



1st Quarter 2012 Financial Results



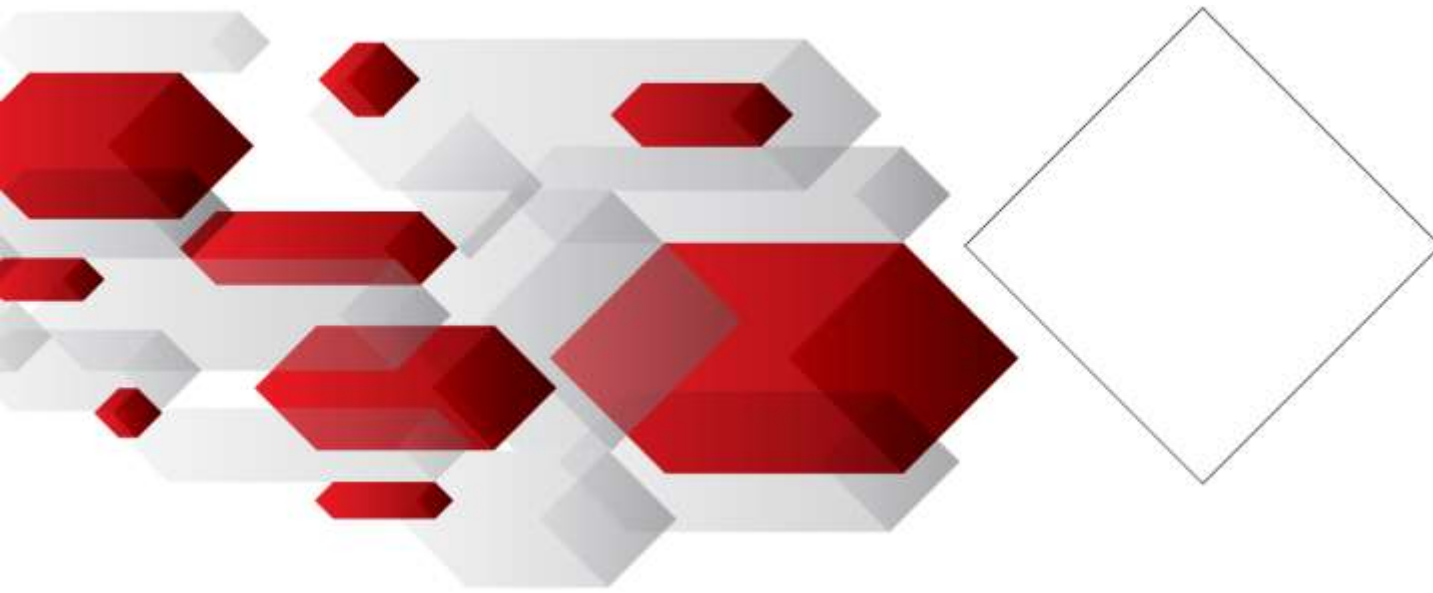
Mr. Kellee Kam
Group Managing Director
RHB Banking Group
28 May 2012

RHB 
RHB Capital Berhad



FORWARD LOOKING STATEMENTS

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AGENDA

- ◆ Key Corporate Updates
- ◆ 1st Quarter 2012 Financial Results
- ◆ Key Business Highlights
- ◆ To Sum Up

1

Proposed Merger with OSK Investment Bank

- ◆ Obtained approval from MOF through BNM on 27 April 2012
- ◆ Signed CSPA today
- ◆ Target to complete by 4th quarter 2012

2

Proposed Acquisition of Bank Mestika

- ◆ Approval from Bursa Securities on Proposed Rights Issue lapsed on 19 April 2012
- ◆ Resubmission to be made upon obtaining necessary regulatory approvals for the proposed acquisition

3

Capital/Liquidity Management

- ◆ RHB Bank issued:
 - 10 non-call 5 years 4.3% p.a. RM750 mil sub-notes under the RM3 bil MCMTN on 7 May 2012. Rated AA3 by RAM
 - USD300 mil senior notes under the USD500 mil EMTN on 11 May 2012. Rated A3 by Moody's and BBB+ by S&P
 - Proceeds to be utilised for general working capital for RHB Bank and its subsidiaries

4

Board and Management

- ◆ Appointment of Datuk Wira Jalilah Baba as Independent and Non-Executive Director of RHB Capital effective 1 May 2012

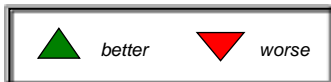
5

Awards

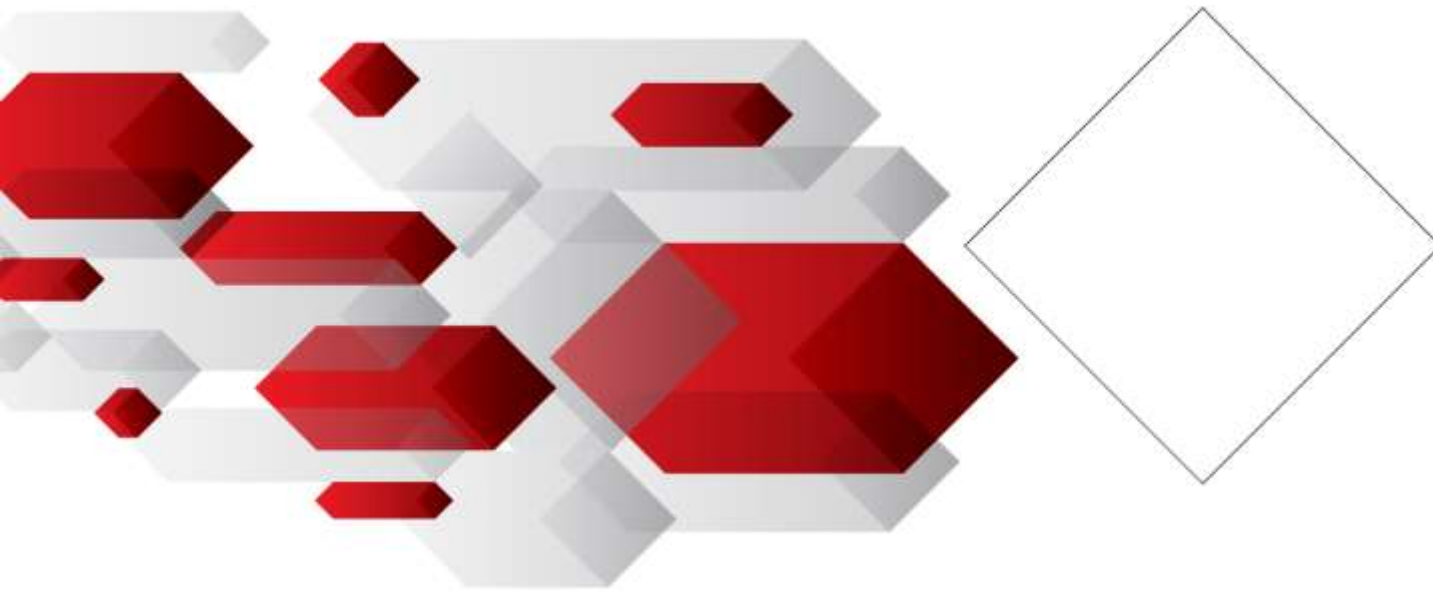
- ◆ RHB Now - Best Security Initiative category by Asian Banking & Financial Retail Banking Awards 2011
- ◆ RHB Investment Management - One of the most Astute Investors in the Asian Currency Bonds for 2011 by The Asset Benchmark Research
- ◆ Highest Payment Volume growth for Debit and Platinum Credit Card by Visa Award 2011

RHB Banking Group Scorecard 2012

Top level indicators	Target 2012	Q1 2012	Achievement
ROE	>14.0%	14.7% ^{N1}	
ROA	1.2%	1.1% ^{N1}	
Gross Impaired Loans Ratio	3.0%	3.6%	
Loans Growth	>12%	-2.0% ^{N2}	
Deposits Growth	>12%	1.2% ^{N2}	
Cost to Income Ratio	<44%	45.2%	
International Contribution	10%	5%	



N1: Annualised
N2: Changes for Q1 2012, not annualised



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Key Take-Aways Q1 2012 Results

Q1 2012 Results

- ◆ Pre-provisioning operating profit at RM630 mil, up 4% y-o-y
- ◆ PBT was 5% lower at RM581 mil and net profit down by 5% to RM436 mil, mainly due to restatement of MFRS 139 for Q1 2011 results. Excluding this, Q1 2012 PBT up 14% and net profit up 14% y-o-y
- ◆ Strong growth in capital market income
- ◆ Annualised ROE at 14.7% and ROA at 1.1%

Business Performance Y-o-Y

- ◆ Good pre-provisioning operating profit shown in Retail, Treasury and Islamic Banking segment, partly negated by lower CIB, Business Banking and Global Financial Banking segment
- ◆ Gross loans declined by 2% to RM96 bil due to major corporate repayments. Excluding this, gross loans grew by 1%, mainly from Retail and Islamic Banking
- ◆ Customers' deposits grew by 1% to RM117 bil

Asset Quality

- ◆ Loan loss and provisioning up to RM45 mil from a net write back of RM3 mil due mainly to the impact of first time adoption of MFRS 139
- ◆ Gross impaired loans lower by 2% to RM3.4 bil, with gross impaired loans ratio remained at 3.59% given a lower gross loan base

Capital

- ◆ Gearing and Double leverage ratio remained steady at 0.54 and 150% respectively
- ◆ Tier 1 and RWCR of RHB Bank remained healthy at 11.5% and 14.6%, lower than December 2011 position due mainly to increase in credit RWA for undrawn credit lines w.e.f. 1 January 2012

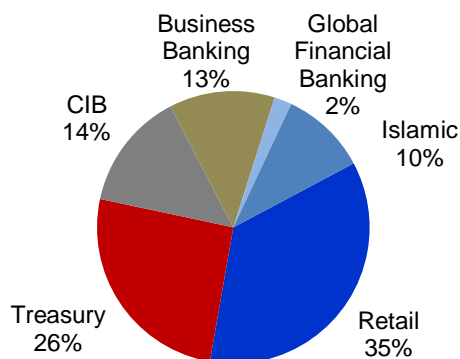
Liquidity & Funding

- ◆ LD ratio improved to 81.5% as at 31 March 2012
- ◆ RHB Bank issued RM750 mil sub-notes on 7 May 2012 under RM3 bil MCMTN Programme and raised USD300 mil senior notes on 11 May 2012 under USD500 mil EMTN Programme

RHB Financial Results

- ◆ Y-o-y, net interest income higher by 2% due to 12% increase in interest income, offset by 23% increase in interest expense.
- ◆ Higher other operating income mainly due to higher net FX gain, net gain on securities portfolio and MTM gain on derivatives for hedging, partly offset by lower brokerage and credit card income
- ◆ Higher Islamic Banking income due mainly to higher net funding income, higher fee income and net gain on securities portfolio
- ◆ Higher operating expenses due mainly to higher personnel costs and admin. and general costs
- ◆ Allowance for impairment on loans higher at RM45 mil from a net write back of RM3 mil due mainly to the impact of first time adoption of MFRS 139

Pre-tax Profit Contribution by Business Segment



N1: Q1 2011 and Q4 2011 has been restated to conform with the application of MFRS 139

N2: Annualised

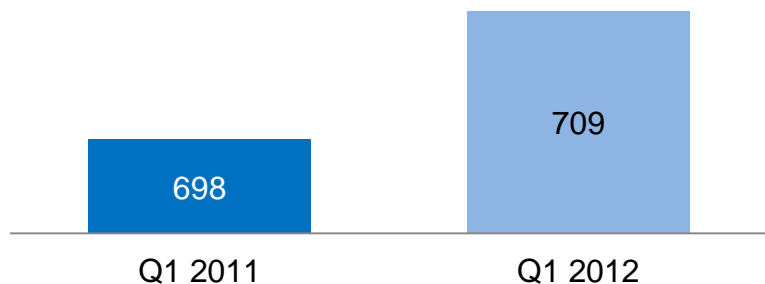
RM mil	Q1 2012	Q1 2011 ^{N1}	Y-o-Y Change %	Q4 2011 ^{N1}	Q-o-Q Change %
Net Interest Income	709	698	2	725	-2
Other Operating Income	330	267	24	283	17
Income From Islamic Banking Business	111	89	25	151	-26
Total Income	1,150	1,054	9	1,159	-1
Other Operating Expenses	(520)	(449)	16	(507)	3
Operating Profit Before Allowances	630	605	4	652	-3
Allowance for Impairment on Loans, Financing and Other Losses	(45)	3	>-100	(17)	>100
Impairment Losses on Other Assets	(4)	3	>-100	(66)	-94
Profit Before Taxation	581	611	-5	569	2
Net Profit	436	458	-5	426	2
EPS (sen)	19.8	21.3	-7	19.3	3
Key Indicators (%)					
Cost to Income Ratio	45.2	42.6	2.6	43.8	1.4
ROE ^{N2}	14.7	18.0	-3.3	15.7	-1.0
ROA ^{N2}	1.1	1.4	-0.3	1.2	-0.1
Gross Impaired Loans Ratio	3.59	4.31	-0.72	3.59	-
Credit Charge Ratio ^{N2}	0.19	-0.01	0.20	0.07	0.12



Key Underlying Profit Drivers

Net Interest Income (2%)

RM mil

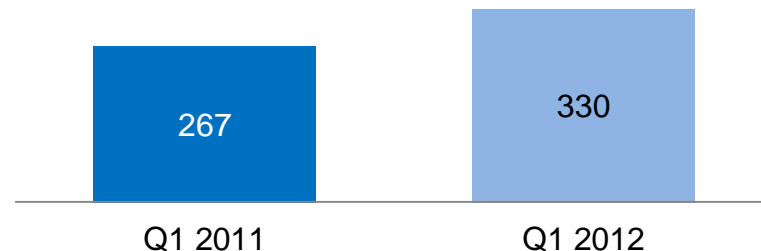


Net interest income higher by 2% driven mainly by higher interest from loans by 12% on the back of a y-o-y loans growth by 9%, offset by higher interest expense by 23% on the back of a 19% increase in customers deposits base

Net interest margin stabilised at 2.41% (Q4 2011:2.42%)

Other Operating Income (24%)

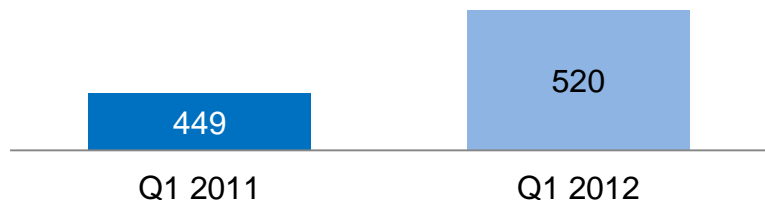
RM mil



Higher other operating income mainly due to higher net FX gain, net gain on securities portfolio and MTM gain on derivatives for hedging, partly offset by lower brokerage and credit card income

Other Operating Expenses (16%)

RM mil



Higher operating expenses due mainly to higher personnel costs and admin. and general costs

Allowance for Impairment on Loans, Financing and Other Losses (>-100%)

RM mil

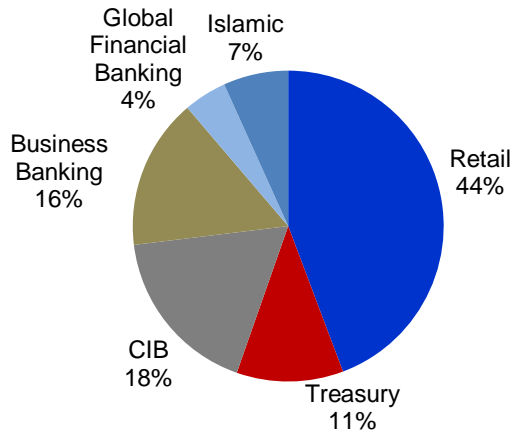


Allowance for impairment of loans higher at RM45 mil from a net write back of RM3 mil due mainly to the impact of first time adoption of MFRS 139

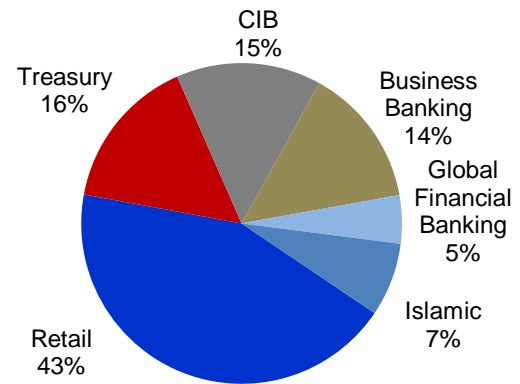


Contribution By Strategic Business Group

Revenue

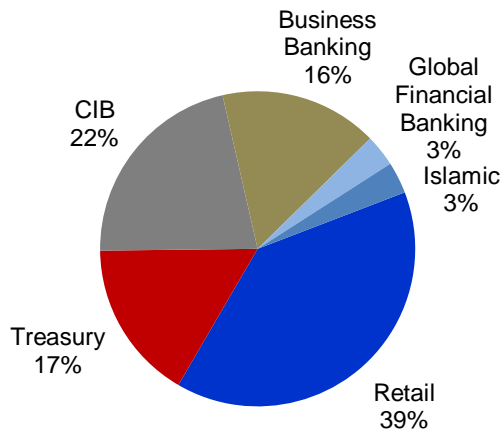


Q1 2011

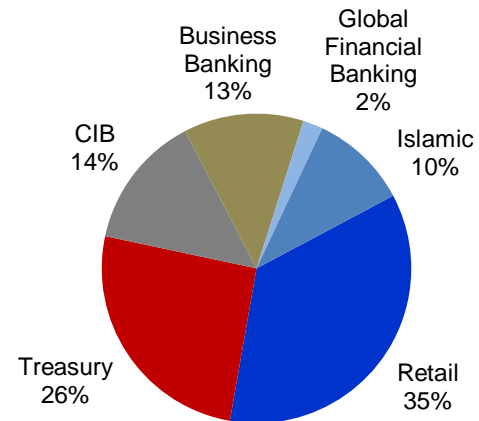


Q1 2012

Pre-tax Profit



Q1 2011



Q1 2012



Balance Sheet Stable

- ◆ Total assets increased by 1% to RM155 bil mainly due to higher securities portfolio, offset by a lower gross loan base by 2% to RM96 bil
- ◆ Financial assets HFT and HTM increased mainly due to increase in MGS and NID
- ◆ Customers deposits higher by 1% to RM117 bil
- ◆ Shareholders' fund crossed RM12 bil mark in March 2012, mainly due to retained earnings
- ◆ Net assets per share increased by 4% to RM5.46

RM mil	Mar 2012	Dec 2011 ^{N1}	Change %
Total Assets	154,829	152,628	1
Total Financial Assets/Investments	29,400	26,303	12
- Financial Assets HFT	2,248	1,502	50
- Financial Investments AFS	11,078	10,707	3
- Financial Investments HTM	16,074	14,094	14
Gross Loans	95,529	97,438	-2
Customers Deposits	117,284	115,861	1
Borrowings	3,551	3,603	-1
Sub-debts	3,560	3,516	1
Hybrid Tier-1 Capital Securities	597	601	-1
Shareholders' Funds	12,037	11,615	4
Net Assets per share	5.46	5.27	4

RHB Loans, Advances and Financing

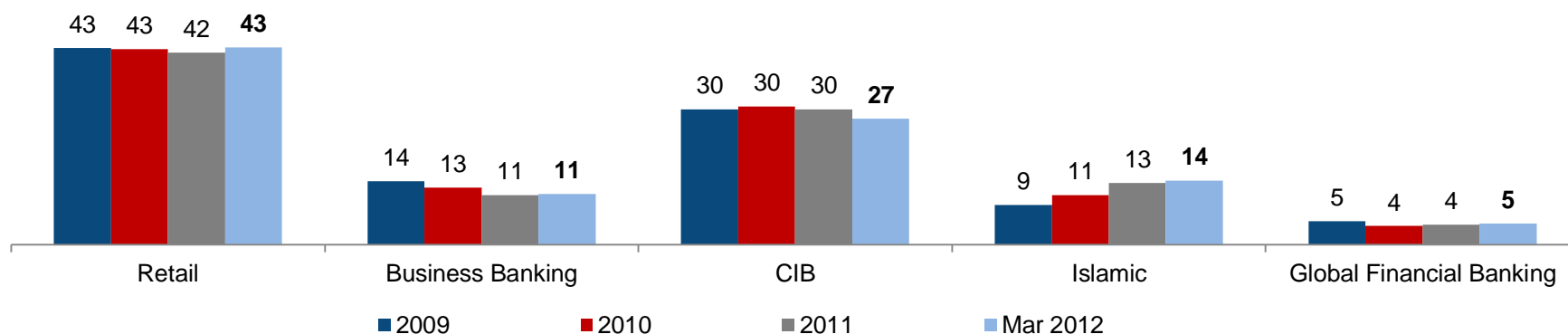
RM mil	Mar 2012	Dec 2011 ^{N1}	Mar 2011 ^{N1}	Q-o-Q Change %	Y-o-Y Change %
Working Capital	19,991	20,360	21,912	-2	-9
Purchase of Residential Property	20,817	20,604	19,527	1	7
Purchase of Non-Residential Property	5,202	5,282	4,876	-2	7
Purchase of PPE Other Than Land & Bldg	3,137	3,241	3,260	-3	-4
Personal Use	4,907	4,961	3,717	-1	32
Credit Card	1,804	1,783	1,636	1	10
Purchase of Transport Vehicles	11,390	11,743	10,036	-3	13
Purchase of Securities	7,638	6,983	5,267	9	45
Merger and Acquisition	2,144	4,200	2,522	-49	-15
Others	18,499	18,281	14,747	1	25
Gross Loans and Advances	95,529	97,438	87,500	-2	9
- SME	11,451	11,542	11,029	-1	4
- Individuals	43,931	43,148	38,965	2	13
- Corporate & others	40,147	42,748	37,506	-6	7

N1: Mar 2011 and Dec 2011 has been restated to conform with the application of MFRS 139

RHB Loans and Advances by SBG

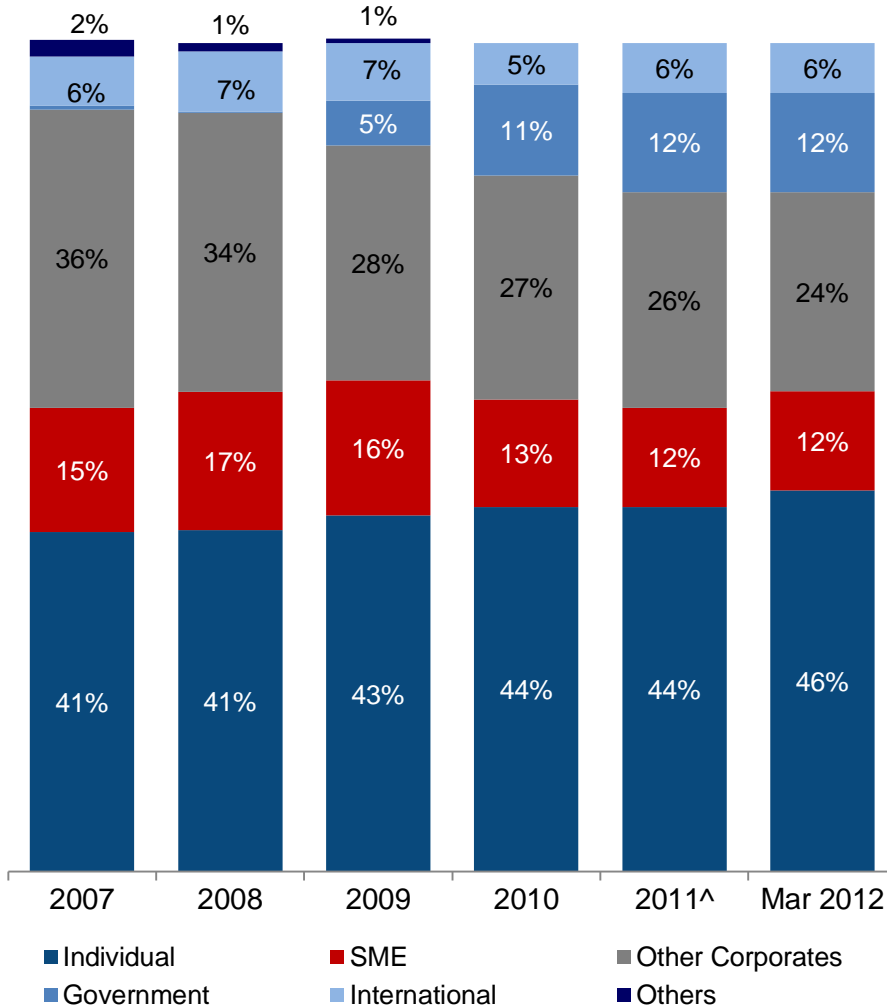
RM mil	Mar 2012	Dec 2011 ^{N1}	Mar 2011 ^{N1}	Q-o-Q Change %	Y-o-Y Change %
Retail	40,954	40,688	37,825	1	8
<i>of which: Easy</i>	3,894	3,323	2,030	17	92
Business Banking	10,611	10,519	10,392	1	2
CIB	26,210	28,788	25,996	-9	1
Islamic	13,373	13,060	9,612	2	39
Global Financial Banking	4,381	4,383	3,675	-	19
Total Loans and Advances	95,529	97,438	87,500	-2	9

Gross Loan Composition by SBG (%)



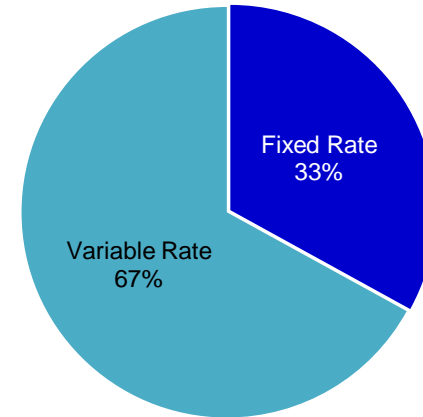
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Composition of Loan Book - by Type of Customer

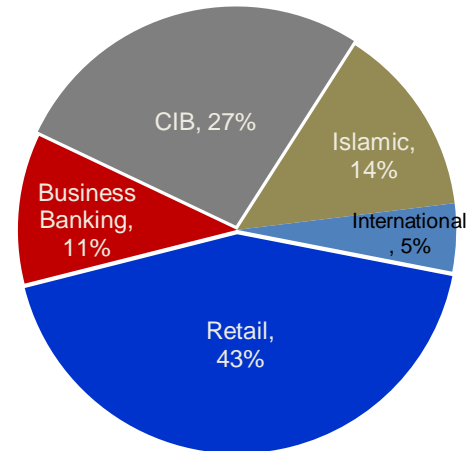


^ Restated to conform with the application of MFRS 139

Composition of Loan Book - by Interest/ Profit Rate Sensitivity



Composition of Loan Book - by Strategic Business Group



RHB Customers Deposits

Customers Deposits

RM mil	Mar 2012	Dec 2011	Mar 2011	Q-o-Q Change %	Y-o-Y Change %
Fixed Deposits	89,067	87,946	72,616	1	23
<i>of which: MMTD</i>	19,763	23,259	25,525	-15	-23
Demand Deposits	21,396	21,436	19,922	-	7
Savings Deposits	6,551	6,360	6,116	3	7
NIDs	270	119	247	>100	9
Total Deposits	117,284	115,861	98,901	1	19
LD Ratio (%)	81	84	88	-3	-7
CASA (incl. MMTD) (%)	24	24	26	-	-2
CASA (excl. MMTD) (%)	29	30	35	-1	-6

Domestic Market Share

	Mar 2012	Dec 2011	Mar 2011
Demand Deposits	9.1%	9.1%	9.6%
Savings Deposits	5.4%	5.3%	5.5%
Fixed Deposits	11.4%	10.9%	8.5%
Total Domestic Deposits	8.3%	8.5%	8.0%

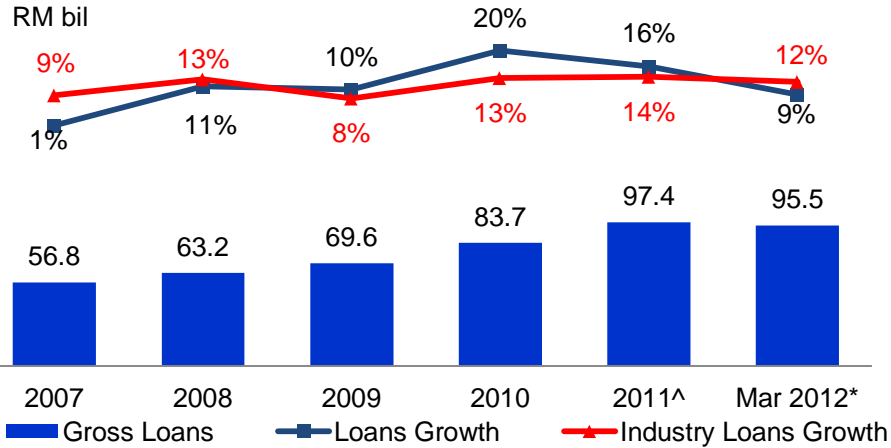
Customers Deposits : Composition



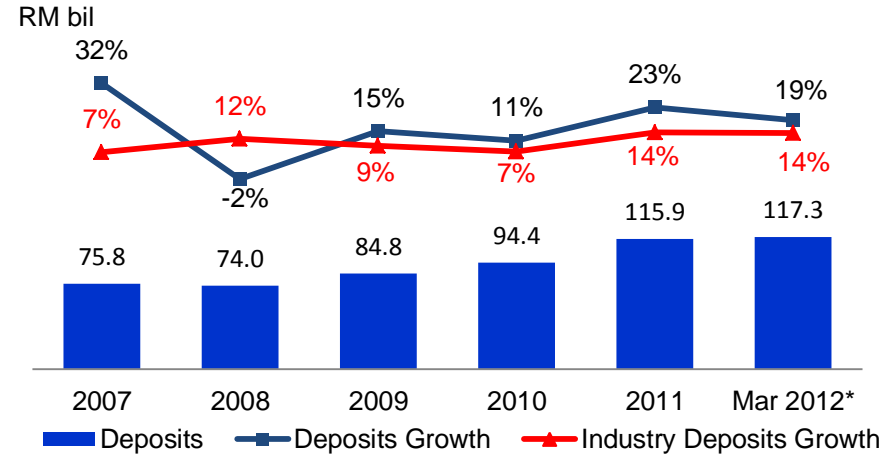
MMTD: Money Market Time Deposits
NIDs: Negotiable Instruments of Deposits

RHB Loans and Deposits

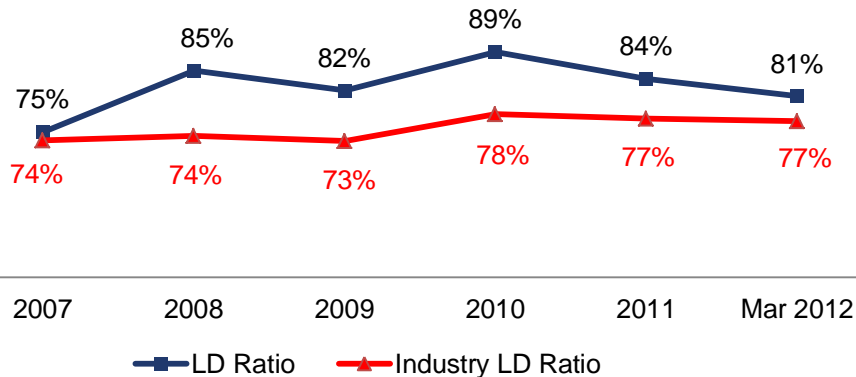
Loans



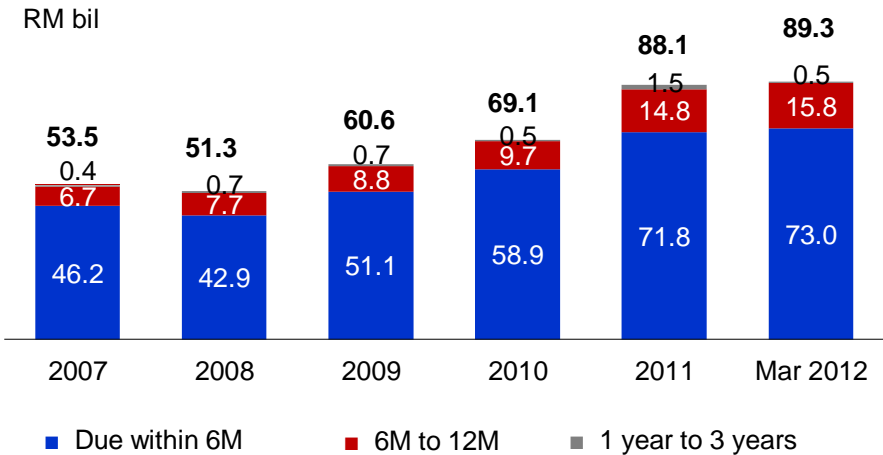
Customers Deposits



LD Ratio



FD Maturity Structure



^ Restated to conform with the application of MFRS 139

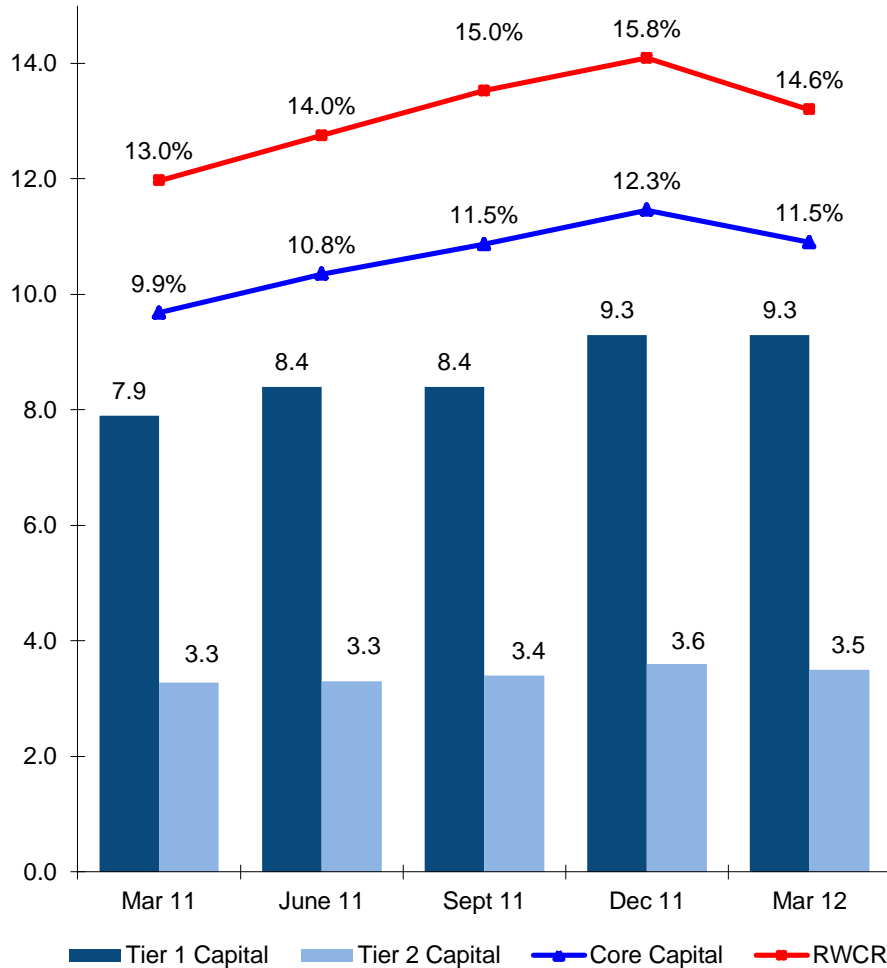
* Y-o-Y growth rate



Capital Position (1/2)

RHB Bank

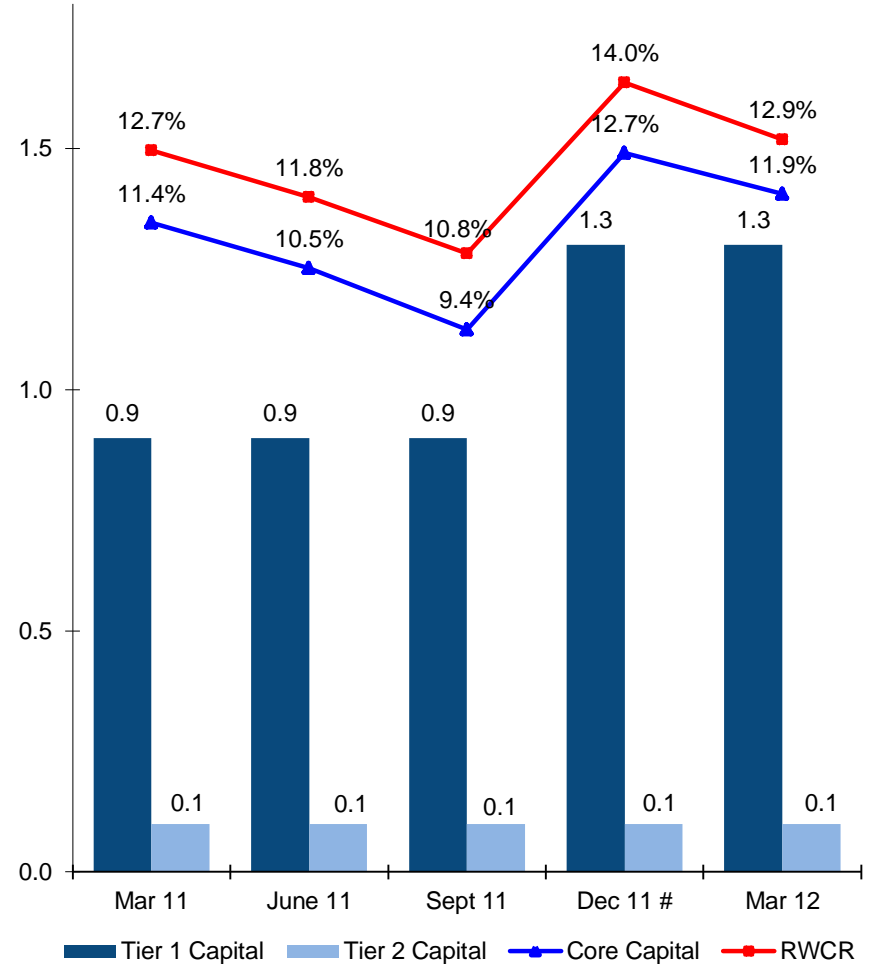
RM bil



Note: Core capital and RWCR ratios are after proposed dividend

RHB Islamic Bank

RM bil

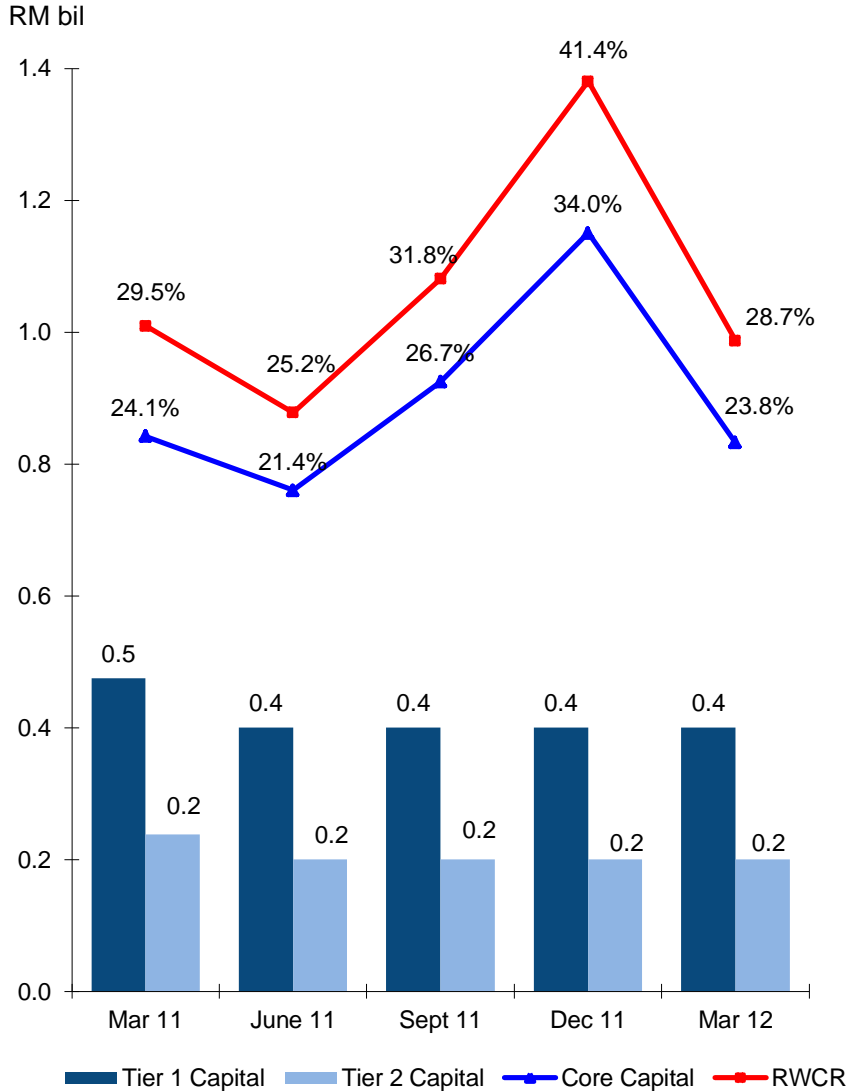


Injection of RM250 mil equity capital in Nov 2011

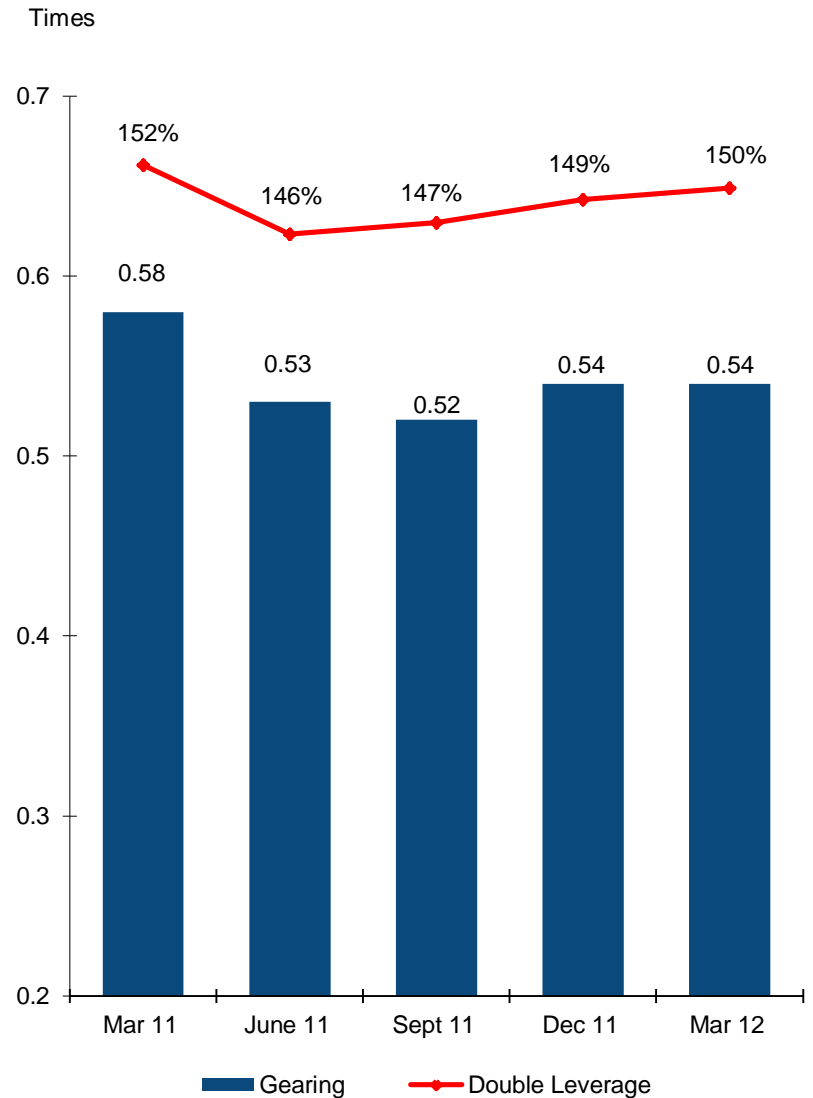


Capital Position (2/2)

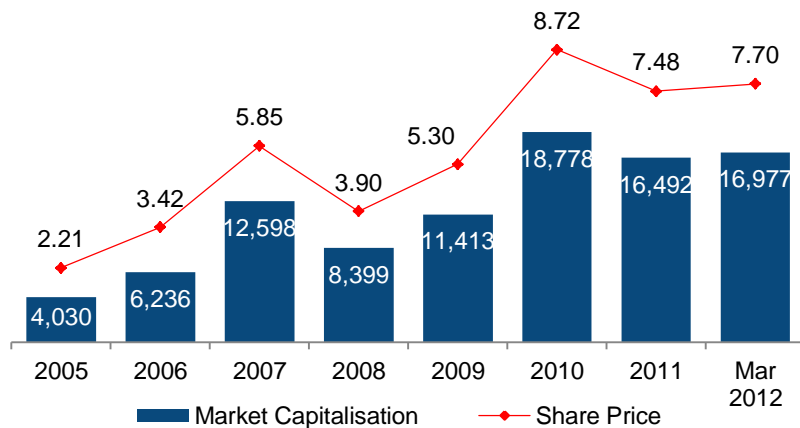
RHB Investment Bank



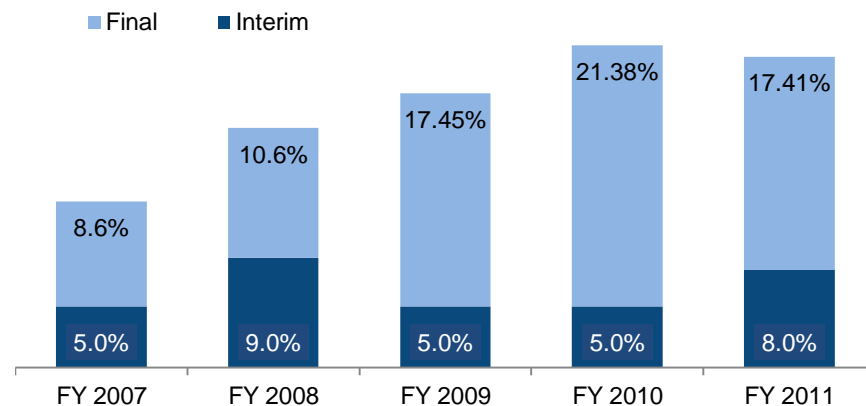
RHB Capital



Market Capitalisation and Share Price Trend



Dividend Trend - 2007 to 2011

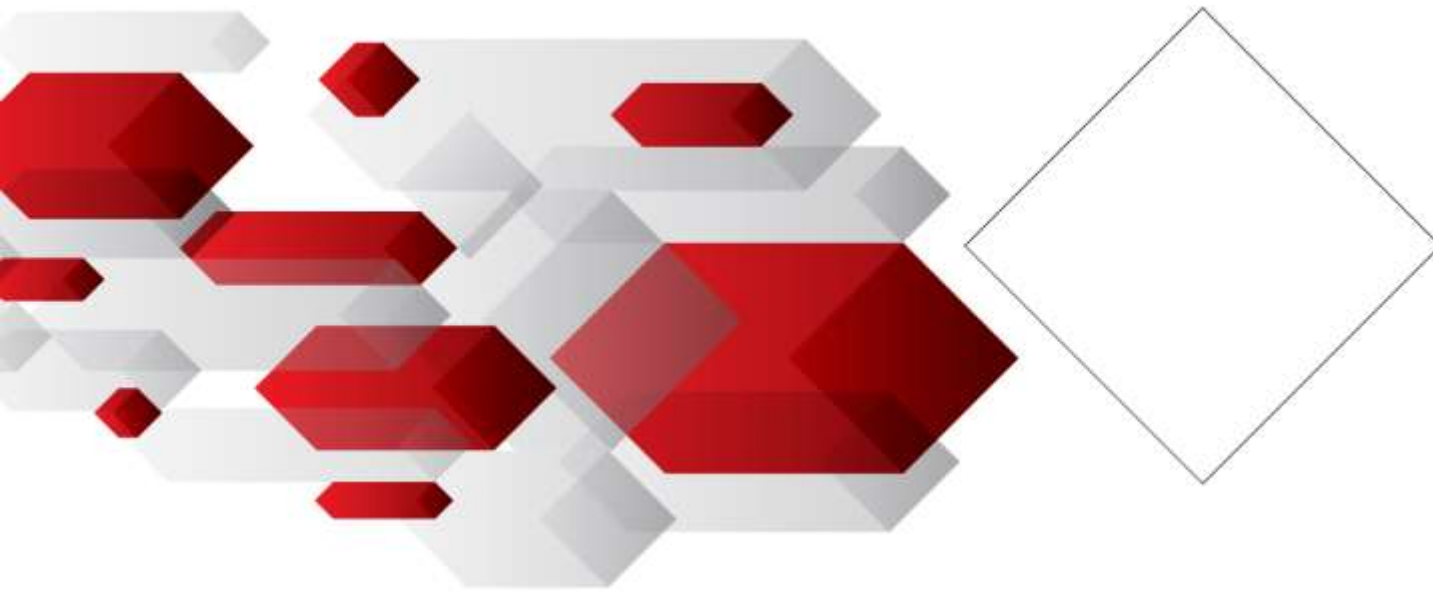


Total Shareholders' Return

	RHB Total Shareholders' Return			Bursa Malaysia Finance Index Return		
	Mar 10	Mar 11	Mar 12	Mar 10	Mar 11	Mar 12
1 year	64%	56%	-8%	86%	22%	7%
3 years	27%	95%	136%	23%	58%	144%
5 years	168%	292%	83%	90%	114%	61%
7 years	383%	334%	286%	207%	131%	150%

Dividend Payout Trend - 2007 to 2011

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Total Dividends Paid	13.6%	19.6%	22.45%	26.38%	25.41%
Total Payout Ratio (% of earnings)	30%	30%	30%	30%	30%



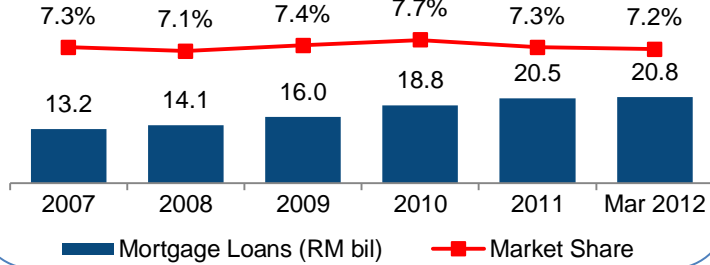
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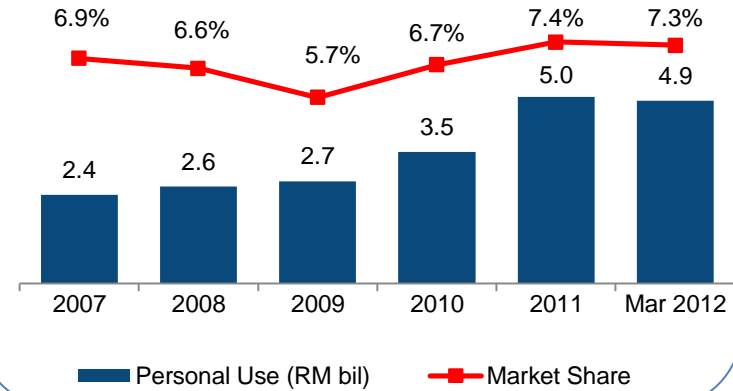


Retail Business Performance

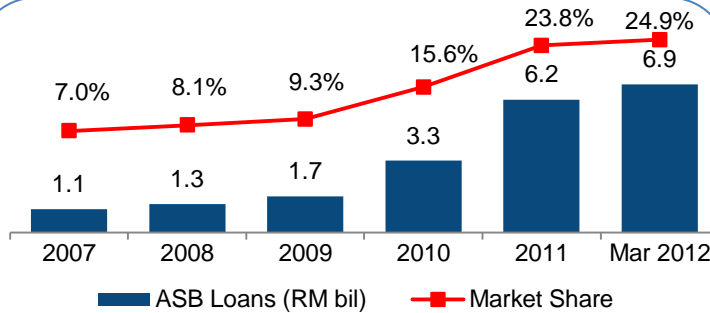
Mortgage



Personal Use

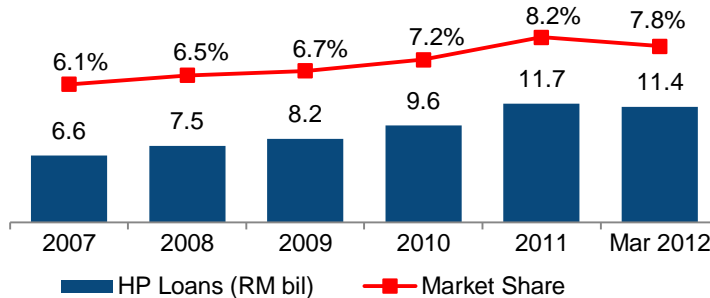


ASB

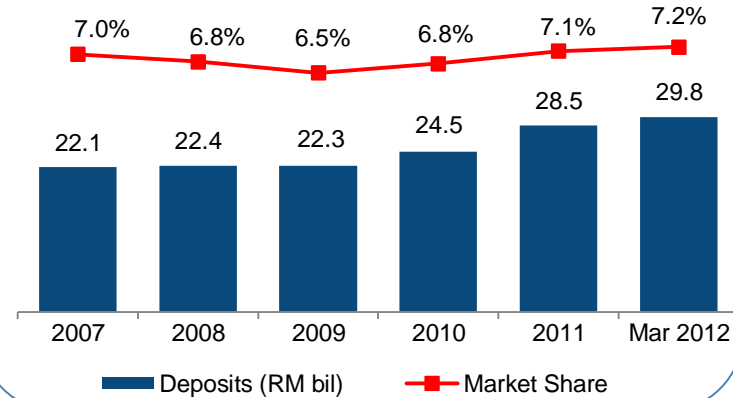


ASB: Amanah Saham Bumiputra

Auto Finance

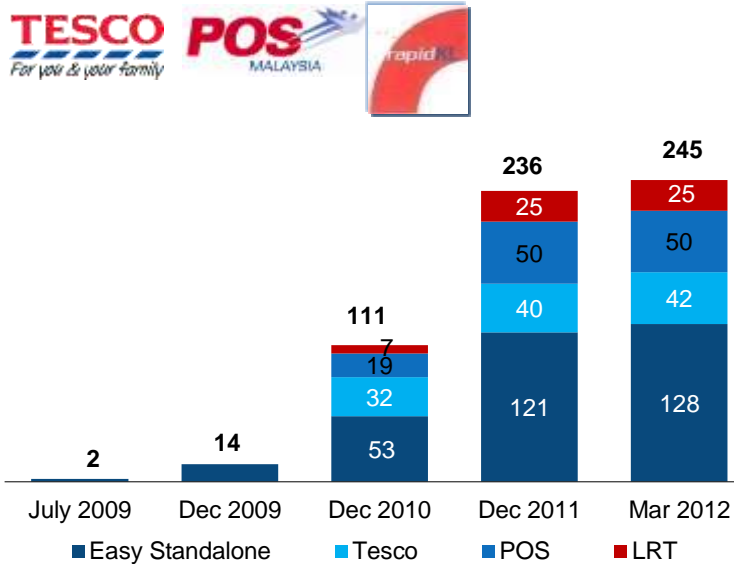


Retail Deposits

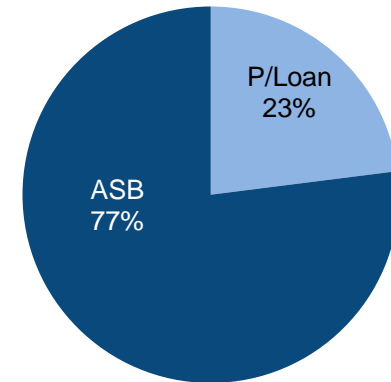




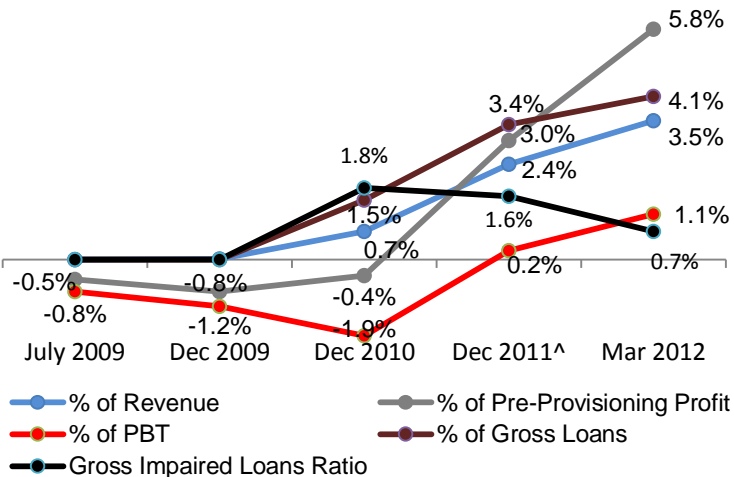
Number of Outlets



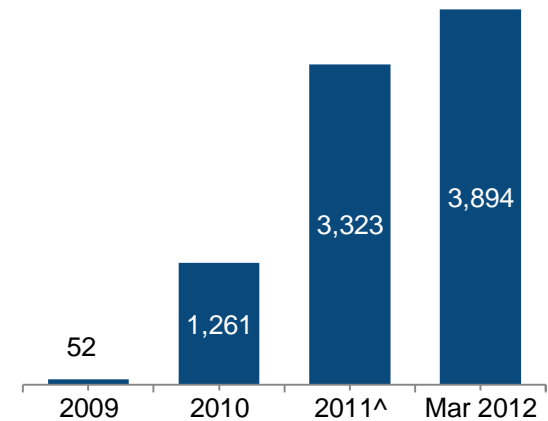
Asset Composition - Mar 2012



Financial Performance



Gross Loans (RM mil)

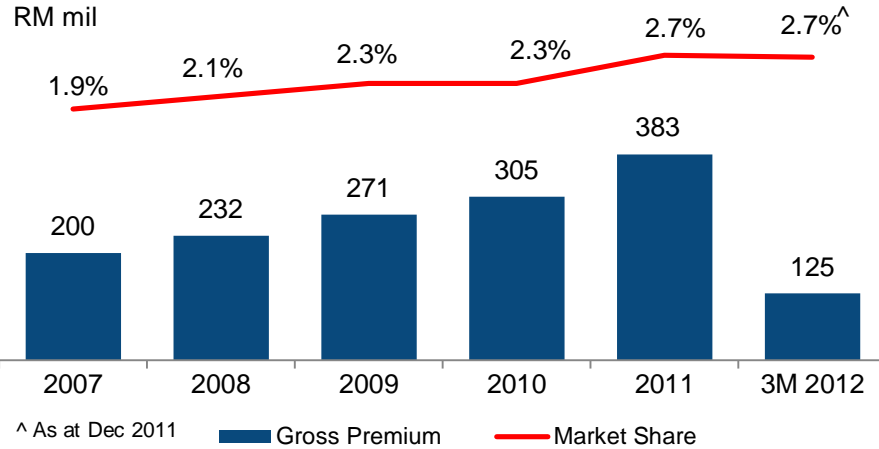


[^] Restated to conform with the application of MFRS 139

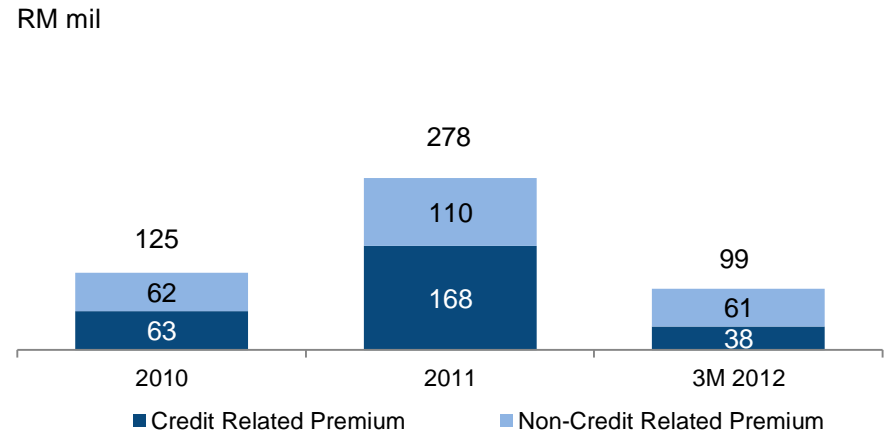


Insurance Business Performance

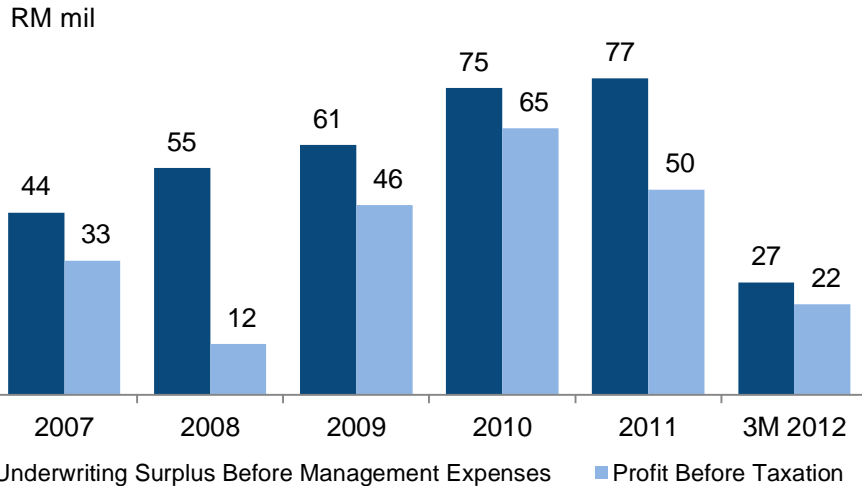
General Insurance - Gross Premium



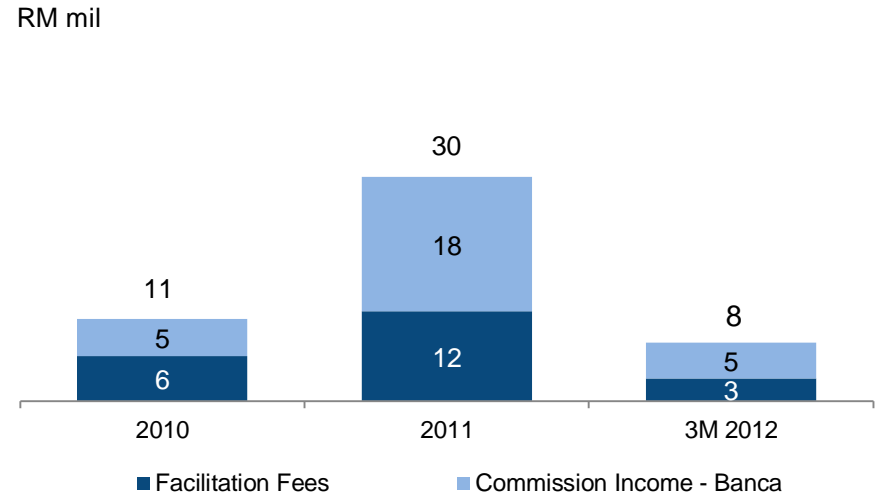
Bancassurance - Gross Premium



General Insurance - Financial Performance



Bancassurance - Fee Income



RHB Domestic Market Share - CIB

	YTD Mar 2012		FY 2011		FY 2010		FY 2009	
	Market Share	Rank	Market Share	Rank	Market Share	Rank	Market Share	Rank
Mergers & Acquisitions	8.1%	4 th	16.3%	3 rd	58.8%	1 st	9.0%	3 rd
Equities [^]	nil	nil	6.8%	4 th	7.7%	3 rd	8.9%	3 rd
Debt Capital Market*	14.2%	4 th	9.7%	4 th	9.9%	3 rd #	13.2%	3 rd
Broking (By Value)	5.9%	6 th	8.0%	2 nd	6.6%	5 th	5.9%	8 th

[^] IPOs, Rights Issues & Additional Offerings

Source: Thomson Reuters

Source : Bloomberg, Thomson Reuters & Bursa Malaysia

* Primary Bond Offerings

Major Mandates FY 2012



Dana Infra Nasional Berhad

RM8bn- Government- Guaranteed Sukuk Programme
Joint Lead Arranger/Manager



Dijaya Corporation Berhad

RM1.1bn - Amalgamation of Lands and Properties into Dijaya Corporation Berhad
Joint Principal Adviser



PLUS Berhad

RM 23.35bn- Sukuk Programme
RM 11bn - Government-Guaranteed Sukuk Programme
Joint Lead Manager

RM590mn - Rights Issue
Joint Principal Adviser

RM500mn - Bank-Guaranteed CP / MTN Programme
Sole Financial Adviser, Joint Lead Arranger & Joint Lead Manager



Tanjung Bin Energy Issuer Sdn Bhd

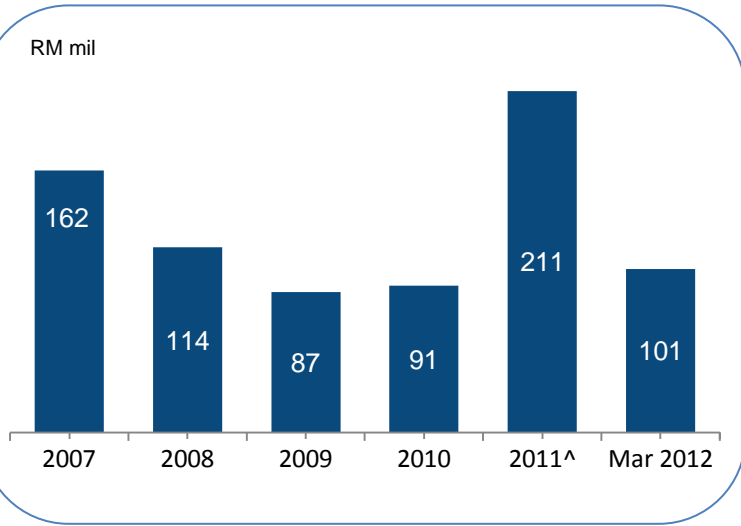
RM1.99bn - Syndicated Term Loan Facility
Mandated Lead Arranger
RM3.29bn – Sukuk Programme
Joint Lead Manager



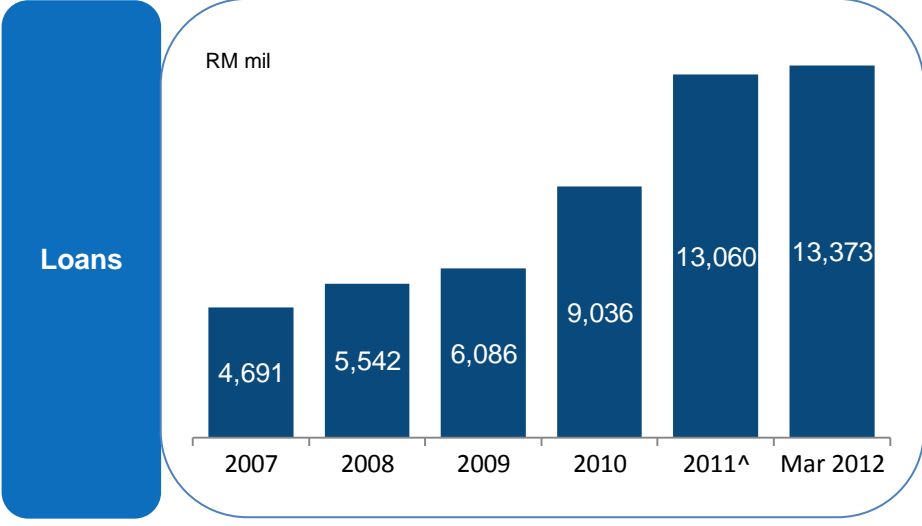
Islamic Business Performance

Benefited from Refinement of Islamic Banking Model

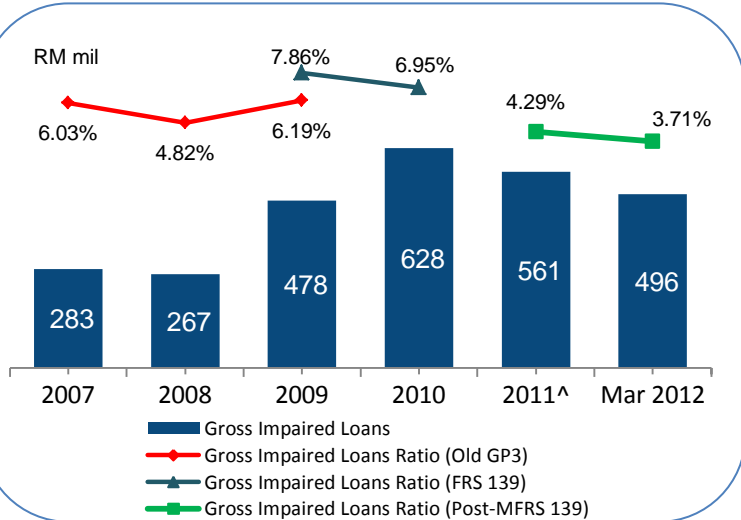
PBT



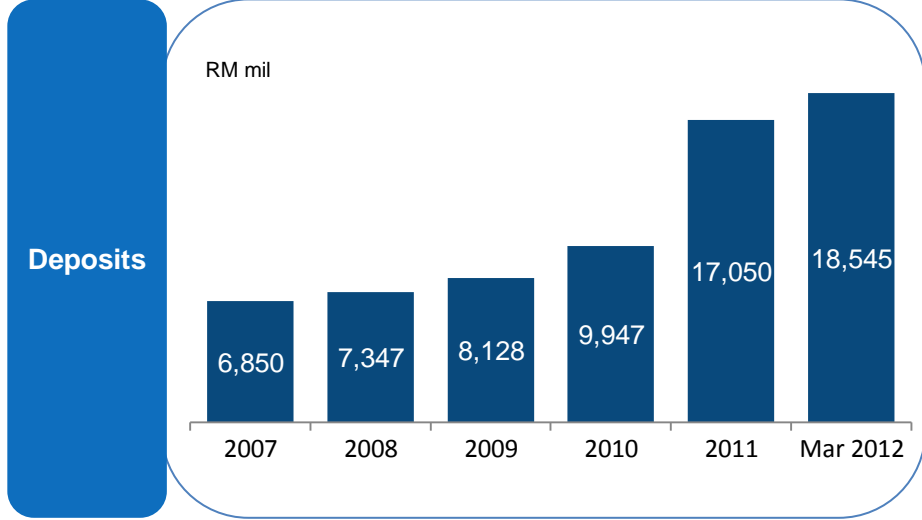
Loans



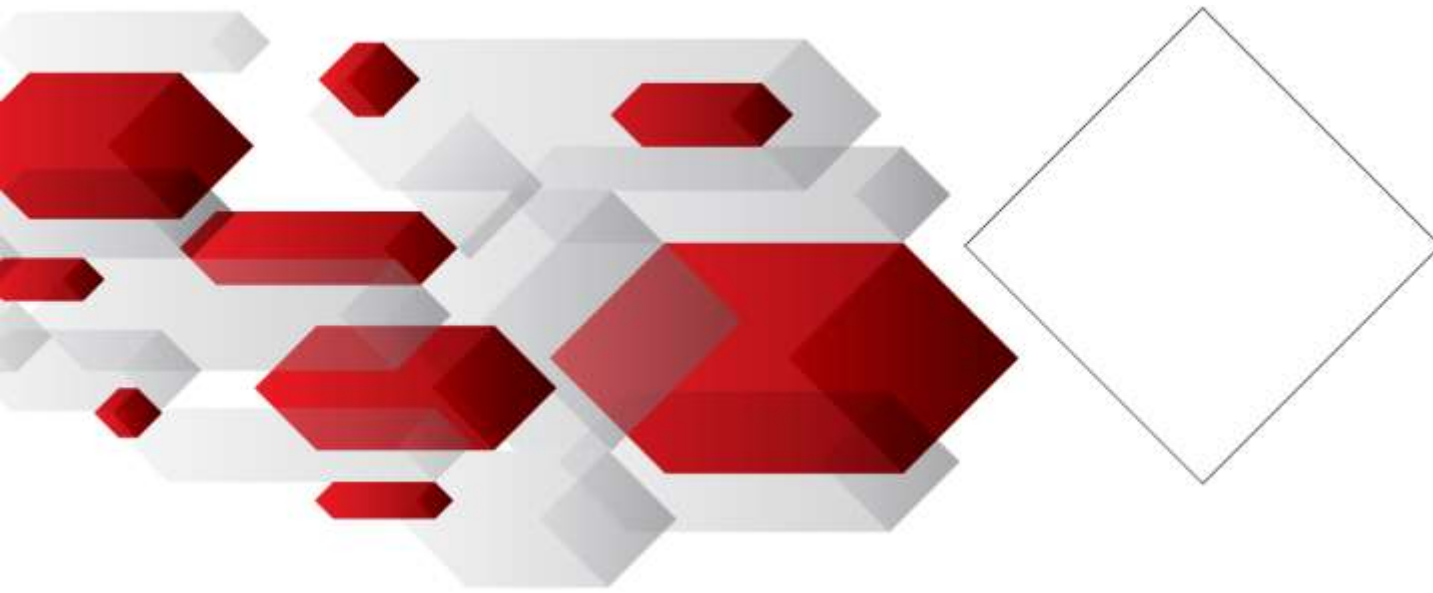
Gross Impaired Loans



Deposits



[^] 2011 has been restated to conform with the application of MFRS 139



AGENDA

- ◆ Key Corporate Updates
- ◆ 1st Quarter 2012 Financial Results
- ◆ Key Business Highlights
- ◆ To Sum Up

- 1** Cautious start to the year:
 - ◆ Optimistic that will achieve stated targets driven by healthy loan pipeline and conducive domestic economic environment
 - ◆ However wary of threats of slowing global economy and Eurozone spillover

- 2** Complete acquisition and drive integration of:
 - ◆ OSKIB
 - ◆ Bank Mestika

- 3** Continue focus on delivering against stated strategies and also on:
 - ◆ Funding mix
 - ◆ Cost optimisation
 - ◆ Asset quality

- 4** ... and keep eyes on:
 - ◆ Impending Basel III capital and liquidity requirements

END

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