

**RHB BANK BERHAD (6171-M)**  
Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012**

Note	Group			Bank		
	Unaudited As at 31.03.2012	Restated As at 31.12.2011	Restated As at 1.1.2011	Unaudited As at 31.03.2012	Restated As at 31.12.2011	Restated As at 1.1.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>						
Cash and short-term funds	18,129,112	18,392,186	12,981,081	12,419,047	12,344,141	11,093,561
Securities purchased under resale agreements	108,134	142,291	276,407	108,134	142,291	276,407
Deposits and placements with banks and other financial institutions	2,340,406	937,828	824,071	2,512,278	2,200,238	1,539,648
Financial assets held-for-trading	8 2,011,764	1,303,419	348,511	1,754,545	869,888	129,583
Financial investments available-for-sale	9 8,972,804	8,015,085	9,933,578	6,830,129	6,339,146	8,143,221
Financial investments held-to-maturity	10 15,353,256	13,475,167	10,674,245	13,922,204	12,021,999	9,558,312
Loans, advances and financing	11 93,434,428	95,317,875	81,515,787	78,588,945	80,593,659	71,169,425
Other assets	12 272,819	306,546	195,687	361,393	676,671	204,452
Derivative assets	197,740	226,980	298,389	219,407	263,605	298,148
Statutory deposits	3,088,816	3,168,309	426,304	2,494,762	2,561,754	321,064
Tax recoverable	10,133	127,265	27	10,110	114,013	-
Deferred tax assets	7,528	11,298	264,629	-	-	209,502
Investment in subsidiaries	-	-	-	1,072,972	1,072,972	822,972
Property, plant and equipment	799,699	787,865	701,158	637,793	625,567	540,483
Goodwill	1,004,017	1,004,017	1,004,017	905,519	905,519	905,519
<b>TOTAL ASSETS</b>	<b>145,730,656</b>	<b>143,216,131</b>	<b>119,443,891</b>	<b>121,837,238</b>	<b>120,731,463</b>	<b>105,212,297</b>
<b>LIABILITIES AND EQUITY</b>						
Deposits from customers	13 115,956,954	113,638,280	92,402,813	95,482,142	94,349,181	80,567,577
Deposits and placements of banks and other financial institutions	14 7,740,083	7,996,621	7,680,309	5,668,999	5,809,666	6,158,453
Bills and acceptances payable	3,663,951	3,764,155	3,536,140	3,650,449	3,750,382	3,524,016
Other liabilities	15 912,526	993,207	1,003,049	806,793	925,776	868,827
Derivative liabilities	212,804	237,004	240,161	210,329	234,522	238,984
Recourse obligation on loans sold to Cagamas Berhad	1,377,206	1,161,814	818,503	1,127,099	1,161,814	818,503
Taxation	16,859	3,704	167,338	-	-	163,133
Deferred tax liabilities	69,056	55,845	6	66,104	55,841	-
Long term borrowings	702,982	759,020	819,362	702,982	759,020	819,362
Subordinated obligations	3,311,045	3,269,678	3,018,157	3,311,045	3,269,678	3,018,157
Hybrid Tier-I Capital Securities	602,125	605,570	605,407	602,125	605,570	605,407
<b>TOTAL LIABILITIES</b>	<b>134,565,591</b>	<b>132,484,898</b>	<b>110,291,245</b>	<b>111,628,067</b>	<b>110,921,450</b>	<b>96,782,419</b>
Share capital	3,318,085	3,318,085	3,318,085	3,318,085	3,318,085	3,318,085
Reserves	7,846,980	7,413,148	5,834,561	6,891,086	6,491,928	5,111,793
<b>TOTAL EQUITY</b>	<b>11,165,065</b>	<b>10,731,233</b>	<b>9,152,646</b>	<b>10,209,171</b>	<b>9,810,013</b>	<b>8,429,878</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>145,730,656</b>	<b>143,216,131</b>	<b>119,443,891</b>	<b>121,837,238</b>	<b>120,731,463</b>	<b>105,212,297</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>23 74,758,541</b>	<b>73,107,365</b>	<b>69,101,806</b>	<b>72,159,501</b>	<b>70,878,993</b>	<b>66,370,586</b>

*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 2011.*

**RHB BANK BERHAD (6171-M)**  
Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**INCOME STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Note	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
		Current Financial Quarter Ended	Restated Preceding Corresponding Quarter Ended	Current Financial Quarter Ended	Restated Preceding Corresponding Quarter Ended
		31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Interest income	16	1,425,568	1,268,415	1,417,864	1,247,263
Interest expense	17	(686,225)	(543,734)	(683,009)	(540,318)
Net interest income		739,343	724,681	734,855	706,945
Other operating income	18	244,955	198,247	230,355	192,174
Income from Islamic Banking business	19	984,298 110,586	922,928 89,296	965,210 -	899,119 -
Other operating expenses	20	1,094,884 (465,282)	1,012,224 (391,148)	965,210 (424,401)	899,119 (353,135)
Operating profit before allowances		629,602	621,076	540,809	545,984
Allowance for impairment on loans, advances and financing	21	(44,838)	4,109	(37,915)	18,886
Write-back of impairment losses on other assets		1,432	2,004	1,432	2,004
Profit before taxation		586,196	627,189	504,326	566,874
Taxation		(143,514)	(156,626)	(109,227)	(147,251)
Net profit for the financial period		442,682	470,563	395,099	419,623
Earnings per share (sen)					
- Basic		6.67	7.09	5.95	6.32

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**RHB BANK BERHAD (6171-M)**  
**Incorporated in Malaysia**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	<b>Current Financial Quarter Ended 31.03.2012</b>	Restated Preceding Corresponding Quarter Ended 31.03.2011	<b>Current Financial Quarter Ended 31.03.2012</b>	Restated Preceding Corresponding Quarter Ended 31.03.2011
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit for the financial period	<b>442,682</b>	470,563	<b>395,099</b>	419,623
Other comprehensive income/(loss):				
Currency translation differences	<b>(24,441)</b>	(13,972)	<b>(10,814)</b>	(6,483)
Financial investments available-for-sale:				
- Unrealised net gain/(loss) on revaluation	<b>45,306</b>	(3,331)	<b>39,322</b>	1,397
- Net transfer to income statements on disposal or impairment	<b>(24,468)</b>	(5,534)	<b>(19,491)</b>	(4,558)
Income tax relating to components of other comprehensive (loss)/income	<b>(5,247)</b>	2,142	<b>(4,958)</b>	790
Other comprehensive (loss)/income for the financial period, net of tax	<b>(8,850)</b>	(20,695)	<b>4,059</b>	(8,854)
Total comprehensive income for the financial period	<b>433,832</b>	449,868	<b>399,158</b>	410,769

*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 2011.*

**RHB BANK BERHAD (6171-M)**  
Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

<u>Group</u>	← Attributable to equity holders of the Bank →						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 1 January 2012							
- As previously reported	3,318,085	8,563	3,358,704	(61,408)	196,177	3,736,207	10,556,328
- Effect on full adoption of MFRS 139	-	-	-	19	-	174,886	174,905
- As restated	3,318,085	8,563	3,358,704	(61,389)	196,177	3,911,093	10,731,233
Net profit for the financial period	-	-	-	-	-	442,682	442,682
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(24,441)	-	-	(24,441)
Financial investments available-for-sale ('AFS'):							
- Unrealised net gain on revaluation	-	-	-	-	45,306	-	45,306
- Net transfer to income statements on disposal or impairment	-	-	-	-	(24,468)	-	(24,468)
Income tax relating to components of other comprehensive income	-	-	-	-	(5,247)	-	(5,247)
Total comprehensive income/(loss) for the financial period	-	-	-	(24,441)	15,591	442,682	433,832
Transfer to statutory reserves	-	-	(8,151)	-	-	8,151	-
<b>Balance as at 31 March 2012</b>	<b>3,318,085</b>	<b>8,563</b>	<b>3,350,553</b>	<b>(85,830)</b>	<b>211,768</b>	<b>4,361,926</b>	<b>11,165,065</b>
Balance as at 1 January 2011							
- As previously reported	3,318,085	8,563	2,946,064	(79,815)	143,202	2,827,885	9,163,984
- Effect on full adoption of MFRS 139	-	-	-	(31)	-	(11,307)	(11,338)
- As restated	3,318,085	8,563	2,946,064	(79,846)	143,202	2,816,578	9,152,646
Net profit for the financial period	-	-	-	-	-	470,563	470,563
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(13,972)	-	-	(13,972)
Financial investments 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 income/(loss)	-	-	-	-	2,142	-	2,142
Total comprehensive income/(loss) for the financial period	-	-	-	(13,972)	(6,723)	470,563	449,868
Balance as at 31 March 2011	3,318,085	8,563	2,946,064	(93,818)	136,479	3,287,141	9,602,514

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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 2012**

<b>Bank</b>	<b>Share capital</b> <b>RM'000</b>	<b>Share premium</b> <b>RM'000</b>	<b>Non-distributable</b>		<b>AFS reserves</b> <b>RM'000</b>	<b>Distributable Retained profits</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
			<b>Statutory reserves</b> <b>RM'000</b>	<b>Translation reserves</b> <b>RM'000</b>			
Balance as at 1 January 2012							
- As previously reported	3,318,085	8,563	3,070,142	7,214	188,957	3,049,635	9,642,596
- Effect on full adoption of MFRS 139	-	-	-	-	-	167,417	167,417
- As restated	3,318,085	8,563	3,070,142	7,214	188,957	3,217,052	9,810,013
Net profit for the financial period	-	-	-	-	-	395,099	395,099
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(10,814)	-	-	(10,814)
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	39,322	-	39,322
- Net transfer to income statements on disposal or impairment	-	-	-	-	(19,491)	-	(19,491)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,958)	-	(4,958)
Total comprehensive income/(loss) for the financial period	-	-	-	(10,814)	14,873	395,099	399,158
<b>Balance as at 31 March 2012</b>	<b>3,318,085</b>	<b>8,563</b>	<b>3,070,142</b>	<b>(3,600)</b>	<b>203,830</b>	<b>3,612,151</b>	<b>10,209,171</b>
Balance as at 1 January 2011							
- As previously reported	3,318,085	8,563	2,714,580	396	134,995	2,220,855	8,397,474
- Effect on full adoption of MFRS 139	-	-	-	-	-	32,404	32,404
- As restated	3,318,085	8,563	2,714,580	396	134,995	2,253,259	8,429,878
Net profit for the financial period	-	-	-	-	-	419,623	419,623
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 income/(loss)	-	-	-	-	790	-	790
Total comprehensive income/(loss) for the financial period	-	-	-	(6,483)	(2,371)	419,623	410,769
<b>Balance as at 31 March 2011</b>	<b>3,318,085</b>	<b>8,563</b>	<b>2,714,580</b>	<b>(6,087)</b>	<b>132,624</b>	<b>2,672,882</b>	<b>8,840,647</b>

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**RHB BANK BERHAD (6171-M)**  
**Incorporated in Malaysia**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<b>Three Months Ended</b>	
	<b>31.03.2012</b>	Restated 31.03.2011
	<b>RM '000</b>	RM '000
<b><u>Group</u></b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	586,196	627,189
Adjustment for non-cash items	(149,334)	(164,232)
Operating profit before changes in working capital	436,862	462,957
Changes in working capital:		
Net changes in operating assets	(146,842)	(5,025,130)
Net changes in operating liabilities	2,145,999	4,083,915
Cash generated from/(used in) operations	1,999,157	(941,215)
Taxation paid	(1,504)	(245,760)
Net cash generated from/(used in) operating activities	2,434,515	(724,018)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(30,557)	(38,704)
Proceeds from disposal of property, plant and equipment	-	5,000
Financial investments AFS:		
- net purchase	(919,135)	(555,478)
- interest received	61,687	96,779
- investment income received	10,876	13,970
Financial investments held-to-maturity:		
- net purchase	(1,860,316)	(1,395,677)
- interest received	101,564	89,962
- investment income received	15,374	12,263
Net cash used in investing activities	(2,620,507)	(1,771,885)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	(30,100)	(30,335)
Net cash used in financing activities	(30,100)	(30,335)
Net decrease in cash and cash equivalents	(216,092)	(2,526,238)
Effects of exchange rate differences	(46,982)	(23,166)
Cash and cash equivalents:		
- at the beginning of the financial period	18,392,186	12,981,081
- at the end of the financial period	18,129,112	10,431,677
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and short-term funds	18,129,112	10,431,677

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**RHB BANK BERHAD (6171-M)**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<b>Three Months Ended</b>	
	<u><b>31.03.2012</b></u>	<u>Restated 31.03.2011</u>
	<b>RM '000</b>	<b>RM '000</b>
<b>Bank</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	504,326	566,874
Adjustment for non-cash items	<u>(106,931)</u>	<u>(140,081)</u>
Operating profit before changes in working capital	397,395	426,793
Changes in working capital:		
Net changes in operating assets	1,167,927	(4,164,143)
Net changes in operating liabilities	<u>788,004</u>	<u>3,060,321</u>
Cash generated from/(used in) operations	1,955,931	(1,103,822)
Taxation paid	<u>(29)</u>	<u>(231,583)</u>
Net cash generated from/(used in) operating activities	<u><b>2,353,297</b></u>	<u><b>(908,612)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(30,120)	(37,460)
Proceeds from disposal of property, plant and equipment	-	5,000
Financial investments AFS:		
- net purchase	(464,409)	(560,351)
- interest received	61,687	96,779
Financial investments held-to-maturity:		
- net purchase	(1,883,204)	(1,358,141)
- interest received	<u>101,260</u>	<u>89,662</u>
Net cash used in investing activities	<u><b>(2,214,786)</b></u>	<u><b>(1,764,511)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	<u>(30,100)</u>	<u>(30,335)</u>
Net cash used in financing activities	<u><b>(30,100)</b></u>	<u><b>(30,335)</b></u>
Net increase/(decrease) in cash and cash equivalents	108,411	(2,703,458)
Effects of exchange rate differences	(33,505)	(14,995)
Cash and cash equivalents:		
- at the beginning of the financial period	<u>12,344,141</u>	<u>11,093,561</u>
- at the end of the financial period	<u><b>12,419,047</b></u>	<u><b>8,375,108</b></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and short-term funds	<u><b>12,419,047</b></u>	<u><b>8,375,108</b></u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**1 Basis Of Preparation**

The Malaysian Accounting Standard Board ('MASB') has announced on 19 November 2011 that Malaysian reporting entities are required to comply with the new International Financial Reporting Standards ('IFRS') compliant framework, Malaysia Financial Reporting Standards ('MFRS') for financial year commencing on or after 1 January 2012.

The Group and the Bank revised its accounting policies on 1 January 2012 to enable the preparation of financial statements that comply with MFRS. This condensed financial statements is the Group's and the Bank's first financial report prepared in accordance with MFRS and MFRS 1: 'First Time Adoption of MFRS', and has been applied retrospectively as if the requirements of MFRSs have always been applied by the Group and the Bank from transition date of 1 January 2011. The Group and the Bank did not take advantage on certain mandatory exceptions and optional exceptions provided in MFRS 1 for first time adoption of MFRS.

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 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 financial year ended 31 December 2011.

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 2011, except for the adoption of the following relevant accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2012:

MFRS 1	First-Time Adoption of MFRS
MFRS 139	Financial Instruments: Recognition and Measurement
Revised MFRS 124	Related Party Disclosures
Amendment to MFRS 112	Income Taxes
Amendment to MFRS 1	First Time Adoption on Fixed Dates and Hyperinflation
Amendment to MFRS 7	Financial Instruments: Disclosures on Transfers of Financial Assets
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

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, except for the adoption of MFRS 139.

Previously, the Group and the Bank applied the Amendment to FRS 139, which included an additional transitional arrangement for financial sectors, whereby Bank Negara Malaysia ('BNM') may prescribed the use of an alternative basis for collective assessment of impairments on loans, advances and financing. This transitional arrangement is prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010, whereby banking institutions are required to maintain collective allowances of at least 1.5% of total outstanding loans/financing, net of individual impairment allowances under the transitional provisions in the guidelines.

With effect from 1 January 2012, BNM has removed the transitional provision for banking institution on collective evaluation of loan impairment assessment and loan loss provisioning to comply with MFRS 139 requirements. Exposures not individually known to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for losses that have been incurred but not identified yet. The required loan loss allowance is estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the collective pool. The historical loss experience is adjusted based on current observable data.

Previously, when a collectively assessed loans and receivables is deemed impaired, the Group and the Bank have reversed out the interest income recognised in income statements and set off against the interest receivable in the statements of financial position.

Upon the adoption of MFRS 139, with effect from 1 January 2012, once a collectively assessed loans and receivables has been written down as a result of an impairment loss, interest income is thereafter recognised using the original effective interest rate in the income statements.

The change in accounting policies mentioned above have been accounted for retrospectively by re-measuring the relevant financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to the Group's and the Bank's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note 29.

**2 Auditors' Report**

The auditors' report for the financial year ended 31 December 2011 was not subject to any qualification.



**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**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 2012.

**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 2012.

**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 2012.

**RHB BANK BERHAD (6171-M)**  
Incorporated in Malaysia

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**8 Financial Assets Held-For-Trading**

	Group		Bank	
	Unaudited As at 31.03.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 31.03.2012 RM'000	Audited As at 31.12.2011 RM'000
<b>At fair value</b>				
<u>Money market instruments:</u>				
Khazanah bonds	-	53,767	-	-
Malaysian Government Securities	82,742	-	82,742	-
Malaysian Government Investment Issues	140,710	144,220	130,209	92,908
Malaysian Government Treasury Bills	12,608	-	12,608	-
Bank Negara Malaysia Monetary Notes	1,203,956	808,374	1,105,025	501,461
Singapore Government Treasury Bills	403,384	275,519	403,384	275,519
Wakala Global Sukuk	19,545	16,495	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	148,819	5,044	20,577	-
	<u>2,011,764</u>	<u>1,303,419</u>	<u>1,754,545</u>	<u>869,888</u>

**9 Financial Investments Available-For-Sale**

**At fair value**

Money market instruments:

Malaysian Government Securities	902,008	974,018	902,008	974,018
Malaysian Government Investment Issues	1,894,807	1,965,660	856,768	1,096,153
Cagamas bonds and Cagamas Mudharabah bonds	331,519	82,056	81,633	82,056
Khazanah bonds	54,564	-	-	-
Singapore Government Treasury Bills	109,638	73,155	109,638	73,155
Singapore Government Securities	231,481	232,275	231,481	232,275
Thailand Government bonds	98,671	85,870	98,671	85,870
1 Malaysia Sukuk	279,786	291,592	279,786	291,592
Wakala Global Sukuk	108,250	115,164	89,092	91,654

Quoted securities:

In Malaysia

Corporate loan stocks	11,310	14,178	11,310	14,178
Shares	4,341	3,759	2,108	1,526

Outside Malaysia

Shares	26	23	-	-
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Unquoted Securities:

In Malaysia

Corporate loan stocks	107,141	107,213	107,141	107,213
Shares	385,852	384,879	385,277	384,304
Private debt securities	4,448,136	3,679,907	3,669,942	2,899,816

Outside Malaysia

Private debt securities	5,274	5,336	5,274	5,336
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	<u>8,972,804</u>	<u>8,015,085</u>	<u>6,830,129</u>	<u>6,339,146</u>
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The carrying value of financial investments available-for-sale as at 31 March 2012, which were transferred from financial assets held-for-trading in 2009, for the Group and the Bank are RM219,607,000 (31.12.2011: RM222,901,000) and RM209,346,000 (31.12.2011: RM212,765,000) respectively.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**10 Financial Investments Held-To-Maturity**

	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,727,370	2,768,820	2,727,370	2,768,820
Cagamas bonds and Cagamas Mudharabah bonds	2,160,826	1,912,108	1,888,470	1,718,332
Khazanah bonds	64,122	63,418	55,699	55,071
Malaysian Government Investment Issues	4,026,139	2,991,758	3,223,422	2,195,778
Singapore Government Securities	122,475	123,462	122,475	123,462
Thailand Government Securities	265,679	240,210	265,679	240,210
Negotiable instruments of deposits	1,907,258	1,005,545	1,907,258	1,005,545
Bankers' acceptances	172,009	169,823	172,009	169,823
Sukuk (Brunei) Incorporation	46,314	53,682	46,314	53,682
Wakala Global Sukuk	211,297	203,078	211,297	203,078
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	860	860	860	860
Prasarana bonds	1,003,043	950,221	1,003,043	950,221
Private debt securities	2,693,065	3,040,347	2,364,183	2,604,345
Corporate loan stocks	56,201	56,283	56,201	56,283
<u>Outside Malaysia</u>				
Private debt securities	18,674	19,063	-	-
	<b>15,475,332</b>	13,598,678	<b>14,044,280</b>	12,145,510
Accumulated impairment losses	<b>(122,076)</b>	(123,511)	<b>(122,076)</b>	(123,511)
	<b>15,353,256</b>	13,475,167	<b>13,922,204</b>	12,021,999

The carrying value of financial investments held-to-maturity as at 31 March 2012, which was transferred from financial assets held-for-trading in 2009, for the Group is RM18,674,000 (31.12.2011: RM19,063,000). The fair value of these financial investments as at 31 March 2012 for the Group is RM19,945,000 (31.12.2011: RM20,643,000).

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**11 Loans, Advances and Financing**

**(i) By type**

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Overdrafts	5,680,793	5,713,718	5,560,465	5,593,490
Term loans/financing:				
- housing loans/financing	20,433,466	20,083,314	17,520,284	17,330,447
- syndicated term loans/financing	2,653,964	2,603,854	986,417	1,055,936
- hire purchase receivables	12,612,415	12,958,064	8,918,311	9,408,209
- lease receivables	110,623	116,243	-	-
- other term loans/financing	41,157,506	43,395,654	35,616,644	37,452,718
Bills receivable	1,678,486	1,645,017	1,635,230	1,603,549
Trust receipts	390,985	383,406	371,960	363,698
Claims on customers under acceptance credits	5,023,525	4,757,731	4,317,541	4,256,414
Staff loans/financing	308,215	315,049	298,212	304,926
Credit card receivables	1,804,256	1,783,094	1,729,853	1,735,189
Revolving credit	3,937,486	3,939,832	3,612,515	3,488,829
Floor stocking	2,468	1,553	2,468	1,553
	<u>95,794,188</u>	<u>97,696,529</u>	<u>80,569,900</u>	<u>82,594,958</u>
Gross loans, advances and financing				
Allowance for impaired loans and financing:				
- individual impairment allowance	(896,894)	(812,502)	(731,858)	(666,218)
- collective impairment allowance	(1,462,866)	(1,566,152)	(1,249,097)	(1,335,081)
Net loans, advances and financing	<u>93,434,428</u>	<u>95,317,875</u>	<u>78,588,945</u>	<u>80,593,659</u>

Included in term loans are housing loans and hire purchase receivables sold to Cagamas with recourse for the Group and the Bank are RM1,377,206,000 (31.12.2011: RM1,161,814,000) and RM1,127,099,000 (31.12.2011: RM1,161,814,000) respectively.

**(ii) By type of customer**

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions:				
- Others	809,910	937,067	750,385	876,634
Domestic business enterprises:				
- Small medium enterprises	11,450,713	11,542,203	10,566,188	10,565,842
- Others	22,838,074	25,120,018	18,633,270	20,867,034
Government and statutory bodies	11,001,900	11,148,102	7,659,421	7,684,750
Individuals	43,893,013	43,104,992	38,142,624	37,777,867
Other domestic entities	10,417	10,682	10,016	10,401
Foreign entities:				
- Malaysian operations	1,239,731	1,276,943	426,997	429,837
- Singapore operations	4,229,363	4,211,647	4,090,807	4,069,495
- Thailand operations	234,992	232,363	204,117	200,586
- Brunei operations	86,075	112,512	86,075	112,512
	<u>95,794,188</u>	<u>97,696,529</u>	<u>80,569,900</u>	<u>82,594,958</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**11 Loans, Advances and Financing (cont'd)**

**(iii) By geographical distribution**

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
In Malaysia	91,243,758	93,140,007	76,188,901	78,212,365
Outside Malaysia:				
- Singapore operations	4,229,363	4,211,647	4,090,807	4,069,495
- Thailand operations	234,992	232,363	204,117	200,586
- Brunei operations	86,075	112,512	86,075	112,512
	<u>95,794,188</u>	<u>97,696,529</u>	<u>80,569,900</u>	<u>82,594,958</u>

**(iv) By interest/profit rate sensitivity**

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	1,564,933	1,612,129	524,143	528,231
- Hire purchase receivables	12,612,415	12,958,064	8,918,311	9,408,209
- Other fixed rate loans/financing	16,849,529	16,484,251	12,152,064	12,225,485
Variable rate:				
- BLR/BFR plus	39,144,408	38,793,599	35,841,686	35,052,263
- Cost-plus	21,300,302	23,424,963	19,924,204	22,155,824
- Other variable rates	4,322,601	4,423,523	3,209,492	3,224,946
	<u>95,794,188</u>	<u>97,696,529</u>	<u>80,569,900</u>	<u>82,594,958</u>

**(v) By purpose**

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	7,601,589	6,940,839	7,592,979	6,932,229
Purchase of transport vehicles	11,389,560	11,742,912	7,479,389	7,954,725
Purchase of landed property:				
- Residential	20,815,258	20,602,726	18,000,598	17,814,375
- Non-residential	5,202,393	5,282,037	5,120,329	5,212,814
Purchase of property, plant and equipment other than land and building	3,136,663	3,241,052	2,344,235	2,342,611
Personal use	4,906,722	4,960,882	4,606,859	4,726,227
Credit card	1,804,256	1,783,094	1,729,853	1,735,189
Purchase of consumer durables	40,825	43,750	40,785	43,700
Construction	3,119,556	3,024,994	2,280,823	2,171,092
Working capital	20,294,369	20,662,687	17,772,729	18,254,075
Merger and acquisition	2,144,027	4,200,239	1,989,622	4,040,367
Other purposes	15,338,970	15,211,317	11,611,699	11,367,554
	<u>95,794,188</u>	<u>97,696,529</u>	<u>80,569,900</u>	<u>82,594,958</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**11 Loans, Advances and Financing (cont'd)**

**(vi) By remaining contractual maturities**

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	28,959,357	31,126,937	26,891,091	29,072,705
One year to three years	7,819,778	6,148,152	6,861,975	4,854,080
Three years to five years	8,042,996	10,384,562	6,166,195	8,367,494
Over five years	50,972,057	50,036,878	40,650,639	40,300,679
	<u>95,794,188</u>	<u>97,696,529</u>	<u>80,569,900</u>	<u>82,594,958</u>

**(vii) Impaired loans, advances and financing**

**(a) Movement in impaired loans, advances and financing**

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial period/year				
- As previously reported	3,350,486	3,671,258	2,727,004	2,927,024
- Effect on full adoption of MFRS 139	142,845	176,364	125,304	145,862
- As restated	<u>3,493,331</u>	3,847,622	<u>2,852,308</u>	3,072,886
Classified as impaired during the financial period/year	1,036,587	3,711,481	956,502	3,423,180
Reclassified as non-impaired during the financial period/year	(717,388)	(2,856,750)	(653,178)	(2,615,177)
Amount recovered	(262,934)	(609,011)	(186,813)	(486,693)
Amount written off	(117,301)	(604,812)	(113,791)	(543,725)
Exchange difference	(2,931)	4,801	(361)	1,837
Balance as at the end of financial period/year	<u>3,429,364</u>	<u>3,493,331</u>	<u>2,854,667</u>	<u>2,852,308</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**11 Loans, Advances and Financing (cont'd)**

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

**(b) By purpose**

	Group		Bank	
	Unaudited As at 31.03.2012	Restated As at 31.12.2011	Unaudited As at 31.03.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	48,951	90,883	48,951	90,883
Purchase of transport vehicles	270,503	267,936	159,918	169,405
Purchase of landed property:				
- Residential	1,059,447	1,085,031	905,719	913,226
- Non-residential	157,734	211,948	144,073	198,069
Purchase of property, plant and equipment other than land and building	79,429	146,184	63,524	73,811
Personal use	137,356	125,496	131,521	120,105
Credit card	43,825	43,394	43,033	43,237
Purchase of consumer durables	2,431	2,154	2,431	2,154
Construction	233,356	244,774	231,971	243,366
Working capital	1,367,002	1,249,521	1,100,358	973,845
Other purposes	29,330	26,010	23,168	24,207
	<b>3,429,364</b>	<b>3,493,331</b>	<b>2,854,667</b>	<b>2,852,308</b>

**(c) By geographical distribution**

	Group		Bank	
	Unaudited As at 31.03.2012	Restated As at 31.12.2011	Unaudited As at 31.03.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
In Malaysia	3,335,811	3,396,765	2,761,114	2,755,742
Outside Malaysia:				
- Singapore operations	65,716	66,581	65,716	66,581
- Thailand operations	22,243	22,440	22,243	22,440
- Brunei operations	5,594	7,545	5,594	7,545
	<b>3,429,364</b>	<b>3,493,331</b>	<b>2,854,667</b>	<b>2,852,308</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (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 31.03.2012 RM'000	Restated As at 31.12.2011 RM'000	Unaudited As at 31.03.2012 RM'000	Restated As at 31.12.2011 RM'000
<b>Individual impairment allowance</b>				
Balance as at the beginning of financial period/year	812,502	854,899	666,218	682,522
Net allowance made during the period/year	46,604	110,414	26,660	93,774
Amount written off	(314)	(155,552)	(314)	(112,611)
Reclassification from collective impairment	39,428	1,786	39,428	1,786
Exchange difference	(1,326)	956	(134)	747
Balance as at the end of financial period/year	<u>896,894</u>	<u>812,503</u>	<u>731,858</u>	<u>666,218</u>
<b>Collective impairment allowance</b>				
Balance as at the beginning of financial period/year				
- As previously reported	1,657,809	1,625,609	1,433,823	1,437,137
- Effect on full adoption of MFRS 139	(91,657)	191,580	(98,742)	101,995
- As restated	1,566,152	1,817,189	1,335,081	1,539,132
Net allowance made during the period/year	11,250	143,615	24,007	168,771
Amount written off	(73,982)	(394,391)	(70,525)	(371,857)
Reclassification to individual impairment	(39,428)	(1,786)	(39,428)	(1,786)
Exchange difference	(1,126)	1,525	(38)	821
Balance as at the end of financial period/year	<u>1,462,866</u>	<u>1,566,152</u>	<u>1,249,097</u>	<u>1,335,081</u>

**12 Other Assets**

	Group		Bank	
	Unaudited As at 31.03.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 31.03.2012 RM'000	Audited As at 31.12.2011 RM'000
Other debtors, deposits and prepayments	250,458	280,329	257,334	192,477
Amount due from holding company	981	1,388	981	1,388
Amounts due from subsidiaries	-	-	81,698	457,977
Amounts due from related companies	21,380	24,829	21,380	24,829
	<u>272,819</u>	<u>306,546</u>	<u>361,393</u>	<u>676,671</u>



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**13 Deposits from Customers**

**(i) By type of deposits**

	<b>Group</b>		<b>Bank</b>	
	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	21,448,119	21,479,954	19,247,404	19,401,161
Savings deposits	6,551,399	6,359,910	5,871,345	5,709,098
Fixed/investment deposits	87,687,919	85,679,994	70,093,876	69,120,500
Negotiable instruments of deposits	269,517	118,422	269,517	118,422
	<b>115,956,954</b>	<b>113,638,280</b>	<b>95,482,142</b>	<b>94,349,181</b>

**(ii) By type of customer**

	<b>Group</b>		<b>Bank</b>	
	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	11,952,303	12,519,295	7,054,366	7,186,405
Business enterprises	65,362,077	63,865,696	54,496,170	54,551,114
Individuals	32,207,124	31,171,620	31,014,883	29,969,544
Others	6,435,450	6,081,669	2,916,723	2,642,118
	<b>115,956,954</b>	<b>113,638,280</b>	<b>95,482,142</b>	<b>94,349,181</b>

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

	<b>Group</b>		<b>Bank</b>	
	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due within six months	71,565,281	69,525,484	55,847,160	54,376,550
Six months to one year	15,852,403	14,788,582	14,023,761	13,415,298
One year to three years	506,447	1,440,291	465,818	1,406,776
Three years to five years	32,912	44,059	26,654	40,298
Over five years	393	-	-	-
	<b>87,957,436</b>	<b>85,798,416</b>	<b>70,363,393</b>	<b>69,238,922</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**14 Deposits and Placements of Banks and Other Financial Institutions**

	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>	<b>Unaudited As at 31.03.2012</b>	<b>Audited As at 31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Licensed banks/Islamic banks	6,640,701	6,146,928	4,689,511	4,095,271
Licensed investments banks	355,668	524,317	355,668	424,282
Bank Negara Malaysia	623,948	1,273,359	623,246	1,238,096
Others	119,766	52,017	574	52,017
	<b>7,740,083</b>	<b>7,996,621</b>	<b>5,668,999</b>	<b>5,809,666</b>

**15 Other Liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>Unaudited As at 31.03.2012</b>	<b>Restated As at 31.12.2011</b>	<b>Unaudited As at 31.03.2012</b>	<b>Restated As at 31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due to holding company	99	99	-	-
Amounts due to subsidiaries	-	-	21,726	21,342
Amounts due to related companies	7,529	2,534	7,232	2,262
Amount due to Danaharta	1,793	1,804	1,793	1,804
Prepaid instalments	79,361	79,773	79,361	79,773
Lessee deposits	53,768	54,466	-	-
Short term employee benefits	44,630	139,356	41,153	128,924
Other creditors and accruals	725,346	715,175	655,528	691,671
	<b>912,526</b>	<b>993,207</b>	<b>806,793</b>	<b>925,776</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**16 Interest Income**

	<b>Group</b>		<b>Bank</b>	
	<b>Individual Quarter</b>		<b>Individual Quarter</b>	
	<b>Current Financial Quarter Ended 31.03.2012</b>	<b>Restated Preceding Corresponding Quarter Ended 31.03.2011</b>	<b>Current Financial Quarter Ended 31.03.2012</b>	<b>Restated Preceding Corresponding Quarter Ended 31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing	1,151,212	1,031,781	1,136,801	1,019,508
Money at call and deposit placements with banks and other financial institutions	96,110	64,033	103,453	66,114
Securities purchased under resale agreement	59	90	59	90
Financial assets held-for-trading	4,222	1,428	4,222	1,428
Financial investments available-for-sale	52,072	69,236	52,072	69,236
Financial investments held-to-maturity	121,669	100,782	121,033	89,822
Others	224	1,065	224	1,065
	<b>1,425,568</b>	<b>1,268,415</b>	<b>1,417,864</b>	<b>1,247,263</b>
Of which:				
Interest income accrued on impaired financial assets	<b>41,962</b>	<b>33,256</b>	<b>41,962</b>	<b>33,256</b>

**17 Interest Expense**

	<b>Group</b>		<b>Bank</b>	
	<b>Individual Quarter</b>		<b>Individual Quarter</b>	
	<b>Current Financial Quarter Ended 31.03.2012</b>	<b>Preceding Corresponding Quarter Ended 31.03.2011</b>	<b>Current Financial Quarter Ended 31.03.2012</b>	<b>Preceding Corresponding Quarter Ended 31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	28,352	18,920	28,453	18,952
Deposits from customers	575,972	452,705	572,655	449,257
Subordinated obligations	41,368	38,293	41,368	38,293
Recourse obligation on loans sold to Cagamas	15,933	8,298	15,933	8,298
Hybrid Tier-I Capital Securities	11,315	11,186	11,315	11,186
Borrowings	2,004	1,946	2,004	1,946
Others	11,281	12,386	11,281	12,386
	<b>686,225</b>	<b>543,734</b>	<b>683,009</b>	<b>540,318</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**18 Other Operating Income**

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	<b>Current Financial Quarter Ended 31.03.2012 RM'000</b>	Preceding Corresponding Quarter Ended 31.03.2011 RM'000	<b>Current Financial Quarter Ended 31.03.2012 RM'000</b>	Preceding Corresponding Quarter Ended 31.03.2011 RM'000
a) Fee Income:				
Commission	<b>31,203</b>	28,816	<b>30,999</b>	28,396
Service charges and fees	<b>43,794</b>	51,029	<b>43,355</b>	48,137
Guarantee fees	<b>8,485</b>	7,933	<b>8,485</b>	7,933
Commitment fees	<b>11,821</b>	12,737	<b>11,821</b>	12,737
Underwriting fees	<b>208</b>	53	<b>208</b>	53
Other fees	<b>4,110</b>	4,129	<b>4,182</b>	4,247
	<b>99,621</b>	104,697	<b>99,050</b>	101,503
b) Net gain arising from financial assets held-for-trading	<b>23,930</b>	5,302	<b>23,930</b>	5,302
c) Net gain on revaluation of derivatives	<b>17,138</b>	10,109	<b>5,203</b>	8,741
d) Net gain arising from financial investments available-for-sale	<b>19,492</b>	4,558	<b>19,492</b>	4,558
e) Other income:				
Foreign exchange gain/(loss)				
- realised	<b>92,567</b>	70,507	<b>91,092</b>	69,653
- unrealised	<b>(23,751)</b>	(14,804)	<b>(23,751)</b>	(14,804)
Gain on disposal of property, plant and equipment	-	4,699	-	4,699
Other operating income	<b>15,661</b>	12,335	<b>15,110</b>	12,199
Other non-operating income	<b>297</b>	844	<b>229</b>	323
	<b>84,774</b>	73,581	<b>82,680</b>	72,070
	<b>244,955</b>	198,247	<b>230,355</b>	192,174

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**19 Income from Islamic Banking Business**

	<b>Group</b>	
	<b><u>Individual Quarter</u></b>	
	<b>Current</b>	Restated
	<b>Financial</b>	Preceding
	<b>Quarter Ended</b>	Corresponding
	<b>31.03.2012</b>	Quarter Ended
	<b>RM'000</b>	31.03.2011
	<b>RM'000</b>	RM'000
Income derived from investment of depositors' funds	<b>239,678</b>	143,946
Income derived from investment of shareholder's funds	<b>19,303</b>	19,318
Transfer from/(to) Profit Equalisation Reserve	<b>7,252</b>	(4,441)
Total distributable income	<b>266,233</b>	158,823
Income attributable to depositors	<b>(155,647)</b>	(69,527)
Income from Islamic Banking Business	<b>110,586</b>	89,296
Of which:		
Financing income earned on impaired financing and advances	<b>9,049</b>	6,283

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)

**20 Other Operating Expenses**

	<b>Group</b>		<b>Bank</b>	
	<b>Individual Quarter</b>		<b>Individual Quarter</b>	
	<b>Current Financial Quarter Ended 31.03.2012 RM'000</b>	<b>Restated Preceding Corresponding Quarter Ended 31.03.2011 RM'000</b>	<b>Current Financial Quarter Ended 31.03.2012 RM'000</b>	<b>Restated Preceding Corresponding Quarter Ended 31.03.2011 RM'000</b>
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	236,038	208,155	219,806	193,234
- Contributions to Employees Provident Fund	35,621	30,754	33,055	28,469
- Other staff related costs	22,055	18,374	20,563	16,411
	<b>293,714</b>	<b>257,283</b>	<b>273,424</b>	<b>238,114</b>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	18,491	23,521	17,819	21,283
- Written off	-	19	-	19
- Rental of premises	24,347	14,980	23,821	14,382
- Rental of equipment	1,707	2,450	1,636	2,404
- Insurance	3,527	2,819	3,378	1,829
- Water and electricity	5,539	4,903	5,109	4,525
- Repair and maintenance	4,788	4,777	4,744	4,566
- Security & escorting expenses	11,402	9,208	10,522	8,547
- Information technology expenses	26,472	25,347	24,748	22,547
- Others	979	580	-	-
	<b>97,252</b>	<b>88,604</b>	<b>91,777</b>	<b>80,102</b>
<u>Marketing expenses</u>				
- Sales commission	8,574	2,705	6,914	2,599
- Advertisement and publicity	4,834	4,995	4,594	4,526
- Others	14,203	12,451	13,458	12,172
	<b>27,611</b>	<b>20,151</b>	<b>24,966</b>	<b>19,297</b>
<u>Administration and general expenses</u>				
- Communication expenses	23,656	22,592	22,144	21,204
- Others	23,049	2,518	12,090	(5,582)
	<b>46,705</b>	<b>25,110</b>	<b>34,234</b>	<b>15,622</b>
	<b>465,282</b>	<b>391,148</b>	<b>424,401</b>	<b>353,135</b>

**21 Allowance for Impairment on Loans, Advances and Financing**

	<b>Group</b>		<b>Bank</b>	
	<b>Individual Quarter</b>		<b>Individual Quarter</b>	
	<b>Current Financial Quarter Ended 31.03.2012 RM'000</b>	<b>Restated Preceding Corresponding Quarter Ended 31.03.2011 RM'000</b>	<b>Current Financial Quarter Ended 31.03.2012 RM'000</b>	<b>Restated Preceding Corresponding Quarter Ended 31.03.2011 RM'000</b>
Individual impairment allowance	46,604	2,917	26,660	4,505
Collective impairment allowance	11,250	32,044	24,007	14,607
Impaired loans and financing recovered	(56,161)	(79,204)	(54,584)	(78,132)
Bad debts written off	43,145	40,134	41,832	40,134
	<b>44,838</b>	<b>(4,109)</b>	<b>37,915</b>	<b>(18,886)</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**22 Capital Adequacy**

With effect from 1 July 2010, 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).

	<b>RHB Bank*</b>		<b>RHB Islamic Bank</b>	
	<b>Unaudited</b> <b>31.03.2012</b> <b>RM'000</b>	<b>Audited<sup>+</sup></b> <b>31.12.2011</b> <b>RM'000</b>	<b>Unaudited</b> <b>31.03.2012</b> <b>RM'000</b>	<b>Audited<sup>+</sup></b> <b>31.12.2011</b> <b>RM'000</b>
<b>Tier I Capital</b>				
Paid-up ordinary share capital	3,318,085	3,318,085	773,424	773,424
Hybrid Tier-I Capital Securities	597,539	597,475	-	-
Share premium	8,563	8,563	-	-
Retained profits	3,338,769	3,338,769	271,298	271,298
Other reserves	3,042,860	3,042,860	280,411	280,411
	<u>10,305,816</u>	<u>10,305,752</u>	<u>1,325,133</u>	<u>1,325,133</u>
Less: Goodwill	(905,519)	(905,519)	-	-
Net deferred tax assets	(62,951)	(62,951)	(9,105)	(9,105)
Total Tier I capital	<u>9,337,346</u>	<u>9,337,282</u>	<u>1,316,028</u>	<u>1,316,028</u>
<b>Tier II Capital</b>				
Subordinated obligations	3,250,000	3,250,000	-	-
Collective impairment allowance <sup>^</sup>	271,532	376,254	103,099	135,113
Total Tier II capital	<u>3,521,532</u>	<u>3,626,254</u>	<u>103,099</u>	<u>135,113</u>
Less: Investment in subsidiaries	(872,656)	(872,656)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(278,249)	(178,986)	-	-
Other deduction <sup>#</sup>	(3,035)	(3,787)	(100)	(24)
Eligible Tier II capital	<u>2,367,592</u>	<u>2,570,825</u>	<u>102,999</u>	<u>135,089</u>
<b>Total capital base</b>	<u>11,704,938</u>	<u>11,908,107</u>	<u>1,419,027</u>	<u>1,451,117</u>
<b>Capital ratios</b>				
Before proposed dividends:				
Core capital ratio	11.99%	12.76%	11.92%	12.65%
Risk-weighted capital ratio	15.03%	16.27%	12.85%	13.95%
After proposed dividends:				
Core capital ratio	11.54%	12.28%	11.92%	12.65%
Risk-weighted capital ratio	<u>14.58%</u>	<u>15.79%</u>	<u>12.85%</u>	<u>13.95%</u>

\* The Bank figures includes the operations of RHB Bank (L) Ltd. 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.

<sup>^</sup> 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.

<sup>#</sup> 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.

<sup>+</sup> The above capital adequacy ratios has not been adjusted for the effect on full adoption of MFRS 139.

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

	<b>RHB Bank</b>		<b>RHB Islamic Bank</b>	
	<b>Unaudited</b> <b>31.03.2012</b> <b>RM'000</b>	<b>Audited<sup>+</sup></b> <b>31.12.2011</b> <b>RM'000</b>	<b>Unaudited</b> <b>31.03.2012</b> <b>RM'000</b>	<b>Audited<sup>+</sup></b> <b>31.12.2011</b> <b>RM'000</b>
Credit risk	68,891,201	64,345,943	9,813,137	9,226,699
Market risk	1,979,484	1,884,914	593,362	565,103
Operational risk	7,023,064	6,939,645	636,571	608,028
Total risk-weighted assets	<u>77,893,749</u>	<u>73,170,502</u>	<u>11,043,070</u>	<u>10,399,830</u>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**22 Capital Adequacy (cont'd)**

	<b>RHB Bank Group</b>	
	<b>Unaudited</b>	<b>Audited<sup>+</sup></b>
	<b>31.03.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier I Capital</b>		
Paid-up ordinary share capital	3,318,085	3,318,085
Hybrid Tier-I Capital Securities	597,539	597,475
Share premium	8,563	8,563
Retained profits	3,736,207	3,736,207
Other reserves	<u>3,297,296</u>	<u>3,297,296</u>
	10,957,690	10,957,626
Less: Goodwill	(1,004,017)	(1,004,017)
Net deferred tax assets	<u>(79,578)</u>	<u>(79,578)</u>
Total Tier I capital	<u>9,874,095</u>	<u>9,874,031</u>
<b>Tier II Capital</b>		
Subordinated obligations	3,250,000	3,250,000
Collective impairment allowance <sup>^</sup>	<u>435,492</u>	<u>521,185</u>
Total Tier II capital	<u>3,685,492</u>	<u>3,771,185</u>
Less: Excess of total expected loss over total eligible provision under the IRB approach	(332,342)	(184,551)
Other deduction <sup>#</sup>	<u>(3,135)</u>	<u>(3,811)</u>
Eligible Tier II capital	<u>3,350,015</u>	<u>3,582,823</u>
<b>Total capital base</b>	<u><u>13,224,110</u></u>	<u><u>13,456,854</u></u>
<b>Capital ratios</b>		
Before proposed dividends:		
Core capital ratio	11.15%	11.89%
Risk-weighted capital ratio	14.93%	16.20%
After proposed dividends:		
Core capital ratio	10.75%	11.46%
Risk-weighted capital ratio	<u>14.53%</u>	<u>15.78%</u>

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

	<b>RHB Bank Group</b>	
	<b>Unaudited</b>	<b>Audited<sup>+</sup></b>
	<b>31.03.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	78,352,870	72,979,111
Market risk	2,547,273	2,478,476
Operational risk	<u>7,688,530</u>	<u>7,585,528</u>
Total risk-weighted assets	<u><u>88,588,673</u></u>	<u><u>83,043,115</u></u>

<sup>^</sup> 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.

<sup>#</sup> 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.

<sup>+</sup> The above capital adequacy ratios has not been adjusted for the effect on full adoption of MFRS 139.

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.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (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 31.03.2012 →			← Audited 31.12.2011 →		
	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	1,568,526	1,497,886	1,281,298	1,506,861	1,436,755	1,216,657
Transaction-related contingent items	2,093,957	1,022,208	832,475	2,189,069	1,070,325	870,657
Short-term self-liquidating trade-related contingencies	861,461	170,170	121,630	902,010	178,398	97,424
Assets sold with recourse	245,834	245,834	187,680	-	-	-
Obligations under underwriting agreements	191,000	95,500	95,500	208,500	104,250	104,250
Irrevocable commitments to extend credit:						
- maturity more than one year	25,731,731	10,985,918	7,982,840	25,028,693	5,197,837	3,604,762
- maturity less than one year	9,261,580	5,126,197	3,612,744	10,133,756	1,962,417	1,301,101
Foreign exchange related contracts:						
- less than one year	14,151,823	504,444	185,218	13,558,443	377,570	175,414
- one year to less than five years	2,134,750	659,157	224,578	1,767,969	536,076	296,040
Interest rate related contracts:						
- less than one year	4,694,636	15,715	3,329	4,195,536	9,651	2,812
- one year to less than five years	13,025,749	316,637	82,289	13,016,528	321,650	110,735
- more than five years	797,494	71,424	14,285	600,000	61,198	16,760
<b>Total</b>	<b>74,758,541</b>	<b>20,711,090</b>	<b>14,623,866</b>	<b>73,107,365</b>	<b>11,256,127</b>	<b>7,796,612</b>

  

<u>Bank</u>	← Unaudited 31.03.2012 →			← Audited 31.12.2011 →		
	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	1,534,624	1,463,984	1,247,396	1,381,139	1,311,033	1,090,935
Transaction-related contingent items	2,011,401	980,930	802,862	2,085,264	1,018,423	830,569
Short-term self-liquidating trade-related contingencies	813,980	160,674	120,628	859,586	169,913	96,457
Irrevocable commitments to extend credit:						
- maturity more than one year	23,142,498	9,912,801	7,008,295	22,488,731	4,689,844	3,157,503
- maturity less than one year	7,815,452	4,847,694	3,341,064	8,466,652	1,628,996	965,596
Foreign exchange related contracts:						
- less than one year	13,607,298	495,222	179,069	13,398,568	375,000	174,841
- one year to less than five years	2,134,750	659,157	224,578	1,767,969	536,076	296,040
Interest rate related contracts:						
- less than one year	4,844,636	16,501	3,687	4,195,536	9,461	2,616
- one year to less than five years	15,457,368	383,536	115,738	15,635,548	408,724	154,272
- more than five years	797,494	71,424	14,285	600,000	61,198	16,760
<b>Total</b>	<b>72,159,501</b>	<b>18,991,923</b>	<b>13,057,602</b>	<b>70,878,993</b>	<b>10,208,668</b>	<b>6,785,589</b>

\* 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 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).

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**24 Capital Commitments**

	Group		Bank	
	Unaudited As at	Audited As at	Unaudited As at	Audited As at
	<b>31.3.2012</b>	31.12.2011	<b>31.3.2012</b>	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Capital expenditure for property, plant and equipment:				
- authorised and contracted for	55,904	71,539	55,312	70,909
- authorised but not contracted for	<u>144,171</u>	<u>128,254</u>	<u>88,269</u>	<u>104,396</u>
	<b>200,075</b>	199,793	<b>143,581</b>	175,305
Proposed acquisition of Bank Mestika	<u>1,163,126</u>	1,163,126	<u>1,163,126</u>	1,163,126
	<b><u>1,363,201</u></b>	1,362,919	<b><u>1,306,707</u></b>	<u>1,338,431</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)

25 Segmental Reporting On Revenue and Profit and Assets

**Group**

**Three months ended 31 March 2012**

	Corporate Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Treasury & Money Market RM'000	Islamic Banking RM'000	Global Financing Banking RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	144,160	498,371	173,133	164,110	87,828	59,089	(31,807)	-	1,094,884
Inter-segment revenue	(680)	-	-	(2,189)	3,146	846	204	(1,327)	-
Segment revenue	143,480	498,371	173,133	161,921	90,974	59,935	(31,603)	(1,327)	1,094,884
Overhead expenses including:	(34,535)	(227,339)	(97,510)	(20,119)	(36,727)	(48,194)	(2,185)	1,327	(465,282)
Depreciation of property, plant and equipment	(958)	(11,551)	(3,297)	(990)	(446)	(1,200)	(49)	-	(18,491)
Allowance for impairment on loans, advances and financing	(11,095)	(57,781)	7,324	-	13,456	2,045	1,213	-	(44,838)
Impairment losses on other assets	289	5	82	1,056	-	-	-	-	1,432
Profit before taxation	98,139	213,256	83,029	142,858	67,703	13,786	(32,575)	-	586,196
Taxation	-	-	-	-	-	-	-	-	(143,514)
Net profit for the financial period	-	-	-	-	-	-	-	-	442,682

**Three months ended 31 March 2011**

	Corporate Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Treasury & Money Market RM'000	Islamic Banking RM'000	Global Financing Banking RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	149,208	457,361	172,490	112,764	75,017	48,541	(3,157)	-	1,012,224
Inter-segment revenue	(642)	-	-	1,745	(824)	689	199	(1,167)	-
Segment revenue	148,566	457,361	172,490	114,509	74,193	49,230	(2,958)	(1,167)	1,012,224
Overhead expenses including:	(33,139)	(198,510)	(95,348)	(14,490)	(37,170)	(27,870)	14,212	1,167	(391,148)
Depreciation of property, plant and equipment	(1,016)	(15,007)	(3,306)	(988)	(2,007)	(1,148)	(49)	-	(23,521)
Allowance for impairment on loans, advances and financing	20,006	(24,782)	25,667	-	(16,330)	(452)	-	-	4,109
Impairment losses on other assets	25	(19)	952	1,046	-	-	-	-	2,004
Profit before taxation	135,458	234,050	103,761	101,065	20,693	20,908	11,254	-	627,189
Taxation	-	-	-	-	-	-	-	-	(156,626)
Net profit for the financial period	-	-	-	-	-	-	-	-	470,563

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**25 Segmental Reporting On Revenue and Profit and Assets (cont'd)**

**Group**

**As at 31 March 2012**

	Corporate 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
Segment assets	28,400,637	41,839,213	10,711,699	41,719,402	13,284,399	10,223,724	86,781	(1,517,701)	144,748,154
Deferred tax assets									7,528
Tax recoverable									10,133
Unallocated assets									964,841
Total assets									<u>145,730,656</u>

**As at 31 December 2011**

	Corporate 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
Segment assets	30,757,058	41,589,787	10,649,511	38,590,247	13,547,471	9,073,853	87,410	(2,181,570)	142,113,767
Deferred tax assets									11,298
Tax recoverable									127,265
Unallocated assets									963,801
Total assets									<u>143,216,131</u>

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (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**

Other than those mention below, there were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements:

**(a) Issuance of RM750.0 million nominal value of Subordinated Notes under a Multi-Currency Medium Term Note Programme ('MCMTN Programme') by the Bank**

On 8 May 2012, the Bank issued RM750.0 million nominal value of Subordinated Notes, being part of the RM3.0 billion in nominal value (or its equivalent in other currencies) under a MCMTN Programme.

**(b) Issuance of USD300.0 million nominal value of Senior Notes under a Euro Medium Term Note Programme ('EMTN Programme') by the Bank**

On 15 May 2012, the Bank issued USD300.0 million nominal value of Senior Notes, being part of the USD500.0 million in nominal value under the EMTN Programme.

**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 2012.

**29 Changes in Accounting Policies**

**(a) Impact on the Group's statements of financial position**

<u>Group</u>	<u>As previously reported</u>	<u>Effect on full adoption of MFRS 139</u>	<u>As restated</u>
As at 1 January 2011	RM'000	RM'000	RM'000
<b>Assets</b>			
Loans, advances and financing	81,531,003	(15,216)	<b>81,515,787</b>
- Gross loans, advances and financing	84,011,511	176,364	<b>84,187,875</b>
- Collective impairment allowances	(1,625,609)	(191,580)	<b>(1,817,189)</b>
Deferred tax assets	260,089	4,540	<b>264,629</b>
<b>Liabilities</b>			
Other liabilities	1,002,387	662	<b>1,003,049</b>
Shareholders' fund	9,163,984	(11,338)	<b>9,152,646</b>
Translation reserves	(79,815)	(31)	<b>(79,846)</b>
Retained profits	2,827,885	(11,307)	<b>2,816,578</b>
Loans, advances and financing of which:			
- Impaired loans, advances and financing	3,671,258	176,364	<b>3,847,622</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**29 Changes in Accounting Policies (cont'd)**

(a) Impact on the Group's statements of financial position (cont'd)

<u>Group</u>	<u>As previously reported</u>	<u>Effect on full adoption of MFRS 139</u>	<u>As restated</u>
As at 31 December 2011	RM'000	RM'000	RM'000
<b>Assets</b>			
Loans, advances and financing	95,083,373	234,502	<b>95,317,875</b>
- Gross loans, advances and financing	97,553,684	142,845	<b>97,696,529</b>
- Collective impairment allowances	(1,657,809)	91,657	<b>(1,566,152)</b>
Deferred tax assets	14,266	(2,968)	<b>11,298</b>
<b>Liabilities</b>			
Other liabilities	992,384	823	<b>993,207</b>
Deferred tax liabilities	39	55,806	<b>55,845</b>
Shareholders' fund	10,556,328	174,905	<b>10,731,233</b>
Translation reserves	(61,408)	19	<b>(61,389)</b>
Retained profits	3,736,207	174,886	<b>3,911,093</b>
Loans, advances and financing of which:			
- Impaired loans, advances and financing	3,350,486	142,845	<b>3,493,331</b>

(a) Impact on the Bank's statements of financial position

<u>Bank</u>	<u>As previously reported</u>	<u>Effect on full adoption of MFRS 139</u>	<u>As restated</u>
As at 1 January 2011	RM'000	RM'000	RM'000
<b>Assets</b>			
Loans, advances and financing	71,125,558	43,867	<b>71,169,425</b>
- Gross loans, advances and financing	73,245,217	145,862	<b>73,391,079</b>
- Collective impairment allowances	(1,437,137)	(101,995)	<b>(1,539,132)</b>
Deferred tax assets	220,303	(10,801)	<b>209,502</b>
<b>Liabilities</b>			
Other liabilities	868,165	662	<b>868,827</b>
Shareholders' fund	8,397,474	32,404	<b>8,429,878</b>
Retained profits	2,220,855	32,404	<b>2,253,259</b>
Loans, advances and financing of which:			
- Impaired loans, advances and financing	2,927,024	145,862	<b>3,072,886</b>

<u>Bank</u>	<u>As previously reported</u>	<u>Effect on full adoption of MFRS 139</u>	<u>As restated</u>
As at 31 December 2011	RM'000	RM'000	RM'000
<b>Assets</b>			
Loans, advances and financing	80,369,613	224,046	<b>80,593,659</b>
- Gross loans, advances and financing	82,469,654	125,304	<b>82,594,958</b>
- Collective impairment allowances	(1,433,823)	98,742	<b>(1,335,081)</b>
<b>Liabilities</b>			
Other liabilities	924,953	823	<b>925,776</b>
Deferred tax liabilities	35	55,806	<b>55,841</b>
Shareholders' fund	9,642,596	167,417	<b>9,810,013</b>
Retained profits	3,049,635	167,417	<b>3,217,052</b>
Loans, advances and financing of which:			
- Impaired loans, advances and financing	2,727,004	125,304	<b>2,852,308</b>

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012 (cont'd)**

**29 Changes in Accounting Policies (cont'd)**

(b) Impact on the Group's and the Bank's income statements/statements of comprehensive income:

<u>Group</u>	<u>As previously reported</u> RM'000	<u>Effect on full adoption of MFRS 139</u> RM'000	<u>As restated</u> RM'000
For the 3 months period ended 31 March 2011			
Interest income	1,251,378	17,037	1,268,415
Income from Islamic Banking business	91,227	(1,931)	89,296
Allowance for impairment on loans, financing and other losses	(78,456)	82,565	4,109
Profit before taxation	529,518	97,671	627,189
Taxation	(133,230)	(23,396)	(156,626)
Net profit for the financial period	396,288	74,275	470,563
Earnings per share (sen) - basic	5.97	-	7.09
 <u>Bank</u>			
For the 3 months period ended 31 March 2011			
Interest income	1,230,226	17,037	1,247,263
Allowance for impairment on loans, financing and other losses	(59,811)	78,697	18,886
Profit before taxation	471,140	95,734	566,874
Taxation	(123,318)	(23,933)	(147,251)
Net profit for the financial period	347,822	71,801	419,623
Earnings per share (sen) - basic	5.24	-	6.32

**30 Changes in Profit for the Quarter**

The Group recorded a pre-tax profit of RM586.2 million, 5.3% lower as compared to the preceeding quarter ended 31 December 2011 of RM619.2 million. The lower profit was mainly due to higher impairment on loans, advances and financing by RM30.0 million, lower income from Islamic Banking Business by RM37.7 million, lower net interest income by RM18.2 million and higher operating expenses by RM5.2 million, partly offset by higher impairment write-back on other assets by RM35.6 million and higher other operating income by RM22.5 million

**31 Performance Review**

For the three months ended 31 March 2012, the Group recorded a pre-tax profit of RM586.2 million, 6.5% lower than the previous year corresponding period ended 31 March 2011 of RM627.2 million. The lower pre-tax profit was mainly due to higher other operating expenses by RM74.0 million, higher impairment on loans, advances and financing by RM49.1 million and lower impairment write-back on other assets by RM0.6 million, partly offset by other operating income by RM46.8 million, higher income from Islamic Banking Business by RM21.3 million and higher net interest income by RM14.6 million.

**32 Prospects for 2012**

Whilst external uncertainty has risen as the euro-debt crisis has flared up again, this is cushioned by the US economic recovery which is gradually building momentum. Malaysia's exports could experience slower growth, but this is mitigated by resilient consumer spending and the progress in the implementation of the Economic Transformation Programme. We envisage the country's economy to grow at 4% to 5% in 2012.

The Group will continue to seek growth opportunities by strengthening our leadership position in targeted markets and product segments, as well as leveraging on the Group's infrastructure and distribution network that has been established over the past three years. The focus will also be on successfully completing the proposed acquisition of Bank Mestika. The Group expects to maintain a satisfactory performance in 2012.