



## Press Releases

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### RHB Capital Group Records a 3% Increase In Net Profit to RM228.6 Million In First Quarter of 2009

- Higher pre-tax profit by 2% to RM315.0 million from RM309.9 million
- Net earnings per share increased 3% to 10.6 sen
- Annualised ROE at 11.6%

**Kuala Lumpur, 19 May 2009** : RHB Capital Group ("the Group") recorded a profit before taxation of RM315.0 million for the three months ended 31 March 2009, a 2% increase compared to the same period in the previous financial year.

The improved performance was attributed to higher net interest income by RM43.2 million, impairment loss no longer required of RM20.1 million and higher Islamic Banking business income by RM4.4 million. This was largely offset by lower other operating income by RM30.2 million, higher loan loss allowances by RM22.8 million and higher other operating expenses by RM10.3 million.

The Group's net profit at RM228.6 million was higher by 3% from RM222.4 million achieved in the corresponding period in 2008.

During the first quarter of 2009, net interest income amounted to RM573.5 million, an increase of 8% or RM43.2 million as compared to the corresponding period in 2008. The increase was largely due to lower interest expense as a result of a reduced treasury money market operation and benefits from the reduction in Overnight Policy Rate.

Other operating income was lower at RM213.1 million for the three-month period, a decline of 12% or RM30.2 million as compared to RM243.3 million recorded a year ago. This was largely due to lower fee income and lower net gain on foreign exchange of RM23.9 million and RM34.4 million respectively, partly offset by unrealised gain on securities and derivatives of RM12.8 million as compared with a loss of RM17.0 million recorded a year ago.

Loan loss allowances was higher by 15% or RM22.8 million to RM174.9 million as a result of further pre-emptive specific provision made during the period under review in the light of weaker economic condition.

For the first quarter 2009, the Group's gross loans, advances and financing contracted by RM389.7 million compared to December 2008, due mainly to repayment by the commercial business sectors in line with the slower economic condition. On a year on year basis, the Group's gross loans, advances and financing grew by RM4.8 billion or 8% to RM62.8 billion from RM58.0 billion as at 31 March 2008. The Group's net NPL ratio was marginally higher at 2.57% as at 31 March 2009 as compared to 2.24% as at 31 December 2008. Other than some moderation in the mortgages, hire purchase and credit card segments, there are no major signs of deterioration in the Group's asset quality and the Group remains confident with its overall portfolio. Loan loss coverage remained high at 85% as at 31 March 2009, it is lower than that of 90% as at 31 December 2008 due mainly to an increase in non-performing loans by RM264.5 million to RM3.1 billion as at 31 March 2009 and contraction in loan base by RM389.7 million to RM62.8 billion.

The Group's customers' deposits increased by RM2.5 billion to RM76.5 billion as at 31 March 2009, loans-to-deposit ratio dropped to 82% from 85% as at 31 December 2008.

RHB Bank Berhad ("RHB Bank"), the largest entity within the Group, continued to be the most significant contributor of the Group. In the three months to 31 March 2009, RHB Bank recorded a profit before taxation of RM317.0 million, an increase of 26% from the previous year corresponding period.

RHB Bank remains strongly capitalised with shareholders' equity of RM6.5 billion as at 31 March 2009, while its Risk Weighted Capital Adequacy Ratio (RWCR) was at 13.03% and Core Capital Ratio at 9.12%. The improved RWCR was mainly due to the issuance of RM370 million Hybrid Tier 1 Capital during the quarter under review as well as relatively unchanged risk weighted assets as at 31 March 2009.

RHB Investment Bank Berhad ("RHB Investment Bank") recorded a profit before taxation of RM18.5 million, 39% lower as compared with the previous year corresponding period given the more challenging operating environment brought about by the softer equity and debt capital markets. "Despite the slowing economy, the banking sector will remain resilient contributed by its strong capitalisation, good asset quality management and robust risk management practices. With proactive measures undertaken by the Government and Bank Negara Malaysia in the form of stimulus packages and reductions in interest rates, the Group is optimistic that there will be continued loan growth and demand for existing and new banking products and services, albeit at a slower rate " said Michael J. Barrett, Group Managing Director.



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"Keen competition is expected to continue amongst the various industry players and coupled with lower interest rates and demand, we expect that there will be further pressure on net interest margins. The Group will remain focused on building its core businesses and will continue to look for opportunities to expand its market share during this more challenging period with improvements in its sales, service and support infrastructure to better serve our customers. Barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance in 2009" Datuk Azlan Zainol, Chairman of RHB Bank concluded.

<b>RHB CAPITAL (RM'000)</b>		
<b>Financial Performance</b>	<b>3 months ended 31 March 2009</b>	<b>3 months ended 31 March 2008</b>
Operating profit before loan loss and allowances	469,592	462,463
Profit before taxation	314,997	309,877
Profit attributable to equity holders of the Company	228,641	222,422
Earnings per share (sen)	10.6	10.3
<b>Balance Sheet</b>	<b>As at 31 March 2009</b>	<b>As at 31 December 2008</b>
Gross loans, advances and financing	62,771,077	63,160,774
Net non-performing loans ('NPL')	1,571,994	1,382,161
Net NPL ratio (%)	2.57%	2.24%
Deposits from customers	76,450,001	73,962,224
Total assets	103,468,874	104,532,769
Equity attributable to equity holders of the Company	8,005,547	7,814,427
Net assets per share (RM)	3.72	3.63

*This release contains forward-looking statements such as the outlook for the RHB Banking Group. Although RHB believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct. Actual performance may be materially different from that anticipated or described herein, and RHB Capital's financial and business plans may be subject to change.*

A leader in financial services, the RHB Banking Group (Bursa Malaysia: RHBCAP) offers innovation and experience in investment & commercial banking and insurance services & products. The RHB Banking Group has earned numerous awards by industry observers and editors. Today, its managers and staff serve customers via a network of over 200 branches and outlets in Malaysia, Brunei, Thailand and Singapore.



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