

Investor Presentation

1st Quarter 2013 Financial Results

Mr. Kellee Kam
Group Managing Director
RHB Banking Group
29 May 2013





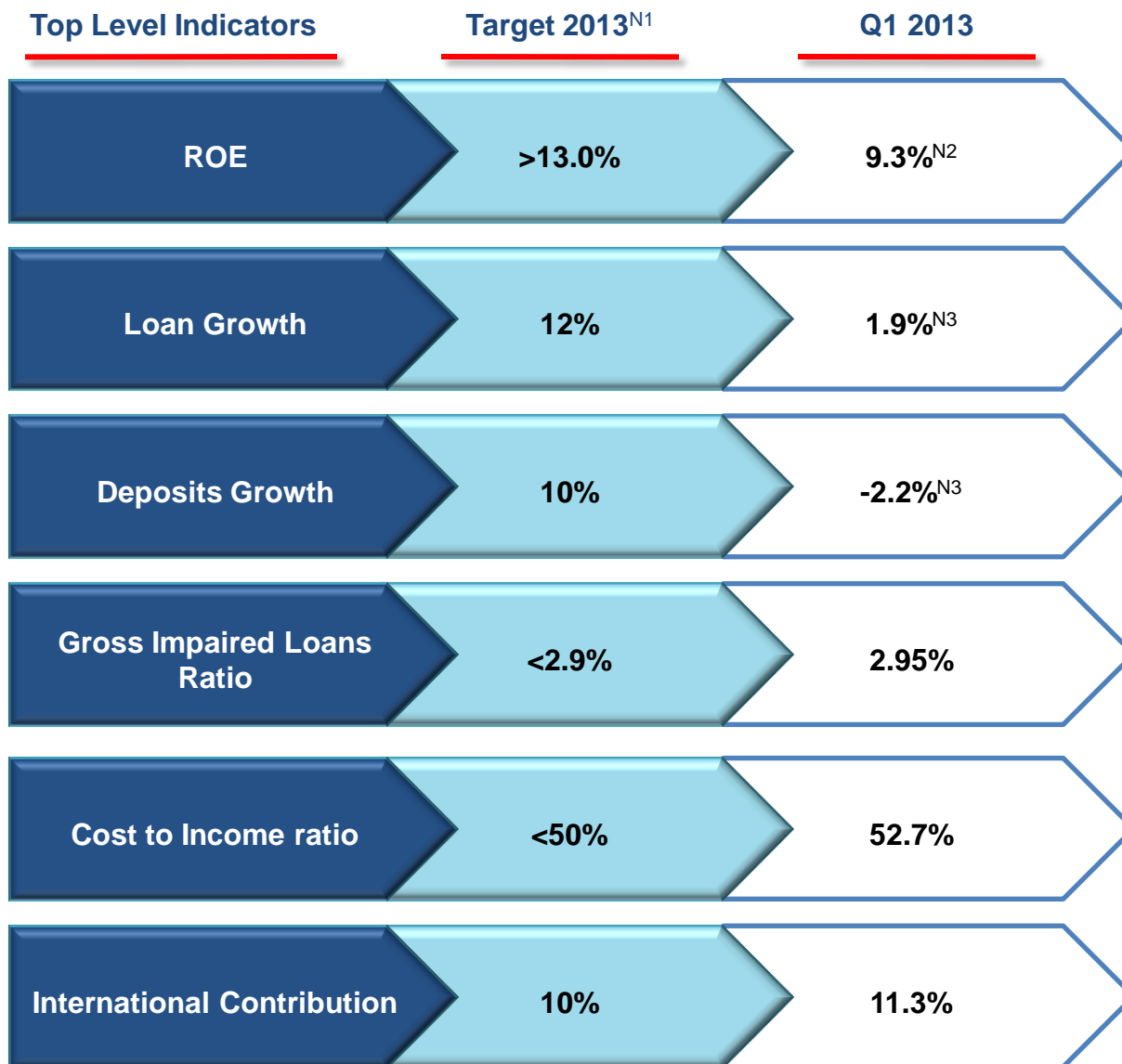
AGENDA

- ◆ **Executive Summary**
- ◆ **1st Quarter 2013 Financial Results**
- ◆ **Integration Updates**
- ◆ **Summary**

Executive Summary

- ◆ Revenue increased by 18.5% y-o-y to RM1.4 billion, driven by top-line gains and the consolidation of OSK Investment Bank results
- ◆ Non-interest income to total income ratio at 33.0%, maintaining the momentum of Q4 2012
- ◆ Operating profit before allowances up 2.2% to RM644.5 million y-o-y
- ◆ Pre-tax profit at RM494.3 million, down 14.9%, due mainly to higher loan impairment losses y-o-y
- ◆ Gross loans up 1.9% q-o-q and 18.9% y-o-y
- ◆ Total deposits down 2.2% q-o-q, however CASA recorded an increase of 2.2% q-o-q and 7.7% y-o-y
- ◆ Earnings per share at 14.3 sen on enlarged share-base
- ◆ Annualised ROE and ROA at 9.3% and 0.8% respectively

RHB Banking Group Scorecard 2013



N1: Target for 2013 is without Bank Mestika

N2: Annualised

N3: Changes for Q1 2013, not annualised



AGENDA

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- ◆ Summary

Financial Results

RM mil	Q1 2013	Q1 2012	Y-o-Y Change %	Q4 2012	Q-o-Q Change %
Net Interest Income	779	709	10	774	1
Other Operating Income	450	330	36	452	-
Income from Islamic Banking Business	134	111	21	140	-4
Total Income	1,363	1,150	18	1,366	-
Other Operating Expenses	(718)	(520)	38	(717)	-
Operating Profit Before Allowances	645	630	2	649	-1
Allowances for Loan Impairment	(155)	(45)	>100	(97)	60
Impairment Losses on Other Assets	4	(4)	>-100	8	-50
Profit Before Taxation	494	581	-15	560	-12
Net Profit	357	436	-18	408	-13
EPS (sen)	14.3	19.8	-28	17.1	-16
Key Financial Indicators (%)					
Cost to Income Ratio	52.7	45.2	7.5	52.5	0.2
ROE ^{N1}	9.3	14.7	-5.4	13.4	-4.1
ROA ^{N1}	0.8	1.1	-0.3	1.0	-0.2
Gross Impaired Loans Ratio	2.95	3.59	-0.64	2.99	-0.04
Credit Charge Ratio ^{N1}	0.55	0.19	0.36	0.35	0.20

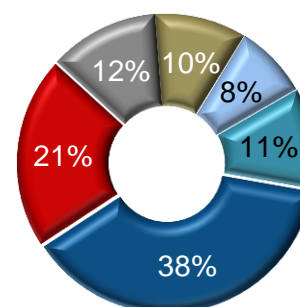
On a y-o-y basis:

- Operating profit up despite lackluster business environment
- PBT down, impacted principally by a one-off impaired account and higher CA due partially to loan growth
- Non-interest income up 36% to RM450 mil
 - Fee income doubled with OSKIB on board, notwithstanding a weaker capital market environment
 - Higher forex gains by 36% to RM93.1 mil
- Other operating expenses increased, reflecting mainly full-period impact of OSKIB and higher headcount

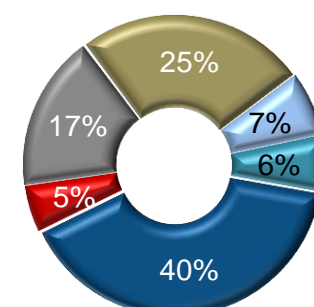
On a q-o-q basis:

- PBT down mainly due to one-off loan impairment
- Costs remain stable with broadly neutral cost income jaws

Revenue by SBG



PBT by SBG

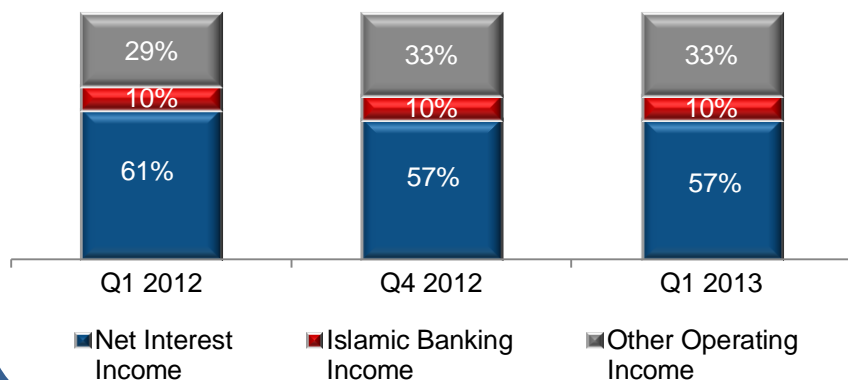


■ Retail
 ■ Business Banking
 ■ Islamic
 ■ CIB
 ■ Treasury
 ■ Global Financial Banking

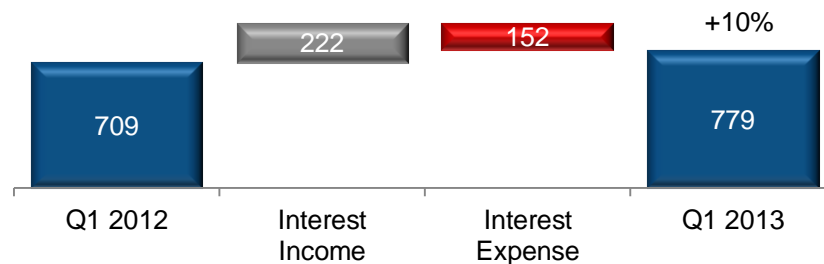
N1: Annualised

Total Income

Total Income Mix

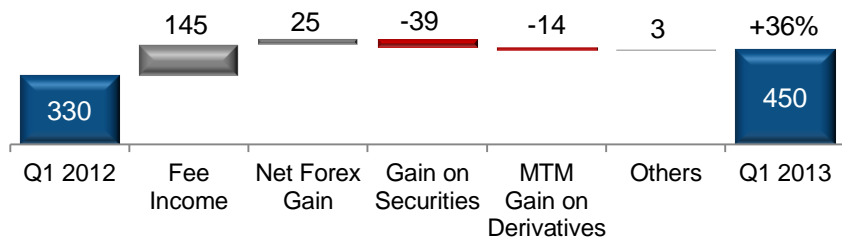


Net Interest Income (RM mil)



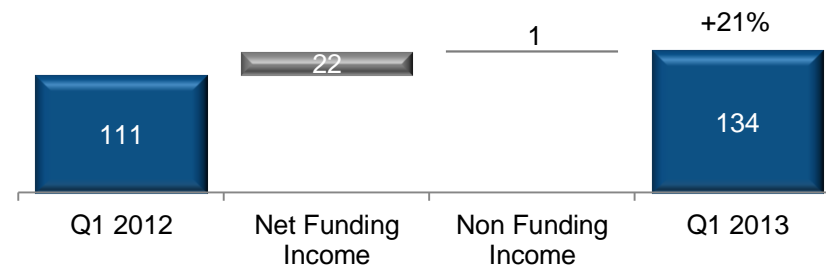
- ◆ Net interest income higher reflecting higher average lending and deposit balances as the Group continues its growth momentum in priority markets
- ◆ y-o-y loans growth of 19% and customer deposits growth of 15%
- ◆ NIM stabilised at 2.34% q-o-q (Q4 2012: 2.35%)

Other Operating Income (RM mil)



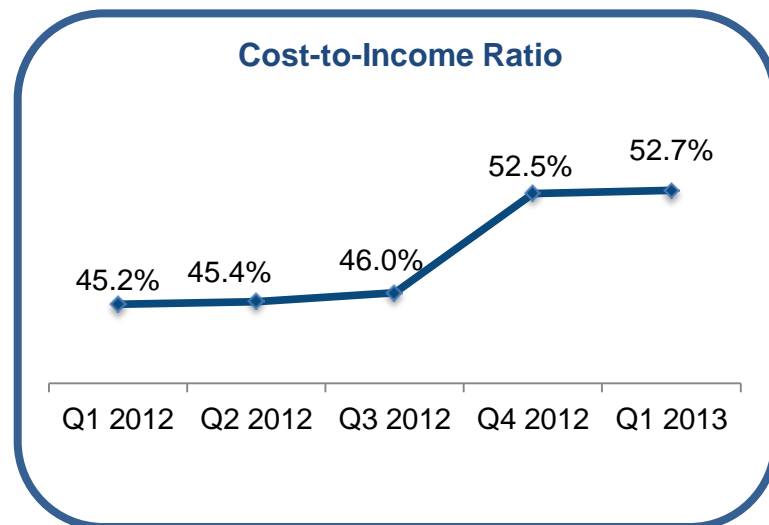
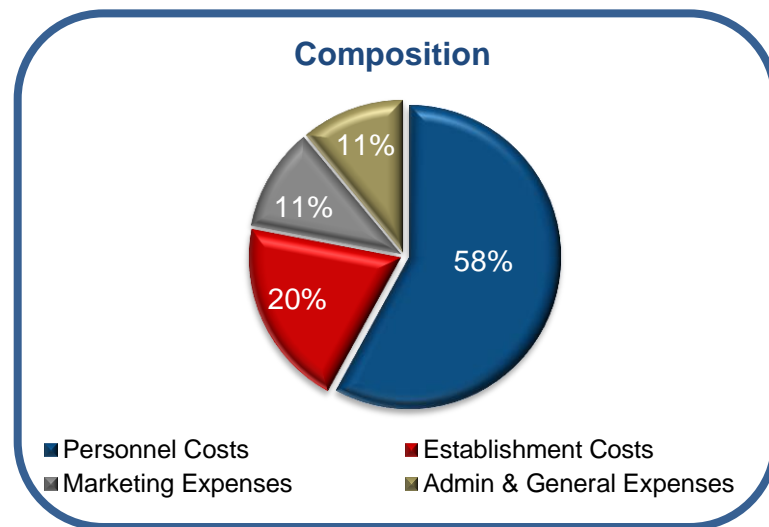
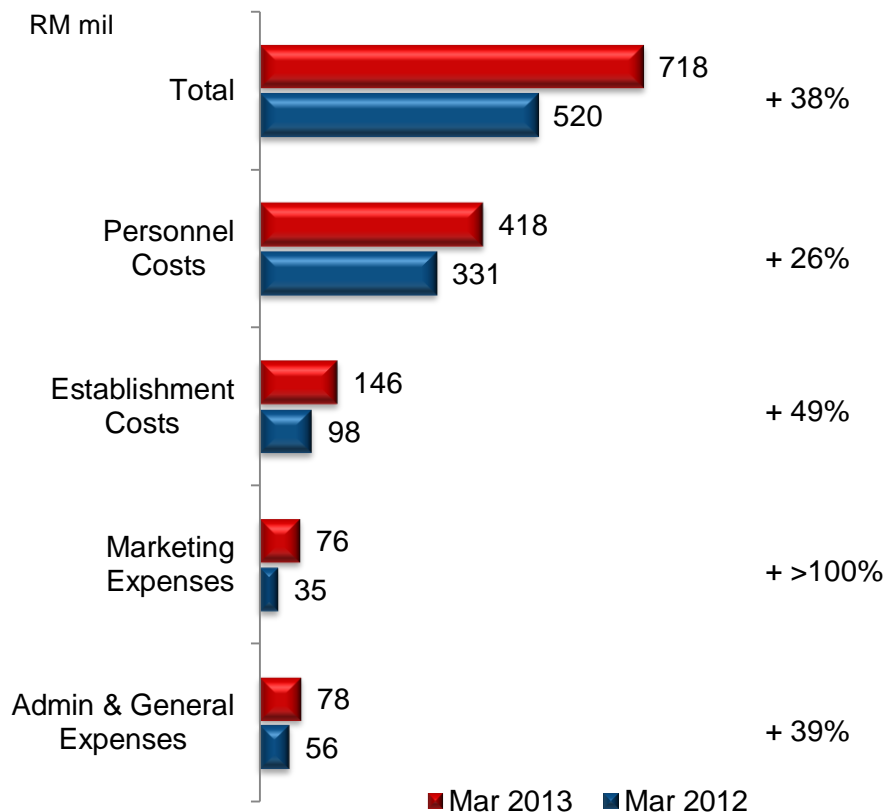
- ◆ Higher fee income driven by higher brokerage income and wealth management and fund management income and debit card related fees
- ◆ Lower gain on securities due to one-off gain in equity trading in Q1 2012, coupled with a softer capital market environment

Islamic Banking Income (RM mil)



- ◆ Higher Islamic Banking income mainly due to higher net funding income on the back of 28% financing growth y-o-y

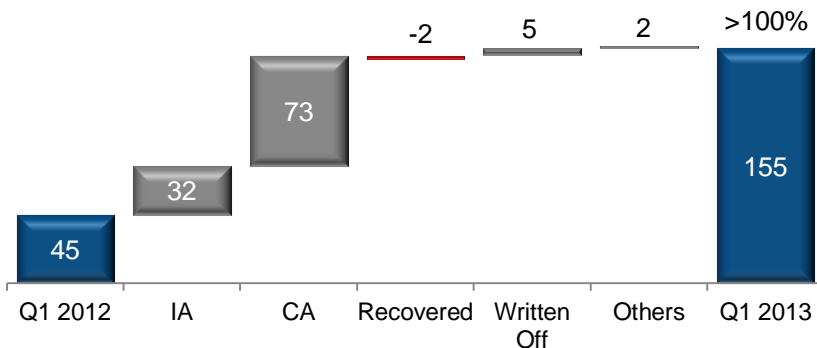
Other Operating Expenses



- ♦ y-o-y increase mainly due to full-period impact of OSKIB and higher headcount, higher sales commission and incentive compensation linked to stronger businesses volume recorded in wealth management and fund management
- ♦ Integration related expenses charged off during the quarter amounted to RM7.7 mil
- ♦ Overall cost base remained relatively stable q-o-q

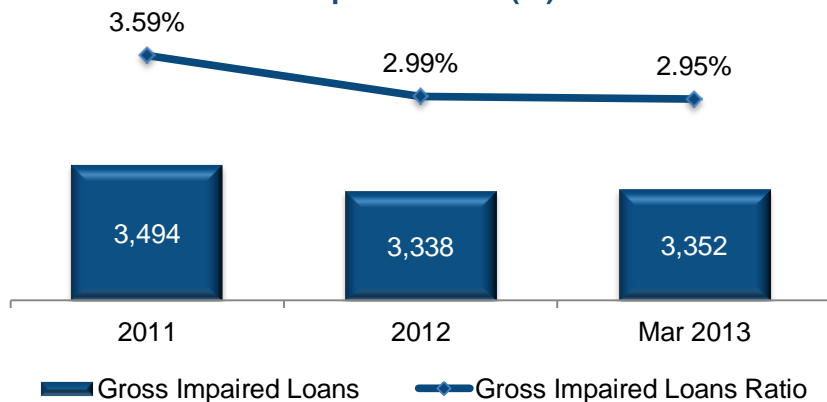
Allowances for Loan Impairment

Movement of Allowances for Loan Impairment (RM mil)

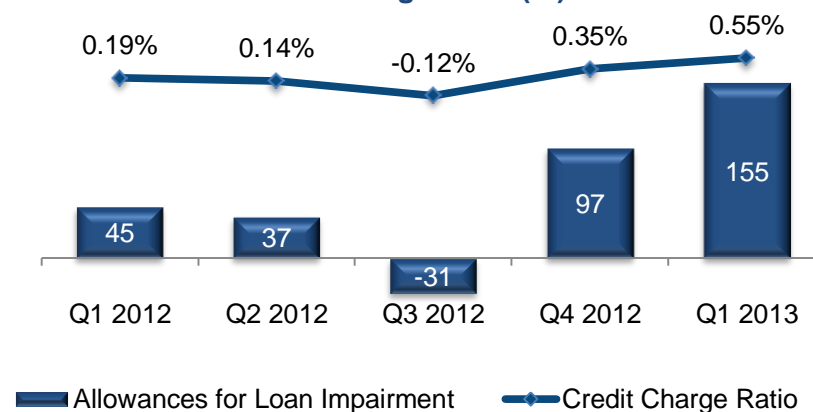


- Higher allowance for loan impairment due to one-off impairment for a particular account, coupled with higher CA

Gross Impaired Loans (RM mil) & Impaired Ratio (%)



Allowances for Loan Impairment (RM mil) & Credit Charge Ratio (%)



Financial Position

RM mil	Mar 2013	Dec 2012	Change %
Total Assets	184,556	189,078	-2
Total Financial Assets/Investments	37,241	36,840	1
- Financial Assets HFT	3,482	2,740	27
- Financial Investments AFS	14,578	15,155	-4
- Financial Investments HTM	19,181	18,945	1
Gross Loans	113,545	111,474	2
Customer Deposits	135,199	138,224	-2
Borrowings and Senior Debt Securities	5,286	5,152	3
Subordinated Notes	4,773	4,719	1
Hybrid Tier-1 Capital Securities	597	601	-1
Shareholders' Funds	15,520	15,117	3
Net Assets per Share	6.22	6.06	3

- ♦ Lower total assets by RM4.5 bil due mainly to lower cash and short term funds, partially offset by expansion in net loans and investment portfolio
- ♦ Gross loans gained further traction:
 - Domestic loans boosted mainly by growth in household sector by RM1.6 bil
 - Overseas loans driven mainly from Thailand operations
- ♦ Customer deposits:
 - Lower FD by 3.4%, while CASA continue to gain traction with Q1 2013 growth rate of 2.2%
 - LD ratio remained healthy at 84.0% from 80.6% in Dec 2012

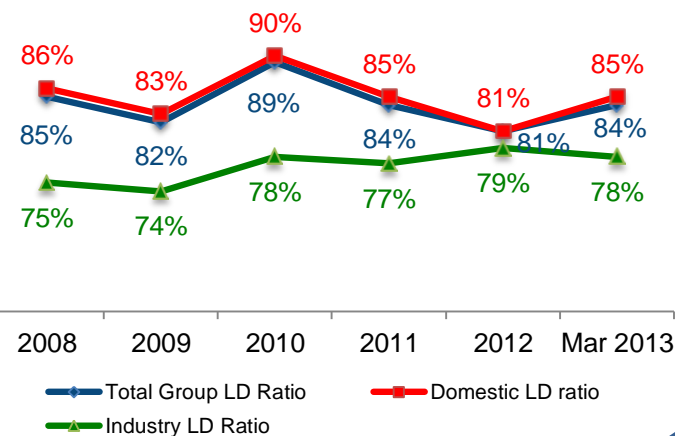
Loans, Advances and Financing

RM mil	Mar 2013	Dec 2012	Mar 2012	Q-o-Q Change %	Y-o-Y Change %
Working Capital	27,079	26,520	19,991	2	35
Purchase of Residential Property	22,601	22,155	20,817	2	9
Purchase of Transport Vehicles	11,699	11,448	11,390	2	3
Purchase of Securities	11,136	10,250	7,638	9	46
Purchase of Non-Residential Property	6,092	5,730	5,202	6	17
Personal Use	5,862	5,758	4,907	2	19
Merger and Acquisition	3,522	3,702	2,144	-5	64
Purchase of PPE Other Than Land & Bldg	3,153	3,250	3,137	-3	1
Credit Card	1,909	1,927	1,804	-1	6
Others	20,492	20,734	18,499	-1	11
Gross Loans and Advances	113,545	111,474	95,529	2	19
- SME	12,622	12,649	11,451	-0.2	10
- Individuals	49,436	47,910	43,931	3	13
- Corporate & Others	51,487	50,915	40,147	1	28

Gross Loans (RM bil) & Growth (%)



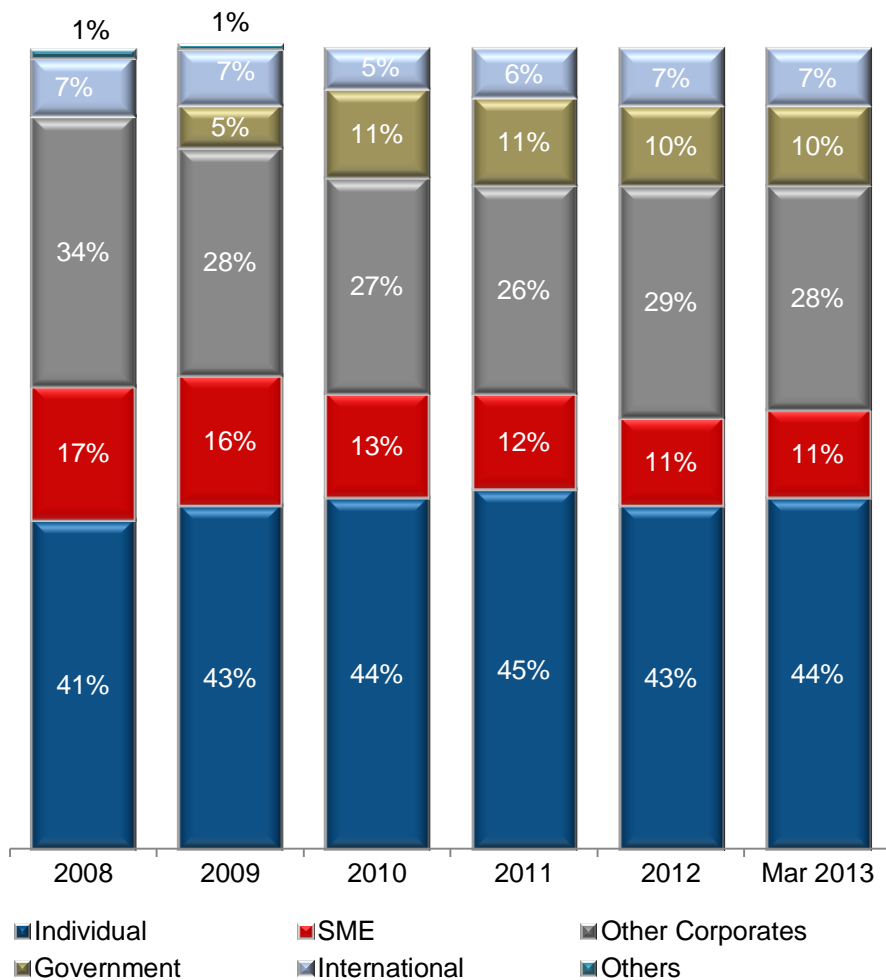
LD Ratio



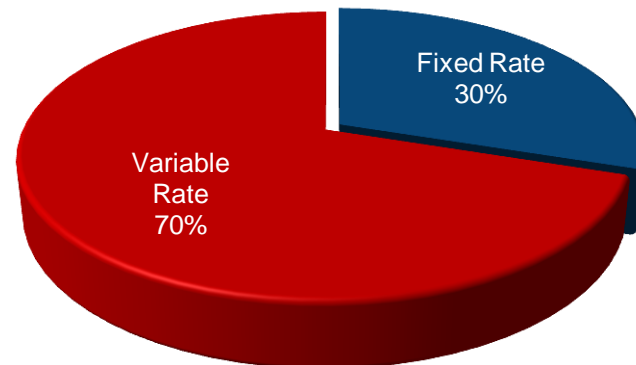
* Y-o-Y growth rate

Loans Profile & Market Share

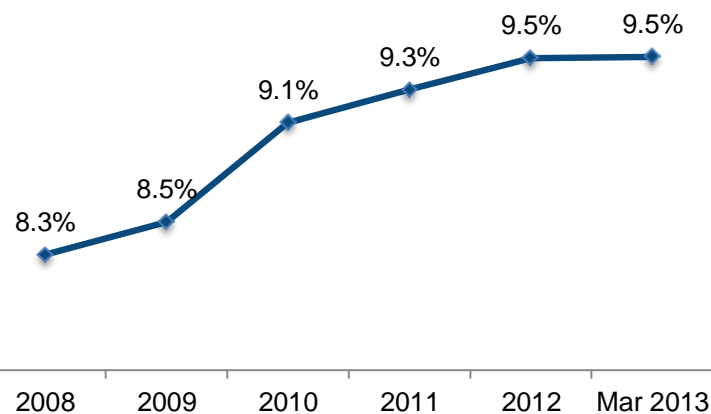
Composition by Type of Customers



Gross Loans by Interest/Profit Rate Sensitivity



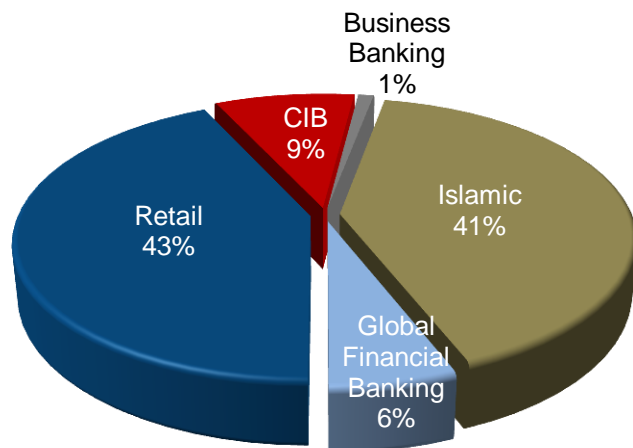
Domestic Market Share



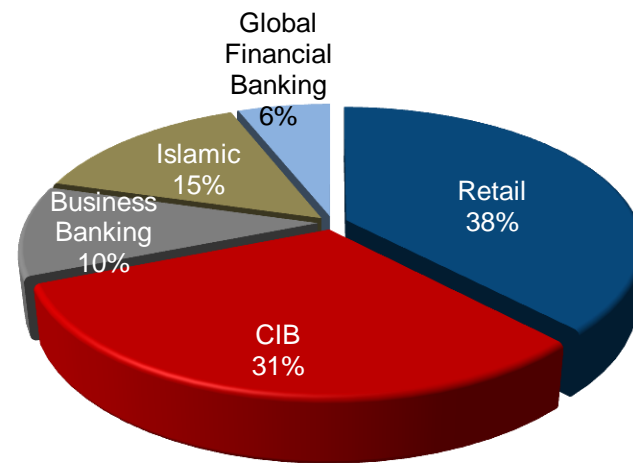
Loans, Advances and Financing by SBG

RM mil	Mar 2013	Dec 2012	Mar 2012	Q-o-Q Change %	Y-o-Y Change %
Retail	43,003	42,103	40,954	2	5
Business Banking	11,707	11,695	10,611	-	10
CIB	35,293	35,108	26,210	1	35
Islamic	17,125	16,266	13,373	5	28
Global Financial Banking	6,417	6,302	4,381	2	46
Total Loans and Advances	113,545	111,474	95,529	2	19

Loans Growth Composition - Q1 2013

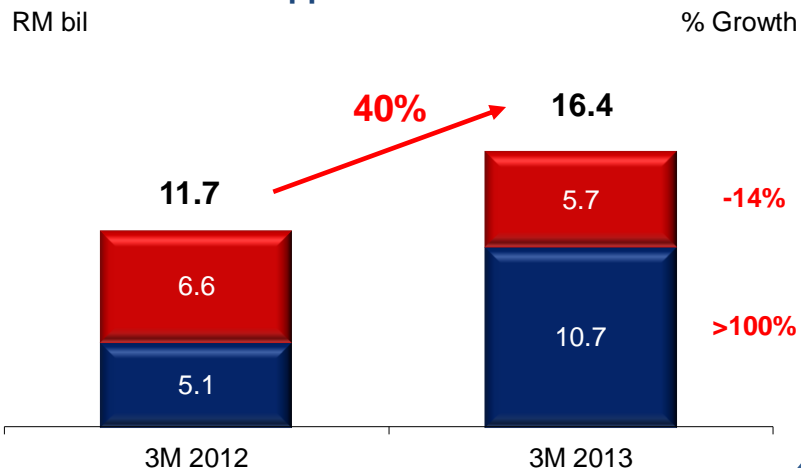


Loans Composition by SBG

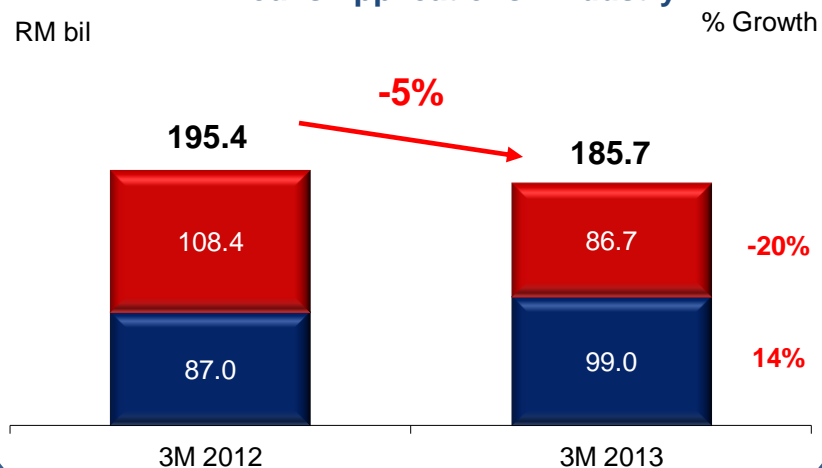


Loans Applications & Approvals

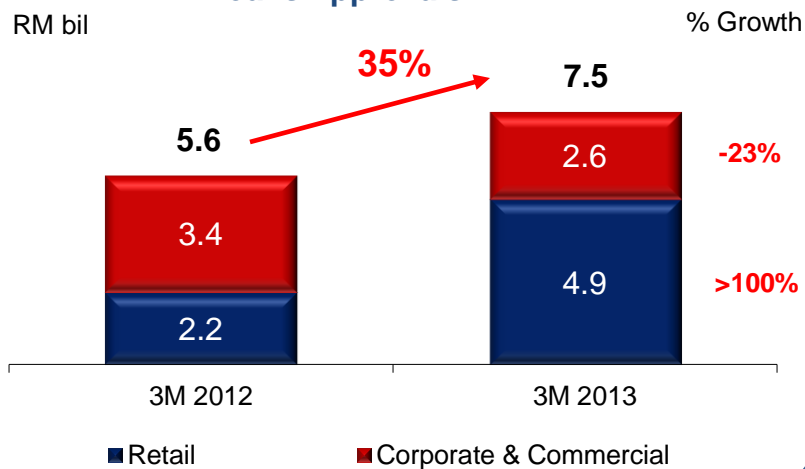
Loans Applications - RHB



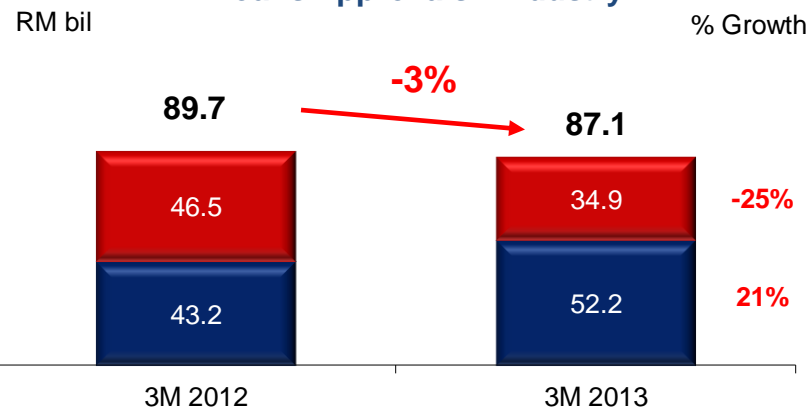
Loans Applications - Industry



Loans Approvals - RHB



Loans Approvals - Industry



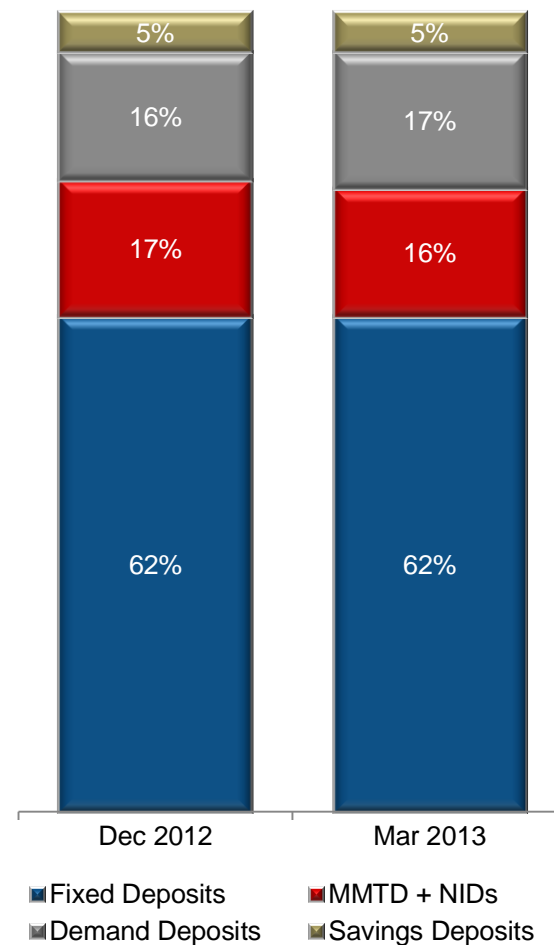
Customer Deposits

RM mil	Mar 2013	Dec 2012	Mar 2012	Q-o-Q Change %	Y-o-Y Change %
Fixed Deposits	105,033	108,697	89,067	-3	18
<i>of which: MMTD</i>	21,383	23,368	19,763	-8	8
Demand Deposits	22,805	22,504	21,396	1	7
Savings Deposits	7,284	6,933	6,551	5	11
NIDs	77	90	270	-14	-71
Total Deposits	135,199	138,224	117,284	-2	15
LD Ratio	84%	81%	81%	3	3
CASA (Incl. MMTD)	22%	21%	24%	1	-2
CASA (Excl. MMTD)	26%	26%	29%	-	-3

Domestic Market Share

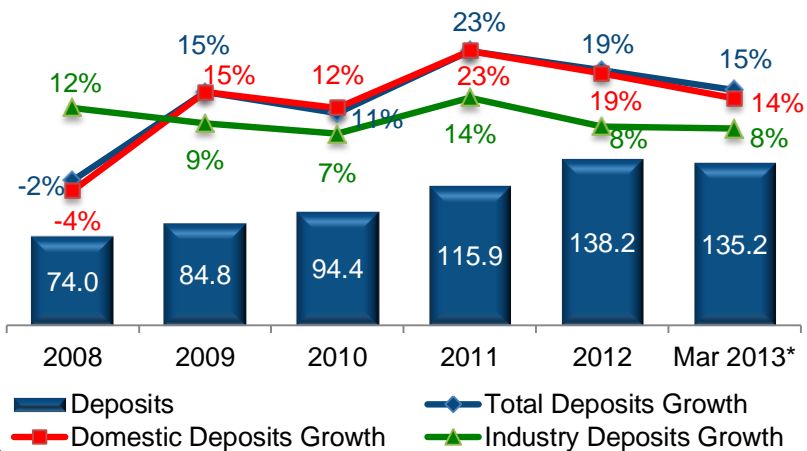
Demand Deposits	8.6%	8.6%	9.1%
Savings Deposits	5.3%	5.3%	5.4%
Fixed Deposits	12.0%	13.2%	11.4%
Total Domestic Deposits	8.7%	9.3%	8.3%

Customer Deposits Composition



Customer Deposits Profile & Market Share

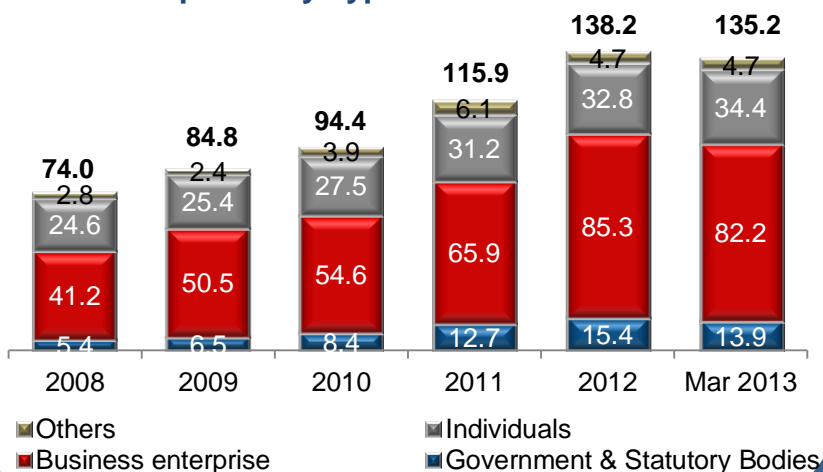
Customer Deposits (RM bil)



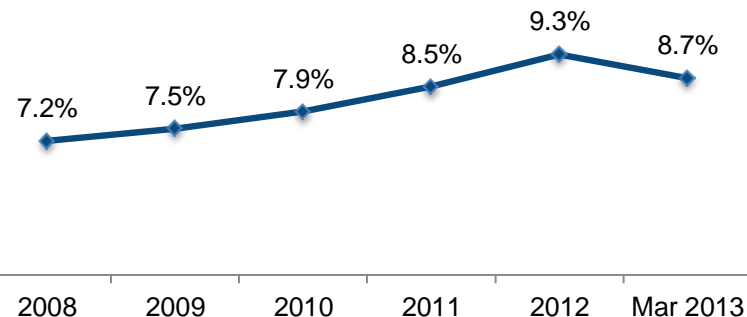
FD & NID Maturity Structure (RM bil)



Deposits by Type of Customers



Domestic Market Share



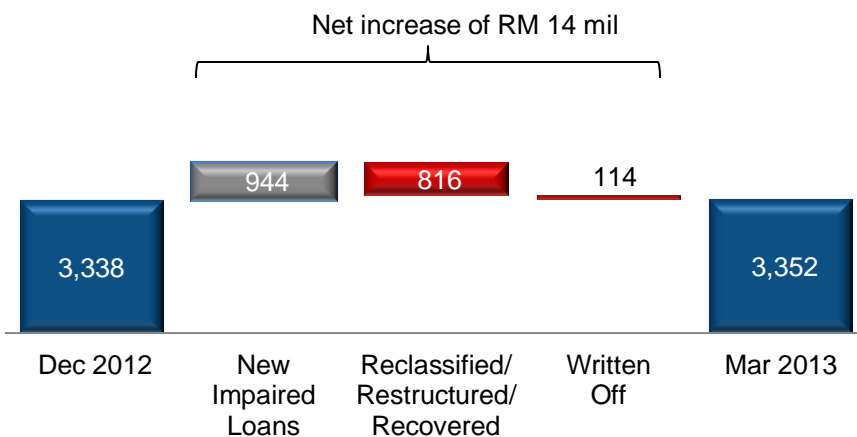
* Y-o-Y growth rate

Asset Quality

Gross Impaired Loans Ratio (%)

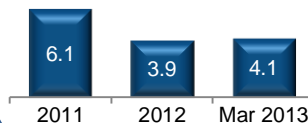


Gross Impaired Loans Movement (RM mil)



Gross Impaired Loans Ratio (%) by Purpose

Working Capital



Purchase of Residential Property



Purchase of Non-Residential Property



Personal Use



Credit Card



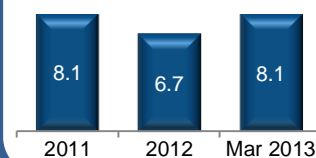
Purchase of Transport Vehicles



Purchase of Securities



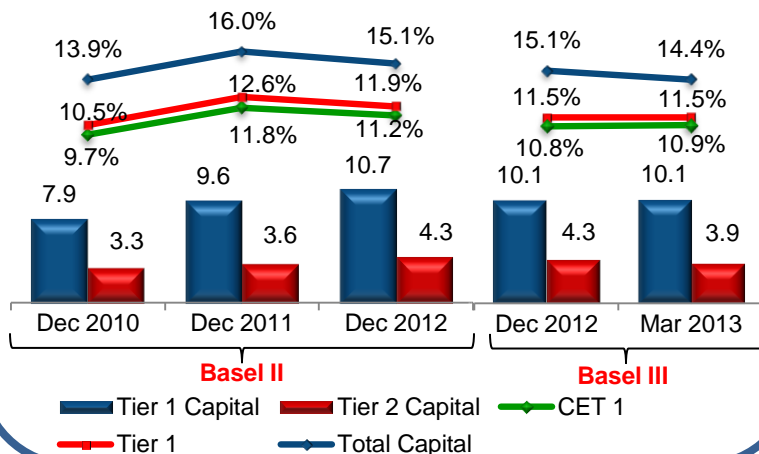
Construction



Capital Position

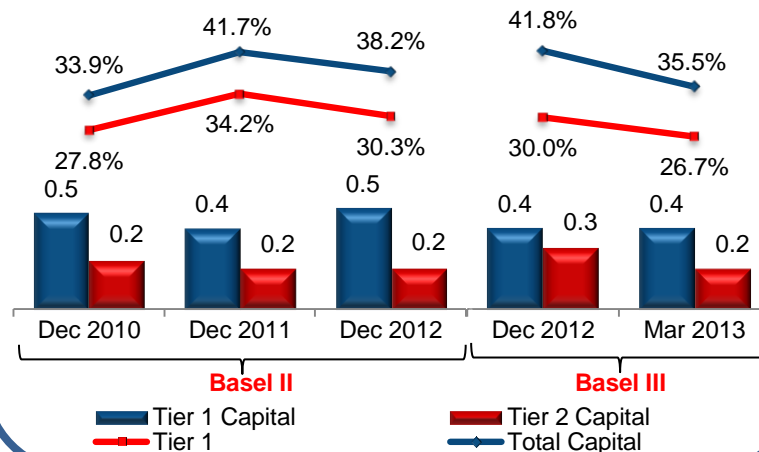
RM bil

RHB Bank



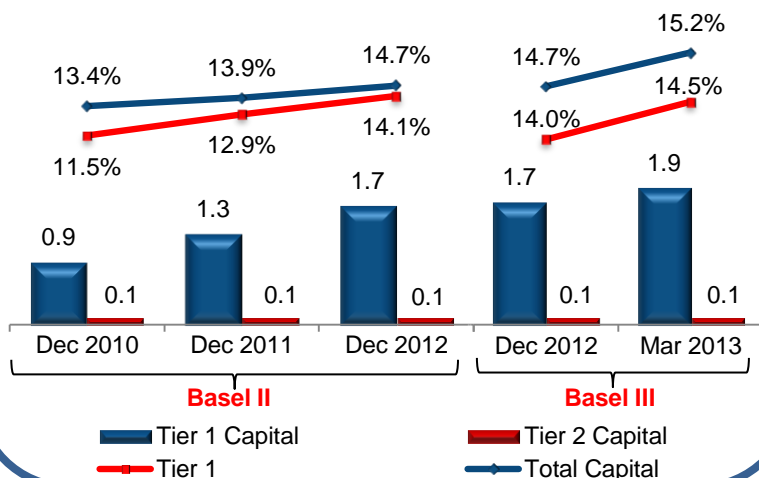
RM bil

RHB Investment



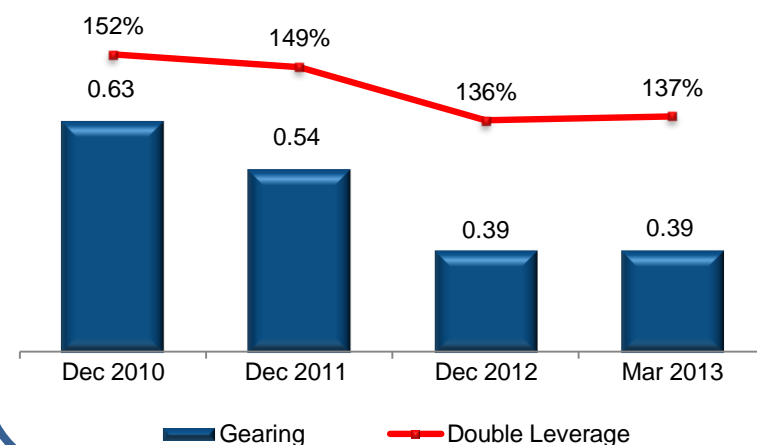
RM bil

RHB Islamic



Times

RHB Capital^{N1}

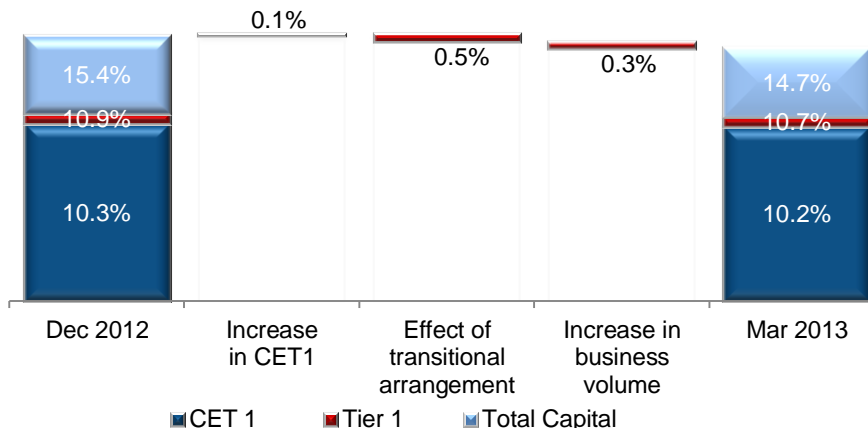


N1: Proforma Basel III CET 1 of RHB Capital Group is at 8.4%

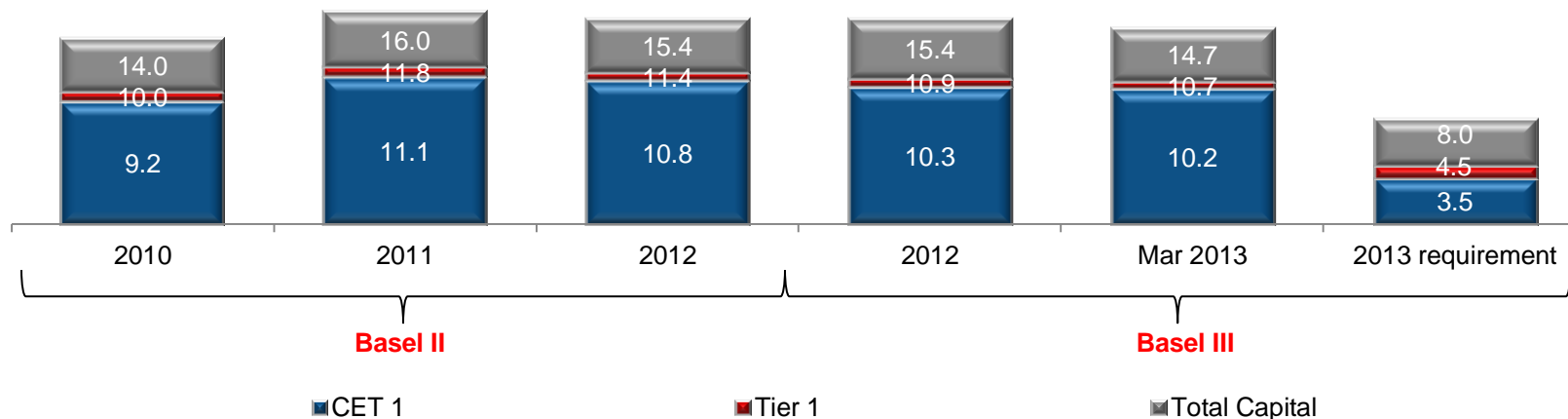
Capital Position - RHB Bank Group

- ◆ Adopted BNM Basel III capital adequacy requirements which came into effect on 1 January 2013
- ◆ Total capital ratio down mainly due to application of transitional arrangement with the 10% phased-out of sub-debts and Hybrid Tier-1 and increase in business volume

Capital Development: Q1 2013



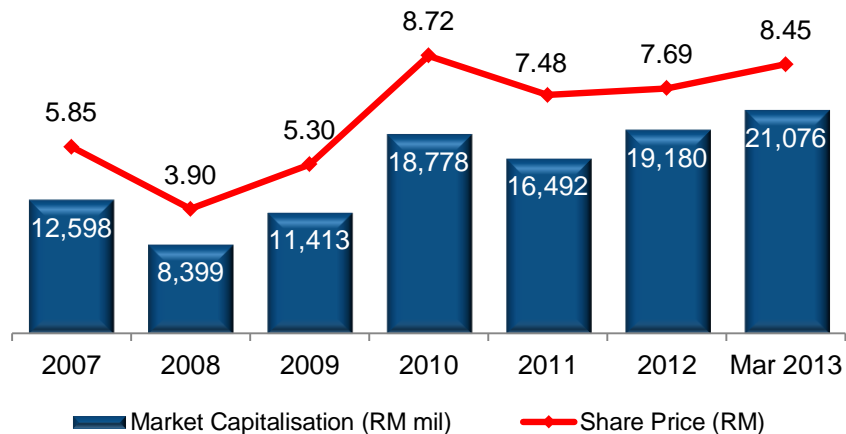
Core Tier 1, Tier 1 & Total Capital Ratios (%)



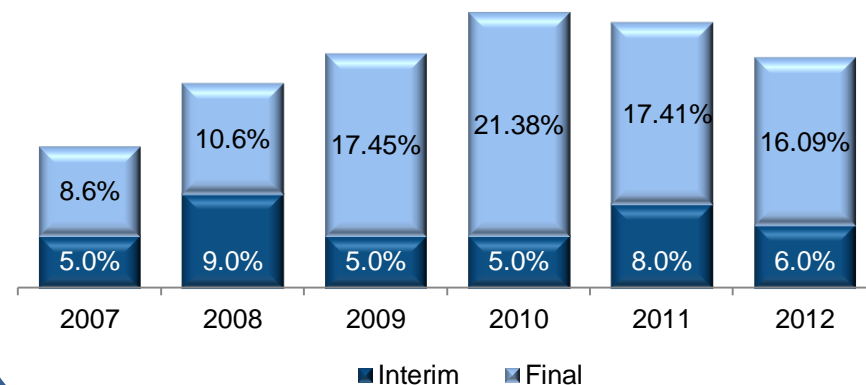
Note: Ratios are after proposed final dividend

Return to Shareholders

Market Capitalisation



Dividend Per Share



Total Shareholders' Return

	RHB Total Shareholders' Return			Bursa Malaysia Finance Index Return		
	Mar 2011	Mar 2012	Mar 2013	Mar 2011	Mar 2012	Mar 2013
1 year	56%	-8%	13%	22%	7%	13%
3 years	95%	136%	63%	58%	144%	49%
5 years	292%	83%	103%	114%	61%	93%
7 years	334%	286%	308%	131%	150%	160%

Dividend Payout Ratio & DRP Rate

	2007	2008	2009	2010	2011	2012
Dividend Payout Ratio	30%	30%	30%	30%	30%	30%
DRP Conversion Rate				84%	63%	65%



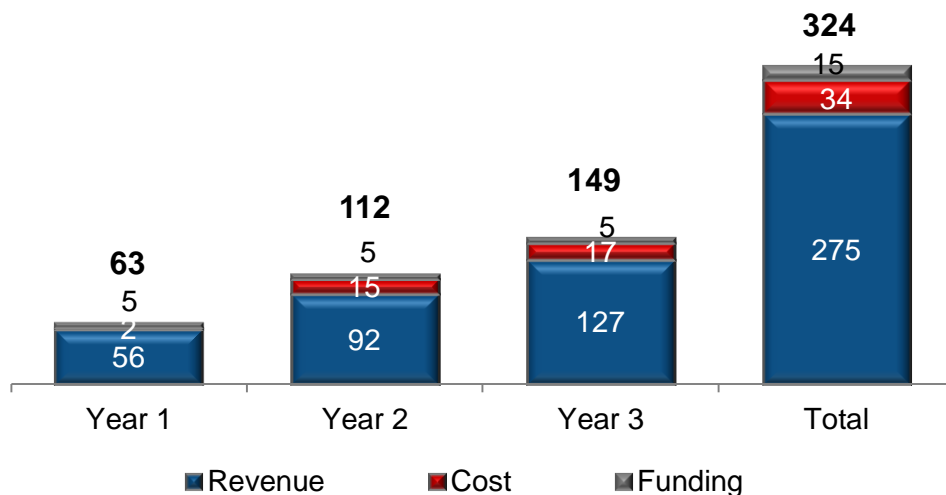
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Update on Integration

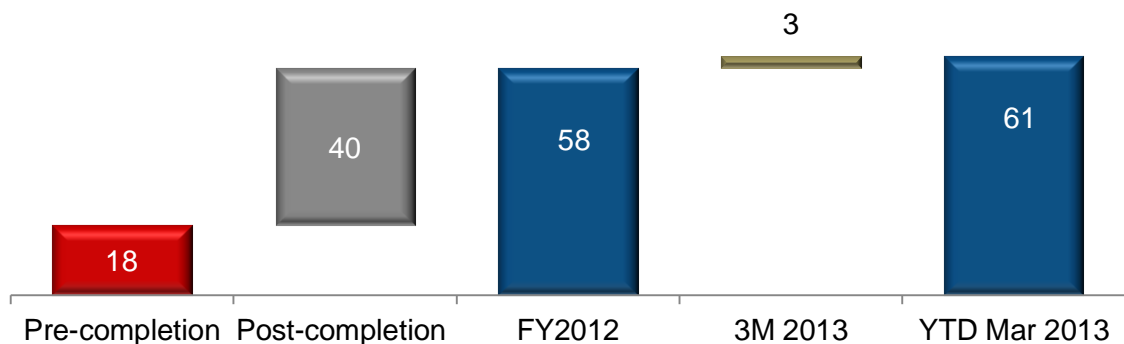
Synergies and Integration Costs

Recap: Estimated Synergies Over 3 Years



- ◆ Legal Day 1 completed on 13 April 2013
- ◆ Single Platform Day 1 activities on track and expected to be completed by year end
- ◆ Total integration expenses of RM18.5 mil incurred YTD March 2013, of which RM0.3 mil relates to capex
- ◆ Expected remaining RM67.5 mil to be incurred in 2013 and 2014
- ◆ Deals completed to date:

Revenue Synergy (YTD Mar 2013)





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Summary

1

Slow start to the year:

- ♦ Q1 2013 performance fall short of targets, focused on making up the pace with healthy loan pipelines, capital market transaction mandates and more prudent approach to cost

2

Pace of synergy realisation to pick up post April given expected more active capital markets

3

Interest margins expected to remain under pressure given competitive landscape and flat interest rate expectations

4

Offshore operations building momentum but still need to build scale

5

Disciplined cost management and efficiency improvement shall be key agenda for the rest of the year



END

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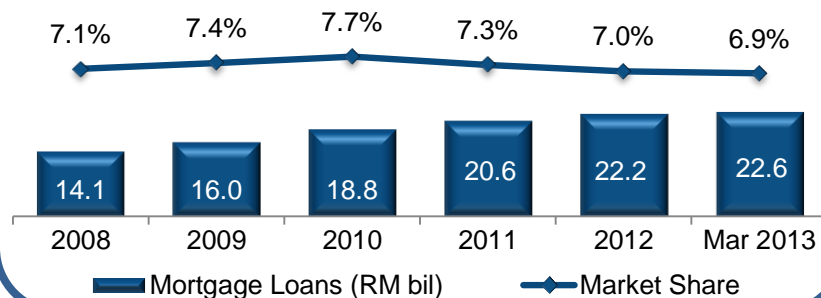


Appendix

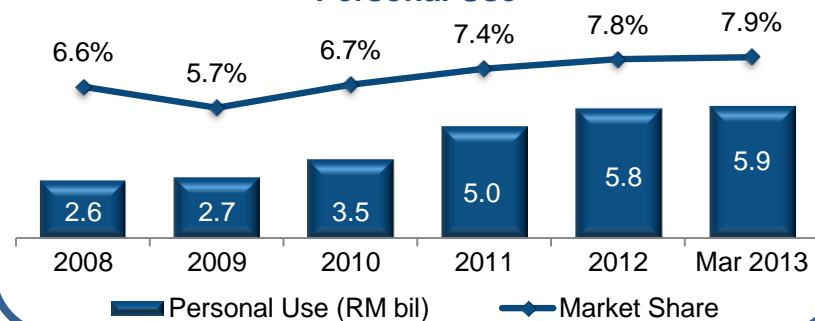
◆ Key Business Highlights

Retail Business Performance

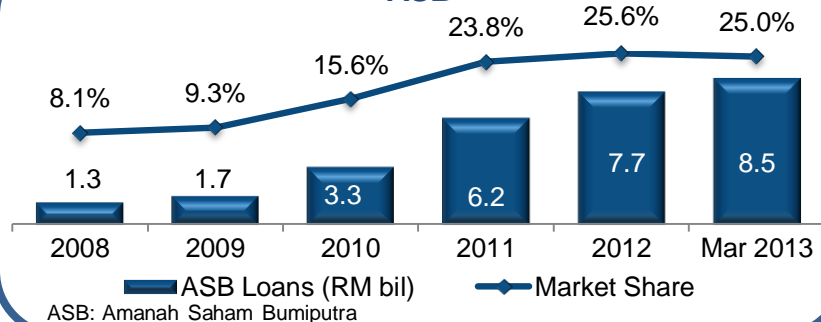
Mortgage



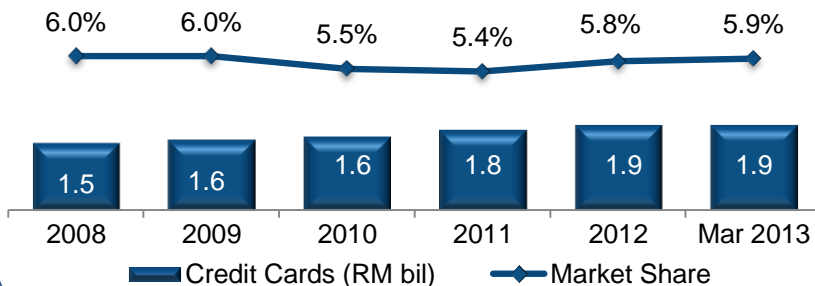
Personal Use



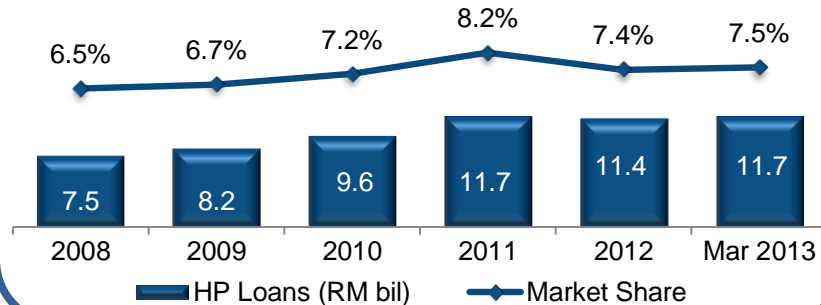
ASB



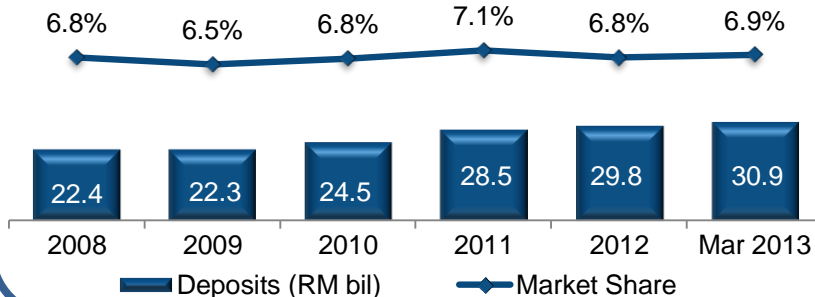
Credit Card



Auto Finance



Retail Deposits



Easy by RHB

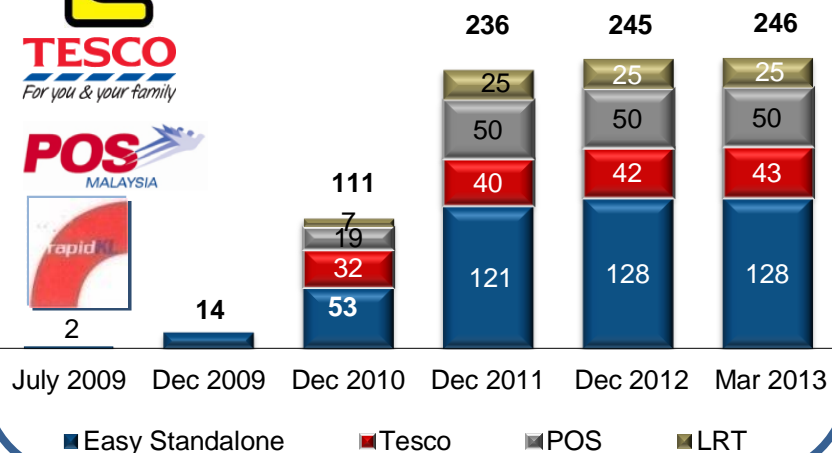


TESCO
For you & your family

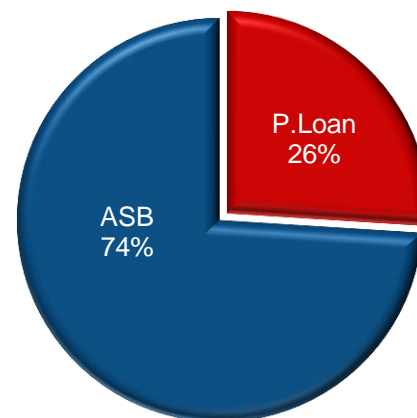
POS
MALAYSIA



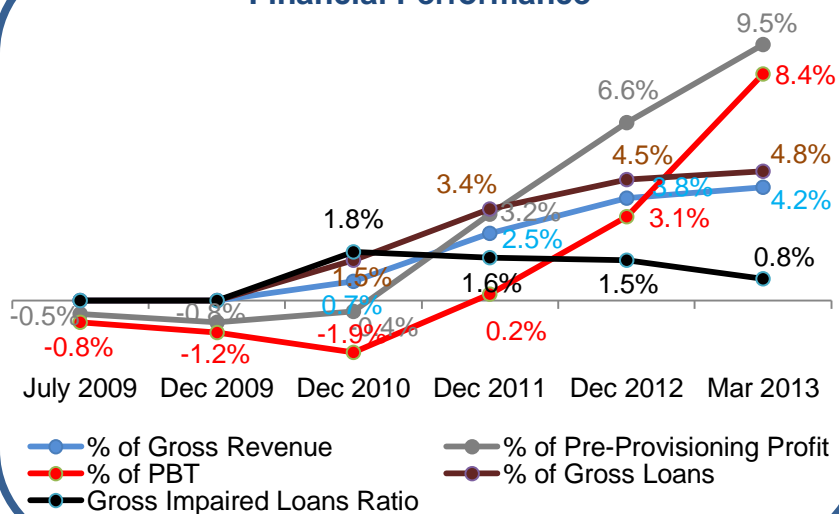
Number of Outlets



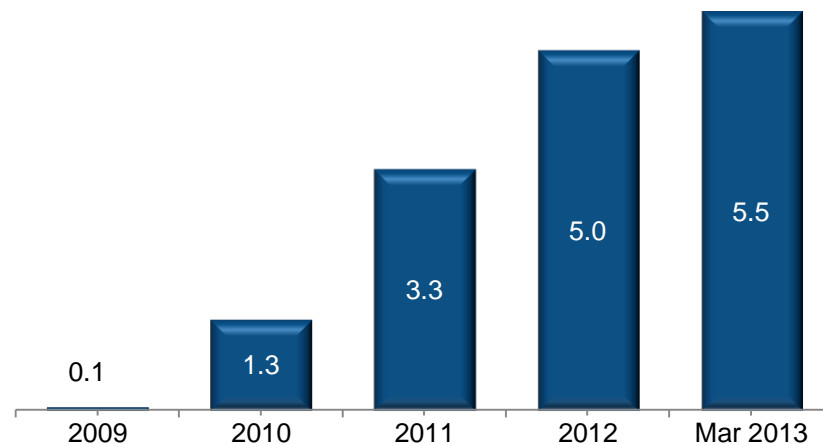
Asset Composition



Financial Performance



Gross Loans (RM bil)



Malaysia Capital Market

	YTD Mar 2013#		FY 2012#		FY 2011	
	Market Share	Ranking	Market Share	Ranking	Market Share	Ranking
Debt Capital Market *	15.5%	4 th	14.9%	4 th	9.7%	4 th
Mergers & Acquisitions	3.4%	9 th	7.1%	11 th	16.3%	3 rd
Equities Capital Market ^	7.3%	3 rd	2.6%	11 th	6.8%	4 th

Combined RHBIB and OSKIB market data effective 9 Nov 2012

^ IPOs, Rights Issues & Additional Offerings

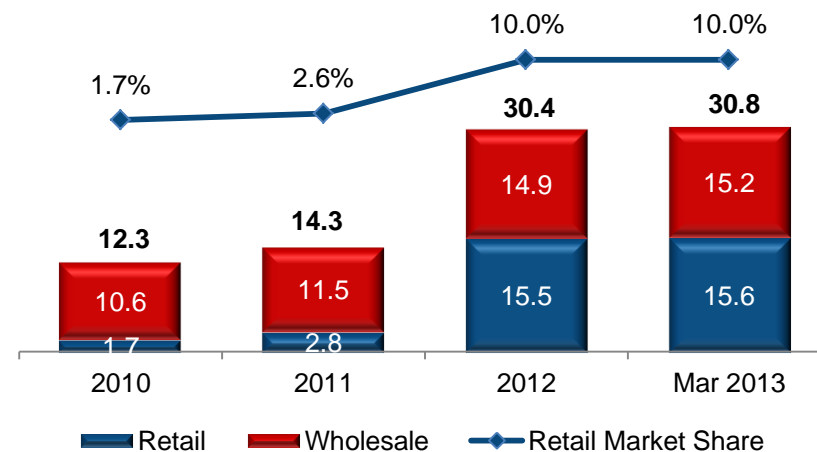
* Primary Bond Offerings

Source : Bloomberg, Bursa Malaysia & RHB

Brokerage/Equity by Geographical

	YTD Mar 2013		FY 2012	
	Market Share	Ranking	Market Share	Ranking
Malaysia #				
- Broking (by value)	9.5%	3 rd	11.6%	2 nd
- Broking (by volume)	15.6%	1 st	16.2%	1 st
Singapore	7.7%	5 th	7.4%	4 th
Hong Kong	0.17%	75 th	0.07%	108 th
Indonesia	2.2%	15 th	2.1%	14 th
Thailand	1.5%	24 th	0.7%	28 th
Cambodia	0.6%	9 th	8.1%	5 th

Malaysia AUM (RM bil)



Note: Total Foreign AUM - RM0.7 bil

RHB Investment Bank Berhad



ALPHA SOUTHEAST ASIA DEALS & SOLUTIONS AWARDS

Best Mid-Cap Corporate Finance House in Malaysia

Best Mid-Cap Corporate Finance House in Singapore

Most Innovation Islamic Finance Deal of the Year in Southeast Asia

First Resources Limited
RM600 mil Sukuk Musharakah
Joint Lead Managers and Joint Bookrunners

Best Dual-Listed IPO of the Year in Southeast Asia

IHH Healthcare Berhad
RM6.7 bil IPO
Joint Underwriters for the Malaysia Offering

Best IPO Deal of the Year in Southeast Asia & Best of the Year in Southeast Asia for Minority Shareholders

Felda Global Ventures Holdings Berhad
USD3.1 bil IPO
Joint Underwriters for Retail Offering

Best Islamic Finance Deal of the Year in Southeast Asia

PLUS Expressways Berhad
USD11.1 bil Guaranteed Sukuk
Joint Lead Managers

Best Project Financing Deal of the Year in Southeast Asia

Danainfra Nasional Berhad
USD780 mil Islamic Commercial Papers & Islamic Medium Term Notes
Joint Lead Managers



PROJECT FINANCE INTERNATIONAL AWARDS

Asia Pacific Project Bond of the Year
Tanjung Bin Energy Issuer Berhad
RM5.23 bil Senior Sukuk Murabahah Programme
Joint Lead Managers



ASSET ASIAN AWARDS 2012

Best Project Finance Deal
Tanjung Bin Energy
RM6.5 bil loan and Sukuk Murabahah
Joint Lead Managers

Best Corporate Sukuk
Project Lebuhraya Usahasama
RM30.6 bil Sukuk Musharakah
Joint Lead Managers and Joint Bookrunners

Best Islamic Equity

Bumi Armada
USD888 mil IPO
Joint Bookrunners

RHB Research Institute



ASIAMONEY BROKERS POLL 2012

MALAYSIA

- ◆ 2nd Best Strategy Coverage
- ◆ 2nd Best Macroeconomics Coverage
- ◆ 3rd Best Overall Country Research
- ◆ 4th Best Analyst for Malaysia -
Lim Chee Sing
- ◆ Best Small Caps Coverage
- ◆ 3rd Best Local Brokerage
- ◆ 3rd Most Improved Brokerage
- ◆ 3rd Most Independent Research
Brokerage
- ◆ 3rd Best Food, Beverages &
Tobacco Coverage

SINGAPORE

- ◆ Best Small Caps Coverage
- ◆ Best Consumer Services Coverage
- ◆ Most Improved Brokerage
- ◆ 2nd Most Independent Research
Brokerage
- ◆ 3rd Best for Overall Country Research



STARMINE ANALYST AWARDS 2012

MALAYSIA

- ◆ Best Telecommunications Stock Picker
- ◆ 2nd Best Overall Stock Picker
- ◆ 2nd Best Consumer Stock Picker
- ◆ 2nd Best Healthcare Stock Picker

SINGAPORE

- ◆ 3rd Most Productive Broker



THE EDGE BROKERS POLL

MALAYSIA

- ◆ Best Call on Consumer
- ◆ Best Call on Education

OSK-UOB Investment Management

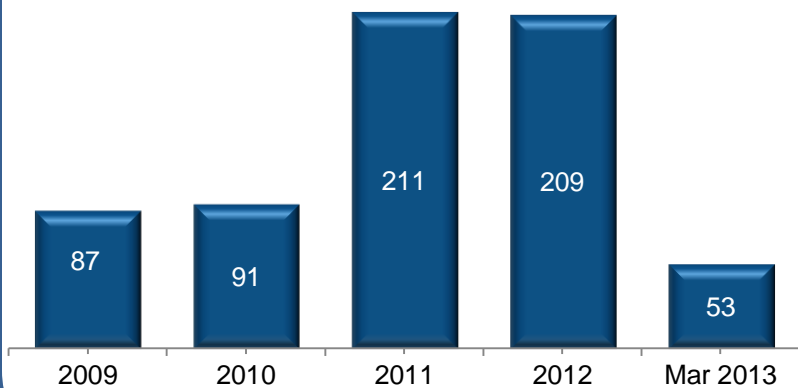


THE EDGE-LIPPER MALAYSIAN UNIT TRUST FUND AWARDS

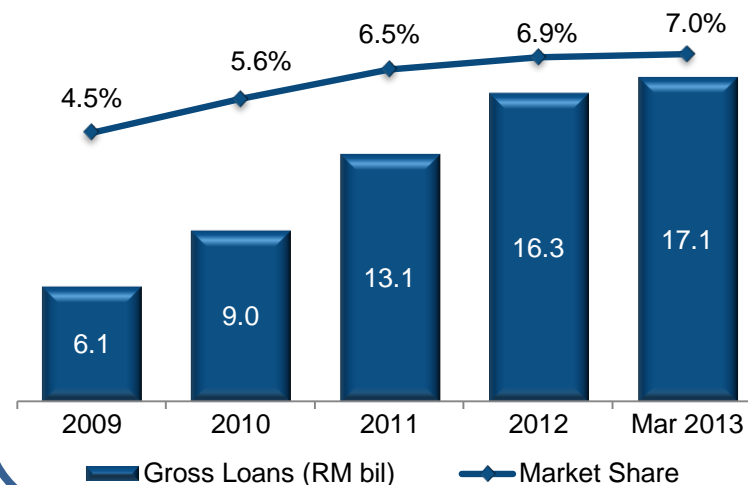
- ◆ OSK-UOB Kidsave Fund –
Best Mixed Asset MYR Balance Fund

Islamic Business Performance

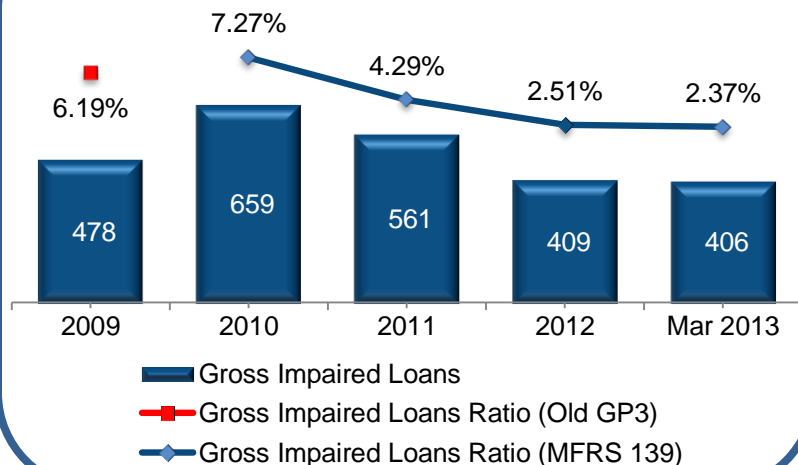
PBT (RM mil)



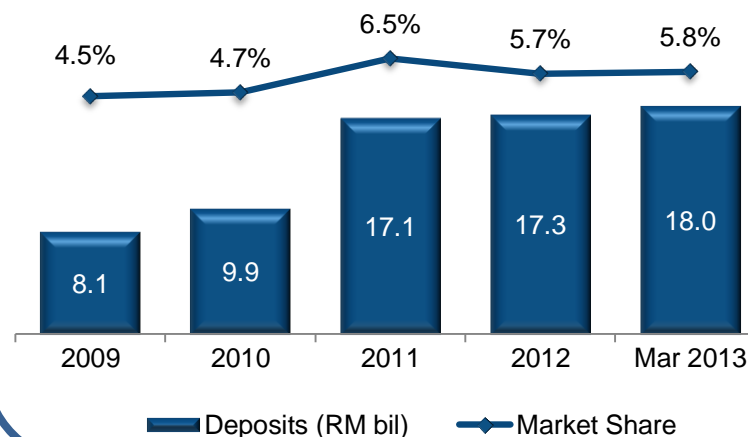
Gross Loans



Gross Impaired Loans & Impaired Loans Ratio

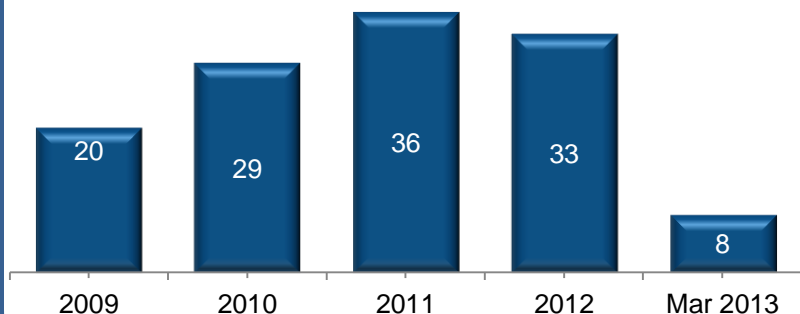


Deposits

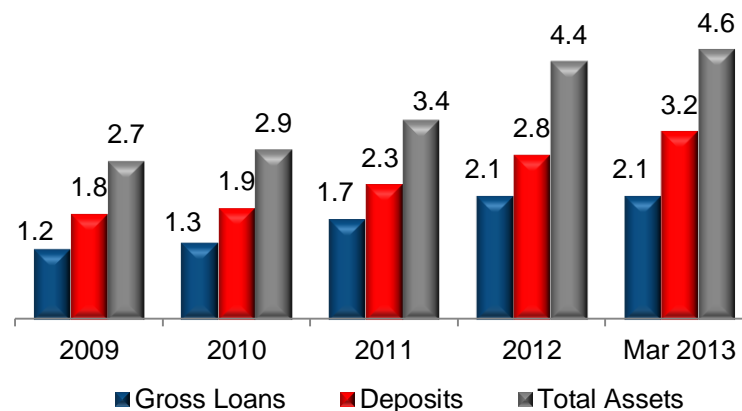


RHB Bank Singapore Business Performance

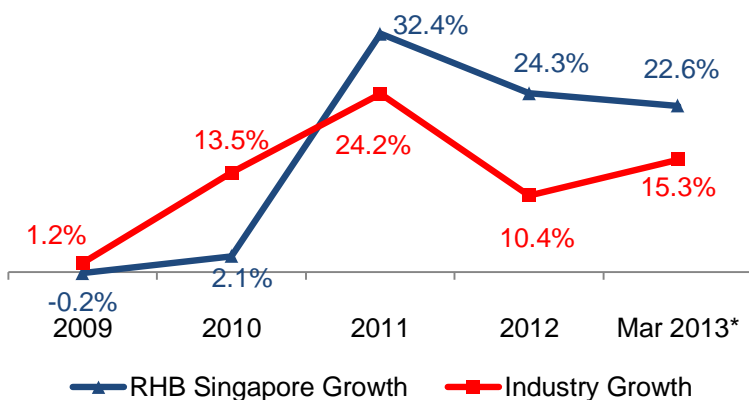
PBT (SGD mil)



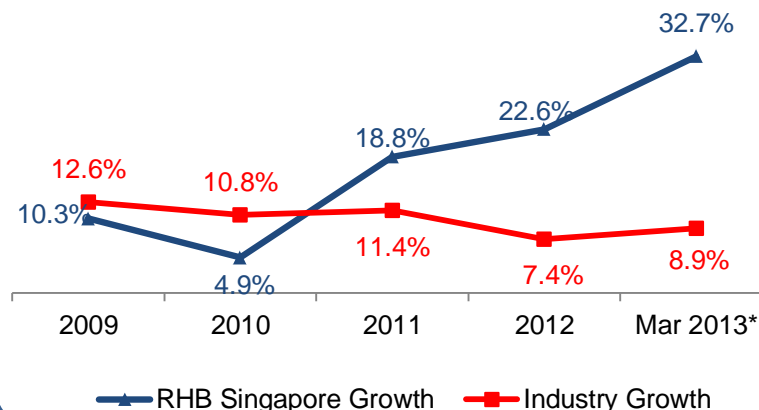
Loans, Deposits & Total Assets (SGD bil)



Loans Growth



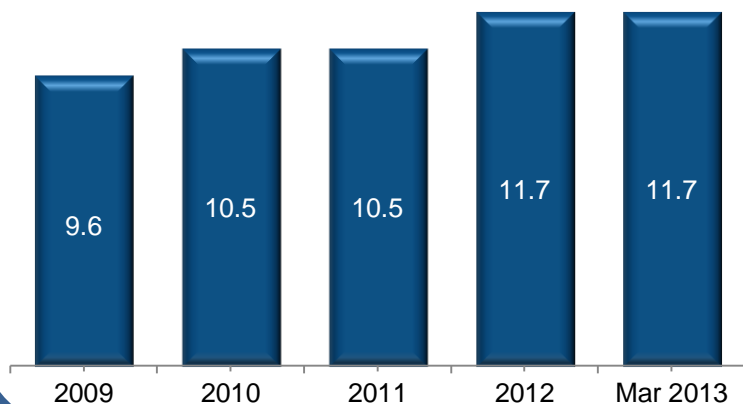
Deposits Growth



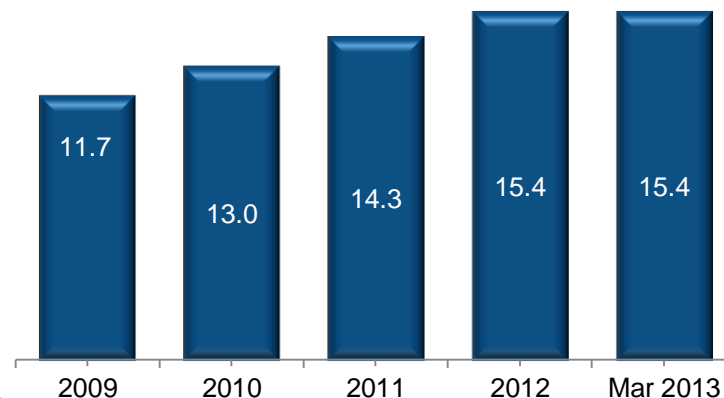
* Y-o-Y growth rate

Business Banking and SME

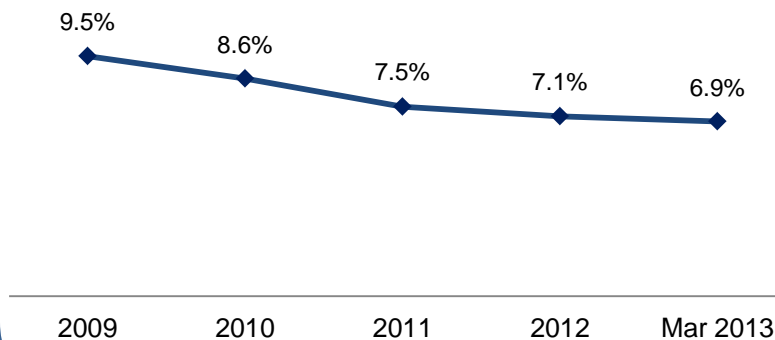
Gross Loans (RM bil)



Customer Deposits (RM bil)



SME Market Share



Gross Impaired Loans

