



RHB Capital Berhad

1st Quarter 2011 Financial Results



Mr. Kellee Kam
Managing Director
RHB Capital Berhad
24 May 2011



FORWARD LOOKING STATEMENTS

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To Sum Up



Since We Last Spoke (1/2)

Business Expansion / Updates

- “Easy by RHB” outlets increased to 155 currently
- Launched 2 transaction banking services:
 - i. Chinese Renminbi Trade Products and Payment Services; and
 - ii. Enhanced Export Collection Services
- Launched 1st RHB-GS BRIC (Brazil, Russia, India and China) Equity Fund, a co-branded fund with Goldman Sachs for retail investors

International Business Updates

- Bank Mestika
 - SC granted extension of 6 months to 19 October 2011 to complete the proposed RM1.3 billion rights issue
 - Extension of long stop date from 19 April 2011 to 31 December 2011, expected completion delayed to 2nd half 2011
- RHB Bank - Singapore
 - Launched AXS services in Singapore where customers can pay their loans and enquire about key products at over 700 AXS Stations
 - To commence BDC operations in Changi Airport by July 2011

Capital Management

- RHB Bank obtained approval from SC for a multi-currency Euro Medium Term Note Programme (“EMTN Programme”), under which RHB Bank may issue up to USD500 million in nominal value (or its equivalent in other currencies) of senior medium term notes
- Completed Dividend Reinvestment Plan - a total of 38,441,644 new RHB Capital Shares issued and listed on 23 May 2011 at RM7.56 per share, representing 84.17% of the entitled shareholders that had elected to reinvest their electable portion

Awards

- Easy by RHB :
 - The Asian Banker Award - recognised for Best Business Model in 2010
 - IDC Financial Insight - Special Citation Award for Operational Efficiency
 - The Brand Laureate - Best Brands in Financial Services in Retail Banking
- Group Transaction Banking
 - The Asian Banker Award - Best Domestic Cash Management Bank for RHB reflex Online Cash Management



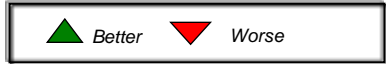
Management & Board

- Resignation of Dato' Tajuddin Atan as Group Managing Director effective 31 March 2011 and appointment of:
 - Kellee Kam as the Managing Director of RHB Capital; and
 - Renzo Christopher Viegas as the Principal Officer of RHB Bank



RHB Capital Group Financial Report Card

Top level indicators		Q1 2010	Q4 2010	Q1 2011
Shareholders' Return	ROE (%)	15.6%	15.2%	▼ 15.1%
Asset Efficiency	ROA (%)	1.2%	1.2%	■ 1.2%
Productivity				
Asset Yield	Net Interest Margin (%)	2.82%	2.59%	▲ 2.60%
Cost Efficiency	Cost to income Ratio (%)	41.8%	40.5%	▼ 43.2%
Capitalization				
- Bank	RWCR (%)	14.9%	13.8%	▼ 13.0%
- Investment Bank		28.3%	33.9%	▼ 29.5%
- Islamic Bank		14.6%	13.6%	▼ 12.7%



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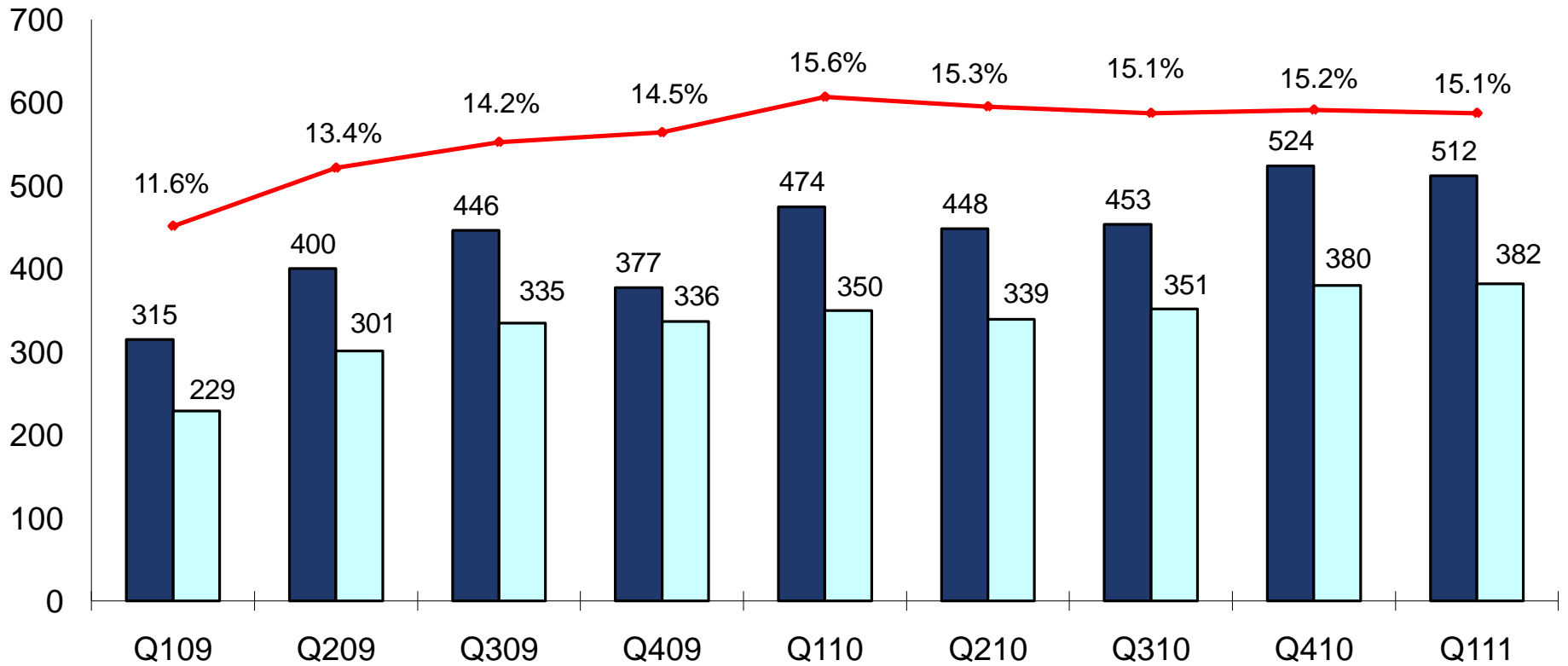


Key Financial Highlights - 1st Quarter 2011

- ◆ Q1 2011 Net profit of RM382 million, up 9% y-o-y and 1% q-o-q
- ◆ EPS at 17.7 sen, up 9% y-o-y
- ◆ Annualised ROE and ROA at 15.1% and 1.2% respectively
- ◆ Cost to Income Ratio increased to 43.2% from 41.8% in Q1 2010
- ◆ Total assets increased by 2.9% to RM133.1 billion
- ◆ Gross loans and advances expanded by 4.3% to RM87.3 billion
- ◆ Deposits from customers increased by 4.7% to RM98.9 billion
- ◆ Gross impaired loans ratio improved to 4.12% from 4.39%

Quarterly Operating Performance Trend

RM'mil

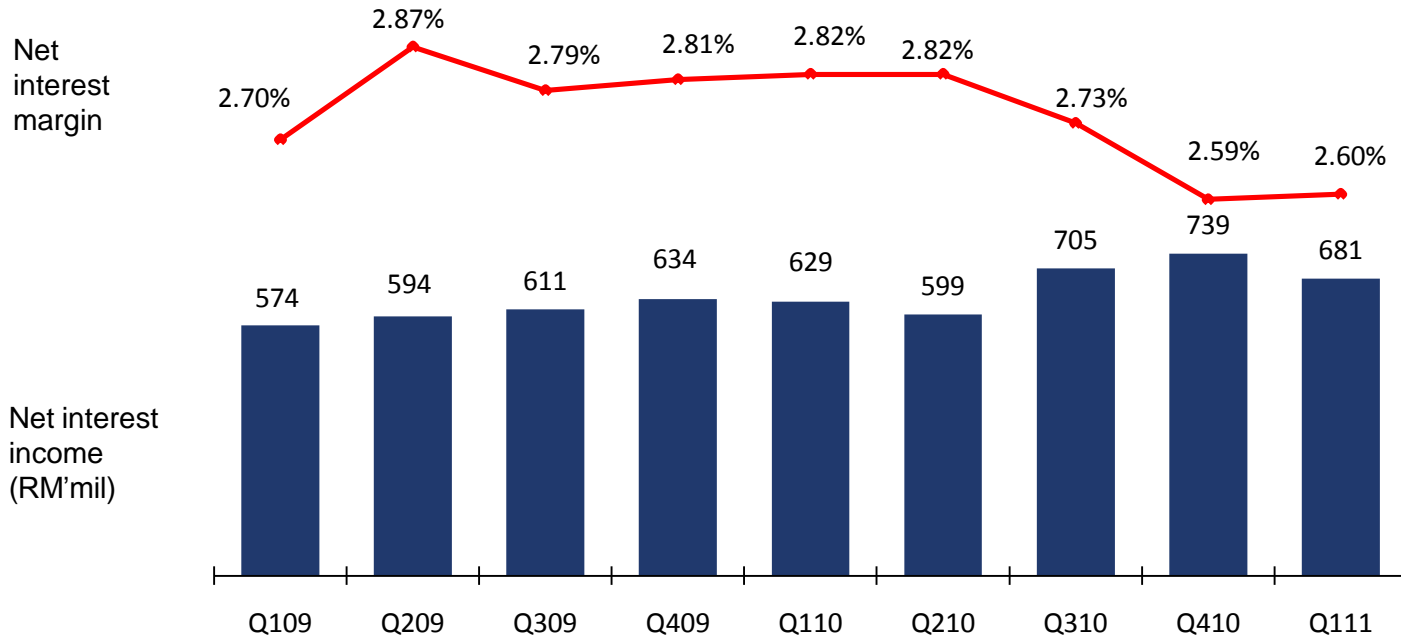




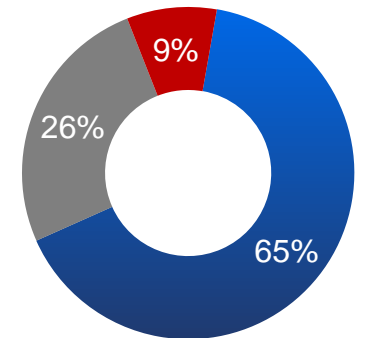
Summary of Income Statement

RM mil	Q1 2011	Q4 2010	Q1 2010	Q-o-Q Change %	Y-o-Y Change %
Net Interest Income	681	739	629	-8	8
Other Operating Income	267	280	248	-5	8
Income From Islamic Banking Business	91	89	83	2	10
Total Income	1,039	1,108	960	-6	8
Other Operating Expenses	(449)	(449)	(401)	-	12
Operating Profit Before Allowances	590	659	559	-10	6
Allowance for Impairment on Loans, Financing and Other Losses	(81)	(65)	(84)	25	-4
Impairment Losses on Other Assets	2	(70)	(1)	>-100	>-100
Profit Before Taxation	512	524	474	-2	8
Net Profit	382	380	350	1	9
EPS (sen)	17.7	17.7	16.2	-	9

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Total Income Mix

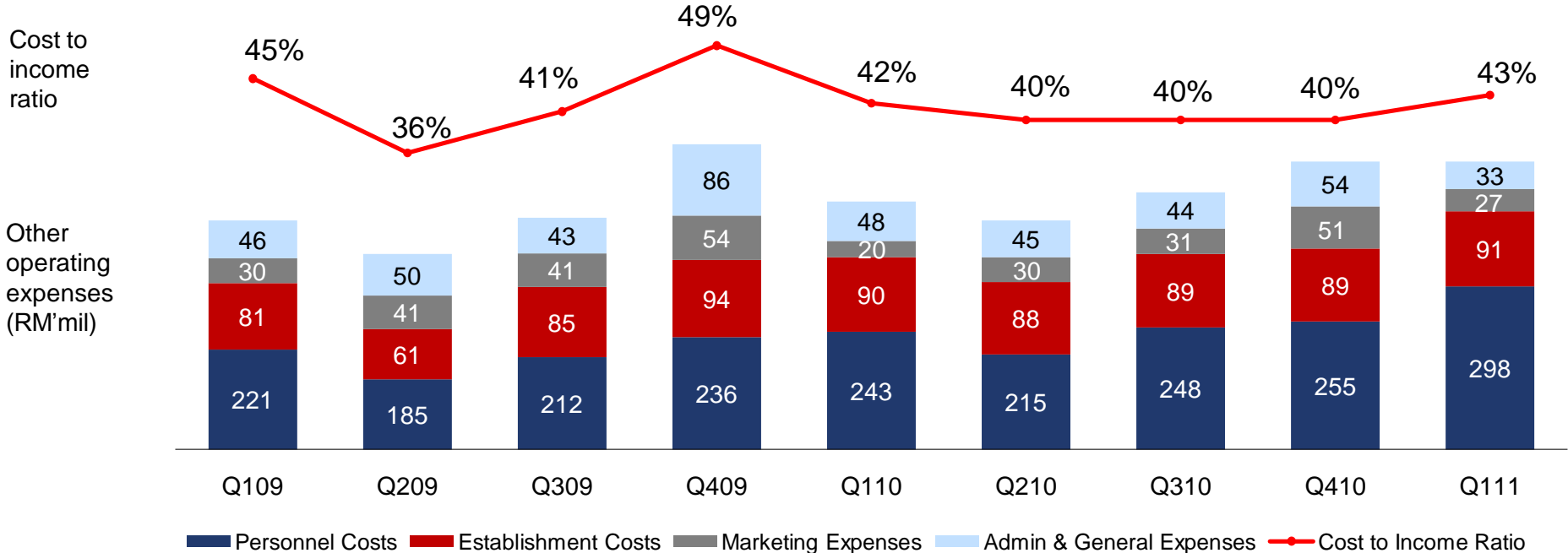


- Net Interest Income
- Other Operating Income
- Islamic Banking Income



Other Operating Expenses

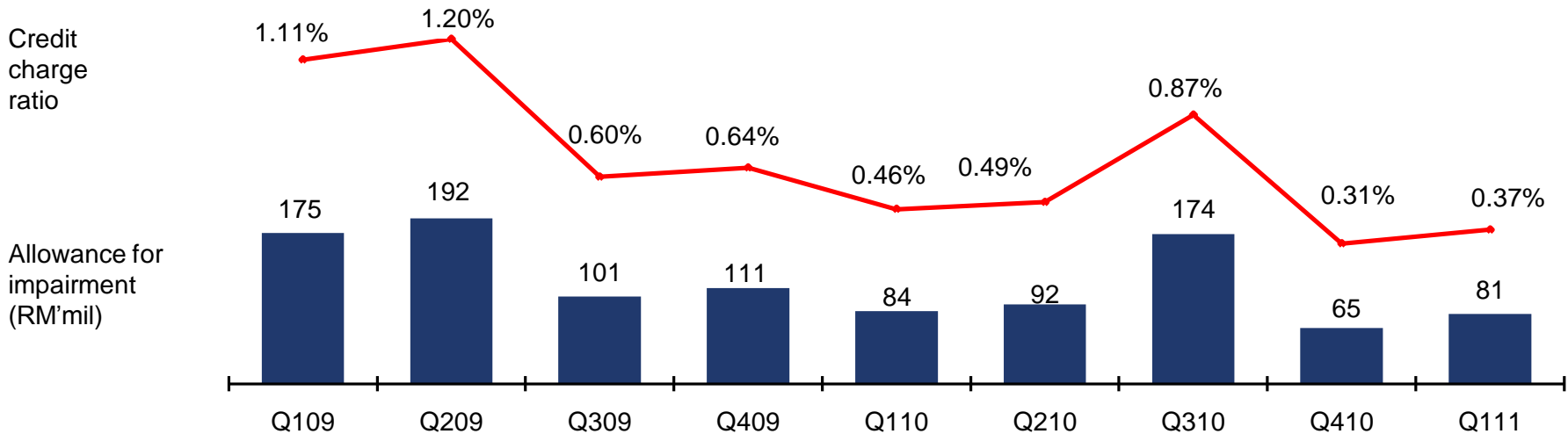
RM mil	Q1 2011	Q4 2010	Q1 2010	Q-o-Q Change %	Y-o-Y Change %
Personnel costs	298	255	243	17	23
Establishment costs	91	89	90	2	1
Marketing expenses	27	51	20	-47	35
Admin & General expenses	33	54	48	-39	-31
Other Operating Expenses	449	449	401	-	12
Cost to Income Ratio (%)	43	40	42	3	1





Allowance for Impairment on Loans, Financing and Other Losses

RM mil	Q1 2011	Q4 2010	Q1 2010	Q-o-Q Change %	Y-o-Y Change %
Individual impairment allowance	(7)	-	39	-	>-100
Collective impairment allowance	165	105	90	57	83
Impaired loans and financing recovered	(79)	(40)	(41)	98	93
Impairment allowance for other debtors	2	-	(4)	-	>-100
Allowance for impairment on loans, financing and other losses	81	65	84	25	-4
Gross Impaired Loans	3,595	3,672	4,696	-2	-23
Credit Charge Ratio (%)	0.37	0.31	0.46	0.06	-0.09
Gross Impaired Loans Ratio (%)	4.12	4.39	6.46	-0.27	-2.34





Key Balance Sheet Items

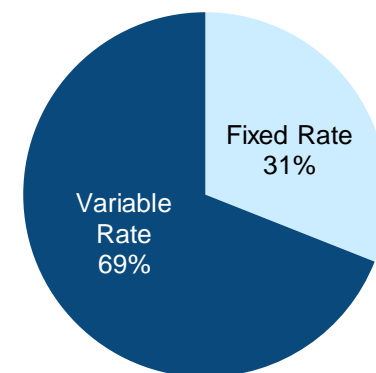
RM mil	Mar 2011	Dec 2010	Mar 2010	Q-o-Q Change %	Y-o-Y Change %
Total Assets	133,136	129,325	114,966	3	16
Total Financial Assets/Investments	27,147	25,017	23,364	9	16
- Financial assets HFT	1,357	772	1,239	76	10
- Financial investments AFS	13,507	13,375	10,312	1	31
- Financial investments HTM	12,283	10,870	11,813	13	4
Gross Loans	87,324	83,710	72,666	4	20
Customers Deposits	98,901	94,434	84,341	5	17
Borrowings	3,718	4,064	3,683	-9	1
Sub-debts	3,306	3,264	2,240	1	48
Hybrid Tier-1 Capital Securities	611	600	592	2	3
Shareholders' Funds	10,315	9,962	9,201	4	12
LD Ratio (%)	88.3	88.6	86.2	-0.3	2.1
Net Assets per share	4.79	4.63	4.27	3	12



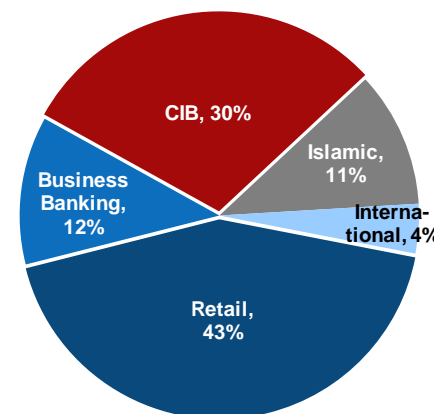
Loans, Advances and Financing

RM mil	Mar 2011	Dec 2010	Mar 2010	Q-o-Q Change %	Y-o-Y Change %
Working capital	21,864	20,694	21,789	6	-
Purchase of residential property	19,429	18,841	16,538	3	17
Purchase of non-residential property	4,868	4,761	4,123	2	18
Purchase of PPE other than land & bldg	3,257	3,336	3,549	-2	-8
Personal use	3,708	3,535	2,731	5	36
Credit card	1,633	1,645	1,548	-1	5
Purchase of transport vehicles	10,029	9,568	8,345	5	20
Purchase of securities	5,266	4,008	2,811	31	87
Merger and acquisition	2,522	2,433	-	4	100
Others	14,748	14,889	11,232	-1	31
Gross Loans and Advances	87,324	83,710	72,666	4	20
- SME	11,019	11,044	11,169	-	-1
- Individuals	38,928	36,475	30,833	7	26
- Corporate & others	37,377	36,191	30,664	3	22

Composition of Loan Book - by Interest/Profit Rate Sensitivity



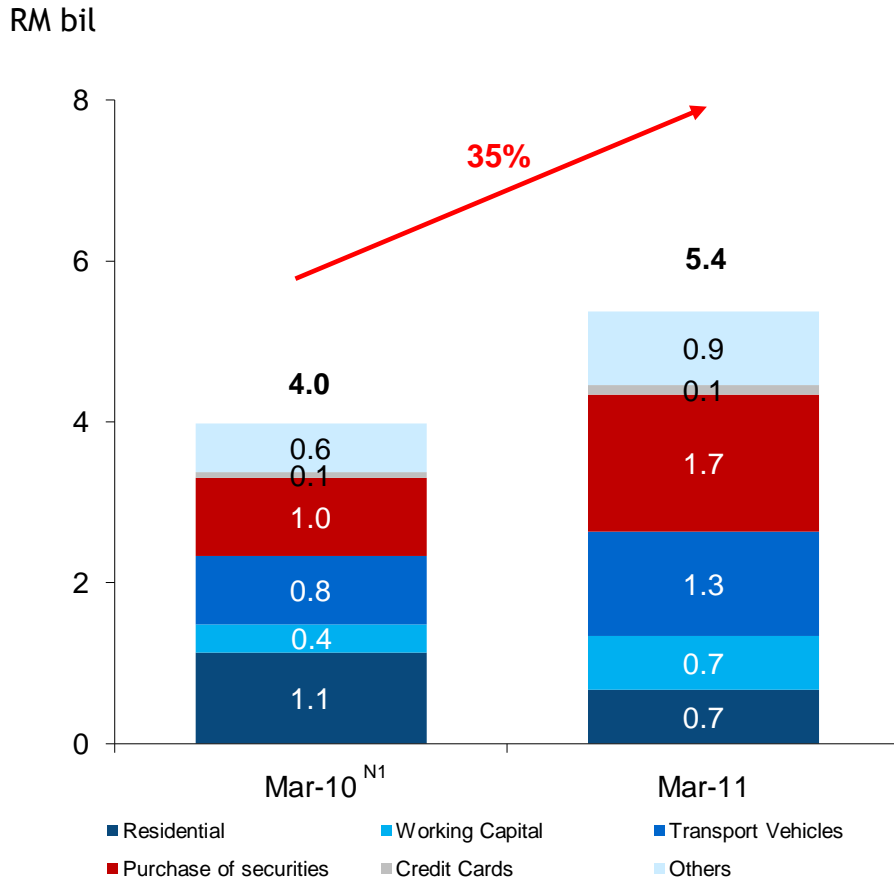
Composition of Loan Book - by Strategic Business Group



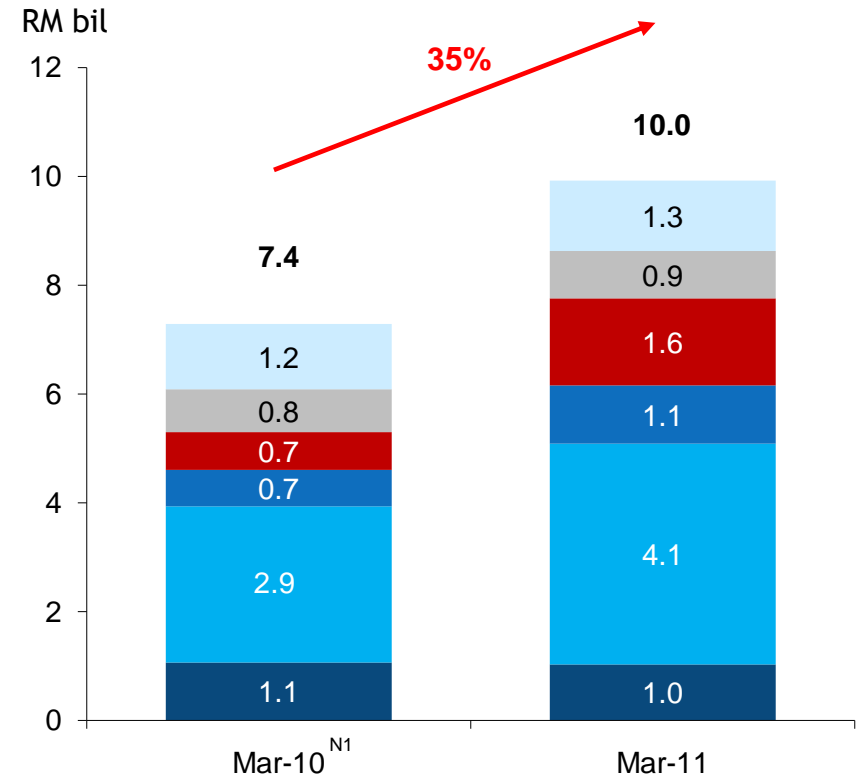


Loans, Advances and Financing - Approvals & Disbursements

Loans Approved



Loans Disbursed

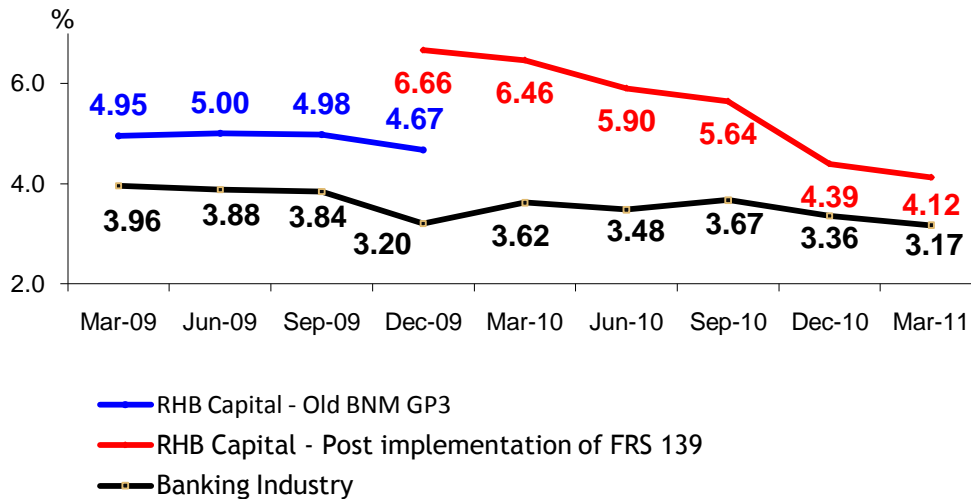


N1 Excluding government loans approved and disbursed of RM2.1 billion in Q1 2010

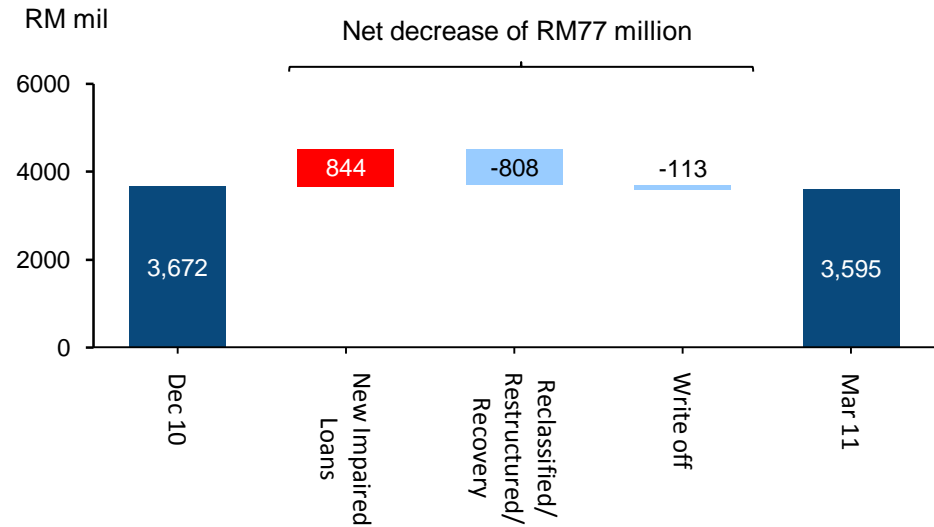


Asset Quality

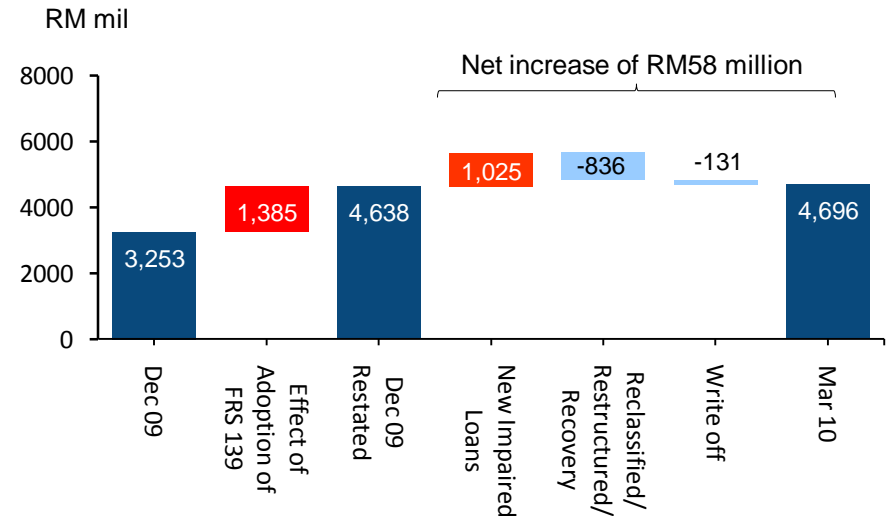
Gross impaired loans ratio improved by 0.27% to 4.12% from Dec 2010



New impaired loans formation improved to 0.78% from 1.70% a year ago



	Mar 2011	Dec 2010	Mar 2010	Q-o-Q Change	Y-o-Y Change
Gross Impaired Loans (RM million)	3,595	3,672	4,696	-2	-23
Gross Impaired Loans Ratio (%)	4.12	4.39	6.46	-0.27	-2.34
Collective Impairment (%)	2.1	2.2	2.4	-0.1	-0.3





Customers Deposits

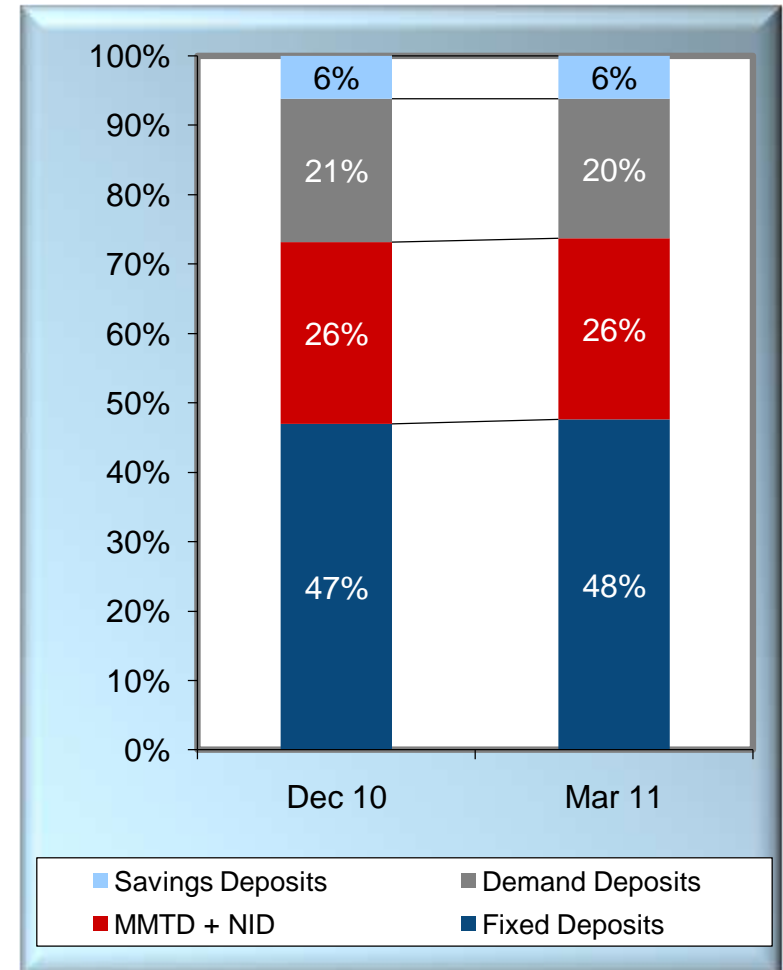
Customers Deposits

RM mil	Mar 2011	Dec 2010	Mar 2010	Q-o-Q Change %	Y-o-Y Change %
Fixed Deposits	72,616	68,830	59,664	6	22
<i>of which MMTD</i>	25,525	24,505	19,591	4	30
Demand Deposits	19,922	19,523	18,537	2	7
Savings Deposits	6,116	5,832	5,826	5	5
NIDs	247	249	314	-1	-21
Total Deposits	98,901	94,434	84,341	5	17
LD Ratio (%)	88	89	86	-1	2
CASA (incl MMTD) (%)	26	27	29	-1	-3
CASA (excl. MMTD) (%)	35	36	38	-1	-3

Domestic Market Share

	Mar 2011	Dec 2010	Mar 2010
Demand deposits	9.6%	9.6%	10.4%
Savings	5.5%	5.4%	5.4%
Fixed Deposits	8.5%	8.2%	7.7%
Total Domestic Deposits	8.0%	7.8%	7.4%

Customers Deposits : Composition

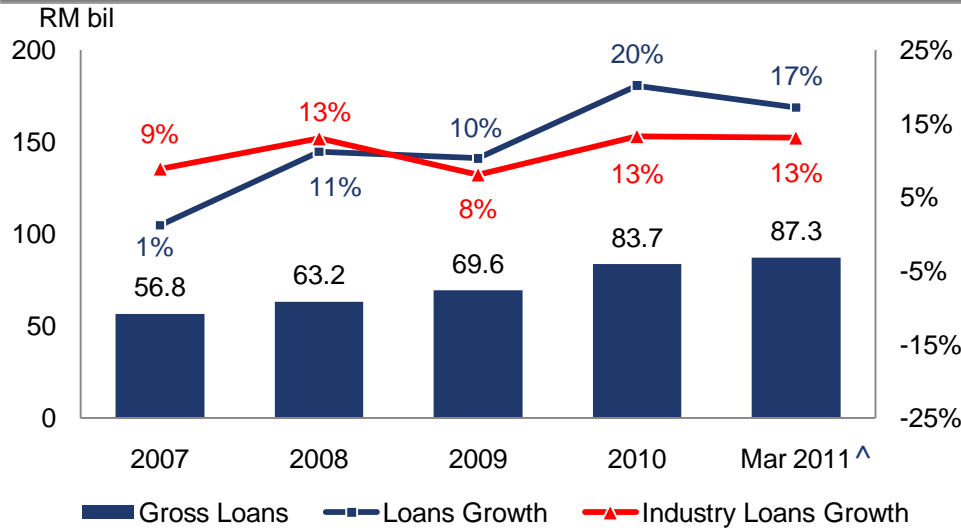


MMTD: Money Market Time Deposits
NID: Negotiable Instruments of Deposits

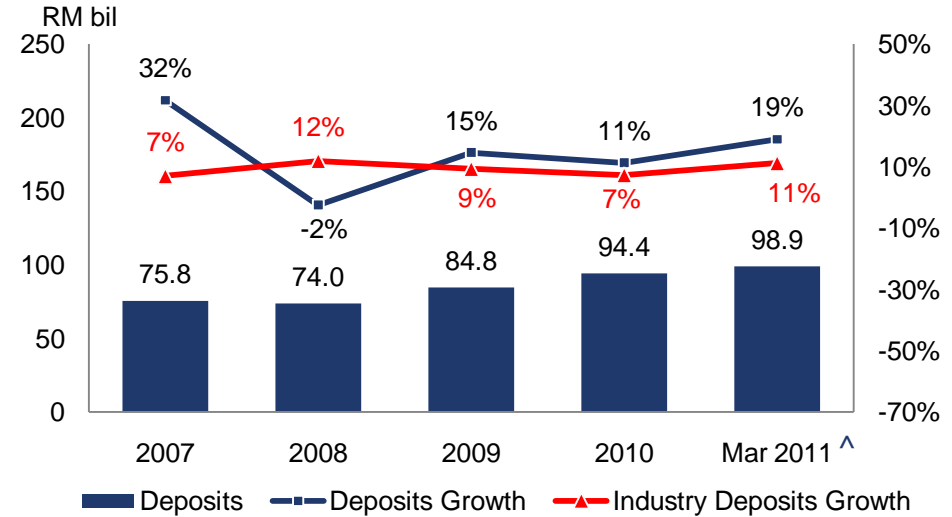


Loans and Deposits

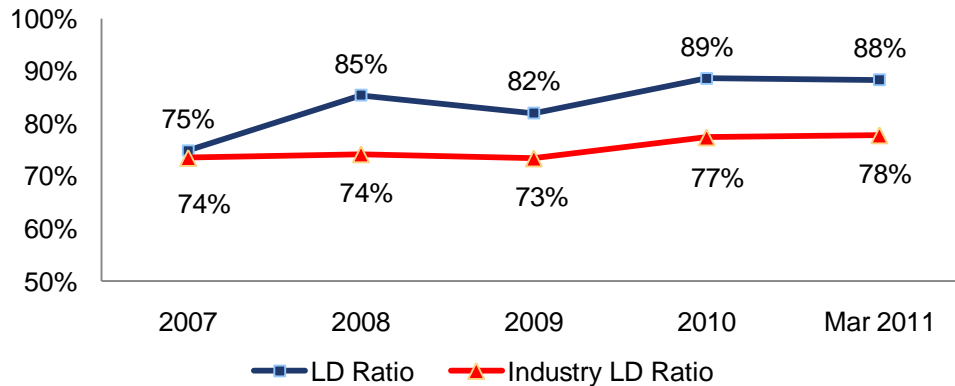
Loans



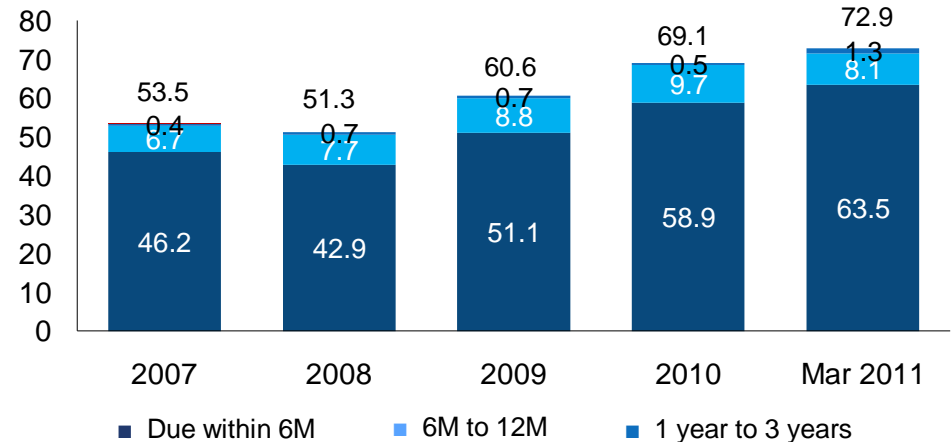
Customer Deposits



LD ratio

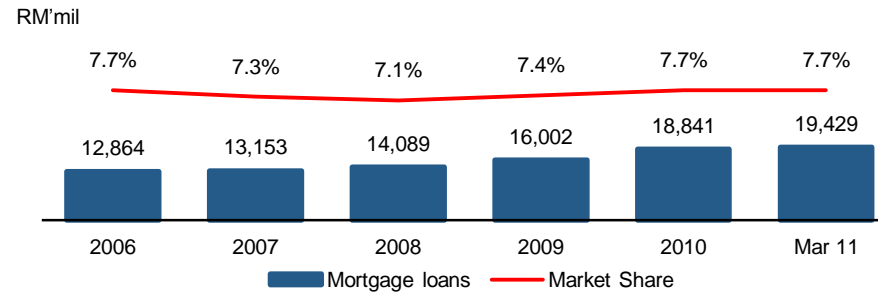


FD Maturity Structure



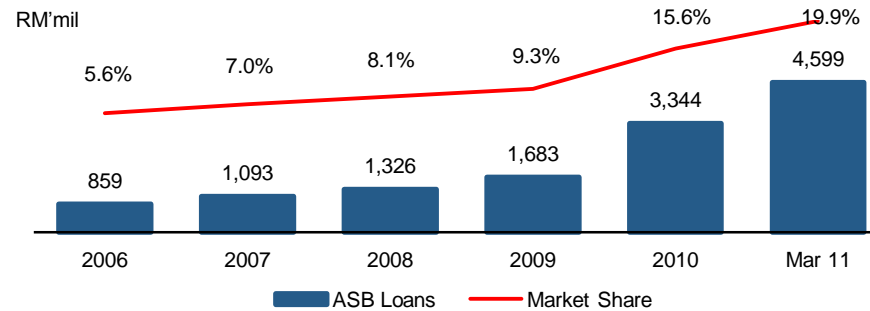
^ Annualised

Mortgage



- ◆ 4 years CAGR to Dec 2010 of 10%

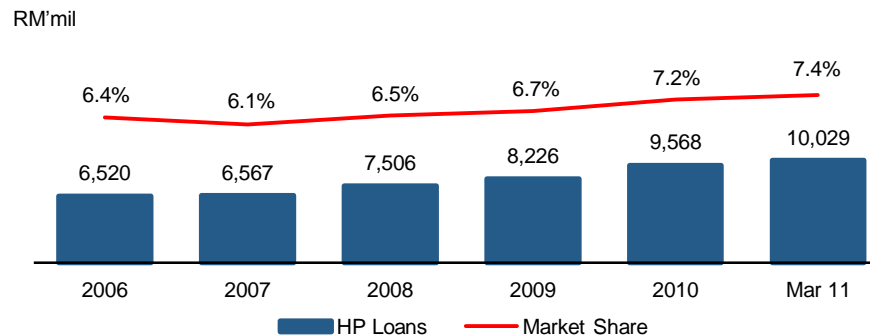
ASB



- ◆ 4 years CAGR to Dec 2010 of 40%
- ◆ No. 2 position in the industry

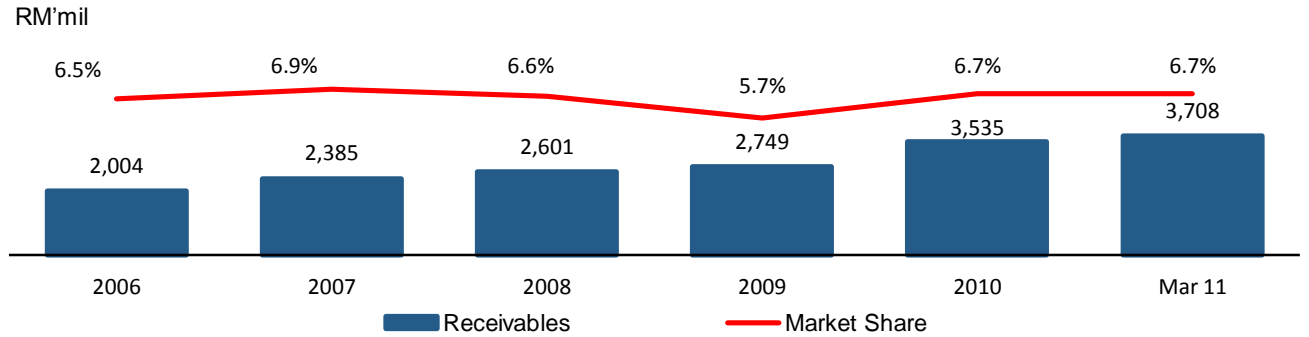
ASB : Amanah Saham Bumiputra

Auto Finance

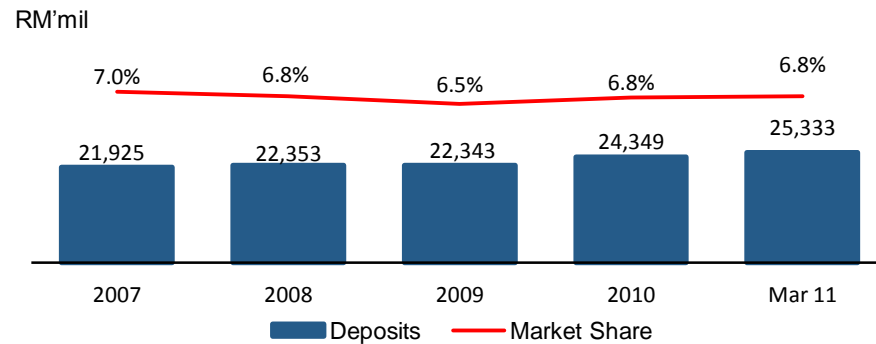


- ◆ Remain strong in HP business for national cars with better margin
- ◆ Focusing to deepen relationship with key dealers to strengthen sales acquisition

Personal use

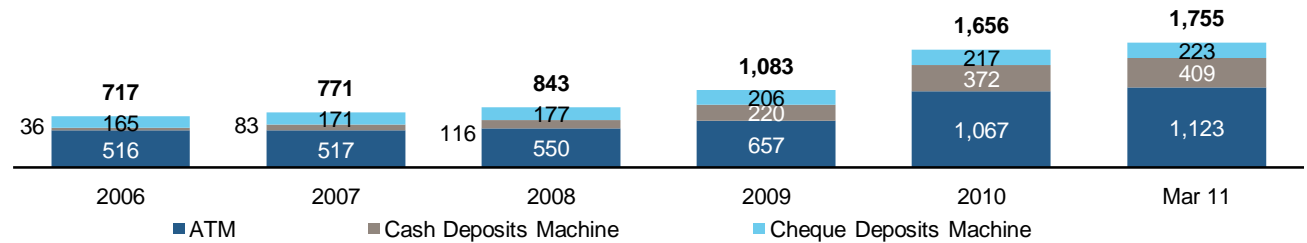


Deposits



◆ Prosperity Rabbit Deposits and Step-Up Rate FD campaigns - added RM200 million and RM1.7 billion respectively to date

SST



- ◆ ATMs and other self-service terminals ('SST')
- 3rd largest, with over 1,700 SSTs throughout Malaysia

	YTD Mar 2011		FY 2010		FY 2009	
	Market Share	Rank	Market Share	Rank	Market Share	Rank
Mergers & Acquisitions	4.8%	4 th	58.8%	1 st #	9.0%	3 rd
Equities ^{^*}	3.6%	4 th	7.7%	3 rd	8.9%	3 rd
Debt Capital Market ^{**}	10.8%	4 th	9.9%	3 rd ##	13.2%	3 rd
Broking (by value)	6.7%	4 th	6.6%	5 th	5.9%	8 th

[^] IPOs, Rights Issues & Additional Offerings

* Excluding foreign brokers

Source: Thomson Reuters




Source : Bloomberg, Thomson Reuters

^{**} Primary Bond Offerings






Malaysian target companies

& Bursa Malaysia

Major Ongoing Mandates YTD 2011

	<p>Bumi Armada Berhad</p> <p>RM3 billion - Listing on Main Market of Bursa Malaysia Joint Principal Adviser, Joint Managing Underwriter & Joint Bookrunner</p>
	<p>PLUS Expressways Berhad</p> <p>RM23 billion - Acquisition of PLUS Expressways Berhad by UEM Group Berhad and EPF Principal Adviser</p>
	<p>Sarawak Energy Berhad</p> <p>RM15 billion Sukuk Musyarakah Programme Principal Adviser, Lead Arranger & Joint Lead Manager</p>

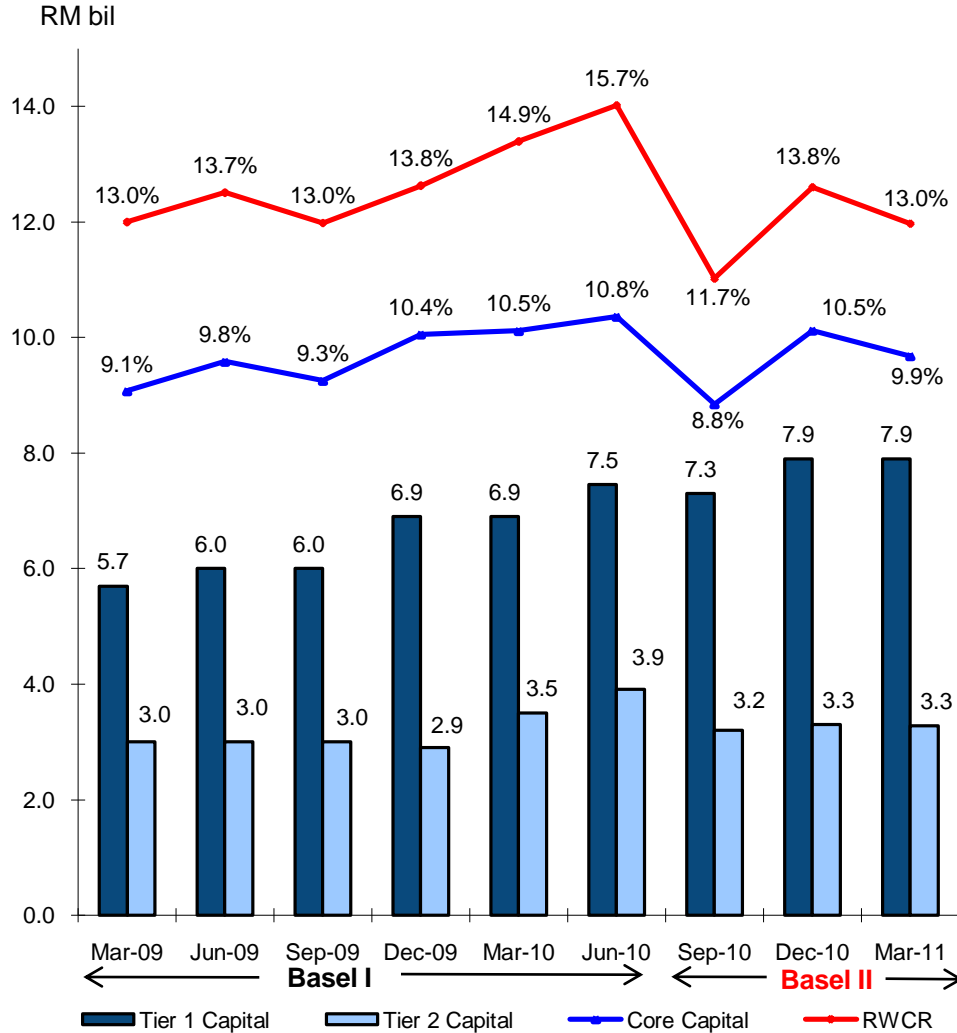
Major Transactions Completed in 2010

	<p>Astro Holdings Sdn Bhd</p> <p>RM9.52 bil - Privatisation of Astro All Asia Network PLC Joint Financial Advisers</p>
	<p>Cagamas Berhad</p> <p>RM5.0 billion Islamic CP / MTN Sukuk ALIm Programme Joint Principal Advisers, Joint Lead Arrangers & Joint Lead Managers</p>
	<p>Sunway Real Estate Investment Trust (SunREIT)</p> <p>RM1.5 billion - Listing on Main Market of Bursa Malaysia Sole Financial Adviser, Joint Global Coordinators & Joint Bookrunners (Institutional) & Joint Underwriters (Retail)</p>
	<p>Tanjong Capital Sdn Bhd</p> <p>RM7.89 billion - Privatisation of Tanjong PLC Joint Financial Adviser</p>
	<p>MISC Berhad</p> <p>RM5.25 billion - Rights Issue Sole Adviser & Sole Underwriter</p>

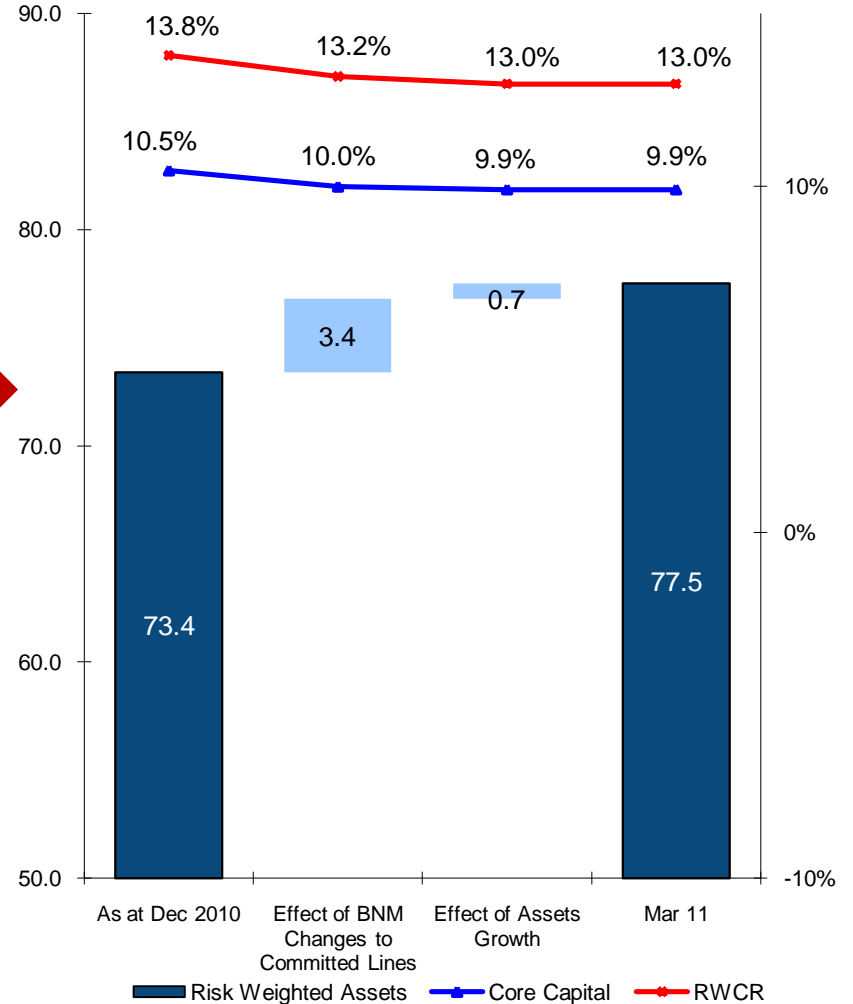


RHB Bank Capital Position

Quarterly Trending



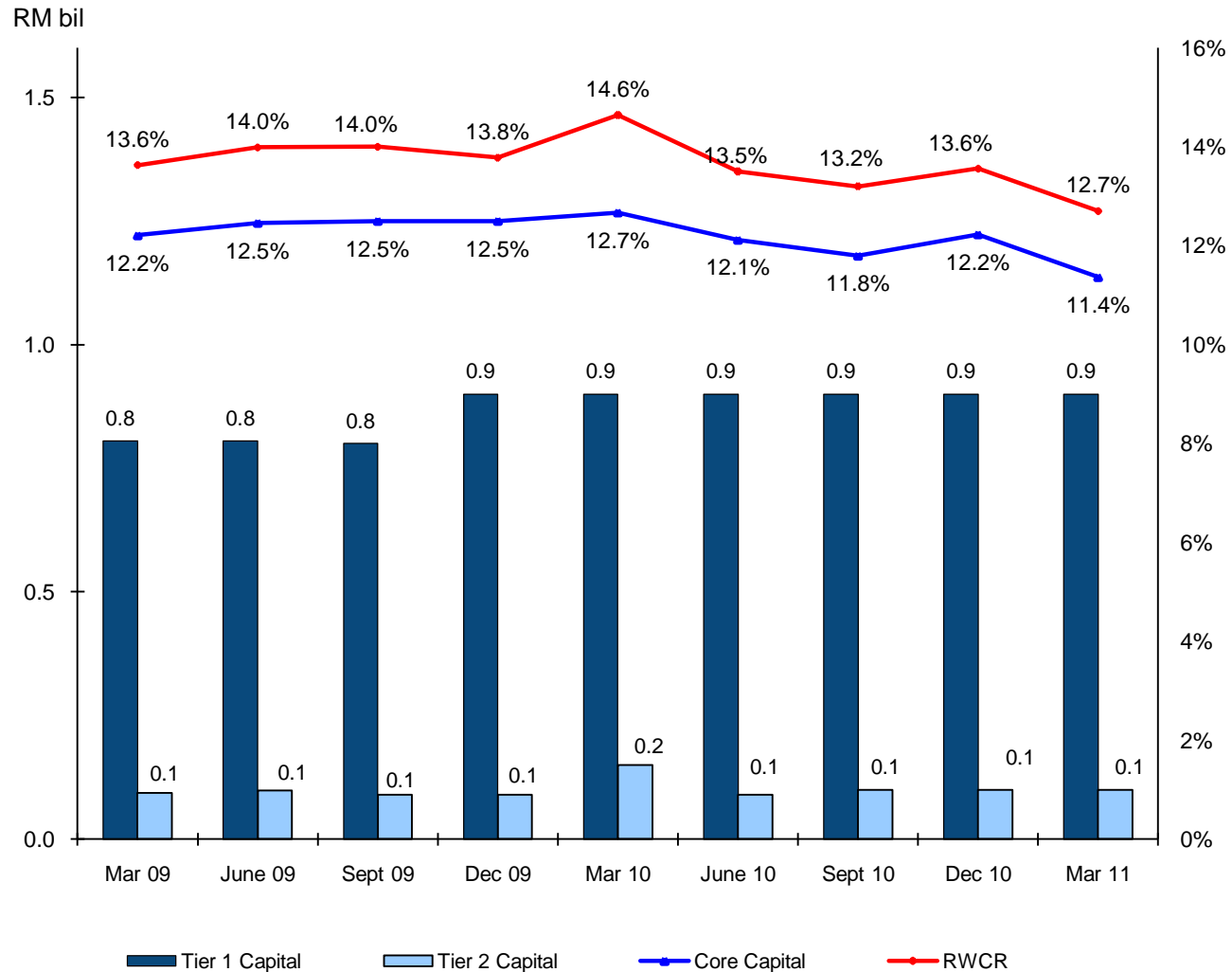
RWA & Capital Ratios





RHB Islamic Bank Capital Position

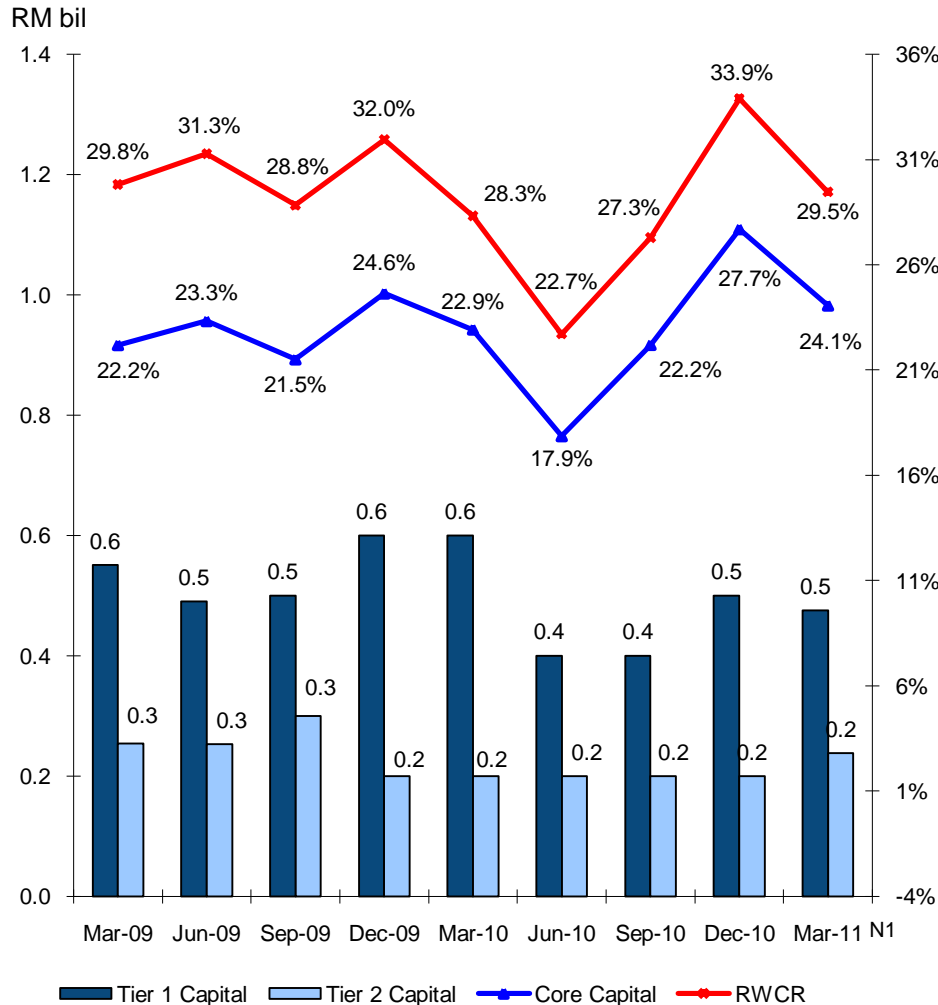
Quarterly Trending



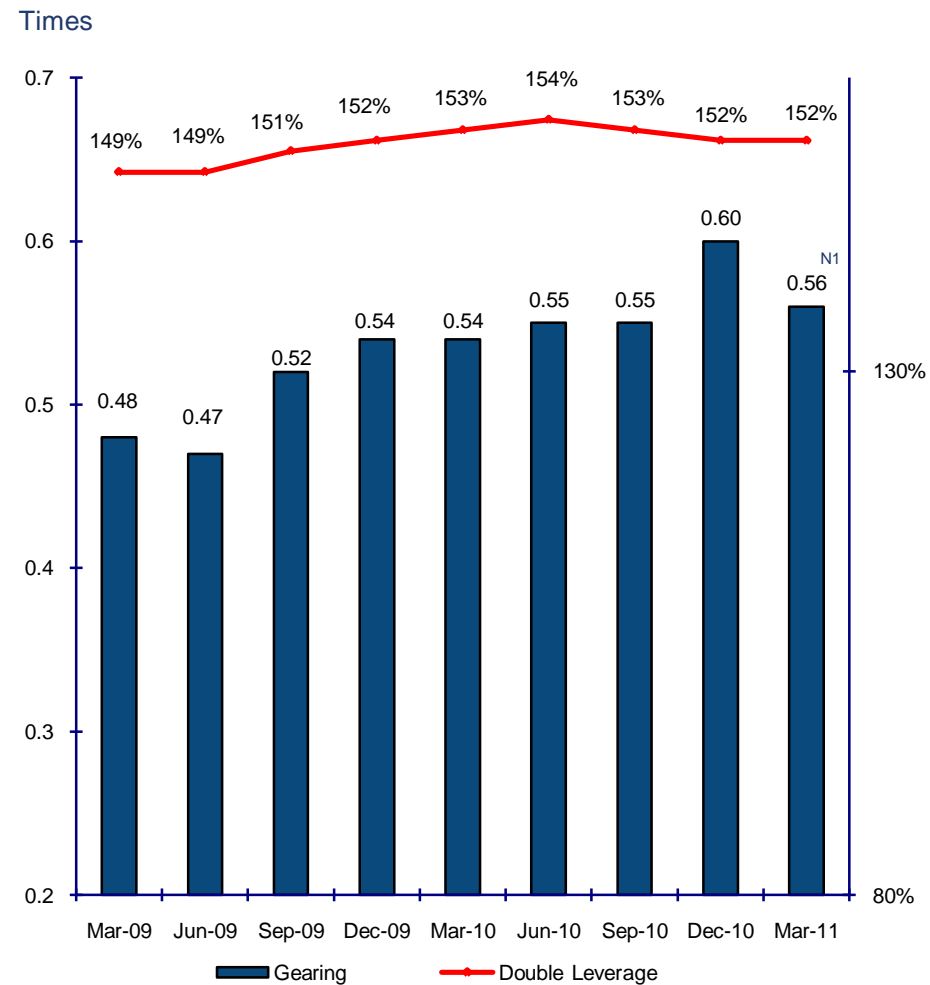


Capital Position - RHB Investment Bank & RHB Capital

RHB Investment Bank



RHB Capital



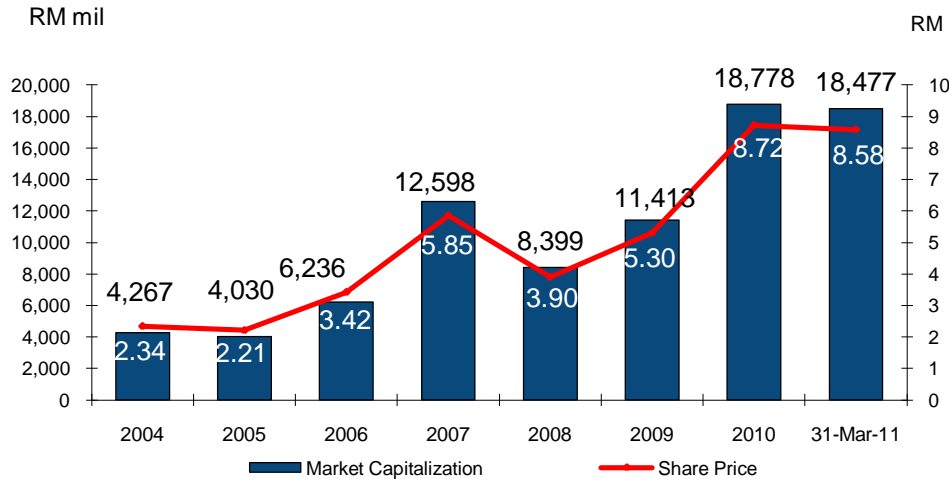
N1 After adjusting for RM113 million deposits for the proposed acquisition of Bank Mestika, which will eventually be funded by Rights Issue



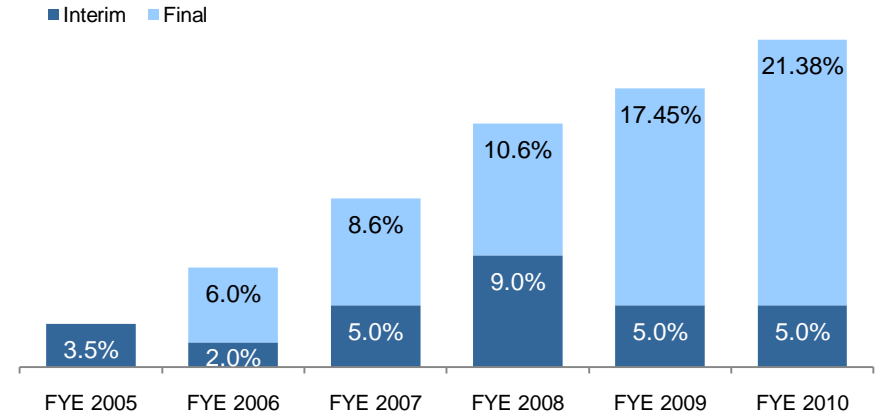
Return to Shareholders

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		
	Mar 09	Mar 10	Mar 11	Mar 09	Mar 10	Mar 11
3 years	55%	28%	92%	-13%	15%	45%
5 years	69%	167%	281%	-14%	63%	86%
7 years	68%	361%	311%	9%	142%	85%

Dividend Payout Trend - 2005 to 2010

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Total Dividends Paid	3.5%	8.0%	13.6%	19.6%	22.45%	26.38% ^{N1}
Total Payout Ratio (% of earnings)	15%	24%	30%	30%	30%	30%

N1 A total of 38,441,644 new ordinary shares RM1 each issued pursuant to the Dividend Reinvestment Plan, representing reinvestment rate of 84.17%

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- 1 Satisfactory Q1 2011 results - showing strong momentum in business and continuous asset and liability growth, continue to benefit from the disciplined execution of strategies and remain well positioned to expand market share in targeted business and product segments;**
- 2 Loans and deposits growth continued to outperform industry;**
- 3 Will remain focused on building core businesses and look for opportunities to expand market share and to increase leadership position in targeted markets and product segments;**
- 4 Continue to roll-out Easy by RHB and RHB-Pos Malaysia Shared Banking Services across Malaysia to penetrate the mass customers segment;**
- 5 Optimistic of more active capital market and expect corporate loans to gain traction in 2nd half 2011.**



End

