



RHB Capital Berhad 312952-H

Level 10, Tower One, RHB Centre, Jalan Tun Razak,

50400 Kuala Lumpur, Malaysia

TEL +603 9285 2233 FAX +603 2142 7568

**ANNOUNCEMENT OF UNAUDITED RESULTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

The Board of Directors of RHB Capital Berhad ('The Board') wishes to announce that the unaudited results of the Group and Company for the nine months ended 30 September 2009 are as follows:

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Note	3rd quarter ended		Nine months ended	
		30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	A8	<b>1,031,536</b>	1,193,484	<b>3,116,163</b>	3,620,866
Interest expense	A9	<b>(420,056)</b>	(639,603)	<b>(1,336,804)</b>	(1,976,774)
Net interest income		<b>611,480</b>	553,881	<b>1,779,359</b>	1,644,092
Other operating income	A10	<b>232,127</b>	226,986	<b>677,490</b>	683,561
		<b>843,607</b>	780,867	<b>2,456,849</b>	2,327,653
Income from Islamic Banking business		<b>79,260</b>	73,653	<b>240,955</b>	200,353
Net operating income		<b>922,867</b>	854,520	<b>2,697,804</b>	2,528,006
Other operating expenses	A11	<b>(381,115)</b>	(367,798)	<b>(1,096,054)</b>	(1,075,916)
Operating profit before allowances		<b>541,752</b>	486,722	<b>1,601,750</b>	1,452,090
Allowance for losses on loans and financing	A12	<b>(100,728)</b>	16,934	<b>(467,909)</b>	(288,736)
Impairment loss		<b>5,106</b>	(14,808)	<b>27,073</b>	(3,271)
		<b>446,130</b>	488,848	<b>1,160,914</b>	1,160,083
Share of results of associates		<b>10</b>	(116)	<b>32</b>	412
Share of results of joint venture		<b>106</b>	-	<b>358</b>	-
<b>Profit before taxation</b>		<b>446,246</b>	488,732	<b>1,161,304</b>	1,160,495
Taxation	B5	<b>(109,606)</b>	(130,137)	<b>(290,636)</b>	(307,435)
<b>Net profit for the financial period</b>		<b>336,640</b>	358,595	<b>870,668</b>	853,060
Attributable to:					
- Equity holders of the Company		<b>334,809</b>	358,344	<b>864,979</b>	851,835
- Minority interests		<b>1,831</b>	251	<b>5,689</b>	1,225
		<b>336,640</b>	358,595	<b>870,668</b>	853,060
<b>Earnings per share</b>					
- Basic (sen)	B13	<b>15.5</b>	16.6	<b>40.2</b>	39.6
- Diluted (sen)	B13	<b>15.5</b>	16.6	<b>40.2</b>	39.6

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



**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED INCOME STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Note	3rd quarter ended		Nine months ended	
		30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
		RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>					
Interest income	A8	22	207	83	1,366
Interest expense	A9	(32,511)	(39,500)	(102,190)	(109,729)
Net interest expense		<u>(32,489)</u>	<u>(39,293)</u>	<u>(102,107)</u>	<u>(108,363)</u>
Other operating income	A10	13,479	251,361	308,505	295,901
Net operating (loss)/income		<u>(19,010)</u>	<u>212,068</u>	<u>206,398</u>	<u>187,538</u>
Other operating expenses	A11	(4,823)	(10,706)	(14,175)	(25,988)
<b>(Loss)/Profit before taxation</b>		<u>(23,833)</u>	<u>201,362</u>	<u>192,223</u>	<u>161,550</u>
Taxation	B5	3,082	(34,011)	(51,687)	(34,176)
<b>Net (loss)/profit for the financial period</b>		<u><u>(20,751)</u></u>	<u><u>167,351</u></u>	<u><u>140,536</u></u>	<u><u>127,374</u></u>

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



**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009**

		<b>Unaudited</b>	<b>Audited</b>
		<b>As at</b>	<b>As at</b>
	Note	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>			
<b>ASSETS</b>			
Cash and short term funds		15,929,924	14,346,451
Securities purchased under resale agreements		983,419	106,565
Deposits and placements with banks and other financial institutions		2,000,301	555,126
Securities held-for-trading	A13	1,368,996	5,325,966
Securities available-for-sale ('Securities AFS')	A14	9,411,638	6,212,714
Securities held-to-maturity	A15	10,295,632	9,616,812
Loans, advances and financing	A16	64,095,959	60,596,120
Clients' and brokers' balances		288,978	175,303
Other assets	A17	520,702	549,448
Derivative assets		257,491	380,161
Statutory deposits		254,617	1,579,678
Tax recoverable		73,597	94,929
Deferred tax assets		275,775	275,016
Investments in associates		11,169	11,137
Investments in joint venture		26,446	26,349
Prepaid land lease		104,146	102,779
Property, plant and equipment		814,656	792,046
Goodwill		3,786,169	3,786,169
Total assets		<b>110,499,615</b>	<b>104,532,769</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A18/B9(a)	82,051,367	73,962,224
Deposits and placements of banks and other financial institutions	A19/B9(a)	6,808,255	8,682,147
Bills and acceptances payable		4,026,912	4,935,512
Clients' and brokers' balances		399,557	289,053
Other liabilities	A20	1,509,753	1,498,770
Derivative liabilities		251,152	384,879
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		728,359	1,173,754
Taxation		77,568	91,196
Deferred tax liabilities		333	1,760
Borrowings	B9(b)	3,617,762	3,432,534
Subordinated obligations	B9(c)	2,240,000	2,240,000
Hybrid Tier-1 Capital Securities	B9(d)	366,941	-
Total liabilities		<b>102,077,959</b>	<b>96,691,829</b>
Share capital		2,153,475	2,153,475
Reserves		6,237,376	5,660,952
		<b>8,390,851</b>	<b>7,814,427</b>
Minority interests		30,805	26,513
Total equity		<b>8,421,656</b>	<b>7,840,940</b>
Total liabilities and equity		<b>110,499,615</b>	<b>104,532,769</b>
Commitments and contingencies	A25(a)	62,677,738	60,734,924
Net assets per share attributable to equity holders of the Company (RM)		<b>3.90</b>	<b>3.63</b>

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



**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED BALANCE SHEET AS AT 30 SEPTEMBER 2009**

	Note	<b>Unaudited As at 30 Sept 2009 RM'000</b>	<b>Audited As at 31 Dec 2008 RM'000</b>
<b><u>Company</u></b>			
<b>ASSETS</b>			
Cash and short term funds		118,120	20,619
Deposits and placements with banks and other financial institutions		858	1,253
Other assets	A17	37,262	33,806
Amounts due from subsidiaries		9,074	10,319
Tax recoverable		63,830	54,804
Investments in subsidiaries		8,782,439	8,782,439
Property, plant and equipment		388	373
Total assets		<b><u>9,011,971</u></b>	<b><u>8,903,613</u></b>
<b>LIABILITIES AND EQUITY</b>			
Other liabilities	A20	49,176	53,420
Amounts due to subsidiaries		154,992	153,093
Deferred tax liabilities		16	16
Borrowings	B9(b)	2,998,682	2,776,559
Total liabilities		<b><u>3,202,866</u></b>	<b><u>2,983,088</u></b>
Share capital		2,153,475	2,153,475
Reserves		3,655,630	3,767,050
Total equity		<b><u>5,809,105</u></b>	<b><u>5,920,525</u></b>
Total liabilities and equity		<b><u>9,011,971</u></b>	<b><u>8,903,613</u></b>

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



**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Attributable to equity holders of the Company							Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	Other reserves	AFS reserves	Translation reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>Group</b>										
<b>Balance as at 1 January 2009</b>	2,153,475	2,352,093	1,944,654	8,563	22,785	(10,875)	1,343,732	7,814,427	26,513	7,840,940
Currency translation differences	-	-	-	-	-	12,540	-	12,540	-	12,540
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(40,480)	-	-	(40,480)	60	(40,420)
Net transfer to income statement on disposal or impairment	-	-	-	-	(25,239)	-	-	(25,239)	128	(25,111)
Deferred tax	-	-	-	-	16,580	-	-	16,580	(47)	16,533
Income and expenses recognised directly in equity	-	-	-	-	(49,139)	12,540	-	(36,599)	141	(36,458)
Net profit for the financial period	-	-	-	-	-	-	864,979	864,979	5,689	870,668
Total income and expenses recognised for the financial period	-	-	-	-	(49,139)	12,540	864,979	828,380	5,830	834,210
Transfer in respect of statutory requirements	-	-	122,374	-	-	-	(122,374)	-	-	-
Ordinary dividends	-	-	-	-	-	-	(251,956)	(251,956)	(1,538)	(253,494)
<b>Balance as at 30 September 2009</b>	<b>2,153,475</b>	<b>2,352,093</b>	<b>2,067,028</b>	<b>8,563</b>	<b>(26,354)</b>	<b>1,665</b>	<b>1,834,381</b>	<b>8,390,851</b>	<b>30,805</b>	<b>8,421,656</b>

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



RHB CAPITAL BERHAD (312952 – H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Attributable to equity holders of the Company							Minority interests	Total equity	
	Share capital	Share premium	Reserve funds	Other reserves	AFS reserves	Translation reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>Group</b>										
<b>Balance as at 1 January 2008</b>	2,153,475	2,352,093	1,668,014	8,563	24,257	(10,149)	852,107	7,048,360	25,628	7,073,988
Currency translation differences	-	-	-	-	-	5,202	-	5,202	-	5,202
Unrealised net loss on revaluation of securities AFS	-	-	-	-	(154,124)	-	-	(154,124)	(407)	(154,531)
Net transfer to income statement on disposal or impairment	-	-	-	-	19,666	-	-	19,666	(12)	19,654
Deferred tax	-	-	-	-	36,441	-	-	36,441	109	36,550
Income and expenses recognised directly in equity	-	-	-	-	(98,017)	5,202	-	(92,815)	(310)	(93,125)
Net profit for the financial period	-	-	-	-	-	-	851,835	851,835	1,225	853,060
Total income and expenses recognised for the financial period	-	-	-	-	(98,017)	5,202	851,835	759,020	915	759,935
Transfer in respect of statutory requirements	-	-	107,504	-	-	-	(107,504)	-	-	-
Ordinary dividends	-	-	-	-	-	-	(280,469)	(280,469)	-	(280,469)
<b>Balance as at 30 September 2008</b>	<u>2,153,475</u>	<u>2,352,093</u>	<u>1,775,518</u>	<u>8,563</u>	<u>(73,760)</u>	<u>(4,947)</u>	<u>1,315,969</u>	<u>7,526,911</u>	<u>26,543</u>	<u>7,553,454</u>

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



RHB CAPITAL BERHAD (312952 – H)

CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	<u>Share capital</u> RM'000	<u>Non- distributable Share premium</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
<b><u>Company</u></b>				
<b>Balance as at 1 January 2009</b>	2,153,475	2,352,093	1,414,957	5,920,525
Net profit for the financial period	-	-	140,536	140,536
Ordinary dividends	-	-	(251,956)	(251,956)
<b>Balance as at 30 September 2009</b>	<u><u>2,153,475</u></u>	<u><u>2,352,093</u></u>	<u><u>1,303,537</u></u>	<u><u>5,809,105</u></u>
<b>Balance as at 1 January 2008</b>	2,153,475	2,352,093	1,606,509	6,112,077
Net profit for the financial period	-	-	127,374	127,374
Ordinary dividends	-	-	(280,469)	(280,469)
<b>Balance as at 30 September 2008</b>	<u><u>2,153,475</u></u>	<u><u>2,352,093</u></u>	<u><u>1,453,414</u></u>	<u><u>5,958,982</u></u>

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



**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Nine months ended	
	30 Sept 2009	30 Sept 2008
	RM'000	RM'000
<b>Group</b>		
<b>Operating activities</b>		
Profit before taxation	1,161,304	1,160,495
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	<u>(24,005)</u>	123,217
Operating profit before working capital changes	1,137,299	1,283,712
Net changes in operating assets	(2,908,687)	(3,080,955)
Net changes in operating liabilities	<u>4,974,150</u>	(1,205,962)
Cash generated from/(used in) operations	3,202,762	(3,003,205)
Taxation paid	(316,374)	(282,246)
Taxation recovered	<u>49,841</u>	5,899
Net cash generated from/(used in) operating activities	<u>2,936,229</u>	<u>(3,279,552)</u>
<b>Investing activities</b>		
Increase in investments in subsidiaries	-	(1,506,647)
Purchase of property, plant and equipment	(82,359)	(81,405)
Net (purchase)/sale of securities	(2,129,909)	(270,458)
Interest received from securities	502,588	385,922
Proceeds from disposal of an associate	-	7,069
Investment income received from securities	52,977	10,011
Dividend income received from securities	4,876	9,252
Proceeds from disposal of property, plant and equipment	<u>5,649</u>	11
Net cash used in investing activities	<u>(1,646,178)</u>	<u>(1,446,245)</u>
<b>Financing activities</b>		
Proceeds from issuance of Hybrid Tier-1 Capital Securities	366,941	-
Drawdown of borrowings	681,530	1,983,875
Repayment of borrowings	(502,475)	(492,976)
Payment to hire-purchase creditors	(146)	(280)
Net proceeds from issuance of subordinated notes	-	70,000
Redemption of subordinated notes	-	(479,100)
Dividends paid to equity holders of the Company	(251,956)	(280,469)
Dividends paid to minority interests in a subsidiary company	<u>(1,538)</u>	-
Net cash generated from financing activities	<u>292,356</u>	<u>801,050</u>
Net increase/(decrease) in cash and cash equivalents	1,582,407	(3,924,747)
Cash and cash equivalents		
- at the beginning of the financial period	<u>14,345,581</u>	19,048,118
- at the end of the financial period	<u>15,927,988</u>	<u>15,123,371</u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	15,929,924	15,123,383
Overdrafts	<u>(1,936)</u>	(12)
	<u>15,927,988</u>	<u>15,123,371</u>

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





**RHB CAPITAL BERHAD (312952 – H)**

**CONDENSED CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Nine months ended	
	30 Sept 2009	30 Sept 2008
	RM'000	RM'000
<b><u>Company</u></b>		
<b>Operating activities</b>		
Profit before taxation	192,223	161,550
Adjustments for investing and financing items and other items not involving the movement of cash and cash equivalents	<u>(206,025)</u>	<u>(186,645)</u>
Operating loss before working capital changes	(13,802)	(25,095)
Net changes in operating assets	(1,872)	(1,871)
Net changes in operating liabilities	<u>(781)</u>	<u>(2,835)</u>
Cash used in operations	(16,455)	(29,801)
Tax recovered	16,455	-
Net cash used in operating activities	<u>-</u>	<u>(29,801)</u>
<b>Investing activities</b>		
Increase in investment in subsidiaries	-	(1,506,647)
Capital repayment from a subsidiary	-	75,000
Dividend income received from subsidiaries	231,506	218,143
Purchase of property, plant and equipment	(225)	(138)
Interest income received	139	1,400
Proceeds from disposal of property, plant and equipment	<u>150</u>	<u>-</u>
Net cash generated from/(used in) investing activities	<u>231,570</u>	<u>(1,212,242)</u>
<b>Financing activities</b>		
Drawdown of borrowings	685,430	1,639,800
Repayment of borrowings	(466,380)	(459,800)
Dividends paid to equity holders of the Company	(251,956)	(280,469)
Interest expense paid	(102,083)	(119,783)
Payment to hire-purchase creditors	<u>(146)</u>	<u>(280)</u>
Net cash (used in)/generated from financing activities	<u>(135,135)</u>	<u>779,468</u>
Net increase/(decrease) in cash and cash equivalents	96,435	(462,575)
Cash and cash equivalents		
- at the beginning of the financial period	<u>19,749</u>	<u>476,425</u>
- at the end of the financial period	<u><u>116,184</u></u>	<u><u>13,850</u></u>
Cash and cash equivalents comprise the following:		
Cash and short term funds	118,120	13,862
Overdrafts	<u>(1,936)</u>	<u>(12)</u>
	<u><u>116,184</u></u>	<u><u>13,850</u></u>

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



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A1. Basis of Preparation**

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

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

**A2. Audit Report**

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

**A3. Seasonal or Cyclical Factors**

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

**A4. Exceptional or Unusual Items**

There were no exceptional or unusual items for the nine months ended 30 September 2009.

**A5. Changes in Estimates**

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

**A6. Changes in Debt and Equity Securities**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review except for:

- (a) an issuance of RM370.0 million Hybrid Tier-1 Capital Securities by RHB Bank Berhad ('RHB Bank') on 31 March 2009; and
- (b) an issuance of RM120.0 million Commercial Papers under a Commercial Paper/Medium Term Note Programme by the Company on 30 September 2009.

**A7. Dividends Paid**

During the nine months ended 30 September 2009, the Company has paid the following dividends:

- (a) a final dividend of 10.6% less 25% income tax amounting to RM171,201,000 in respect of the financial year ended 31 December 2008 on 30 June 2009; and
- (b) an interim dividend of 5.0% less 25% income tax amounting to RM80,755,000 in respect of the financial year ending 31 December 2009 on 30 September 2009.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>A8. Interest Income</b>				
<b><u>Group</u></b>				
Loans, advances and financing:				
- interest income other than recoveries from non-performing loans, advances and financing ('NPLs')	758,312	806,384	2,289,947	2,337,110
- recoveries from NPLs	35,044	39,940	111,975	149,649
Money at call, deposits and placements with financial institutions	61,971	185,693	216,327	617,695
Securities purchased under resale agreements	1,997	4,162	2,467	53,790
Securities held-for-trading	5,406	42,011	48,041	131,301
Securities AFS	96,251	55,744	269,533	173,142
Securities held-to-maturity	96,993	72,453	262,726	192,009
Others	6,169	4,043	17,052	12,754
	<u>1,062,143</u>	1,210,430	<u>3,218,068</u>	3,667,450
Accretion of discount less amortisation of premium	(5,337)	4,595	(21,578)	13,779
Interest suspended	(25,270)	(21,541)	(80,327)	(60,363)
	<u>1,031,536</u>	<u>1,193,484</u>	<u>3,116,163</u>	<u>3,620,866</u>
<b><u>Company</u></b>				
Money at call, deposits and placements with financial institutions	<u>22</u>	207	<u>83</u>	<u>1,366</u>
<b>A9. Interest Expense</b>				
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	20,780	58,227	76,244	199,104
Deposits from customers	303,255	475,491	975,452	1,469,618
Obligations on securities sold under repurchase agreements	-	2	-	2
Borrowings	34,128	45,211	108,687	122,500
Subordinated obligations	29,317	29,317	86,994	89,765
Hybrid Tier-1 Capital Securities	7,514	-	15,028	-
Recourse obligation on loans sold to Cagamas	9,655	17,881	33,952	58,232
Others	15,407	13,474	40,447	37,553
	<u>420,056</u>	<u>639,603</u>	<u>1,336,804</u>	<u>1,976,774</u>
<b><u>Company</u></b>				
Borrowings	32,504	39,339	102,162	108,976
Others	7	161	28	753
	<u>32,511</u>	<u>39,500</u>	<u>102,190</u>	<u>109,729</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income</b>				
<b><u>Group</u></b>				
<b>Fee income:</b>				
- Service charges and fees	35,188	38,295	109,293	125,777
- Commission	28,853	31,324	87,478	87,437
- Guarantee fees	11,367	11,993	30,096	40,787
- Commitment fees	11,939	11,860	34,784	34,832
- Brokerage	19,239	11,171	51,119	52,184
- Fund management fees	4,261	5,084	12,276	16,069
- Corporate advisory fees	2,797	3,750	6,656	10,891
- Underwriting and arrangement fees	3,288	3,107	19,686	20,450
- Unit trust fee income	233	1,923	1,818	5,199
- Other fee income	3,635	9,412	14,946	17,855
	<b>120,800</b>	<b>127,919</b>	<b>368,152</b>	<b>411,481</b>
<b>Net gain/(loss) arising from sale/ redemption of securities and derivatives:</b>				
- Net gain/(loss) from sale of				
- securities held-for-trading	5,354	14,980	31,389	38,433
- securities AFS	4,813	(3,165)	6,875	(4,440)
- Net gain from redemption of securities held-to-maturity	6,435	126	6,377	2,124
- Derivatives	(1,788)	3,596	(5,434)	2,613
	<b>14,814</b>	<b>15,537</b>	<b>39,207</b>	<b>38,730</b>
<b>Unrealised gain/(loss) on revaluation of securities and derivatives:</b>				
- Securities held-for-trading	10,202	7,746	32,239	(73,198)
- Derivatives	2,190	(20,964)	10,084	8,394
	<b>12,392</b>	<b>(13,218)</b>	<b>42,323</b>	<b>(64,804)</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>A10. Other Operating Income (continued)</b>				
<b><u>Group (continued)</u></b>				
<b>Gross dividend income from:</b>				
- Securities held-for-trading	722	670	1,543	2,033
- Securities AFS	3,986	4,179	4,049	8,944
- Securities held-to-maturity	135	89	135	89
	<u>4,843</u>	<u>4,938</u>	<u>5,727</u>	<u>11,066</u>
<b>Other income:</b>				
- Foreign exchange gain/(loss)				
- realised	70,795	84,764	137,354	188,572
- unrealised	(16,829)	(17,000)	743	10,795
- Underwriting surplus before management expenses	9,430	10,352	35,205	31,883
- Rental income	868	748	2,708	2,517
- Gain on disposal of an associate	-	-	-	2,249
- Net gain on disposal of property, plant and equipment	-	-	2,835	7
- Other operating income	13,438	11,640	38,746	39,981
- Other non-operating income	1,576	1,306	4,490	11,084
	<u>79,278</u>	<u>91,810</u>	<u>222,081</u>	<u>287,088</u>
	<u>232,127</u>	<u>226,986</u>	<u>677,490</u>	<u>683,561</u>
<b><u>Company</u></b>				
<b>Gross dividend income from:</b>				
- Subsidiaries	13,000	251,178	308,674	294,944
<b>Other income:</b>				
- Foreign exchange gain/(loss)				
- unrealised	316	246	(482)	470
- Property, plant and equipment written off	-	(4)	-	(4)
- Net gain on disposal of property, plant and equipment	-	-	150	-
- Other operating income/(expenses)	163	(59)	163	491
	<u>479</u>	<u>183</u>	<u>(169)</u>	<u>957</u>
	<u>13,479</u>	<u>251,361</u>	<u>308,505</u>	<u>295,901</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses</b>				
<b><u>Group</u></b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	172,958	162,643	499,285	505,435
- Defined contribution plan	26,212	24,433	76,799	74,480
- Other staff related costs	12,187	16,606	41,705	44,587
	<b>211,357</b>	<b>203,682</b>	<b>617,789</b>	<b>624,502</b>
<b>Establishment costs</b>				
- Information technology expenses	25,327	23,405	59,154	69,984
- Depreciation	19,844	19,456	57,994	60,996
- Repair and maintenance	10,428	12,434	33,459	35,872
- Rental of premises	10,089	9,044	29,853	26,061
- Water and electricity	4,893	4,847	14,333	12,801
- Rental of equipment	2,994	3,104	8,945	9,338
- Insurance	9,507	2,394	18,624	5,585
- Amortisation of prepaid land lease	129	128	385	382
- Others	2,126	825	4,577	4,900
	<b>85,337</b>	<b>75,637</b>	<b>227,324</b>	<b>225,919</b>
<b>Marketing expenses</b>				
- Sales commission	6,852	13,422	26,591	26,986
- Advertisements and publicity	8,980	7,278	21,236	20,927
- Dealers' handling fee	3,033	435	7,976	3,271
- Others	22,273	21,683	56,640	47,291
	<b>41,138</b>	<b>42,818</b>	<b>112,443</b>	<b>98,475</b>
<b>Administration and general expenses</b>				
- Communication expenses	20,183	20,074	63,680	54,494
- Legal and professional fee	4,506	4,091	13,922	9,872
- Others	18,594	21,496	60,896	62,654
	<b>43,283</b>	<b>45,661</b>	<b>138,498</b>	<b>127,020</b>
	<b>381,115</b>	<b>367,798</b>	<b>1,096,054</b>	<b>1,075,916</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>A11. Other Operating Expenses (continued)</b>				
<b><u>Company</u></b>				
<b>Personnel costs</b>				
- Salaries, bonus, wages and allowances	1,957	2,126	6,489	7,192
- Defined contribution plan	309	294	1,023	902
- Other staff related costs	326	346	940	965
	<b>2,592</b>	<b>2,766</b>	<b>8,452</b>	<b>9,059</b>
<b>Establishment costs</b>				
- Rental of premises	280	302	884	917
- Depreciation	89	58	210	402
- Repair and maintenance	65	55	158	250
- Rental of equipment	15	15	43	40
- Water and electricity	19	14	44	40
- Information technology expenses	2	3	7	9
- Insurance	1	2	2	2
	<b>471</b>	<b>449</b>	<b>1,348</b>	<b>1,660</b>
<b>Marketing expenses</b>				
- Advertisements and publicity	68	870	734	1,060
- Others	1,401	5,817	1,668	11,138
	<b>1,469</b>	<b>6,687</b>	<b>2,402</b>	<b>12,198</b>
<b>Administration and general expenses</b>				
- Communication expenses	67	64	193	202
- Legal and professional fee	146	665	1,575	2,657
- Others	78	75	205	212
	<b>291</b>	<b>804</b>	<b>1,973</b>	<b>3,071</b>
	<b>4,823</b>	<b>10,706</b>	<b>14,175</b>	<b>25,988</b>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>A12. Allowance for Losses on Loans and Financing</b>				
<b><u>Group</u></b>				
Allowance for bad and doubtful debts				
- specific allowance made	<b>285,873</b>	196,779	<b>823,510</b>	632,992
- specific allowance written back	<b>(61,481)</b>	(60,154)	<b>(191,437)</b>	(164,817)
- specific allowance (net)	<b>224,392</b>	136,625	<b>632,073</b>	468,175
- general allowance (net)	<b>(62,608)</b>	53,111	<b>(40,712)</b>	88,583
Bad debts written off	-	5	-	5
Bad debts recovered	<b>(61,392)</b>	(206,639)	<b>(126,748)</b>	(269,163)
Specific allowance for other debtors	<b>336</b>	(36)	<b>3,296</b>	1,136
	<b>100,728</b>	(16,934)	<b>467,909</b>	288,736





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A13. Securities Held-for-trading</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
Malaysian government securities	<b>154,553</b>	1,039,468
Malaysian government treasury bills	-	156,842
Malaysian government investment issues	-	143,706
Bank Negara Malaysia ('BNM') monetary notes	<b>347,782</b>	856,920
Khazanah bonds	-	11,367
Bankers' acceptances and Islamic accepted bills	<b>54,292</b>	307,712
Negotiable instruments of deposits	<b>537,603</b>	829,367
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Shares	<b>56,093</b>	32,615
Unit trust	<b>795</b>	3,929
<b>Outside Malaysia</b>		
Shares	<b>5,085</b>	3,189
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	<b>212,793</b>	1,862,000
<b>Outside Malaysia</b>		
Structured notes	-	78,851
	<b><u>1,368,996</u></b>	<b><u>5,325,966</u></b>

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



**RHB CAPITAL BERHAD (312952 – H)  
 NOTES TO THE INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A13. Securities Held-for-trading (continued)**

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

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Amount reclassified from securities:		
- held-for-trading to securities available-for-sale	<b>3,289,122</b>	-
- held-for-trading to securities held-to-maturity	<b>8,663</b>	129,322
	<b><u>3,297,785</u></b>	<b><u>129,322</u></b>

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:

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Amount recognised to income statement:		
- held-for-trading to securities available-for-sale	-	50,935
- held-for-trading to securities held-to-maturity	<b>468</b>	(2,257)
	<b><u>468</u></b>	<b><u>48,678</u></b>

As at the date of reclassification, the effective interest rates on the reclassified securities held-for-trading, based on the new cost, ranged from 2.63% to 10.16% per annum (31.12.2008: 3.71% to 5.44% per annum) with the expected recoverable cash flows of approximately RM3,759 million (31.12.2008: RM136.5 million).



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A14. Securities Available-for-sale ('Securities AFS')</b>		
<b>At fair value</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
Malaysian government securities	2,701,462	687,425
Malaysian government investment issues	987,451	428,666
BNM monetary notes	-	7,968
Cagamas bonds and Cagamas Mudharabah bonds	44,254	119,451
Khazanah bonds	11,146	-
Negotiable instruments of deposits	110,562	112,912
Singapore government securities	257,019	263,895
Singapore government treasury bills	147,273	143,996
Thailand government bonds	20,987	20,402
<b><u>QUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Corporate loan stocks	16,349	23,869
Shares	6,115	5,338
Warrants	-	695
<b>Outside Malaysia</b>		
Shares	9	5
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	4,724,780	3,912,302
Shares	168,499	168,499
Corporate loan stocks	133,242	90,654
<b>Outside Malaysia</b>		
Private debt securities	57,555	61,674
Corporate loan stocks	2,433	2,432
Structured notes	22,502	162,531
	<b>9,411,638</b>	<b>6,212,714</b>

During the financial period, the Group has 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 was RM149 million.

The carrying value of securities available-for-sale, which was transferred from securities held-for-trading, as at 30 September 2009 is RM2,873 million (31.12.2008: Nil).



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A15. Securities Held-to-maturity</b>		
<b>At amortised cost</b>		
<b><u>MONEY MARKET INSTRUMENTS:</u></b>		
Malaysian government securities	<b>2,043,908</b>	1,912,922
Malaysian government investment issues	<b>1,332,659</b>	592,585
Cagamas bonds and Cagamas Mudharabah bonds	<b>679,302</b>	848,571
Khazanah bonds	<b>34,607</b>	281,839
Negotiable instruments of deposits	<b>1,550,000</b>	2,116,307
Singapore government securities	<b>122,420</b>	119,660
Thailand government securities	<b>252,831</b>	225,603
Sukuk (Brunei) Incorporation	<b>49,144</b>	-
<b><u>UNQUOTED SECURITIES:</u></b>		
<b>In Malaysia</b>		
Private debt securities	<b>2,411,665</b>	1,660,224
Corporate loan stocks	<b>60,507</b>	70,589
Bonds	<b>25,036</b>	27,201
Shares	<b>2,700</b>	2,700
Prasarana bonds	<b>1,853,468</b>	1,855,582
<b>Outside Malaysia</b>		
Floating rate notes	<b>28,726</b>	39,194
Private debt securities	<b>27,557</b>	20,601
Structured notes	<b>33,124</b>	74,964
	<b>10,507,654</b>	9,848,542
Accumulated impairment loss	<b>(212,022)</b>	(231,730)
	<b>10,295,632</b>	9,616,812

The carrying value of securities held-to-maturity, which was transferred from securities held-for-trading as at 30 September 2009 is RM29.1 million (31.12.2008: RM126.8 million). The fair value of these securities as at 30 September 2009 is RM29.1 million (31.12.2008: RM127.2 million).



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Group	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
Overdrafts	6,139,733	6,463,296
Term loans/financing		
- housing loans/financing	14,918,314	13,578,913
- syndicated term loans/financing	2,946,277	2,851,708
- hire-purchase receivables	11,376,821	10,853,474
- lease receivables	203,845	240,857
- other term loans/financing	17,827,616	14,467,930
Bills receivable	1,401,040	1,576,790
Trust receipts	411,349	504,202
Claims on customers under acceptance credits	5,156,013	6,074,089
Staff loans/financing	375,982	377,252
Credit/charge cards receivables	2,242,466	2,104,609
Revolving credits	5,623,582	5,668,471
	<u>68,623,038</u>	<u>64,761,591</u>
Unearned interest and income	(1,673,029)	(1,600,817)
Gross loans, advances and financing	<u>66,950,009</u>	<u>63,160,774</u>
Allowance for bad and doubtful debts and financing		
- general	(1,066,805)	(1,106,697)
- specific	(1,787,245)	(1,457,957)
Net loans, advances and financing	<u>64,095,959</u>	<u>60,596,120</u>

Included in term loans are loans sold to Cagamas with recourse amounting to RM728,359,000 (31.12.2008: RM1,173,754,000).

	Group	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
(a) By type of customers		
Domestic non-bank financial institutions		
- others	615,631	623,891
Domestic business enterprises		
- small medium enterprises	11,539,405	10,559,463
- others	20,061,236	21,249,115
Government and statutory bodies	1,126,053	109,406
Individuals	28,676,034	26,020,910
Other domestic entities	34,250	29,320
Foreign entities	4,897,400	4,568,669
	<u>66,950,009</u>	<u>63,160,774</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Group	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
<b>A16. Loans, Advances and Financing (continued)</b>		
<b>(b) By interest/profit rate sensitivity</b>		
Fixed rate		
- housing loans/financing	1,588,029	1,737,043
- hire-purchase receivables	9,725,023	9,419,595
- other fixed rate loans/financing	5,357,620	4,362,495
Variable rate		
- base lending rate plus	26,350,012	22,895,096
- cost-plus	18,979,489	19,167,016
- other variable rates	4,949,836	5,579,529
	<u>66,950,009</u>	<u>63,160,774</u>
<b>(c) By purpose</b>		
Purchase of securities	2,283,727	2,062,553
Purchase of transport vehicles	8,186,338	7,505,560
Purchase of landed property:		
- residential	15,398,540	14,089,035
- non-residential	3,663,118	3,003,469
Purchase of property, plant and equipment other than land and building	3,841,407	4,043,123
Personal use	2,044,302	1,998,894
Credit card	2,242,466	2,104,609
Purchase of consumer durables	65,252	74,569
Construction	2,261,955	2,077,193
Working capital	23,272,807	24,468,116
Other purpose	3,690,097	1,733,653
	<u>66,950,009</u>	<u>63,160,774</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>A16. Loans, Advances and Financing (continued)</b>		
<b>(d) NPLs by purpose</b>		
Purchase of securities	44,285	50,494
Purchase of transport vehicles	236,575	225,720
Purchase of landed property:		
- residential	1,053,720	1,048,642
- non-residential	172,141	140,924
Purchase of property, plant and equipment other than land and building	135,621	81,098
Personal use	89,961	105,419
Credit card	79,026	56,368
Purchase of consumer durables	4,782	4,403
Construction	98,201	114,410
Working capital	1,372,012	1,004,891
Other purpose	47,029	7,749
	<b>3,333,353</b>	<b>2,840,118</b>
<b>(e) Movements in NPLs are as follows:</b>		
Balance as at the beginning of the financial period/year	2,840,118	3,165,293
Classified as non-performing during the financial period/year	2,998,980	3,206,526
Amount recovered	(248,662)	(504,970)
Reclassified as performing during the financial period/year	(1,989,257)	(2,564,643)
Amount written off	(270,542)	(465,166)
Exchange difference	2,716	3,078
Balance as at the end of the financial period/year	3,333,353	2,840,118
Specific allowance	(1,787,245)	(1,457,957)
Net NPLs	<b>1,546,108</b>	<b>1,382,161</b>
Ratio of net NPLs as % of gross loans, advances and financing less specific allowance	<b>2.37%</b>	<b>2.24%</b>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

Group	
Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000

**A16. Loans, Advances and Financing (continued)**

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

General allowance

Balance as at the beginning of the financial period/year	1,106,697	999,186
Net allowance made during the financial period/year	(40,712)	104,997
Exchange difference	820	2,514
Balance as at the end of the financial period/year	<u>1,066,805</u>	<u>1,106,697</u>

As % of gross loans, advances and financing less loans exempted from general allowance by BNM and specific allowance

<u>1.6%</u>	<u>1.8%</u>
-------------	-------------

Specific allowance

Balance as at the beginning of the financial period/year	1,457,957	1,260,265
Allowance made during the financial period/year	823,510	937,219
Amount recovered	(191,437)	(214,613)
Amount written off	(274,856)	(526,468)
Transfer to accumulated impairment loss in value of securities	(28,298)	-
Exchange difference	369	1,554
Balance as at the end of the financial period/year	<u>1,787,245</u>	<u>1,457,957</u>





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

Group		Company	
Unaudited As at 30 Sept 2009	Audited As at 31 Dec 2008	Unaudited As at 30 Sept 2009	Audited As at 31 Dec 2008
RM'000	RM'000	RM'000	RM'000

**A17. Other Assets**

Other debtors, deposits and prepayments	326,010	343,351	37,252	33,740
Accrued interest receivable	194,692	206,097	10	66
	<u>520,702</u>	<u>549,448</u>	<u>37,262</u>	<u>33,806</u>

Group	
Unaudited As at 30 Sept 2009	Audited As at 31 Dec 2008
RM'000	RM'000

**A18. Deposits from Customers**

**(a) By type of deposits**

Demand deposits	18,492,156	17,241,377
Savings deposits	5,528,567	5,393,709
Fixed deposits	57,679,909	50,963,753
Negotiable instruments of deposits	350,735	363,385
	<u>82,051,367</u>	<u>73,962,224</u>

**(b) By type of customers**

Government and statutory bodies	6,750,642	5,419,837
Business enterprises	47,302,335	41,155,294
Individuals	25,323,228	24,644,304
Others	2,675,162	2,742,789
	<u>82,051,367</u>	<u>73,962,224</u>

**A19. Deposits and Placements of Banks and Other Financial Institutions**

Licensed banks	4,401,905	5,216,205
Licensed investment banks	64,610	262,650
BNM	702,663	888,472
Other financial institutions	1,639,077	2,314,820
	<u>6,808,255</u>	<u>8,682,147</u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited As at 30 Sept 2009 RM'000</b>	<b>Audited As at 31 Dec 2008 RM'000</b>	<b>Unaudited As at 30 Sept 2009 RM'000</b>	<b>Audited As at 31 Dec 2008 RM'000</b>
<b>A20. Other Liabilities</b>				
Accrued interest payable	<b>384,994</b>	446,528	<b>47,152</b>	49,052
Other creditors and accruals	<b>620,238</b>	511,556	<b>2,024</b>	4,222
General insurance fund	<b>208,323</b>	184,196	-	-
Short term employee benefits	<b>128,728</b>	182,654	-	-
Lessee deposits	<b>74,752</b>	79,704	-	-
Prepaid instalment	<b>76,788</b>	82,327	-	-
Remisiers' trust deposits	<b>9,512</b>	9,579	-	-
Amount due to Danaharta	<b>1,835</b>	1,782	-	-
Hire-purchase creditors	-	146	-	146
Amount payable for creation of units due to funds	<b>4,583</b>	298	-	-
	<b><u>1,509,753</u></b>	<u>1,498,770</u>	<b><u>49,176</u></b>	<u>53,420</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A21. Segment Information**

**Revenue and Results**

**Nine months ended 30 September 2009**

	<b>Corporate and Investment Banking</b>	<b>Retail Banking</b>	<b>Treasury and money market</b>	<b>Islamic Banking business</b>	<b>International Banking</b>	<b>Others</b>	<b>Inter-segment elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>								
External revenue	716,785	2,037,893	789,723	240,955	233,341	15,911	-	4,034,608
Intersegment revenue	17,121	13,805	16,385	2,705	2,357	17,533	(69,906)	-
Segment revenue	<b>733,906</b>	<b>2,051,698</b>	<b>806,108</b>	<b>243,660</b>	<b>235,698</b>	<b>33,444</b>	<b>(69,906)</b>	<b>4,034,608</b>
Profit before unallocated expenses	255,554	707,047	277,885	87,059	50,246	107,548	-	1,485,339
Unallocated expenses								(324,425)
Profit after unallocated expenses								1,160,914
Share of results of an associate								32
Share of results of joint venture								358
Profit before taxation								1,161,304
Taxation								(290,636)
Net profit for the financial period								<b>870,668</b>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A21. Segment Information (continued)**

**Revenue and Results**

**Nine months ended 30 September 2008**

	<b>Corporate and Investment Banking</b>	<b>Retail Banking</b>	<b>Treasury and money market</b>	<b>Islamic Banking business</b>	<b>International Banking</b>	<b>Others</b>	<b>Inter-segment elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>								
External revenue	860,011	2,035,414	1,197,175	200,353	186,477	25,350	-	4,504,780
Intersegment revenue	4,462	13,603	25,479	1,538	2,323	14,050	(61,455)	-
Segment revenue	<u>864,473</u>	<u>2,049,017</u>	<u>1,222,654</u>	<u>201,891</u>	<u>188,800</u>	<u>39,400</u>	<u>(61,455)</u>	<u>4,504,780</u>
Profit before unallocated expenses	347,844	638,484	205,180	120,632	73,042	159,750	-	1,544,932
Unallocated expenses								<u>(384,849)</u>
Profit after unallocated expenses								1,160,083
Share of results of associates								412
Profit before taxation								<u>1,160,495</u>
Taxation								<u>(307,435)</u>
Net profit for the financial period								<u><u>853,060</u></u>



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A22. Valuation of Property, Plant and Equipment**

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

**A23. Material Events Subsequent to the Balance Sheet Date**

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

**A24. Changes in Composition of the Group**

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

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

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

- (i) U.B. Nominees (Tempatan) Sdn Bhd
- (ii) USB Nominees Sdn Bhd
- (iii) USB Nominees (Tempatan) Sdn Bhd
- (iv) USB Nominees (Asing) Sdn Bhd
- (v) INFB Jaya Sdn Bhd

The Company had on 14 August 2009 announced the commencement of members' voluntary winding-up of RHB Delta Nominees (Tempatan) Sdn Bhd, a wholly-owned subsidiary of RHB Bank, which in turn is a wholly-owned subsidiary of the Company pursuant to Section 254(1) of the Companies Act, 1965.

The above will not have any material effect on the performance of the Group for the nine months ended 30 September 2009.

**(b) Dissolution of PT Rashid Hussain Securities**

On 23 June 2009, the Company announced that its indirect subsidiary in Indonesia, PT Rashid Hussain Securities, in which the Company via its wholly-owned subsidiary, RHB Capital (Jersey) Limited, holds 85% equity interest, has been formally dissolved.

The dissolution of PT Rashid Hussain Securities will not have any material effect on the performance of the Group and the Company for the nine months ended 30 September 2009.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**(a) Commitments and Contingencies**

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

The commitments and contingencies comprise the following:

<u>Group</u>	Unaudited As at 30 Sept 2009			Audited As at 31 Dec 2008		
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,292,155	2,292,155	1,946,357	2,389,294	2,389,294	2,024,897
Transaction-related contingent items	2,294,735	1,147,369	882,399	2,119,930	1,059,966	766,891
Short term self-liquidating trade-related contingencies	1,940,636	388,127	259,952	1,694,141	338,829	221,320
Obligations under underwriting agreements	386,937	193,469	160,865	399,900	199,950	164,815
Other assets sold with recourse and commitments with certain drawdown	131,608	131,608	74,968	41,544	41,544	8,309
Irrevocable commitments to extend credit						
- maturity not exceeding one year	28,553,108	324,722	324,722	25,933,455	282,115	281,034
- maturity exceeding one year	4,910,106	2,455,053	1,869,560	4,958,351	2,479,176	2,250,946
Foreign exchange related contracts						
- less than one year	7,547,207	149,407	53,288	9,344,283	229,785	82,948
- one year to less than five years	75,795	4,896	1,778	9,364	1,063	396
- more than five years	1,384,400	203,297	70,839	1,381,000	204,225	71,014



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**(a) Commitments and Contingencies (continued)**

<u>Group</u>	Unaudited As at 30 Sept 2009			Audited As at 31 Dec 2008		
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest rate related contracts						
- less than one year	2,380,173	11,318	2,264	2,009,714	4,342	1,014
- one year to less than five years	8,322,132	349,076	74,564	8,625,522	438,681	90,956
- more than five years	887,506	90,205	19,872	449,215	48,583	10,463
Others	1,571,240	-	-	1,379,211	3,718	3,718
	<b>62,677,738</b>	<b>7,740,702</b>	<b>5,741,428</b>	<b>60,734,924</b>	<b>7,721,271</b>	<b>5,978,721</b>

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

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



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**(b) Guarantees Issued**

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

**(c) Other Contingent Liabilities**

**(i) The Company**

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

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

In view of the above, the Company has not made any provision in relation to the said counterclaim, in the interim financial statements for the nine months ended 30 September 2009.

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

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

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





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

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

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

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

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

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

RHB Excel won in its counterclaim against the Plaintiff with costs on 24 June 2005. On 4 August 2005, the Plaintiff's stay application was allowed with costs. As such, RHB Excel is prohibited from disposing the shares until the hearing and disposal of the Appeal to the Court of Appeal. The matter is now fixed for hearing at the Court of Appeal on 11 Jan 2010.

<b>Group</b>	
<b>Unaudited</b>	<b>Audited</b>
<b>As at</b>	<b>As at</b>
<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
<b>RM'000</b>	<b>RM'000</b>

**A26. Capital Commitments**

Capital expenditure for property, plant and equipment:

- authorised and contracted for	<b>60,443</b>	57,092
- authorised but not contracted for	<b>93,220</b>	68,660
	<b>153,663</b>	125,752



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A27. Interest/Profit Rate Risk**

Group As at 30 September 2009	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	14,974,898	-	-	-	-	955,026	-	15,929,924	2.08
Securities purchased under resale agreements	883,450	99,969	-	-	-	-	-	983,419	2.00
Deposits and placements with banks and other financial institutions	45,796	1,662,015	284,144	8,346	-	-	-	2,000,301	2.14
Securities									
- held-for-trading	-	-	-	-	-	5,085	1,363,911	1,368,996	2.66
- AFS	372,251	148,093	573,653	4,832,666	3,289,183	195,793	-	9,411,638	4.62
- held-to-maturity	63,618	300,334	270,287	6,642,280	3,228,412	(209,299)	-	10,295,632	3.68
Loans, advances and financing									
- performing	39,435,395	7,535,860	4,723,034	7,741,876	4,180,491	-	-	63,616,656	5.79
- non-performing*	-	-	-	-	-	479,303	-	479,303	
Clients' and brokers' balances	80,613	-	-	-	-	208,365	-	288,978	3.81
Other assets	2,009	-	107	186	372	518,028	-	520,702	1.81
Derivative assets	-	-	-	-	-	-	257,491	257,491	
Statutory deposits	-	-	-	-	-	254,617	-	254,617	
Tax recoverable	-	-	-	-	-	73,597	-	73,597	
Deferred tax assets	-	-	-	-	-	275,775	-	275,775	
Investments in associates	-	-	-	-	-	11,169	-	11,169	
Investments in joint venture	-	-	-	-	-	26,446	-	26,446	
Prepaid land lease	-	-	-	-	-	104,146	-	104,146	
Property, plant and equipment	-	-	-	-	-	814,656	-	814,656	
Goodwill	-	-	-	-	-	3,786,169	-	3,786,169	
<b>Total assets</b>	<b>55,858,030</b>	<b>9,746,271</b>	<b>5,851,225</b>	<b>19,225,354</b>	<b>10,698,458</b>	<b>7,498,876</b>	<b>1,621,402</b>	<b>110,499,615</b>	

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



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A27. Interest/Profit Rate Risk (continued)**

Group As at 30 September 2009	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate %
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Liabilities and equity</b>									
Deposits from customers	40,196,507	8,497,437	15,648,113	496,394	2,272	17,210,644	-	82,051,367	1.92
Deposits and placements of banks and other financial institutions	3,624,609	1,562,304	959,032	656,046	5,357	907	-	6,808,255	2.28
Bills and acceptances payable	1,340,785	1,795,535	646,369	-	-	244,223	-	4,026,912	2.29
Clients' and brokers' balances	-	-	-	-	-	399,557	-	399,557	
Other liabilities	8,312	-	-	-	-	1,501,441	-	1,509,753	1.90
Derivative liabilities	-	-	-	-	-	-	251,152	251,152	
Recourse obligation on loans sold to Cagamas	-	48,670	133,674	546,015	-	-	-	728,359	5.08
Taxation	-	-	-	-	-	77,568	-	77,568	
Deferred tax liabilities	-	-	-	-	-	333	-	333	
Borrowings	2,080,886	-	892,871	644,005	-	-	-	3,617,762	4.06
Subordinated obligations	-	-	-	1,540,000	700,000	-	-	2,240,000	5.19
Hybrid Tier-1 Capital Securities	-	-	-	-	366,941	-	-	366,941	8.00
<b>Total liabilities</b>	<b>47,251,099</b>	<b>11,903,946</b>	<b>18,280,059</b>	<b>3,882,460</b>	<b>1,074,570</b>	<b>19,434,673</b>	<b>251,152</b>	<b>102,077,959</b>	
Total equity	-	-	-	-	-	8,421,656	-	8,421,656	
<b>Total liabilities and equity</b>	<b>47,251,099</b>	<b>11,903,946</b>	<b>18,280,059</b>	<b>3,882,460</b>	<b>1,074,570</b>	<b>27,856,329</b>	<b>251,152</b>	<b>110,499,615</b>	
<b>On-balance sheet interest sensitivity gap</b>	<b>8,606,931</b>	<b>(2,157,675)</b>	<b>(12,428,834)</b>	<b>15,342,894</b>	<b>9,623,888</b>				
<b>Off-balance sheet interest sensitivity gap</b>	<b>(866)</b>	<b>858,299</b>	<b>481,689</b>	<b>550,864</b>	<b>175,974</b>				
<b>Total interest-sensitivity gap</b>	<b>8,606,065</b>	<b>(1,299,376)</b>	<b>(11,947,145)</b>	<b>15,893,758</b>	<b>9,799,862</b>				



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A27. Interest/Profit Rate Risk (continued)**

Company As at 30 September 2009	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	117,000	-	-	-	-	1,120	-	118,120	1.80
Deposits and placements with banks and other financial institutions	-	336	522	-	-	-	-	858	2.55
Other assets	-	-	-	-	-	37,262	-	37,262	
Amounts due from subsidiaries	-	-	-	-	-	9,074	-	9,074	
Tax recoverable	-	-	-	-	-	63,830	-	63,830	
Investments in subsidiaries	-	-	-	-	-	8,782,439	-	8,782,439	
Property, plant and equipment	-	-	-	-	-	388	-	388	
<b>Total assets</b>	<b>117,000</b>	<b>336</b>	<b>522</b>	<b>-</b>	<b>-</b>	<b>8,894,113</b>	<b>-</b>	<b>9,011,971</b>	
<b>Liabilities and equity</b>									
Other liabilities	-	-	-	-	-	49,176	-	49,176	
Amounts due to subsidiaries	-	-	-	-	-	154,992	-	154,992	
Deferred tax liabilities	-	-	-	-	-	16	-	16	
Borrowings	2,084,786	-	269,891	644,005	-	-	-	2,998,682	4.89
Total liabilities	2,084,786	-	269,891	644,005	-	204,184	-	3,202,866	
Total equity	-	-	-	-	-	5,809,105	-	5,809,105	
<b>Total liabilities and equity</b>	<b>2,084,786</b>	<b>-</b>	<b>269,891</b>	<b>644,005</b>	<b>-</b>	<b>6,013,289</b>	<b>-</b>	<b>9,011,971</b>	
<b>Total interest-sensitivity gap</b>	<b>(1,967,786)</b>	<b>336</b>	<b>(269,369)</b>	<b>(644,005)</b>	<b>-</b>				



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A27. Interest/Profit Rate Risk (continued)**

Group As at 31 December 2008	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	13,385,338	-	-	-	-	961,113	-	14,346,451	3.30
Securities purchased under resale agreements	106,565	-	-	-	-	-	-	106,565	3.51
Deposits and placements with banks and other financial institutions	36,732	451,414	58,634	8,346	-	-	-	555,126	3.37
Securities									
- held-for-trading	-	-	-	-	-	14,363	5,311,603	5,325,966	4.05
- AFS	542,617	130,108	354,283	2,879,845	2,110,041	195,820	-	6,212,714	5.07
- held-to-maturity	1,313,696	726,877	2,098,220	3,619,854	2,087,171	(229,006)	-	9,616,812	4.10
Loans, advances and financing									
- performing	36,365,436	7,868,907	5,107,229	6,159,217	4,819,786	81	-	60,320,656	6.64
- non-performing*	-	-	-	-	-	275,464	-	275,464	
Clients' and brokers' balances	107,037	-	-	-	-	68,266	-	175,303	3.78
Other assets	1,895	-	38	217	419	546,879	-	549,448	3.84
Derivative assets	-	-	-	-	-	-	380,161	380,161	
Statutory deposits	-	-	-	-	-	1,579,678	-	1,579,678	
Tax recoverable	-	-	-	-	-	94,929	-	94,929	
Deferred tax assets	-	-	-	-	-	275,016	-	275,016	
Investments in associates	-	-	-	-	-	11,137	-	11,137	
Investments in joint venture	-	-	-	-	-	26,349	-	26,349	
Prepaid land lease	-	-	-	-	-	102,779	-	102,779	
Property, plant and equipment	-	-	-	-	-	792,046	-	792,046	
Goodwill	-	-	-	-	-	3,786,169	-	3,786,169	
<b>Total assets</b>	<b>51,859,316</b>	<b>9,177,306</b>	<b>7,618,404</b>	<b>12,667,479</b>	<b>9,017,417</b>	<b>8,501,083</b>	<b>5,691,764</b>	<b>104,532,769</b>	

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



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A27. Interest/Profit Rate Risk (continued)**

Group As at 31 December 2008	← Non-trading book →					Non-interest bearing	Trading book	Total	Effective interest rate %
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Liabilities and equity</b>									
Deposits from customers	35,121,857	7,631,696	14,362,490	688,176	-	16,158,005	-	73,962,224	3.01
Deposits and placements of banks and other financial institutions	5,642,071	1,591,100	854,550	571,268	22,037	1,121	-	8,682,147	3.31
Bills and acceptances payable	1,724,912	2,165,463	825,119	-	-	220,018	-	4,935,512	3.70
Clients' and brokers' balances	-	-	-	-	-	289,053	-	289,053	
Other liabilities	8,902	32	98	-	-	1,489,738	-	1,498,770	3.09
Derivative liabilities	-	-	-	-	-	-	384,879	384,879	
Recourse obligation on loans sold to Cagamas	87,146	-	372,367	714,241	-	-	-	1,173,754	4.87
Taxation	-	-	-	-	-	91,196	-	91,196	
Deferred tax liabilities	-	-	-	-	-	1,760	-	1,760	
Borrowings	1,904,670	735,975	-	791,889	-	-	-	3,432,534	5.18
Subordinated obligations	-	-	-	1,540,000	700,000	-	-	2,240,000	5.19
<b>Total liabilities</b>	<b>44,489,558</b>	<b>12,124,266</b>	<b>16,414,624</b>	<b>4,305,574</b>	<b>722,037</b>	<b>18,250,891</b>	<b>384,879</b>	<b>96,691,829</b>	
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,840,940</b>	<b>-</b>	<b>7,840,940</b>	
<b>Total liabilities and equity</b>	<b>44,489,558</b>	<b>12,124,266</b>	<b>16,414,624</b>	<b>4,305,574</b>	<b>722,037</b>	<b>26,091,831</b>	<b>384,879</b>	<b>104,532,769</b>	
<b>On-balance sheet interest sensitivity gap</b>	<b>7,369,758</b>	<b>(2,946,960)</b>	<b>(8,796,220)</b>	<b>8,361,905</b>	<b>8,295,380</b>				
<b>Off-balance sheet interest sensitivity gap</b>	<b>(70,872)</b>	<b>(76,984)</b>	<b>(477,498)</b>	<b>(737,446)</b>	<b>127,592</b>				
<b>Total interest-sensitivity gap</b>	<b>7,298,886</b>	<b>(3,023,944)</b>	<b>(9,273,718)</b>	<b>7,624,459</b>	<b>8,422,972</b>				



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A27. Interest/Profit Rate Risk (continued)**

Company As at 31 December 2008	Non-trading book					Non-interest bearing	Trading book	Total	Effective interest rate
	Up to 1 month	> 1-3 months	> 3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds	20,000	-	-	-	-	619	-	20,619	3.15
Deposits and placements with banks and other financial institutions	-	750	503	-	-	-	-	1,253	3.34
Other assets	-	-	-	-	-	33,806	-	33,806	
Amounts due from subsidiaries	-	-	-	-	-	10,319	-	10,319	
Tax recoverable	-	-	-	-	-	54,804	-	54,804	
Investments in subsidiaries	-	-	-	-	-	8,782,439	-	8,782,439	
Property, plant and equipment	-	-	-	-	-	373	-	373	
<b>Total assets</b>	<b>20,000</b>	<b>750</b>	<b>503</b>	<b>-</b>	<b>-</b>	<b>8,882,360</b>	<b>-</b>	<b>8,903,613</b>	
<b>Liabilities and equity</b>									
Other liabilities	16	32	98	-	-	53,274	-	53,420	5.40
Amounts due to subsidiaries	-	-	-	-	-	153,093	-	153,093	
Deferred tax liabilities	-	-	-	-	-	16	-	16	
Borrowings	1,904,670	80,000	-	791,889	-	-	-	2,776,559	5.59
Total liabilities	1,904,686	80,032	98	791,889	-	206,383	-	2,983,088	
Total equity	-	-	-	-	-	5,920,525	-	5,920,525	
<b>Total liabilities and equity</b>	<b>1,904,686</b>	<b>80,032</b>	<b>98</b>	<b>791,889</b>	<b>-</b>	<b>6,126,908</b>	<b>-</b>	<b>8,903,613</b>	
<b>Total interest-sensitivity gap</b>	<b>(1,884,686)</b>	<b>(79,282)</b>	<b>405</b>	<b>(791,889)</b>	<b>-</b>				



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A28. Capital Adequacy Ratio**

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

The capital ratios of RHB 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 Investment Bank and RHB Islamic Bank are computed in accordance with the Standardised Approach of BNM's Revised Risk-Weighted Capital Adequacy Framework for Credit and Market Risk, and the Basic Indicator Approach for Operational Risk ('Basel II').

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

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

	<b>RHB Bank</b>		<b>RHB Investment Bank</b>		<b>RHB Islamic Bank</b>	
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Tier I capital</b>						
Paid-up ordinary share capital	<b>3,318,085</b>	3,318,085	<b>263,646</b>	263,646	<b>523,424</b>	523,424
Hybrid Tier-1 Capital Securities	<b>366,941</b>	-	-	-	-	-
Share premium	<b>8,563</b>	8,563	-	-	-	-
Retained profits	<b>1,219,534</b>	1,008,581	<b>108,591</b>	169,098	<b>135,437</b>	135,437
Other reserves (exclude AFS reserve)	<b>2,258,227</b>	2,121,478	<b>278,549</b>	278,549	<b>166,005</b>	166,005
Deferred tax assets	<b>(260,943)</b>	(233,116)	<b>(1,210)</b>	(1,210)	<b>(19,960)</b>	(19,960)
Less: Goodwill	<b>(905,519)</b>	(905,519)	<b>(159,280)</b>	(159,280)	-	-
Total Tier I capital	<b>6,004,888</b>	5,318,072	<b>490,296</b>	550,803	<b>804,906</b>	804,906
<b>Tier II capital</b>						
Subordinated obligations	<b>2,000,000</b>	2,000,000	<b>245,000</b>	245,000	-	-
General allowance for bad and doubtful debts	<b>962,894</b>	995,859	<b>7,939</b>	8,442	<b>93,484</b>	97,984
Total Tier II capital	<b>2,962,894</b>	2,995,859	<b>252,939</b>	253,442	<b>93,484</b>	97,984





**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A28. Capital Adequacy Ratio (continued)**

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

	RHB Bank		RHB Investment Bank		RHB Islamic Bank	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
<b>Less:</b>						
Investment in subsidiaries	(622,666)	(628,640)	(58,270)	(58,270)	-	-
Investment in joint venture	-	-	(27,399)	(27,399)	-	-
Other deductions *	(3,156)	-	(500)	-	(3)	-
<b>Total capital base</b>	<b>8,341,960</b>	<b>7,685,291</b>	<b>657,066</b>	<b>718,576</b>	<b>898,387</b>	<b>902,890</b>
<u>Before deducting proposed dividends</u>						
Core capital ratio	9.34%	8.77%	21.51%	19.25%	12.53%	12.07%
Risk-weighted capital adequacy ratio ('RWCR')	12.98%	12.67%	28.83%	25.12%	13.99%	13.54%
<u>After deducting proposed dividends</u>						
Core capital ratio	9.34%	8.51%	21.51%	17.14%	12.53%	12.07%
Risk-weighted capital adequacy ratio	12.98%	12.42%	28.83%	23.00%	13.99%	13.54%

\* 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.

Pursuant to BNM's circular, "Recognition of Deferred Tax Assets ('DTA') and Treatment of DTA for RWCR Purposes" dated 8 August 2003, deferred tax income/(expense) is excluded from the computation of Tier I capital and deferred tax assets are excluded from the calculation of risk weighted assets.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A29. Operations of Islamic Banking**

**(a) Balance Sheet as at 30 September 2009**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	2,026,921	1,279,720
Deposits and placements with banks and other financial institutions	200,000	-
Securities held-for-trading	66,276	404,464
Securities available-for-sale	1,171,640	730,582
Securities held-to-maturity	1,026,116	1,147,357
Financing and advances	5,587,404	5,352,980
Other assets	42,654	102,741
Deferred tax assets	22,328	19,960
Tax recoverable	-	7,350
Statutory deposits	69,240	199,440
Property, plant and equipment	22,795	19,433
Intangible assets	29,518	29,518
<b>Total assets</b>	<b>10,264,892</b>	<b>9,293,545</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>		
Deposits from customers	7,741,841	7,347,306
Deposits and placements of banks and other financial institutions	1,192,340	536,485
Bills and acceptances payable	18,401	34,786
Other liabilities	80,703	74,502
Provision for taxation	6,502	-
<b>Total liabilities</b>	<b>9,039,787</b>	<b>7,993,079</b>
Islamic Banking Funds	1,225,105	1,300,466
<b>Total liabilities and Islamic Banking Funds</b>	<b>10,264,892</b>	<b>9,293,545</b>
Commitments and contingencies	2,141,896	1,863,813



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A29. Operations of Islamic Banking (continued)**

**(b) Income Statement for the nine months ended 30 September 2009**

	3rd quarter ended		Nine months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	110,919	104,552	320,535	281,351
Income derived from investment of shareholder's funds	13,114	12,673	34,864	36,691
Allowance for losses on financing and advances	(20,678)	(18,752)	(73,367)	(30,672)
Profit equalisation reserve	(3,335)	363	2,401	5,631
Total distributable income	100,020	98,836	284,433	293,001
Income attributable to depositors	(41,438)	(43,935)	(116,845)	(123,320)
	58,582	54,901	167,588	169,681
Personnel expenses	(14,856)	(12,566)	(42,589)	(31,570)
Other overheads and expenditures	(24,867)	(15,523)	(70,425)	(56,317)
Profit before taxation	18,859	26,812	54,574	81,794
Taxation	(8,987)	(8,192)	(26,482)	(20,478)
Net profit for the financial period	9,872	18,620	28,092	61,316



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A29. Operations of Islamic Banking (continued)**

**(c) Financing and Advances**

	Group	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
Cashline	72,210	36,530
Term financing		
- housing financing	1,779,282	1,704,406
- syndicated term financing	473,187	555,504
- hire purchase receivables	1,143,713	807,349
- other term financing	1,442,972	1,349,326
Bills receivables	591,183	677,058
Trust receipts	44,274	36,480
Staff financing	12,899	12,922
Revolving financing	433,623	504,178
	<u>5,993,343</u>	<u>5,683,753</u>
Less: Unearned income	(167,323)	(140,208)
Gross financing and advances	<u>5,826,020</u>	<u>5,543,545</u>
Less: Allowance for bad and doubtful financing		
- general	(93,484)	(97,984)
- specific	(145,132)	(92,581)
Net financing and advances	<u><u>5,587,404</u></u>	<u><u>5,352,980</u></u>

**(i) Movements in non-performing financing and advances**

	Group	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
Balance as at the beginning of the financial period/year	267,357	282,833
Classified as non-performing during the financial period/year	351,202	272,830
Reclassified as performing during the financial period/year	(169,463)	(215,781)
Amount recovered	(31,131)	(36,382)
Amount written off	(28,427)	(36,143)
Balance as at the end of the financial period/year	<u>389,538</u>	<u>267,357</u>
Specific allowance	(145,132)	(92,581)
Net non-performing financing and advances	<u><u>244,406</u></u>	<u><u>174,776</u></u>
Ratio of net non-performing financing and advances as % of gross financing and advances, less specific allowances	<u><u>4.3%</u></u>	<u><u>3.3%</u></u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A29. Operations of Islamic Banking (continued)**

**(c) Financing and Advances (continued)**

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

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>General allowance</b>		
Balance as at the beginning of the financial period/year	97,984	82,948
Net allowance made during the financial period/year	(4,500)	15,036
Balance as at the end of the financial period/year	<u>93,484</u>	<u>97,984</u>
As % of gross financing and advances less specific allowance	<u>1.65%</u>	<u>1.80%</u>
<b>Specific allowance</b>		
Balance as at the beginning of the financial period/year	92,581	93,336
Allowance made during the financial period/year	102,110	36,720
Amount recovered	(21,766)	(11,590)
Amount written off	(27,793)	(25,885)
Balance as at the end of the financial period/year	<u>145,132</u>	<u>92,581</u>

**(d) Other Assets**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Income receivable	25,380	18,756
Deposits and prepayments	16,051	15,390
Sundry deposits debtors	2,945	6,363
Other debtors	(1,722)	62,232
	<u>42,654</u>	<u>102,741</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**A29. Operations of Islamic Banking (continued)**

**(e) Deposits from Customers**

	<b>Group</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-Mudharabah Funds:</u>		
Demand deposits	<b>1,823,754</b>	1,535,447
Savings deposits	<b>545,236</b>	542,606
Negotiable Islamic Debt Certificates	<b>39,653</b>	59,850
	<b>2,408,643</b>	2,137,903
<u>Mudharabah Funds:</u>		
Demand deposits	<b>337,429</b>	332,007
General investment deposits	<b>1,161,960</b>	1,512,965
Special investment deposits	<b>3,833,809</b>	3,364,431
	<b>7,741,841</b>	7,347,306



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**B1. Review of Group Results**

For the nine months ended 30 September 2009, the Group recorded a pre-tax profit of RM1,161.3 million, marginally higher than that of the previous year corresponding period of RM1,160.5 million.

The higher profit was mainly due to higher net interest income by RM135.3 million, higher income from Islamic Banking business by RM40.6 million and higher reversal of impairment loss by RM30.3 million; partly offset by higher allowance for losses on loans and financing by RM179.2 million, lower other operating income by RM6.1 million and higher other operating expenses by RM20.1 million.

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

For the third quarter ended 30 September 2009, the Group recorded a pre-tax profit of RM446.2 million, up 12% as compared to RM400.1 million recorded in the preceding quarter ended 30 June 2009. The higher profit was mainly due to higher net interest income by RM17.1 million, lower allowance for losses on loans and financing by RM91.6 million and higher impairment loss no longer required by RM3.3 million; partly offset by lower income from Islamic Banking business by RM22.0 million and higher other operating expenses by RM43.4 million.

**B3. Prospects for the Financial Year Ending 31 December 2009**

The Malaysian economy and banking sector is expected to further strengthen going into the last quarter of 2009 as it benefits from the momentum built by the continuous proactive actions taken by BNM and the Government since the start of the year.

The Banking sector remains healthy with ample liquidity and an improving asset quality outlook. Competition remains keen as the industry continues to pursue competitive pricing policies across all the major lending products to gain market share. Improving sentiments in the public debt and equity markets is expected to give rise to potential revenue opportunities for our Investment Banking activities.

In line with the anticipated improvement in the domestic economy and underpinned by the Group's strengthening performance, the Group expects to achieve a satisfactory performance in 2009.

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

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

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>B5. Taxation</b>				
<b>Group</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	84,276	137,575	279,113	329,761
- overseas tax	108	68	961	1,784
Deferred tax	15,910	(7,516)	15,536	(21,946)
	<b>100,294</b>	130,127	<b>295,610</b>	309,599
Under/(Over) provision in respect of prior years	9,312	10	(4,974)	(2,164)
	<b>109,606</b>	130,137	<b>290,636</b>	307,435



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**B5. Taxation (continued)**

	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
<b>Company</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	(5,587)	34,011	49,182	34,176
Under provision in respect of prior years	2,505	-	2,505	-
	<u>(3,082)</u>	<u>34,011</u>	<u>51,687</u>	<u>34,176</u>

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

There were no purchases or sales of quoted securities during the nine months ended 30 September 2009 other than in the ordinary course of business.

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

There were no sales of unquoted investments and/or properties during the nine months ended 30 September 2009 other than in the ordinary course of business.

**B8. Status of Corporate Proposals**

**(a) Proposed issuance of up to RM75.0 million nominal value of Hybrid Tier-1 Capital Securities ('HT1 Securities') by RHB Investment Bank**

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

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

On 20 October 2009, the Company announced that the SC had further granted an extension of time of up to 10 October 2010 for RHB Investment Bank to implement the proposed issuance of up to RM75.0 million nominal value of HT1 Securities ('Proposed Extension of Time'), subject to the following conditions:

- (a) RHB Investment Bank to inform all relevant parties in relation to the HT1 Securities including, but not limited to, the trustee and rating agency, about the Proposed Extension of Time, and ensure that their consents, where required, are obtained;
- (b) RHB Investment Bank has undertaken all necessary due diligence in relation to the Proposed Extension of Time;
- (c) RHB Investment Bank to obtain all other regulatory approvals, if required, for the Proposed Extension of Time;





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**(a) Proposed issuance of up to RM75.0 million nominal value of Hybrid Tier-1 Capital Securities ('HT1 Securities') by RHB Investment Bank (continued)**

(d) All other approved terms and conditions imposed for the proposed HT1 Securities shall remain applicable; and

(e) RHB Investment Bank to submit a written confirmation on compliance with all the above conditions.

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

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

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

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

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

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

On 30 September 2009, the Company had issued RM120.0 million nominal value of Commercial Papers under the CP/MTN Programme.

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

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

(a) sell conventional life insurance (individual and group) products developed by AIA for sale by RHB Bank ('Life Products') via the RHB Bank network of offices and branches and other channels which will include telemarketing, direct marketing and worksite marketing; and

(b) market, promote and sell the Life Products to RHB Bank's customers through or with the cooperation of RHB Bank.



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

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

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

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

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

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

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

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

The Proposed Acquisition was completed on 2 November 2009, whereby on even date RHB Kawal became a wholly-owned subsidiary of the Company.

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

**(f) Proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma**

On 19 October 2009, RHB Investment Bank had on behalf of the Company, announced that the Company will undertake the following proposals:

- (a) proposed acquisition of 80% of the issued and paid up share capital in PT Bank Mestika Dharma ('Bank Mestika') for a total cash consideration of Indonesian Rupiah ('RP') 3,118,300 million (or equivalent to approximately RM1,163 million) ('Proposed Acquisition');
- (b) proposed put and call option for 9% of the issued and paid-up share capital in Bank Mestika ('Proposed Options');
- (c) proposed renounceable rights issue of new ordinary shares of RM1.00 each in RHB Capital ('Shares') to raise gross proceeds of approximately RM1.3 billion ('Proposed Rights Issue'); and



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**(f) Proposed acquisition of 80% of the issued and paid-up share capital in PT Bank Mestika Dharma (continued)**

- (d) proposed increase in the authorised share capital of the Company from RM2,500,000,000 comprising 2,500,000,000 RHB Capital shares to RM5,000,000,000 comprising 5,000,000,000 RHB Capital shares ('Proposed Increase In Authorised Share Capital')

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

The Proposals are subject to the following being obtained:

- (i) approval of BNM for the Proposed Acquisition and Proposed Options;
- (ii) approval of Bank Indonesia ('BI') for the Proposed Acquisition and the Fit and Proper Test mechanism by the Company as governed under BI Regulation No. 5/25/PBI/2003 on Fit and Proper Test;
- (iii) approval of Indonesian Capital Market and Financial Institution Supervisory Board for the proposed IPO of Bank Mestika;
- (iv) approval in-principle from Bursa Malaysia Securities Berhad ('Bursa Securities') for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities;
- (v) approval of the shareholders of the Company at the Extraordinary General Meeting to be convened for the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital; and
- (vi) approvals, waivers and/or consents of any other relevant authorities and/or parties, if required.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposals save for their respective entitlements as shareholders under the Proposed Rights Issue and their rights to apply for excess Rights Shares which are also available to all other shareholders of the Company.

The Proposed Acquisition, Proposed Rights Issue and Proposed Options are not expected to have any material effect on the earnings and earnings per share of the Group for the financial year ending 31 December 2009. Barring unforeseen circumstances, the Proposed Acquisition and the Proposed Rights Issue are expected to be completed in the second quarter of 2010.

The Proposed Acquisition is expected to contribute positively to the future revenue and earnings of the Group.



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

	Group			
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000		
<b>(a) Deposits from customers and placements of banks and other financial institutions</b>				
Deposits from customers				
- one year or less	81,552,701			73,274,049
- more than one year	498,666			688,175
	<u>82,051,367</u>			<u>73,962,224</u>
Deposits and placements of banks and other financial institutions				
- one year or less	6,146,852			8,088,842
- more than one year	661,403			593,305
	<u>6,808,255</u>			<u>8,682,147</u>
	Group		Company	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
<b>(b) Borrowings</b>				
Secured:				
Revolving credits	-	20,000	-	20,000
Term loans	-	240,000	-	240,000
Unsecured:				
Revolving credits	884,850	743,800	974,850	743,800
Overdrafts	1,936	870	1,936	870
Term loans - RM	800,000	750,000	1,060,000	750,000
Term loans - USD	969,080	655,975	-	-
RM600 million 6 years				
Serial Fixed Rate Bonds	448,837	597,927	448,837	597,927
RM350 million				
Fixed Rate Bonds	345,059	343,962	345,059	343,962
RM150 million 7 years				
Commercial Papers/Medium Term Notes	48,000	80,000	48,000	80,000
RM1.1 billion 7 years				
Commercial Papers/Medium Term Notes	120,000	-	120,000	-
	<u>3,617,762</u>	<u>3,432,534</u>	<u>2,998,682</u>	<u>2,776,559</u>



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**(b) Borrowings (continued)**

	Group		Company	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
Schedule repayment of borrowings:				
Within one year	1,188,591	230,195	1,486,677	195,670
One year to three years	1,525,708	2,277,764	1,344,005	2,156,927
Three years to five years	224,965	562,062	-	423,962
Over five years	678,498	362,513	168,000	-
	<u>3,617,762</u>	<u>3,432,534</u>	<u>2,998,682</u>	<u>2,776,559</u>

	Group	
	Unaudited As at 30 Sept 2009 RM'000	Audited As at 31 Dec 2008 RM'000
<b>(c) Subordinated obligations</b>		
5.0% RM1,300 million Tier II subordinated notes 2007/2017	1,300,000	1,300,000
5.5% RM700 million Tier II subordinated notes 2007/2022	700,000	700,000
5.3% RM200 million Tier II subordinated notes 2007/2017	195,000	195,000
5.5% RM45 million Tier II subordinated notes 2008/2018	45,000	45,000
	<u>2,240,000</u>	<u>2,240,000</u>

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

**(d) Hybrid Tier-1 Capital Securities**

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

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



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

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

**Value of Contracts Classified by Remaining Period to Maturity/Next Re-pricing Date (whichever is earlier) as at 30 September 2009**

**Group**

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	> 5 years RM'000
Foreign exchange related contracts							
- forwards	3,047,544	1,061,868	907,701	713,705	331,066	33,204	-
- swaps	2,770,740	941,328	917,432	444,668	434,108	33,204	-
- options	221,365	124,076	76,955	20,334	-	-	-
- spots	1,573,966	1,573,966	-	-	-	-	-
- cross-currency	1,393,787	-	-	-	-	9,387	1,384,400
Interest rate related contracts							
- futures	1,230,000	-	240,000	240,000	480,000	270,000	-
- swaps	10,359,811	213,591	20,766	500,000	770,173	7,988,541	866,740
Total	20,597,213	3,914,829	2,162,854	1,918,707	2,015,347	8,334,336	2,251,140

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



**RHB CAPITAL BERHAD (312952 – H)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**B10. Off-Balance Sheet Financial Instruments (continued)**

**Value of Contracts Classified by Remaining Period to Maturity/Next Re-pricing Date (whichever is earlier) as at latest practicable date, 12 November 2009**

**Group**

Items	Principal amount RM'000	1 month or less RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	> 5 years RM'000
Foreign exchange related contracts							
- forwards	3,388,324	1,137,555	1,224,147	624,230	369,946	32,446	-
- swaps	2,912,656	965,913	815,807	615,791	482,699	32,446	-
- options	263,031	173,697	79,854	9,480	-	-	-
- spots	789,062	789,062	-	-	-	-	-
- cross-currency	1,361,303	-	-	-	-	8,503	1,352,800
Interest rate related contracts							
- futures	1,230,000	-	240,000	240,000	480,000	270,000	-
- swaps	10,270,441	62,140	220,000	537,056	650,823	7,937,155	863,267
Total	20,214,817	3,128,367	2,579,808	2,026,557	1,983,468	8,280,550	2,216,067



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**B10. Off-Balance Sheet Financial Instruments (continued)**

**Related accounting policies**

Derivative financial instruments and hedge accounting

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

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

(a) Fair value hedge

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

(b) Cash flow hedge

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

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

(c) Derivatives that do not qualify for hedge accounting

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





**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**B11. Material Litigation**

**(a) Carta Bintang Sdn Bhd**

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

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

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

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

Thereafter, both parties have filed their respective appeals to the Court of Appeal against the decision of the Learned High Court Judge (Please refer to A25(c)(i) 'Other Contingent Liabilities' for the Company's solicitors' opinion on the above suit and counterclaim). On 22 May 2009, the Court of Appeal had dismissed CBSB's appeal against the High Court decision in respect of the return of the Deposit and claim for damages. The Court of Appeal had also dismissed the Company's appeal in respect of the return of share certificates and transfer forms. Both CBSB and the Company had filed their respective applications for leave to appeal to the Federal Court. No hearing dates have been fixed for the applications yet.

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



**RHB CAPITAL BERHAD (312952 – H)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

**B12. Dividends Declared**

No dividend has been declared for the third quarter ended 30 September 2009.

	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
<b>B13. Earnings per Share</b>				
<b>Basic/diluted earnings per share</b>				
Profit attributable to equity holders of the Company (RM'000)	<b>334,809</b>	358,344	<b>864,979</b>	851,835
Weighted average number of ordinary shares in issue ('000)	<b>2,153,475</b>	2,153,475	<b>2,153,475</b>	2,153,475
Basic/diluted earnings per share (sen)	<b>15.5</b>	16.6	<b>40.2</b>	39.6

There were no dilutive potential ordinary shares outstanding as at 30 September 2009. As a result, the diluted earnings per share was equal to the basic earnings per share for the nine months ended 30 September 2009.

**BY ORDER OF THE BOARD**

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

Company secretary

18 November 2009