

RHB INVESTMENT BANK BERHAD (19663-P)
UNAUDITED CONSOLIDATED RESULTS
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007

UNAUDITED CONDENSED BALANCE SHEETS AS AT 30 SEPTEMBER 2007

	Group		Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Assets				
Cash and short term funds	2,050,903	1,111,241	1,993,589	1,085,102
Securities purchased under resale agreements	11,200	165,304	-	152,454
Deposits and placements with banks and other financial institutions	144,575	443,620	144,575	443,620
Securities held-for-trading	3,379,393	3,169,990	3,376,530	3,164,443
Securities available-for-sale ('AFS')	343,543	449,496	343,543	449,496
Securities held-to-maturity	323,473	338,016	323,473	338,016
Loans and advances	878,576	651,283	878,576	651,283
Clients' and brokers' balances	398,527	177,027	398,527	177,027
Other assets	82,612	74,516	60,906	52,106
Amount due from a subsidiary	-	-	1,280	327
Statutory deposit with Bank Negara Malaysia	78,986	69,206	78,986	69,206
Investment in subsidiaries	-	-	38,091	38,172
Tax recoverable	30,371	33,793	31,857	35,197
Deferred tax assets	2,967	3,087	2,921	2,921
Property, plant and equipment	14,736	19,028	11,924	16,106
Goodwill	172,844	172,844	159,280	159,280
Total assets	7,912,706	6,878,451	7,844,058	6,834,756
Liabilities and shareholder's equity				
Deposits from customers	4,375,987	1,862,853	4,375,987	1,862,853
Deposits and placements of banks and other financial institutions	1,987,465	1,953,124	1,987,465	1,953,124
Obligations on securities sold under repurchase agreements	-	1,809,837	-	1,809,837
Clients' and brokers' balances	485,710	251,372	485,710	251,372
Taxation	1,547	5,366	-	5,328
Deferred tax liabilities	7,038	13,602	7,019	13,597
Other liabilities	142,753	107,296	94,335	75,464
Subordinated bonds	165,000	165,000	165,000	165,000
Total liabilities	7,165,500	6,168,450	7,115,516	6,136,575
Share capital	338,646	338,646	338,646	338,646
Reserves	408,560	371,355	389,896	359,535
Shareholder's equity	747,206	710,001	728,542	698,181
Total liabilities and shareholder's equity	7,912,706	6,878,451	7,844,058	6,834,756
Commitments and Contingencies	6,415,975	6,731,183	6,415,975	6,731,183

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006).

**UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

	Group			
	3 months ended 30.09.2007	9 months ended 30.09.2007	3 months ended 30.09.2006	9 months ended 30.09.2006
	RM'000	RM'000	RM'000	RM'000
Interest income	86,515	238,792	52,770	128,741
Interest expense	<u>(67,587)</u>	<u>(185,011)</u>	<u>(40,786)</u>	<u>(96,515)</u>
Net interest income	18,928	53,781	11,984	32,226
Other operating income	<u>63,113</u>	<u>183,670</u>	<u>37,158</u>	<u>123,557</u>
Net income	82,041	237,451	49,142	155,783
Other operating expenses	<u>(39,678)</u>	<u>(122,967)</u>	<u>(33,983)</u>	<u>(88,714)</u>
Operating profit before allowances	42,363	114,484	15,159	67,069
Allowances for losses on loans and other losses	(8,227)	(17,254)	(6,062)	(16,372)
Allowances for impairment loss	<u>5,037</u>	<u>5,203</u>	-	-
Profit before taxation	39,173	102,433	9,097	50,697
Taxation	<u>(10,688)</u>	<u>(27,932)</u>	<u>(1,710)</u>	<u>(14,264)</u>
Net profit for the period	<u>28,485</u>	<u>74,501</u>	<u>7,387</u>	<u>36,433</u>
Basic earnings per share (sen)	<u>8.4</u>	<u>22.0</u>	<u>2.2</u>	<u>10.8</u>

	Bank			
	3 months ended 30.09.2007	9 months ended 30.09.2007	3 months ended 30.09.2006	9 months ended 30.09.2006
	RM'000	RM'000	RM'000	RM'000
Interest income	86,312	238,185	52,515	127,897
Interest expense	<u>(67,587)</u>	<u>(185,011)</u>	<u>(40,785)</u>	<u>(96,514)</u>
Net interest income	18,725	53,174	11,730	31,383
Other operating income	<u>51,490</u>	<u>140,337</u>	<u>107,966</u>	<u>183,460</u>
Net income	70,215	193,511	119,696	214,843
Other operating expenses	<u>(29,998)</u>	<u>(88,735)</u>	<u>(23,189)</u>	<u>(67,398)</u>
Operating profit before allowances	40,217	104,776	96,507	147,445
Allowances for losses on loans and other losses	(8,227)	(17,254)	(6,062)	(16,372)
Allowances for impairment loss	<u>5,037</u>	<u>5,123</u>	<u>(82,338)</u>	<u>(82,338)</u>
Profit before taxation	37,027	92,645	8,107	48,735
Taxation	<u>(10,016)</u>	<u>(25,057)</u>	<u>(1,522)</u>	<u>(13,752)</u>
Net profit for the period	<u>27,011</u>	<u>67,588</u>	<u>6,585</u>	<u>34,983</u>
Basic earnings per share (sen)	<u>8.0</u>	<u>20.0</u>	<u>1.9</u>	<u>10.3</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

Group	Share capital RM '000	Non-distributable			Distributable	Total RM '000
		Statutory reserve RM '000	Revaluation reserve RM '000	Translation reserve RM '000	Retained profits RM '000	
Balance as at 31.12.06	338,646	255,402	30,223	69	85,661	710,001
Currency translation differences	-	-	-	(69)	-	(69)
Unrealised loss arising in fair value of AFS securities	-	-	2,546	-	-	2,546
AFS reserve realised on disposal	-	-	(21,159)	-	-	(21,159)
AFS reserve realised on impairment	-	-	(4,191)	-	-	(4,191)
Deferred tax	-	-	6,577	-	-	6,577
Income and expense recognised directly in equity	-	-	(16,227)	(69)	-	(16,296)
Net profit for the financial period	-	-	-	-	74,501	74,501
Total recognised income and expenses for the financial period	-	-	(16,227)	(69)	74,501	58,205
Dividend for year ended 31.12.06	-	-	-	-	(21,000)	(21,000)
Balance as at 30.09.07	338,646	255,402	13,996	-	139,162	747,206
Balance as at 31.12.05	338,646	239,009	(9,165)	58	232,909	801,457
Currency translation differences	-	-	-	20	-	20
Unrealised gain arising in fair value of AFS securities	-	-	59,815	-	-	59,815
AFS reserve realised on disposal	-	-	(23,461)	-	-	(23,461)
Deferred tax	-	-	(10,179)	-	-	(10,179)
Income and expense recognised directly in equity	-	-	26,175	20	-	26,195
Net profit for the financial period	-	-	-	-	36,433	36,433
Total recognised income and expenses for the financial period	-	-	26,175	20	36,433	62,628
Dividend for year ended 31.12.05	-	-	-	-	(53,642)	(53,642)
Special dividend for year ended 31.12.06	-	-	-	-	(141,942)	(141,942)
Balance as at 30.09.06	338,646	239,009	17,010	78	73,758	668,501

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006).

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007 (CONTINUED)**

Bank	Share capital RM '000	Non-distributable		Distributable	Total RM '000
		Statutory reserve RM '000	Revaluation reserve RM '000	Retained profits RM '000	
Balance as at 31.12.06	338,646	255,402	30,223	73,910	698,181
Unrealised loss arising in fair value of AFS securities	-	-	2,546	-	2,546
AFS reserve realised on disposal	-	-	(21,159)	-	(21,159)
AFS reserve realised on impairment	-	-	(4,191)	-	(4,191)
Deferred tax	-	-	6,577	-	6,577
Income and expense recognised directly in equity	-	-	(16,227)	-	(16,227)
Net profit for the financial period	-	-	-	67,588	67,588
Total recognised income and expenses for the financial period	-	-	(16,227)	67,588	51,361
Dividend for year ended 31.12.06	-	-	-	(21,000)	(21,000)
Balance as at 30.09.07	338,646	255,402	13,996	120,498	728,542
Balance as at 31.12.05	338,646	239,009	(9,165)	220,316	788,806
Unrealised gain arising in fair value of AFS securities	-	-	59,815	-	59,815
AFS reserve realised on disposal	-	-	(23,461)	-	(23,461)
Deferred tax	-	-	(10,179)	-	(10,179)
Income and expense recognised directly in equity	-	-	26,175	-	26,175
Net profit for the financial period	-	-	-	34,983	34,983
Total recognised income and expenses for the financial period	-	-	26,175	34,983	61,158
Dividend for year ended 31.12.05	-	-	-	(53,642)	(53,642)
Special dividend for year ended 31.12.06	-	-	-	(141,942)	(141,942)
Balance as at 30.09.06	338,646	239,009	17,010	59,715	654,380

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006).

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

	Group		Bank	
	9 months ended 30.09.2007 RM'000	9 months ended 30.09.2006 RM'000	9 months ended 30.09.2007 RM'000	9 months ended 30.09.2006 RM'000
Profit before taxation	102,433	50,697	92,645	48,735
Adjustments for items not involving movement of cash and cash equivalents	(29,229)	(5,785)	(29,796)	76,986
Operating profit before changes in working capital	73,204	44,912	62,849	125,721
Changes in working capital:				
Net changes in operating assets	(133,277)	(2,109,746)	(141,035)	(2,169,927)
Net changes in operating liabilities	1,007,786	2,515,308	991,199	2,479,824
Tax paid	(16,035)	(10,329)	(14,883)	(9,587)
Tax recovered	5,868	-	5,868	-
Net cash generated/(used in) from operating activities	937,546	440,145	903,998	426,031
Net cash generated/(used in) from investing activities	23,116	(8,342)	25,489	(7,179)
Net cash (used in) financing activities	(21,000)	(195,584)	(21,000)	(195,584)
Net change in cash and cash equivalents	939,662	236,219	908,487	223,268
Cash and cash equivalents at beginning of financial period	1,111,241	652,329	1,085,102	637,238
Cash and cash equivalents at end of financial period	2,050,903	888,548	1,993,589	860,506
Analysis of cash and cash equivalents:				
Cash and short term fund	2,050,903	888,548	1,993,589	860,506

(The Condensed Consolidated Cash Flow Statement should be read in Conjunction with the Annual Financial Report for the financial year ended 31 December 2006)

**NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007**

1. Review of the performance

For the nine months ended 30 September 2007, the Group recorded a profit before tax of RM102.4 million, 102% increase compared to the RM50.7 million earned in the previous corresponding period ended 30 September 2006.

For the third quarter ended 30 September 2007, the Group recorded a lower profit before tax of RM39.2 million compared to the preceding quarter ended 30 June 2007 of RM44.6 million.

The Group's net non-performing loans ratio was 6.26% as at 30 September 2007 compared to 15.17% as at 31 December 2006.

The Risk-Weighted Capital ratio for the Bank was 17.15% as at 30 September 2007 compared to 19.64% (after proposed dividend) as at 31 December 2006.

The main subsidiaries of the Bank, RHB Unit Trust Management Berhad and RHB Asset Management Sdn Bhd recorded 9 months pre-tax profit of RM2.7 million (2006: RM2.2 million) and RM6.2 million (2006: RM3.1 million) respectively.

No dividend has been recommended for the 9 months financial period ended 30 September 2007.

The Bank paid the final dividend of 8.49 sen per ordinary share less 27% tax amounting to RM21.0 million for the financial year ended 31 December 2006 on 30 April 2007.

2. Prospects for the current financial year ending 31 December 2007

For the remaining year, the equity market is expected to be buoyant and the overall bond market is expected to be stable in view of a flat interest rate scenario. The outlook for the remaining year is still positive arising from the various incentives to the private sectors provided by the 2008 Budget.

The Bank will continue to capitalize on the above expected scenario and increase efforts in generating both fund based and fee income.

3. Deposits from customers

(i) By type of deposit

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Short term deposits	1,470,956	-
Negotiable instrument of deposits	15,000	-
Fixed deposits	2,890,031	1,862,853
	4,375,987	1,862,853

(ii) By type of customers

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Business enterprises	4,105,427	1,416,442
Government and statutory bodies	270,560	446,411
	4,375,987	1,862,853

4. Deposits and placements of banks and other financial institutions

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Licensed banks	50,000	765,300
Other financial institutions	1,937,465	1,187,824
	1,987,465	1,953,124

5. Securities portfolio

(i) Securities held-for-trading

	Group		Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
At market value				
Money market instruments:				
Khazanah bonds	222,100	219,268	222,100	219,268
Bank Negara bills	-	172,665	-	172,665
Bank Negara monetary notes	79,702	-	79,702	-
Government investment issue	120,380	271,404	120,380	271,404
Malaysian Government securities	216,164	50,013	216,164	50,013
Bankers' acceptance	977,544	687,916	977,544	687,916
Negotiable certificates of deposit	501,076	955,019	501,076	955,019
Private debt securities	1,259,564	808,158	1,259,564	808,158
Quoted securities:				
<u>In Malaysia</u>				
Unit trust	2,863	5,547	-	-
	3,379,393	3,169,990	3,376,530	3,164,443

(ii) Securities available-for-sale

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
At market value		
Money market instruments:		
Private debt securities	326,119	427,981
Quoted securities:		
<u>In Malaysia</u>		
Shares	12,553	10,105
Private debt securities	2,671	9,210
Unquoted securities:		
<u>In Malaysia</u>		
Shares	2,200	2,200
	343,543	449,496

5. Securities portfolio (continued)

(iii) Securities held-to-maturity

	Group and Bank	
	As at 30.09.2007	As at 31.12.2006
	RM'000	RM'000
At amortised cost		
Money market instruments:		
Malaysian Government securities	54,556	54,742
Khazanah bonds	53,478	51,926
Prasarana bonds	98,443	98,232
Private debt securities	179,721	196,853
Unquoted securities:		
<u>In Malaysia</u>		
Shares	2,200	2,200
Bonds	23	23
	388,421	403,976
Less:		
Accumulated Impairment losses	(64,948)	(65,960)
	323,473	338,016

6. Loans and advances

(i) By type

	Group and Bank	
	As at 30.09.2007	As at 31.12.2006
	RM'000	RM'000
Term loans	603,863	388,192
Claims on customers under acceptance credits	15,222	23,202
Revolving credits	226,606	236,756
Margin financing	112,556	102,795
Staff loans	5,702	7,284
Less: Unearned interest	(85)	(56)
Gross loans and advances	963,864	758,173
Less: Allowance for bad and doubtful debts		
- General	(15,553)	(10,432)
- Specific	(69,735)	(96,458)
Total net loans and advances	878,576	651,283

(ii) By type of customer

	Group and Bank	
	As at 30.09.2007	As at 31.12.2006
	RM'000	RM'000
Domestic business enterprises		
- Small medium enterprise	-	55
- Others	777,891	671,497
Domestic non-bank financial institutions	100,109	-
Individuals	82,461	84,487
Foreign entities	3,403	2,134
	963,864	758,173

6. Loans and advances (continued)

(iii) By interest/profit rate sensitivity

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Fixed rate		
Other fixed rate loan	6,267	10,103
Variable rate		
Cost plus	845,041	645,275
Other variable rates	112,556	102,795
	963,864	758,173

(iv) By purpose

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Construction	111,419	67,052
Working capital	293,985	280,360
Purchase of landed property	3,319	3,889
Purchase of non-residential property	15,716	21,045
Purchase of fixed assets other than land & building	58,937	88,560
Purchase of securities	315,445	205,598
Purchase of transport vehicles	2,348	3,307
Personal use	36	88
Other purpose	162,659	88,274
	963,864	758,173

7. Non-performing loans (NPL)

(i) Movements in non-performing loans

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
At beginning of period/year	196,814	187,360
Classified as non-performing during the period/year	-	20,908
Amount recovered	(31,970)	(9,799)
Amount written off	(39,124)	(1,655)
At end of period	125,720	196,814
Specific allowance	(69,735)	(96,458)
Net non-performing loans	55,985	100,356
Ratio of net non-performing loans to net loans	6.26%	15.17%

7. Non-performing loans (NPL) (continued)

(ii) Movements in allowance for bad and doubtful debts

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
General allowance		
At beginning of period/year	10,432	12,056
Allowance written back during the period/year	5,121	(1,624)
At end of period/year	15,553	10,432
As % of gross loans, advances and financing less specific allowance	1.74%	1.58%
Specific allowance		
At beginning of period/year	96,458	52,324
Allowance made during the period/year	19,717	48,135
Amount recovered	(7,329)	(2,347)
Amount written off	(39,111)	(1,654)
At end of period/year	69,735	96,458

(iii) Non-performing loans by purpose

	Group and Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Personal use	-	9
Construction	6,206	7,758
Purchase of transport vehicles	-	4
Purchase of landed property	266	266
Purchase of non-residential property	7,665	7,666
Working capital	77,416	114,900
Purchase of securities	33,881	37,153
Other purpose	286	29,058
	125,720	196,814

8. Interest income

	Group			
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2007	30.09.2007	30.09.2006	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- interest income other than recoveries from NPLs	13,342	35,316	9,759	29,104
- recoveries from NPLs	182	3,582	990	2,015
Money at call and deposit placements with banks and other financial institutions	27,894	62,526	8,235	21,318
Securities held-for-trading	31,337	97,521	25,652	54,850
Securities available-for-sale	6,083	17,994	2,714	6,282
Securities held-to-maturity	2,318	6,782	2,271	6,806
Others	1,379	3,739	416	3,041
	<u>82,535</u>	<u>227,460</u>	<u>50,037</u>	<u>123,416</u>
Amortisation of premium less accretion of discount	3,980	11,332	2,737	5,502
Interest suspended	-	-	(4)	(177)
Total interest income	<u>86,515</u>	<u>238,792</u>	<u>52,770</u>	<u>128,741</u>

	Bank			
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2007	30.09.2007	30.09.2006	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- interest income other than recoveries from NPLs	13,342	35,316	9,759	29,104
- recoveries from NPLs	182	3,582	990	2,015
Money at call and deposit placements with banks and other financial institutions	27,691	61,919	7,982	20,818
Securities held-for-trading	31,337	97,521	25,652	54,850
Securities available-for-sale	6,083	17,994	2,714	6,282
Securities held-to-maturity	2,318	6,782	2,271	6,806
Others	1,379	3,739	414	2,697
	<u>82,332</u>	<u>226,853</u>	<u>49,782</u>	<u>122,572</u>
Amortisation of premium less accretion of discount	3,980	11,332	2,737	5,502
Interest suspended	-	-	(4)	(177)
Total interest income	<u>86,312</u>	<u>238,185</u>	<u>52,515</u>	<u>127,897</u>

9. Interest expense

	Group			
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2007	30.09.2007	30.09.2006	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from banks and other financial institutions	13,190	69,366	26,034	54,430
Deposits from customers	50,073	103,376	10,819	29,576
Subordinated bonds	3,410	10,120	3,410	10,120
Others	914	2,149	523	2,389
	<u>67,587</u>	<u>185,011</u>	<u>40,786</u>	<u>96,515</u>

	Bank			
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2007	30.09.2007	30.09.2006	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from banks and other financial institutions	13,190	69,366	26,034	54,430
Deposits from customers	50,073	103,376	10,819	29,576
Subordinated bonds	3,410	10,120	3,410	10,120
Others	914	2,149	522	2,388
	<u>67,587</u>	<u>185,011</u>	<u>40,785</u>	<u>96,514</u>

10. Other operating income

	Group			
	3 months ended 30.09.2007	9 months ended 30.09.2007	3 months ended 30.09.2006	9 months ended 30.09.2006
	RM'000	RM'000	RM'000	RM'000
Brokerage	26,989	91,434	12,169	43,074
Fund management fees	1,923	10,920	1,531	5,056
Fee on loans and advances	1,036	4,721	855	2,267
Corporate advisory fees	3,472	14,096	1,756	5,851
Guarantee fees	1,317	2,842	373	1,659
Underwriting fees	757	2,447	586	2,316
Unit trust fee income	8,226	31,574	8,761	19,244
Other fee income	4,475	17,739	1,944	4,154
	<u>48,195</u>	<u>175,773</u>	<u>27,975</u>	<u>83,621</u>
Gain/(loss) arising from sale/redemption of securities and derivatives				
Net gain from sale of				
- securities held-for-trading	(79)	26,714	3,147	1,337
- securities available-for-sale	18,562	21,159	3,887	23,461
Net gain from redemption of				
- securities held-to-maturity	1,478	1,897	-	1,403
Derivatives	(381)	(922)	(54)	110
Unrealised gain/(loss) on revaluation of				
- securities held-for-trading	(9,604)	(43,651)	14,927	8,302
- derivatives	2,573	(352)	(16,674)	(4,990)
Net gain from sale of a subsidiary	69	69	(33)	(33)
Gross dividend income from				
- securities held-to-maturity	-	-	-	620
- securities available-for-sale	192	402	79	328
- securities held-for-trading	-	-	2	2,430
	<u>12,810</u>	<u>5,316</u>	<u>5,281</u>	<u>32,968</u>
Other income				
Foreign exchange gain	(235)	(1,793)	786	1,110
Gain on disposal of property, plant and equipment	(1)	127	(5)	192
Others	2,344	4,247	3,121	5,666
	<u>2,108</u>	<u>2,581</u>	<u>3,902</u>	<u>6,968</u>
Other operating income	<u>63,113</u>	<u>183,670</u>	<u>37,158</u>	<u>123,557</u>

10. Other operating income (continued)

	Bank			
	3 months ended 30.09.2007 RM'000	9 months ended 30.09.2007 RM'000	3 months ended 30.09.2006 RM'000	9 months ended 30.09.2006 RM'000
Brokerage	26,989	91,434	12,169	43,074
Fee on loans and advances	1,036	4,721	855	2,267
Corporate advisory fees	3,472	14,096	1,756	5,851
Guarantee fees	1,317	2,842	373	1,659
Underwriting fees	757	2,447	586	2,316
Other fee income	3,341	17,309	1,719	3,635
	<u>36,912</u>	<u>132,849</u>	<u>17,458</u>	<u>58,802</u>
Gain/(loss) arising from sale/redemption of securities and derivatives				
Net gain from sale of				
- securities held-for-trading	(79)	26,714	3,147	1,337
- securities available-for-sale	18,562	21,159	3,887	23,461
Net gain from redemption of				
- securities held-to-maturity	1,478	1,897	-	1,403
Derivatives	(381)	(922)	(164)	110
Unrealised gain/(loss) on revaluation of				
- securities held-for-trading	(9,604)	(43,651)	14,927	8,302
- derivatives	2,573	(352)	(16,674)	(4,990)
Net gain from sale of a subsidiary	-	-	82,349	82,349
Gross dividend income from				
- securities held-to-maturity	-	-	-	620
- securities available-for-sale	192	402	79	328
- securities held-for-trading	-	-	2	2,430
- subsidiary	-	-	-	3,700
	<u>12,741</u>	<u>5,247</u>	<u>87,553</u>	<u>119,050</u>
Other income				
Foreign exchange gain	(235)	(1,793)	786	1,110
Gain on disposal of property, plant and equipment	-	128	(5)	192
Others	2,072	3,906	2,174	4,306
	<u>1,837</u>	<u>2,241</u>	<u>2,955</u>	<u>5,608</u>
Other operating income	<u>51,490</u>	<u>140,337</u>	<u>107,966</u>	<u>183,460</u>

11. Other operating expenses

	Group			
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2007	30.09.2007	30.09.2006	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, bonus and allowances	15,369	44,931	14,349	38,658
Defined contribution plan	2,861	6,893	1,760	4,910
Other staff related costs	3,800	11,848	1,376	4,026
Establishment costs				
Depreciation	2,032	5,955	2,024	6,315
Rental of premises	2,459	7,018	2,361	7,089
Information technology expenses	766	2,779	986	2,274
Others	2,371	6,168	793	3,921
Marketing expenses				
Sales commission	3,061	14,755	5,078	6,647
Advertisement and publicity	135	893	19	938
Others	1,259	4,686	1,223	2,882
Administration and general expenses				
Communication expenses	1,745	4,775	1,051	2,917
Legal and professional fees	166	1,379	320	1,443
Others	3,654	10,887	2,643	6,694
	39,678	122,967	33,983	88,714

	Bank			
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2007	30.09.2007	30.09.2006	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, bonus and allowances	12,432	35,659	11,552	31,201
Defined contribution plan	1,790	5,138	1,449	3,907
Other staff related costs	3,464	10,842	1,041	3,069
Establishment costs				
Depreciation	1,822	5,317	1,826	5,784
Rental of premises	2,042	5,850	1,990	5,957
Information technology expenses	684	2,333	468	1,783
Others	2,355	5,890	1,040	3,592
Marketing expenses				
Advertisement and publicity	114	828	391	875
Others	768	2,326	544	1,509
Administration and general expenses				
Communication expenses	1,512	4,190	950	2,241
Legal and professional fees	83	1,246	244	1,280
Others	2,932	9,116	1,694	6,200
	29,998	88,735	23,189	67,398

12. Allowance for losses on loans and other losses

	Group and Bank			
	3 months ended 30.09.2007 RM'000	9 months ended 30.09.2007 RM'000	3 months ended 30.09.2006 RM'000	9 months ended 30.09.2006 RM'000
Allowance for losses on loans				
Specific allowance				
- made in the financial period	6,363	19,717	7,356	22,067
- written back	(1,303)	(7,329)	-	(1,328)
General allowance	2,600	5,121	20	(1,609)
Allowance for losses on clients' and brokers' balances				
- general allowance	(104)	(884)	(64)	70
- specific allowance	686	296	(1,042)	(2,039)
Bad debts				
- recovered	-	(3)	(10)	(205)
- written off	-	408	-	5
Specific allowance for other debtors	(15)	(72)	(198)	199
Amount recoverable from Danaharta	-	-	-	(788)
	8,227	17,254	6,062	16,372

13. Allowance for impairment loss

	Group			
	3 months ended 30.09.2007 RM'000	9 months ended 30.09.2007 RM'000	3 months ended 30.09.2006 RM'000	9 months ended 30.09.2006 RM'000
Charge / (reversal) for the financial period				
- securities available-for-sale	(4,025)	(4,191)	-	-
- securities held-for-trading	(1,012)	(1,012)	-	-
	(5,037)	(5,203)	-	-

	Bank			
	3 months ended 30.09.2007 RM'000	9 months ended 30.09.2007 RM'000	3 months ended 30.09.2006 RM'000	9 months ended 30.09.2006 RM'000
Charge / (reversal) for the financial period				
- securities available-for-sale	(4,025)	(4,191)	-	-
- securities held-for-trading	(1,012)	(1,012)	-	-
- investment in a subsidiary	-	80	82,338	82,338
	(5,037)	(5,123)	82,338	82,338

14. Capital adequacy

	Bank	
	As at 30.09.2007 RM'000	As at 31.12.2006 RM'000
Tier I capital		
Paid-up share capital	338,646	338,646
Other reserve	359,535	359,535
	698,181	698,181
AFS revaluation reserve	(30,223)	(30,223)
Deferred tax assets	(2,921)	(2,921)
Deferred tax liabilities	13,597	13,597
Dividend paid	(21,000)	-
Goodwill	(159,280)	(159,280)
Total Tier I capital	498,354	519,354
Tier II capital		
General allowance for bad and doubtful debts	15,799	11,562
Subordinated bonds	165,000	165,000
Total Tier II capital	180,799	176,562
Total capital	679,153	695,916
Less: Investment in subsidiaries	(38,091)	(38,172)
Total capital base	641,062	657,744
Core capital ratio	13.33%	16.02%
Risk-weighted capital ratio	17.15%	20.29%
Core capital ratio (net of proposed dividends)	-	15.37%
Risk-weighted capital ratio (net of proposed dividends)	-	19.64%

15. Commitments and contingencies

	Group and Bank					
	As at 30.09.2007			As at 31.12.2006		
	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	261,858	261,858	261,858	243,083	243,083	243,083
Transaction-related contingent items	532,201	35,101	35,100	764,829	32,415	32,415
Other assets sold with recourse and commitment with certain drawdown	196,935	-	-	-	-	-
Obligations under underwriting agreements	206,000	-	-	177,000	-	-
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	337,955	-	-	460,573	-	-
- maturity exceeding one year	196,722	98,361	98,258	121,651	60,826	60,686
Foreign exchange-related contracts:						
- less than one year	26,919	133	27	35,680	1,871	374
- one to less than five years	-	-	-	-	-	-
Interest rate related contracts:						
- less than one year	1,460,000	254	51	1,360,000	147	30
- one to less than five years	3,135,000	23,734	4,747	3,470,000	8,282	1,656
Miscellaneous	62,385	12,477	2,495	98,367	19,673	3,935
	6,415,975	431,918	402,536	6,731,183	366,297	342,179

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

16. Interest rate risk

	Group								
	30.09.2007								
	Non-trading book								
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and short term funds	1,929,926	-	-	-	-	120,977	-	2,050,903	3.53
Securities purchased under resale agreements	11,200	-	-	-	-	-	-	11,200	3.10
Deposits and placements with financial institutions	-	110,500	34,075	-	-	-	-	144,575	3.53
Securities held-for-trading	-	-	-	-	-	-	3,379,393	3,379,393	4.33
Securities available-for-sale	35,012	-	-	147,417	146,362	14,752	-	343,543	8.25
Securities held-to-maturity	-	-	65,028	277,103	44,068	(62,726)	-	323,473	5.58
Loans and advances									
- performing	515,865	316,578	-	2,348	3,354	-	-	838,145	7.02
- non-performing	-	-	-	-	-	40,431	-	40,431	-
Clients' and brokers' balances	47,596	-	-	-	-	350,931	-	398,527	2.31
Other assets	-	-	78	233	1,046	79,396	1,859	82,612	4.00
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	78,986	-	78,986	-
Tax recoverable	-	-	-	-	-	30,371	-	30,371	-
Deferred tax assets	-	-	-	-	-	2,967	-	2,967	-
Property, plant and equipment	-	-	-	-	-	14,736	-	14,736	-
Goodwill	-	-	-	-	-	172,844	-	172,844	-
Total assets	2,539,599	427,078	99,181	427,101	194,830	843,665	3,381,252	7,912,706	
Liabilities									
Deposits from customers	3,744,115	347,585	84,287	200,000	-	-	-	4,375,987	3.52
Deposits and placements of banks and other financial institutions	1,493,783	253,942	145,927	93,813	-	-	-	1,987,465	3.54
Clients' and brokers' balances	-	-	-	-	-	485,710	-	485,710	-
Taxation	-	-	-	-	-	1,547	-	1,547	-
Deferred tax liabilities	-	-	-	-	-	7,038	-	7,038	-
Other liabilities	-	-	-	-	-	127,754	14,999	142,753	-
Subordinated bonds	-	165,000	-	-	-	-	-	165,000	8.20
Total liabilities	5,237,898	766,527	230,214	293,813	-	622,050	14,999	7,165,500	
Net interest rate gap	(2,687,247)	(339,449)	(131,033)	133,288	194,830				

16. Interest rate risk (continued)

	Group								Effective interest rate %
	31.12.2006								
	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000				
Assets									
Cash and short term funds	1,058,359	-	-	-	-	52,882	-	1,111,241	3.53
Securities purchased under resale agreements	165,304	-	-	-	-	-	-	165,304	3.00
Deposits and placements with financial institutions	-	443,500	120	-	-	-	-	443,620	3.66
Securities held-for-trading	-	-	-	-	-	-	3,169,990	3,169,990	4.21
Securities available-for-sale	-	-	40,346	159,219	237,626	12,305	-	449,496	8.08
Securities held-to-maturity	-	-	2,681	351,748	47,324	(63,737)	-	338,016	5.55
Loans and advances - performing	448,763	105,321	-	3,386	3,889	-	-	561,359	7.40
- non-performing	-	-	-	-	-	89,924	-	89,924	-
Clients' and brokers' balances	36,824	-	-	-	-	140,203	-	177,027	0.66
Other assets	1,798	-	245	611	822	69,265	1,775	74,516	2.79
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	69,206	-	69,206	-
Tax recoverable	-	-	-	-	-	33,793	-	33,793	-
Deferred tax assets	-	-	-	-	-	3,087	-	3,087	-
Property, plant and equipment	-	-	-	-	-	19,028	-	19,028	-
Goodwill	-	-	-	-	-	172,844	-	172,844	-
Total assets	1,711,048	548,821	43,392	514,964	289,661	598,800	3,171,765	6,878,451	
Liabilities									
Deposits from customers	872,569	509,288	280,996	200,000	-	-	-	1,862,853	3.67
Deposits and placements of banks and other financial institutions	424,513	935,312	500,253	93,046	-	-	-	1,953,124	3.68
Obligations on securities sold under repurchase agreements	1,780,599	29,238	-	-	-	-	-	1,809,837	3.49
Clients' and brokers' balances	56,973	-	-	-	-	194,399	-	251,372	2.84
Taxation	-	-	-	-	-	5,366	-	5,366	-
Deferred tax liabilities	-	-	-	-	-	13,602	-	13,602	-
Other liabilities	491	9,167	-	-	-	83,075	14,563	107,296	3.10
Subordinated bonds	-	-	-	165,000	-	-	-	165,000	8.20
Total liabilities	3,135,145	1,483,005	781,249	458,046	-	296,442	14,563	6,168,450	
Net interest rate gap	(1,424,097)	(934,184)	(737,857)	56,918	289,661				

16. Interest rate risk (continued)

	Bank								
	30.09.2007								
	Non-trading book								
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and short term funds	1,915,909	-	-	-	-	77,680	-	1,993,589	3.53
Securities purchased under resale agreements	-	-	-	-	-	-	-	-	-
Deposits and placements with financial institutions	-	110,500	34,075	-	-	-	-	144,575	3.53
Securities held-for-trading	-	-	-	-	-	-	3,376,530	3,376,530	4.33
Securities available-for-sale	35,012	-	-	147,417	146,362	14,752	-	343,543	8.25
Securities held-to-maturity	-	-	65,028	277,103	44,068	(62,726)	-	323,473	5.58
Loans and advances									
- performing	515,865	316,578	-	2,348	3,354	-	-	838,145	7.02
- non-performing	-	-	-	-	-	40,431	-	40,431	-
Clients' and brokers' balances	47,596	-	-	-	-	350,931	-	398,527	2.31
Amount due from holding company	-	-	-	-	-	1,280	-	1,280	-
Other assets	-	-	-	-	-	59,047	1,859	60,906	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	78,986	-	78,986	-
Investment in subsidiary companies	-	-	-	-	-	38,091	-	38,091	-
Tax recoverable	-	-	-	-	-	31,857	-	31,857	-
Deferred tax assets	-	-	-	-	-	2,921	-	2,921	-
Property, plant and equipment	-	-	-	-	-	11,924	-	11,924	-
Goodwill	-	-	-	-	-	159,280	-	159,280	-
Total assets	2,514,382	427,078	99,103	426,868	193,784	804,454	3,378,389	7,844,058	
Liabilities									
Deposits from customers	3,744,115	347,585	84,287	200,000	-	-	-	4,375,987	3.52
Deposits and placements of banks and other financial institutions	1,493,783	253,942	145,927	93,813	-	-	-	1,987,465	3.54
Clients' and brokers' balances	-	-	-	-	-	485,710	-	485,710	-
Deferred tax liabilities	-	-	-	-	-	7,019	-	7,019	-
Other liabilities	-	-	-	-	-	79,336	14,999	94,335	-
Subordinated bonds	-	165,000	-	-	-	-	-	165,000	8.20
Total liabilities	5,237,898	766,527	230,214	293,813	-	572,065	14,999	7,115,516	
Net interest rate gap	(2,712,465)	(339,449)	(131,111)	133,055	193,784				

16. Interest rate risk (continued)

	Bank								Effective interest rate %
	31.12.2006								
	Non-trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	
Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000					
Assets									
Cash and short term funds	1,050,955	-	-	-	-	34,147	-	1,085,102	3.53
Securities purchased under resale agreements	152,454	-	-	-	-	-	-	152,454	3.00
Deposits and placements with financial institutions	-	443,500	120	-	-	-	-	443,620	3.66
Securities held-for-trading	-	-	-	-	-	-	3,164,443	3,164,443	4.21
Securities available-for-sale	-	-	40,346	159,219	237,626	12,305	-	449,496	8.08
Securities held-to-maturity	-	-	2,681	351,748	47,324	(63,737)	-	338,016	5.55
Loans and advances									
- performing	448,763	105,321	-	3,386	3,889	-	-	561,359	7.40
- non-performing	-	-	-	-	-	89,924	-	89,924	-
Clients' and brokers' balances	36,824	-	-	-	-	140,203	-	177,027	0.66
Amount due from subsidiary companies	-	-	-	-	-	327	-	327	-
Other assets	1,798	-	-	-	-	48,533	1,775	52,106	1.35
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	69,206	-	69,206	-
Investment in subsidiary companies	-	-	-	-	-	38,172	-	38,172	-
Tax recoverable	-	-	-	-	-	35,197	-	35,197	-
Deferred tax assets	-	-	-	-	-	2,921	-	2,921	-
Property, plant and equipment	-	-	-	-	-	16,106	-	16,106	-
Goodwill	-	-	-	-	-	159,280	-	159,280	-
Total assets	1,690,794	548,821	43,147	514,353	288,839	582,584	3,166,218	6,834,756	
Liabilities									
Deposits from customers	872,569	509,288	280,996	200,000	-	-	-	1,862,853	3.67
Deposits and placements of banks and other financial institutions	424,513	935,312	500,253	93,046	-	-	-	1,953,124	3.68
Obligations on securities sold under repurchase agreements	1,780,599	29,238	-	-	-	-	-	1,809,837	3.49
Clients' and brokers' balances	56,973	-	-	-	-	194,399	-	251,372	2.84
Taxation	-	-	-	-	-	5,328	-	5,328	-
Deferred tax liabilities	-	-	-	-	-	13,597	-	13,597	-
Other liabilities	491	9,167	-	-	-	51,243	14,563	75,464	3.10
Subordinated bonds	-	-	-	165,000	-	-	-	165,000	8.20
Total liabilities	3,135,145	1,483,005	781,249	458,046	-	264,567	14,563	6,136,575	
Net interest rate gap	(1,444,351)	(934,184)	(738,102)	56,307	288,839				