

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

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

Note	Group		Bank	
	Unaudited	Audited	Unaudited	Audited
	As at 30.06.2009 RM'000	As at 31.12.2008 RM'000	As at 30.06.2009 RM'000	As at 31.12.2008 RM'000
ASSETS				
	12,431,404	13,451,945	9,912,285	11,963,560
Cash and short-term funds				
Securities purchased under resale agreements	834,207	106,565	834,207	106,565
Deposits and placements with banks and other financial institutions	992,093	439,237	1,339,406	848,371
Securities held-for-trading	8 403,658	2,634,600	362,743	2,230,136
Securities available-for-sale	9 6,440,091	4,584,413	5,556,190	3,846,603
Securities held-to-maturity	10 10,870,538	9,394,159	9,552,399	8,054,523
Loans, advances and financing	11 61,480,138	60,127,875	53,723,890	52,600,047
Other assets	13 461,447	421,244	462,542	494,535
Derivative assets	254,114	344,916	247,744	344,595
Tax recoverable	2,642	9,215	-	-
Deferred tax assets	298,551	268,159	260,943	233,116
Statutory deposits	607,981	1,521,442	534,140	1,321,902
Investment in subsidiaries	-	-	822,982	828,956
Property, plant and equipment	538,912	527,711	447,826	439,165
Prepaid land lease	102,867	102,139	20,778	20,940
Goodwill	1,004,017	1,004,017	905,519	905,519
TOTAL ASSETS	96,722,660	94,937,637	84,983,594	84,238,533
LIABILITIES AND EQUITY				
Deposits from customers	14 75,379,239	71,011,263	64,995,898	61,592,948
Deposits and placements of banks and other financial institutions	15 4,922,376	6,753,576	4,356,378	6,255,207
Bills and acceptances payable	4,062,371	4,935,512	4,051,455	4,900,726
Recourse obligation on loans sold to Cagamas Berhad	788,052	1,173,754	788,052	1,173,754
Other liabilities	16 1,115,264	1,150,268	948,687	974,138
Derivative liabilities	219,601	338,011	211,436	331,809
Provision for taxation	74,479	91,149	67,541	87,877
Deferred tax liabilities	6	15	-	-
Long term borrowings	651,015	655,975	651,015	655,975
Subordinated obligations	2,000,000	2,000,000	2,000,000	2,000,000
Hybrid capital securities	366,887	-	366,887	-
TOTAL LIABILITIES	89,579,290	88,109,523	78,437,349	77,972,434
Ordinary share capital	3,318,085	3,318,085	3,318,085	3,318,085
Reserves	3,825,285	3,510,029	3,228,160	2,948,014
TOTAL EQUITY	7,143,370	6,828,114	6,546,245	6,266,099
TOTAL LIABILITIES AND EQUITY	96,722,660	94,937,637	84,983,594	84,238,533
COMMITMENTS AND CONTINGENCIES	25 59,144,752	56,721,605	56,513,668	53,851,570

The Unaudited Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

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

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
Interest income	17 943,500	1,136,577	1,956,404	2,259,643
Interest expense	18 (346,970)	(559,197)	(776,833)	(1,141,261)
Net interest income	596,530	577,380	1,179,571	1,118,382
Other operating income	19 172,300	158,739	343,140	347,052
Income from Islamic Banking business	20 768,830	736,119	1,522,711	1,465,434
	101,411	70,774	161,832	126,846
Other operating expenses	21 870,241	806,893	1,684,543	1,592,280
	(299,216)	(287,639)	(637,785)	(611,054)
Operating profit before allowances	571,025	519,254	1,046,758	981,226
Allowance for losses on loans and financing	22 (194,137)	(161,437)	(365,687)	(309,611)
Impairment losses	23 3,101	8,897	22,536	11,537
Share of results of an associate	379,989	366,714	703,607	683,152
	-	-	-	38
Profit before Irredeemable Non-Cumulative Convertible Preference Share ('INCPS') dividends and taxation	379,989	366,714	703,607	683,190
INCPS dividends	-	-	-	(23,788)
Profit after INCPS dividends but before taxation	379,989	366,714	703,607	659,402
Taxation	(91,544)	(90,811)	(170,777)	(168,878)
Net profit for the financial period	288,445	275,903	532,830	490,524
Earnings per share (sen)				
- Basic earnings per 50 sen share	4.35	4.16	8.03	9.18
- Diluted earnings per 50 sen share	4.35	4.16	8.03	9.18

The Unaudited Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008

RHB BANK BERHAD (6171-M)
Incorporated in Malaysia

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

Bank		Individual Quarter		Cumulative Six Months	
		Current	Preceding	Current	Preceding
		Financial	Corresponding	Financial	Corresponding
		Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended
		30.06.2009	30.06.2008	30.06.2009	30.06.2008
		RM'000	RM'000	RM'000	RM'000
Interest income	17	925,821	1,113,263	1,914,453	2,204,759
Interest expense	18	(344,354)	(548,048)	(760,170)	(1,112,474)
Net interest income		581,467	565,215	1,154,283	1,092,285
Other operating income	19	161,575	162,150	331,037	356,711
Other operating expenses	21	743,042	727,365	1,485,320	1,448,996
		(261,514)	(259,852)	(562,044)	(552,987)
Operating profit before allowances		481,528	467,513	923,276	896,009
Allowance for losses on loans and financing	22	(147,839)	(146,806)	(291,993)	(294,288)
Impairment losses	23	487	9,085	19,922	11,725
Profit before Irredeemable Non-Cumulative Convertible Preference Share ('INCPS') dividends and taxation		334,176	329,792	651,205	613,446
INCPS dividends		-	-	-	(23,788)
Profit after INCPS dividends but before taxation		334,176	329,792	651,205	589,658
Taxation		(85,165)	(87,945)	(162,887)	(159,146)
Net profit for the financial period		249,011	241,847	488,318	430,512
Earnings per share (sen)					
- Basic earnings per 50 sen share		3.75	3.64	7.36	8.06
- Diluted earnings per 50 sen share		3.75	3.64	7.36	8.06

The Unaudited Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008

RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

<u>Group</u>	Attributable to equity holder of the Bank						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Translation reserves RM'000	AFS reserves RM'000	Retained profits RM'000	
Balance as at 1 January 2009	3,318,085	8,563	2,286,753	(17,371)	16,219	1,215,865	6,828,114
Currency translation differences	-	-	-	19,716	-	-	19,716
Unrealised net loss on revaluation of securities available-for-sale ('AFS')	-	-	-	-	(90,246)	-	(90,246)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	(19,053)	-	(19,053)
Deferred tax	-	-	-	-	27,295	-	27,295
Income and expenses recognised directly in equity	-	-	-	19,716	(82,004)	-	(62,288)
Net profit for the financial period	-	-	-	-	-	532,830	532,830
Total recognised income and expenses for the financial period	-	-	-	19,716	(82,004)	532,830	470,542
Transfer to statutory reserves	-	-	122,374	-	-	(122,374)	-
Ordinary dividends	-	-	-	-	-	(155,286)	(155,286)
Balance as at 30 June 2009	3,318,085	8,563	2,409,127	2,345	(65,785)	1,471,035	7,143,370
Balance as at 1 January 2008	1,949,986	8,563	2,010,114	(17,815)	16,770	640,223	4,607,841
Currency translation differences	-	-	-	(32,489)	-	-	(32,489)
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(147,309)	-	(147,309)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	7,298	-	7,298
Deferred tax	-	-	-	-	37,876	-	37,876
Expenses recognised directly in equity	-	-	-	(32,489)	(102,135)	-	(134,624)
Net profit for the financial period	-	-	-	-	-	490,524	490,524
Total recognised income and expenses for the financial period	-	-	-	(32,489)	(102,135)	490,524	355,900
Conversion of INCPS to ordinary shares	1,368,099	-	-	-	-	-	1,368,099
Transfer to statutory reserves	-	-	107,504	-	-	(107,504)	-
Balance as at 30 June 2008	3,318,085	8,563	2,117,618	(50,304)	(85,365)	1,023,243	6,331,840

The Unaudited Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008

RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

Bank	← Non-distributable →				Distributable		Total
	Share capital	Share premium	Statutory reserves	Translation reserves	AFS reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2009	3,318,085	8,563	2,121,042	15,959	(3,484)	805,934	6,266,099
Currency translation differences	-	-	-	14,669	-	-	14,669
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(83,095)	-	(83,095)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	(6,916)	-	(6,916)
Deferred tax	-	-	-	-	22,456	-	22,456
Income and expenses recognised directly in equity	-	-	-	14,669	(67,555)	-	(52,886)
Net profit for the financial period	-	-	-	-	-	488,318	488,318
Total recognised income and expenses for the financial period	-	-	-	14,669	(67,555)	488,318	435,432
Transfer to statutory reserves	-	-	122,080	-	-	(122,080)	-
Ordinary dividends	-	-	-	-	-	(155,286)	(155,286)
Balance as at 30 June 2009	3,318,085	8,563	2,243,122	30,628	(71,039)	1,016,886	6,546,245
Balance as at 1 January 2008	1,949,986	8,563	1,886,928	31,023	19,473	289,464	4,185,437
Currency translation differences	-	-	-	(26,566)	-	-	(26,566)
Unrealised net gain on revaluation of securities AFS	-	-	-	-	(143,764)	-	(143,764)
Net transfer to income statement on disposal or impairment of securities AFS	-	-	-	-	7,575	-	7,575
Deferred tax	-	-	-	-	35,676	-	35,676
Expenses recognised directly in equity	-	-	-	(26,566)	(100,513)	-	(127,079)
Net profit for the financial period	-	-	-	-	-	430,512	430,512
Total recognised income and expenses for the financial period	-	-	-	(26,566)	(100,513)	430,512	303,433
Transfer to statutory reserves	-	-	107,628	-	-	(107,628)	-
Conversion of INCPS to ordinary shares	1,368,099	-	-	-	-	-	1,368,099
Balance as at 30 June 2008	3,318,085	8,563	1,994,556	4,457	(81,040)	612,348	5,856,969

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RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.06.2009	30.06.2008
	RM '000	RM '000
Group		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after INCPS dividends but before taxation	703,607	659,402
Adjustment for non-cash items	175,750	217,272
Operating profit before changes in working capital	879,357	876,674
Changes in working capital:		
Net changes in operating assets	43,010	(2,704,855)
Net changes in operating liabilities	1,140,084	(381,246)
Taxation paid	(183,940)	(151,367)
Net cash generated from/(used in) operating activities	1,878,511	(2,360,794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(45,633)	(39,346)
Proceeds from disposal of property, plant and equipment	5,417	7
Proceeds from sale of an associate	-	7,069
Net (purchase)/sale of securities available-for-sale	(1,939,224)	2,521,901
Net purchase of securities held-to-maturity	(1,442,763)	(1,549,163)
Interest received from securities available-for-sale	90,256	103,468
Investment income received from securities available-for-sale	15,921	1,684
Interest received from securities held-to-maturity	161,562	116,482
Investment income received from securities held-to-maturity	18,738	6,654
Dividend income from securities available-for-sale	46	4,652
Net cash (used in)/generated from investing activities	(3,135,680)	1,173,408
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Hybrid capital securities	366,887	-
Repayment of subordinated obligations	-	(479,100)
Dividends paid:		
- INCPS	-	(32,271)
- Ordinary shares	(155,286)	-
Net cash generated from/(used in) financing activities	211,601	(511,371)
Net decrease in cash and cash equivalents	(1,045,568)	(1,698,757)
Effects of exchange rate differences	25,026	(11,068)
Cash and cash equivalents brought forward	13,451,946	17,244,585
Cash and cash equivalents carried forward	12,431,404	15,534,760
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	12,431,404	15,534,760

The Unaudited Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008

RHB BANK BERHAD (6171-M)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Six months ended	
	30.06.2009	30.06.2008
	RM '000	RM '000
<u>Bank</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after INCPS dividends but before taxation	651,205	589,658
Adjustment for non-cash items	148,311	189,614
Operating profit before changes in working capital	799,516	779,272
Changes in working capital:		
Net changes in operating assets	5,625	(2,320,197)
Net changes in operating liabilities	141,155	140,129
	146,780	(2,180,068)
Taxation paid	(189,756)	(127,749)
Net cash generated from/(used in) operating activities	756,540	(1,528,545)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(41,241)	(26,765)
Proceeds from disposal of property, plant and equipment	4,618	7
Net (purchase)/sale of securities available-for-sale	(1,784,980)	2,606,982
Net purchase of securities held-to-maturity	(1,469,083)	(1,674,614)
Interest received from securities available-for-sale	90,088	103,230
Interest received from securities held-to-maturity	155,779	115,345
Dividend income from securities available-for-sale	46	4,652
Dividend income from subsidiary companies	(3,241)	16,694
Net cash received on liquidation of subsidiaries	7,598	-
Net cash (used in)/generated from investing activities	(3,040,416)	1,145,531
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Hybrid capital securities	366,887	-
Principal repayment of finance lease	(119)	(269)
Repayment of subordinated obligations	-	(479,100)
Dividends paid:		
- INCPS	-	(32,271)
- Ordinary shares	(155,286)	-
Net cash generated from/(used in) financing activities	211,482	(511,640)
Net decrease in cash and cash equivalents	(2,072,394)	(894,654)
Effects of exchange rate differences	21,119	(1,051)
Cash and cash equivalents brought forward	11,963,560	15,309,821
Cash and cash equivalents carried forward	9,912,285	14,414,116
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds	9,912,285	14,414,116

The Unaudited Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008

RHB BANK BERHAD (6171-M)
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

1 Basis Of Preparation

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

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

2 Audit Report

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

3 Seasonal or Cyclical Factors

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

4 Exceptional or Extraordinary Items

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

5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the six months ended 30 June 2009.

6 Changes In Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review except for the issuance of RM370 million nominal value of Hybrid capital securities at par under a Hybrid Tier-1 Capital Securities Programme on 31 March 2009.

7 Dividends Paid

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

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

8 Securities Held-For-Trading

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	-	845,487	-	845,487
Malaysian Government Treasury Bills	19,293	156,842	19,293	156,842
Bank Negara monetary notes	264,360	856,920	264,360	856,920
Malaysian Government Investment Issues	-	96,011	-	-
Singapore Government Treasury Bills	43,791	-	43,791	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Private debts securities	40,915	600,489	-	292,036
<u>Outside Malaysia</u>				
Structured notes	-	78,851	-	78,851
Private debt securities	35,299	-	35,299	-
	403,658	2,634,600	362,743	2,230,136

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

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

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
At fair value				
Amount reclassified from securities:				
- held-for-trading to securities available-for-sale	1,755,624	-	1,735,674	-
- held-for-trading to securities held-to-maturity	8,663	129,322	8,663	-
	1,764,287	129,322	1,744,337	-

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

	Group		Bank	
	31.03.2009 RM'000	31.12.2008 RM'000	31.03.2009 RM'000	31.12.2008 RM'000
Amount recognised to income statement				
- held-for-trading to securities available-for-sale	-	4,646	-	4,652
- held-for-trading to securities held-to-maturity	468	(2,257)	468	(405)
	468	2,389	468	4,247

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

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

9 Securities Available-For-Sale

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	2,021,840	396,120	2,021,840	396,120
Cagamas bonds and Cagamas Mudharabah bonds	44,047	119,451	44,047	119,451
Malaysian Government Investment Issues	579,205	364,170	151,767	37,497
Singapore Government Securities	256,182	263,894	256,182	263,894
Singapore Government Treasury Bills	218,741	143,996	218,741	143,996
Thailand Government Bonds	21,057	20,402	21,057	20,402
Negotiable instruments of deposits	111,548	112,912	111,548	112,912
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	15,759	17,328	15,759	17,328
Shares	5,618	5,266	3,876	4,149
<u>Outside Malaysia</u>				
Shares	7	5	-	-
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Corporate loan stocks	113,348	90,654	113,348	84,548
Shares	166,299	166,299	165,724	165,724
Private debt securities	2,806,544	2,660,602	2,352,405	2,257,268
<u>Outside Malaysia</u>				
Private debt securities	58,087	60,783	58,087	60,783
Structured notes	21,809	162,531	21,809	162,531
	6,440,091	4,584,413	5,556,190	3,846,603

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

The carrying value of securities available-for-sale as at 30 June 2009, which was transferred from securities held-for-trading, for the Group and the Bank are RM1,655 million (2008: Nil) and RM1,635 million (2008: Nil) respectively.

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

10 Securities Held-To-Maturity

	Group		Bank	
	Unaudited As at 30.06.2009	Audited As at 31.12.2008	Unaudited As at 30.06.2009	Audited As at 31.12.2008
At amortised cost	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	2,589,632	1,868,393	2,589,632	1,868,393
Cagamas bonds and Cagamas Mudharabah bonds	798,877	848,571	588,836	633,449
Khazanah bonds	287,193	281,839	-	-
Malaysian Government Investment Issues	954,985	592,585	455,406	35,648
Singapore Government Securities	121,209	119,660	121,209	119,660
Thailand Government Securities	247,985	225,603	247,985	225,603
Negotiable instruments of deposits	1,925,131	2,116,307	1,925,131	2,116,307
Sukuk (Brunei) Incorporation	43,790	24,032	43,790	24,032
<u>Unquoted Securities:</u>				
<u>In Malaysia</u>				
Bonds	27,178	27,178	860	860
Prasarana Bonds	1,755,187	1,756,730	1,755,187	1,756,730
Privates debt securities	2,102,379	1,479,724	1,857,497	1,280,099
Corporate loan stocks	70,528	70,589	70,528	70,589
Shares	500	500	500	500
<u>Outside Malaysia</u>				
Private debt securities	20,918	20,601	-	-
Floating rate notes	29,208	39,194	-	-
Structured notes	33,231	74,964	33,231	74,964
	11,007,931	9,546,470	9,689,792	8,206,834
Accumulated impairment losses	(137,393)	(152,311)	(137,393)	(152,311)
	10,870,538	9,394,159	9,552,399	8,054,523

The carrying value of securities held-to-maturity as at 30 June 2009, which was transferred from securities held-for-trading for the Group and the Bank are RM29.6 million (2008: RM126.8 million) and RM8.7 million (2008: Nil) respectively. The fair value of these securities as at 30 June 2009 for the Group and the Bank are RM29.7 million (2008: RM127.2 million) and RM8.7 million (2008: Nil) respectively.

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

11 Loans, advances and financing

(i) By type

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Overdrafts	6,205,791	6,463,296	6,133,597	6,426,766
Term Loans/financing				
- housing loans/financing	14,361,695	13,578,913	12,631,726	11,874,758
- syndicated term loans/financing	2,736,974	2,766,425	1,175,717	1,030,237
- hire purchase receivables	11,166,584	10,853,474	10,038,410	9,926,434
- lease receivables	218,857	240,857	-	-
- other term loans/financing	16,311,383	14,300,222	14,246,798	12,550,499
Bills receivable	1,307,180	1,576,790	1,205,543	1,491,722
Trust receipts	402,869	504,201	368,490	467,721
Claims on customers under acceptance credits	4,994,043	6,074,079	4,387,480	5,397,021
Staff loans/financing	374,298	373,149	360,847	359,899
Credit card receivables	2,194,291	2,104,609	2,194,291	2,104,609
Revolving credit	5,572,195	5,399,751	4,855,285	4,643,821
Floor stocking	3,802	4,374	3,802	4,374
	65,849,962	64,240,140	57,601,986	56,277,861
Unearned interest and income	(1,625,020)	(1,600,817)	(1,458,025)	(1,442,495)
	64,224,942	62,639,323	56,143,961	54,835,366
Gross loans, advances and financing				
Allowance for bad and doubtful debts and financing:				
- general	(1,121,900)	(1,098,400)	(976,329)	(956,085)
- specific	(1,622,904)	(1,413,048)	(1,443,742)	(1,279,234)
	61,480,138	60,127,875	53,723,890	52,600,047

(ii) By type of customers

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Domestic non-bank financial institutions				
- Others	503,931	528,718	474,937	497,642
Domestic business enterprises				
- Small medium enterprises	10,800,033	10,559,463	9,898,176	9,560,564
- Others	20,367,298	20,875,322	16,759,136	17,320,831
Government and statutory bodies	106,961	109,406	5,529	8,156
Individuals	27,523,666	25,969,287	25,139,200	23,717,135
Other domestic entities	31,640	29,320	24,737	19,100
Foreign entities				
- Malaysian operations	1,293,083	1,151,371	307,118	301,662
- Singapore operations	3,073,092	2,968,173	3,016,119	2,968,173
- Thailand operations	366,803	301,795	360,574	295,634
- Brunei operations	158,435	146,468	158,435	146,469
	64,224,942	62,639,323	56,143,961	54,835,366

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

11 Loans, advances and financing (cont'd)

(iii) By interest/profit rate sensitivity

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Fixed rate				
- Housing loans/financing	1,633,217	1,737,043	103,902	116,054
- Hire purchase receivables	9,561,391	9,419,595	8,588,447	8,497,153
- Other fixed rate loans/financing	4,177,052	4,295,830	2,515,223	2,369,673
Variable rate				
- Base Lending Rate plus	25,198,650	22,895,096	24,291,284	22,895,096
- Cost-plus	18,429,365	18,712,232	17,349,397	17,454,158
- Other variable rates	5,225,267	5,579,527	3,295,708	3,503,232
	64,224,942	62,639,323	56,143,961	54,835,366

(iv) By Purpose

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Purchase of securities	2,083,437	1,944,316	2,042,507	1,839,928
Purchase of transport vehicles	7,931,332	7,504,410	6,774,713	6,525,374
Purchase of landed property:				
- Residential	14,902,084	14,086,086	13,133,029	12,379,831
- Non-residential	3,320,589	3,000,602	3,220,629	2,970,408
Purchase of property, plant and equipment other than land and building	4,092,910	4,039,641	2,899,246	2,918,576
Personal use	2,018,180	1,998,890	2,002,385	1,978,539
Credit card	2,194,291	2,104,609	2,194,291	2,104,609
Purchase of consumer durables	70,223	74,568	70,083	74,409
Construction	2,110,518	1,967,084	1,470,456	1,338,606
Working capital	23,308,070	24,313,036	20,436,110	21,344,787
Other purposes	2,193,308	1,606,081	1,900,512	1,360,299
	64,224,942	62,639,323	56,143,961	54,835,366

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

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

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

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Balance as at the beginning of financial period/year	2,773,693	3,041,710	2,439,233	2,768,072
Classified as non-performing during the financial period/year	2,071,980	3,203,130	1,812,954	2,818,950
Reclassified as performing during the financial period/year	(1,346,851)	(2,515,683)	(1,238,253)	(2,278,804)
Amount recovered	(160,481)	(499,884)	(132,772)	(453,070)
Amount written off	(193,180)	(458,658)	(164,752)	(418,145)
Exchange difference	2,308	3,078	1,626	2,230
Balance as at the end of financial period/year	3,147,469	2,773,693	2,718,036	2,439,233
Specific allowance	(1,622,904)	(1,413,048)	(1,443,742)	(1,279,234)
Net non-performing loans, advances and financing	1,524,565	1,360,645	1,274,294	1,159,999
Ratio of net non-performing loans, advances and financing as % of gross loans, advances and financing less specific allowances	2.4%	2.2%	2.3%	2.2%

(ii) NPL/NPF by purpose

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Purchase of securities	11,089	16,926	11,089	16,926
Purchase of transport vehicles	250,736	225,721	244,245	223,391
Purchase of landed property:				
- Residential	1,114,401	1,048,348	926,596	870,154
- Non-residential	166,640	139,558	157,176	135,379
Purchase of property, plant and equipment other than land and building	101,433	81,098	77,302	57,739
Personal use	96,813	105,419	93,998	99,459
Credit card	77,189	56,368	77,189	56,368
Purchase of consumer durables	4,110	4,402	4,110	4,402
Construction	91,422	113,195	78,824	100,130
Working capital	1,225,866	974,908	1,039,802	867,535
Other purposes	7,770	7,750	7,705	7,750
	3,147,469	2,773,693	2,718,036	2,439,233

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

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

(iii) Movement in allowance for bad and doubtful debts

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
General allowance				
Balance as at the beginning of financial period/year	1,098,400	984,181	956,085	861,815
Net allowance made during the financial period/year	22,339	111,705	19,613	93,173
Exchange difference	1,161	2,514	631	1,097
Balance as at the end of financial period/year	<u>1,121,900</u>	<u>1,098,400</u>	<u>976,329</u>	<u>956,085</u>
As % of gross loans, advances and financing less specific allowance	<u>1.8%</u>	<u>1.8%</u>	<u>1.8%</u>	<u>1.8%</u>
Specific allowance				
Balance as at the beginning of financial period/year	1,413,048	1,210,801	1,279,234	1,096,365
Allowance made during the financial period/year	537,693	933,490	442,945	872,515
Amount recovered	(129,018)	(212,836)	(107,022)	(200,017)
Amount written off	(199,551)	(519,960)	(172,153)	(489,704)
Exchange difference	732	1,553	738	75
Balance as at the end of financial period/year	<u>1,622,904</u>	<u>1,413,048</u>	<u>1,443,742</u>	<u>1,279,234</u>

13 Other Assets

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Other debtors, deposits and prepayments	294,695	249,227	176,892	164,537
Amount due from holding company	-	-	12	-
Accrued interest receivable	162,821	168,018	141,814	146,082
Amounts due from subsidiaries	-	-	139,895	179,917
Amounts due from related companies	3,931	3,999	3,929	3,999
	<u>461,447</u>	<u>421,244</u>	<u>462,542</u>	<u>494,535</u>

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

14 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Demand deposits	18,176,360	17,269,380	15,913,438	15,340,752
Savings deposits	5,524,291	5,393,710	4,983,883	4,851,104
Fixed/Investment deposits	51,302,726	47,984,789	43,783,772	41,097,558
Negotiable instruments of deposits	375,862	363,384	314,805	303,534
	<u>75,379,239</u>	<u>71,011,263</u>	<u>64,995,898</u>	<u>61,592,948</u>

(ii) By type of customers

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Government and statutory bodies	5,726,520	4,999,837	3,578,978	3,172,030
Business enterprises	41,372,825	38,624,834	34,777,557	32,638,830
Individuals	25,246,010	24,644,304	24,364,136	23,785,076
Others	3,033,884	2,742,288	2,275,227	1,997,012
	<u>75,379,239</u>	<u>71,011,263</u>	<u>64,995,898</u>	<u>61,592,948</u>

15 Deposits And Placements Of Banks And Other Financial Institutions

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Licensed banks	3,936,010	5,216,204	3,429,997	4,737,405
Licensed investment banks	175,000	628,850	175,000	628,850
Bank Negara Malaysia	750,896	888,472	750,896	888,472
Other financial institutions	60,470	20,050	485	480
	<u>4,922,376</u>	<u>6,753,576</u>	<u>4,356,378</u>	<u>6,255,207</u>

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

16 Other Liabilities

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Accrued interest payable	323,155	377,684	292,175	328,966
Amount due to holding company	18	786	-	660
Amounts due to subsidiaries	-	-	26,723	29,251
Amounts due to related companies	2,169	5,701	2,138	5,652
Amount due to Danaharta	1,824	1,782	1,824	1,782
Finance lease	-	-	-	119
Prepaid instalment	78,134	82,327	78,134	82,327
Lessee deposits	76,601	79,704	625	460
Short term employee benefits	89,713	154,332	81,363	140,163
Other creditors and accruals	543,650	447,952	465,705	384,758
	1,115,264	1,150,268	948,687	974,138

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

17 Interest Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Half Year Ended	Preceding Corresponding Half Year Ended
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	745,466	753,720	1,523,471	1,507,166
- Recoveries from NPLs	38,328	67,682	73,814	109,370
Money at call and deposit placements with banks and other financial institutions	52,774	192,319	142,412	392,899
Securities purchased under resale agreements	239	18,193	470	40,748
Securities held-for-trading	380	11,521	15,311	27,111
Securities available-for-sale	60,828	45,020	106,392	95,206
Securities held-to-maturity	79,672	60,912	162,499	115,277
Others	1,840	3,574	3,754	6,130
	979,527	1,152,941	2,028,123	2,293,907
Amortisation of premium less accretion of discount	(9,043)	1,547	(16,700)	3,978
Interest suspended	(26,984)	(17,911)	(55,019)	(38,242)
	943,500	1,136,577	1,956,404	2,259,643

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Half Year Ended	Preceding Corresponding Half Year Ended
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPLs	724,029	730,597	1,478,712	1,455,873
- Recoveries from NPLs	37,878	67,322	72,926	108,554
Money at call and deposit placements with banks and other financial institutions	56,421	194,365	149,267	394,216
Securities purchased under resale agreements	239	18,193	470	40,748
Securities held-for-trading	380	9,991	15,311	23,826
Securities available-for-sale	60,744	44,922	106,224	94,969
Securities held-to-maturity	77,528	60,413	156,715	114,140
Others	3,678	3,573	3,754	6,130
	960,897	1,129,376	1,983,379	2,238,456
Amortisation of premium less accretion of discount	(8,175)	1,547	(14,525)	3,978
Interest suspended	(26,901)	(17,660)	(54,401)	(37,675)
	925,821	1,113,263	1,914,453	2,204,759

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

18 Interest Expense

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Half Year Ended	Preceding Corresponding Half Year Ended
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	12,002	41,389	32,827	93,801
Deposits from customers	279,813	462,831	633,864	932,289
Borrowings	3,625	3,454	9,519	7,652
Subordinated obligations	25,804	25,804	51,325	54,814
Recourse obligation on loans sold to Cagamas	10,799	19,502	24,297	40,352
Hybrid capital securities	7,432	-	7,514	-
Others	7,495	6,217	17,487	12,353
	<u>346,970</u>	<u>559,197</u>	<u>776,833</u>	<u>1,141,261</u>

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended	Preceding Corresponding Quarter Ended	Current Financial Half Year Ended	Preceding Corresponding Half Year Ended
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Bank				
Deposits and placements of banks and other financial institutions	12,359	39,186	32,578	89,736
Deposits from customers	274,060	453,876	617,448	907,547
Borrowings	3,625	3,454	9,519	7,652
Subordinated obligations	25,804	25,804	51,325	54,814
Recourse obligation on loans sold to Cagamas	10,799	19,502	24,297	40,352
Hybrid capital securities	7,432	-	7,514	-
Others	10,275	6,226	17,489	12,373
	<u>344,354</u>	<u>548,048</u>	<u>760,170</u>	<u>1,112,474</u>

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

19 Other Operating Income

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
a) Fee Income:				
Commission	30,221	30,281	60,705	58,390
Service charges and fees	37,525	45,758	73,337	86,659
Guarantee fees	10,596	17,504	17,918	27,778
Commitment fees	11,282	11,387	22,629	22,929
Underwriting fees	-	-	-	80
Other fees	3,136	2,621	5,320	5,201
	92,760	107,551	179,909	201,037
b) Gain/(Loss) arising from sale/redemption of securities and derivatives:				
Securities held-for-trading	4,217	(97)	26,090	11,943
Securities available-for-sale	645	(11,656)	947	(8,561)
Derivatives	-	27	-	52
	4,862	(11,726)	27,037	3,434
c) Gross dividend income from:				
Securities available-for-sale	62	3,463	62	4,668
	62	3,463	62	4,668
d) Unrealised gain/(loss) on revaluation of:				
Securities held-for-trading	9,083	(21,438)	12,304	(21,752)
Derivatives	(8,320)	(4,239)	7,939	(7,907)
	763	(25,677)	20,243	(29,659)
e) Other income:				
Foreign exchange gain/(loss)				
- Realised	102,252	33,829	66,389	103,775
- Unrealised	(46,062)	36,848	17,999	29,363
Gain from disposal of an associate	-	2,042	-	2,069
Gain on disposal of property, plant and equipment	1,300	3	2,610	7
Other operating income	13,512	10,549	24,666	21,244
Other non-operating income	2,851	1,857	4,225	11,114
	73,853	85,128	115,889	167,572
	172,300	158,739	343,140	347,052

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

19 Other Operating Income (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Bank</u>				
a) Fee Income:				
Commission	29,041	29,461	58,408	57,064
Service charges and fees	36,058	42,012	69,561	81,013
Guarantee fees	10,596	17,504	17,918	27,778
Commitment fees	11,282	11,387	22,629	22,929
Underwriting fees	-	-	-	80
Other fees	3,252	2,752	5,557	5,434
	<u>90,229</u>	<u>103,116</u>	<u>174,073</u>	<u>194,298</u>
b) Gain/(Loss) arising from sale/redemption of securities and derivatives:				
Securities held-for-trading	4,217	(97)	26,090	11,943
Securities available-for-sale	645	(11,656)	947	(8,561)
	<u>4,862</u>	<u>(11,753)</u>	<u>27,037</u>	<u>3,382</u>
c) Gross dividend income from:				
Securities available-for-sale	62	3,463	62	4,668
Subsidiaries	-	9,299	-	19,178
	<u>62</u>	<u>12,762</u>	<u>62</u>	<u>23,846</u>
d) Unrealised gain/(loss) on revaluation of:				
Securities held-for-trading	9,083	(18,280)	12,304	(19,846)
Derivatives	(11,639)	(6,748)	5,522	(7,994)
	<u>(2,556)</u>	<u>(25,028)</u>	<u>17,826</u>	<u>(27,840)</u>
e) Other income:				
Foreign exchange gain/(loss)				
- Realised	101,758	34,639	67,714	102,964
- Unrealised	(46,062)	36,848	17,999	29,363
Gain on liquidation of subsidiaries	1,625	-	1,625	-
Gain on disposal of property, plant and equipment	1,210	4	2,521	7
Other operating income	8,895	10,368	19,887	20,874
Other non-operating income	1,552	1,194	2,293	9,817
	<u>68,978</u>	<u>83,053</u>	<u>112,039</u>	<u>163,025</u>
	<u>161,575</u>	<u>162,150</u>	<u>331,037</u>	<u>356,711</u>

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

20 Income from Islamic Banking Business

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds	106,736	90,513	210,849	177,435
Income derived from investment of shareholders' funds	6,936	12,177	21,951	24,211
Transfer to profit equalisation reserve	22,652	9,757	5,737	5,268
Total distributable income	136,324	112,447	238,537	206,914
Income attributable to depositors	(34,913)	(41,673)	(76,705)	(80,068)
Income from Islamic Banking Business	101,411	70,774	161,832	126,846

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

21 Other Operating Expenses

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	124,559	140,604	282,275	293,291
- Contributions to Employees Provident Fund	20,331	20,868	43,674	42,648
- Other staff related cost	15,982	13,900	30,694	26,713
	160,872	175,372	356,643	362,652
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	16,133	16,702	32,255	33,887
- Written off	-	-	-	5
- Amortisation of prepaid land lease	126	127	252	250
- Rental of premises	12,644	11,161	24,716	21,897
- Rental equipment	2,549	3,118	5,924	6,208
- Insurance	5,617	2,611	12,729	7,138
- Water and electricity	4,754	3,996	9,258	7,784
- Repair and maintenance	9,722	11,489	20,594	21,540
- Information technology expenses	7,286	22,719	31,260	44,374
- Others	418	515	1,286	989
	59,249	72,438	138,274	144,072
<u>Marketing expenses</u>				
- Sales commission	13,055	6,108	19,152	12,257
- Advertisement and publicity	5,197	4,797	10,572	12,285
- Dealers' handling and warranty fees	3,519	(3,921)	6,306	3,374
- Others	15,230	(513)	28,175	13,250
	37,001	6,471	64,205	41,166
<u>Administration and general expenses</u>				
- Communication expenses	19,256	15,514	39,257	30,143
- Others	22,838	17,844	39,406	33,021
	42,094	33,358	78,663	63,164
	299,216	287,639	637,785	611,054

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

21 Other Operating Expenses (cont'd)

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	110,856	129,278	254,157	273,134
- Contributions to Employees Provident Fund	18,184	19,205	39,420	39,639
- Other staff related cost	14,308	13,071	27,863	25,133
	<u>143,348</u>	<u>161,554</u>	<u>321,440</u>	<u>337,906</u>
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	15,362	16,033	30,772	32,668
- Written off	-	-	-	5
- Amortisation of prepaid land lease	81	81	162	162
- Rental of premises	12,050	10,827	23,616	21,369
- Rental equipment	2,481	3,059	5,779	6,082
- Insurance	5,151	2,356	12,176	6,694
- Water and electricity	4,354	3,686	8,550	7,207
- Repair and maintenance	9,769	10,592	19,629	19,959
- Information technology expenses	4,744	21,704	26,800	42,380
	<u>53,992</u>	<u>68,338</u>	<u>127,484</u>	<u>136,526</u>
<u>Marketing expenses</u>				
- Sales commission	12,638	6,050	18,695	12,154
- Advertisement and publicity	3,887	4,363	7,648	11,482
- Dealers' handling and warranty fees	2,908	(4,156)	5,353	2,947
- Others	13,790	3,404	25,512	16,161
	<u>33,223</u>	<u>9,661</u>	<u>57,208</u>	<u>42,744</u>
<u>Administration and general expenses</u>				
- Communication expenses	17,767	14,294	36,164	27,700
- Others	13,184	6,005	19,748	8,111
	<u>30,951</u>	<u>20,299</u>	<u>55,912</u>	<u>35,811</u>
	<u>261,514</u>	<u>259,852</u>	<u>562,044</u>	<u>552,987</u>

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

22 Allowances For Losses On Loans And Financing

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Group</u>				
Allowance for losses on loans and financing:				
Specific allowance				
- Made during the financial period	282,315	222,165	537,693	436,194
- Written back	(78,219)	(52,625)	(129,018)	(103,938)
General allowance				
- Made during the financial period	27,152	18,063	22,339	39,542
Bad debts on loans and financing				
- Recovered	(37,111)	(26,166)	(65,327)	(62,187)
	<u>194,137</u>	<u>161,437</u>	<u>365,687</u>	<u>309,611</u>

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009 RM'000	Preceding Corresponding Quarter Ended 30.06.2008 RM'000	Current Financial Half Year Ended 30.06.2009 RM'000	Preceding Corresponding Half Year Ended 30.06.2008 RM'000
<u>Bank</u>				
Allowance for losses on loans and financing:				
Specific allowance				
- Made during the financial period	221,921	205,294	442,945	414,294
- Written back	(57,922)	(48,012)	(107,022)	(97,040)
General allowance				
- Made during the financial period	19,575	15,330	19,613	38,496
Bad debts on loans and financing				
- Recovered	(35,735)	(25,806)	(63,543)	(61,462)
	<u>147,839</u>	<u>146,806</u>	<u>291,993</u>	<u>294,288</u>

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

23 Impairment Losses

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Charged for the financial period:				
- Securities available-for-sale	-	-	-	2,119
- Foreclosed properties	36	-	129	-
- Property, plant and equipment	-	188	-	188
Reversal for the financial period:				
- Securities available-for-sale	(2,843)	(3,105)	(8,584)	(3,105)
- Securities held-to-maturity	(221)	(5,980)	(13,999)	(10,739)
- Foreclosed properties	(73)	-	(82)	-
	<u>(3,101)</u>	<u>(8,897)</u>	<u>(22,536)</u>	<u>(11,537)</u>

	<u>Individual Quarter</u>		<u>Cumulative Six Months</u>	
	Current Financial Quarter Ended 30.06.2009	Preceding Corresponding Quarter Ended 30.06.2008	Current Financial Half Year Ended 30.06.2009	Preceding Corresponding Half Year Ended 30.06.2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Charged for the financial period:				
- Securities available-for-sale	-	-	-	2,119
- Foreclosed properties	36	-	129	-
Reversal for the financial period:				
- Securities available-for-sale	(229)	(3,105)	(5,970)	(3,105)
- Securities held-to-maturity	(221)	(5,980)	(13,999)	(10,739)
- Foreclosed properties	(73)	-	(82)	-
	<u>(487)</u>	<u>(9,085)</u>	<u>(19,922)</u>	<u>(11,725)</u>

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

24 Capital Adequacy

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

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

	RHB Bank*		RHB Islamic Bank	
	Unaudited	Audited	Unaudited	Audited
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Tier I Capital				
Paid-up ordinary share capital	3,318,085	3,318,085	523,424	523,424
Hybrid capital securities	366,887	-	-	-
Share premium	8,563	8,563	-	-
Retained profits	1,219,534	1,008,581	135,437	135,437
Other reserves	2,258,228	2,121,478	166,005	166,005
	7,171,297	6,456,707	824,866	824,866
Less: Goodwill	(905,519)	(905,519)	-	-
Deferred tax assets	(260,943)	(233,116)	(19,960)	(19,960)
Total Tier I capital	6,004,835	5,318,072	804,906	804,906
Tier II Capital				
Subordinated obligations	2,000,000	2,000,000	-	-
General allowance for bad and doubtful debts and financing	1,019,796	995,859	98,584	97,984
Total Tier II capital	3,019,796	2,995,859	98,584	97,984
Less : Investment in subsidiaries	(622,666)	(628,640)	-	-
Less : Other deduction [#]	(3,816)	-	(152)	-
Total capital base	8,398,149	7,685,291	903,338	902,890
Capital ratios				
Before proposed dividends:				
Core capital ratio	9.78%	8.77%	12.46%	12.07%
Risk-weighted capital ratio	13.68%	12.67%	13.99%	13.54%
After proposed dividends:				
Core capital ratio	9.78%	8.51%	12.46%	12.07%
Risk-weighted capital ratio	13.68%	12.42%	13.99%	13.54%

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

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

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

25 Commitments And Contingencies

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

<u>Group</u>	← As at 30.06.2009 Unaudited →			← As at 31.12.2008 Audited →		
	Principal amount	Credit equivalent amount *	Risk weighted amount	Principal amount	Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,204,822	2,204,822	1,950,575	2,227,027	2,227,027	1,956,620
Transaction-related contingent items	2,212,161	1,106,081	865,763	1,979,017	989,509	758,306
Short-term self-liquidating trade related contingencies	2,010,028	402,005	285,005	1,694,141	338,828	221,319
Obligations under underwriting agreements	283,240	141,620	141,620	283,240	141,620	141,620
Irrevocable commitments to extend credit:						
- maturity more than one year	4,614,321	2,307,160	1,787,158	4,757,666	2,378,834	2,150,746
- maturity less than one year	28,302,073	249,129	249,129	25,712,205	237,865	237,865
Foreign exchange related contracts:						
- less than one year	8,052,942	160,138	52,677	9,344,283	229,785	82,948
- one year to less than five years	123,202	7,539	2,768	9,364	1,063	396
- more than five years	1,407,600	204,040	70,977	1,381,000	204,225	71,014
Interest rate related contracts:						
- less than one year	995,378	6,621	1,344	1,009,714	2,617	669
- one year to less than five years	7,008,427	319,600	70,807	6,715,522	350,977	73,415
- more than five years	421,162	38,100	11,862	229,215	23,487	5,444
Miscellaneous	1,509,396	-	-	1,379,211	3,718	3,718
Total	59,144,752	7,146,855	5,489,685	56,721,605	7,129,555	5,704,080

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

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

25 Commitments And Contingencies (cont'd)

Bank	← As at 30.06.2009 →			← As at 31.12.2008 →		
	Principal amount	Unaudited Credit equivalent amount *	Risk weighted amount	Principal amount	Audited Credit equivalent amount *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	1,989,101	1,989,101	1,734,854	1,950,898	1,950,898	1,680,491
Transaction-related contingent items	2,023,547	1,011,774	781,658	1,829,817	914,909	683,706
Short-term self-liquidating trade related contingencies	1,891,736	378,347	261,347	1,575,968	315,194	197,685
Obligations under underwriting agreements	213,240	106,620	106,620	213,240	106,620	106,620
Irrevocable commitments to extend credit:						
- maturity more than one year	4,049,210	2,024,605	1,512,981	4,003,353	2,001,677	1,773,589
- maturity less than one year	26,849,840	-	-	24,353,813	-	-
Foreign exchange related contracts:						
- less than one year	8,052,942	160,138	52,677	9,344,283	229,785	82,948
- one year to less than five years	123,202	7,539	2,768	9,364	1,063	396
- more than five years	1,407,600	204,040	70,977	1,381,000	204,225	71,014
Interest rate related contracts:						
- less than one year	995,378	6,621	1,344	905,659	2,357	539
- one year to less than five years	7,008,427	317,669	68,136	6,715,148	350,645	70,849
- more than five years	400,049	32,605	9,115	208,404	22,239	4,820
Miscellaneous	1,509,396	-	-	1,360,623	-	-
Total	56,513,668	6,239,059	4,602,477	53,851,570	6,099,612	4,672,657

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

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

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

26 Interest/Profit Rate Risk

Group

30.06.2009

	← Non-trading book →						Trading book RM'000	Total RM'000	Effective interest/profit rate %
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years	Non-interest sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Assets									
Cash and short term funds	11,424,407	-	-	-	-	1,006,997	-	12,431,404	2.05
Securities purchased under resale agreements	634,219	199,988	-	-	-	-	-	834,207	1.99
Deposits and placements with banks and other financial institutions	-	792,093	200,000	-	-	-	-	992,093	2.06
Securities held-for-trading	-	-	-	-	-	-	403,658	403,658	2.06
Securities available-for-sale	174,892	178,170	442,146	3,571,602	1,901,357	171,924	-	6,440,091	4.40
Securities held-to-maturity	1,125,271	1,679,234	774,078	5,376,845	2,051,144	(136,034) #	-	10,870,538	3.68
Loans, advances & financing									
- performing	37,844,163	7,383,324	4,729,897	5,894,353	5,225,736	-	-	61,077,473	5.88
- non-performing	-	-	-	-	-	402,665 *	-	402,665	-
Other assets	-	-	-	-	-	461,447	-	461,447	-
Derivative assets	-	-	-	-	-	-	254,114	254,114	-
Tax recoverable	-	-	-	-	-	2,642	-	2,642	-
Deferred tax assets	-	-	-	-	-	298,551	-	298,551	-
Statutory deposits	-	-	-	-	-	607,981	-	607,981	-
Property, plant and equipment	-	-	-	-	-	538,912	-	538,912	-
Prepaid land lease	-	-	-	-	-	102,867	-	102,867	-
Goodwill	-	-	-	-	-	1,004,017	-	1,004,017	-
Total assets	51,202,952	10,232,809	6,146,121	14,842,800	9,178,237	4,461,969	657,772	96,722,660	
Liabilities									
Deposits from customers	37,592,493	6,541,425	13,728,731	700,304	-	16,816,286	-	75,379,239	2.02
Deposits and placements of banks and other financial institutions	1,376,579	2,347,288	545,767	637,052	14,736	954	-	4,922,376	2.35
Bills and acceptances payable	1,358,055	1,763,383	722,145	-	-	218,788	-	4,062,371	2.27
Recourse obligation on loans sold to Cagamas Berhad	-	43,761	162,732	581,559	-	-	-	788,052	5.06
Other liabilities	-	-	-	-	-	1,115,264	-	1,115,264	-
Derivative liabilities	-	-	-	-	-	-	219,601	219,601	-
Provision for taxation	-	-	-	-	-	74,479	-	74,479	-
Deferred tax liabilities	-	-	-	-	-	6	-	6	-
Long term borrowings	-	651,015	-	-	-	-	-	651,015	2.18
Subordinated obligations	-	-	-	1,300,000	700,000	-	-	2,000,000	5.18
Hybrid capital securities	-	-	-	-	366,887	-	-	366,887	8.00
	40,327,127	11,346,872	15,159,375	3,218,915	1,081,623	18,225,777	219,601	89,579,290	
Total equity	-	-	-	-	-	7,143,370	-	7,143,370	-
Total liabilities and equity	40,327,127	11,346,872	15,159,375	3,218,915	1,081,623	25,369,147	219,601	96,722,660	
On-balance sheet interest sensitivity gap	10,875,825	(1,114,063)	(9,013,254)	11,623,885	8,096,614	(20,907,178)	438,171	-	
Off-balance sheet interest sensitivity gap	253,663	601,504	118,454	814,524	318,937	-	-	2,107,082	
Total interest-sensitivity gap	11,129,488	(512,559)	(8,894,800)	12,438,409	8,415,551	(20,907,178)	438,171	2,107,082	

Consist of equity instruments less impairment loss.

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

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

26 Interest/Profit Rate Risk (cont'd)

Group

31.12.2008

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

Consist of equity instruments less impairment loss.

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

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

26 Interest Rate Risk (cont'd)

Bank

30.06.2009

	← Non-trading book →						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month	> 1-3 months	> 3-12 months	1-5 years	Over 5 years	Non-interest sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Assets									
Cash and short term funds	9,088,427	-	-	-	-	823,858	-	9,912,285	2.05
Securities purchased under resale agreements	634,219	199,988	-	-	-	-	-	834,207	1.99
Deposits and placements with banks and other financial institutions	-	611,556	200,000	-	527,850	-	-	1,339,406	2.10
Securities held-for-trading	-	-	-	-	-	-	362,743	362,743	1.82
Securities available-for-sale	174,892	178,170	442,146	2,912,680	1,678,702	169,600	-	5,556,190	4.47
Securities held-to-maturity	825,149	1,650,026	654,396	4,822,398	1,736,464	(136,034) #	-	9,552,399	3.60
Loans, advances & financing									
- performing	36,414,010	5,908,230	3,877,650	5,274,992	1,951,043	-	-	53,425,925	5.91
- non-performing	-	-	-	-	-	297,965 *	-	297,965	-
Other assets	-	-	-	-	-	462,542	-	462,542	-
Derivative assets	-	-	-	-	-	-	247,744	247,744	-
Deferred tax assets	-	-	-	-	-	260,943	-	260,943	-
Statutory deposits	-	-	-	-	-	534,140	-	534,140	-
Investment in subsidiaries	-	-	-	-	-	822,982	-	822,982	-
Property, plant and equipment	-	-	-	-	-	447,826	-	447,826	-
Prepaid land lease	-	-	-	-	-	20,778	-	20,778	-
Goodwill	-	-	-	-	-	905,519	-	905,519	-
Total assets	47,136,697	8,547,970	5,174,192	13,010,070	5,894,059	4,610,119	610,487	84,983,594	
Liabilities									
Deposits from customers	31,580,235	5,376,717	11,490,886	687,137	-	15,860,923	-	64,995,898	2.10
Deposits and placements of banks and other financial institutions	1,194,669	1,828,390	680,577	637,052	14,736	954	-	4,356,378	2.41
Bills and acceptances payable	1,358,056	1,763,383	719,850	-	-	210,166	-	4,051,455	2.27
Recourse obligation on loans sold to Cagamas Berhad	-	43,761	162,732	581,559	-	-	-	788,052	5.06
Other liabilities	-	-	-	-	-	948,687	-	948,687	-
Derivative liabilities	-	-	-	-	-	-	211,436	211,436	-
Provision for taxation	-	-	-	-	-	67,541	-	67,541	-
Long term borrowings	-	651,015	-	-	-	-	-	651,015	2.18
Subordinated obligations	-	-	-	1,300,000	700,000	-	-	2,000,000	5.18
Hybrid capital securities	-	-	-	-	366,887	-	-	366,887	8.00
	34,132,960	9,663,266	13,054,045	3,205,748	1,081,623	17,088,271	211,436	78,437,349	
Total equity	-	-	-	-	-	6,546,245	-	6,546,245	-
Total liabilities and equity	34,132,960	9,663,266	13,054,045	3,205,748	1,081,623	23,634,516	211,436	84,983,594	
On-balance sheet interest sensitivity gap	13,003,737	(1,115,296)	(7,879,853)	9,804,322	4,812,436	(19,024,397)	399,051	-	
Off-balance sheet interest sensitivity gap	112,444	523,389	(205,215)	955,594	340,051	-	-	1,726,263	
Total interest-sensitivity gap	13,116,181	(591,907)	(8,085,068)	10,759,916	5,152,487	(19,024,397)	399,051	1,726,263	

Consist of equity instruments less impairment loss.

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

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

26 Interest Rate Risk (cont'd)

Bank

31.12.2008

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

Consist of equity instruments less impairment loss.

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

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

27 Segmental Reporting On Revenue And Profit

Group - 6 months ended 30.06.2009

	Corporate & Investment Banking RM'000	Retail Banking RM'000	Treasury & Money Market RM'000	Islamic Banking RM'000	International Banking RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	401,664	1,318,805	414,632	161,832	156,706	7,737	-	2,461,376
Inter-segment revenue	3,604	-	9,130	1,297	1,558	397	(15,986)	-
Total revenue	405,268	1,318,805	423,762	163,129	158,264	8,134	(15,986)	2,461,376
Segment results	141,703	390,505	129,937	57,290	31,469	85,756	-	836,660
Subordinated obligations								(51,325)
Unallocated expenses								(81,728)
Profit before taxation								703,607
Taxation								(170,777)
Net profit for the financial period								532,830

Group - 6 months ended 30.06.2008

	Corporate & Investment Banking RM'000	Retail Banking RM'000	Treasury & Money Market RM'000	Islamic Banking RM'000	International Banking RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	485,737	1,320,822	674,460	126,846	117,487	8,189	-	2,733,541
Inter-segment revenue	1,219	-	9,041	684	1,539	542	(13,025)	-
Total revenue	486,956	1,320,822	683,501	127,530	119,026	8,731	(13,025)	2,733,541
Segment results	113,522	423,190	105,967	87,432	51,599	89,194	-	870,904
Subordinated obligations								(54,814)
Unallocated expenses								(132,938)
								683,152
Share of results of an associate								38
Profit before INCPS dividends and taxation								683,190
INCPS dividends								(23,788)
Taxation								(168,878)
Net profit for the financial period								490,524

28 Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties are as follows:

	Group		Bank	
	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000	Unaudited As at 30.06.2009 RM'000	Audited As at 31.12.2008 RM'000
Outstanding credit exposures with connected parties	3,962,948	5,858,767	3,135,323	5,089,711
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	5.35%	8.13%	4.84%	8.10%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	0.01%	0.04%	0.01%	0.03%

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

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

29 Valuation of Property, Plant and Equipment

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

30 Event subsequent to Balance Sheet Date

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

31 Changes in the Composition of the Group and the Bank

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

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

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

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

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

32 Changes in Profit for the Quarter

For the second quarter ended 30 June 2009, the Group recorded a pre-tax profit of RM379.9 million, up by 17.4% as compared to RM323.6 million recorded in the preceding quarter ended 31 March 2009. The higher profit was mainly due to higher net interest income by RM13.5 million, higher income from Islamic banking business by RM41.0 million, higher other operating income by RM1.6 million and lower other operating expenses by RM39.4 million; partly offset by higher allowance for losses on loans and financing by RM22.6 million and lower reversal of impairment loss by RM16.5 million respectively.

33 Performance Review

For the six months ended 30 June 2009, the Group recorded a pre-tax profit of 703.6 million, 6.7% higher than that of the previous year corresponding period of RM659.4 million. The higher profit was mainly due to higher net interest income by RM61.2 million, higher income from Islamic Banking business by RM35.0 million, higher reversal of impairment loss by RM11.0 million and lower INCPS dividend by RM23.7 million; partly offset by higher allowance for losses on loans and financing by RM56.1 million, lower other operating income by RM3.9 million and higher other operating expenses by RM56.1 million respectively.

34 Prospects for the Financial Year Ending 31 December 2009

The banking sector in Malaysia remained resilient despite a weak global economy in the 1st half of the year. With the continuing proactive action of Bank Negara Malaysia and the Government in the form of support for the SME sector, low interest rate environment and implementation of the economic stimulus packages, we are optimistic that there will be an improvement in the domestic economy towards the next half of the year.

In line with the anticipated improvement in the domestic economy and driven by the Group's strengthening performance in its Retail and Corporate Investment Bank Strategic Business Units, the Group expects to achieve a satisfactory performance in 2009.