

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	Group		Bank	
		As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		16,062,679	15,536,640	11,814,024	11,493,133
Securities purchased under resale agreements		592,955	376,418	491,112	320,480
Deposits and placements with banks and other financial institutions		2,797,548	2,045,284	8,356,016	7,737,974
Financial assets held-for-trading	8	2,054,377	2,043,302	1,972,728	1,691,414
Financial investments available-for-sale	9	16,870,989	15,783,001	13,810,128	13,313,563
Financial investments held-to-maturity	10	20,999,909	19,698,097	18,732,997	17,594,801
Loans, advances and financing	11	140,397,976	139,544,308	109,065,376	109,982,719
Other assets	12	1,359,876	1,071,882	1,802,248	1,157,823
Derivative assets		1,812,601	1,283,855	1,814,036	1,283,574
Statutory deposits		5,234,656	5,201,170	4,090,428	4,055,229
Tax recoverable		91,671	59,792	91,646	59,771
Deferred tax assets		4,048	9,956	-	-
Investments in subsidiaries		-	-	1,918,889	1,864,514
Property, plant and equipment		675,456	666,426	494,849	487,906
Goodwill and intangible assets		1,334,222	1,316,923	1,108,823	1,091,300
TOTAL ASSETS		210,288,963	204,637,054	175,563,300	172,134,201
LIABILITIES AND EQUITY					
Deposits from customers	13	157,542,115	154,856,511	127,329,736	127,815,617
Deposits and placements of banks and other financial institutions	14	18,190,216	17,956,370	17,353,268	16,201,550
Obligations on securities sold under repurchase agreements		1,508,355	489,506	1,508,355	489,506
Bills and acceptances payable		942,027	476,322	934,505	467,486
Other liabilities	15	1,199,080	1,214,536	1,054,021	916,455
Derivative liabilities		1,587,526	1,193,538	1,597,172	1,214,797
Recourse obligation on loans sold to Cagamas Berhad		3,288,354	3,315,335	2,181,708	2,167,659
Tax liabilities		9,768	22,418	-	-
Deferred tax liabilities		80,645	40,818	80,641	40,814
Borrowings		672,931	669,892	672,931	669,892
Subordinated obligations		5,590,336	5,549,961	5,081,182	5,046,910
Hybrid Tier-I Capital Securities		602,977	606,529	602,977	606,529
Senior debt securities		2,999,854	2,810,655	2,999,854	2,810,655
TOTAL LIABILITIES		194,214,184	189,202,391	161,396,350	158,447,870
Share capital		3,365,486	3,365,486	3,365,486	3,365,486
Reserves		12,709,293	12,069,177	10,801,464	10,320,845
TOTAL EQUITY		16,074,779	15,434,663	14,166,950	13,686,331
TOTAL LIABILITIES AND EQUITY		210,288,963	204,637,054	175,563,300	172,134,201
COMMITMENTS AND CONTINGENCIES	23	140,838,462	131,915,311	135,053,930	127,828,020

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 2014.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2015

	Note	Group		Bank	
		Individual Quarter		Individual Quarter	
		Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000
Interest income	16	1,898,961	1,661,548	1,910,225	1,649,000
Interest expense	17	(1,103,996)	(851,771)	(1,095,567)	(844,145)
Net interest income		794,965	809,777	814,658	804,855
Other operating income	18	265,225	245,092	258,624	242,632
		1,060,190	1,054,869	1,073,282	1,047,487
Income from Islamic Banking business	19	201,092	151,344	-	-
Net Income		1,261,282	1,206,213	1,073,282	1,047,487
Other operating expenses	20	(584,775)	(554,365)	(525,029)	(488,815)
Operating profit before allowances		676,507	651,848	548,253	558,672
Allowance for impairment on loans, advances and financing	21	(52,194)	(53,685)	(29,201)	(53,189)
Impairment written back on other assets		2,804	8,638	2,804	8,010
Profit before taxation		627,117	606,801	521,856	513,493
Taxation		(152,187)	(158,174)	(133,075)	(141,813)
Net profit for the financial period		474,930	448,627	388,781	371,680
Earnings per share (sen)					
- Basic		7.06	6.76	5.78	5.60

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 2014.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2015

	Group		Bank	
	Individual Quarter		Individual Quarter	
	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000
Net profit for the financial period	474,930	448,627	388,781	371,680
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss				
- Currency translation differences	115,570	1,905	54,152	5,203
- Unrealised net gain/(loss) on revaluation of financial investments available-for-sale ('AFS')	83,320	(8,027)	65,443	(392)
- Net transfer to income statements on disposal or impairment of financial investments AFS	(17,082)	3,629	(15,195)	1,274
Income tax relating to components of other comprehensive (income)/loss	(16,622)	1,067	(12,562)	(221)
Other comprehensive income/(loss), net of tax, for the financial period	165,186	(1,426)	91,838	5,864
Total comprehensive income for the financial period	640,116	447,201	480,619	377,544

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 2014.

RHB BANK BERHAD (6171-M)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015

<u>Group</u>	← Attributable to equity holders of the Bank →						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2015	3,365,486	136,162	4,031,903	135,471	190,466	7,575,175	15,434,663
Net profit for the financial period	-	-	-	-	-	474,930	474,930
Other comprehensive income/(loss):							
Items that will be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	-	115,570	-	-	115,570
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	83,320	-	83,320
- Net transfer to income statements on disposal or impairment	-	-	-	-	(17,082)	-	(17,082)
Income tax relating to components of other comprehensive income	-	-	-	-	(16,622)	-	(16,622)
Total comprehensive income for the financial period	-	-	-	115,570	49,616	474,930	640,116
Balance as at 31 March 2015	3,365,486	136,162	4,031,903	251,041	240,082	8,050,105	16,074,779
Balance as at 1 January 2014	3,318,085	8,563	3,919,746	19,469	150,571	5,995,662	13,412,096
Net profit for the financial period	-	-	-	-	-	448,627	448,627
Other comprehensive income/(loss):							
Items that will be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	-	1,905	-	-	1,905
Financial investments AFS:							
- Unrealised net loss on revaluation	-	-	-	-	(8,027)	-	(8,027)
- Net transfer to income statements on disposal or impairment	-	-	-	-	3,629	-	3,629
Income tax relating to components of other comprehensive loss	-	-	-	-	1,067	-	1,067
Total comprehensive income/(loss) for the financial period	-	-	-	1,905	(3,331)	448,627	447,201
Balance as at 31 March 2014	3,318,085	8,563	3,919,746	21,374	147,240	6,444,289	13,859,297

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RHB BANK BERHAD (6171-M)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015

<u>Bank</u>	← Non-distributable →		→ Distributable		Retained profits	Total	
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000			AFS reserves RM'000
Balance as at 1 January 2015	3,365,486	136,162	3,478,138	109,350	219,930	6,377,265	13,686,331
Net profit for the financial period	-	-	-	-	-	388,781	388,781
Other comprehensive income/(loss):							
Items that will be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	-	54,152	-	-	54,152
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	65,443	-	65,443
- Net transfer to income statements on disposal or impairment	-	-	-	-	(15,195)	-	(15,195)
Income tax relating to components of other comprehensive income	-	-	-	-	(12,562)	-	(12,562)
Total comprehensive income for the financial period	-	-	-	54,152	37,686	388,781	480,619
Balance as at 31 March 2015	<u>3,365,486</u>	<u>136,162</u>	<u>3,478,138</u>	<u>163,502</u>	<u>257,616</u>	<u>6,766,046</u>	<u>14,166,950</u>
Balance as at 1 January 2014	3,318,085	8,563	3,478,138	55,541	180,119	5,035,720	12,076,166
Net profit for the financial period	-	-	-	-	-	371,680	371,680
Other comprehensive income/(loss):							
Items that will be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	-	5,203	-	-	5,203
Financial investments AFS:							
- Unrealised net loss on revaluation	-	-	-	-	(392)	-	(392)
- Net transfer to income statements on disposal or impairment	-	-	-	-	1,274	-	1,274
Income tax relating to components of other comprehensive income	-	-	-	-	(221)	-	(221)
Total comprehensive income for the financial period	-	-	-	5,203	661	371,680	377,544
Balance as at 31 March 2014	<u>3,318,085</u>	<u>8,563</u>	<u>3,478,138</u>	<u>60,744</u>	<u>180,780</u>	<u>5,407,400</u>	<u>12,453,710</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2014.

RHB BANK BERHAD (6171-M)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2015

	Three Months Ended	
	31 March	31 March
	2015	2014
	RM'000	RM'000
Group		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	627,117	606,801
Adjustments for non-cash items	(181,905)	(159,726)
Operating profit before changes in working capital	445,212	447,075
Changes in working capital:		
Net changes in operating assets	(2,070,327)	(4,502,864)
Net changes in operating liabilities	3,962,684	5,937,618
Cash generated from operations	1,892,357	1,434,754
Taxation paid	(166,724)	(146,641)
Net cash generated from operating activities	2,170,845	1,735,188
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,325)	(12,882)
Purchase of computer software license	(30,124)	(12,765)
Proceeds from disposal of property, plant and equipment	118	-
Financial investments AFS:		
- net purchase	(711,730)	(721,105)
- interest received	124,544	85,376
- investment income received	18,144	13,118
- dividend income	-	1,804
Financial investments held-to-maturity:		
- net (purchase)/redemption	(1,247,635)	626,392
- interest received	153,292	161,632
- investment income received	23,347	23,238
Net cash (used in)/generated from investing activities	(1,696,369)	164,808
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(36,780)	(32,820)
Net cash used in financing activities	(36,780)	(32,820)
Net increase in cash and cash equivalents	437,696	1,867,176
Effects of exchange rate differences	88,343	452
Cash and cash equivalents:		
- at the beginning of the financial period	15,536,640	9,231,558
- at the end of the financial period	16,062,679	11,099,186
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	16,062,679	11,099,186

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 2014.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2015

	Three Months Ended	
	31 March 2015	31 March 2014
	RM'000	RM'000
Bank		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	521,856	513,493
Adjustments for non-cash items	(169,673)	(132,616)
Operating profit before changes in working capital	352,183	380,877
Changes in working capital:		
Net changes in operating assets	(783,592)	(4,667,245)
Net changes in operating liabilities	1,942,123	7,481,680
Cash generated from operations	1,158,531	2,814,435
Taxation paid	(137,449)	(134,010)
Net cash generated from operating activities	1,373,265	3,061,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,763)	(12,082)
Purchase of computer software license	(29,782)	(12,629)
Proceeds from disposal of property, plant and equipment	48	-
Financial investments AFS:		
- net purchase	(147,211)	(964,288)
- interest received	123,571	84,441
- dividend income	-	1,804
Financial investments held-to-maturity:		
- net (purchase)/redemption	(1,082,935)	218,962
- interest received	151,839	161,285
Additional share subscription in a subsidiary	(54,375)	-
Net cash used in investing activities	(1,064,608)	(522,507)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(36,780)	(32,820)
Net cash used in financing activities	(36,780)	(32,820)
Net increase in cash and cash equivalents	271,877	2,505,975
Effects of exchange rate differences	49,014	3,918
Cash and cash equivalents:		
- at the beginning of the financial period	11,493,133	5,575,273
- at the end of the financial period	11,814,024	8,085,166
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	11,814,024	8,085,166

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 2014.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015

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 Malaysian Accounting Standards Boards ('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 2014.

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 2014, except for the adoption of the following relevant accounting standards, amendments to published standards and interpretations to existing accounting standards which are effective for annual periods beginning on or after 1 July 2014:

- Annual Improvements to MFRS 2010 - 2012 Cycle
- Annual Improvements to MFRS 2011 - 2013 Cycle

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

2 Auditors' Report

The auditors' report for the financial year ended 31 December 2014 was not subject to any qualification.

3 Seasonal Or Cyclical Factors

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

4 Exceptional Or Unusual Items

There were no exceptional or unusual items for the three months ended 31 March 2015.

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 2015.

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 2015.

Subsequent to the quarter-end, the Bank has paid the second interim dividend in respect of the financial year ended 31 December 2014, amounting to RM583,272,000 and of which 75% of the paid dividend amounting to RM437,454,000 has been recapitalised into the Bank to preserve its capital adequacy for business growth purposes. The recapitalisation is via the issuance of rights issue of 190,197,391 new ordinary shares of RM0.50 sen each at an issue price of RM2.30 per share.

RHB BANK BERHAD (6171-M)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

8 Financial Assets Held-For-Trading

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	755,599	557,950	755,599	557,950
Malaysian Government Investment Issues	446,943	728,286	365,294	376,398
Cagamas bonds	-	6,968	-	6,968
Thailand Government bond	11,661	-	11,661	-
Singapore Government Treasury Bills	537,983	502,281	537,983	502,281
Sukuk Perumahan Kerajaan (SPK)	-	20,116	-	20,116
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	3,929	3,841	3,929	3,841
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	32,520	-	32,520	-
Commercial paper	79,993	49,870	79,993	49,870
<u>Outside Malaysia</u>				
Credit link notes	185,749	173,990	185,749	173,990
	<u>2,054,377</u>	<u>2,043,302</u>	<u>1,972,728</u>	<u>1,691,414</u>

In 2008, the Group and the Bank reclassified a portion of their financial assets held-for-trading ('HFT') into financial investments available-for-sale ('AFS') and financial investments held-to-maturity ('HTM'). The reclassifications have been accounted for in accordance with BNM's circular on "Reclassification of Securities under Specific Circumstances" dated 17 October 2008, which is effective from 1 July 2008 until 31 December 2009.

The effects of reclassification on the income statements for the period from the date of reclassification to 31 March 2015 were as follows:

	Group		Group	
	Carrying amount		Fair value	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Reclassified from financial assets HFT to financial investments HTM	<u>22,694</u>	<u>21,140</u>	<u>22,769</u>	<u>21,409</u>

	Group	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Fair value gain that would have been recognised if the financial assets HFT had not been reclassified	<u>75</u>	<u>269</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

9 Financial Investments Available-For-Sale

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	758,200	740,436	758,200	740,436
Malaysian Government Investment Issues	1,839,595	1,859,753	1,110,760	1,275,744
Malaysia Government Treasury Bills	19,996	-	-	-
Bank Negara Malaysia ('BNM') Monetary Notes	179,862	-	-	-
Cagamas bonds	110,755	101,364	50,227	41,450
Khazanah bonds	8,409	8,285	-	-
Singapore Government Treasury Bills	645,890	409,666	645,890	409,666
Singapore Government Securities	217,235	161,233	217,235	161,233
Thailand Government bonds	260,980	120,895	260,980	120,895
1 Malaysia Sukuk	350,945	330,256	350,945	330,256
Wakala Global Sukuk	88,667	84,587	76,292	72,734
Sukuk Perumahan Kerajaan (SPK)	59,166	57,640	59,166	57,640
 <u>Quoted securities:</u>				
<u>In Malaysia</u>				
Shares	19,117	15,783	17,314	13,882
 <u>Outside Malaysia</u>				
Shares	243	212	-	-
 <u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	3,425	3,425	3,425	3,425
Shares	513,109	511,703	512,388	510,991
Private debt securities	11,630,341	11,217,008	9,785,614	9,614,889
Perpetual notes/sukuk	290,381	286,084	86,892	85,530
 <u>Outside Malaysia</u>				
Shares	155	145	-	-
Private debt securities	455	425	455	425
	<u>16,996,926</u>	<u>15,908,900</u>	<u>13,935,783</u>	<u>13,439,196</u>
 Accumulated impairment losses	 (125,937)	 (125,899)	 (125,655)	 (125,633)
	<u><u>16,870,989</u></u>	<u><u>15,783,001</u></u>	<u><u>13,810,128</u></u>	<u><u>13,313,563</u></u>

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

10 Financial Investments Held-To-Maturity

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,209,148	2,322,570	2,209,148	2,322,570
Malaysian Government Investment Issues	5,268,920	5,254,804	4,642,119	4,629,323
Cagamas bonds	1,849,170	1,846,208	1,652,759	1,647,832
Khazanah bonds	92,560	91,554	63,822	63,107
Negotiable instruments of deposits	3,187,561	2,027,550	3,037,900	2,027,550
Singapore Government Securities	189,462	187,519	189,462	187,519
Thailand Government Securities	213,873	275,711	213,873	275,711
Bankers' acceptances	249,335	-	249,335	-
Sukuk (Brunei) Incorporation	40,406	39,689	40,406	39,689
Wakala Global Sukuk	255,049	242,456	255,049	242,456
Sukuk Perumahan Kerajaan (SPK)	111,251	111,177	101,212	101,233
 <u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Bonds	860	860	860	860
Prasarana bonds	773,873	770,025	773,873	770,025
Private debt securities	6,609,313	6,581,282	5,376,744	5,361,374
Corporate loan stocks	37,021	38,334	37,021	38,334
 <u>Outside Malaysia</u>				
Private debt securities	22,693	21,140	-	-
	<u>21,110,495</u>	<u>19,810,879</u>	<u>18,843,583</u>	<u>17,707,583</u>
Accumulated impairment losses	<u>(110,586)</u>	<u>(112,782)</u>	<u>(110,586)</u>	<u>(112,782)</u>
	<u><u>20,999,909</u></u>	<u><u>19,698,097</u></u>	<u><u>18,732,997</u></u>	<u><u>17,594,801</u></u>

Included in financial investments HTM for the Group and the Bank are unquoted private debt securities in Malaysia, which is pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM1,520,000,000 (31 December 2014: RM500,000,000).

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
At amortised cost				
Overdrafts	6,268,736	6,327,913	5,873,121	5,939,301
Term loans/financing:				
- housing loans/financing	33,672,548	31,988,629	26,991,843	25,672,576
- syndicated term loans/financing	6,203,074	5,536,833	3,236,790	3,276,960
- hire purchase receivables	12,895,984	13,348,197	7,043,054	7,464,572
- lease receivables	32,343	33,706	-	-
- other term loans/financing	64,317,265	66,085,317	51,637,591	54,313,571
Bills receivable	2,552,856	2,452,642	2,090,745	1,983,046
Trust receipts	760,054	626,381	740,865	604,938
Claims on customers under acceptance credits	3,851,987	3,662,085	3,851,987	3,662,085
Staff loans/financing	212,972	219,567	201,436	208,797
Credit card receivables	1,976,885	1,994,710	1,749,079	1,770,794
Revolving credit	9,418,195	9,051,092	7,140,295	6,600,840
Floor stocking	-	664	-	664
Gross loans, advances and financing	142,162,899	141,327,736	110,556,806	111,498,144
Fair value changes arising from fair value hedge	(7,814)	(26,870)	4,653	(1,678)
	<u>142,155,085</u>	<u>141,300,866</u>	<u>110,561,459</u>	<u>111,496,466</u>
Allowance for impaired loans, advances and financing:				
- individual impairment allowance	(417,041)	(409,674)	(390,659)	(382,769)
- collective impairment allowance	(1,340,068)	(1,346,884)	(1,105,424)	(1,130,978)
Net loans, advances and financing	<u>140,397,976</u>	<u>139,544,308</u>	<u>109,065,376</u>	<u>109,982,719</u>

Included in loans, advances and financing are housing loans, hire purchase receivables and other term loans/financing sold to Cagamas with recourse for the Group and the Bank amounting to RM3,258,270,000 (31 December 2014: RM3,304,749,000) and RM2,157,638,000 (31 December 2014: RM2,163,306,000) respectively.

(ii) By type of customer

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Domestic non-bank financial institutions:				
- Others	1,967,873	2,048,118	881,720	1,029,470
Domestic business enterprises:				
- Small medium enterprises	18,009,444	16,230,833	16,506,317	15,009,234
- Others	35,573,297	36,747,824	26,677,227	28,458,818
Government and statutory bodies	5,329,649	7,457,968	1,968,006	4,141,761
Individuals	65,157,256	63,721,685	51,399,668	50,386,600
Other domestic entities	122,947	124,840	12,608	13,426
Foreign entities	16,002,433	14,996,468	13,111,260	12,458,835
	<u>142,162,899</u>	<u>141,327,736</u>	<u>110,556,806</u>	<u>111,498,144</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By geographical distribution

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	125,145,373	125,145,269	98,427,421	99,749,771
Labuan Offshore	4,004,942	3,639,900	-	-
Singapore operations	11,167,013	10,736,087	11,167,013	10,736,087
Thailand operations	836,391	897,289	836,391	897,289
Brunei operations	125,981	114,997	125,981	114,997
Cambodia operations	826,310	758,885	-	-
Lao operations	56,889	35,309	-	-
	142,162,899	141,327,736	110,556,806	111,498,144

(iv) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	1,053,802	1,522,767	407,294	851,244
- Hire purchase receivables	12,895,984	13,348,197	7,043,054	7,464,572
- Other fixed rate loans/financing	16,148,327	17,745,722	8,138,816	10,326,613
Variable rate:				
- BLR/BFR plus	65,268,773	62,930,045	53,170,640	51,816,270
- Cost-plus	37,339,969	37,358,039	35,661,377	35,715,358
- Other variable rates	9,456,044	8,422,966	6,135,625	5,324,087
	142,162,899	141,327,736	110,556,806	111,498,144

(v) By purpose

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	13,693,574	13,531,675	13,693,574	13,531,675
Purchase of transport vehicles	11,797,428	12,222,703	5,720,490	6,122,060
Purchase of landed property:				
- Residential	33,037,918	31,467,991	26,607,679	25,412,842
- Non-residential	11,248,029	10,470,961	10,079,212	9,356,160
Purchase of property, plant and equipment other than land and building	3,722,570	3,675,777	2,810,680	2,782,323
Personal use	7,700,487	7,650,256	6,246,605	6,270,575
Credit card	1,976,885	1,994,710	1,749,079	1,770,794
Purchase of consumer durables	28,081	28,926	28,076	28,920
Construction	5,339,434	4,914,115	4,597,185	4,256,028
Working capital	37,325,531	36,206,818	28,087,459	27,881,940
Merger and acquisition	2,693,375	3,227,805	2,047,105	2,772,946
Other purposes	13,599,587	15,935,999	8,889,662	11,311,881
	142,162,899	141,327,736	110,556,806	111,498,144

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

11 Loans, Advances and Financing (cont'd)

(vi) By remaining contractual maturities

	Group		Bank	
	As at 31 March 2015 <u>RM'000</u>	As at 31 December 2014 RM'000	As at 31 March 2015 <u>RM'000</u>	As at 31 December 2014 RM'000
Maturity within one year	44,564,886	47,412,371	40,409,083	43,183,764
One year to three years	8,894,465	8,338,602	5,083,700	4,991,549
Three years to five years	11,607,878	11,447,995	7,540,971	7,447,491
Over five years	77,095,670	74,128,768	57,523,052	55,875,340
	<u>142,162,899</u>	<u>141,327,736</u>	<u>110,556,806</u>	<u>111,498,144</u>

(vii) Impaired loans, advances and financing

(a) Movement in impaired loans, advances and financing

	Group		Bank	
	As at 31 March 2015 <u>RM'000</u>	As at 31 December 2014 RM'000	As at 31 March 2015 <u>RM'000</u>	As at 31 December 2014 RM'000
Balance as at the beginning of financial period/year	2,729,581	3,347,712	2,393,693	2,850,589
Classified as impaired during the financial period/year	1,106,824	3,501,847	972,106	3,000,886
Reclassified as non-impaired during the financial period/year	(669,683)	(2,450,741)	(568,003)	(2,067,413)
Amount recovered	(245,560)	(655,545)	(227,854)	(536,657)
Amount written off	(122,435)	(1,019,003)	(109,522)	(853,561)
Exchange differences	3,820	5,311	3,600	(151)
Balance as at the end of financial period/year	<u>2,802,547</u>	<u>2,729,581</u>	<u>2,464,020</u>	<u>2,393,693</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

11 Loans, Advances and Financing (cont'd)

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

(b) By purpose

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	164,224	129,450	164,224	129,450
Purchase of transport vehicles	169,644	180,120	109,520	119,630
Purchase of landed property:				
- Residential	752,626	783,908	623,691	651,929
- Non-residential	140,668	112,590	119,982	95,017
Purchase of property, plant and equipment other than land and building	39,111	38,835	25,301	25,690
Personal use	144,457	153,432	141,580	150,158
Credit card	32,998	36,911	28,741	31,703
Purchase of consumer durables	1,720	1,425	1,720	1,425
Construction	124,470	115,694	124,470	115,694
Working capital	1,182,731	1,139,888	1,102,706	1,062,901
Other purposes	49,898	37,328	22,085	10,096
	2,802,547	2,729,581	2,464,020	2,393,693

(c) By geographical distribution

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,665,810	2,594,152	2,332,498	2,262,000
Singapore operations	99,427	101,577	99,427	101,577
Thailand operations	23,453	21,871	23,453	21,871
Brunei operations	8,642	8,245	8,642	8,245
Cambodia operations	5,215	3,736	-	-
	2,802,547	2,729,581	2,464,020	2,393,693

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

11 Loans, Advances and Financing (cont'd)

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

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

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Individual impairment allowance				
Balance as at the beginning of financial period/year	409,674	891,294	382,769	723,024
Net allowance made during the period/year	7,380	4,594	8,030	28,899
Reclassified (to)/from collective impairment allowance	-	(64)	-	1,677
Transfer to impairment of financial investments HTM	-	(9,871)	-	(9,871)
Amount written off	(1,492)	(481,317)	(1,492)	(362,446)
Exchange differences	1,479	5,038	1,352	1,486
Balance as at the end of financial period/year	<u>417,041</u>	<u>409,674</u>	<u>390,659</u>	<u>382,769</u>
Collective impairment allowance				
Balance as at the beginning of financial period/year	1,346,884	1,272,637	1,130,978	1,088,121
Net allowance made during the period/year	76,380	410,921	47,602	352,069
Reclassified from/(to) individual impairment allowance	-	64	-	(1,677)
Amount written off	(86,015)	(339,179)	(74,261)	(308,587)
Exchange differences	2,819	2,441	1,105	1,052
Balance as at the end of financial period/year	<u>1,340,068</u>	<u>1,346,884</u>	<u>1,105,424</u>	<u>1,130,978</u>

12 Other Assets

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Other receivables	516,000	355,837	387,257	234,748
Collateral pledged for derivative transactions	697,733	600,081	697,733	600,081
Deposits	52,922	49,169	47,105	43,670
Prepayments	45,090	40,686	36,713	33,693
Amount due from holding company	12,396	131	12,396	131
Amounts due from subsidiaries	-	-	585,330	219,543
Amounts due from related companies	35,735	25,978	35,714	25,957
	<u>1,359,876</u>	<u>1,071,882</u>	<u>1,802,248</u>	<u>1,157,823</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

13 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Demand deposits	27,356,497	26,420,489	24,106,560	23,340,867
Savings deposits	8,145,301	7,927,118	6,938,449	6,788,828
Fixed/investment deposits	121,984,464	120,506,630	96,228,874	97,683,648
Negotiable instruments of deposits	55,853	2,274	55,853	2,274
	157,542,115	154,856,511	127,329,736	127,815,617

(ii) By type of customer

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Government and statutory bodies	11,131,956	10,601,035	6,737,660	6,953,171
Business enterprises	97,743,210	95,419,158	75,443,848	76,077,473
Individuals	42,140,894	42,815,080	39,257,624	39,470,312
Others	6,526,055	6,021,238	5,890,604	5,314,661
	157,542,115	154,856,511	127,329,736	127,815,617

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

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Due within six months	101,490,649	99,416,368	78,866,787	79,569,121
Six months to one year	20,133,819	20,292,663	17,019,991	17,632,469
One year to three years	385,057	782,244	368,128	467,453
Three years to five years	30,792	17,629	29,821	16,879
	122,040,317	120,508,904	96,284,727	97,685,922

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

14 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Licensed banks	14,616,571	14,868,881	16,163,067	14,834,962
Islamic banks	950,303	221,130	-	-
Licensed investments banks	1,537,258	1,491,249	607,473	746,776
Bank Negara Malaysia	530,971	515,027	530,149	514,252
Others	555,113	860,083	52,579	105,560
	18,190,216	17,956,370	17,353,268	16,201,550

15 Other Liabilities

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Amount due to holding company	45	126	-	-
Amounts due to subsidiaries	-	-	27,089	27,675
Amounts due to related companies	8,209	3,847	4,880	3,417
Amount due to Danaharta	2,014	1,935	2,014	1,935
Prepaid instalments	71,075	71,037	71,075	71,037
Lessee deposits	26,978	27,029	-	-
Accrual for operational expenses	139,577	140,452	125,021	125,682
Short term employee benefits	60,424	239,510	56,007	225,033
Other creditors and accruals	890,758	730,600	767,935	461,676
	1,199,080	1,214,536	1,054,021	916,455

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

16 Interest Income

	Group		Bank	
	Individual Quarter		Individual Quarter	
	Quarter Ended 31 March 2015	Quarter Ended 31 March 2014	Quarter Ended 31 March 2015	Quarter Ended 31 March 2014
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,545,719	1,341,596	1,495,803	1,302,426
Money at call and deposits and placements with banks and other financial institutions	44,596	36,828	108,586	66,036
Securities purchased under resale agreements	367	48	367	48
Financial assets held-for-trading	11,062	2,575	11,062	2,575
Financial investments available-for-sale	119,068	95,888	118,062	94,961
Financial investments held-to-maturity	175,644	184,007	173,840	182,348
Others	2,505	606	2,505	606
	1,898,961	1,661,548	1,910,225	1,649,000
Of which:				
Interest income accrued on impaired financial assets	49,662	44,654	45,665	40,755

17 Interest Expense

	Group		Bank	
	Individual Quarter		Individual Quarter	
	Quarter Ended 31 March 2015	Quarter Ended 31 March 2014	Quarter Ended 31 March 2015	Quarter Ended 31 March 2014
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	93,193	56,013	92,595	54,779
Deposits from customers	872,932	696,105	865,101	689,713
Obligations on securities sold under repurchase agreements	3,450	453	3,450	453
Subordinated obligations	59,428	47,116	59,428	47,116
Recourse obligation on loans sold to Cagamas	24,337	10,523	24,337	10,523
Senior Debt Securities	23,427	13,367	23,427	13,367
Hybrid Tier-I Capital Securities	11,207	11,201	11,207	11,201
Borrowings	1,441	1,273	1,441	1,273
Others	14,581	15,720	14,581	15,720
	1,103,996	851,771	1,095,567	844,145

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

18 Other Operating Income

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000
a) Fee Income:				
Commission	37,992	41,120	37,693	40,954
Service charges and fees	62,223	63,395	61,893	63,283
Guarantee fees	25,244	23,379	22,269	23,379
Commitment fees	14,378	14,066	12,379	12,091
Other fee income	5,598	6,792	4,935	5,002
	<u>145,435</u>	<u>148,752</u>	<u>139,169</u>	<u>144,709</u>
b) Net gain arising from financial assets held-for-trading	13,904	7,942	13,904	7,942
c) Net gain on revaluation of derivatives	2,563	932	3,349	4,831
d) Net gain on fair values hedges	327	2,408	124	1,499
e) Net gain arising from financial investments available-for-sale:				
- net gain/(loss) on disposal	15,196	(1,274)	15,196	(1,274)
- gross dividend income	-	1,804	-	1,804
	<u>15,196</u>	<u>530</u>	<u>15,196</u>	<u>530</u>
f) Net gain arising from financial investments held-to-maturity:				
- net gain on early redemption	-	39	-	39
g) Other income:				
Foreign exchange gain/(loss)				
- realised	(64,838)	97,834	(65,130)	97,719
- unrealised	134,268	(29,295)	134,268	(29,295)
Gain on disposal of property, plant and equipment	54	-	22	-
Other operating income	17,416	14,115	17,345	13,413
Other non-operating income	900	1,835	377	1,245
	<u>87,800</u>	<u>84,489</u>	<u>86,882</u>	<u>83,082</u>
	<u>265,225</u>	<u>245,092</u>	<u>258,624</u>	<u>242,632</u>

19 Income from Islamic Banking Business

	<u>Group</u>	
	<u>Individual Quarter</u>	
	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000
Income derived from investment of depositors' funds	395,833	283,073
Income derived from investment of shareholder's funds	32,259	27,413
Total distributable income	<u>428,092</u>	<u>310,486</u>
Income attributable to depositors	<u>(227,000)</u>	<u>(159,142)</u>
Income from Islamic Banking Business	<u>201,092</u>	<u>151,344</u>
Of which:		
Financing income earned on impaired financing and advances	<u>3,997</u>	<u>3,899</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

20 Other Operating Expenses

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	291,835	272,199	274,956	246,038
- Contributions to Employees Provident Fund	44,252	41,790	42,044	37,907
- Other staff related costs	26,813	20,549	25,477	19,547
	<u>362,900</u>	<u>334,538</u>	<u>342,477</u>	<u>303,492</u>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	23,047	20,912	21,062	18,821
- Written off	2	1	2	-
- Amortisation of computer software license	12,307	12,411	11,508	9,283
- Rental of premises	30,708	30,366	29,735	29,172
- Rental of equipment	1,506	1,434	1,497	1,421
- Insurance	8,369	6,653	8,058	6,270
- Water and electricity	7,105	6,487	6,552	5,770
- Repair and maintenance	6,690	5,461	5,760	4,327
- Security and escorting expenses	13,789	11,636	12,669	10,634
- Information technology expenses	32,480	27,174	29,858	24,425
- Others	158	197	-	-
	<u>136,161</u>	<u>122,732</u>	<u>126,701</u>	<u>110,123</u>
<u>Marketing expenses</u>				
- Sales commission	9,399	11,350	8,191	10,283
- Advertisement and publicity	4,768	11,181	3,352	10,420
- Others	11,084	17,905	9,935	15,246
	<u>25,251</u>	<u>40,436</u>	<u>21,478</u>	<u>35,949</u>
<u>Administration and general expenses</u>				
- Communication expenses	26,572	25,839	23,728	23,535
- Others	33,891	30,820	10,645	15,716
	<u>60,463</u>	<u>56,659</u>	<u>34,373</u>	<u>39,251</u>
	<u>584,775</u>	<u>554,365</u>	<u>525,029</u>	<u>488,815</u>

21 Allowance for Impairment on Loans, Advances and Financing

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000	Quarter Ended 31 March 2015 RM'000	Quarter Ended 31 March 2014 RM'000
Individual impairment allowance	7,380	3,358	8,030	5,467
Collective impairment allowance	76,380	90,993	47,602	89,993
Impaired loans and financing recovered	(67,104)	(88,356)	(60,806)	(82,537)
Impaired loans written off	35,538	47,690	34,375	40,266
	<u>52,194</u>	<u>53,685</u>	<u>29,201</u>	<u>53,189</u>

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22 Capital Adequacy

BNM guidelines on capital adequacy requires the Group and 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.

RHB Indochina Bank Limited ('RHBIBL'), a wholly owned subsidiary of RHB Bank is subject to National Bank of Cambodia's capital adequacy requirements.

	RHB Bank*		RHB Islamic Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Common Equity Tier-I ('CET-I') Capital/Tier-I Capital				
Paid-up ordinary share capital	3,365,486	3,365,486	1,173,424	1,173,424
Share premium	136,162	136,162	-	-
Retained profits	6,860,657	6,860,657	553,560	553,560
Other reserves	3,684,669	3,589,300	553,765	553,765
AFS reserves	256,251	218,816	(16,171)	(28,352)
	14,303,225	14,170,421	2,264,578	2,252,397
Less: Goodwill	(905,519)	(905,519)	-	-
Net deferred tax assets	-	-	(9,485)	(15,497)
Other intangible assets (include associated deferred tax liability)	(172,357)	(166,462)	(910)	(1,119)
55% of cumulative gains of AFS financial instruments	(140,938)	(120,349)	-	-
Shortfall of eligible provisions to expected losses under the IRB approach	(262,803)	(307,612)	-	-
Investments in subsidiaries***	(687,429)	(332,839)	-	-
Other deduction#	(40,351)	(29,667)	(312)	(551)
Total CET-I Capital	12,093,828	12,307,973	2,253,871	2,235,230
Hybrid Tier-I Capital Securities**	420,000	480,000	-	-
Total Tier-I Capital	12,513,828	12,787,973	2,253,871	2,235,230
Tier-II Capital				
Subordinated obligations@	2,800,000	3,200,000	-	-
Subordinated obligations meeting all inclusion	1,000,000	1,000,000	-	-
Subordinated sukuk^^	-	-	500,000	500,000
Collective impairment allowance^	264,664	258,406	114,402	100,832
	4,064,664	4,458,406	614,402	600,832
Less: Investments in subsidiaries***	(1,031,143)	(1,331,358)	-	-
Total Tier-II Capital	3,033,521	3,127,048	614,402	600,832
Total Capital	15,547,349	15,915,021	2,868,273	2,836,062
Capital ratios				
Before deducting proposed dividends:				
CET-I capital ratio	11.379%	11.678%	12.315%	12.875%
Tier-I capital ratio	11.775%	12.133%	12.315%	12.875%
Total capital ratio	14.629%	15.100%	15.672%	16.336%
After deducting proposed dividends:				
CET-I capital ratio	10.831%	11.124%	12.315%	12.875%
Tier-I capital ratio	11.226%	11.580%	12.315%	12.875%
Total capital ratio	14.080%	14.547%	15.672%	16.336%

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

22 Capital Adequacy (cont'd)

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

	RHB Bank*		RHB Islamic Bank	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Credit risk	94,950,841	94,067,828	17,180,816	16,316,757
Market risk	3,283,792	3,369,497	184,480	124,357
Operational risk	8,044,377	7,957,062	936,391	918,886
Total risk-weighted assets	<u>106,279,010</u>	<u>105,394,387</u>	<u>18,301,687</u>	<u>17,360,000</u>

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

^ Excludes collective 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".

^^ Qualify as Tier-II capital as specified in the BNM's Capital Adequacy Framework for Islamic Banks (Capital Components).

Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II -RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.

** Hybrid Tier-I Capital Securities that are recognised as Tier-I capital instruments are subject to the gradual phase-out treatment effective from 1 January 2013 as prescribed under paragraph 36.10 of the BNM's Capital Adequacy Framework (Capital Components).

*** Investments in subsidiaries are subject to the gradual deduction in the calculation under CET-I Capital effective from 1 January 2014 as prescribed under paragraph 36.15 of the BNM's Capital Adequacy Framework (Capital Components).

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

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

22 Capital Adequacy (cont'd)

	RHB Bank Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
CET-I/Tier-I Capital		
Paid-up ordinary share capital	3,365,486	3,365,486
Share premium	136,162	136,162
Retained profits	7,575,175	7,575,175
Other reserves	4,282,944	4,167,374
AFS reserves	240,082	190,466
	15,599,849	15,434,663
Less: Goodwill	(1,120,318)	(1,120,318)
Net deferred tax assets	-	-
Other intangible assets (include associated deferred tax liability)	(177,161)	(171,380)
55% of cumulative gains of AFS financial instruments	(132,045)	(104,757)
Shortfall of eligible provisions to expected losses under the IRB approach	(333,229)	(376,960)
Other deduction [#]	(40,664)	(30,218)
Total CET-I Capital	13,796,432	13,631,030
Hybrid Tier-I Capital Securities**	420,000	480,000
Total Tier-I Capital	14,216,432	14,111,030
Tier-II Capital		
Subordinated obligations [@]	2,800,000	3,200,000
Subordinated obligations meeting all inclusion	1,000,000	1,000,000
Qualifying capital instruments of a subsidiary issued to third parties*	334,922	321,075
Collective impairment allowance [^]	457,999	436,711
Total Tier-II Capital	4,592,921	4,957,786
Total Capital	18,809,353	19,068,816

Capital ratios

Before deducting proposed dividends:		
CET-I capital ratio	11.076%	11.062%
Tier-I capital ratio	11.413%	11.451%
Total capital ratio	15.101%	15.475%
After deducting proposed dividends:		
CET-I capital ratio	10.608%	10.589%
Tier-I capital ratio	10.945%	10.978%
Total capital ratio	14.633%	15.002%

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

	RHB Bank Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
Credit risk	112,227,155	110,761,239
Market risk	3,263,549	3,508,449
Operational risk	9,063,480	8,949,426
Total risk-weighted assets	124,554,184	123,219,114

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

22 Capital Adequacy (cont'd)

- [^] 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".
- [#] Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II -RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.
- ^{*} Qualifying subordinated sukuk that are recognised as Tier-II capital instruments held by third parties as prescribed under paragraph 16.3 of the BNM Guidelines Capital Adequacy Framework (Capital Components) which are issued by a fully consolidated subsidiary of the Bank.
- ^{**} Hybrid Tier-I Capital Securities that are recognised as Tier-I capital instruments are subject to the gradual phase-out treatment effective from 1 January 2013 as prescribed under paragraph 36.10 of the BNM's Capital Adequacy Framework (Capital Components).
- [@] Subordinated obligations that are recognised as Tier-II capital instruments are subject to the gradual phase-out treatment effective from 1 January 2013 as prescribed under paragraph 36.10 of the BNM's Guidelines Capital Adequacy Framework (Capital Components).

RHB Indochina Bank Limited ('RHBIBL'), a wholly owned subsidiary of RHB Bank is subject to National Bank of Cambodia's capital adequacy requirements.

	RHBIBL	
	31 March 2015	31 December 2014
Before deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	20.730%	17.042%
After deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	20.730%	17.042%

The solvency ratio of RHBIBL 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 RHBIBL's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15%.

[#] No equivalent ratio in Cambodia.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

23 Commitments And Contingencies

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

<u>Group</u>	<u>31 March 2015</u>			<u>31 December 2014</u>		
	<u>Principal amount</u> RM'000	<u>Credit equivalent amount*</u> RM'000	<u>Risk weighted amount</u> RM'000	<u>Principal amount</u> RM'000	<u>Credit equivalent amount*</u> RM'000	<u>Risk weighted amount</u> RM'000
Direct credit substitutes	2,388,509	2,358,537	1,485,371	2,659,088	2,628,097	1,656,364
Transaction-related contingent items	4,654,376	2,301,243	1,292,751	4,829,166	2,388,120	1,308,323
Short-term self-liquidating trade-related contingencies	1,915,158	380,727	171,420	1,822,569	362,511	177,431
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	1,563,663	1,563,663	16,656	517,610	517,610	27,897
Irrevocable commitments to extend credit:						
- maturity more than one year	30,484,350	13,926,208	9,881,119	30,645,996	14,277,260	9,875,579
- maturity less than one year	1,739,886	167,405	61,842	1,428,561	144,588	50,232
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	15,329,699	601,158	240,349	15,137,896	605,393	240,215
Foreign exchange related contracts [@] :						
- less than one year	34,866,435	1,233,580	715,721	28,320,308	926,671	559,625
- one year to less than five years	10,813,316	1,909,481	777,091	11,236,064	1,696,626	753,543
- more than five years	475,304	133,070	92,439	469,108	596,943	444,525
Interest rate related contracts [@] :						
- less than one year	7,021,666	16,548	5,653	6,289,805	14,886	4,557
- one year to less than five years	28,665,327	851,395	299,592	27,571,220	812,079	281,569
- more than five years	920,773	77,224	37,707	987,920	73,660	34,400
Total	140,838,462	25,520,239	15,077,711	131,915,311	25,044,444	15,414,260

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

[@] These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.

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

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23 Commitments And Contingencies (cont'd)

Bank	31 March 2015			31 December 2014		
	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	2,377,398	2,347,426	1,475,570	2,622,714	2,591,723	1,624,312
Transaction-related contingent items	4,051,428	1,999,770	1,069,137	4,295,883	2,121,478	1,125,821
Short-term self-liquidating trade-related contingencies	1,882,750	374,245	168,683	1,767,022	351,401	175,167
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	1,563,663	1,563,663	16,656	517,610	517,610	27,897
Irrevocable commitments to extend credit:						
- maturity more than one year	24,943,643	10,825,945	7,354,164	26,380,190	11,925,958	7,957,393
- maturity less than one year	1,686,763	156,780	52,968	1,374,689	133,814	40,829
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	13,161,852	509,740	171,785	13,059,575	514,983	172,408
Foreign exchange related contracts [@] :						
- less than one year	34,537,268	1,226,753	675,416	28,302,199	924,363	533,150
- one year to less than five years	10,813,316	1,909,021	768,264	11,236,064	1,698,406	737,627
- more than five years	475,304	133,070	92,439	469,108	596,943	444,525
Interest rate related contracts [@] :						
- less than one year	7,799,445	18,603	6,057	6,918,826	16,490	4,871
- one year to less than five years	30,750,327	898,965	309,106	29,806,220	863,268	291,807
- more than five years	1,010,773	82,325	38,727	1,077,920	78,160	35,300
Total	135,053,930	22,046,306	12,198,972	127,828,020	22,334,597	13,171,107

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

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

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

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

24 Capital Commitments

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	RM'000	RM'000	RM'000	RM'000
Capital expenditure for property, plant and equipment:				
- authorised and contracted for	73,041	92,562	69,483	92,562
- authorised but not contracted for	160,556	191,674	125,090	148,761
	<u>233,597</u>	<u>284,236</u>	<u>194,573</u>	<u>241,323</u>

25 Fair Value of Financial Instruments

The Group and the Bank analyses its financial instruments measured at fair value into three categories as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

<u>Group</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
31 March 2015				
Financial assets				
Financial assets held-for-trading:	3,929	2,050,448	-	2,054,377
- money market instruments	-	1,752,186	-	1,752,186
- quoted securities	3,929	-	-	3,929
- unquoted securities	-	298,262	-	298,262
Financial investments available-for-sale:	14,077	15,979,366	877,546	16,870,989
- money market instruments	-	4,539,700	-	4,539,700
- quoted securities	14,077	-	-	14,077
- unquoted securities	-	11,439,666	877,546	12,317,212
Derivative assets:				
- money market instruments	-	1,812,601	-	1,812,601
	<u>18,006</u>	<u>19,842,415</u>	<u>877,546</u>	<u>20,737,967</u>
Financial liabilities				
Derivative liabilities:				
- money market instruments	-	1,587,526	-	1,587,526
31 December 2014				
Financial assets				
Financial assets held-for-trading:	3,841	2,039,461	-	2,043,302
- money market instruments	-	1,815,601	-	1,815,601
- quoted securities	3,841	-	-	3,841
- unquoted securities	-	223,860	-	223,860
Financial investments available-for-sale:	10,719	14,905,036	867,246	15,783,001
- money market instruments	-	3,874,115	-	3,874,115
- quoted securities	10,719	-	-	10,719
- unquoted securities	-	11,030,921	867,246	11,898,167
Derivative assets:				
- money market instruments	-	1,283,855	-	1,283,855
	<u>14,560</u>	<u>18,228,352</u>	<u>867,246</u>	<u>19,110,158</u>
Financial liabilities				
Derivative liabilities:				
- money market instruments	-	1,193,538	-	1,193,538

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

25 Fair Value of Financial Instruments (cont'd)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2015				
Financial assets				
Financial assets held-for-trading:	3,929	1,968,799	-	1,972,728
- money market instruments	-	1,670,537	-	1,670,537
- quoted securities	3,929	-	-	3,929
- unquoted securities	-	298,262	-	298,262
Financial investments available-for-sale:	12,168	13,207,083	590,877	13,810,128
- money market instruments	-	3,529,695	-	3,529,695
- quoted securities	12,168	-	-	12,168
- unquoted securities	-	9,677,388	590,877	10,268,265
Derivative assets:				
- money market instruments	-	1,814,036	-	1,814,036
	<u>16,097</u>	<u>16,989,918</u>	<u>590,877</u>	<u>17,596,892</u>
Financial liabilities				
Derivative liabilities:				
- money market instruments	-	1,597,172	-	1,597,172
	<u>-</u>	<u>1,597,172</u>	<u>-</u>	<u>1,597,172</u>
31 December 2014				
Financial assets				
Financial assets held-for-trading:	3,841	1,687,573	-	1,691,414
- money market instruments	-	1,463,713	-	1,463,713
- quoted securities	3,841	-	-	3,841
- unquoted securities	-	223,860	-	223,860
Financial investments available-for-sale:	8,736	12,716,719	588,108	13,313,563
- money market instruments	-	3,210,054	-	3,210,054
- quoted securities	8,736	-	-	8,736
- unquoted securities	-	9,506,665	588,108	10,094,773
Derivative assets:				
- money market instruments	-	1,283,574	-	1,283,574
	<u>12,577</u>	<u>15,687,866</u>	<u>588,108</u>	<u>16,288,551</u>
Financial liabilities				
Derivative liabilities:				
- money market instruments	-	1,214,797	-	1,214,797
	<u>-</u>	<u>1,214,797</u>	<u>-</u>	<u>1,214,797</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

25 Fair Value of Financial Instruments (cont'd)

(i) Valuation techniques and sensitivity analysis

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices are readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. This would include quoted securities.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determines fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data. These would include certain bonds, government bonds, corporate debt securities and derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio-economic reasons, non-transferable and non-tradable perpetual notes/sukuk and impaired securities.

(ii) Reconciliation of movements in Level 3 financial instruments:

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2015 and 31 December 2014 for the Group and the Bank.

Financial investments available-for-sale

	Group		Bank	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Balance as at the beginning of the financial period/year	867,246	907,396	588,108	633,063
Total gains recognised in other comprehensive income	2,760	43,065	2,760	43,065
Purchases	3,964	15,897	-	-
Settlements	(1,053)	(217,905)	-	(201,950)
Impairment losses written back	-	113,930	-	113,930
Exchange differences	4,629	4,863	9	-
Balance as at the end of the financial period/year	<u>877,546</u>	<u>867,246</u>	<u>590,877</u>	<u>588,108</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

26 Segmental 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. The Group has determined RHB Capital Group's Management Committee as its chief operating decision-maker.

Pursuant to the Group's refinement on internal fund transfer-pricing methodology and internal management reporting framework that transfers funding centre to the purview and responsibility of Group Treasury, the Group has restated the corresponding segment information in all affected business segments retrospectively. The funding centre was previously categorised under 'Others' segment.

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Corporate Banking

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

(b) Retail Banking

Retail Banking focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgages, non-residential mortgages, hire purchase, purchase of securities, credit cards and other personal loans and financing), remittances, deposits collection and investment related products.

(c) Business Banking

Business Banking caters for funding needs as well as deposit collection from small and medium sized enterprises and wholesale clients.

(d) Group Treasury

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

(e) Group International Business

Group International Business primarily focuses on providing commercial banking related products and services tailored to the specific needs of the customers in foreign countries in which the Group has operations. The Group currently has foreign presences in Singapore, Thailand, Brunei, Cambodia and Lao.

(f) Others

Others comprise results from other business segments in the Group (nominee services, property investment and rental of premises and other related financial services). The results of these other businesses are not material to the Group and therefore do not render a separate disclosure and are reported in aggregate in the financial statements.

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

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

26 Segmental Reporting (cont'd)

Group

Three months ended 31 March 2015

	Corporate Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Group Treasury RM'000	Group International Business RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	232,258	601,908	236,125	85,617	122,262	(16,888)	-	1,261,282
Inter-segment revenue	(2,897)	-	-	3,196	1,212	207	(1,718)	-
Segment revenue	229,361	601,908	236,125	88,813	123,474	(16,681)	(1,718)	1,261,282
Overhead expenses including:	(46,998)	(291,720)	(114,099)	(34,190)	(81,241)	(18,245)	1,718	(584,775)
Depreciation of property, plant and equipment	(636)	(16,851)	(1,831)	(748)	(2,932)	(49)	-	(23,047)
Amortisation of computer software license	(707)	(6,407)	(2,481)	(1,195)	(1,517)	-	-	(12,307)
Allowance for impairment on loans, advances and financing	(3,592)	(31,256)	(9,300)	(4,230)	(3,798)	(18)	-	(52,194)
Impairment written back on other assets	2,804	-	-	-	-	-	-	2,804
Profit before taxation	181,575	278,932	112,726	50,393	38,435	(34,944)	-	627,117
Taxation								(152,187)
Net profit for the financial period								474,930

Three months ended 31 March 2014

	Corporate Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Group Treasury RM'000	Group International Business RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	252,197	592,905	215,769	79,384	84,540	(18,582)	-	1,206,213
Inter-segment revenue	(4,130)	-	-	4,424	939	205	(1,438)	-
Segment revenue	248,067	592,905	215,769	83,808	85,479	(18,377)	(1,438)	1,206,213
Overhead expenses including:	(42,871)	(304,217)	(104,160)	(23,407)	(67,612)	(13,536)	1,438	(554,365)
Depreciation of property, plant and equipment	(544)	(16,065)	(1,581)	(572)	(2,101)	(49)	-	(20,912)
Amortisation of computer software license	(902)	(6,827)	(2,587)	(1,490)	(605)	-	-	(12,411)
Allowance for impairment on loans, advances and financing	(17,606)	(40,879)	6,409	(737)	(2,005)	1,133	-	(53,685)
Impairment written back on other assets	8,010	-	623	-	5	-	-	8,638
Profit before taxation	195,600	247,809	118,641	59,664	15,867	(30,780)	-	606,801
Taxation								(158,174)
Net profit for the financial period								448,627

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

26 Segmental Reporting (cont'd)

Group

As at 31 March 2015

	Corporate Banking	Retail Banking	Business Banking	Group Treasury	Group International Business	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	50,790,332	67,759,811	18,773,841	57,593,020	23,881,596	123,444	(10,098,917)	208,823,127
Deferred tax assets								4,048
Tax recoverable								91,671
Unallocated assets								1,370,117
Total assets								<u>210,288,963</u>
Segment liabilities	34,963,843	46,746,433	15,515,003	78,374,214	17,836,111	10,715,343	(10,774,189)	193,376,758
Deferred tax liabilities								80,645
Tax liabilities								9,768
Unallocated liabilities								747,013
Total liabilities								<u>194,214,184</u>

As at 31 December 2014

	Corporate Banking	Retail Banking	Business Banking	Group Treasury	Group International Business	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	50,260,028	66,121,767	18,726,577	53,322,357	22,795,976	201,079	(8,170,294)	203,257,490
Deferred tax assets								9,956
Tax recoverable								59,792
Unallocated assets								1,309,816
Total assets								<u>204,637,054</u>
Segment liabilities	34,393,188	44,021,482	13,823,462	75,383,980	17,015,729	12,226,860	(8,500,524)	188,364,177
Deferred tax liabilities								40,818
Tax liabilities								22,418
Unallocated liabilities								774,978
Total liabilities								<u>189,202,391</u>

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(cont'd)

27 Valuation of Property, Plant and Equipment

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

28 Events Subsequent to Balance Sheet Date

(a) Proposed Rights Issue, Proposed Internal Reorganisation, Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status (collectively referred to as the 'Proposals')

The holding company, RHB Capital Berhad ('RHB Capital') has on 13 April 2015 announced that it proposes to undertake the following proposals:

(i) Proposed Rights Issue

RHB Capital is proposing to undertake a renounceable rights issue of new RHB Capital Shares ('Rights Shares') to entitled shareholders on an entitlement date to be determined later ('Entitlement Date'). The Proposed Rights Issue is intended to raise gross proceeds of up to RM2.5 billion ('Intended Gross Proceeds').

It is the intention of RHB Capital to inject the Intended Gross Proceeds to be raised from the Proposed Rights Issue to RHB Bank to further capitalise RHB Bank and to finance the working capital requirements of RHB Bank and its subsidiaries ('RHB Bank Group'), only if the relevant approvals for the Proposed Internal Reorganisation are obtained and implemented ('Capital Injection').

Prior to the Capital Injection, RHB Bank will undertake a consolidation of two (2) ordinary shares of RM0.50 each in RHB Bank ('RHB Bank Shares') into one (1) ordinary share of RM1.00 each ('Consolidated RHB Bank Share').

Pursuant to the Capital Injection, RHB Bank will be issuing new Consolidated RHB Bank Shares to RHB Capital at an issue price equivalent to the fair market value of RHB Bank Group, which will be determined based on, amongst others, the price-to-book ratio ('PBR') of comparable financial institution groups listed on Bursa Securities.

In the event that the Proposed Internal Reorganisation is not implemented, the Intended Gross Proceeds shall be utilised to repay the bank borrowings of RHB Capital and/or injected as equity into RHB Bank to further capitalise RHB Bank, if required.

(ii) Proposed Internal Reorganisation

The proposed Internal Reorganisation will entail the transfer by RHB Capital of the Identified Assets to RHB Bank, after the Proposed Rights Issue, for a total disposal consideration to be determined later.

The Identified Assets shall comprise, amongst others, the entire equity interest in RHB Investment Bank Berhad and its subsidiaries, the entire equity interest in RHB Insurance Berhad and the entire equity interest in, and/or the entire assets and liabilities of the other operating subsidiaries of RHB Capital, which will be determined later.

The total disposal consideration, which will be satisfied via cash and/or new Consolidated RHB Bank Shares, has not been determined at this juncture, pending the determination of the Identified Assets. The total disposal consideration will be arrived at based on a 'willing-buyer, willing-seller' basis after taking into consideration the audited net assets/net liabilities and/or the audited net book value of the Identified Assets as at 31 December 2014.

The Proposed Internal Reorganisation will be undertaken to streamline the businesses of RHB Capital Group under RHB Bank with the aim to achieve greater tax efficiency in view of the change from the two-tier tax system to a single-tier tax system as well as to position RHB Bank to spearhead the Group's future growth.

(iii) Proposed Distribution and Capital Repayment

The Proposed Distribution and Capital Repayment will entail the distribution of the entire shareholdings of RHB Capital in RHB Bank after the Proposed Rights Issue, Proposed Internal Reorganisation and Capital Injection to entitled shareholders of RHB Capital whose names appear in the ROD of RHB Capital on an entitlement date to be determined and announced later upon completion of the Proposed Rights Issue and Proposed Internal Reorganisation and the receipt of all relevant approvals for the Proposed Distribution and Capital Repayment.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015
(cont'd)

28 Events Subsequent to Balance Sheet Date (cont'd)

(iv) Proposed Transfer of Listing Status

Upon completion of the Proposed Distribution and Capital Repayment, RHB Bank will assume the listing status of RHB Capital. Accordingly, it is proposed that RHB Bank be admitted to the Official List of Bursa Securities in place of RHB Capital with the listing of and quotation for the entire issued and paid-up share capital RHB Bank on the Main Market of Bursa Securities.

The Proposed Transfer of Listing Status will also enable RHB Bank Group to gain direct access to the capital markets to raise funds for its continued growth, to gain recognition and corporate stature through its listing status and further enhance its corporate reputation and assist RHB Bank Group in expanding its customer base.

The inter-conditionally of the Proposals are as follows:

- (i) The Proposed Rights Issue is not conditional upon any of the other Proposals.
- (ii) The Proposed Internal Reorganisation is conditional upon the Proposed Rights Issue but is not conditional upon the Proposed Distribution and Capital Repayment and the Proposed Transfer of Listing Status.
- (iii) The Proposed Distribution and Capital Repayment and the Proposed Transfer of Listing Status are interconditional upon each other and are also conditional upon the Proposed Internal Reorganisation and Proposed Rights Issue.

The Proposals are subject to the approvals being obtained from Securities Commission Malaysia ('SC'), Bursa Malaysia Securities Berhad ('Bursa Securities'), Ministry of Finance ('MoF') (via BNM), BNM, Ministry of Home Affairs, sanction of the High Court of Malaya, shareholders of RHB Capital at an extraordinary general meeting to be convened, shareholder of the Bank, lenders of the Group and Identified Assets (if required), foreign regulators (if required) and waivers and/or consents of any other relevant authorities and/or parties (if required).

RHB Capital had on 30 April 2015 submitted an application to BNM to seek the approval of BNM and/or its recommendations to MoF for approval for the Proposals.

On 28 May 2015, RHB Capital had submitted an application to Bursa Securities for the listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue. RHB Capital had also on even date, submitted an application to SC to seek approval for the Proposed Internal Reorganisation, Proposed Distribution and Capital Repayment and Proposed Transfer of Listing Status.

(b) **Proposed disposal of RHB OSK Indochina Securities Limited ('RHBISL')**

On 1 October 2014, RHBISL has entered into a share sale agreement with RHB Investment Bank Berhad for the disposal of the entire equity interest in RHBISL for a consideration of USD12,500,000.

Approvals from BNM, Securities Commission of Malaysia, Securities and Exchange Commission of Cambodia and National Bank of Cambodia have been obtained on 25 June 2014, 1 July 2014, 2 March 2015 and 8 May 2015 respectively.

Upon completion of the disposal, RHBISL will ceased to be the wholly-owned subsidiary of RHBIBL.

29 Changes in the Composition of the Group

On 30 January 2015, the Bank injected additional capital to its wholly-owned commercial bank subsidiary, RHB Indochina Bank, which is incorporated in Cambodia amounting to USD15,000,000 (equivalent to RM54,375,000). As a result, RHB Indochina Bank's share capital has increased from USD52,000,000 to USD67,000,000 respectively.

Other than the above, there are no significant changes in the composition of the Group for the three months ended 31 March 2015.

30 Changes in Profit for the Quarter

During the quarter ended 31 March 2015, the Group recorded a pre-tax profit of RM627.1 million, 22.9% or RM116.9 million higher as compared to the preceding quarter ended 31 December 2014 of RM510.2 million. The higher profit was contributed by lower other operating expenses by RM87.2 million, higher other operating income by RM12.9 million, lower impairment allowances for loans, advances and financing by RM10.2 million and higher net interest income by RM7.5 million, partially offset by lower income from Islamic Banking business by RM0.9 million.

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(cont'd)

31 Performance Review

The Group recorded a pre-tax profit of RM627.1 million, 3.3% or RM20.3 million higher as compared to preceding corresponding quarter ended 31 March 2014. The higher profit was mainly due to higher income from Islamic Banking business by RM49.7 million, higher other operating income by RM20.1 million and lower impairment allowances for loans, advances and financing by RM1.5 million, partially offset by higher other operating expenses by RM30.4 million, lower net interest income by RM14.8 million and lower impairment written back on other assets by RM5.8 million.

32 Prospects for Financial Year 2015

2015 will prove to be challenging due to uncertainty in the global economic environment. On the local front, growth in domestic demand is expected to weaken by the slowdown in oil and gas investment and Government spending, and the effect of earlier tightening of fiscal policies. As a result, the Malaysian real GDP growth is expected to moderate at 5.0% in 2015 from 6.0% in 2014.

This will impact the growth of the Malaysian Banking sector. Household loan growth is expected to slow down as sentiment turns more cautious from the implementation of GST and high household leverage. The business segment would likely support growth albeit at a moderating pace. Capital markets will remain volatile as there is lack of clarity on the movements of global rates but activity would likely pick-up in the later part of the year.

Given the subdued growth outlook of the sector, the Group is focused on asset quality, return on risk and capital, operational efficiency and cost control. These objectives will be achieved from our IGNITE 2017 Transformation Programme which is successfully being implemented to schedule.

Barring unforeseen circumstances, the Group's 2015 performance will be better than 2014.