



**UNAUDITED CONSOLIDATED RESULTS  
FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2006**

**UNAUDITED CONDENSED BALANCE SHEETS AS AT 31 MARCH 2006**

	Group		Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
<b>Assets</b>				
Cash and short term funds	504,708	652,329	464,179	608,864
Securities purchased under resale agreements	81,419	85,482	-	-
Deposits and placements with banks and other financial institutions	1,921	101,921	-	100,000
Securities held-for-trading	1,313,670	1,567,910	1,309,096	1,563,881
Securities available-for-sale ('AFS')	142,604	157,441	136,650	153,402
Securities held-to-maturity	338,711	337,721	338,711	337,721
Loans and advances	609,990	639,599	609,990	639,599
Clients' and brokers' balances	348,339	247,268	-	-
Other assets	41,631	35,118	27,572	23,811
Amount due from holding company	205,327	205,180	-	-
Amount due from a subsidiary	-	-	53,153	53,153
Statutory deposit with Bank Negara Malaysia	56,356	76,606	56,356	76,606
Investment in subsidiaries	-	-	482,866	482,866
Tax recoverable	27,843	15,923	28,581	16,936
Deferred tax assets	6,203	7,021	6,043	6,939
Property, plant and equipment	13,999	15,363	4,073	4,468
Goodwill	172,844	172,844	-	-
<b>Total assets</b>	<b>3,865,565</b>	<b>4,317,726</b>	<b>3,517,270</b>	<b>4,068,246</b>
<b>Liabilities and shareholder's equity</b>				
Deposits from customers	1,194,162	1,252,417	1,194,162	1,252,417
Deposits and placements of banks and other financial Institutions	808,460	1,003,680	808,460	1,003,680
Obligations on securities sold under repurchase agreements	529,933	822,378	529,933	822,378
Clients' and brokers' balances	276,030	198,490	-	-
Taxation	5,385	3,445	-	-
Deferred tax liabilities	1,276	209	-	-
Other liabilities	113,862	70,650	77,835	36,382
Short term borrowings	10,082	-	-	-
Subordinated bonds	165,000	165,000	165,000	165,000
<b>Total liabilities</b>	<b>3,104,190</b>	<b>3,516,269</b>	<b>2,775,390</b>	<b>3,279,857</b>
Share capital	338,646	338,646	338,646	338,646
Reserves	422,729	462,811	403,234	449,743
<b>Shareholder's equity</b>	<b>761,375</b>	<b>801,457</b>	<b>741,880</b>	<b>788,389</b>
<b>Total liabilities and shareholder's equity</b>	<b>3,865,565</b>	<b>4,317,726</b>	<b>3,517,270</b>	<b>4,068,246</b>
<b>Commitments and Contingencies</b>	<b>6,075,535</b>	<b>5,750,425</b>	<b>6,075,535</b>	<b>5,750,425</b>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005).

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

	Group		Bank	
	<b>3 months ended 31.03.2006</b>	3 months ended 31.03.2005	<b>3 months ended 31.03.2006</b>	3 months ended 31.03.2005
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Interest income	<b>36,249</b>	37,887	<b>32,903</b>	34,252
Interest expense	<b>(26,367)</b>	(26,100)	<b>(25,974)</b>	(25,498)
Net interest income	<b>9,882</b>	11,787	<b>6,929</b>	8,754
Other operating income	<b>34,019</b>	43,342	<b>14,918</b>	13,867
Net income	<b>43,901</b>	55,129	<b>21,847</b>	22,621
Other operating expenses	<b>(23,368)</b>	(31,470)	<b>(7,694)</b>	(9,888)
Operating profit before allowances	<b>20,533</b>	23,659	<b>14,153</b>	12,733
Allowances for losses on loans and other losses	<b>(6,093)</b>	(7,227)	<b>(6,884)</b>	(5,363)
Allowances for impairment loss	-	(2,222)	-	(2,222)
Profit before taxation	<b>14,440</b>	14,210	<b>7,269</b>	5,148
Taxation	<b>(4,153)</b>	(3,195)	<b>(2,040)</b>	(2,380)
Net profit for the period	<b>10,287</b>	11,015	<b>5,229</b>	2,768
Basic earnings per share (sen)	<b>3.0</b>	3.3	<b>1.5</b>	0.8

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005).

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2006**

Group	Share capital RM '000	Non-distributable			Distributable	Total RM '000
		Statutory reserve RM '000	Revaluation reserve RM '000	Translation reserve RM '000	Retained profits RM '000	
Balance as at 31.12.05	<b>338,646</b>	<b>239,009</b>	<b>(9,165)</b>	<b>58</b>	<b>232,909</b>	<b>801,457</b>
Net profit for the financial period	-	-	-	-	<b>10,287</b>	<b>10,287</b>
Currency translation differences	-	-	-	<b>(11)</b>	-	<b>(11)</b>
Unrealised gain arising in fair value of AFS	-	-	<b>6,630</b>	-	-	<b>6,630</b>
AFS reserve realised on disposal	-	-	<b>(2,069)</b>	-	-	<b>(2,069)</b>
Deferred tax	-	-	<b>(1,277)</b>	-	-	<b>(1,277)</b>
Dividend for year ended 31.12.05	-	-	-	-	<b>(53,642)</b>	<b>(53,642)</b>
Balance as at 31.03.06	<b>338,646</b>	<b>239,009</b>	<b>(5,881)</b>	<b>47</b>	<b>189,554</b>	<b>761,375</b>
Balance as at 31.12.05	338,646	220,770	3,825	98	269,773	833,112
Net profit for the financial period	-	-	-	-	11,015	11,015
Currency translation differences	-	-	-	<b>(1)</b>	-	<b>(1)</b>
Unrealised loss arising in fair value of AFS	-	-	<b>(3,961)</b>	-	-	<b>(3,961)</b>
AFS reserve realised on disposal	-	-	<b>(5,375)</b>	-	-	<b>(5,375)</b>
AFS reserve realised on impairment	-	-	397	-	-	397
Deferred tax	-	-	2,503	-	-	2,503
Dividend for period ended 31.12.04	-	-	-	-	<b>(97,530)</b>	<b>(97,530)</b>
Balance as at 31.03.05	<b>338,646</b>	<b>220,770</b>	<b>(2,611)</b>	<b>97</b>	<b>183,258</b>	<b>740,160</b>
Bank	Share capital RM '000	Statutory reserve RM '000	Revaluation reserve RM '000	Translation reserve RM '000	Retained profits RM '000	Total RM '000
Balance as at 31.12.05	<b>338,646</b>	<b>239,009</b>	<b>(9,165)</b>	-	<b>219,899</b>	<b>788,389</b>
Net profit for the financial period	-	-	-	-	<b>5,229</b>	<b>5,229</b>
Unrealised gain arising in fair value of AFS	-	-	<b>4,714</b>	-	-	<b>4,714</b>
AFS reserve realised on disposal	-	-	<b>(2,069)</b>	-	-	<b>(2,069)</b>
Deferred tax	-	-	<b>(741)</b>	-	-	<b>(741)</b>
Dividend for the year ended 31.12.05	-	-	-	-	<b>(53,642)</b>	<b>(53,642)</b>
Balance as at 31.03.06	<b>338,646</b>	<b>239,009</b>	<b>(7,261)</b>	-	<b>171,486</b>	<b>741,880</b>
Balance as at 31.12.04	338,646	220,770	3,825	-	262,713	825,954
Net profit for the financial period	-	-	-	-	2,768	2,768
Unrealised loss arising in fair value of AFS	-	-	<b>(3,961)</b>	-	-	<b>(3,961)</b>
AFS reserve realised on disposal	-	-	<b>(5,375)</b>	-	-	<b>(5,375)</b>
AFS reserve realised on impairment	-	-	397	-	-	397
Deferred tax	-	-	2,503	-	-	2,503
Dividend for the period ended 31.12.04	-	-	-	-	<b>(97,530)</b>	<b>(97,530)</b>
Balance as at 31.03.05	<b>338,646</b>	<b>220,770</b>	<b>(2,611)</b>	-	<b>167,951</b>	<b>724,756</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2005).

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

	Group		Bank	
	<b>3 months ended 31.03.2006</b> RM'000	3 months ended 31.03.2005 RM'000	<b>3 months ended 31.03.2006</b> RM'000	3 months ended 31.03.2005 RM'000
Profit before taxation	<b>14,440</b>	14,210	<b>7,269</b>	5,148
Adjustments for items not involving movement of cash and cash equivalents	<b>1,642</b>	2,586	<b>(1,315)</b>	(269)
Operating profit before changes in working capital	<b>16,082</b>	16,796	<b>5,954</b>	4,879
Changes in working capital:				
Net changes in operating assets	<b>310,838</b>	53,793	<b>413,170</b>	131,392
Net changes in operating liabilities	<b>(478,168)</b>	144,772	<b>(557,467)</b>	123,481
Tax paid	<b>(3,865)</b>	(1,760)	<b>(3,126)</b>	(832)
Net cash (used in)/generated from operating activities	<b>(155,113)</b>	213,601	<b>(141,469)</b>	258,920
Net cash (used in)/generated from investing activities	<b>(2,590)</b>	913	<b>(3,216)</b>	1,885
Net cash generated from/(used in) financing activities	<b>10,082</b>	(76,383)	-	(97,530)
Net change in cash and cash equivalents	<b>(147,621)</b>	138,131	<b>(144,685)</b>	163,275
Cash and cash equivalents at beginning of financial period	<b>652,329</b>	857,948	<b>608,864</b>	791,320
Cash and cash equivalents at end of financial period	<b>504,708</b>	996,079	<b>464,179</b>	954,595
<b>Analysis of cash and cash equivalents:</b>				
Cash and short term fund	<b>504,708</b>	996,079	<b>464,179</b>	954,595

(The Condensed Consolidated Cash Flow Statement should be read in Conjunction with the Annual Financial Report for the financial year ended 31December 2005)

**NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2006**

**1. Review of the performance**

The Group's pre-tax profit for the three months ended 31 March 2006 was RM14.4 million compared to RM14.2 million for the corresponding quarter ended 31 March 2005.

Net interest income was lower by RM1.9 million and other operating income decreased by RM9.3 million. The decrease in other operating income was mainly due to the decrease in the gain arising from sale and revaluation of securities and derivatives. The total gain was RM3.3 million for current quarter compared to RM12.6 million for corresponding quarter ended 31 March 2005.

The other operating expenses for the current quarter decreased by RM8.1 million compared to the corresponding quarter and the allowances for losses on loans and other losses reduced by RM1.1 million whilst there was no allowances for impairment loss as compared to RM2.2 million last year.

The main subsidiary of the Bank, RHB Securities Sdn Bhd, recorded a pre-tax profit of RM7.0 million for the current quarter compared to RM5.5 million for the corresponding quarter last year. The Bank's other main subsidiaries, RHB Unit Trust Management Berhad and RHB Asset Management Sdn Bhd recorded current quarter pre-tax profit of RM0.6 million (2005: RM0.8 million) and RM1.6 million (2005: RM1.3 million) respectively.

**2. Prospects for the current financial year ending 31 December 2006**

Amidst an environment of rising interest rates in 2006, the Bank will continue to grow its debt capital market activities by leveraging on the expectations of a strong demand for new debt issues as the private debt securities market remain a viable alternative for financing.

The equity markets outlook for the year 2006 improved compared to 2005, with our research team forecasting the Kuala Lumpur Composite Index to reach 960 by the end of 2006. There will still be potential for companies in Malaysia to penetrate the equity markets for listings, but the Bank foresees more opportunities in M&A and divestitures as companies strive to undergo value creation activities.

With the regulatory framework on investment banks announced sometime middle of 2005, the industry will see increased competition for the existing merchant banks. The Group welcomes this as an opportunity to streamline its stockbroking and merchant banking businesses to become an investment bank.

**3. Deposits from customers**

**(i) By type of deposit**

	Group and Bank	
	As at	As at
	<u>31.03.2006</u>	<u>31.12.2005</u>
	RM'000	RM'000
Fixed deposits	<u>1,194,162</u>	<u>1,252,417</u>

(ii) By type of customers

	Group and Bank	
	As at	As at
	31.03.2006	31.12.2005
	RM'000	RM'000
Business enterprises	1,065,394	880,256
Government and statutory bodies	128,768	372,161
	<b>1,194,162</b>	<b>1,252,417</b>

4. Deposits and placements of banks and other financial institutions

	Group and Bank	
	As at	As at
	31.03.2006	31.12.2005
	RM'000	RM'000
Licensed banks	536,919	725,000
Other financial institutions	271,541	278,680
	<b>808,460</b>	<b>1,003,680</b>

5. Securities portfolio

(i) Securities held-for-trading

	Group		Bank	
	As at	As at	As at	As at
	31.03.2006	31.12.2005	31.03.2006	31.12.2005
	RM'000	RM'000	RM'000	RM'000
At market value				
Money market instruments:				
Khazanah bonds	47,131	77,970	47,131	77,970
Malaysian Government treasury bills	-	846	-	846
Malaysian Government securities	19,989	-	19,989	-
Bank Negara negotiable notes	991	-	991	-
Bankers' acceptance	460,958	743,290	460,958	743,290
Negotiable certificates of deposit	129,997	59,994	129,997	59,994
Private debt securities	650,030	681,781	650,030	681,781
Quoted securities:				
<u>In Malaysia</u>				
Unit trust	3,403	4,029	-	-
Shares	1,171	-	-	-
	<b>1,313,670</b>	<b>1,567,910</b>	<b>1,309,096</b>	<b>1,563,881</b>

**(ii) Securities available-for-sale**

	Group		Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
At market value				
Money market instruments:				
Private debt securities	101,583	138,430	101,583	138,430
Quoted securities: <u>In Malaysia</u>				
Shares	33,903	12,378	30,149	10,539
Private debt securities	4,918	4,433	4,918	4,433
Unquoted securities: <u>In Malaysia</u>				
Shares	2,200	2,200	-	-
	<b>142,604</b>	<b>157,441</b>	<b>136,650</b>	<b>153,402</b>

**(iii) Securities held-to-maturity**

	Group		Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
At amortised cost				
Money market instruments:				
Malaysian Government securities	54,927	54,985	54,927	54,985
Khazanah bonds	50,410	49,922	50,410	49,922
Prasarana bonds	98,019	97,941	98,019	97,941
Private debt securities	199,092	198,610	199,092	198,610
Unquoted securities: <u>In Malaysia</u>				
Shares	2,200	2,200	2,200	2,200
Bonds	23	23	23	23
	<b>404,671</b>	<b>403,681</b>	<b>404,671</b>	<b>403,681</b>
Less:				
Accumulated Impairment losses	(65,960)	(65,960)	(65,960)	(65,960)
	<b>338,711</b>	<b>337,721</b>	<b>338,711</b>	<b>337,721</b>

## 6. Loans and advances

### (i) By type

	Group and Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
Terms loans		
Syndicated term loans	67,684	80,132
Other term loans	318,681	314,822
Claims on customers under acceptance credits	22,432	20,272
Staff loans	7,822	7,995
Revolving credit	258,488	274,837
Less: Unearned interest and income	(77)	(79)
Gross loans and advances	675,030	697,979
Less: Allowance for bad and doubtful debts		
- General	(11,498)	(12,056)
- Specific	(53,542)	(46,324)
Total net loans and advances	609,990	639,599

### (ii) By type of customer

	Group and Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
Domestic business enterprises		
- Others	656,134	661,737
Individuals	18,896	36,242
	675,030	697,979

### (iii) By interest/profit rate sensitivity

	Group and Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
Fixed rate		
Other fixed rate loan	12,145	12,209
Variable rate		
Cost plus	662,885	685,770
	675,030	697,979



(iv) **By Sector**

	Group and Bank	
	As at	As at
	31.03.2006	31.12.2005
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	16,930	20,305
Mining and quarrying	32,905	33,081
Manufacturing	154,098	155,861
Electricity, gas and water	4,133	4,113
Construction	40,143	37,910
Real estate	142,350	134,836
Purchase of landed property:		
- Residential	4,868	4,911
- Non-residential	10,041	10,655
Wholesale & retail trade and restaurants & hotels	21,164	36,833
Purchase of securities	145,391	142,765
Purchase of transport vehicles	2,858	2,989
Consumption credit	1,737	15,911
Others	98,412	97,809
	<b>675,030</b>	<b>697,979</b>

**7. Non-performing Loans (NPL)**

(i) **Movements in non-performing loans**

	Group and Bank	
	As at	As at
	31.03.2006	31.12.2005
	RM'000	RM'000
At beginning of period/year	180,185	252,580
Classified as non-performing during the period/year	-	48,200
Amount converted to securities	-	(416)
Amount recovered	(710)	(47,713)
Amount written off	-	(72,466)
At end of period	179,475	180,185
Specific allowance	(53,542)	(46,197)
Net non-performing loans	<b>125,933</b>	<b>133,988</b>
Ratio of net non-performing loans to net loans	<b>20.26%</b>	<b>20.56%</b>

During the financial year ended 31.12.2005, the Group changed its basis for classification of non-performing loans by changing the period of default for non-performing loans from 6 months to 3 months.

(ii) **Movements in allowance for bad and doubtful debts**

	Group and Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
<b>General allowance</b>		
At beginning of period/year	12,056	15,209
Allowance written back during the period/year	(558)	(3,153)
At end of period/year	11,498	12,056
As % of gross loans, advances and financing less specific allowance	1.85%	1.85%
<b>Specific allowance</b>		
At beginning of period/year	46,324	77,810
Allowance made during the period/year	7,356	43,199
Transferred to accumulated impairment loss in value of securities	-	(167)
Amount recovered	(138)	(2,052)
Amount written off	-	(72,466)
At end of period/year	53,542	46,324

(iii) **Non-performing Loans by sector**

	Group and Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
Manufacturing	43,594	43,594
Construction	9,219	9,219
Real estate	61,354	61,354
Purchase of landed property:		
- Non-residential	1,365	1,365
Wholesale & retail trade and restaurants & hotels	7,189	7,189
Purchase of securities	32,093	32,103
Others	24,661	25,361
	179,475	180,185

**8. Interest income**

	Group		Bank	
	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000
Loans and advances				
- interest income other than recoveries from NPLs	7,964	10,229	7,964	10,229
- recoveries from NPLs	568	301	568	301
Money at call and deposit placements with banks and other financial institutions	6,090	6,682	5,725	6,393
Securities held-for-trading	13,355	5,986	13,355	5,986
Securities available-for-sale	1,755	5,774	1,755	5,774
Securities held-to-maturity	2,273	4,961	2,273	4,961
Others	3,101	3,522	120	176
	<b>35,106</b>	<b>37,455</b>	<b>31,760</b>	<b>33,820</b>
Amortisation of premium less accretion of discount	1,143	488	1,143	488
Interest suspended	-	(56)	-	(56)
Total interest income	<b>36,249</b>	<b>37,887</b>	<b>32,903</b>	<b>34,252</b>

**9. Interest expense**

	Group		Bank	
	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000
Deposits and placements from banks and other financial institutions	13,382	12,608	13,382	12,608
Deposits from customers	8,616	9,268	8,616	9,268
Subordinated bonds	3,336	3,336	3,336	3,336
Others	1,033	888	640	286
	<b>26,367</b>	<b>26,100</b>	<b>25,974</b>	<b>25,498</b>

**10. Other operating income**

	Group		Bank	
	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000
Fee income				
Brokerage	<b>14,025</b>	14,701	-	-
Fund management fees	<b>1,919</b>	1,885	-	-
Fee on loans and advances	<b>177</b>	334	<b>177</b>	334
Corporate advisory fees	<b>1,965</b>	2,624	<b>1,965</b>	2,624
Guarantee fees	<b>350</b>	533	<b>350</b>	533
Underwriting fees	<b>932</b>	823	<b>932</b>	673
Unit trust fee income	<b>5,655</b>	6,554	-	-
Other fee income	<b>1,616</b>	1,127	<b>1,040</b>	661
	<b>26,639</b>	28,581	<b>4,464</b>	4,825
Gain/(loss) arising from sale/redemption of securities and derivatives				
Net gain from sale of				
- securities held-for-trading	<b>1,207</b>	5,840	<b>2,095</b>	546
- securities available-for-sale	<b>2,069</b>	5,375	<b>2,069</b>	5,375
Net gain from redemption of				
- securities held-to-maturity	<b>55</b>	-	<b>55</b>	-
Derivatives	<b>182</b>	(119)	<b>114</b>	(119)
Unrealised gain/(loss) on revaluation of				
- securities held-for-trading	<b>(2,810)</b>	1,183	<b>(2,810)</b>	1,183
- derivatives	<b>2,621</b>	353	<b>2,621</b>	353
Gross dividend income from				
- securities held-for-trading	<b>1,150</b>	-	-	-
- securities available-for-sale	<b>184</b>	-	<b>184</b>	-
- subsidiary	-	-	<b>3,700</b>	-
	<b>4,658</b>	12,632	<b>8,028</b>	7,338
Other income				
Foreign exchange gain				
- realized	<b>581</b>	29	<b>581</b>	29
Gain on disposal of property, plant and equipment	<b>73</b>	296	-	1
Others	<b>2,068</b>	1,804	<b>1,845</b>	1,674
	<b>2,722</b>	2,129	<b>2,426</b>	1,704
Other operating income	<b>34,019</b>	43,342	<b>14,918</b>	13,867

## 11. Other operating expenses

	Group		Bank	
	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000
Personnel costs				
Salaries, bonus and allowances	8,030	13,233	3,322	5,343
Defined contribution plan	1,301	1,634	532	898
Other staff related costs	1,595	2,702	798	594
Establishment costs				
Depreciation	2,190	2,034	503	319
Rental of premises	2,335	2,647	696	679
Information technology expenses	964	1,140	489	441
Others	1,263	2,091	90	84
Marketing expenses				
Sales commission	1,319	2,727	-	-
Advertisement and publicity	412	450	243	346
Others	874	1,023	151	200
Administration and general expenses				
Communication expenses	1,013	604	181	196
Legal and professional fees	82	233	4	105
Others	1,990	952	685	683
	<b>23,368</b>	<b>31,470</b>	<b>7,694</b>	<b>9,888</b>

## 12. Allowance for losses on loans and other losses

	Group		Bank	
	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000	3 months ended 31.03.2006 RM'000	3 months ended 31.03.2005 RM'000
Allowance for losses on loans				
Specific allowance				
- made in the financial period	7,356	7,108	7,356	5,850
- written back	(961)	(150)	(138)	(150)
General allowance in the financial period	(526)	190	(558)	(299)
Bad debts				
- recovered	(24)	(17)	(24)	(17)
- written off	-	117	-	-
Specific allowance for other debtors	248	(21)	248	(21)
	<b>6,093</b>	<b>7,227</b>	<b>6,884</b>	<b>5,363</b>

### 13. Capital adequacy

	Bank	
	As at 31.03.2006 RM'000	As at 31.12.2005 RM'000
<b>Tier I capital</b>		
Paid-up share capital	338,646	338,646
Other reserve	396,101	449,743
	<b>734,747</b>	<b>788,389</b>
AFS revaluation reserve	9,165	9,165
Deferred tax assets	(6,939)	(6,939)
Total Tier I capital	<b>736,973</b>	<b>790,615</b>
<b>Tier II capital</b>		
General allowance for bad and doubtful debts	11,498	12,056
Subordinated bonds	165,000	165,000
Total Tier II capital	<b>176,498</b>	<b>177,056</b>
Total capital	<b>913,471</b>	967,671
Less: Investment in subsidiaries	<b>(482,866)</b>	(482,866)
<b>Total capital base</b>	<b>430,605</b>	<b>484,805</b>
Core capital ratio	19.34%	19.82%
Risk-weighted capital ratio	19.34%	19.82%
Core capital ratio (net of proposed dividends)	-	17.63%
Risk-weighted capital ratio (net of proposed dividends)	-	17.63%

### 14. Commitments and contingencies

	Group and Bank					
	As at 31.03.2006			As at 31.12.2005		
	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	191,292	191,292	191,292	185,160	185,160	185,160
Transaction-related contingent items	1,231,829	32,415	32,415	1,229,520	31,260	31,260
Obligations under underwriting agreements	282,600	-	-	248,113	-	-
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	359,414	-	-	360,518	-	-
- maturity exceeding one year	159,421	79,710	79,576	186,484	93,243	93,136
Foreign exchange-related contracts:						
- less than one year	128,979	699	142	19,314	417	165
- one to less than five years	-	-	-	-	-	-
Interest rate related contracts:						
- less than one year	912,000	19	4	810,000	33	6
- one to less than five years	2,810,000	12,911	2,582	2,690,000	10,330	2,066
Miscellaneous	-	-	-	21,316	21,079	21,032
	<b>6,075,535</b>	<b>317,046</b>	<b>306,011</b>	<b>5,750,425</b>	<b>341,522</b>	<b>332,825</b>

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

## 15. Interest/profit rate risk

	Group								Effective interest rate %
	31.03.2006								
	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	
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					
<b>Assets</b>									
Cash and short term funds	476,968	-	-	-	-	27,740	-	504,708	3.33
Securities purchased under resale agreements	81,419	-	-	-	-	-	-	84,419	2.80
Deposits and placements with financial institutions	1,798	-	123	-	-	-	-	1,921	1.19
Securities held-for-trading	-	-	-	-	-	-	1,313,670	1,313,670	4.37
Securities available-for-sale	5,001	-	-	86,668	14,832	36,103	-	142,604	5.17
Securities held-to-maturity	-	-	2,098	251,864	148,486	(63,737)	-	338,711	5.55
Loans and advances									
- performing	286,687	201,046	-	2,954	4,868	-	-	495,555	6.77
- non-performing	-	-	-	-	-	114,435	-	114,435	-
Clients' and brokers' balances	80,947	-	-	-	-	267,392	-	348,339	9.00
Other assets	150	-	163	533	930	34,128	5,727	41,631	3.92
Amount due from holding company	76,352	-	-	-	-	128,975	-	205,327	3.83
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	56,356	-	56,356	-
Tax recoverable	-	-	-	-	-	27,843	-	27,843	-
Deferred tax assets	-	-	-	-	-	6,203	-	6,203	-
Property, plant and equipment	-	-	-	-	-	13,999	-	13,999	-
Goodwill	-	-	-	-	-	172,844	-	172,844	-
<b>Total assets</b>	<b>1,009,322</b>	<b>201,046</b>	<b>2,384</b>	<b>342,019</b>	<b>169,116</b>	<b>822,281</b>	<b>1,319,397</b>	<b>3,865,565</b>	
<b>Liabilities</b>									
Deposits from customers	852,389	335,945	5,828	-	-	-	-	1,194,162	3.21
Deposits and placements of banks and other financial institutions	174,432	123,028	261,000	250,000	-	-	-	808,460	3.43
Obligations on securities sold under repurchase agreements	507,083	22,850	-	-	-	-	-	529,933	3.09
Clients' and brokers' balances	52,016	-	-	-	-	224,014	-	276,030	2.80
Taxation	-	-	-	-	-	5,385	-	5,385	-
Deferred tax liabilities	-	-	-	-	-	1,276	-	1,276	-
Other liabilities	9,038	-	-	-	-	102,242	2,582	113,862	2.90
Borrowing	10,082	-	-	-	-	-	-	10,082	4.02
Subordinated bonds	-	-	-	165,000	-	-	-	165,000	8.20
<b>Total liabilities</b>	<b>1,605,040</b>	<b>481,823</b>	<b>266,828</b>	<b>415,000</b>	<b>-</b>	<b>332,917</b>	<b>2,582</b>	<b>3,104,190</b>	
Net interest rate gap	(595,718)	(280,777)	(264,444)	(72,981)	169,116				

## 15. Interest/profit rate risk (continued)

	Group								Effective interest rate %
	31.12.2005								
	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	
	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				
<b>Assets</b>									
Cash and short term funds	626,104	-	-	-	-	26,225	-	652,329	3.01
Securities purchased under resale agreements	85,482	-	-	-	-	-	-	85,482	2.70
Deposits and placements with financial institutions	1,798	100,000	123	-	-	-	-	101,921	3.04
Securities held-for-trading	-	-	-	-	-	-	1,567,910	1,567,910	4.04
Securities available-for-sale	25,021	37,025	5,006	61,058	14,753	14,578	-	157,441	6.33
Securities held-to-maturity	-	-	2,098	250,894	148,466	(63,737)	-	337,721	5.55
Loans and advances									
- performing	329,025	178,250	2,524	3,084	4,911	(127)	-	517,667	6.38
- non-performing	-	-	-	-	-	121,932	-	121,932	-
Clients' and brokers' balances	85,048	-	-	-	-	162,220	-	247,268	8.80
Other assets	150	-	167	507	961	29,617	3,716	35,118	3.92
Amount due from holding company	76,352	-	-	-	-	128,828	-	205,180	3.77
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	76,606	-	76,606	-
Tax recoverable	-	-	-	-	-	15,923	-	15,932	-
Deferred tax assets	-	-	-	-	-	7,021	-	7,021	-
Property, plant and equipment	-	-	-	-	-	15,363	-	15,363	-
Goodwill	-	-	-	-	-	172,844	-	172,844	-
<b>Total assets</b>	<b>1,228,980</b>	<b>315,275</b>	<b>9,918</b>	<b>315,543</b>	<b>169,091</b>	<b>707,293</b>	<b>1,571,626</b>	<b>4,317,726</b>	
<b>Liabilities</b>									
Deposits from customers	667,970	562,647	21,800	-	-	-	-	1,252,417	2.85
Deposits and placements of banks and other financial institutions	159,359	291,321	303,000	250,000	-	-	-	1,003,680	3.14
Obligations on securities sold under repurchase agreements	822,378	-	-	-	-	-	-	822,378	2.86
Clients' and brokers' balances	35,794	-	-	-	-	162,696	-	198,490	2.60
Taxation	-	-	-	-	-	3,445	-	3,445	-
Deferred tax liabilities	-	-	-	-	-	209	-	209	-
Other liabilities	-	-	-	-	-	67,458	3,192	70,650	-
Subordinated bonds	-	-	-	165,000	-	-	-	165,000	8.20
<b>Total liabilities</b>	<b>1,685,501</b>	<b>853,968</b>	<b>324,800</b>	<b>415,000</b>	<b>-</b>	<b>233,808</b>	<b>3,192</b>	<b>3,516,269</b>	
<b>Net interest rate gap</b>	<b>(456,521)</b>	<b>(538,693)</b>	<b>(314,882)</b>	<b>(99,457)</b>	<b>169,091</b>				



15. Interest/profit rate risk (continued)

	Bank								Effective interest rate %
	31.03.2006								
	Non-trading book						Trading book RM'000	Total RM'000	
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				
<b>Assets</b>									
Cash and short term funds	463,900	-	-	-	-	279	-	464,179	3.34
Securities held-for-trading	-	-	-	-	-	-	1,309,096	1,309,096	4.37
Securities available-for-sale	5,001	-	-	86,668	14,832	30,149	-	136,650	5.17
Securities held-to-maturity	-	-	2,098	251,864	148,486	(63,737)	-	338,711	5.55
Loans and advances									
- performing	286,687	201,046	-	2,954	4,868	-	-	495,555	6.77
- non-performing	-	-	-	-	-	114,435	-	114,435	-
Amount due from subsidiary companies	-	-	-	-	-	53,153	-	53,153	-
Other assets	-	-	-	-	-	21,845	5,727	27,572	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	56,356	-	56,356	-
Investment in subsidiary companies	-	-	-	-	-	482,866	-	482,866	-
Tax recoverable	-	-	-	-	-	28,581	-	28,581	-
Deferred tax assets	-	-	-	-	-	6,043	-	6,043	-
Property, plant and equipment	-	-	-	-	-	4,073	-	4,073	-
<b>Total assets</b>	<b>755,588</b>	<b>201,046</b>	<b>2,098</b>	<b>341,486</b>	<b>168,186</b>	<b>734,043</b>	<b>1,314,823</b>	<b>3,517,270</b>	
<b>Liabilities</b>									
Deposits from customers	852,389	335,945	5,828	-	-	-	-	1,194,162	3.21
Deposits and placements of banks and other financial institutions	174,432	123,028	261,000	250,000	-	-	-	808,460	3.43
Obligations on securities sold under repurchase agreements	507,083	22,850	-	-	-	-	-	529,933	3.09
Other liabilities	-	-	-	-	-	75,253	2,582	77,835	-
Subordinated bonds	-	-	-	165,000	-	-	-	165,000	8.20
<b>Total liabilities</b>	<b>1,533,904</b>	<b>481,823</b>	<b>266,828</b>	<b>415,000</b>	<b>-</b>	<b>75,253</b>	<b>2,582</b>	<b>2,775,390</b>	<b>-</b>
<b>Net interest rate gap</b>	<b>(778,316)</b>	<b>(280,777)</b>	<b>(264,730)</b>	<b>(73,514)</b>	<b>168,186</b>				

## 15. Interest/profit rate risk (continued)

	Bank								Effective interest rate %
	31.12.2005								
	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	
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					
<b>Assets</b>									
Cash and short term funds	608,300	-	-	-	-	564	-	608,864	3.02
Deposits and placements with bank and other financial institutions	-	100,000	-	-	-	-	-	100,000	3.04
Securities held-for-trading	-	-	-	-	-	-	1,563,881	1,563,881	4.04
Securities available-for-sale	25,021	37,025	5,006	61,058	14,753	10,539	-	153,402	6.33
Securities held-to-maturity	-	-	2,098	250,894	148,466	(63,737)	-	337,721	5.55
Loans and advances									
- performing	329,025	178,250	2,524	3,084	4,911	(127)	-	517,667	6.38
- non-performing	-	-	-	-	-	121,932	-	121,932	-
Amount due from subsidiary companies	-	-	-	-	-	53,153	-	53,153	-
Other assets	-	-	-	-	-	20,095	3,716	23,811	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	76,606	-	76,606	-
Investment in subsidiary companies	-	-	-	-	-	482,866	-	482,866	-
Tax recoverable	-	-	-	-	-	16,936	-	16,936	-
Deferred tax assets	-	-	-	-	-	6,939	-	6,939	-
Property, plant and equipment	-	-	-	-	-	4,468	-	4,468	-
<b>Total assets</b>	<b>962,346</b>	<b>315,275</b>	<b>9,628</b>	<b>315,036</b>	<b>168,130</b>	<b>730,234</b>	<b>1,567,597</b>	<b>4,068,246</b>	
<b>Liabilities</b>									
Deposits from customers	667,970	562,647	21,800	-	-	-	-	1,252,417	2.85
Deposits and placements of banks and other financial institutions	159,359	291,321	303,000	250,000	-	-	-	1,003,680	3.14
Obligations on securities sold under repurchase agreements	822,378	-	-	-	-	-	-	822,378	2.86
Other liabilities	-	-	-	-	-	33,190	3,192	36,382	-
Subordinated bonds	-	-	-	165,000	-	-	-	165,000	8.20
<b>Total liabilities</b>	<b>1,649,707</b>	<b>853,968</b>	<b>324,800</b>	<b>415,000</b>	<b>-</b>	<b>33,190</b>	<b>3,192</b>	<b>3,279,857</b>	<b>-</b>
Net interest rate gap	(687,361)	(538,693)	(315,172)	(99,964)	168,130				