

RHB Capital Berhad

1st Half 2011 Financial Results



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



FORWARD LOOKING STATEMENTS

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Since We Last Spoke

2

1st Half 2011 Financial Results Review

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To Sum Up

Domestic Business

- ◆ “Easy by RHB”
 - Outlets increased to 181 currently, on track to achieve target of 240 outlets by year end
- ◆ RHB Investment Management
 - Launched 2nd RHB-GS US Equity Fund, co-branded with Goldman Sachs for retail investors on 18 May 2011
 - Launched RHB Islamic Enhanced Cash Fund
- ◆ “RHB Now”
 - Consolidation of RHB’s internet banking and mobile banking services
 - Applicable on iPhone, iPad and all other smartphones
























Overseas Operations

- ◆ RHB Bank - Singapore
 - Launched 15 BDC counters in Changi Airport on 22 August 2011
 - To launch online internet banking platform by 3rd quarter 2011
 - To remodel and relocate selected branches
- ◆ RHB Bank - Thailand
 - Launched Bangkok branch new premise in June 2011 at the All Seasons Place on Wireless Road to better serve our Bangkok customers
 - Redefined business plan to focus on products diversification and strengthening credit and marketing efforts
- ◆ Bank Mestika
 - Awaiting for BI’s approval

**Capital
Management**

- ◆ RHB Bank obtained approvals from SC for the issuance of:
 - Up to USD500 million in nominal value (or its equivalent in other currencies) multi-currency Euro Medium Term Note Programme (“EMTN Programme”) on 9 May 2011;
 - Up to RM3 billion in nominal value (or its equivalent in other currencies) multi-currency Medium Term Note Programme (“MCMTN Programme”) on 5 July 2011
 - Proceeds raised will be utilised for RHB Bank and its subsidiaries’ general working capital and other corporate purposes, and repayment of borrowings, if applicable
 - None of the EMTN or MCMTN have been issued todate

RHB Capital Group Scorecard 2011

Top level indicators	FY 09	FY 10	Target 2011	June 2011
ROE (%)	14.5%	 15.2%	 >15.2%	 15.0% ^{N1}
ROA (%)	1.1%	 1.2%	 >1.2%	 1.2% ^{N1}
Gross Impaired Loans Ratio (%)	6.7%	 4.4%	 4.0%	 3.9%
Loans Growth (%)	10.2%	 20.2%	 >15%	 18.2% ^{N1}
Deposits Growth (%)	14.7%	 11.3%	 >15%	 17.9% ^{N1}
Cost to Income Ratio (%)	43%	 40%	 <43%	 42%
International Contribution (%)	6%	 5%	 5% - >10%	 4%

 better  worse

N1: Annualised

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Since We Last Spoke

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1st Half 2011 Financial Results Review

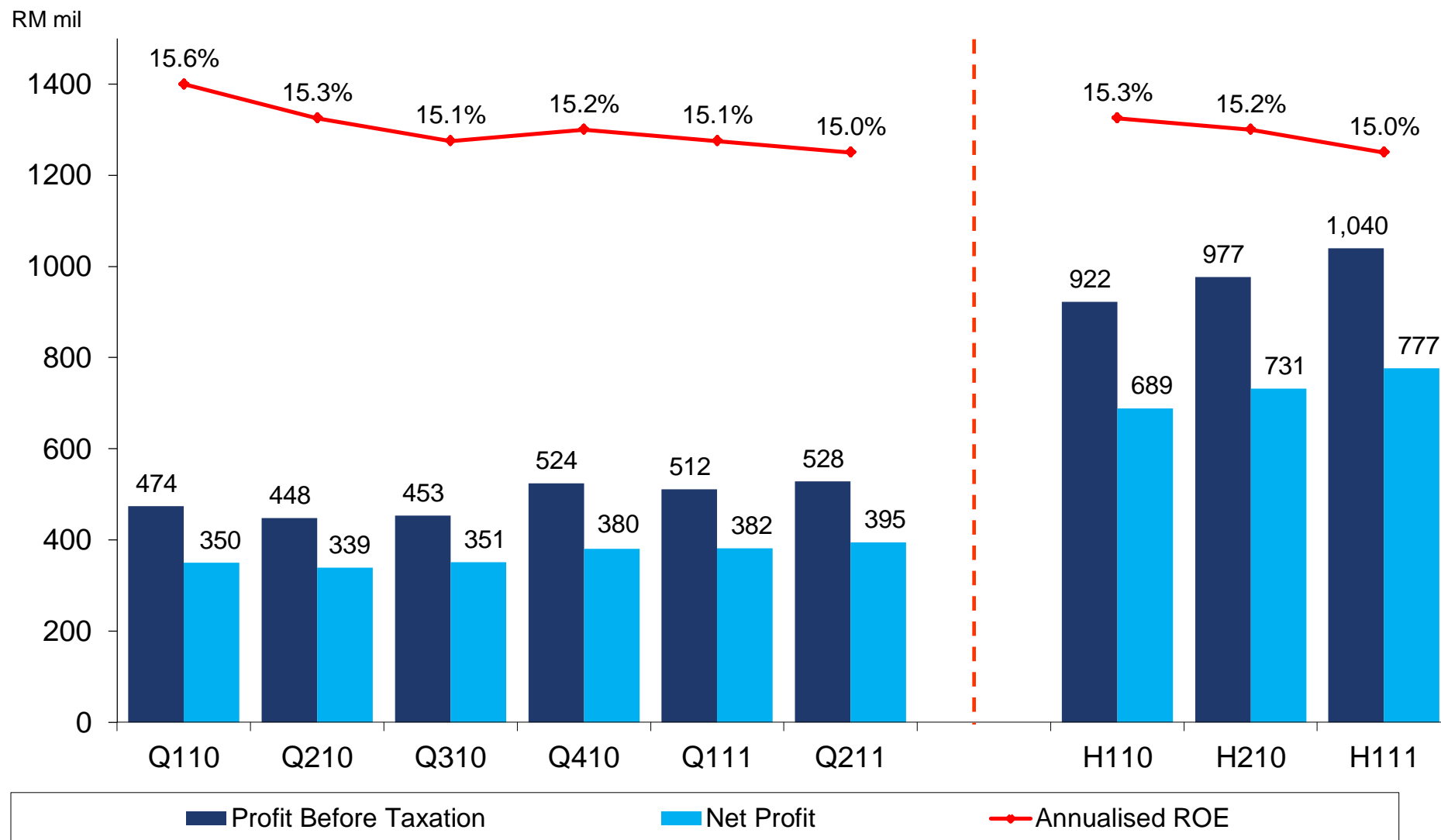
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To Sum Up



Key Financial Highlights - 1st Half 2011

- ◆ H1 2011 net profit of RM777 million, up 13% y-o-y and 3% q-o-q
- ◆ EPS at 35.9 sen, up 12% y-o-y and 3% q-o-q
- ◆ Annualised ROE and ROA at 15.0% and 1.2% respectively
- ◆ Cost to Income ratio increased to 42.4% from 41.0% in H1 2010
- ◆ Total assets increased by 8.8% to RM140.7 billion
- ◆ Gross loans and advances expanded by 9.1% to RM91.3 billion
- ◆ Deposits from customers increased by 9.0% to RM102.9 billion
- ◆ Gross impaired loans ratio improved to 3.90% from 4.39% as at 31 December 2010
- ◆ Proposed interim dividend of 8.0 sen, less 25% tax

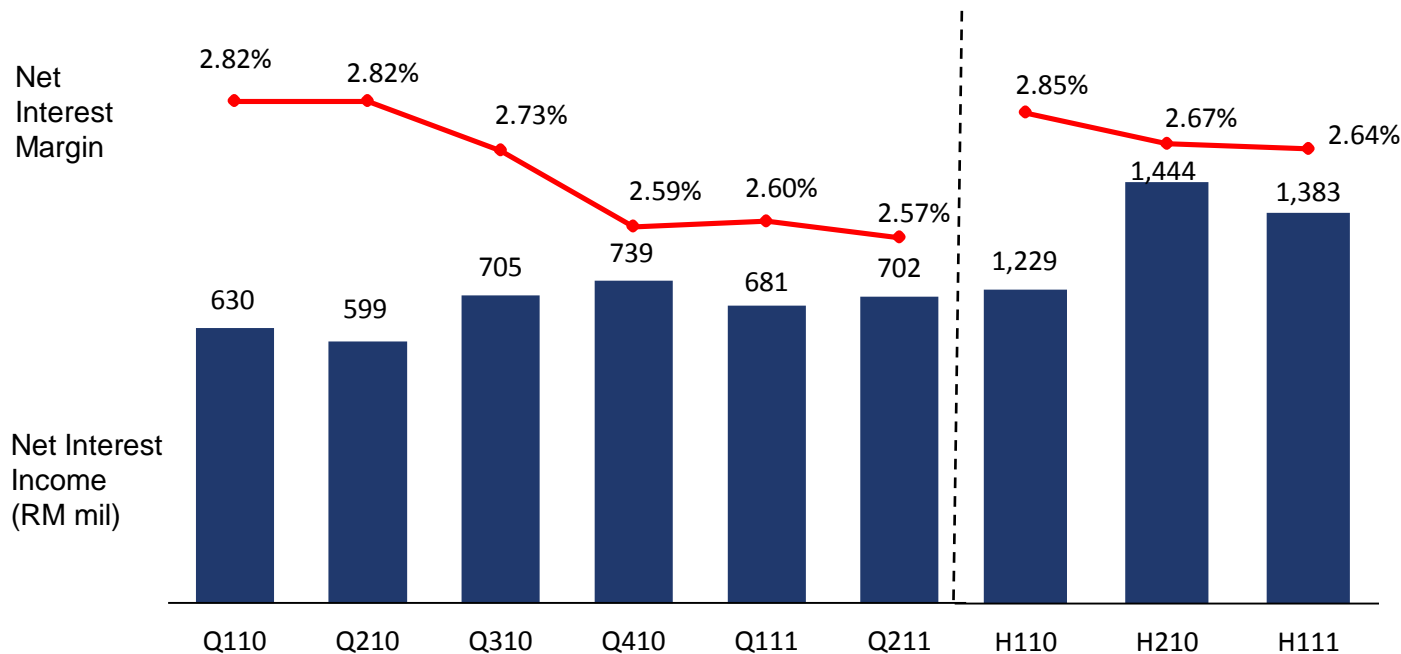




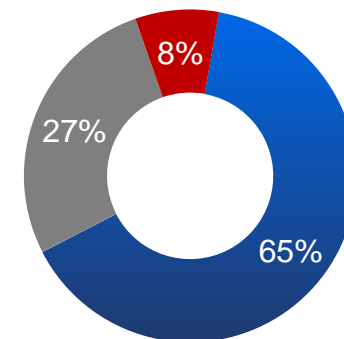
Summary of Income Statement

RM mil	Q2 2011	Q1 2011	Q-o-Q Change %	H1 2011	H1 2010	Y-o-Y Change %
Net Interest Income	702	681	3	1,383	1,229	13
Other Operating Income	316	267	18	583	512	14
Income From Islamic Banking Business	83	91	-9	174	160	9
Total Income	1,101	1,039	6	2,140	1,901	13
Other Operating Expenses	(459)	(449)	2	(908)	(779)	17
Operating Profit Before Allowances	642	590	9	1,232	1,122	10
Allowance for Impairment on Loans, Financing and Other Losses	(122)	(81)	51	(203)	(176)	15
Impairment Losses on Other Assets	8	2	>100	10	(24)	>100
Profit Before Taxation	528	512	3	1,040	922	13
Net Profit	395	382	3	777	689	13
EPS (sen)	18.2	17.7	3	35.9	32.0	12

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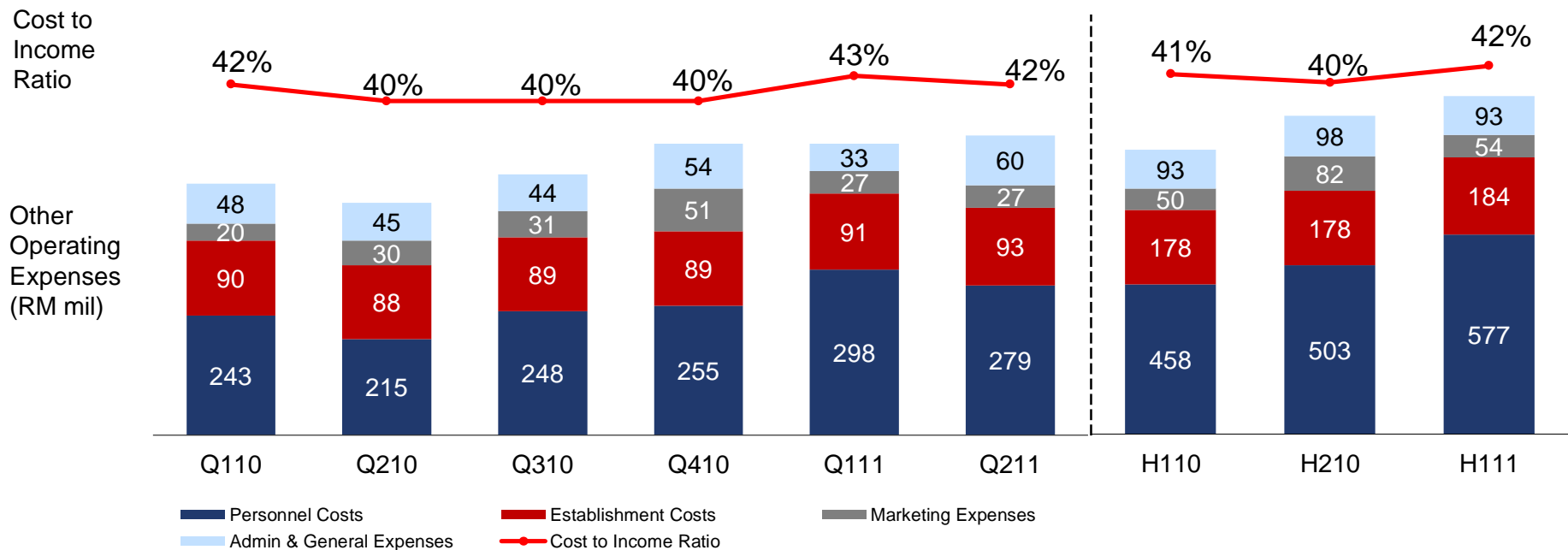


Total Income Mix



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

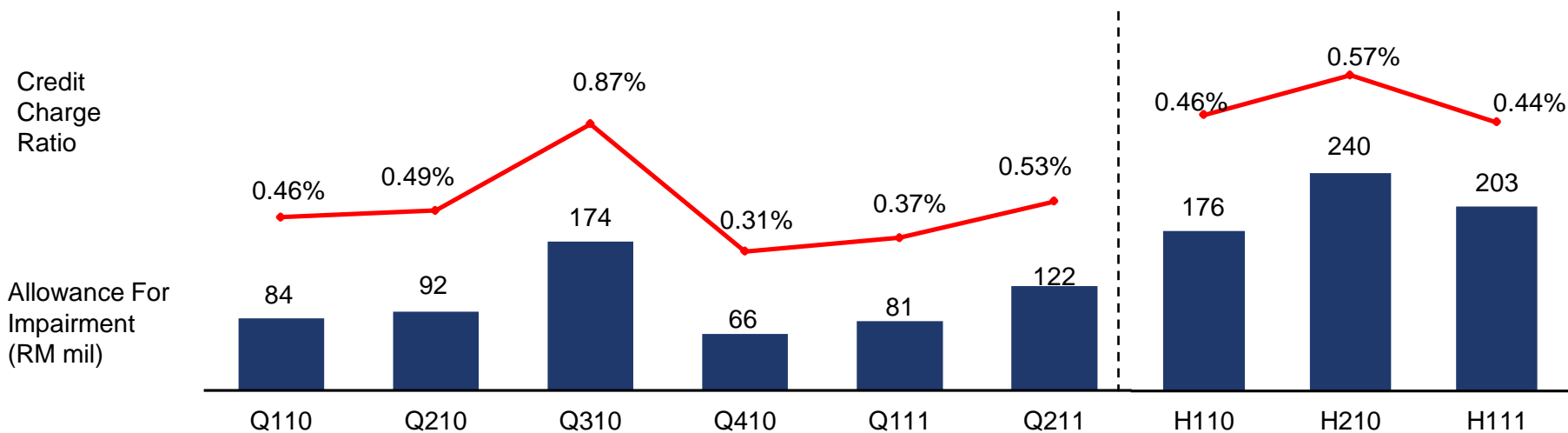
RM mil	Q2 2011	Q1 2011	Q-o-Q Change %	H1 2011	H1 2010	Y-o-Y Change %
Personnel Costs	279	298	-6	577	458	26
Establishment Costs	93	91	2	184	178	3
Marketing Expenses	27	27	-	54	50	8
Admin & General Expenses	60	33	82	93	93	-
Other Operating Expenses	459	449	2	908	779	17
Cost to Income Ratio (%)	42	43	-1	42	41	1





Allowance for Impairment on Loans, Financing and Other Losses

RM mil	Q2 2011	Q1 2011	Q-o-Q Change %	H1 2011	H1 2010	Y-o-Y Change %
Individual Impairment Allowance	50	(7)	>-100	43	94	-54
Collective Impairment Allowance	120	165	-27	285	193	48
Impaired Loans and Financing Recovered	(48)	(79)	-39	(127)	(107)	19
Impairment Allowance For Other Debtors	-	2	-100	2	(4)	>-100
Allowance for Impairment on Loans, Financing and Other Losses	122	81	51	203	176	15
Gross Impaired Loans	3,565	3,595	-1	3,565	4,467	-20
Credit Charge Ratio (%)	0.53	0.37	0.16	0.44	0.46	-0.02
Gross Impaired Loans Ratio (%)	3.90	4.12	-0.22	3.90	5.90	-2.00





Key Balance Sheet Items

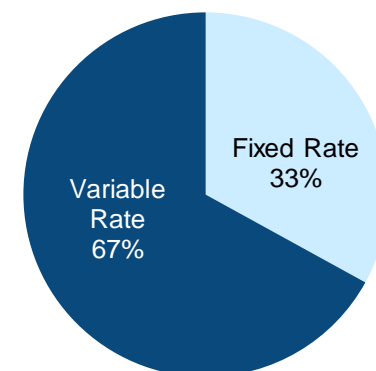
RM mil	June 2011	Dec 2010	June 2010	Change for H1 2011 %	Y-o-Y Change %
Total Assets	140,665	129,325	120,192	9	17
Total Financial Assets/Investments	27,214	25,017	23,545	9	16
- Financial Assets HFT	1,546	772	1,283	>100	20
- Financial Investments AFS	12,224	13,375	10,781	-9	13
- Financial Investments HTM	13,444	10,870	11,481	24	17
Gross Loans	91,341	83,710	75,645	9	21
Customers Deposits	102,898	94,434	88,429	9	16
Borrowings	3,608	4,064	3,680	-11	-2
Sub-debts	3,264	3,264	3,235	-	1
Hybrid Tier-1 Capital Securities	600	600	592	-	1
Shareholders' Funds	10,689	9,962	9,302	7	15
LD Ratio (%)	88.8	88.6	85.5	0.2	3.3
Net Assets per share	4.88	4.63	4.32	5	13



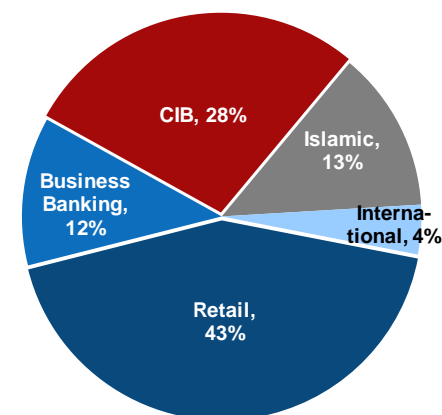
Loans, Advances and Financing

RM mil	June 2011	Dec 2010	June 2010	Change for H1 2011 %	Y-o-Y Change %
Working Capital	21,319	20,694	21,532	3	-1
Purchase of Residential Property	19,866	18,841	17,230	5	15
Purchase of Non-Residential Property	5,129	4,761	4,298	8	19
Purchase of PPE Other Than Land & Bldg	3,128	3,336	3,571	-6	-12
Personal Use	4,152	3,535	3,064	17	36
Credit Card	1,654	1,645	1,589	1	4
Purchase of Transport Vehicles	10,805	9,568	8,724	13	24
Purchase of Securities	6,100	4,008	3,429	52	78
Merger and Acquisition	1,642	2,433	-	-33	>100
Others	17,546	14,889	12,208	18	44
Gross Loans and Advances	91,341	83,710	75,645	9	21
- SME	11,214	11,044	11,312	2	-1
- Individuals	41,076	36,475	32,859	13	25
- Corporate & others	39,051	36,191	31,474	8	24

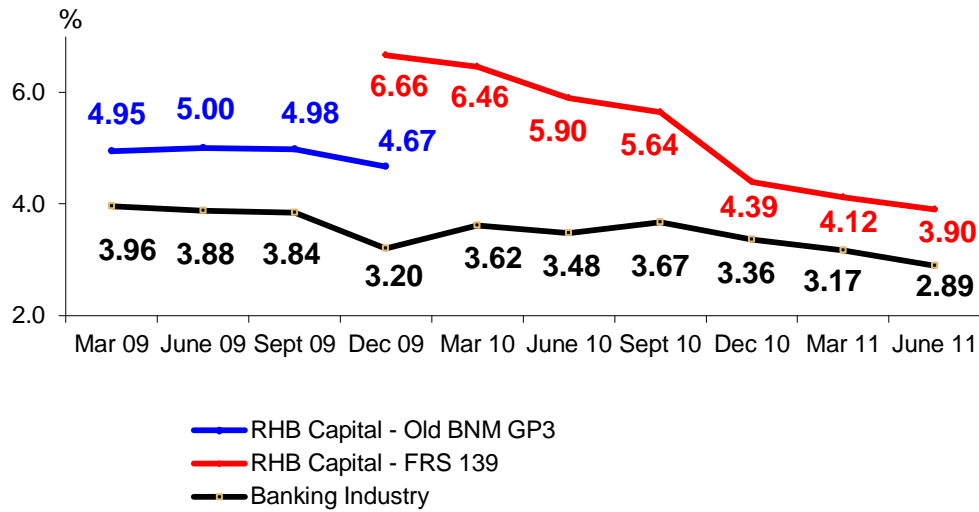
Composition of Loan Book - by Interest/Profit Rate Sensitivity



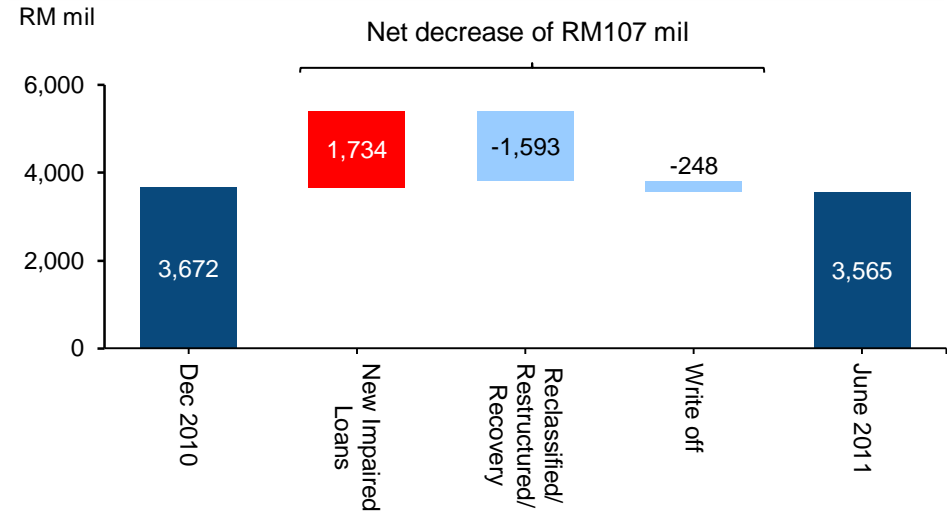
Composition of Loan Book - by Strategic Business Group



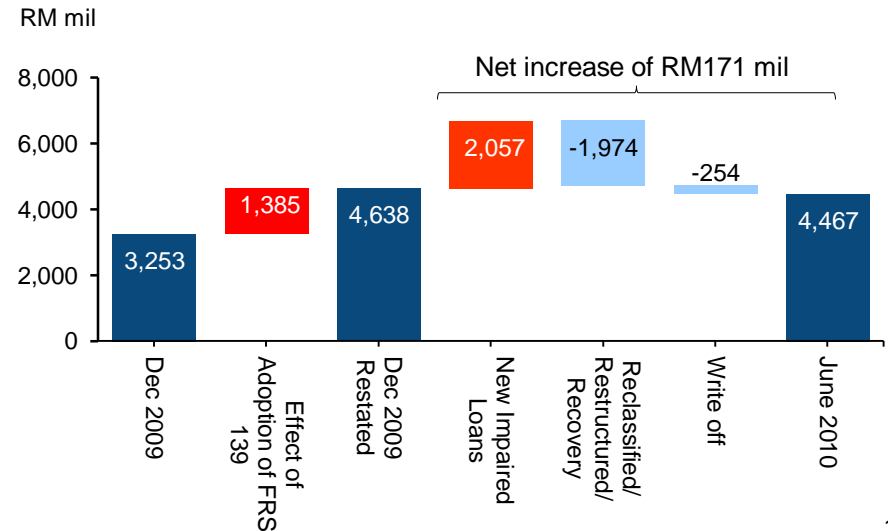
Gross Impaired Loans Ratio Improved by 0.49% to 3.90%



New Impaired Loans Formation Improved to 0.84% from 1.03% a year ago



	June 2011	Dec 2010	June 2010	Change for H1 2011 %	Y-o-Y Change %
Gross Impaired Loans (RM mil)	3,565	3,672	4,467	-3	-20
Gross Impaired Loans Ratio (%)	3.90	4.39	5.90	-0.49	-2.00





Customers Deposits

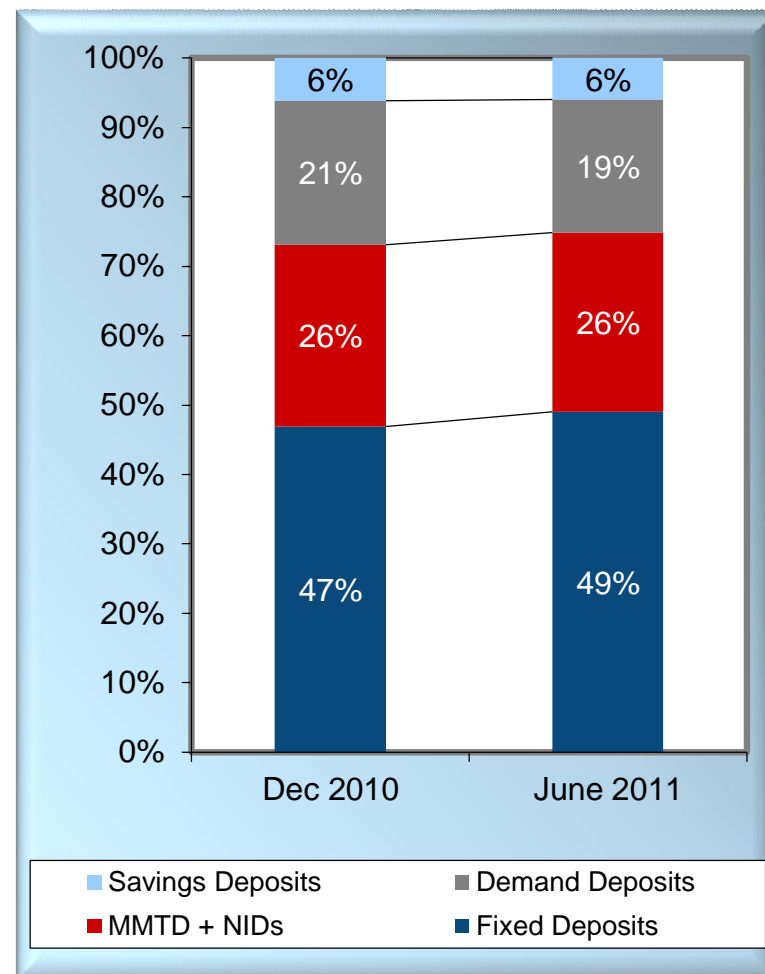
Customers Deposits

RM mil	June 2011	Dec 2010	June 2010	Change for H1 2011 %	Y-o-Y Change %
Fixed Deposits	76,814	68,830	63,277	12	21
<i>of which MMTD</i>	26,056	24,505	22,927	6	14
Demand Deposits	19,850	19,523	19,016	2	4
Savings Deposits	6,210	5,832	5,823	6	7
NIDs	24	249	313	-90	-92
Total Deposits	102,898	94,434	88,429	9	16
LD Ratio (%)	89	89	86	-	3
CASA (incl. MMTD) (%)	25	27	28	-2	-3
CASA (excl. MMTD) (%)	34	36	38	-2	-4

Domestic Market Share

	June 2011	Dec 2010	June 2010
Demand Deposits	9.2%	9.6%	10.1%
Savings Deposits	5.4%	5.4%	5.6%
Fixed Deposits	8.9%	8.2%	7.8%
Total Domestic Deposits	8.1%	7.9%	7.7%

Customers Deposits : Composition

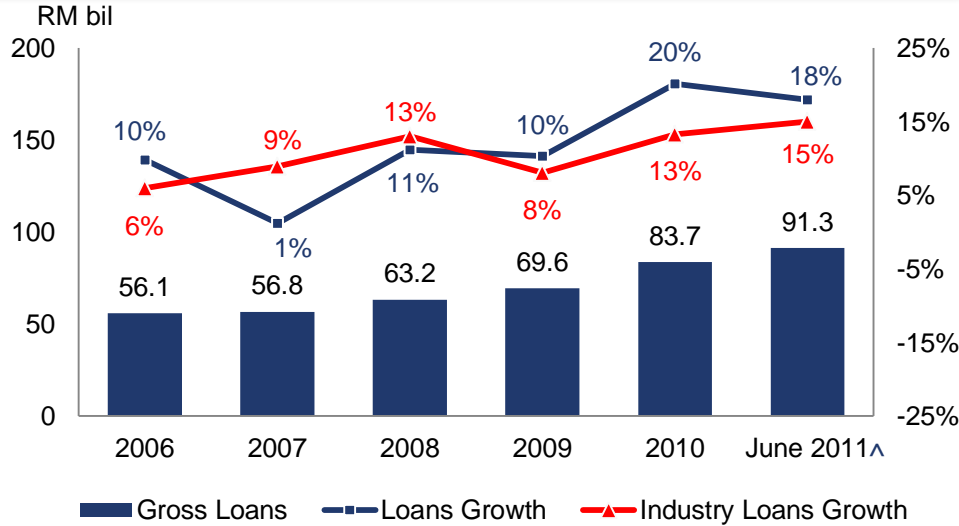


MMTD: Money Market Time Deposits
NIDs: Negotiable Instruments of Deposits

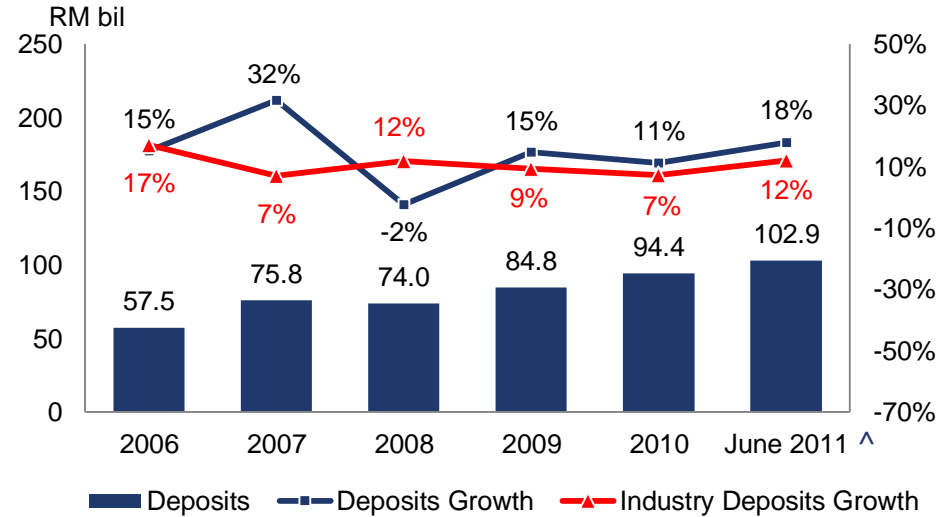


Loans and Deposits

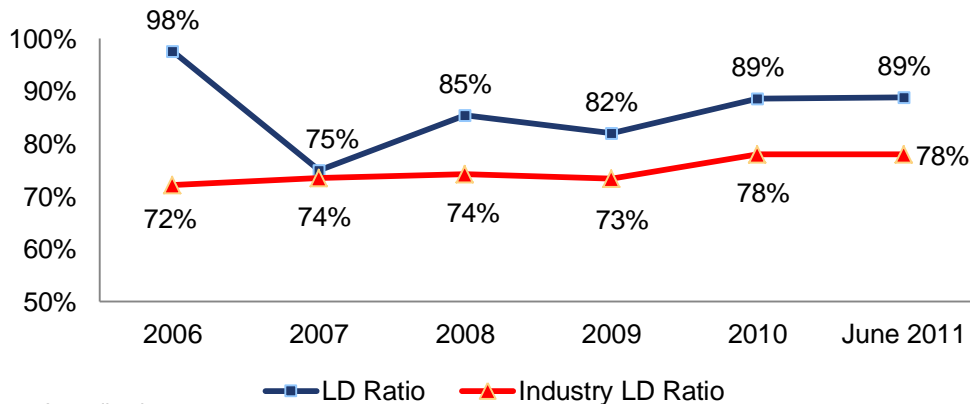
Loans



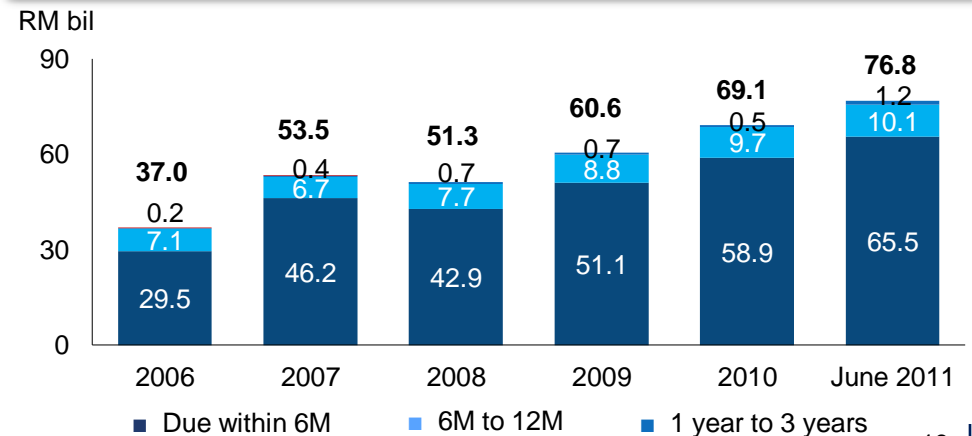
Customers Deposits



LD Ratio

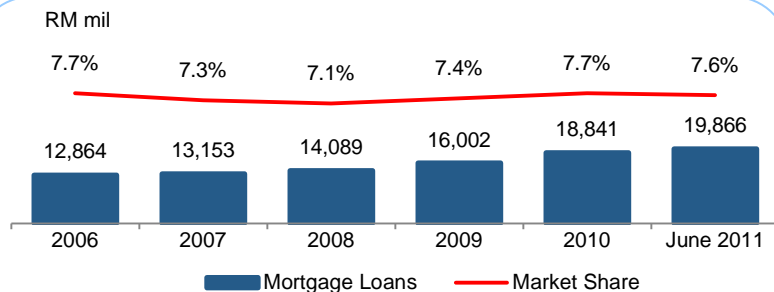


FD Maturity Structure

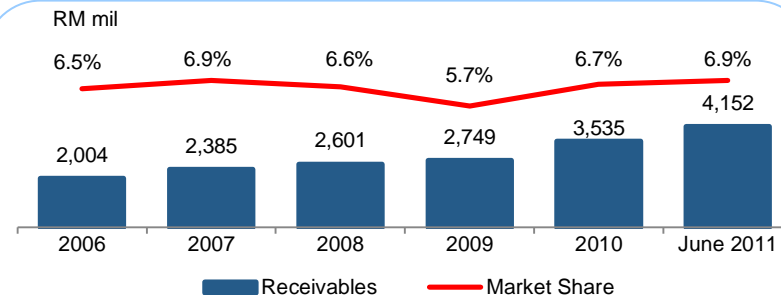


[^] Annualised

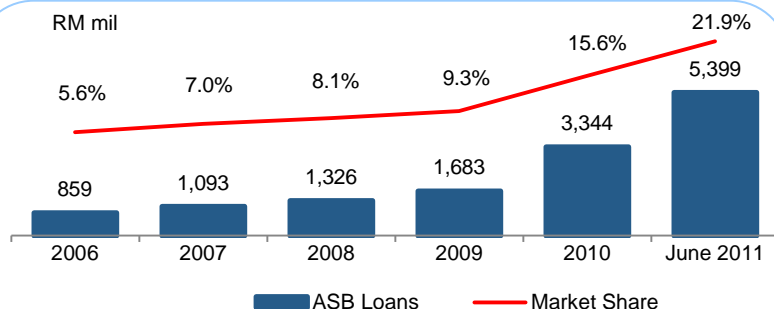
Mortgage



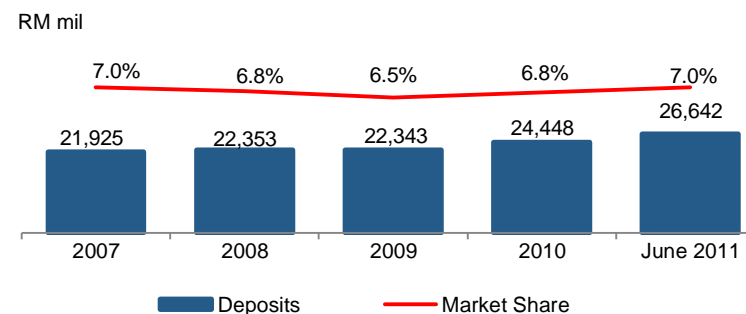
Personal Use



ASB

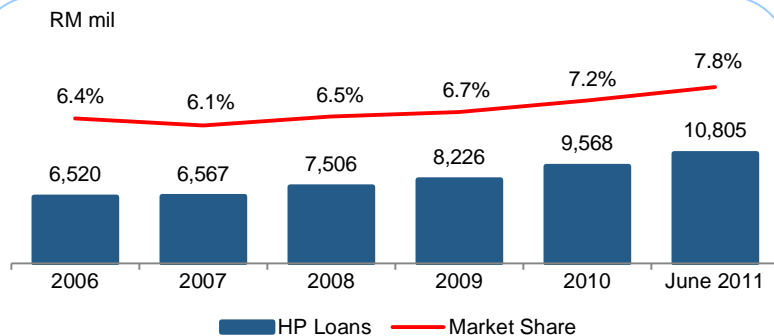


Deposits

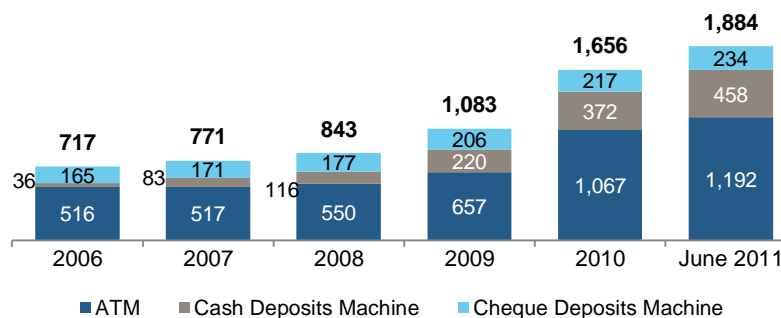


ASB : Amanah Saham Bumiputra

Auto Finance

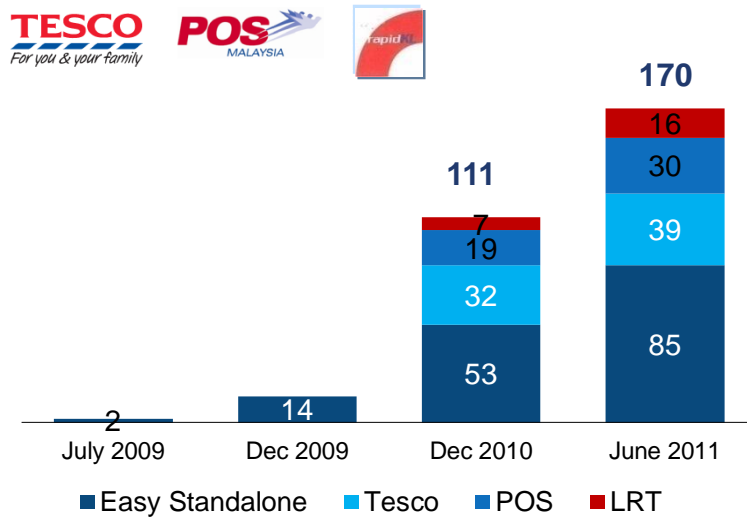


SST





Number of Outlets



Award Winning Innovation



SGAM Best Process Innovation Award



Effies 2010 Silver Award



The Asian Banker Award



IDC Financial Insight Award



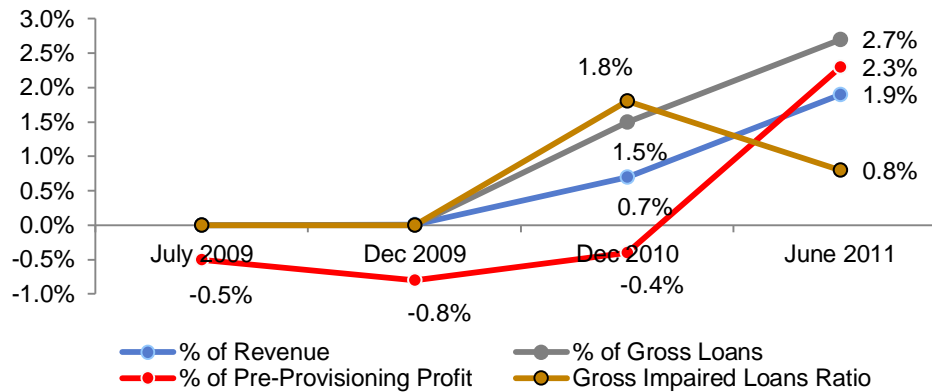
The BrandLaureate Awards 2010-2011 for Product Branding



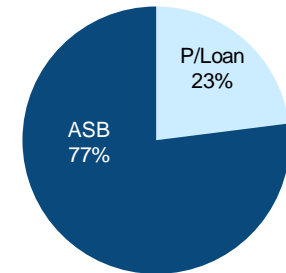
Analysis • Insight • Intelligence

Banking & Payment Asia Trailblazer Awards 2011

Financial Performance



Asset Composition - June 2011



Total gross loans as at June 2011 amounted to RM2.5 bil



Domestic Market Share - CIB

	YTD June 2011		YTD March 2011		FY 2010		YTD June 2010	
	Market Share	Rank	Market Share	Rank	Market Share	Rank	Market Share	Rank
Mergers & Acquisitions #	30.1%	1st	4.8%	4 th	58.8%	1 st	54.4%	1 st
Equities ^*	5.5%	4th	3.6%	4 th	7.7%	3 rd	22.4%	2 nd
Debt Capital Market**	8.6%	5th	10.8%	4 th	9.9%	3 rd ##	12.8%	3 rd
Broking (By Value)	7.0%	3rd	6.7%	4 th	6.6%	5 th	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 June 2011



SapuraCrest Petroleum Berhad
RM5.87 bil - Acquisition by Integral Key Sdn Bhd and merger with Kencana Petroleum Bhd
Principal Adviser



BUMIARMADA

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 bil - Sukuk Musyarakah Programme
Principal Adviser, Lead Arranger & Joint Lead Manager



UOA Development Berhad
RM1.18 bil - Listing on Main Market of Bursa Malaysia Securities Bhd
Joint Underwriter for Retail Offering



RHB Capital Berhad
RM5.89 bil - Disposal of Abu Dhabi Commercial Bank's equity stake in RHB Capital Bhd
Adviser

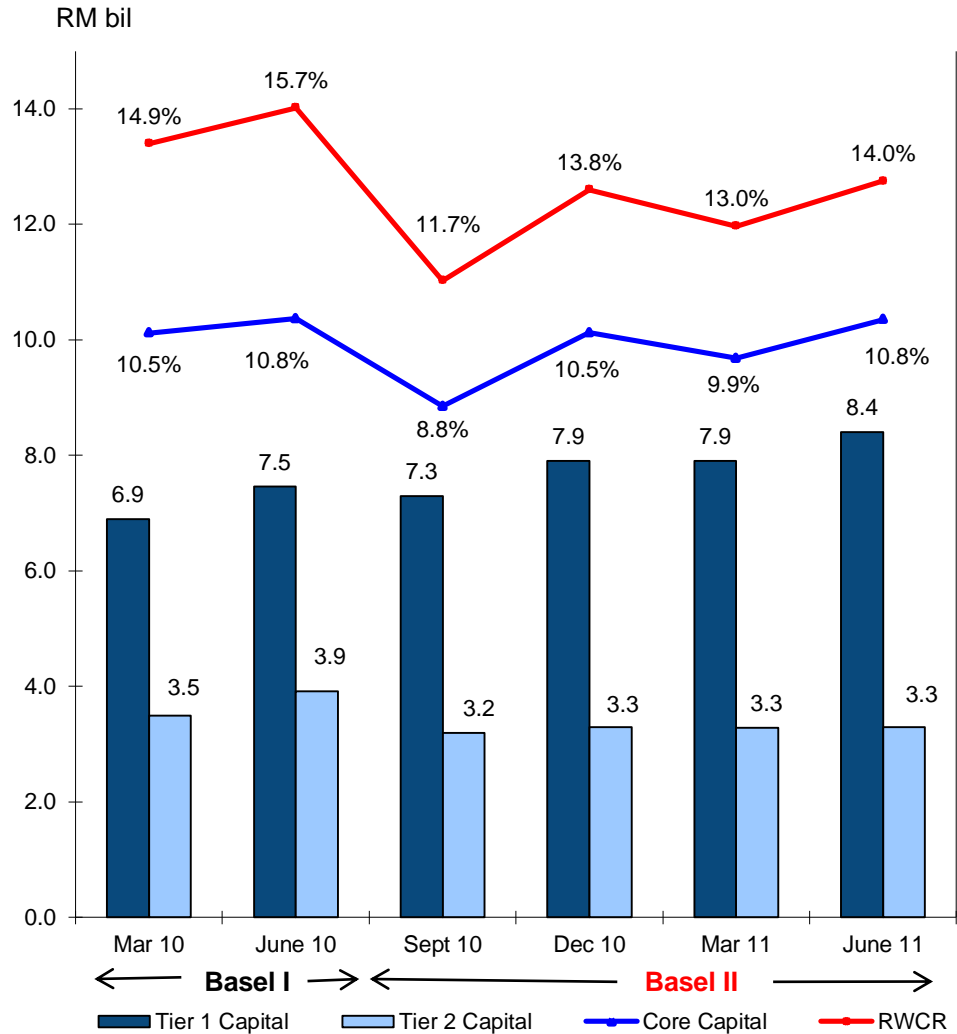


PLUS Expressways Berhad
RM23 bil - Acquisition by UEM Group Bhd and EPF
Principal Adviser

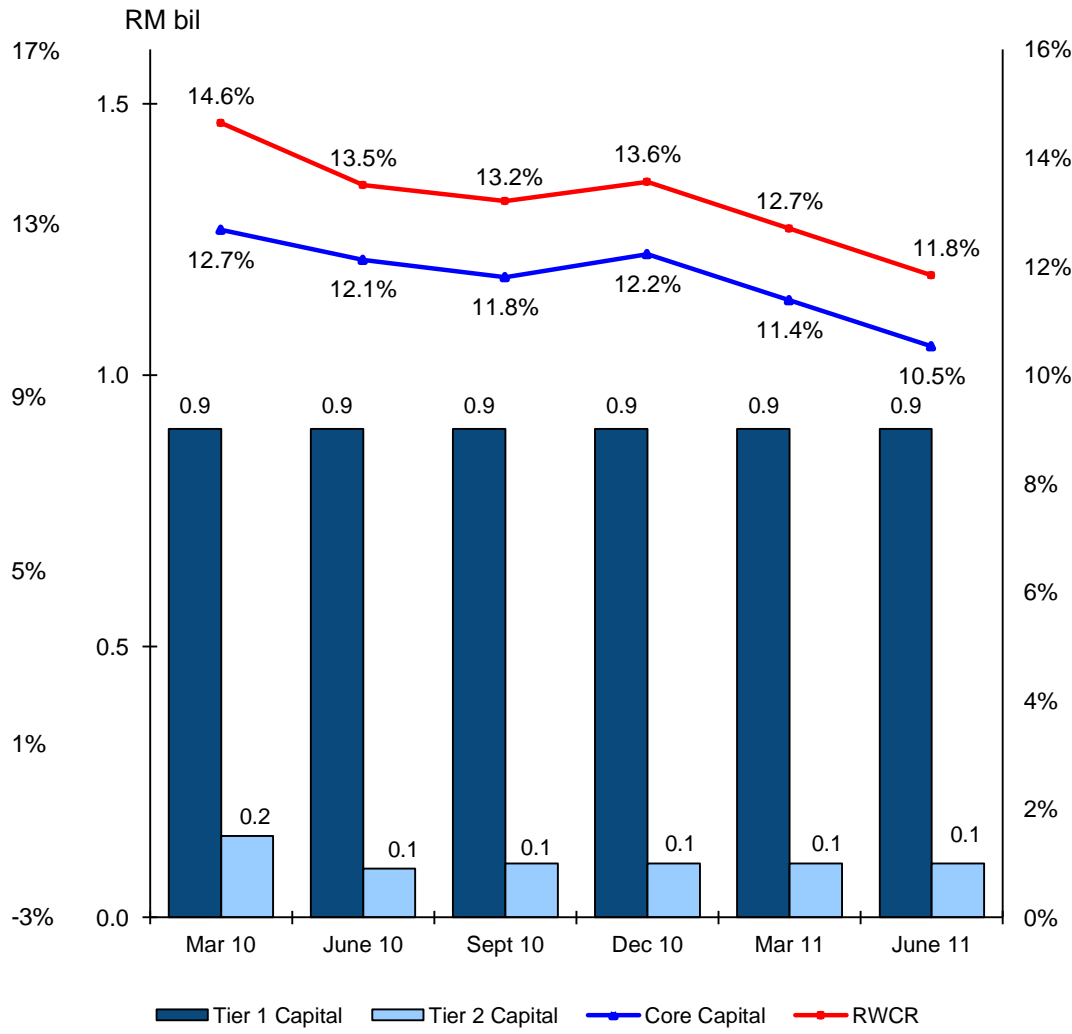


Capital Position (1/2)

RHB Bank



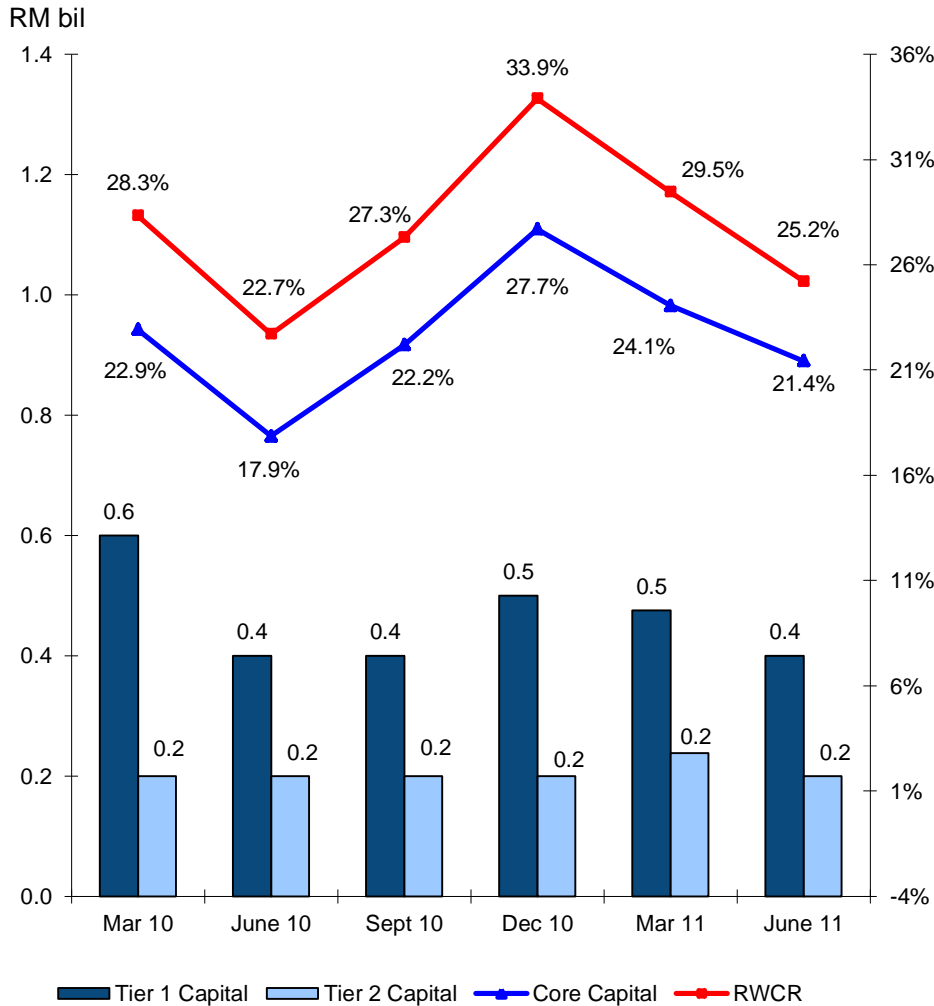
RHB Islamic Bank



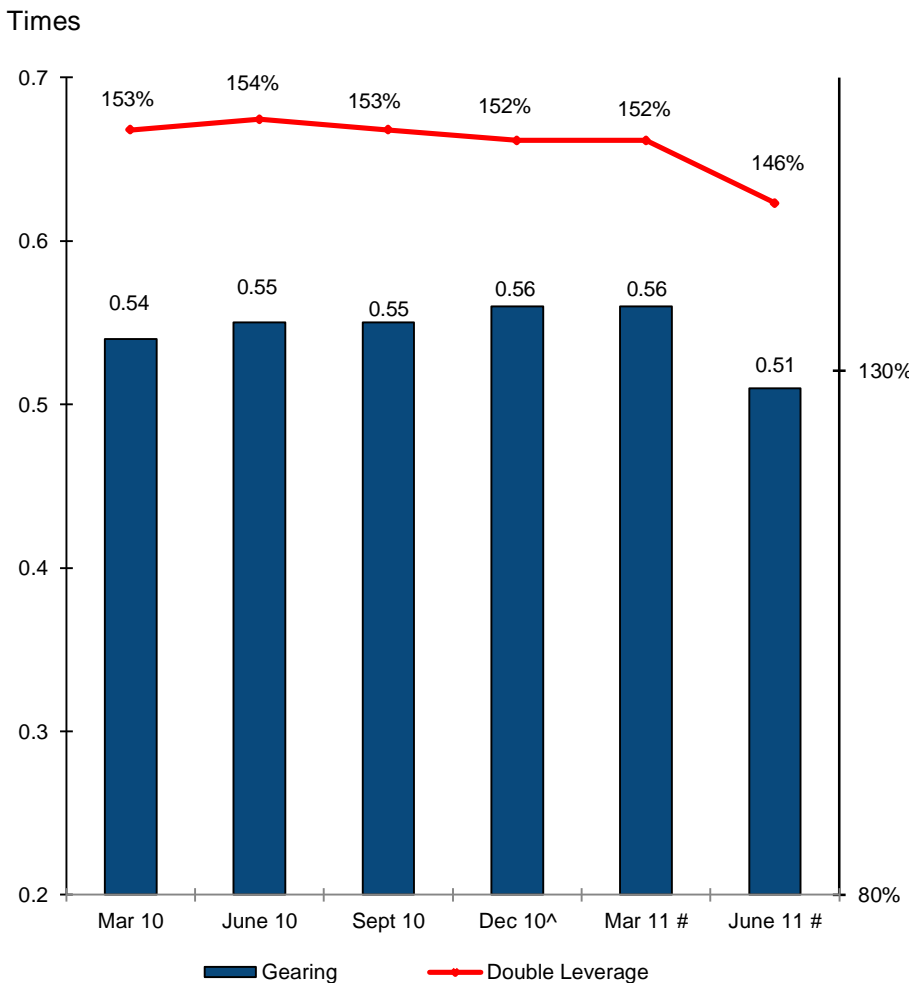


Capital Position (2/2)

RHB Investment Bank



RHB Capital



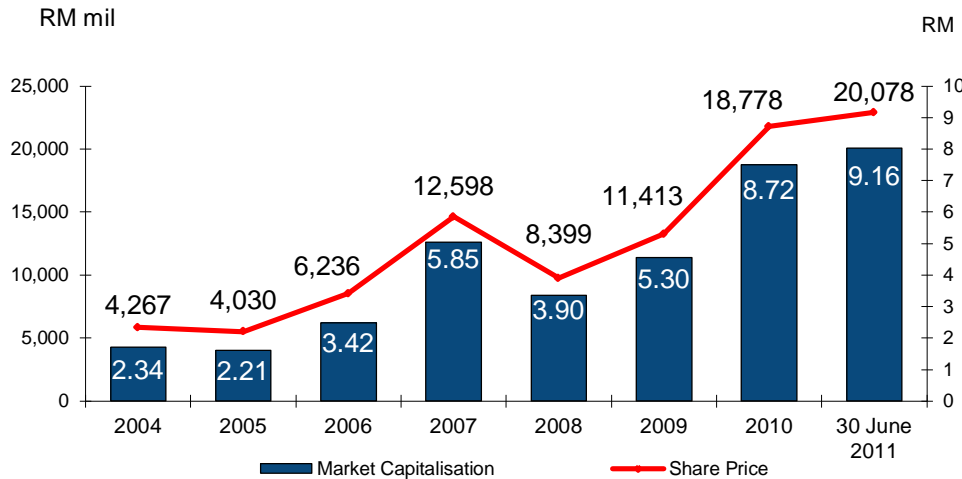
After adjusting for RM113 mil deposits for the proposed acquisition of Bank Mestika, which will eventually be funded by Rights Issue
[^] After adjusting for # above and cash and short term funds of RM300 mil holding to fund the maturity of borrowings due in Jan 2011



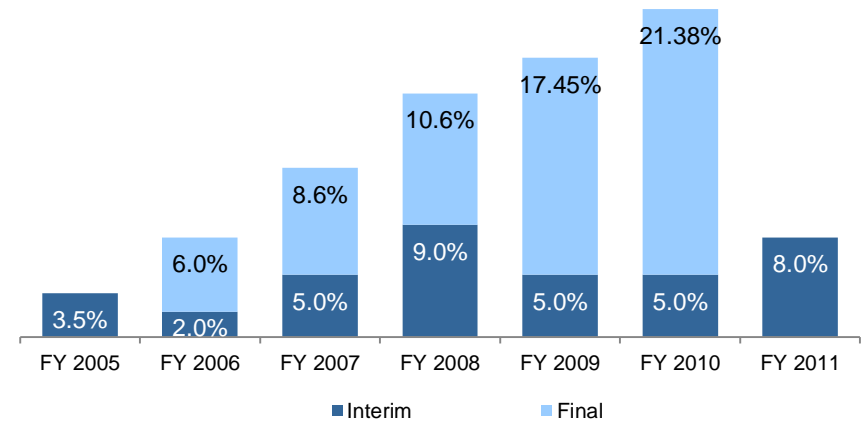
Return to Shareholders

Building value for the shareholders

Market Capitalisation and Share Price Trend



Dividend Trend - 2005 to 2011



Total Shareholders' Return

	RHB Total Shareholders' Return			Bursa Malaysia KLCI Finance Index Return		
	June 2009	June 2010	June 2011	June 2009	June 2010	June 2011
3 years	61%	31%	131%	15%	9%	70%
5 years	140%	206%	259%	28%	69%	101%
7 years	98%	285%	432%	45%	115%	123%

Dividend Payout Trend - 2005 to 2011

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total Dividends Paid (%)	3.5	8.0	13.6	19.6	22.45	26.38 ^{N1}	8.0
Total Payout Ratio (% of earnings)	15	24	30	30	30	30	17 ^{N2}

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%

N2: Based on YTD June 2011 results

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Since We Last Spoke

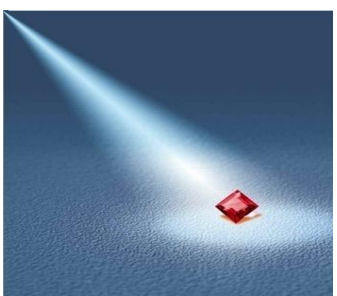
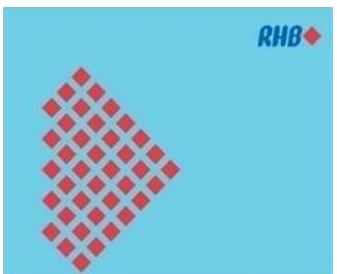
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To Sum Up

- 1 Satisfactory H1 2011 results - strong business fundamentals and growth momentum across all core areas with increased revenue, loans, deposits and improving asset quality;**
- 2 Loans and deposits growth continue to outperform industry;**
- 3 The Group continues to benefit from a disciplined execution of strategies and remained well positioned to expand market share in targeted business and product segment;**
- 4 Near term pressure on margins driven by higher intensity competition on deposits.**



End

