

**RHB CAPITAL BERHAD**

(312952-H)

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**ANNOUNCEMENT OF UNAUDITED RESULTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

The Board of Directors of RHB Capital Berhad ('The Board') wishes to announce that the unaudited results of the Group and the Company for the nine months ended 30 September 2007 are as follows:

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Note	3rd quarter ended		Nine months ended	
		30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	A8	1,209,473	1,173,032	3,659,114	3,206,447
Interest expense	A9	(688,426)	(666,710)	(2,103,551)	(1,778,893)
Net interest income		521,047	506,322	1,555,563	1,427,554
Other operating income	A10	236,967	218,111	743,069	606,750
		758,014	724,433	2,298,632	2,034,304
Income from Islamic Banking business		54,363	57,558	238,466	150,756
		812,377	781,991	2,537,098	2,185,060
Other operating expenses	A11	(360,651)	(341,128)	(1,044,513)	(997,604)
Operating profit before allowances		451,726	440,863	1,492,585	1,187,456
Allowance for losses on loans and financing impairment loss	A12	(119,266)	(215,105)	(524,133)	(486,174)
		5,159	(805)	(15,189)	(16,056)
		337,619	224,953	953,263	685,226
Share of results of associates		36	(510)	104	(439)
<b>Profit before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends, taxation and zakat</b>		337,655	224,443	953,367	684,787
INCPS dividends	A13	(27,839)	(27,839)	(82,609)	(82,609)
<b>Profit after INCPS dividends and before taxation and zakat</b>		309,816	196,604	870,758	602,178
Taxation	B5	(77,769)	(52,141)	(223,100)	(169,791)
Zakat		-	-	-	920
<b>Profit for the financial period</b>		232,047	144,463	647,658	433,307
Attributable to:					
- Equity holders of the Company		231,229	102,336	539,750	314,568
- Minority interests		818	42,127	107,908	118,739
		232,047	144,463	647,658	433,307
<b>Earnings per share</b>					
- Basic (sen)	B13	10.7	5.6	27.9	17.3
- Fully diluted (sen)		n/a	n/a	n/a	n/a

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED INCOME STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Note	3rd quarter ended		Nine months ended	
		30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
		RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>					
Interest income	A8	3,472	21,746	46,845	62,940
Interest expense	A9	(25,083)	(31,126)	(68,402)	(79,233)
Net interest expense		<u>(21,611)</u>	<u>(9,380)</u>	<u>(21,557)</u>	<u>(16,293)</u>
Other operating income	A10	163,792	252,159	359,034	441,834
Net income		<u>142,181</u>	<u>242,779</u>	<u>337,477</u>	<u>425,541</u>
Other operating expenses	A11	(15,579)	(6,538)	(26,092)	(15,953)
<b>Profit before taxation</b>		<u>126,602</u>	<u>236,241</u>	<u>311,385</u>	<u>409,588</u>
Taxation	B5	(29,389)	(66,918)	(79,523)	(115,259)
<b>Profit for the financial period</b>		<u><u>97,213</u></u>	<u><u>169,323</u></u>	<u><u>231,862</u></u>	<u><u>294,329</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2007**

	Note	As at 30 Sept 2007 RM'000	As at 31 Dec 2006 RM'000
<b>Group</b>			
<b>ASSETS</b>			
Cash and short term funds		15,601,663	10,671,553
Securities purchased under resale agreements		3,721,878	2,691,541
Deposits and placements with banks and other financial institutions		1,220,606	5,590,420
Securities held-for-trading	A14	5,711,549	5,160,642
Securities available-for-sale ('Securities AFS')	A15	10,011,626	6,269,350
Securities held-to-maturity	A16	7,193,382	13,107,585
Loans, advances and financing	A17	55,223,907	53,392,886
Clients' and brokers' balances		398,527	177,027
Other assets	A18	656,659	834,362
Amount due from holding company	A19	-	1,236,030
Statutory deposits		1,600,046	1,905,043
Tax recoverable		49,481	53,032
Deferred tax assets		273,727	254,767
Investments in associates		15,419	15,289
Property, plant and equipment		767,313	782,935
Goodwill		3,233,933	1,167,513
Total assets		<b>105,679,716</b>	<b>103,309,975</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A20/B9(a)	77,515,364	57,525,532
Deposits and placements of banks and other financial institutions	A21/B9(a)	7,254,532	11,577,118
Obligations on securities sold under repurchase agreements		-	14,995,199
Bills and acceptances payable		4,621,619	3,778,758
Clients' and brokers' balances		485,710	251,372
Other liabilities	A22	1,961,144	1,994,511
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,235,301	2,879,284
Taxation		151,757	90,518
Deferred tax liabilities		7,269	16,522
Borrowings	B9(b)	1,985,976	1,551,812
Subordinated obligations	B9(c)	1,475,214	1,493,158
INCPS		1,104,469	1,104,469
Total liabilities		<b>98,798,355</b>	<b>97,258,253</b>
Share capital		2,153,475	1,823,475
Reserves		4,698,994	3,104,564
		6,852,469	4,928,039
Minority interests		28,892	1,123,683
Total equity		<b>6,881,361</b>	<b>6,051,722</b>
Total liabilities and equity		<b>105,679,716</b>	<b>103,309,975</b>
Commitments and contingencies	A27(a)	58,735,526	56,939,867
Net assets per share attributable to equity holders of the Company (RM)		<b>3.18</b>	<b>2.70</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED BALANCE SHEET AS AT 30 SEPTEMBER 2007**

	Note	As at 30 Sept 2007 RM'000	As at 31 Dec 2006 RM'000
<b><u>Company</u></b>			
<b>ASSETS</b>			
Cash and short term funds		5,167	13,398
Deposits and placements with banks and other financial institutions		1,205	1,171
Other assets	A18	32,947	32,857
Amount due from holding company	A19	-	1,236,030
Amounts due from subsidiaries/related companies		126,545	126,200
Tax recoverable		19,068	19,172
Investments in subsidiaries		10,133,754	6,911,026
Property, plant and equipment		830	1,295
Total assets		<u>10,319,516</u>	<u>8,341,149</u>
<b>LIABILITIES AND EQUITY</b>			
Other liabilities	A22	27,805	40,852
Amounts due to subsidiaries/related companies		3,237,446	3,262,588
Deferred tax liabilities		45	45
Borrowings	B9(b)	1,645,076	1,269,412
Total liabilities		<u>4,910,372</u>	<u>4,572,897</u>
Share capital		2,153,475	1,823,475
Reserves		3,255,669	1,944,777
Total equity		<u>5,409,144</u>	<u>3,768,252</u>
Total liabilities and equity		<u>10,319,516</u>	<u>8,341,149</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

RHB CAPITAL BERHAD (312952 – H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

	Attributable to equity holders of the Company									Minority interests RM'000	Total equity RM'000
	Share capital	Share premium	Reserve funds	Merger reserves	Other reserves	AFS reserves	Translation reserves	Retained profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Group</b>											
<b>Balance as at 1 January 2007</b>	1,823,475	1,114,593	1,443,797	6,431	8,563	29,590	(6,568)	508,158	4,928,039	1,123,683	6,051,722
Currency translation differences	-	-	-	-	-	-	(9,201)	-	(9,201)	(2,051)	(11,252)
Unrealised net loss on revaluation of securities AFS	-	-	-	-	-	(9,900)	-	-	(9,900)	(2,696)	(12,596)
Net transfer to income statement on disposal or impairment	-	-	-	-	-	(11,671)	-	-	(11,671)	3,978	(7,693)
Liquidation of a subsidiary	-	-	-	(18,280)	-	-	(7,275)	25,555	-	-	-
Additional investment in a subsidiary	-	-	-	-	-	-	-	-	-	(1,157,061)	(1,157,061)
Deferred tax	-	-	-	-	-	6,422	-	-	6,422	(237)	6,185
Income and expenses recognised directly in equity	-	-	-	(18,280)	-	(15,149)	(16,476)	25,555	(24,350)	(1,158,067)	(1,182,417)
Profit for the financial period	-	-	-	-	-	-	-	539,750	539,750	107,908	647,658
Total income and expenses recognised for the financial period	-	-	-	(18,280)	-	(15,149)	(16,476)	565,305	515,400	(1,050,159)	(534,759)
Transfer in respect of statutory requirements	-	-	88,055	-	-	-	-	(88,055)	-	-	-
Ordinary dividends	-	-	-	-	-	-	-	(158,470)	(158,470)	-	(158,470)
Dividends paid to minorities	-	-	-	-	-	-	-	-	-	(44,632)	(44,632)
Issue of ordinary shares	330,000	1,237,500	-	-	-	-	-	-	1,567,500	-	1,567,500
<b>Balance as at 30 September 2007</b>	<b>2,153,475</b>	<b>2,352,093</b>	<b>1,531,852</b>	<b>(11,849)</b>	<b>8,563</b>	<b>14,441</b>	<b>(23,044)</b>	<b>826,938</b>	<b>6,852,469</b>	<b>28,892</b>	<b>6,881,361</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

RHB CAPITAL BERHAD (312952 – H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Attributable to equity holders of the Company									Minority interests	Total equity
	Share capital	Share premium	Reserve funds	Merger reserves	Other reserves	AFS reserves	Translation reserves	Retained profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Group</b>											
<b>Balance as at</b>											
<b>1 January 2006</b>	1,823,475	1,114,593	1,292,229	6,431	8,563	(4,133)	4,003	247,394	4,492,555	1,014,077	5,506,632
Currency translation differences	-	-	-	-	-	-	4,559	280	4,839	1,202	6,041
Unrealised net gain/(loss) on revaluation of securities AFS	-	-	-	-	-	34,469	-	-	34,469	(10,490)	23,979
Net transfer to income statement on disposal or impairment	-	-	-	-	-	(16,126)	-	-	(16,126)	3,140	(12,986)
Deferred tax	-	-	-	-	-	(4,318)	-	-	(4,318)	2,194	(2,124)
Income and expenses recognised directly in equity	-	-	-	-	-	14,025	4,559	280	18,864	(3,954)	14,910
Profit for the financial period	-	-	-	-	-	-	-	314,568	314,568	118,739	433,307
Total income and expenses recognised for the financial period	-	-	-	-	-	14,025	4,559	314,848	333,432	114,785	448,217
Transfer in respect of statutory requirements	-	-	40,285	-	-	-	-	(40,285)	-	-	-
Ordinary dividends	-	-	-	-	-	-	-	(26,258)	(26,258)	-	(26,258)
Dividends paid to minorities	-	-	-	-	-	-	-	-	-	(40,507)	(40,507)
<b>Balance as at</b>											
<b>30 September 2006</b>	1,823,475	1,114,593	1,332,514	6,431	8,563	9,892	8,562	495,699	4,799,729	1,088,355	5,888,084

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

RHB CAPITAL BERHAD (312952 – H)

CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

	<u>Share capital</u> RM'000	<u>Non- distributable Share premium</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
<b><u>Company</u></b>				
<b>Balance as at 1 January 2007</b>	1,823,475	1,114,593	830,184	3,768,252
Profit for the financial period	-	-	231,862	231,862
Ordinary dividends	-	-	(158,470)	(158,470)
Issue of ordinary shares	330,000	1,237,500	-	1,567,500
<b>Balance as at 30 September 2007</b>	<u>2,153,475</u>	<u>2,352,093</u>	<u>903,576</u>	<u>5,409,144</u>
<b>Balance as at 1 January 2006</b>	1,823,475	1,114,593	550,455	3,488,523
Profit for the financial period	-	-	294,329	294,329
Ordinary dividends	-	-	(26,258)	(26,258)
<b>Balance as at 30 September 2006</b>	<u>1,823,475</u>	<u>1,114,593</u>	<u>818,526</u>	<u>3,756,594</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Nine months ended	
	30 Sept 2007	30 Sept 2006
	RM'000	RM'000
<b>Group</b>		
<b>Operating activities</b>		
Profit before INCPS dividends, taxation and zakat	953,367	684,787
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	(152,054)	41,023
Operating profit before working capital changes	801,313	725,810
Net changes in operating assets	2,048,467	(14,704,150)
Net changes in operating liabilities	1,045,799	15,383,872
Cash generated from operations	3,895,579	1,405,532
Taxation and zakat paid	(224,445)	(102,969)
Taxation recovered	50,598	19,876
Net cash generated from operating activities	3,721,732	1,322,439
<b>Investing activities</b>		
Net sale/(purchase) of securities	2,176,426	(2,322,446)
Interest received from securities	536,553	458,131
Proceeds from disposal of property, plant and equipment	3,208	2,726
Dividend income received from securities	5,039	5,207
Purchase of property, plant and equipment	(57,447)	(56,735)
Capital repayment upon liquidation of a subsidiary	2,371	-
Increase in investments in a subsidiary	(3,223,484)	-
Increase in investments in an associate	(26)	(20)
Net cash used in investing activities	(557,360)	(1,913,137)
<b>Financing activities</b>		
Drawdown of borrowings	645,820	420,505
Repayment of borrowings	(204,040)	(266,732)
Net proceeds from issuance of bonds	-	340,900
Redemption of bonds	-	(375,000)
Dividends paid to equity holders of the Company	(158,470)	(26,258)
INCPS dividends paid	(40,203)	(39,652)
Dividends paid to minorities	(44,632)	(40,507)
Proceeds from issuance of share capital	1,567,500	-
Payment to hire-purchase creditors	(266)	(476)
Net cash generated from financing activities	1,765,709	12,780
Net increase/(decrease) in cash and cash equivalents	4,930,081	(577,918)
Cash and cash equivalents		
- at the beginning of the financial period	10,671,553	11,360,098
- at the end of the financial period	15,601,634	10,782,180
Cash and cash equivalents comprise the following:		
Cash and short term funds	15,601,663	10,782,180
Overdrafts	(29)	-
	15,601,634	10,782,180

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.



**RHB CAPITAL BERHAD (312952 – H)**
**CONDENSED CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Nine months ended	
	30 Sept 2007	30 Sept 2006
	RM'000	RM'000
<b><u>Company</u></b>		
<b>Operating activities</b>		
Profit before taxation	311,385	409,588
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	(336,165)	(424,041)
Operating loss before working capital changes	(24,780)	(14,453)
Net changes in operating assets	1,280,968	86,401
Net changes in operating liabilities	944	(72,868)
Cash generated from/(used in) operations	1,257,132	(920)
Taxation recovered	9,836	-
Net cash generated from/(used in) operating activities	<u>1,266,968</u>	<u>(920)</u>
<b>Investing activities</b>		
Dividend income received from subsidiaries	241,315	318,436
Interest income received	1,436	3,027
Proceeds from disposal of a subsidiary	152	-
Proceeds from disposal of property, plant and equipment	5	310
Increase in investments in a subsidiary	(3,223,484)	(130,780)
Purchase of property, plant and equipment	(34)	(82)
Capital repayment upon liquidation of a subsidiary	2,371	-
Net cash (used in)/generated from investing activities	<u>(2,978,239)</u>	<u>190,911</u>
<b>Financing activities</b>		
Drawdown of borrowings	577,640	236,780
Repayment of borrowings	(204,040)	(266,732)
Net proceeds from issuance of bonds	-	340,900
Redemption of bonds	-	(375,000)
Interest expense paid	(79,353)	(88,741)
Proceeds from issuance of share capital	1,567,500	-
Payment to hire-purchase creditors	(266)	(476)
Dividends paid to equity holders of the Company	(158,470)	(26,258)
Net cash generated from/(used in) financing activities	<u>1,703,011</u>	<u>(179,527)</u>
Net (decrease)/increase in cash and cash equivalents	(8,260)	10,464
Cash and cash equivalents		
- at the beginning of the financial period	13,398	(2,478)
- at the end of the financial period	<u>5,138</u>	<u>7,986</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	5,167	7,986
Overdrafts	(29)	-
	<u>5,138</u>	<u>7,986</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**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 2006.

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 2006 except for the adoption of FRS 117, 'Leases' which is effective for accounting periods beginning on or after 1 October 2006. The Group has adopted FRS 117 commencing from financial period beginning 1 January 2007. The adoption of FRS 117 has resulted in the restatement of the comparative figures as disclosed in A31.

**A2. Audit Report**

The audit report for the financial year ended 31 December 2006 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

The business operations of the Group 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 nine months ended 30 September 2007.

**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**

During the nine months ended 30 September 2007, the issued and paid-up capital of the Company was increased as follows:

As at 1 January 2007	No of shares of RM1.00 each <u>1,823,474,695</u>
Issued pursuant to part settlement of acquisition of remaining equity interest in RHB Bank Berhad ('RHB Bank')	330,000,000
As at 30 September 2007	<u><u>2,153,474,695</u></u>

There were no repayment of debt, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the nine months ended 30 September 2007.

**A7. Dividends Paid**

During the nine months ended 30 September 2007, the Company has paid the following dividends:

- a) A final dividend of 6.0% less 27% income tax amounting to RM79,868,000 in respect of the financial year ended 31 December 2006 was paid on 7 June 2007.
- b) An interim dividend of 5.0% less 27% income tax amounting to RM78,602,000 in respect of the financial year ending 31 December 2007 was paid on 28 September 2007.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>A8. Interest Income</b>				
<b><u>Group</u></b>				
Loans, advances and financing				
- interest income other than recoveries from non-performing loans, advances and financing ('NPLs')	771,809	715,729	2,276,220	2,048,204
- recoveries from NPLs	49,574	64,849	147,760	165,430
Money at call, deposits and placements with financial institutions	197,587	107,950	518,798	335,372
Securities purchased under resale agreements	14,290	70,216	81,186	122,892
Securities held-for-trading	40,271	38,324	132,716	84,993
Securities AFS	82,819	18,773	288,448	50,074
Securities held-to-maturity	70,973	151,669	236,222	419,840
Others	5,763	21,429	51,767	62,205
	<b>1,233,086</b>	<b>1,188,939</b>	<b>3,733,117</b>	<b>3,289,010</b>
Amortisation of premium less accretion of discount	(2,601)	(611)	(2,599)	(10,094)
Interest suspended	(21,012)	(15,296)	(71,404)	(72,469)
	<b>1,209,473</b>	<b>1,173,032</b>	<b>3,659,114</b>	<b>3,206,447</b>
<b><u>Company</u></b>				
Money at call, deposits and placements with financial institutions	1,310	1,131	1,443	3,008
Others	2,162	20,615	45,402	59,932
	<b>3,472</b>	<b>21,746</b>	<b>46,845</b>	<b>62,940</b>
<b>A9. Interest Expense</b>				
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	72,604	102,911	331,558	257,614
Deposits from customers	387,518	233,039	1,281,140	909,844
Obligations on securities sold under repurchase agreements	132,570	221,095	211,843	310,208
Borrowings	26,636	30,597	69,541	75,341
Subordinated obligations	25,939	26,346	77,254	78,539
Recourse obligation on loans sold to Cagamas	27,919	40,113	88,489	115,321
Others	15,240	12,609	43,726	32,026
	<b>688,426</b>	<b>666,710</b>	<b>2,103,551</b>	<b>1,778,893</b>
<b><u>Company</u></b>				
Borrowings	24,569	30,597	67,390	75,282
Others	514	529	1,012	3,951
	<b>25,083</b>	<b>31,126</b>	<b>68,402</b>	<b>79,233</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income</b>				
<b>Group</b>				
<b>Fee income</b>				
- Service charges and fees	36,706	40,584	119,510	106,327
- Commission	32,070	27,228	95,521	82,033
- Brokerage	26,989	12,169	91,434	43,069
- Commitment fees	10,915	10,576	32,515	31,702
- Unit trust fee income	8,472	8,583	31,574	19,244
- Guarantee fees	9,111	9,264	27,679	28,599
- Underwriting and arrangement fees	3,983	429	13,836	5,050
- Corporate advisory fees	2,950	1,756	11,474	5,846
- Fund management fees	2,767	1,542	10,605	4,766
- Other fee income	2,580	4,562	15,049	10,817
	<b>136,543</b>	<b>116,693</b>	<b>449,197</b>	<b>337,453</b>
<b>Net gain/(loss) arising from sale/ redemption of securities and derivatives</b>				
- Net gain from sale of				
- securities held-for-trading	10,272	14,885	79,152	17,623
- securities AFS	18,761	4,002	24,449	22,804
- Net gain from redemption of				
- securities held-to-maturity	-	-	103	1,403
- Derivatives	1,096	(163)	1,290	110
	<b>30,129</b>	<b>18,724</b>	<b>104,994</b>	<b>41,940</b>
<b>Unrealised gain/(loss) on revaluation of securities and derivatives</b>				
- Securities held-for-trading	(13,668)	22,205	(45,962)	14,429
- Derivatives	(1,918)	(26,161)	2,581	6,325
	<b>(15,586)</b>	<b>(3,956)</b>	<b>(43,381)</b>	<b>20,754</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income (continued)</b>				
<b><u>Group (continued)</u></b>				
<b>Gross dividend income from</b>				
- Securities held-for-trading	991	563	2,183	3,929
- Securities AFS	3,463	574	4,719	2,499
- Securities held-to-maturity	-	184	-	804
	<u>4,454</u>	<u>1,321</u>	<u>6,902</u>	<u>7,232</u>
<b>Other income</b>				
- Foreign exchange gain/(loss)				
- realised	55,863	46,466	202,417	95,662
- unrealised	2,928	8,663	(39,505)	32,488
- Underwriting surplus before management expenses	8,292	14,466	21,288	30,387
- Rental income	934	728	2,593	2,346
- Net gain on disposal of property, plant and equipment	152	231	659	1,409
- Other operating income	9,698	12,402	29,081	31,564
- Other non-operating income	3,560	2,373	8,824	5,515
	<u>81,427</u>	<u>85,329</u>	<u>225,357</u>	<u>199,371</u>
	<u>236,967</u>	<u>218,111</u>	<u>743,069</u>	<u>606,750</u>
<b><u>Company</u></b>				
<b>Gross dividend income from</b>				
- Subsidiaries	136,499	252,396	330,570	441,581
	<u>136,499</u>	<u>252,396</u>	<u>330,570</u>	<u>441,581</u>
<b>Other income</b>				
- Foreign exchange gain/(loss)				
- unrealised	(510)	(652)	119	(889)
- Net gain on disposal of property, plant and equipment	-	-	2	131
- Other operating income	276	270	816	815
- Other non-operating income	27,527	145	27,527	196
	<u>27,293</u>	<u>(237)</u>	<u>28,464</u>	<u>253</u>
	<u>163,792</u>	<u>252,159</u>	<u>359,034</u>	<u>441,834</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses</b>				
<b>Group</b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	146,735	137,578	434,794	414,141
- Defined contribution plan	22,762	17,662	64,262	60,440
- Other staff related costs	15,324	17,754	49,554	64,525
	<u>184,821</u>	<u>172,994</u>	<u>548,610</u>	<u>539,106</u>
<b>Establishment costs</b>				
- Depreciation	22,240	25,047	70,204	75,304
- Information technology expenses	23,590	25,329	68,926	69,564
- Repair and maintenance	12,452	11,278	35,160	32,933
- Rental of premises	8,014	7,860	23,745	23,784
- Water and electricity	4,161	4,440	11,798	11,890
- Insurance	4,349	2,622	9,902	8,197
- Rental of equipment	2,953	2,846	8,428	7,506
- Amortisation of prepaid land lease	134	110	365	334
- Others	2,148	816	6,911	2,339
	<u>80,041</u>	<u>80,348</u>	<u>235,439</u>	<u>231,851</u>
<b>Marketing expenses</b>				
- Sales commission	10,719	9,463	35,627	18,616
- Advertisements and publicity	11,062	8,461	27,578	21,931
- Dealers' handling fee	4,460	8,562	14,543	29,693
- Others	16,284	17,790	50,709	46,337
	<u>42,525</u>	<u>44,276</u>	<u>128,457</u>	<u>116,577</u>
<b>Administration and general expenses</b>				
- Communication expenses	20,986	19,949	55,053	53,379
- Legal and professional fee	11,021	4,400	19,362	12,223
- Others	21,257	19,161	57,592	44,468
	<u>53,264</u>	<u>43,510</u>	<u>132,007</u>	<u>110,070</u>
	<u>360,651</u>	<u>341,128</u>	<u>1,044,513</u>	<u>997,604</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses (continued)</b>				
<b><u>Company</u></b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	2,122	2,318	6,230	6,867
- Defined contribution plan	214	277	703	840
- Other staff related costs	477	419	1,175	1,129
	<b>2,813</b>	<b>3,014</b>	<b>8,108</b>	<b>8,836</b>
<b>Establishment costs</b>				
- Rental of premises	348	340	1,059	1,059
- Depreciation	167	164	496	489
- Repair and maintenance	81	100	307	344
- Information technology expenses	47	30	67	92
- Water and electricity	15	16	34	38
- Rental of equipment	10	11	29	36
- Insurance	1	-	2	2
	<b>669</b>	<b>661</b>	<b>1,994</b>	<b>2,060</b>
<b>Marketing expenses</b>				
- Advertisements and publicity	737	433	1,358	722
- Others	139	165	478	711
	<b>876</b>	<b>598</b>	<b>1,836</b>	<b>1,433</b>
<b>Administration and general expenses</b>				
- Legal and professional fee	9,604	2,050	12,224	3,016
- Communication expenses	138	118	304	381
- Others	1,479	97	1,626	227
	<b>11,221</b>	<b>2,265</b>	<b>14,154</b>	<b>3,624</b>
	<b>15,579</b>	<b>6,538</b>	<b>26,092</b>	<b>15,953</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>A12. Allowance for Losses on Loans and Financing</b>				
<b><u>Group</u></b>				
Allowance for bad and doubtful debts				
- specific allowance made	214,311	275,175	859,258	665,395
- specific allowance written back	(75,919)	(64,853)	(292,969)	(176,692)
- specific allowance (net)	138,392	210,322	566,289	488,703
- general allowance (net)	13,831	38,280	37,844	60,245
Bad debts written off	67	-	475	5
Bad debts recovered	(33,024)	(33,497)	(77,308)	(61,991)
Write back on amount recoverable from Danaharta	-	-	(3,167)	(788)
	<b>119,266</b>	<b>215,105</b>	<b>524,133</b>	<b>486,174</b>
<b>A13. INCPS Dividends</b>				
<b><u>Group</u></b>				
INCPS dividends paid and payable				
- 10% per annum (gross)	27,839	27,839	82,609	82,609



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	<b>Group</b>	
	<b>As at 30 Sept 2007</b>	<b>As at 31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A14. Securities Held-for-trading</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
<b>Quoted</b>		
Malaysian government securities	637,246	196,338
Government investment issues	367,430	421,241
Khazanah bonds	260,484	389,473
Singapore government stocks	205,769	192,069
Cagamas bonds	19,566	-
<b>Unquoted</b>		
Private debt securities	1,552,353	1,113,968
Bankers' acceptances and Islamic accepted bills	1,031,664	757,128
Bank Negara Malaysia ('BNM') bills/notes	636,562	613,125
Negotiable instrument of deposits	501,077	955,019
Fixed rate notes	227,157	229,710
Singapore government treasury bills	56,611	-
Malaysian government treasury bills	28,954	28,965
	<b>5,524,873</b>	<b>4,897,036</b>
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Shares	52,239	42,817
Unit trust	4,066	6,720
<b>Outside Malaysia</b>		
Other government securities	108,532	114,487
Bonds	20,050	98,682
Shares	1,789	900
	<b>5,711,549</b>	<b>5,160,642</b>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Group	
	As at 30 Sept 2007	As at 31 Dec 2006
	RM'000	RM'000
<b>A15. Securities Available-for-sale ('Securities AFS')</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
<b>Quoted</b>		
Cagamas bonds and Cagamas Mudharabah bonds	499,981	451,156
Singapore government stocks	182,459	103,952
Malaysian government securities	95,477	50,190
Government investment issues	18,451	5,058
Khazanah bonds	9,656	9,405
<b>Unquoted</b>		
BNM bills/notes	2,816,594	401,056
Private debt securities	2,549,538	912,132
Negotiable instrument of deposits	2,513,739	3,220,039
Malaysian government treasury bills	320,271	85,678
Bankers' acceptances and Islamic accepted bills	202,820	-
Structured notes	174,817	306,351
Singapore government treasury bills	11,322	85,890
	<b>9,395,125</b>	<b>5,630,907</b>
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Corporate loan stocks	64,705	54,813
Shares	22,888	23,856
Malaysian government securities	22,124	22,100
Private debt securities	2,671	9,209
<b>Outside Malaysia</b>		
Floating rate notes	162	292
Shares	14	129
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Shares	167,979	167,979
Corporate loan stocks	112,251	161,524
Corporate debt securities	92,573	83,212
Private debt securities	56,205	65,508
<b>Outside Malaysia</b>		
Structured notes	66,221	-
Private debt securities	8,341	49,109
Trading rights	367	367
Shares	-	345
	<b>10,011,626</b>	<b>6,269,350</b>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	<b>Group</b>	
	<b>As at 30 Sept 2007</b>	<b>As at 31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A16. Securities Held-to-maturity</b>		
<b>At amortised cost</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
<b>Quoted</b>		
Malaysian government securities	2,096,090	2,124,505
Khazanah bonds	565,159	573,678
Cagamas bonds and Cagamas Mudharabah bonds	535,768	911,120
Government investment issues	82,207	80,964
<b>Unquoted</b>		
Prasarana bonds	1,978,965	1,979,791
Negotiable instrument of deposits	719,882	5,286,823
Private debt securities	584,555	881,827
Other government securities	216,242	234,310
Structured notes	34,090	353,052
Cagamas notes	-	98,157
Bankers' acceptances and Islamic accepted bills	-	99,065
	<b>6,812,958</b>	<b>12,623,292</b>
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Floating rate notes	-	81,225
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	357,708	389,458
Corporate loan stocks	184,552	205,231
Bonds	27,201	29,070
Shares	2,700	2,700
<b>Outside Malaysia</b>		
Floating rate notes	38,624	10,595
	<b>7,423,743</b>	<b>13,341,571</b>
Accumulated impairment loss	<b>(230,361)</b>	<b>(233,986)</b>
	<b>7,193,382</b>	<b>13,107,585</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Group	
	As at 30 Sept 2007 RM'000	As at 31 Dec 2006 RM'000
<b>A17. Loans, Advances and Financing</b>		
Overdrafts	6,571,096	6,797,088
Term loans/financing		
- housing loans/financing	12,614,209	12,545,069
- syndicated term loans/financing	2,450,943	2,632,160
- hire-purchase receivables	9,881,650	9,654,495
- lease receivables	269,082	281,120
- other term loans/financing	12,518,549	11,557,423
Bills receivable	2,520,622	1,877,730
Trust receipts	479,172	537,794
Claims on customers under acceptance credits	4,992,488	4,824,605
Staff loans/financing	398,624	413,583
Credit/charge cards receivables	1,509,533	1,288,406
Revolving credits	5,065,927	5,278,336
	<u>59,271,895</u>	<u>57,687,809</u>
Unearned interest and income	(1,490,049)	(1,563,301)
Gross loans, advances and financing	<u>57,781,846</u>	<u>56,124,508</u>
Allowance for bad and doubtful debts and financing		
- general	(1,012,968)	(976,214)
- specific	(1,544,971)	(1,755,408)
Net loans, advances and financing	<u>55,223,907</u>	<u>53,392,886</u>
<b>(a) By type of customers</b>		
Domestic non-bank financial institutions		
- stockbroking companies	1,762	1,856
- others	708,602	831,683
Domestic business enterprises		
- small medium enterprises	9,164,205	9,241,948
- others	22,525,706	21,692,647
Government and statutory bodies	252,092	248,651
Individuals	24,356,082	23,403,054
Other domestic entities	87,790	57,746
Foreign entities	685,607	646,923
	<u>57,781,846</u>	<u>56,124,508</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Group	
	As at 30 Sept 2007	As at 31 Dec 2006
	RM'000	RM'000

**A17. Loans, Advances and Financing (continued)**

**(b) By interest/profit rate sensitivity**

Fixed rate		
- housing loans/financing	1,715,455	1,593,036
- hire-purchase receivables	8,421,266	8,129,916
- other fixed rate loans/financing	3,549,599	3,509,878
Variable rate		
- base lending rate plus	20,438,400	20,237,465
- cost-plus	18,279,699	17,221,488
- other variable rates	5,377,427	5,432,725
	<u>57,781,846</u>	<u>56,124,508</u>

**(c) By purpose**

Purchase of securities	2,223,955	1,916,263
Purchase of transport vehicles	6,653,442	6,519,848
Purchase of landed property:		
- residential	13,149,461	12,864,401
- non-residential	1,828,859	1,595,519
Purchase of property, plant and equipment other than land and building	2,764,272	2,578,022
Personal use	2,096,434	1,950,596
Credit card	1,509,533	1,288,406
Purchase of consumer durables	98,321	114,206
Construction	1,854,301	2,239,055
Merger and acquisition	26,730	26,730
Working capital	23,329,785	22,892,955
Other purpose	2,246,753	2,138,507
	<u>57,781,846</u>	<u>56,124,508</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A17. Loans, Advances and Financing (continued)</b>		
<b>(d) NPLs by purpose</b>		
Purchase of securities	<b>78,845</b>	70,256
Purchase of transport vehicles	<b>288,454</b>	391,342
Purchase of landed property:		
- residential	<b>1,089,665</b>	1,282,280
- non-residential	<b>152,602</b>	141,531
Purchase of property, plant and equipment other than land and building	<b>113,128</b>	102,341
Personal use	<b>129,758</b>	171,162
Credit card	<b>42,543</b>	45,484
Purchase of consumer durables	<b>8,421</b>	10,558
Construction	<b>207,585</b>	342,741
Merger and acquisition	<b>26,730</b>	26,730
Working capital	<b>1,427,800</b>	1,635,535
Other purpose	<b>22,996</b>	57,077
	<b><u>3,588,527</u></b>	<b><u>4,277,037</u></b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Group	
	As at 30 Sept 2007	As at 31 Dec 2006
	RM'000	RM'000

**A17. Loans, Advances and Financing (continued)**

**(e) Movements in NPLs are as follows:**

Balance as at the beginning of the financial period/year	4,277,037	4,339,130
Classified as non-performing	2,656,558	4,080,889
Amount recovered	(748,269)	(569,812)
Reclassified as performing	(1,837,108)	(2,712,691)
Amount written off	(743,074)	(789,256)
Loans/financing converted to securities	(15,586)	(66,371)
Exchange difference	(1,031)	(4,852)
Balance as at the end of the financial period/year	<u>3,588,527</u>	<u>4,277,037</u>
Specific allowance	<u>(1,544,971)</u>	<u>(1,755,408)</u>
Net NPLs	<u><u>2,043,556</u></u>	<u><u>2,521,629</u></u>
Ratio of net NPLs as % of gross loans, advances and financing less specific allowance	<u><u>3.63%</u></u>	<u><u>4.63%</u></u>

**(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	976,214	921,583
Net allowance made	37,844	56,653
Exchange difference	(1,090)	(2,022)
Balance as at the end of the financial period/year	<u>1,012,968</u>	<u>976,214</u>
As % of gross loans, advances and financing less specific allowance	<u><u>1.80%</u></u>	<u><u>1.79%</u></u>

Specific allowance

Balance as at the beginning of the financial period/year	1,755,408	1,821,128
Allowance made	858,701	968,885
Transferred to accumulated impairment loss in value of securities	(11,128)	(56,215)
Amount transferred from other debtors	-	788
Amount recovered	(292,969)	(237,455)
Amount written off	(764,572)	(738,069)
Exchange difference	(469)	(3,654)
Balance as at the end of the financial period/year	<u>1,544,971</u>	<u>1,755,408</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Group		Company	
	As at	As at	As at	As at
	<u>30 Sept 2007</u>	<u>31 Dec 2006</u>	<u>30 Sept 2007</u>	<u>31 Dec 2006</u>
	RM'000	RM'000	RM'000	RM'000
<b>A18. Other Assets</b>				
Other debtors, deposits and prepayments	256,605	347,305	32,926	32,843
Accrued interest receivable	191,632	216,614	21	14
Derivatives	107,831	168,819	-	-
Prepaid land lease	99,572	100,245	-	-
Amount recoverable from BNM	1,019	1,379	-	-
	<u>656,659</u>	<u>834,362</u>	<u>32,947</u>	<u>32,857</u>

**A19. Amount Due from Holding Company**

As stated in A26(a), the Company ceased to become a subsidiary of Rashid Hussain Berhad ('RHB') on 3 July 2007. The amount due from RHB was fully settled on 10 July 2007.

	Group	
	As at	As at
	<u>30 Sept 2007</u>	<u>31 Dec 2006</u>
	RM'000	RM'000
<b>A20. Deposits from Customers</b>		
<b>(a) By type of deposits</b>		
Demand deposits	16,254,591	15,638,515
Savings deposits	4,995,831	4,861,397
Fixed deposits	55,639,639	34,273,158
Negotiable instrument of deposits	625,303	2,752,462
	<u>77,515,364</u>	<u>57,525,532</u>
<b>(b) By type of customers</b>		
Government and statutory bodies	4,803,459	4,336,106
Business enterprises	47,328,836	28,619,833
Individuals	23,229,538	22,674,291
Others	2,153,531	1,895,302
	<u>77,515,364</u>	<u>57,525,532</u>
<b>A21. Deposits and Placements of Banks and Other Financial Institutions</b>		
Licensed banks	3,068,140	8,643,917
Licensed investment/merchant banks	304,600	101,286
BNM	1,819,406	1,192,276
Other financial institutions	2,062,386	1,639,639
	<u>7,254,532</u>	<u>11,577,118</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sept 2007</b>	<b>As at 31 Dec 2006</b>	<b>As at 30 Sept 2007</b>	<b>As at 31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>A22. Other Liabilities</b>				
Other creditors and accruals	<b>455,253</b>	497,788	<b>4,533</b>	4,326
Accrued interest payable	<b>435,128</b>	472,818	<b>22,476</b>	35,464
Amount due to BNM	<b>311,501</b>	296,129	-	-
Accruals for operational expenses	<b>172,571</b>	154,392	-	-
General insurance fund	<b>149,972</b>	136,821	-	-
Derivatives	<b>134,242</b>	158,231	-	-
Short term employee benefits	<b>107,048</b>	115,968	-	-
Lessee deposits	<b>82,989</b>	82,778	-	-
Prepaid instalment	<b>68,972</b>	61,889	-	-
Amount payable for creation of units due to funds	<b>25,901</b>	3,729	-	-
Remisiers' trust deposits	<b>15,039</b>	11,181	-	-
Amount due to Danaharta	<b>1,732</b>	1,725	-	-
Hire-purchase creditors	<b>796</b>	1,062	<b>796</b>	1,062
	<b><u>1,961,144</u></b>	<u>1,994,511</u>	<b><u>27,805</u></b>	<u>40,852</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A23. Segment Information**

**Revenue and Results**

**Nine months ended 30 Sept 2007**

	Wholesale banking	Retail banking	Treasury and money market	Islamic Banking business	Financial advisory and underwriting	Stockbroking and other securities related business	Insurance	Others	Intersegment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
External revenue	1,423,737	1,368,903	1,351,071	238,466	20,024	143,738	37,582	57,128	-	4,640,649
Intersegment revenue	3,020	1,610	25,964	157	2,621	315	10,502	19,569	(63,758)	-
Segment revenue	<u>1,426,757</u>	<u>1,370,513</u>	<u>1,377,035</u>	<u>238,623</u>	<u>22,645</u>	<u>144,053</u>	<u>48,084</u>	<u>76,697</u>	<u>(63,758)</u>	<u>4,640,649</u>
Profit before unallocated expenses	425,664	259,854	326,844	176,753	19,743	77,531	25,917	37,101		1,349,407
Unallocated expenses										(396,144)
Profit after unallocated expenses										953,263
Share of results of associates	-	-	-	-	-	127	-	(23)		104
Profit before INCPS dividends, taxation and zakat										953,367
INCPS dividends										(82,609)
Profit after INCPS dividends and before taxation and zakat										870,758
Taxation and zakat										(223,100)
Profit for the financial period										<u>647,658</u>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A23. Segment Information (continued)**

**Revenue and Results**

**Nine months ended 30 Sept 2006**

	Wholesale banking	Retail banking	Treasury and money market	Islamic Banking business	Financial advisory and underwriting	Stockbroking and other securities related business	Insurance	Others	Intersegment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
External revenue	1,313,476	1,260,615	1,041,512	150,756	7,815	78,796	41,622	69,361	-	3,963,953
Intersegment revenue	10,623	2,637	16,033	-	5	345	11,285	23,704	(64,632)	-
Segment revenue	<u>1,324,099</u>	<u>1,263,252</u>	<u>1,057,545</u>	<u>150,756</u>	<u>7,820</u>	<u>79,141</u>	<u>52,907</u>	<u>93,065</u>	<u>(64,632)</u>	<u>3,963,953</u>
Profit before unallocated expenses	384,644	205,473	265,660	110,531	3,576	26,980	32,190	57,244		1,086,298
Unallocated expenses										<u>(401,072)</u>
Profit after unallocated expenses										685,226
Share of results of associates	-	-	-	-	-	359	-	(798)		<u>(439)</u>
Profit before INCPS dividends, taxation and zakat										684,787
INCPS dividends										<u>(82,609)</u>
Profit after INCPS dividends and before taxation and zakat										602,178
Taxation and zakat										<u>(168,871)</u>
Profit for the financial period										<u><u>433,307</u></u>

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A24. Valuation of Property, Plant and Equipment**

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

**A25. 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, except for the following:

**(a) Proposed corporate proposals by RHB Investment Bank Berhad [formerly known as RHB Sakura Merchant Bankers Berhad] ('RHB Investment Bank'), a wholly-owned subsidiary of the Company**

The Company announced on 16 October 2007 that RHB Investment Bank has proposed to undertake the following proposals:

- (i) proposed full redemption of its existing RM165.0 million nominal value of Redeemable Unsecured Subordinated Bonds ('Sub-Bonds') on its optional redemption date i.e. 10 December 2007 ('Proposed Redemption');
- (ii) proposed issuance of up to RM245.0 million nominal value of Subordinated Notes ('Notes') under a Subordinated Note Programme ('the Sub-Note Programme');
- (iii) proposed issuance of up to RM75.0 million nominal value of Hybrid Tier 1 Capital Securities ('HT1 Securities'); and
- (iv) proposed cancellation of RM75.0 million of its existing issued and paid-up share capital and returning the same to its shareholders ('Proposed Capital Repayment').

(The above are collectively referred to as "the Proposals")

BNM has on 12 September 2007 approved the Proposals, whilst the Securities Commission ('SC') had on 11 October 2007 approved the Sub-Note Programme and the HT1 Securities, subject to the terms and conditions stated therein. As at to-date, the approval from the High Court of Malaya for the Proposed Capital Repayment is still pending.

The Proposals form part of RHB Investment Bank's capital management initiatives, with the objective of increasing the return to its shareholder and optimising the capital structure of RHB Investment Bank.

The Proposals will not have any effect on the share capital and substantial shareholding structure and are not expect to have any material effect on the net assets, consolidated earnings and dividend policy of the Company. However, the Proposals are expected to contribute positively to the future earnings of the Company and its group of companies as the Sub-Note Programme will carry a lower interest rate than the existing Sub-Bonds.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A25. Material Events Subsequent to the Balance Sheet Date (continued)**

**(b) Dissolution of Straits Nominees (Asing) Sdn Bhd ('SNA') and Straits Nominees (Tempatan) Sdn Bhd ('SNT')**

The Company announced on 17 October 2007 that SNA and SNT have been dissolved on 13 October 2007 on the expiration of the three months after the lodging 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.

SNA and SNT are wholly-owned subsidiaries of RHB Investment Bank, which in turn is a wholly owned subsidiary of the Company. With effect from 13 October 2007, SNA and SNT have ceased to be indirect wholly-owned subsidiaries of the Company.

The dissolution of SNA and SNT will not have any material effect on the earnings and net tangible assets of the Company for the financial year ending 31 December 2007.

**(c) Proposed transfer of the unit trust business of RHB Unit Trust Management Berhad ('RHBUT') to RHB Asset Management Sdn Bhd ('RHBAM')**

The Company announced on 17 October 2007 that the SC has granted approval for the proposed transfer of the entire assets and liabilities of RHBUT to RHBAM. RHBAM has been approved as a Unit Trust Management Company for the funds currently managed by RHBUT.

Both RHBUT and RHBAM are wholly-owned subsidiaries of RHB Investment Bank, which in turn is a wholly-owned subsidiary of the Company.

**A26. Changes in Composition of the Group**

The significant changes in the composition of the Group for the nine months ended 30 September 2007 are summarised below:

**(a) Employees Provident Fund Board ('EPF') unconditional take-over offer for all the remaining ordinary shares of RM1.00 each in RHB Capital ('RHB Capital Shares') not held by EPF**

On 12 March 2007, the Company posted on Bursa Securities' website a press release issued by EPF in respect of the proposed acquisition of the Securities of Rashid Hussain Berhad ('RHB'), the Company's holding company then, from Utama Banking Group Berhad [now known as UBG Berhad] ('UBG') for a total cash consideration of approximately RM2,253.0 million ('Proposed EPF Acquisition').

UBG, on 29 March 2007 announced that BNM had, via its letter of the same informed both UBG and EPF that the Ministry of Finance ('MOF') had approved the Proposed EPF Acquisition and both EPF and UBG had, on 3 April 2007, entered into a conditional sale and purchase agreement ('SPA') for the same.

Upon the completion of the Proposed EPF Acquisition, EPF will hold approximately 62.42% of the issued and paid-up capital of RHB. Pursuant to Section 33B(2) of the Securities Commission Act, 1993 and Part II of the Malaysian Code on Take-Overs and Mergers 1998 ('Code'), EPF would be required to extend an unconditional take-over offer for all the remaining securities of RHB not already owned by EPF based on the same consideration payable to UBG pursuant to the SPA ('Proposed RHB Offer').

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A26. Changes in Composition of the Group (continued)**

- (a) **Employees Provident Fund Board ('EPF') unconditional take-over offer for all the remaining ordinary shares of RM1.00 each in RHB Capital ('RHB Capital Shares') not held by EPF (continued)**

In accordance with Practice Note 2.1(2) of the Code and Section 12(3) of the Code, the Notice of Take-Over Offer in respect of the Proposed RHB Offer will be served by EPF on the Board of Directors of RHB upon the SPA becoming unconditional.

Upon EPF obtaining control of RHB through the completion of the SPA, by virtue of RHB Capital being a subsidiary of RHB and pursuant to Practice Note 2.2 of the Code, EPF will also then be obliged to extend an unconditional take-over offer for all the remaining RHB Capital Shares not already owned by EPF ('Proposed RHBC Offer'). The offer price will be RM4.80 per RHB Capital Shares.

Accordingly, on the date on which the SPA becomes unconditional, EPF will similarly serve a Notice of Take-Over Offer on the Board of the Company.

RHB Investment Bank on behalf of the Board of the Company had, on 16 May 2007, announced that CIMB Investment Bank Berhad [formerly known as Commerce International Merchant Bankers Berhad] ('CIMB Investment Bank') and AmInvestment Bank Berhad [formerly known as AmMerchant Bank Berhad] ('AmInvestment Bank'), on behalf of EPF, had on 15 May 2007 served a notice on the Board of the Company in respect of the Proposed RHBC Offer ('Notice').

The Notice to the shareholders of the Company was posted on 16 May 2007 and an Offer Document dated 4 June 2007, detailing the terms and conditions of the EPF Offer on RHB Capital Shares was also issued to the shareholders of the Company. Further, as the Company is not the issuer of the Call Warrants 2003/2007 ('Call Warrants'), the Company had on 15 May 2007 notified the Board of RHB, being the issuer of the Call Warrants, of the EPF's offer to also acquire all the outstanding Call Warrants which are not held by EPF.

In furtherance thereto, RHB had on 3 July 2007 transferred its entire equity interest in the Company, comprising 842,586,861 RHB Capital Shares to EPF. Consequently, the Company ceased to become a subsidiary of RHB.

On 4 July 2007, the Company has been notified by EPF via a press notice that the closing date for the EPF unconditional take-over offer for RHB Capital Shares has been extended from 6 July 2007 to 18 July 2007. On 18 July 2007, the Company has also been notified by EPF via a press notice that the said offer has closed at 5.00 p.m. on the same date and EPF shareholding position in the Company on the even date stood at 1,770,741,163 RHB Capital Shares, representing 82.23% of the issued and paid-up of RHB Capital Shares.

- (b) **Acquisition of the remaining equity interest in RHB Bank by the Company**

The Company had, on 19 April 2007 via RHB Investment Bank announced that BNM had by way of a letter dated 18 April 2007, stated that it had no objection in principle for the Company to commence discussions with Khazanah Nasional Berhad ('Khazanah') for the acquisition of the remaining equity interest in RHB Bank not already owned by the Company.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A26. Changes in Composition of the Group (continued)**

**(b) Acquisition of the remaining equity interest in RHB Bank by the Company (continued)**

In furtherance thereto, RHB Investment Bank, on behalf of the Board, had on 17 May 2007, announced that Khazanah had on even date accepted the offer made by the Company to acquire the remaining 1,169,991,586 ordinary shares of RM0.50 each in RHB Bank held by Khazanah ('Sale Shares'), representing 30% of the total issued and paid-up share capital of RHB Bank ('Acquisition of 30% in RHB Bank').

Approvals for the Acquisition of 30% in RHB Bank have been obtained from the SC, MOF through BNM, the Labuan Offshore Financial Services Authority and the shareholders of the Company at the Extraordinary General Meeting convened on 18 June 2007.

The Company entered into a Share Sale Agreement with Khazanah on 2 July 2007 to give effect to the Acquisition of 30% in RHB Bank for a total purchase consideration of RM3,200.00 million, which had eventually be satisfied in the following manner:

- (i) issuance of 330.0 million shares of the Company which were granted listing and quotation with effect from 5 July 2007, at an issue price of RM4.75 per share, amounting to RM1,567.50 million; and
- (ii) cash settlement of RM1,632.50 million.

Acquisition of 30% in RHB Bank was completed on 12 July 2007 and accordingly, RHB Bank become a wholly-owned subsidiary of the Company.

**(c) Dissolution of RHB Management Services (Jersey) Limited ('RHBMSJ')**

The Company announced on 12 February 2007 that RHBMSJ, a wholly-owned subsidiary of RHB Investment Bank, which in turn is a wholly-owned subsidiary of the Company, has been dissolved on 23 January 2007 upon registration of the relevant documents with the Jersey Financial Services Commission on the same date.

The principal activity of RHBMSJ, a company incorporated in Jersey, Channel Islands was that of providing management services.

The dissolution of RHBMSJ will not have any material effect on the Group's performance.

**(d) Disposal of the entire shareholdings in RHB International Trust (L) Ltd ('RHBITLL') by the Company to RHB Bank (L) Ltd**

The Company announced on 16 May 2007 that it had, on 15 May 2007, disposed its entire shareholdings of 20,000 ordinary shares of USD4.00 each (of which USD2.00 is partially paid-up) ('Sale of Shares') in RHBITLL to RHB Bank (L) Ltd for a total cash consideration of RM152,000.

RHB Bank (L) Ltd is a direct wholly-owned subsidiary of RHB Bank, which in turn is a 70% subsidiary of the Company on even date. With the said Sale of Shares, RHBITLL ceased to be a direct wholly-owned subsidiary of the Company.

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

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A27. 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 interim financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

	← Group →					
	As at 30 Sept 2007			As at 31 Dec 2006		
	Principal amount RM'million	Credit equivalent amount* RM'million	Risk weighted amount RM'million	Principal amount RM'million	Credit equivalent amount* RM'million	Risk weighted amount RM'million
Direct credit substitutes	1,785	1,785	1,601	1,648	1,648	1,480
Transaction-related contingent items	2,287	913	615	2,320	810	518
Short term self-liquidating trade-related contingencies	2,415	483	309	2,555	511	329
Obligations under underwriting agreements	469	132	132	440	132	132
Other assets sold with recourse and commitments	197	-	-	-	-	-
Housing loans sold directly and indirectly to Cagamas with recourse	-	-	-	41	41	20
Irrevocable commitments to extend credit						
- maturity not exceeding one year	23,879	-	-	22,103	-	-
- maturity exceeding one year	3,379	1,689	1,494	3,658	1,829	1,602
Foreign exchange related contracts						
- less than one year	13,858	231	62	14,064	241	67
- one year to less than five years	12	1	-	387	61	30
Interest rate related contracts						
- less than one year	3,273	6	1	2,231	2	1
- one year to less than five years	5,916	130	30	6,124	92	21
- more than five years	198	57	18	523	34	17
Others	1,068	12	3	846	20	4
	<b>58,736</b>	<b>5,439</b>	<b>4,265</b>	<b>56,940</b>	<b>5,421</b>	<b>4,221</b>

\* The credit equivalent amount is arrived at using the credit conversion factors as per BNM's circulars.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A27. 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 totalling RM24,500,000 (31 December 2006: RM44,500,000) and RM100,000,000 (31 December 2006: RM100,000,000) for borrowings and performance of its subsidiaries respectively. As at balance sheet date, RM1,000,000 (31 December 2006: RM1,000,000) of the borrowings were utilised by the subsidiaries of the 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 nine months ended 30 September 2007.

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

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

This suit was initially filed by 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 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.

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 CAPITAL BERHAD (312952 – H)  
 NOTES TO THE INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A27. Changes in Contingent Liabilities since the last Annual Balance Sheet Date (continued)**

**(c) Other Contingent Liabilities (continued)**

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

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.

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>

**A28. Capital Commitments**

Capital expenditure for property, plant and equipment:

- authorised and contracted for	<b>72,595</b>	26,291
- authorised but not contracted for	<b>32,595</b>	37,371
	<b>105,190</b>	<b>63,662</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A29. Interest/Profit Rate Risk**

Group As at 30 Sept 2007	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	%
<b>Assets</b>									
Cash and short term funds	14,254,554	-	-	-	-	1,347,109	-	15,601,663	3.54
Securities purchased under resale agreements	2,096,632	1,625,246	-	-	-	-	-	3,721,878	3.01
Deposits and placements with banks and other financial institutions	34,050	1,108,264	68,669	-	9,623	-	-	1,220,606	3.55
Securities									
- held-for-trading	-	-	-	-	-	1,789	5,709,760	5,711,549	4.05
- AFS	264,635	3,979,264	2,272,005	2,465,583	838,730	191,409	-	10,011,626	3.97
- held-to-maturity	67,125	854,977	706,824	4,429,238	1,362,856	(227,638)	-	7,193,382	4.05
Loans, advances and financing									
- performing	31,980,933	7,444,561	4,785,842	7,368,805	2,613,061	117	-	54,193,319	6.83
- non-performing*	-	-	-	-	-	1,030,588	-	1,030,588	
Clients' and brokers' balances	47,596	-	-	-	-	350,931	-	398,527	2.31
Other assets	-	-	78	350	1,345	547,055	107,831	656,659	5.78
Statutory deposits	-	-	-	-	-	1,600,046	-	1,600,046	
Tax recoverable	-	-	-	-	-	49,481	-	49,481	
Deferred tax assets	-	-	-	-	-	273,727	-	273,727	
Investments in associates	-	-	-	-	-	15,419	-	15,419	
Property, plant and equipment	-	-	-	-	-	767,313	-	767,313	
Goodwill	-	-	-	-	-	3,233,933	-	3,233,933	
<b>Total assets</b>	<b>48,745,525</b>	<b>15,012,312</b>	<b>7,833,418</b>	<b>14,263,976</b>	<b>4,825,615</b>	<b>9,181,279</b>	<b>5,817,591</b>	<b>105,679,716</b>	

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

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A29. Interest/Profit Rate Risk (continued)**

Group As at 30 Sept 2007	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	%
<b>Liabilities and equity</b>									
Deposits from customers	40,629,846	7,913,650	13,243,618	775,522	195	14,952,533	-	77,515,364	3.10
Deposits and placements of banks and other financial institutions	4,723,638	1,047,394	625,825	778,958	77,358	1,359	-	7,254,532	3.61
Bills and acceptances payable	1,636,508	2,013,307	757,484	-	-	214,320	-	4,621,619	3.70
Clients' and brokers' balances	-	-	-	-	-	485,710	-	485,710	
Other liabilities	311,531	61	280	426	-	1,514,604	134,242	1,961,144	3.58
Recourse obligation on loans sold to Cagamas	638,682	45,181	158,933	1,226,916	165,589	-	-	2,235,301	4.60
Taxation	-	-	-	-	-	151,757	-	151,757	
Deferred tax liabilities	-	-	-	-	-	7,269	-	7,269	
Borrowings	807,729	-	240,000	938,247	-	-	-	1,985,976	6.43
Subordinated obligations	-	965,000	510,214	-	-	-	-	1,475,214	6.91
									Effective dividend rate
									%
INCPS	-	-	-	1,104,469	-	-	-	1,104,469	10.00
Total liabilities	48,747,934	11,984,593	15,536,354	4,824,538	243,142	17,327,552	134,242	98,798,355	
Total equity	-	-	-	-	-	6,881,361	-	6,881,361	
<b>Total liabilities and equity</b>	<b>48,747,934</b>	<b>11,984,593</b>	<b>15,536,354</b>	<b>4,824,538</b>	<b>243,142</b>	<b>24,208,913</b>	<b>134,242</b>	<b>105,679,716</b>	
<b>Total interest-sensitivity gap</b>	<b>(2,409)</b>	<b>3,027,719</b>	<b>(7,702,936)</b>	<b>9,439,438</b>	<b>4,582,473</b>				

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A29. Interest/Profit Rate Risk (continued)**

Company As at 30 Sept 2007	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	%
<b>Assets</b>									
Cash and short term funds	5,089	-	-	-	-	78	-	5,167	3.30
Deposits and placements with banks and other financial institutions	-	720	485	-	-	-	-	1,205	3.46
Other assets	-	-	-	-	-	32,947	-	32,947	
Amounts due from subsidiaries/ related companies	-	-	-	-	-	126,545	-	126,545	
Tax recoverable	-	-	-	-	-	19,068	-	19,068	
Investments in subsidiaries	-	-	-	-	-	10,133,754	-	10,133,754	
Property, plant and equipment	-	-	-	-	-	830	-	830	
<b>Total assets</b>	<b>5,089</b>	<b>720</b>	<b>485</b>	<b>-</b>	<b>-</b>	<b>10,313,222</b>	<b>-</b>	<b>10,319,516</b>	
<b>Liabilities and equity</b>									
Other liabilities	30	61	280	425	-	27,009	-	27,805	5.40
Amounts due to subsidiaries/ related companies	11,363	-	-	-	-	3,226,083	-	3,237,446	5.84
Deferred tax liabilities	-	-	-	-	-	45	-	45	
Borrowings	466,829	-	240,000	938,247	-	-	-	1,645,076	6.53
Total liabilities	478,222	61	240,280	938,672	-	3,253,137	-	4,910,372	
Total equity	-	-	-	-	-	5,409,144	-	5,409,144	
<b>Total liabilities and equity</b>	<b>478,222</b>	<b>61</b>	<b>240,280</b>	<b>938,672</b>	<b>-</b>	<b>8,662,281</b>	<b>-</b>	<b>10,319,516</b>	
<b>Total interest-sensitivity gap</b>	<b>(473,133)</b>	<b>659</b>	<b>(239,795)</b>	<b>(938,672)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A29. Interest/Profit Rate Risk (continued)**

Group As at 31 Dec 2006	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	%
<b>Assets</b>									
Cash and short term funds	10,282,356	-	-	-	-	389,197	-	10,671,553	3.56
Securities purchased under resale agreements	1,034,585	1,656,956	-	-	-	-	-	2,691,541	3.81
Deposits and placements with banks and other financial institutions	45,869	4,904,294	640,257	-	-	-	-	5,590,420	3.63
Securities									
- held-for-trading	-	-	-	-	-	900	5,159,742	5,160,642	4.02
- AFS	2,572,387	1,379,380	766,748	905,409	452,459	192,967	-	6,269,350	4.02
- held-to-maturity	2,537,605	2,625,594	1,646,359	4,965,970	1,563,320	(231,263)	-	13,107,585	3.80
Loans, advances and financing									
- performing	30,268,891	6,494,649	4,934,467	7,622,456	2,526,870	138	-	51,847,471	6.84
- non-performing*	-	-	-	-	-	1,545,415	-	1,545,415	
Clients' and brokers' balances	36,824	-	-	-	-	140,203	-	177,027	0.66
Other assets	1,798	-	245	753	1,139	661,608	168,819	834,362	5.82
Amount due from holding company	1,236,030	-	-	-	-	-	-	1,236,030	6.91
Statutory deposits	-	-	-	-	-	1,905,043	-	1,905,043	
Tax recoverable	-	-	-	-	-	53,032	-	53,032	
Deferred tax assets	-	-	-	-	-	254,767	-	254,767	
Investments in associates	-	-	-	-	-	15,289	-	15,289	
Property, plant and equipment	-	-	-	-	-	782,935	-	782,935	
Goodwill	-	-	-	-	-	1,167,513	-	1,167,513	
<b>Total assets</b>	<b>48,016,345</b>	<b>17,060,873</b>	<b>7,988,076</b>	<b>13,494,588</b>	<b>4,543,788</b>	<b>6,877,744</b>	<b>5,328,561</b>	<b>103,309,975</b>	

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

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A29. Interest/Profit Rate Risk (continued)**

Group As at 31 Dec 2006	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	%
<b>Liabilities and equity</b>									
Deposits from customers	22,611,554	7,156,792	12,883,730	614,609	200	14,258,647	-	57,525,532	3.17
Deposits and placements of banks and other financial institutions	5,999,638	3,427,159	1,110,117	949,725	89,050	1,429	-	11,577,118	3.67
Obligations on securities sold under repurchase agreements	12,720,136	2,275,063	-	-	-	-	-	14,995,199	3.38
Bills and acceptances payable	1,272,468	1,493,303	605,157	-	-	407,830	-	3,778,758	3.88
Clients' and brokers' balances	56,973	-	-	-	-	194,399	-	251,372	2.84
Other liabilities	296,649	9,225	269	706	-	1,529,431	158,231	1,994,511	3.63
Recourse obligation on loans sold to Cagamas	122,267	-	658,771	1,882,468	215,778	-	-	2,879,284	4.52
Taxation	-	-	-	-	-	90,518	-	90,518	
Deferred tax liabilities	-	-	-	-	-	16,522	-	16,522	
Borrowings	615,600	-	-	594,904	341,308	-	-	1,551,812	6.55
Subordinated obligations	-	-	-	1,493,158	-	-	-	1,493,158	6.91
									<b>Effective dividend rate</b>
									<b>%</b>
INCPS	-	-	-	1,104,469	-	-	-	1,104,469	10.00
<b>Total liabilities</b>	<b>43,695,285</b>	<b>14,361,542</b>	<b>15,258,044</b>	<b>6,640,039</b>	<b>646,336</b>	<b>16,498,776</b>	<b>158,231</b>	<b>97,258,253</b>	
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,051,722</b>	<b>-</b>	<b>6,051,722</b>	
<b>Total liabilities and equity</b>	<b>43,695,285</b>	<b>14,361,542</b>	<b>15,258,044</b>	<b>6,640,039</b>	<b>646,336</b>	<b>22,550,498</b>	<b>158,231</b>	<b>103,309,975</b>	
<b>Total interest-sensitivity gap</b>	<b>4,321,060</b>	<b>2,699,331</b>	<b>(7,269,968)</b>	<b>6,854,549</b>	<b>3,897,452</b>				

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A29. Interest/Profit Rate Risk (continued)**

Company As at 31 Dec 2006	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	%
<b>Assets</b>									
Cash and short term funds	12,800	-	-	-	-	598	-	13,398	3.00
Deposits and placements with banks and other financial institutions	-	704	467	-	-	-	-	1,171	3.46
Other assets	-	-	-	-	-	32,857	-	32,857	
Amount due from holding company	1,236,030	-	-	-	-	-	-	1,236,030	6.91
Amounts due from subsidiaries/ related companies	-	-	-	-	-	126,200	-	126,200	
Tax recoverable	-	-	-	-	-	19,172	-	19,172	
Investments in subsidiaries	-	-	-	-	-	6,911,026	-	6,911,026	
Property, plant and equipment	-	-	-	-	-	1,295	-	1,295	
<b>Total assets</b>	<b>1,248,830</b>	<b>704</b>	<b>467</b>	<b>-</b>	<b>-</b>	<b>7,091,148</b>	<b>-</b>	<b>8,341,149</b>	
<b>Liabilities and equity</b>									
Other liabilities	29	58	269	706	-	39,790	-	40,852	5.40
Amounts due to subsidiaries/ related companies	11,180	-	-	-	-	3,251,408	-	3,262,588	5.92
Deferred tax liabilities	-	-	-	-	-	45	-	45	
Borrowings	333,200	-	-	594,904	341,308	-	-	1,269,412	6.71
<b>Total liabilities</b>	<b>344,409</b>	<b>58</b>	<b>269</b>	<b>595,610</b>	<b>341,308</b>	<b>3,291,243</b>	<b>-</b>	<b>4,572,897</b>	
Total equity	-	-	-	-	-	3,768,252	-	3,768,252	
<b>Total liabilities and equity</b>	<b>344,409</b>	<b>58</b>	<b>269</b>	<b>595,610</b>	<b>341,308</b>	<b>7,059,495</b>	<b>-</b>	<b>8,341,149</b>	
<b>Total interest-sensitivity gap</b>	<b>904,421</b>	<b>646</b>	<b>198</b>	<b>(595,610)</b>	<b>(341,308)</b>				



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2007</b>	<b>31 Dec 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A30. Capital Adequacy Ratio</b>		
<b>Tier I capital</b>		
Paid-up ordinary share capital	2,153,475	1,823,475
Paid-up INCPS	1,104,469	1,104,469
Share premium	2,352,093	1,114,593
Other reserves	1,881,513	1,881,513
Deferred tax assets	(254,767)	(254,767)
Deferred tax liabilities	16,522	16,522
Minority interests	28,892	1,123,683
Less: Goodwill	(3,233,933)	(1,167,513)
<b>Total Tier I capital</b>	<b>4,048,264</b>	<b>5,641,975</b>
<b>Tier II capital</b>		
Subordinated obligations	1,475,214	1,493,158
General allowance for bad and doubtful debts	1,012,968	976,214
<b>Total Tier II capital</b>	<b>2,488,182</b>	<b>2,469,372</b>
<b>Total capital</b>	<b>6,536,446</b>	<b>8,111,347</b>
<b>Less:</b>		
Holdings of other financial institutions capital	(40,299)	(39,998)
<b>Total capital base</b>	<b>6,496,147</b>	<b>8,071,349</b>
<u>Before deducting proposed dividends</u>		
Core capital ratio	6.41%	9.17%
Risk-weighted capital adequacy ratio	10.29%	13.06%
<u>After deducting proposed dividends</u>		
Core capital ratio	6.41%	9.04%
Risk-weighted capital adequacy ratio	10.29%	12.93%

**RHB CAPITAL BERHAD (312952 – H)  
 NOTES TO THE INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**A31. Restatement of Comparative Financial Statements**

**FRS 117: Leases**

The adoption of FRS 117 has resulted in a change in accounting policy relating to classification of leasehold land. The up-front payment made for leasehold land represents prepaid land lease and is amortised on a straight-line basis over the remaining lease term. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and is stated at cost less accumulated depreciation and impairment loss.

Upon the adoption of FRS 117, the unamortised carrying amount of leasehold land is classified as prepaid land lease under other assets in accordance with the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid land lease has been accounted for retrospectively and the following comparative figures as at 31 December 2006 have been restated:

	<b>Group</b>	
	<b>As previously reported</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>
Other assets	734,117	834,362
Property, plant and equipment	<u>883,180</u>	<u>782,935</u>

The adoption of this FRS has no impact to the Group's financial results.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B1. Review of Group Results**

For the nine months ended 30 September 2007, the Group recorded a profit after INCPS dividends and before taxation and zakat of RM870.8 million, 45% higher than that of the previous year corresponding period of RM602.2 million. The higher profit was mainly due to higher net interest income of RM128.0 million, higher other operating income of RM136.3 million and higher income from Islamic Banking business of RM87.7 million; partly offset by higher other operating expenses of RM46.9 million and higher allowance for losses on loans and financing of RM38.0 million.

**B2. Changes in Profit for the Quarter**

For the third quarter ended 30 September 2007, the Group recorded a profit after INCPS dividends and before taxation and zakat of RM309.8 million as compared to the profit of RM287.4 million recorded in the preceding quarter ended 30 June 2007. The higher profit was mainly due to lower allowance for losses on loans and financing of RM129.4 million and lower impairment loss of RM21.3 million; partly offset by lower net interest income of RM11.4 million, lower other operating income of RM23.6 million, lower income from Islamic Banking business of RM73.9 million and higher other operating expenses by RM19.1 million.

**B3. Prospects for the Financial Year Ending 31 December 2007**

The year thus far has seen the completion of significant milestones for the RHB Banking Group. It has seen the consolidation of EPF as a major shareholder of RHB Capital upon completion of financial restructuring and the re-purchase of the 30% minority interests in RHB Bank, making it a 100% subsidiary of RHB Capital.

The Group is currently undergoing a Group-wide strategic Transformation Program in pursuit of our aspiration to become one of the top 3 financial services providers in ASEAN by 2020. This is designed to harness the strengths of the Group so as to deliver seamlessly a broad range of financial products and services to its customers. We believe that the Transformation Program will improve the Group's competitiveness and enhance our customers' satisfaction.

The Malaysian economy is expected to continue to be supportive of growth with an expected GDP growth of 5.7% for the current financial year. Barring any unforeseen circumstances, the RHB Banking Group is expected to record a satisfactory performance in 2007.

**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.

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000

**B5. Taxation**

**Group**

Income tax based on profit for the financial period

- Malaysian income tax	95,399	74,633	273,092	206,561
- overseas tax	57	10	2,791	994
Deferred tax	(9,908)	(14,709)	(22,048)	(14,500)
Tax on INCPS dividends	(7,400)	(7,794)	(22,094)	(23,130)
	<b>78,148</b>	<b>52,140</b>	<b>231,741</b>	<b>169,925</b>
(Over)/Under provision in respect of prior years	(379)	1	(8,641)	(134)
	<b>77,769</b>	<b>52,141</b>	<b>223,100</b>	<b>169,791</b>

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B5. Taxation (continued)**

The effective tax rate of the Group for the third quarter ended 30 September 2007 was lower than statutory tax rate mainly due to the effect of the lower tax rate in Labuan.

The effective tax rate of the Group for the nine months ended 30 September 2007 was lower than statutory tax rate mainly due to the effect of the lower tax rate in Labuan and tax refund in respect of prior years for a subsidiary.

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
<b>Company</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	29,389	66,918	79,523	114,016
- overseas tax	-	-	-	1,243
	<u>29,389</u>	<u>66,918</u>	<u>79,523</u>	<u>115,259</u>

The effective tax rate of the Company for the third quarter and nine months ended 30 September 2007 was lower than statutory tax rate mainly due to certain income which are not taxable.

**B6. Purchase and Sale of Quoted Securities**

Other than in the ordinary course of business, there were no purchases or sales of quoted securities during the nine months ended 30 September 2007.

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

Other than in the ordinary course of business, there were no sales of unquoted investments and/or properties during the nine months ended 30 September 2007.

**B8. Status of Corporate Proposals**

**(a) Acquisition of the remaining equity interest in RHB Insurance Berhad ('RHB Insurance') by the Company**

The Company had, on 19 April 2007 via RHB Investment Bank announced among others that BNM had by way of a letter dated 18 April 2007, indicated that it had no objection in principle for the Company to commence discussions with Nissay Dowa General Insurance Co. Ltd. ('NDGI') and Kumpulan Syed Kechik Sdn Bhd ('KSK') for the acquisition of shares in RHB Insurance not already owned by the Company.

The Company had, on 1 November 2007 via RHB Investment Bank announced that the Company has decided not to proceed with further negotiations with NDGI and KSK on the above acquisition at this juncture.

**(b) Commencement of negotiations with Kuwait Finance House (Malaysia) Berhad ('KFH') for the disposal of a combination of RHB Bank's branches, assets and liabilities**

On 16 August 2007, the Company announced that RHB Bank, a wholly-owned subsidiary of the Company, has obtained the approval in principle from BNM to commence negotiations with KFH for the disposal of a combination of RHB Bank's branches, assets and liabilities to KFH.

The Company had, on 1 November 2007 announced that the Company is not pursuing the above negotiations at the present time.

**(c) Proposed issuance of up to RM3.0 billion nominal value of Subordinated Notes and/or Senior Notes under a Medium Term Note Programme ('MTN Programme') by RHB Bank**

The Company announced on 17 August 2007 that the SC had on 13 August 2007 approved the MTN Programme by RHB Bank, a wholly-owned subsidiary of the Company.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B8. Status of Corporate Proposals (continued)**

**(c) Proposed issuance of up to RM3.0 billion nominal value of Subordinated Notes and/or Senior Notes under a Medium Term Note Programme ('MTN Programme') by RHB Bank (continued)**

The proceeds raised from the MTN Programme shall be utilised for the following:

- (i) repayment of RHB Bank's existing RM800 million nominal value redeemable unsecured subordinated bonds 2002/2012; and
- (ii) the balance for general working capital purposes of RHB Bank and its subsidiaries.

The maturity period of the Subordinated Notes and/or Senior Notes, which is at the option of RHB Bank, are as follows:

- (i) Subordinated Notes - ranging from 10 to 20 years and are callable after a minimum period of 5 years from the date of issue; and
- (ii) Senior Notes - ranging from 1 to 20 years

The Subordinated Notes will constitute direct unsecured obligations of RHB Bank, subordinated in right and priority of payment to all deposit liabilities and other liabilities of RHB Bank to the extent and in the manner provided for in the Subordinated Notes. The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of RHB Bank and will rank pari passu with all other unsecured obligations of RHB Bank, present and future, from time to time outstanding.

The MTN Programme will not have any effect on the share capital, the shareholdings of the substantial shareholders and net assets per share of the Company and is not expected to have any material effect on the earnings per share of the Company for the current financial year ending 31 December 2007.

As at 30 September 2007, RHB Bank has not issued any MTN Programme.

**(d) Proposed offer to purchase the remaining 1,104,469,561 INCPS of RM1.00 each in RHB Bank representing 80.73% of the issued and paid-up INCPS of RHB Bank not already held by the Company ('Proposed Purchase of INCPS')**

The Company had, on 28 September 2007 via RHB Investment Bank announced the Proposed Purchase of INCPS for a total consideration of RM1,656,704,342, representing an offer price of RM1.50 per INCPS, to be satisfied in cash.

The Proposed Purchase of INCPS is subject to and conditional upon the approvals being obtained from the following:

- (i) BNM;
- (ii) the shareholders of the Company at an extraordinary general meeting to be convened; and
- (iii) any other relevant authorities or lenders, if necessary.

The Proposed Purchase of INCPS will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholdings of the Company and is not expected to have any material effect on the earnings of RHB Capital Group for the financial year ending 31 December 2007.

The Proposed Purchase of INCPS is only expected to be completed in the fourth quarter of 2007 and is expected to contribute positively to earnings of the RHB Capital Group in the future due to the interest savings as the financing costs of Proposed Purchase of INCPS are expected to be lower than the present dividend payment for the INCPS, based on prevailing market conditions.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B9. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings and Subordinated Obligations**

	Group	
	As at 30 Sept 2007 RM'000	As at 31 Dec 2006 RM'000
<b>(a) Deposits from customers and placements of banks and other financial institutions</b>		
Deposits from customers		
- one year or less (short term)	76,739,880	57,110,723
- more than one year (medium/long term)	775,484	414,809
	<u>77,515,364</u>	<u>57,525,532</u>
Deposits and placements of banks and other financial institutions		
- one year or less (short term)	6,398,984	10,560,184
- more than one year (medium/long term)	855,548	1,016,934
	<u>7,254,532</u>	<u>11,577,118</u>

	Group		Company	
	As at 30 Sept 2007 RM'000	As at 31 Dec 2006 RM'000	As at 30 Sept 2007 RM'000	As at 31 Dec 2006 RM'000
<b>(b) Borrowings</b>				
Secured:				
Revolving credits	5,800	-	5,800	-
Term loans	240,000	240,000	240,000	240,000
Unsecured:				
Revolving credits	65,000	93,200	65,000	93,200
Overdrafts	29	-	29	-
Term loans	736,900	282,400	396,000	-
RM600 million 6 years				
Serial Fixed Rate Bonds	595,992	594,904	595,992	594,904
RM350 million				
Fixed Rate Bonds	342,255	341,308	342,255	341,308
	<u>1,985,976</u>	<u>1,551,812</u>	<u>1,645,076</u>	<u>1,269,412</u>
Term loans denominated in USD	<u>340,900</u>	<u>282,400</u>	<u>-</u>	<u>-</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B10. Off-Balance Sheet Financial Instruments**

**Value of Contracts Classified by Remaining Period to Maturity/Next Re-pricing Date (whichever is earlier) as at 30 September 2007**

**Group**

Items	Principal amount RM'million	1 month or less RM'million	> 1 – 3 months RM'million	> 3 – 6 months RM'million	> 6 – 12 months RM'million	> 1 – 5 years RM'million	> 5 years RM'million	Margin requirement RM'million
Foreign exchange related contracts								
- forwards	4,139	1,746	1,617	604	160	12	-	-
- swaps	8,886	2,912	4,580	1,255	139	-	-	-
- options	72	57	3	12	-	-	-	-
- spots	773	773	-	-	-	-	-	-
Interest rate related contracts								
- futures	3,990	-	360	360	670	2,600	-	3
- swaps	5,397	421	968	1,128	235	2,467	178	-
<b>Total</b>	<b>23,257</b>	<b>5,909</b>	<b>7,528</b>	<b>3,359</b>	<b>1,204</b>	<b>5,079</b>	<b>178</b>	<b>3</b>

RHB Bank has given a continuing guarantee to BNM to meet the liabilities and financial obligations and requirements of its subsidiary, RHB Bank (L) Ltd, arising from offshore banking business in the Federal Territory of Labuan.

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



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**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.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**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 A27(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim).

Hearing date for the appeals have yet to be fixed.

**(b) Tan Sri Dato' Abdul Rashid Hussain**

Trial in respect of the above suit has been going on since 2004 and the last hearing date was 24 February 2005.

On 16 December 2005 the High Court dismissed with costs the Company's claim against the defendant.

On 9 January 2006, the Company filed a Notice of Appeal at the Court of Appeal against the decision.

No date has been fixed for hearing of the Notice of Appeal.

**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B11. Material Litigation (continued)**

**(c) Tan Sri Dato' Abdul Rashid Hussain, Chong Kin Leong, Seah Fook Chin, Tajul Ariffin, Ong Tiang Lock and Rosley Ahmad**

This suit was initially filed by the Company, RHB Securities and RHB Equities. In respect of 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 pursuant to a vesting order of the High Court. Subsequently, RHB Securities was renamed as RHB Excel on 9 January 2007.

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

On 28 January 2005, a Writ of Summons had been filed at the High Court of Malaya in Kuala Lumpur by the Company, RHB Excel and RHB Equities against the following individuals:

- (i) Tan Sri Dato' Abdul Rashid bin Hj Mohamed Hussain in his capacity as former Executive Chairman of the Company and RHB Excel and in his capacity as former director of RHB Equities;
- (ii) Mr Chong Kin Leong in his capacity as former director of the Company and RHB Equities;
- (iii) Mr Seah Fook Chin in his capacity as former director of the Company and RHB Equities;
- (iv) Encik Tajul Ariffin bin Mohd Tahir in his capacity as former Executive Director of RHB Excel and in his capacity as former director of RHB Equities;
- (v) Mr Ong Tiang Lock in his capacity as former director of RHB Equities; and
- (vi) Encik Rosley bin Ahmad in his capacity as former principal legal advisor and former Company Secretary of the Company, RHB Excel and RHB Equities;

for a total sum of RM1,430,410,355.96 on the grounds of breach of fiduciary duties, breach of trust, breach of contracts of employment and/or negligence in relation to certain margin finance facilities granted by RHB Equities during the abovenamed individuals' tenure as directors and/or officers of the Company and/or RHB Excel and/or RHB Equities.

On 2 March 2005, the Company, RHB Excel and RHB Equities filed a fresh Writ of Summons ('New Writ') on the additional grounds of dishonest breach of fiduciary duties and fraudulent breach of trust. The earlier Writ of Summons was discontinued upon filing of the New Writ.

The Defendants, the amount claimed from them, and the grounds of claim as stated in the New Writ remains the same as in the earlier Writ of Summons filed on 28 January 2005, save and except for the addition of the grounds of dishonest breach of fiduciary duties and fraudulent breach of trust.

The defendants filed their defences on 12 May 2005. On 23 June 2005, the Company, RHB Excel and RHB Equities filed replies to the defences.

The hearing of the suit had resumed on 22 to 24 October 2007.

RHB Equities is a wholly-owned subsidiary of the Company.

All the above material litigations are not expected to have any material adverse effect on the financial results of the Group.

**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

**B12. Dividends Declared**

The total gross dividend per share for the nine months ended 30 September 2007 was 5.0% less 27% income tax (30 September 2006: 2.0% less 28% income tax).

	3rd quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
<b>B13. Earnings per Share</b>				
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company (RM'000)	<u>231,229</u>	<u>102,336</u>	<u>539,750</u>	<u>314,568</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,153,475</u>	<u>1,823,475</u>	<u>1,933,475</u>	<u>1,823,475</u>
Basic earnings per share (sen)	<u>10.7</u>	<u>5.6</u>	<u>27.9</u>	<u>17.3</u>

**BY ORDER OF THE BOARD**

**AZMAN SHAH MD YAMAN**  
(Licence No. LS0006901)

Company secretary

19 November 2007