

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

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

	Note	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
ASSETS					
Cash and short term funds		868,243	1,496,220	591,362	1,235,690
Financial assets at fair value through profit or loss ('FVTPL')	8	320,050	311,196	90,614	91,869
Financial investments available-for-sale ('AFS')	9	4,289,646	3,817,807	4,120,244	3,636,679
Financial investments held-to-maturity ('HTM')	10	740,385	761,347	740,385	761,347
Loans and advances	11	2,523,868	2,285,890	1,517,159	1,762,286
Clients' and brokers' balances	12	2,118,462	1,525,147	464,337	616,847
Other assets	13	325,854	479,579	201,110	341,410
Derivative assets		58,811	31,468	54,321	26,554
Statutory deposits		203,967	219,837	203,967	219,837
Tax recoverable		9,285	8,100	1,832	-
Deferred tax assets		21,037	30,276	13,397	23,891
Investments in subsidiaries		-	-	1,395,354	1,395,418
Investments in associates and joint ventures		30,921	30,028	20,391	20,391
Property, plant and equipment		67,591	67,899	33,444	33,684
Goodwill and intangible assets		1,325,220	1,323,947	1,148,305	1,148,137
TOTAL ASSETS		12,903,340	12,388,741	10,596,222	11,314,040
LIABILITIES AND EQUITY					
Deposits from customers	14	1,470,736	2,678,520	1,485,258	2,692,879
Deposits and placements of banks and other financial institutions	15	4,585,727	3,967,796	4,641,851	4,027,322
Obligations on securities sold under repurchase agreements		-	18,910	-	-
Obligations on securities borrowed		55,900	113,781	55,900	113,781
Bills and acceptances payable		135,868	137,709	-	-
Clients' and brokers' balances		1,937,573	1,210,841	553,541	583,785
Other liabilities	16	314,907	416,231	164,856	249,448
Derivative liabilities		92,499	61,568	92,004	60,280
Tax liabilities		12,494	31,105	-	18,592
Deferred tax liabilities		6,250	5,755	-	-
Borrowings		712,489	239,213	-	-
Subordinated obligations		556,937	549,440	556,937	549,440
TOTAL LIABILITIES		9,881,380	9,430,869	7,550,347	8,295,527
Share capital		818,646	818,646	818,646	818,646
Reserves		2,196,244	2,132,442	2,227,229	2,199,867
		3,014,890	2,951,088	3,045,875	3,018,513
Non-controlling interests		7,070	6,784	-	-
TOTAL EQUITY		3,021,960	2,957,872	3,045,875	3,018,513
TOTAL LIABILITIES AND EQUITY		12,903,340	12,388,741	10,596,222	11,314,040
COMMITMENTS AND CONTINGENCIES					
	24	6,138,583	6,546,581	5,429,246	5,630,222

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

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

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

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		RM'000	RM'000	RM'000	RM'000
Interest income	17	102,026	104,440	102,026	104,440
Interest expense	18	(68,999)	(64,586)	(68,999)	(64,586)
Net interest income		33,027	39,854	33,027	39,854
Other operating income	19	206,415	199,107	206,415	199,107
Net income		239,442	238,961	239,442	238,961
Other operating expenses	20	(217,421)	(210,343)	(217,421)	(210,343)
Operating profit before allowances		22,021	28,618	22,021	28,618
Allowance for impairment on loans, advances and other losses	21	2,518	17,045	2,518	17,045
Impairment losses written back on other assets		3,300	3,250	3,300	3,250
		27,839	48,913	27,839	48,913
Share of results of associates		132	265	132	265
Share of results of joint ventures		85	72	85	72
Profit before taxation		28,056	49,250	28,056	49,250
Taxation		(8,694)	(21,564)	(8,694)	(21,564)
Net profit for the financial period		19,362	27,686	19,362	27,686
Profit attributable to:					
Owner of the Bank		19,208	25,587	19,208	25,587
Non-controlling interests		154	2,099	154	2,099
		19,362	27,686	19,362	27,686
Earnings per share (sen)					
- basic	22	2.3	3.1	2.3	3.1

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

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

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

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	<u>19,362</u>	<u>27,686</u>	<u>19,362</u>	<u>27,686</u>
Other comprehensive income in respect of:				
(i) Item that will not be reclassified to profit or loss:				
- Actuarial gain/(loss) on defined benefit plan of subsidiaries	231	(3,729)	231	(3,729)
(ii) Items that will be reclassified subsequently to profit or loss:				
- Currency translation differences	30,121	12,736	30,121	12,736
- Unrealised net gain/(loss) on revaluation of financial investments AFS	21,657	(9,514)	21,657	(9,514)
- Net transfer to income statements on disposal or impairment of financial investments AFS	(2,216)	(369)	(2,216)	(369)
Income tax relating to components of other comprehensive (income)/loss	(5,067)	2,572	(5,067)	2,572
Other comprehensive income, net of tax, for the financial period	<u>44,726</u>	<u>1,696</u>	<u>44,726</u>	<u>1,696</u>
Total comprehensive income for the financial period	<u>64,088</u>	<u>29,382</u>	<u>64,088</u>	<u>29,382</u>
Total comprehensive income attributable to:				
Owner of the Bank	63,800	31,700	63,800	31,700
Non-controlling interests	288	(2,318)	288	(2,318)
	<u>64,088</u>	<u>29,382</u>	<u>64,088</u>	<u>29,382</u>

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

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

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

<u>Bank</u>	Note	1st Quarter Ended		Three Months Ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		RM'000	RM'000	RM'000	RM'000
Interest income	17	84,141	87,991	84,141	87,991
Interest expense	18	(64,979)	(62,729)	(64,979)	(62,729)
Net interest income		19,162	25,262	19,162	25,262
Other operating income	19	100,797	115,645	100,797	115,645
Net income		119,959	140,907	119,959	140,907
Other operating expenses	20	(102,698)	(107,982)	(102,698)	(107,982)
Operating profit before allowances		17,261	32,925	17,261	32,925
Allowance for impairment on loans, advances and other losses	21	419	17,019	419	17,019
Impairment losses written back on other assets		3,235	6,312	3,235	6,312
Profit before taxation		20,915	56,256	20,915	56,256
Taxation		(5,504)	(20,690)	(5,504)	(20,690)
Net profit for the financial period		15,411	35,566	15,411	35,566
Earnings per share (sen)					
- basic		1.9	4.3	1.9	4.3

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

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

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	15,411	35,566	15,411	35,566
Other comprehensive income in respect of:				
Items that will be reclassified subsequently to profit or loss:				
- Unrealised net gain on revaluation of financial investments AFS	20,349	863	20,349	863
- Net transfer to income statements on disposal or impairment of financial investments AFS	(3,390)	(368)	(3,390)	(368)
Income tax relating to components of other comprehensive income	(5,008)	(123)	(5,008)	(123)
Other comprehensive income, net of tax, for the financial period	11,951	372	11,951	372
Total comprehensive income for the financial period	<u>27,362</u>	<u>35,938</u>	<u>27,362</u>	<u>35,938</u>

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

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015

Attributable to the Equity Holders of the Bank

<u>Group</u>	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	AFS reserves RM'000	Translation reserves RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
Balance as at 1 January 2015	818,646	1,515,150	406,545	3,308	34,972	172,467	2,951,088	6,784	2,957,872
Net profit for the financial period	-	-	-	-	-	19,208	19,208	154	19,362
Currency translation differences	-	-	-	(6)	30,089	-	30,083	38	30,121
Financial investments AFS:									
- Unrealised net gain on revaluation	-	-	-	21,575	-	-	21,575	82	21,657
- Net transfer to income statements on disposal or impairment	-	-	-	(2,228)	-	-	(2,228)	12	(2,216)
Income tax relating to components of other comprehensive income	-	-	-	(5,009)	-	(57)	(5,066)	(1)	(5,067)
Actuarial gain on defined benefit plan of subsidiaries	-	-	-	-	-	228	228	3	231
Other comprehensive income, net of tax, for the financial period	-	-	-	14,332	30,089	171	44,592	134	44,726
Total comprehensive income for the financial period	-	-	-	14,332	30,089	19,379	63,800	288	64,088
Dilution of interest in a subsidiary	-	-	-	-	-	2	2	(2)	-
Balance as at 31 March 2015	818,646	1,515,150	406,545	17,640	65,061	191,848	3,014,890	7,070	3,021,960

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

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015

Attributable to Equity Holders of the Bank

<u>Group</u>	<u>Share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Statutory reserves</u> RM'000	<u>AFS reserves</u> RM'000	<u>Translation reserves</u> RM'000	<u>Retained profits</u> RM'000	<u>Total</u> RM'000	<u>Non-controlling interests</u> RM'000	<u>Total</u> RM'000
Balance as at 1 January 2014	818,646	1,515,150	278,549	(25,948)	(22,768)	206,734	2,770,363	191,348	2,961,711
Net profit for the financial period	-	-	-	-	-	25,587	25,587	2,099	27,686
Currency translation differences	-	-	-	(6)	12,855	(6)	12,843	(107)	12,736
Financial investments AFS:									
- Unrealised net loss on revaluation	-	-	-	(4,367)	-	-	(4,367)	(5,147)	(9,514)
- Net transfer to income statements on disposal or impairment	-	-	-	(369)	-	-	(369)	-	(369)
Income tax relating to components of other comprehensive loss	-	-	-	776	-	923	1,699	873	2,572
Actuarial loss on defined benefit plan of subsidiaries	-	-	-	-	-	(3,693)	(3,693)	(36)	(3,729)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	(3,966)	12,855	(2,776)	6,113	(4,417)	1,696
Total comprehensive income/(loss) for the financial period	-	-	-	(3,966)	12,855	22,811	31,700	(2,318)	29,382
Transfer to statutory reserves	-	-	1	-	-	(1)	-	-	-
Disposal of a subsidiary	-	-	-	-	1,708	(1,708)	-	-	-
Acquisition of additional interests from non-controlling interests	-	-	-	-	-	-	-	(95)	(95)
Balance as at 31 March 2014	818,646	1,515,150	278,550	(29,914)	(8,205)	227,836	2,802,063	188,935	2,990,998

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015

	Non-Distributable			Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Bank						
Balance as at 1 January 2015	818,646	1,515,150	406,544	(11,933)	290,106	3,018,513
Net profit for the financial period	-	-	-	-	15,411	15,411
Financial investments AFS:						
- Unrealised net gain on revaluation	-	-	-	20,349	-	20,349
- Net transfer to income statements on disposal or impairment	-	-	-	(3,390)	-	(3,390)
Income tax relating to components of other comprehensive income	-	-	-	(5,008)	-	(5,008)
Other comprehensive income, net of tax, for the financial period	-	-	-	11,951	-	11,951
Total comprehensive income for the financial period	-	-	-	11,951	15,411	27,362
Balance as at 31 March 2015	818,646	1,515,150	406,544	18	305,517	3,045,875

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015

	Non-Distributable			Distributable		Total
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Bank						
Balance as at 1 January 2014	818,646	1,515,150	278,549	(32,510)	176,310	2,756,145
Net profit for the financial period	-	-	-	-	35,566	35,566
Financial investments AFS:						
- Unrealised net gain on revaluation	-	-	-	863	-	863
- Net transfer to income statements on disposal or impairment	-	-	-	(368)	-	(368)
Income tax relating to components of other comprehensive income	-	-	-	(123)	-	(123)
Other comprehensive income, net of tax, for the financial period	-	-	-	372	-	372
Total comprehensive income for the financial period	-	-	-	372	35,566	35,938
Balance as at 31 March 2014	818,646	1,515,150	278,549	(32,138)	211,876	2,792,083

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

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

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
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,056	49,250
Adjustments for non-cash items	(63,829)	(69,926)
Operating loss before working capital changes	(35,773)	(20,676)
Changes in working capital:		
Net changes in operating assets	(684,643)	332,279
Net changes in operating liabilities	5,153	(457,207)
Cash used in operations	(715,263)	(145,604)
Taxation paid	(23,843)	(9,648)
Net cash used in operating activities	(739,106)	(155,252)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/sale of financial investments AFS and HTM	(408,922)	63,263
Interest received from financial investments AFS and HTM	42,810	51,930
Property, plant and equipment:		
- Purchase	(5,530)	(6,290)
- Proceeds from disposal	-	106
Intangible assets:		
- Purchase	(6,743)	(2,959)
Dividend income received	8,631	1
Net cash inflow from disposal of a subsidiary	-	265
Net cash (used in)/generated from investing activities	(369,754)	106,316
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	473,276	73,049
Net cash generated from financing activities	473,276	73,049
Net (decrease)/increase in cash and cash equivalents	(635,584)	24,113
Effects of exchange rate differences	7,607	6,249
Cash and cash equivalents		
- at the beginning of the financial period	1,496,220	1,065,190
- at the end of the financial period	868,243	1,095,552
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	868,243	1,095,552

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

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT 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	20,915	56,256
Adjustments for non-cash items	(57,708)	(90,534)
Operating loss before working capital changes	(36,793)	(34,278)
Changes in working capital:		
Net changes in operating assets	529,119	(240,585)
Net changes in operating liabilities	(726,246)	289,789
Cash (used in)/generated from operations	(233,920)	14,926
Taxation paid	(20,444)	(8,079)
Net cash (used in)/generated from operating activities	(254,364)	6,847
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/sale of financial investments AFS and HTM	(422,665)	60,421
Interest received from financial investments AFS and HTM	40,956	51,929
Property, plant and equipment:		
- Purchase	(3,399)	(1,799)
Intangible assets:		
- Purchase	(4,872)	(1,617)
Dividend income received	16	12,500
Additional investments in subsidiaries	-	(10,410)
Proceeds from disposal of a subsidiary	-	6,532
Net cash (used in)/generated from investing activities	(389,964)	117,556
Net (decrease)/increase in cash and cash equivalents	(644,328)	124,403
Cash and cash equivalents		
- at the beginning of the financial period	1,235,690	793,935
- at the end of the financial period	591,362	918,338
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	591,362	918,338

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements 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 accounting 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 accounting 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 subjected to any qualification.

3 Seasonal or Cyclical Factors

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

4 Exceptional or Extraordinary Items

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

7 Dividends Paid

No dividend was paid by the Bank during the three months ended 31 March 2015.

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

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

8 Financial Assets at Fair Value Through Profit or Loss

	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
(a) Designated as fair value through profit or loss	57,001	-	-	-
(b) Held-for-trading	263,049	311,196	90,614	91,869
	320,050	311,196	90,614	91,869

(a) Financial assets designated as fair value through profit or loss are as follows:

At fair value

Quoted securities:

In Malaysia

Unit trusts	57,001	-	-	-
Total financial assets designated through profit or loss	57,001	-	-	-

(b) Financial assets held-for-trading are as follows:

Quoted securities:

In Malaysia

Shares, exchange traded funds and warrants	46,036	43,501	46,036	43,501
Unit trusts	-	56,483	-	-

Outside Malaysia

Shares, exchange traded funds and warrants	172,819	144,106	4,578	8,367
Unit trusts	4,194	9,517	-	-

Unquoted securities:

In Malaysia

Private debt securities	40,000	40,001	40,000	40,001
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Outside Malaysia

Private debt securities	-	17,588	-	-
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Total financial assets held-for-trading	263,049	311,196	90,614	91,869
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (cont'd)

8 Financial Assets at Fair Value Through Profit or Loss (cont'd)

In 2008, the Bank reclassified a portion of their financial assets FVTPL into financial investments AFS. The reclassifications have been accounted for in accordance with Bank Negara Malaysia's ('BNM') circular on "Reclassification of Securities under Specific Circumstances" dated 17 October 2008, which is effective from 1 July 2008 until 31 December 2009.

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

	Group and Bank	
	As at	As at
	31 March 2015	31 December 2014
	RM'000	RM'000
<u>Reclassified from financial assets FVTPL to financial investments AFS</u>		
- Carrying value	30,072	29,823
- Fair value	29,880	29,450
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Fair value loss that would have been recognised if the financial assets FVTPL had not been reclassified	(192)	(373)
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RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

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

9 Financial Investments Available-for-sale

	Group		Bank	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
At fair value	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Malaysian Government Securities	380,281	428,546	380,281	428,546
Malaysian Government Investment Issues	480,759	553,952	480,759	553,952
Cagamas bonds	75,324	75,168	75,324	75,168
Khazanah bonds	50,720	49,838	50,720	49,838
Negotiable instruments of deposits	947,984	649,516	947,984	649,516
Bankers' acceptances and Islamic accepted bills	435,475	73,627	435,475	73,627
Sukuk Perumahan Kerajaan Bonds ('SPK')	69,075	67,394	69,075	67,394
Quoted securities:				
In Malaysia				
Shares and warrants	47	47	10	9
Unit trusts	13,363	12,976	-	-
Outside Malaysia				
Shares and warrants	1,627	1,588	-	-
Unit trusts	30,967	29,663	25,654	24,640
Unquoted securities:				
In Malaysia				
Private and Islamic debt securities	1,346,992	1,447,870	1,346,992	1,447,870
Shares	147,687	97,491	25,903	25,903
Loan stocks	14,559	14,418	14,559	14,418
Prasarana bonds	75,144	35,185	75,144	35,185
Outside Malaysia				
Private and Islamic debt securities	380,024	440,952	353,494	351,742
Shares	266	251	-	-
Loan stocks	2,278	2,151	-	-
	4,452,572	3,980,633	4,281,374	3,797,808
Accumulated impairment losses	(162,926)	(162,826)	(161,130)	(161,129)
	4,289,646	3,817,807	4,120,244	3,636,679

Included in financial investments AFS of the Group are private debt securities outside Malaysia, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RMNil (31.12.2014: RM20,484,000).

RHB INVESTMENT BANK BERHAD (19663-P)
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 and Bank	
	As at 31 March 2015	As at 31 December 2014
At amortised cost	RM'000	RM'000
<u>Money market instruments:</u>		
Malaysian Government Securities	20,225	20,445
Malaysian Government Investment Issues	457,010	455,786
Khazanah bonds	10,381	10,281
Wakala Global Sukuk	7,847	7,502
<u>Unquoted Securities:</u>		
In Malaysia		
Private and Islamic debt securities	269,891	277,281
Credit link notes	45,069	45,058
Bonds	23	23
Loan stocks	30,961	31,837
Prasarana bonds	40,886	40,473
Outside Malaysia		
Private and Islamic debt securities	16,104	16,082
Credit link notes	-	17,891
	898,397	922,659
Accumulated impairment losses	(158,012)	(161,312)
	740,385	761,347

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

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

11 Loans and Advances

	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
At amortised cost				
Term Loans				
- syndicated term loans	45,162	44,767	45,162	44,767
- other term loans	657,065	887,670	588,882	826,106
Share margin financing	1,837,904	1,370,319	859,646	835,697
Revolving credits	-	-	37,052	69,949
Staff loans	1,522	1,579	1,522	1,579
Gross loans and advances	<u>2,541,653</u>	<u>2,304,335</u>	<u>1,532,264</u>	<u>1,778,098</u>
Allowance for impaired loans and advances				
- individual impairment allowance	(7,767)	(7,557)	(5,087)	(4,924)
- collective impairment allowance	(10,018)	(10,888)	(10,018)	(10,888)
Net loans and advances	<u>2,523,868</u>	<u>2,285,890</u>	<u>1,517,159</u>	<u>1,762,286</u>

(i) By type of customer

Domestic business enterprises				
- small and medium enterprises	18,894	25,083	18,894	25,083
- others	810,755	882,429	810,755	882,429
Individuals	572,462	553,437	572,462	553,437
Foreign entities	1,139,542	843,386	130,153	317,149
	<u>2,541,653</u>	<u>2,304,335</u>	<u>1,532,264</u>	<u>1,778,098</u>

(ii) By geographical distribution

In Malaysia	1,495,212	1,708,149	1,532,264	1,778,098
Outside Malaysia				
- Singapore operations	273,018	281,384	-	-
- Hong Kong operations	592,297	143,844	-	-
- Indonesia operations	17,198	7,209	-	-
- Thailand operations	163,928	163,749	-	-
	<u>2,541,653</u>	<u>2,304,335</u>	<u>1,532,264</u>	<u>1,778,098</u>

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

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

11 Loans and Advances (cont'd)

	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
(iii) By interest rate sensitivity				
Fixed rate				
- other fixed rate loans	2,027,340	1,797,324	1,284,881	1,498,107
Variable rate				
- cost plus	170,784	170,496	207,837	240,445
- base lending rate plus	343,529	336,515	39,546	39,546
	<u>2,541,653</u>	<u>2,304,335</u>	<u>1,532,264</u>	<u>1,778,098</u>
(iv) By purpose				
Purchase of securities	2,317,488	2,074,889	1,271,047	1,478,703
Purchase of transport vehicles	109	128	109	128
Purchase of landed property:				
- residential	1,416	1,454	1,416	1,454
- non-residential	157,472	162,999	157,472	162,999
Construction	15,072	15,047	15,072	15,047
Working capital	-	-	37,052	69,949
Other purpose	50,096	49,818	50,096	49,818
	<u>2,541,653</u>	<u>2,304,335</u>	<u>1,532,264</u>	<u>1,778,098</u>
(v) By remaining contractual maturities				
Maturity within one year	2,298,133	1,902,086	1,288,744	1,375,849
One year to three years	195,752	354,590	195,752	354,590
Three years to five years	16,537	16,777	16,537	16,777
Over five years	31,231	30,882	31,231	30,882
	<u>2,541,653</u>	<u>2,304,335</u>	<u>1,532,264</u>	<u>1,778,098</u>

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

11 Loans and Advances (cont'd)

	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
(vi) Impaired Loans and Advances				
(a) Movements in impaired loans and advances				
Balance as at the beginning of the financial period/year	162,785	78,915	160,151	78,915
Classified as impaired	8,203	203,144	8,203	199,175
Transfer from financial investments AFS	-	39,543	-	39,543
Reclassified as non-impaired	-	(46,421)	-	(46,421)
Amount recovered	(65,346)	(110,187)	(65,345)	(110,187)
Amount written off	-	(2,210)	-	(874)
Exchange differences	47	1	-	-
Balance as at the end of the financial period/year	<u>105,689</u>	<u>162,785</u>	<u>103,009</u>	<u>160,151</u>
(b) By purpose				
Purchase of securities	37,813	88,863	35,133	86,229
Purchase of landed property:				
- Non-residential	62,953	68,999	62,953	68,999
Other purpose	4,923	4,923	4,923	4,923
	<u>105,689</u>	<u>162,785</u>	<u>103,009</u>	<u>160,151</u>
(c) By geographical distribution				
In Malaysia	103,009	160,151	103,009	160,151
Outside Malaysia:				
- Singapore operations	2,680	2,634	-	-
	<u>105,689</u>	<u>162,785</u>	<u>103,009</u>	<u>160,151</u>
(d) Movements in allowance for impaired loan and advances				
Individual impairment allowance				
Balance as at the beginning of the financial period/year	7,557	29,592	4,924	29,592
Net allowance made/ (written back)	163	(50,031)	163	(54,000)
Transfer from financial investments AFS	-	29,666	-	29,666
Amount written off	-	(1,671)	-	(334)
Exchange differences	47	1	-	-
Balance as at the end of the financial period/year	<u>7,767</u>	<u>7,557</u>	<u>5,087</u>	<u>4,924</u>

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

11 Loans and Advances (cont'd)

	Group and Bank	
	As at	As at
	31 March 2015	31 December 2014
	RM'000	RM'000
(vi) Impaired Loans and Advances (cont'd)		
(d) Movements in allowance for impaired loan and advances (cont'd)		
Collective impairment allowance		
Balance as at the beginning of the financial period/year	10,888	7,629
Net allowance (written back)/made	(870)	3,259
Balance as at the end of the financial period/year	10,018	10,888

12 Clients' and Brokers' Balances

	Group		Bank	
	As at	As at	As at	As at
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing by clients	791,134	828,187	165,524	330,040
Allowance for impairment balances:				
- individual impairment allowance	(33,305)	(35,505)	(6,537)	(6,518)
- collective impairment allowance	(3,710)	(6,142)	(2,198)	(4,700)
	754,119	786,540	156,789	318,822
Amounts owing by brokers	729,567	522,266	207,438	232,261
Allowance for impairment balances:				
- individual impairment allowance	(1,595)	(1,309)	(1,595)	(1,309)
	727,972	520,957	205,843	230,952
Amounts owing by clearing houses and stock exchanges	636,371	217,650	101,705	67,073
	2,118,462	1,525,147	464,337	616,847

Individual impairment allowance

Balance as at the beginning of the financial period/year	36,814	38,315	7,827	2,561
Allowance (written back)/made	(332)	(1,198)	2,287	5,266
Amount written off	(2,109)	(1,036)	(1,982)	-
Exchange differences	527	733	-	-
Balance as at the end of the financial period/year	34,900	36,814	8,132	7,827

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

12 Clients' and Brokers' Balances (cont'd)

	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
Collective impairment allowance				
Balance as at the beginning of the financial period/year	6,142	4,175	4,700	4,175
Net allowance (written back)/made	(2,458)	1,967	(2,502)	525
Exchange differences	26	-	-	-
Balance as at the end of the financial period/year	3,710	6,142	2,198	4,700

13 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 debtors	111,495	205,807	64,260	140,595
Collateral pledged for derivative transactions	51,616	58,679	51,616	58,679
Amount receivable for release of units due from funds	39,724	39,312	-	-
Deposits	38,886	37,372	7,004	6,998
Prepayments	21,543	18,635	7,919	8,662
Amount due from reverse repo transactions	57,373	115,092	57,373	115,092
Transferable memberships	334	330	263	262
Amount due from holding company	323	1,731	289	1,698
Amounts due from subsidiaries	-	-	10,576	9,312
Amounts due from related companies	4,560	2,621	1,810	112
	325,854	479,579	201,110	341,410

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

14 Deposits from Customers

	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
(i) By type of deposits				
Short term deposits	586,735	499,956	588,703	501,909
Fixed/investment deposits	862,751	2,148,809	875,305	2,161,215
Negotiable instruments of deposits	21,250	29,755	21,250	29,755
	<u>1,470,736</u>	<u>2,678,520</u>	<u>1,485,258</u>	<u>2,692,879</u>
(ii) By type of customers				
Government and statutory bodies	178,560	547,059	178,560	547,059
Business enterprises	1,230,332	2,033,055	1,244,854	2,047,414
Individuals	61,844	98,406	61,844	98,406
	<u>1,470,736</u>	<u>2,678,520</u>	<u>1,485,258</u>	<u>2,692,879</u>
(iii) By maturity structure of fixed/ investment deposits and negotiable instruments of deposits				
Due within six months	1,430,684	2,633,323	1,445,206	2,647,682
Six months to one year	38,786	38,816	38,786	38,816
One year to three years	1,266	6,381	1,266	6,381
	<u>1,470,736</u>	<u>2,678,520</u>	<u>1,485,258</u>	<u>2,692,879</u>

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

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

15 Deposits and Placements of Banks and Other Financial Institutions

	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
Licensed banks	1,705,072	675,629	1,705,072	675,629
Licensed investment banks	270,105	120,142	270,105	120,142
Bank Negara Malaysia	-	-	-	-
Other financial institutions	2,610,550	3,172,025	2,666,674	3,231,551
	4,585,727	3,967,796	4,641,851	4,027,322

16 Other Liabilities

	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
Other creditors and accruals	123,145	123,605	48,465	77,711
Short-term employee benefits	62,386	157,759	38,386	100,346
Remisiers' trust deposits	61,088	59,480	61,088	59,480
Amount payable for creation of units due to funds	33,852	44,268	-	-
Amount payable for redemption units	11,953	20,660	-	-
Amounts due to subsidiaries	-	-	3,085	6,044
Amounts due to related companies	22,483	10,459	13,832	5,867
	314,907	416,231	164,856	249,448

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

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

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
17 Interest Income				
Group				
Loans and advances	38,120	43,698	38,120	43,698
Money at call and deposits and placements with banks and other financial institutions	11,269	7,176	11,269	7,176
Financial assets FVTPL	499	6,988	499	6,988
Financial investments available-for-sale	41,256	33,621	41,256	33,621
Financial investments held-to-maturity	6,574	9,686	6,574	9,686
Others	4,308	3,271	4,308	3,271
	102,026	104,440	102,026	104,440
Of which:				
Interest income accrued on impaired loans and advances	2,565	1,243	2,565	1,243
Bank				
Loans and advances	27,315	31,648	27,315	31,648
Money at call and deposits and placements with banks and other financial institutions	9,959	5,972	9,959	5,972
Financial assets FVTPL	94	6,988	94	6,988
Financial investments available-for-sale	39,402	32,716	39,402	32,716
Financial investments held-to-maturity	6,574	9,686	6,574	9,686
Others	797	981	797	981
	84,141	87,991	84,141	87,991
Of which:				
Interest income accrued on impaired loans and advances	2,526	1,243	2,526	1,243
18 Interest Expense				
Group				
Deposits and placements of banks and other financial institutions	36,554	39,008	36,554	39,008
Deposits from customers	20,497	18,637	20,497	18,637
Subordinated obligations	7,497	4,595	7,497	4,595
Borrowings	3,625	2,020	3,625	2,020
Others	826	326	826	326
	68,999	64,586	68,999	64,586
Bank				
Deposits and placements of banks and other financial institutions	36,554	39,008	36,554	39,008
Deposits from customers	20,928	19,126	20,928	19,126
Subordinated obligations	7,497	4,595	7,497	4,595
	64,979	62,729	64,979	62,729

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

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

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
19 Other Operating Income				
Group				
a) Fee Income				
- Arrangement fees and underwriting	3,110	11,256	3,110	11,256
- Service charges and fees	1,603	957	1,603	957
- Commission	102	152	102	152
- Net brokerage income	86,436	84,643	86,436	84,643
- Unit trust fee income	12,010	11,482	12,010	11,482
- Corporate advisory fees	14,603	15,466	14,603	15,466
- Fund management fees	26,474	24,922	26,474	24,922
- Placement fees	14,249	939	14,249	939
- Rollover fees	1,819	1,429	1,819	1,429
- Other fee income	26,474	24,456	26,474	24,456
	186,880	175,702	186,880	175,702
b) Net (loss)/gain arising from financial assets FVTPL				
- net (loss)/gain on disposal	(5,131)	11,164	(5,131)	11,164
- net loss on revaluation	(5,104)	(2,583)	(5,104)	(2,583)
- gross dividend income	8,631	1,218	8,631	1,218
	(1,604)	9,799	(1,604)	9,799
c) Net gain/(loss) arising from derivatives				
- net loss on disposal	(5,069)	(4,360)	(5,069)	(4,360)
- net gain on revaluation	14,696	3,966	14,696	3,966
	9,627	(394)	9,627	(394)
d) Net gain arising from financial investments AFS				
- net gain on disposal	4,661	523	4,661	523
- gross dividend income	-	1	-	1
	4,661	524	4,661	524
e) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	-	3	-	3
f) Other income				
- Net foreign exchange (loss)/gain				
- realised	(2,551)	6,263	(2,551)	6,263
- unrealised	6,461	4,859	6,461	4,859
- Gain on disposal of property, plant and equipment	-	5	-	5
- Loss on disposal of a subsidiary	-	(247)	-	(247)
- Other operating income	1,931	2,343	1,931	2,343
- Other non-operating income	1,010	250	1,010	250
	6,851	13,473	6,851	13,473
	206,415	199,107	206,415	199,107

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

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

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
19 Other Operating Income (cont'd)				
Bank				
a) Fee Income				
- Arrangement fees and underwriting	2,976	6,033	2,976	6,033
- Service charges and fees	150	167	150	167
- Commission	434	488	434	488
- Net brokerage income	50,621	55,187	50,621	55,187
- Corporate advisory fees	9,857	7,089	9,857	7,089
- Placement fees	9,866	306	9,866	306
- Rollover fees	1,742	1,429	1,742	1,429
- Other fee income	14,802	20,930	14,802	20,930
	90,448	91,629	90,448	91,629
b) Net gain/(loss) arising from financial assets FVTPL				
- net (loss)/gain on disposal	(4,303)	8,263	(4,303)	8,263
- net gain/(loss) on revaluation	5,751	(9,025)	5,751	(9,025)
- gross dividend income	16	188	16	188
	1,464	(574)	1,464	(574)
c) Net gain arising from derivatives				
- net loss on disposal	(3,049)	(3,472)	(3,049)	(3,472)
- net gain on revaluation	3,216	6,313	3,216	6,313
	167	2,841	167	2,841
d) Net gain arising from financial investments AFS				
- net gain on disposal	4,661	522	4,661	522
e) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	-	3	-	3
f) Gross dividend income from subsidiaries				
- in Malaysia	-	12,500	-	12,500
g) Other income				
- Foreign exchange (loss)/gain				
- realised	(3,829)	6,502	(3,829)	6,502
- unrealised	6,920	4,663	6,920	4,663
- Loss on disposal of a subsidiary	-	(2,696)	-	(2,696)
- Rental income	30	52	30	52
- Other operating income	936	203	936	203
	4,057	8,724	4,057	8,724
	100,797	115,645	100,797	115,645

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

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

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
20 Other Operating Expenses				
Group				
<u>Personnel costs</u>				
- Salaries, bonus and allowances	95,029	98,697	95,029	98,697
- Defined contribution plan	7,885	10,637	7,885	10,637
- Other staff related costs	11,440	10,663	11,440	10,663
	114,354	119,997	114,354	119,997
<u>Establishment costs</u>				
- Property, plant and equipment				
- depreciation	6,910	5,449	6,910	5,449
- written off	13	-	13	-
- Amortisation of intangible assets	5,842	5,836	5,842	5,836
- Information technology expenses	8,152	3,580	8,152	3,580
- Security and escorting charges	203	171	203	171
- Repair and maintenance	1,400	2,902	1,400	2,902
- Rental of premises	11,571	10,531	11,571	10,531
- Water and electricity	1,726	1,505	1,726	1,505
- Rental of equipment	1,149	894	1,149	894
- Insurance	1,753	1,813	1,753	1,813
- Others	3,391	3,816	3,391	3,816
	42,110	36,497	42,110	36,497
<u>Marketing expenses</u>				
- Advertisements and publicity	2,466	2,172	2,466	2,172
- Sales commission	18,969	13,659	18,969	13,659
- Others	11,764	9,780	11,764	9,780
	33,199	25,611	33,199	25,611
<u>Administration and general expenses</u>				
- Communication expenses	12,370	12,821	12,370	12,821
- Legal and professional fees	1,264	2,476	1,264	2,476
- Others	14,124	12,941	14,124	12,941
	27,758	28,238	27,758	28,238
	217,421	210,343	217,421	210,343

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

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

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
20 Other Operating Expenses (cont'd)				
Bank				
<u>Personnel costs</u>				
- Salaries, bonus and allowances	44,582	52,534	44,582	52,534
- Defined contribution plan	4,579	7,642	4,579	7,642
- Other staff related costs	6,237	5,974	6,237	5,974
	<u>55,398</u>	<u>66,150</u>	<u>55,398</u>	<u>66,150</u>
<u>Establishment costs</u>				
- Property, plant and equipment				
- depreciation	3,638	2,824	3,638	2,824
- written off	1	-	1	-
- Amortisation of intangible assets	4,703	4,862	4,703	4,862
- Information technology expenses	6,010	1,867	6,010	1,867
- Security and escorting charges	99	71	99	71
- Repair and maintenance	710	2,061	710	2,061
- Rental of premises	4,956	5,084	4,956	5,084
- Water and electricity	1,237	1,076	1,237	1,076
- Rental of equipment	312	147	312	147
- Insurance	1,263	1,473	1,263	1,473
- Others	1,658	2,264	1,658	2,264
	<u>24,587</u>	<u>21,729</u>	<u>24,587</u>	<u>21,729</u>
<u>Marketing expenses</u>				
- Advertisements and publicity	1,047	1,274	1,047	1,274
- Sales commission	7,131	1,391	7,131	1,391
- Others	1,743	2,431	1,743	2,431
	<u>9,921</u>	<u>5,096</u>	<u>9,921</u>	<u>5,096</u>
<u>Administration and general expenses</u>				
- Communication expenses	4,900	6,034	4,900	6,034
- Legal and professional fees	405	1,076	405	1,076
- Others	7,487	7,897	7,487	7,897
	<u>12,792</u>	<u>15,007</u>	<u>12,792</u>	<u>15,007</u>
	<u>102,698</u>	<u>107,982</u>	<u>102,698</u>	<u>107,982</u>

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

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

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
21 Allowance for Impairment on Loans, Advances and Other Losses				
Group				
Allowance for impaired loans and advances:				
Individual impairment allowance (made)/written back	(163)	13,809	(163)	13,809
Collective impairment allowance written back	870	518	870	518
Bad debts written off	(6)	(331)	(6)	(331)
Allowance written back for impairment on other debtors	1,817	3,049	1,817	3,049
	2,518	17,045	2,518	17,045
Bank				
Allowance for impaired loans and advances:				
Individual impairment allowance (made)/written back	(163)	17,286	(163)	17,286
Collective impairment allowance written back	870	518	870	518
Bad debts written off	(35)	(335)	(35)	(335)
Allowance made for impairment on other debtors	(253)	(450)	(253)	(450)
	419	17,019	419	17,019

22 Earnings Per Share

The basic earnings per share ('EPS') of the Group is calculated by dividing the net profit attributable to the owner of the Bank for the first quarter and three months ended 31 March 2015 by the weighted average number of ordinary shares in issue during the financial period.

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

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

23 Capital Adequacy Ratio

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.

The capital adequacy ratios of the Group and the Bank are as follows:

	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
Common Equity Tier I Capital ("CET I")/ Tier I Capital				
Paid-up ordinary share capital	818,646	818,646	818,646	818,646
Share premium	1,515,150	1,515,150	1,515,150	1,515,150
Retained profits	172,467	172,467	290,106	290,106
Other reserves	471,606	441,517	406,544	406,544
AFS reserves	17,640	3,308	18	(11,933)
	<u>2,995,509</u>	<u>2,951,088</u>	<u>3,030,464</u>	<u>3,018,513</u>
Less: Goodwill	(1,269,934)	(1,269,934)	(1,118,418)	(1,118,418)
Investments in subsidiaries, associates and joint ventures (portion deducted from CET I Capital)*	(12,368)	(6,006)	(566,298)	(283,162)
Other intangible assets (include associated deferred tax liabilities)	(55,286)	(54,013)	(29,887)	(29,718)
55% of cumulative gains of AFS financial instruments	(9,702)	-	(10)	-
Other deductions	(126)	(234)	(126)	(234)
Deferred tax assets	(21,037)	(30,276)	(13,397)	(23,891)
Reduction in excess of Tier II Capital due to insufficient Tier II Capital [#]	-	-	(367,071)	(581,966)
Total CET I Capital	<u>1,627,056</u>	<u>1,590,625</u>	<u>935,257</u>	<u>981,124</u>
Qualifying non-controlling interests recognised as Tier I Capital	745	750	-	-
Total Tier I Capital	<u>1,627,801</u>	<u>1,591,375</u>	<u>935,257</u>	<u>981,124</u>
Tier II Capital				
Subordinated obligations**	472,294	539,765	472,294	539,765
Qualifying non-controlling interests recognised as Tier II Capital	113	117	-	-
Collective impairment allowance [^]	11,592	12,358	10,081	10,916
	<u>483,999</u>	<u>552,240</u>	<u>482,375</u>	<u>550,681</u>
Less: Investments in subsidiaries, associates and joint ventures	(18,553)	(24,023)	(482,375)	(550,681)
Total Tier II Capital	<u>465,446</u>	<u>528,217</u>	<u>-</u>	<u>-</u>
Total Capital	<u><u>2,093,247</u></u>	<u><u>2,119,592</u></u>	<u><u>935,257</u></u>	<u><u>981,124</u></u>

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

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

23 Capital Adequacy Ratio (cont'd)

The capital adequacy ratios of the Group and the Bank are as follows: (cont'd)

	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
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	28.939%	31.271%	24.295%	26.337%
Tier I Capital Ratio	28.952%	31.286%	24.295%	26.337%
Total Capital Ratio	<u>37.231%</u>	<u>41.671%</u>	<u>24.295%</u>	<u>26.337%</u>
After proposed dividends:				
CET I Capital Ratio	28.939%	31.271%	24.295%	26.337%
Tier I Capital Ratio	28.952%	31.286%	24.295%	26.337%
Total Capital Ratio	<u>37.231%</u>	<u>41.671%</u>	<u>24.295%</u>	<u>26.337%</u>

* 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 Guidelines on Capital Adequacy Framework (Capital Components).

The remaining portion of regulatory adjustments not deducted in calculation of Tier II Capital shall be deducted in the next higher tier of capital as prescribed under paragraph 31.1 of the BNM's Guidelines on 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 on Capital Adequacy Framework (Capital Components).

^ Excludes collective impairment allowance attributable to loans and advances classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on Classification and Impairment Provisions for Loans/Advances.

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

	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
Credit risk	3,321,344	3,008,650	2,351,155	2,448,720
Market risk	627,333	516,665	465,057	284,376
Operational risk	1,673,614	1,561,132	1,033,224	992,064
Total risk-weighted assets	<u>5,622,291</u>	<u>5,086,447</u>	<u>3,849,436</u>	<u>3,725,160</u>

The total risk-weighted assets of the Group and the Bank are computed based on BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

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

24 Commitments and Contingencies

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

The commitments and contingencies comprise the following:

	← 31 March 2015 →			← 31 December 2014 →		
<u>Group</u>	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Obligations under underwriting agreements	13,350	6,675	6,675	-	-	-
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	1,218,042	243,608	89,527	1,272,907	254,581	94,511
- maturity exceeding one year	6,293	3,147	2,792	6,172	3,086	2,639
Foreign exchange related contracts: ^						
- less than one year	1,158,081	9,626	1,925	677,400	3,942	789
- one year to less than five years	1,781,388	345,276	118,128	2,279,594	367,295	105,087
Interest rate related contracts: ^						
- less than one year	1,020,000	1,958	919	1,330,000	3,982	1,852
- one year to less than five years	925,000	13,097	4,913	965,000	15,249	5,818
Equity related contracts: ^						
- less than one year	16,429	5,475	5,475	15,508	5,844	5,844
Total	6,138,583	628,862	230,354	6,546,581	653,979	216,540

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

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

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

24 Commitments and Contingencies (cont'd)

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

	← 31 March 2015 →			← 31 December 2014 →		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Bank						
Direct credit substitute #	278,256	278,256	278,256	171,308	171,308	171,308
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	260,944	52,189	40	271,593	54,319	7,131
- maturity exceeding one year	5,577	2,788	2,792	5,270	2,635	2,639
Foreign exchange related contracts: ^						
- less than one year	1,158,081	9,626	1,925	607,457	3,942	789
- one year to less than five years	1,781,388	345,276	118,128	2,279,594	367,295	105,087
Interest rate related contracts: ^						
- less than one year	1,020,000	1,958	919	1,330,000	3,982	1,852
- one year to less than five years	925,000	13,097	4,913	965,000	15,249	5,818
Total	5,429,246	703,190	406,973	5,630,222	618,730	294,624

Included in direct credit substitute is financial corporate guarantee amounting to RM278,256,000 (31.12.2014 : RM171,308,000).

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

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

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

25 Valuation of Property, Plant and Equipment

The property, plant and 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 6 April 2015 and 25 May 2015, the Bank has fully redeemed its existing Subordinated Notes of RM125.0 million and RM75.0 million in nominal value respectively. The Subordinated Notes were issued on 6 April 2010 and 25 May 2010 respectively by the former OSK Investment Bank Berhad (now known as OSKIB Sdn Bhd), which is now undertaken by the Bank pursuant to the transfer of the business, assets and liabilities of OSK Investment Bank Berhad to the Bank which took effect from 13 April 2013.
- b) On 16 April 2015, the Bank issued RM200.0 million Subordinated Notes in nominal value under its RM1.0 billion Multi-Currency Medium Term Note Programme. The Subordinated Notes, rated AA3 by RAM Rating Services Berhad, are issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 4.95% per annum, payable semi-annually throughout the entire tenure.
- c) The holding company, RHB Capital Berhad ('RHB Capital') has on 13 April 2015 announced that it proposes to undertake various proposals, which include Proposed Rights Issue, Proposed Internal Reorganisation, Proposed Distribution and Capital Repayment as well as Proposed Transfer of Listing Status to RHB Bank Berhad ('RHB Bank') (collectively referred to as the 'Proposals').

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 and its subsidiaries. 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 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. Hence, upon completion of the Proposed Internal Reorganisation, RHB Bank will be the immediate holding company of the Bank.

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 Bank Negara Malaysia ('BNM')), BNM, Ministry of Home Affairs, sanction of the High Court of Malaya, shareholders of RHB at an extraordinary general meeting to be convened, shareholder of RHB 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.

- d) On 1 October 2014, the Bank has entered into a share sale agreement with RHB Indochina Bank Limited ('RHBIBL') for the acquisition of the entire equity interest in RHB OSK Indochina Securities Limited ('RHBISL') from RHBIBL for a consideration of USD12,500,000.

RHBISL was incorporated in Cambodia and is registered with the Securities and Exchange Commission of Cambodia ('SECC') as a licensed security firm undertaking securities underwriting business.

Approvals from BNM, Securities Commission of Malaysia, Securities and Exchange Commission of Cambodia ('SECC') and the 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 acquisition, RHBISL will become the wholly-owned subsidiary of the Bank.

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

27 Changes in the Composition of the Group

There were no material changes in the composition of the Group during the first quarter ended 31 March 2015.

28 Changes in Profit for the Quarter

For the current financial quarter ended 31 March 2015, the Group recorded a pre-tax profit of RM28.1 million, a decrease of 80.4% as compared to the pre-tax profit of RM143.5 million for the preceding quarter ended 31 December 2014. The lower profit was mainly due to lower other operating income by RM207.3 million, lower allowance for impairment on loans, advances and other losses written back by RM19.1million and lower net interest income by RM4.5 million, partially offset with lower other operating expenses by RM103.5 million and higher impairment losses written back on other assets by RM12.0 million.

29 Performance Review

For the three months ended 31 March 2015, the Group recorded a pre-tax profit of RM28.1 million, 43.0% lower as compared to the previous corresponding three months ended 31 March 2014 of RM49.2 million. The decrease in profit of RM21.2 million was mainly due to lower allowance for impairment on loans, advances and other losses written back by RM14.5 million, higher other operating expenses by RM7.1 million, lower net interest income by RM6.8 million, partially offset with higher other operating income by RM7.3 million and higher impairment losses written back on other assets by RM0.1 million.

30 Prospects for 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.

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

31 Fair Value of Financial Instruments

Determination of fair value and fair value hierarchy

The Group and the Bank analyse their 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>31 March 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group</u>				
<u>Financial assets</u>				
Financial assets FVTPL:	280,050	-	40,000	320,050
- quoted securities	280,050	-	-	280,050
- unquoted securities	-	-	40,000	40,000
Financial investments AFS:	46,004	4,119,683	123,959	4,289,646
- money market instruments	-	2,439,618	-	2,439,618
- quoted securities	46,004	-	-	46,004
- unquoted securities	-	1,680,065	123,959	1,804,024
Derivative assets				
- money market instruments	-	58,811	-	58,811
	<u>326,054</u>	<u>4,178,494</u>	<u>163,959</u>	<u>4,668,507</u>
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instruments	<u>11,529</u>	<u>80,970</u>	<u>-</u>	<u>92,499</u>
<u>31 December 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Group</u>				
<u>Financial assets</u>				
Financial assets FVTPL:	253,607	17,589	40,000	311,196
- quoted securities	253,607	-	-	253,607
- unquoted securities	-	17,589	40,000	57,589
Financial investments AFS:	44,274	3,649,637	123,896	3,817,807
- money market instruments	-	1,898,041	-	1,898,041
- quoted securities	44,274	-	-	44,274
- unquoted securities	-	1,751,596	123,896	1,875,492
Derivative assets				
- money market instruments	-	31,468	-	31,468
	<u>297,881</u>	<u>3,698,694</u>	<u>163,896</u>	<u>4,160,471</u>
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instruments	<u>13,113</u>	<u>48,455</u>	<u>-</u>	<u>61,568</u>

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

31 Fair Value of Financial Instruments (cont'd)

Determination of fair value and fair value hierarchy (cont'd)

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

31 March 2015	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Bank				
Financial assets				
Financial assets FVTPL:	50,614	-	40,000	90,614
- quoted securities	50,614	-	-	50,614
- unquoted securities	-	-	40,000	40,000
Financial investments AFS:	25,664	4,042,956	51,624	4,120,244
- money market instruments	-	2,439,618	-	2,439,618
- quoted securities	25,664	-	-	25,664
- unquoted securities	-	1,603,338	51,624	1,654,962
Derivative assets				
- money market instruments	-	54,321	-	54,321
	76,278	4,097,277	91,624	4,265,179
Financial liabilities				
Derivative liabilities				
- money market instruments	11,034	80,970	-	92,004
31 December 2014				
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Bank				
Financial assets				
Financial assets FVTPL:	51,868	1	40,000	91,869
- quoted securities	51,868	-	-	51,868
- unquoted securities	-	1	40,000	40,001
Financial investments AFS:	24,649	3,560,428	51,602	3,636,679
- money market instruments	-	1,898,041	-	1,898,041
- quoted securities	24,649	-	-	24,649
- unquoted securities	-	1,662,387	51,602	1,713,989
Derivative assets				
- money market instruments	-	26,554	-	26,554
	76,517	3,586,983	91,602	3,755,102
Financial liabilities				
Derivative liabilities				
- money market instruments	11,836	48,444	-	60,280

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

31 Fair Value of Financial Instruments (cont'd)

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 is 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. These would include quoted securities and unit trusts.

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 market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. 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 and unquoted corporate loan stocks. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. For unquoted corporate loan stocks, discounted cash flow analysis have been performed to determine the recoverability of the instruments, in accordance with the Group's impairment losses policy.

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 assets FVTPL		Financial investments AFS	
	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
<u>Group</u>				
Balance as at the beginning of the financial period/year	40,000	41,845	123,896	154,620
Total gains recognised in other comprehensive income	-	-	-	29,225
Total gains/(losses) recognised in income statements				
- Other operating income	-	603	22	(29,006)
- Impairment losses made	-	-	-	(15,600)
- Reversal of impairment losses	-	-	-	4,616
Settlements	-	(2,448)	-	(6,540)
Disposal	-	-	-	(3,459)
Transfer to loans and advances	-	-	-	(9,877)
Exchange differences	-	-	41	(83)
Balance as at the end of the financial period/year	<u>40,000</u>	<u>40,000</u>	<u>123,959</u>	<u>123,896</u>

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

31 Fair Value of Financial Instruments (cont'd)

Reconciliation of movements in Level 3 financial instruments (cont'd)

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: (cont'd)

	Financial assets FVTPL		Financial investments AFS	
	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
Bank				
Balance as at the beginning of the financial period/year	40,000	41,845	51,602	72,022
Total gains recognised in other comprehensive income	-	-	-	5,433
Total gains/(losses) recognised in income statements				
- Other operating income	-	603	22	1,535
- Impairment losses made	-	-	-	(15,600)
- Reversal of impairment losses	-	-	-	4,616
Settlements	-	(2,448)	-	(6,527)
Transfer to loans and advances	-	-	-	(9,877)
Balance as at the end of the financial period/year	40,000	40,000	51,624	51,602

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

32 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined RHB Capital Group's Management Committee as its chief operating decision-maker.

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

(a) Investment Banking

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

Included in Investment Banking are Stockbroking and Investment Banking products and services to RHB regional customers in Singapore, Hong Kong, Indonesia and Thailand.

(b) Treasury

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

(c) Asset Management

Asset Management business focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.

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

32 Segment Reporting (cont'd)

Segment Profit and Loss for the Three Months Ended 31 March 2015

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	172,623	15,537	51,282	-	239,442
Inter-segment revenue	5,957	-	-	(5,957)	-
Segment revenue	<u>178,580</u>	<u>15,537</u>	<u>51,282</u>	<u>(5,957)</u>	<u>239,442</u>
Overhead expenses	(176,669)	(4,303)	(42,406)	5,957	(217,421)
Including:					
Depreciation of property, plant and equipment	(6,137)	(467)	(306)	-	(6,910)
Amortisation of intangible assets	(5,200)	(575)	(67)	-	(5,842)
Allowance for impairment on loans, advances and other losses	2,581	-	(63)	-	2,518
Impairment losses written back on other assets	3,300	-	-	-	3,300
	<u>7,792</u>	<u>11,234</u>	<u>8,813</u>	<u>-</u>	<u>27,839</u>
Share of results of associates					132
Share of results of joint ventures					85
Profit before taxation					<u>28,056</u>
Taxation					<u>(8,694)</u>
Net profit for the financial period					<u><u>19,362</u></u>

Segment Assets and Liabilities As At 31 March 2015

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	5,972,198	6,924,686	277,695	(1,602,416)	11,572,163
Goodwill	512,391	614,176	143,367	-	1,269,934
Investments in associates and joint ventures					30,921
Tax recoverable					9,285
Deferred tax assets					21,037
Total assets					<u><u>12,903,340</u></u>
Segment liabilities	1,547,305	7,031,090	192,519	(177,704)	8,593,210
Tax liabilities					12,494
Deferred tax liabilities					6,250
Borrowings					712,489
Subordinated obligations					556,937
Total liabilities					<u><u>9,881,380</u></u>

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

32 Segment Reporting (cont'd)

Segment Profit and Loss for the Three Months Ended 31 March 2014

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	185,356	14,507	39,098	-	238,961
Inter-segment revenue	6,708	-	-	(6,708)	-
Segment revenue	192,064	14,507	39,098	(6,708)	238,961
Overhead expenses	(175,225)	(5,488)	(36,338)	6,708	(210,343)
Including:					
Depreciation of property, plant and equipment	(5,153)	(55)	(241)	-	(5,449)
Amortisation of intangible assets	(5,166)	(509)	(161)	-	(5,836)
Allowance for impairment on loans, advances and other losses	17,066	-	(21)	-	17,045
Impairment losses written back on other assets	1,600	1,650	-	-	3,250
	35,505	10,669	2,739	-	48,913
Share of results of associates					265
Share of results of joint ventures					72
Profit before taxation					49,250
Taxation					(21,564)
Net profit for the financial period					27,686

Segment Assets and Liabilities As At 31 December 2014

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	5,058,695	7,369,894	265,131	(1,643,317)	11,050,403
Goodwill	512,391	614,176	143,367	-	1,269,934
Investments in associates and joint ventures					30,028
Tax recoverable					8,100
Deferred tax assets					30,276
Total assets					12,388,741
Segment liabilities	1,721,472	6,876,827	186,268	(179,211)	8,605,356
Tax liabilities					31,105
Deferred tax liabilities					5,755
Borrowings					239,213
Subordinated obligations					549,440
Total liabilities					9,430,869