

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

		Group		Bank	
		As at 31.3.2013	As at 31.12.2012 (Restated)	As at 31.3.2013	As at 31.12.2012 (Restated)
DISCONTINUED OPERATIONS					
ASSETS	Note	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds		1,613,471	793,328	1,211,052	358,316
Deposits and placements with banks and other financial institution		3,035	42,864	15,622	55,624
Financial assets held-for-trading	8	514,499	811,335	411,834	719,797
Financial investments available-for-sale	9	2,758,027	3,903,223	2,722,885	3,868,665
Financial investments held-to-maturity	10	434,834	461,509	434,834	461,509
Loans, advances and financing	11	2,076,923	1,960,011	1,328,378	1,377,776
Clients' and brokers' balances		3,149,451	2,686,685	1,110,646	860,584
Other assets	12	253,862	234,311	150,802	172,111
Derivative assets		4,903	5,713	4,903	5,713
Tax recoverable		32,626	32,558	30,714	30,821
Deferred tax assets		3,993	3,401	-	-
Statutory deposits with Central Banks		217,511	244,481	167,748	196,640
Investments in subsidiaries		-	-	857,629	857,629
Investments in associates and a jointly controlled entity		25,429	25,775	21,878	21,878
Equipment		62,725	65,792	22,813	25,433
Intangible assets		32,156	33,852	26,148	28,174
TOTAL ASSETS		11,183,445	11,304,838	8,517,886	9,040,670
LIABILITIES AND EQUITY					
Deposits from customers	13	4,374,471	5,571,859	4,211,854	5,425,691
Deposits and placements of banks and other financial institutions	14	1,674,201	1,090,476	1,545,779	1,036,559
Obligations on securities sold under repurchase agreements		215,311	240,010	215,311	240,010
Obligations on securities borrowed		80,082	119,905	80,082	119,905
Clients' and brokers' balances		2,874,707	2,445,019	1,065,943	821,401
Other liabilities	15	184,820	208,041	79,925	104,817
Derivative liabilities		11,562	27,448	11,562	27,448
Taxation liabilities		13,151	13,136	-	-
Deferred tax liabilities		11,860	5,382	7,590	1,098
Borrowings		218,628	112,384	-	-
Subordinated obligations		410,151	407,171	410,151	407,171
TOTAL LIABILITIES		10,068,944	10,240,831	7,628,197	8,184,100
Share capital		660,000	660,000	660,000	660,000
Reserves		241,401	187,431	229,689	196,570
Equity attributable to owner of the Bank		901,401	847,431	889,689	856,570
Non-controlling interests		213,100	216,576	-	-
TOTAL EQUITY		1,114,501	1,064,007	889,689	856,570
TOTAL LIABILITIES AND EQUITY		11,183,445	11,304,838	8,517,886	9,040,670
COMMITMENTS AND CONTINGENCIES	23	3,531,883	4,413,136	2,653,749	3,275,148

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Note	Group			
		1st quarter ended		Three months ended	
		31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
		RM'000	RM'000	RM'000	RM'000
DISCONTINUED OPERATIONS					
Interest income	16	85,503	76,923	85,503	76,923
Interest expense	17	(50,954)	(49,911)	(50,954)	(49,911)
Net interest income		34,549	27,012	34,549	27,012
Other operating income	18	184,640	162,783	184,640	162,783
Net income from Islamic Banking operations	24	219,189	189,795	219,189	189,795
		1,116	1,895	1,116	1,895
Net operating income		220,305	191,690	220,305	191,690
Other operating expenses	19	(168,038)	(144,569)	(168,038)	(144,569)
Operating profit before allowances		52,267	47,121	52,267	47,121
(Allowance for)/write back of impairment losses on loans, advances and financing	20	(1,551)	951	(1,551)	951
Allowance for impairment on other losses	21	(192)	(397)	(192)	(397)
Share of results after tax of associates		403	571	403	571
Profit before taxation		50,927	48,246	50,927	48,246
Taxation		(10,413)	(16,123)	(10,413)	(16,123)
Net profit for the financial period		40,514	32,123	40,514	32,123
Profit attributable to:					
- Owner of the Bank		34,292	26,913	34,292	26,913
- Non-controlling interests		6,222	5,210	6,222	5,210
		40,514	32,123	40,514	32,123
Earnings per share (sen)					
- Basic and diluted		5.20	4.08	5.20	4.08

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Note	Bank			
		1st quarter ended		Three months ended	
		31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
		RM'000	RM'000	RM'000	RM'000
DISCONTINUED OPERATIONS					
Interest income	16	66,618	61,558	66,618	61,558
Interest expense	17	(47,895)	(48,851)	(47,895)	(48,851)
Net interest income		18,723	12,707	18,723	12,707
Other operating income	18	77,346	99,586	77,346	99,586
		96,069	112,293	96,069	112,293
Net income from Islamic Banking operations	24	1,116	1,895	1,116	1,895
Net operating income		97,185	114,188	97,185	114,188
Other operating expenses	19	(63,431)	(67,363)	(63,431)	(67,363)
Operating profit before allowances		33,754	46,825	33,754	46,825
(Allowance for)/write back of impairment losses on loans, advances and financing	20	(1,426)	1,122	(1,426)	1,122
Write back of/(allowance for) impairment on other losses	21	76	(308)	76	(308)
Profit before taxation		32,404	47,639	32,404	47,639
Taxation		(6,754)	(13,639)	(6,754)	(13,639)
Net profit for the financial period		25,650	34,000	25,650	34,000

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group			
	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
DISCONTINUED OPERATIONS				
Net profit for the financial period	40,514	32,123	40,514	32,123
Other comprehensive income/(loss) :				
Items that will not be reclassified to income statements				
- Currency translation difference	12,054	(16,572)	12,054	(16,572)
- Unrealised net gain on revaluation of financial investments available-for-sale ("AFS")	12,893	43,827	12,893	43,827
- Share of reserves in an associate	-	(8)	-	(8)
Income tax relating to components of other comprehensive income	(3,126)	(10,868)	(3,126)	(10,868)
	21,821	16,379	21,821	16,379
Items that will be reclassified to income statements				
- Net transfer to income statements on disposal on AFS	(2,544)	(3,338)	(2,544)	(3,338)
Income tax relating to components of other comprehensive income	636	835	636	835
	(1,908)	(2,503)	(1,908)	(2,503)
Other comprehensive income, for the financial period, net of tax	19,913	13,876	19,913	13,876
Total comprehensive income for the financial period	60,427	45,999	60,427	45,999
Total comprehensive income attributable to:				
- Owner of the Bank	54,718	44,747	54,718	44,747
- Non-controlling interests	5,709	1,252	5,709	1,252
	60,427	45,999	60,427	45,999

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

DISCONTINUED OPERATIONS	Bank			
	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	25,650	34,000	25,650	34,000
Other comprehensive income :				
Items that will not be reclassified to income statements				
- Unrealised net gain on revaluation of financial investments available-for-sale ("AFS")	12,503	43,470	12,503	43,470
Income tax relating to components of other comprehensive income	(3,126)	(10,868)	(3,126)	(10,868)
	9,377	32,602	9,377	32,602
Items that will be reclassified to income statements				
- Net transfer to income statements on disposal on AFS	(2,544)	(3,338)	(2,544)	(3,338)
Income tax relating to components of other comprehensive income	636	835	636	835
	(1,908)	(2,503)	(1,908)	(2,503)
Other comprehensive income, for the period, net of tax	7,469	30,099	7,469	30,099
Total comprehensive income for the financial period	33,119	64,099	33,119	64,099

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
DISCONTINUED OPERATIONS

Group	Attributable to owner of the Bank							Non-controlling interests	Total equity
	Share capital	Statutory reserves	Translation reserves	Available-		Accumulated losses	Total		
				for-sale reserves	Other reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1.1.2013	660,000	262,980	(22,836)	17,089	(1,059)	(68,743)	847,431	216,576	1,064,007
Net profit after tax for the period	-	-	-	-	-	34,292	34,292	6,222	40,514
Currency translation differences	-	-	12,589	(65)	-	-	12,524	(470)	12,054
Financial investments available-for-sale									
- Unrealised net gain on revaluation	-	-	-	12,936	-	-	12,936	(43)	12,893
- Net transfer to income statements on disposal	-	-	-	(2,544)	-	-	(2,544)	-	(2,544)
Income tax relating to components of other comprehensive income	-	-	-	(2,490)	-	-	(2,490)	-	(2,490)
Other comprehensive income/(loss) for the period, net of tax	-	-	12,589	7,837	-	-	20,426	(513)	19,913
Total comprehensive income for the financial period	-	-	12,589	7,837	-	34,292	54,718	5,709	60,427
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	(9,185)	(9,185)
Accretion on deemed disposals of interest in associate	-	-	-	-	-	(748)	(748)	-	(748)
Total transactions with owner	-	-	-	-	-	(748)	(748)	(9,185)	(9,933)
As at 31.3.2013	660,000	262,980	(10,247)	24,926	(1,059)	(35,199)	901,401	213,100	1,114,501

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

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

Group	Attributable to owner of the Bank							Non-controlling interests	Total equity
	Share capital	Statutory reserves	Translation reserves	Available-	Other reserve	Retained profits	Total		
				for-sale reserves					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1.1.2012									
As previously reported	660,000	239,537	(9,735)	(9,902)	(846)	162,421	1,041,475	304,125	1,345,600
Prior year adjustments	-	-	-	-	-	7,606	7,606	-	7,606
As restated	660,000	239,537	(9,735)	(9,902)	(846)	170,027	1,049,081	304,125	1,353,206
Net profit after tax for the period	-	-	-	-	-	26,913	26,913	5,210	32,123
Currency translation differences	-	-	(12,535)	(12)	-	-	(12,547)	(4,025)	(16,572)
Financial investments available-for-sale									
- Unrealised net gain on revaluation	-	-	-	43,760	-	-	43,760	67	43,827
- Net transfer to income statements on disposal	-	-	-	(3,338)	-	-	(3,338)	-	(3,338)
Income tax relating to components of other comprehensive income	-	-	-	(10,033)	-	-	(10,033)	-	(10,033)
Share of reserves in an associate	-	-	-	-	(8)	-	(8)	-	(8)
Other comprehensive (loss)/income for the period, net of tax	-	-	(12,535)	30,377	(8)	-	17,834	(3,958)	13,876
Total comprehensive (loss)/income for the financial period	-	-	(12,535)	30,377	(8)	26,913	44,747	1,252	45,999
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	(8,926)	(8,926)
Accretion on deemed disposals of interest in associate	-	-	-	-	-	266	266	-	266
Acquisition of additional shares from non-controlling interests	-	-	-	-	-	-	-	(60)	(60)
Accretion on additional interest in a subsidiary	-	-	-	-	-	3	3	(3)	-
Total transactions with owner	-	-	-	-	-	269	269	(8,989)	(8,720)
As at 31.3.2012	660,000	239,537	(22,270)	20,475	(854)	197,209	1,094,097	296,388	1,390,485

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

OSK Investment Bank Berhad (14152-V)**UNAUDITED INTERIM FINANCIAL STATEMENTS****STATEMENTS OF CHANGES IN EQUITY****FOR THE THREE MONTHS ENDED 31 MARCH 2013**

Bank	Non-distributable			Distributable	
	Share capital	Statutory reserve	Available-for-sale reserve	Accumulated losses	Total
DISCONTINUED OPERATIONS	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2013	660,000	262,830	8,618	(74,878)	856,570
Net profit for the financial period	-	-	-	25,650	25,650
Financial investments available-for-sale					
- Unrealised net gain on revaluation	-	-	12,503	-	12,503
- Net transfer to income statements on disposal	-	-	(2,544)	-	(2,544)
Income tax relating to components of other comprehensive income	-	-	(2,490)	-	(2,490)
Other comprehensive income for the period, net of tax	-	-	7,469	-	7,469
Total comprehensive income for the financial period	-	-	7,469	25,650	33,119
As at 31.3.2013	660,000	262,830	16,087	(49,228)	889,689

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

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

Bank

DISCONTINUED OPERATIONS	Non-distributable			Distributable	
	Share capital	Statutory reserve	Available-for-sale reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2012					
As previously reported	660,000	239,387	(16,345)	64,441	947,483
Prior year adjustments	-	-	-	7,606	7,606
As restated	660,000	239,387	(16,345)	72,047	955,089
Net profit for the financial period	-	-	-	34,000	34,000
Financial investments available-for-sale					
- Unrealised net gain on revaluation	-	-	43,470	-	43,470
- Net transfer to income statements on disposal	-	-	(3,338)	-	(3,338)
Income tax relating to components of other comprehensive income	-	-	(10,033)	-	(10,033)
Other comprehensive income for the period, net of tax	-	-	30,099	-	30,099
Total comprehensive income for the financial period	-	-	30,099	34,000	64,099
As at 31.3.2012	660,000	239,387	13,754	106,047	1,019,188

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	1st quarter ended		1st quarter ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	50,927	48,246	32,404	47,639
Adjustments for non-cash items	(18,297)	8,582	(25,125)	(5,035)
Operating profit before working capital changes:	32,630	56,828	7,279	42,604
Net changes in operating assets	963,849	(2,371,747)	1,391,702	(1,568,279)
Net changes in operating liabilities	(274,211)	1,670,620	(552,044)	1,098,152
Cash generated from/(used in) operations	722,268	(644,299)	846,937	(427,523)
Taxation paid	(6,997)	(27,414)	(2,637)	(25,302)
Net cash generated from/(used in) operating activities	715,271	(671,713)	844,300	(452,825)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares from non-controlling interests	-	(60)	-	(60)
Dividends received	366	153	9,919	9,368
Proceeds from disposals of equipment	253	860	1	34
Purchase of software licence	(502)	(1,814)	(148)	(1,704)
Purchase of equipment	(2,790)	(5,596)	(441)	(2,221)
Net cash (used in)/generated from investing activities	(2,673)	(6,457)	9,331	5,417
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends to a non-controlling interest	(9,185)	(8,926)	-	-
Drawdown of short term borrowings	106,244	39,522	-	-
Net cash generated from financing activities	97,059	30,596	-	-

**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	1st quarter ended 31.3.2013	31.3.2012 (Restated)	1st quarter ended 31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	809,657	(647,574)	853,631	(447,408)
Effect of exchange rate differences	11,380	(15,317)	-	-
Cash and cash equivalents at the beginning of financial period	750,439	1,323,286	315,426	776,862
Cash and cash equivalents at the end of financial period	1,571,476	660,395	1,169,057	329,454
Cash and cash equivalents at end of financial period comprised:				
Cash, bank balances and deposits	354,074	335,492	75,028	33,596
Money at call and deposit placements with maturity within one month	1,217,402	338,810	1,094,029	295,858
Bank overdraft	-	(13,907)	-	-
	1,571,476	660,395	1,169,057	329,454

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013****1. Basis of preparation**

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 2012.

On 8 February 2013, the Bank entered into a Business Transfer Agreement ("BTA") with RHB Investment Bank Berhad ("RHBIB") to transfer the Bank's entire business including all assets and liabilities to RHBIB, in accordance with the terms of BTA (the "Proposed Merger").

On 27 February 2013, the High Court of Malaya granted a Vesting Order for the transfer of the entire business including all assets and liabilities of the Bank to RHBIB with effect from 13 April 2013. The Bank will cease operations subsequent to the Proposed Merger. The transfer of the entire business of the Bank to RHBIB was completed on 13 April 2013.

Accordingly, the financial statements of the Group and the Bank have been prepared on the basis the Group and the Bank have ceased to be a going concern.

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 2012, 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 2013:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurements
MFRS 3	Business Combination (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
Amendment to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to MFRS 2009-2011 Cycle	

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 impact to the Group and the Bank.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
1. Basis of preparation (Cont'd.)
Reclassification of securities

In the prior financial years, the Bank had reclassified certain financial assets held-for-trading ("HFT") to financial investments available-for-sale ("AFS") category pursuant to the BNM Circular, "Reclassification of Securities under Specific Circumstances". The provisions for reclassification were introduced after taking into account the exceptional circumstances in the global financial markets and the changes to the international accounting standards in response to this development. The provisions in the Circular overrode the existing requirements of BNM GP8 in relation to the reclassification of securities into or out of the HFT category and were permissible from 1 July 2008 until 31 December 2009.

MFRS 139 allows for the reclassification of AFS to amortised cost category (i.e. financial investments held-to-maturity ("HTM") or loan and receivables) if the entity has the intention and ability to hold the financial asset until maturity for the foreseeable future. MFRS 139 was also amended to allow reclassification out of HFT category in rare circumstances, subjects to the conditions stated in MFRS 139.

The Bank had reclassified certain AFS to HTM category and certain HFT to AFS category in prior years as shown below:

(a) Amounts reclassified

	RM'000
(i) AFS to HTM on 29 December 2008	<u>256,924</u>
(ii) HFT to AFS on 16 February 2009	<u>61,160</u>

(b) Carrying amounts and fair values

The carrying amount and fair value of securities reclassified (excluding reclassified investments that were disposed before the end of the quarter) are as follows:

	As at 31.3.2013 RM'000	As at 31.12.2012 RM'000
(i) AFS reclassified to HTM		
- Carrying value	36,730	35,690
- Fair value	43,687	43,038
(ii) HFT reclassified to AFS		
- Carrying value	-	41,044
- Fair value	-	41,044

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

2. Audit Report

The auditors' report for the financial year ended 31 December 2012 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 unusual items for the three months ended 31 March 2013.

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 2013.

6. Changes in Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

7. Dividends Paid

No dividend was paid by the Bank during the three months ended 31 March 2013.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
8. Financial assets held-for-trading				
At fair value				
Money market instruments:				
Malaysian Government Investment Issue	10,162	50,598	10,162	50,598
Malaysian Government Securities	30,290	30,473	30,290	30,473
	40,452	81,071	40,452	81,071
Quoted securities:				
Shares, exchange traded funds and warrants				
- in Malaysia	30,961	58,319	30,961	58,319
- outside Malaysia	43,584	52,698	22,304	20,855
	74,545	111,017	53,265	79,174
Trust units				
- in Malaysia	2,636	2,027	-	-
- outside Malaysia	28,422	25,033	-	-
	31,058	27,060	-	-
	105,603	138,077	53,265	79,174
Unquoted securities:				
Private debt securities				
- in Malaysia	202,694	125,493	202,694	125,493
- outside Malaysia	165,750	466,694	115,423	434,059
	368,444	592,187	318,117	559,552
	514,499	811,335	411,834	719,797

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
9. Financial investments available-for-sale				
At fair value				
Money market instruments:				
Bankers' acceptance and Islamic accepted bills	260,964	507,382	260,964	507,382
Bank Negara Malaysia Monetary Notes	-	205,859	-	205,859
Malaysian Government Investment Issues	498,175	517,064	498,175	517,064
Malaysian Government Securities	129,427	202,889	129,427	202,889
Negotiable instruments of deposits	149,474	459,878	149,474	459,878
	1,038,040	1,893,072	1,038,040	1,893,072
Quoted securities:				
Shares and warrants				
- in Malaysia	349	362	312	323
- outside Malaysia	1,296	1,197	-	-
	1,645	1,559	312	323
Trust units				
- in Malaysia	5,324	5,247	-	-
- outside Malaysia	20,099	20,197	14,706	15,295
	25,423	25,444	14,706	15,295
	27,068	27,003	15,018	15,618
Unquoted securities:				
Shares				
- in Malaysia	5,315	5,315	2,690	2,690
- outside Malaysia	20,298	20,382	-	-
	25,613	25,697	2,690	2,690

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
9. Financial investments available-for-sale (Cont'd.)				
Private and Islamic debt securities				
- in Malaysia	959,766	1,011,752	959,766	1,011,752
- outside Malaysia *	790,929	1,029,089	790,760	1,028,923
	1,750,695	2,040,841	1,750,526	2,040,675
Less: Accumulated impairment losses	(83,389)	(83,390)	(83,389)	(83,390)
	1,667,306	1,957,451	1,667,137	1,957,285
	1,692,919	1,983,148	1,669,827	1,959,975
	2,758,027	3,903,223	2,722,885	3,868,665

* Included in financial investments available-for-sale are securities sold under repurchase agreements.

	Group and Bank	
	31.3.2013	31.12.2012
	RM'000	RM'000
Private debts securities outside Malaysia	237,925	239,126

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
10. Financial investments held-to-maturity				
At amortised cost				
Money market instruments:				
Malaysian Government Investment Issues	80,695	101,103	80,695	101,103
Unquoted securities:				
Private and Islamic debt securities				
- in Malaysia	393,269	412,621	393,269	412,621
- outside Malaysia	44,433	31,348	44,433	31,348
	437,702	443,969	437,702	443,969
Less: Accumulated impairment losses	(83,563)	(83,563)	(83,563)	(83,563)
	354,139	360,406	354,139	360,406
	434,834	461,509	434,834	461,509

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at 31.3.2013	As at 31.12.2012	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
11. Loans, advances and financing				
At amortised cost				
Overdrafts	55,425	53,129	-	-
Term loans				
- syndicated term loans/financing	5,595	5,594	5,595	5,594
- others term loans/financing	1,236,868	1,284,562	990,099	1,041,961
Shares margin financing	810,736	646,774	311,263	307,785
Revolving credits	-	-	50,212	49,726
Staff loans	1,003	1,078	1,003	1,078
Gross loans, advances and financing	2,109,627	1,991,137	1,358,172	1,406,144
Allowance for impaired loans, advances and financing				
- Individual impairment allowance	(23,369)	(23,410)	(23,360)	(23,397)
- Collective impairment allowance	(9,335)	(7,716)	(6,434)	(4,971)
Net loans, advances and financing	2,076,923	1,960,011	1,328,378	1,377,776
(a) Analysis of gross loans, advances and financing				
(i) By type of customers				
Domestic small and medium enterprises	1,074,221	1,132,595	1,074,221	1,132,595
Individuals	790,568	637,476	233,739	223,823
Foreign entities	244,838	221,066	50,212	49,726
	2,109,627	1,991,137	1,358,172	1,406,144
(ii) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans	683	965	-	-
- Other fixed rate loans	1,391,556	1,408,078	1,162,707	1,191,925
Variable rate				
- Cost plus	106,948	79,518	-	-
- Based lending rate plus	260,740	173,378	133,441	132,529
- Other variable rates	349,700	329,198	62,024	81,690
	2,109,627	1,991,137	1,358,172	1,406,144

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

Group		Bank	
As at 31.3.2013	As at 31.12.2012	As at 31.3.2013	As at 31.12.2012
RM'000	RM'000	RM'000	RM'000

11. Loans, advances and financing (Cont'd)
**(a) Analysis of gross loans, advances
and financing (Cont'd)**
(iii) By economic purpose

Purchase of securities	1,600,345	1,477,677	1,088,937	1,117,762
Purchase of transport vehicles	385	439	385	439
Purchase of landed properties				
- residential	22,599	23,659	618	639
- non-residential	62,973	62,644	56,380	56,000
Personal use	523	540	-	-
Constuction	14,874	16,474	-	-
Mergers and acquisitions	62,025	182,360	62,025	81,690
Working capital	196,237	81,690	109,828	109,342
Others	149,666	145,654	39,999	40,272
	2,109,627	1,991,137	1,358,172	1,406,144

(iv) By geographical distribution

Malaysia	1,307,960	1,356,418	1,307,960	1,356,418
Singapore	247,228	200,349	-	-
Hong Kong	118,883	100,444	46,345	45,896
Indonesia	18,000	18,274	3,867	3,830
Cambodia	290,258	274,804	-	-
Thailand	127,298	40,848	-	-
	2,109,627	1,991,137	1,358,172	1,406,144

**(v) By remaining contractual
maturities**

Maturity within one year	1,553,914	1,158,404	1,033,523	898,946
One year to three years	332,556	500,965	318,437	500,965
Three years to five years	30,274	145,793	-	-
Over five years	192,883	185,975	6,212	6,233
	2,109,627	1,991,137	1,358,172	1,406,144

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
11. Loans, advances and financing (Cont'd)				
(b) Analysis of impaired loans, advances and financing				
(i) Movement in impaired loans, advances and financing				
At beginning of period/year	247,189	576	247,189	27
Classified as impaired	488	247,189	488	247,189
Reclassified as non-impaired	(91)	(27)	(91)	(27)
Amount recovered	-	(529)	-	-
Exchange difference	-	(20)	-	-
At end of period/year	247,586	247,189	247,586	247,189
Allowance for impaired loans, advances and financing				
- Individual impairment allowance	(23,369)	(23,410)	(23,360)	(23,397)
Net impaired loans, advances and financing	224,217	223,779	224,226	223,792
Analysis of impaired loans, advances and financing:				
• By geographical distribution				
Malaysia	247,586	247,189	247,586	247,189
• By economic purpose				
Purchase of securities	247,586	247,189	247,586	247,189

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

Group		Bank	
As at	As at	As at	As at
31.3.2013	31.12.2012	31.3.2013	31.12.2012
RM'000	RM'000	RM'000	RM'000

11. Loans, advances and financing (Cont'd)
(b) Analysis of impaired loans, advances and financing (Cont'd)
(ii) Movements in allowances for impaired loans, advances and financing
Individual impairment allowance

At beginning of period/year	(23,410)	(275)	(23,397)	-
Allowance made	-	(23,410)	-	(23,397)
Amount written back	41	267	37	-
Exchange differences	-	8	-	-
At end of period/year	(23,369)	(23,410)	(23,360)	(23,397)

Collective impairment allowance

At beginning of period/year	(7,716)	(3,510)	(4,971)	(1,684)
Net allowance made	(1,592)	(4,285)	(1,463)	(3,287)
Exchange differences	(27)	79	-	-
At end of period/year	(9,335)	(7,716)	(6,434)	(4,971)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at 31.3.2013	As at 31.12.2012 (Restated)	As at 31.3.2013	As at 31.12.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
12. Other assets				
Other receivables, deposits and prepayments	115,533	101,166	53,739	46,031
Security deposits and statutory funds	28,729	11,506	1,547	1,539
Amount due from reverse repo transactions	109,270	121,309	92,619	121,309
Transferable memberships	330	330	271	271
Amounts due from subsidiaries	-	-	2,626	2,961
	253,862	234,311	150,802	172,111

	Group		Bank	
	As at 31.3.2013	As at 31.12.2012	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000

13. Deposits from customers
Non-Mudharabah Fund

Demand deposits	18,146	14,141	-	-
Savings deposits	37,300	32,524	-	-
Fixed/investment deposits	4,251,232	4,113,871	4,144,061	4,013,468
Negotiable instruments of deposits	67,793	81,293	67,793	82,193
	4,374,471	4,241,829	4,211,854	4,095,661

Mudharabah Fund

General investment deposits	-	1,330,030	-	1,330,030
	4,374,471	5,571,859	4,211,854	5,425,691

(a) By type of customers

Local government and statutory bodies	397,018	971,153	397,018	971,152
Domestic non-bank financial institutions	2,510,072	3,232,613	2,510,072	3,232,613
Business enterprises	1,136,960	968,656	1,166,456	1,077,885
Individuals	155,269	140,014	134,127	140,014
Foreign customers	175,003	258,635	4,181	4,027
Others	149	788	-	-
	4,374,471	5,571,859	4,211,854	5,425,691

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
13. Deposits from customers (Cont'd)				
(b) By maturity structure of fixed/investment deposits and negotiable instruments of deposits				
Due within six months	3,808,928	4,661,876	3,737,605	4,577,021
Six months to one year	520,805	867,688	431,190	806,391
One year to three years	43,778	36,217	42,098	36,201
Three years to five years	960	6,078	961	6,078
	4,374,471	5,571,859	4,211,854	5,425,691
14. Deposits and placements of banks and other financial institutions				
Non-Mudharabah Fund				
Licensed banks	128,422	333,831	-	279,914
Licensed investment bank	210,728	150,000	210,728	150,000
Bank Negara Malaysia	461,583	306,980	461,583	306,980
Other financial institutions	873,468	234,676	873,468	234,676
	1,674,201	1,025,487	1,545,779	971,570
Mudharabah Fund				
Licensed Islamic banks	-	64,989	-	64,989
	1,674,201	1,090,476	1,545,779	1,036,559
	Group		Bank	
	As at	As at	As at	As at
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
15. Other liabilities				
Other payables and accruals	121,379	120,091	26,712	33,257
Remisiers' trust deposits	41,998	42,893	41,998	42,893
Short term employee benefits	13,760	41,657	6,854	27,437
Amount due to holding company	2,251	472	-	-
Amounts due to subsidiaries	-	-	4,361	1,230
Amount due to a associate	5,432	2,928	-	-
	184,820	208,041	79,925	104,817

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
16. Interest income				
<u>Group</u>				
Loans, advances and financing	36,678	28,484	36,678	28,484
Money at call and deposits and placements with bank and other financial institutions	8,753	8,964	8,753	8,964
Financial assets held-for-trading	6,052	4,516	6,052	4,516
Financial investments available-for-sale	23,281	25,432	23,281	25,432
Financial investments held-to-maturity	3,104	3,023	3,104	3,023
Stockbroking and futures broking business	3,334	1,934	3,334	1,934
Others	1,545	1,225	1,545	1,225
	82,747	73,578	82,747	73,578
Accretion of discount less amortisation of premium	2,756	3,345	2,756	3,345
	85,503	76,923	85,503	76,923
Of which :				
Interest income earned on impaired loans advances and financing	3,976	-	3,976	-
<u>Bank</u>				
Loans, advances and financing	24,428	19,035	24,428	19,035
Money at call and deposits and placements with bank and other financial institutions	5,893	5,998	5,893	5,998
Financial assets held-for-trading	5,416	3,037	5,416	3,037
Financial investments available-for-sale	23,279	25,431	23,279	25,431
Financial investments held-to-maturity	3,104	3,023	3,104	3,023
Stockbroking and futures broking business	511	611	511	611
Others	1,231	1,078	1,231	1,078
	63,862	58,213	63,862	58,213
Accretion of discount less amortisation of premium	2,756	3,345	2,756	3,345
	66,618	61,558	66,618	61,558
Of which :				
Interest income earned on impaired loans advances and financing	3,976	-	3,976	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
17. Interest expense				
<u>Group</u>				
Deposits and placements of banks and other financial institutions	(2,095)	(3,108)	(2,095)	(3,108)
Deposits from customers	(41,373)	(39,813)	(41,373)	(39,813)
Subordinated obligations	(6,688)	(6,763)	(6,688)	(6,763)
Borrowings	(785)	(214)	(785)	(214)
Others	(13)	(13)	(13)	(13)
	(50,954)	(49,911)	(50,954)	(49,911)

Bank

Deposits and placements of banks and other financial institutions	(1,624)	(2,776)	(1,624)	(2,776)
Deposits from customers	(39,582)	(39,312)	(39,582)	(39,312)
Subordinated obligations	(6,689)	(6,763)	(6,689)	(6,763)
	(47,895)	(48,851)	(47,895)	(48,851)

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)

18. Other operating income
Group
(a) Fees income

Arrangement fees and underwriting fees	9,202	5,673	9,202	5,673
Net brokerage	74,145	73,415	74,145	73,415
Commission	1,660	413	1,660	413
Corporate advisory fees	7,449	6,349	7,449	6,349
Fund management fee	14,723	14,155	14,723	14,155
Unit trust fee income	29,667	15,569	29,667	15,569
Trustee and will writing fees	3,376	2,976	3,376	2,976
Other fee income	5,806	6,919	5,806	6,919
	146,028	125,469	146,028	125,469

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
18. Other operating income (Cont'd)				
<u>Group</u>				
(b) Net gain arising from financial assets held-for-trading				
Net gain on disposal	2,959	57,919	2,959	57,919
Unrealised net gain/(loss) on revaluation	4,113	(20,852)	4,113	(20,852)
Gross dividend income	356	183	356	183
	7,428	37,250	7,428	37,250
(c) Net gain arising from derivative				
Net loss on disposal	(4,997)	(13,472)	(4,997)	(13,472)
Unrealised net gain on revaluation	16,144	24,917	16,144	24,917
Unexpired structure warrants	(3,982)	(7,543)	(3,982)	(7,543)
	7,165	3,902	7,165	3,902
(d) Net gain arising from financial investments AFS				
Net gain on disposal	3,487	4,197	3,487	4,197
Gross dividend income	17	-	17	-
	3,504	4,197	3,504	4,197
(e) Net gain arising from financial investments held-to-maturity				
Net gain on redemption	10	152	10	152
(f) Other income				
Net foreign exchange gain/(loss)				
- Realised	3,861	1,871	3,861	1,871
- Unrealised	14,547	(11,885)	14,547	(11,885)
Others	2,097	1,827	2,097	1,827
	20,505	(8,187)	20,505	(8,187)
Total other operating income	184,640	162,783	184,640	162,783

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
18. Other operating income (Cont'd)				
<u>Bank</u>				
(a) Fees income				
Arrangement fees and underwriting fees	3,418	2,050	3,418	2,050
Net brokerage	25,616	41,765	25,616	41,765
Commission	758	761	758	761
Corporate advisory fees	5,877	5,671	5,877	5,671
Other fee income	1,510	5,401	1,510	5,401
	37,179	55,648	37,179	55,648
(b) Net gain arising from financial assets held-for-trading				
Net gain on disposal	764	57,563	764	57,563
Unrealised net gain/(loss) on revaluation	185	(21,649)	185	(21,649)
Gross dividend income	356	183	356	183
	1,305	36,097	1,305	36,097
(c) Net gain arising from derivative				
Net loss on disposal	(4,997)	(13,472)	(4,997)	(13,472)
Unrealised net gain on revaluation	16,144	24,917	16,144	24,917
Unexpired structure warrants	(3,982)	(7,543)	(3,982)	(7,543)
	7,165	3,902	7,165	3,902
(d) Net gain arising from financial investments AFS				
Net gain on disposal	3,487	4,197	3,487	4,197

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
18. Other operating income (Cont'd)				
<u>Bank</u>				
(e) Net gain arising from financial investments held-to-maturity				
Net gain on redemption	10	152	10	152
(g) Other income				
Net foreign exchange gain/(loss)				
- Realised	3,101	728	3,101	728
- Unrealised	14,774	(11,961)	14,774	(11,961)
Gross dividend income from subsidiary outside Malaysia	9,570	9,215	9,570	9,215
Others	755	1,608	755	1,608
	28,200	(410)	28,200	(410)
Total other operating income	77,346	99,586	77,346	99,586

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
19. Other operating expenses				
<u>Group</u>				
(a) Personnel costs				
Salaries, allowances and bonuses	(67,757)	(65,372)	(67,757)	(65,372)
Pension costs - defined contribution plan	(5,125)	(5,224)	(5,125)	(5,224)
Other staff related costs	(5,651)	(3,289)	(5,651)	(3,289)
	(78,533)	(73,885)	(78,533)	(73,885)
(b) Establishment costs				
Depreciation and amortisation	(8,433)	(5,389)	(8,433)	(5,389)
Insurance	(470)	(682)	(470)	(682)
Rental of equipment	(1,297)	(1,238)	(1,297)	(1,238)
Rental of premises	(8,559)	(8,197)	(8,559)	(8,197)
Repairs and maintenance	(2,863)	(2,689)	(2,863)	(2,689)
Utility expenses	(1,260)	(1,295)	(1,260)	(1,295)
Others	(3,339)	(3,423)	(3,339)	(3,423)
	(26,221)	(22,913)	(26,221)	(22,913)
(c) Marketing expenses				
Advertisement and publicity	(872)	(1,270)	(872)	(1,270)
Commission	(29,947)	(17,837)	(29,947)	(17,837)
Others	(7,910)	(7,080)	(7,910)	(7,080)
	(38,729)	(26,187)	(38,729)	(26,187)
(d) Administration and general expenses				
Communication expenses	(6,202)	(6,334)	(6,202)	(6,334)
Legal and professional fees	(2,810)	(2,074)	(2,810)	(2,074)
Printing and stationery	(1,638)	(1,579)	(1,638)	(1,579)
Others	(13,905)	(11,597)	(13,905)	(11,597)
	(24,555)	(21,584)	(24,555)	(21,584)
Total other operating expenses	(168,038)	(144,569)	(168,038)	(144,569)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012 (Restated)	31.3.2013	31.3.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
19. Other operating expenses (Cont'd)				
<u>Bank</u>				
(a) Personnel costs				
Salaries, allowances and bonuses	(31,104)	(34,625)	(31,104)	(34,625)
Pension costs - defined contribution plan	(3,464)	(3,543)	(3,464)	(3,543)
Other staff related costs	(3,104)	(2,030)	(3,104)	(2,030)
	(37,672)	(40,198)	(37,672)	(40,198)
(b) Establishment costs				
Depreciation and amortisation	(5,234)	(2,864)	(5,234)	(2,864)
Insurance	(16)	(172)	(16)	(172)
Rental of equipment	(667)	(657)	(667)	(657)
Rental of premises	(3,312)	(3,399)	(3,312)	(3,399)
Repairs and maintenance	(1,944)	(1,889)	(1,944)	(1,889)
Utility expenses	(777)	(855)	(777)	(855)
Others	(602)	(935)	(602)	(935)
	(12,552)	(10,771)	(12,552)	(10,771)
(c) Marketing expenses				
Advertisement and publicity	(473)	(713)	(473)	(713)
Commission	(205)	(198)	(205)	(198)
Others	(2,424)	(2,740)	(2,424)	(2,740)
	(3,102)	(3,651)	(3,102)	(3,651)
(d) Administration and general expenses				
Communication expenses	(4,421)	(4,746)	(4,421)	(4,746)
Legal and professional fees	(207)	(671)	(207)	(671)
Printing and stationery	(459)	(574)	(459)	(574)
Others	(5,018)	(6,752)	(5,018)	(6,752)
	(10,105)	(12,743)	(10,105)	(12,743)
Total other operating expenses	(63,431)	(67,363)	(63,431)	(67,363)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
20. (Allowance for)/write back of impairment losses on loans, advances and financing				
<u>Group</u>				
Individual impairment allowance				
- Allowance made	(9)	-	(9)	-
- Amount written back	50	-	50	-
Collective impairment allowance (net)				
- (Allowance made)/amount written back	(1,592)	951	(1,592)	951
	(1,551)	951	(1,551)	951
<u>Bank</u>				
Individual impairment allowance				
- Amount written back	37	-	37	-
Collective impairment allowance (net)				
- (Allowance made)/amount written back	(1,463)	1,122	(1,463)	1,122
	(1,426)	1,122	(1,426)	1,122
21. (Allowance for)/write back of impairment losses on other losses				
<u>Group</u>				
Individual impairment allowance				
- Allowance made	(1,668)	(1,264)	(1,668)	(1,264)
- Amount written back	1,450	1,130	1,450	1,130
Collective impairment allowance (net)				
- Amount written back/(allowance made)	12	(263)	12	(263)
	(206)	(397)	(206)	(397)
Bad debts				
- Amount recovered	14	-	14	-
	(192)	(397)	(192)	(397)
<u>Bank</u>				
Individual impairment allowance				
- Allowance made	(842)	(1,175)	(842)	(1,175)
- Amount written back	906	1,130	906	1,130
Collective impairment allowance (net)				
- Amount written back/(allowance made)	12	(263)	12	(263)
	76	(308)	76	(308)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
22. Capital adequacy ratio

BNM guidelines on capital adequacy requires the 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.

Effective 1 January 2013, the capital ratios of the Group and Bank have been computed based on BNM's Capital Adequacy Framework (Capital Components). Correspondingly, the comparative disclosures for the year ended 31 December 2012 have been restated accordingly.

(i) The capital adequacy ratios are as follows:

	Group		Bank	
	As at 31.3.2013	As at 31.12.2012 (Restated)	As at 31.3.2013	As at 31.12.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Tier I Capital				
Paid-up ordinary share capital	660,000	660,000	660,000	660,000
Accumulated losses	(68,743)	(68,743)	(74,878)	(74,878)
Other reserves	262,980	262,980	262,830	262,830
AFS Reserves	34,356	23,641	21,450	11,491
Translation Reserves	(10,247)	(22,836)	-	-
All other remaining disclosed reserve	(1,059)	(1,059)	-	-
	877,287	853,983	869,402	859,443
Less: Intangible assets	(32,156)	(33,852)	(26,148)	(28,174)
Cumulative gains on financing instruments classified as AFS	(18,895)	(13,003)	(11,798)	(6,320)
Regulatory adjustments applied to CET I Capital due to insufficient Tier II Capital #	-	-	(512,901)	(474,353)
Common Equity Tier I Capital	826,236	807,128	318,555	350,596
Qualifying CET I and Additional Tier I Capital instruments held by third parties	19,583	14,139	-	-
CET I Capital/Total Tier I Capital	845,819	821,267	318,555	350,596
Tier II Capital				
Subordinated obligations *	360,000	400,000	360,000	400,000
Collective impairment allowance ^	9,505	7,898	6,604	5,153
Qualifying CET I and Additional Tier I Capital instruments held by third parties	3,383	2,099	-	-
Regulatory adjustments applied in the calculation of Tier II Capital	(25,429)	(25,775)	-	-
Total Tier II Capital	347,459	384,222	366,604	405,153

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
22. Capital adequacy ratio (Cont'd)

(i) The capital adequacy ratios are as follows: (Cont'd)

	Group		Bank	
	As at 31.3.2013	As at 31.12.2012 (Restated)	As at 31.3.2013	As at 31.12.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Total Tier II Capital (cont'd)	347,459	384,222	366,604	405,153
Less:				
Investment in subsidiaries companies #	-	-	(366,604)	(405,153)
Eligible Tier II Capital	347,459	384,222	-	-
Total capital base	1,193,278	1,205,489	318,555	350,596
Before deducting proposed dividends:				
CET I Capital	15.79%	15.07%	10.30%	10.34%
Tier I Capital	16.16%	15.34%	10.30%	10.34%
Total Capital	22.80%	22.51%	10.30%	10.34%
After deducting proposed dividends:				
CET I Capital	15.79%	15.07%	10.30%	10.34%
Tier I Capital	16.16%	15.34%	10.30%	10.34%
Total Capital	22.80%	22.51%	10.30%	10.34%

^ 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.

* Subordinated obligations that recognised as Tier II capital instruments are subject to the gradual phase-out treatment with effective from 1 January 2013 as prescribed under paragraph 36.10 of the BNM Guidelines Capital Adequacy Framework (Capital Components).

Due to insufficient Tier II Capital to deduct investment in subsidiaries companies, the shortfall is now deducted against CET I Capital, which is the next higher tier of capital as prescribed in paragraph 31.1 of the BNM Guidelines Capital Adequacy Framework (Capital Components).

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

22. Capital adequacy ratio (Cont'd)

(i) The capital adequacy ratios are as follows: (Cont'd)

In accordance with Section 7.3 of Guidelines on Risk Weighted Capital Adequacy Framework (General Requirements and Capital Components) issued by Bank Negara Malaysia, if deduction from Total Capital (i.e investments in subsidiaries of the Bank) is more than eligible Tier 2 capital, the core capital ratio will be equal to the risk weighted capital ratio.

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

	Group		Bank	
	As at 31.3.2013	As at 31.12.2012 (Restated)	As at 31.3.2013	As at 31.12.2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Credit risk	2,607,960	2,757,474	2,140,159	2,273,307
Market risk	1,508,373	1,487,181	360,560	515,089
Operational risk	1,116,385	1,109,820	591,348	602,549
Total risk weighted assets	5,232,718	5,354,475	3,092,067	3,390,945

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.

The capital adequacy ratios of OSK Indochina Bank Limited ("OSKIBL"), a wholly-owned Cambodia banking subsidiary of the Bank, which subject to National Bank of Cambodia capital adequacy requirements, are as follows:

	OSKIBL	
	As at 31.3.2013	As at 31.12.2012
Before deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	34.83%	38.29%
After deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	34.83%	38.29%

No equivalent ratio in Cambodia.

The Solvency Ratio of OSKIBL is the nearest equivalent regulatory compliance ratio in Cambodia computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as OSKIBL's net worth divided by its risk weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15.0%.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
23. Commitments & contingencies

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

The commitments and contingencies comprise the following :

	As at 31.3.2013			As at 31.12.2012		
	Principal	Credit	Risk	Principal	Credit	Risk
	amount	equivalent	weighted	amount	equivalent	weighted
	RM'000	amount*	amount	RM'000	amount*	amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Obligations under						
underwriting agreements	-	-	-	21,971	10,986	10,986
OTC derivative transactions and						
credit derivative contracts subject						
to valid bilateral netting agreements	25,815	1,260	394	38,719	2,305	538
Irrevocable commitments to						
extend credit:						
- maturity not exceeding one year	1,422,789	15,302	15,302	1,719,724	85,292	85,292
- maturity exceeding one year	93,052	46,526	46,526	93,052	46,525	46,525
Foreign exchange related						
contracts: ^						
- less than one year	945,113	12,631	2,575	1,190,247	19,347	4,205
Interest rate related contracts: ^						
- less than one year	335,000	714	144	460,000	791	158
- one year to less than five years	710,000	10,467	2,093	885,000	13,326	2,665
Equity related contracts: ^						
- less than one year	114	114	114	4,423	4,423	4,423
	3,531,883	87,014	67,148	4,413,136	182,995	154,792

^ These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statement and statement of financial position as derivatives assets or derivatives liabilities.

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
23. Commitments & contingencies (Cont'd)

The commitments and contingencies comprise the following : (Cont'd)

	As at 31.3.2013			As at 31.12.2012		
	Principal	Credit	Risk	Principal	Credit	Risk
	amount	equivalent	weighted	amount	equivalent	weighted
	RM'000	amount*	amount	amount	amount*	amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank						
Obligations under						
underwriting agreements	-	-	-	21,971	10,986	10,986
OTC derivative transactions and						
credit derivative contracts subject						
to valid bilateral netting agreements	25,815	1,260	394	38,719	2,305	538
Irrevocable commitments to						
extend credit:						
- maturity not exceeding one year	544,655	17,362	17,362	581,736	17,644	17,644
- maturity exceeding one year	93,052	46,526	46,526	93,052	46,525	46,525
Foreign exchange related						
contracts: ^						
- less than one year	945,113	12,631	2,575	1,190,247	19,347	4,205
Interest rate related contracts: ^						
- less than one year	335,000	714	144	460,000	791	158
- one year to less than five years	710,000	10,467	2,093	885,000	13,326	2,665
Equity related contracts: ^						
- less than one year	114	114	114	4,423	4,423	4,423
	2,653,749	89,074	69,208	3,275,148	115,347	87,144

^ These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statement and statement of financial position as derivatives assets or derivatives liabilities.

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
24. Islamic Banking operations of the Bank
UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

		As at 31.3.2013	As at 31.12.2012
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		109,814	213,720
Financial investments available-for-sale	24(a)	-	964,358
Financial investments held-to-maturity	24(b)	-	297,917
Other assets	24(c)	396	461
Deferred tax assets		-	54
Statutory deposit with Bank Negara Malaysia		16,177	45,668
Equipment		15	19
Intangible assets		1,795	1,909
TOTAL ASSETS		128,197	1,524,106
LIABILITIES			
Deposits from customers	24(d)	-	1,330,030
Deposits and placements of banks and other financial institutions	24(e)	-	64,989
Other liabilities	24(f)	207	1,770
Taxation liabilities		6,434	6,319
TOTAL LIABILITIES		6,641	1,403,108
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking funds		100,000	100,000
Reserves		21,556	20,998
TOTAL ISLAMIC BANKING CAPITAL FUNDS		121,556	120,998
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		128,197	1,524,106

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
24. Islamic Banking operations of the Bank (Cont'd)
UNAUDITED CONDENSED INCOME STATEMENTS

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	7,269	10,555	7,269	10,555
Income attributable to depositors	(6,154)	(9,202)	(6,154)	(9,202)
Income attributable to the Bank	1,115	1,353	1,115	1,353
Income derived from investment of Islamic Banking funds	1	542	1	542
Total net income	1,116	1,895	1,116	1,895
Other operating expenses	(607)	(568)	(607)	(568)
Profit before taxation	509	1,327	509	1,327
Taxation	(114)	(329)	(114)	(329)
Net profit for the financial period	395	998	395	998

For amalgamation with the conventional operations, net income from Islamic Banking operations comprises the following items :-

Income derived from investment of depositors' funds and others	7,269	10,555	7,269	10,555
Income attributable to depositors	(6,154)	(9,202)	(6,154)	(9,202)
Income derived from investment of Islamic Banking funds	1	542	1	542
Net income from Islamic Banking operations reported in the Bank-wide income statements	1,116	1,895	1,116	1,895

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
24. Islamic Banking operations of the Bank (Cont'd)
UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	395	998	395	998
Other comprehensive income/(loss):				
Items that will not be reclassified to income statements				
- Unrealised net loss on revaluation of financial investments available-for-sale ("AFS")	-	(611)	-	(611)
Income tax relating to components of other comprehensive income	-	153	-	153
	-	(458)	-	(458)
Items that will be reclassified to income statements				
- Net transfer to income statements on disposal	217	-	217	-
Income tax relating to components of other comprehensive income	(54)	-	(54)	-
	163	-	163	-
Other comprehensive income/(loss) for the financial period, net of tax	163	(458)	163	(458)
Total comprehensive income for the financial period	558	540	558	540
Total comprehensive income attributable to owner of the Bank	558	540	558	540

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
24. Islamic Banking operations of the Bank (Cont'd)
UNAUDITED CONDENSED STATEMENT OF CHANGES IN ISLAMIC BANKING FUND

	Islamic banking fund	Available- for-sale reserve	<u>Distributable</u>					
			Retained profits	Total				
	RM'000	RM'000	RM'000	RM'000				
As at 1.1.2013	100,000	(163)	21,161	120,998				
Net profit for the financial period	-	-	395	395				
Financial investments available-for-sale								
- Net transfer to income statements on disposal					-	217	-	217
Income tax relating to components of other comprehensive income					-	(54)	-	(54)
Other comprehensive income for the period, net of tax	-	163	-	163				
Total comprehensive income for the financial period	-	163	395	558				
As at 31.3.2013	100,000	-	21,556	121,556				
As at 1.1.2012								
As previously reported	100,000	661	13,136	113,797				
Prior year adjustment	-	-	2,285	2,285				
As restated	100,000	661	15,421	116,082				
Net profit for the financial period	-	-	998	998				
Financial investments available-for-sale								
- Unrealised net loss on revaluation					-	(611)	-	(611)
Income tax relating to components of other comprehensive loss	-	153	-	153				
Other comprehensive loss for the period, net of tax	-	(458)	-	(458)				
Total comprehensive (loss)/income for the financial period	-	(458)	998	540				
As at 31.3.2012	100,000	203	16,419	116,622				

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
24. Islamic Banking operations of the Bank (Cont'd)

	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000
(a) Financial investments available-for-sale		
At fair value		
Money market instruments:		
Islamic accepted bills	-	123,405
Bank Negara Malaysia Monetary Notes	-	205,859
Malaysian Government Investment Issues	-	128,321
Negotiable instruments of deposit	-	169,778
	<u>-</u>	<u>627,363</u>
Unquoted debt securities:		
Islamic private debt securities:		
- in Malaysia	-	316,859
- outside Malaysia	-	20,136
	<u>-</u>	<u>336,995</u>
	<u>-</u>	<u>964,358</u>
(b) Financial investments held-to-maturity		
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	-	80,903
Unquoted debt securities:		
Islamic private debt securities		
- in Malaysia	-	217,014
	<u>-</u>	<u>297,917</u>
(c) Other assets		
Other receivables and prepayments	<u>396</u>	<u>461</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

24. Islamic Banking operations of the Bank (Cont'd)

	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000
(d) Deposits from customers		
Mudharabah Fund		
General investment deposits	-	1,330,030
(i) By type of customers		
Government and statutory bodies	-	437,696
Domestic non-bank financial institutions*	-	728,328
Business enterprises	-	164,006
	-	1,330,030
(ii) By maturity structure		
Due within six months	-	1,259,356
Six months to one year	-	70,674
	-	1,330,030
* Domestic non-bank financial institutions include unit trust companies, trust funds and insurance companies.		
(e) Deposits and placements of banks and other financial institutions		
Mudharabah Fund		
Licensed Islamic banks	-	64,989
(f) Other liabilities		
Other payables and accruals	207	1,770

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

24. Islamic Banking operations of the Bank (Cont'd)

(g) Capital adequacy

BNM guidelines on capital adequacy requires the 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.

Effective 1 January 2013, the capital ratios of the Group and Bank have been computed based on BNM's Capital Adequacy Framework (Capital Components). There is no changes in the comparative disclosures for the year ended 31 December 2012.

(i) The capital adequacy ratios are as follows:

	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000
Islamic banking funds	100,000	100,000
Retained profits	21,161	21,161
Less: Regulatory adjustments applied in the calculation of CET I Capital	(2,181)	-
Total Tier I Capital, Tier II Capital and capital base	118,980	121,161
Before deducting proposed dividends:		
CET I Capital	352.59%	54.07%
Tier I Capital	352.59%	54.07%
Total Capital	352.59%	54.07%
After deducting proposed dividends:		
CET I Capital	352.59%	54.07%
Tier I Capital	352.59%	54.07%
Total Capital	352.59%	54.07%

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013****24. Islamic Banking operations of the Bank (Cont'd)****(g) Capital adequacy**

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

	Bank	
	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000
Credit risk	18,393	208,322
Market risk	-	-
Operational risk	15,352	15,758
Total risk weighted assets	33,745	224,080

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

25. Valuation of Equipment

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

26. Events subsequent to the date of statements of financial position

(a) On 5 April 2013, the High Court of Malaya granted a Vesting Order for the transfer of the entire business including all assets and liabilities of the subsidiaries of the Bank to the subsidiaries of RHB Investment Bank Berhad ("RHBIB") as set out in paragraph (i) to (iii) below. The transfers take effect on and from 13 April 2013.

- (i) OSK Nominees (Tempatan) Sdn Berhad to RHB Nominees (Tempatan) Sdn Bhd;
- (ii) OSK Nominees (Asing) Sdn Berhad to RHB Nominees (Asing) Sdn Bhd; and
- (iii) OSK Research Sdn Bhd to RHB Research Institute Sdn Bhd.

The abovementioned transfers (including the transfer of entire business of the Bank to RHBIB pursuant to the Vesting Order granted by High Court of Malaya on 27 February 2013) was completed on 13 April 2013.

(b) On 8 April 2013, RHB Holding Hong Kong Limited (formerly known as OSK Holdings Hong Kong Limited) ("RHBHHK") subscribed for 100 million new ordinary shares of HKD1.00 each in RHB OSK Securities Hong Kong Limited (formerly known as OSK Securities Hong Kong Limited) ("RHBSHK"), amounting to HKD100 million for additional working capital purpose. RHBSHK remains as a wholly-owned subsidiary of RHBHHK.

(c) On 8 April 2013, the Bank acquired the remaining 13,000,000 ordinary shares of HKD1.00 each in RHBHHK ("RHBHHK Shares") from Sui Ming Fai and Sandman Investment Limited for a total consideration of HKD9.75 million (equivalent to RM3.85 million) or at a purchase price of HKD0.75 per RHBHHK Share. Subsequently, RHBHHK became a wholly-owned subsidiary of the Bank upon the completion of acquisition.

(d) On 9 April 2013, the Bank acquired an additional 16,545,048 shares in RHB OSK Securities (Thailand) Public Company Limited (formerly known as OSK Securities Thailand Limited) ("RHBST") from its holding company, RHB Capital Berhad, for a total consideration of THB75.8 million (approximately RM7.9 million), thereby increasing its equity interest in RHBST from 97.41% to 99.43%.

(e) On 9 April 2013, the Bank transferred its entire shareholding in RHB Indochina Bank Limited (formely know as OSK Indochina Limited) ("RHBIBL") to RHB Bank Berhad ("RHBB") for a total consideration of RM267.3 million. Consequently, RHBIBL has become a wholly-owned subsidiary of RHBB. RHB OSK Indochina Securities Limited (formerly know as OSK Indochina Securities Limited), a wholly-owned subsidiary of RHBIBL, also became an indirect wholly-owned subsidiary of RHBB.

(f) On 12 April 2013, the Bank subscribed for 100 million new ordinary shares of HKD1.00 each in RHBHHK, amounting to HKD100 million (approximately RM39 million) for additional working capital purpose. Upon completion of the subscription, the equity interest held by the Bank in RHBHHK remains the same.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

27. 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 2013.

28. Changes in Profit for the Quarter

The Group recorded a pre-tax profit of RM50.9 million, 195% higher as compared to the preceeding quarter ended 31 December 2012 of a pre-tax loss of RM53.6 million. The higher profit was mainly due to higher other operating income by RM41.6 million, absence of allowance for impairment on investments by RM37.9 million, lower allowance for impairment on loans, advances and financing by RM27.2 million, higher net interest income by RM7.8 million and partly offset by higher operating expenses by RM8.7 million and lower net income from Islamic Banking Operations by RM1.7 million.

29. Performance Review

For the three months ended 31 March 2013, the Group recorded a pre-tax profit of RM50.9 million, 5.6% higher than the previous year corresponding period ended 31 March 2012 of RM48.2 million. The higher pre-tax profit was mainly due to higher other operating income by RM21.9 million, higher net interest income by RM7.5 million, partly offset by higher other operating expenses by RM23.5 million, higher allowance for impairment on loans, advances and financing by RM2.5 million and lower net income from Islamic Banking operations by RM0.8 million.

30. Prospects for 2013

The Malaysian economy is expected to perform well in 2013 with Gross Domestic Product (GDP) projected to grow over 5.0%. This is premised on a strong domestic demand brought about by the Economic Transformation Programme (ETP).

The Malaysian banking sector will remain resilient in line with the country's economic growth.

Due to the proposed business rationalisation of RHB Investment Banking Group, the entire business including all the assets and liabilities of OSK Investment Bank Berhad have been transferred to RHB Investment Bank Berhad on 13 April 2013.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

31. Segmental Reporting

For management purposes, the Group is organised into the following major business segments based on products and services, which are regularly provided to and reviewed by the chief operating decision makers:

- | | |
|-----------------------|--|
| 1. Investment Banking | - Equities and Debt Capital Market, Derivatives and Structured Products, Corporate Advisory, Treasury and Islamic Banking. |
| 2. Loans & Financing | - Corporate Loans, Shares Margin Financing and Commercial Banking Services. |
| 3. Equities & Futures | - Stockbroking & Futures Broking, Nominee Services and related services. |
| 4. Wealth Management | - Unit Trust Fund Management, Islamic Funds Services, Wills and Trustee Services and Asset Management. |
| 5. Investment Holding | - Investment Holding Companies. |
| 6. Others | - Online trading platform for equities business and other insignificant activities. |

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the segments concerned and are not more favourable than those arranged with independent third parties and have been eliminated to arrive at the Group's results.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
31. Segmental Reporting (Cont'd)
Business Segments

	Investment Banking	Loans & Financing	Equities & Futures	Wealth Manage- ment	Investment Holding	Others	Total	Eliminations	Consoli- dated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>THREE MONTHS ENDED 31.3.2013</u>									
Revenue									
External revenue	91,052	51,484	82,955	49,606	140	2,176	277,413	-	277,413
Inter-segment revenue	-	282	1,248	751	9,745	-	12,026	(12,026)	-
Total revenue	91,052	51,766	84,203	50,357	9,885	2,176	289,439	(12,026)	277,413
Results									
Profit/(loss) from operations with external parties	63,201	37,739	(4,131)	5,955	(8,946)	414	94,232	7,246	101,478
Add : Inter-segment revenue	-	282	1,248	751	9,745	-	12,026	(12,026)	-
Less : Inter-segment expenses	(606)	-	(2,267)	(773)	(246)	-	(3,892)	3,892	-
Profit/(loss) before funding costs	62,595	38,021	(5,150)	5,933	553	414	102,366	(888)	101,478
Less : Funding costs	(30,905)	(16,737)	(3,654)	(6)	(266)	(274)	(51,842)	888	(50,954)
Segment profit/(loss)	31,690	21,284	(8,804)	5,927	287	140	50,524	-	50,524
Share of results after tax of associates	-	-	-	219	-	184	403	-	403
Profit/(loss) before taxation	31,690	21,284	(8,804)	6,146	287	324	50,927	-	50,927
Taxation									(10,413)
Net profit for the financial period									40,514
Non-controlling interests									(6,222)
Profit attributable to owner of the Bank									34,292

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
31. Segmental Reporting (Cont'd)
Business Segments (Cont'd)

	Investment Banking	Loans & Financing	Equities & Futures	Wealth Manage- ment	Investment Holding	Others	Total	Eliminations	Consoli- dated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>THREE MONTHS ENDED 31.3.2012</u>									
<u>(Restated)</u>									
Revenue									
External revenue	96,419	40,374	79,077	34,561	373	(1)	250,803	-	250,803
Inter-segment revenue	-	94	1,191	571	9,894	-	11,750	(11,750)	-
Total revenue	96,419	40,468	80,268	35,132	10,267	(1)	262,553	(11,750)	250,803
Results									
Profit/(loss) from operations with external parties	66,927	31,671	(406)	3,234	(9,959)	(81)	91,386	6,200	97,586
Add : Inter-segment revenue	-	94	1,191	571	9,894	-	11,750	(11,750)	-
Less : Inter-segment expenses	(662)	-	(3,360)	(772)	-	-	(4,794)	4,794	-
Profit/(loss) before funding costs	66,265	31,765	(2,575)	3,033	(65)	(81)	98,342	(756)	97,586
Less : Funding costs	(37,066)	(11,426)	(2,126)	-	(49)	-	(50,667)	756	(49,911)
Segment profit/(loss)	29,199	20,339	(4,701)	3,033	(114)	(81)	47,675	-	47,675
Share of results after tax of associates	-	-	-	239	-	332	571	-	571
Profit/(loss) before taxation	29,199	20,339	(4,701)	3,272	(114)	251	48,246	-	48,246
Taxation									(16,123)
Net profit for the financial period									32,123
Non-controlling interests									(5,210)
Profit attributable to owner of the Bank									26,913

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
31. Segmental Reporting (Cont'd)
Geographical Segments

The Group operates in six geographical locations: Malaysia, Singapore, China and Hong Kong, Indonesia, Cambodia and Thailand. Revenue is based on geographical locations of business operations. Non-current assets are presented based on the geographical location of assets, which consist of Investments in associates and a jointly controlled entity, Equipment and Intangible assets.

	Domestic	Foreign Countries					Grand Total
	Malaysia	China and Singapore	Hong Kong	Indonesia	Cambodia	Thailand	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
THREE MONTHS ENDED 31.3.2013							
Revenue	185,509	37,637	10,499	19,668	7,720	16,380	277,413
Profit/(loss) before taxation	32,139	10,090	(603)	6,077	1,136	2,088	50,927
Non-current assets as at 31.3.2013	76,169	11,696	3,566	4,280	13,157	11,442	120,310
THREE MONTHS ENDED 31.3.2012 (Restated)							
Revenue	193,676	31,651	5,060	10,997	5,185	4,234	250,803
Profit/(loss) before taxation	46,195	8,107	(5,528)	(99)	185	(614)	48,246
Non-current assets as at 31.12.2012	81,152	12,252	3,730	4,892	13,207	10,186	125,419

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

32. Change in accounting policies and prior year adjustments

Changes in accounting policies

During the preceding financial year, the Group and the Bank changed the following accounting policy upon adoption of the new accounting standards, amendments and improvements to published standards and interpretations:

- (i) FRSIC 18: Monies held in trust by participating organisation of Bursa Malaysia Securities Berhad.

Refer to summary of significant accounting policies for the details of the changes in accounting policies.

Prior year adjustments

During the preceding financial year, the Bank has corrected the accounting for the followings:

- (i) Fees that are integral part of the effective interest rate ("EIR") have been deferred and recognised as an adjustment to the effective interest rate. The said adjustment resulting in a debit of RM4,634,000 and RM2,493,000 to retained profits and preceding corresponding quarter result respectively.
- (ii) Reversal of profit equalisation reserve of RM 2,285,000 which does not meet the definition of a financial liability as there is no contractual obligation to the future depositors. The reversal resulting in a credit of RM 2,285,000 to retained profits.

Restatement of comparatives

During the preceding financial year, the Group and Bank have reclassified the followings:

- (i) Unit trust receivables/payables and others previously classified under trade receivables and trade payables to other assets and other liabilities respectively.
- (ii) Remisiers' commission expenses previously classified under other operating expenses to other operating income.

The above reclassification have no impact to the financial results for the financial year ended 31 December 2012.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
32. Change in accounting policies and prior year adjustments

The impact of changes in accounting policies, prior year adjustments and restatement of comparatives on the financial statements of the Group and the Bank are as follows:

	As previously reported	Restatement of comparative	As restated
	Debit/ (Credit)	(Debit)/ Credit	Debit/ (Credit)
	RM'000	RM'000	RM'000
<u>Reconciliation of Statements of Financial Positions</u>			
<u>as at 31 December 2012</u>			
Group			
Trade receivables	2,718,708	(2,718,708)	-
Clients' and brokers' balances	-	2,686,685	2,686,685
Other assets	202,288	32,023	234,311
	<hr/>		
Trade payables	(2,470,232)	2,470,232	-
Clients' and brokers' balances	-	(2,445,019)	(2,445,019)
Other liabilities	(182,828)	(25,213)	(208,041)
	<hr/>		
Bank			
Trade receivables	866,663	(866,663)	-
Clients' and brokers' balances	-	860,584	860,584
Other assets	166,032	6,079	172,111
	<hr/>		

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
32. Change in accounting policies and prior year adjustments (Cont'd.)

The impact of changes in accounting policies, prior year adjustments and restatement of comparatives on the financial statements of the Group and the Bank are as follows: (Cont'd.)

	As previously reported (Debit)/ Credit RM'000	Fee deferred and recognised as an adjustment to EIR (Debit)/ Credit RM'000	Restatement of comparative (Debit)/ Credit RM'000	As restated (Debit)/ Credit RM'000
<u>For the three months ended 31 March 2012</u>				
<u>Reconciliation of income statements</u>				
Group				
Interest income	76,923	-	-	76,923
Interest expense	(49,911)	-	-	(49,911)
Net interest income	27,012	-	-	27,012
Other operating income	191,281	(3,324)	(25,174)	162,783
	218,293	(3,324)	(25,174)	189,795
Net income from Islamic banking operations	1,895	-	-	1,895
Net operating income	220,188	(3,324)	(25,174)	191,690
Other operating expenses	(169,743)	-	25,174	(144,569)
Operating profit before allowances	50,445	(3,324)	-	47,121
Write back of impairment losses on loans, advances and financing	951	-	-	951
Allowance for impairment on other losses	(397)	-	-	(397)
Share of results after tax of associates	571	-	-	571
Profit before taxation	51,570	(3,324)	-	48,246
Taxation	(16,954)	831	-	(16,123)
Net profit for the financial period	34,616	(2,493)	-	32,123
Profit attributable to:				
Owner of the Bank	29,406	(2,493)	-	26,913
Non-controlling interests	5,210	-	-	5,210
	34,616	(2,493)	-	32,123

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
32. Change in accounting policies and prior year adjustments (Cont'd.)

The impact of changes in accounting policies, prior year adjustments and restatement of comparatives on the financial statements of the Group and the Bank are as follows: (Cont'd.)

	As previously reported (Debit)/ Credit RM'000	Fee deferred and recognised as an adjustment to EIR (Debit)/ Credit RM'000	Restatement of comparative (Debit)/ Credit RM'000	As restated (Debit)/ Credit RM'000
<u>For the three months ended 31 March 2012</u>				
<u>Reconciliation of statements of comprehensive income</u>				
Group				
Net profit for the financial period	34,616	(2,493)	-	32,123
Other comprehensive (loss)/income :				
Items that will not be reclassified to income statements				
- Currency translation difference	(16,572)	-	-	(16,572)
- Unrealised net gain on revaluation of financial investments available-for-sale ("AFS")	43,827	-	-	43,827
Share of other reserves in an associate	(8)	-	-	(8)
Income tax relating to components of other comprehensive income	(10,868)	-	-	(10,868)
	16,379	-	-	16,379
Items that will be reclassified to income statements				
- Net transfer to income statements on disposal on AFS	(3,338)	-	-	(3,338)
Income tax relating to components of other comprehensive income	835	-	-	835
	(2,503)	-	-	(2,503)
Other comprehensive income, for the financial period, net of tax	13,876	-	-	13,876
Total comprehensive income for the financial period	48,492	(2,493)	-	45,999
Total comprehensive income attributable to:				
Owner of the Bank	47,240	(2,493)	-	44,747
Non-controlling interests	1,252	-	-	1,252
	48,492	(2,493)	-	45,999

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
32. Change in accounting policies and prior year adjustments (Cont'd.)

The impact of changes in accounting policies, prior year adjustments and restatement of comparatives on the financial statements of the Group and the Bank are as follows: (Cont'd.)

	As previously reported (Debit)/ Credit RM'000	Fee deferred and recognised as an adjustment to EIR (Debit)/ Credit RM'000	Restatement of comparative (Debit)/ Credit RM'000	As restated (Debit)/ Credit RM'000
<u>For the three months ended 31 March 2012</u>				
<u>Reconciliation of income statements</u>				
Bank				
Interest income	61,558	-	-	61,558
Interest expense	(48,851)	-	-	(48,851)
Net interest income	12,707	-	-	12,707
Other operating income	119,452	(3,325)	(16,541)	99,586
	132,159	(3,325)	(16,541)	112,293
Net income from Islamic banking operations	1,895	-	-	1,895
Net operating income	134,054	(3,325)	(16,541)	114,188
Other operating expenses	(83,904)	-	16,541	(67,363)
Operating profit before allowances	50,150	(3,325)	-	46,825
Write back of impairment losses on loans, advances and financing	1,122	-	-	1,122
Allowance for impairment on other losses	(308)	-	-	(308)
Profit before taxation	50,964	(3,325)	-	47,639
Taxation	(14,470)	831	-	(13,639)
Net profit for the financial period	36,494	(2,494)	-	34,000

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**
32. Change in accounting policies and prior year adjustments (Cont'd.)

The impact of changes in accounting policies, prior year adjustments and restatement of comparatives on the financial statements of the Group and the Bank are as follows: (Cont'd.)

	As previously reported (Debit)/ Credit RM'000	Fee deferred and recognised as an adjustment to EIR (Debit)/ Credit RM'000	Restatement of comparative (Debit)/ Credit RM'000	As restated (Debit)/ Credit RM'000
<u>For the three months ended 31 March 2012</u>				
<u>Reconciliation of statements of comprehensive income</u>				
Bank				
Net profit for the financial period	36,494	(2,494)	-	34,000
Other comprehensive income/(loss) :				
Items that will not be reclassified to income statements				
- Unrealised net gain on revaluation financial investments available-for-sale ("AFS")	43,470	-	-	43,470
Income tax relating to components of other comprehensive income	(10,868)	-	-	(10,868)
	32,602	-	-	32,602
Items that will be reclassified to income statements				
- Net transfer to income statements on disposal on AFS	(3,338)	-	-	(3,338)
Income tax relating to components of other comprehensive income	835	-	-	835
	(2,503)	-	-	(2,503)
Other comprehensive income, for the financial period, net of tax	30,099	-	-	30,099
Total comprehensive income for the financial period	66,593	(2,494)	-	64,099