

**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

Note	Group			Bank		
	As at 31.03.2012 RM'000	As Restated As at 31.12.2011 RM'000	As Restated As at 1.1.2011 RM'000	As at 31.03.2012 RM'000	As Restated As at 31.12.2011 RM'000	As Restated As at 1.1.2011 RM'000
<b>ASSETS</b>						
	1,899,514	2,080,685	1,907,199	1,832,154	2,013,729	1,841,694
Cash and short term funds						
Deposits and placements with banks and other financial institutions	50,009	250,227	250,275	50,009	250,227	250,275
Financial assets held-for-trading	154,777	116,884	350,330	154,777	116,884	350,330
Financial investments available-for-sale	1,806,918	2,412,247	3,272,231	1,791,725	2,395,884	3,257,686
Financial investments held-to-maturity	710,505	608,354	184,918	710,505	608,354	184,918
Loans and advances	38,044	43,582	50,651	38,044	43,582	50,651
Clients' and brokers' balances	660,839	234,834	422,937	660,839	234,834	422,937
Other assets	33,697	30,108	29,099	22,378	19,349	17,277
Derivative assets	13,874	18,759	19,094	13,874	18,759	19,094
Tax recoverable	9,778	11,062	8,542	8,654	10,049	8,516
Deferred tax assets	1,836	1,919	776	-	-	-
Statutory deposits with Bank Negara Malaysia	90,250	114,250	33,250	90,250	114,250	33,250
Investments in subsidiaries	-	-	-	84,970	84,970	84,970
Investment in a joint venture	18,894	19,020	25,044	21,463	21,463	27,399
Property, plant and equipment	14,586	14,053	14,075	12,777	12,167	12,334
Goodwill	172,844	172,844	172,844	159,280	159,280	159,280
<b>TOTAL ASSETS</b>	<b>5,676,365</b>	<b>6,128,828</b>	<b>6,741,265</b>	<b>5,651,699</b>	<b>6,103,781</b>	<b>6,720,611</b>
<b>LIABILITIES AND EQUITY</b>						
Deposits from customers	1,553,547	2,468,315	2,646,421	1,553,547	2,468,315	2,646,421
Deposits and placements of banks and other financial institutions	1,936,780	2,135,890	2,485,881	1,936,780	2,135,890	2,485,881
Clients' and brokers' balances	1,217,912	562,393	610,360	1,217,912	562,393	610,360
Other liabilities	66,752	77,480	73,722	43,206	54,586	60,052
Derivative liabilities	14,208	19,040	20,144	14,208	19,040	20,144
Taxation	1,974	2,046	2,033	-	-	-
Deferred tax liabilities	3,038	3,287	2,893	3,038	3,000	2,893
Subordinated obligations	249,329	246,069	246,127	249,329	246,069	246,127
<b>TOTAL LIABILITIES</b>	<b>5,043,540</b>	<b>5,514,520</b>	<b>6,087,581</b>	<b>5,018,020</b>	<b>5,489,293</b>	<b>6,071,878</b>
Ordinary share capital	263,646	263,646	263,646	263,646	263,646	263,646
Reserves	369,179	350,662	390,038	370,033	350,842	385,087
<b>TOTAL EQUITY</b>	<b>632,825</b>	<b>614,308</b>	<b>653,684</b>	<b>633,679</b>	<b>614,488</b>	<b>648,733</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,676,365</b>	<b>6,128,828</b>	<b>6,741,265</b>	<b>5,651,699</b>	<b>6,103,781</b>	<b>6,720,611</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>2,123,045</b>	<b>2,223,953</b>	<b>2,289,842</b>	<b>2,123,045</b>	<b>2,223,953</b>	<b>2,289,842</b>

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

**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

	Note	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
		Current Financial Quarter Ended	As Restated Preceding Corresponding Quarter Ended	Current Financial Quarter Ended	As Restated Preceding Corresponding Quarter Ended
		31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Interest income	16	39,931	45,823	39,692	45,550
Interest expense	17	<u>(35,089)</u>	<u>(38,274)</u>	<u>(35,089)</u>	<u>(38,274)</u>
Net interest income		4,842	7,549	4,603	7,276
Other operating income	18	<u>64,260</u>	<u>46,404</u>	<u>59,126</u>	<u>39,393</u>
Other operating expenses	19	<u>69,102</u> <u>(37,638)</u>	<u>53,953</u> <u>(46,645)</u>	<u>63,729</u> <u>(33,128)</u>	<u>46,669</u> <u>(38,685)</u>
Operating profit before allowances		31,464	7,308	30,601	7,984
Allowance (made)/write-back of for impairment on loans, advances and other losses	20	<u>(312)</u>	<u>(148)</u>	<u>(312)</u>	<u>(148)</u>
Impairment losses on financial investments		<u>55</u>	<u>-</u>	<u>55</u>	<u>-</u>
Share of results of a joint venture		<u>31,207</u> <u>144</u>	<u>7,160</u> <u>132</u>	<u>30,344</u> <u>-</u>	<u>7,836</u> <u>-</u>
Profit before taxation		31,351	7,292	30,344	7,836
Taxation		<u>(7,818)</u>	<u>(1,462)</u>	<u>(7,489)</u>	<u>(1,620)</u>
Net profit for the financial period		<u><u>23,533</u></u>	<u><u>5,830</u></u>	<u><u>22,855</u></u>	<u><u>6,216</u></u>
Earnings per share (sen)					
- basic		<u><u>8.9</u></u>	<u><u>2.2</u></u>	<u><u>8.7</u></u>	<u><u>2.4</u></u>

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>	<u>Individual Quarter</u>	<u>Individual Quarter</u>	<u>Individual Quarter</u>
	Current Financial Quarter Ended 31.03.2012 RM'000	As Restated Preceding Corresponding Quarter Ended 31.03.2011 RM'000	Current Financial Quarter Ended 31.03.2012 RM'000	As Restated Preceding Corresponding Quarter Ended 31.03.2011 RM'000
Net profit for the financial period	<b>23,533</b>	5,830	<b>22,855</b>	6,216
Other comprehensive income/(loss):				
Currency translation differences	(515)	(1,193)	-	-
Financial investments available-for-sale ('AFS')				
- Unrealised net gain/(loss) on revaluation	8,279	(6,765)	9,404	(7,915)
- Net transfer to income statements on disposal or impairment	(14,289)	(2,398)	(14,289)	(2,398)
Income tax relating to components of other comprehensive income	1,509	2,291	1,221	2,578
Other comprehensive loss for the financial period, net of tax	(5,016)	(8,065)	(3,664)	(7,735)
Total comprehensive income/(loss) for the financial period	<b>18,517</b>	(2,235)	<b>19,191</b>	(1,519)

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

<u>Group</u>	Share capital RM'000	Statutory reserve RM'000	Translation reserve RM'000	AFS reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2012	263,646	278,549	(5,394)	17,813	57,585	612,199
- As previously stated	-	-	-	-	2,109	2,109
- Effect on adoption of FRS 139 As restated	263,646	278,549	(5,394)	17,813	59,694	614,308
Net profit for the financial period	-	-	-	-	23,533	23,533
Currency translation differences	-	-	(515)	-	-	(515)
Financial investments AFS	-	-	-	8,279	-	8,279
- Unrealised net gain on revaluation	-	-	-	(14,289)	-	(14,289)
- Net transfer to income statement on disposal or impairment	-	-	-	-	-	-
Income tax relating to components of other comprehensive income/(loss)	-	-	-	1,509	-	1,509
Total other comprehensive loss for the financial period	-	-	(515)	(4,501)	-	(5,016)
Total comprehensive (loss)/income for the financial period	-	-	(515)	(4,501)	23,533	18,517
<b>Balance as at 31 March 2012</b>	<b>263,646</b>	<b>278,549</b>	<b>(5,909)</b>	<b>13,312</b>	<b>83,227</b>	<b>632,825</b>

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

<u>Group</u>	Share capital RM'000	Statutory reserve RM'000	Translation reserve RM'000	AFS reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2011	263,646	278,549	(4,954)	10,698	103,817	651,756
- As previously stated	-	-	-	-	1,928	1,928
- Effect on adoption of FRS 139	-	-	-	-	-	-
As restated	263,646	278,549	(4,954)	10,698	105,745	653,684
Net profit for the financial period	-	-	-	-	5,830	5,830
Currency translation differences	-	-	(1,193)	-	-	(1,193)
Financial investments AFS	-	-	-	(6,765)	-	(6,765)
- Unrealised net loss on revaluation	-	-	-	-	-	-
- Net transfer to income statement on disposal or impairment	-	-	-	(2,398)	-	(2,398)
Income tax relating to components of other comprehensive income/(loss)	-	-	-	2,291	-	2,291
Total other comprehensive loss) for the financial period	-	-	(1,193)	(6,872)	-	(8,065)
Total comprehensive (loss)/income for the financial period	-	-	(1,193)	(6,872)	5,830	(2,235)
Balance as at 31 March 2011	263,646	278,549	(6,147)	3,826	111,575	651,449

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

	←	Non-distributable	→	Distributable	Total
<b>Bank</b>	Share capital RM'000	Statutory reserve RM'000	AFS reserve RM'000	Retained profits RM'000	RM'000
Balance as at 1 January 2012	263,646	278,549	16,986	53,198	612,379
- As previously stated	-	-	-	2,109	2,109
- Effect on adoption of FRS 139	-	-	-	-	-
As restated	<u>263,646</u>	<u>278,549</u>	<u>16,986</u>	<u>55,307</u>	<u>614,488</u>
Net profit for the financial period	-	-	-	22,855	22,855
Other comprehensive income/(loss) for the financial period					
Financial investments AFS					
- Unrealised net gain on revaluation	-	-	9,404	-	9,404
- Net transfer to income statement on disposal or impairment	-	-	(14,289)	-	(14,289)
Income tax relating to components of other comprehensive income	-	-	1,221	-	1,221
Total comprehensive (loss)/income for the financial period	-	-	(3,664)	22,855	19,191
<b>Balance as at 31 March 2012</b>	<b><u>263,646</u></b>	<b><u>278,549</u></b>	<b><u>13,322</u></b>	<b><u>78,162</u></b>	<b><u>633,679</u></b>

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	← Share capital RM'000	Non-distributable Statutory reserve RM'000	→ AFS reserve RM'000	Distributable Retained profits RM'000	Total RM'000
<b>Bank</b>					
Balance as at 1 January 2011	263,646	278,549	10,698	93,912	646,805
- As previously stated	-	-	-	1,928	1,928
- Effect on adoption of FRS 139	263,646	278,549	10,698	95,840	648,733
As restated					
Net profit for the financial period	-	-	-	6,216	6,216
Other comprehensive income/(loss) for the financial					
Financial investments AFS	-	-	(7,915)	-	(7,915)
- Unrealised net loss on revaluation					
- Net transfer to income statement on disposal or impairment	-	-	(2,398)	-	(2,398)
Income tax relating to components of other comprehensive income	-	-	2,578	-	2,578
Total comprehensive (loss)/income for the financial	-	-	(7,735)	6,216	(1,519)
Balance as at 31 March 2011	<b>263,646</b>	<b>278,549</b>	<b>2,963</b>	<b>102,056</b>	<b>647,214</b>

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
**Incorporated in Malaysia**

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

	Three months ended	
	31.03.2012	As Restated 31.03.2011
	RM '000	RM '000
<b><u>Group</u></b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	31,351	7,292
Adjustment for non-cash items	(39,999)	(35,434)
Operating loss before working capital changes	(8,648)	(28,142)
Changes in working capital:		
Net changes in operating assets	(239,730)	(190,584)
Net changes in operating liabilities	(470,711)	(601,714)
Cash used in operations	(719,089)	(820,440)
Taxation paid	(5,263)	(5,993)
Taxation recovered	-	-
Net cash used in operating activities	(724,352)	(826,433)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (purchase)/redemption of financial investments held-to-maturity	(102,132)	2,787
Net sale of financial investments available-for-sale	613,644	413,542
Interest received from financial investments held-to-maturity	2,018	1,035
Interest received from financial investments available-for-sale	30,926	44,658
Property, plant and equipment:		
- Purchase	(1,545)	(828)
- Proceeds from disposal	-	81
Net cash generated from investing activities	542,911	461,275
Net (decrease)/increase in cash and cash equivalents	(181,441)	(365,158)
Effects of exchange rate differences	270	923
Cash and cash equivalents		
- at the beginning of the financial period	2,080,685	1,907,199
- at the end of the financial period	1,899,514	1,542,964
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and short-term funds	1,899,514	1,542,964

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
**Incorporated in Malaysia**

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

	Three months ended	
	31.03.2012	As Restated 31.03.2011
	RM '000	RM '000
<b><u>Bank</u></b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	30,344	7,836
Adjustment for non-cash items	(39,976)	(35,430)
Operating loss before working capital changes	(9,632)	(27,594)
Changes in working capital:		
Net changes in operating assets	(238,655)	(171,140)
Net changes in operating liabilities	(471,363)	(618,663)
Cash used in operations	(719,650)	(817,397)
Taxation paid	(4,835)	(5,688)
Net cash used in operating activities	(724,485)	(823,085)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (purchase)/redemption of financial investments held-to-maturity	(102,132)	2,787
Net sale of financial investments available-for-sale	613,599	413,520
Interest received from financial investments held-to-maturity	2,018	1,035
Interest received from financial investments available-for-sale	30,926	44,658
Property, plant and equipment:		
- Purchase	(1,501)	(741)
- Proceeds from disposal	-	81
Net cash generated from investing activities	542,910	461,340
Net (decrease)/increase in cash and cash equivalents	(181,575)	(361,745)
Cash and cash equivalents		
- at the beginning of the financial period	2,013,729	1,841,694
- at the end of the financial period	1,832,154	1,479,949
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and short-term funds	1,832,154	1,479,949

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**RHB INVESTMENT BANK BERHAD (19663-P)**  
**Incorporated in Malaysia**

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

**1 Basis of Preparation**

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

The Group and the Bank revised its accounting policies on 1 January 2012 to enable the preparation of financial statements that comply with MFRS. This condensed financial statements is the Group's and Bank's first financial report prepared in accordance with MFRS and MFRS 1: 'First Time Adoption of MFRS', and has been applied retrospectively as if the requirements of MFRSs have always been applied by the Group and the Bank from transition date of 1 January 2011. The Group and the Bank 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 Bank for the financial year ended 31 December 2011.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2011, except for the adoption of the following relevant accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2012:

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

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Group and the Bank, except for the adoption of MFRS 139.

Previously, the Group applied the Amendment to FRS 139, which included an additional transitional arrangement for financial sectors, whereby the Bank Negara Malaysia ('BNM') may prescribed the use of an alternative basis for collective assessment of impairments in loan, 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 effective 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 receivable 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 and Bank's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note 30.

**RHB INVESTMENT BANK BERHAD (19663-P)**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**2 Audit Report**

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

**3 Seasonal or Cyclical Factors**

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

**4 Exceptional or Extraordinary Items**

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

**5 Changes in Estimates**

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

**6 Changes in Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as

**7 Dividends Paid**

No dividend was paid by the Bank during the three months ended 31 March 2012.

**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

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

	Group and Bank	
	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
<b>At fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government Securities	10,781	-
Malaysian Government Investment Issues	20,041	21,119
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Private debt securities	123,955	95,765
	<b>154,777</b>	<b>116,884</b>

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

	Group		Bank	
	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
<b>At fair value</b>				
<u>Money market instruments:</u>				
Malaysian Government Investment Issue	316,379	942,089	316,379	942,089
Malaysian Government Securities	461,264	692,753	461,264	692,753
Cagamas bonds	25,133	-	25,133	-
Khazanah bonds	12,729	12,638	12,729	12,638
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Shares	660	744	-	85
Loan stocks	1,122	1,255	1,122	1,255
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	21,801	21,801	21,801	21,801
Private debt securities	932,635	704,601	932,635	704,601
Loan stocks	20,662	20,662	20,662	20,662
Redeemable convertible preference shares	13,980	15,130	-	-
<u>Outside Malaysia</u>				
Loan stocks	553	574	-	-
	<b>1,806,918</b>	<b>2,412,247</b>	<b>1,791,725</b>	<b>2,395,884</b>

As at 31 Mar 2012, the carrying value of financial investments available-for-sale, which was transferred from financial assets held-for-trading and financial investment held-to-maturity in previous financial years, for the Group and the Bank are RM268,624,000 (2011: RM357,555,000) and RM19,601,000 (2011: RM19,601,000) respectively.

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

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

<b>At amortised cost</b>	<b>Group and Bank</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Money market instruments:</u>		
Malaysian Government Securities	45,437	45,864
Malaysian Government Investment Issue	440,253	312,857
Cagamas bonds	51,624	51,171
Banker's acceptances	75,838	101,809
 <u>Unquoted Securities:</u>		
<u>In Malaysia</u>		
Bonds	23	23
Prasarana bonds	41,106	40,690
Private debt securities	155,765	156,481
	<b>810,046</b>	708,895
 Accumulated impairment losses	<b>(99,541)</b>	(100,541)
	<b>710,505</b>	608,354

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

**11 Loans and Advances**

	<b>Group and Bank</b>	
	<b>As at</b>	<b>As Restated</b>
<b>(i) By type</b>	<b>31.03.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Share margin financing	36,889	42,403
Staff loans	1,718	1,763
Gross loans and advances	<b>38,607</b>	44,166
Allowance for impaired loans and advances - individual impairment allowance	<b>(563)</b>	(584)
Net loans and advances	<b>38,044</b>	43,582
	<b>Group and Bank</b>	
	<b>As at</b>	<b>As at</b>
<b>(ii) By type of customer</b>	<b>31.03.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions - others	858	1,490
Individuals	37,749	42,505
Foreign entities	-	171
	<b>38,607</b>	44,166
<b>(iii) By interest rate sensitivity</b>		
Fixed rate - other fixed rate loans	<b>38,607</b>	44,166
<b>(iv) By Purpose</b>		
Purchase of securities	36,889	42,403
Purchase of transport vehicles	68	76
Purchase of landed property: - Residential	<b>1,650</b>	1,687
	<b>38,607</b>	44,166
<b>(v) By remaining contractual maturities</b>		
Maturity within one year	36,899	42,411
One year to three years	85	82
Three years to five years	96	91
Over five years	<b>1,527</b>	1,582
	<b>38,607</b>	44,166

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

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

	Group and Bank	
	As at	As at
	31.03.2012	31.12.2011
	RM'000	RM'000
<b>(vi) Impaired Loans and Advances</b>		
<b>(a) Movements in impaired loans and advances</b>		
Balance as at the beginning of financial period/year	619	918
Classified as impaired during the financial period/year	-	8
Amount recovered	(21)	(122)
Amount written off	-	(185)
	598	619
<b>(b) By purpose</b>		
Purchase of securities	598	619
<b>(c) Movements in allowances for impaired loans and advances</b>		
<b>Individual impairment allowance</b>		
Balance as at the beginning of the financial period/year	584	882
Allowance made	-	9
Amount recovered	(21)	(122)
Amount written off	-	(185)
	563	584
<b>Group and Bank</b>		
	<b>As at</b>	<b>As Restated</b>
	<b>31.03.2012</b>	<b>31.12.2011</b>
	RM'000	RM'000
<b>Collective impairment allowance</b>		
Balance as at the beginning of the financial period/year		
- As previously stated	654	760
- Effect on adoption of FRS 139	(654)	(760)
As restated	-	-
Net allowance written back	-	-
	-	-

**12 Other Assets**

	Group		Bank	
	As at	As at	As at	As at
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Amounts due from holding company	1,854	1,876	1,854	1,876
Amounts due from subsidiaries	-	-	1,843	1,510
Amounts due from related companies	1,670	1,592	792	792
Other debtors, deposits and prepayments	30,173	26,640	17,889	15,171
	33,697	30,108	22,378	19,349

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

**13 Deposits from Customers**

(i) By type of deposits:	Group and Bank	
	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000
Fixed deposits	740,598	1,149,421
Short term deposits	812,949	1,318,894
	<b>1,553,547</b>	<b>2,468,315</b>
(ii) The maturity structure of total deposits are as follows:		
Due within six months	1,553,547	2,468,315
(iii) The deposits are sourced from the following customers:		
Federal government and statutory bodies	142,119	219,327
Business enterprises	1,411,428	2,248,988
	<b>1,553,547</b>	<b>2,468,315</b>

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

Licensed banks	-	100,320
Other financial institutions	1,936,780	2,035,570
	<b>1,936,780</b>	<b>2,135,890</b>

**15 Other Liabilities**

	Group		Bank	
	As at 31.03.2012	As at 31.12.2011	As at 31.03.2012	As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Amount due to immediate holding company	399	380	381	363
Amounts due to subsidiaries	-	-	1,272	2,002
Amounts due to related companies	9,877	15,190	8,693	13,788
Amount payable for creation of units due to funds	9,549	13,685	-	-
Amount payable for redemption units	8,498	548	-	-
Remisiers' trust deposits	9,425	9,198	9,425	9,198
Accrued personnel costs	7,890	15,692	6,456	11,133
Other creditors and accruals	21,114	22,787	16,979	18,102
	<b>66,752</b>	<b>77,480</b>	<b>43,206</b>	<b>54,586</b>



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

**16 Interest Income**

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Loans and advances	872	1,218	872	1,218
Money at call and deposit placements with banks and other financial institutions	8,036	9,948	7,797	9,675
Financial assets held-for-trading	3,563	1,947	3,563	1,947
Financial investments available-for-sale	21,177	29,997	21,177	29,997
Financial investments held-to-maturity	5,506	1,567	5,506	1,567
Others	777	1,146	777	1,146
	<u>39,931</u>	<u>45,823</u>	<u>39,692</u>	<u>45,550</u>

**17 Interest Expense**

	<u>Group and Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended
	31.03.2012	31.03.2011
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	18,194	17,068
Deposits from customers	13,635	17,982
Subordinated obligations	3,260	3,224
Others	-	-
	<u>35,089</u>	<u>38,274</u>

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

18 Other Operating Income

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended 31.03.2012 RM'000	Preceding Corresponding Quarter Ended 31.03.2011 RM'000	Current Financial Quarter Ended 31.03.2012 RM'000	Preceding Corresponding Quarter Ended 31.03.2011 RM'000
a) Fee Income:				
Brokerage	22,187	27,399	22,187	27,399
Fund management fees	5,036	5,434	-	-
Fee on loans and advances	412	430	412	430
Corporate advisory fees	1,440	3,390	1,440	3,390
Underwriting fees	-	167	-	167
Unit trust fee income	64	1,423	-	-
Other fee income	21,766	3,166	21,902	3,193
	<u>50,905</u>	<u>41,409</u>	<u>45,941</u>	<u>34,579</u>
b) Net gain/(loss) arising from financial assets held-for-trading - net gain/(loss) on revaluation	(378)	2,195	(378)	2,195
c) Net (loss)/gain on revaluation of derivatives	(250)	(886)	(250)	(886)
d) Net gain arising from financial investments AFS - gross dividend income	14,289 15	2,398 -	14,289 -	2,398 -
	<u>14,304</u>	<u>2,398</u>	<u>14,289</u>	<u>2,398</u>
e) Net gain arising from financial investments held-to-maturity - net gain on redemption - gross dividend income	- - -	1,100 - 1,100	- - -	1,100 - 1,100
	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>1,100</u>
f) Other income:				
Foreign exchange (loss)/gain - Realised	(545)	(17)	(545)	(10)
- Unrealised	151	176	-	-
Gain on disposal of property, plant and equipment	-	81	-	81
Other non-operating (loss)/income	73	(52)	69	(64)
	<u>(321)</u>	<u>188</u>	<u>(476)</u>	<u>7</u>
	<u>64,260</u>	<u>46,404</u>	<u>59,126</u>	<u>39,393</u>

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

**19 Other Operating Expenses**

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31.03.2012 RM'000	Preceding Corresponding Quarter Ended 31.03.2011 RM'000	Current Financial Quarter Ended 31.03.2012 RM'000	Preceding Corresponding Quarter Ended 31.03.2011 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	19,762	23,240	15,277	17,706
- Contributions to Employees Provident Fund	3,092	3,631	2,394	2,702
- Other staff related costs	2,215	2,988	2,044	2,766
	<u>25,069</u>	<u>29,859</u>	<u>19,715</u>	<u>23,174</u>
<u>Establishment costs</u>				
- Depreciation	1,012	1,052	891	926
- Rental of premises	1,861	1,871	1,572	1,595
- Information technology expenses	(16)	580	(138)	704
- Others	1,873	2,509	1,826	2,419
	<u>4,730</u>	<u>6,012</u>	<u>4,151</u>	<u>5,644</u>
<u>Marketing expenses</u>				
- Sales commission	60	1,245	-	-
- Advertisement and publicity	2,335	2,588	2,266	2,559
- Others	1,734	1,668	1,577	1,365
	<u>4,129</u>	<u>5,501</u>	<u>3,843</u>	<u>3,924</u>
<u>Administration and general expenses</u>				
- Communication expenses	1,363	1,478	1,134	1,335
- Legal and professional fees	61	110	45	85
- Others	2,286	3,685	4,240	4,523
	<u>3,710</u>	<u>5,273</u>	<u>5,419</u>	<u>5,943</u>
	<u>37,638</u>	<u>46,645</u>	<u>33,128</u>	<u>38,685</u>

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

**20 Allowance for Impairment on Loans, Advances and Other Losses**

	<b>Group and Bank</b>	
	<b><u>Individual Quarter</u></b>	
	<b>Current</b>	<b>As Restated</b>
	<b>Financial</b>	<b>Preceding</b>
	<b>Quarter Ended</b>	<b>Corresponding</b>
	<b>31.03.2012</b>	<b>Quarter Ended</b>
	<b>31.03.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Allowance made/(written back) for impairment - loans and advances:		
Individual impairment allowance	(22)	(42)
Collective impairment allowance	-	-
Bad debts recovered		-
Allowance made/(written back) for impairment - other debtors	<b>334</b>	190
	<b>312</b>	<b>148</b>

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

**21 Capital Adequacy**

The capital adequacy ratios of RHB Investment Bank Berhad are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

The capital adequacy ratios of the Bank are as follows:

	Group		Bank	
	As at 31.03.2012 RM'000	As at 31.12.2011 <sup>^</sup> RM'000	As at 31.03.2012 RM'000	As at 31.12.2011 <sup>^</sup> RM'000
<b>Tier I Capital</b>				
Paid-up share capital	263,646	263,646	263,646	263,646
Statutory reserves	278,549	278,549	278,549	278,549
Retained profits	57,585	57,585	53,198	53,198
	<u>599,780</u>	599,780	<u>595,393</u>	595,393
Less: Deferred tax assets	(5,284)	(5,284)	(3,365)	(3,365)
Goodwill	(172,844)	(172,844)	(159,280)	(159,280)
Total Tier I capital	<u>421,652</u>	421,652	<u>432,748</u>	432,748
<b>Tier II Capital</b>				
Collective impairment allowance	17	893	17	893
Subordinated obligations	210,826	210,826	216,374	216,374
Total Tier II capital	<u>210,843</u>	211,719	<u>216,391</u>	217,267
Less: Investments in subsidiaries	-	-	(84,970)	(84,970)
Investment in a joint venture	(18,894)	(19,020)	(21,463)	(21,463)
Securitisation exposures subject to deductions	(9,409)	(7,781)	(9,409)	(7,781)
Other deductions *	(1,172)	(440)	(1,162)	(440)
<b>Eligible Tier II Capital</b>	<u>181,368</u>	184,478	<u>99,387</u>	102,613
<b>Total Capital Base</b>	<u>603,020</u>	606,130	<u>532,135</u>	535,361
<u>Capital ratios</u>				
Before proposed dividends:				
Core capital ratio	23.54%	32.69%	25.47%	36.43%
Risk-weighted capital adequacy ratio	33.67%	46.99%	31.32%	45.07%
After proposed dividends:				
Core capital ratio	21.91%	30.42%	23.75%	33.97%
Risk-weighted capital adequacy ratio	<u>31.22%</u>	<u>43.59%</u>	<u>28.74%</u>	<u>41.37%</u>

\* Pursuant to the Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the RWCR computation shall account for the ageing, liquidity and hold 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.

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

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

The breakdown of risk-weighted assets by each major risk category is as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2012</b>	<b>31.12.2011<sup>^</sup></b>	<b>31.03.2012</b>	<b>31.12.2011<sup>^</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>1,193,225</b>	709,331	<b>1,151,269</b>	658,111
Market risk	<b>140,715</b>	126,884	<b>140,715</b>	126,884
Operational risk	<b>457,001</b>	453,579	<b>407,088</b>	402,937
Total risk weighted assets	<b><u>1,790,941</u></b>	<u>1,289,794</u>	<b><u>1,699,072</u></b>	<u>1,187,932</u>

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

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

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

**22 Commitments And Contingencies**

In the normal course of business, the Group and the Bank makes various commitments and incur certain contingent liabilities with legal recourse to customers. No material losses are anticipated as a result of these transactions.

Group and Bank	← 31.03.2012 →			← 31.12.2011 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,000	1,000	1,000	1,000	1,000	1,000
Transaction related contingent items	1,093	547	163	1,093	547	163
Obligations under an on-going underwriting agreements	50,000	25,000	5,000	121,000	60,500	21,250
Interest rate related contracts:						
- less than one year	120,000	150	30	150,000	235	47
- one year to less than five years	1,835,000	44,790	8,958	1,785,000	49,548	9,910
- five years and above	35,000	3,385	677	85,000	6,161	1,232
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	291	146	51	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	80,661	16,132	14,810	80,860	16,172	15,653
<b>Total</b>	<b>2,123,045</b>	<b>91,150</b>	<b>30,689</b>	<b>2,223,953</b>	<b>134,163</b>	<b>49,255</b>

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

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

**23 Valuation of Property, Plant and Equipment**

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

**24 Events subsequent to the date of statements of financial position**

There are no material events subsequent to the date of statements of financial position that have not been reflected in the financial statements.

**25 Changes in the Composition of the Group**

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

**26 Changes in Profit for the Quarter**

For the three months ended 31 March 2012, the Group recorded a pre-tax profit of RM31.4 million, an increase of 199% as compared to losses of RM31.7 million (restated) for the preceding quarter ended 31 December 2011. The higher profit was mainly due to higher other operating income by RM22.7 million, lower other operating expenses by RM2.3 million and lower allowance made for impairment on loans, and advances and other assets by RM0.6 million, partly offset by lower impairment losses on financial investments by RM38.0 million.

**27 Performance Review**

For the three months ended 31 March 2012, the Group recorded a pre-tax profit of RM31.3 million, 330% higher as compared to the previous corresponding quarter ended 31 March 2011 of RM7.3 million (restated). The higher profit was mainly due to higher other operating income by RM17.8 million and lower other operating expenses by RM9.0 million.

**28 Prospects for 2012**

As the global economy show signs of recovery, external demand for the country's exports will likely improve as the year progresses. Domestic spending remains resilient, which will be reinforced by the progress in the implementation of the Economic Transformation programme to sustain growth. We envisage the country's economy to grow at 4 to 5% in 2012.

RHB Investment Bank is confident that capital market activities will remain active in the next quarter and will strive to intensify efforts to secure more deals and market share.



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

**29 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 year, the Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Investment Banking

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 cover 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.

(a) Treasury

Treasury and money market operations is involved in proprietary trading of various financial products that include short-term money market instruments, long term securities and foreign exchange and derivatives products.

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

**29 Segment Reporting (continued)**

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

	<u>Investment Banking</u>	<u>Treasury</u>	<u>Elimination</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
External revenue	36,221	36,141	-	72,362
Overhead expenses	(35,408)	(2,230)	-	(37,638)
Including:				
Depreciation of property, plant and equipment	(957)	(55)	-	(1,012)
Allowance made for impairment on loans, advances and other losses	(312)	-	-	(312)
Impairment (losses)/write back on other assets	55	-	-	55
Profit before unallocated expenses	556	33,911	-	34,467
Sub-debt interest				(3,260)
Profit after allocated expenses				31,207
Share of results of a joint venture				144
Profit before taxation				31,351
Taxation				(7,818)
Net profit for the financial period				<u>23,533</u>

**Segment Assets As At 31 March 2012**

	<u>Investment Banking</u>	<u>Treasury</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	1,627,116	3,979,099	25,056	-	5,631,271
Investments in a joint venture					18,894
Tax recoverable					9,778
Deferred tax assets					1,836
Unallocated assets					14,586
Total assets					<u>5,676,365</u>

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

**29 Segment Reporting (continued)**

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

	<b>Investment Banking</b>	<b>Treasury</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	45,835	11,342	-	57,177
Overhead expenses	(43,061)	(3,584)	-	(46,645)
Including:				
Depreciation of property, plant and equipment	(882)	(170)	-	(1,052)
Allowance made for impairment on loans, advances and other losses	(148)	-	-	(148)
Impairment (losses)/write back on other assets	-	-	-	-
Profit before unallocated expenses	2,626	7,758	-	10,384
Sub-debt interest				(3,224)
Profit after allocated expenses				7,160
Share of results of a joint venture				132
Profit before taxation				7,292
Taxation				(1,462)
Net profit for the financial period				<u>5,830</u>

**Segment Assets As At 31 March 2011**

	<b>Investment Banking</b>	<b>Treasury</b>	<b>Others</b>	<b>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>
Segment assets	1,250,580	4,811,754	20,739	-	6,083,073
Investments in a joint venture					24,253
Tax recoverable					12,608
Deferred tax assets					1,101
Unallocated assets					13,851
Total assets					<u>6,134,886</u>

**RHB INVESTMENT BANK BERHAD (19663-P)**  
Incorporated in Malaysia

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

**30 Changes in Accounting Policies**

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

	<b>As previously reported</b>	<b>Effect on 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 and advances	49,891	760	50,651
- Gross loans and advances	51,533	-	51,533
- Collective impairment allowances	(760)	760	-
Clients' and brokers' balances	421,127	1,810	422,937
- Individual impairment allowances	(7,478)	6,022	(1,456)
- Collective impairment allowances	(357)	(4,212)	(4,569)
<b>Liabilities</b>			
Deferred tax liabilities	2,251	642	2,893
Shareholder's Fund	651,756	1,928	653,684
Retained profits	103,817	1,928	105,745
Loans and advances of which:			
- Impaired loans and advances	918	-	918
<b>As at 31 December 2011</b>			
<b>Assets</b>			
Loans and advances	42,928	654	43,582
- Gross loans and advances	44,166	-	44,166
- Collective impairment allowances	(654)	654	-
Clients' and brokers' balances	232,676	2,158	234,834
- Individual impairment allowances	(9,309)	7,777	(1,532)
- Collective impairment allowances	(240)	(5,619)	(5,859)
<b>Liabilities</b>			
Deferred tax liabilities	2,584	703	3,287
Shareholder's Fund	612,199	2,109	614,308
Retained profits	57,585	2,109	59,694
Loans and advances of which:			
- Impaired loans and advances	619	-	619

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

	<b>As previously reported</b>	<b>Effect on full adoption of MFRS 139</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for impairment on loans, advances and other losses	(1,500)	1,352	(148)
Profit before taxation	5,808	1,352	7,160
Taxation	(1,462)	-	(1,462)
Net profit for the financial period	4,478	1,352	5,830
Earnings per share (sen) - basic	1.7	-	2.2