

## RHB Capital Berhad

### Audited Financial Results for FY 2010



Dato' Tajuddin Atan  
Group Managing Director  
RHB Banking Group  
22 February 2011



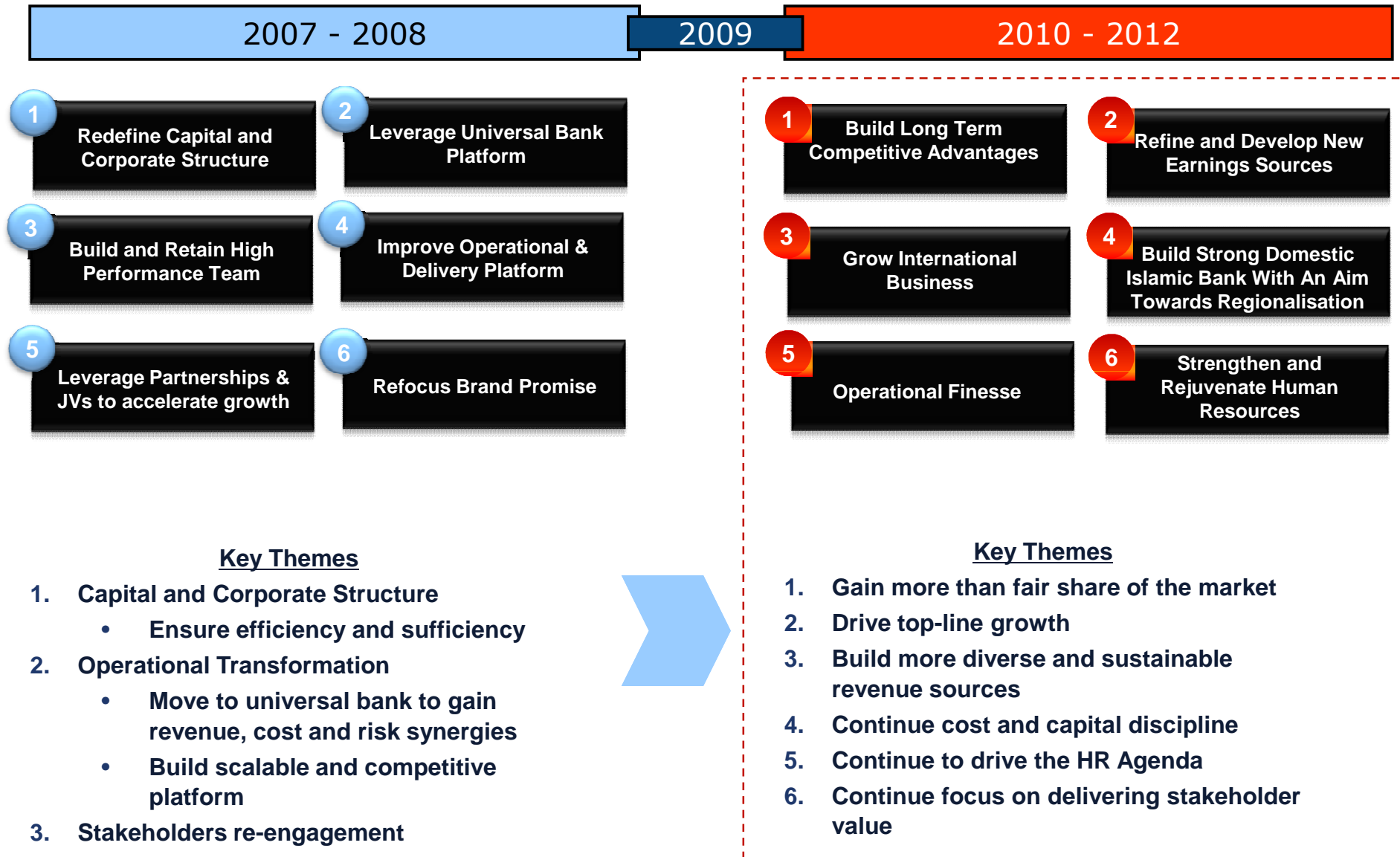
## FORWARD LOOKING STATEMENTS

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- 1** Multi-year Transformation Program 2007-2009 provided the foundation for our ongoing 2010-2012 Key Focus Areas
- 2** Successful execution of the 2010-2012 Key Focus Areas will continue to drive the Group's ongoing profitability and competitiveness
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- 4** 2010 Financial Performance in-line with our approach of delivering positive growth in profitability whilst ensuring future sustainability
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## 1 Build Long Term Competitive Advantage

## 2 Refine and Develop New Earnings Sources

## 3 Grow International Business

## 4 Build Strong Domestic Islamic Bank With An Aim Towards Regionalisation

## 5 Operational Finesse

## 6 Strengthen and Rejuvenate Human Resources

### What we said

- ◆ Develop sustainable competitive advantages that will allow the Group to gain market share and acquire customers
- ◆ Build towards developing advantages in convenience, simplicity and providing great service!
- ◆ Enhancing distribution reach through branches, alternate channels, partners and Easy by RHB
- ◆ Leverage on established wholesale and public sector relationships coupled with risk capital support to enhance market share

### What we have achieved

- ◆ Establish strategic partnerships with:
  - ✓ POS
  - ✓ TESCO
  - ✓ Paypal
  - ✓ Tokio Marine
  - ✓ RapidKL
  - ✓ Goldman Sachs
- ◆ 133 EASY by RHB outlets across the nation
- ◆ New Internet banking platform
- ◆ 3<sup>rd</sup> largest SST network - with over 1,600 Self Service Terminals
- ◆ Appointed Service Quality Champions to monitor and validate action plans to improve customer experience
- ◆ Dedicated TMO to continuously monitor and facilitate strategic programs aimed at developing identified competitive advantages

### What we said

- ◆ Detailed review of the Group's revenue model has shown certain earnings drivers that needs to be improved
- ◆ Creation of new Strategic Business Groups ("SBG") to drive identified areas
- ◆ Aim is to build on a already strong BAU foundation and leverage off the customer base, network and reach of the Group

### What we have achieved

- ◆ Three new SBGs established:
  - ✓ Business Banking
  - ✓ Group Treasury
  - ✓ Group Transaction Banking
- ◆ Dedicated focus on driving additional contributions from fee income:
  - ✓ Tokio Marine – bancassurance
  - ✓ Goldman Sachs – investment management
  - ✓ Branch broking initiatives

1

Build Long Term competitive advantage

2

Refine and Develop New Earnings Sources

3

Grow International Business

## What we said

- ◆ ASEAN is identified as the region for expansion with a target to have at least 20% contribution from offshore by 2012
- ◆ Key countries for RHB to expand and strengthen its businesses:
  - ✓ Indonesia
  - ✓ Singapore
  - ✓ Thailand
  - ✓ Vietnam

## What we have achieved

- ◆ Established Global Financial Banking team and staffed, refined overall international strategy
- ◆ Formed Post Acquisition Implementation Team for Bank Mestika
- ◆ Obtained BNM approval on the acquisition of Bank Mestika by RHB Bank on 31 Jan 2011.
- ◆ Renewed Retail Strategy for Singapore
- ◆ Relocated Thailand Bank Branch to new location, redefined business plan

4

Build Strong Domestic Islamic Bank with An Aim Towards Regionalisation

## What we said

- ◆ Further review and refine our Islamic Banking business model to increase leverage with the full RHB network and our shareholders
- ◆ Develop opportunities to enhance earnings both domestically as well as overseas
- ◆ Aim to increase Islamic Banking business contribution to at least 20% of the Group in the medium term

## What we have achieved

- ◆ New RHB Islamic Bank model was completed on 31 May 2010
- ◆ Completed implementation on leveraging the capability of the Group - productivity improvement across key segment by 5 folds:
  - Expand products & services
  - Expand distribution channels
  - Enhance delivery platform & customer experience
  - Enhance business, customer & risk analytics
  - Build & retain competent team

5

Operational Finesse

6

Strengthen and Rejuvenate Human Resources



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## What we said

- ◆ Focus on 2 major areas to further improve, firstly – review and strengthening of our end to end credit chain, secondly to review and strengthen group-wide procurement and spend practices
- ◆ Easy has pioneered innovative processes that allows for best in class service – adapt learnings to improve service group wide
- ◆ Formation of dedicated Transformation Management Office to drive change and process improvements

## What we have achieved

- ◆ Scoping of Credit Chain Review completed
- ◆ Finalising the structure and methodology on the new Spend Practice
- ◆ Initiatives have been kicked-start under Operational Finesse which look at adopting the EASY technologies
- ◆ Transformation Management Office established and staffed

## What we said

- ◆ Our “People Agenda” is increasingly an important part of our development as the pace of growth increases along our aspirations and we move from a domestic bank towards building a regional business
- ◆ Focus will be on ensuring the proper training, job grading and reward philosophy in place to develop a high performance culture
- ◆ Continue efforts to develop talent management program, succession planning and Management associate program

## What we have achieved

- ◆ Organization structure refinement and job description completed
- ◆ Group Benefits alignment exercise completed in January 2011
- ◆ Talents list to establish critical and key talent for succession planning completed



## We are FIRST.....



**TESCO**  
*For you & your family*

**POS**  
MALAYSIA





























**PayPal**



- ◆ FIRST in Malaysia providing paperless banking - EASY by RHB, with ability to turnaround products offered (fulfillment and disbursement) within 10 minutes
- ◆ FIRST in Malaysia to have banking kiosks in hypermarket, POS offices and LRT station
- ◆ FIRST in Malaysia to offer customers top up service and real time money transfer via PayPal
- ◆ FIRST in Malaysia to offer an integrated multi-market platform to its internet trading customers who can now trade in Singapore and US market
- ◆ FIRST local broker in Malaysia to provide Direct Market Access (“DMA”) for the equities market in Malaysia that allows investors to place orders directly on Bursa Malaysia
- ◆ FIRST in Bloomberg league tables for Mergers & Acquisitions, - the largest M&A deal in Malaysia and Asia-Pacific for the proposed acquisition of PLUS Expressways Berhad

## 2010 Achievement vs. Targets

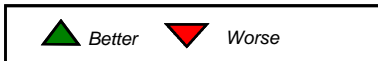
Top level indicators	FY 07	FY 08	FY 09	FY 10	Target 2010	Achievement vs. Target	Commentary
Net Profit (bln)	0.713	 1.049	 1.201	 1.420	>1.4	 0.02	<ul style="list-style-type: none"> <li>◆ Achieved milestone set in 2007 to double profitability</li> <li>◆ Loans and deposits growth in 2010 outperformed industry</li> <li>◆ Exceeded all targets set for 2010, except for overseas contribution due to a delay in the proposed acquisition of Bank Mestika</li> <li>◆ One of the lowest cost to income ratio in the industry</li> </ul>
ROE (%)	11.9%	 14.1%	 14.5%	 15.2%	14.5 - 15.0%	 0.2%	
ROA (%)	0.7%	 1.0%	 1.1%	 1.2%	1.0 - 1.1%	 0.1%	
Loan Growth (%)	1.2%	 11.2%	 10.2%	 20.2%	>15%	 5.2%	
Cost to Income Ratio (%)	44%	 44%	 43%	 40%	45%	 5%	
International Contribution (%)	4%	 4%	 6%	 5%	>10%	 5%	

 Better
  Worse



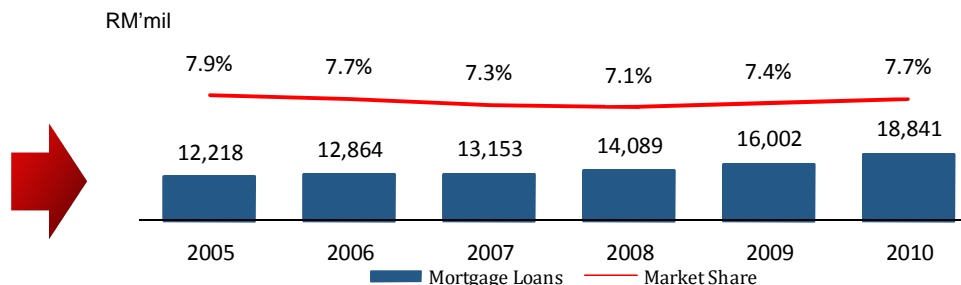
# RHB Capital Group Financial Report Card

Top level indicators		FY 2007	FY 2008	FY 2009	FY 2010	Commentary
Shareholders' Return	ROE (%)	11.9%	14.1%	14.5%	▲ 15.2%	◆ ROE and ROA up from 2009 and exceeded 2010 stated targets
Asset Efficiency	ROA (%)	0.7%	1.0%	1.1%	▲ 1.2%	
Productivity						
Asset Yield	Net Interest Margin (%)	2.46%	2.63%	2.79%	▼ 2.74%	◆ Some compression of margin <ul style="list-style-type: none"> <li>Competition in pricing of key target segment - HP and Mortgages</li> <li>Higher proportion of fixed rate lending</li> <li>Lengthening of tenor of deposits and over competition for deposits takings intensified</li> <li>Issuance of sub-debt in April 2010</li> </ul>
Cost Efficiency	Cost to income Ratio (%)	44.4%	43.9%	42.7%	▲ 40.5%	
Capitalization						
- Bank	RWCR (%)	12.8%	12.4%	13.8%	■ 13.8%	◆ RHB Bank <ul style="list-style-type: none"> <li>Implementation of Basel II wef 1 July 2010</li> <li>Significant loans and treasury asset growth</li> </ul>
- Investment Bank		18.6%	23.0%	32.0%	▲ 33.9%	
- Islamic Bank		17.9%	13.5%	13.8%	▼ 13.6%	



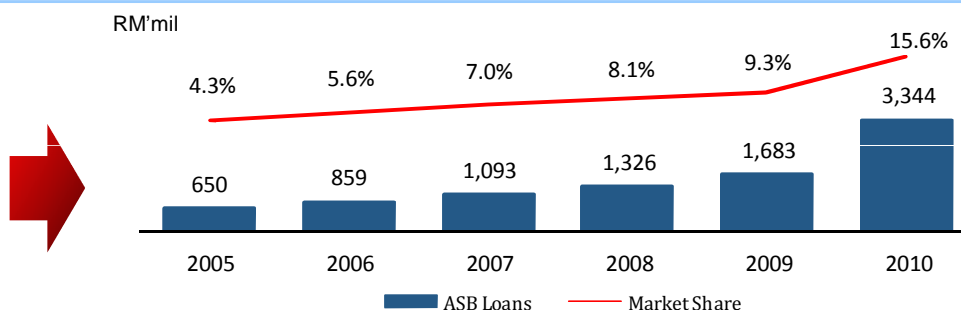
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### Mortgage



- ◆ Improving market share
- ◆ Compete with product differentiation

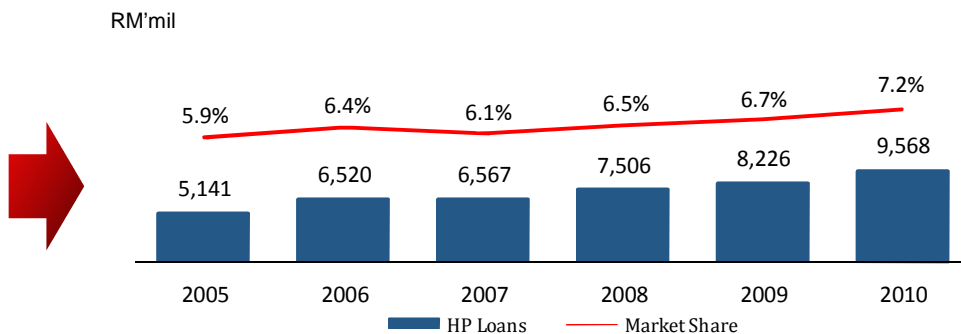
### ASB



- ◆ 39% CAGR since 2005
- ◆ 6.3% gain in market share
- ◆ Achieved no. 2 position in December 2010

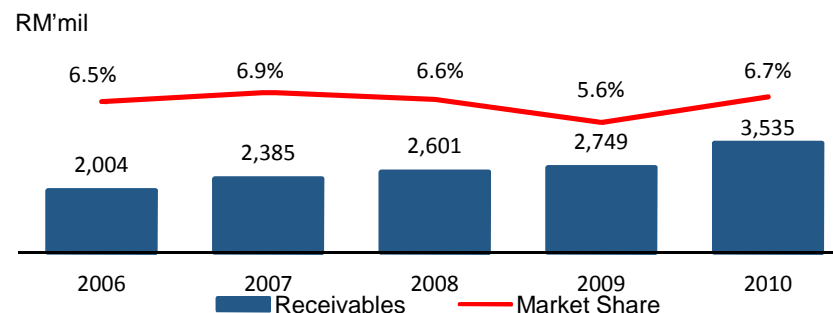
ASB : Amanah Saham Bumiputra

### Auto Finance



- ◆ Gaining market share through expanded dealer network and new business centre set-ups

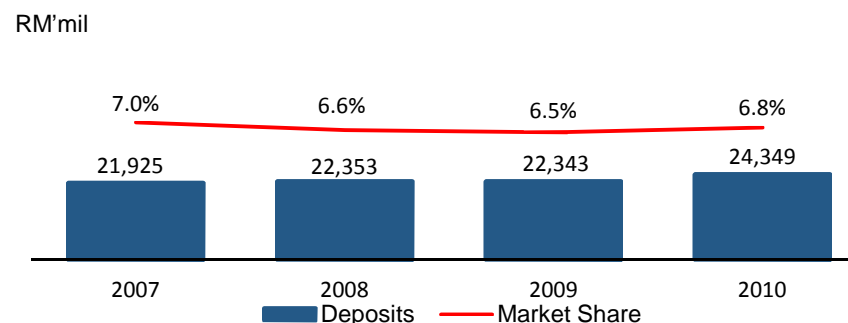
### Personal use



◆ Grew the market share through:

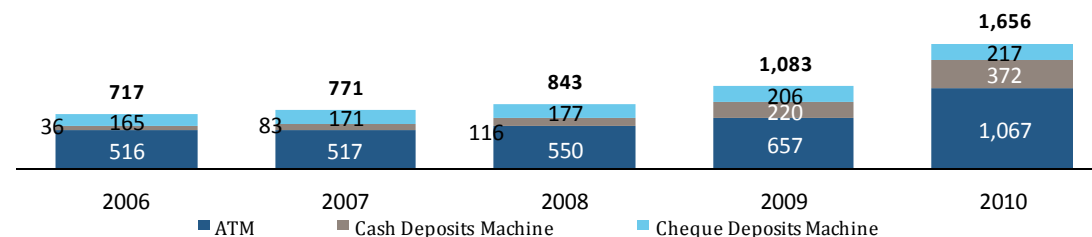
- ◆ Instant approval
- ◆ Focus in mass segment via Easy

### Deposits



- ◆ Branches and expansion of SSTs support accumulation of CASA deposits (currently 39% of retail deposits)
- ◆ Continued increase of Retail deposit to replace accounts from corporates
- ◆ Infrastructure and systems in place to gain market share

### SST



- ◆ ATMs and other self-service terminals ('SST')
- 3<sup>rd</sup> largest, with over 1,600 SSTs throughout Malaysia

	FY 2010		FY 2009		FY 2008	
	Market Share	Rank	Market Share	Rank	Market Share	Rank
Mergers & Acquisitions	<b>58.8%</b>	<b>1<sup>st</sup> #</b>	9.0%	3 <sup>rd</sup>	9.6%	4 <sup>th</sup>
Equities <sup>^</sup>	<b>7.7%</b>	<b>3<sup>rd</sup></b>	8.9%	3 <sup>rd</sup>	16.6%	3 <sup>rd</sup>
Debt Capital Market <sup>**</sup>	<b>9.9%</b>	<b>3<sup>rd</sup> ##</b>	13.2%	3 <sup>rd</sup>	9.6%	4 <sup>th</sup>
Broking (by value)	<b>6.6%</b>	<b>5<sup>th</sup></b>	5.9%	8 <sup>th</sup>	6.3%	6 <sup>th</sup>

<sup>^</sup> IPOs, Rights Issues & Additional Offerings

\* Excluding foreign brokers

## Source: Thomson Reuters

Source : Bloomberg

<sup>\*\*</sup> Primary Bond Offerings

# Malaysian target companies

## Major Transactions Announced / Completed



### PLUS Expressways Berhad

Acquisition of PLUS Expressways Berhad by UEM Group Berhad and EPF (RM23 bn) and by Jelas Ulung (RM26 bn)  
Principal Adviser  
- Largest M&A in Malaysia and Asia-Pacific



### Tanjong Capital Sdn Bhd

RM7.89 billion - Privatisation of Tanjong PLC  
Joint Financial Adviser



### Sunway Real Estate Investment Trust (SunREIT)

RM1.5 billion - Listing on Main Market of Bursa Malaysia Securities Bhd  
Sole Financial Adviser  
Joint Global Coordinators & Joint Bookrunners (Institutional)  
Joint Underwriters (Retail)



### Cagamas Berhad

RM5.0 billion Islamic Commercial Papers / Medium Term Notes  
Sukuk ALIm Programme  
Joint Principal Advisers, Joint Lead Arrangers & Joint Lead Managers



### Astro Holdings Sdn Bhd

RM9.52 billion - Privatisation of Astro All Asia Network PLC  
Joint Financial Advisers



### MISC Berhad

RM5.25 billion - Rights Issue  
Sole Adviser & Sole Underwriter



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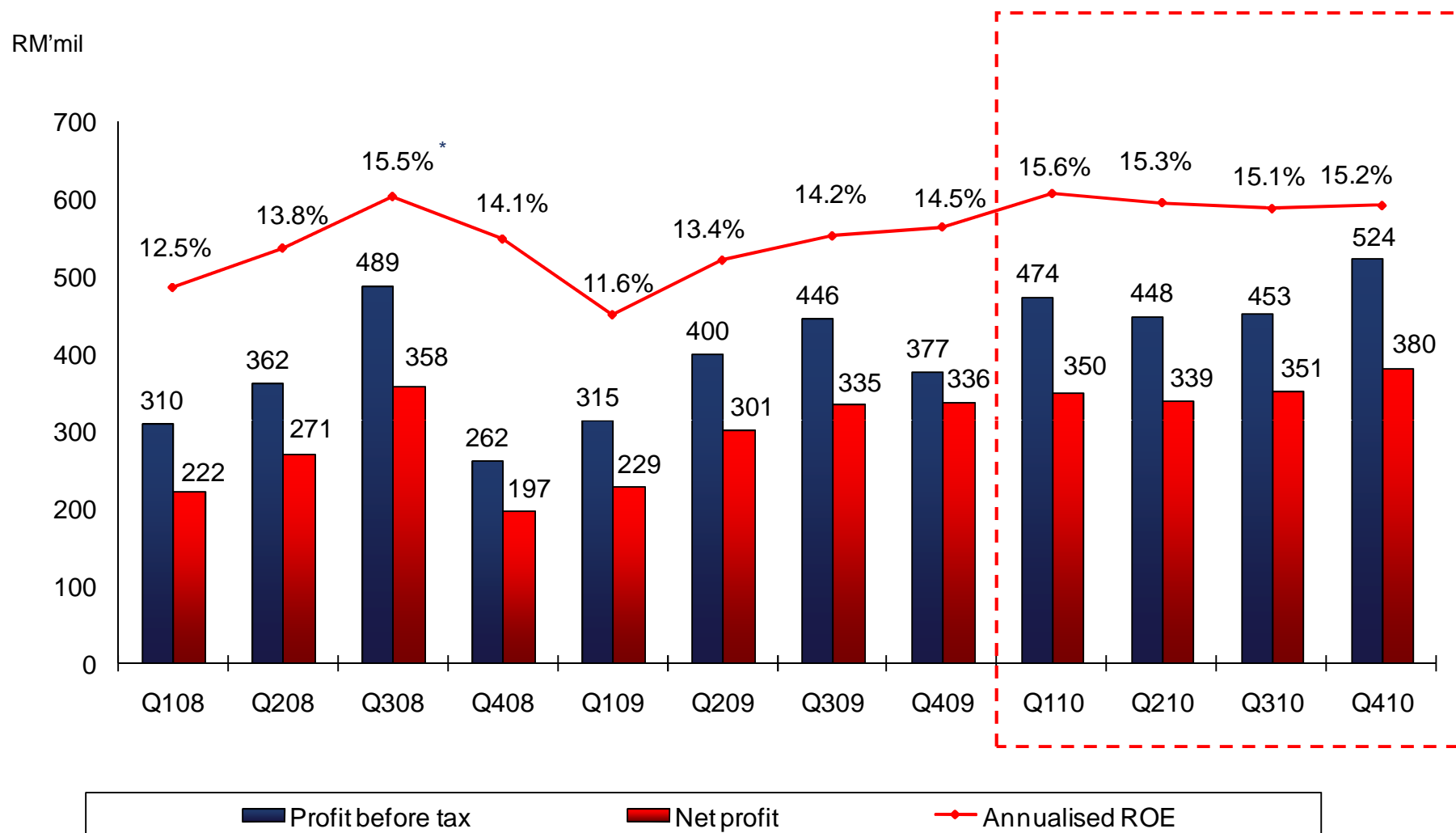


## Key Financial Highlights - FY 2010

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- ◆ Net profit of RM1,420 million, up 18%
- ◆ EPS at 66.0 sen, up 18%
- ◆ ROE up at 15.2% vs 14.5% in 2009
- ◆ ROA up at 1.2% vs 1.1% in 2009
- ◆ Cost to Income Ratio improved to 40.5% from 42.7%
- ◆ Total assets expanded by 12% to RM129.3 billion
- ◆ Gross loans and advances grew by 20% to RM83.7 billion
- ◆ Deposits from customers increased by 11% to RM94.4 billion
- ◆ Gross impaired loans ratio improved to 4.39% from 6.66% as at 1 January 2010
- ◆ Proposed final dividend of 21.38%, less tax totaling to RM345.3 million

## Quarterly Operating Performance Trend

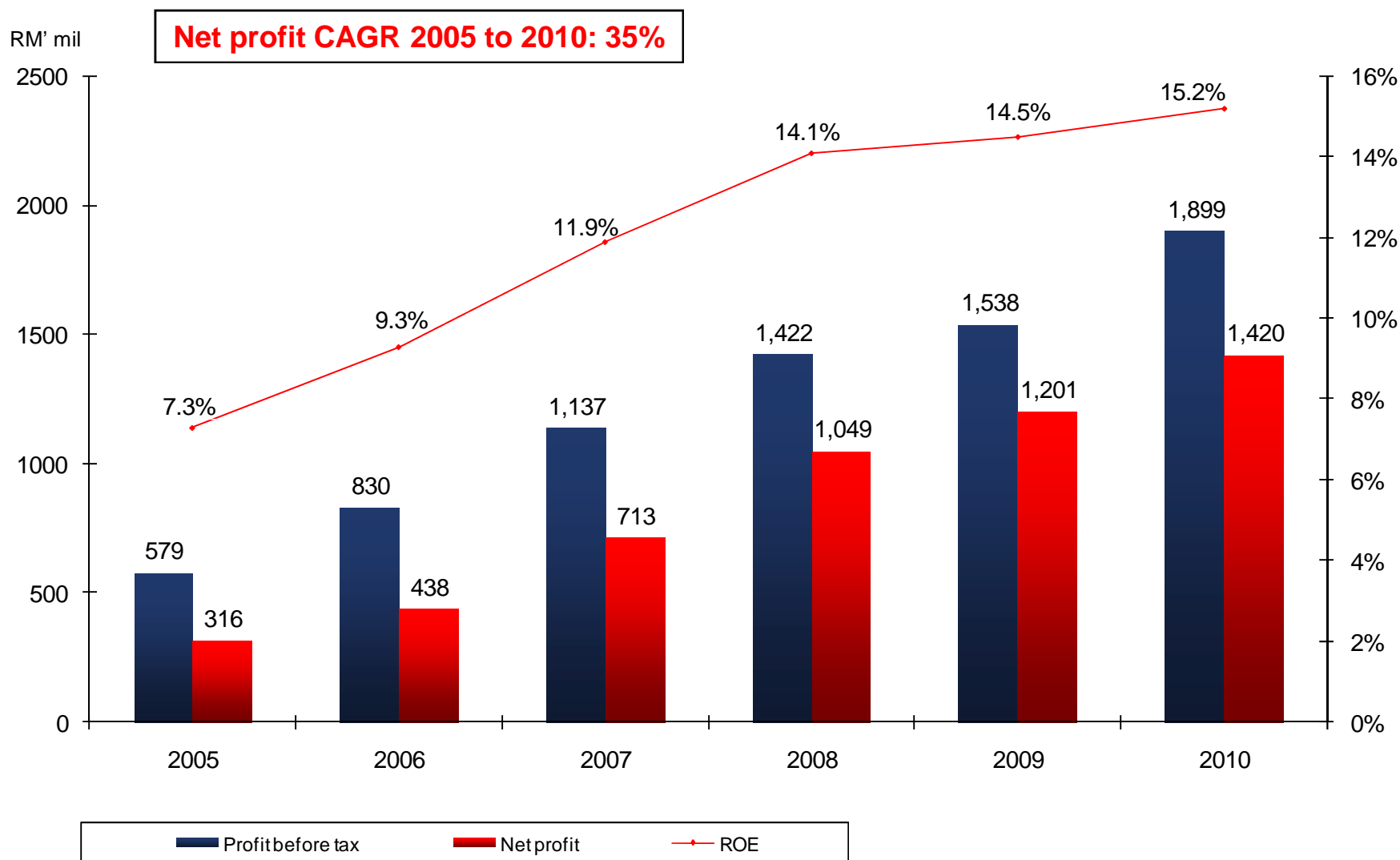


\* Excluding a major bad debts recovery, normalised ROE at 13.5%



## Yearly Profit and ROE Trend...

Continued improvements in ROE and Net Profit

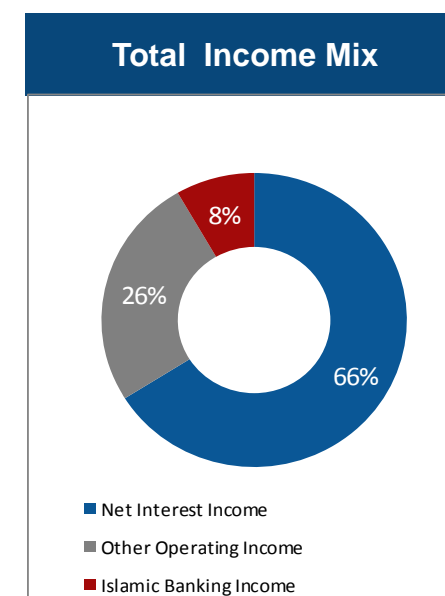
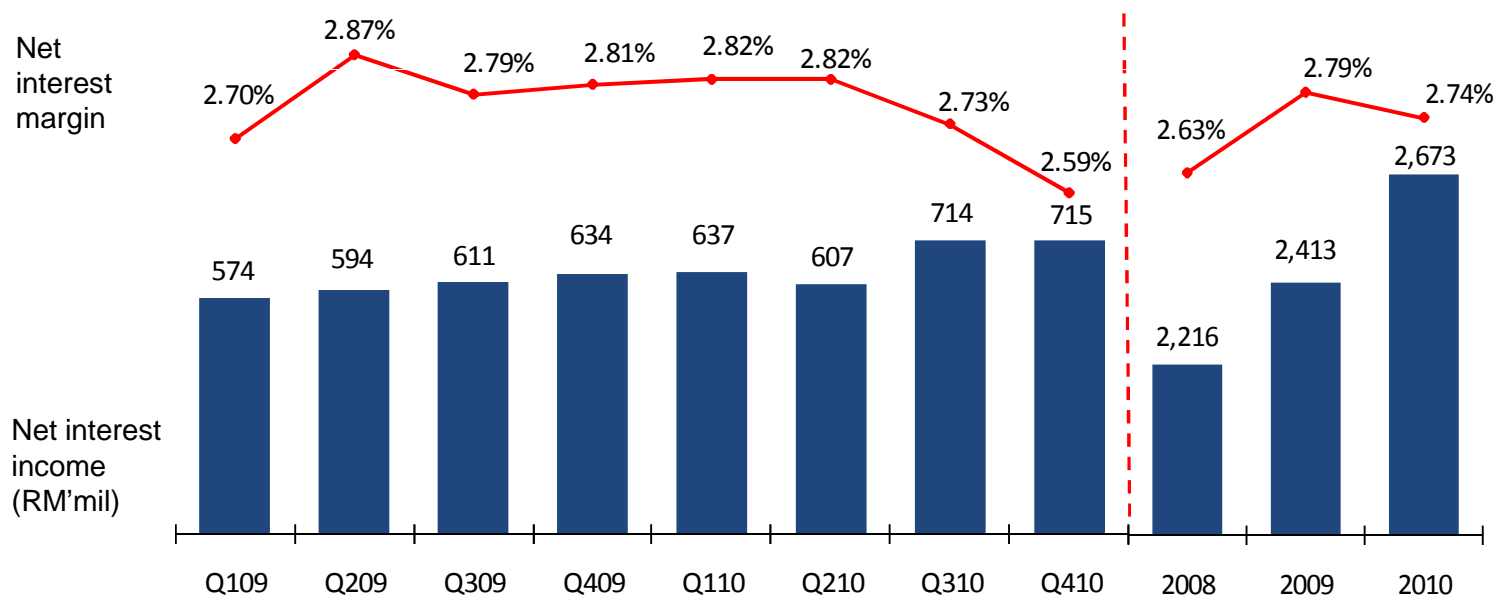




## Summary of Income Statement

RM mil	Q4 2010	Q3 2010	Q-o-Q Change %	FY 2010	FY 2009	Y-o-Y Change %
Net Interest Income	715	714	-	2,673	2,413	11
Other Operating Income	280	252	11	1,043	926	13
Income From Islamic Banking Business	84	86	-2	334	326	2
<b>Total Income</b>	<b>1,079</b>	1,052	3	<b>4,050</b>	3,665	11
Other Operating Expenses	(420)	(423)	-1	(1,640)	(1,566)	5
<b>Operating Profit Before Allowances</b>	<b>659</b>	629	5	<b>2,410</b>	2,099	15
Allowance for Impairment on Loans, Advances and Financing	(65)	(174)	-63	(415)	(579)	-28
Impairment Losses on Other Assets	(70)	(2)	>100	(96)	18	>-100
<b>Profit Before Taxation</b>	<b>524</b>	453	16	<b>1,899</b>	1,538	23
<b>Net Profit</b>	<b>380</b>	351	8	<b>1,420</b>	1,201	18
EPS (sen)	17.7	16.3	9	66.0	55.8	18

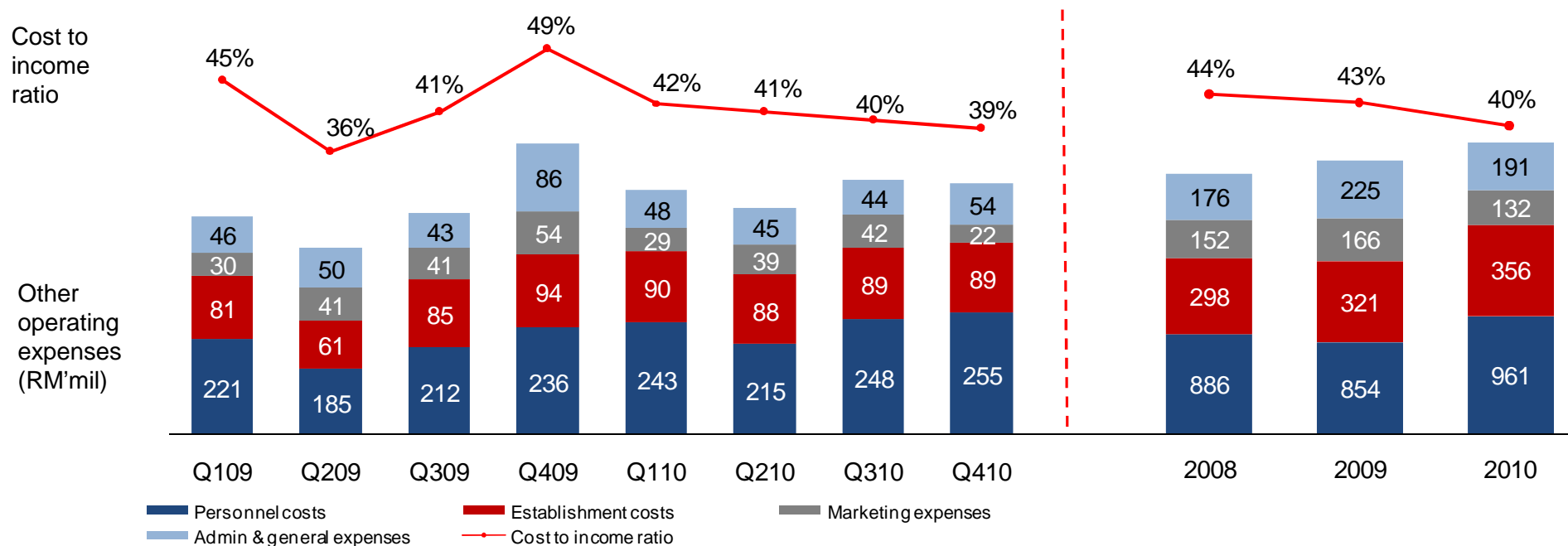
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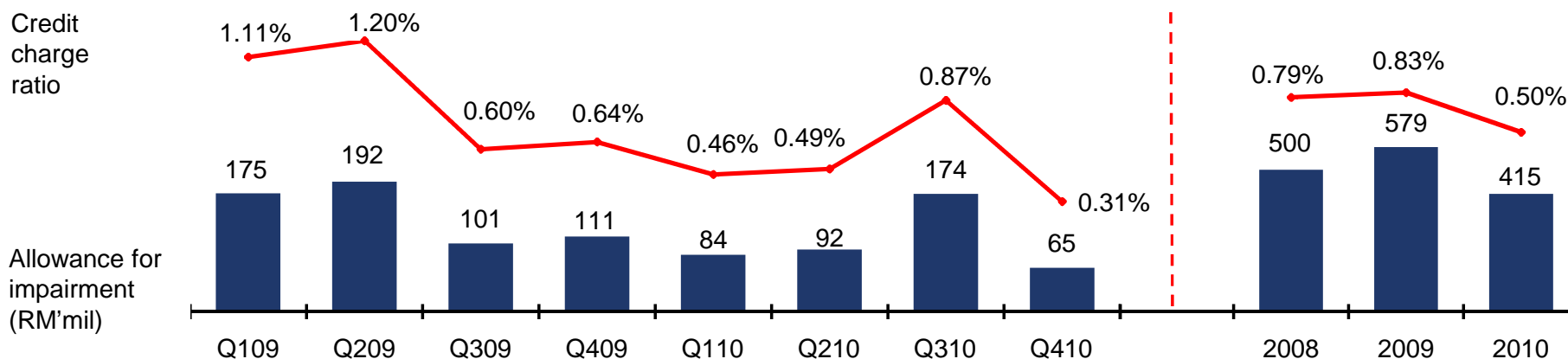
## Other Operating Expenses

RM mil	Q4 2010	Q3 2010	Q-o-Q Change %	FY 2010	FY 2009	Y-o-Y Change %
Personnel costs	255	248	3	961	854	13
Establishment costs	89	89	-	356	321	11
Marketing expenses	22	42	-48	132	166	-20
Admin & General expenses	54	44	23	191	225	-15
<b>Other Operating Expenses</b>	<b>420</b>	<b>423</b>	<b>-1</b>	<b>1,640</b>	<b>1,566</b>	<b>5</b>
Cost to Income Ratio (%)	39	40	-1	40	43	-3



## Allowance for Impairment on Loans, Advances and Financing

RM mil	Q4 2010	Q3 2010	Q-o-Q Change %	FY 2010	FY 2009	Y-o-Y Change %
Individual assessment/Specific allowance	-	89	-100	<b>183</b>	892	-79
Collective assessment/General allowance	<b>105</b>	120	-13	<b>419</b>	(152)	>-100
Impaired loans and financing recovered	<b>(40)</b>	(35)	14	<b>(183)</b>	(162)	13
Impairment allowance for other debtors	-	-	-	<b>(4)</b>	1	>-100
<b>Allowance for impairment on loans, advances and financing</b>	<b>65</b>	174	-63	<b>415</b>	579	-28
Gross Impaired Loans	<b>3,672</b>	4,510	-19	<b>3,672</b>	4,638 <sup>N1</sup>	-21
Credit Charge Ratio (%)	<b>0.31</b>	0.87	-0.56	<b>0.50</b>	0.83	-0.33
Gross Impaired Loans Ratio (%)	<b>4.39</b>	5.64	-1.25	<b>4.39</b>	6.66 <sup>N1</sup>	-2.27



N1: Adjusted for effect of adoption of FRS 139





## Key Balance Sheet Items

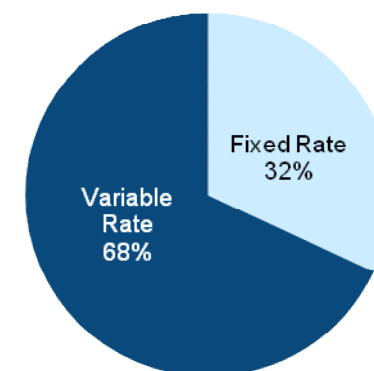
RM mil	Dec 2010	Sept 2010	Dec 2009	Q-o-Q Change %	Y-o-Y Change %
Total Assets	<b>129,325</b>	127,116	115,085	2	12
Total Financial Assets/Investments	<b>25,017</b>	26,322	20,933	-5	20
- Financial assets HFT	<b>772</b>	1,604	860	-52	-10
- Financial investments AFS	<b>13,375</b>	13,587	9,093	-2	47
- Financial investments HTM	<b>10,870</b>	11,131	10,980	-2	-1
Gross Loans	<b>83,710</b>	80,040	69,635	5	20
Customers Deposits	<b>94,434</b>	91,441	84,841	3	11
Borrowings	<b>4,064</b>	3,673	3,830	11	6
Sub-debts	<b>3,264</b>	3,245	2,240	1	46
Hybrid Tier-1 Capital Securities	<b>600</b>	592	592	1	1
Shareholders' Funds	<b>9,962</b>	9,654	8,708	3	14
<b>LD Ratio (%)</b>	<b>88.6</b>	87.5	82.1	1.1	6.5
<b>Net Assets per share</b>	<b>4.63</b>	4.48	4.04	3	15



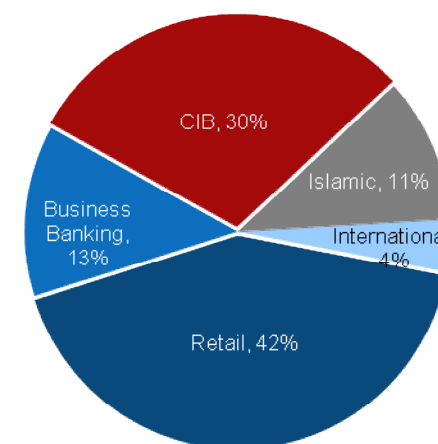
## Loans, Advances and Financing

RM mil	Dec 2010	Sept 2010	Dec 2009	Q-o-Q Change %	Y-o-Y Change %
Working capital	<b>20,694</b>	21,106	22,218	-2	-7
Purchase of residential property	<b>18,841</b>	17,962	16,002	5	18
Purchase of non-residential property	<b>4,761</b>	4,686	3,943	2	21
Purchase of PPE other than land & building	<b>3,336</b>	3,444	3,757	-3	-11
Personal use	<b>3,535</b>	3,349	2,749	6	29
Credit card	<b>1,645</b>	1,606	1,580	2	4
Purchase of transport vehicles	<b>9,568</b>	9,271	8,226	3	16
Purchase of securities	<b>4,008</b>	3,766	2,409	6	66
Others	<b>17,322</b>	14,850	8,751	17	98
<b>Gross Loans and Advances</b>	<b>83,710</b>	80,040	<b>69,635</b>	<b>5</b>	<b>20</b>
Adjustment for FRS 139	-	-	317	-	-
<b>Gross Loans and Advances</b>	<b>83,710</b>	80,040	<b>69,952</b>	<b>5</b>	<b>20</b>
- SME	<b>11,044</b>	11,284	11,342	-2	-3
- Individuals	<b>36,475</b>	34,775	29,547	5	23
- Corporate & others	<b>36,191</b>	33,981	28,746	7	26

**Composition of Loan Book - by Interest/Profit Rate Sensitivity**



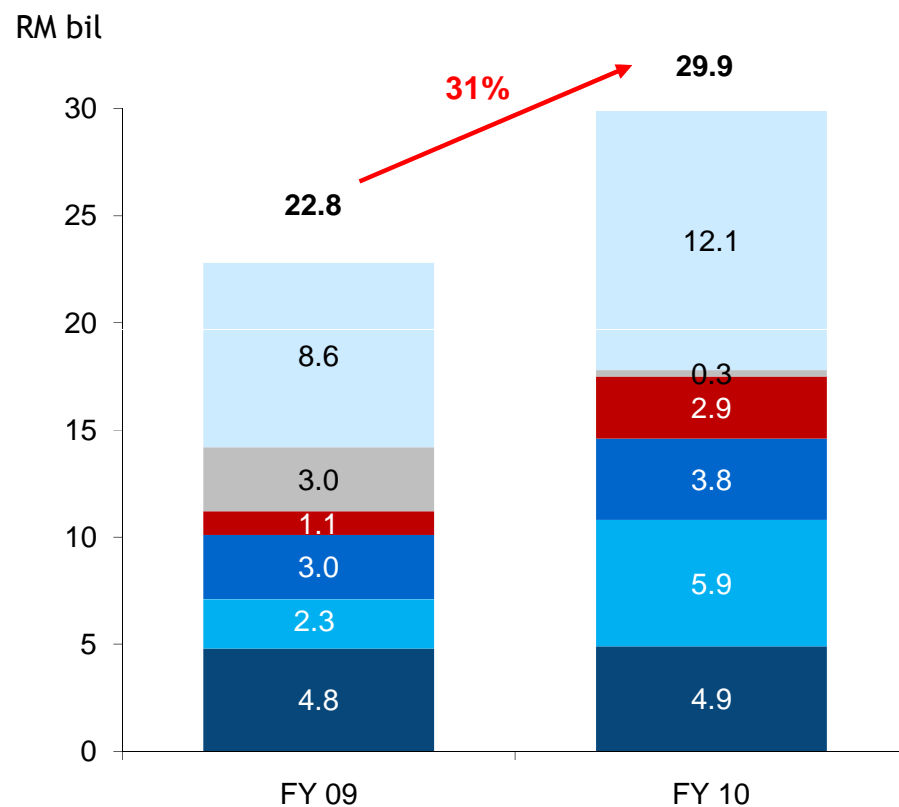
**Composition of Loan Book - by Strategic Business Group**





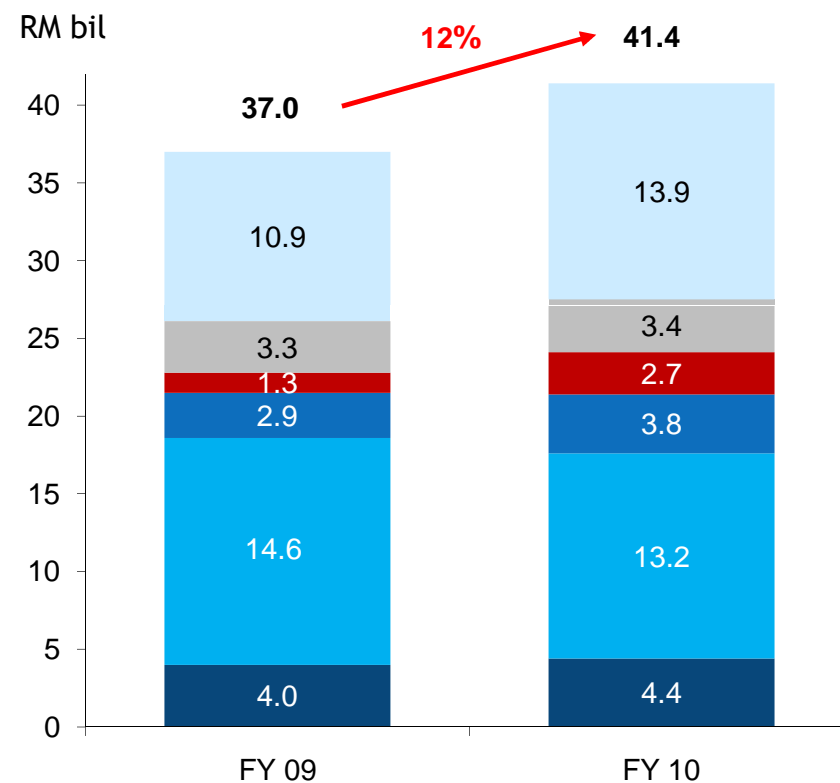
## Loans, Advances and Financing - Approvals & Disbursements

### Loans Approved



■ Residential ■ Working Capital ■ Transport Vehicles  
■ Purchase of securities ■ Credit Cards ■ Others

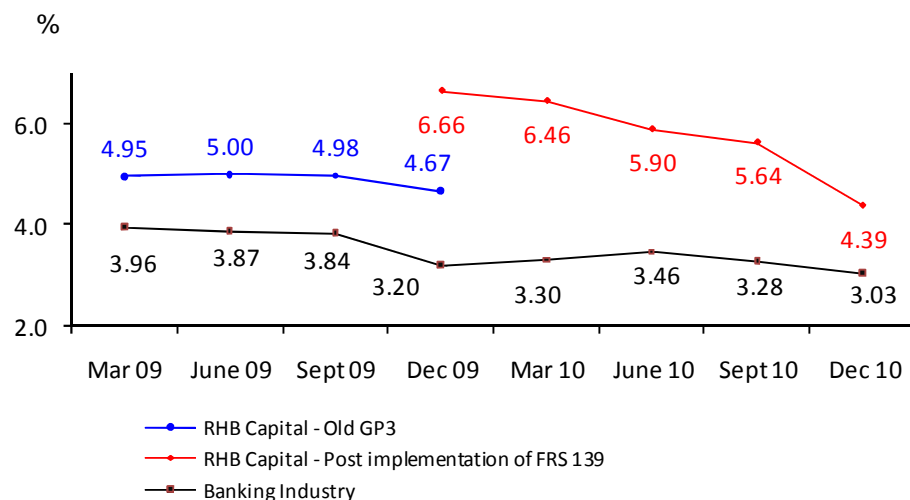
### Loans Disbursed



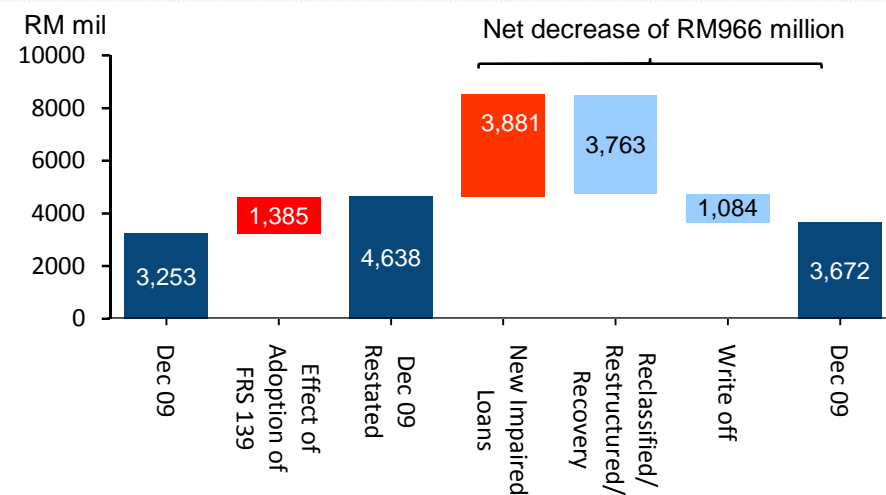


## Asset Quality

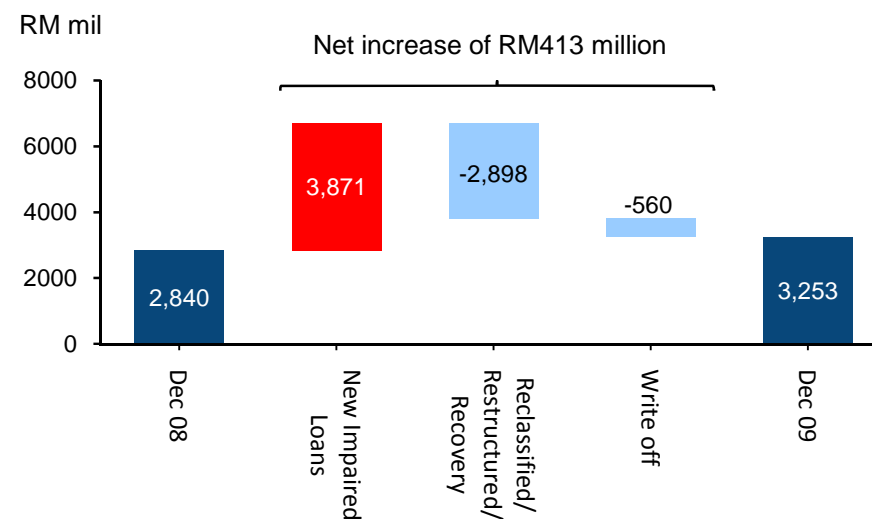
**Gross impaired loans ratio improved by 1.25% to 4.39% from Sept 2010**



**New impaired loans formation improved to 1.30% from 1.96% a year ago**



	Dec 2010	Sept 2010	Dec 2009	Q-o-Q Change	Y-o-Y Change
Gross Impaired Loans (RM million)	3,672	4,510	4,638 <sup>N1</sup>	-19	-21
Gross Impaired Loans Ratio (%)	4.39	5.64	6.66 <sup>N1</sup>	-1.25	-2.27
Collective Impairment (%)	2.2	2.3	1.5	-0.1	0.7



N1 Adjusted for effect of adoption of FRS 139



## Customers Deposits

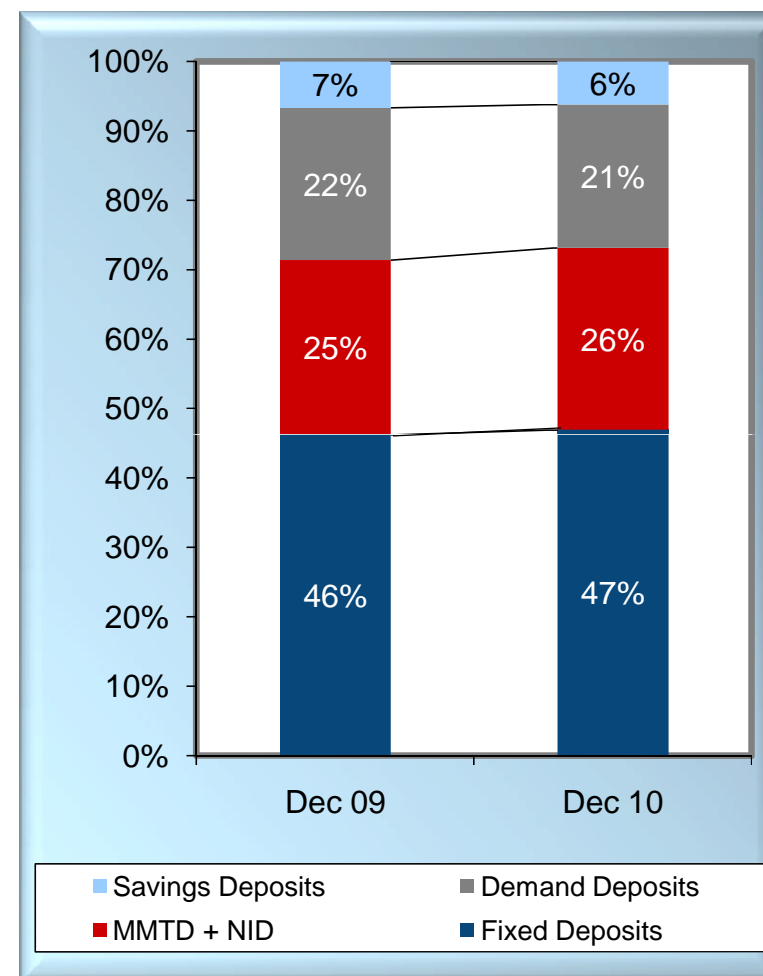
### Customers Deposits

RM mil	Dec 2010	Sept 2010	Dec 2009	Q-o-Q Change %	Y-o-Y Change %
Fixed Deposits	<b>68,830</b>	66,275	60,264	4	14
of which MMTD	<b>24,505</b>	24,392	21,043	1	16
Demand Deposits	<b>19,523</b>	19,156	18,597	2	5
Savings Deposits	<b>5,832</b>	5,753	5,663	1	3
NIDs	<b>249</b>	257	317	-3	-21
<b>Total Deposits</b>	<b>94,434</b>	91,441	84,841	3	11
LD Ratio (%)	<b>89</b>	88	82	1	7
CASA (incl MMTD) (%)	<b>27</b>	27	29	-	-2
CASA (excl. MMTD) (%)	<b>36</b>	37	38	-1	-2

### Domestic Market Share

	Dec 2010	Dec 2009
Demand deposits	<b>9.6%</b>	10.3%
Savings	<b>5.4%</b>	5.3%
Fixed Deposits	<b>8.2%</b>	7.7%
<b>Total Domestic Deposits</b>	<b>7.8%</b>	7.5%

### Customers Deposits : Composition



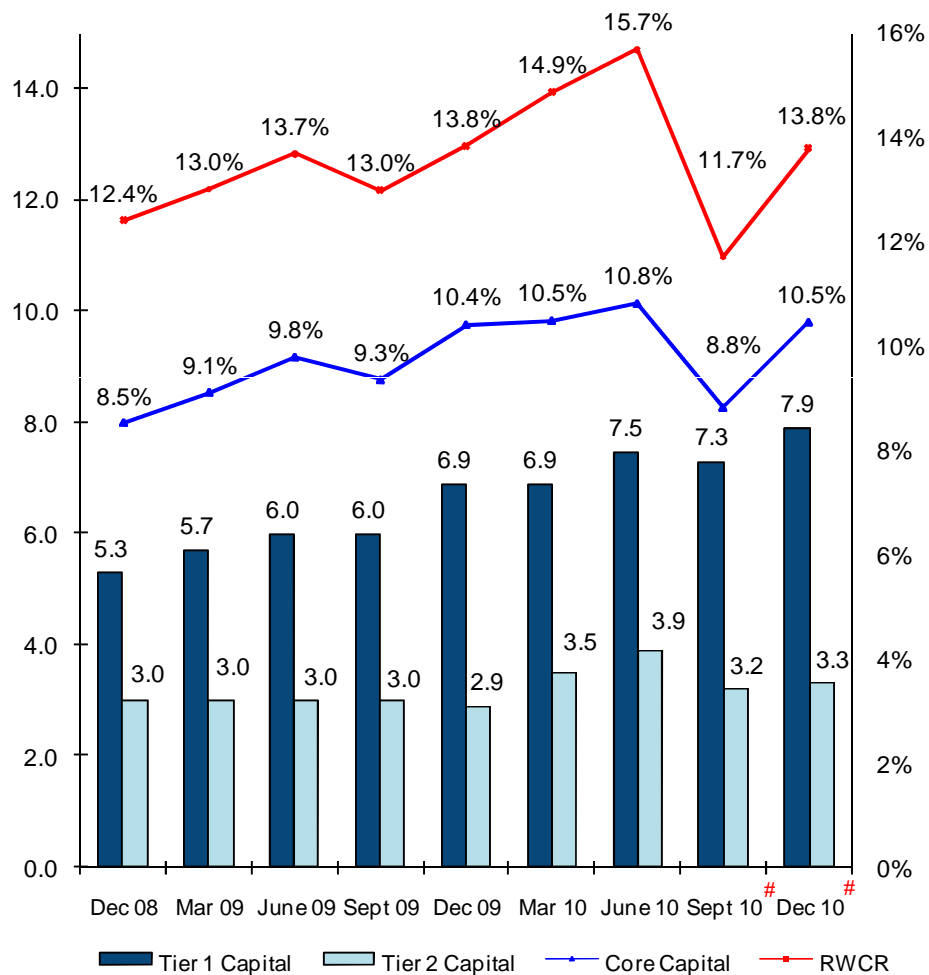
MMTD: Money Market Time Deposits  
NID: Negotiable Instruments of Deposits



## Capital Position (1/2)

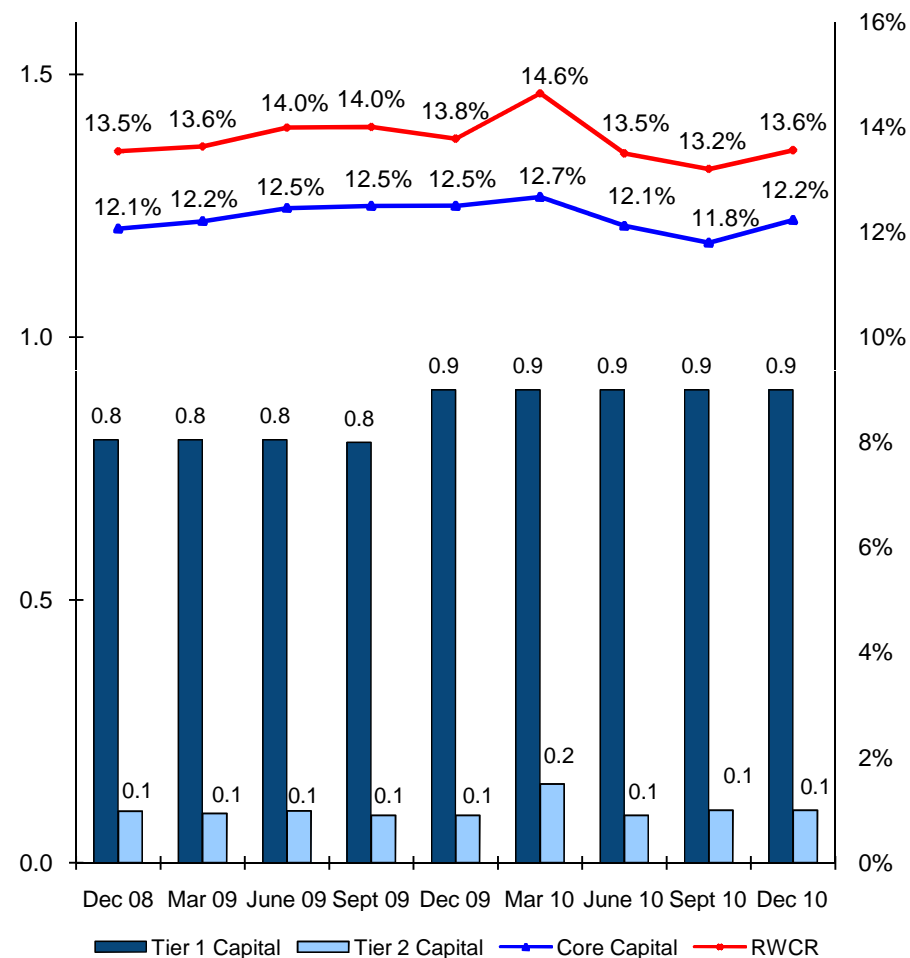
### RHB Bank

RM bil



### RHB Islamic Bank

RM bil

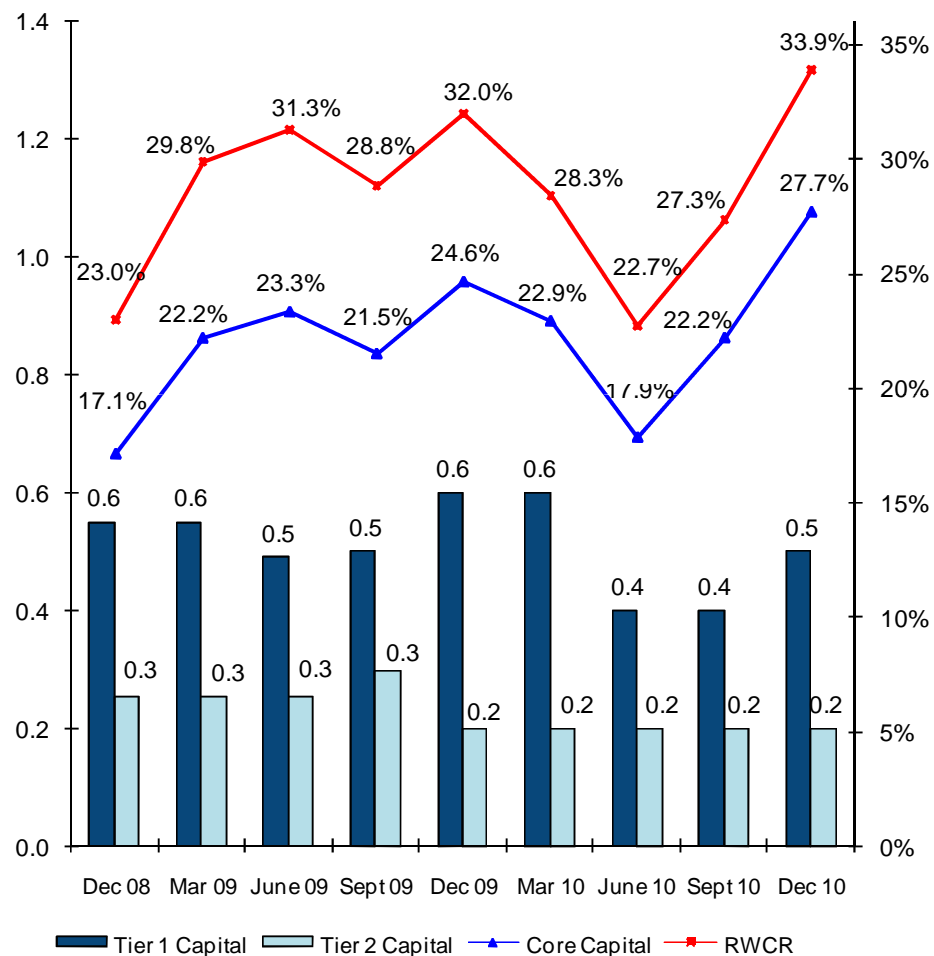




## Capital Position (2/2)

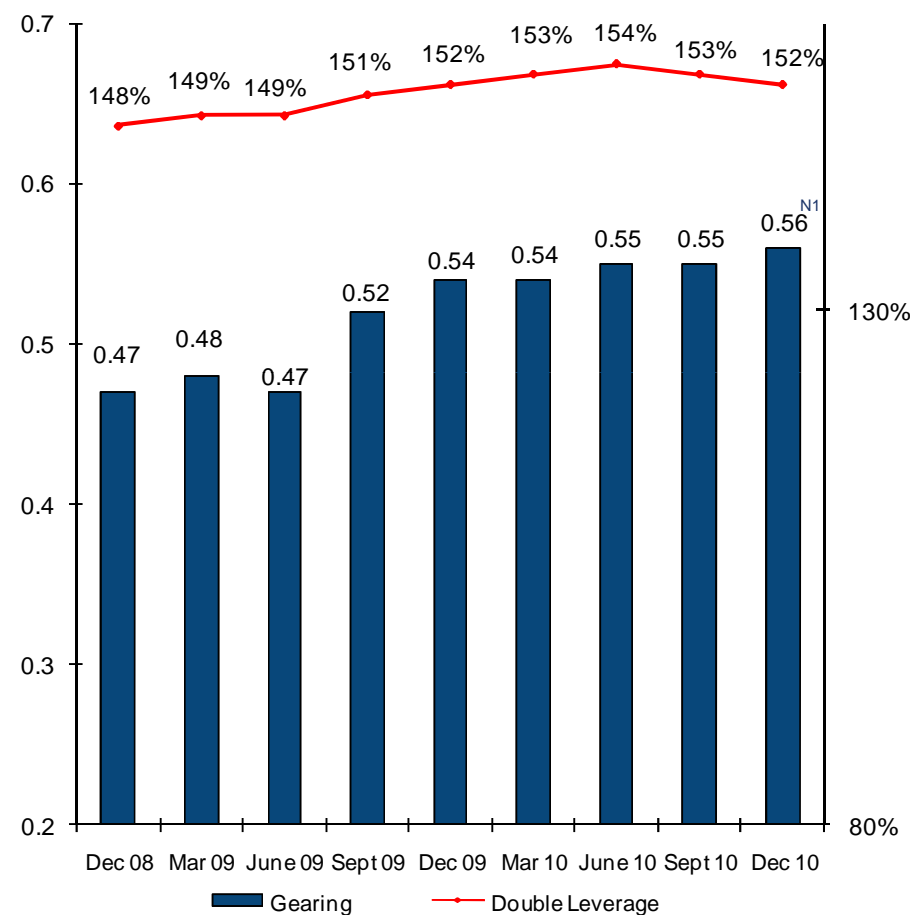
### RHB Investment Bank

RM bil



### RHB Capital

Times



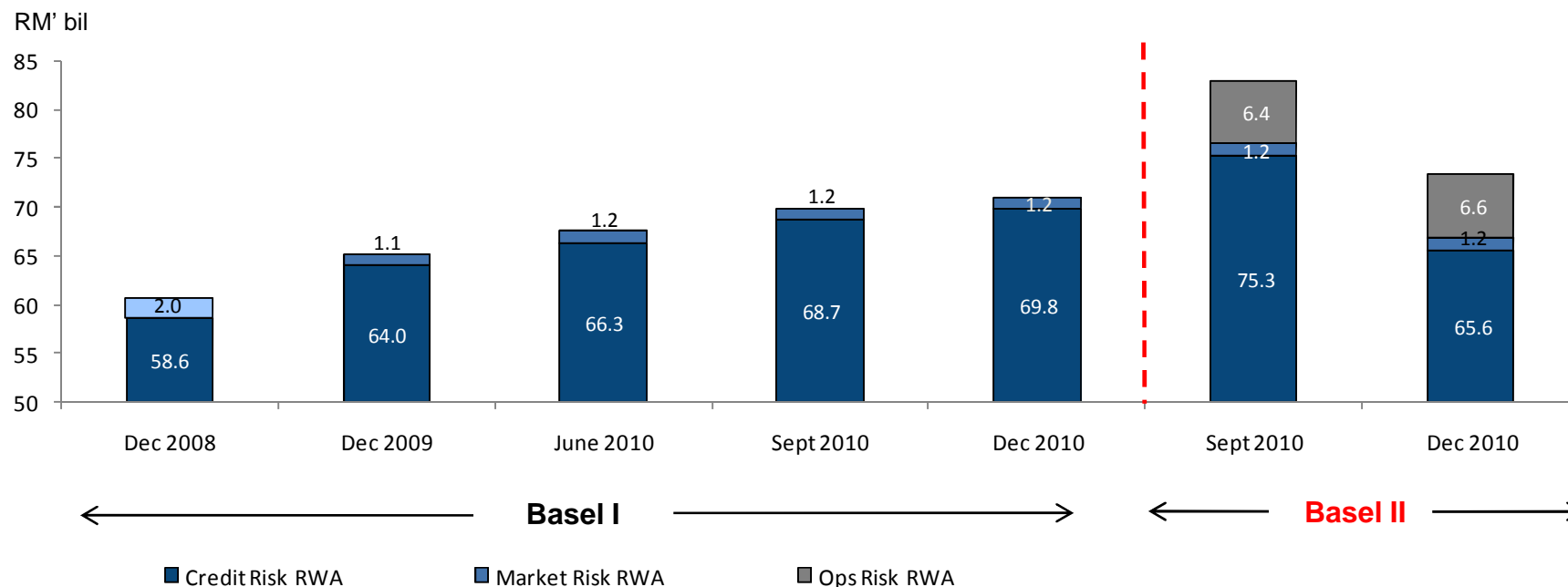
N1 After adjusting for cash and short term funds of RM300 million holding to fund the maturity of borrowings due in Jan 2011 and RM113 million deposits for the proposed acquisition of Bank Mestika, which will eventually be funded by Rights Issue



## Analysis of Capital Adequacy – RHB Bank

RM' million	Dec 2008 (B.I)	Dec 2009 (B.I)	June 2010 (B.I)	Sept 2010 (B. I)	Sept 2010 (B. II)	Dec 2010 (B. I)	Dec 2010 (B. II)
Tier I	5,318	6,879	7,459	7,309	7,309	7,919	7,919
Tier II (B.I)/Eligible Tier II (B. II)	2,996	2,863	3,911	3,941	2,413	3,978	3,264
Total Capital Base	7,685	9,115	10,745	10,625	9,722	11,897	10,357
% of Core Tier I/Tier I	100%	91%	92%	92%	92%	92%	92%
Tier I Ratio (%)	8.51	10.41	10.82	10.5	8.82	10.82	10.46
RWCR (%)	12.42	13.84	15.69	15.2	11.73	15.54	13.79
RWA	60,612	65,144	67,508	69,865	82,861	71,015	73,363

### Analysis of Risk Component



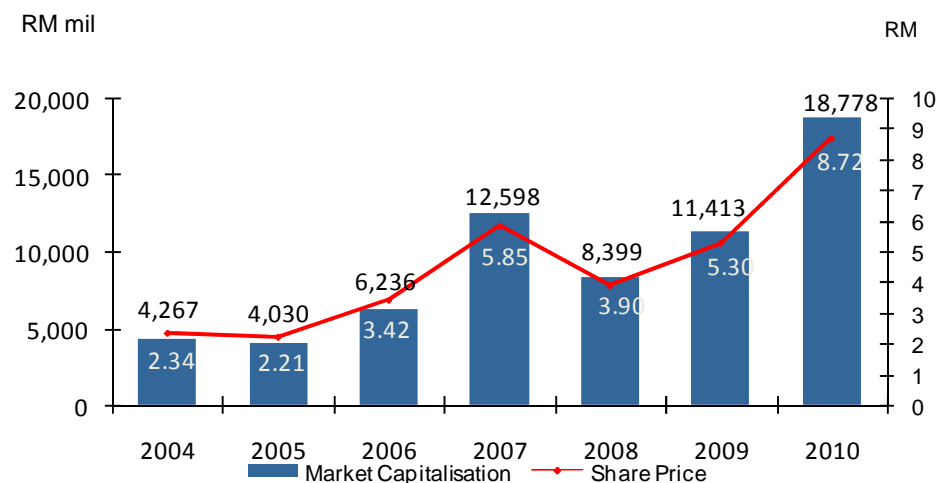




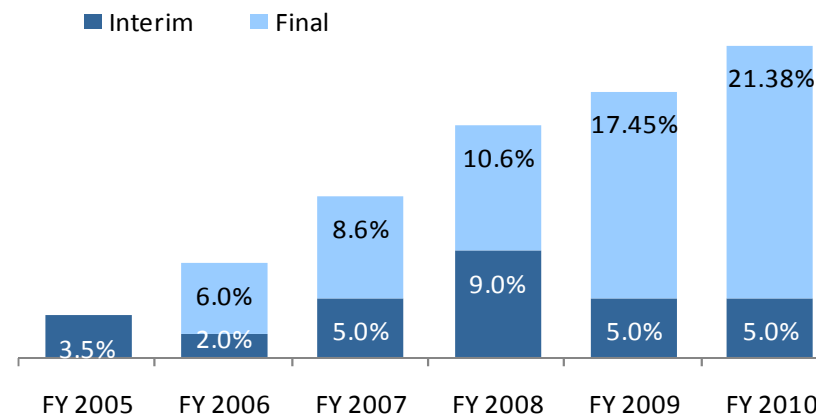
# Return to Shareholders

*Building value for the shareholders*

## Market Capitalisation and Share Price Trend



## Dividend Trend - 2005 to 2010



## Total Shareholders' Return

	RHB Total Shareholders' Return			Bursa Malaysia KLCI Finance Index Return		
	Dec 08	Dec 09	Dec 10	Dec 08	Dec 09	Dec 10
<b>3 years</b>	87%	68%	<b>59%</b>	-6%	28%	<b>27%</b>
<b>5 years</b>	103%	148%	<b>325%</b>	5%	48%	<b>92%</b>
<b>7 years</b>	89%	312%	<b>356%</b>	33%	128%	<b>114%</b>

## Dividend Payout Trend - 2005 to 2010

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Total Dividends Paid</b>	3.5%	8.0%	13.6%	19.6%	22.45%	26.38%
<b>Total Payout Ratio (% of earnings)</b>	15%	24%	30%	30%	30%	30%

- 1** FY 2010 results - another year of record performance, met all targets set, except for overseas contribution due to a delay in the proposed acquisition of Bank Mestika;
- 2** Results broadly in line with expectation, despite a higher provision for impairment losses;
- 3** Looking forward in 2011, expectations to expand CIB as the Government has launched investments under the ETP with the award of large-scale infrastructure projects, coupled with strong deal pipeline;
- 4** Successfully penetrate the retail market and gaining market share across targeted segments - will continue to focus on building market share and position for growth opportunities;
- 5** Introduction of “Easy by RHB” has been successful - will continue with the roll-outs of more outlets throughout Malaysia;
- 6** Continue to focus on building Islamic Banking and Global Financial Banking to form an even larger part of the Group’s financial performance;
- 7** Continue to develop and grow RHB-Pos Malaysia Shared Banking Services across Malaysia.

**1**

Multi-year Transformation Program 2007-2009 provided the foundation for our ongoing 2010-2012 Key Focus Areas

**2**

Successful execution of the 2010-2012 Key Focus Areas will continue to drive the Group's ongoing profitability and competitiveness

**3**

We are confident that the Group will continue to deliver positive market share gains in key product and customer segments















**4**

2010 Financial Performance in-line with our approach of delivering positive growth in profitability whilst ensuring future sustainability

**5**

The RHB Banking Group's platform built today is scalable, sustainable and competitive. We are optimistic of delivering on an improved set of KPIs for 2011

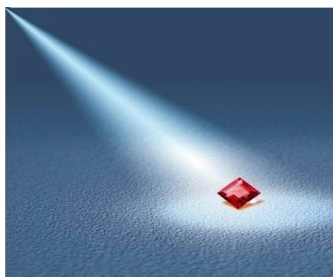
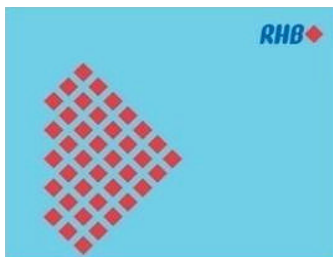
## RHB Banking Group Scorecard 2011

Top level indicators	FY 09	FY 10	Target 2011
<b>ROE (%)</b>	14.5%	 15.2%	 >15.2%*
<b>ROA (%)</b>	1.1%	 1.2%	 > 1.2%
<b>Gross Impaired Loans Ratio (%)</b>	4.7% <sup>N1</sup>	 4.4%	 4.0%
<b>Loan Growth (%)</b>	10.2%	 20.2%	 >15%
<b>Deposits Growth (%)</b>	14.7%	 11.3%	 >15%
<b>Cost to Income Ratio (%)</b>	43%	 40%	 < 43%
<b>International Contribution (%)</b>	6%	 5%	 5% - >10%

 better  worse

N1: Adjusted for FRS 139 effect, impaired loans ratio stood at 6.7% as at 31 Dec 2009  
 \* Post expected Rights Issue of RM1.3bln; without which ROE will be >15.8%

- 1** Multi-year Transformation Program 2007-2009 provided the foundation for our ongoing 2010-2012 Key Focus Areas
- 2** Successful execution of the 2010-2012 Key Focus Areas will continue to drive the Group's ongoing profitability and competitiveness
- 3** We are confident that the Group will continue to deliver positive market share gains in key product and customer segments
- 4** 2010 Financial Performance in-line with our approach of delivering positive growth in profitability whilst ensuring future sustainability
- 5** The RHB Banking Group's platform built today is scalable, sustainable and competitive. We are optimistic of delivering on an improved set of KPIs for 2011



## Appendices

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## Domestic Market Share - Loans & Deposits

Loans and Advances	Dec 2010	Sept 2010	June 2010	March 2010	Dec 2009
Purchase of residential property	<b>7.7%</b>	7.6%	7.5%	7.4%	7.4%
Purchase of non-residential property	<b>5.2%</b>	5.4%	5.2%	5.3%	5.3%
Purchase of transport vehicles	<b>7.2%</b>	7.1%	6.8%	6.7%	6.7%
<b>Total Domestic Loans</b>	<b>9.1%</b>	9.0%	8.7%	8.6%	8.5%
SME	<b>8.7%^</b>	9.0%	9.6%	9.2%	9.5%

Customers Deposits	Dec 2010	Sept 2010	June 2010	March 2010	Dec 2009
Demand deposits	<b>9.6%</b>	9.9%	10.1%	10.4%	10.3%
Savings	<b>5.4%</b>	5.4%	5.6%	5.4%	5.3%
Fixed Deposits	<b>8.2%</b>	7.8%	7.8%	7.8%	7.7%
<b>Total Domestic Deposits</b>	<b>7.8%</b>	7.8%	7.7%	7.4%	7.5%

^ Based on Nov 2010 BNM Statistic



## Ratings

Entity	Description	Rating	Date
RHB Bank Berhad			
RAM Rating Services Berhad	Long Term Financial Institution Rating Short Term Financial Institution Rating	AA2 P1	Nov 2010
Standard & Poor's	Long Term Counterparty Credit Rating Short Term Counterparty Credit Rating ASEAN-scale Long Term Rating ASEAN-scale Short Term Rating Bank Fundamental Strength Rating	BBB+ A-2 axA+ axA-1 C+	Dec 2010
Moody's Investors Service	Long Term Bank Deposits Rating Short Term Bank Deposits Rating Bank Financial Strength	A3 P-1 D	July 2009
RHB Islamic Bank Berhad			
RAM Rating Services Berhad	Long Term Financial Institution Rating Short Term Financial Institution Rating	AA2 P1	Nov 2010
RHB Investment Bank Berhad			
RAM Rating Services Berhad	Long Term Financial Institution Rating Short Term Financial Institution Rating	AA2 P1	Nov 2010





# RHB 2010 Awards (1/2)









## RHB Capital Berhad

Awards	Description
	<ul style="list-style-type: none"> <li>Top 10 Best Managed Company</li> <li>Top 10 Best Corporate Governance Company</li> </ul>
	<ul style="list-style-type: none"> <li>Certificate of Merit - for commendable practices in management accounting</li> </ul>
	<ul style="list-style-type: none"> <li>2<sup>nd</sup> Runner up in the Best Return to Shareholders</li> <li>Merit award – 2010 Malaysian Business – CIMA Enterprise Governance Awards</li> </ul>






## RHB Islamic Bank

Awards	Description
	<ul style="list-style-type: none"> <li>7<sup>th</sup> KLIFF Islamic Finance Awards 2010</li> <li>- Most Outstanding Islamic Consumer Financing Product - AirtimeTawarruq</li> </ul>
	<ul style="list-style-type: none"> <li>2010 Frost &amp; Sullivan Malaysia Telecoms Awards</li> <li>- Recognised for Best Practice Award</li> </ul>




## RHB BANK

Awards	Description
	<ul style="list-style-type: none"> <li><b>Easy-SGAM Best Process Innovation Award</b></li> <li>Recognised for <ul style="list-style-type: none"> <li>- Paperless banking through process transformation</li> <li>- Instant loan approval and disbursement</li> <li>- Account opening in less than 5 minutes</li> <li>- "Wow" - factor in customer experience</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li><b>Easy-Effies 2010 Silver Award</b></li> <li>- Only bank to be recognised for concept of 'banking' - banking unconventional way</li> </ul>
	<ul style="list-style-type: none"> <li><b>Customer Relationship Management and Contact Centre Association of Malaysia (CCAM)</b></li> <li>Recognised for <ul style="list-style-type: none"> <li>- One of the Best In-House Contact Centre (Above 100 seats) category</li> <li>- Best Video for Contact Centre (open category)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li><b>Hall of Fame Awards 2010</b></li> <li>- Recognised for Best Usage Campaign (Cross Border) finalist</li> </ul>
	<ul style="list-style-type: none"> <li><b>Visa Malaysia Bank Awards 2010</b></li> <li>Recognised for <ul style="list-style-type: none"> <li>- Highest Purchase Volume Growth – Visa Non-Premium</li> <li>- Highest Purchase Volume Growth – Visa Debit</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li><b>2010 Association for Bank Singapore Excellent Service Award</b></li> <li>- Recognised for Service Class Award and Service Quality Class Certificate</li> </ul>
	<ul style="list-style-type: none"> <li><b>20<sup>th</sup> Asiamoney Cash Management 2010</b></li> <li>- Top 3 Local Cash Management Bank</li> </ul>
	<ul style="list-style-type: none"> <li>Among 18 organisations conferred the <b>POSB Everyday Champions Award 2009</b></li> </ul>



## RHB INVESTMENT BANK

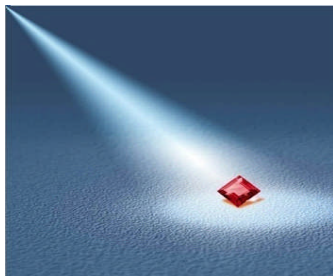
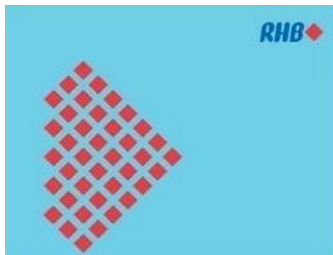
Awards	Description
	<ul style="list-style-type: none"> <li>♦ <b>Best Mergers &amp; Acquisition House</b> - The Asset Triple A Country Awards 2010</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Regional Awards – Best Islamic Finance Deal</b> - Joint Principal Advisor, Joint Lead Arranger, Joint Book Runner and Joint Lead Manager for Cagamas M\$1 billion Sukuk ALIm</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Best Deal of the Year in South East Asia</b> - 4<sup>th</sup> Annual Alpha Southeast Asia Deal &amp; Solution Awards - Petronas Chemicals Group RM12.8 billion (US1.4 billion) IPO - Joint Underwriter</li> <li>♦ <b>Best REIT Deal of the Year in South East Asia</b> - 4<sup>th</sup> Annual Alpha Southeast Asia Deal &amp; Solution Awards - Sunway REIT RM1.5 billion IPO - Sole Financial Adviser, Joint Global Coordinators &amp; Joint Book Runners (Institutional)</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Best Mergers &amp; Acquisition</b> - 2010 Deals of the Year for Privatisation of Tanjong Plc for RM8.79 billion by Tanjong Capital Sdn Bhd</li> <li>♦ <b>Best Share Placement</b> - Placement of 4.5% equity interest in RHB Capital Sdn Bhd for RM746.2 million by the Employee's Provident Fund Board</li> <li>♦ <b>Best IPO</b> - Sunway REIT's RM1.5 billion IPO</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Malaysia Deal of the Year and 10 Groundbreaker Deals</b> - Cagamas M\$1 billion Sukuk ALIm - Joint Principal Advisor, Joint Lead Arranger, Joint Book Runner and Joint Lead Manager</li> </ul>

## RHB RESEARCH INSTITUTE

Awards	Description
	<ul style="list-style-type: none"> <li>♦ <b>Broker Ranking Awards</b> - FTSE Bursa Malaysia 30 Index – Recommendations: Rank (1)</li> <li>♦ <b>Broker Ranking Awards</b> - Malaysia Mid-and Small-Cap Stocks – Recommendations: Rank (3)</li> <li>♦ <b>Analyst Awards - Industry Award Winners</b> - Energy - 1<sup>st</sup> place Joseph Wong Chi Mai - Financials - 3<sup>rd</sup> place Low Yee Huap - Real Estate - 2<sup>nd</sup> place Low Yee Huap - Best Construction Call - Joshua Ng</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Top Award-Winning Broker - Pan Asia</b> - Rank 9</li> <li>♦ <b>Starmine Analyst Awards - Pan Asia</b> - Banks - Rank 2nd place Low Yee Huap</li> <li>♦ <b>Starmine Analyst Awards - Pan Asia</b> - Energy &amp; Chemicals - Rank 3rd place Yap Huey Chiang</li> <li>♦ <b>Starmine Analyst Awards - Pan Asia</b> - Media - Rank 1st place David Chong</li> <li>♦ <b>Starmine Analyst Awards - Pan Asia</b> - Construction &amp; Engineering - Rank 2nd place Joshua Ng CY</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>Best Overall Strategy</b> - 3rd place</li> <li>♦ <b>Best Overall Macroeconomics</b> - 2nd place</li> <li>♦ <b>Best Overall Capital Goods</b> - 3rd place</li> </ul>

## RHB Investment Management

Awards	Description
	<ul style="list-style-type: none"> <li>♦ <b>One of the Most Astute Investors in Malaysian Ringgit Bond 2010</b> in the Asset Benchmark Survey</li> </ul>
	<ul style="list-style-type: none"> <li>♦ <b>2009 Best of the Best Award by Asia Asset Management</b></li> </ul>



End

