

Investor Presentation

3rd Quarter 2015 Financial Results

TOGETHER WE PROGRESS



Dato' Khairussaleh Ramli
Group Managing Director
RHB Banking Group
30 November 2015

AGENDA

Executive Summary

3rd Quarter 2015 Financial
Results

Corporate and Strategy Update

Summary and Outlook





Executive Summary (1/2)

1

- Net profit at RM1,195.3 million, 23.0% lower year-on-year
- Excluding one-off CTS expenses of RM308.8 million, normalized net profit was lower by 8.0%

2

Revenue marginally down by 1.1% mainly due to lower investment banking related fee income and lower trading income

3

Gross loans grew by 5.0% from December 2014 and increased by 10.0% year-on-year to reach RM149.6 billion

4

Customer deposits remained stable as compared to December 2014 and grew by 7.3% year-on-year to RM159.0 billion

5

- CASA balances increased by 8.6% from December 2014 and 11.0% year-on-year
- CASA ratio strengthened to 23.3% as at 30 September 2015

6

ROE at 8.1%. Normalised ROE at 9.6%



Executive Summary (2/2)

7

- Islamic financing portfolio grew by 12.0% for the first nine months of 2015 and increased by 21.8% year-on-year to reach RM28.6 billion.
- Islamic financing represents 21.4% of Group's total domestic gross loans and financing.
- Industry ranking for Islamic financing improved from 6th position in 2014 to 5th as at September 2015

8

- Completed Career Transition Scheme ("CTS") in Malaysia with a total of 1,812 applications accepted
- Expected annual personnel cost rationalisation of RM193 million

9

- Rights Issue expected to be completed by Dec 2015
- Proposed internal reorganisation targeted to be completed by Q1 2016



RHB Banking Group Scorecard 2015

Top Level Indicators	Target 2015	September 2015
ROE	>11.5%	8.1% ^{N1} (Exclude CTS: 9.6%)
Loans Growth	10%	5.0% ^{N2}
CASA Growth	>10%	8.6% ^{N2}
Gross Impaired Loans Ratio	<1.8%	1.9%
Cost to Income Ratio	<51%	62.8% (Exclude CTS: 55.9%)
International Contribution	>13%	14.4%

N1 Annualised
N2 Changes from Dec 2014 to
September 2015, not annualized

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Financial Results

RM mil	Q3 2015	Q2 2015	Q-o-Q Change %	9M 2015	9M 2014	Y-o-Y Change %
Net Interest Income	844	784	8	2,428	2,486	-2
Net Islamic Fund Base Income	207	191	8	577	471	23
Total Net Fund Based Income (A)	1,051	975	8	3,005	2,957	2
Other Operating Income	447	488	-8	1,442	1,541	-6
Islamic Fund Based Income	16	23	-30	62	60	3
Total Non Fund Based Income (B)	463	511	-9	1,504	1,601	-6
Total Income (A+B)	1,514	1,486	2	4,509	4,558	-1
Operating Expenses	(1,169)	(842)	39	(2,831)	(2,424)	17
Operating Profit Before Allowances	345	644	-46	1,678	2,134	-21
Allowances for Loan Impairment	(96)	41	->100	(106)	(166)	-36
Impairment Losses Written Back on Other Assets	45	7	>100	59	123	-52
Profit Before Taxation	294	692	-58	1,631	2,091	-22
Net Profit	194	525	-63	1,195	1,552	-23
EPS (sen)	7.5	20.3	-63	46.3	60.8	-24
Key Financial Indicators (%)						
Cost to Income Ratio	56.8 ^{N2}	56.7	0.1	55.9 ^{N2}	53.2	2.7
ROE ^{N1}	8.4 ^{N2}	10.6	-2.5	9.6 ^{N2}	11.8	-3.7
ROA ^{N1}	0.8 ^{N2}	0.9	-0.2	0.8 ^{N2}	1.0	-0.3
Gross Impaired Loans Ratio	1.94	2.05	-0.11	1.94	2.29	-0.35
Credit Charge Ratio ^{N1}	0.26	-0.11	0.37	0.09 ^{N3}	0.16	-0.07

Year-on-Year Performance:

- ♦ Gross fund based income increased by 10.8% on the back of 10.0% increase in gross loans and financing.
- ♦ Funding and interest expense higher by 18.5% due to higher customer deposits and higher funding expense on sukuk and sub-debts totaling RM1.5 billion and USD300 million senior unsecured notes issued during second half of 2014.
- ♦ Total non fund based income was lower by 6% due mainly to lower trading income and investment banking related fee income, partly offset by higher foreign exchange gain and increase in wealth management fee income.
- ♦ Excluding CTS expenses, other operating expenses was higher by 4.1%, reflecting a strong cost discipline across the Group.
- ♦ Lower allowance for impairment on loans and financing primarily due to lower collective allowance and lower bad debts written off, partially offset by higher individual allowance and lower impaired loans and financing recovered.
- ♦ Lower write back on impairment on other assets mainly due to the absence of a large one off recovery in 2014.

Quarter-on-Quarter Performance:

- ♦ Normalised PBT^{N2} was lower by 12.9% at RM603 million mainly due to higher impairment on loans and financing, lower non fund based income and higher operating expenses, partly offset by higher net interest and fund based income.

N1: Annualised

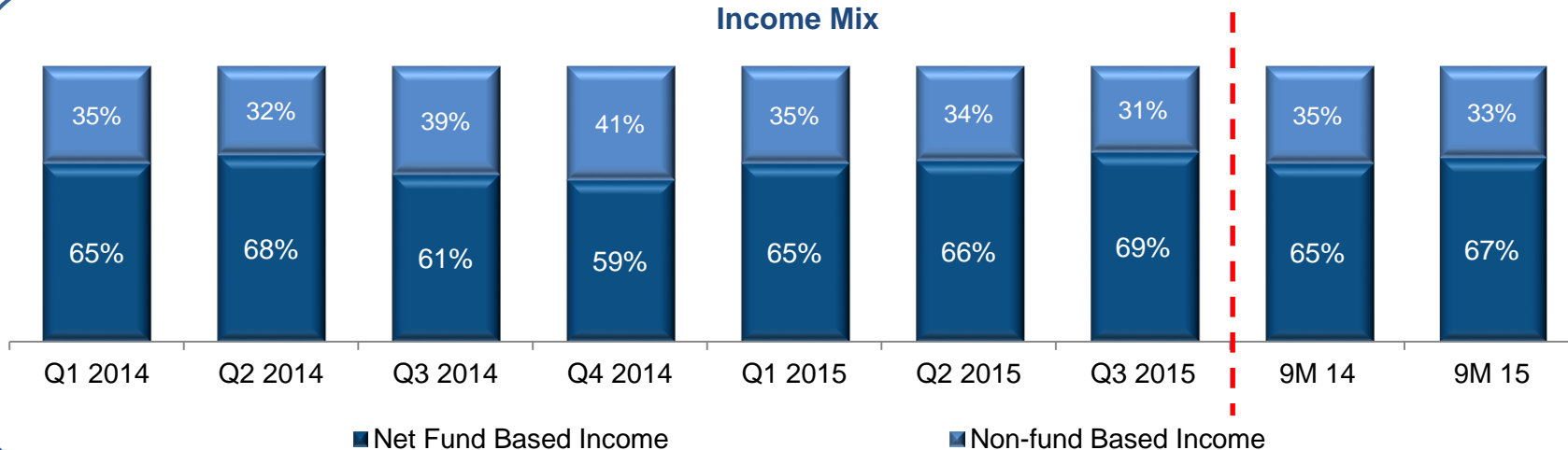
N2: Excluded CTS

N3: Normalised credit charge ratio (annualised) 9M 15 was 0.21%

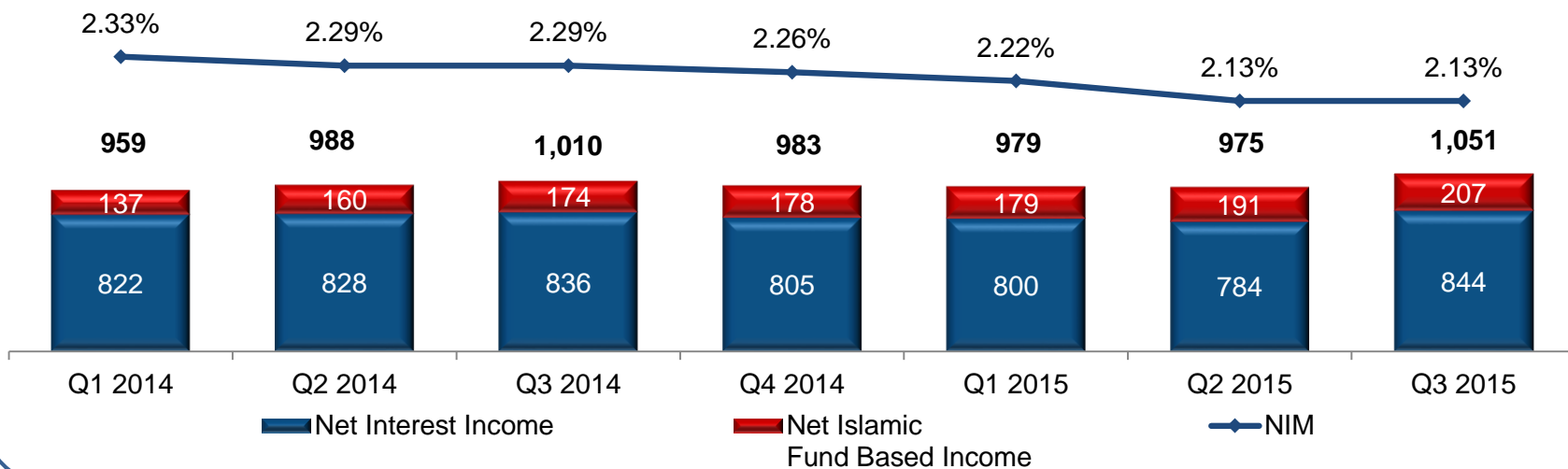


Income Mix & NIM

Income Mix



Net Interest Income & NIM



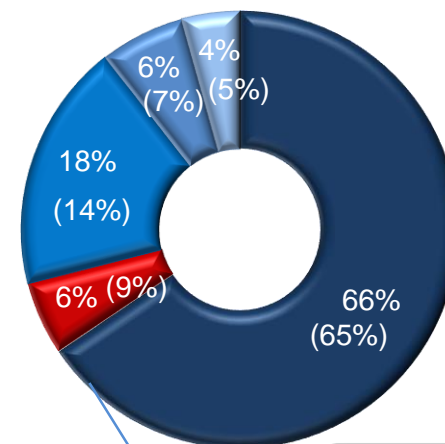


Other Operating Income

RM mil

	9M 2014		9M 2015
	1,601		
Fund Management & UT Fee	▲ 24%	28	144
Service Charges, Commission, Guarantee & Commitment Fees	▼ 1%	-5	439
Net Brokerage	▼ 6%	-17	255
Corporate Advisory, Underwriting & Arrangement Fees and Other Fee Income	▼ 31%	-67	148
Total Fee Income	▼ 6%	-61	986
Net Forex Gain	▲ 21%	49	277
Insurance Underwriting Surplus	▼ 10%	-11	95
Gain and MTM on Securities/Derivatives	▼ 43%	-61	82
Others	▼ 16%	-13	64
	1,504	▼ 6%	1,504

Composition



Brokerage income:
17% (17%)

Fund Management &
UT Fee: 10% (7%)

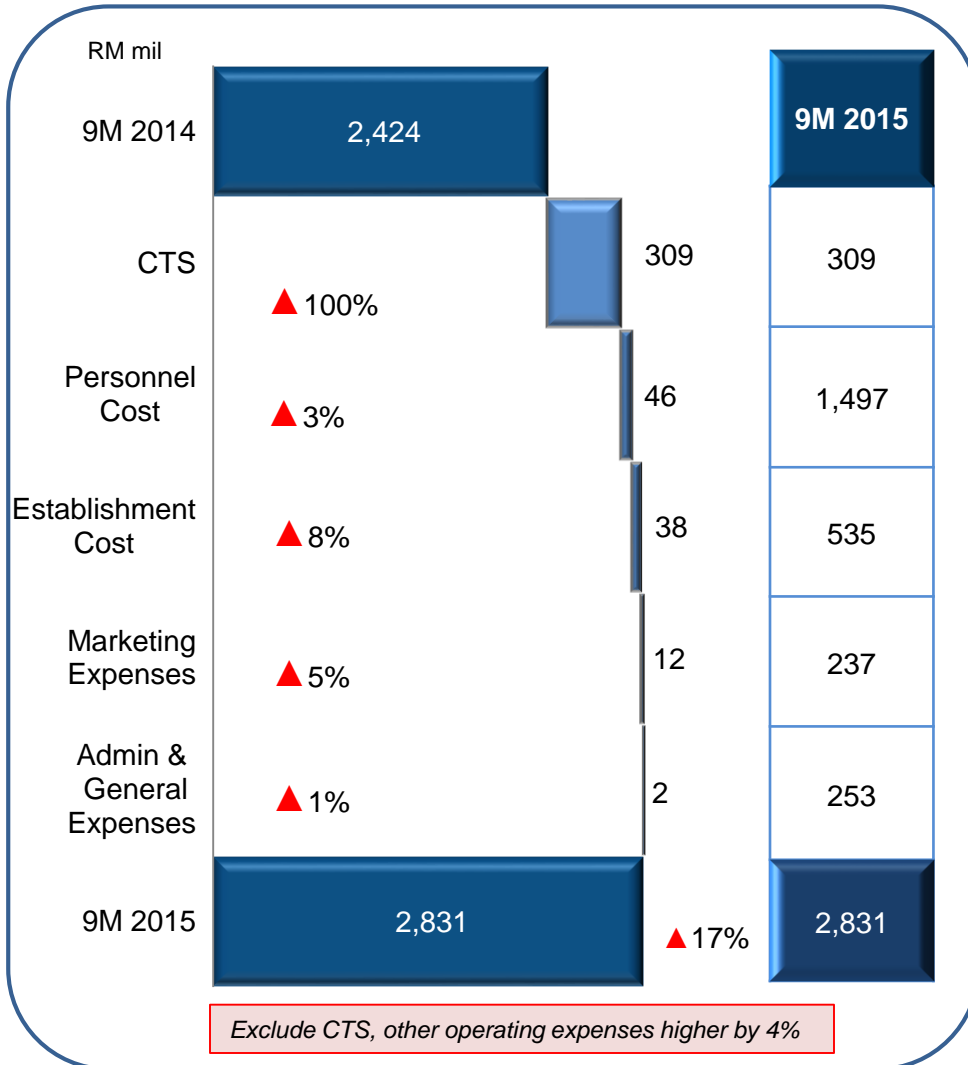
Other fee income:
39% (41%)

- Fee Income
- Gain and MTM on Securities/Derivatives
- Net Forex Gain
- Insurance Underwriting Surplus
- Others

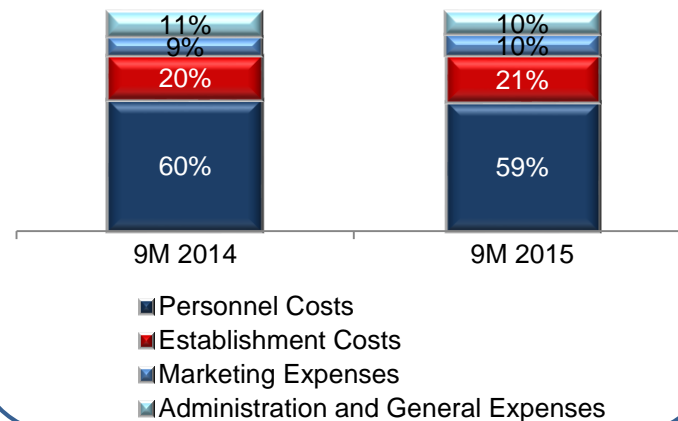
Note: Composition represents position for 9M 2015 (9M 2014)



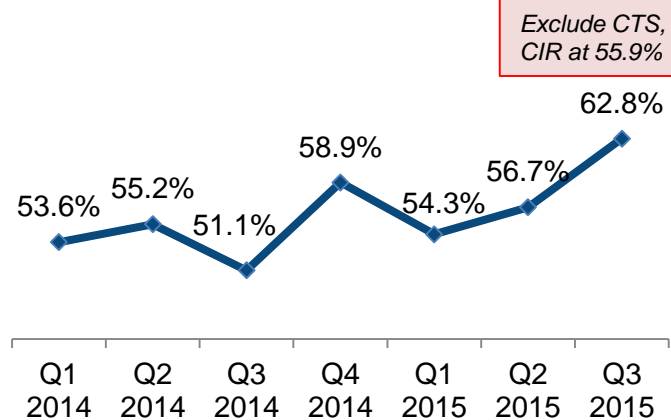
Operating Expenses



Composition Exclude CTS



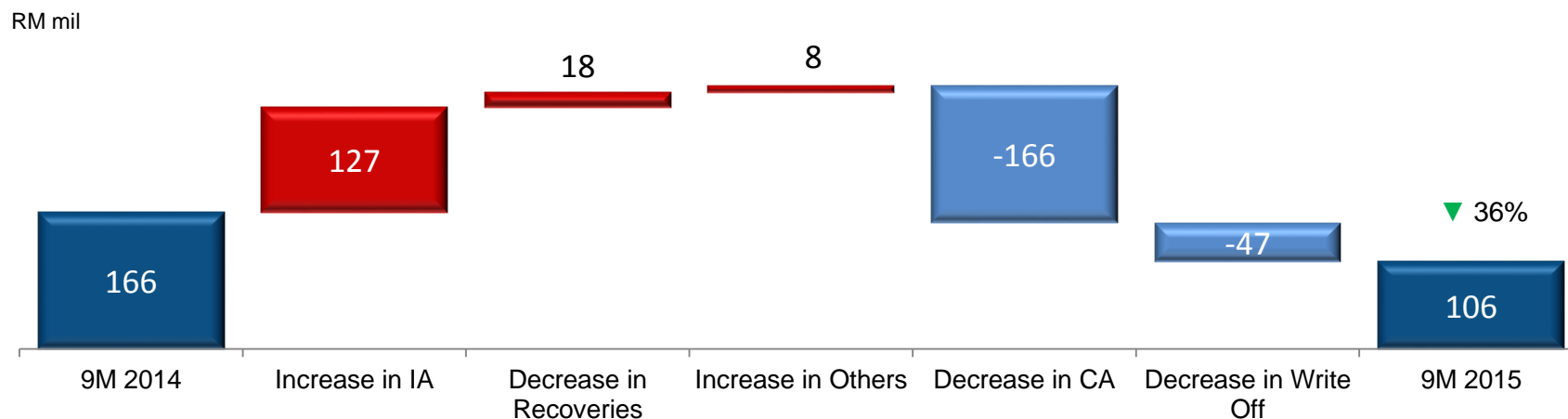
Cost-to-Income Ratio



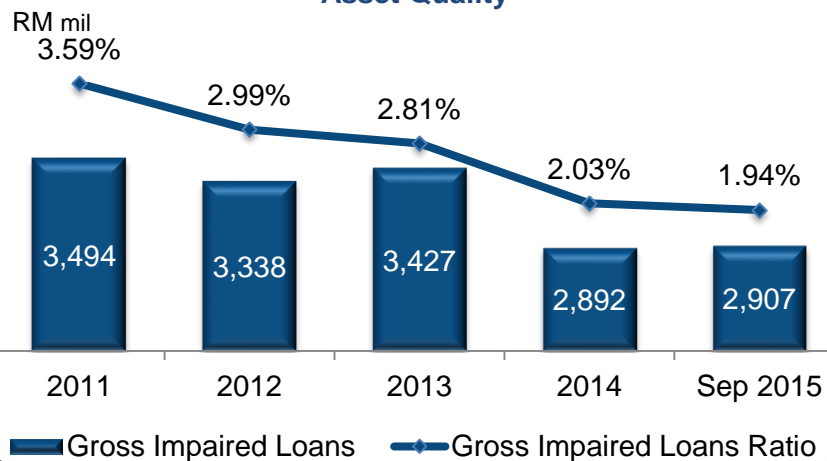


Allowances for Loan Impairment

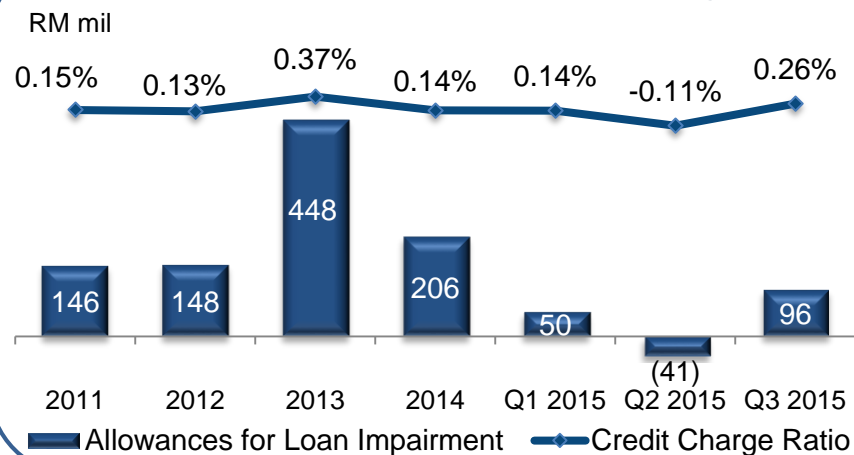
Increase/Decrease in Allowances for Loan Impairment



Asset Quality



Allowances for Loan Impairment & Credit Charge Ratio





Financial Position as at 30 September 2015

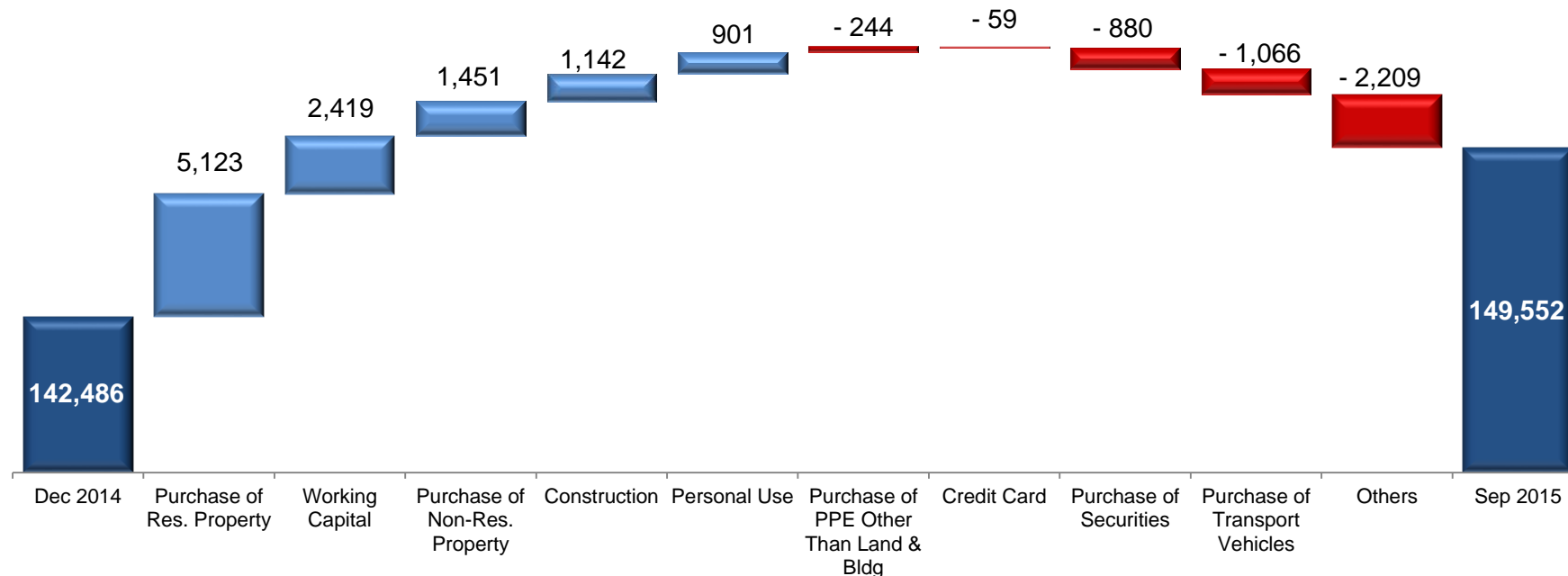
RM mil	Sep 2015	Dec 2014	Sep 2014	Change for 9M 2015 %	Y-o-Y Change %
Total Assets	229,558	219,354	209,454	5	10
Total Financial Assets/Investments	46,319	43,003	43,620	8	6
- Financial Assets FVTPL	2,182	2,931	2,826	-26	-23
- Financial Investments AFS	25,104	19,602	19,466	28	29
- Financial Investments HTM	19,033	20,470	21,328	-7	-11
Gross Loans	149,552	142,486	136,009	5	10
Customer Deposits	158,968	157,134	148,108	1	7
Borrowings and Senior Debt Securities	6,385	5,685	4,471	12	43
Subordinated Notes	5,941	6,099	6,149	-3	-3
Hybrid Tier-1 Capital Securities	598	602	598	-1	-
Shareholders' Funds	20,547	18,794	18,318	9	12
Net Assets per Share	7.94	7.31	7.12	9	12

- ◆ Increase in total assets driven mainly by growth of AFS and loans and financing.
- ◆ Excluding one large corporate repayment, gross loans growth was at 6.5% for the first nine months of 2015.
 - Growth was broad based, predominantly from purchase of residential and non-residential properties, construction and working capital.
- ◆ Customer deposit remained stable as the Group continue to rebalance its liquidity and funding position.
- ◆ Group current and savings account ('CASA') balances increased by 8.6%
- ◆ CASA composition improved to 23.3% as at September 2015 from 21.7% in December 2014.



Loans, Advances and Financing

RM mil

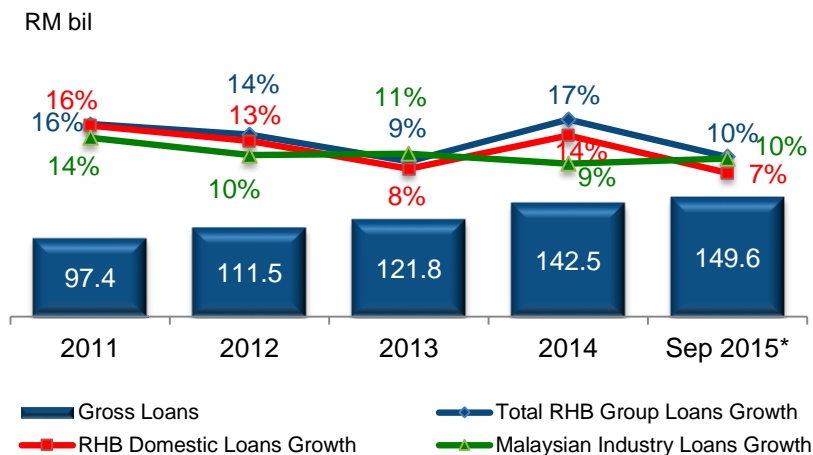


September 2015	36,592	37,480	12,085	6,072	8,551	3,919	1,936	14,727	11,157	17,033	149,552
9M 2015 Growth	▲ 16%	▲ 7%	▲ 14%	▲ 23%	▲ 12%	▲ 7%	▼ 3%	▼ 6%	▼ 9%	▼ 11%	▲ 5%
Y-o-Y Change	▲ 23%	▲ 14%	▲ 27%	▲ 58%	▲ 15%	▲ 7%	▼ 1%	▼ 7%	▼ 12%	▼ 8%	▲ 10%
Y-o-Y Loans Growth Composition	51%	35%	19%	16%	8%	2%	-	-9%	-11%	-11%	100%

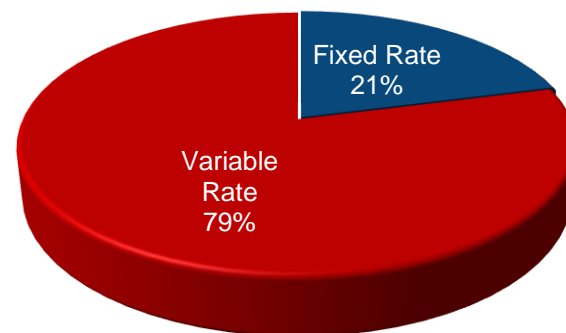


Loans Profile and Market Share

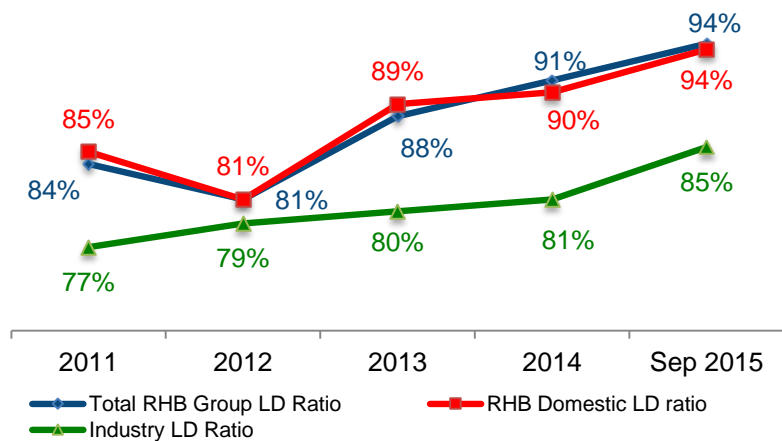
Gross Loans



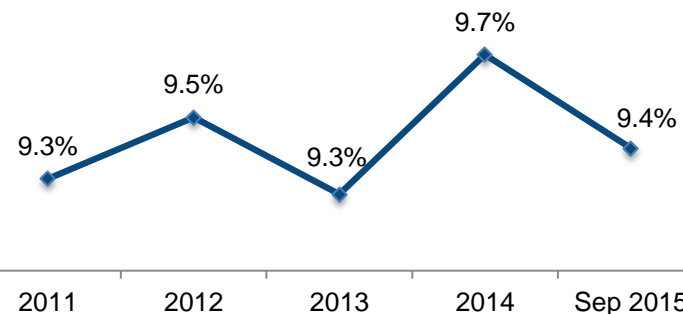
Gross Loans by Interest/ Profit Rate Sensitivity



LD Ratio



Domestic Loans Market Share

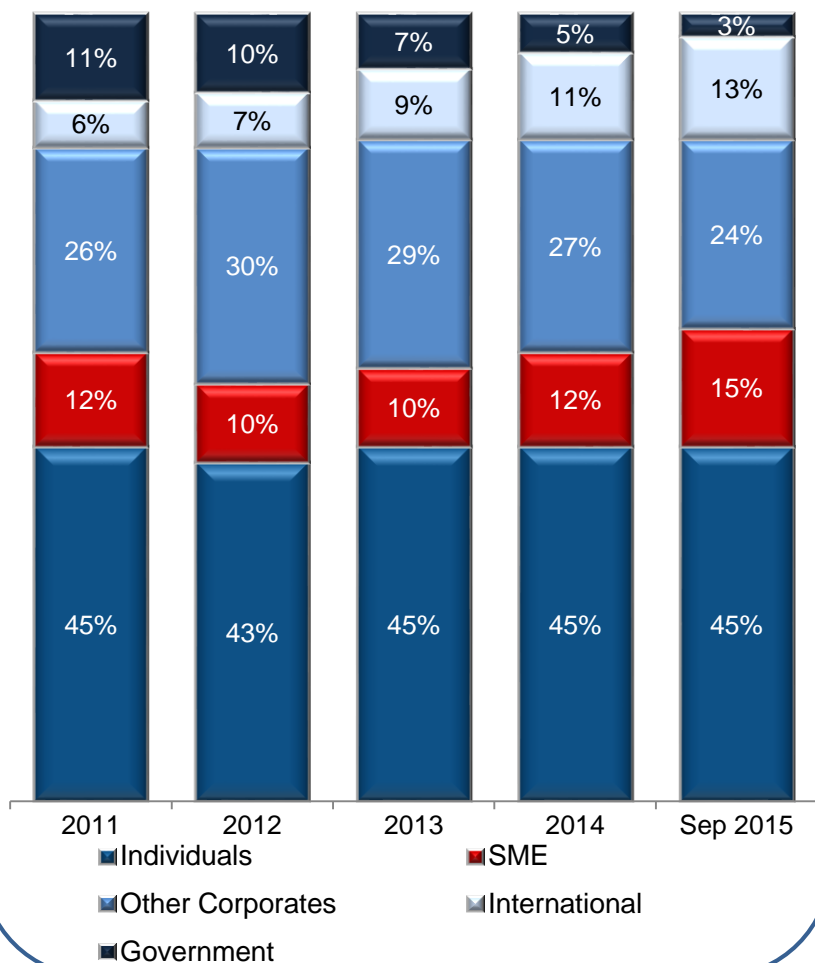


* Y-o-Y growth rate



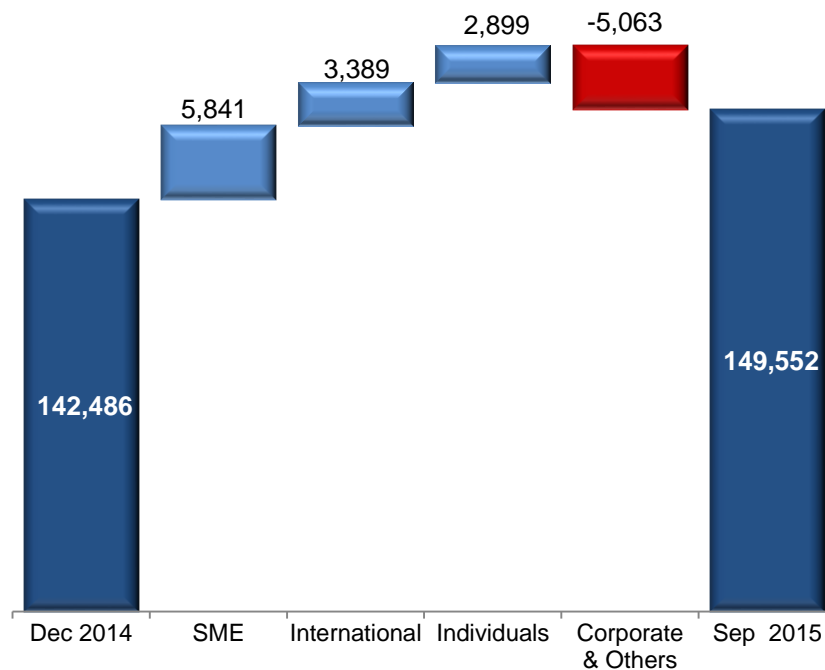
Loans By Type of Customers

Composition



Loans by Type of Customers

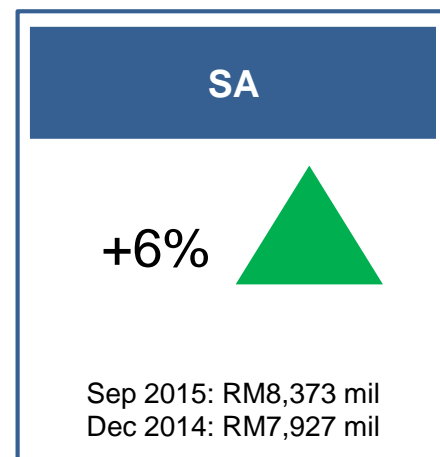
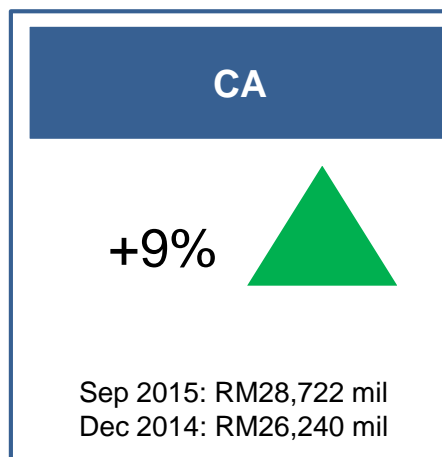
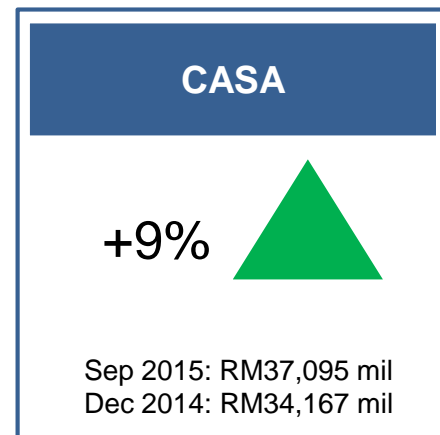
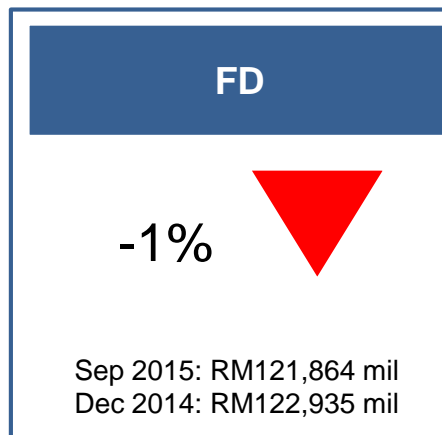
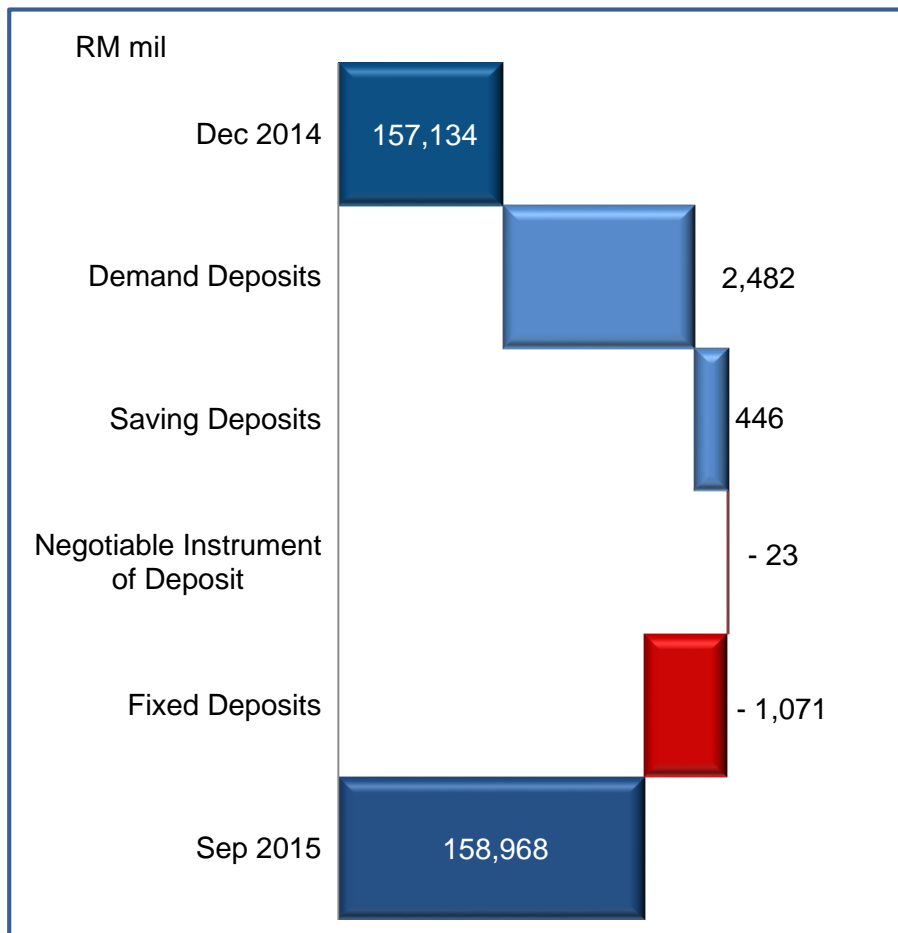
RM mil



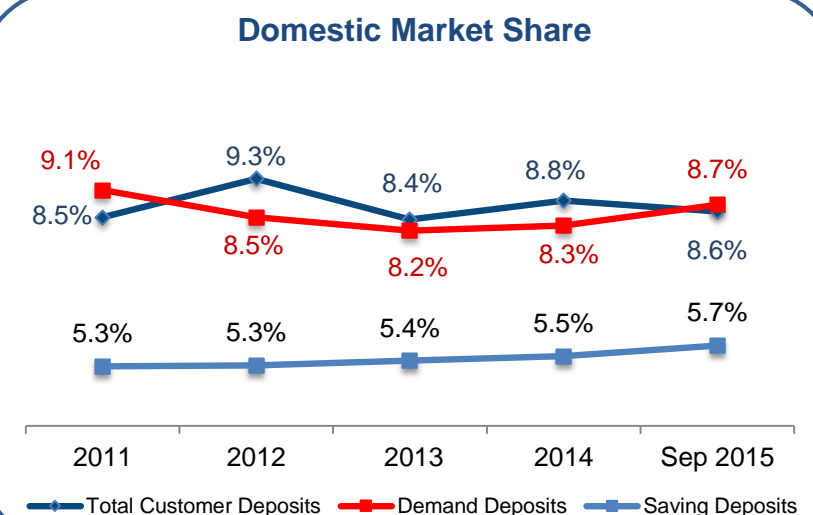
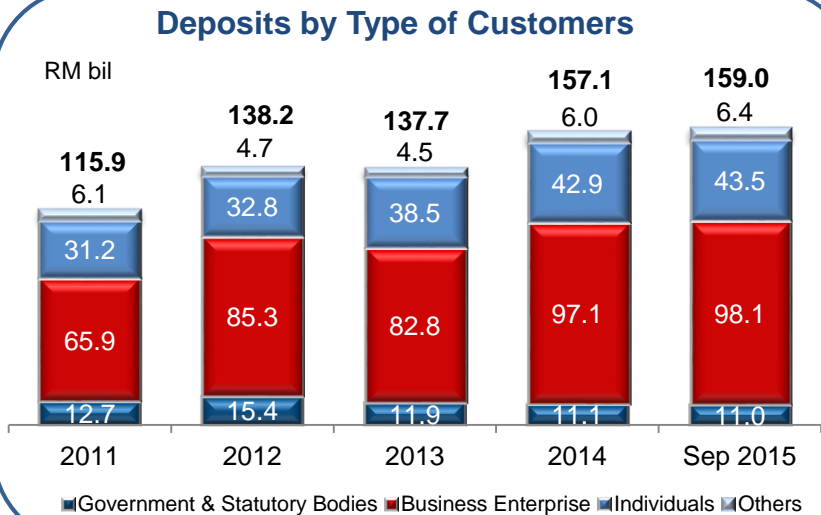
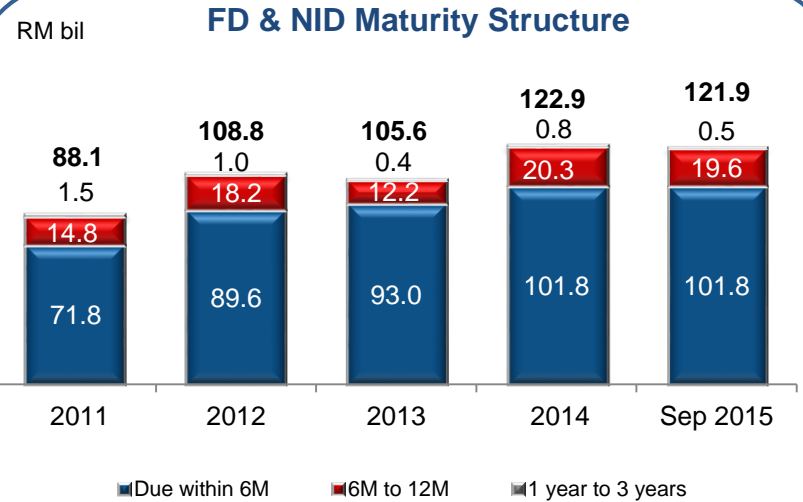
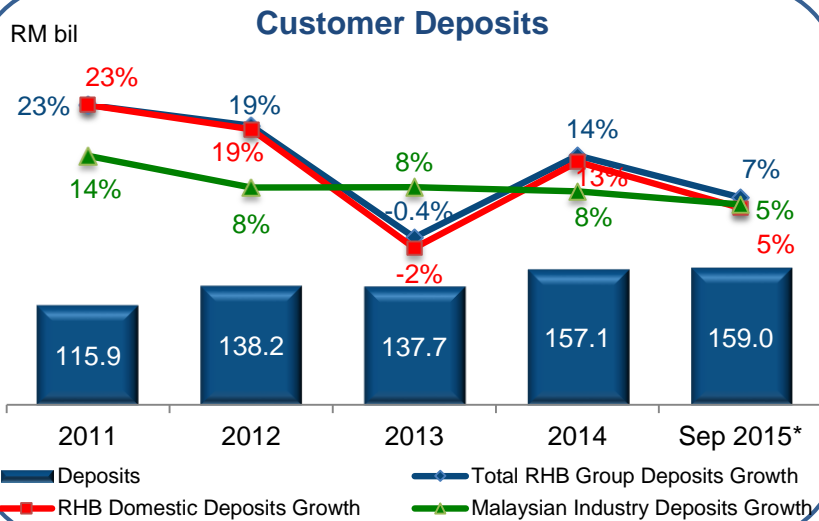
September 2015	22,097	19,175	67,174	41,106	149,552
9M 2015 Growth	▲ 36%	▲ 21%	▲ 5%	▼ 11%	▲ 5%
Y-o-Y Growth	▲ 50%	▲ 38%	▲ 8%	▼ 9%	▲ 10%



Customer Deposits



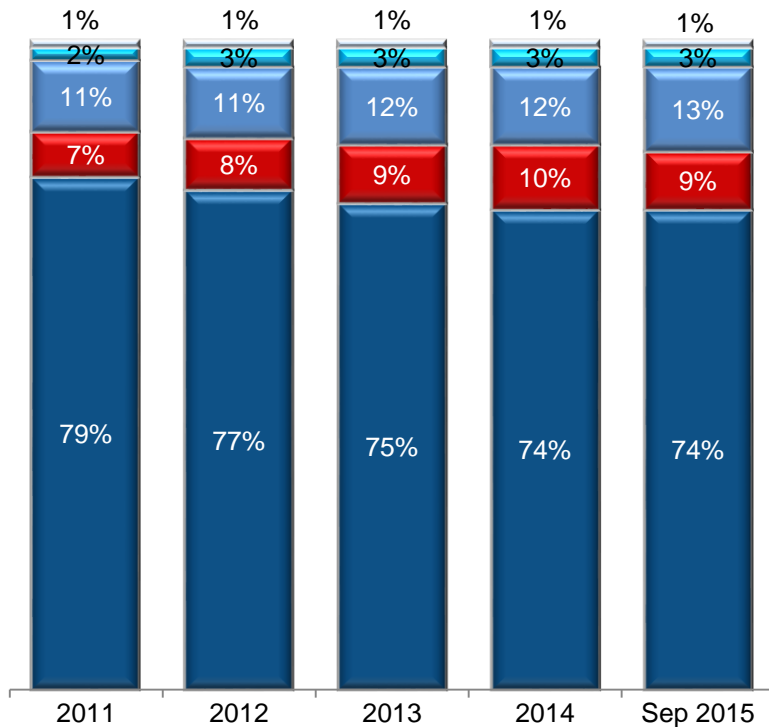
Customer Deposits Profile & Market Share



* Y-o-Y growth rate

Funding

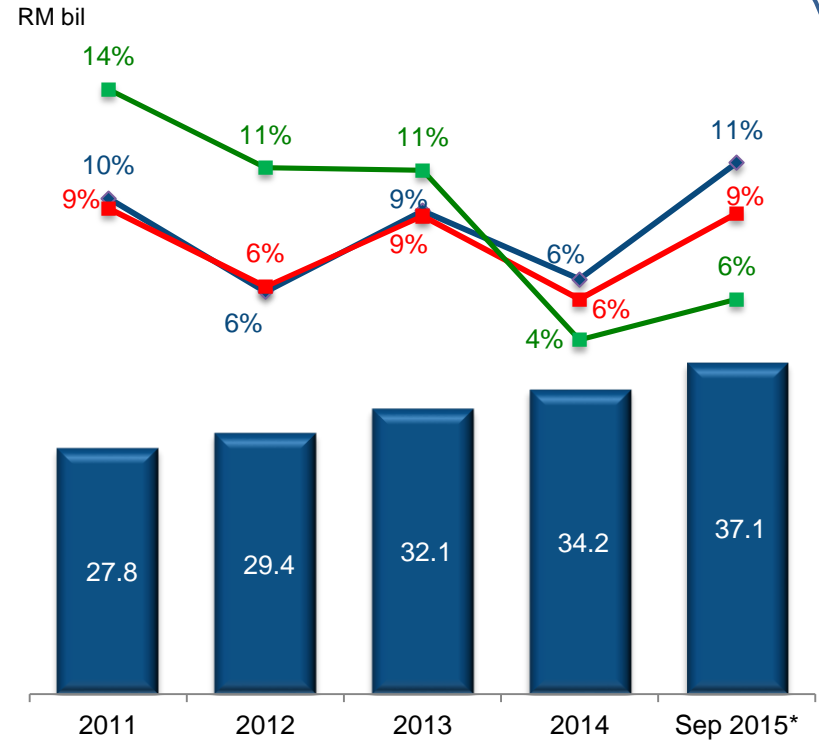
Funding Composition



- Customer Deposits
- Deposits from Banks and Other FI
- Equity & Debt Capital^
- Borrowings & Senior Debt Securities
- Loans Sold to Cagamas

^ Debt capital include subordinated obligations and hybrid tier 1 capital securities

CASA Composition



CASA Composition:

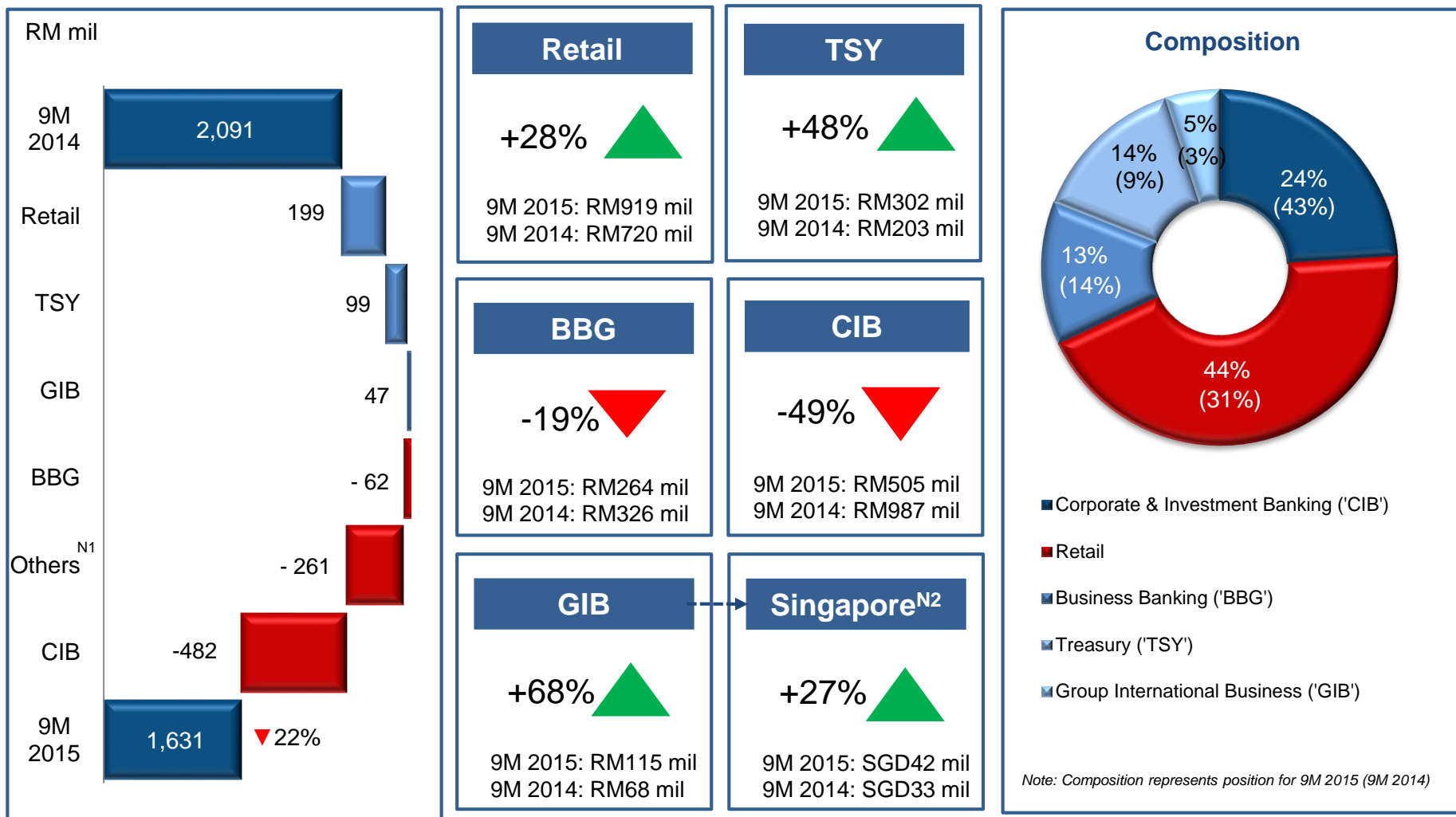
24.0%	21.3%	23.3%	21.7%	23.3%
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- CASA
- ◆ Total RHB Group CASA Growth
- RHB Domestic CASA Growth
- Malaysian Industry CASA Growth

* Y-o-Y growth rate



PBT by SBG



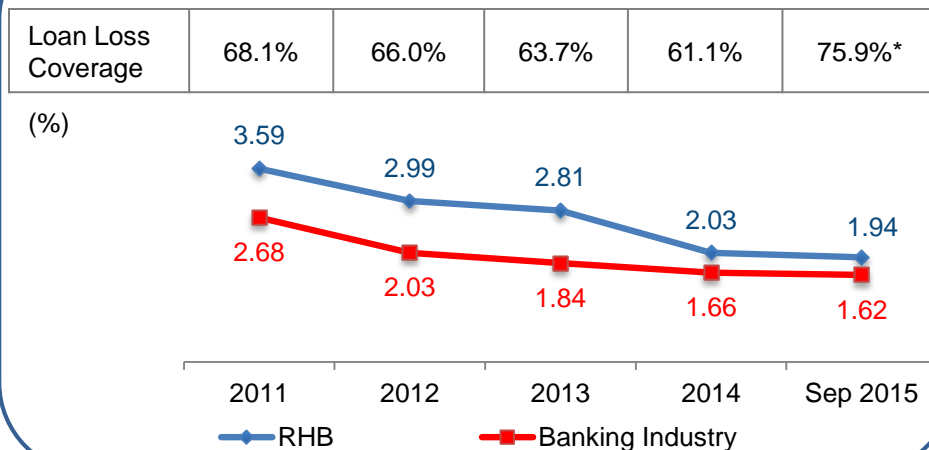
N1 Others refer to support center, CTS, other business segments and inter-segment elimination

N2 RHB Bank Singapore only

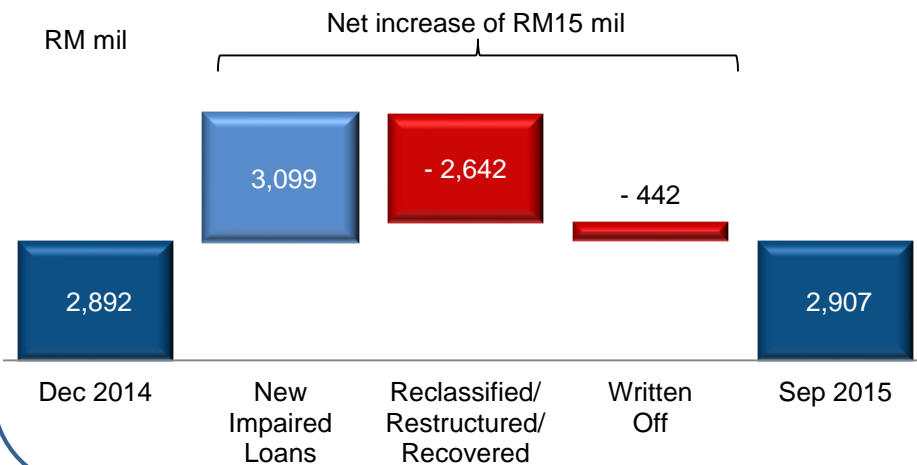


Asset Quality

Gross Impaired Loans Ratio

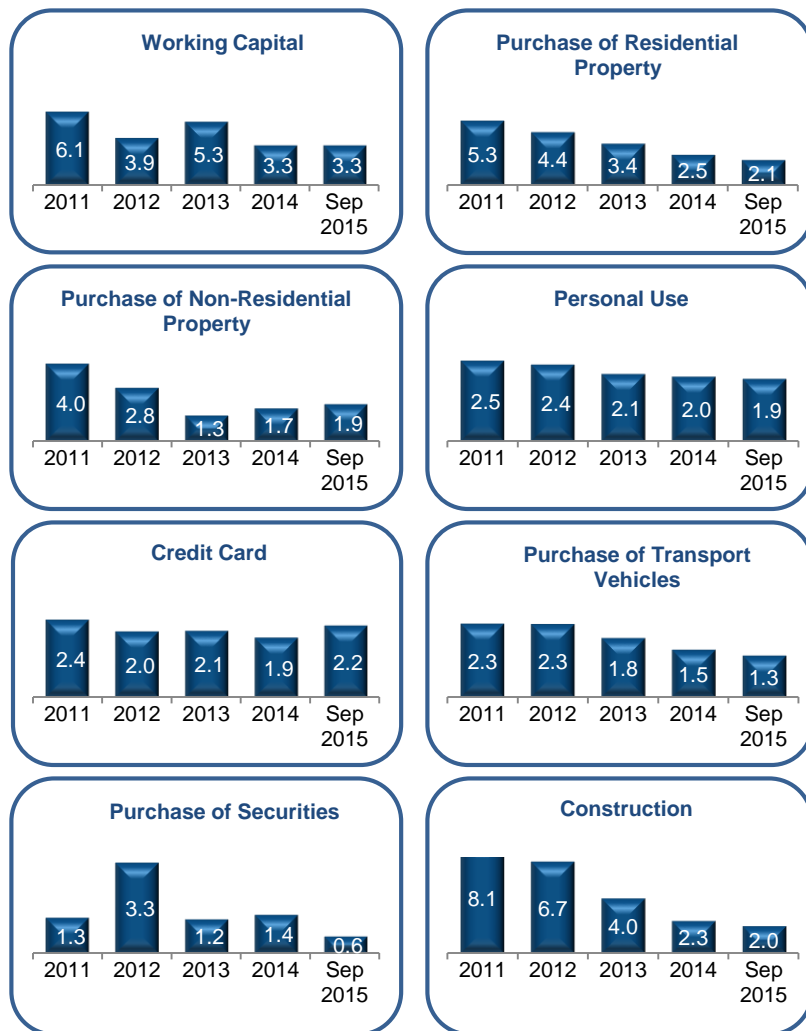


Gross Impaired Loans Movement



* Inclusive of 1.2% regulatory reserve amounting to RM563 million

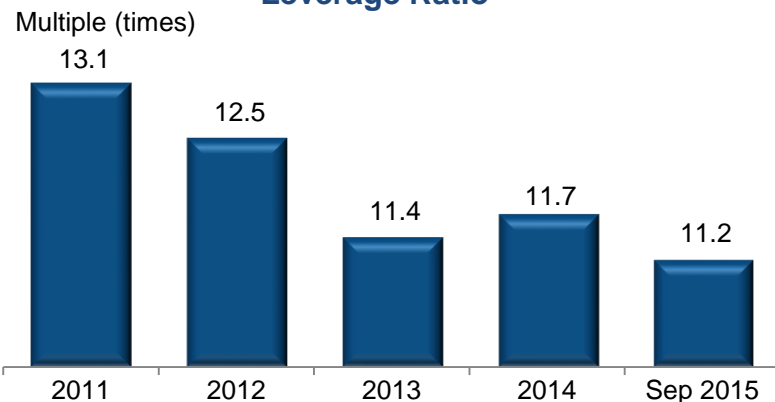
Gross Impaired Loans Ratio (%) by Purpose



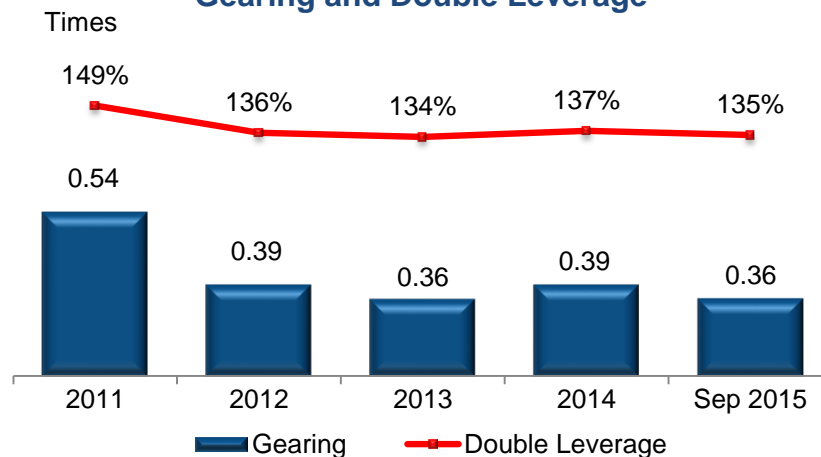


RHB Capital : Capital Position & Market Capitalisation

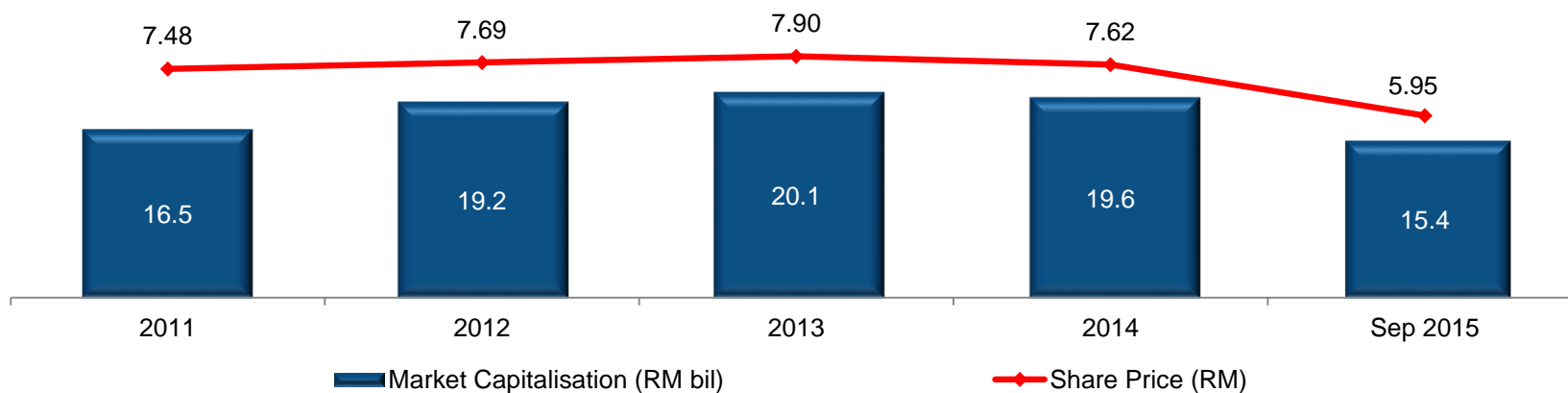
Leverage Ratio^{N1}



Gearing and Double Leverage^{N2}



Share Price & Market Capitalisation

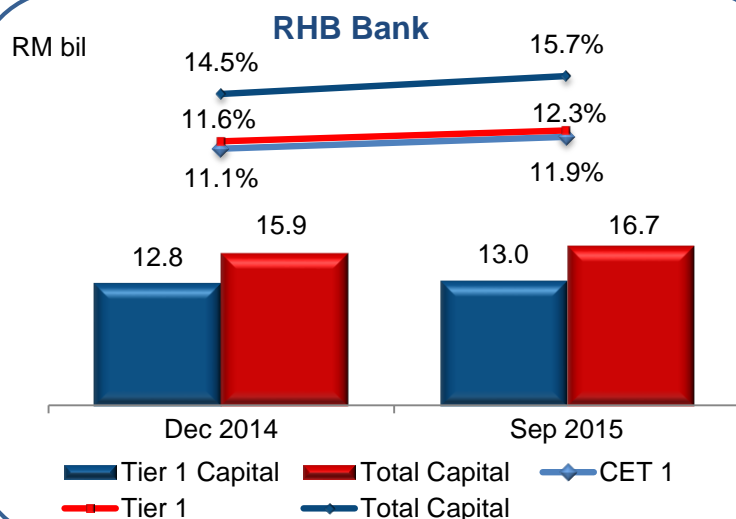
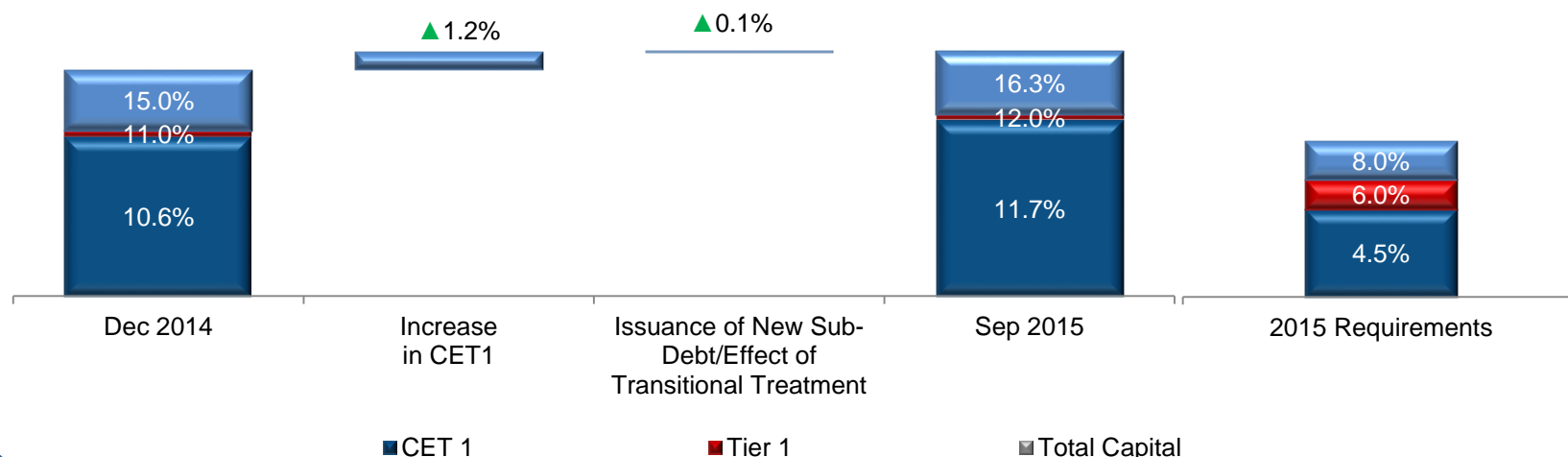


N1: Leverage ratio is defined as total assets over shareholders' funds

N2: Proforma Basel III CET 1 of RHB Capital Group stood at 10.6% as at 30 Sep 2015

Capital Position (1/2)

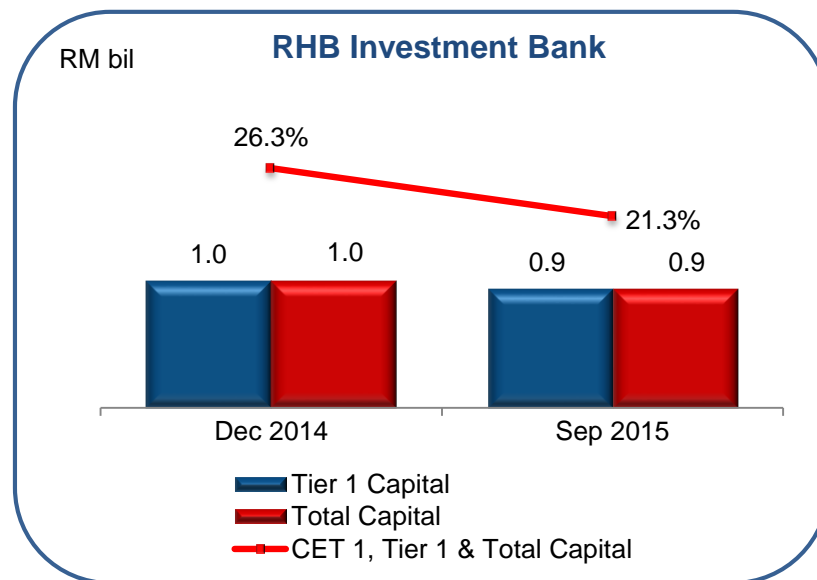
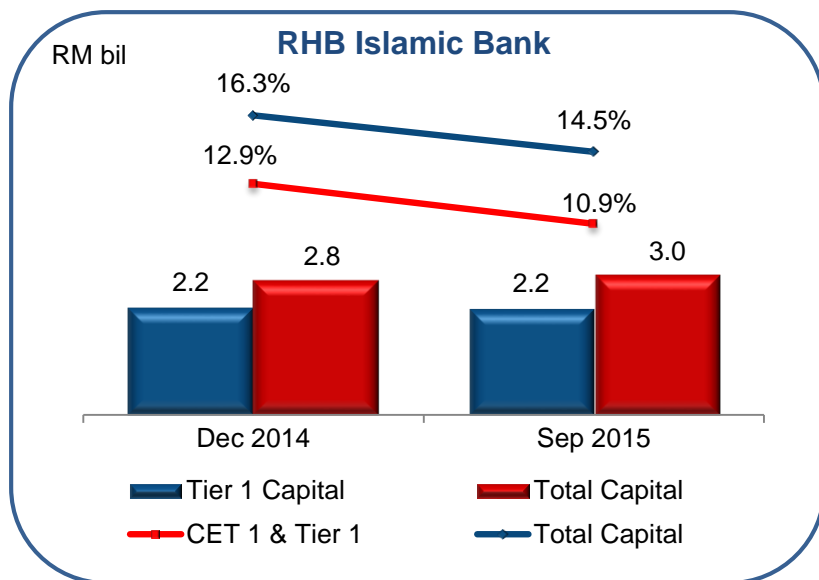
RHB Bank Group: Capital Development in 9M 2015



- ◆ Total capital ratio for RHB Bank increased mainly due to capital optimization, portfolio migration to IRB, RWA optimisation, increase in CET1 and new sub-debt issuance.
- ◆ RHB Bank on 29 April 2015 fully redeemed RM700 million subordinated notes which was due for step-up.
- ◆ On 8 May 2015, RHB Bank issued RM500 million 4.75% subordinated notes with a tenure of 10 non-callable 5 years.



Capital Position (2/2)



- ◆ RHB Investment Bank had on 6 April 2015 and 25 May 2015 fully redeemed its subordinated notes of RM125 million and RM75 million respectively which were due for step-up.
- ◆ On 16 April 2015, RHB Investment Bank issued RM200 million 4.95% subordinated notes with a tenure of 10 non-callable 5 years.

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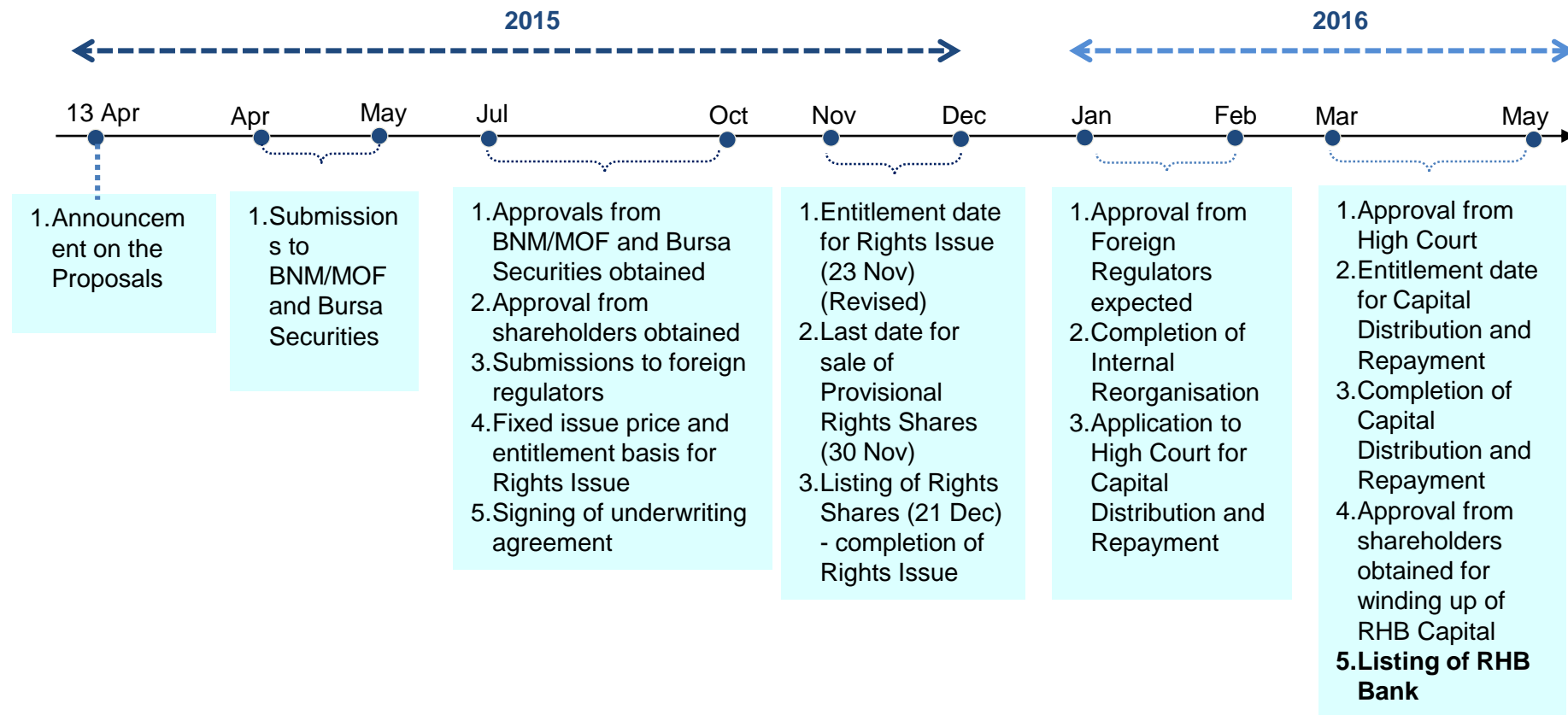
Summary and Outlook





Corporate Exercise: Key Milestones

Transaction timeline





Ignite 2017: We continue to focus on executing the initiatives under our reframed strategy and will provide regular update on our progress

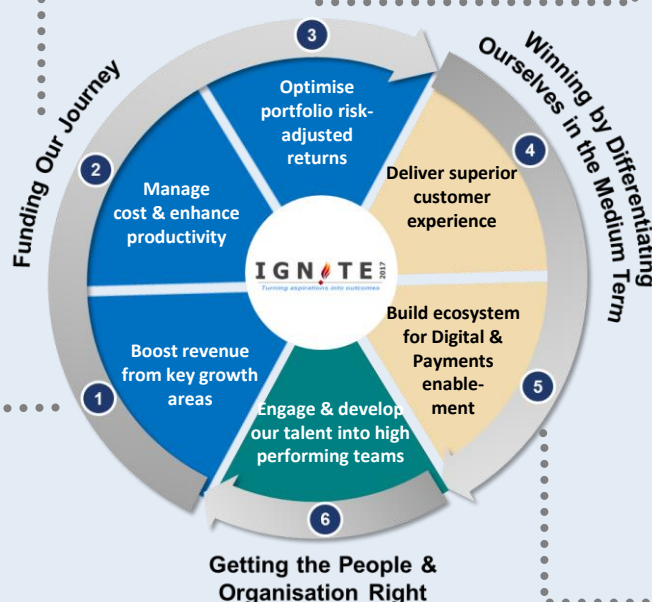
- ♦ **Affluent Segment Strategy**
Leverage strong relationship with SME owners and corporate C-suites to increase market share
- ♦ **Mass Affluent Segment Strategy**
Deepen share of wallet by offering suitable solutions and a digital customer experience
- ♦ **SME Growth Strategy**
Build proposition around SME ecosystem to capture end-to-end value chain and strengthen credit capabilities
- ♦ **Asset Management Strategy**
Rapid expansion of agency and RHB Group distribution
- ♦ **Regional Treasury Strategy**
Establish Singapore as non-MYR hub with country specific strategies
- ♦ **Singapore Growth Strategy**
Focus growth through regional treasury, SME and C+IB collaboration
- ♦ **CIB Growth Strategy**
Rewire CIB across the region and increase share of wallet through GAM¹ and regional collaboration

- ♦ **Tactical Cost Savings**
Career Transition Scheme
Reducing non-payroll cost by 10%
- ♦ **Productivity Improvements**
Drive productivity improvement across the group
- ♦ **Optimising Network Synergies**
Optimise network across the group and EASYnise the branches

- ♦ **Capital Optimisation**
Optimise capital consumption through model refinements
- ♦ **RAROC & Profitability Enhancements**
Drive ROE and profitability uplift through RAROC analysis and portfolio improvement strategies

- ♦ **CONNECT² & RHB Way**
Delight customers through personalizing our service, making it simple and fast and being their trusted partner
- ♦ **Central Client Onboarding**
Deliver quality and seamless customer interactions across the group for corporate clients
- ♦ **Enhance Customer Experience through Operational Efficiency**
Enable RHB Way through operational improvements & innovations

- ♦ **Digital & Payments Strategy**
Deliver segment-driven lifestyle ecosystem through digital and payments innovation with industry collaboration



- ♦ **Talent Management**
Engage, sustain and develop our talent into high performing teams

Notes

1: GAM (Global Account Management) is an initiative to improve RHB's internal coordination and external service quality with our top corporate customers

2: CONNECT is RHB's branch sales management model covering key elements such as sales model, sales tools, sales routine and planning, sales performance management and branch organisation

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- 1** Business and consumer sentiment affected by:
 - i. slowdown in the property sector, weaker commodity prices and ringgit depreciation
 - ii. weaker external demand and downside risk for export growth

- 2** Economic growth is supported by resilient consumer spending and domestic investment, both private and public sector

- 3** 2015 economic growth to moderate to 4.8% whilst financial and capital market activities are expected to remain soft in view of macroeconomic volatility



Summary and Concluding Remarks

- 1** 9M 2015 results affected by softer debt and equity capital market conditions, amidst current global macroeconomic environment
- 2** Global economic outlook is expected to remain challenging and volatile, hence immediate focus on optimising operational efficiency and maintaining sound asset quality
- 3** Completion of CTS will create a leaner organization, resetting a sustainable operating cost structure
- 4** Completion of the corporate exercise will enable the Group to strengthen the capital position of RHB Bank and to support the Group's business growth while meeting the capital requirements of Basel III
- 5** The Group is well placed to carry through the IGNITE 2017 strategic aspirations and plans



END

www.rhbgroup.com

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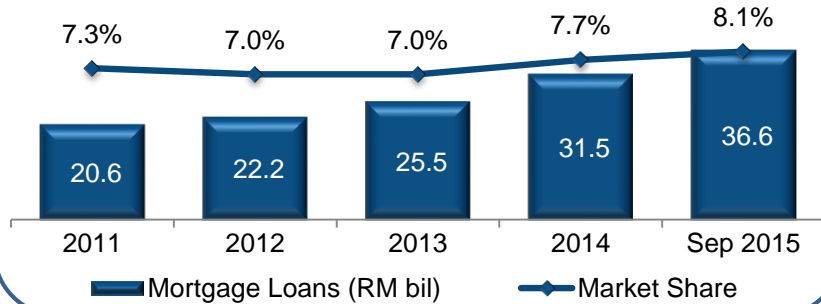
Appendix

Key Business Highlights

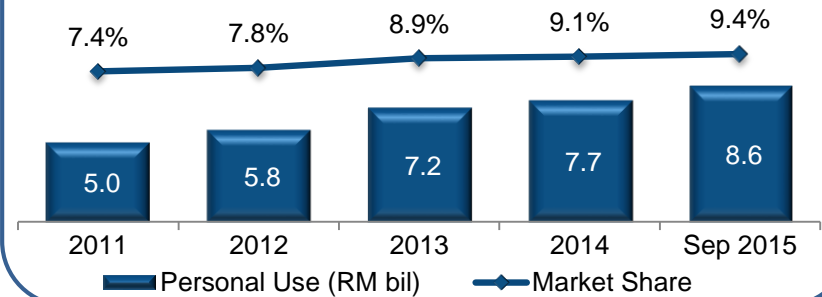


Retail Business Performance

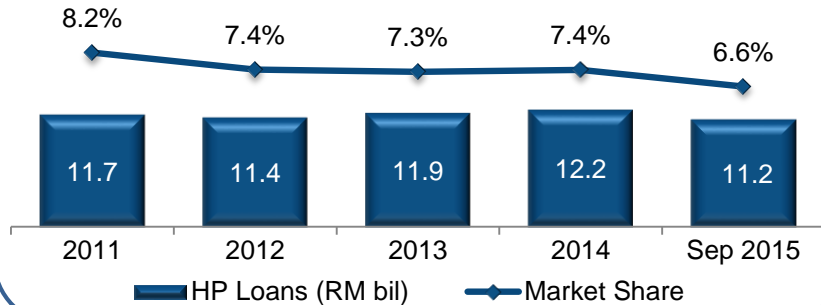
Mortgage



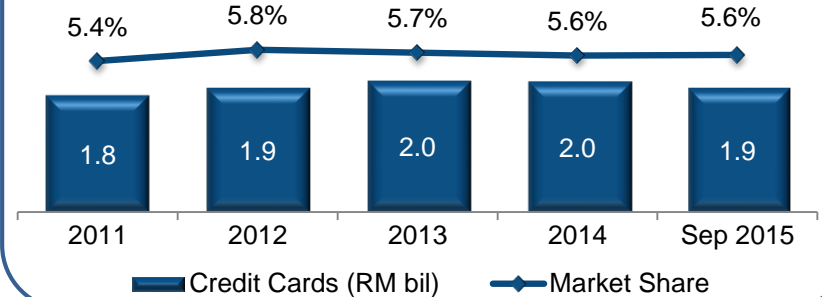
Personal Use



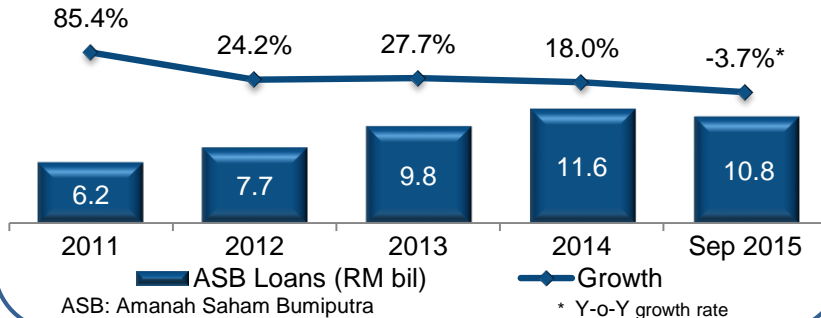
Auto Finance



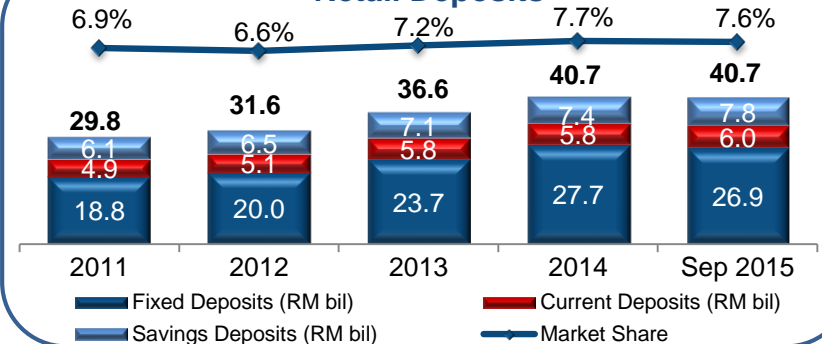
Credit Card



ASB



Retail Deposits





CIB Market Share

	YTD Sep 2015		FY 2014		FY 2013	
	Market Share	Ranking	Market Share	Ranking	Market Share	Ranking
Debt Capital Market - MYR sukuk*	22.74%	2	12.4%	4	17.6%	4
- Conventional & Islamic bonds	20.47%	2	11.5%	4	16.3%	4
Mergers & Acquisitions - by value	5.65%	13	22.4%	1	11.8%	3
- by deal count	19 deals	1	27 deals	1	26 deals	1
Equities Capital Market ^	13.05%	3	8.6%	4	7.9%	3

* Primary Bond Offerings ^ IPOs, Rights Issues & Additional Offerings

Source : Bloomberg & Bursa Malaysia & RHB

Major Mandates Completed YTD Sep 2015

DCM



West Coast Expressway Sdn Bhd
RM1.0 bil issuance under
RM1.0 bil Sukuk Murabahah Programme
*Joint Principal Adviser, Joint Lead Arranger
& Joint Lead Manager*



GenM Capital Berhad
RM2.4 bil issuance out of
RM5.0 bil Medium Term Notes Programme
Joint Lead Arranger & Joint Lead Manager



Malaysia Building Society Berhad
RM900.0 mil issuance out of
RM3.0 bil World's First Structured Covered
Sukuk Murabahah
*Sole Principal Adviser, Sole Lead Arranger
& Sole Lead Manager*

ECM



Sunway Construction Group Berhad
RM478 mil
Main Market IPO
*Sole Principal Adviser, Joint Global
Coordinator, Joint Underwriter &
Joint Bookrunner*



Malakoff Berhad
RM3.15 bil
Main Market IPO
*Joint Principal Adviser, Joint Bookrunner,
Joint Managing Underwriter &
Joint Underwriter*



CCM Duopharma Biotech Berhad
RM251.06 mil
Rights Issue
*Sole Principal Adviser &
Sole Underwriter*

M&As and Syndicated Loan



MCT Berhad
(formerly GW Plastics Holdings Berhad)
RM1.21 bil
Acquisition of MCT Consortium Berhad
Sole Principal Adviser



CCM Duopharma Biotech Berhad
RM245.13 mil
Acquisition of six pharmaceutical
companies under Chemical Company of
Malaysia Berhad
Sole Principal Adviser



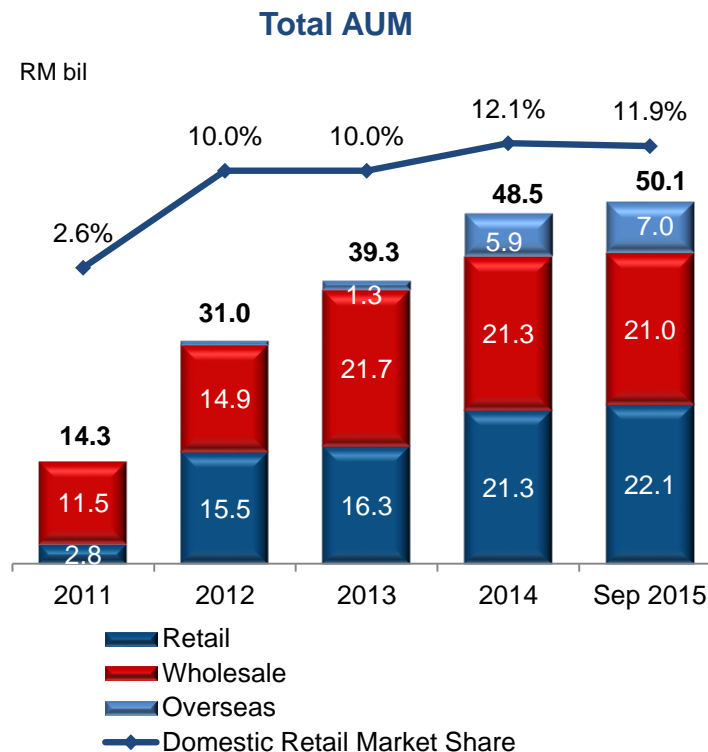
AI-Salam REIT
RM350 mil
Syndicated Term Loan
Joint Mandated Arranger



Equities, Futures & Asset Management

Equities (by value)	Sep 2015		FY 2014	
	Market Share	Ranking	Market Share	Ranking
Malaysia				
- By value	8.4%	5 th	9.5%	3 rd
- By volume	12.4%	3 rd	13.7%	2 nd
Singapore	4.4%	12 nd	5.4%	10 th
Hong Kong	0.1%	100 th	0.1%	97 th
Indonesia	2.7%	13 th	2.3%	15 th
Thailand	1.3%	30 th	1.3%	27 th
Cambodia	3.1%	7 th	2.5%	7 th

Futures (by volume)	Sep 2015		FY 2014	
	Market Share	Ranking	Market Share	Ranking
Malaysia - FKLI	6.9%	6 th	7.5%	4 th
Malaysia - FCPO	7.1%	3 rd	9.6%	3 rd
Thailand	5.0%	7 th	4.0%	8 th
Hong Kong - HSIF	0.1%	57 th	0.1%	71 st



	Ranking	
	Sep 2015	FY 2014
Retail	3	3
Wholesale ^{N1}	3	3

Source: Lipper as at Sep 2015

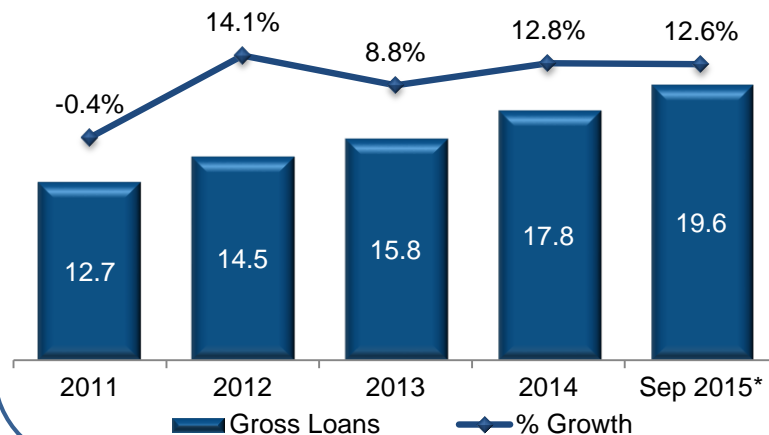
N1: Based on available information as at Dec 2014



Business Banking and SME

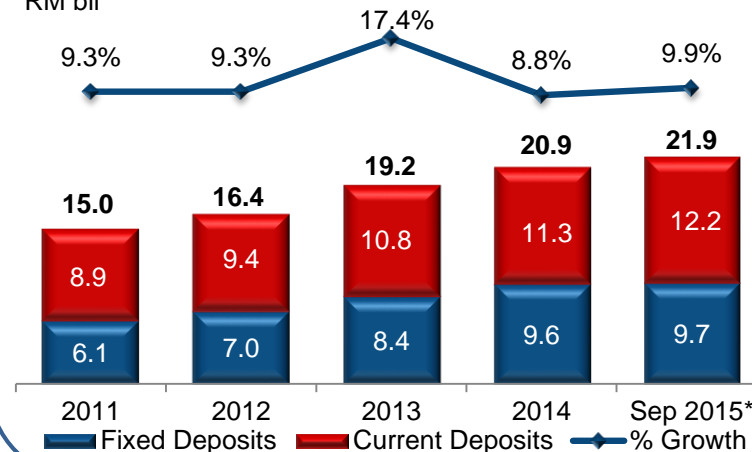
Gross Loans

RM bil

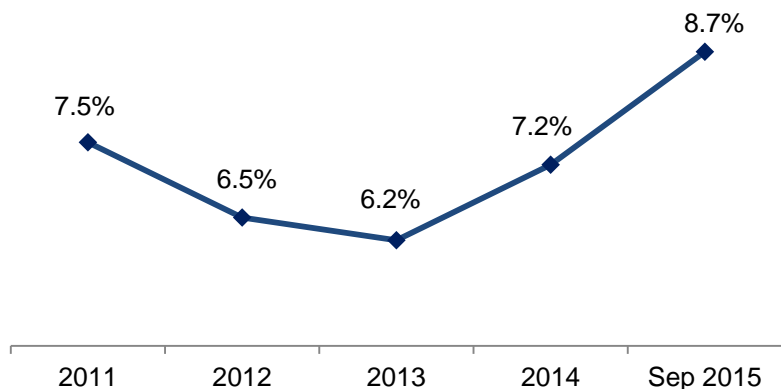


Customer Deposits

RM bil

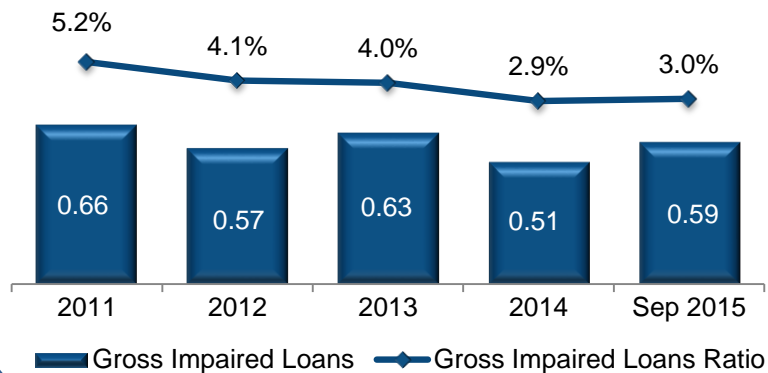


SME Market Share



Asset Quality

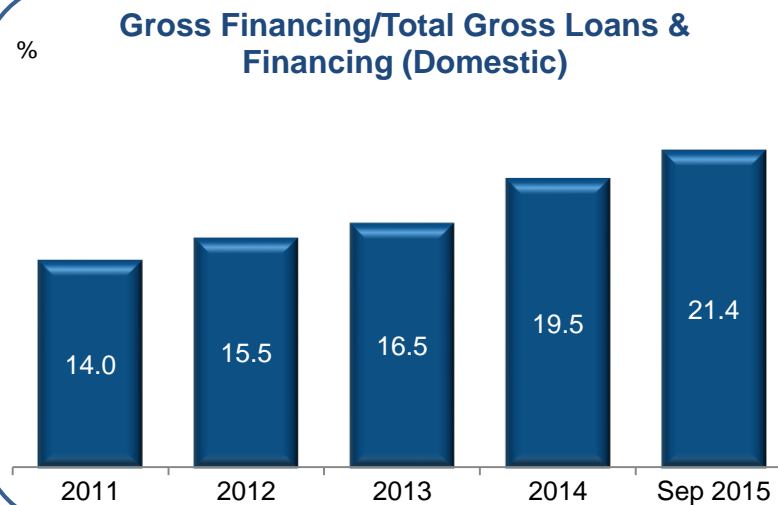
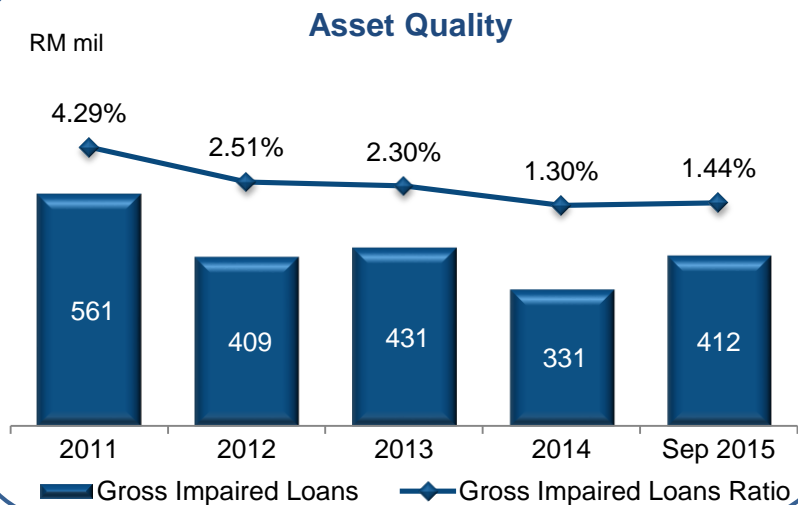
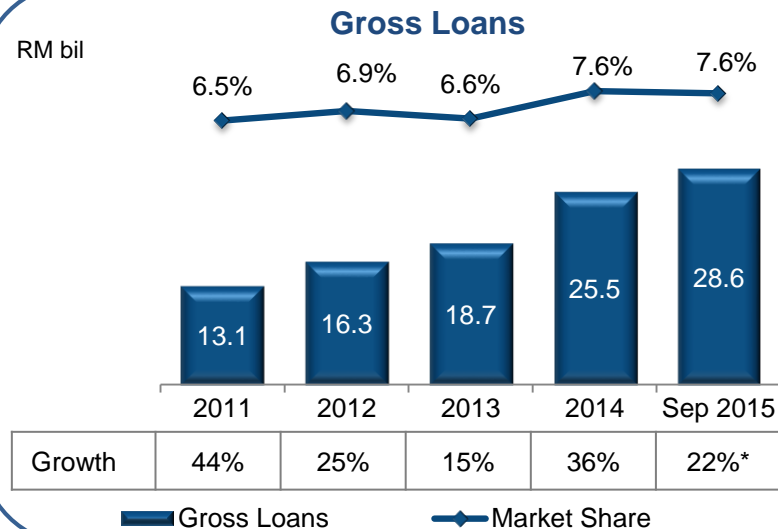
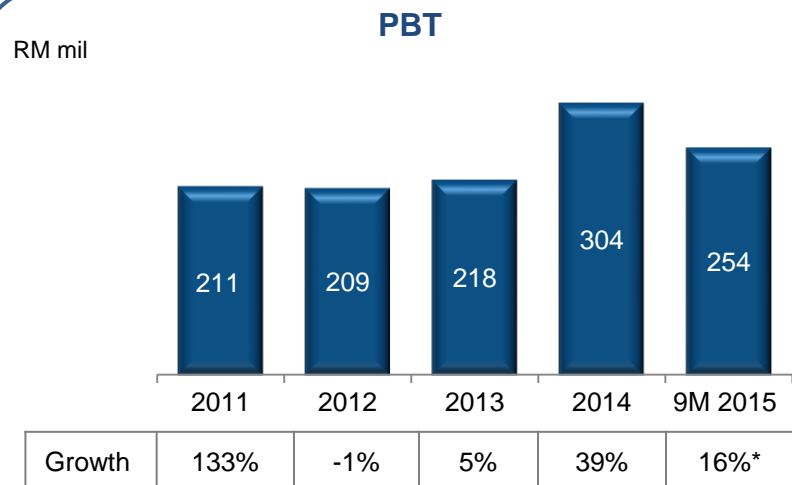
RM mil



* Y-o-Y growth rate

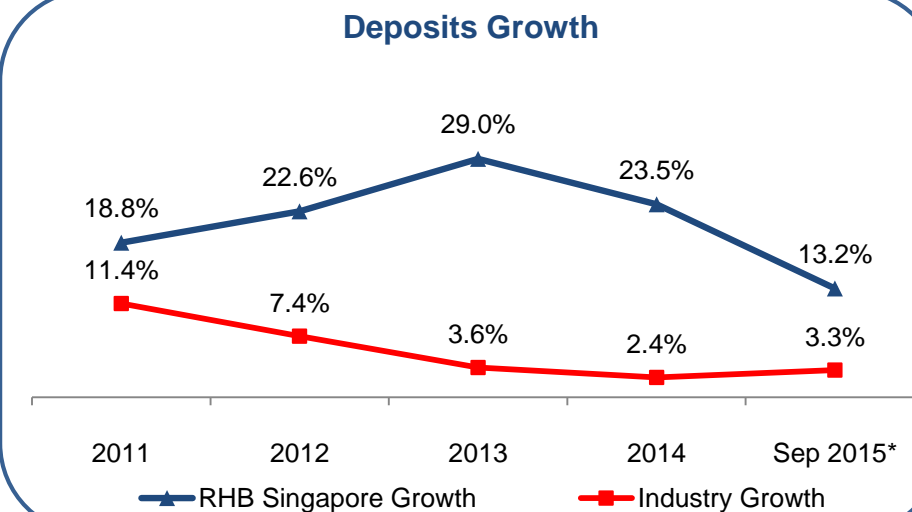
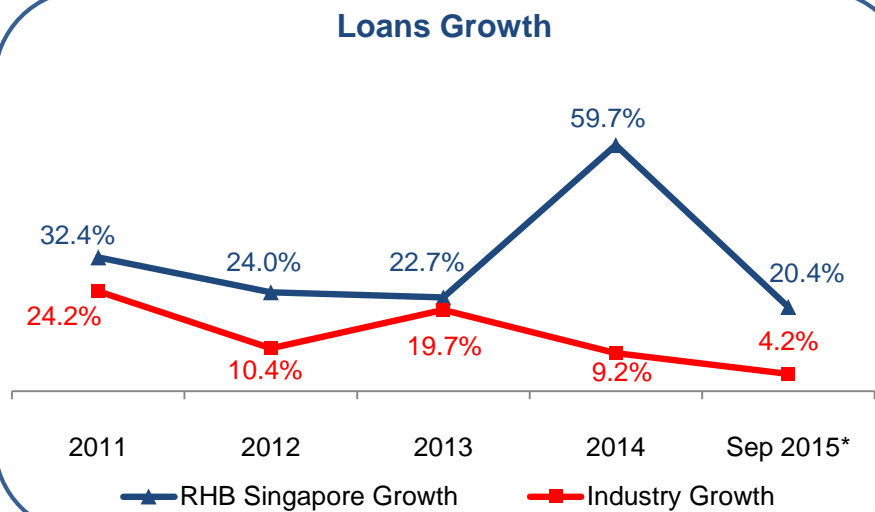
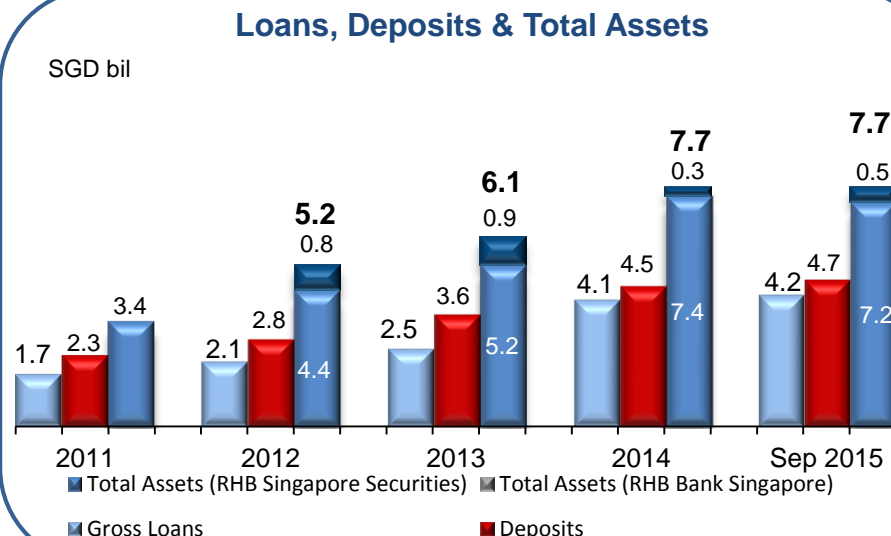
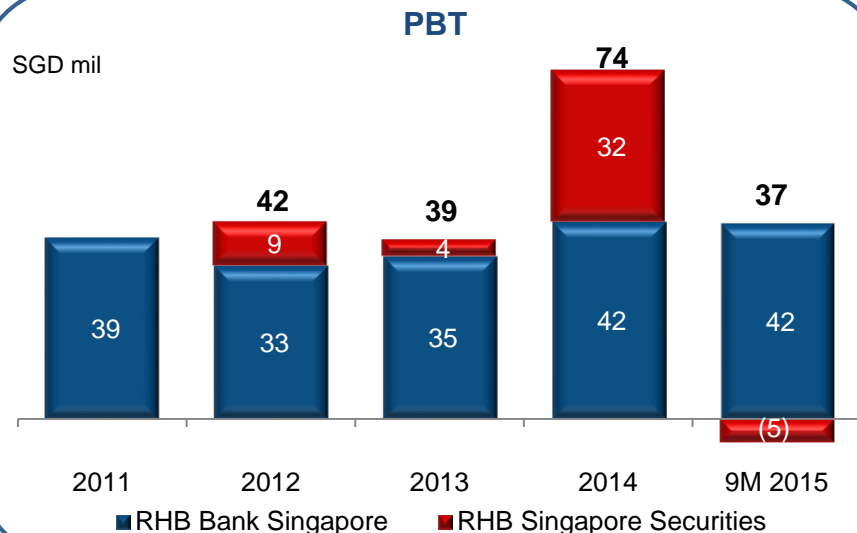


Islamic Financial Performance



* Y-o-Y growth rate

RHB Singapore Business Performance



* Y-o-Y growth rate