

RHB BANK BERHAD

**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 30 SEPTEMBER 2006**

	Note	Group		Bank	
		As At 30 Sept 2006 RM'000	As At 31 Dec 2005 RM'000	As At 30 Sept 2006 RM'000	As At 31 Dec 2005 RM'000
ASSETS					
Cash and short-term funds		9,968,639	10,790,936	6,824,092	12,539,401
Securities purchased under resale agreements		8,270,725	2,219,491	8,270,725	2,219,491
Deposits and placements with banks and other financial institutions		3,927,907	2,431,491	3,238,550	1,981,441
Securities held for trading	8	2,276,989	1,761,937	1,527,260	890,492
Securities available-for-sale	9	1,820,213	1,895,580	1,704,313	1,726,819
Securities held-to-maturity	10	16,157,548	14,078,589	15,079,916	12,843,807
Loans, advances and financing	11	51,884,763	47,634,111	46,277,241	37,090,808
Other assets	13	588,021	430,409	746,567	689,033
Tax recoverable		61	17,449	-	-
Deferred taxation assets		263,262	240,038	230,574	171,138
Statutory deposits		1,610,454	1,619,025	1,439,125	1,233,745
Investment in subsidiaries		-	-	828,957	1,389,849
Investment in an associate		4,557	4,198	-	-
Property, plant and equipment		620,404	628,239	490,591	486,433
Goodwill		1,004,017	1,004,017	905,519	892,012
TOTAL ASSETS		98,397,560	84,755,510	87,563,430	74,154,469
LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY					
Deposits from customers	14	57,302,754	48,704,834	48,202,600	40,844,274
Deposits and placements of banks and other financial institutions	15	10,446,576	10,597,657	9,267,991	9,770,738
Obligations on securities sold under repurchase agreements		14,567,870	10,329,421	14,567,870	10,341,624
Bills and acceptances payable		3,583,812	3,313,060	3,562,586	3,279,024
Recourse obligation on loans sold to Cagamas Berhad		3,380,877	3,356,992	3,380,877	2,006,549
Other liabilities	16	1,526,427	1,363,876	1,307,478	1,074,223
Provision for taxation and zakat		100,061	19,214	89,935	15,675
Deferred taxation liabilities		7	8	-	-
Long term borrowings		184,375	-	184,375	-
Subordinated obligations		1,351,665	1,365,252	1,351,665	1,365,252
		92,444,424	79,050,314	81,915,377	68,697,359
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)		1,368,099	1,368,099	1,368,099	1,368,099
		93,812,523	80,418,413	83,283,476	70,065,458
Ordinary Share Capital		1,949,986	1,949,986	1,949,986	1,949,986
Reserves		2,635,051	2,387,111	2,329,968	2,139,025
Shareholders' equity		4,585,037	4,337,097	4,279,954	4,089,011
TOTAL LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY		98,397,560	84,755,510	87,563,430	74,154,469
COMMITMENTS AND CONTINGENCIES	24	47,154,353	40,364,815	43,741,701	37,682,648

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

	Note	Individual Quarter		Cumulative Nine Months	
		Current Financial Quarter Ended 30 Sept 2006	Preceding Corresponding Quarter Ended 30 Sept 2005	Current Financial Nine Months Ended 30 Sept 2006	Preceding Corresponding Nine Months Ended 30 Sept 2005
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	17	1,105,146	867,233	3,028,160	2,409,363
Interest expense	18	(603,879)	(443,234)	(1,623,698)	(1,263,011)
Net interest income		501,267	423,999	1,404,462	1,146,352
Other operating income	19	155,027	145,204	423,707	381,349
Income from Islamic banking business	31	656,294	569,203	1,828,169	1,527,701
		57,558	40,293	150,755	104,978
Net income		713,852	609,496	1,978,924	1,632,679
Other operating expenses	20	(289,880)	(269,895)	(867,164)	(793,425)
Operating profit		423,972	339,601	1,111,760	839,254
Allowance for losses on loans and financing	21	(208,475)	(194,912)	(469,225)	(365,241)
Allowance for impairment losses	22	(765)	(13,149)	(15,829)	(36,325)
		214,732	131,540	626,706	437,688
Share of results of an associate		278	77	359	222
Profit before INCPS dividends, taxation and zakat		215,010	131,617	627,065	437,910
INCPS dividends		(34,484)	(34,484)	(102,326)	(102,358)
Profit after INCPS dividends but before taxation and zakat		180,526	97,133	524,739	335,552
Taxation		(47,192)	(11,021)	(145,609)	(72,001)
Zakat		-	-	920	(1)
Net profit for the financial period		133,334	86,112	380,050	263,550
Earning per ordinary share					
- Basic earnings per 50 sen share		3.42	2.21	9.74	6.76

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

	Note	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
		Current Financial Quarter Ended 30 Sept 2006	Preceding Corresponding Quarter Ended 30 Sept 2005	Current Financial Nine Months Ended 30 Sept 2006	Preceding Corresponding Nine Months Ended 30 Sept 2005
		RM'000	RM'000	RM'000	RM'000
<u>Bank</u>					
Interest income	17	1,069,324	746,977	2,920,249	2,053,316
Interest expense	18	(584,628)	(395,631)	(1,567,548)	(1,115,788)
Net interest income		484,696	351,346	1,352,701	937,528
Other operating income	19	160,841	141,067	466,794	406,098
		645,537	492,413	1,819,495	1,343,626
Income from Islamic banking business		-	-	-	23,685
Net income		645,537	492,413	1,819,495	1,367,311
Other operating expenses	20	(262,077)	(221,812)	(797,164)	(670,798)
Operating profit		383,460	270,601	1,022,331	696,513
Allowance for losses on loans and financing	21	(200,614)	(171,548)	(455,660)	(298,796)
Allowance for impairment losses	22	(765)	(13,001)	(15,829)	(40,067)
		182,081	86,052	550,842	357,650
Share of results of an associate		-	-	-	-
Profit before INCPS dividends, taxation and zakat		182,081	86,052	550,842	357,650
INCPS dividends		(34,484)	(34,484)	(102,326)	(102,358)
Profit after INCPS dividends but before taxation and zakat		147,597	51,568	448,516	255,292
Taxation		(39,013)	(2,097)	(132,643)	(51,230)
Zakat		-	-	-	-
Net profit for the financial period		108,584	49,471	315,873	204,062
Earning per ordinary share					
- Basic earnings per 50 sen share		2.78	1.27	8.10	5.23

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

Group	← Non-distributable →				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 01.01.2006	1,949,986	8,563	1,596,396	(3,252)	5,142	780,262	4,337,097
Currency translation differences	-	-	-	4,007	-	-	4,007
Net profit for the financial period	-	-	-	-	-	380,050	380,050
Transfer to statutory reserves	-	-	57,550	-	-	(57,550)	-
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(33,094)	-	(33,094)
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	10,446	-	10,446
Deferred tax	-	-	-	-	6,794	-	6,794
Ordinary dividends paid during the period	-	-	-	-	-	(120,263)	(120,263)
Balance as at 30.09.2006	1,949,986	8,563	1,653,946	755	(10,712)	982,499	4,585,037
Balance as at 31.12.2004							
- as previously reported	1,949,986	8,563	1,445,168	11,854	-	710,157	4,125,728
- prior year adjustments	-	-	5,201	-	(21,420)	(146)	(16,365)
As restated	1,949,986	8,563	1,450,369	11,854	(21,420)	710,011	4,109,363
Currency translation differences	-	-	-	(15,106)	-	-	(15,106)
Net profit for the financial year	-	-	-	-	-	377,737	377,737
Transfer to statutory reserves	-	-	146,027	-	-	(146,027)	-
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(25,241)	-	(25,241)
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	63,527	-	63,527
Deferred tax	-	-	-	-	(11,724)	-	(11,724)
Ordinary dividends paid during the year	-	-	-	-	-	(161,459)	(161,459)
Balance as at 31.12.2005	1,949,986	8,563	1,596,396	(3,252)	5,142	780,262	4,337,097

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

Bank	← Non-distributable →					Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000		
Balance as at 01.01.2006	1,949,986	8,563	1,529,557	(288)	8,080	593,113	4,089,011	
Currency translation differences	-	-	-	13,257	-	-	13,257	
Net profit for the financial period	-	-	-	-	-	315,873	315,873	
Amount vested over from RHB Delta Finance	-	-	-	-	148	-	148	
Transfer to statutory reserves	-	-	103,647	-	-	(103,647)	-	
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(34,538)	-	(34,538)	
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	9,438	-	9,438	
Deferred tax	-	-	-	-	7,028	-	7,028	
Ordinary dividends paid during the period	-	-	-	-	-	(120,263)	(120,263)	
Balance as at 30.09.2006	1,949,986	8,563	1,633,204	12,969	(9,844)	685,076	4,279,954	
Balance as at 31.12.2004								
- as previously reported	1,949,986	8,563	1,389,455	14,424	-	630,039	3,992,467	
- prior year adjustments	-	-	5,201	-	(21,965)	(10,368)	(27,132)	
As restated	1,949,986	8,563	1,394,656	14,424	(21,965)	619,671	3,965,335	
Currency translation differences	-	-	-	(14,712)	-	-	(14,712)	
Net profit for the financial year	-	-	-	-	-	269,802	269,802	
Transfer to statutory reserves	-	-	134,901	-	-	(134,901)	-	
Unrealised net gain/(loss) on revaluation of securities available- for-sale	-	-	-	-	(21,649)	-	(21,649)	
Net (gain) on disposal or impairment transferred to income statement	-	-	-	-	63,378	-	63,378	
Deferred tax	-	-	-	-	(11,684)	-	(11,684)	
Ordinary dividends paid during the year	-	-	-	-	-	(161,459)	(161,459)	
Balance as at 31.12.2005	1,949,986	8,563	1,529,557	(288)	8,080	593,113	4,089,011	

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

RHB BANK BERHAD

**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006**

	30/09/2006	31/12/2005
	RM'000	RM'000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated/(used in) from operations	1,044,177	(2,159,930)
Zakat paid	(54)	(99)
Taxation paid	(91,183)	(164,966)
Net cash generated/(used in) from operating activities	952,940	(2,324,995)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(54,091)	(62,958)
Proceeds from disposal of property, plant and equipment	2,207	6,319
Net sale of securities available-for-sale	35,600	4,439,500
Net purchase of securities held-to-maturity	(2,068,809)	(3,424,052)
Interest received from securities available-for-sale	42,469	19,294
Interest received from securities held-to-maturity	407,258	404,075
Dividend income from securities available-for-sale	1,875	2,585
Net cash (used in)/generated from investing activities	(1,633,491)	1,384,763
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid :		
- INCPS	(49,117)	(98,503)
- ordinary shares	(120,263)	(161,459)
Net cash used in financing activities	(169,380)	(259,962)
Net reduction in cash and cash equivalents	(849,931)	(1,200,194)
Effects of exchange rate differences	27,634	(8,523)
Cash and cash equivalents brought forward	10,790,936	11,999,653
Cash and cash equivalents carried forward	9,968,639	10,790,936
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	9,968,639	10,790,936

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

	<u>30/09/2006</u>	<u>31/12/2005</u>
	RM'000	RM'000
Bank		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	(4,683,297)	871,608
Zakat paid	-	(2)
Taxation paid	(69,746)	(109,606)
Net cash (used in)/generated from operating activities	<u>(4,753,043)</u>	<u>762,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(53,050)	(52,513)
Proceeds from disposal of property, plant and equipment	1,776	5,621
Net sale of securities available-for-sale	13,847	4,560,322
Net purchase of securities held-to-maturity	(1,986,271)	(3,474,456)
Interest received from securities available-for-sale	41,136	17,271
Interest received from securities held-to-maturity	392,613	378,332
Dividend income from securities available-for-sale	1,875	2,530
Dividend income from subsidiary companies	44,681	33,776
Net investment in subsidiaries	17,353	(75,000)
Net cash (used in)/generated from investing activities	<u>(1,526,040)</u>	<u>1,395,883</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of finance lease	(349)	(434)
Dividends paid :		
- INCPS	(49,117)	(98,503)
- ordinary shares	(120,263)	(161,459)
Net cash used in financing activities	<u>(169,729)</u>	<u>(260,396)</u>
Net (reduction)/increase in cash and cash equivalents	(6,448,812)	1,897,487
Cash and cash equivalents vested over to RHB Islamic Bank	-	(1,273,377)
Cash and cash equivalents vested over from RHB Delta Finance	727,701	-
Effects of exchange rate differences	5,802	(10,136)
Cash and cash equivalents brought forward	12,539,401	11,925,427
Cash and cash equivalents carried forward	<u>6,824,092</u>	<u>12,539,401</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>6,824,092</u>	<u>12,539,401</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

1 Basis Of Preparation

The interim financial statements for the nine months ended 30 September 2006 have been prepared in accordance with FRS134 (formerly known as MASB 26) issued by the Malaysian Accounting Standard Board (MASB). The interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2005.

The accounting policies and presentation adopted by the Group for the interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2005.

2 Audit Report

The audit report for the financial year ended 31 December 2005 was not subject to any qualification.

3 Seasonal or Cyclical Factors

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

4 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the nine months ended 30 September 2006.

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the nine months ended 30 September 2006.

The Group has changed the period of default for non-performing loans from 6 months to 3 months with effect from September 2005.

6 Changes In Debt and Equity Securities

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

7 Dividends Paid

The Bank has paid the final ordinary dividend for the Financial Year 2005 of 4.1% less tax amounting to RM57.56million on 22 March 2006.

The Bank has paid the interim ordinary dividend for the six months period ended 30 June 2006 of 4.47%, less tax amounting to RM62.7M on 4 September 2006.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

8 Securities Held For Trading

At fair value	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	342,775	25,030	342,775	25,030
Khazanah bonds	-	120,419	-	91,345
Government investment issues	366,397	208,083	366,397	189,507
Singapore government stocks	193,622	317,799	193,622	317,799
<u>Unquoted</u>				
Malaysia government treasury bills	19,777	19,807	19,777	-
Fixed rate notes	240,442	249,057	240,442	249,057
Bank Negara Malaysia bills/ notes	349,722	444,592	191,707	17,754
Bankers' acceptances & Islamic accepted bills	213,509	20,437	-	-
Private debts securities	321,862	118,551	172,540	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Shares	-	6,017	-	-
<u>Outside Malaysia</u>				
Other government securities	123,252	126,856	-	-
Bonds	105,631	105,289	-	-
Total securities held for trading	2,276,989	1,761,937	1,527,260	890,492

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

9 Securities Available-For-Sale

At fair value	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Cagamas bonds and Cagamas Mudharabah bonds	449,948	585,535	449,948	570,545
Government investment issues	44,986	-	-	-
Singapore government stocks	58,561	-	58,561	-
Khazanah bonds	9,249	-	-	-
<u>Unquoted</u>				
Malaysia government treasury bills	45,003	42,534	-	9,677
Singapore government treasury bills	112,652	56,761	112,652	56,761
Bankers' acceptances & Islamic accepted bills	-	-	-	-
Private debt securities	579,968	598,090	579,968	598,090
Bank Negara Malaysia bills/ notes	-	99,575	-	-
Other government securities	-	4,546	-	4,546
	1,300,367	1,387,041	1,201,129	1,239,619
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	48,873	74,789	48,873	74,789
Shares	11,994	31,975	10,877	30,959
<u>Outside Malaysia</u>				
Floating rate notes	305	313	-	-
Shares	198	135	119	58
	61,370	107,212	59,869	105,806
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	172,193	193,691	157,608	177,189
Shares	170,401	165,952	169,825	162,521
Private debt securities	64,048	38,386	64,048	38,386
<u>Outside Malaysia</u>				
Private debt securities	51,834	3,298	51,834	3,298
Total securities available-for-sale	1,820,213	1,895,580	1,704,313	1,726,819

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

10 Securities Held-To-Maturity

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
At amortised cost				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	2,320,552	2,369,616	2,320,552	2,157,947
Cagamas bonds and Cagamas Mudharabah bonds	951,250	656,125	890,767	530,566
Khazanah bonds	561,493	585,764	-	-
Government Investment Issued	80,521	-	-	-
<u>Unquoted</u>				
Malaysia government treasury bills	44,752	73,406	44,752	73,406
Thailand government treasury bills	19,431	47,235	19,431	47,235
Bankers' acceptances & Islamic accepted bills	447,210	714,033	447,210	714,033
Cagamas notes	97,129	-	97,129	-
Negotiable instruments of deposits	7,802,893	5,867,009	7,802,893	5,867,009
Prasarana bonds	1,982,372	1,954,850	1,982,372	1,954,850
Private debt securities	984,206	1,030,971	837,982	885,353
Other government securities	190,996	140,746	190,996	140,746
	15,482,805	13,439,755	14,634,084	12,371,145
<u>Quoted securities :</u>				
<u>In Malaysia</u>				
Floating rate notes	97,600	100,162	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Promissory notes	-	375	-	375
Bonds	29,047	29,047	860	834
Privates debt securities	393,349	399,183	393,349	399,183
Corporate loan stocks	173,954	187,992	173,954	187,992
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Floating rate notes	11,049	-	-	-
Callable range accrual notes	36,830	-	-	-
Credit link notes	55,245	37,797	-	-
	16,280,379	14,194,811	15,202,747	12,960,029
Accumulated impairment losses	(122,831)	(116,222)	(122,831)	(116,222)
Total securities held-to-maturity	16,157,548	14,078,589	15,079,916	12,843,807

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

11 Loans, Advances and Financing

(i) By type

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Overdrafts	6,831,876	6,465,593	6,770,358	6,407,163
Term Loans/financing				
Housing loans/financing	12,291,427	11,706,298	10,898,886	10,423,825
Syndicated term loans/financing	2,481,748	2,266,496	1,081,670	893,268
Hire purchase receivables	9,450,042	7,669,206	8,658,756	4,596
Lease receivables	289,336	295,953	-	-
Other term loans/financing	11,450,383	11,104,503	10,179,758	10,068,428
Bills receivable	2,020,458	1,628,524	1,498,892	1,130,178
Trust receipts	505,864	498,867	493,755	483,630
Claims on customers under acceptance credits	4,803,492	4,104,478	4,803,492	4,104,478
Staff loans/financing	408,401	417,836	402,670	406,508
Credit cards receivables	1,187,947	994,953	1,187,947	994,953
Revolving credit	4,722,297	4,433,111	4,508,486	4,388,445
Floor stocking	8,628	7,935	8,628	-
	<u>56,451,899</u>	<u>51,593,753</u>	<u>50,493,298</u>	<u>39,305,472</u>
Less : Unearned interest and income	(1,565,130)	(1,281,313)	(1,456,619)	(24,317)
Gross loans, advances and financing	<u>54,886,769</u>	<u>50,312,440</u>	<u>49,036,679</u>	<u>39,281,155</u>
Less : Allowance for bad and doubtful debts and financing:				
- General	(971,312)	(909,527)	(845,014)	(676,608)
- Specific	(2,030,694)	(1,768,802)	(1,914,424)	(1,513,739)
Net loans, advances and financing	<u>51,884,763</u>	<u>47,634,111</u>	<u>46,277,241</u>	<u>37,090,808</u>

(ii) By type of customer

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Domestic non-bank financial institutions				
- Stock broking companies	3,145	2,862	3,145	2,862
- Others	1,058,040	1,538,106	1,024,979	1,498,753
Domestic business enterprises				
- Small medium enterprises	9,068,749	9,094,506	7,849,218	6,852,556
- Others	20,905,621	17,902,451	18,162,841	15,079,773
Government and statutory bodies	255,183	167,350	155,401	166,956
Individuals	22,999,852	21,137,542	21,460,901	15,381,841
Other domestic entities	51,465	54,419	35,500	37,971
Foreign entities	544,714	415,204	344,694	260,443
	<u>54,886,769</u>	<u>50,312,440</u>	<u>49,036,679</u>	<u>39,281,155</u>

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

11 Loans, Advances and Financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Fixed rate				
Housing loans/financing	1,497,327	1,447,587	107,094	196,011
Hire purchase receivables	7,980,567	6,485,481	7,278,894	4,171
Other fixed rate loans/financing	3,417,838	2,953,207	1,603,261	1,456,431
Variabe rate				
BLR plus	20,109,985	19,155,530	20,109,985	18,960,595
Cost-plus	16,681,529	16,075,401	16,202,270	15,695,727
Other variable rates	5,199,523	4,195,234	3,735,175	2,968,220
	<u>54,886,769</u>	<u>50,312,440</u>	<u>49,036,679</u>	<u>39,281,155</u>

(iv) By purpose

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Purchase of securities	1,707,478	1,709,814	1,346,775	1,361,395
Purchase of transport vehicles	6,470,855	5,137,937	6,064,542	29,330
Purchase of landed property :				
- Residential	12,757,321	12,213,164	11,365,476	10,926,525
- Non-residential	1,323,946	1,139,347	1,388,049	1,228,935
Purchase of property, plant and equipment other than land and building	2,279,118	1,865,132	1,351,696	124,661
Personal use	1,889,837	1,817,056	1,856,319	1,787,670
Credit card	1,187,947	994,953	1,187,947	994,953
Purchase of consumer durables	119,718	141,802	119,327	130,295
Construction	2,287,617	2,521,562	2,134,119	2,400,971
Merger and acquisition	-	-	-	-
Working capital	23,029,555	21,359,340	21,525,962	20,038,855
Others purposes	1,833,377	1,412,333	696,467	257,565
	<u>54,886,769</u>	<u>50,312,440</u>	<u>49,036,679</u>	<u>39,281,155</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

12 Non-Performing Loans/Financing (NPL/NPF)

(i) Movement in non-performing loans, advances and financing

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
At beginning of year	4,151,770	4,866,476	3,484,877	4,587,825
Amount vested over from RHB Delta Finance Berhad	-	-	375,910	-
Amount vested over to RHB Islamic Bank	-	-	-	(258,040)
Classified as non-performing during the year	3,047,539	2,474,971	2,780,193	1,814,499
Reclassified as performing during the year	(2,012,405)	(1,648,019)	(1,825,139)	(1,315,295)
Loans/financing converted to securities	(21,501)	(28,716)	(21,501)	(22,837)
Amount recovered	(390,236)	(391,096)	(368,119)	(274,148)
Amount written off	(197,880)	(1,118,358)	(190,236)	(1,044,495)
Exchange difference	(271)	(3,488)	1,581	(2,632)
At end of year	4,577,016	4,151,770	4,237,566	3,484,877
Specific allowance	(2,030,694)	(1,768,802)	(1,914,424)	(1,513,739)
Net non-performing loans, advances and financing	2,546,322	2,382,968	2,323,142	1,971,138
Ratio of net non-performing loans and financing to net loans and financing	4.8%	4.9%	4.9%	5.2%

(ii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
General allowance				
At beginning of year	909,527	809,746	676,608	684,630
Amount vested over from RHB Delta Finance Berhad	-	-	107,790	-
Amount vested over to RHB Islamic Bank	-	-	-	(77,059)
Allowance made/(written back) during the year	61,855	100,842	59,658	69,839
Exchange difference	(70)	(1,061)	958	(802)
At end of year	971,312	909,527	845,014	676,608
As % of gross loans, advances and financing less specific allowance	1.8%	1.9%	1.8%	1.8%

Specific allowance				
At beginning of year	1,768,802	2,377,714	1,513,739	2,187,574
Amount vested over from RHB Delta Finance Berhad	-	-	142,534	-
Amount vested over to RHB Islamic Bank	-	-	-	(75,661)
Allowance made during the year	642,964	714,759	626,847	610,002
Transferred from allowance for commitments and contingencies	-	-	-	-
Transferred to accumulated impairment losses for securities	(11,345)	(12,332)	(11,345)	(12,332)
Amount recovered	(173,809)	(184,758)	(169,206)	(142,102)
Amount written off	(194,812)	(1,125,044)	(188,542)	(1,052,879)
Exchange difference	(1,106)	(1,537)	397	(863)
At end of year	2,030,694	1,768,802	1,914,424	1,513,739

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

12 Non-Performing Loans/Financing (NPL/NPF) (cont'd)

(iii) NPL/NPF by purpose

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Purchase of securities	35,111	76,025	35,059	75,905
Purchase of transport vehicles	420,449	295,827	417,316	557
Purchase of landed property :				
- Residential	1,304,221	1,135,648	1,118,052	978,088
- Non-residential	147,810	141,597	142,294	135,704
Purchase of property, plant and equipment other than land and building	112,792	104,634	51,322	581
Personal use	158,069	182,282	154,376	175,513
Credit card	42,458	36,500	42,458	36,500
Purchase of consumer durables	10,536	14,542	10,529	12,948
Construction	421,573	428,805	401,113	409,748
Merger and acquisition	-	-	-	-
Working capital	1,887,409	1,700,739	1,850,460	1,657,009
Others purpose	36,588	35,171	14,587	2,324
	4,577,016	4,151,770	4,237,566	3,484,877

13 Other Assets

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Other debtors, deposits and prepayments	251,217	191,992	222,002	160,350
Accrued interest receivable	195,701	152,660	179,033	137,825
Amount recoverable from BNM	1,500	1,705	-	-
Amount due from immediate holding company	29,884	28,254	29,524	27,894
Amounts due from subsidiaries	-	-	208,180	309,992
Amounts due from related companies	6,935	11,960	5,730	9,409
Derivative assets	102,784	43,838	102,098	43,563
	588,021	430,409	746,567	689,033

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Demand deposits	14,476,006	13,671,301	12,053,028	12,240,434
Savings deposits	4,731,439	4,722,989	4,262,894	4,190,874
Fixed/Investment deposits	31,543,629	28,276,770	25,475,778	22,521,116
Negotiable instrument of deposits	6,551,680	2,033,774	6,410,900	1,891,850
	57,302,754	48,704,834	48,202,600	40,844,274

(ii) By type of customer

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Government and statutory bodies	4,505,248	3,181,957	2,319,101	1,973,312
Business enterprises	28,907,863	21,805,579	22,889,482	17,153,977
Individuals	21,969,560	22,823,334	21,224,720	21,563,514
Others	1,920,083	893,964	1,769,297	153,471
	57,302,754	48,704,834	48,202,600	40,844,274

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Licensed banks	8,863,155	7,089,159	7,992,945	6,462,596
Licensed finance companies	-	62,770	-	62,770
Licensed merchant banks	125,169	438,787	42,400	438,787
Bank Negara Malaysia	1,231,809	948,947	1,231,566	948,695
Other financial institutions	226,443	2,057,994	1,080	1,857,890
	10,446,576	10,597,657	9,267,991	9,770,738

16 Other Liabilities

	Group		Bank	
	30 Sept 2006 RM'000	31 Dec 2005 RM'000	30 Sept 2006 RM'000	31 Dec 2005 RM'000
Accrued interest payable	399,432	314,599	373,243	270,062
Accruals for operational expenses	112,908	120,551	108,500	110,735
Amount due to holding company	180	1,783	180	1,783
Amounts due to subsidiaries	-	-	23,375	79,710
Amounts due to related companies	3,133	1,955	3,040	1,095
Amount due to BNM	287,484	256,738	287,484	256,681
Amount due to Danaharta	1,740	1,909	1,740	1,909
Finance lease	-	-	1,293	1,642
Prepaid instalment	59,448	51,594	59,448	1,356
Lessee deposits	85,364	80,935	2,077	12
Derivatives liabilities	82,124	66,059	72,468	54,253
Short term employee benefits	79,020	58,454	75,080	54,530
Other accruals and charges	415,594	409,299	299,550	240,455
	1,526,427	1,363,876	1,307,478	1,074,223

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

17 Interest Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Financial</u>	<u>Corresponding</u>	<u>Financial</u>	<u>Corresponding</u>
	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Nine Months Ended</u>	<u>Nine Months Ended</u>
	<u>30 Sept 2006</u>	<u>30 Sept 2005</u>	<u>30 Sept 2006</u>	<u>30 Sept 2005</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loans, advances and financing				
- Interest income other than recoveries from NPLs	705,855	591,775	2,019,285	1,686,847
- Recoveries from NPLs	63,858	53,123	163,415	127,048
Money at call and deposit placements with banks and other financial institutions	102,683	109,097	317,322	280,362
Securities held for trading	82,888	20,692	153,035	33,995
Securities available-for-sale	13,080	19,219	37,717	48,086
Securities held-to-maturity	154,651	106,163	423,508	299,573
Others	711	5,452	1,549	15,702
	<u>1,123,726</u>	<u>905,521</u>	<u>3,115,831</u>	<u>2,491,613</u>
Amortisation of premium less accretion of discount	(3,288)	(9,446)	(15,379)	(29,962)
Interest suspended clawback	(15,292)	(28,842)	(72,292)	(52,288)
Total interest income	<u>1,105,146</u>	<u>867,233</u>	<u>3,028,160</u>	<u>2,409,363</u>

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Financial</u>	<u>Corresponding</u>	<u>Financial</u>	<u>Corresponding</u>
	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Nine Months Ended</u>	<u>Nine Months Ended</u>
	<u>30 Sept 2006</u>	<u>30 Sept 2005</u>	<u>30 Sept 2006</u>	<u>30 Sept 2005</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loans, advances and financing				
- Interest income other than recoveries from NPLs	677,823	469,135	1,940,782	1,343,010
- Recoveries from NPLs	63,017	50,500	160,866	118,650
Money at call and deposit placements with banks and other financial institutions	103,791	119,166	310,843	298,959
Securities held for trading	79,475	18,213	143,502	27,556
Securities available-for-sale	12,827	16,169	36,907	37,261
Securities held-to-maturity	150,068	103,565	412,741	294,412
Others	696	1,148	1,522	3,280
	<u>1,087,697</u>	<u>777,896</u>	<u>3,007,163</u>	<u>2,123,128</u>
Amortisation of premium less accretion of discount	(3,288)	(9,603)	(15,379)	(28,887)
Interest suspended clawback	(15,085)	(21,316)	(71,535)	(40,925)
Total interest income	<u>1,069,324</u>	<u>746,977</u>	<u>2,920,249</u>	<u>2,053,316</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

18 Interest Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Deposits and placements of banks and other financial institutions	81,792	34,951	214,125	98,975
Deposits from customers	386,893	304,620	1,045,961	858,092
Short term borrowings	-	-	1	-
Subordinated obligations	22,936	23,200	68,419	69,374
Recourse obligation on loans sold to Cagamas Berhad	40,113	38,239	115,321	119,259
Obligations on securities sold under repurchase agreements	58,661	33,707	150,372	93,280
Others	13,484	8,517	29,499	24,031
	603,879	443,234	1,623,698	1,263,011

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Deposits and placements of banks and other financial institutions	81,930	34,503	215,589	97,412
Deposits from customers	367,972	275,820	989,671	771,225
Subordinated obligations	22,936	23,200	68,419	69,374
Recourse obligation on loans sold to Cagamas Berhad	40,113	24,069	115,321	72,138
Obligations on securities sold under repurchase agreements	59,582	29,403	150,372	80,858
Others	12,095	8,636	28,176	24,781
	584,628	395,631	1,567,548	1,115,788

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

19 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
a) Fee Income				
Commission	27,960	26,299	84,577	76,939
Service charges and fees	39,583	37,069	103,843	104,001
Guarantee fees	8,892	7,322	26,940	18,088
Commitment fees	10,604	9,474	31,544	27,449
Underwriting fees	89	200	709	875
Other fee	2,546	3,149	9,271	10,331
	89,674	83,513	256,884	237,683
b) Gain/ losses arising from sale/redemption of securities:				
Net gain from sale of:				
- securities held for trading	10,840	2,668	14,939	9,218
- securities available-for-sale	150	(165)	(628)	31,290
Net gain from early redemption of securities held to maturity	-	-	-	5,282
	10,990	2,503	14,311	45,790
c) Gross dividend income from:				
Securities available-for-sale	679	716	2,355	2,018
Securities held-to-maturity	-	-	-	-
	679	716	2,355	2,018
d) Unrealised gain/ (losses) on revaluation of securities				
- Securities held for trading	6,619	(1,032)	3,859	(6,912)
- Derivatives	(9,486)	5,254	11,315	(4,433)
	(2,867)	4,222	15,174	(11,345)
e) Other income				
Foreign exchange gain/ (loss)				
- Realised	45,828	59,977	95,858	107,945
- Unrealised	8,761	(6,139)	31,672	(9,291)
Gain on disposal of property, plant and equipment	236	220	1,083	352
Other operating income	(1,037)	(480)	(711)	5,684
Other non-operating income	2,763	672	7,081	2,513
	56,551	54,250	134,983	107,203
Total other operating income	155,027	145,204	423,707	381,349

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

19 Other Operating Income

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
a) Fee Income				
Commission	27,571	25,793	83,836	75,507
Service charges and fees	36,615	33,913	98,544	95,036
Guarantee fees	8,892	7,322	26,940	18,088
Commitment fees	10,465	9,475	31,404	27,449
Underwriting fees	89	200	709	875
Other fee	3,077	3,223	9,541	10,438
	86,709	79,926	250,974	227,393
b) Gain/ losses arising from sale/redemption of securities:				
Net gain from sale of:				
- securities held for trading	10,840	2,668	14,653	9,218
- securities available-for-sale	150	(165)	(628)	31,290
Net gain from early redemption of securities held to maturity	-	-	-	5,282
	10,990	2,503	14,025	45,790
c) Gross dividend income from:				
Securities available-for-sale	679	711	2,355	1,964
Securities held-to-maturity	-	-	-	-
Subsidiary companies	11,316	-	57,656	34,055
	11,995	711	60,011	36,019
d) Unrealised gain/ (losses) on revaluation of securities				
- Securities held for trading	199	1,606	1,514	3,655
- Derivatives	(5,012)	3,473	8,754	(10,703)
	(4,813)	5,079	10,268	(7,048)
e) Other income				
Foreign exchange gain/ (loss)				
- Realised	45,722	59,560	93,766	106,431
- Unrealised	8,761	(6,749)	31,672	(9,888)
Gain on disposal of property, plant and equipment	236	2	1,080	50
Other operating income	(1,219)	(654)	(1,269)	5,182
Other non-operating income	2,460	689	6,267	2,169
	55,960	52,848	131,516	103,944
Total other operating income	160,841	141,067	466,794	406,098

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

20 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30 Sept 2006</u> RM'000	<u>Preceding Corresponding Quarter Ended 30 Sept 2005</u> RM'000	<u>Current Financial Nine Months Ended 30 Sept 2006</u> RM'000	<u>Preceding Corresponding Nine Months Ended 30 Sept 2005</u> RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	120,931	111,973	364,895	332,011
- Contributions to Employee Provident Fund	17,613	16,418	53,222	48,867
- Other staff related cost	11,965	11,702	58,970	36,302
	<u>150,509</u>	<u>140,093</u>	<u>477,087</u>	<u>417,180</u>
<u>Establishment costs</u>				
- Depreciation	21,234	22,881	63,563	69,859
- Rental of premises	10,123	10,216	30,645	30,574
- Rental equipment	2,717	1,349	7,015	4,158
- Insurance	4,559	5,453	15,423	9,734
- Water and electricity	4,090	3,623	10,989	10,704
- Repair and maintenance	10,325	9,868	29,771	30,806
- Information technology expenses	24,376	18,990	66,439	52,398
- Others	489	422	1,414	905
	<u>77,913</u>	<u>72,802</u>	<u>225,259</u>	<u>209,138</u>
<u>Marketing expenses</u>				
- Sale commission	4,893	3,958	12,573	12,056
- Advertisement and publicity	7,798	6,689	19,702	24,086
- Dealers' handling fees	8,562	10,760	29,693	34,169
- Warranty fees	1,462	1,397	3,909	3,832
- Others	5,948	6,891	15,772	12,626
	<u>28,663</u>	<u>29,695</u>	<u>81,649</u>	<u>86,769</u>
<u>Administration and general expenses</u>				
- Communication expenses	18,292	18,254	48,802	54,061
- Others	14,503	9,051	34,367	26,277
	<u>32,795</u>	<u>27,305</u>	<u>83,169</u>	<u>80,338</u>
	<u>289,880</u>	<u>269,895</u>	<u>867,164</u>	<u>793,425</u>

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

20 Other Operating Expenses

Bank

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	113,646	99,092	343,462	299,527
- Contributions to Employee Provident Fund	16,681	14,629	50,219	43,905
- Other staff related cost	11,344	10,243	56,923	32,735
	141,671	123,964	450,604	376,167
<u>Establishment costs</u>				
- Depreciation	20,811	21,672	62,283	66,623
- Rental of premises	10,168	9,783	30,824	29,350
- Rental equipment	2,654	1,318	6,841	4,082
- Insurance	4,450	4,900	14,832	9,064
- Water and electricity	3,757	3,257	10,122	9,694
- Repair and maintenance	9,926	8,921	28,840	28,778
- Information technology expenses	22,453	17,411	61,718	48,951
- Others	2	-	2	13
	74,221	67,262	215,462	196,555
<u>Marketing expenses</u>				
- Sale commission	4,882	3,951	12,539	12,041
- Advertisement and publicity	7,538	6,318	18,172	20,621
- Dealers' handling fees	8,559	-	29,628	-
- Warranty fees	1,462	-	3,909	-
- Others	5,525	4,069	14,887	11,683
	27,966	14,338	79,135	44,345
<u>Administration and general expenses</u>				
- Communication expenses	16,790	15,650	45,645	46,785
- Others	1,429	598	6,318	6,946
	18,219	16,248	51,963	53,731
	262,077	221,812	797,164	670,798

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

21 Allowances For Losses On Loans And Financing

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Allowance for losses on loans and financing				
Specific allowance				
- Made in the financial period	268,028	201,919	642,964	452,093
- Written back	(64,328)	(40,901)	(173,809)	(146,764)
General allowance				
- Made/(Written back) in the financial period	38,262	44,634	61,855	88,437
Bad debts on loans and financing				
- Made/(Written back) in the financial period	(33,487)	(10,740)	(61,785)	(23,237)
	208,475	194,912	469,225	370,529
Allowance/ (write-back) on amount recoverable from Danaharta during the period/year	-	-	-	(5,288)
	208,475	194,912	469,225	365,241

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Allowance for losses on loans and financing				
Specific allowance				
- Made in the financial period	257,456	174,018	626,847	386,782
- Written back	(61,812)	(29,285)	(169,206)	(119,998)
General allowance				
- Made/(Written back) in the financial period	38,432	37,319	59,658	60,025
Bad debts on loans and financing				
- Recovered	(33,462)	(10,504)	(61,639)	(22,725)
	200,614	171,548	455,660	304,084
Allowance/ (write-back) on amount recoverable from Danaharta during the period/year	-	-	-	(5,288)
	200,614	171,548	455,660	298,796

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

22 Allowance For Impairment Losses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Charged for the financial period				
- Securities available-for-sale	9,025	16,389	33,272	36,552
- Securities held-to-maturity	7,453	1	16,691	13,534
Reversal for the financial period				
- Securities available-for-sale	(10,506)	(1,938)	(24,462)	(4,949)
- Securities held-to-maturity	(5,109)	(1,303)	(9,574)	(8,812)
- Property, plant and equipment	(98)	-	(98)	-
	765	13,149	15,829	36,325

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Charged for the financial period				
- Securities available-for-sale	9,025	16,241	33,272	36,403
- Securities held-to-maturity	7,453	1	16,691	13,534
Reversal for the financial period				
- Securities available-for-sale	(10,506)	(1,938)	(24,462)	(4,949)
- Securities held-to-maturity	(5,109)	(1,303)	(9,574)	(4,921)
- Property, plant and equipment	(98)	-	(98)	-
	765	13,001	15,829	40,067

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

23 Capital Adequacy

	Group		Bank	
	30/09/2006 RM'000	31/12/2005 RM'000	30/09/2006 RM'000	31/12/2005 RM'000
Tier I capital				
Paid-up ordinary share capital	1,949,986	1,949,986	1,949,986	1,949,986
Paid-up INCPS	1,368,099	1,368,099	1,368,099	1,368,099
Share premium	8,563	8,563	8,563	8,563
Retained profits	780,262	780,262	714,771	714,771
Other reserves	1,593,144	1,593,144	1,525,017	1,525,017
	<u>5,700,054</u>	<u>5,700,054</u>	<u>5,566,436</u>	<u>5,566,436</u>
Less : Goodwill	(1,004,017)	(1,004,017)	(905,519)	(892,012)
Deferred tax assets	(240,038)	(240,038)	(171,138)	(171,138)
Deferred tax liabilities	8	8	-	-
Total Tier I capital	<u>4,456,007</u>	<u>4,456,007</u>	<u>4,489,779</u>	<u>4,503,286</u>
Tier II capital				
Subordinated obligations	1,351,665	1,365,252	1,351,665	1,365,252
General allowance for bad and doubtful debts and financing	971,312	909,527	884,239	716,861
Total Tier II capital	<u>2,322,977</u>	<u>2,274,779</u>	<u>2,235,904</u>	<u>2,082,113</u>
Less : Investment in subsidiaries	-	-	(628,639)	(1,189,533)
Holdings of other banking institutions' capital instruments	(41,868)	(43,710)	(41,868)	(43,710)
Total capital base	<u>6,737,116</u>	<u>6,687,076</u>	<u>6,055,176</u>	<u>5,352,156</u>
Capital ratios				
Before proposed dividends:				
Core capital ratio	7.7%	8.6%	8.4%	10.6%
Risk-weighted capital ratio	11.7%	12.9%	11.4%	12.6%
After proposed dividends:				
Core capital ratio	7.7%	8.4%	8.4%	10.4%
Risk-weighted capital ratio	11.7%	12.8%	11.4%	12.5%

The Bank figures include the operations of RHB Bank (L) Ltd.

Persuant to Bank Negara Malaysia's circular, "Recognition of Deferred Tax Assets ('DTA') and Treatment of DTA for RWCR Purposes" dated 8 August 2003, deferred tax income/(expense) is excluded from the computation of Tier I Capital and deferred tax assets are excluded from the calculation of risk weighted assets.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

24 Commitments And Contingencies

Group	← 30/09/2006 →			← 31/12/2005 →		
	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	1,765,227	1,765,227	1,596,845	1,447,962	1,447,962	1,285,878
Transaction-related contingent items	1,536,484	768,242	472,059	1,143,457	571,730	451,548
Short-term self-liquidating trade related contingencies	2,197,751	439,550	256,181	1,978,963	395,793	211,859
Obligations under underwriting agreements	263,240	131,620	131,620	263,240	131,620	131,620
Housing loans sold directly and indirectly to Cagamas with recourse	42,224	42,224	21,112	44,062	44,062	22,031
Irrevocable commitments to extend credit :						
- maturity more than one year	3,689,306	1,844,653	1,570,934	3,418,856	1,709,427	1,377,879
- maturity less than one year	20,412,361	-	-	19,775,230	-	-
Foreign exchange related contracts						
- less than one year	12,990,038	216,659	74,229	7,905,085	116,061	38,091
- one year to less than five years	18,186	1,123	436	152,670	9,364	5,665
Interest rate related contracts						
- less than one year	464,296	2,525	560	344,000	601	120
- one year to less than five years	2,651,809	77,391	20,683	3,160,918	101,414	32,808
- more than five years	400,628	27,916	9,407	188,485	6,633	2,021
Miscellaneous	722,803	-	-	541,887	-	-
Total	47,154,353	5,317,130	4,154,066	40,364,815	4,534,667	3,559,520

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

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

24 Commitments And Contingencies (cont'd)

Bank	← 30/09/2006 →			← 31/12/2005 →		
	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	1,587,515	1,587,515	1,419,317	1,447,947	1,447,947	1,285,863
Transaction-related contingent items	1,435,627	717,814	422,146	1,072,126	536,064	417,451
Short-term self-liquidating trade related contingencies	2,055,380	411,076	227,722	1,864,530	372,906	188,973
Obligations under underwriting agreements	213,240	106,620	106,620	213,240	106,620	106,620
Housing loans sold directly and indirectly to Cagamas with recourse	-	-	-	-	-	-
Irrevocable commitments to extend credit :						
- maturity more than one year	2,897,557	1,448,778	1,195,717	2,544,013	1,272,007	960,386
- maturity less than one year	18,622,282	-	-	18,488,906	-	-
Foreign exchange related contracts						
- less than one year	12,988,707	216,639	74,219	7,893,755	115,864	38,017
- one year to less than five years	18,186	1,123	436	152,670	9,363	5,665
Interest rate related contracts						
- less than one year	390,636	2,341	468	344,000	601	120
- one year to less than five years	2,541,319	75,181	19,578	2,971,933	97,256	30,729
- more than five years	285,626	19,888	5,393	165,807	4,318	863
Miscellaneous	705,626	-	-	523,721	-	-
Total	43,741,701	4,586,975	3,471,616	37,682,648	3,962,946	3,034,687

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

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

25 Off-Balance Sheet Financial Instruments

Value of contracts classified by remaining period to maturity/ next re-pricing date (whichever earlier).

Group

Items	Principal Amount	1 month or less	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 - 5 years	> 5 years	Margin requirement
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contract								
- forwards	4,453,424	2,210,728	1,390,722	609,328	230,166	12,480	-	-
- swaps	7,613,244	4,731,115	1,266,778	955,696	653,949	5,706	-	-
- options	190,113	61,804	103,459	24,850	-	-	-	-
- spots	438,005	437,558	447	-	-	-	-	-
- cross currency interest rate swaps	313,438	-	-	-	313,438	-	-	-
Interest rate related contracts								
- futures	56,886	-	56,886	-	-	-	-	18
- swaps	3,459,847	196,564	182,588	15,000	238,750	2,541,319	285,626	-
Total	16,524,957	7,637,769	3,000,880	1,604,874	1,436,303	2,559,505	285,626	18

Bank

Items	Principal Amount	1 month or less	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 - 5 years	> 5 years	Margin requirement
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contract								
- forwards	4,452,093	2,210,728	1,389,930	608,789	230,166	12,480	-	-
- swaps	7,613,244	4,731,115	1,266,778	955,696	653,949	5,706	-	-
- options	190,113	61,804	103,459	24,850	-	-	-	-
- spots	438,005	437,558	447	-	-	-	-	-
- cross currency interest rate swaps	313,438	-	-	-	313,438	-	-	-
Interest rate related contracts								
- futures	56,886	-	56,886	-	-	-	-	18
- swaps	3,160,695	30,000	50,000	15,000	238,750	2,541,319	285,626	-
Total	16,224,474	7,471,205	2,867,500	1,604,335	1,436,303	2,559,505	285,626	18

The Group do not have any transaction in respect of equity and commodity related contracts.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

25 Off-Balance Sheet Financial Instruments (cont'd)

Foreign exchange and interest rate related contracts are subject to market and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on off-balance sheet positions. As at 30 September 2006, the amount of contracts which were not hedged and hence, exposed to market risk was RM173,516,005 (31.12.2005: RM169,462,353).

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. As at 30 September 2006, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM110,662,137 (31.12.2005: RM75,812,252). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Related accounting policies

Forward exchange related contracts

Unmatured forward exchange contracts are valued at forward rates as at the balance sheet date, applicable to their respective dates of maturity, and unrealised losses and gains are recognised in the income statements for the year. Positive fair value are carried as assets and negative fair value are as liabilities.

Interest rate related contracts

The Group and the Bank acts as an intermediary with counter parties who wish to swap their interest obligations. The Group and the Bank also uses interest rate swaps, futures and forward and option contracts in its trading account activities and in overall interest rate risk management.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

26 Interest/Profit Rate Risk

Group
30.09.2006

	Non-trading book					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short-term funds	9,081,287	-	-	-	-	887,352	-	9,968,639	3.55
Securities purchased under resale agreements	3,047,732	5,222,993	-	-	-	-	-	8,270,725	3.76
Deposits and placements with banks and other financial institutions	-	3,035,174	892,733	-	-	-	-	3,927,907	3.71
Securities held for trading	-	-	-	-	-	-	2,276,989	2,276,989	4.01
Securities available-for-sale	142,951	141,461	651,918	621,390	251,005	11,488	-	1,820,213	3.86
Securities held-to-maturity	3,321,552	4,005,633	1,959,879	5,671,979	1,320,836	(122,331)	-	16,157,548	3.79
Loans, advances & financing									6.85
- performing	29,312,233	5,794,628	5,439,518	7,558,367	2,204,857	150	-	50,309,753	
- non-performing	-	-	-	-	-	1,575,010	-	1,575,010	
Other assets	20,904	-	-	-	-	464,333	102,784	588,021	5.95
Tax recoverable	-	-	-	-	-	61	-	61	
Deferred taxation assets	-	-	-	-	-	263,262	-	263,262	
Statutory deposits	-	-	-	-	-	1,610,454	-	1,610,454	
Investment in an associate	-	-	-	-	-	4,557	-	4,557	
Property, plant and equipment	-	-	-	-	-	620,404	-	620,404	
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	
Total assets	44,926,659	18,199,889	8,944,048	13,851,736	3,776,698	6,318,757	2,379,773	98,397,560	
Liabilities									
Deposits from customers	22,160,651	8,043,606	13,286,970	568,475	380	13,242,672	-	57,302,754	3.14
Deposits and placements of banks & other financial institutions	6,041,898	2,382,887	861,338	1,066,099	93,244	1,110	-	10,446,576	3.70
Obligations on securities sold under repurchase agreements	13,361,098	1,206,772	-	-	-	-	-	14,567,870	3.00
Bills and acceptances payable	1,170,612	1,556,860	504,488	-	-	351,852	-	3,583,812	3.98
Recourse obligation on loans sold to Cagamas Berhad	206,734	322,919	309,656	2,322,645	218,923	-	-	3,380,877	4.46
Other liabilities	287,484	-	-	-	-	1,156,819	82,124	1,526,427	3.21
Provision for taxation and zakat	-	-	-	-	-	100,061	-	100,061	
Deferred taxation liabilities	-	-	-	-	-	7	-	7	
Long term borrowings	-	-	-	-	184,375	-	-	184,375	5.82
Subordinated obligations	-	-	-	1,351,665	-	-	-	1,351,665	6.63-6.85
	43,228,477	13,513,044	14,962,452	5,308,884	496,922	14,852,521	82,124	92,444,424	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,585,037	-	4,585,037	-
Total liabilities, INCPS and shareholders' equity	43,228,477	13,513,044	14,962,452	6,676,983	496,922	19,437,558	82,124	98,397,560	
Total interest-sensitivity gap	1,698,182	4,686,845	(6,018,404)	7,174,753	3,279,776	(13,118,801)	2,297,649	-	

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Group

← Non-trading book →

31.12.2005

	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years	Non- interest sensitive	Trading book	Total	Effective interest rate %
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short-term funds	10,485,334	-	-	-	-	305,602	-	10,790,936	2.97
Securities purchased under resale agreements	907,147	1,252,377	59,967	-	-	-	-	2,219,491	3.00
Deposits and placements with banks and other financial institutions	250,000	2,181,441	50	-	-	-	-	2,431,491	3.07
Securities held for trading	-	-	-	-	-	-	1,761,937	1,761,937	3.23
Securities available-for-sale	145,143	430,281	424,569	678,608	153,426	63,553	-	1,895,580	3.46
Securities held-to-maturity	1,780,533	1,914,960	3,500,573	4,460,039	2,538,206	(115,722)	-	14,078,589	3.46
Loans, advances & financing									6.42
- performing	26,706,076	4,567,817	3,873,557	6,790,833	4,222,213	174	-	46,160,670	
- non-performing	-	-	-	-	-	1,473,441	-	1,473,441	
Other assets	20,904	-	-	-	-	365,667	43,838	430,409	4.92
Tax recoverable	-	-	-	-	-	17,449	-	17,449	-
Deferred taxation assets	-	-	-	-	-	240,038	-	240,038	-
Statutory deposits	-	-	-	-	-	1,619,025	-	1,619,025	-
Investment in an associate	-	-	-	-	-	4,198	-	4,198	-
Property, plant and equipment	-	-	-	-	-	628,239	-	628,239	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	40,295,137	10,346,876	7,858,716	11,929,480	6,913,845	5,605,681	1,805,775	84,755,510	
Liabilities									
Deposits from customers	19,169,461	5,929,194	10,211,308	523,227	3,865	12,867,779	-	48,704,834	2.76
Deposits and placements of banks & other financial institutions	5,781,587	2,601,811	991,412	1,139,611	79,556	3,680	-	10,597,657	2.97
Obligations on securities sold under repurchase agreements	7,862,441	1,846,642	620,338	-	-	-	-	10,329,421	2.86
Bills and acceptances payable	1,094,038	1,329,676	550,901	-	-	338,445	-	3,313,060	3.31
Recourse obligation on loans sold to Cagamas Berhad	-	-	441,711	1,600,025	1,315,256	-	-	3,356,992	4.44
Other liabilities	256,681	-	-	-	-	1,041,136	66,059	1,363,876	2.85
Provision for taxation and zakat	-	-	-	-	-	19,214	-	19,214	-
Deferred taxation liabilities	-	-	-	-	-	8	-	8	-
Subordinated obligations	-	-	-	1,365,252	-	-	-	1,365,252	6.63-6.85
Total liabilities	34,164,208	11,707,323	12,815,670	4,628,115	1,398,677	14,270,262	66,059	79,050,314	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,337,097	-	4,337,097	-
Total liabilities, INCPS and shareholders' equity	34,164,208	11,707,323	12,815,670	5,996,214	1,398,677	18,607,359	66,059	84,755,510	
Total interest-sensitivity gap	6,130,929	(1,360,447)	(4,956,954)	5,933,266	5,515,168	(13,001,678)	1,739,716	-	

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Bank

30.09.2006

	← Non-trading book →					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short-term funds	6,256,952	-	-	-	-	567,140	-	6,824,092	3.68
Securities purchased under resale agreements	3,047,732	5,222,993	-	-	-	-	-	8,270,725	3.76
Deposits and placements with banks and other financial institutions	-	2,574,800	479,375	-	184,375	-	-	3,238,550	3.72
Securities held for trading	-	-	-	-	-	-	1,527,260	1,527,260	3.94
Securities available-for-sale	142,951	119,901	623,680	557,364	251,005	9,412	-	1,704,313	3.74
Securities held-to-maturity	3,321,552	3,844,913	1,828,575	5,008,929	1,198,278	(122,331)	-	15,079,916	3.74
Loans, advances & financing									6.94
- performing	29,283,996	4,579,592	4,063,586	6,176,252	695,687	-	-	44,799,113	
- non-performing	-	-	-	-	-	1,478,128	-	1,478,128	
Other assets	20,904	-	-	-	-	623,565	102,098	746,567	5.95
Tax recoverable	-	-	-	-	-	-	-	-	
Deferred taxation assets	-	-	-	-	-	230,574	-	230,574	
Statutory deposits	-	-	-	-	-	1,439,125	-	1,439,125	
Investment in subsidiaries	-	-	-	-	-	828,957	-	828,957	
Property, plant and equipment	-	-	-	-	-	490,591	-	490,591	
Goodwill	-	-	-	-	-	905,519	-	905,519	
Total assets	42,074,087	16,342,199	6,995,216	11,742,545	2,329,345	6,450,680	1,629,358	87,563,430	
Liabilities									
Deposits from customers	16,906,530	6,442,659	12,332,141	472,507	-	12,048,763	-	48,202,600	3.25
Deposits and placements of banks & other financial institutions	5,296,349	2,251,617	606,052	1,019,619	93,244	1,110	-	9,267,991	3.70
Obligations on securities sold under repurchase agreements	13,361,098	1,206,772	-	-	-	-	-	14,567,870	3.00
Bills and acceptances payable	1,170,612	1,556,860	501,085	-	-	334,029	-	3,562,586	3.98
Recourse obligation on loans sold to Cagamas Berhad	206,734	322,919	309,656	2,322,645	218,923	-	-	3,380,877	4.46
Other liabilities	287,484	-	-	-	-	947,526	72,468	1,307,478	3.21
Provision for taxation and zakat	-	-	-	-	-	89,935	-	89,935	
Deferred taxation liabilities	-	-	-	-	-	-	-	-	
Long term borrowings	-	-	-	-	184,375	-	-	184,375	5.82
Subordinated obligations	-	-	-	1,351,665	-	-	-	1,351,665	6.63-6.85
Total liabilities	37,228,807	11,780,827	13,748,934	5,166,436	496,542	13,421,363	72,468	81,915,377	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,279,954	-	4,279,954	-
Total liabilities, INCPS and shareholders' equity	37,228,807	11,780,827	13,748,934	6,534,535	496,542	17,701,317	72,468	87,563,430	
Total interest-sensitivity gap	4,845,280	4,561,372	(6,753,718)	5,208,010	1,832,803	(11,250,637)	1,556,890	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Bank

31.12.2005

	Non-trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years	Non-interest sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Assets									
Cash and short-term funds	12,310,212	-	-	-	-	229,189	-	12,539,401	3.00
Securities purchased under resale agreements	907,147	1,252,377	59,967	-	-	-	-	2,219,491	3.00
Deposits and placements with banks and other financial institutions	-	1,981,441	-	-	-	-	-	1,981,441	3.12
Securities held for trading	-	-	-	-	-	-	890,492	890,492	3.57
Securities available-for-sale	145,142	330,706	373,731	665,098	153,426	58,716	-	1,726,819	3.51
Securities held-to-maturity	1,693,600	1,855,220	3,390,899	3,576,927	2,442,883	(115,722)	-	12,843,807	3.43
Loans, advances & financing									6.34
- performing	26,008,032	3,743,632	3,255,878	2,614,844	173,892	-	-	35,796,278	
- non-performing	-	-	-	-	-	1,294,530	-	1,294,530	
Other assets	20,904	-	-	-	-	624,566	43,563	689,033	4.92
Deferred taxation assets	-	-	-	-	-	171,138	-	171,138	-
Statutory deposits	-	-	-	-	-	1,233,745	-	1,233,745	-
Investment in subsidiaries	-	-	-	-	-	1,389,849	-	1,389,849	-
Property, plant and equipment	-	-	-	-	-	486,433	-	486,433	-
Goodwill	-	-	-	-	-	892,012	-	892,012	-
Total assets	41,085,037	9,163,376	7,080,475	6,856,869	2,770,201	6,264,456	934,055	74,154,469	
Liabilities									
Deposits from customers	14,135,730	5,120,567	8,998,974	348,570	-	12,240,433	-	40,844,274	2.77
Deposits and placements of banks & other financial institutions	5,680,518	2,452,494	712,730	841,760	79,556	3,680	-	9,770,738	2.99
Obligations on securities sold under repurchase agreements	7,912,441	1,808,845	620,338	-	-	-	-	10,341,624	2.86
Bills and acceptances payable	1,075,424	1,319,615	545,540	-	-	338,445	-	3,279,024	3.31
Recourse obligation on loans sold to Cagamas Berhad	-	-	437,197	1,341,545	227,807	-	-	2,006,549	4.73
Other liabilities	256,681	-	-	-	-	763,289	54,253	1,074,223	2.85
Provision for taxation and zakat	-	-	-	-	-	15,675	-	15,675	-
Subordinated obligations	-	-	-	1,365,252	-	-	-	1,365,252	6.63 - 6.85
Total liabilities	29,060,794	10,701,521	11,314,779	3,897,127	307,363	13,361,522	54,253	68,697,359	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,089,011	-	4,089,011	-
Total liabilities, INCPS and shareholders' equity	29,060,794	10,701,521	11,314,779	5,265,226	307,363	17,450,533	54,253	74,154,469	
Total interest-sensitivity gap	12,024,243	(1,538,145)	(4,234,304)	1,591,643	2,462,838	(11,186,077)	879,802	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

27 Segmental Reporting On Revenue And Profit

Group - 9 months ended 30 Sept 2006

	Wholesale Banking	Retail Banking	Treasury & Money Market	Islamic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,271,543	1,240,356	933,441	150,755	6,526	-	3,602,621
Inter-segment revenue	9,522	-	16,033	-	2,929	(28,484)	-
Total revenue	<u>1,281,065</u>	<u>1,240,356</u>	<u>949,474</u>	<u>150,755</u>	<u>9,455</u>	<u>(28,484)</u>	<u>3,602,621</u>
Segment results	370,590	205,473	229,280	110,531	5,567	-	921,441
Subordinated obligations							(68,419)
Unallocated expenses							(226,316)
Profit from operations							626,706
Share of results of an associate							359
Profit before INCPS dividend and taxation							627,065
INCPS dividend							(102,326)
Taxation and zakat							(144,689)
Net profit for the period							<u>380,050</u>

Group - 9 months ended 30 Sept 2005

	Wholesale Banking	Retail Banking	Treasury & Money Market	Islamic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,079,789	1,038,479	665,919	104,978	6,525	-	2,895,690
Inter-segment revenue	2,756	-	46,127	-	3,071	(51,954)	-
Total revenue	<u>1,082,545</u>	<u>1,038,479</u>	<u>712,046</u>	<u>104,978</u>	<u>9,596</u>	<u>(51,954)</u>	<u>2,895,690</u>
Segment results	224,342	233,404	175,065	72,190	4,767	-	709,768
Subordinated obligations							(69,374)
Unallocated expenses							(202,706)
Profit from operations							437,688
Share of results of an associate							222
Profit before INCPS dividend and taxation							437,910
INCPS dividend							(102,358)
Taxation and zakat							(72,002)
Net profit for the period							<u>263,550</u>

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

28 Valuation of Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the previous audited annual financial statements.

29 Events subsequent to Balance Sheet Date

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the interim financial statements.

30 Changes in the Composition of the Group

The significant change in the composition of the Group for the nine months ended 30 September 2006 is summarised below:

Merger of RHB Bank and RHB Delta Finance's Operations ('BAFIN merger')

Following the regulatory approvals and High Court order obtained in December 2005 for the BAFIN Merger, with effect from 1 January 2006:

- (i) All assets and liabilities of RHB Delta Finance with the exception of the Islamic assets and liabilities, were transferred to RHB Bank;
- (ii) All businesses and operations of RHB Delta Finance is conducted through RHB Bank;
- (iii) The Islamic assets and liabilities of RHB Delta Finance were transferred to RHB Islamic Bank; and
- (iv) RHB Leasing Sdn Bhd and RHB Delta Nominees (Tempatan) Sdn Bhd has become direct subsidiaries of RHB Bank.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

31 Income from Islamic Banking Business

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30 Sept 2006 RM'000	Preceding Corresponding Quarter Ended 30 Sept 2005 RM'000	Current Financial Nine Months Ended 30 Sept 2006 RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2005 RM'000
Income derived from investment of depositors' funds	82,790	71,940	230,410	191,639
Income derived from investment of shareholders' funds	21,662	2,421	47,137	27,779
Allowance for losses on financing, advances and other loans	(8,769)	(1,332)	(12,403)	(6,873)
Transfer (to)/from profit equalisation reserve	2,500	207	1,883	(12,802)
Total distributable income	98,183	73,236	267,027	199,743
Income attributable to depositors	(49,394)	(34,275)	(128,674)	(101,638)
Total net income	48,789	38,961	138,353	98,105
Personnel expenses	(6,033)	(3,970)	(16,903)	(10,157)
Other operating expenses	(20,411)	(14,086)	(48,815)	(34,757)
Profit before taxation and zakat	22,345	20,905	72,635	53,191
Taxation	(6,198)	(5,934)	(20,508)	(9,480)
Zakat	-	-	920	(1)
Net profit for the financial period	16,147	14,971	53,047	43,710
Total distributable income before allowances for losses on financing and advances	106,952	74,568	279,430	206,616
Income attributable to depositors	(49,394)	(34,275)	(128,674)	(101,638)
Income from Islamic Banking Business	57,558	40,293	150,756	104,978

* Note :

Islamic Banking business of RHB Bank was vested to RHB Islamic Bank subsisting as of 15 March 2005. The vesting took effect on 16 March 2005 which is also the date RHB Islamic Bank began its operation. The income statement above for the quarter ended 30 September 2005 is with respect to the Islamic Banking Business for 2 1/2 months up to 15 March 2005.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 (cont'd)

32 Changes in Profit for the Quarter

The Group recorded 8% increase in profit before INCPS dividends, taxation and zakat of RM215,010K for the current quarter as compared to the preceeding quarter ended 30 June 2006 of RM199,038K. The increase in profit came from higher net interest income, non interest income and income from Islamic Banking business.

33 Performance Review

The Group reported 43% higher profit before INCPS dividends, taxation and zakat of RM627,065K as compared to the corresponding period last year of RM437,910K, coming from higher net income comprising of net interest income, non interest income and income from Islamic Banking business.

34 Prospects for the Current Financial Year

The Bank continues to focus on product innovation and customer segmentation to better serve and meet customers' needs. The merger of RHB Delta Finance Berhad into the Bank effective 1 January 2006 will provide further opportunities to better serve customers. The physical delivery channel network will be realigned and repositioned based on market opportunities and customer segmentation. On the technology front, the Bank's objective is to provide a cost effective IT operating platform to support the Bank's business initiatives that emphasizes system availability, flexibility and scalability. Risk management will continue be a critical aspect of the Bank's operations as the Bank targets to comply with Basel II's Standardised Approach by 2007.

35 Proposed Dividends

No second interim dividend is proposed in respect of current financial period ended 30 September 2006.