	-	-	-	828,957	-	828,957	
Property, plant and equipment	-	-	-	-	-	493,213	-	493,213	
Goodwill	-	-	-	-	-	892,012	-	892,012	
Total assets	40,793,596	11,269,299	7,432,764	11,129,525	3,650,150	6,056,494	961,069	81,292,897	
Liabilities									
Deposits from customers	17,288,915	5,831,070	9,858,061	181,746	-	12,449,554	-	45,609,346	2.98
Deposits and placements of banks & other financial institutions	5,176,072	1,800,435	488,323	894,243	84,276	4,838	-	8,448,187	3.24
Obligations on securities sold under repurchase agreements	8,429,075	3,361,227	198,207	-	-	-	-	11,988,509	3.07
Bills and acceptances payable	1,165,361	1,562,883	578,968	-	-	317,439	-	3,624,651	3.67
Recourse obligation on loans sold to Cagamas Berhad	-	3,888	671,690	2,548,323	224,804	-	-	3,448,705	4.40
Other liabilities	269,785	-	-	-	-	934,683	84,261	1,288,729	3.21
Provision for taxation and zakat	-	-	-	-	-	43,376	-	43,376	
Deferred taxation liabilities	-	-	-	-	-	-	-	-	
Subordinated obligations	-	-	-	1,350,891	-	-	-	1,350,891	6.63-6.85
Total liabilities	32,329,208	12,559,503	11,795,249	4,975,203	309,080	13,749,890	84,261	75,802,394	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,122,404	-	4,122,404	
Total liabilities and shareholders' equity	32,329,208	12,559,503	11,795,249	6,343,302	309,080	17,872,294	84,261	81,292,897	
Total interest-sensitivity gap	8,464,388	(1,290,204)	(4,362,485)	4,786,223	3,341,070	(11,815,800)	876,808	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Bank

31.12.2005

	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets									
Cash and short term funds	12,310,212	-	-	-	-	229,189	-	12,539,401	3.00
Securities purchased under resale agreements	907,147	1,252,377	59,967	-	-	-	-	2,219,491	3.00
Deposits and placements with banks and other financial institutions	-	1,981,441	-	-	-	-	-	1,981,441	3.12
Securities held for trading	-	-	-	-	-	-	890,492	890,492	3.57
Securities available-for-sale	145,142	330,706	373,731	665,098	153,426	58,716	-	1,726,819	3.51
Securities held-to-maturity	1,693,600	1,855,220	3,390,899	3,576,927	2,442,883	(115,722)	-	12,843,807	3.43
Loans, advances & financing									
- performing	26,008,032	3,743,632	3,255,878	2,614,844	173,892	-	-	35,796,278	6.34
- non-performing	-	-	-	-	-	1,294,530	-	1,294,530	
Other assets	20,904	-	-	-	-	624,566	43,563	689,033	4.92
Deferred taxation assets	-	-	-	-	-	171,138	-	171,138	-
Statutory deposits	-	-	-	-	-	1,233,745	-	1,233,745	-
Investment in subsidiaries	-	-	-	-	-	1,389,849	-	1,389,849	-
Property, plant and equipment	-	-	-	-	-	486,433	-	486,433	-
Goodwill	-	-	-	-	-	892,012	-	892,012	-
Total assets	41,085,037	9,163,376	7,080,475	6,856,869	2,770,201	6,264,456	934,055	74,154,469	
Liabilities									
Deposits from customers	14,135,730	5,120,567	8,998,974	348,570	-	12,240,433	-	40,844,274	2.77
Deposits and placements of banks & other financial institutions	5,680,518	2,452,494	712,730	841,760	79,556	3,680	-	9,770,738	2.99
Obligations on securities sold under repurchase agreements	7,912,441	1,808,845	620,338	-	-	-	-	10,341,624	2.86
Bills and acceptances payable	1,075,424	1,319,615	545,540	-	-	338,445	-	3,279,024	3.31
Recourse obligation on loans sold to Cagamas Berhad	-	-	437,197	1,341,545	227,807	-	-	2,006,549	4.73
Other liabilities	256,681	-	-	-	-	763,289	54,253	1,074,223	2.85
Provision for taxation and zakat	-	-	-	-	-	15,675	-	15,675	-
Subordinated obligations	-	-	-	1,365,252	-	-	-	1,365,252	6.63 - 6.85
Total liabilities	29,060,794	10,701,521	11,314,779	3,897,127	307,363	13,361,522	54,253	68,697,359	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,089,011	-	4,089,011	-
Total liabilities and shareholders' equity	29,060,794	10,701,521	11,314,779	5,265,226	307,363	17,450,533	54,253	74,154,469	
Total interest-sensitivity gap	12,024,243	(1,538,145)	(4,234,304)	1,591,643	2,462,838	(11,186,077)	879,802	-	

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

27 Segmental Reporting On Revenue And Profit

Group - 3 months ended 31 March 2006

	Wholesale Banking	Retail Banking	Treasury & Money Market	Islamic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	389,230	396,618	263,292	46,727	1,226	-	1,097,093
Inter-segment revenue	3,265	-	4,043	-	976	(8,284)	-
Total revenue	392,495	396,618	267,335	46,727	2,202	(8,284)	1,097,093
Segment results	98,429	89,433	80,068	37,268	935	-	306,133
Subordinated obligations							(22,763)
Unallocated expenses							(70,389)
Profit from operations							212,981
Share of results of an associate							36
Profit before INCPS dividend and taxation							213,017
INCPS dividend							(33,734)
Taxation and zakat							(56,382)
Net profit for the period							122,901

Group - 3 months ended 31 March 2005

	Wholesale Banking	Retail Banking	Treasury & Money Market	Islamic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	365,967	307,806	197,338	28,254	906	-	900,271
Inter-segment revenue	693	-	11,707	-	47	(12,447)	-
Total revenue	366,660	307,806	209,045	28,254	953	(12,447)	900,271
Segment results	111,642	54,412	77,529	14,078	331	-	257,992
Subordinated obligations							(23,011)
Unallocated expenses							(64,053)
Profit from operations							170,928
Share of results of an associate							74
Profit before INCPS dividend and taxation							171,002
INCPS dividend							(33,734)
Taxation and zakat							(33,163)
Net profit for the period							104,105

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

28 Valuation of Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the previous audited annual financial statements.

29 Events subsequent to Balance Sheet Date

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

30 Changes in the Composition of the Group

The significant change in the composition of the Group for the three months ended 31 March 2006 is summarised below:

Merger of RHB Bank and RHB Delta Finance's Operations ('BAFIN merger')

Following the regulatory approvals and High Court order obtained in December 2005 for the BAFIN Merger, with effect from 1 January 2006:

- (i) All assets and liabilities of RHB Delta Finance with the exception of the Islamic assets and liabilities, were transferred to RHB Bank;
- (ii) All businesses and operations of RHB Delta Finance is conducted through RHB Bank;
- (iii) The Islamic assets and liabilities of RHB Delta Finance were transferred to RHB Islamic Bank; and
- (iv) RHB Leasing Sdn Bhd and RHB Delta Nominees (Tempatan) Sdn Bhd has become direct subsidiaries of RHB Bank.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

31 Income from Islamic Banking Business

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 RM'000	Current Financial Quarter Ended 31 March 2006 RM'000	Preceding Corresponding Quarter Ended 31 March 2005 * RM'000
Income derived from investment of depositors' funds	69,349	61,018	-	50,395
Income derived from investment of shareholders' funds	14,112	6,885	-	5,358
Allowance for losses on financing, advances and other loans	(1,649)	(1,621)	-	(1,290)
Transfer (to)/from profit equalisation reserve	(1,800)	(6,678)	-	(5,275)
Total distributable income	80,012	59,604	-	49,188
Income attributable to depositors	(34,934)	(32,971)	-	(26,793)
Total net income	45,078	26,633	-	22,395
Personnel expenses	(5,125)	(2,405)	-	(1,776)
Other operating expenditures	(14,801)	(3,670)	-	(871)
Profit before taxation and zakat	25,152	20,558	-	19,748
Taxation	-	118	-	-
Zakat	(7,140)	(1)	-	398
Net profit for the financial period	18,012	20,675	-	20,146
Total distributable income before allowances for losses on financing and advances	81,661	61,225	-	50,478
Income attributable to depositors	(34,934)	(32,971)	-	(26,793)
Income from Islamic Banking Business	46,727	28,254	-	23,685

* Note :

Islamic Banking business of RHB Bank was vested to RHB Islamic Bank subsisting as of 15 March 2005. The vesting took effect on 16 March 2005 which is also the date RHB Islamic Bank began its operation. The income statement above for the quarter ended 31 March 2005 is with respect to the Islamic Banking Business for 2 1/2 months up to 15 March 2005.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006 (cont'd)

32 Changes in Profit for the Quarter

The Group recorded 14% higher profit before INCPS dividends, taxation and zakat of RM213,017K for the current quarter as compared to the preceeding quarter ended 31 December 2005 of RM186,182K. The increase in profit was mainly due to lower loan loss provisioning.

33 Performance Review

The Group reported 25% higher profit before INCPS dividends, taxation and zakat of RM213,017K as compared to the corresponding period last year of RM171,002K, has a result of higher net interest income, partly offset by higher allowance for losses on loans and financing.

34 Prospects for the Current Financial Year

The Bank continues to focus on product innovation and customer segmentation to better serve and meet customers' needs. The merger of RHB Delta Finance Berhad into the Bank effective 1 January 2006 will provide further opportunities to better serve customers. The physical delivery channel network will be realigned and repositioned based on market opportunities and customer segmentation. On the technology front, the Bank's objective is to provide a cost effective IT operating platform to support the Bank's business initiatives that emphasizes system availability, flexibility and scalability. Risk management will continue be a critical aspect of the Bank's operations as the Bank targets to comply with Basel II's Standardised Approach by 2007. The Bank is well positioned to adapt to the challenges faced in an outlook where interest rates could be rising and where the management of its cost of funds is of strategic importance.

35 Proposed Dividends

No interim dividend is proposed in respect of current financial period ended 31 March 2006.