



Press Releases

RHB Capital Posts 30% Increase in Pretax Profit Before Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends for 6 months ended 30 June 2006

- Pretax profit before INCPS dividends up 30% to RM460.3 million
- Profit attributable to equity holders of the parent expanded by 29% to RM212.2 million
- Net interest income grew 27% to RM921.2 million
- Healthy net NPL ratio of 5.52%
- Net tangible assets per share of RM1.92
- Earnings per share of 11.6 sen

Kuala Lumpur, August 29, 2006: RHB Capital Berhad ("RHB Capital") announced today its financial performance for the six months ended 30 June 2006.

For the financial period under review, RHB Capital ("The Group") reported a consolidated profit before INCPS dividends, taxation and zakat of RM460.3 million, a 30% increase as compared to the previous year's corresponding period. Meanwhile, profit attributable to equity holders of the parent recorded an increase of RM47.1 million or 29% to RM212.2 million, compared to the same period in 2005.

The stronger results were achieved on the back of a 27% year-on-year ("YoY") expansion in total net interest income to RM921.2 million, and a strong 44% YoY growth in income from the Islamic Banking business to RM93.2 million. The Islamic Banking business, under RHB Islamic Bank, accounted for 11% of the Group's profit before INCPS dividends, taxation and zakat, and continues to deliver a strong performance as it capitalises on the robust demand for Islamic financial services.

The Group's performance also benefited from a lower impairment loss, stable contribution from other operating income, and a larger loan portfolio. The Group's gross loans, advances and financing stood at RM52.9 billion at the end of June 2006. Loans for the purposes of working capital, purchase of residential property, and purchase of transport vehicles accounted for 76% of the Group's loan portfolio.

Loan loss coverage remained high at 61% during the period. Despite the more stringent non-performing loans ("NPL") classification adopted from the third quarter of financial year 2005 onwards, the Group's net NPL ratio remained stable at 5.52% at the end of June 2006.

The Group's equity attributable to equity holders of the parent strengthened by 4% to RM4.7 billion as at 30 June 2006 as compared to 31 December 2005, while the total asset base expanded by 7% to RM96.0 billion over the same period. RHB Capital's net tangible assets per share amounted to RM1.92 as at 30 June 2006.

RHB Bank Berhad ("RHB Bank") continued its role as the Group's largest profit contributor and achieved a profit before INCPS dividends, taxation and zakat of RM368.8 million for the year, representing a 36% increase as compared to the same period last year, and accounted for 80% of the Group's profit.

RHB Bank, which completed its merger with RHB Delta Finance on 1 January 2006, is continuing its focus on expanding its consumer, program lending and treasury businesses, which are expected to remain key earnings drivers for the bank this year. In the consumer banking area, RHB Bank continues to grow its wealth management capabilities and credit cards portfolio, and now has a card base of around 650,000 cards. In the middle market and the small and medium-sized enterprise ("SME") segments, RHB Bank now accounts for an estimated 10 per cent share of the loans market, and expects continued strong growth in this business.

RHB Bank remains strongly capitalised with equity attributable to equity holders and INCPS of RM5.6 billion as at 30 June 2006, while its Risk-Weighted Capital Adequacy Ratio was at 12.0%. RHB Bank's core capital ratio stood at 9.0%.

Going forward, RHB Capital expects its performance for the financial year ending 31 December 2006 to be positive and satisfactory. Underpinning the sanguine outlook is the favourable economic conditions in Malaysia, which has been bolstered with the implementation of the Ninth Malaysia Plan. Additionally, strengthening commodity prices are expected to help mitigate any negative impact from external factors. RHB Capital will remain prudent in its lending strategy, while it continues to pursue other revenue-generation activities including non-interest income. Complementing these, cost efficiencies and cross-selling activities will continue. Such efforts will serve to enhance shareholder value. RHB Capital is cognizant of the challenges ahead, and will seize the opportunities arising from the fast evolving financial landscape.



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Unaudited Consolidated Results for six months ended 30 June 2006 for RHB Capital Berhad will be accessible @ www.rhb.com.my after market closes today. For easy reference, a table of financial highlights for RHB Capital Berhad is as follows:

RHB CAPITAL (RM'000)		
Financial Performance	6 months ended 30 Jun 2006	6 months ended 30 Jun 2005
Operating profit	746,593	575,055
Profit before INCPS dividends, taxation and zakat	460,344	355,215
Profit after INCPS dividends and before taxation and zakat	405,574	300,414
Profit attributable to equity holders of the parent	212,232	165,124
Earnings per share (sen)	11.6	9.1
Balance Sheet	30 Jun 2006	31 Dec 2005
Gross loans, advances and financing	52,862,721	51,010,419
Net non-performing loans ('NPL')	2,809,036	2,516,956
Net NPL ratio	5.52%	5.11%
Deposits from customers	53,344,591	49,921,110
Total assets	95,955,760	89,904,705
Equity attributable to equity holders of the parent	4,677,586	4,492,555
NTA per share (RM)	1.92	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 management and staff serve customers via a network of almost 250 branches and outlets in Malaysia, Brunei, Thailand and Singapore.

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