



RHB Capital Berhad 312952-H
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**ANNOUNCEMENT OF UNAUDITED RESULTS
 FOR THE THREE MONTHS ENDED 31 MARCH 2009**

The Board of Directors of RHB Capital Berhad ("The Board") wishes to announce that the unaudited results of the Group and Company for the three months ended 31 March 2009 are as follows:

**CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE THREE MONTHS ENDED 31 MARCH 2009**

	Note	1st quarter ended		Three months ended	
		31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A8	1,080,404	1,203,677	1,080,404	1,203,677
Interest expense	A9	(506,877)	(673,390)	(506,877)	(673,390)
Net interest income		573,527	530,287	573,527	530,287
Other operating income	A10	213,143	243,343	213,143	243,343
		786,670	773,630	786,670	773,630
Income from Islamic Banking business		60,421	55,993	60,421	55,993
Net operating income		847,091	829,623	847,091	829,623
Other operating expenses	A11	(377,499)	(367,160)	(377,499)	(367,160)
Operating profit before allowances		469,592	462,463	469,592	462,463
Allowance for losses on loans and financing	A12	(174,878)	(152,114)	(174,878)	(152,114)
Impairment loss		20,129	(995)	20,129	(995)
		314,843	309,354	314,843	309,354
Share of results of associates		11	523	11	523
Share of results of joint venture		143	-	143	-
Profit before taxation		314,997	309,877	314,997	309,877
Taxation	B5	(84,776)	(87,288)	(84,776)	(87,288)
Net profit for the financial period		230,221	222,589	230,221	222,589
Attributable to:					
- Equity holders of the Company		228,641	222,422	228,641	222,422
- Minority interests		1,580	167	1,580	167
		230,221	222,589	230,221	222,589
Earnings per share					
- Basic (sen)	B13	10.6	10.3	10.6	10.3
- Diluted (sen)	B13	10.6	10.3	10.6	10.3

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

**CONDENSED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

	Note	1st quarter ended		Three months ended	
		31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
		RM'000	RM'000	RM'000	RM'000
<u>Company</u>					
Interest income	A8	29	928	29	928
Interest expense	A9	(36,273)	(33,521)	(36,273)	(33,521)
Net interest expense		<u>(36,244)</u>	<u>(32,593)</u>	<u>(36,244)</u>	<u>(32,593)</u>
Other operating income	A10	(252)	542	(252)	542
Net operating income		<u>(36,496)</u>	<u>(32,051)</u>	<u>(36,496)</u>	<u>(32,051)</u>
Other operating expenses	A11	(4,348)	(6,740)	(4,348)	(6,740)
Loss before taxation		<u>(40,844)</u>	<u>(38,791)</u>	<u>(40,844)</u>	<u>(38,791)</u>
Taxation	B5	9,028	-	9,028	-
Net loss for the financial period		<u><u>(31,816)</u></u>	<u><u>(38,791)</u></u>	<u><u>(31,816)</u></u>	<u><u>(38,791)</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

		Unaudited	Audited
		As at	As at
	Note	31 Mar 2009	31 Dec 2008
		RM'000	RM'000
Group			
ASSETS			
Cash and short term funds		14,073,364	14,346,451
Securities purchased under resale agreements		88,475	106,565
Deposits and placements with banks and other financial institutions		1,136,760	555,126
Securities held-for-trading	A13	1,184,480	5,325,966
Securities available-for-sale ('Securities AFS')	A14	9,866,676	6,212,714
Securities held-to-maturity	A15	10,111,460	9,616,812
Loans, advances and financing	A16	60,133,763	60,596,120
Clients' and brokers' balances		216,462	175,303
Other assets	A17	558,252	549,448
Derivative assets		426,331	380,161
Statutory deposits		561,909	1,579,678
Tax recoverable		89,377	94,929
Deferred tax assets		304,402	275,016
Investments in associates		11,148	11,137
Investments in joint venture		26,953	26,349
Prepaid land lease		102,483	102,779
Property, plant and equipment		790,410	792,046
Goodwill		3,786,169	3,786,169
Total assets		103,468,874	104,532,769
LIABILITIES AND EQUITY			
Deposits from customers	A18/B9(a)	76,450,001	73,962,224
Deposits and placements of banks and other financial institutions	A19/B9(a)	5,722,324	8,682,147
Bills and acceptances payable		4,215,744	4,935,512
Clients' and brokers' balances		319,240	289,053
Other liabilities	A20	1,489,338	1,498,770
Derivative liabilities		354,439	384,879
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		1,056,599	1,173,754
Taxation		63,536	91,196
Deferred tax liabilities		317	1,760
Borrowings	B9(b)	3,156,822	3,432,534
Subordinated obligations	B9(c)	2,240,000	2,240,000
Hybrid Tier-1 Capital Securities	B9(d)	366,835	-
Total liabilities		95,435,195	96,691,829
Share capital		2,153,475	2,153,475
Reserves		5,852,072	5,660,952
		8,005,547	7,814,427
Minority interests		28,132	26,513
Total equity		8,033,679	7,840,940
Total liabilities and equity		103,468,874	104,532,769
Commitments and contingencies	A25(a)	62,944,846	60,734,924
Net assets per share attributable to equity holders of the Company (RM)		3.72	3.63

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

CONDENSED BALANCE SHEET AS AT 31 MARCH 2009

		Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008
	Note	RM'000	RM'000
<u>Company</u>			
ASSETS			
Cash and short term funds		598	20,619
Deposits and placements with banks and other financial institutions		1,259	1,253
Other assets	A17	33,534	33,806
Amounts due from subsidiaries/related companies		9,460	10,319
Tax recoverable		54,804	54,804
Investments in subsidiaries		8,782,439	8,782,439
Property, plant and equipment		341	373
Deferred tax assets		9,012	-
Total assets		8,891,447	8,903,613
LIABILITIES AND EQUITY			
Other liabilities	A20	40,985	53,420
Amounts due to subsidiaries/related companies		153,648	153,093
Deferred tax liabilities		-	16
Borrowings	B9(b)	2,808,105	2,776,559
Total liabilities		3,002,738	2,983,088
Share capital		2,153,475	2,153,475
Reserves		3,735,234	3,767,050
Total equity		5,888,709	5,920,525
Total liabilities and equity		8,891,447	8,903,613

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

	Attributable to equity holders of the Company									
	Share capital RM'000	Share premium RM'000	Reserve funds RM'000	Other reserves RM'000	AFS reserves RM'000	Translation reserves RM'000	Retained profits RM'000	Sub-total RM'000	Minority interests RM'000	Total equity RM'000
Group										
Balance as at 1 January 2009	2,153,475	2,352,093	1,944,654	8,563	22,785	(10,875)	1,343,732	7,814,427	26,513	7,840,940
Currency translation differences	-	-	-	-	-	34,636	-	34,636	-	34,636
Unrealised net gain/(loss) on revaluation of securities AFS	-	-	-	-	(72,186)	-	-	(72,186)	67	(72,119)
Net transfer to income statement on disposal or impairment	-	-	-	-	(16,700)	-	-	(16,700)	(15)	(16,715)
Deferred tax	-	-	-	-	16,729	-	-	16,729	(13)	16,716
Income and expenses recognised directly in equity	-	-	-	-	(72,157)	34,636	-	(37,521)	39	(37,482)
Net profit for the financial period	-	-	-	-	-	-	228,641	228,641	1,580	230,221
Total income and expenses recognised for the financial period	-	-	-	-	(72,157)	34,636	228,641	191,120	1,619	192,739
Balance as at 31 March 2009	2,153,475	2,352,093	1,944,654	8,563	(49,372)	23,761	1,572,373	8,005,547	28,132	8,033,679

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

	Attributable to equity holders of the Company							Minority interests RM'000	Total equity RM'000	
	Share capital RM'000	Share premium RM'000	Reserve funds RM'000	Other reserves RM'000	AFS reserves RM'000	Translation reserves RM'000	Retained profits RM'000			Sub-total RM'000
Balance as at 1 January 2008	2,153,475	2,352,093	1,668,014	8,563	24,257	(10,149)	852,107	7,048,360	25,628	7,073,988
Currency translation differences	-	-	-	-	-	(40,837)	-	(40,837)	-	(40,837)
Unrealised net gain on revaluation of securities AFS	-	-	-	-	17,463	-	-	17,463	49	17,512
Net transfer to income statement on disposal or impairment	-	-	-	-	(3,763)	-	-	(3,763)	-	(3,763)
Deferred tax	-	-	-	-	(2,072)	-	-	(2,072)	(13)	(2,085)
Income and expenses recognised directly in equity	-	-	-	-	11,628	(40,837)	-	(29,209)	36	(29,173)
Net profit for the financial period	-	-	-	-	-	-	222,422	222,422	167	222,589
Total income and expenses recognised for the financial period	-	-	-	-	11,628	(40,837)	222,422	193,213	203	193,416
Balance as at 31 March 2008	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,668,014</u>	<u>8,563</u>	<u>35,885</u>	<u>(50,986)</u>	<u>1,074,529</u>	<u>7,241,573</u>	<u>25,831</u>	<u>7,267,404</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

<u>Company</u>	<u>Share capital</u> RM'000	<u>Non- Share premium</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
Balance as at 1 January 2009	2,153,475	2,352,093	1,414,957	5,920,525
Net loss for the financial period	-	-	(31,816)	(31,816)
Balance as at 31 March 2009	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,383,141</u>	<u>5,888,709</u>
Balance as at 1 January 2008	2,153,475	2,352,093	1,606,509	6,112,077
Net loss for the financial period	-	-	(38,791)	(38,791)
Balance as at 31 March 2008	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,567,718</u>	<u>6,073,286</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

	Three months ended	
	31 Mar 2009	31 Mar 2008
	RM'000	RM'000
Group		
Operating activities		
Profit before taxation	314,997	309,877
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	<u>(155,945)</u>	27,023
Operating profit before working capital changes	159,052	336,900
Net changes in operating assets	3,227,311	(3,174,987)
Net changes in operating liabilities	<u>(1,289,550)</u>	4,677,644
Cash generated from operations	2,096,813	1,839,557
Taxation paid	(121,079)	(103,573)
Taxation recovered	126	5,857
Net cash generated from operating activities	<u>1,975,860</u>	<u>1,741,841</u>
Investing activities		
Increase in investment in subsidiary	-	(1,506,647)
Purchase of property, plant and equipment	(18,615)	(12,211)
Net (purchase)/sale of securities	(2,435,032)	2,936,926
Interest received from securities	133,857	2,768
Investment income received from securities	14,560	-
Dividend income received from securities	372	1,847
Proceeds from disposal of property, plant and equipment	2,522	4
Net cash (used in)/generated from investing activities	<u>(2,302,336)</u>	<u>1,422,687</u>
Financing activities		
Proceed from issuance of Hybrid Tier-1 Capital Securities	366,835	-
Drawdown of borrowings	94,500	1,069,530
Repayment of borrowings	(408,585)	-
Payment to hire-purchase creditors	(48)	(92)
Net proceeds from issuance of subordinated notes	-	25,000
Redemption of subordinated notes	-	(479,100)
Net cash generated from financing activities	<u>52,702</u>	<u>615,338</u>
Net (decrease)/increase in cash and cash equivalents	(273,774)	3,779,866
Cash and cash equivalents		
- at the beginning of the financial period	<u>14,345,581</u>	<u>19,048,118</u>
- at the end of the financial period	<u>14,071,807</u>	<u>22,827,984</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	14,073,364	22,828,021
Overdrafts	(1,557)	(37)
	<u>14,071,807</u>	<u>22,827,984</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

	Three months ended	
	31 Mar 2009	31 Mar 2008
	RM'000	RM'000
<u>Company</u>		
Operating activities		
Loss before taxation	(40,844)	(38,791)
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	<u>36,556</u>	<u>32,498</u>
Operating loss before working capital changes	(4,288)	(6,293)
Net changes in operating assets	1,074	(152)
Net changes in operating liabilities	<u>(1,718)</u>	<u>(437)</u>
Cash used in operating activities	<u>(4,932)</u>	<u>(6,882)</u>
Investing activities		
Increase in investment in subsidiary	-	(1,506,647)
Purchase of property, plant and equipment	(28)	(38)
Interest income received	<u>79</u>	<u>965</u>
Net cash generated from/(used in) investing activities	<u>51</u>	<u>(1,505,720)</u>
Financing activities		
Drawdown of borrowings	420,200	1,085,500
Interest expense paid	(45,979)	(48,508)
Repayment of borrowings	(390,000)	-
Payment to hire-purchase creditors	<u>(48)</u>	<u>(92)</u>
Net cash (used in)/generated from financing activities	<u>(15,827)</u>	<u>1,036,900</u>
Net decrease in cash and cash equivalents	(20,708)	(475,702)
Cash and cash equivalents		
- at the beginning of the financial period	<u>19,749</u>	<u>476,425</u>
- at the end of the financial period	<u>(959)</u>	<u>723</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	598	760
Overdrafts	<u>(1,557)</u>	<u>(37)</u>
	<u>(959)</u>	<u>723</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008.



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2009**

A1. Basis of Preparation

The interim financial statements are unaudited and has been prepared in compliance with the Financial Reporting Standards ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ('MASB') and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited financial statements of the Group and the Company for the last financial year ended 31 December 2008.

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

A2. Audit Report

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

A3. Seasonal or Cyclical Factors

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

A4. Exceptional or Unusual Items

There were no exceptional or unusual items for the three months ended 31 March 2009.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

A6. Changes in Debt and Equity Securities

There were no issuances 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 an issuance of RM370.0 million Hybrid Tier-1 Capital Securities by RHB Bank Berhad ('RHB Bank') on 31 March 2009.

A7. Dividends Paid

No dividend was paid during the three months ended 31 March 2009.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2009

	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
A8. Interest Income				
<u>Group</u>				
Loans, advances and financing:				
- interest income other than recoveries from non-performing loans, advances and financing ('NPLs')	782,222	766,639	782,222	766,639
- recoveries from NPLs	36,512	41,820	36,512	41,820
Money at call, deposits and placements with financial institutions	97,091	220,888	97,091	220,888
Securities purchased under resale agreements	231	22,555	231	22,555
Securities held-for-trading	37,302	45,863	37,302	45,863
Securities AFS	73,816	59,920	73,816	59,920
Securities held-to-maturity	84,435	56,539	84,435	56,539
Others	4,675	4,157	4,675	4,157
	<u>1,116,284</u>	<u>1,218,381</u>	<u>1,116,284</u>	<u>1,218,381</u>
Accretion of discount less amortisation of premium	(7,845)	5,701	(7,845)	5,701
Interest suspended	(28,035)	(20,405)	(28,035)	(20,405)
	<u>1,080,404</u>	<u>1,203,677</u>	<u>1,080,404</u>	<u>1,203,677</u>
<u>Company</u>				
Money at call, deposits and placements with financial institutions	29	928	29	928
	<u>29</u>	<u>928</u>	<u>29</u>	<u>928</u>
A9. Interest Expense				
<u>Group</u>				
Deposits and placements of banks and other financial institutions	36,154	75,972	36,154	75,972
Deposits from customers	375,612	500,101	375,612	500,101
Borrowings	45,996	37,449	45,996	37,449
Subordinated obligations	28,679	31,586	28,679	31,586
Hybrid Tier-1 Capital Securities	82	-	82	-
Recourse obligation on loans sold to Cagamas	13,498	20,850	13,498	20,850
Others	6,856	7,432	6,856	7,432
	<u>506,877</u>	<u>673,390</u>	<u>506,877</u>	<u>673,390</u>
<u>Company</u>				
Borrowings	36,261	33,251	36,261	33,251
Others	12	270	12	270
	<u>36,273</u>	<u>33,521</u>	<u>36,273</u>	<u>33,521</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2009

	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income				
Group				
Fee income:				
- Service charges and fees	37,299	41,382	37,299	41,382
- Commission	29,744	27,013	29,744	27,013
- Guarantee fees	8,050	10,817	8,050	10,817
- Commitment fees	11,386	11,556	11,386	11,556
- Brokerage	8,807	24,055	8,807	24,055
- Fund management fees	3,754	4,263	3,754	4,263
- Corporate advisory fees	2,150	3,710	2,150	3,710
- Underwriting and arrangement fees	7,928	10,320	7,928	10,320
- Unit trust fee income	592	1,297	592	1,297
- Other fee income	4,440	3,674	4,440	3,674
	<u>114,150</u>	<u>138,087</u>	<u>114,150</u>	<u>138,087</u>
Net gain/(loss) arising from sale/ redemption of securities and derivatives:				
- Net gain/(loss) from sale of :				
- securities held-for-trading	29,251	21,053	29,251	21,053
- securities AFS	1,452	5,673	1,452	5,673
- Net (loss)/gain from redemption of securities held-to-maturity	(58)	773	(58)	773
- Derivatives	(1,791)	(471)	(1,791)	(471)
	<u>28,854</u>	<u>27,028</u>	<u>28,854</u>	<u>27,028</u>
Unrealised gain/(loss) on revaluation of securities and derivatives:				
- Securities held-for-trading	(466)	(8,430)	(466)	(8,430)
- Derivatives	13,227	(8,542)	13,227	(8,542)
	<u>12,761</u>	<u>(16,972)</u>	<u>12,761</u>	<u>(16,972)</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2009

	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
A10. Other Operating Income (continued)				
<u>Group (continued)</u>				
Gross dividend income from:				
- Securities held-for-trading	424	721	424	721
- Securities AFS	1	1,302	1	1,302
	<u>425</u>	<u>2,023</u>	<u>425</u>	<u>2,023</u>
Other income:				
- Foreign exchange (loss)/gain				
- realised	(35,823)	69,958	(35,823)	69,958
- unrealised	62,743	(8,594)	62,743	(8,594)
- Underwriting surplus before management expenses	15,806	11,557	15,806	11,557
- Rental income	886	856	886	856
- Net gain on disposal of property, plant and equipment	1,152	3	1,152	3
- Other operating income	11,460	11,138	11,460	11,138
- Other non-operating income	729	8,259	729	8,259
	<u>56,953</u>	<u>93,177</u>	<u>56,953</u>	<u>93,177</u>
	<u>213,143</u>	<u>243,343</u>	<u>213,143</u>	<u>243,343</u>
<u>Company</u>				
Other income:				
- Foreign exchange (loss)/gain				
- unrealised	(252)	262	(252)	262
- Other operating income	-	280	-	280
	<u>(252)</u>	<u>542</u>	<u>(252)</u>	<u>542</u>



RHB CAPITAL BERHAD (312952 – H)
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	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses				
<u>Group</u>				
Personnel costs				
- Salaries, bonus, wages and allowances	180,105	175,831	180,105	175,831
- Defined contribution plan	26,882	25,260	26,882	25,260
- Other staff related costs	14,236	14,294	14,236	14,294
	<u>221,223</u>	<u>215,385</u>	<u>221,223</u>	<u>215,385</u>
Establishment costs				
- Information technology expenses	25,264	22,882	25,264	22,882
- Depreciation	19,043	20,948	19,043	20,948
- Repair and maintenance	11,572	10,972	11,572	10,972
- Rental of premises	9,621	8,345	9,621	8,345
- Water and electricity	4,588	3,873	4,588	3,873
- Rental of equipment	3,387	3,100	3,387	3,100
- Insurance	5,309	2,559	5,309	2,559
- Amortisation of prepaid land lease	128	125	128	125
- Others	1,596	2,227	1,596	2,227
	<u>80,508</u>	<u>75,031</u>	<u>80,508</u>	<u>75,031</u>
Marketing expenses				
- Sales commission	6,364	6,688	6,364	6,688
- Advertisements and publicity	6,023	8,030	6,023	8,030
- Dealers' handling fee	2,276	5,808	2,276	5,808
- Others	15,893	19,324	15,893	19,324
	<u>30,556</u>	<u>39,850</u>	<u>30,556</u>	<u>39,850</u>
Administration and general expenses				
- Communication expenses	22,135	16,503	22,135	16,503
- Legal and professional fee	1,832	3,901	1,832	3,901
- Others	21,245	16,490	21,245	16,490
	<u>45,212</u>	<u>36,894</u>	<u>45,212</u>	<u>36,894</u>
	<u>377,499</u>	<u>367,160</u>	<u>377,499</u>	<u>367,160</u>



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	1st quarter ended		Three months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
A11. Other Operating Expenses (continued)				
<u>Company</u>				
Personnel costs				
- Salaries, bonus, wages and allowances	2,468	2,765	2,468	2,765
- Defined contribution plan	392	332	392	332
- Other staff related costs	522	387	522	387
	3,382	3,484	3,382	3,484
Establishment costs				
- Rental of premises	302	310	302	310
- Depreciation	60	168	60	168
- Repair and maintenance	35	87	35	87
- Rental of equipment	12	10	12	10
- Water and electricity	13	14	13	14
- Information technology expenses	1	3	1	3
	423	592	423	592
Marketing expenses				
- Advertisements and publicity	109	134	109	134
- Others	193	432	193	432
	302	566	302	566
Administration and general expenses				
- Communication expenses	64	73	64	73
- Legal and professional fee	122	1,959	122	1,959
- Others	55	66	55	66
	241	2,098	241	2,098
	4,348	6,740	4,348	6,740



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	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
A12. Allowance for Losses on Loans and Financing				
<u>Group</u>				
Allowance for bad and doubtful debts				
- specific allowance made	255,322	219,029	255,322	219,029
- specific allowance written back	(51,699)	(51,740)	(51,699)	(51,740)
- specific allowance (net)	203,623	167,289	203,623	167,289
- general allowance (net)	(4,157)	18,618	(4,157)	18,618
Bad debts recovered	(28,238)	(36,108)	(28,238)	(36,108)
Specific allowance for other debtors	3,650	2,315	3,650	2,315
	<u>174,878</u>	<u>152,114</u>	<u>174,878</u>	<u>152,114</u>



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	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
A13. Securities Held-for-trading		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	-	1,039,468
Malaysian government treasury bills	15,961	156,842
Malaysian government investment issues	25,609	143,706
Bank Negara Malaysia ('BNM') monetary notes	34,861	856,920
Khazanah bonds	-	11,367
Bankers' acceptances and Islamic accepted bills	274,457	307,712
Negotiable instrument of deposits	429,734	829,367
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Shares	35,280	32,615
Unit trust	918	3,929
Outside Malaysia		
Shares	3,379	3,189
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	319,210	1,862,000
Outside Malaysia		
Structured notes	45,071	78,851
	<u>1,184,480</u>	<u>5,325,966</u>

The Group has 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.



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A13. Securities Held-for-trading (continued)

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

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
At fair value		
Amount reclassified from securities:		
- held-for-trading to securities available-for-sale	3,289,122	-
- held-for-trading to securities held-to-maturity	-	129,322
	<u>3,289,122</u>	<u>129,322</u>

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	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
Amount recognised to income statement		
- held-for-trading to securities available-for-sale	-	50,935
- held-for-trading to securities held-to-maturity	-	(1,852)
	<u>-</u>	<u>49,083</u>

As at the date of reclassification, the effective interest rates on the reclassified securities held-for-trading, based on the new cost, ranged from 2.63% to 10.16% per annum (31.12.2008: 3.71% to 5.44% per annum) with the expected recoverable cash flows of approximately RM3,750 million (31.12.2008: RM136.5 million).



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	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
A14. Securities Available-for-sale		
At fair value		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	2,774,990	687,425
Malaysian government investment issues	665,762	428,666
BNM monetary notes	-	7,968
Cagamas bonds and Cagamas Mudharabah bonds	55,522	119,451
Khazanah bonds	11,085	-
Negotiable instrument of deposits	113,036	112,912
Singapore government securities	144,930	263,895
Singapore government treasury bills	299,594	143,996
Thailand government bonds	21,136	20,402
<u>QUOTED SECURITIES:</u>		
In Malaysia		
Corporate loan stocks	22,717	23,869
Shares	4,558	5,338
Warrants	695	695
Outside Malaysia		
Shares	5	5
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	5,303,848	3,840,047
Shares	168,499	168,499
Corporate loan stocks	197,360	162,909
Outside Malaysia		
Private debt securities	61,664	61,674
Corporate loan stocks	2,542	2,432
Structured notes	18,733	162,531
	<u>9,866,676</u>	<u>6,212,714</u>

The carrying value of securities available-for-sale, which was transferred from securities held-for-trading, as at 31 March 2009 amounting to RM3,086 million (31.12.2008: Nil).



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	Group	
	Unaudited	Audited
	As at	As at
	<u>31 Mar 2009</u>	<u>31 Dec 2008</u>
	RM'000	RM'000
A15. Securities Held-to-maturity		
At amortised cost		
<u>MONEY MARKET INSTRUMENTS:</u>		
Malaysian government securities	2,455,226	1,912,922
Malaysian government investment issues	808,938	592,585
Cagamas bonds and Cagamas Mudharabah bonds	863,717	848,571
Khazanah bonds	284,490	281,839
Negotiable instrument of deposits	1,370,652	2,116,307
Singapore government securities	119,421	119,660
Thailand government securities	244,678	225,603
Bankers' acceptances and Islamic accepted notes	1,229	-
Sukuk (Brunei) Incorporation	23,973	-
<u>UNQUOTED SECURITIES:</u>		
In Malaysia		
Private debt securities	2,113,563	1,660,224
Corporate loan stocks	70,589	70,589
Bonds	27,201	27,201
Shares	2,700	2,700
Prasarana bonds	1,854,898	1,855,582
Outside Malaysia		
Floating rate notes	41,256	39,194
Private debt securities	21,694	20,601
Structured notes	24,473	74,964
	<u>10,328,698</u>	<u>9,848,542</u>
Accumulated impairment loss	(217,238)	(231,730)
	<u><u>10,111,460</u></u>	<u><u>9,616,812</u></u>

The carrying value of securities held-to-maturity, which was transferred from securities held-for-trading as at 31 March 2009 is RM110,427,000 (31.12.2008: RM126,767,000). The fair value of these securities as at 31 March 2009 is RM112,542,000 (31.12.2008: RM127,162,000). There has not been any transfer made to securities held-to-maturity during the current quarter ended 31 March 2009.



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	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
A16. Loans, Advances and Financing		
Overdrafts	6,303,206	6,463,296
Term loans/financing		
- housing loans/financing	13,944,416	13,578,913
- syndicated term loans/financing	2,777,901	2,851,708
- hire-purchase receivables	11,004,254	10,853,474
- lease receivables	227,675	240,857
- other term loans/financing	14,937,936	14,467,930
Bills receivable	1,429,364	1,576,790
Trust receipts	414,848	504,202
Claims on customers under acceptance credits	5,103,489	6,074,089
Staff loans/financing	375,196	377,252
Credit/charge cards receivables	2,106,469	2,104,609
Revolving credits	5,746,646	5,668,471
	<u>64,371,400</u>	<u>64,761,591</u>
Unearned interest and income	(1,600,323)	(1,600,817)
Gross loans, advances and financing	<u>62,771,077</u>	<u>63,160,774</u>
Allowance for bad and doubtful debts and financing		
- general	(1,104,738)	(1,106,697)
- specific	(1,532,576)	(1,457,957)
Net loans, advances and financing	<u><u>60,133,763</u></u>	<u><u>60,596,120</u></u>

Included in term loans are loans sold to Cagamas with recourse amounting to RM1,056,599,000 (31.12.2008: RM1,173,754,000).

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
(a) By type of customers		
Domestic non-bank financial institutions		
- others	586,318	623,891
Domestic business enterprises		
- small medium enterprises	9,936,242	10,559,463
- others	20,754,912	21,249,115
Government and statutory bodies	105,581	109,406
Individuals	26,596,983	26,020,910
Other domestic entities	35,727	29,320
Foreign entities	4,755,314	4,568,669
	<u>62,771,077</u>	<u>63,160,774</u>



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	Group	
	Unaudited	Audited
	As at 31 Mar 2009	As at 31 Dec 2008
	RM'000	RM'000
A16. Loans, Advances and Financing (continued)		
(b) By interest/profit rate sensitivity		
Fixed rate		
- housing loans/financing	1,713,062	1,737,043
- hire-purchase receivables	9,426,557	9,419,595
- other fixed rate loans/financing	4,032,608	4,362,495
Variable rate		
- base lending rate plus	23,716,391	22,895,096
- cost-plus	18,487,201	19,167,016
- other variable rates	5,395,258	5,579,529
	<u>62,771,077</u>	<u>63,160,774</u>
(c) By purpose		
Purchase of securities	2,018,832	2,062,553
Purchase of transport vehicles	7,654,076	7,505,560
Purchase of landed property:		
- residential	14,479,725	14,089,035
- non-residential	3,114,372	3,003,469
Purchase of property, plant and equipment other than land and building	3,958,041	4,043,123
Personal use	1,989,705	1,998,894
Credit card	2,106,469	2,104,609
Purchase of consumer durables	70,987	74,569
Construction	2,159,643	2,077,193
Working capital	23,121,344	24,468,116
Other purpose	2,097,883	1,733,653
	<u>62,771,077</u>	<u>63,160,774</u>



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	Group	
	Unaudited	Audited
	As at 31 Mar 2009	As at 31 Dec 2008
	RM'000	RM'000
A16. Loans, Advances and Financing (continued)		
(d) NPLs by purpose		
Purchase of securities	48,564	50,494
Purchase of transport vehicles	241,047	225,720
Purchase of landed property:		
- residential	1,135,461	1,048,642
- non-residential	162,931	140,924
Purchase of property, plant and equipment other than land and building	102,685	81,098
Personal use	103,330	105,419
Credit card	67,220	56,368
Purchase of consumer durables	4,886	4,403
Construction	98,376	114,410
Working capital	1,129,072	1,004,891
Other purpose	10,998	7,749
	<u>3,104,570</u>	<u>2,840,118</u>
(e) Movements in NPLs are as follows:		
Balance as at the beginning of the financial period/year	2,840,118	3,165,293
Classified as non-performing during the financial period/year	1,109,573	3,206,526
Amount recovered	(79,186)	(504,970)
Reclassified as performing during the financial period/year	(643,160)	(2,564,643)
Amount written off	(124,949)	(465,166)
Exchange difference	2,174	3,078
Balance as at the end of the financial period/year	<u>3,104,570</u>	<u>2,840,118</u>
Specific allowance	<u>(1,532,576)</u>	<u>(1,457,957)</u>
Net NPLs	<u>1,571,994</u>	<u>1,382,161</u>
Ratio of net NPLs as % of gross loans, advances and financing less specific allowance	<u>2.57%</u>	<u>2.24%</u>



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Group	
Unaudited	Audited
As at	As at
<u>31 Mar 2009</u>	<u>31 Dec 2008</u>
RM'000	RM'000

A16. Loans, Advances and Financing (continued)

(f) Movements in allowance for bad and doubtful debts and financing accounts are as follows:

General allowance

Balance as at the beginning of the financial period/year	1,106,697	999,186
Net allowance made during the financial period/year	(4,157)	104,997
Exchange difference	2,198	2,514
Balance as at the end of the financial period/year	<u>1,104,738</u>	<u>1,106,697</u>
As % of gross loans, advances and financing less specific allowance	<u>1.8%</u>	<u>1.8%</u>

Specific allowance

Balance as at the beginning of the financial period/year	1,457,957	1,260,265
Allowance made during the financial period/year	255,322	937,219
Amount recovered	(51,699)	(214,613)
Amount written off	(130,966)	(526,468)
Exchange difference	1,962	1,554
Balance as at the end of the financial period/year	<u>1,532,576</u>	<u>1,457,957</u>



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	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	<u>31 Mar 2009</u>	<u>31 Dec 2008</u>	<u>31 Mar 2009</u>	<u>31 Dec 2008</u>
	RM'000	RM'000	RM'000	RM'000
A17. Other Assets				
Other debtors, deposits and prepayments	354,771	343,351	33,519	33,740
Accrued interest receivable	203,481	206,097	15	66
	<u>558,252</u>	<u>549,448</u>	<u>33,534</u>	<u>33,806</u>
			Group	
			Unaudited	Audited
			As at	As at
			<u>31 Mar 2009</u>	<u>31 Dec 2008</u>
			RM'000	RM'000
A18. Deposits from Customers				
(a) By type of deposits				
Demand deposits			17,282,719	17,241,377
Savings deposits			5,464,918	5,393,709
Fixed deposits			53,335,471	50,963,753
Negotiable instrument of deposits			366,893	363,385
			<u>76,450,001</u>	<u>73,962,224</u>
(b) By type of customers				
Government and statutory bodies			5,729,044	5,419,837
Business enterprises			42,454,244	41,155,294
Individuals			25,117,634	24,644,304
Others			3,149,079	2,742,789
			<u>76,450,001</u>	<u>73,962,224</u>
A19. Deposits and Placements of Banks and Other Financial Institutions				
Licensed banks			3,115,362	5,216,205
Licensed investment banks			-	262,650
BNM			827,429	888,472
Other financial institutions			1,779,533	2,314,820
			<u>5,722,324</u>	<u>8,682,147</u>



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	Group		Company	
	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
A20. Other Liabilities				
Accrued interest payable	456,523	446,528	38,686	49,052
Other creditors and accruals	584,609	511,556	2,201	4,222
General insurance fund	186,712	184,196	-	-
Short term employee benefits	82,510	182,654	-	-
Lessee deposits	77,451	79,704	-	-
Prepaid instalment	80,897	82,327	-	-
Remisiers' trust deposits	8,611	9,579	-	-
Amount due to Danaharta	1,806	1,782	-	-
Hire-purchase creditors	98	146	98	146
Amount payable for creation of units due to funds	10,121	298	-	-
	<u>1,489,338</u>	<u>1,498,770</u>	<u>40,985</u>	<u>53,420</u>



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A21. Segment Information

Revenue and Results

Three months ended 31 March 2009

	Corporate & Investment Banking RM'000	Retail Banking RM'000	Treasury and money market RM'000	Islamic Banking business RM'000	International Banking RM'000	Others RM'000	Intersegment elimination RM'000	Total RM'000
Group								
External revenue	243,184	679,527	290,054	60,421	79,425	1,357	-	1,353,968
Intersegment revenue	4,568	3,886	3,365	121	771	8,222	(20,933)	-
Segment revenue	<u>247,752</u>	<u>683,413</u>	<u>293,419</u>	<u>60,542</u>	<u>80,196</u>	<u>9,579</u>	<u>(20,933)</u>	<u>1,353,968</u>
Profit before unallocated expenses	66,349	209,608	127,527	21,944	13,813	(441)	-	438,800
Unallocated expenses								(123,957)
Profit after unallocated expenses								314,843
Share of results of associates								11
Share of results of joint venture								143
Profit before taxation								<u>314,997</u>
Taxation								<u>(84,776)</u>
Net profit for the financial period								<u><u>230,221</u></u>



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A21. Segment Information (continued)

Revenue and Results

Three months ended 31 March 2008

	Corporate & Investment Banking RM'000	Retail Banking RM'000	Treasury and money market RM'000	Islamic Banking business RM'000	International Banking RM'000	Others RM'000	Intersegment elimination RM'000	Total RM'000
Group								
External revenue	290,784	665,523	432,058	55,993	60,648	(1,993)	-	1,503,013
Intersegment revenue	1,700	4,492	6,091	80	723	5,786	(18,872)	-
Segment revenue	292,484	670,015	438,149	56,073	61,371	3,793	(18,872)	1,503,013
Profit before unallocated expenses	38,599	242,172	126,720	42,030	25,233	(6,443)	-	468,311
Unallocated expenses								(158,957)
Profit after unallocated expenses								309,354
Share of results of associates								523
Profit before taxation								309,877
Taxation								(87,288)
Net profit for the financial period								222,589



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A22. Valuation of Property, Plant and Equipment

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

A23. Material Events Subsequent to the Balance Sheet Date

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

A24. Changes in Composition of the Group

The significant changes in the composition of the Group for the three months ended 31 March 2009 are summarised below:

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

On 22 January 2009, the following wholly-owned subsidiaries of RHB Bank, which in turn is a wholly-owned subsidiary of the Company, 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')
- (v) INFB Jaya Sdn Bhd ('INFB')

The dissolution of UBNT, USBN, USBNT, USBNA and INFB will not have any material effect on the performance of the Group and the Company for the financial period ended 31 March 2009.



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A25. Changes in Contingent Liabilities since the last Annual Balance Sheet Date

(a) Commitments and Contingencies

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

The commitments and contingencies comprise the following:

<u>Group</u>	Unaudited As at 31 Mar 2009		Audited As at 31 Dec 2008		Risk weighted amount RM'000
	Principal amount RM'000	Credit equivalent amount* RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	
Direct credit substitutes	2,400,244	2,400,244	2,389,294	2,389,294	2,024,897
Transaction-related contingent items	1,967,271	983,636	2,119,930	1,059,966	766,891
Short term self-liquidating trade-related contingencies	1,827,665	365,532	1,694,141	338,829	221,320
Obligations under underwriting agreements	371,900	185,950	399,900	199,950	164,815
Other assets sold with recourse and commitments with certain drawdown	41,757	41,757	41,544	41,544	8,309
Irrevocable commitments to extend credit					
- maturity not exceeding one year	27,540,996	282,544	25,933,455	282,115	281,034
- maturity exceeding one year	4,805,927	2,402,937	4,958,351	2,479,176	2,250,946
Foreign exchange related contracts					
- less than one year	9,300,733	212,934	9,344,283	229,785	82,948
- one year to less than five years	9,887	1,110	9,364	1,063	396
- more than five years	1,458,200	203,639	1,381,000	204,225	71,014



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A25. Changes in Contingent Liabilities since the last Annual Balance Sheet Date (continued)

(a) Commitments and Contingencies (continued)

<u>Group</u>	Unaudited As at 31 Mar 2009			Audited As at 31 Dec 2008		
	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
Interest rate related contracts						
- less than one year	2,283,842	6,927	1,460	2,009,714	4,342	1,014
- one year to less than five years	9,006,947	472,892	101,725	8,625,522	438,681	90,956
- more than five years	455,302	51,799	11,148	449,215	48,583	10,463
Others	1,474,175	-	-	1,379,211	3,718	3,718
	62,944,846	7,611,901	5,688,695	60,734,924	7,721,271	5,978,721

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

The credit equivalent amount ('CE') and risk weighted amount ('RWA') of the Group are an aggregate of CE and RWA of its commercial banking subsidiary, which is computed in accordance with Basel I, and the CE and RWA of its Islamic bank subsidiary and investment banking subsidiary, which is computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (CAFIB): Standardised Approach for Credit and Market Risk and BNM's Revised Capital Adequacy Framework: Standardised Approach for Credit and Market Risk (Basel II) respectively.



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A25. Changes in Contingent Liabilities since the last Annual Balance Sheet Date (continued)

(b) Guarantees Issued

As at balance sheet date, the Company has extended unsecured guarantees of RM100,000,000 (31.12.2008: RM100,000,000) for performance guarantees of one of its subsidiary company.

(c) Other Contingent Liabilities

(i) The Company

On 19 October 2001, the Company filed a suit against Carta Bintang Sdn Bhd ('CBSB'), the vendor of SJ Securities Sdn Bhd ('SJ Securities'), for the recovery of the deposit of RM32,800,000 ('Deposit') paid by the Company pursuant to the sale and purchase agreement dated 7 November 2000 between CBSB and the Company for the sale and purchase of 60 million shares in SJ Securities. CBSB subsequently filed a counterclaim of RM258,688,153.42 together with interest thereon and costs (Please refer to B11(a) 'Material Litigation' for further details).

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

In view of the above, the Company has not made any provision in relation to the said counterclaim, in the interim financial statements for the three months ended 31 March 2009.

(ii) RHB Investment Bank Berhad ('RHB Investment Bank') and RHB Equities Sdn Bhd ('RHB Equities')

- Claim by Dato' Haji Iqbal Kuppai Pitchai Rawther ('Plaintiff')

This suit was initially filed against RHB Securities Sdn Bhd ('RHB Securities'). With effect from 30 December 2006, the assets and liabilities of RHB Securities including this suit have been vested into RHB Investment Bank, a wholly-owned subsidiary of the Company, pursuant to a vesting order of the High Court. Subsequently, RHB Securities was renamed as RHB Excel Sdn Bhd ('RHB Excel') on 9 January 2007.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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A25. Changes in Contingent Liabilities since the last Annual Balance Sheet Date (continued)

(c) Other Contingent Liabilities (continued)

(ii) RHB Investment Bank Berhad ('RHB Investment Bank') and RHB Equities Sdn Bhd ('RHB Equities') (continued)

The following is a summary of the litigation from commencement of the suit:

RHB Excel, a wholly-owned subsidiary of RHB Investment Bank and RHB Equities, a wholly-owned subsidiary of the Company, are parties, as the first and second defendants, to a suit for damages and for the return of shares pledged by the Plaintiff as third party collateral for margin finance facilities initially provided by RHB Equities, which were subsequently transferred to RHB Excel together with the third party collateral. The Plaintiff claimed that the transfer was made without the Plaintiff's consent and has obtained an interim injunction to restrain disposal of the collateral. RHB Excel and RHB Equities have filed a defence and counterclaim against the said suit.

Plaintiff's suit against RHB Excel and RHB Equities was dismissed with costs on 19 May 2005. Plaintiff filed Notice of Appeal against the dismissal on 30 May 2005. With the dismissal, the injunction previously obtained against RHB Excel to deal with the collateral lapses. On 14 June 2005, the Plaintiff filed an application for a stay of execution.

RHB Excel won in its counterclaim against the Plaintiff with costs on 24 June 2005. On 4 August 2005, the Plaintiff's stay application was allowed with costs. As such, RHB Excel is prohibited from disposing the shares until the hearing and disposal of the Appeal to the Court of Appeal.

Group	
Unaudited	Audited
As at	As at
31 Mar 2009	31 Dec 2008
RM'000	RM'000

A26. Capital Commitments

Capital expenditure for property, plant and equipment:

- authorised and contracted for	57,898	57,092
- authorised but not contracted for	75,738	68,660
	133,636	125,752



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A27. Interest/Profit Rate Risk

Group As at 31 Mar 2009	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			
Assets								
Cash and short term funds	13,189,769	-	-	-	-	-	14,073,364	2.07
Securities purchased under resale agreements	88,475	-	-	-	-	-	88,475	3.51
Deposits and placements with banks and other financial institutions	50,953	810,447	267,014	8,346	-	-	1,136,760	2.18
Securities - held-for-trading	-	-	-	-	-	3,378	1,184,480	3.34
- AFS	247,340	262,853	392,685	4,039,175	4,728,213	196,410	9,866,676	4.77
- held-to-maturity	608,500	962,228	1,888,017	4,503,341	2,363,888	(214,514)	10,111,460	3.92
Loans, advances and financing - performing	36,876,481	7,345,348	4,674,926	5,789,757	4,979,991	7	59,666,510	6.17
- non-performing*	-	-	-	-	-	467,253	467,253	
Clients' and brokers' balances	81,386	-	-	-	-	135,076	216,462	0.95
Other assets	1,896	-	35	200	396	555,725	558,252	1.74
Derivative assets	-	-	-	-	-	426,331	426,331	
Statutory deposits	-	-	-	-	-	561,909	561,909	
Tax recoverable	-	-	-	-	-	89,377	89,377	
Deferred tax assets	-	-	-	-	-	304,402	304,402	
Investments in associates	-	-	-	-	-	11,148	11,148	
Investments in joint venture	-	-	-	-	-	26,953	26,953	
Prepaid land lease	-	-	-	-	-	102,483	102,483	
Property, plant and equipment	-	-	-	-	-	790,410	790,410	
Goodwill	-	-	-	-	-	3,786,169	3,786,169	
Total assets	51,144,800	9,380,876	7,222,677	14,340,819	12,072,488	7,699,781	1,607,433	103,468,874

* This is arrived at after deducting the general allowance and specific allowance from the outstanding NPLs.



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A27. Interest/Profit Rate Risk (continued)

Group As at 31 Mar 2009	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			
Liabilities and equity								
Deposits from customers	35,713,124	8,590,905	15,034,739	700,442	211	16,410,580	76,450,001	2.16
Deposits and placements of banks and other financial institutions	3,421,814	1,280,267	390,061	612,819	16,350	1,013	5,722,324	2.65
Bills and acceptances payable	1,583,417	1,743,969	694,695	-	-	193,663	4,215,744	2.22
Clients' and brokers' balances	-	-	-	-	-	319,240	319,240	5.40
Other liabilities	16	32	49	-	-	1,489,241	1,489,338	
Derivative liabilities	-	-	-	-	-	-	354,439	
Recourse obligation on loans sold to Cagamas	251,040	-	214,947	590,612	-	-	1,056,599	4.95
Taxation	-	-	-	-	-	63,536	63,536	
Deferred tax liabilities	-	-	-	-	-	317	317	
Borrowings	1,689,856	-	824,095	642,871	-	-	3,156,822	4.70
Subordinated obligations	-	-	-	1,540,000	700,000	-	2,240,000	5.19
Hybrid Tier-1 Capital Securities	-	-	-	-	366,835	-	366,835	8.00
Total liabilities	42,659,267	11,615,173	17,158,586	4,086,744	1,083,396	18,477,590	95,435,195	
Total equity	-	-	-	-	-	8,033,679	8,033,679	
Total liabilities and equity	42,659,267	11,615,173	17,158,586	4,086,744	1,083,396	26,511,269	103,468,874	
On-balance sheet interest sensitivity gap	8,485,533	(2,234,297)	(9,935,909)	10,254,075	10,989,092			
Off-balance sheet interest sensitivity gap	198,299	166,122	(226,725)	367,941	(618,510)			
Total interest-sensitivity gap	8,683,832	(2,068,175)	(10,162,634)	10,622,016	10,370,582			



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FOR THE THREE MONTHS ENDED 31 MARCH 2009

A27. Interest/Profit Rate Risk (continued)

Company As at 31 Mar 2009	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 bearing RM'000			
Assets									
Cash and short term funds	-	-	-	-	-	598	-	598	
Deposits and placements with banks and other financial institutions	-	1,115	144	-	-	-	-	1,259	
Other assets	-	-	-	-	-	33,534	-	33,534	
Amounts due from subsidiaries/ related companies	-	-	-	-	-	9,460	-	9,460	
Tax recoverable	-	-	-	-	-	54,804	-	54,804	
Investments in subsidiaries	-	-	-	-	-	8,782,439	-	8,782,439	
Property, plant and equipment	-	-	-	-	-	341	-	341	
Deferred tax assets	-	-	-	-	-	9,012	-	9,012	
Total assets	-	1,115	144	-	-	8,890,188	-	8,891,447	
Liabilities and equity									
Other liabilities	16	32	49	-	-	40,888	-	40,985	
Amounts due to subsidiaries/ related companies	-	-	-	-	-	153,648	-	153,648	
Borrowings	2,015,557	-	149,677	642,871	-	-	-	2,808,105	
Total liabilities	2,015,573	32	149,726	642,871	-	194,536	-	3,002,738	
Total equity	-	-	-	-	-	5,888,709	-	5,888,709	
Total liabilities and equity	2,015,573	32	149,726	642,871	-	6,083,245	-	8,891,447	
Total interest-sensitivity gap	(2,015,573)	1,083	(149,582)	(642,871)	-	-	-	-	



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2009

A27. Interest/Profit Rate Risk (continued)

Group As at 31 Dec 2008	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			
Assets								
Cash and short term funds	13,385,338	-	-	-	-	-	14,346,451	3.30
Securities purchased under resale agreements	106,565	-	-	-	-	-	106,565	3.51
Deposits and placements with banks and other financial institutions	36,732	451,414	58,634	8,346	-	-	555,126	3.37
Securities								
- held-for-trading	-	-	-	-	-	14,363	5,311,603	4.05
- AFS	542,617	130,108	354,283	2,879,845	2,110,041	195,820	6,212,714	5.07
- held-to-maturity	1,313,696	726,877	2,098,220	3,619,854	2,087,171	(229,006)	9,616,812	4.10
Loans, advances and financing								
- performing	36,365,436	7,868,907	5,107,229	6,159,217	4,819,786	81	60,320,656	6.64
- non-performing*	-	-	-	-	-	275,464	275,464	
Clients' and brokers' balances	87,944	-	-	-	-	87,359	175,303	2.21
Other assets	1,895	-	38	217	419	546,879	549,448	2.69
Derivative assets	-	-	-	-	-	380,161	380,161	
Statutory deposits	-	-	-	-	-	1,579,678	1,579,678	
Tax recoverable	-	-	-	-	-	94,929	94,929	
Deferred tax assets	-	-	-	-	-	275,016	275,016	
Investments in associates	-	-	-	-	-	11,137	11,137	
Investments in joint venture	-	-	-	-	-	26,349	26,349	
Prepaid land lease	-	-	-	-	-	102,779	102,779	
Property, plant and equipment	-	-	-	-	-	792,046	792,046	
Goodwill	-	-	-	-	-	3,786,169	3,786,169	
Total assets	51,840,223	9,177,306	7,618,404	12,667,479	9,017,417	8,520,176	5,691,764	104,532,769

* This is arrived at after deducting the general allowance and specific allowance from the outstanding NPLs.



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A27. Interest/Profit Rate Risk (continued)

Group As at 31 Dec 2008	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			
Liabilities and equity								
Deposits from customers	35,121,857	7,631,696	14,362,490	688,176	-	-	73,962,224	3.01
Deposits and placements of banks and other financial institutions	5,642,071	1,591,100	854,550	571,268	22,037	-	8,682,147	3.31
Bills and acceptances payable	1,724,912	2,165,463	825,119	-	-	-	4,935,512	3.70
Clients' and brokers' balances	-	-	-	-	-	-	289,053	
Other liabilities	16	32	98	-	-	-	1,498,770	5.40
Derivative liabilities	-	-	-	-	-	384,879	384,879	
Recourse obligation on loans sold to Cagamas	87,146	-	372,367	714,241	-	-	1,173,754	4.87
Taxation	-	-	-	-	-	91,196	91,196	
Deferred tax liabilities	-	-	-	-	-	1,760	1,760	
Borrowings	1,904,670	735,975	-	791,889	-	-	3,432,534	5.18
Subordinated obligations	-	-	-	1,540,000	700,000	-	2,240,000	5.19
Total liabilities	44,480,672	12,124,266	16,414,624	4,305,574	722,037	18,259,777	96,691,829	
Total equity	-	-	-	-	-	7,840,940	7,840,940	
Total liabilities and equity	44,480,672	12,124,266	16,414,624	4,305,574	722,037	26,100,717	104,532,769	
On-balance sheet interest sensitivity gap	7,359,551	(2,946,960)	(8,796,220)	8,361,905	8,295,380			
Off-balance sheet interest sensitivity gap	(70,872)	(76,984)	(477,498)	(737,446)	127,592			
Total interest-sensitivity gap	7,288,679	(3,023,944)	(9,273,718)	7,624,459	8,422,972			



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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A27. Interest/Profit Rate Risk (continued)

Company As at 31 Dec 2008	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			
Assets								
Cash and short term funds	20,000	-	-	-	-	-	20,619	3.15
Deposits and placements with banks and other financial institutions	-	750	503	-	-	-	1,253	3.34
Other assets	-	-	-	-	-	-	33,806	
Amounts due from subsidiaries/ related companies	-	-	-	-	-	-	10,319	
Tax recoverable	-	-	-	-	-	-	54,804	
Investments in subsidiaries	-	-	-	-	-	-	8,782,439	
Property, plant and equipment	-	-	-	-	-	-	373	
Total assets	20,000	750	503	-	-	-	8,882,360	
Liabilities and equity								
Other liabilities	16	32	98	-	-	-	53,274	5.40
Amounts due to subsidiaries/ related companies	-	-	-	-	-	-	153,093	
Deferred tax liabilities	-	-	-	-	-	-	16	
Borrowings	1,904,670	80,000	-	791,889	-	-	2,776,559	5.59
Total liabilities	1,904,686	80,032	98	791,889	-	-	2,983,088	
Total equity	-	-	-	-	-	-	5,920,525	
Total liabilities and equity	1,904,686	80,032	98	791,889	-	-	6,126,908	
Total interest-sensitivity gap	(1,884,686)	(79,282)	405	(791,889)	-	-	-	



**RHB CAPITAL BERHAD (312952 – H)
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A28. Capital Adequacy Ratio

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

Currently, the Group is not required to maintain any capital adequacy ratio requirements.

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

	RHB Bank		RHB Investment Bank @		RHB Islamic Bank @	
	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier I capital						
Paid-up ordinary share capital	3,318,085	3,318,085	263,646	263,646	523,424	523,424
Hybrid Tier-I Capital Securities	366,835	-	-	-	-	-
Share premium	8,563	8,563	-	-	-	-
Retained profits	1,008,581	1,008,581	169,098	169,098	135,437	135,437
Other reserves (exclude AFS reserve)	2,121,478	2,121,478	278,549	278,549	166,005	166,005
Deferred tax (assets)/liabilities	(233,116)	(233,116)	(1,210)	(1,210)	(19,960)	(19,960)
Less: Goodwill	(905,519)	(905,519)	(159,280)	(159,280)	-	-
Total Tier I capital	5,684,907	5,318,072	550,803	550,803	804,906	804,906
Tier II capital						
Subordinated obligations	2,000,000	2,000,000	245,000	245,000	-	-
General allowance for bad and doubtful debts	998,096	995,859	9,124	8,442	93,684	97,984
Total Tier II capital	2,998,096	2,995,859	254,124	253,442	93,684	97,984



**RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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A28. Capital Adequacy Ratio (continued)

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

	RHB Bank		RHB Investment Bank @		RHB Islamic Bank @	
	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008	Unaudited As at 31 Mar 2009	Audited As at 31 Dec 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less:						
Investment in subsidiaries	(628,640)	(628,640)	(58,270)	(58,270)	-	-
Investment in joint venture	-	-	(27,399)	(27,399)	-	-
Total capital base	8,054,363	7,685,291	719,258	718,576	898,590	902,890
<u>Before deducting proposed dividends</u>						
Core capital ratio	9.38%	8.77%	24.93%	19.25%	12.21%	12.07%
Risk-weighted capital adequacy ratio ('RWCR')	13.29%	12.67%	32.55%	25.12%	13.63%	13.54%
<u>After deducting proposed dividends</u>						
Core capital ratio	9.12%	8.51%	22.19%	17.14%	12.21%	12.07%
Risk-weighted capital adequacy ratio	13.03%	12.42%	29.81%	23.00%	13.63%	13.54%

@ The capital adequacy ratios are computed in accordance with the Standardised Approach of BNM's revised Risk-Weighted Capital Adequacy Framework for Credit and Market Risk, and the Basic Indicator Approach for Operational Risk ('Base II').

Pursuant to BNM'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 CAPITAL BERHAD (312952 – H)
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A29. Operations of Islamic Banking

(a) Balance Sheet as at 31 March 2009

	Group	
	Unaudited As at 31 Mar 2009 RM'000	Audited As at 31 Dec 2008 RM'000
ASSETS		
Cash and short-term funds	839,131	1,279,720
Deposits and placements with banks and other financial institutions	248,278	-
Securities held-for-trading	197,542	404,464
Securities available-for-sale	835,103	730,582
Securities held-to-maturity	1,313,146	1,147,357
Financing and advances	5,109,857	5,352,980
Other assets	57,138	102,741
Deferred tax assets	20,350	19,960
Tax recoverable	4,961	7,350
Statutory deposits	62,840	199,440
Property, plant and equipment	19,747	19,433
Intangible assets	29,518	29,518
Total assets	<u>8,737,611</u>	<u>9,293,545</u>
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	6,639,016	7,347,306
Deposits and placements of banks and other financial institutions	616,287	536,485
Bills and acceptances payable	12,524	34,786
Other liabilities	143,435	74,502
Total liabilities	<u>7,411,262</u>	<u>7,993,079</u>
Islamic Banking Funds	1,326,349	1,300,466
Total liabilities and Islamic Banking Funds	<u>8,737,611</u>	<u>9,293,545</u>
Commitments and contingencies	<u>1,975,553</u>	<u>1,863,813</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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A29. Operations of Islamic Banking (continued)

(b) Income Statement for the three months ended 31 March 2009

	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	104,113	86,922	104,113	86,922
Income derived from investment of shareholder's funds	15,015	12,034	15,015	12,034
Allowance for losses on financing and advances	(12,172)	217	(12,172)	217
Profit equalisation reserve	(16,915)	(4,488)	(16,915)	(4,488)
Total distributable income	<u>90,041</u>	<u>94,685</u>	<u>90,041</u>	<u>94,685</u>
Income attributable to depositors	<u>(41,792)</u>	<u>(38,475)</u>	<u>(41,792)</u>	<u>(38,475)</u>
	48,249	56,210	48,249	56,210
Personnel expenses	(14,083)	(8,469)	(14,083)	(8,469)
Other overheads and expenditures	(22,722)	(20,217)	(22,722)	(20,217)
Profit before taxation	<u>11,444</u>	<u>27,524</u>	<u>11,444</u>	<u>27,524</u>
Taxation	(695)	(7,175)	(695)	(7,175)
Net profit for the financial period	<u><u>10,749</u></u>	<u><u>20,349</u></u>	<u><u>10,749</u></u>	<u><u>20,349</u></u>



**RHB CAPITAL BERHAD (312952 – H)
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A29. Operations of Islamic Banking (continued)

(c) Financing and Advances

	Group	
	Unaudited	Audited
	As at 31 Mar 2009	As at 31 Dec 2008
	RM'000	RM'000
Cashline	33,469	36,530
Term financing		
- housing financing	1,721,930	1,704,406
- syndicated term financing	374,823	555,504
- hire purchase receivables	988,616	807,349
- other term financing	1,364,522	1,349,326
Claims on customers under acceptance credit	463,338	677,058
Trust receipts	19,206	36,480
Staff financing	13,239	12,922
Revolving financing	447,431	504,178
	<u>5,426,574</u>	<u>5,683,753</u>
Less: Unearned income	(144,584)	(140,208)
Gross financing and advances	<u>5,281,990</u>	<u>5,543,545</u>
Less: Allowance for bad and doubtful financing		
- general	(93,684)	(97,984)
- specific	(78,449)	(92,581)
Net financing and advances	<u>5,109,857</u>	<u>5,352,980</u>

(i) Movements in non-performing financing and advances

	Group	
	Unaudited	Audited
	As at 31 Mar 2009	As at 31 Dec 2008
	RM'000	RM'000
Balance as at the beginning of the financial period/year	267,357	282,833
Classified as non-performing during the financial period/year	167,151	272,830
Reclassified as performing during the financial period/year	(51,807)	(215,781)
Amount recovered	(12,056)	(36,382)
Amount written off	(28,428)	(36,143)
Balance as at the end of the financial period/year	<u>342,217</u>	<u>267,357</u>
Specific allowance	(78,449)	(92,581)
Net non-performing financing and advances	<u>263,768</u>	<u>174,776</u>
Ratio of net non-performing financing and advances as % of gross financing and advances, less specific allowances	<u>5.1%</u>	<u>3.3%</u>



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A29. Operations of Islamic Banking (continued)

(c) Financing and Advances (continued)

(ii) Movements in allowance for bad and doubtful financing and advances

	Group	
	Unaudited As at 31 Mar 2009 RM'000	Audited As at 31 Dec 2008 RM'000
General allowance		
Balance as at the beginning of the financial period/year	97,984	82,948
Net allowance made during the financial period/year	(4,300)	15,036
Balance as at the end of the financial period/year	<u>93,684</u>	<u>97,984</u>
As % of gross financing and advances less specific allowance	<u>1.8%</u>	<u>1.8%</u>
Specific allowance		
Balance as at the beginning of the financial period/year	92,581	93,336
Allowance made during the financial period/year	17,287	36,720
Amount recovered	(448)	(11,590)
Amount written off	(30,971)	(25,885)
Balance as at the end of the financial period/year	<u>78,449</u>	<u>92,581</u>

(d) Other Assets

	Group	
	Unaudited As at 31 Mar 2009 RM'000	Audited As at 31 Dec 2008 RM'000
Income receivable	20,340	18,756
Deposits and prepayments	14,113	15,390
Sundry deposits debtors	1,165	6,363
Other debtors	21,520	62,232
	<u>57,138</u>	<u>102,741</u>



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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A29. Operations of Islamic Banking (continued)

(e) Deposits from Customers

	Group	
	Unaudited	Audited
	As at	As at
	31 Mar 2009	31 Dec 2008
	RM'000	RM'000
<u>Non-Mudharabah Funds:</u>		
Demand deposits	1,674,641	1,535,447
Savings deposits	542,511	542,606
Negotiable Islamic Debt Certificates	60,450	59,850
	<u>2,277,602</u>	<u>2,137,903</u>
<u>Mudharabah Funds:</u>		
Demand deposits	323,928	332,007
General investment deposits	1,571,065	1,512,965
Special investment deposits	2,466,421	3,364,431
	<u>6,639,016</u>	<u>7,347,306</u>



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B1. Review of Group Results

For the first quarter ended 31 March 2009, the Group recorded a pretax profit of RM315.0 million, 2% higher than that of the previous corresponding quarter of RM309.9 million.

The higher profit was mainly due to higher net interest income by RM43.2 million, impairment loss no longer required of RM20.1 million and higher income from Islamic Banking business by RM4.4 million; partly offset by lower other operating income by RM30.2 million, higher allowance for losses on loans and financing by RM22.8 million and higher other operating expenses by RM10.3 million respectively.

B2. Changes in Profit for the Quarter

For the first quarter ended 31 March 2009, the Group recorded a profit before taxation of RM315.0 million, up 20% as compared to RM262.0 million recorded in the preceding quarter ended 31 December 2008. The higher profit was mainly due to lower other operating expenses by RM59.6 million, lower allowance for losses on loans and financing by RM36.0 million and lower impairment loss by RM27.2 million; partly offset by lower other operating income by RM51.0 million and lower income from Islamic Banking business by RM20.2 million respectively.

B3. Prospects for the Financial Year Ending 31 December 2009

Despite the slowing economy, the banking sector will remain resilient contributed by its strong capitalisation, good asset quality management and robust risk management practices. With proactive measures undertaken by the Government and Bank Negara Malaysia in the form of stimulus packages and reductions in interest rates, the Group is optimistic that there will be continued loan growth and demand for existing and new banking products and services, albeit at a slower rate. Keen competition is expected to continue amongst the various industry players and coupled with lower interest rates and demand for loans and advances, we expect that there will be further pressure on net interest margins. The Group will remain focused on building its core businesses and will continue to look for opportunities to expand its market share during this more challenging period with improvements in its sales, service and support infrastructure to better serve our customers. Barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance in 2009.

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

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

	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
B5. Taxation				
<u>Group</u>				
Income tax based on profit for the financial period				
- Malaysian income tax	101,033	100,211	101,033	100,211
- overseas tax	100	84	100	84
Deferred tax	(14,293)	(10,894)	(14,293)	(10,894)
	86,840	89,401	86,840	89,401
Over provision in respect of prior years	(2,064)	(2,113)	(2,064)	(2,113)
	84,776	87,288	84,776	87,288

The effective tax rate of the Group for the first quarter ended 31 March 2009 was higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.



RHB CAPITAL BERHAD (312952 – H)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B5. Taxation (continued)

	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	RM'000	RM'000	RM'000	RM'000
<u>Company</u>				
Deferred tax	9,028	-	9,028	-

B6. Purchase and Sale of Quoted Securities

There were no purchases or sales of quoted securities during the three months ended 31 March 2009 other than in the ordinary course of business.

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

There were no sales of unquoted investments and/or properties during the three months ended 31 March 2009 other than in the ordinary course of business.

B8. Status of Corporate Proposals

(a) Proposed corporate proposals by RHB Investment Bank Berhad

The Company announced on 16 October 2007 that RHB Investment Bank, has proposed among others to undertake the issuance of up to RM75.0 million nominal value of Hybrid Tier-1 Capital Securities ('HT1 Securities') as part of its capital management initiatives, with the objective of increasing the return to its shareholders and optimising the capital structure of RHB Investment Bank.

The Securities Commission ('SC') had, on 30 September 2008, granted an extension of time of up to 10 October 2009 for RHB Investment Bank to implement or issue such capital securities subject to the conditions as contained therein.

(b) Proposed issuance of up to RM600 million nominal value of Hybrid Tier-1 Capital Securities under Hybrid Tier-1 Capital Securities Programme by RHB Bank

The Company announced on 14 July 2008 that the SC had on 10 July 2008, approved RHB Bank's proposed issuance of up to RM600 million nominal value of Hybrid Tier-1 Capital Securities ('HT1 Capital Securities') under a Hybrid Tier-1 Capital Securities Programme ('HT1 Programme'). On 31 March 2009, RHB Bank made the first issuance of RM370.0 million nominal value of HT1 Capital Securities.



**RHB CAPITAL BERHAD (312952 – H)
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B8. Status of Corporate Proposals (continued)

(c) Proposed issuance of up to RM1.1 billion in nominal value Commercial Papers and/or Medium Term Notes Under a Commercial Paper/Medium Term Note Programme ('CP/MTN Programme') by the Company

The Company announced on 11 December 2008 that the SC had on 2 December 2008, approved the proposed issuance of up to RM1.1 billion nominal value of commercial papers and/or medium term notes (collectively referred to as 'the Notes') under a CP/MTN Programme by the Company, subject to the terms and conditions stated therein.

On 17 December 2008, the Company announced that BNM, vide its letter dated 16 December 2008 had no objection for the Company to issue up to RM1.1 billion of the Notes under the CP/MTN Programme.

The CP/MTN Programme will not have any material effect on the earnings and net tangible assets of the Company for the financial period ending 31 March 2009.

The Company has yet to issue the said Commercial Papers and/or Medium Term Notes as at to date.

(d) Proposed Establishment Of An Exclusive Bancassurance Alliance Between RHB Bank Berhad and American International Assurance Berhad ('AIA')

On behalf of the Company, RHB Investment Bank had, on 2 March 2009 announced that RHB Bank had on even date executed a term sheet with AIA ('Term Sheet'), which constitutes the preliminary statement of the intentions of AIA and RHB Bank relating to the terms of the establishment of a 10-year mutually exclusive bancassurance relationship in Malaysia to:

- (i) sell conventional life insurance (individual and group) products developed by AIA for sale by RHB Bank ('Life Products') via the RHB Bank network of offices and branches and other channels which will include telemarketing, direct marketing and worksite marketing; and
- (ii) market, promote and sell the Life Products to RHB Bank's customers through or with the cooperation of RHB Bank.

The Term Sheet is not intended to be a legally binding document or agreement between RHB Bank and AIA. A legally binding agreement will result only from the execution by AIA and RHB Bank of a definite bancassurance agreement which shall be entered into within 14 days upon RHB Bank obtaining the requisite approval from BNM and all other applicable regulatory approvals.

None of the directors or major shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the bancassurance alliance.



**RHB CAPITAL BERHAD (312952 – H)
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B8. Status of Corporate Proposals (continued)

- (e) **Proposed acquisition by the Company of 1,500,000 ordinary shares of RM1.00 each in RHB Kawal Sdn Bhd ('RHB Kawal'), representing the entire issued and fully paid-up share capital in RHB Kawal from Rashid Hussain Berhad (In Members' Voluntary Liquidation) ('RHB') ('Proposed Acquisition')**

On 16 April 2009, RHB Investment Bank had on behalf of the Company, announced that the Company had entered into a conditional share sale agreement with RHB to acquire the entire issued and paid-up share capital of RHB Kawal from RHB for a purchase consideration which shall be a sum equivalent to the net difference

- (a) the cash consideration of RM2,900,000; and
- (b) the total net amount owing between RHB Capital group of companies and RHB group of companies as at the cut off date, to be determined later.

RHB Kawal is in the business of providing security services to the RHB Capital group of companies.

None of the directors or major shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the Proposed Acquisition.

The Proposed Acquisition is subject to, inter-alia, the approvals of the relevant authorities.

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

	Group	
	Unaudited As at 31 Mar 2009 RM'000	Audited As at 31 Dec 2008 RM'000
(a) Deposits from customers and placements of banks and other financial institutions		
Deposits from customers		
- one year or less	75,749,348	73,274,049
- more than one year	700,653	688,175
	<u>76,450,001</u>	<u>73,962,224</u>
Deposits and placements of banks and other financial institutions		
- one year or less	5,093,155	8,088,842
- more than one year	629,169	593,305
	<u>5,722,324</u>	<u>8,682,147</u>



RHB CAPITAL BERHAD (312952 – H)
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B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Subordinated Obligations and Hybrid Tier-1 Capital Securities (continued)

	Group		Company	
	Unaudited As at	Audited As at	Unaudited As at	Audited As at
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
(b) Borrowings				
Secured:				
Revolving credits	20,000	20,000	20,000	20,000
Term loans	-	240,000	-	240,000
Unsecured:				
Revolving credits	788,300	743,800	874,000	743,800
Overdrafts	1,557	870	1,557	870
Term loans - RM	800,000	750,000	1,040,000	750,000
Term loan - USD	674,417	655,975	-	-
RM600 million 6 years Serial Fixed Rate Bonds	448,226	597,927	448,226	597,927
RM350 million Fixed Rate Bonds	344,322	343,962	344,322	343,962
RM150 million 7 years Commercial Papers/ Medium Term Notes	80,000	80,000	80,000	80,000
	3,156,822	3,432,534	2,808,105	2,776,559
Schedule repayment of borrowings:				
Within one year	356,988	230,195	406,234	195,670
One year to three years	1,963,369	2,277,764	2,057,549	2,156,927
Three years to five years	490,142	562,062	344,322	423,962
Over five years	346,323	362,513	-	-
	3,156,822	3,432,534	2,808,105	2,776,559



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

	Group	
	Unaudited As at 31 Mar 2009 RM'000	Audited As at 31 Dec 2008 RM'000
(c) Subordinated obligations		
5.0% RM1,300 million Tier II subordinated notes 2007/2017	1,300,000	1,300,000
5.5% RM700 million Tier II subordinated notes 2007/2022	700,000	700,000
5.3% RM200 million Tier II subordinated notes 2007/2017	195,000	195,000
5.5% RM45 million Tier II subordinated notes 2008/2018	45,000	45,000
	<u>2,240,000</u>	<u>2,240,000</u>

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

(d) Hybrid Tier-1 Capital Securities

On 31 March 2009, RHB Bank had completed the first issuance of RM370.0 million nominal value of Hybrid Tier-1 Capital Securities (HT1) out of its RM600.0 million Hybrid Tier-1 Capital Securities Programme. The RM370 million HT1 will mature in 2039 and is callable in 2019.

The HT1 bears interest at the rate of 8.0% per annum commencing from the first issue date and thereafter at a stepped-up rate of 9.0% per annum from 2019 if not called.



**RHB CAPITAL BERHAD (312952 – H)
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B10. Off-Balance Sheet Financial Instruments

Value of Contracts Classified by Remaining Period to Maturity/Next Re-pricing Date (whichever is earlier) as at 31 March 2009

Group

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	> 5 years RM'000
Foreign exchange related contracts							
- forwards	3,944,144	1,420,526	1,635,914	776,759	110,945	-	-
- swaps	4,028,105	1,754,764	1,659,540	569,792	44,009	-	-
- options	175,626	129,400	29,139	17,087	-	-	-
- spots	1,151,764	1,151,764	-	-	-	-	-
- cross-currency	1,469,181	1,094	-	-	-	9,887	1,458,200
Interest rate related contracts							
- futures	1,758,000	-	250,000	15,000	743,000	750,000	-
- swaps	9,988,091	803,466	1,379,560	114,000	650,000	6,857,669	183,396
Total	22,514,911	5,261,014	4,954,153	1,492,638	1,547,954	7,617,556	1,641,596

Other than the above, there were no other off-balance sheet transactions in the Group which were not in the ordinary course of business.



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B10. Off-Balance Sheet Financial Instruments (continued)

Value of Contracts Classified by Remaining Period to Maturity/Next Re-pricing Date (whichever is earlier) as at latest practicable date, 13 May 2009

Group

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	> 5 years RM'000
Foreign exchange related contracts							
- forwards	3,529,832	1,326,351	1,299,675	677,390	149,779	76,637	-
- swaps	3,491,881	1,744,972	789,027	596,319	284,926	76,637	-
- options	186,993	118,344	40,785	27,864	-	-	-
- spots	1,396,964	1,396,964	-	-	-	-	-
- cross-currency	1,419,762	-	-	-	-	9,562	1,410,200
Interest rate related contracts							
- futures	1,758,000	-	250,000	15,000	743,000	750,000	-
- swaps	9,932,119	1,040,011	1,089,000	271,153	707,051	6,644,836	180,068
Total	21,715,551	5,626,642	3,468,487	1,587,726	1,884,756	7,557,672	1,590,268



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B10. Off-Balance Sheet Financial Instruments (continued)

Related accounting policies

Derivative financial instruments and hedge accounting

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

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

(a) Fair value hedge

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

(b) Cash flow hedge

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

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

(c) Derivatives that do not qualify for hedge accounting

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



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B11. Material Litigation

(a) Carta Bintang Sdn Bhd

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

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

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

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

Both parties have filed their respective appeals to the Court of Appeal against the decisions of the Learned High Court Judge (Please refer to A25(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim).

Hearing date for the appeals have been fixed on 18 May 2009.

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



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B12. Dividends Declared

No dividend has been declared for the three months ended 31 March 2009.

B13. Earnings per Share	1st quarter ended		Three months ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
Basic/diluted earnings per share				
Profit attributable to equity holders of the Company (RM'000)	<u>228,641</u>	<u>222,422</u>	<u>228,641</u>	<u>222,422</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,153,475</u>	<u>2,153,475</u>	<u>2,153,475</u>	<u>2,153,475</u>
Basic/diluted earnings per share (sen)	<u>10.6</u>	<u>10.3</u>	<u>10.6</u>	<u>10.3</u>

There were no dilutive potential ordinary shares outstanding as at 31 March 2009. As a result, the diluted earnings per share was equal to the basic earnings per share for the three months ended 31 March 2009.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(Licence No. LS0006901)

Company secretary

19 May 2009