

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

Note	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 30.09.2009 RM'000	As at 31.12.2008 RM'000	As at 30.09.2009 RM'000	As at 31.12.2008 RM'000
ASSETS				
Cash and short-term funds	15,222,641	13,451,945	12,868,358	11,963,560
Securities purchased under resale agreements	983,419	106,565	983,419	106,565
Deposits and placements with banks and other financial institutions	1,772,492	439,237	2,110,767	848,371
Securities held-for-trading	8 524,190	2,634,600	457,914	2,230,136
Securities available-for-sale	9 6,547,296	4,584,413	5,373,084	3,846,603
Securities held-to-maturity	10 10,081,382	9,394,159	8,981,811	8,054,523
Loans, advances and financing	11 63,968,880	60,127,875	56,110,773	52,600,047
Other assets	13 368,473	421,244	523,809	494,535
Derivative assets	236,065	344,916	230,701	344,595
Tax recoverable	2,261	9,215	-	-
Deferred tax assets	267,489	268,159	232,127	233,116
Statutory deposits	224,526	1,521,442	155,186	1,321,902
Investment in subsidiaries	-	-	822,982	828,956
Property, plant and equipment	552,143	527,711	459,855	439,165
Prepaid land lease	103,513	102,139	20,698	20,940
Goodwill	1,004,017	1,004,017	905,519	905,519
TOTAL ASSETS	101,858,787	94,937,637	90,237,003	84,238,533
LIABILITIES AND EQUITY				
Deposits from customers	14 79,675,298	71,011,263	69,838,056	61,592,948
Deposits and placements of banks and other financial institutions	15 5,148,953	6,753,576	4,198,034	6,255,207
Bills and acceptances payable	4,026,912	4,935,512	4,008,511	4,900,726
Recourse obligation on loans sold to Cagamas Berhad	728,358	1,173,754	728,358	1,173,754
Other liabilities	16 1,127,230	1,150,268	948,966	974,138
Derivative liabilities	219,601	338,011	212,037	331,809
Provision for taxation	76,676	91,149	66,871	87,877
Deferred tax liabilities	6	15	-	-
Long term borrowings	969,080	655,975	969,080	655,975
Subordinated obligations	2,000,000	2,000,000	2,000,000	2,000,000
Hybrid capital securities	366,941	-	366,941	-
TOTAL LIABILITIES	94,339,055	88,109,523	83,336,854	77,972,434
Ordinary share capital	3,318,085	3,318,085	3,318,085	3,318,085
Reserves	4,201,647	3,510,029	3,582,064	2,948,014
TOTAL EQUITY	7,519,732	6,828,114	6,900,149	6,266,099
TOTAL LIABILITIES AND EQUITY	101,858,787	94,937,637	90,237,003	84,238,533
COMMITMENTS AND CONTINGENCIES	25 59,488,723	56,721,605	56,625,683	53,851,570

The Unaudited 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 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>		
	Current	Preceding	Current	Preceding	
	Financial	Corresponding	Financial	Corresponding	
	Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	
	RM'000	RM'000	RM'000	RM'000	
Interest income	17	972,818	1,119,444	2,929,222	3,387,967
Interest expense	18	(357,048)	(547,474)	(1,133,881)	(1,697,615)
Net interest income		615,770	571,970	1,795,341	1,690,352
Other operating income	19	172,815	189,728	515,955	536,780
Income from Islamic Banking business	20	788,585	761,698	2,311,296	2,227,132
		79,348	73,652	241,180	200,498
Other operating expenses	21	867,933	835,350	2,552,476	2,427,630
		(338,794)	(323,371)	(976,579)	(934,425)
Operating profit before allowances		529,139	511,979	1,575,897	1,493,205
Allowance for losses on loans and financing	22	(100,765)	(4,874)	(466,452)	(314,485)
Impairment losses	23	5,071	(14,808)	27,607	(3,271)
		433,445	492,297	1,137,052	1,175,449
Share of results of an associate		-	-	-	38
Profit before Irredeemable Non-Cumulative Convertible Preference Share ('INCPS') dividends and taxation		433,445	492,297	1,137,052	1,175,487
INCPS dividends		-	(8,358)	-	(32,146)
Profit after INCPS dividends but before taxation		433,445	483,939	1,137,052	1,143,341
Taxation		(103,099)	(140,630)	(273,876)	(309,508)
Net profit for the financial period		330,346	343,309	863,176	833,833
Earnings per share (sen)					
- Basic earnings per 50 sen share		4.98	5.17	13.01	14.43
- Diluted earnings per 50 sen share		4.98	5.17	13.01	14.43

The Unaudited 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 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

		<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
		Current	Preceding	Current	Preceding
		Financial	Corresponding	Financial	Corresponding
Bank		Quarter Ended	Quarter Ended	Nine Months Ended	Nine Months Ended
		30.09.2009	30.09.2008	30.09.2009	30.09.2008
		RM'000	RM'000	RM'000	RM'000
Interest income	17	954,888	1,095,869	2,869,341	3,309,508
Interest expense	18	<u>(352,608)</u>	<u>(534,186)</u>	<u>(1,112,778)</u>	<u>(1,655,540)</u>
Net interest income		602,280	561,683	1,756,563	1,653,968
Other operating income	19	<u>170,499</u>	<u>200,424</u>	<u>501,536</u>	<u>557,135</u>
Other operating expenses	21	<u>772,779</u>	<u>762,107</u>	<u>2,258,099</u>	<u>2,211,103</u>
		<u>(297,809)</u>	<u>(293,786)</u>	<u>(859,853)</u>	<u>(846,773)</u>
Operating profit before allowances		474,970	468,321	1,398,246	1,364,330
Allowance for losses on loans and financing	22	<u>(84,211)</u>	<u>18,795</u>	<u>(376,204)</u>	<u>(275,493)</u>
Impairment losses	23	<u>5,071</u>	<u>(14,808)</u>	<u>24,993</u>	<u>(3,083)</u>
Profit before Irredeemable Non-Cumulative Convertible Preference Share ('INCPS') dividends and taxation		395,830	472,308	1,047,035	1,085,754
INCPS dividends		<u>-</u>	<u>(8,358)</u>	<u>-</u>	<u>(32,146)</u>
Profit after INCPS dividends but before taxation		395,830	463,950	1,047,035	1,053,608
Taxation		<u>(91,545)</u>	<u>(129,109)</u>	<u>(254,432)</u>	<u>(288,256)</u>
Net profit for the financial period		<u>304,285</u>	<u>334,841</u>	<u>792,603</u>	<u>765,352</u>
Earnings per share (sen)					
- Basic earnings per 50 sen share		<u>4.59</u>	<u>5.05</u>	<u>11.94</u>	<u>13.25</u>
- Diluted earnings per 50 sen share		<u>4.59</u>	<u>5.05</u>	<u>11.94</u>	<u>13.25</u>

The Unaudited 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 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

<u>Group</u>	Attributable to equity holder of the Bank						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2009	3,318,085	8,563	2,286,753	(17,371)	16,219	1,215,865	6,828,114
Currency translation differences	-	-	-	12,719	-	-	12,719
Unrealised net loss on revaluation of securities available-for-sale ('AFS')	-	-	-	-	(17,395)	-	(17,395)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	(21,460)	-	(21,460)
Deferred tax	-	-	-	-	9,864	-	9,864
Income and expenses recognised directly in equity	-	-	-	12,719	(28,991)	-	(16,272)
Net profit for the financial period	-	-	-	-	-	863,176	863,176
Total recognised income and expenses for the financial period	-	-	-	12,719	(28,991)	863,176	846,904
Transfer to statutory reserves	-	-	122,374	-	-	(122,374)	-
Ordinary dividends	-	-	-	-	-	(155,286)	(155,286)
Balance as at 30 September 2009	<u>3,318,085</u>	<u>8,563</u>	<u>2,409,127</u>	<u>(4,652)</u>	<u>(12,772)</u>	<u>1,801,381</u>	<u>7,519,732</u>
Balance as at 1 January 2008	1,949,986	8,563	2,010,114	(17,815)	16,770	640,223	4,607,841
Currency translation differences	-	-	-	5,319	-	-	5,319
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(125,028)	-	(125,028)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	28,512	-	28,512
Deferred tax	-	-	-	-	26,581	-	26,581
Income and expenses recognised directly in equity	-	-	-	5,319	(69,935)	-	(64,616)
Net profit for the financial period	-	-	-	-	-	833,833	833,833
Total recognised income and expenses for the financial period	-	-	-	5,319	(69,935)	833,833	769,217
Conversion of INCPS to ordinary shares	1,368,099	-	-	-	-	-	1,368,099
Transfer to statutory reserves	-	-	107,504	-	-	(107,504)	-
Ordinary dividends	-	-	-	-	-	(185,872)	(185,872)
Balance as at 30 September 2008	<u>3,318,085</u>	<u>8,563</u>	<u>2,117,618</u>	<u>(12,496)</u>	<u>(53,165)</u>	<u>1,180,680</u>	<u>6,559,285</u>

The Unaudited 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 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

Bank	← Non-distributable →				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2009	3,318,085	8,563	2,121,042	15,959	(3,484)	805,934	6,266,099
Currency translation differences	-	-	-	14,754	-	-	14,754
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(14,642)	-	(14,642)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	(9,323)	-	(9,323)
Deferred tax	-	-	-	-	5,944	-	5,944
Income and expenses recognised directly in equity	-	-	-	14,754	(18,021)	-	(3,267)
Net profit for the financial period	-	-	-	-	-	792,603	792,603
Total recognised income and expenses for the financial period	-	-	-	14,754	(18,021)	792,603	789,336
Transfer to statutory reserves	-	-	122,080	-	-	(122,080)	-
Ordinary dividends	-	-	-	-	-	(155,286)	(155,286)
Balance as at 30 September 2009	3,318,085	8,563	2,243,122	30,713	(21,505)	1,321,171	6,900,149
Balance as at 1 January 2008	1,949,986	8,563	1,886,928	31,023	19,473	289,464	4,185,437
Currency translation differences	-	-	-	(8,883)	-	-	(8,883)
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(111,739)	-	(111,739)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	15,316	-	15,316
Deferred tax	-	-	-	-	25,337	-	25,337
Expenses recognised directly in equity	-	-	-	(8,883)	(71,086)	-	(79,969)
Net profit for the financial period	-	-	-	-	-	765,352	765,352
Total recognised income and expenses for the financial period	-	-	-	(8,883)	(71,086)	765,352	685,383
Transfer to statutory reserves	-	-	107,628	-	-	(107,628)	-
Conversion of INCPs to ordinary shares	1,368,099	-	-	-	-	-	1,368,099
Ordinary dividends	-	-	-	-	-	(185,872)	(185,872)
Balance as at 30 September 2008	3,318,085	8,563	1,994,556	22,140	(51,613)	761,316	6,053,047

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RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Nine months ended	
	30.09.2009	30.09.2008
	RM '000	RM '000
Group		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after INCPS dividends but before taxation	1,137,052	1,143,341
Adjustment for non-cash items	221,853	358,673
Operating profit before changes in working capital	1,358,905	1,502,014
Changes in working capital:		
Net changes in operating assets	(3,190,472)	(4,966,953)
Net changes in operating liabilities	5,859,276	939,572
	2,668,804	(4,027,381)
Taxation paid	(269,053)	(228,262)
Net cash generated from/(used in) operating activities	3,758,656	(2,753,629)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(75,142)	(78,469)
Proceeds from disposal of property, plant and equipment	5,417	10
Proceeds from sale of an associate	-	7,069
Net (purchase)/sale of securities available-for-sale	(1,969,620)	3,173,206
Net purchase of securities held-to-maturity	(643,768)	(2,966,252)
Interest received from securities available-for-sale	158,307	154,100
Investment income received from securities available-for-sale	23,778	2,198
Interest received from securities held-to-maturity	261,072	186,279
Investment income received from securities held-to-maturity	29,199	7,813
Dividend income from securities available-for-sale	3,367	8,124
Net cash (used in)/generated from investing activities	(2,207,390)	494,078
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Hybrid capital securities	366,941	-
Repayment of subordinated obligations	-	(479,100)
Dividends paid:		
- INCPS	-	(32,271)
- Ordinary shares	(155,286)	(185,872)
Net cash generated from/(used in) financing activities	211,655	(697,243)
Net increase/(decrease) in cash and cash equivalents	1,762,921	(2,956,794)
Effects of exchange rate differences	7,774	36,011
Cash and cash equivalents brought forward	13,451,946	17,244,585
Cash and cash equivalents carried forward	15,222,641	14,323,802
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	15,222,641	14,323,802

The Unaudited 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 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Nine months ended	
	30.09.2009	30.09.2008
	RM '000	RM '000
Bank		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after INCPS dividends but before taxation	1,047,035	1,053,608
Adjustment for non-cash items	192,600	292,244
Operating profit before changes in working capital	1,239,635	1,345,852
Changes in working capital:		
Net changes in operating assets	(3,227,255)	(3,291,731)
Net changes in operating liabilities	5,002,168	(421,295)
	1,774,913	(3,713,026)
Taxation paid	(268,969)	(192,624)
Net cash generated from/(used in) operating activities	2,745,579	(2,559,798)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(68,177)	(58,692)
Proceeds from disposal of property, plant and equipment	4,618	10
Net (purchase)/sale of securities available-for-sale	(1,528,858)	3,541,870
Net purchase of securities held-to-maturity	(892,002)	(2,692,940)
Interest received from securities available-for-sale	158,139	153,770
Interest received from securities held-to-maturity	254,083	184,657
Dividend income from securities available-for-sale	3,367	8,124
Dividend income from subsidiary companies	(3,241)	27,241
Net cash received on liquidation of subsidiaries	7,598	-
Net cash (used in)/generated from investing activities	(2,064,473)	1,164,040
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Hybrid capital securities	366,941	-
Principal repayment of finance lease	(119)	(407)
Repayment of subordinated obligations	-	(479,100)
Dividends paid:		
- INCPS	-	(32,271)
- Ordinary shares	(155,286)	(185,872)
Net cash generated from/(used in) financing activities	211,536	(697,650)
Net increase/(decrease) in cash and cash equivalents	892,642	(2,093,408)
Effects of exchange rate differences	12,156	26,321
Cash and cash equivalents brought forward	11,963,560	15,309,821
Cash and cash equivalents carried forward	12,868,358	13,242,734
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	12,868,358	13,242,734

The Unaudited 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 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

1 Basis Of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Financial Reporting Standard ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ("MASB") and should be read in conjunction with the audited financial statements of the Group and the Bank for the last financial year ended 31 December 2008.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those reported in the audited financial statements for the financial year ended 31 December 2008.

2 Audit Report

The audit report for the financial year ended 31 December 2008 was not subject to any qualification.

3 Seasonal or Cyclical Factors

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

4 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the nine months ended 30 September 2009.

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 2009.

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 except for the issuance of RM370 million nominal value of Hybrid capital securities at par under a Hybrid Tier-1 Capital Securities Programme on 31 March 2009.

7 Dividends Paid

A final gross dividend of 3.12 sen, less 25% tax in respect of financial year ended 31 December 2008, amounting to RM155,286,000 was paid on 29 June 2009.

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

8 Securities Held-For-Trading

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	110,132	845,487	110,132	845,487
Malaysian Government Treasury Bills	-	156,842	-	156,842
Bank Negara monetary notes	347,782	856,920	347,782	856,920
Malaysian Government Investment Issues	-	96,011	-	-
Bankers' acceptances & Islamic accepted notes	54,292	-	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debts securities	11,984	600,489	-	292,036
<u>Outside Malaysia</u>				
Structured notes	-	78,851	-	78,851
	524,190	2,634,600	457,914	2,230,136

The Group and the Bank have reclassified certain securities held-for-trading to securities available-for-sale or held-to-maturity category in accordance with the amendment to revised BNM/GP8 Guidelines dated September 2008, which is effective from 1 July 2008 until 31 December 2009.

The fair values of the reclassified securities held-for-trading as of the respective dates of reclassification are as follows:

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
At fair value				
Amount reclassified from securities:				
- held-for-trading to securities available-for-sale	1,755,624	-	1,735,674	-
- held-for-trading to securities held-to-maturity	8,663	129,322	8,663	-
	1,764,287	129,322	1,744,337	-

The net gains/(losses) arising from changes in fair value recognised to income statement in respect of the transferred securities held-for-trading are as follows:

	Group		Bank	
	30.09.2009 RM'000	31.12.2008 RM'000	30.09.2009 RM'000	31.12.2008 RM'000
Amount recognised to income statement				
- held-for-trading to securities available-for-sale	-	4,646	-	4,652
- held-for-trading to securities held-to-maturity	468	(2,257)	468	(405)
	468	2,389	468	4,247

As at the date of reclassification, the effective interest rates on the reclassified securities held-for-trading, based on the new cost for the Group and the Bank, ranged from 2.63% to 5.84% per annum (2008: 3.71% to 5.44% per annum) and 2.63% to 3.30% per annum (2008: Nil) respectively. The expected recoverable cash flows for the Group and the Bank approximately RM1,907 million (2008: RM136.5 million) and RM1,903 million (2008: Nil) respectively.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

9 Securities Available-For-Sale

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,024,241	396,120	2,024,241	396,120
Cagamas bonds and Cagamas Mudharabah bonds	44,254	119,451	44,254	119,451
Malaysian Government Investment Issues	865,925	364,170	152,060	37,497
Singapore Government Securities	257,019	263,894	257,019	263,894
Singapore Government Treasury Bills	147,273	143,996	147,273	143,996
Thailand Government Bonds	20,987	20,402	20,987	20,402
Negotiable instruments of deposits	110,562	112,912	110,562	112,912
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	15,227	17,328	15,227	17,328
Shares	6,087	5,266	3,524	4,149
<u>Outside Malaysia</u>				
Shares	9	5	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	112,580	90,654	112,580	84,548
Shares	166,299	166,299	165,724	165,724
Private debt securities	2,697,668	2,660,602	2,240,468	2,257,268
<u>Outside Malaysia</u>				
Private debt securities	56,663	60,783	56,663	60,783
Structured notes	22,502	162,531	22,502	162,531
	6,547,296	4,584,413	5,373,084	3,846,603

During the financial period, the Group and the Bank have reclassified certain securities available-for-sale to securities held-to-maturity category. The fair value of the reclassified securities available-for-sale as of the date of reclassification, for the Group and the Bank was RM148.7 million (2008: Nil).

The carrying value of securities available-for-sale as at 30 September 2009, which was transferred from securities held-for-trading, for the Group and the Bank are RM1,653 million (2008: Nil) and RM1,633 million (2008: Nil) respectively.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

10 Securities Held-To-Maturity

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	1,999,290	1,868,393	1,999,290	1,868,393
Cagamas bonds and Cagamas Mudharabah bonds	679,302	848,571	504,092	633,449
Khazanah bonds	34,607	281,839	-	-
Malaysian Government Investment Issues	1,332,659	592,585	761,472	35,648
Singapore Government Securities	122,420	119,660	122,420	119,660
Thailand Government Securities	252,831	225,603	252,831	225,603
Negotiable instruments of deposits	1,550,000	2,116,307	1,550,000	2,116,307
Sukuk (Brunei) Incorporation	49,144	24,032	49,144	24,032
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	25,013	27,178	860	860
Prasarana Bonds	1,754,392	1,756,730	1,754,392	1,756,730
Privates debt securities	2,271,414	1,479,724	2,026,303	1,280,099
Corporate loan stocks	60,507	70,589	60,507	70,589
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Private debt securities	20,577	20,601	-	-
Floating rate notes	28,726	39,194	-	-
Structured notes	33,124	74,964	33,124	74,964
	10,214,506	9,546,470	9,114,935	8,206,834
Accumulated impairment losses	(133,124)	(152,311)	(133,124)	(152,311)
	10,081,382	9,394,159	8,981,811	8,054,523

The carrying value of securities held-to-maturity as at 30 September 2009, which was transferred from securities held-for-trading for the Group and the Bank are RM29.1 million (2008: RM126.8 million) and RM8.6 million (2008: Nil) respectively. The fair value of these securities as at 30 September 2009 for the Group and the Bank are RM29.1 million (2008: RM127.2 million) and RM8.6 million (2008: Nil) respectively.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

11 Loans, advances and financing

(i) By type

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Overdrafts	6,139,733	6,463,296	6,067,523	6,426,766
Term Loans/financing				
- housing loans/financing	14,918,314	13,578,913	13,138,986	11,874,758
- syndicated term loans/financing	2,866,208	2,766,425	1,183,458	1,030,237
- hire purchase receivables	11,376,821	10,853,474	10,170,199	9,926,434
- lease receivables	203,845	240,857	-	-
- other term loans/financing	17,935,482	14,300,222	15,881,157	12,550,499
Bills receivable	1,401,040	1,576,790	1,292,863	1,491,722
Trust receipts	411,349	504,201	367,074	467,721
Claims on customers under acceptance credits	5,156,011	6,074,079	4,578,716	5,397,021
Staff loans/financing	372,438	373,149	359,363	359,899
Credit card receivables	2,242,466	2,104,609	2,242,466	2,104,609
Revolving credit	5,444,407	5,399,751	4,808,012	4,643,821
Floor stocking	4,576	4,374	4,576	4,374
	68,472,690	64,240,140	60,094,393	56,277,861
Unearned interest and income	(1,673,029)	(1,600,817)	(1,493,020)	(1,442,495)
Gross loans, advances and financing	66,799,661	62,639,323	58,601,373	54,835,366
Allowance for bad and doubtful debts and financing:				
- general	(1,059,114)	(1,098,400)	(924,864)	(956,085)
- specific	(1,771,667)	(1,413,048)	(1,565,736)	(1,279,234)
Net loans, advances and financing	63,968,880	60,127,875	56,110,773	52,600,047

(ii) By type of customers

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Domestic non-bank financial institutions				
- Others	465,404	528,718	436,273	497,642
Domestic business enterprises				
- Small medium enterprises	11,539,405	10,559,463	10,621,077	9,560,564
- Others	20,108,529	20,875,322	16,470,529	17,320,831
Government and statutory bodies	1,126,053	109,406	1,026,140	8,156
Individuals	28,629,497	25,969,287	26,117,632	23,717,135
Other domestic entities	34,250	29,320	22,664	19,100
Foreign entities				
- Malaysian operations	1,243,147	1,151,371	311,108	301,662
- Singapore operations	3,133,423	2,968,173	3,076,060	2,968,173
- Thailand operations	356,512	301,795	356,449	295,634
- Brunei operations	163,441	146,468	163,441	146,469
	66,799,661	62,639,323	58,601,373	54,835,366

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

11 Loans, advances and financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Fixed rate				
- Housing loans/financing	1,588,029	1,737,043	101,137	116,054
- Hire purchase receivables	9,725,023	9,419,595	8,687,971	8,497,153
- Other fixed rate loans/financing	5,302,070	4,295,830	3,587,898	2,369,673
Variable rate				
- Base Lending Rate plus	26,350,013	22,895,096	25,299,299	22,895,096
- Cost-plus	18,884,693	18,712,232	17,693,397	17,454,158
- Other variable rates	4,949,833	5,579,527	3,231,671	3,503,232
	66,799,661	62,639,323	58,601,373	54,835,366

(iv) By Purpose

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Purchase of securities	2,171,761	1,944,316	2,131,391	1,839,928
Purchase of transport vehicles	8,185,761	7,504,410	6,966,326	6,525,374
Purchase of landed property:				
- Residential	15,395,574	14,086,086	13,645,741	12,379,831
- Non-residential	3,661,752	3,000,602	3,569,307	2,970,408
Purchase of property, plant and equipment other than land and building	3,838,657	4,039,641	2,650,695	2,918,576
Personal use	2,044,303	1,998,890	2,029,818	1,978,539
Credit card	2,242,466	2,104,609	2,242,466	2,104,609
Purchase of consumer durables	65,252	74,568	65,133	74,409
Construction	2,156,743	1,967,084	1,461,923	1,338,606
Working capital	23,521,643	24,313,036	20,711,379	21,344,787
Other purposes	3,515,749	1,606,081	3,127,194	1,360,299
	66,799,661	62,639,323	58,601,373	54,835,366

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

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

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

	Group		Bank	
	Unaudited As at 30.09.2009	Audited As at 31.12.2008	Unaudited As at 30.09.2009	Audited As at 31.12.2008
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial period/year	2,773,693	3,041,710	2,439,233	2,768,072
Classified as non-performing during the financial period/year	2,995,830	3,203,130	2,597,380	2,818,950
Reclassified as performing during the financial period/year	(1,989,257)	(2,515,683)	(1,814,286)	(2,278,804)
Amount recovered	(247,831)	(499,884)	(210,369)	(453,070)
Amount written off	(270,542)	(458,658)	(242,114)	(418,145)
Exchange difference	2,715	3,078	2,816	2,230
Balance as at the end of financial period/year	<u>3,264,608</u>	<u>2,773,693</u>	<u>2,772,660</u>	<u>2,439,233</u>
Specific allowance	<u>(1,771,667)</u>	<u>(1,413,048)</u>	<u>(1,565,736)</u>	<u>(1,279,234)</u>
Net non-performing loans, advances and financing	<u><u>1,492,941</u></u>	<u><u>1,360,645</u></u>	<u><u>1,206,924</u></u>	<u><u>1,159,999</u></u>
Ratio of net non-performing loans, advances and financing as % of gross loans, advances and financing less specific allowances	<u>2.3%</u>	<u>2.2%</u>	<u>2.1%</u>	<u>2.2%</u>

(ii) NPL/NPF by purpose

	Group		Bank	
	Unaudited As at 30.09.2009	Audited As at 31.12.2008	Unaudited As at 30.09.2009	Audited As at 31.12.2008
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	11,000	16,926	11,000	16,926
Purchase of transport vehicles	236,575	225,721	226,528	223,391
Purchase of landed property:				
- Residential	1,053,521	1,048,348	864,453	870,154
- Non-residential	170,776	139,558	161,995	135,379
Purchase of property, plant and equipment other than land and building	132,871	81,098	109,506	57,739
Personal use	89,961	105,419	86,939	99,459
Credit card	79,026	56,368	79,026	56,368
Purchase of consumer durables	4,782	4,402	4,782	4,402
Construction	97,039	113,195	84,582	100,130
Working capital	1,342,028	974,908	1,096,884	867,535
Other purposes	47,029	7,750	46,965	7,750
	<u>3,264,608</u>	<u>2,773,693</u>	<u>2,772,660</u>	<u>2,439,233</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

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

(iii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
General allowance				
Balance as at the beginning of financial period/year	1,098,400	984,181	956,085	861,815
Net (write-back)/allowance made during the financial period/year	(40,106)	111,705	(32,184)	93,173
Exchange difference	820	2,514	963	1,097
Balance as at the end of financial period/year	<u>1,059,114</u>	<u>1,098,400</u>	<u>924,864</u>	<u>956,085</u>
As % of gross loans, advances and financing less loans exempted from general allowance by Bank Negara Malaysia and specific allowances	<u>1.6%</u>	<u>1.8%</u>	<u>1.6%</u>	<u>1.8%</u>
Specific allowance				
Balance as at the beginning of financial period/year	1,413,048	1,210,801	1,279,234	1,096,365
Allowance made during the financial period/year	823,565	933,490	698,100	872,515
Amount recovered	(190,459)	(212,836)	(165,695)	(200,017)
Amount written off	(274,856)	(519,960)	(247,064)	(489,704)
Exchange difference	369	1,553	1,161	75
Balance as at the end of financial period/year	<u>1,771,667</u>	<u>1,413,048</u>	<u>1,565,736</u>	<u>1,279,234</u>

13 Other Assets

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Other debtors, deposits and prepayments	209,963	249,227	189,809	164,537
Amount due from holding company	-	-	13	-
Accrued interest receivable	154,676	168,018	130,453	146,082
Amounts due from subsidiaries	-	-	199,711	179,917
Amounts due from related companies	3,834	3,999	3,823	3,999
	<u>368,473</u>	<u>421,244</u>	<u>523,809</u>	<u>494,535</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Demand deposits	18,542,615	17,269,380	16,339,390	15,340,752
Savings deposits	5,528,567	5,393,710	4,983,332	4,851,104
Fixed/Investment deposits	55,253,381	47,984,789	48,204,252	41,097,558
Negotiable instruments of deposits	350,735	363,384	311,082	303,534
	<u>79,675,298</u>	<u>71,011,263</u>	<u>69,838,056</u>	<u>61,592,948</u>

(ii) By type of customers

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Government and statutory bodies	6,549,042	4,999,837	4,448,084	3,172,030
Business enterprises	45,127,866	38,624,834	38,820,101	32,638,830
Individuals	25,323,228	24,644,304	24,434,617	23,785,076
Others	2,675,162	2,742,288	2,135,254	1,997,012
	<u>79,675,298</u>	<u>71,011,263</u>	<u>69,838,056</u>	<u>61,592,948</u>

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Licensed banks	4,201,905	5,216,204	3,394,886	4,737,405
Licensed investment banks	134,610	628,850	100,000	628,850
Bank Negara Malaysia	702,663	888,472	702,663	888,472
Other financial institutions	109,775	20,050	485	480
	<u>5,148,953</u>	<u>6,753,576</u>	<u>4,198,034</u>	<u>6,255,207</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

16 Other Liabilities

	Group		Bank	
	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.09.2009 RM'000	Audited As at 31.12.2008 RM'000
Accrued interest payable	323,336	377,684	285,302	328,966
Amount due to holding company	64	786	-	660
Amounts due to subsidiaries	-	-	27,485	29,251
Amounts due to related companies	2,670	5,701	2,549	5,652
Amount due to Danaharta	1,835	1,782	1,835	1,782
Finance lease	-	-	-	119
Prepaid instalment	76,788	82,327	76,788	82,327
Lessee deposits	74,387	79,244	-	-
Short term employee benefits	113,631	154,332	103,383	140,163
Other creditors and accruals	534,519	448,412	451,624	385,218
	<u>1,127,230</u>	<u>1,150,268</u>	<u>948,966</u>	<u>974,138</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

17 Interest Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	754,467	798,019	2,277,938	2,305,185
- Recoveries from NPLs	34,173	39,469	107,987	148,839
Money at call and deposit placements with banks and other financial institutions	56,199	171,959	198,611	564,858
Securities purchased under resale agreements	1,997	4,162	2,467	53,790
Securities held-for-trading	644	12,764	15,955	39,875
Securities available-for-sale	59,574	38,639	165,966	133,845
Securities held-to-maturity	95,396	70,735	257,895	186,012
Others	1,731	2,382	5,485	8,512
	1,004,181	1,138,129	3,032,304	3,440,916
Amortisation of premium less accretion of discount	(6,093)	2,855	(22,793)	6,833
Interest suspended	(25,270)	(21,540)	(80,289)	(59,782)
	972,818	1,119,444	2,929,222	3,387,967

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	734,014	773,434	2,212,726	2,229,307
- Recoveries from NPLs	33,829	39,027	106,755	147,581
Money at call and deposit placements with banks and other financial institutions	59,744	174,898	209,011	569,114
Securities purchased under resale agreements	1,997	4,162	2,467	53,790
Securities held-for-trading	644	11,537	15,955	35,363
Securities available-for-sale	59,574	38,546	165,798	133,515
Securities held-to-maturity	94,191	70,250	250,906	184,390
Others	1,731	2,382	5,485	8,512
	985,724	1,114,236	2,969,103	3,361,572
Amortisation of premium less accretion of discount	(6,097)	2,855	(20,622)	6,833
Interest suspended	(24,739)	(21,222)	(79,140)	(58,897)
	954,888	1,095,869	2,869,341	3,309,508

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18 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits and placements of banks and other financial institutions	13,930	39,138	46,757	132,939
Deposits from customers	285,314	446,588	919,178	1,378,877
Borrowings	4,185	5,871	13,704	13,523
Subordinated obligations	26,087	26,087	77,412	80,901
Recourse obligation on loans sold to Cagamas	9,655	17,880	33,952	58,232
Hybrid capital securities	7,514	-	15,028	-
Others	10,363	11,910	27,850	33,143
	357,048	547,474	1,133,881	1,697,615

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	14,590	36,545	47,168	126,281
Deposits from customers	280,214	435,885	897,662	1,343,432
Borrowings	4,185	5,871	13,704	13,523
Subordinated obligations	26,087	26,087	77,412	80,901
Recourse obligation on loans sold to Cagamas	9,655	17,880	33,952	58,232
Hybrid capital securities	7,514	-	15,028	-
Others	10,363	11,918	27,852	33,171
	352,608	534,186	1,112,778	1,655,540

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

19 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
a) Fee Income:				
Commission	30,200	32,227	90,905	90,617
Service charges and fees	34,886	37,973	108,223	124,632
Guarantee fees	10,309	11,164	28,227	38,942
Commitment fees	11,933	11,802	34,562	34,731
Underwriting fees	205	79	286	159
Other fees	2,905	2,414	8,144	7,615
	<u>90,438</u>	<u>95,659</u>	<u>270,347</u>	<u>296,696</u>
b) Gain/(Loss) arising from sale/redemption of securities and derivatives:				
Securities held-for-trading	4,460	10,058	30,550	22,001
Securities available-for-sale	1,223	(4,738)	2,170	(13,299)
Net gain from redemption of securities held-to-maturity	-	1,765	-	1,765
Derivatives	-	(52)	-	-
	<u>5,683</u>	<u>7,033</u>	<u>32,720</u>	<u>10,467</u>
c) Gross dividend income from:				
Securities available-for-sale	3,987	4,175	4,049	8,843
	<u>3,987</u>	<u>4,175</u>	<u>4,049</u>	<u>8,843</u>
d) Unrealised gain/(loss) on revaluation of:				
Securities held-for-trading	5,931	(4,412)	18,235	(26,164)
Derivatives	(1,646)	6,450	6,293	(1,457)
	<u>4,285</u>	<u>2,038</u>	<u>24,528</u>	<u>(27,621)</u>
e) Other income:				
Foreign exchange gain/(loss)				
- Realised	70,549	83,276	136,938	187,051
- Unrealised	(17,204)	(15,621)	795	13,742
Gain from disposal of an associate	-	-	-	2,069
Gain on disposal of property, plant and equipment	-	3	2,610	10
Other operating income	13,142	11,555	37,808	32,799
Other non-operating income	1,935	1,610	6,160	12,724
	<u>68,422</u>	<u>80,823</u>	<u>184,311</u>	<u>248,395</u>
	<u>172,815</u>	<u>189,728</u>	<u>515,955</u>	<u>536,780</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

19 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
a) Fee Income:				
Commission	29,078	31,454	87,486	88,518
Service charges and fees	34,503	35,845	104,064	116,858
Guarantee fees	10,309	11,164	28,227	38,942
Commitment fees	11,933	11,802	34,562	34,731
Underwriting fees	205	79	286	159
Other fees	3,031	2,517	8,507	7,951
	<u>89,059</u>	<u>92,861</u>	<u>263,132</u>	<u>287,159</u>
b) Gain/(Loss) arising from sale/redemption of securities and derivatives:				
Securities held-for-trading	4,460	10,058	30,550	22,001
Securities available-for-sale	1,223	(4,738)	2,170	(13,299)
	<u>5,683</u>	<u>5,320</u>	<u>32,720</u>	<u>8,702</u>
c) Gross dividend income from:				
Securities available-for-sale	3,987	4,175	4,049	8,843
Subsidiaries	-	10,547	-	29,725
	<u>3,987</u>	<u>14,722</u>	<u>4,049</u>	<u>38,568</u>
d) Unrealised gain/(loss) on revaluation of:				
Securities held-for-trading	5,931	(3,173)	18,235	(23,019)
Derivatives	(440)	8,682	5,082	688
	<u>5,491</u>	<u>5,509</u>	<u>23,317</u>	<u>(22,331)</u>
e) Other income:				
Foreign exchange gain/(loss)				
- Realised	69,194	85,273	136,908	188,236
- Unrealised	(17,204)	(15,622)	795	13,742
Gain on liquidation of subsidiaries	-	-	1,625	-
Gain on disposal of property, plant and equipment	-	3	2,521	10
Other operating income	12,969	11,369	32,856	32,243
Other non-operating income	1,320	989	3,613	10,806
	<u>66,279</u>	<u>82,012</u>	<u>178,318</u>	<u>245,037</u>
	<u>170,499</u>	<u>200,424</u>	<u>501,536</u>	<u>557,135</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

20 Income from Islamic Banking Business

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Nine Months Ended	Preceding Corresponding Nine Months Ended
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	112,042	105,210	322,891	282,645
Income derived from investment of shareholders' funds	13,262	12,723	35,213	36,934
Transfer (to)/from profit equalisation reserve	(3,336)	363	2,401	5,631
Total distributable income	121,968	118,296	360,505	325,210
Income attributable to depositors	(42,620)	(44,644)	(119,325)	(124,712)
Income from Islamic Banking Business	79,348	73,652	241,180	200,498

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21 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	150,387	142,489	432,662	435,780
- Contributions to Employees Provident Fund	22,670	21,071	66,344	63,719
- Other staff related cost	11,714	17,173	42,408	43,886
	184,771	180,733	541,414	543,385
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	16,708	16,397	48,963	50,284
- Written off	-	1	-	6
- Amortisation of prepaid land lease	127	126	379	376
- Rental of premises	12,630	11,539	37,346	33,436
- Rental equipment	2,978	3,089	8,902	9,297
- Insurance	10,887	3,902	23,616	11,040
- Water and electricity	4,774	4,759	14,032	12,543
- Repair and maintenance	9,450	11,642	30,044	33,182
- Information technology expenses	23,901	22,154	55,161	66,528
- Others	806	352	2,092	1,341
	82,261	73,961	220,535	218,033
<u>Marketing expenses</u>				
- Sales commission	6,807	12,499	25,958	24,756
- Advertisement and publicity	7,994	5,989	18,567	18,274
- Dealers' handling and warranty fees	3,932	469	10,238	3,843
- Others	16,228	13,109	44,403	26,359
	34,961	32,066	99,166	73,232
<u>Administration and general expenses</u>				
- Communication expenses	17,935	18,563	57,192	48,706
- Others	18,866	18,048	58,272	51,069
	36,801	36,611	115,464	99,775
	338,794	323,371	976,579	934,425

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

21 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009 RM'000	Preceding Corresponding Quarter Ended 30.09.2008 RM'000	Current Financial Nine Months Ended 30.09.2009 RM'000	Preceding Corresponding Nine Months Ended 30.09.2008 RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	136,225	130,752	390,382	403,886
- Contributions to Employees Provident Fund	20,339	19,288	59,759	58,927
- Other staff related cost	10,118	15,001	37,981	40,134
	<u>166,682</u>	<u>165,041</u>	<u>488,122</u>	<u>502,947</u>
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	15,092	15,763	45,864	48,431
- Written off	-	-	-	5
- Amortisation of prepaid land lease	80	80	242	242
- Rental of premises	11,934	11,141	35,550	32,510
- Rental equipment	2,854	2,997	8,633	9,079
- Insurance	9,040	4,073	21,216	10,767
- Water and electricity	4,372	4,388	12,922	11,595
- Repair and maintenance	10,079	10,636	29,708	30,595
- Information technology expenses	21,053	20,791	47,853	63,171
	<u>74,504</u>	<u>69,869</u>	<u>201,988</u>	<u>206,395</u>
<u>Marketing expenses</u>				
- Sales commission	6,634	12,441	25,329	24,595
- Advertisement and publicity	5,812	5,575	13,460	17,057
- Dealers' handling and warranty fees	3,381	163	8,734	3,110
- Others	14,719	11,980	40,231	28,141
	<u>30,546</u>	<u>30,159</u>	<u>87,754</u>	<u>72,903</u>
<u>Administration and general expenses</u>				
- Communication expenses	16,316	17,531	52,480	45,231
- Others	9,761	11,186	29,509	19,297
	<u>26,077</u>	<u>28,717</u>	<u>81,989</u>	<u>64,528</u>
	<u>297,809</u>	<u>293,786</u>	<u>859,853</u>	<u>846,773</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

22 Allowances For Losses On Loans And Financing

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Allowance for losses on loans and financing:				
Specific allowance				
- Made during the financial period	285,872	196,771	823,565	632,965
- Written back	(61,441)	(60,009)	(190,459)	(163,947)
General allowance				
- Made during the financial period	(62,445)	55,448	(40,106)	94,990
Bad debts on loans and financing				
- Recovered	(61,221)	(187,336)	(126,548)	(249,523)
	<u>100,765</u>	<u>4,874</u>	<u>466,452</u>	<u>314,485</u>

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Allowance for losses on loans and financing:				
Specific allowance				
- Made during the financial period	255,155	174,815	698,100	589,109
- Written back	(58,673)	(57,739)	(165,695)	(154,779)
General allowance				
- Made during the financial period	(51,797)	40,024	(32,184)	78,520
Bad debts on loans and financing				
- Recovered	(60,474)	(175,895)	(124,017)	(237,357)
	<u>84,211</u>	<u>(18,795)</u>	<u>376,204</u>	<u>275,493</u>

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23 Impairment Losses

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Charged for the financial period:				
- Securities available-for-sale	-	16,791	-	18,910
- Foreclosed properties	121	-	250	-
- Property, plant and equipment	-	-	-	188
Reversal for the financial period:				
- Securities available-for-sale	(1,183)	(489)	(9,767)	(3,594)
- Securities held-to-maturity	(3,937)	(1,494)	(17,936)	(12,233)
- Foreclosed properties	(72)	-	(154)	-
	<u>(5,071)</u>	<u>14,808</u>	<u>(27,607)</u>	<u>3,271</u>

	<u>Individual Quarter</u>		<u>Cumulative Nine Months</u>	
	Current Financial Quarter Ended 30.09.2009	Preceding Corresponding Quarter Ended 30.09.2008	Current Financial Nine Months Ended 30.09.2009	Preceding Corresponding Nine Months Ended 30.09.2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Charged for the financial period:				
- Securities available-for-sale	-	16,791	-	18,910
- Foreclosed properties	121	-	250	-
Reversal for the financial period:				
- Securities available-for-sale	(1,183)	(489)	(7,153)	(3,594)
- Securities held-to-maturity	(3,937)	(1,494)	(17,936)	(12,233)
- Foreclosed properties	(72)	-	(154)	-
	<u>(5,071)</u>	<u>14,808</u>	<u>(24,993)</u>	<u>3,083</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

24 Capital Adequacy

BNM guidelines on capital adequacy requires the Bank and RHB Islamic Bank to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

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

	RHB Bank*		RHB Islamic Bank	
	Unaudited 30.09.2009	Audited 31.12.2008	Unaudited 30.09.2009	Audited 31.12.2008
	RM'000	RM'000	RM'000	RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	523,424	523,424
Hybrid capital securities	366,941	-	-	-
Share premium	8,563	8,563	-	-
Retained profits	1,219,534	1,008,581	135,437	135,437
Other reserves	2,258,227	2,121,478	166,005	166,005
	7,171,350	6,456,707	824,866	824,866
Less: Goodwill	(905,519)	(905,519)	-	-
Deferred tax assets	(260,943)	(233,116)	(19,960)	(19,960)
Total Tier I capital	6,004,888	5,318,072	804,906	804,906
	-			
Tier II Capital				
Subordinated obligations	2,000,000	2,000,000	-	-
General allowance for bad and doubtful debts and financing	962,894	995,859	93,484	97,984
Total Tier II capital	2,962,894	2,995,859	93,484	97,984
Less: Investment in subsidiaries	(622,666)	(628,640)	-	-
Less: Other deduction [#]	(3,156)	-	(3)	-
Total capital base	8,341,960	7,685,291	898,387	902,890
Capital ratios				
Before proposed dividends:				
Core capital ratio	9.34%	8.77%	12.53%	12.07%
Risk-weighted capital ratio	12.98%	12.67%	13.99%	13.54%
After proposed dividends:				
Core capital ratio	9.34%	8.51%	12.53%	12.07%
Risk-weighted capital ratio	12.98%	12.42%	13.99%	13.54%

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

Pursuant to the Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments/Reserves, the RWCR computation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

25 Commitments And Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to customers.

<u>Group</u>	← As at 30.09.2009 Unaudited →			← As at 31.12.2008 Audited →		
	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	2,154,696	2,154,696	1,909,088	2,227,027	2,227,027	1,956,620
Transaction-related contingent items	2,238,123	1,119,062	877,223	1,979,017	989,509	758,306
Short-term self-liquidating trade related contingencies	1,940,636	388,127	259,952	1,694,141	338,828	221,319
Obligations under underwriting agreements	283,240	141,620	141,620	283,240	141,620	141,620
Irrevocable commitments to extend credit:						
- maturity more than one year	4,809,656	2,404,828	1,819,417	4,757,666	2,378,834	2,150,746
- maturity less than one year	28,393,919	324,722	324,722	25,712,205	237,865	237,865
Foreign exchange related contracts:						
- less than one year	7,547,207	149,407	53,288	9,344,283	229,785	82,948
- one year to less than five years	75,795	4,896	1,778	9,364	1,063	396
- more than five years	1,384,400	203,297	70,839	1,381,000	204,225	71,014
Interest rate related contracts:						
- less than one year	1,370,173	9,513	1,903	1,009,714	2,617	669
- one year to less than five years	6,967,132	299,703	64,690	6,715,522	350,977	73,415
- more than five years	752,506	79,002	17,630	229,215	23,487	5,444
Miscellaneous	1,571,240	-	-	1,379,211	3,718	3,718
Total	59,488,723	7,278,873	5,542,150	56,721,605	7,129,555	5,704,080

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

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

25 Commitments And Contingencies (cont'd)

Bank	← As at 30.09.2009 →			← As at 31.12.2008 →		
	Principal amount	Unaudited Credit equivalent amount *	Risk weighted amount	Principal amount	Audited Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,947,730	1,947,730	1,702,122	1,950,898	1,950,898	1,680,491
Transaction-related contingent items	2,002,916	1,001,459	780,079	1,829,817	914,909	683,706
Short-term self-liquidating trade related contingencies	1,853,679	370,736	242,561	1,575,968	315,194	197,685
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	4,405,968	2,202,984	1,625,485	4,003,353	2,001,677	1,773,589
- maturity less than one year	26,568,856	-	-	24,353,813	-	-
Foreign exchange related contracts:						
- less than one year	7,532,814	146,528	50,409	9,344,283	229,785	82,948
- one year to less than five years	75,795	4,896	1,778	9,364	1,063	396
- more than five years	1,384,400	203,297	70,839	1,381,000	204,225	71,014
Interest rate related contracts:						
- less than one year	1,370,173	9,513	1,903	905,659	2,357	539
- one year to less than five years	6,967,132	295,576	61,906	6,715,148	350,645	70,849
- more than five years	731,740	73,949	15,103	208,404	22,239	4,820
Miscellaneous	1,571,240	-	-	1,360,623	-	-
Total	56,625,683	6,363,288	4,658,805	53,851,570	6,099,612	4,672,657

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

The CE and RWA of the Bank are computed in accordance with Basel I.

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26 Interest/Profit Rate Risk

Group

30.09.2009

	← 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	14,288,534	-	-	-	-	934,107	-	15,222,641	2.08
Securities purchased under resale agreements	883,450	99,969	-	-	-	-	-	983,419	2.00
Deposits and placements with banks and other financial institutions	-	1,572,492	200,000	-	-	-	-	1,772,492	2.10
Securities held-for-trading	-	-	-	-	-	-	524,190	524,190	2.32
Securities available-for-sale	372,251	12,945	522,671	3,642,704	1,824,330	172,395	-	6,547,296	4.33
Securities held-to-maturity	63,618	173,819	270,287	6,504,644	3,201,638	(132,624) #	-	10,081,382	3.60
Loans, advances & financing									
- performing	39,411,729	7,481,468	4,723,034	7,741,298	4,177,524	-	-	63,535,053	5.79
- non-performing	-	-	-	-	-	433,827 *	-	433,827	-
Other assets	-	-	-	-	-	368,473	-	368,473	-
Derivative assets	-	-	-	-	-	-	236,065	236,065	-
Tax recoverable	-	-	-	-	-	2,261	-	2,261	-
Deferred tax assets	-	-	-	-	-	267,489	-	267,489	-
Statutory deposits	-	-	-	-	-	224,526	-	224,526	-
Property, plant and equipment	-	-	-	-	-	552,143	-	552,143	-
Prepaid land lease	-	-	-	-	-	103,513	-	103,513	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	55,019,582	9,340,693	5,715,992	17,888,646	9,203,492	3,930,127	760,255	101,858,787	
Liabilities									
Deposits from customers	38,446,676	7,807,514	15,656,339	501,393	2,272	17,261,104	-	79,675,298	1.91
Deposits and placements of banks and other financial institutions	2,358,807	1,291,881	839,086	652,915	5,357	907	-	5,148,953	2.31
Bills and acceptances payable	1,340,785	1,795,535	646,369	-	-	244,223	-	4,026,912	2.29
Recourse obligation on loans sold to Cagamas Berhad	-	48,670	133,674	546,014	-	-	-	728,358	5.08
Other liabilities	-	-	-	-	-	1,127,230	-	1,127,230	-
Derivative liabilities	-	-	-	-	-	-	219,601	219,601	-
Provision for taxation	-	-	-	-	-	76,676	-	76,676	-
Deferred tax liabilities	-	-	-	-	-	6	-	6	-
Long term borrowings	346,100	-	622,980	-	-	-	-	969,080	1.31
Subordinated obligations	-	-	-	1,300,000	700,000	-	-	2,000,000	5.18
Hybrid capital securities	-	-	-	-	366,941	-	-	366,941	8.00
	42,492,368	10,943,600	17,898,448	3,000,322	1,074,570	18,710,146	219,601	94,339,055	
Total equity	-	-	-	-	-	7,519,732	-	7,519,732	-
Total liabilities and equity	42,492,368	10,943,600	17,898,448	3,000,322	1,074,570	26,229,878	219,601	101,858,787	
On-balance sheet interest sensitivity gap	12,527,214	(1,602,907)	(12,182,456)	14,888,324	8,128,922	(22,299,751)	540,654	-	
Off-balance sheet interest sensitivity gap	(35,866)	358,299	531,689	960,864	250,974	-	-	2,065,960	
Total interest-sensitivity gap	12,491,348	(1,244,608)	(11,650,767)	15,849,188	8,379,896	(22,299,751)	540,654	2,065,960	

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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

26 Interest/Profit Rate Risk (cont'd)

Group

31.12.2008

	← 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	12,505,499	-	-	-	-	946,446	-	13,451,945	3.30
Securities purchased under resale agreements	106,565	-	-	-	-	-	-	106,565	0.81
Deposits and placements with banks and other financial institutions	-	439,237	-	-	-	-	-	439,237	3.32
Securities held-for-trading	-	-	-	-	-	-	2,634,600	2,634,600	3.68
Securities available-for-sale	542,617	120,167	260,947	2,486,988	1,002,124	171,570	-	4,584,413	4.92
Securities held-to-maturity	1,313,696	726,877	1,971,412	3,466,595	2,067,390	(151,811) #	-	9,394,159	4.03
Loans, advances & financing									
- performing	36,074,137	7,709,285	5,107,229	6,158,062	4,816,917	-	-	59,865,630	6.64
- non-performing	-	-	-	-	-	262,245 *	-	262,245	-
Other assets	-	-	-	-	-	421,244	-	421,244	-
Derivative assets	-	-	-	-	-	-	344,916	344,916	-
Tax recoverable	-	-	-	-	-	9,215	-	9,215	-
Deferred tax assets	-	-	-	-	-	268,159	-	268,159	-
Statutory deposits	-	-	-	-	-	1,521,442	-	1,521,442	-
Property, plant and equipment	-	-	-	-	-	527,711	-	527,711	-
Prepaid land lease	-	-	-	-	-	102,139	-	102,139	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	50,542,514	8,995,566	7,339,588	12,111,645	7,886,431	5,082,377	2,979,516	94,937,637	
Liabilities									
Deposits from customers	32,916,641	7,108,661	14,098,778	701,175	-	16,186,008	-	71,011,263	2.99
Deposits and placements of banks and other financial institutions	4,279,585	1,305,302	577,394	568,137	22,037	1,121	-	6,753,576	3.26
Bills and acceptances payable	1,724,912	2,165,463	825,119	-	-	220,018	-	4,935,512	3.70
Recourse obligation on loans sold to Cagamas Berhad	87,146	-	372,367	714,241	-	-	-	1,173,754	4.87
Other liabilities	-	-	-	-	-	1,150,268	-	1,150,268	-
Derivative liabilities	-	-	-	-	-	-	338,011	338,011	-
Provision for taxation	-	-	-	-	-	91,149	-	91,149	-
Deferred tax liabilities	-	-	-	-	-	15	-	15	-
Long term borrowings	-	655,975	-	-	-	-	-	655,975	3.47
Subordinated obligations	-	-	-	1,300,000	700,000	-	-	2,000,000	5.18
	39,008,284	11,235,401	15,873,658	3,283,553	722,037	17,648,579	338,011	88,109,523	
Total equity	-	-	-	-	-	6,828,114	-	6,828,114	-
Total liabilities and equity	39,008,284	11,235,401	15,873,658	3,283,553	722,037	24,476,693	338,011	94,937,637	
On-balance sheet interest sensitivity gap	11,534,230	(2,239,835)	(8,534,070)	8,828,092	7,164,394	(19,394,316)	2,641,505	-	
Off-balance sheet interest sensitivity gap	74,741	392,237	262,502	252,554	127,592	-	-	1,109,626	
Total interest-sensitivity gap	11,608,971	(1,847,598)	(8,271,568)	9,080,646	7,291,986	(19,394,316)	2,641,505	1,109,626	

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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

26 Interest Rate Risk (cont'd)

Bank

30.09.2009

	← Non-trading book →					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short term funds	12,045,859	-	-	-	-	822,499	-	12,868,358	2.05
Securities purchased under resale agreements	883,450	99,969	-	-	-	-	-	983,419	2.00
Deposits and placements with banks and other financial institutions	-	1,218,567	200,000	173,050	519,150	-	-	2,110,767	2.12
Securities held-for-trading	-	-	-	-	-	-	457,914	457,914	2.35
Securities available-for-sale	372,251	12,945	522,671	2,691,241	1,604,728	169,248	-	5,373,084	4.44
Securities held-to-maturity	63,618	110,458	184,979	5,867,969	2,887,411	(132,624) #	-	8,981,811	3.51
Loans, advances & financing									
- performing	38,305,003	6,048,093	3,843,731	6,255,838	1,376,048	-	-	55,828,713	5.85
- non-performing	-	-	-	-	-	282,060 *	-	282,060	-
Other assets	-	-	-	-	-	523,809	-	523,809	-
Derivative assets	-	-	-	-	-	-	230,701	230,701	-
Deferred tax assets	-	-	-	-	-	232,127	-	232,127	-
Statutory deposits	-	-	-	-	-	155,186	-	155,186	-
Investment in subsidiaries	-	-	-	-	-	822,982	-	822,982	-
Property, plant and equipment	-	-	-	-	-	459,855	-	459,855	-
Prepaid land lease	-	-	-	-	-	20,698	-	20,698	-
Goodwill	-	-	-	-	-	905,519	-	905,519	-
Total assets	51,670,181	7,490,032	4,751,381	14,988,098	6,387,337	4,261,359	688,615	90,237,003	
Liabilities									
Deposits from customers	33,186,265	6,082,090	13,789,078	487,783	2,237	16,290,603	-	69,838,056	2.03
Deposits and placements of banks and other financial institutions	1,474,805	1,163,404	900,646	652,915	5,357	907	-	4,198,034	2.51
Bills and acceptances payable	1,340,785	1,795,535	644,158	-	-	228,033	-	4,008,511	2.29
Recourse obligation on loans sold to Cagamas Berhad	-	48,670	133,674	546,014	-	-	-	728,358	5.08
Other liabilities	-	-	-	-	-	948,966	-	948,966	-
Derivative liabilities	-	-	-	-	-	-	212,037	212,037	-
Provision for taxation	-	-	-	-	-	66,871	-	66,871	-
Long term borrowings	346,100	-	622,980	-	-	-	-	969,080	1.31
Subordinated obligations	-	-	-	1,300,000	700,000	-	-	2,000,000	5.18
Hybrid capital securities	-	-	-	-	366,941	-	-	366,941	8.00
	36,347,955	9,089,699	16,090,536	2,986,712	1,074,535	17,535,380	212,037	83,336,854	
Total equity	-	-	-	-	-	6,900,149	-	6,900,149	-
Total liabilities and equity	36,347,955	9,089,699	16,090,536	2,986,712	1,074,535	24,435,529	212,037	90,237,003	
On-balance sheet interest sensitivity gap	15,322,226	(1,599,667)	(11,339,155)	12,001,386	5,312,802	(20,174,170)	476,578	-	
Off-balance sheet interest sensitivity gap	(163,195)	276,397	196,167	1,088,047	271,740	-	-	1,669,156	
Total interest-sensitivity gap	15,159,031	(1,323,270)	(11,142,988)	13,089,433	5,584,542	(20,174,170)	476,578	1,669,156	

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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

26 Interest Rate Risk (cont'd)

Bank

31.12.2008

	← Non-trading book →					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short term funds	11,009,719	-	-	-	-	953,841	-	11,963,560	3.30
Securities purchased under resale agreements	106,565	-	-	-	-	-	-	106,565	0.81
Deposits and placements with banks and other financial institutions	-	330,496	-	-	517,875	-	-	848,371	3.32
Securities held-for-trading	-	-	-	-	-	-	2,230,136	2,230,136	3.58
Securities available-for-sale	542,617	120,167	260,947	2,081,692	671,307	169,873	-	3,846,603	4.77
Securities held-to-maturity	1,313,696	693,070	1,484,189	3,023,301	1,692,078	(151,811) #	-	8,054,523	4.00
Loans, advances & financing									
- performing	34,794,172	6,164,960	4,230,145	5,462,603	1,744,253	-	-	52,396,133	6.72
- non-performing	-	-	-	-	-	203,914 *	-	203,914	-
Other assets	-	-	-	-	-	494,535	-	494,535	-
Derivative assets	-	-	-	-	-	-	344,595	344,595	-
Deferred tax assets	-	-	-	-	-	233,116	-	233,116	-
Statutory deposits	-	-	-	-	-	1,321,902	-	1,321,902	-
Investment in subsidiaries	-	-	-	-	-	828,956	-	828,956	-
Property, plant and equipment	-	-	-	-	-	439,165	-	439,165	-
Prepaid land lease	-	-	-	-	-	20,940	-	20,940	-
Goodwill	-	-	-	-	-	905,519	-	905,519	-
Total assets	47,766,769	7,308,693	5,975,281	10,567,596	4,625,513	5,419,950	2,574,731	84,238,533	
Liabilities									
Deposits from customers	28,085,483	5,929,545	11,605,331	688,485	-	15,284,104	-	61,592,948	3.05
Deposits and placements of banks and other financial institutions	4,196,047	1,205,040	262,825	568,137	22,037	1,121	-	6,255,207	3.25
Bills and acceptances payable	1,724,912	2,165,463	821,303	-	-	189,048	-	4,900,726	3.70
Recourse obligation on loans sold to Cagamas Berhad	87,146	-	372,367	714,241	-	-	-	1,173,754	4.87
Other liabilities	-	-	-	-	-	974,138	-	974,138	-
Derivative liabilities	-	-	-	-	-	-	331,809	331,809	-
Provision for taxation	-	-	-	-	-	87,877	-	87,877	-
Long term borrowings	-	655,975	-	-	-	-	-	655,975	3.47
Subordinated obligations	-	-	-	1,300,000	700,000	-	-	2,000,000	5.18
	34,093,588	9,956,023	13,061,826	3,270,863	722,037	16,536,288	331,809	77,972,434	
Total equity	-	-	-	-	-	6,266,099	-	6,266,099	
Total liabilities and equity	34,093,588	9,956,023	13,061,826	3,270,863	722,037	22,802,387	331,809	84,238,533	
On-balance sheet interest sensitivity gap	13,673,181	(2,647,330)	(7,086,545)	7,296,733	3,903,476	(17,382,437)	2,242,922	-	
Off-balance sheet interest sensitivity gap	(87,623)	308,066	(21,911)	414,772	148,403	-	-	761,707	
Total interest-sensitivity gap	13,585,558	(2,339,264)	(7,108,456)	7,711,505	4,051,879	(17,382,437)	2,242,922	761,707	

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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

27 Segmental Reporting On Revenue And Profit

Group - 9 months ended 30.09.2009

	Corporate & Investment Banking	Retail Banking	Treasury & Money Market	Islamic Banking	International Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	591,835	1,985,799	620,403	241,180	233,341	13,799	-	3,686,357
Inter-segment revenue	4,663	-	13,516	2,480	2,356	593	(23,608)	-
Total revenue	596,498	1,985,799	633,919	243,660	235,697	14,392	(23,608)	3,686,357
Segment results	223,267	669,294	204,815	87,059	50,246	122,034	-	1,356,715
Unallocated expenses								(219,663)
Profit before taxation								1,137,052
Taxation								(273,876)
Net profit for the financial period								<u>863,176</u>

Group - 9 months ended 30.09.2008

	Corporate & Investment Banking	Retail Banking	Treasury & Money Market	Islamic Banking	International Banking	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	702,006	2,015,505	1,005,024	200,498	186,477	15,735	-	4,125,245
Inter-segment revenue	2,195	-	15,280	1,392	2,323	835	(22,025)	-
Total revenue	704,201	2,015,505	1,020,304	201,890	188,800	16,570	(22,025)	4,125,245
Segment results	287,926	630,272	156,924	120,632	73,042	173,462	-	1,442,258
Unallocated expenses								(266,809)
Share of results of an associate								1,175,449
Profit before INCPS dividends and taxation								38
INCPS dividends								1,175,487
Taxation								(32,146)
Taxation								(309,508)
Net profit for the financial period								<u>833,833</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)

28 Valuation of Property, Plant and Equipment

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

29 Event subsequent to Balance Sheet Date

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

30 Changes in the Composition of the Group and the Bank

The significant changes in the composition of the Group for the nine months ended 30 September 2009 are summarised below:

(a) Members' voluntary winding up of wholly-owned subsidiaries of the Bank

- (i) On 22 January 2009, the following wholly-owned subsidiaries of the Bank were deemed to be dissolved at the expiration of three months after the lodgement of the Return by Liquidator Relating to Final Meeting to the Companies Commission of Malaysia and the Official Receiver pursuant to Section 272(5) of the Companies Act, 1965:-

- (i) U.B. Nominees (Tempatan) Sdn Bhd ("UBNT");
- (ii) USB Nominees Sdn Bhd ("USBN");
- (iii) USB Nominees (Tempatan) Sdn Bhd ("USBNT");
- (iv) USB Nominees (Asing) Sdn Bhd ("USBNA"); and
- (v) INFB Jaya Sdn Bhd ("INFB")

The dissolution of UBNT, USBN, USBNT, USBNA and INFB will not have any material effect on the Group and the Bank performance for the nine months ended 30 September 2009.

- (ii) On 14 August 2009, RHB Delta Nominees (Tempatan) Sdn Bhd ('RHBDNT'), a wholly-owned subsidiary of the Bank has commenced member's voluntary winding-up pursuant to Section 254(1) of the Companies Act, 1965.

RHBDNT is a company incorporated in Malaysia and is presently dormant.

The winding up of RHBDNT will not have any material effect on the Group and the Bank performance for the nine months ended 30 September 2009.

31 Changes in Profit for the Quarter

For the third quarter ended 30 September 2009, the Group recorded a pre-tax profit of RM433.4 million, up 14.1% as compared to RM379.9 million achieved in the previous quarter ended 30 June 2009. The higher profit was mainly due to lower allowance for losses on loans and financing by RM93.4 million, higher net interest income by RM19.2 million and higher reversal of impairment loss by RM2.0 million; partly offset by higher other operating expenses and lower income from Islamic Banking business by RM39.6 million and RM22.1 million respectively.

32 Performance Review

For the nine months ended 30 September 2009, the Group recorded a pre-tax profit of RM1,137.1 million, marginally lower than that of the previous year corresponding period of RM1,143.3 million. The lower profit was mainly due to higher allowance for losses on loans and financing, other operating expenses and lower other operating income by RM152.0 million, RM42.2 million and RM20.8 million respectively; partly offset by higher net interest income by RM105.0 million, higher income from Islamic Banking business by RM40.7 million, higher reversal of impairment loss by RM30.9 million and lower INCPS dividends by RM32.1 million.

33 Prospects for the Financial Year Ending 31 December 2009

The Malaysian economy and banking sector is expected to further strengthen going into the last quarter of 2009 as it benefits from the momentum built by the continuous proactive actions taken by BNM and the Government since the start of the year.

The Banking sector remains healthy with ample liquidity and an improving asset quality outlook. Competition remains keen as the industry continues to pursue competitive pricing policies across all the major lending products to gain market share. Improving sentiments in the public debt and equity markets is expected to give rise to potential revenue opportunities for our Investment Banking activities.

In line with the anticipated improvement in the domestic economy and underpinned by the Group's strengthening performance, the Group expects to achieve a satisfactory performance in 2009.