



## Press Releases

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### RHB Capital Group recorded net profit of RM865 million for the first nine months of 2009

- Profit before taxation at RM1.16 billion
- Net earnings per share increased 2% to 40.2 sen from 39.6 sen
- Gross loans increased by 6% to RM67 billion
- Total assets expanded by RM6 billion or 6% to RM110.5 billion
- Annualised ROE at 14.2%

*Kuala Lumpur, 18 November 2009*

#### Performance Review of the Group

RHB Capital Group ("the Group") today reported a pre-tax profit of RM1.16 billion for the first nine months of 2009. Net profit was at RM865.0 million, up 2% as compared to the same period last year. Earnings per share rose to 40.2 sen compared to 39.6 sen recorded a year ago.

The improved performance of the Group was primarily contributed by higher net interest income, strong growth in income from Islamic banking business and higher write-back of impairment losses, partially offset by higher loan loss allowances and other operating expenses.

Net interest income increased by RM135.3 million or 8% to RM1,779.4 million for the first nine months of 2009. This was attributable to the healthy growth in loan base of RM3.8 billion from December 2008, coupled with lower interest expense as a result of the reduction in Overnight Policy Rate.

Income from the Islamic banking business was higher at RM241.0 million, up 20% as compared to RM200.4 million recorded in the same period in 2008. The improved performance was attributable to higher net profit income of RM26.4 million on the back of higher loan base by RM282.5 million to RM5.8 billion, higher income from treasury assets and higher gain from sale of securities of RM10.1 million.

Cost-to-income ratio improved to 40.6% from 42.6% recorded in the previous year corresponding period, reflecting further improvement in efficiency.

Loan loss allowances increased by 62% to RM468.0 million during the first nine months of 2009 as compared to the previous year corresponding period due to prudent provisioning made during the period under review.

For the third quarter ended 30 September 2009, the Group recorded a pre-tax profit of RM446.2 million or 12% higher as compared with RM400.1 million achieved in the second quarter of 2009. The higher pre-tax profit was mainly attributable to lower loan loss allowances by RM91.6 million, partially offset by higher other operating expenses by RM43.7 million.

The Group's gross loans, advances and financing increased by RM3.8 billion or 6% in the nine-month period to reach RM67.0 billion as at 30 September 2009. This gives rise to an annualised loan growth of 8%, compared with the annualised industry loans growth of 6.9%. The Group's domestic loan approvals grew by 10.3% in the first nine months of 2009 as compared to the previous corresponding period. Domestic loans market share stood at 8.3% as at end September 2009.

The Group's net NPL ratio remained stable at 2.37%, marginally lower as compared with that of June 2009 of 2.52%, while loan loss coverage stood at 86% as at 30 September 2009.

For the nine months to September 2009, the Group's customers deposits grew by RM8.1 billion or 11%, this was largely contributed by the increase in fixed and demand deposits by 13% and 7% respectively. This is translated to an annualised deposits growth rate of 15% as compared to the annualised industry deposits growth rate of 6.3%. The Group's loans to deposits ratio remained healthy at 82% as at 30 September 2009.

The Group's total assets expanded by RM6.0 billion or 6% over the nine-month period to RM110.5 billion. Shareholders' equity strengthened to RM8.4 billion as at 30 September 2009, while net assets per share rose to RM3.90 from RM3.63 as at 31 December 2008.

#### Performance Review of Subsidiaries



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RHB Bank Berhad ("RHB Bank") continued to be the most significant contributor of the Group. For the first nine months of 2009, RHB Bank recorded a pre-tax profit of RM1,047.0 million and contributed 90% of the Group profit.

RHB Bank remains strongly capitalised with shareholders' equity of RM6.9 billion as at 30 September 2009. Risk-Weighted Capital Adequacy Ratio and Core Capital Ratio of RHB Bank stood at 13.0% and 9.3% respectively as at 30 September 2009.

RHB Investment Bank Berhad ("RHB Investment Bank") recorded a pre-tax profit of RM94.5 million for the nine months ended September 2009. Despite a more challenging operating environment, RHB Investment Bank clinched the second (2nd) and fourth (4th) position in the equities market and debt capital market respectively.

### Significant Corporate Development

On 19 October 2009, RHB Capital Berhad ("RHB Capital") entered into a conditional sale and purchase agreement ("CSPA") with PT Mestika Benua Mas ("Vendor") to acquire 80% of the issued and paid-up share capital in PT Bank Mestika Dharma ("Bank Mestika"), comprising 654,414 ordinary shares of Rp1,000,000 each for a total cash consideration of Rp3,118 billion (equivalent to RM1,163 million) ("Proposed Acquisition").

Concurrently, the Company had also entered into a put and call option agreement to acquire a further 9% interest in Bank Mestika after its proposed initial public offering for a total cash consideration of Rp350.8 billion (equivalent to RM131 million) plus additional performance related returns of up to 15% per annum compounded annually (adjusted for dividends paid) ("Proposed Options"). The put and call option is exercisable between the third and seventh anniversary of the closing of the CSPA.

The acquisition of the first 80% equity in Bank Mestika is proposed to be funded by renounceable rights issue ("Proposed Rights Issue") of new ordinary shares of RM1.00 each in RHB Capital to raise gross proceeds of approximately RM1.3 billion.

Barring any unforeseen circumstances, the Proposed Acquisition, Proposed Options and Proposed Rights Issue which are subject to relevant regulatory approvals, are expected to be completed by the second quarter of 2010.

### Prospects for the Year

"The Malaysian economy and banking sector is expected to further strengthen going into the last quarter of 2009 as it benefits from the momentum built by the continuous proactive actions taken by BNM and the Government since the start of the year" said Dato' Tajuddin Atan, Group Managing Director.

"The Banking sector remains healthy with ample liquidity and an improving asset quality outlook. Competition remains keen as the industry continues to pursue competitive pricing policies across all the major lending products to gain market share. Improving sentiments in the public debt and equity markets is expected to give rise to potential revenue opportunities for our Investment Banking activities.

In line with the anticipated improvement in the domestic economy and underpinned by the Group's strengthening performance, the Group expects to achieve a satisfactory performance in 2009" concluded Dato' Mohamed Khadar Merican, Chairman of RHB Capital.

### Financial Highlights

RHB CAPITAL (RM'000)		
Financial Performance	9 months ended 30 September 2009	9 months ended 30 September 2008
Operating profit before allowances	1,601,750	1,452,090
Profit before taxation	1,161,304	1,160,495
Profit attributable to equity holders of the Company	864,979	851,835



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Earnings per share (sen)	40.2	39.6
<b>Balance sheet</b>	<b>As at 30 September 2009</b>	<b>As at 31 December 2008</b>
Gross loans advances and financing	66,950,009	63,160,774
Net non-performing loans ('NPL')	1,546,108	1,382,161
Net NPL ratio (%)	2.37	2.24
Deposits from customers	82,051,367	73,962,224
Total assets	110,499,615	104,532,769
Equity attributable to equity holders of the Company	8,390,851	7,814,427
Net assets per share (RM)	3.90	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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