

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 31 MARCH 2008

	Note	Group		Bank	
		As At	As At	As At	As At
		31 March 2008	31 Dec 2007	31 March 2008	31 Dec 2007
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		21,044,829	17,244,585	19,609,135	15,309,821
Securities purchased under resale agreements		1,756,270	567,836	1,756,270	567,836
Deposits and placements with banks and other financial institutions		4,182,483	3,291,891	3,631,614	2,964,499
Securities held for trading	8	1,762,381	1,842,218	1,277,868	1,354,023
Securities available-for-sale	9	4,338,491	7,026,381	4,197,579	6,871,139
Securities held-to-maturity	10	6,507,183	6,734,841	5,590,687	5,822,417
Loans, advances and financing	11	54,947,889	53,703,107	48,685,987	47,470,523
Other assets	13	517,841	516,324	525,887	801,595
Derivative assets		140,816	105,401	135,486	102,102
Tax recoverable		7,116	2,572	-	-
Deferred taxation assets		253,222	247,852	212,196	207,222
Statutory deposits		1,555,626	1,604,379	1,371,998	1,416,350
Investment in subsidiaries		-	-	828,956	828,956
Investment in an associate		5,028	4,963	-	-
Property, plant and equipment		482,729	488,545	413,444	420,314
Prepaid land lease		99,354	98,946	21,182	21,263
Goodwill		1,004,017	1,004,017	905,519	905,519
TOTAL ASSETS		98,605,275	94,483,858	89,163,808	85,063,579
LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY					
Deposits from customers	14	76,021,905	72,703,479	67,796,031	64,315,697
Deposits and placements of banks and other financial institutions	15	6,111,151	5,656,676	5,570,400	5,277,349
Bills and acceptances payable		4,838,090	3,959,943	4,829,979	3,949,841
Recourse obligation on loans sold to Cagamas Berhad		1,701,709	1,854,873	1,701,709	1,854,873
Other liabilities	16	1,195,825	1,291,264	985,684	1,082,183
Derivative liabilities		164,388	117,820	151,542	109,427
Provision for taxation		104,814	98,146	101,592	94,973
Deferred taxation liabilities		17	17	-	-
Long term borrowings		303,430	330,700	303,430	330,700
Subordinated obligations		2,000,000	2,495,000	2,000,000	2,495,000
		92,441,329	88,507,918	83,440,367	79,510,043
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)		-	1,368,099	-	1,368,099
		92,441,329	89,876,017	83,440,367	80,878,142
Ordinary Share Capital		3,318,085	1,949,986	3,318,085	1,949,986
Reserves		2,845,861	2,657,855	2,405,356	2,235,451
Shareholders' equity		6,163,946	4,607,841	5,723,441	4,185,437
TOTAL LIABILITIES, INCPS AND SHAREHOLDERS' EQUITY		98,605,275	94,483,858	89,163,808	85,063,579
COMMITMENTS AND CONTINGENCIES	25	54,444,934	51,098,106	51,221,208	47,599,365

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007

RHB BANK BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008

	Note	Group		Bank	
		Individual Quarter		Individual Quarter	
		Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000
Interest income	17	1,123,066	1,114,207	1,091,496	1,077,337
Interest expense	18	(582,064)	(630,545)	(564,426)	(609,346)
Net interest income		541,002	483,662	527,070	467,991
Other operating income	19	188,286	185,343	194,561	184,001
Income from Islamic banking business	20	729,288 56,072	669,005 55,822	721,631 -	651,992 -
Other operating expenses	21	785,360 (323,415)	724,827 (295,900)	721,631 (293,135)	651,992 (268,103)
Operating profit before allowances		461,945	428,927	428,496	383,889
Allowance for losses on loans and financing	22	(148,173)	(151,586)	(147,482)	(148,686)
Allowance for impairment losses	23	2,640	(4,161)	2,640	(4,161)
Share of results of an associate		316,412 65	273,180 73	283,654 -	231,042 -
Profit before INCPS dividends and taxation		316,477	273,253	283,654	231,042
INCPS dividends		(32,147)	(33,734)	(32,147)	(33,734)
Profit after INCPS dividends but before taxation		284,330	239,519	251,507	197,308
Taxation		(69,709)	(65,062)	(62,842)	(56,254)
Net profit for the financial period		214,621	174,457	188,665	141,054
Earnings per ordinary share		5.30	4.47	4.66	3.62
- Basic earnings per 50 sen share		5.30	4.47	4.66	3.62

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2008

<u>Group</u>	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	Total RM'000
Balance as at 01.01.2008	1,949,986	8,563	2,010,114	(17,815)	16,770	640,223	4,607,841
Currency translation differences	-	-	-	(40,296)	-	-	(40,296)
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	17,655	-	17,655
AFS reserve realised on disposal of AFS securities	-	-	-	-	(3,304)	-	(3,304)
Net transfer to income statement on impairment	-	-	-	-	2,119	-	2,119
Deferred tax	-	-	-	-	(2,789)	-	(2,789)
Income and expenses recognised directly in equity	-	-	-	(40,296)	13,681	-	(26,615)
Net profit for the financial period	-	-	-	-	-	214,621	214,621
Total recognised income and expenses for the financial period	-	-	-	(40,296)	13,681	214,621	188,006
Conversion of INCPS to ordinary shares	1,368,099	-	-	-	-	-	1,368,099
Transfer to statutory reserves	-	-	(124)	-	-	124	-
Balance as at 31.03.2008	3,318,085	8,563	2,009,990	(58,111)	30,451	854,968	6,163,946
Balance as at 31.12.2006	1,949,986	8,563	1,789,503	(20,663)	(1,466)	970,739	4,696,662
Currency translation differences	-	-	-	2,848	-	-	2,848
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(28,150)	-	(28,150)
AFS reserve realised on disposal of AFS securities	-	-	-	-	4,629	-	4,629
Net transfer to income statement on impairment	-	-	-	-	49,372	-	49,372
Deferred tax	-	-	-	-	(7,615)	-	(7,615)
Income recognised directly in equity	-	-	-	2,848	18,236	-	21,084
Net profit for the financial year	-	-	-	-	-	753,547	753,547
Total recognised income for the financial year	-	-	-	2,848	18,236	753,547	774,631
Transfer to statutory reserves	-	-	220,611	-	-	(220,611)	-
Ordinary dividends paid during the year	-	-	-	-	-	(863,452)	(863,452)
Balance as at 31.12.2007	1,949,986	8,563	2,010,114	(17,815)	16,770	640,223	4,607,841

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2008

<u>Bank</u>	← Non-distributable →				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 01.01.2008	1,949,986	8,563	1,886,928	31,023	19,473	289,464	4,185,437
Currency translation differences	-	-	-	(27,677)	-	-	(27,677)
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	12,665	-	12,665
AFS reserve realised on disposal of AFS securities	-	-	-	-	(3,095)	-	(3,095)
Net transfer to income statement on impairment	-	-	-	-	2,119	-	2,119
Deferred tax	-	-	-	-	(2,772)	-	(2,772)
Income and expenses recognised directly in equity	-	-	-	(27,677)	8,917	-	(18,760)
Net profit for the financial period	-	-	-	-	-	188,665	188,665
Total recognised income and expenses for the financial period	-	-	-	(27,677)	8,917	188,665	169,905
Conversion of INCPS to ordinary shares	1,368,099	-	-	-	-	-	1,368,099
Balance as at 31.03.2008	3,318,085	8,563	1,886,928	3,346	28,390	478,129	5,723,441
Balance as at 31.12.2006	1,949,986	8,563	1,725,580	5,585	(1,015)	668,871	4,357,570
Currency translation differences	-	-	-	25,438	-	-	25,438
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(26,974)	-	(26,974)
AFS reserve realised on disposal of AFS securities	-	-	-	-	5,687	-	5,687
Net transfer to income statement on impairment	-	-	-	-	49,372	-	49,372
Deferred tax	-	-	-	-	(7,597)	-	(7,597)
Income recognised directly in equity	-	-	-	25,438	20,488	-	45,926
Net profit for the financial year	-	-	-	-	-	645,393	645,393
Total recognised income for the financial year	-	-	-	25,438	20,488	645,393	691,319
Transfer to statutory reserves	-	-	161,348	-	-	(161,348)	-
Ordinary dividends paid during the year	-	-	-	-	-	(863,452)	(863,452)
Balance as at 31.12.2007	1,949,986	8,563	1,886,928	31,023	19,473	289,464	4,185,437

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

	31/03/2008	31/12/2007
	RM '000	RM '000
<u>Group</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,345,255	2,140,370
Taxation paid	(83,894)	(304,132)
Net cash generated from operating activities	1,261,361	1,836,238
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,286)	(70,208)
Proceeds from disposal of property, plant and equipment	3	5,150
Net purchase of securities available-for-sale	2,712,058	(1,327,962)
Net sale of securities held-to-maturity	217,807	6,323,304
Interest received from securities available-for-sale	67,371	320,113
Investment income received from securities available-for-sale	1,183	4,132
Interest received from securities held-to-maturity	61,291	333,122
Investment income received from securities held-to-maturity	1,586	12,569
Dividend income from securities available-for-sale	1,205	4,652
Investment income in subsidiaries	-	(114)
Net cash generated from investing activities	3,051,218	5,604,758
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of USD/RM Subordinated Bonds	(479,100)	(800,000)
Proceeds from issuance of RM Subordinated Notes	-	2,000,000
Dividends paid:		
- INCPS	-	(99,871)
- Ordinary shares	-	(863,452)
Net cash (used in)/generated from financing activities	(479,100)	236,677
Net increase in cash and cash equivalents	3,833,478	7,677,673
Effects of exchange rate differences	(33,234)	(56,408)
Cash and cash equivalents brought forward	17,244,585	9,623,320
Cash and cash equivalents carried forward	21,044,829	17,244,585
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	21,044,829	17,244,585

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

	31/03/2008	31/12/2007
	RM '000	RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,832,223	1,197,734
Taxation paid	(72,118)	(227,791)
Net cash generated from operating activities	1,760,105	969,943
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,841)	(46,768)
Proceeds from disposal of property, plant and equipment	3	2,992
Net purchase of securities available-for-sale	2,692,836	(1,278,458)
Net sale of securities held-to-maturity	216,468	6,194,735
Interest received from securities available-for-sale	67,233	316,828
Interest received from securities held-to-maturity	60,653	324,161
Dividend income from securities available-for-sale	1,205	4,652
Dividend income from subsidiary companies	9,878	48,429
Net cash generated from investing activities	3,038,435	5,566,571
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of USD/RM Subordinated Bonds	(479,100)	(800,000)
Proceeds from issuance of RM Subordinated Notes	-	2,000,000
Principal repayment of finance lease	(133)	(506)
Dividends paid:		
- INCPS	-	(99,871)
- Ordinary shares	-	(863,452)
Net cash (used in)/generated from financing activities	(479,233)	236,171
Net increase in cash and cash equivalents	4,319,307	6,772,685
Effects of exchange rate differences	(19,993)	(34,660)
Cash and cash equivalents brought forward	15,309,821	8,571,796
Cash and cash equivalents carried forward	19,609,135	15,309,821
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	19,609,135	15,309,821

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008

1 Basis Of Preparation

The interim financial statements for the three months ended 31 March 2008 have been prepared in accordance with FRS134 issued by the Malaysian Accounting Standards Board (MASB). The interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2007.

The accounting policies and presentation adopted by the Group for the interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2007.

2 Audit Report

The audit report for the financial year ended 31 December 2007 was not subject to any qualification.

3 Seasonal or Cyclical Factors

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

4 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the three months ended 31 March 2008.

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the three months ended 31 March 2008.

6 Changes In Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review except for the full redemption of the USD150 million Subordinated Notes 2002/2013 on 25 January 2008 and conversion of 1,368,099,145 INCPS of RM1.00 each to 2,736,198,290 new ordinary shares of RM0.50 each on 27 March 2008.

7 Dividends Paid

There was no dividend paid by the Bank during the quarter under review.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

8 Securities Held For Trading

At fair value	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	156,373	78,538	156,373	78,538
Cagamas bonds	9,523	19,272	9,523	19,272
Khazanah bonds	-	30,893	-	30,893
Malaysian government investment issues	-	99,948	-	99,948
Singapore government securities	-	103,306	-	103,306
<u>Unquoted</u>				
Malaysian government treasury bills	28,969	19,657	28,970	19,657
Singapore government treasury bills	173,476	-	173,476	-
Fixed rate notes	215,607	221,421	215,607	221,421
BNM notes	401,268	396,106	236,322	342,793
Structured notes	103,995	-	103,995	-
Bankers' acceptances & Islamic accepted bills	11,678	-	-	-
Private debts securities	533,028	747,773	347,173	438,195
Fixed rate foreign currency bonds	6,429	-	6,429	-
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Malaysian government investment issues	102,023	105,256	-	-
Private debt securities	20,012	20,048	-	-
Total securities held for trading	1,762,381	1,842,218	1,277,868	1,354,023

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

9 Securities Available-for-sale

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
At fair value				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	101,549	100,385	101,549	100,385
Cagamas bonds and Cagamas Mudharabah bonds	411,116	410,370	411,116	410,370
Malaysian government investment issues	43,429	18,257	-	-
Singapore government securities	28,651	81,010	28,651	81,010
Khazanah bonds	9,841	9,738	-	-
Private debt securities	136,003	137,548	136,003	137,548
<u>Unquoted</u>				
Malaysian government treasury bills	39,800	196,667	39,800	157,834
Singapore government treasury bills	270,950	285,910	270,950	285,910
Negotiable instruments of deposits	212,738	1,262,834	212,738	1,262,834
Bankers' acceptances & Islamic accepted bills	5,080	34,044	5,079	34,044
Private debt securities	2,333,765	2,288,803	2,313,461	2,268,414
Structured notes	234,240	154,440	234,240	154,440
BNM notes	57,387	1,618,338	-	1,560,962
	3,884,549	6,598,344	3,753,587	6,453,751
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	65,901	68,744	65,901	68,744
Shares	8,226	9,045	5,860	5,825
<u>Outside Malaysia</u>				
Floating rate notes	151	156	-	-
Shares	12	11	-	-
	74,290	77,956	71,761	74,569
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	105,351	105,077	98,505	98,390
Shares	165,779	165,779	165,204	165,204
Private debt securities	70,500	68,316	70,500	68,316
<u>Outside Malaysia</u>				
Private debt securities	38,022	10,909	38,022	10,909
Total securities available-for-sale	4,338,491	7,026,381	4,197,579	6,871,139

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

10 Securities Held-To-Maturity

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
At amortised cost				
<u>Money market instruments:</u>				
<u>Quoted</u>				
Malaysian government securities	1,283,727	1,309,707	1,283,727	1,309,707
Cagamas bonds and Cagamas Mudharabah bonds	679,391	819,407	629,147	769,123
Khazanah bonds	521,366	516,481	-	-
Malaysian government investment issues	83,234	82,774	-	-
<u>Unquoted</u>				
Negotiable instruments of deposits	678,282	774,095	678,282	774,095
Prasarana bonds	1,879,028	1,879,776	1,879,028	1,879,776
Private debt securities	711,063	670,026	511,759	470,828
Structured notes	100,000	100,000	100,000	100,000
Other government securities	235,102	247,568	235,102	247,568
	6,171,193	6,399,834	5,317,045	5,551,097
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	27,178	27,178	860	860
Privates debt securities	344,615	347,166	344,615	347,166
Corporate loan stocks	86,386	87,316	86,386	87,316
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Floating rate notes	36,030	37,369	-	-
	6,665,902	6,899,363	5,749,406	5,986,939
Accumulated impairment losses	(158,719)	(164,522)	(158,719)	(164,522)
Total securities held-to-maturity	6,507,183	6,734,841	5,590,687	5,822,417

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

11 Loans, advances and financing

(i) By type

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Overdrafts	6,301,949	6,259,416	6,253,470	6,210,439
Term Loans/financing				
Housing loans/financing	12,625,038	12,608,753	11,016,121	10,990,141
Syndicated term loans/financing	2,238,406	2,081,830	1,048,670	933,452
Hire purchase receivables	9,993,632	9,856,706	9,095,470	8,990,511
Lease receivables	256,261	264,807	-	-
Other term loans/financing	12,416,493	12,291,016	11,173,588	10,975,439
Bills receivable	2,398,665	2,282,049	1,622,680	1,488,514
Trust receipts	461,576	465,381	446,848	455,756
Claims on customers under acceptance credits	5,148,570	5,032,339	5,148,570	5,032,339
Staff loans/financing	380,589	386,351	370,052	376,847
Credit card receivables	1,654,227	1,630,493	1,654,227	1,630,493
Revolving credit	4,824,097	4,185,900	4,260,757	3,673,456
Floor stocking	7,139	6,816	7,139	6,816
	58,706,642	57,351,857	52,097,592	50,764,203
Less: Unearned interest and income	(1,450,345)	(1,453,768)	(1,325,762)	(1,335,500)
Gross loans, advances and financing	57,256,297	55,898,089	50,771,830	49,428,703
Less: Allowance for bad and doubtful debts and financing:				
- General	(1,004,365)	(984,181)	(884,830)	(861,815)
- Specific	(1,304,043)	(1,210,801)	(1,201,013)	(1,096,365)
Net loans, advances and financing	54,947,889	53,703,107	48,685,987	47,470,523

(ii) By type of customer

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Domestic non-bank financial institutions				
- Stock broking companies	627	231	627	231
- Others	563,822	601,898	537,738	573,953
Domestic business enterprises				
- Small medium enterprises	9,050,662	8,990,565	8,095,676	7,927,251
- Others	21,740,898	20,907,657	18,955,793	17,926,891
Government and statutory bodies	159,889	224,665	60,124	123,512
Individuals	24,710,911	24,443,737	22,688,471	22,481,664
Other domestic entities	94,427	89,503	81,034	75,081
Foreign entities	935,061	639,833	352,367	320,120
	57,256,297	55,898,089	50,771,830	49,428,703

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

11 Loans, advances and financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Fixed rate				
- Housing loans/financing	1,723,594	1,731,613	114,904	113,262
- Hire purchase receivables	8,568,441	8,430,436	7,780,153	7,666,882
- Other fixed rate loans/financing	3,343,064	3,492,899	1,884,548	1,875,971
Variable rate				
- Base Lending Rate plus	20,614,550	20,339,184	20,614,550	20,339,184
- Cost-plus	17,621,584	16,550,007	16,718,070	15,763,123
- Other variable rates	5,385,064	5,353,950	3,659,605	3,670,281
	57,256,297	55,898,089	50,771,830	49,428,703

(iv) By Purpose

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Purchase of securities	2,103,654	1,990,459	2,049,172	1,805,279
Purchase of transport vehicles	6,664,326	6,564,938	6,020,799	5,965,893
Purchase of landed property:				
- Residential	13,158,270	13,149,678	11,541,531	11,530,002
- Non-residential	2,349,579	2,199,437	2,360,413	2,219,292
Purchase of property, plant and equipment other than land and building	2,977,895	2,757,686	2,092,184	2,005,476
Personal use	1,998,037	2,152,428	1,975,668	2,128,582
Credit card	1,654,227	1,630,493	1,654,227	1,630,493
Purchase of consumer durables	89,051	92,947	88,754	92,623
Construction	1,653,562	1,517,401	1,315,079	1,314,001
Working capital	22,939,683	21,623,876	20,744,602	19,792,446
Other purposes	1,668,013	2,218,746	929,401	944,616
	57,256,297	55,898,089	50,771,830	49,428,703

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

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

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

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
At beginning of period/year	3,041,710	4,080,226	2,768,072	3,774,831
Classified as non-performing during the period/year	824,238	3,467,477	708,956	3,070,763
Reclassified as performing during the period/year	(628,254)	(2,430,980)	(567,090)	(2,123,643)
Loans/financing converted to securities	-	(15,586)	-	(15,586)
Amount recovered	(95,529)	(981,653)	(73,047)	(943,697)
Amount written off	(74,662)	(1,076,665)	(53,327)	(1,029,424)
Amount novated from RHB Bank (L) Ltd	-	-	-	33,070
Exchange difference	(742)	(1,109)	(119)	1,758
At end of period/year	3,066,761	3,041,710	2,783,445	2,768,072
Specific allowance	(1,304,043)	(1,210,801)	(1,201,013)	(1,096,365)
Net non-performing loans, advances and financing	1,762,718	1,830,909	1,582,432	1,671,707
Ratio of net non-performing loans and financing to net loans, advances and financing	3.2%	3.3%	3.2%	3.5%

(ii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
General allowance				
At beginning of period/year	984,181	965,782	861,815	843,614
Allowance made during the period/year	21,479	19,994	23,166	17,630
Exchange difference	(1,295)	(1,595)	(151)	571
At end of period/year	1,004,365	984,181	884,830	861,815
As % of gross loans, advances and financing less specific allowance	1.8%	1.8%	1.8%	1.8%
Specific allowance				
At beginning of period/year	1,210,801	1,658,949	1,096,365	1,561,079
Allowance made during the period/year	214,028	1,060,741	209,000	987,958
Transferred to accumulated impairment losses for securities	-	(11,128)	-	(11,128)
Amount recovered	(51,312)	(401,004)	(49,028)	(391,533)
Amount written off	(68,605)	(1,096,339)	(55,021)	(1,051,844)
Exchange difference	(869)	(418)	(303)	1,833
At end of period/year	1,304,043	1,210,801	1,201,013	1,096,365

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

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

(iii) NPL/NPF by sector

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Purchase of securities	22,553	21,781	22,553	21,781
Purchase of transport vehicles	276,599	270,881	274,091	267,767
Purchase of landed property:				
- Residential	1,045,235	1,056,921	879,706	886,465
- Non-residential	134,620	146,271	132,065	142,207
Purchase of property, plant and equipment other than land and building	81,162	68,441	59,409	47,534
Personal use	121,789	125,543	116,604	120,244
Credit card	49,031	44,725	49,031	44,725
Purchase of consumer durables	5,944	6,605	5,944	6,604
Construction	126,916	120,605	114,628	118,435
Working capital	1,194,731	1,158,761	1,121,233	1,104,770
Other purposes	8,181	21,176	8,181	7,540
	3,066,761	3,041,710	2,783,445	2,768,072

13 Other Assets

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Other debtors, deposits and prepayments	371,442	360,541	341,503	302,296
Accrued interest receivable	142,830	151,818	130,273	142,427
Amount due from immediate holding company	52	47	52	47
Amounts due from subsidiaries	-	-	50,542	352,907
Amounts due from related companies	3,517	3,918	3,517	3,918
	517,841	516,324	525,887	801,595

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Demand deposits	17,915,527	17,146,686	15,316,593	14,888,417
Savings deposits	5,262,033	5,153,557	4,730,207	4,632,954
Fixed/Investment deposits	52,542,055	49,841,940	47,539,231	44,324,326
Negotiable instrument of deposits	302,290	561,296	210,000	470,000
	76,021,905	72,703,479	67,796,031	64,315,697

(ii) By type of customer

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Government and statutory bodies	5,406,530	4,477,888	3,520,465	2,764,671
Business enterprises	44,807,850	42,607,484	39,601,229	36,931,481
Individuals	23,471,395	23,473,921	22,637,090	22,668,519
Others	2,336,130	2,144,186	2,037,247	1,951,026
	76,021,905	72,703,479	67,796,031	64,315,697

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Licensed banks	3,176,341	3,087,638	2,654,528	2,912,351
Licensed investment banks	355,020	328,605	355,020	158,895
Bank Negara Malaysia	2,560,371	2,205,622	2,560,371	2,205,622
Other financial institutions	19,419	34,811	481	481
	6,111,151	5,656,676	5,570,400	5,277,349

16 Other Liabilities

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Accrued interest payable	419,698	418,034	374,716	360,095
Accruals for operational expenses	228,653	212,589	221,744	206,031
Amount due to holding company	299	339	223	256
Amounts due to subsidiaries	-	-	26,241	24,195
Amounts due to related companies	1,807	2,061	1,677	1,938
Amount due to Danaharta	1,756	1,828	1,756	1,828
Finance lease	-	-	533	666
Prepaid instalment	71,815	71,352	71,815	71,352
Lessee deposits	85,037	85,260	769	1,405
Short term employee benefits	47,112	110,811	40,408	98,612
Other accruals and charges	339,648	388,990	245,802	315,805
	1,195,825	1,291,264	985,684	1,082,183

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

17 Interest Income

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	753,446	731,562	725,276	698,652
- Recoveries from NPLs	41,688	45,127	41,232	44,513
Money at call and deposit placements with banks and other financial institutions	200,580	143,639	199,851	147,683
Securities purchased under resale agreements	22,555	30,981	22,555	30,981
Securities held for trading	15,590	15,113	13,836	11,919
Securities available-for-sale	50,186	78,583	50,047	77,200
Securities held-to-maturity	54,365	94,858	53,727	91,760
Others	2,556	1,035	2,556	1,035
	1,140,966	1,140,898	1,109,080	1,103,743
Amortisation of premium less accretion of discount	2,431	(2,876)	2,431	(2,876)
Interest suspended	(20,331)	(23,815)	(20,015)	(23,530)
	1,123,066	1,114,207	1,091,496	1,077,337

18 Interest Expense

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000
Deposits and placements of banks and other financial institutions	52,412	99,049	50,550	98,511
Deposits from customers	469,458	346,349	453,671	325,650
Subordinated obligations	29,010	22,296	29,009	22,296
Recourse obligation on loans sold to Cagamas	20,850	31,166	20,850	31,166
Obligations on securities sold under repurchase agreements	-	117,535	-	117,535
Others	10,334	14,150	10,346	14,188
	582,064	630,545	564,426	609,346

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

19 Other Operating Income

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31 March 2008</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31 March 2007</u> <u>RM'000</u>	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31 March 2008</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31 March 2007</u> <u>RM'000</u>
a) Fee Income				
Commission	28,109	29,531	27,603	29,184
Service charges and fees	40,901	41,435	39,001	40,943
Guarantee fees	10,274	8,928	10,273	8,928
Commitment fees	11,542	11,230	11,542	11,230
Underwriting fees	80	460	80	460
Other fees	2,581	3,296	2,683	3,375
	<u>93,487</u>	<u>94,880</u>	<u>91,182</u>	<u>94,120</u>
b) Gain arising from sale/redemption of securities				
Securities held for trading	12,040	14,467	12,040	14,467
Securities available-for-sale	3,095	1,735	3,095	1,735
Derivatives	24	26	-	-
	<u>15,159</u>	<u>16,228</u>	<u>15,135</u>	<u>16,202</u>
c) Gross dividend income from				
Securities available-for-sale	1,205	2	1,205	2
Subsidiary company	-	-	9,879	-
	<u>1,205</u>	<u>2</u>	<u>11,084</u>	<u>2</u>
d) Unrealised gain/ (loss) on revaluation of securities				
Securities held for trading	(314)	11,262	(1,566)	11,889
Derivatives	(3,668)	2,780	(1,246)	3,341
	<u>(3,982)</u>	<u>14,042</u>	<u>(2,812)</u>	<u>15,230</u>
e) Other income				
Foreign exchange gain/(loss)				
· Realised	69,946	79,898	68,325	78,728
· Unrealised	(7,485)	(31,987)	(7,485)	(31,987)
Gain on disposal of property, plant and equipment	4	215	3	215
Other operating income	10,695	9,512	10,506	9,381
Other non-operating income	9,257	2,553	8,623	2,110
	<u>82,417</u>	<u>60,191</u>	<u>79,972</u>	<u>58,447</u>
	<u>188,286</u>	<u>185,343</u>	<u>194,561</u>	<u>184,001</u>

20 Income from Islamic Banking Business

	<u>Group</u> <u>Individual Quarter</u>	
	<u>Current</u> <u>Financial</u> <u>Quarter Ended</u> <u>31 March 2008</u> <u>RM'000</u>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter Ended</u> <u>31 March 2007</u> <u>RM'000</u>
Income derived from investment of depositors' funds	86,922	88,852
Income derived from investment of shareholders' funds	12,034	11,608
Transfer to profit equalisation reserve	(4,488)	(2,052)
Total distributable income	<u>94,468</u>	<u>98,408</u>
Income attributable to depositors	<u>(38,396)</u>	<u>(42,586)</u>
Income from Islamic Banking Business	<u>56,072</u>	<u>55,822</u>

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

21 Other Operating Expenses

	<u>Group</u>		<u>Bank</u>	
	<u>Individual Quarter</u>		<u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	152,688	124,227	143,856	119,371
- Contributions to Employee Provident Fund	21,780	17,694	20,434	17,554
- Other staff related cost	12,813	13,778	12,062	12,548
	187,281	155,699	176,352	149,473
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	17,185	21,796	16,635	21,394
- Written off	5	-	5	-
- Amortisation of prepaid land lease	123	96	81	82
- Rental of premises	10,736	10,083	10,542	10,134
- Rental equipment	3,090	2,638	3,023	2,588
- Insurance	4,527	4,593	4,338	4,412
- Water and electricity	3,788	3,623	3,521	3,396
- Repair and maintenance	10,051	10,747	9,367	10,465
- Information technology expenses	21,655	21,995	20,676	20,900
- Others	474	480	-	-
	71,634	76,051	68,188	73,371
<u>Marketing expenses</u>				
- Sales commission	6,149	7,979	6,104	7,974
- Advertisement and publicity	7,488	5,648	7,119	4,748
- Dealers' handling and warranty fees	7,295	6,357	7,103	6,356
- Others	13,762	14,853	12,757	9,638
	34,694	34,837	33,083	28,716
<u>Administration and general expenses</u>				
- Communication expenses	14,629	14,758	13,406	14,621
- Others	15,177	14,555	2,106	1,922
	29,806	29,313	15,512	16,543
	323,415	295,900	293,135	268,103

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

22 Allowances For Losses On Loans And Financing

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000
Allowance for losses on loans and financing				
Specific allowance				
- Made during the financial period	214,028	300,109	209,000	292,726
- Written back	(51,312)	(134,773)	(49,028)	(132,247)
General allowance				
- Made during the financial period	21,479	5,839	23,166	5,119
Bad debts on loans and financing				
- Recovered	(36,022)	(19,589)	(35,656)	(16,912)
	148,173	151,586	147,482	148,686

23 Allowance For Impairment Losses

	<u>Group</u> <u>Individual Quarter</u>		<u>Bank</u> <u>Individual Quarter</u>	
	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000	Current Financial Quarter Ended 31 March 2008 RM'000	Preceding Corresponding Quarter Ended 31 March 2007 RM'000
Charged for the financial period				
- Securities available-for-sale	2,119	12,400	2,119	12,400
- Securities held-to-maturity	-	4,625	-	4,625
Reversal for the financial period				
- Securities available-for-sale	-	(6,138)	-	(6,138)
- Securities held-to-maturity	(4,759)	(6,726)	(4,759)	(6,726)
	(2,640)	4,161	(2,640)	4,161

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

24 Capital Adequacy

	Group		Bank	
	31/03/2008 RM'000	31/12/2007 RM'000	31/03/2008 RM'000	31/12/2007 RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	1,949,986	3,318,085	1,949,986
Paid-up INCPS	-	1,368,099	-	1,368,099
Share premium	8,563	8,563	8,563	8,563
Retained profits	640,223	640,223	477,564	477,564
Other reserves	1,992,299	1,992,299	1,894,070	1,894,070
	<u>5,959,170</u>	<u>5,959,170</u>	<u>5,698,282</u>	<u>5,698,282</u>
Less : Goodwill	(1,004,017)	(1,004,017)	(905,519)	(905,519)
Deferred tax assets	(247,835)	(247,835)	(207,222)	(207,222)
Total Tier I capital	<u>4,707,318</u>	<u>4,707,318</u>	<u>4,585,541</u>	<u>4,585,541</u>
Tier II Capital				
Subordinated obligations	2,000,000	2,495,000	2,000,000	2,495,000
General allowance for bad and doubtful debts and financing	1,004,365	984,181	915,599	893,728
Total computed Tier II capital before restriction	<u>3,004,365</u>	<u>3,479,181</u>	<u>2,915,599</u>	<u>3,388,728</u>
Maximum allowable subordinated obligations	2,000,000	2,353,659 #	2,000,000	2,292,771 #
Generated allowance for bad and doubtful debts and financing	1,004,365	984,181	915,599	893,728
Maximum allowable total Tier II capital	<u>3,004,365</u>	<u>3,337,840</u>	<u>2,915,599</u>	<u>3,186,499</u>
Less : Investment in subsidiaries	-	-	(628,640)	(628,640)
Holdings of other banking institutions' capital instruments	-	(38,625)	-	(38,625)
Total capital base	<u>7,711,683</u>	<u>8,006,533</u>	<u>6,872,500</u>	<u>7,104,775</u>
<u>Capital ratios</u>				
Before proposed dividends:				
Core capital ratio	7.7%	7.8%	8.1%	8.3%
Risk-weighted capital ratio	12.7%	13.4%	12.2%	12.8%
After proposed dividends:				
Core capital ratio	7.7%	7.8%	8.1%	8.6%
Risk-weighted capital ratio	12.7%	13.4%	12.2%	12.8%

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

Persuant to Bank Negara Malaysia's circular, "Recognition of Deferred Tax Assets ('DTA') and Treatment of DTA for RWCR Purposes" dated 8 August 2003, deferred tax income/(expense) is excluded from the computation of Tier I Capital and deferred tax assets

Pursuant to BNM's guidelines on capital base for capital adequacy ratios, the maximum allowed for subordinated obligations is not more than 50% of Tier 1 capital.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

25 Commitments And Contingencies

<u>Group</u>	← 31/03/2008 →			← 31/12/2007 →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,893,203	1,893,203	1,688,676	1,723,675	1,723,675	1,525,233
Transaction-related contingent items	1,747,961	873,982	605,630	1,805,531	902,765	595,828
Short-term self-liquidating trade related contingencies	2,450,357	490,072	319,314	2,591,345	518,269	345,287
Obligations under underwriting agreements	427,240	213,620	213,620	427,240	213,620	213,620
Irrevocable commitments to extend credit:						
- maturity more than one year	3,782,896	1,891,448	1,707,387	3,768,029	1,884,015	1,692,804
- maturity less than one year	24,113,957	-	-	24,861,390	-	-
Foreign exchange related contracts:						
- less than one year	12,528,057	201,129	64,189	9,234,879	162,134	45,940
- one year to less than five years	24,633	1,668	669	8,970	1,153	412
- more than five years	1,277,600	232,417	80,675	925,960	161,555	66,503
Interest rate related contracts:						
- less than one year	400,572	990	275	1,457,590	4,923	1,135
- one year to less than five years	4,359,025	162,619	37,447	2,967,810	113,966	27,342
- more than five years	205,200	13,644	3,476	192,060	13,775	3,589
Miscellaneous	1,234,233	-	-	1,133,627	-	-
Total	54,444,934	5,974,792	4,721,358	51,098,106	5,699,850	4,517,693

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

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

25 Commitments And Contingencies (cont'd)

<u>Bank</u>	← 31/03/2008 →			← 31/12/2007 →		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Direct credit substitutes	1,620,657	1,620,657	1,416,130	1,449,613	1,449,613	1,251,171
Transaction-related contingent items	1,635,233	817,617	558,739	1,699,032	849,516	846,833
Short-term self-liquidating trade related contingencies	2,240,938	448,188	277,624	2,392,176	478,435	305,629
Obligations under underwriting agreements	213,240	106,620	106,620	213,240	106,620	106,620
Irrevocable commitments to extend credit:						
- maturity more than one year	3,154,556	1,577,278	1,406,739	3,007,788	1,503,894	1,327,835
- maturity less than one year	22,645,658	-	-	23,252,668	-	-
Foreign exchange related contracts:						
- less than one year	12,528,057	201,129	64,189	9,234,879	162,134	45,940
- one year to less than five years	24,633	1,668	669	8,970	1,153	412
- more than five years	1,277,600	232,417	80,675	925,960	161,555	66,503
Interest rate related contracts:						
- less than one year	400,572	990	275	1,457,590	4,923	1,135
- one year to less than five years	4,082,292	149,089	30,682	2,669,745	101,722	21,220
- more than five years	186,069	12,305	2,806	172,218	12,386	2,895
Miscellaneous	1,211,703	-	-	1,115,486	-	-
Total	51,221,208	5,167,958	3,945,148	47,599,365	4,831,951	3,976,193

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

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

26 Off-Balance Sheet Financial Instruments

Value of contracts classified by remaining period to maturity/next re-pricing date (whichever earlier).

Group

Items	Principal Amount	1 month or less	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 - 5 years	> 5 years
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contract							
- forwards	4,207,639	1,722,710	1,093,014	798,228	577,717	15,970	-
- swaps	6,593,808	3,725,364	1,704,095	898,310	266,039	-	-
- options	616,625	394,847	190,333	24,418	7,027	-	-
- spots	1,125,955	1,125,955	-	-	-	-	-
- cross currency interest rate swaps	1,286,263	-	-	-	-	8,663	1,277,600
Interest rate related contracts							
- swaps	4,964,797	322,650	134,786	74,000	165,000	4,082,292	186,069
Total	18,795,087	7,291,526	3,122,228	1,794,956	1,015,783	4,106,925	1,463,669

Bank

Items	Principal Amount	1 month or less	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 - 5 years	> 5 years
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contract							
- forwards	4,207,639	1,722,710	1,093,014	798,228	577,717	15,970	-
- swaps	6,593,808	3,725,364	1,704,095	898,310	266,039	-	-
- options	616,625	394,847	190,333	24,418	7,027	-	-
- spots	1,125,955	1,125,955	-	-	-	-	-
- cross currency interest rate swaps	1,286,263	-	-	-	-	8,663	1,277,600
Interest rate related contracts							
- swaps	4,668,933	141,572	20,000	74,000	165,000	4,082,292	186,069
Total	18,499,223	7,110,448	3,007,442	1,794,956	1,015,783	4,106,925	1,463,669

The Group does not have any transaction in respect of equity and commodity related contracts.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

26 Off-Balance Sheet Financial Instruments (cont'd)

Foreign exchange and interest rate related contracts are subject to market and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on off-balance sheet positions. As at 31 March 2008, the amount of contracts which were not hedged and hence, exposed to market risk was RM660,831,216 (31.12.2007: RM379,622,858).

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. As at 31 March 2008, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM151,521,323 (31.12.2007: RM168,256,215). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Related accounting policies

Forward exchange related contracts

Unmatured forward exchange contracts are valued at forward rates as at the balance sheet date, applicable to their respective dates of maturity, and unrealised losses and gains are recognised in the income statements for the year. Positive fair value are carried as assets and negative fair value are carried as liabilities.

Interest rate related contracts

The Group and the Bank act as an intermediary with counter parties who wish to swap their interest obligations. The Group and the Bank also use interest rate swaps, futures and forward and option contracts in its trading account activities and in overall interest rate risk management.

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

27 Interest/Profit Rate Risk

Group

31.03.2008

	Non-trading book					Non-interest sensitive	Trading book	Total	Effective interest/profit rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short term funds	19,212,880	-	-	-	-	1,831,949	-	21,044,829	3.55
Securities purchased under resale agreements	693,713	1,062,557	-	-	-	-	-	1,756,270	3.49
Deposits and placements with banks and other financial institutions	-	3,591,343	591,140	-	-	-	-	4,182,483	3.56
Securities held for trading	-	-	-	-	-	-	1,762,381	1,762,381	4.15
Securities available-for-sale	117,566	396,272	449,797	1,986,958	1,213,730	174,168	-	4,338,491	4.69
Securities held-to-maturity	69,187	223,897	1,014,754	3,958,692	1,398,872	(158,219) #	-	6,507,183	4.18
Loans, advances & financing									
- performing	33,318,410	6,525,755	4,839,740	6,812,728	2,692,807	96	-	54,189,536	6.76
- non-performing	-	-	-	-	-	758,353 *	-	758,353	-
Other assets	-	-	-	-	-	517,841	-	517,841	-
Derivative assets	-	-	-	-	-	-	140,816	140,816	-
Tax recoverable	-	-	-	-	-	7,116	-	7,116	-
Deferred taxation assets	-	-	-	-	-	253,222	-	253,222	-
Statutory deposits	-	-	-	-	-	1,555,626	-	1,555,626	-
Investment in an associate	-	-	-	-	-	5,028	-	5,028	-
Property, plant and equipment	-	-	-	-	-	482,729	-	482,729	-
Prepaid land lease	-	-	-	-	-	99,354	-	99,354	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	53,411,756	11,799,824	6,895,431	12,758,378	5,305,409	6,531,280	1,903,197	98,605,275	
Liabilities									
Deposits from customers	38,702,654	8,104,571	12,019,586	386,817	4	16,808,273	-	76,021,905	2.90
Deposits and placements of banks & other financial institutions	2,711,754	971,656	1,773,134	600,544	53,559	504	-	6,111,151	3.47
Bills and acceptances payable	1,685,155	2,165,487	750,466	-	-	236,982	-	4,838,090	3.68
Recourse obligation on loans sold to Cagamas Berhad	-	13,166	584,672	1,103,871	-	-	-	1,701,709	4.71
Other liabilities	-	-	-	-	-	1,195,825	-	1,195,825	-
Derivative liabilities	-	-	-	-	-	-	164,388	164,388	-
Provision for taxation	-	-	-	-	-	104,814	-	104,814	-
Deferred taxation liabilities	-	-	-	-	-	17	-	17	-
Long term borrowings	303,430	-	-	-	-	-	-	303,430	3.29
Subordinated obligations	-	-	-	-	2,000,000	-	-	2,000,000	5.18
	43,402,993	11,254,880	15,127,858	2,091,232	2,053,563	18,346,415	164,388	92,441,329	
Shareholders' equity	-	-	-	-	-	6,163,946	-	6,163,946	-
Total liabilities and shareholders' equity	43,402,993	11,254,880	15,127,858	2,091,232	2,053,563	24,510,361	164,388	98,605,275	
Total interest-sensitivity gap	10,008,763	544,944	(8,232,427)	10,667,146	3,251,846				

Consist of equity instruments less impairment loss.

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

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

27 Interest/Profit Rate Risk (cont'd)

Group

31.12.2007

	← Non-trading book →					Non-interest sensitive	Trading book	Total	Effective interest/profit rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short term funds	16,282,899	-	-	-	-	961,686	-	17,244,585	3.55
Securities purchased under resale agreements	540,418	27,418	-	-	-	-	-	567,836	3.23
Deposits and placements with banks and other financial institutions	-	3,209,424	82,467	-	-	-	-	3,291,891	4.03
Securities held for trading	-	-	-	-	-	-	1,842,218	1,842,218	4.39
Securities available-for-sale	1,190,504	1,150,537	1,584,784	1,846,730	1,078,835	174,991	-	7,026,381	4.09
Securities held-to-maturity	156,192	209,471	813,011	4,212,111	1,508,078	(164,022) #	-	6,734,841	4.13
Loans, advances & financing									
- performing	31,865,603	6,287,921	4,978,156	7,121,171	2,603,422	106	-	52,856,379	6.86
- non-performing	-	-	-	-	-	846,728 *	-	846,728	-
Other assets	-	-	-	-	-	516,324	-	516,324	-
Derivative assets	-	-	-	-	-	-	105,401	105,401	-
Tax recoverable	-	-	-	-	-	2,572	-	2,572	-
Deferred taxation assets	-	-	-	-	-	247,852	-	247,852	-
Statutory deposits	-	-	-	-	-	1,604,379	-	1,604,379	-
Investment in an associate	-	-	-	-	-	4,963	-	4,963	-
Property, plant and equipment	-	-	-	-	-	488,545	-	488,545	-
Prepaid land lease	-	-	-	-	-	98,946	-	98,946	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	50,035,616	10,884,771	7,458,418	13,180,012	5,190,335	5,787,087	1,947,619	94,483,858	
Liabilities									
Deposits from customers	35,752,597	8,533,871	11,905,749	407,575	-	16,103,687	-	72,703,479	3.56
Deposits and placements of banks & other financial institutions	3,473,360	1,127,333	369,211	622,957	62,587	1,228	-	5,656,676	4.36
Bills and acceptances payable	1,480,031	1,544,020	722,161	2,523	-	211,208	-	3,959,943	3.74
Recourse obligation on loans sold to Cagamas Berhad	-	90,974	429,085	1,334,814	-	-	-	1,854,873	4.65
Other liabilities	-	-	-	-	-	1,291,264	-	1,291,264	-
Derivative liabilities	-	-	-	-	-	-	117,820	117,820	-
Provision for taxation	-	-	-	-	-	98,146	-	98,146	-
Deferred taxation liabilities	-	-	-	-	-	17	-	17	-
Long term borrowings	330,700	-	-	-	-	-	-	330,700	5.96
Subordinated obligations	495,000	-	-	-	2,000,000	-	-	2,495,000	5.46
Total liabilities	41,531,688	11,296,198	13,426,206	2,367,869	2,062,587	17,705,550	117,820	88,507,918	
INCPs	-	-	-	1,368,099	-	-	-	1,368,099	Effective dividend rate 10.00
Shareholders' equity	-	-	-	-	-	4,607,841	-	4,607,841	-
Total liabilities and shareholders' equity	41,531,688	11,296,198	13,426,206	3,735,968	2,062,587	22,313,391	117,820	94,483,858	
Total interest-sensitivity gap	4,770,980	3,636,855	(6,661,349)	7,131,676	3,904,635				

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

27 Interest Rate Risk (cont'd)

Bank

31.03.2008

	← Non-trading book →					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short term funds	17,865,557	-	-	-	-	1,743,578	-	19,609,135	3.55
Securities purchased under resale agreements	693,713	1,062,557	-	-	-	-	-	1,756,270	3.49
Deposits and placements with banks and other financial institutions	-	2,896,994	574,920	-	159,700	-	-	3,631,614	3.56
Securities held for trading	-	-	-	-	-	-	1,277,868	1,277,868	4.34
Securities available-for-sale	117,566	396,272	382,583	1,951,723	1,178,371	171,064	-	4,197,579	4.74
Securities held-to-maturity	69,186	63,838	839,296	3,488,509	1,288,077	(158,219) #	-	5,590,687	4.17
Loans, advances & financing									
- performing	32,631,767	5,089,619	3,810,689	5,456,206	1,000,104	-	-	47,988,385	6.91
- non-performing	-	-	-	-	-	697,602 *	-	697,602	-
Other assets	-	-	-	-	-	525,887	-	525,887	-
Derivative assets	-	-	-	-	-	-	135,486	135,486	-
Deferred taxation assets	-	-	-	-	-	212,196	-	212,196	-
Statutory deposits	-	-	-	-	-	1,371,998	-	1,371,998	-
Investment in subsidiaries	-	-	-	-	-	828,956	-	828,956	-
Property, plant and equipment	-	-	-	-	-	413,444	-	413,444	-
Prepaid land lease	-	-	-	-	-	21,182	-	21,182	-
Goodwill	-	-	-	-	-	905,519	-	905,519	-
Total assets	51,377,789	9,509,280	5,607,488	10,896,438	3,626,252	6,733,207	1,413,354	89,163,808	
Liabilities									
Deposits from customers	32,284,385	7,922,812	11,971,829	319,581	-	15,297,424	-	67,796,031	2.97
Deposits and placements of banks & other financial institutions	2,380,959	844,116	1,709,658	581,604	53,559	504	-	5,570,400	3.47
Bills and acceptances payable	1,685,155	2,165,487	746,264	-	-	233,073	-	4,829,979	3.68
Recourse obligation on loans sold to Cagamas Berhad	-	13,166	584,672	1,103,871	-	-	-	1,701,709	4.71
Other liabilities	-	-	-	-	-	985,684	-	985,684	-
Derivative liabilities	-	-	-	-	-	-	151,542	151,542	-
Provision for taxation	-	-	-	-	-	101,592	-	101,592	-
Long term borrowings	303,430	-	-	-	-	-	-	303,430	3.29
Subordinated obligations	-	-	-	-	2,000,000	-	-	2,000,000	5.18
Total liabilities	36,653,929	10,945,581	15,012,423	2,005,056	2,053,559	16,618,277	151,542	83,440,367	
Shareholders' equity	-	-	-	-	-	5,723,441	-	5,723,441	-
Total liabilities and shareholders' equity	36,653,929	10,945,581	15,012,423	2,005,056	2,053,559	22,341,718	151,542	89,163,808	
Total interest-sensitivity gap	14,723,860	(1,436,301)	(9,404,935)	8,891,382	1,572,693				

Consist of equity instruments less impairment loss.

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

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

27 Interest Rate Risk (cont'd)

Bank

31.12.2007

	← 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	
Assets									
Cash and short term funds	14,349,888	-	-	-	-	959,933	-	15,309,821	3.55
Securities purchased under resale agreements	540,418	27,418	-	-	-	-	-	567,836	3.23
Deposits and placements with banks and other financial institutions	-	2,717,149	82,000	-	165,350	-	-	2,964,499	4.08
Securities held for trading	-	-	-	-	-	-	1,354,023	1,354,023	4.58
Securities available-for-sale	1,190,503	1,150,537	1,478,838	1,816,804	1,063,428	171,029	-	6,871,139	4.10
Securities held-to-maturity	156,192	182,023	511,410	3,747,301	1,389,513	(164,022) #	-	5,822,417	4.13
Loans, advances & financing									
- performing	31,223,772	4,850,338	3,941,948	5,788,700	855,873	-	-	46,660,631	6.97
- non-performing	-	-	-	-	-	809,892 *	-	809,892	-
Other assets	-	-	-	-	-	801,595	-	801,595	-
Derivative assets	-	-	-	-	-	-	102,102	102,102	-
Deferred taxation assets	-	-	-	-	-	207,222	-	207,222	-
Statutory deposits	-	-	-	-	-	1,416,350	-	1,416,350	-
Investment in subsidiaries	-	-	-	-	-	828,956	-	828,956	-
Property, plant and equipment	-	-	-	-	-	420,314	-	420,314	-
Prepaid land lease	-	-	-	-	-	21,263	-	21,263	-
Goodwill	-	-	-	-	-	905,519	-	905,519	-
Total assets	47,460,773	8,927,465	6,014,196	11,352,805	3,474,164	6,378,051	1,456,125	85,063,579	
Liabilities									
Deposits from customers	31,206,934	7,192,557	10,710,593	341,791	-	14,863,822	-	64,315,697	3.69
Deposits and placements of banks & other financial institutions	3,178,904	1,061,193	369,211	604,226	62,587	1,228	-	5,277,349	4.40
Bills and acceptances payable	1,480,031	1,544,020	715,276	2,523	-	207,991	-	3,949,841	3.74
Recourse obligation on loans sold to Cagamas Berhad	-	90,974	429,085	1,334,814	-	-	-	1,854,873	4.65
Other liabilities	-	-	-	-	-	1,082,183	-	1,082,183	-
Derivative liabilities	-	-	-	-	-	-	109,427	109,427	-
Provision for taxation	-	-	-	-	-	94,973	-	94,973	-
Long term borrowings	330,700	-	-	-	-	-	-	330,700	5.96
Subordinated obligations	495,000	-	-	-	2,000,000	-	-	2,495,000	5.46
Total liabilities	36,691,569	9,888,744	12,224,165	2,283,354	2,062,587	16,250,197	109,427	79,510,043	
INCPS	-	-	-	1,368,099	-	-	-	1,368,099	10.00
Shareholders' equity	-	-	-	-	-	4,185,437	-	4,185,437	-
Total liabilities and shareholders' equity	36,691,569	9,888,744	12,224,165	3,651,453	2,062,587	20,435,634	109,427	85,063,579	
Total interest-sensitivity gap	8,339,550	1,923,431	(6,659,337)	5,185,179	2,313,376				

RHB BANK BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

28 Segmental Reporting On Revenue And Profit

Group - 3 months ended 31 March 2008

	Wholesale Banking	Retail Banking	Treasury & Money Market	Islamic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	455,560	470,355	385,734	56,072	(297)	-	1,367,424
Inter-segment revenue	553	-	4,412	-	992	(5,957)	-
Total revenue	456,113	470,355	390,146	56,072	695	(5,957)	1,367,424
Segment results	212,005	102,245	83,870	42,030	(675)	-	439,475
Subordinated obligations							(29,009)
Unallocated expenses							(94,054)
Profit from operations							316,412
Share of results of an associate							65
Profit before INCPs dividend and taxation							316,477
INCPs dividend							(32,147)
Taxation							(69,709)
Net profit for the period							214,621

Group - 3 months ended 31 March 2007

	Wholesale Banking	Retail Banking	Treasury & Money Market	Islamic	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	460,514	446,116	391,396	55,822	1,523	-	1,355,371
Inter-segment revenue	1,183	-	9,278	-	994	(11,455)	-
Total revenue	461,697	446,116	400,674	55,822	2,517	(11,455)	1,355,371
Segment results	164,836	69,282	92,104	39,891	1,259	-	367,372
Subordinated obligations							(22,297)
Unallocated expenses							(71,895)
Profit from operations							273,180
Share of results of an associate							73
Profit before INCPs dividend and taxation							273,253
INCPs dividend							(33,734)
Taxation							(65,062)
Net profit for the period							174,457

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

29 Valuation of Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the previous audited annual financial statements.

30 Events subsequent to Balance Sheet Date

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the interim financial statements.

31 Changes in the Composition of the Group

The significant changes in the composition of the Group for the three months ended 31 March 2008 are summarised below:

(a) Proposed disposal of the entire equity interest in CMS Trust Management Berhad ('CMS Trust') to CMS Capital Sdn Bhd ('CMS Capital')

On 10 March 2008, Utama Gilang Sdn Bhd, a wholly-owned subsidiary of the Bank had entered into a sale and purchase agreement with CMS Capital for the proposed disposal of its entire equity interest in CMS Trust comprising of 3,315,000 ordinary shares of RM1.00 each in CMS Trust representing 49% of the total issued and paid-up share capital of CMS Trust for a total consideration of approximately RM7.069 million which was arrived at on a willing buyer-willing seller basis and is to be satisfied entirely by cash ('Proposed Disposal'). The purchase consideration of RM7.069 million was received on 4 April 2008.

The Proposed Disposal is not expected to have any material effect on the consolidated earnings or net assets of the Bank for the financial period ended 31 March 2008. None of the Directors or substantial shareholders of the Bank or persons connected to them has any interest, direct or indirect, in the Proposed Disposal.

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

On 25 March 2008, the following wholly-owned subsidiaries of the Bank have commenced members' voluntary winding-up pursuant to Section 254 (1) of the Companies Act, 1965:

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

UBNT, USBN, USBNT, USBNA and INFB are companies incorporated in Malaysia and are presently dormant.

The winding-up of UBNT, USBN, USBNT, USBNA and INFB will not have any material effect on the Group's performance for the financial period ended 31 March 2008.

32 Changes in Profit for the Quarter

The Group recorded 3% higher profit before INCPS dividends and taxation of RM316,477K for the current quarter as compared to the preceeding quarter ended 31 December 2007 of RM306,789K. The increase in profit was mainly due to lower other operating expenses and allowance for impairment losses partly offset by higher allowance for losses on loans and financing.

33 Performance Review

The Group recorded 16% higher profit before INCPS dividends and taxation of RM316,477K as compared to the corresponding period last year of RM273,253K, as a result of higher net interest income partly offset by higher other operating expenses.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (cont'd)

34 Prospects for the Current Financial Year

The Group expects to begin to realise the benefits of the RHB Banking Group transformation exercise implemented at the end of the previous financial year and see improvements in product quality and customer service. The Group is also expected to benefit from the corporate and debt restructuring exercises that have been implemented in the latter part of 2007 and early 2008.

These developments are expected to place the Group in a better position to further improve on its financial performance in 2008.

35 Proposed Dividends

No interim dividend is proposed in respect of current financial period ended 31 March 2008.