

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Note	Group		Bank	
		As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
ASSETS					
Cash and short term funds		981,659	1,065,190	741,175	793,935
Deposits and placements with banks and other financial institutions		400,068	100,715	400,068	100,715
Financial assets held-for-trading ('HFT')	8	417,031	1,226,494	154,390	1,061,869
Financial investments available-for-sale ('AFS')	9	3,893,020	3,668,358	3,721,990	3,574,627
Financial investments held-to-maturity ('HTM')	10	841,014	954,587	841,014	954,587
Loans and advances	11	2,533,138	2,393,747	1,906,862	1,848,325
Clients' and brokers' balances	12	2,366,744	2,573,583	788,032	543,766
Other assets	13	426,896	223,446	325,350	119,229
Derivative assets		45,462	48,760	45,412	48,760
Statutory deposits		232,007	216,643	232,007	216,643
Tax recoverable		6,139	32,701	-	28,881
Deferred tax assets		13,799	17,345	7,203	11,121
Investments in subsidiaries		-	-	1,080,886	1,077,291
Investments in associates and joint ventures		28,470	29,044	20,391	29,464
Property, plant and equipment		58,892	56,075	30,956	29,213
Goodwill and intangible assets		1,323,539	1,338,695	1,148,057	1,161,646
TOTAL ASSETS		13,567,878	13,945,383	11,443,793	11,600,072
LIABILITIES AND EQUITY					
Deposits from customers	14	2,690,455	2,484,429	2,771,427	2,559,248
Deposits and placements of banks and other financial institutions	15	4,095,909	4,620,678	4,095,909	4,620,678
Obligations on securities sold under repurchase agreements		34,881	401,522	-	401,522
Obligations on securities borrowed		189,065	31,734	189,065	31,734
Bills and acceptances payable		160,857	-	-	-
Clients' and brokers' balances		1,970,297	2,314,971	618,517	419,269
Other liabilities	16	311,501	315,172	217,925	170,093
Derivative liabilities		82,231	82,463	81,260	82,284
Tax liabilities		24,140	10,384	16,776	-
Deferred tax liabilities		8,985	11,028	-	-
Borrowings		312,648	152,192	-	-
Subordinated obligations		557,988	559,099	557,988	559,099
TOTAL LIABILITIES		10,438,957	10,983,672	8,548,867	8,843,927
Share capital		818,646	818,646	818,646	818,646
Reserves		2,115,108	1,951,717	2,076,280	1,937,499
		2,933,754	2,770,363	2,894,926	2,756,145
Non-controlling interests		195,167	191,348	-	-
TOTAL EQUITY		3,128,921	2,961,711	2,894,926	2,756,145
TOTAL LIABILITIES AND EQUITY		13,567,878	13,945,383	11,443,793	11,600,072
COMMITMENTS AND CONTINGENCIES					
	24	7,128,633	7,907,009	5,732,356	6,961,691

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

<u>Group</u>	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2014	(Restated)	30 September 2014	(Restated)
		RM'000	30 September 2013	RM'000	30 September 2013
			RM'000		RM'000
Interest income	17	110,644	111,212	322,760	338,541
Interest expense	18	(70,602)	(66,325)	(200,797)	(219,001)
Net interest income		40,042	44,887	121,963	119,540
Other operating income	19	314,489	207,649	703,009	633,830
Net income		354,531	252,536	824,972	753,370
Other operating expenses	20	(241,320)	(213,922)	(647,621)	(633,722)
Operating profit before allowances		113,211	38,614	177,351	119,648
Allowance for impairment on loans, advances and other losses	21	677	(100)	23,853	6,322
Impairment losses written back/(made) on other assets		1,842	(4,847)	424	7,583
		115,730	33,667	201,628	133,553
Share of results of associates		204	244	634	1,463
Share of results of joint ventures		20	145	202	397
Profit before taxation		115,954	34,056	202,464	135,413
Taxation		(9,374)	(10,279)	(33,891)	(35,842)
Net profit for the financial period		106,580	23,777	168,573	99,571
Profit attributable to:					
Owner of the Bank		100,174	18,595	158,919	80,102
Non-controlling interests		6,406	5,182	9,654	19,469
		106,580	23,777	168,573	99,571
Earnings per share (sen)					
- basic	22	12.2	2.3	19.4	13.3

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	106,580	23,777	168,573	99,571
Other comprehensive income/(loss) in respect of:				
(i) Item that will not be reclassified to profit or loss:				
- Actuarial losses on defined benefit plan of subsidiaries	(10)	-	935	-
(ii) Items that will be reclassified subsequently to profit or loss:				
- Currency translation differences	5,172	(5,099)	(440)	6,668
- Unrealised net gain/(loss) on revaluation of financial investments AFS	16,125	(14,780)	12,587	(20,246)
- Net transfer to income statements on disposal or impairment of financial investments AFS	(2,033)	(214)	5,848	(8,353)
Income tax relating to components of other comprehensive (income)/loss	(3,443)	3,866	(6,093)	6,804
Other comprehensive income/(loss), net of tax, for the financial period	15,811	(16,227)	12,837	(15,127)
Total comprehensive income for the financial period	122,391	7,550	181,410	84,444
Total comprehensive income attributable to:				
Owner of the Bank	115,951	(3,337)	177,491	57,114
Non-controlling interests	6,440	10,887	3,919	27,330
	122,391	7,550	181,410	84,444

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

<u>Bank</u>	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
		RM'000	RM'000	RM'000	RM'000
Interest income	17	93,259	93,680	272,587	293,514
Interest expense	18	(66,386)	(63,505)	(191,986)	(214,279)
Net interest income		26,873	30,175	80,601	79,235
Other operating income	19	183,682	101,342	404,550	297,707
Net income		210,555	131,517	485,151	376,942
Other operating expenses	20	(137,211)	(105,145)	(352,771)	(306,980)
Operating profit before allowances		73,344	26,372	132,380	69,962
Allowance for impairment on loans, advances and other losses	21	725	(39)	24,076	6,795
Impairment losses written back/(made) on other assets		1,216	(2,672)	5,097	3,879
Profit before taxation		75,285	23,661	161,553	80,636
Taxation		(10,750)	(6,378)	(32,081)	(23,651)
Net profit for the financial period		64,535	17,283	129,472	56,985

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	<u>64,535</u>	<u>17,283</u>	<u>129,472</u>	<u>56,985</u>
Other comprehensive income/(loss) in respect of: Items that will be reclassified subsequently to profit or loss:				
- Unrealised net gain/(loss) on revaluation of financial investments AFS	15,772	(14,387)	25,496	(21,734)
- Net transfer to income statements on disposal or impairment of financial investments AFS	(2,032)	(214)	5,849	(8,353)
Income tax relating to components of other comprehensive (income)/loss	(3,435)	3,649	(7,836)	7,521
Other comprehensive income/(loss), net of tax, for the financial period	<u>10,305</u>	<u>(10,952)</u>	<u>23,509</u>	<u>(22,566)</u>
Total comprehensive income for the financial period	<u><u>74,840</u></u>	<u><u>6,331</u></u>	<u><u>152,981</u></u>	<u><u>34,419</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Group	Attributable to the Owner of the Bank							Non- controlling interests	Total
	Share capital	Share premium	Statutory reserves	AFS reserves	Translation reserves	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 January 2014	818,646	1,515,150	278,549	(25,948)	(22,768)	206,734	2,770,363	191,348	2,961,711
Net profit for the financial period	-	-	-	-	-	158,919	158,919	9,654	168,573
Currency translation differences	-	-	-	(115)	1,073	(6)	952	(1,392)	(440)
Financial investments AFS:									
- Unrealised net gain/(loss) on revaluation	-	-	-	17,789	-	-	17,789	(5,202)	12,587
- Net transfer to income statements on disposal or impairment	-	-	-	5,848	-	-	5,848	-	5,848
Income tax relating to components of other comprehensive (income)/loss	-	-	-	(6,943)	-	-	(6,943)	850	(6,093)
Actuarial losses on defined benefit plan of subsidiaries	-	-	-	-	-	926	926	9	935
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	16,579	1,073	920	18,572	(5,735)	12,837
Total comprehensive income for the financial period	-	-	-	16,579	1,073	159,839	177,491	3,919	181,410
Transfer to statutory reserves	-	-	32,470	-	-	(32,470)	-	-	-
Disposal of a subsidiary	-	-	-	-	1,708	(1,708)	-	-	-
Dividend paid	-	-	-	-	-	(14,200)	(14,200)	-	(14,200)
Effects of dilution of equity interest in a subsidiary	-	-	-	-	-	100	100	(100)	-
Balance as at 30 September 2014	818,646	1,515,150	311,019	(9,369)	(19,987)	318,295	2,933,754	195,167	3,128,921

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RHB INVESTMENT BANK BERHAD (19663-P)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Group	Attributable to the Owner of the Bank							Total	Non-controlling interests	Total
	Share capital	Share premium	Statutory reserves	AFS reserves	Translation reserves	Capital contribution by holding company	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2013	263,646	-	278,549	12,926	(6,004)	1,802,808	115,358	2,467,283	216,576	2,683,859
Net profit for the financial period	-	-	-	-	-	-	80,102	80,102	19,469	99,571
Currency translation differences	-	-	-	492	(275)	-	-	217	6,451	6,668
Financial investments AFS:										
- Unrealised net (loss)/gain on revaluation	-	-	-	(21,892)	-	-	-	(21,892)	1,646	(20,246)
- Net transfer to income statements on disposal or impairment	-	-	-	(8,353)	-	-	-	(8,353)	-	(8,353)
Income tax relating to components of other comprehensive loss/(income)	-	-	-	7,040	-	-	-	7,040	(236)	6,804
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	-	(22,713)	(275)	-	-	(22,988)	7,861	(15,127)
Total comprehensive (loss)/income for the financial period	-	-	-	(22,713)	(275)	-	80,102	57,114	27,330	84,444
Issuance of shares for the acquisition of OSK Investment Bank Berhad ('OSKIB')	555,000	1,515,150	-	-	-	(1,802,808)	-	267,342	-	267,342
Dividend paid	-	-	-	-	-	-	(17,005)	(17,005)	-	(17,005)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(9,387)	(9,387)
Accretion on deemed disposal of interest in associates	-	-	-	-	-	-	(748)	(748)	-	(748)
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	(5,196)	(5,196)	(8,597)	(13,793)
Balance as at 30 September 2013	818,646	1,515,150	278,549	(9,787)	(6,279)	-	172,511	2,768,790	225,922	2,994,712

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RHB INVESTMENT BANK BERHAD (19663-P)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Non-Distributable			Distributable		Total
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Bank						
Balance as at 1 January 2014	818,646	1,515,150	278,549	(32,510)	176,310	2,756,145
Net profit for the financial period	-	-	-	-	129,472	129,472
Financial investments AFS:						
- Unrealised net gain on revaluation	-	-	-	25,496	-	25,496
- Net transfer to income statements on disposal or impairment	-	-	-	5,849	-	5,849
Income tax relating to components of other comprehensive income	-	-	-	(7,836)	-	(7,836)
Other comprehensive income, net of tax, for the financial period	-	-	-	23,509	-	23,509
Total comprehensive income for the financial period	-	-	-	23,509	129,472	152,981
Transfer to statutory reserves	-	-	32,469	-	(32,469)	-
Dividend paid	-	-	-	-	(14,200)	(14,200)
Balance as at 30 September 2014	818,646	1,515,150	311,018	(9,001)	259,113	2,894,926

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RHB INVESTMENT BANK BERHAD (19663-P)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Non-Distributable				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	AFS reserves RM'000	Capital contribution by holding company RM'000	Retained profits RM'000	
Bank							
Balance as at 1 January 2013	263,646	-	278,549	10,997	1,802,808	76,788	2,432,788
Net profit for the financial period	-	-	-	-	-	56,985	56,985
Financial investments AFS:							
- Unrealised net loss on revaluation	-	-	-	(21,734)	-	-	(21,734)
- Net transfer to income statements on disposal or impairment	-	-	-	(8,353)	-	-	(8,353)
Income tax relating to components of other comprehensive loss	-	-	-	7,521	-	-	7,521
Other comprehensive loss, net of tax, for the financial period	-	-	-	(22,566)	-	-	(22,566)
Total comprehensive (loss)/income for the financial period	-	-	-	(22,566)	-	56,985	34,419
Issuance of shares for the acquisition of OSKIB	555,000	1,515,150	-	-	(1,802,808)	-	267,342
Dividend paid	-	-	-	-	-	(17,005)	(17,005)
Balance as at 30 September 2013	818,646	1,515,150	278,549	(11,569)	-	116,768	2,717,544

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Nine Months Ended	
	30 September 2014	30 September 2013
	RM '000	(Restated) RM '000
Group		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	202,464	135,413
Adjustments for non-cash items	(193,488)	(153,234)
Operating profit/(loss) before working capital changes	8,976	(17,821)
Changes in working capital:		
Net changes in operating assets	453,407	149,149
Net changes in operating liabilities	(711,653)	(2,675,823)
Cash used in operations	(249,270)	(2,544,495)
Taxation refunded/(paid)	1,599	(31,278)
Net cash used in operating activities	(247,671)	(2,575,773)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/sale of financial investments AFS and HTM	(122,188)	1,069,957
Interest received from financial investments AFS and HTM	149,263	138,671
Property, plant and equipment:		
- Purchase	(16,707)	(10,708)
- Proceeds from disposal	100	646
Intangible assets:		
- Purchase	(6,443)	(3,955)
Dividend income received	5,535	2,171
Net cash inflow from disposal of a subsidiary	265	-
Net cash inflow from disposal of an associate	9,070	-
Acquisition of shares from non-controlling interests	-	(13,819)
Net cash generated from investing activities	18,895	1,182,963
CASH FLOWS FROM FINANCING ACTIVITIES		
Net redemption of subordinated bonds	-	(141,342)
Net drawdown of borrowings	160,456	318,488
Dividend paid to shareholder	(14,200)	(17,005)
Dividend paid to non-controlling interest	-	(9,387)
Net cash generated from financing activities	146,256	150,754
Net decrease in cash and cash equivalents	(82,520)	(1,242,056)
Effects of exchange rate differences	(1,011)	4,892
Cash and cash equivalents		
- at the beginning of the financial period	1,065,190	1,911,815
- at the end of the financial period	981,659	674,651
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	981,659	674,651

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RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Nine Months Ended	
	30 September 2014	30 September 2013
	RM '000	(Restated) RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	161,553	80,636
Adjustments for non-cash items	(188,614)	(156,971)
Operating loss before working capital changes	(27,061)	(76,335)
Changes in working capital:		
Net changes in operating assets	151,691	504,286
Net changes in operating liabilities	(295,312)	(2,481,982)
Cash used in operations	(170,682)	(2,054,031)
Taxation refunded/(paid)	9,659	(20,705)
Net cash used in operating activities	(161,023)	(2,074,736)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/sale of financial investments AFS and HTM	(31,423)	1,112,425
Interest received from financial investments AFS and HTM	144,906	138,661
Property, plant and equipment:		
- Purchase	(6,596)	(4,159)
- Proceeds from disposal	-	1
Intangible assets:		
- Purchase	(3,154)	(2,097)
Dividend income received	13,538	1,071
Additional investments in subsidiaries	(10,410)	(112,909)
Proceeds from disposal of a subsidiary	6,532	-
Proceeds from disposal of an associate	9,070	-
Net cash generated from investing activities	122,463	1,132,993
CASH FLOWS FROM FINANCING ACTIVITIES		
Net redemption of subordinated bonds	-	(141,342)
Dividend paid to shareholder	(14,200)	(17,005)
Net cash used in financing activities	(14,200)	(158,347)
Net decrease in cash and cash equivalents	(52,760)	(1,100,090)
Cash and cash equivalents		
- at the beginning of the financial period	793,935	1,509,772
- at the end of the financial period	741,175	409,682
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	741,175	409,682

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

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 Malaysian Accounting Standards Boards ('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 2013.

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 2013, 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 2014:

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendments to MFR 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFR 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFR 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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

Predecessor accounting

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to retained earnings. No additional goodwill is recognised.

The acquired entity's results, assets and liabilities are consolidated from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements reflect both entities' full years results. The corresponding amounts for the previous year reflect the combined results of both entities.

2 Auditors' Report

The auditors' report for the financial year ended 31 December 2013 was not subjected 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 2014.

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 2014.

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 nine months ended 30 September 2014.

7 Dividends Paid

The dividends paid by the Bank since 31 December 2013 were as follows:

In respect of the financial year ending 31 December 2014:

Single-tier interim dividend of 1.7346 sen per share, paid on 24 September 2014

RM'000

14,200

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8 Financial Assets Held-for-trading

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	-	128,150	-	128,150
Malaysian Government Investment Issues	-	121,510	-	121,510
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	99,942	59,044	99,942	59,044
Unit trusts	55,982	1,486	-	-
Outside Malaysia				
Shares, exchange traded funds and warrants	180,924	52,962	14,441	4,879
Unit trusts	25,044	34,008	-	14,207
<u>Unquoted securities:</u>				
In Malaysia				
Private debt securities	40,000	475,529	40,000	475,529
Outside Malaysia				
Private debt securities	15,139	353,805	7	258,550
	417,031	1,226,494	154,390	1,061,869

Included in financial assets HFT of the Group and the Bank are private debt securities outside Malaysia, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM Nil (31.12.2013: RM200,296,000).

In 2008, the Bank reclassified a portion of their financial assets HFT into financial investments AFS. The reclassifications have been accounted for in accordance with Bank Negara Malaysia's ('BNM') circular on "Reclassification of Securities under Specific Circumstances" dated 17 October 2008, which is effective from 1 July 2008 until 31 December 2009.

The effect of the reclassification on the income statements for the period from the date of reclassification to 30 September 2014 were as follows:

	Group and Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
<u>Reclassified from financial assets HFT to financial investments AFS</u>		
- Carrying value	30,370	31,214
- Fair value	30,065	30,798
Fair value losses that would have been recognised if the financial assets HFT had not been reclassified	(305)	(416)

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9 Financial Investments Available-for-sale

	Group		Bank	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	379,608	407,032	379,608	407,032
Malaysian Government Investment Issues	512,248	520,724	512,248	520,724
Cagamas bonds	75,327	45,119	75,327	45,119
Khazanah bonds	49,346	47,725	49,346	47,725
Negotiable instruments of deposits	201,084	403,558	201,084	403,558
Bankers' acceptances and Islamic accepted bills	590,847	378,121	590,847	378,121
Sukuk Perumahan Kerajaan Bonds ('SPK')	68,495	66,613	68,495	66,613
<u>Quoted securities:</u>				
In Malaysia				
Shares and warrants	47	828	10	789
Loan stocks	-	1,495	-	1,495
Unit trusts	8,378	5,571	-	-
Outside Malaysia				
Shares and warrants	1,412	1,300	-	-
Unit trusts	28,595	4,081	23,865	-
<u>Unquoted securities:</u>				
In Malaysia				
Private and Islamic debt securities	1,474,438	1,443,564	1,474,438	1,443,564
Shares	73,699	72,237	25,903	24,369
Loan stocks	13,783	39,543	13,783	39,543
Prasarana bonds	35,063	19,816	35,063	19,816
Outside Malaysia				
Private and Islamic debt securities	510,029	356,111	425,482	355,970
Shares	23,648	34,237	-	-
Loan stocks	2,042	2,093	-	-
	4,048,089	3,849,768	3,875,499	3,754,438
Accumulated impairment losses	(155,069)	(181,410)	(153,509)	(179,811)
	3,893,020	3,668,358	3,721,990	3,574,627

Included in financial investments AFS of the Group and the Bank are private debt securities outside Malaysia, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM40,380,000 and RM NIL (31.12.2013: RM260,231,000 and RM260,231,000) respectively.

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10 Financial Investments Held-to-maturity

	Group and Bank	
	As at 30 September 2014	As at 31 December 2013
At amortised cost	RM'000	RM'000
<u>Money market instruments:</u>		
Malaysian Government Securities	20,260	20,516
Malaysian Government Investment Issues	478,099	508,053
Cagamas bonds	50,684	50,426
Khazanah bonds	10,181	9,887
Wakala Global Sukuk	6,972	7,078
<u>Unquoted Securities:</u>		
In Malaysia		
Private and Islamic debt securities	328,416	388,362
Bonds	23	23
Loan stocks	32,692	35,708
Prasarana bonds	40,921	50,551
Outside Malaysia		
Private and Islamic debt securities	33,027	50,276
	1,001,275	1,120,880
Accumulated impairment losses	(160,261)	(166,293)
	841,014	954,587

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11 Loans and Advances

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
At amortised cost				
Term Loans				
- syndicated term loans	321,664	26,388	321,664	26,388
- other term loans	809,741	1,314,912	759,040	1,302,200
Share margin financing	1,439,949	1,087,387	795,324	512,846
Revolving credits	-	-	65,597	41,831
Staff loans	1,592	2,281	1,592	2,281
Gross loans and advances	2,572,946	2,430,968	1,943,217	1,885,546
Allowance for impaired loans and advances				
- individual impairment allowance	(32,137)	(29,592)	(28,684)	(29,592)
- collective impairment allowance	(7,671)	(7,629)	(7,671)	(7,629)
Net loans and advances	2,533,138	2,393,747	1,906,862	1,848,325
(i) By type of customer				
Domestic business enterprises				
- small and medium enterprises	28,962	35,702	28,962	35,702
- others	962,469	1,268,327	962,469	1,268,327
Individuals	567,867	273,049	567,867	273,049
Other domestic entities	4,012	4,014	4,012	4,014
Foreign entities				
- Malaysia operations	314,310	262,623	379,907	304,454
- Singapore operations	271,828	275,148	-	-
- Hong Kong operations	174,438	148,102	-	-
- Indonesia operations	17,130	20,639	-	-
- Thailand operations	231,930	143,364	-	-
	2,572,946	2,430,968	1,943,217	1,885,546
(ii) By geographical distribution				
In Malaysia	1,877,620	1,843,715	1,943,217	1,885,546
Outside Malaysia				
- Singapore operations	271,828	275,148	-	-
- Hong Kong operations	174,438	148,102	-	-
- Indonesia operations	17,130	20,639	-	-
- Thailand operations	231,930	143,364	-	-
	2,572,946	2,430,968	1,943,217	1,885,546

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

11 Loans and Advances (cont'd)

	Group		Bank	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
(iii) By interest rate sensitivity	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- other fixed rate loans	1,902,593	1,567,122	1,603,051	1,313,166
Variable rate				
- cost plus	235,024	720,479	300,621	572,377
- base lending rate plus	435,329	143,367	39,545	3
	2,572,946	2,430,968	1,943,217	1,885,546
(iv) By purpose				
Purchase of securities	2,337,636	2,013,238	1,642,310	1,425,985
Purchase of transport vehicles	102	242	102	242
Purchase of landed property:				
- residential	1,492	2,042	1,492	2,042
- non-residential	150,401	81,324	150,401	81,324
Construction	17,652	6,878	17,652	6,878
Working capital	2,257	245,000	67,854	286,831
Other purpose	63,406	82,244	63,406	82,244
	2,572,946	2,430,968	1,943,217	1,885,546
(v) By remaining contractual maturities				
Maturity within one year	2,030,464	1,557,308	1,400,735	1,011,913
One year to three years	455,963	845,260	455,963	845,233
Three years to five years	57,457	20	57,457	20
Over five years	29,062	28,380	29,062	28,380
	2,572,946	2,430,968	1,943,217	1,885,546

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

11 Loans and Advances (cont'd)

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
(vi) Impaired Loans and Advances				
(a) Movements in impaired loans and advances				
Balance as at the beginning of the financial period/year	78,915	247,539	78,915	247,539
Classified as impaired during the financial period/year	28,930	69,227	25,073	69,227
Transfer from financial investments AFS	39,543	-	39,543	-
Reclassified as non-impaired during the financial period/year	(6,878)	(186,062)	(6,878)	(186,062)
Amount recovered	(54,797)	(51,789)	(54,797)	(51,789)
Amount written off	(335)	-	(335)	-
Balance as at the end of the financial period/year	<u>85,378</u>	<u>78,915</u>	<u>81,521</u>	<u>78,915</u>
(b) By purpose				
Purchase of securities	80,012	48,666	76,155	48,666
Construction	-	6,878	-	6,878
Other purpose	5,366	23,371	5,366	23,371
	<u>85,378</u>	<u>78,915</u>	<u>81,521</u>	<u>78,915</u>
(c) By geographical distribution				
In Malaysia	81,521	78,915	81,521	78,915
Outside Malaysia: - Singapore operations	3,857	-	-	-
	<u>85,378</u>	<u>78,915</u>	<u>81,521</u>	<u>78,915</u>
(d) Movements in allowances for impaired loan and advances				
Individual impairment allowance				
Balance as at the beginning of the financial period/year	29,592	23,737	29,592	23,737
Net allowance (written back)/made	(26,820)	5,855	(30,240)	5,855
Transfer from financial investments AFS	29,666	-	29,666	-
Amount written off	(334)	-	(334)	-
Exchange differences	33	-	-	-
Balance as at the end of the financial period/year	<u>32,137</u>	<u>29,592</u>	<u>28,684</u>	<u>29,592</u>

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11 Loans and Advances (cont'd)

	Group and Bank	
	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000
(vi) Impaired Loans and Advances (cont'd)		
(d) Movements in allowances for impaired loan and advances (cont'd)		
Collective impairment allowance		
Balance as at the beginning of the financial period/year	7,629	4,971
Net allowance made	42	2,658
	<u>7,671</u>	<u>7,629</u>

12 Clients' and Brokers' Balances

	Group		Bank	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000	RM'000	RM'000
Amounts owing by clients	1,273,359	732,340	560,390	376,004
Allowance for impairment losses:				
- individual impairment allowance	(36,587)	(37,301)	(6,364)	(1,547)
- collective impairment allowance	(5,788)	(4,175)	(4,012)	(4,175)
	<u>1,230,984</u>	<u>690,864</u>	<u>550,014</u>	<u>370,282</u>
Amounts owing by brokers	558,972	202,262	129,008	87,270
Allowance for impairment losses:				
- individual impairment allowance	(1,008)	(1,014)	(1,008)	(1,014)
	<u>557,964</u>	<u>201,248</u>	<u>128,000</u>	<u>86,256</u>
Amounts owing by clearing houses and stock exchanges	577,796	1,681,471	110,018	87,228
	<u>2,366,744</u>	<u>2,573,583</u>	<u>788,032</u>	<u>543,766</u>
Individual impairment allowance				
Balance as at the beginning of the financial period/year	38,315	10,369	2,561	3,947
Amount (written back)/made	(417)	28,162	4,811	(840)
Amount written off	-	(660)	-	(546)
Exchange differences	(303)	444	-	-
Balance as at the end of the financial period/year	<u>37,595</u>	<u>38,315</u>	<u>7,372</u>	<u>2,561</u>

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12 Clients' and Brokers' Balances (cont'd)

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Collective impairment allowance				
Balance as at the beginning of the financial period/year	4,175	6,088	4,175	6,088
Net allowance made/(written back)	1,613	(1,913)	(163)	(1,913)
Balance as at the end of the financial period/year	<u>5,788</u>	<u>4,175</u>	<u>4,012</u>	<u>4,175</u>

13 Other Assets

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Other debtors	89,638	101,829	53,884	59,922
Amount receivable for release of units due from funds	29,563	22,287	-	-
Deposits	37,087	44,086	6,742	8,840
Prepayments	24,185	18,404	12,479	10,375
Amount due from reverse repo transactions	242,749	32,915	242,748	32,915
Transferable memberships	333	334	271	271
Amount due from holding company	7	7	-	-
Amounts due from subsidiaries	-	-	9,119	6,800
Amounts due from related companies	3,334	3,584	107	106
	<u>426,896</u>	<u>223,446</u>	<u>325,350</u>	<u>119,229</u>

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14 Deposits from Customers

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
(i) By type of deposits				
Short term deposits	429,657	574,847	510,629	625,652
Fixed/investments deposits	2,227,050	1,876,315	2,227,050	1,900,329
Negotiable instruments of deposits	33,748	33,267	33,748	33,267
	<u>2,690,455</u>	<u>2,484,429</u>	<u>2,771,427</u>	<u>2,559,248</u>
(ii) By type of customers				
Government and statutory bodies	483,021	490,266	483,021	490,266
Business enterprises	2,093,569	1,870,841	2,174,541	1,945,660
Individuals	113,865	121,428	113,865	121,428
Foreign customers	-	1,894	-	1,894
	<u>2,690,455</u>	<u>2,484,429</u>	<u>2,771,427</u>	<u>2,559,248</u>
(iii) By maturity structure of fixed/ investment deposits and negotiable instruments of deposits				
Due within six months	2,622,352	2,430,022	2,703,324	2,504,841
Six months to one year	61,645	47,946	61,645	47,946
One year to three years	6,458	6,359	6,458	6,359
Three years to five years	-	102	-	102
	<u>2,690,455</u>	<u>2,484,429</u>	<u>2,771,427</u>	<u>2,559,248</u>

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15 Deposits and Placements of Banks and Other Financial Institutions

	Group and Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Licensed banks	511,345	463,834
Licensed investment banks	120,139	210,772
Bank Negara Malaysia	24,826	25,425
Other financial institutions	3,439,599	3,920,647
	4,095,909	4,620,678

16 Other Liabilities

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Other creditors and accruals	95,719	119,320	56,192	45,190
Short-term employee benefits	76,490	78,479	46,946	49,000
Remisiers' trust deposits	61,299	55,674	61,299	55,674
Amount payable for creation of units due to funds	19,510	25,898	-	-
Amount payable for redemption units	7,325	18,048	-	-
Amount due to holding company	503	490	503	488
Amounts due to subsidiaries	-	-	4,705	3,978
Amounts due to related companies	50,655	17,263	48,280	15,763
	311,501	315,172	217,925	170,093

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	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
17 Interest Income				
Group				
Loans and advances	47,243	42,670	138,634	110,152
Money at call and deposit placements with banks and other financial institutions	11,050	10,244	26,162	55,485
Financial assets held-for-trading	1,358	4,843	13,729	24,217
Financial investments available-for-sale	39,304	40,296	108,920	108,853
Financial investments held-to-maturity	7,553	9,628	24,993	28,036
Others	4,136	3,531	10,322	11,798
	110,644	111,212	322,760	338,541
Of which:				
Interest income accrued on impaired loans and advances	2,125	4,505	5,142	13,805
Bank				
Loans and advances	35,830	31,474	103,999	82,111
Money at call and deposit placements with banks and other financial institutions	9,927	8,568	22,297	49,842
Financial assets held-for-trading	1,241	2,810	13,606	20,242
Financial investments available-for-sale	37,555	40,292	104,563	108,844
Financial investments held-to-maturity	7,553	9,628	24,993	28,036
Others	1,153	908	3,129	4,439
	93,259	93,680	272,587	293,514
Of which:				
Interest income accrued on impaired loans and advances	2,066	4,505	4,967	13,805
18 Interest Expense				
Group				
Deposits and placements of banks and other financial institutions	36,300	36,097	112,423	120,194
Deposits from customers	24,805	21,731	64,046	73,480
Subordinated obligations	4,761	5,049	14,035	18,774
Borrowings	4,323	2,644	9,329	4,879
Others	413	804	964	1,674
	70,602	66,325	200,797	219,001
Bank				
Deposits and placements of banks and other financial institutions	36,300	36,097	112,423	120,194
Deposits from customers	25,325	22,359	65,528	75,311
Subordinated obligations	4,761	5,049	14,035	18,774
	66,386	63,505	191,986	214,279

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
19 Other Operating Income				
Group				
a) Fee Income				
- Net brokerage	97,848	98,800	270,981	293,028
- Fund management fees	29,613	26,195	81,133	72,781
- Fee on loans and advances	2,526	4,314	13,414	9,892
- Corporate advisory fees	23,856	11,765	53,826	35,796
- Arrangement fees	28,139	10,359	39,047	27,491
- Underwriting fees	10,002	8,353	18,958	12,618
- Unit trust fee income	16,962	12,142	36,288	66,073
- Other fee income	44,607	29,882	100,769	65,071
	253,553	201,810	614,416	582,750
b) Net gain/(loss) arising from financial assets HFT				
- net gain/(loss) on disposal	24,005	(12,589)	42,283	(7,788)
- net gain/(loss) on revaluation	4,510	6,817	1,349	(7,431)
- gross dividend income	1,782	655	3,906	1,284
	30,297	(5,117)	47,538	(13,935)
c) Net gain/(loss) arising from derivatives				
- net gain/(loss) on disposal	7,564	(880)	132	(26,062)
- net (loss)/gain on revaluation	(8,714)	3,880	8,669	17,820
- unexpired structured warrants	5,074	(1,859)	(4,680)	21,705
	3,924	1,141	4,121	13,463
d) Net gain/(loss) arising from financial investments AFS				
- net gain/(loss) on disposal	3,758	894	(5,821)	14,320
- gross dividend income	926	428	1,629	973
	4,684	1,322	(4,192)	15,293
e) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	271	-	274	10
f) Other income				
- Net foreign exchange gain/(loss)				
- realised	12,967	(17,521)	26,972	2,169
- unrealised	(1,948)	24,624	(2,178)	26,057
- Gain on disposal of property, plant and equipment	-	2	5	198
- Gain on disposal of an associate	8,202	-	8,202	-
- Loss on disposal of a subsidiary	-	-	(247)	-
- Other non-operating income	2,539	1,388	8,098	7,825
	21,760	8,493	40,852	36,249
	314,489	207,649	703,009	633,830

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
19 Other Operating Income (cont'd)				
Bank				
a) Fee Income				
- Net brokerage	65,164	59,140	181,440	159,538
- Fee on loans and advances	2,523	2,130	10,768	6,941
- Corporate advisory fees	6,547	11,646	22,632	28,368
- Arrangement fees	28,159	5,860	37,047	15,295
- Underwriting fees	5,624	1,161	8,484	2,321
- Other fee income	32,770	15,276	80,851	35,100
	140,787	95,213	341,222	247,563
b) Net gain/(loss) arising from financial assets HFT				
- net gain/(loss) on disposal	18,178	(13,836)	25,928	(10,596)
- net gain/(loss) on revaluation	802	10,330	(8,181)	(7,295)
- gross dividend income	315	183	940	812
	19,295	(3,323)	18,687	(17,079)
c) Net gain arising from derivatives				
- net gain/(loss) on disposal	9,618	(416)	8,174	(26,763)
- net (loss)/gain on revaluation	(6,245)	3,043	11,919	16,821
- unexpired structured warrants	5,074	(1,859)	(4,680)	21,705
	8,447	768	15,413	11,763
d) Net gain/(loss) arising from financial investments AFS				
- net gain/(loss) on disposal	3,758	894	(5,821)	14,320
- gross dividend income	-	21	98	342
	3,758	915	(5,723)	14,662
e) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	271	-	274	10
f) Other income				
- Foreign exchange gain/(loss)				
- realised	11,273	(18,105)	24,763	(7)
- unrealised	(482)	24,684	(888)	26,798
- Loss on disposal of property, plant and equipment	-	-	-	(1)
- Gross dividend income from subsidiaries				
- in Malaysia	-	-	12,500	-
- outside Malaysia	-	-	-	9,570
- Loss on disposal of an associate	(3)	-	(3)	-
- Loss on disposal of a subsidiary	-	-	(2,696)	-
- Other non-operating income	336	1,190	1,001	4,428
	11,124	7,769	34,677	40,788
	183,682	101,342	404,550	297,707

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	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
20 Other Operating Expenses				
Group				
<u>Personnel costs</u>				
- Salaries, bonus and allowances	101,181	89,230	287,030	256,399
- Defined contribution plan	12,437	9,274	33,867	25,491
- Other staff related costs	18,518	12,962	42,397	35,226
	132,136	111,466	363,294	317,116
<u>Establishment costs</u>				
- Property, plant and equipment				
- depreciation	5,783	5,443	16,919	17,763
- written off	13	15	137	473
- Amortisation of intangible assets	5,272	4,854	16,008	14,871
- Information technology expenses	4,935	3,875	12,864	9,303
- Repair and maintenance	2,069	2,398	7,262	10,126
- Security and escorting charges	209	185	543	523
- Rental of premises	10,454	10,635	31,192	30,904
- Water and electricity	2,028	2,065	5,439	4,938
- Rental of equipment	1,273	1,139	3,374	3,986
- Insurance	1,767	1,740	4,820	3,170
- Others	3,599	2,932	11,047	10,380
	37,402	35,281	109,605	106,437
<u>Marketing expenses</u>				
- Sales commission	19,932	12,481	42,571	58,842
- Advertisements and publicity	3,336	1,735	7,201	8,498
- Others	17,328	21,760	40,039	50,345
	40,596	35,976	89,811	117,685
<u>Administration and general expenses</u>				
- Communication expenses	13,944	15,019	42,861	45,865
- Legal and professional fees	1,183	1,253	4,744	4,694
- Others	16,059	14,927	37,306	41,925
	31,186	31,199	84,911	92,484
	241,320	213,922	647,621	633,722

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
20 Other Operating Expenses (cont'd)				
Bank				
<u>Personnel costs</u>				
- Salaries, bonus and allowances	59,915	49,269	159,447	140,256
- Defined contribution plan	9,489	6,119	24,821	17,278
- Other staff related costs	15,176	7,577	30,277	19,086
	84,580	62,965	214,545	176,620
<u>Establishment costs</u>				
- Property, plant and equipment				
- depreciation	3,004	2,670	8,403	9,869
- written off	12	-	12	-
- Amortisation of intangible assets	4,308	4,175	13,181	12,630
- Information technology expenses	2,381	2,214	5,963	5,107
- Repair and maintenance	1,317	1,876	5,039	7,985
- Security and escorting charges	151	110	311	350
- Rental of premises	5,046	5,214	14,955	15,291
- Water and electricity	1,548	1,332	4,062	3,611
- Rental of equipment	533	484	1,155	1,874
- Insurance	1,209	1,253	3,371	2,186
- Others	2,154	1,775	6,579	5,832
	21,663	21,103	63,031	64,735
<u>Marketing expenses</u>				
- Sales commission	9,949	246	12,635	660
- Advertisements and publicity	2,151	1,078	4,541	4,836
- Others	2,635	2,294	7,856	7,279
	14,735	3,618	25,032	12,775
<u>Administration and general expenses</u>				
- Communication expenses	7,452	8,705	23,065	27,083
- Legal and professional fees	718	(342)	1,938	1,815
- Others	8,063	9,096	25,160	23,952
	16,233	17,459	50,163	52,850
	137,211	105,145	352,771	306,980

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2014	(Restated) 30 September 2013	30 September 2014	(Restated) 30 September 2013
	RM'000	RM'000	RM'000	RM'000
21 Allowance for Impairment on Loans, Advances and Other Losses				
Group				
Individual impairment allowance				
- made	34	(1,528)	(3,744)	(1,957)
- written back	4,159	1,683	30,564	8,805
Collective impairment allowance (made)/written back	1,859	(475)	(42)	(2,554)
Bad debts recovered/(written off)	2	9	(274)	(37)
Allowance (made)/written back for impairment on other debtors	(5,377)	211	(2,651)	2,065
	<u>677</u>	<u>(100)</u>	<u>23,853</u>	<u>6,322</u>
Bank				
Individual impairment allowance				
- made	-	(1,365)	(324)	(1,793)
- written back	4,159	1,683	30,564	8,805
Collective impairment allowance (made)/written back	1,859	(475)	(42)	(2,554)
Bad debts recovered/(written off)	2	-	(311)	9
Allowance (made)/written back for impairment on other debtors	(5,295)	118	(5,811)	2,328
	<u>725</u>	<u>(39)</u>	<u>24,076</u>	<u>6,795</u>

22 Earnings Per Share

The basic earnings per share ('EPS') of the Group is calculated by dividing the net profit attributable to the owner of the Bank for the third quarter and nine months ended 30 September 2014 by the weighted average number of ordinary shares in issue during the financial period.

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23 Capital Adequacy Ratio

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

Effective 1 January 2013, the capital ratios of the Group and the Bank have been computed based on BNM's Capital Adequacy Framework (Capital Components) issued on 28 November 2012.

The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Common Equity Tier I Capital ("CET I")/				
Tier I Capital				
Paid-up ordinary share capital	818,646	818,646	818,646	818,646
Share premium	1,515,150	1,515,150	1,515,150	1,515,150
Retained profits	218,031	206,734	194,578	176,310
Other reserves	291,032	255,781	311,018	278,549
AFS reserves	(9,369)	(25,948)	(9,001)	(32,510)
	2,833,490	2,770,363	2,830,391	2,756,145
Less: Goodwill	(1,269,934)	(1,269,934)	(1,118,418)	(1,118,418)
Investments in subsidiaries, associates and joint ventures (portion deducted from CET I Capital)*	(5,694)	-	(220,255)	-
Intangible assets (include associated deferred tax liabilities)	(53,605)	(68,406)	(29,639)	(42,967)
Securitisation exposure subject to deductions	(478)	(1,744)	(478)	(1,744)
Other deductions	(1,791)	(2,019)	(1,791)	(2,019)
Deferred tax assets	(13,799)	(17,700)	(7,203)	(11,382)
Reduction in excess of Tier II Capital due to insufficient Tier II Capital#	-	-	(333,513)	(554,041)
Total CET I Capital	1,488,189	1,410,560	1,119,094	1,025,574
Qualifying non-controlling interests recognised as Tier I Capital	18,964	31,301	-	-
Total Tier I Capital	1,507,153	1,441,861	1,119,094	1,025,574
Tier II Capital				
Subordinated obligations**	539,765	545,000	539,765	545,000
Qualifying non-controlling interests recognised as Tier II Capital	3,290	5,665	-	-
Collective impairment allowance^	9,521	7,714	7,744	7,714
	552,576	558,379	547,509	552,714
Less: Investments in subsidiaries, associates and joint ventures	(22,776)	(29,044)	(547,509)	(552,714)
Total Tier II Capital	529,800	529,335	-	-
Total Capital	2,036,953	1,971,196	1,119,094	1,025,574

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23 Capital Adequacy Ratio (cont'd)

The capital adequacy ratios of the Group and the Bank are as follows: (cont'd)

	Group		Bank	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000	RM'000	RM'000
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	29.361%	24.766%	30.852%	24.556%
Tier I Capital Ratio	29.735%	25.316%	30.852%	24.556%
Total Capital Ratio	40.188%	34.610%	30.852%	24.556%
After proposed dividends:				
CET I Capital Ratio	29.361%	24.766%	30.852%	24.556%
Tier I Capital Ratio	29.735%	25.316%	30.852%	24.556%
Total Capital Ratio	40.188%	34.610%	30.852%	24.556%

* Investments in subsidiaries are subject to the gradual deduction in the calculation under CET-I Capital effective from 1 January 2014 as prescribed under paragraph 36.15 of the BNM's Guidelines on Capital Adequacy Framework (Capital Components).

The remaining portion of regulatory adjustments not deducted in calculation of Tier II Capital shall be deducted in the next higher tier of capital as prescribed under paragraph 31.1 of the BNM's Guidelines on 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's Guidelines on Capital Adequacy Framework (Capital Components).

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

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

	Group		Bank	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000	RM'000	RM'000
Credit risk	2,999,491	3,472,531	2,427,484	2,518,192
Market risk	742,352	1,300,494	405,193	1,070,638
Operational risk	1,326,654	922,336	794,545	587,482
Total risk-weighted assets	5,068,497	5,695,361	3,627,222	4,176,312

The total risk-weighted assets of the Group and the Bank are computed based on BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

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24 Commitments and Contingencies

In the normal course of business, the Group and the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. Apart from the allowance for commitments and contingencies already made in the financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

	← 30 September 2014 →			← 31 December 2013 →		
	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
Group						
Obligations under underwriting agreements	52,258	26,129	26,129	267,648	133,824	85,356
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	2,367,615	473,523	152,188	1,733,605	346,721	346,721
- maturity exceeding one year	23,942	11,971	11,974	52,922	26,461	26,466
Foreign exchange related contracts: ^						
- less than one year	370,930	6,338	2,654	669,034	8,599	2,640
- one year to less than five years	2,018,888	235,040	91,112	1,640,120	213,740	58,934
Interest rate related contracts: ^						
- less than one year	1,330,000	5,764	2,639	1,055,000	2,087	417
- one year to less than five years	965,000	15,506	5,791	2,488,680	46,340	11,330
Total	7,128,633	774,271	292,487	7,907,009	777,772	531,864

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

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

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24 Commitments and Contingencies (cont'd)

	← 30 September 2014 →			← 31 December 2013 →		
	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
Bank						
Direct credit substitute #	160,466	160,466	160,466	-	-	-
Obligations under underwriting agreements	52,258	26,129	26,129	228,069	114,035	65,567
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	876,379	175,276	74,134	827,866	165,573	165,573
- maturity exceeding one year	23,942	11,971	11,974	52,922	26,461	26,466
Foreign exchange related contracts: ^						
- less than one year	305,423	5,968	2,580	669,034	8,599	2,640
- one year to less than five years	2,018,888	235,040	91,112	1,640,120	213,740	58,934
Interest rate related contracts: ^						
- less than one year	1,330,000	5,764	2,639	1,055,000	2,087	417
- one year to less than five years	965,000	15,506	5,791	2,488,680	46,340	11,330
Total	5,732,356	636,120	374,825	6,961,691	576,835	330,927

Included in direct credit substitute is financial corporate guarantee amounting to RM160,466,000 (31.12.2013 : RMNil).

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

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

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25 Valuation of Property, Plant and Equipment

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

26 Events Subsequent to the Date of Statements of Financial Position

- a) On 1 October 2014, the Bank has entered into a share sale agreement with RHB Indochina Bank Limited ('RHBIBL') for the acquisition of the entire equity interest in RHB OSK Indochina Securities Limited ('RHBISL') from RHBIBL for a consideration of USD 12,500,000.

The acquisition is subject to the approvals from BNM, Securities Commission of Malaysia ('SC'), National Bank of Cambodia and the Securities and Exchange Commission of Cambodia ('SECC'). Approvals from BNM and the SC were obtained on 25 June 2014 and 1 July 2014 respectively.

The acquisition is an internal reorganisation exercise within RHB Capital Group (holding company of the Bank) and is expected to be completed by the first quarter of 2015.

- b) On 25 August 2014, the Bank has entered into a conditional share purchase agreement with Deutsche Asia Pacific Holdings Pte Ltd ('DAPH') to acquire 36,750,000 ordinary shares of SGD1.00 each, representing the remaining 49% equity interest in DMG & Partners Securities Pte Ltd ('DMG'), not already owned by the Bank, from DAPH for a total cash consideration of SGD123,502,067 (equivalent to approximately RM315.1 million based on exchange rate of SGD1=RM2.5514, being the prevailing exchange rate on 8 July 2014 as published by Bank Negara Malaysia) ('Proposed Acquisition').

The completion of the Proposed Acquisition is conditional upon, among others, the clearance from BNM, SC, Monetary Authority of Singapore and Singapore Exchange Securities Trading Limited. The Singapore Exchange Securities Trading Limited and BNM had, on 7 July 2014 and 6 November 2014 respectively, noted the Proposed Acquisition.

27 Changes in the Composition of the Group

- a) Disposal of RD RHB OSK Indonesia Dynamic Resources Plus Fund

On 7 February 2014, the Bank has disposed of its entire investment in RD RHB OSK Indonesia Dynamic Resources Plus Fund, a subsidiary of the Bank, for a sale proceeds of RM6.5 million.

- b) Subscription of SGD4,000,000 ordinary shares in RHB OSK International Investments Pte Ltd ('ROII')

On 31 March 2014, the Bank subscribed for SGD4,000,000 new ordinary shares in ROII. The issued and paid-up share capital of ROII increased from SGD5,000,000 to SGD9,000,000. The rationale for the increase is to facilitate the subscription of additional shares in RHB OSK Asset Management Pte Ltd as disclosed in Note 27(c).

- c) Subscription of SGD4,000,000 ordinary shares in RHB OSK Asset Management Pte Ltd ('ROAM') by ROII

On 31 March 2014, ROII subscribed for SGD4,000,000 new ordinary shares in ROAM for additional working capital purpose. The issued and paid-up share capital of ROAM increased from SGD5,100,000 to SGD9,100,000.

ROAM is a wholly-owned subsidiary of ROII which in turn is a wholly-owned subsidiary of the Bank. Upon completion of the subscription, the equity interest held by ROII in ROAM remains the same.

- d) On 7 March 2014, the Bank entered into a sale and purchase agreement with iFast Corporation Pte. Ltd. for the sale of all the shares owned by the Bank in iFast-OSK Sdn Bhd ('iFast'), comprising 9.07 million ordinary shares, representing 34.88% of the issued share capital of iFast, at the consideration of RM9.07 million.

The transaction was completed on 18 July 2014, and satisfied wholly in cash.

28 Changes in Profit for the Quarter

For the current financial quarter ended 30 September 2014, the Group recorded a pre-tax profit of RM116.0 million, an increase of 211% as compared to the pre-tax profit of RM37.3 million for the preceding quarter ended 30 June 2014. The higher profit was mainly due to higher other operating income by RM125.1 million and higher impairment losses written back on other assets by RM6.5 million, partially offset with lower allowance for impairment on loans, advances and other losses written back by RM5.5 million, higher other operating expenses by RM45.4 million and lower net interest income by RM2.0 million.

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29 Performance Review

For the nine months ended 30 September 2014, the Group recorded a pre-tax profit of RM202.5 million, 50% higher as compared to the previous corresponding nine months ended 30 September 2013 of RM135.4 million. The increase in profit of RM67.1 million was mainly due to higher other operating income by RM69.2 million, higher allowance for impairment on loans, advances and other losses written back by RM17.5 million and higher net interest income by RM2.4 million, partially offset with lower impairment losses written back on other assets by RM7.2 million and higher other operating expenses by RM13.9 million.

30 Prospects for 2014

Economic growth for the remainder of 2014 is expected to be at a slower pace compared to the 6.3% recorded in 1H 2014. The increase in exports will be lower and domestic demand will be moderated given the effect of the earlier macro prudential measures to rein in household debt as well as the 25 basis point OPR hike in July 2014. GDP for the full year is expected to grow by 5.8%, stronger than 2013. This higher growth is due to increased exports and domestic demand, particularly in private investment and consumer spending.

The Malaysian Banking Sector will continue its growth trend for the rest of the year. This is supported by broadly resilient private investments and the various economic programmes driving SME business growth, although this may be partially offset by some moderation in the household segment.

Our IGNITE 2017 transformation programme initiatives have yielded good results and is continuing to show strong momentum. Barring unforeseen circumstances, the Group's 2014 performance will be better than 2013.

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31 Fair Value of Financial Instruments

Determination of fair value and fair value hierarchy

The Group and the Bank analyse their financial instruments measured at fair value into three categories as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy :

<u>30 September 2014</u>	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
<u>Financial assets</u>				
Financial assets HFT:	361,892	15,139	40,000	417,031
- quoted securities	361,892	-	-	361,892
- unquoted securities	-	15,139	40,000	55,139
Financial investments AFS:	38,432	3,738,335	116,253	3,893,020
- money market instruments	-	1,876,955	-	1,876,955
- quoted securities	38,432	-	-	38,432
- unquoted securities	-	1,861,380	116,253	1,977,633
Derivative assets				
- money market instruments	-	45,462	-	45,462
	400,324	3,798,936	156,253	4,355,513
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instruments	27,096	55,135	-	82,231
<u>31 December 2013</u>				
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
<u>Financial assets</u>				
Financial assets HFT:	147,500	1,037,149	41,845	1,226,494
- money market instruments	-	249,660	-	249,660
- quoted securities	147,500	-	-	147,500
- unquoted securities	-	787,489	41,845	829,334
Financial investments AFS:	11,780	3,501,958	154,620	3,668,358
- money market instruments	-	1,868,892	-	1,868,892
- quoted securities	11,780	-	-	11,780
- unquoted securities	-	1,633,066	154,620	1,787,686
Derivative assets				
- money market instruments	-	48,760	-	48,760
	159,280	4,587,867	196,465	4,943,612
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instruments	16,462	66,001	-	82,463

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31 Fair Value of Financial Instruments (cont'd)

Determination of fair value and fair value hierarchy (cont'd)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy : (cont'd)

<u>30 September 2014</u>	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
<u>Financial assets</u>				
Financial assets HFT:	114,383	7	40,000	154,390
- quoted securities	114,383	-	-	114,383
- unquoted securities	-	7	40,000	40,007
Financial investments AFS:	23,875	3,653,789	44,326	3,721,990
- money market instruments	-	1,876,955	-	1,876,955
- quoted securities	23,875	-	-	23,875
- unquoted securities	-	1,776,834	44,326	1,821,160
Derivative assets				
- money market instruments	-	45,412	-	45,412
	138,258	3,699,208	84,326	3,921,792
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instruments	21,478	59,782	-	81,260
<u>31 December 2013</u>	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
<u>Financial assets</u>				
Financial assets HFT:	78,130	941,894	41,845	1,061,869
- money market instruments	-	249,660	-	249,660
- quoted securities	78,130	-	-	78,130
- unquoted securities	-	692,234	41,845	734,079
Financial investments AFS:	789	3,501,816	72,022	3,574,627
- money market instruments	-	1,868,892	-	1,868,892
- quoted securities	789	-	-	789
- unquoted securities	-	1,632,924	72,022	1,704,946
Derivative assets				
- money market instruments	-	48,760	-	48,760
	78,919	4,492,470	113,867	4,685,256
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instruments	16,462	65,822	-	82,284

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31 Fair Value of Financial Instruments (cont'd)

Valuation techniques and sensitivity analysis

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include quoted securities and unit trusts.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determines fair value based upon valuation techniques that market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. The majority of valuation techniques employ only observable market data. These would include certain bonds, government bonds, corporate debt securities and derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio economic reasons and unquoted corporate loan stocks. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. For unquoted corporate loan stocks, discounted cash flow analysis have been performed to determine the recoverability of the instruments, in accordance with the Group's impairment losses policy.

Current year valuation methodologies were consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2013.

Reconciliation of movements in Level 3 financial instruments

The following represents the changes in Level 3 instruments for the financial period/year ended 30 September 2014 and 31 December 2013 for the Group and the Bank:

	Financial assets HFT		Financial investments AFS	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Balance as at the beginning of the financial period/year	41,845	1,845	154,620	81,413
Total gains/(losses) recognised in other comprehensive income	455	-	(4,351)	16,901
Purchases	-	-	-	59,026
Settlements	(2,300)	-	(60,280)	(15,633)
Reversal of impairment loss	-	-	31,316	-
Impairment losses made	-	-	(5,013)	(12,533)
Transferred from Level 2	-	40,000	-	25,418
Exchange differences	-	-	(39)	28
Balance as at the end of the financial period/year	40,000	41,845	116,253	154,620

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

31 Fair Value of Financial Instruments (cont'd)

Reconciliation of movements in Level 3 financial instruments (cont'd)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 September 2014 and 31 December 2013 for the Group and the Bank: (cont'd)

	Financial assets HFT		Financial investments AFS	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Balance as at the beginning of the financial period/year	41,845	1,845	72,022	58,033
Total gains/(losses) recognised in other comprehensive income	455	-	6,210	(258)
Purchases	-	-	-	13,783
Settlements	(2,300)	-	(60,209)	(12,421)
Reversal of impairment loss	-	-	31,316	-
Impairment losses made	-	-	(5,013)	(12,533)
Transferred from Level 2	-	40,000	-	25,418
Balance as at the end of the financial period/year	40,000	41,845	44,326	72,022

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32 Segment Reporting

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

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

(a) Investment Banking

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

This agreement also offers stockbroking and investment banking products and services to the Group's regional customers in Singapore, Hong Kong, Indonesia and Thailand.

(b) Treasury

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

(c) Asset Management

Asset Management business focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

32 Segment Reporting (cont'd)

Segment Profit and Loss for the Nine Months Ended 30 September 2014

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	623,422	67,464	134,086	-	824,972
Inter-segment revenue	24,599	-	-	(24,599)	-
Segment revenue	648,021	67,464	134,086	(24,599)	824,972
Overhead expenses	(531,416)	(22,113)	(118,691)	24,599	(647,621)
Including:					
Depreciation of property, plant and equipment	(15,579)	(135)	(1,205)	-	(16,919)
Amortisation of intangible assets	(14,262)	(1,473)	(273)	-	(16,008)
Allowance for impairment on loans, advances and other losses	23,637	-	216	-	23,853
Impairment losses written back/(made) on other assets	3,787	(3,363)	-	-	424
	144,029	41,988	15,611	-	201,628
Share of results of associates					634
Share of results of joint ventures					202
Profit before taxation					202,464
Taxation					(33,891)
Net profit for the financial period					168,573

Segment Assets and Liabilities As At 30 September 2014

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	5,579,785	7,786,664	219,455	(1,336,368)	12,249,536
Goodwill	512,391	614,176	143,367	-	1,269,934
Investments in associates and joint ventures					28,470
Tax recoverable					6,139
Deferred tax assets					13,799
Total assets					13,567,878
Segment liabilities	2,510,700	7,073,601	141,996	(191,101)	9,535,196
Tax liabilities					24,140
Deferred tax liabilities					8,985
Borrowings					312,648
Subordinated obligations					557,988
Total liabilities					10,438,957

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)

32 Segment Reporting (cont'd)

Segment Profit and Loss for the Nine Months Ended 30 September 2013

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	554,480	44,784	154,106	-	753,370
Inter-segment revenue	1,877	-	-	(1,877)	-
Segment revenue	556,357	44,784	154,106	(1,877)	753,370
Overhead expenses	(475,537)	(25,347)	(134,715)	1,877	(633,722)
Including:					
Depreciation of property, plant and equipment	(16,412)	(317)	(1,034)	-	(17,763)
Amortisation of intangible assets	(13,468)	(1,331)	(72)	-	(14,871)
Allowance for impairment on loans, advances and other losses	6,585	-	(263)	-	6,322
Impairment losses written back on other assets	359	7,224	-	-	7,583
	87,764	26,661	19,128	-	133,553
Share of results of associates					1,463
Share of results of joint ventures					397
Profit before taxation					135,413
Taxation					(35,842)
Net profit for the financial period					99,571

Segment Assets and Liabilities As At 31 December 2013

	Investment Banking	Treasury	Asset Management	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	5,293,152	8,283,705	227,227	(1,207,725)	12,596,359
Goodwill	512,391	614,176	143,367	-	1,269,934
Investments in associates and joint ventures					29,044
Tax recoverable					32,701
Deferred tax assets					17,345
Total assets					13,945,383
Segment liabilities	2,591,447	7,668,715	89,616	(98,809)	10,250,969
Tax liabilities					10,384
Deferred tax liabilities					11,028
Borrowings					152,192
Subordinated obligations					559,099
Total liabilities					10,983,672

33 Restatement of comparatives

The Group and the Bank have restated certain comparatives to reflect the effect of acquisition of assets and liabilities of OSKIB by applying predecessor accounting. Arising from this, certain comparatives for preceding corresponding quarter have been restated.