



Press Releases

RHB Capital records profit after INCPS dividends and before taxation and zakat of RM560.9 million for first half of 2007

- **Profit after INCPS dividends and before taxation and zakat increases 38% to RM560.9 million**
- **Profit attributable to equity holders surges 45% to RM308.5 million**
- **Net interest income grows 12% to RM1,034.5 million**
- **Net NPL ratio of 4.17%**
- **Net tangible assets per share of RM2.18**
- **Earnings per share of 16.9 sen**

Kuala Lumpur, 27 August 2007: RHB Capital Berhad ("RHB Capital") recorded a consolidated profit after Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends and before taxation and zakat of RM560.9 million for the half year ended 30 June 2007.

This was a 38.3% increase compared to the corresponding period in the previous financial year. The profit attributable to equity holders of the Company rose by 45.4% or RM96.3 million to RM308.5 million compared to the same period in 2006.

The strong performance was mainly attributable to a higher net interest income and other operating income, as well as a significant improvement in performance by the Islamic banking business.

During the six-month period under review, net interest income amounted to RM1.03 billion, an increase of 12.3% or RM113.3 million over the corresponding period in 2006. Other operating income rose to RM506.1 million in the six months to 30 June 2007, compared with RM388.6 million recorded in the previous corresponding period. This was an increase of 30.2% or RM117.5 million, primarily in the form of fee income, foreign exchange income and gains from sale of securities.

Income from the Islamic banking business amounted to RM184.1 million for the six-month period, nearly double the RM93.2 million recorded in the same period of 2006.

As in previous years, the Islamic banking business continued to show significant improvements in its performance. RHB ISLAMIC Bank Berhad ("RHB ISLAMIC") continues to expand into new markets.

The Group's gross loans, advances and financing stood at RM57.2 billion. The lion's share of the loans had been extended to the working capital, purchase of residential property and transport vehicles sectors, which accounted for 74.8% of the Group's total loan portfolio.

The RHB Banking Group's vigilance and prudence in its lending practice have also ensured that the Group's loan loss coverage remained high at 67% as at 30 June 2007. Its net NPL ratio improved to 4.17% compared with 4.63% as at 31 December 2006.

Equity attributable to equity holders of the Company strengthened by 4.5% to RM5.1 billion as at 30 June 2007, compared with 31 December 2006. Its total asset base expanded by 3.3% to RM106.7 billion over the same period, while net tangible assets per share rose to RM2.18 as at 30 June 2007.

RHB Bank Berhad ("RHB Bank"), the largest entity within the Group, continued to be the most significant contributor to profit. In the six months to 30 June 2007, RHB Bank recorded a profit after INCPS dividends and before taxation and zakat of RM349.3 million, an increase of 16% from the previous corresponding period.

RHB Bank remains strongly capitalised with equity and INCPS of RM5.8 billion as at 30 June 2007, while its Risk-Weighted Capital Adequacy Ratio was at 11.6%. RHB Bank's core capital ratio stood at 8.7%.

The completion of the financial restructuring exercise of RHB Banking Group, the entry of EPF as a major shareholder of RHB Capital, together with the re-purchased of 30% minority interests in RHB Bank held by Khazanah Nasional Berhad in July 2007 will result in further financial and operational efficiency improvements for the RHB Banking Group.

While the Malaysian economy is expected to continue its growth momentum into the second half of 2007 and providing a conducive environment for business expansion, significant challenges remain in the form of increased competition, economic uncertainty in global markets and a liberalising operating environment.



Press Releases

RHB Capital remains focused in managing its markets and business segments, as well as providing its customers with comprehensive financial solutions and product offerings. Priority will be given to maintaining the current earnings growth momentum whilst ensuring the continued discipline in managing cost and asset quality effectively.

Unaudited Consolidated Results for first half ended 30 June 2007 for RHB Capital will be accessible @ www.rhb.com.my after midnight 27 August 2007. For easy reference, a table of financial highlights for RHB Capital is as follows:

RHB CAPITAL (RM'000)		
Financial Performance	6 months ended 30 June 2007	6 months ended 30 June 2006
Operating profit before allowances	1,040,859	746,593
Profit before INCPS dividends, taxation and zakat	615,712	460,344
Profit after INCPS dividends and before taxation and zakat	560,942	405,574
Profit attributable to equity holders of the Company	308,521	212,232
Earnings per share (sen)	16.9	11.6
Balance Sheet	30 June 2007	31 Dec 2006
Gross loans, advances and financing	57,190,142	56,124,508
Net non-performing loans ('NPL')	2,319,070	2,521,629
Net NPL ratio	4.17%	4.63%
Deposits from customers	69,130,845	57,525,532
Total assets	106,713,508	103,309,975
Equity attributable to equity holders of the Company	5,149,132	4,928,039
NTA per share (RM)	2.18	2.06

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 almost 200 branches and outlets in Malaysia, Brunei, Thailand and Singapore.

Issued on behalf of RHB Capital Bhd by Group Corporate Communications, RHB Capital Bhd. For more information, please call Yeoh Guan Jin at 03-92802536 or 012-3835027 or Akmal Baqi at 03-92802776 or 012-6658704.