

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

Note	Group			Bank		
	Unaudited As at 30.09.2012	Restated As at 31.12.2011	Restated As at 1.1.2011	Unaudited As at 30.09.2012	Restated As at 31.12.2011	Restated As at 1.1.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
	21,533,463	18,392,186	12,981,081	16,521,779	12,344,141	11,093,561
	384,514	142,291	276,407	384,514	142,291	276,407
	2,413,938	937,828	824,071	2,661,302	2,200,238	1,539,648
8	1,459,565	1,303,419	348,511	1,209,794	869,888	129,583
9	9,682,046	8,015,085	9,933,578	7,737,396	6,339,146	8,143,221
10	15,376,821	13,475,167	10,674,245	13,056,888	12,021,999	9,558,312
11	104,560,707	95,317,875	81,515,787	86,866,123	80,593,659	71,169,425
12	342,333	306,546	195,687	615,948	676,671	204,452
	202,382	226,980	298,389	227,806	263,605	298,148
	3,644,031	3,168,309	426,304	2,942,676	2,561,754	321,064
	19	127,265	27	-	114,013	-
	7,528	11,298	264,629	-	-	209,502
	-	-	-	1,272,972	1,072,972	822,972
	775,131	787,865	701,158	612,613	625,567	540,483
	1,004,017	1,004,017	1,004,017	905,519	905,519	905,519
TOTAL ASSETS	161,386,495	143,216,131	119,443,891	135,015,330	120,731,463	105,212,297
LIABILITIES AND EQUITY						
13	124,157,022	113,638,280	92,402,813	103,221,620	94,349,181	80,567,577
14	11,168,983	7,996,621	7,680,309	8,153,548	5,809,666	6,158,453
	3,771,544	3,764,155	3,536,140	3,743,802	3,750,382	3,524,016
15	976,410	993,207	1,003,049	859,316	925,776	868,827
	239,036	237,004	240,161	237,029	234,522	238,984
	2,352,641	1,161,814	818,503	1,113,857	1,161,814	818,503
	170,947	3,704	167,338	155,026	-	163,133
	48,217	55,845	6	46,874	55,841	-
	651,723	759,020	819,362	651,723	759,020	819,362
	4,072,439	3,269,678	3,018,157	4,072,439	3,269,678	3,018,157
	602,383	605,570	605,407	602,383	605,570	605,407
	1,551,014	-	-	1,551,014	-	-
TOTAL LIABILITIES	149,762,359	132,484,898	110,291,245	124,408,631	110,921,450	96,782,419
	3,318,085	3,318,085	3,318,085	3,318,085	3,318,085	3,318,085
	8,306,051	7,413,148	5,834,561	7,288,614	6,491,928	5,111,793
TOTAL EQUITY	11,624,136	10,731,233	9,152,646	10,606,699	9,810,013	8,429,878
TOTAL LIABILITIES AND EQUITY	161,386,495	143,216,131	119,443,891	135,015,330	120,731,463	105,212,297
COMMITMENTS AND CONTINGENCIES	23	75,339,053	73,107,365	69,101,806	72,215,077	70,878,993
						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 2011.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

<u>Group</u>	<u>Note</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
		<u>Current Financial Quarter Ended 30.09.2012</u> RM'000	<u>Restated Preceding Corresponding Quarter Ended 30.09.2011</u> RM'000	<u>Current Financial Nine Months Ended 30.09.2012</u> RM'000	<u>Restated Preceding Corresponding Nine Months Ended 30.09.2011</u> RM'000
Interest income	16	1,536,620	1,394,535	4,429,662	4,013,364
Interest expense	17	(763,407)	(656,892)	(2,154,580)	(1,803,662)
Net interest income		773,213	737,643	2,275,082	2,209,702
Other operating income	18	193,670	152,063	694,512	573,457
Income from Islamic Banking business	19	966,883 126,283	889,706 117,604	2,969,594 349,526	2,783,159 290,481
Other operating expenses	20	1,093,166 (471,132)	1,007,310 (439,838)	3,319,120 (1,407,938)	3,073,640 (1,241,014)
Operating profit before allowances		622,034	567,472	1,911,182	1,832,626
Allowance for impairment on loans, advances and financing	21	30,110	24,995	(52,017)	(128,185)
Impairment losses on other assets		(695)	(17,425)	3,065	(13,789)
Profit before taxation		651,449	575,042	1,862,230	1,690,652
Taxation		(154,002)	(133,004)	(450,765)	(408,301)
Net profit for the financial period		497,447	442,038	1,411,465	1,282,351
Earnings per share (sen)					
- Basic		7.50	6.66	21.27	19.32

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 2011.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2012	Restated Preceding Corresponding Quarter Ended 30.09.2011	Current Financial Nine Months Ended 30.09.2012	Restated Preceding Corresponding Nine Months Ended 30.09.2011
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	497,447	442,038	1,411,465	1,282,351
Other comprehensive income/(loss):				
Currency translation differences	(28,797)	46,862	(13,515)	31,917
Financial investments available-for-sale:				
- Unrealised net gain on revaluation	2,033	72,171	73,852	110,884
- Net transfer to income statements on disposal or impairment	(20,093)	(13,866)	(53,968)	(20,870)
Income tax relating to components of other comprehensive income/(loss)	4,488	(14,763)	(4,931)	(22,807)
Other comprehensive income/(loss) for the financial period, net of tax	(42,369)	90,404	1,438	99,124
Total comprehensive income for the financial period	455,078	532,442	1,412,903	1,381,475

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 2011.

RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

	Note	Individual Quarter		Cumulative Nine Months	
		Current Financial Quarter Ended 30.09.2012	Restated Preceding Corresponding Quarter Ended 30.09.2011	Current Financial Nine Months Ended 30.09.2012	Restated Preceding Corresponding Nine Months Ended 30.09.2011
Bank		RM'000	RM'000	RM'000	RM'000
Interest income	16	1,526,019	1,392,712	4,401,980	3,980,142
Interest expense	17	(760,108)	(654,071)	(2,145,335)	(1,794,286)
Net interest income		765,911	738,641	2,256,645	2,185,856
Other operating income	18	187,403	195,514	676,138	614,126
Other operating expenses	20	953,314 (419,833)	934,155 (397,618)	2,932,783 (1,267,653)	2,799,982 (1,123,363)
Operating profit before allowances		533,481	536,537	1,665,130	1,676,619
Allowance for impairment on loans, advances and financing	21	58,570	8,769	47,168	(138,374)
Impairment losses on other assets		(695)	(17,425)	3,065	(13,789)
Profit before taxation		591,356	527,881	1,715,363	1,524,456
Taxation		(145,839)	(121,215)	(414,317)	(374,641)
Net profit for the financial period		445,517	406,666	1,301,046	1,149,815
Earnings per share (sen)					
- Basic		6.71	6.13	19.61	17.33

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2012	Restated Preceding Corresponding Quarter Ended 30.09.2011	Current Financial Nine Months Ended 30.09.2012	Restated Preceding Corresponding Nine Months Ended 30.09.2011
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	445,517	406,666	1,301,046	1,149,815
Other comprehensive income/(loss):				
Currency translation differences	(12,429)	23,694	1,752	17,859
Financial investments available-for-sale:				
- Unrealised net gain on revaluation	3,645	59,413	58,371	96,643
- Net transfer to income statements on disposal or impairment	(13,330)	(11,541)	(39,854)	(14,708)
Income tax relating to components of other comprehensive income/(loss)	2,421	(11,968)	(4,629)	(20,484)
Other comprehensive income/(loss) for the financial period, net of tax	(19,693)	59,598	15,640	79,310
Total comprehensive income for the financial period	425,824	466,264	1,316,686	1,229,125

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 2011.

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 2012

<u>Group</u>	← Attributable to equity holders of the Bank →						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2012							
- As previously reported	3,318,085	8,563	3,358,704	(61,408)	196,177	3,736,207	10,556,328
- Effect on full adoption of MFRS 139	-	-	-	19	-	174,886	174,905
- As restated	3,318,085	8,563	3,358,704	(61,389)	196,177	3,911,093	10,731,233
Net profit for the financial period	-	-	-	-	-	1,411,465	1,411,465
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(13,515)	-	-	(13,515)
Financial investments available-for-sale ('AFS'):							
- Unrealised net gain on revaluation	-	-	-	-	73,852	-	73,852
- Net transfer to income statements on disposal or impairment	-	-	-	-	(53,968)	-	(53,968)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,931)	-	(4,931)
Total comprehensive income/(loss) for the financial period	-	-	-	(13,515)	14,953	1,411,465	1,412,903
Ordinary dividends	-	-	-	-	-	(520,000)	(520,000)
Transfer to statutory reserves	-	-	241,020	-	-	(241,020)	-
Balance as at 30 September 2012	3,318,085	8,563	3,599,724	(74,904)	211,130	4,561,538	11,624,136
Balance as at 1 January 2011							
- As previously reported	3,318,085	8,563	2,946,064	(79,815)	143,202	2,827,885	9,163,984
- Effect on full adoption of MFRS 139	-	-	-	(31)	-	(11,307)	(11,338)
- As restated	3,318,085	8,563	2,946,064	(79,846)	143,202	2,816,578	9,152,646
Net profit for the financial period	-	-	-	-	-	1,282,351	1,282,351
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	31,917	-	-	31,917
Financial investments 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	-	-	-	31,917	67,207	1,282,351	1,381,475
Ordinary dividends	-	-	-	-	-	(237,907)	(237,907)
Balance as at 30 September 2011	3,318,085	8,563	2,946,064	(47,929)	210,409	3,861,022	10,296,214

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UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

Bank	←		Non-distributable		→		Total
	Share capital	Share premium	Statutory reserves	Translation reserves	AFS reserves	Distributable Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2012							
- As previously reported	3,318,085	8,563	3,070,142	7,214	188,957	3,049,635	9,642,596
- Effect on full adoption of MFRS 139	-	-	-	-	-	167,417	167,417
- As restated	3,318,085	8,563	3,070,142	7,214	188,957	3,217,052	9,810,013
Net profit for the financial period	-	-	-	-	-	1,301,046	1,301,046
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	1,752	-	-	1,752
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	58,371	-	58,371
- Net transfer to income statements on disposal or impairment	-	-	-	-	(39,854)	-	(39,854)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,629)	-	(4,629)
Total comprehensive income for the financial period	-	-	-	1,752	13,888	1,301,046	1,316,686
Ordinary dividends	-	-	-	-	-	(520,000)	(520,000)
Transfer to statutory reserves	-	-	213,882	-	-	(213,882)	-
Balance as at 30 September 2012	3,318,085	8,563	3,284,024	8,966	202,845	3,784,216	10,606,699
Balance as at 1 January 2011							
- As previously reported	3,318,085	8,563	2,714,580	396	134,995	2,220,855	8,397,474
- Effect on full adoption of MFRS 139	-	-	-	-	-	32,404	32,404
- As restated	3,318,085	8,563	2,714,580	396	134,995	2,253,259	8,429,878
Net profit for the financial period	-	-	-	-	-	1,149,815	1,149,815
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	17,859	-	-	17,859
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	-	-	-	17,859	61,451	1,149,815	1,229,125
Ordinary dividends	-	-	-	-	-	(237,907)	(237,907)
Balance as at 30 September 2011	3,318,085	8,563	2,714,580	18,255	196,446	3,165,167	9,421,096

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

	Nine Months Ended	
	30.09.2012	Restated 30.09.2011
	RM '000	RM '000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,862,230	1,690,652
Adjustment for non-cash items	<u>(365,362)</u>	95,815
Operating profit before changes in working capital	1,496,868	1,786,467
Changes in working capital:		
Net changes in operating assets	(11,770,810)	(15,415,698)
Net changes in operating liabilities	<u>14,785,206</u>	20,107,633
Cash generated from operations	3,014,396	4,691,935
Taxation paid	<u>(164,846)</u>	(512,378)
Net cash generated from operating activities	<u>4,346,418</u>	5,966,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(68,697)	(127,652)
Proceeds from disposal of property, plant and equipment	10,135	5,155
Financial investments AFS:		
- net (purchase)/sale	(1,552,203)	582,722
- interest received	183,095	257,677
- investment income received	50,027	51,482
- dividend income	3,309	4,823
Financial investments held-to-maturity:		
- net purchase	(1,853,994)	(1,753,238)
- interest received	345,573	285,856
- investment income received	<u>44,856</u>	32,360
Net cash used in investing activities	<u>(2,837,899)</u>	(660,815)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of RM subordinated notes	749,006	-
Proceeds from issuance of USD senior debt securities	1,538,222	-
Repayment of long term borrowings	(80,350)	(60,250)
Dividends paid to shareholder	<u>(520,000)</u>	(237,907)
Net cash generated from/(used in) financing activities	<u>1,686,878</u>	(298,157)
Net increase in cash and cash equivalents	3,195,397	5,007,052
Effects of exchange rate differences	(54,120)	57,881
Cash and cash equivalents:		
- at the beginning of the financial period	<u>18,392,186</u>	12,981,081
- at the end of the financial period	<u>21,533,463</u>	<u>18,046,014</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>21,533,463</u>	<u>18,046,014</u>

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

	Nine Months Ended	
	30.09.2012	Restated 30.09.2011
	RM '000	RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,715,363	1,524,456
Adjustment for non-cash items	<u>(336,550)</u>	122,325
Operating profit before changes in working capital	1,378,813	1,646,781
Changes in working capital:		
Net changes in operating assets	(7,678,844)	(11,310,028)
Net changes in operating liabilities	<u>11,008,353</u>	11,190,680
Cash (used in)/generated from operations	3,329,509	(119,348)
Taxation paid	<u>(158,640)</u>	(487,129)
Net cash generated from operating activities	<u>4,549,682</u>	1,040,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(66,095)	(124,650)
Proceeds from disposal of property, plant and equipment	10,133	5,155
Financial investments AFS:		
- net (purchase)/sale	(1,301,620)	851,256
- interest received	183,077	257,677
- dividend income	3,307	4,819
Financial investments held-to-maturity:		
- net purchase	(996,573)	(1,495,810)
- interest received	345,056	284,952
Additional shares in a subsidiaries	<u>(200,000)</u>	-
Net cash used in investing activities	<u>(2,022,715)</u>	(216,601)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of RM subordinated notes	749,006	-
Proceeds from issuance of USD senior debt issued	1,538,222	-
Repayment of long term borrowings	(80,350)	(60,250)
Dividends paid to shareholder	<u>(520,000)</u>	(237,907)
Net cash generated from/(used in) financing activities	<u>1,686,878</u>	(298,157)
Net increase in cash and cash equivalents	4,213,845	525,546
Effects of exchange rate differences	(36,207)	47,026
Cash and cash equivalents:		
- at the beginning of the financial period	12,344,141	11,093,561
- at the end of the financial period	<u>16,521,779</u>	<u>11,666,133</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>16,521,779</u>	<u>11,666,133</u>

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 2011.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

1 Basis Of Preparation

The Malaysian Accounting Standard Board ('MASB') has announced on 19 November 2011 that Malaysian reporting entities are required to comply with the new International Financial Reporting Standards ('IFRS') compliant framework, Malaysia Financial Reporting Standards ('MFRS') for financial year commencing on or after 1 January 2012.

The Group and the Bank revised its accounting policies on 1 January 2012 to enable the preparation of financial statements that comply with MFRS. This condensed financial statements is the Group's and the Bank's first year financial report prepared in accordance with MFRS and MFRS 1: 'First Time Adoption of MFRS', and has been applied retrospectively as if the requirements of MFRSs have always been applied by the Group and the Bank from transition date of 1 January 2011. The Group and the Bank did not take advantage on certain mandatory exceptions and optional exceptions provided in MFRS 1 for first time adoption of MFRS.

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 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 financial year ended 31 December 2011.

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 2011, 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 2012:

MFRS 1	First-Time Adoption of MFRS
MFRS 139	Financial Instruments: Recognition and Measurement
Revised MFRS 124	Related Party Disclosures
Amendment to MFRS 112	Income Taxes
Amendment to MFRS 1	First Time Adoption on Fixed Dates and Hyperinflation
Amendment to MFRS 7	Financial Instruments: Disclosures on Transfers of Financial Assets
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

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, except for the adoption of MFRS 139.

Previously, the Group and the Bank applied the Amendment to FRS 139, which included an additional transitional arrangement for financial sectors, whereby Bank Negara Malaysia ('BNM') may prescribed the use of an alternative basis for collective assessment of impairments on loans, advances and financing. This transitional arrangement is prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010, whereby banking institutions are required to maintain collective allowances of at least 1.5% of total outstanding loans/financing, net of individual impairment allowances under the transitional provisions in the guidelines.

With effect from 1 January 2012, BNM has removed the transitional provision for banking institution on collective evaluation of loan impairment assessment and loan loss provisioning to comply with MFRS 139 requirements. Exposures not individually known to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for losses that have been incurred but not identified yet. The required loan loss allowance is estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the collective pool. The historical loss experience is adjusted based on current observable data.

Previously, when a collectively assessed loans and receivables is deemed impaired, the Group and the Bank have reversed out the interest income recognised in income statements and set off against the interest receivable in the statements of financial position.

Upon the adoption of MFRS 139, with effect from 1 January 2012, once a collectively assessed loans and receivables has been written down as a result of an impairment loss, interest income is thereafter recognised using the original effective interest rate in the income statements.

The change in accounting policies mentioned above have been accounted for retrospectively by re-measuring the relevant financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to the Group's and the Bank's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note 29.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

2 Auditors' Report

The auditors' report for the financial year ended 31 December 2011 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 2012.

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 2012.

6 Changes In Debt and Equity Securities

During the financial period, the Bank issued the following Subordinated Notes and Senior Notes:

- a) Issuance of RM750.0 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 on 7 May 2012.
- b) Issuance of USD300.0 million nominal value of Senior Notes, being part of the USD500.0 million in nominal value under the EMTN Programme on 11 May 2012.
- c) Issuance of USD200.0 million nominal value of Senior Notes, being the remaining balance of USD500.0 million in nominal value under the EMTN Programme on 28 September 2012.

Other than the above, 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 2012, the Bank paid the following dividends:

- a) A final gross dividend of 7.03 sen, less 25% income tax in respect of financial year ended 31 December 2011, amounting to RM350,000,000 was paid on 7 June 2012.
- b) An interim dividend of 3.42 sen, less 25% income tax in respect of the financial year ending 31 December 2012, amounting to RM170,000,000 was paid on 14 September 2012.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

8 Financial Assets Held-For-Trading

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000
At fair value				
<u>Money market instruments:</u>				
Khazanah bonds	-	53,767	-	-
Malaysian Government Securities	298,449	-	298,449	-
Malaysian Government Investment Issues	213,962	144,220	142,946	92,908
Cagamas bonds	10,141	-	10,141	-
Bank Negara Malaysia Monetary Notes	609,930	808,374	461,308	501,461
Thailand Government bonds	9,786	-	9,786	-
Singapore Government Treasury Bills	287,164	275,519	287,164	275,519
Wakala Global Sukuk	-	16,495	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	30,133	5,044	-	-
	1,459,565	1,303,419	1,209,794	869,888

9 Financial Investments Available-For-Sale

At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	496,355	974,018	496,355	974,018
Malaysian Government Investment Issues	2,016,298	1,965,660	1,155,827	1,096,153
Cagamas bonds	41,526	82,056	41,526	82,056
Khazanah bonds	59,615	-	-	-
Singapore Government Treasury Bills	249,752	73,155	249,752	73,155
Singapore Government Securities	134,687	232,275	134,687	232,275
Thailand Government bonds	104,779	85,870	104,779	85,870
Islamic accepted bills	58,604	-	-	-
1 Malaysia Sukuk	280,631	291,592	280,631	291,592
Wakala Global Sukuk	98,085	115,164	81,287	91,654
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	8,446	14,178	8,446	14,178
Shares	4,830	3,759	2,273	1,526
<u>Outside Malaysia</u>				
Shares	23	23	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	104,055	107,213	104,055	107,213
Shares	354,612	384,879	354,037	384,304
Private debt securities	5,666,833	3,679,907	4,720,826	2,899,816
<u>Outside Malaysia</u>				
Private debt securities	2,915	5,336	2,915	5,336
	9,682,046	8,015,085	7,737,396	6,339,146

As at 30 September 2012, the Group and the Bank has fully disposed off financial investments available-for-sale which were transferred from financial assets held-for-trading in 2009. As at 31 December 2011, the Group and the Bank carrying value of these financial investments are RM222,901,000 and RM212,765,000 respectively.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

10 Financial Investments Held-To-Maturity

	Group		Bank	
	Unaudited As at 30.09.2012	Audited As at 31.12.2011	Unaudited As at 30.09.2012	Audited As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,409,692	2,768,820	2,409,692	2,768,820
Cagamas bonds	2,239,449	1,912,108	1,967,137	1,718,332
Khazanah bonds	65,549	63,418	56,971	55,071
Malaysian Government Investment Issues	4,247,380	2,991,758	3,513,121	2,195,778
Singapore Government Securities	125,587	123,462	125,587	123,462
Thailand Government bonds	293,684	240,210	293,684	240,210
Negotiable instruments of deposits	1,553,074	1,005,545	906,351	1,005,545
Bankers' acceptances	307,523	169,823	307,523	169,823
Sukuk (Brunei) Incorporation	54,967	53,682	54,967	53,682
Wakala Global Sukuk	211,017	203,078	211,017	203,078
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	860	860	860	860
Prasarana bonds	743,429	950,221	743,429	950,221
Private debt securities	3,172,417	3,040,347	2,533,005	2,604,345
Corporate loan stocks	55,196	56,283	55,196	56,283
<u>Outside Malaysia</u>				
Private debt securities	18,649	19,063	-	-
	15,498,473	13,598,678	13,178,540	12,145,510
Accumulated impairment losses	(121,652)	(123,511)	(121,652)	(123,511)
	15,376,821	13,475,167	13,056,888	12,021,999

The carrying value of financial investments held-to-maturity as at 30 September 2012, which was transferred from financial assets held-for-trading in 2009, for the Group is RM18,649,000 (31.12.2011: RM19,063,000). The fair value of these financial investments as at 30 September 2012 for the Group is RM20,105,000 (31.12.2011: RM20,643,000).

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000
At amortised cost				
Overdrafts	5,918,490	5,713,718	5,777,517	5,593,490
Term loans/financing:				
- housing loans/financing	21,230,620	20,083,314	17,947,988	17,330,447
- syndicated term loans/financing	2,523,082	2,603,854	1,023,552	1,055,936
- hire purchase receivables	12,503,598	12,958,064	8,245,914	9,408,209
- lease receivables	95,686	116,243	-	-
- other term loans/financing	48,793,022	43,395,654	42,351,926	37,452,718
Bills receivable	1,659,027	1,645,017	1,634,186	1,603,549
Trust receipts	486,202	383,406	466,166	363,698
Claims on customers under acceptance credits	5,546,717	4,757,731	4,666,562	4,256,414
Staff loans/financing	293,244	315,049	284,883	304,926
Credit card receivables	1,866,430	1,783,094	1,760,293	1,735,189
Revolving credit	5,968,018	3,939,832	4,581,217	3,488,829
Floor stocking	3,682	1,553	3,682	1,553
	<u>106,887,818</u>	97,696,529	<u>88,743,886</u>	82,594,958
Gross loans, advances and financing	106,887,818	97,696,529	88,743,886	82,594,958
Fair value changes arising from fair value hedge	13,352	-	5,265	-
	<u>106,901,170</u>	97,696,529	<u>88,749,151</u>	82,594,958
Allowance for impaired loans and financing:				
- individual impairment allowance	(882,867)	(812,502)	(650,726)	(666,218)
- collective impairment allowance	(1,457,596)	(1,566,152)	(1,232,302)	(1,335,081)
	<u>(2,340,463)</u>	(2,378,654)	<u>(1,883,028)</u>	(2,001,300)
Net loans, advances and financing	<u>104,560,707</u>	95,317,875	<u>86,866,123</u>	80,593,659

Included in term loans are housing loans and hire purchase receivables sold to Cagamas with recourse for the Group and the Bank are RM2,352,641,000 (31.12.2011: RM1,161,814,000) and RM1,113,857,000 (31.12.2011: RM1,161,814,000) respectively.

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000
Domestic non-bank financial institutions:				
- Others	1,522,728	937,008	954,627	876,634
Domestic business enterprises:				
- Small medium enterprises	11,219,072	11,539,573	10,465,925	10,565,842
- Others	29,751,749	24,290,931	25,233,763	20,867,034
Government and statutory bodies	10,997,127	11,148,102	7,655,631	7,684,750
Individuals	46,545,018	43,936,776	38,779,921	37,777,867
Other domestic entities	12,254	10,674	11,952	10,401
Foreign entities:				
- Malaysian operations	1,177,111	1,276,943	435,425	429,837
- Singapore operations	5,329,249	4,211,647	4,903,944	4,069,495
- Thailand operations	244,996	232,363	214,184	200,586
- Brunei operations	88,514	112,512	88,514	112,512
	<u>106,887,818</u>	97,696,529	<u>88,743,886</u>	82,594,958

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By geographical distribution

	Group		Bank	
	Unaudited As at 30.09.2012	Restated As at 31.12.2011	Unaudited As at 30.09.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
In Malaysia	101,225,059	93,140,007	83,537,244	78,212,365
Outside Malaysia:				
- Singapore operations	5,329,249	4,211,647	4,903,944	4,069,495
- Thailand operations	244,996	232,363	214,184	200,586
- Brunei operations	88,514	112,512	88,514	112,512
	<u>106,887,818</u>	<u>97,696,529</u>	<u>88,743,886</u>	<u>82,594,958</u>

(iv) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 30.09.2012	Restated As at 31.12.2011	Unaudited As at 30.09.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	1,417,411	1,612,129	452,282	528,231
- Hire purchase receivables	12,503,598	12,958,064	8,245,914	9,408,209
- Other fixed rate loans/financing	18,317,960	16,484,251	12,406,745	12,225,485
Variable rate:				
- BLR/BFR plus	41,310,676	38,793,599	37,314,606	35,052,263
- Cost-plus	28,576,877	23,424,963	26,817,518	22,155,824
- Other variable rates	4,761,296	4,423,523	3,506,821	3,224,946
	<u>106,887,818</u>	<u>97,696,529</u>	<u>88,743,886</u>	<u>82,594,958</u>

(v) By purpose

	Group		Bank	
	Unaudited As at 30.09.2012	Restated As at 31.12.2011	Unaudited As at 30.09.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	8,447,647	6,940,839	8,447,647	6,932,229
Purchase of transport vehicles	11,275,605	11,742,912	6,778,166	7,954,725
Purchase of landed property:				
- Residential	21,666,739	20,602,726	18,503,939	17,814,375
- Non-residential	5,384,805	5,282,037	5,295,540	5,212,814
Purchase of property, plant and equipment other than land and building	3,303,591	3,241,052	2,596,370	2,342,611
Personal use	5,515,397	4,960,882	4,970,596	4,726,227
Credit card	1,866,430	1,783,094	1,760,293	1,735,189
Purchase of consumer durables	38,863	43,750	38,833	43,700
Construction	3,628,462	3,024,994	2,310,783	2,171,092
Working capital	24,227,926	20,662,687	20,908,238	18,254,075
Merger and acquisition	4,696,267	4,200,239	4,509,455	4,040,367
Other purposes	16,836,086	15,211,317	12,624,026	11,367,554
	<u>106,887,818</u>	<u>97,696,529</u>	<u>88,743,886</u>	<u>82,594,958</u>

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11 Loans, Advances and Financing (cont'd)

(vi) By remaining contractual maturities

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	35,010,574	31,126,937	31,715,363	29,072,705
One year to three years	10,779,181	6,148,152	9,444,445	4,854,080
Three years to five years	8,740,698	10,384,562	5,738,947	8,367,494
Over five years	52,357,365	50,036,878	41,845,131	40,300,679
	<u>106,887,818</u>	<u>97,696,529</u>	<u>88,743,886</u>	<u>82,594,958</u>

(vii) Impaired loans, advances and financing

(a) Movement in impaired loans, advances and financing

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial period/year				
- As previously reported	3,350,486	3,671,258	2,727,004	2,927,024
- Effect on full adoption of MFRS 139	142,845	176,364	125,304	145,862
- As restated	<u>3,493,331</u>	3,847,622	<u>2,852,308</u>	3,072,886
Classified as impaired during the financial period/year	2,989,173	3,711,481	2,688,676	3,423,180
Reclassified as non-impaired during the financial period/year	(2,150,126)	(2,856,750)	(1,931,541)	(2,615,177)
Amount recovered	(551,299)	(609,011)	(446,740)	(486,693)
Amount written off	(451,631)	(604,812)	(422,465)	(543,725)
Exchange difference	(1,266)	4,801	1,504	1,837
Balance as at the end of financial period/year	<u>3,328,182</u>	<u>3,493,331</u>	<u>2,741,742</u>	<u>2,852,308</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (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 30.09.2012	Restated As at 31.12.2011	Unaudited As at 30.09.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	53,568	90,883	53,568	90,883
Purchase of transport vehicles	269,355	267,936	139,077	169,405
Purchase of landed property:				
- Residential	988,456	1,085,031	853,636	913,226
- Non-residential	156,668	211,948	141,638	198,069
Purchase of property, plant and equipment other than land and building	97,432	146,184	80,021	73,811
Personal use	147,451	125,496	143,311	120,105
Credit card	38,964	43,394	35,214	43,237
Purchase of consumer durables	2,475	2,154	2,475	2,154
Construction	247,220	244,774	245,260	243,366
Working capital	1,254,262	1,249,521	1,004,072	973,845
Other purposes	72,331	26,010	43,470	24,207
	3,328,182	3,493,331	2,741,742	2,852,308

(c) By geographical distribution

	Group		Bank	
	Unaudited As at 30.09.2012	Restated As at 31.12.2011	Unaudited As at 30.09.2012	Restated As at 31.12.2011
	RM'000	RM'000	RM'000	RM'000
In Malaysia	3,231,688	3,396,765	2,645,248	2,755,742
Outside Malaysia:				
- Singapore operations	63,563	66,581	63,563	66,581
- Thailand operations	21,621	22,440	21,621	22,440
- Brunei operations	11,310	7,545	11,310	7,545
	3,328,182	3,493,331	2,741,742	2,852,308

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (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 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000
Individual impairment allowance				
Balance as at the beginning of financial period/year	812,502	854,899	666,218	682,522
Net allowance made during the period/year	176,250	110,414	74,377	93,774
Reclassification (to)/from collective impairment	(12,852)	1,786	(11,748)	1,786
Amount written off	(91,767)	(155,552)	(78,187)	(112,611)
Transfer to impairment of investment securities	(643)	-	(643)	-
Exchange difference	(623)	955	709	747
Balance as at the end of financial period/year	<u>882,867</u>	<u>812,502</u>	<u>650,726</u>	<u>666,218</u>
Collective impairment allowance				
Balance as at the beginning of financial period/year				
- As previously reported	1,657,809	1,625,609	1,433,823	1,437,137
- Effect on full adoption of MFRS 139	(91,657)	191,580	(98,742)	101,995
- As restated	<u>1,566,152</u>	1,817,189	<u>1,335,081</u>	1,539,132
Net allowance made during the period/year	92,838	143,615	87,619	168,771
Reclassification from/(to) individual impairment	12,852	(1,786)	11,748	(1,786)
Amount written off	(213,463)	(394,391)	(202,615)	(371,857)
Exchange difference	(783)	1,525	469	821
Balance as at the end of financial period/year	<u>1,457,596</u>	<u>1,566,152</u>	<u>1,232,302</u>	<u>1,335,081</u>

12 Other Assets

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000
Other debtors, deposits and prepayments	335,759	280,329	316,331	192,477
Amount due from holding company	1,292	1,388	1,292	1,388
Amounts due from subsidiaries	-	-	293,043	457,977
Amounts due from related companies	5,282	24,829	5,282	24,829
	<u>342,333</u>	<u>306,546</u>	<u>615,948</u>	<u>676,671</u>

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13 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000
Demand deposits	23,272,855	21,479,954	19,703,419	19,401,161
Savings deposits	6,741,219	6,359,910	5,976,511	5,709,098
Fixed/investment deposits	94,030,835	85,679,994	77,429,577	69,120,500
Negotiable instruments of deposits	112,113	118,422	112,113	118,422
	124,157,022	113,638,280	103,221,620	94,349,181

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000
Government and statutory bodies	13,921,787	12,519,295	7,528,968	7,186,405
Business enterprises	72,780,803	63,865,696	61,740,055	54,551,114
Individuals	32,356,049	31,171,620	30,909,090	29,969,544
Others	5,098,383	6,081,669	3,043,507	2,642,118
	124,157,022	113,638,280	103,221,620	94,349,181

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

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000
Due within six months	81,211,320	69,525,484	66,577,485	54,376,550
Six months to one year	12,333,740	14,788,582	10,523,819	13,415,298
One year to three years	549,722	1,440,291	409,159	1,406,776
Three years to five years	43,701	44,059	31,227	40,298
Over five years	4,465	-	-	-
	94,142,948	85,798,416	77,541,690	69,238,922

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

14 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Audited As at 31.12.2011 RM'000
Licensed banks/Islamic banks	8,639,888	6,146,928	6,335,148	4,095,271
Licensed investments banks	856,918	524,317	856,918	424,282
Bank Negara Malaysia	961,210	1,273,359	960,908	1,238,096
Others	710,967	52,017	574	52,017
	11,168,983	7,996,621	8,153,548	5,809,666

15 Other Liabilities

	Group		Bank	
	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000	Unaudited As at 30.09.2012 RM'000	Restated As at 31.12.2011 RM'000
Amount due to holding company	99	99	-	-
Amounts due to subsidiaries	-	-	25,673	21,342
Amounts due to related companies	6,763	2,534	6,340	2,262
Amount due to Danaharta	1,819	1,804	1,819	1,804
Prepaid instalments	78,675	79,773	78,675	79,773
Lessee deposits	48,013	54,466	-	-
Short term employee benefits	128,395	139,356	119,082	128,924
Other creditors and accruals	712,646	715,175	627,727	691,671
	976,410	993,207	859,316	925,776

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

16 Interest Income

Group	Individual Quarter		Cumulative Nine Months	
	Current Financial Quarter Ended 30.09.2012	Restated Preceding Corresponding Quarter Ended 30.09.2011	Current Financial Nine Months Ended 30.09.2012	Restated Preceding Corresponding Nine Months Ended 30.09.2011
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	1,234,206	1,139,073	3,565,745	3,269,715
Money at call and deposit placements with banks and other financial institutions	117,641	71,280	319,802	197,367
Securities purchased under resale agreement	85	3,841	217	4,470
Financial assets held-for-trading	4,543	3,941	11,633	7,874
Financial investments available-for-sale	62,227	57,783	171,459	200,839
Financial investments held-to-maturity	117,717	118,076	360,244	330,517
Others	201	541	562	2,582
	1,536,620	1,394,535	4,429,662	4,013,364
Of which:				
Interest income accrued on impaired financial assets	33,439	25,585	114,158	101,419
Bank				
Loans, advances and financing	1,217,834	1,127,200	3,520,595	3,233,481
Money at call and deposit placements with banks and other financial institutions	125,954	81,964	341,219	212,712
Securities purchased under resale agreement	85	3,841	217	4,470
Financial assets held-for-trading	4,543	3,941	11,633	7,874
Financial investments available-for-sale	61,335	57,783	170,567	200,839
Financial investments held-to-maturity	116,067	117,442	357,187	318,184
Others	201	541	562	2,582
	1,526,019	1,392,712	4,401,980	3,980,142
Of which:				
Interest income accrued on impaired financial assets	33,439	25,585	114,158	101,419

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

17 Interest Expense

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2012</u>	<u>Preceding Corresponding Quarter Ended 30.09.2011</u>	<u>Current Financial Nine Months Ended 30.09.2012</u>	<u>Preceding Corresponding Nine Months Ended 30.09.2011</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Deposits and placements of banks and other financial institutions	68,832	34,033	130,528	81,541
Deposits from customers	596,741	549,147	1,755,551	1,502,604
Subordinated obligations	50,060	39,144	137,847	116,156
Recourse obligation on loans sold to Cagamas	14,024	8,042	42,133	24,326
Hybrid Tier-I Capital Securities	11,441	11,437	34,073	33,934
Senior Debt Securities	8,086	-	12,589	-
Borrowings	2,213	1,928	6,429	5,788
Others	12,010	13,161	35,430	39,313
	<u>763,407</u>	<u>656,892</u>	<u>2,154,580</u>	<u>1,803,662</u>
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	68,946	34,046	130,706	81,609
Deposits from customers	593,328	546,313	1,746,128	1,493,160
Subordinated obligations	50,060	39,144	137,847	116,156
Recourse obligation on loans sold to Cagamas	14,024	8,042	42,133	24,326
Hybrid Tier-I Capital Securities	11,441	11,437	34,073	33,934
Senior Debt Securities	8,086	-	12,589	-
Borrowings	2,213	1,928	6,429	5,788
Others	12,010	13,161	35,430	39,313
	<u>760,108</u>	<u>654,071</u>	<u>2,145,335</u>	<u>1,794,286</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

18 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2012</u>	<u>Preceding Corresponding Quarter Ended 30.09.2011</u>	<u>Current Financial Nine Months Ended 30.09.2012</u>	<u>Preceding Corresponding Nine Months Ended 30.09.2011</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
a) Fee Income:				
Commission	32,022	27,823	94,093	86,345
Service charges and fees	38,591	48,927	172,802	143,842
Guarantee fees	12,891	7,743	32,537	25,882
Commitment fees	11,138	13,882	34,395	38,182
Underwriting fees	164	59	1,086	128
Other fees	4,378	3,422	12,573	11,848
	<u>99,184</u>	<u>101,856</u>	<u>347,486</u>	<u>306,227</u>
b) Net gain arising from financial assets held-for-trading	2,078	6,374	36,100	22,591
c) Net gain/(loss) on revaluation of derivatives	(1,737)	(54,809)	22,338	(53,872)
d) Net gain on fair value hedges	6,538	-	6,977	-
e) Net gain arising from financial investments available-for-sale				
- net gain/(loss) on disposal	13,330	11,541	39,854	14,708
- gross dividends income	-	492	3,327	4,841
	<u>13,330</u>	<u>12,033</u>	<u>43,181</u>	<u>19,549</u>
f) Net gain arising from financial investment held-to-maturity				
- net gain on redemption	1,753	214	1,823	214
g) Other income:				
Net foreign exchange gain/(loss)				
- realised	109,757	169,708	214,851	326,838
- unrealised	(53,345)	(97,993)	(26,850)	(98,989)
Gain on disposal of property, plant and equipment	-	46	997	4,826
Other operating income	15,785	13,553	46,671	38,906
Other non-operating income	327	1,081	938	7,167
	<u>72,524</u>	<u>86,395</u>	<u>236,607</u>	<u>278,748</u>
	<u>193,670</u>	<u>152,063</u>	<u>694,512</u>	<u>573,457</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

18 Other Operating Income (cont'd)

Bank	Individual Quarter		Cumulative Nine Months	
	Current Financial Quarter Ended 30.09.2012	Preceding Corresponding Quarter Ended 30.09.2011	Current Financial Nine Months Ended 30.09.2012	Preceding Corresponding Nine Months Ended 30.09.2011
	RM'000	RM'000	RM'000	RM'000
a) Fee Income:				
Commission	31,566	27,574	93,323	85,540
Service charges and fees	35,303	48,430	167,548	139,873
Guarantee fees	12,891	7,743	32,537	25,882
Commitment fees	11,138	13,882	34,395	38,182
Underwriting fees	164	59	1,086	128
Other fees	4,439	3,534	12,784	12,193
	95,501	101,222	341,673	301,798
b) Net gain arising from financial assets held-for-trading	2,078	6,374	36,100	22,591
c) Net gain on revaluation of derivatives	1,650	(21,060)	17,305	(17,171)
d) Net gain on fair value hedges	2,210	-	2,306	-
e) Net gain arising from financial investments available-for-sale				
- net gain/(loss) on disposal	13,330	11,541	39,854	14,708
- gross dividends income	-	492	3,325	4,837
	13,330	12,033	43,179	19,545
f) Net gain arising from financial investment held-to-maturity				
- net gain on redemption	1,753	214	1,823	214
g) Gross dividend income from a subsidiary	-	9,068	-	9,068
h) Other income:				
Net foreign exchange gain/(loss)				
- realised	108,777	171,622	213,920	328,110
- unrealised	(53,345)	(97,993)	(26,850)	(98,989)
Gain on disposal of property, plant and equipment	-	46	997	4,826
Other operating income	15,188	13,409	44,957	38,480
Other non-operating income	261	579	728	5,654
	70,881	87,663	233,752	278,081
	187,403	195,514	676,138	614,126

19 Income from Islamic Banking Business

	Individual Quarter		Cumulative Nine Months	
	Current Financial Quarter Ended 30.09.2012	Restated Preceding Corresponding Quarter Ended 30.09.2011	Current Financial Nine Months Ended 30.09.2012	Restated Preceding Corresponding Nine Months Ended 30.09.2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	264,889	215,194	765,289	520,810
Income derived from investment of shareholder's funds	28,871	13,926	55,795	41,918
Transfer from/(to) Profit Equalisation Reserve	-	2,615	7,252	(12,773)
Total distributable income	293,760	231,735	828,336	549,955
Income attributable to depositors	(167,477)	(114,131)	(478,810)	(259,474)
Income from Islamic Banking Business	126,283	117,604	349,526	290,481
Of which:				
Financing income earned on impaired financing and advances	4,071	7,320	17,716	17,985

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

20 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2012</u> RM'000	<u>Preceding Corresponding Quarter Ended 30.09.2011</u> RM'000	<u>Current Financial Nine Months Ended 30.09.2012</u> RM'000	<u>Preceding Corresponding Nine Months Ended 30.09.2011</u> RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	221,471	197,394	674,264	599,981
- Contributions to Employees Provident Fund	33,762	29,927	102,108	90,544
- Other staff related costs	23,548	36,427	65,761	77,749
	<u>278,781</u>	<u>263,748</u>	<u>842,133</u>	<u>768,274</u>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	25,908	25,722	75,771	74,539
- Written off	1	3	1	25
- Rental of premises	26,670	18,081	78,539	48,056
- Rental of equipment	1,496	2,477	4,803	7,348
- Insurance	5,175	2,109	12,019	6,081
- Water and electricity	5,824	5,765	16,866	15,857
- Repair and maintenance	4,874	4,871	14,046	14,336
- Security & escorting expenses	11,372	10,337	34,940	28,811
- Information technology expenses	26,799	26,578	82,155	80,127
- Others	888	770	2,769	1,838
	<u>109,007</u>	<u>96,713</u>	<u>321,909</u>	<u>277,018</u>
<u>Marketing expenses</u>				
- Sales commission	9,247	8,065	25,972	16,189
- Advertisement and publicity	17,191	14,714	41,438	34,165
- Others	15,169	14,213	44,026	26,425
	<u>41,607</u>	<u>36,992</u>	<u>111,436</u>	<u>76,779</u>
<u>Administration and general expenses</u>				
- Communication expenses	20,743	21,201	66,736	66,243
- Others	20,994	21,184	65,724	52,700
	<u>41,737</u>	<u>42,385</u>	<u>132,460</u>	<u>118,943</u>
	<u>471,132</u>	<u>439,838</u>	<u>1,407,938</u>	<u>1,241,014</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

20 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30.09.2012 RM'000</u>	<u>Preceding Corresponding Quarter Ended 30.09.2011 RM'000</u>	<u>Current Financial Nine Months Ended 30.09.2012 RM'000</u>	<u>Preceding Corresponding Nine Months Ended 30.09.2011 RM'000</u>
Bank				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	203,520	182,503	620,919	556,238
- Contributions to Employees Provident Fund	30,914	27,522	93,721	83,603
- Other staff related costs	19,769	34,210	58,981	71,768
	<u>254,203</u>	<u>244,235</u>	<u>773,621</u>	<u>711,609</u>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	24,336	23,343	70,385	67,524
- Written off	1	3	1	25
- Rental of premises	26,155	17,598	76,801	46,672
- Rental of equipment	1,457	2,370	4,587	7,120
- Insurance	4,190	3,713	11,748	6,865
- Water and electricity	5,286	5,282	15,400	14,606
- Repair and maintenance	4,745	4,989	13,913	14,009
- Security & escorting expenses	10,712	9,421	32,447	26,876
- Information technology expenses	25,868	25,944	74,739	74,739
	<u>102,750</u>	<u>92,663</u>	<u>300,021</u>	<u>258,436</u>
<u>Marketing expenses</u>				
- Sales commission	6,690	7,771	19,934	15,605
- Advertisement and publicity	15,706	13,109	39,050	31,305
- Others	14,317	13,435	41,503	24,912
	<u>36,713</u>	<u>34,315</u>	<u>100,487</u>	<u>71,822</u>
<u>Administration and general expenses</u>				
- Communication expenses	18,960	19,860	61,604	62,269
- Others	7,207	6,545	31,920	19,227
	<u>26,167</u>	<u>26,405</u>	<u>93,524</u>	<u>81,496</u>
	<u>419,833</u>	<u>397,618</u>	<u>1,267,653</u>	<u>1,123,363</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

21 Allowance for Impairment on Loans, Advances and Financing

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2012 RM'000	Preceding Corresponding Quarter Ended 30.09.2011 RM'000	Current Financial Nine Months Ended 30.09.2012 RM'000	Preceding Corresponding Nine Months Ended 30.09.2011 RM'000
<u>Group</u>				
Individual impairment allowance	71,914	25,700	176,250	71,782
Collective impairment allowance	(17,693)	23,018	92,838	149,291
Impaired loans and financing recovered	(142,978)	(116,606)	(365,000)	(243,967)
Impaired loans written off	58,647	42,893	147,929	151,079
	<u>(30,110)</u>	<u>(24,995)</u>	<u>52,017</u>	<u>128,185</u>
<u>Bank</u>				
Individual impairment allowance	38,850	27,165	74,377	76,251
Collective impairment allowance	(21,206)	39,512	87,619	165,887
Impaired loans and financing recovered	(130,699)	(113,311)	(349,142)	(237,761)
Impaired loans written off	54,485	37,865	139,978	133,997
	<u>(58,570)</u>	<u>(8,769)</u>	<u>(47,168)</u>	<u>138,374</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

22 Capital Adequacy

With effect from 1 July 2010, 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 30.09.2012 RM'000	Audited⁺ 31.12.2011 RM'000	Unaudited 30.09.2012 RM'000	Audited⁺ 31.12.2011 RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	973,424	773,424
Hybrid Tier-I Capital Securities	597,674	597,475	-	-
Share premium	8,563	8,563	-	-
Retained profits	3,627,832	3,338,769	315,493	271,298
Other reserves	3,270,925	3,042,860	315,700	280,411
	<u>10,823,079</u>	<u>10,305,752</u>	<u>1,604,617</u>	<u>1,325,133</u>
Less: Goodwill	(905,519)	(905,519)	-	-
Net deferred tax assets	(10,535)	(62,951)	(511)	(9,105)
Total Tier I capital	<u>9,907,025</u>	<u>9,337,282</u>	<u>1,604,106</u>	<u>1,316,028</u>
Tier II Capital				
Subordinated obligations	3,997,950	3,250,000	-	-
Collective impairment allowance [^]	301,361	376,254	99,172	135,113
Total Tier II capital	<u>4,299,311</u>	<u>3,626,254</u>	<u>99,172</u>	<u>135,113</u>
Less: Investment in subsidiaries	(1,072,656)	(872,656)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(322,455)	(178,986)	-	-
Other deduction [#]	(3,833)	(3,787)	-	(24)
Eligible Tier II capital	<u>2,900,367</u>	<u>2,570,825</u>	<u>99,172</u>	<u>135,089</u>
Total capital base	<u>12,807,392</u>	<u>11,908,107</u>	<u>1,703,278</u>	<u>1,451,117</u>
Capital ratios				
Before proposed dividends:				
Core capital ratio	11.52%	12.76%	12.63%	12.65%
Risk-weighted capital ratio	14.89%	16.27%	13.41%	13.95%
After proposed dividends:				
Core capital ratio	11.52%	12.28%	12.63%	12.65%
Risk-weighted capital ratio	<u>14.89%</u>	<u>15.79%</u>	<u>13.41%</u>	<u>13.95%</u>

* The Bank figures includes the operations of RHB Bank (L) Ltd. 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 above capital adequacy ratios has not been adjusted for the effect on full adoption of MFRS 139.

The breakdown of risk-weighted assets by various categories of risk are as follows:

	RHB Bank		RHB Islamic Bank	
	Unaudited 30.09.2012 RM'000	Audited⁺ 31.12.2011 RM'000	Unaudited 30.09.2012 RM'000	Audited⁺ 31.12.2011 RM'000
Credit risk	76,534,865	64,345,943	11,933,757	9,226,699
Market risk	2,287,731	1,884,914	96,576	565,103
Operational risk	7,203,865	6,939,645	670,556	608,028
Total risk-weighted assets	<u>86,026,461</u>	<u>73,170,502</u>	<u>12,700,889</u>	<u>10,399,830</u>

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22 Capital Adequacy (cont'd)

	RHB Bank Group	
	Unaudited	Audited*
	30.09.2012	31.12.2011
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	3,318,085	3,318,085
Hybrid Tier-I Capital Securities	597,674	597,475
Share premium	8,563	8,563
Retained profits	4,061,315	3,736,207
Other reserves	3,552,499	3,297,296
	<u>11,538,136</u>	<u>10,957,626</u>
Less: Goodwill	(1,004,017)	(1,004,017)
Net deferred tax assets	(18,571)	(79,578)
Total Tier I capital	<u>10,515,548</u>	<u>9,874,031</u>
Tier II Capital		
Subordinated obligations	3,997,950	3,250,000
Collective impairment allowance [^]	467,792	521,185
Total Tier II capital	<u>4,465,742</u>	<u>3,771,185</u>
Less: Excess of total expected loss over total eligible provision under the IRB approach	(381,363)	(184,551)
Other deduction [#]	(3,833)	(3,811)
Eligible Tier II capital	<u>4,080,546</u>	<u>3,582,823</u>
Total capital base	<u>14,596,094</u>	<u>13,456,854</u>
Capital ratios		
Before proposed dividends:		
Core capital ratio	10.73%	11.89%
Risk-weighted capital ratio	14.90%	16.20%
After proposed dividends:		
Core capital ratio	10.73%	11.46%
Risk-weighted capital ratio	<u>14.90%</u>	<u>15.78%</u>

The breakdown of risk-weighted assets by various categories of risk are as follows:

	RHB Bank Group	
	Unaudited	Audited*
	30.09.2012	31.12.2011
	RM'000	RM'000
Credit risk	87,791,767	72,979,111
Market risk	2,268,164	2,478,476
Operational risk	7,900,739	7,585,528
Total risk-weighted assets	<u>97,960,670</u>	<u>83,043,115</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.

⁺ The above capital adequacy ratios has not been adjusted for the effect on full adoption of MFRS 139.

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 2012 (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.

Group	← Unaudited → 30.09.2012			← Audited → 31.12.2011		
	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	1,873,815	1,801,791	1,286,212	1,506,861	1,436,755	1,216,657
Transaction-related contingent items	2,247,131	1,094,047	831,110	2,189,069	1,070,325	870,657
Short-term self-liquidating trade-related contingencies	1,054,801	208,829	140,858	902,010	178,398	97,424
Assets sold with recourse	720,609	720,609	545,516	-	-	-
Obligations under underwriting agreements	179,000	89,500	89,500	208,500	104,250	104,250
Irrevocable commitments to extend credit:						
- maturity more than one year	26,265,179	12,233,553	8,786,587	25,028,693	5,197,837	3,604,762
- maturity less than one year	10,398,517	5,780,537	3,822,052	10,133,756	1,962,417	1,301,101
Foreign exchange related contracts:						
- less than one year	10,141,866	481,136	229,985	13,558,443	377,570	175,414
- one year to less than five years	2,010,302	883,563	364,569	1,767,969	536,076	296,040
- more than five years	100,000	15,000	7,500	-	-	-
Interest rate related contracts:						
- less than one year	7,383,559	26,257	10,599	4,195,536	9,651	2,812
- one year to less than five years	12,167,077	354,870	186,323	13,016,528	321,650	110,735
- more than five years	797,197	66,045	61,115	600,000	61,198	16,760
Total	75,339,053	23,755,737	16,361,926	73,107,365	11,256,127	7,796,612

Bank	← Unaudited → 30.09.2012			← Audited → 31.12.2011		
	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	1,870,146	1,798,122	1,282,543	1,381,139	1,311,033	1,090,935
Transaction-related contingent items	1,968,182	954,573	705,299	2,085,264	1,018,423	830,569
Short-term self-liquidating trade-related contingencies	1,004,589	198,787	138,936	859,586	169,913	96,457
Irrevocable commitments to extend credit:						
- maturity more than one year	23,660,751	11,065,118	7,820,918	22,488,731	4,689,844	3,157,503
- maturity less than one year	8,263,561	5,370,381	3,420,381	8,466,652	1,628,996	965,596
Foreign exchange related contracts:						
- less than one year	9,708,052	480,548	229,284	13,398,568	375,000	174,841
- one year to less than five years	2,010,302	883,563	364,569	1,767,969	536,076	296,040
- more than five years	100,000	15,000	7,500	-	-	-
Interest rate related contracts:						
- less than one year	8,583,559	32,226	13,584	4,195,536	9,461	2,616
- one year to less than five years	14,248,738	427,796	222,786	15,635,548	408,724	154,272
- more than five years	797,197	66,045	61,115	600,000	61,198	16,760
Total	72,215,077	21,292,159	14,266,915	70,878,993	10,208,668	6,785,589

* 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 credit equivalent amount ("CE") and risk weighted amount ("RWA") of the Group 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) 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 2012 (cont'd)

24 Capital Commitments

	Group		Bank	
	Unaudited As at	Audited As at	Unaudited As at	Audited As at
	30.9.2012	31.12.2011	30.9.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Capital expenditure for property, plant and equipment:				
- authorised and contracted for	50,821	71,539	50,231	70,909
- authorised but not contracted for	<u>96,943</u>	<u>128,254</u>	<u>96,943</u>	<u>104,396</u>
	147,764	199,793	147,174	175,305
Proposed acquisition of Bank Mestika	1,163,126	1,163,126	1,163,126	1,163,126
	1,310,890	1,362,919	1,310,300	1,338,431

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

25 Segmental Reporting On Revenue and Profit and Assets

Group

Nine months ended 30 September 2012

	Corporate Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Treasury & Money Market RM'000	Islamic Banking RM'000	Global Financing Banking RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	524,970	1,494,939	524,786	407,363	293,518	196,985	(123,441)	-	3,319,120
Inter-segment revenue	(2,370)	-	-	17,592	(14,376)	2,623	614	(4,083)	-
Segment revenue	522,600	1,494,939	524,786	424,955	279,142	199,608	(122,827)	(4,083)	3,319,120
Overhead expenses	(104,536)	(675,526)	(293,993)	(60,250)	(118,938)	(144,532)	(14,246)	4,083	(1,407,938)
of which:									
Depreciation of property, plant and equipment	(3,146)	(49,974)	(10,849)	(3,166)	(4,680)	(3,810)	(146)	-	(75,771)
Allowance for impairment on loans, advances and financing	123,295	(111,629)	12,375	-	(82,873)	(578)	7,393	-	(52,017)
Impairment losses on other assets	6,830	22	68	(4,288)	-	433	-	-	3,065
Profit before taxation	548,189	707,806	243,236	360,417	77,331	54,931	(129,680)	-	1,862,230
Taxation									(450,765)
Net profit for the financial period									1,411,465

Nine months ended 30 September 2011

	Corporate Banking RM'000	Retail Banking RM'000	Business Banking RM'000	Treasury & Money Market RM'000	Islamic Banking RM'000	Global Financing Banking RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	439,085	1,421,908	513,252	340,916	237,642	156,302	(35,465)	-	3,073,640
Inter-segment revenue	(1,941)	-	-	54,393	(51,602)	2,609	604	(4,063)	-
Segment revenue	437,144	1,421,908	513,252	395,309	186,040	158,911	(34,861)	(4,063)	3,073,640
Overhead expenses	(102,112)	(598,332)	(275,265)	(45,077)	(115,421)	(102,988)	(5,882)	4,063	(1,241,014)
of which:									
Depreciation of property, plant and equipment	(3,280)	(47,677)	(10,286)	(3,071)	(6,293)	(3,786)	(146)	-	(74,539)
Allowance for impairment on loans, advances and financing	(72,363)	(125,042)	61,818	-	7,691	(289)	-	-	(128,185)
Impairment losses on other assets	194	6	952	(14,941)	-	-	-	-	(13,789)
Profit before taxation	262,863	698,540	300,757	335,291	78,310	55,634	(40,743)	-	1,690,652
Taxation									(408,301)
Net profit for the financial period									1,282,351

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

25 Segmental Reporting On Revenue and Profit and Assets (cont'd)

Group

As at 30 September 2012

	Corporate 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
Segment assets	34,410,813	42,703,562	11,652,420	46,473,697	15,854,258	11,226,479	101,722	(2,235,805)	160,187,146
Deferred tax assets									7,528
Tax recoverable									19
Unallocated assets									<u>1,191,802</u>
Total assets									<u><u>161,386,495</u></u>

As at 31 December 2011

	Corporate 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
Segment assets	30,757,058	41,589,787	10,649,511	38,590,247	13,547,471	9,073,853	87,410	(2,181,570)	142,113,767
Deferred tax assets									11,298
Tax recoverable									127,265
Unallocated assets									<u>963,801</u>
Total assets									<u><u>143,216,131</u></u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (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 significant events subsequent to the balance sheet date that have not been reflected in the financial statements.

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 2012.

29 Changes in Accounting Policies

(a) Impact on the Group's statements of financial position

<u>Group</u>	<u>As previously reported</u>	<u>Effect on full adoption of MFRS 139</u>	<u>As restated</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
As at 1 January 2011			
Assets			
Loans, advances and financing	81,531,003	(15,216)	81,515,787
- Gross loans, advances and financing	84,011,511	176,364	84,187,875
- Collective impairment allowances	(1,625,609)	(191,580)	(1,817,189)
Deferred tax assets	260,089	4,540	264,629
Liabilities			
Other liabilities	1,002,387	662	1,003,049
Shareholders' fund	9,163,984	(11,338)	9,152,646
Translation reserves	(79,815)	(31)	(79,846)
Retained profits	2,827,885	(11,307)	2,816,578
Loans, advances and financing of which:			
- Impaired loans, advances and financing	3,671,258	176,364	3,847,622
 <u>Group</u>			
As at 31 December 2011			
Assets			
Loans, advances and financing	95,083,373	234,502	95,317,875
- Gross loans, advances and financing	97,553,684	142,845	97,696,529
- Collective impairment allowances	(1,657,809)	91,657	(1,566,152)
Deferred tax assets	14,266	(2,968)	11,298
Liabilities			
Other liabilities	992,384	823	993,207
Deferred tax liabilities	39	55,806	55,845
Shareholders' fund	10,556,328	174,905	10,731,233
Translation reserves	(61,408)	19	(61,389)
Retained profits	3,736,207	174,886	3,911,093
Loans, advances and financing of which:			
- Impaired loans, advances and financing	3,350,486	142,845	3,493,331

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

29 Changes in Accounting Policies (cont'd)

(a) Impact on the Bank's statements of financial position

Bank

As at 1 January 2011	As previously reported	Effect on full adoption of MFRS 139	As restated
	RM'000	RM'000	RM'000
Assets			
Loans, advances and financing	71,125,558	43,867	71,169,425
- Gross loans, advances and financing	73,245,217	145,862	73,391,079
- Collective impairment allowances	(1,437,137)	(101,995)	(1,539,132)
Deferred tax assets	220,303	(10,801)	209,502
Liabilities			
Other liabilities	868,165	662	868,827
Shareholders' fund	8,397,474	32,404	8,429,878
Retained profits	2,220,855	32,404	2,253,259
Loans, advances and financing of which:			
- Impaired loans, advances and financing	2,927,024	145,862	3,072,886

Bank

As at 31 December 2011	As previously reported	Effect on full adoption of MFRS 139	As restated
	RM'000	RM'000	RM'000
Assets			
Loans, advances and financing	80,369,613	224,046	80,593,659
- Gross loans, advances and financing	82,469,654	125,304	82,594,958
- Collective impairment allowances	(1,433,823)	98,742	(1,335,081)
Liabilities			
Other liabilities	924,953	823	925,776
Deferred tax liabilities	35	55,806	55,841
Shareholders' fund	9,642,596	167,417	9,810,013
Retained profits	3,049,635	167,417	3,217,052
Loans, advances and financing of which:			
- Impaired loans, advances and financing	2,727,004	125,304	2,852,308

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 (cont'd)

29 Changes in Accounting Policies (cont'd)

(b) Impact on the Group's and the Bank's income statements/statements of comprehensive income:

<u>Group</u>	<u>As previously reported</u> RM'000	<u>Effect on full adoption of MFRS 139</u> RM'000	<u>As restated</u> RM'000
For the 9 months period ended 30 September 2011			
Interest income	3,963,257	50,107	4,013,364
Income from Islamic Banking business	294,295	(3,814)	290,481
Allowance for impairment on loans, advances and financing	(230,286)	102,101	(128,185)
Profit before taxation	1,542,258	148,394	1,690,652
Taxation	(371,203)	(37,098)	(408,301)
Net profit for the financial period	1,171,055	111,296	1,282,351
Earnings per share (sen) - basic	17.65		19.32
<u>Bank</u>			
For the 9 months period ended 30 September 2011			
Interest income	3,930,035	50,107	3,980,142
Allowance for impairment on loans, advances and financing	(196,568)	58,194	(138,374)
Profit before taxation	1,416,155	108,301	1,524,456
Taxation	(347,566)	(27,075)	(374,641)
Net profit for the financial period	1,068,589	81,226	1,149,815
Earnings per share (sen) - basic	16.10		17.33

30 Changes in Profit for the Quarter

The Group recorded a pre-tax profit of RM651.4 million for the current quarter, 4.3% higher as compared to the preceeding quarter ended 30 June 2012 of RM624.6 million. The higher pre-tax profit was mainly due to lower allowance for impairment on loans, advances and financing by RM67.4 million, higher income from Islamic Banking business by RM13.7 million, higher net interest income by RM10.6 million and lower other operating expenses by RM0.4 million, partly offset by lower other operating income by RM62.3 million and higher impairment made on other assets by RM3.0 million.

31 Performance Review

For the nine months ended 30 September 2012, the Group recorded a pre-tax profit of RM1,862.2 million, 10.1% higher than the previous year corresponding period ended 30 September 2011 of RM1,690.7 million. The higher pre-tax profit was mainly due to higher other operating income by RM121.0 million, higher net interest income by RM65.4 million, higher income from Islamic Banking business by RM59.0 million, lower allowance for impairment on loans, advances and financing by RM76.2 million and higher write-back on impairment losses by RM16.8 million, partly offset by higher other operating expenses by RM166.9 million.

32 Prospects for 2012

The Malaysian economy is expected to grow at 4% to 5% in 2012 although the outlook of the global economy remains challenging until the end of the year. In addition to the Economic Transformation Programme, which is envisaged to further strengthen and support the economy, consumer demand and confidence continues to be resilient.

The completion of the acquisition of OSK Investment Bank Group on 9 November 2012 has enhanced the Group's product offerings and geographical footprint into eight countries across the Asean region and Hong Kong.

The Group continues to strengthen its leadership position in targeted markets and product segments, building strong customer relationships as well as leveraging on the Group's infrastructure and multiple distribution networks.

The Group foresees a continued competitive operating environment for the rest of the financial year. Barring any unforeseen circumstances, the Group expects satisfactory results for the remainder of the financial year.