



RHB Capital Berhad 312952-H
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**UNAUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

The Board of Directors of RHB Capital Berhad ("The Board") wishes to announce that the unaudited interim financial results of the Group and the Company for the nine months ended 30 September 2011 are as follows:

**INCOME STATEMENTS
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Note	3rd quarter ended		Nine months ended	
		30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A8	1,425,206	1,270,482	4,092,698	3,433,334
Interest expense	A9	(730,255)	(565,142)	(2,014,211)	(1,499,274)
Net interest income		694,951	705,340	2,078,487	1,934,060
Other operating income	A10	215,529	251,355	798,327	763,777
		910,480	956,695	2,876,814	2,697,837
Income from Islamic Banking business		120,428	84,247	294,512	244,315
Net operating income		1,030,908	1,040,942	3,171,326	2,942,152
Other operating expenses	A11	(487,639)	(412,336)	(1,395,749)	(1,190,918)
Operating profit before allowances		543,269	628,606	1,775,577	1,751,234
Allowance for impairment on loans, financing and other losses	A12	(29,639)	(174,257)	(232,362)	(350,083)
Impairment losses on other assets		(21,655)	(1,547)	(11,637)	(26,334)
		491,975	452,802	1,531,578	1,374,817
Share of results of an associate		-	-	-	12
Share of results of a joint venture		143	414	287	567
Profit before taxation		492,118	453,216	1,531,865	1,375,396
Taxation	B5	(115,391)	(98,644)	(376,906)	(327,623)
Net profit for the financial period		376,727	354,572	1,154,959	1,047,773
Attributable to:					
- Equity holders of the Company		376,404	351,353	1,153,147	1,040,113
- Minority interests		323	3,219	1,812	7,660
		376,727	354,572	1,154,959	1,047,773
Earnings per share (sen)					
- Basic	B14	17.2	16.3	53.1	48.3
- Diluted	B14	17.2	16.3	53.1	48.3

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	376,727	354,572	1,154,959	1,047,773
Other comprehensive income/(loss):				
Currency translation differences	47,665	(21,744)	31,763	(71,849)
Financial investments available-for-sale ('AFS')				
- Unrealised net gain on revaluation	89,270	152,639	130,937	265,119
- Net transfer to income statements on disposal or impairment	(21,130)	(15,155)	(34,470)	(69,510)
Gain on fair valuation of property arising from acquisition of a subsidiary	-	-	-	20,265
Income tax relating to components of other comprehensive income	(17,227)	(34,298)	(24,446)	(49,847)
Other comprehensive income for the financial period	98,578	81,442	103,784	94,178
Total comprehensive income for the financial period	475,305	436,014	1,258,743	1,141,951
Total comprehensive income attributable to:				
- Equity holders of the Company	474,962	432,878	1,256,946	1,134,241
- Minority interests	343	3,136	1,797	7,710
	475,305	436,014	1,258,743	1,141,951

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Note	3rd quarter ended		Nine months ended	
		30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
		RM'000	RM'000	RM'000	RM'000
<u>Company</u>					
Interest income	A8	353	118	1,878	209
Interest expense	A9	(35,678)	(37,144)	(107,658)	(108,015)
Net interest expense		<u>(35,325)</u>	<u>(37,026)</u>	<u>(105,780)</u>	<u>(107,806)</u>
Other operating income/(loss)	A10	(61)	199,908	434,291	579,743
Net operating income/(loss)		<u>(35,386)</u>	<u>162,882</u>	<u>328,511</u>	<u>471,937</u>
Other operating expenses	A11	(5,241)	(4,720)	(19,208)	(13,762)
Profit/(Loss) before taxation		<u>(40,627)</u>	<u>158,162</u>	<u>309,303</u>	<u>458,175</u>
Taxation	B5	9,775	(39,780)	(81,648)	(115,067)
Net profit/(loss) for the financial period		<u><u>(30,852)</u></u>	<u><u>118,382</u></u>	<u><u>227,655</u></u>	<u><u>343,108</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>Company</u>				
Net profit/(loss) for the financial period	<u>(30,852)</u>	118,382	<u>227,655</u>	343,108
Other comprehensive income for the financial period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the financial period	<u>(30,852)</u>	118,382	<u>227,655</u>	343,108

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

		Unaudited As at 30 Sept 2011	Audited As at 31 Dec 2010
	Note	RM'000	RM'000
Group			
ASSETS			
Cash and short-term funds		18,697,910	14,754,516
Securities purchased under resale agreements		763,391	276,407
Deposits and placements with banks and other financial institutions		1,534,573	1,023,526
Financial assets held-for-trading	A13	1,440,668	772,254
Financial investments AFS	A14	12,535,551	13,374,857
Financial investments held-to-maturity	A15	13,073,613	10,869,550
Loans, advances and financing	A16	91,951,558	81,228,093
Clients' and brokers' balances		298,005	421,127
Other assets	A17	700,578	589,156
Derivative assets		359,408	310,905
Statutory deposits		2,958,664	459,554
Tax recoverable		341,793	129,371
Deferred tax assets		16,374	261,105
Investments in a joint venture		24,984	25,044
Property, plant and equipment		1,076,373	1,023,170
Goodwill		3,806,860	3,806,860
Total assets		<u>149,580,303</u>	<u>129,325,495</u>
LIABILITIES AND EQUITY			
Deposits from customers	A18/B9(a)	109,742,799	94,433,828
Deposits and placements of banks and other financial institutions	A19/B9(a)	13,857,316	10,066,157
Bills and acceptances payable		3,991,185	3,536,140
Clients' and brokers' balances		612,537	610,360
Other liabilities	A20	1,563,348	1,527,724
Derivative liabilities		482,300	253,704
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		663,926	818,503
Taxation		12,025	172,595
Deferred tax liabilities		24,179	4,514
Borrowings	B9(b)	3,551,211	4,064,323
Subordinated obligations	B9(c)	3,306,546	3,264,284
Hybrid Tier-1 Capital Securities	B9(d)	596,902	600,393
Total liabilities		<u>138,404,274</u>	<u>119,352,525</u>
Share capital		2,191,916	2,153,475
Reserves		8,972,496	7,808,682
		11,164,412	9,962,157
Minority interests		11,617	10,813
Total equity		<u>11,176,029</u>	<u>9,972,970</u>
Total liabilities and equity		<u>149,580,303</u>	<u>129,325,495</u>
Commitments and contingencies	A25(a)	<u>76,230,659</u>	<u>70,521,648</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>5.09</u>	<u>4.63</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

<u>Company</u>	Note	Unaudited As at <u>30 Sept 2011</u> RM'000	Audited As at <u>31 Dec 2010</u> RM'000
ASSETS			
Cash and short term funds		1,484	346,009
Deposits and placements with banks and other financial institutions		912	891
Other assets	A17	154,003	153,347
Amounts due from subsidiaries		26,038	35,787
Tax recoverable		106,839	113,009
Investments in subsidiaries		8,691,602	8,691,602
Property, plant and equipment		674	757
Total assets		<u>8,981,552</u>	<u>9,341,402</u>
LIABILITIES AND EQUITY			
Other liabilities	A20	2,980	4,611
Amounts due to subsidiaries		7,115	6,146
Deferred tax liabilities		25	25
Borrowings	B9(b)	3,065,610	3,597,762
Total liabilities		<u>3,075,730</u>	<u>3,608,544</u>
Share capital		2,191,916	2,153,475
Reserves		3,713,906	3,579,383
Total equity		<u>5,905,822</u>	<u>5,732,858</u>
Total liabilities and equity		<u>8,981,552</u>	<u>9,341,402</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	← Attributable to equity holders of the Company →							Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	Other reserves	AFS reserves	Translation reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
							Sub-total			
							RM'000	RM'000	RM'000	
Group										
Balance as at 1 January 2011	2,153,475	2,352,093	2,603,964	27,815	153,872	(76,854)	2,747,792	9,962,157	10,813	9,972,970
Net profit for the financial period	-	-	-	-	-	-	1,153,147	1,153,147	1,812	1,154,959
Currency translation differences	-	-	-	-	-	31,763	-	31,763	-	31,763
Financial investments AFS										
- Unrealised net gain/(loss) on revaluation	-	-	-	-	130,957	-	-	130,957	(20)	130,937
- Net transfer to income statements on disposal or impairment	-	-	-	-	(34,470)	-	-	(34,470)	-	(34,470)
Income tax relating to components of other comprehensive income	-	-	-	-	(24,451)	-	-	(24,451)	5	(24,446)
Other comprehensive income/(loss) for the financial period	-	-	-	-	72,036	31,763	-	103,799	(15)	103,784
Total comprehensive income for the financial period	-	-	-	-	72,036	31,763	1,153,147	1,256,946	1,797	1,258,743
Ordinary dividends	-	-	-	-	-	-	(345,310)	(345,310)	(993)	(346,303)
Shares issued pursuant to Dividend Reinvestment Plan ('DRP')	38,441	252,178	-	-	-	-	-	290,619	-	290,619
Balance as at 30 September 2011	2,191,916	2,604,271	2,603,964	27,815	225,908	(45,091)	3,555,629	11,164,412	11,617	11,176,029

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



RHB CAPITAL BERHAD (312952 – H)
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	← Attributable to equity holders of the Company →							Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	Other reserves	AFS reserves	Translation reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Group										
Balance as at 1 January 2010	2,153,475	2,352,093	2,246,611	8,563	82,359	(8,254)	2,047,478	8,882,325	32,441	8,914,766
Net profit for the financial period	-	-	-	-	-	-	1,040,113	1,040,113	7,660	1,047,773
Currency translation differences	-	-	-	-	-	(71,849)	-	(71,849)	-	(71,849)
Financial investments AFS										
- Unrealised net gain on revaluation	-	-	-	-	264,672	-	-	264,672	447	265,119
- Net transfer to income statements on disposal or impairment	-	-	-	-	(69,130)	-	-	(69,130)	(380)	(69,510)
Gain on fair valuation of property arising from acquisition of a subsidiary	-	-	-	20,265	-	-	-	20,265	-	20,265
Income tax relating to components of other comprehensive income	-	-	-	(1,013)	(48,817)	-	-	(49,830)	(17)	(49,847)
Other comprehensive income/(loss) for the financial period	-	-	-	19,252	146,725	(71,849)	-	94,128	50	94,178
Total comprehensive income/(loss) for the financial period	-	-	-	19,252	146,725	(71,849)	1,040,113	1,134,241	7,710	1,141,951
Transfer in respect of statutory requirements	-	-	164,441	-	-	-	(164,441)	-	-	-
Ordinary dividends	-	-	-	-	-	-	(362,591)	(362,591)	(769)	(363,360)
Balance as at 30 September 2010	<u>2,153,475</u>	<u>2,352,093</u>	<u>2,411,052</u>	<u>27,815</u>	<u>229,084</u>	<u>(80,103)</u>	<u>2,560,559</u>	<u>9,653,975</u>	<u>39,382</u>	<u>9,693,357</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	<u>Share capital</u> RM'000	<u>Non- distributable Share premium</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
<u>Company</u>				
Balance as at 1 January 2011	2,153,475	2,352,093	1,227,290	5,732,858
Net profit for the financial period	-	-	227,655	227,655
Ordinary dividends	-	-	(345,310)	(345,310)
Shares issued pursuant to DRP	38,441	252,178	-	290,619
Balance as at 30 September 2011	<u>2,191,916</u>	<u>2,604,271</u>	<u>1,109,635</u>	<u>5,905,822</u>
Balance as at 1 January 2010	2,153,475	2,352,093	1,268,445	5,774,013
Net profit for the financial period	-	-	343,108	343,108
Ordinary dividends	-	-	(362,591)	(362,591)
Balance as at 30 September 2010	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,248,962</u>	<u>5,754,530</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Nine months ended	
	30 Sept 2011	30 Sept 2010
	RM'000	RM'000
Group		
Cash flows from operating activities		
Profit before taxation	1,531,865	1,375,396
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	(243,218)	(197,443)
Operating profit before working capital changes	1,288,647	1,177,953
Net changes in operating assets	(14,909,201)	(9,744,830)
Net changes in operating liabilities	19,477,276	10,331,063
Cash generated from operations	5,856,722	1,764,186
Taxation paid	(541,612)	(325,676)
Taxation refunded	33,077	949
Net cash generated from operating activities	5,348,187	1,439,459
Cash flows from investing activities		
Purchase of property, plant and equipment	(134,455)	(85,141)
Net purchase of financial investments AFS and held-to-maturity	(1,335,199)	(4,299,780)
Interest received from financial investments AFS and held-to-maturity	543,533	544,968
Investment income received from financial investments AFS and held-to-maturity	83,842	73,014
Dividend income received from financial assets held-for-trading and financial investments AFS and held-to-maturity	15,617	7,155
Proceeds from disposal of property, plant and equipment	7,108	1,720
Acquisition of a subsidiary	-	(37,683)
Net cash used in investing activities	(819,554)	(3,795,747)
Cash flows from financing activities		
Proceeds from issuance of subordinated notes	-	1,005,000
Proceeds from shares issued pursuant to DRP	290,619	-
Drawdown of borrowings	58,020	153,050
Repayment of borrowings	(588,070)	(216,835)
Dividends paid to equity holders of the Company	(345,310)	(362,591)
Dividends paid to minority interests in a subsidiary	(993)	(769)
Net cash (used in)/generated from financing activities	(585,734)	577,855
Net increase/(decrease) in cash and cash equivalents	3,942,899	(1,778,433)
Cash and cash equivalents		
- at the beginning of the financial period	14,754,516	16,673,904
- at the end of the financial period	18,697,415	14,895,471
Cash and cash equivalents comprise the following:		
Cash and short term funds	18,697,910	14,895,508
Overdrafts	(495)	(37)
	18,697,415	14,895,471

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Nine months ended	
	30 Sept 2011	30 Sept 2010
	RM'000	RM'000
Company		
Cash flows from operating activities		
Profit before taxation	309,303	458,175
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	(328,350)	(471,858)
Operating loss before working capital changes	(19,047)	(13,683)
Net changes in operating assets	11,035	(66,184)
Net changes in operating liabilities	(356)	(3,446)
Cash used in operations	(8,368)	(83,313)
Taxation refunded	33,077	-
Net cash generated from/(used in) operating activities	24,709	(83,313)
Cash flows from investing activities		
Dividend income received from subsidiaries	325,661	434,270
Purchase of property, plant and equipment	(79)	(157)
Proceeds from disposal of property, plant and equipment	91	-
Interest income received	870	393
Net cash generated from investing activities	326,543	434,506
Cash flows from financing activities		
Drawdown of borrowings	58,020	240,250
Repayment of borrowings	(584,650)	(186,750)
Dividends paid to equity holders of the Company	(345,310)	(362,591)
Proceeds from shares issued pursuant to DRP	290,619	-
Interest expense paid	(114,951)	(140,278)
Net cash used in financing activities	(696,272)	(449,369)
Net decrease in cash and cash equivalents	(345,020)	(98,176)
Cash and cash equivalents		
- at the beginning of the financial period	346,009	99,562
- at the end of the financial period	989	1,386
Cash and cash equivalents comprise the following:		
Cash and short term funds	1,484	1,423
Overdrafts	(495)	(37)
	989	1,386

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

A1. Basis of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Financial Reporting Standard ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Company for the last financial year ended 31 December 2010.

The accounting policies and presentation adopted by the Group and the Company for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 January 2011:

Amendments to FRS 7	Improving Disclosures About Financial Instruments
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
TR i-4	Shariah Compliant Sale Contracts
Improvements to FRSs (2010)	
- FRS 3	Business Combinations
- FRS 127	Consolidated and Separate Financial Statements
- FRS 101	Presentation of Financial Statements
- FRS 138	Intangible Assets
- IC Interpretation 9	Reassessment of Embedded Derivatives
- Amendments of FRS 138	Intangible Assets
- Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The revised FRS 3 'Business Combinations' (effective prospectively from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The revised FRS 127 'Consolidated and Separate Financial Statements' (applies prospectively to transactions with non-controlling interests from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attributable losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attributable to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured at fair value, and a gain or loss is recognised in profit or loss.

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 Company.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2010 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

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

A4. Exceptional or Unusual Items

There were no exceptional or unusual items for the nine months ended 30 September 2011.

A5. Changes in Estimates

There were no material changes in estimates of amount reported in prior financial years that have a material effect for the nine months ended 30 September 2011.

A6. Changes in Debt and Equity Securities

During the financial period, the issued and paid-up share capital of the Company has been increased to 2,191,916,339, arising from the issuance of 38,441,644 new ordinary shares of RM1.00 each pursuant to the Dividend Reinvestment Plan ('DRP') as approved by the shareholders as stated in note B8(c). The new ordinary shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 23 May 2011.

Other than the above, there were no share cancellations, share buy-backs, shares held as treasury shares, resale of treasury shares and repayment of debt and equity securities by the Company.

A7. Dividends Paid

During the nine months ended 30 September 2011, the Company paid a final dividend of 21.38% less 25% income tax amounting to RM345.31 million in respect of the financial year ended 31 December 2010 on 20 May 2011. 84.17% of the final dividend was paid in the form of new shares of the Company as mentioned in A6 above.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
A8. Interest Income				
<u>Group</u>				
Loans, advances and financing	1,122,143	988,779	3,213,212	2,626,971
Money at call and deposits and placements with banks and other financial institutions	82,846	79,040	229,111	234,582
Securities purchased under resale agreements	3,841	693	4,470	6,651
Financial assets held-for-trading	7,908	8,472	17,084	16,540
Financial investments AFS	83,628	95,867	283,418	258,087
Financial investments held-to-maturity	123,375	95,787	339,625	277,822
Others	1,465	1,844	5,778	12,681
	<u>1,425,206</u>	<u>1,270,482</u>	<u>4,092,698</u>	<u>3,433,334</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>4,850</u>	<u>10,509</u>	<u>15,623</u>	<u>29,745</u>
<u>Company</u>				
Money at call and deposits and placements with banks and other financial institutions	62	118	821	209
Others	291	-	1,057	-
	<u>353</u>	<u>118</u>	<u>1,878</u>	<u>209</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
A9. Interest Expense				
<u>Group</u>				
Deposits and placements of banks and other financial institutions	52,693	40,218	132,391	89,886
Deposits from customers	567,896	410,778	1,554,588	1,077,868
Borrowings	33,385	36,066	102,670	106,912
Subordinated obligations	42,440	42,429	125,936	109,047
Hybrid Tier-1 Capital Securities	11,351	11,323	33,681	33,601
Recourse obligation on loans sold to Cagamas	8,042	12,780	24,326	39,838
Others	14,448	11,548	40,619	42,122
	<u>730,255</u>	<u>565,142</u>	<u>2,014,211</u>	<u>1,499,274</u>
<u>Company</u>				
Borrowings	<u>35,678</u>	<u>37,144</u>	<u>107,658</u>	<u>108,015</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income				
Group				
Fee income				
- Service charges and fees	49,092	39,070	144,404	116,355
- Commission	26,419	26,926	81,874	83,382
- Guarantee fees	7,742	10,235	25,882	26,042
- Commitment fees	13,869	13,626	38,144	39,693
- Brokerage	22,813	19,743	71,495	58,697
- Fund management fees	4,791	4,498	15,092	14,677
- Corporate advisory fees	2,069	1,617	7,525	12,474
- Underwriting and arrangement fees	6,700	3,768	16,646	28,148
- Unit trust fee income	320	41	2,625	399
- Other fee income	6,395	10,203	26,907	20,490
	140,210	129,727	430,594	400,357
Net (loss)/gain arising from financial assets held-for-trading				
- net gain on disposal	14,008	18,021	41,113	30,727
- unrealised (loss)/gain on revaluation	(17,540)	2,075	(8,815)	8,168
- gross dividend income	1,480	752	2,956	1,638
	(2,052)	20,848	35,254	40,533
Net (loss)/gain on revaluation of derivatives	(54,360)	16,559	(53,735)	21,042
Net gain arising from financial investments AFS				
- net gain on disposal	18,806	13,778	28,308	66,765
- gross dividend income	3,279	4,581	12,679	5,758
	22,085	18,359	40,987	72,523
Net gain arising from financial investments held-to-maturity				
- net gain on redemption	2,261	316	3,899	1,380
- gross dividend income	-	-	-	45
	2,261	316	3,899	1,425



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income (continued)				
Other income				
- Foreign exchange gain/(loss)				
- realised	170,346	(2,318)	327,947	125,187
- unrealised	(98,282)	38,463	(98,906)	16,004
- Insurance underwriting surplus before management expenses	20,302	16,520	60,286	46,420
- Rental income	925	494	2,037	2,051
- Net gain on disposal of property, plant and equipment	139	202	5,058	940
- Other operating income	13,604	11,455	39,022	34,616
- Other non-operating income	351	730	5,884	2,679
	<u>107,385</u>	<u>65,546</u>	<u>341,328</u>	<u>227,897</u>
	<u>215,529</u>	<u>251,355</u>	<u>798,327</u>	<u>763,777</u>
Company				
Gross dividend income from:				
- Subsidiaries	-	200,000	434,215	579,026
Other income				
- Foreign exchange (loss)/gain				
- unrealised	(61)	(92)	(15)	717
- Net gain on disposal of property, plant and equipment	-	-	91	-
	<u>(61)</u>	<u>(92)</u>	<u>76</u>	<u>717</u>
	<u>(61)</u>	<u>199,908</u>	<u>434,291</u>	<u>579,743</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses				
Group				
Personnel costs				
- Salaries, bonus, wages and allowances	224,252	198,250	688,909	570,311
- Defined contribution plan	34,297	30,245	104,552	86,172
- Other staff related costs	38,049	19,027	80,615	48,904
	<u>296,598</u>	<u>247,522</u>	<u>874,076</u>	<u>705,387</u>
Establishment costs				
- Property, plant and equipment				
- Depreciation	28,545	25,395	83,261	69,405
- Written off	3	10	25	10
- Information technology expenses	28,360	26,409	84,613	79,575
- Repair and maintenance	5,779	6,313	17,569	17,664
- Security and escorting charges	9,389	3,884	25,834	17,047
- Rental of premises	15,171	10,694	39,255	33,500
- Water and electricity	6,736	5,278	18,118	15,064
- Rental of equipment	2,458	2,398	7,375	7,521
- Insurance	1,552	6,885	1,739	21,306
- Others	3,053	2,194	7,239	6,320
	<u>101,046</u>	<u>89,460</u>	<u>285,028</u>	<u>267,412</u>
Marketing expenses				
- Sales commission	8,223	2,474	17,366	5,959
- Advertisements and publicity	17,178	10,334	42,270	25,858
- Others	16,938	18,319	36,369	48,736
	<u>42,339</u>	<u>31,127</u>	<u>96,005</u>	<u>80,553</u>
Administration and general expenses				
- Communication expenses	23,611	22,682	73,149	63,371
- Legal and professional fee	1,322	3,846	5,769	10,411
- Others	22,723	17,699	61,722	63,784
	<u>47,656</u>	<u>44,227</u>	<u>140,640</u>	<u>137,566</u>
	<u>487,639</u>	<u>412,336</u>	<u>1,395,749</u>	<u>1,190,918</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses (continued)				
<u>Company</u>				
Personnel costs				
- Salaries, bonus, wages and allowances	2,308	2,220	8,477	6,978
- Defined contribution plan	364	361	1,350	1,120
- Other staff related costs	389	390	1,311	1,076
	<u>3,061</u>	<u>2,971</u>	<u>11,138</u>	<u>9,174</u>
Establishment costs				
- Rental of premises	296	282	898	875
- Depreciation of property, plant and equipment	56	32	162	78
- Repair and maintenance	68	80	126	169
- Security and escorting charges	9	9	26	26
- Rental of equipment	3	15	26	32
- Water and electricity	20	21	60	54
- Information technology expenses	1	-	3	6
- Insurance	2	2	3	2
	<u>455</u>	<u>441</u>	<u>1,304</u>	<u>1,242</u>
Marketing expenses				
- Advertisements and publicity	180	96	1,198	602
- Others	25	53	260	240
	<u>205</u>	<u>149</u>	<u>1,458</u>	<u>842</u>
Administration and general expenses				
- Communication expenses	77	90	241	224
- Legal and professional fee	1,366	892	2,236	1,543
- Others	77	177	2,831	737
	<u>1,520</u>	<u>1,159</u>	<u>5,308</u>	<u>2,504</u>
	<u>5,241</u>	<u>4,720</u>	<u>19,208</u>	<u>13,762</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	3rd quarter ended		Nine months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
A12. Allowance for Impairment on Loans, Financing and Other Losses				
<u>Group</u>				
Allowance for impaired loans and financing:				
- Individual impairment allowance made/ (write back)	(1,018)	89,160	42,202	182,999
- Collective impairment allowance made	147,320	120,185	431,835	313,617
Impaired loans and financing recovered	(116,709)	(35,446)	(243,967)	(142,917)
Allowance made/(write back) for impairment on other assets	46	358	2,292	(3,616)
	<u>29,639</u>	<u>174,257</u>	<u>232,362</u>	<u>350,083</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A13. Financial Assets Held-for-trading		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	10,465	-
Malaysian government investment issues	383,453	45,621
Bank Negara Malaysia ('BNM') monetary notes	517,178	366,768
Negotiable instruments of deposits	-	51,502
Singapore government treasury bills	351,028	119,367
Thailand government bonds	-	10,216
Wakala global sukuk	23,316	-
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Shares	64,696	69,896
Unit trusts	1,050	1,059
Outside Malaysia		
Shares	2,516	2,457
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	86,966	105,368
	<u>1,440,668</u>	<u>772,254</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A14. Financial Investments Available-for-sale		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	1,664,971	4,520,680
Malaysian government investment issues	3,816,023	3,080,615
Cagamas bonds	649,007	591,416
Khazanah bonds	12,434	11,984
Negotiable instruments of deposits	-	108,163
Banker's acceptances and Islamic accepted bills	154,158	93,868
Singapore government securities	235,473	128,445
Singapore government treasury bills	-	26,258
Thailand government bonds	86,415	112,140
1 Malaysia sukuk	295,415	86,032
Wakala global sukuk	114,136	-
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Corporate loan stocks	14,562	15,408
Shares	4,096	4,310
Outside Malaysia		
Shares	21	17
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	4,671,806	3,910,065
Shares	397,471	360,862
Corporate loan stocks	127,827	129,634
Unit trusts	267,129	168,495
Redeemable convertible preference shares	15,130	13,980
Outside Malaysia		
Private debt securities	8,904	11,921
Corporate loan stocks	573	564
	<u>12,535,551</u>	<u>13,374,857</u>

As at 30 September 2011, the carrying value of financial investments available-for-sale, which was transferred from financial assets held-for-trading in previous financial years amounted to RM686,987,000 (31.12.2010: RM1,512,298,000).



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A15. Financial Investments Held-to-maturity		
At amortised cost		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	2,218,030	2,993,642
Malaysian government investment issues	2,271,279	1,371,160
Cagamas bonds and Cagamas Mudharabah bonds	1,252,582	773,645
Khazanah bonds	62,713	52,631
Negotiable instruments of deposits	1,803,933	1,103,432
Singapore government securities	123,363	120,730
Thailand government securities	209,700	223,230
Sukuk (Brunei) Incorporation	36,843	23,873
Singapore government treasury bills	-	9,549
Bankers' acceptances	181,165	-
Wakala global sukuk	202,848	-
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	2,861,225	2,396,089
Corporate loan stocks	77,854	81,107
Bonds	36,341	25,137
Prasarana bonds	1,904,763	1,860,387
Outside Malaysia		
Private debt securities	19,432	18,520
Structured notes	24,978	32,564
	13,287,049	11,085,696
Accumulated impairment losses	(213,436)	(216,146)
	13,073,613	10,869,550

As at 30 September 2011, the carrying value of financial investments held-to-maturity, which was transferred from financial assets held-for-trading in previous financial years amounted to RM19,432,000 (31.12.2010: RM26,038,000). The fair value of the financial investments as at 30 September 2011 amounted to RM21,062,000 (31.12.2010: RM27,350,000).



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A16. Loans, Advances and Financing		
At amortised cost		
Overdrafts	5,820,911	6,092,693
Term loans/financing		
- housing loans/financing	19,728,957	18,277,357
- syndicated term loans/financing	2,682,634	2,033,985
- hire-purchase receivables	12,847,429	10,956,570
- lease receivables	121,222	146,399
- other term loans/financing	40,390,889	33,530,820
Bills receivable	1,710,594	1,507,021
Trust receipts	398,871	343,170
Claims on customers under acceptance credits	5,257,611	4,632,725
Staff loans/financing	328,649	350,587
Credit/charge cards receivables	1,672,829	1,644,995
Revolving credits/financing	3,591,614	4,193,922
Gross loans, advances and financing	94,552,210	83,710,244
Allowance for impaired loans, advances and financing		
- individual impairment allowance	(893,423)	(855,782)
- collective impairment allowance	(1,707,229)	(1,626,369)
Net loans, advances and financing	91,951,558	81,228,093

Included in term loans are housing loans sold to Cagamas with recourse amounting to RM 663,926,000 (31.12.2010: RM818,503,000).



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing (continued)		
(a) By type of customer		
Domestic non-bank financial institutions		
- others	366,339	315,707
Domestic business enterprises		
- small medium enterprises	11,438,701	11,044,473
- others	23,150,364	22,141,219
Government and statutory bodies	11,311,429	9,204,927
Individuals	42,741,916	36,474,819
Other domestic entities	10,825	8,324
Foreign entities	5,532,636	4,520,775
	<u>94,552,210</u>	<u>83,710,244</u>
(b) By geographical distribution		
In Malaysia	90,097,727	80,067,443
Outside Malaysia		
- Singapore operations	4,037,397	3,191,218
- Thailand operations	268,258	297,308
- Brunei operations	148,828	154,275
	<u>94,552,210</u>	<u>83,710,244</u>
(c) By interest/profit rate sensitivity		
Fixed rate		
- housing loans/financing	1,631,734	1,523,367
- hire-purchase receivables	12,847,429	10,956,595
- other fixed rate loans/financing	16,044,654	14,207,886
Variable rate		
- base lending/financing rate plus	38,344,060	32,736,627
- cost-plus	21,305,441	19,946,768
- other variable rates	4,378,892	4,339,001
	<u>94,552,210</u>	<u>83,710,244</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Group	
	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing (continued)		
(d) By purpose		
Purchase of securities	6,549,863	4,007,645
Purchase of transport vehicles	11,537,372	9,567,623
Purchase of landed property:		
- residential	20,245,800	18,841,064
- non-residential	5,320,742	4,761,379
Purchase of property, plant and equipment other than land and building	3,194,612	3,336,170
Personal use	4,653,533	3,535,354
Credit card	1,672,829	1,644,995
Purchase of consumer durables	48,364	54,295
Construction	2,995,513	2,593,596
Working capital	21,291,316	20,693,990
Merger and acquisition	2,151,529	2,432,562
Other purpose	14,890,737	12,241,571
	<u>94,552,210</u>	<u>83,710,244</u>
(e) By remaining contractual maturities		
Maturity within one year	29,763,933	28,641,800
One year to three years	5,901,311	4,692,466
Three years to five years	9,290,407	10,023,354
Over five years	49,596,559	40,352,624
	<u>94,552,210</u>	<u>83,710,244</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A16. Loans, Advances and Financing (continued)		
(f) Impaired loans, advances and financing		
(i) Movements in impaired loans, advances and financing		
Balance as at the beginning of the financial period/year	3,672,175	4,637,568
Classified as impaired during the financial period/year	2,625,750	3,881,193
Reclassified as non-impaired during the financial period/year	(2,076,165)	(2,789,193)
Amount recovered	(411,539)	(961,325)
Amount written off	(355,450)	(1,084,148)
Exchange difference	6,481	(11,920)
Balance as at the end of the financial period/year	<u>3,461,252</u>	<u>3,672,175</u>
(ii) By purpose		
Purchase of securities	57,146	83,475
Purchase of transport vehicles	254,745	241,331
Purchase of landed property:		
- residential	1,084,605	1,163,245
- non-residential	228,569	251,257
Purchase of property, plant and equipment other than land and building	152,445	203,251
Personal use	73,476	90,835
Credit card	84,874	78,954
Purchase of consumer durables	2,151	2,983
Construction	159,606	174,628
Working capital	1,349,308	1,370,284
Other purpose	14,327	11,932
	<u>3,461,252</u>	<u>3,672,175</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A16. Loans, Advances and Financing (continued)		
(f) Impaired loans, advances and financing (continued)		
(iii) By geographical distribution		
In Malaysia	3,331,123	3,516,560
Outside Malaysia		
- Singapore operations	101,107	127,892
- Thailand operations	22,694	22,371
- Brunei operations	6,328	5,352
	<u>3,461,252</u>	<u>3,672,175</u>
(iv) Movements in allowance for impaired loans, advances and financing		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period/year	855,782	1,351,202
Allowance made	63,101	256,823
Amount recovered	(20,899)	(73,709)
Amount written off	(6,017)	(672,014)
Exchange difference	1,456	(6,520)
Balance as at the end of the financial period/year	<u>893,423</u>	<u>855,782</u>
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period/year	1,626,369	1,614,354
Allowance made	583,277	677,250
Amount recovered	(151,442)	(258,287)
Amount written off	(352,866)	(403,105)
Exchange difference	1,891	(3,843)
Balance as at the end of the financial period/year	<u>1,707,229</u>	<u>1,626,369</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
A17. Other Assets				
Other debtors, deposits and prepayments	428,068	322,193	41,488	40,832
Reinsurance assets	159,995	154,448	-	-
Deposit for proposed acquisition of PT Bank Mestika Dharma (refer to Note B8(a))	112,515	112,515	112,515	112,515
	<u>700,578</u>	<u>589,156</u>	<u>154,003</u>	<u>153,347</u>

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A18. Deposits from Customers		
(a) By type of deposits		
Demand deposits	20,515,317	19,523,082
Savings deposits	6,255,752	5,832,118
Fixed/investment deposits	82,950,756	68,829,333
Negotiable instruments of deposits	20,974	249,295
	<u>109,742,799</u>	<u>94,433,828</u>
(b) By type of customer		
Government and statutory bodies	10,747,599	8,424,043
Business enterprises	63,790,663	54,623,226
Individuals	30,374,892	27,507,468
Others	4,829,645	3,879,091
	<u>109,742,799</u>	<u>94,433,828</u>
(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits		
Due within six months	71,035,139	58,855,201
Six months to one year	11,368,574	9,744,919
One year to three years	532,687	449,560
Three years to five years	35,330	28,948
	<u>82,971,730</u>	<u>69,078,628</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	Group	
	Unaudited	Audited
	As at 30 Sept 2011	As at 31 Dec 2010
	RM'000	RM'000
A19. Deposits and Placements of Banks and Other Financial Institutions		
Licensed banks	10,743,393	5,228,464
Licensed investment banks	418,356	153,442
BNM	636,144	2,197,885
Other financial institutions	2,059,423	2,486,366
	<u>13,857,316</u>	<u>10,066,157</u>

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at 30 Sept 2011	As at 31 Dec 2010	As at 30 Sept 2011	As at 31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
A20. Other Liabilities				
Other creditors and accruals	863,178	841,486	1,157	2,218
General insurance contract liabilities	416,900	379,176	-	-
Short term employee benefits	135,393	150,461	1,823	2,393
Lessee deposits	56,202	65,050	-	-
Prepaid instalment	79,338	77,670	-	-
Remisiers' trust deposits	9,419	10,016	-	-
Amount due to Danaharta	1,827	1,796	-	-
Amount payable for creation of units due to funds	1,091	2,069	-	-
	<u>1,563,348</u>	<u>1,527,724</u>	<u>2,980</u>	<u>4,611</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

A21. Segment Information

Revenue and Results

Nine months ended 30 September 2011

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury and Money Market	Islamic Banking Business	Global Financial Banking	Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
External revenue	572,479	1,444,418	501,840	482,682	241,672	156,302	39,463	-	3,438,856
Inter-segment revenue	13,764	11,857	-	54,088	(51,819)	2,609	20,102	(50,601)	-
Segment revenue*	586,243	1,456,275	501,840	536,770	189,853	158,911	59,565	(50,601)	3,438,856
Overhead expenses	(178,941)	(508,105)	(210,056)	(32,544)	(38,776)	(93,563)	(54,473)	50,601	(1,065,857)
Of which:									
Depreciation of property, plant and equipment	(5,407)	(49,245)	(10,365)	(3,113)	(6,293)	(3,786)	(5,052)	-	(83,261)
Allowance write back/(made) for impairment on loans, financing and other losses	9,053	(234,444)	29,534	-	(36,216)	(289)	-	-	(232,362)
Impairment write back/(losses) on other assets	6,576	6	952	(19,171)	-	-	-	-	(11,637)
Profit/(Loss) before unallocated expenses	422,931	713,732	322,270	485,055	114,861	65,059	5,092	-	2,129,000
Unallocated expenses									(597,422)
Profit after unallocated expenses									1,531,578
Share of results of a joint venture									287
Profit before taxation									1,531,865
Taxation									(376,906)
Net profit for the financial period									1,154,959

* Total segment revenue comprise of net interest income (excluding interest expense on borrowings, subordinated obligations and Hybrid Tier-1 Capital Securities amounting to RM256.5 million), other operating income and income from Islamic Banking business.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

A21. Segment Information (continued)

Revenue and Results

Nine months ended 30 September 2010

	Corporate & Investment Banking	Retail Banking	Business Banking	Treasury and Money Market	Islamic Banking Business	Global Financial Banking	Others	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
External revenue	533,698	1,206,350	484,394	616,963	194,126	138,054	19,757	-	3,193,342
Inter-segment revenue	9,600	11,207	-	8,265	(5,733)	2,039	17,118	(42,496)	-
Segment revenue*	543,298	1,217,557	484,394	625,228	188,393	140,093	36,875	(42,496)	3,193,342
Overhead expenses	(165,162)	(409,035)	(193,377)	(27,800)	(78,108)	(85,325)	6,571	42,496	(909,740)
Of which:									
Depreciation of property, plant and equipment	(6,455)	(36,865)	(9,219)	(3,155)	(6,256)	(2,919)	(4,536)	-	(69,405)
Allowance write back/(made) for impairment on loans, financing and other losses	8,093	(211,173)	(80,223)	-	(60,513)	(6,267)	-	-	(350,083)
Impairment write back/(losses) on other assets	2,211	(331)	150	(28,051)	-	(313)	-	-	(26,334)
Profit/(Loss) before unallocated expenses	388,440	597,018	210,944	569,377	49,772	48,188	43,446	-	1,907,185
Unallocated expenses									(532,368)
Profit after unallocated expenses									1,374,817
Share of results of an associate									12
Share of results of a joint venture									567
Profit before taxation									1,375,396
Taxation									(327,623)
Net profit for the financial period									1,047,773

* Total segment revenue comprise of net interest income (excluding interest expense on borrowings, subordinated obligations and Hybrid Tier-1 Capital Securities amounting to RM242.8 million), other operating income and income from Islamic Banking business.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

A22. Valuation of Property, Plant and Equipment

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

A23. Material Events Subsequent to the Balance Sheet Date

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

A24. Changes in Composition of the Group

There were no significant changes in the composition of the Group for the nine months ended 30 September 2011.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date

(a) Commitments and Contingencies

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

The commitments and contingencies comprise the following:

<u>Group</u>	Unaudited As at 30 Sept 2011			Audited As at 31 Dec 2010		
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,460,870	1,392,506	1,188,237	2,366,972	2,301,345	2,575,444
Transaction-related contingent items	2,141,316	1,044,886	937,575	1,905,733	929,964	963,854
Short term self-liquidating trade-related contingencies	737,177	141,352	89,334	825,269	162,953	125,968
Obligations under underwriting agreements	347,000	173,500	133,500	206,762	103,381	44,300
Other assets sold with recourse and commitments with certain drawdown	3,220	3,220	644	4,718	4,718	-
Irrevocable commitments to extend credit						
- maturity not exceeding one year	28,626,831	5,069,686	3,496,734	31,965,921	1,582,218	955,370
- maturity exceeding one year	4,239,048	1,216,600	951,277	4,492,386	1,302,303	1,079,919
Foreign exchange related contracts						
- less than one year	19,717,323	512,150	274,145	14,267,825	306,554	157,387
- one year to less than five years	2,223,391	373,843	165,988	1,183,447	564,225	300,962
Interest rate related contracts						
- less than one year	3,067,269	8,378	2,328	2,676,825	11,996	3,173
- one year to less than five years	12,933,995	350,947	86,143	9,980,957	316,358	77,240
- more than five years	730,000	69,983	13,997	530,000	50,241	10,048
Commodity contracts						
- less than one year	-	-	-	17,628	-	-
Forward asset purchases	3,219	3,219	644	-	-	-
Others	-	-	-	97,205	-	-
	<u>76,230,659</u>	<u>10,360,270</u>	<u>7,340,546</u>	<u>70,521,648</u>	<u>7,636,256</u>	<u>6,293,665</u>

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



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date (continued)

(a) Commitments and Contingencies (continued)

The credit equivalent amount ('CE') and risk weighted amount ('RWA') of the Group are an aggregate of CE and RWA of:

- (i) its commercial banking subsidiary, which is computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Internal Ratings Based ('IRB') Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II);
- (ii) its Islamic banking 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); and
- (iii) its investment banking subsidiary, which is computed in accordance with BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

RHB Bank Berhad ('RHB Bank') has given a continuing guarantee to BNM to meet the liabilities and financial obligations and requirements of its subsidiary, RHB Bank (L) Ltd, arising from its offshore banking business in the Federal Territory of Labuan.

RHB Bank has also given a guarantee to Ministry of Finance of Negara Brunei Darussalam to undertake any liabilities which may be incurred in respect of its branch in Brunei. In addition, RHB Bank has issued a guarantee to Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its branch in Bangkok.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

A25. Changes In Contingent Liabilities Since The Last Annual Balance Sheet Date (continued)

(b) Guarantees Issued

As at balance sheet date, the Company has extended unsecured guarantees of RM68,000,000 (31.12.2010: RM68,000,000) for performance guarantees of one of its subsidiary company.

(c) Other Contingent Liabilities

(i) The Company

On 19 October 2001, the Company filed a suit against Carta Bintang Sdn Bhd ('CBSB'), the vendor of SJ Securities Sdn Bhd ('SJ Securities'), for the recovery of the deposit of RM32,800,000 ('Deposit') paid by the Company pursuant to the sale and purchase agreement dated 7 November 2000 between CBSB and the Company for the sale and purchase of 60 million shares in SJ Securities. CBSB subsequently filed a counterclaim of RM258,688,153.42 together with interest thereon and costs (Please refer to B12(a) 'Material Litigation' for further details).

The suit is still ongoing and the solicitors for the Company are of the opinion that the chances of successfully recovering the Deposit are good. In addition, the solicitors for the Company are also of the opinion that the prospects of successfully defending the counterclaim filed by CBSB against the Company are good and that the said counterclaim is unlikely to succeed.

In view of the above, the Company has not made any provision in relation to the said counterclaim, in the interim financial statements for the nine months ended 30 September 2011.

A26. Capital Commitments

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
Capital expenditure for property, plant and equipment:		
- authorised and contracted for	71,898	71,673
- authorised but not contracted for	128,830	103,668
	200,728	175,341
Proposed acquisition of PT Bank Mestika Dharma (refer to Note B8(a))	1,050,611	1,050,611
	1,251,339	1,225,952



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

A27. Capital Adequacy Ratio

BNM guidelines on capital adequacy requires RHB Bank, RHB Investment Bank Berhad ('RHB Investment Bank') and RHB Islamic Bank Berhad ('RHB Islamic 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.

The capital ratios of RHB Bank are computed based on BNM's Guidelines on Risk Weighted Capital Adequacy Framework: IRB Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II). The capital ratios of RHB Investment Bank are computed based on BNM's Guidelines on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II). The capital ratios of RHB Islamic Bank are 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).

(a) The capital adequacy ratios of RHB Bank, RHB Investment Bank and RHB Islamic Bank are as follows:

	RHB Bank[®]		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier I capital						
Paid-up ordinary share capital	3,318,085	3,318,085	263,646	263,646	523,424	523,424
Hybrid Tier-1 Capital Securities	597,410	597,227	-	-	-	-
Share premium	8,563	8,563	-	-	-	-
Retained profits	2,948,464	2,492,142	23,914	93,912	222,371	222,371
Other reserves (exclude AFS reserves)	2,667,506	2,673,342	278,549	278,549	231,484	231,484
Less: Deferred tax assets	(275,265)	(265,300)	(1,315)	(1,315)	(33,269)	(33,269)
Goodwill	(905,519)	(905,519)	(159,280)	(159,280)	-	-
Total Tier I capital	8,359,244	7,918,540	405,514	475,512	944,010	944,010
Tier II capital						
Subordinated obligations	3,000,000	3,000,000	202,757	237,756	-	-
Collective assessment allowance [^]	350,378	263,786	898	1,117	135,360	103,037
Total Tier II capital	3,350,378	3,263,786	203,655	238,873	135,360	103,037

[^] Excludes collective assessment impairment allowance attributable to loans, advances and financing classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on 'Classification and Impairment Provisions for Loans/Financing' issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

A27. Capital Adequacy Ratio (continued)

(a) The capital adequacy ratios of RHB Bank, RHB Investment Bank and RHB Islamic Bank are as follows: (continued)

	RHB Bank[®]		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less:						
Investments in subsidiaries	(622,656)	(622,656)	(84,970)	(84,970)	-	-
Investments in a joint venture	-	-	(27,399)	(27,399)	-	-
Securitisation exposures subject to deductions [#]	-	-	(14,584)	(1,086)	-	-
Excess of total expected loss over total eligible provision under the IRB approach	(150,619)	(199,127)	-	-	-	-
Other deductions*	(3,321)	(3,190)	(346)	(336)	-	(102)
Eligible Tier II Capital	<u>2,573,782</u>	<u>2,438,813</u>	<u>76,356</u>	<u>125,082</u>	<u>135,360</u>	<u>102,935</u>
Total capital base	<u>10,933,026</u>	<u>10,357,353</u>	<u>481,870</u>	<u>600,594</u>	<u>1,079,370</u>	<u>1,046,945</u>
<u>Before deducting proposed dividends</u>						
Core capital ratio	11.49%	10.79%	26.72%	32.47%	9.41%	12.23%
Risk-weighted capital adequacy ratio	15.03%	14.11%	31.75%	41.02%	10.76%	13.56%
<u>After deducting proposed dividends</u>						
Core capital ratio	11.49%	10.46%	26.72%	27.69%	9.41%	12.23%
Risk-weighted capital adequacy ratio	15.03%	13.79%	31.75%	33.85%	10.76%	13.56%

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

[#] Pursuant to Risk-Weighted Capital Adequacy Framework (Basel II - Risk Weighted Assets Computation), banking institutions that retain their own-originated securitisation positions rated below investment grade must deduct all of such exposures from its regulatory capital.

^{*} Pursuant to the Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the Risk-Weighted Capital Ratio ('RWCR') computation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

A27. Capital Adequacy Ratio (continued)

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

	RHB Bank®		RHB Investment Bank		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010	30 Sept 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit risk	64,012,406	65,571,292	954,992	887,428	8,819,980	7,124,858
Market risk	1,891,782	1,232,084	140,921	161,901	604,102	30,513
Operational risk	6,858,441	6,559,217	421,824	414,976	603,378	566,538
Total risk-weighted assets	<u>72,762,629</u>	<u>73,362,593</u>	<u>1,517,737</u>	<u>1,464,305</u>	<u>10,027,460</u>	<u>7,721,909</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000

A28. Operations of Islamic Banking

(a) Statement of Financial Position as at 30 September 2011

ASSETS

Cash and short-term funds	6,545,607	1,076,367
Deposits and placements with banks and other financial institutions	90,208	40,062
Financial assets held-for-trading	215,552	218,928
Financial investments AFS	2,074,639	1,787,265
Financial investments held-to-maturity	1,334,337	1,073,159
Financing and advances	12,556,139	8,713,761
Other assets	62,316	41,538
Statutory deposits	598,940	105,140
Deferred tax assets	2,522	30,854
Tax recoverable	28,614	-
Property, plant and equipment	18,119	21,547
Total assets	<u>23,526,993</u>	<u>13,108,621</u>

LIABILITIES AND ISLAMIC BANKING FUNDS

Deposits from customers	16,083,427	9,946,582
Deposits and placements of banks and other financial institutions	4,414,475	1,538,052
Bills and acceptances payable	16,634	12,124
Other liabilities	64,635	52,715
Taxation	-	170
Total liabilities	<u>20,579,171</u>	<u>11,549,643</u>
Islamic Banking Funds	2,947,822	1,558,978
Total liabilities and Islamic Banking Funds	<u>23,526,993</u>	<u>13,108,621</u>
Commitments and contingencies	<u>4,924,010</u>	<u>3,519,220</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

3rd quarter ended		Nine months ended	
30 Sept	30 Sept	30 Sept	30 Sept
2011	2010	2011	2010
RM'000	RM'000	RM'000	RM'000

A28. Operations of Islamic Banking (continued)

(b) Income Statement for the nine months ended 30 September 2011

Group

Income derived from investment of depositors' funds	217,652	124,503	518,728	341,731
Income derived from investment of shareholder's funds	13,935	19,300	47,674	48,528
Allowance for impairment on financing and advances	(12,146)	(10,354)	(36,216)	(60,513)
Profit equalisation reserve	2,616	(946)	(12,773)	(1,919)
Total distributable income	222,057	132,503	517,413	327,827
Income attributable to depositors	(113,774)	(58,609)	(259,117)	(144,025)
	108,283	73,894	258,296	183,802
Personnel expenses	(15,818)	(13,909)	(47,378)	(44,324)
Other overheads and expenditures	(25,505)	(21,207)	(67,765)	(65,411)
Profit before taxation	66,960	38,778	143,153	74,067
Taxation	(3,963)	(9,226)	(21,870)	(17,367)
Net profit for the financial period	62,996	29,552	121,282	56,700



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	3rd quarter ended		Nine months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000

A28. Operations of Islamic Banking (continued)

(c) Statement of Comprehensive Income for the nine months ended 30 September 2011

<u>Group</u>				
Net profit for the financial period	<u>62,996</u>	29,552	<u>121,282</u>	56,700
Other comprehensive income/(loss):				
Financial investments AFS				
- Unrealised net gain on revaluation	13,503	13,492	15,313	14,684
- Net transfer to income statement on disposal or impairment	(2,324)	(1,031)	(6,162)	(2,793)
Income tax relating to components of other comprehensive income	<u>(2,795)</u>	(3,119)	<u>(2,323)</u>	(2,984)
Other comprehensive income for the financial period	<u>8,384</u>	9,342	<u>6,828</u>	8,907
Total comprehensive income for the financial period	<u>71,380</u>	38,894	<u>128,110</u>	65,607



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
A28. Operations of Islamic Banking (continued)		
(d) Financing and Advances		
At amortised cost		
Cashline	116,300	116,123
Term financing		
- housing financing	2,627,577	2,368,625
- syndicated term financing	668,104	898,904
- hire purchase receivables	2,944,619	1,625,598
- other term financing	5,362,386	2,902,392
Bills receivable	921,309	546,820
Trust receipts	19,312	17,994
Staff financing	10,390	11,404
Credit/charge cards receivables	11,177	530
Revolving financing	223,589	547,639
Gross financing and advances	<u>12,904,763</u>	<u>9,036,029</u>
Less: Allowance for impaired financing and advances		
- individual impairment allowance	(160,802)	(163,440)
- collective impairment allowance	(187,822)	(158,828)
Net financing and advances	<u><u>12,556,139</u></u>	<u><u>8,713,761</u></u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A28. Operations of Islamic Banking (continued)		
(d) Financing and Advances (continued)		
(i) Movements in impaired financing and advances		
Balance as at the beginning of the financial period/year	628,251	478,412
Classified as impaired during the financial period/year	188,376	486,779
Reclassified as non-impaired during the financial period/year	(163,651)	(293,671)
Amount recovered	(31,628)	(43,269)
Amount written off	(11,110)	-
Balance as at the end of the financial period/year	610,238	628,251
(ii) Movements in allowance for impaired financing and advances		
<u>Individual impairment allowance</u>		
Balance as at the beginning of the financial period/year	163,440	107,035
Allowance made	4,347	69,456
Amount recovered	(6,985)	(12,546)
Amount written off	-	(505)
Balance as at the end of the financial period/year	160,802	163,440
<u>Collective impairment allowance</u>		
Balance as at the beginning of the financial period/year	158,828	140,427
Allowance made	43,776	18,401
Amount written off	(14,782)	-
Balance as at the end of the financial period/year	187,822	158,828



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Group	
	Unaudited	Audited
	As at	As at
	30 Sept 2011	31 Dec 2010
	RM'000	RM'000
A28. Operations of Islamic Banking (continued)		
(e) Other Assets		
Deposits and prepayments	865	682
Sundry deposits debtors	1,240	1,251
Other debtors	60,211	39,605
	<u>62,316</u>	<u>41,538</u>
(f) Deposits from Customers		
<u>Non-Mudharabah Funds</u>		
Demand deposits	1,858,630	1,376,008
Savings deposits	624,767	569,786
Negotiable Islamic Debt Certificates	-	4,976
Commodity Murabahah	2,455,421	754,650
	<u>4,938,818</u>	<u>2,705,420</u>
<u>Mudharabah Funds</u>		
Demand deposits	417,166	378,321
Savings deposits	9,331	3,123
General investment deposits accounts	774,597	1,280,190
Special investment deposits accounts	9,943,515	5,579,528
	<u>16,083,427</u>	<u>9,946,582</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B1. Review of Group Results

For the nine months ended 30 September 2011, the Group recorded a profit before taxation of RM1,531.9 million, 11% higher than the previous year corresponding period of RM1,375.4 million.

The higher profit before taxation was mainly due to higher net interest income by RM144.4 million, lower allowance for impairment on loans, financing and other losses by RM117.7 million, higher income from Islamic Banking business by RM50.2 million, higher other operating income by RM34.6 million and lower impairment losses on other assets by RM14.7 million. It was, however, partly offset by higher other operating expenses by RM204.8 million.

B2. Changes in Profit Against Preceding Quarter

For the third quarter ended 30 September 2011, the Group recorded a profit before taxation of RM492.1 million, 6.8% lower as compared to RM528.2 million recorded in the preceding quarter ended 30 June 2011. The lower profit before taxation was mainly due to lower other operating income by RM100.7 million, higher impairment losses on other assets by RM29.7 million, higher other operating expenses by RM28.3 million and lower net interest income by RM7.3 million, partly offset by lower allowance for impairment on loans, financing and other losses by RM92.3 million and higher income from Islamic Banking business by RM37.5 million.

B3. Prospects for 2011

The Malaysian economy is expected to grow at 5% to 5.5% in spite of a challenging external environment due to continued weakness in the US and on-going debt crisis in the European economies. The outlook for the Malaysian banking sector remains positive, supported by the underlying strengths of the domestic economy and the progressive roll-out of projects under the Economic Transformation Programme.

We expect that the Malaysian economy will continue to be supportive of business growth. We will focus on building our core businesses and continue to look for opportunities to expand our market share and increase our leadership position in targeted markets and product segments. Strengthening of credit policies and risk management practices and sound assets and liability management will continue to be high on our execution agenda. The Group is well positioned to assist our customers and clients in navigating the challenges going forward.

We expect to continue our business growth momentum into the rest of the financial year.

B4. Variance of Actual Profit from Forecast Profit and Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group and the Company.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B5. Taxation

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	138,588	110,130	412,353	355,817
- Overseas tax	720	78	905	745
Deferred tax	(11,316)	(5,516)	(29,011)	(24,103)
	<u>127,992</u>	<u>104,692</u>	<u>384,247</u>	<u>332,459</u>
Over provision in respect of prior years				
- Taxation	(282,317)	(6,048)	(277,057)	(4,836)
- Deferred tax	269,716	-	269,716	-
	<u>115,391</u>	<u>98,644</u>	<u>376,906</u>	<u>327,623</u>

The effective tax rate of the Group for the third quarter and nine months ended 30 September 2011 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Company				
Income tax based on profit for the financial period				
- Malaysian income tax	(9,775)	39,755	78,881	115,042
Under provision in respect of prior years	-	25	2,767	25
	<u>(9,775)</u>	<u>39,780</u>	<u>81,648</u>	<u>115,067</u>

The effective tax rate of the Company for the nine months ended 30 September 2011 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

B6. Purchase and Sale of Quoted Securities

There were no purchases or sales of quoted securities during the nine months ended 30 September 2011 other than in the ordinary course of business.

B7. Profit on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties during the nine months ended 30 September 2011 other than in the ordinary course of business.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B8. Status of Corporate Proposals

(a) Proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma

On 19 October 2009, RHB Investment Bank had on behalf of the Company, announced that the Company will undertake the following proposals subject to relevant regulatory authorities' approval:

- (i) proposed acquisition of 80% of the issued and paid up share capital in PT Bank Mestika Dharma ('Bank Mestika') for a total cash consideration of Indonesian Rupiah ('RP') 3,118,300 million (or equivalent to approximately RM1,163 million) ('Proposed Acquisition');
- (ii) proposed put and call option for 9% of the issued and paid-up share capital in Bank Mestika ('Proposed Options');
- (iii) proposed renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital ('Shares') to raise gross proceeds of approximately RM1.3 billion ('Proposed Rights Issue'); and
- (iv) proposed increase in the authorised share capital of the Company from RM2,500,000,000 comprising 2,500,000,000 RHB Capital shares to RM5,000,000,000 comprising 5,000,000,000 RHB Capital shares ('Proposed Increase In Authorised Share Capital').

In the same announcement, the Company also announced that RHB Venture Capital Sdn Bhd ('RHBVC'), a wholly-owned subsidiary of the Company, had been identified as the entity to hold the investment in Bank Mestika on behalf of the Company pursuant to the Proposed Acquisition and Proposed Options. Accordingly, on 23 October 2009, the Company had assigned all of its rights, title, interest, benefit and entitlement and novated all of its obligations and liabilities as follows to RHBVC:

- (i) the conditional sale and purchase agreement dated 19 October 2009 with PT Mestika Benua Mas ('Vendor') ('CSPA') in relation to the Proposed Acquisition;
- (ii) the escrow agreement dated 19 October 2009 with the Vendor and The Hongkong and Shanghai Banking Corporation Limited (Jakarta Office), acting as the escrow agent, to facilitate the deposit of an amount equal to 10% of the purchase consideration for the Proposed Acquisition by the Company; and
- (iii) the agreement dated 19 October 2009 with the Vendor in relation to the Proposed Options.

BNM had on 4 January 2010 granted its approval for the Company to acquire up to 89% of the issued and paid-up capital of Bank Mestika, subject to the following conditions:

- (i) the Company is to obtain written confirmation from its auditors on the compliance with Financial Reporting Standards in arriving at the impairment methodology adopted and in respect of any change in equity interest in Bank Mestika; and
- (ii) the sources of funding and funding cost for the additional capital required by Bank Mestika post-acquisition should not exert pressure on the Company and its subsidiaries' capital and financial soundness.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B8. Status of Corporate Proposals (continued)

(a) Proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma (continued)

Subsequently, on 9 April 2010, RHB Investment Bank on behalf of the Company had announced on the proposed revision to the utilisation of proceeds arising from the Proposed Rights Issue to among others, repay the borrowings to finance the Proposed Acquisition in view of the Proposed Acquisition is likely to be completed prior to the completion of the Proposed Rights Issue.

As announced on 22 April 2010, Bursa Malaysia Securities Bhd ('Bursa Securities') had, vide its letter dated 20 April 2010, approved the listing and quotation of new ordinary shares of RM1.00 each in the Company, up to the gross proceeds of approximately RM1.3 billion, to be issued pursuant to the Proposed Rights Issue subject to the condition as stated therein. Bursa Securities had further on 9 May 2011, granted the Company an extension of time until 19 October 2011 to complete the implementation of the Proposed Rights Issue. Bursa Securities had on 21 October 2011, granted the Company a further extension of time of six (6) months from 20 October 2011 until 19 April 2012 to complete the implementation of the Proposed Rights Issue.

The shareholders of the Company had also at the Extraordinary General Meeting of the Company held on 19 May 2010, approved the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital.

RHBVC had further on 17 December 2010 assigned and novated the same to RHB Bank, which become the new acquirer for the Proposed Acquisition.

As announced on 19 April 2011, RHB Bank and the Vendor had subsequently on 18 April 2011, by way of an exchange of letter, mutually agreed to further extend the period to satisfy or waive the condition precedent based on the terms of the CSPA to 31 December 2011. The extension of the CSPA is conditional upon, inter-alia, permission and approval from RHB Bank for Bank Mestika to distribute dividend to the Vendor no later than 19 May 2011, pending which, the CSPA will only be extended until 19 May 2011 ('Initial Extension Period'). In the event the Initial Extension Period lapses, the CSPA will be deemed automatically terminated.

RHB Bank has subsequently agreed to give its permission and approval for Bank Mestika to distribute dividend out of the retained earnings accumulated subsequent to the financial year ended 31 December 2008 to the Vendor and the dividend distribution will not have any impact on the purchase consideration for the Proposed Acquisition or the price-to-book ratio represented by the purchase consideration for the Proposed Acquisition.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposals save for their respective entitlements as shareholders under the Proposed Rights Issue and their rights to apply for excess Rights Shares which are also available to all other shareholders of the Company.

The Proposed Acquisition, Proposed Rights Issue and Proposed Options did not have any material effect on the earnings of the Group for the nine months ended 30 September 2011. The Proposed Acquisition is expected to contribute positively to the future revenue and earnings of the Group.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B8. Status of Corporate Proposals (continued)

(b) Member's Voluntary Winding-Up of Indirect Wholly-Owned Subsidiaries

On 21 February 2011, the Company announced that the following wholly-owned subsidiaries of RHB Bank and RHB Investment Bank, which in turn are wholly-owned subsidiaries of the Company, had commenced members' voluntary winding-up on 16 February 2011 pursuant to Section 254(1) of the Companies Act, 1965:

Subsidiaries of RHB Bank:

- (i) Utama Gilang Sdn Bhd ('Utama Gilang'); and
- (ii) RHB Delta Sdn Bhd ('RHB Delta');

Subsidiary of RHB Investment Bank:

- (i) RHB Marketing Services Sdn Bhd ('RHB Marketing Services').

Utama Gilang, RHB Delta and RHB Marketing Services are companies incorporated in Malaysia and are presently dormant.

The winding-up of Utama Gilang, RHB Delta and RHB Marketing Services will not have any material effect on the Group's performance for the financial year ending 31 December 2011.

(c) Dividend Reinvestment Plan of RHB Capital Berhad

On 1 March 2011, RHB Investment Bank on behalf of the Company, announced that as part of the Company's capital management plan and to enhance the Company's shareholders' value, the Company has proposed to undertake a dividend reinvestment plan that provides the shareholders the option to elect to reinvest their cash dividend declared by the Company (whether interim, final, special or any other cash dividend) ('Dividend') in new ordinary shares of RM1.00 each in the Company ('RHB Capital Shares') (hereinafter referred to as 'Dividend Reinvestment Plan'). Approval from shareholders for the Dividend Reinvestment Plan and the issuance of New Shares arising from the Dividend Reinvestment Plan was obtained at the Extraordinary General Meeting held on 6 April 2011.

The Dividend Reinvestment Plan further provides that whenever a cash dividend (either an interim, final, special or other dividend) ('Dividend') is proposed, the Board may, in its absolute discretion, determine that the Dividend Reinvestment Plan to be applied to the whole or a portion of the cash Dividend and where applicable, any remaining portion of the Dividend will be paid in cash.

On 24 August 2011, the Board of Directors of the Company has approved an interim cash dividend of 8% less 25% taxation per ordinary shares of RM1.00 each in RHB Capital ('Interim Dividend') amounting to net dividend payable of RM131.5 million and the interim dividend has paid on 15 November 2011. In this regard, the Board has also determined that the existing DRP as mentioned above will apply to the Interim Dividend.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B8. Status of Corporate Proposals (continued)

(c) Dividend Reinvestment Plan of RHB Capital Berhad (continued)

On 23 September 2011, RHB Investment Bank on behalf of the Company, announced that Bursa Securities had vide its letter dated 23 September 2011, approved the listing and quotation of up to 21,109,948 new ordinary shares of RM1.00 each in RHB Capital to be issued pursuant to the DRP on the Main Market of Bursa Securities ('Listing Application'). The approval by Bursa Securities for the Listing Application is subject to the following conditions:

- (i) RHB Capital and its adviser must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the DRP;
- (ii) RHB Capital and its adviser to inform Bursa Securities upon the completion of the DRP; and
- (iii) RHB Capital to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the DRP is completed.

The issue price of new RHB Capital Shares to be issued pursuant to the DRP was subsequently fixed at RM6.44 per new RHB Capital Share and the book closure date pursuant to the Interim Dividend and DRP was fixed for 14 October 2011. The new RHB Capital Shares arising from the DRP will be listed on the Main Market of Bursa Securities on 16 November 2011.

On 15 November 2011, the Company announced that the DRP would be completed with the listing of and quotation of 12,902,378 new RHB Capital Shares representing approximately 63.2% of the total number of 20,414,831 new RHB Capital Shares that would have been issued pursuant to the DRP, had all the entitled shareholders elect to reinvest their respective Electable Portions of their dividend to new RHB Capital Shares pursuant to the DRP applicable on the interim dividend of RHB Capital for the financial year ending 31 December 2011. The said new RHB Capital Shares were listed and quoted on the Main Market of Bursa Securities on 16 November 2011. The enlarged issued and paid up capital of RHB Capital following the completion of the DRP is 2,204,818,717 RHB Capital Shares.

(d) Proposed Multi-Currency Euro Medium Term Note Programme ('EMTN Programme') of up to USD500 Million Nominal Value (or its Equivalent in Other Currencies) for RHB Bank

As announced by the Company on 11 May 2011, the Securities Commission ('SC') had on 9 May 2011, approved RHB Bank's application for the EMTN Programme, under which RHB Bank may issue up to USD500 million in nominal value (or its equivalent in other currencies) of senior medium term notes, pursuant to the deemed approval under Section 212(5) of the Capital Markets & Services Act 2007.

The proceeds raised from the EMTN Programme will be utilised by RHB Bank and its subsidiaries for general working capital and other corporate purposes, including but not limited to the provision of advances of such proceeds or part thereof by RHB Bank to any of its subsidiaries, and repayment of borrowings (if applicable).

RHB Bank has yet to issue the said EMTN as at to date.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B8. Status of Corporate Proposals (continued)

(e) Proposed Senior Notes and/or Subordinated Notes under a Multi-Currency Medium Term Note Programme of up to RM3.0 Billion in Nominal Value (or its Equivalent in Other Currencies) ('MCMTN Programme') by RHB Bank

The Company announced on 7 July 2011 that RHB Bank has obtained approval from the SC on 5 July 2011 for the establishment of MCMTN Programme and the issue of senior notes and/or subordinated notes ('Subordinated Notes').

In addition, the approval from BNM for the issuance of Subordinated Notes has also been obtained on 27 May 2011 (upon terms and conditions therein contained). The Subordinated Notes issued under the MCMTN Programme will qualify as Tier 2 capital of RHB Bank subject to compliance with the requirements as specified in the Risk Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks (General Requirements and Capital Component) by BNM.

The Company announced on 2 November 2011 that its wholly-owned subsidiary, RHB Bank had, on 31 October 2011, issued RM250.0 million of Subordinated Notes under the MCMTN Programme. The Subordinated Notes, rated AA3 by RAM Rating Services Berhad, are issued for a tenure of 10 non-callable 5 years with a fixed coupon of 4.25% per annum, payable semi-annually throughout the entire tenure.

(f) Proposal to Commence Negotiations for a Merger of Businesses

On 29 September 2011, RHB Investment Bank on behalf of the Company, announced that the Company has submitted an application to BNM for approval to commence negotiations with OSK Investment Bank Berhad, OSK Holdings Berhad ('OSKH') and the major shareholders of OSKH for a possible merger of businesses ('Proposed Merger Negotiations').

As announced on 14 October 2011 by RHB Investment Bank on behalf of the Company, BNM has, vide its letter dated 13 October 2011 stated that it has no objection in principle for the Company to commence the Proposed Merger Negotiations for three (3) months from the date of BNM's letter.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities

	Group	
	Unaudited	Audited
	As at 30 Sept 2011 RM'000	As at 31 Dec 2010 RM'000
(a) Deposits from customers and placements of banks and other financial institutions		
Deposits from customers		
- one year or less	109,174,782	93,955,320
- more than one year	568,017	478,508
	<u>109,742,799</u>	<u>94,433,828</u>
Deposits and placements of banks and other financial institutions		
- one year or less	13,417,417	9,481,671
- more than one year	439,899	584,486
	<u>13,857,316</u>	<u>10,066,157</u>

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at 30 Sept 2011 RM'000	As at 31 Dec 2010 RM'000	As at 30 Sept 2011 RM'000	As at 31 Dec 2010 RM'000
(b) Borrowings				
Unsecured:				
Revolving credits	701,382	724,422	734,716	815,449
Overdrafts	495	-	495	-
Term loans - RM	800,694	800,807	1,065,232	1,062,581
Term loan - USD	783,473	819,362	-	-
RM600 million 6 years				
Serial Fixed Rate Bonds	-	310,238	-	310,238
RM350 million				
Fixed Rate Bonds	349,149	354,111	349,149	354,111
RM150 million 7 years				
Commercial Papers/Medium				
Term Notes	-	74,000	-	74,000
RM1.1 billion 7 years				
Commercial Papers/Medium				
Term Notes	916,018	981,383	916,018	981,383
	<u>3,551,211</u>	<u>4,064,323</u>	<u>3,065,610</u>	<u>3,597,762</u>
Schedule repayment of borrowings:				
Within one year	1,222,548	1,496,088	1,414,610	1,765,712
One year to three years	507,285	1,682,477	300,000	1,482,050
Three years to five years	1,558,285	550,428	1,351,000	350,000
Over five years	263,093	335,330	-	-
	<u>3,551,211</u>	<u>4,064,323</u>	<u>3,065,610</u>	<u>3,597,762</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities (continued)

	Group	
	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
(c) Subordinated obligations		
5.0% RM1,300 million Tier II subordinated notes 2007/2017	1,322,082	1,305,699
5.5% RM700 million Tier II subordinated notes 2007/2022	713,080	703,375
5.3% RM200 million Tier II subordinated notes 2007/2017	203,282	200,639
5.5% RM45 million Tier II subordinated notes 2008/2018	46,105	45,488
5.0% RM700 million Tier II subordinated notes 2010/2020	714,863	706,137
5.6% RM300 million Tier II subordinated notes 2010/2025	307,134	302,946
	<u>3,306,546</u>	<u>3,264,284</u>

The subordinated obligations constitute unsecured liabilities of the commercial bank and investment bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital for the purpose of determining the capital adequacy ratios of the respective subsidiaries.

(d) Hybrid Tier-1 Capital Securities

	Group	
	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
RM370 million 8.00% Hybrid Tier-1 Capital Securities due in 2039, callable with step-up coupon rate at 9.00% in 2019	370,081	374,769
RM230 million 6.75% Hybrid Tier-1 Capital Securities due in 2039, callable with step-up coupon rate at 7.75% in 2019	226,821	225,624
	<u>596,902</u>	<u>600,393</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B10. Derivative Financial Instruments

Details of derivative financial instruments outstanding are as follows:

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

Group	Unaudited			Audited		
	As at 30 Sept 2011			As at 31 Dec 2010		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
RM'000	Assets	Liabilities	RM'000	Assets	Liabilities	
By type	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contracts						
- forwards	7,709,457	136,362	55,889	3,333,922	23,043	80,647
- swaps	8,444,966	82,131	250,556	7,666,945	135,533	65,471
- options	234,568	1,534	1,432	190,715	797	760
- spots	4,033,593	3,235	2,752	3,014,188	1,048	1,922
- cross-currency	1,518,130	17,856	21,578	1,245,502	12,860	11,121
Subtotal	<u>21,940,714</u>	<u>241,118</u>	<u>332,207</u>	<u>15,451,272</u>	<u>173,281</u>	<u>159,921</u>
Interest rate related contracts						
- futures	30,000	-	111	140,000	-	793
- swaps	16,701,264	118,290	149,982	13,047,782	137,624	92,990
Subtotal	<u>16,731,264</u>	<u>118,290</u>	<u>150,093</u>	<u>13,187,782</u>	<u>137,624</u>	<u>93,783</u>
Commodity contracts						
- forwards	-	-	-	17,628	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,628</u>	<u>-</u>	<u>-</u>
Total	<u>38,671,978</u>	<u>359,408</u>	<u>482,300</u>	<u>28,656,682</u>	<u>310,905</u>	<u>253,704</u>



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B10. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding are as follows: (continued)

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

Group	Unaudited As at 30 Sept 2011			Audited As at 31 Dec 2010		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By remaining period to maturity/next re-pricing date						
Foreign exchange related contracts						
- Less than 1 year	19,717,323	213,657	306,095	14,267,825	160,899	148,912
- 1 year to 3 years	1,208,815	13,950	5,492	61,850	402	-
- More than 3 years	1,014,576	13,511	20,620	1,121,597	11,980	11,009
Subtotal	21,940,714	241,118	332,207	15,451,272	173,281	159,921
Interest rate related contracts						
- Less than 1 year	3,067,269	9,412	10,117	2,676,825	32,201	9,093
- 1 year to 3 years	8,268,856	48,449	55,175	6,488,460	59,758	47,788
- More than 3 years	5,395,139	60,429	84,801	4,022,497	45,665	36,902
Subtotal	16,731,264	118,290	150,093	13,187,782	137,624	93,783
Commodity contracts						
- Less than 1 year	-	-	-	17,628	-	-
Subtotal	-	-	-	17,628	-	-
Total	38,671,978	359,408	482,300	28,656,682	310,905	253,704



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B10. Derivative Financial Instruments (continued)

ii) Derivative financial instruments classified by remaining period to maturity/next re-pricing date (whichever is earlier) as at 30 September 2011

Group

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 3 years RM'000	> 3 years RM'000
Foreign exchange related contracts							
- forwards	7,709,457	2,167,329	2,244,027	1,286,466	1,318,764	692,871	-
- swaps	8,444,966	5,504,235	1,975,916	465,276	266,745	232,794	-
- options	234,568	194,962	39,606	-	-	-	-
- spots	4,033,593	3,985,758	47,835	-	-	-	-
- cross-currency	1,518,130	8,644	-	121,670	90,090	283,150	1,014,576
Interest rate related contracts							
- futures	30,000	-	30,000	-	-	-	-
- swaps	16,701,264	-	400,000	1,039,117	1,598,152	8,268,856	5,395,139
Total	38,671,978	11,860,928	4,737,384	2,912,529	3,273,751	9,477,671	6,409,715



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B10. Derivative Financial Instruments (continued)

iii) Derivative financial instruments classified by remaining period to maturity/next re-pricing date (whichever is earlier) as at latest practicable date, 23 November 2011

Group

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 3 years RM'000	> 3 years RM'000
Foreign exchange related contracts							
- forwards	6,444,931	696,199	1,501,503	729,988	1,452,859	1,774,744	289,638
- swaps	7,335,448	3,609,474	2,063,259	589,414	410,141	567,566	95,594
- options	176,720	169,145	7,574	-	-	-	-
- spots	1,984,098	1,984,098	-	-	-	-	-
- cross-currency	1,506,568	-	127,300	95,475	95,475	636,500	551,818
Interest rate related contracts							
- futures	30,000	-	30,000	-	-	-	-
- swaps	15,283,089	431,897	714,331	1,186,726	1,643,059	7,716,591	3,590,485
Total	32,760,854	6,890,813	4,443,967	2,601,604	3,601,534	10,695,401	4,527,535



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B10. Derivative Financial Instruments (continued)

iii) Related accounting policies

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair values on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge).

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain and loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit and loss (for example, when the forecast sale that is hedged takes place).

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the profit and loss.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

B11. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised profits or losses of the Group and the Company is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The breakdown of retained profits of the Group are as follows:

Group	Unaudited		
	As at 30 Sept 2011		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
Operating subsidiaries	4,804,119	426,569	5,230,688
Dormant subsidiaries*	(7,929,456)	-	(7,929,456)
Total retained profits/(losses) of the Group	(3,125,337)	426,569	(2,698,768)
Total share of retained profits from a joint venture	1,436	-	1,436
	(3,123,901)	426,569	(2,697,332)
Less: Consolidation adjustments			6,252,961
Total Group retained profits			3,555,629

Group	Audited		
	As at 31 Dec 2010		
	Realised Profits/ (Losses) RM'000	Unrealised Profits RM'000	Total RM'000
Operating subsidiaries	3,791,337	630,775	4,422,112
Dormant subsidiaries*	(7,929,534)	-	(7,929,534)
Total retained profits/(losses) of the Group	(4,138,197)	630,775	(3,507,422)
Total share of retained profits from a joint venture	1,149	-	1,149
	(4,137,048)	630,775	(3,506,273)
Less: Consolidation adjustments			6,254,065
Total Group retained profits			2,747,792

* The realised losses relate mainly to dormant subsidiaries which are currently in the process of being liquidated.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B11. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements (continued)

The breakdown of retained profits of the Company are as follows:

<u>Company</u>	Unaudited As at 30 Sept 2011 RM'000	Audited As at 31 Dec 2010 RM'000
Total retained profits of the Company:		
- Realised profits	1,109,660	1,227,315
- Unrealised losses	(25)	(25)
	<u>1,109,635</u>	<u>1,227,290</u>

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

On 20 December 2010, the Malaysian Institute of Accountants issued Guidance on Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements. Accordingly, the Group views translation gains or losses on monetary items as realised as it is incurred in the ordinary course of business.

The disclosure above does not affect or alter the existing divisible profit rule in Malaysia. Likewise, this shall not be applied to address or interpret any legal matters regarding the availability of profit for distribution to shareholders. Listed corporations are required to observe the existing requirements in the Malaysia legal framework in dealing with matters related to distribution of profits to shareholders.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B12. Material Litigation

(a) Carta Bintang Sdn Bhd

On 19 October 2001, the Company filed a Writ of Summons at the High Court of Malaya in Kuala Lumpur ('High Court') against CBSB, the vendor of SJ Securities, for the recovery of the deposit of RM32,800,000 ('Deposit') paid by the Company pursuant to the sale of shares agreement dated 7 November 2000 in respect of 60 million shares in SJ Securities ('Sale Shares').

On 26 November 2001, CBSB's solicitors served the Defence and Counterclaim on the Company's solicitors. The overall amount claimed by CBSB in the Counterclaim is RM258,688,153.42 together with interest thereon and costs. The Company filed its reply to the Defence and a Defence to the Counterclaim on 19 December 2001.

On 22 November 2002, the Deputy Registrar of the High Court granted a summary judgment in favour of the Company for CBSB to return the Deposit to the Company and a summary judgment in favour of CBSB for the Company to return the share certificates and transfer forms in respect of the Sale Shares to CBSB. However, CBSB's claim for damages was dismissed.

Both parties had subsequently filed their respective appeals against the decision of the Deputy Registrar and on 7 August 2003, the Learned High Court Judge dismissed the respective appeals of the Company and CBSB and affirmed the Deputy Registrar's decision.

Thereafter, both parties have filed their respective appeals to the Court of Appeal against the decision of the Learned High Court Judge (Please refer to A25(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim). On 22 May 2009, the Court of Appeal had dismissed CBSB's appeal against the High Court decision in respect of the return of the Deposit and claim for damages. The Court of Appeal had also dismissed the Company's appeal in respect of the return of share certificates and transfer forms. Both CBSB and the Company had filed their respective applications for leave to appeal to the Federal Court. The Federal Court had on 12 May 2010 allowed the applications for leave to appeal filed by both parties. During the hearing of the appeals at the Federal Court on 18 January 2011, the Federal Court had directed that the CBSB's appeal against the High Court decision dismissing the summary judgment application on the claim for damages and the Company's appeal against the High Court decision on the return of share certificates and transfer forms be re-heard by the Court of Appeal and further directed that CBSB's appeal to the Federal Court against the Court of Appeal decision on the return of the Deposit to be kept in abeyance until then. On 22 June 2011, the Court of Appeal recorded the agreement of both the Company and CBSB that the High Court order in respect of the dismissal of CBSB's summary judgment application for their counterclaim and the High Court order on the return of share certificates and transfer forms are set aside. The Court of Appeal also directed that CBSB's counterclaim be referred to the High Court for trial. CBSB's appeal to the Federal Court against the Court of Appeal decision on the return of the Deposit is now fixed for hearing on 12 December 2011.

The above material litigation is not expected to have any material adverse effect on the financial results of the Group.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

B13. Dividends

No dividend has been proposed for the third quarter ended 30 September 2011.

B14. Earnings per Share

	3rd quarter ended		Nine months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
Basic/diluted earnings per share				
Profit attributable to equity holders of the Company (RM'000)	<u>376,404</u>	<u>351,353</u>	<u>1,153,147</u>	<u>1,040,113</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,191,916</u>	<u>2,153,475</u>	<u>2,172,343</u>	<u>2,153,475</u>
Basic/diluted earnings per share (sen)	<u>17.2</u>	<u>16.3</u>	<u>53.1</u>	<u>48.3</u>

The diluted Earning Per Share ('EPS') of the Group is calculated by dividing the net profit attributable to equity holders of the Company for the quarter and the nine months ended 30 September 2011 by the weighted average number of ordinary shares in issue and adjusted for the number of shares that could have been issued under the DRP as detailed in Note B8(c).

In the diluted EPS calculation, it has been assumed that 100% of the electable portion of the proposed interim dividend payment under the DRP will be exercised into ordinary shares in the Company. The new RHB Capital shares will be issued at an assumed price which is equivalent to the 5-day volume weighted average price of the Company's shares as at 30 September 2011 after applying a discount of not more than 10%. These calculations serve to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit attributable to the equity holders of the Company for the quarter and nine months ended 30 September 2011.

The dilution effect on the basic EPS arising from the DRP is estimated to be immaterial. As a result, the diluted EPS is equal to the basic EPS for the quarter and nine months ended 30 September 2011.

Other than the above, there were no other dilutive potential ordinary shares outstanding as at 30 September 2011.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(Licence No. LS0006901)

Company Secretary

29 November 2011