

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2011

Note	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
ASSETS				
Cash and short-term funds	10,431,677	12,981,081	8,375,108	11,093,561
Securities purchased under resale agreements	-	276,407	-	276,407
Deposits and placements with banks and other financial institutions	1,882,724	824,071	2,336,510	1,539,648
Financial assets held-for-trading	8 804,142	348,511	666,609	129,583
Financial investments available-for-sale	9 10,463,491	9,933,578	8,679,451	8,143,221
Financial investments held-to-maturity	10 12,089,149	10,674,245	10,925,602	9,558,312
Loans, advances and financing	11 85,103,043	81,531,003	74,051,273	71,125,558
Other assets	12 235,626	195,687	237,446	204,452
Derivative assets	236,064	298,389	235,917	298,148
Statutory deposits	498,676	426,304	387,837	321,064
Tax recoverable	2,775	27	-	-
Deferred tax assets	269,267	260,089	226,361	220,303
Investment in subsidiaries	-	-	822,972	822,972
Property, plant and equipment	716,835	701,158	556,375	540,483
Goodwill	1,004,017	1,004,017	905,519	905,519
TOTAL ASSETS	123,737,486	119,454,567	108,406,980	105,179,231
LIABILITIES AND EQUITY				
Deposits from customers	13 96,744,301	92,402,813	84,764,812	80,567,577
Deposits and placements of banks and other financial institutions	14 7,815,776	7,680,309	5,461,263	6,158,453
Bills and acceptances payable	3,255,078	3,536,140	3,237,103	3,524,016
Other liabilities	15 1,023,541	1,002,387	848,394	868,165
Derivative liabilities	178,456	240,161	182,816	238,984
Recourse obligation on loans sold to Cagamas Berhad	668,674	818,503	668,674	818,503
Taxation	64,632	167,338	60,039	163,133
Deferred tax liabilities	4	6	-	-
Long term borrowings	774,394	819,362	774,394	819,362
Subordinated obligations	3,056,450	3,018,157	3,056,450	3,018,157
Hybrid Tier-I Capital Securities	616,593	605,407	616,593	605,407
TOTAL LIABILITIES	114,197,899	110,290,583	99,670,538	96,781,757
Share capital	3,318,085	3,318,085	3,318,085	3,318,085
Reserves	6,221,502	5,845,899	5,418,357	5,079,389
TOTAL EQUITY	9,539,587	9,163,984	8,736,442	8,397,474
TOTAL LIABILITIES AND EQUITY	123,737,486	119,454,567	108,406,980	105,179,231
COMMITMENTS AND CONTINGENCIES	23 70,692,346	68,003,150	69,038,860	66,370,586

This 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 2010.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	Note	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
		Current Financial Quarter Ended 31.03.2011	Preceding Corresponding Quarter Ended 31.03.2010	Current Financial Quarter Ended 31.03.2011	Preceding Corresponding Quarter Ended 31.03.2010
		RM'000	RM'000	RM'000	RM'000
Interest income	16	1,251,378	1,017,569	1,230,226	1,005,306
Interest expense	17	(543,734)	(373,321)	(540,318)	(371,546)
Net interest income		707,644	644,248	689,908	633,760
Other operating income	18	198,247	174,862	192,174	169,949
Income from Islamic Banking business	19	905,891 91,227	819,110 82,625	882,082 -	803,709 -
Other operating expenses	20	997,118 (391,148)	901,735 (348,834)	882,082 (353,135)	803,709 (309,650)
Operating profit before allowances		605,970	552,901	528,947	494,059
Allowance for impairment on loans, advances and financing	21	(78,456)	(87,355)	(59,811)	(38,245)
Write-back of impairment losses on other assets		2,004	497	2,004	497
Profit before taxation		529,518	466,043	471,140	456,311
Taxation		(133,230)	(118,261)	(123,318)	(115,393)
Net profit for the financial period		<u>396,288</u>	<u>347,782</u>	<u>347,822</u>	<u>340,918</u>
Earnings per share (sen)					
- Basic		<u>5.97</u>	<u>5.24</u>	<u>5.24</u>	<u>5.14</u>

This 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 2010.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31.03.2011</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31.03.2010</u> <u>RM'000</u>	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31.03.2011</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31.03.2010</u> <u>RM'000</u>
Net profit for the financial period	<u>396,288</u>	<u>347,782</u>	<u>347,822</u>	<u>340,918</u>
Other comprehensive income/(loss):				
Currency translation differences	(13,962)	(41,169)	(6,483)	(23,366)
Financial investments available-for-sale				
- Unrealised net gain/(loss) on revaluation	(3,331)	33,502	1,397	33,756
- Net transfer to income statements on disposal or impairment	(5,534)	(16,035)	(4,558)	(16,035)
Income tax relating to components of other comprehensive income/(loss)	<u>2,142</u>	<u>(4,223)</u>	<u>790</u>	<u>(4,430)</u>
Other comprehensive loss for the financial period, net of tax	<u>(20,685)</u>	<u>(27,925)</u>	<u>(8,854)</u>	<u>(10,075)</u>
Total comprehensive income for the financial period	<u><u>375,603</u></u>	<u><u>319,857</u></u>	<u><u>338,968</u></u>	<u><u>330,843</u></u>

This 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 2010.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

<u>Group</u>	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2011	3,318,085	8,563	2,946,064	(79,815)	143,202	2,827,885	9,163,984
Net profit for the financial period	-	-	-	-	-	396,288	396,288
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(13,962)	-	-	(13,962)
Financial investments available-for-sale ('AFS')							
- Unrealised net loss on revaluation	-	-	-	-	(3,331)	-	(3,331)
- Net transfer to income statements on disposal or impairment	-	-	-	-	(5,534)	-	(5,534)
Income tax relating to components of other comprehensive loss	-	-	-	-	2,142	-	2,142
Total comprehensive income/(loss) for the financial period	-	-	-	(13,962)	(6,723)	396,288	375,603
Balance as at 31 March 2011	<u>3,318,085</u>	<u>8,563</u>	<u>2,946,064</u>	<u>(93,777)</u>	<u>136,479</u>	<u>3,224,173</u>	<u>9,539,587</u>
Balance as at 1 January 2010	3,318,085	8,563	2,588,710	(13,882)	93,352	2,002,753	7,997,581
Net profit for the financial period	-	-	-	-	-	347,782	347,782
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(41,169)	-	-	(41,169)
Financial investments AFS							
- Unrealised net gain on revaluation	-	-	-	-	33,502	-	33,502
- Net transfer to income statements on disposal or impairment	-	-	-	-	(16,035)	-	(16,035)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,223)	-	(4,223)
Total comprehensive income/(loss) for the financial period	-	-	-	(41,169)	13,244	347,782	319,857
Balance as at 31 March 2010	<u>3,318,085</u>	<u>8,563</u>	<u>2,588,710</u>	<u>(55,051)</u>	<u>106,596</u>	<u>2,350,535</u>	<u>8,317,438</u>

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

<u>Bank</u>	←		Non-distributable		→		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Distributable Retained profits RM'000	
Balance as at 1 January 2011	3,318,085	8,563	2,714,580	396	134,995	2,220,855	8,397,474
Net profit for the financial period	-	-	-	-	-	347,822	347,822
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(6,483)	-	-	(6,483)
Financial investments AFS							
- Unrealised net gain on revaluation	-	-	-	-	1,397	-	1,397
- Net transfer to income statements on disposal or impairment	-	-	-	-	(4,558)	-	(4,558)
Income tax relating to components of other comprehensive loss	-	-	-	-	790	-	790
Total comprehensive income/(loss) for the financial period	-	-	-	(6,483)	(2,371)	347,822	338,968
Balance as at 31 March 2011	<u>3,318,085</u>	<u>8,563</u>	<u>2,714,580</u>	<u>(6,087)</u>	<u>132,624</u>	<u>2,568,677</u>	<u>8,736,442</u>
Balance as at 1 January 2010	3,318,085	8,563	2,390,971	25,585	85,762	1,494,095	7,323,061
Net profit for the financial period	-	-	-	-	-	340,918	340,918
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(23,366)	-	-	(23,366)
Financial investments AFS							
- Unrealised net gain on revaluation	-	-	-	-	33,756	-	33,756
- Net transfer to income statements on disposal or impairment	-	-	-	-	(16,035)	-	(16,035)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,430)	-	(4,430)
Total comprehensive income/(loss) for the financial period	-	-	-	(23,366)	13,291	340,918	330,843

This 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 2010.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	Three Months Ended	
	31.03.2011	31.03.2010
	RM '000	RM '000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	529,518	466,043
Adjustment for non-cash items	(25,235)	70,685
Operating profit before changes in working capital	504,283	536,728
Changes in working capital:		
Net changes in operating assets	(5,066,319)	(2,788,370)
Net changes in operating liabilities	4,083,768	(639,802)
Cash used in operations	(982,551)	(3,428,172)
Taxation paid	(245,760)	(77,562)
Net cash used in operating activities	(724,028)	(2,969,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(38,704)	(32,547)
Proceeds from disposal of property, plant and equipment	5,000	94
Financial investments AFS:		
- net purchase	(555,478)	(759,552)
- interest received	96,779	66,667
- investment income received	13,970	13,189
- dividend income	-	448
Financial investments held-to-maturity:		
- net purchase	(1,395,677)	(881,180)
- interest received	89,962	97,094
- investment income received	12,263	10,594
Net cash used in investing activities	(1,771,885)	(1,485,193)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(30,335)	-
Net cash used in financing activities	(30,335)	-
Net decrease in cash and cash equivalents	(2,526,248)	(4,454,199)
Effects of exchange rate differences	(23,156)	(104,791)
Cash and cash equivalents:		
- at the beginning of the financial period	12,981,081	15,308,992
- at the end of the financial period	10,431,677	10,750,002
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	10,431,677	10,750,002

This 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 2010.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	Three Months Ended	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	RM '000	RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	471,140	456,311
Adjustment for non-cash items	<u>(4,953)</u>	<u>24,375</u>
Operating profit before changes in working capital	466,187	480,686
Changes in working capital:		
Net changes in operating assets	(4,203,390)	(2,468,527)
Net changes in operating liabilities	<u>3,060,174</u>	<u>(769,944)</u>
Cash used in operations	(1,143,216)	(3,238,471)
Taxation paid	<u>(231,583)</u>	<u>(69,943)</u>
Net cash used in operating activities	<u>(908,612)</u>	<u>(2,827,728)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,460)	(31,031)
Proceeds from disposal of property, plant and equipment	5,000	94
Financial investments AFS:		
- net purchase	(560,351)	(664,298)
- interest received	96,779	66,667
- dividend income	-	448
Financial investments held-to-maturity:		
- net purchase	(1,358,141)	(885,090)
- interest received	<u>89,662</u>	<u>96,652</u>
Net cash used in investing activities	<u>(1,764,511)</u>	<u>(1,416,558)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	<u>(30,335)</u>	-
Net cash used in financing activities	<u>(30,335)</u>	-
Net decrease in cash and cash equivalents	(2,703,458)	(4,244,286)
Effects of exchange rate differences	(14,995)	(91,085)
Cash and cash equivalents:		
- at the beginning of the financial period	11,093,561	12,790,568
- at the end of the financial period	<u>8,375,108</u>	<u>8,455,197</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>8,375,108</u>	<u>8,455,197</u>

This 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 2010.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011

1 Basis Of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Financial Reporting Standard ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ("MASB") and should be read in conjunction with the audited financial statements of the Group and the Bank for the last financial year ended 31 December 2010.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2011:

Amendments to FRS 7	Financial Instruments: Disclosures Improving Disclosures about Financial Instruments
Amendments to FRS 5	Non-current Assets Held for Sale and Discounted Operations
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
TR i-4	Shariah Complaint Sale Contracts
Improvements to FRSs (2010)	
- FRS 3	Business Combinations
- FRS 127	Consolidated and Separate Financial Statements
- FRS 101	Presentation of financial statements
- FRS 138	Intangible Assets
- IC Interpretation 9	Reassessment of Embedded Derivatives
- Amendments to FRS 138	Intangible Assets
- Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The revised FRS 3 "Business Combinations" (effective prospectively from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The revised FRS 127 "Consolidated and Separate Financial Statements" (applies prospectively to transactions with non-controlling interests from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Group and the Bank.

2 Auditors' Report

The auditors' report for the financial year ended 31 December 2010 was not subject to any qualification.

3 Seasonal Or Cyclical Factors

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

4 Exceptional Or Extraordinary Items

There were no exceptional or extraordinary items for the three months ended 31 March 2011.

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the three months ended 31 March 2011.

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

No dividend was paid by the Bank during the three months ended 31 March 2011.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

8 Financial Assets Held-For-Trading

	Group		Bank	
	Unaudited As at 31.03.2011	Audited As at 31.12.2010	Unaudited As at 31.03.2011	Audited As at 31.12.2010
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Treasury Bills	1,407	-	-	-
Bank Negara Malaysia Monetary Notes	337,914	173,815	337,165	-
Malaysian Government Investment Issues	120,204	10,066	-	-
Thailand Government bonds	9,968	10,216	9,968	10,216
Singapore Government Treasury Bills	319,476	119,367	319,476	119,367
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	15,173	35,047	-	-
	804,142	348,511	666,609	129,583

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Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

9 Financial Investments Available-For-Sale

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,365,963	3,199,222	3,365,963	3,199,222
Malaysian Government Investment Issues	2,466,322	2,306,237	1,193,756	1,066,701
Cagamas bonds	646,226	591,416	646,226	591,416
Negotiable instruments of deposits	-	108,163	-	108,163
Singapore Government Treasury Bills	192,741	26,258	192,741	26,258
Singapore Government Securities	130,004	128,444	130,004	128,444
1 Malaysia Sukuk	86,568	86,032	86,568	86,032
Thailand Government bonds	94,730	112,140	94,730	112,140
Bankers' acceptances and Islamic accepted notes	31,777	93,868	-	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	15,891	14,126	15,891	14,126
Shares	5,715	4,287	2,738	1,213
<u>Outside Malaysia</u>				
Shares	35	17	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	108,715	108,972	108,715	108,972
Shares	342,046	342,046	341,471	341,471
Private debt securities	2,965,630	2,800,982	2,489,520	2,347,695
<u>Outside Malaysia</u>				
Private debt securities	11,128	11,368	11,128	11,368
	10,463,491	9,933,578	8,679,451	8,143,221

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

10 Financial Investments Held-To-Maturity

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,978,569	2,948,345	2,978,569	2,948,345
Cagamas bonds and Cagamas Mudharabah bonds	1,242,696	773,644	1,061,180	589,750
Khazanah bonds	53,228	52,632	53,228	52,632
Malaysian Government Investment Issues	1,623,760	1,371,160	1,031,310	781,992
Singapore Government Securities	120,650	120,730	120,650	120,730
Thailand Government Securities	228,131	223,230	228,131	223,230
Singapore Government Treasury Bills	16,822	9,549	16,822	9,549
Negotiable instruments of deposits	1,302,964	1,103,432	1,302,964	1,103,432
Bankers' acceptances	172,883	-	172,883	-
Sukuk (Brunei) Incorporation	12,016	23,873	12,016	23,873
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	35,562	25,114	860	860
Prasarana bonds	1,805,085	1,760,514	1,805,085	1,760,514
Private debt securities	2,486,078	2,252,216	2,149,635	1,952,119
Corporate loan stocks	80,958	81,108	80,958	81,108
<u>Outside Malaysia</u>				
Private debt securities	18,436	18,520	-	-
Structured notes	32,475	32,564	32,475	32,564
	12,210,313	10,796,631	11,046,766	9,680,698
Accumulated impairment losses	(121,164)	(122,386)	(121,164)	(122,386)
	12,089,149	10,674,245	10,925,602	9,558,312

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Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
At amortised cost				
Overdrafts	5,942,710	6,092,693	5,833,231	5,976,569
Term loans/financing				
- housing loans/financing	18,901,506	18,277,358	16,430,551	15,908,732
- syndicated term loans/financing	2,298,641	2,033,986	962,408	835,588
- hire purchase receivables	11,416,332	10,956,570	9,612,228	9,322,667
- lease receivables	138,547	146,399	-	-
- other term loans/financing	35,312,741	33,791,023	31,330,538	29,854,443
Bills receivable	1,597,923	1,507,021	1,507,911	1,418,203
Trust receipts	355,429	343,170	334,092	325,177
Claims on customers under acceptance credits	5,015,779	4,632,725	4,229,587	4,130,205
Staff loans/financing	342,555	348,021	331,215	336,528
Credit card receivables	1,632,429	1,644,995	1,631,012	1,644,465
Revolving credit	4,673,676	4,235,981	3,993,810	3,491,071
Floor stocking	2,733	1,569	2,733	1,569
	87,631,001	84,011,511	76,199,316	73,245,217
Allowance for impaired loans and financing				
- individual impairment allowance	(847,475)	(854,899)	(676,840)	(682,522)
- collective impairment allowance	(1,680,483)	(1,625,609)	(1,471,203)	(1,437,137)
Net loans, advances and financing	85,103,043	81,531,003	74,051,273	71,125,558

Included in term loans are housing loans and hire purchase receivables sold to Cagamas with recourse amounting to RM668,674,000 (31.12.2010: RM818,503,000) for the Group and the Bank.

(ii) By type of customer

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Domestic non-bank financial institutions:				
- Others	321,538	315,707	277,612	271,672
Domestic business enterprises:				
- Small medium enterprises	11,018,912	11,044,473	10,208,516	10,204,438
- Others	23,230,305	22,491,236	19,224,166	18,672,173
Government and statutory bodies	9,191,080	9,204,927	7,659,494	7,688,340
Individuals	38,883,078	36,427,343	34,769,946	32,597,448
Other domestic entities	8,862	8,324	8,510	7,898
Foreign entities:				
- Malaysian operations	1,087,774	876,700	376,077	380,437
- Singapore operations	3,452,112	3,191,218	3,268,428	3,003,249
- Thailand operations	285,671	297,308	255,171	266,403
- Brunei operations	151,669	154,275	151,396	153,159
	87,631,001	84,011,511	76,199,316	73,245,217

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By geographical distribution

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
In Malaysia	83,741,549	80,368,710	72,524,321	69,822,406
Outside Malaysia:				
- Singapore operations	3,452,112	3,191,218	3,268,428	3,003,249
- Thailand operations	285,671	297,308	255,171	266,403
- Brunei operations	151,669	154,275	151,396	153,159
	87,631,001	84,011,511	76,199,316	73,245,217

(iv) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Fixed rate:				
- Housing loans/financing	1,568,378	1,523,367	346,414	280,144
- Hire purchase receivables	11,403,526	10,956,595	9,606,122	9,322,691
- Other fixed rate loans/financing	14,378,925	14,156,353	11,128,360	10,992,848
Variable rate:				
- BLR/BFR plus	34,749,414	32,736,627	32,141,701	30,150,104
- Cost-plus	21,132,428	20,299,568	19,629,937	19,187,232
- Other variable rates	4,398,330	4,339,001	3,346,782	3,312,198
	87,631,001	84,011,511	76,199,316	73,245,217

(v) By purpose

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Purchase of securities	5,220,337	3,958,677	5,207,847	3,946,408
Purchase of transport vehicles	10,028,486	9,567,339	8,088,044	7,785,528
Purchase of landed property:				
- Residential	19,427,151	18,838,783	16,891,628	16,398,769
- Non-residential	4,868,347	4,761,379	4,805,524	4,681,507
Purchase of property, plant and equipment other than land and building	3,256,915	3,336,170	2,278,620	2,310,062
Personal use	3,708,323	3,535,354	3,667,941	3,521,269
Credit card	1,632,429	1,644,995	1,631,012	1,644,465
Purchase of consumer durables	51,282	54,295	51,212	54,215
Construction	2,774,697	2,593,596	1,932,554	1,741,635
Working capital	22,219,720	21,046,790	19,334,443	18,782,989
Merger and acquisition	2,522,429	2,432,562	2,406,592	2,432,562
Other purposes	11,920,885	12,241,571	9,903,899	9,945,808
	87,631,001	84,011,511	76,199,316	73,245,217

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

(vi) By remaining contractual maturities

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Maturity within one year	29,351,666	28,945,514	27,000,888	26,693,967
One year to three years	4,769,010	4,692,280	3,489,484	3,608,248
Three years to five years	10,158,845	10,023,250	8,716,762	8,671,749
Over five years	43,351,480	40,350,467	36,992,182	34,271,253
	<u>87,631,001</u>	<u>84,011,511</u>	<u>76,199,316</u>	<u>73,245,217</u>

(vii) Impaired loans, advances and financing

(a) Movement in impaired loans, advances and financing

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Balance as at the beginning of financial period/year	3,671,258	4,636,385	2,927,024	4,059,453
Classified as impaired during the financial period/year	843,638	3,881,193	764,482	3,292,163
Reclassified as non-impaired during the financial period/year	(674,575)	(2,789,203)	(614,312)	(2,492,252)
Amount recovered	(132,059)	(961,049)	(122,926)	(894,802)
Amount written off	(113,003)	(1,084,148)	(113,003)	(1,033,573)
Exchange difference	(1,731)	(11,920)	176	(3,965)
Balance as at the end of financial period/year	<u>3,593,528</u>	<u>3,671,258</u>	<u>2,841,441</u>	<u>2,927,024</u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

(vii) Impaired loans, advances and financing (cont'd)

(b) By purpose

	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	53,880	82,558	53,880	82,558
Purchase of transport vehicles	238,047	241,331	143,924	149,281
Purchase of landed property:				
- Residential	1,141,319	1,163,245	937,219	961,155
- Non-residential	244,914	251,257	216,024	224,437
Purchase of property, plant and equipment other than land and building	171,650	203,251	91,332	121,115
Personal use	81,131	90,835	76,701	85,865
Credit card	81,884	78,954	81,884	78,954
Purchase of consumer durables	2,647	2,983	2,647	2,983
Construction	174,616	174,628	173,125	173,098
Working capital	1,393,379	1,370,284	1,055,929	1,038,976
Other purposes	10,061	11,932	8,776	8,602
	3,593,528	3,671,258	2,841,441	2,927,024

(c) By geographical distribution

	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
In Malaysia	3,438,556	3,515,643	2,718,200	2,803,485
Outside Malaysia:				
- Singapore operations	127,341	127,892	95,610	95,816
- Thailand operations	21,987	22,371	21,987	22,371
- Brunei operations	5,644	5,352	5,644	5,352
	3,593,528	3,671,258	2,841,441	2,927,024

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

(vii) Impaired loans, advances and financing (cont'd)

(d) Movement in allowance for impaired loans, advances and financing

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Individual impairment allowance				
Balance as at the beginning of financial period/year	854,899	1,350,111	682,522	1,184,796
Allowance made/(written back)	357	256,812	(2,890)	176,396
Amount recovered	(7,287)	(73,489)	(2,452)	(56,430)
Amount written off	(413)	(672,015)	(413)	(621,024)
Exchange difference	(81)	(6,520)	73	(1,216)
Balance as at the end of financial period/year	<u>847,475</u>	<u>854,899</u>	<u>676,840</u>	<u>682,522</u>
Collective impairment allowance				
Balance as at the beginning of financial period/year	1,625,609	1,613,437	1,437,137	1,437,941
Allowance made	213,519	677,250	190,161	655,710
Amount recovered	(48,929)	(258,131)	(46,876)	(250,674)
Amount written off	(109,346)	(403,104)	(109,346)	(405,032)
Exchange difference	(370)	(3,843)	127	(808)
Balance as at the end of financial period/year	<u>1,680,483</u>	<u>1,625,609</u>	<u>1,471,203</u>	<u>1,437,137</u>

12 Other Assets

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Other debtors, deposits and prepayments	213,079	172,657	191,243	130,629
Amount due from holding company	1,067	1,024	1,067	1,024
Amounts due from subsidiaries	-	-	23,656	50,793
Amounts due from related companies	21,480	22,006	21,480	22,006
	<u>235,626</u>	<u>195,687</u>	<u>237,446</u>	<u>204,452</u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

13 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Demand deposits	20,009,330	19,586,179	18,066,756	17,754,994
Savings deposits	6,116,060	5,832,118	5,486,836	5,259,209
Fixed/investment deposits	70,372,097	66,735,221	60,964,406	57,309,056
Negotiable instruments of deposits	246,814	249,295	246,814	244,318
	<u>96,744,301</u>	<u>92,402,813</u>	<u>84,764,812</u>	<u>80,567,577</u>

(ii) By type of customer

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Government and statutory bodies	8,482,231	8,204,293	6,454,542	5,812,370
Business enterprises	55,822,096	52,811,960	48,602,306	46,174,305
Individuals	28,559,994	27,507,468	27,381,125	26,381,770
Others	3,879,980	3,879,092	2,326,839	2,199,132
	<u>96,744,301</u>	<u>92,402,813</u>	<u>84,764,812</u>	<u>80,567,577</u>

(iii) By maturity structure of fixed/investment deposits and negotiable instruments of deposits

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Due within six months	61,210,418	56,684,715	52,593,514	48,475,102
Six months to one year	8,122,889	9,821,293	7,337,516	8,750,259
One year to three years	1,252,866	449,560	1,248,264	299,814
Three years to five years	32,738	28,948	31,926	28,199
	<u>70,618,911</u>	<u>66,984,516</u>	<u>61,211,220</u>	<u>57,553,374</u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

14 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Licensed banks/Islamic banks	5,513,505	5,228,464	3,385,749	3,809,608
Licensed investments banks	151,627	253,475	50,620	150,475
Bank Negara Malaysia	1,974,041	2,197,885	1,974,041	2,197,885
Others	176,603	485	50,853	485
	<u>7,815,776</u>	<u>7,680,309</u>	<u>5,461,263</u>	<u>6,158,453</u>

15 Other Liabilities

	Group		Bank	
	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.03.2011 RM'000	Audited As at 31.12.2010 RM'000
Amount due to holding company	98	106	-	-
Amounts due to subsidiaries	-	-	21,859	23,345
Amounts due to related companies	6,581	2,954	6,178	2,639
Amount due to Danaharta	1,785	1,796	1,785	1,796
Prepaid instalment	78,546	77,670	78,546	77,670
Lessee deposits	63,033	64,930	-	-
Short term employee benefits	35,413	122,859	32,283	112,732
Other creditors and accruals	838,085	732,072	707,743	649,983
	<u>1,023,541</u>	<u>1,002,387</u>	<u>848,394</u>	<u>868,165</u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

16 Interest Income

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31.03.2011</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31.03.2010</u> <u>RM'000</u>	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31.03.2011</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31.03.2010</u> <u>RM'000</u>
Loans, advances and financing	1,014,744	808,870	1,002,471	794,796
Money at call and deposit placements with banks and other financial institutions	64,033	62,774	66,114	65,033
Securities purchased under resale agreement	90	5,454	90	5,454
Financial assets held-for-trading	1,428	870	1,428	870
Financial investments available-for-sale	69,236	50,435	69,236	50,435
Financial investments held-to-maturity	100,782	87,427	89,822	86,979
Others	1,065	1,739	1,065	1,739
	<u>1,251,378</u>	<u>1,017,569</u>	<u>1,230,226</u>	<u>1,005,306</u>
Of which:				
Interest income accrued on impaired financial assets	<u>2,442</u>	<u>9,371</u>	<u>2,442</u>	<u>9,371</u>

17 Interest Expense

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31.03.2011</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31.03.2010</u> <u>RM'000</u>	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31.03.2011</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31.03.2010</u> <u>RM'000</u>
Deposits and placements of banks and other financial institutions	18,920	17,512	18,952	18,495
Deposits from customers	452,705	290,703	449,257	287,945
Subordinated obligations	38,293	25,521	38,293	25,521
Recourse obligation on loans sold to Cagamas	8,298	14,181	8,298	14,181
Hybrid Tier-I Capital Securities	11,186	11,181	11,186	11,181
Borrowings	1,946	2,628	1,946	2,628
Others	12,386	11,595	12,386	11,595
	<u>543,734</u>	<u>373,321</u>	<u>540,318</u>	<u>371,546</u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

18 Other Operating Income

	Group		Bank	
	Individual Quarter		Individual Quarter	
	Current Financial Quarter Ended 31.03.2011 RM'000	Preceding Corresponding Quarter Ended 31.03.2010 RM'000	Current Financial Quarter Ended 31.03.2011 RM'000	Preceding Corresponding Quarter Ended 31.03.2010 RM'000
a) Fee Income:				
Commission	28,816	28,329	28,396	27,152
Service charges and fees	51,029	40,460	48,137	38,339
Guarantee fees	7,933	7,967	7,933	7,967
Commitment fees	12,737	12,488	12,737	12,488
Underwriting fees	53	326	53	326
Other fees	4,129	3,099	4,247	3,220
	104,697	92,669	101,503	89,492
b) Net gain arising from financial assets held-for-trading	5,302	4,155	5,302	4,155
c) Net gain on revaluation of derivatives	10,109	764	8,741	1,082
d) Net gain arising from financial investments available-for-sale				
- net gain on disposal	4,558	16,035	4,558	16,035
- gross dividend income	-	448	-	448
	4,558	16,483	4,558	16,483
e) Other income:				
Foreign exchange gain/(loss)				
- realised	70,507	46,082	69,653	44,648
- unrealised	(14,804)	2,188	(14,804)	2,188
Gain on disposal of property, plant and equipment	4,699	87	4,699	87
Other operating income	12,335	11,021	12,199	10,895
Other non-operating income	844	1,413	323	919
	73,581	60,791	72,070	58,737
	198,247	174,862	192,174	169,949

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

19 Income from Islamic Banking Business

	Group	
	Individual Quarter	
	Current Financial Quarter Ended 31.03.2011	Preceding Corresponding Quarter Ended 31.03.2010
	RM'000	RM'000
Income derived from investment of shareholder's funds	145,736	106,137
Transfer (to)/from Profit Equalisation Reserve	19,459	13,909
Total distributable income	(4,441)	4,326
	160,754	124,372
Income attributable to depositors	(69,527)	(41,747)
Income from Islamic Banking Business	91,227	82,625
Of which:		
Financing income earned on impaired financing and advances	2,412	499

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

20 Other Operating Expenses

	Group		Bank	
	Individual Quarter		Individual Quarter	
	Current Financial Quarter Ended RM'000	Preceding Corresponding Quarter Ended RM'000	Current Financial Quarter Ended RM'000	Preceding Corresponding Quarter Ended RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	208,155	163,749	193,234	148,135
- Contributions to Employees Provident Fund	30,754	24,966	28,469	22,605
- Other staff related costs	18,374	15,594	16,411	14,315
	<u>257,283</u>	<u>204,309</u>	<u>238,114</u>	<u>185,055</u>
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	23,521	18,623	21,283	16,242
- Written off	19	-	19	-
- Rental of premises	14,980	13,573	14,382	13,052
- Rental of equipment	2,450	2,522	2,404	2,440
- Insurance	2,819	10,602	1,829	9,382
- Water and electricity	4,903	4,666	4,525	4,309
- Repair and maintenance	13,985	12,384	13,113	11,762
- Information technology expenses	25,347	26,582	22,547	23,512
- Others	580	769	-	-
	<u>88,604</u>	<u>89,721</u>	<u>80,102</u>	<u>80,699</u>
<u>Marketing expenses</u>				
- Sales commission	2,705	797	2,599	648
- Advertisement and publicity	4,995	3,893	4,526	3,535
- Others	12,451	11,059	12,172	10,643
	<u>20,151</u>	<u>15,749</u>	<u>19,297</u>	<u>14,826</u>
<u>Administration and general expenses</u>				
- Communication expenses	22,592	19,225	21,204	17,699
- Others	2,518	19,830	(5,582)	11,371
	<u>25,110</u>	<u>39,055</u>	<u>15,622</u>	<u>29,070</u>
	<u>391,148</u>	<u>348,834</u>	<u>353,135</u>	<u>309,650</u>

21 Allowance for Impairment on Loans, Advances and Financing

	Group		Bank	
	Individual Quarter		Individual Quarter	
	Current Financial Quarter Ended 31.03.2011 RM'000	Preceding Corresponding Quarter Ended 31.03.2010 RM'000	Current Financial Quarter Ended 31.03.2011 RM'000	Preceding Corresponding Quarter Ended 31.03.2010 RM'000
Individual impairment allowance	(6,930)	38,654	(5,342)	(8,866)
Collective impairment allowance	164,590	90,041	143,285	86,658
Impaired loans and financing recovered	(79,204)	(41,340)	(78,132)	(39,547)
	<u>78,456</u>	<u>87,355</u>	<u>59,811</u>	<u>38,245</u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

22 Capital Adequacy

The capital ratios of the Bank are computed based on Bank Negara Malaysia's ('BNM') Guidelines on Risk Weighted Capital Adequacy Framework: IRB Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

The capital ratios of RHB Islamic Bank Berhad ('RHB Islamic Bank') are computed based on BNM's Capital Adequacy Framework for Islamic Banks (CAFIB): Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

	RHB Bank*		RHB Islamic Bank	
	Unaudited 31.03.2011 RM'000	Audited 31.12.2010 RM'000	Unaudited 31.03.2011 RM'000	Audited 31.12.2010 RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	523,424	523,424
Hybrid Tier-I Capital Securities	597,285	597,227	-	-
Share premium	8,563	8,563	-	-
Retained profits	2,492,142	2,492,142	222,371	222,371
Other reserves	2,673,342	2,673,342	231,484	231,484
	9,089,417	9,089,359	977,279	977,279
Less: Goodwill	(905,519)	(905,519)	-	-
Deferred tax assets	(265,300)	(265,300)	(33,269)	(33,269)
Total Tier I capital	7,918,598	7,918,540	944,010	944,010
Tier II Capital				
Subordinated obligations	3,000,000	3,000,000	-	-
Collective impairment allowance [^]	280,193	263,786	110,987	103,037
Total Tier II capital	3,280,193	3,263,786	110,987	103,037
Less: Investment in subsidiaries	(622,656)	(622,656)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(285,080)	(199,127)	-	-
Other deduction [#]	(3,781)	(3,190)	(347)	(102)
Eligible Tier II capital	2,368,676	2,438,813	110,640	102,935
Total capital base	10,287,274	10,357,353	1,054,650	1,046,945
<u>Capital ratios</u>				
Before proposed dividends:				
Core capital ratio	10.21%	10.79%	11.37%	12.23%
Risk-weighted capital ratio	13.27%	14.11%	12.70%	13.56%
After proposed dividends:				
Core capital ratio	9.91%	10.46%	11.37%	12.23%
Risk-weighted capital ratio	12.96%	13.79%	12.70%	13.56%

* The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and from its wholly-owned offshore banking subsidiary company, RHB Bank (L) Ltd.

[^] Excludes collective assessment impairment allowance attributable to loans, advances and financing classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and Impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010.

[#] Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the RWCR computation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	RHB Bank		RHB Islamic Bank	
	Unaudited 31.03.2011 RM'000	Audited 31.12.2010 RM'000	Unaudited 31.03.2011 RM'000	Audited 31.12.2010 RM'000
Credit risk	69,328,452	65,571,292	7,615,803	7,124,858
Market risk	1,517,642	1,232,084	98,153	30,513
Operational risk	6,657,266	6,559,217	587,779	566,538
Total risk-weighted assets	77,503,360	73,362,593	8,301,735	7,721,909

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

22 Capital Adequacy (cont'd)

	RHB Bank Group	
	Unaudited	Audited
	31.03.2011	31.12.2010
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	3,318,085	3,318,085
Hybrid Tier-I Capital Securities	597,286	597,227
Share premium	8,563	8,563
Retained profits	2,827,885	2,827,885
Other reserves	2,866,249	2,866,249
	<u>9,618,068</u>	<u>9,618,009</u>
Less: Goodwill	(1,004,017)	(1,004,017)
Net deferred tax assets	(307,495)	(307,495)
Total Tier I capital	<u>8,306,556</u>	<u>8,306,497</u>
Tier II Capital		
Subordinated obligations	3,000,000	3,000,000
Collective impairment allowance [^]	391,603	368,224
Total Tier II capital	<u>3,391,603</u>	<u>3,368,224</u>
Less: Excess of total expected loss over total eligible provision under the IRB approach	(281,247)	(196,278)
Other deduction [#]	(4,128)	(3,292)
Eligible Tier II capital	<u>3,106,228</u>	<u>3,168,654</u>
Total capital base	<u>11,412,784</u>	<u>11,475,151</u>
Capital ratios		
Before proposed dividends:		
Core capital ratio	9.70%	10.27%
Risk-weighted capital ratio	13.33%	14.19%
After proposed dividends:		
Core capital ratio	9.42%	9.97%
Risk-weighted capital ratio	<u>13.06%</u>	<u>13.89%</u>

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	RHB Bank Group	
	Unaudited	Audited
	31.03.2011	31.12.2010
	RM'000	RM'000
Credit risk	76,719,230	72,460,531
Market risk	1,568,834	1,255,271
Operational risk	7,279,851	7,162,161
Total risk-weighted assets	<u>85,567,915</u>	<u>80,877,963</u>

[^] Excludes collective assessment impairment allowance attributable to loans, advances and financing classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and Impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010.

[#] Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the RWCR computation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.

Pursuant to BNM 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.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

23 Commitments And Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to customers.

<u>Group</u>	← Unaudited →			← Audited →		
	31.03.2011			31.12.2010		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Direct credit substitutes	1,981,832	1,915,268	2,043,646	2,366,972	2,301,345	2,575,444
Transaction-related contingent items	1,824,460	888,680	1,000,053	1,905,733	929,964	963,854
Short-term self-liquidating trade related contingencies	608,959	119,721	101,505	825,269	162,953	125,968
Obligations under underwriting agreements	29,000	14,500	14,500	29,000	14,500	14,500
Irrevocable commitments to extend credit:						
- maturity more than one year	5,144,464	1,350,090	1,197,585	4,388,740	1,302,224	1,079,891
- maturity less than one year	29,454,397	5,389,780	4,309,108	30,970,754	1,582,218	955,370
Foreign exchange related contracts:						
- less than one year	17,715,116	330,468	146,200	14,267,825	306,554	157,387
- one year to less than five years	1,185,326	560,705	301,489	1,183,447	564,225	300,962
Interest rate related contracts:						
- less than one year	2,919,117	10,184	2,689	2,386,825	10,333	2,840
- one year to less than five years	9,265,455	278,622	74,691	9,245,957	277,524	73,253
- more than five years	415,000	39,683	7,937	415,000	41,611	8,322
Commodity contracts:						
- less than one year	149,220	-	-	17,628	-	-
Total	70,692,346	10,897,701	9,199,403	68,003,150	7,493,451	6,257,791

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines. Foreign exchange, interest rate related and commodity contracts are subject to market risk and credit risk.

The credit equivalent amount ('CE') and risk weighted amount ('RWA') of the Group are an aggregate of CE and RWA of the Bank, which is computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: IRB Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II) and the CE and RWA of its Islamic bank subsidiary, which is computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (CAFIB): Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

23 Commitments And Contingencies (cont'd)

Bank	← Unaudited 31.03.2011 →			← Audited 31.12.2010 →		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Direct credit substitutes	1,903,059	1,836,495	1,964,873	2,170,663	2,105,036	2,379,135
Transaction-related contingent items	1,701,162	827,030	938,403	1,750,541	852,367	925,554
Short-term self-liquidating trade related contingencies	565,972	111,123	92,865	785,946	155,088	117,929
Irrevocable commitments to extend credit:						
- maturity more than one year	4,292,612	1,179,460	1,040,032	3,938,118	1,076,912	887,601
- maturity less than one year	27,976,196	4,983,600	3,925,792	29,557,105	1,361,312	734,464
Foreign exchange related contracts:						
- less than one year	17,715,741	330,490	146,222	14,269,356	306,593	157,427
- one year to less than five years	1,185,326	560,705	301,489	1,183,447	564,225	300,962
Interest rate related contracts:						
- less than one year	2,919,117	10,184	2,689	2,386,825	10,333	2,840
- one year to less than five years	10,215,455	311,216	90,407	9,895,957	303,524	86,253
- more than five years	415,000	39,683	7,937	415,000	41,611	8,322
Commodity contracts:						
- less than one year	149,220	-	-	17,628	-	-
Total	69,038,860	10,189,986	8,510,709	66,370,586	6,777,001	5,600,487

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.
Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

The CE and RWA of the Bank are computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: IRB Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

24 Capital Commitments

	Group		Bank	
	Unaudited As at 31.3.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 31.3.2011 RM'000	Audited As at 31.12.2010 RM'000
Capital expenditure for property, plant and equipment:				
- authorised and contracted for	55,646	71,444	55,646	62,211
- authorised but not contracted for	108,293	102,168	82,662	84,679
	163,939	173,612	138,308	146,890
Proposed acquisition of Bank Mestika	1,163,126	1,163,126	1,163,126	1,163,126
	1,327,065	1,336,738	1,301,434	1,310,016

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

25 Segmental Reporting On Revenue And Profit

Group

Three months ended 31 March 2011

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	147,184	441,988	164,927	156,100	76,948	48,541	10,909	-	1,046,597
Inter-segment revenue	(642)	-	-	4,439	(3,518)	689	199	(1,167)	-
Segment revenue	146,542	441,988	164,927	160,539	73,430	49,230	11,108	(1,167)	1,046,597
Overhead expenses	(20,533)	(153,867)	(71,209)	(7,290)	(4,059)	(24,518)	(339)	1,167	(280,648)
of which:									
Depreciation of property, plant and equipment	(873)	(3,333)	(15,256)	(854)	(2,007)	(1,148)	(50)	-	(23,521)
Allowance for impairment on loans, advances and financing	4,170	(80,809)	14,745	-	(16,110)	(452)	-	-	(78,456)
Impairment losses on other assets	25	(19)	952	1,046	-	-	-	-	2,004
Profit before unallocated expenses	130,204	207,293	109,415	154,295	53,261	24,260	10,769	-	689,497
Unallocated expenses									(110,500)
Profit after unallocated expenses									578,997
Subordinated obligations									(38,293)
Hybrid Tier-I Capital Securities									(11,186)
Profit before taxation									529,518
Taxation									(133,230)
Net profit for the financial period									396,288

Group

Three months ended 31 March 2010

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking	International Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	119,317	375,040	157,778	167,526	71,461	45,093	2,222	-	938,437
Inter-segment revenue	(898)	-	-	3,041	(1,855)	694	198	(1,180)	-
Segment revenue	118,419	375,040	157,778	170,567	69,606	45,787	2,420	(1,180)	938,437
Overhead expenses	(21,171)	(118,410)	(66,097)	(6,773)	(4,940)	(27,216)	(403)	1,180	(243,830)
of which:									
Depreciation of property, plant and equipment	(848)	(3,003)	(10,638)	(1,003)	(2,137)	(946)	(48)	-	(18,623)
Allowance for impairment on loans, advances and financing	76,411	(80,835)	(37,877)	-	(42,565)	(2,489)	-	-	(87,355)
Impairment losses on other assets	-	(191)	-	688	-	-	-	-	497
Profit before unallocated expenses	173,659	175,604	53,804	164,482	22,101	16,082	2,017	-	607,749
Unallocated expenses									(105,004)
Profit after unallocated expenses									502,745
Subordinated obligations									(25,521)
Hybrid Tier-I Capital Securities									(11,181)
Profit before taxation									466,043
Taxation									(118,261)
Net profit for the financial period									347,782

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2011 (cont'd)

26 Valuation of Property, Plant and Equipment

The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

27 Events subsequent to Balance Sheet Date

There were no events subsequent to the balance sheet date that have not been reflected in the financial statements except for the following:

(a) Proposed acquisition of 80% of the issued and paid-up share capital in Bank Mestika

On 18 April 2011, the Bank and PT Mestika Benua Mas had, by way of exchange of letters, mutually agreed to further extend the period to satisfy or waive the conditions precedent of the conditional sale and purchase agreement for the proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma, to 31 December 2011. This extension is conditional upon, inter alia, permission and approval from the Bank for PT Bank Mestika Dharma to distribute dividend to PT Mestika Benua Mas, no later than 19 May 2011, pending which the period will only be extended to 19 May 2011.

(b) Proposed multi-currency Euro Medium Term Note Programme ('EMTN Programme') of up to USD500 million nominal value (or its equivalent in other currencies)

The Securities Commission ('SC') had on 9 May 2011, approved the Bank's application for the EMTN Programme, under which the Bank may issue up to RM500 million in nominal value (or its equivalent in other currencies) of senior medium term notes, pursuant to the deemed approval under Section 212(5) of the Capital Markets & Services Act 2007 (CMSA).

The proceeds raised from the EMTN Programme will be utilised by the Bank for its and its subsidiaries' general working capital and other corporate purposes, including but not limited to the provision of advances of such proceeds or part thereof by the Bank to any of its subsidiaries, and repayment of borrowings (if applicable).

The Bank has yet to issue the said EMTN as at to date.

28 Changes in the Composition of the Group

There are no significant changes in the composition of the Group for the three months ended 31 March 2011.

29 Changes in Profit for the Quarter

The Group recorded a pre-tax profit of RM529.5 million for the current quarter, 0.3% higher as compared to the preceding quarter ended 31 December 2010 of RM528.0 million. The marginally higher profit was mainly due to lower impairment losses on other assets by RM60.4 million, lower other operating expenses by RM14.7 million and higher income from Islamic Banking Business by RM1.7 million, partly offset by lower net interest income by RM57.4 million, higher allowance for impairment on loans, advances and financing by RM12.6 million and lower other operating income by RM5.3 million.

30 Performance Review

For the three months ended 31 March 2011, the Group recorded a pre-tax profit of RM529.5 million, 13.6% higher than that of the previous year corresponding period of RM466.0 million. The higher profit was mainly due to higher net interest income, higher other operating income, lower allowance for impairment on loans, advances and financing, higher income from Islamic Banking and higher write-back of impairment losses on other assets by RM63.4 million, RM23.4 million, RM8.9 million, RM8.6 million and RM1.5 million respectively, partly offset by higher other operating expenses by RM42.3 million.

31 Prospects for 2011

The Malaysian economy is expected to grow moderately in the first half of 2011, gradually gaining momentum towards the second half of the year with full year growth projected at 5% to 6%. The impact of rising crude oil prices and the nuclear disaster in Japan will affect growth. The outlook of the Malaysian banking sector remains positive, supported by the underlying strengths of the domestic economy and the roll-out of the large-scale infrastructure projects under the Economic Transformation Programme (ETP).

The Group is optimistic of stronger market demand for banking products and services and a more active capital market. It will remain focused on building its core businesses and will continue to look for opportunities to expand its market share and increase its leadership position in targeted markets and product segments. The Group expects to maintain a strong performance in 2011.