

**RHB CAPITAL BERHAD**

(312952-H)

Level 10, Tower One

RHB Centre

Jalan Tun Razak

50400 Kuala Lumpur

Malaysia

Tel: 03-9285 2233

Fax: 03-9281 9314

Website: www.rhb.com.my

**ANNOUNCEMENT OF UNAUDITED RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

The Board of Directors of RHB Capital Berhad ('The Board') wishes to announce that the unaudited results of the Group and Company for the three months ended 31 March 2007 are as follows:

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Note	1st quarter ended		Three months ended	
		31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	A8	1,207,794	979,513	1,207,794	979,513
Interest expense	A9	(705,744)	(527,533)	(705,744)	(527,533)
Net interest income		502,050	451,980	502,050	451,980
Other operating income	A10	245,558	174,390	245,558	174,390
		747,608	626,370	747,608	626,370
Income from Islamic Banking business		55,822	46,727	55,822	46,727
		803,430	673,097	803,430	673,097
Other operating expenses	A11	(342,342)	(311,967)	(342,342)	(311,967)
Operating profit before allowances		461,088	361,130	461,088	361,130
Allowance for losses on loans and financing impairment loss	A12	(156,238)	(115,948)	(156,238)	(115,948)
		(4,161)	(14,690)	(4,161)	(14,690)
		300,689	230,492	300,689	230,492
Share of results of associates		46	32	46	32
<b>Profit before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends, taxation and zakat</b>		300,735	230,524	300,735	230,524
INCPS dividends	A13	(27,234)	(27,234)	(27,234)	(27,234)
<b>Profit after INCPS dividends and before taxation and zakat</b>		273,501	203,290	273,501	203,290
Taxation	B5	(73,307)	(63,896)	(73,307)	(63,896)
<b>Profit for the financial period</b>		200,194	139,394	200,194	139,394
Attributable to:					
- Equity holders of the Company		146,323	101,141	146,323	101,141
- Minority interests		53,871	38,253	53,871	38,253
		200,194	139,394	200,194	139,394
<b>Earnings per share</b>					
- Basic (sen)	B13	8.0	5.5	8.0	5.5
- Fully diluted (sen)		n/a	n/a	n/a	n/a

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED INCOME STATEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Note	1st quarter ended		Three months ended	
		31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
		RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>					
Interest income	A8	<b>21,680</b>	19,884	<b>21,680</b>	19,884
Interest expense	A9	<b>(22,162)</b>	(23,267)	<b>(22,162)</b>	(23,267)
Net interest expense		<b>(482)</b>	(3,383)	<b>(482)</b>	(3,383)
Other operating income	A10	<b>755</b>	154,466	<b>755</b>	154,466
Net income		<b>273</b>	151,083	<b>273</b>	151,083
Other operating expenses	A11	<b>(4,306)</b>	(4,038)	<b>(4,306)</b>	(4,038)
<b>(Loss)/Profit before taxation</b>		<b>(4,033)</b>	147,045	<b>(4,033)</b>	147,045
Taxation	B5	-	(41,040)	-	(41,040)
<b>(Loss)/Profit for the financial period</b>		<b>(4,033)</b>	106,005	<b>(4,033)</b>	106,005

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007**

	Note	As at 31 Mar 2007 RM'000	As at 31 Dec 2006 RM'000
<b>Group</b>			
<b>ASSETS</b>			
Cash and short term funds		13,844,455	10,671,553
Securities purchased under resale agreements		3,515,239	2,691,541
Deposits and placements with banks and other financial institutions		5,286,942	5,590,420
Securities held-for-trading	A14	5,262,572	5,160,642
Securities available-for-sale ('Securities AFS')	A15	12,328,078	6,269,350
Securities held-to-maturity	A16	8,061,544	13,107,585
Loans, advances and financing	A17	53,822,817	53,392,886
Clients' and brokers' balances		451,616	177,027
Other assets	A18	732,269	834,362
Amount due from holding company	A19	1,257,692	1,236,030
Statutory deposits		1,952,367	1,905,043
Tax recoverable		56,833	53,032
Deferred tax assets		258,651	254,767
Investments in associates		15,335	15,289
Property, plant and equipment		768,519	782,935
Goodwill		1,160,535	1,167,513
Total assets		<u>108,775,464</u>	<u>103,309,975</u>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A20/B9(a)	59,475,204	57,525,532
Deposits and placements of banks and other financial institutions	A21/B9(a)	14,633,852	11,577,118
Obligations on securities sold under repurchase agreements		14,921,197	14,995,199
Bills and acceptances payable		3,970,595	3,778,758
Clients' and brokers' balances		511,461	251,372
Other liabilities	A22	1,993,803	1,994,511
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,660,018	2,879,284
Taxation		116,746	90,518
Deferred tax liabilities		11,595	16,522
Borrowings	B9(b)	1,646,921	1,551,812
Subordinated obligations	B9(c)	1,482,364	1,493,158
INCPS		1,104,469	1,104,469
Total liabilities		<u>102,528,225</u>	<u>97,258,253</u>
Share capital		1,823,475	1,823,475
Reserves		3,243,890	3,104,564
		5,067,365	4,928,039
Minority interests		1,179,874	1,123,683
Total equity		<u>6,247,239</u>	<u>6,051,722</u>
Total liabilities and equity		<u>108,775,464</u>	<u>103,309,975</u>
Commitments and contingencies	A27(a)	<u>54,184,453</u>	<u>56,939,867</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>2.78</u>	<u>2.70</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED BALANCE SHEET AS AT 31 MARCH 2007**

	Note	As at 31 Mar 2007 RM'000	As at 31 Dec 2006 RM'000
<b><u>Company</u></b>			
<b>ASSETS</b>			
Cash and short term funds		570	13,398
Deposits and placements with banks and other financial institutions		1,176	1,171
Other assets	A18	32,900	32,857
Amount due from holding company	A19	1,257,692	1,236,030
Amounts due from subsidiaries		126,065	126,200
Tax recoverable		19,172	19,172
Investments in subsidiaries		6,911,026	6,911,026
Property, plant and equipment		1,140	1,295
Total assets		<u>8,349,741</u>	<u>8,341,149</u>
<b>LIABILITIES AND EQUITY</b>			
Other liabilities	A22	21,792	40,852
Amounts due to subsidiaries		3,262,514	3,262,588
Deferred tax liabilities		45	45
Borrowings	B9(b)	1,301,171	1,269,412
Total liabilities		<u>4,585,522</u>	<u>4,572,897</u>
Share capital		1,823,475	1,823,475
Reserves		1,940,744	1,944,777
Total equity		<u>3,764,219</u>	<u>3,768,252</u>
Total liabilities and equity		<u>8,349,741</u>	<u>8,341,149</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

## RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Attributable to equity holders of the Company								Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	Merger reserves	Other reserves	AFS reserves	Translation reserves	Retained profits			Sub-total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
<b>Group</b>											
<b>Balance as at</b>											
<b>1 January 2007</b>	<b>1,823,475</b>	<b>1,114,593</b>	<b>1,443,797</b>	<b>6,431</b>	<b>8,563</b>	<b>29,590</b>	<b>(6,568)</b>	<b>508,158</b>	<b>4,928,039</b>	<b>1,123,683</b>	<b>6,051,722</b>
Currency translation differences	-	-	-	-	-	-	(5,977)	-	(5,977)	(2,417)	(8,394)
Unrealised net (loss)/gain on revaluation of securities AFS	-	-	-	-	-	(4,232)	-	-	(4,232)	790	(3,442)
Net transfer to income statement on disposal or impairment	-	-	-	-	-	1,517	-	-	1,517	1,286	2,803
Deferred tax	-	-	-	-	-	1,695	-	-	1,695	(329)	1,366
Fair value adjustment on assets acquired in previous financial year	-	-	-	-	-	-	-	-	-	2,990	2,990
Income and expenses recognised directly in equity	-	-	-	-	-	(1,020)	(5,977)	-	(6,997)	2,320	(4,677)
Profit for the financial period	-	-	-	-	-	-	-	146,323	146,323	53,871	200,194
Total income and expenses recognised for the financial period	-	-	-	-	-	(1,020)	(5,977)	146,323	139,326	56,191	195,517
<b>Balance as at</b>											
<b>31 March 2007</b>	<b>1,823,475</b>	<b>1,114,593</b>	<b>1,443,797</b>	<b>6,431</b>	<b>8,563</b>	<b>28,570</b>	<b>(12,545)</b>	<b>654,481</b>	<b>5,067,365</b>	<b>1,179,874</b>	<b>6,247,239</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

## RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Attributable to equity holders of the Company								Minority interests RM'000	Total equity RM'000	
	Share capital	Share premium	Reserve funds	Merger reserves	Other reserves	AFS reserves	Translation reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			Sub-total RM'000
<b>Group</b>											
<b>Balance as at 1 January 2006</b>	1,823,475	1,114,593	1,292,229	6,431	8,563	(4,133)	4,003	247,394	4,492,555	1,014,077	5,506,632
Currency translation differences	-	-	-	-	-	-	(3,617)	-	(3,617)	(1,634)	(5,251)
Unrealised net loss on revaluation of securities AFS	-	-	-	-	-	(6,229)	-	-	(6,229)	(5,217)	(11,446)
Net transfer to income statement on disposal or impairment	-	-	-	-	-	7,714	-	-	7,714	4,243	11,957
Deferred tax	-	-	-	-	-	(360)	-	-	(360)	296	(64)
Income and expenses recognised directly in equity	-	-	-	-	-	1,125	(3,617)	-	(2,492)	(2,312)	(4,804)
Profit for the financial period	-	-	-	-	-	-	-	101,141	101,141	38,253	139,394
Total income and expenses recognised for the financial period	-	-	-	-	-	1,125	(3,617)	101,141	98,649	35,941	134,590
Transfer in respect of statutory requirements	-	-	(32,268)	-	-	-	-	32,268	-	-	-
Dividends paid to minorities	-	-	-	-	-	-	-	-	-	(17,269)	(17,269)
<b>Balance as at 31 March 2006</b>	<u>1,823,475</u>	<u>1,114,593</u>	<u>1,259,961</u>	<u>6,431</u>	<u>8,563</u>	<u>(3,008)</u>	<u>386</u>	<u>380,803</u>	<u>4,591,204</u>	<u>1,032,749</u>	<u>5,623,953</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

## RHB CAPITAL BERHAD (312952 – H)

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<u>Share capital</u> RM'000	<u>Non- distributable Share premium</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
<b><u>Company</u></b>				
Balance as at 1 January 2007	1,823,475	1,114,593	830,184	3,768,252
Loss for the financial period	-	-	(4,033)	(4,033)
<b>Balance as at 31 March 2007</b>	<b><u>1,823,475</u></b>	<b><u>1,114,593</u></b>	<b><u>826,151</u></b>	<b><u>3,764,219</u></b>
Balance as at 1 January 2006	1,823,475	1,114,593	550,455	3,488,523
Profit for the financial period	-	-	106,005	106,005
<b>Balance as at 31 March 2006</b>	<b><u>1,823,475</u></b>	<b><u>1,114,593</u></b>	<b><u>656,460</u></b>	<b><u>3,594,528</u></b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<b>3 months ended 31 Mar 2007</b>	<b>3 months ended 31 Mar 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Operating activities</b>		
Profit before INCPS dividends, taxation and zakat	300,735	230,524
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	1,755	21,270
Operating profit before working capital changes	302,490	251,794
Net changes in operating assets	(1,493,015)	(820,409)
Net changes in operating liabilities	5,138,680	5,197,030
Cash generated from operations	3,948,155	4,628,415
Taxation and zakat paid	(77,001)	(19,300)
Taxation recovered	34,839	-
Net cash generated from operating activities	3,905,993	4,609,115
<b>Investing activities</b>		
Net purchase of securities	(1,007,641)	(1,725,641)
Interest received from securities	185,765	121,323
Proceeds from disposal of property, plant and equipment	2,567	326
Dividend income received from securities	258	1,265
Purchase of property, plant and equipment	(14,194)	(17,579)
Net cash used in investing activities	(833,245)	(1,620,306)
<b>Financing activities</b>		
Drawdown of borrowings	97,150	32,280
Dividends paid to minorities	-	(17,269)
Payment to hire-purchase creditors	(88)	(97)
Net cash generated from financing activities	97,062	14,914
Net increase in cash and cash equivalents	3,169,810	3,003,723
Cash and cash equivalents		
- at the beginning of the financial period	10,671,553	11,360,098
- at the end of the financial period	13,841,363	14,363,821
Cash and cash equivalents comprise the following:		
Cash and short term funds	13,844,455	14,364,075
Overdrafts	(3,092)	(254)
	13,841,363	14,363,821

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.



**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED CASH FLOW STATEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<b>3 months ended 31 Mar 2007</b>	<b>3 months ended 31 Mar 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Company</u></b>		
<b>Operating activities</b>		
(Loss)/Profit before taxation	(4,033)	147,045
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	<b>160</b>	(151,032)
Operating loss before working capital changes	<b>(3,873)</b>	(3,987)
Net changes in operating assets	<b>84</b>	86,809
Net changes in operating liabilities	<b>(1,672)</b>	(7,937)
Net cash (used in)/generated from operating activities	<b>(5,461)</b>	74,885
<b>Investing activities</b>		
Dividend income received from subsidiaries	-	40,295
Interest income received	<b>20</b>	464
Proceeds from disposal of property, plant and equipment	<b>5</b>	-
Purchase of property, plant and equipment	<b>(12)</b>	(39)
Net cash generated from investing activities	<b>13</b>	40,720
<b>Financing activities</b>		
Drawdown of borrowings	<b>28,000</b>	32,280
Interest expense paid	<b>(38,384)</b>	(19,963)
Payment to hire-purchase creditors	<b>(88)</b>	(97)
Net cash (used in)/generated from financing activities	<b>(10,472)</b>	12,220
Net (decrease)/increase in cash and cash equivalents	<b>(15,920)</b>	127,825
Cash and cash equivalents		
- at the beginning of the financial period	<b>13,398</b>	(2,478)
- at the end of the financial period	<b>(2,522)</b>	125,347
Cash and cash equivalents comprise the following:		
Cash and short term funds	<b>570</b>	125,519
Overdrafts	<b>(3,092)</b>	(172)
	<b>(2,522)</b>	125,347

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A1. Basis of Preparation**

The interim financial statements are unaudited and has been prepared in compliance with the Financial Reporting Standards ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ('MASB') and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited financial statements of the Group and the Company for the last financial year ended 31 December 2006.

The accounting policies and presentation adopted by the Group and the Company for the interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2006 except for the adoption of FRS 117, 'Leases' which is effective for accounting periods beginning on or after 1 October 2006. The Group has adopted FRS 117 commencing from financial period beginning 1 January 2007. The adoption of FRS 117 has resulted in the restatement of the comparative figures as disclosed in A31.

**A2. Audit Report**

The audit report for the financial year ended 31 December 2006 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

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

**A4. Exceptional or Unusual Items**

There were no exceptional or unusual items for the three months ended 31 March 2007.

**A5. Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

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

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the three months ended 31 March 2007.

**A7. Dividends Paid**

No dividend was paid during the three months ended 31 March 2007.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
<b>A8. Interest Income</b>				
<b><u>Group</u></b>				
Loans, advances and financing				
- interest income other than recoveries from NPLs	741,947	655,379	741,947	655,379
- recoveries from NPLs	46,429	46,483	46,429	46,483
Money at call, deposits and placements with financial institutions	157,966	101,566	157,966	101,566
Securities purchased under resale agreements	30,981	25,362	30,981	25,362
Securities held-for-trading	49,242	22,601	49,242	22,601
Securities AFS	85,423	16,174	85,423	16,174
Securities held-to-maturity	95,569	129,527	95,569	129,527
Others	23,184	19,734	23,184	19,734
	<u>1,230,741</u>	<u>1,016,826</u>	<u>1,230,741</u>	<u>1,016,826</u>
Amortisation of premium less accretion of discount	868	(5,292)	868	(5,292)
Interest suspended	(23,815)	(32,021)	(23,815)	(32,021)
	<u>1,207,794</u>	<u>979,513</u>	<u>1,207,794</u>	<u>979,513</u>
<b><u>Company</u></b>				
Money at call, deposits and placements with financial institutions	21	663	21	663
Others	21,659	19,221	21,659	19,221
	<u>21,680</u>	<u>19,884</u>	<u>21,680</u>	<u>19,884</u>
<b>A9. Interest Expense</b>				
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	125,360	71,710	125,360	71,710
Deposits from customers	443,012	323,160	443,012	323,160
Obligations on securities sold under repurchase agreements	44,270	41,096	44,270	41,096
Borrowings	21,943	22,174	21,943	22,174
Subordinated obligations	25,632	26,099	25,632	26,099
Recourse obligation on loans sold to Cagamas	31,166	34,662	31,166	34,662
Others	14,361	8,632	14,361	8,632
	<u>705,744</u>	<u>527,533</u>	<u>705,744</u>	<u>527,533</u>
<b><u>Company</u></b>				
Borrowings	21,941	22,134	21,941	22,134
Others	221	1,133	221	1,133
	<u>22,162</u>	<u>23,267</u>	<u>22,162</u>	<u>23,267</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income</b>				
<b>Group</b>				
<b>Fee income</b>				
- Service charges and fees	44,306	31,040	44,306	31,040
- Brokerage	35,816	14,021	35,816	14,021
- Commission	30,087	26,322	30,087	26,322
- Unit trust fee income	14,112	5,834	14,112	5,834
- Commitment fees	11,215	10,534	11,215	10,534
- Guarantee fees	7,849	8,689	7,849	8,689
- Underwriting and arrangement fees	4,324	2,573	4,324	2,573
- Corporate advisory fees	2,960	1,960	2,960	1,960
- Fund management fees	1,699	1,716	1,699	1,716
- Other fee income	9,131	3,341	9,131	3,341
	<u>161,499</u>	<u>106,030</u>	<u>161,499</u>	<u>106,030</u>
<b>Net gain/(loss) arising from sale/ redemption of securities and derivatives</b>				
- Net gain from sale of				
- securities held-for-trading	19,959	4,830	19,959	4,830
- securities AFS	3,360	2,647	3,360	2,647
- Net gain from redemption of				
- securities held-to-maturity	26	56	26	56
- Derivatives	(227)	175	(227)	175
	<u>23,118</u>	<u>7,708</u>	<u>23,118</u>	<u>7,708</u>
<b>Unrealised gain/(loss) on revaluation of securities and derivatives</b>				
- Securities held-for-trading	(7,969)	(3,635)	(7,969)	(3,635)
- Derivatives	(597)	8,797	(597)	8,797
	<u>(8,566)</u>	<u>5,162</u>	<u>(8,566)</u>	<u>5,162</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income (continued)</b>				
<b><u>Group (continued)</u></b>				
<b>Gross dividend income from</b>				
- Securities held-for-trading	352	1,568	352	1,568
- Securities AFS	2	5	2	5
- Securities held-to-maturity	-	184	-	184
	<u>354</u>	<u>1,757</u>	<u>354</u>	<u>1,757</u>
<b>Other income</b>				
- Foreign exchange gain/(loss)				
- realised	78,711	36,662	78,711	36,662
- unrealised	(31,740)	(2,077)	(31,740)	(2,077)
- Underwriting surplus before management expenses	7,274	6,963	7,274	6,963
- Rental income	789	735	789	735
- Net gain on disposal of property, plant and equipment	344	322	344	322
- Gain on liquidation of a subsidiary	69	-	69	-
- Other operating income	11,743	9,579	11,743	9,579
- Other non-operating income	1,963	1,549	1,963	1,549
	<u>69,153</u>	<u>53,733</u>	<u>69,153</u>	<u>53,733</u>
	<u>245,558</u>	<u>174,390</u>	<u>245,558</u>	<u>174,390</u>
<b><u>Company</u></b>				
<b>Gross dividend income from</b>				
- Subsidiaries	-	154,317	-	154,317
<b>Other income</b>				
- Foreign exchange gain/(loss)				
- unrealised	484	(138)	484	(138)
- Other operating income	270	270	270	270
- Other non-operating income	1	17	1	17
	<u>755</u>	<u>149</u>	<u>755</u>	<u>149</u>
	<u>755</u>	<u>154,466</u>	<u>755</u>	<u>154,466</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses</b>				
<b><u>Group</u></b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	143,976	136,955	143,976	136,955
- Defined contribution plan	20,415	21,102	20,415	21,102
- Other staff related costs	16,474	9,683	16,474	9,683
	<u>180,865</u>	<u>167,740</u>	<u>180,865</u>	<u>167,740</u>
<b>Establishment costs</b>				
- Depreciation	25,786	27,370	25,786	27,370
- Information technology expenses	22,779	22,534	22,779	22,534
- Repair and maintenance	11,410	10,368	11,410	10,368
- Rental of premises	7,771	7,779	7,771	7,779
- Water and electricity	3,681	3,658	3,681	3,658
- Rental of equipment	2,653	1,665	2,653	1,665
- Insurance	2,522	3,083	2,522	3,083
- Amortisation of prepaid land lease	98	96	98	96
- Others	2,338	1,247	2,338	1,247
	<u>79,038</u>	<u>77,800</u>	<u>79,038</u>	<u>77,800</u>
<b>Marketing expenses</b>				
- Sales commission	15,755	5,282	15,755	5,282
- Advertisements and publicity	6,480	5,564	6,480	5,564
- Dealers' handling fee	5,155	11,227	5,155	11,227
- Others	17,446	13,511	17,446	13,511
	<u>44,836</u>	<u>35,584</u>	<u>44,836</u>	<u>35,584</u>
<b>Administration and general expenses</b>				
- Communication expenses	16,624	15,909	16,624	15,909
- Legal and professional fee	3,898	2,793	3,898	2,793
- Others	17,081	12,141	17,081	12,141
	<u>37,603</u>	<u>30,843</u>	<u>37,603</u>	<u>30,843</u>
	<u>342,342</u>	<u>311,967</u>	<u>342,342</u>	<u>311,967</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses (continued)</b>				
<b><u>Company</u></b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	2,138	1,820	2,138	1,820
- Defined contribution plan	257	224	257	224
- Other staff related costs	447	518	447	518
	<u>2,842</u>	<u>2,562</u>	<u>2,842</u>	<u>2,562</u>
<b>Establishment costs</b>				
- Rental of premises	346	362	346	362
- Depreciation	164	179	164	179
- Repair and maintenance	80	88	80	88
- Information technology expenses	16	32	16	32
- Water and electricity	10	11	10	11
- Rental of equipment	9	11	9	11
	<u>625</u>	<u>683</u>	<u>625</u>	<u>683</u>
<b>Marketing expenses</b>				
- Advertisements and publicity	38	-	38	-
- Others	208	266	208	266
	<u>246</u>	<u>266</u>	<u>246</u>	<u>266</u>
<b>Administration and general expenses</b>				
- Legal and professional fee	429	332	429	332
- Communication expenses	99	138	99	138
- Others	65	57	65	57
	<u>593</u>	<u>527</u>	<u>593</u>	<u>527</u>
	<u><u>4,306</u></u>	<u><u>4,038</u></u>	<u><u>4,306</u></u>	<u><u>4,038</u></u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
<b>A12. Allowance for Losses on Loans and Financing</b>				
<b><u>Group</u></b>				
Allowance for bad and doubtful debts				
- specific allowance made	<b>306,686</b>	187,962	<b>306,686</b>	187,962
- specific allowance written back	<b>(139,789)</b>	(54,946)	<b>(139,789)</b>	(54,946)
- specific allowance (net)	<b>166,897</b>	133,016	<b>166,897</b>	133,016
- general allowance (net)	<b>8,535</b>	(4,422)	<b>8,535</b>	(4,422)
Bad debts written off	<b>394</b>	-	<b>394</b>	-
Bad debts recovered	<b>(19,588)</b>	(12,646)	<b>(19,588)</b>	(12,646)
	<b>156,238</b>	115,948	<b>156,238</b>	115,948
<b>A13. INCPS Dividends</b>				
<b><u>Group</u></b>				
INCPS dividends paid and payable				
- 10% per annum (gross)	<b>27,234</b>	27,234	<b>27,234</b>	27,234



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A14. Securities Held-for-trading</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
<b>Quoted</b>		
Government investment issues	420,068	421,241
Malaysian government securities	389,690	196,338
Khazanah bonds	326,978	389,473
Singapore government stocks	248,150	192,069
<b>Unquoted</b>		
Bankers' acceptances and Islamic accepted bills	1,245,134	757,128
Private debt securities	1,046,142	1,113,968
Bank Negara Malaysia ('BNM') bills/notes	719,854	613,125
Negotiable instrument of deposits	320,583	955,019
Fixed rate notes	226,519	229,710
Malaysian government treasury bills	58,195	28,965
	<b>5,001,313</b>	<b>4,897,036</b>
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Shares	45,908	42,817
Unit trust	6,238	6,720
<b>Outside Malaysia</b>		
Other government securities	111,376	114,487
Bonds	96,589	98,682
Shares	1,148	900
	<b>5,262,572</b>	<b>5,160,642</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Group	
	As at 31 Mar 2007	As at 31 Dec 2006
	RM'000	RM'000
<b>A15. Securities Available-for-sale ('Securities AFS')</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
<b>Quoted</b>		
Cagamas bonds and Cagamas Mudharabah bonds	151,094	451,156
Singapore government stocks	91,057	103,952
Malaysian government securities	65,857	50,190
Khazanah bonds	9,502	9,405
Government investment issues	5,092	5,058
<b>Unquoted</b>		
Negotiable instrument of deposits	6,660,086	3,220,039
Private debt securities	2,076,304	912,132
BNM bills/notes	1,825,813	401,056
Structured notes	231,090	306,351
Malaysian government treasury bills	203,299	85,678
Bankers' acceptances and Islamic accepted bills	188,176	-
Singapore government treasury bills	155,873	85,890
	<b>11,663,243</b>	<b>5,630,907</b>
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Corporate loan stocks	44,464	54,813
Shares	28,873	23,856
Malaysian government securities	22,215	22,100
Private debt securities	11,432	9,209
<b>Outside Malaysia</b>		
Floating rate notes	286	292
Shares	120	129
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Shares	167,980	167,979
Corporate loan stocks	148,550	161,524
Corporate debt securities	88,281	83,212
Private debt securities	71,395	65,508
<b>Outside Malaysia</b>		
Structured notes	70,614	-
Private debt securities	9,913	49,109
Trading rights	367	367
Shares	345	345
	<b>12,328,078</b>	<b>6,269,350</b>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Group	
	As at 31 Mar 2007	As at 31 Dec 2006
	RM'000	RM'000
<b>A16. Securities Held-to-maturity</b>		
<b>At amortised cost</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
<b>Quoted</b>		
Malaysian government securities	2,114,274	2,124,505
Cagamas bonds and Cagamas Mudharabah bonds	655,991	911,120
Khazanah bonds	554,082	573,678
Government investment issues	81,402	80,964
<b>Unquoted</b>		
Prasarana bonds	1,979,074	1,979,791
Negotiable instrument of deposits	961,672	5,286,823
Private debt securities	693,057	881,827
Other government securities	232,777	234,310
Structured notes	103,725	353,052
Cagamas notes	99,162	98,157
Bankers' acceptances and Islamic accepted bills	-	99,065
	<u>7,475,216</u>	<u>12,623,292</u>
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Floating rate notes	79,477	81,225
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	381,762	389,458
Corporate loan stocks	199,769	205,231
Bonds	29,070	29,070
Shares	2,700	2,700
<b>Outside Malaysia</b>		
Structured notes	86,388	-
Floating rate notes	39,047	10,595
	<u>8,293,429</u>	<u>13,341,571</u>
Accumulated impairment loss	(231,885)	(233,986)
	<u><u>8,061,544</u></u>	<u><u>13,107,585</u></u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A17. Loans, Advances and Financing</b>		
Overdrafts	<b>6,653,122</b>	6,797,088
Term loans/financing		
- housing loans/financing	<b>12,463,750</b>	12,545,069
- syndicated term loans/financing	<b>2,734,113</b>	2,632,160
- hire-purchase receivables	<b>9,725,565</b>	9,654,495
- lease receivables	<b>280,942</b>	281,120
- other term loans/financing	<b>12,072,180</b>	11,557,423
Bills receivable	<b>1,998,175</b>	1,877,730
Trust receipts	<b>514,851</b>	537,794
Claims on customers under acceptance credits	<b>4,877,867</b>	4,824,605
Staff loans/financing	<b>414,516</b>	413,583
Credit/charge cards receivables	<b>1,304,427</b>	1,288,406
Revolving credits	<b>5,062,775</b>	5,278,336
	<b>58,102,283</b>	57,687,809
Unearned interest and income	<b>(1,540,313)</b>	(1,563,301)
Gross loans, advances and financing	<b>56,561,970</b>	56,124,508
Allowance for bad and doubtful debts and financing		
- general	<b>(983,751)</b>	(976,214)
- specific	<b>(1,755,402)</b>	(1,755,408)
Net loans, advances and financing	<b>53,822,817</b>	53,392,886
<b>(a) By type of customers</b>		
Domestic non-bank financial institutions		
- stockbroking companies	<b>721</b>	1,856
- others	<b>739,330</b>	831,683
Domestic business enterprises		
- small medium enterprises	<b>9,879,637</b>	9,241,948
- others	<b>21,760,435</b>	21,692,647
Government and statutory bodies	<b>240,886</b>	248,651
Individuals	<b>23,234,457</b>	23,403,054
Other domestic entities	<b>64,038</b>	57,746
Foreign entities	<b>642,466</b>	646,923
	<b>56,561,970</b>	56,124,508

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Group	
	As at 31 Mar 2007	As at 31 Dec 2006
	RM'000	RM'000
<b>A17. Loans, Advances and Financing (continued)</b>		
<b>(b) By interest/profit rate sensitivity</b>		
Fixed rate		
- housing loans/financing	1,549,894	1,593,036
- hire-purchase receivables	8,263,395	8,129,916
- other fixed rate loans/financing	3,666,583	3,509,878
Variable rate		
- base lending rate plus	20,355,462	20,237,465
- cost-plus	17,303,129	17,221,488
- other variable rates	5,423,507	5,432,725
	<u>56,561,970</u>	<u>56,124,508</u>
<b>(c) By purpose</b>		
Purchase of securities	2,005,285	1,916,263
Purchase of transport vehicles	6,552,753	6,519,848
Purchase of landed property:		
- residential	12,740,477	12,864,401
- non-residential	1,556,047	1,595,519
Purchase of property, plant and equipment other than land and building	2,710,403	2,578,022
Personal use	1,945,678	1,950,596
Credit card	1,304,427	1,288,406
Purchase of consumer durables	108,094	114,206
Construction	2,046,365	2,239,055
Working capital	23,567,305	22,919,685
Other purpose	2,025,136	2,138,507
	<u>56,561,970</u>	<u>56,124,508</u>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A17. Loans, Advances and Financing (continued)</b>		
<b>(d) NPLs by purpose</b>		
Purchase of securities	<b>67,203</b>	70,256
Purchase of transport vehicles	<b>385,432</b>	391,342
Purchase of landed property:		
- residential	<b>1,298,230</b>	1,282,280
- non-residential	<b>178,842</b>	141,531
Purchase of property, plant and equipment other than land and building	<b>106,541</b>	102,341
Personal use	<b>149,147</b>	171,162
Credit card	<b>52,155</b>	45,484
Purchase of consumer durables	<b>8,886</b>	10,558
Construction	<b>322,746</b>	342,741
Working capital	<b>1,667,815</b>	1,662,265
Other purpose	<b>17,333</b>	57,077
	<b><u>4,254,330</u></b>	<u>4,277,037</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Group	
	As at 31 Mar 2007	As at 31 Dec 2006
	RM'000	RM'000
<b>A17. Loans, Advances and Financing (continued)</b>		
<b>(e) Movements in NPLs are as follows:</b>		
Balance as at the beginning of the financial period/year	4,277,037	4,339,130
Classified as non-performing during the financial period/year	1,011,591	4,080,889
Amount recovered	(218,311)	(569,812)
Reclassified as performing during the financial period/year	(635,426)	(2,712,691)
Amount written off	(177,964)	(789,256)
Loans/financing converted to securities	-	(66,371)
Exchange difference	(2,597)	(4,852)
Balance as at the end of the financial period/year	<u>4,254,330</u>	<u>4,277,037</u>
Specific allowance	<u>(1,755,402)</u>	<u>(1,755,408)</u>
Net NPLs	<u><u>2,498,928</u></u>	<u><u>2,521,629</u></u>
Ratio of net NPLs as % of gross loans, advances and financing less specific allowance	<u><u>4.56%</u></u>	<u><u>4.63%</u></u>

**(f) Movements in allowance for bad and doubtful debts and financing accounts are as follows:**

General allowance

Balance as at the beginning of the financial period/year	976,214	921,583
Net allowance made during the financial period/year	8,535	56,653
Exchange difference	(998)	(2,022)
Balance as at the end of the financial period/year	<u>983,751</u>	<u>976,214</u>
As % of gross loans, advances and financing less specific allowance	<u><u>1.79%</u></u>	<u><u>1.79%</u></u>

Specific allowance

Balance as at the beginning of the financial period/year	1,755,408	1,821,128
Allowance made during the financial period/year	306,786	968,885
Transferred to accumulated impairment loss in value of securities	-	(56,215)
Amount transferred from other debtors	-	788
Amount recovered	(139,789)	(237,455)
Amount written off	(165,912)	(738,069)
Exchange difference	(1,091)	(3,654)
Balance as at the end of the financial period/year	<u>1,755,402</u>	<u>1,755,408</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Group		Company	
	As at	As at	As at	As at
	<u>31 Mar 2007</u>	<u>31 Dec 2006</u>	<u>31 Mar 2007</u>	<u>31 Dec 2006</u>
	RM'000	RM'000	RM'000	RM'000
<b>A18. Other Assets</b>				
Other debtors, deposits and prepayments	288,340	347,305	32,885	32,843
Accrued interest receivable	234,113	216,614	15	14
Derivatives	109,291	168,819	-	-
Prepaid land lease	99,369	100,245	-	-
Amount recoverable from BNM	1,156	1,379	-	-
	<u>732,269</u>	<u>834,362</u>	<u>32,900</u>	<u>32,857</u>

**A19. Amount Due from Holding Company**

During the three months ended 31 March 2007, there were no advances made by the Company to its holding company, Rashid Hussain Berhad. The amount due from holding company is unsecured, carries an interest rate of 0.2% per annum above the Company's average cost of funds and is repayable on demand.

	Group	
	As at	As at
	<u>31 Mar 2007</u>	<u>31 Dec 2006</u>
	RM'000	RM'000

**A20. Deposits from Customers**

**(a) By type of deposits**

Demand deposits	15,915,152	15,638,515
Savings deposits	4,949,925	4,861,397
Fixed deposits	35,815,069	34,273,158
Negotiable instrument of deposits	2,795,058	2,752,462
	<u>59,475,204</u>	<u>57,525,532</u>

**(b) By type of customers**

Government and statutory bodies	4,401,964	4,336,106
Business enterprises	29,887,882	28,619,833
Individuals	22,941,817	22,674,291
Others	2,243,541	1,895,302
	<u>59,475,204</u>	<u>57,525,532</u>

**A21. Deposits and Placements of Banks and Other Financial Institutions**

Licensed banks	11,348,275	8,643,917
Licensed investment/merchant banks	460,655	101,286
BNM	1,463,967	1,192,276
Other financial institutions	1,360,955	1,639,639
	<u>14,633,852</u>	<u>11,577,118</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	<b>Group</b>		<b>Company</b>	
	As at	As at	As at	As at
	<u>31 Mar 2007</u>	<u>31 Dec 2006</u>	<u>31 Mar 2007</u>	<u>31 Dec 2006</u>
	RM'000	RM'000	RM'000	RM'000
<b>A22. Other Liabilities</b>				
Other creditors and accruals	<b>543,221</b>	497,788	<b>2,244</b>	4,326
Accrued interest payable	<b>489,212</b>	472,818	<b>18,574</b>	35,464
Amount due to BNM	<b>303,448</b>	296,129	-	-
Accruals for operational expenses	<b>161,400</b>	154,392	-	-
General insurance fund	<b>138,525</b>	136,821	-	-
Derivatives	<b>131,286</b>	158,231	-	-
Lessee deposits	<b>84,738</b>	82,778	-	-
Prepaid instalment	<b>63,285</b>	61,889	-	-
Short term employee benefits	<b>50,915</b>	115,968	-	-
Remisiers' trust deposits	<b>14,760</b>	11,181	-	-
Amount payable for creation of units due to funds	<b>10,318</b>	3,729	-	-
Amount due to Danaharta	<b>1,721</b>	1,725	-	-
Hire-purchase creditors	<b>974</b>	1,062	<b>974</b>	1,062
	<b><u>1,993,803</u></b>	<u>1,994,511</u>	<b><u>21,792</u></b>	<u>40,852</u>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A23. Segment Information**

**Revenue and Results**

**Three months ended 31 March 2007**

	Wholesale banking	Retail banking	Treasury and money market	Islamic Banking business	Financial advisory and underwriting	Stockbroking and other securities related business	Insurance	Others	Intersegment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
External revenue	478,538	444,950	429,880	55,822	5,688	54,962	14,816	24,518	-	1,509,174
Intersegment revenue	1,355	1,166	9,278	-	-	103	3,526	6,651	(22,079)	-
Segment revenue	<u>479,893</u>	<u>446,116</u>	<u>439,158</u>	<u>55,822</u>	<u>5,688</u>	<u>55,065</u>	<u>18,342</u>	<u>31,169</u>	<u>(22,079)</u>	<u>1,509,174</u>
Profit before unallocated expenses	168,898	69,282	87,713	39,891	3,907	32,647	10,481	21,660		434,479
Unallocated expenses										(133,790)
Profit after unallocated expenses										300,689
Share of results of associates	-	-	-	-	-	51	-	(5)		46
Profit before INCPS dividends, taxation and zakat										300,735
INCPS dividends										(27,234)
Profit after INCPS dividends and before taxation and zakat										273,501
Taxation and zakat										(73,307)
Profit for the financial period										<u>200,194</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A23. Segment Information (continued)**

**Revenue and Results**

**Three months ended 31 March 2006**

	<b>Wholesale banking</b>	<b>Retail banking</b>	<b>Treasury and money market</b>	<b>Islamic Banking business</b>	<b>Financial advisory and underwriting</b>	<b>Stockbroking and other securities related business</b>	<b>Insurance</b>	<b>Others</b>	<b>Intersegment elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>										
External revenue	402,661	402,249	287,830	46,727	3,176	25,114	11,725	21,148	-	1,200,630
Intersegment revenue	3,673	863	4,043	-	5	-	4,021	6,008	(18,613)	-
Segment revenue	<u>406,334</u>	<u>403,112</u>	<u>291,873</u>	<u>46,727</u>	<u>3,181</u>	<u>25,114</u>	<u>15,746</u>	<u>27,156</u>	<u>(18,613)</u>	<u>1,200,630</u>
Profit before unallocated expenses										
Unallocated expenses	100,915	89,433	86,945	37,268	1,552	10,926	9,440	16,684		353,163
Profit after unallocated expenses										<u>(122,671)</u>
Share of results of associates	-	-	-	-	-	36	-	(4)		32
Profit before INCPS dividends, taxation and zakat										230,524
INCPS dividends										<u>(27,234)</u>
Profit after INCPS dividends and before taxation and zakat										203,290
Taxation and zakat										<u>(63,896)</u>
Profit for the financial period										<u><u>139,394</u></u>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A24. Valuation of Property, Plant and Equipment**

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

**A25. Material Events Subsequent to the Balance Sheet Date**

There are no material events subsequent to the balance sheet date that have not been reflected in the financial statements, except for the following:

**(a) Proposed acquisition of the remaining equity interest in RHB Bank Berhad ('RHB Bank') and RHB Insurance Berhad ('RHB Insurance') by the Company ('Proposed Acquisitions')**

The Company had, on 19 April 2007 via RHB Investment Bank Berhad ('RHB Investment Bank') [formerly known as RHB Sakura Merchant Bankers Berhad] announced that BNM had, by way of a letter dated 18 April 2007, stated that it had no objection in principle for the Company to commence discussions with Khazanah Nasional Berhad ('Khazanah') for the acquisition of shares in RHB Bank not already owned by the Company. Vide the same letter, BNM further indicated that it had no objection in principle for RHB Capital to commence discussions with Nissay Dowa General Insurance Co. Ltd. and Kumpulan Syed Kechik Sdn Bhd for the acquisition of shares in RHB Insurance not already owned by the Company.

Further details on the Proposed Acquisitions will also be announced upon the approvals being obtained from the Minister of Finance ('MOF'), based on recommendations of BNM, pursuant to the provisions of the Banking and Financial Institutions Act 1989 and the Insurance Act 1996, for parties to enter into definitive agreements in respect of the Proposed Acquisitions.

In furtherance thereto, RHB Investment Bank, on behalf of the Board of Directors ('Board') of the Company, had on 17 May 2007, announced that Khazanah had on even date accepted the offer made by the Company to acquire the remaining 1,169,991,586 ordinary shares of RM0.50 each in RHB Bank held by Khazanah ("Sale Shares"), representing 30% of the total issued and paid-up share capital of RHB Bank ('Proposed Acquisition of RHB Bank').

Following thereto and subject to approval being obtained from the MOF through BNM, the Company proposes to enter into an agreement with Khazanah on the Sale Shares for a total purchase consideration of RM3,200.00 million which shall be satisfied in the following manner:

- (i) the proposed issuance of 330.0 million RHB Capital Berhad new ordinary shares of RM1.00 each ("RHBC Shares") at an indicative issue price of RM4.75 per RHBC Shares ("Proposed Share Issue"), amounting to RM1,567.50 million; and
- (ii) the cash settlement of RM1,632.50 million.

However, in the event the Company fails to procure all relevant approvals to implement the Proposed Share Issue, which shall form part of the settlement for the Proposed Acquisition of RHB Bank, the Company may opt to satisfy the Proposed Acquisition of RHB Bank entirely by cash of RM3,200.00 million.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A25. Material Events Subsequent to the Balance Sheet Date (continued)**

**(b) Disposal of the entire shareholdings in RHB International Trust (L) Ltd ('RHBITLL') by the Company to RHB Bank (L) Ltd**

The Company announced on 16 May 2007 that it had, on 15 May 2007, disposed its entire shareholdings of 20,000 ordinary shares of USD4.00 each (of which USD2.00 is partially paid-up) ('Sale of Shares') in RHBITLL to RHB Bank (L) Ltd for a total cash consideration of RM152,000.

RHB Bank (L) Ltd is a direct wholly-owned subsidiary of RHB Bank, which in turn is a 70% subsidiary of the Company. With the said Sale of Shares, RHBITLL shall cease to be a direct wholly-owned subsidiary of the Company.

The Sale of Shares is not expected to have any material effect on the earnings or net tangible assets of the Group for the financial year ending 31 December 2007.

**(c) Notice of Unconditional Take-Over Offer by Employees Provident Fund Board ('EPF' or the 'Offeror') to acquire all of the following securities:**

**(i) All the remaining RHBC Shares which are not held by EPF ('Offer Shares'), at a cash offer price of RM4.80 per Offer Share ('Shares Offer'); and**

**(ii) All the outstanding Call Warrants 2003/2007 which are not held by EPF ('Offer Warrants') at a cash offer price of RM1.84 per Offer Warrant ('Warrants Offer')**

**(collectively known as the 'Proposed RHBC Offer')**

RHB Investment Bank Berhad, on behalf of the Board of the Company had, on 16 May 2007, announced that CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad) and AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad), on behalf of EPF, had on 15 May 2007 served a notice on the Board of the Company in respect of the Proposed RHBC Offer ('Notice').

The Notice will be posted to the shareholders of the Company within seven (7) days from 15 May 2007.

However, as the Company is not the issuer of the Offer Warrants, the Company has on even date notified the Board of Rashid Hussain Berhad ('RHB'), being the issuer of the Call Warrants 2003/2007, of the Warrants Offer.

At present, the Board of the Company is not seeking an alternative person to make a take-over offer for all the shares of the Company.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A26. Changes in Composition of the Group**

The significant changes in the composition of the Group for the three months ended 31 March 2007 are summarised below:

**Dissolution of RHB Management Services (Jersey) Limited ('RHBMSJ')**

The Company announced on 12 February 2007 that RHBMSJ, a wholly-owned subsidiary of RHB Investment Bank, which in turn is a wholly-owned subsidiary of the Company, has been dissolved on 23 January 2007 upon registration of the relevant documents with the Jersey Financial Services Commission on the same date.

The principal activity of RHBMSJ, a company incorporated in Jersey, Channel Islands was that of providing management services.

The dissolution of RHBMSJ will not have any material effect on the Group's performance.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A27. Changes in Contingent Liabilities since the last Annual Balance Sheet Date**

**(a) Commitments and Contingencies**

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

The commitments and contingencies comprise the following:

	← Group →					
	As at 31 Mar 2007			As at 31 Dec 2006		
	Principal amount RM'million	Credit equivalent amount* RM'million	Risk weighted amount RM'million	Principal amount RM'million	Credit equivalent amount* RM'million	Risk weighted amount RM'million
Direct credit substitutes	1,603	1,603	1,434	1,648	1,648	1,480
Transaction-related contingent items	2,421	860	564	2,320	810	518
Short term self-liquidating trade-related contingencies	2,622	524	348	2,555	511	329
Obligations under underwriting agreements	487	132	132	440	132	132
Other assets sold with recourse and commitments	200	-	-	-	-	-
Housing loans sold directly and indirectly to Cagamas with recourse	40	40	20	41	41	20
Irrevocable commitments to extend credit						
- maturity not exceeding one year	22,885	-	-	22,103	-	-
- maturity exceeding one year	3,526	1,763	1,568	3,658	1,829	1,602
Foreign exchange related contracts						
- less than one year	9,773	268	96	14,064	241	67
- one year to less than five years	27	2	4	387	61	30
Interest rate related contracts						
- less than one year	3,475	10	2	2,231	2	1
- one year to less than five years	5,505	91	18	6,124	92	21
- more than five years	660	41	13	523	34	17
Others	960	20	4	846	20	4
	<b>54,184</b>	<b>5,354</b>	<b>4,203</b>	<b>56,940</b>	<b>5,421</b>	<b>4,221</b>

\* The credit equivalent amount is arrived at using the credit conversion factors as per BNM's circulars.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A27. Changes in Contingent Liabilities since the last Annual Balance Sheet Date (continued)**

**(b) Guarantees Issued**

As at balance sheet date, the Company has extended unsecured guarantees totalling RM44,500,000 (31 December 2006: RM44,500,000) and RM100,000,000 (31 December 2006: RM100,000,000) for borrowings and performance of its subsidiaries respectively. As at balance sheet date, RM1,000,000 (31 December 2006: RM1,000,000) of the borrowings were utilised by the subsidiaries of the Company.

**(c) Other Contingent Liabilities**

**(i) The Company**

On 19 October 2001, the Company filed a suit against Carta Bintang Sdn Bhd ('CBSB'), the vendor of SJ Securities Sdn Bhd ('SJ Securities'), for the recovery of the deposit of RM32,800,000 ('Deposit') paid by the Company pursuant to the sale and purchase agreement dated 7 November 2000 between CBSB and the Company for the sale and purchase of 60 million shares in SJ Securities. CBSB subsequently filed a counterclaim of RM258,688,153.42 together with interest thereon and costs (Please refer to B11(a) 'Material Litigation' for further details).

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

In view of the above, the Company has not made any provision in relation to the said counterclaim, in the interim financial statements for the three months ended 31 March 2007.

**(ii) RHB Investment Bank and RHB Equities Sdn Bhd ('RHB Equities')**

- Claim by Dato' Haji Iqbal Kuppai Pitchai Rawther ('Plaintiff')

This suit was initially filed by RHB Securities Sdn Bhd ('RHB Securities'). With effect from 30 December 2006, the assets and liabilities of RHB Securities including this suit have been vested into RHB Investment Bank pursuant to a vesting order of the High Court. Subsequently, RHB Securities was renamed as RHB Excel Sdn Bhd ('RHB Excel') on 9 January 2007.

The following is a summary of the litigation from commencement of the suit:

RHB Excel, a wholly owned subsidiary of RHB Investment Bank and RHB Equities, a wholly-owned subsidiary of the Company, are parties, as the first and second defendants, to a suit for damages and for the return of shares pledged by the Plaintiff as third party collateral for margin finance facilities initially provided by RHB Equities, which were subsequently transferred to RHB Excel together with the third party collateral. The Plaintiff claimed that the transfer was made without the Plaintiff's consent and has obtained an interim injunction to restrain disposal of the collateral. RHB Excel and RHB Equities have filed a defence and counterclaim against the said suit.

Plaintiff's suit against RHB Excel and RHB Equities was dismissed with costs on 19 May 2005. Plaintiff filed Notice of Appeal against the dismissal on 30 May 2005. With the dismissal, the injunction previously obtained against RHB Excel to deal with the collateral lapses. On 14 June 2005, the Plaintiff filed an application for a stay of execution.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A27. Changes in Contingent Liabilities since the last Annual Balance Sheet Date (continued)**

**(c) Other Contingent Liabilities (continued)**

**(ii) RHB Investment Bank and RHB Equities Sdn Bhd ('RHB Equities') (continued)**

RHB Excel won in its counterclaim against the Plaintiff with costs on 24 June 2005. On 4 August 2005, the Plaintiff's stay application was allowed with costs. As such, RHB Excel is prohibited from disposing the shares until the hearing and disposal of the Appeal to the Court of Appeal.

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>

**A28. Capital Commitments**

Capital expenditure for property, plant and equipment:

- authorised and contracted for	<b>51,193</b>	26,291
- authorised but not contracted for	<b>63,448</b>	37,371
	<b><u>114,641</u></b>	<u>63,662</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A29. Interest/Profit Rate Risk**

Group As at 31 Mar 2007	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	12,836,403	-	-	-	-	1,008,052	-	13,844,455	3.57
Securities purchased under resale agreements	1,939,615	1,476,728	98,896	-	-	-	-	3,515,239	3.55
Deposits and placements with banks and other financial institutions	38,127	4,510,503	689,869	48,443	-	-	-	5,286,942	3.60
Securities									
- held-for-trading	-	-	-	-	-	1,148	5,261,424	5,262,572	4.09
- AFS	3,949,196	3,203,351	2,359,775	2,092,851	524,933	197,972	-	12,328,078	3.90
- held-to-maturity	346,769	274,600	1,489,343	4,468,461	1,711,533	(229,162)	-	8,061,544	3.86
Loans, advances and financing									
- performing	30,860,394	6,852,471	4,801,251	7,013,837	2,779,556	131	-	52,307,640	6.84
- non-performing*	-	-	-	-	-	1,515,177	-	1,515,177	
Clients' and brokers' balances	33,779	-	-	-	-	417,837	-	451,616	1.30
Other assets	-	-	225	703	1,183	620,867	109,291	732,269	5.86
Amount due from holding company	1,257,692	-	-	-	-	-	-	1,257,692	7.07
Statutory deposits	-	-	-	-	-	1,952,367	-	1,952,367	
Tax recoverable	-	-	-	-	-	56,833	-	56,833	
Deferred tax assets	-	-	-	-	-	258,651	-	258,651	
Investments in associates	-	-	-	-	-	15,335	-	15,335	
Property, plant and equipment	-	-	-	-	-	768,519	-	768,519	
Goodwill	-	-	-	-	-	1,160,535	-	1,160,535	
<b>Total assets</b>	<b>51,261,975</b>	<b>16,317,653</b>	<b>9,439,359</b>	<b>13,624,295</b>	<b>5,017,205</b>	<b>7,744,262</b>	<b>5,370,715</b>	<b>108,775,464</b>	

\* This is arrived at after deducting the general allowance and specific allowance from the outstanding NPLs.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A29. Interest/Profit Rate Risk (continued)**

Group As at 31 Mar 2007	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate %
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Liabilities and equity</b>									
Deposits from customers	22,941,979	8,184,688	12,832,447	628,927	150	14,887,013	-	59,475,204	3.16
Deposits and placements of banks and other financial institutions	8,515,335	3,988,535	1,108,349	932,108	87,515	2,010	-	14,633,852	3.62
Obligations on securities sold under repurchase agreements	13,851,357	1,066,340	3,500	-	-	-	-	14,921,197	3.39
Bills and acceptances payable	1,435,738	1,670,188	643,708	-	-	220,961	-	3,970,595	3.84
Clients' and brokers' balances	3,291	7,767	-	-	-	500,403	-	511,461	3.10
Other liabilities	303,477	59	273	614	-	1,558,094	131,286	1,993,803	3.60
Recourse obligation on loans sold to Cagamas	-	59,597	674,630	1,755,370	170,421	-	-	2,660,018	4.54
Taxation	-	-	-	-	-	116,746	-	116,746	
Deferred tax liabilities	-	-	-	-	-	11,595	-	11,595	
Borrowings	710,042	-	-	595,262	341,617	-	-	1,646,921	6.62
Subordinated obligations	-	-	800,000	682,364	-	-	-	1,482,364	6.91
									<b>Effective dividend rate %</b>
INCPS	-	-	-	1,104,469	-	-	-	1,104,469	10.00
<b>Total liabilities</b>	<b>47,761,219</b>	<b>14,977,174</b>	<b>16,062,907</b>	<b>5,699,114</b>	<b>599,703</b>	<b>17,296,822</b>	<b>131,286</b>	<b>102,528,225</b>	
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,247,239</b>	<b>-</b>	<b>6,247,239</b>	
<b>Total liabilities and equity</b>	<b>47,761,219</b>	<b>14,977,174</b>	<b>16,062,907</b>	<b>5,699,114</b>	<b>599,703</b>	<b>23,544,061</b>	<b>131,286</b>	<b>108,775,464</b>	
<b>Total interest-sensitivity gap</b>	<b>3,500,756</b>	<b>1,340,479</b>	<b>(6,623,548)</b>	<b>7,925,181</b>	<b>4,417,502</b>				

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A29. Interest/Profit Rate Risk (continued)**

Company As at 31 Mar 2007	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	-	-	-	-	-	570	-	570	
Deposits and placements with banks and other financial institutions	-	1,043	133	-	-	-	-	1,176	3.46
Other assets	-	-	-	-	-	32,900	-	32,900	
Amount due from holding company	1,257,692	-	-	-	-	-	-	1,257,692	7.07
Amounts due from subsidiaries	-	-	-	-	-	126,065	-	126,065	
Tax recoverable	-	-	-	-	-	19,172	-	19,172	
Investments in subsidiaries	-	-	-	-	-	6,911,026	-	6,911,026	
Property, plant and equipment	-	-	-	-	-	1,140	-	1,140	
<b>Total assets</b>	<b>1,257,692</b>	<b>1,043</b>	<b>133</b>	<b>-</b>	<b>-</b>	<b>7,090,873</b>	<b>-</b>	<b>8,349,741</b>	
<b>Liabilities and equity</b>									
Other liabilities	29	59	273	614	-	20,817	-	21,792	5.40
Amounts due to subsidiaries	11,224	-	-	-	-	3,251,290	-	3,262,514	5.87
Deferred tax liabilities	-	-	-	-	-	45	-	45	
Borrowings	364,292	-	-	595,262	341,617	-	-	1,301,171	6.87
Total liabilities	375,545	59	273	595,876	341,617	3,272,152	-	4,585,522	
Total equity	-	-	-	-	-	3,764,219	-	3,764,219	
<b>Total liabilities and equity</b>	<b>375,545</b>	<b>59</b>	<b>273</b>	<b>595,876</b>	<b>341,617</b>	<b>7,036,371</b>	<b>-</b>	<b>8,349,741</b>	
<b>Total interest-sensitivity gap</b>	<b>882,147</b>	<b>984</b>	<b>(140)</b>	<b>(595,876)</b>	<b>(341,617)</b>				

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A29. Interest/Profit Rate Risk (continued)**

Group As at 31 Dec 2006	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	10,282,356	-	-	-	-	389,197	-	10,671,553	3.56
Securities purchased under resale agreements	1,034,585	1,656,956	-	-	-	-	-	2,691,541	3.81
Deposits and placements with banks and other financial institutions	45,869	4,904,294	640,257	-	-	-	-	5,590,420	3.63
Securities									
- held-for-trading	-	-	-	-	-	900	5,159,742	5,160,642	4.02
- AFS	2,572,387	1,379,380	766,748	905,409	452,459	192,967	-	6,269,350	4.02
- held-to-maturity	2,537,605	2,625,594	1,646,359	4,965,970	1,563,320	(231,263)	-	13,107,585	3.80
Loans, advances and financing									
- performing	30,268,891	6,494,649	4,934,467	7,622,456	2,526,870	138	-	51,847,471	6.84
- non-performing*	-	-	-	-	-	1,545,415	-	1,545,415	
Clients' and brokers' balances	36,824	-	-	-	-	140,203	-	177,027	0.66
Other assets	1,798	-	245	753	1,139	661,608	168,819	834,362	5.82
Amount due from holding company	1,236,030	-	-	-	-	-	-	1,236,030	6.91
Statutory deposits	-	-	-	-	-	1,905,043	-	1,905,043	
Tax recoverable	-	-	-	-	-	53,032	-	53,032	
Deferred tax assets	-	-	-	-	-	254,767	-	254,767	
Investments in associates	-	-	-	-	-	15,289	-	15,289	
Property, plant and equipment	-	-	-	-	-	782,935	-	782,935	
Goodwill	-	-	-	-	-	1,167,513	-	1,167,513	
<b>Total assets</b>	<b>48,016,345</b>	<b>17,060,873</b>	<b>7,988,076</b>	<b>13,494,588</b>	<b>4,543,788</b>	<b>6,877,744</b>	<b>5,328,561</b>	<b>103,309,975</b>	

\* This is arrived at after deducting the general allowance and specific allowance from the outstanding NPLs.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A29. Interest/Profit Rate Risk (continued)**

Group As at 31 Dec 2006	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate %
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Liabilities and equity</b>									
Deposits from customers	22,611,554	7,156,792	12,883,730	614,609	200	14,258,647	-	57,525,532	3.17
Deposits and placements of banks and other financial institutions	5,999,638	3,427,159	1,110,117	949,725	89,050	1,429	-	11,577,118	3.67
Obligations on securities sold under repurchase agreements	12,720,136	2,275,063	-	-	-	-	-	14,995,199	3.38
Bills and acceptances payable	1,272,468	1,493,303	605,157	-	-	407,830	-	3,778,758	3.88
Clients' and brokers' balances	56,973	-	-	-	-	194,399	-	251,372	2.84
Other liabilities	296,649	9,225	269	706	-	1,529,431	158,231	1,994,511	3.63
Recourse obligation on loans sold to Cagamas	122,267	-	658,771	1,882,468	215,778	-	-	2,879,284	4.52
Taxation	-	-	-	-	-	90,518	-	90,518	
Deferred tax liabilities	-	-	-	-	-	16,522	-	16,522	
Borrowings	615,600	-	-	594,904	341,308	-	-	1,551,812	6.55
Subordinated obligations	-	-	-	1,493,158	-	-	-	1,493,158	6.91
									<b>Effective dividend rate %</b>
INCPS	-	-	-	1,104,469	-	-	-	1,104,469	10.00
<b>Total liabilities</b>	<b>43,695,285</b>	<b>14,361,542</b>	<b>15,258,044</b>	<b>6,640,039</b>	<b>646,336</b>	<b>16,498,776</b>	<b>158,231</b>	<b>97,258,253</b>	
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,051,722</b>	<b>-</b>	<b>6,051,722</b>	
<b>Total liabilities and equity</b>	<b>43,695,285</b>	<b>14,361,542</b>	<b>15,258,044</b>	<b>6,640,039</b>	<b>646,336</b>	<b>22,550,498</b>	<b>158,231</b>	<b>103,309,975</b>	
<b>Total interest-sensitivity gap</b>	<b>4,321,060</b>	<b>2,699,331</b>	<b>(7,269,968)</b>	<b>6,854,549</b>	<b>3,897,452</b>				

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A29. Interest/Profit Rate Risk (continued)**

Company As at 31 Dec 2006	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	12,800	-	-	-	-	598	-	13,398	3.00
Deposits and placements with banks and other financial institutions	-	704	467	-	-	-	-	1,171	3.46
Other assets	-	-	-	-	-	32,857	-	32,857	
Amount due from holding company	1,236,030	-	-	-	-	-	-	1,236,030	6.91
Amounts due from subsidiaries	-	-	-	-	-	126,200	-	126,200	
Tax recoverable	-	-	-	-	-	19,172	-	19,172	
Investments in subsidiaries	-	-	-	-	-	6,911,026	-	6,911,026	
Property, plant and equipment	-	-	-	-	-	1,295	-	1,295	
<b>Total assets</b>	<b>1,248,830</b>	<b>704</b>	<b>467</b>	<b>-</b>	<b>-</b>	<b>7,091,148</b>	<b>-</b>	<b>8,341,149</b>	
<b>Liabilities and equity</b>									
Other liabilities	29	58	269	706	-	39,790	-	40,852	5.40
Amounts due to subsidiaries	11,180	-	-	-	-	3,251,408	-	3,262,588	5.92
Deferred tax liabilities	-	-	-	-	-	45	-	45	
Borrowings	333,200	-	-	594,904	341,308	-	-	1,269,412	6.71
<b>Total liabilities</b>	<b>344,409</b>	<b>58</b>	<b>269</b>	<b>595,610</b>	<b>341,308</b>	<b>3,291,243</b>	<b>-</b>	<b>4,572,897</b>	
Total equity	-	-	-	-	-	3,768,252	-	3,768,252	
<b>Total liabilities and equity</b>	<b>344,409</b>	<b>58</b>	<b>269</b>	<b>595,610</b>	<b>341,308</b>	<b>7,059,495</b>	<b>-</b>	<b>8,341,149</b>	
<b>Total interest-sensitivity gap</b>	<b>904,421</b>	<b>646</b>	<b>198</b>	<b>(595,610)</b>	<b>(341,308)</b>				

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Group	
	As at 31 Mar 2007 RM'000	As at 31 Dec 2006 RM'000
<b>A30. Capital Adequacy Ratio</b>		
<b>Tier I capital</b>		
Paid-up ordinary share capital	1,823,475	1,823,475
Paid-up INCPS	1,104,469	1,104,469
Share premium	1,114,593	1,114,593
Other reserves	1,881,513	1,881,513
Deferred tax assets	(254,767)	(254,767)
Deferred tax liabilities	16,522	16,522
Minority interests	1,123,683	1,123,683
Less: Goodwill	(1,167,513)	(1,167,513)
<b>Total Tier I capital</b>	<b>5,641,975</b>	<b>5,641,975</b>
<b>Tier II capital</b>		
Subordinated obligations	1,482,364	1,493,158
General allowance for bad and doubtful debts	983,751	976,214
<b>Total Tier II capital</b>	<b>2,466,115</b>	<b>2,469,372</b>
<b>Total capital</b>	<b>8,108,090</b>	<b>8,111,347</b>
<b>Less:</b>		
Holdings of other financial institutions capital	(38,427)	(39,998)
<b>Total capital base</b>	<b>8,069,663</b>	<b>8,071,349</b>
<u>Before deducting proposed dividends</u>		
Core capital ratio	8.90%	9.17%
Risk-weighted capital adequacy ratio	12.68%	13.06%
<u>After deducting proposed dividends</u>		
Core capital ratio	8.78%	9.04%
Risk-weighted capital adequacy ratio	12.56%	12.93%



**RHB CAPITAL BERHAD (312952 – H)  
 NOTES TO THE INTERIM FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**A31. Restatement of Comparative Financial Statements**

**FRS 117: Leases**

The adoption of FRS 117 has resulted in a change in accounting policy relating to classification of leasehold land. The up-front payment made for leasehold land represents prepaid land lease and is amortised on a straight-line basis over the remaining lease term. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and is stated at cost less accumulated depreciation and impairment loss.

Upon the adoption of FRS 117, the unamortised carrying amount of leasehold land is classified as prepaid land lease under other assets in accordance with the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid land lease has been accounted for retrospectively and the following comparative figures as at 31 December 2006 have been restated:

	<b>Group</b>	
	<b>As previously reported</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>
Other assets	734,117	834,362
Property, plant and equipment	<u>883,180</u>	<u>782,935</u>

The adoption of this FRS has no impact to the Group's financial results.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B1. Review of Group Results**

For the first quarter ended 31 March 2007, the Group recorded a profit after INCPS dividends, taxation and zakat of RM273.5 million, 35% higher than that of the previous year corresponding quarter of RM203.3 million. The higher profit was mainly due to higher operating profit and lower impairment loss, partly offset by higher allowance for losses on loans and financing.

**B2. Changes in Profit for the Quarter**

For the first quarter ended 31 March 2007, the Group recorded a profit after INCPS dividends, taxation and zakat of RM273.5 million as compared to the profit of RM227.7 million recorded in the preceding quarter ended 31 December 2006. The higher profit was mainly due to lower allowance for losses on loans and financing.

**B3. Prospects for the Financial Year Ending 31 December 2007**

The Malaysian Banking Sector is expected to benefit directly from the buoyant macro economic environment. RHB Capital Group will continue to focus on managing its markets and business segments proactively. The Group will continue to provide its customers with comprehensive financial solutions and product offerings. In addition, the Group will strive towards further growth in its income streams and managing its cost efficiently.

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

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

	<b>1st quarter ended</b>		<b>Three months ended</b>	
	<b>31 Mar 2007</b>	<b>31 Mar 2006</b>	<b>31 Mar 2007</b>	<b>31 Mar 2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	<b>87,593</b>	64,991	<b>87,593</b>	64,991
- overseas tax	<b>64</b>	15	<b>64</b>	15
Deferred tax	<b>(7,493)</b>	6,552	<b>(7,493)</b>	6,552
Tax on INCPS dividends	<b>(7,353)</b>	(7,626)	<b>(7,353)</b>	(7,626)
	<b>72,811</b>	63,932	<b>72,811</b>	63,932
Under/(Over) provision in respect of prior years	<b>496</b>	(36)	<b>496</b>	(36)
	<b>73,307</b>	63,896	<b>73,307</b>	63,896

The effective tax rate of the Group for the first quarter and three months ended 31 March 2007 was lower than statutory tax rate mainly due to the effect of the lower tax rate in Labuan.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B5. Taxation (continued)**

<u>Company</u>	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
	RM'000	RM'000	RM'000	RM'000
Income tax based on profit for the financial period				
- Malaysian income tax	-	13,501	-	13,501
Deferred tax	-	27,539	-	27,539
	-	41,040	-	41,040

No provision for taxation for the first quarter and three months ended 31 March 2007 has been made as the Company is making an operating loss.

**B6. Purchase and Sale of Quoted Securities**

Other than in the ordinary course of business, there were no purchases or sales of quoted securities during the three months ended 31 March 2007.

**B7. Profit on Sale of Unquoted Investments and/or Properties**

Other than in the ordinary course of business, there were no sales of unquoted investments and/or properties during the three months ended 31 March 2007.

**B8. Status of Corporate Proposals**

**(i) EPF proposed unconditional take-over offer for all the remaining ordinary shares of RM1.00 each in RHB Capital not held by EPF**

On 12 March 2007, the Company posted on Bursa Securities' website a press release issued by EPF in respect of the proposed acquisition of the Securities of RHB, the Company's holding company, from Utama Banking Group Berhad ('UBG') for a total cash consideration of approximately RM2,253.0 million ('Proposed EPF Acquisition').

UBG, on 29 March 2007 announced that BNM had, via its letter of the same informed both UBG and EPF that the MOF had approved the Proposed EPF Acquisition and both EPF and UBG had, on 3 April 2007, entered into a conditional sale and purchase agreement ('SPA') for the same.

Upon the completion of the Proposed EPF Acquisition, EPF will hold approximately 62.42% of the issued and paid-up capital of RHB. Pursuant to Section 33B(2) of the Securities Commission Act, 1993 and Part II of the Malaysian Code on Take-Overs and Mergers 1998 ('Code'), EPF would be required to extend an unconditional take-over offer for all the remaining securities of RHB not already owned by EPF based on the same consideration payable to UBG pursuant to the SPA ('Proposed RHB Offer').

In accordance with Practice Note 2.1(2) of the Code and Section 12(3) of the Code, the Notice of Take-Over Offer in respect of the Proposed RHB Offer will be served by EPF on the Board of Directors of RHB upon the SPA becoming unconditional.

Upon EPF obtaining control of RHB through the completion of the SPA, by virtue of RHB Capital being a subsidiary of RHB and pursuant to Practice Note 2.2 of the Code, EPF will also then be obliged to extend an unconditional take-over offer for all the remaining RHBC Shares not already owned by EPF. The offer price will be RM4.80 per RHBC Shares (Please refer to A25(c) 'Material Events Subsequent to the Balance Sheet Date' for further details).

Accordingly, on the date on which the SPA becomes unconditional, EPF will similarly serve a Notice of Take-Over Offer on the Board of the Company. (Please refer to A25(c) 'Material Events Subsequent to the Balance Sheet Date' for further details).

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B8. Status of Corporate Proposals (continued)**

- (i) **EPF proposed unconditional take-over offer for all the remaining ordinary shares of RM1.00 each in RHB Capital not held by EPF (continued)**

EPF may also be obliged to extend an unconditional take-over offer for all the remaining RHB Bank and RHB Insurance shares not already owned by EPF.

**B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings and Subordinated Obligations**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Deposits from customers and placements of banks and other financial institutions</b>		
Fixed deposits, promissory notes and negotiable instrument of deposits		
- one year or less (short term)	<b>37,917,358</b>	36,610,811
- more than one year (medium/long term)	<b>692,769</b>	414,809
Others	<b>20,865,077</b>	20,499,912
	<b><u>59,475,204</u></b>	<u>57,525,532</u>
Deposits and placements of banks and other financial institutions		
- one year or less (short term)	<b>13,683,930</b>	10,560,184
- more than one year (medium/long term)	<b>949,922</b>	1,016,934
	<b><u>14,633,852</u></b>	<u>11,577,118</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings and Subordinated Obligations (continued)**

	Group		Company	
	As at 31 Mar 2007 RM'000	As at 31 Dec 2006 RM'000	As at 31 Mar 2007 RM'000	As at 31 Dec 2006 RM'000
<b>(b) Borrowings</b>				
Secured:				
Term loans	240,000	240,000	240,000	240,000
Revolving credits	13,000	-	13,000	-
Unsecured:				
Revolving credits	108,200	93,200	108,200	93,200
Overdrafts	3,092	-	3,092	-
Term loans	345,750	282,400	-	-
RM600 million 6 years Serial Fixed Rate Bonds	595,262	594,904	595,262	594,904
RM350 million Fixed Rate Bonds	341,617	341,308	341,617	341,308
	<b>1,646,921</b>	<b>1,551,812</b>	<b>1,301,171</b>	<b>1,269,412</b>
Maturity period of borrowings:				
Repayable within one year	111,292	93,200	111,292	93,200
One year to three years	551,159	389,173	551,159	389,173
Three years to five years	297,103	445,731	297,103	445,731
Over five years	687,367	623,708	341,617	341,308
	<b>1,646,921</b>	<b>1,551,812</b>	<b>1,301,171</b>	<b>1,269,412</b>
			<b>Group</b>	
			As at 31 Mar 2007 RM'000	As at 31 Dec 2006 RM'000
<b>(c) Subordinated obligations</b>				
8.2% RM165 million Tier II subordinated bonds 2002/2012			165,000	165,000
6.85% RM800 million Tier II subordinated bonds 2002/2012			800,000	800,000
6.625% USD150 million Tier II subordinated notes 2002/2013			517,364	528,158
			<b>1,482,364</b>	<b>1,493,158</b>

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

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B10. Off-Balance Sheet Financial Instruments**

**Value of Contracts Classified by Remaining Period to Maturity/Next Re-pricing Date (whichever is earlier) as at 31 March 2007**

**Group**

Items	Principal amount RM'million	1 month or less RM'million	> 1 – 3 months RM'million	> 3 – 6 months RM'million	> 6 – 12 months RM'million	> 1 – 5 years RM'million	> 5 years RM'million	Margin requirement RM'million
Foreign exchange related contracts								
- forwards	3,294	1,485	1,247	354	184	24	-	-
- swaps	5,684	2,677	1,729	273	1,002	3	-	-
- options	44	19	14	11	-	-	-	-
- spots	605	605	-	-	-	-	-	-
- cross-currency interest rate swaps	173	-	173	-	-	-	-	-
Interest rate related contracts								
- futures	4,810	-	410	410	720	3,270	-	3
- swaps	4,830	542	474	65	1,592	1,782	375	-
<b>Total</b>	<b>19,440</b>	<b>5,328</b>	<b>4,047</b>	<b>1,113</b>	<b>3,498</b>	<b>5,079</b>	<b>375</b>	<b>3</b>

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

Other than the above, there were no other off-balance sheet transactions in the Group which were not in the ordinary course of business.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B10. Off-Balance Sheet Financial Instruments (continued)**

**Related accounting policies**

Derivative financial instruments and hedge accounting

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

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

(a) Fair value hedge

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

(b) Cash flow hedge

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

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

(c) Derivatives that do not qualify for hedge accounting

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

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B11. Material Litigation**

**(a) Carta Bintang Sdn Bhd**

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

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

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

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

Both parties have filed their respective appeals to the Court of Appeal against the decisions of the Learned High Court Judge (Please refer to A27(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim).

Hearing date for the appeals have yet to be fixed.

**(b) Tan Sri Dato' Abdul Rashid Hussain**

Trial in respect of the above suit has been going on since 2004 and the last hearing date was 24 February 2005.

On 16 December 2005 the High Court dismissed with costs the Company's claim against the defendant.

On 9 January 2006, the Company filed a Notice of Appeal at the Court of Appeal against the decision.

No date has been fixed for hearing of the Notice of Appeal.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B11. Material Litigation (continued)**

**(c) Tan Sri Dato' Abdul Rashid Hussain, Chong Kin Leong, Seah Fook Chin, Tajul Ariffin, Ong Tiang Lock and Rosley Ahmad**

This suit was initially filed by the Company, RHB Securities and RHB Equities. In respect of RHB Securities, with effect from 30 December 2006, the assets and liabilities of RHB Securities including this suit have been vested into RHB Investment Bank pursuant to a vesting order of the High Court. Subsequently, RHB Securities was renamed as RHB Excel on 9 January 2007.

The following is a summary of the litigation from commencement of the suit:

On 28 January 2005, a Writ of Summons had been filed at the High Court of Malaya in Kuala Lumpur by the Company, RHB Excel and RHB Equities against the following individuals:

- (i) Tan Sri Dato' Abdul Rashid bin Hj Mohamed Hussain in his capacity as former Executive Chairman of the Company and RHB Excel and in his capacity as former director of RHB Equities;
- (ii) Mr Chong Kin Leong in his capacity as former director of the Company and RHB Equities;
- (iii) Mr Seah Fook Chin in his capacity as former director of the Company and RHB Equities;
- (iv) Encik Tajul Ariffin bin Mohd Tahir in his capacity as former Executive Director of RHB Excel and in his capacity as former director of RHB Equities;
- (v) Mr Ong Tiang Lock in his capacity as former director of RHB Equities; and
- (vi) Encik Rosley bin Ahmad in his capacity as former principal legal advisor and former Company Secretary of the Company, RHB Excel and RHB Equities;

for a total sum of RM1,430,410,355.96 on the grounds of breach of fiduciary duties, breach of trust, breach of contracts of employment and/or negligence in relation to certain margin finance facilities granted by RHB Equities during the abovenamed individuals' tenure as directors and/or officers of the Company and/or RHB Excel and/or RHB Equities.

On 2 March 2005, the Company, RHB Excel and RHB Equities filed a fresh Writ of Summons ('New Writ') on the additional grounds of dishonest breach of fiduciary duties and fraudulent breach of trust. The earlier Writ of Summons was discontinued upon filing of the New Writ.

The Defendants, the amount claimed from them, and the grounds of claim as stated in the New Writ remains the same as in the earlier Writ of Summons filed on 28 January 2005, save and except for the addition of the grounds of dishonest breach of fiduciary duties and fraudulent breach of trust.

The defendants filed their defences on 12 May 2005. On 23 June 2005, the Company, RHB Excel and RHB Equities filed replies to the defences.

The hearing of the suit had resumed on 3 and 4 May 2007 and will continue on 6 to 10 August 2007, 17 to 21 September 2007 and 22 to 26 October 2007.

RHB Equities is a wholly-owned subsidiary of the Company.

All the above material litigations are not expected to have any material adverse effect on the financial results of the Group.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2007**

**B12. Dividends Declared**

No dividend has been declared for the three months ended 31 March 2007.

	1st quarter ended		Three months ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
<b>B13. Earnings per Share</b>				
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company (RM'000)	<u>146,323</u>	<u>101,141</u>	<u>146,323</u>	<u>101,141</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,823,475</u>	<u>1,823,475</u>	<u>1,823,475</u>	<u>1,823,475</u>
Basic earnings per share (sen)	<u>8.0</u>	<u>5.5</u>	<u>8.0</u>	<u>5.5</u>

**BY ORDER OF THE BOARD**

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

Company secretary

21 May 2007