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RHB Capital records 45% increase in pre-tax profit of RM870.8 million for the first nine months of 2007

- Net profit surges 72% to RM539.8 million
- Net interest income grows 9.0% to RM1,555.6 million
- Net NPL ratio improved further to 3.63%
- Net assets per share at RM3.18
- Earnings per share of 27.9 sen

Kuala Lumpur, 19 November 2007

Performance Review

RHB Capital Berhad ("RHB Capital") recorded a consolidated profit after Irredeemable Non-cumulative Convertible Preference Shares ('INCPS') dividends and before taxation and zakat of RM870.8 million for the nine months ended 30 September 2007.

This was a 44.6% increase compared with the corresponding period in the previous financial year. Net profit of the Group rose by a commendable 71.6% or RM225.2 million to RM539.8 million compared with the same period in 2006.

The strong performance was mainly attributed to higher net interest income and other operating income as well as higher income from the Islamic Banking business.

During the nine-month period, net interest income amounted to RM1.56 billion, up 9.0% or RM128.0 million over the corresponding period in 2006. Other operating income was higher at RM743.1 million, compared with RM606.8 million recorded in the previous year corresponding period. This was an increase of 22.5% or RM136.3 million, contributed primarily by fee and commission income, brokerage income, gains from sale of securities and foreign exchange profit.

Income from the Islamic Banking business was up 58.2% to RM238.5 million, an increase of RM87.7 million from RM150.8 million recorded in the same nine-month period of 2006.

For the quarter ended 30 September 2007, the Group recorded a profit after INCPS dividends and before taxation and zakat of RM309.8 million, compared to RM287.4 million recorded in the preceding quarter ended 30 June 2007, an increase of 7.8%.

The better performance for the current quarter was mainly attributed to a lower allowance for losses on loans and financing.

The Group's gross loans, advances and financing stood at RM57.8 billion. Working capital, purchase of residential property and transport vehicles sectors continue to command the major portions of the loans, accounting for 74.6% of the Group's total loan portfolio.

The RHB Banking Group's vigilance and prudence in its lending practice has resulted in net NPL ratio improving to 3.63% compared with 4.63% as at 31 December 2006. The Group's loan loss coverage remained high at 71.3% as at 30 September 2007, an improvement from 63.9% as at 31 December 2006.

The Group's shareholders funds strengthened by 39.1% to RM6.9 billion over the nine months to 30 September 2007. As at 30 September 2007, its total asset base stood at RM105.7 billion, up 2.3% from RM103.3 billion as at 31 December 2006. The Group's net assets per share stood at RM3.18 as at 30 September 2007.

Subsidiaries' Performance

RHB Bank Berhad ("RHB Bank") continued to be the most significant profit contributor. For the nine months to 30 September 2007, RHB Bank recorded a profit after INCPS dividends and before taxation and zakat of RM639.1 million, an increase of 42.5% from the previous year corresponding period.

RHB Bank remains strongly capitalised with shareholders funds and INCPS of RM6.0 billion as at 30 September 2007, while its Risk-Weighted Capital Adequacy Ratio was at 11.9%.



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RHB ISLAMIC Bank Berhad saw its pre-tax rise by 94.2% to RM141.0 million in the nine-month period to 30 September 2007.

RHB Investment Bank Berhad, for the nine months to 30 September 2007, recorded a profit before taxation of RM92.6 million. This was an increase of 90.0% over the same period last year.

Corporate Developments

The year to date has also seen the completion of several significant milestones for the RHB Banking Group, including the emergence of the Employees Provident Fund ("EPF") as a major shareholder and the re-purchase of the 30% minority interests in RHB Bank to make it a wholly-owned subsidiary of RHB Capital. The Group also, in October 2007, unveiled its Strategic Transformation Program in pursuit of its aspiration to become one of the Top Three financial services providers in the ASEAN Region by 2020.

"The Transformation Program is designed to harness the strengths of the Group so as to deliver seamlessly the full range of the Group's financial products and services to our customers," says Michael J. Barrett, the Group Managing Director.

"The Group's performance to date has been admirable given the increasingly competitive operating environment. We believe that the Transformation Program will improve the Group's competitiveness and further enhance our financial performance going forward", Datuk Azlan Zainol, Chairman of RHB Bank concluded.

Unaudited Consolidated Results for nine months ended 30 September 2007 for RHB Capital will be accessible @ www.rhb.com.my after midnight 19 November 2007. For easy reference, a table of financial highlights for RHB Capital is as follows:

RHB CAPITAL (RM'000)		
Financial Performance	9 months ended 30 Sept 2007	9 months ended 30 Sept 2006
Operating profit before allowances	1,492,585	1,187,456
Profit before INCPS dividends, taxation and zakat	953,367	684,787
Profit after INCPS dividends and before taxation and zakat	870,758	602,178
Profit attributable to equity holders of the Company	539,750	314,568
Earnings per share (sen)	27.9	17.3
Balance Sheet	30 Sept 2007	31 Dec 2006
Gross loans, advances and financing	57,781,846	56,124,508
Net non-performing loans ('NPL')	2,043,556	2,521,629
Net NPL ratio	3.63%	4.63%
Deposits from customers	77,515,364	57,525,532
Total assets	105,679,716	103,309,975
Equity attributable to equity holders of the Company	6,852,469	4,928,039
Net Assets per share (RM)	3.18	2.70

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



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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.

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