



RHB Capital Berhad 312952-H
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED 31 MARCH 2011**

The Board of Directors of RHB Capital Berhad ("The Board") wishes to announce that the unaudited interim financial results of the Group and Company for the three months ended 31 March 2011 are as follows:

**INCOME STATEMENTS
 FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	Note	1st quarter ended		Three months ended	
		31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A8	1,293,000	1,068,406	1,293,000	1,068,406
Interest expense	A9	(611,702)	(438,818)	(611,702)	(438,818)
Net interest income		681,298	629,588	681,298	629,588
Other operating income	A10	266,530	247,881	266,530	247,881
		947,828	877,469	947,828	877,469
Income from Islamic Banking business		91,185	82,577	91,185	82,577
Net operating income		1,039,013	960,046	1,039,013	960,046
Other operating expenses	A11	(448,770)	(401,485)	(448,770)	(401,485)
Operating profit before allowances		590,243	558,561	590,243	558,561
Allowance for impairment on loans, financing and other losses	A12	(80,806)	(83,497)	(80,806)	(83,497)
Impairment write back/(losses) on other assets		2,003	(876)	2,003	(876)
		511,440	474,188	511,440	474,188
Share of results of an associate		-	11	-	11
Share of results of a joint venture		132	33	132	33
Profit before taxation		511,572	474,232	511,572	474,232
Taxation	B5	(128,774)	(121,707)	(128,774)	(121,707)
Net profit for the financial period		382,798	352,525	382,798	352,525
Attributable to:					
- Equity holders of the Company		382,124	349,730	382,124	349,730
- Minority interests		674	2,795	674	2,795
		382,798	352,525	382,798	352,525
Earnings per share (sen)					
- Basic	B14	17.7	16.2	17.7	16.2
- Diluted	B14	17.7	16.2	17.7	16.2

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	382,798	352,525	382,798	352,525
Other comprehensive income/(loss):				
Currency translation differences	(15,183)	(42,438)	(15,183)	(42,438)
Financial investments available-for-sale ('AFS')				
- Unrealised net gain/(loss) on revaluation	(10,262)	40,207	(10,262)	40,207
- Net transfer to income statements on disposal or impairment	(7,931)	(24,683)	(7,931)	(24,683)
Income tax relating to components of other comprehensive income/(loss)	4,475	(3,738)	4,475	(3,738)
Other comprehensive loss for the financial period	(28,901)	(30,652)	(28,901)	(30,652)
Total comprehensive income for the financial period	353,897	321,873	353,897	321,873
Total comprehensive income attributable to:				
- Equity holders of the Company	353,230	319,051	353,230	319,051
- Minority interests	667	2,822	667	2,822
	353,897	321,873	353,897	321,873

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	Note	1st quarter ended		Three months ended	
		31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
		RM'000	RM'000	RM'000	RM'000
<u>Company</u>					
Interest income	A8	625	70	625	70
Interest expense	A9	(35,832)	(34,651)	(35,832)	(34,651)
Net interest expense		<u>(35,207)</u>	<u>(34,581)</u>	<u>(35,207)</u>	<u>(34,581)</u>
Other operating income	A10	23,652	541	23,652	541
Net operating loss		<u>(11,555)</u>	<u>(34,040)</u>	<u>(11,555)</u>	<u>(34,040)</u>
Other operating expenses	A11	(6,356)	(4,463)	(6,356)	(4,463)
Loss before taxation		<u>(17,911)</u>	<u>(38,503)</u>	<u>(17,911)</u>	<u>(38,503)</u>
Taxation	B5	4,223	8,660	4,223	8,660
Net loss for the financial period		<u><u>(13,688)</u></u>	<u><u>(29,843)</u></u>	<u><u>(13,688)</u></u>	<u><u>(29,843)</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
<u>Company</u>				
Net loss for the financial period	<u>(13,688)</u>	<u>(29,843)</u>	<u>(13,688)</u>	<u>(29,843)</u>
Other comprehensive income/(loss) for the financial period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the financial period	<u>(13,688)</u>	<u>(29,843)</u>	<u>(13,688)</u>	<u>(29,843)</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

		Unaudited As at 31 Mar 2011	Audited As at 31 Dec 2010
	Note	<u>RM'000</u>	<u>RM'000</u>
Group			
ASSETS			
Cash and short-term funds		11,853,904	14,754,516
Securities purchased under resale agreements		-	276,407
Deposits and placements with banks and other financial institutions		2,124,954	1,023,526
Financial assets held-for-trading	A13	1,356,884	772,254
Financial investments AFS	A14	13,506,931	13,374,857
Financial investments held-to-maturity	A15	12,282,562	10,869,550
Loans, advances and financing	A16	84,794,103	81,228,093
Clients' and brokers' balances		524,230	421,127
Other assets	A17	635,902	589,156
Derivative assets		244,382	310,905
Statutory deposits		527,376	459,554
Tax recoverable		142,674	129,371
Deferred tax assets		274,026	261,105
Investments in a joint venture		24,253	25,044
Property, plant and equipment		1,036,962	1,023,170
Goodwill		3,806,860	3,806,860
Total assets		<u>133,136,003</u>	<u>129,325,495</u>
LIABILITIES AND EQUITY			
Deposits from customers	A18/B9(a)	98,901,204	94,433,828
Deposits and placements of banks and other financial institutions	A19/B9(a)	9,684,565	10,066,157
Bills and acceptances payable		3,255,078	3,536,140
Clients' and brokers' balances		815,442	610,360
Other liabilities	A20	1,591,747	1,527,724
Derivative liabilities		187,902	253,704
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		668,674	818,503
Taxation		70,180	172,595
Deferred tax liabilities		467	4,514
Borrowings	B9(b)	3,717,574	4,064,323
Subordinated obligations	B9(c)	3,305,801	3,264,284
Hybrid Tier-1 Capital Securities	B9(d)	611,496	600,393
Total liabilities		<u>122,810,130</u>	<u>119,352,525</u>
Share capital		2,153,475	2,153,475
Reserves		8,161,912	7,808,682
		10,315,387	9,962,157
Minority interests		10,486	10,813
Total equity		<u>10,325,873</u>	<u>9,972,970</u>
Total liabilities and equity		<u>133,136,003</u>	<u>129,325,495</u>
Commitments and contingencies	A25(a)	<u>72,183,050</u>	<u>69,418,274</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>4.79</u>	<u>4.63</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

<u>Company</u>	Note	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
ASSETS			
Cash and short term funds		17,950	346,009
Deposits and placements with banks and other financial institutions		897	891
Other assets	A17	156,742	153,347
Amounts due from subsidiaries		36,201	35,787
Tax recoverable		118,848	113,009
Deferred tax assets		4,278	-
Investments in subsidiaries		8,691,602	8,691,602
Property, plant and equipment		738	757
Total assets		<u>9,027,256</u>	<u>9,341,402</u>
LIABILITIES AND EQUITY			
Other liabilities	A20	2,596	4,611
Amounts due to subsidiaries		6,716	6,146
Deferred tax liabilities		-	25
Borrowings	B9(b)	3,298,774	3,597,762
Total liabilities		<u>3,308,086</u>	<u>3,608,544</u>
Share capital		2,153,475	2,153,475
Reserves		3,565,695	3,579,383
Total equity		<u>5,719,170</u>	<u>5,732,858</u>
Total liabilities and equity		<u>9,027,256</u>	<u>9,341,402</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	← Attributable to equity holders of the Company →							Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	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	
Group										
Balance as at 1 January 2011	2,153,475	2,352,093	2,603,964	27,815	153,872	(76,854)	2,747,792	9,962,157	10,813	9,972,970
Net profit for the financial period	-	-	-	-	-	-	382,124	382,124	674	382,798
Currency translation differences	-	-	-	-	-	(15,183)	-	(15,183)	-	(15,183)
Financial investments AFS										
- Unrealised net loss on revaluation	-	-	-	-	(10,253)	-	-	(10,253)	(9)	(10,262)
- Net transfer to income statements on disposal or impairment	-	-	-	-	(7,931)	-	-	(7,931)	-	(7,931)
Income tax relating to components of other comprehensive loss	-	-	-	-	4,473	-	-	4,473	2	4,475
Other comprehensive loss for the financial period	-	-	-	-	(13,711)	(15,183)	-	(28,894)	(7)	(28,901)
Total comprehensive income/(loss) for the financial period	-	-	-	-	(13,711)	(15,183)	382,124	353,230	667	353,897
Ordinary dividends	-	-	-	-	-	-	-	-	(994)	(994)
Balance as at 31 March 2011	2,153,475	2,352,093	2,603,964	27,815	140,161	(92,037)	3,129,916	10,315,387	10,486	10,325,873

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	← Attributable to equity holders of the Company →							Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	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
Group										
Balance as at 1 January 2010	2,153,475	2,352,093	2,246,611	8,563	82,359	(8,254)	2,047,478	8,882,325	32,441	8,914,766
Net profit for the financial period	-	-	-	-	-	-	349,730	349,730	2,795	352,525
Currency translation differences	-	-	-	-	-	(42,438)	-	(42,438)	-	(42,438)
Financial investments AFS										
- Unrealised net gain/(loss) on revaluation	-	-	-	-	40,374	-	-	40,374	(167)	40,207
- Net transfer to income statements on disposal or impairment	-	-	-	-	(24,887)	-	-	(24,887)	204	(24,683)
Income tax relating to components of other comprehensive income	-	-	-	-	(3,728)	-	-	(3,728)	(10)	(3,738)
Other comprehensive income/(loss) for the financial period	-	-	-	-	11,759	(42,438)	-	(30,679)	27	(30,652)
Total comprehensive income/(loss) for the financial period	-	-	-	-	11,759	(42,438)	349,730	319,051	2,822	321,873
Balance as at 31 March 2010	<u>2,153,475</u>	<u>2,352,093</u>	<u>2,246,611</u>	<u>8,563</u>	<u>94,118</u>	<u>(50,692)</u>	<u>2,397,208</u>	<u>9,201,376</u>	<u>35,263</u>	<u>9,236,639</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	<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
<u>Company</u>				
Balance as at 1 January 2011	2,153,475	2,352,093	1,227,290	5,732,858
Net loss for the financial period	-	-	(13,688)	(13,688)
Balance as at 31 March 2011	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,213,602</u>	<u>5,719,170</u>
Balance as at 1 January 2010	2,153,475	2,352,093	1,268,445	5,774,013
Net loss for the financial period	-	-	(29,843)	(29,843)
Balance as at 31 March 2010	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,238,602</u>	<u>5,744,170</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	Three months ended	
	31 Mar 2011	31 Mar 2010
	RM'000	RM'000
Group		
Cash flows from operating activities		
Profit before taxation	511,572	474,232
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	(59,441)	(69,294)
Operating profit before working capital changes	452,131	404,938
Net changes in operating assets	(5,409,814)	(2,373,353)
Net changes in operating liabilities	3,976,421	(417,705)
Cash used in operations	(981,262)	(2,386,120)
Taxation paid	(256,679)	(88,969)
Taxation recovered	-	2,066
Net cash used in operating activities	<u>(1,237,941)</u>	<u>(2,473,023)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(40,127)	(33,793)
Net purchase of financial investments AFS and held-to-maturity	(1,558,191)	(1,902,847)
Interest received from financial investments AFS and held-to-maturity	232,434	193,503
Investment income received from financial investments AFS and held-to-maturity	26,233	23,783
Dividend income received from financial assets held-for-trading and financial investments AFS and held-to-maturity	2,238	883
Proceeds from disposal of property, plant and equipment	5,170	94
Net cash used in investing activities	<u>(1,332,243)</u>	<u>(1,718,377)</u>
Cash flows from financing activities		
Drawdown of borrowings	35,300	65,250
Repayment of borrowings	(364,885)	(166,710)
Dividend paid to minority interests in a subsidiary company	(994)	-
Net cash used in financing activities	<u>(330,579)</u>	<u>(101,460)</u>
Net decrease in cash and cash equivalents	(2,900,763)	(4,292,860)
Cash and cash equivalents		
- at the beginning of the financial period	14,754,516	16,673,904
- at the end of the financial period	<u>11,853,753</u>	<u>12,381,044</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	11,853,904	12,381,467
Overdrafts	(151)	(423)
	<u>11,853,753</u>	<u>12,381,044</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	Three months ended	
	31 Mar 2011	31 Mar 2010
	RM'000	RM'000
Company		
Cash flows from operating activities		
Loss before taxation	(17,911)	(38,503)
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	12,025	34,061
Operating loss before working capital changes	(5,886)	(4,442)
Net changes in operating assets	(2,910)	177
Net changes in operating liabilities	(2,014)	(3,386)
Net cash used in operating activities	<u>(10,810)</u>	<u>(7,651)</u>
Cash flows from investing activities		
Dividend income received from subsidiaries	17,756	-
Purchase of property, plant and equipment	(34)	-
Interest income received	266	250
Net cash generated from investing activities	<u>17,988</u>	<u>250</u>
Cash flows from financing activities		
Drawdown of borrowings	35,300	95,600
Repayment of borrowings	(334,550)	(150,000)
Interest expense paid	(36,138)	(37,401)
Net cash used in financing activities	<u>(335,388)</u>	<u>(91,801)</u>
Net decrease in cash and cash equivalents	(328,210)	(99,202)
Cash and cash equivalents		
- at the beginning of the financial period	346,009	99,562
- at the end of the financial period	<u>17,799</u>	<u>360</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	17,950	783
Overdrafts	(151)	(423)
	<u>17,799</u>	<u>360</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

A1. Basis of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Financial Reporting Standard ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ('MASB') 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 2010.

The accounting policies and presentation adopted by the Group and the Company for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2011:

Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
TR i-4	Shariah Compliant Sale Contracts
Improvements to FRSs (2010)	
- FRS 3	Business Combinations
- FRS 127	Consolidated and Separate Financial Statements
- FRS 101	Presentation of Financial Statements
- FRS 138	Intangible Assets
- IC Interpretation 9	Reassessment of Embedded Derivatives
- Amendments of FRS 138	Intangible Assets
- Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The revised FRS 3 'Business Combinations' (effective prospectively from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The revised FRS 127 'Consolidated and Separate Financial Statements' (applies prospectively to transactions with non-controlling interests from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

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



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2010 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The business operations of the Group and the Company 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 2011.

A5. 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 2011.

A6. Changes in Debt and Equity Securities

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

A7. Dividends Paid

No dividend has been paid during the three months ended 31 March 2011.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
A8. Interest Income				
<u>Group</u>				
Loans, advances and financing	1,012,669	808,134	1,012,669	808,134
Money at call and deposits and placements with banks and other financial institutions	72,866	74,740	72,866	74,740
Securities purchased under resale agreements	90	5,454	90	5,454
Financial assets held-for-trading	3,374	4,330	3,374	4,330
Financial investments AFS	99,233	80,582	99,233	80,582
Financial investments held-to-maturity	102,553	89,130	102,553	89,130
Others	2,215	6,036	2,215	6,036
	<u>1,293,000</u>	<u>1,068,406</u>	<u>1,293,000</u>	<u>1,068,406</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>2,442</u>	<u>9,371</u>	<u>2,442</u>	<u>9,371</u>
<u>Company</u>				
Money at call and deposits and placements with banks and other financial institutions	7	70	7	70
Others	618	-	618	-
	<u>625</u>	<u>70</u>	<u>625</u>	<u>70</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A9. Interest Expense				
<u>Group</u>				
Deposits and placements of banks and other financial institutions	34,980	22,054	34,980	22,054
Deposits from customers	468,935	311,160	468,935	311,160
Borrowings	34,474	35,219	34,474	35,219
Subordinated obligations	41,517	28,679	41,517	28,679
Hybrid Tier-1 Capital Securities	11,102	11,098	11,102	11,098
Recourse obligation on loans sold to Cagamas	8,298	14,181	8,298	14,181
Others	12,396	16,427	12,396	16,427
	611,702	438,818	611,702	438,818
<u>Company</u>				
Borrowings	35,822	34,643	35,822	34,643
Others	10	8	10	8
	35,832	34,651	35,832	34,651



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	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income				
Group				
Fee income				
- Service charges and fees	51,234	40,674	51,234	40,674
- Commission	27,149	27,396	27,149	27,396
- Guarantee fees	7,933	7,967	7,933	7,967
- Commitment fees	12,724	12,467	12,724	12,467
- Brokerage	27,343	21,195	27,343	21,195
- Fund management fees	5,007	5,797	5,007	5,797
- Corporate advisory fees	2,685	2,288	2,685	2,288
- Underwriting and arrangement fees	2,301	9,394	2,301	9,394
- Unit trust fee income	1,423	144	1,423	144
- Other fee income	5,125	4,151	5,125	4,151
	142,924	131,473	142,924	131,473
Net gain arising from financial assets held-for-trading				
- net gain on disposal	8,098	2,824	8,098	2,824
- unrealised gain on revaluation	1,435	4,754	1,435	4,754
- gross dividend income	603	481	603	481
	10,136	8,059	10,136	8,059
Net gain on revaluation of derivatives	9,222	2,973	9,222	2,973
Net gain arising from financial investments AFS				
- net gain on disposal	6,957	25,845	6,957	25,845
- gross dividend income	1,689	448	1,689	448
	8,646	26,293	8,646	26,293
Net gain arising from financial investments held-to-maturity				
- net gain on redemption	1,100	20	1,100	20
- gross dividend income	-	45	-	45
	1,100	65	1,100	65



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	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income (continued)				
Other income				
- Foreign exchange gain/(loss)				
- realised	70,489	46,517	70,489	46,517
- unrealised	(14,628)	3,313	(14,628)	3,313
- Insurance underwriting surplus before management expenses	20,303	15,988	20,303	15,988
- Rental income	583	704	583	704
- Net gain on disposal of property, plant and equipment	4,758	87	4,758	87
- Other operating income	12,673	10,946	12,673	10,946
- Other non-operating income	324	1,463	324	1,463
	<u>94,502</u>	<u>79,018</u>	<u>94,502</u>	<u>79,018</u>
	<u>266,530</u>	<u>247,881</u>	<u>266,530</u>	<u>247,881</u>
 Company				
Gross dividend income from:				
- Subsidiaries	<u>23,675</u>	-	<u>23,675</u>	-
 Other income				
- Foreign exchange gain/(loss)				
- unrealised	(23)	541	(23)	541
	<u>23,652</u>	<u>541</u>	<u>23,652</u>	<u>541</u>



RHB CAPITAL BERHAD (312952 – H)
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	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses				
Group				
Personnel costs				
- Salaries, bonus, wages and allowances	242,140	197,504	242,140	197,504
- Defined contribution plan	36,026	29,726	36,026	29,726
- Other staff related costs	20,052	16,061	20,052	16,061
	298,218	243,291	298,218	243,291
Establishment costs				
- Property, plant and equipment				
- Depreciation	26,707	21,579	26,707	21,579
- Written off	19	-	19	-
- Information technology expenses	26,179	28,109	26,179	28,109
- Repair and maintenance	14,038	11,990	14,038	11,990
- Rental of premises	12,158	11,049	12,158	11,049
- Water and electricity	5,566	4,746	5,566	4,746
- Rental of equipment	2,473	2,533	2,473	2,533
- Insurance	881	7,840	881	7,840
- Others	2,514	2,365	2,514	2,365
	90,535	90,211	90,535	90,211
Marketing expenses				
- Sales commission	3,384	943	3,384	943
- Advertisements and publicity	7,733	4,273	7,733	4,273
- Others	16,240	14,594	16,240	14,594
	27,357	19,810	27,357	19,810
Administration and general expenses				
- Communication expenses	24,667	21,064	24,667	21,064
- Legal and professional fee	1,807	4,396	1,807	4,405
- Others	6,186	22,713	6,186	22,704
	32,660	48,173	32,660	48,173
	448,770	401,485	448,770	401,485



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	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses (continued)				
<u>Company</u>				
Personnel costs				
- Salaries, bonus, wages and allowances	3,798	2,711	3,798	2,711
- Defined contribution plan	602	427	602	427
- Other staff related costs	432	189	432	189
	<u>4,832</u>	<u>3,327</u>	<u>4,832</u>	<u>3,327</u>
Establishment costs				
- Rental of premises	301	300	301	300
- Depreciation of property, plant and equipment	53	21	53	21
- Repair and maintenance	39	50	39	50
- Rental of equipment	10	10	10	10
- Water and electricity	20	13	20	13
- Information technology expenses	2	2	2	2
	<u>425</u>	<u>396</u>	<u>425</u>	<u>396</u>
Marketing expenses				
- Others	272	139	272	139
	<u>272</u>	<u>139</u>	<u>272</u>	<u>139</u>
Administration and general expenses				
- Communication expenses	49	63	49	63
- Legal and professional fee	659	456	659	456
- Others	119	82	119	82
	<u>827</u>	<u>601</u>	<u>827</u>	<u>601</u>
	<u>6,356</u>	<u>4,463</u>	<u>6,356</u>	<u>4,463</u>



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	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A12. Allowance for Impairment on Loans, Financing and Other Losses				
<u>Group</u>				
Allowance for impaired loans and financing:				
- Individual impairment allowance made/(write back)	(6,972)	38,631	(6,972)	38,631
- Collective impairment allowance made	164,541	90,054	164,541	90,054
Impaired loans and financing recovered	(79,204)	(41,398)	(79,204)	(41,398)
Allowance made/(write back) for impairment on other assets	2,441	(3,790)	2,441	(3,790)
	80,806	83,497	80,806	83,497



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	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
A13. Financial Assets Held-for-trading		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	258,112	-
Malaysian government treasury bills	1,407	-
Malaysian government investment issues	180,409	45,621
BNM monetary notes	437,906	366,768
Negotiable instruments of deposits	-	51,502
Singapore government treasury bills	319,476	119,367
Thailand government bonds	9,969	10,216
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Shares	81,175	69,896
Unit trusts	1,041	1,059
Outside Malaysia		
Shares	2,580	2,457
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	64,809	105,368
	<u>1,356,884</u>	<u>772,254</u>



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A14. Financial Investments Available-for-sale		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	4,508,835	4,520,680
Malaysian government investment issues	3,088,720	3,080,615
Cagamas bonds	646,226	591,416
Khazanah bonds	12,073	11,984
Negotiable instruments of deposits	-	108,163
Banker's acceptances and Islamic accepted bills	31,777	93,868
Singapore government securities	130,004	128,445
Singapore government treasury bills	192,741	26,258
Thailand government bonds	94,731	112,140
1 Malaysia sukuk	86,568	86,032
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Corporate loan stocks	17,627	15,408
Shares	5,749	4,310
Outside Malaysia		
Shares	35	17
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	3,983,288	3,910,065
Shares	360,862	360,862
Corporate loan stocks	129,377	129,634
Unit trusts	190,972	168,495
Redeemable Convertible Preference Shares	15,130	13,980
Outside Malaysia		
Private debt securities	11,671	11,921
Corporate loan stocks	545	564
	<u>13,506,931</u>	<u>13,374,857</u>



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A15. Financial Investments Held-to-maturity		
At amortised cost		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	3,023,469	2,993,642
Malaysian government investment issues	1,623,760	1,371,160
Cagamas bonds and Cagamas Mudharabah bonds	1,242,696	773,645
Khazanah bonds	53,228	52,631
Negotiable instruments of deposits	1,302,964	1,103,432
Singapore government securities	120,650	120,730
Thailand government securities	228,131	223,230
Sukuk (Brunei) Incorporation	12,016	23,873
Singapore government treasury bills	16,822	9,549
Bankers' acceptances	172,883	-
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	2,627,431	2,396,089
Corporate loan stocks	80,958	81,107
Bonds	35,562	25,137
Prasarana bonds	1,906,004	1,860,387
Outside Malaysia		
Private debt securities	18,436	18,520
Structured paper	32,475	32,564
	<u>12,497,485</u>	<u>11,085,696</u>
Accumulated impairment losses	<u>(214,923)</u>	<u>(216,146)</u>
	<u>12,282,562</u>	<u>10,869,550</u>



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing		
At amortised cost		
Overdrafts	5,942,709	6,092,693
Term loans/financing		
- housing loans/financing	18,901,506	18,277,357
- syndicated term loans/financing	2,298,641	2,033,985
- hire-purchase receivables	11,416,332	10,956,570
- lease receivables	138,547	146,399
- other term loans/financing	35,051,207	33,530,820
Bills receivable	1,597,923	1,507,021
Trust receipts	355,429	343,170
Claims on customers under acceptance credits	5,015,779	4,632,725
Staff loans/financing	344,918	350,587
Credit/charge cards receivables	1,632,429	1,644,995
Revolving credits	4,628,191	4,193,922
Gross loans, advances and financing	87,323,611	83,710,244
Allowance for impaired loans and financing		
- individual impairment allowance	(848,314)	(855,782)
- collective impairment allowance	(1,681,194)	(1,626,369)
Net loans, advances and financing	84,794,103	81,228,093

Included in term loans are housing loans sold to Cagamas with recourse amounting to RM668.7 million (31.12.2010: RM818.5 million).



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing (continued)		
(a) By type of customer		
Domestic non-bank financial institutions		
- others	321,538	315,707
Domestic business enterprises		
- small medium enterprises	11,018,912	11,044,473
- others	22,876,539	22,141,219
Government and statutory bodies	9,191,080	9,204,927
Individuals	38,928,154	36,474,819
Other domestic entities	8,862	8,324
Foreign entities	4,978,526	4,520,775
	<u>87,323,611</u>	<u>83,710,244</u>
(b) By geographical distribution		
In Malaysia	83,434,160	80,067,443
Outside Malaysia		
- Singapore operations	3,452,111	3,191,218
- Thailand operations	285,671	297,308
- Brunei operations	151,669	154,275
	<u>87,323,611</u>	<u>83,710,244</u>
(c) By interest/profit rate sensitivity		
Fixed rate		
- housing loans/financing	1,568,378	1,523,367
- hire-purchase receivables	11,403,526	10,956,595
- other fixed rate loans/financing	14,427,131	14,207,886
Variable rate		
- base lending/financing rate plus	34,749,413	32,736,627
- cost-plus	20,776,833	19,946,768
- other variable rates	4,398,330	4,339,001
	<u>87,323,611</u>	<u>83,710,244</u>



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing (continued)		
(d) By purpose		
Purchase of securities	5,266,179	4,007,645
Purchase of transport vehicles	10,028,619	9,567,623
Purchase of landed property:		
- residential	19,429,381	18,841,064
- non-residential	4,868,347	4,761,379
Purchase of property, plant and equipment other than land and building	3,256,915	3,336,170
Personal use	3,708,323	3,535,354
Credit card	1,632,429	1,644,995
Purchase of consumer durables	51,282	54,295
Construction	2,774,697	2,593,596
Working capital	21,864,125	20,693,990
Merger and acquisition	2,522,429	2,432,562
Other purpose	11,920,885	12,241,571
	<u>87,323,611</u>	<u>83,710,244</u>
(e) By remaining contractual maturities		
Maturity within one year	29,041,930	28,641,800
One year to three years	4,769,152	4,692,466
Three years to five years	10,158,936	10,023,354
Over five years	43,353,593	40,352,624
	<u>87,323,611</u>	<u>83,710,244</u>



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing (continued)		
(f) Impaired loans, advances and financing		
(i) Movements in impaired loans, advances and financing are as follows:		
Balance as at the beginning of the financial period/year	3,672,175	4,637,568
Classified as impaired during the financial period/year	843,852	3,881,193
Amount recovered	(132,103)	(961,325)
Reclassified as non-impaired during the financial period/year	(674,575)	(2,789,193)
Amount written off	(113,003)	(1,084,148)
Exchange difference	(1,730)	(11,920)
Balance as at the end of the financial period/year	<u>3,594,616</u>	<u>3,672,175</u>
(ii) By purpose		
Purchase of securities	54,969	83,475
Purchase of transport vehicles	238,047	241,331
Purchase of landed property:		
- residential	1,141,319	1,163,245
- non-residential	244,914	251,257
Purchase of property, plant and equipment other than land and building	171,650	203,251
Personal use	81,131	90,835
Credit card	81,884	78,954
Purchase of consumer durables	2,647	2,983
Construction	174,615	174,628
Working capital	1,393,379	1,370,284
Other purpose	10,061	11,932
	<u>3,594,616</u>	<u>3,672,175</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
A16. Loans, Advances and Financing (continued)		
(f) Impaired loans, advances and financing (continued)		
(iii) By geographical distribution		
In Malaysia	3,439,644	3,516,560
Outside Malaysia		
- Singapore operations	127,341	127,892
- Thailand operations	21,987	22,371
- Brunei operations	5,644	5,352
	<u>3,594,616</u>	<u>3,672,175</u>
(iv) Movements in allowance for impaired loans, advances and financing:		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period/year	855,782	1,351,202
Allowance made	360	256,823
Amount recovered	(7,332)	(73,709)
Amount written off	(413)	(672,014)
Exchange difference	(83)	(6,520)
Balance as at the end of the financial period/year	<u>848,314</u>	<u>855,782</u>
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period/year	1,626,369	1,614,354
Allowance made	213,519	677,250
Amount recovered	(48,978)	(258,287)
Amount written off	(109,346)	(403,105)
Exchange difference	(370)	(3,843)
Balance as at the end of the financial period/year	<u>1,681,194</u>	<u>1,626,369</u>



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	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
A17. Other Assets				
Other debtors, deposits and prepayments	356,184	322,193	44,227	40,832
Reinsurance assets	167,203	154,448	-	-
Deposit for proposed acquisition of PT Bank Mestika Dharma (refer to Note B8(a))	112,515	112,515	112,515	112,515
	<u>635,902</u>	<u>589,156</u>	<u>156,742</u>	<u>153,347</u>

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
A18. Deposits from Customers		
(a) By type of deposits		
Demand deposits	19,921,805	19,523,082
Savings deposits	6,116,060	5,832,118
Fixed/investment deposits	72,616,524	68,829,333
Negotiable instruments of deposits	246,815	249,295
	<u>98,901,204</u>	<u>94,433,828</u>
(b) By type of customer		
Government and statutory bodies	8,600,227	8,424,043
Business enterprises	57,861,003	54,623,226
Individuals	28,559,994	27,507,468
Others	3,879,980	3,879,091
	<u>98,901,204</u>	<u>94,433,828</u>
(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits		
Due within six months	63,498,695	58,855,201
Six months to one year	8,079,039	9,744,919
One year to three years	1,252,867	449,560
Three years to five years	32,738	28,948
	<u>72,863,339</u>	<u>69,078,628</u>



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A19. Deposits and Placements of Banks and Other Financial Institutions		
Licensed banks	5,693,880	5,228,464
Licensed investment banks	151,327	153,442
BNM	1,974,041	2,197,885
Other financial institutions	1,865,317	2,486,366
	<u>9,684,565</u>	<u>10,066,157</u>

	Group		Company	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A20. Other Liabilities				
Other creditors and accruals	964,642	843,879	2,596	4,611
General insurance contract liabilities	404,159	379,176	-	-
Short term employee benefits	47,628	148,068	-	-
Lessee deposits	63,444	65,050	-	-
Prepaid instalment	78,546	77,670	-	-
Remisiers' trust deposits	10,243	10,016	-	-
Amount due to Danaharta	1,785	1,796	-	-
Amount payable for creation of units due to funds	21,300	2,069	-	-
	<u>1,591,747</u>	<u>1,527,724</u>	<u>2,596</u>	<u>4,611</u>



RHB CAPITAL BERHAD (312952 – H)
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A21. Segment Information

Revenue and Results

Three months ended 31 March 2011

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury and Money Market	Islamic Banking Business	Global Financial Banking	Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
External revenue	188,006	465,619	164,927	167,617	76,906	48,541	12,626	-	1,124,242
Inter-segment revenue	4,371	3,428	-	4,265	(3,476)	689	6,795	(16,072)	-
Segment revenue*	192,377	469,047	164,927	171,882	73,430	49,230	19,421	(16,072)	1,124,242
Overhead expenses	(63,594)	(164,292)	(71,209)	(10,874)	(4,059)	(24,518)	(15,796)	16,072	(338,270)
Of which:									
Depreciation of property, plant and equipment	(1,903)	(15,359)	(3,181)	(1,088)	(2,007)	(1,148)	(2,021)	-	(26,707)
Allowance (made)/write back for impairment on loans, financing and other losses	2,670	(81,659)	14,745	-	(16,110)	(452)	-	-	(80,806)
Impairment (losses)/write back on other assets	25	(19)	952	1,045	-	-	-	-	2,003
Profit before unallocated expenses	131,478	223,077	109,415	162,053	53,261	24,260	3,625	-	707,169
Unallocated expenses									(195,729)
Profit after unallocated expenses									511,440
Share of results of a joint venture									132
Profit before taxation									511,572
Taxation									(128,774)
Net profit for the financial period									382,798

* Total segment revenue comprise of net interest income (excluding interest expense on borrowings, subordinated obligations and Hybrid Tier-1 Capital Securities amounting to RM85.2 million), other operating income and income from Islamic banking business.



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A21. Segment Information (continued)

Revenue and Results

Three months ended 31 March 2010

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury and Money Market	Islamic Banking Business	Global Financial Banking	Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
External revenue	160,967	395,909	157,778	198,277	71,413	45,093	3,126	-	1,032,563
Inter-segment revenue	2,327	3,901	-	2,610	(1,807)	694	5,057	(12,782)	-
Segment revenue*	163,294	399,810	157,778	200,887	69,606	45,787	8,183	(12,782)	1,032,563
Overhead expenses	(60,537)	(127,620)	(66,097)	(11,797)	(4,940)	(27,216)	(11,056)	12,782	(296,481)
Of which:									
Depreciation of property, plant and equipment	(2,142)	(3,160)	(10,639)	(1,053)	(2,137)	(946)	(1,502)	-	(21,579)
Allowance (made)/write back for impairment on loans, financing and other losses	76,768	(77,334)	(37,877)	-	(42,565)	(2,489)	-	-	(83,497)
Impairment (losses)/write back on other assets	-	(1,083)	-	207	-	-	-	-	(876)
Profit before unallocated expenses	179,525	193,773	53,804	189,297	22,101	16,082	(2,873)	-	651,709
Unallocated expenses									(177,521)
Profit after unallocated expenses									474,188
Share of results of an associate									11
Share of results of a joint venture									33
Profit before taxation									474,232
Taxation									(121,707)
Net profit for the financial period									352,525

* Total segment revenue comprise of net interest income (excluding interest expense on borrowings, subordinated obligations and Hybrid Tier-1 Capital Securities amounting to RM72.5 million), other operating income and income from Islamic banking business.



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A22. Valuation of Property, Plant and Equipment

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

A23. Material Events Subsequent to the Balance Sheet Date

Except for the updates on the proposed acquisition of PT Bank Mestika Dharma as disclosed in Note B8(a) and proposed multi-currency Euro Medium Term Note Programme for RHB Bank as disclosed in Note B8(d), there were no material events subsequent to the balance sheet date that have not been reflected in the financial statements.

A24. Changes in Composition of the Group

There were no significant changes in the composition of the Group for the three months ended 31 March 2011.



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A25. 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 condensed financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

Group	Unaudited			Audited		
	As at 31 Mar 2011			As at 31 Dec 2010		
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,981,832	1,915,268	2,043,646	2,366,972	2,301,345	2,575,444
Transaction-related contingent items	1,824,460	888,680	1,000,053	1,905,733	929,964	963,854
Short term self-liquidating trade-related contingencies	608,959	119,721	101,505	825,269	162,953	125,968
Obligations under underwriting agreements	157,000	78,500	37,500	206,762	103,381	44,300
Other assets sold with recourse and commitments with certain drawdown	227,368	227,368	45,474	-	-	-
Irrevocable commitments to extend credit						
- maturity not exceeding one year	29,454,397	5,389,780	4,309,108	30,970,754	1,582,218	955,370
- maturity exceeding one year	5,144,622	1,350,169	1,197,613	4,388,898	1,302,303	1,079,919
Foreign exchange related contracts						
- less than one year	17,715,116	330,468	146,200	14,267,825	306,554	157,387
- one year to less than five years	1,185,326	560,705	301,489	1,183,447	564,225	300,962
Interest rate related contracts						
- less than one year	3,079,117	11,075	2,828	2,676,825	11,996	3,173
- one year to less than five years	9,990,455	312,415	77,683	9,980,957	316,358	77,240
- more than five years	530,000	47,361	9,473	530,000	50,241	10,048
Commodity contracts						
- less than one year	149,220	-	-	17,628	-	-
Others	135,178	51,080	26,297	97,204	-	-
	72,183,050	11,282,590	9,298,869	69,418,274	7,631,538	6,293,665

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



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A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date

(a) Commitments and Contingencies (continued)

The credit equivalent amount ('CE') and risk weighted amount ('RWA') of the Group are an aggregate of CE and RWA of:

- (i) its commercial banking subsidiary, which is computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Internal Ratings Based ('IRB') Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II);
- (ii) its Islamic banking subsidiary, which is computed in accordance with BNM's Capital Adequacy Framework for Islamic banks (CAFIB): Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II); and
- (iii) its investment banking subsidiary, which is computed in accordance with 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).

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 its offshore banking business in the Federal Territory of Labuan.

RHB Bank has also given a guarantee to Ministry of Finance of Negara Brunei Darussalam to undertake any liabilities which may be incurred in respect of its branch in Brunei. In addition, RHB Bank has issued a guarantee to Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its branch in Bangkok.



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A25. 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 of RM68,000,000 (31.12.2010: RM68,000,000) for performance guarantees of one of its subsidiary 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 B12(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 2011.

A26. Capital Commitments

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
Capital expenditure for property, plant and equipment:		
- authorised and contracted for	55,646	71,673
- authorised but not contracted for	<u>108,293</u>	<u>103,668</u>
	163,939	175,341
Proposed acquisition of PT Bank Mestika Dharma (refer to Note B8(a))	<u>1,050,611</u>	1,050,611
	<u>1,214,550</u>	<u>1,225,952</u>



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A27. Capital Adequacy Ratio

BNM guidelines on capital adequacy requires RHB Bank Berhad ('RHB Bank'), RHB Investment Bank Berhad ('RHB Investment Bank') and RHB Islamic Bank Berhad ('RHB Islamic 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 ratios of RHB Bank are computed based on BNM's Guidelines on Risk Weighted Capital Adequacy Framework: IRB Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II). The capital ratios of RHB Investment 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). The capital ratios of RHB Islamic Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

(a) The capital adequacy ratios of RHB Bank, RHB Investment Bank and RHB Islamic Bank are as follows:

	RHB Bank[®]		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier I capital						
Paid-up ordinary share capital	3,318,085	3,318,085	263,646	263,646	523,424	523,424
Hybrid Tier-1 Capital Securities	597,285	597,227	-	-	-	-
Share premium	8,563	8,563	-	-	-	-
Retained profits	2,492,142	2,492,142	93,912	93,912	222,371	222,371
Other reserves (exclude AFS reserves)	2,673,342	2,673,342	278,549	278,549	231,484	231,484
Less: Deferred tax assets	(265,300)	(265,300)	(1,315)	(1,315)	(33,269)	(33,269)
Goodwill	(905,519)	(905,519)	(159,280)	(159,280)	-	-
Total Tier I capital	7,918,598	7,918,540	475,512	475,512	944,010	944,010
Tier II capital						
Subordinated obligations	3,000,000	3,000,000	237,755	237,756	-	-
Collective assessment allowance [^]	280,193	263,786	1,085	1,117	110,987	103,037
Total Tier II capital	3,280,193	3,263,786	238,840	238,873	110,987	103,037

[^] Excludes collective assessment impairment allowance attributable to loans, advances and financing classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on "Classification and Impairment Provisions for Loans/Financing" issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010.



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A27. Capital Adequacy Ratio (continued)

(a) The capital adequacy ratios of RHB Bank, RHB Investment Bank and RHB Islamic Bank are as follows: (continued)

	RHB Bank[@]		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less:						
Investments in subsidiaries	(622,656)	(622,656)	(84,970)	(84,970)	-	-
Investments in a joint venture	-	-	(27,399)	(27,399)	-	-
Securitisation exposures subject to deductions [#]	-	-	(443)	(1,086)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(285,080)	(199,127)	-	-	-	-
Other deductions*	(3,781)	(3,190)	(254)	(336)	(347)	(102)
Eligible Tier II Capital	<u>2,368,676</u>	<u>2,438,813</u>	<u>125,774</u>	<u>125,082</u>	<u>110,640</u>	<u>102,935</u>
Total capital base	<u>10,287,274</u>	<u>10,357,353</u>	<u>601,286</u>	<u>600,594</u>	<u>1,054,650</u>	<u>1,046,945</u>
<u>Before deducting proposed dividends</u>						
Core capital ratio	10.21%	10.79%	28.22%	32.47%	11.37%	12.23%
Risk-weighted capital adequacy ratio	13.27%	14.11%	35.69%	41.02%	12.70%	13.56%
<u>After deducting proposed dividends</u>						
Core capital ratio	9.91%	10.46%	24.07%	27.69%	11.37%	12.23%
Risk-weighted capital adequacy ratio	12.96%	13.79%	29.46%	33.85%	12.70%	13.56%

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

[#] Pursuant to Risk-Weighted Capital Adequacy Framework (Basel II - Risk Weighted Assets Computation), banking institutions that retain their own-originated securitisation positions rated below investment grade must deduct all of such exposures from its regulatory capital.

^{*} Pursuant to the Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the RWCR computation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.



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A27. Capital Adequacy Ratio (continued)

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

	RHB Bank®		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit risk	69,328,452	65,571,292	1,072,352	887,428	7,615,803	7,124,858
Market risk	1,517,642	1,232,084	211,223	161,901	98,153	30,513
Operational risk	6,657,266	6,559,217	401,315	414,976	587,779	566,538
Total risk-weighted assets	<u>77,503,360</u>	<u>73,362,593</u>	<u>1,684,890</u>	<u>1,464,305</u>	<u>8,301,735</u>	<u>7,721,909</u>



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	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
A28. Operations of Islamic Banking		
(a) Statement of Financial Position as at 31 March 2011		
ASSETS		
Cash and short-term funds	1,710,220	1,076,367
Deposits and placements with banks and other financial institutions	204	40,062
Financial assets held-for-trading	137,533	218,928
Financial investments available-for-sale	1,781,028	1,787,265
Financial investments held-to-maturity	1,110,409	1,073,159
Financing and advances	9,244,663	8,713,761
Other assets	26,824	41,538
Deferred tax assets	33,818	30,854
Tax recoverable	2,748	-
Statutory deposits	110,740	105,140
Property, plant and equipment	20,783	21,547
Total assets	<u>14,178,970</u>	<u>13,108,621</u>
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	10,097,664	9,946,582
Deposits and placements of banks and other financial institutions	2,320,785	1,538,052
Bills and acceptances payable	17,975	12,124
Other liabilities	92,225	52,715
Provision for taxation	-	170
Total liabilities	<u>12,528,649</u>	<u>11,549,643</u>
Islamic Banking Funds	1,650,321	1,558,978
Total liabilities and Islamic Banking Funds	<u>14,178,970</u>	<u>13,108,621</u>
Commitments and contingencies	<u>3,599,195</u>	<u>3,519,220</u>



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1st quarter ended		Three months ended	
31 Mar	31 Mar	31 Mar	31 Mar
2011	2010	2011	2010
RM'000	RM'000	RM'000	RM'000

A28. Operations of Islamic Banking (continued)

(b) Income Statement for the three months ended 31 March 2011

Group

Income derived from investment of depositors' funds	145,736	105,178	145,736	105,178
Income derived from investment of shareholder's funds	18,070	13,777	18,070	13,777
Allowance for impairment on financing and advances	(16,110)	(42,565)	(16,110)	(42,565)
Profit equalisation reserve	(4,441)	4,326	(4,441)	4,326
Total distributable income	143,255	80,716	143,255	80,716
Income attributable to depositors	(68,180)	(40,704)	(68,180)	(40,704)
	75,075	40,012	75,075	40,012
Personnel expenses	(15,778)	(15,928)	(15,778)	(15,928)
Other overheads and expenditures	(21,375)	(22,279)	(21,375)	(22,279)
Profit before taxation	37,922	1,805	37,922	1,805
Taxation	(9,488)	(721)	(9,488)	(721)
Net profit for the financial period	28,434	1,084	28,434	1,084



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1st quarter ended		Three months ended	
31 Mar	31 Mar	31 Mar	31 Mar
2011	2010	2011	2010
RM'000	RM'000	RM'000	RM'000

A28. Operations of Islamic Banking (continued)

(c) Statement of Comprehensive Income for the three months ended 31 March 2011

<u>Group</u>				
Net profit for the financial period	<u>28,434</u>	1,084	<u>28,434</u>	1,084
Other comprehensive loss:				
Financial investments available-for-sale				
- Unrealised loss on revaluation	(4,573)	(844)	(4,573)	(844)
- Net transfer to income statement on disposal or impairment	(975)	-	(975)	-
Income tax relating to components of other comprehensive loss	<u>1,352</u>	207	<u>1,352</u>	207
Other comprehensive loss for the financial period	<u>(4,196)</u>	(637)	<u>(4,196)</u>	(637)
Total comprehensive income for the financial period	<u>24,238</u>	447	<u>24,238</u>	447



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A28. Operations of Islamic Banking (continued)		
(d) Financing and Advances		
At amortised cost		
Cashline	109,479	116,123
Term financing		
- housing financing	2,470,956	2,368,625
- syndicated term financing	908,096	898,904
- hire purchase receivables	1,798,646	1,625,598
- other term financing	2,867,751	2,902,392
Bills receivable	832,512	546,820
Trust receipts	21,336	17,994
Staff financing	11,259	11,404
Credit/charge cards receivables	1,416	530
Revolving financing	562,553	547,639
Gross financing and advances	<u>9,584,004</u>	<u>9,036,029</u>
Less: Allowance for impaired financing and advances		
- individual impairment allowance	(161,511)	(163,440)
- collective impairment allowance	(177,830)	(158,828)
Net financing and advances	<u><u>9,244,663</u></u>	<u><u>8,713,761</u></u>



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	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2011	31 Dec 2010
	RM'000	RM'000
A28. Operations of Islamic Banking (continued)		
(d) Financing and Advances (continued)		
(i) Movements in impaired financing and advances		
Balance as at the beginning of the financial period/year	628,251	478,412
Classified as impaired during the financial period/year	75,959	486,779
Reclassified as non-impaired during the financial period/year	(59,856)	(293,671)
Amount recovered	(8,439)	(43,269)
Balance as at the end of the financial period/year	635,915	628,251
(ii) Movements in the allowance for impaired financing and advances		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period/year	163,440	107,035
Allowance made	2,736	69,456
Amount written back	(4,665)	(12,546)
Amount written off	-	(505)
Balance as at the end of the financial period/year	161,511	163,440
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period/year	158,828	140,427
Allowance made	19,002	18,401
Balance as at the end of the financial period/year	177,830	158,828



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	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A28. Operations of Islamic Banking (continued)		
(e) Other Assets		
Deposits and prepayments	2,187	682
Sundry deposits debtors	1,807	1,251
Other debtors	22,830	39,605
	<u>26,824</u>	<u>41,538</u>
(f) Deposits from Customers		
<u>Non-Mudharabah Funds</u>		
Demand deposits	1,501,452	1,376,008
Savings deposits	625,552	569,786
Negotiable Islamic Debt Certificates	-	4,976
Commodity Murabahah	1,258,942	754,650
	<u>3,385,946</u>	<u>2,705,420</u>
<u>Mudharabah Funds</u>		
Demand deposits	409,224	378,321
Saving deposits	3,672	3,123
General investment deposits accounts	798,540	1,280,190
Special investment deposits accounts	5,500,282	5,579,528
	<u>10,097,664</u>	<u>9,946,582</u>



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B1. Review of Group Results

For the first quarter ended 31 March 2011, the Group recorded a profit before taxation of RM511.6 million, 8% higher than the previous corresponding quarter of RM474.2 million.

The higher profit was mainly due to higher net interest income by RM51.7 million, higher other operating income by RM18.6 million, higher income from Islamic Banking business by RM8.6 million, higher impairment write back on other assets by RM2.9 million and lower allowance for impairment on loans, financing and other losses by RM2.7 million, partly offset by higher other operating expenses by RM47.3 million.

B2. Changes in Profit Against Preceding Quarter

For the first quarter ended 31 March 2011, the Group recorded a profit before taxation of RM511.6 million, 2% lower as compared to RM523.9 million recorded in the preceding quarter ended 31 December 2010. The lower profit was mainly due to lower net interest income by RM57.9 million, higher allowance for impairment on loans, financing and other losses by RM15.3 million and lower other operating income by RM13.0 million, partly offset by higher impairment write back on other assets by RM72.2 million and higher income from Islamic Banking business by RM1.7 million.

B3. Prospects for 2011

The Malaysian economy is expected to grow moderately in the first half of 2011, gradually gaining momentum towards the second half of the year with full year growth projected at 5% to 6%. The impact from rising crude oil prices and the nuclear disaster in Japan will affect growth. The outlook of the Malaysian banking sector remains positive, supported by the underlying strengths of the domestic economy and the roll-out of the large-scale infrastructure projects under the Economic Transformation Programme ('ETP').

The Group is optimistic of stronger market demand for banking products and services and a more active capital market. It will remain focused on building its core businesses and will continue to look for opportunities to expand its market share and increase its leadership position in targeted markets and product segments. The Group expects to maintain a satisfactory performance in 2011.

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.



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B5. Taxation

	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	140,825	106,380	140,825	106,380
- Overseas tax	63	76	63	76
Deferred tax	(12,082)	14,501	(12,082)	14,501
	<u>128,806</u>	<u>120,957</u>	<u>128,806</u>	<u>120,957</u>
(Over)/under provision in respect of prior years	(32)	750	(32)	750
	<u>128,774</u>	<u>121,707</u>	<u>128,774</u>	<u>121,707</u>

The effective tax rate of the Group for the first quarter ended 31 March 2011 was higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Company				
Income tax based on profit for the financial period				
- Malaysian income tax	80	-	80	-
Deferred tax	(4,303)	(8,660)	(4,303)	(8,660)
	<u>(4,223)</u>	<u>(8,660)</u>	<u>(4,223)</u>	<u>(8,660)</u>

B6. Purchase and Sale of Quoted Securities

There were no purchases or sales of quoted securities during the three months ended 31 March 2011 other than in the ordinary course of business.

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

There were no sales of unquoted investments and/or properties during the three months ended 31 March 2011 other than in the ordinary course of business.



**RHB CAPITAL BERHAD (312952 – H)
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B8. Status of Corporate Proposals

(a) Proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma

On 19 October 2009, RHB Investment Bank had on behalf of the Company, announced that the Company will undertake the following proposals:

- (a) proposed acquisition of 80% of the issued and paid up share capital in PT Bank Mestika Dharma ('Bank Mestika') for a total cash consideration of Indonesian Rupiah ('RP') 3,118,300 million (or equivalent to approximately RM1,163 million) ('Proposed Acquisition');
- (b) proposed put and call option for 9% of the issued and paid-up share capital in Bank Mestika ('Proposed Options');
- (c) proposed renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital ('Shares') to raise gross proceeds of approximately RM1.3 billion ('Proposed Rights Issue'); and
- (d) proposed increase in the authorised share capital of the Company from RM2,500,000,000 comprising 2,500,000,000 RHB Capital shares to RM5,000,000,000 comprising 5,000,000,000 RHB Capital shares ('Proposed Increase In Authorised Share Capital')

(The above are collectively referred to as "Proposals")

The Proposals are subject to the following being obtained:

- (i) approval of BNM for the Proposed Acquisition and Proposed Options;
- (ii) approval of Bank Indonesia ('BI') for the Proposed Acquisition and the Fit and Proper Test mechanism by the Company as governed under BI Regulation No. 5/25/PBI/2003 on Fit and Proper Test;
- (iii) approval of Indonesian Capital Market and Financial Institution Supervisory Board for the proposed IPO of Bank Mestika;
- (iv) approval in-principle from Bursa Malaysia Securities Berhad ('Bursa Securities') for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities;
- (v) approval of the shareholders of the Company at the Extraordinary General Meeting ('EGM') to be convened for the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital; and
- (vi) approvals, waivers and/or consents of any other relevant authorities and/or parties, if required.

In the same announcement, the Company also announced that RHB Venture Capital Sdn Bhd ('RHBVC'), a wholly-owned subsidiary of the Company, had been identified as the entity to hold the investment in Bank Mestika on behalf of the Company pursuant to the Proposed Acquisition and Proposed Options. Accordingly, on 23 October 2009, the Company had assigned all of its right, title, interest, benefit and entitlement and novated all of its obligations and liabilities as follows to RHBVC:

- (i) the conditional sale and purchase agreement dated 19 October 2009 with PT Mestika Benua Mas ('Vendor') ('CSPA') in relation to the Proposed Acquisition;
- (ii) the escrow agreement dated 19 October 2009 with the Vendor and The Hongkong Shanghai Banking Corporation Limited (Jakarta Office), acting as the escrow agent, to facilitate the deposit of an amount equal to 10% of the purchase consideration for the Proposed Acquisition by the Company; and
- (iii) the agreement dated 19 October 2009 with the Vendor in relation to the Proposed Options.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B8. Status of Corporate Proposals (continued)

(a) Proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma (continued)

BNM had on 4 January 2010 granted its approval for the Company to acquire up to 89% of the issued and paid-up capital of Bank Mestika, subject to the following conditions:

- (i) the Company is to obtain written confirmation from its auditors on the compliance with Financial Reporting Standards in arriving at the impairment methodology adopted and in respect of any change in equity interest in Bank Mestika; and
- (ii) the sources of funding and funding cost for the additional capital required by Bank Mestika post-acquisition should not exert pressure on the Company and its subsidiaries' capital and financial soundness.

Subsequently, on 9 April 2010, RHB Investment Bank on behalf of the Company had announced on the proposed revision to the utilisation of proceeds arising from the Proposed Rights Issue to among others, repay the borrowings to finance the Proposed Acquisition in view of the Proposed Acquisition is likely to be completed prior to the completion of the Proposed Rights Issue.

As announced on 22 April 2010, Bursa Securities had, vide its letter dated 20 April 2010, approved the listing and quotation of up to 1,300,000,000 new ordinary shares of RM1.00 each in RHB Capital to be issued pursuant to the Proposed Rights Issue subject to the condition as stated therein. Bursa Securities had further on 13 December 2010, granted the Company an extension of time until 19 April 2011 to complete the implementation of the Proposed Rights Issue. Subsequently, the Company had on 5 April 2011, applied to Bursa Securities for a further extension of time of six months from 20 April 2011 until 19 October 2011 to complete the implementation of the Rights Issue. The same was approved by Bursa Securities on 9 May 2011.

The shareholders of the Company had also at the EGM of the Company held on 19 May 2010, approved the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital.

As announced on 19 July 2010, RHBVC and the Vendor had on 16 July 2010, by way of an exchange of letters, mutually agreed to extend the period to satisfy or waive the conditions precedent based on the terms of the CSPA (Long Stop Date) as expired on 16 July 2010 to 19 April 2011.

The Company further announced on 20 December 2010 that RHBVC had subsequently on 17 December 2010, assigned all of its rights, title, interest, benefit and entitlement and novated all of its obligation and liabilities as contained in the Transaction Agreements to RHB Bank. RHB Bank had on 20 December 2010, submitted the relevant applications to BI and BNM as the acquirer for the Proposed Acquisition and Proposed Options. BNM had on 31 January 2011, granted its approval to RHB Bank for the Proposed Acquisition.

As announced on 19 April 2011, RHB Bank and the Vendor had subsequently on 18 April 2011, by way of an exchange of letter, mutually agreed to further extend the period to satisfy or waive the condition precedent based on the terms of the CSPA to 31 December 2011. The extension of the CSPA is conditional upon, inter-alia, permission and approval from RHB Bank for Bank Mestika to distribute dividend to the Vendor no later than 19 May 2011, pending which, the CSPA will only be extended until 19 May 2011 ('Initial Extension period'). In the event the Initial Extension Period lapses, the CSPA will be deemed automatically terminated.

RHB Bank has subsequently agreed to give its permission and approval for Bank Mestika to distribute dividend out of the retained earnings accumulated subsequent to the financial year ended 31 December 2008 to the Vendor and the dividend distribution will not have any impact on the purchase consideration for the Proposed Acquisition or the price-to-book ratio represented by the purchase consideration for the Proposed Acquisition. In view of this development, the CSPA for the Proposed Acquisition is therefore extended to 31 December 2011.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposals save for their respective entitlements as shareholders under the Proposed Rights Issue and their rights to apply for excess Rights Shares which are also available to all other shareholders of the Company.

The Proposed Acquisition, Proposed Rights Issue and Proposed Options did not have any material effect on the earnings of the Group for the three months ended 31 March 2011. The Proposed Acquisition is expected to contribute positively to the future revenue and earnings of the Group.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B8. Status of Corporate Proposals (continued)

(b) Member's Voluntary Winding-Up of Indirect Wholly-Owned Subsidiaries

On 21 February 2011, the Company announced that the following wholly-owned subsidiaries of RHB Bank and RHB Investment Bank, which in turn are wholly-owned subsidiaries of the Company, had commenced members' voluntary winding-up on 16 February 2011 pursuant to Section 254(1) of the Companies Act, 1965:

Subsidiaries of RHB Bank:

- (i) Utama Gilang Sdn Bhd ('Utama Gilang'); and
- (ii) RHB Delta Sdn Bhd ('RHB Delta');

Subsidiary of RHB Investment Bank:

- (i) RHB Marketing Services Sdn Bhd ('RHB Marketing Services').

Utama Gilang, RHB Delta and RHB Marketing Services are companies incorporated in Malaysia and are presently dormant.

The winding-up of RHB Delta, RHB Marketing Services and Utama Gilang will not have any material effect on the Group's performance for the financial year ending 31 December 2011.

(c) Dividend Reinvestment Plan of RHB Capital Berhad

On 1 March 2011, RHB Investment Bank on behalf of the Company, announced that as part of the Company's capital management plan and to enhance the Company's shareholders' value, the Company has proposed to undertake a dividend reinvestment plan that provides the shareholders the option to elect to reinvest their cash dividend declared by the Company (whether interim, final, special or any other cash dividend) ('Dividend') in new ordinary shares of RM1.00 each in the Company ('RHB Capital Shares') (hereinafter referred to as 'Dividend Reinvestment Plan').

The Proposed Dividend Reinvestment Plan ('DRP') is not conditional or inter-conditional upon any other corporate exercise being or proposed to be undertaken by the Company. However, the Proposed DRP is conditional upon the following:

- (i) approval from BNM for the implementation of the Proposed DRP, which has been duly granted vide its letter dated 24 February 2011, which is conditional on the Company ensuring that the permissible shareholding limit imposed on the Company's substantial/major shareholders are complied with at all times (BNM Shareholding Limits);
- (ii) approval from shareholders for the Proposed DRP and the issuance of New Shares arising from the Proposed DRP, at the Extraordinary General Meeting ('EGM'), which was subsequently approved by the shareholders at the EGM held on 6 April 2011.
- (iii) the listing of and quotation for the New Shares to be issued pursuant to the Proposed DRP, on the Main Market of Bursa Securities:
 - (a) Bursa Securities has vide its letter dated 4 April 2011 approved:
 - (i) the listing of and quotation for up to 20,468,000 new RHB Capital Shares to be issued pursuant to the DRP on the Main Market of Bursa Securities ('Listing Application'); and
 - (ii) the Company's application for waiver from compliance with Section 12 Part A of Annexure PN28-B of the Main Market Listing Requirements issued by Bursa Securities in relation to the Listing Application.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B8. Status of Corporate Proposals (continued)

(c) Dividend Reinvestment Plan of RHB Capital Berhad (continued)

- (iii) the listing of and quotation for the New Shares to be issued pursuant to the Proposed DRP, on the Main Market of Bursa Securities: (continued)
 - (b) the approval by Bursa Securities for the Listing Application is subject to the following conditions:
 - (i) RHB Capital and its advisors must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the DRP;
 - (ii) RHB Capital and its adviser to inform Bursa Securities upon the completion of the DRP; and
 - (iii) RHB Capital to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the DRP is completed.
 - (iv) approval from any other relevant authorities, if required.

The effects of the Proposed DRP on the share capital, substantial shareholders' shareholdings, net assets, gearing, earnings and earnings per share as well as the number of new ordinary shares of RM1.00 each ('New Shares') to be issued by the Company are dependent on a number of factors as detailed in the announcement made to Bursa Securities.

None of the Company's Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed DRP save for their respective entitlements as shareholders under the Proposed DRP which are also available to all the other shareholders.

The issue price of new RHB Capital Shares to be issued pursuant to the DRP was subsequently fixed at RM7.56 per new RHB Capital Share and the book closure date pursuant to the Final Dividend and DRP was fixed for 21 April 2011. The new RHB Capital Shares arising from the DRP will be listed on the Main Market of Bursa Securities either on 23 May 2011 or 24 May 2011.

As announced on 4 May 2011, Bursa Securities had, subsequently via its letter dated 3 May 2011, approved an additional listing and quotation of up to 25,208,000 new RHB Capital Shares to be issued pursuant to the DRP ('Additional Listing Application') on top of the 20,468,000 new RHB Capital Shares as approved by Bursa Securities on 4 April 2011. Arising therefrom, Bursa Securities has approved the listing and quotation of up to 45,676,000 new RHB Capital Shares to be issued pursuant to the DRP on the Main Market of Bursa Securities.

On 20 May 2011, the Company announced that a total of 38,441,644 new RHB Capital Shares was issued on even date, representing 84.17% of the entitled shareholders that had elected to reinvest their respective Electable Portions of their dividends to new RHB Capital Shares pursuant to the DRP applicable on the final dividend of RHB Capital for the financial year ended 31 December 2010. The said new RHB Capital Shares were listed and quoted on the Main Market of Bursa Securities on 23 May 2011. The enlarged issued and paid up capital of RHB Capital following the completion of the DRP is 2,191,916,339 RHB Capital Shares.

(d) Proposed Multi-Currency Euro Medium Term Note Programme ('EMTN Programme') of up to USD 500 Million Nominal Value (or its Equivalent in Other Currencies) for RHB Bank

As announced by the Company on 11 May 2011, Securities Commission ('SC') had on 9 May 2011, approved RHB Bank's application for the EMTN Programme, under which RHB Bank may issue up to USD 500 million in nominal value (or its equivalent in other currencies) of senior medium term notes, pursuant to the deemed approval under Section 212(5) of the Capital Markets & Services Act 2007 ('CMSA').

The proceeds raised from the EMTN Programme will be utilised by RHB Bank for its and its subsidiaries' general working capital and other corporate purposes, including but not limited to the provision of advances of such proceeds or part thereof by RHB Bank to any of its subsidiaries, and repayment of borrowings (if applicable).

RHB Bank has yet to issue the said EMTN as at to date.



**RHB CAPITAL BERHAD (312952 – H)
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B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities

	Group	
	Unaudited	Audited
	As at 31 Mar 2011	As at 31 Dec 2010
	RM'000	RM'000
(a) Deposits from customers and placements of banks and other financial institutions		
Deposits from customers		
- one year or less	97,615,599	93,955,320
- more than one year	1,285,605	478,508
	<u>98,901,204</u>	<u>94,433,828</u>
Deposits and placements of banks and other financial institutions		
- one year or less	9,141,320	9,481,671
- more than one year	543,245	584,486
	<u>9,684,565</u>	<u>10,066,157</u>

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at 31 Mar 2011	As at 31 Dec 2010	As at 31 Mar 2011	As at 31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
(b) Borrowings				
Unsecured:				
Revolving credits	728,971	724,422	820,297	815,449
Overdrafts	151	-	151	-
Term loans - RM	800,741	800,807	1,065,009	1,062,581
Term loan - USD	774,394	819,362	-	-
RM600 million 6 years Serial Fixed Rate Bonds	-	310,238	-	310,238
RM350 million Fixed Rate Bonds	348,428	354,111	348,428	354,111
RM150 million 7 years Commercial Papers	74,000	74,000	74,000	74,000
RM1.1 billion 7 years Commercial Papers/Medium Term Notes	990,889	981,383	990,889	981,383
	<u>3,717,574</u>	<u>4,064,323</u>	<u>3,298,774</u>	<u>3,597,762</u>
Schedule repayment of borrowings:				
Within one year	1,611,431	1,496,088	1,184,775	1,765,712
One year to three years	545,297	1,682,477	1,049,110	1,482,050
Three years to five years	1,261,757	550,428	1,064,889	350,000
Over five years	299,089	335,330	-	-
	<u>3,717,574</u>	<u>4,064,323</u>	<u>3,298,774</u>	<u>3,597,762</u>



**RHB CAPITAL BERHAD (312952 – H)
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B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities (continued)

	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
(c) Subordinated obligations		
5.0% RM1,300 million Tier II subordinated notes 2007/2017	1,321,726	1,305,699
5.5% RM700 million Tier II subordinated notes 2007/2022	712,868	703,375
5.0% RM700 million Tier II subordinated notes 2010/2020	714,767	706,137
5.6% RM300 million Tier II subordinated notes 2010/2025	307,088	302,946
5.3% RM200 million Tier II subordinated notes 2007/2017	203,253	200,639
5.5% RM45 million Tier II subordinated notes 2008/2018	46,099	45,488
	<u>3,305,801</u>	<u>3,264,284</u>

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 issuance and qualify as Tier II capital for the purpose of determining the capital adequacy ratios of the respective banking subsidiaries.

(d) Hybrid Tier-1 Capital Securities

	Group	
	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
RM370 million 8.00% Hybrid Tier-1 Capital Securities due in 2039, callable with step-up coupon rate at 9.00% in 2019	382,127	374,769
RM230 million 6.75% Hybrid Tier-1 Capital Securities due in 2039, callable with step-up coupon rate at 7.75% in 2019	229,369	225,624
	<u>611,496</u>	<u>600,393</u>



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B10. Derivatives Financial Instruments

Details of derivative financial instruments outstanding are as follows:

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

Group	Unaudited			Audited		
	As at 31 Mar 2011			As at 31 Dec 2010		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
By type	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Foreign exchange related contracts						
- forwards	3,111,211	14,094	52,164	3,333,922	23,043	80,647
- swaps	7,687,749	73,328	39,869	7,666,945	135,533	65,471
- options	261,195	989	900	190,715	797	760
- spots	6,483,688	9,093	7,754	3,014,188	1,048	1,922
- cross-currency	1,356,599	8,703	7,562	1,245,502	12,860	11,121
Subtotal	18,900,442	106,207	108,249	15,451,272	173,281	159,921
Interest rate related contracts						
- futures	30,000	-	80	140,000	-	793
- swaps	13,569,572	138,175	79,573	13,047,782	137,624	92,990
Subtotal	13,599,572	138,175	79,653	13,187,782	137,624	93,783
Commodity contracts						
- forwards	149,220	-	-	17,628	-	-
Subtotal	149,220	-	-	17,628	-	-
Total	32,649,234	244,382	187,902	28,656,682	310,905	253,704



**RHB CAPITAL BERHAD (312952 – H)
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B10. Derivatives Financial Instruments (continued)

Details of derivative financial instruments outstanding are as follows: (continued)

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

Group	Unaudited As at 31 Mar 2011			Audited As at 31 Dec 2010		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By remaining period to maturity/next re-pricing date						
Foreign exchange related contracts						
- Less than 1 year	17,715,116	99,091	100,812	14,267,825	160,899	148,912
- 1 year to 3 years	74,233	732	5	61,850	402	-
- More than 3 years	1,111,093	6,384	7,432	1,121,597	11,980	11,009
Subtotal	18,900,442	106,207	108,249	15,451,272	173,281	159,921
Interest rate related contracts						
- Less than 1 year	3,079,117	33,910	8,906	2,676,825	32,201	9,093
- 1 year to 3 years	6,411,499	49,001	45,217	6,488,460	59,758	47,788
- More than 3 years	4,108,956	55,264	25,530	4,022,497	45,665	36,902
Subtotal	13,599,572	138,175	79,653	13,187,782	137,624	93,783
Commodity contracts						
- Less than 1 year	149,220	-	-	17,628	-	-
Subtotal	149,220	-	-	17,628	-	-
Total	32,649,234	244,382	187,902	28,656,682	310,905	253,704



**RHB CAPITAL BERHAD (312952 – H)
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B10. Derivatives Financial Instruments (continued)

ii) Derivative financial instruments classified by remaining period to maturity/next re-pricing date (whichever is earlier) as at 31 March 2011.

Group

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 3 years RM'000	> 3 years RM'000
Foreign exchange related contracts							
- forwards	3,111,211	1,160,888	1,016,810	746,403	181,053	6,057	-
- swaps	7,687,749	4,467,916	2,391,893	566,384	255,230	6,326	-
- options	261,195	177,902	56,976	14,064	12,253	-	-
- spots	6,483,688	6,483,688	-	-	-	-	-
- cross-currency	1,356,599	-	-	53,544	130,112	61,850	1,111,093
Interest rate related contracts							
- futures	30,000	-	-	-	30,000	-	-
- swaps	13,569,572	64,027	370,000	1,353,008	1,262,082	6,411,499	4,108,956
Commodity contracts							
- forwards	149,220	149,220	-	-	-	-	-
Total	32,649,234	12,503,641	3,835,679	2,733,403	1,870,730	6,485,732	5,220,049



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B10. Derivatives Financial Instruments (continued)

iii) Derivative financial instruments classified by remaining period to maturity/next re-pricing date (whichever is earlier) as at latest practicable date, 18 May 2011.

Group

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 3 years RM'000	> 3 years RM'000
Foreign exchange related contracts							
- forwards	6,540,825	1,322,144	1,521,041	1,376,746	1,209,231	1,111,663	-
- swaps	9,837,669	5,103,957	3,422,908	527,570	411,635	371,599	-
- options	375,311	193,754	142,779	38,778	-	-	-
- spots	2,696,035	2,696,035	-	-	-	-	-
- cross-currency	1,350,871	-	-	7,617	212,065	60,590	1,070,599
Interest rate related contracts							
- futures	30,000	-	-	-	30,000	-	-
- swaps	15,104,967	295,327	1,138,198	337,357	2,135,065	6,861,759	4,337,261
Total	35,935,678	9,611,217	6,224,926	2,288,068	3,997,996	8,405,611	5,407,860



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B10. Derivatives Financial Instruments (continued)

iii) 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 profit and loss.



RHB CAPITAL BERHAD (312952 – H)
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B11. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised profit or losses of the Group and the Company is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The breakdown of retained profits of the Group are as follow:

Group	Unaudited		
	As at 31 March 2011		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
Operating subsidiaries	4,226,983	576,934	4,803,917
Dormant subsidiaries*	(7,929,534)	-	(7,929,534)
Total retained profits/(losses) of the Group	(3,702,551)	576,934	(3,125,617)
Total share of retained profits from joint venture	1,281	-	1,281
	<u>(3,701,270)</u>	<u>576,934</u>	<u>(3,124,336)</u>
Less: Consolidation adjustments			6,254,252
Total Group retained profits			<u><u>3,129,916</u></u>

Group	Audited		
	As at 31 December 2010		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
Operating subsidiaries	3,791,337	630,775	4,422,112
Dormant subsidiaries*	(7,929,534)	-	(7,929,534)
Total retained profits/(losses) of the Group	(4,138,197)	630,775	(3,507,422)
Total share of retained profits from joint venture	1,149	-	1,149
	<u>(4,137,048)</u>	<u>630,775</u>	<u>(3,506,273)</u>
Less: Consolidation adjustments			6,254,065
Total Group retained profits			<u><u>2,747,792</u></u>

* The realised losses relate mainly to dormant subsidiaries which are currently in the process of being liquidated.



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B11. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements (continued)

The breakdown of retained profits of the Company are as follows:

<u>Company</u>	Unaudited As at 31 Mar 2011 RM'000	Audited As at 31 Dec 2010 RM'000
Total retained profits of the Company:		
- Realised profits	1,209,324	1,227,315
- Unrealised profits/(losses)	4,278	(25)
	<u>1,213,602</u>	<u>1,227,290</u>

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

On 20 December 2010, the Malaysian Institute of Accountants issued Guidance on Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements. Accordingly, the Group views translation gains or losses on monetary items as realised as it is incurred in the ordinary course of business.

The disclosure above does not affect or alter the existing divisible profit rule in Malaysia. Likewise, this shall not be applied to address or interpret any legal matters regarding the availability of profit for distribution to shareholders. Listed corporations are required to observe the existing requirements in the Malaysia legal framework in dealing with matters related to distribution of profits to shareholders.



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B12. 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. However, CBSB's claim for damages was dismissed.

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 decision.

Thereafter, both parties have filed their respective appeals to the Court of Appeal against the decision of the Learned High Court Judge (Please refer to A25(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim). On 22 May 2009, the Court of Appeal had dismissed CBSB's appeal against the High Court decision in respect of the return of the Deposit and claim for damages. The Court of Appeal had also dismissed the Company's appeal in respect of the return of share certificates and transfer forms. Both CBSB and the Company had filed their respective applications for leave to appeal to the Federal Court. The Federal Court had on 12 May 2010 allowed the applications for leave to appeal filed by both parties. During the hearing of the appeals at the Federal Court on 18 January 2011, the Federal Court had directed that the CBSB's appeal against the High Court decision on the claim for damages and the Company's appeal against the High Court decision on the return of share certificates and transfer forms be re-heard by the Court of Appeal and further directed that CBSB's appeal to the Federal Court against the Court of Appeal decision on the return of the Deposit to be kept in abeyance until then.

The above material litigation is not expected to have any material adverse effect on the financial results of the Group.



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B13. Dividends Declared

No dividend has been declared for the three months ended 31 March 2011.

B14. Earnings per Share	1st quarter ended		Three months ended	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
Basic/diluted earnings per share				
Profit attributable to equity holders of the Company (RM'000)	<u>382,124</u>	<u>349,730</u>	<u>382,124</u>	<u>349,730</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,153,475</u>	<u>2,153,475</u>	<u>2,153,475</u>	<u>2,153,475</u>
Basic/diluted earnings per share (sen)	<u>17.7</u>	<u>16.2</u>	<u>17.7</u>	<u>16.2</u>

There were no dilutive potential ordinary shares outstanding as at 31 March 2011. As a result, the diluted earnings per share equal to the basic earnings per share for the three months ended 31 March 2011.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(Licence No. LS0006901)

Company Secretary

24 May 2011