

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	Group		Bank	
		Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
ASSETS					
Cash and short-term funds		9,280,487	22,677,902	7,491,771	19,022,404
Securities purchased under resale agreements		690,265	676,858	690,265	676,858
Deposits and placements with banks and other financial institutions		3,512,742	3,552,654	4,656,039	3,780,228
Financial assets held-for-trading	8	1,983,565	1,549,863	1,468,092	1,110,482
Financial investments available-for-sale	9	11,904,765	10,026,398	9,184,478	8,456,556
Financial investments held-to-maturity	10	20,005,974	17,801,251	17,479,464	15,645,993
Loans, advances and financing	11	113,346,752	107,737,934	92,425,689	89,275,815
Other assets	12	472,869	396,877	675,312	708,812
Derivative assets		307,659	250,917	321,047	271,029
Statutory deposits		4,223,299	3,637,205	3,432,690	2,916,509
Tax recoverable	6	6	38	-	-
Deferred tax assets		12,371	8,455	-	-
Investment in subsidiaries		-	-	1,740,314	1,540,314
Property, plant and equipment		666,936	675,087	497,440	505,775
Goodwill and other intangible assets		1,252,915	1,241,814	1,029,118	1,017,722
TOTAL ASSETS		167,660,605	170,233,253	141,091,719	144,928,497
LIABILITIES AND EQUITY					
Deposits from customers	13	133,294,662	131,542,298	112,198,843	111,557,605
Deposits and placements of banks and other financial institutions	14	6,922,758	12,005,569	4,259,160	9,459,328
Obligations on securities sold under repurchase agreements		158,119	-	158,119	-
Bills and acceptances payable		3,821,666	3,732,067	3,801,127	3,710,455
Clients' and brokers balances		600	3,240	-	-
Other liabilities	15	1,212,187	1,225,256	1,017,590	1,043,045
Derivative liabilities		225,008	273,197	230,206	273,559
Recourse obligation on loans sold to Cagamas Berhad		2,359,084	2,445,361	972,011	982,840
Taxation		79,860	125,663	50,843	98,525
Deferred tax liabilities		37,901	50,907	37,897	50,903
Long term borrowings		601,899	632,778	601,899	632,778
Subordinated obligations		4,021,114	4,020,919	4,021,114	4,020,919
Hybrid Tier-I Capital Securities		606,104	606,086	606,104	606,086
Senior Debt Securities		1,587,769	1,536,674	1,587,769	1,536,674
TOTAL LIABILITIES		154,928,731	158,200,015	129,542,682	133,972,717
Share capital		3,318,085	3,318,085	3,318,085	3,318,085
Reserves		9,413,789	8,715,153	8,230,952	7,637,695
TOTAL EQUITY		12,731,874	12,033,238	11,549,037	10,955,780
TOTAL LIABILITIES AND EQUITY		167,660,605	170,233,253	141,091,719	144,928,497
COMMITMENTS AND CONTINGENCIES	23	87,660,280	77,905,294	84,435,731	76,345,104

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 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

Group	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>		
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Half Year Ended	Preceding Corresponding Half Year Ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	
	RM'000	RM'000	RM'000	RM'000	
Interest income	16	1,601,850	1,467,474	3,180,830	2,893,042
Interest expense	17	(800,148)	(704,949)	(1,604,299)	(1,391,173)
Net interest income		801,702	762,525	1,576,531	1,501,869
Other operating income	18	250,245	255,887	458,964	500,842
Income from Islamic Banking business	19	1,051,947	1,018,412	2,035,495	2,002,711
		144,137	112,657	276,640	223,243
Other operating expenses	20	1,196,084	1,131,069	2,312,135	2,225,954
		(509,117)	(471,524)	(1,002,033)	(936,806)
Operating profit before allowances		686,967	659,545	1,310,102	1,289,148
Allowance for impairment on loans, advances and financing	21	(156,324)	(37,289)	(304,159)	(82,127)
Write-back of impairment losses on other assets		1,826	2,328	6,312	3,760
Profit before taxation		532,469	624,584	1,012,255	1,210,781
Taxation		(130,841)	(153,249)	(253,997)	(296,763)
Net profit for the financial period		401,628	471,335	758,258	914,018
Earnings per share (sen)					
- Basic		6.05	7.10	11.43	13.77

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RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

Group	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013	Preceding Corresponding Quarter Ended 30.06.2012	Current Financial Half Year Ended 30.06.2013	Preceding Corresponding Half Year Ended 30.06.2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	401,628	471,335	758,258	914,018
Other comprehensive income/(loss):				
(i) Items that will not be reclassified to income statements				
- Currency translation differences	12,323	39,723	32,794	15,282
	12,323	39,723	32,794	15,282
(ii) Items that will be reclassified to income statements				
- Net transfer to income statements on disposal or impairment on AFS	(26,539)	(9,407)	(36,160)	(33,875)
- Unrealised net (loss)/gain on revaluation of financial investments available-for-sale ('AFS')	(100,794)	26,513	(87,197)	71,819
Income tax relating to components of other comprehensive income	31,901	(4,172)	30,941	(9,419)
	(95,432)	12,934	(92,416)	28,525
Other comprehensive (loss)/income, net of tax, for the financial period	(83,109)	52,657	(59,622)	43,807
Total comprehensive income for the financial period	318,519	523,992	698,636	957,825

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 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

Bank		<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
		Current Financial Quarter Ended 30.06.2013 RM'000	Preceding Corresponding Quarter Ended 30.06.2012 RM'000	Current Financial Half Year Ended 30.06.2013 RM'000	Preceding Corresponding Half Year Ended 30.06.2012 RM'000
Interest income	16	1,593,149	1,458,097	3,167,426	2,875,961
Interest expense	17	(793,578)	(702,218)	(1,591,731)	(1,385,227)
Net interest income		799,571	755,879	1,575,695	1,490,734
Other operating income	18	247,747	258,380	457,327	488,735
Other operating expenses	20	1,047,318 (445,116)	1,014,259 (423,419)	2,033,022 (883,895)	1,979,469 (847,820)
Operating profit before allowances Allowance for impairment on loans, advances and financing	21	602,202 (133,256)	590,840 26,513	1,149,127 (267,369)	1,131,649 (11,402)
Write-back of impairment losses on other assets		2,527	2,328	7,013	3,760
Profit before taxation		471,473	619,681	888,771	1,124,007
Taxation		(121,158)	(159,250)	(229,874)	(268,478)
Net profit for the financial period		350,315	460,431	658,897	855,529
Earnings per share (sen) - Basic		5.28	6.94	9.93	12.89

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RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

Bank	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013	Preceding Corresponding Quarter Ended 30.06.2012	Current Financial Half Year Ended 30.06.2013	Preceding Corresponding Half Year Ended 30.06.2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	350,315	460,431	658,897	855,529
Other comprehensive income/(loss):				
(i) Items that will not be reclassified to income statements				
- Currency translation differences	(2,913)	24,995	12,439	14,181
(ii) Items that will be reclassified to income statements				
- Net transfer to income statements on disposal or impairment on AFS	(21,438)	(7,033)	(28,727)	(26,524)
- Unrealised net (loss)/gain on revaluation of financial investments available-for-sale ('AFS')	(87,716)	15,404	(75,379)	54,726
Income tax relating to components of other comprehensive income	27,289	(2,092)	26,027	(7,050)
Other comprehensive (loss)/income, net of tax, for the financial period	(84,778)	31,274	(65,640)	35,333
Total comprehensive income for the financial period	265,537	491,705	593,257	890,862

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013

<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 2013							
- As previously reported	3,318,085	8,563	3,836,496	(71,684)	222,022	4,719,036	12,032,518
- Effect of predecessor accounting on acquisition of a subsidiary (Note 29)	-	-	-	87	-	633	720
- As stated	<u>3,318,085</u>	<u>8,563</u>	<u>3,836,496</u>	<u>(71,597)</u>	<u>222,022</u>	<u>4,719,669</u>	<u>12,033,238</u>
Net profit for the financial period	-	-	-	-	-	758,258	758,258
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	32,794	-	-	32,794
Financial investments available-for-sale ('AFS'):							
- Unrealised net loss on revaluation	-	-	-	-	(87,197)	-	(87,197)
- Net transfer to income statements on disposal or impairment	-	-	-	-	(36,160)	-	(36,160)
Income tax relating to components of other comprehensive income	-	-	-	-	30,941	-	30,941
Total comprehensive income for the financial period	-	-	-	32,794	(92,416)	758,258	698,636
Transfer to statutory reserves	-	-	164,724	-	-	(164,724)	-
Balance as at 30 June 2013	<u>3,318,085</u>	<u>8,563</u>	<u>4,001,220</u>	<u>(38,803)</u>	<u>129,606</u>	<u>5,313,203</u>	<u>12,731,874</u>
Balance as at 1 January 2012	3,318,085	8,563	3,358,704	(61,389)	196,177	3,911,093	10,731,233
Net profit for the financial period	-	-	-	-	-	914,018	914,018
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	15,282	-	-	15,282
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	71,819	-	71,819
- Net transfer to income statements on disposal or impairment	-	-	-	-	(33,875)	-	(33,875)
Income tax relating to components of other comprehensive income	-	-	-	-	(9,419)	-	(9,419)
Total comprehensive income for the financial period	-	-	-	15,282	28,525	914,018	957,825
Ordinary dividends	-	-	-	-	-	(350,000)	(350,000)
Transfer to statutory reserves	-	-	241,020	-	-	(241,020)	-
Balance as at 30 June 2012	<u>3,318,085</u>	<u>8,563</u>	<u>3,599,724</u>	<u>(46,107)</u>	<u>224,702</u>	<u>4,234,091</u>	<u>11,339,058</u>

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013

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 2013	3,318,085	8,563	3,478,138	12,023	217,933	3,921,038	10,955,780
Net profit for the financial period	-	-	-	-	-	658,897	658,897
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	12,439	-	-	12,439
Financial investments AFS:							
- Unrealised net loss on revaluation	-	-	-	-	(75,379)	-	(75,379)
- Net transfer to income statements on disposal or impairment	-	-	-	-	(28,727)	-	(28,727)
Income tax relating to components of other comprehensive income	-	-	-	-	26,027	-	26,027
Total comprehensive income for the financial period	-	-	-	12,439	(78,079)	658,897	593,257
Transfer to statutory reserves	-	-	164,724	-	-	(164,724)	-
Balance as at 30 June 2013	3,318,085	8,563	3,642,862	24,462	139,854	4,415,211	11,549,037
Balance as at 1 January 2012	3,318,085	8,563	3,070,142	7,214	188,957	3,217,052	9,810,013
Net profit for the financial period	-	-	-	-	-	855,529	855,529
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	14,181	-	-	14,181
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	54,726	-	54,726
- Net transfer to income statements on disposal or impairment	-	-	-	-	(26,524)	-	(26,524)
Income tax relating to components of other comprehensive income	-	-	-	-	(7,050)	-	(7,050)
Total comprehensive income for the financial period	-	-	-	14,181	21,152	855,529	890,862
Ordinary dividends	-	-	-	-	-	(350,000)	(350,000)
Transfer to statutory reserves	-	-	213,882	-	-	(213,882)	-
Balance as at 30 June 2012	3,318,085	8,563	3,284,024	21,395	210,109	3,508,699	10,350,875

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six Months Ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,012,255	1,210,781
Adjustment for non-cash items	<u>(309,303)</u>	<u>(247,235)</u>
Operating profit before changes in working capital	702,952	963,546
Changes in working capital:		
Net changes in operating assets	(6,954,610)	(7,990,748)
Net changes in operating liabilities	<u>(3,207,067)</u>	<u>4,785,048</u>
Cash used in from operations	(10,161,677)	(3,205,700)
Taxation paid	<u>(285,757)</u>	<u>(91,216)</u>
Net cash used in operating activities	<u>(9,744,482)</u>	<u>(2,333,370)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,692)	(30,805)
Purchase of computer software license	(32,525)	(18,834)
Proceeds from disposal of property, plant and equipment	90	9,868
Financial investments AFS:		
- net purchase	(1,969,317)	(1,562,395)
- interest received	142,898	116,548
- investment income received	28,373	37,262
- dividend income	4,573	3,309
Financial investments held-to-maturity:		
- net purchase	(2,182,456)	(497,402)
- interest received	297,753	235,985
- investment income received	<u>34,996</u>	<u>29,678</u>
Net cash used in investing activities	<u>(3,702,307)</u>	<u>(1,676,786)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of RM subordinated notes	-	749,006
Proceeds from issuance of USD senior debt securities	-	916,829
Repayment of long term borrowings	(49,998)	(49,325)
Dividends paid to shareholder	-	(350,000)
Net cash (used in)/generated from financing activities	<u>(49,998)</u>	<u>1,266,510</u>
Net decrease in cash and cash equivalents	(13,496,787)	(2,743,646)
Effects of exchange rate differences	99,372	34,206
Cash and cash equivalents:		
- at the beginning of the financial period	<u>22,677,902</u>	<u>18,392,186</u>
- at the end of the financial period	<u><u>9,280,487</u></u>	<u><u>15,682,746</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u><u>9,280,487</u></u>	<u><u>15,682,746</u></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 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six Months Ended	
	<u>30.06.2013</u>	<u>30.06.2012</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	888,771	1,124,007
Adjustment for non-cash items	<u>(242,080)</u>	<u>(236,362)</u>
Operating profit before changes in working capital	646,691	887,645
Changes in working capital:		
Net changes in operating assets	(5,128,983)	(5,472,837)
Net changes in operating liabilities	<u>(4,368,810)</u>	<u>2,444,260</u>
Cash used in from operations	(9,497,793)	(3,028,577)
Taxation paid	<u>(264,539)</u>	<u>(89,630)</u>
Net cash used in operating activities	<u>(9,115,641)</u>	<u>(2,230,562)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,365)	(30,090)
Purchase of computer software license	(31,200)	(18,385)
Proceeds from disposal of property, plant and equipment	90	9,868
Financial investments AFS:		
- net purchase	(811,459)	(1,171,502)
- interest received	141,162	116,548
- dividend income	4,573	3,307
Financial investments held-to-maturity:		
- net purchase	(1,817,918)	(166,668)
- interest received	294,892	235,373
Dividend income from subsidiary companies	-	-
Purchase of additional shares in a subsidiary	<u>(200,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,444,225)</u>	<u>(1,021,549)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of RM subordinated notes	-	749,006
Proceeds from issuance of USD senior debt issued	-	916,829
Repayment of long term borrowings	(49,998)	(49,325)
Dividends paid to shareholder	-	(350,000)
Net cash (used in)/generated from financing activities	<u>(49,998)</u>	<u>1,266,510</u>
Net decrease in cash and cash equivalents	(11,609,864)	(1,985,601)
Effects of exchange rate differences	79,231	35,851
Cash and cash equivalents:		
- at the beginning of the financial period	19,022,404	12,344,141
- at the end of the financial period	<u>7,491,771</u>	<u>10,394,391</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>7,491,771</u>	<u>10,394,391</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 2012.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

1 Basis Of Preparation

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

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

MFRS 10	Consolidated financial statements
MFRS 12	Disclosures of interests in other entities
MFRS 13	Fair value measurements
MFRS 3	Business combinations (IFRS 3 Business combinations issued by IASB in March 2004)
The Revised MFRS 127	Separate financial statements (as amended by IASB in May 2011)
Amendment to MFRS 7	Disclosures - Offsetting financial assets and financial liabilities
Amendment to MFRS 10 and MFRS 12	Consolidated financial statements and Disclosures of interests in other entities: Transition Guidance
Amendment to MFRS 101	Presentation of items of other comprehensive income
Annual Improvements to MFRS 2009-2011 Cycle	

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

2 Auditors' Report

The auditors' report for the financial year ended 31 December 2012 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 six months ended 30 June 2013.

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 six months ended 30 June 2013.

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

No dividend was paid by the Bank during the six months ended 30 June 2013.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

8 Financial Assets Held-For-Trading

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	-	222,202	-	222,202
Malaysian Government Treasury Bills	-	52,869	-	52,869
Malaysian Government Investment Issues	188,803	151,583	188,803	-
Bank Negara Malaysia Monetary Notes	1,314,398	598,073	915,292	598,073
Cagamas bonds	-	250,324	-	-
Negotiable instruments of deposits	99,326	-	-	-
Singapore Government Treasury Bills	324,381	227,634	324,381	227,634
Wakala Global Sukuk	3,431	7,144	3,431	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	30,121	-	30,121	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	23,105	40,034	6,064	9,704
	<u>1,983,565</u>	<u>1,549,863</u>	<u>1,468,092</u>	<u>1,110,482</u>

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

The effects of reclassification on the income statements for the period from the date of reclassification to 30 June 2013 were as follows:

	Group		Group	
	Carrying amount		Fair value	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Reclassified from HFT to HTM				
- Debt securities	19,049	18,425	20,145	19,724

	Group	
	Unaudited As at	Restated As at
	30.06.2013	31.12.2012
	RM'000	RM'000
Fair value gain that would have been recognised if the financial assets HFT had not been reclassified	1,096	1,299

The reclassified securities from HFT to AFS or HTM in the Bank have been fully disposed off in 2012.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

9 Financial Investments Available-For-Sale

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	<u>30.06.2013</u>	<u>31.12.2012</u>	<u>30.06.2013</u>	<u>31.12.2012</u>
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	692,976	459,574	692,976	459,574
Malaysian Government Investment Issues	1,731,440	1,896,122	1,102,206	1,409,751
Cagamas bonds and Cagamas Mudharabah bonds	136,539	91,802	41,295	41,469
Khazanah bonds	15,856	36,016	-	-
Negotiable instruments of deposits	325,885	-	-	-
Singapore Government Treasury Bills	274,584	25,032	274,584	25,032
Singapore Government Securities	133,358	135,081	133,358	135,081
Thailand Government bonds	113,241	106,295	113,241	106,295
1 Malaysia Sukuk	288,761	277,514	288,761	277,514
Bankers' acceptances & Islamic accepted notes	50,285	-	-	-
Wakala Global Sukuk	165,182	95,029	120,588	78,159
Sukuk Perumahan Kerajaan (SPK)	49,477	101,363	49,477	101,363
Indonesia Government Securities	5,798	-	5,798	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	-	7,853	-	7,853
Shares	7,648	2,639	4,110	18
<u>Outside Malaysia</u>				
Shares	32	30	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	104,055	104,055	104,055	104,055
Shares	353,604	353,604	353,029	353,029
Private debt securities	7,455,831	6,334,181	5,900,877	5,357,242
<u>Outside Malaysia</u>				
Shares	90	87	-	-
Private debt securities	123	121	123	121
	<u>11,904,765</u>	<u>10,026,398</u>	<u>9,184,478</u>	<u>8,456,556</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

10 Financial Investments Held-To-Maturity

	Group		Bank	
	Unaudited As at 30.06.2013	Restated As at 31.12.2012	Unaudited As at 30.06.2013	Restated As at 31.12.2012
At amortised cost	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	2,321,193	2,415,844	2,321,193	2,415,844
Malaysian Government Investment Issues	5,494,757	5,499,829	4,650,198	4,756,426
Cagamas bonds and Cagamas Mudharabah bonds	2,337,068	2,340,203	2,062,152	2,065,120
Khazanah bonds	67,760	66,290	58,943	57,632
Negotiable instruments of deposits	1,810,076	2,126,329	1,404,453	1,704,244
Singapore Government Securities	126,532	126,795	126,532	126,795
Thailand Government Securities	326,981	264,010	326,981	264,010
Bankers' acceptances & Islamic accepted notes	457,704	339,215	457,704	339,215
Sukuk (Brunei) Incorporation	54,958	57,594	54,958	57,594
Wakala Global Sukuk	219,415	212,524	219,415	212,524
Sukuk Perumahan Kerajaan (SPK)	101,273	-	101,273	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	860	860	860	860
Prasarana bonds	763,153	753,687	737,504	738,455
Private debt securities	5,967,977	3,643,514	5,020,080	2,971,142
Corporate loan stocks	47,628	55,196	47,628	55,196
<u>Outside Malaysia</u>				
Private debt securities	19,049	18,425	-	-
	20,116,384	17,920,315	17,589,874	15,765,057
Accumulated impairment losses	(110,410)	(119,064)	(110,410)	(119,064)
	20,005,974	17,801,251	17,479,464	15,645,993

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
At amortised cost				
Overdrafts	5,871,552	5,895,676	5,718,328	5,744,150
Term loans/financing:				
- housing loans/financing	22,965,980	21,706,306	19,039,751	18,234,938
- syndicated term loans/financing	3,162,782	2,521,254	1,074,930	1,116,217
- hire purchase receivables	12,983,719	12,581,965	8,048,753	8,164,582
- lease receivables	73,906	75,650	-	-
- other term loans/financing	54,302,202	51,743,008	46,887,913	44,864,944
Bills receivable	1,769,156	1,574,283	1,751,785	1,553,186
Trust receipts	516,410	469,017	478,928	447,718
Claims on customers under acceptance credits	5,184,101	5,257,979	4,364,234	4,426,753
Staff loans/financing	267,949	283,790	259,073	275,664
Credit card receivables	1,919,767	1,926,639	1,766,183	1,805,739
Revolving credit	6,531,975	5,872,938	4,892,174	4,468,642
Floor stocking	3,174	1,229	3,174	1,229
	<u>115,552,673</u>	<u>109,909,734</u>	<u>94,285,226</u>	<u>91,103,762</u>
Gross loans, advances and financing				
Fair value changes arising from fair value hedge	(2,431)	6,252	1,724	3,111
	<u>115,550,242</u>	<u>109,915,986</u>	<u>94,286,950</u>	<u>91,106,873</u>
Allowance for impaired loans and financing:				
- individual impairment allowance	(828,553)	(780,081)	(695,500)	(648,256)
- collective impairment allowance	(1,374,937)	(1,397,971)	(1,165,761)	(1,182,802)
	<u>(2,203,490)</u>	<u>(2,178,052)</u>	<u>(1,861,261)</u>	<u>(1,831,058)</u>
Net loans, advances and financing	<u>113,346,752</u>	<u>107,737,934</u>	<u>92,425,689</u>	<u>89,275,815</u>

Included in loans, advances and financing are housing loans, hire purchase receivables and other term loans/financing sold to Cagamas with recourse for the Group and the Bank are RM2,261,344,000 (31.12.2012: RM2,371,017,000) and RM917,001,000 (31.12.2012: RM935,725,000) respectively.

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
Domestic non-bank financial institutions:				
- Others	1,858,926	1,502,696	985,289	932,349
Domestic business enterprises:				
- Small medium enterprises	12,053,610	11,516,755	11,301,931	10,829,598
- Others	31,435,284	30,690,914	26,363,432	26,165,958
Government and statutory bodies	11,053,491	10,989,382	7,737,365	7,675,110
Individuals	51,057,328	47,646,933	41,551,322	39,391,631
Other domestic entities	25,208	10,240	8,687	9,948
Foreign entities:				
- Malaysian operations	1,191,095	1,100,222	437,881	431,614
- Singapore operations	6,003,018	5,663,138	5,421,914	5,183,555
- Thailand operations	419,994	427,765	388,330	397,113
- Brunei operations	89,075	86,886	89,075	86,886
- Cambodia operations	365,644	274,803	-	-
	<u>115,552,673</u>	<u>109,909,734</u>	<u>94,285,226</u>	<u>91,103,762</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By geographical distribution

	Group		Bank	
	Unaudited As at 30.06.2013	Restated As at 31.12.2012	Unaudited As at 30.06.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
In Malaysia	108,674,942	103,457,142	88,385,907	85,436,208
Outside Malaysia:				
- Singapore operations	6,003,018	5,663,138	5,421,914	5,183,555
- Thailand operations	419,994	427,765	388,330	397,113
- Brunei operations	89,075	86,886	89,075	86,886
- Cambodia operations	365,644	274,803	-	-
	<u>115,552,673</u>	<u>109,909,734</u>	<u>94,285,226</u>	<u>91,103,762</u>

(iv) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 30.06.2013	Restated As at 31.12.2012	Unaudited As at 30.06.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	1,147,749	1,358,105	284,535	424,038
- Hire purchase receivables	12,983,719	12,581,965	8,048,753	8,164,582
- Other fixed rate loans/financing	18,793,916	18,505,190	12,567,247	12,572,881
Variable rate:				
- BLR/BFR plus	45,151,682	42,071,452	40,052,582	37,858,542
- Cost-plus	31,415,194	30,303,564	29,460,480	28,511,823
- Other variable rates	6,060,413	5,089,458	3,871,629	3,571,896
	<u>115,552,673</u>	<u>109,909,734</u>	<u>94,285,226</u>	<u>91,103,762</u>

(v) By purpose

	Group		Bank	
	Unaudited As at 30.06.2013	Restated As at 31.12.2012	Unaudited As at 30.06.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	10,020,302	8,734,077	10,020,302	8,734,077
Purchase of transport vehicles	11,891,691	11,447,613	6,609,021	6,696,785
Purchase of landed property:				
- Residential	23,342,946	22,152,703	19,544,896	18,787,249
- Non-residential	6,561,163	5,674,126	6,270,908	5,563,444
Purchase of property, plant and equipment other than land and building	3,372,527	3,249,719	2,649,164	2,591,684
Personal use	6,328,195	5,758,114	5,432,854	5,109,733
Credit card	1,919,767	1,926,639	1,766,183	1,805,739
Purchase of consumer durables	33,371	37,282	33,361	37,265
Construction	3,128,830	3,653,745	2,206,763	2,417,490
Working capital	27,728,627	26,722,837	23,383,389	23,295,898
Merger and acquisition	3,415,999	3,620,752	3,288,493	3,466,447
Other purposes	17,809,255	16,932,127	13,079,892	12,597,951
	<u>115,552,673</u>	<u>109,909,734</u>	<u>94,285,226</u>	<u>91,103,762</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

11 Loans, Advances and Financing (cont'd)

(vi) By remaining contractual maturities

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
Maturity within one year	39,528,232	38,510,061	35,432,326	35,253,687
One year to three years	8,949,303	8,963,242	7,210,143	7,323,538
Three years to five years	9,537,673	8,873,068	6,513,501	6,052,470
Over five years	57,537,465	53,563,363	45,129,256	42,474,067
	<u>115,552,673</u>	<u>109,909,734</u>	<u>94,285,226</u>	<u>91,103,762</u>

(vii) Impaired loans, advances and financing

(a) Movement in impaired loans, advances and financing

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
Balance as at the beginning of financial period/year	3,090,090	3,493,331	2,600,833	2,852,308
Classified as impaired during the financial period/year	2,180,176	3,939,826	1,958,392	3,555,656
Reclassified as non-impaired during the financial period/year	(1,273,860)	(2,746,511)	(1,157,413)	(2,467,737)
Amount recovered	(274,759)	(784,370)	(239,353)	(668,059)
Amount written off	(266,864)	(811,276)	(236,280)	(673,157)
Exchange difference	2,875	(910)	270	1,822
Balance as at the end of financial period/year	<u>3,457,658</u>	<u>3,090,090</u>	<u>2,926,449</u>	<u>2,600,833</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

11 Loans, Advances and Financing (cont'd)

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

(b) By purpose

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at	As at	As at	As at
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	53,587	87,767	53,587	87,767
Purchase of transport vehicles	252,915	260,414	129,733	134,770
Purchase of landed property:				
- Residential	927,444	965,098	790,074	835,257
- Non-residential	173,356	158,072	122,814	143,014
Purchase of property, plant and equipment other than land and building	50,392	66,981	35,901	51,112
Personal use	130,995	137,178	126,881	133,481
Credit card	38,897	39,379	34,157	35,927
Purchase of consumer durables	1,740	2,058	1,740	2,058
Construction	214,587	245,762	213,408	244,474
Working capital	1,503,846	1,040,599	1,347,755	875,492
Other purposes	109,899	86,782	70,399	57,481
	3,457,658	3,090,090	2,926,449	2,600,833

(c) By geographical distribution

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at	As at	As at	As at
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
In Malaysia	3,344,809	2,990,526	2,825,817	2,501,269
Outside Malaysia:				
- Singapore operations	75,604	69,055	75,604	69,055
- Thailand operations	18,809	21,905	18,809	21,905
- Brunei operations	6,219	8,604	6,219	8,604
- Cambodia operations	12,217	-	-	-
	3,457,658	3,090,090	2,926,449	2,600,833

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (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 30.06.2013	Restated As at 31.12.2012	Unaudited As at 30.06.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Individual impairment allowance				
Balance as at the beginning of financial period/year				
- As previously reported	780,069	812,502	648,256	666,218
- Effect of predecessor accounting on acquisition of a subsidiary (Note 209)	12	21	-	-
As restated	<u>780,081</u>	<u>812,523</u>	<u>648,256</u>	<u>666,218</u>
Net allowance made during the period/year	169,484	267,932	164,205	171,471
Reclassification to collective impairment	(1,041)	(10,895)	(2,141)	(9,972)
Amount written off	(121,604)	(288,378)	(114,966)	(179,670)
Transfer to impairment of investment securities	-	(643)	-	(643)
Exchange difference	1,633	(458)	146	852
Balance as at the end of financial period/year	<u><u>828,553</u></u>	<u><u>780,081</u></u>	<u><u>695,500</u></u>	<u><u>648,256</u></u>
Collective impairment allowance				
Balance as at the beginning of financial period/year				
- As previously reported	1,395,228	1,566,152	1,182,802	1,335,081
- Effect of predecessor accounting on acquisition of a subsidiary (Note 209)	2,743	2,500	-	-
As restated	<u>1,397,971</u>	<u>1,568,652</u>	<u>1,182,802</u>	<u>1,335,081</u>
Net allowance made during the period/year	123,918	157,279	112,271	155,472
Reclassification from individual impairment	1,041	10,895	2,141	9,972
Amount written off	(149,191)	(338,162)	(131,523)	(318,268)
Exchange difference	1,198	(693)	70	545
Balance as at the end of financial period/year	<u><u>1,374,937</u></u>	<u><u>1,397,971</u></u>	<u><u>1,165,761</u></u>	<u><u>1,182,802</u></u>

12 Other Assets

	Group		Bank	
	Unaudited As at 30.06.2013	Restated As at 31.12.2012	Unaudited As at 30.06.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other receivables	354,390	304,187	286,063	237,381
Deposits	39,662	39,323	34,670	34,405
Prepayments	45,728	33,482	42,702	32,228
Amount due from holding company	3,694	5,643	3,694	5,643
Amounts due from subsidiaries	-	-	278,788	384,913
Amounts due from related companies	29,395	14,242	29,395	14,242
	<u><u>472,869</u></u>	<u><u>396,877</u></u>	<u><u>675,312</u></u>	<u><u>708,812</u></u>

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13 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
Demand deposits	23,118,127	22,602,902	20,774,443	20,184,299
Savings deposits	7,390,061	6,932,789	6,501,045	6,129,019
Fixed/investment deposits	102,777,443	101,997,647	84,914,324	85,235,327
Negotiable instruments of deposits	9,031	8,960	9,031	8,960
	<u>133,294,662</u>	<u>131,542,298</u>	<u>112,198,843</u>	<u>111,557,605</u>

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
Government and statutory bodies	11,807,220	14,145,334	7,510,342	8,269,422
Business enterprises	80,104,923	79,997,328	67,669,847	69,153,868
Individuals	35,202,077	32,667,496	33,135,594	31,077,414
Others	6,180,442	4,732,140	3,883,060	3,056,901
	<u>133,294,662</u>	<u>131,542,298</u>	<u>112,198,843</u>	<u>111,557,605</u>

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

	Group		Bank	
	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.06.2013 RM'000	Restated As at 31.12.2012 RM'000
Due within six months	85,523,159	84,560,794	70,222,087	69,925,495
Six months to one year	16,712,876	16,570,816	14,190,795	14,588,041
One year to three years	517,214	837,740	488,663	705,991
Three years to five years	33,225	37,257	21,810	24,760
	<u>102,786,474</u>	<u>102,006,607</u>	<u>84,923,355</u>	<u>85,244,287</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

14 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at	As at	As at	As at
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Licensed banks	4,473,381	7,484,326	3,446,132	6,757,069
Islamic banks	598,924	1,083,534	-	-
Licensed investments banks	200,078	1,859,718	-	1,859,718
Bank Negara Malaysia	812,788	842,592	812,454	841,967
Others	837,587	735,399	574	574
	6,922,758	12,005,569	4,259,160	9,459,328

15 Other Liabilities

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at	As at	As at	As at
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Amount due to holding company	99	99	-	-
Amounts due to subsidiaries	-	-	25,818	26,025
Amounts due to related companies	272,775	273,739	272,472	273,338
Amount due to Danaharta	1,839	1,827	1,839	1,827
Prepaid instalments	76,385	77,984	76,385	77,984
Lessee deposits	30,594	30,689	-	-
Short term employee benefits	94,262	157,127	86,662	144,499
Other creditors and accruals	736,233	683,791	554,414	519,372
	1,212,187	1,225,256	1,017,590	1,043,045

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

16 Interest Income

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013 RM'000	Preceding Corresponding Quarter Ended 30.06.2012 RM'000	Current Financial Half Year Ended 30.06.2013 RM'000	Preceding Corresponding Half Year Ended 30.06.2012 RM'000
<u>Group</u>				
Loans, advances and financing	1,298,461	1,180,327	2,558,290	2,331,539
Money at call and deposit placements with banks and other financial institutions	73,668	106,051	170,585	202,161
Securities purchased under resale agreement	214	73	404	132
Financial assets held-for-trading	4,421	2,868	7,054	7,090
Financial investments available-for-sale	70,955	57,160	142,790	109,232
Financial investments held-to-maturity	154,001	120,858	301,381	242,527
Others	130	137	326	361
	<u>1,601,850</u>	<u>1,467,474</u>	<u>3,180,830</u>	<u>2,893,042</u>
Of which:				
Interest income accrued on impaired financial assets	<u>41,443</u>	<u>38,756</u>	<u>79,020</u>	<u>80,719</u>
<u>Bank</u>				
Loans, advances and financing	1,268,701	1,165,960	2,502,775	2,302,761
Money at call and deposit placements with banks and other financial institutions	97,144	111,812	217,520	215,265
Securities purchased under resale agreement	214	73	404	132
Financial assets held-for-trading	4,421	2,868	7,054	7,090
Financial investments available-for-sale	70,089	57,160	141,061	109,232
Financial investments held-to-maturity	152,450	120,087	298,286	241,120
Others	130	137	326	361
	<u>1,593,149</u>	<u>1,458,097</u>	<u>3,167,426</u>	<u>2,875,961</u>
Of which:				
Interest income accrued on impaired financial assets	<u>32,423</u>	<u>38,756</u>	<u>69,828</u>	<u>80,719</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

17 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013 RM'000	Preceding Corresponding Quarter Ended 30.06.2012 RM'000	Current Financial Half Year Ended 30.06.2013 RM'000	Preceding Corresponding Half Year Ended 30.06.2012 RM'000
<u>Group</u>				
Deposits and placements of banks and other financial institutions	29,070	33,345	77,106	61,696
Deposits from customers	674,926	582,839	1,335,967	1,158,811
Subordinated obligations	47,634	46,419	94,742	87,787
Recourse obligation on loans sold to Cagamas	10,861	12,176	21,626	28,109
Senior Debt Securities	12,509	4,503	25,031	4,503
Hybrid Tier-I Capital Securities	11,323	11,317	22,518	22,632
Borrowings	1,450	2,212	3,262	4,216
Others	12,375	12,138	24,047	23,419
	800,148	704,949	1,604,299	1,391,173
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	28,178	33,307	75,740	61,760
Deposits from customers	669,248	580,146	1,324,765	1,152,801
Subordinated obligations	47,634	46,419	94,742	87,787
Recourse obligation on loans sold to Cagamas	10,861	12,176	21,626	28,109
Senior Debt Securities	12,509	4,503	25,031	4,503
Hybrid Tier-I Capital Securities	11,323	11,317	22,518	22,632
Borrowings	1,450	2,212	3,262	4,216
Others	12,375	12,138	24,047	23,419
	793,578	702,218	1,591,731	1,385,227

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

18 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six 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>Half Year Ended</u>	<u>Half Year Ended</u>
	<u>30.06.2013</u>	<u>30.06.2012</u>	<u>30.06.2013</u>	<u>30.06.2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
a) Fee Income:				
Commission	34,393	30,868	67,100	62,071
Service charges and fees	53,859	90,417	98,545	134,211
Guarantee fees	11,121	11,161	20,808	19,646
Commitment fees	11,835	11,436	23,382	23,257
Underwriting fees	325	714	325	922
Other fees	4,629	4,085	8,984	8,195
	<u>116,162</u>	<u>148,681</u>	<u>219,144</u>	<u>248,302</u>
b) Net gain arising from financial assets held-for-trading	8,511	10,092	18,243	34,022
c) Net gain on revaluation of derivatives	34,565	6,702	37,018	24,075
d) Net (loss)/gain on fair values hedges	(854)	439	(639)	439
e) Net gain arising from financial investments available-for-sale:				
- net gain on disposal	21,438	7,032	28,727	26,524
- gross dividends income	4,543	3,327	4,573	3,327
	<u>25,981</u>	<u>10,359</u>	<u>33,300</u>	<u>29,851</u>
f) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	-	70	-	70
g) Other income:				
Foreign exchange gain/(loss)				
- realised	63,381	11,585	106,538	105,094
- unrealised	(16,048)	51,423	7,713	26,495
Gain on disposal of property, plant and equipment	38	997	38	997
Other operating income	16,949	15,225	33,877	30,886
Other non-operating income	1,560	314	3,732	611
	<u>65,880</u>	<u>79,544</u>	<u>151,898</u>	<u>164,083</u>
	<u>250,245</u>	<u>255,887</u>	<u>458,964</u>	<u>500,842</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

18 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013	Preceding Corresponding Quarter Ended 30.06.2012	Current Financial Half Year Ended 30.06.2013	Preceding Corresponding Half Year Ended 30.06.2012
	RM'000	RM'000	RM'000	RM'000
Bank				
a) Fee Income:				
Commission	33,254	30,758	64,002	61,757
Service charges and fees	52,464	88,890	100,100	132,245
Guarantee fees	11,121	11,161	20,808	19,646
Commitment fees	10,816	11,436	21,848	23,257
Underwriting fees	325	714	325	922
Other fees	4,695	4,163	9,126	8,345
	<u>112,675</u>	<u>147,122</u>	<u>216,209</u>	<u>246,172</u>
b) Net gain arising from financial assets held-for-trading	8,511	10,092	18,243	34,022
c) Net gain on revaluation of derivatives	36,289	10,216	41,272	15,655
d) Net (loss)/gain on fair values hedges	(69)	96	7	96
e) Net gain arising from financial investments available-for-sale:				
- net gain on disposal	21,438	7,032	28,727	26,524
- gross dividends income	4,543	3,325	4,573	3,325
	<u>25,981</u>	<u>10,357</u>	<u>33,300</u>	<u>29,849</u>
f) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	-	70	-	70
g) Other income:				
Foreign exchange gain/(loss)				
- realised	63,841	13,110	107,062	105,143
- unrealised	(16,048)	51,423	7,713	26,495
Gain on disposal of property, plant and equipment	38	997	38	997
Other operating income	15,586	14,659	30,972	29,769
Other non-operating income	943	238	2,511	467
	<u>64,360</u>	<u>80,427</u>	<u>148,296</u>	<u>162,871</u>
	<u>247,747</u>	<u>258,380</u>	<u>457,327</u>	<u>488,735</u>

19 Income from Islamic Banking Business

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013	Preceding Corresponding Quarter Ended 30.06.2012	Current Financial Half Year Ended 30.06.2013	Preceding Corresponding Half Year Ended 30.06.2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	271,072	251,976	534,623	491,654
Income derived from investment of shareholder's funds	27,898	16,367	53,845	35,670
Transfer from Profit Equalisation Reserve	-	-	-	7,252
Total distributable income	<u>298,970</u>	<u>268,343</u>	<u>588,468</u>	<u>534,576</u>
Income attributable to depositors	<u>(154,833)</u>	<u>(155,686)</u>	<u>(311,828)</u>	<u>(311,333)</u>
Income from Islamic Banking Business	<u>144,137</u>	<u>112,657</u>	<u>276,640</u>	<u>223,243</u>
Of which:				
Financing income earned on impaired financing and advances	<u>9,020</u>	<u>4,596</u>	<u>9,192</u>	<u>13,645</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

20 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	<u>Current Financial Quarter Ended</u>	<u>Preceding Corresponding Quarter Ended</u>	<u>Current Financial Half Year Ended</u>	<u>Preceding Corresponding Half Year Ended</u>
	<u>30.06.2013</u>	<u>30.06.2012</u>	<u>30.06.2013</u>	<u>30.06.2012</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	247,498	216,755	493,935	452,793
- Contributions to Employees Provident Fund	38,198	32,725	75,713	68,346
- Other staff related costs	13,818	20,158	31,260	42,213
	<u>299,514</u>	<u>269,638</u>	<u>600,908</u>	<u>563,352</u>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	20,158	24,287	39,957	35,522
- Written off	2	-	5	-
- Amortisation of computer software license	8,498	7,085	16,444	14,341
- Rental of premises	28,479	27,521	56,268	51,868
- Rental of equipment	1,077	1,600	2,420	3,307
- Insurance	6,236	3,317	12,053	6,844
- Water and electricity	6,432	5,503	12,145	11,042
- Repair and maintenance	6,164	4,384	11,796	9,172
- Security & escorting expenses	12,103	12,166	24,276	23,568
- Information technology expenses	29,456	28,884	56,972	55,356
- Others	178	903	512	1,882
	<u>118,783</u>	<u>115,650</u>	<u>232,848</u>	<u>212,902</u>
<u>Marketing expenses</u>				
- Sales commission	11,588	8,151	21,975	16,725
- Advertisement and publicity	11,530	19,413	20,089	24,247
- Others	15,395	14,654	30,506	28,857
	<u>38,513</u>	<u>42,218</u>	<u>72,570</u>	<u>69,829</u>
<u>Administration and general expenses</u>				
- Communication expenses	24,852	22,337	48,501	45,993
- Others	27,455	21,681	47,206	44,730
	<u>52,307</u>	<u>44,018</u>	<u>95,707</u>	<u>90,723</u>
	<u>509,117</u>	<u>471,524</u>	<u>1,002,033</u>	<u>936,806</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

20 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	<u>Current Financial Quarter Ended 30.06.2013 RM'000</u>	<u>Preceding Corresponding Quarter Ended 30.06.2012 RM'000</u>	<u>Current Financial Half Year Ended 30.06.2013 RM'000</u>	<u>Preceding Corresponding Half Year Ended 30.06.2012 RM'000</u>
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	223,999	197,593	448,976	417,399
- Contributions to Employees Provident Fund	34,049	29,752	68,207	62,807
- Other staff related costs	11,588	18,649	28,810	39,212
	<u>269,636</u>	<u>245,994</u>	<u>545,993</u>	<u>519,418</u>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	18,347	21,225	36,444	31,864
- Written off	2	-	5	-
- Amortisation of computer software license	8,269	7,005	16,032	14,185
- Rental of premises	27,180	26,825	53,796	50,646
- Rental of equipment	1,059	1,494	2,378	3,130
- Insurance	5,288	4,180	10,461	7,558
- Water and electricity	5,677	5,005	10,784	10,114
- Repair and maintenance	5,251	4,424	10,067	9,168
- Security & escorting expenses	10,949	11,213	21,646	21,735
- Information technology expenses	26,346	24,123	51,360	48,871
	<u>108,368</u>	<u>105,494</u>	<u>212,973</u>	<u>197,271</u>
<u>Marketing expenses</u>				
- Sales commission	8,986	6,330	17,017	13,244
- Advertisement and publicity	9,968	18,750	17,467	23,344
- Others	14,031	13,728	28,047	27,186
	<u>32,985</u>	<u>38,808</u>	<u>62,531</u>	<u>63,774</u>
<u>Administration and general expenses</u>				
- Communication expenses	21,844	20,500	43,473	42,644
- Others	12,283	12,623	18,925	24,713
	<u>34,127</u>	<u>33,123</u>	<u>62,398</u>	<u>67,357</u>
	<u>445,116</u>	<u>423,419</u>	<u>883,895</u>	<u>847,820</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

21 Allowance for Impairment on Loans, Advances and Financing

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2013 RM'000	Preceding Corresponding Quarter Ended 30.06.2012 RM'000	Current Financial Half Year Ended 30.06.2013 RM'000	Preceding Corresponding Half Year Ended 30.06.2012 RM'000
<u>Group</u>				
Individual impairment allowance	92,756	57,732	169,484	104,336
Collective impairment allowance	26,634	107,771	123,918	120,202
Impaired loans and financing recovered	(80,240)	(165,861)	(138,266)	(222,022)
Impaired loans written off	117,174	37,647	149,023	79,611
	156,324	37,289	304,159	82,127
<u>Bank</u>				
Individual impairment allowance	87,959	8,867	164,205	35,527
Collective impairment allowance	26,604	93,308	112,271	118,496
Impaired loans and financing recovered	(78,099)	(163,859)	(134,490)	(218,443)
Impaired loans written off	96,792	35,171	125,383	75,822
	133,256	(26,513)	267,369	11,402

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

22 Capital Adequacy

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

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

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

	RHB Bank*		RHB Islamic Bank	
	Unaudited 30.06.2013 RM'000	Restated 31.12.2012 RM'000	Unaudited 30.06.2013 RM'000	Restated 31.12.2012 RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	1,173,424	973,424
Share premium	8,563	8,563	-	-
Retained profits	4,491,231	4,235,058	358,151	358,151
Other reserves	3,633,824	3,446,936	358,359	358,359
AFS reserves	140,608	218,281	(11,004)	3,740
	<u>11,592,311</u>	<u>11,226,923</u>	<u>1,878,930</u>	<u>1,693,674</u>
Less: Goodwill	(905,519)	(905,519)	-	-
Net deferred tax assets	-	-	(9,108)	(5,265)
Other intangibles	(104,579)	(112,409)	(3,330)	(3,585)
55% of cumulative gains of AFS financing instruments	(77,334)	(120,055)	-	(2,057)
Shortfall of eligible provisions to expected losses under the IRB approach	(295,174)	(372,197)	-	-
Other deduction [#]	(7,450)	(5,701)	(50)	(5,091)
Common Equity Tier-I capital ('CET I capital')	<u>10,202,255</u>	<u>9,711,042</u>	<u>1,866,442</u>	<u>1,677,676</u>
Hybrid Tier-I Capital Securities**	540,000	597,744	-	-
Total Tier I capital	<u>10,742,255</u>	<u>10,308,786</u>	<u>1,866,442</u>	<u>1,677,676</u>
Tier II Capital				
Subordinated obligations [@]	3,600,000	3,996,781	-	-
Collective impairment allowance ^A	269,519	278,703	85,129	87,435
	<u>3,869,519</u>	<u>4,275,484</u>	<u>85,129</u>	<u>87,435</u>
Less: Investment in subsidiaries	(1,539,997)	(1,339,997)	-	-
Total Tier II capital	<u>2,329,522</u>	<u>2,935,487</u>	<u>85,129</u>	<u>87,435</u>
Total capital	<u>13,071,777</u>	<u>13,244,273</u>	<u>1,951,571</u>	<u>1,765,111</u>
Capital ratios (before proposed dividend)				
CET I capital ratio	11.238%	11.048%	13.445%	13.971%
Tier I capital ratio	11.833%	11.728%	13.445%	13.971%
Total capital ratio	<u>14.399%</u>	<u>15.068%</u>	<u>14.058%</u>	<u>14.699%</u>
Capital ratios (after proposed dividend)				
CET I capital ratio	11.051%	10.777%	13.445%	13.971%
Tier I capital ratio	11.646%	11.457%	13.445%	13.971%
Total capital ratio	<u>14.212%</u>	<u>14.797%</u>	<u>14.058%</u>	<u>14.699%</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

22 Capital Adequacy (cont'd)

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

	RHB Bank*		RHB Islamic Bank	
	Unaudited 30.06.2013	Restated 31.12.2012	Unaudited 30.06.2013	Restated 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Credit risk	80,821,886	77,934,597	13,109,744	11,053,722
Market risk	2,483,547	2,676,807	42,031	265,386
Operational risk	7,471,047	7,283,570	730,149	689,105
Total risk-weighted assets	<u>90,776,480</u>	<u>87,894,974</u>	<u>13,881,924</u>	<u>12,008,213</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".

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

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

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

The RHB Indochina Bank Limited ('RHBIBL') (previously known as OSK Indochina Bank Limited), a wholly owned subsidiary of RHB Bank and is subject to National Bank of Cambodia's capital adequacy requirements.

	Unaudited 30.06.2013	Audited 31.12.2012
	RM'000	RM'000
Before deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	24.345%	31.164%
After deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	24.345%	31.164%

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

No equivalent ratio in Cambodia.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

22 Capital Adequacy (cont'd)

	RHB Bank Group	
	Unaudited	Restated
	30.06.2013	31.12.2012
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	3,318,085	3,318,085
Share premium	8,563	8,563
Retained profits	4,975,842	4,719,669
Other reserves	3,962,417	3,764,899
AFS reserves	129,606	222,022
	<u>12,394,513</u>	<u>12,033,238</u>
Less: Goodwill	(1,120,318)	(1,120,318)
Other intangibles	(108,968)	(120,332)
55% of cumulative gains of AFS financing instruments	(71,283)	(122,112)
Shortfall of eligible provisions to expected losses under the IRB approach	(361,068)	(422,888)
Other deduction [#]	(7,500)	(10,792)
	<u>10,725,376</u>	<u>10,236,796</u>
Common Equity Tier-I capital	540,000	597,744
Hybrid Tier-I Capital Securities**	540,000	597,744
Total Tier I capital	<u>11,265,376</u>	<u>10,834,540</u>
Tier II Capital		
Subordinated obligations [@]	3,600,000	3,996,781
Collective impairment allowance [^]	429,882	422,827
Total Tier II capital	<u>4,029,882</u>	<u>4,419,608</u>
Total capital	<u>15,295,258</u>	<u>15,254,148</u>
Capital ratios (before proposed dividend)		
CET I capital ratio	10.244%	10.409%
Tier I capital ratio	10.760%	11.017%
Total capital ratio	<u>14.609%</u>	<u>15.511%</u>
Capital ratios (after proposed dividend)		
CET I capital ratio	10.082%	10.167%
Tier I capital ratio	10.597%	10.775%
Total capital ratio	<u>14.447%</u>	<u>15.269%</u>

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

	RHB Bank Group	
	Unaudited	Restated
	30.06.2013	31.12.2012
	RM'000	RM'000
Credit risk	93,965,346	87,776,005
Market risk	2,500,118	2,565,380
Operational risk	8,229,379	7,999,184
	<u>104,694,843</u>	<u>98,340,569</u>
Total risk-weighted assets	<u>104,694,843</u>	<u>98,340,569</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".

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

^{**} Hybrid Tier-I Capital Securities that are recognised as Tier II capital instruments are subject to the gradual phase-out treatment effective from 1 January 2013 as prescribed under paragraph 36.10 of the BNM Guidelines Capital Adequacy Framework

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

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

23 Commitments And Contingencies (cont'd)

Bank	← Unaudited 30.06.2013 →			← Audited 31.12.2012 →		
	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	2,490,419	2,456,743	1,821,114	2,123,886	2,086,975	1,425,061
Transaction-related contingent items	2,393,471	1,174,946	853,579	2,128,836	1,041,259	735,019
Short-term self-liquidating trade-related contingencies	1,567,515	310,626	156,209	954,248	188,181	127,669
Irrevocable commitments to extend credit [@] :						
- maturity more than one year	23,101,777	11,465,022	7,540,280	22,480,527	10,541,472	6,908,020
- maturity less than one year	8,307,350	4,978,595	3,355,768	8,395,198	5,210,759	3,235,038
Foreign exchange related contracts [@] :						
- less than one year	13,637,506	259,075	188,864	9,290,698	162,443	107,491
- one year to less than five years	6,452,106	990,644	302,325	5,213,212	922,498	275,190
Interest rate related contracts [@] :						
- less than one year	4,555,460	9,206	2,773	9,023,637	26,183	10,691
- one year to less than five years	21,174,574	654,502	265,405	16,134,862	502,857	266,525
- more than five years	755,553	62,998	26,725	600,000	53,026	53,026
Total	84,435,731	22,362,357	14,513,042	76,345,104	20,735,653	13,143,730

[@] These derivatives are revalued on gross position basis and the unrealised gains or losses are reflected in derivatives assets/liabilities.

* The credit equivalent amount is arrived at using the credit conversion factors as per BNM's 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 an aggregate of CE and RWA of the Bank, which is computed in accordance with BNM's Guidelines on Capital Adequacy Framework (Basel II - RWA): 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 (RWA): Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

24 Capital Commitments

	Group		Bank	
	Unaudited As at 30.6.2013 RM'000	Audited As at 31.12.2012 RM'000	Unaudited As at 30.6.2013 RM'000	Audited As at 31.12.2012 RM'000
Capital expenditure for property, plant and equipment:				
- authorised and contracted for	57,362	54,269	57,362	53,678
- authorised but not contracted for	192,495	174,364	129,882	123,600
	<u>249,857</u>	<u>228,633</u>	<u>187,244</u>	<u>177,278</u>
Proposed acquisition of Bank Mestika	538,620	538,620	538,620	538,620
	<u>788,477</u>	<u>767,253</u>	<u>725,864</u>	<u>715,898</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

25 Segmental Reporting On Revenue and Profit and Assets

Group

Six months ended 30 June 2013

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	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	344,146	1,016,057	351,931	185,815	245,108	155,345	13,733	-	2,312,135
Inter-segment revenue	(10,044)	-	-	54,212	(43,595)	1,766	411	(2,750)	-
Segment revenue	334,102	1,016,057	351,931	240,027	201,513	157,111	14,144	(2,750)	2,312,135
Overhead expenses including:	(63,276)	(508,188)	(164,851)	(40,162)	(95,529)	(117,232)	(15,545)	2,750	(1,002,033)
Depreciation of property, plant and equipment	(1,052)	(28,495)	(4,066)	(996)	(1,880)	(3,371)	(97)	-	(39,957)
Amortisation of computer software license	(884)	(8,973)	(4,071)	(1,422)	(174)	(920)	-	-	(16,444)
Allowance for impairment on loans, advances and financing	(171,260)	(52,081)	(45,521)	-	(30,800)	(6,574)	2,077	-	(304,159)
Impairment losses on other assets	13,102	84	727	(6,900)	(701)	-	-	-	6,312
Profit before taxation	112,668	455,872	142,286	192,965	74,483	33,305	676	-	1,012,255
Taxation									(253,997)
Net profit for the financial period									758,258

Six months ended 30 June 2012

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	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	351,950	996,513	348,631	228,774	191,048	127,231	(18,193)	-	2,225,954
Inter-segment revenue	(1,588)	-	-	18,023	(15,876)	1,729	408	(2,696)	-
Segment revenue	350,362	996,513	348,631	246,797	175,172	128,960	(17,785)	(2,696)	2,225,954
Overhead expenses including:	(60,808)	(483,899)	(162,896)	(40,773)	(75,469)	(101,459)	(14,198)	2,696	(936,806)
Depreciation of property, plant and equipment	(1,094)	(24,891)	(3,524)	(812)	(3,248)	(1,856)	(97)	-	(35,522)
Amortisation of computer software license	(917)	(8,093)	(3,304)	(1,207)	(111)	(709)	-	-	(14,341)
Allowance for impairment on loans, advances and financing	42,532	(77,945)	(6,643)	-	(47,662)	2,476	5,115	-	(82,127)
Impairment losses on other assets	8,809	9	152	(5,210)	-	-	-	-	3,760
Profit before taxation	340,895	434,678	179,244	200,814	52,041	29,977	(26,868)	-	1,210,781
Taxation									(296,763)
Net profit for the financial period									914,018

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

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

Group

As at 30 June 2013

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	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	37,097,508	45,717,274	12,272,329	42,390,946	18,335,428	13,825,434	303,182	(3,405,226)	166,536,875
Deferred tax assets									12,371
Tax recoverable									6
Unallocated assets									1,111,353
Total assets									<u>167,660,605</u>

As at 31 December 2012

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	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	36,526,387	43,370,241	11,700,066	51,579,432	16,379,292	12,584,422	318,285	(3,375,132)	169,082,993
Deferred tax assets									8,455
Tax recoverable									38
Unallocated assets									1,141,767
Total assets									<u>170,233,253</u>

Arising from the application of predecessor method of accounting on internal re-organisation on the acquisition of RHB Indochina Bank Limited (previously known as OSK Indochina Bank Limited) as mention in note 29, certain comparatives have been restated to conform with the current's presentation.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (cont'd)

26 Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties are as follows:

	Group Unaudited As at 30.06.2012	Restated As at 31.12.2012	Bank Unaudited As at 30.06.2012	Restated As at 31.12.2012
Outstanding credit exposures with connected parties (RM'000)	7,337,591	5,090,268	6,468,272	4,306,830
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	5.43	4.07	5.85	4.13
Percentage of outstanding credit exposures to connected parties which is non-performing or in default (%)	0.33	0.15	0.38	0.17

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

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(cont'd)

27 Valuation of Property, Plant and Equipment

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

28 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.

29 Changes in the Composition of the Group

Other than the acquisition of RHB Indochina Bank Limited mention below, there are no significant changes in the composition of the Group for the six months ended 30 June 2013.

On 9 April 2013, RHB Indochina Bank Limited ('RHBIBL') (previously known as OSK Indochina Bank Limited) become a wholly owned subsidiary of RHB Bank Berhad, upon the acquisition of 100% equity interest of RHBIBL, that was previously held by OSK Investment Bank Berhad ('OSKIB'), a related company, by the Bank. Certain comparatives financial information of the Group have been restated due to the Group's accounting policies to apply the predecessor method of accounting on internal re-organisation.

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

Group

<u>As at 31.12.2012</u>	<u>As previously reported</u> RM'000	<u>Effect of acquisition of RHBIBL</u> RM'000	<u>As restated</u> RM'000
Assets			
Cash and short-term funds	22,557,727	120,175	22,677,902
Deposits and placements with banks and other financial institutions	3,549,648	3,006	3,552,654
Financial investments available-for-sale	10,026,311	87	10,026,398
Loans, advances and financing	107,465,886	272,048	107,737,934
- Gross loans, advances and financing	109,641,183	274,803	109,915,986
- Individual impairment allowance	(780,069)	(12)	(780,081)
- Collective impairment allowances	(1,395,228)	(2,743)	(1,397,971)
Other assets	391,400	5,477	396,877
Statutory deposits	3,589,364	47,841	3,637,205
Tax recoverable	14	24	38
Property, plant and equipment	663,044	12,043	675,087
Goodwill and other intangible assets	1,124,349	117,465	1,241,814
Liabilities and equity			
Deposits from customers	131,309,626	232,672	131,542,298
Deposits and placements of banks and other financial institutions	11,935,887	69,682	12,005,569
Clients' and brokers balances	-	3,240	3,240
Other liabilities	953,404	271,852	1,225,256
Total equity	12,032,518	720	12,033,238
Translation reserves	(71,684)	87	(71,597)
Retained profits	4,719,036	633	4,719,669

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013
(cont'd)

29 Changes in the Composition of the Group (cont'd)

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

Bank

As at 31.12.2012

	As previously reported	Effect of acquisition of RHBIBL	As restated
	RM'000	RM'000	RM'000
Assets			
Investment in subsidiaries	1,272,972	267,342	1,540,314
Liabilities			
Other liabilities	775,703	267,342	1,043,045

30 Changes in Profit for the Quarter

During the quarter ended 30 June 2013, the Group recorded a pre-tax profit of RM532.5 million, 11% or RM52.7 million higher compared to the preceeding quarter ended 31 March 2013 of RM479.8 million. The higher pre-tax profit was mainly due to higher net interest income, other operating income and income from Islamic banking of RM26.9 million, RM41.6 million and RM11.6 million respectively, partly offset by higher other operating expenses by RM16.2 million, higher impairment on loans, advances and financing by RM8.5 million, and lower writeback on impairment on other assets of RM2.7 million.

31 Performance Review

For the six months ended 30 June 2013, the Group recorded a pre-tax profit of RM1,012.3 million, 16% or RM198.5 million lower than the previous corresponding period ended 30 June 2012 of RM1,210.8 million. The lower pre-tax profit was mainly due to higher impairment on loans, advances and financing by RM222.0 million, lower other operating income by RM41.8 million and higher other operating expenses by RM65.2 million offsetted by the net interest income increase of RM74.6 million, income from Islamic banking of RM53.4 million and writeback on impairment on other assets of RM2.5 million.

32 Prospects Notes

Whilst the US economy is improving and the risk of an Eurozone meltdown is reducing, there are some concerns over China's growth level. The Malaysian economy is expected to remain silent underpinned by domestic demand and investment growth, with Gross Domestic Product forecasted to increase by 5.1% for 2013 and 5.4% for 2014.

Bank Negara Malaysia's new measures effective July 2013 are expected to moderate growth in household lending. The improving external and domestic demand, and a stronger capital market post-election will be the key drives of a healthy banking market.

With the successful intergration of RHB and OSK Investment Banks, the Group's geographical footprint and capabilities in the region have been significantly enhanced.

We are determined to grow our business and profitability while maintaining a strict discipline on credit and risk management. Barring unforeseen circumstances, the Group expects to deliver a stronger financial performance for the second half of the year.