



Press Releases

RHB Capital Reports 9-Month Pretax Profit of RM511 million

- Net profit rises 8% to RM244.3 mil
- Net interest income up 12% to RM1.2 bil
- Net NPL declines to 5.59% on 3-month classification
- NPL period of default changed from 6 months to 3 months
- Shareholders' funds up 3% to RM4.4 bil
- Asset base grows 9% to RM89.4 bil
- Net tangible assets per share up 5% to RM1.77
- Net earnings per share up 8% to 13.4 sen

Kuala Lumpur, November 18 2005: RHB Capital Bhd ("RHB Capital") announced today its financial performance for the nine-month period to 30 September 2005. RHB Capital consolidated ("The Group") profit before Irredeemable Non-cumulative Convertible Preference Shares ("INCPS") dividends, taxation and *zakat* improved by 7% year-on-year to RM510.7 million, while net profit growth was stronger at 8% year-on-year, and amounted to RM244.3 million.

The improved financial performance is attributed to the Group's enlarged loan portfolio and enhanced levels of other operating income. These improvements reflect the results of RHB Capital's sustained marketing initiatives and firm demand for the Group's growing portfolio of innovative financial products and services. The cohesive teamwork and efforts of the Group's management and staff have also contributed significantly to the improved financial performance.

During the period under review, the Group generated total net interest income of RM1.2 billion, an increase of 12% year-on-year. The Group's net interest income of RM436.3 million in the financial quarter alone is its strongest performance in recent years.

For the nine-month period ended 30 September 2005, income from Islamic Banking business amounted to RM105.0 million. Spearheaded by RHB Islamic Bank, the Group's Islamic Banking business continues to perform strongly. In the financial quarter alone, total assets under the Group's Islamic Banking expanded by an impressive 26% to RM7.7 billion, while financing and other advances grew 7% to RM3.6 billion.

The Group's gross loans, advances and financing expanded by 8% in the nine-month period to 30 September 2005, rising from RM47.2 billion to RM50.9 billion. This growth is the result of the Group's strategic and marketing impetus, with continued focus on the Consumer Banking and Commercial Banking segments. The financing of residential property, purchase of transport vehicles and consumption credit now constitute 37% of the Group's loan portfolio. Lending to the general commerce sector also expanded strongly by 13% in the nine-month period to 30 September 2005, to RM5.9 billion.

The Group continues to exercise vigilance and prudence in growing its portfolio of businesses. Effective from the financial quarter ended 30 September 2005, the period of default for non-performing loans ("NPL") has been changed from six months to three months, in-line with industry best practices.

Despite the more stringent and shorter period of default, the Group's net NPL ratio declined to 5.59%. This compares favourably to the levels of 5.77% as at June 2005 and 5.95% as at 31 December 2004, both of which were based on the six-month NPL classification period. RHB Capital continues to strengthen its Group-wide risk management framework as well as optimize its portfolio of businesses and exposures.

The Group's shareholders funds increased by 3% from 31 December 2004 to RM4.4 billion as at 30 September 2005, while total asset base expanded by 9% to RM89.4 billion. RHB Capital's net tangible assets per share improved by 5% to RM1.77 from RM1.69 as at 31 December 2004. For the nine-month period to 30 September 2005, the Group achieved a net earnings per share of 13.4 sen, which is an improvement of 8% over the previous corresponding period.

RHB Bank Bhd ("RHB Bank") is the Group's largest profit contributor and achieved a profit before INCPS dividends, taxation and *zakat* of RM357.6 million for the nine-month period to 30 September 2005.

RHB Bank remains strongly capitalised with shareholders' equity and INCPS of RM5.4 billion as at 30 September 2005, while its Risk-Weighted Capital Adequacy Ratio is at 12.5%. RHB Bank's core capital ratio currently stands at 10.5%. During the period under review, Standard & Poor's Rating Services (S&P) has raised its credit rating on RHB Bank to "BBB".



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On the Group's Investment Banking operations, RHB Sakura Merchant Bankers Bhd ("RHB Sakura") achieved a profit before taxation of RM89.8 million during the nine-month period to 30 September 2005. RHB Sakura recently opened desk offices in Kuching, Sarawak, and in Lebu Pantai, Penang, to better service as well as tap into the vibrant growth and expansion of companies and corporates in Sarawak as well as the northern region of West Malaysia respectively. The new offices would offer a complete array of services, including equity-related services, advisory and fund raising services.

Moving forward, RHB Capital is looking to further enhance its already extensive array of financial solutions and services, while continuously improving its delivery channels and deepening relationship with its clients. All these initiatives are expected to further establish and strengthen the foundation necessary to sustain healthy growth for the Group.

Unaudited Consolidated Results for financial period ended 30 September 2005 for RHB Capital Berhad will be accessible @ www.rhb.com.my after midnight November 21, 2005. For easy reference, a table of financial highlights for RHB Capital Berhad is as follows:

RHB CAPITAL (RM'000)		
Financial Performance	3 month period ended 30 Sep 2005	9 month period ended 30 Sep 2005
Operating profit	366,562	941,617
Profit before INCPS dividends, taxation and <i>zakat</i>	155,282	510,658
Profit after INCPS dividends and before taxation and <i>zakat</i>	127,443	428,018
Net profit	79,131	244,255
Earnings per share (sen)	4.3	13.4
Balance Sheet As At	30 Sep 2005	31 Dec 2004
Net loans, advances and financing	47,836,546	43,911,737
Net non-performing loans ('NPL')	2,726,179	2,663,832
Net NPL to net loans, advances and financing*	5.59%	5.95%
Deposits from customers	53,411,591	50,167,252
Total assets	89,443,816	82,219,248
Shareholders' equity	4,407,927	4,261,986
NTA per share (RM)	1.77	1.69

** Effective from quarter ended 30 September 2005, the NPL period of default has been changed from 6 months to 3 months*

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.