



RHB Capital Berhad

3rd Quarter 2011 Financial Results



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Managing Director
RHB Capital Berhad
29 November 2011



FORWARD LOOKING STATEMENTS

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Since We Last Spoke

2

3rd Quarter 2011 Financial Results Review

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To Sum Up

Business Expansion/ Tie-ups

- ◆ Easy by RHB
 - 220 outlets currently, on track to achieve target of 240 outlets by year end
- ◆ POS Shared-Banking
 - 319 Shared-Banking Services at POS office went live
- ◆ Business Banking
 - First in Malaysia to provide Enhancer Direct Scheme which is fully secured by Credit Guarantee Corporation Malaysia Berhad (“CGC”) with the start up portfolio size of RM200 million

International Business Update

- ◆ Bank Mestika
 - Obtained Bursa’s approval for an extension of another 6 months to 19 April 2012 to complete the proposed RM1.3 billion rights issue
- ◆ RHB Bank – Singapore
 - Injected S\$350 million (RM861.2 million) capital funds to Singapore operations, total capital commitment amounted to S\$620 million (RM1.5 billion) currently

Corporate Development

- ◆ ADCB’s disposal of 24.9% stake in RHB to Aabar Investments completed on 30 September 2011
- ◆ Secured BNM’s approval to commence negotiations with OSK Investment Bank, its holding company, OSK Holdings Berhad (“OSKH”) and OSKH’s major shareholders for a possible merger businesses of RHB Banking Group and OSKIB Group

- 1** Domestic scale-up for RHB Capital (“RHBC”) and creation of one of Malaysia's largest investment banks and brokerage houses
- 2** Immediate access to important strategic markets in the region with long-term growth potential
- 3** Highly complementary franchises with potential to deliver substantial synergies
- 4** Ability to leverage the talent of OSK Investment Bank Berhad (“OSKIB”) team to further bolster RHB’s talent bandwidth
- 5** Expand RHB’s strategies in becoming one of the top investment banks in Malaysia as well as regional markets in which OSKIB has presence



Since We Last Spoke (3/3)

Management

- ◆ Appointment of the following in RHB Bank effective 14 November 2011:
 - Johari Muid - Managing Director
 - Renzo Viegas - Deputy Managing Director








Awards

- ◆ Easy by RHB - 'Best Brand Strategy' at the Advertising + Marketing Magazine Awards 2011
- ◆ CIO of RHB Bank - 'One of the Most Outstanding CIOs in the Asean Region 2011' for the introduction of new innovative technology for Easy by RHB
- ◆ 2nd Runner-Up in the Best Return To Shareholders category by CIMA Enterprise Governance Awards 2011
- ◆ Bronze Award in the Malaysia Employer of Choice at 11th Malaysia HR Awards 2011
- ◆ 13 Singapore branch employees won Exemplary Role Models at Excellent Service Award ("EXSA") 2011

Capital Management

- ◆ RHB Bank issued RM250 million of the subordinated notes under multi-currency Medium Term Note Programme on 31 October 2011
- ◆ Completed the payment of FY 2011 Interim Dividend of 8%, with the application of the approved Dividend Reinvestment Plan

RHB Capital Group Scorecard 2011

Top level indicators	FY 10	Target 2011	9M 2011
ROE (%)	15.2%	>15.2%	 14.6% ^{N1}
ROA (%)	1.2%	>1.2%	 1.1% ^{N1}
Gross Impaired Loans Ratio (%)	4.4%	4.0%	 3.7%
Loans Growth (%)	20.2%	>15%	 17.3% ^{N1}
Deposits Growth (%)	11.3%	>15%	 21.6% ^{N1}
Cost to Income Ratio (%)	40%	<43%	 44%
International Contribution (%)	5%	5% - >10%	 4%

 *better*
 *Worse*

N1: Annualised

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To Sum Up

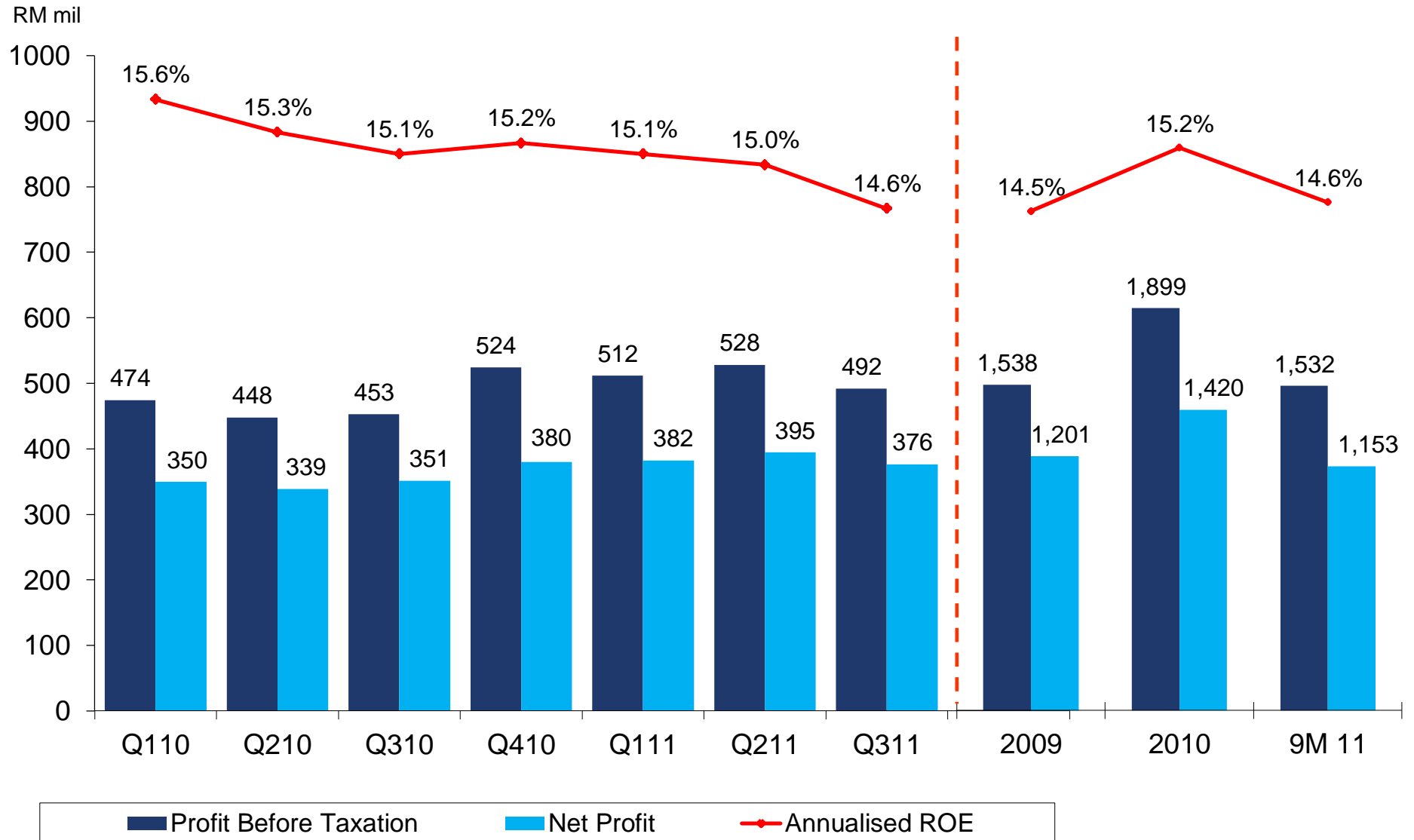


Key Financial Highlights – 3rd Quarter 2011

- ◆ 9M 2011 net profit of RM1,153.1 million, up 11% y-o-y
- ◆ EPS at 53.1 sen, up 10% y-o-y
- ◆ Annualised ROE and ROA at 14.6% and 1.1% respectively
- ◆ Cost to Income ratio increased to 44.0% from 40.5% in 9M 2010
- ◆ Total assets increased by 15.7% to RM149.6 billion
- ◆ Gross loans and advances expanded by 13.0% to RM94.5 billion
- ◆ Deposits from customers increased by 16.2% to RM109.7 billion
- ◆ Gross impaired loans ratio improved to 3.66% from 4.39% as at 31 December 2010



Quarterly Profitability

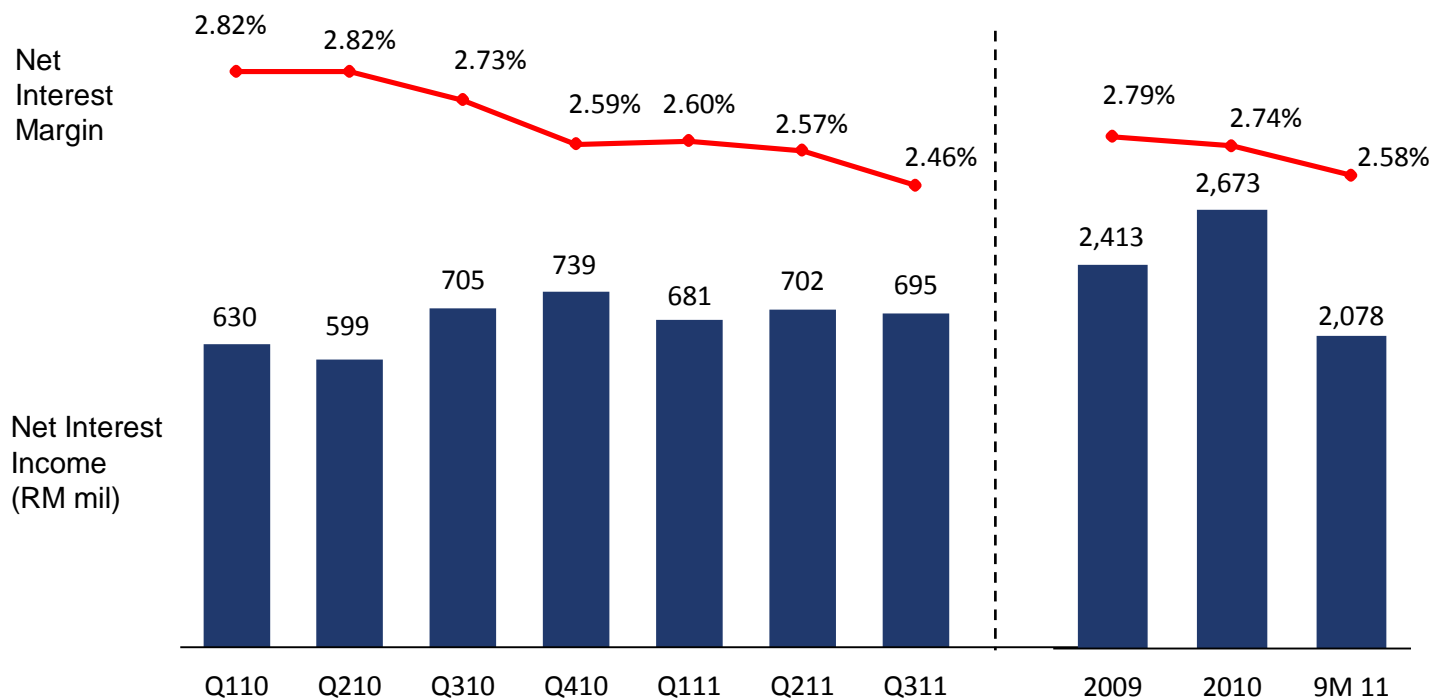




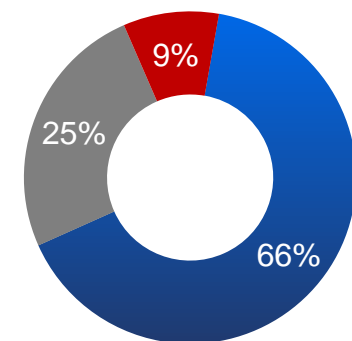
Summary of Income Statement

RM mil	Q3 2011	Q2 2011	Q-o-Q Change %	9M 2011	9M 2010	Y-o-Y Change %
Net Interest Income	695	702	-1	2,078	1,934	7
Other Operating Income	216	316	-32	798	764	4
Income From Islamic Banking Business	120	83	45	295	244	21
Total Income	1,031	1,101	-6	3,171	2,942	8
Other Operating Expenses	(488)	(459)	6	(1,396)	(1,191)	17
Operating Profit Before Allowances	543	642	-15	1,775	1,751	1
Allowance for Impairment on Loans, Financing and Other Losses	(30)	(122)	-75	(232)	(350)	-34
Impairment Losses on Other Assets	(21)	8	>-100	(12)	(26)	-54
Profit Before Taxation	492	528	-7	1,532	1,375	11
Net Profit	376	395	-5	1,153	1,040	11
EPS (sen)	17.2	18.2	-5	53.1	48.3	10

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Total Income Mix

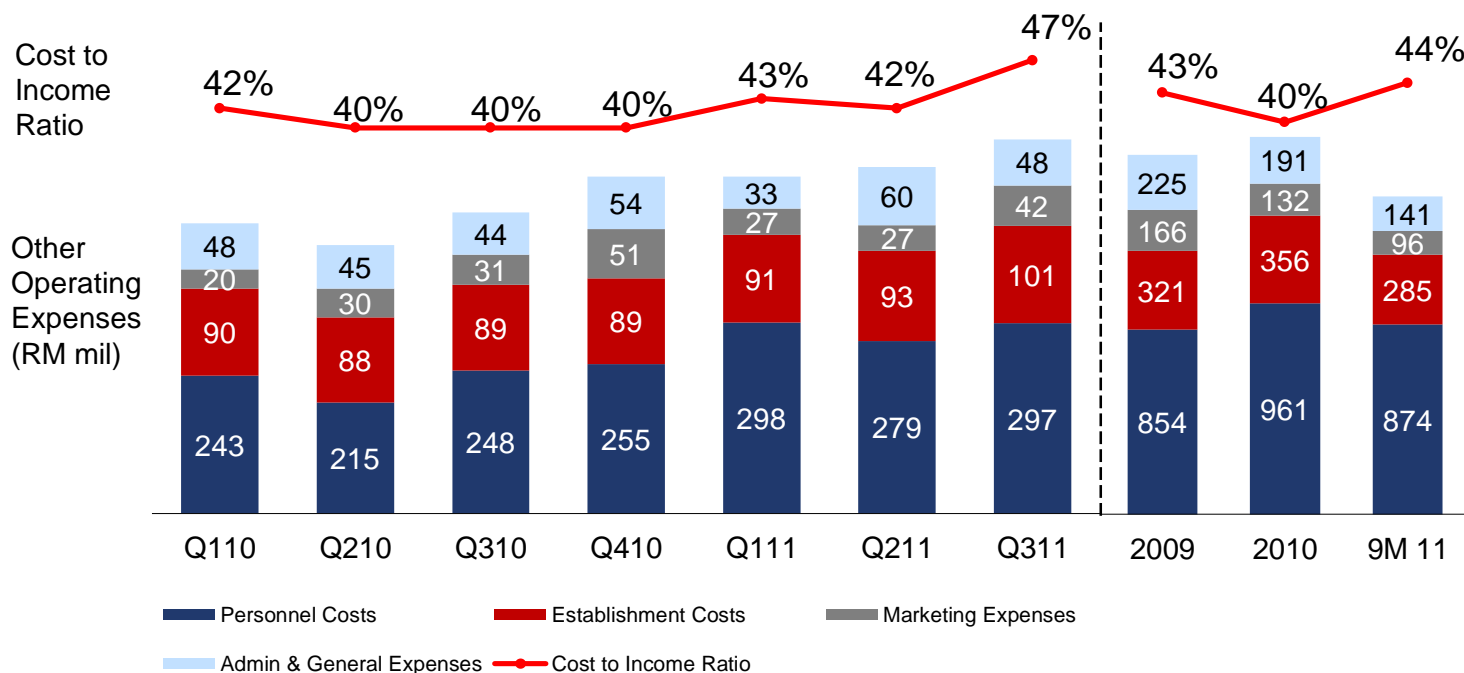


- Net Interest Income
- Other Operating Income
- Islamic Banking Income

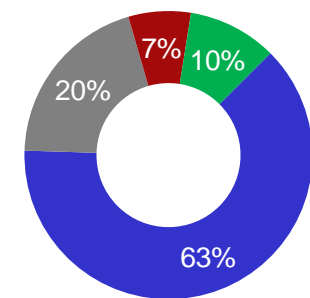


Other Operating Expenses

RM mil	Q3 2011	Q2 2011	Q-o-Q Change %	9M 2011	9M 2010	Y-o-Y Change %
Personnel Costs	297	279	6	874	706	24
Establishment Costs	101	93	9	285	267	7
Marketing Expenses	42	27	56	96	81	19
Admin & General Expenses	48	60	-20	141	137	3
Other Operating Expenses	488	459	6	1,396	1,191	17
Cost to Income Ratio (%)	47	42	5	44	40	4



Operating Cost Mix

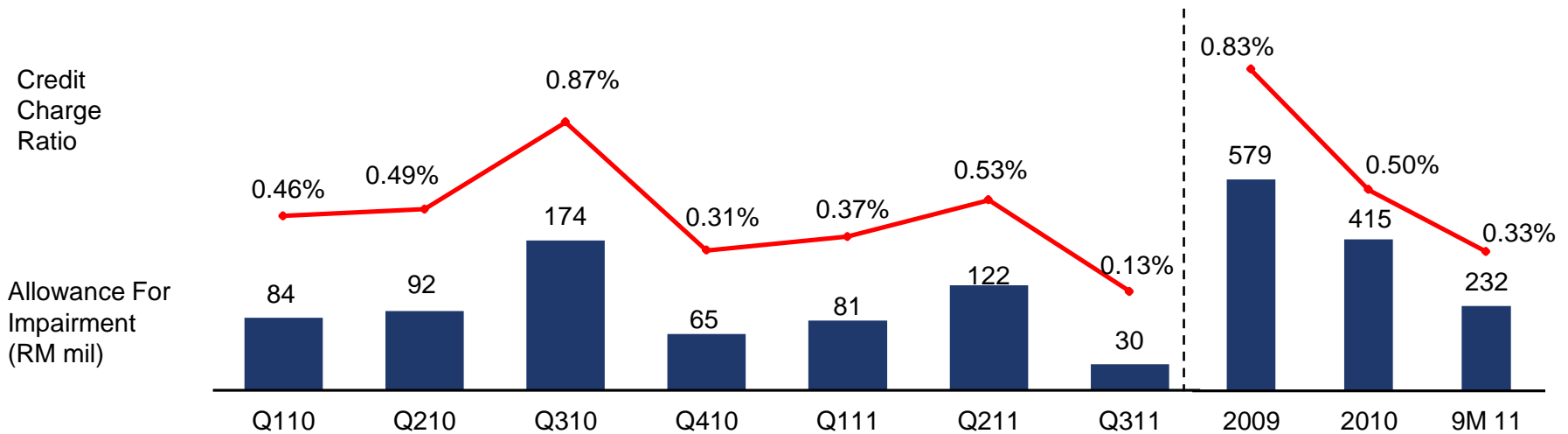


- Personnel Costs
- Establishment Costs
- Marketing Expenses
- Admin & General Expenses



Allowance for Impairment on Loans, Financing and Other Losses

RM mil	Q3 2011	Q2 2011	Q-o-Q Change %	9M 2011	9M 2010	Y-o-Y Change %
Individual Impairment Allowance	(1)	50	> -100	42	183	-77
Collective Impairment Allowance	147	120	23	432	314	38
Impaired Loans and Financing Recovered	(117)	(48)	>100	(244)	(143)	71
Impairment Allowance For Other Debtors	1	-	100	2	(4)	>-100
Allowance for Impairment on Loans, Financing and Other Losses	30	122	-75	232	350	-34
Gross Impaired Loans	3,461	3,565	-3	3,461	4,510	-23
Credit Charge Ratio (%)	0.13	0.53	-0.40	0.33	0.58	-0.25
Gross Impaired Loans Ratio (%)	3.66	3.90	-0.24	3.66	5.64	-1.98





Key Balance Sheet Items

RM mil	Sept 2011	Dec 2010	Sept 2010	Change for 9M 2011 %	Y-o-Y Change %
Total Assets	149,580	129,325	127,116	16	18
Total Financial Assets/Investments	27,050	25,017	26,322	8	3
- Financial Assets HFT	1,441	772	1,604	87	-10
- Financial Investments AFS	12,535	13,375	13,587	-6	-8
- Financial Investments HTM	13,074	10,870	11,131	20	17
Gross Loans	94,552	83,710	80,040	13	18
Customers Deposits	109,743	94,434	91,441	16	20
Borrowings	3,551	4,064	3,673	-13	-3
Sub-debts	3,307	3,264	3,245	1	2
Hybrid Tier-1 Capital Securities	597	600	592	-1	1
Shareholders' Funds	11,164	9,962	9,654	12	16
LD Ratio (%)	86.2	88.6	87.5	-2.4	-1.3
Net Assets per share	5.09	4.63	4.48	10	14



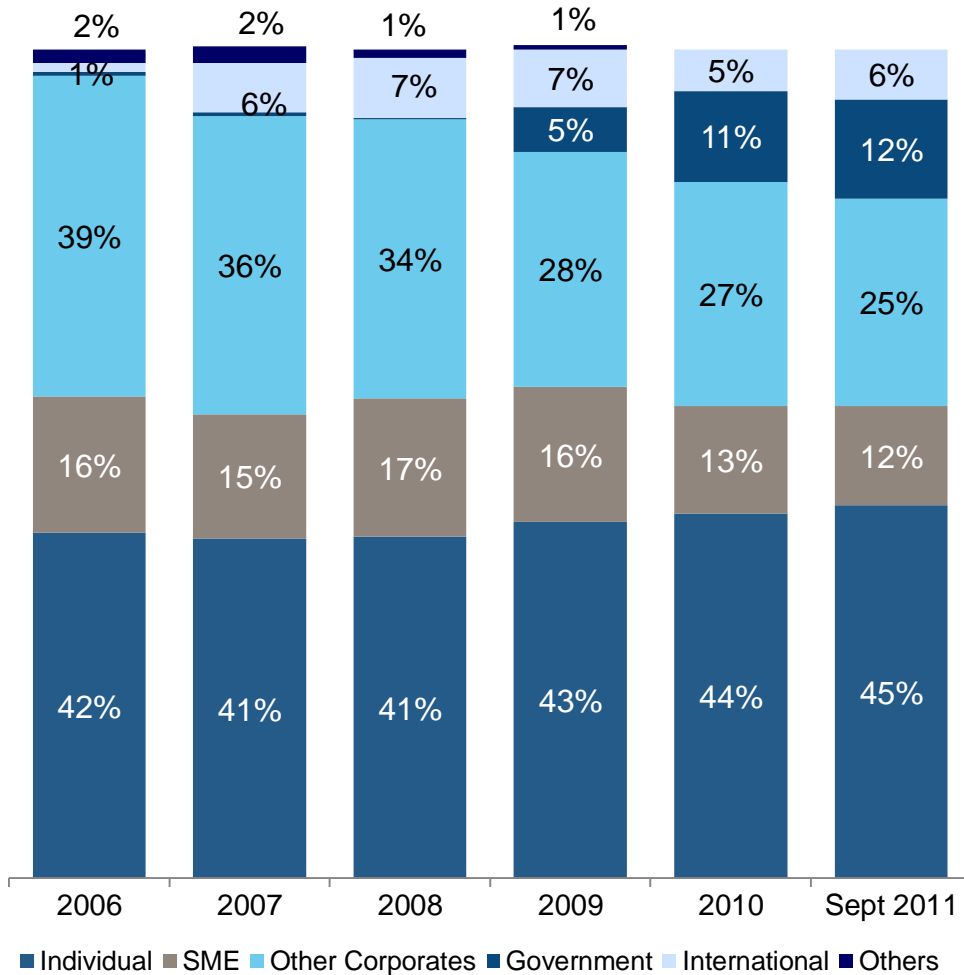
Loans, Advances and Financing

RM mil	Sept 2011	Dec 2010	Sept 2010	Change for 9M 2011 %	Y-o-Y Change %
Working Capital	21,291	20,694	21,106	3	1
Purchase of Residential Property	20,246	18,841	17,962	7	13
Purchase of Non-Residential Property	5,321	4,761	4,686	12	14
Purchase of PPE Other Than Land & Bldg	3,195	3,336	3,444	-4	-7
Personal Use	4,653	3,535	3,349	32	39
Credit Card	1,673	1,645	1,606	2	4
Purchase of Transport Vehicles	11,537	9,568	9,271	21	24
Purchase of Securities	6,550	4,008	3,766	63	74
Merger and Acquisition	2,151	2,433	-	-12	100
Others	17,935	14,889	14,850	20	21
Gross Loans and Advances	94,552	83,710	80,040	13	18
- SME	11,439	11,044	11,284	4	1
- Individuals	42,742	36,475	34,775	17	23
- Corporate & others	40,371	36,191	33,981	12	19

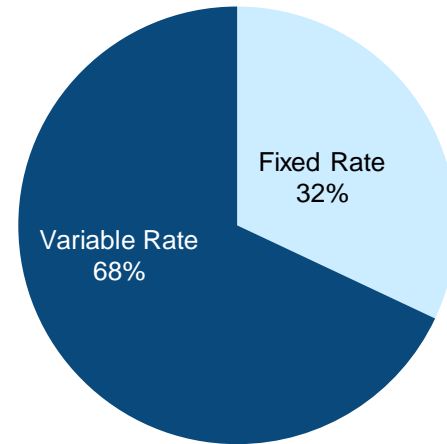


Diversified Loan Profile

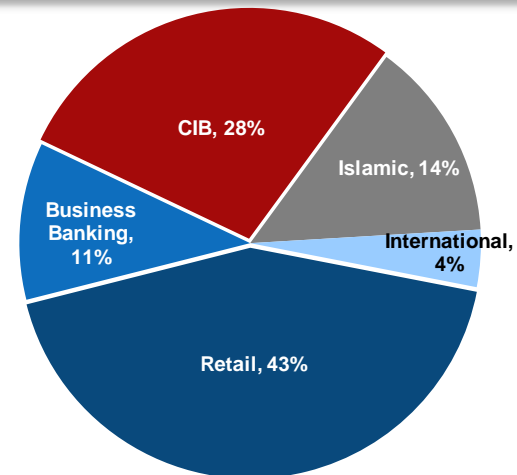
Improved Diversity of Loan Book



Composition of Loan Book - by Interest/Profit Rate Sensitivity



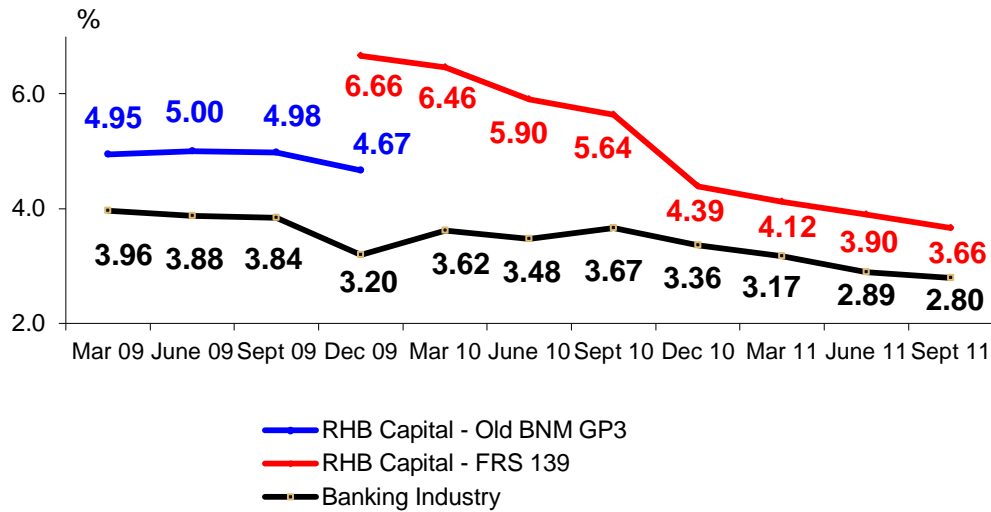
Composition of Loan Book - by Strategic Business Group



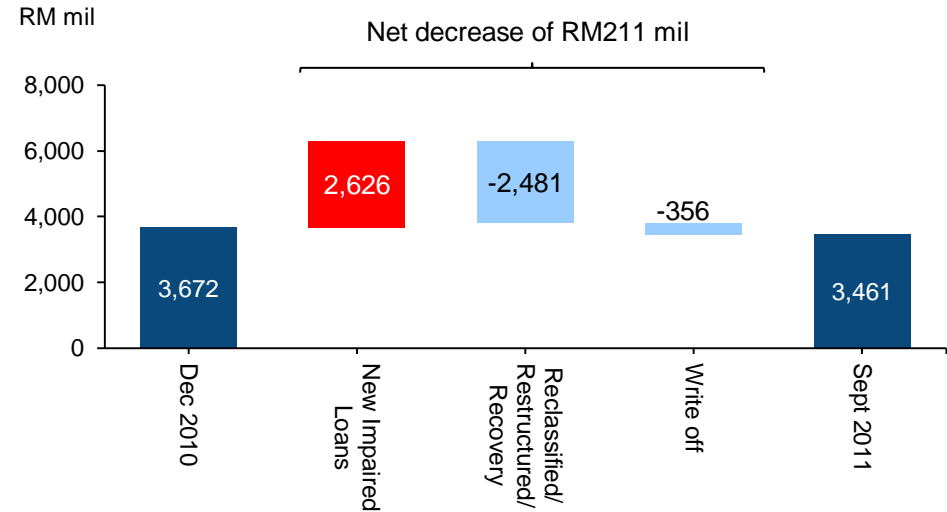


Asset Quality

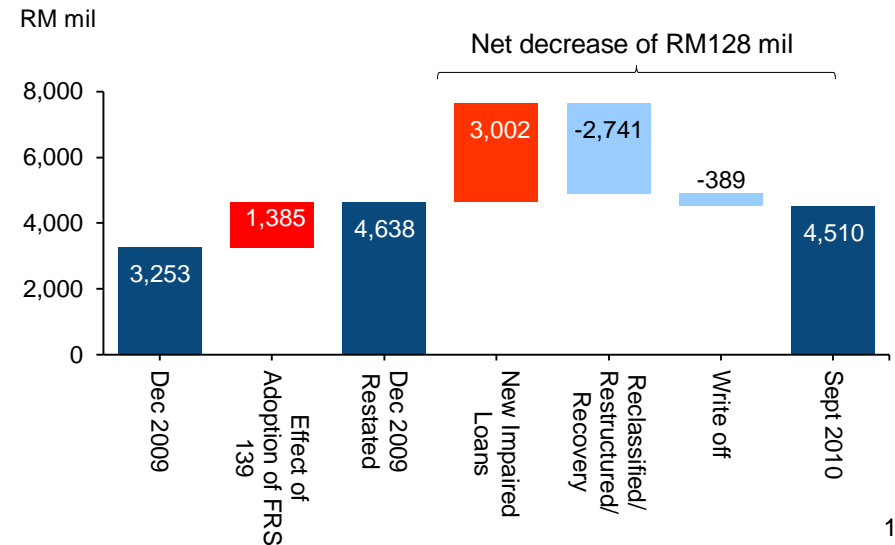
Gross Impaired Loans Ratio Improved by 0.73% to 3.66%



New Impaired Loans Formation Improved to 0.78% from 1.71% a year ago



	Sept 2011	Dec 2010	Sept 2010	Change for 9M 2011 %	Y-o-Y Change %
Gross Impaired Loans (RM mil)	3,461	3,672	4,510	-6	-23
Gross Impaired Loans Ratio (%)	3.66	4.39	5.64	-0.73	-1.98





Customers Deposits

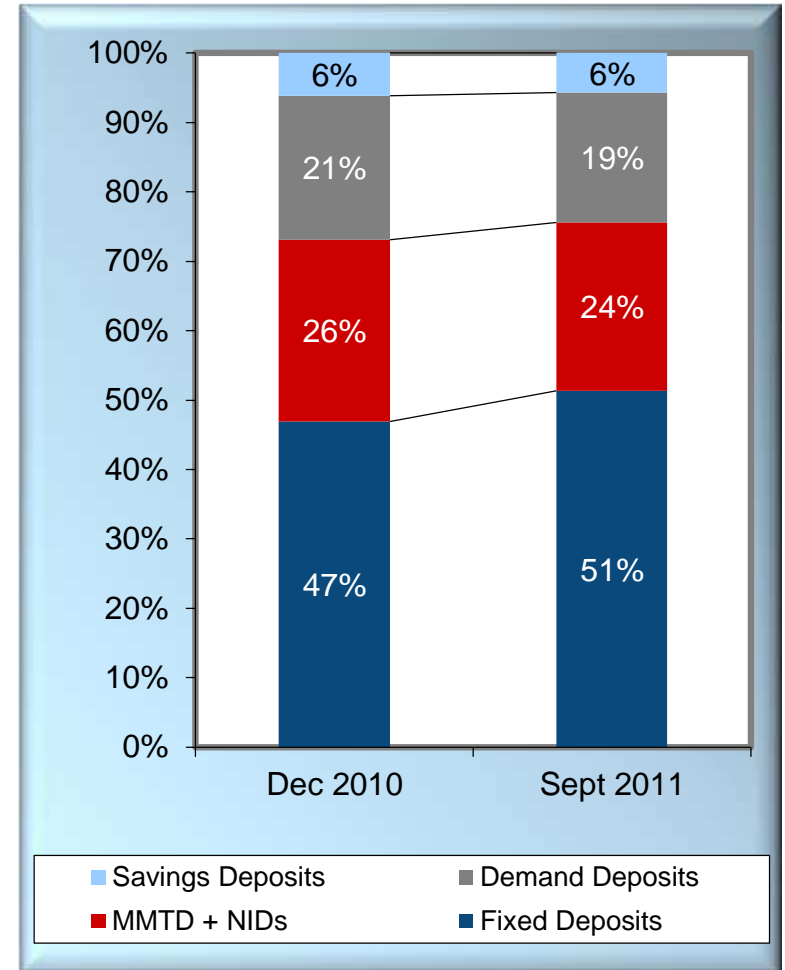
Customers Deposits

RM mil	Sept 2011	Dec 2010	Sept 2010	Change for 9M 2011 %	Y-o-Y Change %
Fixed Deposits	82,951	68,830	66,275	21	25
<i>of which: MMTD</i>	26,628	24,505	24,392	9	9
Demand Deposits	20,515	19,523	19,156	5	7
Savings Deposits	6,256	5,832	5,753	7	9
NIDs	21	249	257	-92	-92
Total Deposits	109,743	94,434	91,441	16	20
LD Ratio (%)	86	89	88	-3	-2
CASA (incl. MMTD) (%)	24	27	27	-3	-3
CASA (excl. MMTD) (%)	32	36	37	-4	-5

Domestic Market Share

	Sept 2011	Dec 2010	Sept 2010
Demand Deposits	9.4%	9.6%	9.9%
Savings Deposits	5.4%	5.4%	5.4%
Fixed Deposits	9.7%	8.2%	7.8%
Total Domestic Deposits	8.3%	7.9%	7.8%

Customers Deposits : Composition

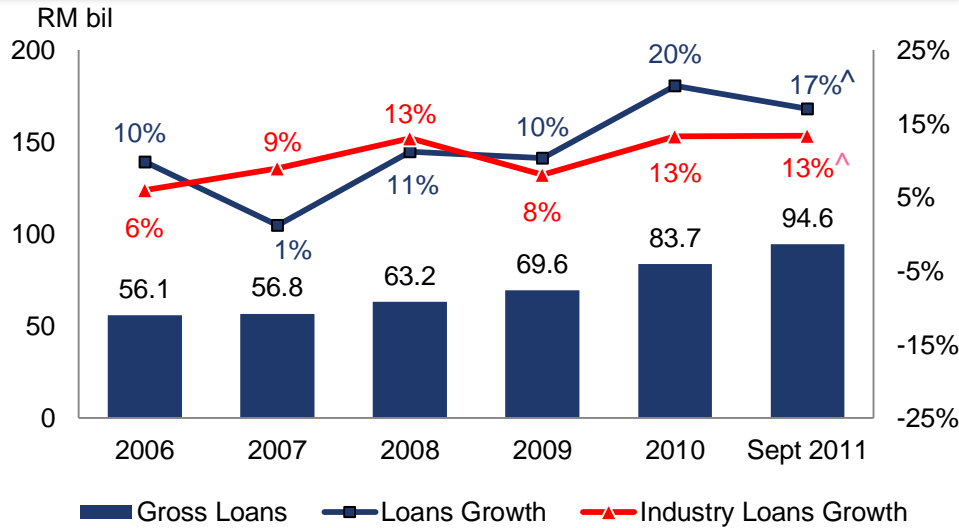


MMTD: Money Market Time Deposits
NIDs: Negotiable Instruments of Deposits

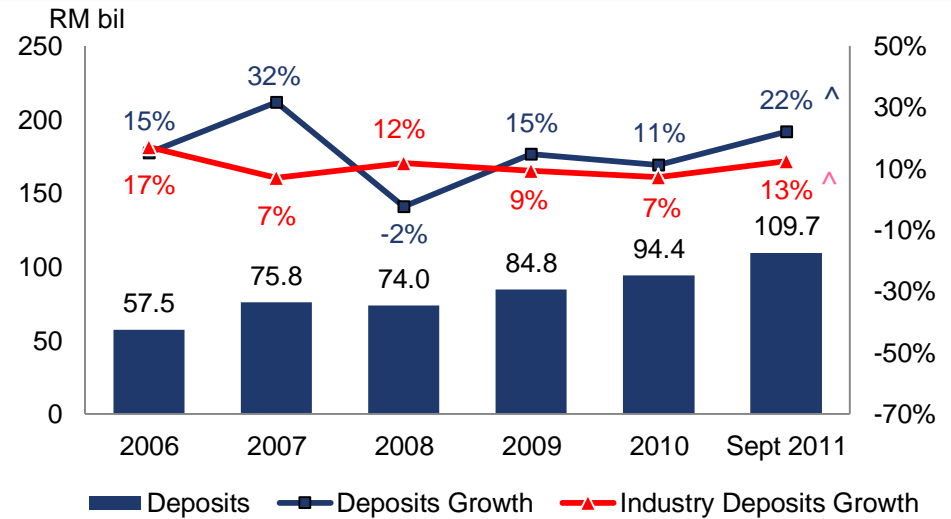


Loans and Deposits

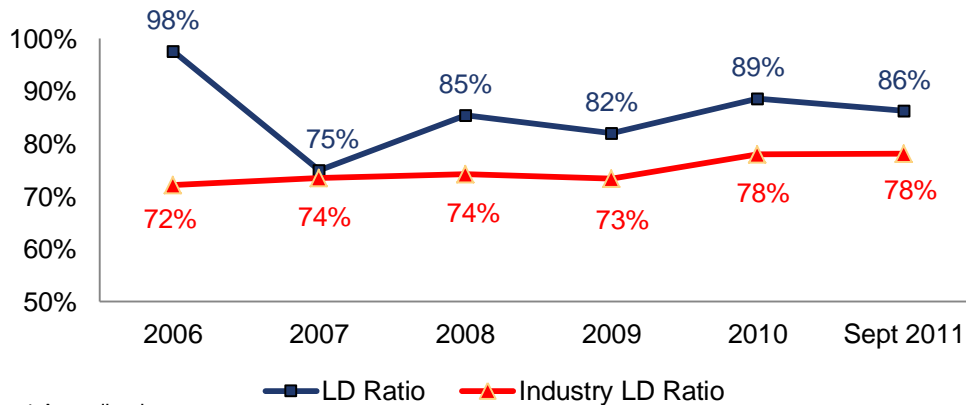
Loans



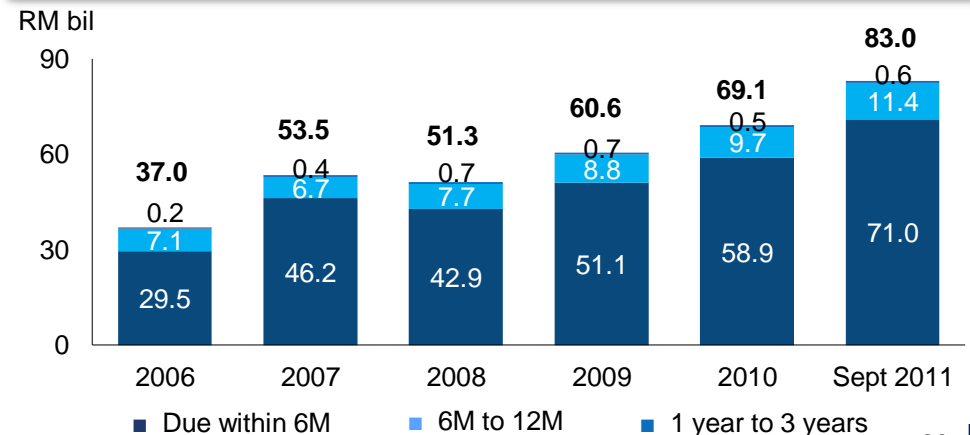
Customers Deposits



LD Ratio



FD Maturity Structure

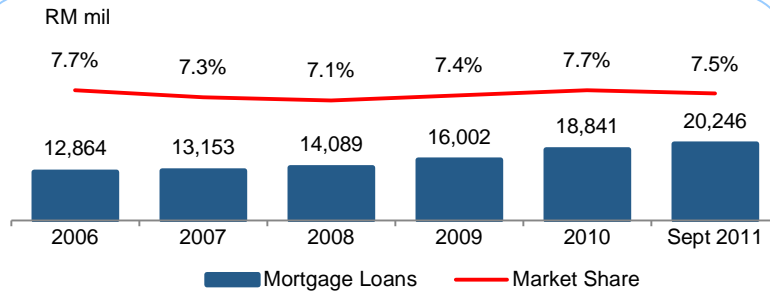


[^] Annualised

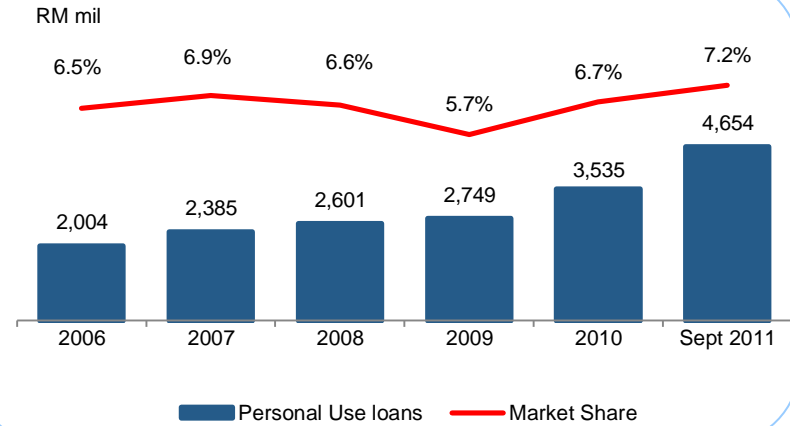


Retail Business Performance

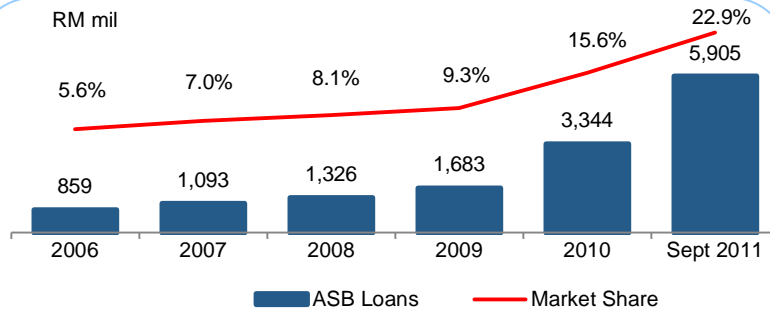
Mortgage



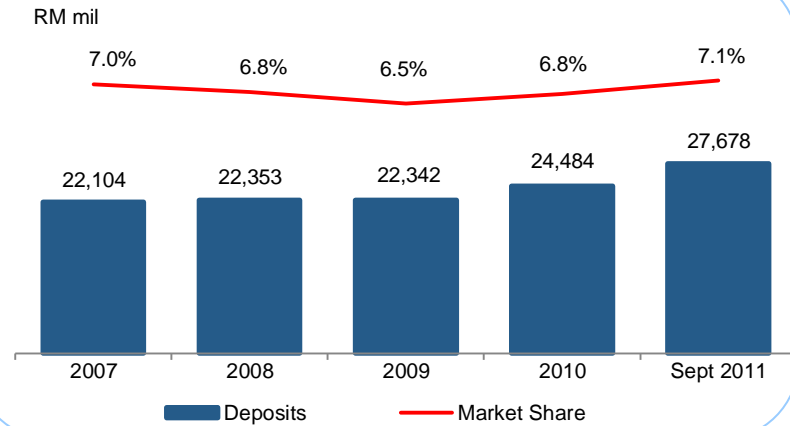
Personal Use



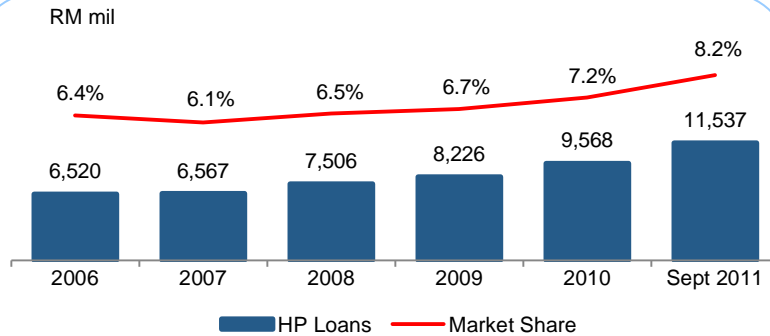
ASB



Deposits



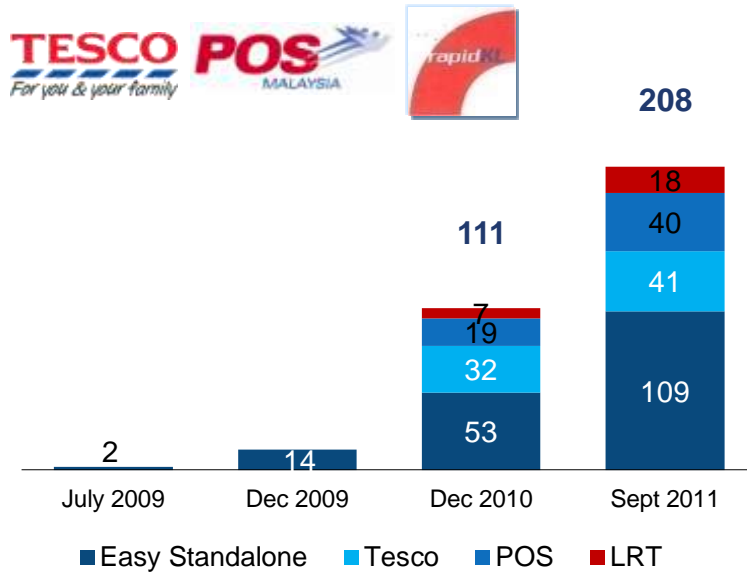
Auto Finance



ASB : Amanah Saham Bumiputra



Number of Outlets



Award Winning Innovation



SGAM Best Process Innovation Award



The Asian Banker Award



The BrandLaureate Awards



Advertising + Marketing Magazine Awards 2011



Effies 2010 Silver Award



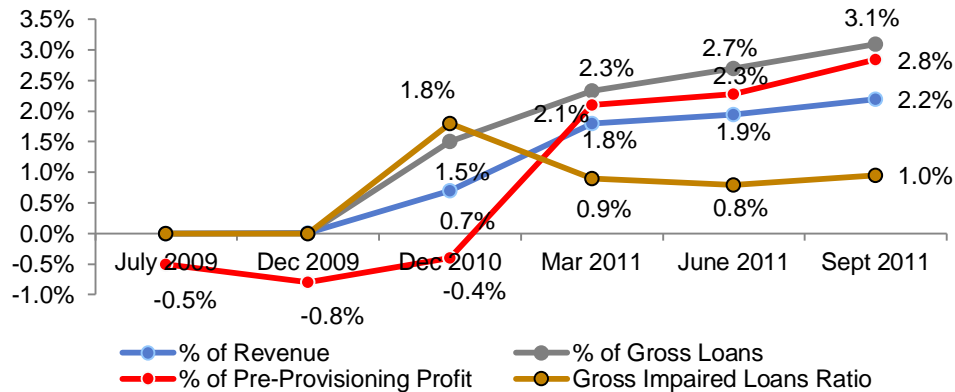
IDC Financial Insight Award



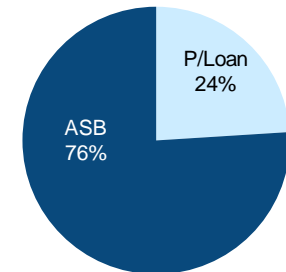
Analysis • Insight • Intelligence

Banking & Payment Asia Trailblazer Awards 2011

Financial Performance



Asset Composition - Sept 2011

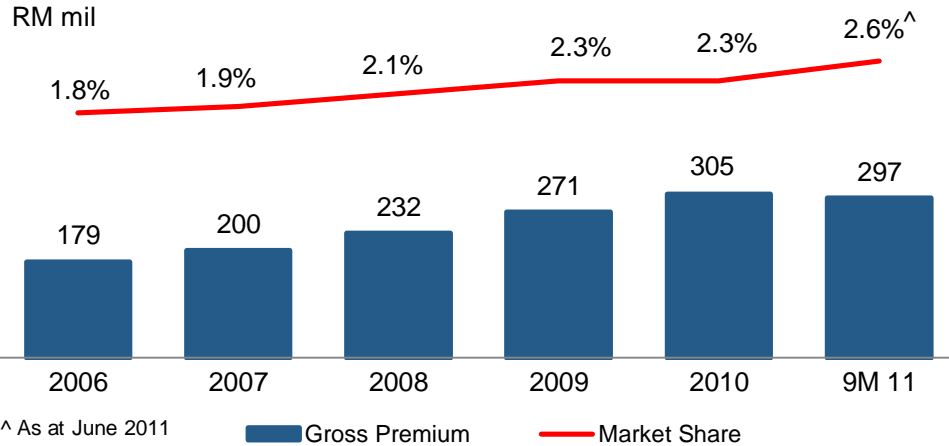


Total gross loans as at Sept 2011 amounted to RM2.9 bil

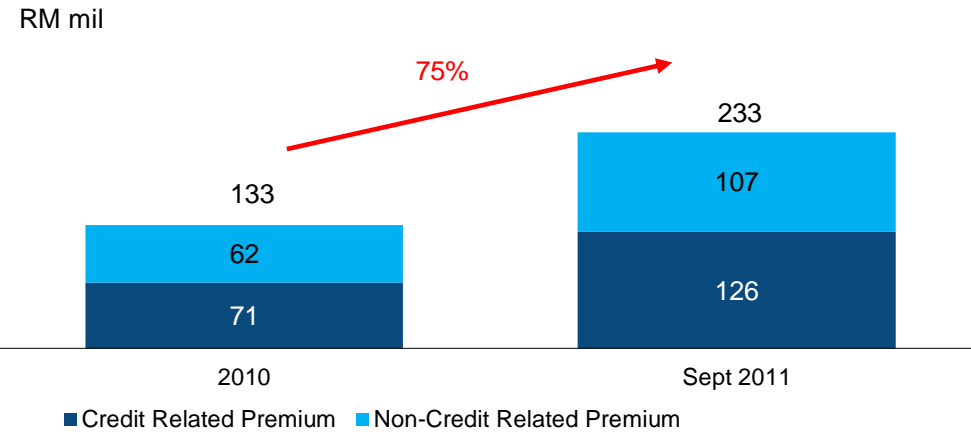


Insurance Business Performance

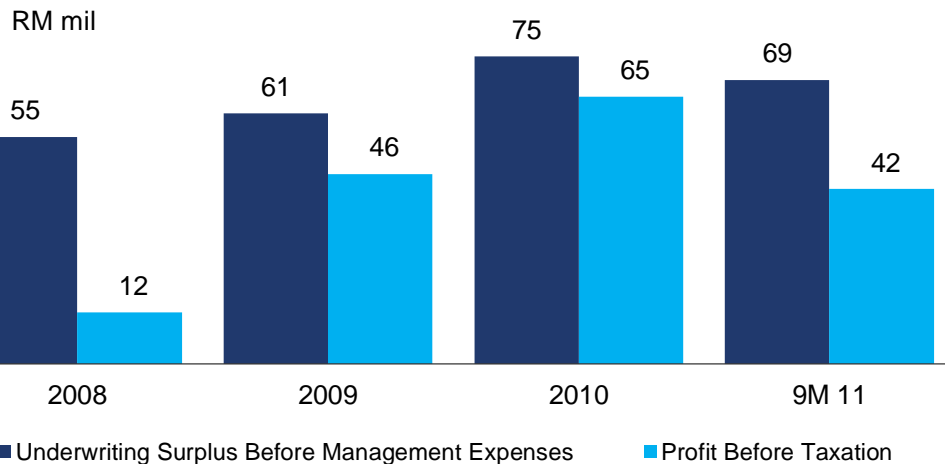
General Insurance - Gross Premium



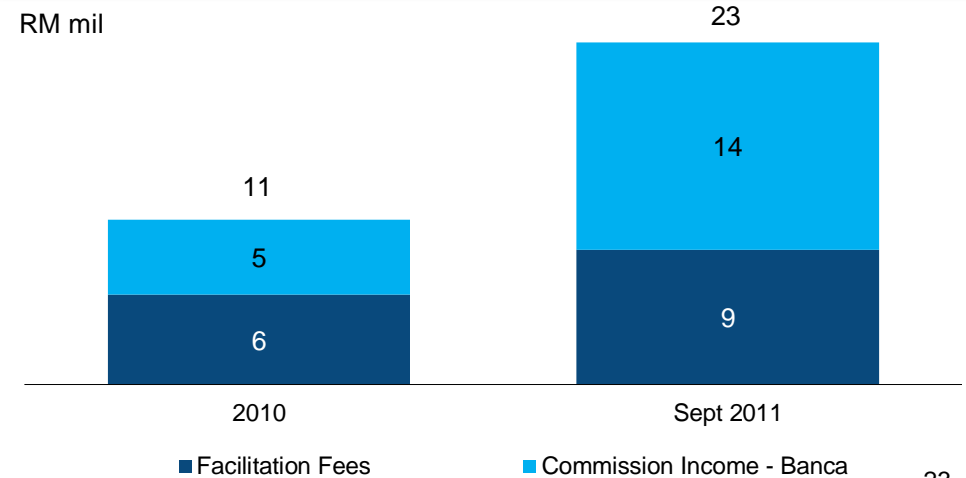
Bancassurance - Gross Premium



General Insurance - Financial Performance



Bancassurance - Fee Income





Domestic Market Share - CIB

	YTD Sept 2011		YTD June 2011		FY 2010	
	Market Share	Rank	Market Share	Rank	Market Share	Rank
Mergers & Acquisitions #	26.3%	3rd	30.1%	1 st	58.8%	1 st
Equities ^*	8.2%	4th	5.5%	4 th	7.7%	3 rd
Debt Capital Market**	7.5%	4th	8.6%	5 th	9.9%	3 rd ##
Broking (By Value)	8.5%	2nd	7.0%	3 rd	6.6%	5 th

^ IPOs, Rights Issues & Additional Offerings

* Excluding Foreign Brokers

Source: Thomson Reuters

Source : Bloomberg, Thomson Reuters
& Bursa Malaysia

** Primary Bond Offerings

Malaysian Target Companies

Major Mandates YTD Sept 2011



SapuraCrest Petroleum Berhad & Kencana Petroleum Berhad
RM11.9 bil - Acquisition by Integral Key Sdn Bhd
Principal Adviser to SapuraCrest Petroleum Berhad



Bumi Armada Berhad
RM2.7 bil - Listing on Main Market of Bursa Malaysia
Securities Bhd
Joint Principal Adviser, Joint Managing Underwriter & Joint Bookrunner



Sarawak Energy Berhad
RM15.0 bil - Sukuk Musyarakah Programme
Principal Adviser, Lead Arranger & Joint Lead Manager



UOA Development Berhad
RM1.2 bil - Listing on Main Market of Bursa Malaysia
Securities Bhd
Joint Underwriter for Retail Offering

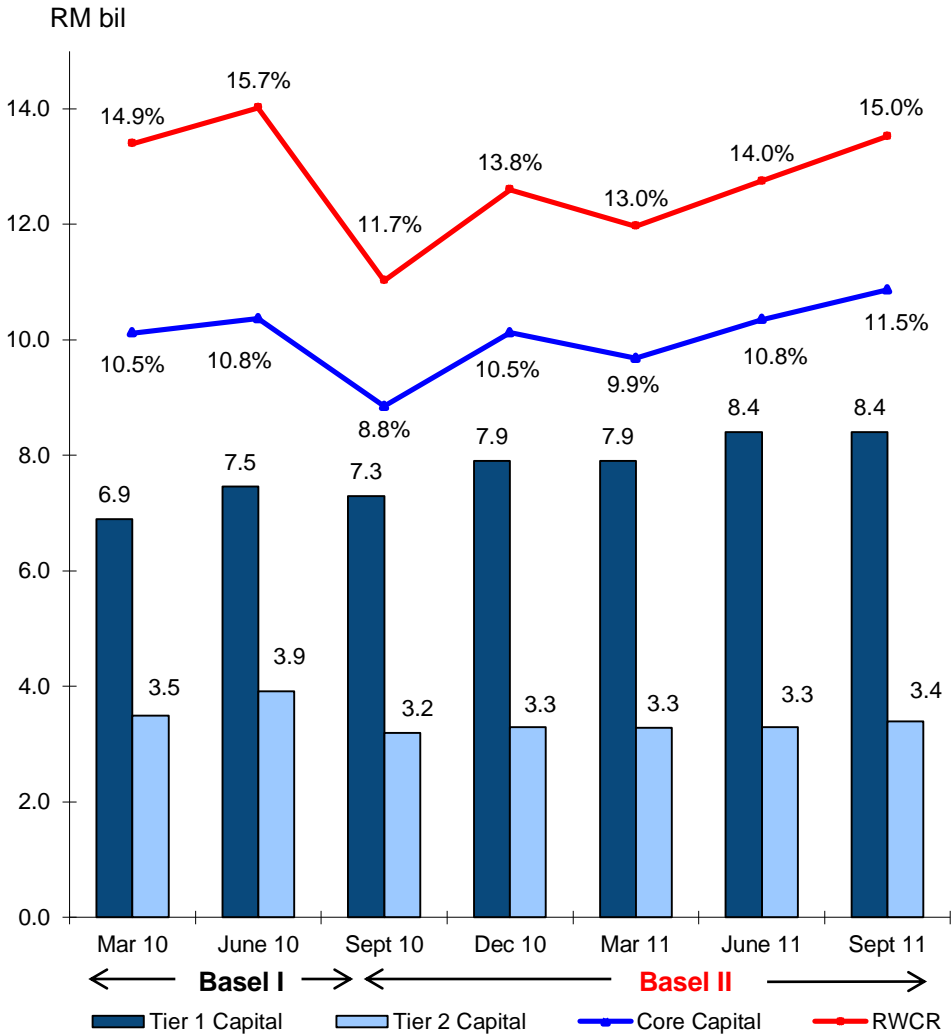


PLUS Expressways Berhad
RM23.0 bil - Acquisition by UEM Group Bhd and EPF
Principal Adviser to PLUS Expressways Berhad

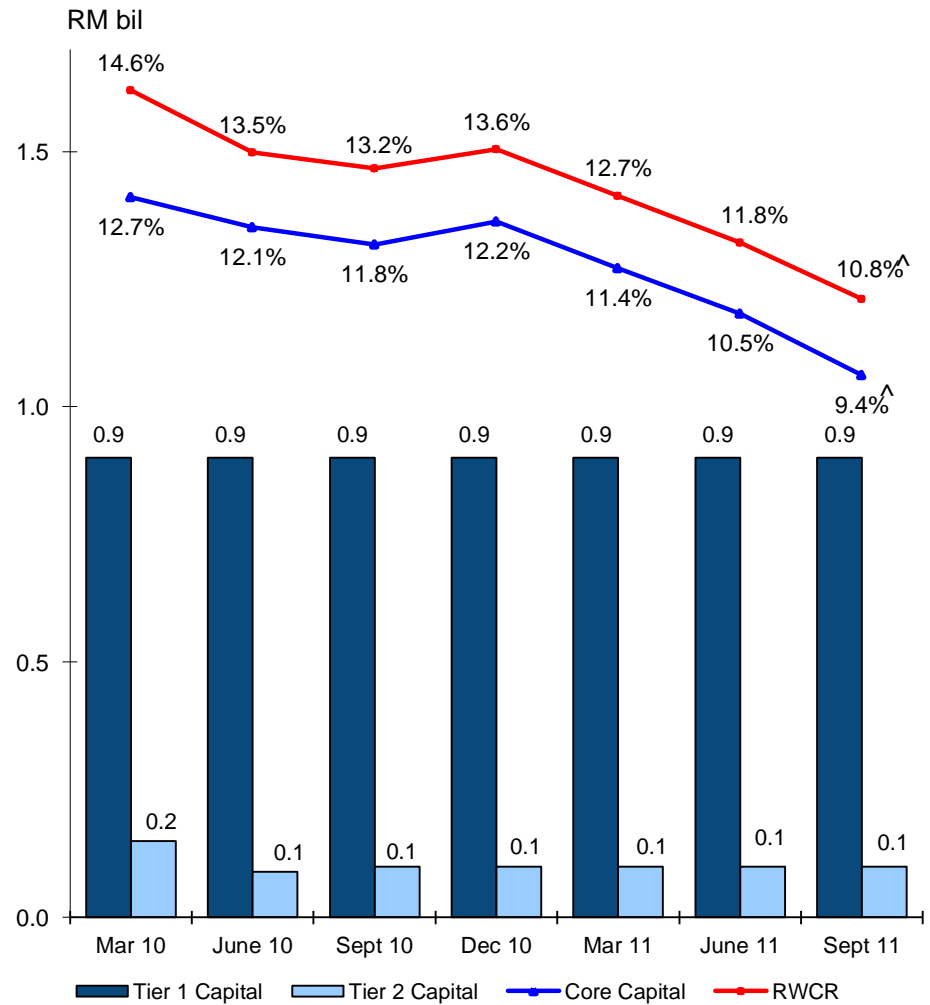


Capital Position (1/2)

RHB Bank



RHB Islamic Bank

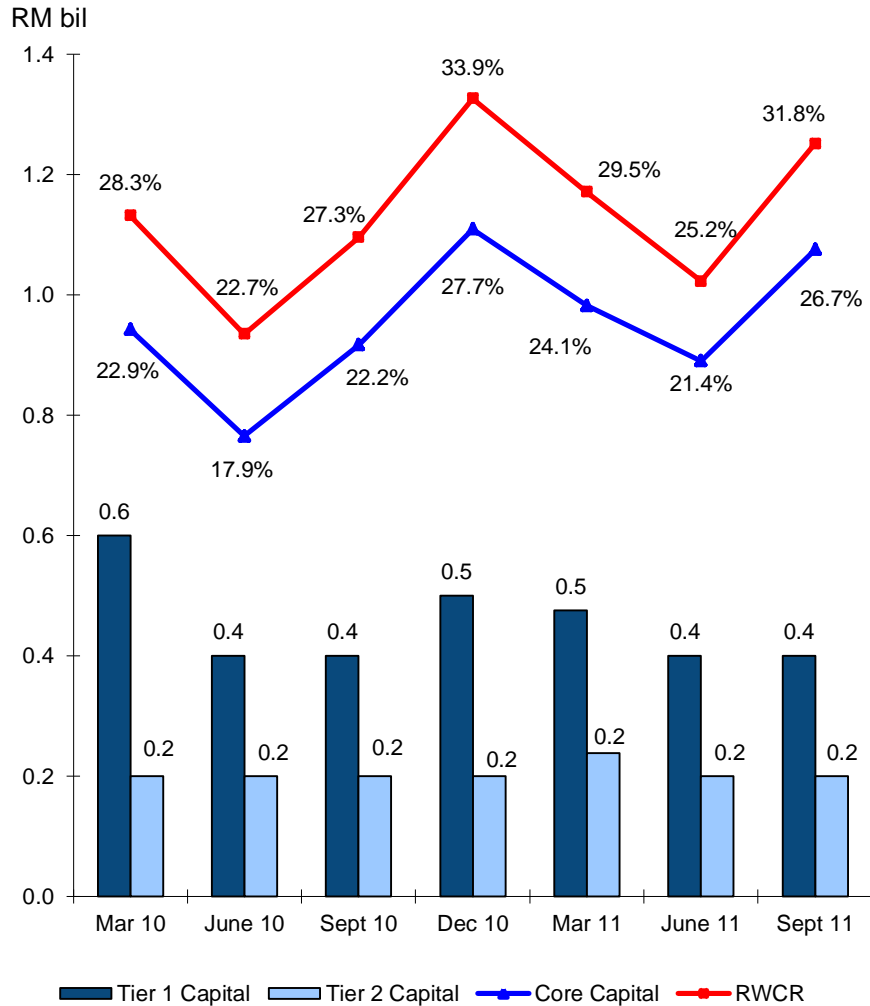


[^] RM250 million Tier 1 Capital was injected into RHB Islamic Bank in November 2011, the Proforma Core Capital and RWCR has since been improved to 11.9% and 13.3% respectively

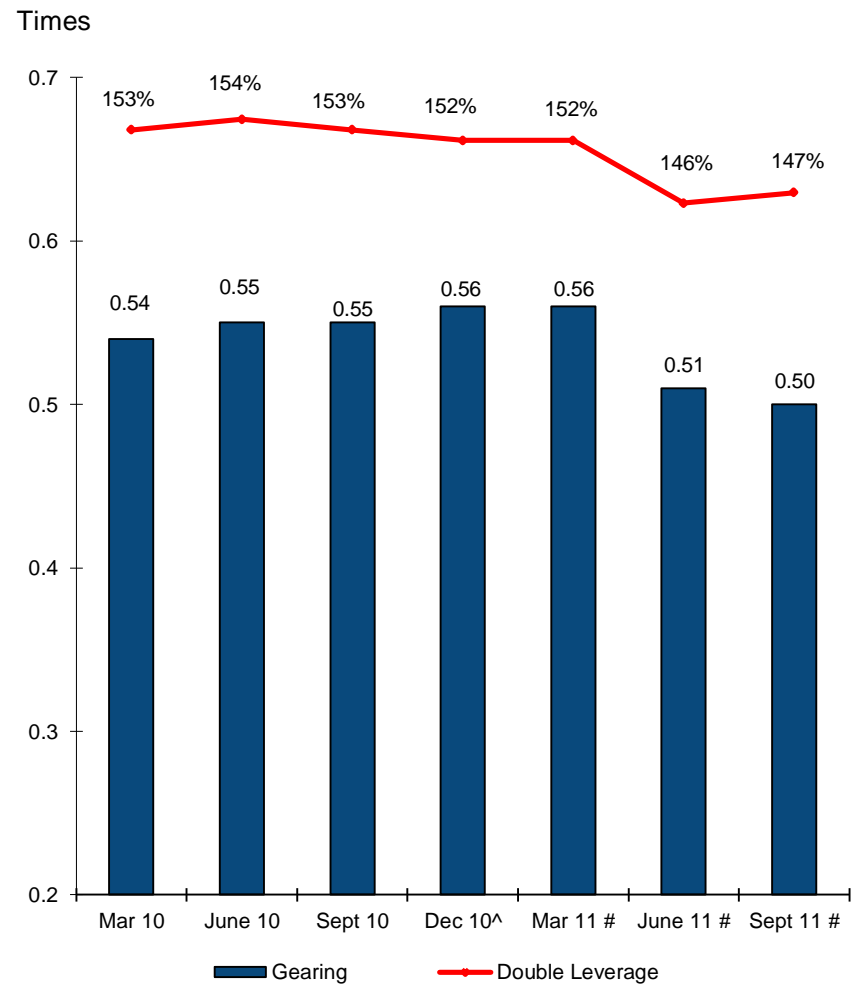


Capital Position (2/2)

RHB Investment Bank



RHB Capital



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

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To Sum Up

- 1 Q3 2011 results impacted by MTM and continued rising cost of funds - will impact full year performance;**
- 2 Generally on track on distribution expansion, and loans and deposits targets;**
- 3 Continue executing on stated strategies but will adopt a more cautious approach given developing global economic conditions;**
- 4 Focus on completing and realising value from Bank Mestika and OSK.**



End

