



RHB Capital Berhad 312952-H  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED 31 MARCH 2012**

The Board of Directors of RHB Capital Berhad ("The Board") wishes to announce that the unaudited interim financial results of the Group and the Company for the three months ended 31 March 2012 are as follows:

**INCOME STATEMENTS  
 FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Note	1st quarter ended		Three months ended	
		31 Mar 2012	Restated 31 Mar 2011	31 Mar 2012	Restated 31 Mar 2011
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	A8	1,461,153	1,310,037	1,461,153	1,310,037
Interest expense	A9	(752,165)	(611,702)	(752,165)	(611,702)
Net interest income		708,988	698,335	708,988	698,335
Other operating income	A10	330,380	266,530	330,380	266,530
		1,039,368	964,865	1,039,368	964,865
Income from Islamic Banking business		111,073	89,254	111,073	89,254
Net operating income		1,150,441	1,054,119	1,150,441	1,054,119
Other operating expenses	A11	(520,042)	(448,770)	(520,042)	(448,770)
Operating profit before allowances		630,399	605,349	630,399	605,349
Allowance for impairment on loans, financing and other losses	A12	(45,377)	3,111	(45,377)	3,111
Impairment losses on other assets		(4,443)	2,003	(4,443)	2,003
		580,579	610,463	580,579	610,463
Share of results of a joint venture		144	132	144	132
<b>Profit before taxation</b>		580,723	610,595	580,723	610,595
Taxation	B5	(144,227)	(152,170)	(144,227)	(152,170)
<b>Net profit for the financial period</b>		436,496	458,425	436,496	458,425
Attributable to:					
- Equity holders of the Company		435,551	457,751	435,551	457,751
- Non-controlling interests		945	674	945	674
		436,496	458,425	436,496	458,425
<b>Earnings per share (sen)</b>					
- Basic	B12	19.8	21.3	19.8	21.3
- Diluted	B12	19.8	21.3	19.8	21.3

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	Restated 31 Mar 2011	31 Mar 2012	Restated 31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Net profit for the financial period	<b>436,496</b>	458,425	<b>436,496</b>	458,425
Other comprehensive income/(loss):				
Currency translation differences	<b>(24,994)</b>	(15,194)	<b>(24,994)</b>	(15,194)
Financial investments available-for-sale ('AFS')				
- Unrealised net gain/(loss) on revaluation	<b>53,566</b>	(10,262)	<b>53,566</b>	(10,262)
- Net transfer to income statements on disposal or impairment	<b>(38,762)</b>	(7,931)	<b>(38,762)</b>	(7,931)
Income tax relating to components of other comprehensive (income)/loss	<b>(3,732)</b>	4,475	<b>(3,732)</b>	4,475
Other comprehensive income/(loss), net of tax, for the financial period	<b>(13,922)</b>	(28,912)	<b>(13,922)</b>	(28,912)
Total comprehensive income for the financial period	<b>422,574</b>	429,513	<b>422,574</b>	429,513
Total comprehensive income attributable to:				
- Equity holders of the Company	<b>421,630</b>	428,846	<b>421,630</b>	428,846
- Non-controlling interests	<b>944</b>	667	<b>944</b>	667
	<b>422,574</b>	429,513	<b>422,574</b>	429,513

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)**  
**INCOME STATEMENT**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Note	1st quarter ended		Three months ended	
		31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
<u>Company</u>		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	A8	409	625	409	625
Interest expense	A9	(36,407)	(35,832)	(36,407)	(35,832)
Net interest expense		<u>(35,998)</u>	<u>(35,207)</u>	<u>(35,998)</u>	<u>(35,207)</u>
Other operating income	A10	80	23,652	80	23,652
Net operating loss		<u>(35,918)</u>	<u>(11,555)</u>	<u>(35,918)</u>	<u>(11,555)</u>
Other operating expenses	A11	(11,762)	(6,356)	(11,762)	(6,356)
<b>Loss before taxation</b>		<u>(47,680)</u>	<u>(17,911)</u>	<u>(47,680)</u>	<u>(17,911)</u>
Taxation	B5	10,300	4,223	10,300	4,223
<b>Net loss for the financial period</b>		<u><u>(37,380)</u></u>	<u><u>(13,688)</u></u>	<u><u>(37,380)</u></u>	<u><u>(13,688)</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
Net loss for the financial period	<u>(37,380)</u>	<u>(13,688)</u>	<u>(37,380)</u>	<u>(13,688)</u>
Other comprehensive income, net of tax, for the financial period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the financial period	<u><u>(37,380)</u></u>	<u><u>(13,688)</u></u>	<u><u>(37,380)</u></u>	<u><u>(13,688)</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

		Unaudited As at 31 Mar 2012 RM'000	Restated As at 31 Dec 2011 RM'000	Restated As at 1 Jan 2011 RM'000
<b>Group</b>				
<b>ASSETS</b>				
Cash and short-term funds		19,917,892	20,358,496	14,754,516
Securities purchased under resale agreements		108,134	142,291	276,407
Deposits and placements with banks and other financial institutions		2,432,360	1,133,213	1,023,526
Financial assets held-for-trading	A13	2,247,818	1,501,758	772,254
Financial investments available-for-sale	A14	11,078,249	10,706,781	13,374,857
Financial investments held-to-maturity	A15	16,073,938	14,093,909	10,869,550
Loans, advances and financing	A16	93,168,662	95,058,670	81,213,637
Clients' and brokers' balances		660,839	234,834	422,937
Other assets	A17	704,086	691,965	589,156
Derivative assets		206,202	237,658	310,905
Statutory deposits		3,179,067	3,282,559	459,554
Tax recoverable		86,546	232,957	129,371
Deferred tax assets		21,351	14,630	265,645
Investments in a joint venture		18,894	24,956	25,044
Property, plant and equipment		1,118,075	1,106,503	1,023,170
Goodwill		3,806,860	3,806,860	3,806,860
Total assets		<u>154,828,973</u>	<u>152,628,040</u>	<u>129,317,389</u>
<b>LIABILITIES AND EQUITY</b>				
Deposits from customers	A18/B7(a)	117,283,530	115,860,584	94,433,828
Deposits and placements of banks and other financial institutions	A19/B7(a)	9,676,863	10,031,575	10,066,157
Bills and acceptances payable		3,663,952	3,764,155	3,536,140
Clients' and brokers' balances		1,217,912	562,393	610,360
Other liabilities	A20	1,534,840	1,583,516	1,528,386
Derivative liabilities		221,639	248,188	253,704
Recourse obligation on loans sold to Cagamas Berhad		1,377,206	1,161,814	818,503
Taxation liabilities		18,820	5,748	172,595
Deferred tax liabilities		76,068	63,108	5,157
Borrowings	B7(b)	3,550,846	3,603,334	4,064,323
Subordinated obligations	B7(c)	3,560,374	3,515,747	3,264,284
Hybrid Tier-1 Capital Securities	B7(d)	597,029	600,558	600,393
Total liabilities		<u>142,779,079</u>	<u>141,000,720</u>	<u>119,353,830</u>
Share capital		2,204,819	2,204,819	2,153,475
Reserves		9,832,209	9,410,579	7,799,271
		<u>12,037,028</u>	<u>11,615,398</u>	<u>9,952,746</u>
Non-controlling interests		12,866	11,922	10,813
Total equity		<u>12,049,894</u>	<u>11,627,320</u>	<u>9,963,559</u>
Total liabilities and equity		<u>154,828,973</u>	<u>152,628,040</u>	<u>129,317,389</u>
Commitments and contingencies	A25(a)	<u>75,731,586</u>	<u>74,161,318</u>	<u>70,521,648</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>5.46</u>	<u>5.27</u>	<u>4.62</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2012**

<u>Company</u>	Note	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>ASSETS</b>			
Cash and short term funds		11,492	27,528
Deposits and placements with banks and other financial institutions		927	919
Other assets	A17	153,595	154,199
Amounts due from subsidiaries		18,035	18,188
Tax recoverable		62,574	90,476
Deferred tax assets		10,255	-
Investments in subsidiaries		8,691,602	8,691,602
Property, plant and equipment		630	635
Total assets		<u>8,949,110</u>	<u>8,983,547</u>
<b>LIABILITIES AND EQUITY</b>			
Other liabilities	A20	2,248	3,315
Amounts due to subsidiaries		8,107	8,626
Deferred tax liabilities		-	45
Borrowings	B7(b)	3,151,675	3,147,101
Total liabilities		<u>3,162,030</u>	<u>3,159,087</u>
Share capital		2,204,819	2,204,819
Reserves		3,582,261	3,619,641
Total equity		<u>5,787,080</u>	<u>5,824,460</u>
Total liabilities and equity		<u>8,949,110</u>	<u>8,983,547</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	← Attributable to equity holders of the Company →							Non-controlling interests	Total equity	
	Share capital	Share premium	Reserve funds	Other reserves	AFS reserves	Translation reserves	Retained profits			Sub-total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Group</b>										
<b>Balance as at 1 January 2012</b>										
- As previously reported	2,204,819	2,674,459	3,016,604	27,815	213,654	(58,832)	3,359,866	11,438,385	11,922	11,450,307
- Effect of full adoption of MFRS 139	-	-	-	-	-	19	176,994	177,013	-	177,013
- As restated	2,204,819	2,674,459	3,016,604	27,815	213,654	(58,813)	3,536,860	11,615,398	11,922	11,627,320
Net profit for the financial period	-	-	-	-	-	-	435,551	435,551	945	436,496
Currency translation differences	-	-	-	-	-	(24,994)	-	(24,994)	-	(24,994)
Financial investments AFS										
- Unrealised net gain/(loss) on revaluation	-	-	-	-	53,567	-	-	53,567	(1)	53,566
- Net transfer to income statements on disposal or impairment	-	-	-	-	(38,762)	-	-	(38,762)	-	(38,762)
Income tax relating to components of other comprehensive income	-	-	-	-	(3,732)	-	-	(3,732)	-	(3,732)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	-	11,073	(24,994)	-	(13,921)	(1)	(13,922)
Total comprehensive income/(loss) for the financial period	-	-	-	-	11,073	(24,994)	435,551	421,630	944	422,574
Transfer in respect of statutory requirements	-	-	(8,151)	-	-	-	8,151	-	-	-
<b>Balance as at 31 March 2012</b>	<b>2,204,819</b>	<b>2,674,459</b>	<b>3,008,453</b>	<b>27,815</b>	<b>224,727</b>	<b>(83,807)</b>	<b>3,980,562</b>	<b>12,037,028</b>	<b>12,866</b>	<b>12,049,894</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)**  
**STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	← Attributable to equity holders of the Company →							Non-controlling interests	Total equity	
	Share capital	Share premium	Reserve funds	Other reserves	AFS reserves	Translation reserves	Retained profits			Sub-total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Group</b>										
<b>Balance as at 1 January 2011</b>										
- As previously reported	2,153,475	2,352,093	2,603,964	27,815	153,872	(76,854)	2,747,792	9,962,157	10,813	9,972,970
- Effect of full adoption of MFRS 139	-	-	-	-	-	(31)	(9,380)	(9,411)	-	(9,411)
- As restated	2,153,475	2,352,093	2,603,964	27,815	153,872	(76,885)	2,738,412	9,952,746	10,813	9,963,559
Net profit for the financial period	-	-	-	-	-	-	457,751	457,751	674	458,425
Currency translation differences	-	-	-	-	-	(15,194)	-	(15,194)	-	(15,194)
Financial investments AFS										
- Unrealised net loss on revaluation	-	-	-	-	(10,253)	-	-	(10,253)	(9)	(10,262)
- Net transfer to income statements on disposal or impairment	-	-	-	-	(7,931)	-	-	(7,931)	-	(7,931)
Income tax relating to components of other comprehensive loss	-	-	-	-	4,473	-	-	4,473	2	4,475
Other comprehensive loss, net of tax, for the financial period	-	-	-	-	(13,711)	(15,194)	-	(28,905)	(7)	(28,912)
Total comprehensive income/(loss) for the financial period	-	-	-	-	(13,711)	(15,194)	457,751	428,846	667	429,513
Ordinary dividends	-	-	-	-	-	-	-	-	(994)	(994)
<b>Balance as at 31 March 2011</b>	<u>2,153,475</u>	<u>2,352,093</u>	<u>2,603,964</u>	<u>27,815</u>	<u>140,161</u>	<u>(92,079)</u>	<u>3,196,163</u>	<u>10,381,592</u>	<u>10,486</u>	<u>10,392,078</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.





**RHB CAPITAL BERHAD (312952 – H)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<u>Share capital</u> RM'000	<u>Non- distributable Share premium</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
<b><u>Company</u></b>				
Balance as at 1 January 2012	2,204,819	2,674,459	945,182	5,824,460
Net loss for the financial period	-	-	(37,380)	(37,380)
<b>Balance as at 31 March 2012</b>	<b><u>2,204,819</u></b>	<b><u>2,674,459</u></b>	<b><u>907,802</u></b>	<b><u>5,787,080</u></b>
Balance as at 1 January 2011	2,153,475	2,352,093	1,227,290	5,732,858
Net loss for the financial period	-	-	(13,688)	(13,688)
<b>Balance as at 31 March 2011</b>	<b><u>2,153,475</u></b>	<b><u>2,352,093</u></b>	<b><u>1,213,602</u></b>	<b><u>5,719,170</u></b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Three months ended	
	31 Mar 2012	Restated 31 Mar 2011
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	580,723	610,595
Adjustments for:		
Allowance for impairment on loans, financing and other losses	101,538	76,093
Property, plant and equipment		
- depreciation	21,264	26,707
- gain on disposal	-	(4,758)
- written off	-	19
Impairment write back on financial investments AFS and held-to-maturity	(1,488)	(2,022)
Impairment loss on impairments in a joint venture	5,936	-
Accretion of discounts for borrowings and subordinated obligations	475	2,364
Share of results of a joint venture	(144)	(132)
Interest income from financial assets held-for-trading, financial investments		
AFS and held-to-maturity	(208,473)	(205,250)
Investment income from financial assets held-for-trading, financial investments		
AFS and held-to-maturity	(32,761)	(29,392)
Net gain arising from sale/redemption of financial assets held-for-trading, financial investments AFS and held-to-maturity	(82,752)	(18,465)
Unrealised loss/(gain) on revaluation of financial assets held-for-trading and derivatives	7,398	(714)
Unrealised foreign exchange loss	23,602	14,628
Accretion of discount less amortisation of premium	1,515	144
Gross dividend income from financial assets held-for-trading, financial investments AFS and held-to-maturity	(3,296)	(2,292)
Operating profit before working capital changes	<u>413,537</u>	<u>467,525</u>
(Increase)/decrease in operating assets:		
Securities purchased under resale agreements	34,216	276,407
Deposits and placements with banks and other financial institutions	(1,299,147)	(1,101,428)
Financial assets held-for-trading	(698,238)	(573,762)
Loans, advances and financing	1,791,483	(3,738,144)
Clients' and brokers' balances	(426,005)	(104,504)
Other assets	(113,140)	(116,103)
Statutory deposits	103,492	(67,822)
	<u>(607,340)</u>	<u>(5,425,356)</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Three months ended	
	31 Mar 2012	Restated 31 Mar 2011
	RM'000	RM'000
<b>Group</b>		
<b>Cash flows from operating activities (continued)</b>		
(Increase)/decrease in operating liabilities:		
Deposits from customers	1,422,946	4,467,376
Deposits and placements with banks and other financial institutions	(354,712)	(381,592)
Bills and acceptances payable	(100,203)	(281,062)
Clients' and brokers' balances	655,519	205,082
Other liabilities	20,114	116,594
Recourse obligation on loans sold to Cagamas	215,392	(149,829)
	<u>1,859,056</u>	<u>3,976,569</u>
Cash generated from/(used in) operations	1,665,253	(981,262)
Taxation paid	(10,142)	(256,679)
Taxation refunded	27,902	-
Net cash generated from/(used in) operating activities	<u>1,683,013</u>	<u>(1,237,941)</u>
<b>Cash flows from investing activities</b>		
Net purchase of financial investments AFS and held-to-maturity	(2,303,538)	(1,558,191)
Purchase of property, plant and equipment	(33,070)	(40,127)
Interest received from financial assets held-for-trading, financial investments AFS and held-to-maturity	210,451	232,434
Investment income received from financial assets held-for-trading, financial investments AFS and held-to-maturity	26,250	26,233
Proceeds from disposal of property, plant and equipment	-	5,170
Dividend income received from financial assets held-for-trading, financial investments AFS and held-to-maturity	3,291	2,238
Net cash used in investing activities	<u>(2,096,616)</u>	<u>(1,332,243)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	8,100	35,300
Repayment of borrowings	(35,121)	(364,885)
Dividends paid to non-controlling interests in a subsidiary	-	(994)
Net cash used in financing activities	<u>(27,021)</u>	<u>(330,579)</u>
Net decrease in cash and cash equivalents	(440,624)	(2,900,763)
Cash and cash equivalents		
- at the beginning of the financial period	<u>20,358,478</u>	<u>14,754,516</u>
- at the end of the financial period	<u>19,917,854</u>	<u>11,853,753</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	19,917,892	11,853,904
Overdrafts	(38)	(151)
	<u>19,917,854</u>	<u>11,853,753</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)  
CONDENSED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Three months ended	
	31 Mar 2012	31 Mar 2011
	RM'000	RM'000
<b>Company</b>		
<b>Cash flows from operating activities</b>		
Loss before taxation	(47,680)	(17,911)
Adjustments for:		
Interest expense	36,407	35,832
Unrealised foreign exchange (gain)/loss	(80)	23
Property, plant and equipment		
- depreciation	59	53
Dividend income	-	(23,675)
Interest income	(409)	(625)
Operating loss before working capital changes	(11,703)	(6,303)
Increase in deposits and placements with banks and other financial institutions	(8)	(6)
(Increase)/decrease in inter-company balances	(90)	533
Decrease/(increase) in other assets	602	(3,435)
Decrease in other liabilities	(1,067)	(2,015)
Cash used in operations	(12,266)	(11,226)
Taxation refunded	27,902	-
Net cash generated from/(used in) operating activities	<u>15,636</u>	<u>(11,226)</u>
<b>Cash flows from investing activities</b>		
Dividend income received from subsidiaries	-	17,756
Interest income received	215	266
Purchase of property, plant and equipment	(54)	(34)
Net cash generated from investing activities	<u>161</u>	<u>17,988</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	8,100	35,300
Repayment of borrowings	(11,050)	(334,550)
Interest expense paid	(28,903)	(35,722)
Net cash used in financing activities	<u>(31,853)</u>	<u>(334,972)</u>
Net decrease in cash and cash equivalents	(16,056)	(328,210)
Cash and cash equivalents		
- at the beginning of the financial period	27,510	346,009
- at the end of the financial period	<u>11,454</u>	<u>17,799</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	11,492	17,950
Overdrafts	(38)	(151)
	<u>11,454</u>	<u>17,799</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A1. Basis of Preparation**

The Malaysian Accounting Standards 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 Company 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 Company'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 Company from the transition date of 1 January 2011. The Group and the Company does 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 MASB and should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2011.

The accounting policies and presentation adopted by the Group and the Company 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 Company, except for the adoption of MFRS 139.

Previously, the Group 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 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 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 A29.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A2. Auditors' Report**

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

**A3. Seasonal or Cyclical Factors**

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

**A4. Exceptional or Unusual Items**

There were no exceptional or unusual items for the three months ended 31 March 2012.

**A5. Changes in Estimates**

There were no material changes in estimates of amount reported in prior financial years that have a material effect for the three months ended 31 March 2012.

**A6. Changes in Debt and Equity Securities**

There were no issuances and repayments 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.

**A7. Dividends Paid**

No dividend has been paid during the three months ended 31 March 2012.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	Restated 31 Mar 2011	31 Mar 2012	Restated 31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>A8. Interest Income</b>				
<b><u>Group</u></b>				
Loans, advances and financing	<b>1,148,998</b>	1,029,706	<b>1,148,998</b>	1,029,706
Money at call and deposits and placements with banks and other financial institutions	<b>102,675</b>	72,866	<b>102,675</b>	72,866
Securities purchased under resale agreements	<b>59</b>	90	<b>59</b>	90
Financial assets held-for-trading	<b>7,785</b>	3,374	<b>7,785</b>	3,374
Financial investments AFS	<b>73,249</b>	99,233	<b>73,249</b>	99,233
Financial investments held-to-maturity	<b>127,380</b>	102,553	<b>127,380</b>	102,553
Others	<b>1,007</b>	2,215	<b>1,007</b>	2,215
	<b><u>1,461,153</u></b>	<u>1,310,037</u>	<b><u>1,461,153</u></b>	<u>1,310,037</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<b><u>41,962</u></b>	<u>33,256</u>	<b><u>41,962</u></b>	<u>33,256</u>
<b><u>Company</u></b>				
Money at call and deposits and placements with banks and other financial institutions	<b>213</b>	7	<b>213</b>	7
Others	<b>196</b>	618	<b>196</b>	618
	<b><u>409</u></b>	<u>625</u>	<b><u>409</u></b>	<u>625</u>



**RHB CAPITAL BERHAD (312952 – H)  
 NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>A9. Interest Expense</b>				
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	29,578	34,980	29,578	34,980
Deposits from customers	604,189	468,935	604,189	468,935
Borrowings	34,866	34,474	34,866	34,474
Subordinated obligations	44,627	41,517	44,627	41,517
Hybrid Tier-1 Capital Securities	11,230	11,102	11,230	11,102
Recourse obligation on loans sold to Cagamas	15,933	8,298	15,933	8,298
Others	11,742	12,396	11,742	12,396
	<u>752,165</u>	<u>611,702</u>	<u>752,165</u>	<u>611,702</u>
<b><u>Company</u></b>				
Borrowings	<u>36,407</u>	<u>35,832</u>	<u>36,407</u>	<u>35,832</u>





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income</b>				
<b>Group</b>				
<b>Fee income</b>				
- Service charges and fees	43,924	51,234	43,924	51,234
- Commission	30,027	27,149	30,027	27,149
- Guarantee fees	8,485	7,933	8,485	7,933
- Commitment fees	11,809	12,724	11,809	12,724
- Net brokerage	22,187	27,343	22,187	27,343
- Fund management fees	4,485	5,007	4,485	5,007
- Corporate advisory fees	980	2,685	980	2,685
- Underwriting and arrangement fees	2,249	2,301	2,249	2,301
- Unit trust fee income	64	1,423	64	1,423
- Other fee income	7,169	5,125	7,169	5,125
	<b>131,379</b>	<b>142,924</b>	<b>131,379</b>	<b>142,924</b>
<b>Net gain arising from financial assets held-for-trading</b>				
- net gain on disposal	40,243	8,098	40,243	8,098
- unrealised net (loss)/gain on revaluation	(4,177)	1,435	(4,177)	1,435
- gross dividend income	515	603	515	603
	<b>36,581</b>	<b>10,136</b>	<b>36,581</b>	<b>10,136</b>
<b>Net gain on revaluation of derivatives</b>	<b>16,887</b>	<b>9,222</b>	<b>16,887</b>	<b>9,222</b>
<b>Net gain arising from financial investments AFS</b>				
- net gain on disposal	33,780	6,957	33,780	6,957
- gross dividend income	2,781	1,689	2,781	1,689
	<b>36,561</b>	<b>8,646</b>	<b>36,561</b>	<b>8,646</b>
<b>Net gain arising from financial investments held-to-maturity</b>				
- net gain on redemption	-	1,100	-	1,100
	<b>-</b>	<b>1,100</b>	<b>-</b>	<b>1,100</b>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income (continued)</b>				
<b>Other income</b>				
- Net foreign exchange gain/(loss)				
- realised	92,023	70,489	92,023	70,489
- unrealised	(23,602)	(14,628)	(23,602)	(14,628)
- Insurance underwriting surplus before management expenses	23,931	20,303	23,931	20,303
- Rental income	544	583	544	583
- Net gain on disposal of property, plant and equipment	-	4,758	-	4,758
- Other operating income	15,538	12,673	15,538	12,673
- Other non-operating income	538	324	538	324
	<u>108,972</u>	<u>94,502</u>	<u>108,972</u>	<u>94,502</u>
	<u>330,380</u>	<u>266,530</u>	<u>330,380</u>	<u>266,530</u>
 <b>Company</b>				
<b>Gross dividend income from:</b>				
- Subsidiaries	-	23,675	-	23,675
 <b>Other income</b>				
- Net foreign exchange gain/(loss)				
- unrealised	80	(23)	80	(23)
	<u>80</u>	<u>(23)</u>	<u>80</u>	<u>(23)</u>
	<u>80</u>	<u>23,652</u>	<u>80</u>	<u>23,652</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	Restated 31 Mar 2011	31 Mar 2012	Restated 31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses</b>				
<b>Group</b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	268,254	242,140	268,254	242,140
- Defined contribution plan	40,605	36,026	40,605	36,026
- Other staff related costs	22,574	20,052	22,574	20,052
	<u>331,433</u>	<u>298,218</u>	<u>331,433</u>	<u>298,218</u>
<b>Establishment costs</b>				
- Property, plant and equipment				
- Depreciation	21,264	26,707	21,264	26,707
- Written off	-	19	-	19
- Information technology expenses	26,673	26,179	26,673	26,179
- Repair and maintenance	5,854	14,038	5,854	14,038
- Security and escorting charges	10,302	-	10,302	-
- Rental of premises	21,760	12,158	21,760	12,158
- Water and electricity	6,523	5,566	6,523	5,566
- Rental of equipment	1,726	2,473	1,726	2,473
- Insurance	1,941	881	1,941	881
- Others	2,326	2,514	2,326	2,514
	<u>98,369</u>	<u>90,535</u>	<u>98,369</u>	<u>90,535</u>
<b>Marketing expenses</b>				
- Sales commission	8,625	3,384	8,625	3,384
- Advertisements and publicity	7,874	7,733	7,874	7,733
- Others	18,120	16,240	18,120	16,240
	<u>34,619</u>	<u>27,357</u>	<u>34,619</u>	<u>27,357</u>
<b>Administration and general expenses</b>				
- Communication expenses	25,650	24,667	25,650	24,667
- Legal and professional fee	5,230	1,807	5,230	1,807
- Others	24,741	6,186	24,741	6,186
	<u>55,621</u>	<u>32,660</u>	<u>55,621</u>	<u>32,660</u>
	<u>520,042</u>	<u>448,770</u>	<u>520,042</u>	<u>448,770</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses (continued)</b>				
<b><u>Company</u></b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	5,177	3,798	5,177	3,798
- Defined contribution plan	806	602	806	602
- Other staff related costs	575	432	575	432
	<b>6,558</b>	<b>4,832</b>	<b>6,558</b>	<b>4,832</b>
<b>Establishment costs</b>				
- Rental of premises	267	301	267	301
- Depreciation of property, plant and equipment	59	53	59	53
- Repair and maintenance	38	39	38	39
- Security and escorting charges	9	-	9	-
- Rental of equipment	18	10	18	10
- Water and electricity	35	20	35	20
- Information technology expenses	-	2	-	2
	<b>427</b>	<b>425</b>	<b>427</b>	<b>425</b>
<b>Marketing expenses</b>				
- Advertisements and publicity	302	87	302	87
- Others	46	185	46	185
	<b>348</b>	<b>272</b>	<b>348</b>	<b>272</b>
<b>Administration and general expenses</b>				
- Communication expenses	90	49	90	49
- Legal and professional fee	4,275	659	4,275	659
- Others	64	119	64	119
	<b>4,429</b>	<b>827</b>	<b>4,429</b>	<b>827</b>
	<b>11,762</b>	<b>6,356</b>	<b>11,762</b>	<b>6,356</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar	Restated 31 Mar	31 Mar	Restated 31 Mar
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>A12. Allowance for Impairment on Loans, Financing and Other Losses</b>				
<b><u>Group</u></b>				
Allowance for impaired loans and financing:				
- Individual impairment allowance	46,583	2,875	46,583	2,875
- Collective impairment allowance	11,250	32,044	11,250	32,044
Impaired loans and financing recovered	(56,161)	(79,204)	(56,161)	(79,204)
Impaired loans and financing written off	43,145	39,987	43,145	39,987
Allowance for impairment on other assets	560	1,187	560	1,187
	<u>45,377</u>	<u>(3,111)</u>	<u>45,377</u>	<u>(3,111)</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>A13. Financial Assets Held-for-trading</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
Malaysian government securities	93,522	21,119
Malaysian government treasury bills	12,608	-
Malaysian government investment issues	160,751	144,220
BNM monetary notes	1,203,956	808,374
Singapore government treasury bills	403,384	275,519
Wakala global sukuk	19,545	16,495
Khazanah bonds	-	53,767
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Shares	74,662	67,981
Unit trusts	3,930	3,451
<b>Outside Malaysia</b>		
Shares	2,686	2,524
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	272,774	108,308
	<b>2,247,818</b>	<b>1,501,758</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>A14. Financial Investments Available-for-sale</b>		
At fair value		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
Malaysian government securities	1,363,271	1,666,771
Malaysian government investment issues	2,211,186	2,907,749
Cagamas bonds and Cagamas Mudharabah bonds	356,653	82,056
Khazanah bonds	67,293	12,638
Singapore government securities	231,481	232,275
Singapore government treasury bills	109,638	73,155
Thailand government bonds	98,671	85,870
1 Malaysia sukuk	279,786	291,592
Wakala global sukuk	108,250	115,164
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Corporate loan stocks	12,432	15,434
Shares	5,001	4,503
<b>Outside Malaysia</b>		
Shares	26	23
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	5,380,771	4,384,508
Shares	407,653	406,680
Corporate loan stocks	127,803	127,875
Unit trusts	297,969	278,883
Redeemable convertible preference shares	13,980	15,130
<b>Outside Malaysia</b>		
Private debt securities	5,832	5,901
Corporate loan stocks	553	574
	<b>11,078,249</b>	<b>10,706,781</b>

As at 31 March 2012, the carrying value of financial investments available-for-sale which was transferred from financial assets held-for-trading in previous financial years amounted to RM488,231,000 (31.12.2011: RM580,456,000).



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>A15. Financial Investments Held-to-maturity</b>		
<b>At amortised cost</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
Malaysian government securities	2,772,807	2,814,685
Malaysian government investment issues	4,466,391	3,304,614
Cagamas bonds and Cagamas Mudharabah bonds	2,212,450	1,963,279
Khazanah bonds	64,122	63,418
Negotiable instruments of deposits	1,907,258	1,005,545
Singapore government securities	122,475	123,462
Thailand government securities	265,679	240,210
Sukuk (Brunei) Incorporation	46,314	53,682
Bankers' acceptances	247,847	271,632
Wakala global sukuk	211,298	203,078
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	2,859,007	3,207,217
Corporate loan stocks	56,201	56,283
Bonds	883	883
Prasarana bonds	1,044,150	990,911
<b>Outside Malaysia</b>		
Private debt securities	18,674	19,063
	<b>16,295,556</b>	14,317,962
Accumulated impairment losses	<b>(221,618)</b>	(224,053)
	<b>16,073,938</b>	14,093,909

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





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Restated As at 31 Dec 2011 RM'000
<b>A16. Loans, Advances and Financing</b>		
<b>At amortised cost</b>		
Overdrafts	5,680,793	5,713,718
Term loans/financing		
- housing loans/financing	20,433,466	20,083,314
- syndicated term loans/financing	2,653,964	2,603,854
- hire-purchase receivables	12,612,415	12,958,064
- lease receivables	110,623	116,243
- other term loans/financing	40,898,019	43,135,262
Bills receivable	1,678,486	1,645,017
Trust receipts	390,985	383,406
Claims on customers under acceptance credits	5,023,525	4,757,731
Staff loans/financing	309,933	316,812
Credit/charge cards receivables	1,804,256	1,783,094
Revolving credits/financing	3,932,520	3,941,393
Gross loans, advances and financing	<u>95,528,985</u>	<u>97,437,908</u>
Allowance for impaired loans, advances and financing		
- individual impairment allowance	(897,457)	(813,086)
- collective impairment allowance	(1,462,866)	(1,566,152)
Net loans, advances and financing	<u><u>93,168,662</u></u>	<u><u>95,058,670</u></u>

Included in term loans are housing loans sold to Cagamas with recourse amounting to RM1,377,206,000 (31.12.2011: RM1,161,814,000).



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Restated As at 31 Dec 2011 RM'000
<b>A16. Loans, Advances and Financing (continued)</b>		
<b>(a) By type of customer</b>		
Domestic non-bank financial institutions		
- others	809,911	937,067
Domestic business enterprises		
- small medium enterprises	11,450,713	11,542,204
- others	22,535,121	24,818,721
Government and statutory bodies	11,001,900	11,148,102
Individuals	43,930,762	43,147,496
Other domestic entities	10,417	10,682
Foreign entities	5,790,161	5,833,636
	<u>95,528,985</u>	<u>97,437,908</u>
<b>(b) By geographical distribution</b>		
In Malaysia	90,978,555	92,881,385
Outside Malaysia		
- Singapore operations	4,229,363	4,211,647
- Thailand operations	234,992	232,363
- Brunei operations	86,075	112,513
	<u>95,528,985</u>	<u>97,437,908</u>
<b>(c) By interest/profit rate sensitivity</b>		
Fixed rate		
- housing loans/financing	1,564,933	1,612,129
- hire-purchase receivables	12,612,415	12,958,064
- other fixed rate loans/financing	16,888,137	16,528,417
Variable rate		
- base lending/financing rate plus	39,144,407	38,793,599
- cost-plus	20,996,492	23,122,176
- other variable rates	4,322,601	4,423,523
	<u>95,528,985</u>	<u>97,437,908</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Restated As at 31 Dec 2011 RM'000
<b>A16. Loans, Advances and Financing (continued)</b>		
<b>(d) By purpose</b>		
Purchase of securities	7,638,478	6,983,242
Purchase of transport vehicles	11,389,628	11,742,988
Purchase of landed property:		
- residential	20,816,907	20,604,412
- non-residential	5,202,393	5,282,037
Purchase of property, plant and equipment other than land and building	3,136,664	3,241,052
Personal use	4,906,722	4,960,882
Credit card	1,804,256	1,783,094
Purchase of consumer durables	40,825	43,750
Construction	3,119,556	3,024,994
Working capital	19,990,559	20,359,900
Merger and acquisition	2,144,027	4,200,239
Other purpose	15,338,970	15,211,318
	<u>95,528,985</u>	<u>97,437,908</u>
<b>(e) By remaining contractual maturities</b>		
Maturity within one year	28,692,445	30,866,562
One year to three years	7,819,863	6,148,234
Three years to five years	8,043,093	10,384,652
Over five years	50,973,584	50,038,460
	<u>95,528,985</u>	<u>97,437,908</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Restated As at 31 Dec 2011 RM'000
<b>A16. Loans, Advances and Financing (continued)</b>		
<b>(f) Impaired loans, advances and financing</b>		
<b>(i) Movements in impaired loans, advances and financing</b>		
Balance as at the beginning of the financial period/year		
- As previously reported	3,351,106	3,672,175
- Effect of full adoption of MFRS 139	142,845	176,364
- As restated	<u>3,493,951</u>	3,848,539
Classified as impaired	1,036,587	3,711,482
Reclassified as non-impaired	(717,388)	(2,856,741)
Amount recovered	(262,956)	(609,133)
Amount written off	(117,301)	(604,997)
Exchange difference	(2,931)	4,801
Balance as at the end of the financial period/year	<u>3,429,962</u>	<u>3,493,951</u>
<b>(ii) By purpose</b>		
Purchase of securities	49,547	91,503
Purchase of transport vehicles	270,503	267,936
Purchase of landed property:		
- residential	1,059,448	1,085,031
- non-residential	157,734	211,948
Purchase of property, plant and equipment other than land and building	79,429	146,184
Personal use	137,356	125,496
Credit card	43,826	43,394
Purchase of consumer durables	2,431	2,154
Construction	233,356	244,774
Working capital	1,367,002	1,249,521
Other purpose	29,330	26,010
	<u>3,429,962</u>	<u>3,493,951</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Restated As at 31 Dec 2011 RM'000
<b>A16. Loans, Advances and Financing (continued)</b>		
<b>(f) Impaired loans, advances and financing (continued)</b>		
<b>(iii) By geographical distribution</b>		
In Malaysia	3,336,408	3,397,385
Outside Malaysia		
- Singapore operations	65,717	66,581
- Thailand operations	22,243	22,440
- Brunei operations	5,594	7,545
	<u>3,429,962</u>	<u>3,493,951</u>
<b>(iv) Movements in allowance for impaired loans, advances and financing</b>		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period/year	813,086	855,782
Net allowance made	46,583	110,300
Amount written off	(314)	(155,738)
Reclassified from collective impairment allowance	39,428	1,786
Exchange differences	(1,326)	956
Balance as at the end of the financial period/year	<u>897,457</u>	<u>813,086</u>
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period/year		
- As previously reported	1,658,463	1,626,369
- Effect of full adoption of MFRS 139	(92,311)	190,820
- As restated	1,566,152	1,817,189
Net allowance made	11,250	143,615
Amount written off	(73,982)	(394,391)
Reclassified to individual impairment allowance	(39,428)	(1,786)
Exchange differences	(1,126)	1,525
Balance as at the end of the financial period/year	<u>1,462,866</u>	<u>1,566,152</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
<b>A17. Other Assets</b>				
Other debtors, deposits and prepayments	407,700	417,075	41,080	41,684
Reinsurance assets	183,871	162,375	-	-
Deposit for proposed acquisition of PT Bank Mestika Dharma (refer to Note B6(a))	112,515	112,515	112,515	112,515
	<u>704,086</u>	<u>691,965</u>	<u>153,595</u>	<u>154,199</u>

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2012	31 Dec 2011
	RM'000	RM'000
<b>A18. Deposits from Customers</b>		
<b>(a) By type of deposits</b>		
Demand deposits	21,395,890	21,435,927
Savings deposits	6,551,399	6,359,910
Fixed/investment deposits	89,066,724	87,946,325
Negotiable instruments of deposits	269,517	118,422
	<u>117,283,530</u>	<u>115,860,584</u>
<b>(b) By type of customer</b>		
Government and statutory bodies	12,094,422	12,738,623
Business enterprises	66,546,534	65,868,672
Individuals	32,207,124	31,171,620
Others	6,435,450	6,081,669
	<u>117,283,530</u>	<u>115,860,584</u>
<b>(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits</b>		
Due within six months	72,949,192	71,800,822
Six months to one year	15,847,297	14,779,575
One year to three years	506,447	1,440,291
Three years to five years	33,305	44,059
	<u>89,336,241</u>	<u>88,064,747</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

Group	
Unaudited As at 31 Mar 2012	Audited As at 31 Dec 2011
RM'000	RM'000

**A19. Deposits and Placements of Banks and Other Financial Institutions**

Licensed banks	4,895,233	6,173,594
Licensed Islamic banks	1,745,468	73,654
Licensed investment banks	355,668	423,382
BNM	623,948	1,273,358
Other financial institutions	2,056,546	2,087,587
	<u>9,676,863</u>	<u>10,031,575</u>

Group		Company	
Unaudited As at 31 Mar 2012	Restated As at 31 Dec 2011	Unaudited As at 31 Mar 2012	Audited As at 31 Dec 2011
RM'000	RM'000	RM'000	RM'000

**A20. Other Liabilities**

Other creditors and accruals	852,323	827,017	1,074	1,361
General insurance contract liabilities	471,248	433,933	-	-
Short term employee benefits	57,072	163,241	1,174	1,954
Lessee deposits	53,920	54,756	-	-
Prepaid instalment	79,361	79,774	-	-
Remisiers' trust deposits	9,573	9,306	-	-
Amount due to Danaharta	1,794	1,804	-	-
Amount payable for creation of units due to funds	9,549	13,685	-	-
	<u>1,534,840</u>	<u>1,583,516</u>	<u>2,248</u>	<u>3,315</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A21. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

For the current financial period, the Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Corporate and Investment Banking

Corporate and Investment Banking caters to funding or lending needs of corporate customers including public listed corporations and its related entities, multinational corporations (including Japanese), financial institutions and Government and state owned entities. Included under Corporate Banking are offshore banking activities carried out by RHB Bank (L) Ltd whose borrowing and lending facilities are offered in major currencies mainly to corporate customers.

Investment banking provides services for advisory, fund raising in the structuring and issuance of debt securities and capital market instruments, corporate and debt restructuring, mergers and acquisitions, private placements, underwriting and structuring of bilateral lending, project financing, loans syndication, infrastructure financing, initial public offerings of equity related instruments, private placements and underwriting. This segment also covers facilities for equity share trading in local and foreign markets, share margin financing, futures broking products and services, custodian and nominees services, investment cash management and unit trust funds.

(b) Retail Banking

Retail Banking focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgages, hire purchase financing, study loans, lease financing and personal loans), credit cards, remittance services, deposit collection and investment products.

(c) Business Banking

Business Banking caters to funding or lending needs to small and medium sized enterprises.

(d) Group Treasury

Group Treasury operations are involved in proprietary trading in fixed income securities and foreign exchange, derivatives trading and structuring, managing customer-based foreign exchange and money market transactions, funding and investments in ringgit and foreign currencies.

(e) Islamic Banking business

Islamic Banking business focuses on providing a full range of commercial banking products and services in accordance with the principles of Shariah to individual customers, corporate clients, government and state owned entities as well as small and medium sized enterprises.

(f) Global Financial Banking

Global Financial Banking focuses on providing banking related products and services tailored to the specific needs in foreign countries. Currently, the Group has established foreign operations in Singapore, Thailand and Brunei.





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A21. Segment Reporting (continued)**

For the current financial period, the Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure: (continued)

(g) Support center and others

Support center and others comprise of results from other business segments in the Group (nominee services, property investment and rental, dormant operations and other related financial services), funding center of the commercial banking subsidiary and investment holding company, whose results are not material to the Group and therefore do not render separate disclosure in the financial statements and thus, have been reported in aggregate.

The business segment results are prepared based on the Group's internal management reporting, which reflects the organisation's management reporting structure. Internal allocation of costs, for example, back office support, centralised cost, funding centre and the application of transfer pricing, where appropriate, has been used in preparing the segmental reporting.

Arising from the adoption of MFRS 139 as mentioned in Note A1, comparatives have been restated to conform with current period's presentation.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A21. Segment Reporting (continued)**

**Segment Profit and Loss for the Three Months Ended 31 March 2012**

	Corporate & Investment Banking	Retail Banking	Business Banking	Group Treasury	Islamic Banking Business	Global Financial Banking	Support Center and Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	175,820	529,095	173,133	192,424	88,316	59,089	(67,436)	-	1,150,441
Inter-segment revenue	3,881	4,539	-	(1,862)	2,658	846	6,728	(16,790)	-
Segment revenue	179,701	533,634	173,133	190,562	90,974	59,935	(60,708)	(16,790)	1,150,441
Overhead expenses	(69,943)	(240,508)	(97,510)	(22,349)	(36,727)	(48,194)	(21,601)	16,790	(520,042)
Including:									
Depreciation of property, plant and equipment	(1,915)	(11,836)	(3,297)	(1,044)	(446)	(1,200)	(1,526)	-	(21,264)
Allowance (made)/write back for impairment on loans, financing and other losses	(11,407)	(58,008)	7,324	-	13,456	2,045	1,213	-	(45,377)
Impairment (losses)/write back on other assets	(5,591)	10	82	1,056	-	-	-	-	(4,443)
	92,760	235,128	83,029	169,269	67,703	13,786	(81,096)	-	580,579
Share of results of a joint venture									144
Profit before taxation									580,723
Taxation									(144,227)
Net profit for the financial period									436,496



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A21. Segment Reporting (continued)**

**Segment Assets as at 31 March 2012**

	<b>Corporate &amp; Investment Banking</b>	<b>Retail Banking</b>	<b>Business Banking</b>	<b>Group Treasury</b>	<b>Islamic Banking Business</b>	<b>Global Financial Banking</b>	<b>Support Center and Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	30,039,539	43,191,958	10,935,766	45,349,871	13,490,091	10,195,174	474,502	153,676,901
Investments in a joint venture								18,894
Tax recoverable								86,546
Deferred tax assets								21,351
Unallocated assets								1,025,281
Total assets								<b>154,828,973</b>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A21. Segment Information (continued)**

**Segment Profit and Loss for the Three Months Ended 31 March 2011 (Restated)**

	<b>Corporate &amp; Investment Banking</b>	<b>Retail Banking</b>	<b>Business Banking</b>	<b>Group Treasury</b>	<b>Islamic Banking Business</b>	<b>Global Financial Banking</b>	<b>Support Center and Others</b>	<b>Inter-segment Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	190,032	481,864	172,490	120,401	74,975	48,541	(34,184)	-	1,054,119
Inter-segment revenue	4,371	4,448	-	1,571	(782)	689	5,773	(16,070)	-
Segment revenue	194,403	486,312	172,490	121,972	74,193	49,230	(28,411)	(16,070)	1,054,119
Overhead expenses	(76,201)	(209,954)	(95,348)	(18,074)	(37,170)	(27,870)	(223)	16,070	(448,770)
Including:									
Depreciation of property, plant and equipment	(1,898)	(15,169)	(3,306)	(1,157)	(2,007)	(1,148)	(2,022)	-	(26,707)
Allowance (made)/write back for impairment on loans, financing and other losses	19,858	(25,632)	25,667	-	(16,330)	(452)	-	-	3,111
Impairment (losses)/write back on other assets	25	(19)	952	1,045	-	-	-	-	2,003
	138,085	250,707	103,761	104,943	20,693	20,908	(28,634)	-	610,463
Share of results of a joint venture									132
Profit before taxation									610,595
Taxation									(152,170)
Net profit for the financial period									458,425



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A21. Segment Information (continued)**

**Segment Assets as at 31 December 2011 (Restated)**

	<b>Corporate &amp; Investment Banking</b>	<b>Retail Banking</b>	<b>Business Banking</b>	<b>Group Treasury</b>	<b>Islamic Banking Business</b>	<b>Global Financial Banking</b>	<b>Support Center and Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	31,575,148	42,881,173	10,873,578	42,740,862	13,753,092	9,045,978	476,934	151,346,765
Investments in a joint venture								24,956
Tax recoverable								232,957
Deferred tax assets								14,630
Unallocated assets								1,008,732
Total assets								<u>152,628,040</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A22. Valuation of Property, Plant and Equipment**

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

**A23. Material Events Subsequent to the Balance Sheet Date**

There were no material events subsequent to the balance sheet date that have not been reflected in this interim financial statements.

**A24. Changes in Composition of the Group**

There were no significant changes in the composition of the Group for the three months ended 31 March 2012.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date**

**(a) Commitments and Contingencies**

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. Apart from the allowance for commitments and contingencies already made in the interim financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

<b>Group</b>	<b>Unaudited As at 31 Mar 2012</b>			<b>Audited As at 31 Dec 2011</b>		
	<b>Principal amount</b>	<b>Credit equivalent*</b>	<b>Risk weighted amount</b>	<b>Principal amount</b>	<b>Credit equivalent*</b>	<b>Risk weighted amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	1,569,526	1,498,886	1,282,298	1,507,861	1,437,755	1,217,657
Transaction-related contingent items	2,095,050	1,022,755	832,638	2,190,162	1,070,872	870,820
Short term self-liquidating trade-related contingencies	861,461	170,170	121,630	902,010	178,398	97,424
Obligations under underwriting agreements	241,000	120,500	100,500	329,500	164,750	125,500
Assets sold with recourse	245,834	245,834	187,680	-	-	-
Irrevocable commitments to extend credit						
- maturity not exceeding one year	9,342,241	5,142,329	3,627,554	10,214,616	1,978,589	1,316,754
- maturity exceeding one year	25,732,022	10,986,064	7,982,891	25,028,693	5,197,837	3,604,762
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	4,814,636	15,865	3,359	4,325,536	9,854	2,843
- one year to less than five years	13,710,749	348,965	85,016	13,651,528	356,432	113,262
- more than five years	832,494	74,809	14,962	685,000	67,359	17,992
	<b>75,731,586</b>	<b>20,789,778</b>	<b>14,648,324</b>	<b>74,161,318</b>	<b>11,375,492</b>	<b>7,838,468</b>

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



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date (continued)**

**(a) Commitments and Contingencies (continued)**

The credit equivalent amount ('CE') and risk weighted amount ('RWA') of the Group are an aggregate of CE and RWA of:

- (i) its commercial banking subsidiary, which is computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Internal Ratings Based ('IRB') Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II);
- (ii) its Islamic banking 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); and
- (iii) its investment banking subsidiary, which is computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

RHB Bank has given a continuing guarantee to BNM to meet the liabilities and financial obligations and requirements of its subsidiary, RHB Bank (L) Ltd, arising from its offshore banking business in the Federal Territory of Labuan.

RHB Bank has also given a guarantee to the Ministry of Finance of Negara Brunei Darussalam to undertake any liabilities which may be incurred in respect of its branch in Brunei. In addition, RHB Bank has issued a guarantee to Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its branch in Bangkok.





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date (continued)**

**(b) Guarantees Issued**

As at balance sheet date, the Company has extended unsecured guarantees of RM68,000,000 (31.12.2011: RM68,000,000) for performance guarantees of one of its subsidiary companies.

**(c) Other Contingent Liabilities**

**(i) The Company**

On 19 October 2001, the Company filed a suit against Carta Bintang Sdn Bhd ('CBSB'), the vendor of SJ Securities Sdn Bhd ('SJ Securities'), for the recovery of the deposit of RM32,800,000 ('Deposit') paid by the Company pursuant to the sale and purchase agreement dated 7 November 2000 between CBSB and the Company for the sale and purchase of 60 million shares in SJ Securities. CBSB subsequently filed a counterclaim of RM258,688,153.42 together with interest thereon and costs (refer to Note B10(a) 'Material Litigation' for further details).

The suit is still ongoing and based on available documents, the solicitors for the Company are of the opinion that the chances of successfully recovering the Deposit are good, the prospects of successfully defending the counterclaim filed by CBSB against the Company are good and that the said counterclaim is unlikely to succeed.

In view of the above, the Company has not made any provision in relation to the said counterclaim, in the interim financial statements for the three months ended 31 March 2012.

**A26. Capital Commitments**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditure for property, plant and equipment:		
- authorised and contracted for	<b>55,904</b>	72,783
- authorised but not contracted for	<b>144,199</b>	130,741
	<b>200,103</b>	203,524
Proposed acquisition of PT Bank Mestika Dharma (refer to Note B6(a))	<b>1,050,611</b>	1,050,611
	<b>1,250,714</b>	1,254,135



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A27. Capital Adequacy Ratio**

BNM guidelines on capital adequacy requires RHB Bank, RHB Investment Bank Berhad ('RHB Investment Bank') and RHB Islamic Bank Berhad ('RHB Islamic Bank') to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

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

(a) The capital adequacy ratios of RHB Bank, RHB Investment Bank and RHB Islamic Bank are as follows:

	RHB Bank <sup>®</sup>		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited <sup>+</sup>	Unaudited	Audited <sup>+</sup>	Unaudited	Audited <sup>+</sup>
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Tier I capital</b>						
Paid-up ordinary share capital	3,318,085	3,318,085	263,646	263,646	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	53,198	53,198	271,298	271,298
Other reserves (exclude AFS reserves)	3,042,860	3,042,860	278,549	278,549	280,411	280,411
Less: Deferred tax assets	(62,951)	(62,951)	(3,365)	(3,365)	(9,105)	(9,105)
Goodwill	(905,519)	(905,519)	(159,280)	(159,280)	-	-
Total Tier I capital	<u>9,337,346</u>	<u>9,337,282</u>	<u>432,748</u>	<u>432,748</u>	<u>1,316,028</u>	<u>1,316,028</u>
<b>Tier II capital</b>						
Subordinated obligations	3,250,000	3,250,000	216,374	216,374	-	-
Collective impairment allowance <sup>^</sup>	271,532	376,254	17	893	103,099	135,113
Total Tier II capital	<u>3,521,532</u>	<u>3,626,254</u>	<u>216,391</u>	<u>217,267</u>	<u>103,099</u>	<u>135,113</u>

<sup>®</sup> The capital adequacy ratios of RHB Bank consist of capital base and risk-weighted assets derived from RHB Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

<sup>^</sup> Excludes collective 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> The above capital adequacy ratios has not been adjusted for the effect of the adoption of MFRS 139.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A27. Capital Adequacy Ratio (continued)**

(a) The capital adequacy ratios of RHB Bank, RHB Investment Bank and RHB Islamic Bank are as follows: (continued)

	RHB Bank <sup>®</sup>		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited <sup>+</sup>	Unaudited	Audited <sup>+</sup>	Unaudited	Audited <sup>+</sup>
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Less:</b>						
Investments in subsidiaries	(872,656)	(872,656)	(84,970)	(84,970)	-	-
Investments in a joint venture	-	-	(21,463)	(21,463)	-	-
Securitisation exposures subject to deductions <sup>#</sup>	-	-	(9,409)	(7,781)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(278,249)	(178,986)	-	-	-	-
Other deductions*	(3,035)	(3,787)	(1,162)	(440)	(100)	(24)
Eligible Tier II Capital	<u>2,367,592</u>	<u>2,570,825</u>	<u>99,387</u>	<u>102,613</u>	<u>102,999</u>	<u>135,089</u>
<b>Total capital base</b>	<b><u>11,704,938</u></b>	<b><u>11,908,107</u></b>	<b><u>532,135</u></b>	<b><u>535,361</u></b>	<b><u>1,419,027</u></b>	<b><u>1,451,117</u></b>
<u>Before deducting proposed dividends</u>						
Core capital ratio	<b>11.99%</b>	12.76%	<b>25.47%</b>	36.43%	<b>11.92%</b>	12.65%
Risk-weighted capital adequacy ratio	<b>15.03%</b>	16.27%	<b>31.32%</b>	45.07%	<b>12.85%</b>	13.95%
<u>After deducting proposed dividends</u>						
Core capital ratio	<b>11.54%</b>	12.28%	<b>23.75%</b>	33.97%	<b>11.92%</b>	12.65%
Risk-weighted capital adequacy ratio	<b>14.58%</b>	15.79%	<b>28.74%</b>	41.37%	<b>12.85%</b>	13.95%

<sup>®</sup> The capital adequacy ratios of RHB Bank consist of capital base and risk-weighted assets derived from RHB Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

<sup>#</sup> Pursuant to Risk-Weighted Capital Adequacy Framework (Basel II - Risk Weighted Assets Computation), banking institutions that retain their own-originated securitisation positions rated below investment grade must deduct all of such exposures from its regulatory capital.

<sup>\*</sup> Pursuant to the Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the Risk-Weighted Capital Ratio ('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 of the adoption of MFRS 139.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A27. Capital Adequacy Ratio (continued)**

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

	<b>RHB Bank<sup>®</sup></b>		<b>RHB Investment Bank</b>		<b>RHB Islamic Bank</b>	
	<b>Unaudited</b>	<b>Audited<sup>+</sup></b>	<b>Unaudited</b>	<b>Audited<sup>+</sup></b>	<b>Unaudited</b>	<b>Audited<sup>+</sup></b>
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>68,891,201</b>	64,345,943	<b>1,151,269</b>	658,111	<b>9,813,137</b>	9,226,699
Market risk	<b>1,979,484</b>	1,884,914	<b>140,715</b>	126,884	<b>593,362</b>	565,103
Operational risk	<b>7,023,064</b>	6,939,645	<b>407,088</b>	402,937	<b>636,571</b>	608,028
Total risk-weighted assets	<b><u>77,893,749</u></b>	<u>73,170,502</u>	<b><u>1,699,072</u></b>	<u>1,187,932</u>	<b><u>11,043,070</u></b>	<u>10,399,830</u>

<sup>®</sup> The capital adequacy ratios of RHB Bank consist of capital base and risk-weighted assets derived from RHB Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

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



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<b>Unaudited As at 31 Mar 2012 RM'000</b>	<b>Group Restated As at 31 Dec 2011 RM'000</b>	<b>Restated As at 1 Jan 2011 RM'000</b>
<b>A28. Operations of Islamic Banking</b>			
<b>(a) Statement of Financial Position as at 31 March 2012</b>			
<b>ASSETS</b>			
Cash and short-term funds	5,381,115	5,613,844	1,076,367
Deposits and placements with banks and other financial institutions	189,457	70,077	40,062
Financial assets held-for-trading	257,219	433,531	218,928
Financial investments AFS	2,140,417	1,673,683	1,787,265
Financial investments held-to-maturity	1,376,147	1,398,138	1,073,159
Financing and advances	13,062,734	12,732,595	8,652,397
Other assets	27,391	87,194	41,538
Statutory deposits	593,955	606,455	105,140
Deferred tax assets	-	3,769	46,195
Tax recoverable	-	13,232	-
Property, plant and equipment	21,231	21,241	21,547
<b>Total assets</b>	<b>23,049,666</b>	<b>22,653,759</b>	<b>13,062,598</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	18,544,670	17,038,324	9,946,582
Deposits and placements of banks and other financial institutions	1,865,362	2,325,231	1,538,052
Bills and acceptances payable	13,503	13,773	12,124
Recourse obligations financing sold to Cagamas	250,107	-	-
Other liabilities	28,760	60,704	52,715
Taxation liabilities	13,028	-	170
Deferred tax liabilities	2,948	-	-
<b>Total liabilities</b>	<b>20,718,378</b>	<b>19,438,032</b>	<b>11,549,643</b>
Islamic Banking Funds	2,331,288	3,215,727	1,512,955
<b>Total liabilities and Islamic Banking Funds</b>	<b>23,049,666</b>	<b>22,653,759</b>	<b>13,062,598</b>
Commitments and contingencies	4,993,146	4,683,588	3,519,220



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	1st quarter ended		Three months ended	
	31 Mar	Restated 31 Mar	31 Mar	Restated 31 Mar
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>A28. Operations of Islamic Banking (continued)</b>				
<b>(b) Income Statement for the three months ended 31 March 2012</b>				
<b>Group</b>				
Income derived from investment of depositors' funds	239,678	143,946	239,678	143,946
Income derived from investment of shareholder's funds	19,259	17,929	19,259	17,929
Allowance for impairment on financing and advances	13,456	(16,330)	13,456	(16,330)
Profit equalisation reserve	7,252	(4,441)	7,252	(4,441)
Total distributable income	279,645	141,104	279,645	141,104
Income attributable to depositors	(155,116)	(68,180)	(155,116)	(68,180)
Total net income	124,529	72,924	124,529	72,924
Personnel expenses	(15,890)	(15,778)	(15,890)	(15,778)
Other overheads and expenditures	(24,027)	(21,375)	(24,027)	(21,375)
<b>Profit before taxation</b>	<b>84,612</b>	<b>35,771</b>	<b>84,612</b>	<b>35,771</b>
Taxation	(24,687)	(8,950)	(24,687)	(8,950)
<b>Net profit for the financial period</b>	<b>59,925</b>	<b>26,821</b>	<b>59,925</b>	<b>26,821</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

1st quarter ended		Three months ended	
31 Mar	Restated 31 Mar	31 Mar	Restated 31 Mar
2012	2011	2012	2011
RM'000	RM'000	RM'000	RM'000

**A28. Operations of Islamic Banking (continued)**

**(c) Statement of Comprehensive Income for the three months ended 31 March 2012**

**Group**

Net profit for the financial period	<u>59,925</u>	<u>26,821</u>	<u>59,925</u>	<u>26,821</u>
Other comprehensive income/(loss):				
Financial investments AFS				
- Unrealised net gain/(loss) on revaluation	6,135	(4,573)	6,135	(4,573)
- Net transfer to income statement on disposal or impairment	(4,977)	(975)	(4,977)	(975)
Income tax relating to components of other comprehensive (income)/loss	<u>(289)</u>	<u>1,352</u>	<u>(289)</u>	<u>1,352</u>
Other comprehensive income/(loss), net of tax, for the financial period	<u>869</u>	<u>(4,196)</u>	<u>869</u>	<u>(4,196)</u>
Total comprehensive income for the financial period	<u><u>60,794</u></u>	<u><u>22,625</u></u>	<u><u>60,794</u></u>	<u><u>22,625</u></u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<b>Group</b>	
	<b>Unaudited As at 31 Mar 2012</b>	<b>Restated As at 31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A28. Operations of Islamic Banking (continued)</b>		
<b>(d) Financing and Advances</b>		
<b>At amortised cost</b>		
Cashline	120,329	120,228
Term financing		
- housing financing	2,913,182	2,752,867
- syndicated term financing	540,704	337,578
- hire purchase receivables	3,692,716	3,548,299
- other term financing	5,034,605	5,347,288
Bills receivable	731,098	524,048
Trust receipts	19,025	19,708
Staff financing	9,950	10,067
Credit/charge cards receivables	74,403	47,904
Revolving financing	237,128	351,768
Gross financing and advances	<u>13,373,140</u>	<u>13,059,755</u>
Less: Allowance for impaired financing and advances		
- individual impairment allowance	(127,857)	(130,724)
- collective impairment allowance	(182,549)	(196,436)
Net financing and advances	<u><u>13,062,734</u></u>	<u><u>12,732,595</u></u>





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<b>Group</b>	
	<b>Unaudited As at 31 Mar 2012</b>	<b>Restated As at 31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A28. Operations of Islamic Banking (continued)</b>		
<b>(d) Financing and Advances (continued)</b>		
<b>(i) Movements in impaired financing and advances</b>		
Balance as at the beginning of the financial period/year		
- As previously reported	<b>543,076</b>	628,251
- Effect of full adoption of MFRS 139	<b>17,541</b>	30,502
- As restated	<b>560,617</b>	658,753
Classified as impaired	<b>78,639</b>	280,102
Reclassified as non-impaired	<b>(63,750)</b>	(238,614)
Amount recovered	<b>(75,737)</b>	(81,975)
Amount written off	<b>(3,510)</b>	(57,649)
Balance as at the end of the financial period/year	<b>496,259</b>	560,617
<b>(ii) Movements in allowance for impaired financing and advances</b>		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period/year	<b>130,724</b>	163,440
Net allowance (written back)/made	<b>(2,867)</b>	10,226
Amount written off	<b>-</b>	(42,942)
Balance as at the end of the financial period/year	<b>127,857</b>	130,724
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period/year		
- As previously reported	<b>190,768</b>	158,828
- Effect of full adoption of MFRS 139	<b>5,668</b>	91,864
- As restated	<b>196,436</b>	250,692
Net allowance written back	<b>(10,431)</b>	(26,471)
Amount written off	<b>(3,456)</b>	(27,785)
Balance as at the end of the financial period/year	<b>182,549</b>	196,436



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A28. Operations of Islamic Banking (continued)</b>		
<b>(e) Other Assets</b>		
Deposits and prepayments	1,305	945
Sundry deposits debtors	1,240	1,240
Other debtors	24,846	85,009
	<u>27,391</u>	<u>87,194</u>
<b>(f) Deposits from Customers</b>		
<u>Non-Mudharabah Funds</u>		
Demand deposits	1,703,173	1,635,227
Savings deposits	663,983	638,101
Commodity Murabahah	3,677,803	3,105,452
Wakalah money market deposits	340,190	-
	<u>6,385,149</u>	<u>5,378,780</u>
<u>Mudharabah Funds</u>		
Demand deposits	492,119	405,040
Savings deposits	16,070	12,712
General investment deposits accounts	752,067	682,066
Special investment deposits accounts	10,899,265	10,559,726
	<u>18,544,670</u>	<u>17,038,324</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A29. Changes in Accounting Policies**

**(a) Impacts on the Group's Statements of Financial Position**

	<b>As previously reported</b>	<b>Effects of full adoption of MFRS 139</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2011</b>			
<b>Assets</b>			
Loans, advances and financing	81,228,093	(14,456)	<b>81,213,637</b>
- Gross loans, advances and financing	83,710,244	176,364	<b>83,886,608</b>
- Collective impairment allowances	(1,626,369)	(190,820)	<b>(1,817,189)</b>
Clients' and brokers' balances	421,127	1,810	<b>422,937</b>
Deferred tax assets	261,105	4,540	<b>265,645</b>
<b>Liabilities</b>			
Other liabilities	1,527,724	662	<b>1,528,386</b>
Deferred tax liabilities	4,514	643	<b>5,157</b>
Equity attributable to equity holders of the Company	9,962,157	(9,411)	<b>9,952,746</b>
Translation reserves	(76,854)	(31)	<b>(76,885)</b>
Retained profits	2,747,792	(9,380)	<b>2,738,412</b>
Loans, advances and financing of which:			
- Impaired loans, advances and financing	3,672,175	176,364	<b>3,848,539</b>
<b>As at 31 December 2011</b>			
<b>Assets</b>			
Loans, advances and financing	94,823,514	235,156	<b>95,058,670</b>
- Gross loans, advances and financing	97,295,063	142,845	<b>97,437,908</b>
- Collective impairment allowances	(1,658,463)	92,311	<b>(1,566,152)</b>
Clients' and brokers' balances	232,676	2,158	<b>234,834</b>
Deferred tax assets	17,598	(2,968)	<b>14,630</b>
<b>Liabilities</b>			
Other liabilities	1,582,693	823	<b>1,583,516</b>
Deferred tax liabilities	6,598	56,510	<b>63,108</b>
Equity attributable to equity holders of the Company	11,438,385	177,013	<b>11,615,398</b>
Translation reserves	(58,832)	19	<b>(58,813)</b>
Retained profits	3,359,866	176,994	<b>3,536,860</b>
Loans, advances and financing of which:			
- Impaired loans, advances and financing	3,351,106	142,845	<b>3,493,951</b>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A29. Changes in Accounting Policies (continued)**

**(b) Impacts on the Group's Income Statements/Statements of Comprehensive Income  
For the Three Months Ended 31 March 2011**

	<u>As previously reported</u>	<u>Effects of full adoption of MFRS 139</u>	<u>As restated</u>
	RM'000	RM'000	RM'000
Interest income	1,293,000	17,037	<b>1,310,037</b>
Income from Islamic Banking business	91,185	(1,931)	<b>89,254</b>
Allowance for impairment on loans, financing and other losses	(80,806)	83,917	<b>3,111</b>
Profit before taxation	511,572	99,023	<b>610,595</b>
Taxation	(128,774)	(23,396)	<b>(152,170)</b>
Net profit for the financial period	382,798	75,627	<b>458,425</b>
Earnings per share (sen) - basic	<u>17.7</u>	<u>3.6</u>	<u>21.3</u>

**(c) Impacts on the operations of Islamic Banking's Statements of Financial Position**

	<u>As previously reported</u>	<u>Effects of full adoption of MFRS 139</u>	<u>As restated</u>
	RM'000	RM'000	RM'000
<b>As at 1 January 2011</b>			
<b>Assets</b>			
Financing and advances			
- Gross financing and advances	9,036,029	30,502	<b>9,066,531</b>
- Collective impairment allowances	(158,828)	(91,864)	<b>(250,692)</b>
Deferred tax assets	30,854	15,341	<b>46,195</b>
Islamic Banking Funds	1,558,978	(46,023)	<b>1,512,955</b>
Financing and advances if which:			
- Impaired financing and advances	628,251	30,502	<b>658,753</b>
<b>As at 31 December 2011</b>			
<b>Assets</b>			
Financing and advances			
- Gross financing and advances	13,042,214	17,541	<b>13,059,755</b>
- Collective impairment allowances	(190,768)	(5,668)	<b>(196,436)</b>
Deferred tax assets	6,737	(2,968)	<b>3,769</b>
Islamic Banking Funds	3,206,822	8,905	<b>3,215,727</b>
Financing and advances if which:			
- Impaired financing and advances	543,076	17,541	<b>560,617</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**A29. Changes in Accounting Policies (continued)**

**(d) Impacts on the operations of Islamic Banking's Income Statements/Statements of Comprehensive Income  
For the Three Months Ended 31 March 2011**

	<u>As previously reported</u> RM'000	<u>Effects of full adoption of MFRS 139</u> RM'000	<u>As restated</u> RM'000
Income derived from investment of depositors' funds	145,736	(1,790)	<b>143,946</b>
Income derived from investment of shareholder's funds	18,070	(141)	<b>17,929</b>
Allowance for impairment on financing and advances	(16,110)	(220)	<b>(16,330)</b>
Profit before taxation	37,922	(2,151)	<b>35,771</b>
Taxation	(9,488)	538	<b>(8,950)</b>
Net profit for the financial period	28,434	(1,613)	<b>26,821</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B1. Review of Group Results**

**(a) Current Financial Year vs Previous Financial Year**

For the first quarter ended 31 March 2012, the Group recorded a pre-tax profit of RM580.7 million and net profit of RM435.6 million, 5% lower as compared with previous year corresponding period. Earnings per share at 19.8 sen and annualised return on equity and return on assets was at 14.7% and 1.1% respectively.

Net interest income increased by RM10.6 million or 1.5% on the back of a 9.2% increase in gross loans year on year. Interest income was higher by 11.5%, partly negated by higher interest expense by 23.0%, net interest margin stabilised to 2.41% for the current quarter.

Other operating income increased by RM63.9 million or 24.0% from a year ago. This was largely due to higher net gains from disposal of trading and investment securities, higher foreign exchange gains and improvement in fair value of hedging derivatives, partially offset by lower fee income.

Income from the Islamic Banking business increased to RM111.1 million, up 24.4% compared to the previous year's corresponding period. This was mainly due to higher net profit income and higher net gains on disposal of trading and investment securities.

Other operating expenses was higher by 15.8%, mainly due to higher personnel costs as we increased investment into talent and also in tandem with the overall increase in business volume.

Loan loss provision for the three months ended March 2012 was at RM45.4 million, against a restated net write-back of RM3.3 million for first quarter last year.

During the financial period ended 31 March 2012, gross loans declined by 2.0% to RM95.5 billion, excluding certain large corporate repayments, gross loans grew by 0.7% for the first three months of the year, mainly from the retail segment. Gross impaired loans ratio stood at 3.59% as at 31 March 2012, absolute gross impaired loans, advances and financing decreased by 1.8% to RM3.4 billion.

Customers deposits grew 1.2% to reach RM117.3 billion as at 31 March 2012. The Group's liquidity position remained healthy with loans to deposits ratio stood at 81.5% as at 31 March 2012.

Performance by Operating Segment

**Corporate and Investment Banking**

Segment profit was lower by 32.8% to RM92.8 million. The lower profit was mainly attributable to higher allowances for impairment on loans, lower bad debts recovered and lower fee income. This was partially offset by lower personnel and marketing expenses.

**Retail Banking**

Retail banking segment profit was lower by 6.2% to RM235.1 million, mainly due to higher allowances for impairment on loans and higher overhead costs. This was partially offset by higher net interest income, higher insurance underwriting surplus and higher credit card income.

**Business Banking**

Segment profit was lower by 20.0% to RM83.0 million. The lower profit was mainly attributable to higher allowances for impairment on loans and advances.

**Group Treasury**

Segment profit was higher by 61.3% to RM169.3 million, mainly attributable to higher net gains from disposal of trading and investment securities portfolio, higher fee income and higher net foreign exchange gains. This was partially offset by higher overhead costs.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B1. Review of Group Results (continued)**

**(a) Current Financial Year vs Previous Financial Year (continued)**

Performance by Operating Segment (continued)

Islamic Banking business

Segment profit improved significantly to RM67.7 million, mainly attributable to write-back of allowances for impairment on financing, higher trading income, fee income and net interest income.

Global Financial Banking

Segment profit was lower by 34.1% at RM13.8 million, mainly attributable to higher overhead costs. This was partially offset by an increase in net interest income and higher net foreign exchange gains.

**B2. Current Quarter vs Previous Quarter**

For the first quarter ended 31 March 2012, the Group recorded a pre-tax profit of RM580.7 million, 2.1% higher as compared to RM568.7 million recorded in the preceding quarter ended 31 December 2011. The higher profit was mainly due to lower impairment losses on other assets by RM61.2 million and higher other operating income by RM47.2 million, partially offset by lower income from Islamic Banking business by RM39.7 million, higher loan loss provisioning by RM28.6 million, lower net interest income by RM15.6 million and higher other operating expenses by RM12.4 million.

**B3. 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. The Group 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 acquisitions of OSK Investment Bank Group and Bank Mestika. The Group expects to maintain a satisfactory performance in 2012.

**B4. Variance of Actual Profit from Forecast Profit and Profit Guarantee**

There were no profit forecast or profit guarantee issued by the Group and the Company.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B5. Taxation**

	1st quarter ended		Three months ended	
	31 Mar 2012	Restated 31 Mar 2011	31 Mar 2012	Restated 31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	161,761	140,825	161,761	140,825
- Overseas tax	96	63	96	63
Deferred tax	(6,814)	11,314	(6,814)	11,314
	<u>155,043</u>	<u>152,202</u>	<u>155,043</u>	<u>152,202</u>
Under/(over) provision in respect of prior years				
- Taxation	(20,121)	(32)	(20,121)	(32)
- Deferred tax	9,305	-	9,305	-
	<u>144,227</u>	<u>152,170</u>	<u>144,227</u>	<u>152,170</u>

The effective tax rate of the Group for the first quarter ended 31 March 2012 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	1st quarter ended		Three months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
<b>Company</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	-	80	-	80
Deferred tax	(10,300)	(4,303)	(10,300)	(4,303)
	<u>(10,300)</u>	<u>(4,223)</u>	<u>(10,300)</u>	<u>(4,223)</u>

The effective tax rate of the Company for the first quarter ended 31 March 2012 was lower than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B6. Status of Corporate Proposals**

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

On 19 October 2009, RHB Investment Bank had on behalf of the Company, announced that the Company will undertake the following proposals subject to relevant regulatory authorities' approval:

- (i) proposed acquisition of 80% of the issued and paid up share capital in Bank Mestika for a total cash consideration of Indonesian Rupiah ('RP') 3,118,300 million (or equivalent to approximately RM1.163 billion) ('Proposed Acquisition');
- (ii) proposed put and call option for 9% of the issued and paid-up share capital in Bank Mestika ('Proposed Options');
- (iii) proposed renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital ('Shares') to raise gross proceeds of approximately RM1.3 billion ('Proposed Rights Issue'); and
- (iv) proposed increase in the authorised share capital of the Company from RM2,500,000,000 comprising 2,500,000,000 RHB Capital shares to RM5,000,000,000 comprising 5,000,000,000 RHB Capital shares ('Proposed Increase In Authorised Share Capital').

In the same announcement, the Company also announced that RHB Venture Capital Sdn Bhd ('RHBVC'), a wholly-owned subsidiary of the Company, had been identified as the entity to hold the investment in Bank Mestika on behalf of the Company pursuant to the Proposed Acquisition and Proposed Options. Accordingly, on 23 October 2009, the Company had assigned all of its rights, title, interest, benefit and entitlement and novated all of its obligations and liabilities as follows to RHBVC:

- (i) the conditional sale and purchase agreement dated 19 October 2009 with PT Mestika Benua Mas ('Vendor') ('CSPA') in relation to the Proposed Acquisition;
- (ii) the escrow agreement dated 19 October 2009 with the Vendor and The Hongkong and Shanghai Banking Corporation Limited (Jakarta Office), acting as the escrow agent, to facilitate the deposit of an amount equal to 10% of the purchase consideration for the Proposed Acquisition by the Company; and
- (iii) the agreement dated 19 October 2009 with the Vendor in relation to the Proposed Options.

BNM had on 4 January 2010 granted its approval for the Company to acquire up to 89% of the issued and paid-up capital of Bank Mestika, subject to the following conditions:

- (i) the Company is to obtain written confirmation from its auditors on the compliance with Financial Reporting Standards in arriving at the impairment methodology adopted and in respect of any change in equity interest in Bank Mestika; and
- (ii) the sources of funding and funding cost for the additional capital required by Bank Mestika post-acquisition should not exert pressure on the Company and its subsidiaries' capital and financial soundness.

Subsequently, on 9 April 2010, RHB Investment Bank on behalf of the Company had announced on the proposed revision to the utilisation of proceeds arising from the Proposed Rights Issue to among others, repay the borrowings to finance the Proposed Acquisition in view of the Proposed Acquisition is likely to be completed prior to the completion of the Proposed Rights Issue.

As announced on 22 April 2010, Bursa Malaysia Securities Bhd ('Bursa Securities') had, vide its letter dated 20 April 2010, approved the listing and quotation of new ordinary shares of RM1.00 each in the Company, up to the gross proceeds of approximately RM1.3 billion, to be issued pursuant to the Proposed Rights Issue subject to the condition as stated therein. Bursa Securities had further on 9 May 2011, granted the Company an extension of time until 19 October 2011 to complete the implementation of the Proposed Rights Issue. Bursa Securities had on 21 October 2011, granted the Company a further extension of time of six (6) months from 20 October 2011 until 19 April 2012 to complete the implementation of the Proposed Rights Issue. As at 19 April 2012, the necessary regulatory approvals for the Proposed Acquisition are still pending and hence, given that the Proposed Rights Issue is conditional upon the Proposed Acquisition, the Company has not been able to implement the Proposed Rights Issue. Bursa Securities' approval for the extension of time of up to 19 April 2012 to complete the implementation of the Proposed Rights Issue thus lapsed on the same day. The Company will, amongst others, resubmit an application to Bursa Securities for the implementation of the Proposed Rights Issue upon obtaining the necessary regulatory approvals for the Proposed Acquisition.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B6. Status of Corporate Proposals (continued)**

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

The shareholders of the Company had also at the Extraordinary General Meeting of the Company held on 19 May 2010, approved the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital.

RHBVC had further on 17 December 2010 assigned and novated the same to RHB Bank, which become the new acquirer for the Proposed Acquisition.

The shareholders of the Company had also at the Extraordinary General Meeting of the Company held on 19 May 2010, approved the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital.

RHBVC had further on 17 December 2010 assigned and novated the same to RHB Bank, which become the new acquirer for the Proposed Acquisition.

As announced on 19 April 2011, RHB Bank and the Vendor had subsequently on 18 April 2011, by way of an exchange of letter, mutually agreed to further extend the period to satisfy or waive the condition precedent based on the terms of the CSPA to 31 December 2011. The extension of the CSPA is conditional upon, inter-alia, permission and approval from RHB Bank for Bank Mestika to distribute dividend to the Vendor no later than 19 May 2011, pending which, the CSPA will only be extended until 19 May 2011 ('Initial Extension Period'). In the event the Initial Extension Period lapses, the CSPA will be deemed automatically terminated.

RHB Bank has subsequently agreed to give its permission and approval for Bank Mestika to distribute dividend out of the retained earnings accumulated subsequent to the financial year ended 31 December 2008 to the Vendor and the dividend distribution will not have any impact on the purchase consideration for the Proposed Acquisition or the price-to-book ratio represented by the purchase consideration for the Proposed Acquisition.

On 21 December 2011, RHB Investment Bank on behalf of the Company, announced that RHB Bank and the Vendor had on 16 December 2011, by way of exchange of letters, mutually agreed to further extend the period to satisfy or waive the conditions precedent of the CSPA for the Proposed Acquisition to 29 February 2012. On 24 February 2012, the Company and the Vendor had mutually agreed to further extend such period to 30 June 2012.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposals save for their respective entitlements as shareholders under the Proposed Rights Issue and their rights to apply for excess Rights Shares which are also available to all other shareholders of the Company.

The Proposed Acquisition, Proposed Rights Issue and Proposed Options did not have any material effect on the earnings of the Group for the three months ended 31 March 2012. The Proposed Acquisition is expected to contribute positively to the future revenue and earnings of the Group.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B6. Status of Corporate Proposals (continued)**

**(b) Member's Voluntary Winding-Up of Indirect Wholly-Owned Subsidiaries**

The Company had, on 29 February 2011 and 28 March 2012, respectively, announced that the following indirect wholly-owned subsidiaries ('subsidiaries') of the Company, had commenced member's voluntary winding-up pursuant to Section 254(1) of the Companies Act, 1965, as follows:

<u>Commencement Date of Member's Voluntary Winding-Up</u>	<u>Name of Subsidiaries</u>
(i) 16 February 2011	(1) Utama Gilang Sdn Bhd (2) RHB Delta Sdn Bhd (3) RHB Marketing Services Sdn Bhd
(ii) 28 March 2012	(1) KYB Sdn Bhd (2) KYF Sdn Bhd (3) SSSB Services (Melaka) Sdn Bhd (4) RHB Unit Trust Management Sdn Bhd (5) RHB Progression Sdn Bhd (6) RHB Excel Sdn Bhd

The above subsidiaries incorporated in Malaysia and are presently dormant.

The winding-up of the above subsidiaries will not have any material effect on the Group's performance for the financial year ending 31 December 2012.

**(c) Dividend Reinvestment Plan of RHB Capital Berhad**

On 1 March 2011, RHB Investment Bank on behalf of the Company, announced that as part of the Company's capital management plan and to enhance the Company's shareholders' value, the Company has proposed to undertake a dividend reinvestment plan that provides the shareholders the option to elect to reinvest their cash dividend declared by the Company (whether interim, final, special or any other cash dividend) ('Dividend') into new ordinary shares of RM1.00 each in the Company ('RHB Capital Shares') (hereinafter referred to as 'Dividend Reinvestment Plan'). Approval from shareholders for the Dividend Reinvestment Plan ('DRP') and the issuance of New Shares arising from the DRP was obtained at the Extraordinary General Meeting held on 6 April 2011.

The DRP further provides that whenever a cash dividend (either an interim, final, special or other dividend) ('Dividend') is proposed, the Board may, in its absolute discretion, determine that the DRP to be applied to the whole or a portion of the cash Dividend and where applicable, any remaining portion of the Dividend will be paid in cash.

On 28 February 2012, the Board of Directors of the Company had proposed a final dividend in respect of the financial year ended 31 December 2011 comprising gross dividend of 11.82 sen less 25% tax and single-tier dividend of 5.59 sen per RHB Capital share amounting to RM318.827 million ('Final Dividend') and had determined that the existing DRP as mentioned above shall apply to the said Final Dividend, subject to shareholders' approval.

The shareholders had, on 10 April 2012, approved the Final Dividend and the renewal of the authority to allot and issue such number of new RHB Capital shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting.

On 25 April 2012, RHB Investment Bank on behalf of the Company, announced that Bursa Securities approved the listing and quotation of up to 55,641,710 new RHB Capital Shares to be issued pursuant to the DRP ('Proposal') on the Main Market of Bursa Securities ('Listing Application').

The approval by Bursa Securities for the Listing Application is subject to the following conditions:

- (i) RHB Capital and its adviser must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposal;
- (ii) RHB Capital and its adviser to inform Bursa Securities upon the completion of the Proposal; and
- (iii) RHB Capital to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposal is completed.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B6. Status of Corporate Proposals (continued)**

**(c) Dividend Reinvestment Plan of RHB Capital Berhad (continued)**

On 26 April 2012, the issue price of new RHB Capital Shares to be issued pursuant to the DRP has been fixed at RM6.52 per RHB Capital share and the book closure date pursuant to the Final Dividend and DRP was fixed for 14 May 2012. The new RHB Capital Shares arising from DRP will be listed on the Main Market of Bursa Securities on 12 June 2012.

Notice of Election and Dividend Reinvestment Form have been despatched to all the entitled shareholders on 16 May 2012.

**(d) Proposed Multi-Currency Euro Medium Term Note Programme of up to USD500 Million Nominal Value (or its Equivalent in Other Currencies) for RHB Bank ('EMTN Programme')**

As announced by the Company on 11 May 2011, the Securities Commission ('SC') had on 9 May 2011, approved RHB Bank's application for the EMTN Programme, under which RHB Bank may issue up to USD500 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.

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

On 15 May 2012, the Company announced that RHB Bank had, on 11 May 2012, completed its inaugural US Dollar senior unsecured notes issuance of USD 300 million under its EMTN Programme.

**(e) Proposed Senior Notes and/or Subordinated Notes under a Multi-Currency Medium Term Note Programme of up to RM3.0 Billion in Nominal Value (or its Equivalent in Other Currencies) ('MCMTN Programme') by RHB Bank**

The Company announced on 7 July 2011 that RHB Bank has obtained approval from the SC on 5 July 2011 for the establishment of MCMTN Programme and the issue of senior notes and/or subordinated notes ('Subordinated Notes').

In addition, the approval from BNM for the issuance of Subordinated Notes has also been obtained on 27 May 2011 (upon terms and conditions therein contained). The Subordinated Notes issued under the MCMTN Programme will qualify as Tier 2 capital of RHB Bank subject to compliance with the requirements as specified in the Risk Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks (General Requirements and Capital Component) by BNM.

The Company announced on 2 November 2011 that its wholly-owned subsidiary, RHB Bank had, on 31 October 2011, issued RM250.0 million of Subordinated Notes under the MCMTN Programme. The Subordinated Notes, rated AA3 by RAM Rating Services Berhad, are issued for a tenure of 10 non-callable 5 years, due on 29 October 2021, with a fixed coupon of 4.25% per annum, payable semi-annually throughout the entire tenure.

On 8 May 2012, the Company announced that RHB Bank had, on 7 May 2012, issued RM750.0 million of Subordinated Notes under the MCMTN Programme.

**(f) Proposal to Commence Negotiations for a Merger of Businesses ('Proposed Merger')**

On 29 September 2011, RHB Investment Bank on behalf of the Company, announced that the Company has submitted an application to BNM for approval to commence negotiations with OSK Investment Bank Berhad, OSK Holdings Berhad ('OSKH') and the major shareholders of OSKH for a possible merger of businesses ('Proposed Merger Negotiations').

As announced on 14 October 2011 by RHB Investment Bank on behalf of the Company, BNM has, vide its letter dated 13 October 2011 stated that it has no objection in principle for the Company to commence the Proposed Merger Negotiations for three (3) months from the date of BNM's letter.

On 11 January 2012, RHB Investment Bank on behalf of the Company, announced that the Company has submitted an application to BNM on 11 January 2012 for approval of BNM and the Minister Of Finance (through BNM) for the proposed merger of the businesses of the RHB Banking Group and the OSK Investment Bank Group.

On 27 April 2012, RHB Investment Bank on behalf of the Company, announced that BNM had notified that the Minister of Finance has granted approval for the Proposed Merger under the Banking and Financial Institutions Act, 1989. The terms and conditions of the Proposed Merger will be announced subject to the execution of the conditional share purchase agreement for the Proposed Merger.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>(a) Deposits from customers and placements of banks and other financial institutions</b>		
Deposits from customers		
- one year or less	116,743,778	114,376,234
- more than one year	539,752	1,484,350
	<u>117,283,530</u>	<u>115,860,584</u>
Deposits and placements of banks and other financial institutions		
- one year or less	9,179,912	9,623,953
- more than one year	496,951	407,622
	<u>9,676,863</u>	<u>10,031,575</u>

	Group		Company	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>(b) Borrowings</b>				
Unsecured:				
Revolving credits	705,899	706,225	747,754	747,067
Overdrafts	38	18	38	18
Term loans - RM	800,830	800,780	1,062,786	1,062,725
Term loan - USD	702,982	759,020	-	-
RM350 million				
Fixed Rate Bonds	350,120	355,908	350,120	355,908
RM1.1 billion 7 years				
Commercial Papers/Medium				
Term Notes	990,977	981,383	990,977	981,383
	<u>3,550,846</u>	<u>3,603,334</u>	<u>3,151,675</u>	<u>3,147,101</u>
Schedule repayment of borrowings:				
Within one year	1,768,634	1,768,521	1,970,675	1,966,101
One year to three years	1,030,128	1,037,050	831,000	831,000
Three years to five years	549,127	556,050	350,000	350,000
Over five years	202,957	241,713	-	-
	<u>3,550,846</u>	<u>3,603,334</u>	<u>3,151,675</u>	<u>3,147,101</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities (continued)**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
<b>(c) Subordinated obligations</b>		
5.0% RM1,300 million Tier II subordinated notes 2007/2017	1,321,904	1,305,699
5.5% RM700 million Tier II subordinated notes 2007/2022	712,974	703,375
5.3% RM200 million Tier II subordinated notes 2007/2017	203,224	200,581
5.5% RM45 million Tier II subordinated notes 2008/2018	46,105	45,488
5.0% RM700 million Tier II subordinated notes 2010/2020	714,671	705,945
5.6% RM300 million Tier II subordinated notes 2010/2025	307,042	302,854
4.25% RM250 million Tier II subordinated notes 2011/2021	254,454	251,805
	<b>3,560,374</b>	<b>3,515,747</b>

The subordinated obligations constitute unsecured liabilities of the commercial bank and investment bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital for the purpose of determining the capital adequacy ratios of the respective subsidiaries.

**(d) Hybrid Tier-1 Capital Securities**

	Group	
	Unaudited As at 31 Mar 2012 RM'000	Audited As at 31 Dec 2011 RM'000
RM370 million 8.00% Hybrid Tier-1 Capital Securities due in 2039, callable with step-up coupon rate at 9.00% in 2019	370,162	377,542
RM230 million 6.75% Hybrid Tier-1 Capital Securities due in 2039, callable with step-up coupon rate at 7.75% in 2019	226,867	223,016
	<b>597,029</b>	<b>600,558</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B8. Derivative Financial Instruments**

Details of derivative financial instruments outstanding are as follows:

- i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

<b>Group</b>	<b>Unaudited</b>			<b>Audited</b>		
	<b>As at 31 March 2012</b>			<b>As at 31 Dec 2011</b>		
	<b>Contract/ Notional Amount</b>	<b>Fair Value</b>		<b>Contract/ Notional Amount</b>	<b>Fair Value</b>	
<b>RM'000</b>	<b>Assets</b>	<b>Liabilities</b>	<b>RM'000</b>	<b>Assets</b>	<b>Liabilities</b>	
<b>By type</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Foreign exchange related contracts						
- forwards	5,715,007	40,230	42,251	6,110,511	56,146	27,922
- swaps	6,824,314	41,980	41,895	5,942,497	29,632	35,596
- options	217,027	399	291	123,118	276	229
- spots	1,332,279	1,602	907	1,710,426	2,135	1,823
- cross-currency	2,197,946	14,392	13,008	1,439,860	19,078	16,518
Subtotal	<u>16,286,573</u>	<u>98,603</u>	<u>98,352</u>	<u>15,326,412</u>	<u>107,267</u>	<u>82,088</u>
Interest rate related contracts						
- swaps	19,357,879	107,599	123,287	18,662,064	130,391	166,100
Subtotal	<u>19,357,879</u>	<u>107,599</u>	<u>123,287</u>	<u>18,662,064</u>	<u>130,391</u>	<u>166,100</u>
Total	<u>35,644,452</u>	<u>206,202</u>	<u>221,639</u>	<u>33,988,476</u>	<u>237,658</u>	<u>248,188</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B8. Derivative Financial Instruments (continued)**

Details of derivative financial instruments outstanding are as follows: (continued)

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

<b>Group</b>	<b>Unaudited As at 31 March 2012</b>			<b>Audited As at 31 Dec 2011</b>		
	<b>Contract/ Notional Amount</b>	<b>Fair Value</b>		<b>Contract/ Notional Amount</b>	<b>Fair Value</b>	
	<b>RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>	<b>RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b>By remaining period to maturity/next re-pricing date</b>						
Foreign exchange related contracts						
- Less than 1 year	14,151,823	79,381	83,112	13,558,443	81,771	63,097
- 1 year to 3 years	1,206,714	7,467	5,081	1,213,395	12,980	2,934
- More than 3 years	928,036	11,755	10,159	554,574	12,516	16,057
Subtotal	16,286,573	98,603	98,352	15,326,412	107,267	82,088
Interest rate related contracts						
- Less than 1 year	4,814,636	11,311	11,110	4,325,536	9,317	11,513
- 1 year to 3 years	8,596,795	43,575	47,323	9,045,878	50,768	59,223
- More than 3 years	5,946,448	52,713	64,854	5,290,650	70,306	95,364
Subtotal	19,357,879	107,599	123,287	18,662,064	130,391	166,100
Total	35,644,452	206,202	221,639	33,988,476	237,658	248,188





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B8. Derivative Financial Instruments (continued)**

ii) Related accounting policies

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair values on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge).

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain and loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit and loss (for example, when the forecast sale that is hedged takes place).

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the profit and loss.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B9. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

The following analysis of realised and unrealised profits or losses of the Group and the Company is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The breakdown of retained profits of the Group is as follows:

	As at 31 March 2012		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
<b>Group</b>			
Operating subsidiaries	5,268,342	388,507	5,656,849
Dormant subsidiaries*	(7,929,461)	-	(7,929,461)
	(2,661,120)	388,507	(2,272,613)
Share of retained profits from a joint venture	1,720	-	1,720
	(2,659,400)	388,507	(2,270,893)
Less: Consolidation adjustments			6,251,455
Total Group retained profits			<u>3,980,562</u>

	Restated As at 31 Dec 2011		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
<b>Group</b>			
Operating subsidiaries	4,882,912	329,303	5,212,215
Dormant subsidiaries*	(7,929,473)	-	(7,929,473)
	(3,046,561)	329,303	(2,717,258)
Share of retained profits from a joint venture	1,576	-	1,576
	(3,044,985)	329,303	(2,715,682)
Less: Consolidation adjustments			6,252,542
Total Group retained profits			<u>3,536,860</u>

\* The realised losses relate mainly to dormant subsidiaries which are currently in the process of being liquidated.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B9. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements (continued)**

The breakdown of retained profits of the Company is as follows:

<u>Company</u>	<b>Unaudited As at 31 Mar 2012 RM'000</b>	<b>Audited As at 31 Dec 2011 RM'000</b>
Total retained profits of the Company:		
- Realised profits	<b>897,547</b>	945,227
- Unrealised profits/(losses)	<b>10,255</b>	(45)
	<b><u>907,802</u></b>	<u>945,182</u>

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

On 20 December 2010, the Malaysian Institute of Accountants issued Guidance on Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements. Accordingly, the Group views translation gains or losses on monetary items as realised as it is incurred in the ordinary course of business.

The disclosure above does not affect or alter the existing divisible profit rule in Malaysia. Likewise, this shall not be applied to address or interpret any legal matters regarding the availability of profit for distribution to shareholders. Listed corporations are required to observe the existing requirements in the Malaysia legal framework in dealing with matters related to distribution of profits to shareholders.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B10. Material Litigation**

**(a) Carta Bintang Sdn Bhd**

On 19 October 2001, the Company filed a Writ of Summons at the High Court of Malaya in Kuala Lumpur ('High Court') against CBSB, the vendor of SJ Securities, for the recovery of the deposit of RM32,800,000 ('Deposit') paid by the Company pursuant to the sale of shares agreement dated 7 November 2000 in respect of 60 million shares in SJ Securities ('Sale Shares').

On 26 November 2001, CBSB's solicitors served the Defence and Counterclaim on the Company's solicitors. The overall amount claimed by CBSB in the Counterclaim is RM258,688,153.42 together with interest thereon and costs. The Company filed its reply to the Defence and a Defence to the Counterclaim on 19 December 2001.

On 22 November 2002, the Deputy Registrar of the High Court granted a summary judgment in favour of the Company for CBSB to return the Deposit to the Company and a summary judgment in favour of CBSB for the Company to return the share certificates and transfer forms in respect of the Sale Shares to CBSB. However, CBSB's claim for damages was dismissed.

Both parties had subsequently filed their respective appeals against the decision of the Deputy Registrar and on 7 August 2003, the Learned High Court Judge dismissed the respective appeals of the Company and CBSB and affirmed the Deputy Registrar's decision.

Thereafter, both parties have filed their respective appeals to the Court of Appeal against the decision of the Learned High Court Judge (refer to Note A25(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim). On 22 May 2009, the Court of Appeal had dismissed CBSB's appeal against the High Court decision in respect of the return of the Deposit and claim for damages. The Court of Appeal had also dismissed the Company's appeal in respect of the return of share certificates and transfer forms.

Both CBSB and the Company had filed their respective applications for leave to appeal to the Federal Court. The Federal Court had on 12 May 2010 allowed the applications for leave to appeal filed by both parties. During the hearing of the appeals at the Federal Court on 18 January 2011, the Federal Court had directed that the CBSB's appeal against the High Court decision dismissing the summary judgment application on the claim for damages and the Company's appeal against the High Court decision on the return of share certificates and transfer forms be re-heard by the Court of Appeal and further directed that CBSB's appeal to the Federal Court against the Court of Appeal decision on the return of the Deposit to be kept in abeyance until then.

On 22 June 2011, the Court of Appeal recorded the agreement of both the Company and CBSB that the High Court order in respect of the dismissal of CBSB's summary judgment application for their counterclaim and the High Court order on the return of share certificates and transfer forms are set aside. The Court of Appeal also directed that CBSB's counterclaim be referred to the High Court for trial.

On 15 December 2011, the Federal Court had allowed CBSB's appeal against the Court of Appeal's decision on the return of the Deposit. The matter is now remitted to the High Court for trial. Both the Company's claim and CBSB's counterclaim are now fixed for Case Management on 13 April 2012 and trial on 28, 29 and 30 May 2012 (refer to Note A25(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim.)

The above material litigation is not expected to have any material adverse effect on the financial results of the Group.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**B11. Dividends**

No dividend has been declared for the three months ended 31 March 2012.

**B12. Earnings per Share**

	1st quarter ended		Three months ended	
	31 Mar 2012	Restated 31 Mar 2011	31 Mar 2012	Restated 31 Mar 2011
<b>Basic/diluted earnings per share</b>				
Profit attributable to equity holders of the Company (RM'000)	<u>435,551</u>	<u>457,751</u>	<u>435,551</u>	<u>457,751</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,204,819</u>	<u>2,153,475</u>	<u>2,204,819</u>	<u>2,153,475</u>
Basic/diluted earnings per share (sen)	<u>19.8</u>	<u>21.3</u>	<u>19.8</u>	<u>21.3</u>

The diluted Earning Per Share ('EPS') of the Group is calculated by dividing the net profit attributable to equity holders of the Company for the quarter and the financial period ended 31 March 2012 by the weighted average number of ordinary shares in issue and adjusted for the number of shares that could have been issued under the DRP for the net final dividend approved by the Company's shareholders on 10 April 2012 as detailed in Note B6(c).

In the diluted EPS calculation, it has been assumed that 100% of the electable portion of the proposed final dividend payment under the DRP will be exercised into new ordinary shares of RM1.00 each in the Company. The new Company's shares will be issued at an assumed price which is equivalent to the 5-day volume weighted average price of the Company's shares as at 31 March 2012 after applying a discount of not more than 10%. These calculations serve to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment has been made to the net profit attributable to the equity holders of the Company for the quarter ended 31 March 2012.

The dilution effect on the basic EPS arising from the DRP is estimated to be immaterial. As a result, the diluted EPS is equal to the basic EPS for the quarter ended 31 March 2012.

Other than the above, there were no other dilutive potential ordinary shares outstanding as at 31 March 2012.

**BY ORDER OF THE BOARD**

**AZMAN SHAH MD YAMAN**  
(License No. LS0006901)

Company Secretary  
28 May 2012