

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

Note	Group		Bank		
	Unaudited	Audited	Unaudited	Audited	
	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000	
ASSETS					
	Cash and short-term funds	18,046,014	12,981,081	11,666,133	11,093,561
	Securities purchased under resale agreements	763,391	276,407	763,391	276,407
	Deposits and placements with banks and other financial institutions	1,094,785	824,071	1,928,469	1,539,648
8	Financial assets held-for-trading	1,274,975	348,511	1,059,424	129,583
9	Financial investments available-for-sale	9,418,101	9,933,578	7,341,596	8,143,221
10	Financial investments held-to-maturity	12,527,241	10,674,245	11,138,014	9,558,312
11	Loans, advances and financing	92,207,616	81,531,003	77,877,365	71,125,558
12	Other assets	292,458	195,687	578,556	204,452
	Derivative assets	348,111	298,389	376,789	298,148
	Statutory deposits	2,861,314	426,304	2,262,274	321,064
	Tax recoverable	222,949	27	194,320	-
	Deferred tax assets	11,669	260,089	-	220,303
	Investment in subsidiaries	-	-	822,972	822,972
	Property, plant and equipment	757,974	701,158	597,743	540,483
	Goodwill	1,004,017	1,004,017	905,519	905,519
	TOTAL ASSETS	140,830,615	119,454,567	117,512,565	105,179,231
LIABILITIES AND EQUITY					
13	Deposits from customers	107,683,188	92,402,813	89,866,950	80,567,577
14	Deposits and placements of banks and other financial institutions	12,349,879	7,680,309	7,905,239	6,158,453
	Bills and acceptances payable	3,991,185	3,536,140	3,974,551	3,524,016
15	Other liabilities	1,009,924	1,002,387	866,638	868,165
	Derivative liabilities	470,471	240,161	467,497	238,984
	Recourse obligation on loans sold to Cagamas Berhad	663,926	818,503	663,926	818,503
	Taxation	5,412	167,338	-	163,133
	Deferred tax liabilities	17,671	6	17,667	-
	Long term borrowings	783,473	819,362	783,473	819,362
	Subordinated obligations	3,057,159	3,018,157	3,057,159	3,018,157
	Hybrid Tier-I Capital Securities	602,000	605,407	602,000	605,407
	TOTAL LIABILITIES	130,634,288	110,290,583	108,205,100	96,781,757
	Share capital	3,318,085	3,318,085	3,318,085	3,318,085
	Reserves	6,878,242	5,845,899	5,989,380	5,079,389
	TOTAL EQUITY	10,196,327	9,163,984	9,307,465	8,397,474
	TOTAL LIABILITIES AND EQUITY	140,830,615	119,454,567	117,512,565	105,179,231
23	COMMITMENTS AND CONTINGENCIES	75,134,812	69,101,806	75,078,744	66,370,586

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

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Group	Note	Individual Quarter		Cumulative Nine Months	
		Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Nine Months Ended	Preceding Corresponding Nine Months Ended
		30.09.2011	30.09.2010	30.09.2011	30.09.2010
		RM'000	RM'000	RM'000	RM'000
Interest income	16	1,379,774	1,219,797	3,963,258	3,287,183
Interest expense	17	(656,892)	(492,275)	(1,803,662)	(1,298,295)
Net interest income		722,882	727,522	2,159,596	1,988,888
Other operating income	18	152,063	174,991	573,457	535,295
Income from Islamic Banking business	19	874,945	902,513	2,733,053	2,524,183
		120,135	84,319	294,294	244,487
Other operating expenses	20	995,080	986,832	3,027,347	2,768,670
		(439,838)	(366,420)	(1,241,014)	(1,046,137)
Operating profit before allowances		555,242	620,412	1,786,333	1,722,533
Allowance for impairment on loans, advances and financing	21	(29,850)	(173,506)	(230,286)	(353,301)
Impairment losses on other assets		(17,425)	(1,556)	(13,789)	4,195
Profit before taxation		507,967	445,350	1,542,258	1,373,427
Taxation		(115,203)	(102,065)	(371,203)	(331,556)
Net profit for the financial period		392,764	343,285	1,171,055	1,041,871
Earnings per share (sen)					
- Basic		5.92	5.17	17.65	15.70

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

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Group	Individual Quarter		Cumulative Nine Months	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Nine Months Ended	Preceding Corresponding Nine Months Ended
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	392,764	343,285	1,171,055	1,041,871
Other comprehensive income/(loss):				
Currency translation differences	46,804	(20,713)	31,988	(69,047)
Financial investments available-for-sale				
- Unrealised net gain on revaluation	72,242	108,287	110,884	175,773
- Net transfer to income statements on disposal or impairment	(13,866)	(2,616)	(20,870)	(32,047)
Income tax relating to components of other comprehensive income	(14,763)	(26,345)	(22,807)	(35,864)
Other comprehensive income for the financial period, net of tax	90,417	58,613	99,195	38,815
Total comprehensive income for the financial period	483,181	401,898	1,270,250	1,080,686

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RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Bank	Note	Individual Quarter		Cumulative Nine Months	
		Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Nine Months Ended	Preceding Corresponding Nine Months Ended
		30.09.2011	30.09.2010	30.09.2011	30.09.2010
		RM'000	RM'000	RM'000	RM'000
Interest income	16	1,377,950	1,207,617	3,930,035	3,251,626
Interest expense	17	(654,071)	(488,623)	(1,794,286)	(1,290,293)
Net interest income		723,879	718,994	2,135,749	1,961,333
Other operating income	18	195,514	170,808	614,126	525,218
Other operating expenses	20	(397,618)	(330,288)	(1,123,363)	(933,142)
Operating profit before allowances		521,775	559,514	1,626,512	1,553,409
Allowance for impairment on loans, advances and financing	21	(19,541)	(160,978)	(196,568)	(284,061)
Impairment losses on other assets		(17,425)	(1,556)	(13,789)	4,218
Profit before taxation		484,809	396,980	1,416,155	1,273,566
Taxation		(110,448)	(90,405)	(347,566)	(309,226)
Net profit for the financial period		374,361	306,575	1,068,589	964,340
Earnings per share (sen)					
- Basic		5.64	4.62	16.10	14.53

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

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Nine Months Ended	Preceding Corresponding Nine Months Ended
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Bank	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	374,361	306,575	1,068,589	964,340
Other comprehensive income/(loss):				
Currency translation differences	23,693	(1,680)	17,858	(29,408)
Financial investments available-for-sale				
- Unrealised net gain on revaluation	59,413	94,464	96,643	160,773
- Net transfer to income statements on disposal or impairment	(11,541)	(1,562)	(14,708)	(29,254)
Income tax relating to components of other comprehensive income	(11,968)	(23,226)	(20,484)	(32,880)
Other comprehensive income for the financial period, net of tax	59,597	67,996	79,309	69,231
Total comprehensive income for the financial period	433,958	374,571	1,147,898	1,033,571

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

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

<u>Group</u>	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2011	3,318,085	8,563	2,946,064	(79,815)	143,202	2,827,885	9,163,984
Net profit for the financial period	-	-	-	-	-	1,171,055	1,171,055
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	31,988	-	-	31,988
Financial investments available-for-sale ('AFS')							
- Unrealised net gain on revaluation	-	-	-	-	110,884	-	110,884
- Net transfer to income statements on disposal or impairment	-	-	-	-	(20,870)	-	(20,870)
Income tax relating to components of other comprehensive income	-	-	-	-	(22,807)	-	(22,807)
Total comprehensive income for the financial period	-	-	-	31,988	67,207	1,171,055	1,270,250
Ordinary dividends	-	-	-	-	-	(237,907)	(237,907)
Balance as at 30 September 2011	3,318,085	8,563	2,946,064	(47,827)	210,409	3,761,033	10,196,327
Balance as at 1 January 2010	3,318,085	8,563	2,588,710	(13,882)	93,352	2,002,753	7,997,581
Net profit for the financial period	-	-	-	-	-	1,041,871	1,041,871
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(69,047)	-	-	(69,047)
Financial investments AFS							
- Unrealised net gain on revaluation	-	-	-	-	175,773	-	175,773
- Net transfer to income statements on disposal or impairment	-	-	-	-	(32,047)	-	(32,047)
Income tax relating to components of other comprehensive income	-	-	-	-	(35,864)	-	(35,864)
Total comprehensive income/(loss) for the financial period	-	-	-	(69,047)	107,862	1,041,871	1,080,686
Transfer to statutory reserves	-	-	164,441	-	-	(164,441)	-
Ordinary dividends	-	-	-	-	-	(244,068)	(244,068)
Balance as at 30 September 2010	3,318,085	8,563	2,753,151	(82,929)	201,214	2,636,115	8,834,199

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Bank	Share capital RM'000	Share premium RM'000	Non-distributable Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Distributable Retained profits RM'000	Total RM'000
Balance as at 1 January 2011	3,318,085	8,563	2,714,580	396	134,995	2,220,855	8,397,474
Net profit for the financial period	-	-	-	-	-	1,068,589	1,068,589
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	17,858	-	-	17,858
Financial investments AFS							
- Unrealised net gain on revaluation	-	-	-	-	96,643	-	96,643
- Net transfer to income statements on disposal or impairment	-	-	-	-	(14,708)	-	(14,708)
Income tax relating to components of other comprehensive income	-	-	-	-	(20,484)	-	(20,484)
Total comprehensive income for the financial period	-	-	-	17,858	61,451	1,068,589	1,147,898
Ordinary dividends	-	-	-	-	-	(237,907)	(237,907)
Balance as at 30 September 2011	3,318,085	8,563	2,714,580	18,254	196,446	3,051,537	9,307,465
Balance as at 1 January 2010	3,318,085	8,563	2,390,971	25,585	85,762	1,494,095	7,323,061
Net profit for the financial period	-	-	-	-	-	964,340	964,340
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(29,408)	-	-	(29,408)
Financial investments AFS							
- Unrealised net gain on revaluation	-	-	-	-	160,773	-	160,773
- Net transfer to income statements on disposal or impairment	-	-	-	-	(29,254)	-	(29,254)
Income tax relating to components of other comprehensive income	-	-	-	-	(32,880)	-	(32,880)
Total comprehensive income/(loss) for the financial period	-	-	-	(29,408)	98,639	964,340	1,033,571
Transfer to statutory reserves	-	-	164,441	-	-	(164,441)	-
Ordinary dividends	-	-	-	-	-	(244,068)	(244,068)
Balance as at 30 September 2010	3,318,085	8,563	2,555,412	(3,823)	184,401	2,049,926	8,112,564

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Nine Months Ended	
	30.09.2011	30.09.2010
	RM '000	RM '000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,542,258	1,373,427
Adjustment for non-cash items	95,815	24,119
Operating profit before changes in working capital	1,638,073	1,397,546
Changes in working capital:		
Net changes in operating assets	(15,267,172)	(9,996,514)
Net changes in operating liabilities	20,107,399	9,530,105
Cash generated from/(used in) operations	4,840,227	(466,409)
Taxation paid	(512,378)	(292,298)
Net cash generated from operating activities	5,965,922	638,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(127,652)	(77,940)
Proceeds from disposal of property, plant and equipment	5,155	1,624
Proceeds from disposal of prepaid land lease	-	83
Financial investments AFS:		
- net disposal/(purchase)	582,722	(3,040,969)
- interest received	257,677	179,211
- investment income received	51,482	40,223
- dividend income	4,823	4,892
Financial investments held-to-maturity:		
- net purchase	(1,753,238)	(180,791)
- interest received	285,856	276,546
- investment income received	32,360	32,791
Net cash used in investing activities	(660,815)	(2,764,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of subordinated obligations	-	1,000,000
Repayment of long term borrowings	(60,250)	(47,835)
Dividends paid to shareholder	(237,907)	(244,068)
Net cash (used in)/generated from financing activities	(298,157)	708,097
Net increase/(decrease) in cash and cash equivalents	5,006,950	(1,417,394)
Effects of exchange rate differences	57,983	(178,820)
Cash and cash equivalents:		
- at the beginning of the financial period	12,981,081	15,308,992
- at the end of the financial period	18,046,014	13,712,778
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	18,046,014	13,712,778

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

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Nine Months Ended	
	30.09.2011	30.09.2010
	RM '000	RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,416,155	1,273,566
Adjustment for non-cash items	122,325	(8,031)
Operating profit before changes in working capital	1,538,480	1,265,535
Changes in working capital:		
Net changes in operating assets	(11,201,493)	(9,064,734)
Net changes in operating liabilities	11,190,446	8,412,051
Cash used in operations	(11,047)	(652,683)
Taxation paid	(487,129)	(269,577)
Net cash generated from operating activities	1,040,304	343,275
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(124,650)	(73,943)
Proceeds from disposal of property, plant and equipment	5,155	1,624
Proceeds from disposal of prepaid land lease	-	83
Financial investments AFS:		
- net disposal/(purchase)	851,256	(2,654,343)
- interest received	257,677	179,211
- dividend income	4,819	4,888
Financial investments held-to-maturity:		
- net purchase	(1,495,810)	(150,394)
- interest received	284,952	275,473
Net cash used in investing activities	(216,601)	(2,417,401)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of subordinated obligations	-	1,000,000
Repayment of long term borrowings	(60,250)	(47,835)
Dividends paid to shareholder	(237,907)	(244,068)
Net cash (used in)/generated from financing activities	(298,157)	708,097
Net increase/(decrease) in cash and cash equivalents	525,546	(1,366,029)
Effects of exchange rate differences	47,026	(142,837)
Cash and cash equivalents:		
- at the beginning of the financial period	11,093,561	12,790,568
- at the end of the financial period	11,666,133	11,281,702
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	11,666,133	11,281,702

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

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

1 Basis Of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Financial Reporting Standard ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ("MASB") and should be read in conjunction with the audited financial statements of the Group and the Bank for the last financial year ended 31 December 2010.

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

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

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

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

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

2 Auditors' Report

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

3 Seasonal Or Cyclical Factors

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

4 Exceptional Or Extraordinary Items

There were no exceptional or extraordinary items for the nine months ended 30 September 2011.

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the nine months ended 30 September 2011.

6 Changes In Debt and Equity Securities

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

7 Dividends Paid

During the nine months ended 30 September 2011, a final gross dividend of 4.78 sen, less 25% tax in respect of financial year ended 31 December 2010, amounting to RM237,907,000 was paid on 19 May 2011.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

8 Financial Assets Held-For-Trading

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
At fair value				
<u>Money market instruments:</u>				
Bank Negara Malaysia Monetary Notes	517,178	173,815	418,098	-
Malaysian Government Investment Issues	383,453	10,066	290,298	-
Thailand Government bonds	-	10,216	-	10,216
Singapore Government Treasury Bills	351,028	119,367	351,028	119,367
Wakala Global Sukuk	23,316	-	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	-	35,047	-	-
	1,274,975	348,511	1,059,424	129,583

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

9 Financial Investments Available-For-Sale

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	1,025,153	3,199,222	1,025,153	3,199,222
Malaysian Government Investment Issues	2,838,877	2,306,237	1,680,463	1,066,701
Cagamas bonds	649,007	591,416	649,007	591,416
Negotiable instruments of deposits	-	108,163	-	108,163
Singapore Government Treasury Bills	-	26,258	-	26,258
Singapore Government Securities	235,473	128,444	235,473	128,444
1 Malaysia Sukuk	295,415	86,032	295,415	86,032
Thailand Government bonds	86,415	112,140	86,415	112,140
Bankers' acceptances and Islamic accepted notes	154,158	93,868	-	-
Wakala Global Sukuk	114,136	-	90,820	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	13,520	14,126	13,520	14,126
Shares	3,487	4,287	1,643	1,213
<u>Outside Malaysia</u>				
Shares	21	17	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	107,166	108,972	107,166	108,972
Shares	375,670	342,046	375,094	341,471
Private debt securities	3,511,267	2,800,982	2,773,091	2,347,695
<u>Outside Malaysia</u>				
Private debt securities	8,336	11,368	8,336	11,368
	9,418,101	9,933,578	7,341,596	8,143,221

The carrying value of financial investments available-for-sale as at 30 September 2011, which was transferred from financial assets held-for-trading in previous financial year, for the Group and the Bank are RM289,088,000 (31.12.2010: RM1,086,048,000) and RM278,818,000 (31.12.2010: RM1,075,951,000) respectively.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

10 Financial Investments Held-To-Maturity

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,172,607	2,948,345	2,172,607	2,948,345
Cagamas bonds and Cagamas Mudharabah bonds	1,252,582	773,644	1,061,137	589,750
Khazanah bonds	62,713	52,632	54,443	52,632
Malaysian Government Investment Issues	2,085,073	1,371,160	1,314,838	781,992
Singapore Government Securities	123,363	120,730	123,363	120,730
Thailand Government Securities	209,700	223,230	209,700	223,230
Singapore Government Treasury Bills	-	9,549	-	9,549
Negotiable instruments of deposits	1,803,933	1,103,432	1,803,933	1,103,432
Bankers' acceptances	10,157	-	10,157	-
Sukuk (Brunei) Incorporation	36,843	23,873	36,843	23,873
Wakala Global Sukuk	202,848	-	202,848	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	36,318	25,114	860	860
Prasarana bonds	1,803,646	1,760,514	1,803,646	1,760,514
Private debt securities	2,724,871	2,252,216	2,360,484	1,952,119
Corporate loan stocks	77,854	81,108	77,854	81,108
<u>Outside Malaysia</u>				
Private debt securities	19,432	18,520	-	-
Structured notes	24,978	32,564	24,978	32,564
	12,646,918	10,796,631	11,257,691	9,680,698
Accumulated impairment losses	(119,677)	(122,386)	(119,677)	(122,386)
	12,527,241	10,674,245	11,138,014	9,558,312

The carrying value of financial investments held-to-maturity as at 30 September 2011, which was transferred from financial assets held-for-trading in previous financial year, for the Group and the Bank are RM19,432,000 (31.12.2010: RM26,038,000) and Nil (31.12.2010: RM7,672,000) respectively. The fair value of these financial investments as at 30 September 2011 for the Group and the Bank are RM21,062,000 (31.12.2010: RM27,350,000) and Nil (31.12.2010: RM7,672,000) respectively.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
At amortised cost				
Overdrafts	5,820,911	6,092,693	5,704,611	5,976,569
Term loans/financing				
- housing loans/financing	19,728,957	18,277,358	17,101,380	15,908,732
- syndicated term loans/financing	2,682,634	2,033,986	1,048,398	835,588
- hire purchase receivables	12,847,429	10,956,570	9,898,747	9,322,667
- lease receivables	121,222	146,399	-	-
- other term loans/financing	40,652,091	33,791,023	34,718,856	29,854,443
Bills receivable	1,710,594	1,507,021	1,636,323	1,418,203
Trust receipts	398,871	343,170	379,559	325,177
Claims on customers under acceptance credits	5,257,611	4,632,725	4,385,494	4,130,205
Staff loans/financing	326,733	348,021	316,282	336,528
Credit card receivables	1,672,829	1,644,995	1,661,651	1,644,465
Revolving credit	3,583,810	4,235,981	3,235,022	3,491,071
Floor stocking	3,336	1,569	3,336	1,569
	94,807,028	84,011,511	80,089,659	73,245,217
Allowance for impaired loans and financing				
- individual impairment allowance	(892,820)	(854,899)	(724,691)	(682,522)
- collective impairment allowance	(1,706,592)	(1,625,609)	(1,487,603)	(1,437,137)
Net loans, advances and financing	92,207,616	81,531,003	77,877,365	71,125,558

Included in term loans are housing loans sold to Cagamas with recourse amounting to RM663,926,000 (31.12.2010: RM818,503,000) for the Group and the Bank.

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Domestic non-bank financial institutions:				
- Others	366,339	315,707	303,867	271,672
Domestic business enterprises:				
- Small medium enterprises	11,438,701	11,044,473	10,501,420	10,204,438
- Others	23,446,756	22,491,236	19,700,894	18,672,173
Government and statutory bodies	11,311,429	9,204,927	7,658,954	7,688,340
Individuals	42,700,342	36,427,343	37,270,625	32,597,448
Other domestic entities	10,825	8,324	10,475	7,898
Foreign entities:				
- Malaysian operations	1,078,153	876,700	403,941	380,437
- Singapore operations	4,037,397	3,191,218	3,854,509	3,003,249
- Thailand operations	268,258	297,308	236,146	266,403
- Brunei operations	148,828	154,275	148,828	153,159
	94,807,028	84,011,511	80,089,659	73,245,217

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By geographical distribution

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
In Malaysia	90,352,545	80,368,710	75,850,176	69,822,406
Outside Malaysia:				
- Singapore operations	4,037,397	3,191,218	3,854,509	3,003,249
- Thailand operations	268,258	297,308	236,146	266,403
- Brunei operations	148,828	154,275	148,828	153,159
	94,807,028	84,011,511	80,089,659	73,245,217

(iv) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Fixed rate:				
- Housing loans/financing	1,631,734	1,523,367	503,950	280,144
- Hire purchase receivables	12,847,429	10,956,595	9,898,747	9,322,691
- Other fixed rate loans/financing	16,001,599	14,156,353	11,888,153	10,992,848
Variable rate:				
- BLR/BFR plus	38,344,060	32,736,627	34,444,323	30,150,104
- Cost-plus	21,603,312	20,299,568	19,963,609	19,187,232
- Other variable rates	4,378,894	4,339,001	3,390,877	3,312,198
	94,807,028	84,011,511	80,089,659	73,245,217

(v) By purpose

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Purchase of securities	6,508,724	3,958,677	6,500,134	3,946,408
Purchase of transport vehicles	11,537,292	9,567,339	8,476,604	7,785,528
Purchase of landed property:				
- Residential	20,243,964	18,838,783	17,546,446	16,398,769
- Non-residential	5,320,742	4,761,379	5,245,897	4,681,507
Purchase of property, plant and equipment other than land and building	3,194,612	3,336,170	2,253,154	2,310,062
Personal use	4,653,533	3,535,354	4,478,797	3,521,269
Credit card	1,672,829	1,644,995	1,661,651	1,644,465
Purchase of consumer durables	48,364	54,295	48,304	54,215
Construction	2,995,513	2,593,596	2,166,491	1,741,635
Working capital	21,589,189	21,046,790	18,855,878	18,782,989
Merger and acquisition	2,151,529	2,432,562	1,991,007	2,432,562
Other purposes	14,890,737	12,241,571	10,865,296	9,945,808
	94,807,028	84,011,511	80,089,659	73,245,217

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

(vi) By remaining contractual maturities

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Maturity within one year	30,020,654	28,945,514	27,542,698	26,693,967
One year to three years	5,901,223	4,692,280	4,743,341	3,608,248
Three years to five years	9,290,309	10,023,250	7,790,127	8,671,749
Over five years	49,594,842	40,350,467	40,013,493	34,271,253
	94,807,028	84,011,511	80,089,659	73,245,217

(vii) Impaired loans, advances and financing

(a) Movement in impaired loans, advances and financing

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Balance as at the beginning of financial period/year	3,671,258	4,636,385	2,927,024	4,059,453
Classified as impaired during the financial period/year	2,625,746	3,881,193	2,430,645	3,292,163
Reclassified as non-impaired during the financial period/year	(2,076,165)	(2,789,203)	(1,909,865)	(2,492,252)
Amount recovered	(411,443)	(961,049)	(374,012)	(894,802)
Amount written off	(355,265)	(1,084,148)	(344,156)	(1,033,573)
Exchange difference	6,481	(11,920)	2,858	(3,965)
Balance as at the end of financial period/year	3,460,612	3,671,258	2,732,494	2,927,024

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

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

(b) By purpose

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Purchase of securities	56,506	82,558	56,506	82,558
Purchase of transport vehicles	254,745	241,331	157,401	149,281
Purchase of landed property:				
- Residential	1,084,605	1,163,245	915,695	961,155
- Non-residential	228,569	251,257	200,499	224,437
Purchase of property, plant and equipment other than land and building	152,445	203,251	71,361	121,115
Personal use	73,476	90,835	68,278	85,865
Credit card	84,874	78,954	84,834	78,954
Purchase of consumer durables	2,151	2,983	2,151	2,983
Construction	159,606	174,628	158,446	173,098
Working capital	1,349,308	1,370,284	1,004,296	1,038,976
Other purposes	14,327	11,932	13,027	8,602
	3,460,612	3,671,258	2,732,494	2,927,024

(c) By geographical distribution

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
In Malaysia	3,330,483	3,515,643	2,635,937	2,803,485
Outside Malaysia:				
- Singapore operations	101,107	127,892	67,535	95,816
- Thailand operations	22,694	22,371	22,694	22,371
- Brunei operations	6,328	5,352	6,328	5,352
	3,460,612	3,671,258	2,732,494	2,927,024

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

11 Loans, Advances and Financing (cont'd)

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

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

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Individual impairment allowance				
Balance as at the beginning of financial period/year	854,899	1,350,111	682,522	1,184,796
Allowance made	63,097	256,812	57,384	176,396
Amount recovered	(20,802)	(73,489)	(10,620)	(56,430)
Amount written off	(5,831)	(672,015)	(5,831)	(621,024)
Exchange difference	1,457	(6,520)	1,236	(1,216)
Balance as at the end of financial period/year	<u>892,820</u>	<u>854,899</u>	<u>724,691</u>	<u>682,522</u>
Collective impairment allowance				
Balance as at the beginning of financial period/year	1,625,609	1,613,437	1,437,137	1,437,941
Allowance made	583,400	677,250	533,917	655,710
Amount recovered	(151,442)	(258,131)	(146,352)	(250,674)
Amount written off	(352,866)	(403,104)	(338,084)	(405,032)
Exchange difference	1,891	(3,843)	985	(808)
Balance as at the end of financial period/year	<u>1,706,592</u>	<u>1,625,609</u>	<u>1,487,603</u>	<u>1,437,137</u>

12 Other Assets

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Other debtors, deposits and prepayments	266,311	172,657	203,495	130,629
Amount due from holding company	1,265	1,024	1,265	1,024
Amounts due from subsidiaries	-	-	348,914	50,793
Amounts due from related companies	24,882	22,006	24,882	22,006
	<u>292,458</u>	<u>195,687</u>	<u>578,556</u>	<u>204,452</u>

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13 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Demand deposits	20,571,838	19,586,179	18,281,634	17,754,994
Savings deposits	6,255,752	5,832,118	5,621,654	5,259,209
Fixed/investment deposits	80,834,624	66,735,221	65,942,688	57,309,056
Negotiable instruments of deposits	20,974	249,295	20,974	244,318
	<u>107,683,188</u>	<u>92,402,813</u>	<u>89,866,950</u>	<u>80,567,577</u>

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Government and statutory bodies	10,682,080	8,204,293	5,481,810	5,812,370
Business enterprises	61,796,571	52,811,960	52,702,554	46,174,305
Individuals	30,374,892	27,507,468	29,140,457	26,381,770
Others	4,829,645	3,879,092	2,542,129	2,199,132
	<u>107,683,188</u>	<u>92,402,813</u>	<u>89,866,950</u>	<u>80,567,577</u>

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

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Due within six months	68,912,571	56,684,715	54,737,837	48,475,102
Six months to one year	11,375,010	9,821,293	10,679,858	8,750,259
One year to three years	532,687	449,560	511,452	299,814
Three years to five years	35,330	28,948	34,515	28,199
	<u>80,855,598</u>	<u>66,984,516</u>	<u>65,963,662</u>	<u>57,553,374</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

14 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Licensed banks/Islamic banks	10,743,393	5,228,464	6,799,471	3,809,608
Licensed investments banks	918,714	253,475	418,356	150,475
Bank Negara Malaysia	636,144	2,197,885	635,784	2,197,885
Others	51,628	485	51,628	485
	12,349,879	7,680,309	7,905,239	6,158,453

15 Other Liabilities

	Group		Bank	
	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.09.2011 RM'000	Audited As at 31.12.2010 RM'000
Amount due to holding company	99	106	-	-
Amounts due to subsidiaries	-	-	21,640	23,345
Amounts due to related companies	4,257	2,954	4,011	2,639
Amount due to Danaharta	1,827	1,796	1,827	1,796
Prepaid instalment	79,338	77,670	79,338	77,670
Lessee deposits	56,082	64,930	-	-
Short term employee benefits	112,025	122,859	103,696	112,732
Other creditors and accruals	756,296	732,072	656,126	649,983
	1,009,924	1,002,387	866,638	868,165

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

16 Interest Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2011</u>	<u>Preceding Corresponding Quarter Ended 30.09.2010</u>	<u>Current Financial Nine Months Ended 30.09.2011</u>	<u>Preceding Corresponding Nine Months Ended 30.09.2010</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loans, advances and financing	1,124,312	990,583	3,219,609	2,630,945
Money at call and deposit placements with banks and other financial institutions	71,280	67,299	197,367	199,619
Securities purchased under resale agreement	3,841	693	4,470	6,651
Financial assets held-for-trading	3,941	4,627	7,874	7,195
Financial investments available-for-sale	57,783	61,339	200,839	165,360
Financial investments held-to-maturity	118,076	94,072	330,517	272,673
Others	541	1,184	2,582	4,740
	<u>1,379,774</u>	<u>1,219,797</u>	<u>3,963,258</u>	<u>3,287,183</u>
Of which:				
Interest income accrued on impaired financial assets	<u>4,850</u>	<u>10,509</u>	<u>15,623</u>	<u>29,745</u>
 <u>Bank</u>				
Loans, advances and financing	1,112,438	977,137	3,183,374	2,590,572
Money at call and deposit placements with banks and other financial institutions	81,964	68,886	212,712	205,529
Securities purchased under resale agreement	3,841	693	4,470	6,651
Financial assets held-for-trading	3,941	4,627	7,874	7,195
Financial investments available-for-sale	57,783	61,339	200,839	165,360
Financial investments held-to-maturity	117,442	93,751	318,184	271,579
Others	541	1,184	2,582	4,740
	<u>1,377,950</u>	<u>1,207,617</u>	<u>3,930,035</u>	<u>3,251,626</u>
Of which:				
Interest income accrued on impaired financial assets	<u>4,850</u>	<u>10,509</u>	<u>15,623</u>	<u>29,745</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

17 Interest Expense

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current	Preceding	Current	Preceding
	Financial	Corresponding	Financial	Corresponding
	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	34,033	24,307	81,541	60,810
Deposits from customers	549,147	391,011	1,502,604	1,020,583
Subordinated obligations	39,144	39,145	116,156	99,410
Recourse obligation on loans sold to Cagamas	8,042	12,780	24,326	39,838
Hybrid Tier-I Capital Securities	11,437	11,432	33,934	33,920
Borrowings	1,928	2,063	5,788	6,782
Others	13,161	11,537	39,313	36,952
	656,892	492,275	1,803,662	1,298,295
Bank				
Deposits and placements of banks and other financial institutions	34,046	24,344	81,609	61,965
Deposits from customers	546,313	387,322	1,493,160	1,011,426
Subordinated obligations	39,144	39,145	116,156	99,410
Recourse obligation on loans sold to Cagamas	8,042	12,780	24,326	39,838
Hybrid Tier-I Capital Securities	11,437	11,432	33,934	33,920
Borrowings	1,928	2,063	5,788	6,782
Others	13,161	11,537	39,313	36,952
	654,071	488,623	1,794,286	1,290,293

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

18 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	Preceding	<u>Current</u>	Preceding
	<u>Financial</u>	Corresponding	<u>Financial</u>	Corresponding
	<u>Quarter Ended</u>	Quarter Ended	<u>Nine Months Ended</u>	Nine Months Ended
	<u>30.09.2011</u>	30.09.2010	<u>30.09.2011</u>	30.09.2010
	<u>RM'000</u>	RM'000	<u>RM'000</u>	RM'000
a) Fee Income:				
Commission	27,823	27,779	86,345	86,080
Service charges and fees	48,927	38,882	143,842	115,785
Guarantee fees	7,743	10,235	25,882	26,042
Commitment fees	13,882	13,497	38,182	39,241
Underwriting fees	59	15	128	481
Other fees	3,422	3,309	11,848	9,886
	<u>101,856</u>	<u>93,717</u>	<u>306,227</u>	<u>277,515</u>
b) Net gain arising from financial assets held-for-trading	6,374	11,954	22,591	26,119
c) Net gain/(loss) on revaluation of derivatives	(54,809)	16,601	(53,872)	20,323
d) Net gain arising from financial investments available-for-sale				
- net gain on disposal	11,541	1,249	14,708	29,255
- gross dividend income	492	3,796	4,841	4,973
	<u>12,033</u>	<u>5,045</u>	<u>19,549</u>	<u>34,228</u>
e) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	214	-	214	1,044
f) Other income:				
Foreign exchange gain/(loss)				
- realised	169,708	(4,236)	326,838	122,360
- unrealised	(97,993)	39,096	(98,989)	15,048
Gain on disposal of property, plant and equipment	46	202	4,826	866
Other operating income	13,553	11,675	38,906	33,854
Other non-operating income	1,081	937	7,167	3,938
	<u>86,395</u>	<u>47,674</u>	<u>278,748</u>	<u>176,066</u>
	<u>152,063</u>	<u>174,991</u>	<u>573,457</u>	<u>535,295</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

18 Other Operating Income (cont'd)

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	Preceding	<u>Current</u>	Preceding
	<u>Financial</u>	Corresponding	<u>Financial</u>	Corresponding
	<u>Quarter Ended</u>	Quarter Ended	<u>Nine Months Ended</u>	Nine Months Ended
	<u>30.09.2011</u>	30.09.2010	<u>30.09.2011</u>	30.09.2010
	<u>RM'000</u>	RM'000	<u>RM'000</u>	RM'000
a) Fee Income:				
Commission	27,574	26,730	85,540	83,137
Service charges and fees	48,430	37,349	139,873	111,566
Guarantee fees	7,743	10,235	25,882	26,042
Commitment fees	13,882	13,497	38,182	39,241
Underwriting fees	59	15	128	481
Other fees	3,534	3,423	12,193	10,236
	<u>101,222</u>	<u>91,249</u>	<u>301,798</u>	<u>270,703</u>
b) Net gain arising from financial assets held-for-trading	6,374	11,954	22,591	26,119
c) Net gain/(loss) on revaluation of derivatives	(21,060)	17,103	(17,171)	22,010
d) Net gain arising from financial investments available-for-sale				
- net gain on disposal	11,541	1,249	14,708	29,255
- gross dividend income	492	3,796	4,837	4,969
	<u>12,033</u>	<u>5,045</u>	<u>19,545</u>	<u>34,224</u>
e) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	214	-	214	1,044
f) Gross dividend income from a subsidiary	9,068	-	9,068	-
g) Other income:				
Foreign exchange gain/(loss)				
- realised	171,622	(5,862)	328,110	119,150
- unrealised	(97,993)	39,096	(98,989)	15,048
Gain on disposal of property, plant and equipment	46	202	4,826	866
Other operating income	13,409	11,556	38,480	33,484
Other non-operating income	579	465	5,654	2,570
	<u>87,663</u>	<u>45,457</u>	<u>278,081</u>	<u>171,118</u>
	<u>195,514</u>	<u>170,808</u>	<u>614,126</u>	<u>525,218</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

19 Income from Islamic Banking Business

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2011</u>	<u>Preceding Corresponding Quarter Ended 30.09.2010</u>	<u>Current Financial Nine Months Ended 30.09.2011</u>	<u>Preceding Corresponding Nine Months Ended 30.09.2010</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income derived from investment of depositors' funds	217,652	124,505	518,728	342,683
Income derived from investment of shareholder's funds	(18,789)	19,369	12,159	48,794
Transfer to Profit Equalisation Reserve	2,615	(947)	(12,773)	(1,919)
Total distributable income	<u>201,478</u>	<u>142,927</u>	<u>518,114</u>	<u>389,558</u>
Income attributable to depositors	<u>(81,343)</u>	<u>(58,608)</u>	<u>(223,820)</u>	<u>(145,071)</u>
Income from Islamic Banking Business	<u>120,135</u>	<u>84,319</u>	<u>294,294</u>	<u>244,487</u>
Of which:				
Financing income earned on impaired financing and advances	<u>4,313</u>	<u>2,509</u>	<u>7,628</u>	<u>5,359</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

20 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2011</u>	<u>Preceding Corresponding Quarter Ended 30.09.2010</u>	<u>Current Financial Nine Months Ended 30.09.2011</u>	<u>Preceding Corresponding Nine Months Ended 30.09.2010</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	197,394	173,131	599,981	486,097
- Contributions to Employees Provident Fund	29,927	26,323	90,544	73,469
- Other staff related costs	36,427	17,319	77,749	46,733
	<u>263,748</u>	<u>216,773</u>	<u>768,274</u>	<u>606,299</u>
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	25,722	22,243	74,539	60,027
- Written off	3	10	25	10
- Rental of premises	18,081	13,266	48,056	41,125
- Rental of equipment	2,477	2,366	7,348	7,464
- Insurance	2,109	8,425	6,081	28,417
- Water and electricity	5,765	4,740	15,857	14,323
- Repair and maintenance	4,871	4,636	14,336	14,454
- Security & escorting expenses	10,337	5,579	28,811	20,629
- Information technology expenses	26,578	25,005	80,127	74,513
- Others	770	680	1,838	2,023
	<u>96,713</u>	<u>86,950</u>	<u>277,018</u>	<u>262,985</u>
<u>Marketing expenses</u>				
- Sales commission	8,065	2,459	16,189	5,780
- Advertisement and publicity	14,714	9,232	34,165	21,163
- Others	14,213	13,317	26,425	37,482
	<u>36,992</u>	<u>25,008</u>	<u>76,779</u>	<u>64,425</u>
<u>Administration and general expenses</u>				
- Communication expenses	21,201	20,080	66,243	56,730
- Others	21,184	17,609	52,700	55,698
	<u>42,385</u>	<u>37,689</u>	<u>118,943</u>	<u>112,428</u>
	<u>439,838</u>	<u>366,420</u>	<u>1,241,014</u>	<u>1,046,137</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

20 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Financial</u>	<u>Corresponding</u>	<u>Financial</u>	<u>Corresponding</u>
	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Nine Months Ended</u>	<u>Nine Months Ended</u>
	<u>30.09.2011</u>	<u>30.09.2010</u>	<u>30.09.2011</u>	<u>30.09.2010</u>
<u>Bank</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	182,503	158,526	556,238	441,752
- Contributions to Employees Provident Fund	27,522	24,046	83,603	66,587
- Other staff related costs	34,210	16,149	71,768	42,832
	<u>244,235</u>	<u>198,721</u>	<u>711,609</u>	<u>551,171</u>
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	23,343	19,899	67,524	53,046
- Written off	3	4	25	4
- Rental of premises	17,598	12,876	46,672	39,622
- Rental of equipment	2,370	2,276	7,120	7,217
- Insurance	3,713	7,450	6,865	24,804
- Water and electricity	5,282	4,353	14,606	13,181
- Repair and maintenance	4,989	4,590	14,009	14,115
- Security & escorting expenses	9,421	4,984	26,876	18,986
- Information technology expenses	25,944	22,907	74,739	67,765
	<u>92,663</u>	<u>79,339</u>	<u>258,436</u>	<u>238,740</u>
<u>Marketing expenses</u>				
- Sales commission	7,771	2,334	15,605	5,249
- Advertisement and publicity	13,109	9,084	31,305	20,227
- Others	13,435	12,734	24,912	35,891
	<u>34,315</u>	<u>24,152</u>	<u>71,822</u>	<u>61,367</u>
<u>Administration and general expenses</u>				
- Communication expenses	19,860	18,632	62,269	52,421
- Others	6,545	9,444	19,227	29,443
	<u>26,405</u>	<u>28,076</u>	<u>81,496</u>	<u>81,864</u>
	<u>397,618</u>	<u>330,288</u>	<u>1,123,363</u>	<u>933,142</u>

21 Allowance for Impairment on Loans, Advances and Financing

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Financial</u>	<u>Corresponding</u>	<u>Financial</u>	<u>Corresponding</u>
	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Nine Months Ended</u>	<u>Nine Months Ended</u>
	<u>30.09.2011</u>	<u>30.09.2010</u>	<u>30.09.2011</u>	<u>30.09.2010</u>
<u>Group</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Individual impairment allowance	(1,092)	89,253	42,295	183,141
Collective impairment allowance	147,548	120,156	431,958	313,521
Impaired loans and financing recovered	(116,606)	(35,903)	(243,967)	(143,361)
	<u>29,850</u>	<u>173,506</u>	<u>230,286</u>	<u>353,301</u>
<u>Bank</u>				
Individual impairment allowance	374	79,996	46,764	124,484
Collective impairment allowance	132,478	115,339	387,565	297,816
Impaired loans and financing recovered	(113,311)	(34,357)	(237,761)	(138,239)
	<u>19,541</u>	<u>160,978</u>	<u>196,568</u>	<u>284,061</u>

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22 Capital Adequacy

The capital ratios of the Bank are computed based on Bank Negara Malaysia's ('BNM') Guidelines on Risk Weighted Capital Adequacy Framework: IRB Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

The capital ratios of RHB Islamic Bank Berhad ('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).

	RHB Bank*		RHB Islamic Bank	
	Unaudited 30.09.2011 RM'000	Audited 31.12.2010 RM'000	Unaudited 30.09.2011 RM'000	Audited 31.12.2010 RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	523,424	523,424
Hybrid Tier-I Capital Securities	597,410	597,227	-	-
Share premium	8,563	8,563	-	-
Retained profits	2,948,464	2,492,142	222,371	222,371
Other reserves	2,667,506	2,673,342	231,484	231,484
	9,540,028	9,089,359	977,279	977,279
Less: Goodwill	(905,519)	(905,519)	-	-
Deferred tax assets	(275,265)	(265,300)	(33,269)	(33,269)
Total Tier I capital	8,359,244	7,918,540	944,010	944,010
Tier II Capital				
Subordinated obligations	3,000,000	3,000,000	-	-
Collective impairment allowance [^]	350,378	263,786	135,360	103,037
Total Tier II capital	3,350,378	3,263,786	135,360	103,037
Less: Investment in subsidiaries	(622,656)	(622,656)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(150,619)	(199,127)	-	-
Other deduction [#]	(3,321)	(3,190)	-	(102)
Eligible Tier II capital	2,573,782	2,438,813	135,360	102,935
Total capital base	10,933,026	10,357,353	1,079,370	1,046,945
<u>Capital ratios</u>				
Before proposed dividends:				
Core capital ratio	11.49%	10.79%	9.41%	12.23%
Risk-weighted capital ratio	15.03%	14.11%	10.76%	13.56%
After proposed dividends:				
Core capital ratio	11.49%	10.46%	9.41%	12.23%
Risk-weighted capital ratio	15.03%	13.79%	10.76%	13.56%

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

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

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

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

	RHB Bank		RHB Islamic Bank	
	Unaudited 30.09.2011 RM'000	Audited 31.12.2010 RM'000	Unaudited 30.09.2011 RM'000	Audited 31.12.2010 RM'000
Credit risk	64,012,406	65,571,292	8,819,980	7,124,858
Market risk	1,891,782	1,232,084	604,102	30,513
Operational risk	6,858,441	6,559,217	603,378	566,538
Total risk-weighted assets	72,762,629	73,362,593	10,027,460	7,721,909

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22 Capital Adequacy (cont'd)

	RHB Bank Group	
	Unaudited	Audited
	30.09.2011	31.12.2010
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	3,318,085	3,318,085
Hybrid Tier-I Capital Securities	597,410	597,227
Share premium	8,563	8,563
Retained profits	3,284,207	2,827,885
Other reserves	2,860,413	2,866,249
	<u>10,068,678</u>	<u>9,618,009</u>
Less: Goodwill	(1,004,017)	(1,004,017)
Net deferred tax assets	(317,461)	(307,495)
Total Tier I capital	<u>8,747,200</u>	<u>8,306,497</u>
Tier II Capital		
Subordinated obligations	3,000,000	3,000,000
Collective impairment allowance [^]	486,296	368,224
Total Tier II capital	<u>3,486,296</u>	<u>3,368,224</u>
Less: Excess of total expected loss over total eligible provision under the IRB approach	(152,481)	(196,278)
Other deduction [#]	(3,321)	(3,292)
Eligible Tier II capital	<u>3,330,494</u>	<u>3,168,654</u>
Total capital base	<u>12,077,694</u>	<u>11,475,151</u>
Capital ratios		
Before proposed dividends:		
Core capital ratio	10.64%	10.27%
Risk-weighted capital ratio	14.69%	14.19%
After proposed dividends:		
Core capital ratio	10.64%	9.97%
Risk-weighted capital ratio	<u>14.69%</u>	<u>13.89%</u>

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

	RHB Bank Group	
	Unaudited	Audited
	30.09.2011	31.12.2010
	RM'000	RM'000
Credit risk	72,196,185	72,460,531
Market risk	2,539,353	1,255,271
Operational risk	7,494,002	7,162,161
Total risk-weighted assets	<u>82,229,540</u>	<u>80,877,963</u>

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

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

Pursuant to BNM circular, "Recognition of Deferred Tax Assets ('DTA') and Treatment of DTA for RWCR Purposes" dated 8 August 2003, deferred tax income/(expense) is excluded from the computation of Tier I capital and deferred tax assets are excluded from the calculation of risk weighted assets.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

23 Commitments And Contingencies

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

<u>Group</u>	← Unaudited 30.09.2011 →			← Audited 31.12.2010 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,460,870	1,392,506	1,188,237	2,366,972	2,301,345	2,575,444
Transaction-related contingent items	2,141,316	1,044,886	937,575	1,905,733	929,964	963,854
Short-term self-liquidating trade related contingencies	737,177	141,352	89,334	825,269	162,953	125,968
Obligations under underwriting agreements	223,000	111,500	111,500	29,000	14,500	14,500
Irrevocable commitments to extend credit:						
- maturity more than one year	4,239,048	1,216,600	951,277	4,492,229	1,302,224	1,079,891
- maturity less than one year	28,541,423	5,052,604	3,481,080	31,965,921	1,582,218	955,370
Foreign exchange related contracts:						
- less than one year	19,717,323	512,150	274,145	14,267,825	306,554	157,387
- one year to less than five years	2,223,391	373,843	165,988	1,183,447	564,225	300,962
Interest rate related contracts:						
- less than one year	2,927,269	8,120	2,292	2,386,825	10,333	2,840
- one year to less than five years	12,308,995	317,088	84,202	9,245,957	277,524	73,253
- more than five years	615,000	61,115	12,223	415,000	41,611	8,322
Commodity contracts:						
- less than one year	-	-	-	17,628	-	-
Total	75,134,812	10,231,764	7,297,853	69,101,806	7,493,451	6,257,791

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

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

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

23 Commitments And Contingencies (cont'd)

<u>Bank</u>	← Unaudited →			← Audited →		
	30.09.2011			31.12.2010		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Direct credit substitutes	1,384,624	1,316,260	1,111,991	2,170,663	2,105,036	2,379,135
Transaction-related contingent items	2,033,110	990,783	883,472	1,750,541	852,367	925,554
Short-term self-liquidating trade related contingencies	684,962	130,909	78,826	785,946	155,088	117,929
Irrevocable commitments to extend credit:						
- maturity more than one year	3,310,871	1,030,783	831,610	3,938,118	1,076,912	887,601
- maturity less than one year	27,230,112	4,790,342	3,192,820	29,557,105	1,361,312	734,464
Foreign exchange related contracts:						
- less than one year	19,741,276	517,400	276,775	14,269,356	306,593	157,427
- one year to less than five years	2,223,391	373,843	165,988	1,183,447	564,225	300,962
Interest rate related contracts:						
- less than one year	2,927,269	7,772	1,924	2,386,825	10,333	2,840
- one year to less than five years	14,928,129	402,877	127,097	9,895,957	303,524	86,253
- more than five years	615,000	61,115	12,223	415,000	41,611	8,322
Commodity contracts:						
- less than one year	-	-	-	17,628	-	-
Total	75,078,744	9,622,084	6,682,726	66,370,586	6,777,001	5,600,487

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

The CE and RWA of the Bank are computed in accordance with 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).

24 Capital Commitments

	Group		Bank	
	Unaudited As at 30.9.2011 RM'000	Audited As at 31.12.2010 RM'000	Unaudited As at 30.9.2011 RM'000	Audited As at 31.12.2010 RM'000
	Capital expenditure for property, plant and equipment:			
- authorised and contracted for	71,898	71,444	71,898	62,211
- authorised but not contracted for	128,822	102,168	103,224	84,679
	200,720	173,612	175,122	146,890
Proposed acquisition of Bank Mestika	1,163,126	1,163,126	1,163,126	1,163,126
	1,363,846	1,336,738	1,338,248	1,310,016

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

25 Segmental Reporting On Revenue And Profit

Group

Nine months ended 30 September 2011

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	439,973	1,382,324	501,840	427,871	241,455	156,302	27,672	-	3,177,437
Inter-segment revenue	(1,941)	-	-	54,393	(51,602)	2,609	604	(4,063)	-
Segment revenue	438,032	1,382,324	501,840	482,264	189,853	158,911	28,276	(4,063)	3,177,437
Overhead expenses	(63,759)	(476,746)	(210,056)	(22,624)	(38,776)	(93,563)	(9,661)	4,063	(911,122)
of which:									
Depreciation of property, plant and equipment	(2,778)	(48,563)	(10,365)	(2,608)	(6,293)	(3,786)	(146)	-	(74,539)
Allowance for impairment on loans, advances and financing	10,419	(233,734)	29,534	-	(36,216)	(289)	-	-	(230,286)
Impairment losses on other assets	194	6	952	(14,941)	-	-	-	-	(13,789)
Profit before unallocated expenses	384,886	671,850	322,270	444,699	114,861	65,059	18,615	-	2,022,240
Unallocated expenses									(329,892)
Profit after unallocated expenses									1,692,348
Subordinated obligations									(116,156)
Hybrid Tier-I Capital Securities									(33,934)
Profit before taxation									1,542,258
Taxation									(371,203)
Net profit for the financial period									<u>1,171,055</u>

Group

Nine months ended 30 September 2010

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	405,511	1,143,686	484,394	525,102	194,298	138,054	10,955	-	2,902,000
Inter-segment revenue	(2,163)	-	-	8,907	(5,905)	2,039	603	(3,481)	-
Segment revenue	403,348	1,143,686	484,394	534,009	188,393	140,093	11,558	(3,481)	2,902,000
Overhead expenses	(55,853)	(381,410)	(193,377)	(14,659)	(78,108)	(85,325)	(17,237)	3,481	(822,488)
of which:									
Depreciation of property, plant and equipment	(2,396)	(36,339)	(9,219)	(2,752)	(6,256)	(2,919)	(146)	-	(60,027)
Allowance for impairment on loans, advances and financing	8,217	(214,515)	(80,223)	-	(60,513)	(6,267)	-	-	(353,301)
Impairment losses on other assets	2,692	(283)	150	1,949	-	(313)	-	-	4,195
Profit before unallocated expenses	358,404	547,478	210,944	521,299	49,772	48,188	(5,679)	-	1,730,406
Unallocated expenses									(223,649)
Profit after unallocated expenses									1,506,757
Subordinated obligations									(99,410)
Hybrid Tier-I Capital Securities									(33,920)
Profit before taxation									1,373,427
Taxation									(331,556)
Net profit for the financial period									<u>1,041,871</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)

26 Valuation of Property, Plant and Equipment

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

27 Events subsequent to Balance Sheet Date

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

(a) Issuance of RM250.0 million nominal value of Subordinated Notes and/or Senior Notes under a Multi-Currency Medium Term Note Programme ('MCMTN Programme') by the Bank

On 31 October 2011, the Bank issued RM250.0 million nominal value of Subordinated Notes, being part of the RM3.0 billion in nominal value (or its equivalent in other currencies) under a MCMTN Programme. The Subordinated Notes, rated AA3 by RAM Rating Services Berhad, are issued for a tenure of 10 non-callable 5 years with a fixed coupon of 4.25% per annum, payable semi-annually throughout the entire tenure.

28 Changes in the Composition of the Group

There are no significant changes in the composition of the Group for the nine months ended 30 September 2011.

29 Changes in Profit for the Quarter

The group recorded a pre-tax profit of RM508.0 million, 0.6% marginally higher as compared to the preceeding quarter ended 30 June 2011 of RM504.8 million. The higher profit was mainly due to lower impairment on loans, advances and financing by RM92.1 million and higher income from Islamic Banking Business by RM37.2 million, partly offset by lower other operating income by RM71.1 million, higher other operating expenses by RM29.8 million, higher impairment on other assets by RM19.0 million and lower net interest income by RM6.2 million.

30 Performance Review

For the nine months ended 30 September 2011, the Group recorded a pre-tax profit of RM1,542.3 million, 12.3% higher than the previous year corresponding period ended 30 September 2010 of RM1,373.4 million. The higher pre-tax profit was mainly due to higher net interest income by RM170.7 million, lower impairment on loans, advances and financing by RM123.0 million, higher income from Islamic Banking Business by RM49.8 million and higher other operating income by RM38.2 million, partly offset by higher other operating expenses by RM194.9 million and impairment on other assets by RM18.0 million.

31 Prospects for 2011

The Malaysian economy is expected to grow at 5% to 5.5% in spite of a challenging external environment due to continued weakness in the US and on-going debt crisis in the European economies. The outlook for the Malaysian banking sector remains positive, supported by the underlying strengths of the domestic economy and the progressive roll-out of projects under the Economic Transformation Programme.

We expect that the Malaysian economy will continue to be supportive of business growth. We will focus on building our core businesses and continue to look for opportunities to expand our market share and increase our leadership position in targeted markets and product segments. Strengthening of credit policies and risk management practices and sound assets and liability management will continue to be high on our execution agenda. The Group is well positioned to assist our customers and clients in navigating the challenges going forward.

We expect to continue our business growth momentum into the rest of the financial year.