

RHB INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

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

Note	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 30.06.2009 RM'000	As at 31.12.2008 RM'000	As at 30.06.2009 RM'000	As at 31.12.2008 RM'000
ASSETS				
Cash and short-term funds	343,687	1,354,445	306,965	1,317,411
Deposits and placements with banks and other financial institutions	100,120	120	100,120	120
Securities held-for-trading	8 526,065	2,655,100	525,150	2,651,634
Securities available-for-sale	9 2,894,752	1,522,877	2,892,405	1,520,445
Securities held-to-maturity	10 222,591	222,653	222,591	222,653
Loans and advances	11 436,738	468,244	436,738	468,244
Clients' and brokers' balances	215,965	175,303	215,965	175,303
Other assets	13 83,518	67,575	57,269	58,611
Derivative assets	29,211	50,538	29,211	50,538
Tax recoverable	25,714	24,625	25,817	25,103
Deferred tax assets	15,108	54	15,055	-
Statutory deposit with Bank Negara Malaysia	32,811	58,236	32,811	58,236
Investments in subsidiaries	-	-	58,270	58,270
Investments in joint venture	26,591	26,349	27,399	27,399
Property, plant and equipment	13,774	11,197	11,924	9,090
Goodwill	172,844	172,844	159,280	159,280
TOTAL ASSETS	5,139,489	6,810,160	5,116,970	6,802,337
LIABILITIES AND EQUITY				
Deposits from customers	14 2,623,001	3,106,487	2,623,001	3,106,487
Deposits and placements of banks and other financial institutions	15 1,135,399	2,318,958	1,135,399	2,318,958
Clients' and brokers' balances	364,950	289,053	364,950	289,053
Other liabilities	16 75,518	68,698	52,600	60,157
Derivative liabilities	42,756	62,291	42,756	62,291
Taxation	8	14	-	-
Deferred tax liabilities	140	1,559	-	1,367
Subordinated obligations	245,000	245,000	245,000	245,000
TOTAL LIABILITIES	4,486,772	6,092,060	4,463,706	6,083,313
Ordinary share capital	263,646	263,646	263,646	263,646
Reserves	389,071	454,454	389,618	455,378
TOTAL EQUITY	652,717	718,100	653,264	719,024
TOTAL LIABILITIES AND EQUITY	5,139,489	6,810,160	5,116,970	6,802,337
COMMITMENTS AND CONTINGENCIES	24 4,045,676	4,583,319	4,045,676	4,583,319

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 INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

<u>Group</u>	<u>Note</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
		Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
Interest income	17	63,166	77,356	131,894	158,607
Interest expense	18	(33,624)	(60,851)	(78,098)	(122,542)
Net interest income		29,542	16,505	53,796	36,065
Other operating income	19	43,589	40,777	69,656	94,547
		73,131	57,282	123,452	130,612
Other operating expenses	20	(33,023)	(42,883)	(65,329)	(79,200)
Operating profit before allowances		40,108	14,399	58,123	51,412
Allowance for losses on loans and other losses	21	338	8,091	159	4,984
Impairment losses	22	-	3,635	519	-
		40,446	26,125	58,801	56,396
Share of results of joint venture		109	-	252	-
Profit before taxation		40,555	26,125	59,053	56,396
Taxation		(10,102)	(8,164)	(14,671)	(16,386)
Net profit for the financial period		30,453	17,961	44,382	40,010
Earnings per share					
- basic		11.6	6.4	16.8	12.9

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 INVESTMENT BANK BERHAD (19663-P)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Note	Individual Quarter		Cumulative Six Months	
		Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
Bank					
Interest income	17	63,014	77,173	131,616	158,264
Interest expense	18	(33,624)	(60,851)	(78,098)	(122,542)
Net interest income		29,390	16,322	53,518	35,722
Other operating income	19	37,119	31,804	56,772	80,711
Other operating expenses	20	(26,694)	(33,623)	(52,285)	(65,028)
Operating profit before allowances		39,815	14,503	58,005	51,405
Allowance for losses on loans and other losses	21	338	8,091	159	4,984
Impairment losses	22	-	3,635	519	-
Profit before taxation		40,153	26,229	58,683	56,389
Taxation		(10,038)	(8,048)	(14,671)	(15,890)
Net profit for the financial period		30,115	18,181	44,012	40,499
Earnings per share - basic		11.4	6.5	16.7	13.1

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 INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

Group	← Attributable to equity holder of the Bank →					Total
	Share capital	Statutory reserves	AFS reserves	Translation reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2009	263,646	278,549	7,731	(1,542)	169,716	718,100
Currency translation differences	-	-	-	7	-	7
Unrealised net loss on revaluation of securities available-for-sale ('AFS')	-	-	(64,738)	-	-	(64,738)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	(949)	-	-	(949)
Deferred tax	-	-	16,422	-	-	16,422
Income and expenses recognised directly in equity	-	-	(49,265)	7	-	(49,258)
Net profit for the financial period	-	-	-	-	44,382	44,382
Total recognised income and expenses for the financial period	-	-	(49,265)	7	44,382	(4,876)
Ordinary dividend	-	-	-	-	(60,507)	(60,507)
Balance as at 30 June 2009	263,646	278,549	(41,534)	(1,535)	153,591	652,717
Balance as at 1 January 2008	338,646	278,549	8,113	(1,092)	72,474	696,690
Currency translation differences	-	-	-	(150)	-	(150)
Unrealised net loss on revaluation of securities AFS	-	-	(52,321)	-	-	(52,321)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	(7,228)	-	-	(7,228)
Deferred tax	-	-	15,482	-	-	15,482
Income and expenses recognised directly in equity	-	-	(44,067)	(150)	-	(44,217)
Net profit for the financial period	-	-	-	-	40,010	40,010
Total recognised income and expenses for the financial period	-	-	(44,067)	(150)	40,010	(4,207)
Capital repayment	(75,000)	-	-	-	-	(75,000)
Balance as at 30 June 2008	263,646	278,549	(35,954)	(1,242)	112,484	617,483

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 INVESTMENT BANK BERHAD (19663-P)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

Bank	← Non-distributable →			Distributable	Total
	Share capital	Statutory reserves	AFS reserves	retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2009	263,646	278,549	7,731	169,098	719,024
Unrealised net loss on revaluation of securities AFS	-	-	(64,738)	-	(64,738)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	(949)	-	(949)
Deferred tax	-	-	16,422	-	16,422
Income and expenses recognised directly in equity	-	-	(49,265)	-	(49,265)
Net profit for the financial period	-	-	-	44,012	44,012
Total recognised income and expenses for the financial period	-	-	(49,265)	44,012	(5,253)
Ordinary dividend	-	-	-	(60,507)	(60,507)
Balance as at 30 June 2009	263,646	278,549	(41,534)	152,603	653,264
Balance as at 1 January 2008	338,646	278,549	8,113	69,442	694,750
Unrealised net gain on revaluation of securities AFS	-	-	(52,321)	-	(52,321)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	(7,228)	-	(7,228)
Deferred tax	-	-	15,482	-	15,482
Income and expenses recognised directly in equity	-	-	(44,067)	-	(44,067)
Net profit for the financial period	-	-	-	40,499	40,499
Total recognised income and expenses for the financial period	-	-	(44,067)	40,499	(3,568)
Capital repayment	(75,000)	-	-	-	(75,000)
Balance as at 30 June 2008	263,646	278,549	(35,954)	109,941	616,182

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 INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.06.2009	30.06.2008
	RM '000	RM '000
Group		
Profit before taxation	59,053	56,396
Adjustment for items not involving movement of cash and cash equivalent	(58,516)	(13,743)
Operating profit before working capital changes	537	42,653
Net changes in operating assets	899,292	1,328,082
Net changes in operating liabilities	(1,605,654)	(790,463)
Cash (used in)/generated from operations	(706,362)	537,619
Taxation paid	(15,815)	(27,340)
Tax recovered	2	3,542
Net cash (used in)/generated from operating activities	(721,640)	556,474
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/sale of securities held-to-maturity	(467)	69,585
Net purchase of securities available-for-sale	(275,821)	(516,496)
Interest received from securities held-to-maturity	3,250	4,509
Interest received from securities available-for-sale	49,457	17,650
Property, plant and equipment:		
- Purchase	(5,082)	(1,897)
- Proceeds from disposal	2	1
Dividend income	40	-
Net cash used in investing activities	(228,621)	(426,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital repayment to shareholder	-	(75,000)
Net proceeds received from issuance of subordinated notes	-	45,000
Dividend paid to shareholder	(60,507)	-
Net cash used in financing activities	(60,507)	(30,000)
Net (decrease)/increase in cash and cash equivalents	(1,010,768)	99,826
Effects of exchange rate differences	10	-
Cash and cash equivalents brought forward	1,354,445	1,870,982
Cash and cash equivalents carried forward	343,687	1,970,808
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	343,687	1,970,808

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 INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.06.2009	30.06.2008
	RM '000	RM '000
Bank		
Profit before taxation	58,683	56,389
Adjustment for items not involving movement of cash and cash equivalent	(58,638)	(15,258)
Operating profit before working capital changes	45	41,131
Net changes in operating assets	914,019	1,286,802
Net changes in operating liabilities	(1,620,031)	(747,951)
Cash (used in)/generated from operations	(706,012)	538,851
Taxation paid	(15,381)	(26,339)
Tax recovered	-	3,542
Net cash (used in)/generated from operating activities	(721,348)	557,185
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/sale of securities held-to-maturity	(467)	69,585
Net purchase of securities available-for-sale	(275,907)	(516,527)
Interest received from securities held-to-maturity	3,250	4,509
Interest received from securities available-for-sale	49,457	17,650
Property, plant and equipment:		
- Purchase	(4,965)	(1,804)
- Proceeds from disposal	1	1
Dividend income	40	-
Subscription of shares in subsidiary	-	(10,000)
Net cash used in investing activities	(228,591)	(436,586)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital repayment to shareholder	-	(75,000)
Net proceeds received from issuance of subordinated notes	-	45,000
Dividend paid to shareholder	(60,507)	-
Net cash generated used in financing activities	(60,507)	(30,000)
Net (decrease)/increase in cash and cash equivalents	(1,010,446)	90,599
Cash and cash equivalents brought forward	1,317,411	1,838,232
Cash and cash equivalents carried forward	306,965	1,928,831
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	306,965	1,928,831

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 INVESTMENT BANK BERHAD (19663-P)
Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 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 cyclical factors.

4 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the six months ended 30 June 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 six months ended 30 June 2009.

6 Changes In Debt and Equity Securities

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

7 Dividends Paid

During the financial period, a final gross dividend of 30.6% less 25% tax in respect of financial year ended 31 December 2008, amounting to RM60,506,757 was paid on 25 June 2009.

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

8 Securities Held-For-Trading

	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 30.06.2009	As at 31.12.2008	As at 30.06.2009	As at 31.12.2008
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Khazanah bonds	-	11,367	-	11,367
Malaysian Government Investment Issue	-	47,695	-	47,695
Malaysian Government Securities	-	193,981	-	193,981
Bankers' acceptance	71,447	307,712	71,447	307,712
Negotiable certificates of deposits	323,120	829,367	323,120	829,367
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Unit trust	-	3,103	-	-
<u>Outside Malaysia</u>				
Shares	915	363	-	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Private debt securities	130,583	1,261,512	130,583	1,261,512
	526,065	2,655,100	525,150	2,651,634

The Group and the Bank have reclassified certain securities held-for-trading to securities available-for-sale 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 value of the reclassified securities held-for-trading as of the respective dates of reclassification are as follows:

	Group and Bank	
	Unaudited	Audited
	As at 30.06.2009	As at 31.12.2008
At fair value	RM'000	RM'000
Amount reclassified from securities:		
- held-for-trading to securities available-for-sale	1,533,498	-

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

	Group and Bank	
	30.06.2009	31.12.2008
	RM'000	RM'000
Amount recognised to income statement		
- held-for-trading to securities available-for-sale	-	46,289

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 3.18% to 10.16% per annum (2008: nil) with expected recoverable cash flows for the Group and the Bank of approximating RM1,852,034,765 (2008: nil).

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

9 Securities Available-For-Sale

	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 30.06.2009	As at 31.12.2008	As at 30.06.2009	As at 31.12.2008
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Investment Issue	120,278	64,497	120,278	64,497
Malaysian Government Securities	651,378	266,995	651,378	266,995
Khazanah bonds	10,797	-	10,797	-
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Shares	31	72	31	72
Corporate loan stocks	7,259	6,542	7,259	6,542
Warrants	1,012	695	1,012	695
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	2,200	2,200	2,200	2,200
Private debt securities	2,078,788	1,179,444	2,078,788	1,179,444
Corporate loan stocks	20,662	-	20,662	-
<u>Outside Malaysia</u>				
Corporate loan stocks	2,347	2,432	-	-
	2,894,752	1,522,877	2,892,405	1,520,445

The carrying value of securities available-for-sale as at 30 June 2009, which was transferred from securities held-for-trading, for the Group and the Bank are RM1,230,441,756 (2008:Nil).

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

10 Securities Held-To-Maturity

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government Securities	44,587	44,529
<u>Unquoted Securities:</u>		
<u>In Malaysia</u>		
Shares	2,200	2,200
Bonds	23	23
Prasarana bonds	99,008	98,852
Private debt securities	155,671	156,466
	301,489	302,070
Accumulated impairment losses	(78,898)	(79,417)
	222,591	222,653

Included in unquoted shares is RM1,000,000 (2008: RM1,000,000) of a third party redeemable preference shares with a nominal value of RM1.00 each which were charged to a third party as a part of a financing facilitated by the Group and the Bank.

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

11 Loans and advances

(i) By type

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Term loans	236,599	248,616
Share margin financing	44,912	62,544
Claims on customers under acceptance credits	-	10
Revolving credit	175,127	206,176
Staff loans	3,570	4,103
	460,208	521,449
Gross loans and advances		
Allowance for bad and doubtful debts:		
- specific	(15,617)	(44,909)
- general	(7,853)	(8,296)
Net loans and advances	436,738	468,244

(ii) By type of customers

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Domestic non-bank financial institutions	105,325	95,173
Domestic business enterprises		
- others	314,976	373,793
Individuals	38,979	51,622
Foreign entities	928	861
	460,208	521,449

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

11 Loans and advances (cont'd)

(iii) By interest/profit rate sensitivity

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
- Other fixed rate loans/financing	48,499	66,664
Variable rate		
- Cost plus	411,709	454,785
	460,208	521,449

(iv) By Purpose

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Purchase of securities	107,670	118,236
Purchase of transport vehicles	651	1,150
Purchase of landed property:		
- Residential	2,919	2,949
- Non-residential	2,048	2,868
Purchase of property, plant and equipment other than land and building	2,750	3,482
Personal use	1	5
Construction	105,393	110,109
Working capital	104,521	155,080
Other purposes	134,255	127,570
	460,208	521,449

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

12 Non-Performing Loans and advances (NPL)

(i) Movement in non-performing loans and advances

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Balance as at the beginning of financial period/year	66,425	123,582
Classified as non-performing during the financial period/year	3,150	3,396
Reclassified as performing during the financial period/year	-	(48,960)
Amount recovered	(790)	(5,085)
Amount written off	-	(6,508)
Balance as at the end of financial period/year	68,785	66,425
Specific allowance	(15,617)	(44,909)
Net non-performing loans and advances	53,168	21,516
Ratio of net non-performing loans and advances as % of gross loans and advances specific allowances	11.96%	4.52%

(ii) Movement in allowance for bad and doubtful debts

	Group and Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
General allowance		
Balance as at the beginning of financial period/year	8,296	15,005
Allowance write-back during the financial period/year	(443)	(6,709)
Balance as at the end of financial period/year	7,853	8,296
As % of gross loans and advances less specific allowance	1.77%	1.74%
Specific allowance		
Balance as at the beginning of financial period/year	44,909	49,463
Allowance (write-back)/made during the period/year	(56)	3,730
Transfer to accumulated impairment loss in value of securities	(28,298)	-
Amount recovered	(938)	(1,776)
Amount written off	-	(6,508)
Balance as at the end of financial period/year	15,617	44,909

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

12 Non-Performing Loans and advances (NPL) (cont'd)

(iii) NPL by purpose

	Group and Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Purchase of securities	33,310	33,568
Purchase of landed property:		
- Residential	199	294
- Non-residential	1,365	1,365
Purchase of property, plant and equipment other than land and building	2,750	-
Construction	1,177	1,214
Working capital	29,984	29,984
	68,785	66,425

13 Other Assets

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Amounts due from immediate holding company	646	-	645	-
Amounts due from subsidiaries	-	-	497	1,061
Amounts due from related companies	677	4,482	5	274
Other debtors, deposits and prepayments	41,074	27,337	18,034	21,520
Accrued interest receivable	38,088	35,756	38,088	35,756
Manager's stock	3,033	-	-	-
	83,518	67,575	57,269	58,611

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

14 Deposits From Customers

(i) By type of deposits

	Group and Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Call money	16,753	30,670
Fixed deposits	2,075,944	1,962,047
Short term deposits	530,304	1,113,770
	2,623,001	3,106,487

(ii) By type of customers

	Group and Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Federal government and statutory bodies	317,900	420,000
Business enterprises	2,305,101	2,685,987
Others	-	500
	2,623,001	3,106,487

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group and Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Licensed banks	23,929	24,187
Licensed Investment banks	73,200	-
Other financial institutions	1,038,270	2,294,771
	1,135,399	2,318,958

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

16 Other Liabilities

	Group		Bank	
	Unaudited As at 30.06.2009	Audited As at 31.12.2008	Unaudited As at 30.06.2009	Audited As at 31.12.2008
	RM'000	RM'000	RM'000	RM'000
Accrued interest payable	21,681	19,843	21,681	19,843
Amounts due to related companies	1,316	433	850	340
Amounts due to immediate holding company	686	769	-	62
Amounts due to subsidiaries	-	-	845	1,213
Amount payable for creation of units due to funds	612	298	-	-
Amount payable for redemption units	16,800	503	-	-
Remisiers' trust deposits	11,610	8,886	11,610	8,886
Accrued personnel costs	7,929	22,076	5,832	17,961
Other creditors and accruals	14,884	15,890	11,782	11,852
	75,518	68,698	52,600	60,157

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

17 Interest Income

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	6,468	10,367	12,782	23,560
- Recoveries from NPLs	2,093	207	3,118	339
Money at call and deposit placements with banks and other financial institutions	4,223	19,087	11,531	41,045
Securities held-for-trading	4,952	31,907	27,324	62,180
Securities available-for-sale	37,568	11,238	64,591	19,943
Securities held-to-maturity	1,626	2,107	3,234	4,280
Others	5,584	974	8,881	2,571
	62,514	75,887	131,461	153,918
Amortisation of premium less accretion of discount	652	1,976	471	5,270
Interest suspended	-	(507)	(38)	(581)
	63,166	77,356	131,894	158,607

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	6,468	10,367	12,782	23,560
- Recoveries from NPLs	2,093	207	3,118	339
Money at call and deposit placements with banks and other financial institutions	4,082	18,904	11,264	40,702
Securities held-for-trading	4,952	31,907	27,324	62,180
Securities available-for-sale	37,557	11,238	64,580	19,943
Securities held-to-maturity	1,626	2,107	3,234	4,280
Others	5,584	974	8,881	2,571
	62,362	75,704	131,183	153,575
Amortisation of premium less accretion of discount	652	1,976	471	5,270
Interest suspended	-	(507)	(38)	(581)
	63,014	77,173	131,616	158,264

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

18 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Group and Bank</u>				
Deposits and placements of banks and other financial institutions	7,867	24,395	23,759	50,210
Deposits from customers	17,496	32,106	39,914	64,314
Subordinated obligations	3,260	3,124	6,484	5,767
Others	5,001	1,226	7,941	2,251
	33,624	60,851	78,098	122,542

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

19 Other Operating Income

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Group</u>				
a) Fee Income:				
Brokerage	23,073	16,958	31,880	41,013
Fund management fees	4,596	6,931	8,606	11,193
Fee on loans and advances	951	1,248	1,442	1,865
Corporate advisory fees	1,709	3,475	3,859	8,185
Guarantee fees	83	472	811	1,016
Underwriting fees	1,749	3,661	6,679	4,058
Unit trust fee income	994	1,979	1,585	3,276
Other fee income	10,640	4,778	17,074	15,636
	43,795	39,502	71,936	86,242
b) Net (loss)/gain arising from sale/redemption of securities and derivatives:				
Net gain/(loss) from sale of				
- Securities held-for-trading	170	2,114	7,532	10,007
- Securities available-for-sale	(129)	4,650	949	7,228
Net gain/(loss) from redemption of				
- Securities held-to-maturity	-	1,224	(58)	1,998
Derivatives	(1,855)	(538)	(3,646)	(1,034)
	(1,814)	7,450	4,777	18,199
c) Gross dividend income from:				
Securities held-for-trading	38	-	44	105
Securities available-for-sale	1	-	1	97
	39	-	45	202
d) Unrealised gain/(loss) on revaluation of:				
Securities held-for-trading	(1,185)	(48,021)	(5,337)	(46,336)
Derivatives	1,520	42,127	(1,792)	37,253
	335	(5,894)	(7,129)	(9,083)
e) Other income:				
Foreign exchange gain/(loss)				
- Realised	127	33	170	33
- Unrealised	926	(468)	(389)	(1,542)
Net gain on disposal of property, plant and equipment	35	-	39	-
Other non-operating income	146	154	207	496
	1,234	(281)	27	(1,013)
	43,589	40,777	69,656	94,547

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

19 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Bank</u>				
a) Fee Income:				
Brokerage	23,073	16,958	31,880	41,013
Fee on loans and advances	951	1,248	1,442	1,865
Corporate advisory fees	1,709	3,475	3,859	8,185
Guarantee fees	83	472	811	1,016
Underwriting fees	1,749	3,661	6,679	4,058
Other fee income	10,249	4,394	14,975	15,201
	<u>37,814</u>	<u>30,208</u>	<u>59,646</u>	<u>71,338</u>
b) Net (loss)/gain arising from sale/redemption of securities and derivatives:				
Net gain/(loss) from sale of				
- Securities held-for-trading	170	2,114	7,532	10,017
- Securities available-for-sale	(129)	4,650	949	7,228
Net gain/(loss) from redemption of				
- Securities held-to-maturity	-	1,224	(58)	1,998
Derivatives	(1,855)	(538)	(3,646)	(1,034)
	<u>(1,814)</u>	<u>7,450</u>	<u>4,777</u>	<u>18,209</u>
c) Gross dividend income from:				
Securities held-for-trading	38	-	44	105
Securities available-for-sale	1	-	1	97
	<u>39</u>	<u>-</u>	<u>45</u>	<u>202</u>
d) Unrealised gain/(loss) on revaluation of:				
Securities held-for-trading	(1,596)	(47,694)	(5,877)	(45,248)
Derivatives	1,520	42,127	(1,792)	37,253
	<u>(76)</u>	<u>(5,567)</u>	<u>(7,669)</u>	<u>(7,995)</u>
e) Other income:				
Foreign exchange gain/(loss)				
- Realised	127	33	170	33
- Unrealised	883	(468)	(407)	(1,566)
Net gain on disposal of property, plant and equipment	-	-	3	-
Other non-operating income	146	148	207	490
	<u>1,156</u>	<u>(287)</u>	<u>(27)</u>	<u>(1,043)</u>
	<u>37,119</u>	<u>31,804</u>	<u>56,772</u>	<u>80,711</u>

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

20 Other Operating Expenses

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Group</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	15,804	20,255	31,873	37,113
- Contributions to Employees Provident Fund	2,423	3,037	4,944	5,633
- Other staff related cost	1,910	1,790	3,388	4,789
	20,137	25,082	40,205	47,535
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	1,271	1,993	2,503	3,895
- Rental of premises	2,358	2,375	4,705	4,616
- Information technology expenses	1,002	692	1,949	1,569
- Others	1,674	1,547	2,640	3,536
	6,305	6,607	11,797	13,616
<u>Marketing expenses</u>				
- Sales commission	677	1,351	1,163	2,163
- Advertisement and publicity	305	432	723	553
- Others	1,296	2,100	2,465	5,110
	2,278	3,883	4,351	7,826
<u>Administration and general expenses</u>				
- Communication expenses	1,549	1,866	3,076	3,182
- Legal and professional fees	183	627	526	873
- Others	2,571	4,818	5,374	6,168
	4,303	7,311	8,976	10,223
	33,023	42,883	65,329	79,200

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

20 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	11,704	15,506	23,800	29,058
- Contributions to Employees Provident Fund	1,803	2,427	3,700	4,499
- Other staff related cost	1,531	1,545	2,974	4,293
	15,038	19,478	30,474	37,850
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	1,073	1,784	2,130	3,469
- Rental of premises	1,969	1,993	3,913	3,855
- Information technology expenses	831	772	1,677	1,499
- Others	1,573	1,431	2,429	3,354
	5,446	5,980	10,149	12,177
<u>Marketing expenses</u>				
- Advertisement and publicity	296	386	665	474
- Others	1,186	2,103	2,249	5,028
	1,482	2,489	2,914	5,502
<u>Administration and general expenses</u>				
- Communication expenses	1,401	1,570	2,803	2,783
- Legal and professional fees	158	458	415	792
- Others	3,169	3,648	5,530	5,924
	4,728	5,676	8,748	9,499
	26,694	33,623	52,285	65,028

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

21 Allowances For Losses On Loans And Other Losses

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group and Bank</u>				
Allowance for losses on loans and financing:				
Specific allowance				
- (Reversal)/made during the financial period	-	(4,981)	(56)	19
- Written back	(40)	(300)	(938)	(725)
General allowance				
- Write-back during the financial period	(1,100)	(1,208)	(443)	(4,070)
Allowance for losses on clients' and brokers' balances:				
Specific allowance				
- Made/(reversal) during the financial period	927	(979)	853	393
General allowance				
- Made/(write-back) during the financial period	55	(54)	80	(81)
Bad debts				
- Recovered	(6)	(251)	(28)	(337)
Specific allowance (write-back)/made for other debtors	(174)	(318)	373	(183)
	(338)	(8,091)	(159)	(4,984)

22 Impairment Losses

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group and Bank</u>				
Written back for the financial period				
- Securities held-to-maturity	-	(3,635)	(519)	-

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

23 Capital Adequacy

The capital adequacy ratios of RHB Investment Bank Berhad are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

The capital adequacy ratios of the Bank are as follows:

	Bank	
	Unaudited	Audited
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
Tier I Capital		
Paid-up share capital	263,646	263,646
Statutory reserve	278,549	278,549
Retained profits	108,591	169,098
	650,786	711,293
Less: Deferred tax assets	(1,210)	(1,210)
Goodwill	(159,280)	(159,280)
Total Tier I capital	490,296	550,803
Tier II Capital		
Subordinated obligations	245,000	245,000
General allowance for bad and doubtful debts	8,079	8,442
Total Tier II capital	253,079	253,442
Less : Investment in subsidiaries	(58,270)	(58,270)
Investment in in joint venture	(27,399)	(27,399)
Other deductions *	(497)	-
Total capital base	657,209	718,576
<u>Capital ratios</u>		
Before proposed dividends:		
Core capital ratio	23.33%	19.25%
Risk-weighted capital adequacy ratio	31.27%	25.12%
After proposed dividends:		
Core capital ratio	23.33%	17.14%
Risk-weighted capital adequacy ratio	31.27%	23.00%

* 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 hold back adjustments/reserves on its trading portfolio.

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

23 Capital Adequacy (cont'd)

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 1 capital and deferred tax assets are excluded from the calculation of risk weighted assets.

Total risk weighted assets and capital requirements as at 30 June 2009:

<u>Exposure Class</u>	<u>Gross exposures</u> RM'000	<u>Net exposures</u> RM'000	<u>Risk Weighted</u> RM'000	<u>Capital requirements</u> RM'000
(a) <u>Credit Risk</u>				
On-balance sheet exposures				
Sovereigns/central banks	1,272,084	1,272,084	-	-
Banks, development financial institutions & MDBs	453,379	453,379	90,676	7,254
Corporates	2,182,906	2,182,906	1,033,078	82,646
Regulatory retail	4,661	4,661	3,497	280
Residential mortgages	1,549	1,549	542	43
Other assets	303,205	303,205	80,356	6,429
Defaulted exposures	136,793	136,793	164,495	13,160
Total on-balance sheet exposures	<u>4,354,577</u>	<u>4,354,577</u>	<u>1,372,644</u>	<u>109,812</u>
Off balance sheet exposures other than credit derivatives	420,543	420,543	161,786	12,942
Total off-balance sheet exposures	<u>420,543</u>	<u>420,543</u>	<u>161,786</u>	<u>12,942</u>
Total on and off-balance sheet exposures	4,775,120	4,775,120	1,534,430	122,754
(b) <u>Market Risk</u>				
	<u>Long Position</u>	<u>Short Position</u>		
Interest rate risk	1,535,141	915,987	-	109,373
Foreign currency risk	52	-	-	52
Options risk	-	-	-	11,125
			447,032	35,763
(c) <u>Operational Risk</u>				
Total risk weighted assets and capital requirements			<u>2,102,012</u>	<u>168,161</u>

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

23 Capital Adequacy (cont'd)

Total risk weighted assets and capital requirements as at 31 December 2008:

<u>Exposure Class</u>	<u>Gross exposures</u> RM'000	<u>Net exposures</u> RM'000	<u>Risk</u> <u>Weighted</u> RM'000	<u>Capital</u> <u>requirements</u> RM'000
(a) Credit Risk				
On-balance sheet exposures				
Sovereigns/central banks	1,316,558	1,316,558	-	-
Banks, development financial institutions & MDBs	576,944	576,944	115,389	9,231
Corporates	1,656,531	1,656,531	851,841	68,147
Regulatory retail	6,258	6,258	4,694	376
Residential mortgages	1,241	1,241	488	39
Other assets	220,621	220,621	73,746	5,899
Defaulted exposures	134,751	134,751	161,384	12,911
Total on-balance sheet exposures	<u>3,912,904</u>	<u>3,912,904</u>	<u>1,207,542</u>	<u>96,603</u>
Off balance sheet exposures other than credit derivatives	606,453	606,453	277,587	22,207
Total off-balance sheet exposures	<u>606,453</u>	<u>606,453</u>	<u>277,587</u>	<u>22,207</u>
Total on and off-balance sheet exposures	4,519,357	4,519,357	1,485,129	118,810
(b) Market Risk				
	<u>Long</u> <u>Position</u>	<u>Short</u> <u>Position</u>		
Interest rate risk	3,662,937	717,264	-	953,319
Foreign currency risk	1,322	-	-	1,322
Options risk	-	-	-	20,095
(c) Operational Risk			400,971	32,078
Total risk weighted assets and capital requirements			<u>2,860,836</u>	<u>228,868</u>

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

23 Capital Adequacy (cont'd)

Disclosure on Credit Risk: Disclosure on Risk Weights as at 30 June 2009:

Risk Weighted	Sovereigns and Central Banks	Banks, MDBs and FDI	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	1,272,084	-	40,768	-	-	-	193,114	1,505,966	-
10%	-	-	-	-	-	-	-	-	-
20%	-	573,377	1,382,964	-	-	-	44,258	2,000,599	400,120
35%	-	-	-	-	1,720	-	-	1,720	602
50%	-	-	373,032	4	-	-	-	373,036	186,518
75%	-	-	-	4,669	-	-	-	4,669	3,502
90%	-	-	-	-	-	-	-	-	-
100%	-	-	706,892	-	199	-	72,923	780,014	780,014
110%	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-
150%	-	-	107,643	-	-	1,473	-	109,116	163,674
270%	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-
Total	1,272,084	573,377	2,611,299	4,673	1,919	1,473	310,295	4,775,120	1,534,430

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

23 Capital Adequacy (cont'd)

Disclosure on Credit Risk: Disclosure on Risk Weights as at 31 December 2008:

Risk Weighted	Sovereigns and Central Banks	Banks, MDBs and FDI	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	1,316,558	-	36,658	-	-	-	138,359	1,491,575	-
10%	-	-	-	-	-	-	-	-	-
20%	-	734,726	1,091,486	-	-	-	23,670	1,849,882	369,976
35%	-	-	-	-	1,097	-	-	1,097	384
50%	-	-	204,674	57	360	-	-	205,091	102,546
75%	-	-	-	10,588	-	-	-	10,588	7,941
90%	-	-	-	-	-	-	-	-	-
100%	-	-	802,897	-	294	-	71,617	874,808	874,808
110%	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-
150%	-	-	86,244	-	-	72	-	86,316	129,474
270%	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-
Total	1,316,558	734,726	2,221,959	10,645	1,751	72	233,646	4,519,357	1,485,129

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

24 Commitments And Contingencies

In the normal course of business, the Group and the Bank makes various commitments and incur certain contingent liabilities with legal recourse to customers. No material losses are anticipated as a result of these transactions.

	← 30.06.2009 →			← 31.12.2008 →		
	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
Group and Bank						
Direct credit substitutes	138,089	138,089	39,337	162,267	162,267	68,277
Transaction-related contingent items	56,699	28,350	5,234	140,913	70,457	8,585
Other assets sold with recourse	20,041	20,041	4,008	18,792	18,792	3,758
Forward asset purchases	9,348	9,348	1,870	22,752	22,752	4,550
Obligations under an on-going underwriting agreements	98,660	49,330	18,245	116,660	58,330	23,195
Interest rate related contracts:						
- less than one year	1,000,000	1,765	353	1,000,000	1,725	345
- one year to less than five years	2,155,000	82,114	16,423	2,420,000	100,643	20,129
- more than five years	245,000	18,846	3,769	280,000	26,895	5,379
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	145,320	72,660	72,547	200,684	100,342	100,200
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-	221,251	44,250	43,169
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provides for automatic cancellation due to deterioration in the borrowers' creditworthiness	177,519	-	-	-	-	-
Total	4,045,676	420,543	161,786	4,583,319	606,453	277,587

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

RHB INVESTMENT BANK BERHAD (19663-P)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

25 Interest/Profit Rate Risk

Group

30.06.2009

	← 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	297,257	-	-	-	-	46,430	-	343,687	1.77
Deposits and placements with banks and other financial institutions	-	100,120	-	-	-	-	-	100,120	2.14
Securities held-for-trading	-	-	-	-	-	915	525,150	526,065	3.70
Securities available-for-sale	-	55,029	154,835	1,191,632	1,472,335	20,921	-	2,894,752	5.33
Securities held-to-maturity	297	-	126,515	152,663	19,791	(76,675) #	-	222,591	6.29
Loans and advances									
- performing	330,328	57,524	-	652	2,919	-	-	391,423	6.87
- non-performing	-	-	-	-	-	45,315 *	-	45,315	-
Clients' and brokers' balances	75,825	-	-	-	-	140,140	-	215,965	4.25
Other assets	1,978	-	33	138	307	81,062	-	83,518	1.61
Derivative assets	-	-	-	-	-	-	29,211	29,211	-
Tax recoverable	-	-	-	-	-	25,714	-	25,714	-
Deferred taxation assets	-	-	-	-	-	15,108	-	15,108	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	32,811	-	32,811	-
Investment in joint venture	-	-	-	-	-	26,591	-	26,591	-
Property, plant and equipment	-	-	-	-	-	13,774	-	13,774	-
Goodwill	-	-	-	-	-	172,844	-	172,844	-
Total assets	705,685	212,673	281,383	1,345,085	1,495,352	544,950	554,361	5,139,489	
Liabilities									
Deposits from customers	1,545,833	911,020	166,148	-	-	-	-	2,623,001	2.30
Deposits and placements of banks and other financial institutions	947,299	134,023	50,946	3,131	-	-	-	1,135,399	2.34
Clients' and brokers' balances	-	-	-	-	-	364,950	-	364,950	-
Other liabilities	9,006	-	-	-	-	66,512	-	75,518	1.90
Derivative liabilities	-	-	-	-	-	-	42,756	42,756	-
Taxation	-	-	-	-	-	8	-	8	-
Deferred tax liabilities	-	-	-	-	-	140	-	140	-
Subordinated obligations	-	-	-	245,000	-	-	-	245,000	5.34
Total liabilities	2,502,138	1,045,043	217,094	248,131	-	431,610	42,756	4,486,772	
Total equity	-	-	-	-	-	652,717	-	652,717	
Total liabilities and equity	2,502,138	1,045,043	217,094	248,131	-	1,084,327	42,756	5,139,489	
On-balance sheet interest sensitivity gap	(1,796,453)	(832,370)	64,289	1,096,954	1,495,352				
Off-balance sheet interest sensitivity gap	(5,000)	275,000	(40,000)	(135,000)	(95,000)				
Total interest-sensitivity gap	(1,801,453)	(557,370)	24,289	961,954	1,400,352				

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 SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

25 Interest/Profit Rate Risk (cont'd)

Group

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	%
Cash and short term funds	1,326,350	-	-	-	-	28,095	-	1,354,445	3.23
Deposits and placements with banks and other financial institutions	-	-	120	-	-	-	-	120	3.70
Securities held-for-trading	-	-	-	-	-	11,538	2,643,562	2,655,100	4.46
Securities available-for-sale	-	9,941	71,179	336,524	1,093,291	11,942	-	1,522,877	5.49
Securities held-to-maturity	-	-	126,808	153,259	19,781	(77,195) #	-	222,653	6.30
Loans and advances									
- performing	291,299	159,622	-	1,155	2,948	-	-	455,024	6.82
- non-performing	-	-	-	-	-	13,220	-	13,220	-
Clients' and brokers' balances	107,037	-	-	-	-	68,266	-	175,303	3.78
Other assets	1,895	-	34	147	336	65,163	-	67,575	2.61
Derivative assets	-	-	-	-	-	-	50,538	50,538	-
Tax recoverable	-	-	-	-	-	24,625	-	24,625	-
Deferred taxation assets	-	-	-	-	-	54	-	54	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	58,236	-	58,236	-
Investment in joint venture	-	-	-	-	-	26,349	-	26,349	-
Property, plant and equipment	-	-	-	-	-	11,197	-	11,197	-
Goodwill	-	-	-	-	-	172,844	-	172,844	-
Total assets	1,726,581	169,563	198,141	491,085	1,116,356	414,334	- 2,694,100	6,810,160	
Liabilities									
Deposits from customers	2,295,884	531,655	278,948	-	-	-	-	3,106,487	2.99
Deposits and placements of banks and other financial institutions	1,752,873	285,798	277,156	3,131	-	-	-	2,318,958	3.26
Clients' and brokers' balances	-	-	-	-	-	289,053	-	289,053	-
Other liabilities	8,886	-	-	-	-	59,812	-	68,698	3.00
Derivative liabilities	-	-	-	-	-	-	62,291	62,291	-
Provision for taxation	-	-	-	-	-	14	-	14	-
Deferred taxation liabilities	-	-	-	-	-	1,559	-	1,559	-
Subordinated obligations	-	-	-	245,000	-	-	-	245,000	5.18
Total liabilities	4,057,643	817,453	556,104	248,131	-	350,438	62,291	6,092,060	
Total equity	-	-	-	-	-	718,100	-	718,100	
Total liabilities and equity	4,057,643	817,453	556,104	248,131	-	1,068,538	62,291	6,810,160	
On-balance sheet interest sensitivity gap	(2,331,062)	(647,890)	(357,963)	242,954	1,116,356	-	-	-	-
Off-balance sheet interest sensitivity gap	(155,000)	(255,000)	(740,000)	(990,000)	-	-	-	-	-
Total interest-sensitivity gap	(2,486,062)	(902,890)	(1,097,963)	(747,046)	1,116,356	-	-	-	-

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 SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

25 Interest Rate Risk (cont'd)

Bank

30.06.2009

	← 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	276,552	-	-	-	-	30,413	-	306,965	1.86
Deposits and placements with banks and other financial institutions	-	100,120	-	-	-	-	-	100,120	2.14
Securities held-for-trading	-	-	-	-	-	-	525,150	525,150	3.70
Securities available-for-sale	-	55,029	154,835	1,191,632	1,472,335	18,574	-	2,892,405	5.33
Securities held-to-maturity	297	-	126,515	152,663	19,791	(76,675) #	-	222,591	6.29
Loans and advances	-	-	-	-	-	-	-	-	-
- performing	330,328	57,524	-	652	2,919	-	-	391,423	6.87
- non-performing	-	-	-	-	-	45,315 *	-	45,315	-
Clients' and brokers' balances	75,825	-	-	-	-	140,140	-	215,965	4.25
Other assets	1,978	-	-	-	-	55,291	-	57,269	0.98
Derivative assets	-	-	-	-	-	-	29,211	29,211	-
Tax recoverable	-	-	-	-	-	25,817	-	25,817	-
Deferred taxation assets	-	-	-	-	-	15,055	-	15,055	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	32,811	-	32,811	-
Investment in subsidiaries	-	-	-	-	-	58,270	-	58,270	-
Investment in joint venture	-	-	-	-	-	27,399	-	27,399	-
Property, plant and equipment	-	-	-	-	-	11,924	-	11,924	-
Goodwill	-	-	-	-	-	159,280	-	159,280	-
Total assets	684,980	212,673	281,350	1,344,947	1,495,045	543,614	554,361	5,116,970	
Liabilities									
Deposits from customers	1,545,833	911,020	166,148	-	-	-	-	2,623,001	2.30
Deposits and placements of banks and other financial institutions	947,299	134,023	50,946	3,131	-	-	-	1,135,399	2.34
Clients' and brokers' balances	-	-	-	-	-	364,950	-	364,950	-
Other liabilities	9,006	-	-	-	-	43,594	-	52,600	1.90
Derivative liabilities	-	-	-	-	-	-	42,756	42,756	-
Subordinated obligations	-	-	-	245,000	-	-	-	245,000	5.34
Total liabilities	2,502,138	1,045,043	217,094	248,131	-	408,544	42,756	4,463,706	
Total equity	-	-	-	-	-	653,264	-	653,264	
Total liabilities and equity	2,502,138	1,045,043	217,094	248,131	-	1,061,808	42,756	5,116,970	
On-balance sheet interest sensitivity gap	(1,817,158)	(832,370)	64,256	1,096,816	1,495,045				
Off-balance sheet interest sensitivity gap	(5,000)	275,000	(40,000)	(135,000)	(95,000)				
Total interest-sensitivity gap	(1,822,158)	(557,370)	24,256	961,816	1,400,045				

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 SIX MONTHS ENDED 30 JUNE 2009 (cont'd)

25 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	1,299,345	-	-	-	-	18,066	-	1,317,411	3.27
Deposits and placements with banks and other financial institutions	-	-	120	-	-	-	-	120	3.70
Securities held-for-trading	-	-	-	-	-	8,072	2,643,562	2,651,634	4.46
Securities available-for-sale	-	9,941	71,179	336,524	1,093,291	9,510	-	1,520,445	5.49
Securities held-to-maturity	-	-	126,808	153,259	19,781	(77,195) #	-	222,653	6.30
Loans and advances	-	-	-	-	-	-	-	-	-
- performing	291,299	159,622	-	1,155	2,948	-	-	455,024	6.82
- non-performing	-	-	-	-	-	13,220 *	-	13,220	-
Clients' and brokers' balances	107,037	-	-	-	-	68,266	-	175,303	3.78
Other assets	1,895	-	-	-	-	56,716	-	58,611	2.21
Derivative assets	-	-	-	-	-	-	50,538	50,538	-
Tax recoverable	-	-	-	-	-	25,103	-	25,103	-
Deferred taxation assets	-	-	-	-	-	-	-	-	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	58,236	-	58,236	-
Investment in subsidiaries	-	-	-	-	-	58,270	-	58,270	-
Investment in joint venture	-	-	-	-	-	27,399	-	27,399	-
Property, plant and equipment	-	-	-	-	-	9,090	-	9,090	-
Goodwill	-	-	-	-	-	159,280	-	159,280	-
Total assets	1,699,576	169,563	198,107	490,938	1,116,020	434,033	2,694,100	6,802,337	
Liabilities									
Deposits from customers	2,295,884	531,655	278,948	-	-	-	-	3,106,487	3.40
Deposits and placements of banks and other financial institutions	1,752,873	285,798	277,156	3,131	-	-	-	2,318,958	3.44
Clients' and brokers' balances	-	-	-	-	-	289,053	-	289,053	-
Other liabilities	8,886	-	-	-	-	51,271	-	60,157	3.00
Derivative liabilities	-	-	-	-	-	-	62,291	62,291	-
Deferred taxation liabilities	-	-	-	-	-	1,367	-	1,367	-
Subordinated obligations	-	-	-	245,000	-	-	-	245,000	5.34
Total liabilities	4,057,643	817,453	556,104	248,131	-	341,691	62,291	6,083,313	
Total equity	-	-	-	-	-	719,024	-	719,024	
Total liabilities and equity	4,057,643	817,453	556,104	248,131	-	1,060,715	62,291	6,802,337	
On-balance sheet interest sensitivity gap	(2,358,067)	(647,890)	(357,997)	242,807	1,116,020	-	-	-	-
Off-balance sheet interest sensitivity gap	(155,000)	(255,000)	(740,000)	(990,000)	-	-	-	-	-
Total interest-sensitivity gap	(2,513,067)	(902,890)	(1,097,997)	(747,193)	1,116,020	-	-	-	-

Consist of equity instruments less impairment loss.

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

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

26 Credit exposures arising from transactions with connected parties

There is no credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

27 Performance Review

The Group recorded a pre-tax profit of RM40.6 million for the current quarter, 55% higher as compared to the corresponding quarter ended 30 June 2008 of RM26.1 million. The increase was mainly due to higher net interest income by RM13.0 million, higher other operating income by RM2.8 and lower other operating expenses by RM9.8 million; partly offset by a reversal of allowance for losses on loans and other losses by RM7.7 million and written back of impairment losses of RM3.6 million in the corresponding quarter.

For the 6 months to 30 June 2009, the Group recorded a pre-tax profit of RM59.1 million, 5% higher than the previous year corresponding period ended 30 June 2008 of RM56.4 million. The higher profits was mainly due to higher net interest income by RM17.7 million and lower other operating expenses by RM13.9 million. This was partly offset by lower other operating income by RM24.9 million. Other operating income was lower mainly due to lower brokerage income for the current period by RM9.1 million due to the lower average volume traded at the equity market.

28 Prospects for the Financial Year Ending 31 December 2009

The overall banking sector in Malaysia remained resilient despite a weak global economy in the 1st half of the year. The weaker domestic economy resulted in both the equity and debt capital markets suffering from lackluster activity during the 1st half. However, the continuing proactive action of Bank Negara Malaysia and the Government in the form of support for both the equity and capital markets, low interest rate environment and implementation of the economic stimulus packages, we are optimistic that there will be an improvement in both the domestic economy and investment banking activity towards the next half of the year.

Notwithstanding the challenging environment for investment banking activity in the 1st half of the year, the Investment Bank continues to perform satisfactorily placing strongly in the relevant capital markets league tables. The Investment Bank expects strengthening of its performance in line with the anticipated improvements in the capital markets in the 2nd half of the year and expects to achieve a satisfactory performance in 2009.