



Press Releases

RHB Capital Group's Net Profit increases by 58%

RHB Capital Group records 58% increase in net profit to RM851.8 million for the first nine months ended 30 September 2008

- **Pre-tax profit grew 33% to RM1,160.5 million from RM870.8 million**
- **Net earnings per share increased 42% to 39.6 sen from 27.9 sen**
- **Net NPL ratio improved to 2.38% from 3.43%**
- **Net assets per share rose to RM3.50 from RM3.27**

Kuala Lumpur, 24 November 2008: RHB Capital Berhad ("the Group") recorded a profit before taxation of RM1,160.5 million for the nine months ended 30 September 2008, up 33% when compared to RM870.8 million recorded in the previous year corresponding period.

The strong overall financial performance was attributed to continued growth in net interest income and lower loan loss allowances as bad debt recoveries improved.

Net profit rose by 58% or RM312.1 million to RM851.8 million compared with the same period in 2007. The repurchase of the minority interest in RHB Bank Berhad last July 2007 provided the additional boost to the net profits of the Group.

Net interest income increased by 6% or RM88.5 million to RM1,644.1 million for the first nine months of 2008 on the back of a healthy 10.2% increase in loans and advances. The lion's share of the loans had been extended for working capital, purchase of residential property and transport vehicles sectors, which accounted for 73% of the Group's total loan portfolio.

Income from the Islamic Banking business was lower at RM200.4 million for the nine months period, a decline of RM38.1 million or 16% as compared to RM238.5 million recorded in the same period of 2007. The decline was due to a one off capital market transaction gain recorded in 2007 of RM70.0 million. Excluding the one off capital market gain recorded in 2007, the Group's Islamic Banking business grew by approximately 19%.

Allowance for losses on loans and financing was substantially lower at RM288.7 million as compared to RM524.1 million recorded in 2007 due primarily to higher bad debts recovery.

For the quarter ended 30 September 2008, the Group recorded a profit before taxation of RM488.7 million, 35% higher as compared to RM361.9 million recorded in the preceding quarter ended 30 June 2008.

The better performance for the current quarter was mainly attributed to higher non operating income, higher contribution from Islamic Banking business and lower allowance for losses on loans and financing

As at 30 September 2008, net NPL ratio improved to 2.38% from 3.43% as at 31 December 2007, whilst loan loss coverage improved further to 87% from 71% as at 31 December 2007.

Total customers' deposits remained stable at RM75.6 billion, with demand and savings deposits increasing by 2.1% during the first nine months of 2008. The Group's loans-to-deposit ratio stood at 83% as at 30 September 2008 as compared to 75% as at 31 December 2007.

As at 30 September 2008, the Group's shareholders' funds strengthened further to RM7.5 billion. Net assets per share rose to RM3.50 from RM3.27 as at 31 December 2007.

RHB Bank, the largest entity within the RHB Banking Group, continued to be the most significant contributor of the Group. In the nine months ended 30 September 2008, RHB Bank recorded a profit before taxation of RM1,062.0 million, an increase of 66% from the previous year corresponding period. RHB Bank remains strongly capitalized with shareholders' equity of RM6.1 billion as at 30 September 2008, while its Risk- Weighted Capital Adequacy Ratio was at 11.7% and Core Capital Ratio at 7.8%.

RHB Investment Bank Berhad ("RHB Investment Bank") recorded a profit before taxation of RM99.1 million, 3% lower as compared to the previous year corresponding period given the more challenging and softer capital market condition.



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"The Group expects the Malaysian economy to remain challenging in the last quarter of 2008 given unprecedented events unfolding in the global financial markets and weakening global economy. We believe, however that the reinvigorated RHB Banking Group will be well placed to navigate the tougher conditions given the improved financial and operating platform resulting from the Group's Transformation Program implemented since early 2007", said Michael J. Barrett, Group Managing Director.

"The Banking Sector remains strong, underpinned by ample liquidity and well capitalized financial institutions. Coupled with proactive measures undertaken by the Government and Regulators to drive economic growth, the Group is optimistic that it will maintain its positive earnings momentum for the whole of 2008 and expect that performance will be better than 2007. The Group remains committed to its long term strategic direction and will look for opportunities during this more challenging period to move ahead of the competition." Datuk Azlan Zainol, Chairman of RHB Bank concluded.

Unaudited Consolidated Results for the nine months ended 30 September 2008 for RHB Capital will be accessible @ www.rhb.com.my after midnight 24 November 2008. For easy reference, a table of financial highlights for RHB Capital is as follows:

RHB CAPITAL (RM'000)		
Financial Performance	9 months ended 30 Sep 2008	9 months ended 30 Sep 2007
Operating profit before allowances	1,452,090	1,492,585
Profit before INCPS dividends and taxation	1,160,495	953,367
Profit after INCPS dividends and before taxation	1,160,495	870,758
Profit attributable to equity holders of the Company	851,835	539,750
Earnings per share (sen)	39.6	27.9
Balance sheet	As at 30 Sep 2008	As at 31 Dec 2007
Gross loans advances and financing	62,625,805	56,814,102
Net non-performing loans ('NPL')	1,454,327	1,905,028
Net NPL ratio (%)	2.38%	3.43%
Deposits from customers	75,623,988	75,793,231
Total assets	104,707,593	105,154,294
Equity attributable to equity holders of the Company	7,526,911	7,048,360
Net assets per share (RM)	3.50	3.27

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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Issued on behalf of RHB Bank Berhad by Group Corporate Communications Division, RHB Capital Berhad. For more information, please call Akmal Baqi Ariff at 012-6658704.