



## Press Releases

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### **RHB Capital Off to a Strong Start with 1st Quarter Pretax Profit Before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends Increase of 38%**

- Pretax profit before INCPS dividends increases 38% to RM230.5 million
- Profit attributable to equity holders of the parent surged 45% to RM101.1 million
- Net interest income grew 31% to RM452.0 million
- Net NPL ratio of 5.58%
- Net tangible assets per share of RM1.88
- Earnings per share of 5.5 sen

**Kuala Lumpur, 22 May 2006** : RHB Capital Bhd ("RHB Capital") announced today its financial performance for the first quarter ended 31 March 2006.

For the financial quarter under review, RHB Capital ("The Group") reported a consolidated profit before INCPS dividends, taxation and zakat of RM230.5 million, a 38% increase compared to the previous corresponding period, while profits attributable to equity holders of the parent increased by RM31.4 million or 45% to RM101.1 million compared to the same period in 2005.

The stronger results were achieved on the back of a 31% expansion in total net interest income to RM452.0 million, and lower impairment loss as compared to the previous corresponding period.

The Group's performance also benefited from a bigger loan portfolio, and good contribution from other operating income.

During the period under review, income from the Islamic Banking business amounted to RM46.7 million, a strong 65% increase over the same period last year. RHB Islamic Bank was successfully launched on 16 March 2005, and benefiting from its enhanced platform, is enjoying robust demand for its Islamic financial services.

The Group's gross loans, advances and financing stood at RM51.0 billion at the end of March 2006. Loans to the manufacturing sector, wholesale & retail sector, for the purchase of residential property, consumption credit, and for the purchase of transport vehicles accounted for just under 70% of the Group's loan portfolio.

Loan loss coverage remained high at 61% during the quarter, reflecting the Group's vigilance and prudence in its lending practice. Despite the more stringent NPL classification adopted from the third quarter of financial year 2005 onwards, the Group's net NPL ratio remained below the industry average, at 5.58%.

The Group's equity attributable to equity holders of the parent strengthened by 2% to RM4.6 billion as at 31 March 2006 compared to 31 December 2005, while the total asset base expanded by 6% to RM95.3 billion over the same period. RHB Capital's net tangible assets per share amounted to RM1.88 as at 31 March 2006.

RHB Bank Bhd ("RHB Bank") maintained its flagship position as the Group's largest profit contributor and achieved a profit before INCPS dividends, taxation and zakat of RM170.8 million for the year, representing an 18% increase as compared to the same period last year, and accounted for 74% of the Group's profit.

The stronger performance at RHB Bank reflected the strong growth in its consumer, hire purchase, commercial and treasury businesses, which are expected to remain key earnings drivers for the bank this year.

RHB Bank remains strongly capitalised with equity attributable to equity holders of the parent and INCPS of RM5.5 billion as at 31 March 2006, while its Risk-Weighted Capital Adequacy Ratio was at 12.4%. RHB Bank's core capital ratio stood at 9.3%.

Going forward, RHB Capital views positively the continued favourable economic conditions in Malaysia, particularly with the recent unveiling of the Ninth Malaysia Plan and the National Automotive Policy, which are expected to provide a boost to the economy.

Notwithstanding keen competition in the financial services industry, the Group is hopeful of a satisfactory performance in the current financial year, and will continue its strategy of market share growth, whilst optimising cost.



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**Una audited Consolidated Results for first quarter ended 31 March 2006 for RHB Capital Berhad will be accessible @ [www.rhb.com.my](http://www.rhb.com.my) after midnight 22 May 2006. For easy reference, a table of financial highlights for RHB Capital Berhad is as follows:**

<b>RHB CAPITAL (RM'000)</b>		
<b>Financial Performance</b>	<b>3 months ended 31 Mar 2006</b>	<b>3 months ended 31 Mar 2005</b>
Operating profit	361,130	252,121
Profit before INCPS dividends, taxation and <i>zakat</i>	230,524	167,338
Profit after INCPS dividends and before taxation and <i>zakat</i>	203,290	140,104
Profit attributable to equity holders of the parent	101,141	69,705
Earnings per share (sen)	5.5	3.8
<b>Balance Sheet</b>	<b>31 Mar 2006</b>	<b>31 Dec 2005</b>
Gross loans, advances and financing	50,999,053	51,010,419
Net non-performing loans ('NPL')	2,742,477	2,516,956
Net NPL ratio	5.58%	5.11%
Deposits from customers	54,301,054	49,921,110
Total assets	95,304,202	89,904,705
Equity attributable to equity holders of the parent	4,591,204	4,492,555
NTA per share (RM)	1.88	1.82

This release contains forward-looking statements such as the outlook for the RHB group of companies. 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's financial and business plans may be subject to change.

A leader in financial services, the RHB group of companies ( Bursa Malaysia: RHBCAP) offers innovation and experience in investment & commercial banking and insurance services & products. RHB has earned numerous awards by industry observers and editors. Today, RHB managers and staff serve customers via a network of almost 250 branches and outlets in Malaysia, Brunei, Thailand and Singapore.