

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

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

	Note	Group		Bank	
		Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
ASSETS					
Cash and short-term funds		10,200,921	22,677,902	7,410,254	19,022,404
Securities purchased under resale agreements		139,271	676,858	139,271	676,858
Deposits and placements with banks and other financial institutions		3,250,397	3,552,654	5,446,981	3,780,228
Financial assets held-for-trading	8	1,897,042	1,549,863	1,273,036	1,110,482
Financial investments available-for-sale	9	13,180,538	10,026,398	10,539,921	8,456,556
Financial investments held-to-maturity	10	18,142,313	17,801,251	15,814,967	15,645,993
Loans, advances and financing	11	117,180,336	107,737,934	95,262,222	89,275,815
Other assets	12	467,679	396,877	850,149	708,812
Derivative assets		354,997	250,917	366,042	271,029
Statutory deposits		4,227,956	3,637,205	3,388,710	2,916,509
Tax recoverable		12,771	38	12,765	-
Deferred tax assets		9,137	8,455	-	-
Investments in subsidiaries		-	-	1,740,314	1,540,314
Property, plant and equipment		669,927	675,087	494,940	505,775
Goodwill and other intangible assets		1,256,324	1,241,814	1,031,596	1,017,722
TOTAL ASSETS		170,989,609	170,233,253	143,771,168	144,928,497
LIABILITIES AND EQUITY					
Deposits from customers	13	133,906,785	131,542,298	112,029,067	111,557,605
Deposits and placements of banks and other financial institutions	14	9,899,211	12,005,569	7,347,742	9,459,328
Obligations on securities sold under repurchase agreements		163,659	-	163,659	-
Bills and acceptances payable		3,232,071	3,732,067	3,203,581	3,710,455
Other liabilities	15	1,096,471	1,228,496	959,547	1,043,045
Derivative liabilities		231,898	273,197	238,903	273,559
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,315,001	2,445,361	966,519	982,840
Taxation liabilities		21,256	125,663	-	98,525
Deferred tax liabilities		58,240	50,907	58,236	50,903
Long term borrowings		588,061	632,778	588,061	632,778
Subordinated obligations		4,069,273	4,020,919	4,069,273	4,020,919
Hybrid Tier-I Capital Securities		602,548	606,086	602,548	606,086
Senior Debt Securities		1,650,611	1,536,674	1,650,611	1,536,674
TOTAL LIABILITIES		157,835,085	158,200,015	131,877,747	133,972,717
Share capital		3,318,085	3,318,085	3,318,085	3,318,085
Reserves		9,836,439	8,715,153	8,575,336	7,637,695
TOTAL EQUITY		13,154,524	12,033,238	11,893,421	10,955,780
TOTAL LIABILITIES AND EQUITY		170,989,609	170,233,253	143,771,168	144,928,497
COMMITMENTS AND CONTINGENCIES	23	90,919,225	77,905,294	87,663,944	76,345,104

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

Group	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013	Preceding Corresponding Quarter Ended 30.09.2012	Current Financial Nine Months Ended 30.09.2013	Preceding Corresponding Nine Months Ended 30.09.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	16 1,637,293	1,536,620	4,818,123	4,429,662
Interest expense	17 (824,674)	(763,407)	(2,428,973)	(2,154,580)
Net interest income	812,619	773,213	2,389,150	2,275,082
Other operating income	18 293,397	193,670	752,361	694,512
Income from Islamic Banking business	19 1,106,016	966,883	3,141,511	2,969,594
	149,888	126,283	426,528	349,526
Other operating expenses	20 1,255,904	1,093,166	3,568,039	3,319,120
	(530,436)	(471,132)	(1,532,469)	(1,407,938)
Operating profit before allowances	725,468	622,034	2,035,570	1,911,182
Allowance for impairment on loans, advances and financing	21 (26,745)	30,110	(330,904)	(52,017)
Impairment losses written back/(made) on other assets	2,613	(695)	8,925	3,065
Profit before taxation	701,336	651,449	1,713,591	1,862,230
Taxation	(160,071)	(154,002)	(414,068)	(450,765)
Net profit for the financial period	541,265	497,447	1,299,523	1,411,465
Earnings per share (sen)				
- Basic	8.16	7.50	19.58	21.27

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

Group	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Nine Months Ended	Preceding Corresponding Nine Months Ended
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	541,265	497,447	1,299,523	1,411,465
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss				
- Currency translation differences	59,906	(28,797)	92,700	(13,515)
- Unrealised net gain/(loss) on revaluation of financial investments AFS	77,235	2,033	(9,962)	73,852
- Net transfer to income statements on disposal or impairment of financial investments AFS	2,329	(20,093)	(33,831)	(53,968)
Income tax relating to components of other comprehensive loss/(income)	(20,085)	4,488	10,856	(4,931)
Other comprehensive income/(loss), net of tax, for the financial period	119,385	(42,369)	59,763	1,438
Total comprehensive income for the financial period	660,650	455,078	1,359,286	1,412,903

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

Bank	Individual Quarter		Cumulative Nine Months	
	Current Financial Quarter Ended 30.09.2013	Preceding Corresponding Quarter Ended 30.09.2012	Current Financial Nine Months Ended 30.09.2013	Preceding Corresponding Nine Months Ended 30.09.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	16 1,633,792	1,526,019	4,801,218	4,401,980
Interest expense	17 (817,118)	(760,108)	(2,408,849)	(2,145,335)
Net interest income	816,674	765,911	2,392,369	2,256,645
Other operating income	18 291,730	187,403	749,057	676,138
Other operating expenses	20 1,108,404 (470,168)	953,314 (419,833)	3,141,426 (1,354,063)	2,932,783 (1,267,653)
Operating profit before allowances Allowance for impairment on loans, advances and financing	638,236	533,481	1,787,363	1,665,130
Impairment losses written back/(made) on other assets	21 (33,273) 2,613	58,570 (695)	(300,642) 9,626	47,168 3,065
Profit before taxation	607,576	591,356	1,496,347	1,715,363
Taxation	(136,911)	(145,839)	(366,785)	(414,317)
Net profit for the financial period	470,665	445,517	1,129,562	1,301,046
Earnings per share (sen) - Basic	7.09	6.71	17.02	19.61

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

Bank	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013	Preceding Corresponding Quarter Ended 30.09.2012	Current Financial Nine Months Ended 30.09.2013	Preceding Corresponding Nine Months Ended 30.09.2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	470,665	445,517	1,129,562	1,301,046
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss				
- Currency translation differences	40,072	(12,429)	52,511	1,752
- Unrealised net gain on revaluation of financial investments AFS	95,666	3,645	20,287	58,371
- Net transfer to income statements on disposal or impairment of financial investments AFS	(136)	(13,330)	(28,863)	(39,854)
Income tax relating to components of other comprehensive loss/(income)	(23,883)	2,421	2,144	(4,629)
Other comprehensive income, net of tax, for the financial period	111,719	(19,693)	46,079	15,640
Total comprehensive income for the financial period	582,384	425,824	1,175,641	1,316,686

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

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

<u>Group</u>	← Attributable to equity holders of the Bank →						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2013							
- As previously reported	3,318,085	8,563	3,836,496	(71,684)	222,022	4,719,036	12,032,518
- Effect of predecessor accounting on acquisition of a subsidiary (Note 29)	-	-	-	87	-	633	720
- As restated	3,318,085	8,563	3,836,496	(71,597)	222,022	4,719,669	12,033,238
Net profit for the financial period	-	-	-	-	-	1,299,523	1,299,523
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	92,700	-	-	92,700
Financial investments AFS:							
- Unrealised net loss on revaluation	-	-	-	-	(9,962)	-	(9,962)
- Net transfer to income statements on disposal or impairment	-	-	-	-	(33,831)	-	(33,831)
Income tax relating to components of other comprehensive loss	-	-	-	-	10,856	-	10,856
Total comprehensive income/(loss) for the financial period	-	-	-	92,700	(32,937)	-	59,763
Ordinary dividends	-	-	-	-	-	(238,000)	(238,000)
Transfer to statutory reserves	-	-	220,462	-	-	(220,462)	-
Balance as at 30 September 2013	3,318,085	8,563	4,056,958	21,103	189,085	5,560,730	13,154,524
Balance as at 1 January 2012	3,318,085	8,563	3,358,704	(61,389)	196,177	3,911,093	10,731,233
Net profit for the financial period	-	-	-	-	-	1,411,465	1,411,465
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	(13,515)	-	-	(13,515)
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	73,852	-	73,852
- Net transfer to income statements on disposal or impairment	-	-	-	-	(53,968)	-	(53,968)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,931)	-	(4,931)
Total comprehensive (loss)/income for the financial period	-	-	-	(13,515)	14,953	-	1,438
Ordinary dividends	-	-	-	-	-	(520,000)	(520,000)
Transfer to statutory reserves	-	-	241,020	-	-	(241,020)	-
Balance as at 30 September 2012	3,318,085	8,563	3,599,724	(74,904)	211,130	4,561,538	11,624,136

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

Bank	← Share		Non-distributable		→ Distributable		Total
	capital	premium	Statutory	Translation	AFS	Retained	
	RM'000	RM'000	reserves	reserves	reserves	profits	RM'000
Balance as at 1 January 2013	3,318,085	8,563	3,478,138	12,023	217,933	3,921,038	10,955,780
Net profit for the financial period	-	-	-	-	-	1,129,562	1,129,562
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	52,511	-	-	52,511
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	20,287	-	20,287
- Net transfer to income statements on disposal or impairment	-	-	-	-	(28,863)	-	(28,863)
Income tax relating to components of other comprehensive loss	-	-	-	-	2,144	-	2,144
Total comprehensive income/(loss) for the financial period	-	-	-	52,511	(6,432)	-	46,079
Ordinary dividends	-	-	-	-	-	(238,000)	(238,000)
Transfer to statutory reserves	-	-	164,724	-	-	(164,724)	-
Balance as at 30 September 2013	3,318,085	8,563	3,642,862	64,534	211,501	4,647,876	11,893,421
Balance as at 1 January 2012	3,318,085	8,563	3,070,142	7,214	188,957	3,217,052	9,810,013
Net profit for the financial period	-	-	-	-	-	1,301,046	1,301,046
Other comprehensive income/(loss) for the financial period:							
Currency translation differences	-	-	-	1,752	-	-	1,752
Financial investments AFS:							
- Unrealised net gain on revaluation	-	-	-	-	58,371	-	58,371
- Net transfer to income statements on disposal or impairment	-	-	-	-	(39,854)	-	(39,854)
Income tax relating to components of other comprehensive income	-	-	-	-	(4,629)	-	(4,629)
Total comprehensive income for the financial period	-	-	-	1,752	13,888	-	15,640
Ordinary dividends	-	-	-	-	-	(520,000)	(520,000)
Transfer to statutory reserves	-	-	213,882	-	-	(213,882)	-
Balance as at 30 September 2012	3,318,085	8,563	3,284,024	8,966	202,845	3,784,216	10,606,699

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

	Nine Months Ended	
	30.09.2013	30.09.2012
	RM'000	RM'000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,713,591	1,862,230
Adjustments for non-cash items	<u>(533,889)</u>	<u>(365,362)</u>
Operating profit before changes in working capital	1,179,702	1,496,868
Changes in working capital:		
Net changes in operating assets	(9,738,696)	(11,770,810)
Net changes in operating liabilities	<u>(730,910)</u>	<u>14,785,206</u>
Cash (used in)/generated from operations	(10,469,606)	3,014,396
Taxation paid	<u>(513,788)</u>	<u>(164,846)</u>
Net cash (used in)/generated from operating activities	<u>(9,803,692)</u>	<u>4,346,418</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(42,386)	(41,390)
Purchase of computer software license	(46,017)	(27,307)
Proceeds from disposal of property, plant and equipment	203	10,135
Financial investments AFS:		
- Net purchase	(3,013,531)	(1,552,203)
- Interest received	218,155	183,095
- Investment income received	45,373	50,027
- Dividend income	5,697	3,309
Financial investments held-to-maturity:		
- Net purchase	(269,024)	(1,853,994)
- Interest received	446,610	345,573
- Investment income received	<u>59,120</u>	<u>44,856</u>
Net cash used in investing activities	<u>(2,595,800)</u>	<u>(2,837,899)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of subordinated obligations	-	749,006
Proceeds from issuance of Senior Debt Securities	-	1,538,222
Repayment of long term borrowings	(49,998)	(80,350)
Dividends paid to shareholder	<u>(238,000)</u>	<u>(520,000)</u>
Net cash (used in)/generated from financing activities	<u>(287,998)</u>	<u>1,686,878</u>
Net (decrease)/increase in cash and cash equivalents	(12,687,490)	3,195,397
Effects of exchange rate differences	210,509	(54,120)
Cash and cash equivalents:		
- at the beginning of the financial period	<u>22,677,902</u>	<u>18,392,186</u>
- at the end of the financial period	<u><u>10,200,921</u></u>	<u><u>21,533,463</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u><u>10,200,921</u></u>	<u><u>21,533,463</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

	Nine Months Ended	
	<u>30.09.2013</u>	<u>30.09.2012</u>
	RM'000	RM'000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,496,347	1,715,363
Adjustments for non-cash items	<u>(436,151)</u>	<u>(336,550)</u>
Operating profit before changes in working capital	1,060,196	1,378,813
Changes in working capital:		
Net changes in operating assets	<u>(7,977,339)</u>	<u>(7,678,844)</u>
Net changes in operating liabilities	<u>(2,472,938)</u>	<u>11,008,353</u>
Cash (used in)/generated from operations	<u>(10,450,277)</u>	<u>3,329,509</u>
Taxation paid	<u>(468,600)</u>	<u>(158,640)</u>
Net cash (used in)/generated from operating activities	<u>(9,858,681)</u>	<u>4,549,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(50,272)</u>	<u>(39,402)</u>
Purchase of computer software license	<u>(31,200)</u>	<u>(26,693)</u>
Proceeds from disposal of property, plant and equipment	203	10,133
Financial investments AFS:		
- Net purchase	<u>(1,922,502)</u>	<u>(1,301,620)</u>
- Interest received	215,545	183,077
- Dividend income	5,697	3,307
Financial investments held-to-maturity:		
- Net purchase	<u>(102,917)</u>	<u>(996,573)</u>
- Interest received	442,193	345,056
Subscription of new shares in a subsidiary	<u>(200,000)</u>	<u>(200,000)</u>
Net cash used in investing activities	<u>(1,643,253)</u>	<u>(2,022,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of subordinated obligations	-	749,006
Proceeds from issuance of Senior Debt Securities	-	1,538,222
Repayment of long term borrowings	<u>(49,998)</u>	<u>(80,350)</u>
Dividends paid to shareholder	<u>(238,000)</u>	<u>(520,000)</u>
Net cash (used in)/generated from financing activities	<u>(287,998)</u>	<u>1,686,878</u>
Net (decrease)/increase in cash and cash equivalents	<u>(11,789,932)</u>	<u>4,213,845</u>
Effects of exchange rate differences	177,782	(36,207)
Cash and cash equivalents:		
- at the beginning of the financial period	<u>19,022,404</u>	<u>12,344,141</u>
- at the end of the financial period	<u>7,410,254</u>	<u>16,521,779</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>7,410,254</u>	<u>16,521,779</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2012.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

1 Basis Of Preparation

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

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following relevant accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2013:

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
The Revised MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
Amendment to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 10 and MFRS 12	Consolidated Financial Statements and Disclosures of Interests in Other Entities: Transition Guidance
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to MFRS 2009-2011 Cycle	

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

2 Auditors' Report

The auditors' report for the financial year ended 31 December 2012 was not subject to any qualification.

3 Seasonal Or Cyclical Factors

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

4 Exceptional Or Unusual Items

There were no exceptional or unusual items for the nine months ended 30 September 2013.

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the nine months ended 30 September 2013.

6 Changes In Debt and Equity Securities

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

7 Dividend Paid and Proposed Dividend

During the nine months ended 30 September 2013, the Bank paid a final dividend of 1.13 sen, less 25% income tax and single-tier dividend of 2.74 sen in respect of the financial year ended 31 December 2012, amounting to RM238,000,000, on 18 July 2013.

The Board of Directors have proposed to declare a single-tier interim dividend of 2.56 sen in respect of the financial year ending 31 December 2013, amounting to RM170,000,000, on 24 July 2013. This dividend is expected to be paid on 30 October 2013.

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Incorporated in Malaysia

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

8 Financial Assets Held-For-Trading

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	268,587	222,202	268,587	222,202
Malaysian Government Treasury Bills	-	52,869	-	52,869
Malaysian Government Investment Issues	159,501	151,583	129,837	-
Bank Negara Malaysia ('BNM') Monetary Notes	893,654	598,073	447,910	598,073
Cagamas bonds	49,986	250,324	-	-
Negotiable instruments of deposits	98,612	-	-	-
Singapore Government Treasury Bills	414,845	227,634	414,845	227,634
Wakala Global Sukuk	-	7,144	-	-
Thailand Treasury Bills	6,591	-	6,591	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	5,266	-	5,266	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	-	40,034	-	9,704
	1,897,042	1,549,863	1,273,036	1,110,482

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

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

	Group			
	Carrying amount		Fair value	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Reclassified from financial assets HFT to financial investments HTM				
- Debt securities	19,914	18,425	20,899	19,724

	Group	
	Unaudited As at	Restated As at
	30.09.2013	31.12.2012
	RM'000	RM'000
Fair value gain that would have been recognised if the financial assets HFT had not been reclassified	985	1,299

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

9 Financial Investments Available-For-Sale

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	<u>30.09.2013</u>	<u>31.12.2012</u>	<u>30.09.2013</u>	<u>31.12.2012</u>
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	1,113,049	459,574	1,113,049	459,574
Malaysian Government Investment Issues	1,618,952	1,896,122	1,048,574	1,409,751
Cagamas bonds and Cagamas Mudharabah bonds	86,052	91,802	25,430	41,469
Khazanah bonds	15,962	36,016	-	-
Negotiable instruments of deposits	427,217	-	-	-
Singapore Government Treasury Bills	324,103	25,032	324,103	25,032
Singapore Government Securities	136,407	135,081	136,407	135,081
Thailand Government Securities	115,705	106,295	115,705	106,295
1 Malaysia Sukuk	320,525	277,514	320,525	277,514
Bankers' acceptances and Islamic accepted notes	36,562	-	-	-
Wakala Global Sukuk	169,223	95,029	123,914	78,159
Sukuk Perumahan Kerajaan (SPK)	59,035	101,363	49,195	101,363
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	-	7,853	-	7,853
Shares	3,943	2,639	3,242	18
<u>Outside Malaysia</u>				
Shares	33	30	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	104,055	104,055	104,055	104,055
Shares	461,174	353,604	460,598	353,029
Private debt securities	8,188,299	6,334,181	6,714,998	5,357,242
<u>Outside Malaysia</u>				
Shares	116	87	-	-
Private debt securities	126	121	126	121
	<u>13,180,538</u>	<u>10,026,398</u>	<u>10,539,921</u>	<u>8,456,556</u>

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10 Financial Investments Held-To-Maturity

	Group		Bank	
	Unaudited As at 30.09.2013	Restated As at 31.12.2012	Unaudited As at 30.09.2013	Restated As at 31.12.2012
At amortised cost	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	2,349,135	2,415,844	2,349,135	2,415,844
Malaysian Government Investment Issues	5,497,968	5,499,829	4,653,332	4,756,426
Cagamas bonds and Cagamas Mudharabah bonds	2,276,828	2,340,203	2,055,067	2,065,120
Khazanah bonds	68,514	66,290	59,616	57,632
Negotiable instruments of deposits	298,592	2,126,329	-	1,704,244
Singapore Government Securities	182,370	126,795	182,370	126,795
Thailand Government Securities	325,015	264,010	325,015	264,010
Bankers' acceptances and Islamic accepted notes	13,863	339,215	13,863	339,215
Sukuk (Brunei) Incorporation	31,138	57,594	31,138	57,594
Wakala Global Sukuk	224,682	212,524	224,682	212,524
Sukuk Perumahan Kerajaan (SPK)	111,284	-	101,264	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	860	860	860	860
Prasarana bonds	787,271	753,687	761,607	738,455
Private debt securities	6,018,932	3,643,514	5,121,071	2,971,142
Corporate loan stocks	44,400	55,196	44,400	55,196
<u>Outside Malaysia</u>				
Private debt securities	19,914	18,425	-	-
	18,250,766	17,920,315	15,923,420	15,765,057
Accumulated impairment losses	(108,453)	(119,064)	(108,453)	(119,064)
	18,142,313	17,801,251	15,814,967	15,645,993

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

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
At amortised cost				
Overdrafts	5,990,454	5,895,676	5,820,850	5,744,150
Term loans/financing:				
- Housing loans/financing	24,072,374	21,706,306	19,861,872	18,234,938
- Syndicated term loans/financing	3,445,405	2,521,254	1,248,688	1,116,217
- Hire purchase receivables	13,169,416	12,581,965	8,167,489	8,164,582
- Lease receivables	73,146	75,650	-	-
- Other term loans/financing	55,511,717	51,743,008	48,122,081	44,864,944
Bills receivable	2,525,034	1,574,283	1,810,639	1,553,186
Trust receipts	514,447	469,017	474,166	447,718
Claims on customers under acceptance credits	4,492,130	5,257,979	4,492,130	4,426,753
Staff loans/financing	260,030	283,790	251,183	275,664
Credit card receivables	1,949,658	1,926,639	1,774,968	1,805,739
Revolving credit	7,270,709	5,872,938	4,997,762	4,468,642
Floor stocking	1,858	1,229	1,858	1,229
	<u>119,276,378</u>	<u>109,909,734</u>	<u>97,023,686</u>	<u>91,103,762</u>
Gross loans, advances and financing				
Fair value changes arising from fair value hedge	(8,017)	6,252	997	3,111
	<u>119,268,361</u>	<u>109,915,986</u>	<u>97,024,683</u>	<u>91,106,873</u>
Allowance for impaired loans, advances and financing:				
- Individual impairment allowance	(769,384)	(780,081)	(632,507)	(648,256)
- Collective impairment allowance	(1,318,641)	(1,397,971)	(1,129,954)	(1,182,802)
	<u>(2,088,025)</u>	<u>(2,178,052)</u>	<u>(1,762,461)</u>	<u>(1,831,058)</u>
Net loans, advances and financing	<u>117,180,336</u>	<u>107,737,934</u>	<u>95,262,222</u>	<u>89,275,815</u>

Included in loans, advances and financing are housing loans, hire purchase receivables and other term loans/financing sold to Cagamas with recourse for the Group and the Bank amounting to RM2,228,398,000 (31.12.2012: RM2,371,017,000) and RM911,255,000 (31.12.2012: RM935,725,000) respectively.

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Domestic non-bank financial institutions:				
- Others	2,087,672	1,502,696	1,068,657	932,349
Domestic business enterprises:				
- Small medium enterprises	12,330,089	11,516,755	11,552,041	10,829,598
- Others	31,668,221	30,690,914	26,463,303	26,165,958
Government and statutory bodies	11,086,589	10,989,382	7,742,420	7,675,110
Individuals	53,081,954	47,646,933	43,070,214	39,391,631
Other domestic entities	24,116	10,240	7,983	9,948
Foreign entities:				
- Malaysian operations	1,302,777	1,100,222	483,701	431,614
- Singapore operations	6,610,777	5,663,138	5,993,624	5,183,555
- Thailand operations	578,274	427,765	545,467	397,113
- Brunei operations	96,276	86,886	96,276	86,886
- Cambodia operations	409,633	274,803	-	-
	<u>119,276,378</u>	<u>109,909,734</u>	<u>97,023,686</u>	<u>91,103,762</u>

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

11 Loans, Advances and Financing (cont'd)

(iii) By geographical distribution

	Group		Bank	
	Unaudited As at 30.09.2013	Restated As at 31.12.2012	Unaudited As at 30.09.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
In Malaysia	111,581,418	103,457,142	90,388,319	85,436,208
Outside Malaysia:				
- Singapore operations	6,610,777	5,663,138	5,993,624	5,183,555
- Thailand operations	578,274	427,765	545,467	397,113
- Brunei operations	96,276	86,886	96,276	86,886
- Cambodia operations	409,633	274,803	-	-
	119,276,378	109,909,734	97,023,686	91,103,762

(iv) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 30.09.2013	Restated As at 31.12.2012	Unaudited As at 30.09.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	1,072,914	1,358,105	251,674	424,038
- Hire purchase receivables	13,169,416	12,581,965	8,167,489	8,164,582
- Other fixed rate loans/financing	19,453,377	18,505,190	12,701,914	12,572,881
Variable rate:				
- BLR/BFR plus	47,032,700	42,071,452	41,607,587	37,858,542
- Cost-plus	31,902,738	30,303,564	30,003,456	28,511,823
- Other variable rates	6,645,233	5,089,458	4,291,566	3,571,896
	119,276,378	109,909,734	97,023,686	91,103,762

(v) By purpose

	Group		Bank	
	Unaudited As at 30.09.2013	Restated As at 31.12.2012	Unaudited As at 30.09.2013	Restated As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	10,536,668	8,734,077	10,536,668	8,734,077
Purchase of transport vehicles	12,013,181	11,447,613	6,656,198	6,696,785
Purchase of landed property:				
- Residential	24,334,731	22,152,703	20,265,049	18,787,249
- Non-residential	6,823,598	5,674,126	6,512,583	5,563,444
Purchase of property, plant and equipment other than land and building	3,325,373	3,249,719	2,612,800	2,591,684
Personal use	6,738,742	5,758,114	5,720,970	5,109,733
Credit card	1,949,658	1,926,639	1,774,968	1,805,739
Purchase of consumer durables	33,280	37,282	33,270	37,265
Construction	2,908,126	3,653,745	2,200,064	2,417,490
Working capital	28,960,019	26,722,837	24,173,949	23,295,898
Merger and acquisition	3,234,104	3,620,752	3,102,596	3,466,447
Other purpose	18,418,898	16,932,127	13,434,571	12,597,951
	119,276,378	109,909,734	97,023,686	91,103,762

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

11 Loans, Advances and Financing (cont'd)

(vi) By remaining contractual maturities

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Maturity within one year	41,845,394	38,510,061	37,047,638	35,253,687
One year to three years	7,700,606	8,963,242	6,125,132	7,323,538
Three years to five years	10,777,363	8,873,068	6,546,926	6,052,470
Over five years	58,953,015	53,563,363	47,303,990	42,474,067
	119,276,378	109,909,734	97,023,686	91,103,762

(vii) Impaired loans, advances and financing

(a) Movement in impaired loans, advances and financing

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Balance as at the beginning of financial period/year	3,090,090	3,493,331	2,600,833	2,852,308
Classified as impaired	3,066,657	3,939,826	2,735,049	3,555,656
Reclassified as non-impaired	(1,862,003)	(2,746,511)	(1,635,046)	(2,467,737)
Amount recovered	(481,987)	(784,370)	(427,537)	(668,059)
Amount written off	(483,139)	(811,276)	(433,912)	(673,157)
Exchange difference	9,039	(910)	3,888	1,822
Balance as at the end of financial period/year	3,338,657	3,090,090	2,843,275	2,600,833

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

11 Loans, Advances and Financing (cont'd)

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

(b) By purpose

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at	As at	As at	As at
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	52,518	87,767	52,518	87,767
Purchase of transport vehicles	249,045	260,414	121,341	134,770
Purchase of landed property:				
- Residential	893,819	965,098	769,359	835,257
- Non-residential	90,075	158,072	71,065	143,014
Purchase of property, plant and equipment other than land and building	45,857	66,981	34,722	51,112
Personal use	145,540	137,178	140,920	133,481
Credit card	39,890	39,379	34,940	35,927
Purchase of consumer durables	1,766	2,058	1,766	2,058
Construction	159,996	245,762	158,796	244,474
Working capital	1,553,657	1,040,599	1,391,307	875,492
Other purpose	106,494	86,782	66,541	57,481
	3,338,657	3,090,090	2,843,275	2,600,833

(c) By geographical distribution

	Group		Bank	
	Unaudited	Restated	Unaudited	Restated
	As at	As at	As at	As at
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
In Malaysia	3,225,259	2,990,526	2,742,675	2,501,269
Outside Malaysia:				
- Singapore operations	75,595	69,055	75,595	69,055
- Thailand operations	19,199	21,905	19,199	21,905
- Brunei operations	5,806	8,604	5,806	8,604
- Cambodia operations	12,798	-	-	-
	3,338,657	3,090,090	2,843,275	2,600,833

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

11 Loans, Advances and Financing (cont'd)

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

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

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Individual impairment allowance				
Balance as at the beginning of financial period/year				
- As previously reported	780,069	812,502	648,256	666,218
- Effect of predecessor accounting on acquisition of a subsidiary (Note 28)	12	21	-	-
- As restated	<u>780,081</u>	<u>812,523</u>	<u>648,256</u>	<u>666,218</u>
Net allowance made	177,985	267,932	172,650	171,471
Reclassified from/(to) collective impairment allowance	1,208	(10,895)	(2,141)	(9,972)
Amount written off	(194,887)	(288,378)	(188,250)	(179,670)
Transfer to impairment of investment securities	1,992	(643)	1,992	(643)
Exchange difference	<u>3,005</u>	<u>(458)</u>	<u>-</u>	<u>852</u>
Balance as at the end of financial period/year	<u><u>769,384</u></u>	<u><u>780,081</u></u>	<u><u>632,507</u></u>	<u><u>648,256</u></u>
Collective impairment allowance				
Balance as at the beginning of financial period/year				
- As previously reported	1,395,228	1,566,152	1,182,802	1,335,081
- Effect of predecessor accounting on acquisition of a subsidiary (Note 28)	2,743	2,500	-	-
- As restated	<u>1,397,971</u>	<u>1,568,652</u>	<u>1,182,802</u>	<u>1,335,081</u>
Net allowance made	157,699	157,279	154,510	155,472
Reclassified (to)/from individual impairment allowance	(1,208)	10,895	2,141	9,972
Amount written off	(238,810)	(338,162)	(210,401)	(318,268)
Exchange difference	<u>2,989</u>	<u>(693)</u>	<u>902</u>	<u>545</u>
Balance as at the end of financial period/year	<u><u>1,318,641</u></u>	<u><u>1,397,971</u></u>	<u><u>1,129,954</u></u>	<u><u>1,182,802</u></u>

12 Other Assets

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Other receivables	350,137	304,187	309,940	237,381
Deposits	43,941	39,323	39,264	34,405
Prepayments	44,425	33,482	43,279	32,228
Amount due from holding company	3,567	5,643	3,567	5,643
Amounts due from subsidiaries	-	-	428,490	384,913
Amounts due from related companies	<u>25,609</u>	<u>14,242</u>	<u>25,609</u>	<u>14,242</u>
	<u><u>467,679</u></u>	<u><u>396,877</u></u>	<u><u>850,149</u></u>	<u><u>708,812</u></u>

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

13 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Demand deposits	23,315,817	22,602,902	20,674,953	20,184,299
Savings deposits	7,389,934	6,932,789	6,495,205	6,129,019
Fixed/investment deposits	103,192,565	101,997,647	84,850,440	85,235,327
Negotiable instruments of deposits	8,469	8,960	8,469	8,960
	<u>133,906,785</u>	<u>131,542,298</u>	<u>112,029,067</u>	<u>111,557,605</u>

(ii) By type of customer

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Government and statutory bodies	11,266,969	14,145,334	6,812,228	8,269,422
Business enterprises	80,702,695	79,997,328	66,265,559	69,153,868
Individuals	37,066,988	32,667,496	34,495,916	31,077,414
Others	4,870,133	4,732,140	4,455,364	3,056,901
	<u>133,906,785</u>	<u>131,542,298</u>	<u>112,029,067</u>	<u>111,557,605</u>

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

	Group		Bank	
	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000	Unaudited As at 30.09.2013 RM'000	Restated As at 31.12.2012 RM'000
Due within six months	88,092,732	84,560,794	72,041,283	69,925,495
Six months to one year	14,662,319	16,570,816	12,390,507	14,588,041
One year to three years	416,145	837,740	406,674	705,991
Three years to five years	29,838	37,257	20,445	24,760
	<u>103,201,034</u>	<u>102,006,607</u>	<u>84,858,909</u>	<u>85,244,287</u>

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

14 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Licensed banks	7,026,188	7,484,326	6,289,962	6,757,069
Licensed Islamic banks	1,174,295	1,083,534	-	-
Licensed investments banks	450,031	1,859,718	450,031	1,859,718
BNM	486,300	842,592	485,905	841,967
Other financial institutions	762,397	735,399	121,844	574
	<u>9,899,211</u>	<u>12,005,569</u>	<u>7,347,742</u>	<u>9,459,328</u>

15 Other Liabilities

	Group		Bank	
	Unaudited As at	Restated As at	Unaudited As at	Restated As at
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Amount due to holding company	99	99	-	-
Amounts due to subsidiaries	-	-	26,399	26,025
Amounts due to related companies	273,248	273,739	272,749	273,338
Amount due to Danaharta	1,897	1,827	1,897	1,827
Prepaid instalments	75,047	77,984	75,047	77,984
Lessee deposits	30,067	30,689	-	-
Short term employee benefits	142,858	157,127	131,792	144,499
Other creditors and accruals	573,255	687,031	451,663	519,372
	<u>1,096,471</u>	<u>1,228,496</u>	<u>959,547</u>	<u>1,043,045</u>

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

16 Interest Income

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013 RM'000	Preceding Corresponding Quarter Ended 30.09.2012 RM'000	Current Financial Nine Months Ended 30.09.2013 RM'000	Preceding Corresponding Nine Months Ended 30.09.2012 RM'000
<u>Group</u>				
Loans, advances and financing	1,332,018	1,234,206	3,890,308	3,565,745
Money at call and deposit placements with banks and other financial institutions	58,551	117,641	229,136	319,802
Securities purchased under resale agreement	144	85	548	217
Financial assets HFT	1,937	4,543	8,991	11,633
Financial investments AFS	85,409	62,227	228,199	171,459
Financial investments HTM	158,920	117,717	460,301	360,244
Others	314	201	640	562
	<u>1,637,293</u>	<u>1,536,620</u>	<u>4,818,123</u>	<u>4,429,662</u>
Of which:				
Interest income accrued on impaired financial assets	<u>33,910</u>	<u>33,439</u>	<u>110,362</u>	<u>114,158</u>
<u>Bank</u>				
Loans, advances and financing	1,299,238	1,217,834	3,802,013	3,520,595
Money at call and deposit placements with banks and other financial institutions	90,391	125,954	307,911	341,219
Securities purchased under resale agreement	144	85	548	217
Financial assets HFT	1,937	4,543	8,991	11,633
Financial investments AFS	84,493	61,335	225,554	170,567
Financial investments HTM	157,275	116,067	455,561	357,187
Others	314	201	640	562
	<u>1,633,792</u>	<u>1,526,019</u>	<u>4,801,218</u>	<u>4,401,980</u>
Of which:				
Interest income accrued on impaired financial assets	<u>30,436</u>	<u>33,439</u>	<u>100,264</u>	<u>114,158</u>

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

17 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013 RM'000	Preceding Corresponding Quarter Ended 30.09.2012 RM'000	Current Financial Nine Months Ended 30.09.2013 RM'000	Preceding Corresponding Nine Months Ended 30.09.2012 RM'000
<u>Group</u>				
Deposits and placements of banks and other financial institutions	30,112	68,832	107,218	130,528
Deposits from customers	695,317	596,741	2,031,284	1,755,551
Subordinated obligations	48,159	50,060	142,901	137,847
Recourse obligation on loans sold to Cagamas	10,751	14,024	32,377	42,133
Senior Debt Securities	13,226	8,086	38,257	12,589
Hybrid Tier-I Capital Securities	11,447	11,441	33,965	34,073
Borrowings	1,502	2,213	4,764	6,429
Others	14,160	12,010	38,207	35,430
	824,674	763,407	2,428,973	2,154,580
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	28,752	68,946	104,492	130,706
Deposits from customers	689,121	593,328	2,013,886	1,746,128
Subordinated obligations	48,159	50,060	142,901	137,847
Recourse obligation on loans sold to Cagamas	10,751	14,024	32,377	42,133
Senior Debt Securities	13,226	8,086	38,257	12,589
Hybrid Tier-I Capital Securities	11,447	11,441	33,965	34,073
Borrowings	1,502	2,213	4,764	6,429
Others	14,160	12,010	38,207	35,430
	817,118	760,108	2,408,849	2,145,335

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

18 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Financial</u>	<u>Corresponding</u>	<u>Financial</u>	<u>Corresponding</u>
	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Nine Months Ended</u>	<u>Nine Months Ended</u>
	<u>30.09.2013</u>	<u>30.09.2012</u>	<u>30.09.2013</u>	<u>30.09.2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
a) Fee Income:				
Commission	37,492	32,022	104,592	94,093
Service charges and fees	55,564	38,591	154,109	172,802
Guarantee fees	11,734	12,891	32,542	32,537
Commitment fees	13,075	11,138	36,457	34,395
Underwriting fees	138	164	463	1,086
Other fees	4,140	4,378	13,124	12,573
	<u>122,143</u>	<u>99,184</u>	<u>341,287</u>	<u>347,486</u>
b) Net gain arising from financial assets held-for-trading	6,044	2,078	24,287	36,100
c) Net (loss)/gain on revaluation of derivatives	(13,514)	(1,737)	23,504	22,338
d) Net (loss)/gain on fair values hedges	(381)	48	(1,020)	487
e) Net gain arising from financial investments available-for-sale:				
- net gain on disposal	63,694	13,330	92,421	39,854
- gross dividends income	1,124	-	5,697	3,327
	<u>64,818</u>	<u>13,330</u>	<u>98,118</u>	<u>43,181</u>
f) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	-	1,753	-	1,823
g) Other income:				
Foreign exchange gain/(loss)				
- Realised	32,636	109,757	139,174	214,851
- Unrealised	64,701	(53,345)	72,414	(26,850)
Gain on disposal of property, plant and equipment	73	-	111	997
Other operating income	15,514	21,271	49,391	50,840
Other non-operating income	1,363	1,331	5,095	3,259
	<u>114,287</u>	<u>79,014</u>	<u>266,185</u>	<u>243,097</u>
	<u>293,397</u>	<u>193,670</u>	<u>752,361</u>	<u>694,512</u>

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

18 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013 RM'000	Preceding Corresponding Quarter Ended 30.09.2012 RM'000	Current Financial Nine Months Ended 30.09.2013 RM'000	Preceding Corresponding Nine Months Ended 30.09.2012 RM'000
Bank				
a) Fee Income:				
Commission	36,530	31,566	100,532	93,323
Service charges and fees	54,442	35,303	154,542	167,548
Guarantee fees	11,734	12,891	32,542	32,537
Commitment fees	12,169	11,138	34,017	34,395
Underwriting fees	138	164	463	1,086
Other fees	4,193	4,439	13,319	12,784
	<u>119,206</u>	<u>95,501</u>	<u>335,415</u>	<u>341,673</u>
b) Net gain arising from financial assets held-for-trading	6,044	2,078	24,287	36,100
c) Net (loss)/gain on revaluation of derivatives	(11,254)	1,650	30,018	17,305
d) Net gain on fair values hedges	1,135	59	1,142	155
e) Net gain arising from financial investments available-for-sale:				
- net gain on disposal	62,523	13,330	91,250	39,854
- gross dividends income	1,124	-	5,697	3,325
	<u>63,647</u>	<u>13,330</u>	<u>96,947</u>	<u>43,179</u>
f) Net gain arising from financial investments held-to-maturity				
- net gain on redemption	-	1,753	-	1,823
g) Other income:				
Foreign exchange gain/(loss)				
- Realised	32,590	108,777	139,652	213,920
- Unrealised	64,701	(53,345)	72,414	(26,850)
Gain on disposal of property, plant and equipment	73	-	111	997
Other operating income	14,874	16,836	45,846	46,217
Other non-operating income	714	764	3,225	1,619
	<u>112,952</u>	<u>73,032</u>	<u>261,248</u>	<u>235,903</u>
	<u>291,730</u>	<u>187,403</u>	<u>749,057</u>	<u>676,138</u>

19 Income from Islamic Banking Business

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013 RM'000	Preceding Corresponding Quarter Ended 30.09.2012 RM'000	Current Financial Nine Months Ended 30.09.2013 RM'000	Preceding Corresponding Nine Months Ended 30.09.2012 RM'000
Income derived from investment of depositors' funds	277,965	264,889	812,588	765,289
Income derived from investment of shareholder's funds	30,515	28,871	84,360	55,795
Transfer from Profit Equalisation Reserve	-	-	-	7,252
Total distributable income	<u>308,480</u>	<u>293,760</u>	<u>896,948</u>	<u>828,336</u>
Income attributable to depositors	<u>(158,592)</u>	<u>(167,477)</u>	<u>(470,420)</u>	<u>(478,810)</u>
Income from Islamic Banking Business	<u>149,888</u>	<u>126,283</u>	<u>426,528</u>	<u>349,526</u>
Of which:				
Financing income earned on impaired financing and advances	<u>3,474</u>	<u>4,071</u>	<u>10,098</u>	<u>17,716</u>

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

20 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended</u>	<u>Preceding Corresponding Quarter Ended</u>	<u>Current Financial Nine Months Ended</u>	<u>Preceding Corresponding Nine Months Ended</u>
	<u>30.09.2013</u>	<u>30.09.2012</u>	<u>30.09.2013</u>	<u>30.09.2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	250,732	221,471	744,667	674,264
- Contributions to Employees Provident Fund	39,036	33,762	114,749	102,108
- Other staff related costs	23,776	23,548	55,036	65,761
	<u>313,544</u>	<u>278,781</u>	<u>914,452</u>	<u>842,133</u>
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	20,368	19,120	60,325	54,642
- Written off	11	1	16	1
- Amortisation of intangible assets	8,674	6,788	25,118	21,129
- Rental of premises	29,459	26,670	85,727	78,539
- Rental of equipment	1,301	1,496	3,721	4,803
- Insurance	5,834	5,175	17,887	12,019
- Water and electricity	6,319	5,824	18,464	16,866
- Repair and maintenance	6,525	4,874	18,321	14,046
- Security & escorting expenses	12,649	11,372	36,925	34,940
- Information technology expenses	34,957	26,799	91,929	82,155
- Others	209	888	721	2,769
	<u>126,306</u>	<u>109,007</u>	<u>359,154</u>	<u>321,909</u>
<u>Marketing expenses</u>				
- Sales commission	13,829	9,247	35,804	25,972
- Advertisement and publicity	14,202	17,191	34,291	41,438
- Others	14,998	15,169	45,504	44,026
	<u>43,029</u>	<u>41,607</u>	<u>115,599</u>	<u>111,436</u>
<u>Administration and general expenses</u>				
- Communication expenses	23,384	20,743	71,885	66,736
- Others	24,173	20,994	71,379	65,724
	<u>47,557</u>	<u>41,737</u>	<u>143,264</u>	<u>132,460</u>
	<u>530,436</u>	<u>471,132</u>	<u>1,532,469</u>	<u>1,407,938</u>

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

20 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013 RM'000	Preceding Corresponding Quarter Ended 30.09.2012 RM'000	Current Financial Nine Months Ended 30.09.2013 RM'000	Preceding Corresponding Nine Months Ended 30.09.2012 RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	227,763	203,520	676,739	620,919
- Contributions to Employees Provident Fund	35,070	30,914	103,277	93,721
- Other staff related costs	23,074	19,769	51,884	58,981
	285,907	254,203	831,900	773,621
<u>Establishment costs</u>				
- Property, plant and equipment:				
- Depreciation	18,577	17,628	55,021	49,492
- Written off	11	1	16	1
- Amortisation of intangible assets	8,388	6,708	24,420	20,893
- Rental of premises	27,990	26,155	81,786	76,801
- Rental of equipment	1,278	1,457	3,656	4,587
- Insurance	5,007	4,190	15,468	11,748
- Water and electricity	5,595	5,286	16,379	15,400
- Repair and maintenance	5,629	4,745	15,696	13,913
- Security & escorting expenses	11,706	10,712	33,352	32,447
- Information technology expenses	32,363	25,868	83,723	74,739
	116,544	102,750	329,517	300,021
<u>Marketing expenses</u>				
- Sales commission	10,311	6,690	27,328	19,934
- Advertisement and publicity	12,351	15,706	29,818	39,050
- Others	13,665	14,317	41,712	41,503
	36,327	36,713	98,858	100,487
<u>Administration and general expenses</u>				
- Communication expenses	21,302	18,960	64,775	61,604
- Others	10,088	7,207	29,013	31,920
	31,390	26,167	93,788	93,524
	470,168	419,833	1,354,063	1,267,653

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

21 Allowance for Impairment on Loans, Advances and Financing

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2013 RM'000	Preceding Corresponding Quarter Ended 30.09.2012 RM'000	Current Financial Nine Months Ended 30.09.2013 RM'000	Preceding Corresponding Nine Months Ended 30.09.2012 RM'000
<u>Group</u>				
Individual impairment allowance	8,501	71,914	177,985	176,250
Collective impairment allowance	33,781	(3,194)	157,699	117,008
Impaired loans and financing recovered	(74,638)	(142,978)	(212,904)	(365,000)
Impaired loans written off	59,101	44,148	208,124	123,759
	26,745	(30,110)	330,904	52,017
<u>Bank</u>				
Individual impairment allowance	8,445	38,850	172,650	74,377
Collective impairment allowance	42,239	(6,707)	154,510	111,789
Impaired loans and financing recovered	(68,748)	(130,699)	(203,238)	(349,142)
Impaired loans written off	51,337	39,986	176,720	115,808
	33,273	(58,570)	300,642	(47,168)

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

22 Capital Adequacy

BNM guidelines on capital adequacy requires the Bank to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with 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 Bank have been computed based on BNM's Capital Adequacy Framework (Capital Components) issued on 28 November 2012. Correspondingly, the comparative disclosures for the year ended 31 December 2012 have been restated accordingly.

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

	RHB Bank*		RHB Islamic Bank	
	Unaudited 30.09.2013 RM'000	Restated 31.12.2012 RM'000	Unaudited 30.09.2013 RM'000	Restated 31.12.2012 RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	1,173,424	973,424
Share premium	8,563	8,563	-	-
Retained profits	4,491,231	4,235,058	413,889	358,151
Other reserves	3,683,782	3,446,936	414,096	358,359
AFS reserves	211,482	218,281	(22,397)	3,740
	<u>11,713,143</u>	<u>11,226,923</u>	<u>1,979,012</u>	<u>1,693,674</u>
Less: Goodwill	(905,519)	(905,519)	-	-
Net deferred tax assets	-	-	(13,784)	(5,265)
Other intangible assets	(104,820)	(112,409)	(4,115)	(3,585)
55% of cumulative gains of AFS financing instruments	(116,315)	(120,055)	-	(2,057)
Shortfall of eligible provisions to expected losses under the IRB approach	(323,734)	(372,197)	-	-
Other deduction [#]	(14,206)	(5,701)	(252)	(5,091)
Common Equity Tier-I capital ('CET I capital')	<u>10,248,549</u>	<u>9,711,042</u>	<u>1,960,861</u>	<u>1,677,676</u>
Hybrid Tier-I Capital Securities**	540,000	597,744	-	-
Total Tier I capital	<u>10,788,549</u>	<u>10,308,786</u>	<u>1,960,861</u>	<u>1,677,676</u>
Tier II Capital				
Subordinated obligations [®]	3,600,000	3,996,781	-	-
Collective impairment allowance [^]	273,919	278,703	85,186	87,435
	<u>3,873,919</u>	<u>4,275,484</u>	<u>85,186</u>	<u>87,435</u>
Less: Investments in subsidiaries	(1,539,997)	(1,339,997)	-	-
Total Tier II capital	<u>2,333,922</u>	<u>2,935,487</u>	<u>85,186</u>	<u>87,435</u>
Total capital	<u>13,122,471</u>	<u>13,244,273</u>	<u>2,046,047</u>	<u>1,765,111</u>
Capital ratios (before proposed dividend)				
CET I capital ratio	10.947%	11.048%	13.959%	13.971%
Tier I capital ratio	11.523%	11.728%	13.959%	13.971%
Total capital ratio	<u>14.016%</u>	<u>15.068%</u>	<u>14.566%</u>	<u>14.699%</u>
Capital ratios (after proposed dividend)				
CET I capital ratio	10.765%	10.777%	13.959%	13.971%
Tier I capital ratio	11.342%	11.457%	13.959%	13.971%
Total capital ratio	<u>13.835%</u>	<u>14.797%</u>	<u>14.566%</u>	<u>14.699%</u>

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

22 Capital Adequacy (cont'd)

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

	RHB Bank*		RHB Islamic Bank	
	Unaudited 30.09.2013	Restated 31.12.2012	Unaudited 30.09.2013	Restated 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Credit risk	83,711,484	77,934,597	13,209,620	11,053,722
Market risk	2,327,118	2,676,807	83,315	265,386
Operational risk	7,580,907	7,283,570	753,737	689,105
Total risk-weighted assets	<u>93,619,509</u>	<u>87,894,974</u>	<u>14,046,672</u>	<u>12,008,213</u>

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

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

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

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

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

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

	Unaudited 30.09.2013	Audited 31.12.2012
	RM'000	RM'000
Before deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	20.308%	31.164%
After deducting proposed dividends:		
Core capital ratio	#	#
Solvency ratio	20.308%	31.164%

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

No equivalent ratio in Cambodia.

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22 Capital Adequacy (cont'd)

	RHB Bank Group	
	Unaudited	Restated
	30.09.2013	31.12.2012
	RM'000	RM'000
Tier I Capital		
Paid-up ordinary share capital	3,318,085	3,318,085
Share premium	8,563	8,563
Retained profits	5,031,579	4,719,669
Other reserves	4,078,061	3,764,899
AFS reserves	189,085	222,022
	<u>12,625,373</u>	<u>12,033,238</u>
Less: Goodwill	(1,120,318)	(1,120,318)
Other intangible assets	(109,924)	(120,332)
55% of cumulative gains of AFS financing instruments	(103,997)	(122,112)
Shortfall of eligible provisions to expected losses under the IRB approach	(383,357)	(422,888)
Other deduction [#]	(14,458)	(10,792)
	<u>10,893,319</u>	<u>10,236,796</u>
Common Equity Tier-I capital	540,000	597,744
Hybrid Tier-I Capital Securities**	<u>11,433,319</u>	<u>10,834,540</u>
Total Tier I capital		
Tier II Capital		
Subordinated obligations [@]	3,600,000	3,996,781
Collective impairment allowance [^]	428,391	422,827
Total Tier II capital	<u>4,028,391</u>	<u>4,419,608</u>
Total capital	<u>15,461,710</u>	<u>15,254,148</u>
Capital ratios (before proposed dividend)		
CET I capital ratio	10.134%	10.409%
Tier I capital ratio	10.636%	11.017%
Total capital ratio	<u>14.384%</u>	<u>15.511%</u>
Capital ratios (after proposed dividend)		
CET I capital ratio	9.976%	10.167%
Tier I capital ratio	10.478%	10.775%
Total capital ratio	<u>14.226%</u>	<u>15.269%</u>
The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:		
Credit risk	96,787,920	87,776,005
Market risk	2,332,481	2,565,380
Operational risk	8,368,224	7,999,184
Total risk-weighted assets	<u>107,488,625</u>	<u>98,340,569</u>

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

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

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

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

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

23 Commitments And Contingencies

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

Group	← Unaudited 30.09.2013 →			← Audited 31.12.2012 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	3,218,808	3,187,999	1,978,380	2,180,636	2,143,725	1,425,061
Transaction-related contingent items	2,920,595	1,439,306	1,103,524	2,495,813	1,224,748	881,556
Short-term self-liquidating trade-related contingencies	1,557,560	309,365	150,809	1,009,851	199,301	128,967
Obligations under underwriting agreements	76,000	38,000	38,000	90,000	45,000	45,000
Irrevocable commitments to extend credit [@] :						
- maturity more than one year	27,757,675	13,532,738	9,428,251	24,625,669	11,615,012	7,819,086
- maturity less than one year	9,827,209	5,534,664	4,101,844	10,237,339	5,733,709	3,610,770
Foreign exchange related contracts [@] :						
- less than one year	11,350,050	271,575	199,463	9,575,927	162,659	108,731
- one year to less than five years	7,277,032	1,208,867	461,237	5,213,212	922,498	275,190
Interest rate related contracts [@] :						
- less than one year	5,443,020	10,690	4,397	7,823,637	22,654	8,926
- one year to less than five years	20,665,320	632,172	260,040	14,053,210	440,757	235,476
- more than five years	825,956	62,234	17,824	600,000	53,026	53,026
Total	<u>90,919,225</u>	<u>26,227,610</u>	<u>17,743,769</u>	<u>77,905,294</u>	<u>22,563,089</u>	<u>14,591,789</u>

[@] These derivatives are revalued on gross position basis and the unrealised gains or losses has been are reflected in income statements and statements of financial position as derivative assets or derivative 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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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 (cont'd)

23 Commitments And Contingencies (cont'd)

Bank	← Unaudited 30.09.2013 →			← Audited 31.12.2012 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	3,218,808	3,187,999	1,978,380	2,123,886	2,086,975	1,425,061
Transaction-related contingent items	2,369,910	1,163,964	808,942	2,128,836	1,041,259	735,019
Short-term self-liquidating trade-related contingencies	1,449,912	287,835	147,434	954,248	188,181	127,669
Irrevocable commitments to extend credit [@] :						
- maturity more than one year	24,776,998	12,031,839	8,031,189	22,480,527	10,541,472	6,908,020
- maturity less than one year	7,763,013	4,931,170	3,574,834	8,395,198	5,210,759	3,235,038
Foreign exchange related contracts [@] :						
- less than one year	11,003,524	271,287	197,418	9,290,698	162,443	107,491
- one year to less than five years	7,277,032	1,208,867	461,237	5,213,212	922,498	275,190
Interest rate related contracts [@] :						
- less than one year	6,043,020	15,131	5,285	9,023,637	26,183	10,691
- one year to less than five years	22,845,771	697,728	273,092	16,134,862	502,857	266,525
- more than five years	915,956	67,883	18,954	600,000	53,026	53,026
Total	87,663,944	23,863,703	15,496,765	76,345,104	20,735,653	13,143,730

[@] These derivatives are revalued on gross position basis and the unrealised gains or losses has been are reflected in income statements and statements of financial position as derivative assets or derivative liabilities.

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

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

24 Capital Commitments

	Group		Bank	
	Unaudited As at 30.9.2013	Audited As at 31.12.2012	Unaudited As at 30.9.2013	Audited As at 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Capital expenditure for property, plant and equipment:				
- authorised and contracted for	52,319	54,269	52,319	53,678
- authorised but not contracted for	195,397	174,364	130,266	123,600
	<u>247,716</u>	<u>228,633</u>	<u>182,585</u>	<u>177,278</u>
Proposed acquisition of Bank Mestika	538,620	538,620	538,620	538,620
	<u>786,336</u>	<u>767,253</u>	<u>721,205</u>	<u>715,898</u>

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

25 Fair Value of Financial Instrument

The Group and the Bank analyses its 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>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Group				
<u>30.9.2013</u>				
<u>Financial assets</u>				
Financial investments held-for-trading	5,266	1,891,776	-	1,897,042
- money market instrument	-	1,891,776	-	1,891,776
- quoted securities	5,266	-	-	5,266
Financial investments available-for-sale	4,092	12,528,650	647,796	13,180,538
- money market instrument	-	4,422,792	-	4,422,792
- quoted securities	4,092	-	-	4,092
- unquoted securities	-	8,105,858	647,796	8,753,654
Derivative assets				
- money market instrument	-	354,997	-	354,997
	<u>9,358</u>	<u>14,775,423</u>	<u>647,796</u>	<u>15,432,577</u>
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instrument	-	231,898	-	231,898
	<u>-</u>	<u>231,898</u>	<u>-</u>	<u>231,898</u>
<u>31.12.2012</u>				
<u>Financial assets</u>				
Financial investments held-for-trading	-	1,549,863	-	1,549,863
- money market instrument	-	1,509,829	-	1,509,829
- unquoted securities	-	40,034	-	40,034
Financial investments available-for-sale	10,609	9,462,794	552,995	10,026,398
- money market instrument	-	3,223,828	-	3,223,828
- quoted securities	10,609	-	-	10,609
- unquoted securities	-	6,238,966	552,995	6,791,961
Derivative assets				
- money market instrument	-	250,917	-	250,917
	<u>10,609</u>	<u>11,263,574</u>	<u>552,995</u>	<u>11,827,178</u>
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instrument	-	273,197	-	273,197
	<u>-</u>	<u>273,197</u>	<u>-</u>	<u>273,197</u>

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

25 Fair Value of Financial Instrument (continued)

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
<u>Bank</u>				
<u>30.09.2013</u>				
<u>Financial assets</u>				
Financial investments held-for-trading	5,266	1,267,770	-	1,273,036
- money market instrument	-	1,267,770	-	1,267,770
- quoted securities	5,266	-	-	5,266
Financial investments available-for-sale	3,242	9,961,985	574,694	10,539,921
- money market instrument	-	3,256,902	-	3,256,902
- quoted securities	3,242	-	-	3,242
- unquoted securities	-	6,705,083	574,694	7,279,777
Derivative assets				
- money market instrument	-	366,042	-	366,042
	<u>8,508</u>	<u>11,595,797</u>	<u>574,694</u>	<u>12,178,999</u>
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instrument	-	238,903	-	238,903
	<u>-</u>	<u>238,903</u>	<u>-</u>	<u>238,903</u>
<u>31.12.2012</u>				
<u>Financial assets</u>				
Financial investments held-for-trading	-	1,110,482	-	1,110,482
- money market instrument	-	1,100,778	-	1,100,778
- unquoted securities	-	9,704	-	9,704
Financial investments available-for-sale	7,871	7,964,356	484,329	8,456,556
- money market instrument	-	2,634,238	-	2,634,238
- quoted securities	7,871	-	-	7,871
- unquoted securities	-	5,330,118	484,329	5,814,447
Derivative assets				
- money market instrument	-	271,029	-	271,029
	<u>7,871</u>	<u>9,345,867</u>	<u>484,329</u>	<u>9,838,067</u>
<u>Financial liabilities</u>				
Derivative liabilities				
- money market instrument	-	273,559	-	273,559
	<u>-</u>	<u>273,559</u>	<u>-</u>	<u>273,559</u>

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

25 Fair Value of Financial Instrument (continued)

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. This would include quoted securities.

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 use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. 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 companies in mention. For unquoted corporate loan stocks, discounted cash flow analysis have been performed to determine the recoverability of the instrument.

Sensitivity analysis is not performed on these level 3 instruments and fair values of such instruments are obtained from the techniques mentioned above.

Current year valuation methodologies were consistent with those described within the 2012 Annual Report.

Non-recurring fair value changes

Certain assets and liabilities are measured at fair value on a non-recurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances.

There were no non-recurring fair value changes for the period/year ended 30 September 2013 and 31 December 2012.

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 2013 and 31 December 2012 for the Group and the Bank.

	Group		Bank	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
<u>Financial investments available-for-sale</u>	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial period/year	552,995	497,428	484,329	496,853
Total gains/(losses) recognised in other comprehensive income	107,570	(32,202)	107,570	(32,202)
Sales	-	(3,086)	-	(3,086)
Purchase	851	68,946	-	855
Settlements	(11,178)	(49,039)	(10,310)	(49,039)
Impairment losses	(6,900)	(6,783)	(6,900)	(6,783)
Transfer in	-	77,754	-	77,754
Exchange differences	4,458	(23)	5	(23)
Balance as at the end of financial period/year	647,796	552,995	574,694	484,329

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26 Segmental Reporting On Revenue and Profit and Assets

Group

Nine months ended 30 September 2013

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	527,191	1,625,900	528,145	258,583	388,222	240,185	(187)	-	3,568,039
Inter-segment revenue	(15,300)	-	-	91,523	(75,369)	2,690	617	(4,161)	-
Segment revenue	511,891	1,625,900	528,145	350,106	312,853	242,875	430	(4,161)	3,568,039
Overhead expenses including:	(96,635)	(775,843)	(252,832)	(61,621)	(145,487)	(180,488)	(23,724)	4,161	(1,532,469)
Depreciation of property, plant and equipment	(1,574)	(43,532)	(5,635)	(1,502)	(2,817)	(5,119)	(146)	-	(60,325)
Amortisation of other intangible assets	(1,332)	(13,780)	(6,159)	(2,166)	(334)	(1,347)	-	-	(25,118)
Allowance for impairment on loans, advances and financing	(128,727)	(106,561)	(44,898)	-	(37,509)	(10,982)	(2,227)	-	(330,904)
Impairment losses written back/ (made) on other assets	15,721	78	727	(6,900)	(701)	-	-	-	8,925
Profit before taxation	302,250	743,574	231,142	281,585	129,156	51,405	(25,521)	-	1,713,591
Taxation	-	-	-	-	-	-	-	-	(414,068)
Net profit for the financial period									<u>1,299,523</u>

Nine months ended 30 September 2012

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	522,440	1,499,177	526,052	319,755	293,518	196,985	(38,807)	-	3,319,120
Inter-segment revenue	(2,370)	-	-	17,592	(14,376)	2,623	614	(4,083)	-
Segment revenue	520,070	1,499,177	526,052	337,347	279,142	199,608	(38,193)	(4,083)	3,319,120
Overhead expenses including:	(90,434)	(727,480)	(242,781)	(61,967)	(118,938)	(150,302)	(20,119)	4,083	(1,407,938)
Depreciation of property, plant and equipment	(1,467)	(39,752)	(4,649)	(1,336)	(4,512)	(2,780)	(146)	-	(54,642)
Amortisation of other intangible assets	(1,336)	(11,771)	(4,939)	(1,885)	(168)	(1,030)	-	-	(21,129)
Allowance for impairment on loans, advances and financing	123,295	(111,629)	12,375	-	(82,873)	(578)	7,393	-	(52,017)
Impairment losses written back/ (made) on other assets	6,830	22	68	(4,288)	-	433	-	-	3,065
Profit before taxation	559,761	660,090	295,714	271,092	77,331	49,161	(50,919)	-	1,862,230
Taxation	-	-	-	-	-	-	-	-	(450,765)
Net profit for the financial period									<u>1,411,465</u>

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

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

Group

As at 30 September 2013

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	37,135,154	47,394,297	12,722,978	41,880,365	19,154,348	15,524,366	309,951	(4,354,035)	169,767,424
Deferred tax assets									9,137
Tax recoverable									12,771
Unallocated assets									1,200,277
Total assets									170,989,609
Segment liabilities	24,831,203	35,344,234	8,378,893	52,952,718	11,800,512	12,659,051	14,678,322	(4,896,732)	155,748,201
Deferred tax liabilities									58,240
Taxation									21,256
Unallocated liabilities									2,007,388
									157,835,085

As at 31 December 2012

	Corporate Banking	Retail Banking	Business Banking	Treasury & Money Market	Islamic Banking Business	Global Financing Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	36,526,387	43,370,241	11,700,066	51,579,432	16,379,292	12,584,422	318,285	(3,375,132)	169,082,993
Deferred tax assets									8,455
Tax recoverable									38
Unallocated assets									1,141,767
Total assets									170,233,253
Segment liabilities	25,753,892	34,247,828	8,058,227	54,844,816	10,402,188	9,887,236	16,670,641	(3,876,869)	155,987,959
Deferred tax liabilities									50,907
Taxation									125,663
Unallocated liabilities									2,035,486
									158,200,015

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

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

27 Valuation of Property, Plant and Equipment

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

28 Events subsequent to Balance Sheet Date

There were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements.

29 Changes in the Composition of the Group

Other than the acquisition of RHB Indochina Bank Limited ('RHBIBL') mentioned below, there are no significant changes in the composition of the Group for the nine months ended 30 September 2013.

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

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

Group

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

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

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

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

Bank

As at 31.12.2012

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

30 Changes in Profit for the Quarter

During the quarter ended 30 September 2013, the Group recorded a pre-tax profit of 701.3 million, 31.7% or RM168.8 million higher compared to the preceeding quarter ended 30 June 2013 of RM532.5 million. The higher pre-tax profit was mainly due to lower impairment allowances for loans, advances and financing by RM129.5 million and higher other operating income by RM43.1 million, higher net interest income by RM10.9 million, higher net income from Islamic Banking Business by RM5.8 million and higher impairment write back on other assets by RM0.8 million, partially offset by higher other operating expenses by RM21.3 million.

31 Performance Review

The Group reported a pre-tax profit of RM1,713.6 million for the nine months ended 30 September 2013, 8.0% or RM148.6 million lower from the previous year corresponding period. The lower pre-tax profit was reflected by higher impairment allowances for loans, advances and financing by RM278.9 million, higher other operating expenses by RM124.5 million, partially offset by higher net interest income increase of RM114.0 million, higher net income from Islamic Banking Business of RM77.0 million, higher other operating income of RM57.9 million and higher impairment write back on other assets by RM5.9 million.

32 Prospects Notes

The global backdrop is turning more positive, with the US and Japan on a recovery path while Europe is stabilising, and China's slowdown is bottoming out. This will likely improve the country's exports for the rest of the year 2013.

The Malaysian Banking sector outlook is expected to continue its moderate growth in line with a stable domestic operating environment, with system wide sound asset quality, strong capitalisation and funding profiles.

Following the above, the Group's business performance is expected to improve further given our enhanced geographical footprint. Our continued effort in strengthening our human capital bench strength has begun to yield good results.

We are determined to build on this momentum and barring unforeseen circumstances, the Group expects performance for the remainder of the financial year to be satisfactory.