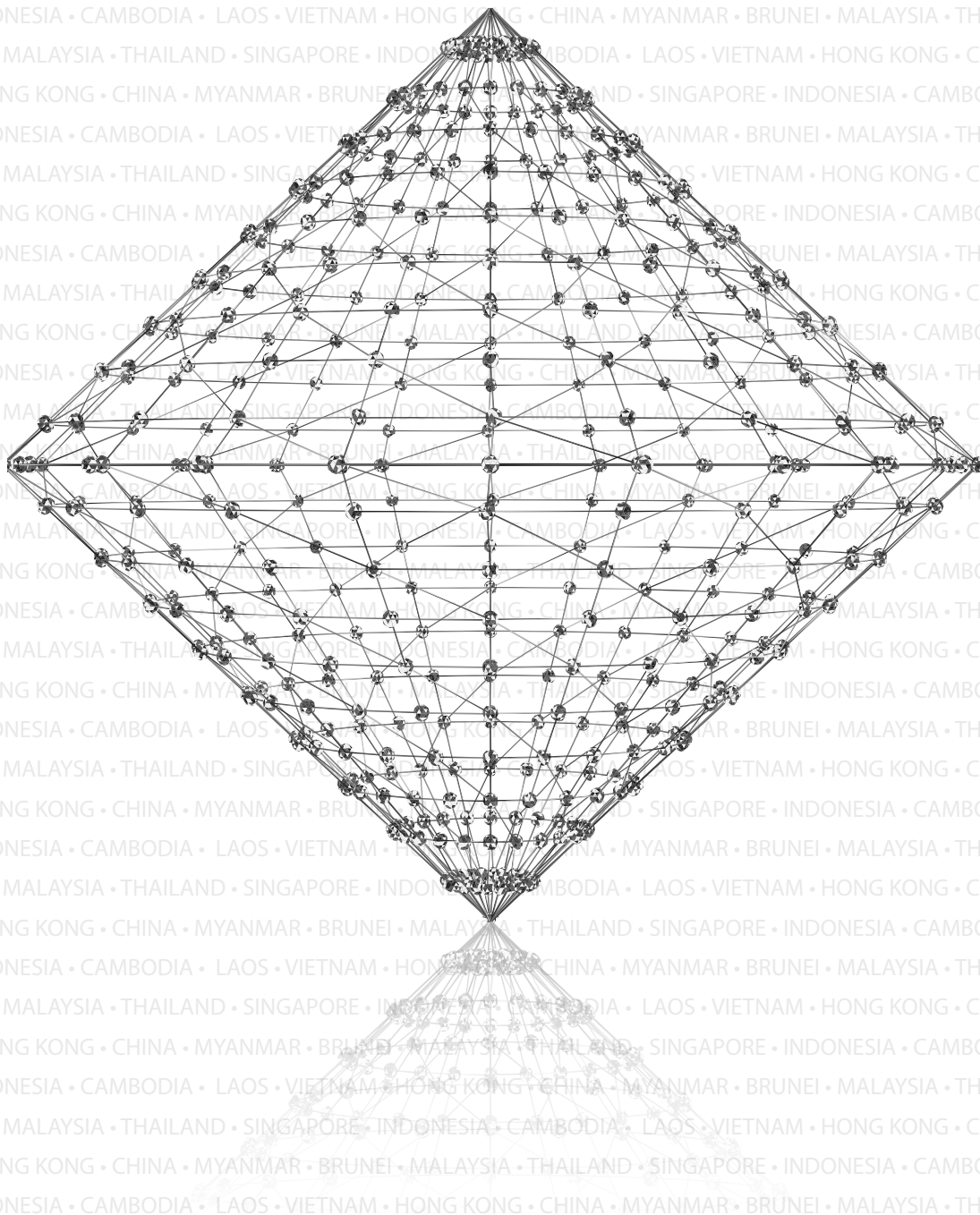


TOGETHER WE PROGRESS



RHB Capital Berhad

ANNUAL REPORT **2015**





The cover for our 2015 Annual Report depicts a diamond shape formed with interlocking wire mesh. The diamond represents RHB's clarity of focus towards achieving its vision of being a leading multinational financial services group. The wire links further symbolise our commitment to fostering greater ties with our customers and key stakeholders by placing them at the centre of what we do, as described by our revitalised Brand Promise, **"Together We Progress"**.


Our Brand Promise is anchored on being a trusted partner to our customers and stakeholders; delivering simple, fast and seamless experiences; providing solutions that help achieve their goals; and nurturing future generations. These principles will be translated through our daily operations, and drive us in pushing boundaries to create a positive impact for society as a whole, embodying our **"Together We Progress"** Brand Promise.

FACTS AT A GLANCE

RHB BANKING GROUP
NET PROFIT
RM **1,511** MILLION

TOTAL INCOME
RM **6,191** MILLION



 TOTAL ASSETS
RM **230,718** MILLION

> **16,000**  **EMPLOYEES** AS AT DECEMBER 2015

MORE THAN 
590
BRANCHES
& OFFICES REGIONALLY 

WITH PRESENCE
ACROSS COUNTRIES
1 

WHAT'S INSIDE

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- Proxy Form

21st ANNUAL GENERAL MEETING FOR RHB CAPITAL BERHAD



Refer to page 265 to 268 for Annual General Meeting Information



Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur, Malaysia



12 May 2016 at 10.30 a.m.

Feedback

We need your feedback to make sure we are covering the things that matter to you. Email us at marketing.communications@rhbgroup.com

www.rhbgroup.com

RHB'S ASPIRATIONS & VISION

BY 2020...

**TO BE A
LEADING
MULTINATIONAL
FINANCIAL
SERVICES
GROUP**



**TOP 3
IN MALAYSIA/TOP 8 IN
ASEAN**

by performance



**STRONG MARKET
LEADERSHIP IN MALAYSIA**

across targeted products and
segments



**REGIONAL POWERHOUSE
IN ASEAN+**

20% profit contribution from
international operations



**NEXT GENERATION
CUSTOMER CENTRIC BANK**

delivering innovative and
personalised
customer offerings



**PROMINENT EMPLOYER
OF CHOICE**

within the region

OUR STRATEGY STATEMENT

“To be a multinational regional financial services provider that is committed to deliver complete solutions to our clients through differentiated segment offerings and an ecosystem that supports a simple, fast and seamless customer experience, underpinned by our cohesive and inspired workforce and relationships built with our stakeholders.”



Our Brand Promise

TOGETHER WE PROGRESS

- ◆ Being your trusted partner
- ◆ Delivering simple, fast and seamless experiences
- ◆ Providing solutions that help achieve your goals
- ◆ Nurturing future generations

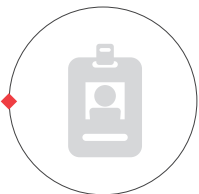


VALUES



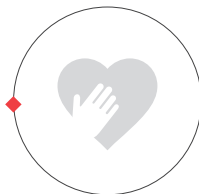
PROFESSIONAL

We are committed to maintain a high level of proficiency, competency and reliability in all that we do.



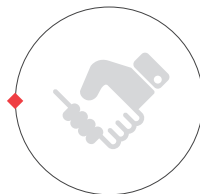
RESPECT

We are courteous, humble and we show empathy to everyone through our actions and interactions.



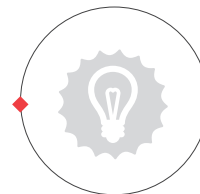
INTEGRITY

We are honest, ethical and we uphold a high standard of governance.



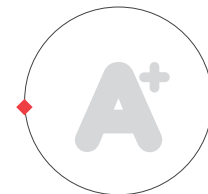
DYNAMIC

We are proactive, responsive and forward thinking.



EXCELLENCE

We will continuously achieve high standards of performance and service deliverables.

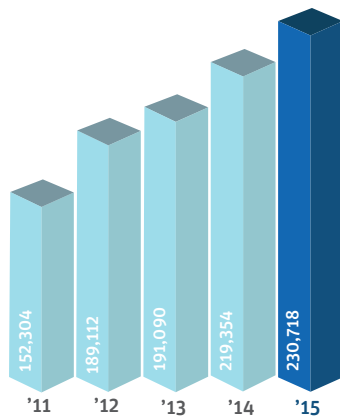


GROUP FINANCIAL HIGHLIGHTS

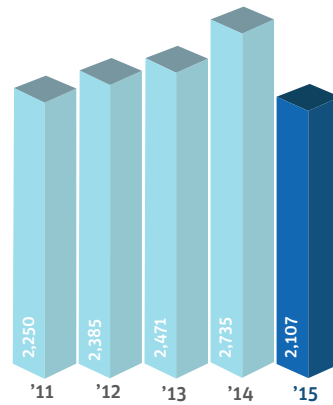
	2015	2014
PROFITABILITY (RM'million)		
Revenue	6,191	6,235
Operating profit before allowances	2,398	2,824
Profit before taxation	2,107	2,735
Net profit attributable to equity holders of the Company	1,511	2,038
FINANCIAL POSITION (RM'million)		
Total assets	230,718	219,354
Financial assets and investments portfolio	47,024	43,003
Gross loans, advances and financing	151,386	142,486
Total liabilities	207,608	200,460
Deposits from customers	158,151	157,134
Shareholders' equity	23,085	18,794
FINANCIAL RATIOS (%)		
Net return on average equity	7.3%	11.5%
Net return on average total assets	0.7%	1.0%
Gross impaired loans ratio	1.9%	2.0%
Gross loans to deposits ratio	95.7%	90.7%

SUMMARY OF FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

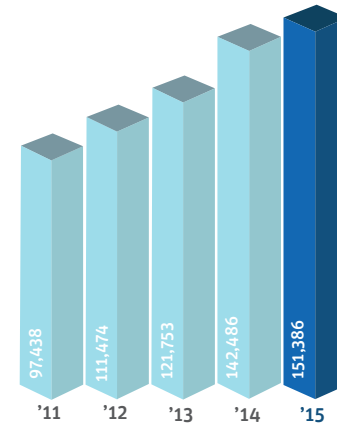
TOTAL ASSETS
(RM'million)



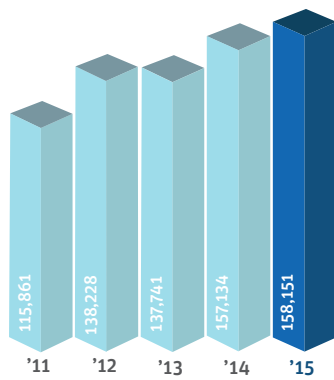
PROFIT BEFORE TAXATION
(RM'million)



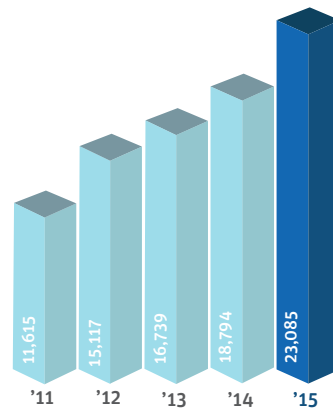
**GROSS LOANS, ADVANCES
AND FINANCING**
(RM'million)



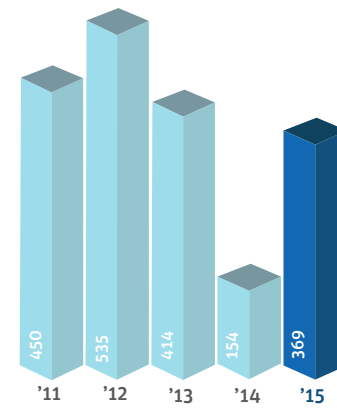
DEPOSITS FROM CUSTOMERS
(RM'million)



SHAREHOLDERS' EQUITY
(RM'million)



NET DIVIDEND
(RM'million)



FIVE-YEAR GROUP FINANCIAL SUMMARY

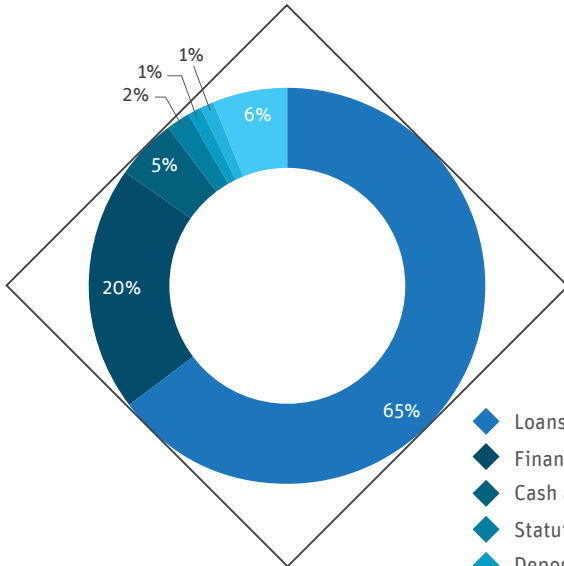
	2015	2014	2013	2012*	2011**
OPERATING RESULTS (RM'million)					
Operating profit before allowances	2,398	2,824	2,899	2,536	2,473
Profit before taxation	2,107	2,735	2,471	2,385	2,250
Net profit attributable to equity holders of the Company	1,511	2,038	1,831	1,785	1,688
KEY BALANCE SHEET DATA (RM'million)					
Total assets	230,718	219,354	191,090	189,112	152,304
Gross loans, advances and financing	151,386	142,486	121,753	111,474	97,438
Total liabilities	207,608	200,460	174,147	173,772	140,676
Deposits from customers	158,151	157,134	137,741	138,228	115,861
Paid-up capital	3,075	2,572	2,547	2,494	2,205
Shareholders' equity	23,085	18,794	16,739	15,117	11,615
Commitments and contingencies	186,762	133,504	100,232	83,160	74,161
SHARE INFORMATION					
Dividend per share – (sen)	12.00	6.00	16.30	22.09	25.41
Net assets per share – (RM)	7.5	7.3	6.6	6.1	5.3
Net tangible assets per share – (RM)	5.8	5.3	4.5	4.0	3.5
Basic earnings per share – (sen)	58.1	79.7	72.9	79.0	77.5
Share price – (RM)	5.67	7.62	7.90	7.69	7.48
Market capitalisation (RM'million)	17,433	19,602	20,121	19,180	16,492
FINANCIAL RATIOS (%)					
Profitability Ratios					
Net return on average equity	7.3	11.5	11.5	13.4	15.7
Net return on average assets	0.7	1.0	1.0	1.0	1.2
Cost to income ratio	61.3	54.7	51.3	47.5	43.5
Asset Quality					
Gross loans to deposits ratio	95.7	90.7	88.4	80.6	84.1
Gross impaired loans ratio	1.88	2.03	2.81	2.99	3.59
Ordinary Shares					
Net dividend yield	2.1	0.8	2.1	2.9	2.7
Dividend payout ratio	24.4	7.6	22.6	30.0	30.0

* Restated to reflect the adoption of MFRS 3.

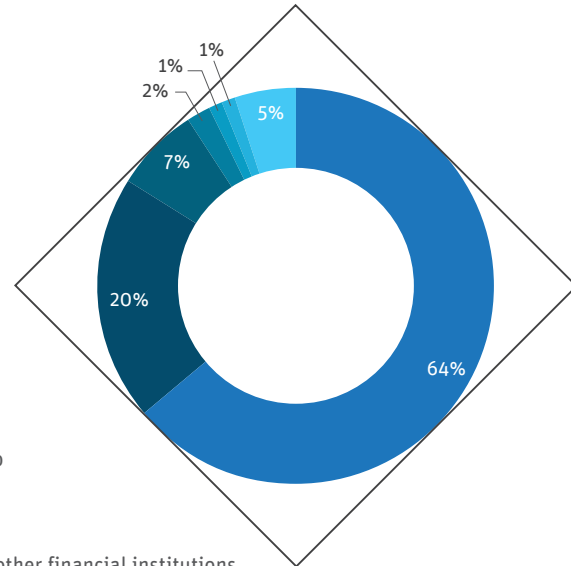
** Restated as a result of retrospective application of MFRS 139 and FRISIC 18.

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITIONS

TOTAL ASSETS 2015

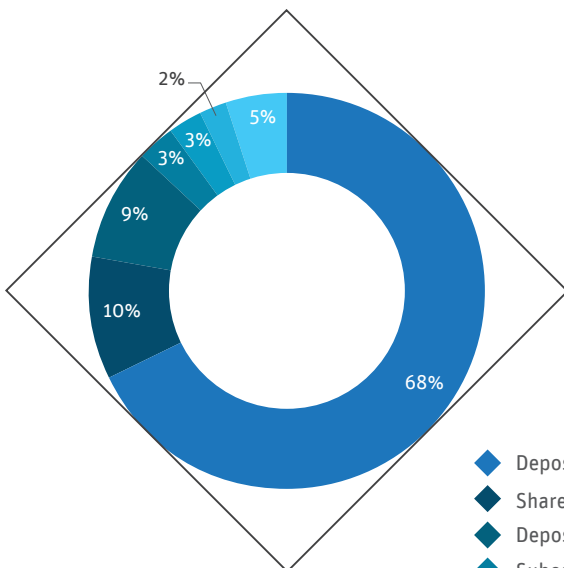


TOTAL ASSETS 2014

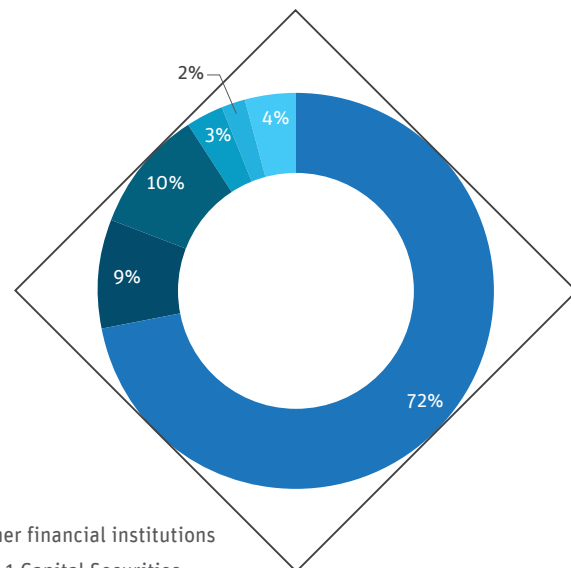


- ◆ Loans, advances and financing
- ◆ Financial assets and investments portfolio
- ◆ Cash and short term funds
- ◆ Statutory deposits
- ◆ Deposits and placements with banks and other financial institutions
- ◆ Clients' and brokers' balances
- ◆ Other assets

TOTAL LIABILITIES & EQUITY 2015



TOTAL LIABILITIES & EQUITY 2014

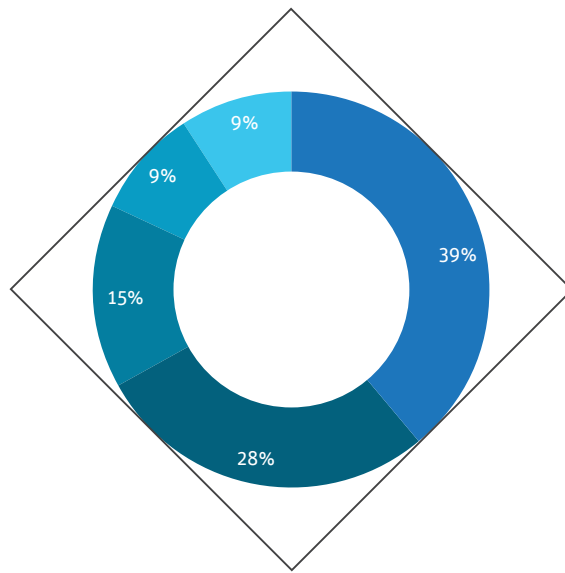


- ◆ Deposits from customers
- ◆ Shareholders' equity
- ◆ Deposits and placements of banks and other financial institutions
- ◆ Subordinated obligations and Hybrid Tier-1 Capital Securities
- ◆ Borrowings and senior debt securities
- ◆ Obligations on securities sold under repurchase agreements
- ◆ Other liabilities

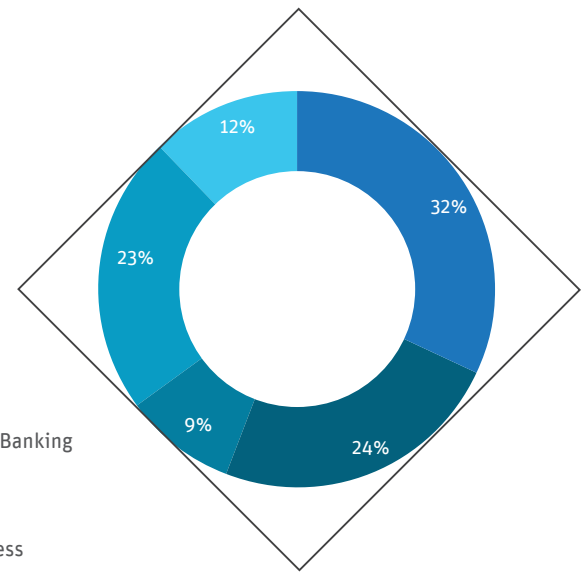
SEGMENTAL ANALYSIS

For the financial year ended 31 December 2015

REVENUE BY BUSINESS SEGMENT

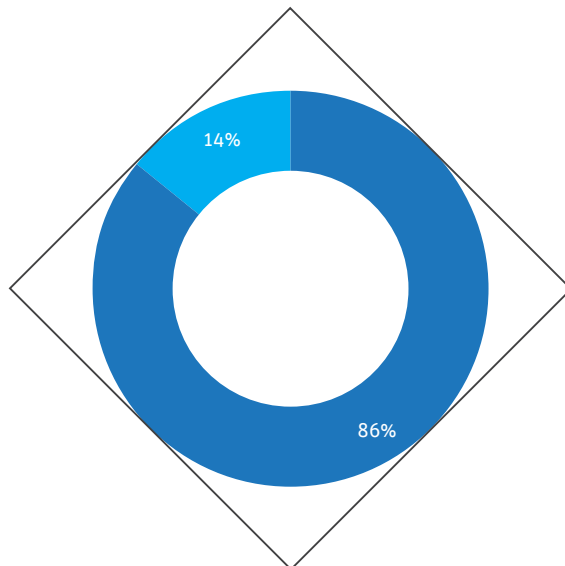


ASSETS EMPLOYED BY BUSINESS SEGMENT

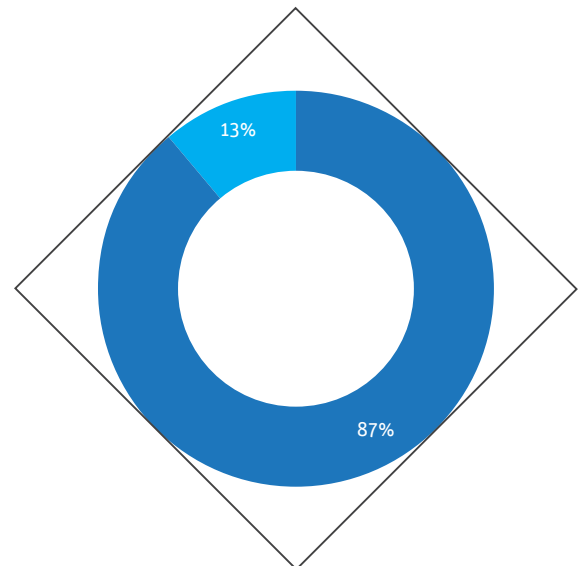


- ◆ Retail
- ◆ Corporate and Investment Banking
- ◆ Business Banking
- ◆ Treasury
- ◆ Group International Business

OPERATING REVENUE BY GEOGRAPHICAL LOCATION



ASSETS EMPLOYED BY GEOGRAPHICAL LOCATION



- ◆ Malaysia
- ◆ Overseas*

* Inclusive of RHB Investment overseas banking operations.

GROUP QUARTERLY PERFORMANCE

	2015				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
FINANCIAL PERFORMANCE (RM'000)					
Revenue	1,508,756	1,486,519	1,513,827	1,682,069	6,191,171
Net interest income	799,779	784,416	843,709	871,894	3,299,798
Other operating income	506,487	487,992	447,589	573,388	2,015,456
Operating profit before allowances	688,845	643,993	344,762	720,409	2,398,009
Profit before taxation	644,821	692,381	294,336	475,206	2,106,744
Net profit attributable to equity holders of the Company	476,277	524,594	194,436	316,120	1,511,427
Earnings per share (sen)	18.5	20.3	7.5	11.9	58.1
Dividend per share (sen)	-	-	-	12.0	12.0

	2014				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
FINANCIAL PERFORMANCE (RM'000)					
Revenue	1,466,037	1,444,962	1,647,094	1,676,786	6,234,879
Net interest income	822,184	827,727	835,868	805,553	3,291,332
Other operating income	492,104	433,898	614,793	670,601	2,211,396
Operating profit before allowances	679,692	648,047	806,218	689,754	2,823,711
Profit before taxation	637,408	739,127	714,932	643,586	2,735,053
Net profit attributable to equity holders of the Company	450,691	556,508	544,610	486,191	2,038,000
Earnings per share (sen)	17.7	21.9	21.2	18.9	79.7
Dividend per share (sen)	-	-	-	6.0	6.0



RHB 



**TOGETHER
WE PROGRESS**

CHAIRMAN'S STATEMENT

Dear Shareholders,

RHB Capital Berhad (“RHB Capital” or “the Group”) sustained its profitability in 2015, successfully weathering the headwinds in the global and Malaysian economies. Despite the challenging conditions, our goal of becoming a Leading Multinational Financial Services Group remained firmly intact. We also introduced measures to capitalise on new opportunities and mitigate risks, strengthening our ability to take on developments in the short-term horizon and enhance long-term shareholder value.



DATO' MOHAMED KHADAR MERICAN

**“OUR GOAL OF BECOMING A LEADING
MULTINATIONAL FINANCIAL SERVICES
GROUP BY 2020 REMAINS FIRMLY
INTACT.”**

FINANCIAL PERFORMANCE

The Group reported Revenue of RM6.2 billion and Profit Before Tax (“PBT”) of RM2.1 billion in the financial year ended 31 December 2015 (“FY2015”), achieving strong growth in its total assets which rose to RM230.7 billion as at the end of 2015 from RM219.4 billion in FY2014. We also continued to improve our asset quality, with the Group’s impaired loans ratio strengthening to 1.88% from 2.03% in the previous year.

For the year under review, the Company has declared an interim single-tier cash dividend of 12 sen per share, translating into a dividend payout of 24.4%.

RHB PERFORMANCE

▶ PROFIT BEFORE TAX

RM2.1 BILLION

▶ DIVIDEND PAYOUT RATIO

24.4%

OPTIMISING SHAREHOLDER VALUE

As part of our commitment to deliver long-term value to our shareholders, in 2015 the Group undertook proactive measures to safeguard our interests amid challenging economic conditions.

In line with that, the Group embarked on a Corporate Restructuring exercise which is currently in progress. The exercise encompasses equity fundraising, an internal reorganisation, distribution and capital repayment by the Group to shareholders and the transfer of the Group’s listing status to RHB Bank Berhad (“RHB Bank” or “the Bank”).

The corporate restructuring exercise is centred on enhancing shareholders’ value and operational efficiencies for RHB Bank. The restructuring will benefit shareholders by allowing direct equity participation in the Bank.

CHAIRMAN'S STATEMENT (continued)

The exercise will also achieve higher stock liquidity through the re-rating of the stock with the higher number of RHB Bank shares in issue.

The equity fundraising comprised a one-for-five renounceable rights issue of 486.19 million new ordinary shares of RM1 each in RHB Capital, at an issue price of RM4.82 per rights share. The rights issue was successfully completed on 21 December 2015, raising RM2.34 billion with an over-subscription rate of 30.5%, reflecting shareholders' continued confidence in the Group's growth prospects.

The Group also embarked on a reframed IGNITE 2017 strategy to strengthen our capabilities in becoming a Leading Multinational Financial Services Group and ensure we continue to deliver long-term value to our shareholders.

CORPORATE GOVERNANCE

The Group is committed to upholding the highest standards of corporate governance, gaining recognition for our continuous efforts to enhance corporate governance practices within the Group. For further details on our corporate governance activities this year, I invite you to read our Corporate Governance Statement on pages 132 – 157 of this Annual Report.

CORPORATE RESPONSIBILITY

As a leading financial services group in Malaysia with a strong presence in ASEAN, we believe that corporate responsibility is a key element to attain sustainable growth. Guided by the corporate responsibility pillars of Community, Workplace, Marketplace and Environment, the Group's sustainable corporate practices underscore our commitment to growing profitably in a responsible manner.

In the fourth quarter of 2015, the Group embarked on establishing the RHB Foundation, marking an extension of our efforts in corporate responsibility. We are confident that the Foundation will enable the Group to spearhead even more meaningful contributions to our society and environment.

THE EQUITY FUNDRAISING COMPRISED A ONE-FOR-FIVE RENOUNCEABLE RIGHTS ISSUE OF **486.19 MILLION** NEW ORDINARY SHARES OF **RM1 EACH** IN RHB CAPITAL, AT AN ISSUE PRICE OF **RM4.82 PER RIGHTS SHARE.**

Further details on our corporate responsibility practices are available in our Sustainability Report 2015. I would like to add that this year, we have reverted to our standard practice of publishing our Sustainability Report separately from the Annual Report. This is in line with sustainability reporting requirements by Bursa Malaysia Securities Berhad as we strive to embody our values as a responsible corporate citizen.

AWARDS AND ACCOLADES

The Group's continuous efforts to enhance customer service and experience were acknowledged through a number of awards in 2015. These include the Best Branch Experience, Best Contact Centre Experience and Best Online Experience awards at the Frost & Sullivan Malaysia Excellence Awards 2015.

RHB Bank also received the Best Loyalty Card Programme Award under the Asia Technology and Strategy Awards category at the Cards & Electronic Payments International ("CEPI") Asia Summit & Awards 2015, in recognition of our innovative RHB Lifestyle Privileges mobile application. We believe these awards are significant milestones in our ambition towards becoming a next-generation digital bank.

Testament to our exemplary corporate governance practices, the Minority Shareholder Watchdog Group (“MSWG”) – ASEAN Corporate Governance Transparency Index 2015 – The Malaysian Chapter ranked the Group in the Top 6 among 870 Malaysian Public Listed Companies (“PLCs”) in terms of quality of disclosures and scope of corporate governance practices.

As a result, the Group was presented with the Top 10 Corporate Governance Disclosure Merit Recognition Award by the MSWG. We were also recognised among the Top 50 ASEAN PLCs based on our governance and transparency practices. Both accolades are based on a methodology guided by the Organisation for Economic Co-operation and Development’s Principles of Corporate Governance.

Notably, the RHB Asset Management (“RHB-AM”) team was honoured with a total of 15 recognitions from The Edge-Thomson Reuters Lipper Fund Awards 2016 held on 7 March 2016. Additionally, RHB-AM’s RHB Pre-IPO and Special Situation Fund III was awarded the Most Innovative Product for Malaysia and Singapore at Asia Asset Management’s 2015 Best of the Best Awards Annual Awards, while PT RHB Asset Management Indonesia was recognised as the year’s Rising Star.

Recognising our strong relationship with the SME community, the SME Association of Malaysia has once again awarded us with the “Sahabat Negara Award”.

Additionally, the Group earned accolades for Most Outstanding Islamic Corporate Banking and Most Outstanding Islamic Corporate Banking Product: i-Financial Supply Chain during the 12th Kuala Lumpur Islamic Finance Forum held in December 2015.

These awards acknowledge the dedication of our employees in providing innovative and valuable solutions to our customers, and also inspire us to continuously strive for excellence in all our activities.

MOVING FORWARD

The future holds great promise for the Group. We will continue to forge ahead and remain responsive to opportunities and challenges as we seek to sustain and enhance shareholder value.

APPRECIATION

On behalf of the Board of Directors, I would like to express our deepest gratitude to our customers, business partners, as well as regulatory and government bodies for their continued support.

We also extend our appreciation to the Senior Management team and the Group’s employees, who are instrumental in translating the Group’s strategies into meaningful outcomes.

I would like to welcome Dato’ Khairussaleh Ramli as our new Group Managing Director. We are confident that the RHB Banking Group will reap continued success under his leadership.

I offer my personal gratitude to my colleagues on the Board of Directors for their stewardship and commitment to the Group. Our appreciation is also extended to the Group’s valued shareholders for their unwavering support in our journey of becoming a Leading Multinational Financial Services Group.

Finally, in the spirit of good corporate governance, I shall be retiring from the RHB Banking Group at the conclusion of this year’s Annual General Meeting. I would like to thank everyone, for the support given to me during my time at RHB. I wish all of you every success for the future.



DATO’ MOHAMED KHADAR MERICAN

Non-Independent Non-Executive Chairman

GROUP MANAGING DIRECTOR'S STATEMENT

DATO' KHAIRUSSALEH RAMLI

“THE GROUP REPORTED A NET PROFIT OF RM1.5 BILLION IN 2015. WE SAW GROWTH IN MANY OF OUR BUSINESSES BUT MODERATION IN SOME, COUPLED BY OPPORTUNITIES TO RESET OUR COST BASE.”

OVERVIEW: BUSINESS & OPERATIONS

2015 was a challenging year caused primarily by volatility in the external markets. Despite these challenges, the Group managed to record a net profit of RM1.5 billion. The Group's financial performance was broadly driven by growth across many of our businesses and moderation in some. Nevertheless, we are cognisant of the need to continuously strengthen the fundamentals of our company as we march forward. This was further reinforced by our Group Corporate Restructuring exercise and a reframing of our IGNITE 2017 strategy.

The Group Corporate Restructuring, which involves a Rights Issue, an internal reorganisation, distribution and capital repayment by the Group to its shareholders and the transfer of the Group's listing status to RHB Bank, has resulted in the strengthening of RHB Bank's capital position. It will also enhance RHB Bank's operational efficiencies, and allow for

direct equity participation in the Bank, create higher stock liquidity and has the potential to enhance shareholder value through the re-rating of RHB Bank's stock with a higher number of shares in issue.

The exercise and the listing of RHB Bank on Bursa Malaysia is projected for completion by the end of June 2016.

On the business front, we have reframed our strategy, with a clear focus on performance measured by Return on Equity ("ROE"), and with that, refined our key initiatives under our IGNITE 2017 Transformation Programme which focuses on three strategic themes, namely Funding Our Journey, Winning by Differentiating Ourselves in the Medium-Term and Getting the People and Organisation Right.



▶ **PRE-TAX PROFIT OF**
RM2.1 BILLION

While our strategy has remained consistent throughout the three phases of our transformation journey, which began in 2007, we recognise the need to remain cognisant of and be responsive to developments materialising along the way.

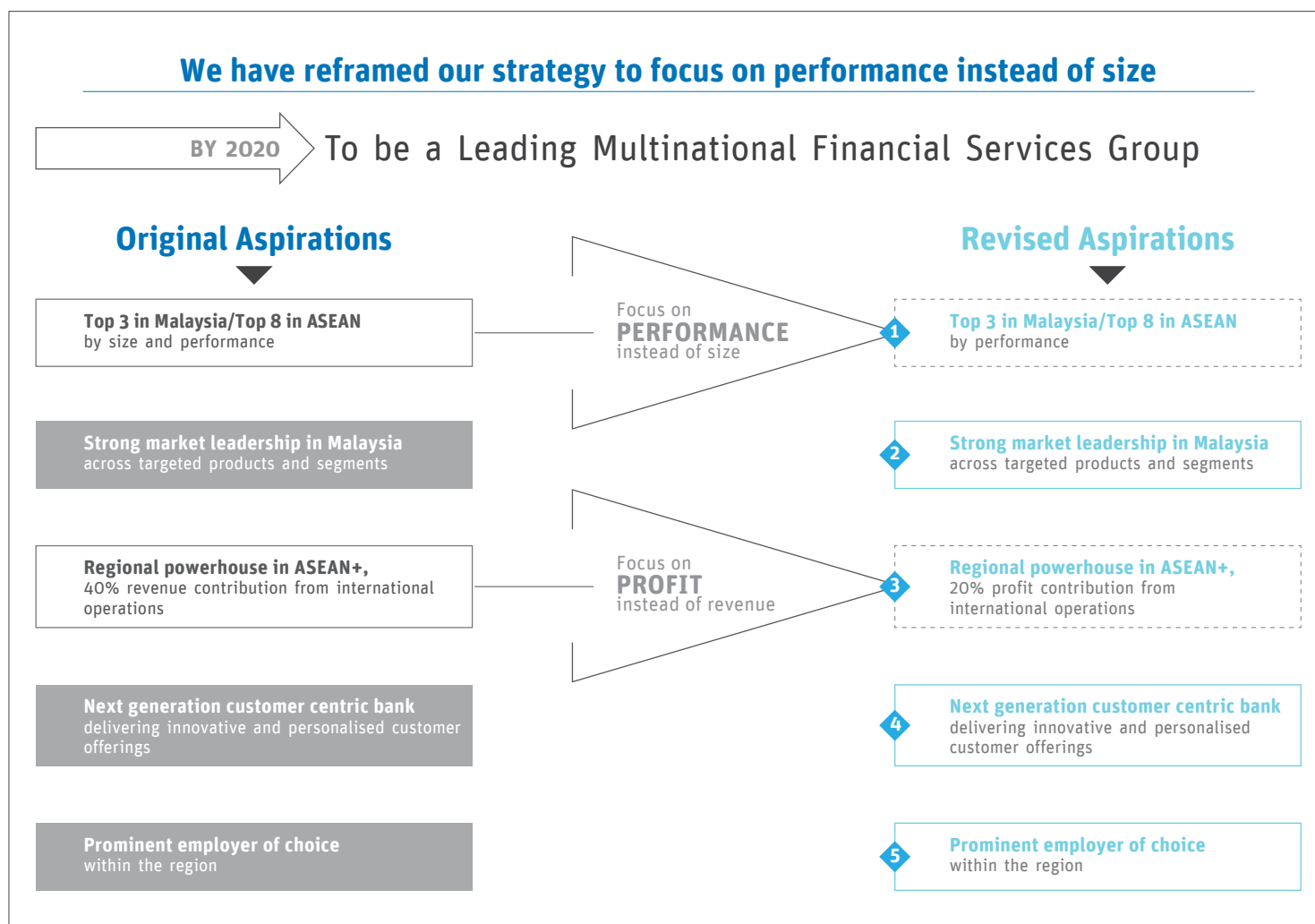
Our ability to weather challenges and remain receptive to emerging opportunities is the key hallmarks of our success. This will enable us to continue achieving long-term profitability and delivering shareholder value.

GROUP MANAGING DIRECTOR'S STATEMENT (continued)

REFINING OUR STRATEGY

Under our IGNITE 2017 Transformation Programme, we aim for the RHB Banking Group to become a Leading Multinational Financial Services Group by 2020. This goal is quantified by five aspirations focusing on our performance in Malaysia and ASEAN, our profitability targets, our market positioning and our talent planning.

In the year under review, we refined our IGNITE 2017 strategy to prioritise performance over size, especially when capital is precious. This resulted in further refinement to two of our original aspirations, as depicted below.



We also realised that there was a gap between our manpower requirements and the manpower level that we had, especially in our Malaysian operations. As such, we decided to offer a Career Transition Scheme (“CTS”) to our permanent staff in Malaysia.

The Group accepted the applications of 1,812 employees, representing 13.1% of our permanent staff in Malaysia and 11.8% of our Malaysian workforce of 15,348, though the applications received were much higher.

The employees approved for the CTS were released in batches from November 2015 to January 2016.

While the Group incurred CTS payout costs of RM309 million, we expect to attain personnel cost rationalisation of RM193 million annually and most importantly, enhance our relevance, competitiveness and resilience amid the challenging economic conditions.

We would like to thank the employees who have left the Group for their valuable contributions throughout their tenure with us.

SUSTAINING OUR PROFITABILITY

As a result of our strategic and operational enhancements instituted during the year, the Group continued to deliver profits in 2015. This was despite slower activity in some of our businesses due to the challenging operating landscape. For the financial year ended 31 December 2015, the Group recorded net profit of RM1.5 billion.

Among the highlights of our operations during the year, was the strong loans growth of 10.7% (excluding commercial property loans and ASB financing) from our Group Retail Banking division, surpassing industry growth of 8.5%. We also recorded a total Deposit market share of 7.4%, while our Current Accounts and Savings Account (“CASA”) growth of 5.9% outpaced the industry’s growth of 0.3%.

Our Group Business and Transaction Banking segment also continued to flourish, recording an 11.3% growth in Total Loans Outstanding. This was achieved through rapid growth in our SME segment and by promoting accessibility of our SME services through our branch network and recalibrating the accountability of this business across the country. Overall, our SME market share improved to 8.7% in 2015 from 7.2%.

▶ **STRONG LOANS GROWTH**

10.7% SURPASSING **8.5%** INDUSTRY GROWTH

GROUP MANAGING DIRECTOR'S STATEMENT (continued)

▶ FURTHER HIGHLIGHTS OF OUR OPERATIONS

17%
GROWTH IN FX SALES

Despite lower activity in the Corporate and Investment Banking space, RHB Investment Bank continued to be a pacesetter in the market. During the year, it led the Malaysia Mergers and Acquisitions league table by deal count and emerged in the Top 3 and Top 4 on the Equity Capital Markets and Debt Capital Markets league tables, respectively. Our Asset Management pillar also improved its overall ROE to 18% from 11% in 2014. The unit launched a total of 23 funds across the region during the year, of which two received the Most Innovative Product Award for Malaysia and Singapore in Asia Asset Management's 2015 Best of the Best Awards Annual Awards. We also earned a total of 15 recognitions from The Edge-Thomson Reuters Lipper Fund Awards 2016 held in March 2016.

A further highlight of our operations during the year was the 17% growth in FX sales profits and 113% increase in FX trading profits from our Group Treasury and Global Markets.

We also saw higher profits from derivatives sales, greater volume in customer investment-linked and structured deposits as well as customer structured/long-term forwards, and stronger Fixed Income MYR primary market share and secondary sales revenue.

RHB Insurance, recorded a 13% increase in gross premiums, outpacing the industry's estimated growth rate of 3% and contributing towards the Group's profit.

Finally, our Group Shariah Business continued on its upward trajectory with a 14.9% growth in Profit Before Tax to RM348.7 million in 2015, with total outstanding assets rising 22% to RM44.11 billion. Our Shariah business now contributes 23% of total domestic financing compared to 19.5% in 2014 and 16.5% in 2013.

For further details on our operations in 2015, I invite you to read the overview of our key operating business presented on pages 92 to 121 of this Report.

▶ RHB INSURANCE
13%
INCREASE IN GROSS PREMIUMS

THE JOURNEY AHEAD

In the near-term, the Group will remain focused on the implementation of the initiatives identified under our reframed IGNITE 2017 strategy as we progress on our journey to becoming a Leading Multinational Financial Services Group. We will continue to invest for the future, especially in technology and digital capabilities. Additionally, training and talent management will continue to be a key agenda for us.

My first year in the capacity as Group Managing Director has been spent managing the volatile and highly competitive environment apart from reframing the direction for the Group. I would like to take this opportunity to thank the Board of Directors, my fellow colleagues at the Group and shareholders for their continued support. I look forward to working with the Board and my fellow colleagues to achieve our ambitions and contribute to the delivery of shareholder value.



DATO' KHAIRUSSALEH RAMLI

Group Managing Director

**“OUR GROUP SHARIAH
BUSINESS CONTINUED ON
ITS UPWARD TRAJECTORY
WITH A 14.9% GROWTH IN
PROFIT BEFORE TAX TO
RM348.7 MILLION IN 2015,
WITH TOTAL OUTSTANDING
ASSETS RISING 22% TO
RM44.11 BILLION.”**





TOGETHER

WE PROGRESS

**PROVIDING SOLUTIONS THAT
HELP ACHIEVE YOUR GOALS**



CORPORATE PROFILE



RHB Capital Berhad is the ultimate holding company for the RHB Banking Group of companies.



- Fourth largest fully integrated financial services group in Malaysia
- Our business pillars are:
 - Group Retail Banking
 - Group Business & Transaction Banking
 - Group Corporate and Investment Banking
 - Group Shariah Business
 - Group Treasury and Global Markets
 - Group Insurance
 - Group International Business
- The Group's main subsidiaries are:
 - RHB Bank Berhad
 - RHB Investment Bank Berhad
 - RHB Islamic Bank Berhad
 - RHB Insurance Berhad
 - RHB Asset Management Sdn Bhd
- The Group's regional presence now spans 10 countries including Malaysia, Singapore, Indonesia, Thailand, Brunei, Cambodia, Hong Kong (with a representative office in China), Vietnam, Myanmar and Lao PDR.

CORPORATE INFORMATION

As at 25 February 2016

BOARD OF DIRECTORS

- ♦ **Dato' Mohamed Khadar Merican**
Non-Independent Non-Executive Chairman
- ♦ **Tan Sri Azlan Zainol**
Non-Independent Non-Executive Director
- ♦ **Datuk Haji Faisal Siraj**
Senior Independent Non-Executive Director
- ♦ **Datuk Seri Saw Choo Boon**
Independent Non-Executive Director
- ♦ **Tan Sri Dato' Teo Chiang Liang**
Independent Non-Executive Director
- ♦ **Mohamed Ali Ismaeil Ali AlFahim**
Non-Independent Non-Executive Director
- ♦ **Dato' Khairussaleh Ramli**
Group Managing Director/
Group Chief Executive Officer

GROUP BOARD AUDIT COMMITTEE

- ♦ **Datuk Seri Saw Choo Boon**
Independent Non-Executive Director/
Chairman
- ♦ **Datuk Haji Faisal Siraj**
Senior Independent Non-Executive Director
- ♦ **Tan Sri Dato' Teo Chiang Liang**
Independent Non-Executive Director

BOARD RISK COMMITTEE#

- ♦ **Tuan Haji Khairuddin Ahmad**
Independent Non-Executive Director/
Chairman
- ♦ **Patrick Chin Yoke Chung**
Independent Non-Executive Director
- ♦ **Tuan Haji Md Ja'far Abdul Carrim**
Non-Independent Non-Executive Director
- ♦ **Datuk Seri Saw Choo Boon**
Independent Non-Executive Director
- ♦ **Chin Yoong Kheong**
Independent Non-Executive Director
- ♦ **Dato' Sri Haji Syed Zainal Abidin Syed Mohamed Tahir**
Independent Non-Executive Director

BOARD NOMINATING & REMUNERATION COMMITTEE#

- ♦ **Datuk Haji Faisal Siraj**
Senior Independent Non-Executive Director/
Chairman
- ♦ **Tan Sri Azlan Zainol**
Non-Independent Non-Executive Director
- ♦ **Datuk Seri Saw Choo Boon**
Independent Non-Executive Director
- ♦ **Tan Sri Dato' Teo Chiang Liang**
Independent Non-Executive Director
- ♦ **Tuan Haji Md Ja'far Abdul Carrim**
Non-Independent Non-Executive Director

BOARD CREDIT COMMITTEE*

- ♦ **Dato' Mohamed Khadar Merican**
Non-Independent Non-Executive Director/
Chairman
- ♦ **Tuan Haji Khairuddin Ahmad**
Independent Non-Executive Director
- ♦ **Abdul Aziz Peru Mohamed**
Independent Non-Executive Director
- ♦ **Patrick Chin Yoke Chung**
Independent Non-Executive Director
- ♦ **Tuan Haji Md Ja'far Abdul Carrim**
Non-Independent Non-Executive Director
- ♦ **Dato' Sri Haji Syed Zainal Abidin Syed Mohamed Tahir**
Independent Non-Executive Director

BOARD AUDIT COMMITTEE*

- ♦ **Ong Seng Pheow**
Independent Non-Executive Director/
Chairman
- ♦ **Dato' Othman Jusoh**
Independent Non-Executive Director
- ♦ **Datuk Seri Saw Choo Boon**
Independent Non-Executive Director
- ♦ **Datuk Haji Faisal Siraj**
Independent Non-Executive Director

BOARD TECHNOLOGY COMMITTEE*

- ◆ **Chin Yoong Kheong**
Independent Non-Executive Director/
Chairman
- ◆ **Ong Seng Pheow**
Independent Non-Executive Director
- ◆ **Charles Lew Foon Keong**
Independent Non-Executive Director

ISLAMIC RISK MANAGEMENT COMMITTEE^

- ◆ **Dato' Mohd Ali Mohd Tahir**
Independent Non-Executive Director/
Chairman
- ◆ **Tuan Haji Md Ja'far Abdul Carrim**
Non-Independent Non-Executive Director
- ◆ **Datuk Haji Faisal Siraj**
Independent Non-Executive Director

SHARIAH COMMITTEE^

- ◆ **Dr. Ghazali Jaapar**
Chairman
- ◆ **Professor Dr. Joni Tamkin Borhan**
- ◆ **Assoc. Prof. Dr. Amir Shaharuddin**
- ◆ **Wan Abdul Rahim Kamil Wan Mohamed Ali**
- ◆ **Mohd Fadhly Md. Yusoff**
- ◆ **Shabnam Mohamad Mokhtar**

GROUP SENIOR MANAGEMENT

- ◆ **Dato' Khairussaleh Ramli**
Group Managing Director/
Group Chief Executive Officer,
RHB Banking Group;
Managing Director, RHB Bank Berhad
- ◆ **Mike Chan Cheong Yuen**
Managing Director, RHB Investment Bank
Berhad
- ◆ **Ibrahim Hassan**
Managing Director, RHB Islamic Bank
Berhad
- ◆ **U Chen Hock**
Head, Group Retail Banking
- ◆ **Kong Shu Yin**
Managing Director, RHB Insurance Berhad
- ◆ **Yap Choi Foong**
Group Chief Financial Officer
- ◆ **Datin Amy Ooi Swee Lian**
Head, Group Business & Transaction
Banking
- ◆ **Mohd Rashid Mohamad**
Group Treasurer
- ◆ **Rohan Krishnalingam**
Group Chief Operations Officer
- ◆ **Christopher Loh Meng Heng**
Group Chief Strategy Officer
- ◆ **Patrick Ho Kwong Hoong**
Group Chief Risk Officer
- ◆ **Norazzah Sulaiman**
Group Chief Marketing & Communications
Officer
- ◆ **Jamaluddin Bakri**
Group Chief Human Resource Officer

GROUP INTERNAL AUDIT

- ◆ **Wong Yih Yin**
Group Chief Internal Auditor

COMPANY SECRETARIES

- ◆ **Azman Shah Md Yaman**
(LS0006901)
- ◆ **Ivy Chin So Ching**
(MAICSA No. 7028292)

REGISTERED OFFICE

Level 9, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 9285 2233
Fax : 603 9281 9314
Website: www.rhbgroup.com

COMPANY NO.

312952-H

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
50470 Kuala Lumpur
P.O. Box 10192
50706 Kuala Lumpur
Tel : 603 2173 1188
Fax : 603 2173 1288

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor
Tel : 603 7849 0777
Fax : 603 7841 8151/8152

Notes:

The Committee is shared with the relevant subsidiaries of the Group.

* The Committee resides at RHB Bank Berhad.

^ The Committee resides at RHB Islamic Bank Berhad.

PROFILES OF THE BOARD OF DIRECTORS



DATO' MOHAMED KHADAR MERICAN

Aged 59, Malaysian
Non-Independent Non-Executive Chairman

Appointment to the Board

Appointed as an Independent Non-Executive Director on 1 January 2008 and was subsequently appointed as the Chairman of RHB Capital Berhad on 12 May 2009. He was re-designated as Non-Independent Non-Executive Chairman on 30 April 2015.

Board Committee Memberships

Board Credit Committee (Chairman)

Qualification

- Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Skills and Experience

Dato' Mohamed Khadar Merican ("Dato' Mohamed Khadar") has more than 40 years of experience in financial and general management. He served as an auditor and a consultant in an international accounting firm, before joining a financial services group in 1986. Dato' Mohamed Khadar has held various senior management positions in Pernas International Holdings Berhad (now known as Tradewinds Corporation Berhad) between 1988 and April 2003, including those of President and Chief Operating Officer. In 2013, Dato' Mohamed Khadar, in his capacity as the Chairman of RHB Capital Berhad, was named as the 'Chairman of The Year' by the Minority Shareholders Watchdog Group at its Malaysian-Asean Corporate Governance Index Awards 2013.

Directorships in Other Public Companies

- RHB Bank Berhad
- RHB Investment Bank Berhad
- RHB Securities (Thailand) Public Company Limited (Chairman)
- AirAsia Berhad
- Astro Malaysia Holdings Berhad
- Sona Petroleum Berhad
- Rashid Hussain Berhad (In Members' Voluntary Liquidation)

No. of Board Meetings Attended in the Financial Year: 14/14

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil



TAN SRI AZLAN ZAINOL

Aged 65, Malaysian
Non-Independent Non-Executive Director

Appointment to the Board

Appointed as a Non-Independent Non-Executive Director on 27 July 2005.

Board Committee Memberships

Board Nominating & Remuneration Committee (Member)

Qualification

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants
- Fellow, Chartered Banker of Asian Institute of Chartered Bankers

Skills and Experience

Tan Sri Azlan Zainol was previously the Chief Executive Officer of the Employees Provident Fund Board until his retirement in April 2013. He has more than 29 years of experience in the financial sector, having served as the Managing Director of AmBank Berhad and prior to that, as the Managing Director of AmFinance Berhad. He is also Council member of The Asian Institute of Chartered Bankers.

Directorships in Other Public Companies

- RHB Bank Berhad (Chairman)
- RHB Hong Kong Limited
- Malaysian Resources Corporation Berhad (Chairman)
- Kuala Lumpur Kepong Berhad
- Eco World International Berhad (Chairman)
- Jardine Cycle & Carriage Limited (Singapore)
- Yayasan Astro Kasih (Chairman/Trustee)
- OSK Foundation (Trustee)
- Rashid Hussain Berhad (In Members' Voluntary Liquidation)

No. of Board Meetings Attended in the Financial Year: 14/14

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil



DATUK HAJI FAISAL SIRAJ

Aged 70, Malaysian
Senior Independent Non-Executive Director

Appointment to the Board

Appointed as an Independent Non-Executive Director on 24 May 2007.

Board Committee Memberships

- Board Nominating & Remuneration Committee (Chairman)
- Group Board Audit Committee (Member)
- Board Audit Committee (Member)
- Islamic Risk Management Committee (Member)

Qualification

- Fellow of the Institute of Chartered Accountants in England & Wales
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Skills and Experience

Datuk Haji Faisal Siraj (“Datuk Haji Faisal”) started his career in 1968 with KPMG, London. On his transfer from KPMG, London to KPMG, Kuala Lumpur, he was posted to KPMG Kota Kinabalu until 1976. Datuk Haji Faisal joined the Malaysia Mining Corporation (“MMC”) Group in 1976. He was the Group Executive Director and a Member of the MMC Board from 1981 to 1994. In 1995, he joined DRB-HICOM Berhad (“DRB-HICOM”) as the Group Chief Financial Officer in the capacity of Senior Group Director, Financial Services and Treasury Division and was a member of DRB-HICOM Board, before his retirement in 2005.

Directorships in Other Public Companies

- RHB Islamic Bank Berhad
- RHB Insurance Berhad
- RHB Trustees Berhad
- Malaysian Trustees Berhad

No. of Board Meetings Attended in the Financial Year: 14/14

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil



TAN SRI DATO' TEO CHIANG LIANG

Aged 65, Malaysian
Independent Non-Executive Director

Appointment to the Board

Appointed as an Independent Non-Executive Director on 20 May 2010.

Board Committee Memberships

- Board Nominating & Remuneration Committee (Member)
- Group Board Audit Committee (Member)

Qualification

- Bachelor of Arts (Honours) degree in Business Studies awarded by the Council for National Academic Awards, United Kingdom
- Bachelor of Science in Management Studies from University of Bradford, United Kingdom

Skills and Experience

Tan Sri Dato' Teo Chiang Liang (“Tan Sri Dato' Teo”) joined and served the See Hoy Chan Holdings Group, a well-diversified group of companies, in different levels of management since 1975. He was the Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to March 2003 and is currently its Council Member. Tan Sri Dato' Teo was appointed as a member of the MSC Education Advisory Panel from 1998 to 2000 and a Life Member of the Malaysian Red Crescent Society since 1983. He was elected as an Executive Council Member of Malaysia Crime Prevention Foundation from 2006 to 2012.

Directorships in Other Public Companies

- Ajinomoto (Malaysia) Berhad

No. of Board Meetings Attended in the Financial Year: 12/14

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil

PROFILES OF THE BOARD OF DIRECTORS (continued)



DATUK SERI SAW CHOO BOON

Aged 69, Malaysian
Independent Non-Executive Director

Appointment to the Board

Appointed as an Independent Non-Executive Director on 20 May 2010.

Board Committee Memberships

- Group Board Audit Committee (Chairman)
- Board Nominating & Remuneration Committee (Member)
- Board Audit Committee (Member)
- Board Risk Committee (Member)

Qualification

Bachelor of Science (Chemistry) from the University of Malaya

Skills and Experience

Datuk Seri Saw Choo Boon (“Datuk Seri Saw”) joined Shell in 1970 as a Refinery Technologist in Shell Refining Company (Federation of Malaya) Berhad. He then served in various capacities in manufacturing, supply, trading and planning in Malaysia, Singapore and Netherlands. In 1996, Datuk Seri Saw was appointed Managing Director of Shell MDS (Malaysia) Sendirian Berhad. In 1998 – 1999, he assumed the positions of Managing Director for Oil Products (Downstream) Shell Malaysia and Managing Director of Shell Refining Company (Federation of Malaya) Berhad. In 1999, with the globalisation of the Shell Oil Products business, he was appointed the Vice-President of the commercial business in the Asia-Pacific region and in 2004 he became the President of Shell Oil Product East. In 2005, he assumed the role of Vice-President Global Marine Products.

Datuk Seri Saw was appointed the Chairman of Shell Malaysia on 1 March 2006. He was also the Vice President Business Development Asia Pacific responsible for developing the commercial businesses in new market entries in Asia – China, India, Indonesia and Vietnam. From 1 January 2010, Datuk Seri Saw was appointed the Senior Advisor of Shell Malaysia until his retirement on 30 June 2010.

Directorships in Other Public Companies

- RHB Investment Bank Berhad
- Digi.Com Berhad
- Phoenix Petroleum (M) Berhad
- Ranhill Holdings Berhad
- Guinness Anchor Berhad (Chairman)

In addition, he serves on the following associations:

- Government’s Public-Private Sector Special Task Force on Facilitating Business (PEMUDAH) (Co-Chair)
- Federation of Malaysian Manufacturers Council (President)
- Socio-Economic Research Centre Board of the Associated Chinese Chambers of Commerce and Industry Malaysia

No. of Board Meetings Attended in the Financial Year: 14/14

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil



MOHAMED ALI ISMAEIL ALI ALFAHIM

Aged 39, United Arab Emirates
Non-Independent Non-Executive Director

Appointment to the Board

Appointed as a Non-Independent Non-Executive Director of RHB Capital on 9 May 2014.

Board Committee Memberships

Nil

Qualification

Bachelor of Science in Business Administration from the University of Suffolk, Boston

Skills and Experience

Mr Mohamed Ali Ismaeil Ali Alfahim (“Mr Alfahim”) commenced his professional career at Abu Dhabi National Oil Company from 2000 to 2008. His role as Head of Group Financing Department focused on the identification and pursuit of investment strategies reflecting a balanced investment portfolio. During that time, Mr Alfahim also worked as a corporate finance consultant for KPMG-Dubai from 2001 to 2002 and for HSBC Bank at Project and Export Finance Division-London in 2006.

Since September 2008, Mr Alfahim has been Head of Finance at the Finance & Accounts Department of International Petroleum Investment Company PJSC (“IPIC”). He represents IPIC as a board member on various boards of investee companies.

Directorships in Other Public Companies

- RHB Bank Berhad
- RHB Investment Bank Berhad
- EDP Energia de Portugal
- Aabar Investments PJS
- Arabtec Holdings PJSC
- Al Izz Islamic Bank
- Depa Interiors

No. of Board Meetings Attended in the Financial Year: 12/14

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil



DATO' KHAIRUSSALEH RAMLI

Aged 48, Malaysian
Group Managing Director/Group Chief Executive Officer

Appointment to the Board

Appointed as Group Managing Director/Group Chief Executive Officer of RHB Banking Group and Managing Director (“MD”)/Chief Executive Officer (“CEO”) of RHB Capital Berhad on 5 May 2015.

He joined the Group as Deputy Group MD and MD/CEO of RHB Bank Berhad in December 2013. He continues to hold the position of MD/CEO of RHB Bank Berhad.

Board Committee Memberships

Nil

Qualification

- Bachelor of Science in Business Administration from Washington University
- Graduate of the Advanced Management Programme, Harvard Business School
- Chartered Banker, Asian Institute of Chartered Bankers

Skills and Experience

Dato' Khairussaleh Ramli has more than 20 years of experience in the financial services and capital markets industry, where he has held senior positions in well-established regional financial institutions. He is also a council member of The Association of Banks in Malaysia and Asian Institute of Chartered Bankers.

His knowledge and experience earned him the “Best CFO in Malaysia Award” in 2010 and 2011 from Finance Asia and the “Best CFO in Malaysia Award” in 2012 from Alpha Southeast Asia.

Directorships in Other Public Companies

- RHB Bank Berhad

No. of Board Meetings Attended in the Financial Year: 9/9

Conflict of Interest with RHB Capital Berhad: Nil

Family Relationship with any Director and/or Major Shareholder: Nil

List of Conviction for Offences within the Past 10 Years: Nil

PROFILES OF THE CHAIRMEN OF THE KEY OPERATING COMPANIES



DATO' MOHAMED KHADAR MERICAN

Aged 59, Malaysian, Non-Independent Non-Executive Chairman, RHB Capital Berhad

Board Committee memberships

Board Credit Committee (Chairman)

Qualifications

- Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Skills and experience

Dato' Mohamed Khadar Merican ("Dato' Mohamed Khadar") has more than 40 years of experience in financial and general management. He served as an auditor and a consultant in an international accounting firm, before joining a financial services group in 1986. Dato' Mohamed Khadar has held various senior management positions in Pernas International Holdings Berhad (now known as Tradewinds Corporation Berhad) between 1988 and April 2003, including those of President and Chief Operating Officer. In 2013, Dato' Mohamed Khadar, in his capacity as the Chairman of RHB Capital Berhad, was named as the 'Chairman of The Year' by the Minority Shareholders Watchdog Group at its Malaysian-Asean Corporate Governance Index Awards 2013.



TAN SRI AZLAN ZAINOL

Aged 65, Malaysian, Non-Independent Non-Executive Chairman, RHB Bank Berhad

Board Committee memberships

Board Nominating & Remuneration Committee (Member)

Qualifications

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants
- Fellow, Chartered Banker of Asian Institute of Chartered Bankers

Skills and experience

Tan Sri Azlan Zainol was previously the Chief Executive Officer of the Employees Provident Fund Board until his retirement in April 2013. He has more than 29 years of experience in the financial sector, having served as the Managing Director of AmBank Berhad and prior to that, as the Managing Director of AmFinance Berhad. He is also a council member of The Asian Institute of Chartered Bankers.



TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Aged 71, Malaysian, Non-Independent Non-Executive Chairman, RHB Investment Bank Berhad

Board Committee memberships

Nil

Qualifications

- Senior Cambridge, Federation of Malaysia Certificate awarded by Methodist English School
- Capital Markets and Services Representative's licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act, 2007 for dealing in securities

Skills and experience

For over 17 years since 1969, Tan Sri Ong Leong Huat ("Tan Sri Ong") was attached to a leading financial institution where he last held the position of Senior General Manager. He was the Managing Director/Chief Executive Officer ("CEO") of OSK Investment Bank Berhad (now known as OSKIB Sdn Bhd) from July 1985 to January 2007 and thereafter was appointed as the Group Managing Director/CEO. He was then re-designated as a Non-Independent Non-Executive Director and subsequently resigned on 30 April 2013.

Tan Sri Ong was also a Director of MESDAQ from July 1999 to March 2002 and a member of the Capital Market Advisory Council appointed by the Securities Commission in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was a director on the Board of Bursa Malaysia Berhad from 2008 to 2015 and was previously a member of the Securities Market Consultative Panel of Bursa Malaysia.

TUAN HAJI MD JA'FAR ABDUL CARRIM

Aged 61, Malaysian, Non-Independent Non-Executive Chairman, RHB Islamic Bank Berhad

Board Committee memberships

- Board Nominating & Remuneration Committee (Member)
- Board Risk Committee (Member)
- Board Credit Committee (Member)
- Islamic Risk Management Committee (Member)

Qualifications

- Member of the Institution of Engineers, Malaysia
- Bachelor of Science in Civil Engineering from Loughborough University, United Kingdom
- Ordinary National Diploma in Civil Engineering from Brighton Technical College, Brighton, United Kingdom

Skills and experience

A civil engineer by training, Tuan Haji Md Ja'far Abdul Carrim's career of some 32 years include a stint in the public sector as well as a broad range of activities in the corporate sector as Chief Executive Officer and at the Board of Directors level. His extensive experience covers inter alia, the areas of manufacturing, property development and construction.

Tuan Haji Md Ja'far Abdul Carrim is a Council Member for the Chair on Financial Planning for Old Age at University Malaya. He also sits on the Board of Employees Provident Fund, Malaysia.



ONG SENG PHEOW

Aged 67, Malaysian, Independent Non-Executive Chairman, RHB Insurance Berhad

Board Committee memberships

- Board Audit Committee (Chairman)
- Board Technology Committee (Member)
- Investment Committee of RHB Insurance Berhad (Member)

Qualifications

- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Skills and experience

Mr Ong Seng Pheow has over 34 years of audit and accounting experience. He was a partner of Ernst & Young from 1984 to 2003. His last held position in Ernst & Young was as the National Director of Assurance and Advisory Business Services. He also served on committees and working groups of Malaysian Institute of Certified Public Accountants.



PATRICK CHIN YOKE CHUNG

Aged 70, Malaysian, Independent Non-Executive Chairman, RHB Asset Management Sdn Bhd

Board Committee memberships

- Board Credit Committee (Member)
- Board Risk Committee (Member)

Qualifications

- Fellow of The Institute of Chartered Accountants in England and Wales.
- Attended the Management Development Program at Harvard Business School.

Skills and experience

Mr Patrick Chin Yoke Chung rose from the Head of Corporate Finance to become the Deputy Chief Executive Officer of Asian International Merchant Bankers Berhad from 1973 to 1993. He was appointed as the Executive Director of Morgan Grenfell Asia-Kenanga Sdn Bhd and also the Chief Representative of Morgan Grenfell responsible for co-coordinating Morgan Grenfell's activities and business interests in Malaysia from 1994 to 1995. Subsequently, he joined Bankers Trust Company, Kuala Lumpur as Chief Representative/Country Head from 1995 to 1999, managing and overseeing its Malaysian operations including the offshore bank in Labuan. He also served as the Chairman of Schroders Malaysia Sdn Bhd in 2000.



GROUP SHARIAH COMMITTEE PROFILES



DR. GHAZALI
JAAPAR

Aged 45, Malaysian
Chairman, Shariah Committee of RHB Islamic Bank Berhad

Date Appointed:

01 April 2011

Date of Last Re-appointment:

01 April 2015

Number of Shariah Committee Meetings Attended in the Financial Year

11/11

Qualifications:

- B.A. Shariah (Hons.), University of Malaya, Kuala Lumpur
- Master of Comparative Law, International Islamic University Malaysia, Kuala Lumpur
- Ph.D. Law, University of Birmingham, United Kingdom

Present Membership of Shariah Committee in Other Institutions

- HSBC Amanah Takaful

Skills, Experience and Expertise:

Dr. Ghazali bin Jaapar is currently serving as Assistant Professor of Ahmad Ibrahim Kulliyah of Laws (“AIKOL”), International Islamic University Malaysia (“IIUM”). Prior to that, he was the Director of Harun M. Hashim Law Centre, IIUM. His areas of expertise are Islamic Legal System, Principles of Islamic Jurisprudence (*Usul al-Fiqh*), Islamic Legal Maxims, *Siyasah Shar’iyyah* (Shariah-oriented policy). He had written numerous journals and articles and presented papers in various forums and seminars.



PROFESSOR DR.
JONI TAMKIN
BORHAN

Aged 49, Malaysian
Member, Shariah Committee of RHB Islamic Bank Berhad

Date Appointed:

01 April 2005

Date of Last Re-appointment:

01 April 2015

Number of Shariah Committee Meetings Attended in the Financial Year

10/11

Qualifications:

- B.Sh (Shariah) (Hons.), University of Malaya, Kuala Lumpur
- Master of Islamic Economics (Shariah), University of Malaya, Kuala Lumpur
- Ph.D. in Islamic Banking, University of Edinburgh, Scotland

Present Membership of Shariah Committee in Other Institutions

- MAA Takaful Berhad

Skills, Experience and Expertise:

Prof. Dr. Joni Tamkin bin Borhan is currently a professor at Shariah and Economics Department, Academy of Islamic Studies, University of Malaya, Kuala Lumpur. His areas of specialisation are Islamic banking, Islamic transactions and Islamic economics. He has been teaching at the University of Malaya since 1997 both at postgraduate and undergraduate levels and successfully supervised more than 80 postgraduate thesis and dissertations. He has written and presented more than 200 articles and papers in journals and conference both locally and internationally. He has served as Senate Member, Deputy Director of Undergraduate and Postgraduate Degrees and Head of Shariah and Economics Department at the Academy of Islamic Studies, University of Malaya. He was also a member of National Shariah Advisory Council on Islamic Banking and Takaful (1999 – 2004), Visiting Professor of Edinburgh University (January – October 2010), Fellow at University of Leiden, Holland (June – September 2004) and Fellow at Religious Department at Victoria University of Wellington, New Zealand (March – May 2002).

Aged 38, Malaysian
Member, Shariah Committee of RHB Islamic Bank Berhad

Date Appointed:

01 April 2011

Date of Last Re-appointment:

01 April 2015

Number of Shariah Committee Meetings Attended in the Financial Year

11/11

Qualifications:

- B.A. Shariah (Hons), Al-Azhar University, Egypt
 - Master of Business Administration in Islamic Banking & Finance, International Islamic University Malaysia, Kuala Lumpur
 - Ph.D. in Islamic Studies, University of Exeter, United Kingdom
-

Present Membership of Shariah Committee in Other Institutions

- Malaysian Airport Consultancy Berhad

Skills, Experience and Expertise:

Assoc. Prof. Dr. Amir bin Shaharuddin was the first recipient of Scholar of Residence in Islamic Finance Award, jointly initiated by Malaysia Securities Commission and Oxford Centre for Islamic Studies (“OCIS”). He is presently the Dean of Economic and Muamalat Faculty, Islamic Science University of Malaysia (“USIM”) since December 2013. He has published numerous articles in refereed journals including Journal of Muamalat and Islamic Finance Research, Jurnal Syariah and ISRA International Journal of Islamic Finance. He has written various journals and articles in Islamic Banking & Finance, Zakat, Islamic Law Principles of Islamic Jurisprudence (*Usul al-Fiqh*), Islamic Legal Maxims and Siyasa Shar’iyyah (*Shariah-oriented policy*) for forums and seminars. He has also presented academic papers in various international seminars such as in Indonesia, Bahrain, United Kingdom and Italy.



ASSOC. PROF.
DR. AMIR
SHAHARUDDIN

Aged 67, Malaysian
Member, Shariah Committee of RHB Islamic Bank Berhad

Date Appointed:

13 April 2013

Date of Last Re-appointment:

01 April 2015

Number of Shariah Committee Meetings Attended in the Financial Year

9/11

Qualifications:

- Professional Member, Institute of Statisticians, United Kingdom
 - Post Graduate Degree in Islamic Banking & Economics, International Institute of Islamic Banking & Economics (in association with Al Azhar University, Cairo)
-

Skills, Experience and Expertise:

Wan Abdul Rahim Kamil possesses extensive experience in Islamic Banking and has been actively involved in various areas of operations including Corporate Financing and Syndication, Debt Capital Market and Corporate Advisory. He started his career in Corporate Finance Department with Aseambankers (Malaysia) Berhad in 1977 before moving to Bank Islam Malaysia Berhad in 1983 under various capacities. He was the Chief Executive Officer of ABRAR Discounts Berhad from 1994 to 2006. Since then he has been an Islamic Capital Market consultant and trainer to various bodies. He is a regular trainer and speaker for various seminars and in-house training workshops organised by Bank Negara Malaysia (“BNM”), Securities Industries Development Corporation (“SIDC”), Islamic Banking and Finance Institute Malaysia (“IBFIM”) and other event organisers, both locally and internationally. He pioneered the development of the Islamic Capital Market in Malaysia and has innovated the development of several benchmark capital market securities through securitisation of Islamic contracts. He has been awarded as “Outstanding Leadership in Islamic Finance” by London Sukuk 2011 organised by ICG Events and UK Trade and Industry Ministry in London, United Kingdom.



WAN ABDUL RAHIM
KAMIL WAN
MOHAMED ALI

GROUP SHARIAH COMMITTEE PROFILES (continued)



MOHD FADHLY
MD. YUSOFF

Aged 45, Malaysian
Member, Shariah Committee of RHB Islamic Bank Berhad

Date Appointed:

13 April 2013

Date of Last Re-appointment:

01 April 2015

Number of Shariah Committee Meetings Attended in the Financial Year

10/11

Qualifications:

- Bachelor of Syariah (1st Class Honours) from University of Malaya

Present Membership of Shariah Committee in Other Institutions

- Sun Life Malaysia Takaful Bhd
- Universiti Tenaga Nasional
- National Farmers Organization (NAFAS)

Skills, Experience and Expertise:

Mohd Fadhly bin Md. Yusoff was a manager at Islamic Capital Market Department of Securities Commission Malaysia from 1995 to 2008 where he involved in Shariah compliance supervision in relation to submissions for the issuances of Sukuk, structured products, collective investment schemes and Islamic REITs. In addition, he has also undertaken in-depth research for the development of new Islamic Capital Market instruments as well as providing technical inputs for the preparation of various guidelines issued by Securities Commission Malaysia. He has actively participated in various industry development initiatives namely the International Organization of Securities Commission (“IOSCO”) Task Force on Islamic Capital Market, Islamic Financial Services Board’s (“IFSB”) Governance of Islamic Investment Funds Working Group, technical member for the publication of *Resolutions of the Securities Commission Shariah Advisory Council* and Islamic Capital Market educational and promotional programs.



SHABNAM
MOHAMAD
MOKHTAR

Aged 38, Malaysian
Member, Shariah Committee of RHB Islamic Bank Berhad

Date Appointed:

01 May 2015 (New Appointment)

Date of Last Re-appointment:

NIL

Number of Shariah Committee Meetings Attended in the Financial Year

06/07

Qualifications:

- Bachelor of Accountancy, University Putra Malaysia
- Master of Accounting, University of Illinois, Urbana-Champaign, U.S.A

Skills, Experience and Expertise:

Shabnam binti Mohamad Mokhtar is presently the Vice President of SHAPE® Knowledge Services; an Islamic finance consulting firm based in Kuwait. She spearheads research and development activities including financial analysis, strategic & business plan formulation, design and implementation of customised survey, research and training for different clients at SHAPE®. Formerly, she was heading the capital markets research for the International Shariah Research Academy (“ISRA”). She has conducted various training programs on Islamic banking, sukuk & Islamic capital market products, risk management and financial reporting for clients in ASEAN region, Gulf Cooperation Council (“GCC”) and European market. She has also contributed chapters in *Housing the Nation* (Cagamas 2013), *Managing Fund Flows, Risks and Derivatives: Applications in Islamic Institutions* (Sweet & Maxwell 2012), *Islamic Financial System: Principles & Operations Market* (ISRA, 2011), *Sukuk* (Sweet & Maxwell 2009), and *Partnership Accounting, Principles and Practice* (McGraw Hill). She served as a member of the Shariah Board of Malaysian Ratings Corporation (“MARC”) from 2010 to 2014.

STRATEGIC BUSINESS ENTITIES



RHB BANK BERHAD

RHB Bank Berhad is a wholly-owned subsidiary of RHB Capital.

RHB Bank today has over 590 delivery channels including a network of branches and offices located regionally in Malaysia, Singapore, Thailand, Brunei, Cambodia, Laos, Myanmar and Vietnam and its award winning EASY by RHB.



RHB INVESTMENT BANK BERHAD

RHB Investment Bank Berhad (“RHBIB”) is a leading player in the Malaysian capital markets with presence in Singapore, Hong Kong/Shanghai, Indonesia, Thailand, Cambodia and Vietnam. A wholly-owned subsidiary of RHB Capital Berhad, RHBIB is also the largest investment bank in Malaysia by asset size. Supported by an award-winning team of research analysts, RHBIB offers a complete suite of capital market solutions, securities broking, asset management and trustee services to a wide range of corporate, institutional, retail and high net worth clients. RHBIB continues to win industry awards and accolades which recognise its leading roles in successfully completing numerous landmark capital market transactions locally and regionally.



RHB ISLAMIC BANK BERHAD

Established in 2005, RHB Islamic Bank Berhad is the first full-fledged Malaysian Islamic bank that has matured from an Islamic banking window operations. As a wholly-owned subsidiary of RHB Bank Berhad, it is the key driver of Shariah business for the entire RHB Banking Group offering a full suite of shariah compliant financial products and solutions to all retail, commercial and corporate customers.



RHB INSURANCE BERHAD

RHB Insurance Berhad (“RHB Insurance”) is a subsidiary of RHB Capital Berhad. Established since 1979, the company has close to four decades of experience in providing a full range of general insurance products and services to its customers.

The company offers its products and renders its services via a wide network of RHB Insurance branches, RHB Bank Berhad branches and Easy-by-RHB outlets, Pos Malaysia Bhd offices and more than 1500 authorised agents’ offices throughout Malaysia.

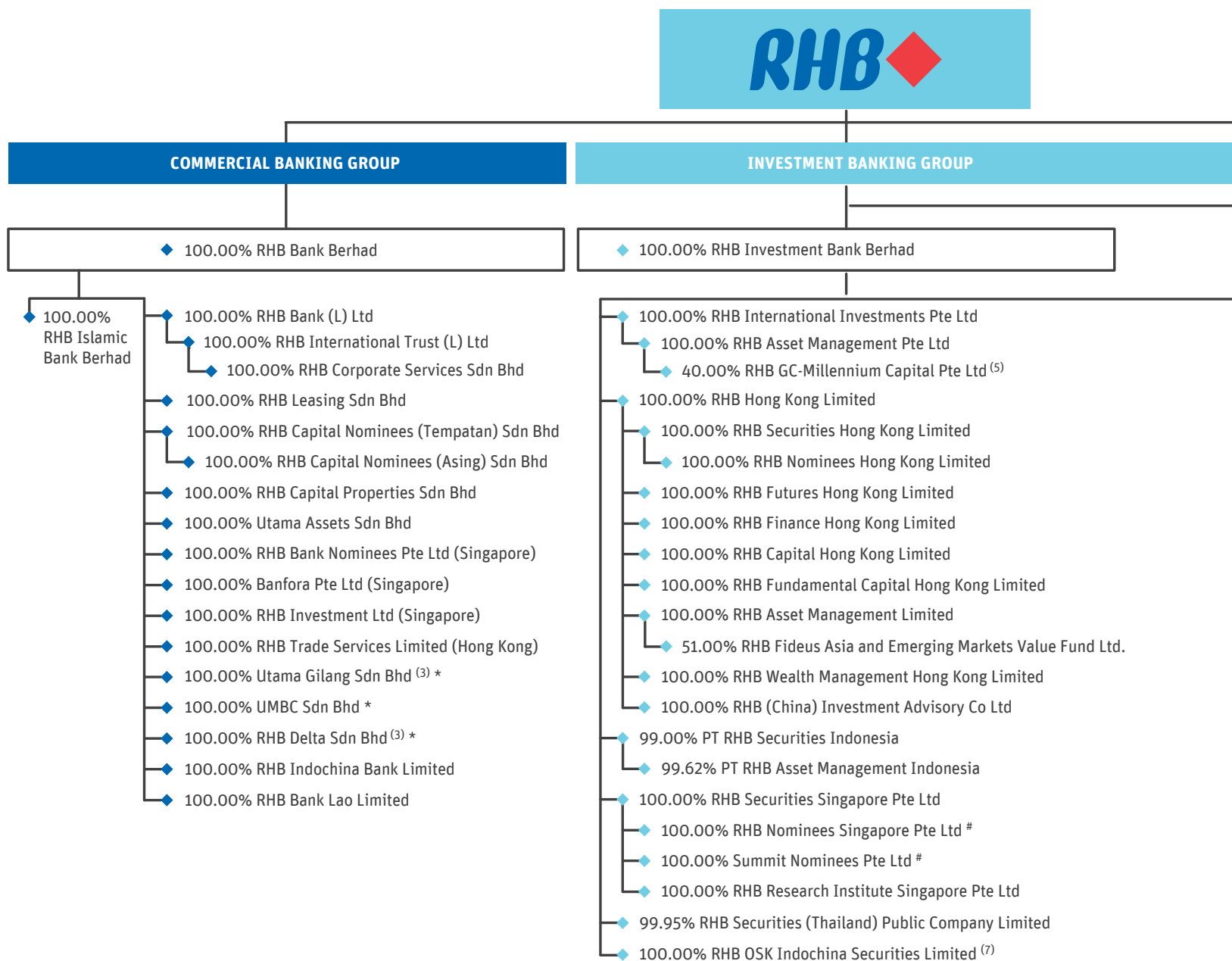


RHB ASSET MANAGEMENT SDN BHD

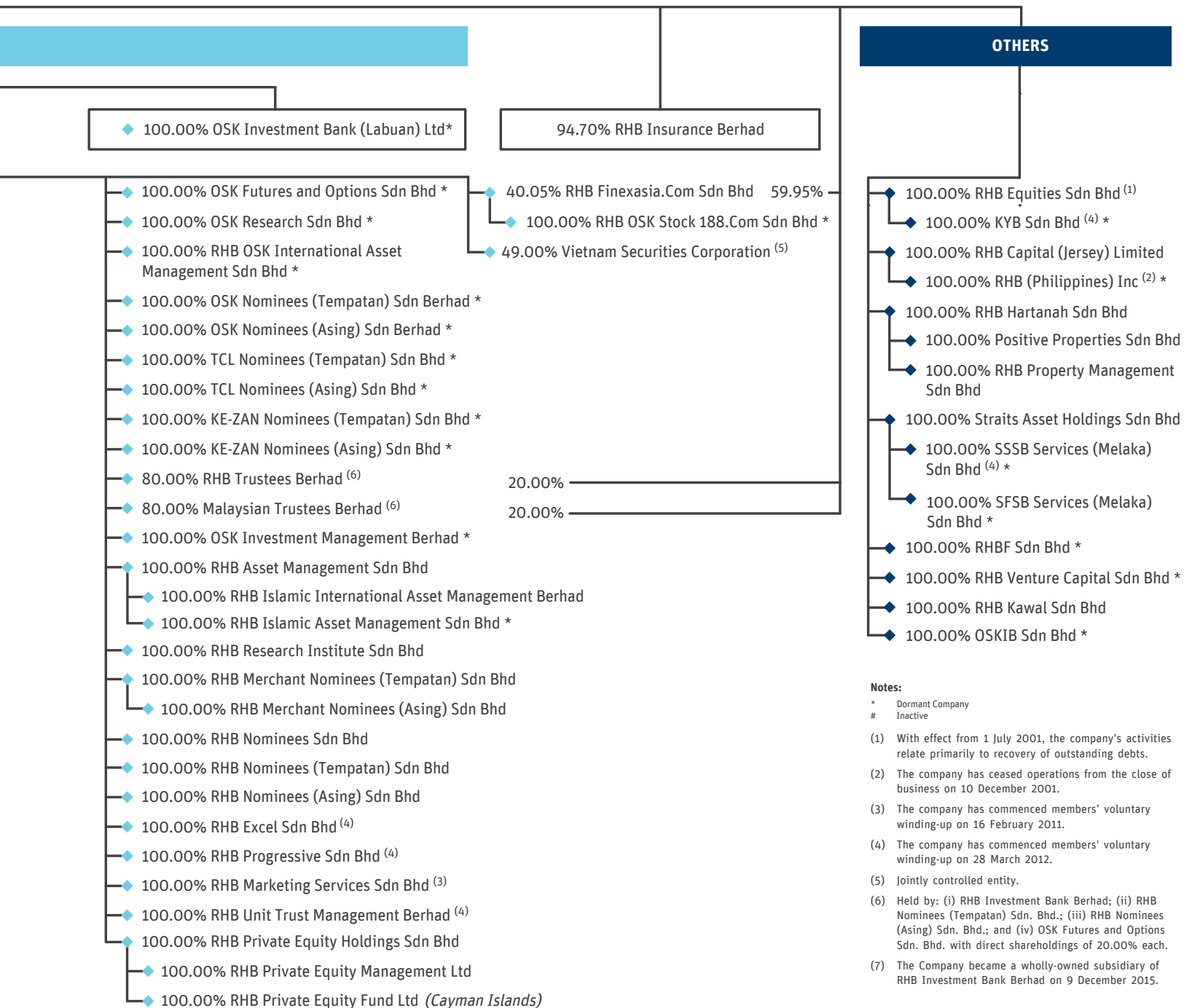
RHB Asset Management Sdn Bhd is a wholly-owned subsidiary of RHB Investment Bank Berhad. On 1 December 2013, RHB Asset Management Sdn Bhd officially merged with OSK-UOB Investment Management Berhad and the merged entity now operates under the legal entity name of RHB Asset Management Sdn Bhd (RHBAM). The combined strength of these two businesses has greatly enhanced the strength and depth of our service capabilities across Malaysia, ASEAN and Greater China markets.

RHBAM offers a full suite of award winning investment management products and solutions to retail, corporate and institutional customers, and continues to be recognised for its investment performance as well as market innovation.

GROUP CORPORATE STRUCTURE



* As at 25 February 2016



GROUP ORGANISATION STRUCTURE

Dato' Khairussaleh Ramli
Group Managing Director, RHB Banking Group
Managing Director, RHB Bank Berhad



STRATEGIC BUSINESS GROUP

U Chen Hock
Group Retail Banking



Datin Amy Ooi
Group Business &
Transaction Banking



Mike Chan Cheong Yuen
Group Corporate &
Investment Banking



STRATEGIC FUNCTIONAL GROUP

Yap Choi Foong
Group Finance



Rohan Krishnalingam
Group Technology &
Operations



Patrick Ho
Group Risk, Compliance &
Credit Management



Ibrahim Hassan
Group Shariah Business



Christopher Loh
Group Strategy &
International Business



Kong Shu Yin
Group Insurance



Mohd Rashid Mohamad
Group Treasury &
Global Markets



Norazzah Sulaiman
Group Marketing &
Communications



Jamaluddin Bakri
Group Human Resource



GROUP SENIOR MANAGEMENT PROFILES

Dato' Khairussaleh Ramli

Group Managing Director, RHB Banking Group
Managing Director, RHB Bank Berhad



Dato' Khairussaleh Ramli is the Group Managing Director/Group Chief Executive Officer of RHB Banking Group and the Managing Director (“MD”)/Chief Executive Officer (“CEO”) of RHB Capital Berhad since 5 May 2015.

He holds a Bachelor of Science in Business Administration from Washington University. He also graduated from the Advanced Management Programme in Harvard Business School, apart from being a Chartered Banker from the Asian Institute of Chartered Bankers.

He joined the Group as Deputy Group MD and MD/CEO of RHB Bank Berhad in December 2013. He continues to hold the position of MD/CEO of RHB Bank Berhad.

Dato' Khairussaleh Ramli has more than 20 years of experience in the financial services and capital markets industry, where he has held senior positions in well-established regional financial institutions. He is also a council member of The Association of Banks in Malaysia and Asian Institute of Chartered Bankers.

His knowledge and experience earned him the “Best CFO in Malaysia Award” in 2010 and 2011 from Finance Asia and the “Best CFO in Malaysia Award” in 2012 from Alpha Southeast Asia.

U CHEN HOCK

Executive Director/Head
Group Retail Banking
RHB Banking Group



U Chen Hock is currently the Executive Director/Head of Group Retail Banking, RHB Banking Group. In this role, he is responsible for the overall growth and profitability of the Retail Banking and Wealth Management business in Malaysia and the ASEAN region.

U Chen Hock was previously the Chief Executive Officer of OSK Investment Bank Berhad (“OSKIB”), before the latter’s merger with RHB Investment Bank in 2013. Prior to joining OSKIB, he had a long career with a global bank during which time, he had acquired broad based experience in corporate, commercial and consumer banking from holding numerous senior positions and responsibilities in Malaysia, Taiwan and Hong Kong.

U Chen Hock graduated from the National University of Malaysia (“UKM”) with a Bachelor of Economics (Honours) degree in 1980.

DATIN AMY OOI SWEE LIAN

Head, Group Business and Transaction
Banking
RHB Banking Group



Amy has been in the banking industry since 1983, starting with a leading top local bank in the credit and marketing division. She had worked overseas for seven years in wholesale banking.

She joined RHB Bank on 1 November 1994 as a Manager Corporate Banking and was appointed as Head of Foreign Corporate on 1 May 1995. She was subsequently appointed as the Deputy Division Head of the Corporate Banking Division.

Pursuant to the enlarged organisational structure of the RHB Banking Group, in November 2007, she was appointed as Head of Commercial Product Management. Following the Group's strategic transformation in 2010, she was appointed as Director of Business Banking. Currently she is the Head of Group Business and Transaction Banking where she is responsible for the growth of SME business and transaction Banking.

Amy graduated with a Bachelor of Economics (Honours) majoring in Business Administration from University Malaya.

MIKE CHAN CHEONG YUEN

Managing Director/Chief Executive Officer
RHB Investment Bank



Mike Chan Cheong Yuen was appointed as the Managing Director/Chief Executive Officer of RHB Investment Bank on 15 August 2013.

He holds a Master of Science in Finance from Boston College, United States of America (USA) and a Bachelor of Science in Business Administration from California State University, USA.

Mike brings with him more than 24 years of experience in the financial services industry, where he has held positions in well-established local and foreign financial institutions.

He joined RHB Banking Group in May 2010 as the Head of Corporate Banking of RHB Bank Berhad. In addition to his role in RHB Bank Berhad then, he was also the Officer-in-Charge of RHB Investment Bank Berhad prior to his appointment as the Managing Director/Chief Executive Officer in August 2013. He played an important role in the merger and integration of RHB Investment Bank-OSK Investment Bank Berhad.

Mike other directorships include RHB Private Equity Holdings Sdn Bhd, RHB Private Equity Management Ltd, RHB Bank (L) Ltd, Vietnam Securities Corporation (Chairman) and Financial Park (Labuan) Sdn Bhd.

GROUP SENIOR MANAGEMENT PROFILES (continued)

IBRAHIM HASSAN

Managing Director/Chief Executive Officer
RHB Islamic Bank



Ibrahim Hassan (“Ibrahim”) was appointed as the Managing Director/Chief Executive Officer (“MD/CEO”) of RHB Islamic Bank in September 2013. For the RHB Banking Group, he is the Head of the Group Shariah Business.

Ibrahim has over 30 years of banking experience having previously served as the President Director of Maybank Syariah Indonesia and the CEO of Maybank Islamic Berhad.

Ibrahim began his banking career in the dealing rooms of three Maybank international offices in Hong Kong, New York and London where he worked for more than 10 years. Upon returning to Malaysia, he was instrumental in strengthening the treasury operations of Maybank Group.

He was then appointed as the CEO of Maybank Discount for a period of two years from 1996-1998 and subsequently became the head of the market risk division whereby he developed the market risk management policies and model for Maybank Group.

He then Headed the International Banking Division in 2001 to oversee the operations of the international branches and subsidiaries in 14 countries. In 2007, Ibrahim was later reassigned to lead a team to de-merge the operations of Maybank Islamic window operations into a separate fully-fledged Islamic banking subsidiary of Maybank Group. He was appointed as CEO Maybank Islamic Berhad when it started operations in January 2008.

CHRISTOPHER LOH

Group Strategy & International Business
RHB Banking Group



Christopher Loh is the Group Chief Strategy Officer of RHB Banking Group. He is responsible for developing the Group’s strategic priorities, driving the Group’s Transformation Programme (“IGNITE 2017”) across the region and working closely with the businesses to execute strategies towards achieving the Group’s aspirations.

He recently assumed the position of overseeing the Group International Business (excluding Singapore), where he is responsible for leading and managing the Group’s business operations outside of Malaysia and Singapore, driving the growth strategies, strategic partnerships and expansion into other ASEAN countries. He also oversees the Group Customer Experience to deliver superior customer service across the organisation.

Christopher joined RHB Banking Group in September 2013 as the Deputy Group Chief Risk Officer. Prior to joining RHB Banking Group, Christopher was a partner with a global management consulting firm where he worked with regional and global financial institutions across Asia-Pacific, United States and the United Kingdom to transform their business and risk capabilities. After his stint with a leading UK banking group in London, he returned to Asia to help build and lead a very successful risk management practice where he was the managing director before his departure. He has also spent several years with a leading insurer in Singapore, and had established and run a technology and media startup.

Christopher graduated with an honours degree in engineering and business from Nanyang Technological University, Singapore and is an alumni of the RHB-INSEAD Senior Leadership Programme.

KONG SHU YIN

Managing Director
RHB Insurance

Kong Shu Yin was appointed as Managing Director of RHB Insurance on 13 March 2011.

Kong Shu Yin has 30 years of experience in the insurance business. Prior to joining RHB Insurance, he was with one of the largest general insurers in Malaysia, in various capacities including CEO. He also has experience with the Thailand and Indonesian insurance markets.

Kong Shu Yin is a graduate from the University of Malaya in Civil Engineering and is a Fellow of the Chartered Insurance Institute and Fellow of the Malaysian Insurance Institute.

Kong Shu Yin is currently the Chairman of ISM Insurance Services Malaysia Berhad, an organisation established by the insurance and takaful industry to provide statistical services to its members and the public. He is also the Chairman of the Malaysian Motor Insurance Pool and the Deputy Chairman of Persatuan Insurans Am Malaysia (“PIAM”) between 2012 – April 2015.



MOHD RASHID MOHAMAD

Head Group Treasury
RHB Banking Group

Mohd Rashid was appointed as Group Treasurer for the RHB Banking Group in March 2014 and is responsible to drive the Treasury and Global Markets businesses in line with the strategic direction and aspirations of the Group. The Treasury function of RHB Bank, RHB Islamic Bank and RHB Investment Bank have been consolidated under the Group Treasury banner since April 2014 to benefit from group synergy and to better serve RHB customers.

Mohd Rashid started his career in Investment Operations & Treasury Department of Bank Negara Malaysia in 1994 and has over 20 years of treasury experience in senior level positions within several Financial Institutions.

Mohd Rashid holds a Master degree in Business Administration with distinction from University of Wales, Cardiff, United Kingdom.



GROUP SENIOR MANAGEMENT PROFILES (continued)

YAP CHOI FOONG

Group Chief Financial Officer
RHB Banking Group

Yap Choi Foong was appointed as Group Chief Financial Officer (“Group CFO”) of the RHB Banking Group on 1 June 2013. As the Group CFO, Yap Choi Foong oversees the overall finance functions, which include financial reporting, budgeting, capital planning and management, group taxation, finance operations, procurement, property management as well as the Investor Relations for the Group.



Yap Choi Foong started her career as an auditor with Deloitte KassimChan. In 1993, she joined Southern Bank Berhad and held several positions during her 10 years with the Bank where her last held position was Senior Vice President, Corporate Finance. In November 2003, she joined RHB Capital as the General Manager of Group Finance. She has held various positions within the Group including Head of Corporate and Strategic Planning, Head of Central Finance, Group Financial Controller as well Head of Investor Relations and M&A Integration prior to her appointment as Group CFO.

She is a Fellow member of the Association of Chartered Certified Accountants (“ACCA”) in the United Kingdom.

ROHAN KRISHNALINGAM

Group Chief Operations Officer
RHB Banking Group

Rohan Krishnalingam was appointed as Group Chief Operations Officer of the RHB Banking Group on 6 January 2014. His primary responsibilities include overseeing of Group-wide Technology and Operations functions, ensuring accurate and timely Technology and back-office operations and services support for the relevant business/functional units, overseeing the implementation of the transformation projects and taking a lead role in driving RHB Banking Group to be a Digital Bank.



Prior to this, Rohan was a Senior Partner with an established technology and management consulting firm. Rohan has more than 20 years’ experience working with financial services organisations to design and implement large scale transformation programmes, predominantly in the areas of technology and operations. He has worked with several large corporations and clients from various industries in Malaysia and the ASEAN region.

Rohan has strong technology delivery and programme management skills, particularly in the implementation of large-scale technology and IT Strategic Planning. He has led major banking and financial services projects including the implementation of Core Banking Systems, Enterprise Resource Planning (“ERP”) and Customer Relationship Management (“CRM”), IT Transformation programmes, IT Merger Integration programmes as well as Industry-wide Payment Systems.

Rohan holds a Bachelor of Electrical and Electronics Engineering (Hons) from the University of New South Wales, Australia.

PATRICK HO

Group Chief Risk Officer
RHB Banking Group



Patrick Ho is the Group Chief Risk Officer of the RHB Banking Group, where he oversees the Group Risk, Compliance and Credit Management functions of the Group. He is responsible for the overall leadership and direction on the implementation of integrated risk management frameworks within the Group.

Patrick started his career with the RHB Banking Group in 1984 with the Treasury Department of RHB Sakura Merchant Bankers (now known as RHB Investment Bank). In 1998, he was assigned the responsibility to set up the Risk Management & ALCO Support Department of RHB Sakura Merchant Bankers Berhad. He was responsible to provide overall leadership and direction for the implementation of an integrated risk management framework for RHB Sakura Merchant Bankers Berhad.

In 2007, he became the Chief Operating Officer of RHB Investment Bank and in 2008, he was appointed as the Head of Central Operations of the RHB Banking Group. His responsibilities included strategic planning, process re-engineering and overall centralised back-office operations of the Group. He was later appointed as the Head of Group Risk Management of the RHB Banking Group in 2010 and subsequently as Director of Group Risk Management in November 2012.

Patrick holds a Bachelor of Science (Honours) degree in Actuarial Science from The City University in London and a Masters in Business Administration (Finance) with Distinction from the University of Hull, United Kingdom.

NORAZZAH SULAIMAN

Group Chief Marketing & Communications
Officer
RHB Banking Group



Norazzah Sulaiman is the Group Chief Marketing & Communications Officer. In her current role, she provides leadership and oversees the development and execution of integrated marketing and communications strategies for the RHB Banking Group. She leads enterprise-wide marketing and branding programmes as well as strategic communications functions.

She commenced her career in the Human Resource Division of a leading local banking group. In 1994, she was appointed the Head of Human Resource at Bank Utama, and subsequently became Utama Banking Group's Company Secretary and Group Legal Advisor.

Norazzah came on board the RHB Banking Group on 1 March 2003 as Group Legal Advisor and Group Company Secretary. In 2007, she was appointed Chief Operating Officer of RHB Capital. Following the Group's strategic transformation in 2010, she was appointed as Director of Group Corporate Services, and subsequently as Group Chief Governance Officer in 2013. Norazzah's areas of expertise include legal advisory and company secretarial functions, compliance, strategic communications and brand management. She is also instrumental in establishing the Group's corporate responsibility framework and initiatives.

She holds a Bachelor of Law (LLB) degree with Honours from the University of Warwick, United Kingdom and is an Associate Member of the Institute of Company Secretaries Malaysia.

GROUP SENIOR MANAGEMENT PROFILES (continued)

JAMALUDDIN BAKRI

Group Chief Human Resource Officer
RHB Banking Group

Jamaluddin Bakri is the Group Chief Human Resource Officer of the RHB Banking Group. In his current role, he is responsible to develop and execute long-term Human Resources (“HR”) strategies, build HR capability that will be able to support the Group’s long-term strategic goals. He is also responsible in managing various aspects of HR functions across the Group which includes strategic planning and organisational development, human capital development, succession planning, rewards and performance management that will be aligned to the Group’s Business Strategies.



Jamaluddin brings with him more than 20 years of solid track record in HR functions and have spent more than 15 years overseas where he gained experience working with different nationalities, diverse cultures and working styles. He has also partnered with Business Leaders of multi-national and local organisations in driving various HR strategies globally and locally.

Prior to joining the RHB Banking Group, he was the Group Head of HR for IHH Healthcare Berhad, one of the largest private healthcare company in the world. He also spent 14 years with Microsoft in various HR leadership functions, with his last role as Regional HR Director for Asia Services.

He holds an MBA in Human Resources from the University of Hull, United Kingdom with a background in Mechanical Engineering.

KEY HIGHLIGHTS

MALAYSIA



TOTAL INCOME

MYR**5,297** million ↩

PRE TAX PROFIT

MYR**1,948** million ↩

NO. OF EMPLOYEES

14,083 ↩

as at end December 2015

NO. OF BRANCHES / OFFICES

562 branches & offices ↩

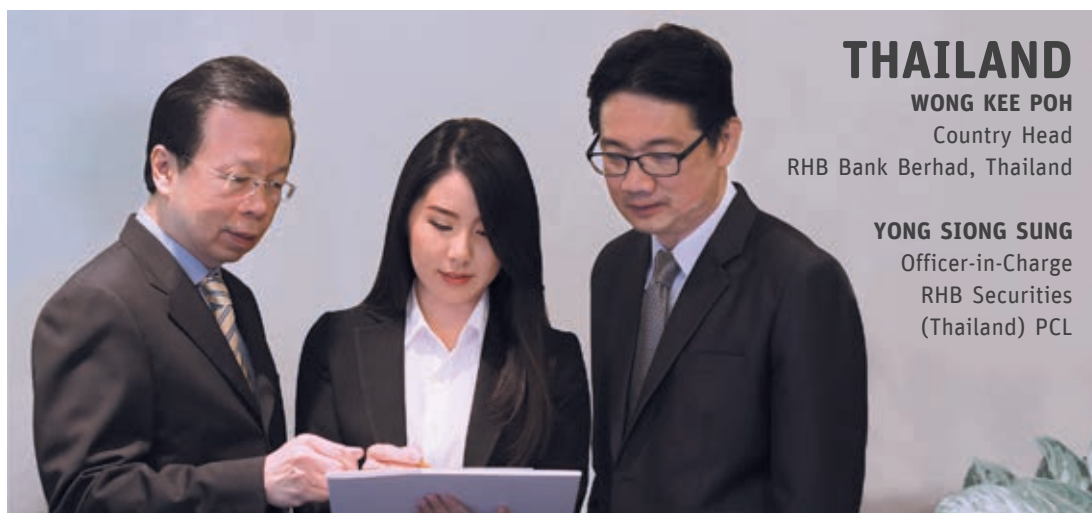
202 Conventional
14 Islamic
281 Easy
49 Investment Bank Offices
14 Asset Management
1 Insurance
1 Trustees

RHB BANKING GROUP

Products & Services

- Commercial Banking
- Islamic Banking
- Investment Banking
- Asset Management
- Insurance Services

KEY HIGHLIGHTS (continued)



THAILAND

WONG KEE POH
Country Head
RHB Bank Berhad, Thailand

YONG SIONG SUNG
Officer-in-Charge
RHB Securities
(Thailand) PCL

RHB BANKING GROUP Products & Services

- Current Account
- Savings Account
- Fixed Deposit
- Trade Finance and Remittance
- Loan Facilities and Working Capital Financing
- Foreign Exchange
- Equities & Derivatives Trading
- Investment Banking
- Derivatives & Structured Products
- Fixed Income
- Mutual Fund Sales

TOTAL INCOME
THB **1,192** million

PRE TAX PROFIT
THB **62** million

NO. OF EMPLOYEES
412

NO. OF BRANCHES / OFFICES
12 branches



INDONESIA

CHAN KONG MING
Chief Executive Officer
PT RHB Securities Indonesia

RHB BANKING GROUP Products & Services

- Institutional and Retail Brokerage
- Fixed Income Trading
 - Corporate, Government, Conventional and Sukuk Bond
- Investment Services
 - Corporate Finance and Debt Capital Markets
 - IPO and Bond Underwriting
 - Investment Research
- Coverage and Equity Capital Markets
- Financial Advisory and M&A
 - Corporate Restructuring
 - Pre-IPO Structuring
- Asset Management

TOTAL INCOME
IDR **279,986** million

PRE TAX PROFIT
IDR **37,082** million

NO. OF EMPLOYEES
373

NO. OF BRANCHES / OFFICES
14 branches



CAMBODIA

LIM LOONG SENG
Managing Director
RHB Indochina Bank

DING MING TEIK
Chief Executive Officer
RHB OSK Indochina Securities

RHB BANKING GROUP Products & Services

Retail & Commercial

- Current Account
- Savings Account
- Fixed Deposits
- Remittance
- Trade Financing
- Loans

Equity Sales and Brokerage

- #### Corporate Finance Services
- Initial Public Offerings
 - Placements and Rights Issue
 - Corporate Restructuring
 - Mergers and Acquisitions

TOTAL INCOME

USD **18** million ↩

PRE TAX PROFIT

USD **8** million ↩

NO. OF EMPLOYEES

225 ↩

NO. OF BRANCHES / OFFICES

11 branches ↩



LAOS

DANNY LING CHII HIAN
Country Head, RHB Bank Lao Limited

RHB BANKING GROUP Products & Services

- Current Account
- Savings Account
- Fixed Deposit
- Remittance
- Foreign Exchange Service

- Loan Facilities
 - Overdraft Facility
 - Term Loan
 - Housing Loan
 - Revolving Credit Facility

TOTAL INCOME

USD **2** million ↩

PRE TAX PROFIT

USD **0.1** million ↩

NO. OF EMPLOYEES

28 ↩

NO. OF BRANCHES / OFFICES

1 Branch ↩

KEY HIGHLIGHTS (continued)



BRUNEI
ISHAK BIN OTHMAN
 Country Head
 RHB Bank Berhad,
 Brunei

RHB BANKING GROUP Products & Services

Deposits Products

- Current Account
- Savings Account
- Fixed Deposits Account

Loans & Advances

- Overdraft
- Housing Loans
- Term Loans, Business Loans and Bridging Loans
- Trade Financing

Remittances

- Foreign Telegraphic Transfers (USD, EUR, JPY, THB, IDR, AUD, GBP, SGD)
- Fast TT (MYR)
- Cashier's Order (BND)
- Demand Draft (SGD, BND)

TOTAL INCOME

BND3 million



PRE TAX PROFIT

BND0.3 million



NO. OF EMPLOYEES

24



NO. OF BRANCHES / OFFICES

1 branch



HONG KONG

WILLIAM WU WAI LEUNG

Chief Executive Officer, RHB Hong Kong Limited

RHB BANKING GROUP Products & Services

Securities Trading

- Hong Kong and Global Markets
- Margin Financing – including IPOs
- Online trading – through our Financial Portal rhbinvest.com.hk
- Equity Research
- Equity Capital Markets Activities

Corporate Finance

- Initial Public Offerings
- Public Company Takeover/Privatisations
- Capital Raisings Exercise for Primary and Secondary Market
- Mergers and Acquisitions
- Restructuring Advisory – Corporate Reorganisations and Debt Restructuring

Derivatives Trading

- Hong Kong Futures/Option Contract
- Global Futures Trading

Asset Management

- Discretionary Portfolio Management Service
- Fund Management Service

TOTAL INCOME

HK\$195 million



PRE TAX PROFIT

HK\$26 million



NO. OF EMPLOYEES

128



NO. OF BRANCHES / OFFICES

1 branch





SINGAPORE

JASON WONG HON LURN

Chief Executive Officer, RHB Bank Berhad, Singapore

ROBERT HURAY

Chief Executive Officer, RHB Securities Singapore Pte. Ltd.

TOTAL INCOME

S\$ 207 million



PRE TAX PROFIT

S\$ 34 million



NO. OF EMPLOYEES

988



NO. OF BRANCHES / OFFICES

8 branches



Cecil Street (Main Office)
Jalan Besar, Tai Seng, Katong, Geylang, Westgate,
Bukit Timah, Ocean Financial Centre

In addition, we also operate Bureau de Change at
Changi Airport Terminal 1, 2 and 3

RHB BANKING GROUP

Products & Services

Securities Trading

- Singapore and Global Markets
- Institutional, Retail Equities and Fixed Income
- Margin Financing
- eBroking via Online Portal rhbinvest.com.sg
- Equity Research

Asset Management

- Retail and Wholesale Unit Trust Funds
- Discretionary and Non-Discretionary Mandates
- Alternative Investments

Advisory & Capital Markets

- Corporate Finance
- Initial Public Offering
- Mergers and Acquisitions
- Acquisition Financing Advisory
- Debt Capital Markets
- Equity Capital Markets

Retail & Commercial

- Deposits
- Loans
- Retail Banking
- Premier Banking
- Wealth Management
- Corporate & Investment Banking

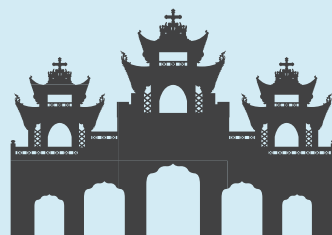
- Business Banking
- Insurance
- Treasury
- Fixed Income Distribution

VIETNAM

Representative Office

WILSON CHEAH HUI PIN

Chief Representative



MYANMAR

Representative Office

WILSON CHEAH HUI PIN

Chief Representative







TOGETHER

WE PROGRESS

**DELIVERING SIMPLE, FAST
AND SEAMLESS EXPERIENCES**



BUSINESS MODEL

RHB has a customer-focused business model that enables us to fulfil our role as a trusted partner in helping our customers and their businesses prosper.

Provide holistic, innovative and segment-driven offerings

1 CUSTOMER-SEGMENT FOCUSED

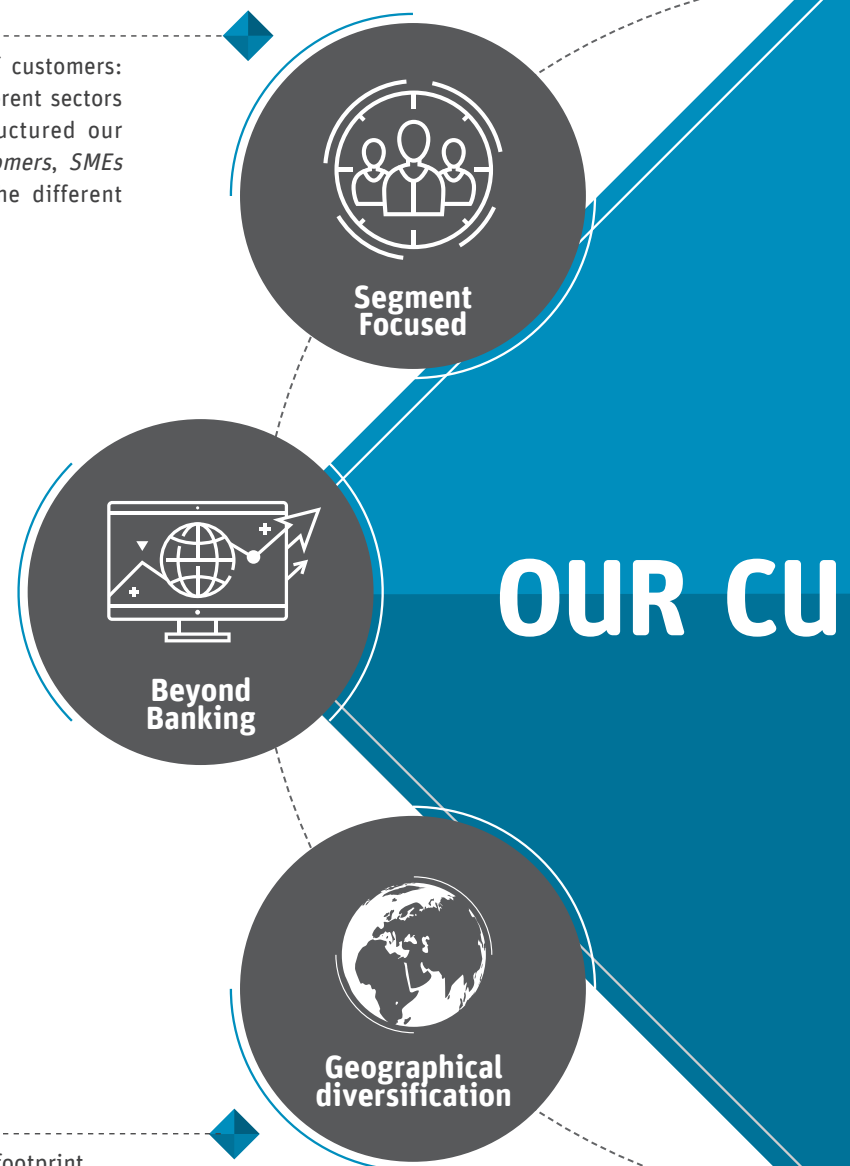
RHB's business model is designed to satisfy the needs of all types of customers: individuals with different income levels; companies of any size and different sectors of activity; private companies and public institutions. We have structured our business by key pillars focusing on *retail customers*, *commercial customers*, *SMEs* and *corporate clients*, respectively. This allows us to better serve the different segments according to their different needs.

2 PRODUCTS & SERVICES THAT GO BEYOND BANKING

We offer a diverse range of financial products and services, covering commercial banking, Islamic banking, transaction banking, investment banking, treasury, stock broking and offshore banking. We also provide non-banking offerings such as general insurance, unit trust management, asset management/nominee and custodian services. Our products and services are offered through personal and digital channels.

3 GEOGRAPHICAL DIVERSIFICATION

RHB has a growing regional presence in ASEAN, with our geographical footprint spanning 10 countries: *Malaysia, Singapore, Thailand, Indonesia, Cambodia, Lao PDR, Brunei, Hong Kong/China, Vietnam* and *Myanmar*. We will be focused on growing our existing franchise, and continue to explore other strategic partnerships and expansion into other ASEAN countries.



Our Balanced Scorecard provides us with the framework against which we track the progress we have made in serving the interests of our stakeholders.

In an efficient, safe and integrated manner



4 HIGH-PERFORMING TALENT, WITH A POSITIVE WORK CULTURE & STRONG BRAND VALUES

The RHB brand synthesises the Group's identity and commitment to become the customers' trusted partner in helping them and their businesses prosper, as well as to attract and retain top talent. RHB's employees share a positive corporate culture focused on fulfilling the Group's purpose and achieving the Group's aspirations. They are provided with a professional development journey to help them progress and find fulfilment in their careers.



5 STRONG BALANCE SHEET, PRUDENT RISK MANAGEMENT AND INTERNAL CONTROL

RHB has a solid capital base consistent with its business model, balance sheet structure, risk profile, and is well above regulatory requirements. We have put in place a Group Governance framework that ensures effective governance and oversight on a Group-wide basis. Robust risk management and functions framework have been established to enable effective risk management and compliance across all parts of the Group.



6 INNOVATION, DIGITAL TRANSFORMATION AND BEST PRACTICES

We have embarked on the "*RHB Digital Journey*", to effectively deliver meaningful, high value-adding interactions and customised services for our customers by leveraging on digital innovations. This transformation not only impacts the services provided to customers but also the Group's operations, both internal and external: i.e: how to use data to spur business growth, updating and modernising systems, and streamlining processes and the organisation as a whole.

STOMER

OUR STRATEGY

“TO BE A MULTINATIONAL REGIONAL FINANCIAL SERVICES PROVIDER THAT IS COMMITTED TO DELIVER COMPLETE SOLUTIONS TO OUR CLIENTS THROUGH DIFFERENTIATED SEGMENT OFFERINGS AND AN ECOSYSTEM THAT SUPPORTS A SIMPLE, FAST AND SEAMLESS CUSTOMER EXPERIENCE, UNDERPINNED BY OUR COHESIVE AND INSPIRED WORKFORCE AND RELATIONSHIPS BUILT WITH OUR STAKEHOLDERS.”

OUR REFRESHED ASPIRATIONS

In 2015 we refreshed our aspirations with an emphasis on value creation, anchored on return on equity (“ROE”). Our aspiration is to be among the Top 3 in Malaysia/Top 8 in ASEAN by performance by 2020, and our focus on performance instead of size represents our foundation as we look to improve revenue, not just from asset growth but also from an increase in productivity. At the same time, we will maintain our drive towards being a regional powerhouse in ASEAN+ with a sharpened focus on profit instead of revenue. To this end, we have set a realistic target of 20% of profit from overseas operations considering the market conditions as well as our business priorities. We believe that our refreshed aspirations will strengthen our footing and capabilities needed to be a leading multinational financial services group by 2020.

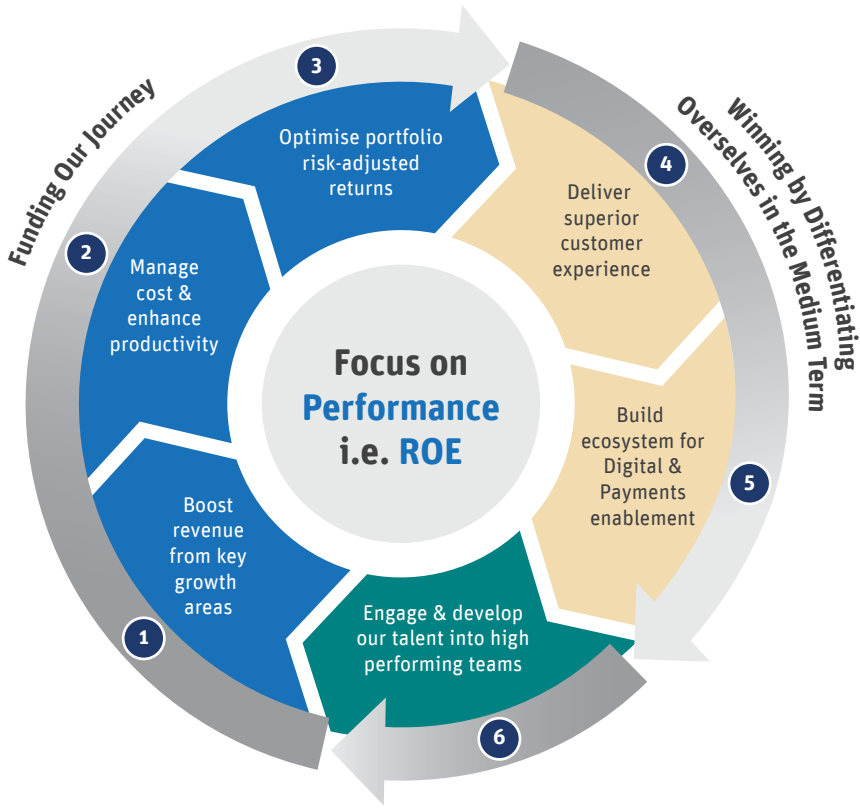
OUR STRATEGIC PRIORITIES

In steering us towards our revised aspirations, our focus on value creation for stakeholders will be anchored on three broad themes and six strategic priorities:

- **Funding Our Journey** – focuses on boosting revenue from key growth areas, managing cost and enhancing productivity, and optimising risk-adjusted returns
- **Winning by Differentiating Ourselves in the Medium Term** – through delivering superior customer experience and building an ecosystem for digital and payments enablement
- **Getting the People & Organisation Right** – by engaging and developing our talent into high-performing teams



“...Address fundamentals of our business to generate profits to fund our journey and reward shareholders...”



“...Creating the competitive advantage to drive sustained growth and market leadership...”



Getting the People & Organisation Right

“...Making sure our people have the right capabilities and incentives to drive the change...”

OUR STRATEGY (continued)

As such, our strategic priorities have been revised to support our reframed strategy and sharpened to focus on 17 key initiatives within the six strategic focus areas:

Boosting revenue from key growth areas

To increase profitability, we have identified seven key high-margin and profitable areas to drive our income growth – *Affluent, Mass Affluent, SME, CIB, Regional Treasury, Singapore* and *Asset Management*. Since the launch of our reframed strategy, we have solidified our plans for these areas with respective teams mobilised to execute and drive our top line.

Managing cost and enhancing productivity

We remain committed to prudent management of our cost and productivity enhancements in order to optimise our profitability. Tactical cost savings and structural changes have been and will be continuously undertaken to improve our cost-to-income ratio. Our structural changes include addressing the productivity of our staff across the Group, optimising our network to achieve greater synergies and lowering our cost to serve, as well as rewiring our structure for greater operational efficiency.

Optimising portfolio risk-adjusted returns

In promoting sustainable growth for the Bank, it has become increasingly important to seek out efficiencies in our capital usage, which is why one of our core focus areas is to drive increase in PBT and ROE by re-evaluating and re-allocating capital to higher-yielding assets and portfolios. We are determined to achieve this through model refinements with the aim of improving our portfolio risk weights, as well as through running risk-adjusted return on capital (“RAROC”) analysis to assess the profitability of our individual portfolios. As a result, we will be able to further improve our portfolios towards more effective capital utilisation.

Delivering a superior customer experience

Having recognised and appreciated the significance of customer experience in an increasingly competitive market, we have made customer experience and service our key differentiator in the medium term in the reframed strategy. We are committed to foster customer loyalty by delivering a superior customer experience through the realisation of our “RHB Way” group customer charter, our Branch Sales and Service Transformation initiative – “CONNECT”, Central Client On-Boarding and group-wide operational improvement and innovation to enable the “RHB Way”. The formation of Group Customer Experience in Q4 2015 marks our full commitment to deliver superior customer service to all our customers across all channels, and we are excited to be embarking on this journey.

Building an ecosystem for digital and payments enablement

Complementing our commitment to provide superior customer experience, a core part of the reframed strategy to differentiate RHB in the medium term is to deliver a segment-driven lifestyle ecosystem through digital and payments innovation with industry collaboration. Our strategy is to leverage on digital technology to provide customers with services that go beyond banking, fulfilling their everyday lifestyle needs and exceeding customer expectations at every point of interaction.

Engaging and developing our talent into high-performing teams

As we progress towards our 2020 aspirations, our employees are undoubtedly our most valuable asset in this journey and RHB will continue to train, upskill and equip our employees with the skill sets that are necessary to turn aspirations into impactful outcomes. Employee engagement will continue to remain a priority as we endeavour to become an Employer of Choice. We are developing a holistic Talent Management programme encompassing all aspects of the employee lifecycle, carefully designed to engage, sustain and develop our talent into high-performing teams.

OUR TRANSFORMATION IGNITE 2017

2015 – THE YEAR IN REVIEW

Launched in 2014, IGNITE 2017 is focused on driving the Group towards becoming a leading multinational financial services group in the region by 2020. Despite the challenging market conditions in 2015, our efforts in IGNITE 2017 enabled us to realise significant value from the various initiatives and positively contribute to the Group's pre-tax profit.

The successful implementation of the leverage model for our Islamic business in 2014 saw a marked improvement in our Islamic asset market share from 7.4% to 8.2% in 2015. The integrated Group Treasury & Global Markets business has sharpened focus and created greater synergies bringing improvement towards a year-on-year PBT growth of 35%. Our CASA balances grew 11%, outpacing the industry and our competitors as a result of the Branch Sales and Service Transformation initiative "CONNECT". Assets under management (AUM) for our Asset Management business grew to RM51.9 billion in 2015, with retail AUM growing 29.5%.

The new Business Banking Operating Model ("BBOM") implemented in 2014 led to a significant increase of our SME market share from 7.2% to 8.7% in 2015, driven by improvements in staff productivity and SME loan approval turn-around-time amongst others. This has culminated in RHB being awarded the '*Highly Commended: Excellence in SME Banking*' at the 7th Annual Retail Banker International Asia Trailblazer Summit & Awards.

Throughout the course of 2015, initiatives under IGNITE 2017 were centred around the themes of delivering differentiated customer experience, beginning our RHB Digital Journey, and driving greater profitability and efficiency.

Differentiated Customer Experience

Group Customer Experience ("GCX")

Group Customer Experience was formed in Q4 2015 and is an integral component of the Group's reframed strategy to drive RHB towards becoming the market leader in customer service by 2020. The Group Customer Experience Strategy sets a transformational approach to achieve our aspiration to be a customer-centric organisation and strengthen the service culture across the Group. The team oversees group-wide initiatives, which entail strategically collaborating with our business associates and service partners, to build an ecosystem to deliver a simple, fast and seamless customer experience.

Through listening to the voices of our customers and truly understanding their needs, we steered our immediate focus towards perfecting the key service areas (the basic hygiene factors) across all segments and channels, while we lay the foundations for a superior customer experience. This continuous engagement with our customers will lead to the charting of a holistic "RHB's Customer Experience Journey Roadmap" that will serve as the core around which we will build a holistic understanding of customers' needs and expectations, thus enabling skilful management of the entire experience.

CONNECT

CONNECT, our Branch Sales and Service Transformation initiative, was launched in June 2014 and has since transformed all our branches and Commercial Business Banking Centres ("CBBCs") to focus on delighting customers and delivering a superior customer experience that has resulted in an overall increase in performance. We have redefined the way we operate through successful introduction and implementation of the five elements of CONNECT nationwide across 214 branches and 28 CBBCs in 2015.

The design and implementation of this new sales and services model, that is more structured and standardised across the distribution channel, saw significant improvement in the overall performance of our branches and CBBCs. We also embarked on Capability Building through our Change Leaders who were selected from our talent pool to lead and facilitate the transformation across all the branches and CBBCs with high collaboration and engagement from the leadership team. Our efforts saw us receiving the "Outstanding Customer Experience" award from Frost & Sullivan and also being recognised as "Malaysia Best Employer" by the Employer Branding Institute in 2015.

OUR STRATEGY (continued)

Beyond this, the launch of the Multi-Channel Leads Management system enabled better facilitation and tracking of systematic leads generation, driving greater efficiency and profitability through end-to-end customer acquisition. We further implemented our network strategy, leveraging on our strengths and capabilities to give us an edge over our competitors. Our value propositions were refined with specific focus on different segments, which provided us with valuable insights on the needs of our customers, ensuring that they receive relevant product and services offerings tailored to their unique needs. In addition to all this, we also enhanced our processes and created a differentiated customer experience that is unique to RHB, which makes up the “RHB Way”.

Founded upon the setup of CONNECT’s solid achievements, we look towards enhanced market share for various products, increased sales force effectiveness and unmatched service excellence.

Client Coverage Model

In 2015, RHBIB rolled out the Client Coverage Model (“CCM”), as an extension of the Global Account Management (“GAM”) framework launched in 2014. GAM was initially launched for RHBIB’s top 50 corporate accounts and mid cap accounts in Malaysia and Singapore, and has since been successfully expanded to cover 182 corporate clients with multiple RHB Banking Group product holdings, across Malaysia, Singapore and Thailand.

The expertise of the product partners within different product groups continues to be a pillar upon which we build our aspirations for successful CCM rollout. The product groups cut across Corporate Banking, Investment Banking, Treasury & Global Markets, Asset Management, Trade Business, Cash Management, Bank @ Work, Insurance and Mortgage End-Financing.

Drawing on the success of GAM, CCM will remain focused on improving internal coordination, providing superior customer experience to the Group’s top corporate clients and focusing on client account penetration. Moving forward in 2016, we will continue to draw upon our dominance in the mid-cap space for support. In addition, the CCM framework has further improved the management of our client relationships and established a clearer picture of the contribution of key accounts to the Group.

Despite the challenging environment, we are well positioned to seek opportunities by leveraging on our strengths and in particular, drawing upon the successes of the CCM framework. RHB continued to reap benefits with the GAM/CCM initiative and saw the Banking Group realising further incremental revenue of RM169.0 million in 2015.

Our key involvement in landmark transactions across the region garnered a number of regional awards and recognitions during the year, including the following as testimonies to our achievements in 2015: “Best M&A House” from The Asset, “Best M&A House in ASEAN and Best Ringgit Sukuk House in Malaysia” from Alpha Southeast Asia, “Best Small to Mid-Cap Corporate Finance House in Malaysia (RHB Investment Bank)” from Alpha Southeast Asia, and “Best Small to Mid-Cap Corporate Finance House in Singapore (RHB Securities Singapore)” from Alpha Southeast Asia.

RHB Digital Journey

Since the conceptualisation of the RHB Digital Strategy, we have developed a sharper digital approach to effectively deliver meaningful, high value-adding interactions and customised services for our customers, based on the differentiated segment needs of our customers. We aim to provide our customers with simplified, convenient and easy access to digital services, thus enabling our customers to bank anywhere and at any time.

With the RHB Mobile Lifestyle App launched in June 2015, we took strides towards the creation of a lifestyle-centric ecosystem around banking services. Our customers are now able to enjoy and locate lifestyle deals and privileges obtained directly through the app, and locate RHB ATMs and branches by merely holding up their smartphones, using the in-built augmented reality feature. The Mobile Lifestyle App won “Best Card Loyalty Program” at the Cards & Electronic Payments International Asia Summit organised by the Retail Banker International (Timetric) in 2015.

In order to support the growing digital needs of small- and medium-size enterprises (“SMEs”) in line with their business requirements, we launched the first-of-its-kind, all-in-one e-Retail business, promoting the development of SMEs in Malaysia. The holistic SME start-up solution provides SME customers real-time access to sales dashboards, inventory levels and business reports from anywhere and at any time in order to manage and monitor their business effectively and efficiently.

In the FinTech and start-up space, we are looking to embrace the fintech world by partnering and collaborating with innovative start-ups that can complement our financial business. To this end, we have partnered with Startupbootcamp FinTech, a leading global start-up accelerator focused on financial innovation, providing funding, mentorship and access to a global network of investors and VCs, for up to ten selected FinTech start-ups. Our partnership with Startupbootcamp gives us access to FinTech start-ups through various events such as Hackathons, Fast Track Days, FinTech Lounge and the three-month Accelerator Programme.

As a first step towards creating a digital ecosystem to fulfil the everyday lifestyle needs of our customers, we have partnered with TableApp, Malaysia's first restaurant reservations application to provide simplified dining reservation processes for customers. This collaboration represents RHB's first with a start-up providing innovative lifestyle offerings and e-commerce payment services. With this partnership running parallel with increased adoption of technology, RHB is one step closer to realising a core part of our transformational strategy – to be a next generation digital bank that provides our customers with services beyond banking.

Given our drive to increase our focus on digital growth, the Digital Centre of Excellence was also established in November 2015, to drive delivery of key digital initiatives aimed at fulfilling RHB's digital aspirations, as well as to look at digital innovations to keep RHB at the forefront of digital banking. Looking ahead to 2016, we will continue to pursue digital innovations for the bank and implement further enhancements that will take us closer to being an innovative digital banking leader in line with the needs of our customers.

Driving Profitability & Efficiency

Throughout 2015, one of the main avenues to drive profitability was through our key revenue levers, predominantly Singapore, SME and Regional Treasury. An increased regional collaboration and synergy of functions across the Group saw the expansion of the Client Coverage Model (previously Global Account Management) to Singapore. Our extended reach has allowed us to drive cross-selling and improve operational efficiencies to further strengthen our market position. Other notable achievements in Singapore included the completion of the target operating model for transaction banking customers' on-boarding process and the setting up of a cross-border referral desk which has opened up increased revenue opportunities.

Beyond achievements seen in Singapore, we maintained our dedication in delivering value-added services to our customers by improving our operational efficiencies on the SME front. Towards this end, we rolled out our SME field collection model to ensure our collection and recovery remain robust, and initiated refinement of the SME end-to-end credit process for greater efficiency. This refinement is aimed at reducing SME TAT for financing approval by ~15% – ~50%. 2016 will see further enhancements such as the implementation of the Retail SME credit model and the SME Loans Origination System to enrich the end-to-end credit process. The rollout of the Business Banking Operating Model in 2014 continued to reap benefits in 2015 with significant improvement in TAT and sales productivity, registering increased SME sales as a result. In order to ensure the sustainability of this initiative, we have also upskilled our sales force for PLM and MM through a holistic training programme.

Another key highlight of 2015 was the merging of RHB Bank and RHB Investment Bank Treasury functions for the Singapore and Thailand offices, which created a more streamlined and cohesive function, sharpening our focus in pursuit of increased revenue growth. 2015 also saw the introduction of a plethora of new Treasury products as we continued to develop and deepen our relationships with our customers in efforts to firmly establish ourselves in the Treasury market.

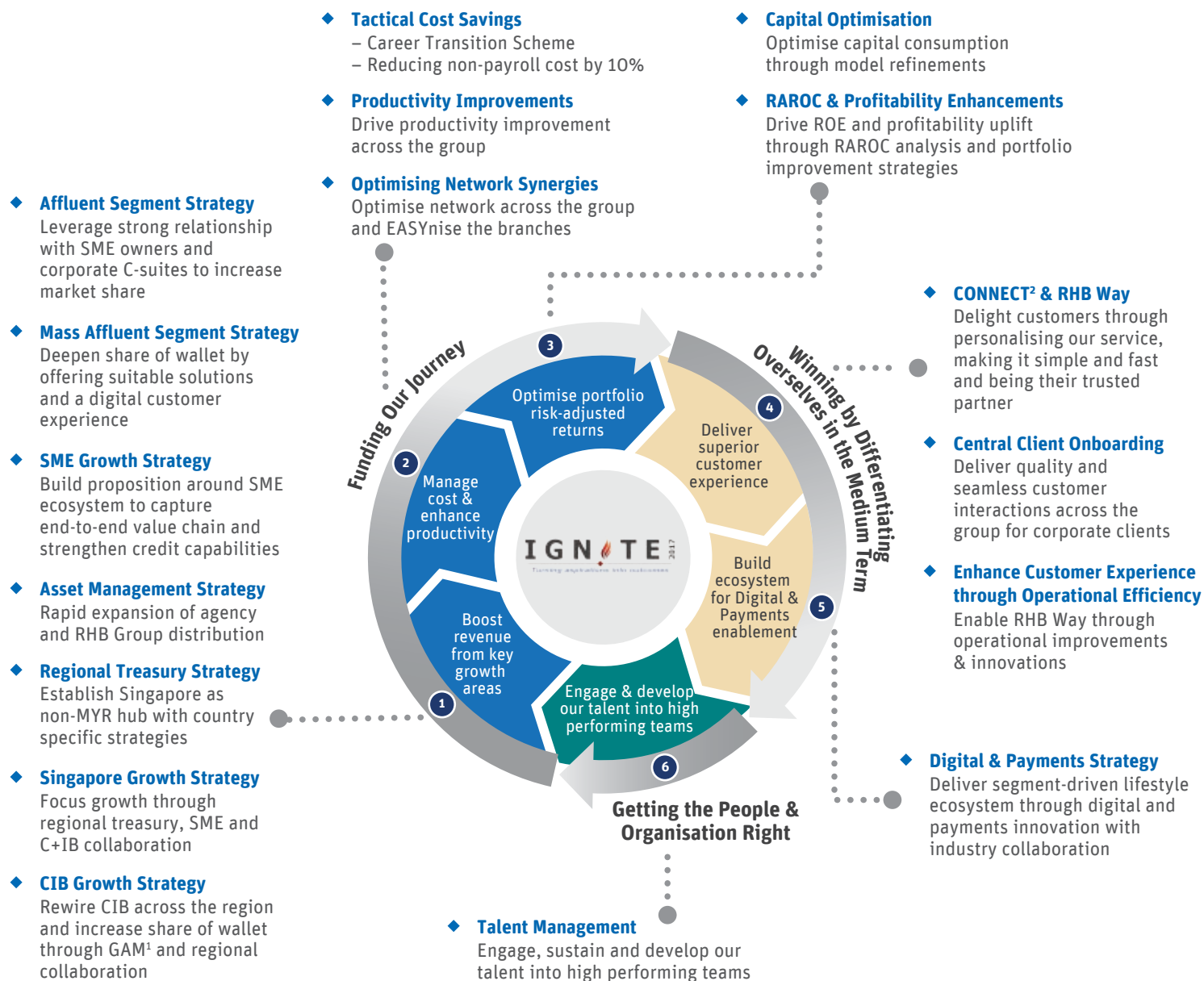
Alongside boosting revenue growth, we also worked on driving down our cost-to-income ratio through tactical and structural cost management. We implemented multiple cost saving initiatives as well as improved productivity through the Career Transition Scheme and Performance Improvement Programme. In order for us to better reach our customers, we are in the midst of harmonising our branches and EASY outlets, and this will continue through to 2016.

Another core driver to boost profitability was through optimising our capital and balance sheet. Benefits reaped in 2015 included a reduction in risk weighted assets ("RWA") through various RWA optimisation initiatives and model refinement. Further, the rollout of the enhanced risk-adjusted performance management model ("RAROC") has provided valuable insights to facilitate the businesses in managing their respective portfolios with a view to optimise capital utilisation and thus increase profitability. We believe that this is a powerful tool that can push us towards greater profitability in the long term, which is why considerable time and resources will be invested to embed RAROC capabilities across our core businesses.

OUR STRATEGY (continued)

THE JOURNEY AHEAD

In light of RHB's reframed strategy to prioritise performance (i.e. ROE) over size, we had in 2015 sharpened our focus on 17 initiatives to deliver IGNITE 2017 objectives and 2020 aspirations.



Notes:

- 1 GAM (Global Account Management) is an initiative to improve RHB's internal coordination and external service quality with our top corporate customers.
- 2 CONNECT is RHB's branch sales management model covering key elements such as sales model, sales tools, sales routine and planning, sales performance management and branch organisation.

Our priorities for 2016 are centred around our customers and a relentless focus on managing our cost and productivity. Despite the strong headwinds, we are resolved in strengthening our foothold by synergising and upskilling our organisation, deepening share of wallet of better quality segments and retaining market leadership in our areas of strength.

What we can expect for the year ahead includes the execution of our growth strategies for the following areas: *Affluent, Mass Affluent, CIB and Asset Management, Regional Treasury, Singapore* and *SME*. Our ultimate aim is to provide holistic, innovative and segment-driven product offerings to capture the end-to-end value chain of high-margin and profitable segments, while delivering a superior customer experience across all segments and channels at the same time. 2016 will also see the operationalising of our Client Coverage Model to improve internal coordination, provide a superior customer experience to the Group's top corporate clients and focus on client account penetration.

The year ahead will also see considerable work done around managing cost, driving productivity improvement and cultivating greater collaboration across the Group. We will be working on realigning and rewiring our operating models, as well as optimising our network synergies to unlock greater efficiencies and improve our reach to customers. Running in parallel will be our commitment to continuously mark our presence in the digital space by revitalising digital customer experience and enablement through innovative solutions.

At the heart of our organisation is our people and we will continue to invest in the development of our talents and provide them with the platform to grow professionally and personally. Programmes will continue to be established to drive greater employee engagement and galvanise our employees behind our newly launched brand promise to deliver superior service to our customers.

DRIVING AN INNOVATIVE CULTURE

AS PART OF OUR CONTINUING EFFORTS TO GROOM OUR NEXT GENERATION OF LEADERS, WE ENDEAVOUR TO PROVIDE OUR EMPLOYEES WITH OPPORTUNITIES FOR PERSONAL GROWTH AND PROFESSIONAL DEVELOPMENT. WE BELIEVE THAT OUR HUMAN RESOURCE CAPABILITIES PLAY A VITAL ROLE IN DRIVING A CULTURE OF INNOVATION WITHIN THE GROUP, WHICH IS CRUCIAL FOR REALISING OUR AMBITIONS OF BECOMING A LEADING MULTINATIONAL FINANCIAL SERVICES GROUP BY 2020.

In support of this endeavour, our state-of-the-art RHB Academy offers innovative programmes through various forms such as e-learning and action-based learning, encompassing a broad range of technical and soft skills.

In 2015, our talent management efforts were focused on identifying and nurturing potential leaders. Measures were also undertaken to diversify our talent pool and equip them with the necessary skills to enhance the Group's capabilities. Additionally, we adopted a more holistic view in encouraging a high-performance culture, implementing various initiatives to motivate and reward our workforce.

RHB AS AN EQUAL OPPORTUNITY EMPLOYER

Guided by the principles of meritocracy and fairness, RHB is proud to advocate equal opportunity employment. We seek to ensure that all our staff enjoy the same opportunities and access to self-development within the Group regardless of gender, ethnicity, religion or disabilities.

In line with this, we strive to promote equal opportunities for all employees, avoid discrimination of any kind and accommodate the needs of those challenged by disability or personal circumstances. We also recognise and reward our employees, particularly exceptional performers, through various initiatives.

At the end of the year under review, the Group's workforce was represented by 16,117 permanent employees, with the majority based in our Malaysian operations. We also employed a total of 1,392 contract/temporary staff.

The Group recorded an attrition rate of 26.8% in 2015, of which Regrettable attrition¹ accounted for 11.8% and 14.9% represented Non-Regrettable attrition². The attrition rate from sales personnel stood at 17.71%. In terms of gender diversity, our ratio of female to male employees was 58:42. We also registered a 52:48 ethnicity ratio of Bumiputera to non-Bumiputera employees. Moving forward, we aim to achieve a more balanced and equitable representation of gender and ethnicity throughout the Group.

Note:

¹ Regrettable – performance rates of 'Meets Expectations and above'

² Non-regrettable – attrition due to employer's decision, expiry of contracts, disciplinary actions

Gender Representation in 2015

Gender	All	%
Male	6,757	41.92
Female	9,360	58.08

Gender	Senior Management & Above	%
Male	170	73.91
Female	60	26.09

Generation Representation in 2015

Generation	All	%
Gen Y	7,479	46.40
Gen X	6,926	42.97
Baby Boomers	1,708	10.60
Traditionalists	4	0.02

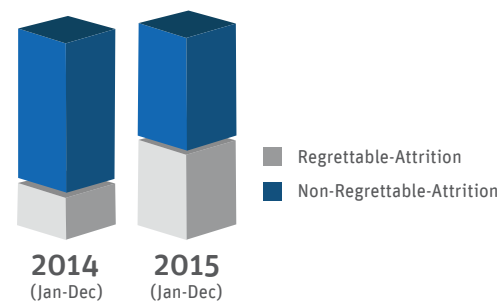
Ethnicity Representation in 2015

Ethnicity	All	%
Bumi	8,416	52.22
Non-Bumi	7,701	47.78

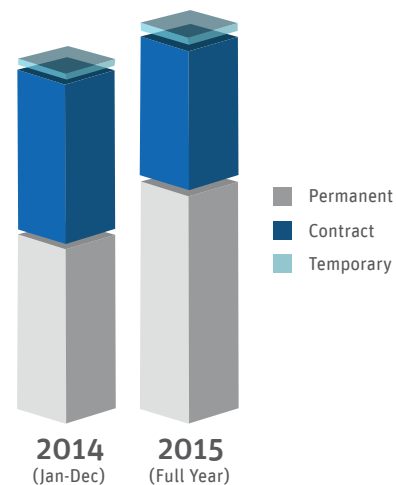
Personnel Cost

Generation	Ratios
Personnel Cost to Income	32.4
PBT vs Personnel Cost	0.9
Average PBT per employee	RM130,716
Average Personnel Cost per employee	RM143,892
Cost to Income	61.3%

4.2 Attrition/Total Headcount



4.3 Total Attrition by Employment Status



DRIVING AN INNOVATIVE CULTURE (continued)

MANAGING TALENT & SUCCESSION PLANNING

In 2015, we completed our talent review based on businesses and functions within the Group for positions deemed key and critical to the organisation. Following this exercise, we identified 270 successors for the GMD-1 and GMD-2 positions, of which 40% were categorised as High Potentials and 28% as Emerging Leaders. These talents have since completed 97% of the associated leadership assessments in collaboration with Development Dimensions International (“DDI”) and have been categorised as “Ready Now Successors” or “Ready Soon Successors”. The assessments have also provided the Group with a better view and understanding of the strengths and development needs of the successors and enabled a more targeted and structured approach towards developing our leadership pipeline.

In a further effort to develop the Group’s future leaders, we have introduced a new leadership development programme for our high potential talents in collaboration with the Australian Institute of Management West Australia (“AIMWA”), called the Core Leadership Development Programme. We have also put in place an intensive learning programme known as the RHB Accelerated Leadership Development Programme that spreads over a period of six months, featuring pre-course work, workshops and action learning projects.

Additionally, we continued to collaborate with INSEAD, a leading graduate business school, as we sought to enhance our senior leadership development programme. In January and May 2015, two cohorts of 40 participants each underwent the programme, which was held in Kuala Lumpur and Singapore.

We aim to maintain these collaborations and continue the leadership assessments with DDI in 2016, as well as complete Individual Development Plans for all identified successors and talents.

INNOVATION THROUGH EFFECTIVE MANAGEMENT OF HUMAN RESOURCES

In our continuous effort to enhance operational efficiency and improve productivity, we had in 2015 launched the Internal Customer Effectiveness Survey (“ICES”). This survey had resulted in better engagement amongst employees and has led to a significant rise in staff engagement and participation of 31.07% for our employees in Malaysia, and 12.18% for our overseas operations.

The ICES is aimed at boosting internal staff collaboration and greater understanding of job functions and internal processes. This also serves as a preparatory tool for staff (especially front-liners) to provide quality services to external customers and stakeholders.

In recognising the importance of communication and to enhance productivity within the organisation, during the year we launched the Senior Management Roadshow. This nationwide initiative aims to increase interaction and boost engagement with employees on the ground.

Led by our Group Managing Director, this initiative saw our Senior leaders visiting a total of 143 branches by the end of 2015.

We also launched the Group Human Resources (“GHR”) Communications Framework, aimed at increasing the effectiveness and efficiency of communications delivered on all people-related matters. The framework will focus on eight different areas of human resources and aims to bring forth periodic and timely dissemination of information. It will also align the delivery methods and approach of all GHR communications to allow us to communicate in a more uniform, effective and consistent manner.

As part of our initiatives to strengthen our employer brand and increase talent retention, we introduced “The RHB Culture” handbook, the first from our Delivering High Performance Book Series. The handbook covers the fundamentals of human resources, encompassing the Talent Management Cycle, our PRIDE core values and our RHB Employee Value Proposition, known as the RHB CLIP-R Statement. The RHB CLIP-R statement is rooted in the five pillars of RHB Cares, RHB Leads, RHB Inspires, RHB Progresses and RHB Rewards. The RHB Culture handbook was distributed to all our employees in the various countries we operate in, and was also translated into Bahasa Malaysia to ensure we engaged all groups of our employees.

The RHB Employee Value Proposition

Our pledge as an employer



GREAT TEAMS, DYNAMIC WORKPLACE

At RHB, we take PRIDE in our people and our teams. Great relationships built on trust, a 'leading it right' environment, challenging assignments and a culture of excellence are the pillars to the dynamic workplace we call home.

DRIVING AN INNOVATIVE CULTURE (continued)

INSPIRING OUR TALENT

The Group invested RM31.88 million on talent development programmes throughout the year, with 91% of employees attending development programmes either in leadership, technical or functional training. Each of our employees also completed an average of 13.69 hours of training.

As part of our Leadership Talk Series, we collaborated with prolific and innovative leaders such as Dominic Alldis from Music & Management to share his insights on Business Leadership. Other prominent figures in the series included Tan Sri Tony Fernandes, Group CEO of Air Asia and Dato' Sri Abdul Wahid Omar, Minister in the Prime Minister's Department, who also shared their personal experiences and insights on leadership.

We also implemented the revised Core & Leadership Competency Dictionary to help provide our employees understand the knowledge, skills and behaviours required for a role to be carried out efficiently. The Core & Leadership Competencies form the building blocks for all talent and succession initiatives throughout the Group. We also

began formulating the Group's Industry and Technical Competencies, with the Industry Competencies built on seven domains and the Technical Competencies based on 18 domains. This is a large-scale project and is scheduled for completion in 2017.

A new interactive service delivery methodology, Service Excellence, the RHB Way, was introduced during the year to equip employees with tips and techniques to enhance capabilities in providing excellent service to our customers. The RHB Way has been adopted throughout the Group's customer touch points.

As we approach the completion of IGNITE 2017, in 2016 GHR will focus on revising its Learning & Development Architecture and launching a new RHB Leadership & Management Learning Series. It also seeks to establish the RHB Executive Leadership Development City Campus and launch the Performance Management Learning Series. Additionally, GHR aims to establish career paths based on the development of a technical and functional competencies curriculum.

RHB Talk Series 2015

Topic	Speaker	Date
Industry Talk: Market Outlook on Key Sectors – Plantation, Oil & Gas, Property, Construction	RHB Research Institute	10 February 2015 & 10 March 2015
Business Leadership	Dominic Alldis, jazz musician, conductor and founder of Music & Management Ltd	24 March 2015
Leadership & Employee Engagement	Jamil Qureishi	23 April 2015
What The CEO Really Wants From You	R. Gopalakrishnan	21 June 2015
Leading Yourself First and Outcomes & Ownership	Mark Fritz, Associate Professor & International Speaker	4 August 2015
Creating Innovative Strategies	Dr Gordon Hewitt, Professor of Administration, Ross School of Business, University of Michigan	2 September 2015
What is Required of Leaders During Times of Uncertainty & Change	Dato' Sri Abdul Wahid Omar, Minister in the Prime Minister's Department	4 September 2015
Transformation Strategy	Tan Sri Tony Fernandes, AirAsia Group CEO	1 December 2015

In recognition of our efforts in talent management, we were presented with the following awards in 2015:

- HR Asia's Best Employers To Work for in Asia 2015 (Malaysian Chapter)
- Asia Corporate Excellence & Sustainability Awards 2015 – Top Companies to Work for 2015
- Graduan Malaysia's Most Preferred Employers Named By Talents
- Best Employer Brand Award by Employer Branding Institute
- Malaysia's 100 Leading Employers by GTI Media.

We also held our inaugural RHB GMD Awards to recognise budding talent and those who go the extra mile in the workplace. The RHB GMD Awards recognise and reward those who have made significant contributions in the area of social responsibility, customer experience and business excellence. The award will be held on a quarterly basis, with the first held in the fourth quarter of 2015.

As an extension of our employees' total rewards system, we introduced an employee application, known as PerkSense, offering employees access to multiple discounts and freebies from top-notch merchants.

A HEALTHY MIND FOR A HEALTHY BODY

In emphasising the importance of maintaining a healthy lifestyle among our employees, we established the Healthiest Sector Recognition award in November 2015 following the launch of our "Jom Sihat" campaign in April. These initiatives have paved the way for the introduction of other activities such as the Wellness Power Start, RHB Staircase Day, Fun Ride with GMD and the OSH & Wellness Day.

RECRUITMENT & SELECTION

During the year, the Group trained 37 HR personnel to undergo Competency-Based Interview ("CBI") certification, enabling the Group to adopt CBI practices for our recruitment process. This was supplemented with e-learning coursework.

We will continue to focus on enhancing our recruitment and selection framework, implementing the CBI approach to our talent selection process and establishing a One-Stop Recruitment Centre for seamless integration and on-boarding. We will also introduce a structured on-boarding and early engagement programme.

In 2015, we also introduced the RHB Flexi-Hours Arrangement in an effort to improve productivity. Additionally, we will continue to enhance our organisation structure and conduct job evaluation, while re-establishing job families and realigning positions and job descriptions. Added focus will be placed on instituting a job management system to ensure a more systematic and uniform approach.

Following the Group Cost Savings Initiative announced in 2014, we recruited less staff in 2015, with total recruitment amounting to 3,492 employees comprising permanent, contract and temporary staff. In line with our reframed strategy under IGNITE 2017 to focus on performance over size, we will also be more selective in our recruitment as we source for the best talents to support the achievement of our long-term goals.

PERFORMANCE REVIEW

The following analysis of financial performance should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

ANALYSIS OF THE STATEMENTS OF FINANCIAL POSITION

Total Assets

The Group's total assets stood at RM230.7 billion as at 31 December 2015, an increase of 5.2% over the previous financial year. The increase was mainly due to growth in net loans, advances and financing of RM8.9 billion and financial assets and investments portfolio of RM4.0 billion, partially offset by decrease in cash and short term funds of RM4.3 billion. Loans, advances and financing remain as the largest component of the total assets at 64.8% (2014: 64.1%).

Cash & Short Term Funds and Deposits & Placements with Banks and Other Financial Institutions

The Group's total cash & short term funds and deposits & placements with banks and other financial institutions decreased by 23.1% to RM14.3 billion as at 31 December 2015.

Financial Assets and Investments Portfolio

The Group's financial assets and investments portfolio comprises financial investments available-for-sale ("AFS"), financial assets at fair value through profit or loss ("FVTPL") and financial investments held-to-maturity ("HTM").

The Group's financial assets and investments portfolio increased by 9.4% to RM47.0 billion due to higher purchases of private and Islamic debt securities both in and outside Malaysia.

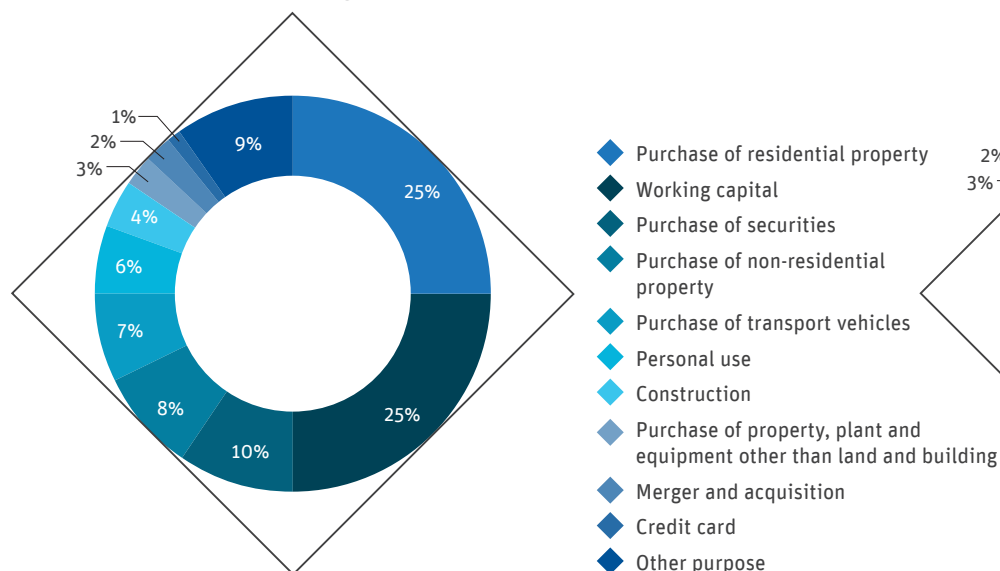
As at 31 December 2015, financial investments AFS accounted for 53% of the Group's financial assets and investments portfolio, followed by HTM which accounted for 44% and FVTPL 3%.

Loans, Advances and Financing

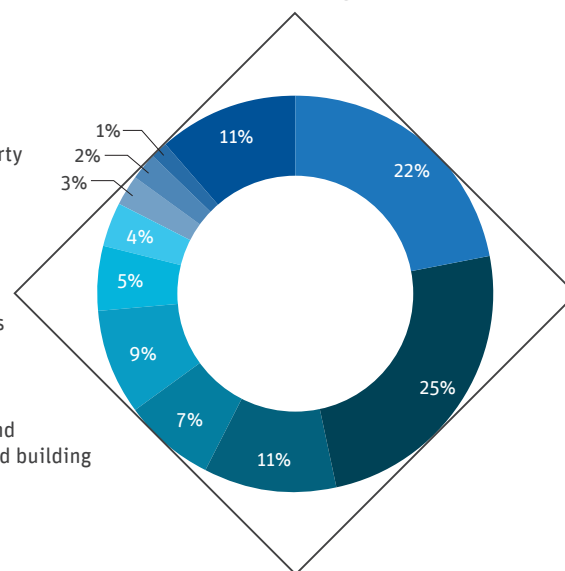
The Group's gross loans and financing grew by 6.2% to RM151.4 billion. Gross loans growth picked up in the second half of 2015 compared to a growth of only 1.5% in the first half of 2015. The growth was broad based, predominantly from purchase of residential and non-residential properties, working capital and construction.

Domestic loans grew by 4.7% and domestic loans market share stood at 9.4% as at 31 December 2015.

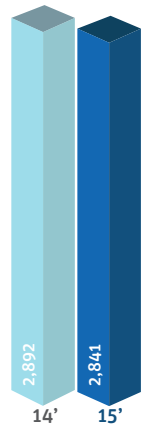
Loans, Advances and Financing – by Purpose 2015



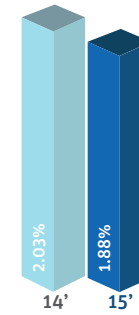
Loans, Advances and Financing – by Purpose 2014



Gross Impaired Loans (RM'million)



Gross Impaired Loans Ratio (%)



Asset Quality

Asset quality continued to improve with gross impaired loans ratio decreasing to 1.88% from 2.03% in December 2014.

Total Liabilities and Equity

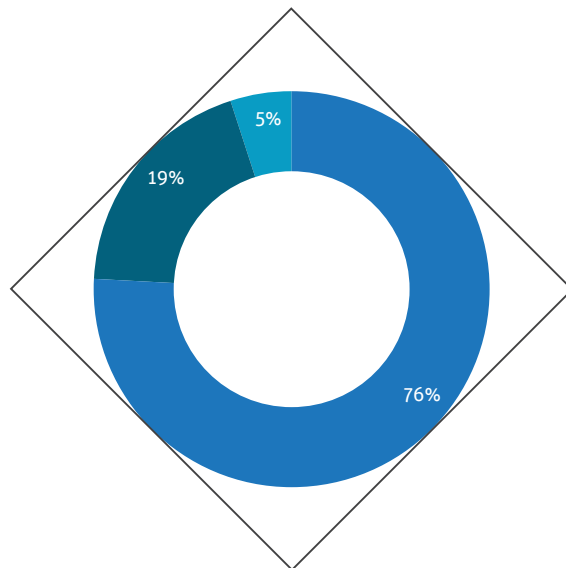
Total liabilities increased by RM7.1 billion or 3.6% to RM207.6 billion as at 31 December 2015, mainly due to the increase in obligations on securities sold under repurchase agreements of RM4.4 billion, trading derivatives of RM3.0 million and customer deposits of RM1.0 billion.

Shareholders' funds increased by 22.8% to RM23.1 billion with the completion of rights issue of RM2.3 billion and the profit recorded for the year. Net assets per share stood at RM7.51 as at 31 December 2015.

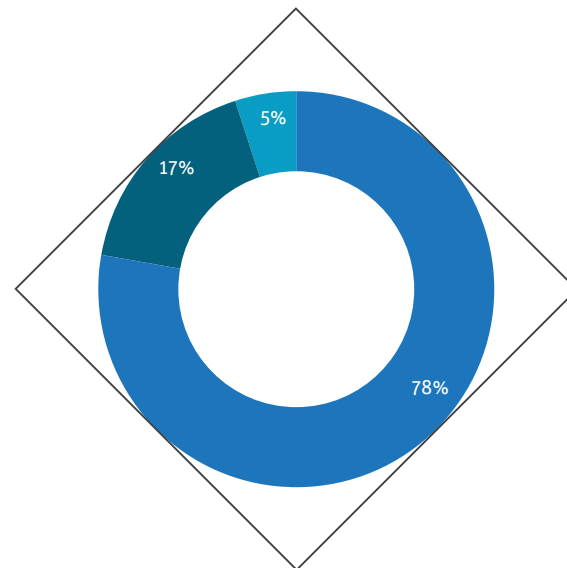
Deposits from Customers

As the Group continues to rebalance its liquidity and funding mix, customer deposits grew by a marginal 0.6% during the year to RM158.2 billion. Current and savings account ("CASA") balances registered a strong growth of 11.0%, resulting in the CASA composition improving to 24.0% as at 31 December 2015 from 21.7% in December 2014.

Deposits From Customers – by Type 2015



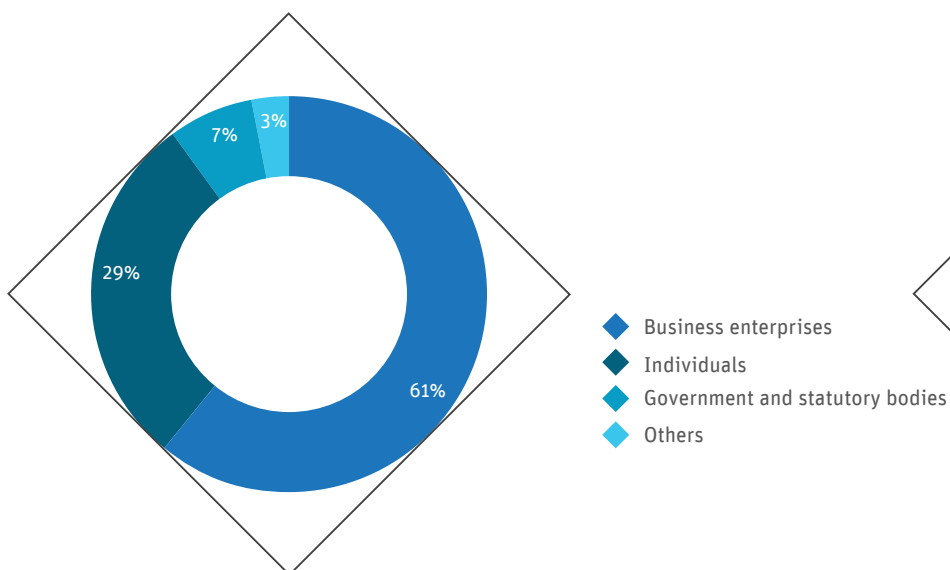
Deposits From Customers – by Type 2014



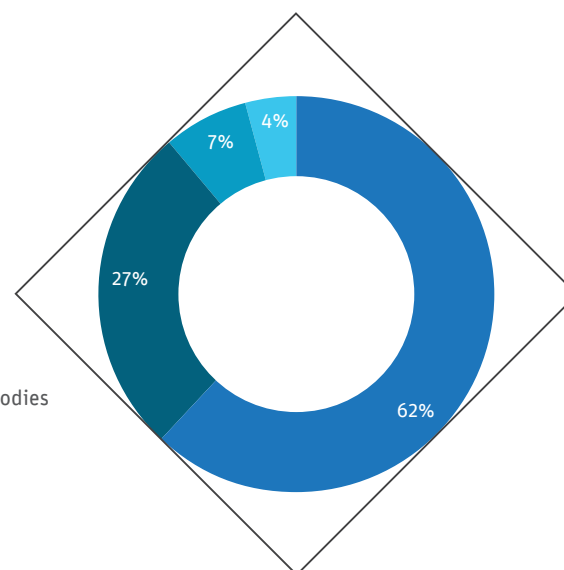
- ◆ Fixed/investment deposits
- ◆ Demand deposits
- ◆ Savings deposits

PERFORMANCE REVIEW (continued)

Deposits From Customers – by Customers 2015



Deposits From Customers – by Customers 2014



Deposits and Placements of Banks and Other Financial Institutions

Deposits and placements of banks and other financial institutions decreased by RM0.7 billion or 3.3% to RM20.6 billion in December 2015, mainly due to the decrease in deposit with other financial institutions but partially mitigated by deposits with licensed Islamic banks.

Borrowings and Senior Debt Securities

Borrowings and senior debt securities increased by RM0.2 billion, mainly from foreign exchange loss arising from depreciation of Ringgit Malaysia, partially offset by repayment made during the year.

Subordinated Obligations

Subordinated obligations decreased slightly by RM0.2 billion or 3.3%, mainly due to redemption of subordinated notes due for step-up in coupon rates, partially offset by new issuances during the year.

Capital Adequacy

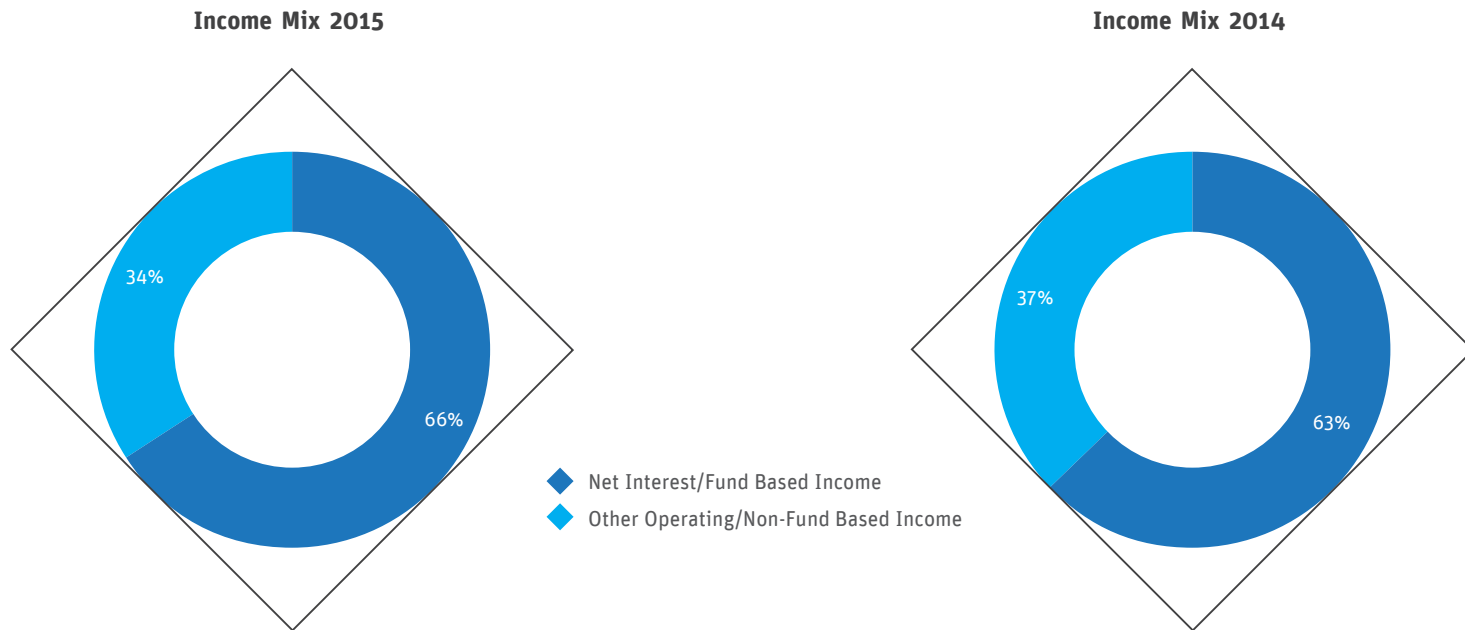
The capital ratios of key subsidiaries remained healthy.

	CET 1 Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
RHB Bank Berhad	11.598%	11.990%	15.353%
RHB Islamic Bank Berhad	11.041%	11.041%	14.608%
RHB Investment Bank Berhad	22.917%	22.917%	22.917%

ANALYSIS OF THE INCOME STATEMENTS

The Group reported a pre-tax profit of RM2,106.7 million and net profit of RM1,511.4 million respectively for the financial year ended 31 December 2015. Excluding a one-off Career Transition Scheme (“CTS”) expenses of RM308.8 million, the Group’s normalised pre-tax profit was at RM2,415.5 million, lower by 11.7% as compared to previous year.

The Group’s performance was affected by lower investment banking and securities market related fee income, lower trading income, higher loan impairment charges, and absence of large write-back and income from disposal of investments during the year.



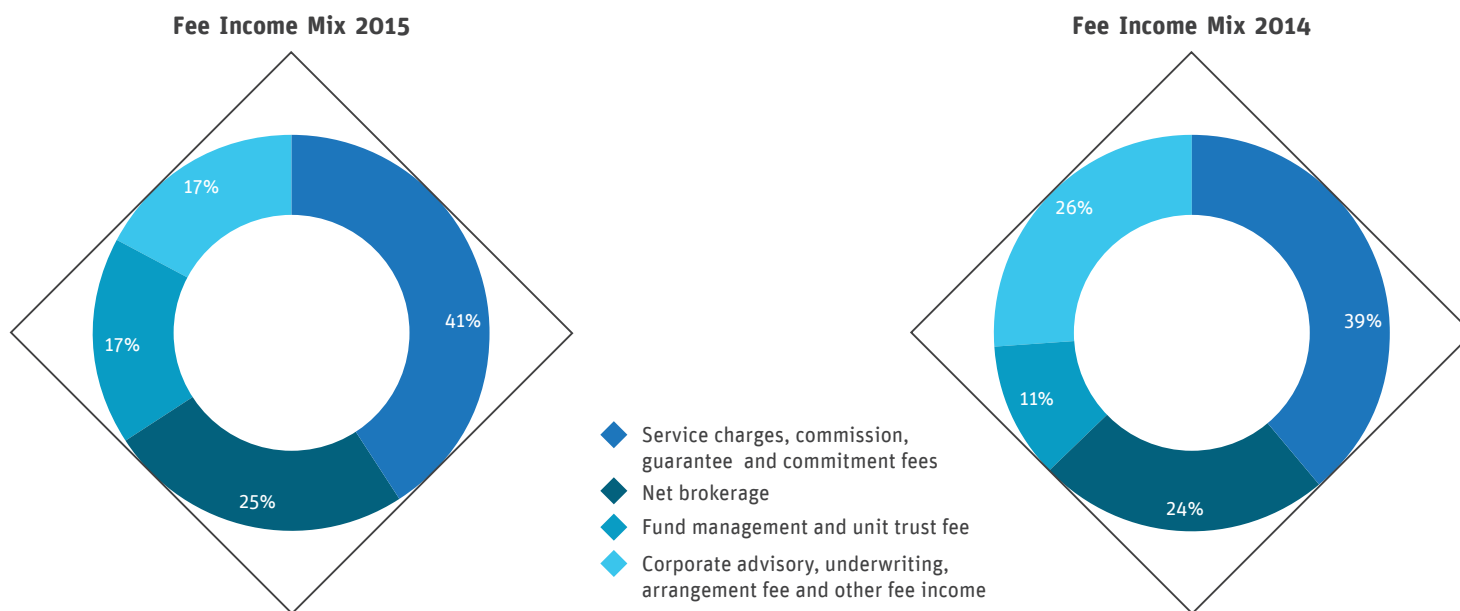
Net Interest/Fund Based Income

Gross fund based income increased by 9.7% on the back of 6.2% increase in gross loans and financing. Funding and interest expense however, was higher by 14.5% mainly due to higher customer deposit and higher funding expense on sukuk and sub-debts totaling RM1.5 billion and USD300 million senior unsecured notes issued during the second half of 2014. As a result, net fund based income grew by 3.7% to RM4,083.3 million with net interest margin for the year lower at 2.14% as compared to 2.30% in 2014.

Other Operating/Non-Fund Based Income

Non-fund based income was lower by 8.2% at RM2,107.9 million. Capital and financial market volatility resulted in lower investment banking and securities market related fee income, as well as lower trading and investment income. This was partially offset by increase in wealth management fee income. Asset Under Management under the Group’s wealth management business increased by RM3.5 billion or 7.2% to RM52.0 billion, affirming our position as the 3rd largest fund manager in the country.

PERFORMANCE REVIEW (continued)



Other Operating Expenses

Excluding the one off CTS expenses, other operating expenses rose marginally by 2.1%, reflecting our effective cost management across the Group. The Group has completed the CTS in Malaysia with a total of 1,812 applications accepted and payout amounting to RM308.8 million.

Allowance for Impairment on Loans, Financing and Other Losses

Allowance for impairment on loans and financing for the year increased to RM340.3 million or 65.0%. The increase was primarily due to higher individual allowance and absence of one-off major recoveries in 2014. However, this was partially mitigated by lower collective allowances arising from the refinement of Retail collective assessment impairment methodology performed in previous year.

Impairment Losses on Other Assets

Impairment losses written back on other assets were lower at RM48.8 million due to non-recurrence of a one-off recovery in 2014.

ACTUAL VS TARGET FOR 2015

Top Level Indicators	Target 2015	Actual 2015
ROE	>11.5%	7.3% (Exclude CTS: 8.4%)
Loans Growth	10%	6.2%
CASA Growth	>10%	11.0%
Gross Impaired Loans Ratio	<1.8%	1.9%
Cost to Income Ratio	<51%	56.3%
Overseas Revenue Contribution	>13%	14.4%

Note:

CTS: Career Transition Scheme Expenses

CAPITAL MANAGEMENT

OVERVIEW

The Group's capital management approach focuses on maintaining a healthy capital position to support its business growth whilst optimising returns to our shareholders. The capital structure and framework is designed to meet not only the regulatory requirements but also to satisfy the expectations from the various stakeholders, such as shareholders, investors, customers as well as the rating agencies. As such, the Group Capital Management Framework ("CMF") is in place to provide an overview of integrated capital management capability that transcends risk, finance and capital management, bringing greater value to the business. The key principles of the Group CMF are listed as follows:

- (i) **Principle 1: Capital Management Governance**
Governance is in place to oversee capital management activities and clearly defines roles & responsibilities within the organisation.
- (ii) **Principle 2: Capital Management Activities – Capital Strategy**
The capital strategy is aligned with the overall business strategy, risk profile and regulatory requirements.
- (iii) **Principle 3: Capital Management Activities – Capital Planning**
The Group formulates comprehensive and forward looking capital plan to ensure sustainability and support business growth.
- (iv) **Principle 4: Capital Management Activities – Capital Allocation/ Structuring/Optimisation**
Robust capital management activities allow the Group to structure capital allocation efficiently across its business and entities to maximise return and ensuring optimum utilisation of capital.
- (v) **Principle 5: Capital Analytics**
This provides insights to formulate the bank's capital management strategy and help determine capital supply and demand requirements.
- (vi) **Principle 6: Capital Reporting & Monitoring**
This is essential to ensure complete, timely and accurate production of capital information for management decisions.

CAPITAL MONITORING AND PLANNING

Effective capital management is fundamental in maintaining the business sustainability. The Group manages its capital position proactively in order to meet the regulatory requirements, expectations from various stakeholders and support its strategic business objectives.

The Group achieves these objectives through the annual Internal Capital Adequacy Assessment Process ("ICAAP") whereby we actively monitor and manage the capital position over a three-year horizon, involving the following key activities:

- (i) Setting capital targets under both normal and stressed conditions for all banking subsidiaries, both group and entity level, taking into account anticipated future regulatory changes and stakeholder expectations;
- (ii) Forecasting capital demand for material risks based on the Group's risk appetite;
- (iii) Determine the requirements for capital issuance and the maturity profiles of capital securities.

The Board Risk Committee ("BRC") and Group Capital and Risk Committee ("GCRC") are responsible for overseeing the capital planning and assessment process within the Group and ensuring that the Group and its subsidiaries maintain an appropriate level quality of capital that is in line with its overall risk profile and business strategy.

CAPITAL INITIATIVES DURING THE YEAR

The key capital initiatives undertaken during the financial year include:

- (i) Rights issue of RM2.34 billion completed by RHB Capital Berhad on 21 December 2015, which shall be utilised to further strengthen RHB Bank's capital position and to finance the working capital requirements of RHB Bank and its subsidiaries upon completion of the Group's internal reorganisation exercise.
- (ii) Basel II Tier 2 Subordinated Obligations for RHB Bank amounting to RM700 million was called in April 2015 and replaced with Basel III-Compliant Tier 2 Subordinated Obligations of RM500 million issued out of the existing RM5.0 billion multi-currency medium term note ("MCMTN") programme.

- (iii) Basel II Tier 2 Subordinated Obligations for RHB Investment Bank amounting to RM125 million and RM75 million was called in April 2015 and May 2015 respectively, and replaced with Basel III-Compliant Tier 2 Subordinated Obligations of RM200 million issued out of the existing RM1.0 billion MCMTN programme.

CAPITAL ADEQUACY RATIOS

Under BNM's Capital Adequacy Framework (Capital Components), which came into effect on 13 October 2015, all financial institutions are required to maintain the regulatory minimum Common Equity Tier 1 Capital (CET1), Tier 1 Capital (Tier1) and Total Capital Ratio of 4.5%, 6.0% and 8.0% respectively. The regulatory minimum capital requirements will also include the introduction of Capital Conservation Buffer, which will be phased-in at 0.625% each year starting from 1 January 2016 (total of 2.5% by 2019).

The table below shows the relevant capital ratios of the key regulated banking entities of the Group is well above the minimum regulatory requirements:

As at 31 December 2015	RHB Bank (Group)	RHB Bank	RHB Islamic Bank	RHB Investment (Group)	RHB Investment	Minimum Regulatory Ratio
Before proposed dividends:						
CET1 Ratio	12.029%	12.126%	11.041%	30.483%	22.917%	4.500%
Tier1 Ratio	12.367%	12.518%	11.041%	30.498%	22.917%	6.000%
Total Capital Ratio	16.538%	15.881%	14.608%	40.485%	22.917%	8.000%
After proposed dividends:						
CET1 Ratio	11.574%	11.598%	11.041%	30.483%	22.917%	4.500%
Tier1 Ratio	11.912%	11.990%	11.041%	30.498%	22.917%	6.000%
Total Capital Ratio	16.083%	15.353%	14.608%	40.485%	22.917%	8.000%

RHB SHARE INFORMATION

◆ COMPANY NAME:
RHB Capital Berhad

◆ STOCK NAME:
RHBCAP

◆ STOCK CODE:
1066
(BURSA MALAYSIA)

◆ TICKER CODE:
RHB MK
(BLOOMBERG)

RHBC KL
(REUTERS)

◆ FINANCIAL YEAR END:
31 December

◆ SHARE REGISTRAR:
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House, Pusat Dagangan Dana 1,
Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan

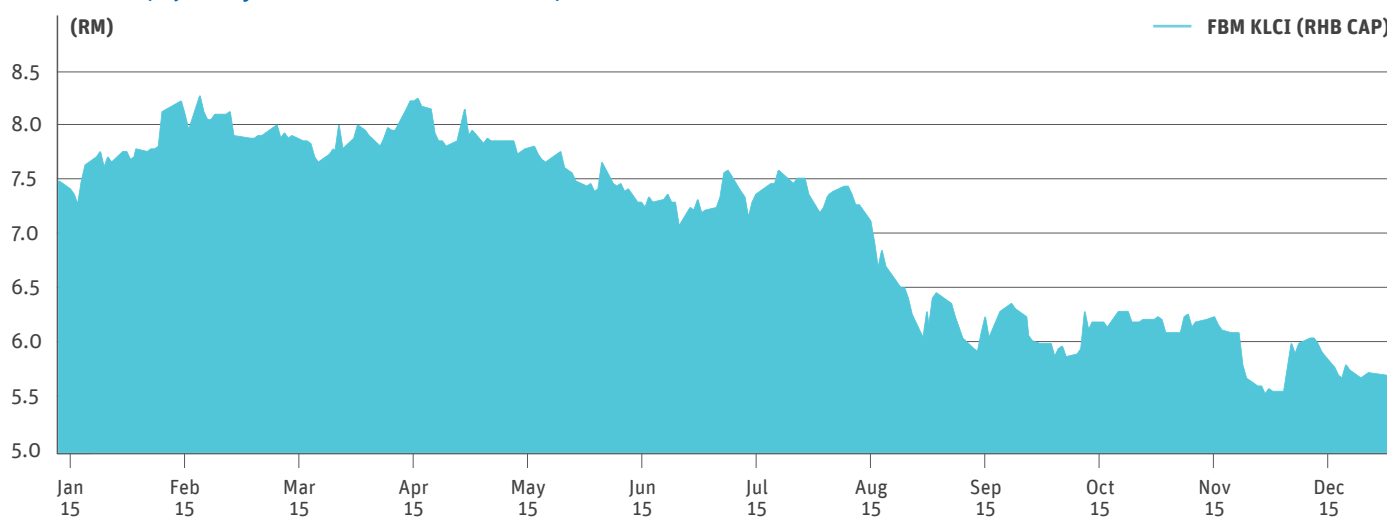
◆ PRIMARY CONTACT PERSON FOR INVESTOR RELATIONS:
Yap Choi Foong
Group Chief Financial Officer
Tel: 603-9280 2489
Email: cfyap@rhbgroup.com

Share Related Key Highlights

	FY2015	FY2014
Total Shareholders' Returns (%)	-22.30	-2.40
Market Capitalisation as at 31 December (RM'billion)	17.43	19.60
Closing Price as at 31 December (RM)	5.67	7.62
Highest Closing Price (RM)	8.30	9.50
Average Closing Price (RM)	7.08	8.40
Lowest Closing Price (RM)	5.55	7.06

Source: Bloomberg

Share Price (1 January 2015 – 31 December 2015)



BALANCE SHEET MANAGEMENT

The Group, under the governance of ALCO, has continued to enhance and refine its FTP Framework to better reflect the changing business environment.

FTP serves as a vital tool for allocating net interest income to various products and business units in the Group and thus, an integral part of the Group's strategy in overall balance sheet management, in particular the profitability measurement and liquidity management.

Along with the enhanced FTP Regime, is the setting-up of clearer line of responsibilities of Funding Center, parked under Corporate Treasury – optimising funding resources across all entities in the Group, to continue driving lower cost of funds and maximising returns on shareholders' funds.



INVESTOR RELATIONS

OUR INVESTOR RELATIONS UNIT CONTINUED TO ACTIVELY ENGAGE WITH OUR INVESTORS DURING THE YEAR, AS WE REMAIN COMMITTED TO FOSTERING TRANSPARENCY IN THE GROUP'S OPERATIONS TO HELP INVESTORS MAKE INFORMED DECISIONS. THIS WAS ESPECIALLY VITAL IN LIGHT OF THE PREVAILING ECONOMIC LANDSCAPE AND INTERNAL DEVELOPMENTS WITHIN THE GROUP WHICH OCCURED IN 2015.

The year began with the Board of Director's decision in January 2015 to abort discussions on a proposed merger between the Group, CIMB Group Holdings Berhad and Malaysia Building Society Berhad. This decision was taken in view of economic circumstances at the time, which had turned uncertain.

A major development that required significant investor engagement included the exercise to raise up to RM2.5 billion via a renounceable rights issue through new RHB Capital shares and the announcement of the Career Transition Scheme ("CTS") later in the year, which involved the streamlining of the Group's workforce under a voluntary separation scheme. As the announcement of the CTS and the Group's reorganisation exercise gained the attention of the public in the final quarter of the year, the Investor Relations unit worked to assure the investment community that the Group had implemented a smooth transition for all involved, with operations remaining largely business-as-usual.

On matters beyond Malaysian shores, the Group had to contend with issues relating to the global economic slowdown and the sharp decrease in the price of commodities, particularly crude oil. This has impacted the Group's operations, as announced in our weaker quarterly financial results in 2015. With as much clarity and transparency as possible, we continued to reassure investors and the investment community at large with updates on the state of our operations in all business functions and countries.

In another development, the then Group Managing Director, Kellee Kam resigned in May 2015 from the Group. He was succeeded by Dato' Khairussaleh Ramli as the Group's new Managing Director.

The Group is a strong advocate of stakeholder engagement and seeks to provide investors with prompt disbursement of information and data points, to allow them to make the best investment decision possible. As a practice, institutional investors are provided with opportunities to question and discuss wide-ranging operational and macroeconomic matters with members of senior management. For 2015, investor relations activities were led by Dato' Khairussaleh Ramli, Group Managing Director and Ms Yap Choi Foong, Group Chief Financial Officer.

They were assisted by the Investor Relations team and selected members of senior management across the Group where necessary.

ANALYST BRIEFINGS

The Group conducted four live briefings for analysts in 2015 for its quarterly financial results announcements, two via tele-conferencing and another two face-to-face.

We ensure that the financial results, analyst presentations and press releases were sent in a timely manner to all interested parties and made available immediately on the Group's Investor Relations website.

Results Announcement:

Date	Event	Type of Meeting
27 February 2015	RHB Capital 4Q14 Results	Face-to-face briefing
29 May 2015	RHB Capital 1Q15 Results	Tele-conferencing
28 August 2015	RHB Capital 2Q15 Results	Face-to-face briefing
30 November 2015	RHB Capital 3Q15 Results	Tele-conferencing

No. of Meetings/Events and No. of Participants

	No. of Meetings/Events	No. of Participant
One-On-One Meetings/Tele-Conferences	70	190
Analyst Briefing	4	160
Conference/Roadshow	8	104
Total	82	454

CONFERENCES AND ROADSHOWS

Date	Event	Location (Country)
23 March 2015	Credit Suisse 18th Annual Investment Conference 2015	Hong Kong
31 March 2015	RHB Fixed Income – MTN Roadshow	Kuala Lumpur, Malaysia
23 April 2015	Invest Malaysia 2015	Kuala Lumpur, Malaysia
23 June 2015	Macquarie: ASEAN Banks Invasion Tour 2015	Kuala Lumpur, Malaysia
07 July 2015	DBS Pulse of Asia	Singapore
11 September 2015	RHB Group Restructuring Roadshow	Kuala Lumpur, Malaysia
27 October 2015	Invest Malaysia Hong Kong 2015	Hong Kong
04 November 2015	Non Deal Roadshow	Singapore

INVESTOR RELATIONS (continued)

AGM/EGM

RHB Capital Berhad held its 20th Annual General Meeting (AGM) on 30th April 2015 where the former Group Managing Director presented the 2014 financial performance and outlined the Group's priorities for the year. Senior management and the Board of Directors took note of the many opinions and feedback from shareholders. They also addressed queries on both the financial performance and operational strategies of the Group.

RESEARCH COVERAGE

RHB Group remains a core coverage for the investment community on Bursa Malaysia with 20 analysts and research houses keeping the stock under coverage as at end December 2015. Coupled with the corporate developments during the year, the RHB Banking Group remained at the forefront of investors eyeballs throughout the year.

No.	Research House
1	Affin Hwang Investment Bank
2	AmResearch
3	CIMB Investment Bank
4	Citi Investment Research
5	CLSA Securities
6	Credit Suisse Securities
7	DBS Vickers Securities
8	Hong Leong Investment Bank
9	HSBC Research
10	JP Morgan Securities

No.	Research House
11	KAF-Seagroatt & Campbell Securities
12	Kenanga Investment Bank
13	Macquarie Capital Securities
14	Maybank Investment Bank
15	MIDF Amanah Investment Bank
16	Morgan Stanley Research
17	Nomura Research
18	TA Securities
19	UBS Securities
20	UOB Kay Hian

CREDIT RATING

The Investor Relations team played a heightened role in engaging Credit Rating companies to ensure that the Group's messaging and financial performance analysis are disseminated equally across all external stakeholders. We continued to engage with key rating agencies, namely: RAM Ratings, Standard and Poor's (S&P) and Moody's Investors Services.

RHB Bank Berhad

Rating Agency	Rating Classification	Ratings
RAM Rating Services Berhad	Long Term Financial Institution	AA2
	Short Term Financial Institution	P1
	Outlook	Stable
Standard & Poor's Rating Services	Long Term Counterparty	BBB+
	Short Term Counterparty	A-2
	ASEAN – Scale Long Term	axA+
	ASEAN – Scale Short Term	axA-1
	Outlook	Stable
Moody's Investors Service	Long Term Bank Deposits	A3
	Short Term Bank Deposits	P-2
	Bank Financial Strength	D+
	Outlook	Stable

RHB Investment Bank Berhad

Rating Agency	Rating Classification	Ratings
RAM Rating Services Berhad	Long Term Financial Institution	AA2
	Short Term Financial Institution	P1
	Outlook	Stable
Standard & Poor's Rating Services	Long Term Counterparty	BBB+
	Short Term Counterparty	A-2
	ASEAN – Scale Long Term	axA+
	ASEAN – Scale Short Term	axA-1
	Outlook	Stable

RHB Islamic Bank Berhad

Rating Agency	Rating Classification	Ratings
RAM Rating Services Berhad	Long Term Financial Institution	AA2
	Short Term Financial Institution	P1
	Outlook	Stable

FINANCIAL CALENDAR

27 February 2015

Announcement of the audited financial results of RHB Capital for the financial year ended 31 December 2014

13 March 2015

Announcement of the interim dividend for the financial year ended 31 December 2014

27 March 2015

Book closure for determining the entitlement of the interim dividend for the financial year ended 31 December 2014

8 April 2015

Notice of the 20th Annual General Meeting and issuance of annual report for the financial year ended 31 December 2014

13 April 2015

Announcement of Group Corporate Restructuring Plan, including renounceable rights issue, internal reorganisation, distribution and capital repayment, and transfer of listing status to RHB Bank Berhad

24 April 2015

Date of payment of the single-tier interim dividend of 6 sen per share for the financial year ended 31 December 2014, of which the Dividend Reinvestment Plan was applied to the interim dividend.

30 April 2015

20th Annual General Meeting

29 May 2015

Announcement of the unaudited financial results of RHB Capital for the first quarter of the financial year ended 31 December 2015

5 August 2015

Notice of Extraordinary General Meeting and issuance of circular to shareholders

27 August 2015

Extraordinary General Meeting

28 August 2015

Announcement of the unaudited financial results of RHB Capital for the second quarter of the financial year ended 31 December 2015

9 September 2015

Announcement of the renounceable rights issue of 517,696,286 new ordinary shares of RM1.00 each in RHB Capital ("RHB Capital Shares") ("Rights Shares") at an issue price of RM4.82 per Rights Share, on the basis of one (1) Rights Share for every five (5) existing RHB Capital Shares ("Rights Issue")

23 September 2015

Amended announcement of the renounceable Rights Issue

23 November 2015

Book closure for determining the entitlement of the Rights Issue

30 November 2015

Announcement of the unaudited financial results of RHB Capital for the third quarter of the financial year ended 31 December 2015

21 December 2015

Completion of Rights Issue

26 February 2016

Announcement of the audited financial results of RHB Capital for the financial year ended 31 December 2015

30 March 2016

Announcement of the interim dividend for the financial year ended 31 December 2015

7 April 2016

Notice of 21st Annual General Meeting and issuance of annual report for the financial year ended 31 December 2015

13 April 2016

Book closure for determining the entitlement of the interim dividend for the financial year ended 31 December 2015

29 April 2016

Date of payment of the single-tier interim cash dividend of 12 sen per share for the financial year ended 31 December 2015

12 May 2016

21st Annual General Meeting



RHB Bank
Services Provided by RHB Bank

Savings/Current Account 0200/2000
Deposit 0200/2000

RHB Bank **ATM**
Services Provided by RHB Bank

Cash Withdrawal 0200
Funds Transfer 0200
Balance Enquiry 0200/2000

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BUSINESS OVERVIEW (continued)

GROUP RETAIL BANKING



U Chen Hock
Group Retail Banking

GROUP RETAIL BANKING DELIVERED STRONG LOANS GROWTH OF 10.7%* IN 2015, SURPASSING INDUSTRY GROWTH OF 8.5%. THIS WAS ACHIEVED AGAINST A CHALLENGING ENVIRONMENT DURING THE YEAR, WHICH SAW SLOWING CONSUMER SPENDING AND PRESSURE ON MARGINS DUE TO LOW LOAN PRICING AND THE RISING COST OF FUNDS.

Overall revenue growth for Group Retail Banking remained flat in 2015 due to our active portfolio management to maintain profitability. In the year under review, Group Retail Banking recorded a 5% reduction in costs from a year earlier and an improvement in asset quality, with gross impaired loan (“GIL”) ratio decreasing to 1.6% from 1.9% in the previous year.

For 2016, Group Retail Banking aims to continue to promote Wealth Management products and services to the Affluent segment by enhancing our overall value proposition with a full suite of investment and protection products and a robust advisory model. This will require us to improve our communication infrastructure and upgrade our portfolio management systems.

We also intend to strengthen our Mass Affluent proposition to attract this segment by addressing their lifestyle needs. Group Retail Banking will also continue to focus on improving overall customer experience and developing innovative digital propositions to further retain and attract customers.

Note:

* Excludes Commercial Property Loan and ASB Financing

From an operational perspective, we will continue to optimise cost through process automation and operating model improvement. Maintaining our asset quality will be a key focus in view of the current economic slowdown.

WEALTH MANAGEMENT

The Wealth Management segment through the expertise of RHB Asset Management (“RHBAM”), launched seven new unit trust funds in 2015. To capture the market in all segments, especially Premier Banking customers, six of these funds were RHBAM IUTA (“Institutional Unit Trust Advisers”) products.

The RHB-OSK Focus Income Bond Fund-Series 5 and the RHB Pre-IPO & Special Situation Fund 3 were the two best-selling funds in 2015. As a result, overall unit trust sales recorded a 37% growth in 2015.

Under the new Premier Banking Value Proposition Roadmap, Wealth Management will be expanding its product range in 2016. This will include new investment products such as Equity-linked Structured Investments and Retail Bonds as a means to accommodate customers’ differing risk appetite and investment portfolio strategies.

“OVERALL, UNIT TRUST SALES RECORDED A 37% GROWTH IN 2015.”

▶ LOANS GROWTH

10.7%

▶ GROSS IMPAIRED LOAN RATIO

1.6%

AFFLUENT SEGMENT & PREMIER BANKING

In line with the RHB Banking Group’s aspirations to be a next generation customer-centric bank, in 2015 we established renewed focus on the Affluent segment by targeting high net worth individuals. We aim to boost the number of Affluent and Premier Banking customers, a vital sub-segment within the Affluent segment.

While the Affluent clientele currently constitutes less than 10% of the Group’s total Retail Banking customers, this segment contributed 61% to Group Retail Banking deposits and 16% to the Group’s Retail Banking financing balances in 2015. This was achieved with greater penetration of Treasury products coupled with new funds launched in 2015 for Premier Banking customers. Both unit trust and Treasury product sales registered double-digit growth of 20% and 57%, respectively, under Premier Banking.

Moving forward, we believe that our Premier Banking brand will revitalise our push into the Affluent Segment, allowing us to tap into opportunities from the Group’s customer base of SME owners and Corporate C-suites, as well as through external customer acquisition.

We will also be launching a range of products and campaigns in 2016 specifically targeting Affluent customers, to promote and cross-sell Premier Banking to new-to-Affluent customers.

In addition, we will enhance our sales force, streamline processes and leverage on cutting-edge technology to create a fast and seamless banking experience for our customers. We are also working towards upgrading the look and feel of our Premier Centres so as to provide our Premier customers with a truly premium banking experience.

BUSINESS OVERVIEW (continued)

PRODUCTS AND SERVICES

Mortgage Loans

RHB Banking Group's residential mortgages portfolio grew by 19% while commercial property mortgages under the consumer segment rose by 10% in 2015. Although the growth in this segment has moderated compared to our 2014 performance, we continued to outperform industry growth rates and have gained market share, recording RM7.9 billion in mortgage sales against the backdrop of consolidation and declining property transaction volumes due to a mismatch in demand and supply of affordable homes and the impact of rising living costs on the mortgage industry.

We also remained disciplined in new booking activities, focusing on a quality and customer segment approach. In addition to strategies from the previous year, we are highly motivated in further strengthening our presence in key market centres. This will be done by partnering with key developers and realtors and by delivering our products via mobile sales teams for the added convenience and flexibility of our customers.

We will also focus on a segment-targeted approach under the reframed IGNITE 2017 and offer improved Islamic mortgage products to extend our market share in this segment. We are confident that this strategy mix will allow the Group to remain well-placed to capitalise on opportunities and address challenges which may arise in 2016.

Auto Financing

Following the rationalisation of our Conventional and Islamic Auto Finance Centres in 2014, the Group continued to restructure its Auto Financing segment in an effort to achieve sustainable financial performance. The restructuring exercise was aimed at achieving resource optimisation.

As such, we aspire to book better quality loans through robust credit management and dynamic pricing. Concurrently, we will continue to improve our dealer and distributor network management. We hope to achieve this through greater collaboration on new vehicle launches and promotions by leveraging on our extensive distribution network and by further reducing the turn-around time for loan approvals.

▶ **RM7.9** BILLION
IN MORTGAGE SALES





BUSINESS OVERVIEW (continued)



Amanah Saham Bumiputera Financing

The moderating economic conditions in 2015 contributed to a challenging year for our Amanah Saham Bumiputera (“ASB”) Financing portfolio, with an increase in units’ redemption and the introduction of a restriction on new sales resulting in a marginal contraction of the portfolio.

Nevertheless, we succeeded in minimising the revenue gap by increasing our efforts to sell Amanah Saham Nasional Bhd’s variable pricing unit trusts to increase our non-fund income. To further fortify our position, RHB Banking Group will now pursue a segmented approach, in line with the reframed IGNITE 2017 strategy.

Consumer Deposits

The Group continued to focus on growing our retail deposits, in line with Basel III liquidity requirements, for a stable and larger retail deposit base. While this has resulted in stiff competition for retail deposits, the Group achieved inroads in growing our share of the industry’s CASA portfolio, driven by the acquisition of payroll accounts. This has benefited from the collaboration between Group Retail Banking, Group Business Banking and Group Transaction Banking, which has started to mature and help provide significant gains in payroll acquisition.

The acquisition of salary accounts also improves our opportunities to cross-sell other retail product offerings and increase customer wallet share. Additionally, we continue to invest in the Corporate Employee Privilege Programme platform to drive the efficiency and productivity of this channel.

In addition, several campaigns were rolled out in 2015 to drive acquisition and engagement with our targeted customer segments. Campaigns such as Prosperity Year FD Promotion, 12-Month Step-Up FD Promotion, Amazing FD Deals For You, Save with Rewards FD Promotion as well as CASA campaigns such as Save To Win and iterations of our Pay, Swipe & Save campaigns were launched to sustain growth and remain competitive among other players.

These initiatives strengthened our overall performance in 2015, enabling us to record a Total Deposit market share of 7.40%. Meanwhile, RHB Current Accounts and Savings Account growth outpaced industry growth of 0.3%.

THESE INITIATIVES STRENGTHENED OUR OVERALL PERFORMANCE IN 2015, ENABLING US TO RECORD A TOTAL DEPOSIT MARKET SHARE OF 7.40%. MEANWHILE, RHB CURRENT ACCOUNT AND SAVINGS ACCOUNT GROWTH OUTPACED INDUSTRY GROWTH OF 0.3%.



Bancassurance

RHB Banking Group's successful partnership with Tokio Marine Life Malaysia ("TM Life") continued to thrive in 2015. In January, we renewed the partnership for a further 10 years. Together with TM Life, we strive to place RHB among the top four Bancassurance players in Malaysia.

Our advisory life insurance products grew 7% year-on-year in 2015, reflecting the segment's strong performance in the year under review. We also entered into an exclusive 10-year distribution BancaTakaful tie-up with Syarikat Takaful Malaysia Bhd ("STMB"). Continued efforts have been made to improve cross-selling of the general insurance products from the Bancassurance channel, which in turn, translated into a 24% growth in 2015 from a year earlier.

Moving forward, we aim to maintain double-digit growth in the coming years by emphasising on improving customer penetration through the cross-selling of protection-related products.

Cards & Unsecured Business

Activity in our Cards Business was driven by our Debit Card segment, which grew at a rapid pace of 18% year-on-year. The success of the segment was attributed to our adoption of a segmental strategy approach with an enhanced value proposition catering to specific needs and benefits of a particular defined segment. These segments included Affluent – Travel Rewards, Mass Affluent – Cash Back Rewards, and Mass – Daily Expenses Rewards.

Our personal financing portfolio continues to grow from strength to strength, with loans growth of 15% year-on-year. In pursuing loans growth, we have nonetheless remained focused on maintaining asset quality through deduction-at-source for personal financing products. Coupled with incremental sales contribution from Easy, our efforts have shown that customers are attracted to fast and simplified banking services. The contribution from other channels including branches, telesales and outsource agencies has also continued to bring in additional new-to-bank customers while retaining existing customers via anti-attribution programmes.

Going forward, we intend to double productivity as well as the size of the Direct Sales team to expand the Credit and Debit Card base aggressively over the next three years. We have also implemented several initiatives to increase brand awareness and card usage via continuous mass usage campaigns. Among the campaigns rolled out in 2015 were the RHB RM1 million Cash Back campaign, Overseas/ Online Cash Back campaign, and the RHB Premium Cards Golf Series, which has been conducted for three consecutive years.

DISTRIBUTION CHANNELS AND PLATFORMS

Branch Sales and Service Transformation

Customer Experience and Channel Management

CONNECT Initiatives

As part of our efforts to boost sales and service performance of RHB Banking Group's branches and Commercial Business Banking Centres ("CBBCs"), we introduced CONNECT in our reframed IGNITE 2017 strategy. This programme is aimed at supporting our ambitions to achieve stronger financial performance by doubling our retail and SME CASA by 2017. We also seek to provide an unmatched customer experience by reinforcing the CONNECT objectives through the RHB Way of serving customers and by grooming the professional and interpersonal skills of our employees. This is defined by our targets to improve frontline sales productivity by between 30% and 40% alongside improvements in customer service and experience, as well as boosting employee morale and engagement.

BUSINESS OVERVIEW (continued)

Customer Experience

In our bid to become a more customer-centric banking group, we have implemented various efforts targeted at process improvements and deposits-onboarding initiatives. Among key process enhancements instituted during the year was the reduction in the amount of time taken to open a CASA account from 20 minutes to 10 minutes.

All employees are continuously updated on our ongoing Service Excellence The RHB Way training programme. This ensures that our frontline staff will continuously display the desired service behaviour while upholding the Group's promise to our customers.



“EASY ACHIEVED DOUBLE-DIGIT GROWTH OF 11.4% WITH ITS CORE PRODUCT, PERSONAL FINANCING, PROVING ITSELF AS A COMPETITIVE OFFERING WITHIN THE MARKET.”

Easy by RHB

During the year, Easy achieved double-digit growth of 11.4% with its core product, Personal Financing, proving itself as a competitive offering within the market.

Innovation continues to play a pivotal role in Easy's product offerings. During the year, we introduced more options to our customers such as Easy Online Financing and strategic partnerships with other online financial portals such as RinggitPlus and iMoney to enhance their convenience in accessing our products and making informed financial decisions.

True to our commitment to meet customers' financial needs, we are now offering Instant Credit Cards whereby a customer's application is processed on the spot. In a bid to expand our customer reach, we have also started offering personal financing to pensioners, a market that has hitherto been overlooked.

In an effort to better serve our Mass customers, we kick-started a Group-wide initiative with the ultimate goal of optimising our Easy network with our full service branches. This is aimed at driving down the costs to serve our Mass segment without compromising the excellent service via our renowned 10-minute paperless banking experience.

eChannel

Our RHBNow Internet and Mobile Banking channel has experienced strong growth with the number of registered users and transaction volumes growing at a steady pace.

In the year under review, the number of Internet Banking users rose 25.4%, while Mobile Banking users increased by 35.9%. Additionally, transaction volume grew by 28.5% and spending value increased by 3.8% in 2015.

We also continued to develop the number of billers and merchant bases through the JomPay service collaborations with partners such as TableAPP and Telekom. These promotions and campaigns have helped in boosting transaction growth and in extending attractive benefits and convenience to our customers.

Subsequently, new capabilities were introduced in RHBNow Internet and Mobile Banking. MyClear JomPay was introduced to allow customers to pay bills online and on their mobile devices. In line with our efforts to go green, RHBNow also introduced eStatement services for customers to download their account statements through Internet Banking. These efforts culminated in RHBNow receiving Frost & Sullivan's Excellence in Customer Experience award under the Online Experience category in 2015.

We have also launched RHB Lifestyle Privileges, a mobile application which allows customers to view and download available offers. For example, an RHB customer can purchase discounted coupons for services or products through RHBNow Internet Banking or view the latest RHB Credit Card promotions. In recognition of the success of the app, it was awarded the Best Card Loyalty Programme by Cards & Electronic Payments International ("CEPI") in 2015.

Through a collaboration with RHB Insurance, RHBNow Internet Banking users can now purchase new insurance policies or renew existing ones with ease. Furthermore, RHBNow users are now able to apply for credit cards through the portal.

Moving forward, RHBNow will continue to provide more innovative enhancements and convenient solutions for its customers. In 2016, we are looking to launch a new Internet and Mobile Banking portal with more features and enhanced customer-friendly functions.

Network

As we continued to enhance our network of outlets and extend our reach, we initiated a network optimisation plan to actively manage our network performance. Our objective for 2015 was to fully leverage on the Group's strengths through our various brick-and-mortar branches.

In the year ahead, we intend to further optimise the network by reconciling Easy, our bank branches and our investment bank branches. We will also be repositioning our distribution network by increasing our presence in the main market centres in a bid to be closer to our target customer segments. Concurrently, we aim to enhance our full-service branches with our renewed 10-minute banking service capability with a view to increase productivity as well as performance management.

▶ MOBILE BANKING USERS INCREASED TO

305,000
users

OR

35.9%

BUSINESS OVERVIEW (continued)

GROUP BUSINESS & TRANSACTION BANKING

THE GROUP BUSINESS BANKING DIVISION CONTINUED TO THRIVE IN 2015 WITH AN 11.3% GROWTH IN TOTAL LOANS OUTSTANDING.

The Group Business Banking division continued to thrive in 2015 with an 11.3% growth in Total Loans Outstanding, notwithstanding the slowdown in the global economy, declining commodity prices and currency depreciation.

This was driven by a 20% increase in the SME segment as a result of our strategic move under the IGNITE – New Business Banking Operating Model. This initiative, launched in 2014, marked a move towards a segment-led business model with a focus on small- and medium-sized businesses to drive growth.

Our branch network also allowed us to yield exponential growth through higher productivity, with SME sales from our branches growing 50% year-on-year in 2015. At present, the network contributes approximately 24% of total SME sales. Our continuous focus on these SME segments has seen our overall market share improve to 8.7% in 2015 from 7.2% previously.



Datin Amy Ooi
Group Business & Transaction Banking

▶ MARKET SHARE
8.7%
FY2014 : 7.2%

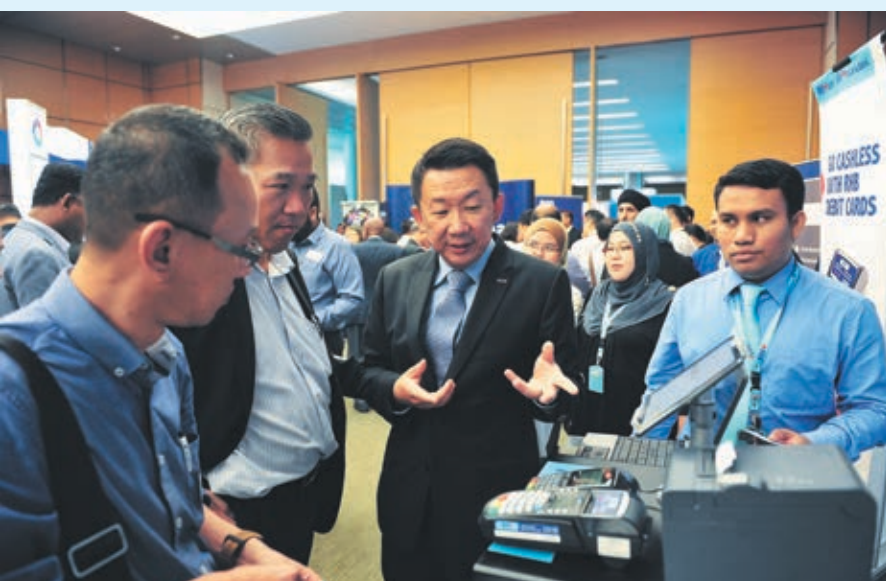
In view of the prevailing economic conditions, the division expanded its active management of delinquent accounts and developed an early alert mechanism of potentially high-risk accounts. We also introduced a predictive asset quality model based on the Behavioural Scoring Framework to detect any early deterioration in asset quality.

These measures helped us improve our asset quality in 2015. This was reflected by a decline in our Gross Impaired Loans Ratio to 2.6% in 2015 from 2.9% in the preceding year, while the Pre-Impaired Loans Ratio improved to 0.84% in the same period from 0.98% previously.

The division also recorded a growth in deposits by 5.3% in 2015, driven by a 10% increase in CASA, largely contributed by SMEs.

This followed the success of our IGNITE Branch Sales and Service Transformation initiative (“CONNECT”) complemented by the strength of our deposit product propositions for SMEs, which allowed us to serve the SME community more effectively and achieve a 37% year-on-year increase in new Current Account opening.

Other activities undertaken in 2015 included the launch of our RHB SME e-Retail Solution for small and medium retailers as part of our holistic approach to provide SMEs with convenient and simplified access to banking services through an integrated financial ecosystem. The solution provides SME retailers with a fast, easy and seamless experience to run their businesses with an all-in-one, hassle-free solution that features RHB’s Business Current Account, RHB Reflex Online Cash Management, next-generation Digital Point-Of-Sale system, Business Credit Card, Credit and Debit Cards.



IN RECOGNITION OF OUR CONTINUOUS EFFORTS TO MAINTAIN STRONG TIES WITH THE SME COMMUNITY, IN 2015 WE WERE ONCE AGAIN AWARDED THE “SAHABAT NEGARA AWARD” BY THE SME ASSOCIATION OF MALAYSIA.

For 2016, Group Business Banking will continue to focus on the SME segment for growth. To strengthen our ability to serve the SME community more effectively, we plan to enhance our resource allocation efficiency and productivity through the ongoing Branch Sales and Service Transformation initiative. We will also continue to leverage the strength of our Transaction Banking business to capture the end-to-end value chain through an integrated ecosystem to improve segment profitability.

Aside from this, we will continue to improve our service quality to provide best-in-class services, with a target to be best-in-class in terms of SME loan turn-around time.

Group Transaction Banking (“GTB”) comprises four key transaction banking areas namely Trade Business, Cash Management, Business Innovative Solutions and Financial Institutions.

GTB offers comprehensive suites of transaction banking solutions for both conventional and Islamic trade finance and services, cash management solutions including facilitating interbank business and cross-border settlement and serves Government-Linked Companies, corporates and SMEs with fully integrated and innovative process solutions.

BUSINESS OVERVIEW (continued)

The Group Transaction Banking division's Business Innovative and Solutions unit provides innovative, safe and flexible e-solutions to the Government, GLCs, corporate and SME clients to improve efficiency and reduce cost. The unit recorded a landmark year in 2015, having been appointed by the Royal Malaysian Customs Department to administer collection of the GST. As the principal banker for the GST, this collaboration with the Customs Department allowed for the successful nationwide enforcement of the new tax through the various channels of payment offered to tax payers.

Additionally, its smart collaboration with the Road Transport Department on the e-Daftar initiative has seen overwhelming acceptance from industry players. During the year, e-Daftar transaction volumes increased by one-and-a-half times to 434,242, compared to 171,637 in 2014.

Another key partnership signed during the year was with the Transport Ministry and Port Klang Authority to launch the Klang Net platform. Under this collaboration, the Group will act as the main settlement bank to facilitate payments from all freight forwarders to the Port Klang Authority.

These partnerships with the Customs Department, RTD and Port Klang Authority have strengthened the Group's capability to support our customers' supply chains. Additionally, the establishment of these collaborative efforts was followed by the launch of the RHB Financial Supply Chain ("FSC") platform. This platform enables customers to conduct their businesses with ease by connecting their entire supply chain, including distribution, suppliers and a range of services from invoicing to settlement.

The RHB FSC programme also allows both Conventional and Islamic Banking customers to access innovative financing solutions for each stage of the supply chain via online access. The financing programmes are designed to allow suppliers with weaker credit ratings to leverage their counterparties with stronger credit ratings in the supply chain.

The introduction of the RHB FSC has spurred the creation of an e-community among key customers, be it a Principal Buyers or Sellers, thus providing greater transparency and improving operational efficiency between our customers and their counterparties. In 2015, the Kuala Lumpur Islamic Finance Forum nominated the RHB FSC as the "Most Outstanding Islamic Corporate Banking Product".

As a result of these activities, the division recorded an 8% year-on-year growth in Trade Assets and an unprecedented growth in our cash management customer base. In the year under review, our cash management business grew 76% compared to the preceding year on the back of a surge in customer subscribers for our online cash management system, REFLEX, which attracted more than 19,000 new subscribers. In line with the Government's drive to increase electronic payments amongst the business community, we also introduced the REFLEX-Lite package to provide SME and sole proprietor customers with a simplified, single-step, fast verification process to perform e-transactions.

IN THE YEAR UNDER REVIEW, OUR CASH MANAGEMENT BUSINESS GREW 76%

Our REFLEX Cash Management programme continues to gain recognition in the industry and has won several top awards from the Asiamoney Cash Management Poll as voted by Small Sized Corporations for six consecutive years.

Moving into 2016, Group Transaction Banking will continue to enhance our capabilities to provide more efficient transaction banking services to our customers in line with technological advancements. Focus will also be given to leverage our customers' ecosystem to provide seamless payment, collection and supply chain financing solutions.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Group		Bank	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
	15,536,640	9,231,558	11,493,133	8,231,558
	376,418	184,560	320,480	184,560
	2,045,284	2,517,976	2,721,674	2,517,976
	2,043,302	2,307,000	2,691,414	2,307,000
	783,001	13,206,582	28,212,842	13,206,582
	188,087	21,013,000	37,284,996	21,013,000
	1,300	22,220,582	45,298,332	22,220,582
	200	22,220,782	45,298,532	22,220,782
	200	22,220,982	45,298,732	22,220,982
	200	22,221,182	45,298,932	22,221,182
	200	22,221,382	45,299,132	22,221,382
	200	22,221,582	45,299,332	22,221,582
	200	22,221,782	45,299,532	22,221,782
	200	22,221,982	45,299,732	22,221,982
	200	22,222,182	45,299,932	22,222,182

BUSINESS OVERVIEW (continued)

GROUP CORPORATE & INVESTMENT BANKING



Mike Chan Cheong Yuen
Group Corporate & Investment Banking

GROUP CIB DELIVERED A SATISFACTORY PERFORMANCE IN 2015 AGAINST THE BACKDROP OF A CHALLENGING OPERATING ENVIRONMENT WITH RISING OPERATING COSTS, A SHARP DROP IN OIL PRICES AND THE CONTINUED SLIDE IN THE RINGGIT.

Group CIB's pre-tax profit was lowered by 56.4% to RM550.9 million compared to its 2014 performance. This was mainly attributed to lower investment bank and securities market related fee income both in Malaysia and Singapore, higher impairment allowances for loans and financing, several major recoveries in 2014 and the absence of write-back on other assets amounting to RM112.4 million recorded in 2014. Gross loans and financing was marginally higher by 0.8% for the year at RM48.3 million, while deposits increased by 19.5% to RM45.6 billion with fixed deposits and current deposits growing by 19.8% and 18.4%, respectively.

The RHBIB Group (ex-Corporate Banking) achieved a profit before tax of RM115.7 million in 2015, despite slower investment banking activities due to the economic landscape. Profit was mainly contributed by the Malaysian entities. Our regional subsidiaries in Hong Kong, Indonesia and Thailand performed better than they did in 2014 but the performance of our subsidiaries in Singapore was, however, impacted by the subdued market conditions there.

“RHBIB WON THE BEST M&A HOUSE IN MALAYSIA” FROM THE ASSET AS WELL AS THE “BEST RINGGIT SUKUK HOUSE IN MALAYSIA” FROM ALPHA SOUTHEAST ASIA IN 2015.

During the year, the RHB Banking Group was granted the required approvals from the relevant regulators in Malaysia and Cambodia for the divestment of RHB OSK Indochina Securities Limited by its parent company, RHB Indochina Bank Limited (a wholly-owned subsidiary of RHB Bank), to RHBIB. The divestment was subsequently completed in December 2015 and RHB OSK Indochina Securities Limited became a wholly-owned subsidiary of RHBIB.

CORPORATE BANKING

Against the backdrop of challenging market conditions, the Group Corporate Banking division managed to secure a modest loans growth, predominantly contributed by Islamic-related loans, in line with our strategy of re-profiling our portfolio mix. The division also intensified deposit-seeking during the year, which saw our loan-to-deposit ratio re-balance to a more efficient level. Overall, we also strengthened our asset quality through the adoption of stringent risk management with a tighter monitoring mechanism.

Going forward, we will strive to provide innovative structuring solutions to meet our corporate clients' diverse financing needs and to remain responsive amid fluidity in the corporate lending landscape. Moreover, we will remain focused on deepening our client relationships through an enhanced client coverage model which places priority on growing loan portfolio profitability by deepening our wallet share. Our key efforts include championing in-house collaborations vis-à-vis cross-selling activities and leveraging our regional presence to support corporate clients in their cross-border funding requirements.

INVESTMENT BANKING

Key business pillars under CIB's investment banking space are Client Coverage, Capital Markets, Securities Broking and Asset Management.

Client Coverage/Capital Markets

During the year under review, RHBIB remained a key player in both the local and regional capital markets. Domestically, despite a tough operating environment, RHBIB advised five out of 11 Initial Public Offerings (“IPOs”) launched last year, which included listings of large caps such as Malakoff Corporation Berhad, Sunway Construction Group Berhad, Red Sena Berhad (the first food & beverage Special Purpose Acquisition Company (“SPAC”)), and Al-Salam REIT, the only real estate investment trust launched in 2015. Regionally, our overseas subsidiaries completed three IPOs in Thailand, two in Indonesia and one in Hong Kong with major roles in each.

We were also the most active Mergers & Acquisitions (“M&A”) adviser in Malaysia last year with a total of 21 deals announced. Major deals completed included advising Kulim (Malaysia) Berhad on the disposal of its equity in New Britain Palm Oil Ltd, OSK Holdings Berhad on their acquisition of OSK Property Holdings Berhad as well as PJ Development Holdings Sdn Bhd and MMC Port Holdings Sdn Bhd on their acquisition of NCB Holdings Berhad. In Singapore, we completed three key M&A deals last year, namely the farm-out of a 35% participating interest in the Lemang Production Sharing Contract to KKR-backed Mandala Energy Ltd, Southern Capital Group's takeover of UE E&C Ltd and Dymon Asia's acquisition of a significant minority stake in Wah Loon Engineering Pte. Ltd. We will leverage on the RHB group's regional platform to help clients meet their M&A aspirations.

In the debt capital markets, RHBIB led several major transactions involved in the issuances of both Ringgit bonds and international Sukuk. Some of the key deals include MMC Corporation Berhad's RM1.5 billion Islamic Medium Term Note (“MTN”) Programme, OSK Holdings Berhad's RM990.0 million MTN Programme and West Coast Expressway Sdn Bhd's RM1.0 billion Guaranteed Sukuk Murabahah Programme and RM1.0 billion Syndicated Kafalah Facility.

Following our dominance in the capital markets, our deals, teams and analysts continued to be recognised and win accolades across the region. RHBIB ended 2015 topping the Malaysia M&A league table (by deal count) and was Top 3 on the Equity Capital Markets and Top 4 on the Debt Capital Markets league tables. Out of more than 60 awards accorded to RHBIB Group in 2015, RHBIB won the esteemed “Best M&A House in ASEAN” from Alpha Southeast Asia and “Best M&A House in Malaysia” from The Asset as well as the “Best Ringgit Sukuk House in Malaysia” from Alpha Southeast Asia in 2015.

BUSINESS OVERVIEW (continued)

BURSA MALAYSIA COUNTERS

Counter	Vol	Hi	Lo	Chg	Counter	Vol	Hi	Lo	Chg	Counter	Vol	Hi	Lo	Chg	Counter	Vol	Hi	Lo	Chg
0101	100	1.00	1.00	0.00	0102	100	1.00	1.00	0.00										
0103	100	1.00	1.00	0.00	0104	100	1.00	1.00	0.00										
0105	100	1.00	1.00	0.00	0106	100	1.00	1.00	0.00										
0107	100	1.00	1.00	0.00	0108	100	1.00	1.00	0.00										
0109	100	1.00	1.00	0.00	0110	100	1.00	1.00	0.00										
0111	100	1.00	1.00	0.00	0112	100	1.00	1.00	0.00										
0113	100	1.00	1.00	0.00	0114	100	1.00	1.00	0.00										
0115	100	1.00	1.00	0.00	0116	100	1.00	1.00	0.00										
0117	100	1.00	1.00	0.00	0118	100	1.00	1.00	0.00										
0119	100	1.00	1.00	0.00	0120	100	1.00	1.00	0.00										
0121	100	1.00	1.00	0.00	0122	100	1.00	1.00	0.00										
0123	100	1.00	1.00	0.00	0124	100	1.00	1.00	0.00										
0125	100	1.00	1.00	0.00	0126	100	1.00	1.00	0.00										
0127	100	1.00	1.00	0.00	0128	100	1.00	1.00	0.00										
0129	100	1.00	1.00	0.00	0130	100	1.00	1.00	0.00										
0131	100	1.00	1.00	0.00	0132	100	1.00	1.00	0.00										
0133	100	1.00	1.00	0.00	0134	100	1.00	1.00	0.00										
0135	100	1.00	1.00	0.00	0136	100	1.00	1.00	0.00										
0137	100	1.00	1.00	0.00	0138	100	1.00	1.00	0.00										
0139	100	1.00	1.00	0.00	0140	100	1.00	1.00	0.00										
0141	100	1.00	1.00	0.00	0142	100	1.00	1.00	0.00										
0143	100	1.00	1.00	0.00	0144	100	1.00	1.00	0.00										
0145	100	1.00	1.00	0.00	0146	100	1.00	1.00	0.00										
0147	100	1.00	1.00	0.00	0148	100	1.00	1.00	0.00										
0149	100	1.00	1.00	0.00	0150	100	1.00	1.00	0.00										
0151	100	1.00	1.00	0.00	0152	100	1.00	1.00	0.00										
0153	100	1.00	1.00	0.00	0154	100	1.00	1.00	0.00										
0155	100	1.00	1.00	0.00	0156	100	1.00	1.00	0.00										
0157	100	1.00	1.00	0.00	0158	100	1.00	1.00	0.00										
0159	100	1.00	1.00	0.00	0160	100	1.00	1.00	0.00										
0161	100	1.00	1.00	0.00	0162	100	1.00	1.00	0.00										
0163	100	1.00	1.00	0.00	0164	100	1.00	1.00	0.00										
0165	100	1.00	1.00	0.00	0166	100	1.00	1.00	0.00										
0167	100	1.00	1.00	0.00	0168	100	1.00	1.00	0.00										
0169	100	1.00	1.00	0.00	0170	100	1.00	1.00	0.00										
0171	100	1.00	1.00	0.00	0172	100	1.00	1.00	0.00										
0173	100	1.00	1.00	0.00	0174	100	1.00	1.00	0.00										
0175	100	1.00	1.00	0.00	0176	100	1.00	1.00	0.00										
0177	100	1.00	1.00	0.00	0178	100	1.00	1.00	0.00										
0179	100	1.00	1.00	0.00	0180	100	1.00	1.00	0.00										
0181	100	1.00	1.00	0.00	0182	100	1.00	1.00	0.00										
0183	100	1.00	1.00	0.00	0184	100	1.00	1.00	0.00										
0185	100	1.00	1.00	0.00	0186	100	1.00	1.00	0.00										
0187	100	1.00	1.00	0.00	0188	100	1.00	1.00	0.00										
0189	100	1.00	1.00	0.00	0190	100	1.00	1.00	0.00										
0191	100	1.00	1.00	0.00	0192	100	1.00	1.00	0.00										
0193	100	1.00	1.00	0.00	0194	100	1.00	1.00	0.00										
0195	100	1.00	1.00	0.00	0196	100	1.00	1.00	0.00										
0197	100	1.00	1.00	0.00	0198	100	1.00	1.00	0.00										
0199	100	1.00	1.00	0.00	0200	100	1.00	1.00	0.00										

TOP GAINERS

Counter	Vol	Hi	Lo	Chg	Counter	Vol	Hi	Lo	Chg
0101	100	1.00	1.00	0.00	0102	100	1.00	1.00	0.00
0103	100	1.00	1.00	0.00	0104	100	1.00	1.00	0.00
0105	100	1.00	1.00	0.00	0106	100	1.00	1.00	0.00
0107	100	1.00	1.00	0.00	0108	100	1.00	1.00	0.00
0109	100	1.00	1.00	0.00	0110	100	1.00	1.00	0.00

BURSA MALAYSIA INDICES

Name	Value	Change
CONSTRUCTION	124.10	0.00
CORPORATE	1420.04	0.00
FIELD	1224.13	0.00
FREIGHT	211.13	0.00
FINANCE	1894.72	0.00
FOOD & BEV	1648.89	0.00
FREIGHT	1224.13	0.00
PROPERTY	1869.88	0.00
TECHNOLOGY	1117.39	0.00
INDUSTRIAL	893.73	0.00
MINING	752.82	0.00
PROPERTY	1135.04	0.00
TECHNOLOGY	1135.04	0.00
TRADITIONAL	806.00	0.00



DJ RHB ISLAMIC MALAYSIA INDEX
CLOSING 1,004,329
Change 4.614





Securities Broking

In the Equities Broking segment (comprising both retail and institutional broking), we were ranked Top 3 (by volume) and remained the most profitable broking house in Malaysia in 2015. RHBIB continues to grow its securities broking market share in the region, particularly in Singapore, Indonesia, Thailand and Hong Kong. We also continue to leverage on the RHB Bank network to grow the retail broking business via branch broking as well as expand the complementary share margin financing business.

RHBIB's institutional broking market share has also seen an upward trend following regional account growth throughout ASEAN and Hong Kong. In the recent Asiamoney Broker's Poll, RHBIB's subsidiary in Singapore was voted the No. 1 "Most Improved Brokerage over the last 12 months" and across the region, the RHBIB Group was voted Top 3 in the "Best Local Brokerage" category in Malaysia, Singapore, Indonesia, Thailand and Hong Kong.

The market continues to value the research views and recommendations provided by our analysts. In the Asiamoney Broker's Poll, RHBIB Group's analysts were accorded numerous Top 3 rankings in various categories across the region. RHBIB's Singapore subsidiary was voted the No. 3 in "Best Overall Research" by Asiamoney last year. Thomas Lam, Chief G3 Economist with our Singapore subsidiary was ranked the 4th Most Accurate Economist Worldwide in Forecasting the US Economy in 2015 by Bloomberg.

RHBIB continues to focus on the complete rollout of its digital trading platform in Malaysia and across the regional markets as part of our digitisation initiative to meet customer expectations. Branded as "RHB TradeSmart", it replaces legacy trading systems RHBInvest and OSK188. During the year, RHBIB also launched the RHB TradeSmart Desktop App and RHB TradeSmart Mobile App that replaced the 188OMS and OSK188 Mobile App, respectively. RHB TradeSmart enables customers to trade in multiple markets, asset classes and currencies on a single platform.

BUSINESS OVERVIEW (continued)

THE LAUNCH OF OUR FUNDS DURING THE YEAR CUSHIONED THE DROP IN NET ASSET VALUE DUE TO THE VOLATILITY EXPERIENCED IN THE MARKETS AS WELL AS REDEMPTIONS BY CORPORATE CLIENTS (TO MEET THEIR WORKING CAPITAL NEEDS), TO CLOSE THE YEAR AT RM52 BILLION.

WE ALSO EMERGED AS MALAYSIA'S MOST AWARDED FUND HOUSE IN 2015 AFTER WINNING 15 AWARDS AT THE EDGE-LIPPER MALAYSIA FUND AWARDS, BRINGING THE TOTAL NUMBER OF AWARDS WON BY THE ENLARGED GROUP ASSET MANAGEMENT TO 24 FOR FY2015.

Asset Management

The Asset Management pillar comprises both Asset Management and the Trustee business for the Group. In FY2015, we saw the asset management business registering improved overall ROE from 11% to 18% due to the launch of innovative products, a shift in focus into higher margin products, expansion of our distribution channels across markets and increasing synergies from working more closely with RHB Group.

2015 was a busy year for us as we launched a total of 23 funds across the region, two of which won us the Most Innovative Product award from Asia Asset Management. This marks the second consecutive year we received the esteemed award for Malaysia.

The launch of our funds during the year cushioned the drop in net asset value due to the volatility experienced in the markets as well as redemptions by corporate clients (to meet their working capital needs), to close the year at RM52 billion. We also emerged as Malaysia's most awarded fund house in 2015 after winning 15 awards at The Edge-Lipper Malaysia Fund Awards, bringing the total number of awards won by the enlarged Group Asset Management to 24 for FY2015. In 2016, we won another 15 awards at The Edge-Thomson Reuters Lipper Fund Awards.

Our fund managers continued to work hard to deliver performance to our investors and we closed FY2015 with 68% of conventional funds in the top quartile and 86% of our Islamic funds in the top quartile.

In line with the Group's ambition to grow contributions from regional offices, FY2015 saw AUM contribution from regional offices grow from 12% in FY2014 to 16% in FY2015. Revenue contribution from regional offices also grew from 15% in FY2014 to 21% in FY2015.

In the Trustee segment, we continued to defend our No. 1 market share in the Public Debt Securities market, closing FY2015 with a 41% market share. In the retail segment, we saw healthy growth in wills (conventional and wasiat) and private trust accounts.

2016 will see greater focus on driving the Group's profitability through the agency business and retail business as well as through third party distribution channels. The foundation established in FY2015 to extract greater synergies from working more closely with RHB Group (across the conventional bank, private bank, premier bank, Islamic bank, investment bank as well as insurance in Malaysia as well as the region) will see us extracting higher value through the realisation of a strong cross-referral culture.

This is further enabled by greater digitisation, automation and process efficiencies via investments in systems. The pillar will continue to manage cost via a productivity management programme.

Overall, we are cautiously optimistic in terms of the business outlook for the Asset Management pillar in FY2016 as continued headwinds in the global markets impact investor sentiment. This is expected to make fundraising challenging. However, as we pride ourselves to be an innovative fund house, we will continue to launch products that are relevant in the current climate to help investors weather the volatility and meet their investment objectives of wealth preservation, wealth accumulation and wealth protection.

We will also be forging new strategic partnerships to enable us to tap into new markets and bring new offerings to our clients. The new year will see us launching many products which will be the first-of-its-kind in the markets we operate in as well as deepening our relationships with the partners and clients that we are already working with.

Our regional ambition will continue to be realised in 2016 as we aim to grow the revenue contribution from overseas business to 18% and PBT contribution to 20% from our overseas offices.

FY2015 saw AUM contribution from regional offices grow from

12% ⁽²⁰¹⁴⁾ > 16% ⁽²⁰¹⁵⁾

Revenue contribution from regional offices also grew from 15% in FY2014 to 21% in FY2015

Trustee Segment

no. 1

we continued to defend our No. 1 market share in the Public Debt Securities market, closing FY2015 with a

> 41% Market Share

BUSINESS OVERVIEW (continued)

INVESTMENT BANKING

Singapore

RHB Securities Singapore Pte. Ltd. (“RHB Securities Singapore”), formerly known as DMG & Partners Securities Pte. Ltd., remained busy in 2015 and continued to participate in landmark deals in Singapore. This was despite a subdued year for Singapore’s capital markets in line with global market conditions, with minimal IPO activity and the softening of the ST Index particularly towards the end of the year. A similar trend was also observed in the debt capital markets.

During the year, RHB Securities Singapore was appointed Joint Bookrunner in the Housing & Development Board’s (“HDB”) inaugural AAA-rated (Moody’s) S\$1.2 billion bond issuance in 2015, which was also HDB’s sole offering for the year. This, together with RHB Securities Singapore’s ability to win other mandates such as Starhill Global REIT and Nam Cheong Limited, is testimony to the RHB Group’s commitment to growing our presence in Singapore. As a result, RHB has improved on its league table rankings, placing 2nd for ECM (from 10th), and moving up to 7th for SG Dollar Bonds (from 8th) and 6th in the M&A League Tables (from 13th).

RHB Securities Singapore continued efforts to build on its strong franchise and was further recognised by the market with the unit again voted the No. 1 Most Improved Brokerage Over The Last 12 Months, No. 2 Most Independent Research Brokerage, No. 3 Best Local Brokerage, Roadshows and Company Visits, Overall Country Research and Overall Sales Services in the Asiamoney Brokers Poll 2015. Our analysts also continued to make headlines and received numerous awards for their outstanding coverage and research calls, including being voted No. 1 in the small caps, consumer, energy, software, semi-conductor and technology space in the Brokers Poll.

To cap the year, we received the 29th Singapore 1000 & Singapore SME 1000 – Profit Growth Excellence – Finance Award. We also continued our Community Outreach Programme with activities such as knowledge-sharing talks/seminars and the RHB-The Straits Times National Spelling Championship which we co-organised.

Thailand

RHB Group’s securities arm in Thailand, RHB Securities (Thailand) PCL, ended 2015 with a PBT of THB44.5 million. Revenue rose to THB774.17 million from THB734.93 million in 2014.

In total, we were involved in 12 IPOs this year, of which three were as Financial Advisor and Lead Underwriter and nine as Syndicated Underwriters. These achievements have helped strengthen the RHB brand in the Thai capital markets. The three IPOs that we led were for Siamraj PLC’s listing on the Market for Alternative Investment (“MAI”). It was listed on 11 November 2015 and raised THB525 million. Our second IPO as sole Financial Advisor and sole Lead Underwriter was for Thanapiriya PCL which was listed on 18 November 2015, raising THB1.40 billion on the MAI. Our largest deal for the year consisted of Amata VN PCL’s THB1.25 billion listing on the main exchange of the Stock Exchange of Thailand in December 2015, for which we were appointed Joint Financial Advisor and Joint Bookrunner, as well as Lead Underwriter.

The year under review also saw the opening of our second branch in Hadyai at Juti Anusorn in February and the opening of our Chachoengsao branch in July. We also established our Debt Capital Market department in July, followed by the expansion of our office at Sathorn Square Tower later in the year.

Moving into 2016, we will focus on growing our retail and institutional equities business to enhance productivity. We also aim to boost our revenue growth from the Derivatives and Structured Products segment by launching two new products in the year and by expanding our Fixed Income business. Meanwhile, we will establish regional capabilities to deliver corporate finance, M&A, and DCM deals in the ASEAN region. To increase our asset under management (“AUM”), we intend to increase growth in our mutual fund sales.

In line with the Group’s reframed strategy, we seek to increase revenue in high-margin and profitable segments to improve profit contribution from international operations. We have also identified a need to enhance productivity and manage costs in our largest segment, Equities, to improve profitability.

Our activities during the year saw us voted Third Best Research Brokerage in Thailand in the Asiamoney Brokers Poll 2015. We were also awarded second place in the Thailand Futures Exchange award for Proprietary Trading.

Hong Kong

RHBIB's Hong Kong operations, via its key subsidiaries RHB Securities Hong Kong Limited ("RHB Securities") and RHB Capital Hong Kong Limited ("RHB Capital Hong Kong"), recorded a commendable performance in 2015, contributing a pre-tax profit of RM14.3 million to RHBIB last year.

During the course of the year, RHB Securities and RHB Capital Hong Kong completed more than 26 equity capital market deals despite volatile market conditions. These included the IPO of Clear Lift Holdings Ltd, which raised HKD120 million, and a block trade transaction for EVA Precision Industrial Holdings Ltd which raised HKD389 million.

Indonesia

In 2015, despite the worsening global economic conditions and the weak Indonesian Rupiah, total IDX market turnover fell by 20% compared to the previous year. RHBIB's Indonesian operations, via subsidiaries PT RHB Securities Indonesia ("RHB Indonesia") and PT RHB Asset Management Indonesia, recorded a PBT of RM10.75 million, achieving healthy growth compared to its regional ASEAN investment banking peers. In total, RHB Indonesia completed six bond issuances, two IPOs, one rights issue and a placement deal in the year under review. Additionally, RHB Indonesia was responsible for underwriting a total of more than IDR6.5 trillion in bonds for clients such as OCBC Bank, Indomobil Finance, Astra Sedaya Finance and Modernland. The unit also completed some IDR2 trillion in equity capital market deals during the year.

Cambodia

In December 2015, RHB OSK Indochina Securities Limited ("RHB OSK Indochina Securities") became a wholly-owned subsidiary of RHBIB. This followed the divestment of RHB OSK Indochina Securities by RHB Indochina Bank Limited, a wholly-owned subsidiary of RHB Bank, to RHBIB, after obtaining approvals from the relevant regulators in Malaysia and Cambodia for the divestment.

Vietnam

RHBIB's Vietnam Securities Corporation ("VSEC") recorded a PBT of RMO.82 million for the year under review, and was ranked second among the six securities companies with Malaysian stakeholders in terms of ROE. Four out of the six Malaysian stakeholders are banks. During the year, VSEC focused on M&A activities and played an active role in the search for foreign strategic investors for the privatisation of major state-owned enterprises.

To date, stock market liquidity in Vietnam remains thin with just slightly over USD100 million in daily trading volume. Additionally, the banking system and financial market are still undergoing consolidation as the re-pricing of assets continues. Meanwhile, the Central Bank has tightened the source of funds from commercial banks into the stock market, impacting liquidity in 2015. While there is room for foreign investors as ownership regulations were recently lifted, the issuance of detailed guidelines and related laws remain pending.

Moving into 2016, we expect the country's GDP to grow at 6.8% after it posted GDP of 6.68% in 2015 and CPI of below 1%. Furthermore, various changes in the country's banking system such as the shortening of payments from T+3 to T+2, direct debit and new accounting systems will present new opportunities for us.

LOOKING AHEAD

In line with the general economic outlook, we expect 2016 to remain challenging for the capital markets in Malaysia. Some of the challenges we foresee this year include global economic headwinds, weak investor confidence, compressed margins and stricter regulatory and compliance requirements. However, we are confident of riding out the storm as we progressively build a robust pipeline of deals.

We also anticipate that our regional markets will perform well and contribute positively to the RHBIB Group this year. Against the backdrop of a slower growth environment, we remain committed to rationalising costs where possible and continue to reinvent ourselves by developing new products and focusing on improving the bottom line.

This year, we will continue to grow the AUM and distribution channels of our Asset Management business. We will scale up our agency force in addition to continuously building our third party distribution channels.

We are also bullish on M&A activities as economic volatility presents opportunities for companies with an eye towards growth and an appetite for acquisitions, especially in the oil & gas and real estate sectors. In 2015, Southeast Asian countries saw approximately RM200 billion worth of M&A deals completed and we expect this volume to be surpassed this year. RHBIB will use its regional platform to help clients meet their M&A aspirations and all their investment banking needs.

BUSINESS OVERVIEW (continued)



Haji Ibrahim Hassan
Group Shariah Business

GROUP SHARIAH BUSINESS

RHB ISLAMIC BANK EMERGED STRONGER IN 2015 WITH A 14.9% GROWTH IN PROFIT BEFORE TAX TO RM348.7 MILLION FROM RM303.6 MILLION IN THE PREVIOUS YEAR.

This markedly higher performance was due to greater funding income of RM396.8 million, a larger non-funding income of RM7.7 million and lower overhead expenses. Overall, RHB Islamic Bank recorded an encouraging business and financial performance notwithstanding challenges in the market and macroeconomic environment.

Backed by strong support from the RHB Banking Group, our total outstanding assets grew to RM44.1 billion by the year-end, a 22.0% increase compared to the RM36.1 billion achieved in 2014. Additionally, RHB Islamic Bank lowered its Gross Impaired Financing ratio to 1.17% from 1.30% in the previous year. Meanwhile, financing and advances grew by 22.0% in 2015 to RM31.1 billion from RM25.5 billion previously.

▶ PROFIT BEFORE TAX

14.9% GROWTH TO
RM348.7
MILLION

OUR TOTAL OUTSTANDING ASSETS GREW TO RM44.1 BILLION BY THE YEAR-END, A 22.0% INCREASE COMPARED TO THE RM36.1 BILLION ACHIEVED IN 2014.

For 2015, Islamic Retail Banking contributed to 50.2% of the outstanding financing assets, increasing by 14.2% compared to the previous year. This was backed by a 33.7% jump in unsecured business and a growth of 21.8% and 1.0% in mortgage financing and auto financing, respectively. By the year-end, total financing assets for Islamic Retail Banking stood at RM15.6 billion against RM13.7 billion in 2014.

Concurrently, Islamic Corporate Banking accounted for 44.8% of the outstanding financing assets last year. This segment achieved a 29.1% growth, in tandem with our aggressive efforts to secure more quality and established customers.

Our Islamic Business Banking financing assets contributed the remainder of the Islamic Banking financing asset portfolio and grew by 52.3%. An ambitious and bold business strategy resulted in the middle market recording an impressive 84.1% rise in this segment.

Human capital development is critical in attracting and managing the talent pool in any organisation. With the aim of being the employer of choice, RHB Islamic Bank continued to demonstrate its commitment to employee development by continuing the Structured Learning Programme, its Certificate in Islamic Law (“CIL”) and INCIEF’s Certified Islamic Financial Professional (“CIFP”) programmes. These efforts are targeted at certifying our employees, enhancing their Shariah expertise and elevating their performance.

Throughout 2015, the Bank also implemented a strategy to raise its profile by sponsoring international forums and participating as speakers in open and closed conferences such as in Roundtables, Halal SME Corp, the International Islamic Finance & Banking Law Conference, RHB Asian Sharia Investment Conference and 2nd Annual Corporate Sukuk Conference.

RHB Islamic Bank also acted as a Diamond Partner for the 12th Kuala Lumpur Islamic Finance Forum (“KLIFF”), where we were awarded Most Outstanding Islamic Corporate Banking and Most Outstanding Islamic Corporate Banking Product: Financial Supply Chain.



BUSINESS OVERVIEW (continued)



Mohd Rashid Mohamad
Group Treasury & Global Markets

GROUP TREASURY AND GLOBAL MARKETS

GROUP TREASURY AND GLOBAL MARKETS RECORDED A 17% INCREASE IN FOREIGN EXCHANGE (“FX”) SALES REVENUE IN 2015 FROM HIGHER MARKET VOLATILITY DESPITE A 9% YEAR-ON-YEAR DECLINE IN MALAYSIA CUSTOMER FX VOLUME. FX VOLATILITY ALSO DROVE FX TRADING REVENUE 113% HIGHER ON THE BACK OF BETTER TRADING PERFORMANCE DESPITE LOWER TRADING VOLUME, WHILE DERIVATIVE SALES PROFITS INCREASED 32% AS CUSTOMER DERIVATIVE VOLUMES ROSE 12%.

We also recorded 37% growth in investment-linked deposits and structured investment volume and 35% growth in customer structured/long-term forwards volume. Our Fixed Income primary market share increased by 6.00%. We were also ranked 1st and 2nd respectively in the Bank Negara Malaysia League Table 2015 for Sukuk and Conventional bond secondary market sales, registering revenue increase of 20% in 2015 compared to 2014.

We proactively mitigated widening credit spreads and expectations of higher interest rates by concentrating our bond investment portfolios in liquid and high-rating band securities with durations kept below five years.

We effectively managed our funding mix and net open positions in various currencies to optimise funding costs and closely monitored the net interest margin as we prepared for the December 2015 rate hike by the US Federal Reserve, which drove USD funding costs higher.

Following the centralisation of our Group Funding Centre under Group Funding & Liquidity Management of Group Treasury in 2015, we have achieved better management of liabilities and compliance cost. This has been reflected in our performance in 2015, where the cost of liabilities was reduced via improved compliance management and leveraging the Group and its regional branches’ multi-currency funding books.

During the year, our Islamic Treasury business launched its first structured investment product, the Islamic Dual Currency Investment. This is the first product to be introduced under the Islamic Financial Services Act 2013 (“IFSA”) and Investment Account Policy, which outlined the distinction between deposits and investment accounts. The Islamic Treasury business also ensured compliance with the Investment Account Policy by moving its Treasury deposits into Commodity Murabahah (“CM”)-based products and is currently in the process of introducing short-term investment products that comply with the Policy. CM trading for all products structured under the CM concept has been centralised within the Commodity Trading Unit under Group Treasury, which was mandated to undertake all CM transactions requirements of the Group to increase efficiency and decrease costs.

Going forward, we aim to continue diversifying our funding requirements and to increase stable funding sources to manage an expected increase in interest rates. To further safeguard the rising operational costs from the weaker Ringgit, we will manage our cost to income ratio and hedge our FX exposures to lower FX volatility. While industry FX customer volume may decline further due to higher FX rate volatility, wider bid-ask spread and intensifying competition, we expect higher demand for derivative products as customers and banks hedge their FX exposures.

We remain committed to serving our customers’ investment and hedging requirements by offering suitable and cost-efficient FX, derivative, depository and fixed income products in accordance with their risk appetites.

Interest rate uncertainty and the magnitude of its impact on Mark-to-Market (“MTM”) investments remains a key challenge. We continue to manage the duration of investments within approved risk limits and proactively rebalance the portfolio mix and duration to reap opportunities for capital gains.

We will continue our efforts to meet our target of growing the Treasury business to contribute to 30% of Group PBT by 2017. This will be supported by strengthening key infrastructure and capabilities within regional treasuries which is expected to contribute between 20% to 25% of Group Treasury revenue and 20% of Group Treasury PBT by 2017. We will also increase non-interest income contribution to optimise capital utilisation and capital charge.

- 1) The Asset Asian Currency Bond Benchmark Review 2015: Highly Commended Individual in Sales (Malaysia Ringgit Bond): Soh Chin Yong (RHB);
- 2) The Asset Triple A Asset Asian Awards 2015: Most Innovative Deal: Aquasar Capital 1.5 billion Ringgit Sukuk Murabaha: RHB Investment Bank, Shariah Adviser/Sole Principal Adviser/Lead Arranger/Lead Manager;
- 3) Asian Banking & Finance Wholesale Banking Awards 15: Malaysia Domestic Foreign Exchange Bank of the Year (RHB Banking Group);
- 4) The Asset Asian Currency Bond Benchmark Review 2015: Top Bank in the Secondary Market Corporate Bonds Malaysia: RHB (Ranked 1st);
- 5) Alpha Southeast Asia Deal Awards Best Islamic Finance Deal of the Year 2015 in Southeast Asia: RHB Investment Bank, sole principal adviser: sole lead arranger & sole lead manager for MMC Corporation’s inaugural RM1.2 billion (US\$278 million) Sukuk.



BUSINESS OVERVIEW (continued)

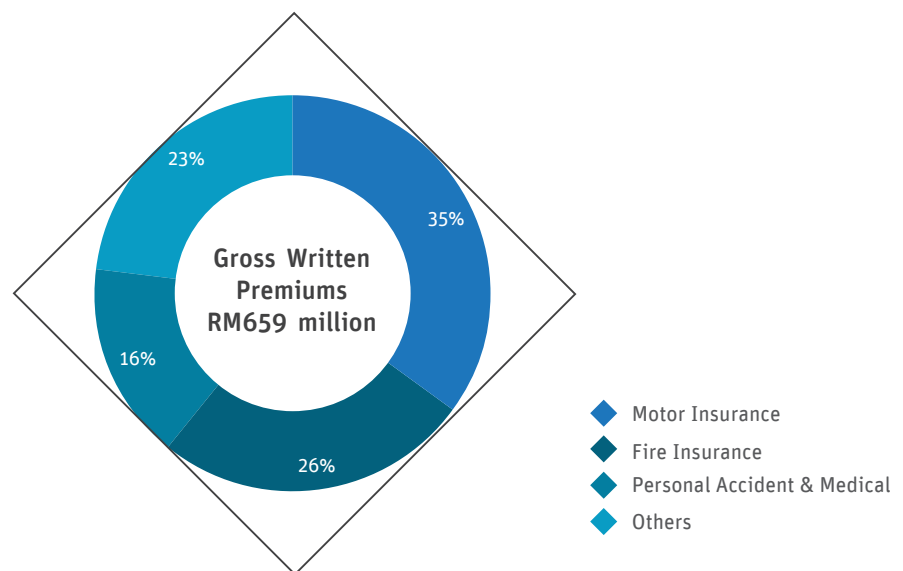
GROUP INSURANCE



Kong Shu Yin
Group Insurance

IN 2015, RHB INSURANCE RECORDED A 3.1% GROWTH IN PROFIT BEFORE TAX TO RM93.2 MILLION COMPARED TO RM90.4 MILLION IN 2014, DRIVEN BY A 13% INCREASE IN GROSS WRITTEN PREMIUMS WHICH SURPASSED THE INDUSTRY GROWTH RATE OF 2.3%.

Motor Insurance maintained its position as the business' largest contributor, delivering 35% of gross premiums, while Fire Insurance contributed to 26% of gross premiums. Personal Accident ("PA") and Medical collectively contributed to 16% during the year, while the remaining insurance segments accounted for 23% of total gross premiums.





Our insurance business has sustained a compounded annual growth rate (“CAGR”) of 14.5% in gross written premiums over the past five years. In 2015, the business registered an average net return on equity (“ROE”) of 18.9%, compared to 21.6% in 2014, due to a growth in shareholders’ equity.

The business continued to capitalise on opportunities from its five distribution channels throughout the year. Bancassurance (Retail) and Institutional Channel recorded the highest percentage growth at 20% and 31%, respectively, as RHB Insurance focused on maximising synergies and further penetrating RHB Bank’s customer base while continuing to build the agency force.

While growing its top line, our Insurance arm also focused on enhancing profitability through risk selection and product management as well as by utilising an actuarial pricing model. Profitability was also strengthened by enhancing claims, underwriting, risk management and various cost saving initiatives.

Underwriting profits registered a 19.4% improvement as compared to 2014, with the net claims ratio at 47.7% (including Malaysian Motor Insurance Pool losses), better than the industry’s ratio of 56.5%.

The year also saw backroom support and operational efficiency undertake process improvements and automation with the implementation of an automated and integrated end-to-end Enterprise Document Management System. This allowed us to modernise and streamline the policy issuance and document imaging processes, and improve policies issuance turn-around time, boosting productivity, reducing the printing cost and other wastages. Preparations are also underway within RHB Insurance to gear us up for the anticipated industry detariffication.

To tap into the growing market for online insurance, we launched our very own online insurance offering through RHBNow Internet Banking. This platform has enabled us to offer insurance products to registered users, with an initial offering of six personalised products for renewal as well as new business applications.

RHB Insurance continues to raise brand awareness via the installation of more agent signboards and billboards nationwide as well as by introducing innovative insurance products to attract new customers. In 2015, we introduced two Bancassurance products, namely ATM Shield Insurance which provides compensation for the loss of cash withdrawn from ATMs and loss of or damage to personal effects due to snatch theft or attempted snatch theft, as well as Home Content Insurance.

BUSINESS OVERVIEW (continued)

INTERNATIONAL BUSINESS



Christopher Loh
Group Strategy & International Business

AS AN ASEAN BANK WITH A GROWING REGIONAL PRESENCE SPANNING 10 COUNTRIES, WE ARE WELL POSITIONED TO BENEFIT FROM THE TREMENDOUS OPPORTUNITIES UNDERLYING THE ASEAN GROWTH STORY. WE HAVE REFRESHED OUR ASPIRATIONS LAST AUGUST TO FOCUS ON PROFIT INSTEAD OF REVENUE FROM OUR REGIONAL PORTFOLIO. OUR GOAL IS TO ACHIEVE A DIVERSIFIED REVENUE MIX BY GEOGRAPHY, WHEREBY THE INTERNATIONAL OPERATIONS WILL CONSTITUTE 20% OF THE GROUP'S PROFITABILITY BY 2020.

On that theme, we will employ a two-pronged strategy to drive higher contribution from our overseas portfolio, whereby we will maximise and boost our existing international franchises, driving aggressive growth through Singapore and Cambodia, while continuing to explore expansion opportunities in key ASEAN markets that offer cross-border opportunities.

With Singapore being the largest overseas profit contributor in 2015, it is one of our key revenue levers under the reframed strategy. We believe Singapore has a lot of potential which can be further harnessed, therefore 2016 will see a lot of effort around enhancing integration and collaboration between the commercial bank and securities company to provide our customers with a full suite of banking services, with a focus on large corporates and commercial sectors, SMEs and the affluent segment.

Excluding Singapore, our international portfolio comprising Cambodia, Thailand, Lao PDR and Brunei delivered a strong performance in 2015, doubling PBT to RM34.4 million. Our loans expanded significantly to RM2.61 billion, as did our deposits which rose to RM2.0 billion with a noticeable push on our savings accounts. Given the steady growth and potential of our international portfolio, we will continue to maximise and grow our existing franchises, with Cambodia and Lao PDR expected to be the main growth drivers. On another front, the Group will explore strategic partnerships and expansion into other ASEAN countries.

SINGAPORE

Commercial Banking Business

RHB Bank Singapore recorded a 38% increase in full-year operating profit before allowances, supported by higher net interest income. This was mainly due to an increase in the basis points of the net interest margin, which was lifted by higher loan yields.

As a result of slow growth and global headwinds faced by the Singapore economy, especially in the second half of the year, the Bank adopted a conservative stance, focusing on growing our high-quality portfolio and diversifying our customer base. On the retail banking front, we grew our premier banking customer base by 47%, while total wealth management-related income surged 490% in 2015. We have also succeeded in achieving continuous growth in our business banking deposits for the past two years, registering 40% year-on-year growth in 2015.

During the year, the Bank's non-retail portfolio was focused on investments, with activities centred on the establishment of our transaction banking capabilities by tapping into Singapore's potential as an Asian financial hub. We also assisted our clients in expanding their business into Malaysia, leveraging our regional presence to perform cross-border referrals.

Our treasury income remained another key growth pillar for RHB Bank Singapore, with total income from the business rising 30% year-on-year. We are also intensifying our treasury capabilities in an effort to become a regional treasury hub for the Group.

In view of the current operating environment, the commercial banking unit will remain conservative, prudent and focused on its priorities going forward. Beyond the near-term headwinds, we remain confident of the Bank's ability to deliver growth.

CAMBODIA

Cambodia continued its momentum in delivering impressive year-on-year growth and was the main contributor to Group International Business performance. RHB has a significant presence in the commercial banking business sector with 10 branches nationwide and plans to widen its footprint further in Cambodia. It also offers a full-fledged securities business under RHB Investment Bank.

Commercial Banking Business

RHB Indochina Bank Ltd ("RHBIBL") is on a high growth trajectory to become one of the top 10 banks in Cambodia by 2020, having posted impressive growth in 2015, with ROE of 10.19% and pre-tax profit growing by 56% from USD5.1 million* in 2014 to USD8.0 million in 2015. This was contributed by a 59% year-on-year expansion in the loans portfolio from USD216 million in 2014 to USD344 million in 2015, while customer deposits and assets increased 51% to USD216 million and 62% to USD563 million, respectively. The asset quality of our Cambodian operations remains healthy with the gross impaired loan ratio at 0.87%. The year also saw significant improvements in our operational efficiency, resulting in our cost-income ratio dropping from 49% to 39% in 2015.

Note:

* After adjusting USD1.9 million one-off specific loan provision reversal made in 2014

BUSINESS OVERVIEW (continued)

Moving forward, we expect sound economic growth in Cambodia as the country is expected to achieve approximately 7% GDP growth, year-on-year. Our focus for 2016 will be to enlarge the business from key growth sectors such as property, tourism, agriculture, housing and wholesale & retail trade, while simultaneously pushing for higher fee-based income through various initiatives. In addition, there are concrete plans underway to expand our network and customer touch points in 2016, with two new branches expected to open during the year, alongside five additional offsite ATMs. Considering that the mobile penetration rate in Cambodia as at 2015 is 154%, making this channel an attractive proposition, we will also be extending our digital banking services to reach under-served segments.

However, the presence of 36 banks in the country creates intense competition for deposits. Deposit growth may be sluggish due to Cambodians' low capacity and propensity to save as a result of low income, while limited borrower credit information hinders efforts to grow our loan portfolio more aggressively.

Banks also face strict regulatory requirements in terms of high Capital Guarantees, Statutory Reserve Requirements, Liquidity Ratios and Solvency Ratios. There will be no compromise in corporate governance as the Bank upholds the Group's highest standards of corporate governance and we remain committed to comply with the stricter regulatory requirements.

LAO PDR

Commercial Banking Business

RHB Lao has had a stellar performance in 2015, turning profitable within eight months after commencing operations on 6 June 2014. We exceeded our target for 2015 by 77% and generated pre-tax profit of USD92,000 in 2015 with only one branch in operation. This was contributed by a healthy year-on-year growth of our loans portfolio of 138% to USD24 million in 2015.

While we have had a strong start in Lao PDR, the 2016 outlook for Lao appears to be challenging with the Central Bank implementing a cap on interest margin at 4% from August 2015 onwards. Notwithstanding these challenges, our long-term outlook for Lao PDR remains positive. We believe that Lao PDR is rich in growth opportunities, and we are committed to grow our foothold in the country to achieve scale in order to tap into these opportunities.

In the coming year, we will be expanding our network in Lao PDR with the opening of a second branch in the capital, Vientiane. This will be crucial to enable RHB Lao PDR to broaden our reach to customers, nudging us one step closer to achieving our aspirations of becoming one of the top 5 foreign banks in Lao PDR that provides a full range of banking products and services by 2017.

2 new branches
expected to open during the year

5 additional offsite
ATMs

We will be extending our digital banking services to reach under-served segments

considering the mobile penetration rate in Cambodia as at 2015 is

154%

THAILAND

The Group has established itself in the commercial banking sector as well as the securities business.

Commercial Banking Business

2015 has been a year in which RHB Thailand focused its efforts on achieving higher profitability, resulting in strong year-on-year growth in pre-tax profit of 137% to THB18 million in 2015. This achievement was largely due to the Bank's intense focus on improving profitability through achieving an optimal loan portfolio mix and lowering funding and operating costs. We managed to achieve an improvement in total revenue of 6.2% from THB218 million to THB232 million in 2015 through the rebalancing of our loan portfolio, while our aggressive cost optimisation initiatives managed to successfully result in cost savings of THB54 million per annum.

The year also saw the commencement of the international client coverage model in September 2015, which is designed to leverage the RHB Banking Group network to provide a more holistic and seamless customer experience for our corporate clients with cross-border businesses. This is expected to help the Bank source for further business opportunities in the future.

Moving forward, operational excellence will continue to be a major focus for 2016 as we strive to reduce our cost-to-income ratio further through continuous cost-savings initiatives. On the income front, we are eager to explore further revenue growth by targeting the wholesale and commercial segments, capitalising on the strategic locations of our branches to capture the targeted customer segments. Furthermore, we expect the international client coverage model to bear fruit this year in the form of increased collaboration between RHB Thailand and the RHB Banking Group, which will play an important role in boosting revenue growth.

Ensuring long-term sustainability is also of utmost priority to us. Therefore significant effort will be placed on improving cost of funds through the recalibration of our deposit portfolio. As we progress, our employees remain a valuable asset and RHB will continue to train, upskill and equip our employees with the skillsets that are necessary to achieve long-term sustainability.

BRUNEI

Commercial Banking Business

Due to its balance sheet size and presence of only one branch, RHB has yet to establish a significant presence in Brunei. With a small population size of 400,00, it translates into limited opportunities for Retail, Corporate and SME offerings. A series of amendments in relation to ceiling interest rates as well as the introduction of a new Total Debt Service Ratio requirement by local regulators, coupled with stringent local land laws, have also impacted the local banking business scene. Nonetheless, RHB Brunei registered pre-tax profit of BND321,000 in 2015, despite the lacklustre business environment and the sharp drop in the price of oil, the main contributor to Brunei's GDP. RHB Brunei also managed to report decent loans growth of 11% year-on-year to BND48.4 million in 2015.

In view of the continued challenging market environment ahead, our focus for 2016 will primarily be on sustaining and strengthening our presence in Brunei. The year ahead will see us exploring cross-border businesses in countries where the Group has a presence, targeting trade flows between Bruneian and Malaysian companies to broaden our revenue pool, as well as focusing on deepening our wallet share with existing customers via delivering superior customer experience.

RHB Thailand posted strong year-on-year growth in pre-tax profit of

137%

ECONOMIC REVIEW

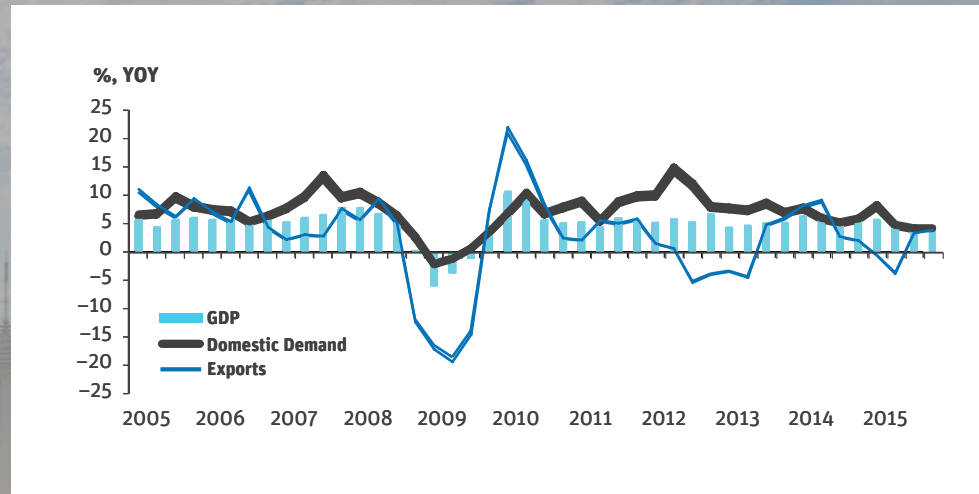


LIM CHEE SING
Group Chief Economist

2015 TURNED OUT TO BE BETTER THAN EXPECTED DESPITE SIGNIFICANT CHALLENGES

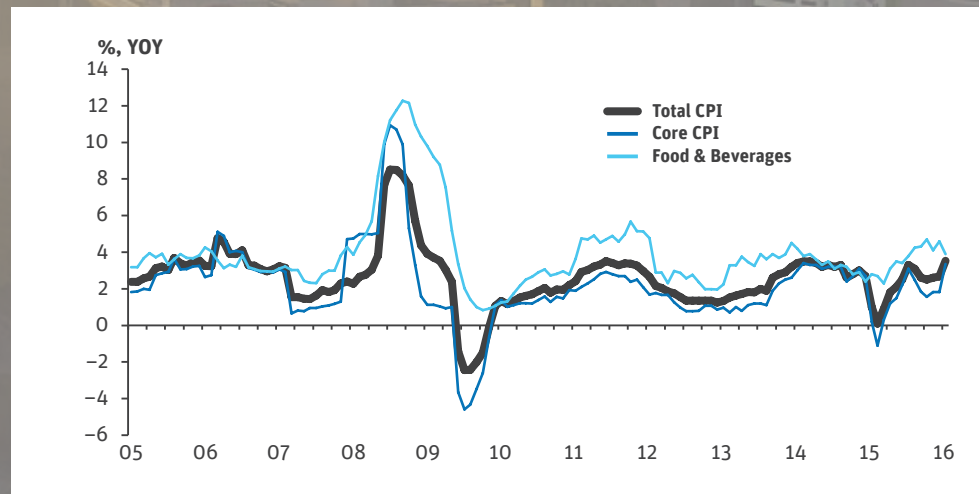
2015 turned out to be a better-than-expected year for Malaysia despite facing significant challenges throughout the year. Economic growth decelerated from 5.6% year-on-year (“y-o-y”) in the first quarter (“1Q”) to 4.5% in the fourth quarter (“4Q”) on account of a slowdown in domestic demand and a weaker export performance, particularly in the first half of the year (see Chart 1) on the back of tepid global demand and weak oil prices. The sharp fall in oil prices compelled the Government to announce a revised 2015 Budget in January 2015, which proposed reducing and delaying certain operating expenditure items. The fear of the current account falling into deficit was, however, overblown as Malaysia continued to record a current account surplus, albeit a smaller one, for 2015. This was because major commodity exports such as crude oil, liquefied natural gas (“LNG”) and palm oil continued recording sustained or higher volume of shipments during the year to partly mitigate the slump in commodity prices as well as lower non-commodities trade deficit. Meanwhile, inflation was well-contained despite the implementation of the Goods and Services Tax (“GST”) in April (see Chart 2). This was mainly due to declining fuel prices as a mitigating factor. However, the persistent outflow of capital and sharp currency depreciation (see Chart 3) posed challenges to monetary management, resulting in Bank Negara Malaysia (“BNM”) putting rates on hold for the whole of 2015.

Chart 1: Slower Economic Growth in 2015, Dragged by Weak Exports in the 1H



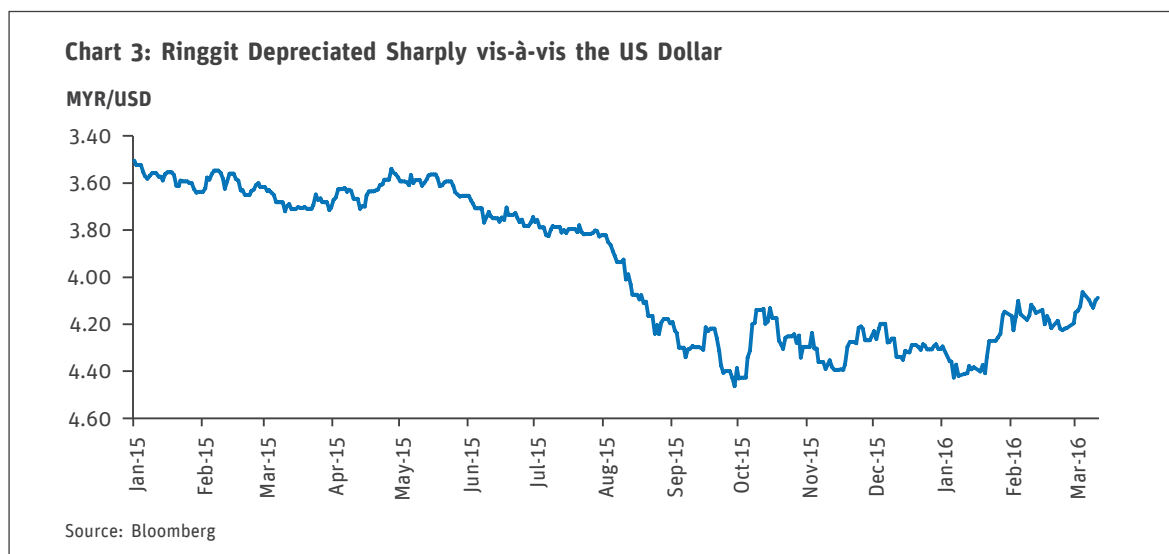
Source: Department of Statistics

Chart 2: Headline Inflation Better Than Expected in Spite of GST Implementation

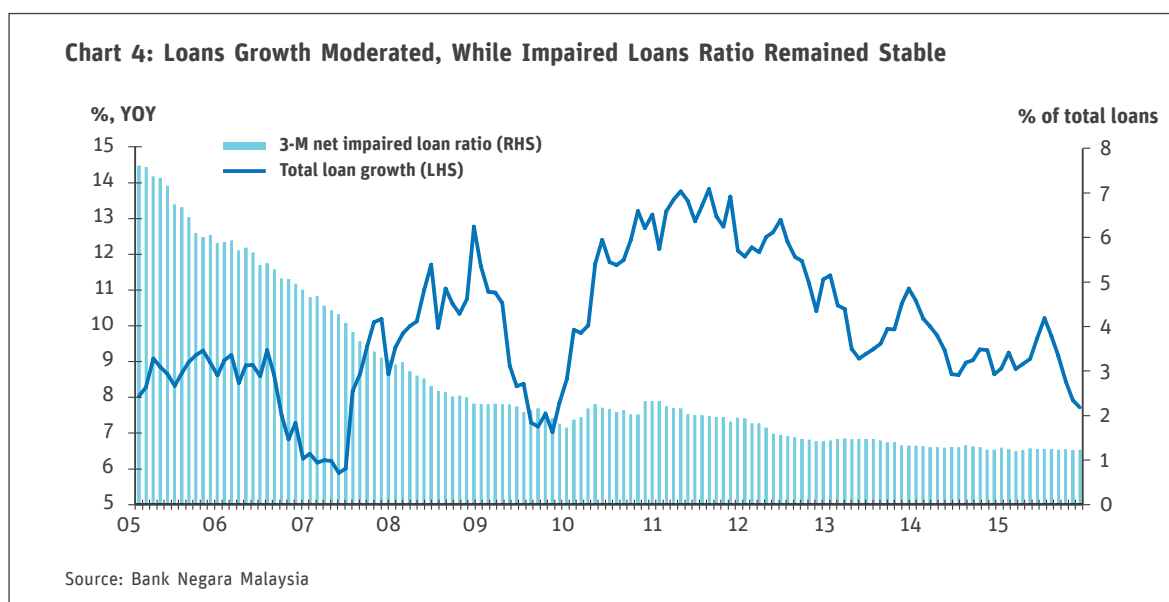


Source: Department of Statistics

ECONOMIC REVIEW (continued)



The banking system's loans growth was on a moderating trend in 2015, easing to the slowest pace in almost six years at 7.9% year-on-year in December (see Chart 4). Both corporate and household lending as at December recorded a slower growth. The former was largely on account of rising cost of doing business, moderating domestic demand growth and the near-completion of large infrastructure projects, while the latter was constrained by more stringent guidelines on responsible lending by the Central Bank and a higher real property gains tax that affected lending for personal consumption and mortgages, respectively. Meanwhile, the growth in the broader monetary aggregate, M3, edged down to a 2.7% year-on-year in December, the slowest in 13 years. In terms of asset quality, the net impaired loan ratio of the banking system was relatively stable at 1.2% of total loans during the March-December period.



OUTLOOK FOR 2016

Rising Global Challenges in a Relatively Matured Growth Cycle

After seven years of policy stimulus, the major world economies are still struggling to take off. And indeed, new challenges have emerged of late that could pose downside risks to sustainable growth. At this relatively matured stage of the growth cycle, it is susceptible to policy missteps in the major world economies and unexpected events. The recent turmoil in China's equity market, heavy-handed Government intervention and the Chinese Government move to devalue the yuan, for instance, sent signals to global investors that all is not well in the world's second largest economy. While the Chinese Government has a strong political will, backed by financial resources, to manage a soft landing, it is in a two-speed economy where the impact of its recessionary industrial sector will likely continue to reverberate and affect the rest of the global economy and in particular, the commodity-dependent economies. Meanwhile, the rapid collapse in oil prices could turn out to be a "black swan" event that could perpetuate the downtrend in global demand and cause confidence to spiral downward. Already, major world economies are dragged by slumping purchasing-manager indexes in the manufacturing industry, falling corporate profitability, rising inventories and receding capital investment. While the US managed to embark on interest rate normalisation in its 15-16 December 2015's Federal Open Market Committee ("FOMC") meeting, the divergence of policies between the US and the rest of the world could lead to sustained strength of the US dollar, dampening its exports and manufacturing growth further. This, coupled with the setback in its shale energy industry on the back of a collapse in oil prices, could create a significant dampener on its economic growth in the period ahead. In this connection, raising interest rates amid declining corporate earnings and margins is not without risks to investment and its economic growth.

This challenging outlook for the external environment will mean that exports for Malaysia will likely struggle to sustain growth in the period ahead. While the country's exports, in Ringgit terms, have recovered to positive year-on-year growth since June 2015 on account of a low base effect and currency translation gains, these impacts will likely fizzle out by mid-2016. In US dollar terms, the country's exports continued to mire in contraction and have fallen by 14.6% in 2015, signifying weak external demand.

Domestic Demand the Anchor of Growth but Facing Downside Risk

Under such circumstances, domestic demand will likely be the anchor of growth for the country's economy in 2016. The major indicators, however, are pointing to slowing growth in domestic demand. While there is a certain degree of resiliency in investment, both private and public, underpinned by the ongoing implementation of sizeable long-gestation infrastructure related projects, private investment growth will likely be capped by the falling oil & gas investments and the downturn in the property cycle. Meanwhile, public investment and consumption will also be affected by fiscal constraints as Government revenue is under threat from falling oil revenue.

Indeed, under the Government's recalibrated budget for 2016 that has just been unveiled, there will be a reduction of MYR9 billion in operating and development expenditures to make up for the shortfall in revenue due to the sharp fall in oil prices. This will be done by a combination of prioritising development expenditure and optimising operating expenditure, while at the same time introducing some revenue-boosting measures to persevere with the progressive reduction in fiscal deficit. While being proactive, this will still likely impact confidence and affect economic growth to some extent.

Meanwhile, consumer spending growth has also slowed significantly from 8.8% year-on-year in the first quarter of 2015 ("1Q 2015") to a low of 4.1% in the third quarter ("3Q") following the implementation of the GST. Although consumer spending recovered slightly to 4.9% in the 4Q, it will struggle to gain momentum given the rising cost of living, high household debt servicing, softening employment market and falling confidence on account of a slowing economy, the sharp depreciation of the Ringgit and rising inflationary expectations. Overall, the economic growth is envisaged to slow more significantly to 3.9% in 2016, from +5.0% in 2015 (see Tables 1 & 2).

ECONOMIC REVIEW (continued)

Table 1: GDP by Expenditure Components (at constant 2010 prices)

	2014	2015	2016 ^f
	% y-o-y		
Consumption			
Private sector	7.0	6.0	4.5
Public sector	4.4	4.3	1.8
Gross Fixed Capital Formation	4.8	3.7	1.6
Private sector	11.0	6.4	4.6
Public sector	-4.7	-1.0	-4.1
Aggregate Domestic Demand	5.9	5.1	3.3
Exports of Goods & Services	5.1	0.7	2.5
Imports of Goods & Services	4.2	1.3	1.6
Real Gross Domestic Product	6.0	5.0	3.9

Source: Department of Statistics, RHBRI
F: RHBRI's forecasts

Table 2: GDP by Industrial Origin (at constant 2010 prices)

	2014	2015	2016 ^f
	% y-o-y		
Agriculture, forestry & fishing	2.1	1.0	-0.2
Mining & quarrying	3.3	4.7	3.4
Manufacturing	6.2	4.9	4.3
Construction	11.8	8.2	4.9
Services	6.5	5.1	4.5
Real Gross Domestic Product	6.0	5.0	3.9

Source: Department of Statistics, RHBRI
F: RHBRI's forecasts

Narrowing Current Account Surplus in the Balance of Payments

The current account surplus in the balance of payments is also projected to narrow further to MYR30.9 billion or 2.5% of Gross Domestic Product (“GDP”) in 2016, from MYR34.0 billion or 2.9% of GDP in 2015 (see Table 3), given falling commodity trade surplus on account of the persistent commodity price slump and in particular, the collapse in oil & gas prices. This, however, could be cushioned by a slower increase in imports on account of a more moderate increase in domestic demand as well as lower deficits in the services and income accounts.

Table 3: Balance of Payments

	2014	2015	2016 ^F
	MYR'billion		
Current Account	47.3	34.0	30.9
(% of GDP)	4.4	2.9	2.5
Goods	113.4	108.9	103.3
Services	-11.2	-20.5	-19.5
Income	-37.3	-32.2	-31.4
Current transfers	-17.6	-22.2	-21.5
Capital account	0.3	-1.2	0.0
Financial account	-81.6	-53.3	-9.0
Errors & omissions	-2.5	24.1	-3.0
Overall balance	-36.5	3.7	18.9
Outstanding reserves*	405.5	409.1	428.0
(US\$)*	115.9	95.3	107.0

* As at end-period

Source: Department of Statistics, RHBRI

F: RHBRI's forecasts

Downside Risk to Economic Growth Outweighs Concern of Higher Inflation

Headline inflation is expected to remain manageable at the 2.0% – 2.5% level in 2016, compared to 2.1% as in 2015, as higher imported inflation from currency depreciation, higher toll charges as well the normalisation of the base effect will likely be mitigated by the reduction in retail fuel prices, particularly in the first half of this year. Given the muted inflationary pressure, it will unlikely be a major policy concern given the general lack of demand pressure from a slowing economy. Indeed, the downside risk to economic growth far outweighs any potential concern about higher inflation. While there is room for the Central Bank to cut its overnight policy rate (“OPR”) to promote economic growth, the Central Bank’s view is that cutting interest rates from the current level will unlikely generate much marginal growth for the economy, but could lead to disintermediation of savings, perpetuate excessive risk taking by borrowers and risk building up financial imbalances that could be equally damaging to the economy. It has recently stressed that the country will not over-rely on monetary policy to drive economic growth in the period ahead and will look into promoting growth via a combination of monetary, fiscal and other policies to promote sustainable economic growth. On balance, the OPR will likely remain unchanged at 3.25% during the year unless economic growth slows down much quicker/sharper than envisaged. Instead, the Central Bank has resorted to cutting the statutory reserve requirement (“SRR”) of banks to ensure sufficient liquidity in the financial system. In our view, there is room for the Central Bank to cut it further should the need arise.





**TOGETHER
WE PROGRESS
BEING YOUR
TRUSTED PARTNER**

UPHOLD HIGH STANDARDS OF GOVERNANCE

“A WELL BALANCED, INCLUSIVE APPROACH, ACCORDING TO CERTAIN STANDARDS AND IDEALS, IS ESSENTIAL FOR THE PROPER GOVERNANCE OF ANY ORGANISATION.”

Awards

**ASEAN Corporate Governance
Award**

.....
Top 50 ASEAN Publicly Listed Companies

**MSWG-ASEAN Corporate Governance
Transparency Index 2015**

.....
Merit Award for Corporate Governance Disclosure



STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

“THE SUCCESS OR FAILURE OF ANY ORGANISATION IS OFTEN ATTRIBUTED TO THE QUALITY OF ITS CORPORATE GOVERNANCE. IN HEAVILY REGULATED SECTORS LIKE BANKING AND INSURANCE, THE COLLAPSE OF FINANCIAL INSTITUTIONS ESPECIALLY MAJOR GLOBAL PLAYERS INVARIABLY INVITES GREATER PUBLIC SCRUTINY AND THE TIGHTENING OF RULES AND REGULATIONS... WHILE IT IS IMPORTANT THAT THE RELEVANT CORPORATE GOVERNANCE STANDARDS ARE FURTHER STRENGTHENED, THIS MUST BE REINFORCED BY AN HONEST REFLECTION ON GAPS THAT EXIST IN PRACTICE AND A STRONG RESPONSE BY THOSE AT THE VERY TOP OF THE ORGANISATION TO ELEVATE AN INSTITUTION’S GOVERNANCE PRACTICES AND ARRANGEMENTS. IT IS IN OUR COLLECTIVE INTERESTS TO ENSURE THAT CORPORATE GOVERNANCE PRACTICES IN THE FINANCIAL SECTOR REMAIN SOUND OVER TIME. REGULATION ALONE WILL NOT ACHIEVE THIS. AS KEY PUBLIC INTEREST ENTITIES, FINANCIAL INSTITUTIONS ARE EXPECTED TO LEAD BY EXAMPLE AND REMAIN AT THE FOREFRONT IN REGARD TO CORPORATE GOVERNANCE PRACTICES.”

Datuk Nor Shamsiah Mohd Yunus, Deputy Governor, Bank Negara Malaysia

Opening Speech, Launch of the FIDE Forum’s Directors’ Remuneration Report 2015, Lanai Kijang, Kuala Lumpur
7 December 2015

COMMITMENT TO GOVERNANCE

RHB Capital Berhad (“RHB Capital” or “The Company”) is fully committed to protect the interests of all its stakeholders by applying good corporate governance, including greater transparency and sustainable disclosure.

This momentous journey has been enthusiastically accepted from the top down by RHB Banking Group’s (“Group”) internal stakeholders, namely the Board of Directors, Senior Management and the rest of its employees. In reward of this effort, in 2015 the Company was externally recognised by a reputable and independent third party, the Minority Shareholder Watchdog Group (MSWG) and ranked in the top 6 among 870 Malaysian Public Listed Companies (“PLCs”) in terms of quality disclosures and scope of corporate governance practises assessed as per the MSWG-Association of Southeast Asian Nations (ASEAN) Corporate Governance Transparency Index 2015 – The Malaysian Chapter.

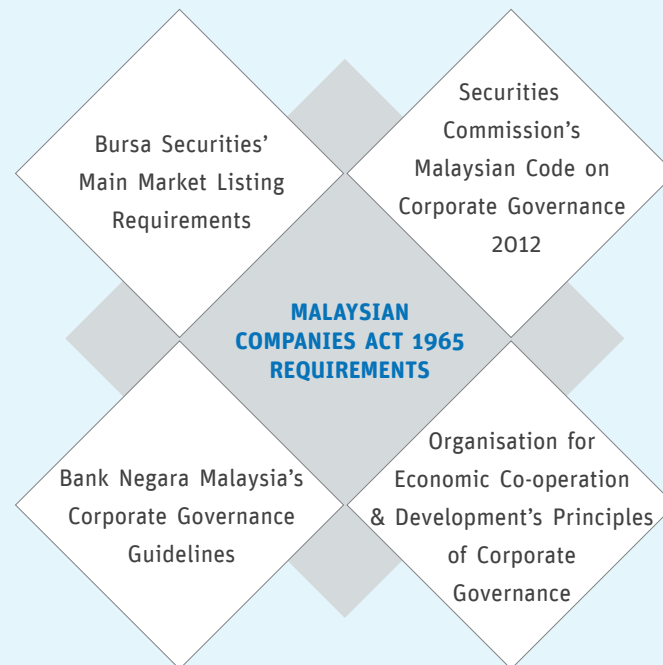
Using a scorecard methodology based on the Organisation for Economic Co-operation and Development’s (“OECD”) Principles of Corporate Governance, MSWG accorded the Company the “Top 10 Corporate Governance Disclosure Merit Recognition Award” on 10 December 2015. RHB Capital was also acknowledged in Manila, Philippines on 14 November 2015, as one of the “Top 50 ASEAN PLCs” among publicly listed companies in Southeast Asia, assessed on good governance and transparency practices, and peer reviewed within ASEAN countries using a similar methodology.

Excellence in corporate governance is an important element in promoting the Company’s financial services among the ASEAN and Greater China economic communities. RHB Capital’s current transition from the “A New Dawn” era to the next chapter of sustainable operation is rapidly progressing, thus echoing its commitment to its “Together We Progress” tagline hand in hand with its stakeholders, as the Company operates and manages its business in an orderly fashion.



CONFORMANCE CULTURE

RHB Capital recognises that good corporate governance is key to ensuring long-term sustainability for the Group. As such, the Company fully subscribes and adopts the broad principles set out in the following requirements and guidelines:



In leading the organisation and ensuring that all the Group's strategic objectives and business scorecards are met, the Board is bound by its Charter, the Terms of Reference ("TOR") for its various Board Committees, and also by the Group Code of Ethics and Business Conduct for Directors.

For Senior Management, key performance indicators ("KPIs") and the TOR for various management committees reiterate the strategic objectives and risk appetite that the Board has set to achieve common organisational goals and value creation.

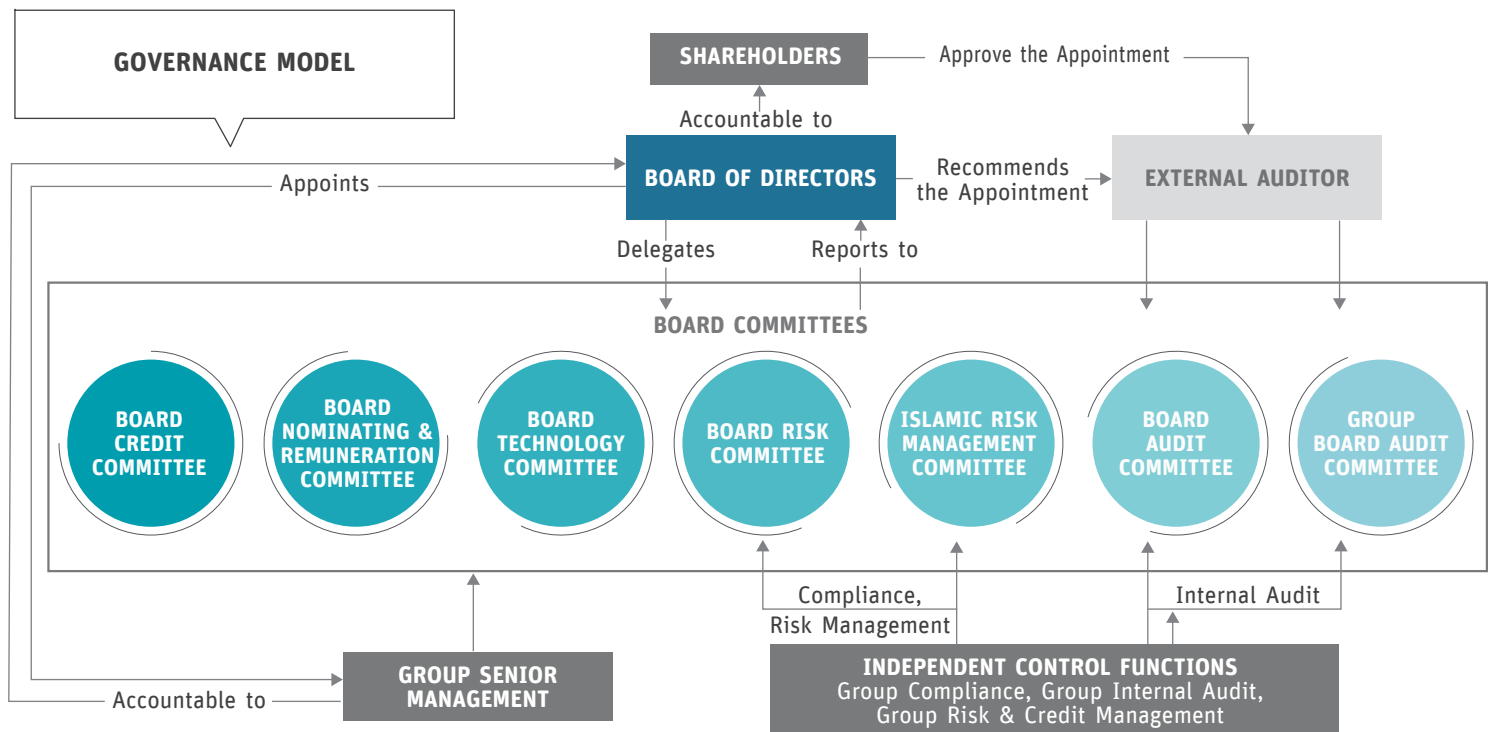
Complementing this are the Group Manual of Authority, Power of Attorney, Delegated Lending and Financing Authority (Discretionary Powers), Group Code of Ethics and Conduct for Employees, and Group Whistle Blower Policy, all of which were approved by the Board to ensure that good governance practices and fiduciary duties are implemented by the Senior Management and other key personnel.

This compliance culture encourages the Group's Directors, Senior Management and the rest of its employees to embrace professional business ethics and practise self-compliance with internal and external requirements.

This process is embedded top-down, where the Company's shared values encourage its Directors and employees in having **P.R.I.D.E.** in upholding the spirit and the letter of legal and regulatory requirements. All employees are guided by and committed to the following core shared values of the Group:

- **Professional**
We are committed to maintain a high level of proficiency, competency and reliability in all that we do.
- **Respect**
We are courteous, humble and we show empathy to everyone through our actions and interactions.
- **Integrity**
We are honest, ethical and we uphold a high standard of governance.
- **Dynamic**
We are proactive, responsive and forward thinking.
- **Excellence**
We will continuously achieve high standards of performance and service deliverables.

STATEMENT ON CORPORATE GOVERNANCE (continued)



GOVERNANCE MODEL & FRAMEWORK

The **Governance Model** outlines a clear organisational structure with robust internal control and risk management mechanisms which promote high standards of governance and of integrity, transparency and well-defined accountabilities and responsibilities of the shareholders, Board and Board Committees, Senior Management, external and internal auditors and other Independent Control Functions.

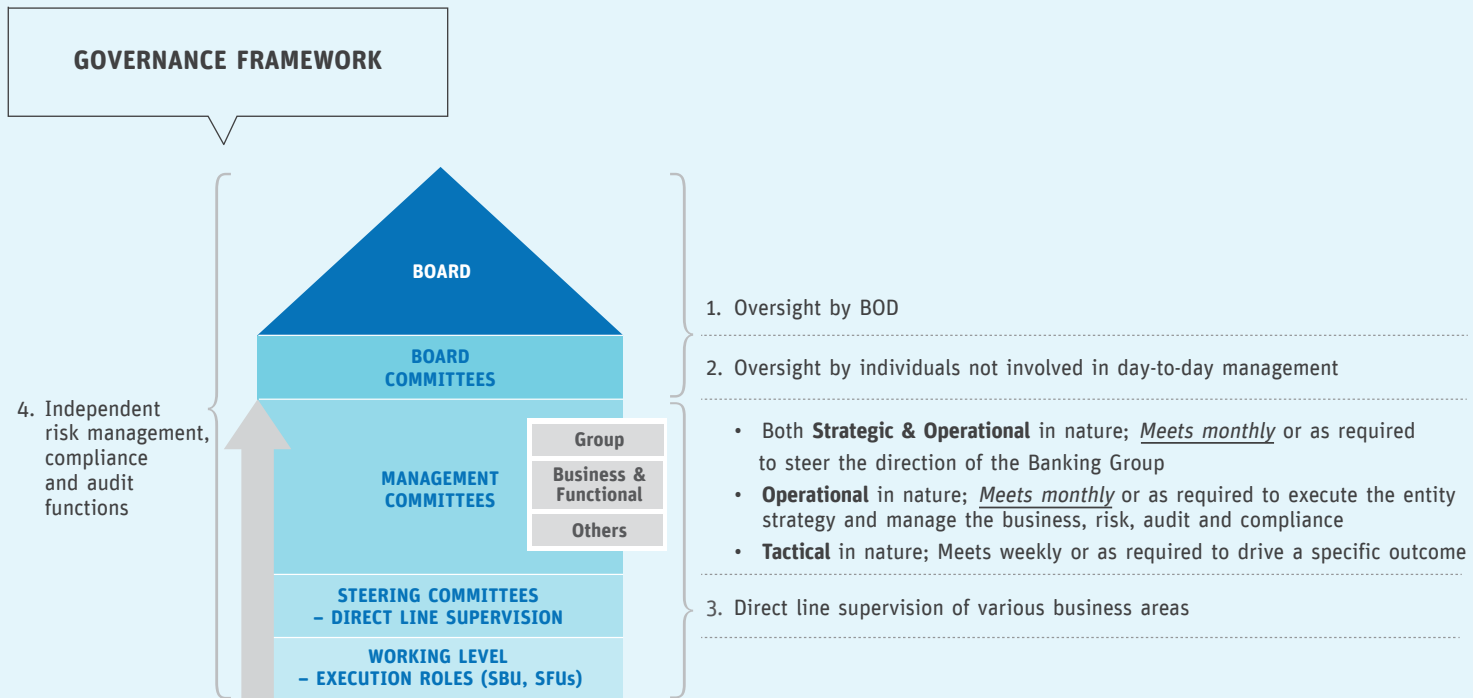
As the Board further commits to working under a solid governance structure with greater transparency, a framework on governance has been established. It is within this ambit that the Board approved the **Group Governance Framework** as the basis of effective governance and oversight to support RHB Banking Group's overall strategies.

A clear and transparent governance structure for various central and sub-committees set by the Board members and the Senior Management has institutionalised the Company as a risk-focused organisation with proper control functions and good corporate governance practices. Under this framework, there are various

levels of oversight functioning across the Group's business and functional activities. These include, among others, direct supervision, Senior Management, independent parties comprising risk management, compliance and internal audit, Group Managing Director ("GMD"), Managing Directors ("MDs"), Board Committees and the Board.

As the framework is based on conformance with regulatory requirements of the Guidelines on Corporate Governance for Licensed Institutions and for Licensed Islamic Banks issued by Bank Negara Malaysia ("BNM"), this solid foundation is thus important to create value in the Group whether in the short, medium or long-term.

The Board continuously explores enhancements to the Group's governance processes to ensure it remains robust even as it continues to expand. The Governance Model and framework is currently being used as guidance and reference to build a strong governance structure and conformance culture within the Company and other RHB entities in the Banking Group.



Business Governance

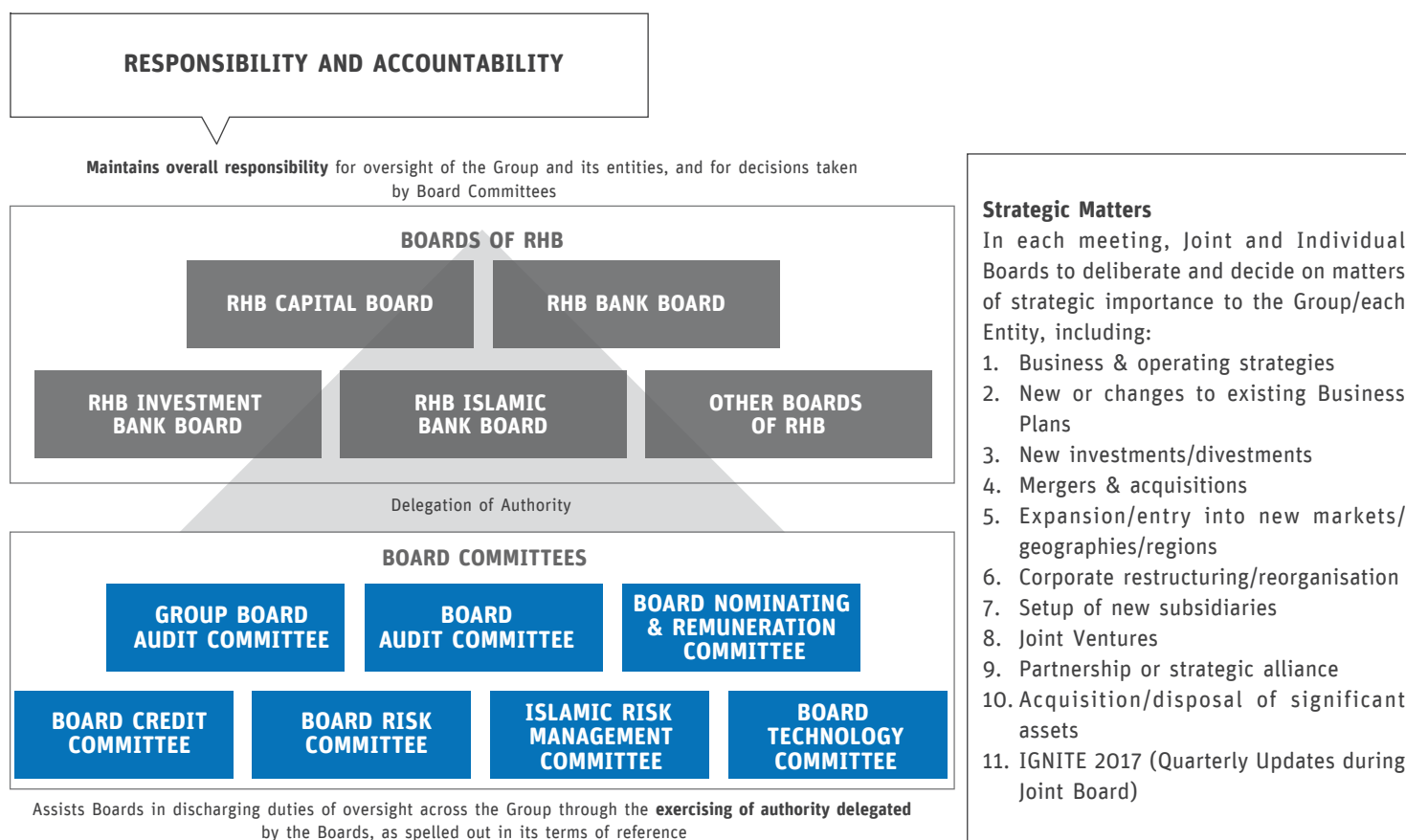
The Board acknowledges that conformance to internal and external requirements must be balanced with the Company's financial and business performance to give an overall picture of the Company's sustainability in the long-run. The Annual Business Scorecard which sets out quantitative and qualitative key performance indicators for the key Senior Management is reviewed periodically by the Board against the Group Balanced Scorecard and the Group Risk Appetite.

The progress made by the Board Committees is also scrutinised by the main Board. Each Committee's performance and progress will be deliberated on and the Board will decide on matters of strategic importance to the Group or respective entity.

In terms of monitoring financial and business performance, the main Board will discuss and make final decisions on strategic matters recommended by its respective Board Committees. An overview and analysis of the Group's financial performance are available on pages 6 to 11 of this Annual Report and also on the corporate website www.rhbgroup.com.

All final achievements by the MD/Chief Executive Officer ("CEO"), Senior Management and employees will be reflected on at financial year-end in terms of performance rewards and in line with the retention policy.

STATEMENT ON CORPORATE GOVERNANCE (continued)



THE BOARD OF DIRECTORS

Board Charter

The Board Charter, which sets out the key corporate governance principles adopted by the various Boards of the Group, was developed for each of the Group's major entities. It clearly defines the roles and responsibilities of the Boards, Chairperson, Senior Independent Director and the GMD/MD/CEO in the areas of strategy setting, management of company, succession planning, risk management, integrity of internal control and communication plan.

Within these boundaries, the respective Boards discuss, set and agree with Management on the Annual Balanced Scorecard, KPIs and the risk appetite that are to be duly executed and achieved by Management. The performance and progress of Management is then reviewed by the respective Boards at specified intervals. A copy of the Company's Board Charter is available on the corporate website (www.rhbgroup.com).

Roles and Responsibilities of the Board

The Board is charged with leading and governing the Company in an effective, efficient and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to shareholders/stakeholders and the manner in which the affairs of the Company are managed. They discharge their roles and duties with integrity, honesty and professionalism within the ambit of the law to serve the interest of the Company's shareholders and stakeholders, and ensure the Company adheres to the highest standards of corporate governance.

The Board assumes an active role and takes full responsibility for key strategy setting, business plans, financial objectives and major capital and operating budgets. While the Board scrutinises the frameworks and policies proposed by the Management, the Board also monitors the Management's performance in implementing the

adopted strategies as well as provides direction and advice to ensure the achievement of the objectives.

(a) Governing the Company's and the Group's business conduct and operations

The Board governs the business conduct, performance and operations of the Company and the Group. To ensure high performance, the Board reviews the Group's business strategies and approves the Group Balanced Scorecard. Management's performance is monitored against the Balanced Scorecard on a regular basis. Interventions and regular reviews may be held to ensure that the execution of plans is aligned with the set objectives and goals.

The Board also governs the Company's and the Group's risk management, internal controls and human resource ("HR") management through the delegation of certain decision-making and/or oversight responsibilities to various Board Committees, namely the Group Board Audit Committee, Board Risk Committee and Board Nominating & Remuneration Committee. At the highest executive level, the Group MD assumes the overall responsibilities of executing the Group's strategies and plans in line with the Board's direction, oversees the listed entity's operations and drives the Group's businesses and performance towards achieving the Group's vision and goals.

In carrying out his tasks, the Group MD is supported by the Group Management Committee ("GMC") which comprises the Group MD as the Chairman, the CEOs/MDs of the relevant key operating subsidiaries and key Senior Management of the Group.

The Board is updated on the Company's and the Group's performance during monthly Board meetings. The reports include a comprehensive summary of the Company's and the Group's business drivers and financial performance of each reporting period vis a vis the Company's approved Balanced Scorecard and industry benchmarks, risk management report, compliance report and transformation updates. The Board is also kept abreast of the key strategic initiatives, significant operational issues and latest developments in the financial services industry.

In addition, the Group Chief Governance Officer and/or Group Compliance Officer, during financial year ended 2015 on a quarterly basis, provides the Board with a report on the Company's and the Group's compliance with its statutory obligations as well as rules and regulations governing the Company's and the Group's business and operations, actions taken to address shortcomings as well as self-regulating initiatives taken by the Group, especially initiatives that are critical to the Group's business and operations under local and foreign jurisdictions. Areas for improvement, non-compliance and action plans are highlighted and recommended to the Board for information and approval where required.

The Board also reviews management reports. Special meetings are held between scheduled meetings when any direction or decision is required expeditiously from the Board.

As part of the Group's initiative to continuously improve employee engagement and employee value propositions, an employee engagement survey, namely the "Internal Customer Effectiveness Survey", was conducted in November 2015 to assess the level of employee engagement and quality of service rendered by the respective Strategic Business Groups and Strategic Functional Groups within the Group. Themed "Voice Out Now - Igniting Engagement 2015", the Group sought to acquire valuable information from the employees in order to craft sustainable improvements in primary aspects of operations.

(b) Risk Management

The Board is responsible for identifying the principal risks and implementation of appropriate systems to manage and control these risks. In ensuring effective risk assessment and control, the Board Risk Committee ("BRC") has been entrusted with providing oversight and governance of risks for the Group. The BRC comprises five Independent Non-Executive Directors ("INEDs") and one Non-Independent Non-Executive Director ("NINED") representing the Group's respective entities. Matters deliberated at BRC meetings are presented to the Board on a monthly basis.

The Board is satisfied that the BRC has effectively and efficiently discharged its functions to support the Board in ensuring, among others, that the Company and the Group are adequately capitalised to support risks undertaken and to meet regulatory requirements.

STATEMENT ON CORPORATE GOVERNANCE (continued)

A Group Risk Management Report (including the entities' and the Group's risk metrics and tolerance dashboard) is also presented to the Board on a monthly basis.

The Company and the Group maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and liabilities as well as its shareholders' investments. The Board considers that the Group's risk management framework and system of internal control, which are in place throughout the financial year, up to and as of the date of this report, are operating adequately and effectively. An overview of the Company and the Group's systems of risk management is contained in the Risk Management Statement set out on pages 182 to 189 of this Annual Report.

(c) Talent Development and Succession Planning

Talent development and succession planning are key priorities to the Board in ensuring a high-performing workforce which contributes to the Company's and the Group's sustainability and competitiveness. The Board has entrusted the Board Nominating & Remuneration Committee ("BNRC") with the responsibility of providing high-level oversight and direction on human resource matters, and with recommending remuneration and human resource strategies such as employee value propositions, retention strategies, performance management and succession planning.

The BNRC also approves changes to Group HR policies in line with the HR strategy and direction set by the Board. Additionally, the BNRC supports the Board and that of the subsidiaries in reviewing and assessing the appointment of Directors, Board Committee members, Shariah Committee and key Senior Management officers. It also advises on the optimal size and mix of skills for the Group's Boards.

In line with IGNITE 2017, the Group has made a concerted effort to enhance and realign its HR and talent management to attract and retain regional talent and build a high-performing regional workforce. During the year, this saw the BNRC considering the renewal of service contracts and new appointments for key management positions based on their profiles, professional achievements and personal assessments. This included successfully identifying and attracting suitable candidates for all senior positions. The BNRC also considered their remuneration package(s) in finalising the terms and

conditions of their service contracts. In addition, the BNRC reviewed the current organisation structure in enhancing greater alignment and accountability to deliver business value and outcomes.

The BNRC also continuously monitors succession planning updates presented by Group HR to ensure the smooth transition of key personnel into critical positions, and ensures that the development plans for identified successors are put in place based on their readiness to assume the positions. Other major issues deliberated on by the BNRC are salary and grading structure, retention plans and incentive schemes for key Senior Management as well as employee value propositions.

(d) Effective Communication

The Board recognises the importance of developing a healthy relationship with the investment community. To create shareholder value and improve communication with investors, the Investor Relations team implemented a comprehensive engagement programme in 2015 consisting of proactive and regular sessions with research analysts and institutional investors for timely and fair dissemination of information on the Group's vision and strategies, overall operations, and business and financial performance.

The key spokespersons and representatives for Investor Relations of the Group are the GMD and the Group Chief Financial Officer.

(e) Internal Control

The Board is responsible for ensuring the adequacy and integrity of the Company's and Group's internal control system. With the support of the Group Board Audit Committee and Group Internal Audit, the Board ensures that there is a process for reviewing the adequacy and effectiveness of the Company's and the Group's internal control system. Details pertaining to the Company's and the Group's internal control system and review of its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Board Composition and Balance

The Board of RHB Capital is currently represented by **seven** Members, comprising a Non-Independent Non-Executive Chairman, two NINEDs, three INEDs and the Group MD (“GMD”), as follows:

BOARD COMPOSITION

- **1 NINE Chairman**
 - YBhg Dato’ Mohamed Khadar Merican
- **1 Senior INED**
 - YBhg Datuk Haji Faisal Siraj
- **2 INEDs**
 - YBhg Tan Sri Dato’ Teo Chiang Liang
 - YBhg Datuk Seri Saw Choo Boon
- **2 NINEDs**
 - YBhg Tan Sri Azlan Zainol
 - Mr Mohamed Ali Ismaeil Ali AlFahim
- **1 GMD/CEO**
 - YBhg Dato’ Khairussaleh Ramli

The above structure and composition of the Board comply with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and BNM’s Guidelines on Corporate Governance for Licensed Institutions and for Licensed Islamic Banks (“BNM’s CG Guidelines”). YBhg Datuk Haji Faisal Siraj has been appointed as the Senior INED (“SINED”), to whom concerns pertaining to the Group may be conveyed by shareholders and the public.

During the financial year ended 2015, the composition of Independent Directors was initially 50% of the Board of Directors prior to the redesignation of the Company’s Chairman, YBhg Dato’ Mohamed Khadar Merican, from INED to NINED status upon conclusion of the 20th Annual General Meeting (“AGM”) held on 30 April 2015 and the resignation of YBhg Dato’ Nik Mohamed Din Datuk Nik Yusoff (NINED) from the Company on 12 August 2015. Current Independent Directors of the Company nevertheless account for 42.9% of the Board, **exceeding** Bursa Securities’ and BNM’s requirement that one-third (33.3%) of Board members must be independent and fulfil the criteria of independence as defined in the MMLR and BNM’s CG Guidelines.

Their presence ensures an effective check and balance on the functioning of the Board. Independent directors of the Company are not involved in the day-to-day management of the Company, nor do they participate in any of its business dealings. This ensures they remain free of any conflict of interest and can undertake their roles and responsibilities as INEDs effectively.

Boardroom Diversity Policy

Recognising the increasing importance of boardroom diversity in pursuing business and governance performance, the Group established a boardroom diversity policy in 2013. The policy is also in line with the Securities Commission’s goal for women directors to make up 30% of boards. Diversity, which includes but is not limited to gender, age, ethnicity and cultural background, is therefore a key consideration in assessing and reviewing the Board’s composition as it strives to achieve the targeted level of women’s participation.

In view that organisations are best served by having a constantly evolving board of directors with staggered terms and a healthy combination of fresh perspectives and experience, **age limits** at 70 and 73 are set for the Group’s Non-Executive Directors (“NED”), with the exception of major shareholders’ representatives. At the first checkpoint, Directors who are **over** the age limit of 70 shall retire at the next AGM but are eligible for appointment or re-appointment on the Boards of RHB Banking Group, subject to shareholders’ approval. At the second checkpoint, Directors who exceed the age limit of 73 cannot continue their service tenure further and shall retire at the next AGM of the company concerned. Only one NED in the Company, namely YBhg Datuk Haji Faisal Siraj, reached the age of 70 during the current financial year and according to the Internal Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group, YBhg Datuk Haji Faisal shall be eligible for re-appointment on the Board of the Company subject to the shareholders’ approval during the AGM, upon the endorsement and recommendation of the BNRC.

Assessment of Independence

The independence of the Directors is reviewed annually and benchmarked against best practices and regulatory provisions. Independent Directors are required to attest to their compliance with the criteria and definition of “Independent Director” as stipulated under Clause 2.26 and Clause 2.27 of BNM’s CG Guidelines for Licensed Institutions and Licensed Islamic Banks, respectively.

STATEMENT ON CORPORATE GOVERNANCE (continued)

All Independent Directors are independent from the Company's substantial shareholders, are not substantial shareholders themselves or directly associated with any substantial shareholders. Based on individual Director's self-disclosure, the Board is generally satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interest of the Company.

At every Board Meeting, all Directors are required to disclose their interest or any possible conflicts on any matter put forth in the meeting. When required, the interested Director shall excuse himself/herself and abstain from deliberation and voting to allow unbiased and free discussion and decision making. In the event a corporate proposal requires shareholder approval, interested Directors will abstain from voting in respect of their shareholdings in the Company and will further ensure that persons connected to them similarly abstain from voting on the resolution.

Tenure of Independent Directors

In an effort to preserve the independence of INEDs, the Group has put in place its Internal Guidelines on Tenure of Appointment/Re-ApPOINTment of Non-Executive Directors for RHB Banking Group ("Internal Guidelines"). The Board believes the tenure of INEDs should balance experience and learning with the need for renewal and fresh perspectives.

YBhg Dato' Mohamed Khadar Merican ("YBhg Dato' Mohamed Khadar") was first appointed as an INED in the Group and Company in December 2003 and January 2008 respectively. Subsequently he was appointed as the INE Chairman of the Company on 12 May 2009. The Board acknowledges that YBhg Dato' Mohamed Khadar has detailed knowledge of the business and possesses the industry exposure and competency to effectively advise and oversee the management of the Company. Under his stewardship, the Company was recognised as one of the "**Top 50 ASEAN Publicly Listed Companies**" at the inaugural ASEAN Corporate Governance Awards 2015 held in Manila, Philippines and received the "**Top 10 Corporate Governance Disclosure Merit Recognition Award**" at the MSWG-ASEAN Corporate Governance Transparency Index, Findings and Recognition 2015 Awards Ceremony held in Kuala Lumpur, Malaysia.

On 30 April 2015, YBhg Dato' Mohamed Khadar was re-designated as NINE Chairman of the Company upon conclusion of the 20th AGM. His re-designation was in compliance with the Internal Guidelines and recommendations of the Malaysian Code on Corporate Governance 2012 that the service tenure of an INED

should not exceed a consecutive or cumulative term of nine years. No INEDs have served the Company for more than nine years in a similar capacity.

Notwithstanding the above, YBhg Dato' Mohamed Khadar, as a NED, shall retire at the next AGM of the Company upon completion of his consecutive or cumulative term of 12 years, pursuant to the Internal Guidelines.

Roles of the Chairman and Group Managing Director

The distinct and separate roles and responsibilities of the Chairman and GMD ensure balance of power and authority such that no one individual has unfettered powers of decision making.

The Non-Independent Non-Executive Chairman, YBhg Dato' Mohamed Khadar, manages the affairs of the Board with a view of ensuring that it functions effectively and meets its obligations and responsibilities. He also leads the Board in executing its responsibilities to shareholders and ensures that Members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary in the Board's decision-making.

Additionally, the Chairman must ensure that general meetings are conducted efficiently and in accordance with the requirements of the Companies Act 1965, and that shareholders have adequate opportunity to air their views and obtain answers to their queries.

The GMD/Group CEO, YBhg Dato' Khairussaleh Ramli ("YBhg Dato' Khairussaleh"), who has extensive financial experience and knowledge, was appointed effective 5 May 2015 to assume the overall responsibilities of executing the Group's strategies in line with the Board's direction, overseeing the listed entity's operations and driving the Group's businesses and performance towards achieving the Group's vision and goals.

YBhg Dato' Khairussaleh leads the Group's Senior Management in the execution of the Group's strategic initiatives. He replaced the previous GMD/Group CEO, Mr Kellee Kam, on 5 May 2015, when the latter retired after having successfully served RHB Banking Group in the same capacity since 9 January 2012. YBhg Dato' Khairussaleh is also the MD/CEO of RHB Bank Berhad, a post he assumed effective 13 December 2013.

Nomination Framework

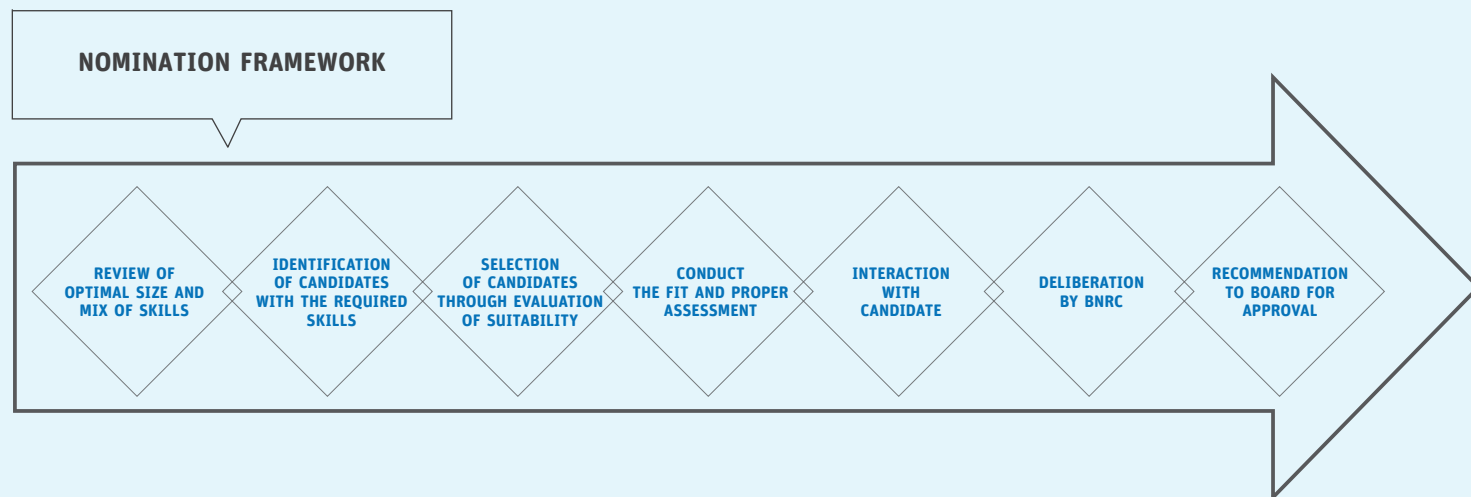
New Director nominees are assessed by the BNRC in accordance with RHB Banking Group's Policy and Guidelines on Fit and Proper for Key Responsible Persons ("Fit and Proper Policy").

The assessment takes into account the nominees' background, skills, knowledge and experience, and is part of a transparent nomination process before a recommendation is made for the Board's approval.

These assessments are carried out against a benchmark of documented competencies which have been prepared for each role, the completion of declarations by each individual, the obtaining of evidence of material qualification and the carrying out of checks on matters such as criminal record, bankruptcy and regulatory disqualification.

These assessments are reviewed on an annual basis. The Fit and Proper Policy outlines the following criteria in assessing the suitability of the candidate:

- Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind, fairness and ethical behaviour.
- Competence and capability, where the candidate must have the skills, experience, ability and commitment to carry out the role.
- Financial integrity, where the candidate must have financial soundness and be able to manage his/her debts or financial affairs prudently.



The Chairman of the BNRC conducts an interaction session with the proposed candidates and assesses the candidates based on their relevant skills and experience, independence (where relevant) and objectivity, track record of success, sound judgement and broad perspective. The Board's expectations on the time commitment and contribution from the Directors will also be clearly communicated to the proposed candidates.

Directors' Appointment and Assessment

(a) Appointment of Directors

The Group sources for new candidates for Board appointments from the industry talent pool and the Group's Independent Directors' network, as overseen by the BNRC.

The BNRC follows a Board-approved nomination framework, which ensures that individuals appointed to relevant senior positions and the Boards within the Group possess the appropriate fitness and propriety to discharge their prudential responsibilities on and during the course of their appointment.

STATEMENT ON CORPORATE GOVERNANCE (continued)

As part of its review of the suitability of candidates and criteria for the appointment process, the BNRC also evaluates the skill sets required, size, structure and composition of the Board. This is to ensure the Board is well-balanced and is supportive of good governance and efficient management, while complying with regulatory requirements and remaining responsive to shifts in the business environment and the entity's business needs.

For the re-appointment of existing Directors, the BNRC refers to the results of the individual assessments conducted via the Board Effectiveness Evaluation exercise in addition to their formal/informal interactions with the Directors. The BNRC also assesses the Directors based on how well they performed their roles and contributed to the Board and Board Committees, their independence of view in respect of decision making (whichever is applicable), adequacy of training and time commitment. Once approved by the Board, the application for the appointment/re-appointment of Directors is submitted to BNM for its consideration.

(b) Board Effectiveness Evaluation

The Group has undertaken the Board Effectiveness Evaluation ("BEE") exercise on the Boards and Board Committees to assess their effectiveness and that of individual Directors. Implemented in 2006, the BEE is designed to detect strengths and weaknesses to improve the Board's overall effectiveness and forms part of the BNRC's evaluation for the re-appointment of Directors.

The BEE is made up of self- and peer assessment conducted through a customised questionnaire. Messrs PricewaterhouseCoopers Consulting Services Sdn Bhd ("PwCCS") was engaged to collate and tabulate the results of the evaluation, ensuring integrity and independence of the appraisal process. The BEE also includes in-depth interviews between PwCCS and Directors and Senior Management to evaluate areas which may not be covered by the written assessment. The detailed BEE results are then discussed with the Chairmen of the BNRC and Boards.

The following are the performance indicators on which the Board's effectiveness is evaluated:

Part A: Board Evaluation

1. Board responsibilities
2. Board composition
3. Board administration and process
4. Board conduct
5. Board interaction and communication with Management and stakeholders
6. Overall Board performance
7. Chairman's evaluation
8. Managing Director's evaluation

Part B: Board Committees' Evaluation

1. Structure and processes
2. Accountability and responsibilities

Part C: Directors' Self- and Peer Evaluation

1. Board dynamics and participation
2. Integrity and objectivity
3. Technical competencies
4. Recognition
5. Independent Directors' evaluation

Part D: Committee Members' Self- and Peer Evaluation

1. Participation levels and contribution
2. Technical competencies

Each Director and Board Committee member was required to perform an online self- and peer assessment for the year in review. Upon completion, individual results, together with a peer average rating on each area of assessment, were provided to each Director and Board Committee member for their information and further improvement. The latest BEE results were presented to the BNRC in July 2015 and to the Board in August 2015 to identify and address areas for improvement.

MEETINGS AND SUPPLY OF INFORMATION TO THE BOARD

Board meetings are convened monthly and additionally when required to deliberate on any arising issues. At each Board meeting, the Board is, among others, informed of decisions and salient issues by the respective Board Committees' Chairmen/representative. Minutes of the respective Board Committees' meetings are also tabled for the Board's information.

For the financial year ended 31 December 2015, the Board is satisfied with the time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of RHB Capital. All Directors have complied with the required minimum Board meetings attendance of 75% under BNM's revised guidelines and as adopted by the Company.

The Board convened 14 meetings for the financial year ended 31 December 2015. The attendance of each Director in office at the end of the financial year at the aforesaid Board meetings is set out below:

Name of Director	No. of Meetings Attended	Total Percentage of Attendance (%)
YBhg Dato' Mohamed Khadar Merican ^v	14/14	100
YBhg Tan Sri Azlan Zainol	14/14	100
YBhg Datuk Haji Faisal Siraj	14/14	100
YBhg Datuk Seri Saw Choo Boon	14/14	100
YBhg Tan Sri Dato' Teo Chiang Liang	12/14	86
YBhg Dato' Nik Mohamed Din Datuk Nik Yusoff [#]	6/8	75
Mr Mohamed Ali Ismaeil Ali AlFahim	12/14	86
Mr Kellee Kam Chee Khiong [*]	5/5	100
YBhg Dato' Khairussaleh Ramli [^]	9/9	100

Notes:

^v Re-designated as Non-Independent Non-Executive Chairman with effect from 30 April 2015.

[#] Resigned with effect from 12 August 2015.

^{*} Retired as GMD with effect from 30 April 2015.

[^] Newly appointed with effect from 5 May 2015.

An annual meeting schedule for Board and Board Committee meetings and the AGM is circulated to the Directors for the convenience before the beginning of every year. Since 2014, Directors/Board Committee members have also been enabled to use their iPads to gain secure access to a meeting management solution system via an online portal.

This has significantly enhanced mobility, movement of documents, cost and time savings, as well as improved convenience and security while creating a positive impact on the environment. Directors who are unable to attend Board/Board Committee meetings are also encouraged to participate via telephone and video-conferencing using the LYNC application system.

This latest convenience allows any Board meeting paper to be circulated to the Board members instantly. Currently, Board papers are circulated between 5 and 7 days before each meeting.

In an effort to promote transparency in discharging their duties, Directors are required to notify the Board on changes of their other directorships and shareholdings in RHB Capital as and when such changes arise. This information is used to monitor the number of directorships held by the Directors of RHB Capital, including those on other public listed companies, and to notify the Companies Commission of Malaysia accordingly.

STATEMENT ON CORPORATE GOVERNANCE (continued)

The information on the Company's Directors' directorships in other public companies is available on pages 30 to 33 of this Annual Report.

Notices on the closed period for trading in RHB Capital securities based on the targeted date of announcement of the Group's quarterly results are also circulated in advance to Directors and principal officers who are deemed privy to any price sensitive information and knowledge, whenever the closed period is applicable.

Information and Advice

The Board, as a group and individually as Directors, is supported by the Company Secretaries who provide advice and assistance to the Board in discharging their duties. The Board members are also encouraged to interact directly with the Management, seek its clarification and advice as well as request for information on matters pertaining to the Company's and the Group's operations or business concerns. Should the need arise, the Directors are also allowed to seek independent professional advice at the Company's expense, pursuant to the Group's Standard Procedures for Directors to Have Access to Independent Advice.

Dedicated Company Secretaries

The Board acknowledges and is satisfied with the performance and support rendered by the Company Secretaries. In addition to acting as the custodians of the Company's and the Group's statutory records, the Company Secretaries serve and advise the Board on matters relating to the affairs of the Board and good corporate governance practices, ensure that Board meetings are appropriately convened and maintain an accurate and proper record of the proceedings and minutes of the meetings.

In promoting good corporate governance practices, the Company Secretaries assist the Board and Senior Management in meeting regulatory requirements and best practices specifically pertaining to Board governance. This includes making proposals on transparency and mandatory/voluntary disclosure on governance issues which are relevant and materially important to the stakeholders.

The role of the Company Secretaries also includes assisting the Chairman and Directors in conducting meetings and discharging their governance obligations and responsibilities as Directors of the Company. Additionally, the Company Secretaries facilitate the communication of key decisions and policies between the Board,

Board Committees and the Senior Management, updating the Board on the follow-up or implementation of decisions/recommendations.

In order to play an effective advisory role to the Board, the Company Secretaries are kept abreast with the latest regulatory changes, industry developments and best practices in corporate governance through continuous training and regular interactions with regulators and industry peers.

REMUNERATION STRATEGIES

The Board is mindful that fair remuneration is critical to attract, retain and motivate Directors with the relevant experience and expertise required to lead the Company and the Group. Remuneration strategies are set by the BNRC (as outlined in its terms of reference).

In an effort to ensure that remuneration levels are commensurate with responsibilities, risks and time commitment of the Boards/ Board Committees, the Group's common reference, which incorporates the Non-Executive Directors' Remuneration Framework, sets out the general principles for the remuneration of NEDs. The remuneration also takes into consideration industry practices and is reviewed at least once every two years.

The remuneration package of the NEDs of the Group comprises the following:

(a) Directors' fees

The NEDs are entitled to annual Directors' fees. The annual Directors' fees are subject to shareholders' approval at the AGM of the Company.

The shareholders of the Company had, at the 19th AGM held on 8 May 2014, approved the new structure of Directors' fees—on the basis of RM180,000 per annum for Non-Executive Chairman and of RM150,000.00 per annum for every NED.

(b) Board Committee allowances

NEDs who sit on Board Committees are entitled to receive Board Committee allowances which shall be paid on an annual basis at the end of each financial year.

(c) Meeting attendance allowance

NEDs are also entitled to meeting attendance allowances when they attend any Board/Board Committee meetings.

(d) Benefits-in-kind

Benefits are accorded to the Chairmen of the Group, consisting, among others, of the provision of a company car, driver and petrol allowance.

The details on the aggregate remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries during the FYE 2015) are as follows:

Name of Company's Director	Directors' Fees# (RM'000)	Board Committees Allowance (RM'000)	Meeting Attendance Allowance (RM'000)	Salary, Bonus and Other Remuneration (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Group MD/CEO (1/1/15 – 4/5/15)^						
Mr Kellee Kam Chee Khiong	–	–	–	2,960	10	2,970
Group MD/CEO (5/5/15 – 31/12/15)						
YBhg Dato' Khairussaleh Ramli	–	–	–	5,548	36	5,584
Total (Group MD/CEO)	–	–	–	8,508	46	8,554
NEDs						
YBhg Dato' Mohamed Khadar Merican	507	76	133	119	18	853
YBhg Tan Sri Azlan Zainol	424	22	57	–	31	534
YBhg Datuk Haji Faisal Siraj	470	90	136	21	–	717
YBhg Datuk Seri Saw Choo Boon	322	110	121	40	–	593
YBhg Tan Sri Dato' Teo Chiang Liang	220	46	55	–	–	321
YBhg Dato' Nik Mohamed Din Datuk Nik Yusoff*	202	–	10	–	–	212
Mr Mohamed Ali Ismaeil Ali AlFahim	420	–	56	–	–	476
Total (NEDs)	2,565	344	568	180	49	3,706

Notes:

Subject to shareholders' approval.

^ Tenure as Group CEO.

* Resigned with effect from 12 August 2015.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Total allowances for Board Committee allowance and Meeting attendance allowance are subject to the number of Board Committee sittings and the number of meetings attended by each Company NED, as illustrated in the table below:

Name of Company's Director	No. of Meetings Attended							
	Board Meeting	BNRC ¹ Meeting	BRC ² Meeting	GBAC ³ Meeting	BAC ⁴ Meeting	BCC ⁵ Meeting	BTC ⁶ Meeting	IRMC ⁷ Meeting
YBhg Dato' Mohamed Khadar Merican (NINED)	14/14 (chairman)					34/37 (chairman)		
YBhg Tan Sri Azlan Zainol (NINED)	14/14	7/8						
YBhg Datuk Haji Faisal Siraj (SINED)	14/14	13/13 (chairman)		6/6	18/18			13/13
YBhg Datuk Seri Saw Choo Boon (INED)	14/14	13/13	17/17	6/6 (chairman)	18/18			
YBhg Tan Sri Dato' Teo Chiang Liang (INED)	12/14	11/13		6/6				
YBhg Dato' Nik Mohamed Din Datuk Nik Yusoff# (NINED)	6/8							
Mr Mohamed Ali Ismaeil Ali AlFahim (NINED)	12/14							
Mr Kellee Kam Chee Khiong* (ED/GCEO/GMD)	5/5						0/3	
YBhg Dato' Khairussaleh Ramli^ (ED/GCEO/GMD)	9/9						5/5	

Notes:

Resigned with effect from 12 August 2015.

* Retired as GMD with effect from 30 April 2015.

^ Newly appointed with effect from 5 May 2015.

1-7 Abbreviations used denote various main Board Committees and subsidiary level Board Committees.

In addition to the above, the Directors are covered by Directors and Officers ("D&O") Liability Insurance in respect of any liabilities arising from acts committed in their capacity as D&O of RHB Banking Group. However, the insurance policy does not indemnify a Director or principal officer if he or she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his or her duty of trust. The Directors are required to contribute jointly towards the premium of the said policy.

The GMD does not receive a Director's fee or any meeting attendance allowance for any of the Board and Board Committee meetings that he attends. His remuneration, which is approved by the Board upon recommendation by the Board Nominating & Remuneration

Committee, includes among others, salary, bonus and benefits-in-kind, and is derived from the Group. In line with the Group's retention policy and incentive for long-term performance measures, the GMD remuneration package includes deferred bonus.

Key Senior Management are remunerated based on a remuneration framework consisting of a competitive integrated pay and benefit structure, which rewards corporate and individual performance in line with contributions to the organisation. Key Senior Management Officers are made up of the Heads of respective Strategic Business Sectors and Strategic Functional Sectors across the Group who report directly to the GMD and sit in the Group Management Committee.

Their aggregated total remuneration package, amounting to RM15.9 million for FYE 2015, includes basic salary, allowances, benefits-in-kind and bonuses. The Board however believes that detailed disclosure of the remuneration package of each Key Senior Management Officer would be disadvantageous to the Group's business interests, as poaching of executives has become the norm due to the limited pool of executive talents and expertise within the local financial services industry.

DIRECTORS' ORIENTATION, CONTINUING EDUCATION AND TRAINING

Continuing education and training of Board Directors are integral to their responsibilities, to ensure they remain updated with the latest developments in the areas related to their duties. Costs for Directors' training are covered by a budget allocated each year by RHB Capital, with the training needs of each Director assessed annually by the Board as part of the BEE exercise. The training and development of Directors is detailed in the Group's Standard Procedures on Directors' In-house Orientation and Continuing Education Programme for the RHB Banking Group.

In an effort to ensure the Company's and Group's NEDs discharge their duties in line with industry best practices, they are encouraged to participate in local and/or overseas training programmes organised by credible training organisations under the Board's High Performance Programme. This programme is intended to equip the Directors with the necessary knowledge and tools to effectively discharge their duties and responsibilities as well as provide the Directors with global business perspectives and skills that engender

organisational excellence. The organisation of internal training programmes and Directors' attendance of external programmes are facilitated by the Company Secretaries, who also maintain a complete record of the training received and attended by the Directors.

Learning Process for New Director

There were no new NEDs on the Board of the Company for FYE 2015. Newly appointed Company NED are required to attend an induction programme organised by the Management of the Group to provide the NED with in-depth information of the industry and familiarise them with the Group's business operations. As part of this programme, the NED is briefed by relevant Management personnel on the functions and areas of responsibility of their respective divisions. In addition to allowing the NED to understand the Group's operations and organisational structure, this exercise also helps the NED to establish effective channels of communication and interaction with Management.

New NED is also provided with a comprehensive Director's induction kit to assist him/her in building a detailed understanding of the Group's operations, its longer-term direction and statutory obligations. Pursuant to the MMLR requirement of Bursa Securities, the NED must also complete the Mandatory Accreditation Programme within four months from the date of his/her appointment and receive a certificate from a Bursa Securities-approved programme organiser.

The new GMD, Dato' Khairussaleh, being a newly appointed Director in 2015, attended the Mandatory Accreditation Programme in March 2005.

During the year, the Directors of RHB Capital attended the following training programmes, conferences and seminars:

Name of Director(s)	Training Programmes Attended	Training Scope & Description
• YBhg Dato' Mohamed Khadar Merican	1. Goods and Services Tax Training (5 February 2015)	<ul style="list-style-type: none"> Understanding Goods and Services Tax in Malaysia Opportunity and challenges in tax strategy
	2. The Briefing on Charter Contracts (25 February 2015)	<ul style="list-style-type: none"> Charter and Legal Requirements Main Ingredient of Charter Contracts
	3. Boardroom Programme – Retail Management (16-19 March 2015)	<ul style="list-style-type: none"> Understanding the Changing Retail Environment Common Issues & Best Practices in Retail Management

STATEMENT ON CORPORATE GOVERNANCE (continued)

Name of Director(s)	Training Programmes Attended	Training Scope & Description
<ul style="list-style-type: none"> YBhg Dato' Mohamed Khadar Merican (continued) 	4. Governance, Director Duties and Listing Requirements Updates for Directors of Public Listed Companies [PLCs] (9 September 2015)	<ul style="list-style-type: none"> Main Market Listing Requirements Development of the capital market in Malaysia Common and current issues with regulatory authorities, private sector bodies and professional institutions Professionalism, corporate governance, value creation, quality assurance and competitiveness of PLCs
	5. Briefings on Overseas Tax and Malaysian Financial Reporting Standard 9 – “Financial Instruments” For RHB Banking Group Directors (1 October 2015)	<ul style="list-style-type: none"> Overseas Tax FATCA MFRS 9
<ul style="list-style-type: none"> YBhg Tan Sri Azlan Zainol 	1. Goods and Services Tax Training (5 February 2015)	<ul style="list-style-type: none"> Understanding Goods and Services Tax in Malaysia Opportunity and challenges in tax strategy
	2. Briefings on Overseas Tax and Malaysian Financial Reporting Standard 9 – “Financial Instruments” For RHB Banking Group Directors (1 October 2015)	<ul style="list-style-type: none"> Overseas Tax FATCA MFRS 9
<ul style="list-style-type: none"> YBhg Datuk Haji Faisal Siraj 	1. Goods and Services Tax Training (5 February 2015)	<ul style="list-style-type: none"> Understanding Goods and Services Tax in Malaysia Opportunity and challenges in tax strategy
	2. Briefing by Finance Department on Financial Statements (16 March 2015)	<ul style="list-style-type: none"> Latest updates on Financial Standards FRS 139
	3. FIDE Forum: Invitation to Industry Consultation Session (6 May 2015)	<ul style="list-style-type: none"> Encourage development of world class directors Attract and retain highly qualified directors Promote boardroom diversity Improve board performance
	4. FIDE Forum’s Special Invite to “Board’s Strategic Leadership: Innovation & Growth in Uncertain Times” (21 May 2015)	<ul style="list-style-type: none"> Innovative Products High Risk, High Return Product Compliance Cost
	5. Briefings on Overseas Tax and Malaysian Financial Reporting Standard 9 – “Financial Instruments” For RHB Banking Group Directors (1 October 2015)	<ul style="list-style-type: none"> Overseas Tax FATCA MFRS 9

Name of Director(s)	Training Programmes Attended	Training Scope & Description
<ul style="list-style-type: none"> Tan Sri Dato' Teo Chiang Liang 	1. Goods and Services Tax Training (5 February 2015)	<ul style="list-style-type: none"> Understanding Goods and Services Tax in Malaysia Opportunity and challenges in tax strategy
	2. FIDE Forum 3rd Board Leadership Series: – “Impact of the New Accounting Standard on Banks & What Directors Should Be Aware of” (5 June 2015)	<ul style="list-style-type: none"> Reclassification of assets & liabilities Revenue recognition Latest Accounting standard – adoption of IFRS 9
	3. CG Breakfast Series with Directors: “The Board’s Response in Light of Rising Shareholder Engagements” (4 August 2015)	<ul style="list-style-type: none"> Fiduciary Duty Shareholders’ Needs Good Corporate Governance Practices
	4. 4th Distinguished Board Leadership Series – “Board Leading Change: Organisational Transformation Strategy as Key Sustainable Growth in Challenging Times” (18 August 2015)	<ul style="list-style-type: none"> Sustainable Growth Redefined Strategy Transformation
<ul style="list-style-type: none"> YBhg Datuk Seri Saw Choo Boon 	1. Briefing by Finance Department on Financial Statements (16 March 2015)	<ul style="list-style-type: none"> Latest updates on Financial Standards FRS 139
	2. Invitation from Bursa Malaysia Berhad – Risk Management & Internal Control: Workshops for Audit Committee Members (8 June 2015)	<ul style="list-style-type: none"> Audit Committee Relationship with Internal Audit Good Risk Management & Internal Control
	3. CG Breakfast Series with Directors: “The Board’s Response in Light of Rising Shareholder Engagements” (4 August 2015)	<ul style="list-style-type: none"> Fiduciary Duty Shareholders’ Needs Good Corporate Governance Practices
	4. Directors CG Series: “Building Effective Finance Function – From Reporting to Analytical to Strategic Input” (10 August 2015)	<ul style="list-style-type: none"> Financial Reporting Requirements Opportunity and challenges in green investment strategy Building effective finance functions Big data analysis
	5. “Cooking the Books – The Malaysian Recipe on Financial Fraud” (10 September 2015)	<ul style="list-style-type: none"> Ingredient for fraud Type of financial fraud Red flags on fraud
	6. “Ethics Red Flags For Board of Directors” (3 November 2015)	<ul style="list-style-type: none"> Ethics & Governance Conflicts of Interest

STATEMENT ON CORPORATE GOVERNANCE (continued)

Name of Director(s)	Training Programmes Attended	Training Scope & Description
<ul style="list-style-type: none"> YBhg Datuk Seri Saw Choo Boon (continued) 	7. Capital Market Director Programme: <ul style="list-style-type: none"> – Module 1 (7 September 2015) – Module 2A (6 October 2015) – Module 3 (8 October 2015) – Module 4 (2 October 2015) 	<ul style="list-style-type: none"> • Good Corporate Governance • Business Challenges & Regulatory Expectations • Risk Oversight & Compliance • Capital Market in Malaysia
<ul style="list-style-type: none"> Mohamed Ali Ismaeil Ali AlFahim 	1. Capital Market Director Programme <ul style="list-style-type: none"> – Module 1 (10 August 2015) – Module 2A (11 August 2015) – Module 2B (12 August 2015) – Module 3 (13 August 2015) – Module 4 (14 August 2015) 	<ul style="list-style-type: none"> • Good Corporate Governance • Business Challenges & Regulatory Expectations • Risk Oversight & Compliance • Capital Market in Malaysia
	2. FIDE Core Programme – Module A (29 September – 2 October 2015)	<ul style="list-style-type: none"> • Board Leadership • Fiduciary Responsibilities • Oversight Role in Risk Management
<ul style="list-style-type: none"> YBhg Dato' Khairussaleh Ramli 	1. Goods and Services Tax Training (5 February 2015)	<ul style="list-style-type: none"> • Understanding Goods and Services Tax in Malaysia • Opportunity and challenges in tax strategy
	2. Briefings on Overseas Tax and Malaysian Financial Reporting Standard 9 – “Financial Instruments” For RHB Banking Group Directors (1 October 2015)	<ul style="list-style-type: none"> • Overseas Tax • FATCA • MFRS 9
	3. FIDE CORE Programme Module B (Bank) (5 – 7 October 2015)	<ul style="list-style-type: none"> • Optimal Board mix • Responsibilities of the audit committee • Key issues in Financial Reporting

BOARD COMMITTEES

Board Committees assist the Board in discharging its roles and responsibilities through the delegation of specific authority to the relevant Board Committees. This delegation of authority is expressly stipulated in the Terms of Reference (“TOR”) of the respective Board Committees. The TOR are also reviewed periodically to ensure effective and efficient decision making in the Group. Additionally, the Board Committees act as oversight committees, evaluating and recommending matters under their purview for the Board to consider and approve.

The Board receives updates from the respective Chairmen/representatives of the Group Board Audit Committee, Board Audit Committee, Board Risk Committee and Board Nominating & Remuneration Committee on matters that require specific mention

that have been deliberated on and considered at the meetings of the Board Committees. This practice also applies to other entities within the Group.

Board Nominating & Remuneration Committee

The key objectives of the Board Nominating & Remuneration Committee (“BNRC”) are, as follows:

- Review and assess the appointment/re-appointments of Directors, Board Committee members, Shariah Committee and key Senior Management officers for recommendation to the Boards.
- Advise the Boards on optimal size and mix of skills of Boards.
- Provide oversight and direction on HR matters and operations, and recommend to the Boards for approval of remuneration and human resource strategies.

The BNRC comprises five NEDs, of whom three are INEDs and two are NINEDs, representing the respective entities within the Group. The BNRC is chaired by YBhg Datuk Haji Faisal Siraj, the SINED of RHB Capital.

Detailed disclosures on BNRC's governance structure, terms of reference, roles & responsibilities, Boardroom Diversity Policy and other activities are available on pages 170 to 176 of this Annual Report.

Board Risk Committee

In ensuring that a robust system of risk management and internal control are in place to ensure good corporate governance and safeguard shareholders' investments as well as the Company's and the Group's assets, the Board Risk Committee ("BRC") provides oversight and governance of risks for the Group.

The BRC is also tasked with overseeing the Senior Management's risk management activities, ensuring that the risk management process in each of the Group's entities is in place and functions in accordance with a risk-return performance management framework. Furthermore, the BRC supports and leads the Senior Management in driving the Risk Culture and Risk Ownership in the Group.

The BRC comprises six NEDs, of whom five are INEDs and one is a NINED, representing the respective entities within the Group. The BRC met 17 times during the financial year 2015. The composition of the BRC and the attendance of the members at meetings held in 2015 are as follows:

Name of Directors	Attendance at Meetings
Tuan Haji Khairuddin Ahmad (INED/Chairman)	16/17 (94%)
Mr Patrick Chin Yoke Chung (INED)	15/17 (88%)
Tuan Haji Md Ja'far Abdul Carrim (NINED)	17/17 (100%)
YBhg Datuk Seri Saw Choo Boon (INED)	17/17 (100%)
Mr Choong Tuck Oon (INED)*	6/9 (67%)
Mr Chin Yoong Kheong (INED)#	8/8 (100%)
YBhg Dato' Sri Haji Syed Zainal Abidin Syed Mohamed Tahir (INED)^	1/1 (100%)

Notes:

* Resigned with effect from 1 June 2015.

Newly appointed with effect from 1 June 2015.

^ Newly appointed with effect from 1 December 2015.

The BRC's other duties and functions, among others, include the following:

- To provide oversight to ensure that the Group's risk management framework, processes, organisation and systems are functioning commensurate with its nature, scale, complexity of activities and risk appetite.
- To deliberate and assess the nature and materiality of risk exposures, potential risks and impact on capital and the Group's sustainability.
- To review and approve proposed changes to Delegated Lending (Financing) Authorities/Discretionary Powers/Powers of Attorney, limits for business and operations.
- To review and approve changes to policies and frameworks (excluding HR-related policies and framework), risk methodologies/models and other significant risk management matters, in line with the approved risk strategy.
- To review and approve new/existing products with material variations in product features.

STATEMENT ON CORPORATE GOVERNANCE (continued)

Pursuant to the Group's current governance framework, RHB Islamic Bank Berhad ("RHB Islamic Bank") has adopted the BRC while maintaining a dedicated Risk Management Committee to provide oversight on risk matters which specifically relates to Islamic banking activities.

Group Board Audit Committee

The Group Board Audit Committee ("GBAC") reviews the Company's and the Group's unaudited quarterly results and the audited financial statements FYE 31 December 2015, prior to recommending the same for the Board's approval and issuance to stakeholders.

During the reviews, the Group Chief Financial Officer provides assurance to the GBAC that:

- Adequate processes and controls are in place for an effective and efficient preparation of the financial statements;
- Appropriate accounting policies have been adopted and applied consistently; and
- The relevant financial statements give a true and fair view of the Company and the Group's financial performance for the year and complied with the applicable accounting standards and regulatory requirements.

The GBAC also meets twice a year with the external auditors, in the absence of the Management and the executive Board members, to discuss any key issues/areas that require attention of the GBAC and the Board.

The composition of the GBAC and the attendance of the members together with the TOR and activities of the GBAC during the financial year are set out in the GBAC Report in this Annual Report.

Subsidiary Level Board Committees

In addition to the above, the following centralised Board Committees (which reside at the subsidiary level, i.e. RHB Bank Berhad) assist the Boards and Management in governing the business activities and operations of RHB Capital's major operating subsidiaries:

Board Audit Committee

The Board Audit Committee ("BAC") comprises four INEDs who represent the Group's major operating subsidiaries. The BAC provides independent oversight of RHB Banking Group's financial reporting and internal control system, ensuring checks and balances for entities within the Group, excluding RHB Capital. The BAC

continuously reinforces the independence of the external auditors and provides a line of communication between the Board and the external auditors.

The BAC also emphasises the internal audit function by increasing the objectivity and independence of the internal auditors and provides a forum for discussion that is, among others, independent of the Management. Additionally, the BAC reviews the quality of the audits conducted by internal and external auditors as well as the Group's financial condition and performance. This enhances the perceptions held by stakeholders (including shareholders, regulators, creditors and employees) of the credibility and objectivity of financial reports.

Board Credit Committee

The Board Credit Committee ("BCC") comprises six NEDs, of whom four are INEDs and two are NINEDs representing the respective banking entities within the Group. The BCC supports the relevant Boards in affirming, vetoing or including additional conditions on all types of credit applications (including under stock/futures broking) and all types of underwriting applications for amounts above the defined thresholds of the Group Credit Committee and/or the Group Investment & Underwriting Committee. It also endorses and recommends write-offs as well as approves all policy loans/financing and loans/financing which are required by BNM to be approved by the respective Boards.

Board Technology Committee

The Board Technology Committee ("BTC") comprises three INEDs. The BTC guides the Boards on the Group's overall technology strategies and policies. The BTC reviews and advises the Boards on strategic and major technology investments and projects above approving authority at Group Management Committee ("GMC") level.

Shariah Committee

The Shariah Committee is housed at RHB Islamic Bank and comprises qualified local and foreign Shariah scholars.

The main duties and responsibilities of the Shariah Committee are as follows:

- To act as an independent advisory body to the Board of Directors and Management of the Islamic Bank in ensuring that its Islamic business and operations are in compliance with Shariah principles at all times.

- To ensure effective working arrangements are established between the Shariah Committee and the Shariah Advisory Council (“SAC”) of BNM as well as that of the Securities Commission (“SC”).
- To ensure the establishment of appropriate procedures leading to prompt compliance with the Shariah principles for the Islamic Bank.

Islamic Risk Management Committee (residing at RHB Islamic Bank)

The Islamic Risk Management Committee (“IRMC”) comprises three NEDs of RHB Islamic Bank. The IRMC provides risk oversight and guidance to ensure that the management of risk exposures in RHB Islamic Bank is aligned to the principles of Islamic Banking as guided by the relevant regulatory authority, as well as to ensure that core risk policies are consistent with the Group’s. The IRMC also oversees the execution of risk policies and related decisions by RHB Islamic Bank’s Board, and provides oversight for major risk categories which are unique to Islamic finance. These include displaced commercial risk, withdrawal risk, rate of return risk, fiduciary risk and Shariah non-compliance risk.

INVESTOR RELATIONS AND STAKEHOLDER COMMUNICATIONS

Corporate Disclosure

The Company and the Group, guided by the Bursa Securities’ Corporate Disclosure Guide, MMLR and Financial Services Act 2013, place strong emphasis on clear, comprehensive, timely and equitable dissemination of information to the public on its business activities, milestones achieved, latest developments and financial performance. These activities are also guided by a media communication plan adopted in 2013, which defined the roles and responsibilities of the Chairman and Senior Management together with levels of authority in handling disclosure of material corporate, business and financial information to the public via media channels.

The Directors and employees are also required to execute confidentiality undertakings in compliance with the secrecy requirement of the Financial Services Act 2013 or other regulatory requirements in respect of information which they may acquire through the business of the Company and subsidiaries.

Quarterly Results

The announcement of quarterly financial results is made via Bursa LINK on the scheduled date, following which a press release is issued. It is also the Group’s practice to organise live analyst briefings for half-year and full-year results, while conference calls are organised for the first and third quarters. These analyst briefings and conference calls are led by the GMD, together with the Group Chief Financial Officer. Members of the Senior Management team are also in attendance, reflecting the commitment to providing a high degree of clarity to the investment community. The presentation materials for the briefings and conference calls are simultaneously made available publicly on RHB’s website upon the uploading of results to Bursa Securities.

The briefings and conference calls enable dialogue between research analysts and fund managers and the Group’s Senior Management. The sessions also aim to provide a balanced and holistic view of the Group’s performance and updates on the Group’s business initiatives and strategies.

Corporate Website

In February 2015, the Company launched its revamped corporate website (www.rhbgroup.com) to meet the evolving expectations of customers and other stakeholders while reinforcing the Group’s brand and image. The corporate section on the Company’s website, which provides all relevant information on RHB Capital (including information on dividends, capital & debt instruments, credit rating, all announcements released on Bursa Securities’ website and to the media, annual reports, corporate structure as well as the corporate governance statement of RHB Capital), is publicly accessible. Notice and minutes of general meetings, Board Charter, Code of Ethics & Business Conduct for Directors, Employee Value Proposition, Procurement Integrity and Supplier Selection Process are also available on the website.

General Meetings

The AGM and Extraordinary General Meetings (“EGM”) act as the primary avenue for direct two-way interaction between the shareholders, Board and Management of the Group. The meetings also ensure the Group remains transparent and accountable for its actions, as shareholders’ approval is required on all material issues including, but not limited to:

- Re-election and re-appointment of Directors;
- Appointment of auditors;
- Dividend payments; and

STATEMENT ON CORPORATE GOVERNANCE (continued)

- Material mergers, acquisitions and divestments exercises (only at EGMs).

At the 20th AGM held on 30 April 2015, the former GMD reviewed RHB Banking Group's performance for the financial year 2014 and outlined the Group's key focus areas and targets for the financial year 2015. Shareholders were then invited by the Chairman to seek clarification on or query the Group's accounts and other items for adoption at the meeting, before putting a resolution to vote. Shareholders' queries were addressed by the Chairman and the Board of Directors.

The Company's external auditors were also present at the AGM, enabling shareholders to raise queries on the conduct of the audit and the preparation and content of the auditors' reports. Additionally, the former GMD shared the Company's responses to questions submitted by the Minority Shareholder Watchdog Group prior to the AGM.

Since 2013, the Company's minutes of general meetings have been published and are available on the corporate website. The disclosures also include related circulars and notices of the AGM and EGM.

Shareholders' Participation at General Meetings

The processes of the current general meetings have been designed to encourage shareholders' participation. Shareholders are duly notified at least 21 days in advance and in cases where circulars are involved, clarity is assured through the presence of professional advisors at the meetings.

In accordance with RHB Capital's Articles of Association, a member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two proxies to attend and vote in his/her place. A proxy may not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account which is credited with ordinary shares of the Company.

The attendance of shareholders at the Company's general meetings remains encouraging, and to facilitate further engagement with shareholders at general meetings, as well as ensure accurate and efficient outcomes of the voting system, the Board will consider adopting electronic voting.

Dividend Reinvestment and Payout

Shareholders are provided with the opportunity to opt for a Dividend Reinvestment Plan ("DRP") to receive the dividend declared in the form of cash or to reinvest the electable portion of the dividend ("**Electable Portion**") in the form of new ordinary shares of RM1.00 each in RHB Capital ("**RHB Capital Shares**").

The DRP is part of the Company's efforts to enhance and maximise shareholder value by offering shareholders flexibility in strategising and fulfilling their investment objectives, as well as in meeting their financial needs.

Through the DRP, shareholders are offered the opportunity to possess additional RHB Capital Shares at discounts of up to 10% of the prevailing adjusted ex-dividend market price.

FINANCIAL YEAR ENDED	2011	2012	2013	2014	2015
Dividend Per Share (sen)	25.41	22.09	16.30	6.00	12.00
Dividend Payout Ratio (%)	30.0	30.0	22.6	7.6	24.4
Total Net Dividend Declared (RM'million)	450.3	535.5	414.2	154.3	369.0

Interim Dividend for the Financial Year Ended 31 December 2014

On 27 February 2015, RHB Capital announced a single-tier interim dividend of 6 sen per RHB Capital Share in respect of the financial year ended 31 December 2014 amounting to RM154.35 million (“**Interim Dividend**”). In this regard, the Board had also determined that the existing DRP, which was approved by the shareholders at the Extraordinary General Meeting held on 6 April 2011, shall apply to the Interim Dividend.

The issue price and book closure date in relation to the DRP in conjunction with the Interim Dividend was announced by RHB Capital on 13 March 2015. The Interim Dividend was paid on 24 April 2015.

Interim Dividend for the Financial Year Ended 31 December 2015

The Directors have declared a single-tier interim cash dividend of 12 sen per share amounting to RM368.96 million in respect of the financial year ended 31 December 2015.

Poll voting

At the commencement of every AGM, the Chairman will highlight the shareholders’ right to demand for a poll voting on a resolution pursuant to the Company’s Articles of Association, as a matter of good corporate governance.

However, there was no poll voting at the 20th AGM, as there were no substantive resolutions put forth for shareholders’ approval.

At the EGM held on 27 August 2015, the Chairman had demanded for a poll being the Chairman of the Meeting in accordance with the Company’s Articles of Association in respect of all resolutions pertaining to the Group Corporate Restructuring Plan which were put forth for shareholders’ approval.

UPHOLDING INTEGRITY

Compliance with Financial Reporting Standards

The Annual Audited Financial Statements, quarterly reports and corporate announcements on significant events affecting the Company provide shareholders with a clear, balanced and meaningful assessment of the Company’s and the Group’s financial performance, position and future prospects, in accordance with the MMLR.

Relationship with Internal and External Auditors

Internal audit

The Group Internal Audit (“GIA”), led by the Group Chief Internal Auditor, reports the results of its audits directly to the GBAC and BAC. The GIA is guided by the Group Internal Audit Charter and regularly reviews and reports on the adequacy and effectiveness of the Group’s risk management, internal control and governance processes. It also undertakes an independent assessment of the Company’s and Group’s internal control systems to assure that deficiencies or issues are promptly resolved by the Management. This is based on the annual audit plan approved by the GBAC.

Any recommendations by the auditors are followed-up and reviewed by the Management via the various Management Audit Committees established within the Group. External auditors also assist the Group internal auditors in resolving any control issues as raised by them to ensure that all issues are duly acted on by the Management. Further details of the activities of the GIA function are set out in the Statement on Risk Management & Internal Control of this Annual Report.

The Group’s current Internal Audit Charter is up-to-date and in line with the latest regulatory requirements as well as the International Standards for the Professional Practice of Internal Auditing.

Assessment of external auditors

The GBAC undertakes an assessment of the suitability and independence of the external auditors, Messrs PricewaterhouseCoopers, based on qualifying criteria for the appointment of auditors and terms of audit engagements in accordance with BNM’s Guidelines – “External Auditor” – dated 29 August 2014. In addition, the performance of the external auditors is assessed through a survey sent to Management requesting feedback and comments on their dealings with Messrs PricewaterhouseCoopers throughout the financial reporting year.

The survey assesses quality of audit work, coordination during planning and execution of audit work, technical accounting and business knowledge, timeliness, relationship management and staff continuity. Having satisfied itself with their performance and fulfilment of criteria as set out in BNM’s Guidelines, the GBAC will recommend the re-appointment of the external auditors to the Board, upon which the shareholders’ approval will be sought at the AGM.

STATEMENT ON CORPORATE GOVERNANCE (continued)

RHB Banking Group has established the Group Policy on Non-Audit Fees Paid/Payable to External Auditors (“Policy”). The BAC and GBAC review the non-audit services rendered by the external auditors and the related fees prior to the approval of the services. A report on non-audit fees is also presented to the BAC and the GBAC on a quarterly basis. This is to ensure the independence of the external auditors and their compliance with the Policy and terms of all relevant professional and regulatory requirements when rendering their audit and non-audit services. The external auditors are also required to declare/confirm their independence for all non-audit engagements undertaken.

A detailed payout to the external auditors (Messrs PricewaterhouseCoopers and its related companies) for their audit and non-audit works is illustrated as follows:

No.	Type of External Auditors’ Fees	RM (‘000)		Out of Total Fees (%)	
		Group	Company	Group	Company
1	Audit fees	6,230	206	87.6%	23.5%
2	Non-Audit fees	885	672	12.4%	76.5%
Total Fees		7,115	878	100%	100%

Details of the above information on audit and non-audit fees are set out under Note 37 to the Financial Statements on page 106 in the accompanying Financial Statements 2015 Report.

Group Whistle Blower Policy

The Group Whistle Blower Policy, established in 2004 and revised and updated in 2014, serves to strengthen its controls and governance, enabling employees to report suspected fraud, corruption, dishonest practices or other similar circumstances. This policy encourages reporting of such matters in good faith, with the confidentiality of the person making such reports protected from reprisal in the best possible manner.

For the current year under review, three complaints pursuant to the Group Whistle Blower Policy were received, investigated and pursued. All reports or complaints are filed with the Designated Recipient as specified in the Group Whistle Blower Policy. The Group Whistle Blower Policy is available on the Group’s internal portal for the reference of the Group’s staff.

Code of Ethics

The Board is committed to inculcating a corporate culture which engenders ethical conduct throughout the Company and the Group. The Board has thus adopted a Code of Ethics and Business Conduct for Directors (“Code of Ethics”) to enhance the standard of corporate governance, establish uniform ethical standards and promote ethical conduct for Directors in line with governing laws, regulations and guidelines. The Code of Ethics includes principles relating to general standard of conduct, conflict of interest, insider trading, maintaining confidentiality, use of corporate assets, etc.

The Group has also implemented a Group Code of Ethics and Conduct (“Code”) for its employees to ensure a high standard of ethical and professional conduct in performing their duties and responsibilities. The said Code establishes the standards that govern the way employees deal with each other, our shareholders, customers, suppliers, competitors and the community. Within this framework, employees are expected to exercise good judgement and be accountable for their actions. Compliance with the Code is part of the terms and conditions of employment for every employee. The Code is currently under revision to incorporate current best practices and to be in line with the industry standard.

Group Gifts & Hospitality Guidelines

The Group had, in November 2014, established Group Gifts & Hospitality Guidelines to promote integrity and transparency. The Guidelines complement the existing Group Code of Ethics and Conduct for Employees and are benchmarked against best practices for giving and receiving gifts as well as transparency and openness about gifting. This is also part of the overall anti-bribery and corruption initiative currently pursued by the Group.

Corporate Responsibility

The foundation of our Corporate Responsibility (“CR”) is premised on the four quadrants of Community, Environment, Workplace and Marketplace. The Group’s established CR strategic framework has supported and created value for the Group’s business, operations

and brand, as well as contributed positively to the Group's shareholders, customers, employees and society at large. The framework was introduced with the intention of translating its defined values into a governing policy that addresses the Group's CR and sustainability reporting which incorporates the Economic, Environmental and Social, the Triple Bottom Line (TBL).

The framework will ensure that TBL factors are integrated into the Group's daily business practices to promote its sustainability. Sustainability is defined as conducting business responsibly and ethically by factoring in economic, environmental and social considerations in the decision-making process for long-term business success that, in turn, will contribute to the socioeconomic development of the communities in which the Group operates. As such, the Group embarks on activities that conserve the environment, enrich the lives of communities, and promote a culture of respect and care for its workforce and the public, all of which appropriately implement good governance.

The Board also acknowledges that a sustainable approach to investing is vital to the interests of long-term investors and positively impacts the value of investments. The Board further recognises that the Group's ability to prosper hinges substantially on its ability to make business decisions that uphold economic, social and environmental responsibilities by which the stakeholders and society can hold the Group accountable. In this way, the Company can combine its economic success with environmental protection and social investment. Therefore, TBL factors are of the utmost importance in the Board's decision making to maintain responsible corporate citizenship.

Details of the Group's sustainability activities, which further highlight the Group's CR, are found in the Sustainability Report 2015, which is also available on the Company's corporate website.

ADDITIONAL COMPLIANCE INFORMATION

Related Party Transactions

The Group has put in place a Policy on Related Party Transaction Review Process since 2004 (revised and updated in 2011, 2012 and 2015, respectively), which guides the review and reporting of all related party transactions. Under this policy, all related party transactions are reviewed by GIA and Group Legal before any submission is made to the GBAC for deliberation.

Details of these transactions are set out under Note 48 to the Financial Statements on pages 115 to 118 in the accompanying Financial Statements 2015 Report.

Sanctions and Penalties

For the financial year 2015, no public reprimands, sanctions and/or material penalties were imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

Material Contracts Involving Directors' and Major Shareholders' Interest

RHB Capital and its subsidiaries did not have any material contracts involving Directors' and major shareholders' interests in the 12-month financial period from 1 January 2015 to 31 December 2015. The material contracts in this case do not include financing to parties connected to Directors which are conducted in accordance with the relevant BNM guidelines.

COMPLIANCE STATEMENT

In carrying out its fiduciary duties, the Board of Directors ("Board") of RHB Capital is pleased to disclose that the Company for the FYE 31 December 2015 has satisfied the following:

- The Company's financial statements have been prepared in compliance with the approved accounting standards and disclosure requirements set out in the Companies Act 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").
- All material aspects of the principles stipulated by Bank Negara Malaysia's (Central Bank of Malaysia) Guidelines on Corporate Governance for Licensed Institutions and Guidelines on Corporate Governance for Licensed Islamic Banks ("BNM CG Guidelines") have been complied with.

This Corporate Governance Statement and the disclosures in this report have been approved by the Board on 25 February 2016.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (MCCG) 2012

THE BOARD OF DIRECTORS OF RHB CAPITAL BERHAD (“RHB CAPITAL” OR “COMPANY”) IS PLEASED TO DISCLOSE THE COMPANY’S STATE OF COMPLIANCE WITH THE MCCG 2012:

PRINCIPLE 1: Establish Clear Roles and Responsibilities

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 1.1 – The Board should establish clear functions reserved for the Board and those delegated to management.</p>	Complied	<ul style="list-style-type: none"> • The Board Charter of RHB Capital and Terms of Reference of the Board Committees have been established. • The Corporate Scorecard for the CEO and the management team has been developed early of the year to measure their on-going performance against corporate objectives and goals set. • Schedule of Matters Reserved for the Board is incorporated in the Board Charter.
<p>Recommendation 1.2 – The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions.</p>	Complied	<ul style="list-style-type: none"> • Roles and Responsibilities of the Board are incorporated in the Board Charter. • The Board are primarily responsible for strategy setting, oversight function, succession planning, risk management, integrity of internal control and communication plan. • The Board and the respective Board Committee(s) also constantly review the adequacy and integrity of management information and internal control. In this respect, the Board is also assisted by various oversight functions as specified under the Group Governance Framework, namely direct supervision, Senior Management, independent parties comprising of risk management, compliance and internal audit and the Group Managing Director (GMD) who reported periodically to the Board and selected Board Committee(s). • Upon retirement of the former GMD on 30 April 2015, the then Deputy GMD, namely YBhg Dato’ Khairussaleh who is also the CEO of RHB Bank Berhad succeeded and assumed the GMD seat on 5 May 2015 as strategically planned. • All communication with the Company’s shareholders are guided by internal policy and guidelines. The Company is in the midst of improving its communication to the shareholders for all resolutions from the current minimum 21-day notice to 28-day notice.

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 1.3 – The Board should formalise ethical standards through a Code of Conduct and ensure its compliance.</p>	Complied	<ul style="list-style-type: none"> Professional ethical standards and corporate integrity have been incorporated in the Code of Ethics & Business Conduct for Directors, which is also available in the Company’s website. Group Code of Ethics and Conduct for Employees has also been established as the primary reference for all the Company’s employees. Clear internal policy and guidelines have been established for escalation of breaches to the Code. Formal grievance channel and approved designated whistleblowing channel(s) could be resorted by any employees to channel any dissatisfactions on human resources issue and any violations of internal and regulatory requirements, respectively.
<p>Recommendation 1.4 – The Board should ensure that the company’s strategies promote sustainability.</p>	Complied	<ul style="list-style-type: none"> The Company’s sustainability strategies are captured in the Sustainability Report which provides a more insightful view into RHB Corporate Responsibility (CR) initiatives to deliver balanced growth in a responsible and sustainable manner. RHB Strategic CR Framework has been established and reinforced to fine tune the key CR pillars with the economic, environmental and social aspects of business which underpin sustainability. The framework also guides the employees on the Company’s CR direction and investments. Moving forward, the Company will lay emphasis on its sustainability-related disclosure in its annual reports for 2016 & henceforth as per the Listing Requirements and comply within the timeline prescribed in Bursa Malaysia’s Sustainability Reporting Guide 2015.
<p>Recommendation 1.5 – The Board should have procedures to allow its members access to information and advice.</p>	Complied	<ul style="list-style-type: none"> Standard Procedures for Directors to Have Access to Independent Professional Advice has been established to ensure consistency and proper & clear procedures to enable the Directors to have an enhanced perception of issues by allowing them to seek timely independent opinion/advice/consultation from professionals in the relevant areas. Apart from the above, the Board also have access to the Company Secretaries and the Management for advice, support services and further clarification on the Company’s operations and business concerns.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (MCCG) 2012 (continued)

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 1.6 – The Board should ensure it is supported by a suitably qualified and competent Company Secretary.</p>	Complied	<ul style="list-style-type: none"> • The Board is supported by qualified and competent Company Secretaries, namely: <ul style="list-style-type: none"> (i) En. Azman Shah Md Yaman, a licensed company secretary (LS0006901) registered with the Companies Commission of Malaysia; and (ii) Ms. Ivy Chin So Ching, a chartered secretary (MAICSA No. 7028292) registered with the Malaysian Institute of Chartered Secretaries and Administrators. • As spelled out in the internal policy and guidelines, the Company Secretaries are responsible for providing company secretarial functions and efficient and reliable corporate advisory services, in accordance with the provisions of the Companies Act 1965. • In meeting with the above advisory role to the Board, the dedicated Company Secretaries also keep abreast with latest regulatory changes, evolving industry developments and best practices in corporate governance to discharge their roles and responsibilities effectively and efficiently.
<p>Recommendation 1.7 – The Board should formalise, periodically review and make public its Board charter.</p>	Complied	<ul style="list-style-type: none"> • The Company's Board Charter has been formalised and is subject to review every 2 years. • The Board Charter is publicly available in the Company's website.

PRINCIPLE 2: Strengthen Composition

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 2.1 – The Board should establish a Nominating Committee which should comprise exclusively of Non-Executive Directors, a majority of whom must be independent.</p>	Complied	<ul style="list-style-type: none"> • Members of the Board Nominating & Remuneration Committee (BNRC) comprise only Non-Executive Directors and the majority are Independent Directors (ID). • Three (3) of the total five (5) members of the BNRC are Independent Directors. • The Terms of Reference (TOR) for the BNRC have been established, including selection process and assessment for the appointment and reappointment of directors and board committee members.
<p>Recommendation 2.2 – The Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.</p>	Complied	<ul style="list-style-type: none"> • The Terms of Reference of the Board Nominating & Remuneration Committee is in line with this recommendation. • The recruitment process and annual assessment of Directors are guided by criteria specified in the internal Policy and Guidelines on Fit and Proper for Key Responsible Persons, Board Charter, Boardroom Diversity Policy and Code of Ethics & Business Conduct for Directors.

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 2.3 – The Board should establish formal and transparent remuneration policies and procedures to attract and retain Directors.</p>	Complied	<ul style="list-style-type: none"> • The Terms of Reference of the Board Nominating & Remuneration Committee is in line with this recommendation. • As talent is scarce in the financial services industry, directors’ remuneration are reviewed periodically in line with the Group Non-Executive Directors Remuneration Framework to ensure each individual director is being compensated with increasing complexity of their duties, responsibilities, expectation and commitment. • The directors’ fees for Non-Executive Chairman and Non-Executive Directors (NEDs) have just been revised and approved during the Company’s 19th Annual General Meeting held in 2014. The actual directors’ remuneration package for each Board member is being disclosed in the Company’s annual report.

PRINCIPLE 3: Reinforce Independence

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 3.1 – The Board should undertake an assessment of its Independent Directors annually.</p>	Complied	<ul style="list-style-type: none"> • The Board Nominating & Remuneration Committee undertakes assessment of all Directors’ annually via the Board Effectiveness Assessment exercise. • The independence of the Directors is reviewed annually and benchmarked against best practices and regulatory provisions.
<p>Recommendation 3.2 – The tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the director’s re-designation as a Non-Independent Director.</p>	Complied	<ul style="list-style-type: none"> • The service tenure of an Independent Director shall not exceed a consecutive or cumulative term of nine years, nevertheless, it should balance experience and learning with the need for renewal and fresh perspectives. • Hence the Board must justify and seek shareholders’ approval in the event that a person who has served in that capacity for more than 9 years is retained as Independent Director upon recommendation of the Board Nominating & Remuneration Committee. Notwithstanding the above, an Independent Director shall retire at the next Annual General Meeting of the Company upon completion of his consecutive or cumulative term of 12 years. • In line with requirements of the internal Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors and Malaysian Code on Corporate Governance 2012, the current Chairman was re-designated as a Non-Independent Chairman upon conclusion of the 20th Annual General Meeting.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (MCCG) 2012 (continued)

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 3.3 – The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine years.	Complied	<ul style="list-style-type: none"> No independent directors have served the Company more than 9 years in similar capacity.
Recommendation 3.4 – The positions of Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive member of the Board.	Complied	<ul style="list-style-type: none"> The positions of Chairman and Group Managing Director (CEO) are held by different individuals who are not related to each other. The Chairman is a Non-Independent Non-Executive member of the Board.
Recommendation 3.5 – The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.	Not Complied	<ul style="list-style-type: none"> The Chairman is a Non-Independent Non-Executive member of the Board. The Independent Directors make up 42.9% of the total Board composition, exceeding Bursa Securities' and Bank Negara Malaysia's requirement of one third (33.3%). Pursuant to the Group Corporate Restructuring Plan, RHB Capital will commence its members' voluntary winding-up upon completion of the proposed distribution and capital repayment, subject to shareholders' approval at an extraordinary general meeting to be convened later. RHB Capital will also transfer its listing status to RHB Bank Berhad. The Board of RHB Bank Berhad will ensure that the revised Board composition thereof complies with Recommendation 3.5.

PRINCIPLE 4: Foster Commitment

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 4.1 – The Board should set out expectations on time commitment for its members and protocols for accepting new directorships.	Complied	<ul style="list-style-type: none"> The Board members complied with the minimum regulatory requirements of 75% Board meetings attendance as required by Bank Negara Malaysia (BNM). The number and directors' attendance of Board and Board Committees' meetings are being disclosed in the Company's Annual Report. In line with BNM's regulatory requirements, the Group Managing Director (CEO) does not hold more than 5 directorships at one time. All directors of the Company do not hold more than 5 directorships in the listed issuers, in line with Main Market Listing Requirements.

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 4.2 – The Board should ensure its members have access to appropriate continuing education programs.</p>	Complied	<ul style="list-style-type: none"> • The Company Secretary facilitates the Directors’ participation in various training programs and ensures the Directors undergo mandatory and ongoing training. • Individual directors’ training record is disclosed in the annual report. The scope of training includes corporate governance, financial accounting/reporting, taxation, strategy, leadership, risk management, legal and mandatory accredited courses.

PRINCIPLE 5: Uphold Integrity in Financial Reporting

MCCG Recommendations	Status of Compliance	Remarks
<p>Recommendation 5.1 – The Audit Committee should ensure financial statements comply with applicable financial reporting standards.</p>	Complied	<ul style="list-style-type: none"> • Directors’ Responsibility Statement in relation to established financial reporting standards is tabled to the Group Board Audit Committee during presentation of the Company’s Annual Audited Financial Statements. • All the three members of the Group Board Audit Committee (GBAC), including the Chairman are Independent and Non-Executive Directors. The terms of reference, functions, composition, qualification and meetings attendance for GBAC are disclosed in the Company’s Annual Report.
<p>Recommendation 5.2 – The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors.</p>	Complied	<ul style="list-style-type: none"> • Procedures to assess the suitability, independence and performance of external auditors have been established, mainly in accordance with Bank Negara Malaysia Guidelines on External Auditor and based on feedback and comments gathered from survey amongst the management. • In addition to written assurance on independence of External Auditor obtained during the year, internal Policy on Non-Audit Fees Paid/Payable to External Auditors has also been established to ensure suitability and independence of the external auditors. • The tenure for External Auditor is 1 year, subject to reappointment by the shareholders at the general meeting for another year if the retiree offer to continue its service.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (MCCG) 2012 (continued)

PRINCIPLE 6: Recognise and Manage Risks

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 6.1 – The Board should establish a sound framework to manage risks.	Complied	<ul style="list-style-type: none"> The Board has established Group Governance Framework and Group Risk Management Framework which govern the management of risks in the Group.
Recommendation 6.2 – The Board should establish an internal audit function which reports directly to the Audit Committee.	Complied	<ul style="list-style-type: none"> The Group Internal Audit reports directly to the Group Board Audit Committee and Board Audit Committee.

PRINCIPLE 7: Ensure Timely and High Quality Disclosure

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 7.1 – The Board should ensure the Company has appropriate corporate disclosure policies and procedures.	Complied	<ul style="list-style-type: none"> Group Governance Framework, Electronic Messaging User Policy, Group IT Security Policy & Standards, Group Corporate Communications Operations Manual and Policy on Related Party Transactions have been established to address the Company's disclosure policies and procedures.
Recommendation 7.2 – The Board should encourage the Company to leverage on information technology for effective dissemination of information.	Complied	<ul style="list-style-type: none"> Corporate information is disseminated via the Company's website, announcements made via Bursa LINK and social media such as Group's Official Facebook, Corporate Instagram, My1Portal (intranet) and Group Managing Director's Official Blog. Dissemination of Meeting Papers to the Board and Board Committees are made via Ipad for greater flexibility and efficiency.

PRINCIPLE 8: Strengthen Relationship between Company and Shareholders

MCCG Recommendations	Status of Compliance	Remarks
Recommendation 8.1 – The Board should take reasonable steps to encourage shareholder participation at general meetings.	Complied	<ul style="list-style-type: none"> Resolutions are served longer than the required minimum notice period for shareholders' meetings, and engage stakeholders prior to each meeting.
Recommendation 8.2 – The Board should encourage poll voting.	Complied	<ul style="list-style-type: none"> Poll voting is available upon request by the shareholders. Such option is being reminded by the Chairman upon commencement of every general meeting.
Recommendation 8.3 – The Board should promote effective communication and proactive engagements with shareholders.	Complied	<ul style="list-style-type: none"> Communication and engagement with shareholders are made through various platforms and media, including investors' conferences, special briefing (e.g. merger & acquisition), direct one-on-one meetings and tele-conferences.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

THIS STATEMENT IS MADE PURSUANT TO PARAGRAPH 15.26(b) OF BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS WHICH REQUIRES THE BOARD OF DIRECTORS ("BOARD") OF A LISTED ISSUER TO INCLUDE IN ITS ANNUAL REPORT A STATEMENT ABOUT THE STATE OF INTERNAL CONTROL OF THE LISTED ISSUER AS A GROUP. IN ADDITION, THE REVISED MALAYSIAN CODE ON CORPORATE GOVERNANCE STATES THAT THE BOARD SHOULD ESTABLISH A SOUND RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM.

The Board is pleased to provide the following statement that has been prepared in accordance with the guidelines as set out in the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for establishing the Group's risk management framework and internal control system. The Group has put in place a risk management framework and internal control system that are designed to manage risks according to the risk appetite approved by the Board rather than total elimination of risks to achieve the Group's goals and objectives. The system can therefore only provide reasonable and not absolute assurance against material financial misstatement, loss or fraud.

The Board's responsibility includes reviewing the adequacy and effectiveness of the risk management and internal control system in safeguarding shareholders' investments and the Group's assets. The Board is assisted by the Board Risk Committee and Board Audit Committees in assessing the adequacy and effectiveness of the Group's risk management and internal control system.

The Board is further assisted by the Management who is responsible for implementing the Group's policies and processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking timely corrective actions as required, and providing assurance to the Board that the processes have been carried out.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

A sound risk management and internal control system is fundamental to good corporate governance. The key elements of the Group's risk management framework and internal control system encompass the following:

Risk Management Framework

The Group's risk management framework governs the management of risks faced by the Group by providing a holistic overview of the risk and control environment of the Group and setting out the strategic progression of risk management towards becoming a value creation enterprise.

The Group's risk management framework approved by the Board includes an on-going process for identifying, evaluating, managing and reporting of significant risks faced by the Group that may affect the achievement of the Group's business objectives and strategies. The main inherent risks in the business and operations include credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, reputational risk and Shariah non-compliance risk.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (continued)

The risk management process within the Group seeks to identify, measure, monitor and manage these risks so that the risk exposures are adequately dealt with while the expected returns sufficiently compensate the risks taken. This process is regularly reviewed by the Board through its Board Risk Committee (“BRC”) which provides oversight over the risk management activities for the Group to ensure that the Group’s risk management process is in place and functional, and appropriate measures are taken to mitigate any identified weaknesses in the control environment.

The BRC assists the Board to review the Group’s overall risk management philosophy, frameworks, policies and models. In discharging its overall duties and responsibilities, the BRC is supported by the Group Capital and Risk Committee (“GCRC”) and Group Risk & Credit Management function which monitor and evaluate the effectiveness of the Group’s risk management system on an ongoing basis.

The GCRC, comprising Senior Management of the Group and is chaired by the Group Managing Director, is responsible for the supervision of the management of enterprise risk and capital matters.

Group Risk & Credit Management function provides independent oversight on business activities and implements the Group Risk Management Framework in order to protect and safeguard the Group’s assets, and to prevent and mitigate financial and reputational losses to the Group. Its responsibilities include implementation of the Group’s risk policy and framework, daily risk measurement and monitoring, provision of timely risk analysis to Management, ensuring compliance to regulatory risk reporting requirements, overseeing group-wide credit evaluation and assessment as well as implementing a comprehensive enterprise-wide risk governance framework and a robust risk management infrastructure.

In line with regulatory requirements and industry best practices, the Group subscribes to the principle that risk management is a core responsibility of the respective businesses and operating units. This has been articulated and documented in the risk management framework of the Group.

To support and promote accountability and ownership of risk management, a Risk and Control Self-Assessment (“RCSA”) framework has been implemented in business and functional units

within the Group as part of the risk management process. These business and functional units are required to identify and document the controls and processes for managing the risks arising from their business activities, as well as to assess the effectiveness thereof to ensure that the risks identified are adequately managed and mitigated. On completion of the RCSA exercise, all business and functional units within the Group are required to submit their respective results to Group Operational Risk Management for review prior to tabling the RCSA results to the GCRC for deliberation and further action when necessary.

An Internal Capital Adequacy Assessment Process (“ICAAP”) framework has also been implemented to ensure that all material risks are identified, measured and reported, and that adequate capital levels consistent with the risk profiles including capital buffers are maintained to support the Group’s current and projected demand for capital under existing and stressed conditions.

Amongst the other committees set up in the Group to manage specific areas of risk are the Group Asset and Liability Committee, Group Credit Committee, Islamic Risk Management Committee, Board Credit Committee and Board Technology Committee.

Control Environment and Control Activities

Organisation Structure

The Group has a clear organisational structure with well-defined accountabilities and responsibilities, and lines of reporting. The organisational structure provides the basic framework to help the Group’s operations proceed smoothly and functionally as well as depicting the span of control in ensuring proper supervision, coordination and a sense of accountability among the employees.

Board Committees

The Board has delegated certain responsibilities to the Board Committees established in the Group, namely the Board Nominating & Remuneration Committee, Board Risk Committee, Group Board Audit Committee, Board Credit Committee, Board Technology Committee, Board Audit Committee and Islamic Risk Management Committee.

These committees have oversight authority to examine and/or consider all matters within their scope of responsibility as defined in their respective formalised terms of references and to report to the Board with their recommendations.

Group Management Committee

The Group Management Committee (“GMC”) comprises the Group Managing Director as the Chairman, the Chief Executive Officers/ Managing Directors of the relevant key operating subsidiaries and the key Senior Management of the Group. The GMC provides a forum for the Group’s Senior Management to discuss and deliberate strategic matters that impact the Group’s vision, strategic direction, business synergies and brand value as well as to chart its strategic roadmap. The GMC meets regularly and the minutes of meetings are tabled to the Board of the Company.

Internal Policies and Procedures

Policies, procedures and processes governing the Group’s businesses and operations are documented and are made available to employees across the Group through the Group’s intranet portal. These policies, procedures and processes are reviewed and updated by the business and functional units through a structured process of review to cater to changes in laws and regulations as well as changes to the business and operational environment. Furthermore, reviews of the policies, procedures and processes are also carried out to ensure that appropriate controls are in place to manage risks inherent to the business and operations.

Information Technology (IT) Security

The objectives of the Group’s IT security encompass the protection of programs, data, information stored and facilities of the computerised data processing system from unauthorised access and use, loss or destruction as well as reliability and continuous availability of the computerised data processing systems.

IT security protects information from a wide range of threats as well as safeguards the confidentiality, integrity and availability of information. IT security in the Group is achieved through the implementation of a suitable set of controls which includes policies, standards, procedures, guidelines, organisational structures and software control functions.

It is the policy of the Group that while information assets of various forms and computer equipment should be provided to enable employees of the Group and relevant third parties to satisfactorily complete their duties, these assets should be subjected to adequate controls to protect them from accidental or intentional loss, unauthorised access, unauthorised modification, unauthorised manipulation or unauthorised disclosure. Controls implemented should be appropriate to the value of the asset and its risk exposure.

Authority Limits

The Board has approved the Group Manual of Authority (“MOA”) which defines the approving authority with its approving limits delegated to the various levels of Management in the Group to ensure accountability and responsibility. The Group MOA is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

Budgeting Process

A detailed budgeting process is established requiring all key operating companies in the Group to prepare budgets and business plans annually for approval by the respective Boards. The Group’s budget and business plans as well as strategic initiatives, taking into account the risk appetite, were deliberated at the Board where the group budget was presented.

A reporting system on actual performance against the approved budgets is in place and the reasons for significant variances as well as action plans by Management are reported to the respective Boards.

Business Continuity Management

The Group recognises and is fully committed to the need to provide continuous critical services to its customers, ensure the safety of its employees, protect its assets/data and safeguard the interest of its key stakeholders that collectively ensure the viability of the organisation. The Group’s Business Continuity Management (“BCM”) Programme is based on good business continuity practices and guidelines which are in line with the Bank Negara Malaysia and internationally recognised standards.

The Board has an oversight function on the Group’s BCM readiness through the BRC and GCRC. The Group Business Continuity Steering Committee is the management committee established to oversee the Group’s business continuity framework, policies, budget and plans, and reports to GCRC.

The Group has on-going and actively managed BCM programmes, which include effective crisis management to deal with real crisis. The BCP Programmes are subject to regular testing/exercising to ensure their efficacy, reliability and functionality. Simulation exercise and drills are conducted to familiarise and equip staff with the skills and techniques required to identify, assess, respond and cope with a serious situation.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (continued)

Human Capital Management

The Group acknowledges that one of the key constituents of any internal control system is its people and that our system of risk management and internal control is dependent on the responsibility, integrity and judgement that people apply to their work. Hence, the Group has in place policies and procedures that govern recruitment, appointment, performance management, compensation and reward as well as policies and procedures that govern discipline, termination and dismissal.

For sustainable growth, the Group also places emphasis on human capital development, talent management and succession planning. To enhance staff competencies, structured and technical training as well as management and leadership skills are provided to staff based on their identified needs during the annual performance assessment. For talent management, initiatives such as Leadership Development Programme, Individual Development Plan and mentoring are implemented to develop identified talents in the Group to facilitate the supply for future leadership demands.

Group Code of Ethics and Conduct

The Group Code of Ethics and Conduct (“the Code”) sets out the standards of good and ethical banking practices, as well as aims to maintain confidence in the security and integrity of the Group’s business practices. It is a requirement that all employees of the Group understand and observe the Code. New recruits are briefed on the Code and are required to sign the Employee Declaration of Compliance Form upon joining the Group.

The Group has also established the Gifts and Hospitality Guidelines which set the standards of conduct that are associated with ethical business practice and are designed to help the Group and its employees understand respective parties’ obligations in upholding corporate integrity.

Information and Communication

Performance Review

Regular and comprehensive information is provided by Management to monitor its performance against the strategic business plan approved by the Board. This information covers all key financial and operational indicators as well as key strategic initiatives undertaken by the Group during the year.

The Board and the Group Management Committee receive and review the Group’s monthly financial performance against set targets and measures that are being put in place to meet such targets.

Group Whistle Blower Policy

There is an established process for reporting anyone found to be abusing or circumventing processes and controls of the Group. All staff are accorded the opportunity to report via the whistle-blowing mechanism with the assurance that the report will be dealt with confidentially and that the reporter’s identity will be protected.

Incident Management Reporting

To complement the Group’s system of internal control, a comprehensive incident management reporting system has been implemented to ensure proper escalation and management of incidents. The incident management reporting system also ensures that all incidences with material risk and losses are escalated promptly to Senior Management and the Board with necessary steps taken to mitigate any potential risks that may arise. This enables decision makers to undertake informed decision making and be kept up to date on situations as well as manage risks effectively.

Monitoring

Group Compliance

Compliance is the collective responsibility of the Board, Senior Management and every employee of the Group. Hence, it is expected that each individual promotes self-regulation and is accountable for his/her own activities as well as maintains ethical principles and behaviour in everything that he/she does.

To manage compliance risk, the compliance lifecycle involves identifying the scope of compliance obligations, determining the compliance risk, conducting gap analysis to determine the state of compliance and proposing recommendations to address the compliance gaps and emplacing monitoring process to ensure compliance including periodically conducting compliance testing on key compliance risk areas.

To enable business and operating units to comply with various laws and regulations, Group Compliance also conducts off-site surveillance and reviews on a regular basis. Weaknesses noted are conveyed to the respective business and operating units so that immediate corrective actions can be taken.

Group Compliance provides monthly Compliance Assurance Report to the respective Boards based on their compliance and gap reviews. In addition, the Board is apprised on a quarterly basis on the extent of the Group’s compliance with regulatory requirements and the actions taken to address any shortcomings.

To mitigate non-compliance risk, briefings as well as various awareness and learning initiatives were conducted throughout the year to heighten awareness of compliance and to embed a compliance culture within the Group.

Shariah Compliance

In line with the Guidelines on Shariah Governance Framework for Islamic Financial Institutions issued by Bank Negara Malaysia, the Management is responsible for observing and implementing the respective Shariah rulings and decisions.

The Shariah Framework has also been put in place which encompasses the concept of Shariah, Islamic financial business, governance and reporting structures, roles and responsibilities, Shariah compliance strategy and Shariah approval procedures.

In mitigating Shariah non-compliance risk, various briefings aimed at creating awareness as well as learning programmes were conducted throughout the year to ensure compliance with Shariah principles.

Internal Audit

The Group has an in-house internal audit function which reports to the Group Board Audit Committee (“Group BAC”) of the Company and the BAC of the RHB Banking Group (which undertakes the functions of the Audit Committee of the major operating entities within the Group, such as RHB Bank Berhad, RHB Investment Bank Berhad, RHB Islamic Bank Berhad and RHB Insurance Berhad).

Group Internal Audit (“GIA”) performs regular reviews of the Group’s operations and systems of internal control and evaluates the adequacy and effectiveness of the controls, risk management and governance processes implemented by Management. GIA adopts a risk-based approach in determining the auditable units and frequency of audits. Annual audit plans are reviewed and approved by the respective BACs.

Management Audit Committees (“MAC”) are established at the key operating subsidiaries within the Group to ensure timely rectification of any audit findings and control lapses highlighted by the internal and external auditors, and regulators. These MACs comprising senior level representatives from different business/functional groups are chaired by the Group Chief Financial Officer/Managing Director of the entity concerned. The minutes of meetings of the MACs together with the relevant audit reports are subsequently tabled to the BAC for information, deliberation and direction for further action where required.

The Group BAC and BAC hold scheduled meetings to deliberate on the findings and recommendations for improvement highlighted by both the internal and external auditors as well as the regulatory authorities on the state of the Group’s internal control system. The minutes of the meetings of the Group BAC/BAC are then tabled to the respective Boards with the highlights of these meetings being presented by the Chairman or representative of Group BAC/BAC.

Further details of the activities undertaken by the Group BAC of the Company are set out in the Group Board Audit Committee Report.

CONCLUSION

The Board has received assurance from the Group Managing Director and Group Chief Financial Officer as well as the Group Chief Risk Officer that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board also receives monthly updates on key risk management and internal control matters through its Board Risk Committee and Group Board Audit Committee as well as compliance assurance from the Group Compliance function.

Based on the assurance received from Management and updates from its Board Committees, the Board is of the view that the Group’s risk management and internal control system is operating adequately and effectively for the financial year under review and up to the date of approval of this statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management & Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide (“RPG”) 5 (Revised 2015) issued by the Malaysian Institute of Accountants.

RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

BOARD NOMINATING & REMUNERATION COMMITTEE REPORT

MEMBERSHIP

IN ACKNOWLEDGING THE IMPORTANCE OF EFFECTIVE TALENT MANAGEMENT, PARTICULARLY AT THE BOARD AND GROUP MANAGEMENT LEADERSHIP LEVELS, THE BOARD NOMINATING & REMUNERATION COMMITTEE (“BNRC”) WAS ESTABLISHED WITH THE OBJECTIVE OF PROVIDING HIGH-LEVEL OVERSIGHT AND DIRECTION ON HUMAN RESOURCE MATTERS AND REMUNERATION STRATEGIES AS WELL AS ON NOMINATION OF CANDIDATES FOR BOARDS, BOARD COMMITTEES, THE GROUP SHARIAH COMMITTEE AND KEY SENIOR MANAGEMENT POSITIONS. THE BNRC SERVES THE RESPECTIVE BOARDS OF MAJOR OPERATING ENTITIES WITHIN THE GROUP.

The former Group Nominating Committee and Group Remuneration & Human Resource Committee were consolidated in 2012 for the purposes of expediency and resource optimisation, as the same members were entrusted with the functions of both committees. The BNRC members are fully aware of their dual duties and responsibilities, which are comprehensively defined in the BNRC’s terms of reference.

The BNRC comprises five Non-Executive Directors (“NED”), of whom three are Independent Non-Executive Directors (“INED”) and two are Non-Independent Non-Executive Directors (“NINED”). Each member represents the respective major operating entities within

the Group. The BNRC is chaired by YBhg Datuk Haji Faisal Siraj, the Senior INED of RHB Capital Berhad (“RHB Capital” or “the Company”), in line with the recommendation of the Malaysian Code on Corporate Governance 2012. During the year, the composition of the BNRC was refreshed to ensure an optimal mix of skills and healthy balance of fresh perspectives and experience.

Based on the Board Effectiveness Evaluation (“BEE”), the Board is satisfied with the performance of the BNRC, which continues to contribute valuable advice and make sound recommendations to the Board.

MEETINGS AND ATTENDANCE

The BNRC convened 13 meetings during the financial year 2015. The BNRC also issued three circular resolutions in respect of matters that required the BNRC’s immediate decisions.

Details of the members’ attendance are as follows:

BNRC members	Attendance at meetings
Datuk Haji Faisal Siraj (Chairman/Senior INED)	13/13 (100%)
Tan Sri Azlan Zainol (NINED)*	7/8 (88%)
Datuk Seri Saw Choo Boon (INED)	13/13 (100%)
Tan Sri Dato’ Teo Chiang Liang (INED)	11/13 (85%)
Tuan Haji Md Ja’far Abdul Carrim (NINED)	12/13 (92%)
Choong Tuck Oon (INED) ^	6/7 (86%)

Notes:

* Appointed with effect from 13 April 2015

^ Resigned with effect from 1 June 2015

TERMS OF REFERENCE (“TOR”)

The BNRC is governed by its TOR. In 2014, the TOR were reviewed and revised to strengthen their governance and reflect relevant changes in regulations and internal human resource policies.

The BNRC is vested with such power and authority, specific or general, as may from time to time be decided upon by the respective Boards. The BNRC is authorised to act within its TOR, to obtain resources which it requires, including but not limited to, obtaining expert advice, both internal and external, and to have full and unrestricted access to information to enable the BNRC to fulfil its objectives.

The duties and responsibilities of the BNRC with regards to its nomination roles are summarised as follows:

- (a) Establish a documented procedure for the appointment of Directors, Board Committee members, the Group Shariah Committee (“GSC”) and key Senior Management officers.
- (b) Establish and recommend for the Boards’ approvals, minimum requirements for Directors, the GSC and key Senior Management officers.
- (c) Establish and recommend for the Boards’ approvals, the optimal size and mix of skills required to ensure efficient operation of the Boards/Board Committees/GSC.
- (d) Review on a periodic basis, the policy on boardroom and gender diversity.
- (e) Assess and recommend for the Boards’ approvals, new and re-appointed nominees for directorship, Board Committee membership, the GSC and key Senior Management officers.
- (f) Establish and recommend for the Boards’ approvals, a mechanism for the formal assessment of the performance of the Boards as a whole, Board Committees, the GSC, each Director and key Senior Management officer.
- (g) Review performance assessment results and recommend to the Boards, the removal of any Director, GSC member or key Senior Management officer found to be ineffective, errant and negligent in the discharge of their responsibilities.

- (h) Ensure Directors, Board Committee members and the GSC receive appropriate induction and continuous training programmes to close skill gaps and to keep abreast with latest developments.
- (i) Assess annually the independence of Independent Directors as well as determine that the Directors and officers of the Group meet the identified independence criteria and are not disqualified under relevant regulations.
- (j) Review and recommend for the Boards’ approvals, any significant change in the organisation structure of the Group or/and the major operating subsidiaries.

The duties and responsibilities of the BNRC with regards its remuneration roles are summarised as follows:

- (a) Ensure the establishment of formal and transparent procedures for developing remuneration and Human Resource (“HR”) policies, strategies and frameworks for Directors, the GSC, key Senior Management officers and staff.
- (b) Recommend remuneration strategies, policies and frameworks and specific remuneration packages for Directors, Board Committee members, the GSC and key Senior Management officers, which should be (where relevant):
 - (i) Market-competitive and in support of the Group’s culture, vision, objectives and strategy
 - (ii) Reflective of the responsibilities and commitment required
 - (iii) Sufficient to attract and retain quality people but yet not excessive
 - (iv) Performance-driven with sufficient emphasis on long-term development of the Group to avoid excessive short-term risk-taking.

The frameworks should cover all aspects of remuneration including Directors’ fees, salaries, allowances, bonuses, option and benefits-in-kind.

- (c) Ensure HR strategies, policies and frameworks are in place for all the building blocks of a quality HR management system (e.g. succession planning, talent and leadership development, training, etc.) to support the Group in achieving its objectives.

BOARD NOMINATING & REMUNERATION COMMITTEE REPORT (continued)

- (d) Review and assess the effectiveness of the HR Division in supporting the Group, including oversight of the scope and quality of Group HR projects/programmes.
- (e) Approve changes to Group HR policies, in line with the HR strategy and direction set by the Board.
- (f) Review and recommend for the Boards' approvals, any significant change in the organisation structure of the Group or/and the major operating subsidiaries.

BOARDROOM DIVERSITY

RHB Capital acknowledges the benefits arising from boardroom diversity, including having a broader pool of high-quality Directors on the Boards, access to different perspectives and ideas and benefiting from all available talent. The Company is committed towards board diversity, including but not limited to, gender, age, ethnicity and cultural background. The Company established a boardroom diversity policy in 2013 and this policy is continuously followed by the Boards. The Group values and makes good use of the unique contributions that a person can make due to their diverse background, skills and experience.

The BNRC and Boards believe that the existing appointment process for a new Board member is adequate as it takes into consideration the required skill sets, experience, competency,

ethnicity, gender and age of the individual candidates as well as the appropriate size, structure and composition of the Boards as a whole. This ensures the Board composition is not only in compliance with regulatory requirements, but also well balanced and supportive of good governance, as well as responsive to changing business environments and needs.

The Company previously had one female Director, namely YBhg Datuk Wira Jalilah Baba, who served as INED from 1 May 2012 to 30 January 2014. At the Group level, YBhg Datin Sri Khamarzan Ahmed has served RHB Bank (L) Ltd's Board as a female Director from 15 March 2005 to date. During the year, the BNRC and Boards have endeavoured to identify and source for potential Board candidates, including female Directors, from the industry talent pool, available databases on female directors and the Group Directors' existing networks. The BNRC and Boards have also reviewed Board succession plans to ensure the appropriate focus is given to diversity. In addition to pursuing the recommendation of the Securities Commission for women directors to make up 30% of boards, the BNRC and Boards actively search for qualified and competent candidates (both local and overseas) with broad international business exposure in line with the Group's regional business expansion plan. In January 2016, the BNRC and Boards recommended, approved and endorsed an appointment proposal for an Independent Non-Executive female Director on the Board of RHB Bank Berhad, a major operating subsidiary of RHB Capital. The relevant application is now pending approval of Bank Negara Malaysia ("BNM").

The table below depicts the age, qualification/experience as well as tenure of the existing Directors of RHB Capital as at the date of this report:

No.	Name of Director	Age	Qualification/Experience	Date of Appointment	Tenure in the Company (Years)
1.	Dato' Mohamed Khadar Merican (Chairman)	59	Accounting/Audit, General Management	01.08.2008	7
2.	Tan Sri Azlan Zainol	65	Finance/Banking, Accounting/Audit	27.07.2005	10
3.	Datuk Haji Faisal Siraj	70	Accounting/Audit	24.05.2007	8
4.	Datuk Seri Saw Choo Boon	69	Oil & Gas	20.05.2010	5
5.	Tan Sri Dato' Teo Chiang Liang	65	Property Development, Education	20.05.2010	5
6.	Mohamed Ali Ismaeil Ali AlFahim	39	Corporate Finance	09.05.2014	1
7.	Dato' Khairussaleh Ramli	48	Banking/Finance, Capital Market	05.05.2015	9 months

DIRECTORS' APPOINTMENT

The Group's nomination framework ensures that individuals appointed to relevant senior positions and the Boards within the Group have the appropriate fitness and propriety to discharge their prudential responsibilities on and during the course of their appointment. The BNRC is guided by the said framework as approved by the Boards.

New Director nominees are assessed by the BNRC in accordance with RHB Banking Group's Policy and Guidelines on Fit and Proper for Key Responsible Persons ("Fit and Proper Policy"). These assessments are carried out against a benchmark of documented competencies which have been prepared for each role, the declarations by each individual, the record of material academic/professional qualification and the carrying out of checks on matters such as criminal record, bankruptcy and regulatory disqualification. The Fit and Proper Policy outlines the following criteria in assessing the suitability of the candidate:

- (a) Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind, fairness and ethical behaviour.
- (b) Competence and capability, where the candidate must have the skills, experience, ability and commitment to carry out the role.
- (c) Financial integrity, where the candidate must have financial soundness and be able to manage his/her debts or financial affairs prudently.

The Chairman of the BNRC conducts an interaction session with the proposed candidates and assesses them based on their relevant skills and experience, independence (where relevant) and objectivity, track record of success, sound judgement and other broad perspectives. The Boards' expectations on the time commitment and contribution from the Directors will also be clearly communicated to the proposed candidates. The BNRC will evaluate the candidates' ability to discharge their duties and responsibilities prior to recommending their appointment as Directors to the relevant Board(s) for approval.

During the year, the BNRC recommended the nomination of YBhg Dato' Khairussaleh Ramli ("YBhg Dato' Khairussaleh") as the new Group Managing Director ("MD")/Group Chief Executive Officer ("CEO") of RHB Banking Group and MD/CEO of the Company after

considering his competency, experience and knowledge in the financial services and capital market industry. YBhg Dato' Khairussaleh joined the Group as Deputy Group MD of RHB Banking Group and MD/CEO of RHB Bank Berhad in December 2013. The Board of RHB Capital accepted the BNRC's recommendation and approved the said appointment. Upon BNM's approval, YBhg Dato' Khairussaleh was duly appointed on 5 May 2015 following the retirement of the former Group MD, Mr Kellee Kam Chee Khiong, upon conclusion of the 20th Annual General Meeting ("AGM") of the Company held on 30 April 2015. YBhg Dato' Khairussaleh also continues to hold the position of MD/CEO of RHB Bank Berhad.

In addition, the BNRC also recommended the appointment of two new INEDs on the Boards of major operating subsidiaries of the Group as their qualifications and extensive range of experience in varied disciplines are expected to bring fresh perspectives to the Boards. The respective Boards accepted the BNRC's recommendation and approved such appointment.

DIRECTORS' RETIREMENT, RE-APPOINTMENT AND RE-ELECTION

Pursuant to BNM's Guidelines on Corporate Governance for Licensed Institutions, RHB Capital is required to apply to BNM for the re-appointment of its Directors at least three months prior to the expiry of their terms of appointment, should the Company wish to further extend their appointments. Prior to such application, the Directors recommended for re-appointment are subject to assessment by the BNRC and the latter is required to give consent on their re-appointment prior to the Board Meeting. In assessing the candidates, the BNRC takes into consideration their attributes, competencies, contributions in terms of discussions on business/financial performance, strategy matters, business planning, etc., independence of views in respect of decision making, roles played and contributions to the Board and Board Committees and adequacy of training, as well as the BEE results. In addition, the NEDs (save for the NINED who is a Board representative of the major shareholders) are also subject to the internal review of re-appointment once every two years pursuant to the Guidelines on Tenure of Appointment/Re-appointment of NEDs for RHB Banking Group ("Internal Guidelines").

The INEDs' independence assessment is done annually and benchmarked against best practices and regulatory provisions. The relevant declaration is tabled to the BNRC for consideration.

BOARD NOMINATING & REMUNERATION COMMITTEE REPORT (continued)

The Group has also undertaken the BEE exercise on the Boards and Board Committees since 2006, to assess their effectiveness and that of individual Directors. The BEE is designed to identify strengths and weaknesses to improve the Board's overall effectiveness and forms part of the BNRC's and Board's evaluation for the re-appointment of Directors. A summarised report on the BEE results of the Boards and Board Committees is presented to the BNRC and the Boards to identify and address areas for improvement.

ASSESSMENT OF INDIVIDUAL DIRECTORS FOR RE-ELECTION AND/OR RE-APPOINTMENT

YBhg Datuk Seri Saw Choo Boon was recommended and approved by the BNRC and Board for re-appointment as INED of RHB Capital. BNM subsequently approved the same for a tenure of three years. Based on his vast experience at the highest levels in the oil and gas industry, particularly in the international business arena, YBhg Datuk Seri Saw Choo Boon has provided important and relevant input in pushing the Group forward, especially in the very competitive business environment, not only locally but also internationally. He is well versed in dealings with regulators, Government agencies and associations and has regularly raised with them matters that affected the Group's efforts in advancing its aspirations. He has also exercised independent judgement and challenged the Management's recommendations, if need be, to ensure the interest of RHB Capital was protected and issues were resolved in a timely and effective manner. As the Chairman of the Group Board Audit Committee, he has raised his concerns over internal control issues and provided recommendations on how the Management should exert itself to address operational risks. He has also actively participated in the deliberation and discussions on strategies and initiatives within the realm of audit.

Pursuant to Article 80 of the Company's Articles of Association, YBhg Datuk Seri Saw Choo Boon retires by rotation at the forthcoming 21st AGM of the Company and being eligible, offers himself for re-election. His re-election is further recommended by the BNRC and Board.

YBhg Tan Sri Dato' Teo Chiang Liang possesses vast experience in the management of companies in the property development and education sectors. With this experience, he has continuously imparted his knowledge and contributed to discussions on various issues, including audit, insurance, financial performance, strategy,

products and operations and has provided suggestions and recommendations to the Management in improving operational and control efficiencies. He has pointed out weaknesses/areas for the attention of the Management in the business performance of RHB Capital. He has also exercised independence of judgement and opinion on the Management's proposals as well as on issues concerning RHB Capital and the Group as a whole. Upon recommendation by the BNRC, the Board approved YBhg Tan Sri Dato' Teo Chiang Liang's re-appointment as INED of RHB Capital. BNM subsequently, in May 2015, approved the same for the tenure of three years. Pursuant to Article 80 of the Company's Articles of Association, YBhg Tan Sri Dato' Teo Chiang Liang retires by rotation and has indicated his intention of not seeking re-election due to his other business commitments. He shall accordingly retire at the forthcoming AGM.

YBhg Datuk Haji Faisal Siraj, the Senior INED of the Company, has been strongly committed to RHB Capital Group as evidenced by his full attendance at RHB Capital Board and the relevant Board Committee meetings during the year. He has continuously deliberated on issues from the Group's perspective and shared his views and experiences on various issues in relation to current market trends and globalisation as well as on areas for improvement and growth of the Group's business and operations in enhancing the performance of RHB Banking Group. Being the Chairman of the BNRC, he has proven his leadership skills with his capability in monitoring and administering the conduct and affairs of the BNRC. He has ensured the deliberations were conducted smoothly by guiding and managing the timeline of the meetings as well as by giving sufficient time to each Board Committee member to voice their views on the issues and raise their concerns on the matters at hand in seeking consensus and unity in decision making. He has been able to effectively delineate his role in providing oversight as an Independent Director while continuously enhancing his knowledge of the operations and issues of the Company. His independent judgement has not been compromised by, among others, familiarity or close relationships with Management or other Board Members over the years.

In accordance with Section 129 of the Companies Act, 1965 and Internal Guidelines, YBhg Datuk Haji Faisal Siraj, who has attained the age of 70 years in September 2015, shall retire at the forthcoming AGM. Nevertheless, he may by a resolution passed by a majority of not less than three-fourths of the shareholders and/or proxies at the forthcoming AGM, be re-appointed as a Director of RHB Capital to hold office until the next AGM in 2017, upon

recommendation by the BNRC and Board. Henceforth, his re-appointment shall be decided at every AGM until he attains the age of 73. Pursuant to the Internal Guidelines, a NED over 73 years of age will not be eligible for appointment or re-appointment on the Board(s) of RHB Banking Group and shall retire at the next AGM of the company concerned, save for the NINED who is a Board representative of the major shareholders. After considering his continued commitment, support and guidance as well as his leadership and management skills, the BNRC and Board of RHB Capital recommends the re-appointment of YBhg Datuk Haji Faisal Siraj as a Director of the Company.

YBhg Dato' Mohamed Khadar Merican (“YBhg Dato' Mohamed Khadar”), the Chairman of RHB Capital, was first appointed as an INED in the Group in December 2003 and was re-designated as a NINED in April 2015. Therefore, he has served the Group for more than 12 years. Being the Chairman of RHB Capital and a Director of its major operating subsidiaries, namely RHB Bank Berhad and RHB Investment Bank Berhad, YBhg Dato' Mohamed Khadar has always considered issues from the Group's perspective and has constantly reminded the Management of leveraging on the Group's infrastructure. He has continuously shared with the Management his thoughts on weaknesses/areas for improvement of the Group's business and operations in enhancing the Group's performance in striving towards achieving the Group's vision. In 2013, YBhg Dato' Mohamed Khadar, in his capacity as the Chairman of RHB Capital, was named as the “Chairman of The Year” by the Minority Shareholders Watchdog Group at the Malaysian-Asean Corporate Governance Index Awards 2013. Pursuant to the Internal Guidelines, a NED (save for the NINED who is a Board representative of the major shareholders) shall retire at the next AGM of the company concerned upon completion of his consecutive or cumulative term of 12 years. Accordingly, YBhg Dato' Mohamed Khadar shall retire at the forthcoming AGM of RHB Capital.

In accordance with Article 84 of the Company's Articles of Association, Directors appointed to fill casual vacancies shall hold office until the following AGM and shall be eligible for re-election. Pursuant thereto, **YBhg Dato' Khairussaleh** retires at the forthcoming AGM and being eligible, offers himself for re-election upon the Board's recommendation.

DIRECTORS' REMUNERATION

The BNRC and Boards are mindful that fair remuneration is critical to attract, retain and motivate Directors with the relevant experience and expertise required to lead the Company and the Group. The Group has adopted general principles for the remuneration of NEDs to ensure that remuneration levels are commensurate with the responsibilities, risks and time commitments of Boards/Board Committees. The level of remuneration reflects the level of responsibility undertaken by the particular NED concerned within the Company and the Group. It also takes into consideration practices within the industry and is reviewed at least once every two years.

The current structure of Directors' fees of RHB Capital was approved by the shareholders at the 19th AGM held on 8 May 2014 on the basis of RM180,000 per annum for Non-Executive Chairman and of RM150,000.00 per annum for every NED. In addition, NEDs are entitled to receive Board Committee allowances which shall be paid annually based on their Board Committee memberships as well as meeting attendance allowances when they attend any Board/Board Committee meeting. Benefits are accorded to the Chairmen of the Group, consisting of, among others, the provision of a company car, driver and petrol allowance.

The aggregate remuneration of the Group Managing Directors and NEDs of RHB Capital received and/or receivable from the Group for the financial year ended 31 December 2015 is as follows:-

	Fees RM'000	Salaries RM'000	Other remuneration RM'000	Benefits- in-kind RM'000	Total RM'000
Former Group Managing Director	–	512	2,448	10	2,970
Current Group Managing Director	–	1,436	4,112	36	5,584
NEDs	2,565	–	1,091	50	3,706
Total	2,565	1,948	7,651	96	12,260

BOARD NOMINATING & REMUNERATION COMMITTEE REPORT (continued)

Details of the number of NEDs of RHB Capital whose aggregate remuneration (received and/or receivable from the Group) falls into each successive band of RM200,000 are as follows:

Remuneration Bands	No. of NEDs
Below RM200,000	–
RM200,001 – RM400,000	2
RM400,001 – RM600,000	3
RM600,001 – RM800,000	1
RM801,001 – RM1,000,000	1

SUMMARY OF THE BNRC'S ACTIVITIES IN THE FINANCIAL YEAR 2015

During the financial year ended 2015, the BNRC considered and made recommendations to the Boards (wherever applicable) on the following matters:

- (a) Appointment and re-appointment of GSC members
- (b) Change of Board and Board Committee compositions of RHB Capital and its subsidiaries
- (c) Re-appointment of INEDs and NINEDs of RHB Capital and its major operating subsidiaries
- (d) Appointment of Directors of subsidiaries
- (e) Appointment of nominee Director representing RHB Bank Berhad on the Boards of Malaysian Electronic Payment System Sdn Bhd and MEPS Currency Management Sdn Bhd
- (f) Candidates for appointment as subscribers and members of the Board of Trustees of RHB Foundation
- (g) Nomination of Directors for joint venture company
- (h) Appointment of key Senior Management officers
- (i) Balanced scorecard for the financial years 2015 and 2016
- (j) Deliberation on the Human Resource Capabilities Assessment and key priorities for 2015
- (k) Renewal of contract of MD
- (l) Updates on succession planning
- (m) Review of annual leave entitlements for staff
- (n) Annual assessment of independence status of the INEDs
- (o) Revision of Internal Guidelines
- (p) Revised organisation structure
- (q) Deliberation on BEE results and areas for improvement
- (r) Career Transition Scheme
- (s) Renewal of the Directors & Officers' Liability Insurance
- (t) Expansion of NEDs' Remuneration Framework
- (u) Remuneration proposal for Group MD/Group CEO and MD
- (v) Sales incentive plan framework
- (w) Performance rewards and salary increments for staff
- (x) Review of Human Resource Approving Matrix.

GROUP BOARD AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

During the financial year ended 31 December 2015 (“year”), a total of six (6) Group Board Audit Committee (“Group BAC”) meetings were held. The Group BAC comprises the following members and the details of attendance of each member at the Group BAC meetings held during the year are as follows:

Composition of Group BAC	Attendance at Meetings
1. Datuk Seri Saw Choo Boon (Chairman/Independent Non-Executive Director)	6/6 (100%)
2. Datuk Haji Faisal Siraj (Member/Senior Independent Non-Executive Director)	6/6 (100%)
3. Tan Sri Dato’ Teo Chiang Liang (Member/Independent Non-Executive Director)	6/6 (100%)

SUMMARY OF GROUP BAC’S TERMS OF REFERENCE

The Group BAC’s objectives, authority, duties and responsibilities, reporting, composition, frequency of meetings and secretariat are defined in its terms of reference. A summary of the Group BAC’s terms of reference is outlined below:

Authority

The Group BAC is authorised by the Board to:

1. Investigate any matter within its terms of reference.
2. Have direct communication channels with the external and internal auditors.
3. Obtain independent professional or other advice at the Company’s expense.
4. Provide a written confirmation to Bank Negara Malaysia (“BNM”) that the Company as a financial holding company complies with BNM’s requirements on financial reporting.
5. Promptly report to Bursa Malaysia Securities Berhad (“Bursa Securities”) matters which have not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

Composition

1. The Group BAC shall be appointed by the Board from amongst its number and shall comprise not less than three (3) members who are non-executive directors, the majority of whom are independent directors.
2. The Chairman of the Group BAC shall be an independent non-executive director appointed by the Board.
3. No alternate director shall be appointed as a member of the Group BAC.
4. All members of the Group BAC shall be financially literate and at least one member shall be a member of an accounting association or body.

Duties and Responsibilities

The key duties and responsibilities of the Group BAC are summarised as follows:

1. To review the adequacy of the scope, functions, competency and resources of the internal audit function, Internal Audit Charter and that it has the necessary authority to carry out its work.
2. To review the internal audit plan and processes, the results of the internal audit programme or investigation undertaken and whether or not appropriate action is taken by Management on the recommendations of the internal auditors.

GROUP BOARD AUDIT COMMITTEE REPORT (continued)

3. To review with the external auditors, the nature and scope of their audit plan, their evaluation of the system of internal controls and their management letter and discuss any matter that the external auditors may wish to raise in the absence of Management, where necessary.
4. To recommend to the Board on the appointment and the annual reappointment of the external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit as well as the removal of auditors.
5. To review the quarterly results and year-end financial statements of the Company and the Group, before recommending to the Board for approval, focusing particularly on changes in or implementation of new accounting policies and practices, significant and unusual events and compliance with applicable approved accounting standards and other legal and regulatory requirements.
6. To review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
7. To review the minutes of meetings of other audit committees within the Group to the extent permitted by the relevant regulatory authorities and be satisfied that all matters arising therefrom are being appropriately addressed by these other audit committees.
8. To review inspection and examination reports issued by any regulatory authority and to ensure prompt and appropriate actions are taken in respect of any findings.

Meetings

1. Meetings shall be held at least four (4) times a year with a minimum quorum of two (2) members and the majority of members present shall be independent non-executive directors.
2. The head of internal audit shall be in attendance at meetings of the Group BAC. The Group BAC may invite the external auditors, the Managing Director/Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any other directors or members of the Management and employees of the Group to be in attendance during meetings to assist in its deliberations.

3. At least twice a year, the Group BAC shall meet with the external auditors without the presence of the Management or any executive board members, and upon the request of the external auditors, the Chairman of the Group BAC shall convene a meeting to consider any matter which the external auditors believe should be brought to the attention of the Board or shareholders.

SUMMARY OF GROUP BAC'S ACTIVITIES

The Group BAC's activities are concentrated on RHB Capital Berhad and its direct subsidiaries. The main activities undertaken by the Group BAC during the year are summarised as follows:

Financial Reporting

1. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Company and the Group as well as the appropriate announcements to Bursa Securities before recommending them for approval by the Board. The review process encompassed the following:
 - a. Reviewed on any changes in accounting policy or treatment and adoption of new accounting standards, and its impact to the financial statements.
 - b. Reviewed the highlights on the performance of various business sectors contributing to the financial performance of the Group and the main factors impacting the Group's operating expenses and costs.
 - c. Reviewed the financial statements for any material changes between the current and preceding or corresponding quarter/year as well as any items that may appear uncorrelated.

Internal Audit

2. Reviewed and approved the annual audit plan in January 2015 to ensure adequacy of scope and coverage of the identified high risk auditable areas.
3. Reviewed the audit activities for the year covering the planned audit assignments, ad-hoc audit projects, review of policy, process and procedures, and IT project participation.
4. Reviewed the staffing requirements of Group Internal Audit including the skill-sets and core competencies of the internal auditors.

5. Reviewed and deliberated on the internal audit reports, audit recommendations and Management's responses to these recommendations as well as the timely actions taken by Management to improve the system of internal controls and its processes on the areas highlighted.
6. Reviewed the effectiveness of the internal audit function and assessed the performance of Group Internal Audit.
7. Reviewed the minutes of meetings of the Board Audit Committee of RHB Banking Group to the extent permitted by the relevant regulatory authorities to satisfy itself that all matters arising therefrom had been appropriately addressed by the Board Audit Committee.
10. Met twice with the external auditors without the presence of Management to discuss issues of concern to the auditors arising from their annual statutory audit.
11. Reviewed on a quarterly basis, the non-audit services rendered by the external auditors and the related fees taking into consideration the fees threshold established under the Group policy to ensure that the external auditors' independence and objectivity are not compromised.
12. Evaluated the performance of the external auditors based on the results of assessment of their work by the relevant staff in the Group covering the categories of people, meeting objectives, responsiveness, knowledge of business, adding value and communications before making recommendations in relation to their appointment to the Board for consideration.

External Audit

8. Reviewed the audit plan of the external auditors, the audit strategy, risk assessment and areas of audit emphasis for the year.
9. Reviewed with the external auditors, the results of their annual audit and the Audit Committee Report together with the Management's response to their findings and recommendations.

Related Party Transactions

13. Reviewed the reports of related party transactions on a quarterly basis covering the nature and amount of the transactions including any conflict of interest situation in ensuring proper reporting and disclosures in accordance with the regulatory requirements.

TRAINING

During the year, the Group BAC members have attended the following training programmes, conferences and seminars to enhance their knowledge in order to efficiently discharge their duties as directors of the Company:

Name of Director(s)	Training Programmes Attended	Training Scope & Description
<ul style="list-style-type: none"> • Datuk Seri Saw Choo Boon 	<ol style="list-style-type: none"> 1. Briefing By Finance Department On Financial Statements (16 March 2015) 	<ul style="list-style-type: none"> • Latest updates on Financial Standards • FRS 139
	<ol style="list-style-type: none"> 2. Invitation from Bursa Malaysia Berhad – Risk Management & Internal Control: Workshops For Audit Committee Members (8 June 2015) 	<ul style="list-style-type: none"> • Audit Committee • Relationship with Internal Audit • Good Risk Management & Internal Control
	<ol style="list-style-type: none"> 3. CG Breakfast Series With Directors: “The Board’s Response In Light Of Rising Shareholder Engagements” (4 August 2015) 	<ul style="list-style-type: none"> • Fiduciary Duty • Shareholders’ Needs • Good Corporate Governance Practices

GROUP BOARD AUDIT COMMITTEE REPORT (continued)

Name of Director(s)	Training Programmes Attended	Training Scope & Description
<ul style="list-style-type: none"> Datuk Seri Saw Choo Boon (continued) 	4. Directors CG Series: “Building Effective Finance Function – From Reporting to Analytic to Strategic Input” (10 August 2015)	<ul style="list-style-type: none"> Financial Reporting Requirements Opportunity and challenges in green investment strategy
	5. Cooking the Books – The Malaysian Recipe on Financial Fraud (10 September 2015)	<ul style="list-style-type: none"> Ingredients for fraud Types of financial fraud Red flags on fraud
	6. Capital Market Director’s Training Programme (CMDP): Module 1 – 7 September 2015 Module 2A – 6 October 2015 Module 3 – 8 October 2015 Module 4 – 2 October 2015	<ul style="list-style-type: none"> Capital Market in Malaysia Good Corporate Governance
	7. Ethics Red Flags For Board of Directors (3 November 2015)	<ul style="list-style-type: none"> Ethics & Governance Conflicts of Interest
<ul style="list-style-type: none"> Datuk Haji Faisal Siraj 	1. GST Training (5 February 2015)	<ul style="list-style-type: none"> Understanding Goods and Services Tax in Malaysia Opportunity and challenges in tax strategy
	2. Briefing By Finance Department On Financial Statements (16 March 2015)	<ul style="list-style-type: none"> Latest updates on Financial Standards FRS 139
	3. FIDE Forum: Invitation to Industry Consultation Session (Directors’ Remuneration Study) (6 May 2015)	<ul style="list-style-type: none"> Encourage development of world class directors Attract and retain highly qualified directors Promote board diversity, and Improve board performance
	4. FIDE Forum’s Special Invite to “Board’s Strategic Leadership: Innovation & Growth in Uncertain Times” (21 May 2015)	<ul style="list-style-type: none"> Innovative Products High Risk, High Return Product Compliance Cost
	5. Briefings on Overseas Tax and Malaysian Financial Reporting Standard 9 – ‘Financial Instruments’ For RHB Banking Group Directors (1 October 2015)	<ul style="list-style-type: none"> Overseas Tax FATCA MFRS 9
<ul style="list-style-type: none"> Tan Sri Dato’ Teo Chiang Liang 	1. GST Training (5 February 2015)	<ul style="list-style-type: none"> Understanding Goods and Services Tax in Malaysia Opportunity and challenges in tax strategy
	2. FIDE Forum 3rd Board Leadership Series: Impact On The New Accounting Standard On Banks – What Directors Should Be Aware (5 June 2015)	<ul style="list-style-type: none"> Reclassification of assets & liabilities Revenue recognition Latest Accounting standard

Name of Director(s)	Training Programmes Attended	Training Scope & Description
<ul style="list-style-type: none"> Tan Sri Dato' Teo Chiang Liang (continued) 	3. CG Breakfast Series With Directors: "The Board's Response In Light Of Rising Shareholder Engagements" (4 August 2015)	<ul style="list-style-type: none"> Fiduciary Duty Shareholders' Needs Good Corporate Governance Practices
	4. 4th Distinguished Board Leadership Series – "Board Leading Change: Organisational Transformation Strategy as Key Sustainable Growth In Challenging Times" (18 August 2015)	<ul style="list-style-type: none"> Sustainable Growth Redefined Strategy Transformation

INTERNAL AUDIT FUNCTION

The Group has an in-house group internal audit function ("Group Internal Audit") which is guided by the Group Internal Audit Charter and the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. Group Internal Audit reports to the Group BAC of the Company and the BAC of RHB Banking Group, and its main function is to provide the Board with independent assurance that the Group's risk management, internal control and governance processes are operating adequately and effectively.

The annual audit plans of the Company and RHB Banking Group are approved by the Group BAC and BAC respectively for each financial year. Group Internal Audit continues to adopt a risk-based approach towards the planning and conduct of audits in ensuring that the audit resources are prioritised in line with the Group's key risks and areas of focus which are identified based on Group Internal Audit's risk assessment methodology.

Upon completion of the audits, all audit reports on the results of work undertaken together with the recommended action plans and their implementation status are then presented to the respective Management Audit Committees and the Board Audit Committees. Group Internal Audit closely monitors the implementation progress of its audit recommendations in order to obtain assurance that all major risk and control concerns have been duly addressed by Management.

Group Internal Audit also works closely with the external auditors to resolve any control issues raised by them to ensure that all reported issues are duly acted upon by Management via the respective Management Audit Committees of RHB Banking Group.

In addition to the planned audits, Group Internal Audit also performs investigations and special reviews as well as participate in system development activities to provide recommendations upfront on relevant system-built controls.

To ensure effectiveness of the internal audit function, the Group Chief Internal Auditor ("Group CIA") has developed and maintained a quality assurance and improvement programme that covers all aspects of the internal audit activities. The quality assurance programme assesses the effectiveness of processes within the internal audit function and identifies opportunities for improvement through both internal and external assessments.

The internal assessment is performed according to the approved Quality Assurance Review ("QAR") plan by an independent QAR team within Group Internal Audit and reports directly to the Group CIA while the external quality assessment is conducted by a qualified independent reviewer once every five years. The results of both internal and external assessment are tabled to the Board Audit Committees for deliberation and information.

The cost incurred for the Group Internal Audit function was RM22.8 million for the financial year.

RISK MANAGEMENT STATEMENT

INTRODUCTION

THE RISK MANAGEMENT PROCESS WITHIN THE GROUP SEEKS TO IDENTIFY, MEASURE, MONITOR AND CONTROL RISK SO THAT RISK EXPOSURES ARE ADEQUATELY MANAGED AND THE EXPECTED RETURNS ADEQUATELY COMPENSATE THE RISKS.

EFFECTIVE RISK MANAGEMENT IS FUNDAMENTAL TO DRIVE SUSTAINABLE GROWTH AND SHAREHOLDERS' VALUE, WHILE MAINTAINING COMPETITIVE ADVANTAGE, AND IS THUS A CENTRAL PART OF THE PROACTIVE RISK MANAGEMENT OF THE GROUP'S OPERATING ENVIRONMENT.

The Group Risk Management Framework governs the management of risks in the Group, as follows:

- It provides a holistic overview of the risk and control environment of the Group, with risk management aimed towards loss minimisation and protection against losses which may occur through, principally, the failure of effective checks and controls in the organisation.
- It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised through building up capabilities and infrastructure in risk management sophistication, and enhanced risk quantification to optimise risk-adjusted returns.

OVERARCHING RISK MANAGEMENT PRINCIPLES

The Risk Management Framework contains five fundamental principles that drive the philosophy of risk management in the Group. They are:

- Risk governance from the Boards of Directors (Board) of the various operating entities within the Group;
- Clear understanding of risk management ownership;
- Institutionalisation of a risk-focused organisation;
- Alignment of risk management to business strategies; and
- Optimisation of risk-adjusted returns.

PRINCIPLE 1:

Risk governance from the Boards of Directors of the various operating entities within the Group

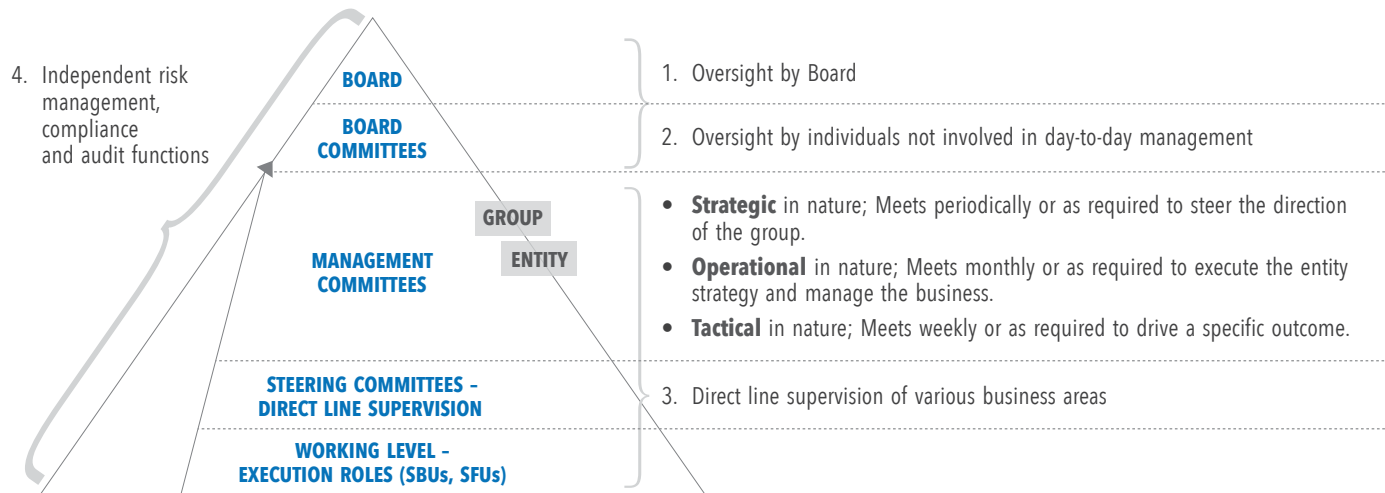
The ultimate responsibility of the Board in the Group is to ensure that an effective risk management process is in place which is uniformly understood across the Group. The Group has a structured framework to support the Board's oversight responsibilities.

Risk Governance and Organisation

The Board, through the Board Risk Committee (BRC), Group Capital and Risk Committee (GCRC) and the Group Risk & Credit Management function, establishes the risk appetite and risk principles for the Group and relevant entities. The BRC is the principal Board Committee that provides oversight over risk management activities for the Group to ensure that the Group's risk management process is in place and functional. The BRC assists the Board to review the Group's overall risk management philosophy, frameworks, policies and models. An Islamic Risk Management Committee (IRMC) was established to assist the Board of RHB Islamic Bank Berhad (RHB Islamic Bank) on risk issues relevant and unique to RHB Islamic Bank.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Group Capital and Risk Committee comprising Senior Management of the Group and which reports to the BRC/IRMC and the Group Management Committee.

There are other committees set up to manage specific areas of risks in the Group. An overview of this governance framework at Group level is as below:



PRINCIPLE 2:

Clear understanding of risk management ownership

Proactive risk ownership is important for effective management of risk. This promotes a risk awareness culture throughout the Group. The Strategic Business Units (SBUs) and Strategic Functional Units (SFUs) of the respective operating entities in the Group are collectively responsible for identifying, managing and reporting risk. The business units manage certain defined risks supported by the services provided by the functional units, including the risk management function.

PRINCIPLE 3:

Institutionalisation of a risk-focused organisation

In addition to risk ownership, a risk-focused culture is promoted throughout the Group through the strengthening of the central risk management function as well as the continuous reinforcement of a risk and control environment within the Group.

Central Risk Management Function

Group Risk & Credit Management is independent of the business function to ensure that the necessary balance in risk/return decisions is not compromised by short term pressures to generate revenues. The said function in the Group reports to the Group Chief Risk Officer. The roles and responsibilities of the Group Chief Risk Officer include:

- Facilitating the setting of the strategic direction and overall policy on management and control of risks of the Group;
- Ensuring industry best practices in risk management are adopted across the Group, including the setting of risk management parameters and risk models;
- Developing a proactive, balanced and risk attuned culture within the Group;
- Advising Senior Management, GCRC, BRC/IRMC and Boards on risk issues and their possible impact on the Group in the achievement of its objectives and strategies; and
- Administering the delegation of discretionary powers to management personnel within the Group.

RISK MANAGEMENT STATEMENT (continued)

Group Risk & Credit Management consisting of Group Risk Management, Group Credit Management and Group Risk Operations provides independent oversight on business activities and implements the Group Risk Management Framework in order to protect and safeguard the Group's assets, and to prevent and mitigate financial and reputational losses to the Group. Key areas for which Group Risk Management is responsible for include the Group's risk policy and framework, day-to-day risk measurement and monitoring, providing timely risk analysis to management, and ensuring compliance to regulatory risk reporting requirements.

Group Credit Management oversees the Group-wide credit evaluation and assessment, approval and credit monitoring functions by providing credit risk assessment assurance on credit proposals, highlighting key risks and potential problematic accounts, and improving credit process efficiency.

Group Risk Operations is responsible for strategising and implementing a comprehensive enterprise-wide risk governance framework, and managing the development of robust risk management infrastructure and tools, aligned with the Group's strategy for growth and keeping pace with the market requirements and competitive business environment. Group Risk Operations drives the operationalisation of the Group's risk transformation initiatives in establishing risk management as a valuable business partner.

Risk and Control Environment

The business and functional heads are accountable for risk management in their businesses and functions, and for overseas operations where they have governance responsibilities. The business and functional units have clear segregation of duties to ensure that business processes are functioning effectively. There is accountability delegated to the appropriate authority to enable them to execute their respective authorities in meeting the business strategies without compromising the risk management process.

The primary responsibility for managing risks, therefore, rests with the business managers who are best equipped to ensure that risk management and control are continuously focused on the way business is conducted. There is a continuous review of business activities and processes to identify significant risk areas and implement control procedures to operate within established corporate policies and limits.

PRINCIPLE 4:

Alignment of risk management to business strategies

The Group's Risk Management Framework serves to align the Group's business strategy to risk strategy, and vice versa. This is articulated through the risk appetite setting and the Group's annual business and financial budgetary plan, which is facilitated by the integration of risk measures in capital management.

Risk appetite is set by the Board and reported through various metrics that enable the Group to manage capital constraints and shareholders' expectations. The risk appetite is a key component of the management of risks and describes the types and level of risk that the Group are prepared to accept in delivering its strategy.

PRINCIPLE 5:

Optimisation of risk-adjusted returns

One of the objectives of capital management is to reflect a risk-adjusted return assumed by the businesses throughout the Group. By linking risk to capital, the risk-adjusted return measure contributes to the creation of shareholders' value by facilitating the allocation of capital to the businesses.

The medium to long term strategy and principle of risk management of the Group is to intensify the integration of capital management within the Group. The Group is progressively implementing a risk-adjusted return-based framework for allocation of capital to business units and for performance measurement and management.

CREDIT RISK

Credit risk is the risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group's lending/financing, trade finance and its fundings, investment and trading activities from both on- and off-balance sheet transactions.

Credit risk management is conducted in a holistic manner. Credit underwriting standards are articulated in an approved Group credit policy which is developed for the assurance of asset quality that is in line with the Group's risk appetite. Industry best practices are instilled in the continual updating of the Group credit policy

including independent assessment of credit proposals, assignment of rating and adoption of multi-tiered delegated lending authorities spanning from individuals to credit approving committees.

The Board Credit Committee's main functions are affirming, imposing more stringent conditions on or vetoing credits of the Group which are duly approved by the Group Credit Committee (GCC) and overseeing the management of impaired and high risk accounts, as well as affirming, imposing additional conditions on or vetoing impaired financing from Credit Recovery for amounts above the defined thresholds of the GCC. In line with best practices, financing facilities applications are independently evaluated by Group Credit Management prior to submission to the relevant committees for approval. For financing applications submitted for joint approvals, there is proper check and control as the joint approval is between business units and Group Credit Management.

Internal credit rating models are an integral part of the Group's credit risk management, decision-making process, and regulatory capital calculations. The credit grading models for corporate (or non-individual) obligors are used to risk rate the creditworthiness of the corporate obligors/guarantors/debt issuers based on their financial standing (such as gearing, expenses and profit) and qualitative aspects (such as management effectiveness and industry environment). The credit scoring models are for large volume of exposures that are managed on a portfolio basis, which includes programme lending/financing for small- and medium-sized enterprises. These models are developed through statistical modelling and applied onto the portfolio accordingly.

The analysis of any single large exposure and group of exposures is conducted regularly. The SBUs undertake regular account updates, monitoring and management of these exposures. Further, country and industry specific limits are also incorporated within the overall credit risk management framework for better assessment and management of credit concentration risk.

Credit reviews and rating are conducted on the credit exposures at least annually. Specific loans may be reviewed more frequently under appropriate circumstances. Such circumstances may arise if, for instance, the Group believes that heightened risk exists in a particular industry, or the borrower has defaulted on obligations to suppliers or other financial institutions or is facing cash flow or other difficulties.

Regular risk reporting is made to the GCRC, IRMC, BRC and the Board. These reports include various credit risk aspects such as portfolio quality, credit migration, expected losses, and concentration risk exposures by business portfolio. Such reporting allows Senior Management to identify adverse credit trends, take prompt corrective actions, and ensure appropriate risk-adjusted decision-making. The Group also conducts regular credit stress tests to assess the credit portfolio's vulnerability to adverse credit risk events.

Group Internal Audit conducts independent post-approval reviews on a sampling basis to ensure that the quality of credit appraisals and approval standards is in accordance with the credit underwriting standards and financing policies established by the Group's management, and relevant laws and regulations.

MARKET RISK

Market risk is the risk of loss arising from adverse movements in market indicators, such as interest/profit rates, credit spreads, equity prices, currency exchange rates and commodity prices.

Market risk is segregated into trading market risk and non-trading market risk. Trading market risk arises from changes in interest/profit rates, foreign exchange rates, equity prices and credit spreads on the value of assets held for trading, while non-trading market risk arises from changes in interest/profit rates, foreign exchange rates and equity prices, of which the main non-trading market risk is interest/profit rate risk arising from re-pricing mismatches of its assets and liabilities from its banking activities.

The Group Asset and Liability Committee (Group ALCO) performs a critical role in the oversight of the management of market risk and supports the IRMC and BRC in the overall market risk management. Group ALCO meets regularly and is the forum where strategic and tactical decisions are made for the management of market risk; this includes the development of the Group's market risk strategy, market risk management structure and the policies as well as measurement techniques to be put in place.

The Group Market Risk Management Department within Group Risk Management is the working level that forms a centralised function to support Senior Management to operationalise the processes and methods, and ensure adequate risk control and oversight are in place.

RISK MANAGEMENT STATEMENT (continued)

The Group applies risk monitoring and assessment tools to measure trading book positions and market risk factors. Statistical and non-statistical risk assessment tools applied include Value-at-Risk, sensitivity analysis and stress testing. For effective control of operations, defined management action triggers and risk limits are established and actively monitored. Stress testing is rigorously applied in ascertaining the susceptibility of and the extent to which the Group's financials and earnings are affected by prospective changes in market interest rates/profit rates, key risk drivers or scenarios.

INTEREST RATE RISK IN THE BANKING BOOK/RATE OF RETURN RISK IN THE BANKING BOOK

Interest rate risk/rate of return risk in the banking book refers to the risk to the Group's earnings and economic value of equity due to the adverse movements in interest rate. The risk may arise from the mismatches in the timing of repricing of assets and liabilities from both on and off-balance sheet positions in the banking book, changes in slope and shape of the yield curve, basis risk and optionality risk.

Earnings-at-Risk (EaR) and Economic Value of Equity (EVE) are used to assess interest rate risk/rate of return risk in the banking book. They are computed based on the re-pricing gap profile of the banking book using BNM's standard template. Assets and liabilities are bucketed based on their remaining tenure to maturity or next re-price dates. The measurement of EaR and EVE is conducted on a monthly basis.

The Group ALCO supports IRMC and BRC in establishing policies, strategies and limits for the management of balance sheet risk exposure. The Group Asset and Liability Management (Group ALM) within Group Risk Management supports the Group ALCO in the monthly monitoring and reporting of the interest rate risk/rate of return risk profile of the banking book. The primary objective in managing balance sheet risk is to manage the net interest/profit income and economic value of equity, as well as to ensure that interest rate risk/rate of return risk exposures are maintained within defined risk tolerances.

In order to achieve a balance between profitability from banking activities and minimising risk to earnings and capital from changes in interest rate/benchmark rate, interest rate risk/rate of return

risk to earnings is controlled using Management Action Triggers (MATs) and identified escalation procedures.

Stress testing is also performed regularly to determine the adequacy of capital in meeting the impact of extreme interest/benchmark rate movements on the balance sheet. Such tests are also performed to provide early warnings of potential extreme losses, facilitating proactive management of interest rate risk/rate of return risk in the banking book in an environment of rapid financial market changes.

LIQUIDITY RISK

Liquidity risk is defined as the risk of the Group being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

The Group ALCO supports the IRMC and BRC by performing the critical role in the management of liquidity risks and among others is responsible for establishing strategies that assist in controlling and reducing any potential exposure to liquidity risk. Group ALCO is supported by Group ALM at the working level. Group ALM monitors liquidity risk limits/MATs and reports to Group ALCO the liquidity risk profile on a monthly basis.

The liquidity management process involves establishing liquidity management policies and limits, regular monitoring against liquidity risk limits, regular stress testing, and establishing contingency funding plans. These processes are subject to regular reviews to ensure that they remain relevant in the context of prevailing market conditions.

Triggers and limits are determined based on the Group's risk appetite and are measured by conventional risk quantification methodologies such as regulatory liquidity framework requirements. The Group maintains adequate liquidity surplus to meet its requirements, and is well above the regulatory requirement. Liquidity preservation is also augmented by the Group's practice of maintaining appropriate amounts of liquefiable assets as additional buffers against times of extreme market systemic risks and stress, as well as the Group's implementation of policies and practices in relation to contingency funding plans and operations.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events, which also includes IT, legal and Shariah non-compliance risk but excludes strategic and reputational risk.

One of the Group's primary safeguards against operational risk is the existence of a sound internal control system, based on the principle of dual control checks and balances, segregation of duties, independent checks and verification processes, and a segmented system access control and authorisation process. These controls are documented through a set of policies and procedures at the respective business and operation level. Each business and support unit of the respective operating entities in the Group is responsible for understanding the operational risks inherent in its products, activities, processes and systems. They are supported in this function by the central risk coordination units which include the operational risk management function, the compliance function and the internal audit function.

The Group Operational Risk Management Department within Group Risk Management has the functional responsibility for the development of operational risk framework, policies and methodologies, and for providing guidance and information to the business units on operational risk areas. Its function also includes generating a broader understanding and awareness of operational risk issues at all levels in the Group. It also ensures that operational risk from new products, processes and systems is adequately managed and mitigated. The respective business units are primarily responsible for managing operational risk on a day-to-day basis. Some of the control tools used include Risk and Control Self-Assessment, Key Risk Indicators, and Incident and Loss Management.

The Group's Operational Risk Management Framework comprises a wide range of activities and elements, broadly classified as follows:

- **Education and Awareness** – This is aligned with the principle and requirement that the front-line business and support units of the Group are, by nature of their direct involvement in interfacing with customers and in operating the business, responsible for managing operational risk and acting as the first line of defence.
- **Monitoring and Intervention** – This is where the principal head office risk control units actively manage operational non compliances and incidents, as well as undertake recovery actions, including business continuity measures in cases of incidences causing disruption to business activities.

Risk mitigation tools and techniques are used to minimise risk to an acceptable level and aim to decrease the likelihood of an undesirable event and the impact on the business, should it occur. The control tools and techniques include business continuity management, outsourcing and insurance/takaful management.

Regular operational risk reporting is made to the Senior Management, the GCRC, IRMC, BRC and the Board. These reports include various operational risk aspects such as reporting of significant operational loss and Shariah non-compliance events. Such reporting enables Senior Management to identify adverse operational lapses, take prompt corrective actions, and ensure appropriate risk mitigation decision-making and action plans.

REPUTATIONAL RISK

Reputational risk is the risk that negative publicity regarding the conduct of the Bank or any of the entities within the Group, and its business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures. It also undermines public confidence in the Group, affecting the share price.

Reputational risk in the Group is managed and controlled through codes of conduct, governance practices and risk management practices, policies, procedures and training. The Group has

RISK MANAGEMENT STATEMENT (continued)

developed and implemented a reputational risk management framework. The key elements for management of reputational risk include:

- Prompt and effective communication with all stakeholders;
- Strong and consistent enforcement of controls relating to governance, business and legal compliance;
- Continuous monitoring of threats to reputation;
- Ensuring ethical practices throughout the Group; and
- Establishing crisis management plans and ensuring these are continuously updated.

SHARIAH NON-COMPLIANCE RISK

Shariah non-compliance risk is the risk of loss arising from failure to comply with the Shariah rules and principles as determined by the Shariah Committee of RHB Islamic Bank (SCR) or any other relevant body, such as Bank Negara Malaysia's (BNM) Shariah Advisory Council.

A Shariah Framework has been developed with the objective of governing the entire Shariah compliance process within Islamic banking operations, and to:

- Ensure that the planning, development, and implementation of the Islamic Bank's products, services and conduct of business are in accordance with Shariah principles;
- Ensure that the Bank's operations do not contravene any of the Shariah principles and authorities' regulations related to the Shariah; and
- Act as a guide on the Bank's expectations to all personnel engaged in the Bank's activities; to ensure that all such functions are based on the Shariah principles, practices and prudence.

The SCR was established under BNM's Shariah Governance Framework. The main duties and responsibilities of SCR are to advise the Board of Directors on Shariah matters in relation to Islamic Banking business and operations, to endorse Shariah compliance manuals, to endorse and validate relevant documents as well as to provide written Shariah opinion on new products and RHB Islamic Bank's financial statements.

The Head of Shariah Division reports functionally to the SCR and administratively to the Managing Director of RHB Islamic Bank. The key functions of the Shariah Division are undertaken by two sub-units, i.e. Shariah Advisory, Development and Secretariat; and Shariah Research and Training. On a functional basis, RHB Islamic Bank is supported by Shariah Division, Group Shariah Risk Management, Shariah Compliance and Shariah Audit.

Any incidences of Shariah non-compliance are reported to the SCR, the IRMC, the Board of Directors of RHB Islamic Bank and BNM. Remedial actions may include the immediate termination of the Shariah non-compliant products or services and de-recognition of Shariah non-compliant income.

CAPITAL MANAGEMENT AND BASEL

The Group's capital management objective is to manage capital prudently to maintain a strong capital position to drive sustainable business growth and seek strategic opportunities to enhance shareholders' value, and be in line with its risk appetite. It also calls for the Group to ensure that adequate capital resources are available to support business growth and investment opportunities, as well as to meet adverse situations, and to comply with regulatory capital requirements.

The Group's capital management objective is translated into capital targets that are consistent with the need to support business growth in line with strategic plans and risk appetite. Through the Internal Capital Adequacy Assessment Process (ICAAP), the Group assesses its forecast capital supply and demand which is determined by the following:

- Material risk types where capital is deemed to be an appropriate risk mitigation method;
- Capital targets; and
- The use of forward three-year planning.

In addition, capital stress tests are also conducted to evaluate the sensitivity of the key assumptions in the capital plan to the effects of plausible stress scenarios and to assess how the Group can continue to maintain adequate capital under such scenarios.

Each operating subsidiary in the Group manages its capital using a consistent capital management framework and process. The capital management framework guides the establishment of capital strategy for the Group and its entities, as well as highlights the internal analytics capabilities required and the functions that support the capital management framework within the Group.

Supported by monitoring and reporting capabilities, the Board and Senior Management are kept informed and updated of the Group's capital utilisation and capital position which is generated by the Group's information system and processes.

For the purpose of complying with regulatory requirements under Basel II Pillar 1, the approaches adopted by the respective banking entities within the Group are as follows:

Entity	Credit Risk	Market Risk	Operational Risk
RHB Bank Berhad	Internal Ratings-Based Approach	Standardised Approach	Basic Indicator Approach
RHB Islamic Bank Berhad	Standardised Approach		
RHB Investment Bank Berhad			

The Group's ICAAP framework ensures that all material risks are identified, measured and reported, and that adequate capital levels consistent with the risk profiles, including capital buffers, are maintained to support the current and projected demand for capital, under existing and stressed conditions. For non-measurable risks, relevant framework and control mechanisms are implemented to mitigate and manage the same.

The Group's relevant Pillar 3 disclosures are published in the Annual Report and available on the corporate website (www.rhbgroup.com).

Basel III Implementation

The implementation of Basel III for capital components by BNM in Malaysia has commenced with effect from 1 January 2013. Under the new Basel III rules, banking institutions are required to strengthen the quality of their capital by maintaining higher minimum capital requirements and holding capital buffers, namely the capital conservation buffer and the countercyclical capital buffer. However, the requirements are subject to a series of transitional arrangements with a gradual phase-in commencing 2013.

The banking entities have implemented BNM's liquidity standards on Liquidity Coverage Ratio (LCR) effective from 1 June 2015 after reporting the LCR under observation since June 2012. BNM has adopted the phase-in arrangement for Malaysian banking institutions to comply with the minimum requirement of 60% in 2015 with incremental of 10% each year thereafter until 100% from 1 January 2019 onwards. Banking institutions continue to report on Net Stable Funding Ratio (NSFR) under observation. The result produced during the observation period facilitates the banking entities' strategy in managing the appropriate balance sheet structure for achieving optimal NSFR.

Basel II Implementation

The Group places great importance on the International Convergence of Capital Measurement and Capital Standards: A Revised Framework (commonly referred to as Basel II) as adopted by BNM and views it as a group-wide initiative in meeting international best practices in this area. A dedicated Group Basel Steering Committee was set up to oversee all Basel related initiatives and activities throughout the Group and to ensure that it is on track in meeting the regulatory requirements outlined in the Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks issued by BNM.

SHARIAH COMMITTEE REPORT

INTRODUCTION

The Shariah Committee is established under RHB Islamic Bank Berhad with the following main objectives:

1. To perform an oversight and independent advisory role to the Board of Directors and/or the Management of RHB Banking Group (“the Group”) on Shariah matters pertaining to the Group’s Islamic banking and finance business and operations.
2. To ensure effective working arrangements are established between the Shariah Committee and the Shariah Advisory Council (“SAC”) of Bank Negara Malaysia (“BNM”), as well as that of the Securities Commission (“SC”).
3. To ensure the establishment of appropriate procedures in leading to prompt compliance with Shariah principles.

SHARIAH COMMITTEE MEMBERS

The Shariah Committee comprises six qualified local Shariah scholars; one of whom is based in Kuwait. The range of knowledge, experience and approaches of this diverse group of Shariah scholars is needed in order for the Group’s operations and products to be globally accepted. The majority of the members have the prerequisite Shariah qualifications imposed by BNM. The remaining members are professionals from various backgrounds who possess expertise in the Islamic banking and finance industry.

The Shariah Committee members are:

1. Dr Ghazali bin Jaapar	(Chairman)
2. Prof Dr Joni Tamkin bin Borhan	(Member)
3. Assoc Prof Dr Amir bin Shahrudin	(Member)
4. En Mohd Fadhly bin Md Yusoff	(Member)
5. En Wan Abdul Rahim Kamil bin Wan Mohamed Ali	(Member)
6. Pn Shabnam binti Mohamad Mokhtar	(Member)

Please refer to pages 36 to 38 for the profiles of the Shariah Committee.

DUTIES & RESPONSIBILITIES

The main duties and responsibilities of the Shariah Committee are to:

1. Advise the Board on Shariah matters in order to ensure that the Islamic banking and financing business and operations are Shariah-compliant at all times
2. Endorse all frameworks, policies, manuals and procedures prepared by the Group which have Shariah concerns and ensure that the contents do not contain any elements which are not in line with Shariah
3. Endorse and validate the following documentation to ensure that the products comply with Shariah principles:
 - i. the terms and conditions contained in proposal forms, contracts, agreements or other legal documentation used in executing transactions; and
 - ii. the product manual, marketing advertisement, sales illustration and brochures used to describe a product
4. Assess the work carried out by Shariah Compliance and Shariah Audit in order to ensure compliance with Shariah matters
5. Provide advice to the Group’s legal counsel, auditor or consultant on Shariah matters as and when required to ensure compliance with Shariah principles
6. Advise on matters to be referred to the SAC of BNM, particularly matters which have not been resolved or endorsed by the SAC of BNM
7. Provide written Shariah opinions particularly in the following circumstances:
 - i. where the Group makes reference to the SAC of BNM for advice; or
 - ii. where the Group submits applications to BNM or the SC for new product approval in accordance with guidelines on product approval issued by BNM and the SC

8. Articulate Shariah issues involved and ensure that all advice and/or opinion is supported by relevant Shariah jurisprudential literature from established sources. The Shariah Committee is also expected to assist the SAC of BNM on any matters referred by the Group
9. Ensure that the SAC of BNM's decisions/opinions/advice are properly implemented and adhered to by the Group
10. Prepare a report to certify the Annual Audited Account of RHB Islamic Bank for the financial period concerned
11. In respect of matters concerning the Islamic Capital Market (for RHBIB and as mandated):
 - i. ensure that the instruments are managed and administered in accordance with Shariah principles;
 - ii. provide expertise and guidance in all matters relating to Shariah principles, including the instrument's deed and prospectus, its structure and investment process, and other operational and administrative matters;
 - iii. scrutinise the instrument's compliance report as provided by the compliance officer, and investment transaction reports provided by, or duly approved by, the trustee to ensure that the investments are in line with Shariah principles; and
 - iv. prepare a report to be included in the interim and annual reports certifying that the instrument had been managed and administered in accordance with Shariah principles for the period concerned.
12. Advise on payment of Zakat to the appropriate authority.

MEETINGS

A total of 11 meetings were held during the financial year ended 31 December 2015, which comprised nine regular meetings and two special meetings.

All members have satisfied the minimum attendance requirement under BNM's Shariah Governance Framework which provides that a Shariah Committee member is required to attend at least 75% of the Shariah Committee meetings held in each financial year. Details of attendance of each member are as follows:

Name of Shariah Committee Member	Number of Meetings	
	Held	Attended
Dr Ghazali Jaapar	11	11
Prof Dr Joni Tamkin Borhan	11	10
Assoc Prof Dr Amir Shaharuddin	11	11
En Mohd Fadhly Md Yusoff	11	10
En Wan Abdul Rahim Kamil	11	9
Pn Shabnam Mohamad Mokhtar <i>* Date Joined 01 May 2015</i>	7	6

BUSINESS CONTINUITY MANAGEMENT

INTRODUCTION

THE GROUP RECOGNISES AND IS FULLY COMMITTED TO, THE NEED TO PROVIDE CONTINUOUS CRITICAL SERVICES TO ITS CUSTOMERS, ENSURE THE SAFETY OF ITS EMPLOYEES, PROTECT ITS ASSETS/DATA AND SAFEGUARD THE INTEREST OF ITS KEY STAKEHOLDERS THAT COLLECTIVELY ENSURE THE VIABILITY OF THE ORGANISATION. THE GROUP'S BUSINESS CONTINUITY MANAGEMENT (BCM) PROGRAMME IS BASED ON GOOD BUSINESS CONTINUITY PRACTICES AND GUIDELINES WHICH ARE IN LINE WITH THE BANK NEGARA MALAYSIA AND INTERNATIONALLY RECOGNISED STANDARDS.

The Board of Directors has an oversight function on the Group's BCM readiness through the Board Risk Committee (BRC) and Group Capital and Risk Committee (GCRC). The Group Business Continuity Steering Committee (GBCSC) is the management committee established to oversee the Group's business continuity framework, policies, budget and plans, and reports to GCRC.

The Group has established BCM framework and policies to provide governance and guiding principles for the development and implementation of a comprehensive BCM within the Group. To mitigate the impact of unforeseen operational risk events, the Group has an on-going and actively managed BCM programmes, which include crisis management planning, disaster recovery planning, human resource planning and business continuity planning for its major critical business operations and activities at the Head Office, data centre and branches. The BCP programmes are subject to regular testing/exercising to ensure efficacy, reliability and functionality, and come under the responsibility of the Group Business Continuity Management (Group BCM).

As precautionary measures, the Group conducts periodic assessment on potential threats, identify significant threats and implement the best ways to avoid those threats. To ensure preparedness and effective crisis management as well as the competencies of our staff to deal with real crisis, incident response teams are established at Head Office and regional levels, with clear understanding of their roles and responsibilities, maintaining clear lines of reporting and communication in the event of crisis.

Simulation exercise and drills are conducted to familiarise and equip staff with the skills and techniques required to identify, assess, respond and cope with a serious situation, especially from the moment it first occurs, triggering the activation of recovery procedures till returning to normalcy. Post incident review is carried out to identify the lessons learned, for onward sharing with staff, and to take corrective actions or enhancement on crisis management, in line with continuous improvement on BCM.

RHB will continue to strengthen its BCM programme across the Group to ensure business resiliency with provision of critical and essential services while minimising any disruption in the event of disaster.

BUSINESS CONTINUITY MANAGEMENT GOVERNANCE



COMPLIANCE STATEMENT

OVERVIEW

AS THE GROUP'S BUSINESS MODEL, REPUTATION AND FINANCIAL CONDITION ARE EXPOSED TO THE RISK OF IMPAIRMENT DUE TO COMPLIANCE RISK, WHICH ENCOMPASSES THE NON-ADHERENCE TO LAWS AND REGULATIONS, INTERNAL POLICIES AND EXPECTATIONS OF STAKEHOLDERS, THE GROUP UPHOLDS HIGH STANDARDS IN CARRYING ON ITS BUSINESS, AND AT ALL TIMES OBSERVES BOTH THE SPIRIT AND THE LETTER OF THE LAW AND REGULATIONS.

The Group's strong compliance culture reflects the high standards of ethics and integrity espoused by the Board and Senior Management in leading by example to maintain the interests of our customers, shareholders, officers and of the Group itself. Compliance responsibility applies from the top down to all business lines and functions within the Group in ensuring the effective management of compliance risk.

In running and growing its business as a compliant financial services provider, the Group is committed to upholding good corporate governance principles, regulatory requirements and international best practices. These principles are outlined in the Group Compliance Framework ("Framework") and Group Compliance Policy ("Policy") which serve as important guides for the Group as it continuously evolves to meet the growing demands of implementing compliance best practices throughout the Group's businesses. The Framework and Policy provide an overarching blueprint, from which the building blocks for the compliance functions are shaped and developed.

COMPLIANCE GOVERNANCE

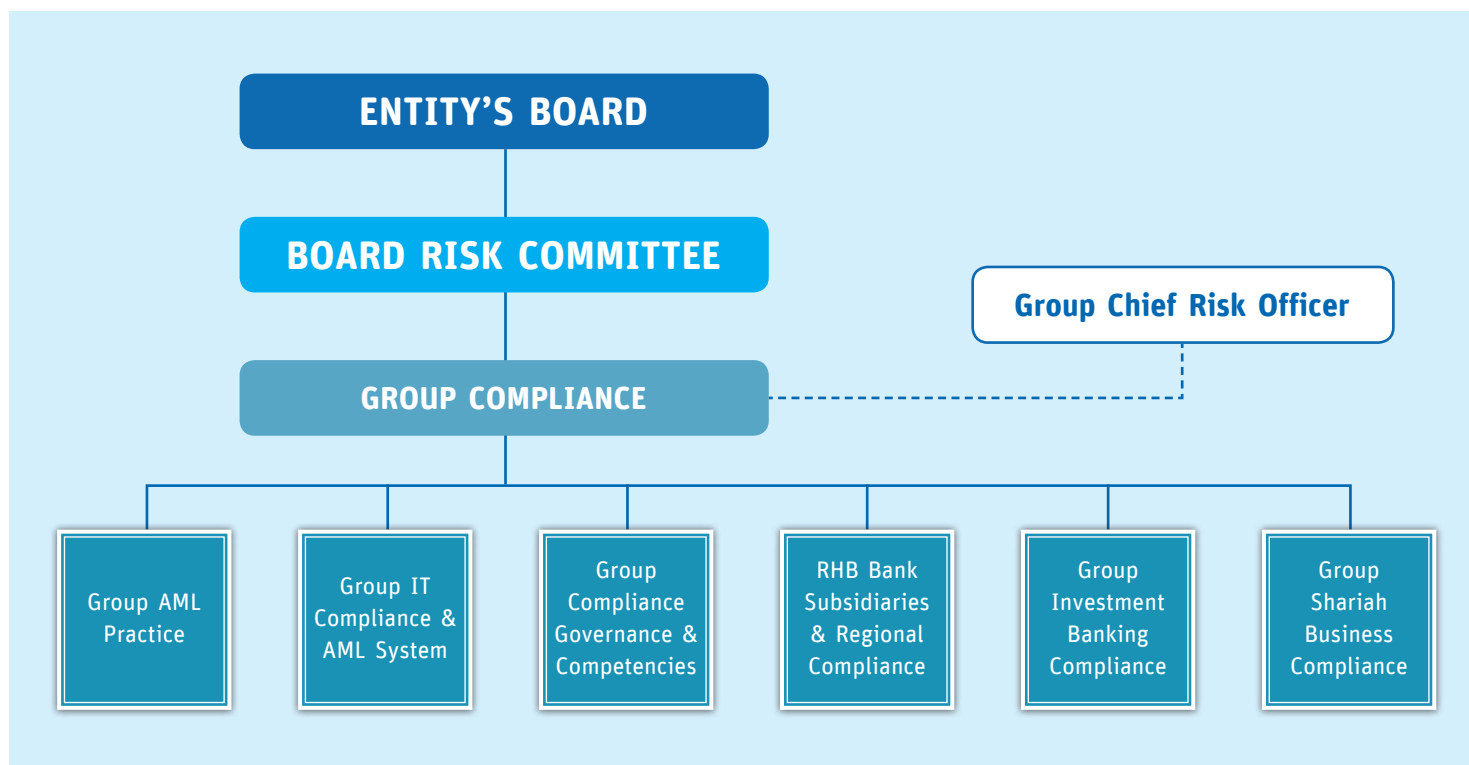
At the apex of compliance governance are the respective Boards of the various entities of the Group, which oversee and provide strategic direction for compliance within the Group. The Boards take the lead in establishing the tone from the top and upholding standards of conduct, organisational practices and corporate values that are consistent with the Group's overall risk appetite. In support of the respective Boards, the Board Risk Committee ("BRC") is the Board Committee wherein the Group's state of compliance with laws, regulations, internal policies and procedures are first reported. This enables the BRC to carry out effective oversight of the Group's compliance activities and provide the direction for appropriate compliance risk management and mitigation actions prior to notation by the Boards on a monthly basis.

The Group Senior Management supports the Board and the BRC in managing the Group's compliance risks by ensuring there is a compliance programme in place. The Group Senior Management also regularly reviews the programme's adequacy and effectiveness in managing compliance risk. Additionally, the Group Senior Management has established a compliance function at Group level which is independent and which has direct access to the BRC and Board. A Chief Compliance Officer oversees the Group's overall compliance management.

The culture inculcated by the Framework expects the employees to understand their responsibilities in respect of compliance and feel comfortable raising concerns without fear of retaliation. Leading by example, the Board and Senior Management have created an environment which not only ensures that the Group and its employees comply with legal and regulatory requirements, but also encourages the ethical conduct that underlies such requirements.

COMPLIANCE STATEMENT

(continued)



INTRODUCTION

The Group Compliance Function operates on a group-wide basis with an appointed Chief Compliance Officer (“CCO”) overseeing the compliance risk management of the Group, which includes RHB Bank Berhad and its subsidiaries (namely RHB Islamic Bank Berhad and RHB Labuan Ltd), RHB Investment Bank Berhad and its subsidiaries (namely RHB Asset Management Sdn Bhd and RHB Research Institute Sdn Bhd) and RHB Insurance Berhad. The group-wide oversight spans all entities in Malaysia and overseas. The CCO is supported by six direct reports responsible for managing the respective subject matter areas in Group Compliance. They are as follows:

Group AML Practice

Responsible for setting up group-wide strategy, standards and measures to promote effective implementation of and compliance with anti-money laundering (“AML”), terrorist financing and proceeds of unlawful activities laws and best practices.

Group Compliance Governance and Competencies

Responsible for establishing group-wide compliance governance standards and structures across all entities of the group in Malaysia and overseas, as well as for developing group compliance risk management strategies and implementation plans and enhancing compliance competencies across the Group.

Group Investment Banking Compliance

Responsible for ensuring implementation of capital market compliance measures for investment banking business across the Group.

Group Shariah Business Compliance

Responsible for ensuring implementation of Shariah compliance standards for Islamic banking business across all entities in the Group.

Group IT Compliance and AML System

Responsible for oversight of group-wide IT compliance with relevant laws, regulations and best practices as well as for overseeing the implementation of AML technology infrastructure across the Group.

RHB Bank Subsidiaries and Regional Compliance

Oversight of country/subsidiary, via the appointed country/subsidiary compliance officer, complying with Group standards as well as relevant local laws, regulations and best practices.

COMPLIANCE RISK MANAGEMENT

The aim of compliance risk management is to preserve and enhance the Group's reputation vis-à-vis its competitive standing, reputation, brand and shared values in line with its vision of becoming a leading financial services group in the region. The team in Group Compliance embraces this vision by enabling and incorporating an industry-leading compliance culture in the Group's strategies, business models and practices so that the Group is recognised for its objectives of:

- being a compliant financial services group;
- conducting business with high ethical standards;
- enabling business growth with the infusion of best compliance practices;
- ensuring zero tolerance for regulatory breaches; and
- minimising losses arising from non-compliances.

To achieve the above objectives, the Group's underlying mission is to effectively measure and manage its compliance risk in line with stakeholder expectations. The management of compliance risk across the Group lies with each entity's Board and Group Compliance, with clear definition of roles and responsibilities for the three lines of defence.

Compliance initiatives are synchronous with global compliance developments, legal and regulatory requirements, as well as the Group's policies. Therefore, the compliance management lifecycle involves identifying and determining the scope of compliance obligations, identifying and assessing the compliance risk, conducting gap analysis to determine the state of compliance, recommending initiatives to address the compliance gaps and implementing monitoring processes to ensure compliance, including periodically conducting compliance testing on key compliance risk areas.

COMPLIANCE RESPONSIBILITY

Compliance is the collective responsibility of the respective Boards, Senior Management and each and every employee of the Group. Therefore, everyone concerned is expected to promote self-regulation and be accountable for his or her own activities while maintaining ethical principles and behaviour in everything that he or she does.

The compliance responsibility is generally divided into the following categories:

- Daily compliance management – This is the first line of defence and requires the front-line businesses and supporting units to comply with internal policies, procedures, laws and regulations.
- Compliance oversight – This is the second line of defence whereby review and monitoring of specific compliance-related activities undertaken by the front-line businesses and supporting units are carried out by the Group Compliance Function or other Control Functions at the Head Office such as Group Risk Management, Group Finance, Group Legal, etc.
- Independent assurance – This is the third line of defence which involves independent parties such as internal auditors, external auditors and regulators who are expected to continuously assess the effectiveness of the compliance function in the Group.

The Group's Division and Department Heads are continuously engaged to ensure they inculcate compliance awareness and discharge their duties effectively to ensure their respective units comply with regulatory and internal requirements.

SHARIAH COMPLIANCE

Compliance with Shariah principles is an integral feature of Islamic banking and finance. Particular emphasis has been placed on this upon the enforcement of the Islamic Financial Services Act 2013 ("IFSA") in June 2013.

The Shariah Committee ("SC") plays a vital role in ensuring that the Group satisfies Shariah governance requirements as it moves to provide innovative Islamic products and services. Success in this area inevitably promotes public confidence and enhances the Group's reputation as a prominent player in the Islamic banking and finance industry.

COMPLIANCE STATEMENT (continued)

Internal control mechanisms for Shariah compliance have been put in place to ensure the Group is in compliance with Shariah rules and principles at all times. These particularly include Shariah Review exercises, Shariah Assurance Pre-approval Review, Shariah Risk Management and Shariah Audit functions across the entities of the Group. The results of these internal control mechanisms are deliberated on in the SC for their eventual endorsement. Shariah compliance is further ingrained with the adoption of the Shariah Compliance Checklist for every single retail product and the Shariah Control Self-Assessment (“SCSA”) Checklist used in the branches. The support provided by all authorities and parties within the Group has contributed to the achievement of the Shariah compliance requirements and enabled the Group to mitigate Shariah compliance risks.

ANTI-MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM (“AML/CFT”)

As one of the champions of the Government and Bank Negara Malaysia’s initiatives to prevent the banking system from being used for illicit and laundering activities, the Group has spearheaded the following processes and infrastructure:

- accountability of each level of employees for anti-money laundering detection and prevention;
- education and training in preventing and detecting money laundering; and
- extensive procedures covering customer due diligence for opening of accounts, record keeping and recognition and reporting of suspicious transactions.

The AML/CFT measures continue to focus on ensuring the effectiveness of reporting by all business and supporting units to the Group Compliance Function. Our investment in a robust AML/CFT system helps keep the Group abreast of rapid changes in the AML/CFT domain and perceptive to future developments. In addition, various learning initiatives are conducted to raise awareness among employees on the important role that they play in ensuring the Group does not become a conduit for money laundering and terrorism-financing.

KEY INITIATIVES IN 2015

The financial industry continues to be impacted by increasing regulation, both locally and internationally, by various regulatory bodies which ensure strict enforcement. In Malaysia, these regulations include the ones issued under the Financial Services Act 2013 (“FSA”) and the Islamic Financial Services Act 2013 (“IFSA”).

As the Group contends with more granular and frequent scrutiny from regulators, it also has to cope with an acute shortage of experienced compliance officers while the Group expands its business and regional presence. Faced with these challenges, the Group continuously adopts compliance strategies that provide value to our stakeholders. They include the following:

1. Infusing Best Practices

The Group’s policies are continuously reviewed to ensure that they are kept current and relevant and are reflective of global best practices. While various frameworks and policies are in place to handle the Group’s day-to-day operational needs, some key compliance policies and guidelines that have been put in place are highlighted below:

- Group Code of Ethics
- Group Whistle-blower Policy
- Gifts and Hospitality Guidelines
- Group Compliance Framework & Policy
- Group AML Policy
- Group Chinese Wall and Insider Trading Policy
- Orderly and Fair Market Policy
- Group Guidance on Cross-Border Business
- Group Guidance on Implementation of FATCA
- Group Guidance on Implementation of PDPA
- Group Guidance on Product Transparency and Disclosure

2. Compliance Assurance

The Group's state of compliance is provided for through Group Compliance offsite surveillance programmes complemented with onsite reviews. To provide the required assurance, the Boards and Senior Management are apprised of the Group's state of compliance through the submission of the Group Compliance report on a periodical basis. The report encompasses the Group's compliance with statutory/regulatory requirements, compliance measures and initiatives and summaries of new or amended regulations issued by various regulators as well as outcomes of compliance reviews and surveillance.

In addition, 2015 also saw regulators requiring assurance and attestation by Group Compliance on various data and statistical submissions.

3. Compliance Risk Mitigation

All incidences of non-compliance must be reported in the Incident Reporting System. Compliance risk mitigation is a key process in the entire Incident Reporting Process to ensure losses and incidences arising from non-compliances are managed proactively and minimised accordingly. This takes the form of ensuring that reported non-compliance incidences are duly reviewed on a daily basis to detect trends or commonalities and where applicable, preventive or corrective actions are disseminated to employees via the issuance of Learn & Lead Bulletins. If the non-compliance incident is a result of weaknesses in policies or procedures, Group Compliance will work with relevant business or supporting units to improve or implement policies or processes to close noted gaps.

Group Compliance plays an active role in integrating sound compliance risk management into the overall risk management strategy. Particular attention is paid to new business models or new processes that are introduced for the first time, to either the Group or industry, to ensure that good internal controls and processes are inbuilt to avoid regulatory compliance failures. In this regard, the notable compliance initiatives undertaken in 2015 were as follows:

- Continuously inculcating good sales practices and fair treatment of customers in products or service offerings;

- Further strengthening Shariah compliance processes to ensure that the operations and sales of each product offered is Shariah-compliant;
- Continuous training in respect of the Anti-Money Laundering Programme to ensure Group-wide awareness on this subject matter;
- Review of banking and insurance pre-contract disclosures and representations to comply with the provisions of the FSA; and
- Ongoing alignment and refinement of policies, procedures and practices.

4. Education and Awareness

Recognising that an understanding of guidelines and acts is a critical factor in enabling compliance, Group Compliance organises engagement sessions with relevant business or functional units, advising them on the key requirements and implications of the guidelines or acts. These engagement sessions provide business and functional units with a platform to discuss and resolve implementation issues. Among the notable engagement sessions conducted in 2015 were sessions on the requirements of the Foreign Account Tax Compliance Act ("FATCA") for legal entities; continuously emphasising the "Treat Customers Fairly" or TCF principles in the various operational processes of business and supporting units in tandem with the provisions under the FSA; and aligning AML practice across the Group.

In order to prepare Group Compliance in facing challenges in regulatory non-compliance, its staff have enrolled to obtain various certifications from accredited bodies, including the Certification in Regulatory Compliance Programme rolled out by the Asian Institute of Chartered Bankers. The investment in continuously upgrading skills and knowledge will ensure Group Compliance staff are sufficiently able to provide compliance assurance to the Board, Senior Management and stakeholders.

The AML E-Learning training module was similarly reviewed and enhanced to ensure that it remained updated with the latest developments.

COMPLIANCE STATEMENT

(continued)

BUSINESS VALUE OF COMPLIANCE

The compliance strategy as detailed above ultimately aims to protect the RHB brand value by achieving compliance excellence. As business models change, new technologies emerge and regulatory requirements increase amid the intense focus on operational efficiencies as well as regionalisation and the consolidation of the banking industry. The Group has never been more exposed to such a myriad of risks, not to mention larger sets of rules and regulations.

Thus, being “compliance smart” becomes a critical determining factor in our journey towards compliance excellence. In this regard, the Boards and Senior Management within each respective entity have extended their full support and cooperation. They have done this by establishing the tone from the top, which is quite simply, to comply with all laws and regulations and employ ethical behaviour. All employees are aware that the Boards and Senior Management take an uncompromising stance if such trust is breached. In addition, Senior Management has taken a stance to move compliance to the front-line by establishing compliance officers at each business and support unit.

The effective penetration of a proper compliance culture into all business and supporting units has enhanced our public domain presence and facilitated early detection of compliance risk. This has resulted in quicker compliance risk mitigation actions, which in turn translate into a reduction of operational losses and a higher level of operational efficiency. The Group recognises that the strengthening of a compliance culture is the foundation for good compliance practices. It is imperative that this becomes an intrinsic trait of the Group. This will not only preserve the Group’s integrity and reputation, but will also enhance our corporate image as a respectable organisation and ultimately, increase brand and shareholder value.

COMPLIANCE CHALLENGES

Major enforcement actions continue to occur both globally and locally, either due to new breaches by financial institutions or spill overs from previous years, resulting in record fines being imposed, particularly in Malaysia. In addition, costs for the Group to comply with the increasing regulatory requirements continuously escalate.

In 2016, we anticipate that developments in the business landscape such as digitalisation, mobility, reducing transaction cost, shadow banking, market disruptors and alternate financial channels will create challenges for the industry. These developments will challenge and change the way the Group conducts its business and operations, and pose new and unfamiliar risk dimensions. As the Group endeavours to familiarise itself with and manage these risks, it must also navigate a proliferation of new or updated regulatory standards of governance, transparency and accountability.

Greater emphasis is now placed on integrity-driven behaviour, oversight responsibilities and professional business conduct that will protect financial consumers. Therefore, the compliance value proposition will become even more crucial as the Group tries to optimise its revenue and profitability through these challenges. To facilitate this, Group Compliance will prepare itself to move up the value chain by adopting best practice infrastructures and functions which will be in line with Bank Negara Malaysia’s standards on Compliance Management.

CORPORATE INTEGRITY

INTRODUCTION

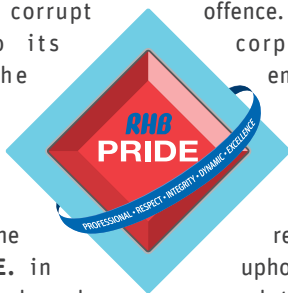
I URGE ALL OF YOU TO DISCHARGE YOUR DUTIES AS EXPECTED OF US AND REFRAIN FROM ANY TEMPTATION OF COMMITTING FRAUD, AS IT IS JUST NOT WORTH IT. WE WILL HAVE TO BE FIRM IN TAKING DISCIPLINARY ACTIONS AGAINST SUCH INCIDENTS, AND CERTAINLY WILL NOT TOLERATE FRAUD.”

– Entry by the Group Managing Director on his official internal blog dated 30 November 2015

RHB Banking Group (“Group”) firmly supports the anti-corruption efforts of the Government and the Malaysian Anti-Corruption Commission by strengthening its corporate governance and continuously inculcating good ethical business practices among its employees, clients, vendors and other business partners. This is part of the Group’s long-term roadmap to ensure its business conduct is free from acts of corruption and internal fraud, and at the same time, to act in the best interests of the Company, its shareholders and other stakeholders. The Group opposes acts of fraud and corruption as they destroy shareholder value, undermine investors’ confidence and are the antithesis of sustainable growth.

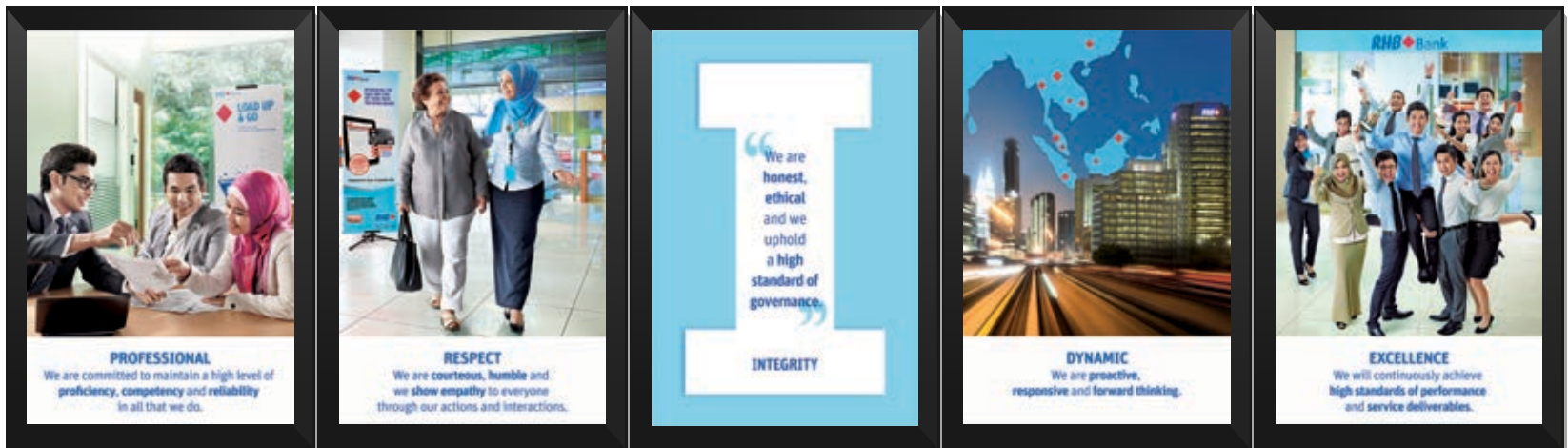
CORE VALUES

The Group is committed in its abhorrence to any business practice or activity that requires or encourages any of its employees, representatives or agents to commit any financially fraudulent act or corrupt offence. This commitment is translated into its corporate values and embraced by the employees as common shared values. This process is embedded top down whereby the Company’s core values encourage its Directors, Senior Management and the rest of the employees to have **P.R.I.D.E.** in upholding the spirit and the letter of legal and regulatory requirements, including preserving integrity and professional ethics. All employees are therefore guided by and committed to the following Group’s core shared values:

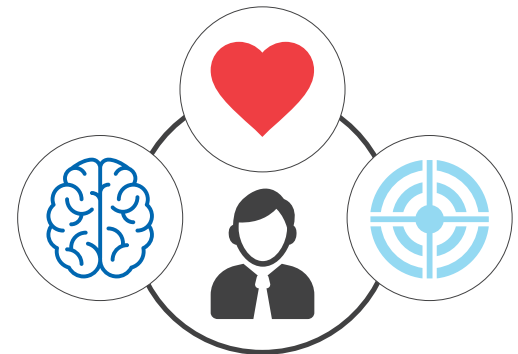


- **Professional**
We are committed to maintain a high level of proficiency, competency and reliability in all that we do.
- **Respect**
We are courteous, humble and we show empathy to everyone through our actions and interactions.
- **Integrity**
We are honest, ethical and we uphold a high standard of governance.
- **Dynamic**
We are proactive, responsive and forward thinking.
- **Excellence**
We will continuously achieve high standards of performance and service deliverables.

CORPORATE INTEGRITY (continued)



A set of P.R.I.D.E core values posters have been recently distributed and are placed on the 'P.R.I.D.E Wall' in every department. The posters, featuring talents who embody the P.R.I.D.E values, should serve as daily reminder for all of us to always 'Think, Feel and Act' with P.R.I.D.E.



INTERNAL CODE, POLICY & GUIDELINES

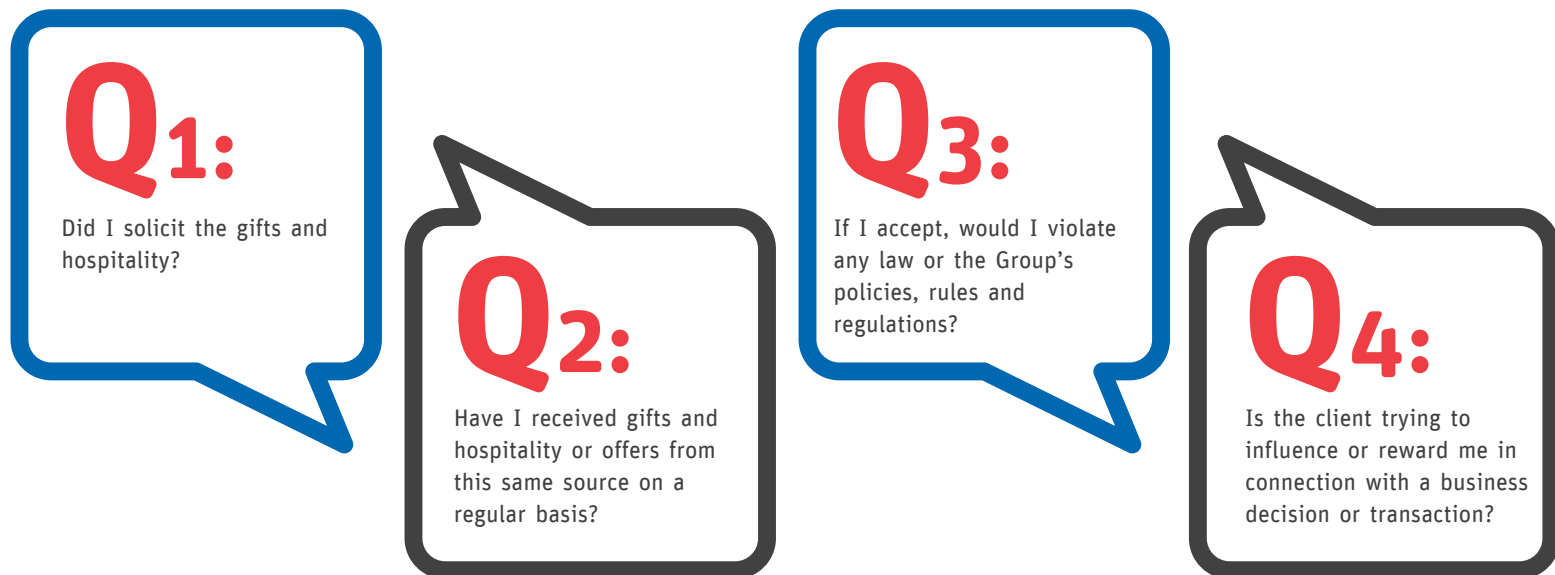
Recent initiatives include embarking on the revision of the Group Whistle Blower Policy, introduction of the Group Gifts & Hospitality Guidelines and continuous enhancement of the Group's Code of Ethics and Conduct for Employees ("Code"). The formulation of such strategic internal documents is a reflection of the Board and Senior Management's enduring commitment to adopting adequate internal controls as part of its comprehensive anti-corruption and anti-fraud programme. These internal documents serve to guide the employees and have been strategically devised as counter measures to combat and prohibit all forms of bribery and corruption in day-to-day operations. The Group's Key Internal Control Policies and Procedures, which highlights some of the key governance documents, is found on pages 253 to 255 of the Annual Report.

GIFTS & HOSPITALITY

The main objective of introducing guidance notes on gifts and hospitality is to discourage the Group and its employees from giving and accepting gifts to/from external parties. Lavish gifts and hospitality are strictly not allowed and are among those categorised as prohibited items. Items which require prior approval from designated Senior Management personnel are those which are not ordinary corporate gifts in nature, are not customary gifts given during festive seasons, and gifts and hospitality (including business entertainment) with values beyond permitted threshold limits. As part of its transparency and accountability initiatives, any offer or acceptance of gifts and hospitality which requires prior approval, or if it involves lavish gifts, needs to be disclosed and records are centrally maintained for future reference. A copy of completed forms with authorised signatures shall also be forwarded to the Governance, Group Legal & Secretariat for update in the main register.

Employees are expected to exercise good judgement when accepting gifts and hospitality from clients, including third parties. Some gifts and hospitality are permissible, subject to employees observing the Code and the Company's internal policies and guidelines to avoid any conflict of interest.

Whenever there is a conflict of interest, ask yourself these **four** questions:



If your answer is a "YES" = do not accept the gifts and hospitality!

As the established standards of conduct are associated with good ethical practice, the guidelines are designed to help employees and business partners understand their respective obligations in upholding corporate integrity in the workplace. Inducement of gifts can be in any form of gratification, e.g. loans, fees, rewards or other advantages (meals, donations, entertainment, courses, vacations, etc.). In other words, where such an **excessive** offer or acceptance constitutes an intention to serve organisational interests or abuse entrusted power for personal gain, it becomes a criminal act of corruption which is punishable under the relevant laws. The practice of not accepting lavish gifts and hospitality signifies the importance of corporate integrity to the Company. This policy applies to all Group employees and is provided on the Company's intranet, My1Portal for their reference.

SPEAK UP

In RHB Banking Group, employees are encouraged to "Speak Up" (technically known as "whistle blowing") regarding any violations against internal and regulatory requirements. Whistle blowing is a formal dedicated channel for an employee to escalate any wrongdoings committed by other employee(s) in the Group and serves as a discreet platform to combat fraud and corruption. A Group Whistle Blower Policy was introduced in 2007 and revised in 2014, with the following objectives:

- To encourage and facilitate disclosures of improper conduct
- To protect persons making such disclosures from any detrimental or retaliatory acts
- To provide for the matter disclosed to be investigated and dealt with in accordance with the prescribed actions and to provide for the remedies connected therewith.

CORPORATE INTEGRITY (continued)

Whistle blowing or Speaking Up basically applies to the following types of misconduct and violations:

- Any fraudulent, unlawful civil or criminal act
- Any act of dishonesty, corruption, abuse of power or authority for personal financial gain, or for any unauthorised or ulterior purpose
- Any breach of the codes of ethics including the Group's Code of Ethics and Conduct for Employees; violation of internal policies, procedures and guidance; or violation of laws, rules and regulations governing the business and operations of the Group
- Any malpractice or misdeeds, or unethical and unlawful activity with regards to privileged information, material non-public information, market manipulation, rogue trading, market rigging, credit fraud, forgery, misappropriation of funds and/or assets, and any other unprofessional conduct that is a violation of laws, rules, regulations and the codes of ethics
- Any creation of unethical, questionable or misleading financial records, or dissemination of misleading and/or false financial records.

In RHB Banking Group, the objectives of the Group Whistle Blower Policy, using appropriate approved formal channels to designated recipients, are as follows:

- To encourage all employees to raise their concerns and report in good faith any corporate malpractice or wrongdoing, without fear of retaliation or discrimination;
- To enable the Management to be informed of any unlawful conduct, unethical occurrences, corruption or questionable practices at an early stage; and
- To nurture a culture of accountability, integrity and transparency.

ETHICS & INTEGRITY RESOURCE PORTAL

The Group's employees may refer to the vast resources available on My1Portal. This Group intranet portal, which is accessible to employees across various entities, holds local and international guidance notes and knowledge material regarding ethics and integrity. This material includes newspaper cuttings and comics which capture snapshots and case studies of governance matters and corruption as well as videos, slides and written reports.

In addition, the Group provides e-learning courseware to all its employees (accessible 24 hours) on "Gifts and Hospitality" as a timely commitment to ensure such an important message reaches everyone in the organisation. This use of advanced technology for distant learning training programmes is made available to all employees as an additional learning experience and also to cater to those who cannot enrol in the normal classroom training on the subjects of ethics and integrity.

Throughout the e-learning course, the employees are guided by **five key principles**, namely:

1. Say NO to Corruption;
2. UNDERSTAND internal Guidelines and the relevant Code, Policy & Procedures;
3. CONSULT your supervisor or relevant personnel;
4. Proper RECORD KEEPING on any gifts and hospitality that are lavish in nature or that require prior approval; and
5. REPORT any unethical business conduct or violation of any internal and regulatory requirement via designated whistle blowing channels.

AWARENESS & KNOWLEDGE SHARING SESSIONS

As part of the Group's efforts in cascading down the importance of upholding integrity and combating internal fraud and corruption, various awareness sessions on the internal guidelines on gifts and hospitality, including briefing sessions to new on-boarding employees, are conducted. The objectives of these communication sessions are to ensure that the right message is transmitted to all employees across the organisation and for them to internalise the requirements on offering and accepting gifts and hospitality.

In 2015, Group Human Resources and Group Governance & Corporate Services from time to time also issue communications to employees through emails to reinforce the Company's core values and the importance of integrity in the workplace; to guide them on how to deal with banking secrecy and personal data, especially unlawful disclosure of customers' confidential information; and to remind them to adhere strictly to and comply with the requirements set down by the internal policies and guidelines.

During the year, information on a criminal case involving a former employee, who was sentenced to five years' jail and three strokes of the cane following his dishonest acts of misappropriating customers' money, was also shared with all employees through email as a reminder to carry out their duties responsibly and with the highest levels of integrity as custodians of public funds.

POSITIVE OUTCOMES

As a result of the continuous emphasis on P.R.I.D.E. principles in the workplace to uphold corporate integrity, the Group received positive feedback and appreciation from the public, especially for the honesty and exemplary characteristics shown by the employees to its customers and other stakeholders. One example of such positive outcomes in the current year that enriched the organisation, customers, industry and community, is the following report:



EXTERNAL RECOGNITION

In its efforts to promote greater veracity, disclosure and accountability, RHB Capital has been acknowledged for good governance and transparency, following recognition from various respected external parties. The Company was accorded the “Top 10 Corporate Governance Disclosure Merit Recognition” Award at the Minority Shareholder Watchdog Group (“MSWG”)–ASEAN Corporate Governance Transparency Index, Findings and Recognition 2015 in Kuala Lumpur, Malaysia and also the “Top 50 ASEAN Publicly Listed Companies 2015” achievement at the inaugural ASEAN Corporate Governance Awards held in Manila, the Philippines. Both awards recognise good governance practices and quality disclosures by Malaysian public listed companies, benchmarked against the Organisation for Economic Co-operation & Development’s (“OECD”) principles of corporate governance.



Two of our Kawal guards, En Zulkifli Othman and Mr Narinderpal Singh made RHB proud with their honesty and dedication in upholding their duties as employees of RHB.

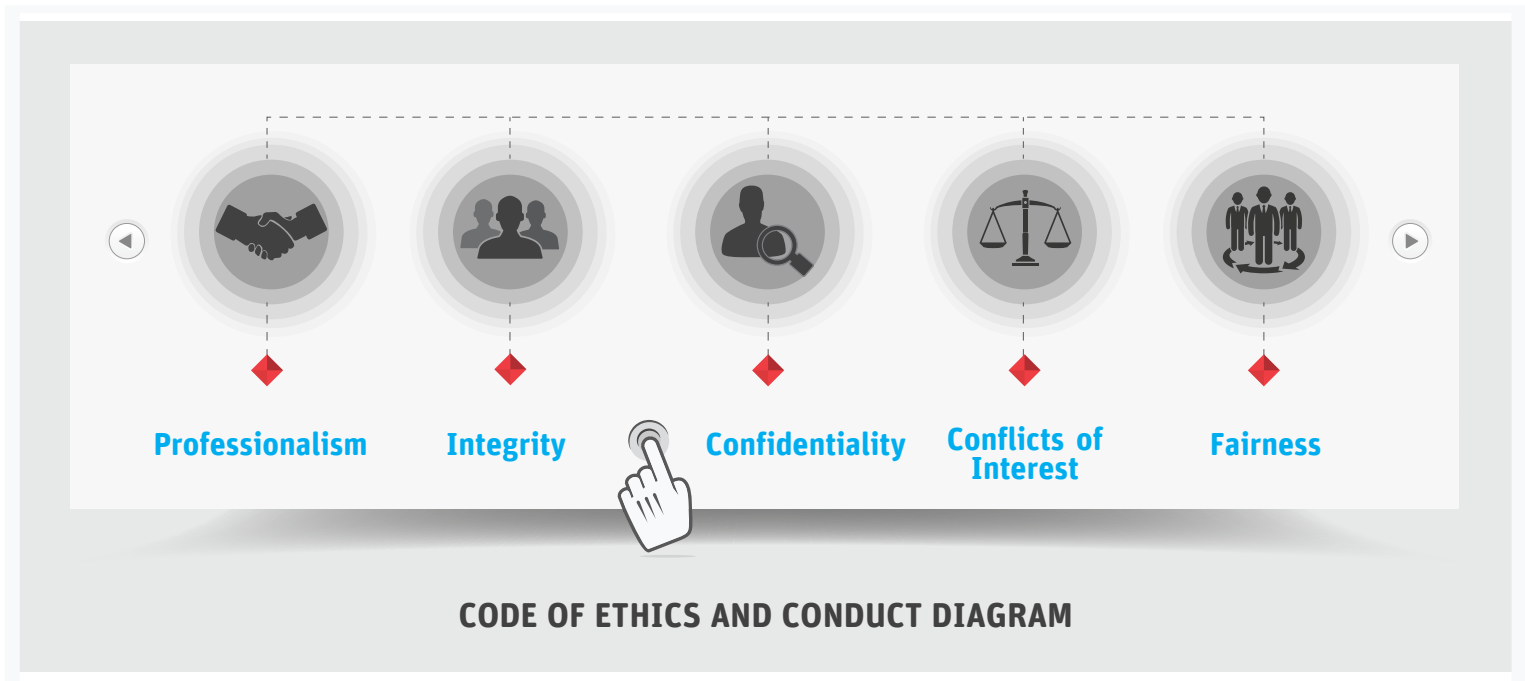
En Zulkifli safely returned a mobile phone belonging to a fellow colleague from the Islamic Treasury Division while Mr Narinderpal Singh chased after a customer who had already walked out of the building to return RM300 to her. She had earlier dropped the cash at the ATM.

CODE OF ETHICS AND CONDUCT

INTRODUCTION

RHB BANKING GROUP AS ONE OF THE CUSTODIANS OF PUBLIC FUNDS REITERATES THE IMPORTANCE OF INTEGRITY AND PROFESSIONAL CONDUCT AMONGST ITS EMPLOYEES, ESPECIALLY OPERATING WITHIN THE LANDSCAPE OF THE FINANCIAL SERVICES INDUSTRY. THE PRIMARY PRINCIPLES AND ETHICAL STANDARDS IDENTIFIED HAVE BEEN TRANSLATED INTO ITS GROUP CODE OF ETHICS & CONDUCT FOR EMPLOYEES (“CODE OF ETHICS”) WITH THE OBJECTIVE OF SERVING ITS STAKEHOLDERS WITH THE HIGHEST STANDARDS OF CONFIDENCE, RESPECT AND TRUST AS KEY CONSTITUENTS IN ITS BUSINESS OPERATIONS.

As the organisation grows and advances its operations across ASEAN and Greater China, it is central to continue promoting a positive and lasting impression in the minds of everyone with whom it interacts. Professionalism, integrity, confidentiality, conflicts of interest and fairness are ethical principles embedded in the backbone of its employees’ conduct and day-to-day business activities.



The policies and guidelines enumerated herein are principled on promoting best ethical conduct vis-à-vis the following:

- i. Avoid Conflicts of Interest, or potential Conflicts, between personal interests and the interests of the Group, its shareholders or Clients;
- ii. Avoid misuse of position by Employees;
- iii. Keep Material Non-Public and Price Sensitive Information confidential and secure;
- iv. Avoid misuse of Material Non-Public and Price Sensitive Information relating to securities or other financial instruments;
- v. Ensure completeness and accuracy of the relevant records;
- vi. Properly caring for and protecting the Group's property and assets; and
- vii. Prompt reporting of any knowledge or information about unethical business conduct and suspected commission of crimes.

All employees of RHB Banking Group are required to read, understand and embrace the requirements of the Code of Ethics. Ethics involve two aspects namely the ability to distinguish right from wrong and the commitment to do what is right. Dishonesty and defraud are examples of unethical conducts that go against integrity and ethical principle.

The Code of Ethics is a reference of the standards of professional conduct which spell out how an employee should behave, based on moral duties and virtues arising from principles on right and wrong. As RHB Banking Group involves in multiple banking and capital market disciplines, specific Code of Conducts are also established to complement the main Code of Ethics — namely

Code of Ethics & Business for Directors, Code of Conduct for Licensed Representatives, Code of Conduct for Dealer's Representatives, Code of Ethics & Conduct for Share Trading Officers, Code of Ethics & Guidelines for Business Conduct for Unit Trust Consultant(s) and Principles to Adopt for Users of Social Media Platforms; all crafted to support the main Code in promoting top down compliance culture within the Group.

The Company strongly believes that uncompromised integrity and high moral/social value will convey a strong corporate image to all its stakeholders in the pursuit to strengthen its market presence. In this respect, RHB Banking Group does not condone any wrongdoings or fraudulent acts engaged by any of its employees.

In other words, the Company promotes core shared values namely P.R.I.D.E (Professional, Respect, Integrity, Dynamic and Excellence) amongst its employees as the way of life in performing their duties and responsibilities morally and respectfully. Each employee is highly expected to demonstrate these key beliefs in the workplace as esteemed RHB Banking Group's employee.

Any reporting on violations of the various Codes should be escalated to appropriate channels, namely **grievance** channel or **whistleblowing** channel in accordance with the internal Group Code of Ethics and Group Whistle Blower Policy respectively. The former is a formal channel for employees to express disappointment over human resource-related matters like unfair treatment and promotion and hence cascade the grievances to their supervisors/designated human resource (HR) personnel. On the other hand, the latter is a process to whistle blow and escalate through official channel over alleged unethical behaviour or fraudulent activities involving employee(s) to designated recipients within the organisation.

External party on the other hand can also report on any violations to the Code of ethics or any misconducts/unethical behaviour by the Group's employees to the following:

YBhg Datuk Haji Faisal Siraj

Senior Independent and Non-Executive Director

RHB Capital Berhad

Level 9, Tower One

RHB Centre

Jalan Tun Razak

50400 Kuala Lumpur

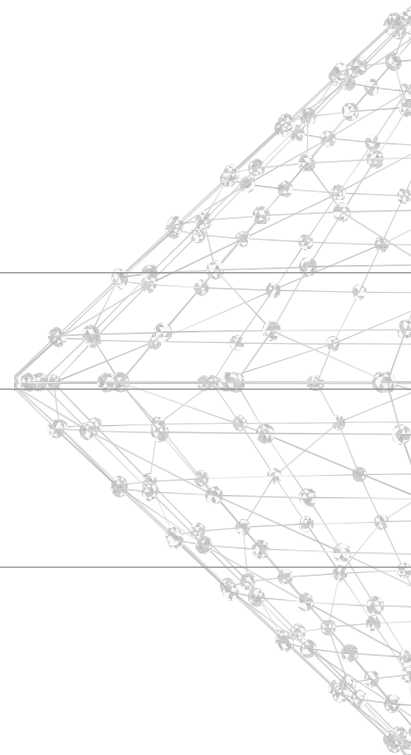
Malaysia

Email: faisal.siraj@rhbgroup.com





**TOGETHER
WE PROGRESS**
NURTURING FUTURE
GENERATIONS



QUICK INFO

Spelling Challenge

51,982 **SIR (Malaysia)**
Total no. of participants from 2008-2015

5,654 **NSC (Singapore)**
Total no. of participants from 2012-2015

Mighty Minds

49,118

Total no. of participants from 2009-2015

Students Education Enrichment Development Leadership Programme

1,350

Benefitted for secondary school
students between 2012-2015

Reuniting Families – Child Safety Campaign

Child Safety
since 2007

Distributed:

360,000 Safety Tips Booklets

50,000 Child ID Kits

THIS YEAR'S SUSTAINABILITY REPORT ("SR") SEEKS TO PROVIDE A MORE INSIGHTFUL VIEW INTO RHB'S CORPORATE RESPONSIBILITY INITIATIVES TO DELIVER BALANCED GROWTH IN A RESPONSIBLE AND SUSTAINABLE MANNER.



SUSTAINABILITY REPORT**OUR
RESPONSIBILITY
FOR THE
FUTURE**

As a leading multinational financial services group, the RHB Banking Group aims to deliver balanced growth to our shareholders in a responsible manner by embedding responsible and sustainable practices throughout our activities.

Towards the end of 2015, the Group established the RHB Foundation to oversee the continuation and expansion of our Sustainability activities. The Foundation will be steered by a Board of Trustees, comprising Tan Sri Dato' Dr Yahya Awang, our Group Managing Director, Dato' Khairussaleh Ramli and Norazzah Sulaiman, our Group Chief Marketing and Communications Officer.

The RHB Banking Group's Sustainability initiatives are anchored on the four pillars of Community, Workplace, Marketplace and Environment which we believe are integral to a holistic, wholesome and sustainable way of doing business.

**STRENGTHENING
OUR WORKFORCE**

**VALUE CREATION FOR
OUR SHAREHOLDERS**



**SAFEGUARDING
OUR ENVIRONMENT**

**LEADING IN THE
COMMUNITIES
WE SERVE**



SUSTAINABILITY REPORT (continued)

For full details of our Sustainability activities and initiatives, please refer to our Sustainability Report 2015. The following are some highlights of our Sustainability activities:

OUR COMMUNITY

DEVELOPING SUSTAINABLE COMMUNITIES

A large part of our community activities are focused on empowering communities with the skills and knowledge to uplift their welfare, with a particular focus on the development and well-being of children, who represent the bedrock of our future.

Capacity Building

In recognising that education is key to child development, the RHB Banking Group's key objective is to equip children with skills, capabilities and the competencies needed to face the future with vigour and confidence. This is undertaken through programmes such as the Spell-It-Right Challenge, the Mighty Minds National Challenge, and the Students Educational Enrichment Development Leadership Programme.

These programmes challenge and encourage students to pursue knowledge beyond the schoolroom, while promoting character-building.

The Group introduced the Students Educational Enrichment Development Leadership Programme to nurture the nation's future leaders. Under the programme aimed at teenagers, participants are engaged through mental and physical activities and are given the opportunity to meet RHB senior leaders and gain life journey insights. Since its establishment in 2012, the Programme has benefitted 1,350 secondary school students.

Initiatives for Capacity Building	No. of participants till to date
Spell-It-Right Challenge ("SIR")	51,982 students
National Spelling Championship ("NSC")	5,654 students
Mighty Minds National Challenge	49,118 students
Students Educational Enrichment Development Leadership Programme	1,350 students
Little Kicks Big Difference Football Clinic	200 children

Keeping our Children Safe

The safety of children remains crucial to our agenda of ensuring the well-being of our communities. We believe that prevention is vital in inculcating a secure environment for children. Hence, we have implemented a number of educational and awareness initiatives to ensure all stakeholders, especially children, remain well-informed on staying safe.

These include Child Safety initiatives undertaken with the Royal Malaysian Police, aimed at promoting crime awareness and empowering young children to protect themselves against potential dangers and to speak out on crimes committed against them. These initiatives are an expansion of our efforts to promote the safety of children through the distribution of Safety Booklets and Child I.D. Kits, introduced in 2007 and 2012, respectively.

Our other efforts to ensure the safety of children include our Child Safety Awareness Campaign conducted in partnership with Star Publication (Malaysia) Berhad, our Reach Out TV capsules on safety broadcast on ASTRO and our Missing Children Alerts initiated with the Ministry of Women, Family and Community Development.

Initiatives for Education in Safety

STAR readership

1.4 MILLION daily

5.6 Reaching Out with ASTRO
MILLION
ASTRO channels viewers

SUSTAINABILITY REPORT (continued)

Promoting Healthy Living

In our effort to promote a healthy lifestyle among our communities, we have conducted the Little Kicks, Big Difference football clinic introduced in Cambodia. Subsequently, in 2015 we introduced the RHB Cambodia Junior Football Cup supported by the Football Federation of Cambodia and Nagaworld FC.

Reaching Out to Communities in Need

Following the floods that affected the East Coast of Malaysia in 2015, we participated in two missions to help with relief and clean-up work in Kota Bharu, Pasir Mas and Kuala Krai in Kelantan. We also raised RM127,620 under RHB Humanitarian Fund and gifted more than 12,000 students from over 70 schools with supplies needed for the new school year. Contributions in kind such as milk powder, baby diapers, bread, biscuits, canned food, bottled water, blankets, towels and cooking oil were also collected and distributed to those affected by the floods.

OUR MARKETPLACE

As one of the largest banking groups in Malaysia, RHB stands committed to exercising responsible behaviour in our Marketplace. Guided by our philosophy of integrity, transparency and accountability, we endeavour to ensure that the sustainable growth of our Marketplace is rooted in corporate governance and risk management best practices throughout our organisation.

In 2015, we continued to ensure adherence to our in-house policies and procedures such as Group Code of Ethics, Group Whistle-blower Policy, Group Anti-Money Laundering Policy, Group Chinese Wall and Insider Trading Policy and Declaration of Connected Party to safeguard against unethical business practices that could impact our business and operations. These proven internal control measures were designed to mitigate any abuse of power, position and interest within the Group.

Engaging with our Stakeholders

By leveraging social media and digital platforms, we were able to reach our customers in a faster and more efficient way. Through this medium, we proactively sought to enhance fraud awareness within our customer base as well as our organisation. Updates on new products and services, investment tips, fraud and cyber-crimes were easily and quickly conveyed.

Other efforts to engage with our stakeholders include the provision of our Product Disclosure Sheets to detail our products' benefits and any obligations that the customer might have to fulfil should they decide to subscribe to it.

Providing a Simple, Fast and Seamless Banking Experience

Our Customer Service Charter ensures that we meet our customers' expectations and that they enjoy a simple, fast and seamless banking experience with us. We also pledge to protect our customers' information from being misused through the Personal Data Protection Act 2010 ("PDPA") which was enforced starting 2013.

We have also introduced measures to simplify the banking process by reducing the turn-around time for account opening, while our Service Dialogue Programme encourages staff members to engage with customers to obtain feedback on our services.

OUR WORKPLACE

With a workforce of 16,117, talent development remains an integral part of our operations, especially as we seek to become a leading regional financial services group and ensure a sustainable future. In 2015, our efforts in managing our talent and putting in place an effective succession planning programme were recognised through the following awards:

- HR Asia's Best Employers To Work for in Asia 2015 (Malaysian Chapter)
- Asia Corporate Excellence & Sustainability Awards 2015 – Top Companies to Work for 2015
- Graduan Malaysia's Most Preferred Employers NAMED By Talents
- Best Employer Brand Award by Employer Branding Institute
- Malaysia's 100 Leading Employer's by GTI Media

Becoming an Employer of Choice

In 2015, we launched "The RHB Culture" handbook, aimed at strengthening our employer brand and increasing talent retention and attraction. Distributed to all our employees, the handbook covers the fundamentals of human resources, surrounding the Talent Management Cycle, our PRIDE core values and our RHB Employee Value Proposition, known as the RHB CLIP-R Statement.

Nurturing Budding Talent

During the year, we also implemented the Accelerated Development Plan (“ADP”) for those employees identified as potential successors and high-potential talents. We also introduced new leadership development programmes in collaboration with the Australian Institute of Management Western Australia.

As part of our efforts to recognise budding talent and those who go beyond what is asked of them in the workplace, we also held the inaugural RHB GMD Awards in 2015. The award will be held on a quarterly basis, with the first held in the fourth quarter of 2015.

To further fortify our efforts of developing future leaders for the Group, we executed a new leadership development programme for a select group of employees in collaboration with the Australian Institute of Management West Australia (“AIMWA”) called the Core Leadership Development Programme. Meanwhile, the RHB Accelerated Leadership Development Programme, in partnership with the Creative Centre of Leadership (“CCL”), is an intensive learning programme spread over six months. This programme is packed with pre-course work, workshops and action learning projects and was crafted for high potential talents.

Furthermore, in 2015 91% of our employees attended some form of development training concentrating on leadership, technical expertise or functional development, to which we allocated a budget of more than RM40 million. We also revised our Core & Leadership Competency Dictionary and drafted a comprehensive assessment system for Sales by appraising proficiency levels and cluster competencies.

A Culture of Excellence

In an effort to improve our customer service and enhance the Group’s productivity, during the year we launched Group Management Committee Roadshows to all regions in Malaysia to increase interaction and boost engagement with employees on the ground.

Healthy Body, Healthy Mind

In November 2015, we established the Healthiest Sector Recognition award in November 2015 following the launch of our ‘Jom Sihat’ campaign in April. These initiatives to promote a healthier and more balanced lifestyle amongst our employees led to other activities such as the RHB Staircase Day, Fun Ride with GMD and the OSH & Wellness Day.

We also introduced an employee perks application, PerkSense, which offers employees access to multiple discounts and freebies from top-notch merchants as part of our employees total rewards system.

Following our inaugural Centennial Run held in Kuala Lumpur and Penang in 2013, we introduced the RHB Half-Marathon in 2015. The family-oriented run featured a 3km Family Fun Run and a Best Costume category to create meaningful family bonding sessions for those with young children. To date, some 8,500 people have participated in this event.

OUR ENVIRONMENT

Our environment remains among the Group’s foremost priorities and we remain committed to its protection and preservation.

TrEx at Broga Hill

Following our adoption of Broga Hill in 2014, through which we sponsored restorative works, we launched TrEx at Broga Hill in March 2015. This has contributed to an increase in visitors to the trail and improvements to the hiking site.

Subsequently, in October 2015 we organised the inaugural RHB TrEx Broga Challenge on 31 October 2015 in conjunction with Minggu Alam Sekitar Malaysia 2015, in collaboration with the Department of Environment, Ministry of Natural Resources and Environment.

Supporting Earth Hour

As a loyal participant of the annual worldwide Earth Hour campaign, lights at our buildings such as our RHB Centre at Jalan Tun Razak, Kuala Lumpur are switched off on the appointed day and time. Our staff are also encouraged to take part in the symbolic lights-out initiative in their own homes.

Promoting Sustainable Financing

RHB is proud to institute a sustainable financing agenda in support of environmentally-friendly activities. In line with this, we also offer our support to companies which undertake green projects as we seek to encourage sustainable practices.

AWARDS AND RECOGNITION

2015



9th ANNUAL ALPHA SOUTHEAST ASIA DEAL & SOLUTION AWARDS

- Best M&A House in ASEAN
- Best Ringgit Sukuk House in Malaysia
- Best Islamic Financing Deal of the Year in Southeast Asia
- Best IPO for Retail Investors in Southeast Asia
- Best Islamic REIT Deal of the Year in Southeast Asia



Frost & Sullivan Malaysia Excellence Awards 2015

- Best in Online Experience
- Best in Branch Experience
- Best in Contact Center Experience



**The Golden Globe
Tigers Summit Awards**
– Malaysia Best
Employer Brand Award



**Asia Corporate Excellence
& Sustainability Awards
2015**

HR Asia's Best Companies to Work for
in Asia 2015 – Malaysian Chapter



**Islamic Business &
Finance Awards
2015**

– Best Investment
Bank Asia



AWARDS AND RECOGNITION (continued)

RHB BANKING GROUP

- The Golden Globe Tigers Summit Awards – Malaysia Best Employer Brand Award
- ASEAN Corporate Governance Award – Top 50 ASEAN Publicly Listed Companies
- Asia Corporate Excellence & Sustainability Awards 2015 – Top Companies to Work for in Asia
- MSWG-ASEAN Corporate Governance Transparency Index 2015 – Merit Award for Corporate Governance Disclosure
- HR Asia's Best Companies to Work for in Asia 2015 – Malaysian Chapter
- Graduan's Malaysia's Most Preferred Employers named by Talents
- Universum's Malaysia's Most Attractive Employers – Business/Commerce students 2015
- Malaysia's 100 Leading Graduate Employer

RHB BANK BERHAD

- Frost & Sullivan Malaysia Excellence Awards 2015
 - **Best in Online Experience**
 - **Best in Branch Experience**
 - **Best in Contact Center Experience**
- CEPI Award 2015
 - **RHB Lifestyle Privileges App: Best Card Loyalty Programme**
- ABF Wholesale Banking Awards 2015
 - **Malaysia Domestic Foreign Exchange Bank of the Year**

RHB INVESTMENT BANK BERHAD

THE ASSET TRIPLE A SOUTH EAST ASIA AWARDS

- **Best M&A House Award**
RHB Investment Bank
- **Best M&A Deal Award**
Kulim (Malaysia) Berhad's disposal of 49% equity interest in New Britain Palm Oil Ltd.

THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS

- **Islamic Deal of the Year**
- **Best Sukuk**
- **Most Innovative Deal of the Year**
Aquasar Capital Sdn Bhd's RM1.5 billion Sukuk Murabahah

THE ASSET TRIPLE A INFRASTRUCTURE AWARDS

- **Oil and Gas Deal of the Year**
- **Project Finance Deal of the Year**
- **Best Oil and Gas Deal, Malaysia**
SapuraKencana TMC Sdn Bhd's Senior Multi-Currency Term and Revolving Facilities of up to RM17.6 billion
- **Best Transport Deal, Malaysia**
DanaInfra Nasional Berhad's Islamic Syndicated and Revolving Credit Facilities of up to RM21.0 billion

9th ANNUAL ALPHA SOUTHEAST ASIA DEAL & SOLUTION AWARDS

- **Best M&A House in ASEAN**
RHB Investment Bank
- **Best Ringgit Sukuk House in Malaysia**
RHB Investment Bank
- **Best Islamic Finance Deal of the Year in Southeast Asia**
MMC Corporation Berhad's Inaugural RM1.2 billion Sukuk Murabahah
- **Best IPO for Retail Investors in Southeast Asia**
Sunway Construction Group Berhad's RM1.55 billion IPO
- **Best Islamic REIT Deal of the Year in Southeast Asia**
Al-Salam Real Estate Investment Trust's RM252.4 million IPO

9th ANNUAL ALPHA SOUTHEAST ASIA BEST FINANCIAL INSTITUTIONS AWARDS

- **Best (Small-) to Mid-Cap Corporate Finance House in Malaysia**
RHB Investment Bank
- **Best (Small-) to Mid-Cap Corporate Finance House in Singapore**
RHB Securities Singapore

CPI FINANCIAL – 10TH ISLAMIC BUSINESS & FINANCE AWARDS

- **Best Investment Bank**
RHB Investment Bank

ISLAMIC FINANCE NEWS AWARDS DEALS OF THE YEAR

- **Best Equity & IPO**
– Malakoff Corporation Berhad's RM2.74 billion IPO

RAM AWARDS OF DISTINCTION

- **Lead Manager Award (by number of issues)**
– 3rd place
- **Lead Manager Award Islamic (by number of issues)**
– 2nd place

RAM AWARDS OF DISTINCTION – MARKET PIONEER AWARDS

- **1st Innovative State Government Financing**
– Aquasar Capital Sdn Bhd's RM1.5 billion Sukuk Murabahah
- **World's 1st RMB-bond by a Mortgage Corporation**
– Cagamas Global PLC's USD2.5 billion Conventional Multi Currency Medium Term Note Programme

MARC LEAD MANAGERS AWARDS

- **Issue Value (Conventional & Islamic)**
– 2nd Runner Up

THE EDGE MALAYSIA'S BEST DEALS OF THE YEAR

- **Best Mergers & Acquisitions Deal**
Kulim (Malaysia) Berhad's disposal of its 49% stake in New Britain Palm Oil Ltd
- **Best Initial Public Offering Deal**
Sunway Construction Group Berhad's RM1.55 billion IPO
- **Best Corporate Restructuring Deal**
Malaysian Resources Corp Berhad's disposal of Platinum Sentral to MRCB-Quill Real Estate Investment Trust for RM740 million

BURSA MALAYSIA ANNUAL BROKERS AWARDS

- **Best Retail Equities Participating Organisation**
– Champion
- **Best Trading Participant Financial Derivatives**
– Champion
- **Best Online Equities Participating Organisation**
– 1st Runner Up
- **Best Equities Participating Organisation**
– 2nd Runner Up
- **Best Derivatives Trading Participant**
– 2nd Runner Up

ASIAMONEY BROKERS POLL

- **Malaysia – firm level – top 3 rankings**
 - #3 Best Local Brokerage
 - #3 Best Events
 - #3 Best Execution
 - #3 Best Roadshows
 - #2 Best Small Cap Team
 - #2 Best Strategist Team
 - #2 Best Economist Team
 - #2 Best Analyst (Real Estate) Team
 - #2 Best Analyst (Software, Internet & Services) Team
 - #2 Best Analyst (Technology Hardware & Equipment) Team
 - #3 Best Analyst (Diversified Financials) Team
 - #3 Best Analyst (Materials) Team
 - #3 Best Analyst (Semiconductors & Semiconductor Equipment) Team
 - #3 Best Analyst (Transportation) Team

AWARDS AND RECOGNITION (continued)

• Malaysia – individuals – top 3 rankings

- Best Analyst Materials – Ang Sem Guan (ranked #1)
- Best Analyst Real Estate – Loong Kok Wen (ranked #2)
- Best Analyst Software, Internet & Services – Kong Heng Siong (ranked #2)
- Best Analyst Technology, Hardware & Equipment – Kong Heng Siong (ranked #2)
- Best Economist – Lim Chee Sing (ranked #2)
- Best Analyst Diversified Financials – David Chong (ranked #3)
- Best Analyst Semiconductors & Semiconductor Equipment – Kong Heng Siong (ranked #3)

• Singapore – firm level – top 3 rankings

- #1 Most Improved Brokerage
- #2 Most Independent Brokerage
- #3 Best Local Brokerage
- #3 Best Roadshows
- #3 Best Overall Research
- #3 Best Overall Sales
- #1 Best Small Cap Team
- #1 Best Analyst (Consumer Staples) Team
- #1 Best Analyst (Energy) Team
- #1 Best Analyst (Semiconductors & Semiconductor Equipment) Team
- #1 Best Analyst (Software, Internet & Services) Team
- #1 Best Analyst (Technology Hardware & Equipment) Team
- #2 Best Analyst (Consumer Discretionary) Team
- #3 Best Analyst (Industrials) Team
- #3 Best Analyst (Materials) Team
- #3 Best Analyst (Real Estate) Team

• Singapore – individuals – top 3 rankings

- Best Analyst Consumer Discretionary – James Koh (ranked #1) & Juliana Chai (ranked #3)
- Best Analyst Consumer Staples – James Koh (ranked #1)
- Best Analyst Semiconductors & Semiconductor Equipment – Jarick Seet (ranked #1)
- Best Analyst Software, Internet & Services – Jarick Seet (ranked #1)
- Best Analyst Technology Hardware & Equipment – Jarick Seet (ranked #1)
- Best Analyst Small Cap Analyst – Jarick Seet (ranked #1)
- Best Analyst Energy – Lee Yue Jer (ranked #3)
- Best Analyst Health & Care – Shekhar Jaiswal (ranked #3)
- Best Analyst Materials – Shekhar Jaiswal (ranked #3)
- Best Analyst Real Estate – Ong Kian Lin (ranked #3)

• Indonesia – firm level – top 3 rankings

- #2 Best Local Brokerage
- #2 Best Small Cap Team
- #2 Best Analyst (Technology Hardware & Equipment) Team

• Indonesia – individuals – top 3 rankings

- Best Analyst Technology Hardware & Equipment – Lim Tee Yang (ranked #2) & Herman Tjahjadi (ranked #3)

• Thailand – firm level – top 3 rankings

- #3 Best Local Brokerage

• Hong Kong – firm level – top 3 rankings

- #3 Best Local Brokerage
- #2 Best Small Cap Team

• Hong Kong – individuals – top 3 rankings

- Best Small Cap Analyst – Ng Kong Yong (ranked #2)
- Best Analyst Technology Hardware & Equipment – Ng Kong Yong (ranked #3)

RHB GROUP ASSET MANAGEMENT

- **THE EDGE-LIPPER FUND AWARDS 2015**
 - Best Mixed Asset MYR Balanced – Malaysia, 3 years
 - Best Mixed Asset MYR Balanced – Malaysia, 5 years
 - Best Mixed Asset MYR Balanced – Malaysia, 10 years
 - Best Equity Malaysia Diversified, 3 years
 - Best Equity Malaysia Diversified, 5 years
 - Best Bond Malaysian Ringgit – Malaysia Islamic, 3 years
 - Best Bond Malaysian Ringgit – Malaysia Islamic, 5 years
 - Best Bond Malaysian Ringgit – Malaysia Islamic, 10 years
 - Best Mixed Asset MYR Conservative, 3 years
 - Best Mixed Asset MYR Conservative, 10 years
 - Best Mixed Asset MYR Flexible, 3 years
 - Best Equity Malaysia Diversified, 10 years
- **INVESTOR – INFOVESTA’S BEST MUTUAL FUND AWARDS 2015**
 - Best Equity Fund for RHB OSK Alpha Sector Rotation
 - Best Money Market Fund for RHB OSK Rupiah Liquid Fund
- **EPF PORTFOLIO MANAGERS ANNUAL AWARD 2015**
 - Best Domestic Fixed Income Portfolio Manager Year 2014
 - Best 3-Year ROI Domestic Fixed Income Portfolio Manager Year 2014
- **ASIA ASSET MANAGEMENT BEST OF THE BEST COUNTRY Award**
 - Most Innovative Product
- **FUNDSPERMART – THE RECOMMENDED UNIT TRUST AWARDS 2015**
 - Best Asia ex-Japan fund
 - Best Sub Regional Equity – US fund
 - Best Asia Bond fund
 - Best Emerging Markets Bond fund
- **APRDI – BLOOMBERG INDONESIA FUND AWARDS 2015**
 - Best Index Fund
- **THE ASSET – ASIAN LOCAL CURRENCY BONDS**
 - Top 5 Investment houses, Malaysia 2015
 - Most Astute Investors, Malaysia 2015

RHB ISLAMIC BANK

- **12TH KUALA LUMPUR ISLAMIC FINANCE FORUM AWARD 2015**
 - Most Outstanding Islamic Corporate Banking
 - Most Outstanding Islamic Corporate Banking Product – Financial Supply Chain

CORPORATE



KWONG YIK BANK BERHAD

1913

The Kwong Yik (Selangor) Banking Corporation, Limited incorporated and commenced business on 15 July 1913 at the Old Market Square.

1915

Moved from Market Square to the corner of Jalan Bandar and Jalan Silang where it remained until 1938.

1920's & 30's

Extended credit to local traders, mainly Chinese businessmen, miners and planters, in a financial environment largely dominated by foreign banks. Despite the economic depression of the 1930's, Kwong Yik Bank played a significant role in the growing prosperity of Malaya and the demand for rubber and tin.

1938

Moved to the Kwong Yik Bank Chambers. This remained its base until the 1960s.

1940's

Operations suspended with the Japanese Occupation and World War 2. The bank resumed business when the war ended. In 1941, deposits totalled RM5 million.

1950's

Played an integral part in the rehabilitation of the country's economy leading up to Independence. Links with overseas banks were established.

1961

Moved to its temporary premises in Jalan Bandar while awaiting the completion of its new headquarters. By this time, customer deposits totalled RM34 million.

1963

Kwong Yik Bank celebrated its Golden Jubilee.

1964

First sub-branch opened in Jalan Pasar.

1965

The landmark 10-storey Headquarters at Jalan Bandar (now Jalan Tun H.S. Lee) was opened by the Prime Minister then, Tunku Abdul Rahman on September 10. Opened branches in Jalan Ipoh and Jalan Bukit Bintang.



1967

First branch opened in Petaling Jaya. Both Kuala Lumpur and Petaling Jaya were rapidly expanding at this point and many of the landmark buildings were financed by Kwong Yik Bank.

1968

Malayan Banking buys 30% of Kwong Yik Bank's issued capital.

1970

Malayan Banking's shareholding in the bank increased to 51.15%. Kwong Yik Bank's deposits at this juncture totalled more than RM130 million.

1970

New linear logo unveiled.

1970

Began computerising its current and savings accounts.



MILESTONES

April 1981

Opened a branch in Ipoh, the first outside Federal Territory and Selangor.

1985

Introduced ATM service called 'Boss' simultaneously at 12 of its branches in Kuala Lumpur, Petaling Jaya and Klang.

1987

Joined forces with Malayan Banking to launch the country's first shared ATM service called the ABC network.

1989

Launched the Boss Corporate Card and its Sunday Banking service.

1990

Mastercard facility launched.

1993

Kwong Yik Bank celebrated its 80th anniversary. It had 50 branches throughout the country at this juncture and 1,680 staff. To mark the occasion, the bank produced its first TV commercial.

1993

Rashid Hussain Bhd purchased Malayan Banking's share in Kwong Yik Bank. The bank then merged with DCB Bank (formerly D&C Bank, established 1966), which has been under the RHB stable since 1993. This biggest bank merger in the country's history formed RHB Bank Berhad, then Malaysia's third largest financial services group.

1997

Launch of RHB Online service for financial services via computer and telephone.

DGB BANK

1999

Sime Bank merged with RHB Bank to become part of the RHB Banking Group. Sime Bank was set up after UMBC (United Malayan Banking Corporation, established 1960) became part of the Sime Darby Group in 1996.

 **Sime Bank Berhad**

2003

Merger of RHB Bank with Bank Utama Berhad, which was first established in 1976.

U T A M A

2007

The Employees Provident Fund (EPF) emerged as the single largest shareholder of RHB Capital. 30% equity in RHB Bank was purchased from Khazanah Nasional Berhad, making RHB Bank a 100% subsidiary of RHB Capital.

2009

Inception of Easy by RHB, the first innovative community bank in Asia that offers fast and simple banking experience through cutting-edge technology.

2012

RHB Capital acquired OSK Investment Bank, paving the way for the RHB Banking Group's strong presence in ASEAN and Hong Kong.

OSK Investment Bank
(A Member of RHB Banking Group)

2013

RHB Banking Group celebrates RHB Bank's 100th Anniversary.



SIGNIFICANT EVENTS 2015

♦ MARCH



6 March 2015

RHB ISLAMIC BANK

Signing Ceremony with Malaysian Technology Development Corporation Sdn Bhd (MTOC) on exclusive SME Financing Collaboration Agreement with MTDC Kuala Lumpur



25 March 2015

RHB ISLAMIC BANK

Signing Ceremony with Jabatan Kastam DiRaja Malaysia for the appointment of RHB Islamic as GST Agent Bank Putrajaya, Wilayah Persekutuan



25 March 2015

RHB BANKING GROUP

The Golden Globe Tigers Summit Award Ceremony Kuala Lumpur

♦ MARCH



27 March 2015

RHB INVESTMENT BANK

12th RAM League Awards Kuala Lumpur



31 March 2015

RHB INVESTMENT BANK

Investors Presentation: RM10 billion Multi-Currency Medium Term Note Programme Kuala Lumpur

♦ APRIL



6 April 2015

RHB INVESTMENT BANK

Top Malaysia Small Cap Companies Book Launch 30 Jewels, 2015 Edition Kuala Lumpur

◆ APRIL



8 April 2015

RHB ASSET MANAGEMENT

EPF Portfolio Managers Annual Awards
Dinner 2015
Kuala Lumpur



14 April 2015

RHB BANK

Frost & Sullivan Malaysia Excellence Awards
2015
Kuala Lumpur



20-22 April 2015

RHB INVESTMENT BANK

RHB Signature Conference (Corporate Day)
Thailand

◆ APRIL



21 April 2015

RHB ASSET MANAGEMENT

Launch of Malaysia's First Series of Single
ETF-Based Funds
Kuala Lumpur



19-26 April 2015

RHB BANK

Minggu Saham Amanah Malaysia 2015
Sibu, Sarawak



30 April 2015

RHB CAPITAL

20th Annual General Meeting
Kuala Lumpur

SIGNIFICANT EVENTS 2015 (continued)

♦ MAY



20 May 2015

RHB BANK

Launch of RHB SME e-Retail Solution
Kuala Lumpur



28 May 2015

RHB ASSET MANAGEMENT

RHB Islamic Global Developed Markets Fund
– Launch & Press Conference
Kuala Lumpur



28 May 2015

RHB INVESTMENT BANK

Private Banking Jewel Forum 2015
Kuala Lumpur

♦ JUNE



8 June 2015

RHB BANKING GROUP

The Asset Triple A Islamic Finance Awards
2015
Kuala Lumpur



10 June 2015

RHB BANK

RHB Islamic Global Developed Market Fund
Talk
Kuala Lumpur



13-14 June 2015

RHB BANK

RHB Now Roadshow on RHB Lifestyle
Privileges App
Venue: Putrajaya

◆ JUNE



15 June 2015

RHB ISLAMIC BANK

Signing Ceremony of Collaboration Agreement between TERAJU & RHB Islamic Bank on Teras Fund
Kuala Lumpur



16 June 2015

RHB ASSET MANAGEMENT

FundsUPERMART.com Recommended Unit Trust Award & Press Conference 2015
Petaling Jaya

◆ AUGUST



27 August 2015

RHB CAPITAL

Extraordinary General Meeting
Kuala Lumpur

◆ AUGUST



28 August 2015

RHB CAPITAL

Press Conference & Analysts Briefing Half Year 2015 Financial Results
RHB Centre, Kuala Lumpur

◆ SEPTEMBER



3 September 2015

RHB ISLAMIC BANK

Zakat Presentation to Majlis Agama Islam
Johor



8 September 2015

RHB INVESTMENT BANK

Asian Sharia Investment Conference
Kuala Lumpur

SIGNIFICANT EVENTS 2015 (continued)

♦ SEPTEMBER



10 September 2015

RHB BANKING GROUP

Cards & Electronics Payments International (CEPI) Asia Awards 2015
Singapore



15 September 2015

RHB ISLAMIC BANK

Zakat Presentation to Tabung Baitulmal Sarawak



29 September 2015

RHB BANKING GROUP

RHB Startupbootcamp – A strategic collaboration to nurture Fintech startups
RHB Centre, Kuala Lumpur

♦ OCTOBER



21 October 2015

RHB ISLAMIC BANK

Zakat Presentation to Majlis Agama Islam dan Adat Istiadat Melayu, Kelantan



27 October 2015

RHB ISLAMIC BANK

Zakat Presentation to Jawatankuasa Zakat Negeri Kedah



28 October 2015

RHB INVESTMENT BANK

Launch of Prospectus, Kim Teck Cheong Consolidated Berhad
Kuala Lumpur

◆ NOVEMBER



3 November 2015

RHB BANK

ePayment System Forum & Exhibition 2015
Sasana Kijang, Bank Negara Malaysia
Kuala Lumpur



4 November 2015

RHB BANK

Zakat Presentation to Majlis Agama Islam &
Adat Melayu Terengganu



6 November 2015

RHB BANK

Chartered Banker Conferment Ceremony
Bank Negara Malaysia
Kuala Lumpur

◆ NOVEMBER



26 November 2015

RHB BANKING GROUP

Official launch of an Innovative
collaboration with TABLEAPP
Kuala Lumpur



27 November 2015

RHB BANKING GROUP

Zakat presentation to Jawatankuasa Zakat
Negeri Melaka

SIGNIFICANT EVENTS 2015 (continued)

♦ DECEMBER



2 December 2015

RHB BANKING GROUP

Startupbootcamp – KL FAST TRACK DAY
RHB Centre, Kuala Lumpur



7 December 2015

RHB BANK

Signing Ceremony of Syndicated Banking
Facilities for Seri Tanjung Pinang Phase 2
Kuala Lumpur



10 December 2015

RHB BANK

MSWG-ASEAN Corporate Governance
Transparency Index 2015 Awards Ceremony
Kuala Lumpur



RHB ISLAMIC BANK

Zakat Presentation to Majlis Agama Islam
Pahang

CALENDAR OF EVENTS 2015

5 FEBRUARY 2015



RHB BANK

Prize Giving Ceremony for “Swipe Your RHB Debit Visa Card to Win!” Contest
Kuala Lumpur

6 & 7 FEBRUARY 2015



RHB BANK

Bancassurance Awards Night 2015
Kuala Lumpur

2 MARCH 2015



RHB BANKING GROUP

Chinese New Year Open House 2015
Kuala Lumpur

3 MARCH 2015



RHB BANKING GROUP

Chinese New Year 2015 Staff-Get-Together
RHB Centre, Kuala Lumpur

CALENDAR OF EVENTS 2015 (continued)

5 MARCH 2015



RHB BANK

Group Treasury & Global Markets Seminar (with Malaysia Association of Certified Treasurer)
Kuala Lumpur

7 & 8 MARCH 2015



RHB EASY

5th Annual Sales Convention 2015
Putrajaya

10 MARCH – 16 APRIL 2015



RHB BANK

Group Treasury & Global Markets FX & Economic Outlook 2015 Briefing
Selangor

27-29 MARCH 2015



RHB BANK

Group Retail Distribution Sales & Service Achievers Convention 2015
Selangor

30 MARCH 2015

**RHB BANKING GROUP**

IGNITE 2017 1st Anniversary Celebrations
RHB Centre, Kuala Lumpur

4 APRIL 2015

**RHB BANKING GROUP'S CR INITIATIVE**

Official launch of RHB-Broga Hill Trail Experience (TrEx)
Broga, Selangor

14 APRIL 2015

**RHB ASSET MANAGEMENT**

Presentation on 2015 Market Outlook Opportunities & Challenges
Kuala Lumpur

16 APRIL 2015

**RHB INVESTMENT BANK**

Sarawak Energy Berhad Investor Briefing
Kuala Lumpur

CALENDAR OF EVENTS 2015 (continued)

16 APRIL 2015



RHB ASSET MANAGEMENT

Presentation on RHB-OSK European select fund
Kuala Lumpur

17 APRIL 2015



RHB BANKING GROUP

Launch of RHB Staircase Day
RHB Centre, Kuala Lumpur

27 APRIL 2015



RHB BANK

Prize Giving Ceremony "Spend & Win A Honda Jazz" Contest
Kuala Lumpur

5 MAY 2015



RHB EASY

Official Launch of Easy-MBO Watch and Win Contest and All-Star
RHB Easy Priority Lane
Selangor

18 MAY 2015

**RHB BANKING GROUP**

Employee Value Proposition Launch
RHB Centre, Kuala Lumpur

25-27 MAY 2015

**RHB BANKING GROUP**

RHB INSEAD Senior Leadership Programme
Putrajaya

30 MAY 2015

**RHB BANKING GROUP'S CR INITIATIVES**

Hiking at a new trail
Gunung Angsi, Negeri Sembilan

1-3 JUNE 2015

**RHB BANKING GROUP'S CR INITIATIVE**

RHB Leadership Programme
Pahang

CALENDAR OF EVENTS 2015 (continued)

2 JULY 2015



RHB BANKING GROUP

Majlis Iftar with the underprivileged
RHB Centre, Kuala Lumpur

29 JULY 2015



RHB BANKING GROUP

Hari Raya Open House 2015
Kuala Lumpur

31 JULY 2015



RHB BANK

Price Giving Ceremony “RHB Reflex Transact & Win” Contest
Kuala Lumpur

13-14 AUGUST 2015



RHB BANK

RHB Premier Banking Introduction of RHB Islamic Global
Developed Markets Fund
Petaling Jaya

14 AUGUST 2015

**RHB BANKING GROUP**

Breakfast with GMD (in collaboration with Talentcorp)
RHB Centre, Kuala Lumpur

20 AUGUST 2015

**RHB BANKING GROUP**

Bursa Bull Charge 2015
Kuala Lumpur

1 SEPTEMBER 2015

**RHB BANKING GROUP**

RHB Group Senior Leadership Forum
RHB Centre, Kuala Lumpur

10 SEPTEMBER 2015

**RHB BANK**

RHB Visa Infinite Golf Tournament
Selangor

CALENDAR OF EVENTS 2015 (continued)

22 SEPTEMBER 2015



RHB ASSET MANAGEMENT

Investment Talk on an Alternative Investment Solution During Volatile Market Conditions
Kuala Lumpur

23 SEPTEMBER 2015



RHB BANKING GROUP

Bringing Aidil Adha cheer to the patients at the Pediatric Ward, Hospital Selayang
Selangor

3 OCTOBER 2015



RHB BANKING GROUP'S CR INITIATIVE

RHB-The Star Mighty Minds National Grand Finals
Kuala Lumpur

10 OCTOBER 2015



RHB BANKING GROUP'S CR INITIATIVE

RHB-New Straits Times Spell-It-Right National Grand Finals
Kuala Lumpur

12 OCTOBER 2015

**RHB EASY**

Prize Giving Ceremony “EASY-MBO Watch & Win” Contest
Kuala Lumpur

13 OCTOBER 2015

**RHB ASSET MANAGEMENT**

Presentation on RHB Pre-IPO & Special Situation Fund
Petaling Jaya

29 OCTOBER 2015

**RHB BANK**

RHB Premium Cards Golf Series 2015 – Grand Finale
Selangor

31 OCTOBER 2015

**RHB BANKING GROUP'S CR INITIATIVE**

RHB TrEX Broga Challenge in conjunction with “Minggu Alam Sekitar” Malaysia 2015
Selangor

CALENDAR OF EVENTS 2015 (continued)

5 NOVEMBER 2015



RHB INVESTMENT BANK

Perfect 10: An Evening with Chef Anand Gaggan
Kuala Lumpur

6 NOVEMBER 2015



RHB BANCASSURANCE

Banca Cup Celebration Nite Movie Screening: James Bond Spectre 007
Kuala Lumpur

16 NOVEMBER 2015



RHB BANKING GROUP

RHB Occupational Safety & Health & Wellness Day 2015
RHB Centre, Kuala Lumpur

22 NOVEMBER 2015



RHB BANKING GROUP'S CR INITIATIVE

RHB Spelling Masters 2015
Kuala Lumpur

27 NOVEMBER 2015

**RHB BANK**

RHB Premiere Banking – Omega Spectre
Cocktail Dinner
Kuala Lumpur

1 DECEMBER 2015

**RHB BANKING GROUP**

Leadership Talk by Tan Sri Tony Fernandes
RHB Centre, Kuala Lumpur

1-3 DECEMBER 2015

**RHB ISLAMIC BANK**

12th Kuala Lumpur Islamic Finance
Forum 2015 awards
Kuala Lumpur

3-5 DECEMBER 2015

**RHB EASY**

3rd Malaysia 2-Wheels Festival 2015 Launch
Kuala Lumpur

26 SEPTEMBER 2015

LAOS

**RHB LAOS JUNIOR FOOTBALL CUP 2015**

Vientiane

MEDIA HIGHLIGHTS 2015



Khairussaleh Kaffi and TableApp founder Benson Chang officiating at the Invevade collaboration yesterday.

RHBCap teams up with TableApp to offer dining reservation services

BY CHESTER TAY

KUALA LUMPUR: RHB Capital Bhd (RHBCap), the country's fourth largest bank by assets, has teamed up with TableApp, an online restaurant reservation portal, to provide RHB customers with a fast and convenient dining reservation.

"Building an ecosystem for digital and payments is one of the key focus areas in RHB's reform strategy, in order to differentiate ourselves to drive sustained

TableApp reservation application currently has more than 380 restaurants in Malaysia and 100 restaurants in Thailand and is looking to grow the number to 1,000 by end of 2016.

On whether Aabar Investments PJS, the Abu Dhabi-based investment fund, which has a 21.09% stake in RHBCap, has sold its entitlement under a RM2.5 billion rights issue being called by the bank, Khairussaleh said he will leave it to Aabar to answer. On Nov 25, it was reported

A new dimension for TableApp

As RHB's vision has been integrated to provide a new dimension to its banking services, RHB is looking to offer a new dimension to its banking services. TableApp, an online restaurant reservation portal, is being used to offer a new dimension to its banking services. TableApp, an online restaurant reservation portal, is being used to offer a new dimension to its banking services. TableApp, an online restaurant reservation portal, is being used to offer a new dimension to its banking services.

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RHB targets 10% growth in 2015 total card spending

KUALA LUMPUR: RHB Banking Group has projected 10% growth in total card spending in 2015, driven by strong expansion in credit card usage. The bank's credit card portfolio has grown significantly, with a focus on increasing the number of active cardholders and the value of transactions. RHB is targeting a 10% increase in total card spending for the year, supported by various promotional activities and enhanced customer service.

TableApp reservation application currently has more than 380 restaurants in Malaysia and 100 restaurants in Thailand and is looking to grow the number to 1,000 by end of 2016. On whether Aabar Investments PJS, the Abu Dhabi-based investment fund, which has a 21.09% stake in RHBCap, has sold its entitlement under a RM2.5 billion rights issue being called by the bank, Khairussaleh said he will leave it to Aabar to answer. On Nov 25, it was reported



SANSULAN (top left) menerima hadiah tunai Honda HR-V daripada Nuri (atas kiri).

Easy by RHB, MBO catat perbelanjaan runcit 3 kali ganda

KUALA LUMPUR: Easy by RHB Banking Group mencatat perbelanjaan runcit tiga kali ganda berbanding dengan tahun lalu.

Manfaat Easy RHB meletakkan kehadiran Easy RHB dan MBO Watch dalam segmen perbelanjaan runcit.

RHB jangka pertumbuhan 10%

KUALA LUMPUR: RHB Banking Group (RHB) menjangkakan pertumbuhan perbelanjaan runcit tiga kali ganda berbanding dengan tahun lalu.

RHB Banking Group (RHB) menjangkakan pertumbuhan perbelanjaan runcit tiga kali ganda berbanding dengan tahun lalu. RHB Banking Group (RHB) menjangkakan pertumbuhan perbelanjaan runcit tiga kali ganda berbanding dengan tahun lalu.



PELAKSANA (atas) RHB Banking Group, U Chai Hock (tengah) bersama pengarah RHB, Nuri (atas kiri) pada majlis pengumuman.

Banking on fintech accelerator in local financial sector

KUALA LUMPUR: RHB Banking Group has announced a strategic collaboration with RHB-StartupCamp, a fintech accelerator, to support local financial technology startups. The partnership aims to foster innovation and growth in the fintech sector, providing startups with access to RHB's resources and expertise.



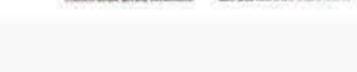
RHB Banking Group (RHB) mengumumkan kerjasama strategik dengan RHB-StartupCamp, sebuah inkubator fintech, untuk menyokong syarikat fintech tempatan.

KUALA LUMPUR: RHB Banking Group has announced a strategic collaboration with RHB-StartupCamp, a fintech accelerator, to support local financial technology startups. The partnership aims to foster innovation and growth in the fintech sector, providing startups with access to RHB's resources and expertise.

Bank's customers with most points win prizes

KUALA LUMPUR: RHB Banking Group has announced a prize-giving ceremony for its credit cardholders who have accumulated the most points. The winners received various prizes, including cash and electronics.

RHB Banking Group has announced a prize-giving ceremony for its credit cardholders who have accumulated the most points. The winners received various prizes, including cash and electronics.



PELAKSANA (atas) RHB Banking Group, U Chai Hock (tengah) bersama pengarah RHB, Nuri (atas kiri) pada majlis pengumuman.

Payments the key pillar in RHB's 'reframed digital strategy'

By Luh Ka Kay | Dec 03, 2015

- 80% of its transactions came from digital or e-channels
- Looking to startups to give it innovation edge



In a sign of how fast things change in the digital space, just 12 months after the Bursa Malaysia-listed banking group RHB launched its transformation initiative 'ignite 2017', it has reframed it, adding payments as a major component.

Indonesia on the radar

But M&A has to be at the right time and price

RHB Capital Bank (RHB) is looking to expand its footprint in Indonesia, with a focus on payments and digital banking. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.



Chan Cheong Yoon, CEO of RHB Capital Bank, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.

RHB expects loan growth to be 6%-7%

By Luh Ka Kay | 11

RHB Capital Bank (RHB) expects loan growth to be 6% to 7% in 2016. The bank's CEO, Chan Cheong Yoon, says the company is focusing on improving its credit portfolio and managing risk. He notes that the bank is looking to diversify its loan portfolio and focus on high-quality assets. RHB is also looking to improve its operational efficiency and reduce costs to support its growth strategy.

Sales just a swipe away

By Luh Ka Kay | 11

RHB Capital Bank (RHB) is looking to expand its footprint in Indonesia, with a focus on payments and digital banking. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.



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RHBCap to grow investment bank ops in Indonesia, Thailand

By Luh Ka Kay | 11

RHB Capital Bank (RHB) is looking to expand its footprint in Indonesia, with a focus on payments and digital banking. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.

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RHB Islamic targets SMEs for growth

By Luh Ka Kay | 11

RHB Islamic Bank (RHB Islamic) is targeting small and medium enterprises (SMEs) for growth. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB Islamic is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.

Outstanding RHB

> Tops in providing customer service and good banking experiences

RHB Bank (RHB) has been recognized for its outstanding customer service and banking experiences. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.



Teams show their might

RHB Capital Bank (RHB) is looking to expand its footprint in Indonesia, with a focus on payments and digital banking. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.

Presenters share joys, challenges of their role

RHB Capital Bank (RHB) is looking to expand its footprint in Indonesia, with a focus on payments and digital banking. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.

Dedication pays off for victors

RHB Capital Bank (RHB) is looking to expand its footprint in Indonesia, with a focus on payments and digital banking. The bank's CEO, Chan Cheong Yoon, says the company is looking for strategic M&A opportunities in the market. He notes that the Indonesian market is highly competitive, with established players like Mandiri and BNI. RHB is looking to leverage its digital capabilities and payments expertise to gain a foothold in the country. The bank is also looking to partner with local fintech startups to accelerate its digital transformation.

ANALYSIS OF SHAREHOLDINGS

as at 25 February 2016

Authorised Share Capital	: RM5,000,000,000.00 divided into 5,000,000,000 ordinary shares of RM1.00 each
Issued and Paid-Up Share Capital	: RM3,074,674,722.00 comprising 3,074,674,722 ordinary shares of RM1.00 each
Class of Shares	: Ordinary shares of RM1.00 each
Voting Rights	: Each shareholder present in person or by proxy at any Shareholders' Meeting shall be entitled to a show of hands of one vote and on a poll, each shareholder who is present in person or by proxy shall have one vote for each ordinary share held.
Number of Shareholders	: 16,771

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholdings
Less than 100	1,098	6.55	28,486	0.00
100 – 1,000	3,659	21.82	2,607,958	0.08
1,001 – 10,000	9,518	56.75	32,185,854	1.05
10,001 – 100,000	2,057	12.26	56,460,572	1.84
100,001 – less than 5% of the issued shares	436	2.60	952,922,684	30.99
5% and above of the issued shares	3	0.02	2,030,469,168	66.04
Total	16,771	100.00	3,074,674,722	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 25 FEBRUARY 2016

No.	Name of Substantial Shareholders	No. of Shares			
		Direct	%	Indirect	%
1.	Employees Provident Fund Board (“EPF”) ¹	1,291,778,268	42.01	–	–
2.	Aabar Investments PJS	545,787,168	17.75	–	–
3.	International Petroleum Investment Company PJSC ²	–	–	545,787,168	17.75
4.	OSK Holdings Berhad	311,429,200	10.13	–	–
5.	Tan Sri Ong Leong Huat @ Wong Joo Hwa ³	–	–	311,429,200	10.13
6.	OSK Equity Holdings Sdn Bhd ³	–	–	311,429,200	10.13
7.	Puan Sri Khor Chai Moi	23,000	*	311,429,200 ³	10.13

Notes:

* Negligible percentage.

¹ The interest of EPF is held through various fund managers.

² Deemed interested pursuant to Section 6A(4)(c) of the Companies Act, 1965 through control of its subsidiary, Aabar Investments PJS.

³ Deemed interested pursuant to Section 6A of the Companies Act, 1965, by virtue of shares held through OSK Holdings Berhad.

DIRECTORS' INTEREST IN SECURITIES OF THE COMPANY AND ITS RELATED CORPORATION AS AT 25 FEBRUARY 2016

The Company	Ordinary Shares of RM1.00 each	
	No.	%
Dato' Mohamed Khadar Merican – direct	78,030	*
Tan Sri Dato' Teo Chiang Liang – indirect [#]	6,600	*

Notes:

* Negligible percentage.

[#] Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of his substantial shareholdings in Intereal Corporation Sdn Bhd.

CLASSIFICATION OF SHAREHOLDERS

as at 25 February 2016

Category	No. of Shareholders		No. of Shareholdings		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUAL						
Bumiputera	580	0	2,480,318	0	0.08	0.00
Chinese	11,924	0	65,469,037	0	2.13	0.00
Indian	439	0	1,532,777	0	0.05	0.00
Others	50	445	187,565	4,910,580	0.01	0.16
BODY CORPORATE						
Banks/Finance Companies	33	1	401,191,725	45,000	13.05	0.00
Investments Trusts/Foundation/ Charities	4	0	157,492	0	0.01	0.00
Other Types of Companies	276	24	221,490,528	6,136,146	7.20	0.20
GOVERNMENT AGENCIES/ INSTITUTION						
	2	0	3,682,171	0	0.12	0.00
NOMINEES						
	2,237	756	1,529,474,772	837,916,611	49.74	27.25
OTHERS						
	0	0	0	0	0.00	0.00
TOTAL	15,545	1,226	2,225,666,385	849,008,337	72.39	27.61

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

as at 25 February 2016

No.	Name	Shareholdings	
		No. of Shares	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,281,899,200	41.69
2	RHB NOMINEES (ASING) SDN BHD AABAR INVESTMENTS PJS	545,787,168	17.75
3	OSK HOLDINGS BERHAD	202,782,800	6.60
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	147,898,232	4.81
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR OSK HOLDINGS BERHAD (511981)	108,646,400	3.53
6	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	103,237,257	3.36
7	MAYBANK NOMINEES (ASING) SDN BHD NOMURA SINGAPORE LIMITED FOR GUOLINE CAPITAL LIMITED (453830)	77,654,442	2.53
8	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM WAWASAN 2020	57,909,050	1.88
9	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	42,531,122	1.38
10	AMANAHRAYA TRUSTEES BERHAD AS 1MALAYSIA	27,291,223	0.89
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	16,927,118	0.55
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD YAYASAN HASANAH (AUR-VCAM)	15,940,134	0.52
13	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	13,012,787	0.42
14	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	12,486,419	0.41
15	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR SAUDI ARABIAN MONETARY AGENCY	12,253,239	0.40
16	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	11,828,135	0.38
17	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (TAIWAN)	11,210,200	0.36
18	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 12)	10,460,940	0.34

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (continued)

as at 25 February 2016

No.	Name	Shareholdings	
		No. of Shares	%
19	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	9,400,297	0.31
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	9,061,255	0.29
21	CARTABAN NOMINEES (ASING) SDN BHD GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	7,896,942	0.26
22	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	6,087,292	0.20
23	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	5,825,652	0.19
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	5,266,638	0.17
25	HSBC NOMINEES (ASING) SDN BHD TNTC FOR LSV EMERGING MARKETS EQUITY FUND L.P.	4,784,700	0.16
26	CARTABAN NOMINEES (ASING) SDN BHD RBC INVESTOR SERVICES BANK SUB A/C ROBECO ASIA-PACIFIC EQUITIES (EUR-RCGF)	4,485,195	0.15
27	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	4,267,745	0.14
28	CITIGROUP NOMINEES (ASING) SDN BHD LEGAL & GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED (A/C 1125250001)	4,197,042	0.14
29	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	4,003,416	0.13
30	HSBC NOMINEES (ASING) SDN BHD NTGS LDN FOR ANDRA AP-FONDEN SECOND SWEDISH NATIONAL PENSIONFUND – AP2	3,923,900	0.13

AUTHORISED AND ISSUED SHARE CAPITAL

as at 25 February 2016

1) AUTHORISED SHARE CAPITAL

The authorised share capital of the Company is RM5,000,000,000.00 divided into 5,000,000,000 ordinary shares of RM1.00 each.

The changes in the authorised share capital are as follows:-

Date	Par Value (RM)	No. of Shares Created	Cumulative (RM)
24/08/1994	1.00	1,000,000,000	1,000,000,000.00
19/12/1996	1.00	1,000,000,000	2,000,000,000.00
22/04/1999	1.00	500,000,000	2,500,000,000.00
19/05/2010	1.00	2,500,000,000	5,000,000,000.00

2) ISSUED AND PAID-UP SHARE CAPITAL

The issued and paid-up share capital is RM3,074,674,722.00 comprising 3,074,674,722 ordinary shares of RM1.00 each.

The changes on the issued and paid-up share capital are as follows:-

Date	No. of Shares Allotted	Description	Cumulative (RM)
24/08/1994	2	Subscribers' shares	2.00
12/12/1994	780,305,998	Issued pursuant to an exchange of every 2 issued and paid-up ordinary shares of RM0.50 each in Development And Commercial Bank Berhad (now known as RHB Bank Berhad) for 1 new ordinary share of RM1.00 each in RHB Capital Berhad	780,306,000.00
03/01/1995	66,000	Cash	780,372,000.00
23/01/1995	10,000	Cash	780,382,000.00
13/02/1995 – 27/02/1995	34,000	Issued pursuant to Employees' Share Option Scheme ("ESOS")	780,416,000.00
27/02/1995	5,000	Cash	780,421,000.00
20/03/1995 – 30/03/1995	24,000	Issued pursuant to ESOS	780,445,000.00
03/04/1995 – 27/04/1995	46,250	Issued pursuant to ESOS and conversion of warrants into shares	780,491,250.00
08/05/1995 – 29/05/1995	188,750	Issued pursuant to ESOS and conversion of warrants into shares	780,680,000.00

AUTHORISED AND ISSUED SHARE CAPITAL (continued)

as at 25 February 2016

Date	No. of Shares Allotted	Description	Cumulative (RM)
12/06/1995 – 29/06/1995	336,625	Issued pursuant to ESOS and conversion of warrants into shares	781,016,625.00
29/06/1995	625	Cash	781,017,250.00
03/07/1995 – 31/07/1995	177,500	Issued pursuant to ESOS and conversion of warrants into shares	781,194,750.00
03/08/1995 – 28/08/1995	152,125	Issued pursuant to ESOS and conversion of warrants into shares	781,346,875.00
04/09/1995 – 25/09/1995	73,250	Issued pursuant to ESOS and conversion of warrants into shares	781,420,125.00
02/10/1995 – 26/10/1995	121,500	Issued pursuant to ESOS and conversion of warrants into shares	781,541,625.00
09/11/1995 – 27/11/1995	49,000	Issued pursuant to ESOS and conversion of warrants into shares	781,590,625.00
04/12/1995 – 28/12/1995	97,562	Issued pursuant to ESOS and conversion of warrants into shares	781,688,187.00
11/01/1996 – 29/01/1996	219,375	Issued pursuant to ESOS and conversion of warrants into shares	781,907,562.00
05/02/1996 – 29/02/1996	194,250	Issued pursuant to ESOS and conversion of warrants into shares	782,101,812.00
07/03/1996 – 28/03/1996	268,218	Issued pursuant to ESOS and conversion of warrants into shares	782,370,030.00
01/04/1996 – 25/04/1996	243,125	Issued pursuant to ESOS and conversion of warrants into shares	782,613,155.00
02/05/1996 – 30/05/1996	200,187	Issued pursuant to ESOS and conversion of warrants into shares	782,813,342.00
03/06/1996 – 27/06/1996	126,000	Issued pursuant to ESOS and conversion of warrants into shares	782,939,342.00
01/07/1996 – 25/07/1996	117,250	Issued pursuant to ESOS and conversion of warrants into shares	783,056,592.00
01/08/1996 – 29/08/1996	72,625	Issued pursuant to ESOS and conversion of warrants into shares	783,129,217.00
05/09/1996 – 30/09/1996	72,000	Issued pursuant to ESOS and conversion of warrants into shares	783,201,217.00
03/10/1996 – 31/10/1996	136,000	Issued pursuant to ESOS and conversion of warrants into shares	783,337,217.00

Date	No. of Shares Allotted	Description	Cumulative (RM)
04/11/1996 – 28/11/1996	97,875	Issued pursuant to ESOS and conversion of warrants into shares	783,435,092.00
02/12/1996 – 23/12/1996	144,000	Issued pursuant to ESOS and conversion of warrants into shares	783,579,092.00
23/12/1996	25,777,778	Issued as consideration for the acquisition of 30% of the issued and paid-up capital of DCB Sakura Merchant Bankers Berhad (now known as RHB Investment Bank Berhad)	809,356,870.00
26/12/1996 – 30/12/1996	12,000	Issued pursuant to ESOS and conversion of warrants into shares	809,368,870.00
02/01/1997 – 30/01/1997	118,250	Issued pursuant to ESOS and conversion of warrants into shares	809,487,120.00
03/02/1997 – 27/02/1997	367,750	Issued pursuant to ESOS and conversion of warrants into shares	809,854,870.00
03/03/1997 – 31/03/1997	517,500	Issued pursuant to ESOS and conversion of warrants into shares	810,372,370.00
03/04/1997 – 30/04/1997	408,750	Issued pursuant to ESOS and conversion of warrants into shares	810,781,120.00
15/05/1997 – 29/05/1997	20,437	Issued pursuant to ESOS and conversion of warrants into shares	810,801,557.00
05/06/1997 – 16/06/1997	23,000	Issued pursuant to ESOS and conversion of warrants into shares	810,824,557.00
17/06/1997	740,828,585	Issued pursuant to the acquisition of assets agreement between RHB Capital Berhad and Rashid Hussain Berhad	1,551,653,142.00
19/06/1997 – 23/06/1997	31,000	Issued pursuant to ESOS and conversion of warrants into shares	1,551,684,142.00
30/06/1997	21,784,739	Issued pursuant to the acquisition of assets agreement between RHB Capital Berhad and Rashid Hussain Berhad	1,573,468,881.00
03/07/1997 – 31/07/1997	38,000	Issued pursuant to ESOS and conversion of warrants into shares	1,573,506,881.00
04/08/1997 – 07/08/1997	12,250	Issued pursuant to ESOS and conversion of warrants into shares	1,573,519,131.00
26/08/1997	91,989,794	Issued pursuant to the shareholders' approval in relation to the general offer made by the Company and Rashid Hussain Berhad on behalf of RHB Bena Sdn Bhd to the holders of the other ordinary shares in Kwong Yik Bank Berhad ("KYBB") not owed by the Company and RHB Bena Sdn Bhd ("General Offer")	1,665,508,925.00

AUTHORISED AND ISSUED SHARE CAPITAL (continued)

as at 25 February 2016

Date	No. of Shares Allotted	Description	Cumulative (RM)
13/10/1997	139,000	Issued pursuant to ESOS and conversion of warrants into shares	1,665,647,925.00
10/12/1997	2,282,248	Pursuant to the shareholders' approval in relation to the compulsory acquisition of KYBB shares held by the minority shareholders of KYBB who have not accepted the General Offer	1,667,930,173.00
03/06/1999	99,285,714	Issued in exchange for the acquisition of Irredeemable Non-Cumulative Convertible Preference Shares in RHB Bank Berhad	1,767,215,887.00
23/09/1999	26,252,183	Issued in exchange for the issue of Irredeemable Non-Cumulative Convertible Preference Shares in RHB Bank Berhad	1,793,468,070.00
16/06/2000	30,000,000	Cash	1,823,468,070.00
24/12/2004	6,625	Cash	1,823,474,695.00
02/07/2007	330,000,000	Issued pursuant to the Sale of Shares Agreement entered into between RHB Capital Berhad and Khazanah Nasional Berhad ("Khazanah") for the acquisition by RHB Capital Berhad of 30% issued and paid-up share capital of RHB Bank Berhad from Khazanah	2,153,474,695.00
20/05/2011	38,441,644	Issued pursuant to Dividend Reinvestment Plan	2,191,916,339.00
15/11/2011	12,902,378	Issued pursuant to Dividend Reinvestment Plan	2,204,818,717.00
11/06/2012	30,944,571	Issued pursuant to Dividend Reinvestment Plan	2,235,763,288.00
08/11/2012	245,000,000	Issued pursuant to the conditional share purchase agreement entered into between RHB Capital Berhad and OSK Holdings Berhad ("OSKH") for the acquisition by RHB Capital Berhad of 100% equity interest in OSK Investment Bank Berhad (now known as OSKIB Sdn Bhd) from OSKH	2,480,763,288.00
27/11/2012	13,444,514	Issued pursuant to Dividend Reinvestment Plan	2,494,207,802.00
01/08/2013	37,166,089	Issued pursuant to Dividend Reinvestment Plan	2,531,373,891.00
13/11/2013	15,536,071	Issued pursuant to Dividend Reinvestment Plan	2,546,909,962.00
23/07/2014	25,546,821	Issued pursuant to Dividend Reinvestment Plan	2,572,456,783.00
24/04/2015	16,024,645	Issued pursuant to Dividend Reinvestment Plan	2,588,481,428.00
15/12/2015	486,193,294	Issued pursuant to renounceable rights issue on the basis of 1 new ordinary share for every 5 existing ordinary shares held	3,074,674,722.00

KEY INTERNAL CONTROL POLICIES AND PROCEDURES

RHB Capital Berhad is committed to ensuring responsible behaviour by the Company and its employees both in the workplace and marketplace. The Company takes full responsibility for the effect of its practices and internal policies/procedures/guidelines while continues to strengthen and embed robust corporate governance and risk management practices throughout its business operations.

All the internal control documents need to follow appropriate delineation process and approval matrix. These documents are kept in the centralised repository for employees' reference, controlled by a dedicated functional unit namely Operations and Methods for quality assurance purpose. While these internal control documents/measures are implemented to mitigate conflicts of interest, abuses of position, regulatory breaches and consumer facades, such efforts also promote investors' confidence, boost good brand image and stimulate sustainable growth.

Listed below are some of the key governance policies, procedures and guidelines:

No.	Title	Description
1.	Group Code of Ethics & Business Conduct for Directors	RHB Banking Group ("Group") places importance of top down compliance culture within the organisation, hence this document is available and disclosed in the Company's website. Directors' adherence to ethical values highlighted in this document will demonstrate their commitment to responsible leadership and creation of an ethical culture which will strengthen the confidence level of the employees and the public at large.
2.	Group Code of Ethics & Conduct for Employee	This document aids identification of the areas and situations where public trust and confidence might be compromised or a law might be violated. The purpose of this Code is to articulate the high standards of conduct and behaviour that should be adopted as good ethical business practices.
3.	Group Gifts & Hospitality Guidelines	This document sets the standards of conduct of giving and accepting gifts and hospitality, including business entertainment. It is designed to help the Group and its employees understand respective parties' obligations in upholding corporate integrity.
4.	Group Whistle Blower Policy	This policy document provides a proper mechanism and minimum standards to be adhered by employees of RHB Banking Group ("Group") in dealing with disclosure on questionable actions or wrong doings in the Group. It is intended to guide all employees facing concerns over unlawful conducts, unethical occurrences or questionable practices which may adversely affect to a material extent the financial position or reputation of the Group. Furthermore, it helps nurture the culture of accountability, integrity and transparency among employees within the Group.
5.	Group Compliance Management Framework & Policy	The documents lay out the governing principles and roles of board, management and staff in managing compliance risk in the Group.
6.	Group Anti-Money Laundering & Counter Financing of Terrorism Policy (Group AML/CFT Policy)	The policy is formulated towards building a stronger and robust AML/CFT compliance within the Group. It informs and mandates all employees on their respective roles and responsibilities, focusing on the continuing efforts in countering money laundering and terrorist financing activities.

KEY INTERNAL CONTROL POLICIES AND PROCEDURES (continued)

No.	Title	Description
7.	Group Chinese Wall and Insider Trading Policy	The document establishes governance procedures to control the flow of confidential or material non-public and price sensitive information within the Group to avoid the risk of possible breach of the insider trading provisions under the Capital Market Services Act and to protect client confidentiality.
8.	Orderly and Fair Market Policy	The policy aims to facilitate the Group to comply with the applicable laws, guidelines and rules in relation to maintaining an orderly and fair market. It underlines relevant principles and guidance towards safeguarding the integrity of the market.
9.	Group IT Security Policy & Standards	The policy and standards enable a structured approach of governing confidentiality, integrity and availability of information as the Company's important business assets. The holistic IT Security is achieved by implementing a suitable sets of controls to ensure that the specific security objectives (e.g. permitted disclosure, personal data protection) of the Group are met.
10.	Group Asset & Liability Management Policy	The policy document sets out a consistent approach in the management of the balance sheet mismatch with the goal for long-term growth and managing the risk exposures due to Interest Rate Risk/Rate of Return Risk (IRR/ROR) and structural foreign exchange risk in accordance with the risk appetite statements of the Group and the respective entity within the Group.
11.	Group Guidelines on Personal Data Protection Act 2010 (PDPA)	The document provides guidance on how to comply with PDPA's and Bank Negara Malaysia's requirements to safeguard individual's personal data from being misused. Protection of personal data basically is to secure any personal data used and processed in commercial transactions which include any information such as name, address, account details and identity card number of the Group's customers.
12.	Group Policy on Related Party Transactions (RPT)	The policy deals with the reporting and review process for RPTs under Bursa Malaysia's Listing Requirements, Companies Act 1965 and Capital Markets and Services Act 2007, which should be conducted on an arm's length basis. The guiding principles are to avoid conflicts of interest, promote transparency and accountability in its related party transactions.
13.	Group Risk Management Framework	The document sets out the strategic direction for the management of risks in the Group. It is also an aspiration statement with regards to the longer-term objective for the development of risk management capabilities and infrastructure.

No.	Title	Description
14.	Group Shariah Risk Management Guidelines	The document primarily intends to assist staff in undertaking business and support activities in line with Shariah principles for the respective Islamic Banking products and to ensure that the management of Shariah non-compliance risk principles in the Bank is clearly and systematically identified, measured, monitored, controlled and reported.
15.	Group Credit Policy	The policy document encapsulates broad policy statements governing lending/financing activities, ranging from the credit governance and functional responsibilities, to credit functions in the credit chain process. It enunciates the essence of the credit fundamentals to address the credit management, in particular from credit creation to credit recovery.
16.	Group Treasury & Global Markets General Guidelines	The document sets out best and prudent business practices and good corporate governance and against a background of clear Treasury business strategies and business plans currently applicable and in existence within RHB Banking Group.
17.	Group Corporate Communications Operations Manual	The document provides guidance and structure in disseminating corporate information to, and in dealing with, media representatives, employees and the public. While it intends to ensure compliance with legal and regulatory requirements on disclosure, it also raises awareness about, and focus management and employees on, disclosure requirements and practices.
18.	Group Reputational Risk Management Policy	The policy sets out the approach which the Group will adopt in managing reputational risks of the Group.
19.	Group Manual of Authority	The document defines clear responsibilities and approving matrix of authorised officers in the Group to approve its purchase or payment of capital and operating expenditure.
20.	Group Policy on Product Development and Approval	The policy applies to all product development initiatives within the Group and highlights fundamental principles to staff in approaching product development and approval across the Group, while ensuring sound risk management practices in managing and controlling product risk.
21.	Group Brand Marketing Operations Manual	The document sets to provide guidance and structure in disseminating corporate information to, and in dealing with, media representatives, employees and the public. The manual also aims to ensure compliance with legal and regulatory requirements for the Group's activities in relation to advertisement and promotions.
22.	Social Media Operations Manual	This document describes the operations, roles & responsibilities and business rules in respect of the Social Media. The purpose of this manual is to meet internal and external requirements while delivering effective digital communication strategies for the Group.

LIST OF TOP TEN (10) PROPERTIES

as at 31 December 2015

Location	Owner	Description of Property	Land Area/ (sq m.)	Usage	Age of Building (Years)	Tenure	Year of Expiry on Lease	Net Book Value 31.12.2015 (RM'000)	Year of Acquisition or Revaluation
MALAYSIA									
Kuala Lumpur									
1. 424 Jalan Tun Razak	RHB Hartanah Sdn Bhd	12 storey office building	10,270	Office Space	26	Freehold	-	108,820	1989
2. 426 Jalan Tun Razak	RHB Hartanah Sdn Bhd	16 storey office building		Office Space	20	Freehold	-	104,721	1989
Penang									
3. 44 Lebuhraya Pantai Georgetown	RHB Bank Berhad	1 unit of 6½ storey commercial building	896	Bank Branch	56	Freehold	-	3,724	1999
Selangor									
4. Lot No. 8 Jalan Institusi Bandar Baru Bangi	RHB Bank Berhad	6 storey office Block, 5 storey Training Block, 7 storey IT Block & 5 storey Car Park Block	55,713	Training Centre	15	Leasehold	2090	73,923	1999
Perak									
5. No. 2, 4, 6 & 8 Jalan Tun Sambanthan Ipoh	RHB Bank Berhad	4 storey office building	890	Bank Branch	18	Freehold	-	5,033	1999
SINGAPORE									
6. 90 Cecil Street	Banfora Pte Ltd	2 commercial buildings	796	Commercial Building	36	Leasehold	2980	149,092	1997
7. 10, Jalan Besar 01-03 Sim Lim Tower	RHB Bank Berhad	Ground Floor of Office buildings	543	Bank Branch	37	Freehold	-	26,454	1999
8. 14A/B, 16A/B & 18A/B East Coast Road	RHB Bank Berhad	3 units of 3 storey shophouses	442	Bank Branch	57	Freehold	-	13,984	1999
9. 1/1A /1B Yio Chu Kang Road	RHB Bank Berhad	First Floor of Office buildings	101	Bank Branch	35	Freehold	-	10,477	1999
10. No. 537/539 Geylang Road	RHB Bank Berhad	3 storey shophouses	374	Bank Branch	92	Freehold	-	8,572	1999

Source of information for the Net Book Value as at 31 December 2015 by: Group Finance.

GROUP BRANCH NETWORK

COMMERCIAL BANKING

MALAYSIA

KLANG VALLEY NORTH REGION

Regional Director:

Bernadette Sun Fui Ling

Level 8, Tower Three
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 9280 6839

Branches

- ◆ Ampang Point
- ◆ Bandar Baru Ampang
- ◆ Bandar Baru Sg Buloh
- ◆ Bandar Sri Damansara
- ◆ Dataran Wangsa Melawati
- ◆ First Avenue
- ◆ Jalan Bukit Bintang
- ◆ Jalan Ipoh
- ◆ Jalan Pasar
- ◆ Jinjang Utara
- ◆ Kenanga Wholesale City
- ◆ Kepong
- ◆ Kg Baru Sg Buloh
- ◆ KLCC
- ◆ Kota Damansara
- ◆ Kuala Lumpur Main
- ◆ Menara Shell
- ◆ Menara Yayasan Tun Razak
- ◆ Pandan Indah
- ◆ Plaza Damas
- ◆ Plaza OSK
- ◆ Rawang
- ◆ Segambut
- ◆ Selayang
- ◆ Setapak
- ◆ Taman Shamelin
- ◆ Taman Tun Dr. Ismail
- ◆ RHB Islamic Cawangan Jalan Raja Laut
- ◆ RHB Islamic Cawangan Utama

KLANG VALLEY SOUTH REGION

Regional Director:

Ahmad Zaini bin Sofian

Level 7, Tower One
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 9280 5688
Fax : 603 9280 5690

Branches

- ◆ Bandar Mahkota Cheras
- ◆ Bandar Permaisuri
- ◆ Bangsar Shopping Centre
- ◆ Bangsar South
- ◆ Damansara Jaya
- ◆ Damansara Utama
- ◆ IOI Resort City
- ◆ Kajang
- ◆ Mid Valley
- ◆ Mines Shopping Fair
- ◆ OUG
- ◆ Paradigm
- ◆ PJ New Town
- ◆ Putrajaya Precint 8
- ◆ Seri Kembangan
- ◆ Section 14
- ◆ Sri Petaling
- ◆ SS 2
- ◆ Taman Connaught
- ◆ Taman Indah
- ◆ Taman Megah
- ◆ Taman Midah
- ◆ Taman Sg Besi
- ◆ Taman Suntex
- ◆ Taman Taming Jaya
- ◆ Tun HS Lee
- ◆ RHB Islamic Cawangan Bandar Baru Bangi
- ◆ RHB Islamic Cawangan Kelana Jaya

KLANG VALLEY WEST REGION

Regional Director:

Suhana binti Sulaiman

2nd Floor, No. 48-50
Jalan SS 15/4D
47500 Subang Jaya, Selangor
Tel : 603 5637 8288
Fax : 603 5631 6233

Branches

- ◆ Alam Avenue
- ◆ Bandar Baru Klang
- ◆ Bandar Bukit Tinggi
- ◆ Giant Shah Alam
- ◆ IOI Boulevard
- ◆ Jalan Niaga Shah Alam
- ◆ Jalan Stesen Kelang
- ◆ Jalan T. Ampuan Zabedah Shah Alam
- ◆ Jenjarom
- ◆ Kota Kemuning Shah Alam
- ◆ Meru
- ◆ Persiaran Sultan Ibrahim Klang
- ◆ Port Klang
- ◆ Setia Alam
- ◆ Sg Pelek
- ◆ Subang Jaya
- ◆ Tanjung Karang
- ◆ Tanjung Sepat
- ◆ UEP Subang Jaya
- ◆ RHB Islamic Cawangan Bayu Tinggi Klang
- ◆ RHB Islamic Cawangan Laman Seri Shah Alam

GROUP BRANCH NETWORK (continued)

COMMERCIAL BANKING

MALAYSIA

EAST COAST REGION

Regional Director:
Shaharuddin Ming
East Coast Regional Director's Office
 Lot 2, 4 & 6 (Level 2)
 Jalan Putra Square 1, Putra Square
 25200 Kuantan, Pahang
 Tel : 609 505 7000
 Fax : 609 505 7003

Branches

- ♦ Bentung
- ♦ Jalan Air Putih, Kuantan
- ♦ Jalan Tok Hakim, Kota Bharu
- ♦ Jerantut
- ♦ Kemaman
- ♦ Kerteh
- ♦ Ketereh
- ♦ Kuala Dungun
- ♦ Kuala Terengganu
- ♦ Kuantan
- ♦ Mentakab
- ♦ Pasir Mas
- ♦ Raub
- ♦ Triang
- ♦ RHB Islamic Cawangan Kuala Terengganu
- ♦ RHB Islamic Cawangan Kubang Kerian, Kota Bharu

NORTHERN REGION

Regional Director:
Alex Lim Eng Kang
 Level 5, No. 44
 Lebuhraya Pantai
 10300 Georgetown, Penang
 Tel : 604 262 6168
 Fax : 604 263 2112

Branches

- ♦ 2784 & 2785, Jalan Chain Ferry Prai
- ♦ Ayer Itam
- ♦ Bayan Baru
- ♦ Bukit Mertajam
- ♦ Burmah House
- ♦ Butterworth
- ♦ Jalan Bakar Arang Sungai Petani
- ♦ Jalan Raja Uda
- ♦ Jalan Tunku Ibrahim Alor Setar
- ♦ Jelutong
- ♦ Jitra
- ♦ Kangar
- ♦ Kuala Kedah
- ♦ Lebuhraya Pantai
- ♦ Mergong Alor Setar
- ♦ Padang Serai
- ♦ Pulau Langkawi
- ♦ Sungai Bakap
- ♦ Sungai Dua
- ♦ Taman Semarak Kulim
- ♦ Taman Pekan Baru Sungai Petani
- ♦ RHB Islamic Cawangan Auto City-Prai
- ♦ RHB Islamic Cawangan Sungai Petani

PERAK REGION

Regional Director:
Ali bin Mohamed
 1st Floor, No. 2, 4, 6 & 8
 Jalan Tun Sambanthan
 30000 Ipoh, Perak Darul Ridzuan
 Tel : 605 254 1176
 Fax : 605 243 2809

Branches

- ♦ Air Tawar
- ♦ Bagan Serai
- ♦ Gopeng
- ♦ Gunung Rapat
- ♦ Ipoh Garden
- ♦ Jalan Tun Sambanthan Ipoh
- ♦ Jelapang
- ♦ Kampar
- ♦ Kuala Kurau
- ♦ Kuala Kangsar
- ♦ Menglembu
- ♦ Parit Buntar
- ♦ Persiaran Greenhill
- ♦ Simpang Empat Hutan Melintang
- ♦ Sitiawan
- ♦ Sungai Siput
- ♦ Sungkai
- ♦ Taiping
- ♦ Tasek
- ♦ Teluk Intan

SOUTHERN REGION**Regional Director:****Asoka Balan Sinnadurai**

1st Floor, No. 14 & 16
 Jalan Padi Emas 6/1, Bandar Baru
 Uda, Johor Bahru, 81200, Johor
 Tel : 607 237 7825/232 7109
 Fax : 607 235 0616

Branches

- ◆ Bandar Baru Uda
- ◆ Jalan Bandar Pasir Gudang
- ◆ Jalan Bendahara 12,
T. Ungku T. Aminah
- ◆ Jalan Dato' Rauf Kluang
- ◆ Jalan Dedap Taman Johor
Jaya
- ◆ Johor Bahru City Square
- ◆ Kota Tinggi
- ◆ Kulai
- ◆ Permas Jaya
- ◆ Plentong
- ◆ Pontian Kechil
- ◆ Senai
- ◆ Simpang Renggam
- ◆ Taman Molek
- ◆ Taman Mount Austin
- ◆ Taman Nusa Bestari
- ◆ Taman Pelangi
- ◆ Taman Sentosa
- ◆ Ulu Tiram
- ◆ RHB Islamic Cawangan
Taman Setia Tropika

SOUTHERN WEST REGION**Regional Director:****Amir bin Abdul Aziz**

1st Floor, 19, 21, 23
 Jalan Merdeka
 Taman Melaka Raya, Melaka
 Tel : 606 281 7880
 Fax : 606 281 7842

Branches

- ◆ 1 Lagenda
- ◆ Bahau
- ◆ Bandar Baru Nilai
- ◆ Batu Pahat
- ◆ Bekok
- ◆ Bukit Baru
- ◆ Jalan Hang Tuah Melaka
- ◆ Jementah
- ◆ Kuala Pilah
- ◆ Malim
- ◆ Melaka Raya
- ◆ Muar
- ◆ Rantau
- ◆ Segamat
- ◆ Seremban
- ◆ Seremban 2
- ◆ Simpang Pertang
- ◆ Taipan Senawang
- ◆ Tangkak
- ◆ Yong Peng
- ◆ RHB Islamic Cawangan
Taman Flora, Batu Pahat

SABAH REGION**Regional Director:****Siaw Kok Chee****Regional Office Sabah**

C-03-05/08, 3rd Floor
 Block C, Warisan Square
 Jalan Tun Fuad Stephens
 88000 Kota Kinabalu, Sabah
 Tel : 6088 528 688
 Fax : 6088 528 779

Branches

- ◆ 1 Borneo
- ◆ Inanam
- ◆ Jalan Gaya Kota Kinabalu
- ◆ Jalan Tun Mustapha Labuan
- ◆ Keningau
- ◆ Lahad Datu
- ◆ Lintas Station
- ◆ Metro Town
- ◆ Prima Square Sandakan
- ◆ Tawau
- ◆ Wisma Khoo Sandakan
- ◆ RHB Islamic Cawangan Kota
Kinabalu

SARAWAK REGION**Regional Director:****Hjh Johanna binti Abdullah**

1st Floor
 Kuching Regional Office
 Lot 363, Jalan Kulas
 93400 Kuching
 Tel : 6082 274 812
 Fax : 6082 274 854

Branches

- ◆ 31 Jalan Tuanku Osman
Sibu
- ◆ Batu Kawah
- ◆ Boulevard Centre Miri
- ◆ Dalat
- ◆ Jalan Kulas Kuching
- ◆ Jalan Masjid Bintulu
- ◆ Jalan Nakhoda Gampar Miri
- ◆ Jalan Padungan Kuching
- ◆ Kanowit
- ◆ Kapit
- ◆ Lawas
- ◆ Limbang
- ◆ Lundu
- ◆ Marudi
- ◆ Matang Jaya
- ◆ Mukah
- ◆ Sarikei
- ◆ Siburan
- ◆ Simpang Tiga Kuching
- ◆ Sri Aman
- ◆ Sungai Merah, Sibu
- ◆ Tabuan Jaya
- ◆ UNISQUARE Kota Samarahan
- ◆ Wisma Mahmud Kuching
- ◆ RHB Islamic Cawangan
Jalan Satok Kuching

GROUP BRANCH NETWORK (continued)

COMMERCIAL BANKING INTERNATIONAL

SINGAPORE

Country Head:
Jason Wong

Cecil Branch
Ground Floor 90 Cecil Street
Singapore 069531
Tel : 65 6320 0602/0603
Fax : 65 6225 5296

Branches

- ◆ Bukit Timah
- ◆ Geylang
- ◆ Jalan Besar
- ◆ Katong
- ◆ Tai Seng Street
- ◆ Westgate Mall

THAILAND

Country Head:
Wong Kee Poh

Bangkok
18th Floor M. Thai Tower
All Seasons Place
87 Wireless Road Pathumwan
Lumpini, Bangkok
10330 Thailand
Tel : 662 126 8600
Fax : 662 126 8601/8602

Branches

- ◆ Ayutthaya
- ◆ Sri Racha

CAMBODIA

Country Head:
Lim Loong Seng

Phnom Penh
No. 263
Ang Duong Street (St. 110)
Phnom Penh, Cambodia
Tel : 855 23 992 833
Fax : 855 23 991 822

Branches

- ◆ Battambang
- ◆ City Mall Olympic
- ◆ Kampong Cham
- ◆ Kbal Thnal
- ◆ Pet Lok Song
- ◆ Preah Sihanouk
- ◆ Siem Reap
- ◆ Stoeung Meanchey
- ◆ Toul Kork
- ◆ Boeung Kang Kang
(opening 2016)
- ◆ Mao Tse Toung
(opening 2016)

LAOS

Country Head: Danny Ling Chii Hian

Vientiane
Unit No. 01, House No. 008
Kaysone Phomvihane Road
Phonxay Village, Vientiane, Lao PDR
Tel : 856 2145 5118/5119
Fax : 856 21455112

Branch

- ◆ Khunta Village
(opening 2016)

BRUNEI

Country Head: Ishak Othman

Bandar Seri Bagawan
Unit G 02, Ground Floor, Block D
Yayasan Sultan Haji Hassanal Bolkiah Complex
Jalan Pretty, Bandar Seri Begawan
BS 8711, Brunei Darussalam
Tel : 673 222 2515/2516
Fax : 673 223 7487/3687

VIETNAM

Country Representative: Wilson Cheah Hui Pin

Ho Chi Minh City
Room 1208, 12th Floor, Sunwah Tower
115 Nguyen Hue, Dist 1
Ho Chi Minh City, Vietnam
Tel : 848 3827 8498
Fax : 848 3827 8499

MYANMAR

Country Representative: Wilson Cheah Hui Pin

RHB Bank Berhad
#411, 412, 415 Level 4, Strand Square
No.53, Strand Road, 6 Story Offices BLD
Pabedan Township, Yangon
The Republic of the Union of Myanmar

INVESTMENT BANKING**MALAYSIA****CENTRAL REGION 1****Principal Office**

Level 3A, Tower One
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 603 9280 2374
Fax : 603 9284 8053

Branches

- ◆ Bentong
- ◆ Kepong
- ◆ Kuala Lumpur Main
- ◆ Pandan Indah
- ◆ Seri Petaling

CENTRAL REGION 2**Supervisory Office**

SS2, Petaling Jaya
24, 24M, 24A, 26M, 28M, 28A,
30, 30M & 30A,
Jalan SS2/63
47300 Petaling Jaya
Selangor
Tel : 603 7873 6366
Fax : 603 7873 6566

Branches

- ◆ Kajang
- ◆ Klang
- ◆ Kota Damansara
- ◆ Rawang
- ◆ USJ Taipan

EAST COAST REGION**Supervisory Office**

Kuantan
B32 & B34, Lorong Tun Ismail 8
Seri Dagangan II
25000 Kuantan, Pahang
Tel : 609 517 3811
Fax : 609 517 3911

Branches

- ◆ Kemaman
- ◆ Kota Bharu
- ◆ Kuala Terengganu

NORTHERN REGION 1**Supervisory Office**

Penang
No. 64 & 64-D
Tingkat Bawah – Tingkat 3
& Tingkat 5 – Tingkat 8
Lebuh Bishop, 10200 Pulau Pinang
Tel : 604 263 4222
Fax : 604 262 2299

Branches

- ◆ Bayan Baru
- ◆ Parit Buntar
- ◆ Sungai Bakap

NORTHERN REGION 2**Supervisory Office**

Butterworth
Aras Bawah, 1 & 2
2677, Jalan Chain Ferry
Taman Inderawasih
13600 Prai
Pulau Pinang
Tel : 604 390 0022
Fax : 604 390 0023

Branches

- ◆ Alor Setar
- ◆ Bukit Mertajam
- ◆ Kangar
- ◆ Kulim
- ◆ Sungai Petani

NORTHERN REGION 3**Supervisory Office**

Ipoh
21-25, Jalan Seenivasagam
Greentown, 30450 Ipoh
Perak
Tel : 605 241 5100
Fax : 605 255 3903

Branches

- ◆ Cameron Highlands
- ◆ Kampar
- ◆ Sitiawan
- ◆ Taiping
- ◆ Teluk Intan

GROUP BRANCH NETWORK (continued)

INVESTMENT BANKING

MALAYSIA

SOUTHERN REGION 1

Supervisory Office Johor Bahru

Tingkat 6, Wisma Tiong-Hua
8, Jalan Keris, Taman Sri Tebrau
80050 Johor Bahru, Johor
Tel : 607 278 8821
Fax : 607 278 8011

Branches

- ◆ Kulai
- ◆ Sutera Utama
- ◆ Taman Molek

SOUTHERN REGION 2

Supervisory Office Batu Pahat

53, 53-A & 53-B, Jalan Sultanah
83000 Batu Pahat, Johor
Tel : 607 438 0288
Fax : 607 438 0277

Branches

- ◆ Kluang
- ◆ Muar

SOUTHERN REGION 3

Supervisory Office Melaka 1

No. 19, 21 & 23, Jalan Merdeka
Taman Melaka Jaya, 75000 Melaka
Tel : 606 283 3622
Fax : 606 281 9271

Branches

- ◆ Labis
- ◆ Segamat
- ◆ Tangkak

SOUTHERN REGION 4

Supervisory Office Melaka 2

579, 580 dan 581
Taman Melaka Raya
75000 Melaka
Tel : 606 282 5211
Fax : 606 284 4871

Branches

- ◆ Port Dickson
- ◆ Seremban

SABAH REGION

Supervisory Office Kota Kinabalu

2nd Floor, 81 & 83 Jalan Gaya
88000 Kota Kinabalu, Sabah
Tel : 6088 269 788
Fax : 6088 260 910

Branch

- ◆ Sandakan

SARAWAK REGION

Supervisory Office Kuching

Yung Kong Abell
Units No, 1-10, 2nd Floor
Lot 365, Section 50
Jalan Abell
93100 Kuching, Sarawak
Tel : 6082 422 252
Fax : 6082 240 955

Branches

- ◆ Bintulu
- ◆ Miri
- ◆ Sibu

INVESTMENT BANKING INTERNATIONAL

SINGAPORE

Chief Executive Officer:
Robert Huray

RHB Securities Singapore Pte. Ltd.
10 Collyer Quay, #09-08
Ocean Financial Centre
Singapore 049315
Tel : 65 6533 1818
Fax : 65 6532 6211

THAILAND

Officer-in-Charge/Deputy Chief Executive Officer:
Yong Siong Sung

RHB Securities (Thailand) PCL
8th, 10th Floor
Sathorn Square Office Tower
98 North Sathorn Road
Silom, Bangrak, Bangkok 10500 Thailand
Tel : 662 862 9999
Fax : 662 862 9900

Branches

- ◆ Amarin
- ◆ Chachoengsao
- ◆ Chiangmai
- ◆ Hadyai
- ◆ Juti Anusorn
- ◆ Pakin
- ◆ Pinklao
- ◆ Silom
- ◆ Vibhavadi Rangsit

INDONESIA

Chief Executive Officer:
Chan Kong Ming

PT RHB Securities Indonesia
Wisma Mulia, 20th Floor
Jalan Jenderal Gatot Subroto No. 42
Jakarta 12710, Indonesia
Tel : 6221 2783 0888
Fax : 6221 2783 0777

Branches

- ◆ Bandung
- ◆ Jayapura
- ◆ Kelapa Gading
- ◆ Makassar
- ◆ Malang
- ◆ Mangga Dua
- ◆ Medan
- ◆ Mega Pluit
- ◆ Palembang
- ◆ Pekanbaru
- ◆ Solo
- ◆ Puri
- ◆ Surabaya Bukit Darmo
- ◆ Surabaya Kertajaya

HONG KONG

Chief Executive Officer:
William Wu Wai Leung

RHB Securities Hong Kong Limited
12/F, World-Wide House
19 Des Voeux Road Central
Hong Kong
Tel : 852 2525 1118
Fax : 852 2810 0908

CHINA

Chief Executive Officer:
William Wu Wai Leung

RHB (China) Investment Advisory Co Ltd
Suite 4005, 40/F, CITIC Square
1168 Nanjing West Road
Shanghai 200041, China
Tel : 8621 6288 9611
Fax : 8621 6288 9633

GROUP BRANCH NETWORK (continued)

ASSET MANAGEMENT

MALAYSIA

RHB Asset Management Sdn Bhd

19th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel : 603 2178 9555
Email : rhbam@rhbgroupp.com

Branches

- ◆ Batu Pahat
- ◆ Butterworth
- ◆ Kuala Lumpur
- ◆ Ipoh
- ◆ Johor Bharu
- ◆ Kota Bharu
- ◆ Kota Kinabalu
- ◆ Kuantan
- ◆ Kuching
- ◆ Melaka
- ◆ Miri
- ◆ Penang

RHB Islamic International Asset

Management Berhad
19th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel : 603 2178 9555
Email : rhbam.islamic@rhbgroupp.com

ASSET MANAGEMENT

INDONESIA

PT RHB Asset Management

Wisma Mulia, 20th Floor
Jalan Jenderal Gatot Subroto No. 42
Jakarta 12710, Indonesia
Tel : 6221 2783 0889
Email : rhbam.id@rhbgroupp.com

ASSET MANAGEMENT

SINGAPORE

RHB Asset Management Pte Ltd

10 Collyer Quay, #09-08
Ocean Financial Centre
Singapore 049315
Tel : 65 6323 2508
Email : rhbam.sg@rhbgroupp.com

ASSET MANAGEMENT

HONG KONG

RHB Asset Management Ltd

12/F, World-Wide House
19 Des Voeux Road Central
Hong Kong
Tel : 852 2103 9420
Email : rhbam.hk@rhbgroupp.com

TRUSTEES

MALAYSIA

RHB Trustees Berhad

3rd Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel : 603 9207 7777
Fax : 603 2175 3223

Malaysian Trustees Berhad

3rd Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel : 603 2161 8822
Fax : 603 2032 1222

INSURANCE

MALAYSIA

Head Office

Level 12, West Wing, The Icon
No. 1, Jalan 1/68F
Jalan Tun Razak
55000 Kuala Lumpur
Tel : 603 2180 3000
Fax : 603 9281 2729

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty First (21st) Annual General Meeting (“AGM”) of the Company will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 12 May 2016 at 10.30 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors’ and Auditors’ Reports thereon.
2. To re-elect YBhg Datuk Seri Saw Choo Boon, who is retiring under Article 80 of the Company’s Articles of Association and being eligible, offers himself for re-election.

YBhg Tan Sri Dato’ Teo Chiang Liang who retires pursuant to Article 80 of the Company’s Articles of Association, has expressed his intention of not seeking re-election. Hence, he will retain office until the conclusion of the 21st AGM.
3. To re-elect YBhg Dato’ Khairussaleh Ramli, who is retiring under Article 84 of the Company’s Articles of Association and being eligible, offers himself for re-election.
4. To consider and, if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:-

“THAT YBhg Datuk Haji Faisal Siraj, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”
5. To approve the payment of Directors’ fees totalling RM1,021,643.84 for the financial year ended 31 December 2015.
6. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company, to hold office until the conclusion of the next AGM of the Company, at a remuneration to be determined by the Directors.
7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company’s Articles of Association.

(Please refer to Explanatory Note 1)

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

By Order of the Board,

Azman Shah Md Yaman (LS 0006901)
Ivy Chin So Ching (MAICSA No. 7028292)
Company Secretaries

Kuala Lumpur
7 April 2016

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (continued)

NOTES:

Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 May 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 21st AGM.
2. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

Explanatory Notes

1. Audited Financial Statements for the financial year ended 31 December 2015

Item 1 of the Agenda is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Retirement of Director

YBhg Dato' Mohamed Khadar Merican, the Chairman of the Company, was first appointed as an Independent Non-Executive Director in the Group in December 2003 and was re-designated as a Non-Independent Non-Executive Director ("NINED") in April 2015. Therefore he has served the Group for more than 12 years. Pursuant to the Guidelines on Tenure of Appointment/ Re-Appointment of Non-Executive Directors for RHB Banking Group, a Non-Executive Director (save for the NINED who is a Board representative of the major shareholders) shall retire at the next AGM of the company concerned upon completion of his consecutive or cumulative term of 12 years. Accordingly, YBhg Dato' Mohamed Khadar Merican will retire at the conclusion of the 21st AGM.

Statement Accompanying the Notice of 21st Annual General Meeting

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A to RHB Capital Berhad's Annual Report 2015.

STATEMENT ACCOMPANYING NOTICE OF 21ST ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- (i) Further details of individuals who are standing for re-election as Director as per Agenda 2 of the Notice of 21st AGM:

Ordinary Resolution 1

Name of Director **Datuk Seri Saw Choo Boon**
Independent Non-Executive Director

Nationality/Age	Malaysian/69
Date of First Appointment	20 May 2010
Academic/Professional Qualifications	Bachelor of Science (Chemistry) from the University of Malaya
Working Experience	Held various positions in Shell from 1970 to 2009 and the last position was Chairman of Shell Malaysia. From 1 January 2010, Datuk Seri Saw was appointed the Senior Advisor of Shell Malaysia until his retirement on 30 June 2010.
Other Directorships in Public Companies	<p>RHB Banking Group</p> <p>1) RHB Investment Bank Berhad</p> <p>Other Public Companies</p> <p>1) Digi.Com Berhad</p> <p>2) Phoenix Petroleum (M) Berhad</p> <p>3) Ranhill Holdings Berhad</p> <p>4) Guinness Anchor Berhad (Chairman)</p>

- (ii) Further details of individual who is standing for re-election as Director as per Agenda 3 of the Notice of 21st AGM:

Ordinary Resolution 2

Name of Director **Dato' Khairussaleh Ramli**
Group Managing Director/Group Chief Executive Officer

Nationality/Age	Malaysian/48
Date of First Appointment	5 May 2015
Academic/Professional Qualifications	<p>1) Bachelor of Science in Business Administration from Washington University</p> <p>2) Graduate of the Advanced Management Programme, Harvard Business School</p> <p>3) Chartered Banker, Asian Institute of Chartered Bankers</p>
Working Experience	Has more than 20 years of experience in the financial services and capital markets industry, where he has held senior positions in well-established regional financial institutions.
Other Directorships in Public Companies	<p>RHB Banking Group</p> <p>1) RHB Bank Berhad</p>

STATEMENT ACCOMPANYING NOTICE OF 21ST ANNUAL GENERAL MEETING (continued)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

(iii) Further details of individual who is standing for re-appointment as Director as per Agenda 4 of the Notice of 21st AGM:

Ordinary Resolution 3

Name of Director **Datuk Haji Faisal Siraj**
Senior Independent Non-Executive Director

Nationality/Age	Malaysian/70
Date of First Appointment	24 May 2007
Academic/Professional Qualifications	He was a Fellow of the Institute of Chartered Accountants in England & Wales, a Member of the Malaysian Institute of Accountants and a Member of the Malaysian Institute of Certified Public Accountants.
Working Experience	1) Senior Group Director, DRB-HICOM Berhad (1995 – 2005) 2) Group Executive Director, Malaysia Mining Corporation Berhad (1981 – 1994)
Other Directorships in Public Companies	RHB Banking Group 1) RHB Islamic Bank Berhad 2) RHB Insurance Berhad 3) Malaysian Trustees Berhad 4) RHB Trustees Berhad

(iv) The Directors' direct and indirect interests in the securities of the Company as at 25 February 2016:

Name of Directors	Direct Interest		Indirect Interest	
	No. of issued shares	% of issued shares	No. of issued shares	% of issued shares
Dato' Mohamed Khadar Merican	78,030	*	-	-
Tan Sri Azlan Zainol	-	-	-	-
Datuk Haji Faisal Siraj	-	-	-	-
Datuk Seri Saw Choo Boon	-	-	-	-
Tan Sri Dato' Teo Chiang Liang [#]	-	-	6,600	*
Mohamed Ali Ismaeil Ali AlFahim	-	-	-	-
Dato' Khairussaleh Ramli	-	-	-	-

Notes:

* Negligible percentage

[#] Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of his substantial shareholding in Intereal Corporation Sdn Bhd.



RHB Capital Berhad

(Company No. 312952-H)

(Incorporated in Malaysia under the Companies Act, 1965)

PROXY FORM

No. of Ordinary Shares held

CDS Account No.

I/We _____ NRIC/Passport/Company No. _____
(Name in block letters)

of _____
(Full address)

being a member of **RHB CAPITAL BERHAD** hereby appoint:

Name & NRIC No. (Mandatory) _____ of _____
and/or*

Name & NRIC No. (Mandatory) _____ of _____

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our* proxy to vote for me/us* and on my/our* behalf at the Twenty First (21st) Annual General Meeting of the Company to be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur, on Thursday, 12 May 2016 at 10.30 a.m. and at any adjournment thereof.

The proportion of my/our* holding to be represented by my/our* proxies are as follows:-

First Proxy (1)

Second Proxy (2)

My/Our* proxy is to vote as indicated below:

Resolutions	For	Against
Ordinary Resolution 1 To re-elect YBhg Datuk Seri Saw Choo Boon as Director.		
Ordinary Resolution 2 To re-elect YBhg Dato' Khairussaleh Ramli as Director.		
Ordinary Resolution 3 To re-appoint YBhg Datuk Haji Faisal Siraj as Director.		
Ordinary Resolution 4 To approve the payment of Directors' fees totalling RM1,021,643.84 for the financial year ended 31 December 2015.		
Ordinary Resolution 5 To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.		

(Please indicate with an "X" in the spaces provided above as to how you wish to cast your vote. If no specific directions as to voting are given, the proxy shall vote or abstain from voting at his/her full discretion.)

Dated _____, 2016.

Signature
(If shareholder is a corporation, this part should be executed under seal)

* Delete if not applicable

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 May 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 21st AGM.
2. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
7. Shareholders' and proxies' registration will start at 8.30 a.m. and will end at a time as directed by the Chairman of the meeting. At the closure thereof no person will be allowed to register for the meeting nor enter the meeting venue and no wrist tag will be allocated.

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Postage
Stamp

The Share Registrar of **RHB CAPITAL BERHAD**
SYMPHONY SHARE REGISTRARS SDN BHD
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor

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