

FOR IMMEDIATE RELEASE

RHB CAPITAL RECORDS 52% INCREASE IN NET PROFIT TO RM222.4 million in 1st Quarter of 2008

- **Pre-tax profit up 13% to RM309.9 million**
- **Gross loans and advances grew 2% to RM58.0 billion**
- **Net NPL ratio improved to 3.23% from 3.43%**
- **Net assets per share at RM3.36**
- **Net earnings per share of 10.3 sen**

Kuala Lumpur, 20 May 2008

Performance Review

RHB Capital Berhad ("RHB Capital") recorded a net profit of RM222.4 million for the first quarter ended 31 March 2008, 52% higher than the RM146.3 million recorded in the previous year corresponding period.

Profit after Irredeemable Non-cumulative Convertible Preference Shares ("INCPS") dividends and before taxation amounted to RM309.9 million for the quarter ended 31 March 2008, was a 13% improvement from RM273.5 million recorded a year ago.

The improvement in performance had been achieved on the back of higher net interest income with loans and advances growing by 2% to RM58.0 billion during the quarter under review. Interest savings arising from the Group's capital management exercises which was completed in January 2008 and the re-financing of INCPS which was previously accounted for separately have contributed positively to the improvement in performance.

Net profit of RM222.4 million for the first quarter ended 31 March 2008 was 28% higher than the preceding quarter of RM173.2 million. This was primarily driven by higher non-interest income and lower other operating expense.

Non-interest income, including income from Islamic Banking business was marginally lower by 1% year on year and declined by 3% quarter on quarter as performance was impacted by a weaker equity and capital market.

The Group's gross loans, advances and financing increased by 2% to RM58.0 billion as at 31 March 2008. Loans for working capital, purchase of residential property and transport vehicles amounted to RM43.0 billion or 74% of the Group's total loan portfolio.

As at 31 March 2008, net NPL ratio improved further to 3.23% from 3.43% as at 31 December 2008. The Group's loan loss coverage improved further to 74.4% from 71.4% as at 31 December 2007.

Group shareholders' funds strengthened by 3% to RM7.2 billion as at 31 March 2008, while total asset base expanded by 4% to RM109.7 billion. Net assets per share improved by 3% to RM3.36 compared with RM3.27 as at 31 December 2007.

"The financial and operational restructuring initiatives has provided the RHB Banking Group a more efficient operating platform allowing us to post a strong growth in net profit despite an increasingly competitive operating environment underpinned by a slowing global economy" says Michael J. Barrett, the Group Managing Director.

"We have also joining us, Mr. Renzo Viegas, an experienced international banker who heads our Retail Strategic Business Unit and Puan Nik Hashiza, who brought with her a wealth of experience in the field as head of our Group Human Reseouce Strategic Functional Unit. These additions will further strengthen our Group Senior Management and move towards achieving our aspirations and objectives" he further added.

Key Corporate Developments

There were several key corporate developments for the RHB Banking Group since the beginning of 2008, amongst them were:

- (i) the entering of RHB Investment Bank into Share Subscription Agreement ("SSA") with Vietnam Securities Corporation ("VSEC"), for the subscription of new common shares in VSEC, representing 49.0% of the total enlarged issued and paid-up share capital of VSEC;
- (ii) the launching of new RHB brand's identity logotype. The new logotypes highlights the brand's driving characteristics—modern and contemporary, confident and institutional, hip and dynamic, fresh and vibrant and not least warm and friendly.
- (iii) the emergence of Abu Dhabi Commercial Bank ("ADCB") as one of the major shareholder via the disposal of 25% stake in RHB Capital by EPF. The strategic partnertship with ADCB will uniquely position both RHB and ADCB to leverage on growing business and capital flows between the GCC and ASEAN and strengthen our positions in the global Islamic Banking market.

"Amidst a challenging economic and operating environment brought about by the knockon effect of a slowing US economy and mortgage sub-prime issues, we expect the Group to begin to realise the benefits of the RHB Banking Group transformation program and see improvements in product quality and customer service. The Group is also expected to continue benefit from the financial and operational restructuring exercises that have been implemented in the latter part of 2007 and early 2008. These developments are expected to place the Group in a stronger position to further improve on its financial performance in 2008 and drive towards the milestones set by the Group." Datuk Azlan Zainol, Chairman of RHB Bank concluded.

Unaudited Consolidated Results for first quarter ended 31 March 2008 for RHB Capital Berhad will be accessible @ www.rhb.com.my after midnight 20 May 2008. For easy reference, a table of financial highlights for RHB Capital Berhad is as follows:

RHB Capital (RM'000)		
Financial Performance	3 months ended 31 Mar 2008	3 months ended 31 Mar 2007
Operating profit before allowances	462,463	461,088
Profit before INCPS dividends and taxation	309,877	300,735
Profit after INCPS dividends and before taxation	309,877	273,501
Profit attributable to equity holders of the Company	222,422	146,323
Earnings per share (sen)	10.3	8.0
Balance Sheet	As at 31 Mar 2008	As at 31 Dec 2007
Gross loans, advances and financing	58,005,197	56,814,102
Net non-performing loans ('NPL')	1,831,678	1,905,028
Net NPL ratio	3.23%	3.43%
Deposits from customers	79,378,594	75,793,231
Total assets	109,668,368	105,154,294
Equity attributable to equity holders of the Company	7,241,573	7,048,360
Net assets per share (RM)	3.36	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, these are offered through the Group's four strategic Business Units("SBU"), namely Retail, Corporate and Investment Banking, Islamic Banking and International Banking SBU. 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.

www.rhb.com.my

Issued on behalf of RHB Capital Berhad by Group Corporate Communications, RHB Capital Berhad. For more information, please contact Akmal Baqi at 03-92802776 or 012-6658704 or Adeline Ong at 03-92802552 or 012-8833345.