



News Room

RHB Capital Shareholders Approved Proposed Issuance of 245 million shares for the Proposed Acquisition of OSK Investment Bank

Transformational Transaction for RHB Investment Bank and Important Step for RHB Banking Group in Building Local Leadership and Accelerating Regional Growth to become a Leading Multinational Financial Services Group

Kuala Lumpur, 30 August 2012

Shareholders of RHB Capital Berhad (RHB Capital) approved resolutions for the issuance of 245 million pursuant to the Proposed Acquisition of 100% of OSK Investment Bank Berhad (Proposed Share Issuance) at an extraordinary general meeting (EGM) today.

The shareholders approved resolutions for:

- the issuance of 245 million or such additional new ordinary shares of RM1.00 each in RHB Capital (in accordance with the terms of conditional share purchase agreement dated 28 May 2012), at RM7.36 per share pursuant to the Proposed Acquisition of 100% equity interest in OSK Investment Bank Berhad (OSK Investment Bank) from OSK Holdings Berhad (OSK Holdings).
- the RHB Capital directors, to be empowered and authorized to do all acts necessary to effect the Proposed Share Issue

RHB Capital has proposed to acquire 100% of OSK Investment Bank shares for a purchase consideration of RM1,950.7 million, comprising of RM1,803.2 million in the form of 245 million new RHB Capital shares issued at RM7.36 per share and RM147.5 million in cash. OSK Holdings will become RHB Capital's third largest shareholder with 9.88% shareholding.

There are also additional entities acquired alongside OSK Investment Bank for an aggregate consideration of RM39.9 million in cash, namely:

- 20% equity interest in Malaysian Trustee Berhad
- 20% equity interest in OSK Trustee Berhad
- 100% equity interest in OSK Investment Bank (Labuan) Ltd
- 59.95% equity interest in Finexasia.com Sdn Bhd

Upon completion of the proposed acquisition, a merger of the business of OSK Investment Bank into RHB Investment Bank Berhad (RHB Investment Bank) is expected to be effected. The merger will transform RHB Investment Bank into Malaysia's largest investment bank by assets and marks a significant milestone in RHB Banking Group's ambition in building local leadership and accelerating regional growth to become a leading multinational financial services group.

The purchase consideration implies a 1.77x multiple on OSK Investment Bank's book value of RM1.1 billion as of 30 September 2011 and represents 18.9x last twelve months' normalised earnings adjusted for one-off costs.

The issue price of RM7.36 was arrived at after considering the 5-day volume weighted average market price of RM7.42 of RHB Capital shares up to 28 September 2011, being the last market day prior to the announcement of the application to Bank Negara Malaysia to commence negotiations on the possible merger of businesses of RHB Banking Group and OSK Investment Bank dated 29 September 2011, adjusted for the 2011 interim dividend paid by RHB Capital and the Dividend Reinvestment Plan applied on the said dividends.

The acquisition substantially strengthens RHB Investment Bank's competitive position in Malaysia and delivers immediate established access to key strategic markets in the region. The two investment banks have unique strengths that highly complement each other which today successfully serve distinct customer segments. This combination will result in synergistic benefits which will strengthen the Group's business capabilities as well as broaden regional reach.

YBhg Dato' Mohamed Khadar Merican, Chairman of RHB Capital and RHB Investment Bank, said, "This acquisition will bring us closer in achieving our aspirations to be one of the leading financial services provider in ASEAN. We look forward to being able to complete the transaction and successfully integrating our investment bank businesses."

The transaction is expected to complete in the fourth quarter of 2012 upon the receipt of all necessary approvals.



News Room

This release contains forward-looking statements such as the outlook for the RHB Banking Group. Although RHB believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct subsequently. Actual performance may be materially different from that anticipated or described herein, and RHB Capital's financial and business plans may be subject to change from time to time.

For media enquiries, contact:
Melati Kesuma Binti Kamaruddin
Corporate Communications
Tel: 603-9280-2445
Email: melati@rhb.com.my

About the RHB Banking Group

The RHB Banking Group is one of Malaysia's fully integrated financial services group. The Group's core businesses are streamlined into seven Strategic Business Groups (SBGs): Retail Banking, Business Banking, Group Transaction Banking, Corporate & Investment Banking, Islamic Banking, Global Financial Banking and Group Treasury. These businesses are offered through its main subsidiaries - RHB Bank Berhad, RHB Investment Bank Berhad, RHB Insurance Berhad and RHB Islamic Bank Berhad, while its asset management and unit trust businesses are held under RHB Investment Management Berhad. The Group has its presence in Singapore, Thailand and Brunei. RHB Investment Bank is a top investment bank in Malaysia with a market leading position in M&A and capital markets segment.

It's time we simplify banking