

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 30 JUNE 2007

	Note	Group		Bank	
		As At	As At	As At	As At
		30 June 2007	31 Dec 2006	30 June 2007	31 Dec 2006
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		13,210,655	9,623,320	12,376,439	8,571,796
Securities purchased under resale agreements		3,633,583	2,691,541	3,633,583	2,691,541
Deposits and placements with banks and other financial institutions		2,429,015	5,068,831	2,470,419	4,004,276
Securities held for trading	8	1,771,953	1,945,762	1,225,993	1,417,972
Securities available-for-sale	9	10,501,424	5,713,828	10,339,524	5,607,140
Securities held-to-maturity	10	7,274,193	13,020,680	6,195,005	12,002,779
Loans, advances and financing	11	53,770,617	52,741,606	47,374,984	46,879,331
Other assets	13	409,327	456,767	426,998	526,605
Derivative assets		128,037	167,044	126,632	165,022
Tax recoverable		32	65	-	-
Deferred taxation assets		261,203	251,720	216,150	210,747
Statutory deposits		1,543,440	1,835,744	1,371,912	1,665,315
Investment in subsidiaries		-	-	828,956	828,956
Investment in an associate		4,795	4,683	-	-
Property, plant and equipment		496,709	499,199	431,964	450,307
Prepaid land lease		97,747	99,590	21,425	21,587
Goodwill		1,004,017	1,004,017	905,519	905,519
TOTAL ASSETS		96,536,747	95,124,397	87,945,503	85,948,893
LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY					
Deposits from customers	14	64,924,143	55,785,316	57,295,251	47,791,098
Deposits and placements of banks and other financial institutions	15	11,143,179	9,876,493	10,890,192	9,332,836
Obligations on securities sold under repurchase agreements		3,986,022	13,364,811	3,986,022	13,364,811
Bills and acceptances payable		4,270,683	3,778,758	4,247,881	3,762,216
Recourse obligation on loans sold to Cagamas Berhad		2,514,146	2,879,284	2,514,146	2,879,284
Other liabilities	16	1,478,548	1,541,306	1,253,416	1,289,614
Derivative liabilities		140,220	143,668	136,027	136,243
Provision for taxation and zakat		143,565	79,425	106,420	56,564
Deferred taxation liabilities		16	17	-	-
Long term borrowings		345,050	282,400	345,050	282,400
Subordinated obligations		1,316,371	1,328,158	1,316,371	1,328,158
		90,261,943	89,059,636	82,090,776	80,223,224
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)		1,368,099	1,368,099	1,368,099	1,368,099
		91,630,042	90,427,735	83,458,875	81,591,323
Ordinary Share Capital		1,949,986	1,949,986	1,949,986	1,949,986
Reserves		2,956,719	2,746,676	2,536,642	2,407,584
Shareholders' equity		4,906,705	4,696,662	4,486,628	4,357,570
TOTAL LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY		96,536,747	95,124,397	87,945,503	85,948,893
COMMITMENTS AND CONTINGENCIES	25	56,970,956	50,208,685	53,748,319	46,614,708

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Note	Individual Quarter		Cumulative Six months	
		Current Financial Quarter Ended 30 June 2007	Preceding Corresponding Quarter Ended 30 June 2006	Current Financial Half Year Ended 30 June 2007	Preceding Corresponding Half Year Ended 30 June 2006
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	17	1,143,777	996,233	2,257,984	1,923,014
Interest expense	18	(632,916)	(536,182)	(1,263,461)	(1,019,819)
Net interest income		510,861	460,051	994,523	903,195
Other operating income	19	177,630	152,947	362,973	283,766
		688,491	612,998	1,357,496	1,186,961
Income from Islamic banking business	20	128,438	46,472	184,260	93,198
		816,929	659,470	1,541,756	1,280,159
Other operating expenses	21	(294,325)	(309,265)	(590,224)	(592,370)
Operating profit before allowances		522,604	350,205	951,532	687,789
Allowance for losses on loans and financing	22	(243,325)	(150,753)	(394,911)	(260,751)
Allowance for impairment losses	23	(16,007)	(459)	(20,168)	(15,064)
		263,272	198,993	536,453	411,974
Share of results of an associate		39	45	112	81
Profit before INCPS dividends, taxation and zakat		263,311	199,038	536,565	412,055
INCPS dividends		(34,109)	(34,109)	(67,843)	(67,843)
Profit after INCPS dividends but before taxation and zakat		229,202	164,929	468,722	344,212
Taxation		(56,743)	(42,033)	(121,805)	(98,416)
Zakat		-	920	-	920
Net profit for the financial period		172,459	123,816	346,917	246,716
Earnings per ordinary share					
- Basic earnings per 50 sen share		4.42	3.17	8.90	6.33

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Note	Individual Quarter		Cummulative Six months	
		Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Half Year Ended	Preceding Corresponding Half Year Ended
		30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
Bank					
Interest income	17	1,108,676	961,383	2,186,013	1,850,925
Interest expense	18	(612,046)	(518,473)	(1,221,392)	(982,920)
Net interest income		496,630	442,910	964,621	868,005
Other operating income	19	190,796	192,367	374,797	321,038
Other operating expenses	21	687,426 (265,641)	635,277 (288,433)	1,339,418 (533,744)	1,189,043 (550,172)
Operating profit before allowances		421,785	346,844	805,674	638,871
Allowance for losses on loans and financing	22	(219,667)	(148,463)	(368,354)	(255,045)
Allowance for impairment losses	23	(16,007)	(459)	(20,168)	(15,064)
Profit before INCPS dividends and taxation		186,111	197,922	417,152	368,762
INCPS dividends		(34,109)	(34,109)	(67,843)	(67,843)
Profit after INCPS dividends but before taxation		152,002	163,813	349,309	300,919
Taxation		(32,511)	(45,999)	(88,764)	(93,629)
Net profit for the financial period		119,491	117,814	260,545	207,290
Earnings per ordinary share					
- Basic earnings per 50 sen share		3.06	3.02	6.68	5.32

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2007

Group	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	Total RM'000
Balance as at 01.01.2007	1,949,986	8,563	1,789,503	(20,663)	(1,466)	970,739	4,696,662
Currency translation differences	-	-	-	(6,835)	-	-	(6,835)
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(9,033)	-	(9,033)
AFS reserve realised on disposal of AFS securities	-	-	-	-	(3,495)	-	(3,495)
Net transfer to income statement on impairment	-	-	-	-	17,205	-	17,205
Deferred tax	-	-	-	-	(908)	-	(908)
Income and expenses recognised directly in equity	-	-	-	(6,835)	3,769	-	(3,066)
Net profit for the financial period	-	-	-	-	-	346,917	346,917
Total recognised income and expenses for the financial period	-	-	-	(6,835)	3,769	346,917	343,851
Transfer to statutory reserves	-	-	65,136	-	-	(65,136)	-
Ordinary dividends paid during the period	-	-	-	-	-	(133,808)	(133,808)
Balance as at 30.06.2007	1,949,986	8,563	1,854,639	(27,498)	2,303	1,118,712	4,906,705
Balance as at 31.12.2005	1,949,986	8,563	1,596,396	(3,252)	5,142	780,262	4,337,097
Currency translation differences	-	-	-	(17,411)	-	-	(17,411)
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(22,785)	-	(22,785)
AFS reserve realised on disposal of AFS securities	-	-	-	-	1,705	-	1,705
Net transfer to income statement on impairment	-	-	-	-	10,939	-	10,939
Deferred tax	-	-	-	-	3,533	-	3,533
Expenses recognised directly in equity	-	-	-	(17,411)	(6,608)	-	(24,019)
Net profit for the financial year	-	-	-	-	-	503,848	503,848
Total recognised income and expenses for the financial year	-	-	-	(17,411)	(6,608)	503,848	479,829
Transfer to statutory reserves	-	-	193,107	-	-	(193,107)	-
Ordinary dividends paid during the year	-	-	-	-	-	(120,264)	(120,264)
Balance as at 31.12.2006	1,949,986	8,563	1,789,503	(20,663)	(1,466)	970,739	4,696,662

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2007

<u>Bank</u>	← 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 01.01.2007	1,949,986	8,563	1,725,580	5,585	(1,015)	668,871	4,357,570
Currency translation differences	-	-	-	288	-	-	288
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(11,932)	-	(11,932)
AFS reserve realised on disposal of AFS securities	-	-	-	-	(2,470)	-	(2,470)
Net transfer to income statement on impairment	-	-	-	-	17,205	-	17,205
Deferred tax	-	-	-	-	(770)	-	(770)
Income recognised directly in equity	-	-	-	288	2,033	-	2,321
Net profit for the financial period	-	-	-	-	-	260,545	260,545
Total recognised income for the financial period	-	-	-	288	2,033	260,545	262,866
Transfer to statutory reserves	-	-	65,136	-	-	(65,136)	-
Ordinary dividends paid during the period	-	-	-	-	-	(133,808)	(133,808)
Balance as at 30.06.2007	1,949,986	8,563	1,790,716	5,873	1,018	730,472	4,486,628
Balance as at 31.12.2005	1,949,986	8,563	1,529,557	(288)	8,080	593,113	4,089,011
Amount vested over from RHB Delta Finance	-	-	-	-	148	-	148
Currency translation differences	-	-	-	5,873	-	-	5,873
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(24,544)	-	(24,544)
AFS reserve realised on disposal of AFS securities	-	-	-	-	768	-	768
Net transfer to income statement on impairment	-	-	-	-	10,939	-	10,939
Deferred tax	-	-	-	-	3,594	-	3,594
Income and expenses recognised directly in equity	-	-	-	5,873	(9,095)	-	(3,222)
Net profit for the financial year	-	-	-	-	-	392,045	392,045
Total recognised income and expenses for the financial year	-	-	-	5,873	(9,095)	392,045	388,823
Transfer to statutory reserves	-	-	196,023	-	-	(196,023)	-
Ordinary dividends paid during the year	-	-	-	-	-	(120,264)	(120,264)
Balance as at 31.12.2006	1,949,986	8,563	1,725,580	5,585	(1,015)	668,871	4,357,570

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

RHB BANK BERHAD

**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	30 June 2007	31 Dec 2006
	RM '000	RM '000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	2,647,339	1,451,377
Zakat paid	-	(54)
Taxation paid	<u>(85,976)</u>	<u>(172,958)</u>
Net cash generated from operating activities	<u>2,561,363</u>	<u>1,278,365</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(41,218)	(67,261)
Proceeds from disposal of property, plant and equipment	2,689	15,779
Net purchase of securities available-for-sale	<u>(4,807,314)</u>	<u>(3,847,778)</u>
Net sale of securities held-to-maturity	5,741,225	1,056,512
Interest received from securities available-for-sale	139,887	53,061
Investment income received from securities available-for-sale	1,679	3,858
Interest received from securities held-to-maturity	194,811	562,055
Investment income received from securities held-to-maturity	5,835	9,764
Dividend income from securities available-for-sale	905	2,973
Net cash generated from/(used in) investing activities	<u>1,238,499</u>	<u>(2,211,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid :		
- INCPS	(49,799)	(98,503)
- ordinary shares	<u>(133,808)</u>	<u>(120,264)</u>
Net cash used in financing activities	<u>(183,607)</u>	<u>(218,767)</u>
Net increase/(decrease) in cash and cash equivalents	3,616,255	(1,151,439)
Effects of exchange rate differences	(28,920)	(16,177)
Cash and cash equivalents brought forward	<u>9,623,320</u>	<u>10,790,936</u>
Cash and cash equivalents carried forward	<u>13,210,655</u>	<u>9,623,320</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>13,210,655</u>	<u>9,623,320</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	30 June 2007	31 Dec 2006
	RM '000	RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operations	2,710,393	(2,106,563)
Taxation paid	(63,039)	(146,531)
Net cash generated from/(used in) operating activities	2,647,354	(2,253,094)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(23,885)	(65,423)
Proceeds from disposal of property, plant and equipment	2,689	14,425
Net purchase of securities available-for-sale	(4,753,976)	(3,885,264)
Net sale of securities held-to-maturity	5,802,512	1,071,863
Interest received from securities available-for-sale	138,075	19,126
Interest received from securities held-to-maturity	188,233	579,923
Dividend income from securities available-for-sale	905	2,973
Dividend income from subsidiary companies	10,561	51,881
Net investment in subsidiaries	-	17,354
Net cash generated from/(used in) investing activities	1,365,114	(2,193,142)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of finance lease	(248)	(470)
Dividends paid :		
- INCPS	(49,799)	(98,503)
- ordinary shares	(133,808)	(120,264)
Net cash used in financing activities	(183,855)	(219,237)
Net increase/(decrease) in cash and cash equivalents	3,828,613	(4,665,473)
Cash and cash equivalents vested over to RHB Delta Finance	-	727,701
Effects of exchange rate differences	(23,970)	(29,833)
Cash and cash equivalents brought forward	8,571,796	12,539,401
Cash and cash equivalents carried forward	12,376,439	8,571,796
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	12,376,439	8,571,796

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

1 Basis Of Preparation

The interim financial statements for the six months ended 30 June 2007 have been prepared in accordance with FRS134 issued by the Malaysian Accounting Standards 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 2006.

The adoption of the revised FRS117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. In prior years, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses.

The reclassification of leasehold land as prepaid land lease has been accounted for retrospectively and as disclosed in Note 1(a) below, comparative amounts as at 31 December 2006 have been restated.

1(a) Comparatives

The following comparative amounts have been restated due to the adoption of the revised FRS117:

At 31 December 2006	Previously Stated RM'000	FRS117 RM'000	Restated RM'000
Group			
Property, plant and equipment	598,789	(99,590)	499,199
Prepaid land lease	-	99,590	99,590
Bank			
Property, plant and equipment	471,894	(21,587)	450,307
Prepaid land lease	-	21,587	21,587

2 Audit Report

The audit report for the financial year ended 31 December 2006 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 six months ended 30 June 2007.

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 six months ended 30 June 2007.

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 2006 of 9.4% less tax amounting to RM133.81 million on 30 April 2007.

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

8 Securities Held For Trading

At fair value	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	20,208	146,325	20,208	146,325
Khazanah bonds	38,122	170,205	38,122	170,205
Government investment issues	108,133	149,837	108,133	149,837
Singapore government stocks	201,565	192,069	201,565	192,069
Cagamas bonds	19,584	-	19,584	-
<u>Unquoted</u>				
Malaysia government treasury bills	38,739	28,965	38,739	28,965
Fixed rate notes	223,603	229,710	223,603	229,710
Bank Negara Malaysia bills/notes	565,793	440,460	516,068	365,732
Bankers' acceptances & Islamic accepted bills	63,934	69,212	-	-
Private debts securities	307,265	305,810	4,701	135,129
Singapore government treasury bills	55,270	-	55,270	-
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Other government securities	109,677	114,487	-	-
Bonds	20,060	98,682	-	-
Total securities held for trading	1,771,953	1,945,762	1,225,993	1,417,972

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

9 Securities Available-For-Sale

At fair value	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	50,430	50,190	50,430	50,190
Cagamas bonds and Cagamas Mudharabah bonds	279,105	451,156	279,105	451,156
Government investment issues	-	5,058	-	-
Singapore government stocks	144,267	103,952	144,267	103,952
Khazanah bonds	9,599	9,405	-	-
<u>Unquoted</u>				
Malaysian government treasury bills	88,376	85,677	68,661	81,934
Singapore government treasury bills	11,054	85,890	11,054	85,890
Negotiable instruments of deposits	5,554,412	3,220,039	5,554,412	3,220,039
Bankers' acceptances & Islamic accepted bills	55,748	-	55,748	-
Private debt securities	2,044,235	484,151	2,024,216	484,151
Structured notes	184,742	306,350	184,742	235,749
Bank Negara Malaysia bills/notes	1,628,273	401,056	1,535,610	401,056
	10,050,241	5,202,924	9,908,245	5,114,117
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	62,190	54,813	62,190	54,813
Shares	16,495	13,751	13,209	11,878
<u>Outside Malaysia</u>				
Floating rate notes	285	292	-	-
Shares	127	129	-	-
	79,097	68,985	75,399	66,691
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	132,234	161,524	116,604	146,512
Shares	165,780	165,779	165,204	165,204
Private debt securities	59,630	65,507	59,630	65,507
<u>Outside Malaysia</u>				
Private debt securities	14,442	49,109	14,442	49,109
Total securities available-for-sale	10,501,424	5,713,828	10,339,524	5,607,140

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

10 Securities Held-To-Maturity

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
At amortised cost				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	2,051,282	2,069,764	2,051,282	2,069,764
Cagamas bonds and Cagamas Mudharabah bonds	655,881	911,120	595,517	850,678
Khazanah bonds	506,398	521,752	-	-
Government investment issues	81,810	80,964	-	-
<u>Unquoted</u>				
Cagamas notes	-	98,157	-	98,157
Bankers' acceptances & Islamic accepted bills	-	99,065	-	99,065
Negotiable instruments of deposits	765,750	5,536,823	765,750	5,536,823
Prasarana bonds	1,881,265	1,881,558	1,881,265	1,881,558
Private debt securities	425,641	686,087	227,856	539,637
Structured notes	34,505	353,051	34,505	264,764
Other government securities	229,318	234,310	229,318	234,310
	6,631,850	12,472,651	5,785,493	11,574,756
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Floating rate notes	79,373	81,225	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	29,047	29,047	860	860
Privates debt securities	381,762	389,458	381,762	389,458
Corporate loan stocks	199,787	205,231	199,787	205,231
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Floating rate notes	38,996	-	-	-
Structured papers	86,275	10,594	-	-
	7,447,590	13,188,706	6,368,402	12,170,805
Accumulated impairment losses	(173,397)	(168,026)	(173,397)	(168,026)
Total securities held-to-maturity	7,274,193	13,020,680	6,195,005	12,002,779

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

11 Loans, Advances And Financing

(i) By type

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Overdrafts	6,713,776	6,797,088	6,659,582	6,732,859
Term loans/financing				
Housing loans/financing	12,669,309	12,545,070	11,014,647	10,972,207
Syndicated term loans/financing	2,558,014	2,567,111	939,526	993,166
Hire purchase receivables	9,802,735	9,654,495	8,973,574	8,862,377
Lease receivables	273,894	281,120	-	-
Other term loans/financing	11,722,833	11,225,971	10,561,468	10,065,249
Bills receivable	2,286,362	1,877,730	1,592,295	1,456,467
Trust receipts	484,122	537,794	458,779	517,019
Claims on customers under acceptance credits	4,881,621	4,801,402	4,881,621	4,801,403
Staff loans/financing	405,413	406,299	398,216	400,058
Credit cards receivables	1,392,671	1,288,406	1,392,671	1,288,406
Revolving credit	4,687,898	4,938,787	4,259,812	4,643,319
Floor stocking	7,296	8,308	7,296	8,308
	57,885,944	56,929,581	51,139,487	50,740,838
Less : Unearned interest and income	(1,514,872)	(1,563,244)	(1,403,146)	(1,456,814)
Gross loans, advances and financing	56,371,072	55,366,337	49,736,341	49,284,024
Less : Allowance for bad and doubtful debts and financing:				
- General	(985,947)	(965,782)	(858,404)	(843,614)
- Specific	(1,614,508)	(1,658,949)	(1,502,953)	(1,561,079)
Net loans, advances and financing	53,770,617	52,741,606	47,374,984	46,879,331

(ii) By type of customer

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Domestic non-bank financial institutions				
- Stock broking companies	712	1,857	712	1,857
- Others	650,578	831,683	619,854	797,331
Domestic business enterprises				
- Small medium enterprises	9,233,041	9,241,892	8,061,199	8,034,477
- Others	21,476,192	21,021,151	18,262,011	18,240,610
Government and statutory bodies	255,487	248,651	154,379	147,498
Individuals	23,968,790	23,318,568	22,212,090	21,690,649
Other domestic entities	67,054	57,746	51,254	41,841
Foreign entities	719,218	644,789	374,842	329,761
	56,371,072	55,366,337	49,736,341	49,284,024

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

11 Loans, Advances And Financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	30 June 2007	31 Dec 2006	30 June 2007	31 Dec 2006
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
Housing loans/financing	1,762,544	1,593,037	108,230	101,959
Hire purchase receivables	8,319,448	8,129,916	7,585,134	7,426,139
Other fixed rate loans/financing	3,624,802	3,499,775	1,836,492	1,625,851
Variance rate				
BLR plus	20,409,523	20,237,464	20,409,523	20,237,464
Cost-plus	16,741,635	16,576,213	16,009,258	16,233,182
Other variable rates	5,513,120	5,329,932	3,787,704	3,659,429
	56,371,072	55,366,337	49,736,341	49,284,024

(iv) By purpose

	Group		Bank	
	30 June 2007	31 Dec 2006	30 June 2007	31 Dec 2006
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	2,018,472	1,710,666	1,640,187	1,344,039
Purchase of transport vehicles	6,576,383	6,516,541	6,107,988	6,091,629
Purchase of landed property:				
- Residential	13,119,668	12,860,513	11,561,132	11,397,561
- Non-residential	1,625,981	1,574,474	1,660,468	1,634,612
Purchase of property, plant and equipment other than land and building	2,681,881	2,489,462	1,804,291	1,593,245
Personal use	2,019,219	1,950,507	1,984,310	1,913,855
Credit card	1,392,671	1,288,406	1,392,671	1,288,406
Purchase of consumer durables	102,045	114,206	101,695	113,829
Construction	1,893,870	2,172,003	1,671,615	1,967,546
Working capital	22,757,705	22,639,326	20,885,299	21,108,101
Other purposes	2,183,177	2,050,233	926,685	831,201
	56,371,072	55,366,337	49,736,341	49,284,024

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

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

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

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
At beginning of period/year	4,080,226	4,151,770	3,774,831	3,484,877
Amount vested over from RHB Delta Finance Berhad	-	-	-	375,911
Classified as non-performing during the period/year	1,905,165	4,059,982	1,694,876	3,653,161
Reclassified as performing during the period/year	(1,190,149)	(2,712,691)	(1,059,344)	(2,407,818)
Loans/financing converted to securities	(12,694)	(66,371)	(12,694)	(66,371)
Amount recovered	(435,288)	(560,013)	(420,527)	(514,999)
Amount written off	(472,147)	(787,600)	(458,027)	(749,844)
Exchange difference	(4,206)	(4,851)	(3,143)	(86)
At end of period/year	3,870,907	4,080,226	3,515,972	3,774,831
Specific allowance	(1,614,508)	(1,658,949)	(1,502,953)	(1,561,079)
Net non-performing loans, advances and financing	2,256,399	2,421,277	2,013,019	2,213,752
Ratio of net non-performing loans, advances and financing to net loans, advances and financing	4.1%	4.5%	4.2%	4.6%

(ii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
General allowance				
At beginning of period/year	965,782	909,527	843,614	676,608
Amount vested over from RHB Delta Finance Berhad	-	-	-	107,790
Allowance made during the period/year	24,174	58,277	15,340	58,616
Amount written back	(2,682)	-	-	-
Exchange difference	(1,327)	(2,022)	(550)	600
At end of period/year	985,947	965,782	858,404	843,614
As % of gross loans, advances and financing less specific allowance	1.8%	1.8%	1.8%	1.8%
Specific allowance				
At beginning of period/year	1,658,949	1,768,802	1,561,079	1,513,739
Amount vested over from RHB Delta Finance Berhad	-	-	-	142,534
Allowance made during the period/year	631,891	920,750	603,134	890,579
Transferred to accumulated impairment losses for securities	(8,236)	(56,215)	(8,236)	(56,215)
Amount recovered	(211,024)	(235,109)	(206,370)	(228,855)
Amount written off	(455,767)	(736,414)	(446,362)	(701,689)
Amount transferred from other debtors	-	788	-	788
Exchange difference	(1,305)	(3,653)	(292)	198
At end of period/year	1,614,508	1,658,949	1,502,953	1,561,079

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

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

(iii) NPL/NPF by purpose

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Purchase of securities	67,167	33,103	67,127	33,053
Purchase of transport vehicles	326,382	391,338	323,121	389,443
Purchase of landed property:				
- Residential	1,233,086	1,282,014	1,046,326	1,102,680
- Non-residential	157,762	133,866	153,236	130,764
Purchase of property, plant and equipment other than land and building	107,777	102,341	37,055	36,979
Personal use	131,992	171,153	129,092	163,448
Credit card	46,931	45,484	46,931	45,484
Purchase of consumer durables	7,711	10,558	7,711	10,558
Construction	266,809	334,982	261,879	329,174
Working capital	1,467,065	1,547,366	1,435,237	1,519,361
Other purposes	58,225	28,021	8,257	13,887
	3,870,907	4,080,226	3,515,972	3,774,831

13 Other Assets

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Other debtors, deposits and prepayments	176,403	242,775	125,337	179,871
Accrued interest receivable	206,594	186,827	196,689	174,883
Amount recoverable from BNM	1,049	1,379	-	-
Amount due from holding companies	20,758	20,451	20,398	20,091
Amounts due from subsidiaries	-	-	80,051	146,438
Amounts due from related companies	4,523	5,335	4,523	5,322
	409,327	456,767	426,998	526,605

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Demand deposits	15,616,280	15,691,206	13,237,714	13,097,838
Savings deposits	4,978,550	4,861,397	4,478,679	4,375,173
Fixed/Investment deposits	43,085,489	32,480,252	38,449,258	27,708,037
Negotiable instrument of deposits	1,243,824	2,752,461	1,129,600	2,610,050
	64,924,143	55,785,316	57,295,251	47,791,098

(ii) By type of customer

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Government and statutory bodies	4,086,739	3,889,695	2,393,382	2,224,873
Business enterprises	35,624,203	27,326,028	30,654,186	21,897,020
Individuals	23,168,893	22,674,291	22,376,770	21,916,491
Others	2,044,308	1,895,302	1,870,913	1,752,714
	64,924,143	55,785,316	57,295,251	47,791,098

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Licensed banks	8,651,025	8,161,117	8,485,644	7,840,785
Licensed merchant banks	132,701	71,286	74,905	2,500
Bank Negara Malaysia	2,232,362	1,185,713	2,232,362	1,185,471
Other financial institutions	127,091	458,377	97,281	304,080
	11,143,179	9,876,493	10,890,192	9,332,836

16 Other Liabilities

	Group		Bank	
	30 June 2007 RM'000	31 Dec 2006 RM'000	30 June 2007 RM'000	31 Dec 2006 RM'000
Accrued interest payable	411,786	423,386	375,976	391,560
Accruals for operational expenses	131,802	131,950	127,289	127,238
Amount due to holding companies	511	400	440	341
Amounts due to subsidiaries	-	-	22,638	24,723
Amounts due to related companies	2,054	1,866	1,959	1,761
Amount due to BNM	310,201	296,129	310,201	296,129
Amount due to Danaharta	1,719	1,725	1,719	1,725
Finance lease	-	-	924	1,172
Prepaid instalment	66,574	61,889	66,574	61,889
Lessee deposits	82,525	82,778	650	650
Short term employee benefits	60,115	94,621	57,742	86,255
Other accruals and charges	411,261	446,562	287,304	296,171
	1,478,548	1,541,306	1,253,416	1,289,614

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

17 Interest Income

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current	Preceding	Current	Preceding
	Financial	Corresponding	Financial	Corresponding
	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	750,878	667,726	1,482,440	1,313,430
- Recoveries from NPLs	49,658	53,650	94,786	99,557
Money at call and deposit placements with banks and other financial institutions	144,531	119,283	288,170	214,640
Securities purchased under resale agreements	35,915	27,315	66,896	52,676
Securities held for trading	11,148	8,225	26,260	17,471
Securities available-for-sale	113,564	11,743	192,147	24,636
Securities held-to-maturity	67,126	138,414	161,403	268,856
Others	915	593	1,950	838
	1,173,735	1,026,949	2,314,052	1,992,104
Amortisation of premium less accretion of discount	(3,381)	(5,737)	(5,676)	(12,090)
Interest suspended clawback	(26,577)	(24,979)	(50,392)	(57,000)
	1,143,777	996,233	2,257,984	1,923,014

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current	Preceding	Current	Preceding
	Financial	Corresponding	Financial	Corresponding
	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	717,623	641,892	1,416,276	1,262,959
- Recoveries from NPLs	48,723	52,471	93,237	97,849
Money at call and deposit placements with banks and other financial institutions	147,944	118,278	295,626	207,052
Securities purchased under resale agreements	35,915	27,315	66,896	52,676
Securities held for trading	8,771	5,089	20,690	11,351
Securities available-for-sale	113,135	11,464	190,335	24,081
Securities held-to-maturity	63,646	134,615	154,825	262,673
Others	915	580	1,950	825
	1,136,672	991,704	2,239,835	1,919,466
Amortisation of premium less accretion of discount	(3,381)	(5,737)	(5,676)	(12,091)
Interest suspended clawback	(24,615)	(24,584)	(48,146)	(56,450)
	1,108,676	961,383	2,186,013	1,850,925

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

18 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007	Preceding Corresponding Quarter Ended 30 June 2006	Current Financial Half Year Ended 30 June 2007	Preceding Corresponding Half Year Ended 30 June 2006
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	108,074	70,706	207,123	132,333
Deposits from customers	368,563	293,112	714,912	561,542
Short term borrowings	59	-	59	1
Subordinated obligations	22,310	22,720	44,606	45,483
Recourse obligation on loans sold to Cagamas	29,404	40,545	60,569	75,208
Obligations on securities sold under repurchase agreements	90,328	100,213	207,863	189,237
Others	14,178	8,886	28,329	16,015
	632,916	536,182	1,263,461	1,019,819

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007	Preceding Corresponding Quarter Ended 30 June 2006	Current Financial Half Year Ended 30 June 2007	Preceding Corresponding Half Year Ended 30 June 2006
	RM'000	RM'000	RM'000	RM'000
Bank				
Deposits and placements of banks and other financial institutions	105,087	71,066	203,599	133,659
Deposits from customers	350,737	275,508	676,387	524,173
Subordinated obligations	22,310	22,720	44,606	45,483
Recourse obligation on loans sold to Cagamas	29,404	40,545	60,569	75,208
Obligations on securities sold under repurchase agreements	90,328	99,714	207,863	188,316
Others	14,180	8,920	28,368	16,081
	612,046	518,473	1,221,392	982,920

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

19 Other Operating Income

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current	Preceding	Current	Preceding
	Financial	Corresponding	Financial	Corresponding
	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
a) Fee income				
Commission	33,709	29,459	64,950	56,617
Service charges and fees	37,523	33,724	78,958	64,261
Guarantee fees	9,826	9,709	17,043	18,048
Commitment fees	10,404	10,469	21,634	20,939
Underwriting fees	88	100	548	620
Other fees	2,901	3,451	6,197	6,724
	94,451	86,912	189,330	167,209
b) Gain/(Loss) arising from sale/redemption of securities:				
Net gain from sale of:				
- Securities held for trading	22,672	409	37,139	4,099
- Securities available-for-sale	735	(987)	2,470	(778)
Net gain from redemption of securities held-to-maturity	103	-	103	-
Derivatives	288	-	315	-
	23,798	(578)	40,027	3,321
c) Gross dividend income from securities available-for-sale	1,254	1,671	1,256	1,676
	1,254	1,671	1,256	1,676
d) Unrealised gain/(loss) on revaluation of:				
Securities held for trading	(14,961)	163	(3,698)	(2,760)
Derivatives	4,643	14,625	7,423	20,801
	(10,318)	14,788	3,725	18,041
e) Other income				
Foreign exchange gain/(loss)				
- Realised	68,212	13,595	148,110	50,030
- Unrealised	(10,996)	25,205	(42,983)	22,911
Gain on disposal of property, plant and equipment	147	602	362	847
Negative Goodwill	563	-	563	-
Other operating income	8,327	8,515	17,839	15,412
Other non-operating income	2,192	2,237	4,744	4,319
	68,445	50,154	128,635	93,519
	177,630	152,947	362,973	283,766

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

19 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Bank</u>				
a) Fee income				
Commission	32,506	29,295	63,400	56,265
Service charges and fees	36,762	32,995	77,705	61,929
Guarantee fees	9,826	9,709	17,043	18,048
Commitment fees	10,404	10,469	21,634	20,939
Underwriting fees	88	100	548	620
Other fees	2,976	3,116	6,351	6,463
	92,562	85,684	186,681	164,264
b) Gain/(Loss) arising from sale/redemption of securities:				
Net gain from sale of:				
- Securities held for trading	29,574	409	44,041	3,813
- Securities available-for-sale	735	(987)	2,470	(778)
Net gain from redemption of securities held-to-maturity	103	-	103	-
	30,412	(578)	46,614	3,035
c) Gross dividend income from:				
Securities available-for-sale	1,254	1,671	1,256	1,676
Subsidiary companies	10,561	46,340	10,561	46,340
	11,815	48,011	11,817	48,016
d) Unrealised gain/(loss) on revaluation of:				
Securities held for trading	(12,975)	910	(1,086)	1,315
Derivatives	1,466	9,065	4,808	13,766
	(11,509)	9,975	3,722	15,081
e) Other income				
Foreign exchange gain/(loss)				
- Realised	68,423	13,183	147,151	48,044
- Unrealised	(10,996)	25,205	(42,983)	22,911
Gain on disposal of property, plant and equipment	147	599	362	844
Other operating income	8,143	8,247	17,524	15,036
Other non-operating income	1,799	2,041	3,909	3,807
	67,516	49,275	125,963	90,642
	190,796	192,367	374,797	321,038

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

20 Income from Islamic Banking Business

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds	98,187	78,272	187,039	147,620
Income derived from investment of shareholders' funds	69,708	11,363	81,316	25,475
Transfer from/(to) profit equalisation reserve	1,896	1,183	(156)	(617)
Total distributable income	169,791	90,818	268,199	172,478
Income attributable to depositors	(41,353)	(44,346)	(83,939)	(79,280)
Income from Islamic Banking Business	128,438	46,472	184,260	93,198

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

21 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Personnel cost</u>				
- Salaries, allowances and bonuses	123,510	121,351	247,737	243,964
- Contributions to Employees Provident Fund	18,243	16,794	35,936	35,609
- Other staff related cost	15,465	37,345	29,243	47,005
	157,218	175,490	312,916	326,578
<u>Establishment cost</u>				
- Amortisation of prepaid land lease	131	126	227	220
- Depreciation	18,450	18,356	40,246	42,109
- Rental of premises	10,283	10,436	20,366	20,522
- Rental equipment	2,806	2,796	5,444	4,297
- Insurance	5,143	5,061	9,736	10,864
- Water and electricity	3,876	3,482	7,499	6,899
- Repair and maintenance	10,872	10,144	21,619	19,446
- Information technology expenses	20,773	20,752	42,768	42,063
- Others	529	507	1,009	926
	72,863	71,660	148,914	147,346
<u>Marketing expenses</u>				
- Sales commission	5,816	3,598	13,795	7,680
- Advertisement and publicity	8,902	7,146	14,550	11,904
- Dealers' handling and warranty fees	6,500	11,188	12,857	23,578
- Others	12,163	12,078	27,016	22,788
	33,381	34,010	68,218	65,950
<u>Administration and general expenses</u>				
- Communication expenses	15,294	16,119	30,052	30,509
- Others	15,569	11,986	30,124	21,987
	30,863	28,105	60,176	52,496
	294,325	309,265	590,224	592,370

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

21 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Bank</u>				
<u>Personnel cost</u>				
- Salaries, allowances and bonuses	116,520	113,968	235,891	229,755
- Contributions to Employees Provident Fund	17,172	15,707	34,726	33,530
- Other staff related cost	14,525	36,606	27,073	45,578
	148,217	166,281	297,690	308,863
<u>Establishment cost</u>				
- Amortisation of prepaid land lease	81	94	162	188
- Depreciation	18,012	17,963	39,406	41,285
- Rental of premises	9,973	10,512	20,107	20,658
- Rental equipment	2,737	2,729	5,325	4,188
- Insurance	4,639	4,890	9,051	10,381
- Water and electricity	3,654	3,184	7,050	6,365
- Repair and maintenance	10,633	9,877	21,098	18,909
- Information technology expenses	19,726	20,528	40,626	39,184
- Others	-	1	-	1
	69,455	69,778	142,825	141,159
<u>Marketing expenses</u>				
- Sales commission	5,809	3,581	13,783	7,656
- Advertisement and publicity	7,834	6,278	12,582	10,626
- Dealers' handling and warranty fees	6,500	11,175	12,856	23,517
- Others	10,765	11,832	20,403	22,328
	30,908	32,866	59,624	64,127
<u>Administration and general expenses</u>				
- Communication expenses	13,929	15,114	28,550	28,875
- Others	3,132	4,394	5,055	7,148
	17,061	19,508	33,605	36,023
	265,641	288,433	533,744	550,172

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

22 Allowance For Losses On Loans And Financing

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Group</u>				
Allowance for losses on loans and financing				
Specific allowance				
- Made during the financial period	331,782	195,370	631,891	374,936
- Written back	(76,251)	(56,431)	(211,024)	(109,480)
General allowance				
- Made during the financial period	15,653	27,490	21,492	23,593
Bad debts on loans and financing				
- Recovered	(24,692)	(15,676)	(44,281)	(28,298)
	<u>246,492</u>	<u>150,753</u>	<u>398,078</u>	<u>260,751</u>
Writeback on amount recovered from Danaharta during the financial period	(3,167)	-	(3,167)	-
	<u>243,325</u>	<u>150,753</u>	<u>394,911</u>	<u>260,751</u>

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Bank</u>				
Allowance for losses on loans and financing				
Specific allowance				
- Made during the financial period	310,409	191,975	603,134	369,391
- Written back	(74,124)	(55,250)	(206,370)	(107,394)
General allowance				
- Made during the financial period	10,220	27,331	15,340	21,225
Bad debts on loans and financing				
- Recovered	(23,671)	(15,593)	(40,583)	(28,177)
	<u>222,834</u>	<u>148,463</u>	<u>371,521</u>	<u>255,045</u>
Writeback on amount recovered from Danaharta during the financial period	(3,167)	-	(3,167)	-
	<u>219,667</u>	<u>148,463</u>	<u>368,354</u>	<u>255,045</u>

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

23 Allowance For Impairment Losses

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Group</u>				
Charged for the financial period				
- Securities available-for-sale	17,607	2,282	30,007	24,247
- Securities held-to-maturity	8,625	9,238	13,250	9,238
Reversal for the financial period				
- Securities available-for-sale	(6,664)	(6,596)	(12,802)	(13,956)
- Securities held-to-maturity	(3,561)	(4,465)	(10,287)	(4,465)
	16,007	459	20,168	15,064

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30 June 2007 RM'000	Preceding Corresponding Quarter Ended 30 June 2006 RM'000	Current Financial Half Year Ended 30 June 2007 RM'000	Preceding Corresponding Half Year Ended 30 June 2006 RM'000
<u>Bank</u>				
Charged for the financial period				
- Securities available-for-sale	17,607	2,282	30,007	24,247
- Securities held-to-maturity	8,625	9,238	13,250	9,238
Reversal for the financial period				
- Securities available-for-sale	(6,664)	(6,596)	(12,802)	(13,956)
- Securities held-to-maturity	(3,561)	(4,465)	(10,287)	(4,465)
	16,007	459	20,168	15,064

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

24 Capital Adequacy

	Group		Bank	
	30 June 2007* RM'000	31 Dec 2006 RM'000	30 June 2007* RM'000	31 Dec 2006 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	970,739	970,739	831,867	831,867
Other reserves	1,768,840	1,768,840	1,717,790	1,717,790
	<u>6,066,227</u>	<u>6,066,227</u>	<u>5,876,305</u>	<u>5,876,305</u>
Less : Goodwill	(1,004,017)	(1,004,017)	(905,519)	(905,519)
Deferred tax assets	(251,703)	(251,703)	(210,747)	(210,747)
Total Tier I capital	<u>4,810,507</u>	<u>4,810,507</u>	<u>4,760,039</u>	<u>4,760,039</u>
Tier II capital				
Subordinated obligations	1,316,371	1,328,158	1,316,371	1,328,158
General allowance for bad and doubtful debts and financing	985,947	965,782	891,706	877,693
Total Tier II capital	<u>2,302,318</u>	<u>2,293,940</u>	<u>2,208,077</u>	<u>2,205,851</u>
Less : Investment in subsidiaries	-	-	(628,640)	(628,640)
Holdings of other banking institutions' capital instruments	(37,060)	(39,998)	(37,060)	(39,998)
Total capital base	<u>7,075,765</u>	<u>7,064,449</u>	<u>6,302,416</u>	<u>6,297,252</u>
<u>Capital ratios</u>				
Before proposed dividends:				
Core capital ratio	8.1%	8.2%	8.7%	8.8%
Risk-weighted capital ratio	11.9%	12.1%	11.6%	11.7%
After proposed dividends** :				
Core capital ratio	7.7%	8.0%	8.3%	8.6%
Risk-weighted capital ratio	<u>11.5%</u>	<u>11.8%</u>	<u>11.1%</u>	<u>11.5%</u>

* The total Tier I capital reported is as per 31 December 2006 position.

** This refers to final dividend for FY2006 which was paid on 30 April 2007 as well as proposed dividend for the 6 months to 30 June 2007.

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 THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

25 Commitments And Contingencies

Group	← 30/06/2007 →			← 31/12/2006 →		
	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	1,444,178	1,444,178	1,269,296	1,404,457	1,404,457	1,236,516
Transaction-related contingent items	1,763,503	881,751	580,460	1,555,032	777,516	485,979
Short-term self-liquidating trade related contingencies	2,479,132	495,827	322,999	2,555,148	511,030	328,886
Obligations under underwriting agreements	263,240	131,620	131,620	263,240	131,620	131,620
Housing financing sold to Cagamas with recourse	38,745	38,745	19,373	41,064	41,064	20,532
Irrevocable commitments to extend credit:						
- maturity more than one year	3,476,427	1,738,213	1,529,048	3,535,992	1,767,996	1,540,914
- maturity less than one year	23,382,987	-	-	21,642,939	-	-
Foreign exchange related contracts:						
- less than one year	18,509,534	302,603	73,352	14,028,126	239,098	66,916
- one year to less than five years	53,110	3,274	1,599	387,082	60,670	30,237
Interest rate related contracts:						
- less than one year	1,866,415	9,546	2,013	871,230	2,454	512
- one year to less than five years	2,627,606	101,634	23,680	2,654,566	83,805	19,169
- more than five years	182,987	16,686	4,109	522,601	33,981	17,334
Miscellaneous	883,092	-	-	747,208	-	-
Total	56,970,956	5,164,077	3,957,549	50,208,685	5,053,691	3,878,615

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

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

25 Commitments And Contingencies (cont'd)

<u>Bank</u>	← 30/06/2007 →			← 31/12/2006 →		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Direct credit substitutes	1,287,905	1,287,905	1,113,023	1,290,602	1,290,602	1,122,837
Transaction-related contingent items	1,672,762	836,381	536,342	1,460,227	730,114	439,387
Short-term self-liquidating trade related contingencies	2,316,624	463,325	290,755	2,341,434	468,287	286,465
Obligations under underwriting agreements	213,240	106,620	106,620	213,240	106,620	106,620
Irrevocable commitments to extend credit:						
- maturity more than one year	2,969,733	1,484,866	1,295,431	2,815,107	1,407,554	1,201,260
- maturity less than one year	21,522,947	-	-	19,702,207	-	-
Foreign exchange related contracts:						
- less than one year	18,509,534	302,603	73,352	14,027,587	239,090	66,912
- one year to less than five years	53,110	3,274	1,599	387,082	60,670	30,237
Interest rate related contracts:						
- less than one year	1,866,415	9,546	2,013	800,600	2,383	477
- one year to less than five years	2,311,274	91,807	18,766	2,548,621	81,686	18,110
- more than five years	162,281	14,111	2,822	298,337	20,110	10,398
Miscellaneous	862,494	-	-	729,664	-	-
Total	53,748,319	4,600,438	3,440,723	46,614,708	4,407,116	3,282,703

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

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

26 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	4,538,745	2,000,355	1,487,956	698,689	299,988	51,757	-	-
- swaps	12,798,243	4,058,960	3,564,724	4,566,699	606,507	1,353	-	-
- options	16,097	11,830	2,814	1,453	-	-	-	-
- spots	1,209,559	1,209,559	-	-	-	-	-	-
Interest rate related contracts								
- futures	50,000	-	50,000	-	-	-	-	35
- swaps	4,627,008	227,802	50,000	574,236	1,301,415	2,311,274	162,281	-
Total	23,239,652	7,508,506	5,155,494	5,841,077	2,207,910	2,364,384	162,281	35

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	4,538,745	2,000,355	1,487,956	698,689	299,988	51,757	-	-
- swaps	12,798,243	4,058,960	3,564,724	4,566,699	606,507	1,353	-	-
- options	16,097	11,830	2,814	1,453	-	-	-	-
- spots	1,209,559	1,209,559	-	-	-	-	-	-
Interest rate related contracts								
- futures	50,000	-	50,000	-	-	-	-	35
- swaps	4,289,970	15,000	50,000	450,000	1,301,415	2,311,274	162,281	-
Total	22,902,614	7,295,704	5,155,494	5,716,841	2,207,910	2,364,384	162,281	35

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

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

26 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 June 2007, the amount of contracts which were not hedged and hence, exposed to market risk was RM584,050,043 (31.12.2006: RM347,101,656).

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 June 2007, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM169,663,973 (31.12.2006: RM189,910,469). 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 values are carried as assets and negative fair values are carried as liabilities.

Interest rate related contracts

The Group and the Bank act as an intermediary with counter parties who wish to swap their interest obligations. The Group and the Bank also use 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 THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

27 Interest/Profit Rate Risk

Group

30.06.2007

	Non-trading book						Trading book RM'000	Total RM'000	Effective interest/profit rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets									
Cash and short term funds	12,064,302	-	-	-	-	1,146,353	-	13,210,655	3.54
Securities purchased under resale agreements	2,631,301	1,002,282	-	-	-	-	-	3,633,583	3.51
Deposits and placements with banks and other financial institutions	-	2,194,497	224,839	9,679	-	-	-	2,429,015	3.58
Securities held for trading	-	-	-	-	-	-	1,771,953	1,771,953	3.55
Securities available-for-sale	3,793,836	2,143,893	1,711,917	2,201,657	467,435	182,686	-	10,501,424	3.73
Securities held-to-maturity	226,544	225,895	1,668,199	3,855,954	1,470,498	(172,897) #	-	7,274,193	3.92
Loans, advances & financing									6.83
- performing	31,350,296	6,694,228	4,905,194	7,000,552	2,549,771	124	-	52,500,165	
- non-performing	-	-	-	-	-	1,270,452 *	-	1,270,452	
Other assets	11,904	-	-	-	-	397,423	128,037	537,364	5.84
Tax recoverable	-	-	-	-	-	32	-	32	
Deferred taxation assets	-	-	-	-	-	261,203	-	261,203	
Statutory deposits	-	-	-	-	-	1,543,440	-	1,543,440	
Investment in an associate	-	-	-	-	-	4,795	-	4,795	
Property, plant and equipment	-	-	-	-	-	496,709	-	496,709	
Prepaid land lease	-	-	-	-	-	97,747	-	97,747	
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	
Total assets	50,078,183	12,260,795	8,510,149	13,067,842	4,487,704	6,232,084	1,899,990	96,536,747	
Liabilities									
Deposits from customers	27,551,655	9,706,383	12,714,360	718,506	-	14,233,239	-	64,924,143	3.14
Deposits and placements of banks & other financial institutions	7,839,680	2,100,078	355,705	763,378	82,983	1,355	-	11,143,179	3.61
Obligations on securities sold under repurchase agreements	3,715,153	270,869	-	-	-	-	-	3,986,022	3.38
Bills and acceptances payable	1,523,477	1,855,158	699,066	-	-	192,982	-	4,270,683	3.78
Recourse obligation on loans sold to Cagamas Berhad	-	206,835	455,905	1,851,406	-	-	-	2,514,146	4.38
Other liabilities	310,201	-	-	-	-	1,168,347	140,220	1,618,768	3.57
Provision for taxation and zakat	-	-	-	-	-	143,565	-	143,565	
Deferred taxation liabilities	-	-	-	-	-	16	-	16	
Long term borrowings	345,050	-	-	-	-	-	-	345,050	5.69
Subordinated obligations	-	-	800,000	516,371	-	-	-	1,316,371	6.63-6.85
	41,285,216	14,139,323	15,025,036	3,849,661	82,983	15,739,504	140,220	90,261,943	
INCPs	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,906,705	-	4,906,705	
Total liabilities and shareholders' equity	41,285,216	14,139,323	15,025,036	5,217,760	82,983	20,646,209	140,220	96,536,747	
Total interest-sensitivity gap	8,792,967	(1,878,528)	(6,514,887)	7,850,082	4,404,721	(14,414,125)	1,759,770	-	

Consist of equity instruments less impairment loss.

* This represents outstanding non-performing loans after deducting specific allowance and general allowance.

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

27 Interest/Profit Rate Risk (cont'd)

Group

← Non-trading book →

31.12.2006

	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years	Non- interest sensitive	Trading book	Total	Effective interest/profit rate
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short term funds	9,240,971	-	-	-	-	382,349	-	9,623,320	3.56
Securities purchased under resale agreements	1,034,585	1,656,956	-	-	-	-	-	2,691,541	3.81
Deposits and placements with banks and other financial institutions	-	4,457,523	611,308	-	-	-	-	5,068,831	3.63
Securities held for trading	-	-	-	-	-	-	1,945,762	1,945,762	3.71
Securities available-for-sale	2,571,387	1,378,385	715,024	698,397	170,686	179,949	-	5,713,828	3.66
Securities held-to-maturity	2,537,605	2,775,594	1,694,789	4,664,222	1,515,996	(167,526) #	-	13,020,680	3.75
Loans, advances & financing									6.83
- performing	29,806,417	6,403,037	4,934,467	7,619,070	2,522,981	140	-	51,286,112	
- non-performing	-	-	-	-	-	1,455,494 *	-	1,455,494	
Other assets	11,904	-	-	-	-	444,863	167,044	623,811	5.92
Tax recoverable	-	-	-	-	-	65	-	65	
Deferred taxation assets	-	-	-	-	-	251,720	-	251,720	
Statutory deposits	-	-	-	-	-	1,835,744	-	1,835,744	
Investment in an associate	-	-	-	-	-	4,683	-	4,683	
Property, plant and equipment	-	-	-	-	-	499,199	-	499,199	
Prepaid land lease	-	-	-	-	-	99,590	-	99,590	
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	
Total assets	45,202,869	16,671,495	7,955,588	12,981,689	4,209,663	5,990,287	2,112,806	95,124,397	
Liabilities									
Deposits from customers	21,762,014	6,653,665	12,643,145	414,609	200	14,311,683	-	55,785,316	3.15
Deposits and placements of banks & other financial institutions	5,577,625	2,641,847	709,864	856,679	89,050	1,428	-	9,876,493	3.67
Obligations on securities sold under repurchase agreements	11,118,986	2,245,825	-	-	-	-	-	13,364,811	3.37
Bills and acceptances payable	1,272,468	1,493,303	605,157	-	-	407,830	-	3,778,758	3.88
Recourse obligation on loans sold to Cagamas Berhad	122,267	-	658,771	1,882,468	215,778	-	-	2,879,284	4.52
Other liabilities	296,129	-	-	-	-	1,245,177	143,668	1,684,974	3.66
Provision for taxation and zakat	-	-	-	-	-	79,425	-	79,425	
Deferred taxation liabilities	-	-	-	-	-	17	-	17	
Long term borrowings	282,400	-	-	-	-	-	-	282,400	5.81
Subordinated obligations	-	-	-	1,328,158	-	-	-	1,328,158	6.63-6.85
	40,431,889	13,034,640	14,616,937	4,481,914	305,028	16,045,560	143,668	89,059,636	
INCPs	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,696,662	-	4,696,662	
Total liabilities and shareholders' equity	40,431,889	13,034,640	14,616,937	5,850,013	305,028	20,742,222	143,668	95,124,397	
Total interest-sensitivity gap	4,770,980	3,636,855	(6,661,349)	7,131,676	3,904,635	(14,751,935)	1,969,138	-	

Consist of equity instruments less impairment loss.

* This represents outstanding non-performing loans after deducting specific allowance and general allowance.

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

27 Interest Rate Risk (cont'd)

Bank

30.06.2007

	← Non-trading book →						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets									
Cash and short term funds	11,279,838	-	-	-	-	1,096,601	-	12,376,439	3.54
Securities purchased under resale agreements	2,631,301	1,002,282	-	-	-	-	-	3,633,583	3.51
Deposits and placements with banks and other financial institutions	-	2,098,437	189,778	9,679	172,525	-	-	2,470,419	3.58
Securities held for trading	-	-	-	-	-	-	1,225,993	1,225,993	3.41
Securities available-for-sale	3,793,837	2,051,222	1,692,215	2,166,821	457,017	178,412	-	10,339,524	3.73
Securities held-to-maturity	135,301	145,487	1,502,953	3,263,572	1,320,589	(172,897) #	-	6,195,005	3.89
Loans, advances & financing									6.93
- performing	30,825,474	4,820,416	3,813,840	5,921,244	839,395	-	-	46,220,369	
- non-performing	-	-	-	-	-	1,154,615 *	-	1,154,615	
Other assets	11,904	-	-	-	-	415,094	126,632	553,630	5.84
Deferred taxation assets	-	-	-	-	-	216,150	-	216,150	
Statutory deposits	-	-	-	-	-	1,371,912	-	1,371,912	
Investment in subsidiaries	-	-	-	-	-	828,956	-	828,956	
Property, plant and equipment	-	-	-	-	-	431,964	-	431,964	
Prepaid land lease	-	-	-	-	-	21,425	-	21,425	
Goodwill	-	-	-	-	-	905,519	-	905,519	
Total assets	48,677,655	10,117,844	7,198,786	11,361,316	2,789,526	6,447,751	1,352,625	87,945,503	
Liabilities									
Deposits from customers	23,857,918	8,357,693	11,271,416	622,882	-	13,185,342	-	57,295,251	3.23
Deposits and placements of banks & other financial institutions	7,861,781	1,907,331	291,673	745,069	82,983	1,355	-	10,890,192	3.61
Obligations on securities sold under repurchase agreements	3,715,153	270,869	-	-	-	-	-	3,986,022	3.38
Bills and acceptances payable	1,523,477	1,855,158	683,078	-	-	186,168	-	4,247,881	3.78
Recourse obligation on loans sold to Cagamas Berhad	-	206,835	455,905	1,851,406	-	-	-	2,514,146	4.56
Other liabilities	310,201	-	-	-	-	943,215	136,027	1,389,443	3.57
Provision for taxation	-	-	-	-	-	106,420	-	106,420	
Long term borrowings	345,050	-	-	-	-	-	-	345,050	5.69
Subordinated obligations	-	-	800,000	516,371	-	-	-	1,316,371	6.63-6.85
	37,613,580	12,597,886	13,502,072	3,735,728	82,983	14,422,500	136,027	82,090,776	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,486,628	-	4,486,628	
Total liabilities and shareholders' equity	37,613,580	12,597,886	13,502,072	5,103,827	82,983	18,909,128	136,027	87,945,503	
Total interest-sensitivity gap	11,064,075	(2,480,042)	(6,303,286)	6,257,489	2,706,543	(12,461,377)	1,216,598	-	

Consist of equity instruments less impairment loss.

* This represents outstanding non-performing loans after deducting specific allowance and general allowance.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

27 Interest Rate Risk (cont'd)

Bank

31.12.2006

	← Non-trading book →						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Assets									
Cash and short term funds	8,210,741	-	-	-	-	361,055	-	8,571,796	3.57
Securities purchased under resale agreements	1,034,585	1,656,956	-	-	-	-	-	2,691,541	3.81
Deposits and placements with banks and other financial institutions	-	3,216,700	611,076	-	176,500	-	-	4,004,276	3.64
Securities held for trading	-	-	-	-	-	-	1,417,972	1,417,972	3.64
Securities available-for-sale	2,532,303	1,378,385	679,762	668,922	170,686	177,082	-	5,607,140	3.65
Securities held-to-maturity	2,456,381	2,697,789	1,626,956	3,959,646	1,429,533	(167,526) #	-	12,002,779	3.74
Loans, advances & financing									6.93
- performing	29,533,425	4,800,456	4,070,999	6,262,828	841,485	-	-	45,509,193	
- non-performing	-	-	-	-	-	1,370,138 *	-	1,370,138	
Other assets	11,904	-	-	-	-	514,701	165,022	691,627	5.92
Deferred taxation assets	-	-	-	-	-	210,747	-	210,747	
Statutory deposits	-	-	-	-	-	1,665,315	-	1,665,315	
Investment in subsidiaries	-	-	-	-	-	828,956	-	828,956	
Property, plant and equipment	-	-	-	-	-	450,307	-	450,307	
Prepaid land lease	-	-	-	-	-	21,587	-	21,587	
Goodwill	-	-	-	-	-	905,519	-	905,519	
Total assets	43,779,339	13,750,286	6,988,793	10,891,396	2,618,204	6,337,881	1,582,994	85,948,893	
Liabilities									
Deposits from customers	17,108,752	5,525,394	11,757,743	317,748	-	13,081,461	-	47,791,098	3.25
Deposits and placements of banks & other financial institutions	5,238,787	2,562,333	631,494	809,744	89,050	1,428	-	9,332,836	3.67
Obligations on securities sold under repurchase agreements	11,118,986	2,245,825	-	-	-	-	-	13,364,811	3.37
Bills and acceptances payable	1,272,468	1,493,303	600,122	-	-	396,323	-	3,762,216	3.88
Recourse obligation on loans sold to Cagamas Berhad	122,267	-	658,771	1,882,468	215,778	-	-	2,879,284	4.52
Other liabilities	296,129	-	-	-	-	993,485	136,243	1,425,857	3.66
Provision for taxation	-	-	-	-	-	56,564	-	56,564	
Long term borrowings	282,400	-	-	-	-	-	-	282,400	5.81
Subordinated obligations	-	-	-	1,328,158	-	-	-	1,328,158	6.63-6.85
	35,439,789	11,826,855	13,648,130	4,338,118	304,828	14,529,261	136,243	80,223,224	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,357,570	-	4,357,570	
Total liabilities and shareholders' equity	35,439,789	11,826,855	13,648,130	5,706,217	304,828	18,886,831	136,243	85,948,893	
Total interest-sensitivity gap	8,339,550	1,923,431	(6,659,337)	5,185,179	2,313,376	(12,548,950)	1,446,751	-	

Consist of equity instruments less impairment loss.

* This represents outstanding non-performing loans after deducting specific allowance and general allowance.

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

28 Segmental Reporting On Revenue And Profit

Group - 6 months ended 30 June 2007

	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	913,580	902,340	800,611	184,260	4,426	-	2,805,217
Inter-segment revenue	2,042	-	16,613	-	1,927	(20,582)	-
Total revenue	915,622	902,340	817,224	184,260	6,353	(20,582)	2,805,217
Segment results	231,664	147,431	194,693	140,929	3,837	-	718,554
Subordinated obligations							(44,606)
Unallocated expenses							(137,495)
Profit from operations							536,453
Share of results of an associate							112
Profit before INCPS dividend, taxation and zakat							536,565
INCPS dividend							(67,843)
Taxation and zakat							(121,805)
Net profit for the financial period							346,917

Group - 6 months ended 30 June 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	808,224	825,448	568,751	93,198	4,357	-	2,299,978
Inter-segment revenue	6,627	-	8,329	-	1,953	(16,909)	-
Total revenue	814,851	825,448	577,080	93,198	6,310	(16,909)	2,299,978
Segment results	233,266	161,199	146,950	72,404	3,690	-	617,509
Subordinated obligations							(45,483)
Unallocated expenses							(160,052)
Profit from operations							411,974
Share of results of an associate							81
Profit before INCPS dividend, taxation and zakat							412,055
INCPS dividend							(67,843)
Taxation and zakat							(97,496)
Net profit for the financial period							246,716

RHB BANK BERHAD

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007 (cont'd)

29 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.

30 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.

31 Changes in the Composition of the Group

The significant change in the composition of the Group for the six months ended 30 June 2007 is summarised below:

Acquisition of the entire shareholdings in RHB International Trust (L) Ltd (RHBITLL) by RHB Bank (L) Ltd from RHB Capital Berhad.

On 15 May 2007, RHB Bank (L) Ltd, a wholly-owned subsidiary of the Bank acquired the entire shareholdings of 20,000 ordinary shares of USD4.00 each (of which USD2.00 is partially paid up) ("Acquisition of Shares") in RHBITLL from RHB Capital Berhad, the holding company of the Bank for a total cash consideration of RM152K. With the said Acquisition of Shares, RHBITLL has become a wholly-owned subsidiary of RHB Bank (L) Ltd.

The Acquisition of Shares is not expected to have any material effect on the earnings or net tangible assets of the Group for the financial year ending 31 December 2007.

32 Changes in Profit for the Quarter

The Group recorded 4% lower profit before INCPS dividends, taxation and zakat of RM263,311K for the current quarter as compared to the preceding quarter ended 31 March 2007 of RM273,253K. The decrease in the profit was mainly due to higher allowance for losses on loans and financing.

33 Performance Review

For the 6 months to 30 June 2007, the Group recorded a 30% higher profit before INCPS dividends, taxation and zakat of RM536,565K as compared to the corresponding period last year of RM412,055K, mainly as a result of higher net interest income and income from Islamic banking business, partly offset by higher allowance for losses on loans and financing.

34 Prospects for the Current Financial Year

The banking landscape continues to evolve with increasing liberalization and globalization, presenting new demands and challenges. Against this backdrop, the Bank will continue to focus on managing markets and segments proactively, leveraging on cross-selling within the Bank and the Group to provide our customers comprehensive financial solutions. While pursuing growth in targeted segments, the Bank will also strive to manage funding costs actively and optimize delivery channel efficiency. Risk management continues to underpin the Bank's operations.

35 Proposed Dividends

The Directors proposed an interim dividend of 7.0% less tax in respect of current financial period amounting to RM99,644K.