



RHB Capital Berhad 312952-H
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED 31 MARCH 2013**

The Board of Directors of RHB Capital Berhad ('The Board') wishes to announce that the unaudited interim financial results of the Group and the Company for the three months ended 31 March 2013 are as follows:

**INCOME STATEMENTS
 FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Note	1st quarter ended		Three months ended	
		31.3.2013	31.3.2012	31.3.2013	31.3.2012
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A8	1,683,482	1,461,153	1,683,482	1,461,153
Interest expense	A9	(904,587)	(752,165)	(904,587)	(752,165)
Net interest income		778,895	708,988	778,895	708,988
Other operating income	A10	450,094	330,380	450,094	330,380
		1,228,989	1,039,368	1,228,989	1,039,368
Net income from Islamic Banking business		133,691	111,073	133,691	111,073
Net operating income		1,362,680	1,150,441	1,362,680	1,150,441
Other operating expenses	A11	(718,142)	(520,042)	(718,142)	(520,042)
Operating profit before allowances		644,538	630,399	644,538	630,399
Change in allowance for impairment on loans, financing and other losses	A12	(154,867)	(45,377)	(154,867)	(45,377)
Impairment losses write back/(made) on other assets		4,283	(4,443)	4,283	(4,443)
		493,954	580,579	493,954	580,579
Share of results of associates		219	-	219	-
Share of results of joint ventures		112	144	112	144
Profit before taxation		494,285	580,723	494,285	580,723
Taxation	B5	(130,480)	(144,227)	(130,480)	(144,227)
Net profit for the financial period		363,805	436,496	363,805	436,496
Attributable to:					
- Equity holders of the Company		357,194	435,551	357,194	435,551
- Non-controlling interests		6,611	945	6,611	945
		363,805	436,496	363,805	436,496
Earnings per share (sen)					
- Basic	B12	14.3	19.8	14.3	19.8
- Diluted	B12	14.3	19.8	14.3	19.8

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



**RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Group	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	363,805	436,496	363,805	436,496
Other comprehensive income/(loss):				
(i) Items that will not be reclassified to income statements				
- Currency translation differences	34,133	(24,994)	34,133	(24,994)
- Unrealised net gain on revaluation of financial investments available-for-sale ('AFS')	28,115	53,566	28,115	53,566
Income tax relating to components of other comprehensive (income)/loss	(6,653)	(13,422)	(6,653)	(13,422)
	55,595	15,150	55,595	15,150
(ii) Items that will be reclassified to income statements				
- Net transfer to income statements on disposal or impairment of AFS	(13,489)	(38,762)	(13,489)	(38,762)
Income tax relating to components of other comprehensive loss/(income)	3,372	9,690	3,372	9,690
	(10,117)	(29,072)	(10,117)	(29,072)
Other comprehensive income/(loss), net of tax, for the financial period	45,478	(13,922)	45,478	(13,922)
Total comprehensive income for the financial period	409,283	422,574	409,283	422,574
Total comprehensive income attributable to:				
- Equity holders of the Company	403,164	421,630	403,164	421,630
- Non-controlling interests	6,119	944	6,119	944
	409,283	422,574	409,283	422,574

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



**RHB CAPITAL BERHAD (312952 – H)
INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

<u>Company</u>	Note	1st quarter ended		Three months ended	
		31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Interest income	A8	362	409	362	409
Interest expense	A9	(32,665)	(36,407)	(32,665)	(36,407)
Net interest expense		<u>(32,303)</u>	<u>(35,998)</u>	<u>(32,303)</u>	<u>(35,998)</u>
Other operating income	A10	387	80	387	80
Net operating loss		<u>(31,916)</u>	<u>(35,918)</u>	<u>(31,916)</u>	<u>(35,918)</u>
Other operating expenses	A11	(14,816)	(11,762)	(14,816)	(11,762)
Loss before taxation		<u>(46,732)</u>	<u>(47,680)</u>	<u>(46,732)</u>	<u>(47,680)</u>
Taxation	B5	8,000	10,300	8,000	10,300
Net loss for the financial period		<u><u>(38,732)</u></u>	<u><u>(37,380)</u></u>	<u><u>(38,732)</u></u>	<u><u>(37,380)</u></u>

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



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
<u>Company</u>	RM'000	RM'000	RM'000	RM'000
Net loss for the financial period	<u>(38,732)</u>	<u>(37,380)</u>	<u>(38,732)</u>	<u>(37,380)</u>
Other comprehensive income, net of tax, for the financial period	-	-	-	-
Total comprehensive loss for the financial period	<u>(38,732)</u>	<u>(37,380)</u>	<u>(38,732)</u>	<u>(37,380)</u>

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



**RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

		Unaudited As at 31.3.2013	Audited As at 31.12.2012
	Note	<u>RM'000</u>	<u>RM'000</u>
Group			
ASSETS			
Cash and short-term funds		15,564,563	23,974,020
Securities purchased under resale agreements		510,958	676,858
Deposits and placements with banks and other financial institutions		4,415,410	3,638,529
Financial assets held-for-trading	A13	3,481,528	2,739,650
Financial investments available-for-sale	A14	14,577,937	15,154,931
Financial investments held-to-maturity	A15	19,181,087	18,945,036
Loans, advances and financing	A16	111,246,672	109,276,880
Clients' and brokers' balances		3,470,284	2,986,878
Other assets	A17	1,126,430	1,086,165
Derivative assets	B8	255,730	275,441
Statutory deposits		4,288,475	3,883,445
Tax recoverable		142,288	142,912
Deferred tax assets		23,272	15,115
Investments in associates and joint ventures		37,022	36,589
Property, plant and equipment		1,035,827	1,042,318
Goodwill and other intangible assets		5,198,693	5,202,798
TOTAL ASSETS		<u>184,556,176</u>	<u>189,077,565</u>
LIABILITIES AND EQUITY			
Deposits from customers	A18/B7(a)	135,199,073	138,224,225
Deposits and placements of banks and other financial institutions	A19/B7(a)	10,992,085	13,450,129
Obligations on securities sold under repurchase agreements		215,311	240,010
Obligations on securities borrowed		80,082	119,905
Bills and acceptances payable		3,760,469	3,636,886
Clients' and brokers' balances		3,183,066	2,731,695
Other liabilities	A20	1,906,569	1,890,459
Derivative liabilities	B8	250,800	320,363
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,402,474	2,445,361
Taxation liabilities		75,355	145,280
Deferred tax liabilities		94,252	60,547
Borrowings and senior debt securities	B7(b)	5,286,028	5,151,932
Subordinated obligations	B7(c)	4,772,578	4,719,221
Hybrid Tier-1 Capital Securities	B7(d)	597,425	601,072
TOTAL LIABILITIES		<u>168,815,567</u>	<u>173,737,085</u>
Share capital		2,494,208	2,494,208
Reserves		13,026,202	12,623,007
		15,520,410	15,117,215
Non-controlling interests		220,199	223,265
TOTAL EQUITY		<u>15,740,609</u>	<u>15,340,480</u>
TOTAL LIABILITIES AND EQUITY		<u>184,556,176</u>	<u>189,077,565</u>
COMMITMENTS AND CONTINGENCIES	A25(a)	86,132,474	83,160,389
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		<u>6.22</u>	<u>6.06</u>

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



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

		Unaudited	Audited
		As at	As at
	Note	31.3.2013	31.12.2012
		RM'000	RM'000
<u>Company</u>			
ASSETS			
Cash and short term funds		11,031	36,247
Deposits and placements with banks and other financial institutions		959	951
Other assets	A17	153,607	155,667
Amounts due from subsidiaries		9,108	9,785
Tax recoverable		102,314	102,314
Deferred tax assets		9,022	1,022
Investments in subsidiaries		10,809,016	10,809,016
Property, plant and equipment		437	486
TOTAL ASSETS		<u>11,095,494</u>	<u>11,115,488</u>
LIABILITIES AND EQUITY			
Other liabilities	A20	68,030	61,459
Amounts due to subsidiaries		22,955	11,772
Borrowings	B7(b)	3,107,418	3,106,434
Total liabilities		<u>3,198,403</u>	<u>3,179,665</u>
Share capital		2,494,208	2,494,208
Reserves		5,402,883	5,441,615
TOTAL EQUITY		<u>7,897,091</u>	<u>7,935,823</u>
TOTAL LIABILITIES AND EQUITY		<u>11,095,494</u>	<u>11,115,488</u>

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



**RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	← Attributable to equity holders of the Company →							Non- controlling 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 2013	2,494,208	4,548,602	3,494,397	28,196	234,337	(69,473)	4,386,948	15,117,215	223,265	15,340,480
Net profit for the financial period	-	-	-	-	-	-	357,194	357,194	6,611	363,805
Currency translation differences	-	-	-	-	-	34,604	-	34,604	(471)	34,133
Financial investments AFS										
- Unrealised net gain/(loss) on revaluation	-	-	-	-	28,136	-	-	28,136	(21)	28,115
- Net transfer to income statements on disposal or impairment	-	-	-	-	(13,489)	-	-	(13,489)	-	(13,489)
Share of reserves in an associate	-	-	-	-	-	-	31	31	-	31
Income tax relating to components of other comprehensive (loss)/income	-	-	-	-	(3,281)	-	-	(3,281)	-	(3,281)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	-	11,366	34,604	31	46,001	(492)	45,509
Total comprehensive income/(loss) for the financial period	-	-	-	-	11,366	34,604	357,225	403,195	6,119	409,314
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(9,185)	(9,185)
Balance as at 31 March 2013	2,494,208	4,548,602	3,494,397	28,196	245,703	(34,869)	4,744,173	15,520,410	220,199	15,740,609

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



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2013

	← Attributable to equity holders of the Company →							Non- controlling 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 2012	2,204,819	2,674,459	3,016,604	27,815	213,654	(58,813)	3,536,860	11,615,398	11,922	11,627,320
Net profit for the financial period	-	-	-	-	-	-	435,551	435,551	945	436,496
Currency translation differences	-	-	-	-	-	(24,994)	-	(24,994)	-	(24,994)
Financial investments AFS										
- Unrealised net gain/(loss) on revaluation	-	-	-	-	53,567	-	-	53,567	(1)	53,566
- Net transfer to income statements on disposal or impairment	-	-	-	-	(38,762)	-	-	(38,762)	-	(38,762)
Income tax relating to components of other comprehensive (income)/loss	-	-	-	-	(3,732)	-	-	(3,732)	-	(3,732)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	-	11,073	(24,994)	-	(13,921)	(1)	(13,922)
Total comprehensive income/(loss) for the financial period	-	-	-	-	11,073	(24,994)	435,551	421,630	944	422,574
Balance as at 31 March 2012	<u>2,204,819</u>	<u>2,674,459</u>	<u>3,016,604</u>	<u>27,815</u>	<u>224,727</u>	<u>(83,807)</u>	<u>3,972,411</u>	<u>12,037,028</u>	<u>12,866</u>	<u>12,049,894</u>

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



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	<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 2013	2,494,208	4,548,602	893,013	7,935,823
Net loss for the financial period	-	-	(38,732)	(38,732)
Balance as at 31 March 2013	<u>2,494,208</u>	<u>4,548,602</u>	<u>854,281</u>	<u>7,897,091</u>
Balance as at 1 January 2012	2,204,819	2,674,459	945,182	5,824,460
Net loss for the financial period	-	-	(37,380)	(37,380)
Balance as at 31 March 2012	<u>2,204,819</u>	<u>2,674,459</u>	<u>907,802</u>	<u>5,787,080</u>

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



RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2013

	Three months ended	
	31.3.2013	31.3.2012
	RM'000	RM'000
Group		
Cash flows from operating activities		
Profit before taxation	494,285	580,723
Adjustments for:		
Allowance for impairment on loans, financing and other losses	212,903	101,538
Property, plant and equipment		
- depreciation	28,321	13,654
- gain on disposal	(17)	-
- written off	64	-
Amortisation of intangible assets	10,652	7,610
Impairment losses on financial investments AFS and held-to-maturity	(4,192)	(1,488)
Impairment loss on a joint venture	-	5,936
Accretion of discounts for borrowings and subordinated obligations	530	475
Share of results of associates and joint ventures	(331)	(144)
Interest income from financial assets held-for-trading, financial investments		
AFS and held-to-maturity	(275,841)	(208,473)
Investment income from financial assets held-for-trading, financial investments		
AFS and held-to-maturity	(38,191)	(32,761)
Net gain arising from sale/redemption of financial assets held-for-trading, financial investments AFS and held-to-maturity	(30,622)	(82,752)
Net unrealised (gain)/loss on revaluation of financial assets held-for-trading and derivatives	(55,027)	7,398
Net gain on fair value hedges	(215)	-
Unrealised net foreign exchange (gain)/loss	(38,663)	23,602
Accretion of discount less amortisation of premium - net	(8,967)	1,515
Gross dividend income from financial assets held-for-trading, financial investments AFS and held-to-maturity	(4,676)	(3,296)
Operating profit before working capital changes	<u>290,013</u>	<u>413,536</u>
(Increase)/decrease in operating assets:		
Securities purchased under resale agreements	162,927	34,216
Deposits and placements with banks and other financial institutions	(776,882)	(1,299,147)
Financial assets held-for-trading	(705,481)	(698,238)
Loans, advances and financing	(2,181,700)	1,791,483
Clients' and brokers' balances	(483,406)	(426,005)
Other assets	(237)	(113,140)
Statutory deposits	(405,981)	103,492
	<u>(4,390,760)</u>	<u>(607,339)</u>

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



RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2013

	Three months ended	
	31.3.2013	31.3.2012
	RM'000	RM'000
Group		
Cash flows from operating activities (continued)		
Increase/(decrease) in operating liabilities:		
Deposits from customers	(3,007,824)	1,422,946
Deposits and placements with banks and other financial institutions	(2,465,589)	(354,712)
Obligations on securities sold under repurchase agreements	(24,699)	-
Obligations on securities borrowed	(39,823)	-
Bills and acceptances payable	123,613	(100,203)
Clients' and brokers' balances	451,371	655,519
Other liabilities	97,024	20,114
Recourse obligation on loans sold to Cagamas Berhad	(42,887)	215,392
	<u>(4,908,814)</u>	<u>1,859,056</u>
Cash (used in)/generated from operations	(9,009,561)	1,665,253
Net tax (paid)/refunded	(177,834)	17,760
Net cash (used in)/generated from operating activities	<u>(9,187,395)</u>	<u>1,683,013</u>
Cash flows from investing activities		
Net sale/(purchase) of financial investment AFS and held-to-maturity	449,747	(2,303,538)
Property, plant and equipment:		
- Purchase	(17,924)	(33,070)
- Proceeds from disposal	253	-
Purchase of software license	(10,483)	-
Financial investments AFS and held-to-maturity:		
- Interest received	199,581	210,451
- Investment income received	31,969	26,250
- Dividend income received	4,659	3,291
Net cash generated from/(used in) investing activities	<u>657,802</u>	<u>(2,096,616)</u>
Cash flows from financing activities		
Drawdown of borrowings	295,528	8,100
Repayment of borrowings	(215,497)	(35,121)
Dividends paid to non-controlling interests	(9,185)	-
Net cash generated from/(used in) financing activities	<u>70,846</u>	<u>(27,021)</u>
Net decrease in cash and cash equivalents	(8,458,747)	(440,624)
Effects of exchange rate differences	49,279	-
Cash and cash equivalents		
- at the beginning of the financial period	23,973,950	20,358,478
- at the end of the financial period	<u>15,564,482</u>	<u>19,917,854</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	15,564,563	19,917,892
Overdrafts	(81)	(38)
	<u>15,564,482</u>	<u>19,917,854</u>

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



**RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Three months ended	
	31.3.2013	31.3.2012
	RM'000	RM'000
Company		
Cash flows from operating activities		
Loss before taxation	(46,732)	(47,680)
Adjustments for:		
Interest expense	32,665	36,407
Unrealised foreign exchange gain	(387)	(80)
Property, plant and equipment		
- depreciation	63	59
Interest income	(362)	(409)
Operating loss before working capital changes	(14,753)	(11,703)
Increase in deposits and placements with banks and other financial institutions	(8)	(8)
Decrease in inter-company balances	11,879	(90)
Increase in other assets	2,060	602
Increase/(decrease) in other liabilities	6,571	(1,067)
Cash generated from/(used in) operations	5,749	(12,266)
Tax refunded	-	27,902
Net cash generated from operating activities	5,749	15,636
Cash flows from investing activities		
Interest income received	260	215
Purchase of property, plant and equipment	(14)	(54)
Dividend income received from subsidiaries	471	-
Net cash generated from investing activities	717	161
Cash flows from financing activities		
Drawdown of borrowings	-	8,100
Repayment of borrowings	(10,150)	(11,050)
Interest expense paid	(21,543)	(28,903)
Net cash used in financing activities	(31,693)	(31,853)
Net decrease in cash and cash equivalents	(25,227)	(16,056)
Cash and cash equivalents		
- at the beginning of the financial period	36,177	27,510
- at the end of the financial period	10,950	11,454
Cash and cash equivalents comprise the following:		
Cash and short term funds	11,031	11,492
Overdrafts	(81)	(38)
	10,950	11,454

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



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

A1. Basis of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by MASB and should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2012.

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 2012, except for the adoption of the following relevant accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2013:

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

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

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2012 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 2013.

A5. Changes in Estimates

There were no material changes in estimates of amount reported in prior financial years that have a material effect for the three months ended 31 March 2013.

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 period under review.

A7. Dividends Paid

No dividend has been paid during the three months ended 31 March 2013.



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A8. Interest Income				
<u>Group</u>				
Loans, advances and financing	1,289,402	1,148,998	1,289,402	1,148,998
Money at call and deposits and placements with banks and other financial institutions	112,603	102,675	112,603	102,675
Securities purchased under resale agreements	190	59	190	59
Financial assets held-for-trading	12,990	7,785	12,990	7,785
Financial investments AFS	105,581	73,249	105,581	73,249
Financial investments held-to-maturity	157,270	127,380	157,270	127,380
Others	5,446	1,007	5,446	1,007
	<u>1,683,482</u>	<u>1,461,153</u>	<u>1,683,482</u>	<u>1,461,153</u>
Of which:				
Interest income accrued on impaired loans, advances and financing	<u>41,381</u>	<u>41,962</u>	<u>41,381</u>	<u>41,962</u>
<u>Company</u>				
Money at call and deposits and placements with banks and other financial institutions	259	213	259	213
Others	103	196	103	196
	<u>362</u>	<u>409</u>	<u>362</u>	<u>409</u>



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A9. Interest Expense				
<u>Group</u>				
Deposits and placements of banks and other financial institutions	55,790	29,578	55,790	29,578
Deposits from customers	712,795	604,189	712,795	604,189
Borrowings and senior debt securities	45,364	34,866	45,364	34,866
Subordinated obligations	57,065	44,627	57,065	44,627
Hybrid Tier-1 Capital Securities	11,112	11,230	11,112	11,230
Recourse obligation on loans sold to Cagamas	10,765	15,933	10,765	15,933
Others	11,696	11,742	11,696	11,742
	<u>904,587</u>	<u>752,165</u>	<u>904,587</u>	<u>752,165</u>
<u>Company</u>				
Borrowings	<u>32,665</u>	<u>36,407</u>	<u>32,665</u>	<u>36,407</u>



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income				
Group				
Fee income				
- Service charges and fees	46,747	43,924	46,747	43,924
- Commission	32,362	30,027	32,362	30,027
- Guarantee fees	9,687	8,485	9,687	8,485
- Commitment fees	11,619	11,809	11,619	11,809
- Net brokerage	89,428	22,187	89,428	22,187
- Fund management fees	20,498	4,485	20,498	4,485
- Corporate advisory fees	10,472	980	10,472	980
- Underwriting and arrangement fees	12,969	2,249	12,969	2,249
- Unit trust fee income	30,122	64	30,122	64
- Other fee income	12,661	7,169	12,661	7,169
	276,565	131,379	276,565	131,379
Net gain arising from financial assets held-for-trading				
- net gain on disposal	14,094	40,243	14,094	40,243
- unrealised net gain on revaluation	3,402	(4,177)	3,402	(4,177)
- gross dividend income	1,346	515	1,346	515
	18,842	36,581	18,842	36,581
Net gain on revaluation of derivatives	2,351	16,887	2,351	16,887
Net gain on fair value hedges	215	-	215	-
Net gain arising from financial investments AFS				
- net gain on disposal	12,099	33,780	12,099	33,780
- gross dividend income	3,330	2,781	3,330	2,781
	15,429	36,561	15,429	36,561
Net gain arising from financial investments held-to-maturity				
- net gain on redemption	10	-	10	-
	10	-	10	-



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income (continued)				
Other income				
- Net foreign exchange gain/(loss)				
- realised	54,414	92,023	54,414	92,023
- unrealised	38,663	(23,602)	38,663	(23,602)
- Insurance underwriting surplus before management expenses	23,473	23,931	23,473	23,931
- Rental income	911	544	911	544
- Net gain on disposal of property, plant and equipment	17	-	17	-
- Other operating income	17,503	15,538	17,503	15,538
- Other non-operating income	1,701	538	1,701	538
	136,682	108,972	136,682	108,972
	450,094	330,380	450,094	330,380
Company				
Other income				
- Net foreign exchange gain				
- unrealised	387	80	387	80



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses				
<u>Group</u>				
Personnel costs				
- Salaries, bonus, wages and allowances	343,787	268,254	343,787	268,254
- Defined contribution plan	47,264	40,605	47,264	40,605
- Other staff related costs	26,679	22,574	26,679	22,574
	417,730	331,433	417,730	331,433
Establishment costs				
- Property, plant and equipment				
- depreciation	28,321	13,654	28,321	13,654
- written off	64	-	64	-
- Amortisation of intangible assets	10,652	7,610	10,652	7,610
- Information technology expenses	30,444	26,673	30,444	26,673
- Repair and maintenance	8,635	5,854	8,635	5,854
- Security and escorting charges	10,761	10,302	10,761	10,302
- Rental of premises	33,628	21,760	33,628	21,760
- Water and electricity	7,804	6,523	7,804	6,523
- Rental of equipment	2,790	1,726	2,790	1,726
- Insurance	4,488	1,941	4,488	1,941
- Others	8,168	2,326	8,168	2,326
	145,755	98,369	145,755	98,369
Marketing expenses				
- Sales commission	40,224	8,625	40,224	8,625
- Advertisements and publicity	10,357	7,874	10,357	7,874
- Others	25,652	18,120	25,652	18,120
	76,233	34,619	76,233	34,619
Administration and general expenses				
- Communication expenses	32,665	25,650	32,665	25,650
- Legal and professional fee	9,798	5,230	9,798	5,230
- Others	35,961	24,741	35,961	24,741
	78,424	55,621	78,424	55,621
	718,142	520,042	718,142	520,042



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses (continued)				
<u>Company</u>				
Personnel costs				
- Salaries, bonus, wages and allowances	5,735	5,177	5,735	5,177
- Defined contribution plan	885	806	885	806
- Other staff related costs	267	575	267	575
	6,887	6,558	6,887	6,558
Establishment costs				
- Rental of premises	294	267	294	267
- Depreciation of property, plant and equipment	63	59	63	59
- Repair and maintenance	38	39	38	39
- Security and escorting charges	9	9	9	9
- Rental of equipment	3	18	3	18
- Water and electricity	18	35	18	35
- Information technology expenses	4	-	4	-
- Insurance	2	-	2	-
	431	427	431	427
Marketing expenses				
- Advertisements and publicity	167	302	167	302
- Others	58	46	58	46
	225	348	225	348
Administration and general expenses				
- Communication expenses	77	90	77	90
- Legal and professional fee	6,958	4,275	6,958	4,275
- Others	238	64	238	64
	7,273	4,429	7,273	4,429
	14,816	11,762	14,816	11,762



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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A12. Change in Allowance for Impairment on Loans, Financing and Other Losses				
<u>Group</u>				
Allowance for impaired loans and financing:				
- Individual impairment allowance made	(79,014)	(46,583)	(79,014)	(46,583)
- Collective impairment allowance made	(83,902)	(11,250)	(83,902)	(11,250)
Impaired loans and financing recovered	58,036	56,161	58,036	56,161
Bad debts written off	(47,693)	(43,145)	(47,693)	(43,145)
Allowance made for impairment on other assets	(2,294)	(560)	(2,294)	(560)
	<u>(154,867)</u>	<u>(45,377)</u>	<u>(154,867)</u>	<u>(45,377)</u>



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A13. Financial Assets Held-for-trading		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	402,561	323,779
Malaysian government investment issues	363,284	181,998
Malaysian government treasury bills	-	52,869
BNM monetary notes	1,463,133	598,073
Negotiable instruments of deposits	99,309	-
Cagamas bonds	-	250,324
Singapore government treasury bills	280,566	227,634
Wakala Global Sukuk	10,327	7,144
1 Malaysia Sukuk	60,964	20,183
Bankers' acceptances and Islamic accepted bills	9,472	-
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Shares, exchange traded funds and warrants	90,167	129,944
Unit trusts	7,636	5,790
Private Debt Securities	49,957	-
Outside Malaysia		
Shares, exchange traded funds and warrants	49,539	58,517
Unit trusts	28,422	25,034
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	400,440	717,367
Outside Malaysia		
Private debt securities	165,751	140,994
	<u>3,481,528</u>	<u>2,739,650</u>



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A13. Financial Assets Held-for-trading (continued)

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

The effects of reclassification on the income statement for the period from the date of reclassification to 31 March 2013 and the gains and losses relating to these assets recorded in income statement for the three months ended 31 March 2013 were as follows:

	Group	
	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
<u>Carrying amount</u>		
Reclassified from HFT to AFS		
- Debt securities	110,139	111,191
Reclassified from HFT to HTM		
- Debt securities	-	18,425
	110,139	129,616
<u>Fair value</u>		
Reclassified from HFT to AFS		
- Debt securities	109,614	110,549
Reclassified from HFT to HTM		
- Debt securities	-	19,724
	109,614	130,273
Fair value (losses)/gains that would have been recognised if the financial assets HFT had not been reclassified	(525)	657



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	Group	
	Unaudited	Audited
	As at 31.3.2013	As at 31.12.2012
	RM'000	RM'000
A14. Financial Investments Available-for-sale		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	582,107	806,960
Malaysian government investment issues	2,799,195	2,745,906
BNM Monetary Notes	-	205,859
Cagamas bonds and Cagamas Mudharabah bonds	147,884	117,158
Khazanah bonds	60,808	49,116
Singapore government securities	132,926	135,081
Singapore government treasury bills	274,162	25,032
Thailand government bonds	112,108	106,295
1 Malaysia Sukuk	280,602	307,928
Wakala Global Sukuk	95,754	95,029
Bankers' acceptances and Islamic acceptable bills	260,964	412,555
Negotiable instrument of deposits	149,474	409,161
Sukuk Perumahan Kerajaan (SPK)	101,609	101,363
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Corporate loan stocks	5,670	8,627
Shares and warrants	7,525	7,630
Unit trusts	5,324	5,247
Outside Malaysia		
Shares and warrants	3,611	3,415
Unit trusts	20,099	20,197
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	7,851,315	7,731,780
Shares and warrants	379,135	379,135
Corporate loan stocks	121,637	121,637
Unit trusts	373,562	344,217
Outside Malaysia		
Private debt securities	791,704	994,761
Corporate loan stocks	464	460
Shares	20,298	20,382
	14,577,937	15,154,931

Included in financial investments available-for-sale are private debts securities outside Malaysia, which are pledged as collateral for obligations on securities sold under repurchase agreements amounted to RM237,925,000 (31.12.2012: RM239,126,000).



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A15. Financial Investments Held-to-maturity		
At amortised cost		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	2,326,234	2,461,736
Malaysian government investment issues	5,911,104	6,038,528
Cagamas bonds and Cagamas Mudharabah bonds	2,400,582	2,391,005
Khazanah bonds	67,022	66,290
Negotiable instruments of deposits	2,134,604	2,126,329
Singapore government securities	125,357	126,795
Thailand government securities	290,270	264,011
Sukuk (Brunei) Incorporation	49,868	57,594
Bankers' acceptances and Islamic acceptable bills	368,748	389,176
Wakala Global Sukuk	213,595	212,524
Sukuk Perumahan Kerajaan (SPK)	50,047	-
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	4,631,112	4,216,113
Corporate loan stocks	54,512	55,196
Bonds	883	883
Prasarana bonds	798,689	794,309
Outside Malaysia		
Private debt securities	63,323	50,020
	19,485,950	19,250,509
Accumulated impairment losses	(304,863)	(305,473)
	19,181,087	18,945,036



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A16. Loans, Advances and Financing		
At amortised cost		
Overdrafts	5,835,654	5,895,676
Term loans/financing		
- housing loans/financing	22,204,001	21,706,306
- syndicated term loans/financing	2,678,882	2,521,254
- hire-purchase receivables	12,797,878	12,581,965
- lease receivables	76,502	75,650
- other term loans/financing	53,349,046	52,579,442
Bills receivable	1,726,867	1,574,283
Trust receipts	511,323	469,017
Claims on customers under acceptance credits	5,061,078	5,257,978
Staff loans/financing	277,511	286,116
Credit/charge cards receivables	1,908,495	1,926,638
Revolving credits/financing	7,118,002	6,599,744
Gross loans, advances and financing	<u>113,545,239</u>	<u>111,474,069</u>
Fair value changes arising from fair value hedges	4,152	6,252
	<u>113,549,391</u>	111,480,321
Allowance for impaired loans, advances and financing		
- individual impairment allowance	(862,872)	(801,495)
- collective impairment allowance	(1,439,847)	(1,401,946)
Net loans, advances and financing	<u>111,246,672</u>	<u>109,276,880</u>

Included in loans, advances and financing are housing loans, hire purchase receivables and other term loans/financing sold to Cagamas with recourse amounting to RM2,315,373,000 (31.12.2012: RM2,371,017,000).



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A16. Loans, Advances and Financing (continued)		
(a) By type of customer		
Domestic non-bank financial institutions		
- others	1,670,140	1,502,696
Domestic business enterprises		
- small medium enterprises	12,621,878	12,649,350
- others	30,542,975	30,406,205
Government and statutory bodies	11,031,620	10,989,382
Individuals	49,436,396	47,909,866
Other domestic entities	8,702	10,240
Foreign entities	8,233,528	8,006,330
	<u>113,545,239</u>	<u>111,474,069</u>
(b) By geographical distribution		
In Malaysia	106,520,245	104,661,562
Outside Malaysia		
- Singapore operations	5,966,310	5,863,486
- Thailand operations	546,035	468,613
- Brunei operations	85,508	86,886
- Indonesia operations	18,000	18,274
- Hong Kong operations	118,883	100,444
- Cambodia operations	290,258	274,804
	<u>113,545,239</u>	<u>111,474,069</u>
(c) By interest/profit rate sensitivity		
Fixed rate		
- housing loans/financing	1,245,419	1,358,745
- hire-purchase receivables	12,797,878	12,581,965
- other fixed rate loans/financing	20,129,661	19,996,461
Variable rate		
- base lending/financing rate plus	43,854,967	42,244,830
- cost-plus	30,060,828	30,120,920
- other variable rates	5,456,486	5,171,148
	<u>113,545,239</u>	<u>111,474,069</u>



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A16. Loans, Advances and Financing (continued)		
(d) By purpose		
Purchase of securities	11,136,344	10,250,484
Purchase of transport vehicles	11,699,121	11,448,099
Purchase of landed property:		
- residential	22,601,091	22,154,545
- non-residential	6,091,948	5,730,126
Purchase of property, plant and equipment other than land and building	3,153,262	3,249,719
Personal use	5,862,297	5,758,114
Credit card	1,908,495	1,926,638
Purchase of consumer durables	35,675	37,282
Construction	3,060,665	3,653,747
Working capital	27,078,757	26,520,291
Merger and acquisition	3,522,213	3,702,442
Other purpose	17,395,371	17,042,582
	<u>113,545,239</u>	<u>111,474,069</u>
(e) By remaining contractual maturities		
Maturity within one year	39,700,485	39,436,353
One year to three years	9,338,912	8,971,576
Three years to five years	9,075,460	9,495,981
Over five years	55,430,382	53,570,159
	<u>113,545,239</u>	<u>111,474,069</u>



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A16. Loans, Advances and Financing (continued)		
(f) Impaired loans, advances and financing		
(i) Movements in impaired loans, advances and financing		
Balance as at the beginning of the financial period	3,337,637	3,493,951
Amount arising from acquisition of subsidiaries	-	286,081
Classified as impaired	944,459	3,900,918
Reclassified as non-impaired	(668,005)	(2,746,513)
Amount recovered	(150,025)	(784,440)
Amount written off	(113,365)	(811,448)
Exchange difference	1,779	(912)
Balance as at the end of the financial period	<u>3,352,480</u>	<u>3,337,637</u>

	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
(ii) By purpose		
Purchase of securities	302,815	335,314
Purchase of transport vehicles	264,875	260,414
Purchase of landed property:		
- residential	960,633	965,098
- non-residential	139,316	158,072
Purchase of property, plant and equipment other than land and building	52,865	66,981
Personal use	137,442	137,178
Credit card	39,165	39,379
Purchase of consumer durables	2,061	2,058
Construction	246,371	245,763
Working capital	1,103,248	1,040,599
Other purpose	103,689	86,781
	<u>3,352,480</u>	<u>3,337,637</u>



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A16. Loans, Advances and Financing (continued)		
(f) Impaired loans, advances and financing (continued)		
(iii) By geographical distribution		
In Malaysia	3,246,911	3,238,073
Outside Malaysia		
- Singapore operations	75,395	69,055
- Thailand operations	23,169	21,905
- Brunei operations	7,005	8,604
	<u>3,352,480</u>	<u>3,337,637</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	801,495	813,086
Amount arising from acquisition of subsidiaries	-	21,043
Net allowance made	79,014	267,911
Amount written off	(16,338)	(288,550)
Reclassified to collective impairment allowance	(2,141)	(10,895)
Transfer to allowance of impairment of financial investments HTM	-	(643)
Exchange differences	842	(457)
Balance as at the end of the financial period	<u>862,872</u>	<u>801,495</u>
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period	1,401,946	1,566,152
Amount arising from acquisition of subsidiaries	-	6,463
Net allowance made	83,902	119,712
Amount written off	(48,784)	(300,584)
Reclassified from individual impairment allowance	2,141	10,895
Exchange differences	642	(692)
Balance as at the end of the financial period	<u>1,439,847</u>	<u>1,401,946</u>



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	Group	
	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
A18. Deposits from Customers		
(a) By type of deposits		
Demand deposits	22,804,649	22,504,610
Savings deposits	7,284,484	6,932,789
Fixed/investment deposits	105,033,432	108,696,573
Negotiable instruments of deposits	76,508	90,253
	<u>135,199,073</u>	<u>138,224,225</u>
(b) By type of customer		
Government and statutory bodies	13,962,515	15,358,856
Business enterprises	82,163,145	85,321,693
Individuals	34,404,260	32,807,510
Others	4,669,153	4,736,166
	<u>135,199,073</u>	<u>138,224,225</u>
(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits		
Due within six months	86,114,711	89,643,980
Six months to one year	18,288,053	18,225,877
One year to three years	669,480	879,712
Three years to five years	37,696	37,257
	<u>105,109,940</u>	<u>108,786,826</u>
A19. Deposits and Placements of Banks and Other Financial Institutions		
Licensed banks	5,531,541	7,788,585
Licensed Islamic banks	411,894	1,148,524
Licensed investment banks	298,414	907,280
BNM	1,288,458	1,149,572
Other financial institutions	3,461,778	2,456,168
	<u>10,992,085</u>	<u>13,450,129</u>



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A21. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

For the current financial year, the Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Corporate and Investment Banking

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

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

(b) Retail Banking

Retail Banking focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgages, hire purchase financing, study loans, lease financing and personal loans), credit cards, remittance services, deposit collection, general insurance and investment products.

(c) Business Banking

Business Banking caters to funding or lending needs to small and medium sized enterprises.

(d) Group Treasury

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

(e) Islamic Banking business

Islamic Banking business focuses on providing a full range of commercial banking products and services in accordance with the principles of Shariah to individual customers, corporate clients, government and state owned entities as well as small and medium sized enterprises.

(f) Global Financial Banking

Global Financial Banking primarily focuses on providing commercial banking related products and services tailored to the specific needs in foreign countries. This segment also offered stockbroking and investment banking products and services to our regional customers. The Group has established its commercial banking business in Singapore, Cambodia, Thailand and Brunei, while the Group's regional stockbroking and investment banking business operates from Singapore, Hong Kong, Indonesia and Thailand.



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A21. Segment Reporting (continued)

For the current financial year, the Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure: (continued)

(g) Support center and others

Support center and others comprise of results from other business segments in the Group (nominee services, property investment and rental, dormant operations and other related financial services), funding center of the commercial banking subsidiary and investment holding company, whose results are not material to the Group and therefore do not render separate disclosure in the financial statements and thus, have been reported in aggregate.

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



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A21. Segment Reporting (continued)

Segment Profit and Loss for the Three Months Ended 31 March 2013

	Corporate & Investment Banking	Retail Banking	Business Banking	Group Treasury	Islamic Banking Business	Global Financial Banking	Support Center and Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	295,020	524,523	174,167	135,813	115,291	158,826	(40,960)	-	1,362,680
Inter-segment revenue	1,276	3,248	-	25,542	(21,433)	895	7,326	(16,854)	-
Segment revenue	<u>296,296</u>	<u>527,771</u>	<u>174,167</u>	<u>161,355</u>	<u>93,858</u>	<u>159,721</u>	<u>(33,634)</u>	<u>(16,854)</u>	<u>1,362,680</u>
Overhead expenses	(162,376)	(270,377)	(79,616)	(24,318)	(43,287)	(122,629)	(32,393)	16,854	(718,142)
Including:									
Depreciation of property, plant and equipment	(3,889)	(15,055)	(1,587)	(1,098)	(959)	(4,090)	(1,643)	-	(28,321)
Amortisation of intangible assets	(3,121)	(4,360)	(1,979)	(740)	(73)	(379)	-	-	(10,652)
Change in allowance for impairment on loans, financing and other losses	(107,713)	(34,864)	(2,375)	1	(9,102)	(1,399)	585	-	(154,867)
Impairment (losses)/write back on other assets	3,490	91	702	-	-	-	-	-	4,283
	<u>29,697</u>	<u>222,621</u>	<u>92,878</u>	<u>137,038</u>	<u>41,469</u>	<u>35,693</u>	<u>(65,442)</u>	<u>-</u>	<u>493,954</u>
Share of results of associates									219
Share of results of joint ventures									112
Profit before taxation									<u>494,285</u>
Taxation									<u>(130,480)</u>
Net profit for the financial period									<u><u>363,805</u></u>



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A21. Segment Information (continued)

Segment Profit and Loss for the Three Months Ended 31 March 2012

	Corporate & Investment Banking	Retail Banking	Business Banking	Group Treasury	Islamic Banking Business	Global Financial Banking	Support Center and Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	174,634	531,641	173,544	163,029	88,316	59,089	(39,812)	-	1,150,441
Inter-segment revenue	3,881	4,539	-	(1,862)	2,658	846	6,728	(16,790)	-
Segment revenue	178,515	536,180	173,544	161,167	90,974	59,935	(33,084)	(16,790)	1,150,441
Overhead expenses	(65,365)	(255,762)	(81,728)	(22,325)	(34,353)	(50,468)	(26,831)	16,790	(520,042)
Including:									
Depreciation of property, plant and equipment	(1,080)	(7,935)	(1,427)	(441)	(392)	(853)	(1,526)	-	(13,654)
Amortisation of intangible assets	(738)	(4,337)	(1,530)	(604)	(54)	(347)	-	-	(7,610)
Change in allowance for impairment on loans, financing and other losses	(11,407)	(58,008)	7,324	-	13,456	2,045	1,213	-	(45,377)
Impairment (losses)/write back on other assets	(5,591)	10	82	1,056	-	-	-	-	(4,443)
	96,152	222,420	99,222	139,898	70,077	11,512	(58,702)	-	580,579
Share of results of a joint venture									144
Profit before taxation									580,723
Taxation									(144,227)
Net profit for the financial period									436,496



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A21. Segment Reporting (continued)

Segment Assets as at 31 March 2013

	Corporate & Investment Banking	Retail Banking	Business Banking	Group Treasury	Islamic Banking Business	Global Financial Banking	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	39,420,082	45,866,209	11,945,313	49,831,557	17,733,282	16,085,943	2,057,197	182,939,583
Investments in associates and joint ventures								37,022
Tax recoverable								142,288
Deferred tax assets								23,272
Unallocated assets								1,414,011
Total assets								184,556,176



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A21. Segment Information (continued)

Segment Assets as at 31 December 2012

	Corporate & Investment Banking	Retail Banking	Business Banking	Group Treasury	Islamic Banking Business	Global Financial Banking	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	39,296,064	44,765,381	11,924,133	58,141,166	16,583,407	15,042,992	1,969,496	187,722,639
Investments in a joint venture								36,589
Tax recoverable								142,912
Deferred tax assets								15,115
Unallocated assets								1,160,310
Total assets								<u>189,077,565</u>



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A22. Valuation of Property, Plant and Equipment

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

A23. Material Events Subsequent to the Balance Sheet Date

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 2013.



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

The commitments and contingencies comprise the following:

Group	Unaudited As at 31.3.2013			Audited As at 31.12.2012		
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,288,910	2,250,263	1,739,574	2,181,636	2,144,725	1,426,061
Transaction-related contingent items	2,641,455	1,297,258	1,033,173	2,496,866	1,225,275	881,715
Short term self-liquidating trade-related contingencies	1,447,094	286,619	160,036	1,009,851	199,301	128,967
Obligations under underwriting agreements	116,000	58,000	48,000	151,971	75,986	65,986
Over-the-counter ('OTC') derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	25,815	1,260	394	38,719	2,305	538
Irrevocable commitments to extend credit						
- maturity not exceeding one year	11,751,692	5,644,591	4,061,962	12,036,947	5,834,978	3,710,736
- maturity exceeding one year	24,203,847	11,831,334	8,150,443	24,718,743	11,661,549	7,865,628
Foreign exchange related contracts^						
- less than one year	13,573,518	175,694	111,199	10,766,174	182,006	112,935
- one year to less than five years	5,979,307	987,712	293,193	5,213,212	922,498	275,190
Equity related contracts^						
- less than one year	113	113	113	4,423	4,423	4,423
Interest rate related contracts^						
- less than one year	7,936,012	20,505	5,661	8,728,637	28,174	10,030
- one year to less than five years	15,458,348	477,555	201,115	15,198,210	468,334	240,991
- more than five years	710,363	60,938	35,571	615,000	55,316	53,484
	86,132,474	23,091,842	15,840,434	83,160,389	22,804,870	14,776,684

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

* The credit equivalent amount is arrived at using the credit conversion factors as per BNM's guidelines. Foreign exchange, interest rate, equity 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 (continued)

(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 subsidiaries, 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).

The commercial banking subsidiary, RHB Bank Berhad, 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.

The commercial banking subsidiary, RHB Bank Berhad, has also given a guarantee to the 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.

The Company has given a continuing guarantee to Labuan Financial Service Authority ('LFSA') to meet the liabilities and financial obligations and requirements of its subsidiary, OSK Investment Bank (Labuan) Ltd, arising from its offshore investment banking business in the Federal Territory of Labuan.



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

(b) Guarantees Issued by Group and Company

	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
Group		
Bank guarantee in favour of Bursa Malaysia Clearing Sdn. Bhd provided by a subsidiary	771	946
Bank guarantee in favour of Hong Kong Future Exchange and Clearing Corporation Limited provided by a subsidiary	1,989	1,973
Bank guarantee in favour of PT. Kliring Penjaminan Efek Indonesia provided by a subsidiary	47,700	31,700
Bank guarantee for lease of premises provided by a subsidiary	1,483	1,490
Corporate guarantees provided to licensed banks for credit facilities granted to subsidiaries	309,050	95,680
Corporate guarantee in favour of client's trading facilities granted by a subsidiary	68,000	68,000
	428,993	199,789
Company		
Corporate guarantees provided to licensed banks for credit facilities granted to subsidiaries	309,050	95,680
Corporate guarantee in favour of client's trading facilities granted by a subsidiary	68,000	68,000
Letter of undertaking in favour of Monetary Authority of Singapore provided for a subsidiary	124,657	-
	501,707	163,680

The Company has given a continuing guarantee to Labuan Financial Service Authority ('LFSA') to meet the liabilities and financial obligations and requirements of its subsidiary, OSK Investment Bank (Labuan) Ltd, arising from its offshore investment banking business in the Federal Territory of Labuan.



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

(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 (refer to Note B10(a) 'Material Litigation' for further details).

The suit is still ongoing, the solicitors for the Company are of the opinion that the chances of successfully recovering the Deposit are good, 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 2013.

A26. Capital Commitments

	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
Capital expenditure for property, plant and equipment:		
- authorised and contracted for	71,111	67,570
- authorised but not contracted for	<u>184,159</u>	<u>175,290</u>
	<u>255,270</u>	<u>242,860</u>
Proposed acquisition of PT Bank Mestika Dharma (refer to Note B6(a))	<u>538,620</u>	538,620
	<u><u>793,890</u></u>	<u><u>781,480</u></u>



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A27. Capital Adequacy Ratio

BNM guidelines on capital adequacy requires RHB Bank Berhad ('RHB Bank'), RHB Islamic Bank Berhad ('RHB Islamic Bank'), RHB Investment Bank Berhad ('RHB Investment Bank') and OSK Investment Bank Berhad ('OSK Investment Bank') to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

Effective 1 January 2013, the capital ratios of RHB Bank, RHB Investment Bank and OSK Investment Bank have been computed based on BNM's Capital Adequacy Framework (Capital Components) issued on 28 November 2012. Correspondingly, the comparative disclosures for the year ended 31 December 2012 have been restated accordingly.

Effective 1 January 2013, the capital ratios of RHB Islamic Bank have been computed based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 28 November 2012. Correspondingly, the comparative disclosures for the year ended 31 December 2012 have been restated accordingly.

OSK Indochina Bank Limited, a wholly owned subsidiary of OSK Investment Bank and OSK Investment Bank Labuan, a wholly owned subsidiary of the Company, are subject to National Bank of Cambodia and Labuan Financial Services Authority's capital adequacy requirements.

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

	RHB Bank[®]	
	Unaudited 31.3.2013 RM'000	Restated 31.12.2012 RM'000
Tier I Capital		
Paid-up ordinary share capital	3,318,085	3,318,085
Share premium	8,563	8,563
Retained profits	3,997,058	3,997,058
Other reserves	3,465,430	3,446,936
AFS reserves	222,206	218,281
	11,011,342	10,988,923
Less:		
Goodwill	(905,519)	(905,519)
Other intangibles	(92,071)	(112,409)
Cumulative gains on financing instruments classified as AFS	(122,213)	(120,055)
Shortfall of eligible provisions to expected losses under the IRB approach	(298,451)	(372,197)
Other deduction [#]	(6,768)	(5,701)
Common Equity Tier I Capital ('CET I Capital')	9,586,320	9,473,042
Hybrid Tier-1 Capital Securities	540,000	597,744
Total Tier I Capital	10,126,320	10,070,786
Tier II Capital		
Subordinated obligations *	3,600,000	3,996,781
Collective impairment allowance [^]	278,184	278,703
Total Tier II Capital	3,878,184	4,275,484
Less:		
Investment in subsidiaries companies	(1,272,656)	(1,072,656)
Eligible Tier II Capital	2,605,528	3,202,828
Total capital base	12,731,848	13,273,614
CET I Capital Ratio	10.85%	10.78%
Tier I Capital Ratio	11.47%	11.46%
Total Capital Ratio	14.42%	15.10%

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

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

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

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



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A27. Capital Adequacy Ratio (continued)

	RHB Islamic Bank	
	Unaudited	Restated
	31.3.2013	31.12.2012
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	1,173,424	973,424
Retained profits	358,151	358,151
Other reserves	358,359	358,359
AFS reserves	2,832	3,740
	<u>1,892,766</u>	<u>1,693,674</u>
Less:		
Net deferred tax assets	(3,767)	(5,265)
Other intangibles	(2,525)	(3,585)
Cumulative gains on financing instruments classified as AFS	(1,558)	(2,057)
Other deduction [#]	(13)	(5,091)
CET I Capital/Total Tier I Capital	<u>1,884,903</u>	<u>1,677,676</u>
Tier II Capital		
Collective impairment/allowance for bad and doubtful financing [^]	<u>89,046</u>	<u>87,435</u>
Eligible Tier II Capital	<u>89,046</u>	<u>87,435</u>
Total capital base	<u><u>1,973,949</u></u>	<u><u>1,765,111</u></u>
CET I Capital Ratio	14.49%	13.97%
Tier I Capital Ratio	14.49%	13.97%
Total Capital Ratio	15.17%	14.70%

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

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



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A27. Capital Adequacy Ratio (continued)

	RHB Investment Bank	
	Unaudited	Restated
	31.3.2013	31.12.2012
	RM'000	RM'000
Tier I capital		
Paid-up ordinary share capital	263,646	263,646
Retained profits	68,107	68,107
Other reserves	278,549	278,549
AFS reserves	14,093	14,720
	<u>624,395</u>	<u>625,022</u>
Less:		
Goodwill	(159,280)	(159,280)
Net deferred tax assets	(4,325)	(4,325)
Other deduction	(8,323)	(9,883)
Cumulative gains on financing instruments classified as AFS	(7,751)	(8,096)
CET I Capital/Total Tier I Capital	<u>444,716</u>	<u>443,438</u>
Tier II Capital		
Subordinated obligations *	247,235	274,706
Collective impairment allowance^	19	34
Total Tier II Capital	<u>247,254</u>	<u>274,740</u>
Less:		
Investment in subsidiaries companies	(84,970)	(84,970)
Investment in a joint venture	(15,363)	(15,363)
Eligible Tier II Capital	<u>146,921</u>	<u>174,407</u>
Total capital base	<u>591,637</u>	<u>617,845</u>
CET I Capital Ratio	26.68%	30.03%
Tier I Capital Ratio	26.68%	30.03%
Total Capital Ratio	35.49%	41.84%

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

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



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A27. Capital Adequacy Ratio (continued)

	OSK Investment Bank	
	Unaudited	Restated
	31.3.2013	31.12.2012
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	660,000	660,000
Accumulated losses	(74,878)	(74,878)
Other reserves	262,830	262,830
AFS reserves	21,450	11,491
	<u>869,402</u>	<u>859,443</u>
Less:		
Other intangibles	(26,148)	(28,174)
Cumulative gains on financing instruments classified as AFS	(11,798)	(6,320)
Regulatory adjustments applied to CET I Capital due to insufficient Tier II Capital #	(512,901)	(474,353)
CET I Capital/Total Tier I Capital	<u>318,555</u>	<u>350,596</u>
Tier II capital		
Subordinated obligations *	360,000	400,000
Collective impairment allowance^	6,604	5,153
Total Tier II capital	<u>366,604</u>	405,153
Less:		
Investment in subsidiaries companies #	(366,604)	(405,153)
Eligible Tier II Capital	<u>-</u>	<u>-</u>
Total capital base	<u><u>318,555</u></u>	<u><u>350,596</u></u>
CET I Capital Ratio	10.30%	10.34%
Tier I Capital Ratio	10.30%	10.34%
Total Capital Ratio	10.30%	10.34%

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

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

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



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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 Islamic Bank	RHB Investment Bank	OSK Investment Bank
	RM'000	RM'000	RM'000	RM'000
<u>31.3.2013</u>				
Credit risk	78,122,799	12,097,663	911,829	2,140,159
Market risk	2,840,009	200,629	383,360	360,560
Operational risk	7,357,217	710,763	371,697	591,348
Total risk-weighted assets	<u>88,320,025</u>	<u>13,009,055</u>	<u>1,666,886</u>	<u>3,092,067</u>
<u>31.12.2012</u>				
Credit risk	77,934,597	11,053,722	885,313	2,273,307
Market risk	2,676,808	265,386	204,925	515,089
Operational risk	7,283,570	689,105	386,394	602,549
Total risk-weighted assets	<u>87,894,975</u>	<u>12,008,213</u>	<u>1,476,632</u>	<u>3,390,945</u>

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

The total risk-weighted assets 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 total risk-weighted assets of RHB Islamic Bank are computed based on 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).

The total risk-weighted assets of RHB Investment Bank and OSK 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).



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A27. Capital Adequacy Ratio (continued)

The OSK Indochina Bank Limited, a wholly owned subsidiary of OSK Investment Bank and the OSK Investment Bank Labuan, the wholly owned subsidiary of the Company, are subject to National Bank of Cambodia and Labuan Financial Services Authority's capital adequacy requirements.

(a) OSK Indochina Bank Limited

	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
Before deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	34.83%	38.29%
After deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	34.83%	38.29%

The Solvency Ratio of OSK Indochina Bank Limited ('OSKIBL') is the nearest equivalent regulatory compliance ration in Cambodia computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as OSKIBL's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15%.

No equivalent ratio in Cambodia.

(b) OSK Investment Bank (Labuan) Limited ('OSKL')

	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
Before deducting proposed dividends:		
Core capital ratio	27.86%	25.60%
Risk-weighted capital adequacy ratio	27.86%	25.60%
After deducting proposed dividends:		
Core capital ratio	27.86%	25.60%
Risk-weighted capital adequacy ratio	27.86%	25.60%

The capital adequacy ratios of OSKL for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier I capital ratio and risk-weighted capital ratio respectively.



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
A28. Operations of Islamic Banking		
(a) Statement of Financial Position as at 31 March 2013		
ASSETS		
Cash and short-term funds	1,959,078	3,094,540
Deposits and placements with banks and other financial institutions	1,742,031	1,988,635
Financial assets held-for-trading	847,554	439,382
Financial investments AFS	1,615,140	2,463,371
Financial investments held-to-maturity	1,907,312	2,332,615
Financing and advances	16,856,041	15,999,574
Other assets	105,197	67,462
Statutory deposits	731,177	718,423
Deferred tax assets	-	981
Property, plant and equipment	14,249	13,221
Intangible assets	8,646	9,832
Total assets	<u>25,786,425</u>	<u>27,128,036</u>
LIABILITIES		
Deposits from customers	18,035,158	18,656,721
Deposits and placements of banks and other financial institutions	1,625,597	2,506,090
Bills and acceptances payable	28,787	21,613
Recourse obligations financing sold to Cagamas Berhad	1,425,092	1,462,521
Other liabilities	152,823	118,237
Taxation liabilities	30,570	29,919
Deferred tax liabilities	558	-
Total liabilities	<u>21,298,585</u>	<u>22,795,101</u>
Islamic Banking Funds	4,487,840	4,332,935
Total liabilities and Islamic Banking Funds	<u>25,786,425</u>	<u>27,128,036</u>
Commitments and contingencies	<u>4,279,721</u>	<u>4,885,609</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A28. Operations of Islamic Banking (continued)				
(b) Income Statement for the three months ended 31 March 2013				
Group				
Income derived from investment of depositors' funds	270,820	239,678	270,820	239,678
Income derived from investment of shareholder's funds	25,912	19,259	25,912	19,259
Allowance for impairment on financing and advances	(9,102)	13,456	(9,102)	13,456
Profit equalisation reserve	-	7,252	-	7,252
Total distributable income	287,630	279,645	287,630	279,645
Income attributable to depositors	(163,041)	(155,116)	(163,041)	(155,116)
Total net income	124,589	124,529	124,589	124,529
Personnel expenses	(18,604)	(15,890)	(18,604)	(15,890)
Other overheads and expenditures	(31,152)	(24,027)	(31,152)	(24,027)
Profit before taxation	74,833	84,612	74,833	84,612
Taxation	(13,452)	(24,687)	(13,452)	(24,687)
Net profit for the financial period	61,381	59,925	61,381	59,925



RHB CAPITAL BERHAD (312952 – H)
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	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
A28. Operations of Islamic Banking (continued)				
(c) Statement of Comprehensive Income for the Three Months Ended 31 March 2013				
Group				
Net profit for the financial period	61,381	59,925	61,381	59,925
Other comprehensive income:				
(i) Items that will not be reclassified to income statements				
- Unrealised net gain on revaluation of financial investments available-for-sale ('AFS')	1,123	6,135	1,123	6,135
Income tax relating to components of other comprehensive (income)/loss	(281)	(1,533)	(281)	(1,533)
	842	4,602	842	4,602
(ii) Items that will be reclassified to income statements				
Net transfer to income statements on disposal or impairment of AFS	(2,115)	(4,977)	(2,115)	(4,977)
Income tax relating to components of other comprehensive (income)/loss	529	1,244	529	1,244
	(1,586)	(3,733)	(1,586)	(3,733)
Other comprehensive (loss)/income, net of tax, for the financial period	(744)	869	(744)	869
Total comprehensive income for the financial period	60,637	60,794	60,637	60,794



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

	Group	
	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
A28. Operations of Islamic Banking (continued)		
(d) Financing and Advances		
At amortised cost		
Cashline	146,805	151,526
Term financing		
- housing financing	3,681,496	3,471,369
- syndicated term financing	379,525	384,584
- hire purchase receivables	4,696,226	4,416,398
- other term financing	5,996,336	5,833,269
Bills receivable	901,199	852,323
Trust receipts	24,075	21,299
Staff financing	7,942	8,125
Credit/charge cards receivables	132,912	120,899
Revolving financing	1,158,758	1,006,569
Gross financing and advances	17,125,274	16,266,361
Less: Allowance for impaired financing and advances		
- individual impairment allowance	(88,599)	(89,013)
- collective impairment allowance	(180,634)	(177,774)
Net financing and advances	16,856,041	15,999,574



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	Group	
	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 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	409,064	560,617
Classified as impaired	84,965	377,761
Reclassified as non-impaired	(59,817)	(277,209)
Amount recovered	(20,246)	(114,629)
Amount written off	(8,347)	(137,476)
Balance as at the end of the financial period	<u>405,619</u>	<u>409,064</u>
(ii) Movements in allowance for impaired financing and advances		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period	89,013	130,724
Net allowance made	(414)	67,920
Amount written off	-	(108,708)
Transfer to collective impairment allowance	-	(923)
Balance as at the end of the financial period	<u>88,599</u>	<u>89,013</u>
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period	177,774	196,436
Net allowance (made)/written back	7,893	(487)
Amount written off	(5,033)	(19,098)
Transfer from individual assessment allowance	-	923
Balance as at the end of the financial period	<u>180,634</u>	<u>177,774</u>



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	Group	
	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
A28. Operations of Islamic Banking (continued)		
(e) Other Assets		
Deposits and prepayments	567	249
Sundry deposits debtors	1,253	1,243
Other debtors	<u>103,377</u>	<u>65,970</u>
	<u>105,197</u>	<u>67,462</u>
(f) Deposits from Customers		
<u>Non-Mudharabah Funds</u>		
Demand deposits	2,134,650	1,830,203
Savings deposits	735,206	716,821
Commodity Murabahah	3,245,227	2,631,890
Wakalah money market deposits	<u>132,377</u>	<u>28,264</u>
	<u>6,247,460</u>	<u>5,207,178</u>
<u>Mudharabah Funds</u>		
Demand deposits	527,184	480,301
Savings deposits	75,016	54,425
General investment deposits accounts	827,406	2,132,920
Special investment deposits accounts	<u>10,358,092</u>	<u>10,781,897</u>
	<u>18,035,158</u>	<u>18,656,721</u>



**RHB CAPITAL BERHAD (312952 – H)
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B1. Review of Group Results

(a) Current Financial Year vs Previous Financial Year

For the financial quarter ended 31 March 2013, the Group reported a net profit of RM357.2 million, 18.0% lower from RM435.6 million recorded a year ago. Pre-tax profit was RM494.3 million, 14.9% lower than the corresponding period in 2012. The year-on-year earnings decline was mainly due to a one-off delinquent account impairment as well as higher collective allowance due partially to loan growth.

Year-on-year revenue increased by 18.5% to RM1.4 billion, driven by the full consolidation of OSK Investment Bank Berhad ('OSK Investment Bank') and top line gains in net interest income and net income from Islamic Banking business.

Net interest income rose 9.9% to RM778.9 million, reflecting the effect of consolidation of OSK Investment Bank and higher average lending and deposit balances on a business as usual basis as the Group continues in growing its priority segments. Net interest margin remained relatively stable at 2.34%.

Other operating income recorded a strong growth of 36.2% to RM450.1 million year-on-year. This increase was boosted by robust fee income mainly in brokerage, wealth management and fund management, higher card fees and net foreign exchange gain. This was however partially negated by lower capital market-related income during the first quarter of the year and lower net trading income and investment related gains.

The combined RHB Investment Bank Berhad ("RHB Investment Bank") - OSK Investment Bank franchise and capability has started to bear fruit as evidenced in the higher non-interest income to total income ratio of 33.0% during the quarter under review from 28.7% previously.

Islamic Banking income increased by 20.4% to RM133.7 million, driven mainly by higher net funding income on the back of a 28.1% increase in financing base from a year ago.

Other operating expenses rose 38.1% year-on-year mainly due to the full-period impact of OSK Investment Bank cost base and higher headcount, as well as higher sales commissions and incentive compensation linked to a stronger business volume from wealth management and fund management business segment. Included in other operating expenses during this quarter was also integration related expenses of RM7.7 million. Cost to income ratio was at 52.7%.

Allowance for impairment on loans and financing during the quarter to 31 March 2013 increased to RM154.9 million from RM45.4 million recorded a year ago. This increase was primarily the result of a one-off delinquent account impairment allowance and higher collective allowance for the strong loan growth. Notwithstanding the negative bearing on the earnings for this quarter, income from the new loans is expected to flow through over time to more than offset the overall impact of collective allowance.

Total assets for the Group were marginally lower at RM184.6 billion as at 31 March 2013. Shareholders' equity strengthened to RM15.5 billion with net assets per share improving to RM6.22 against RM6.06 as at 31 December 2012.

The Group's gross loans registered a 1.9% growth during the quarter and an 18.9% growth year-on-year to reach RM113.5 billion, mainly from purchase of securities, working capital and purchase of residential properties. Domestic loans market share stood at 9.5% as at 31 March 2013.

Total CASA (Current and Savings Accounts) recorded a 2.2% growth, highlighting the efforts of the Group's liability management strategy whilst CASA mix improved to 22.3% from 21.3% in December 2012.

Liquidity position of the Group remained healthy with loans to deposits ratio stood at 84.0% compared to 80.6% as at 31 December 2012.

Gross impaired loans ratio declined to 2.95% from 2.99% in December 2012.

Performance by Operating Segment

Corporate and Investment Banking

Segment profit was lower by 69.1% to RM29.7 million. The lower profit was mainly attributable to higher allowances on loans impairment and higher overhead costs. This was partially offset by higher interest income, higher fee income and higher impairment write back on other assets.

Retail Banking

Retail banking segment was higher by 0.1% to RM222.6 million, mainly due to lower allowances on loans impairment. This was partially offset by higher overhead costs, lower underwriting surplus, lower trading income and lower net interest income.



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B1. Review of Group Results (continued)

(a) Current Financial Year vs Previous Financial Year (continued)

Performance by Operating Segment

Business Banking

Segment profit was lower by 6.4% to RM92.9 million. The lower profit was mainly attributable to higher allowances on impairment on loans and lower other operating income. This was partially offset by lower overhead costs and higher net interest income.

Group Treasury

Segment profit was lower by 2.0% to RM137.0 million, mainly attributable to lower net gains from disposal of investment securities portfolio, lower fee income, lower impairment losses on other assets and higher overhead costs. This was partially offset by higher net interest income, higher trading income and higher net forex gains.

Islamic Banking business

Segment profit was lower by 40.8% to RM41.5 million, mainly attributable to higher allowances for impairment on financing, higher overhead costs and lower net gain on fair value hedge. This was partially offset by higher net funding income and higher fee income.

Global Financial Banking

Segment profit improved significantly to RM35.7 million, mainly attributable to higher fee income, higher net foreign exchange gains, higher trading and investment income and higher net interest income. This was partially offset by higher overhead costs and higher impairment losses on loans.

B2. Current Quarter vs Previous Quarter

For the first quarter ended 31 March 2013, the Group recorded a pre-tax profit of RM494.3 million, 11.8% lower as compared to RM560.3 million recorded in the preceding quarter ended 31 December 2012. The lower pre-tax profit was mainly due to higher loan loss provisioning by RM57.6 million, lower net income from Islamic Banking business by RM5.9 million, lower impairment write back on other assets by RM3.8 million, lower other operating income by RM2.1 million and higher other operating expenses by RM1.1 million, partially offset by higher net interest income by RM4.6 million.

B3. Prospects for Financial Year 2013

The Malaysian economy is expected to perform well in 2013 with Gross Domestic Product (GDP) projected to grow over 5.0%. This is premised on an improving exports outlook on the back of a stronger global growth and a strong domestic demand brought about by the Economic Transformation Programme (ETP).

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

The integration of RHB-OSK Investment Bank on 13 April 2013 has enhanced the Group's geographical footprint and capabilities with presence in seven countries across the Asean region and Hong Kong.

We remained focus to drive our targeted business segments and regions to becoming a leading multinational financial services group. Barring any unforeseen circumstances, the Group expects satisfactory results for the financial year 2013.

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	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	104,135	161,761	104,135	161,761
- Overseas tax	2,854	96	2,854	96
Deferred tax	20,810	(6,814)	20,810	(6,814)
	<u>127,799</u>	<u>155,043</u>	<u>127,799</u>	<u>155,043</u>
Under/(over) provision in respect of prior years				
- Taxation	1,583	(20,121)	1,583	(20,121)
- Deferred tax	1,098	9,305	1,098	9,305
	<u>130,480</u>	<u>144,227</u>	<u>130,480</u>	<u>144,227</u>

The effective tax rate of the Group for the first quarter ended 31 March 2013 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	1st quarter ended		Three months ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Company				
Deferred tax	(8,000)	(10,300)	(8,000)	(10,300)
	<u>(8,000)</u>	<u>(10,300)</u>	<u>(8,000)</u>	<u>(10,300)</u>

The effective tax rate of the Company for the first quarter ended 31 March 2013 was lower than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.



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B6. Status of Corporate Proposals

(a) Proposed acquisition of PT Bank Mestika Dharma ('Bank Mestika')

On 19 October 2009, RHB Investment Bank had, on behalf of the Company, announced that the Company will undertake the following proposals subject to relevant regulatory authorities' approval:

- (i) proposed acquisition of 80% of the issued and paid up share capital in Bank Mestika for a total cash consideration of Indonesian Rupiah ('RP') 3,118,300 million (or equivalent to approximately RM1,163 million) ('Proposed Acquisition');
- (ii) proposed put and call option for 9% of the issued and paid-up share capital in Bank Mestika ('Proposed Options');
- (iii) 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
- (iv) 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').

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 rights, 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 and 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.

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 Malaysia Securities Bhd ('Bursa Securities') had, vide its letter dated 20 April 2010, approved the listing and quotation of new ordinary shares of RM1.00 each in the Company, up to the gross proceeds of approximately RM1.3 billion, to be issued pursuant to the Proposed Rights Issue subject to the condition as stated therein. Bursa Securities had further, on 9 May 2011, granted the Company an extension of time until 19 October 2011 to complete the implementation of the Proposed Rights Issue. Bursa Securities had on 21 October 2011, granted the Company a further extension of time of six (6) months from 20 October 2011 until 19 April 2012 to complete the implementation of the Proposed Rights Issue. As at 19 April 2012, the necessary regulatory approvals for the Proposed Acquisition are still pending and hence, given that the Proposed Rights Issue is conditional upon the Proposed Acquisition, the Company has not been able to implement the Proposed Rights Issue. Bursa Securities' approval for the extension of time of up to 19 April 2012 to complete the implementation of the Proposed Rights Issue thus lapsed on the same day. The Company will, amongst others, resubmit an application to Bursa Securities for the implementation of the Proposed Rights Issue upon obtaining the necessary regulatory approvals for the Proposed Acquisition.



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B6. Status of Corporate Proposals (continued)

(a) Proposed acquisition of PT Bank Mestika Dharma (continued)

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

RHBVC had further, on 17 December 2010, assigned and novated the same to RHB Bank, which becomes the new acquirer 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.

On 21 December 2011, RHB Investment Bank, on behalf of the Company, announced that RHB Bank and the Vendor had on 16 December 2011, by way of exchange of letters, mutually agreed to further extend the period to satisfy or waive the conditions precedent of the CSPA for the Proposed Acquisition to 29 February 2012. On 24 February 2012, RHB Bank and the Vendor had mutually agreed to further extend such period to 30 June 2012. Both parties had subsequently, on 29 June 2012, mutually agreed to further extend such period to 30 November 2012. On 30 November 2012, both parties had mutually agreed to further extend such period to 31 January 2013.

On 31 January 2013, RHB Investment Bank had, on behalf of the Company, announced that RHB Bank had, on 30 January 2013, entered into an amended agreement to the CSPA ('Amended CSPA') with the Vendor to revise the proposed acquisition from up to 89% of the issued and paid-up share capital in Bank Mestika to 40%, comprising 327,207 fully-paid ordinary shares, each with a nominal value of Rp1,000,000, for a total cash consideration of Rp2,066,437,000,000 (equivalent to approximately RM651,134,299 based on an assumed exchange rate of Rp100,000 : RM31.51 as at 23 January 2013) ('Proposed 40% Acquisition'). Pursuant to the Amended CSPA, the conditional period for the completion of the Amended CSPA is now amended to 30 June 2013, or such other date as may be agreed in writing by RHB Bank and the Vendor.

Simultaneously, RHB Bank had on even date, entered into an option termination agreement with the Vendor to terminate the Proposed Options.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed 40% Acquisition.

The Proposed 40% Acquisition and Proposed Rights Issue did not have any material effect on the earnings of the Group for the three months ended 31 March 2013. The Proposed 40% Acquisition is expected to contribute positively to the future revenue and earnings of the Group.



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B6. Status of Corporate Proposals (continued)

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

The Company had, on 29 February 2011 and 28 March 2012, respectively, announced that the following indirect wholly-owned subsidiaries ('subsidiaries') of the Company, had commenced member's voluntary winding-up pursuant to Section 254(1) of the Companies Act, 1965:

<u>Commencement Date of Member's Voluntary Winding-Up</u>	<u>Name of Subsidiaries</u>
(i) 16 February 2011	(1) Utama Gilang Sdn Bhd (2) RHB Delta Sdn Bhd (3) RHB Marketing Services Sdn Bhd
(ii) 28 March 2012	(1) KYB Sdn Bhd (2) KYF Sdn Bhd (3) SSSB Services (Melaka) Sdn Bhd (4) RHB Unit Trust Management Sdn Bhd (5) RHB Progression Sdn Bhd (6) RHB Excel Sdn Bhd

The above subsidiaries were incorporated in Malaysia and are presently dormant.

The winding-up of the above subsidiaries will not have any material effect on the Group's performance for the financial year 2013.

(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') into new ordinary shares of RM1.00 each in the Company ('RHB Capital Shares') (hereinafter referred to as 'Dividend Reinvestment Plan'). Approval from shareholders for the Dividend Reinvestment Plan ('DRP') and the issuance of New Shares arising from the DRP was obtained at the Extraordinary General Meeting held on 6 April 2011.

The DRP further provides that whenever a cash dividend (either an interim, final, special or other dividend) ('Dividend') is proposed, the Board may, in its absolute discretion, determine that the DRP to be applied to the whole or a portion of the cash Dividend and where applicable, any remaining portion of the Dividend will be paid in cash.

On 26 February 2013, the Board of Directors of the Company ('Board') had proposed a single-tier final dividend of 16.09% in respect of the financial year ended 31 December 2012 ('Final Dividend'). The Board had also determined that the existing DRP as mentioned above shall apply to the said Final Dividend.

The shareholders had, on 27 May 2013, approved the Final Dividend and the renewal of the authority to allot and issue such number of new RHB Capital Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting.



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B6. Status of Corporate Proposals (continued)

(d) Proposed Senior Notes and/or Subordinated Notes under a Multi-Currency Medium Term Note Programme of up to RM3.0 Billion in Nominal Value (or its Equivalent in Other Currencies) ('MCMTN Programme') by RHB Bank

The Company announced on 7 July 2011 that RHB Bank has obtained approval from the SC on 5 July 2011 for the establishment of MCMTN Programme and the issue of senior notes and/or subordinated notes ('Subordinated Notes').

In addition, the approval from BNM for the issuance of Subordinated Notes has also been obtained on 27 May 2011 (upon terms and conditions therein contained). The Subordinated Notes issued under the MCMTN Programme will qualify as Tier 2 capital of RHB Bank subject to compliance with the requirements as specified in the Risk Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks (General Requirements and Capital Component) by BNM.

The Company announced on 2 November 2011 that its wholly-owned subsidiary, RHB Bank had, on 31 October 2011, issued RM250.0 million of Subordinated Notes under the MCMTN Programme. The Subordinated Notes, rated AA3 by RAM Rating Services Berhad, are issued for a tenure of 10 non-callable 5 years, due on 29 October 2021, with a fixed coupon of 4.25% per annum, payable semi-annually throughout the entire tenure.

On 8 May 2012, the Company announced that RHB Bank had, on 7 May 2012, issued RM750.0 million of Subordinated Notes under the MCMTN Programme.

On 30 November 2012, the Company announces that RHB Bank had, on even date, issued its third tranche of RM1.3 billion Subordinated Notes under the MCMTN Programme.

(e) Proposal to Commence Negotiations for a Merger of Businesses ('Proposed Merger')

On 29 September 2011, RHB Investment Bank, on behalf of the Company, announced that the Company has submitted an application to BNM for approval to commence negotiations with OSK Investment Bank Berhad ('OSKIB'), OSK Holdings Berhad ('OSKH') and the major shareholders of OSKH for a possible merger of businesses ('Proposed Merger Negotiations').

As announced on 14 October 2011 by RHB Investment Bank, on behalf of the Company, BNM has, vide its letter dated 13 October 2011, stated that it has no objection in principle for the Company to commence the Proposed Merger Negotiations for three (3) months from the date of BNM's letter.

On 11 January 2012, RHB Investment Bank, on behalf of the Company, announced that the Company has submitted an application to BNM on 11 January 2012 for approval of BNM and the Minister Of Finance (through BNM) for the proposed merger of the businesses of the RHB Banking Group and the OSK Investment Bank Group.

On 27 April 2012, RHB Investment Bank, on behalf of the Company, announced that BNM had notified that the Minister of Finance has granted approval for the Proposed Merger under the Banking and Financial Institutions Act, 1989. The terms and conditions of the Proposed Merger will be announced subject to the execution of the conditional share purchase agreement for the Proposed Merger.

On 28 May 2012, RHB Investment Bank, on behalf of the Company, announced that the Company had entered into the conditional share purchase agreements with OSKH and OSK Venture Equities Sdn Bhd, respectively, for the Proposed Merger.

The shareholders of the Company had, at the Extraordinary General Meeting held on 30 August 2012, approved the proposed issuance of 245,000,000 new RHB Capital Shares at an issue price of RM7.36 per share (which, together with RM147.5 million in cash, constitute the settlement of the purchase consideration of RM1,950.7 million pursuant to the proposed acquisition by RHB Capital from OSKH of 100% equity interest in OSKIB ('Proposed OSKIB Acquisition')).

On 1 October 2012, RHB Investment Bank, on behalf of the Company, announced that the Securities and Futures Commission of Hong Kong has, vide its letter dated 28 September 2012, granted its approval to RHB Capital, RHB Investment Bank and Employees Provident Fund Board to become the substantial shareholders of OSK Securities Hong Kong Limited, OSK International Investments Hong Kong Limited, OSK Futures Hong Kong Limited and OSK Capital Hong Kong Limited under Section 132 of the Securities and Futures Ordinance in respect of the Proposed Merger.



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B6. Status of Corporate Proposals (continued)

(e) Proposal to Commence Negotiations for a Merger of Businesses ('Proposed Merger') (continued)

On 15 October 2012, RHB Investment Bank, on behalf of the Company, announced that the Securities Commission Malaysia had, vide its letter dated 15 October 2012, ruled that RHB Capital is not obliged to extend downstream mandatory offers in OSK-UOB Investment Management Berhad ('OSKIM') and OSK-UOB Islamic Fund Management Berhad ('OSKIFM') for the remaining voting shares in OSKIM and OSKIFM that are not owned by RHB Capital pursuant to the Proposed OSKIB Acquisition.

On 17 October 2012, RHB Investment Bank, on behalf of the Company, announced that the Monetary Authority of Singapore had, vide its letter dated 16 October 2012, approved in respect of DMG & Partner Securities Pte Ltd ('DMGPS') (a 51% owned subsidiary of OSKIB) and DMG & Partners Research Pte Ltd ('DMGPR') (a wholly-owned subsidiary of DMGPS), the acquisition of shares in OSKIB by RHB Capital which would result in RHB Capital and RHB Investment Bank to hold direct/indirect the shares of DMGPS and DMGPR.

The issuance of 245.0 million new RHB Capital Shares at an issue price of RM7.36 per share ('Share Issue') was completed on 9 November 2012 with the listing and quotation on the Main Market of Bursa Securities. Pursuant to the Share Issue, the issued and paid-up share capital of RHB Capital was increased to RM2,480,763,288. In view thereof, the Proposed OSKIB Acquisition and ancillary acquisitions thereof were deemed completed.

The acquisition by RHB Capital of approximately 59.95% equity interest in Finexasia.com Sdn Bhd from OSK Venture Equities Sdn Bhd was completed on 14 November 2012.

On 14 November 2012, RHB Investment Bank, on behalf of the Company, announced that the following acquisitions were completed:

- (i) Acquisition and assignment of Ascend Integrated Investment (L) Berhad's irrevocable option to acquire all the 84,000 ordinary shares of IDR1,000,000 each in PT OSK Nusadana Securities Indonesia ('OSK Nusadana') (of which PT Ascend Unity Capital is the registered holder) by OSKIB, for a cash consideration of IDR343,280,000,000; and
- (ii) Acquisition of 48% equity interest in OSK Nusadana not already held by OSKIB, for a total cash consideration of IDR154,040,000,000.

Subsequent to the completion of the Proposed OSKIB Acquisition, the Company had acquired 16,545,048 equity interest (2.02%) in OSK Securities (Thailand) Public Company Limited ('OSKST'), a 97.41% subsidiary of OSKIB, for a cash consideration of THB75,848,416.59 via a mandatory tender offer which was completed on 3 January 2013. The current direct and/or indirect equity interest of the Company in OSKST is 99.43%.

On 28 February 2013, RHB Investment Bank, on behalf of the Company, announced that the High Court of Malaya at Kuala Lumpur had, on 27 February 2013, granted an order pursuant to Section 50 of the Banking and Financial Institutions Act, 1989 and Section 139 of the Capital Market and Services Act, 2007 for the transfer of the entire business including all assets and liabilities of OSKIB to RHB Investment Bank, both wholly-owned subsidiaries of the Company, with effect from 13 April 2013.

On 5 April 2013, RHB Investment Bank, on behalf of the Company, announced that the following entities had on 5 April 2013, obtained the relevant Orders from High Court of Malaya at Kuala Lumpur for the transfer of their entire businesses, assets and liabilities with effect from 13 April 2013 ('Vesting Order'):

- (i) OSK Nominees (Tempatan) Sdn Bhd to RHB Nominees (Tempatan) Sdn Bhd [Vesting Order pursuant to sections 176 & 178 of the Companies Act, 1965 ('CA 1965')];
- (ii) OSK Nominees (Asing) Sdn Bhd to RHB Nominees (Asing) Sdn Bhd (Vesting Order pursuant to sections 176 & 178 of the CA 1965); and
- (iii) OSK Research Sdn Bhd to RHB Research Institute Sdn Bhd (Vesting Order pursuant to section 139 of the Capital Market and Services Act 2007).

On 15 April 2013, RHB Investment Bank, on behalf of the Company, announced that the transfer of the entire business, including all assets and liabilities of the following entities, have been completed on 13 April 2013:

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



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B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings and Senior Debt Securities, Subordinated Obligations and Hybrid Tier-1 Capital Securities

	Group	
	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
(a) Deposits from customers and placements of banks and other financial institutions		
Deposits from customers		
- one year or less	134,491,897	137,307,256
- more than one year	707,176	916,969
	<u>135,199,073</u>	<u>138,224,225</u>
Deposits and placements of banks and other financial institutions		
- one year or less	9,994,037	12,402,697
- more than one year	998,048	1,047,432
	<u>10,992,085</u>	<u>13,450,129</u>
	Group	
	Unaudited	Audited
	As at	As at
	31.3.2013	31.12.2012
	RM'000	RM'000
(b) Borrowings and Senior Debt Securities		
<u>Borrowings</u>		
Unsecured:		
Revolving credits - RM	627,625	633,146
Revolving credits - USD	76,409	76,756
Revolving credits - Hong Kong Dollar	86,528	42,551
Overdrafts	81	70
Term loans - RM	1,151,503	1,151,503
Term loan - USD	609,000	632,778
Term loan - Singapore Dollar	122,081	69,834
RM1.1 billion 7 years Commercial Papers/Medium Term Notes	1,045,700	1,036,266
<u>Senior debt securities</u>		
USD300 million 3.25% Senior Debt Securities due in 2017	933,783	915,246
USD200 million 3.25% Senior Debt Securities due in 2017	633,318	593,782
	<u>5,286,028</u>	<u>5,151,932</u>
Schedule repayment of borrowings and senior debt securities:		
Within one year	1,176,131	1,036,557
One year to three years	2,257,481	2,280,691
Three years to five years	1,732,543	1,700,896
Over five years	119,873	133,788
	<u>5,286,028</u>	<u>5,151,932</u>



RHB CAPITAL BERHAD (312952 – H)
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B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings and Senior Debt Securities, Subordinated Obligations and Hybrid Tier-1 Capital Securities (continued)

	Company	
	Unaudited	Audited
	As at 31.3.2013 RM'000	As at 31.12.2012 RM'000
(b) Borrowings and Senior Debt Securities (continued)		
<u>Borrowings (continued)</u>		
Unsecured:		
Revolving credits - RM	648,198	653,847
Overdrafts	81	70
Term loans - RM	1,413,368	1,416,251
RM1.1 billion 7 years Commercial Papers/Medium Term Notes	1,045,771	1,036,266
	<u>3,107,418</u>	<u>3,106,434</u>
Schedule repayment of borrowings:		
Within one year	1,051,418	1,050,434
One year to three years	2,056,000	2,056,000
	<u>3,107,418</u>	<u>3,106,434</u>



**RHB CAPITAL BERHAD (312952 – H)
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B7. 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 31.3.2013	Audited As at 31.12.2012
	RM'000	RM'000
(c) Subordinated obligations		
5.50% RM700 million Tier II Subordinated Notes 2007/2022	712,868	703,375
5.50% RM45 million Tier II Subordinated Notes 2008/2018	46,092	45,482
5.00% RM700 million Tier II Subordinated Notes 2010/2020	714,767	706,137
5.60% RM300 million Tier II Subordinated Notes 2010/2025	307,088	302,946
4.25% RM250 million Tier II Subordinated Notes 2011/2021	253,424	250,741
4.30% RM750 million Tier II Subordinated Notes 2012/2022	761,981	753,984
4.40% RM1,300 million Tier II Subordinated Notes 2012/2022	1,317,898	1,303,735
4.40% RM245 million Tier II Subordinated Notes 2012/2022	248,308	245,650
7.50% RM100 million Tier II Subordinated Notes 2008/2018	101,563	103,420
7.25% RM125 million Tier II Subordinated Notes 2010/2020	129,345	127,110
7.15% RM75 million Tier II Subordinated Notes 2010/2020	76,851	75,529
5.20% RM100 million Tier II Subordinated Notes 2011/2021	102,393	101,112
	<u>4,772,578</u>	<u>4,719,221</u>

The subordinated obligations comprise of unsecured liabilities of its 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 subsidiaries.

(d) Hybrid Tier-1 Capital Securities

	Group	
	Unaudited As at 31.3.2013	Audited As at 31.12.2012
	RM'000	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	368,056	375,448
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>597,425</u>	<u>601,072</u>



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B8. Derivative 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

<u>Group</u>	Unaudited As at 31.3.2013			Audited As at 31.12.2012		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
By type						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- forwards/swaps	12,798,572	44,788	41,565	10,272,838	54,324	87,114
- options	158,404	123	24	101,189	120	97
- cross-currency	6,595,849	101,269	67,929	5,605,359	92,075	53,254
Subtotal	<u>19,552,825</u>	<u>146,180</u>	<u>109,518</u>	<u>15,979,386</u>	<u>146,519</u>	<u>140,465</u>
OTC derivative - options and structure products	25,815	-	94	38,719	56	-
	<u>25,815</u>	<u>-</u>	<u>94</u>	<u>38,719</u>	<u>56</u>	<u>-</u>
Interest rate related contracts						
- swaps	22,244,723	109,550	126,942	22,681,847	128,866	155,636
Subtotal	<u>22,244,723</u>	<u>109,550</u>	<u>126,942</u>	<u>22,681,847</u>	<u>128,866</u>	<u>155,636</u>
Structured warrants	49,974	-	6,208	60,464	-	14,352
	<u>49,974</u>	<u>-</u>	<u>6,208</u>	<u>60,464</u>	<u>-</u>	<u>14,352</u>
<u>Hedging Derivatives:</u>						
Interest rate related contracts						
- swaps	1,860,000	-	8,038	1,860,000	-	9,910
Subtotal	<u>1,860,000</u>	<u>-</u>	<u>8,038</u>	<u>1,860,000</u>	<u>-</u>	<u>9,910</u>
Total	<u>43,733,337</u>	<u>255,730</u>	<u>250,800</u>	<u>40,620,416</u>	<u>275,441</u>	<u>320,363</u>



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B8. Derivative 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

<u>Group</u>	Unaudited As at 31.3.2013			Audited As at 31.12.2012		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than 1 year	13,573,518	47,347	43,286	10,766,174	54,862	87,147
- 1 year to 3 years	1,523,254	11,971	12,071	1,074,657	7,872	9,444
- More than 3 years	4,456,053	86,862	54,161	4,138,555	83,785	43,874
Subtotal	19,552,825	146,180	109,518	15,979,386	146,519	140,465
Interest rate related contracts						
- Less than 1 year	7,136,012	16,299	10,848	7,928,637	23,149	21,404
- 1 year to 3 years	5,020,776	33,612	36,669	5,183,720	34,954	32,682
- More than 3 years	10,087,935	59,639	79,425	9,569,490	70,763	101,550
Subtotal	22,244,723	109,550	126,942	22,681,847	128,866	155,636
OTC derivative - options and structure products						
- Less than 1 year	25,815	-	94	38,719	56	-
	25,815	-	94	38,719	56	-
Structured warrants						
- Less than 1 year	49,974	-	6,208	60,464	-	14,352
	49,974	-	6,208	60,464	-	14,352
<u>Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than 1 year	800,000	-	718	800,000	-	1,265
- 1 year to 3 years	1,060,000	-	7,320	1,060,000	-	8,645
Subtotal	1,860,000	-	8,038	1,860,000	-	9,910
Total	43,733,337	255,730	250,800	40,620,416	275,441	320,363



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B8. Derivative Financial Instruments (continued)

ii) 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.



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B9. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised profits 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 is as follows:

Group	Unaudited		
	As at 31.3.2013		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
Operating subsidiaries	6,080,939	270,808	6,351,747
Dormant subsidiaries*	(7,925,937)	-	(7,925,937)
Total retained profits/(losses) of the Group	(1,844,998)	270,808	(1,574,190)
Total share of retained profits from associates and joint ventures	3,027	-	3,027
	(1,841,971)	270,808	(1,571,163)
Less: Consolidation adjustments			6,315,336
Total Group retained profits			4,744,173

Group	Audited		
	As at 31.12.2012		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
Operating subsidiaries	5,657,392	345,327	6,002,719
Dormant subsidiaries*	(7,925,930)	-	(7,925,930)
Total retained profits/(losses) of the Group	(2,268,538)	345,327	(1,923,211)
Total share of retained profits from a joint venture	2,696	-	2,696
	(2,265,842)	345,327	(1,920,515)
Less: Consolidation adjustments			6,307,463
Total Group retained profits			4,386,948

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



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B9. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements (continued)

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

<u>Company</u>	Unaudited As at 31.3.2013 RM'000	Audited As at 31.12.2012 RM'000
Total retained profits of the Company:		
- Realised profits	845,259	891,991
- Unrealised profits	9,022	1,022
Total Company retained profits	854,281	893,013

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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B10. 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 (refer to Note 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 dismissing the summary judgment application 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.

On 22 June 2011, the Court of Appeal recorded the agreement of both the Company and CBSB that the High Court order in respect of the dismissal of CBSB's summary judgment application for their counterclaim and the High Court order on the return of share certificates and transfer forms are set aside. The Court of Appeal also directed that CBSB's counterclaim be referred to the High Court for trial.

On 15 December 2011, the Federal Court had allowed CBSB's appeal against the Court of Appeal's decision on the return of the Deposit. The matter was remitted to the High Court for trial.

On 6 July 2012, the High Court had after full trial allowed the Company's claim for the return of the Deposit with interests and costs of RM100,000.00 ('Judgment Sum') and dismissed CBSB's counterclaim. The High Court had also ordered Messrs Kadir Andri & Partners, being the stakeholder, to return the sum of RM6,688,153.42 (on the account of the Judgment Sum) to the Company and upon receipt of the same, the Company to return the share certificates and transfer forms in respect of the 60 million shares in SJ Securities to CBSB. The stakeholder sum has since been returned to the Company.

CBSB had filed an appeal to the Court of Appeal against the High Court decision. The Court of Appeal had on 17 January 2013 dismissed the appeal with costs of RM50,000.00 and allocatur of 4% of the costs awarded.

CBSB had filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision and the hearing of the same is fixed on 24 June 2013.

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



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B11. Dividends

No dividend has been declared for the three months ended 31 March 2013.

B12. Earnings per Share

	1st quarter ended		Three months ended	
	Unaudited	Audited	Unaudited	Audited
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Basic/diluted earnings per share				
Profit attributable to equity holders of the Company (RM'000)	<u>357,194</u>	<u>435,551</u>	<u>357,194</u>	<u>435,551</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,494,208</u>	<u>2,204,819</u>	<u>2,494,208</u>	<u>2,204,819</u>
Basic earnings per share (sen)	<u>14.3</u>	<u>19.8</u>	<u>14.3</u>	<u>19.8</u>

The diluted Earning Per Share ('EPS') of the Group is calculated by dividing the net profit attributable to equity holders of the Company for the three months ended 31 March 2013 by the weighted average number of ordinary shares in issue and adjusted for the number of shares that could have been issued under the approved DRP of the Company as detailed in Note B6(c).

In the diluted EPS calculation, it has been assumed that 100% of the electable portion of the proposed final dividend payment under the DRP will be exercised into new ordinary shares of RM1.00 each in the Company. The new shares will be issued at an assumed price which is equivalent to the 5-day volume weighted average market price of the Company's shares as at 31 March 2013 after applying a discount of not more than 10%. These calculations serve to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment has been made to the net profit attributable to the equity holders of the Company for the three months ended 31 March 2013.

The dilution effect on the basic EPS arising from the DRP is estimated to be immaterial. As a result, the diluted EPS is equal to the basic EPS for the three months ended 31 March 2013.

Other than the above, there were no other dilutive potential ordinary shares outstanding as at 31 March 2013.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(License No. LS0006901)

Company Secretary
29 May 2013