

RHB BANK BERHAD

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

	Note	Group		Bank	
		As At	As At	As At	As At
		30 Sept 2007	31 Dec 2006	30 Sept 2007	31 Dec 2006
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds		13,639,546	9,623,320	12,502,477	8,571,796
Securities purchased under resale agreements		3,721,878	2,691,541	3,721,878	2,691,541
Deposits and placements with banks and other financial institutions		998,262	5,068,831	1,060,300	4,004,276
Securities held for trading	8	2,276,925	1,945,762	1,693,672	1,417,972
Securities available-for-sale	9	9,553,017	5,713,828	9,312,932	5,607,140
Securities held-to-maturity	10	6,919,908	13,020,680	6,012,865	12,002,779
Loans, advances and financing	11	54,345,331	52,741,606	47,943,018	46,879,331
Other assets	13	322,225	456,767	465,239	526,605
Derivative assets		105,971	167,044	103,850	165,022
Tax recoverable		38	65	-	-
Deferred taxation assets		270,531	251,720	222,748	210,747
Statutory deposits		1,521,060	1,835,744	1,316,331	1,665,315
Investment in subsidiaries		-	-	828,956	828,956
Investment in an associate		4,844	4,683	-	-
Property, plant and equipment		492,300	499,199	424,194	450,307
Prepaid land lease		98,922	99,590	21,344	21,587
Goodwill		1,004,017	1,004,017	905,519	905,519
<b>TOTAL ASSETS</b>		<b>95,274,775</b>	<b>95,124,397</b>	<b>86,535,323</b>	<b>85,948,893</b>
<b>LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY</b>					
Deposits from customers	14	73,276,985	55,785,316	65,511,678	47,791,098
Deposits and placements of banks and other financial institutions	15	5,337,467	9,876,493	5,041,917	9,332,836
Obligations on securities sold under repurchase agreements		-	13,364,811	-	13,364,811
Bills and acceptances payable		4,621,619	3,778,758	4,612,173	3,762,216
Recourse obligation on loans sold to Cagamas Berhad		2,235,301	2,879,284	2,235,301	2,879,284
Other liabilities	16	1,493,262	1,541,306	1,271,550	1,289,614
Derivative liabilities		119,243	143,668	111,946	136,243
Provision for taxation and zakat		147,967	79,425	131,038	56,564
Deferred taxation liabilities		17	17	-	-
Long term borrowings		340,900	282,400	340,900	282,400
Subordinated obligations		1,310,214	1,328,158	1,310,214	1,328,158
		88,882,975	89,059,636	80,566,717	80,223,224
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)		1,368,099	1,368,099	1,368,099	1,368,099
		90,251,074	90,427,735	81,934,816	81,591,323
Ordinary Share Capital		1,949,986	1,949,986	1,949,986	1,949,986
Reserves		3,073,715	2,746,676	2,650,521	2,407,584
Shareholders' equity		5,023,701	4,696,662	4,600,507	4,357,570
<b>TOTAL LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY</b>		<b>95,274,775</b>	<b>95,124,397</b>	<b>86,535,323</b>	<b>85,948,893</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	25	<b>52,319,551</b>	<b>50,208,685</b>	<b>49,595,865</b>	<b>46,614,708</b>

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 NINE MONTHS ENDED 30 SEPTEMBER 2007

	Note	Individual Quarter		Cumulative Nine Months	
		Current Financial Quarter Ended 30 Sept 2007	Preceding Corresponding Quarter Ended 30 Sept 2006	Current Financial Nine Months Ended 30 Sept 2007	Preceding Corresponding Nine Months Ended 30 Sept 2006
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	17	1,119,266	1,105,146	3,377,191	3,028,160
Interest expense	18	(598,070)	(603,879)	(1,861,472)	(1,623,698)
Net interest income		521,196	501,267	1,515,719	1,404,462
Other operating income	19	169,103	164,900	532,076	448,666
		690,299	666,167	2,047,795	1,853,128
Income from Islamic banking business	20	54,440	57,558	238,700	150,756
		744,739	723,725	2,286,495	2,003,884
Other operating expenses	21	(306,826)	(299,752)	(897,050)	(892,123)
Operating profit before allowances		437,913	423,973	1,389,445	1,111,761
Allowance for losses on loans and financing	22	(110,751)	(208,475)	(505,662)	(469,225)
Allowance for impairment losses	23	122	(765)	(20,046)	(15,829)
		327,284	214,733	863,737	626,707
Share of results of an associate		49	278	160	359
Profit before INCPS dividends, taxation and zakat		327,333	215,011	863,897	627,066
INCPS dividends		(34,484)	(34,484)	(102,326)	(102,326)
Profit after INCPS dividends but before taxation and zakat		292,849	180,527	761,571	524,740
Taxation		(70,741)	(47,192)	(192,546)	(145,609)
Zakat		-	-	-	920
Net profit for the financial period		222,108	133,335	569,025	380,051
Earnings per ordinary share					
- Basic earnings per 50 sen share		5.70	3.42	14.59	9.74

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 NINE MONTHS ENDED 30 SEPTEMBER 2007

	Note	<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 2007</u>	<u>30 Sept 2006</u>	<u>30 Sept 2007</u>	<u>30 Sept 2006</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>Bank</u></b>					
Interest income	17	1,081,339	1,069,324	3,267,352	2,920,249
Interest expense	18	(577,270)	(584,628)	(1,798,663)	(1,567,548)
Net interest income		504,069	484,696	1,468,689	1,352,701
Other operating income	19	211,264	170,714	586,061	491,752
Other operating expenses	21	(278,139)	(271,950)	(811,883)	(822,122)
Operating profit before allowances		437,194	383,460	1,242,867	1,022,331
Allowance for losses on loans and financing	22	(113,091)	(200,614)	(481,445)	(455,660)
Allowance for impairment losses	23	122	(765)	(20,046)	(15,829)
Profit before INCPS dividends and taxation		324,225	182,081	741,376	550,842
INCPS dividends		(34,484)	(34,484)	(102,326)	(102,326)
Profit after INCPS dividends but before taxation		289,741	147,597	639,050	448,516
Taxation		(75,041)	(39,013)	(163,805)	(132,643)
Net profit for the financial period		214,700	108,584	475,245	315,873
Earnings per ordinary share					
- Basic earnings per 50 sen share		5.51	2.78	12.19	8.10

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 CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

<u>Group</u>	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	-	-	-	(11,081)	-	-	(11,081)
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(15,104)	-	(15,104)
AFS reserve realised on disposal of AFS securities	-	-	-	-	(3,778)	-	(3,778)
Net transfer to income statement on impairment	-	-	-	-	21,986	-	21,986
Deferred tax	-	-	-	-	(557)	-	(557)
Income and expenses recognised directly in equity	-	-	-	(11,081)	2,547	-	(8,534)
Net profit for the financial period	-	-	-	-	-	569,025	569,025
Total recognised income and expenses for the financial period	-	-	-	(11,081)	2,547	569,025	560,491
Transfer to statutory reserves	-	-	107,596	-	-	(107,596)	-
Ordinary dividends paid during the period	-	-	-	-	-	(233,452)	(233,452)
<b>Balance as at 30.09.2007</b>	<b>1,949,986</b>	<b>8,563</b>	<b>1,897,099</b>	<b>(31,744)</b>	<b>1,081</b>	<b>1,198,716</b>	<b>5,023,701</b>
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)
<b>Balance as at 31.12.2006</b>	<b>1,949,986</b>	<b>8,563</b>	<b>1,789,503</b>	<b>(20,663)</b>	<b>(1,466)</b>	<b>970,739</b>	<b>4,696,662</b>

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 CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	119	-	-	119
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(17,930)	-	(17,930)
AFS reserve realised on disposal of AFS securities	-	-	-	-	(2,633)	-	(2,633)
Net transfer to income statement on impairment	-	-	-	-	21,986	-	21,986
Deferred tax	-	-	-	-	(398)	-	(398)
Income recognised directly in equity	-	-	-	119	1,025	-	1,144
Net profit for the financial period	-	-	-	-	-	475,245	475,245
Total recognised income for the financial period	-	-	-	119	1,025	475,245	476,389
Transfer to statutory reserves	-	-	65,137	-	-	(65,137)	-
Ordinary dividends paid during the period	-	-	-	-	-	(233,452)	(233,452)
<b>Balance as at 30.09.2007</b>	<b>1,949,986</b>	<b>8,563</b>	<b>1,790,717</b>	<b>5,704</b>	<b>10</b>	<b>845,527</b>	<b>4,600,507</b>
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 NINE MONTHS ENDED 30 SEPTEMBER 2007

	<u>30 Sept 2007</u>	<u>31 Dec 2006</u>
	RM '000	RM '000
<b>Group</b>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,776,444	1,451,377
Zakat paid	-	(54)
Taxation paid	<u>(169,743)</u>	<u>(172,958)</u>
Net cash generated from operating activities	<u>1,606,701</u>	<u>1,278,365</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(54,334)	(67,261)
Proceeds from disposal of property, plant and equipment	2,844	15,779
Net purchase of securities available-for-sale	<u>(3,852,618)</u>	<u>(3,847,778)</u>
Net sale of securities held-to-maturity	6,093,899	1,056,512
Interest received from securities available-for-sale	266,854	53,061
Investment income received from securities available-for-sale	2,430	3,858
Interest received from securities held-to-maturity	256,488	562,055
Investment income received from securities held-to-maturity	7,799	9,764
Dividend income from securities available-for-sale	3,739	2,973
Net cash generated from/(used in) investing activities	<u>2,727,101</u>	<u>(2,211,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid:		
- INCPS	(49,799)	(98,503)
- ordinary shares	<u>(233,452)</u>	<u>(120,264)</u>
Net cash used in financing activities	<u>(283,251)</u>	<u>(218,767)</u>
Net increase/(decrease) in cash and cash equivalents	4,050,551	(1,151,439)
Effects of exchange rate differences	(34,325)	(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>13,639,546</u>	<u>9,623,320</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	<u>13,639,546</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

**RHB BANK BERHAD**

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

	<b>30 Sept 2007</b>	31 Dec 2006
	<b>RM '000</b>	RM '000
<b><u>Bank</u></b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from/(used in) operations	1,566,160	(2,106,563)
Taxation paid	<b>(116,823)</b>	(146,531)
Net cash generated from/(used in) operating activities	<b>1,449,337</b>	(2,253,094)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(33,562)</b>	(65,423)
Proceeds from disposal of property, plant and equipment	2,790	14,425
Net purchase of securities available-for-sale	<b>(3,720,904)</b>	(3,885,264)
Net sale of securities held-to-maturity	5,983,041	1,071,863
Interest received from securities available-for-sale	264,061	19,126
Interest received from securities held-to-maturity	248,275	579,923
Dividend income from securities available-for-sale	3,739	2,973
Dividend income from subsidiary companies	41,129	51,881
Net investment in subsidiaries	-	17,354
Net cash generated from/(used in) investing activities	<b>2,788,569</b>	(2,193,142)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal repayment of finance lease	<b>(376)</b>	(470)
Dividends paid:		
- INCPS	<b>(49,799)</b>	(98,503)
- ordinary shares	<b>(233,452)</b>	(120,264)
Net cash used in financing activities	<b>(283,627)</b>	(219,237)
Net increase/(decrease) in cash and cash equivalents	<b>3,954,279</b>	(4,665,473)
Cash and cash equivalents vested over to RHB Delta Finance	-	727,701
Effects of exchange rate differences	<b>(23,598)</b>	(29,833)
Cash and cash equivalents brought forward	<b>8,571,796</b>	12,539,401
Cash and cash equivalents carried forward	<b>12,502,477</b>	8,571,796
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>		
Cash and short-term funds	<b>12,502,477</b>	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 NINE MONTHS ENDED 30 SEPTEMBER 2007

#### 1 Basis Of Preparation

The interim financial statements for the nine months ended 30 September 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
<b>Group</b>			
Property, plant and equipment	598,789	(99,590)	499,199
Prepaid land lease	-	99,590	99,590
<b>Bank</b>			
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 nine months ended 30 September 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 nine months ended 30 September 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.

The Bank has paid the interim ordinary dividend for the six months period ended 30 June 2007 of 7.0% less tax amounting to RM99.64M on 30 August 2007.



RHB BANK BERHAD

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

8 Securities Held For Trading

At fair value	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	421,083	146,325	421,083	146,325
Khazanah bonds	38,384	170,205	38,384	170,205
Government investment issues	247,050	149,837	247,050	149,837
Singapore government stocks	205,769	192,069	205,769	192,069
Cagamas bonds	19,566	-	19,566	-
<u>Unquoted</u>				
Malaysian government treasury bills	28,954	28,965	28,954	28,965
Fixed rate notes	227,157	229,710	227,157	229,710
Bank Negara Malaysia notes	556,860	440,460	444,155	365,732
Bankers' acceptances & Islamic accepted bills	54,120	69,212	-	-
Private debts securities	292,789	305,810	4,943	135,129
Singapore government treasury bills	56,611	-	56,611	-
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Other government securities	108,532	114,487	-	-
Bonds	20,050	98,682	-	-
<b>Total securities held for trading</b>	<b>2,276,925</b>	<b>1,945,762</b>	<b>1,693,672</b>	<b>1,417,972</b>

RHB BANK BERHAD

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

9 Securities Available-For-Sale

At fair value	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	50,429	50,190	50,429	50,190
Cagamas bonds and Cagamas Mudharabah bonds	499,981	451,156	499,981	451,156
Government investment issues	18,451	5,058	-	-
Singapore government stocks	182,459	103,952	182,459	103,952
Khazanah bonds	9,656	9,405	-	-
<u>Unquoted</u>				
Malaysian government treasury bills	320,270	85,677	300,390	81,934
Singapore government treasury bills	11,322	85,890	11,322	85,890
Negotiable instruments of deposits	2,513,739	3,220,039	2,513,739	3,220,039
Bankers' acceptances & Islamic accepted bills	202,820	-	202,820	-
Private debt securities	2,268,467	484,151	2,258,240	484,151
Structured notes	174,817	306,350	174,817	235,749
Bank Negara Malaysia notes	2,816,594	401,056	2,716,895	401,056
	<b>9,069,005</b>	<b>5,202,924</b>	<b>8,911,092</b>	<b>5,114,117</b>
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	64,705	54,813	64,705	54,813
Shares	10,335	13,751	6,523	11,878
<u>Outside Malaysia</u>				
Floating rate notes	162	292	-	-
Shares	14	129	-	-
	<b>75,216</b>	<b>68,985</b>	<b>71,228</b>	<b>66,691</b>
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	112,251	161,524	100,862	146,512
Shares	165,779	165,779	165,204	165,204
Private debt securities	56,205	65,507	56,205	65,507
<u>Outside Malaysia</u>				
Structured notes	66,220	-	-	-
Private debt securities	8,341	49,109	8,341	49,109
<b>Total securities available-for-sale</b>	<b>9,553,017</b>	<b>5,713,828</b>	<b>9,312,932</b>	<b>5,607,140</b>

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

10 Securities Held-To-Maturity

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
<b>At amortised cost</b>				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	2,041,533	2,069,764	2,041,533	2,069,764
Cagamas bonds and Cagamas Mudharabah bonds	535,768	911,120	485,445	850,678
Khazanah bonds	511,681	521,752	-	-
Government investment issues	82,207	80,964	-	-
<u>Unquoted</u>				
Cagamas notes	-	98,157	-	98,157
Bankers' acceptances & Islamic accepted bills	-	99,065	-	99,065
Negotiable instruments of deposits	769,882	5,536,823	769,882	5,536,823
Prasarana bonds	1,880,522	1,881,558	1,880,522	1,881,558
Private debt securities	404,834	686,087	206,943	539,637
Structured notes	34,090	353,051	34,090	264,764
Other government securities	216,242	234,310	216,242	234,310
	<b>6,476,759</b>	<b>12,472,651</b>	<b>5,634,657</b>	<b>11,574,756</b>
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Floating rate notes	-	81,225	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	27,178	29,047	860	860
Privates debt securities	357,708	389,458	357,708	389,458
Corporate loan stocks	184,552	205,231	184,552	205,231
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Floating rate notes	38,623	10,594	-	-
	<b>7,085,320</b>	<b>13,188,706</b>	<b>6,178,277</b>	<b>12,170,805</b>
Accumulated impairment losses	<b>(165,412)</b>	<b>(168,026)</b>	<b>(165,412)</b>	<b>(168,026)</b>
<b>Total securities held-to-maturity</b>	<b>6,919,908</b>	<b>13,020,680</b>	<b>6,012,865</b>	<b>12,002,779</b>

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

11 Loans, Advances And Financing

(i) By type

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Overdrafts	6,571,097	6,797,088	6,520,510	6,732,859
Term loans/financing				
Housing loans/financing	12,614,209	12,545,070	11,004,601	10,972,207
Syndicated term loans/financing	2,268,126	2,567,111	933,419	993,166
Hire purchase receivables	9,881,650	9,654,495	9,011,312	8,862,377
Lease receivables	269,082	281,120	-	-
Other term loans/financing	12,088,743	11,225,971	10,861,083	10,065,249
Bills receivable	2,520,622	1,877,730	1,611,739	1,456,467
Trust receipts	479,172	537,794	468,359	517,019
Claims on customers under acceptance credits	4,977,265	4,801,402	4,977,265	4,801,403
Staff loans/financing	392,922	406,299	385,029	400,058
Credit cards receivables	1,509,533	1,288,406	1,509,533	1,288,406
Revolving credit	4,726,834	4,938,787	4,267,113	4,643,319
Floor stocking	8,691	8,308	8,691	8,308
	<b>58,307,946</b>	56,929,581	<b>51,558,654</b>	50,740,838
Less : Unearned interest and income	<b>(1,489,965)</b>	(1,563,244)	<b>(1,371,513)</b>	(1,456,814)
Gross loans, advances and financing	<b>56,817,981</b>	55,366,337	<b>50,187,141</b>	49,284,024
Less : Allowance for bad and doubtful debts and financing:				
- General	(997,415)	(965,782)	(869,512)	(843,614)
- Specific	(1,475,235)	(1,658,949)	(1,374,611)	(1,561,079)
Net loans, advances and financing	<b>54,345,331</b>	52,741,606	<b>47,943,018</b>	46,879,331

(ii) By type of customer

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Domestic non-bank financial institutions				
- Stock broking companies	1,762	1,857	1,762	1,857
- Others	608,493	831,683	573,942	797,331
Domestic business enterprises				
- Small medium enterprises	9,163,522	9,241,892	8,071,102	8,034,477
- Others	21,748,478	21,021,151	18,593,384	18,240,610
Government and statutory bodies	252,092	248,651	152,310	147,498
Individuals	24,273,640	23,318,568	22,389,221	21,690,649
Other domestic entities	87,790	57,746	71,973	41,841
Foreign entities	682,204	644,789	333,447	329,761
	<b>56,817,981</b>	55,366,337	<b>50,187,141</b>	49,284,024

RHB BANK BERHAD

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

11 Loans, Advances And Financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Fixed rate				
Housing loans/financing	1,715,455	1,593,037	106,319	101,959
Hire purchase receivables	8,421,266	8,129,916	7,653,076	7,426,139
Other fixed rate loans/financing	3,543,332	3,499,775	1,823,520	1,625,851
Variance rate				
BLR plus	20,438,400	20,237,464	20,439,084	20,237,464
Cost-plus	17,434,658	16,576,213	16,525,417	16,233,182
Other variable rates	5,264,870	5,329,932	3,639,725	3,659,429
	<b>56,817,981</b>	<b>55,366,337</b>	<b>50,187,141</b>	<b>49,284,024</b>

(iv) By purpose

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Purchase of securities	1,908,510	1,710,666	1,667,582	1,344,039
Purchase of transport vehicles	6,651,094	6,516,541	6,098,089	6,091,629
Purchase of landed property:				
- Residential	13,146,143	12,860,513	11,532,999	11,397,561
- Non-residential	1,813,143	1,574,474	1,846,513	1,634,612
Purchase of property, plant and equipment other than land and building	2,705,335	2,489,462	1,896,374	1,593,245
Personal use	2,096,398	1,950,507	2,072,484	1,913,855
Credit card	1,509,533	1,288,406	1,509,533	1,288,406
Purchase of consumer durables	98,321	114,206	97,986	113,829
Construction	1,742,882	2,172,003	1,536,558	1,967,546
Merger and acquisition	26,730	-	26,730	-
Working capital	23,035,799	22,639,326	20,971,883	21,108,101
Other purposes	2,084,093	2,050,233	930,410	831,201
	<b>56,817,981</b>	<b>55,366,337</b>	<b>50,187,141</b>	<b>49,284,024</b>

RHB BANK BERHAD

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

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

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

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 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
Amount novated from RHB Bank (L) Ltd	-	-	34,090	-
Classified as non-performing during the period/year	2,656,558	4,059,982	2,364,343	3,653,161
Reclassified as performing during the period/year	(1,837,108)	(2,712,691)	(1,630,525)	(2,407,818)
Loans/financing converted to securities	(15,585)	(66,371)	(15,585)	(66,371)
Amount recovered	(716,299)	(560,013)	(690,325)	(514,999)
Amount written off	(703,952)	(787,600)	(686,272)	(749,844)
Exchange difference	(1,032)	(4,851)	(129)	(86)
At end of period/year	3,462,808	4,080,226	3,150,428	3,774,831
Specific allowance	(1,475,235)	(1,658,949)	(1,374,611)	(1,561,079)
Net non-performing loans, advances and financing	1,987,573	2,421,277	1,775,817	2,213,752
Ratio of net non-performing loans, advances and financing to net loans, advances and financing	3.6%	4.5%	3.6%	4.6%

(ii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
<b>General allowance</b>				
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	36,382	58,277	26,603	58,616
Amount written back	(3,659)	-	(710)	-
Exchange difference	(1,090)	(2,022)	5	600
At end of period/year	997,415	965,782	869,512	843,614
As % of gross loans, advances and financing less specific allowance	1.8%	1.8%	1.8%	1.8%
<b>Specific allowance</b>				
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	838,984	920,750	809,008	890,579
Transferred to accumulated impairment losses for securities	(11,128)	(56,215)	(11,128)	(56,215)
Amount recovered	(285,641)	(235,109)	(277,132)	(228,855)
Amount written off	(725,461)	(736,414)	(708,037)	(701,689)
Amount transferred from other debtors	-	788	-	788
Exchange difference	(468)	(3,653)	821	198
At end of period/year	1,475,235	1,658,949	1,374,611	1,561,079

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

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

(iii) NPL/NPF by purpose

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Purchase of securities	44,965	33,103	44,959	33,053
Purchase of transport vehicles	288,454	391,338	284,416	389,443
Purchase of landed property:				
- Residential	1,089,398	1,282,014	913,780	1,102,680
- Non-residential	144,937	133,866	142,249	130,764
Purchase of property, plant and equipment other than land and building	113,128	102,341	39,571	36,979
Personal use	129,758	171,153	124,987	163,448
Credit card	42,543	45,484	42,543	45,484
Purchase of consumer durables	8,421	10,558	8,421	10,558
Construction	201,379	334,982	199,013	329,174
Merger and acquisition	26,730	-	26,730	-
Working capital	1,350,384	1,547,366	1,315,034	1,519,361
Other purposes	22,711	28,021	8,725	13,887
	<b>3,462,808</b>	<b>4,080,226</b>	<b>3,150,428</b>	<b>3,774,831</b>

13 Other Assets

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Other debtors, deposits and prepayments	146,399	242,775	100,799	179,871
Accrued interest receivable	149,996	186,827	139,229	174,883
Amount recoverable from BNM	1,019	1,379	-	-
Amount due from holding companies	20,950	20,451	20,590	20,091
Amounts due from subsidiaries	-	-	200,760	146,438
Amounts due from related companies	3,861	5,335	3,861	5,322
	<b>322,225</b>	<b>456,767</b>	<b>465,239</b>	<b>526,605</b>

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

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Demand deposits	16,303,618	15,691,206	13,804,163	13,097,838
Savings deposits	4,995,831	4,861,397	4,490,818	4,375,173
Fixed/Investment deposits	51,367,232	32,480,252	46,696,697	27,708,037
Negotiable instrument of deposits	610,304	2,752,461	520,000	2,610,050
	<b>73,276,985</b>	<b>55,785,316</b>	<b>65,511,678</b>	<b>47,791,098</b>

(ii) By type of customer

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Government and statutory bodies	4,532,899	3,889,695	2,659,817	2,224,873
Business enterprises	43,361,017	27,326,028	38,511,953	21,897,020
Individuals	23,229,538	22,674,291	22,427,957	21,916,491
Others	2,153,531	1,895,302	1,911,951	1,752,714
	<b>73,276,985</b>	<b>55,785,316</b>	<b>65,511,678</b>	<b>47,791,098</b>

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Licensed banks	3,068,140	8,161,117	2,820,881	7,840,785
Licensed merchant banks	325,000	71,286	325,000	2,500
Bank Negara Malaysia	1,819,406	1,185,713	1,819,406	1,185,471
Other financial institutions	124,921	458,377	76,630	304,080
	<b>5,337,467</b>	<b>9,876,493</b>	<b>5,041,917</b>	<b>9,332,836</b>

16 Other Liabilities

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Accrued interest payable	395,557	423,386	351,033	391,560
Accruals for operational expenses	139,000	131,950	133,218	127,238
Amount due to holding companies	626	400	561	341
Amounts due to subsidiaries	-	-	22,295	24,723
Amounts due to related companies	2,569	1,866	2,482	1,761
Amount due to BNM	311,501	296,129	311,501	296,129
Amount due to Danaharta	1,732	1,725	1,732	1,725
Finance lease	-	-	796	1,172
Prepaid instalment	68,972	61,889	68,972	61,889
Lessee deposits	82,989	82,778	1,088	650
Short term employee benefits	87,121	94,621	79,931	86,255
Other accruals and charges	403,195	446,562	297,941	296,171
	<b>1,493,262</b>	<b>1,541,306</b>	<b>1,271,550</b>	<b>1,289,614</b>



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

17 Interest Income

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b>Group</b>				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	<b>758,526</b>	705,855	<b>2,240,907</b>	2,019,285
- Recoveries from NPLs	<b>49,393</b>	63,858	<b>144,179</b>	163,415
Money at call and deposit placements with banks and other financial institutions	<b>169,856</b>	102,683	<b>458,026</b>	317,322
Securities purchased under resale agreements	<b>14,289</b>	70,216	<b>81,185</b>	122,893
Securities held for trading	<b>8,935</b>	12,671	<b>35,195</b>	30,142
Securities available-for-sale	<b>75,551</b>	14,564	<b>267,698</b>	39,201
Securities held-to-maturity	<b>69,106</b>	153,168	<b>230,509</b>	422,024
Others	<b>1,185</b>	711	<b>3,135</b>	1,549
	<b>1,146,841</b>	1,123,726	<b>3,460,834</b>	3,115,831
Amortisation of premium less accretion of discount	<b>(6,563)</b>	(3,288)	<b>(12,239)</b>	(15,379)
Interest suspended clawback	<b>(21,012)</b>	(15,292)	<b>(71,404)</b>	(72,292)
	<b>1,119,266</b>	1,105,146	<b>3,377,191</b>	3,028,160

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b>Bank</b>				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	<b>725,170</b>	677,823	<b>2,141,446</b>	1,940,782
- Recoveries from NPLs	<b>46,774</b>	63,017	<b>140,010</b>	160,866
Money at call and deposit placements with banks and other financial institutions	<b>171,829</b>	103,791	<b>467,455</b>	310,843
Securities purchased under resale agreements	<b>14,289</b>	70,216	<b>81,185</b>	122,893
Securities held for trading	<b>6,876</b>	9,259	<b>27,566</b>	20,608
Securities available-for-sale	<b>74,570</b>	14,310	<b>264,906</b>	38,391
Securities held-to-maturity	<b>67,471</b>	148,585	<b>222,296</b>	411,258
Others	<b>1,185</b>	696	<b>3,135</b>	1,522
	<b>1,108,164</b>	1,087,697	<b>3,347,999</b>	3,007,163
Amortisation of premium less accretion of discount	<b>(6,563)</b>	(3,288)	<b>(12,239)</b>	(15,379)
Interest suspended clawback	<b>(20,262)</b>	(15,085)	<b>(68,408)</b>	(71,535)
	<b>1,081,339</b>	1,069,324	<b>3,267,352</b>	2,920,249

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

18 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b>	Preceding Corresponding Quarter Ended 30 Sept 2006	<b>Current Financial Nine Months Ended 30 Sept 2007</b>	Preceding Corresponding Nine Months Ended 30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Deposits and placements of banks and other financial institutions	60,780	81,792	267,903	214,125
Deposits from customers	468,285	321,797	1,183,197	883,339
Subordinated obligations	22,529	22,936	67,135	68,419
Recourse obligation on loans sold to Cagamas	27,920	40,113	88,489	115,321
Obligations on securities sold under repurchase agreements	3,980	125,286	211,843	314,523
Others	14,576	11,955	42,905	27,971
	<b>598,070</b>	<b>603,879</b>	<b>1,861,472</b>	<b>1,623,698</b>

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b>	Preceding Corresponding Quarter Ended 30 Sept 2006	<b>Current Financial Nine Months Ended 30 Sept 2007</b>	Preceding Corresponding Nine Months Ended 30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	56,957	81,930	260,556	215,589
Deposits from customers	451,292	302,876	1,127,679	827,049
Subordinated obligations	22,529	22,936	67,135	68,419
Recourse obligation on loans sold to Cagamas	27,920	40,113	88,489	115,321
Obligations on securities sold under repurchase agreements	3,980	124,789	211,843	313,105
Others	14,592	11,984	42,961	28,065
	<b>577,270</b>	<b>584,628</b>	<b>1,798,663</b>	<b>1,567,548</b>

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

19 Other Operating Income

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007 RM'000</b>	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007 RM'000</b>	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b><u>Group</u></b>				
a) Fee income				
Commission	33,465	27,960	98,415	84,577
Service charges and fees	35,514	39,583	114,472	103,843
Guarantee fees	7,794	8,892	24,837	26,940
Commitment fees	10,930	10,604	32,564	31,544
Underwriting fees	96	89	644	709
Other fees	2,424	2,546	8,621	9,271
	<b>90,223</b>	<b>89,674</b>	<b>279,553</b>	<b>256,884</b>
b) Gain/(Loss) arising from sale/redemption of securities:				
Net gain from sale of:				
- Securities held for trading	8,555	10,840	45,694	14,939
- Securities available-for-sale	163	150	2,633	(628)
Net gain from redemption of securities held-to-maturity	-	-	103	-
Derivatives	-	-	315	-
	<b>8,718</b>	<b>10,990</b>	<b>48,745</b>	<b>14,311</b>
c) Gross dividend income from:				
Securities available-for-sale	3,463	679	4,719	2,355
	<b>3,463</b>	<b>679</b>	<b>4,719</b>	<b>2,355</b>
d) Unrealised gain/(loss) on revaluation of:				
Securities held for trading	(143)	6,619	(3,842)	3,859
Derivatives	(4,491)	(9,486)	2,932	11,315
	<b>(4,634)</b>	<b>(2,867)</b>	<b>(910)</b>	<b>15,174</b>
e) Other income				
Foreign exchange gain/(loss)				
- Realised	56,099	45,828	204,209	95,858
- Unrealised	3,403	8,761	(39,580)	31,672
Gain on disposal of property, plant and equipment	119	236	482	1,083
Negative Goodwill	-	-	563	-
Other operating income	9,871	8,644	27,710	24,056
Other non-operating income	1,841	2,955	6,585	7,273
	<b>71,333</b>	<b>66,424</b>	<b>199,969</b>	<b>159,942</b>
	<b>169,103</b>	<b>164,900</b>	<b>532,076</b>	<b>448,666</b>

RHB BANK BERHAD

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

19 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007 RM'000</b>	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007 RM'000</b>	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b><u>Bank</u></b>				
a) Fee income				
Commission	<b>33,079</b>	27,571	<b>96,479</b>	83,836
Service charges and fees	<b>34,934</b>	36,615	<b>112,639</b>	98,544
Guarantee fees	<b>7,794</b>	8,892	<b>24,837</b>	26,940
Commitment fees	<b>10,930</b>	10,465	<b>32,564</b>	31,404
Underwriting fees	<b>96</b>	89	<b>644</b>	709
Other fees	<b>2,532</b>	3,077	<b>8,883</b>	9,541
	<b>89,365</b>	86,709	<b>276,046</b>	250,974
b) Gain/(Loss) arising from sale/redemption of securities:				
Net gain from sale of:				
- Securities held for trading	<b>8,555</b>	10,840	<b>52,596</b>	14,653
- Securities available-for-sale	<b>163</b>	150	<b>2,633</b>	(628)
Net gain from redemption of securities held-to-maturity	-	-	<b>103</b>	-
	<b>8,718</b>	10,990	<b>55,332</b>	14,025
c) Gross dividend income from:				
Securities available-for-sale	<b>3,463</b>	679	<b>4,719</b>	2,355
Subsidiary companies	<b>41,874</b>	11,316	<b>52,435</b>	57,656
	<b>45,337</b>	11,995	<b>57,154</b>	60,011
d) Unrealised gain/(loss) on revaluation of:				
Securities held for trading	<b>(228)</b>	199	<b>(1,314)</b>	1,514
Derivatives	<b>(2,103)</b>	(5,012)	<b>2,704</b>	8,753
	<b>(2,331)</b>	(4,813)	<b>1,390</b>	10,267
e) Other income				
Foreign exchange gain/(loss)				
- Realised	<b>55,633</b>	45,722	<b>202,785</b>	93,766
- Unrealised	<b>3,403</b>	8,761	<b>(39,580)</b>	31,672
Gain on disposal of property, plant and equipment	<b>100</b>	236	<b>462</b>	1,080
Other operating income	<b>9,680</b>	8,654	<b>27,204</b>	23,690
Other non-operating income	<b>1,359</b>	2,460	<b>5,268</b>	6,267
	<b>70,175</b>	65,833	<b>196,139</b>	156,475
	<b>211,264</b>	170,714	<b>586,061</b>	491,752

RHB BANK BERHAD

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

20 Income from Islamic Banking Business

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b><u>Group</u></b>				
Income derived from investment of depositors' funds	<b>81,301</b>	82,790	<b>267,265</b>	230,410
Income derived from investment of shareholders' funds	<b>17,070</b>	21,662	<b>99,461</b>	47,137
Transfer from/(to) profit equalisation reserve	<b>(5,086)</b>	2,500	<b>(5,242)</b>	1,883
Total distributable income	<b>93,285</b>	106,952	<b>361,484</b>	279,430
Income attributable to depositors	<b>(38,845)</b>	(49,394)	<b>(122,784)</b>	(128,674)
Income from Islamic Banking Business	<b>54,440</b>	57,558	<b>238,700</b>	150,756

RHB BANK BERHAD

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

21 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30 Sept 2007</u> RM'000	<u>Preceding Corresponding Quarter Ended 30 Sept 2006</u> RM'000	<u>Current Financial Nine Months Ended 30 Sept 2007</u> RM'000	<u>Preceding Corresponding Nine Months Ended 30 Sept 2006</u> RM'000
<u>Personnel cost</u>				
- Salaries, allowances and bonuses	125,910	120,931	373,647	364,895
- Contributions to Employees Provident Fund	19,151	17,613	55,087	53,222
- Other staff related cost	13,339	11,965	42,582	58,970
	<b>158,400</b>	<b>150,509</b>	<b>471,316</b>	<b>477,087</b>
<u>Establishment cost</u>				
- Amortisation of prepaid land lease	132	107	358	327
- Depreciation	18,309	21,127	58,555	63,236
- Rental of premises	10,027	10,123	30,394	30,645
- Rental equipment	3,043	2,718	8,486	7,015
- Insurance	5,370	4,559	15,107	15,423
- Water and electricity	4,076	4,090	11,575	10,989
- Repair and maintenance	10,969	10,325	32,588	29,771
- Information technology expenses	22,496	24,376	65,264	66,439
- Others	635	489	1,643	1,415
	<b>75,057</b>	<b>77,914</b>	<b>223,970</b>	<b>225,260</b>
<u>Marketing expenses</u>				
- Sales commission	7,730	4,893	21,525	12,573
- Advertisement and publicity	9,753	7,798	24,302	19,702
- Dealers' handling and warranty fees	6,045	10,024	18,902	33,602
- Others	12,925	14,601	39,942	37,390
	<b>36,453</b>	<b>37,316</b>	<b>104,671</b>	<b>103,267</b>
<u>Administration and general expenses</u>				
- Communication expenses	18,694	18,292	48,747	48,802
- Others	18,222	15,721	48,346	37,707
	<b>36,916</b>	<b>34,013</b>	<b>97,093</b>	<b>86,509</b>
	<b>306,826</b>	<b>299,752</b>	<b>897,050</b>	<b>892,123</b>

RHB BANK BERHAD

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

21 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<u>Current Financial Quarter Ended 30 Sept 2007</u> RM'000	<u>Preceding Corresponding Quarter Ended 30 Sept 2006</u> RM'000	<u>Current Financial Nine Months Ended 30 Sept 2007</u> RM'000	<u>Preceding Corresponding Nine Months Ended 30 Sept 2006</u> RM'000
<b><u>Bank</u></b>				
<u>Personnel cost</u>				
- Salaries, allowances and bonuses	116,315	113,830	352,206	343,585
- Contributions to Employees Provident Fund	17,057	16,711	51,783	50,241
- Other staff related cost	12,736	11,363	39,809	56,941
	<b>146,108</b>	<b>141,904</b>	<b>443,798</b>	<b>450,767</b>
<u>Establishment cost</u>				
- Amortisation of prepaid land lease	80	94	242	282
- Depreciation	17,834	20,716	57,240	62,001
- Rental of premises	9,830	10,163	29,937	30,821
- Rental equipment	2,962	2,650	8,287	6,838
- Insurance	4,927	4,455	13,978	14,836
- Water and electricity	3,769	3,761	10,819	10,126
- Repair and maintenance	10,667	10,074	31,765	28,983
- Information technology expenses	21,363	22,706	61,989	61,890
- Others	-	1	-	2
	<b>71,432</b>	<b>74,620</b>	<b>214,257</b>	<b>215,779</b>
<u>Marketing expenses</u>				
- Sales commission	7,714	4,883	21,497	12,539
- Advertisement and publicity	9,266	7,547	21,848	18,173
- Dealers' handling and warranty fees	6,044	10,020	18,900	33,537
- Others	11,955	14,186	32,358	36,514
	<b>34,979</b>	<b>36,636</b>	<b>94,603</b>	<b>100,763</b>
<u>Administration and general expenses</u>				
- Communication expenses	17,331	16,884	45,881	45,759
- Others	8,289	1,906	13,344	9,054
	<b>25,620</b>	<b>18,790</b>	<b>59,225</b>	<b>54,813</b>
	<b>278,139</b>	<b>271,950</b>	<b>811,883</b>	<b>822,122</b>

RHB BANK BERHAD

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

22 Allowance For Losses On Loans And Financing

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b><u>Group</u></b>				
Allowance for losses on loans and financing				
Specific allowance				
- Made during the financial period	<b>207,093</b>	268,028	<b>838,984</b>	642,964
- Written back	<b>(74,617)</b>	(64,328)	<b>(285,641)</b>	(173,809)
General allowance				
- Made during the financial period	<b>11,231</b>	38,262	<b>32,723</b>	61,855
Bad debts on loans and financing				
- Written off	<b>67</b>	-	<b>67</b>	-
- Recovered	<b>(33,023)</b>	(33,487)	<b>(77,304)</b>	(61,785)
	<b>110,751</b>	208,475	<b>508,829</b>	469,225
Writeback on amount recovered from Danaharta during the financial period	-	-	<b>(3,167)</b>	-
	<b>110,751</b>	208,475	<b>505,662</b>	469,225

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Quarter Ended 30 Sept 2006 RM'000	<b>Current Financial Nine Months Ended 30 Sept 2007</b> RM'000	Preceding Corresponding Nine Months Ended 30 Sept 2006 RM'000
<b><u>Bank</u></b>				
Allowance for losses on loans and financing				
Specific allowance				
- Made during the financial period	<b>205,873</b>	257,456	<b>809,008</b>	626,847
- Written back	<b>(70,761)</b>	(61,812)	<b>(277,132)</b>	(169,206)
General allowance				
- Made during the financial period	<b>10,553</b>	38,432	<b>25,893</b>	59,658
Bad debts on loans and financing				
- Recovered	<b>(32,574)</b>	(33,462)	<b>(73,157)</b>	(61,639)
	<b>113,091</b>	200,614	<b>484,612</b>	455,660
Writeback on amount recovered from Danaharta during the financial period	-	-	<b>(3,167)</b>	-
	<b>113,091</b>	200,614	<b>481,445</b>	455,660



RHB BANK BERHAD

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

23 Allowance For Impairment Losses

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b>	Preceding Corresponding Quarter Ended 30 Sept 2006	<b>Current Financial Nine Months Ended 30 Sept 2007</b>	Preceding Corresponding Nine Months Ended 30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Charged for the financial period				
- Securities available-for-sale	14,632	9,025	44,639	33,272
- Securities held-to-maturity	625	7,453	13,875	16,691
Reversal for the financial period				
- Securities available-for-sale	(9,851)	(10,506)	(22,653)	(24,462)
- Securities held-to-maturity	(5,528)	(5,109)	(15,815)	(9,574)
- Property, plant and equipment	-	(98)	-	(98)
	<u>(122)</u>	<u>765</u>	<u>20,046</u>	<u>15,829</u>

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	<b>Current Financial Quarter Ended 30 Sept 2007</b>	Preceding Corresponding Quarter Ended 30 Sept 2006	<b>Current Financial Nine Months Ended 30 Sept 2007</b>	Preceding Corresponding Nine Months Ended 30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Charged for the financial period				
- Securities available-for-sale	14,632	9,025	44,639	33,272
- Securities held-to-maturity	625	7,453	13,875	16,691
Reversal for the financial period				
- Securities available-for-sale	(9,851)	(10,506)	(22,653)	(24,462)
- Securities held-to-maturity	(5,528)	(5,109)	(15,815)	(9,574)
- Property, plant and equipment	-	(98)	-	(98)
	<u>(122)</u>	<u>765</u>	<u>20,046</u>	<u>15,829</u>

RHB BANK BERHAD

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

24 Capital Adequacy

	Group		Bank	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000	30 Sept 2007 RM'000	31 Dec 2006 RM'000
<b>Tier I capital</b>				
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	1,136,610	970,739	908,875	831,867
Other reserves	1,815,312	1,768,840	1,767,807	1,717,790
	<u>6,278,570</u>	<u>6,066,227</u>	<u>6,003,330</u>	<u>5,876,305</u>
Less : Goodwill	(1,004,017)	(1,004,017)	(905,519)	(905,519)
Deferred tax assets	(261,187)	(251,703)	(216,150)	(210,747)
Total Tier I capital	<u>5,013,366</u>	<u>4,810,507</u>	<u>4,881,661</u>	<u>4,760,039</u>
<b>Tier II capital</b>				
Subordinated obligations	1,310,214	1,328,158	1,310,214	1,328,158
General allowance for bad and doubtful debts and financing	997,415	965,782	902,496	877,693
Total Tier II capital	<u>2,307,629</u>	<u>2,293,940</u>	<u>2,212,710</u>	<u>2,205,851</u>
Less : Investment in subsidiaries	-	-	(628,640)	(628,640)
Holdings of other banking institutions' capital instruments	(40,299)	(39,998)	(40,299)	(39,998)
<b>Total capital base</b>	<u>7,280,696</u>	<u>7,064,449</u>	<u>6,425,432</u>	<u>6,297,252</u>
<u>Capital ratios</u>				
Before proposed dividends:				
Core capital ratio	8.4%	8.2%	9.0%	8.8%
Risk-weighted capital ratio	12.3%	12.1%	11.9%	11.7%
After proposed dividends* :				
Core capital ratio	8.3%	8.0%	8.8%	8.6%
Risk-weighted capital ratio	<u>12.1%</u>	<u>11.8%</u>	<u>11.7%</u>	<u>11.5%</u>

\* This refers to interim dividend for the 6 months to 30 June 2007 which was paid on 30 August 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 NINE MONTHS ENDED 30 SEPTEMBER 2007 (cont'd)

25 Commitments And Contingencies

Group	← 30/09/2007 →			← 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	1,523,165	1,523,165	1,339,014	1,404,457	1,404,457	1,236,516
Transaction-related contingent items	1,754,710	877,355	580,176	1,555,032	777,516	485,979
Short-term self-liquidating trade related contingencies	2,414,933	482,987	309,086	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	-	-	-	41,064	41,064	20,532
Irrevocable commitments to extend credit:						
- maturity more than one year	3,182,111	1,591,056	1,395,779	3,535,992	1,767,996	1,540,914
- maturity less than one year	23,541,323	-	-	21,642,939	-	-
Foreign exchange related contracts:						
- less than one year	13,831,060	231,208	61,691	14,028,126	239,098	66,916
- one year to less than five years	11,932	594	297	387,082	60,670	30,237
Interest rate related contracts:						
- less than one year	1,813,166	5,690	1,352	871,230	2,454	512
- one year to less than five years	2,780,336	106,631	25,589	2,654,566	83,805	19,169
- more than five years	198,292	56,656	18,379	522,601	33,981	17,334
Miscellaneous	1,005,283	-	-	747,208	-	-
<b>Total</b>	<b>52,319,551</b>	<b>5,006,962</b>	<b>3,862,983</b>	<b>50,208,685</b>	<b>5,053,691</b>	<b>3,878,615</b>

\* 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 NINE MONTHS ENDED 30 SEPTEMBER 2007 (cont'd)

25 Commitments And Contingencies (cont'd)

<u>Bank</u>	← 30/09/2007 →			← 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	1,397,683	1,397,683	1,213,531	1,290,602	1,290,602	1,122,837
Transaction-related contingent items	1,664,358	832,179	537,719	1,460,227	730,114	439,387
Short-term self-liquidating trade related contingencies	2,319,220	463,844	289,959	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	2,700,882	1,350,441	1,172,075	2,815,107	1,407,554	1,201,260
- maturity less than one year	22,015,096	-	-	19,702,207	-	-
Foreign exchange related contracts:						
- less than one year	13,830,910	231,206	61,690	14,027,587	239,090	66,912
- one year to less than five years	11,932	594	297	387,082	60,670	30,237
Interest rate related contracts:						
- less than one year	1,813,166	5,690	1,352	800,600	2,383	477
- one year to less than five years	2,467,028	95,152	19,850	2,548,621	81,686	18,110
- more than five years	177,784	55,121	17,611	298,337	20,110	10,398
Miscellaneous	984,566	-	-	729,664	-	-
<b>Total</b>	<b>49,595,865</b>	<b>4,538,530</b>	<b>3,420,704</b>	<b>46,614,708</b>	<b>4,407,116</b>	<b>3,282,703</b>

\* 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 NINE MONTHS ENDED 30 SEPTEMBER 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	4,138,444	1,745,954	1,616,627	603,769	160,162	11,932	-	-
- swaps	8,859,392	2,885,661	4,580,000	1,254,710	139,021	-	-	-
- options	71,727	56,762	2,289	12,676	-	-	-	-
- spots	773,429	773,429	-	-	-	-	-	-
Interest rate related contracts								
- swaps	4,791,794	210,768	573,048	1,127,700	235,466	2,467,028	177,784	-
<b>Total</b>	<b>18,634,786</b>	<b>5,672,574</b>	<b>6,771,964</b>	<b>2,998,855</b>	<b>534,649</b>	<b>2,478,960</b>	<b>177,784</b>	<b>-</b>

**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	4,138,294	1,745,804	1,616,627	603,769	160,162	11,932	-	-
- swaps	8,859,392	2,885,661	4,580,000	1,254,710	139,021	-	-	-
- options	71,727	56,762	2,289	12,676	-	-	-	-
- spots	773,429	773,429	-	-	-	-	-	-
Interest rate related contracts								
- swaps	4,457,978	-	450,000	1,127,700	235,466	2,467,028	177,784	-
<b>Total</b>	<b>18,300,820</b>	<b>5,461,656</b>	<b>6,648,916</b>	<b>2,998,855</b>	<b>534,649</b>	<b>2,478,960</b>	<b>177,784</b>	<b>-</b>

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 NINE MONTHS ENDED 30 SEPTEMBER 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 September 2007, the amount of contracts which were not hedged and hence, exposed to market risk was RM207,143,127 (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 September 2007, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM106,612,493 (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.

RHB BANK BERHAD

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

27 Interest/Profit Rate Risk

Group

30.09.2007

	Non-trading book						Trading book	Total	Effective interest/profit 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	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	12,375,695	-	-	-	-	1,263,851	-	13,639,546	3.55
Securities purchased under resale agreements	2,096,632	1,625,246	-	-	-	-	-	3,721,878	3.01
Deposits and placements with banks and other financial institutions	-	987,836	803	-	9,623	-	-	998,262	3.54
Securities held for trading	-	-	-	-	-	-	2,276,925	2,276,925	3.67
Securities available-for-sale	223,322	3,973,915	2,271,001	2,240,534	667,956	176,289	-	9,553,017	3.80
Securities held-to-maturity	67,125	904,977	641,796	4,152,135	1,318,787	(164,912) #	-	6,919,908	3.97
Loans, advances & financing									
- performing	31,465,068	7,127,983	4,785,842	7,366,457	2,609,708	115	-	53,355,173	6.82
- non-performing	-	-	-	-	-	990,158 *	-	990,158	
Other assets	11,904	-	-	-	-	310,321	105,971	428,196	5.84
Tax recoverable	-	-	-	-	-	38	-	38	
Deferred taxation assets	-	-	-	-	-	270,531	-	270,531	
Statutory deposits	-	-	-	-	-	1,521,060	-	1,521,060	
Investment in an associate	-	-	-	-	-	4,844	-	4,844	
Property, plant and equipment	-	-	-	-	-	492,300	-	492,300	
Prepaid land lease	-	-	-	-	-	98,922	-	98,922	
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	
<b>Total assets</b>	<b>46,239,746</b>	<b>14,619,957</b>	<b>7,699,442</b>	<b>13,759,126</b>	<b>4,606,074</b>	<b>5,967,534</b>	<b>2,382,896</b>	<b>95,274,775</b>	
<b>Liabilities</b>									
Deposits from customers	36,940,470	7,571,622	13,187,616	575,522	195	15,001,560	-	73,276,985	3.07
Deposits and placements of banks & other financial institutions	3,250,255	843,452	479,898	685,145	77,358	1,359	-	5,337,467	3.64
Obligations on securities sold under repurchase agreements	-	-	-	-	-	-	-	-	
Bills and acceptances payable	1,636,508	2,013,307	757,484	-	-	214,320	-	4,621,619	3.78
Recourse obligation on loans sold to Cagamas Berhad	638,682	45,181	158,933	1,226,916	165,589	-	-	2,235,301	4.60
Other liabilities	311,501	-	-	-	-	1,181,761	119,243	1,612,505	3.58
Provision for taxation and zakat	-	-	-	-	-	147,967	-	147,967	
Deferred taxation liabilities	-	-	-	-	-	17	-	17	
Long term borrowings	340,900	-	-	-	-	-	-	340,900	5.96
Subordinated obligations	-	800,000	510,214	-	-	-	-	1,310,214	6.63-6.85
	43,118,316	11,273,562	15,094,145	2,487,583	243,142	16,546,984	119,243	88,882,975	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	5,023,701	-	5,023,701	
<b>Total liabilities and shareholders' equity</b>	<b>43,118,316</b>	<b>11,273,562</b>	<b>15,094,145</b>	<b>3,855,682</b>	<b>243,142</b>	<b>21,570,685</b>	<b>119,243</b>	<b>95,274,775</b>	
<b>Total interest-sensitivity gap</b>	<b>3,121,430</b>	<b>3,346,395</b>	<b>(7,394,703)</b>	<b>9,903,444</b>	<b>4,362,932</b>	<b>(15,603,151)</b>	<b>2,263,653</b>	<b>-</b>	

# 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 NINE MONTHS ENDED 30 SEPTEMBER 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	%
<b>Assets</b>									
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	139	-	51,286,111	
- non-performing	-	-	-	-	-	1,455,495 *	-	1,455,495	
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	
<b>Total assets</b>	<b>45,202,869</b>	<b>16,671,495</b>	<b>7,955,588</b>	<b>12,981,689</b>	<b>4,209,663</b>	<b>5,990,287</b>	<b>2,112,806</b>	<b>95,124,397</b>	
<b>Liabilities</b>									
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	
<b>Total liabilities and shareholders' equity</b>	<b>40,431,889</b>	<b>13,034,640</b>	<b>14,616,937</b>	<b>5,850,013</b>	<b>305,028</b>	<b>20,742,222</b>	<b>143,668</b>	<b>95,124,397</b>	
<b>Total interest-sensitivity gap</b>	<b>4,770,980</b>	<b>3,636,855</b>	<b>(6,661,349)</b>	<b>7,131,676</b>	<b>3,904,635</b>	<b>(14,751,935)</b>	<b>1,969,138</b>	<b>-</b>	

# 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 NINE MONTHS ENDED 30 SEPTEMBER 2007 (cont'd)

27 Interest Rate Risk (cont'd)

**Bank**

**30.09.2007**

	← 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			
<b>Assets</b>									
Cash and short term funds	11,480,696	-	-	-	-	1,021,781	-	12,502,477	3.55
Securities purchased under resale agreements	2,096,632	1,625,246	-	-	-	-	-	3,721,878	3.01
Deposits and placements with banks and other financial institutions	-	743,867	136,360	-	180,073	-	-	1,060,300	3.55
Securities held for trading	-	-	-	-	-	-	1,693,672	1,693,672	3.63
Securities available-for-sale	180,537	3,840,804	2,251,413	2,224,121	644,331	171,726	-	9,312,932	3.80
Securities held-to-maturity	67,125	866,354	481,740	3,561,968	1,200,590	(164,912) #	-	6,012,865	3.94
Loans, advances & financing									6.93
- performing	31,102,381	5,379,348	3,732,491	5,968,344	854,149	-	-	47,036,713	
- non-performing	-	-	-	-	-	906,305 *	-	906,305	
Other assets	11,904	-	-	-	-	453,335	103,850	569,089	5.84
Deferred taxation assets	-	-	-	-	-	222,748	-	222,748	
Statutory deposits	-	-	-	-	-	1,316,331	-	1,316,331	
Investment in subsidiaries	-	-	-	-	-	828,956	-	828,956	
Property, plant and equipment	-	-	-	-	-	424,194	-	424,194	
Prepaid land lease	-	-	-	-	-	21,344	-	21,344	
Goodwill	-	-	-	-	-	905,519	-	905,519	
<b>Total assets</b>	<b>44,939,275</b>	<b>12,455,619</b>	<b>6,602,004</b>	<b>11,754,433</b>	<b>2,879,143</b>	<b>6,107,327</b>	<b>1,797,522</b>	<b>86,535,323</b>	
<b>Liabilities</b>									
Deposits from customers	32,820,224	6,835,107	11,625,828	496,484	-	13,734,035	-	65,511,678	3.16
Deposits and placements of banks & other financial institutions	3,139,716	745,326	411,538	666,620	77,358	1,359	-	5,041,917	3.63
Obligations on securities sold under repurchase agreements	-	-	-	-	-	-	-	-	
Bills and acceptances payable	1,636,508	2,013,307	751,978	-	-	210,380	-	4,612,173	3.70
Recourse obligation on loans sold to Cagamas Berhad	638,682	45,181	158,933	1,226,916	165,589	-	-	2,235,301	4.60
Other liabilities	311,501	-	-	-	-	960,049	111,946	1,383,496	3.58
Provision for taxation	-	-	-	-	-	131,038	-	131,038	
Long term borrowings	340,900	-	-	-	-	-	-	340,900	5.96
Subordinated obligations	-	800,000	510,214	-	-	-	-	1,310,214	6.63-6.85
	38,887,531	10,438,921	13,458,491	2,390,020	242,947	15,036,861	111,946	80,566,717	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,600,507	-	4,600,507	
<b>Total liabilities and shareholders' equity</b>	<b>38,887,531</b>	<b>10,438,921</b>	<b>13,458,491</b>	<b>3,758,119</b>	<b>242,947</b>	<b>19,637,368</b>	<b>111,946</b>	<b>86,535,323</b>	
<b>Total interest-sensitivity gap</b>	<b>6,051,744</b>	<b>2,016,698</b>	<b>(6,856,487)</b>	<b>7,996,314</b>	<b>2,636,196</b>	<b>(13,530,041)</b>	<b>1,685,576</b>	<b>-</b>	

# 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 NINE MONTHS ENDED 30 SEPTEMBER 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			
<b>Assets</b>									
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	
<b>Total assets</b>	<b>43,779,339</b>	<b>13,750,286</b>	<b>6,988,793</b>	<b>10,891,396</b>	<b>2,618,204</b>	<b>6,337,881</b>	<b>1,582,994</b>	<b>85,948,893</b>	
<b>Liabilities</b>									
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	
<b>Total liabilities and shareholders' equity</b>	<b>35,439,789</b>	<b>11,826,855</b>	<b>13,648,130</b>	<b>5,706,217</b>	<b>304,828</b>	<b>18,886,831</b>	<b>136,243</b>	<b>85,948,893</b>	
<b>Total interest-sensitivity gap</b>	<b>8,339,550</b>	<b>1,923,431</b>	<b>(6,659,337)</b>	<b>5,185,179</b>	<b>2,313,376</b>	<b>(12,548,950)</b>	<b>1,446,751</b>	<b>-</b>	

# 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 NINE MONTHS ENDED 30 SEPTEMBER 2007 (cont'd)

28 Segmental Reporting On Revenue And Profit

**Group - 9 months ended 30 Sept 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	1,371,305	1,371,954	1,156,718	238,700	9,290	-	4,147,967
Inter-segment revenue	2,674	-	22,323	-	2,833	(27,830)	-
<b>Total revenue</b>	<b>1,373,979</b>	<b>1,371,954</b>	<b>1,179,041</b>	<b>238,700</b>	<b>12,123</b>	<b>(27,830)</b>	<b>4,147,967</b>
Segment results	417,811	259,854	274,038	176,753	8,214	-	1,136,670
Subordinated obligations							(67,134)
Unallocated expenses							(205,799)
Profit from operations							863,737
Share of results of an associate							160
Profit before INCPS dividend, taxation and zakat							863,897
INCPS dividend							(102,326)
Taxation and zakat							(192,546)
<b>Net profit for the financial period</b>							<b>569,025</b>

**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	1,273,605	1,262,935	933,442	150,755	6,526	-	3,627,263
Inter-segment revenue	9,522	-	16,033	-	2,929	(28,484)	-
<b>Total revenue</b>	<b>1,283,127</b>	<b>1,262,935</b>	<b>949,475</b>	<b>150,755</b>	<b>9,455</b>	<b>(28,484)</b>	<b>3,627,263</b>
Segment results	370,590	205,473	229,280	110,531	5,567	-	921,441
Subordinated obligations							(68,419)
Unallocated expenses							(226,315)
Profit from operations							626,707
Share of results of an associate							359
Profit before INCPS dividend, taxation and zakat							627,066
INCPS dividend							(102,326)
Taxation and zakat							(144,689)
<b>Net profit for the financial period</b>							<b>380,051</b>

## RHB BANK BERHAD

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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 24% higher profit before INCPS dividends, taxation and zakat of RM327,333K for the current quarter as compared to the preceding quarter ended 30 June 2007 of RM263,311K. The increase in the profit was mainly due to lower allowance for losses on loans and financing and lower allowance for impairment losses.

#### 33 Performance Review

The Group recorded 38% higher profit before INCPS dividends, taxation and zakat of RM863,897K for the nine months period ended 30 September 2007 as compared to RM627,066K reported for the corresponding period in 2006. This favourable variance was mainly due to higher net interest income, higher income from Islamic banking business and higher other operating income.

#### 34 Prospects for the Current Financial Year

Today's banking landscape continues to evolve with increasing liberalization and globalization, presenting new demands and challenges. To compete in this challenging environment, RHB Banking Group is in the midst of a strategic transformation of the business functions within the RHB Banking Group ("Strategic Transformation"). The Strategic Transformation is designed to harness the strength of the RHB Banking Group to deliver seamlessly all products and services of the RHB Banking Group effectively to its customers whilst leveraging on the scale of the RHB Banking Group by adopting a customer-centric approach and finding new efficiencies. With the Strategic Transformation, the RHB Banking Group will be able to focus on deepening relationships with its retail and corporate customers, improving earnings through a better understanding of its customers' needs and the provision of holistic suite of products and services to meet these needs.

#### 35 Proposed Dividends

No further interim dividend is proposed in respect of current financial period ended 30 September 2007 other than the interim dividend of 7.0% less tax in respect of six months period ended 30 June 2007.